

# Tata Motors Group : India business



Annual Analyst Engagement | 22nd February 2021



# Safe harbour statement

Statements in this presentation describing the objectives, projections, estimates and expectations of Tata Motors Limited (the “Company”, “Group” or “TML”) Jaguar Land Rover Automotive plc (“JLR”) and its other direct and indirect subsidiaries 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

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

## Narrations

- 9MFY21 represents the 9 months period from 1 April 2020 to 31 Dec 2020
- FY20 represents the 12 months period from 1 April 2019 to 31 Mar 2020
- FY19 represents the 12 months period from 1 Apr 2018 to 31 Mar 2019
- Q1FY21 represents the 3 months period from 1 Apr 2020 to 30 June 2020
- Q2FY21 represents the 3 months period from 1 July 2020 to 30 Sep 2020
- Q3FY21 represents the 3 months period from 1 Oct 2020 to 31 Dec 2020

## Accounting Standards

- Financials contained in the presentation are as per IndAS

## Other Details

- **Reported EBITDA** is defined to include the product development expenses charged to P&L and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, revaluation of foreign currency other assets and liabilities, MTM on FX and commodity hedges, other income (except government grant) as well as exceptional items.
- **Reported EBIT** is defined as reported EBITDA plus profits from equity accounted investees less depreciation & amortisation.
- **Free cash flow** is defined as net cash generated from operating activities less net cash used in automotive investing activities, excluding investments in consolidated entities and movements in financial investments, and after net finance expenses and fees paid.
- Retail sales of TML represents the estimated retails during the quarter.

	Session	Timing		Presenter
1	Introduction & Context Setting	5 mins	2:00- 2:05	-
2	Turnaround accelerated	30 mins	2:10- 2:40	Guenter Butschek
3	CV – Win Decisively	45 mins	2:45- 3:30	Girish Wagh
4	PV – Win Sustainably	45 mins	3:35-4:20	Shailesh Chandra
5	Financial outlook	20 mins	4:25-4:45	P B Balaji
6	Q & A	70 mins	4:50- 6:00	All presenters

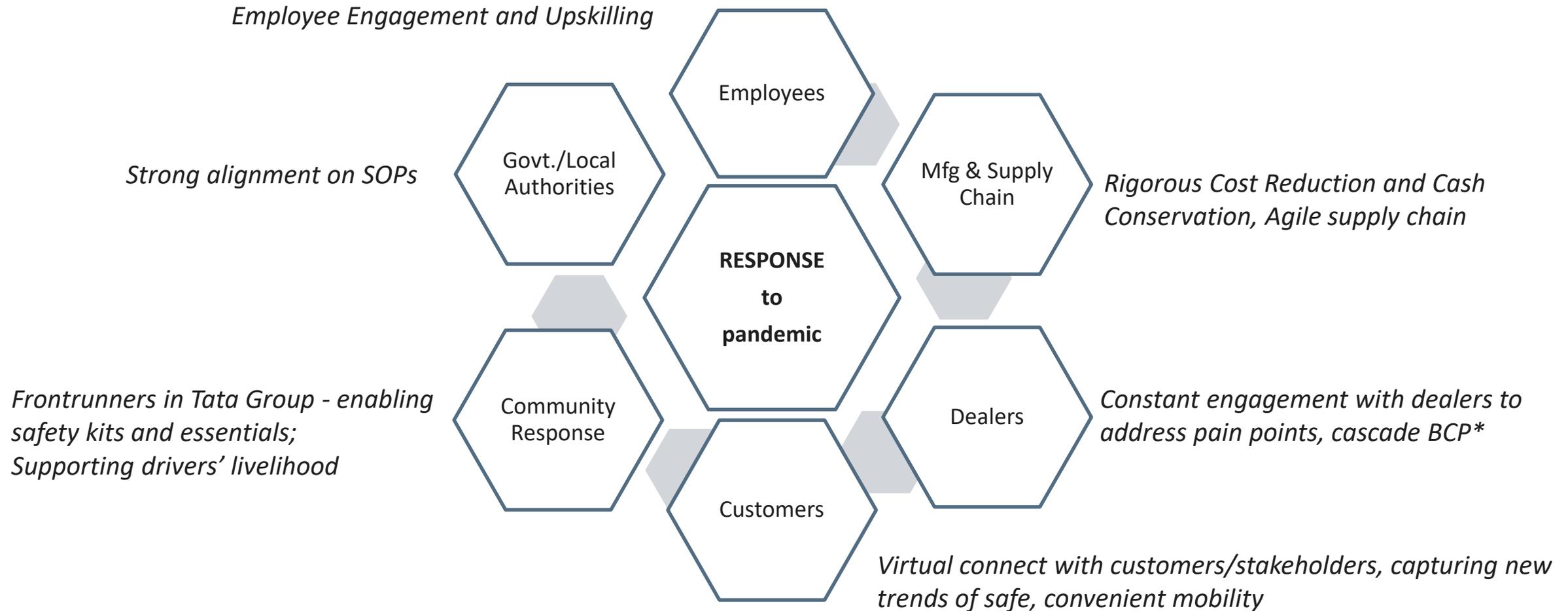
# Turnaround accelerated



Guenter Butschek, CEO & MD – Tata Motors



# From Covid 19 to Business Continuity



**Taking the ecosystem along : 'Survival -> Recovery-> Growth'**

# Challenges to be addressed by the 'new normal'



## Consumer

Concerns on health and safety

Conscious spending

Preference towards personal mobility



## Regulatory

BS6 acceptance

Corporate Average Fleet Economy (CAFÉ)

Higher safety standards

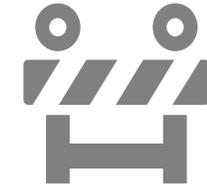
Growing interest in xEV solutions



## Environment

Gradual economic recovery

Higher TCO, fuel prices



## Industry

Unpredictable and volatile market

Pent up demand Vs structural capacity?

**Deep and sustainable impact**

# Accelerating the Turnaround at Tata Motors



## Focus 2020-21

Securing Growth

- PV – Reimagining Frontend
- CV – Accelerating revenue growth in a rising MOP environment

Securing Profitability

- Engineering Efficiency - More for Less
- Employee costs

Securing Cash

- Reduce working capital by effective supplier relationships

**To emerge stronger out of the crisis**

# CV establishing supremacy with 'BSVI and beyond'



Gaining market share in MHCV, recovering in ILCV, SCV and Passenger

Building traction in SCV with Intra, Ace Gold, petrol, CNG

Investing into future - new products, ACES, Digital

Amplifying customer communication by 'Power of 6' campaign

Supporting nation's COVID-19 vaccination drive with refrigerated trucks solutions

**Win Decisively and Responsibly**

# PV on a new high



Strong response to 'New Forever' product range

Consolidating No. 3 position, claiming top 5/10 in respective segments

Record volumes after 8+ years, Market share close to double digits (7.5%+)

Nexon EV emerging as the undisputed leader, 500+ units/month

Reimagining front end Customer Experience

**Win Sustainably**

# Building the future comprehensively

## Design

- 'Impact 2.0' language

## Engineering

- Engineering Efficiency (More for Less)
- ACES & New technologies

## Manufacturing

- Industry & Logistics 4.0
- Integrated S&OP

## Sales & Marketing, Service

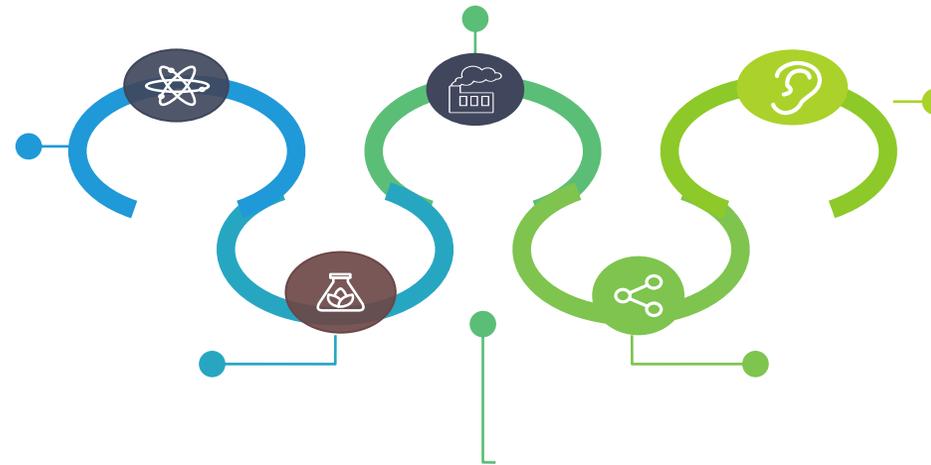
- Digital Transformation
- Dealer profitability

## Supply Chain

- Connected supply chain
- Strategic Sourcing, Early Supplier Involvement

## People & Resources

- Co-creating 'To-Be' Culture
- Mainstreaming Data Analytics



**From Turnaround to Sustainable Transformation**

# Intensifying the focus on ESG



## Environment

Committed to Renewable Energy RE100 by 2030, from 24% in 2021

Joined Govt's vision of carbon footprint reduction

GHG scope 1+2 emission targets SBTi framework

Healthy margin wrt PV on CAFÉ

On track to plant 1mn trees by Dec-21



## Safety

Frontrunner in India on GNCAP safety standards

LTIFR\* <0.2, 20% reduction over last 7 years, aspiration : Zero harm



## CSR & Health

Consistent spend on CSR beyond regulations (20 cr.)

Supported 28k underprivileged youth in higher education

7 lakhs+ lives impacted

28k+ Covid-19 tests conducted for employees in Restart phase



## Sustainable Mobility

Tata Uni**EV**erse - a Tata Group consortium committed to address the e-mobility ecosystem

Leading India's adaption to 'zero emission' mobility

- Nexon EV Best selling EV
- 215 Buses with accumulated 7.5 million kms under FAME-1, order book of 500 electric buses

**We are about to redefine our ESG aspiration and agenda – focus towards CO2 neutral footprint**

# Welcoming Marc

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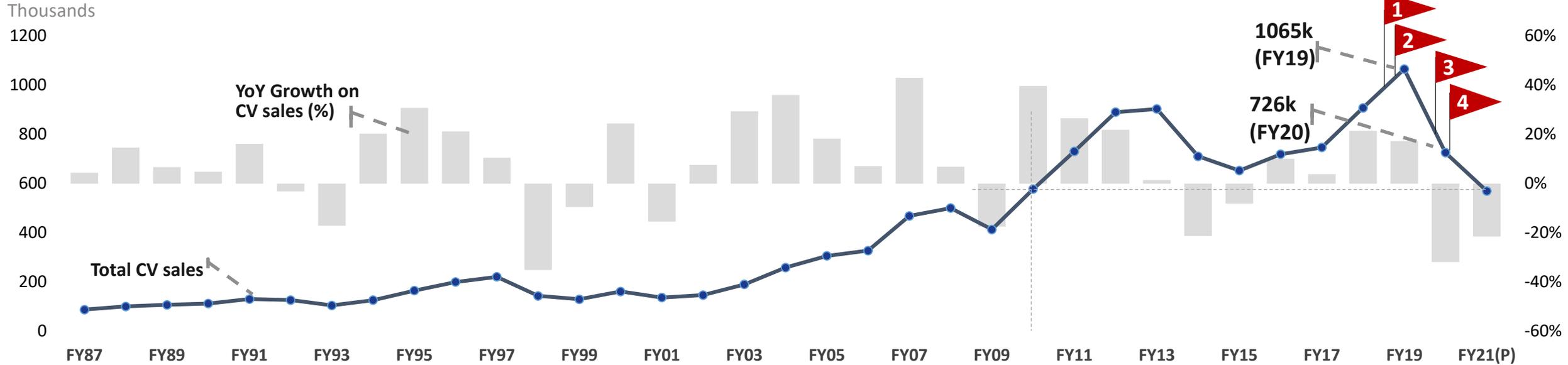
**To a successful future**

# Commercial Vehicles – “Win Decisively”

Girish Wagh , President : CVBU

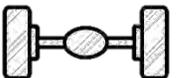
- **The year gone by: Industry context**
- **Journey so far**
- **Future outlook**

# Indian CV Industry has faced major head-winds over last two years



**1**

**Aug 2018**



**Increased Axle Load Norms**

**2**

**Oct 2018**



**Credit Crisis**

**3**

**Mar 2020**



**COVID-19**

**4**

**Apr 2020**



**BSVI Transition**

**Key events in succession, aggravated the cyclical downturn, reducing industry volumes to FY10 levels**

# FY21: Key challenges and our response

## Factors



**COVID-19 Pandemic accentuating the downturn**

## Challenges



**Disruptions on Demand and Supply side**



**Stressed profitability and cash flows**

## Response

- Business Continuity Plan
- Supporting Customers during pandemic and continuous Stakeholder engagement
- Focus on demand generation, improved realization and financial fitness



**BSVI Transition**



**Technology Apprehensions**



**TCO apprehension due to increased vehicle prices**

- Demos and trials to establish Product superiority and TCO benefits
- Financing schemes to minimize impact on EMIs
- Ecosystem engagement to enable smoother transition

