JAGUAR LAND ROVER AUTOMOTIVE plc

INVESTOR PRESENTATION

November 2019

Adrian Mardell, CFO

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.

- Q4 represents the 3 month period from 1 January to 31 March
- Q3 represents the 3 month period from 1 October to 31 December
- Q2 represents the 3 month period from 1 July to 30 September
- Q1 represents the 3 month period from 1 April to 30 June
- YTD represents the 6 month period from 1 April to 30 September
- FY represents the 12 month period from 1 April to 31 March of the following year

Unless stated otherwise sales volumes are expressed in thousand units, financial values are in GBP millions.

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 includes sales from the Company's unconsolidated Chinese joint venture ("CJLR").

EBITDA is defined as profit before income tax expense, exceptional items, finance expense (net of capitalised interest), finance income, gains/losses on unrealised derivatives and debt, gains/losses on realised derivatives entered into for the purpose of hedging debt, gains/losses on equity investments held at fair value, share of profit/loss from equity accounted investments and depreciation and amortisation.

EBIT is defined as for EBITDA but including share of profit/loss from equity accounted investments and depreciation and amortisation.

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

Today's presenters

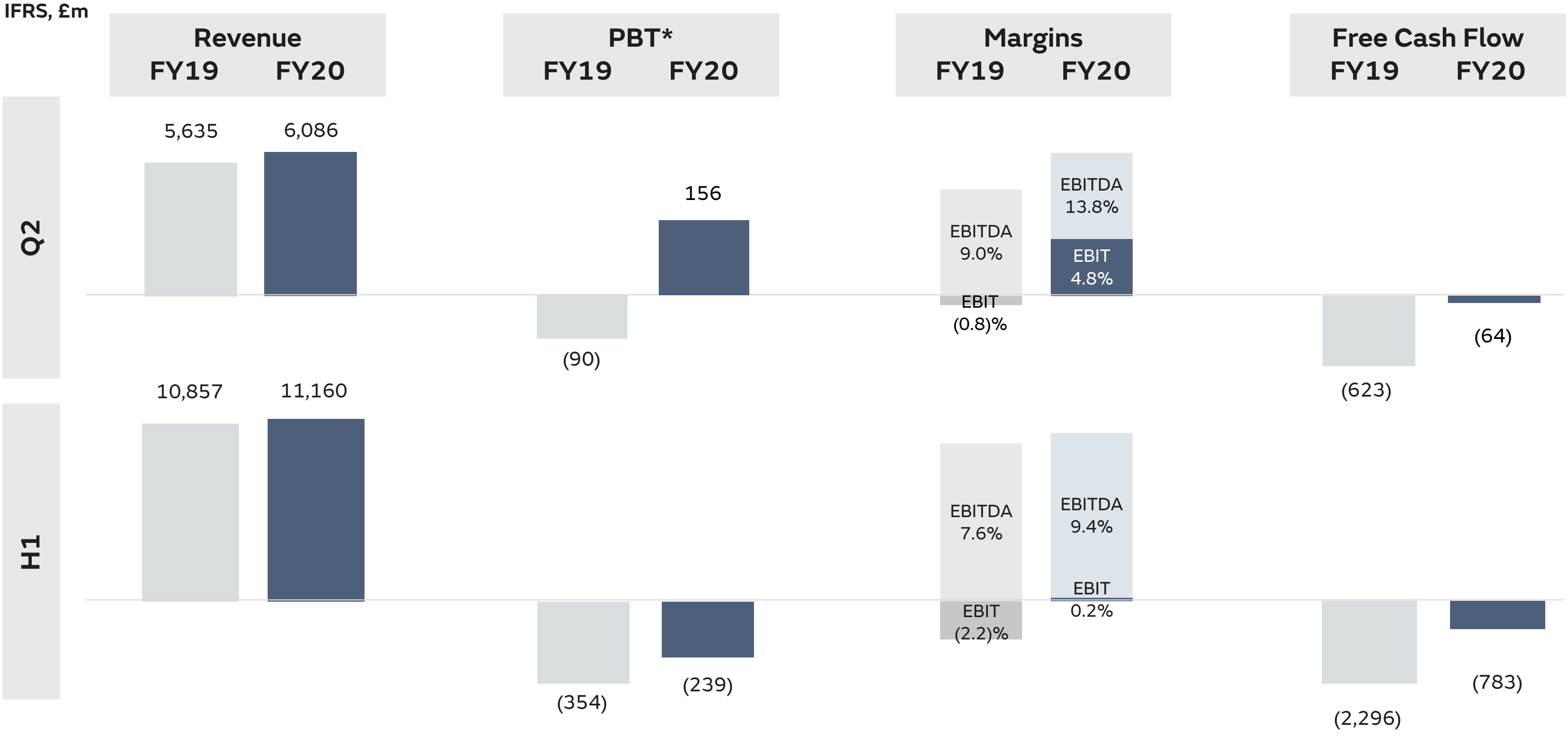
Adrian Mardell
Chief Financial Officer

Bennett Birgbauer
Group Treasurer

RECENT PERFORMANCE

Improved quarter with PBT £156m, 4.8% EBIT

Favourable volume and mix, operating costs, D&A and FX



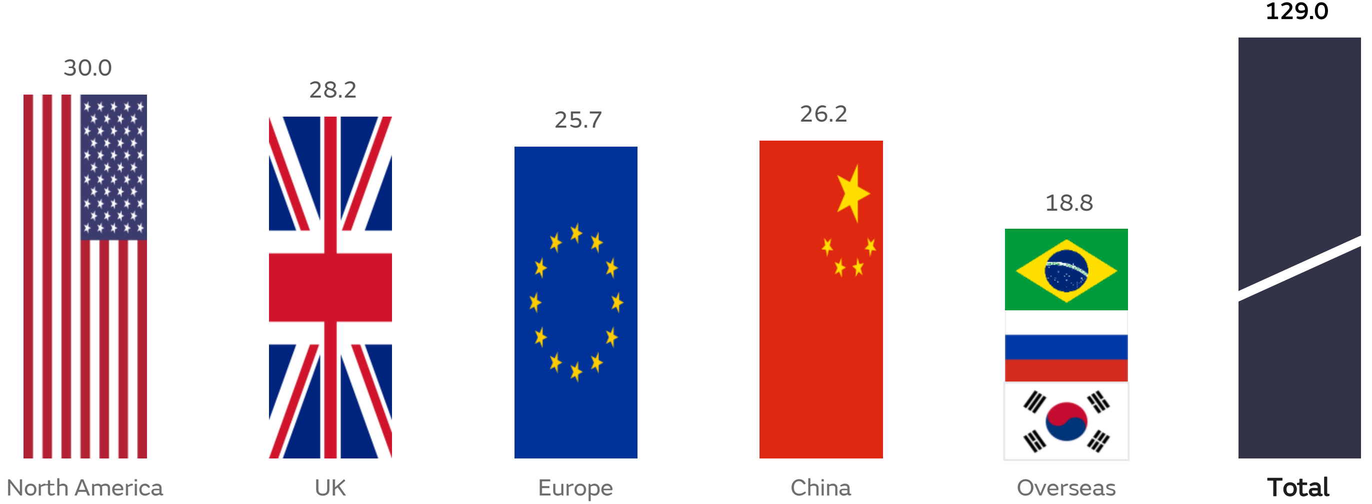
* After exceptional charges of £10m in Q2 FY20 and £22m in H1 FY20 for voluntary redundancy programme

Q2 FY20

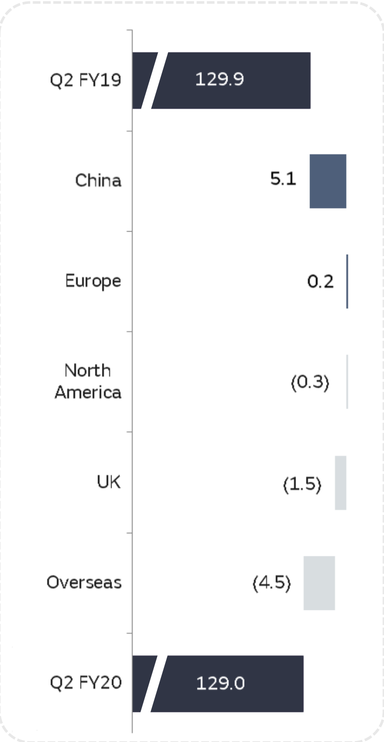
China recovering, with quarterly retails up 24.3%

