

TATA MOTORS



Analyst Presentation

Aug 26, 2016

Statements in this presentation describing the objectives, projections, estimates and expectations of the Company i.e. Tata Motors Ltd and its direct and indirect subsidiaries and its associates may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors

Q1 FY17 represents the period from 1st April 2016 to 30th June 2016

Q1 FY16 represents the period from 1st April 2015 to 30th June 2015

Financials (other than JLR) contained in the presentation are as per Ind AS.

JLR Financials contained in the presentation are as per IFRS as approved in the EU

*The Company has adopted **Ind AS** for its Standalone and Consolidated financials with effect from April 1, 2016, with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 and all the periods presented have been restated accordingly.*

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Tata Motors Group-Way Forward

Financial Highlights-Q1 FY 2016-17

Tata Motors Group- Consolidated (Rs in Crores)

Q1 FY17 Q1 FY16

Net Revenue **66,005** 60,451

EBITDA **8,484** 11,712

EBITDA % **12.9** 19.4

PAT **2,236** 5231

- Higher volumes more than offset by the adverse FX impact ,higher depreciation and amortisation

Tata Motors Group-Standalone Business (incl Joint Operations) (Rs in Crores)

Q1 FY17 Q1 FY16

Net Revenue **10,423** 9,354

EBITDA **690** 565

EBITDA % **6.6** 6.0

PAT **26** 290

- Continued growth in the M&HCV and LCV segment. Car segment witnessed a very strong growth on the back of recently launched Tiago
- Q1 FY 16 included additional other income (sale of investment) of Rs 324 crores
- Improved EBITDA margin in the Standalone business : 5.7% (vs 4.7% in Q1 FY 16)

Tata Motors Group-Jaguar Land Rover (IFRS) (GBP in Million)

Q1 FY17 Q1 FY16

Net Revenue **5,461** 5,002

EBITDA **672** 821

EBITDA % **12.3** 16.4

PAT **304** 492

- Solid sales volume and revenue but lower EBITDA due to Unfavorable FX impact and lower local market incentive compared to Q1 FY16
- EBITDA margin excl FX revaluation (as explained in next slide) is around 14%,

For the presentation purpose, revenue has been taken as net of excise duty. EBITDA % is calculated on Revenue net of excise duty
Consolidated PAT is after minority interest and share of profit/(loss) in respect of associate companies.

Joint Operations included in Standalone financials are Tata Cummins Private Ltd and Fiat India Automobile Private Limited

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Tata Motors Group-Jaguar Land Rover

FOREIGN EXCHANGE IMPACT-UNFAVOURABLE REVALUATION

(£ millions, unless stated)	Quarter ended 30 June		
	2016	2015	Change
Realized FX Hedges ¹	(123)	(109)	(14)
Revaluation of Current Assets/Liabilities and Other ²	(84)	34	(118)
Total FX impacting EBITDA	(207)	(75)	(132)
Revaluation of Undesignated Debt ²	(23)	99	(122)
Unrealized FX Hedges ²	21	72	(51)
Total FX below EBITDA	(2)	171	(173)
Total FX impact on PBT	(209)	96	(305)

End of Period Exchange Rates	30-Jun-16	30-Jun-15
<i>GBP:USD</i>	<i>1.346</i>	<i>1.570</i>
<i>GBP:EUR</i>	<i>1.211</i>	<i>1.406</i>
<i>GBP:CNY</i>	<i>8.965</i>	<i>9.743</i>

Memo:

¹ Realised hedge gains/(losses) are driven by the difference between executed hedging exchange rates compared to accounting exchange rates

² Exchange revaluation gains/(losses) reflect the movement in each end of period exchange rate

Tata Motors Group- Summary of Ind-AS changes

(Figures are for the quarter April to June 2015)

Particulars	At Standalone level (Rs crores)	At Consolidated level (Rs crores)
Profit Reported as per IGAAP	257.57	2,768.91
Profit as per Ind-AS	289.84	5,231.03
Changes :-		
Exchange movement impact on foreign currency instruments (earlier amortised over the life of the instrument)	(36.11)	2,145.35
Effect of reassessment of deemed cost of certain plant and equipment and intangibles	48.18	48.18
Profit from Joint Operations	86.74	
Reversal of gain on sale of Equity investments now taken to OCI	(80.38)	(80.38)
Early adoption in Ind-AS of IFRS-9 (accounting for cross currency basis spreads)		742.97
Provision under Ind-AS for expected credit losses		(330.57)
Others	13.84	(63.43)

Tata Motors Group-Operating profit performance-Q1 FY17 Snapshot

Standalone Business Performance :-

Standalone business reported a improvement in EBITDA Margin to 5.7% **which is an improvement of 100 bps Y-o-Y** . This broadly reflects :-