**Concerted efforts to minimize the impact**

# Interventions to navigate the downturn and subsequent recovery



## Demand Generation

- Focus on green-shoot microsegments and extensive on-ground market activations for BS6 products
- Greater emphasis on value added services to drive better realization
- Launch creative customer friendly financing schemes with financiers



## Demand Fulfilment

- Ramp up supplies while monitoring the semiconductor supply chain closely
- Strengthen S&OP further to cater to volatile demand situation
- Drive flexibility and safety in manufacturing to mitigate COVID impact



## Cash conservation and cost reduction

- Concentrated efforts on cost reduction
- Ensure that gains are secured during recovery phase
- Choiceful deployment of lower capex spends
- Manage a tight working capital cycle

**Focus on growth, agility and efficiency to maximize the market opportunities**

# Tap growth while serving the nation with agility

Refrigerated trucks from TML for vaccine transport

**TATA MOTORS**  
Connecting Aspirations

**TATA**

**PRESERVES TEMPERATURE AND YOUR PROFITS**

**ULTRA 1918 BS6 FULLY BUILT REEFER**

ZYADA KA VAADA

**HIGHER TEMPERATURE RETENTION INSIDE REEFER** | **PROVEN HEAT BARRIERS FOR MINIMISED THERMAL CONDUCTIVITY** | **LOWER FUEL CONSUMPTION** | **BS6**



120 vehicles already sold



300+ vehicles in pipeline

Comprehensive vehicle range from 'Insulated Vaccine Vans' to 'Refrigerated Vaccine trucks'

# Our Approach to BSVI



## Conceptualization



### Much more than compliance

- Reimagined product range aligned with Product Attribute Leadership Strategy
- Improved TCO and profitability
- Value enhancers to augment product performance
- Cost reduction to minimize impact of BSVI costs



## Introduction



### Impactful and Unmatchable Offer

- Range unveiled at Auto Expo 2020
- Impactful communication through 'Power of 6' theme
- Pricing strategy to reduce discounts structurally
- Down payment and EMIs closer to BS4 level



## Selling



### Performance Establishment

- On-ground product demonstration and back-to-back trials
- Value based selling
- Bundled with Value Added Services- Sampoorna Seva, Fleet Edge, Uptime Guarantee
- Quick response teams for faster issue redressal

**Deployment of well-crafted strategy to enhance competitiveness in BSVI**

# Impactful BSVI Launch to “Win Decisively”



Widest range of BSVI vehicles with best-in-class TCO and profitability

# Enhancing customer experience through Sampoorna Seva



## Sampoorna Seva 2.0 Holistic aftermarket offering

### Universe of services includes

- Repair time assurance
- Breakdown assistance
- Insurance and accidental repair time
- Extended Warranty
- Add-on services  
(TATA OK, Prolife, Loyalty programme)



### Uptime Guarantee

- Industry First comprehensive service offering
- Reinforcing superior product and service capability



### Fleet Management Solution

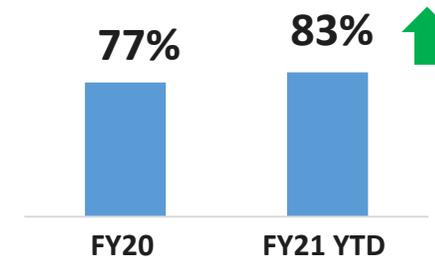
- 3000+ buses managed for 10 STUs with >95% availability
- 10 fleet owners onboarded covering 200+ trucks



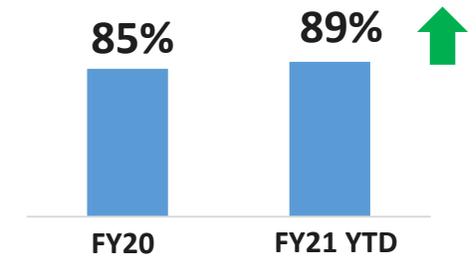
Reach time anywhere  
2 hours in day  
4 hours in night



Repair time assurance  
4 hours for SCVs  
8 hours for all other vehicles under warranty



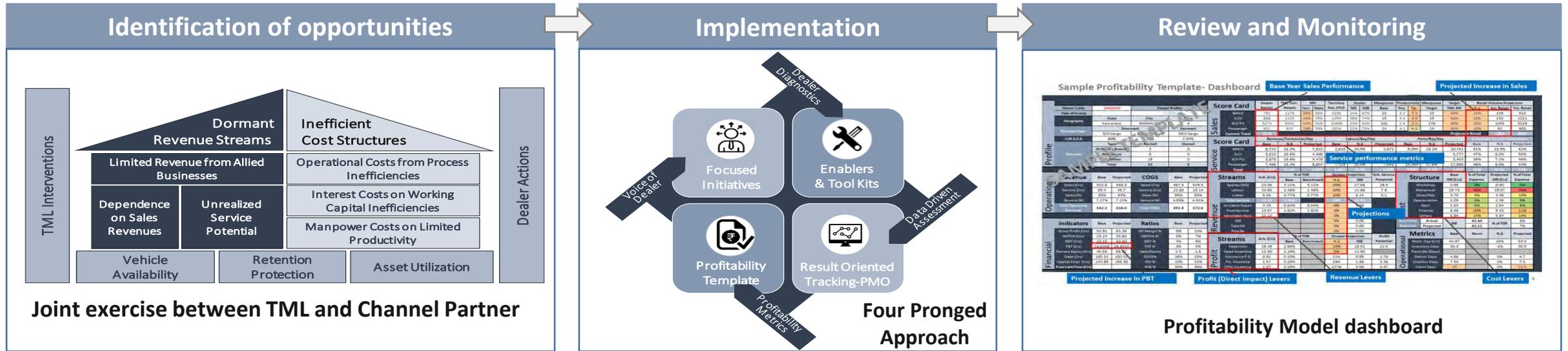
Reach time achievement



Repair time assurance achievement

**Delivering 'Peace of mind' for the end customers, with enhanced productivity and earnings**

# Continued progress in dealer profitability improvement



## CV dealers achieving cash positive performance



Average breakeven volume for dealers reduced by 25%

# Digitalization roadmap to address customer needs



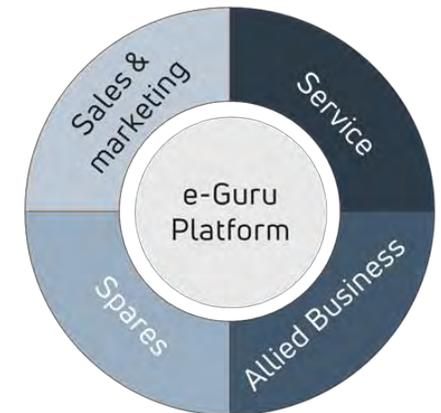
## Digital solutions across customers' business

<b>Asset management</b>	<ul style="list-style-type: none"><li>○ Track and Trace</li><li>○ Real time fuel efficiency</li><li>○ Fuel loss/fill alerts</li><li>○ Driving behaviour Alerts</li><li>○ Geo-fence</li><li>○ Document Management</li><li>○ Digital Instrumental Cluster</li></ul>
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## Front end sales process digitalisation

- Product configurator
- 'Go to market' excellence process
- Financier integration
- Digi VOR (for faster spare parts distribution)
- Dealer Profitability Portal



**Stakeholder centric digital transformation roadmap in place; execution underway**

# Continued to lead on customer facing metrics

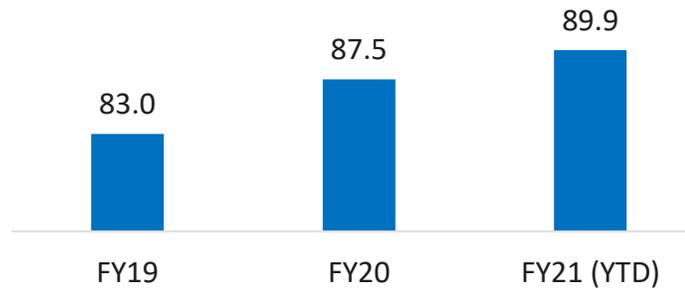
## Sales Satisfaction



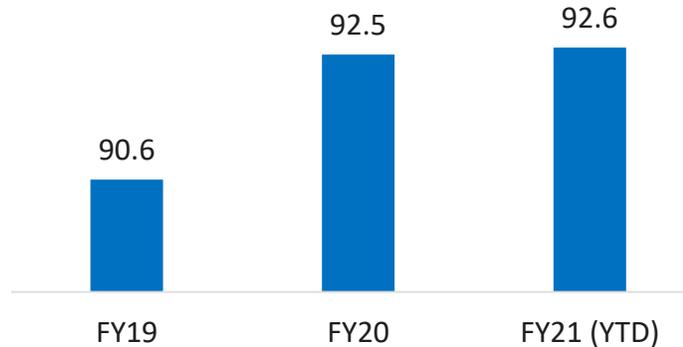
## Service Satisfaction



## Post Sales Feedback



## Post Service Feedback



## Net Promoter Score



## Dealer Satisfaction Index (DSI)

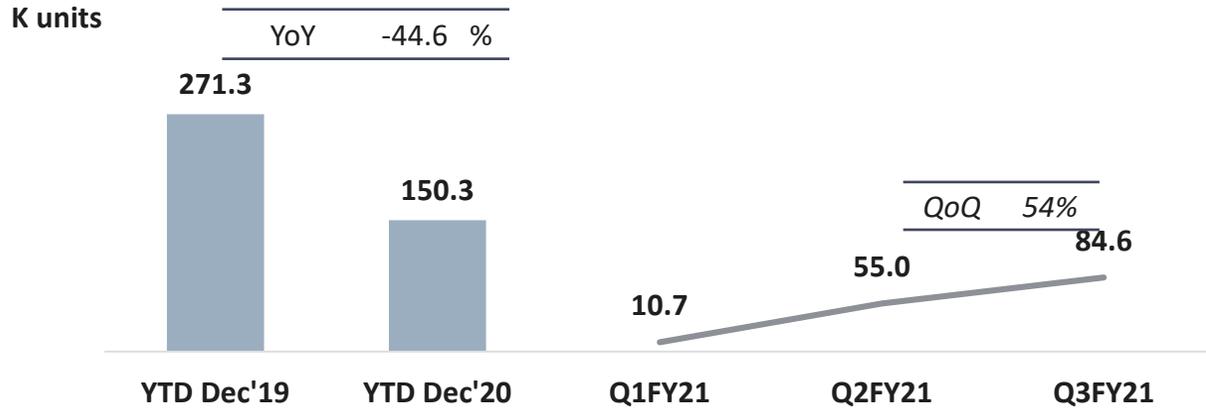
FY19	FY20
773	772

*Industry leading scores*

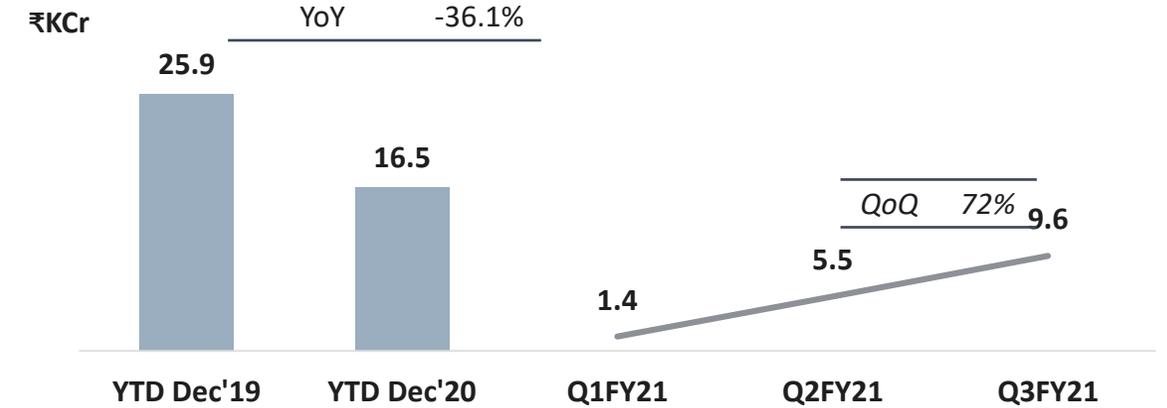
**Sustaining and improving performance across all areas**

