



# JAGUAR LAND ROVER AUTOMOTIVE plc

Investor Presentation

6 October 2020

# Disclaimer



Statements in this presentation describing the objectives, projections, estimates and expectations of Jaguar Land Rover Automotive plc and its direct and indirect subsidiaries (the “Company”, “Group” or “JLR”) may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

- Q1 represents the 3 month period from 1 April to 30 June
- Q2 represents the 3 month period from 1 July to 30 September
- Q3 represents the 3 month period from 1 October to 31 December
- Q4 represents the 3 month period from 1 January to 31 March
- 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 sales from the Company’s unconsolidated Chinese joint venture (“CJLR”), these are excluded from Wholesale volume data.

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.



## RECENT DEVELOPMENTS

# Recent product and business highlights



Hard Top name returns for Defender Commercial



Upgraded Range Rover & Range Rover Sport



New 6-cylinder Ingenium diesels with 48v MHEV



21MY Velar with PHEV and MHEV options



21MY F-PACE with PHEV and MHEV options



Thierry Bolloré appointed CEO

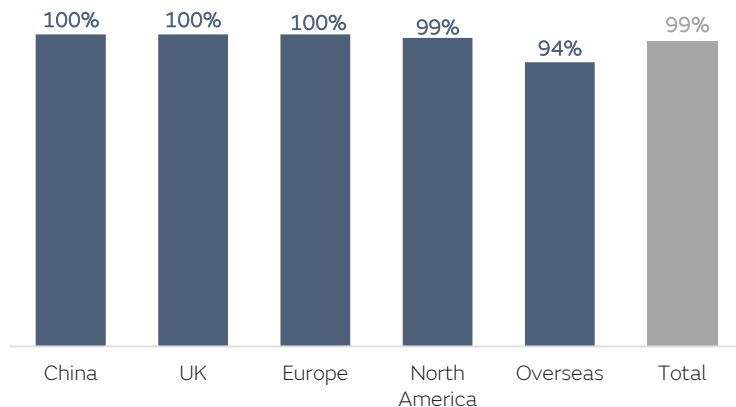
# Demand led restart with c. 99% of retailers open

Solihull, Halewood, Nitra & Engine plants now operating 2 shifts



## JLR retailers status by region

% JLR retailer sales sites presently open



- c. 99% of retailers open (partially or fully)
- JLR Q1 inventory of £2.6b, below £3b target

Note: status as at 9 Sept.

## JLR production restart schedule

JLR production restart schedule		Restart	Shifts
China JV (Changshu)	Evoque, Disc. Sport, E-PACE, XEL, XFL	2 <sup>nd</sup> Mar	1
UK (Solihull)	Range Rover, RR Sport, Velar, F-PACE	18 <sup>th</sup> May	2
UK (Wolverhampton)	Engines	18 <sup>th</sup> May	2
Slovakia (Nitra)	Defender, Discovery	18 <sup>th</sup> May	2
Austria (Graz)	I-PACE, E-PACE	18 <sup>th</sup> May	1
UK (Halewood)	Evoque, Discovery Sport	8 <sup>th</sup> Jun	2
Brazil (assembly)	Discovery Sport	15 <sup>th</sup> Jun	1
India (assembly)	Velar, Evoque, Disc. Sport, XE, XF, F-PACE	15 <sup>th</sup> Jun	1
UK (Castle Bromwich)	Jaguar F-TYPE, XE, XF	10 <sup>th</sup> Aug	1

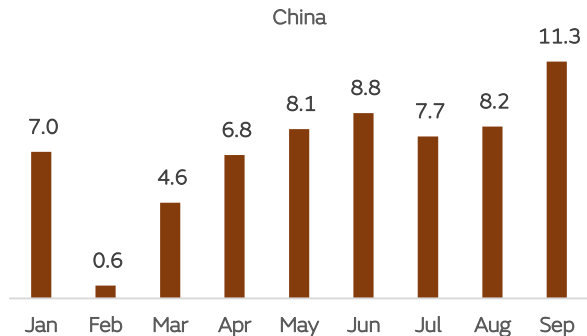
- Social distancing protocols and procedures in place to protect employees
- 12% (3.5k) of total workforce furloughed
- Supply base supporting restart with only limited issues to date

