



BOSCH



Research Report

Bosch Limited



Prepared By-

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About

Bosch Ltd has presence across automotive technology, industrial technology, consumer goods and energy and building technology. It manufactures and trades in products such as diesel and gasoline fuel injection systems, automotive aftermarket products, industrial equipment, electrical power tools, security systems and industrial and consumer energy products and solutions.

Key Data Points

- Mobility : 86%
- Consumer Goods : 10%
- Energy & Building Technology : 4%

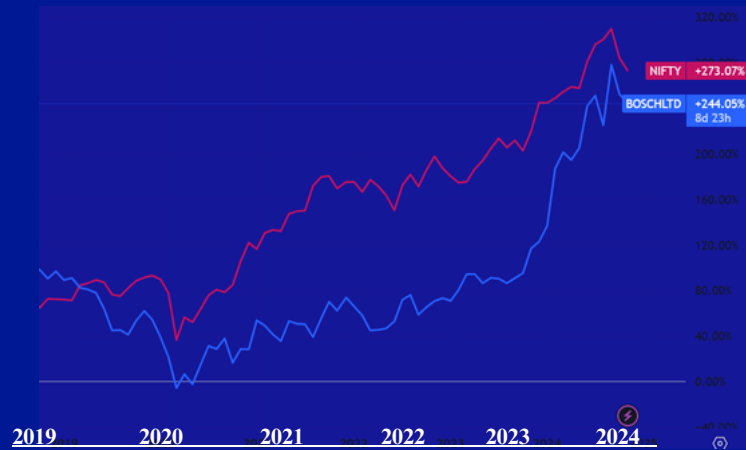
Synopsis of Financials

- Revenue from operations in Q1 FY '25 was ₹43,168 million, a growth of 3.8% YoY.
- EBITDA for the quarter was ₹5,197 million, reflecting an 11.1% increase YoY, with an EBITDA margin improvement from 11.3% to 12%.
- Profit after tax (PAT) grew by 13.8% YoY, with PAT as a percentage of total revenue increasing to 10.8%.

Stock data (as 19th November 2024)

Nifty Price	: 23518
52 week High (in Rs.)	: 39,089
52 week Low (in Rs.)	: 20,551
Market Cap. (in Crore)	: 1,01,022 Cr.
NSE Code	: <u>BOSCHLTD</u>

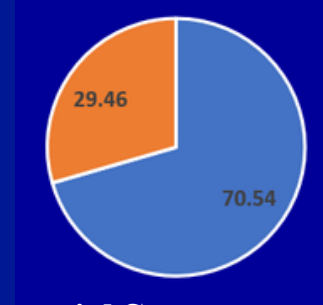
Stock data



-NIFTY50

-Bosch Limited

Shareholding Pattern (September 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	16,727	14,929	11,782
Sales Growth %	12.04%	26.72%	21.23%
Expenses	14,632	13,120	10,319
Operating Profit	2,095	1,810	1,462
OPM %	13%	12%	12%
Net Profit	2,490	1,424	1,217
EPS in Rs	844.42	482.99	412.7

Quarterly Results



Particular	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	4,063	4,158	4,130	4,205	4,233	4,317	4,394
Expenses	3,541	3,690	3,639	3,627	3,676	3,797	3,834
Operating Profit	522	468	491	578	557	520	560
OPM %	13%	11%	12%	14%	13%	12%	13%
Other Income	136	188	939	214	226	179	257
Interest	5	31	12	4	4	3	2
Depreciation	121	92	101	117	119	86	90
Profit before tax	533	532	1,317	671	661	611	726
Tax %	25%	23%	24%	23%	15%	24%	26%
Net Profit	399	409	999	518	564	466	536

Source: Screener

Key Ratios

Ratios	2023-24	2022-23
Average Trade Receivables days (Avg. receivables / Total revenue per day)	45	40
Average Inventory days (Avg. inventory / Net Sales per day)	44	41
Current Ratio (Current assets / Current liabilities)	1.9	1.8
Working Capital days (Current Assets-Current liabilities / Total revenue per day)	105	93
Operating Profit Margin % (Earnings before interest & taxes / Total revenue)	10.0%	9.5%
Profit after Tax (PAT)% (PAT / Total revenue)	14.9%*	9.5%
Return On Capital Employed (ROCE)	26.3%*	17.1%