# FY21 YTD Performance: Financials

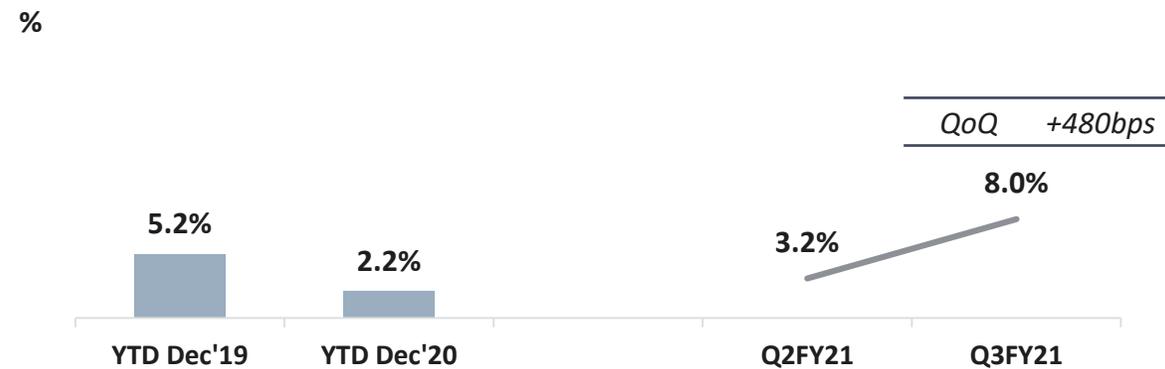
## Volumes (incl. exports)



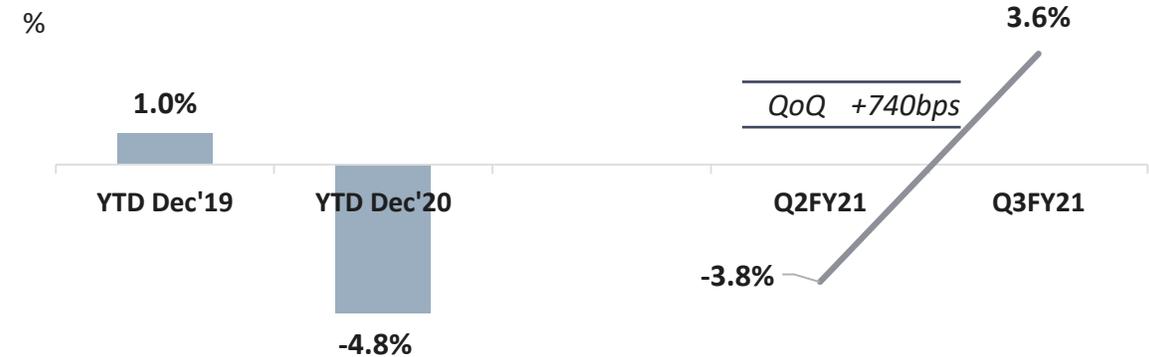
## Revenue



## EBITDA

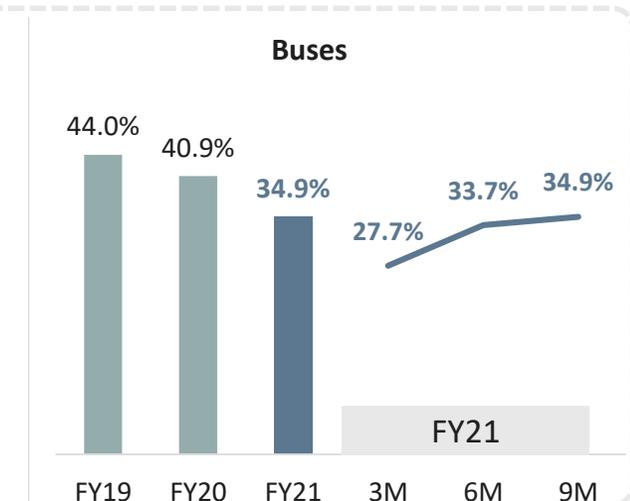
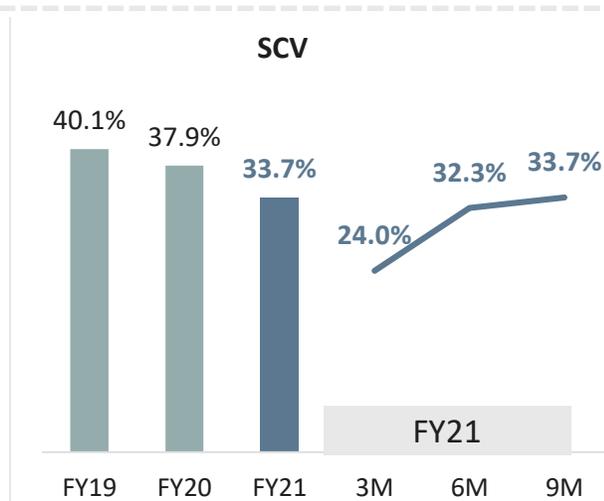
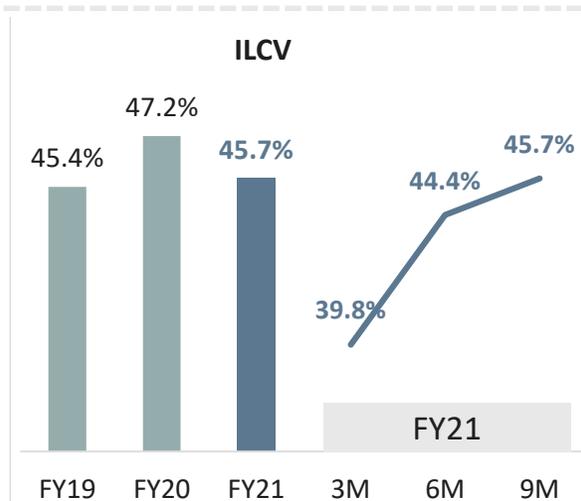
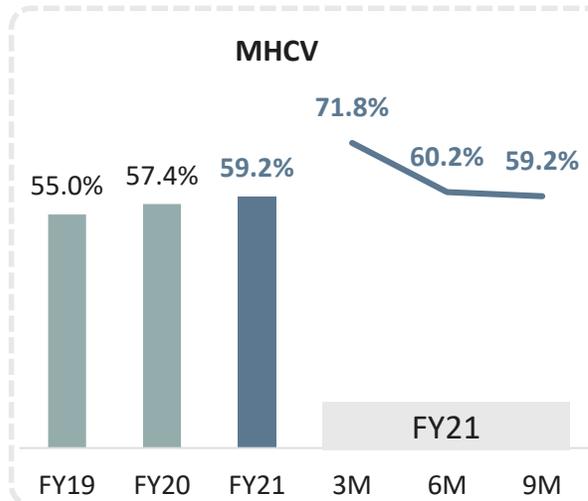
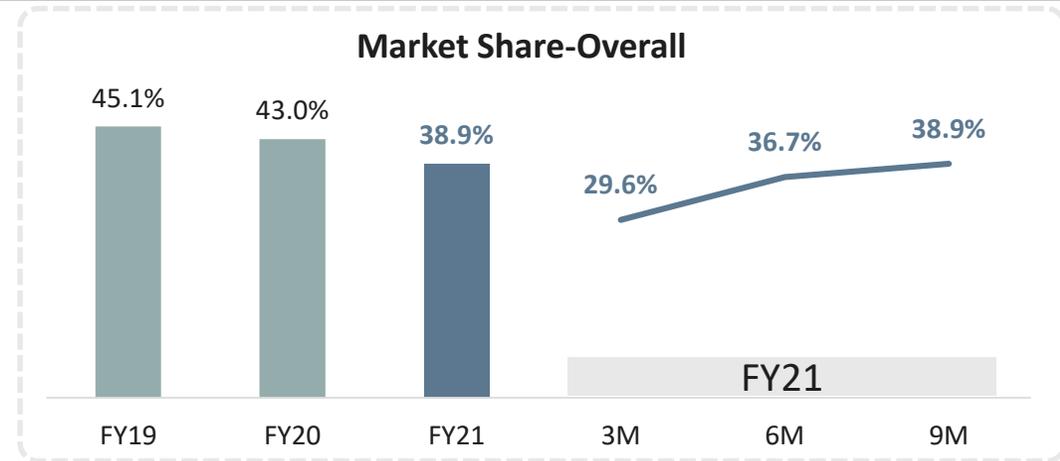
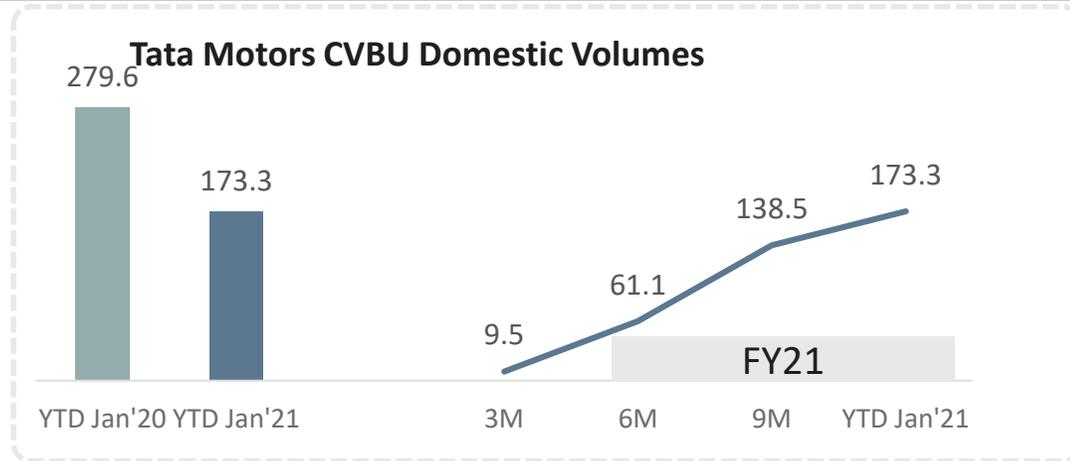


## EBIT



**Strong Q-o-Q improvement across all key parameters**

# FY21 YTD Performance: Market shares



Above market shares do not include 3961 vehicles supplied to A P State Civil Supplies Corp. Ltd awaiting inspection by the authorities. CV MS including these stood at 39.6% (SCV at 34.7%)

**M&HCV stable, ILCV improves sharply, SCV, Buses to improve further**

## Current position



Continued Strong presence in SAARC



Significant presence across Africa  
(Top 3 brands in 10 markets in >6T segment)

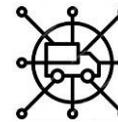


Beginning to make progress in the  
ASEAN and LATAM



Exited low contribution markets  
Australia, Chile, Turkey

## Approach going forward



Strong Distributors



Right product , Focus on >6T segment



Easy Availability of Retail Finance

**Strengthen SAARC position and prioritise resources on key growth markets**

# Building competitive cost structure to lower the breakeven

## Material cost reduction



Teardown and benchmarking



Advanced VAVE, Digital VAVE (DiVE)



