

**TATA MOTORS**



**Analyst Presentation**

**November 14, 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

Q2 FY17 represents the period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> September 2016

Q2 FY16 represents the period from 1<sup>st</sup> July 2015 to 30<sup>th</sup> September 2015

H1 FY 17 represents the period from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016

H1 FY 16 represents the period from 1<sup>st</sup> April 2015 to 30<sup>th</sup> September 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

## Tata Motors Group- Consolidated (Rs Crores)

Q2 FY17 Q2 FY16

**Net Revenue** 65,940 61,526

**EBITDA** 7,025 7,361

**EBITDA %** 10.7 12.0

**PBT** 999 (2,150)

**PAT** 848 (1,740)

H1 FY17 H1 FY16

**Net Revenue** 131,945 121,977

**EBITDA** 15,518 19,073

**EBITDA %** 11.8 15.6

**PBT** 3,551 4,824

**PAT** 3,109 3,514

- Net Auto Debt to Equity as of September 30, 2016 was 0.26

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

Q2 FY17 Q2 FY16

**Net Revenue** 10,351 10,695

**EBITDA** 376 874

**EBITDA %** 3.6 8.2

**PBT** (609) (272)

**PAT** (631) (289)

H1 FY17 H1 FY16

**Net Revenue** 20,774 20,049

**EBITDA** 1,076 1,439

**EBITDA %** 5.2 7.2

**PBT** (571) 60

**PAT** (605) 1

- Net Debt to Equity of TML Standalone as of September 30, 2016 was 0.82

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

Q2 FY17 Q2 FY16

**Net Revenue** 5,953 4,831

**EBITDA** 615 589

**EBITDA %** 10.3 12.2

**PBT** 280 (157)

**PAT** 244 (92)

H1 FY17 H1 FY16

**Net Revenue** 11,414 9,833

**EBITDA** 1,287 1,410

**EBITDA %** 11.3 14.3

**PBT** 679 481

**PAT** 548 400

- JLR has Net Cash position

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 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

# Tata Motors Group-Jaguar Land Rover

## FOREIGN EXCHANGE IMPACT-UNFAVOURABLE REVALUATION

(£ millions, unless stated)	Q2 FY 2017	Q2 FY 2016	Change
Operational Exchange <sup>1</sup>	N/A	N/A	251
Realized FX Hedges <sup>2</sup>	(274)	(16)	(258)
Revaluation of Current Assets/Liabilities <sup>3</sup>	(58)	(47)	(11)
<b>Total FX impacting EBITDA</b>	<b>N/A</b>	<b>N/A</b>	<b>(18)</b>
Revaluation of Undesignated Debt <sup>3</sup>	(37)	(59)	22
Unrealized FX Hedges <sup>3</sup>	53	(20)	73
<b>Total FX below EBITDA</b>	<b>16</b>	<b>(79)</b>	<b>95</b>
<b>Total FX impact on PBT</b>	<b>N/A</b>	<b>N/A</b>	<b>77</b>

End of Period Exchange Rates	30-Sep-16	30-Sep-15
<i>GBP:USD</i>	<i>1.295</i>	<i>1.514</i>
<i>GBP:EUR</i>	<i>1.158</i>	<i>1.349</i>
<i>GBP:CNY</i>	<i>8.65</i>	<i>9.614</i>

Memo:

<sup>1</sup> The year-on-year operational exchange is analytical estimate, which may differ from the actual impact

<sup>2</sup> Realised hedge gains/(losses) are driven by the difference between executed hedging exchange rates compared to accounting exchange rates

<sup>3</sup> Exchange revaluation gains/(losses) reflect the estimated impact of the change in end of period exchange rates as applied to the respective balances

# Tata Motors Group-Operating profit performance-Q2 FY17 Snapshot

## Standalone Business Performance :-

Standalone business(including Joint Operations) reported a EBITDA Margin of 3.6%.This broadly reflects :-

- Significant de-growth in M&HCV of 16.5% (Y-o-Y),  
partially offset by
- Solid LCV growth of 11.4% (Y-o-Y)
- Car segment growth of 26.4% (Y-o-Y)
- Strong Exports growth of 20.1% (Y-o-Y)