# Signs of recovery continue in all regions



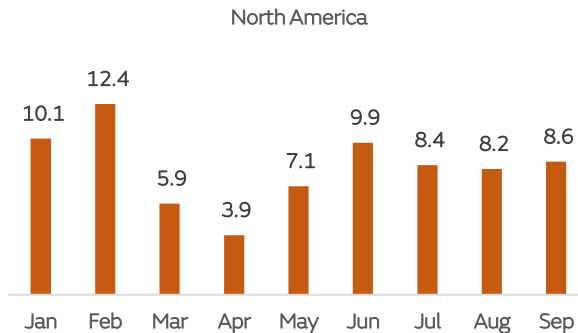
## Retail units in '000

### China



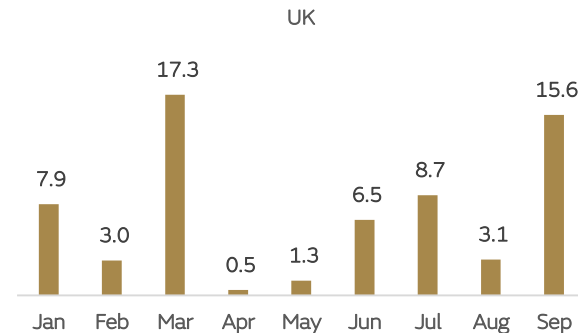
YoY (22.3)% (86.7)% (41.6)% (3.1)% 4.2% (7.4)% (10.9)% (6.8)% 28.5%

### North America



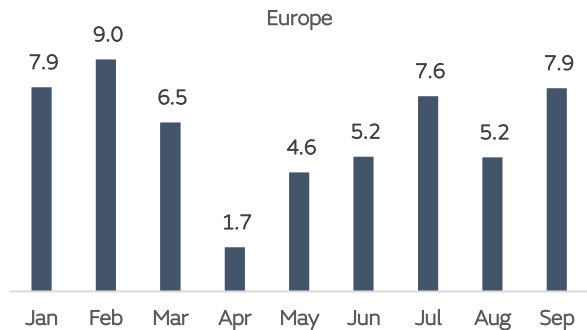
(9.6)% (0.6)% (60.8)% (63.0)% (32.8)% 2.2% (10.4)% (16.8)% (19.5)%

### UK



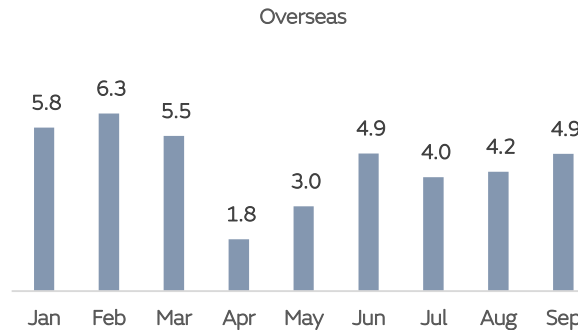
1.6% 17.8% (31.4)% (94.6)% (86.0)% (31.8)% 29.1% 14.3% (16.8)%

### Europe



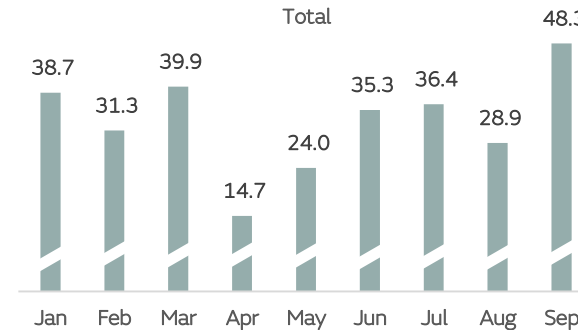
YoY (15.0)% (20.1)% (62.5)% (79.5)% (48.3)% (52.5)% 1.6% (25.2)% (30.6)%

