




Retail Equity Research

Bosch Limited

Sector: Auto Components

19th September, 2025

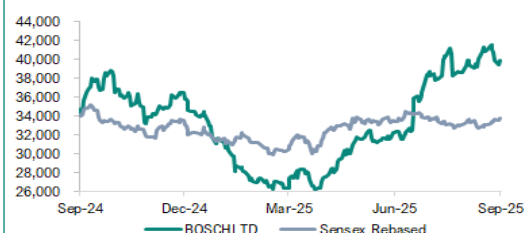
SELL

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 35,169
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 39,862
Mid Cap	BOS:IN	83,014	BOSCHLTD	500530	12 Months	Return	-12%

Data as of: 18-Sep-2025, 18:00:00 hrs

Company Data			
Market Cap (Rs.cr)	117,622		
52 Week High — Low (Rs.)	41,894 - 25,938		
Enterprise Value (Rs. cr)	116,936		
Outstanding Shares (cr)	2.9		
Free Float (%)	0.3		
Dividend Yield (%)	1.3		
6m average volume	34,319		
Beta	0.9		
Face value (Rs.)	10.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	70.5	70.5	70.5
FII's	6.1	6.1	6.2
MFs/Institutions	15.9	16.0	16.0
Public	6.5	6.5	6.5
Others	0.9	0.9	0.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	23.5%	51.2%	14.7%
Absolute Sensex	1.4%	11.5%	-0.5%
Relative Return	22.2%	39.7%	15.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	18,087	20,059	22,285
Growth (%)	8.1	10.9	11.1
EBITDA	2,310	2,668	3,053
EBITDA Margin (%)	12.8	13.3	13.7
PAT Adjusted	2,012	2,416	2,804
Growth (%)	22.2	20.1	16.0
Adjusted EPS	682.1	819.3	950.5
Growth (%)	22.2	20.1	16.0
P/E	41.5	48.6	41.9
P/B	6.0	7.6	6.9
EV/EBITDA	36.1	43.9	38.3
ROE (%)	14.6	19.2	16.6
D/E	0.0	0.0	0.0

Premium Valuation Amidst Global Challenges.

Bosch Ltd manufactures a wide range of automobile parts, such as fuel injection pumps, spark plugs, nozzles and nozzle holders, delivery valves, filters and filter inserts, glow plugs, starter motors, alternators and wipers. It also manufactures hydraulic and pneumatic equipment, and electric power tools and fixtures.

- In Q1FY26, the company's revenue from operations grew 10.9% YoY to Rs. 4,789cr, driven by robust growth across business segments.
- The Mobility business, which accounted for ~89% of sales, rose 14.3% YoY to Rs. 4,025cr, led by Power Solutions, Mobility Aftermarket and 2-Wheeler segments.
- Power Solutions grew 13.7% YoY on the back of higher demand for diesel components and implementation of the government's on-board diagnostics 2 norms. Mobility Aftermarket grew 5.2% YoY, owing to higher demand for filters, lubricants and wiper systems, and 2-Wheeler rose 75.4% YoY on account of strong growth in content, the festive season and rising disposable incomes.
- The Consumer Goods business rose 9.3% YoY to Rs. 431cr, driven by higher demand for tools and accessories. However, revenue of the Energy & Building Technologies business declined 65.3% YoY, mainly due to the sale of the Video Solutions, Access and Intrusion and Communication Systems business.
- EBITDA rose 23.0% YoY to Rs. 639cr and EBITDA margin widened 140bps YoY to 13.4%, driven by the higher top line and a lower increase in cost of sales.

Outlook & Valuation

Bosch posted robust growth in Q1FY26, driven by strong sales in the Mobility business. It also maintained financial stability via cost optimisation measures and strategic investments, including its agreement with Tata Electronics for semiconductor cooperation. However, despite steady financial performance, the firm trades at an expensive valuation compared to its peers. Regulatory changes and domestic competition from local and global players add challenges. Uncertainties with regard to US tariffs and geopolitics could affect the growth prospects. Therefore, **we downgrade our rating on the stock to SELL, with a revised target price of Rs. 35,169, based on 37x FY27E earnings per share.**

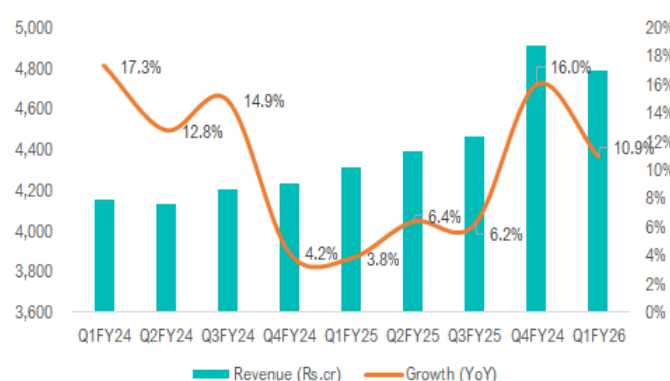
Quarterly Financials Standalone.

Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	4,789	4,317	10.9	4,911	-2.5
EBITDA	639	520	23.0	647	-1.2
Margin (%)	13.4	12.0	140bps	13.2	20bps
EBIT	554	434	27.7	548	1.2
PBT	1,394	611	128.2	779	79.0
Rep. PAT	1,115	466	139.6	554	101.4
Adj PAT	559	466	20.2	554	1.0
Adj. EPS (Rs)	189.7	157.8	20.2	187.7	187.7

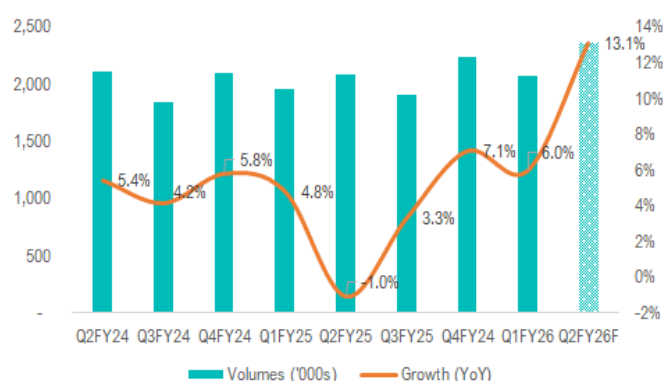
Key concall highlights

- Bosch entered into an MoU with Tata Electronics to explore semiconductor and outsourced semiconductor assembly and test cooperation. The MoU is an early-stage exploration. Potential future benefits could be in local sourcing and localisation.
- The company achieved significant localisation in the 2-Wheeler business, with products manufactured from its Bidadi plant.
- Bosch is collaborating with the industry to bring electric vehicles to market, featuring technologies like the Vehicle Control Unit (VCU) and electric coolant pump. The VCU acts as the "brain" of EVs, managing torque distribution and drive modes, while also being integrated with the thermal system to support future fast charging needs.
- The company has taken measures to address the imposition of tariffs by the US, including setting up a task force to screen material numbers, set applications and receive support from its parent company. Bosch sees an impact and has inventory coverage until the end of August 2025. It is also working on several options to reduce risk.
- Bosch's export strategy focuses on increasing competitiveness in NOx sensors, spark plugs and injectors. The Bidadi plant's new NOx sensor line and the Jaipur plant's global pump production are key to this. The company aims to fill production lines and export excess capacity, focusing on the Indian market and original equipment manufacturers.

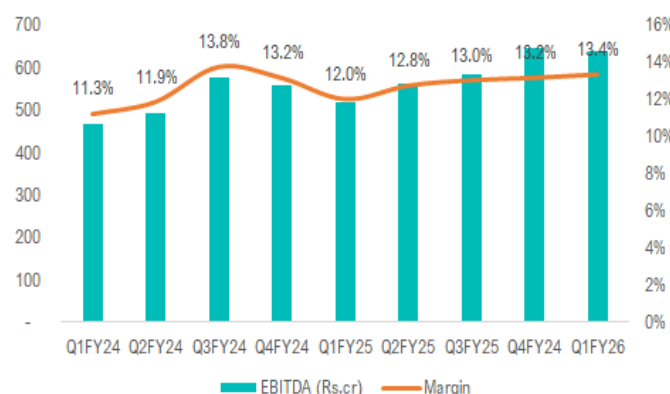
Revenue



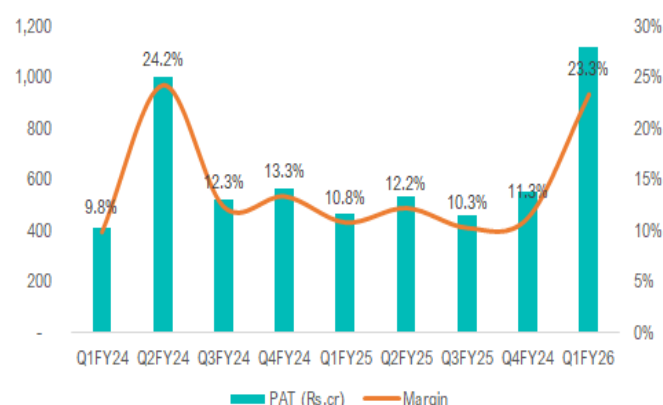
Production



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change -%	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	19,951	23,024	20,059	22,285	0.5	-3.2
EBITDA	2,693	3,131	2,668	3,053	-0.9	-2.5
Margins (%)	13.5	13.6	13.3	13.7	-20bps	10bps
Adj. PAT	2,333	2,745	2,416	2,804	3.6	2.1
EPS	791.0	930.7	819.3	950.5	3.6	2.1