## Jaguar Land Rover Business Performance :-

Jaguar land Rover **EBITDA** for Q2 FY17 was **£ 615 mn** , EBITDA margin at 10.3%; mainly reflecting :

- ❖ Favourable Volume and Mix
- ❖ Favourable Operating exchange offset by realized hedges,
- ❖ Unfavourable FX revaluation of current assets and liabilities and one-time provision for new customer quality programmes,

**EBITDA margin excluding the FX revaluation,one-time provision for new customer quality programmes and adjusting revenue for realised FX hedging losses, was around 12.9%**





# Tata Motors Group-Standalone Business

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**FUTURE READY**

## OUR MISSION

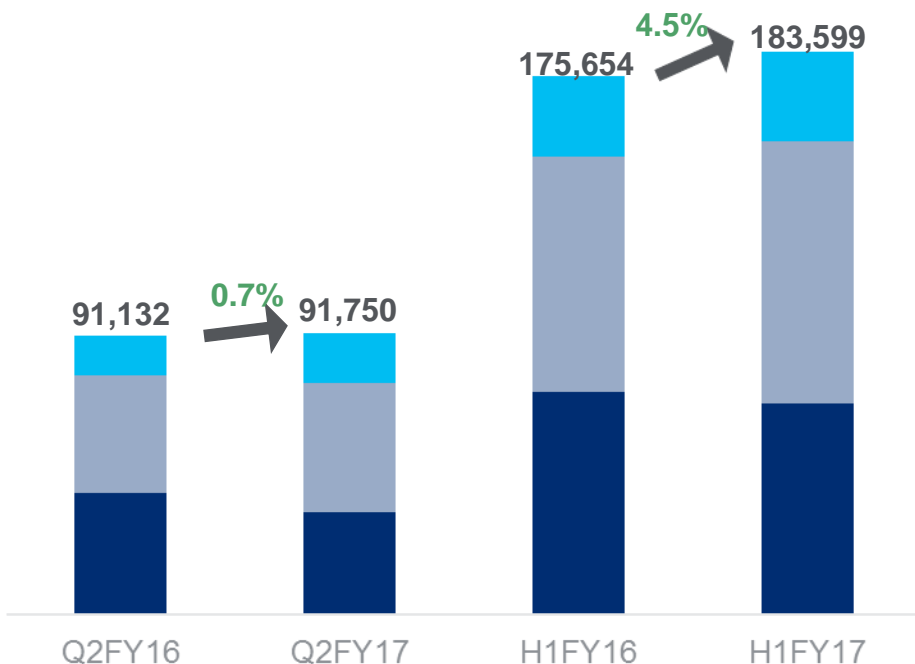
WE INNOVATE MOBILITY SOLUTIONS WITH  
PASSION TO ENHANCE QUALITY OF LIFE.

# Tata Motors Group-Standalone Business :-Commercial Vehicles

Total CV Volumes (including Exports), up 0.7% YoY in Q2 FY17. Exports witnessed strong growth of 21.6% YoY in Q2 FY17

■ M&HCV ■ LCV ■ Exports

CV	Q2 FY17
MHCV(Dom.)	33,208
LCV(Dom.)	42,428
Exports	16,114
<b>Total</b>	<b>91,750</b>



- Overall CV Industry **witnessed pressure on account of demand pause in the M&HCV segment** in Q2 FY 17
- Domestic CV volumes of the Company de-grew by 2.9% Y-o-Y in Q2 FY 17 reflecting,
  - **LCV segment growth of 11.4 % Y-o-Y, offset by**
  - **M&HCV segment de-growth of 16.5 % Y-o-Y**
- Variable marketing expenses remain high in the Industry.
- Bags order **for over 5000 buses** from STU's across India
- Exports **up 21.6 % Y-o-Y in Q2 FY17.**
- Other key highlights in the Export markets were :-
  - ❑ Forays into Bolivia with the launch of CV range
  - ❑ Launch of Tata Super Ace in Vietnam
  - ❑ Launch of new CVs in Indonesia



