



# JAGUAR LAND ROVER

RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

9<sup>th</sup> AUGUST 2017



# DISCLAIMER



Statements in this presentation describing the objectives, projections, estimates and expectations of Jaguar Land Rover Automotive plc and its direct and indirect subsidiaries (the “Company”, “Group” or “JLR”) 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 FY18 represents the 3 month period from 1 April 2017 to 30 June 2017
- Q1 FY17 represents the 3 month period from 1 April 2016 to 30 June 2016

Consolidated results of Jaguar Land Rover Automotive plc and its subsidiaries contained in the presentation are unaudited and presented under IFRS as approved in the EU.

Retail volume data includes and wholesale volume excludes sales from the Company’s unconsolidated Chinese joint venture (“CJLR”).

EBITDA is defined to include the revaluation of current assets and liabilities and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, unrealised FX and commodity hedges, as well as exceptional items

EBIT is defined to include the revaluation of current assets and liabilities and realised FX and commodity hedges as well as profits from CJLR but excludes the revaluation of foreign currency debt, unrealised FX and commodity hedges, and exceptional items

Certain analysis undertaken and represented in this document may constitute an estimate from the Company and may differ from the actual underlying results



# AGENDA



---

Financial performance for the quarter	4
Other developments	12
JLR Strategy	14
Looking ahead	15
Closing Q&A	

## Company participants

Kenneth Gregor, CFO, Jaguar Land Rover

C. Ramakrishnan, Group CFO, Tata Motors

Bennett Birgbauer, Treasurer, Jaguar Land Rover



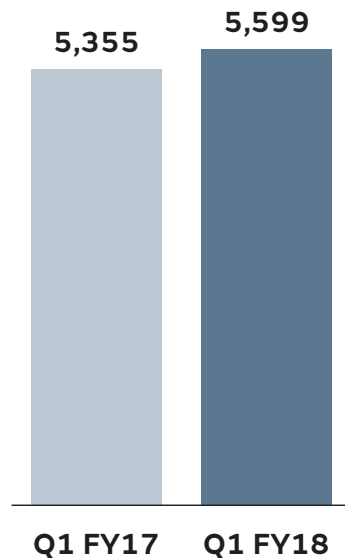
# KEY FINANCIAL METRICS

STRONG REVENUE, PBT UP WITH ONE-OFF PENSION CREDIT\*

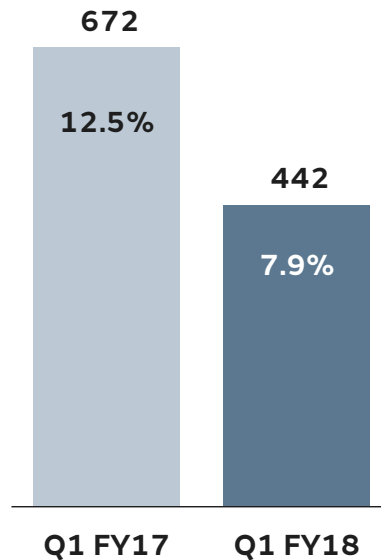


£ millions

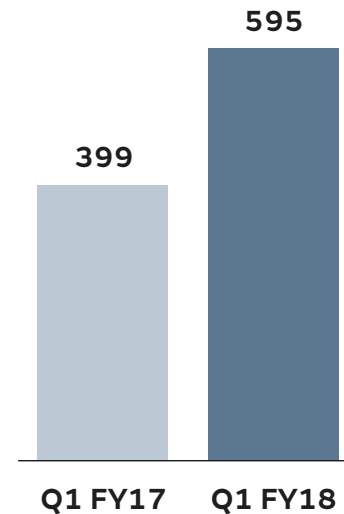
## Revenue



## Underlying EBITDA



## PBT



\* Q1 FY18 PBT includes a £437m credit relating to changes made to the Company's pension plans, not included in underlying EBITDA.



# KEY FINANCIAL METRICS

STRONG REVENUE, PBT UP WITH ONE-OFF PENSION CREDIT\*



(£ million, unless stated)	Quarter ended 30 June		
	2017	2016	Change
Retail volumes ('000 units) (inc CJLR)	137.5	132.8	4.7
Wholesale volumes ('000 units) (exc CJLR)	117.9	120.8	(2.9)
<b>Revenue</b>	<b>5,599</b>	<b>5,355</b>	<b>244</b>
<b>Underlying EBITDA</b>	<b>442</b>	<b>672</b>	<b>(230)</b>
Underlying EBITDA Margin	7.9%	12.5%	(4.6) pts
Profit before tax and one-off items	157	348	(191)
One-off items*	438	51	387
<b>Profit before tax</b>	<b>595</b>	<b>399</b>	<b>196</b>
Underlying EBIT margin	1.2%	6.1%	(4.9) pts
Unadjusted EBIT margin	9.0%	6.1%	2.9 pts

\* The one-off Items relate to a £437m credit relating to changes made to the Company's pension plans in Q1 FY18 and the non-recurrence of £50m of Tianjin recoveries in Q1 FY17