Target costing, Should cost analysis

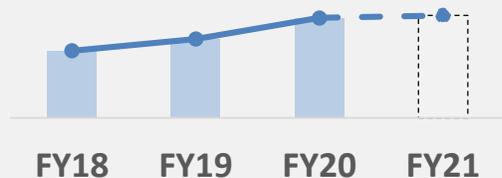


Blue sky thinking workshops



Commercial *cost reduction*

Material cost reduction of 4 - 6% of APV



## Conversion and fixed cost reduction



Cross locational teams (CLTs) to study and optimise each cost element



Manufacturing footprint optimisation



Productivity improvements and Work content reduction

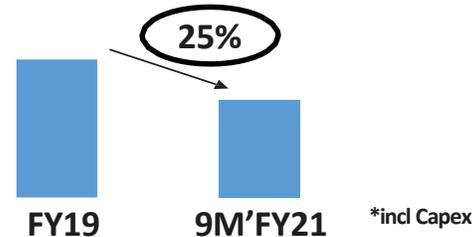


Standardisation and benchmarking



Utility and Operations costs

Reduction in cash cost per day\*



## Cash conservation

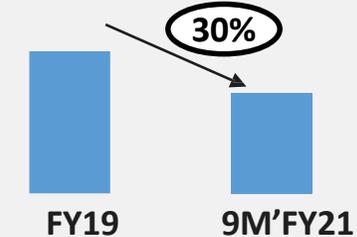


Continued focus on a tight working capital cycle



Capex reallocations and Optimisation

Reduction in EBIT breakeven point



**Institutionalizing cost reduction across the organization, maturing towards cost leadership**

## Looking ahead

# Factors influencing immediate outlook

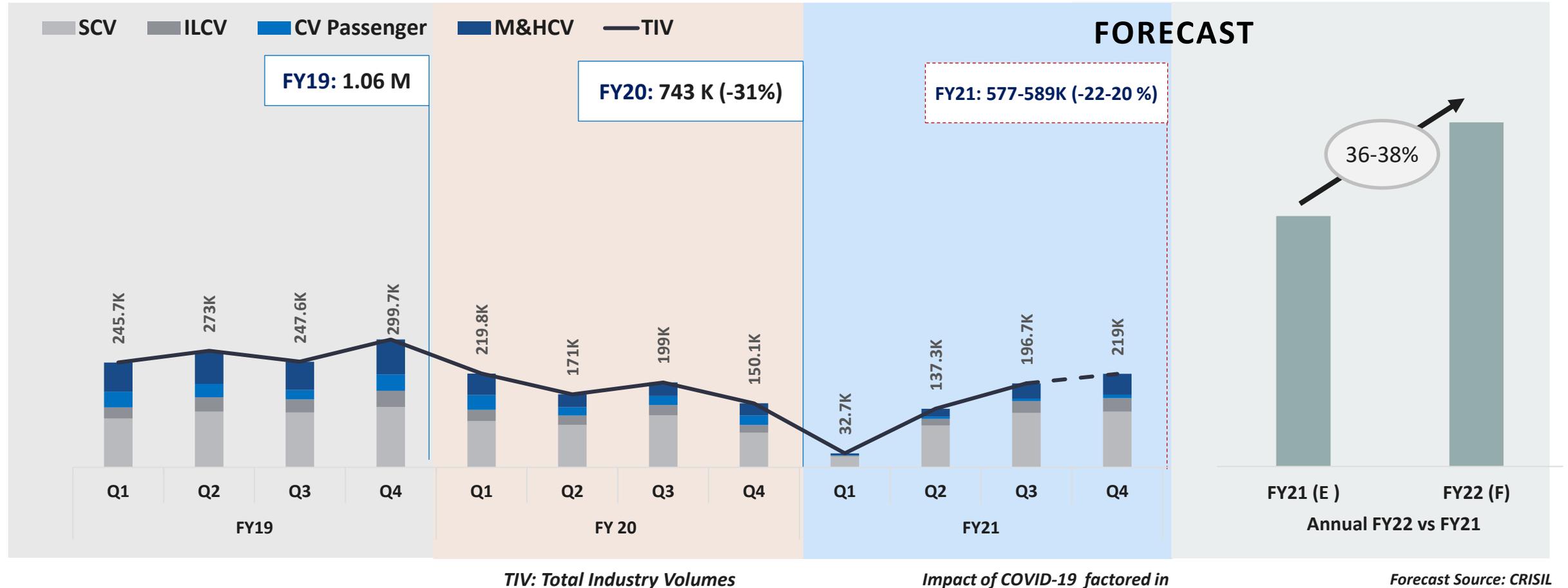
- 1 Infrastructure Push by the Government (NIP)
- 2 Improved Customer Sentiments
- 3 Urban Demand revival and Rural stability
- 4 E-commerce Penetration and Industrial activity



- 1 Supply side constraints
- 2 Commodity inflation
- 3 Delayed resumption of schools and offices
- 4 Regulatory changes (such as RDE)

**Demand to accelerate in line with the continued pace of economic recovery and government push**

# Indian CV industry immediate growth outlook



Post rebound in H2 FY21, CV industry is expected to recover progressively

## SCV and Pick up segment



- Leverage Ace Petrol at a price point equivalent to BS4; and reinforce Ace diesel brand equity
- Build on initial success of Intra by introducing additional variants
- Drive product superiority of Yoddha in Large Pickups, with network and ecosystem initiatives to increase the penetration
- Network growth including rural, customized retail finance scheme and brand advocacy
- Micro-segmentation for application/ geography specific selling, including alternate fuel options

## MHCV and ILCV segment



- Continue with 'First in the market' products to drive share and realization
- Focus on product refresh and variants at key tonnage points for enhanced customer earnings
- Leverage customized Value Added Service offerings for better conversion and realization

## CV passenger segment



- Deliver efficient, value focused options for Bus segments (Staff and School)
- Build STU specific products to increase penetration
- Drive demand for Vans in key applications such as healthcare, school and staff

**This will be a key focus area for the business**

# Will expand network to drive higher reach and penetration



## New Formats

- Micro dealers for SCV& PU with lower breakeven point
- Authorized Representative of Dealers (ARDs)



## Rural Focus

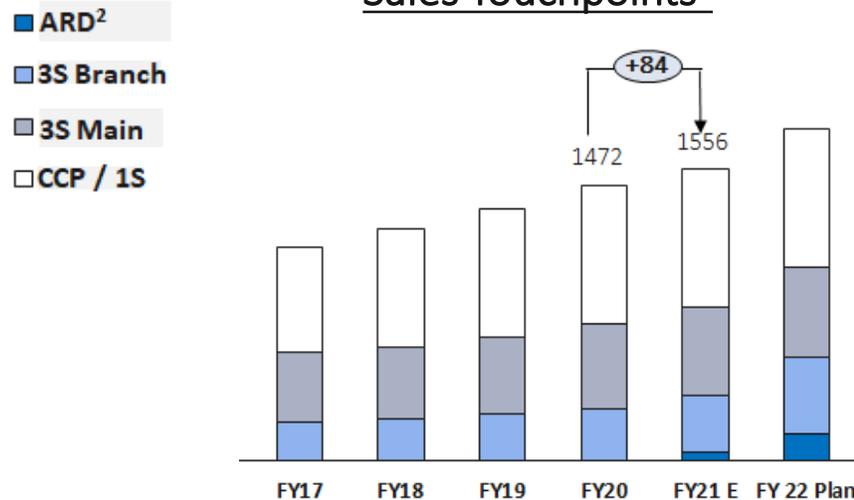
- Additional deployment of Tata Grameen Mitras (TGMs)
- TATA GURU: Tie up with Local Mechanics



## Tie-up with Complimentary Businesses

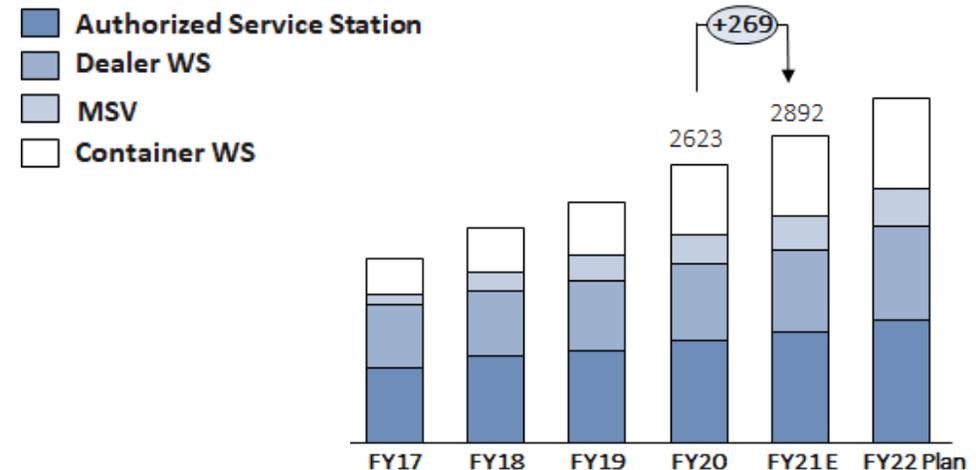
- Partnership with financiers, Banks and other rural organisations

### Sales Touchpoints<sup>1</sup>



**1,556 sales touchpoints<sup>1</sup>**  
Largest in India with 1.5X over closest competition

### Service Touchpoints

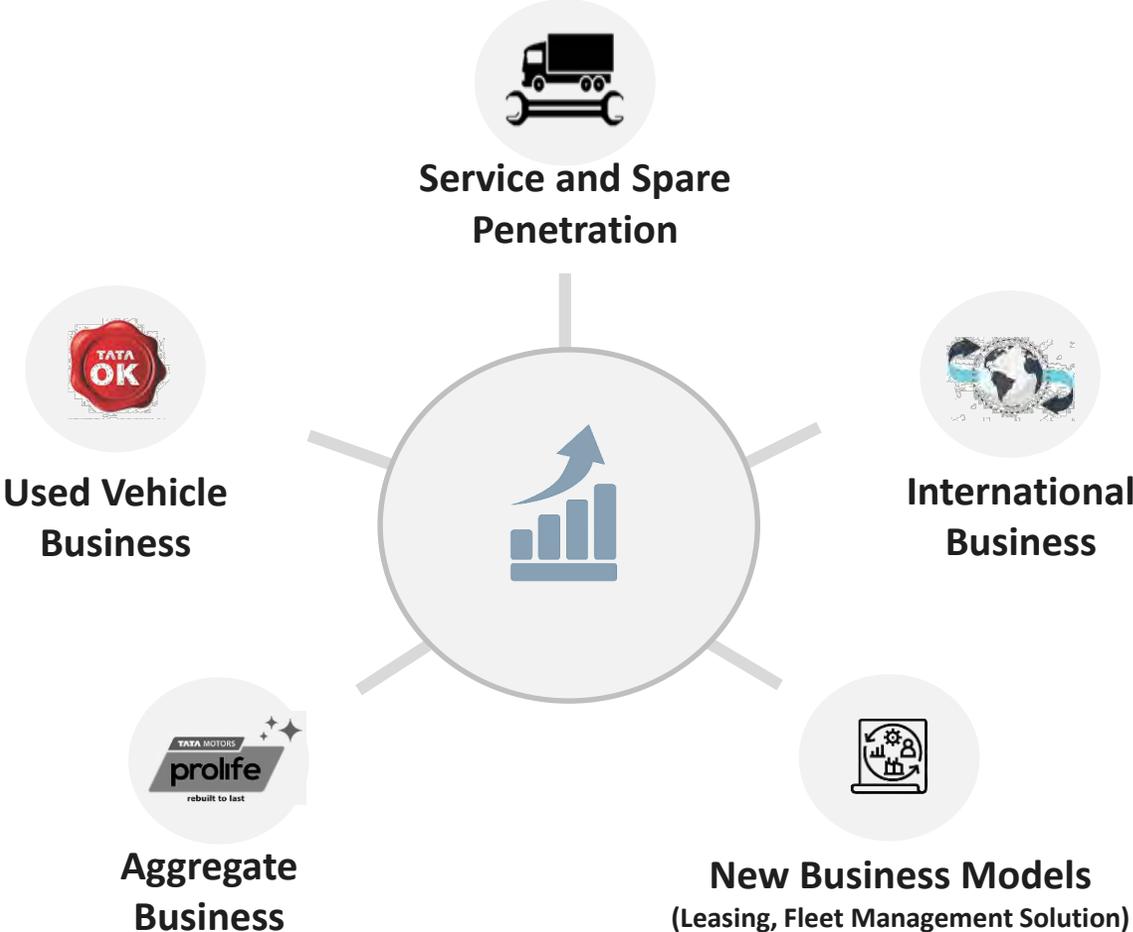


**2,892 service touchpoints**  
Largest in India with 3X over closest competition

Notes : 1) Considering 3S Main, 3S Branch & ARD 2) ARD – Authorized representative of dealer 3) TGM: Tata Grameen Mitra 4) CCP: Customer Contact points

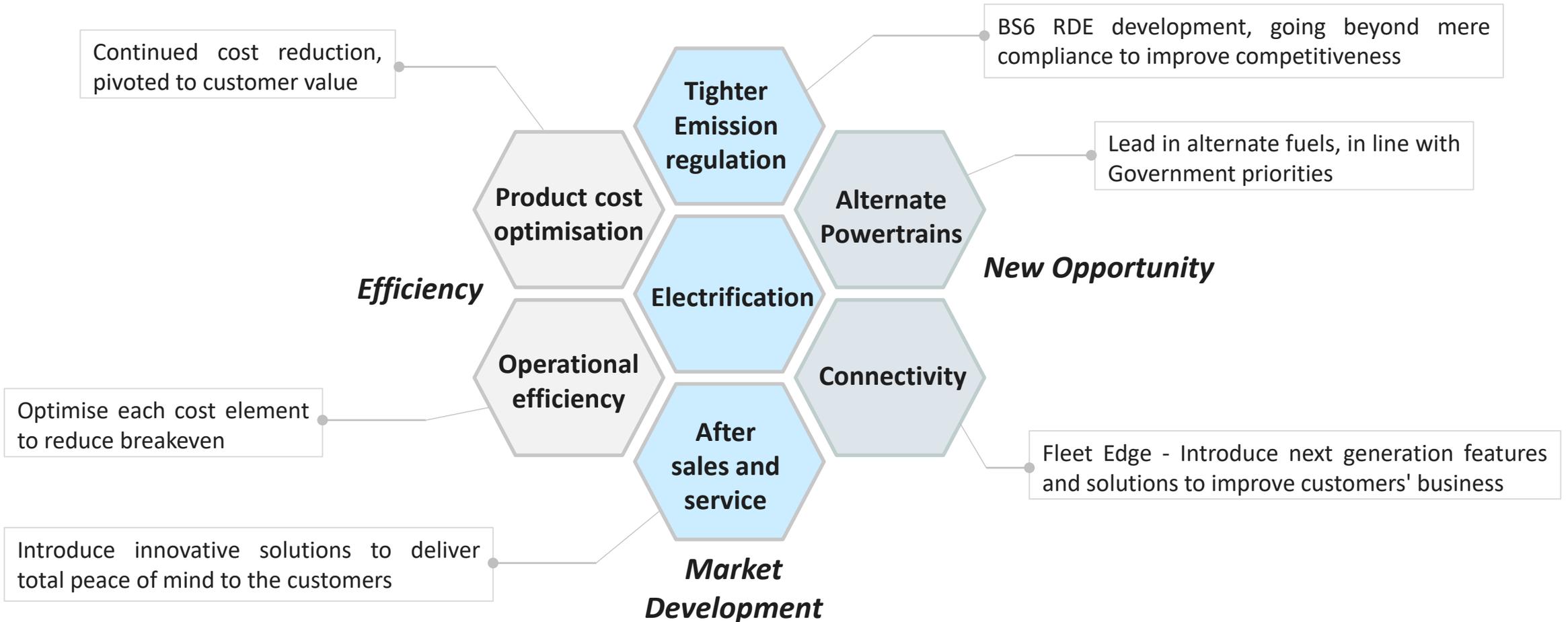
**Network expansion to enhance customer engagement and enable market share improvement**