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	30	30	30
Reserves	12,034	10,983	10,658
Borrowings	39	53	73
Other Liabilities	5,252	5,194	4,650
Total Liabilities	17,355	16,259	15,410
Fixed Assets	1,770	1,731	1,211
CWIP	224	366	606
Investments	5,125	5,023	5,528
Other Assets	10,236	9,140	8,066
Total Assets	17,355	16,259	15,410

Synopsis Quater Results

Con-Call Nov FY'24: Key Highlights

Macroeconomic Overview:

- Global economic growth is slowing as central banks balance inflation and recession.
- Developed markets forecast lackluster growth in 2024, with a global growth forecast of 3.3% for 2025.

Automotive Market Performance:

- Q1 FY '25 saw healthy growth in the automotive market despite high base effects from the previous year.
- Passenger vehicle market grew by 6% in Q1 FY '25, driven by demand for utility vehicles and positive consumer sentiment.
- Heavy commercial vehicles (HCV) grew modestly by 3%, impacted by a slowdown in infrastructure activities.
- Light commercial vehicles (LCV) experienced a 3% decline due to financing challenges and competition from 3-wheelers.

Mobility Business Insights:

- Global recognition of hydrogen engines as a viable zero-emission vehicle powertrain is growing, with endorsements from the EU and North America.
- Bosch is actively working on hydrogen engine projects with commercial vehicle manufacturers both globally and in India.

2-Wheeler and Power Sports Segment:

- Inaugurated a second production line for Lambda Sensors at the Bidadi plant, aiming to meet rising demand and upcoming regulatory requirements.

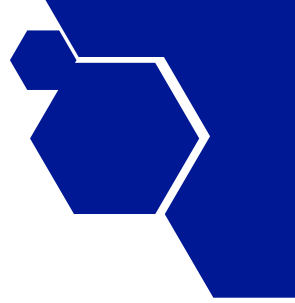
Power Tools Business Transformation:

- Transitioned from a country sales organization to a regional entity, responsible for India and several SAARC nations.
- Focus on cordless tools and new product launches tailored for various market segments.