- M&HCV growth of 7.8% (Y-o-Y)
- Solid LCV growth of 11.6% (Y-o-Y)
- Car segment growth of 15.1% (Y-o-Y)
- Ongoing cost reduction and other margin improvement initiatives



Jaguar Land Rover Business Performance :-

Jaguar land Rover **EBITDA** for Q1 FY17 was **£ 672 mn** , EBITDA margin at 12.3%; mainly impacted by :

- ❖ Higher wholesales and revenue offset by FX impact of £207 million including revaluation of £84 million, mainly EUR payables resulting from depreciation in the Pound following the BREXIT vote
- ❖ Lower local market incentive compared to Q1 FY16

EBITDA margin excluding FX revaluation is around 14%



Tata Motors Group-Standalone Business

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FUTUREADY

OUR MISSION

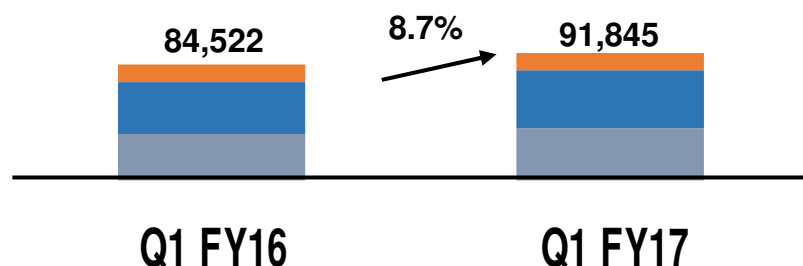
WE INNOVATE MOBILITY SOLUTIONS WITH
PASSION TO ENHANCE QUALITY OF LIFE.

Tata Motors Group-Standalone Business :-Commercial Vehicles

Total CV Volumes (including Exports), up 8.7 % YoY in Q1 FY17

■ MHCV ■ LCV ■ Exports

CV	Q1FY17
MHCV(Dom.)	35,504
LCV(Dom.)	43,189
Exports	13,152
Total	91,845



- **Overall CV Industry** continued its growth trajectory with a growth of 11.0% Y-o-Y in Q1 FY 17
- **Overall domestic CV volumes of the Company grew by 9.9% Y-o-Y in Q1 FY 17 with**
 - **M &HCV segment growth of 7.8 % Y-o-Y and**
 - **LCV segment growth of 11.6 % Y-o-Y**
- Variable marketing expenses continues to remain high in the Industry.
- Exports up 2 % Y-o-Y.
- Other key highlights in the Export markets were :-
 - ❑ Received order of 553 units of Tata Xenon Malaysia
 - ❑ Launched PRIMA in Bhutan
 - ❑ Launched new 'ULTRA' in Kenya



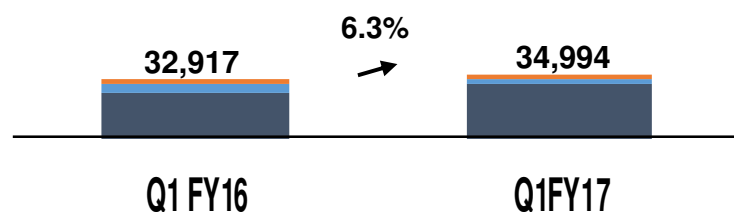
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Tata Motors Group-Standalone Business :-Passenger Vehicles

Total PV volumes (including exports) up 6.3% Y-o-Y in Q1 FY 17

■ Cars ■ Utility vehicles & Vans ■ Exports

PV	Q1 FY17
Cars(dom.)	30,874
UVs & Vans(dom.)	3,456
Exports	664
Total	34,994



- **Passenger vehicle industry** witnessed a growth of **7.4 %** y-o-y in Q1 FY 17. Domestic volume of TML in passenger vehicles segment grew by 6.3% in the same period.
- Passenger car industry declined by 1% y-o-y. **The car segment of TML outperformed industry with a growth of 15.1% y-o-y** on the back of strong growth of recently launched Tiago
- In April 2016, Company has launched the much awaited Exciting, Dynamic Hatchback – **TIAGO** with
 - ❖ **new Impact design**
 - ❖ **new standards of fuel efficiency**
 - ❖ **best in class connectivity and segment first applications like Turn-by-Turn Navi app and the Juke-Car app**

