

Sixty-Ninth Annual General Meeting

Bosch Limited

Bengaluru, August 5, 2021

Ladies and Gentlemen,

It is a great honour for me, and a matter of immense pride, to address you all as the newly appointed Chairman of Bosch Limited. As this is the first time, I am addressing you in this capacity, I would like to take a moment to introduce myself. I am a lawyer by profession, and I have an MBA degree from Ashridge Management College of London University. I hold the position of Chief Compliance Officer at Robert Bosch GmbH since April 2019. Before joining Bosch, I had been associated with the Merck Group for more than 20 years in various functions such as Group Compliance Officer, Head of Data Privacy, Head of Electronic Materials Business Field etc.

My fellow board members and I hope each of you and your families are safe and to further ensure your safety, we are conducting the 69th Annual General Meeting through a digital platform. We hope the notice convening the meeting, the Directors' Report, and the Audited Accounts for the year FY2020-21 reached you on time.

Ladies and Gentlemen, since the beginning of 2020, we are going through extraordinary times. India had to face perhaps the biggest challenge during the 2nd wave of Covid-19 which had a major impact on the healthcare system. Our thoughts remain with all those directly and indirectly impacted due to this pandemic. India is now overcoming the situation with the onset of a focussed vaccination drive and a regulated phased unlocking of the economy.

Let's take a look at a short video that exhibits our journey of resilience, trust and revival in one of the toughest years for the industry.

(Video by CGR Dept)

Ladies and Gentlemen, in my speech today, I will take you through the macro-economic situation, automotive market situation, the financial performance of your Company during FY2020-21 and the outlook for the future.

Global Economic Situation

With the unprecedented outbreak of Covid-19, stringent containment measures were announced to combat the pandemic which reduced levels of consumer and business spending. However, timely and aggressive monetary and fiscal policy easing by world central bank and governments provided support to the world economy which eventually contracted by only 3.1% in 2020. IMF projects global growth at 6% in 2021 lead by US, China, and India. However, with multiple waves of Covid-19 across countries, we would like to maintain a cautious outlook for the remainder of the financial year.

Indian Economic situation

India's GDP contracted by 7.3% in FY2020-21 marking its first contraction across decades. While India dealt with the second wave with localized lockdowns, the economy is expected to bounce back and grow between 8-9% in FY2021-22 over a low base. Currently to mitigate the impact of the 3rd wave, the biggest challenge for India continues to be vaccinating its large population. As we speak today, more than 25% of India's population has been partially vaccinated and more than 7% is fully inoculated.

(go to slide 2 Indian Automotive Market)

Indian Automotive Industry and Market Scenario

The Covid-19 pandemic has added to the woes of an already ailing automotive industry which was going through a structural change since the beginning of 2019.

Demand for Passenger Vehicles was stronger than expected due to shift in preference towards personal mobility due to pandemic. This was reflected in strong demand with first-time buyer share increasing to 50% of domestic volumes in FY2020-21 from 45% in previous financial year. Moreover, the automotive industry registered healthy retail numbers during the festive season and beyond.

The medium and heavy commercial vehicle segment continued to decline for the second consecutive year due to the pandemic. Strong rural recovery, increasing fleet utilization and government's measures to revive the economy through infrastructure spending will likely drive volumes going forward.

Agriculture output has consistently seen double digit growth which led to the tractor segment outperforming the overall automotive industry with a 27% growth in FY2020-21.

Key reason for the fall in two-wheeler sales is the BS-VI price hike which has increased two-wheeler prices by 10-15%. High fuel prices have also pushed up cost of ownership. However, positive rural income sentiments supported two-wheeler demand.

(go to slide 3: Total revenue from operations)

Performance of the Company in 2020-21

Ladies and Gentlemen, I now turn to the performance of your Company in FY2020-21.

Your Company has posted total revenue from operations of Rupees 97,180 million in FY2020-21 thus registering a decline of 1.26 percent over FY2019-20 on a comparable basis. The domestic product sales of your Company declined by 0.7 per cent, whereas export product sales increased by 9.4 percent.

The Mobility Solutions business, which constitutes 84.6 percent of total revenue from operations for 2020-21, posted an increase of 0.4 percent over the previous year. The Business beyond mobility, mainly comprising of Power Tools, Energy & Building Technology, witnessed a decline of 9.6 percent in sales over previous year.

The Company's exports increased by 9.4 percent as compared to previous year. Total export product sales accounted for 9.6 percent of your Company's total sales.

(go to Slide No 4 – Business Division Performance – Mobility)

I'd like to now share some insights into the performance of the business divisions. Powertrain Systems business declined by 1.5 percent compared to the previous year.

Your Company's Automotive Aftermarket division is the largest Independent Aftermarket network in India. It declined by 6.2 percent in the current year.

