



Jaguar Land Rover results for the quarter ended 30 September 2014

14 November 2014



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.

- Q2 FY15 represents the 3 month period from 1 July 2014 to 30 September 2014
- Q2 FY14 represents the 3 month period from 1 July 2013 to 30 September 2013

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.

Participants



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Q2 FY15 financial highlights

Strong sales, revenue and profits



Retail volumes 110,781 for the quarter, **up 8%** from prior year, with Land Rover up 10% and Jaguar down 2%

Revenue **£4.8bn**, **up £0.2bn** on the prior year

EBITDA £933m, up £124m with **EBITDA margin of 19.4%**, up 1.9ppt from Q2 FY14

PBT of £609m, down £59m on the prior year

Free cash flow of **£497m** after total investment of **£763m**, before financing costs

Cash and financial deposits £3.8bn and undrawn long-term committed bank lines £1.3bn

Credit rating outlook revised to “Positive” by S&P (BB) and Moody’s (Ba2)

Key financial metrics



Key metrics - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2014	2013	Change	2014	2013	Change
Retail volumes ('000 units)	110.8	102.6	8.2	226.4	197.4	29.0
Wholesale volumes ('000 units)	104.0	101.9	2.0	219.2	192.6	26.6
Revenues	4,808	4,612	196	10,161	8,709	1,452
EBITDA *	933	809	124	2,020	1,456	564
EBITDA %	19.4%	17.5%	1.9%	19.9%	16.7%	3.2%
Profit before tax	609	668	(59)	1,533	1,083	450
Profit after tax	450	507	(57)	1,143	811	332
Free cash flow	497	430	67	502	89	413
Cash	3,753	2,699	1,054	3,753	2,699	1,054

*EBITDA defined to include the revaluation of current assets and liabilities and realised FX and commodity hedges but excludes the revaluation of foreign currency debt and unrealised FX and commodity hedges

Solid overall performance for the quarter



Land Rover retail **volume of 91.1.k units, up 8.5k units (10%)** vs prior year – driven by **Range Rover** and **Range Rover Sport**

Jaguar retail **volume of 19.7k, down 0.3k units (2%)** - lower **XF** and **XJ** sales partially offset by **F-Type**

EBITDA of £933m (margin of 19.4%), up £124m (up 1.9ppt) from Q2 FY14, reflecting:

- increased volumes
- **rich product mix** supported by the on-going success of Range Rover Sport, Range Rover and Jaguar F-Type
- **robust market mix**, with strong sales in emerging markets
- **Offset** partially by **less favourable foreign exchange**, net of realised hedges

PBT of £609m, down £59m with the higher EBITDA offset by:

- **Unfavourable** revaluation of foreign currency debt and unrealised hedges
- **Higher** depreciation and amortisation

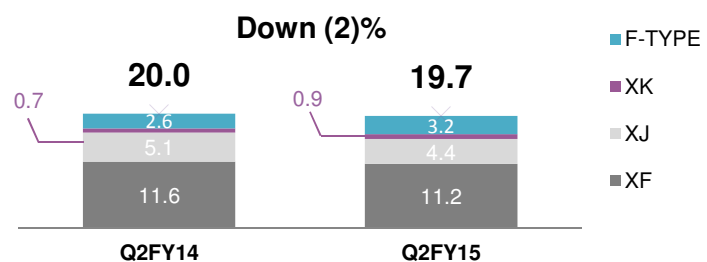
PAT of £450m reflects an effective tax rate of **26%**

