



## 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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### **Kenneth Gregor**

- CFO Jaguar Land Rover

### **Bennett Birgbauer**

- Treasurer Jaguar Land Rover

### **C. Ramakrishnan**

- CFO Tata Motors

# Agenda



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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
<b>EBITDA *</b>	<b>933</b>	<b>809</b>	<b>124</b>	<b>2,020</b>	<b>1,456</b>	<b>564</b>
EBITDA %	19.4%	17.5%	1.9%	19.9%	16.7%	3.2%
<b>Profit before tax</b>	<b>609</b>	<b>668</b>	<b>(59)</b>	<b>1,533</b>	<b>1,083</b>	<b>450</b>
<b>Profit after tax</b>	<b>450</b>	<b>507</b>	<b>(57)</b>	<b>1,143</b>	<b>811</b>	<b>332</b>
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 91.1k 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

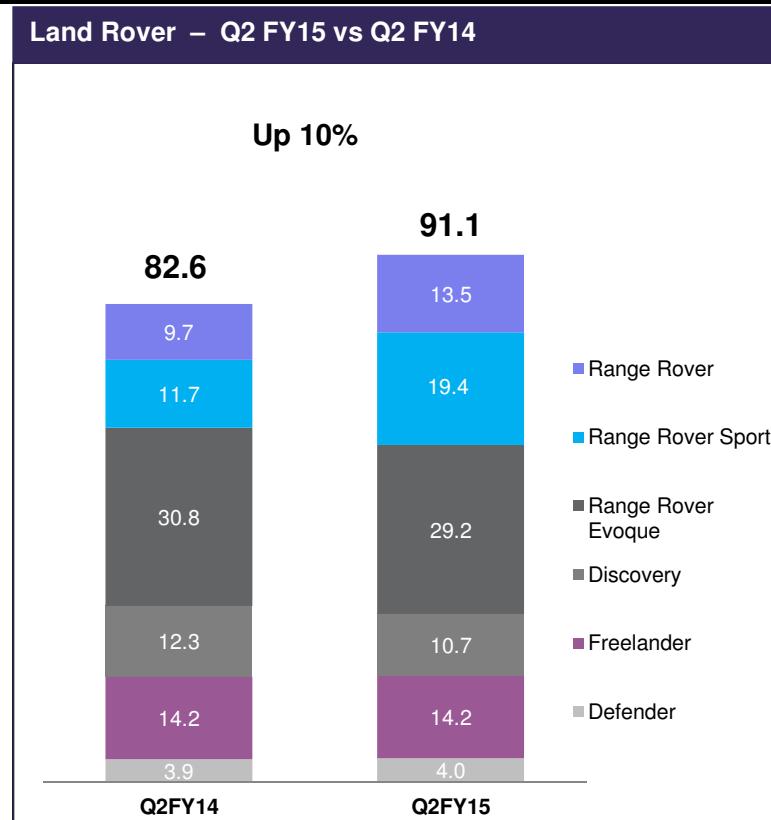
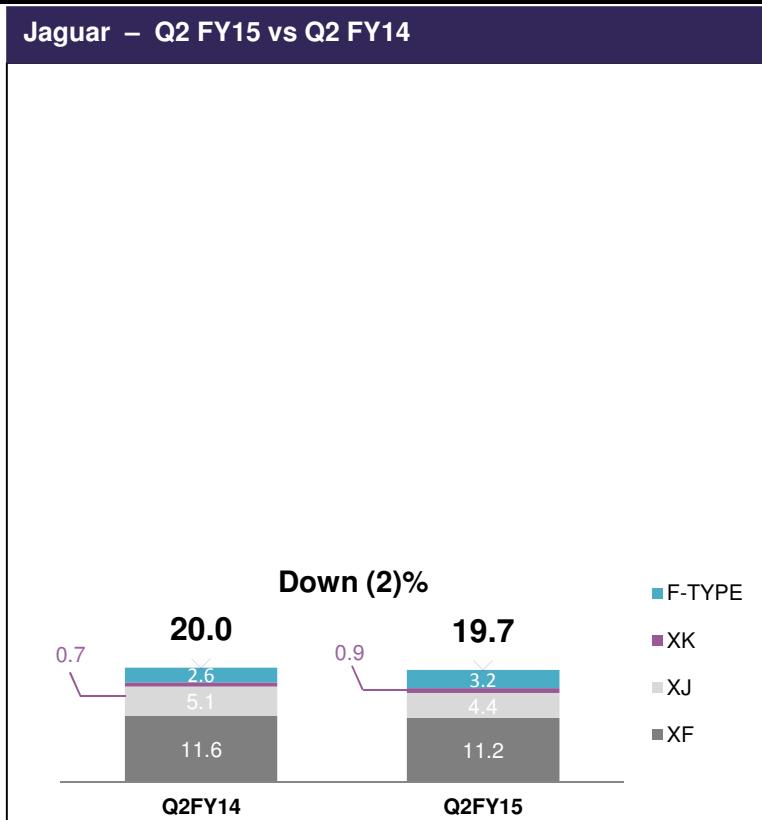
**PBT of £609m**, down £59m with the higher EBITDA offset by:

- **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

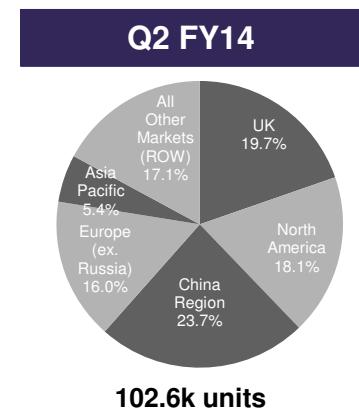
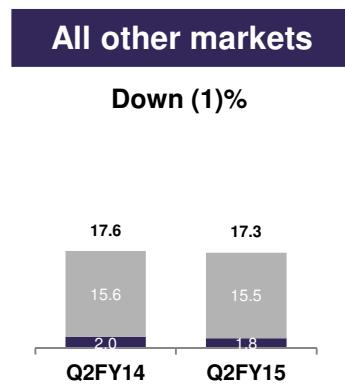
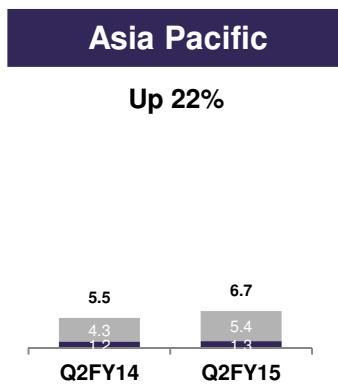
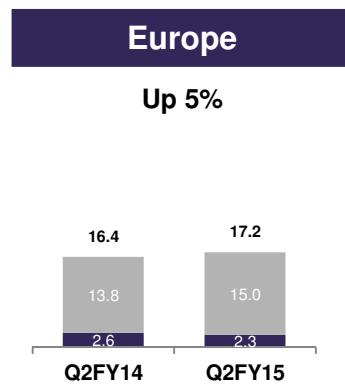
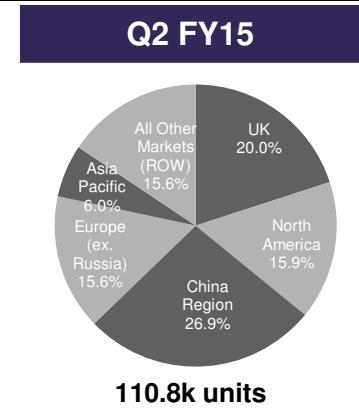
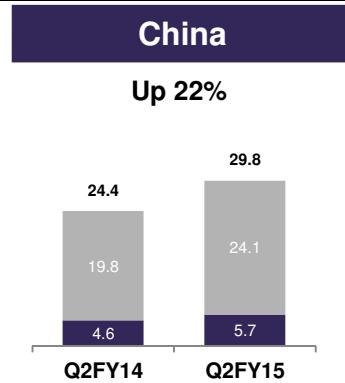
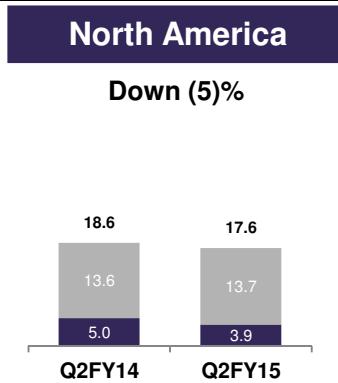
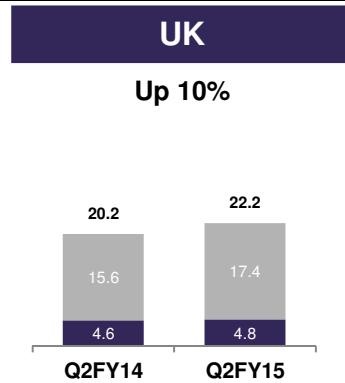
Total retail sales of 110.8k up 8% overall