Tata Motors Group-Jaguar Land Rover

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TO BE THE WORLD'S PERFORMANCE BRAND OF CHOICE

TO BE THE WORLD'S PREMIUM SUV BRAND OF CHOICE

MORE GREAT PRODUCTS

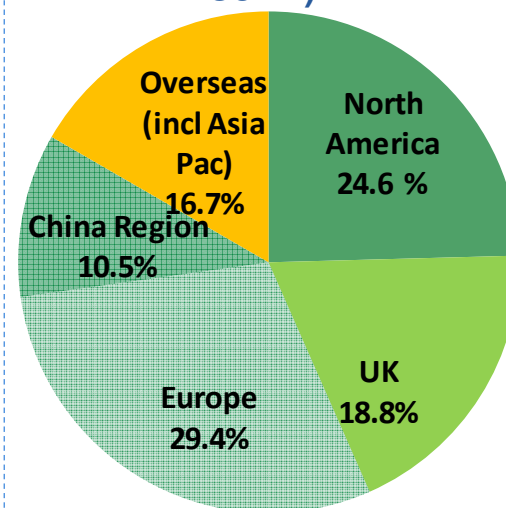
CUSTOMER FIRST

**ENVIRONMENTAL
INNOVATION**

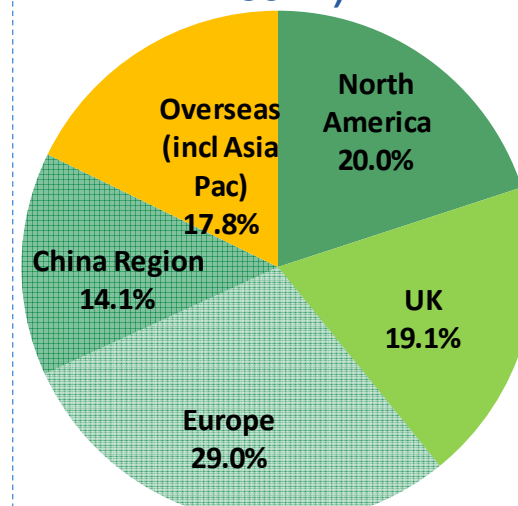
Tata Motors Group-Jaguar Land Rover

- Wholesales and Retail volumes (excluding CJLR) for Q1 FY 17 stood at **120,776 units and 118,704 units**, respectively. CJLR wholesales and retail volumes stood at **13,558 and 14,039 units**
- Retail Sales up in all the Regions reflecting strong sales of F-PACE, XE and DISCOVERY SPORT-
North America up 17%; UK up 18%, China (incl JV) up 19%, Europe up 16%, Overseas up 6%
- Total Capex and Product development spend for **the quarter was £692 mn**. Post this spend free cash flow was **£(633)mn**, driven by **£646m** of seasonal and launch-related increases in inventory. (Free Cash flow in Q1 FY16 was **£(834)mn**, however, full year free cash flow in FY 16 was **£791mn**)
- Cash and financial deposits stood at **£3.7bn** and undrawn committed bank lines at **£1.9bn**
- Further **£50mn of** recoveries related to the Tianjin Port explosion, recognized as exceptional item.
- PBT of £399 mn, down from £ 638 mn in Q1 FY 16** broadly reflecting
 - Lower EBITDA** due to the reasons as explained earlier
 - Higher** depreciation and amortisation
- Share of China JV Profits for Q1 FY 17 was **£45 mn**

Q1 FY17 (Wholesales excl CJLR)



Q1 FY16 (Wholesales excl CJLR)



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Tata Motors Group-Jaguar Land Rover-Exciting New Products

RECENT AND UPCOMING PRODUCTS TO DRIVE FUTURE GROWTH



F-PACE – Launched in April 2016



XE – Launched in US in May 16



Evoque Convertible – Launched in June 2016



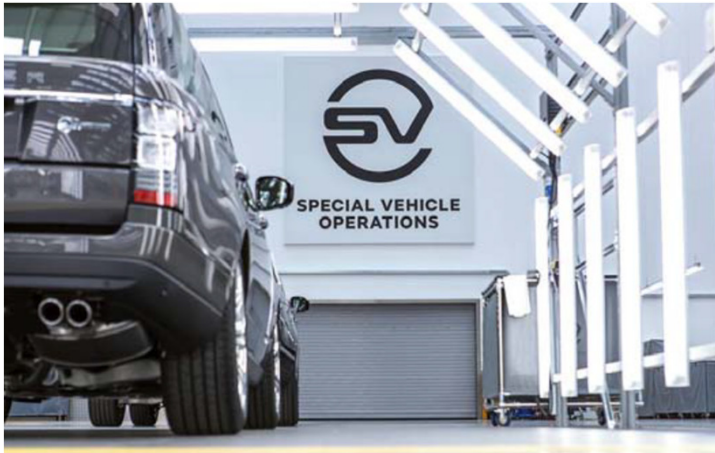
China JV XFL – Launching H2 2016



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Tata Motors Group-Jaguar Land Rover- Other Developments