Retails flat overall, wholesales up 2.9% with favourable mix

Retail units in '000



	North America	UK	Europe	China	Overseas	Total
JLR YoY	(1.0)%	(5.1)%	0.9%	24.3%	(19.2)%	(0.7)%
Industry	0.7%	(0.6)%	1.6%	(6.0)%	N/A	
Wholesales						
Units	33.2	28.9	26.9	23.8	21.7	134.5
YoY	17.4%	(8.7)%	6.0%	0.5%	0.1%	2.9%

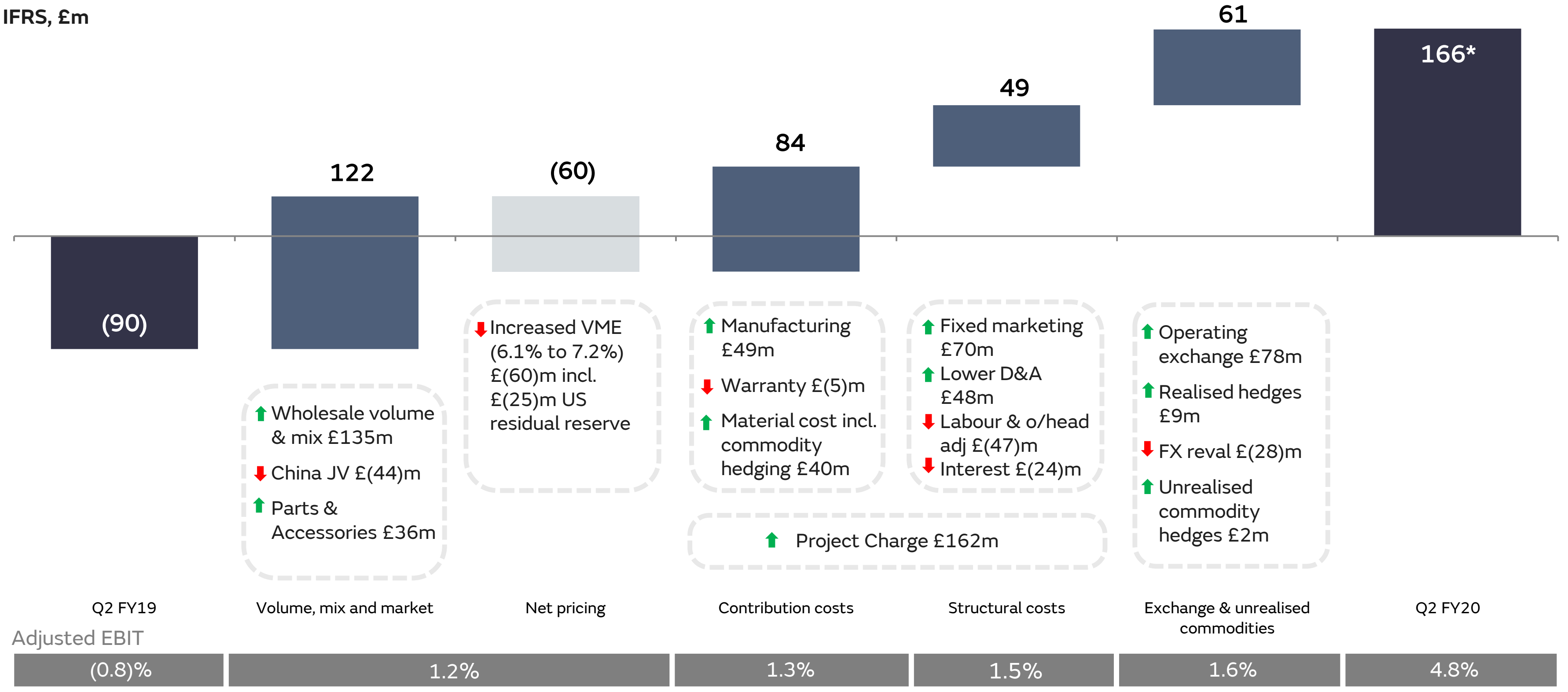


Volumes include sales from Chery Jaguar Land Rover. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises it's share of profits from CJLR within EBIT.
* Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers
The total industry car volume data above has been compiled using relevant data available at the time of publishing, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe

Q2 FY20 YoY

Improved profitability in Q2

China recovery with better mix, Charge cost reductions

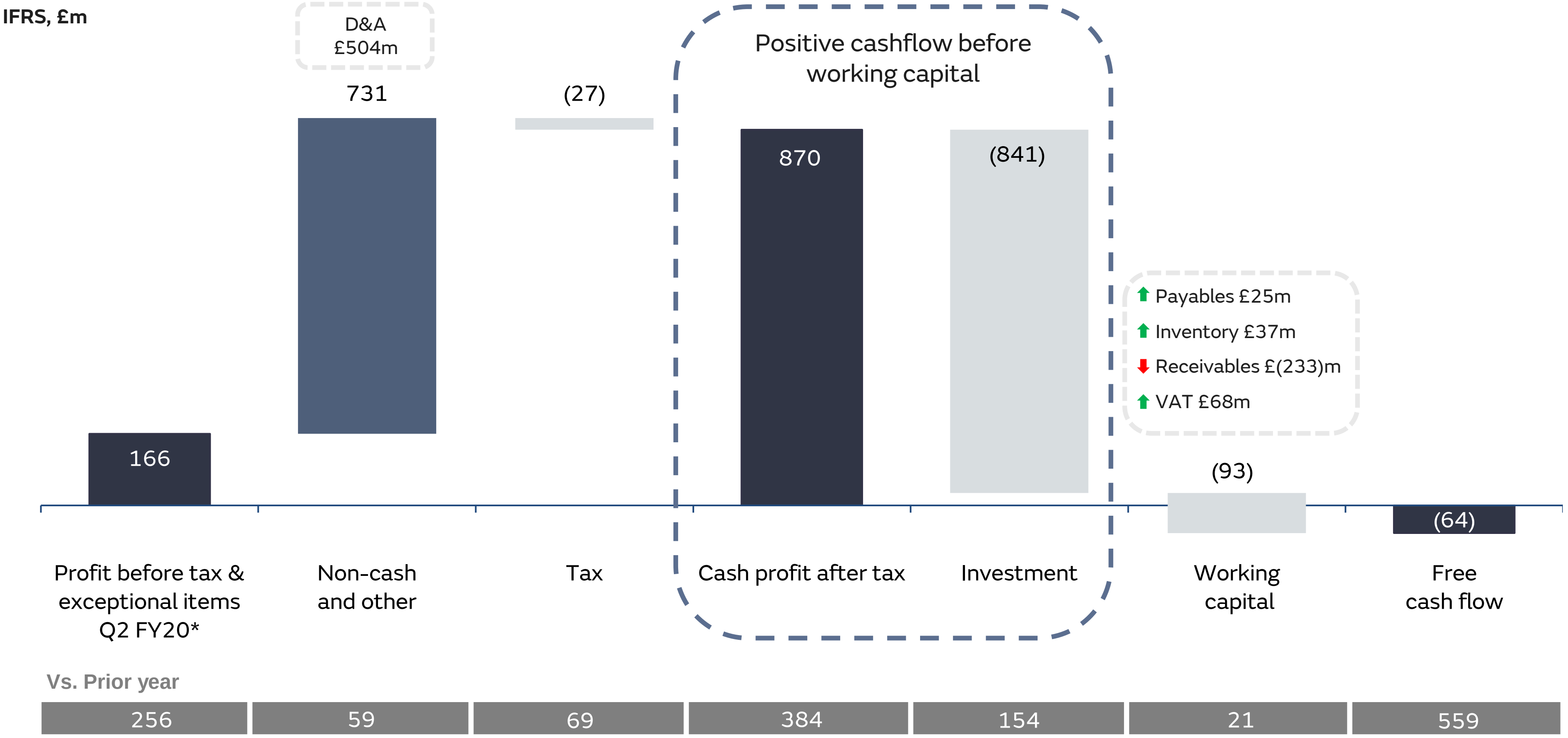


* PBT before £10m exceptional charge for voluntary redundancy programme

Q2 FY20 YoY

Cash flow after investment near breakeven

£559m better YoY, improved PBT and lower investment spending



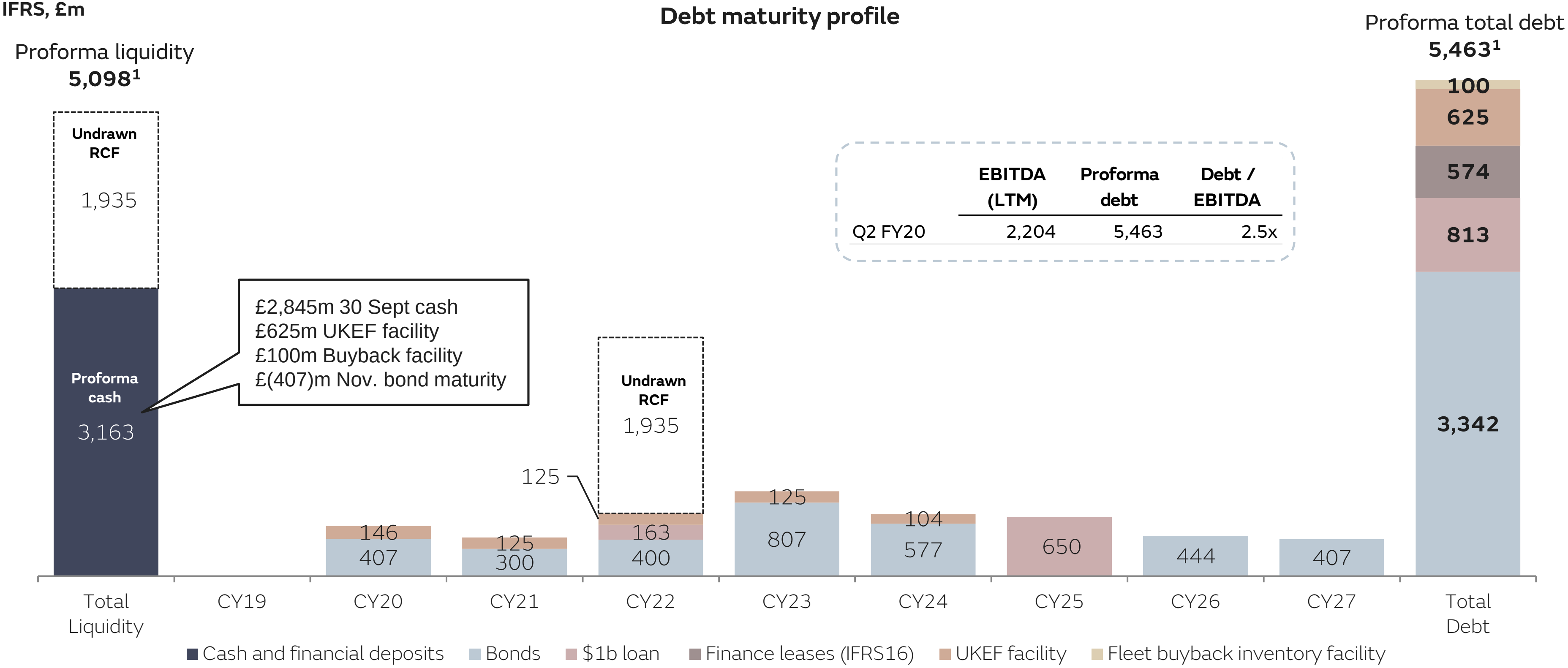
* PBT before £10m exceptional charge for voluntary redundancy programme

Q2 FY20

Strong liquidity -- £5.1b proforma

after £725m Oct. financings and Nov. $500m bond maturity

IFRS, £m

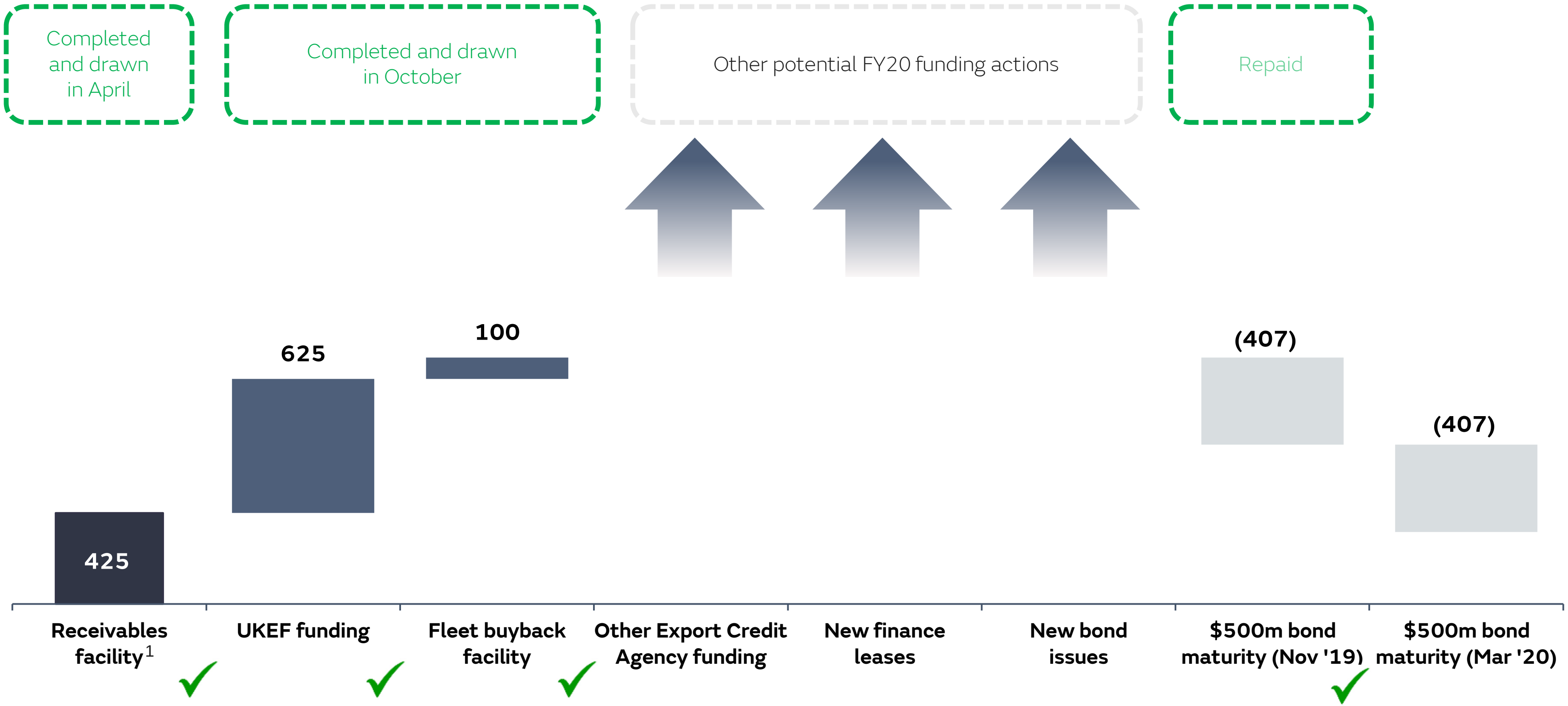


	EBITDA (LTM)	Proforma debt	Debt / EBITDA
Q2 FY20	2,204	5,463	2.5x

[1] September '19 cash of £2,845m and debt of £5,145m, adjusted for £625m UKEF facility, £100m fleet buyback inventory facility and $500m November debt maturity. Total debt includes £40m Fair Value adjustment and £(30)m capitalised fees (not shown).

FY20 funding plans

Over £1b of new funding already completed in FY20

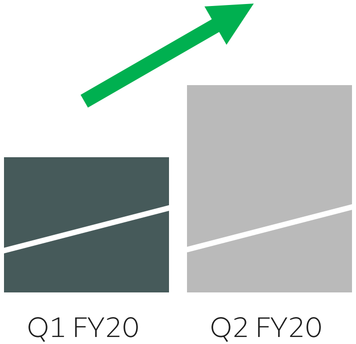


[1] £425m net assumes full $700m drawdown (£297m drawn at 30th September) and repayment of £114m preceding facility (fully repaid in Q1). New facility accounted as sold instead of debt, i.e. off balance sheet.

