

Operator: Ladies and gentlemen, good day and welcome to the Bosch Limited Q4 FY26 post-result conference call hosted by 361 Capital Market. From Bosch management, we have with us today Mr. Guruprasad Mudlapur, Managing Director and Chief Technology Officer, and Ms. Karin Gilges, Chief Financial Officer. At this point, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the management presentation and opening remarks. Over to you, sir.

Management: Thank you. Good morning everyone and welcome to our Q4 FY26 earnings conference call. We will begin with an overview of the current macroeconomic landscape and our outlook. The domestic economy remained resilient in the last quarter of fiscal year 2026, driven by robust private consumption through fiscal stimuli and stable monetary policy from the Reserve Bank of India (RBI), which has kept inflation within the targeted range of 2–6% under the flexible inflation targeting framework. This flexibility is critical for India's macro stability in FY27, allowing the RBI to balance inflation control amidst external shocks with growth prioritization to avoid policy-induced slowdowns.

Significant global headwinds continue to demand our attention. The heightened geopolitical instability, particularly in West Asia, continues to pose a material risk to energy price stability and has created volatility in key shipping and logistics routes. While the acute semiconductor shortages of the past have eased, the overall supply chain environment remains fragile. Geopolitical friction creates new unpredictable bottlenecks that require constant monitoring and proactive management.

Given this context, our outlook for fiscal year 2027 is one of cautious optimism. We are confident that the government's continued focus on capital expenditure outlined in the budget will bolster domestic demand and create opportunities. However, our strategy is built to be resilient in the face of external uncertainty. Our key priorities will be to enhance supply chain agility and manage commodity and currency risks effectively.

The fourth quarter of fiscal year 2026 was characterized by broad-based production growth across all major automotive segments. Passenger vehicle demand accelerated notably towards the year-end, driven by strong SUV traction, leaner dealer inventory, and robust consumer sentiment. Festive and wedding season tailwinds further supported momentum alongside GST benefits. As a result, inventory levels normalized to a healthy average of approximately 28 days compared to an average of approximately 52 days in the previous year ended March 31, 2025.

Light commercial vehicle production recorded healthy growth. Key drivers included e-commerce demand during the festive season, a 10% increase in infrastructure spending that supported freight activity, and budget utilization by fleet operators. Stable credit conditions and a cumulative 125 basis point repo rate cut have improved financial affordability for small operators. Heavy commercial vehicle growth was supported by a 10% increase in infrastructure spending, leading to stronger goods movement and Q4 budget utilization by fleet operators and logistics firms. This, alongside stronger infrastructure-led goods movement and demand for school buses, drove growth. Additionally, steady replacement demand also provided an underlying boost.

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The tractor segment was a standout performer, supported by robust rural demand, favorable farm economics, and a strong rabi sowing season where total area coverage increased by approximately 1.59 million hectares year-over-year. Policy tailwinds further boosted growth, enhancing affordability and driving both first-time and replacement demand. Three-wheeler production rose sharply, supported by demand for urban mobility and heightened last-mile cargo activity during the festive season. OEMs scaled up production in anticipation of sustained demand, aided by supportive policies and festive tailwinds. The two-wheeler segment posted healthy growth, supported by strong festive and wedding season demand, improved rural liquidity, and stable urban consumption.

India's automotive industry is expected to witness steady growth in FY27, supported by stable macroeconomic conditions and continued policy support. The passenger vehicle segment is expected to record steady growth in FY27, supported by resilient consumer demand. However, geopolitical uncertainties, particularly the West Asia conflict, may weigh on demand in Q1, though the overall outlook remains stable. The commercial vehicle segment is projected to register steady growth, aided by sustained infrastructure spending and strong e-commerce-led logistics demand. The tractor segment is expected to post steady growth, supported by healthy reservoir levels and stable prices, aided by the deferment of emission norms in the 25 to 75 HP category. However, potential El Nino conditions could pose a downside risk. The three-wheeler segment is likely to witness positive growth driven by organic growth in both passenger mobility and last-mile cargo demand. The two-wheeler segment is expected to register healthy growth, with a below-normal monsoon potentially weighing on rural demand. Nonetheless, stable macroeconomic fundamentals are likely to provide underlying support.

Regarding sector-wise sales performance: Quarter-on-quarter, the mobility business has grown by 23.3% in the January to March 2026 period as compared to January to March 2025, driven mainly by the power solutions business, which grew by 27.4% on account of robust growth in the overall automotive market. The two-wheeler business grew by 63.4%, mainly on account of higher sales of exhaust gas sensors due to the ramp-up of OBD2 norms implementation from April 1, 2025. The consumer goods business grew by 14.3%, driven by product range expansion to traditional trade channels and incrementally supported by e-commerce growth.