Units in '000

## Quarterly retail volumes by geography

Total retail sales of 110.8k up 8% overall



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
<b>Revenues</b>	<b>4,808</b>	<b>4,612</b>	<b>196</b>	<b>10,161</b>	<b>8,709</b>	<b>1,452</b>
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 <sup>(1)</sup>	(782)	(845)	63	(1,593)	(1,686)	93
Product development costs capitalised	274	259	15	547	501	46
<b>EBITDA</b>	<b>933</b>	<b>809</b>	<b>124</b>	<b>2,020</b>	<b>1,456</b>	<b>564</b>
Depreciation and amortisation	(244)	(216)	(28)	(478)	(418)	(60)
Debt/unrealised hedges MTM <sup>(2)</sup>	(85)	87	(172)	(15)	85	(100)
Net finance (expense) / income and other <sup>(3)</sup>	5	(12)	17	6	(40)	46
<b>Profit before tax</b>	<b>609</b>	<b>668</b>	<b>(59)</b>	<b>1,533</b>	<b>1,083</b>	<b>450</b>
Income tax expense	(159)	(161)	2	(390)	(272)	(118)
<b>Profit after tax</b>	<b>450</b>	<b>507</b>	<b>(57)</b>	<b>1,143</b>	<b>811</b>	<b>332</b>

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
<b>EBITDA</b>	<b>933</b>	<b>809</b>	<b>124</b>	<b>2,020</b>	<b>1,456</b>	<b>564</b>
Working capital changes	348	241	107	(29)	(74)	45
Tax paid	(71)	(69)	(2)	(172)	(266)	94
Other	(21)	14	(35)	(10)	(5)	(5)
<b>Cash flow from operations</b>	<b>1,189</b>	<b>995</b>	<b>194</b>	<b>1,809</b>	<b>1,111</b>	<b>698</b>
Investment in fixed and intangible assets	(701)	(595)	(106)	(1,330)	(1,103)	(227)
Other (including finance income)	9	30	(21)	23	81	(58)
<b>Free cash flow (before financing)</b>	<b>497</b>	<b>430</b>	<b>67</b>	<b>502</b>	<b>89</b>	<b>413</b>
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
<b>Net change in cash &amp; cash equivalents</b>	<b>395</b>	<b>624</b>	<b>(229)</b>	<b>3</b>	<b>(43)</b>	<b>46</b>

## 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
<b>Cash and financial deposits</b>	<b>3,753</b>	<b>2,699</b>	<b>1,054</b>
Long term undrawn credit facilities	1,325	1,250	75
Other undrawn committed facilities	51	83	(32)
<b>Total liquidity</b>	<b>5,129</b>	<b>4,032</b>	<b>1,097</b>
Total equity	6,246	4,555	1,691
Total debt	(2,032)	(2,117)	85
<b>Net cash</b>	<b>1,721</b>	<b>582</b>	<b>1,139</b>
Total debt/EBITDA <sup>(1)</sup>	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

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### Strong performance in Q2 FY15

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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