# Focus on other growth drivers to derisk cyclical



Revenue share has gone up from 16.8% (FY19) to 22.7% (FY21 YTD) (+590 bps)

# Areas of focus over the longer term



Preparing the business to leverage the market trends

# Electrification drivers and key segments

## Key drivers

-  **Tightening Emissions**
-  **Policy incentives**
-  **Pull from Early adopters**

## Emerging Commercial EV Segments



**e-Auto**



**Shared Cabs**



**Buses**



**SCVs**

**Last mile connectivity will be the next hot spot. To share plans at an appropriate time**

# Electrification - Successful participation and operations of EV buses **TATA MOTORS** Connecting Aspirations

## EV Bus Portfolio

Tata Ultra Urban 9/9m EV



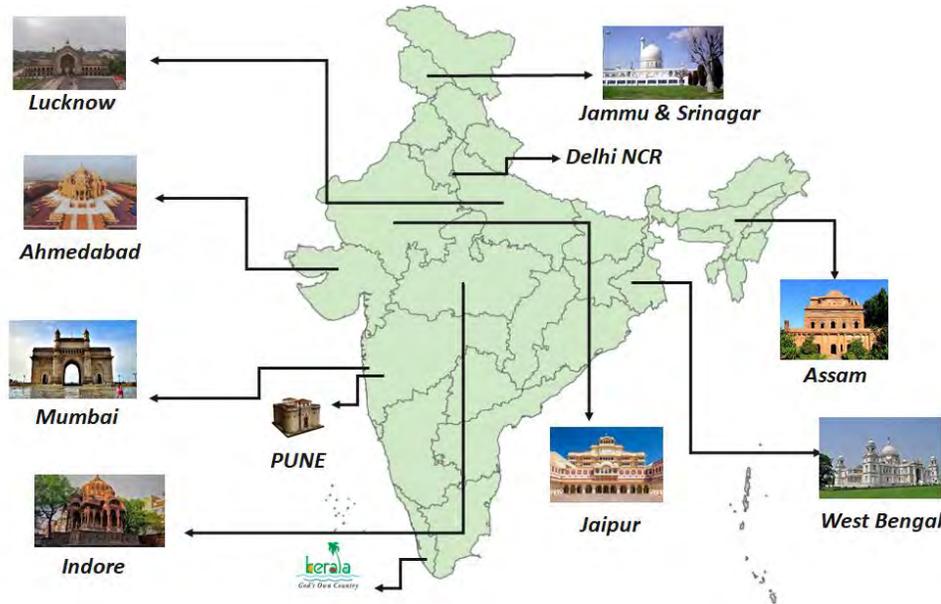
Tata Urban 9/12m EV



Tata Starbus 4/12m LE EV



## Continues to lead in the Electric bus



215 Buses in FAME-I with cumulative ~7.5 million kms covered

Orders received for 500 Buses under GCC model (FAME 2)

## EV ecosystem through Group synergy

**TATA MOTORS**  
Connecting Aspirations



- Widest E-bus range
- Comprehensive Fleet maintenance

**TATA AUTOCOMP SYSTEMS**  
Enabling Mobility Solutions



- Charger supplier

**TATA**  
**TATA POWER**



- End-to-End solution for Charging Infrastructure

**TATA CAPITAL**



- Financing options

**TATA**  
**TATA CONSULTANCY SERVICES**



- Cloud-based solution to track and monitor vehicles real-time

Continue to engage with customers for EVs in SCV and ILCV segment; participating in FCEV bus tenders

- Win Decisively with our extensive product range and continue to lead the market developments
- Land the benefits of BSVI with our customers
- Achieve double digit EBITDA
- Long term capex at 3%-4% of revenue
- Strong positive FCF

**Thank You**

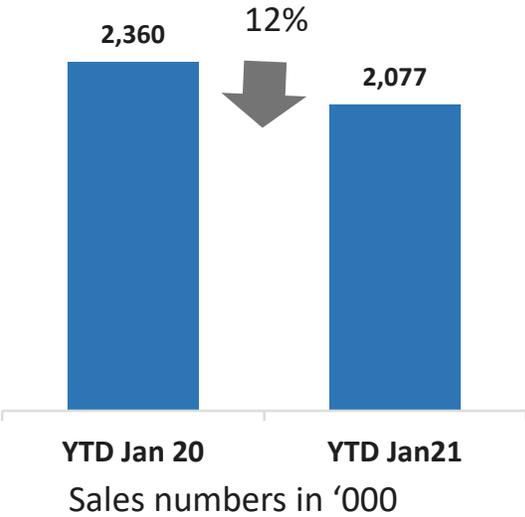


# Passenger Vehicles : “Win Sustainably”

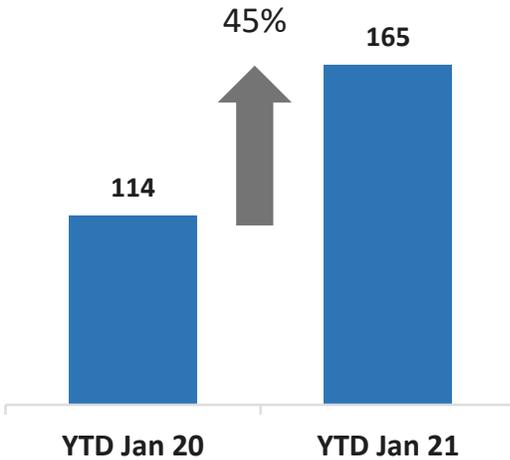
Shailesh Chandra, President : PV & EVBU

# Strong profitable growth in FY21

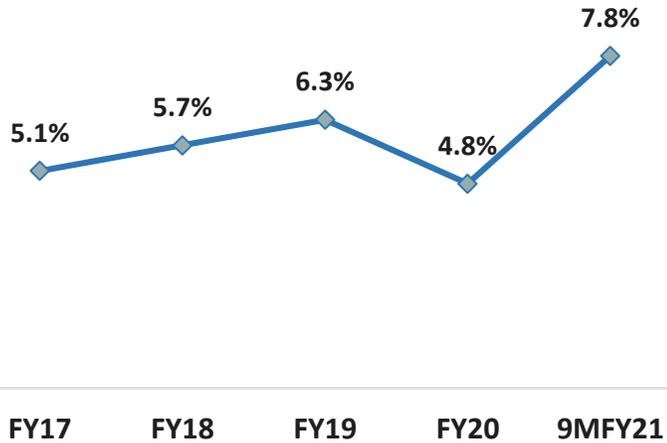
## Industry volumes



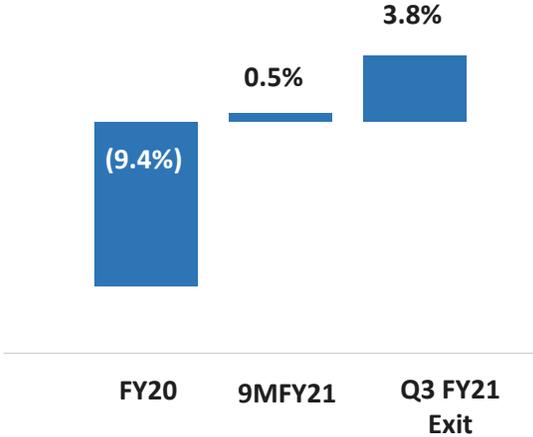
## TML PV Volumes



## TML PV market shares



## PV EBITDA margins



**EBITDA breakeven achieved along with industry beating growth**

# Excellent response for the “ New Forever” range



The portfolio of products, well positioned in the growing segments, enabling podium finish

# All the products witnessing a steep jump in sales

## TIAGO



### Avg/Month Volumes



FY'20 FY'21, Q3 Onwards

## NEXON



### Avg/Month Volumes



FY'20 FY'21, Q3 Onwards

## TIGOR



### Avg/Month Volumes



FY'20 FY'21, Q3 Onwards

## HARRIER



### Avg/Month Volumes



FY'20 FY'21, Q3 Onwards

## ALTROZ



6744

FY'21, Q3 Onwards- Avg/Month

**Demand across product range is driving sustainable growth**

# Nexon EV and Altroz – all round appreciation



Multiple awards for newly launched products reflects strong acceptability of products

# Transformative actions to deliver step change in performance



Agile Marketing Actions



Channel Management Transformation



Smart Product Interventions



Demand-supply Synchronization



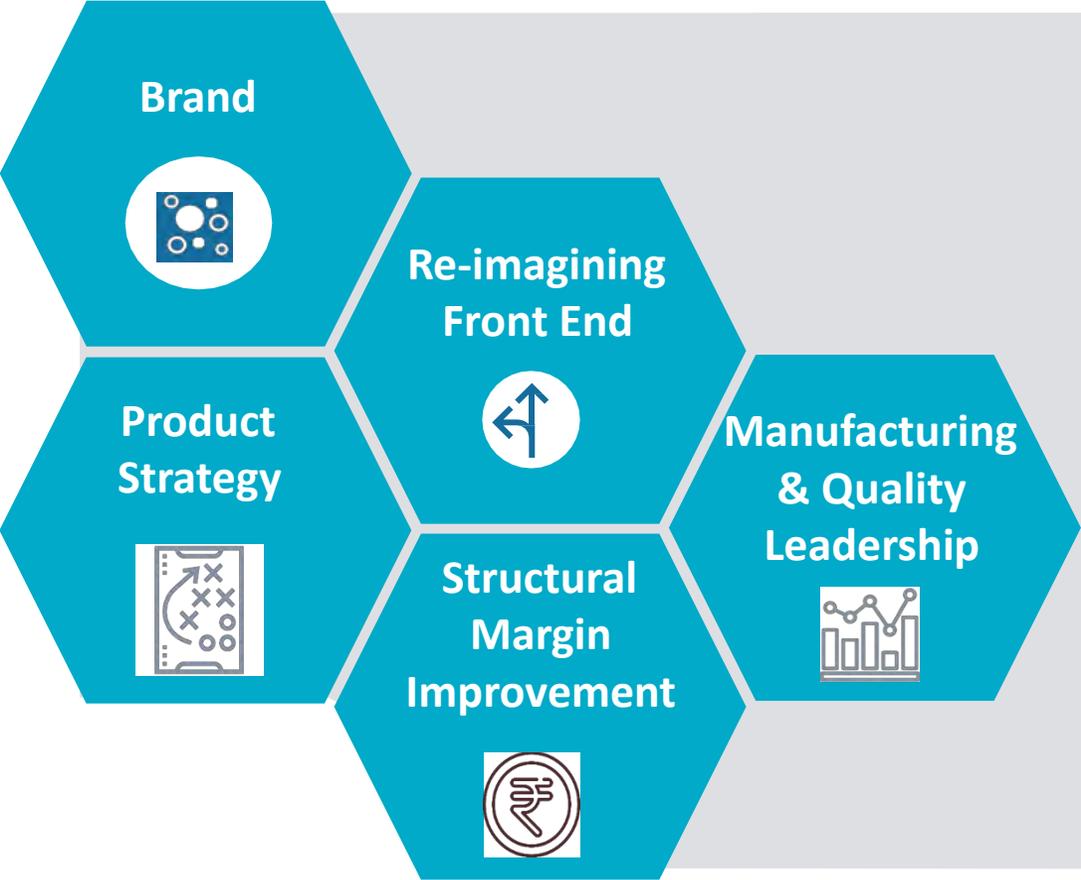
Focused actions in identified micro-markets