Comparing FY25 versus FY26: The mobility business has grown by 16.9% in the April to March 2026 period as compared to April to March 2025, driven mainly by the power solutions business which grew by 17.6%, following higher demand in the overall automotive segment. The mobility aftermarket business grew by 3.7%, driven by steady demand for core products with additional support from the OE segment. As already seen in quarter-over-quarter growth, the two-wheeler business has grown significantly by 69.1% due to the ramp-up in the sale of exhaust sensors resulting from OBD2 norms implementation from April 1, 2025. The consumer goods business grew by 6.4%, mainly on account of growth in global and blue tools and accessories and incentive schemes launched.

Management: Quarter-on-quarter, revenue from operations in the January to March 2026 period stood at 55,657 million INR, which grew by 13.3% over the January to March 2025 period. The growth was mainly driven by higher sales in power solutions and two-wheeler power sport segments, as seen in the previous slides. Likewise, revenue for the period April to March 2026 grew

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by 10.8% over April to March 2025, moving from 180,874 million INR to 200,347 million INR. This growth was also driven by strong performance in the power solutions and two-wheeler power sport segments.

EBITDA for January to March 2026 was 7,815 million INR, which grew by 20.8% over the same quarter of the previous year. The improvement in EBITDA margin was primarily driven by revenue growth and optimization of expenses. EBITDA for the period April to March 2026 was 26,503 million INR, as compared to 23,097 million INR for April to March 2025, representing a growth of 14.7%. The improvement in EBITDA margin was primarily driven by revenue growth, reduction in material cost, and budgetary control on expenses. The profit after tax for January to March 2026 increased by 2.7% over the same quarter of the previous year. Profit after tax for FY26 stood at 27,702 million INR, which is a growth of 37.6% over the same period of the previous year. The significant growth in PAT is mainly due to the profit on the sale of the video solutions access, intrusion, and communication systems under the building technology segment.

I will now walk you through key highlights in each of our business divisions. The power solutions division achieved a landmark result, surpassing 130 billion INR total net sales for the 2025 calendar year. We closed the fiscal year with momentum, delivering over 14 billion INR in the fourth quarter. The results reflect our unwavering commitment to performance, customer focus, and the deep trust our customers place in us. This success is underpinned by our continued focus on preparing customers for upcoming legislation. For the upcoming TREM Phase 3 regulations, we are ensuring our customers will be fully prepared by actively aligning with OEMs for the rollout scheduled in April 2026. In parallel, we are spearheading the adoption of ADAS in commercial vehicles. Our proactive approach positions our partners to comply seamlessly as this important regulation takes effect starting in January 2027 for new commercial vehicle models and extending to all commercial vehicles by October 2027.

Moving to our two-wheeler and powersports division, we saw a significant surge in demand following the recent GST reforms. Our operational team successfully scaled production to meet this demand. Importantly, it was achieved while managing ongoing supply chain pressures. We maintained our 100% delivery commitment to all OEMs, ensuring zero production disruptions. On the innovation front, Bosch Limited was named one of India's top 50 innovative companies by CII, and our two-wheeler division was a key contributor to this award. Specifically, our new intelligent puncture detection system was commended this year. This follows last year's recognition of our sensorless quickshift technology, highlighting our consistent focus on developing practical, user-centric solutions.

Now turning to our mobility aftermarket division, the independent aftermarket stagnated as it continued to face significant supply chain pressures. However, our original equipment (OE) segment witnessed robust growth, which was fueled by exceptional performance in OEM filters and spark plugs. Export sales in the mobility aftermarket business delivered outstanding growth of around 17%, reflecting notable improvements in key international markets, specifically Nepal, Bangladesh, and Sri Lanka. Across our core product portfolio, our sustained focus on go-to-market strategies and market coverage initiatives drove steady growth. This positive development was also seen across a broad range of categories including filters, lubricants, rotating machines, braking systems, wipers, and auto electricals, demonstrating the fundamental health of our offerings.

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Turning to our power tools division, this quarter was marked by a major strategic milestone. We became the first power tool company in India to receive the mandatory BIS certification for key products like our angle grinders, drills, and hammers. By securing this, we have ensured uninterrupted market access for these products, further strengthening our market-leading position. We also expanded our professional tool portfolio with the successful launch of our new magnetic drill, the GBM 32. This was our first locally sourced finished good and it addresses a much-awaited market requirement. Finally, the strong momentum in our cordless segment continued, delivering another quarter of double-digit growth. This performance was driven by our strategic Cordless 3.0 initiative. This campaign is designed to create a battery lock-in effect by deploying targeted online and offline promotions across 25 key industrial clusters, accelerating the adoption of our battery platform.