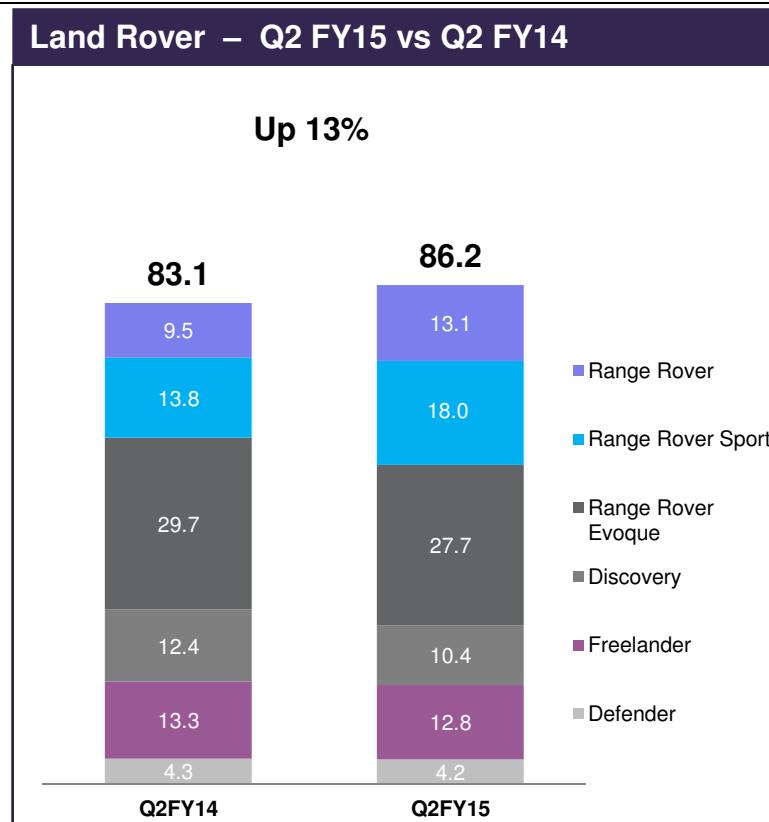
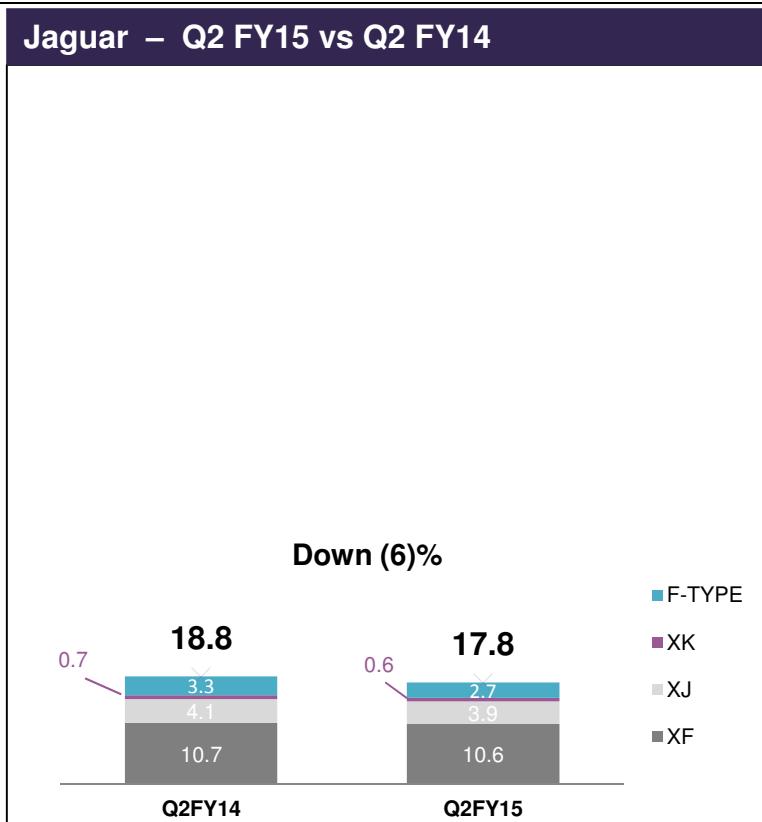