### Overseas



(10.7)% (15.1)% (51.0)% (62.6)% (50.7)% (33.1)% (29.3)% (28.4)% (32.6)%

### Total



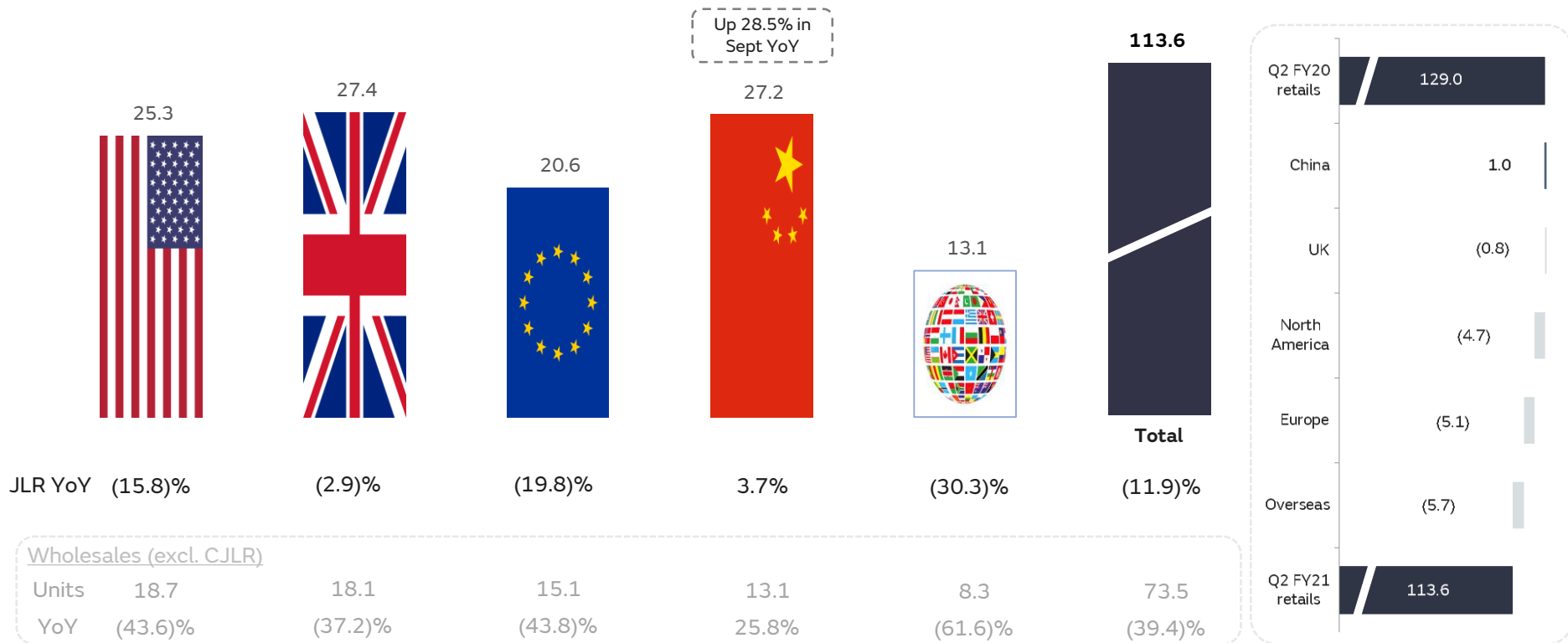
(11.5)% (18.2)% (48.1)% (62.5)% (43.3)% (24.9)% (4.0)% (15.5)% (15.1)%

# Retails up 53.3% QoQ as sales recovery continues



Down 11.9% YoY due to COVID, but China up 3.7% YoY

## Retail units in '000



Retail 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 its share of profits from CJLR within EBIT.

CJLR wholesales were 17.9k units in Q2 FY21, up 34.1% YoY (13.4k units in Q2 FY20).

Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers

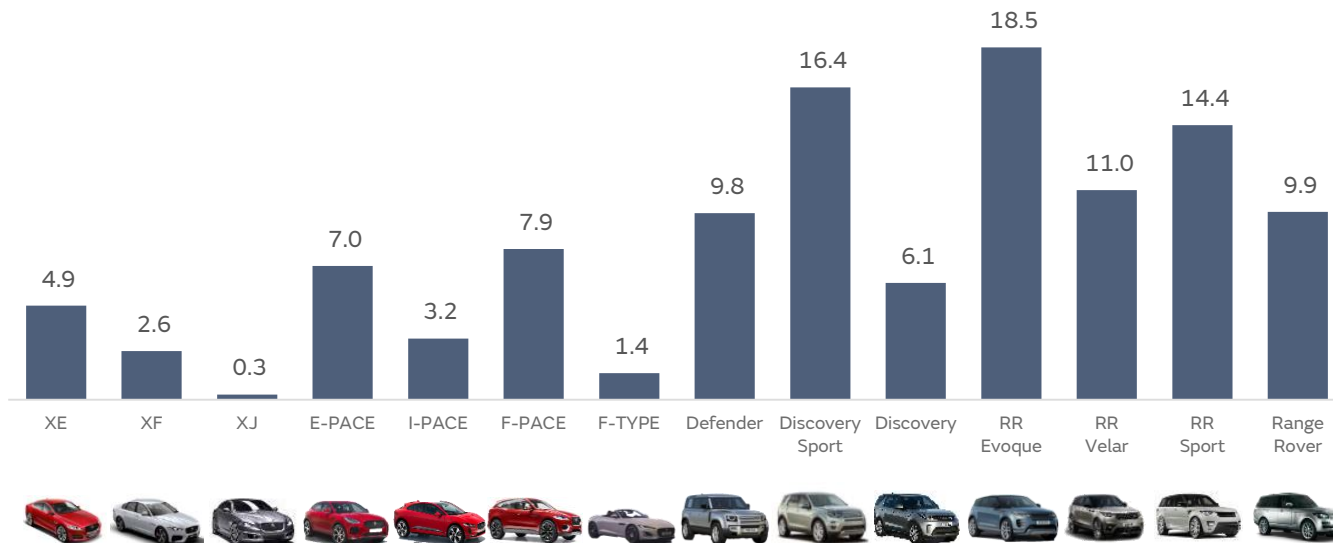
The total industry car volume data above has been compiled using relevant data available at the time of publishing, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe

# Covid continues to impact all models

Defender sales continue to ramp up with 12.1k wholesales

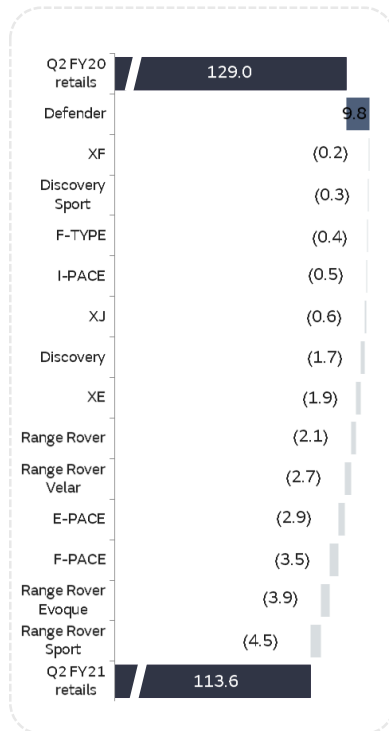


## Retail units in '000



## Wholesales (excl. CJLR)

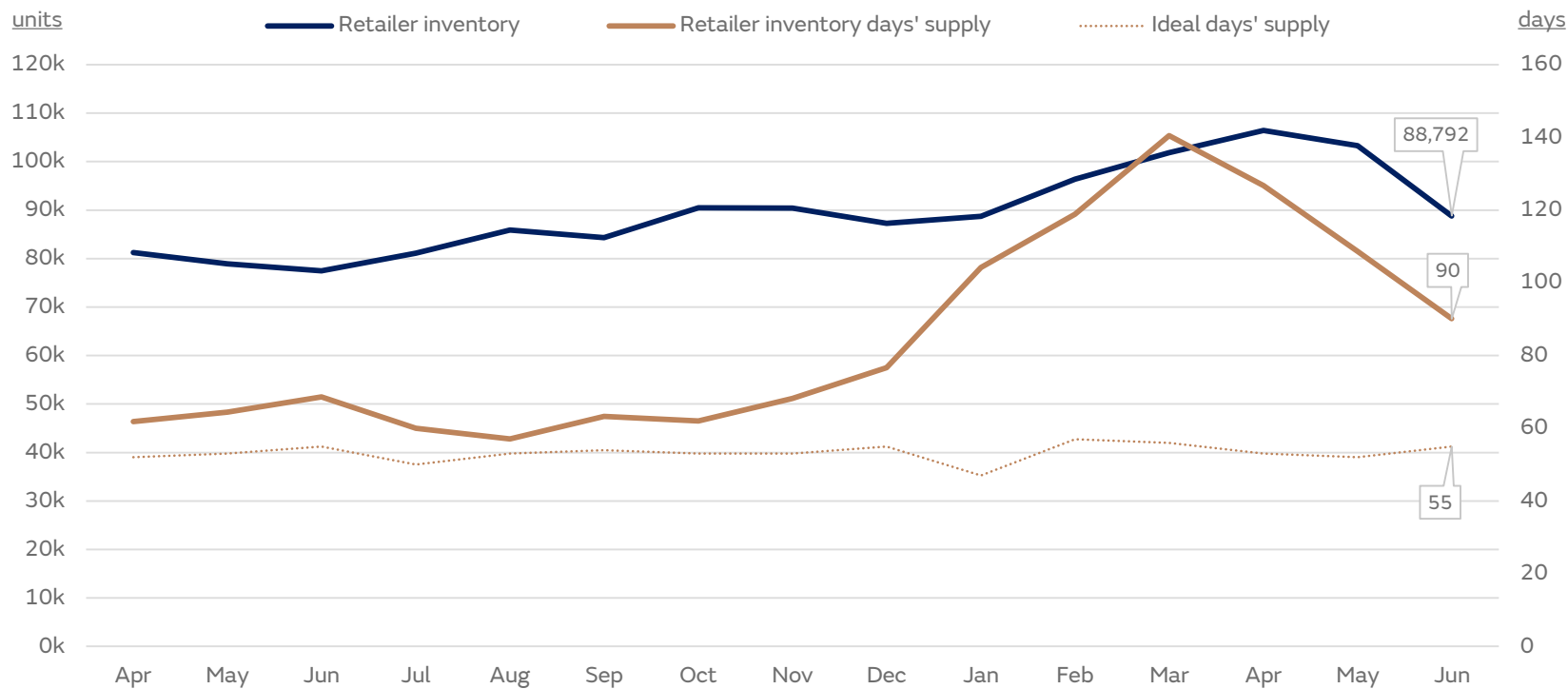
Units	0.4	0.4	0.1	3.5	2.4	4.6	0.9	12.1	6.2	3.8	11.8	8.0	12.3	7.0
YoY	(2.9)	(1.1)	(0.3)	(6.1)	(1.0)	(8.4)	(0.3)	12.1	(7.6)	(3.4)	(8.7)	(6.2)	(7.1)	(6.8)





