



Quarter 02.2019-2020 financial results **Bosch Limited registers 14.8 percent (before EI) profit after tax (PAT) from continuing operations**

November 6, 2019

Corp/C/CCR-IN

CIN: L85110KA1951PLC000761

- ▶ Total revenue from operations declined by 26.9 percent in Q2 of FY 2019-20 over the same period of the previous year.
- ▶ Profit After Tax (PAT) from continuing operations stood at 10.7 percent before the impact of tax rate change on opening deferred tax asset and 4.5 percent after the impact of tax rate change.

Bengaluru – Bosch Limited, a leading supplier of technology and services, posted total revenue from operations of INR 2,313 crores in Quarter 2 of FY 2019-20, registering a decline of 26.9 percent over the same period previous year. The drop is mainly driven by continuing cyclical and structural issues adversely impacting the auto sector. The Profit before Tax (PBT) before exceptional item from continuing operations stood at INR 421 crores which is a decline of 34.4 percent over the same period of previous year.

The Profit before tax after exceptional item stood at INR 291 crores which is 12.6 percent of total revenue from operations.

With the Indian automotive market undergoing major changes from regulatory, technological and market factors, there are opportunities in new segments of electro mobility and mobility solutions. The Company has set up an additional provision of INR 130 crores, disclosed as an exceptional item for the quarter ended September 30, 2019 towards various continuing transformational projects.

In accordance with the approvals received from the Board of Directors on May 21, 2019 and from the shareholders on August 23, 2019, the company has executed the business transfer agreement on October 1, 2019 and transfer of the business of Packaging division. Consequently, the profit before and after tax of this division has been disclosed separately as discontinuing operations.

The Company has exercised the option of concessional tax rate of 22 percent plus applicable surcharge and cess for domestic companies. Consequently, wherever applicable the opening deferred tax asset (net) has been measured at the lower rate, with a onetime corresponding charge of INR 145 crores to the Statement of Profit and Loss.

The Profit after Tax before exceptional item and onetime tax charge stood at 14.8 percent.

The Profit after Tax (PAT) from continuing operations including exceptional item but before onetime tax charge stood at 10.7 percent. The profit after Tax (PAT) from continuing operations stood at 4.5 percent.

Total net profit after tax including discontinuing operations stood at INR 99 crores.

For the half-year ended September 30, 2019, Bosch Limited posted a total revenue from operations of INR 5,068 crores, a decline of 20.2 percent over the same period of previous year. PBT for continuing operations stood at INR 928 crores and PBT after exceptional item stood at INR 716 crores. PAT for continuing operations stood at INR 384 crores after exceptional items. Profit after tax for the period including discontinuing operations stood at INR 379 crores.

“The dip in the company’s performance is mainly due to the downward trend in the automotive sector as a whole, which has been caused not only by sluggish demand but also by a paradigm shift in consumer behavior. To deal with this, the company has initiated a restructuring process. Wherever possible, the company wants to focus on reskilling and redeploying talented associates. Any necessary headcount adjustments will be carried out in a fair and socially acceptable manner, and will also include early voluntary retirement schemes,” said Soumitra Bhattacharya, the managing director of Bosch Limited and president of the Bosch India Group.

Commenting on recent developments, Bhattacharya added: “The announcement made by Prime Minister Modi about the coexistence of combustion-engine and electric vehicles is definitely reassuring for the automotive industry. At Bosch Limited, we have been investing steadily in developing products and solutions for the mobility of the future while enhancing our combustion-engine technologies. The company is already working with vehicle makers on the electrification of the two-, three-, and four-wheeler segments including mobility services.”

Snapshot of business divisions' performance in Quarter 2

Bosch Limited Mobility Solutions turnover decreased by 30.6 percent in Quarter 2 of FY 2019-20, mainly driven by Powertrain Solutions division affected by auto sector slowdown.

Bosch's business beyond Mobility Solutions sector posted a decline of 9.5 percent. The reduction is on account of decline in business of solar energy and security technologies division which are mainly project driven.

For the first half business year ended September 30, 2019, total turnover has declined by 22.5 percent. Sales of Mobility Solutions sector decreased by 24.0 percent whereas business beyond Mobility Solutions sector witnessed a reduction of 12.8 percent.

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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, viz, Bosch Limited, 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 Mivin Engg. Technologies Private Limited. In India, Bosch set-up its manufacturing operation in 1951, which has grown over the years to include 18 manufacturing sites, and seven development and application centers. Bosch Group in India employs over 31,000 associates and generated consolidated revenue of about ₹.21,450 crores (2.66 billion euros) in 2018 of which ₹. 15,824 crores*(1.96 billion euros) from third party. The Group in India has close to 18,000 research and development associates.*

In India, Bosch Limited is the flagship company of the Bosch Group. It earned revenue of over ₹. 12,460 crores (1.54 billion euros) in 2018. Additional information can be accessed at www.bosch.in

About Bosch Group

The Bosch Group is a leading global supplier of technology and services. It employs roughly 410,000 associates worldwide (as of December 31, 2018). The company generated sales of 78.5 billion euros in 2018. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. 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 deliver innovations for a connected life. 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 460 subsidiary and regional companies in over 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. At nearly 130 locations across the globe, Bosch employs some 68,700 associates in research and development.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

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