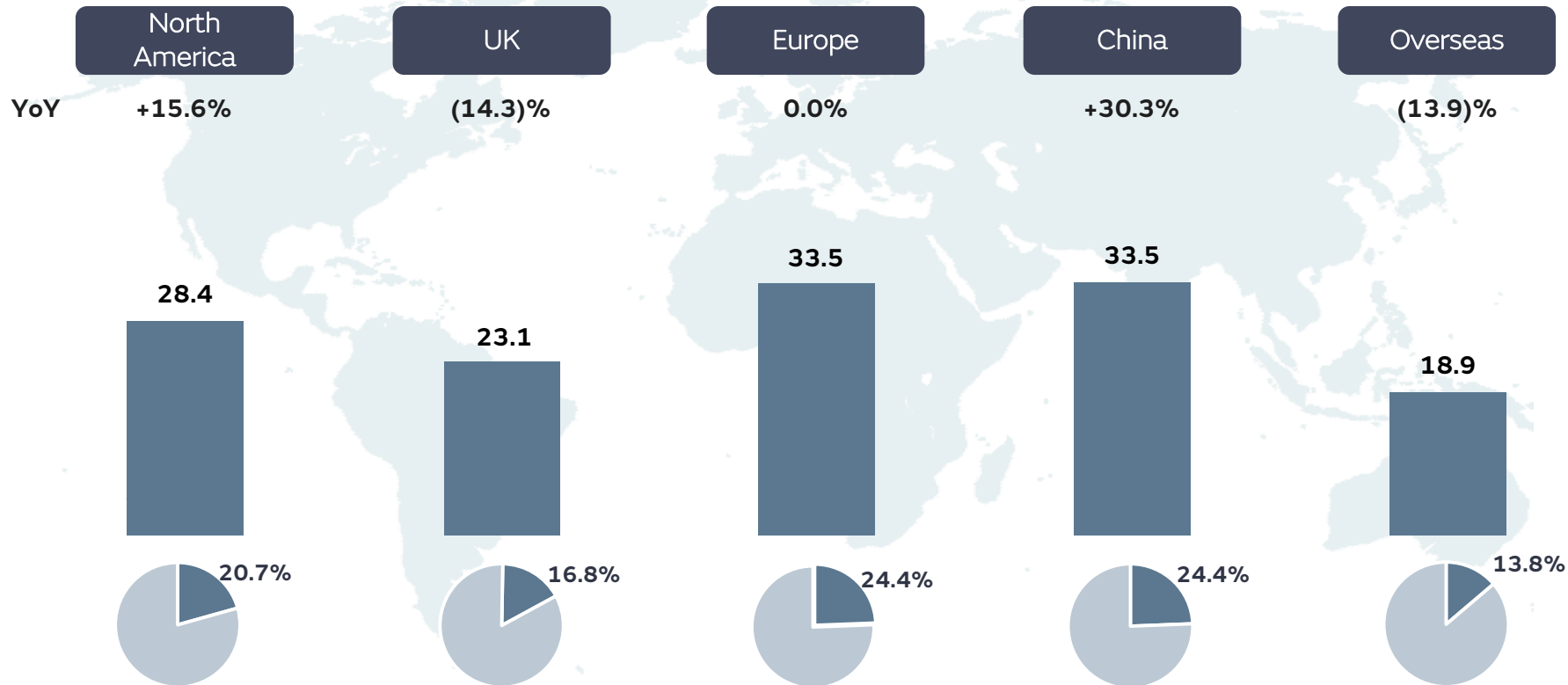


# Q1 FY18 RETAILS 137,463 UP 3.5%

STRONG CHINA AND US SALES, UK DOWN AFTER TAX CHANGE



Units in '000



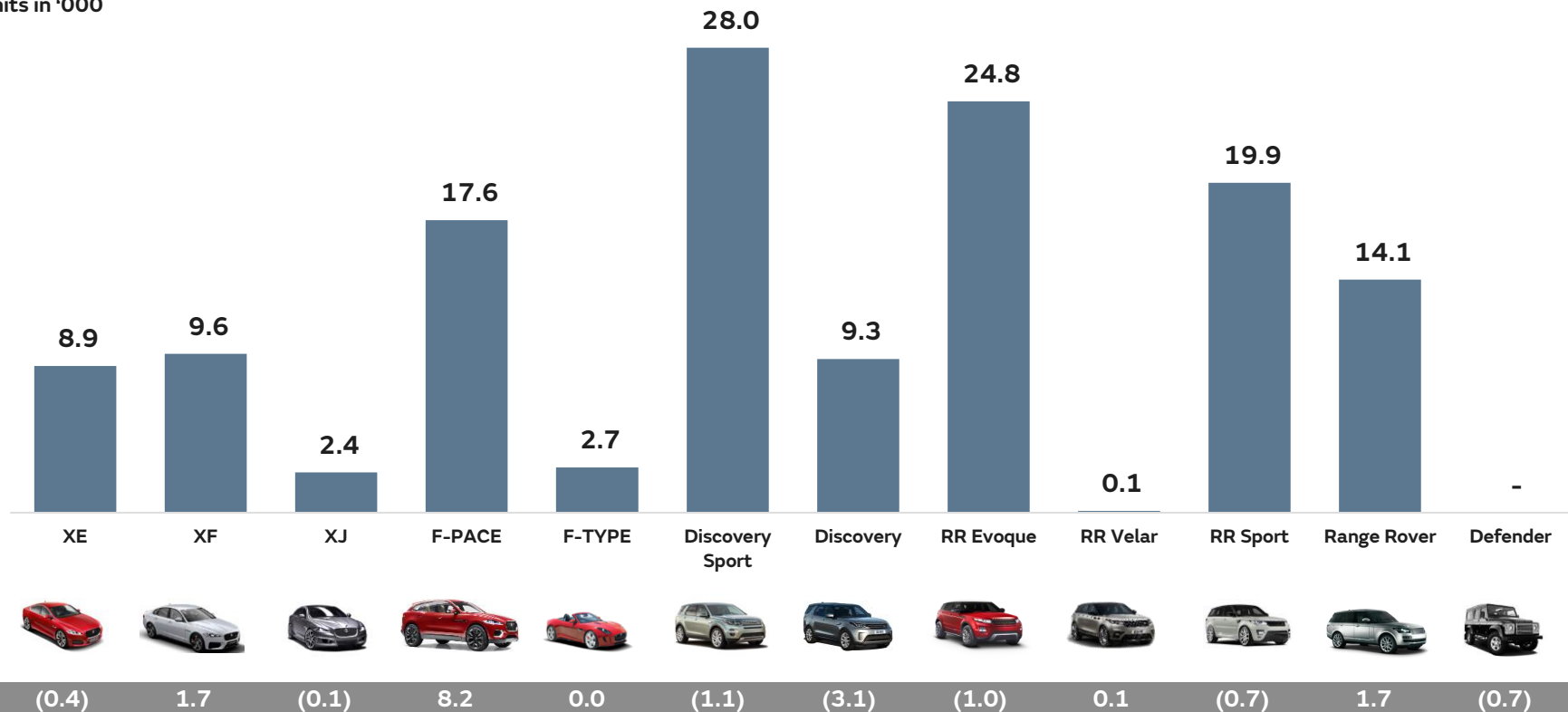


# Q1 FY18 RETAILS 137,463 UP 3.5%

NEW DISCOVERY LAUNCHED IN CHINA AND US IN MAY



Units in '000



Volumes include sales from Chery Jaguar Land Rover – Q1 FY18 20,309 units, Q1 FY17 14,039