(go to Slide No 5 – Business Division Performance – Business Beyond Mobility)

The Consumer Goods segment comprising Power Tools witnessed an increase of 2.2 percent. The Building technology business experienced a decline of 28.8 percent. Bosch Energy & Building Solutions division posted a decline of 71.6 percent over the previous year.

Let's now look at other key financial indicators.

Material cost as a percentage of revenue from operations has increased by 5.5 percent. The increase is contributed by higher freight costs, change in product mix with higher traded goods, higher imports and higher material cost due to BS-VI components.

There has been a decrease in the personnel cost by 26.6 percent as compared to the previous year. The reduction is mainly due to transformation projects and EVR schemes.

During the year, other expenses have increased by 4% mainly due to increase in royalty provisions for new products in mobility business.

(Slide No 6 – Capital Expenditure)

Our capital investment in FY2020-21 was a decline of 38 percent over previous financial year. Depreciation charges have decreased by 10.9 percent during the year, due to reduction in new investments, including in R&D assets.

Profit before Tax, without exceptional items, as a percentage of revenue from operations stood at 13.5 percent as compared to 16.6 percent in previous financial year. Exceptional item of Rupees 7,439 million represents the company's provision towards various restructuring, reskilling and redeployment initiatives.

The Profit after Tax, after above exceptional item is 5 percent as against 6.6 percent last year. The Company, in addition to the standalone financial statements, has also prepared

consolidated financial statements of the Company and its subsidiaries. There is no material impact of consolidation on the Financial Statements of your Company.

(go to Slide No.7- Dividend pay-out)

Dividend

Ladies and Gentlemen, I now come to the dividend proposal for the year 2020-21. The Board of Directors have recommended a dividend of Rupees 115 per share for FY2020-2021 compared to the dividend of Rupees 105 per share for the previous year.

The total dividend pay-out ratio comes to 70.3 percent as against 47.7 percent in previous year.

(go to slide 8: Total Revenue from Operations April to June '21)

Performance April to June 2021

Since we were hit by the Corona Virus Wave 1 in India, the numbers of Apr-Jun'20 are not comparable and hence I will give you a brief overview of how your Company has performed in the 1st quarter of the Financial Year 2021-22 in comparison w. Jan-Mar'21 which was also the peak in the Mobility Market in India since 2018/19. The country also faced localized curfews and lockdowns that led to the automotive markets including 2Wh segment, declining by 35 percent in Apr-Jun'21 compared to Jan-Mar'21. Revenue from operations for April-June 2021 is Rs. 24,435 Mio, which has declined by 24.1% as compared to January-March 2021. Product sales of Mobility business sector declined by 23.6% and business beyond mobility sector declined by 37.9%.

As a percentage of total revenue from operations, Profit before Tax stood at 13.7% in the current quarter as compared to Profit before Tax of 19.9% in January-March 2021.

Profit after tax for the quarter ended June 2021, stood at Rs. 2,598 Mio, which is 10.6% of total revenue from operations.

(go to Slide No.9 -Industry 4.0)

Industry 4.0

Our journey continues towards creating the Factory of the Future with introduction of AI based solutions, developing lighthouse projects for benchmarking and continuous digital upskilling programs for our associates. Our manufacturing plants have already deployed i4.0 solutions for sustainably improving operational efficiencies. In Feb'2021, Bosch India shared the latest technology updates on Connected Industry to high level delegates from Department of Heavy Industries including the Joint Secretary, Mr. Arun Goel who is a part of the Digital India initiative.

(go to slide 10: Bosch India Social Engagement)

Corporate Social Responsibility - CSR

As Covid-19 outbreak posed a major threat to life and livelihood across the country, Bosch group companies in India pledged INR 50 Crores for various welfare initiatives. Bosch Limited, focused on three major areas of healthcare support, livelihood opportunities and essentials supply to support the society at large through ventilator repairs, training youth on paramedic skills, finding employment opportunities for migrant labours, etc. Additionally, our in-house mask line at Bengaluru has manufactured nearly 4 million masks with two-thirds of these being distributed free of cost to Covid-19 warriors.

(go to slide 11: Key Results of Bosch Group)

Business development of the Bosch Group

In 2020, Bosch Group sales were at around 71.4 billion Euros or approximately Rs. 6,283 billion. The annual research and development expenditure stood at around 5.9 billion Euros, approximately 8.2 per cent of the total sales revenue.

In 2021, assuming that there are no restrictions on a similar scale to those seen in 2020, Bosch globally expects sales growth of roughly 6 percent and a slightly improved EBIT margin from operations. Bosch will continue to make considerable upfront investments in promising areas especially in the mobility sector. As affirmed in our “We are Bosch”

mission statement, one of our strategic focal points is shaping change, taking into account the aspects of connectivity, electrification, energy efficiency and automation.

