Transcript for Episode_10

Quick recap

This meeting focused on analyzing Bajaj Auto's financial performance and fair value estimation. PIYUSH discussed the company's quarterly results, examining sales growth, profit margins, and earnings per share trends across different quarters. He analyzed historical data from FY25, including revenue from operations, profit after tax, and margins, to make projections for FY26. Based on the analysis, PIYUSH estimated a 19% sales growth and a margin of 15.7% for the current year. He also calculated the trailing and forward EPS, resulting in a PE ratio of around 24-27, which he considered favorable for the stock. The discussion included detailed calculations of revenue, profit, and margin data from various quarters to support the fair value estimation of approximately 8335 for Bajaj Auto shares.

Summary

Fair Value and Financial Quarters

Piyush discussed fair value tracking and valuation methods, explaining how current scenarios are evaluated against expectations. He outlined the quarterly financial year structure in India, detailing how results are reported across different quarters and the timing of releases for each quarter. Piyush explained the sequence of quarters and when results would be announced, providing a clear timeline from April to the following year.

Financial Results Timeline Discussion

Piyush discussed the results timeline for different quarters, explaining that Q1 results cover April to June, Q2 covers July to September, Q3 covers October to December, and Q4 covers January to March. He noted that Q3 results are already prepared and will be available in 9 months, while Q4 results will include the entire financial year's results. Piyush mentioned following a specific trend in presenting these results.

FY25 Financial Results Review

Piyush discussed financial results for FY25, noting a 13.6% car sales growth and 14.4% margin. He mentioned reviewing results for Q1, H1, and 9 months, as well as comparing them to Bajaj Auto's performance. Piyush indicated the need to check certain data and open new items for review.

Q1 Results Publication Timeline

Piyush discussed corporate announcements and results, focusing on the publication timeline for Q1 results covering April, May, and June. He mentioned that the results would be published on July 6th, with an emphasis on sales growth, profit growth, and margin trends. Piyush noted the importance of achieving both demand and profit targets.

Quarterly Revenue and Sales Growth

Piyush discussed the latest quarter's results, focusing on revenue and sales growth. He calculated the sales growth as 10% and mentioned the profit after tax (PAT) as 2210 crore, resulting in a profit percentage of 14%. Piyush noted that these figures indicate favorable demand and potential profit improvement.

H1 Financial Results Analysis

Piyush discussed margin calculations and profit data, specifically mentioning a figure of 2210 and performing divisions to analyze margins. He reviewed H1 results and discussed standalone and consolidated data, including balance sheet information and cash flow statements. Piyush also compared current quarter data with previous quarters and discussed combining data from Quarter 1 and Quarter 2 for half-year analysis.

Financial Performance Review Meeting

Piyush presented financial data including total revenue from operations of 38868 crore and profit after tax of 4333 crore, discussing calculations and margins across different quarters. He analyzed sales growth from April to September and examined profit margins, particularly comparing data between quarters 1 and 2. The discussion appeared to focus on reviewing financial performance and results for recent quarters, though specific details about comparisons or decisions were not clearly captured in the transcript.

9-Month Financial Results Review

Piyush reviewed the 9-month financial results, analyzing revenue from operations at 45,073 crore and profit at 7,082 crore. He noted an improvement in profit margins from the previous year and projected a potential 19% sales growth. Piyush also observed that the current margin stands at 15.6-15.8%, up from last year's 14.4%.

Bajaj Auto Financial Performance Analysis

Piyush discussed Bajaj Auto's financial performance and valuation estimates. He presented EPS data for different quarters, noting trailing EPS of 318 and forward EPS of 35. Piyush explained the calculation of PE ratios and how to compare them with earning growth to assess stock valuations. He emphasized the importance of considering sales growth and margins when evaluating a company's performance and potential.