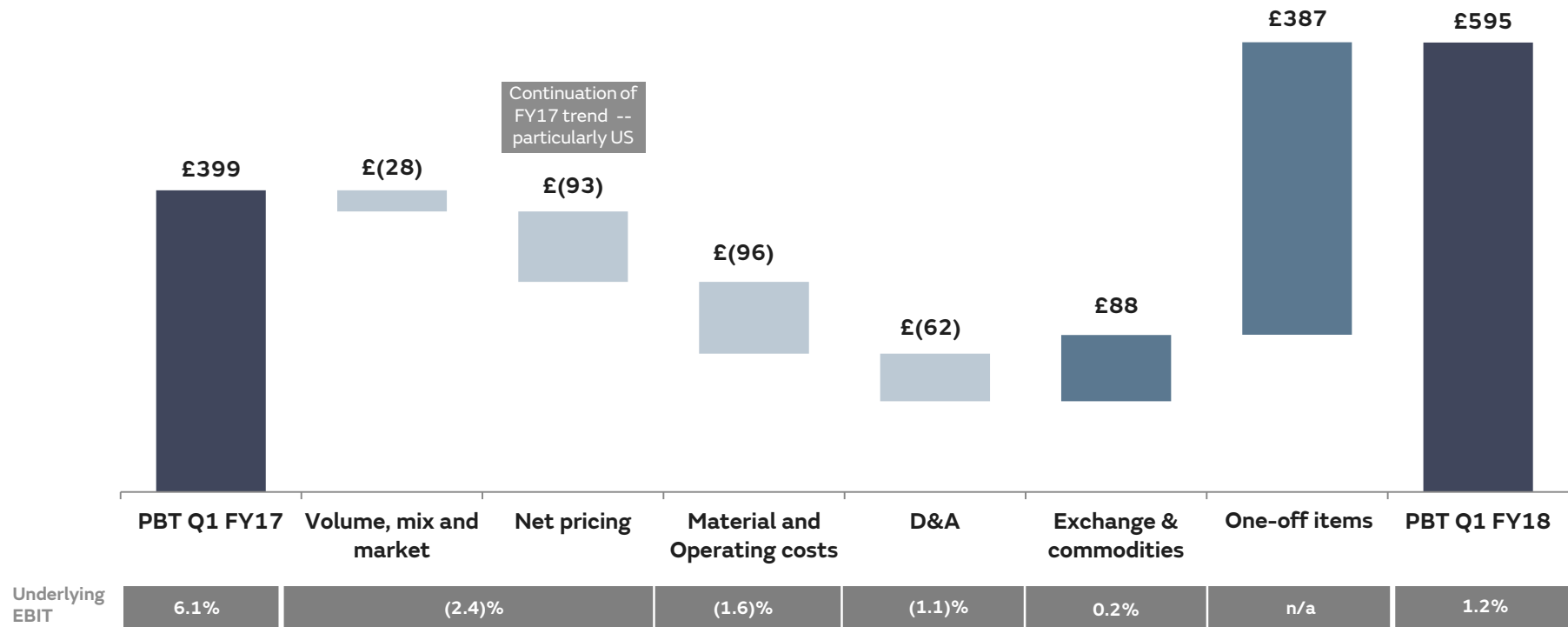


# YEAR ON YEAR PROFIT WALK



£ millions

Pension credit: £437m  
FY17 Tianjin recovery: £50





# QUARTER ON QUARTER PROFIT WALK

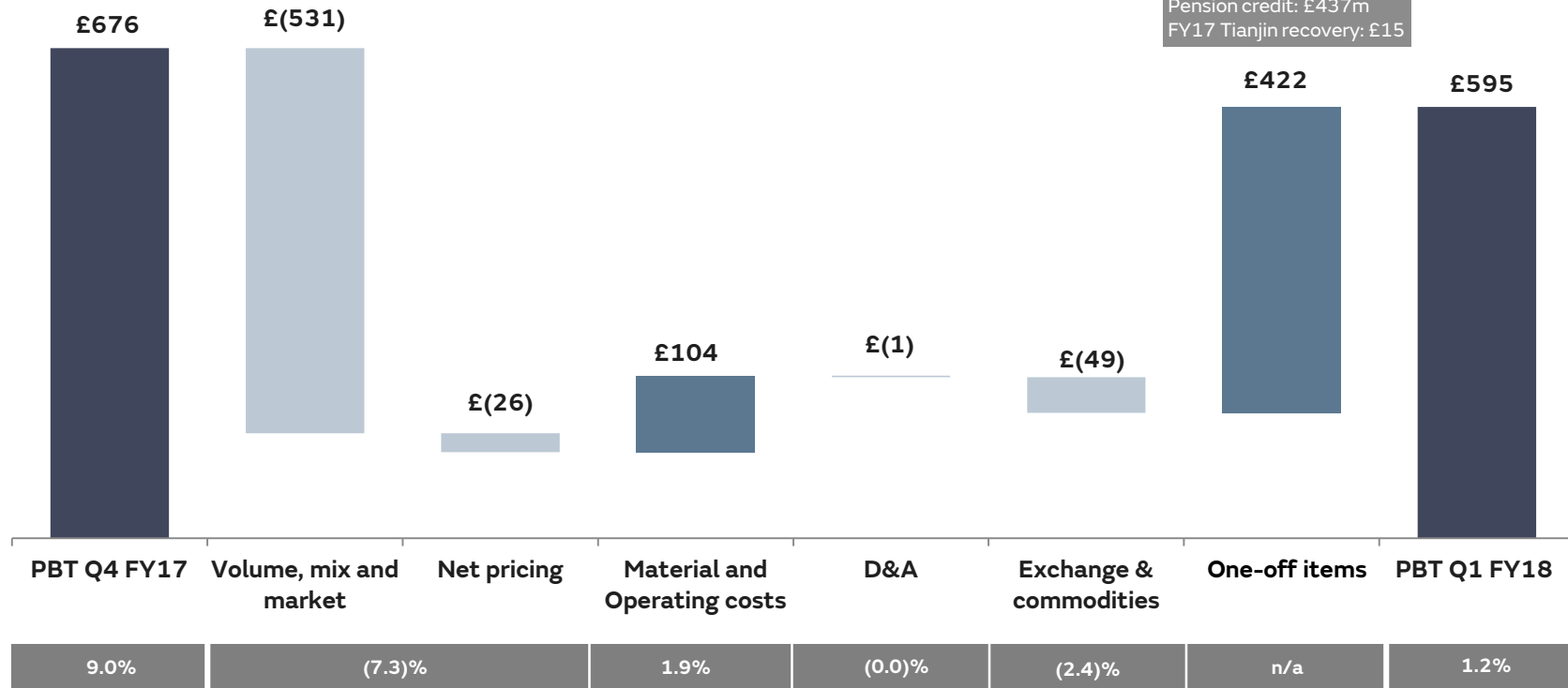
Q1 SALES CALENDARISATION, ONE-OFF PENSION CREDIT



£ millions

Wholesale volumes  
down 41k units vs Q4  
FY17

Pension credit: £437m  
FY17 Tianjin recovery: £15





# CASH FLOW

## INVESTMENT AND WORKING CAPITAL CALENDARISATION



(£ millions)	Quarter ended 30 June		
	2017	2016	Change
<b>PBT</b>	<b>595</b>	<b>399</b>	<b>196</b>
Depreciation and amortisation	450	388	62
Tax paid	(104)	(59)	(45)
Other	(496)	(30)	(467)
<b>Cash profit after tax</b>	<b>445</b>	<b>698</b>	<b>(254)</b>
Total product and other investment	(995)	(692)	(303)
Working capital changes	(733)	(640)	(93)
Finance expenses and fees	(25)	(27)	2
<b>Free cash flow*</b>	<b>(1,308)</b>	<b>(661)</b>	<b>(648)</b>