## Additional slides



## Quarterly wholesale volumes by carline

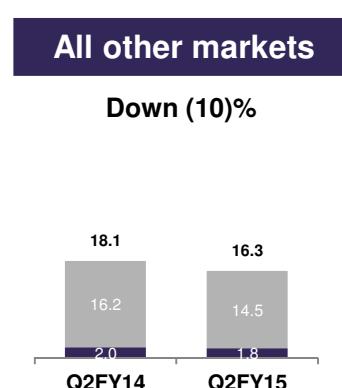
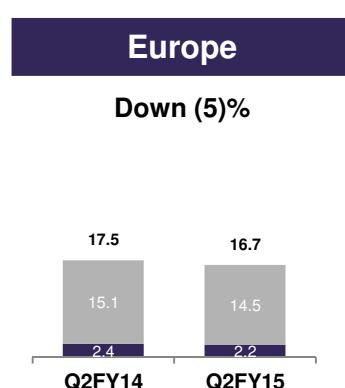
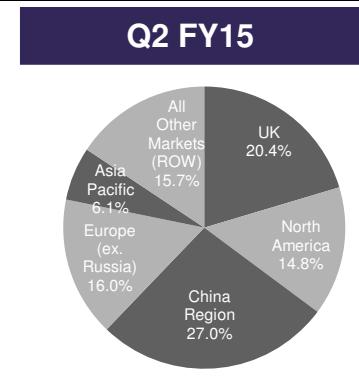
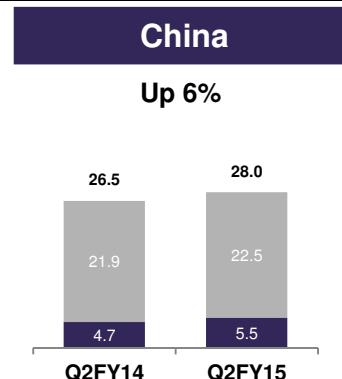
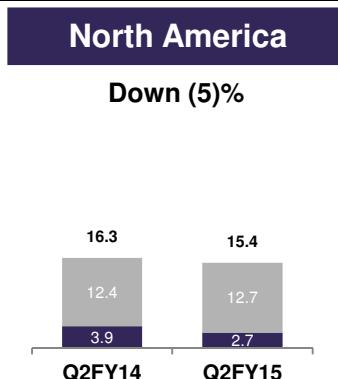
Wholesales of 104.0k up 2% overall