Improved Q2 performance expected to continue in H2

Expect to meet full year targets

- ✓ Revenue up with China sales up 24.3%, favourable model mix and new products
- ✓ Profits up with favourable operating costs (incl Charge), D&A and FX
- ✓ Improved cashflow with higher profits and lower investment



- ✓ China recovery expected to continue
- ✓ Charge delivering cost and cash improvements
- ✓ New and refreshed products ramping up

Key metrics	FY20
Retail sales growth	> Premium Segment
EBIT margin	3-4%
PBT	Positive
Investment spending	FY20 c. £3.8b / FY21 up to £4b
Free cash flow	Negative, improving
Gross debt/EBITDA[1]	≤ 2.8x

[1] Year-end, intra-year may be higher.
NOTE: Directional only; not to scale

STRATEGY

Robust response to challenging environment

Strategic actions delivering positive results

Challenges	Actions	Results
Industry (pp. 14-19): • Increased economic headwinds • Slowing industry growth	➢ Significant product launches in FY20 and beyond ➢ Capitalising on segment growth	✓ I-PACE wins unprecedented awards ✓ Strong response to Evoque and Defender
Tech & Regulatory (pp. 20-22): • Transition from ICE to ACES • Emissions compliance and diesel	➢ Electrification ➢ Powertrain rightsizing ➢ Lightweighting and aerodynamics	✓ I-PACE and PHEVs on sale, electric options in new models from 2020 ✓ Compliant across all regions and plans in place to remain so[1].
Internal (pp. 23-24): • Structural and cost challenges	➢ Launched Project Charge to improve cost and cash by £2.5b ➢ Accelerate project underway for longer-term improvements	✓ Project Charge on track to over-achieve target by March 2020 ✓ Further improvements planned
Geopolitical (pp. 25-27): • Trade tensions • China economy • Brexit	➢ China turnaround plan in place ➢ Brexit preparation planning	✓ China metrics improving and double digit growth in Q2 ✓ No-deal Brexit now appears less likely

[1] See appendix slide 40

Strong product portfolio to build on

Two iconic premium brands – 14 nameplates

SPORTS
TYPE


F-TYPE


F-TYPE CONVERTIBLE

LIFESTYLE
PACE


I-PACE


F-PACE


E-PACE

LUXURY
X


XJ


XF SPORTBRAKE


XF + XFL


REFRESHED XE + XEL

REFINEMENT
RANGE ROVER


RANGE ROVER


RANGE ROVER SPORT


RANGE ROVER VELAR


ALL-NEW EVOQUE

VERSATILITY
DISCOVERY


DISCOVERY


DISCOVERY SPORT

DURABILITY
DEFENDER

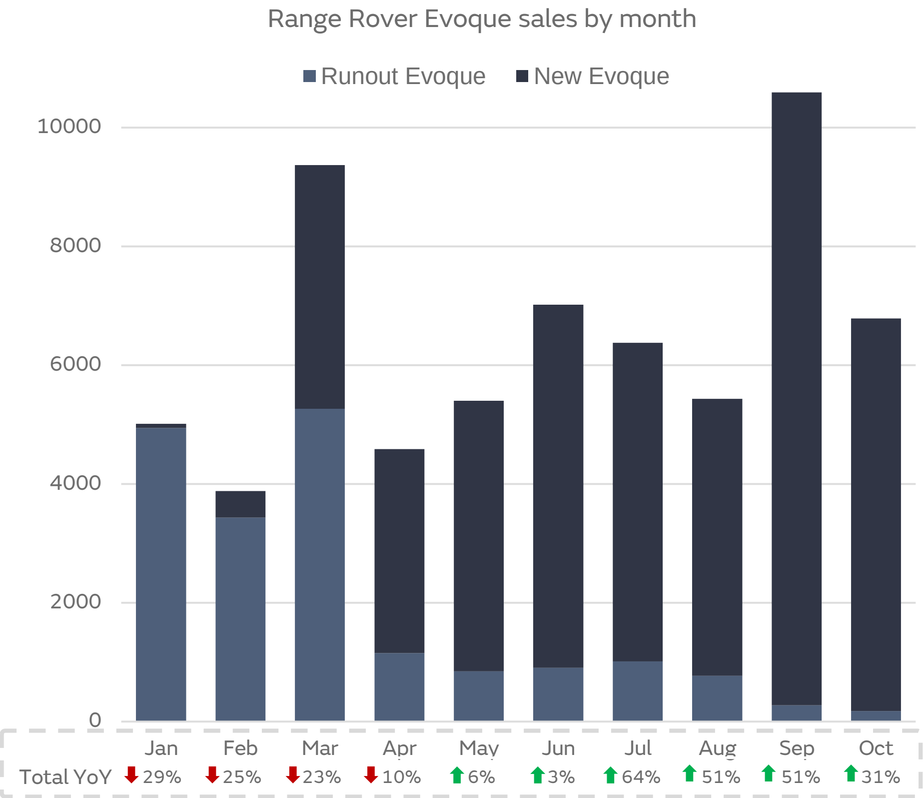

NEW DEFENDER

Jaguar I-PACE -- Unprecedented award winner

European and 3x World Car of The Year, Golden Steering Wheel

New Evoque

Strong sales and more recently introduced in China



New Defender revealed, available to order

Customer deliveries to start in Spring 2020

Incomparable, unstoppable: An icon reimagined for the 21st century

Family: Defender 110 available in Spring; smaller Defender 90 to follow

Modern interior: functional, durable & flexible with optional front jump seat

Electrified: advanced mild hybrid & plug-in hybrid electric vehicle options

Strong response to New Defender

Widespread positive coverage and strong order book

Strong pipeline of new and refreshed products

4 major product actions in FY20, much more to come…

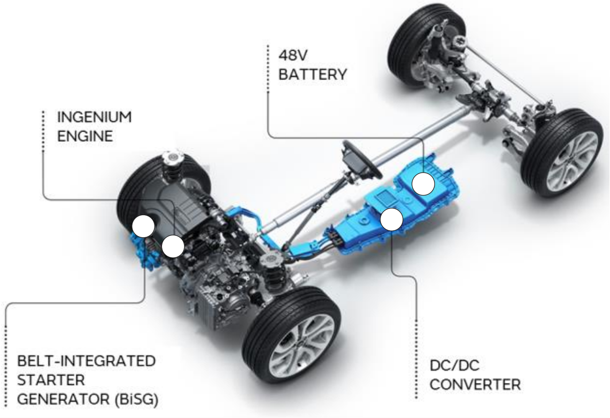
Calendar Year	XE	XF	XJ	E-PACE	I-PACE	F-PACE	F-TYPE	Discovery Sport	Discovery	Evoque	Velar	Range Rover Sport	Range Rover	Defender
2012													New	
2013							New					New		
2014								New						
2015	New	New	Refresh							Refresh				
2016						New								
2017				New			Refresh		New		New	Refresh	Refresh	
2018					New									
2019	Refresh							Refresh		New				New
2020-24	New models, replacement models and mid-cycle refreshes to be announced, including new XJ BEV in FY21													

Electrification roll out plan continuing

Electric options in all new and refreshed models from 2020

Mild Hybrid

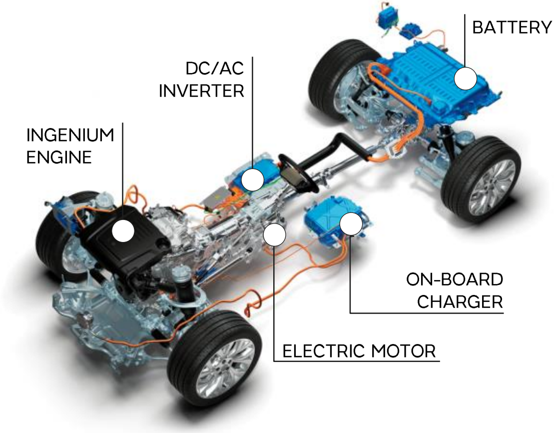
Energy is harvested during braking to assist the ICE, boosting performance and increasing fuel economy by ~12%



Up to 12% lower CO2
Low particulate emissions

Plug-in Hybrid

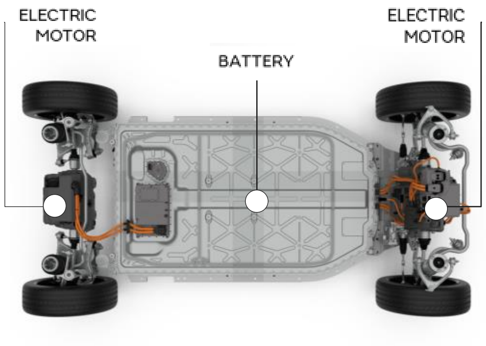
50km electric-only range from 13.1kWh battery, plus an Internal Combustion Engine (ICE)