Sales team empowerment

**These structural actions across value chain have paved path to sustainable growth**

# 5 foundational pillars identified to “Win Sustainably”

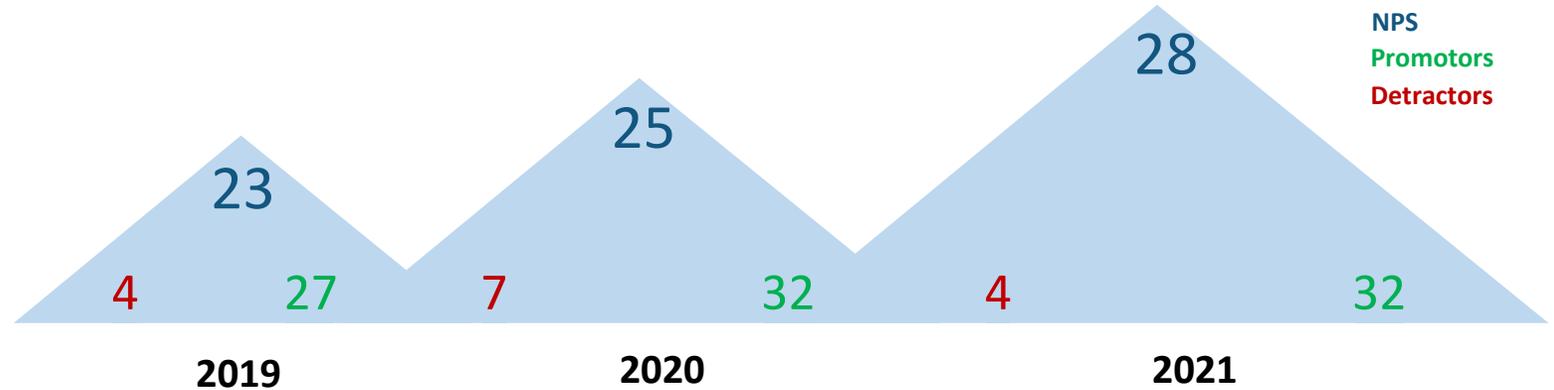


*Mindset-  
Winning Sustainably in PV &  
Proactively in EV space*

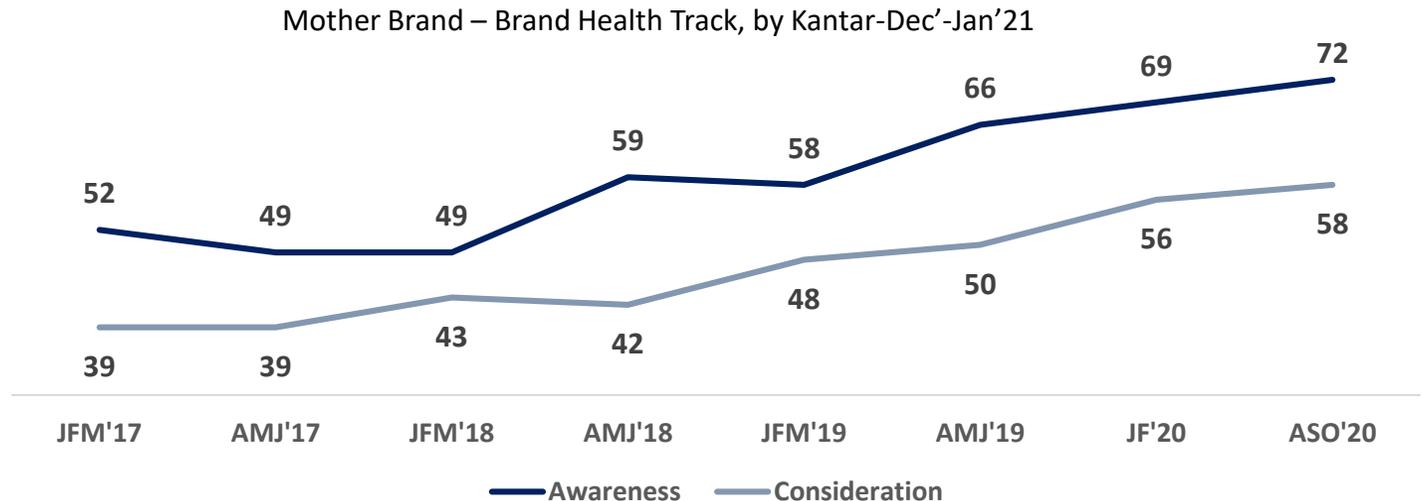
These pillars will drive future success amidst increased competitiveness

# Consistent increase in brand indicators

Consistent increase in the NPS with sharp decrease in detractors and passives



The brand has grown consistently on both Awareness and Consideration



Enhanced Brand to play pivotal role in driving aspirational quotient of products in the minds of new edge customers



# Approach to product launches



Smart product intervention and timely refreshes



New products to enhance addressable market



Integration of new technology features



Strengthening association with stylish Design, Safety and New technologies



Mainstream innovative EVs to drive mass adoption

The approach ensures comprehensiveness and competitiveness of portfolio

# 60% market coverage with strong positions in growing segments

Segments	Sub- Segments				
Hatch	Entry	Midsize	High	Premium	
					
	Tiago #3 with MS 17%		Altroz #3 with MS 18%		
Sedans	Entry	Midsize	Executive	Premium	
					
	Tigor #3 with MS 6%				
SUV	Sub-Compact	Compact	Midsize 5 Str	Prem Mid. 5 Str	Midsize 7 Str
					
	HBX- Launch in CY21	Nexon #4 with MS 15%		Harrier #2 with MS 30%	Safari- Launched Today
MPV	Compact	Midsize	High	Premium	
Van	Van	Premium			

Lower performance & Potential

Highest Performance & Potential

The comprehensive portfolio planning to improve market coverage to 70% -75%

# Future technologies to strengthening our brand association

## World class design



- **Continuous evolution of new age IMPACT-ful design with focus on improving**
  - Road presence and stance
  - Expressive surfaces
  - Extraordinary Details

## Best in class Safety



#SAFERCARSFORINDIA

Tata ALTROZ - 2 AIRBAGS



- **Upgrade passive safety attributes** – Enhance structure, crash prevention, mitigation features, post crash assistance
- **Advanced Driver Assist Features (ADAS)** – L0→L1→L2

## New Technologies



- **Modern, intelligent & integrated infotainment and driver information system (HMI)**
- **Constantly updated Connected Car ecosystem**
- Tech upgrades on existing **engine portfolio** for refinement, **Alternate Fuels and Automatics (DCT)**

**India specific technologies addressing customer expectations with accessible solutions**

## 2 Product Strategy

# We will bring aspirational features in accessible variants



**Altroz XM+** Android auto and Apple car play connectivity at a accessible price



- **Harrier CAMO** which pays homage to the spirit & grit of the armed forces Sunroof
- **Harrier XT+** with best in segment Panoramic sunroof



**Nexon XM (S)** Most affordable Electric Sunroof vehicle in India

Smart product interventions will keep the excitement on

# The New Safari is launched and receiving enthusiastic response



# HBX is scheduled to be launched in CY21



### 3 Reimagining Front-End

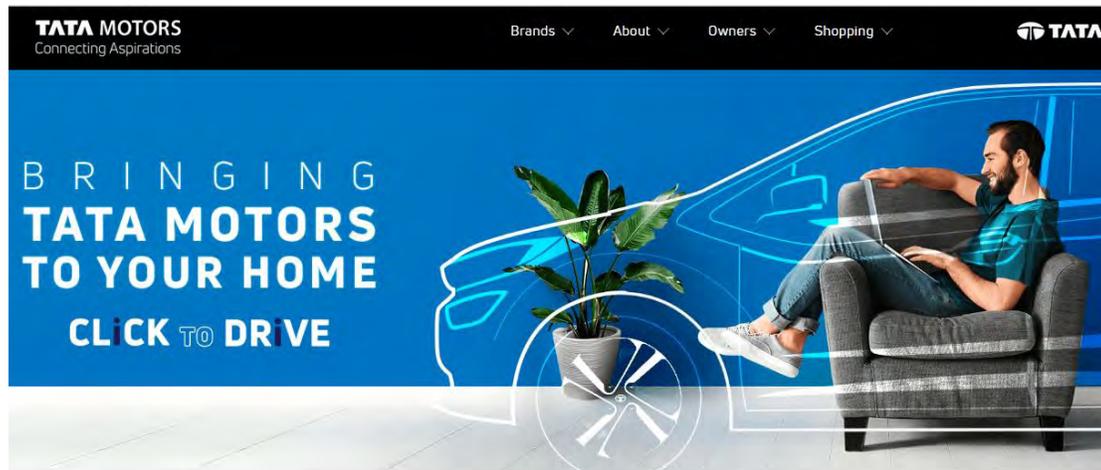
# Front-end is being reimagined across 4 key planks (1/2)



## 1. Sales

Strategic interventions to drive sales growth

- **Micro market specific sales & network strategy**
- **Increasing % of exchange**
- **2X sales growth in rural sales**
- **Digital front-end**



*Click to Drive*



## 2. Dealer Processes & Resources

- Continuous **dealer financial health monitoring** and support
- **Structured interventions for Upskilling & training** exercise for sales team
- Rollout of **industry-best HR practices** across dealerships
- **Network expansion** in sync with Sales aspiration
- **New showroom identity**



*Large format dealerships*

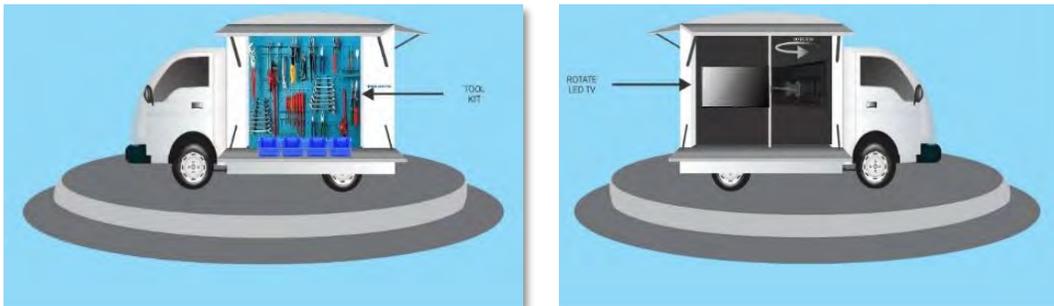
**Reimagined Front-End will drive enhanced customer experience across the board**

# Front-end is being reimagined across 4 key planks (2/2)



## 3. Aftersales

- **Digitalization to key processes** to ensure on time delivery and fairness of charges
- Improvement in competitiveness amongst Dealer through **ranking program**
- Creation of Alternate Channel – **Mobile vans, , Zip Services etc in rural geographies**

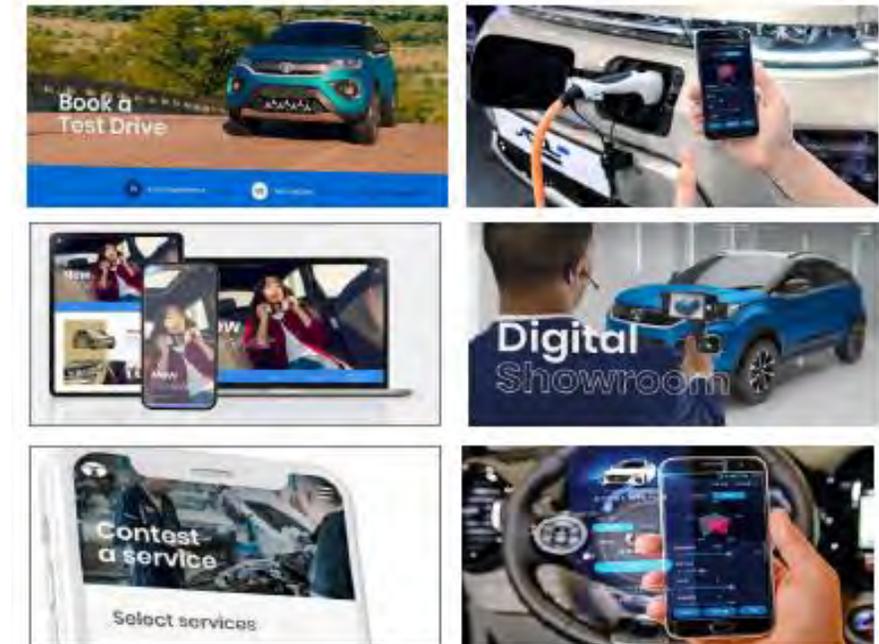


Mobile showroom and service



## 4. Cust. Exp & Digital

- Redefining a **best-in-class experience** by creating a **seamless, emotional & lasting connection** with customers



End to end Digital customer journey

Reimagined Front-End will establish strong foundations for next evolution in sales formats and service models

# Multiple initiatives undertaken to structurally improve margins

## VAVE



- **Consistently deliver margin improvement through structures initiatives like-**  
Feature rationalization, alternate sourcing, etc

## Product Mix



- **Optimizing product mix delivering superior contribution**
- **Introduction of new variants** has led to margin improvement

## Commercial reduction



- **Economies of scale with increased Modularity**
- **Localization of key components ( e.g Special grade steel , steering system etc)**