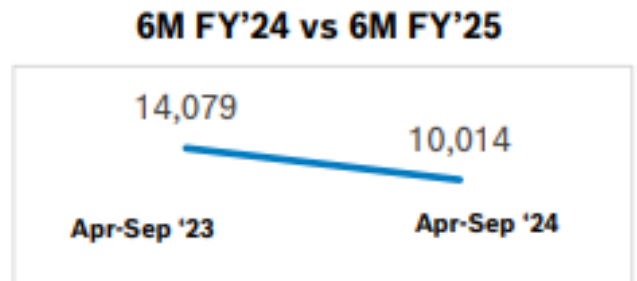
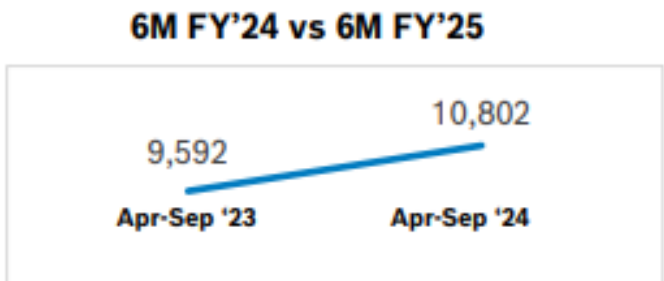
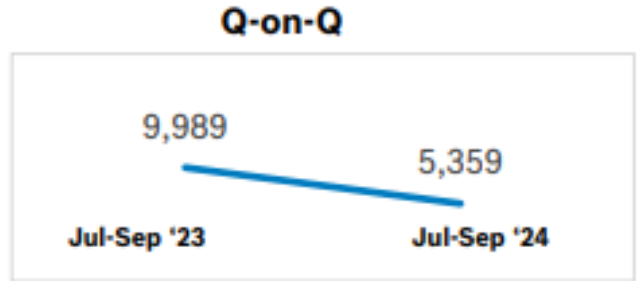
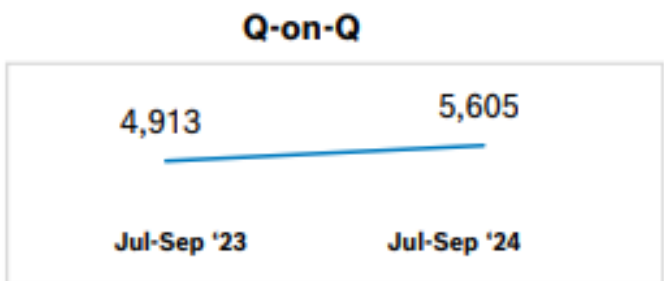
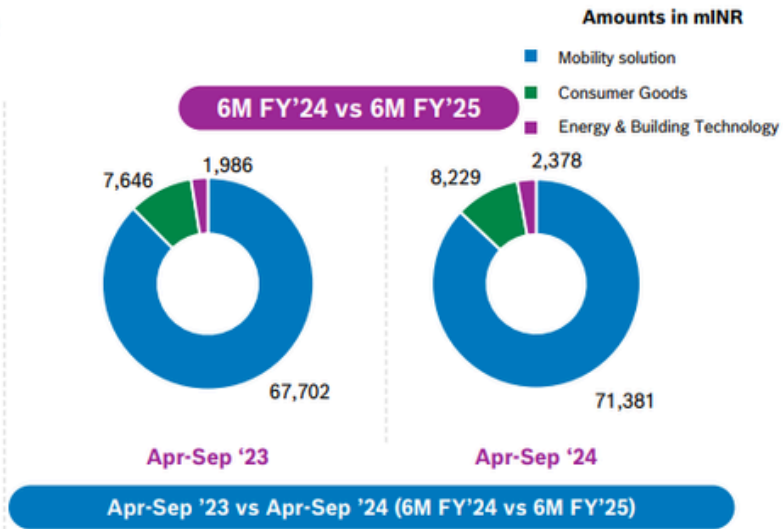
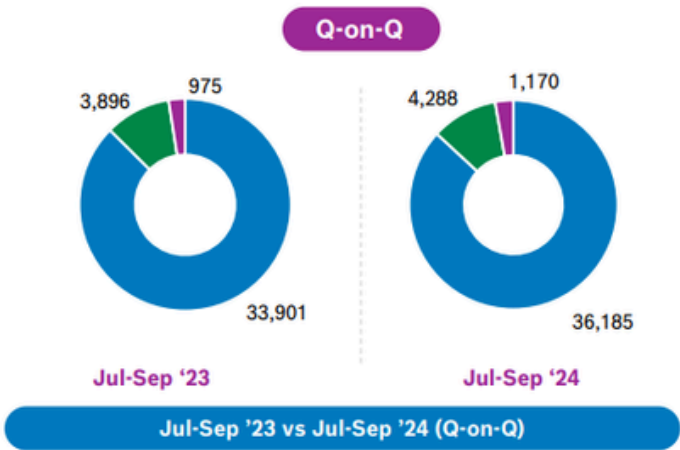
Building Technologies Segment:

Launched locally manufactured AVENAR fire detectors and introduced new portable speakers under the Electro-Voice brand.