Quarterly retail volumes by carline

Total retail sales of 110.8k up 8% overall

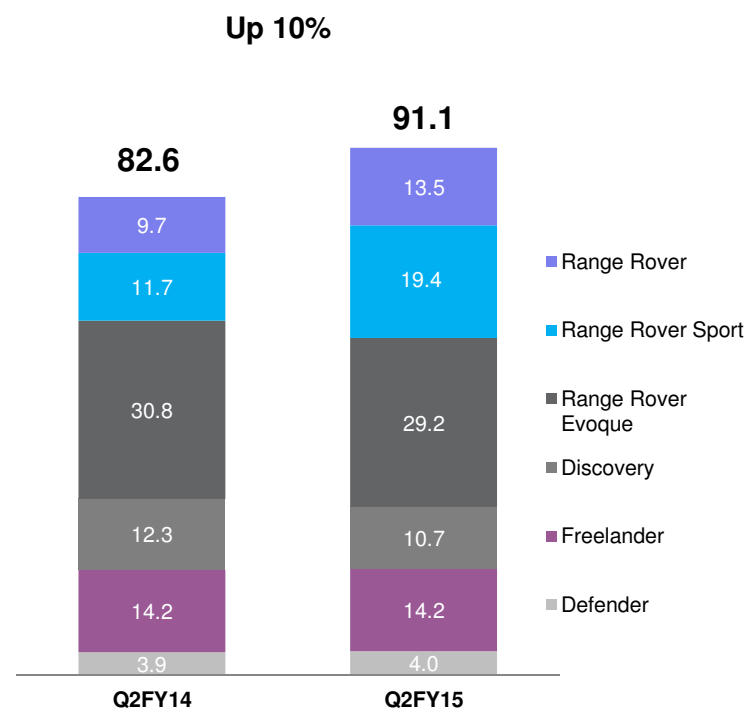


Jaguar – Q2 FY15 vs Q2 FY14



Units in '000

Land Rover – Q2 FY15 vs Q2 FY14



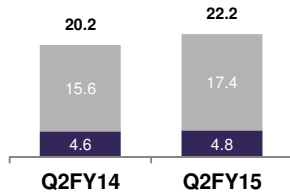
Quarterly retail volumes by geography

Total retail sales of 110.8k up 8% overall



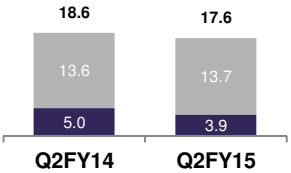
UK

Up 10%



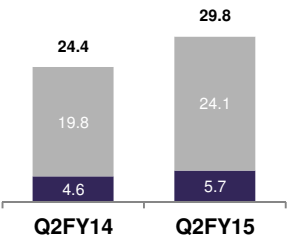
North America

Down (5)%

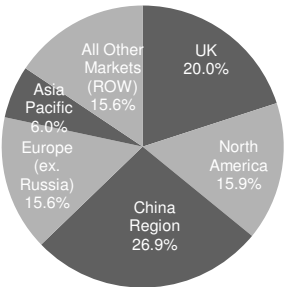


China

Up 22%



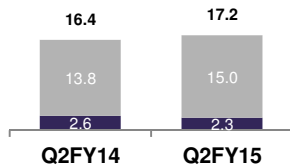
Q2 FY15



110.8k units

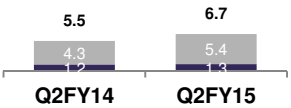
Europe

Up 5%



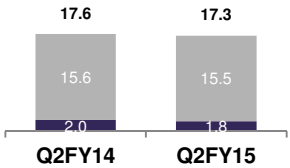
Asia Pacific

Up 22%

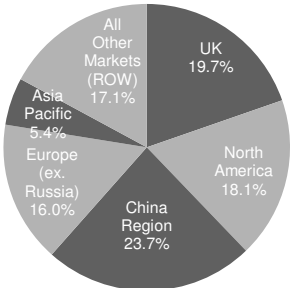


All other markets

Down (1)%



Q2 FY14



102.6k units

Land Rover ■ Jaguar ■
Units in '000

Income statement



Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2014	2013	Change	2014	2013	Change
Revenues	4,808	4,612	196	10,161	8,709	1,452
Material cost of sales	(2,904)	(2,827)	(77)	(6,203)	(5,317)	(886)
Employee costs	(463)	(390)	(73)	(892)	(751)	(141)
Other (expense) /Income ⁽¹⁾	(782)	(845)	63	(1,593)	(1,686)	93
Product development costs capitalised	274	259	15	547	501	46
EBITDA	933	809	124	2,020	1,456	564
Depreciation and amortisation	(244)	(216)	(28)	(478)	(418)	(60)
Debt/unrealised hedges MTM ⁽²⁾	(85)	87	(172)	(15)	85	(100)
Net finance (expense) / income and other ⁽³⁾	5	(12)	17	6	(40)	46
Profit before tax	609	668	(59)	1,533	1,083	450
Income tax expense	(159)	(161)	2	(390)	(272)	(118)
Profit after tax	450	507	(57)	1,143	811	332