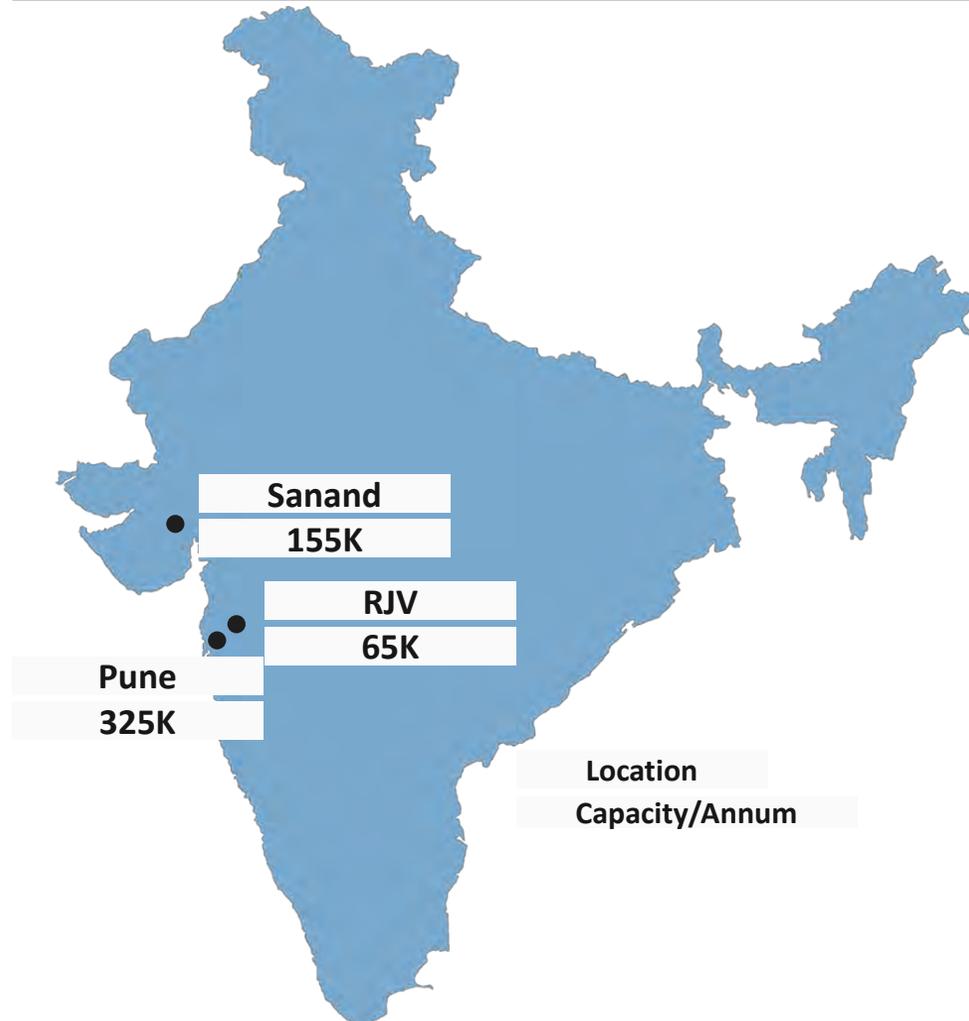
## Non Veh Business



- **Business growing at a CAGR of 7%** (FY17 vs FY20)
- **Significant margin improved** between FY17 and FY20

**Aim to continue to strengthen profitability through these measures**

## Leveraging existing assets to cater to increasing demand



### Key Highlights

- 550K installed capacity with optimum balancing across locations
- Debottlenecking of capacity
  - **~120% increase in** in Jan'21 vis-à-vis monthly average production of FY20
  - **Gasoline** production ramped up by **~150%**
- **~14000 parts capacity enhancement** done at suppliers

Ramp up in production aligned to future market demand with proactive debottlenecking actions

# Dial-up quality mind-set across value chain

## Supplier Centric

## In-house

## Customer centric



**CFT - Cohesive Functional Teams** - with focus on speed of resolution



Project "Stop Generation" – for defect prevention



Rapid Response Team - RRT



Crusade on Supplier Quality



Self Directed Teams for cultural transformation



Reliable Powertrain aggregates



Robust Software Maturation



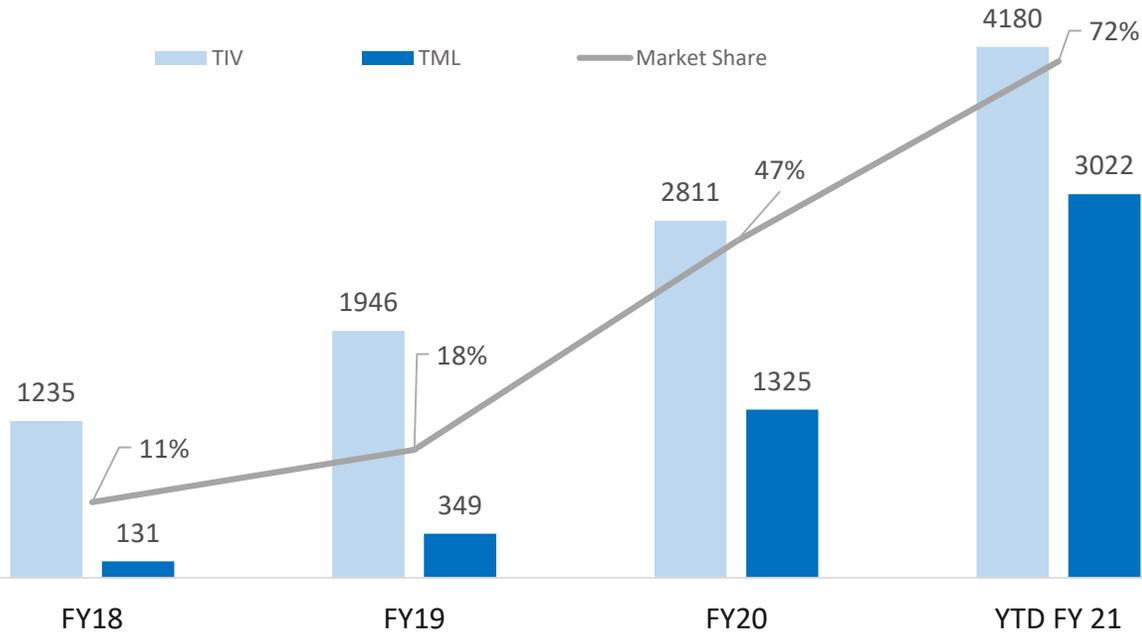
Model line for Industry 4.0 adoption

**Attain Flawless launch and in-service experience**

## EV Business

# Tata Motors has established itself as a leader in EV market

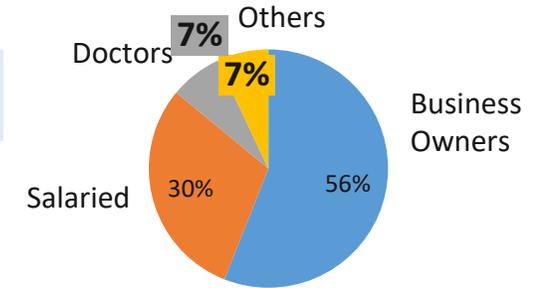
## Sales Performance (as of Jan'21)



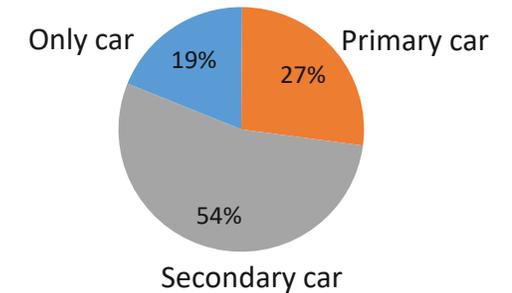
NexonEV 1 year Clip

## Customer Profile ( Nexon EV )

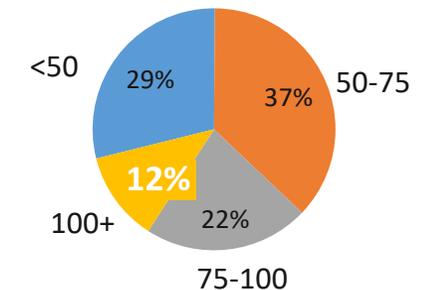
### Customer segment



### Car ownership distribution



### Typical Daily Running (km)



Nexon EV has changed the perception of EVs amongst Indian consumers

# Comprehensive solutions are being offered to the customer

## Product

**Nexon EV** with cert. range of 312km

- **#1 EV in India**
- Won EESL tender for 150 Evs

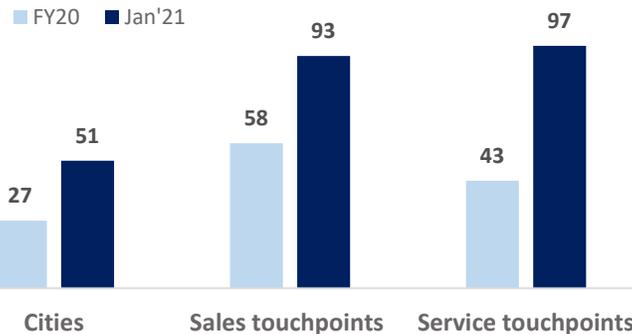


**Tigor ER EV** with cert. range increase from 140 km to 213 km

- **#1 EV for fleet segment**

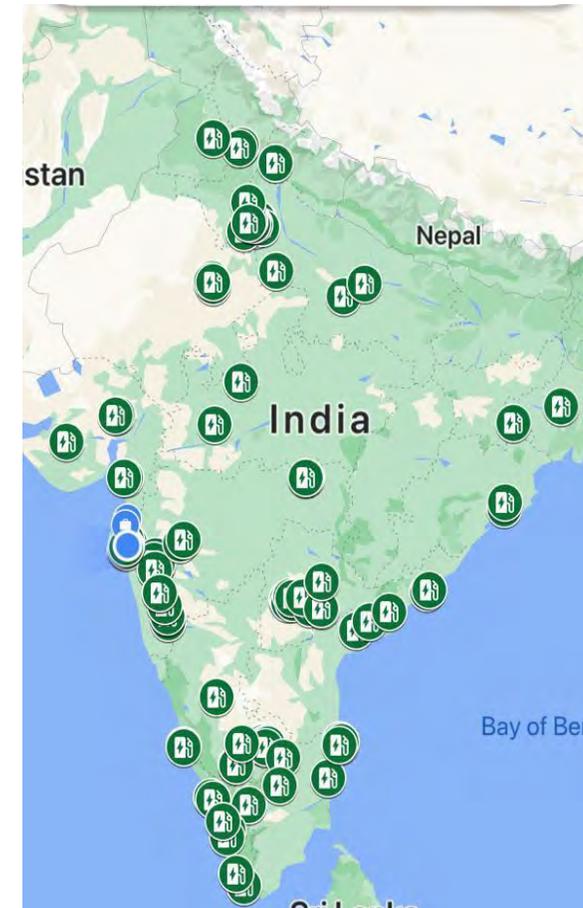


## Network



- **Largest EV Ready network in India**
- **Dedicated EV Product Specialists** (graduates) stationed at dealerships
- **Vehicle subscription** service enabled

## Charging Solutions



- Public charging network with **355+ chargers**
- **3000+ AC** chargers
- **100+ Captive** charging points

**Growth has come on the back of phenomenal response to Nexon EV**

# Multiple initiatives undertaken to establish TML as a credible EV leader

## Create Awareness & Aspiration



- State of the art EV tech brand **Ziptron** launch
- Targeted TVCs and Print campaign

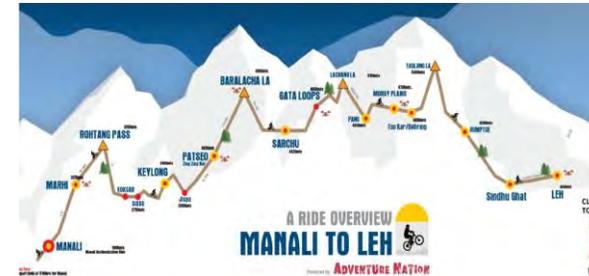


- An **immersive drive experience** of India's own Electric SUV – the Tata Nexon EV



- **Climate Change Mitigation Expedition** in Kerala

## Build Credibility & Break Myths



- 1<sup>st</sup> Electric 4 Wheeler to travel from **Manali to Khardungla (Leh)**



- **#TheUltimateElectricTest** to bust all myths about the robustness of EVs



- **'Mileage Challenge Rally'** for busting myths around range anxiety

**Branding and marketing will drive awareness, aspiration and credibility**

# Tata Group EV ecosystem collaboration in place

Will support phased localization and charging infrastructure penetration

## **TATA POWER**

- **355+ public chargers inter & Intra - cities** & plan to take it to **700 by mid of FY22**
- Home charging installation support in all cities to support TML EV customers

## **TATA AUTOCOMP SYSTEMS LIMITED**

- **Battery Manufacturing plant operational** for Nexon & Tigor
- Exploring EV Motor manufacturing facility in India with global partner



## **TATA CHEMICALS**

- Evaluating technical partners for establishing **Lithium ion cell manufacturing plant**
- Pilot plant operational for **Lithium ion battery recycling**

## **TATA Motorfinance**

- **Structured solutions** for large fleets to adopt EVs
- **Low risk offerings** due to increased financing risk of customers (during COVID)

**Group companies working in sync with Tata Motors to develop the EV ecosystem in India**

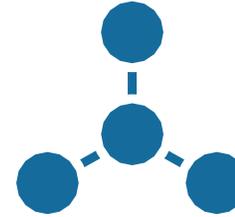
# TML has strong strategy to retain competitive advantage in EVs

## Products



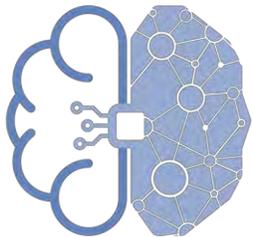
- Portfolio of offering with different body styles and driving ranges
- India specific Product specs and differentiated value proposition
- Transition to Modular Multi-energy platform

## Sales & Marketing



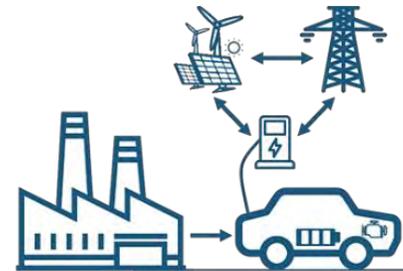
- Drive higher penetration in micro markets
- Brand building for awareness creation and driving aspiration

## Capability Building



- Acquire capabilities inline with strategic planks and
- Leverage Tata Group EV Ecosystem

## Ecosystem Solutions



- Partnerships to enable comprehensive charging offering
- Localization aligned with government mandate

Driven by cost structure optimization, increased number of models and infrastructure growth, TML aspires to retaining dominant share in EVs in India

## Podium finish

- Amongst Top players in India
- Double digit Market share
- Leader in “Future Car” SUVs & EVs segments

### Financial Growth Model

- Healthy double digit Contribution
- Established financial viability through reduced cash break even.
- Control on consumer invisible Costs

### Agility in Financial Planning

- Cash accretive Business
- Affordability criterion in place
- Maintain agility in planning basis market conditions and actual performance

### CAPEX

- Invest to ensure product competitiveness ; “Forever New” principles.
- Strategic alliances for technology as appropriate.