Outlook for the future

The automotive industry was seeing itself on a road of recovery until early this year and Bosch Limited's positive results in the last quarter of FY2020-21 is a validation to it. While the tractor segment has recovered, the rest of the industry will take considerable time to return to peaks of FY2018-19. The supply chain is going through a rough patch due to multiple reasons such as global semiconductor crisis, localized lockdowns, and workforce unavailability. The need of the hour is to overcome the challenges ahead of us by exhibiting our future-preparedness.

Amidst the crisis, Bosch in India will continue its investments to develop solutions designed in India for India. Our long-term strategy is to shape the market in technologies with innovative products and solutions in areas of PACE - Personalized, Automated, Connected & Electrified. To cater to these new-age trends, we have created agile project houses, both on Electrification and Mobility Services.

Project House Mobility Services has developed the mobility cloud platform to participate in the mobility lifecycle business in India. Similarly, in electrification, we are working on creating fit for market portfolio eg: low voltage powertrain products for light e-mobility and LCVs. The investments and partnerships, namely with Routematic and Sun Mobility respectively are a step towards future proofing Bosch in India with new-age solutions, and business models.

Upgradation of infrastructure and eCommerce will also play a big role in the post COVID-19 world. Infrastructure and workplaces need to become smarter. This will bring opportunity for the company's Beyond Mobility divisions dealing in domains like Building Technology (eg: AI based cameras), Energy Management (eg: energy efficient solutions) and Power Tools (eg: affordable and connected tools).

Overall, the company is looking forward to securing its future through focus on operational excellence and moving forward with strong technological advances.

I would like to personally express my sincere gratitude to the Government of India and the State Governments for their continued support to Bosch Ltd. at all its locations. My sincere thanks to our valued customers, suppliers, bankers, financial institutions, and our shareholders, for the trust and confidence they have in the Company. My special thanks and go to the employees of the Company at all levels for their hard work, dedication, and continued commitment. Last but not the least, I also would like to place on record, many thanks to my colleagues on the Board for their valuable guidance, contributions, and support to me as Chairman going forward.

(go to slide 12: Bosch India Campus photo)

I would like to end with this picture of the new Bosch India Smart Campus in our 75-acre Adugodi site in Bengaluru which will be completed by 2022. This is the new face of Bosch India which embodies Bosch's 100-year presence in India in 2022, and the transformation it has undergone to remain relevant throughout the disruptive times.

I would now ask the company's managing director Mr. Soumitra Bhattacharya to address the queries of the shareholders.

Thank you for your kind attention.

Markus Bamberger

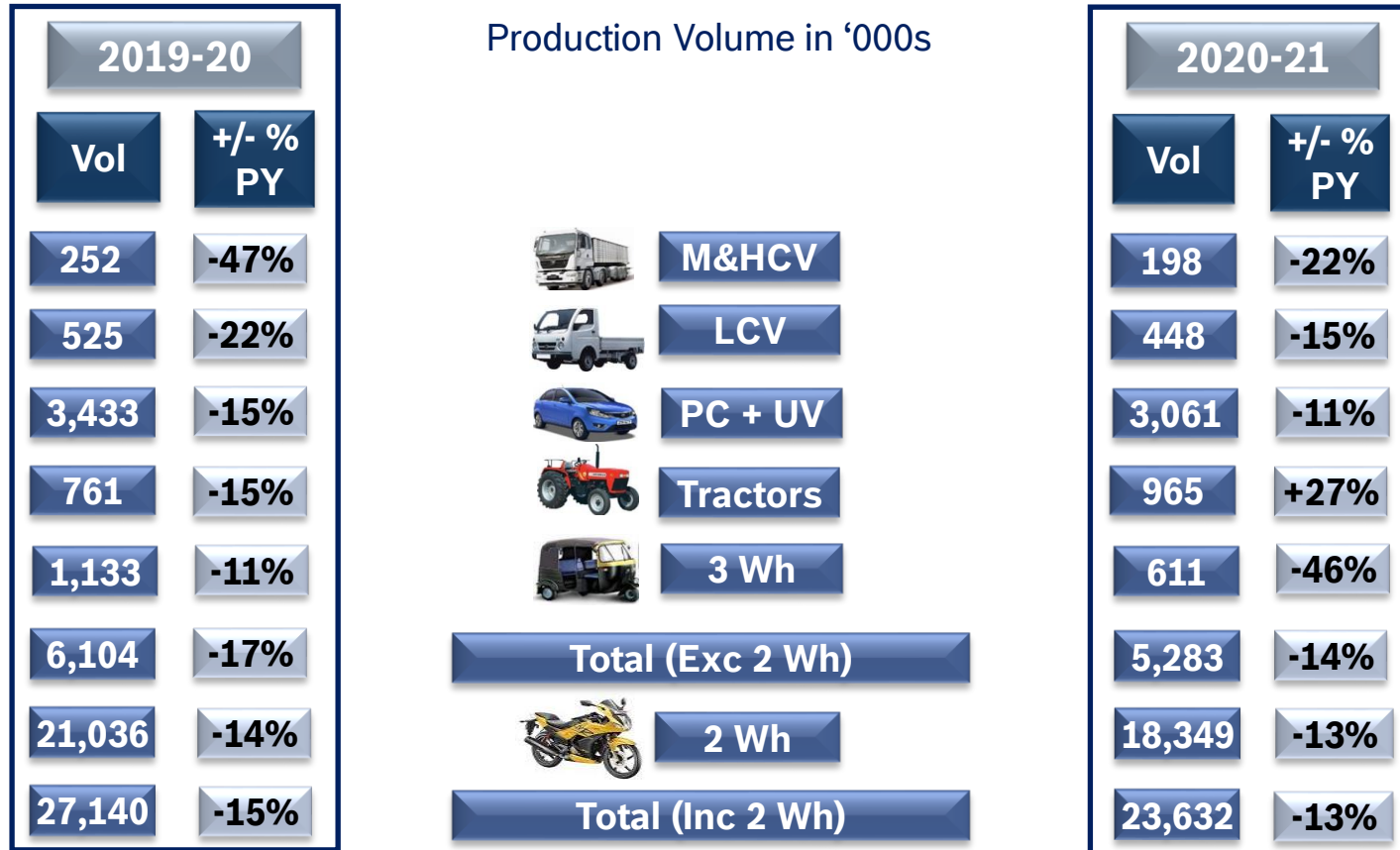
Chairman, Bosch Ltd.