1) Includes mark to market of current assets and liabilities and realised gains on matured FX and commodity hedges

2) Includes mark to market of unrealised FX options (time value) and commodity hedges and revaluation of foreign currency debt

3) Includes start-up costs for the China JV

Strong cash flow to support investment



Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2014	2013	Change	2014	2013	Change
EBITDA	933	809	124	2,020	1,456	564
Working capital changes	348	241	107	(29)	(74)	45
Tax paid	(71)	(69)	(2)	(172)	(266)	94
Other	(21)	14	(35)	(10)	(5)	(5)
Cash flow from operations	1,189	995	194	1,809	1,111	698
Investment in fixed and intangible assets	(701)	(595)	(106)	(1,330)	(1,103)	(227)
Other (including finance income)	9	30	(21)	23	81	(58)
Free cash flow (before financing)	497	430	67	502	89	413
Investment in financial deposits	(48)	140	(188)	(273)	105	(378)
Changes in debt	(13)	92	(105)	(9)	(3)	(6)
Dividends paid	-	-	-	(150)	(150)	-
Finance expenses and fees	(41)	(38)	(3)	(67)	(84)	17
Net change in cash & cash equivalents	395	624	(229)	3	(43)	46

Solid financing structure



Key financial indicators - IFRS

(£ millions, unless stated)	September 2014	September 2013	Change
Cash and cash equivalents	2,263	2,029	234
Financial deposits	1,490	670	820
Cash and financial deposits	3,753	2,699	1,054
Long term undrawn credit facilities	1,325	1,250	75
Other undrawn committed facilities	51	83	(32)
Total liquidity	5,129	4,032	1,097
Total equity	6,246	4,555	1,691
Total debt	(2,032)	(2,117)	85
Net cash	1,721	582	1,139
Total debt/EBITDA ⁽¹⁾	0.5x	0.8x	0.3x
Total debt/equity	0.3x	0.5x	0.2x

1) EBITDA stated on a rolling 12 month basis

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Exciting new products



Jaguar XE

- Jaguar's all-new mid-sized premium sports saloon, the Jaguar XE, made its debut at the Paris Motor Show in early October and will go on sale in 2015.
- The XE will be built in a second assembly hall in Solihull.



Discovery Sport

- Showcased at the Paris Motor Show in early October the Discovery Sport goes on sale in 2015.
- The first Discovery Sport has now rolled off the production line at Halewood and replaces the Freelander in Land Rover's product portfolio.



Special Vehicle Operations

- High specification vehicles and bespoke commissions, heritage products and branded goods.
- 6 lightweight E-Type recreations produced and delivery of 250 Project 7 Jaguar F-Type will begin from mid-2015.



Other developments



China JV Production facility

- JV plant in Changshu opened 21 October, will initially produce Range Rover Evoque for sale commencing early 2015. Production capacity of 130,000 units expected by 2016.



Engine Manufacturing Centre (EMC)

- Production of the new “Ingenium” 2.0 Litre 4 cylinder engines commencing in 2015, with the first installations into the all new Jaguar XE



Credit rating outlook

- S&P and Moody’s changed their credit rating outlooks to positive for JLR



Summary



Strong performance in Q2 FY15

For the remainder of **2014/15 fiscal year**,

- continue to build on the sales momentum of the two brands
 - successfully launch the new Discovery Sport and the new Jaguar XE as well as the new Ingenium family of 2.0 Litre engines.
 - successfully launch the China JV manufacturing plant
 - invest in more new products and new technologies to meet consumer and regulatory requirements and build manufacturing capacity in the UK and internationally
 - monitor economic and sales trends closely to balance sales and production
 - generate robust operating cash flows to support investment in the region of £3.5-3.7bn in FY15
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Q&A