Up to 70% lower CO2
Lower particulate emissions

Battery Electric

470km electric-only range from 90.2kWh battery



Up to 100% lower CO2
Lowest particulate emissions

New common Modular Longitudinal Architecture

Toolkit to transform cost & quality, with flexible powertrains

Current

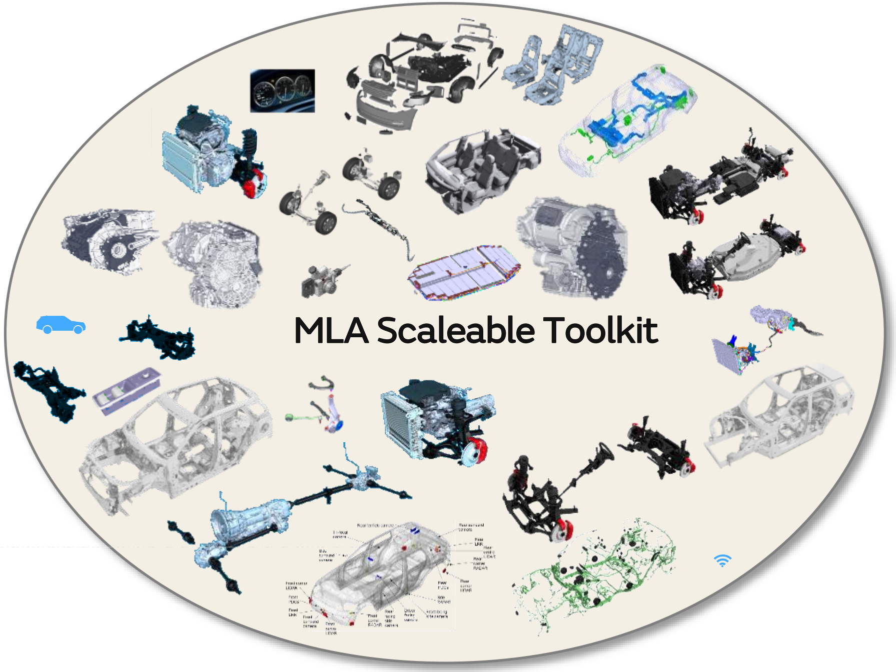
D7a

D7u / D7x

D7e

D2a

PTA



Future

MLA

Separate sets of components; limited flexibility, limited scale

Flexible, scaleable enterprise toolkit

Transformed scalability, cost and delivery efficiency

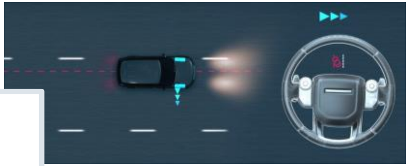
Collaborating with global partners

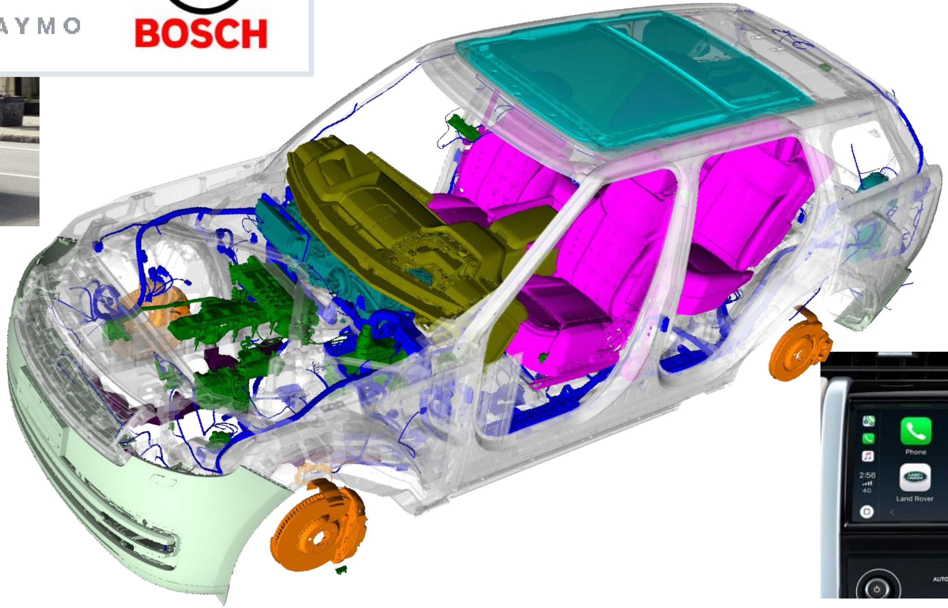
Leveraging skills, efficiency and technology

JAGUAR LAND ROVER

Autonomous

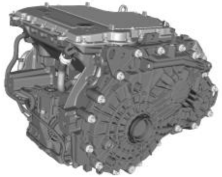
WAYMO BOSCH





Propulsion Systems

BMW



Infotainment

LG

QNX

Baidu 百度

android

Key strategic partnerships help us play a key role in the automotive shared economy

Internal

Project Charge

Ahead of £2.5B target by March 2020, with £2.2B delivered to date

Savings	Target £b	Status £b	FY20 Q2 £b	Comment
Investment	1.0	1.3	*0.3*	FY20: strong progress made with £0.3B realised in Q2 and on track to outperform target. Savings primarily in relation to non-product / infrastructure and other efficiencies; programme plans protected to achieve growth plan.
Working Capital	0.5	0.4	-	FY20: will be updated later in the year due to seasonality of inventory numbers. Confidence in exceeding target. End of Q2 inventory level is £0.7B lower then prior year.
Cost & Profits	1.0	0.5	*0.2*	FY20: £0.2B savings realised in Q2, including People & Org savings. Confidence in achieving target with further savings identified in overheads incl. manufacturing, material costs, commercial activities.
Total Cash	2.5	2.2	*0.5*	

Project Charge

Plans to deliver £1B cost & profit target

Target to achieve

£1B

Cost and profit

£150M value realized in FY19,
- c.£120M YoY FY19 non-people overheads savings
- c.£30M people savings realised

£250M year-over-year people cost reduction in FY20, including £400M redundancy programme
- On track to deliver full year benefit with £150M savings to date

£300M FY20 material cost improvements targeted
- Underpinned by agreements in place and being realised in cash
- Confidence in achieving target as opportunities matured

£300M FY20 targeted across overhead costs
- Targeting non-people overheads
- c.£120M delivered in Q1-Q2 FY20

Charge to continue beyond FY20 to deliver further cost savings

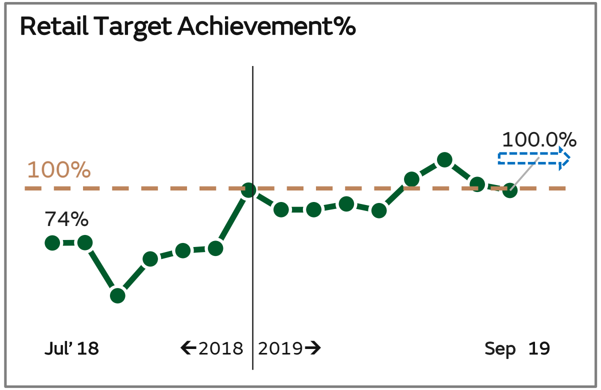
Resume profitable growth in China

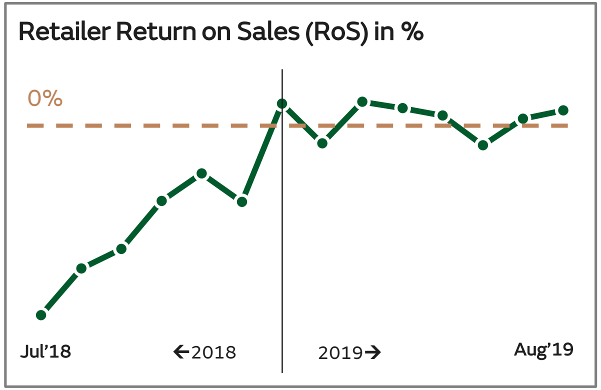
FY19 key challenges and our response

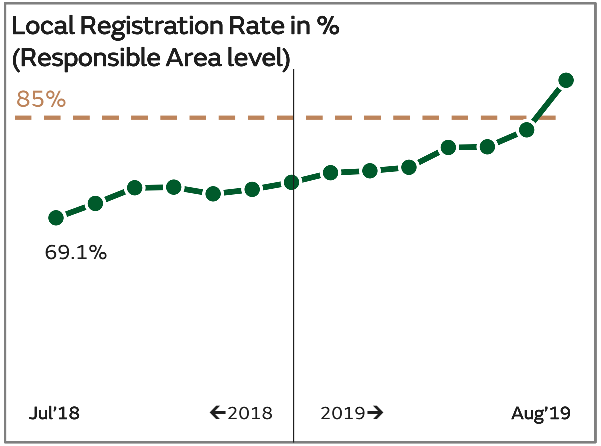
	Key challenges	Actions taken
Market	• Weaker **market conditions** combined with ambitious growth plans resulting in high stock levels, discounting and poor retailer profitability and liquidity	• Production has been cut and **stock levels reduced** • **Retailer targets** have been reset to enable network recovery
Retailers	• Newer **retailer network** with relative concentration of large retailer groups and tier 3,4,5 cities most impacted by slowdown	• Enhanced **training** to improve retailer capability • Improved **communication** with retailers, country-wide roadshow • Gradual consolidation of **network**, plus implementation of Market Area Strategy
Org.	• Overly complicated **incentive programmes** providing insufficient retailer compensation • Young integrated marketing, sales and service organisation	• **Simplified incentive programmes** and additional compensation • Launched **Project Dragon** to improve process, system, organisation and people capability
Brand	• Insufficient investment in **brand development** and support relative to competition	• Prioritise resources for brand development and **improve efficiency** through big data analysis with external partners