Changes in debt	(11)	(91)	81
Dividends paid	(60)	(150)	90
<b>Net change in cash &amp; financial deposits</b>	<b>(1,379)</b>	<b>(902)</b>	<b>(477)</b>

\* Free cash flow defined as net cash generated from operating activities less net cash used in investing activities (excluding movements in short-term deposits) and after finance expenses and fees and payments of lease obligations. Free cash flow also includes foreign exchange gains/losses on short-term deposits and cash and cash equivalents



# STRONG LIQUIDITY

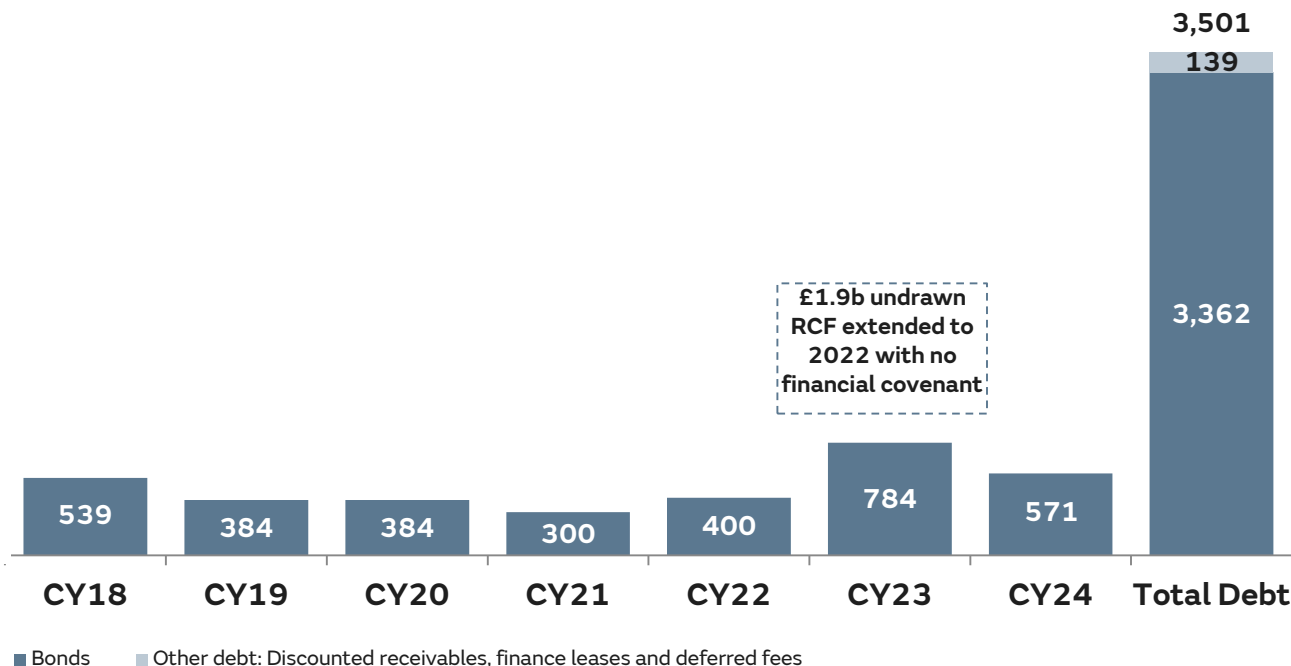
£4.1B CASH & £1.9B UNDRAWN RCF



£ millions



Debt maturity profile





# EXCITING NEW PRODUCTS

## TO DRIVE FUTURE GROWTH



Discovery (US & China May 2017)



Range Rover Velar (July 2017)



XF Sportbrake (This summer)



E-PACE (This winter)



I-PACE (2018)



First premium SUV BEV



Watch this space!