WELCOME

BOSCH LIMITED | 69th AGM
5th August 2021

Bosch Limited | 69th AGM

Indian Automotive Market 2020-21

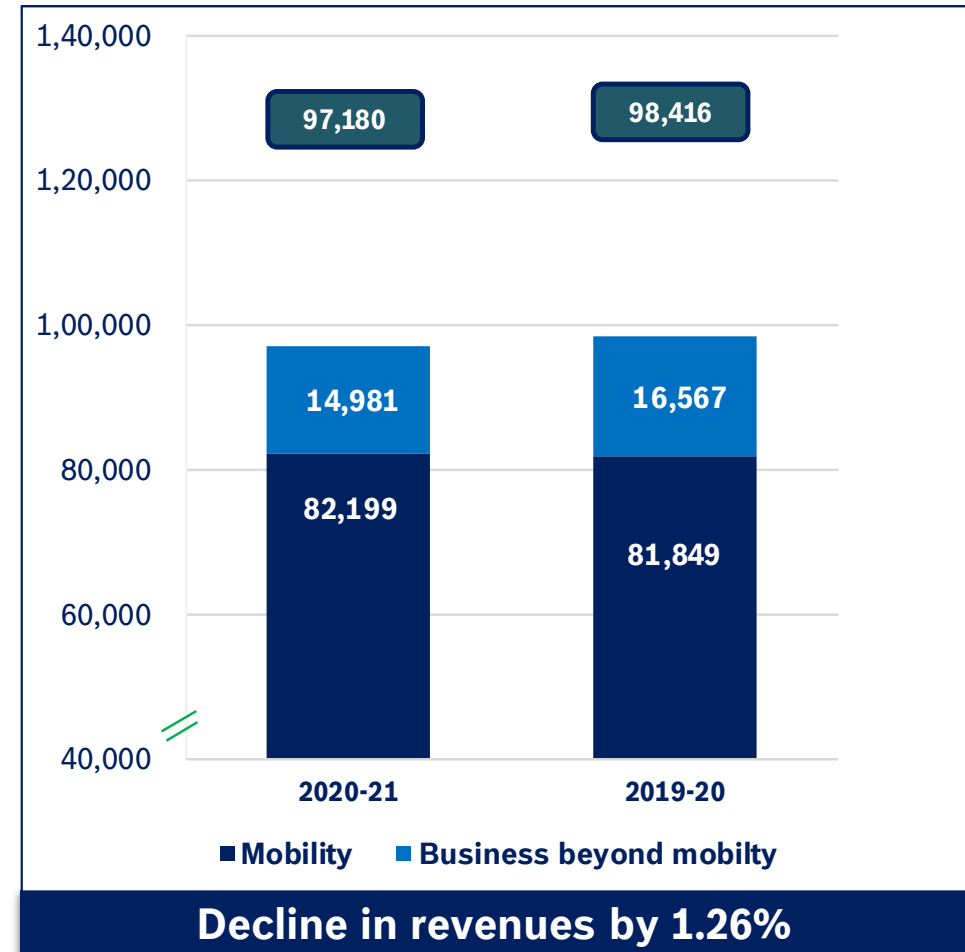
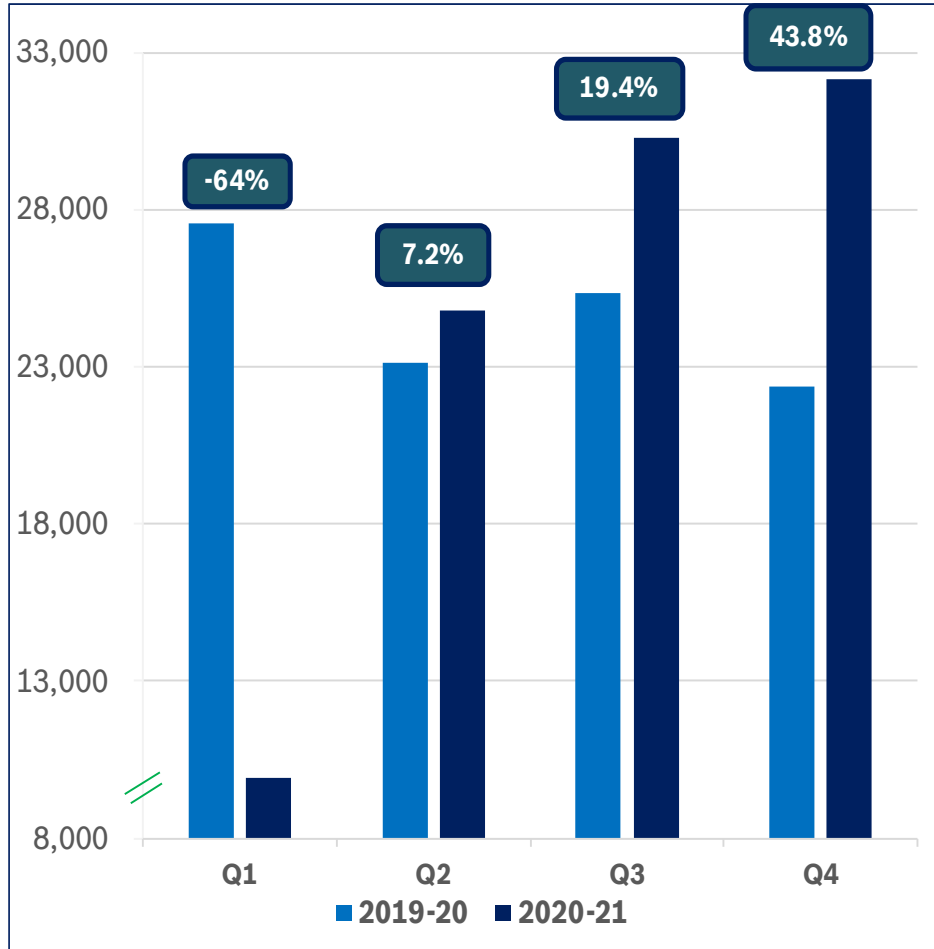


Decline across all segments except tractor markets

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Total Revenue from Operations

(In mINR)



Bosch Limited | 69th AGM

Business Division Performance – Mobility

Sales Movement over previous year

Powertrain Solutions		-1.5%
- Thereof Diesel systems		-3.9%
- Thereof Gasoline System		+10.5%
2 Wheeler		+88.2%
Automotive Aftermarket		-6.2%