Additional slides

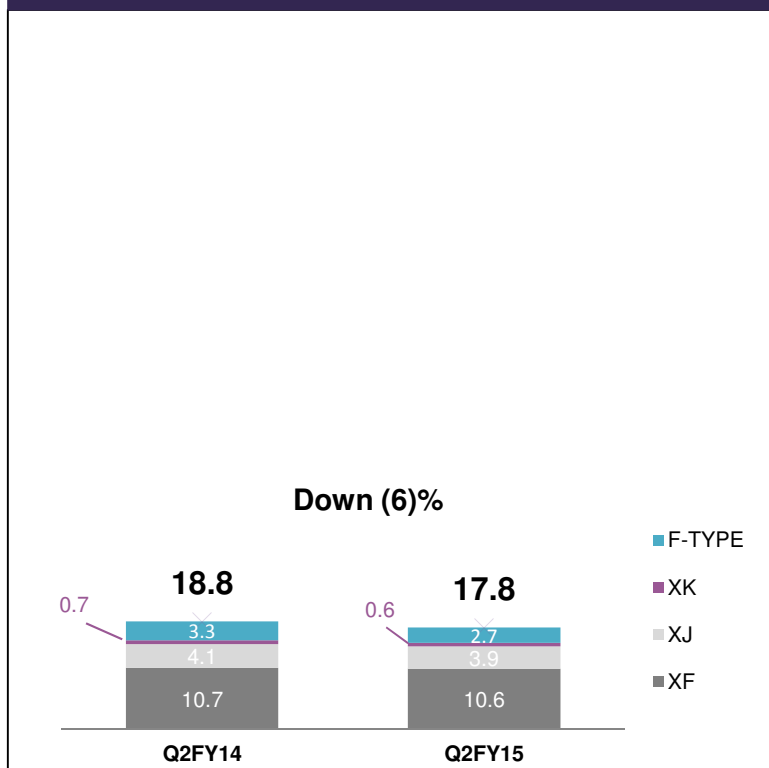


Quarterly wholesale volumes by carline

Wholesales of 104.0k up 2% overall

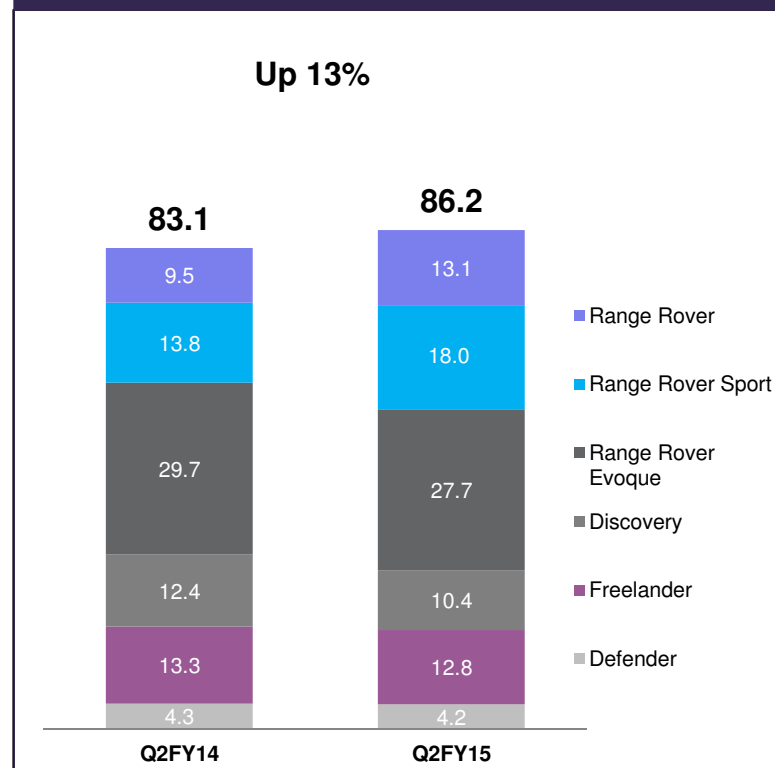


Jaguar – Q2 FY15 vs Q2 FY14



Units in '000

Land Rover – Q2 FY15 vs Q2 FY14



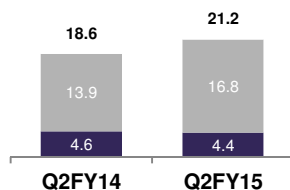
Quarterly wholesale volumes by geography