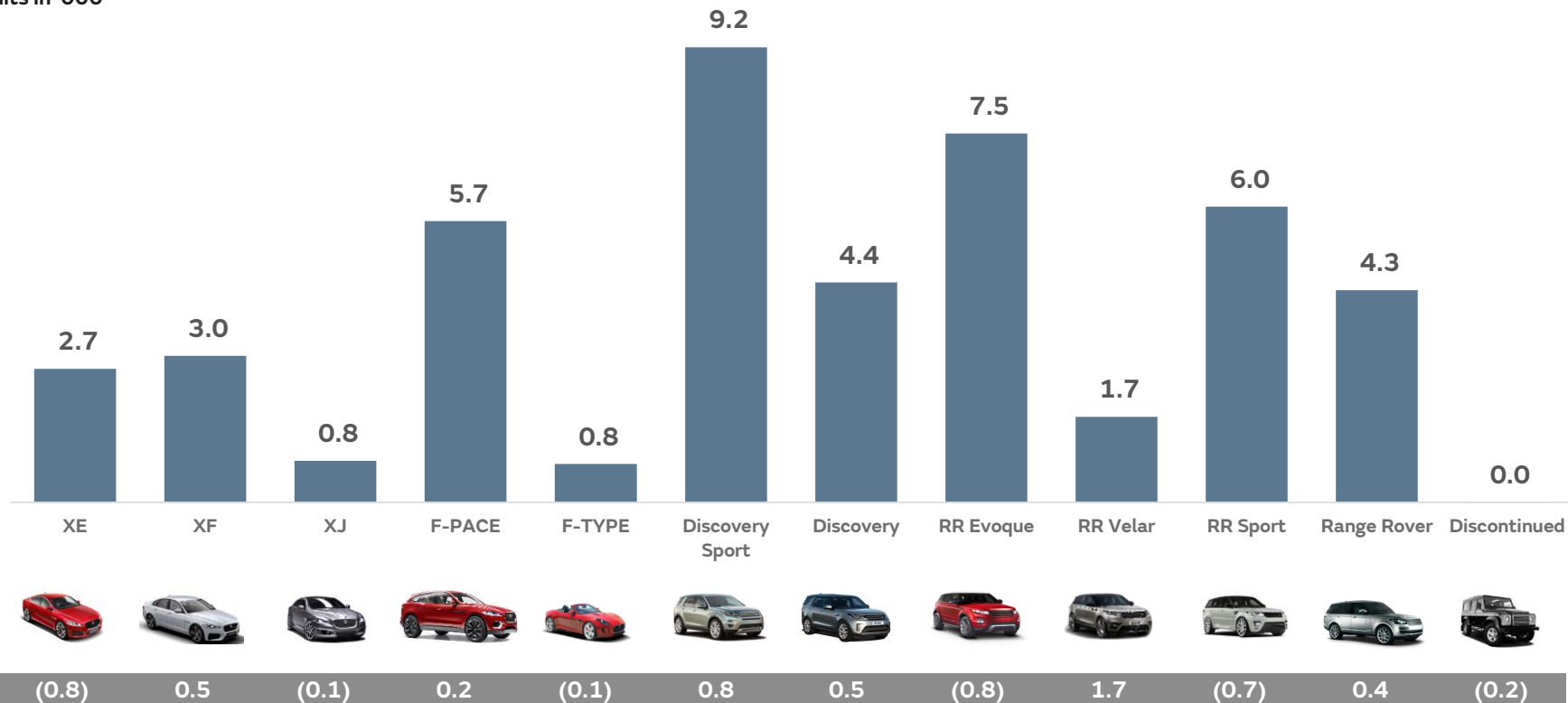


# JULY RETAILS 46,074 UP 3.6%

NEW DISCOVERY RAMPING UP, RANGE ROVER VELAR STARTED



Units in '000



Volumes include sales from Chery Jaguar Land Rover – Jul FY18 6,673 units, July FY17 3,669 units



# JLR STRATEGIC PRIORITIES -- ACES



## AUTONOMOUS

- JLR vehicles currently include level 2 features
- Investing in driver assistance technology to support increasing degrees of automation



## CONNECTED

- Investment in technology & infrastructure to support higher levels of connectivity
- Cloudcar - \$15m equity investment



## ELECTRIC

- I-PACE Battery Electric Vehicle on sale 2018
- Plug-in hybrids starting in 2018



## SHARED

- InMotion Ventures invests in the future of transport and mobility
- Lyft investment - \$25m with opportunities to collaborate



# LOOKING AHEAD

## CONTINUING TO INVEST TO DRIVE PROFITABLE GROWTH



- JLR's strategy is to achieve sustainable profitable growth by investing proportionally more in new products, technology and manufacturing capacity. Consistent with this, FY18 investment spending is expected to be in the region of £4 – 4.35b, including investment in the new Slovakia plant
- Despite increased geopolitical uncertainty (e.g. Brexit in the UK), economic growth in most major economies is continuing, although competitive conditions and incentive levels in the automotive sector have increased in key markets such as North America
- As previously indicated, JLR expects margin pressures seen in FY17 including higher incentive levels and launch and growth costs to continue in FY18. We also expect seasonality in volume and profit by Quarter to continue
- The launch of the versatile new Discovery (US and China in May), the stunning Range Rover Velar, the Jaguar E-PACE, XF Sportbrake and other exciting new models in FY18 are expected to strengthen our portfolio and attract new customers, driving sustainable profitable growth over the course of the financial year and beyond
- JLR's planning target remains to achieve an 8-10% EBIT margin in the medium term