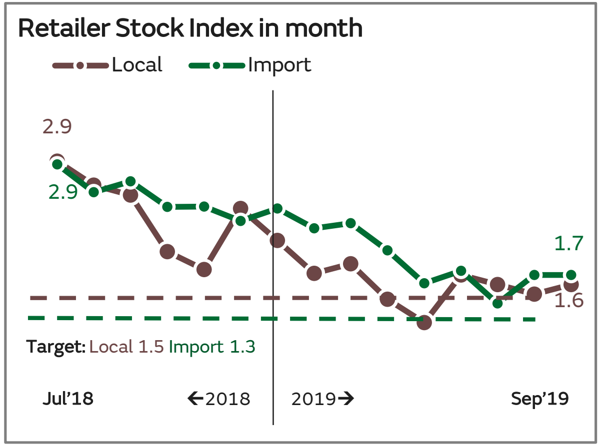
China KPIs continuing to improve

Improved KPIs now translating into improved sales



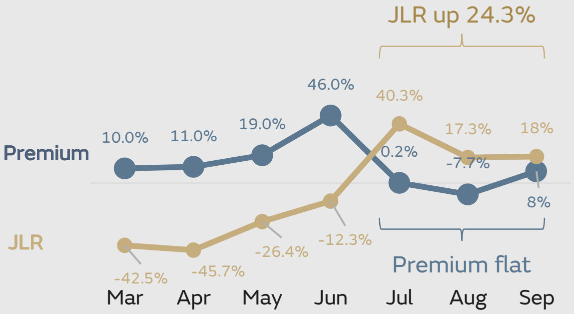






Commentary

- JLR returns to growth in a tough market
- Retailers Return on Sales improved
- Retailer stock level reduced to the lowest level since 2017
- Retail Target achievement improves to 100%



Brexit planning

No-deal Brexit now less likely but maintain contingency plans

Deal

Transition period to end ‘20 or later during which UK retains access to EU

- No tariff impact or trade frictions during transition period.
- UK economy likely to improve and GBP to strengthen (FX impact on revenue partially offset by impact on costs, and hedging)

No Deal

Leave EU by 31/1/20 (unless extended)

Near-term operational Impacts	Ongoing structural Impacts
Potential delays at ports could disrupt supply chain and the export of finished vehicles	Loss of EU tariffs and shift to WTO duty regime for UK-EU and UK-EU 3rd country trade, until new agreements established
➢ Expected to be relatively short term ➢ Potential additional buffer stock ➢ Assume some lost volumes would be recovered	➢ Tariff impact limited to less than 30% of sales (EU and EU 3rd country markets that presently benefit from EU treaties), ➢ Pass on pricing/net cost impact for tariffs where possible ➢ Pound likely to weaken further to partially offset the net impact of tariffs in year 1 (net of hedging) and substantially offset thereafter

Remain

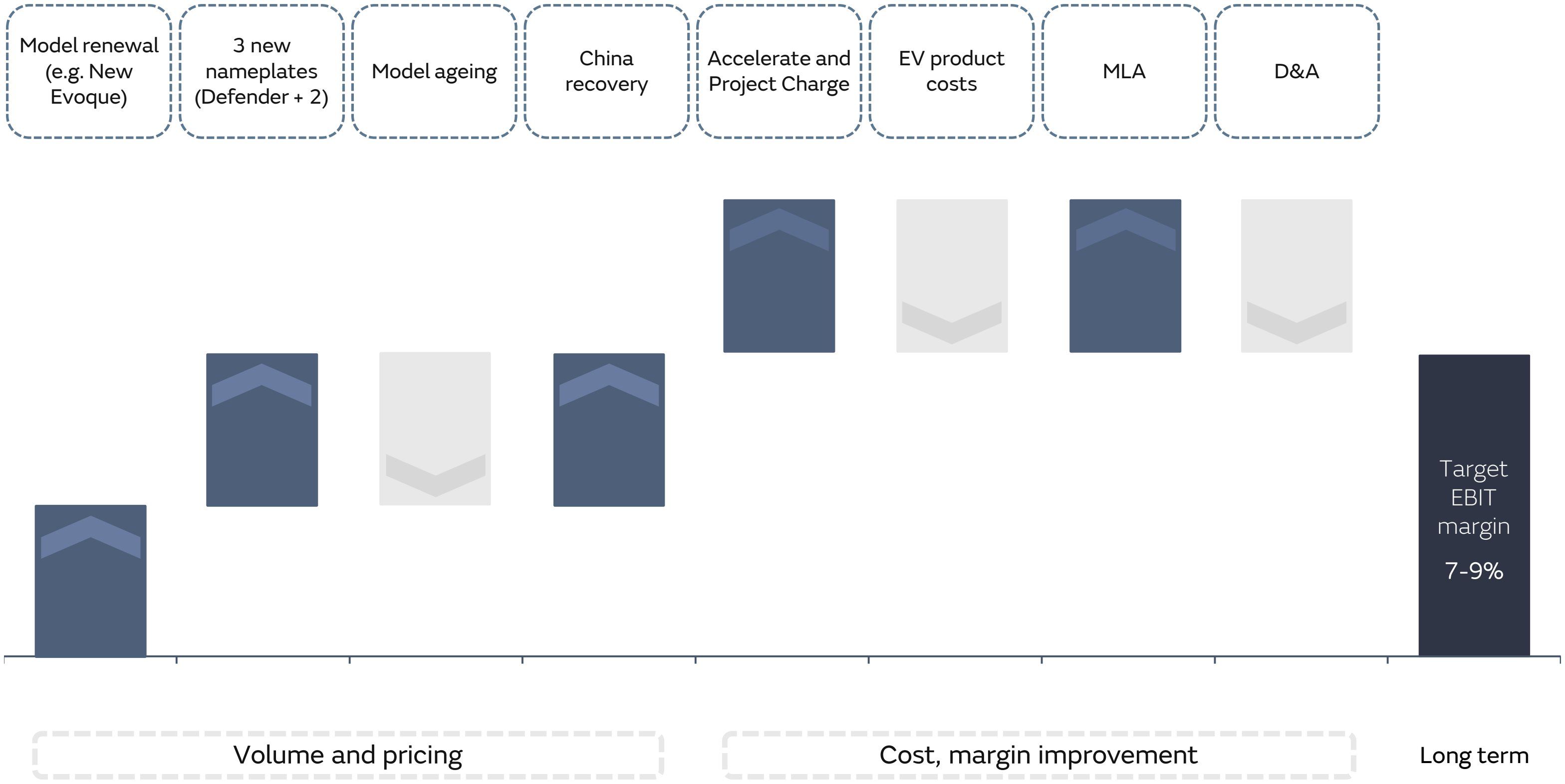
- UK economy likely to improve and no tariffs, although pound likely to strengthen, mitigated partially by hedging

JLR continues to actively engage with government and trade bodies on the need for a pro business deal

SUMMARY AND KEY TAKEAWAYS

Looking ahead

Drivers of long-term margin recovery



NOTE: DIRECTIONAL ONLY; NOT TO SCALE

Looking ahead

Our plans remain the same

Key metrics / targets[1]	FY20-21	FY22-23	Beyond
Retail sales growth	> Premium Segment	> Premium Segment	> Premium Segment
EBIT margin	3-4%	4-6%	7-9%
PBT	Positive	Positive	Positive
Investment spending	FY20 c. £3.8b / FY21 up to £4b	Up to £4b	11-13% of revenue
Free cash flow	Negative, improving	Positive	Positive
Gross debt/EBITDA[2]	≤ 2.8x	≤ 2.8x	≤ 2.0x

- Remain confident of achieving our plans
- We will:
    - Continue to focus on launching exciting products with breakthrough technology
    - Improve PBT and cash flow driven by strong product pipeline, Project Charge and Accelerate;
    - Deliver Project Charge targets of £2.5b by Mar 2020 with continued focus on costs and profitability

We are committed to Competitive, Consistent, Cash Accretive growth over the medium to long term

[1] The information in this slide represents forward looking management financial targets based on management's current business strategy and plans, whose realization is subject to risks and uncertainties.
[2] Year-end, intra-year may be higher.