Bosch Limited | 69th AGM

Business Division Performance – Beyond Mobility

Sales Growth over previous year

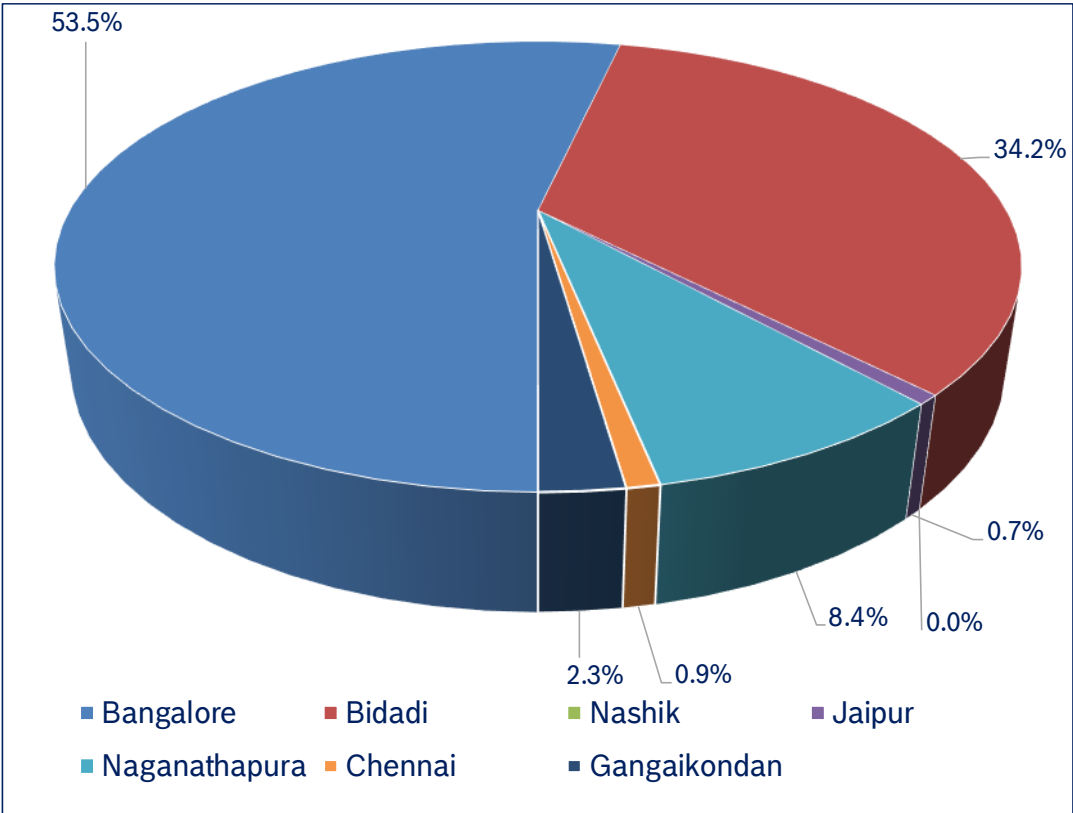


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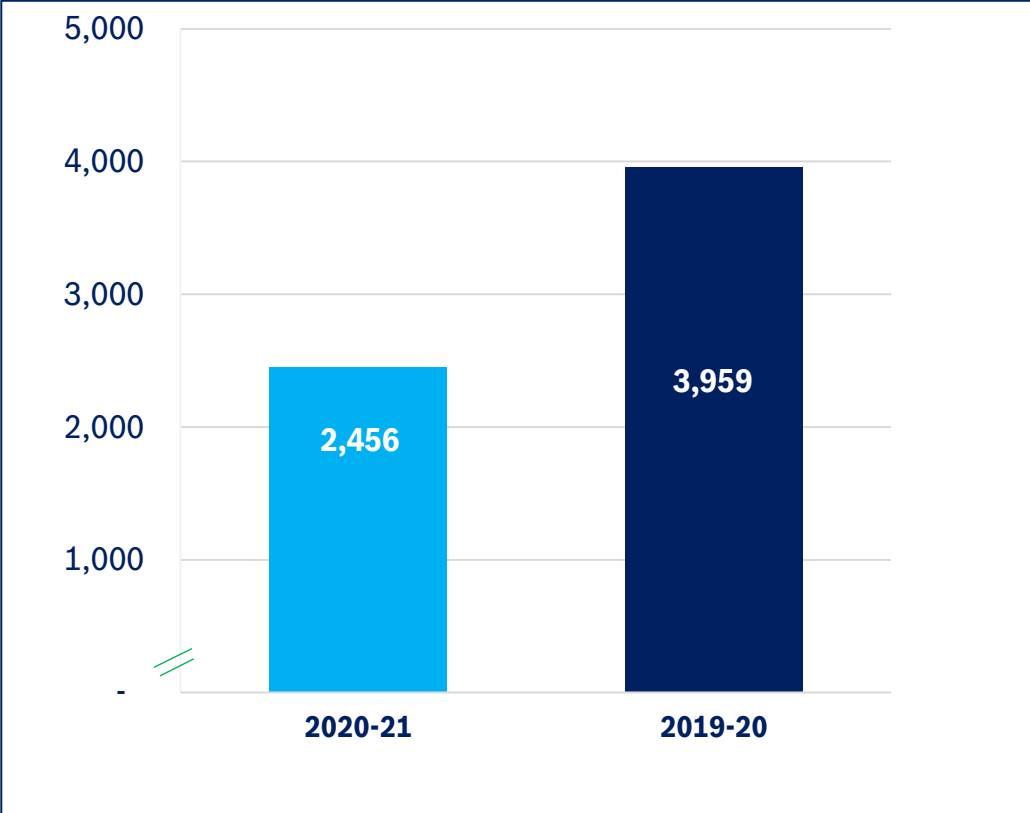
Capital Expenditure

(In mINR)