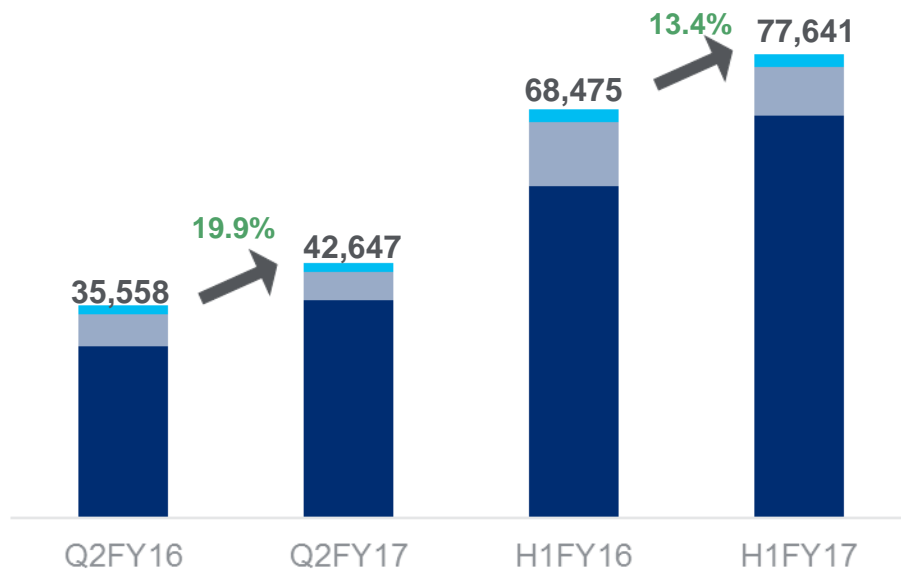


# Tata Motors Group-Standalone Business :-Passenger Vehicles

Total PV volumes (including exports) up 19.9% Y-o-Y in Q2 FY 17

PV	Q2 FY17
Cars(dom.)	36,404
UVs & Vans(dom.)	4,704
Exports	1,539
Total	42,647

■ Cars ■ UVs&Vans ■ Exports



- **Passenger vehicle industry** witnessed a growth of 18.0 % y-o-y in Q2 FY 17. Domestic volume of TML in passenger vehicles segment grew by 20.5% in the same period.
- Passenger car industry grew by 11.4% y-o-y. **The car segment of TML outperformed industry with a growth of 26.4% y-o-y**
- Tiago, with its Impact design, has received very strong response and **the Company continues to have a very strong order book.**
- Launched Tiago in Nepal;