Key Takeaways

- Significant new product launches in FY20 and beyond to drive future growth
- Project Charge and Accelerate cost savings programme on track to position the business strongly for the future
- Healthy financial performance in Q2 is expected to continue in H2 FY20
- Strong liquidity position (proforma £5.1b) demonstrating prudent risk management
- Commitment to maintain and strengthen credit ratings

Thank you

Adrian Mardell

CFO, Jaguar Land Rover

Bennett Birgbauer

Treasurer, Jaguar Land Rover

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CV3 4LF

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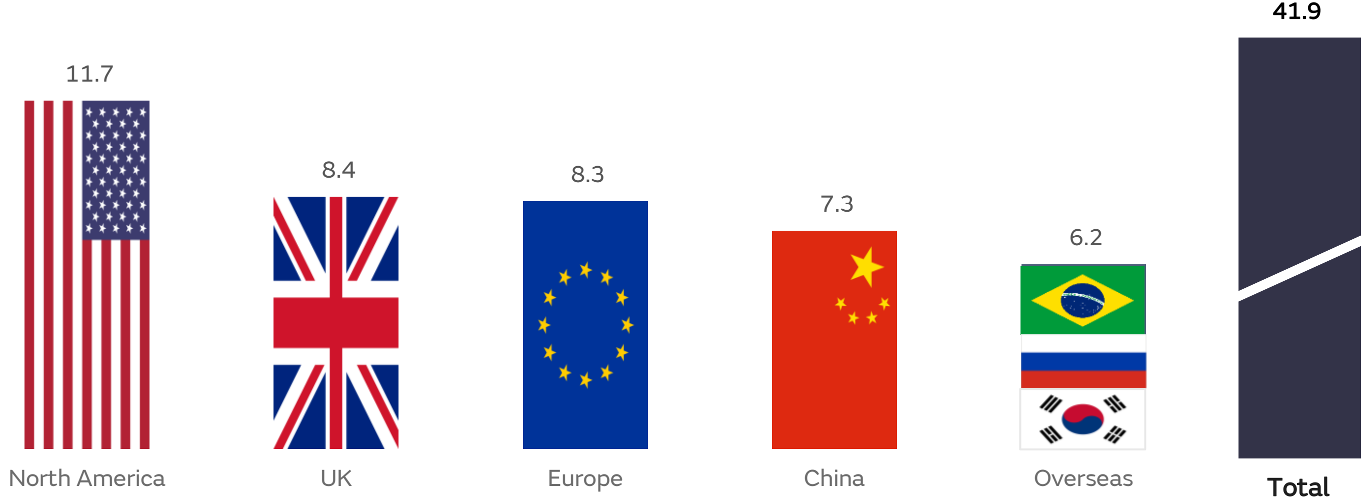
APPENDIX

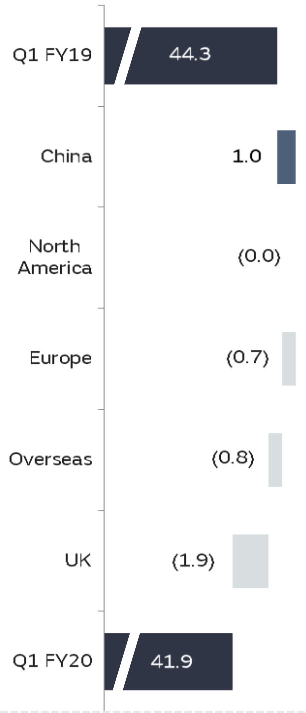
China recovery continues, up 16.2%

Retails down overall; wholesales up 1.1% with favourable mix

Retail units in '000



	North America	UK	Europe	China	Overseas	Total
JLR YoY	(0.3)%	(18.7)%	(7.9)%	16.2%	(10.8)%	(5.5)%
Industry	(1.8)%	(6.7)%	N/A	(5.8)%	N/A	
Wholesales						
Units	13.7	9.8	10.6	6.7	6.5	47.3
YoY	33.2%	(15.6)%	(17.1)%	20.6%	(0.9)%	1.1%



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Q2 FY20

Income statement

IFRS, £m	Q2 FY20	Q2 FY19	Change
Revenues	**6,086**	**5,635**	**451**
Material and other cost of sales	(3,720)	(3,559)	(161)
Employee costs	(631)	(704)	73
Other (expense)/income	(1,248)	(1,285)	37
Product development costs capitalised	353	418	(65)
EBITDA	**840**	**505**	**335**
Depreciation and amortisation	(504)	(552)	48
Share of profit/(loss) from Joint Ventures	(41)	3	(44)
EBIT	**295**	**(44)**	**339**
Debt/unrealised hedges MTM & unrealised investments	(90)	(31)	(59)
Net finance expense	(39)	(15)	(24)
Profit/(loss) before tax and exceptional items	**166**	**(90)**	**256**
Exceptional items	(10)	-	(10)
Profit/(loss) before tax	**156**	**(90)**	**246**
Income tax	(56)	(11)	(45)
Profit/(loss) after tax	**100**	**(101)**	**201**

The exceptional items impacting Q2 FY20 relate to voluntary redundancies. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises its share of profits from CJLR within EBIT.

YTD FY20

Income statement

IFRS, £m	YTD FY20	YTD FY19	Change
Revenues	**11,160**	**10,857**	**303**
Material and other cost of sales	(7,001)	(6,925)	(76)
Employee costs	(1,287)	(1,437)	150
Other (expense)/income	(2,511)	(2,510)	(1)
Product development costs capitalised	692	844	(152)
EBITDA	**1,053**	**829**	**224**
Depreciation and amortisation	(967)	(1,101)	134
Share of profit/(loss) from Joint Ventures	(69)	33	(102)
EBIT	**17**	**(239)**	**256**
Debt/unrealised hedges MTM & unrealised investments	(160)	(89)	(71)
Net finance expense	(74)	(26)	(48)
Loss before tax and exceptional items	**(217)**	**(354)**	**137**
Exceptional items	(22)	-	(22)
Loss before tax	**(239)**	**(354)**	**115**
Income tax	(63)	43	(106)
Loss after tax	**(302)**	**(311)**	**9**

The exceptional items impacting YTD FY20 relate to one-time separation and voluntary redundancy costs. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises its share of profits from CJLR within EBIT.

Q2 FY20

Operating FX net of hedging and reval up £61m

Hedge reserve increased due to pound weakening

IFRS, £m

	Q2 FY20	YoY Change	QoQ Change
Operational exchange	n/a	79	29
Realised FX hedges and other	(156)	9	(7)
Revaluation of current assets and liabilities	20	11	54
Total FX impacting EBITDA & EBIT	**n/a**	**99**	**76**
Revaluation of unrealised currency derivatives	(10)	-	(21)
Revaluation of USD and Euro Debt	(46)	(40)	3
Total FX impact on PBT	**n/a**	**59**	**58**
Realised commodities (incl. in EBITDA & EBIT)	-	(12)	(4)
Unrealised commodities (excl. from EBITDA & EBIT)	(18)	2	8
Total Commodities impact on PBT (incl. in contribution costs)	**(18)**	**(10)**	**4**
Total pre-tax hedge reserve	**(709)**	**(204)**	**(98)**
Current portion of hedge reserve	(496)	(99)	(52)
End of Period Exchange Rates			
GBP:USD	1.230	*(5.8%)*	*(3.0%)*
GBP:EUR	1.125	*0.1%*	*1.0%*
GBP:CNY	8.775	*(2.3%)*	*0.8%*

Memo:

[1] The year-on-year operational exchange is an analytical estimate, which may differ from the actual impact

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

[3] Exchange revaluation gains/(losses) reflects the estimated impact of the change in end of period exchange rates as applied to relevant balances