Plant Wise | FY 2020-21



Year Wise



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Dividend Pay-out

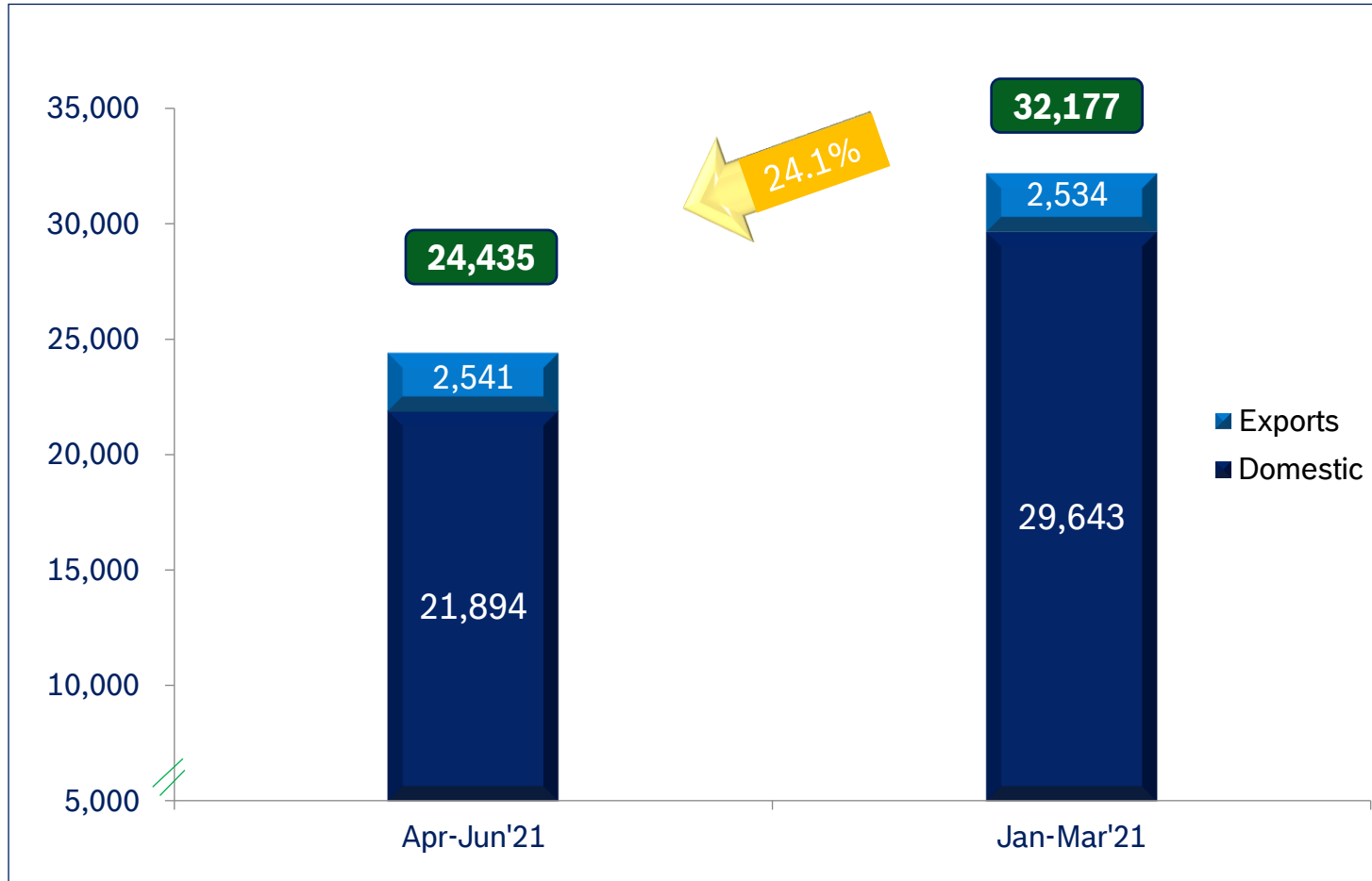
(In mINR)

Particulars	2020-21	2019-20
Profit after tax	4,825	6,498
Dividend proposed / paid (excluding applicable tax)	3,392	3,097
Dividend pay out ratio (%)	70.3%	47.7%

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Total Revenue from Operations

(In mINR)