Revenue Highlights



Sector-wise sales performance



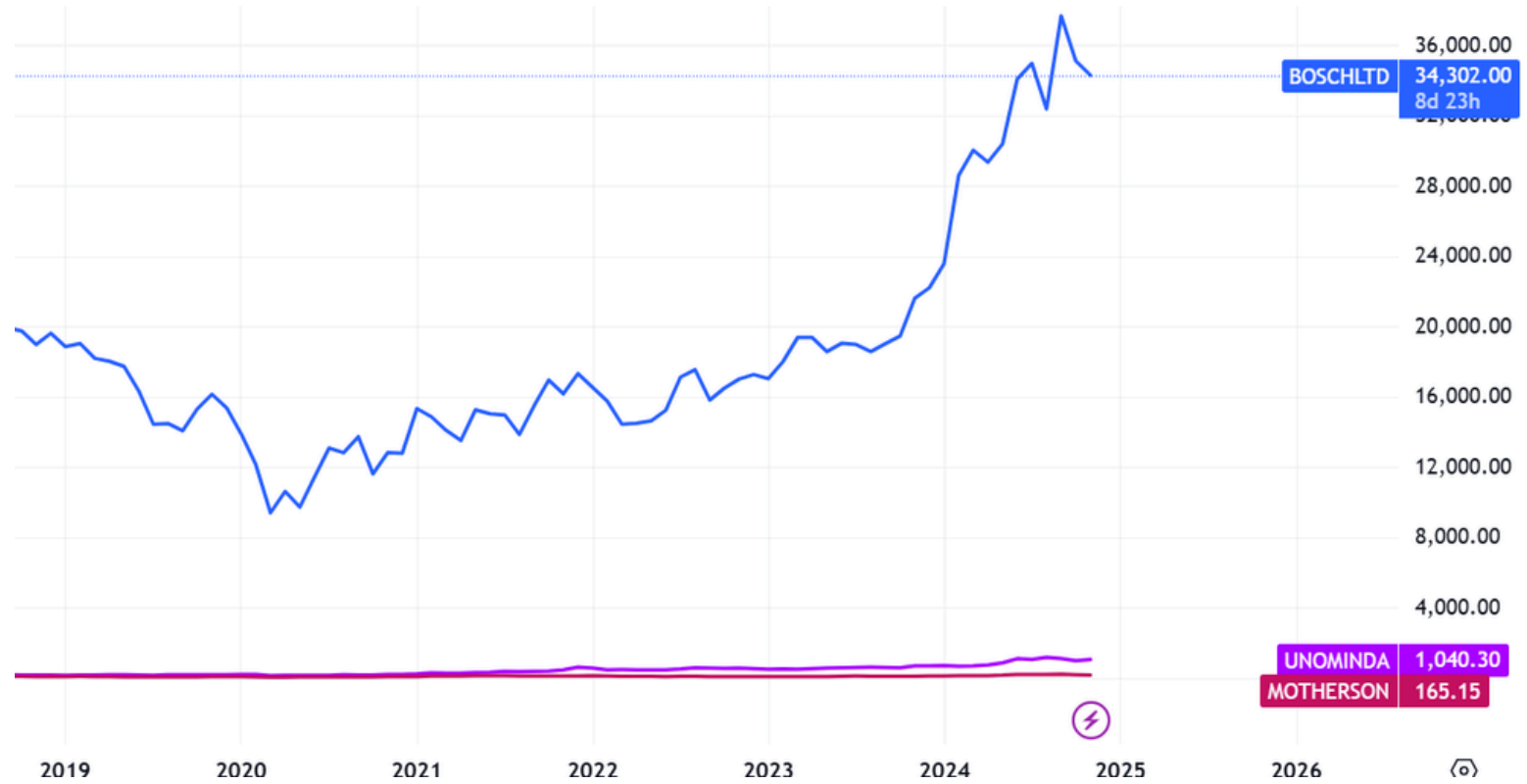
EBITDA

Profit After Tax*

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Samvardh. Mothe.	165.36	30.72	116352.18	0.48	948.81	218.76	27811.86	18.48	13.68
2.	Bosch	34302.00	50.51	101169.08	1.09	535.90	23.94	4394.30	6.40	20.61
3.	Uno Minda	1040.30	66.20	59730.26	0.19	266.16	6.33	4244.79	17.22	19.94
4.	Sona BLW Precis.	680.40	73.60	42270.20	0.45	143.58	18.35	922.19	17.11	24.02
5.	Exide Inds.	421.50	42.84	35827.50	0.47	233.40	-14.15	4450.00	1.80	10.15

Source: Screener

Final Outlook

BOSCHLTD: BUY | LTP: 34,302



Bosch Ltd.'s stock displayed a strong uptrend from September 2023 to August 2024, driven by positive earnings, innovation, and favorable macroeconomic conditions. The breakouts and dips were influenced by technical factors like moving averages and volume spikes, as well as fundamental drivers such as earnings reports and macroeconomic events. The July 2024 dip likely reflects market corrections amid inflation concerns and broader economic uncertainties. The stock is trading 14% below its all time high and looks undervalued as per PE ratio but overvalued as per the DCF valuation and other EV multiples. However, the margins have been declining and the company has delivered poor results in recent quarters. As an outcome, major brokerage firms have given a sell rating on the share. Therefore, selling the stock is recommended due to a potential downtrend in the near future.

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