MANUFACTURING AND OPERATIONS



Special Vehicles Operations

- Brand new Technical Centre, near Coventry, representing a £20m investment
- Comprises of:
 - ❖ Manufacturing Facility
 - ❖ Paint Facility
 - ❖ Technical Suite
 - ❖ VIP Commissioning/Viewing Suites



Brazil Plant

- Plant opened in June 2016
- Producing Range Rover Evoque and Discovery Sport
- Sales of locally produced vehicles beginning later this year



Halewood Plant

- The Halewood plant, in Liverpool, earned two 'Manufacturer of the Year' awards during June
- 13 awards since 2011
- 5 years of production for the Range Rover Evoque with over 500k units produced to date



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June 23-BREXIT REFERENDUM-IMPLICATIONS FOR JLR

The implications for JLR of BREXIT include :-

- The extent to which the Pound remains weaker.
- Any incremental tariffs that might result following exit from the EU
- Any impact on economic growth and consumer confidence in the UK and the EU, recognizing over 50% of sales are to other markets and JLR's strong and growing model line up

Currency Implications

- JLR sells about 80% of vehicles outside the UK (24% Europe, 19% China, 19% US, 18% other)
- JLR sources about 40% of components from the EU with the UK accounting for the majority of other material and operating costs
- JLR would benefit from a continued weaker Pound exchange rates as a result of Brexit (offset partially in the case of the Euro).Benefit would be realized over a period of time as past hedges unwinds.

Tariff implications

- UK vehicle exports into the EU (c. 24%) could become subject to tariffs depending on trade agreements to be negotiated with the EU. Similarly, vehicles manufactured in the EU and imported into the UK could also be affected.
- Components sourced from the EU could also become subject to tariffs, however, these would be recoverable on vehicles subsequently exported out of the UK (presently c. 80%).

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Tata Motors Group-Way Forward

Tata Motors Group – Standalone Business - Way Forward

- ❑ Economy, driven by government led expenditures and stimulus, is expected to support the Auto Sales growth in FY 17
- ❑ Company will continue to explore capital optimization through better operating efficiencies in working capital etc and monetization of non-core assets and some of its investments

Commercial Vehicles

- Despite some market headwinds since June 2016, we continue to expect growth momentum for the full year in M&HCV, though somewhat uneven, mainly triggered by post good monsoon demand, continued replacement and fleet expansion and pre-buying before countrywide adoption of BS IV from 1st April 2017. Similarly, we expect positive growth in the buses & LCV segment during the year.
- Wide and compelling product range with several new launches in FY17 provides strong foundation for growth :-
 - M&HCV- Expansion of **Prima LX and new Signa Range across tonnages and applications**
 - LCV & ILCV- Expansion of the new **Ultra Range across tonnages and applications**
 - SCV & Pick up :- **refreshes/variants to further complement and strengthen the ACE and Super ACE family**
- Export growth will continue to be high focus .
- Company has a good pipeline of Defense orders- received and expected.



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Tata Motors Group – India Business - Way Forward

Passenger vehicles

- Company will launch new products consecutively into the market as per a robust product plan.
- Focus on existing product volumes will continue
- Dealer network expansion will also be a focus area
- Customer centricity will be continuously strived for, as reflected in the recently improved ranking in JDP CSI of 3rd place last year



Vision

- As a High Performance Organization, we are, by FY2019
- Among the **Top 3 in Global CV and Domestic PV**
- **Achieving Sustainable Financial Performance**
- **Delivering Exciting Innovations**

Values

- Integrity
- Teamwork
- Accountability
- Customer Focus
- Excellence
- Speed

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Tata Motors Group – Jaguar Land Rover- Way Forward

INVESTMENT TO DRIVE PROFITABLE GROWTH



- JLR's strategy continues to be to invest in new products, technology and manufacturing capacity to grow profitably ;
- We expect investment spending in the region **of £3.75 bn in 2016/17.**
- Jaguar Land Rover plans to continue to build on recent successful product launches with the sales ramp up of the Jaguar F-PACE , XF long wheel base in China, the Evoque Convertible and future new model launches yet to be announced.
- We will continue to closely monitor and assess market conditions in the UK and EU post Brexit as well as China as the target GDP growth rate comes down
- The new products are expected to drive solid profitable volume growth for JLR going forward and operating cash-flow to help fund ongoing investment.



Tata Motors - Contact Information :

Press Presentation is available on our website
<http://www.tatamotors.com/investors/investors.php>

Thank You

