

Annual press conference 2020

Bosch Limited registers 16.6 percent Profit Before Tax (before EI) in FY 2019-20 from continuing operations

May 22, 2020
Corp/C/CCR-IN
CIN:
L85110KA1951PLC000761

- ▶ Investments stood at INR 399 crores in fiscal year (FY) 2019-20
- ▶ Total revenue from operations declined by 18.6 percent during the FY 2019-20 due to the slowdown in auto industry.
- ▶ Profit Before Tax (PBT) from continuing operations and before exceptional items stood at 1,636 crores, down 29.9 percent compared to the previous year
- ▶ For the quarter ended on March 31, 2020, total revenue from operations declined by 18.1 percent compared to the same period of the previous year
- ▶ Dividend of INR 105 per share proposed for FY 2019-20

Bengaluru – Bosch Limited, a leading supplier of technology and services, ended its fiscal year 2019-20 with a total revenue from operations of INR 9,842 crores (1.25 billion euros), thus registering a decline of 18.6 percent compared to the previous fiscal year. Profit Before Tax (PBT) from continuing operations and before exceptional items declined by 29.9 percent to INR 1,636 crores. PBT in FY 2019-20 thus amounted to 16.6 percent of total revenue from operations. “The financial figures reported are in-line with the downward trend in the automotive industry which has been going through a challenging phase for some time and is now having to deal with the impact of the coronavirus. More than ever, it is now important to stay connected with associates and customers and assess ground-level activities. We have to prepare ourselves for a prolonged slowdown in the market in FY 2020-21”, said Soumitra Bhattacharya, Managing Director of Bosch Limited.” He further commented, “Following directives from the Center and State, Bosch Limited gradually ramped up its production in the country. We have taken multiple safety measures for our associates and we are making every effort to ensure sustained and stable supplies to support our customers.”

During the FY 2019-20, Bosch Limited has made a provision of INR 717 crores, towards various restructuring, reskilling and redeployment initiatives. These provisions are in line with the company’s transformation initiatives and has been made to capitalize on opportunities emerging in electromobility and other mobility

related projects. The PBT after exceptional items stood at INR 920 crores, or 9.3 percent of total revenue from operations. Profit After Tax (PAT) from continuing operations stood at INR 730 crores before exceptional tax items. The impact of deferred tax assets, due to exercising the option of a concessional tax rate of 22 percent plus applicable surcharge and cess for domestic companies has been defined as an exceptional item. In accordance with the approvals received from the Board of Directors from the shareholders, Bosch Limited has executed a business transfer agreement on October 1, 2019 and transferred the business of the former Packaging Technology division.

Consequently, the Profit Before and After Tax of INR 87 and 65 crores respectively of this division has been disclosed separately as discontinuing operations for the year. PAT for the period including discontinuing operations stood at INR 650 crores in the financial year 2019-20. Total investments in 2019-20 amounted to INR 399 crores with major spend on expansion of our Bidadi plant and Adugodi campus.

Results in Quarter 4 of FY 2019-20

In the quarter ending on March 31, 2020, – Quarter 4 of FY 2019-20 – Bosch Limited posted a total revenue from operations of INR 2,237 crores, thus registering a decline of 18.1 percent compared to the corresponding quarter in 2019. PBT before exceptional items from continuing operations for the current quarter stood at INR 361 crores, 36.2 percent decline over the same period of previous year. The decline is due to the reduced turnover following the market slowdown and the impact of the coronavirus pandemic during the last few days of the quarter. The PBT after exceptional items stood at INR 64 crores which is a margin of 2.9 percent of total revenue from operations.

During the quarter, Bosch Limited has made an incremental provision of INR 297 crores, towards various restructuring, reskilling and transformational projects as mentioned above. The PAT from continuing operations before and after exceptional items stood at 13.9 percent and 3.6 percent of total revenue from operations respectively. “Bosch is adapting to the current market developments with measures to manage resources and enhance operational efficiencies. Various restructuring and transformation projects are under implementation to secure future profitability and growth. We will continue our investments in future business viz. electrification, mobility services and revamping of our Adugodi campus as a technology hub.” said Bhattacharya. Total revenue of Bosch Limited’s Mobility Solutions Business sector decreased by 23.7 percent in the quarter ending on March 31, 2020. Within this business sector, total revenue of the Powertrain

division declined by 29.5 percent, while the Two-Wheeler and Powersports product unit witnessed good growth during the quarter.

Business development in FY 2019-20

Bosch Limited's Mobility business sector declined by 24.4 percent in 2019-20, due to slowdown in the auto segment. Domestic sales declined by 25.9 percent and export sales declined by 6.1 percent. Within the Mobility segment, the Powertrain Solutions business registered a decline of 30.2 percent owing to low performing automotive market. Business beyond Mobility solutions has recorded a decline of 14.4 percent.