Units in '000

## Quarterly wholesale volumes by geography

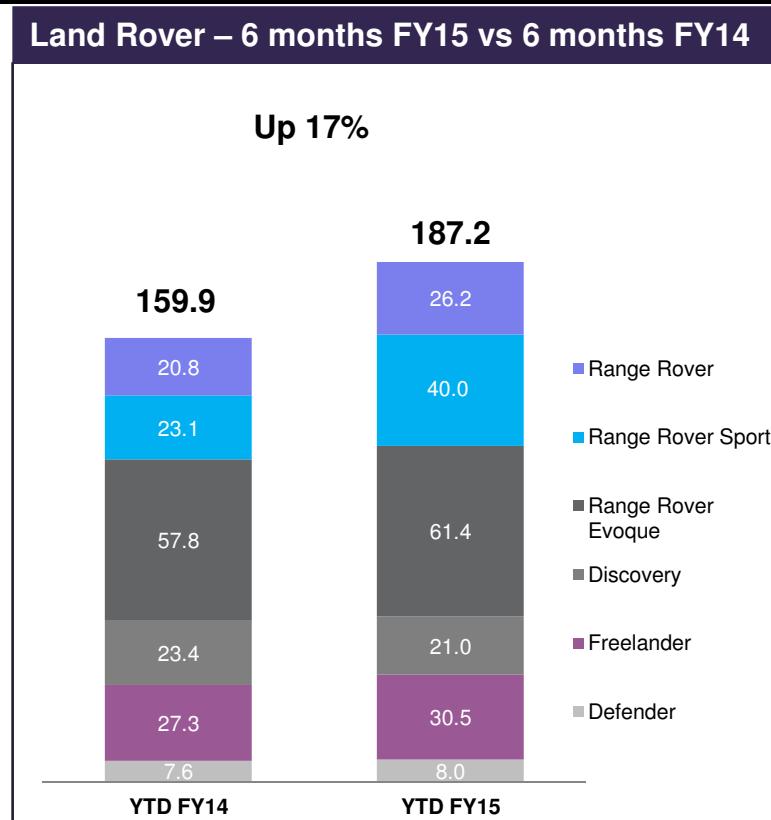
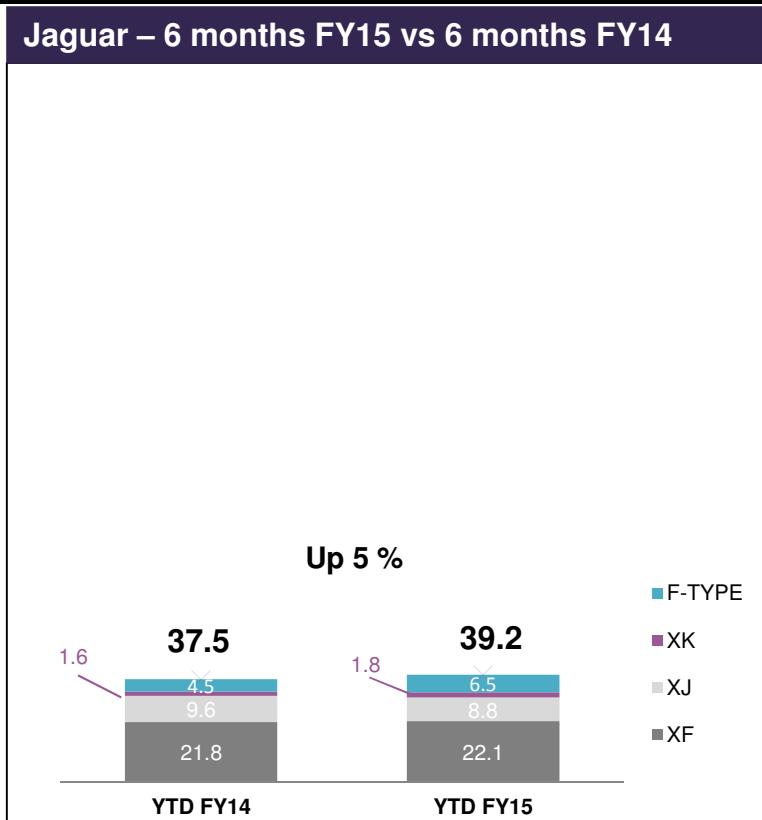
Wholesales of 104.0k up 2% overall



Land Rover ■ Jaguar ■  
Units in '000

## 6 month retail volumes by carline

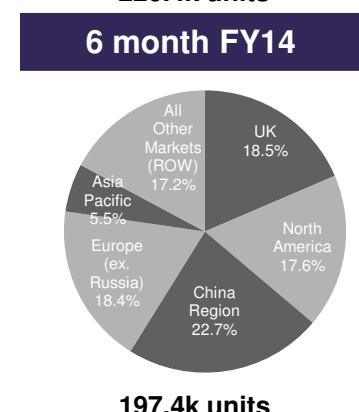
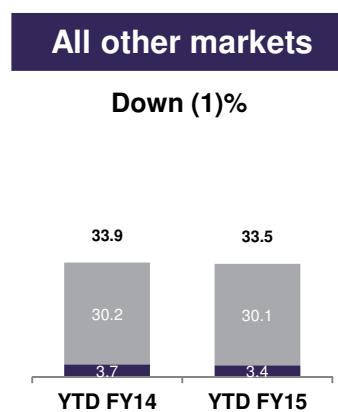
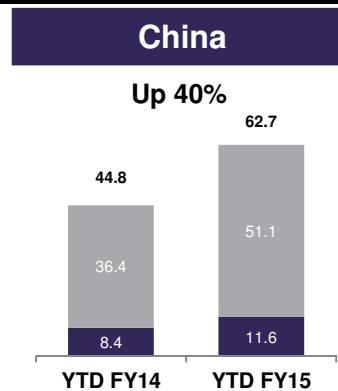
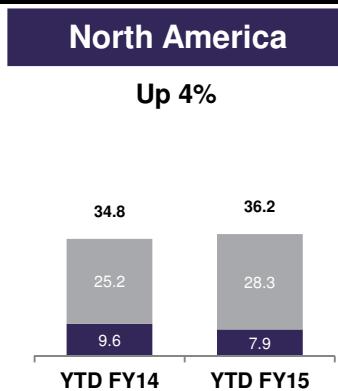
Total retail sales of 226.4k up 15% overall