Wholesales of 104.0k up 2% overall



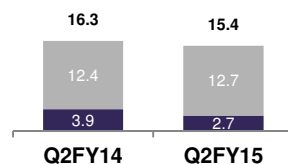
UK

Up 14%



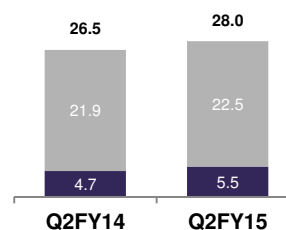
North America

Down (5)%

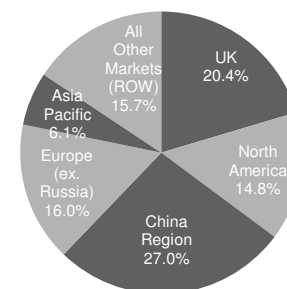


China

Up 6%



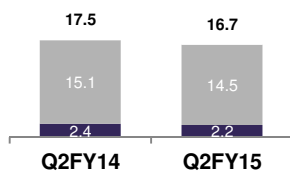
Q2 FY15



104.0k units

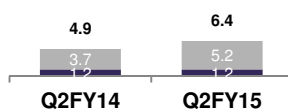
Europe

Down (5)%



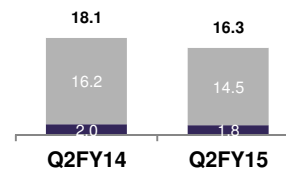
Asia Pacific

Up 30%

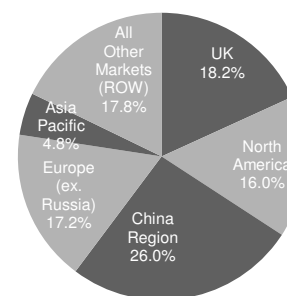


All other markets

Down (10)%



Q2 FY14



101.9k units

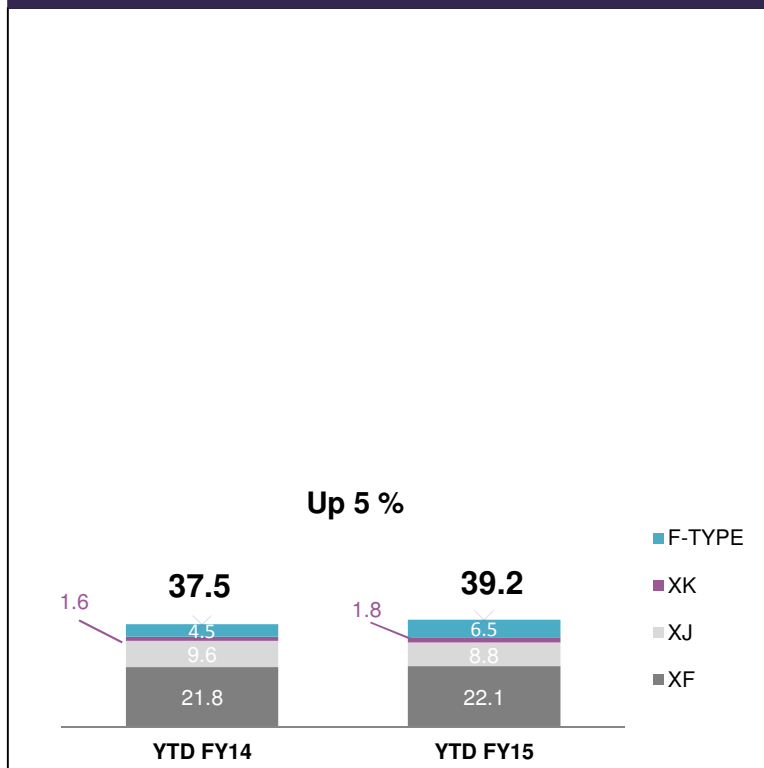
Land Rover ■ Jaguar ■
Units in '000

6 month retail volumes by carline

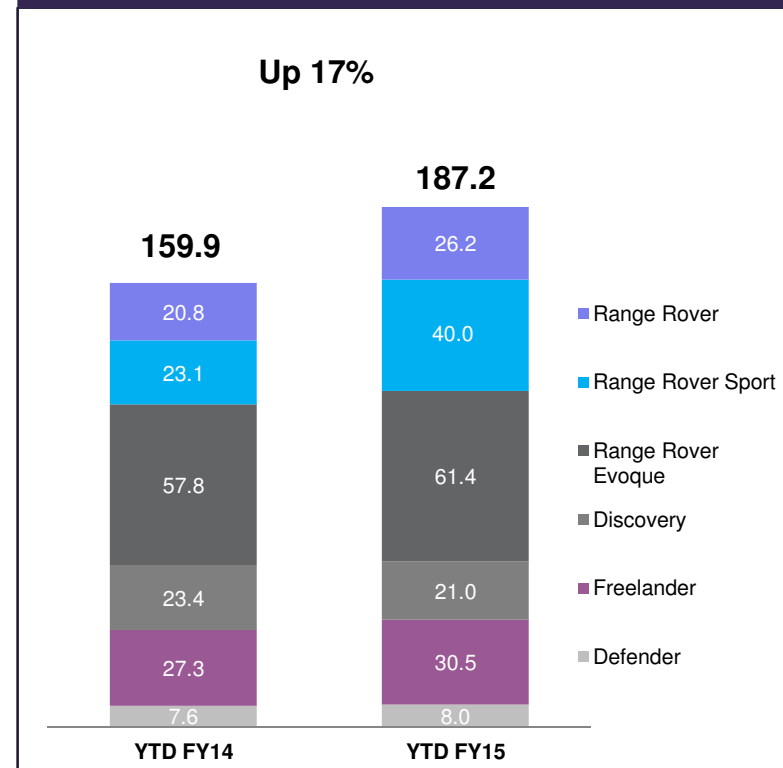
Total retail sales of 226.4k up 15% overall