Standalone Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	14,929	16,727	18,087	20,059	22,285
% change	26.7	12.0	8.1	10.9	11.1
EBITDA	1,807	2,095	2,310	2,668	3,053
% change	24.0	15.9	10.3	15.5	14.4
Depreciation	386	430	376	425	505
EBIT	1,421	1,665	1,934	2,243	2,548
Interest	12	51	17	16	14
Other Income	473	1,567	816	1,737	1,204
PBT	1,882	3,181	2,733	3,963	3,738
% change	25.4	69.0	-14.1	45.0	-5.7
Tax	458	691	719	991	935
Tax Rate (%)	24.3	21.7	26.3	25.0	25.0
Reported PAT	1,425	2,491	2,013	2,972	2,804
PAT att. to common shareholders	1,425	2,491	2,013	2,972	2,804
Adj.*	-	-844	-1	-556	-
Adj. PAT	1,425	1,647	2,012	2,416	2,804
% change	16.9	15.6	22.2	20.1	16.0
No. of shares (cr)	2.9	2.9	2.9	2.9	2.9
Adj EPS (Rs.)	483.0	558.3	682.1	819.3	950.5
% change	16.9	15.6	22.2	20.1	16.0
DPS (Rs.)	480.0	375.0	512.0	428.3	475.3

Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	1,810	2,920	2,389	3,397	3,308
Non-cash adj.	-526	-1,198	-30	1,298	-329
Other adjustments	-	-	-	-	-
Changes in W.C	-71	-470	15	-65	-55
C.F. Operation	1,214	1,253	2,373	4,630	2,924
Capital exp.	-640	-326	-313	-471	-535
Change in inv.	680	-401	-2,839	-2,773	-890
Other invest.CF	222	1,010	1,193	-	-
C.F - Investment	262	283	-1,959	-3,244	-1,425
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	-10	-9
Dividends paid	-1,209	-1,431	-502	-1,263	-1,402
Other finance.CF	-30	-20	-27	-	-
C.F - Finance	-1,239	-1,452	-529	-1,273	-1,411
Chg. in cash	236	84	-114	113	89
Closing Cash	379	463	353	466	554

Balance Sheet

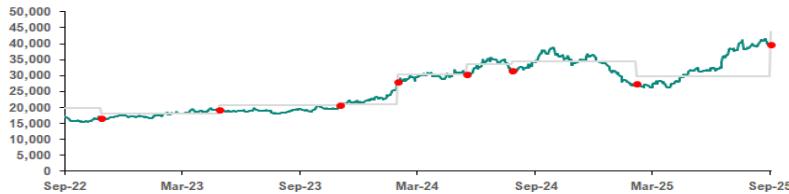
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	379	463	353	466	554
Accts. Receivable	1,903	2,182	2,365	2,592	2,855
Inventories	1,903	1,893	1,942	2,165	2,341
Other Cur. Assets	4,651	5,385	6,399	4,197	4,556
Investments	4,864	4,985	6,893	9,614	10,449
Gross Fixed As-sets	3,864	4,034	4,039	4,510	5,045
Net Fixed Assets	1,200	1,113	1,021	1,047	1,057
CWIP	366	224	396	416	437
Intangible Assets	-	-	-	-	-
Def. Tax -Net	378	288	127	330	311
Other Assets	616	822	749	817	898
Total Assets	16,259	17,355	20,245	21,644	23,458
Current Liabilities	5,024	5,093	6,199	5,906	6,336
Provisions	110	118	123	128	134
Debt Funds	37	22	98	88	79
Other Liabilities	77	58	8	8	8
Equity Capital	30	30	30	30	30
Res. & Surplus	10,983	12,034	13,788	15,483	16,871
Shareholder Funds	11,012	12,063	13,818	15,513	16,900
Minority Interest	-	-	-	-	-
Total Liabilities	16,259	17,355	20,245	21,644	23,458
BVPS	3,734	4,090	4,685	5,260	5,730

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	12.1	12.5	12.8	13.3	13.7
EBIT margin (%)	9.5	10.0	10.7	11.2	11.4
Net profit mgn.(%)	9.5	14.9	11.1	14.8	12.6
ROE (%)	12.9	20.6	14.6	19.2	16.6
ROCE (%)	12.9	13.8	13.9	14.4	15.0
W.C & Liquidity					
Receivables (days)	45.9	47.0	47.1	46.5	46.1
Inventory (days)	72.4	62.9	61.0	60.5	59.2
Payables (days)	103.7	85.3	92.9	93.4	94.2
Current ratio (x)	1.8	1.9	1.8	1.6	1.6
Quick ratio (x)	0.6	0.7	0.6	0.7	0.7
Turnover & Leverage					
Gross asset T.O (x)	4.1	4.2	4.5	4.7	4.7
Total asset T.O (x)	0.9	1.0	1.0	1.0	1.0
Int. covge. ratio (x)	117.4	32.8	113.1	138.6	176.3
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	3.8	5.3	4.6	5.8	5.2
EV/EBITDA (x)	31.4	42.1	36.1	43.9	38.3
P/E (x)	40.0	53.8	41.5	48.6	41.9
P/BV (x)	5.2	7.3	6.0	7.6	6.9



Recommendation Summary - last 3 years



Dates	Rating	Target
11-Nov-22	HOLD	18,122
15-May-23	HOLD	20,866
17-Nov-23	HOLD	21,148
15-Feb-24	HOLD	30,220
01-Jun-24	HOLD	33,437
12-Aug-24	HOLD	34,316
20-Feb-25	HOLD	29,781
19-Sep-25	SELL	35,169




Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:  Upgrade  No Change  Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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