---

Thank You

Kenneth Gregor  
CFO, Jaguar Land Rover

C. Ramakrishnan  
Group CFO, Tata Motors

Bennett Birgbauer  
Treasurer, Jaguar Land Rover

Jaguar Land Rover Investor Relations  
[investor@jaguarlandrover.com](mailto:investor@jaguarlandrover.com)

Tata Motors Investor Relations  
[Ir\\_tml@tatamotors.com](mailto:Ir_tml@tatamotors.com)

Jaguar Land Rover  
Abbey Road, Whitley, Coventry  
CV3 4LF

[Jaguarlandrover.com](http://Jaguarlandrover.com)





**ADDITIONAL SLIDES**



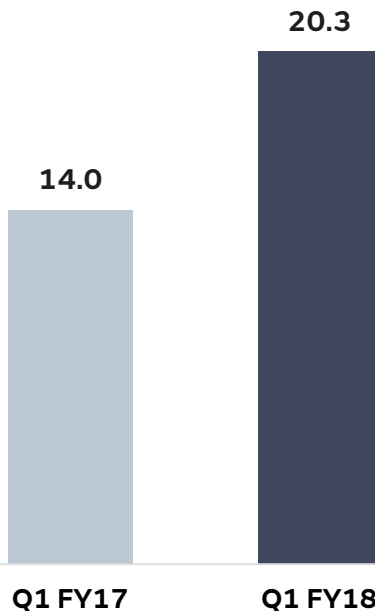
# CHINA JOINT VENTURE

## INCREASED SALES AND PROFITS



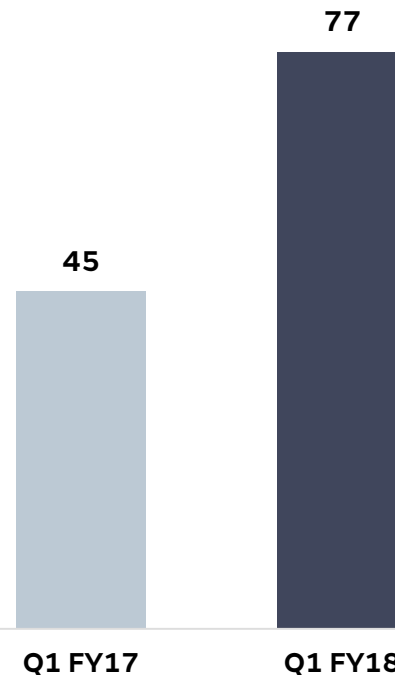
Units in 000's

Retail volumes



£ millions

JLR share of profit





# INCOME STATEMENT

STRONG REVENUE, PBT UP WITH ONE-OFF PENSION CREDIT\*



(£ millions)	Quarter ended 30 June		
	2017	2016	Change
<b>Revenues</b>	<b>5,599</b>	<b>5,355</b>	<b>244</b>
Material and other cost of sales	(3,565)	(3,241)	(324)
Employee costs	(656)	(605)	(51)
Other (expense) / income <sup>(1)</sup>	(1,291)	(1,159)	(132)
Product development costs capitalised	355	322	33
<b>Underlying EBITDA</b>	<b>442</b>	<b>672</b>	<b>(230)</b>
Depreciation and amortisation	(450)	(388)	(62)
Share of profit from Joint Venture	77	45	32
<b>Underlying EBIT</b>	<b>69</b>	<b>329</b>	<b>(260)</b>
Undesignated debt/unrealised hedges MTM <sup>(2)</sup>	100	31	69
Net finance (expense) / income and other	(12)	(12)	-
<b>Profit before tax and one-off items</b>	<b>157</b>	<b>348</b>	<b>(191)</b>
One-off items	438	51	387
<b>Profit before tax</b>	<b>595</b>	<b>399</b>	<b>196</b>
Income tax	(123)	(95)	(28)
<b>Profit after tax</b>	<b>472</b>	<b>304</b>	<b>168</b>

\* The one-off Items relate to a £437m credit relating to changes made to the Company's pension plans in Q1 FY18 and the non-recurrence of Tianjin recoveries (£51m in Q1 FY17)

1) Includes mark to market of current assets and liabilities and realised gains/losses on FX and commodity hedges not hedge accounted

2) Includes mark to market of unrealised FX of hedges (including time value of options) and realised currency derivatives entered into to hedge certain foreign currency debt

The mark to market of realised gains/losses on matured, hedge accounted FX trades is now reported against 'Revenue' or 'Material and other cost of sales' in line with the respective underlying hedged item. For consistency, comparative periods have been restated for this change in presentation