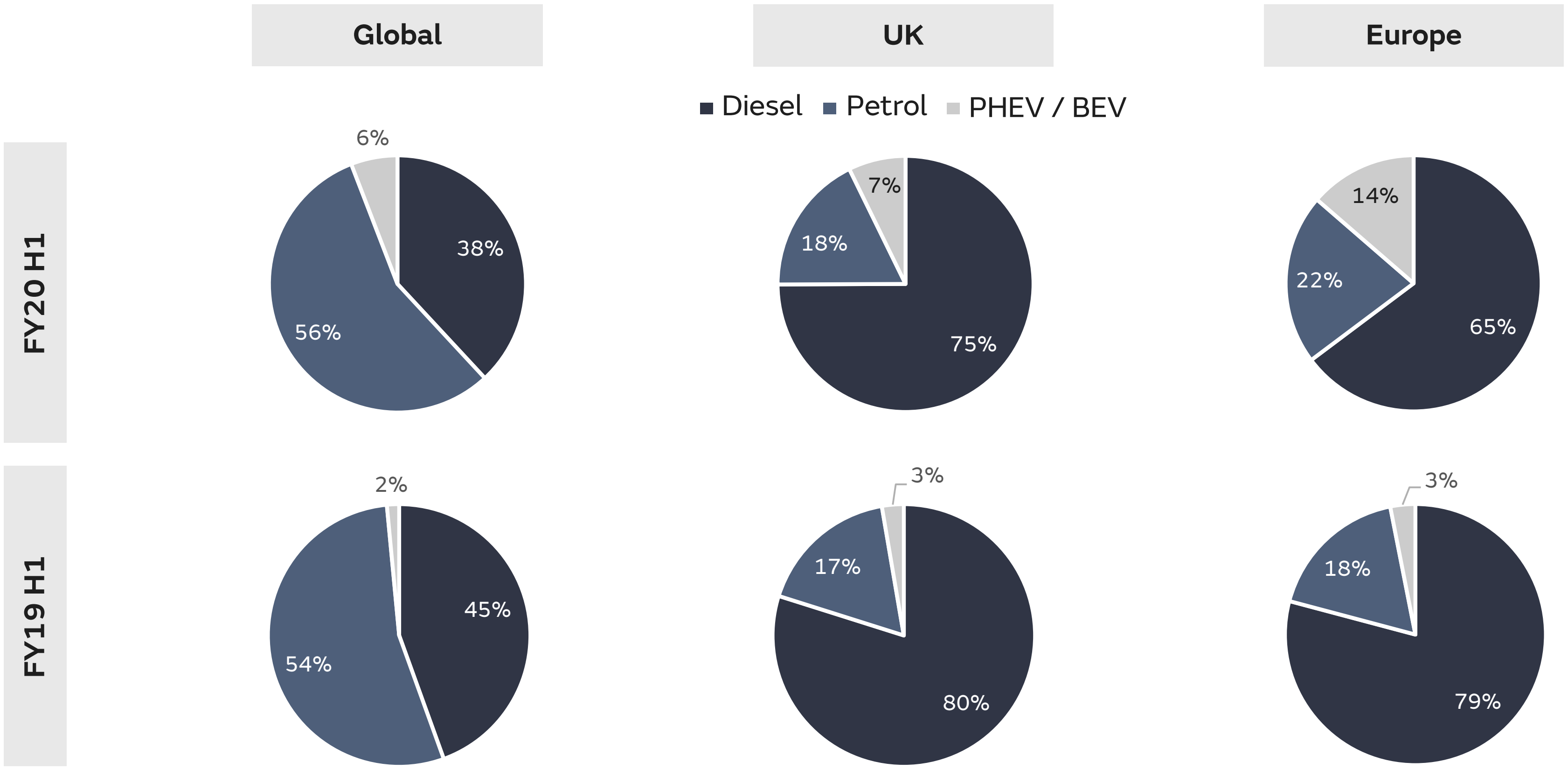
China JV (100%): Loss before tax £109m

Higher sales offset by higher incentives and material costs

IFRS, £m	Q2 FY20	Q2 FY19	Change
Retail volumes ('000 units)	14.5	12.5	2.0
Revenue	332	393	(61)
Profit / (Loss) - before tax	(109)	10	(119)
- after tax	(82)	7	(89)
EBITDA	(50)	59	(109)
EBITDA Margin	(15.1)%	15.0%	(30.1)%
EBIT	(107)	8	(115)
EBIT Margin	(32.2)%	2.0%	(34.2)%
Cash	514	383	131

Changing powertrain mix

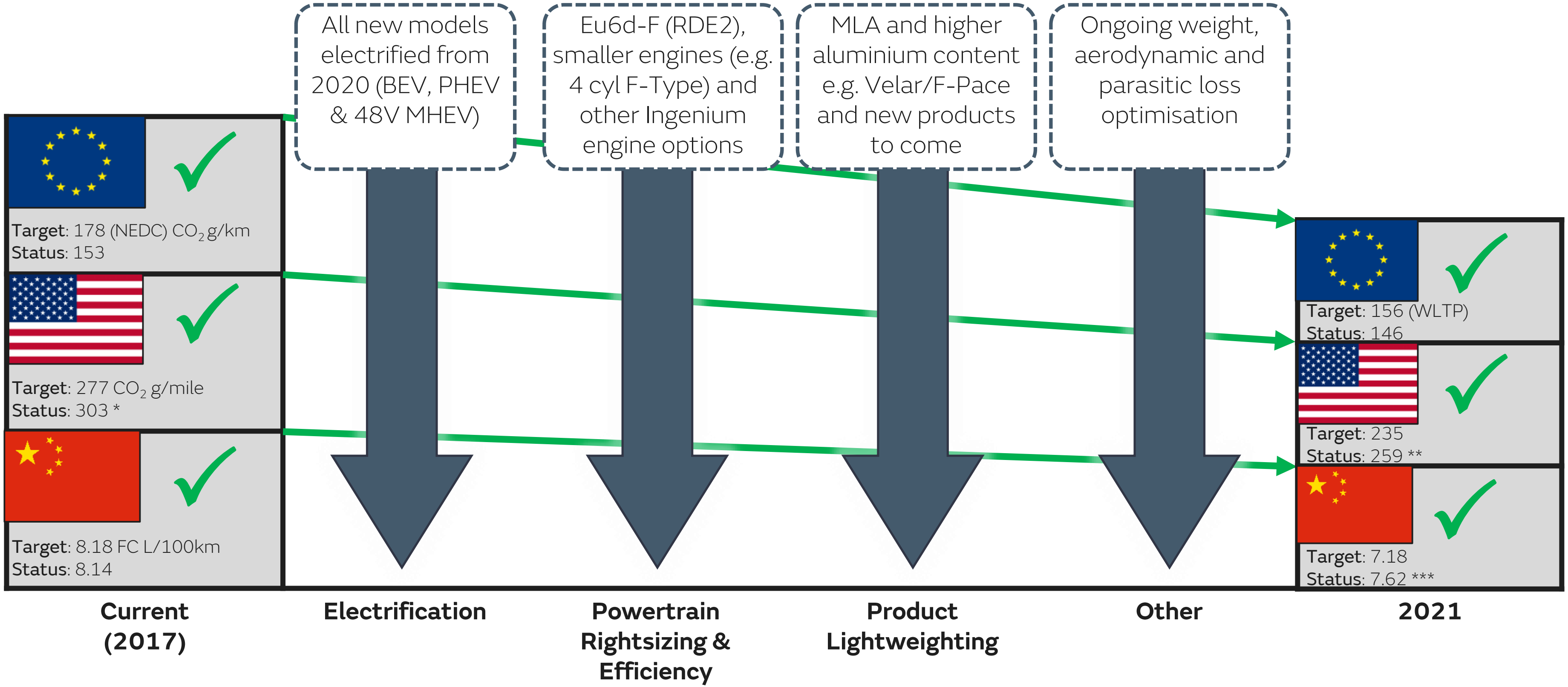
Proportion of petrol, hybrid and EV increasing



Note : Cumulative percentage > 100% due to rounding

CO_2 Emissions

Our strategy delivers a fully emissions compliant portfolio



* Fleet compliance in USA, will be achieved by CAFE and GhG credit trading/purchase allowed under Administration Rules – financial provision covered.
** 50% Fleet compliance in USA partially offset through 24MY over compliance, remainder covered by credit purchase/trading as above – financial provision covered.
*** JLR 2021 China Targets Draft proposal of CAFC Stage V and NEV - cost of credit trading to be recovered from sale of over-compliance credit generation in subsequent years.