Jaguar – 6 months FY15 vs 6 months FY14



Land Rover – 6 months FY15 vs 6 months FY14



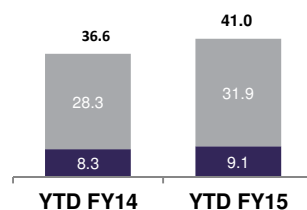
6 month retail volumes by geography

Total retail sales of 226.4k up 15% overall



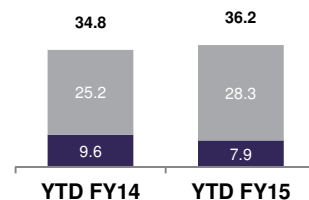
UK

Up 12%



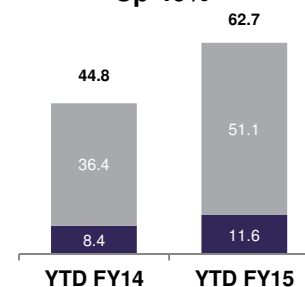
North America

Up 4%

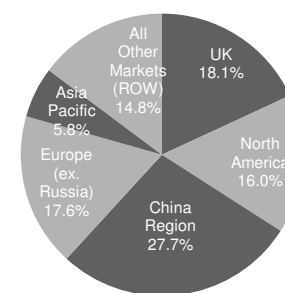


China

Up 40%



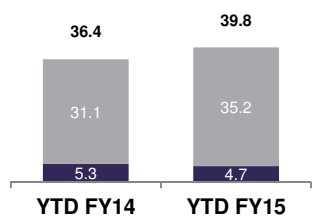
6 month FY15



226.4k units

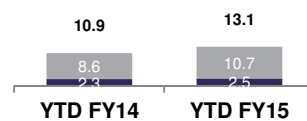
Europe

Up 10%



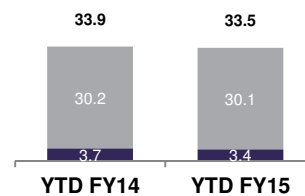
Asia Pacific

Up 20%

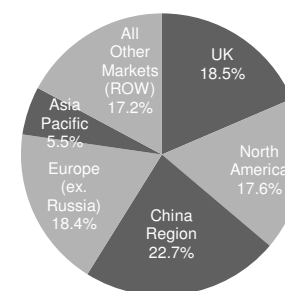


All other markets

Down (1)%



6 month FY14



197.4k units

Land Rover Jaguar

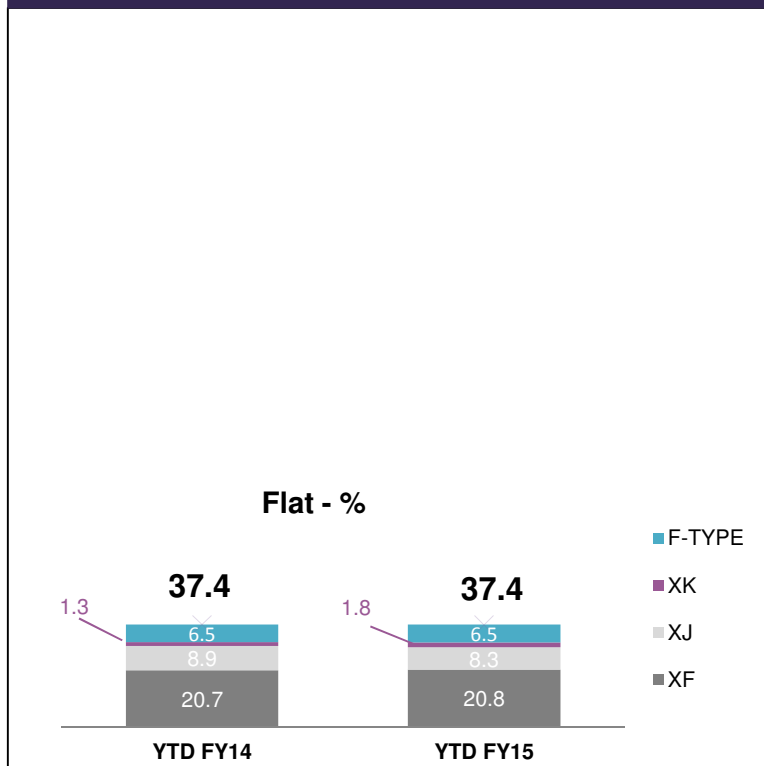
Units in '000

6 month wholesale volumes by carline

Total wholesales of 219.2k up 14% overall

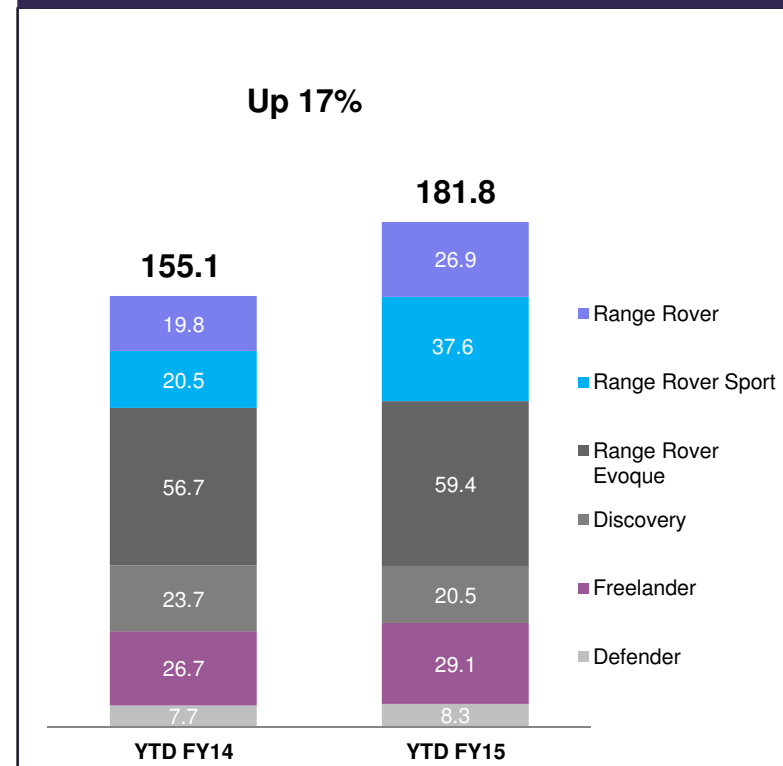


Jaguar – 6 months FY15 vs 6 months FY14



Units in '000

Land Rover – 6 months FY15 vs 6 months FY14



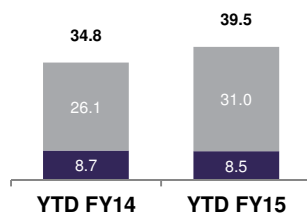