Considering the company's performance, the Board of Directors recommended a dividend of INR 105 per share for this twelve-month period.

Bosch Limited: Outlook for fiscal year 2020-21

Speaking about the outlook for the upcoming fiscal year, Bhattacharya commented: "As a leading automotive technology company with 80 percent of our revenues driven through mobility business, we have been affected severely. We welcome the Prime Minister's announcement of INR 20 lakh crore economic package and hope to see some light towards economic growth. We are still awaiting to receive further guidance on industry-specific stimulus package that will support the auto sector."

Bosch has a long term strategy to shape the market in key technologies with innovative products and solutions. Bosch Limited thus continues its stance to be a technology agnostic partner to Customers, Government and Stakeholders at large. Since 2017, Bosch has executed 79 BS-VI projects in Passenger Cars and Commercial Vehicles segments with major OEMs. Amidst the crisis, Bosch in India will continue with critical investments in competence development as well as for solutions designed and developed in India and for India. For all Bosch businesses beyond Mobility Solutions, the company has a two-pronged approach. On the one hand, Bosch continues to bring-in 'Fit for market' products and solutions while on the other, the company will increase its 'Go to Market' footprint using both offline and digital platforms.

Bosch Group: Outlook for 2020 and long-term strategic course

In view of the coronavirus pandemic, Bosch anticipates considerable challenges for the global economy in the current business year. To achieve at least a balanced result, will take a supreme effort, the board of management of the Bosch Group announced during the recent Annual Press Conference in Germany. Despite the

challenges of the current situation, Bosch is maintaining its long-term strategic course: the supplier of technology and services is continuing with its systematic pursuit of ambitious climate goals and is developing the activities required to support an expansion of sustainable mobility. “Although other issues are currently in the spotlight, we must not lose sight of the future of our planet,” said Bosch CEO Volkmar Denner. Bosch will reach its global climate action targets for 2020 and make all its 400 locations worldwide [climate-neutral](#). In addition, Bosch set itself the goal to make upstream and downstream activities along the value chain as climate neutral as possible – by 2030, the associated emissions (Scope 3) are expected to fall by 15 percent. Moreover, the company plans to pool the experience from more than 1,000 energy-efficiency projects of its own in a new advisory company, called Bosch Climate Solutions. As climate action is accelerating structural change in many sectors, hydrogen is becoming increasingly important, both in the automotive industry and in building technology. Bosch is therefore working with partners on mobile and stationary fuel cells. When it comes to mobility, what is important according to Denner, is a broad technology offensive that not only sets out a battery-electric path to sustainable mobility, but also takes into consideration efficient combustion engines and especially [renewable synthetic fuels](#) and fuel cells.

Wherever possible, Bosch wants to contribute to efforts to contain the pandemic, for instance through the newly developed rapid Covid-19 test and the Vivalytic analysis device. Bosch intends to produce more than a million rapid tests in 2020, and to increase this to three million next year. Furthermore, Bosch produces facemasks and disinfectants in some regions, mainly used for the protection of its associates.

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About Bosch in India

In India, Bosch is a leading supplier of technology and services in the areas of Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. Additionally, Bosch has in India the largest development center outside Germany, for end to end engineering and technology solutions. The Bosch Group operates in India through twelve companies: Bosch Limited – the flagship company of the Bosch Group in India – Bosch Chassis Systems India Private Limited, Bosch Rexroth (India) Private Limited, Robert Bosch Engineering and Business Solutions Private Limited, Bosch Automotive Electronics India Private Limited, Bosch Electrical Drives India Private Limited, BSH Home Appliances Private Limited, ETAS Automotive India Private Limited, Robert Bosch Automotive Steering Private Limited, Automobility Services and Solutions Private Limited, Newtech Filter India Private Limited and Miviv Engg. Technologies Private Limited. In India, Bosch set-up its manufacturing operations in 1951, which has grown over the years to include 18 manufacturing sites, and

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seven development and application centers. . The Bosch Group in India employs over 31,500 associates and generated consolidated sales of about ₹.19,996 crores* (2.54 billion euros) in fiscal year 2020 of which ₹. 14,011 crores*(1.78 billion euros) are from consolidated sales to third parties. The Bosch Group in India has close to 15,650 research and development associates.

Additional information can be accessed at www.bosch.in

The Bosch Group is a leading global supplier of technology and services. It employs roughly 400,000 associates worldwide (as of December 31, 2019). The company generated sales of 77.7 billion euros in 2019. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT provider, Bosch offers innovative solutions for smart homes, Industry 4.0, and connected mobility. Bosch is pursuing a vision of mobility that is sustainable, safe, and exciting. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to facilitate connected living with products and solutions that either contain artificial intelligence (AI) or have been developed or manufactured with its help. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. Bosch employs some 72,600 associates in research and development at 126 locations across the globe, as well as roughly 30,000 software engineers.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, www.twitter.com/BoschPresse.