In another strategic milestone, we are pleased to announce a joint venture with Brakes India Private Limited and Wheels India Limited. At Bosch, we are continuously expanding our capabilities to solidify our global partnership in the commercial vehicle sector. This joint venture is a decisive step to shape the future of advanced air systems. By integrating premier engineering and manufacturing prowess, we are co-creating state-of-the-art intelligent modules that will empower our customers globally to build more advanced commercial vehicles. The joint venture will focus on the engineering, manufacturing, and sale of electronically controlled and software-driven modules for air compression, air processing, air suspension, and air parking brakes. With a registered office in Chennai, the global supply chain, including India, will be managed by entities of Bosch, Brakes India, and Wheels India.

Thank you all for your contribution and for patiently listening to the call. We will now address your questions.

Operator: Thank you, sir. We will now begin the question-and-answer session. The first question is from Pramod Amthe. Please go ahead.

Pramod Amthe: Hi. Thank you for this opportunity. Can you hear me?

Management: Yes, we can.

Pramod Amthe: The first question is with regard to the growth outlook. When I see your volume outlook of next year, it looks to be flattish in many cases except for one or two segments. In that background, do you see a scope for Bosch in any of the segments to increase content per vehicle and outpace the industry volume growth? If you can talk about sub-segments.

Management: I think to answer your question, I would put it in two parts. The first part on content per vehicle is a constant increase; this is happening and we have discussed this a couple of times in the past. This is a trend that continues all the time for us, and we expect this trend to continue in the upcoming fiscal year.

The second part of the question is that we are a bit cautiously optimistic. We are cautious because of the potential headwinds in front of us, specifically the West Asia conflict now going on, which could have a serious impact on crude oil prices. If the pass-throughs are high, there could be a negative impact on the economy. Therefore, we want to be cautious. We have currently maintained

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a flattish outlook, but that does not mean we have issues ramping up when required or going much beyond that, just like the year we just closed.

Pramod Amthe: Second question is with regard to the joint venture route you are taking for some of the new product lines. This is the second in that series after the e-Axle and now for the brake systems. I wanted to know what the thought process is and why this format was taken for each of these cases. What do you feel are the advantages? Bosch is a global epitome of R&D and products. Why go for an equal joint venture? What advantages are you looking at versus a shareholder who looks at the loss of medium-to-long-term revenue and profit potential if you had seeded these businesses on your own?

Management: That is a fair point from your perspective. We have previously answered why we went into a joint venture on the e-Axles. I will now focus on why we are doing a joint venture on the air systems for commercial vehicles. As Bosch, we have huge engineering capability and the capability of manufacturing and selling products and solutions across the world. However, in this specific area of electronic control software-driven modules for air compression, processing, or suspension, Bosch is not a player at all.

We have capabilities to get in and do everything ourselves, but we felt that the commercial vehicle market works with established players. The TSF Group is a very strong player in pneumatics and hydraulics for commercial vehicle suspension, braking, and air systems. Now the market worldwide is quickly moving towards electronically controlled, software-driven modules, and we have that side of the capability. We thought it is good to partner and put the efforts of two companies together to get to market quickly. This is the starting point of the equation, and we can see how this develops.

In India specifically and also globally, we are not playing in this portfolio at all. Through this joint venture, we actually get into this portfolio. It is a new entry for us, and we felt this is a good, quick, and effective way of combining the forces of two companies with good capabilities in a new area to get to market as quickly as possible.

Pramod Amthe: If I can ask further on that, compared to a Tier 1 OEM, with the pricing power and technology you offer, do these joint ventures for e-Axles and brakes make you Tier 1 minus or Tier 2? Do you feel that is not a problem as long as you are addressing the business opportunity?

Management: No, we do not see this as any change in our tier position. We will continue to play the same Tier 1 role. Specifically, all details on the current announcement are being worked out, but this is a venture which will help us scale globally because the market for these air systems today is largely global. India will come in at some point soon, but currently, it is largely global. When we take it global, we take it as Bosch. When we take it local, we take it through the joint venture, and of course, the TSF Group also can do similarly. We do not see this as any change in our tier position at all.

Pramod Amthe: Thanks for that detailed explanation. Since you now have two joint ventures, along with the capex outlook, would you also incrementally talk about what the joint venture requirement for funding is in a particular year to help us do financial modeling better?