# 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**

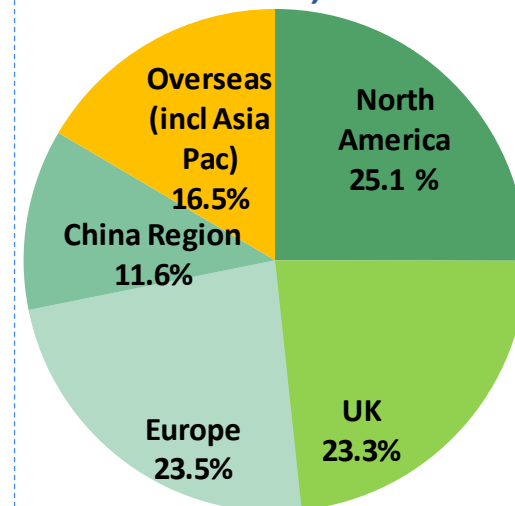
**ENVIRONMENTAL  
INNOVATION**



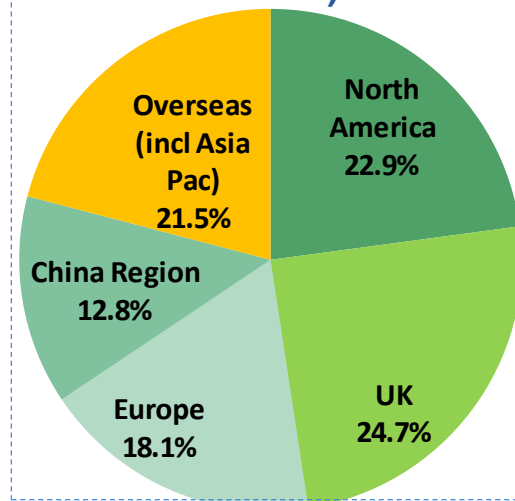
# Tata Motors Group-Jaguar Land Rover

- Wholesale and Retail volumes (excluding CJLR) for Q2 FY 17 stood at **124,192 units and 128,967 units** , respectively. CJLR wholesales and retail volumes stood at **15,043** and **13,492** unit
- Retail Sales up in all the Regions reflecting strong sales of F-PACE, XE, EVOQUE, and DISCOVERY SPORT- North America up 39%; UK up 28% , China (incl JV) up 49%, Europe up 31%, Overseas up 1%
- Total Capex and Product development spend for **the quarter was £784 mn.** Post this spend **free cash flow was £ 70 mn**,
- Cash and financial deposits stood at **£3.8 bn** and undrawn committed bank lines at **£1.9bn**
- PBT of £280 mn**, up from the loss of £ 157 mn in Q2 FY 16 broadly reflecting
  - Favourable volume and mix offset partially by one-time provision of new customer quality programme
  - Favourable revaluation of un-realized FX and commodity hedges
  - Non-recurrence of £245m exceptional Tianjin charge in Q2 FY16**
- Share of China JV Profits for Q2 FY 17 was **£33 mn.** **China JV declared first dividend of RMB1.2bn (JLR share is 0.6 bn)** -- most will be reinvested in the JV

**Q2 FY17 (Wholesales excl CJLR)**



**Q2 FY16 (Wholesales excl CJLR)**





# Tata Motors Group-Jaguar Land Rover- Other Developments

## EXCITING NEW PRODUCTS



### All-New XFL

- Long wheelbase version of the XF for the China market
- First Jaguar produced at the China JV
- Retail sales of 594 units in September 2016



### All-New Discovery

- Lightweight aluminium construction 480kg lighter
- CO2 emissions from 159g/km
- Flexible interior provides seven full-sized adult seats
- Wholesales to start in Q4 FY17



**Major product reveal at LA auto show today !**

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**Tata Motors Group-Way Forward**



# Tata Motors Group – Standalone Business - Way Forward

- ❑ **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

- On the back of Infrastructure spending and good monsoon, we expect M&HCV to grow in second half of Fiscal 2017 leading to full year M&HCV growth of 0-5%. In case of pre-buying before countrywide adoption of BS IV from 1<sup>st</sup> April 2017, the overall M&HCV growth may be higher. Similarly, we expect that the buses & LCV segment will continue to maintain their positive growth momentum 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. Aim to get back to position of more than 60% market share over the next 2 years in 16 tonne and above segment** (from the current level of ~55-56%)
  - 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 in FY 17 is expected to be in the range of 20-25%. We aim to take the CV export contribution to the total CV revenue to 25% in next 2 years** (from the current ~15%) .
- 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 Tata Hexa in January 2017. Hexa has received very positive reviews and accolades from the auto media, journalist and enthusiasts.
- Launch of Kite 5 and Nexon to follow.
- Dealer network expansion will also be a focus area
- Customer centricity will be continuously strived for, as reflected in the improved ranking of 3<sup>rd</sup> place in the recent JDP CSI



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**FUTURE READY**

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

### 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 – in FY17 investment spending is likely to be somewhat lower than the prior indication of about £3.75b.
- Jaguar Land Rover plans to continue to build on recent successful product launches with the continued sales ramp up of the Jaguar F-PACE , XF long wheel base in China, the Evoque Convertible and future new models including the all new Land Rover Discovery and others to be announced.
- Increasing sales of these new products and the planned start of new Discovery wholesales in Q4 FY17 are expected to drive profitable growth and support a solid second half of the year.
- JLR continues to have a balanced sales profile and will continue to closely monitor and assess market conditions in key regions



## Thank You