6 month wholesale volumes by geography

Total wholesales of 219.2k up 14% overall



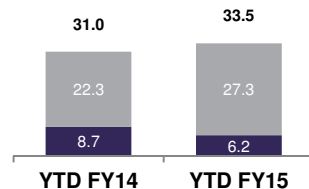
UK

Up 13%



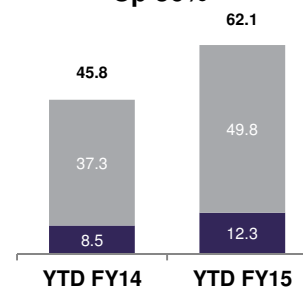
North America

Up 8%

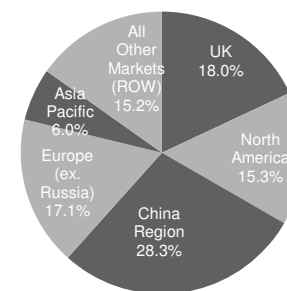


China

Up 36%



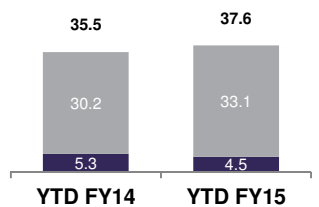
6 month FY15



219.2k units

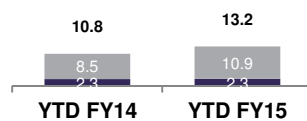
Europe

Up 6%



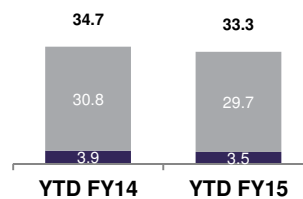
Asia Pacific

Up 23%

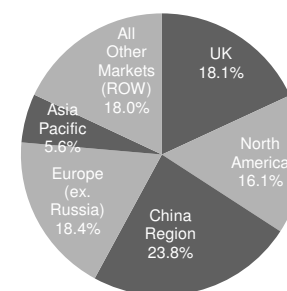


All other markets

Down (4)%



6 month FY14



192.6k units

Land Rover Jaguar
Units in '000

Product and other investment



Key financial indicators - IFRS						
(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2014	2013	Change	2014	2013	Change
R&D expense						
Capitalised	274	259	15	547	501	46
Expensed	62	62	-	115	112	3
Total R&D expense	336	321	15	662	613	49
Investment in tangible and other intangible assets	427	336	91	783	602	181
Total product and other investment	763	657	106	1,445	1,215	230
Of which capitalised	701	595	106	1,330	1,103	227