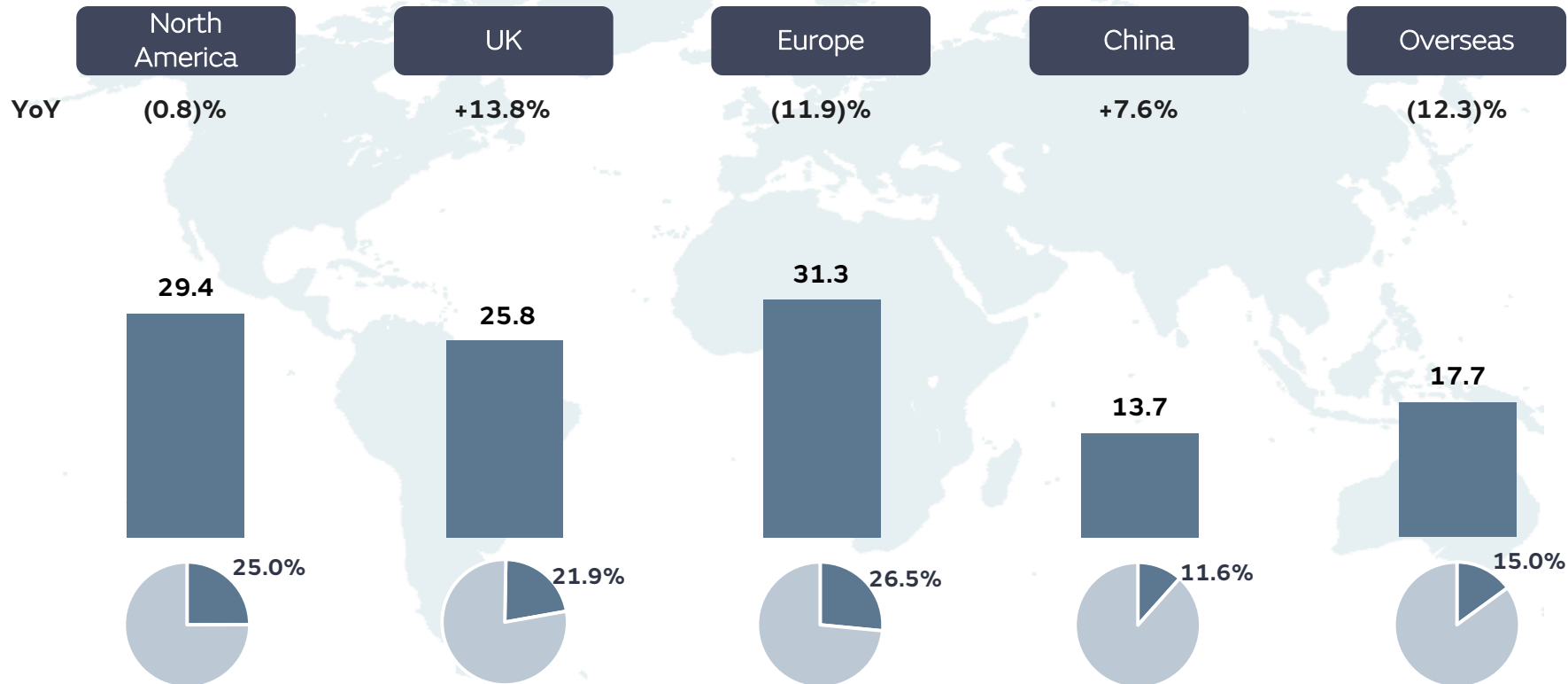


# Q1 FY18 WHOLESALES OF 117,916 DOWN 2.4%

REFLECTS PRODUCTION SCHEDULES



Units in '000



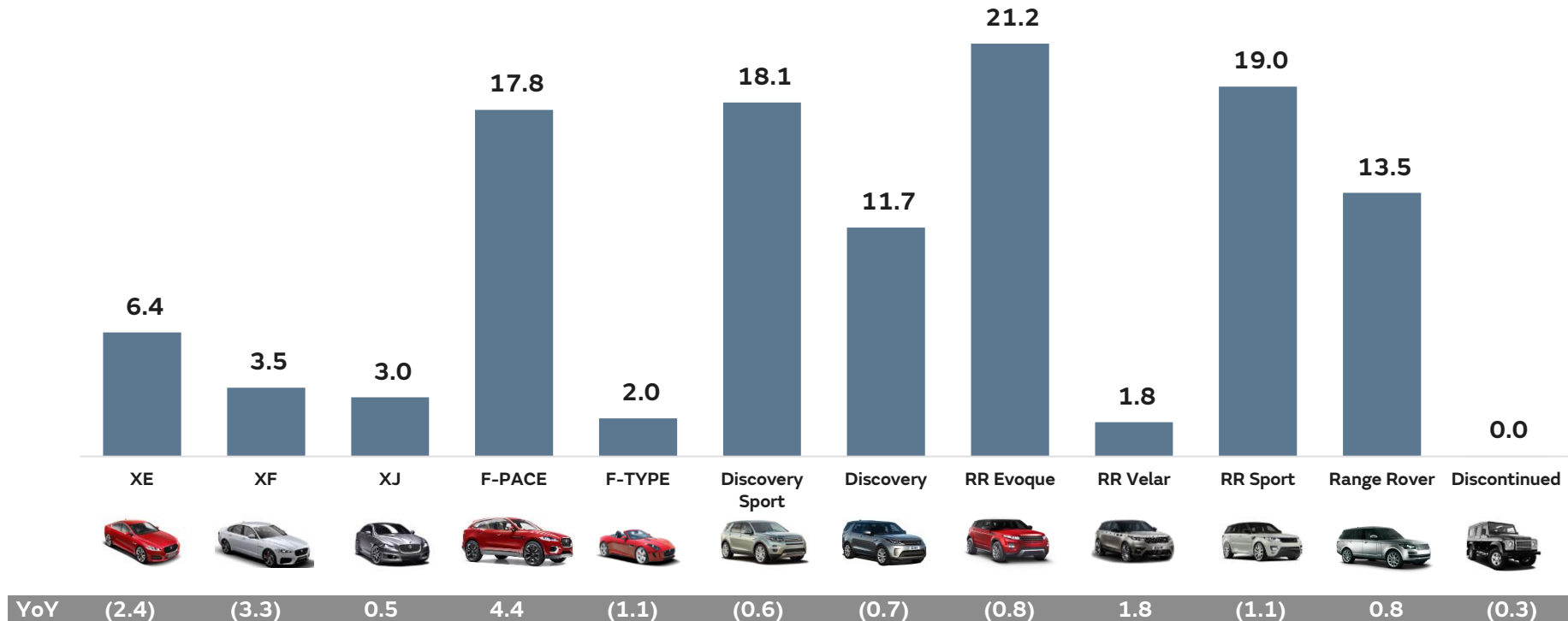


# Q1 FY18 WHOLESALES OF 117,916 DOWN 2.4%

F-PACE, RANGE ROVER & VELAR OFFSET BY LOWER XE, XF



Units in '000



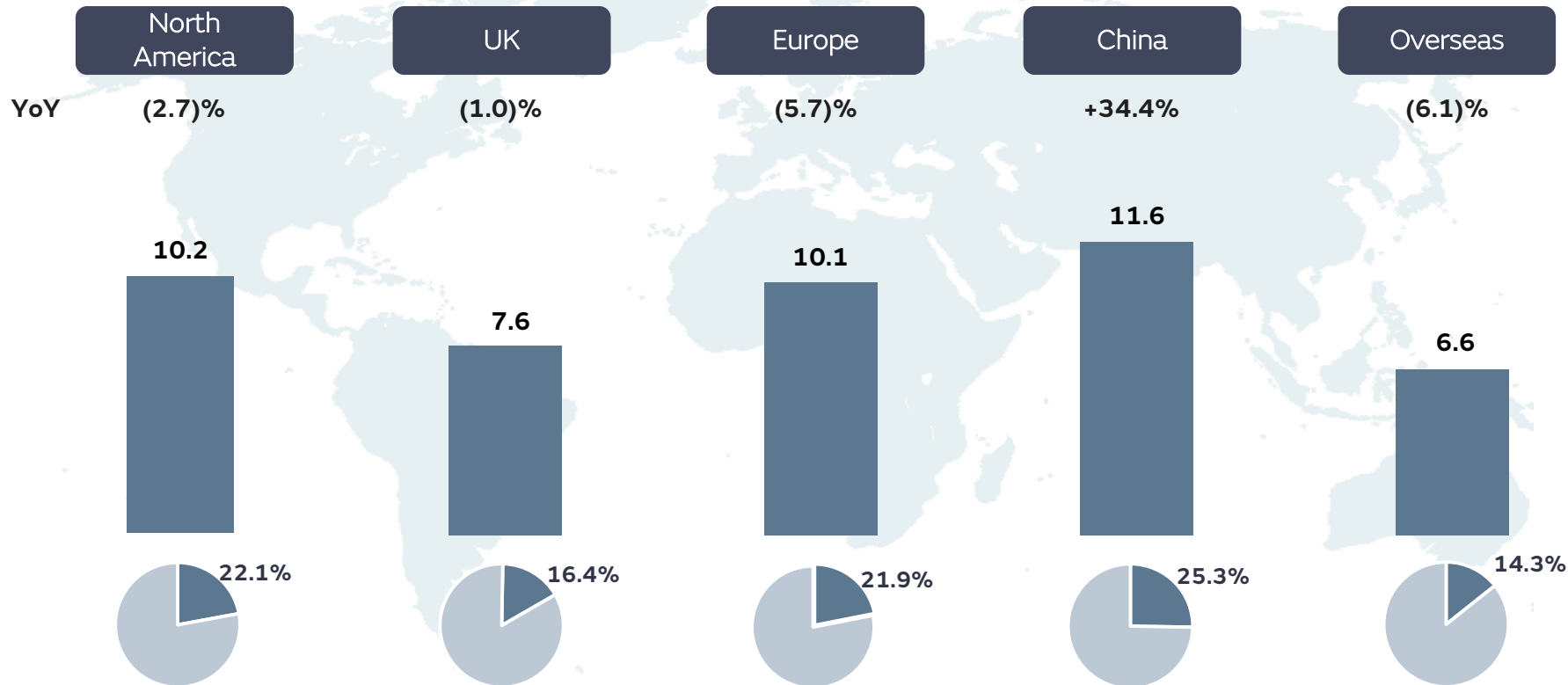


# JULY RETAILS 46,074 UP 3.6%

CHINA UP WITH OTHER MARKETS SLIGHTLY WEAKER



Units in '000





# PRODUCT AND OTHER INVESTMENT

## CAPITAL EXPENDITURE TO GROW THE BUSINESS



(£ millions)	Quarter ended 30 June		
	2017	2016	Change
R&D expense			
Capitalised	355	322	33
Expensed	94	85	9
<b>Total R&amp;D expense</b>	<b>449</b>	<b>407</b>	<b>42</b>
Investment in tangible and other intangible assets	546	285	261
<b>Total product and other investment</b>	<b>995</b>	<b>692</b>	<b>303</b>
Capital investment as % of revenue	17.8%	12.9%	4.9 ppt