Management: Yes, we can look into this. The joint venture details are going to be published and they are available already. We have already notified the regulators on this. Our own capex has also been specified, so the details are available.

Operator: The next question is from Mukul Kushwaha. Please go ahead.

Mukul Kushwaha: Thank you for the opportunity. Just continuing on this JV question, will this JV focus more on the advanced brake systems or will it also cover traditional braking and suspension systems?

Management: This is more for the advanced suspension systems. It covers electronically controlled software-driven modules for air compression, air processing, air suspension, and air parking brake solutions.

Mukul Kushwaha: It would cater to EV products and upcoming regulations like ESC, correct?

Management: This is for commercial vehicles. It can be used across the range for trucks and buses, including both internal combustion engines (ICE) and battery electric vehicles (BEVs).

Mukul Kushwaha: And it would cater to LCV and M&HCV across the segments?

Management: Yes, that is correct.

Mukul Kushwaha: On the operation ramp-up, how do you see the ramp-up and investment phase for this JV?

Management: We currently see this joint venture commencing operations at the end of 2026. We will still have to win projects, and we are working on that topic already. As we go further with the setup and establishment of the joint venture, we will provide more information.

Operator: The next question is from Ronak Seta. Please go ahead.

Ronak Seta: Thank you for this opportunity. I just had one question. If you could share the full-year performance for Bosch Chassis Systems for FY26 in terms of revenue, margins, and profitability, that would be great.

Management: Thank you for the question. We have published the valuation report, but we are not yet through the process for the whole Conditions Precedent (CP) report. We cannot disclose figures for Robert Bosch Chassis Systems before the closing. However, as you could see from the valuation report and what we have published regarding our intent with the acquisition, we see that we are meeting our original plans in the overall mobility segment within Bosch India.

Management: Just to expand on that, we have informed you of our intent to buy this company. It required shareholder approval, which we have obtained in the meanwhile. Minority shareholder approval was obtained, but we are still waiting for regulatory approval on proceeding further. Until we formalize that, we would resist giving those details.

Operator: The next question is from Chetan. Please go ahead.

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Chetan: Good morning and thank you for the opportunity. Since you mentioned that we are going to fill a major product gap where Bosch is not present in India or globally, can you help us understand the size of this particular system or market for us in India versus globally, and the split between OEM and aftermarket?

Management: In India, this is very nascent. The air-processed braking and suspension systems market in India is a brand-new portfolio. It is something that we see upcoming in the coming years. However, the interest currently is largely global, as many countries already have legislation and are adopting fully electronically controlled software-driven modules for air compression, suspension, and braking. At this point, the market is largely global, and in the coming 2 years, we see more adoption of this in the Indian market. In the coming months, we will share more information on the joint venture and its market potential and opportunities.

Chetan: Ballpark, what would be the content per vehicle for us in this product in a global market and how much would Bosch India contribute to it?

Management: I do not want to speculate and give you a number now. The project details are in the scope of finalization. We will certainly share more information, probably in the next call, regarding the market opportunity, content per vehicle, and the exact scope.

Chetan: By what timeframe are we expecting this joint venture to start ramping up business? Will the TSF partners set up dedicated manufacturing or utilize their existing plants?

Management: The joint venture aims to start first operations in late 2026. All of this is subject to regulatory approvals and us being operationally ready. The joint venture will offer samples in 2027 based on customer demand, with series readiness by 2028.

Chetan: Any other joint ventures regarding segments like wind energy that you are exploring?

Management: We do not speculate on calls like this. As we have informed multiple times, we are always working on portfolio expansion, decluttering, and enhancement. This is a constant endeavor for us. As and when we have information worth sharing or regulatory approvals, we will share it immediately. There is continuous work happening on many different aspects.

Operator: The next question is from Vedant. Please go ahead.

Vedant: Thank you for the opportunity. On the other expenses for this quarter, I see a 9% year-on-year decline and a 10% sequential decline. Can you guide me through what led to this decline and what sort of expenses are included?

Management: Thank you for the question. One part of our other expenses is customer projects, which you can find under revenue and other income from services. In the previous year, we had a very big project with a customer, which was reflected in the other expenses. Furthermore, if we look at other factors, we have the foreign exchange gains and losses due to INR fluctuations. Overall, we are also working on our budgets and cost progress in other expenses. We had better fixed-cost absorption. To summarize, we had a major project in the last financial year, better fixed-cost absorption in this financial year, ongoing cost progress, and offsets from foreign exchange impacts.

Vedant: Looking at the commodity cost environment and elevated energy prices, how are you seeing the overall cost outlook in FY27?