Units in '000

## 6 month retail volumes by geography

Total retail sales of 226.4k up 15% overall

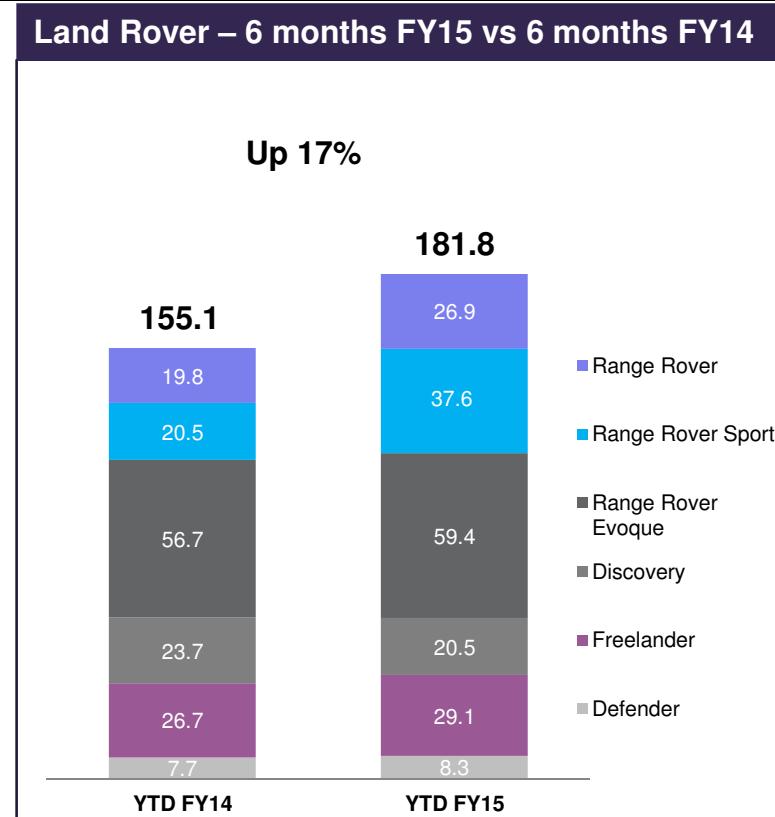
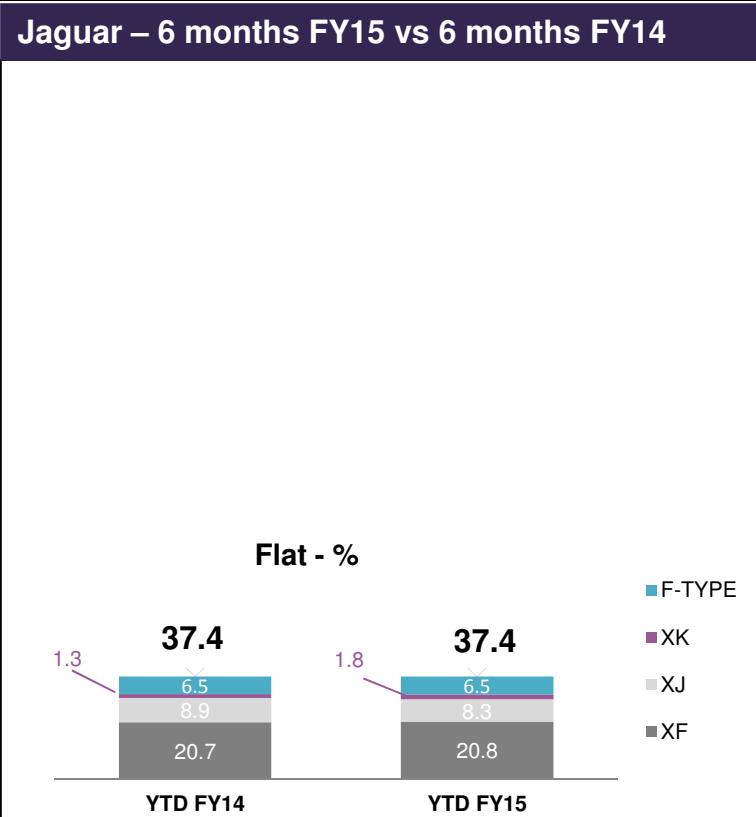