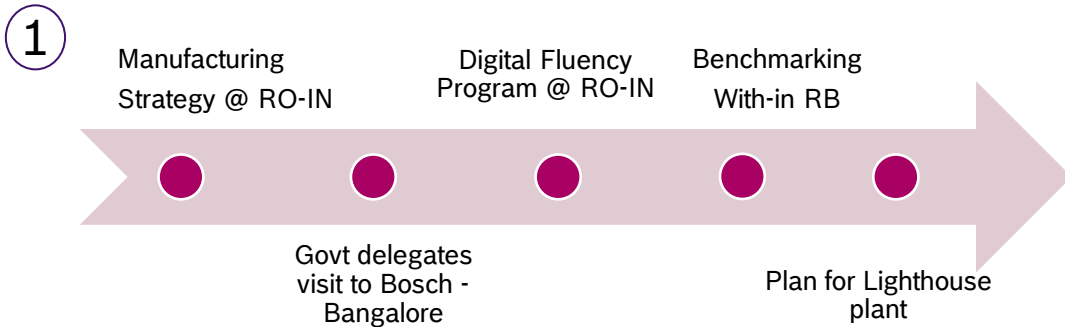


Industry 4.0 at Bosch Limited

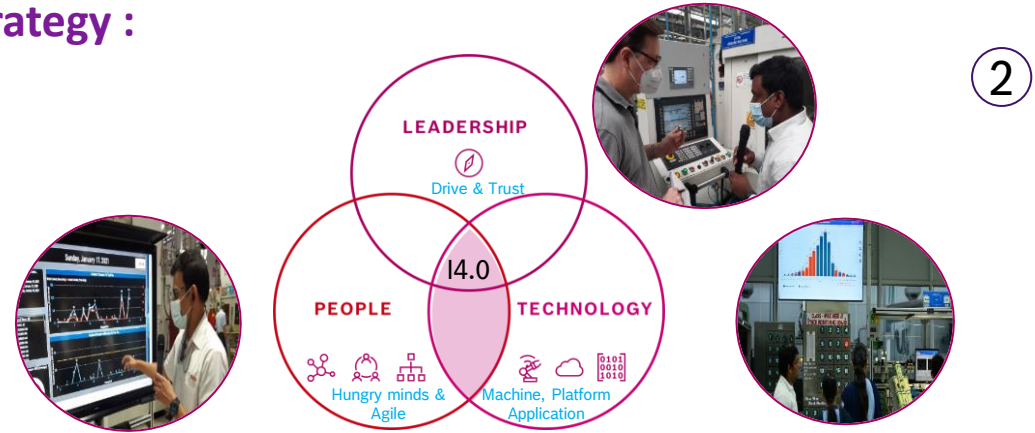
Status : 06'2021

Excellence towards Data Driven improvement Organization

Outlook



Strategy :



Use case : Vision system-AI , Analytics , Autonomous

③

Manufacturing Analytics
Productivity Improvements

Vision System -AI
Zero defect

Autonomous Guided Vehicle (AGV)
On time delivery

Collaboration with Government,...

④

DHI – Joint Secretary visit to Bosch Experience center – i4.0

Bosch India Social Engagement Combating COVID-19

(a) Healthcare Support

29 mINR



29 mINR



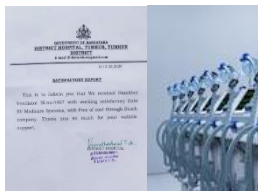
2.59 mio Bosch Masks distributed | 1001 paramedics trained

59 mINR

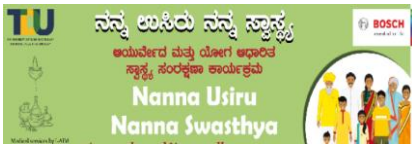


10 Govt. PHCs upgraded around JaP, ChP, Nhp & GanP

2 mINR



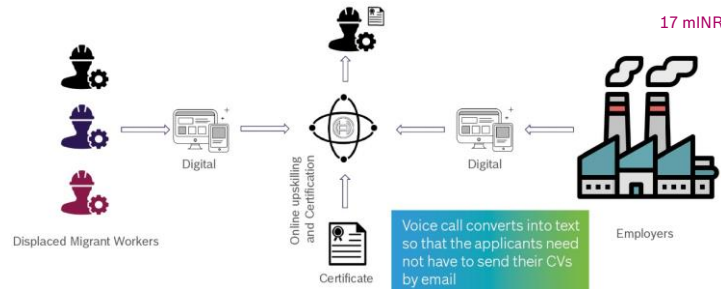
57 Ventilators repaired



180 beneficiaries in Immunity enhancement project through TDU

(b) Livelihood Support

12035 migrants' supported in livelihood/re-employment



17 mINR



874 Beneficiaries: Support for COVID affected families



12 mINR

(c) Essentials Support

Distribution of Cooked food and dry ration

12 mINR



1,11,000 meals supplied to needy families

Bosch Limited | 69th AGM

Key Results of Bosch Group

(In mEUR)

Particulars	2020	2019
Sales Revenue (Million Euros)	71,494	77,721
Associates (as on 31.12 of the year)	3,95,034	3,98,150
Capital Expenditure (Million Euros)	3,312	4,989
Research and Development cost (Million Euros)	5,890	6,079
- As a percentage of sales revenue	8.2	7.8
Profit after tax (Million Euros)	749	2,060

100 years of Bosch India in 2022

BOSCH ADUGODI
A Smart Campus