Management: We are in a competitive market. On one side, we are working on material costs via localization, negotiation, and our design-to-RPP (Ratio Project Planning) initiatives. On the other hand, we are working strongly on productivity in our plants. We have very good productivity progress again. We are ramping up AI in our plants to gain productivity and efficiency. So, yes, it is a competitive market, and we are working on cost progress accordingly.

Vedant: Turning to your outlook across segments, it is flattish. Your customers are guiding for high single-digit or double-digit growth for FY27. Why is your guidance for FY27 flattish?

Management: As mentioned, we saw a very strong last quarter of financial year 2026. What we are seeing going forward is that we are being a little careful and more conservative looking at the overall geopolitical environment, such as the Strait of Hormuz, the Ukraine war, and other global aspects. Therefore, we are cautiously optimistic.

Operator: The next question is from Prajit. Please go ahead.

Prajit: My question is related to the joint venture with Tata AutoComp. I believe it was supposed to start operations in mid-2026. Can you share an update and how much has been invested to date? When will we see sales from the JV?

Management: The establishment of the joint venture was mid-2026, and it is on track. The SOP (Start of Production) from the joint venture is most likely in the third quarter of next calendar year, and everything is on track for that.

Prajit: So Q3 FY28 is when the revenues will start to come in?

Management: That is correct. The first shipments from the joint venture will happen from the third quarter of next calendar year.

Prajit: Have we received orders or pre-orders from any clients?

Management: Yes, we have orders from clients based on which the whole concept was worked on. We will share more details on the exact orders and joint venture activity once it is set up in the coming months.

Prajit: Just a quick clarification: where can I find the valuation report for the acquisition of the chassis business?

Management: It was published together with the postal ballot notice. There is a link, but please drop an email to our company secretary, and we can provide the link for you to access it.

Operator: I will read a question from the chat box. In the presentation, we indicated we are helping customers with CAFE 3 norms. Will our content per vehicle improve meaningfully with CAFE 3?

Management: Yes, content per vehicle will increase. We can share more details about this in upcoming calls.

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Operator: The next question is from Akshay. Please go ahead.

Akshay: Thank you for the opportunity. In the larger scheme of the Bosch Group globally, can Bosch India become a global manufacturer for certain products or a preferred low-cost supplier for the group supply chain?

Management: We have answered this a few times in the past. Certainly, there is an opportunity for us to become a player in the overall scheme. Bosch operates in an international production network where production centers are typically set up in the regions where consumption happens—Europe for Europe, India for India, and China for China. There is a small amount of export from each region based on shortfalls or extra demand.

Currently, we already export a small percentage from India to the rest of the world. This is definitely not the limit of how this will be over the coming years, and we are currently working on how our production architecture might change. When this changes, we will see what bigger role we can play. There are preconditions; everything has to make economic and commercial sense, particularly in the context of landed costs for customers. When we export from here, the landed cost has to be the same or cheaper than other locations to meet contracted obligations. We are constantly looking at opportunities.

Akshay: Do you have any assessment of the difference in production or landed costs between Bosch India and Europe?

Management: It is hard to give a specific percentage, and we cannot speak for the entire Bosch Group. However, I can say that we are working on cost competitiveness via material localization and overall value-add efficiency. There are two important aspects to consider. We mentioned landed costs, which include logistics. You have to see where the final customer is. Currently, the situation in the Strait of Hormuz and general logistics costs are not providing a tailwind. Nevertheless, we are moving forward to increase our export share. For example, we started manufacturing NOx sensors in our Bidadi plant and have a significant export share going back to Europe. Depending on the product, we are competitive, but you have to look at the entire supply chain.

Operator: I will read a question from the chat box. What is the alignment for Bosch on the upcoming BS7 norms? What is the preparedness and opportunity?

Management: As stated, we are a technology-agnostic player and support all technologies. We have already demonstrated technologies for Euro 7, the European version of BS7, and have been working with OEMs for some time. In terms of technology preparedness and manufacturing capabilities, it is not a challenge for us. We are well-prepared to handle the movement toward BS7 if and when the government legislates it.

Operator: There are no more questions. Any closing comments you want to make, sir?

Management: Thank you everyone for your attention today. In my view, we have had an extremely good year, both in the last fiscal year and the most recent quarter. Production and sales have been positive. We hope to continue this momentum, barring headwinds from economic downturns, higher inflation, or other parameters. We are on a good track and hope to keep it that way. Thank

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you very much.

Operator: Thank you to all the participants. This concludes the call. You may now disconnect.

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