Land Rover Jaguar

Units in '000

## 6 month wholesale volumes by carline

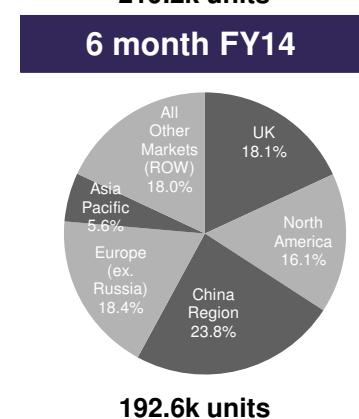
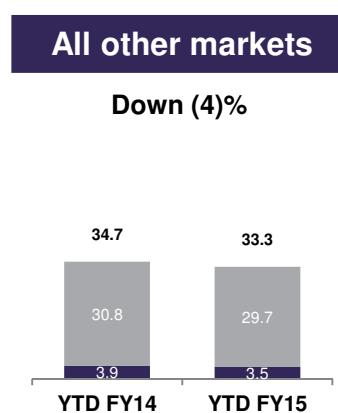
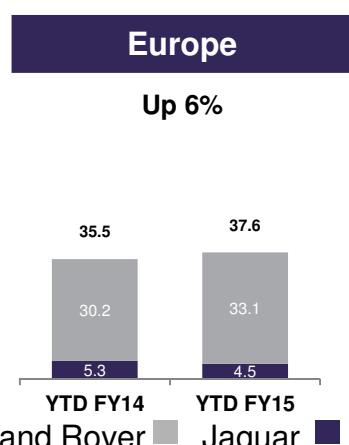
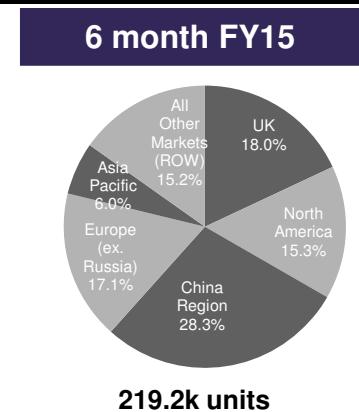
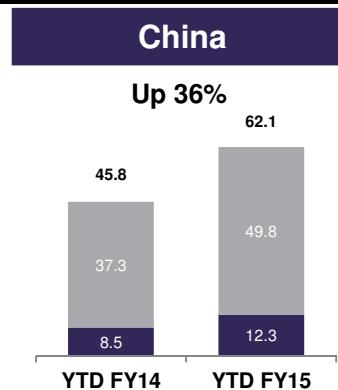
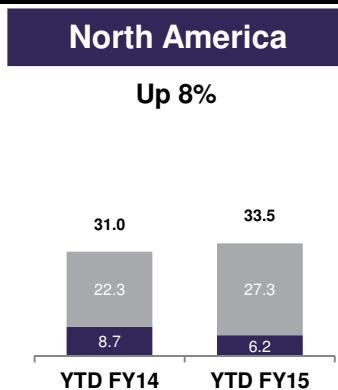
Total wholesales of 219.2k up 14% overall



Units in '000

## 6 month wholesale volumes by geography

Total wholesales of 219.2k up 14% overall



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
<b>R&amp;D expense</b>						
Capitalised	274	259	15	547	501	46
Expensed	62	62	-	115	112	3
<b>Total R&amp;D expense</b>	<b>336</b>	<b>321</b>	<b>15</b>	<b>662</b>	<b>613</b>	<b>49</b>
<b>Investment in tangible and other intangible assets</b>						
	427	336	91	783	602	181
<b>Total product and other investment</b>	<b>763</b>	<b>657</b>	<b>106</b>	<b>1,445</b>	<b>1,215</b>	<b>230</b>
Of which capitalised	701	595	106	1,330	1,103	227