Of which capitalised	901	607	294



# FOREIGN EXCHANGE

## IMPACT ON PROFITABILITY



(£ millions)	Quarter ended 30 June			
	2017		2016	
				Change
Operational exchange	n/a		n/a	259
Realised FX hedges and other	(454)		(115)	(339)
Revaluation of current assets and liabilities including warranty	(365) (3)	(94)	(86) (271)	83
<b>Total FX impacting EBITDA &amp; EBIT</b>	<b>n/a</b>		<b>n/a</b>	<b>3</b>
Unrealised FX Hedges	89		21	68
Revaluation of Undesignated Debt	19		(23)	42
<b>Total FX impact on PBT</b>	<b>n/a</b>		<b>n/a</b>	<b>113</b>
Realised commodities (incl. in EBITDA & EBIT)	1		(15)	16
Unrealised commodities (excl. from EBITDA & EBIT)	(8)		33	(41)
<b>Total FX &amp; Commodities impact on PBT</b>	<b>n/a</b>		<b>n/a</b>	<b>88</b>
<b>End of Period Exchange Rates</b>	<i>Q-o-Q</i>		<i>Q-o-Q</i>	
GBP:USD	1.301	4.4%	1.346	6.2%
GBP:EUR	1.140	2.2%	1.211	4.2%
GBP:CNY	8.817	2.8%	8.965	3.4%