High single digit EBITDA in next 3 years



FCF Breakeven by FY23 and positive FCF thereafter



Long term capex at 5%-6% of revenue

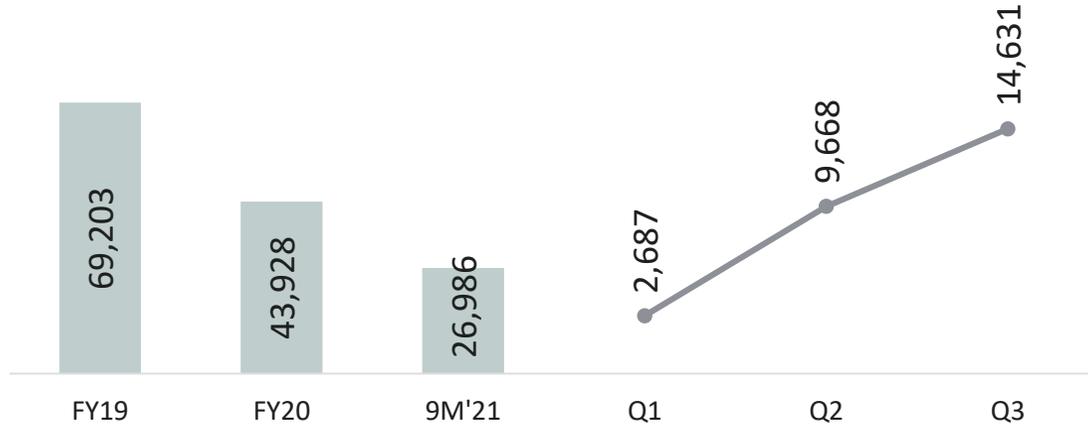
**Thank you**

# Outlook

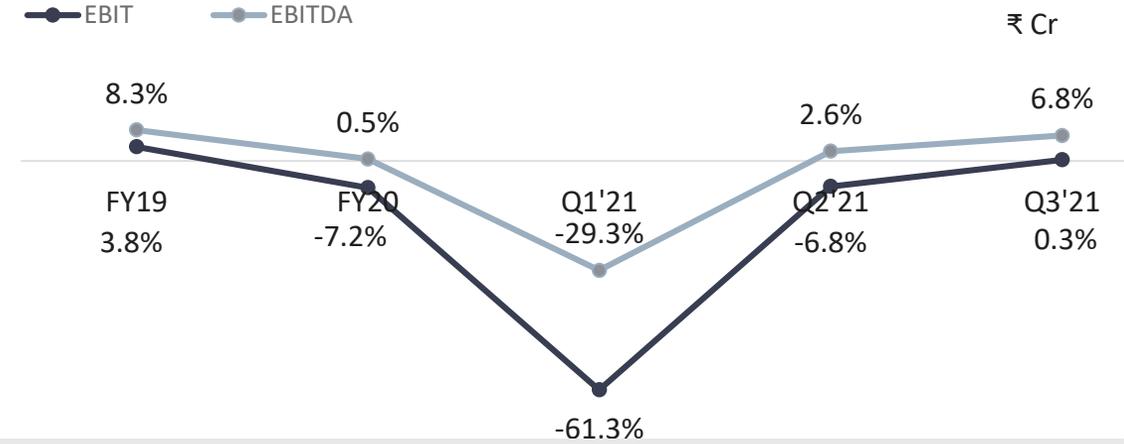
PB Balaji, Group CFO – Tata Motors



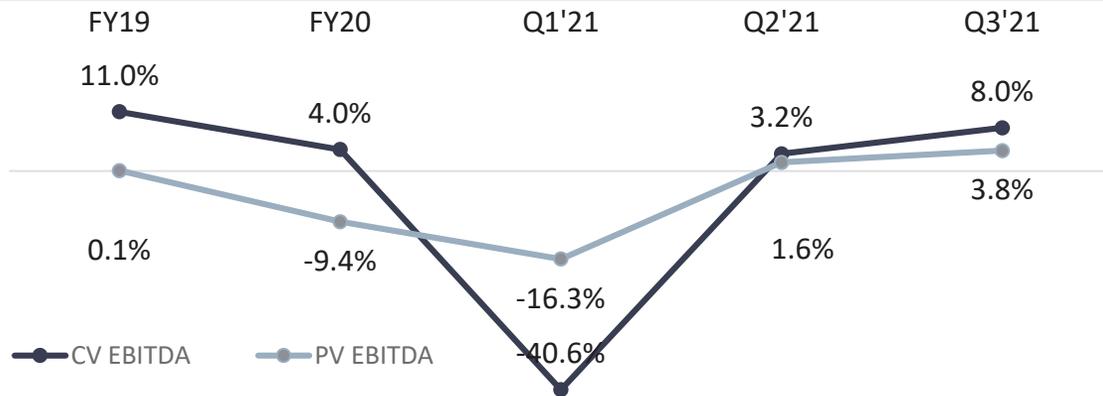
## Sequential recovery in revenue



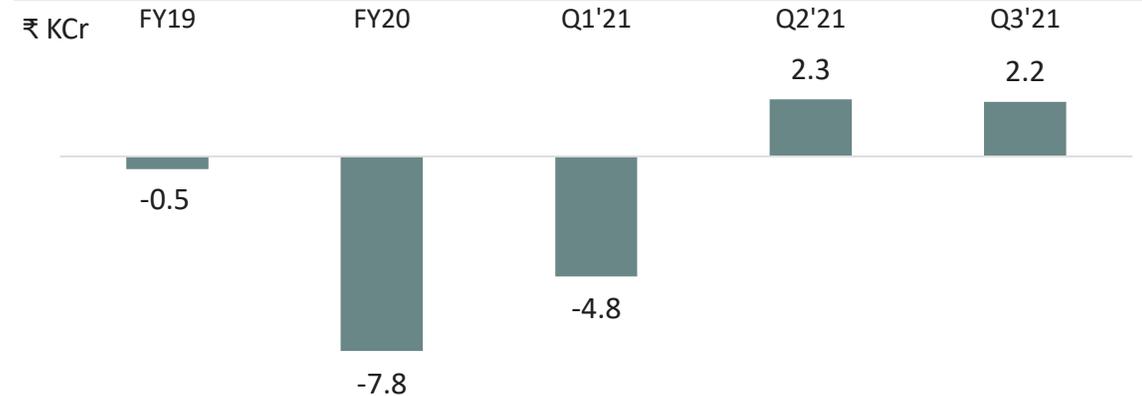
## Margins bounce back; Cost savings on track



## Both BUs improve performance



## Positive FCF in last 2 quarters



**Strong PV performance , recovery in MHCV & ILCV and cost savings led to an all-round improvement**

# Summarising our working plans

## Commercial Vehicles



Double digit EBITDA margin



Long term capex of 3-4% of revenue



Strong positive FCF

## Passenger Vehicles



High single digit EBITDA in next 3 years



Long term capex at 5%-6% of revenue



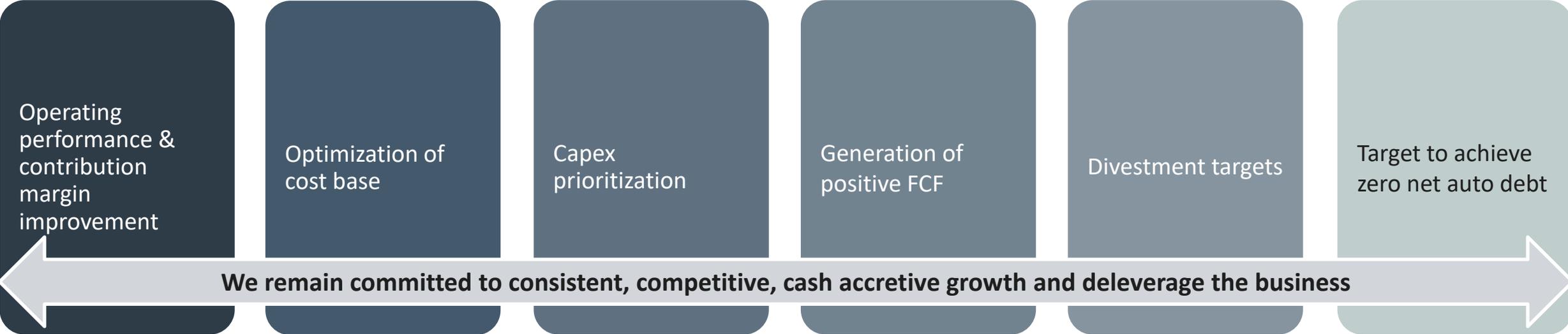
FCF Breakeven by FY23 and positive FCF thereafter

**We remain committed to consistent, competitive, cash accretive growth and deleverage the business**

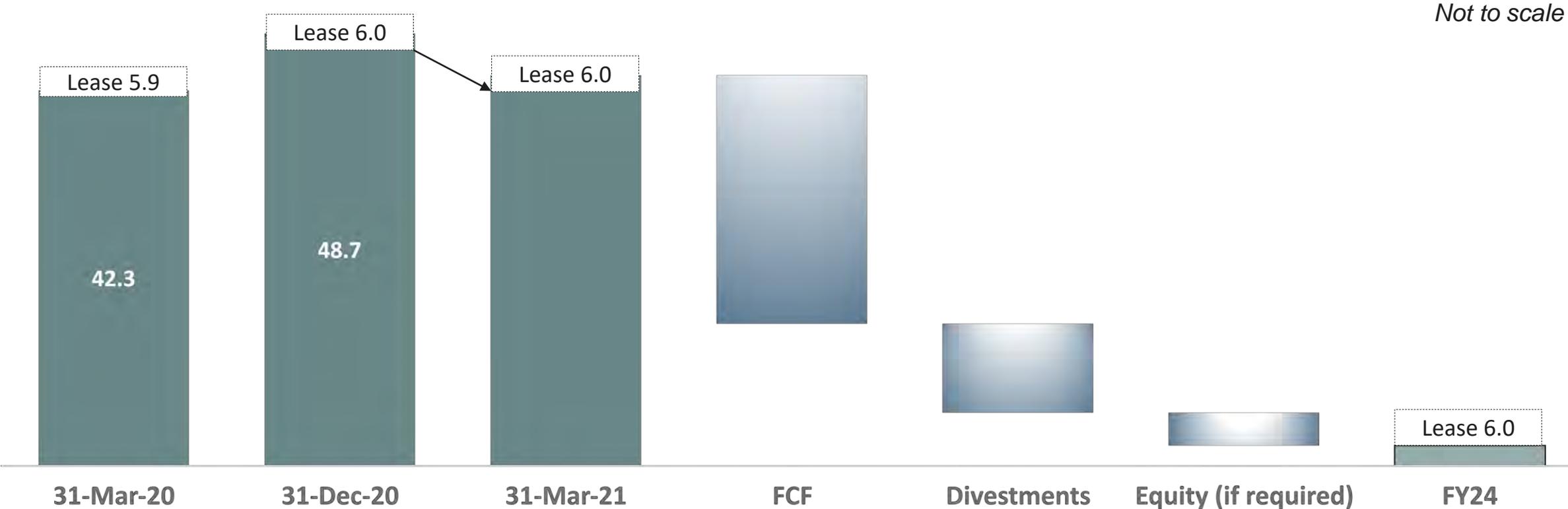
# Actions underway to improve credit ratings

Rating Agencies	Long Term Rating
Moody's	B1 / Negative
S&P	B / Negative
CRISIL	AA- / Negative
ICRA	AA- / Stable
CARE	AA- / Negative

## Step towards improving credit matrix



# Roadmap to zero net auto debt



**Operating cash-flows, divestments to contribute majorly towards debt reduction**



# Thank you

Annual Analyst Engagement | 22nd February 2021