# Increased retailer inventories coming down

Company inventories (not shown) remain lean



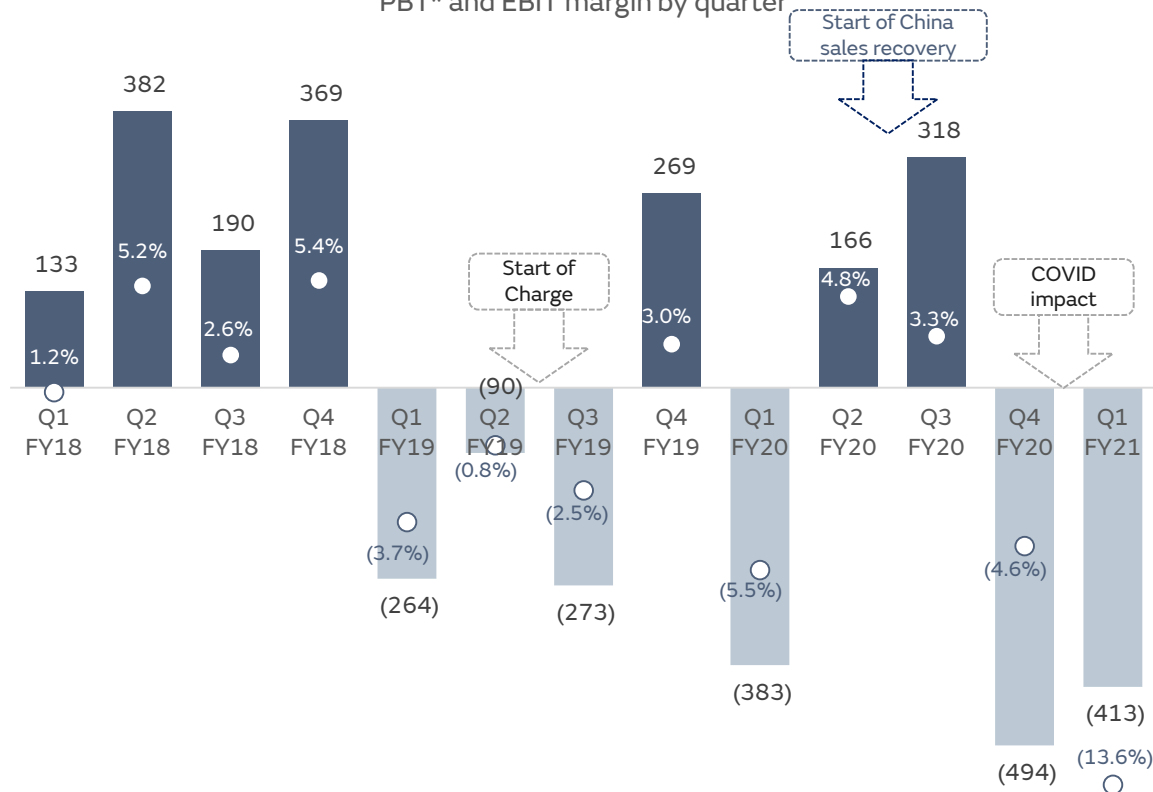
# Results improving pre-COVID

Project Charge & China recovery driving pre-COVID improvement

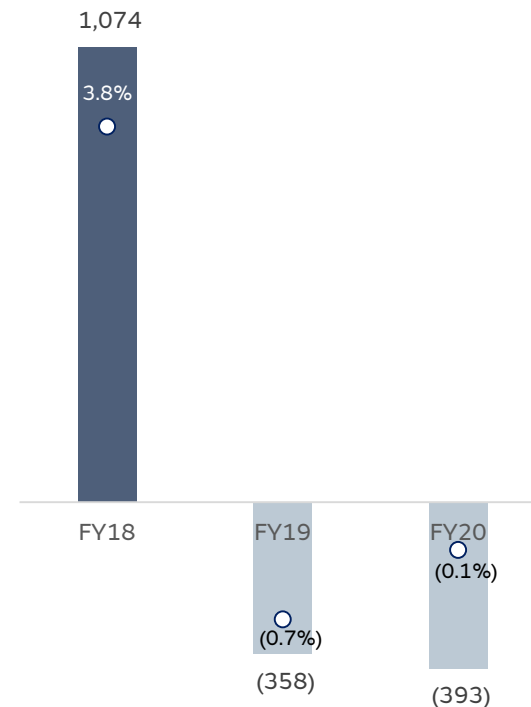


£mils

PBT\* and EBIT margin by quarter



Full year PBT\* and EBIT margin



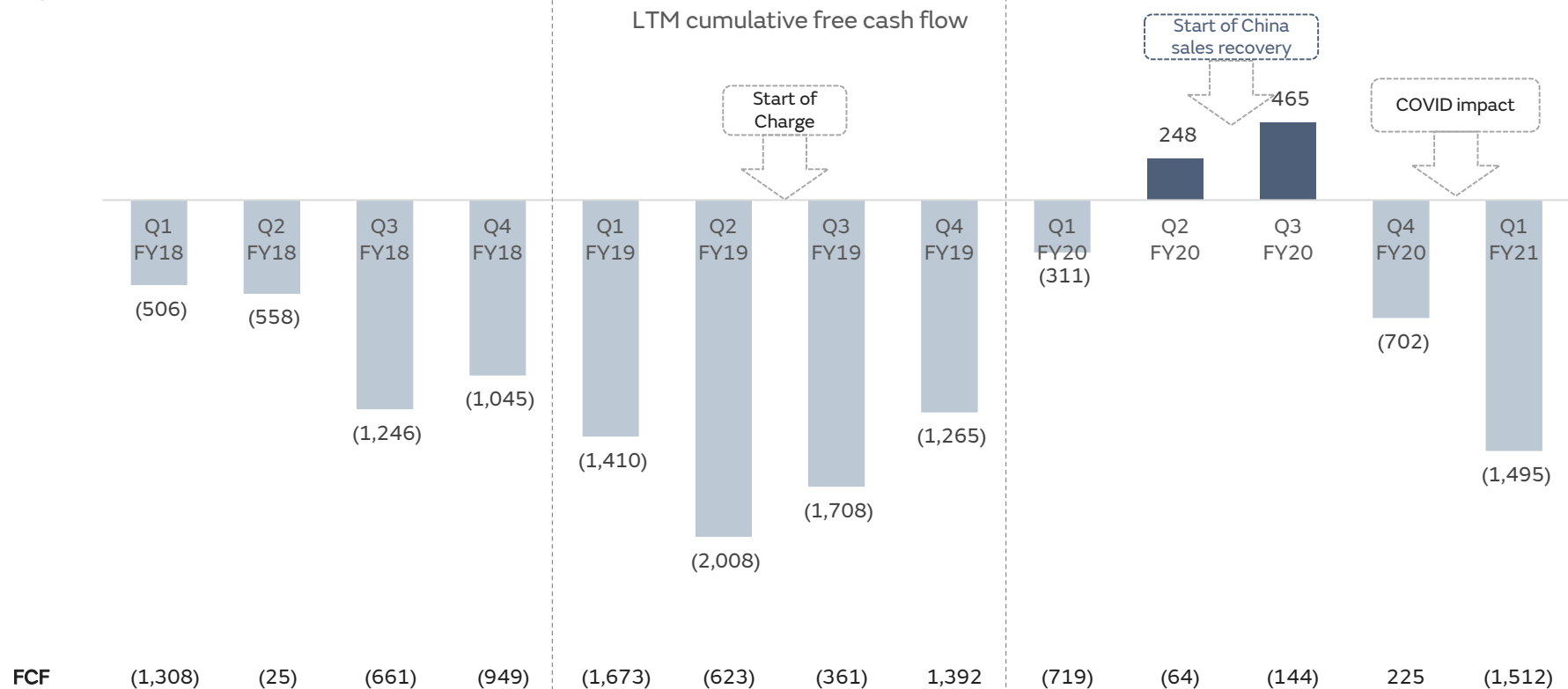
\*PBT excludes exceptional items

# Solid cash flow recovery pre-COVID

Outflow in Q1 FY21 primarily £1.1b negative working capital



£mils





# Strong Charge+ progress: £1.2b savings in Q1

Target raised by £1b to £2.5b savings and £6b over lifetime

## Q1 FY21 progress of £1.2b

Programme  
prioritisation & non-  
product investment  
reductions

Implementation of  
inventory control  
tower, with demand-  
led focus and  
shutdowns

£90m Manufacturing  
incl. shutdowns

£130m Commercial

£220m people incl  
furlough & agency

£70m other incl.  
spend controls

### Cost & Profits

**£1.2b**

£0.5b

### Inventory

£0.4b

### Investment

£0.3b

Savings in Q1  
FY21

Lifetime Charge savings

£4.7b

## Increasing target further to £2.5b

**£1.5b**

£1.0b

Further increase to  
Charge+ target

**£2.5b**

Prior FY21  
target, set at  
Q4 FY20

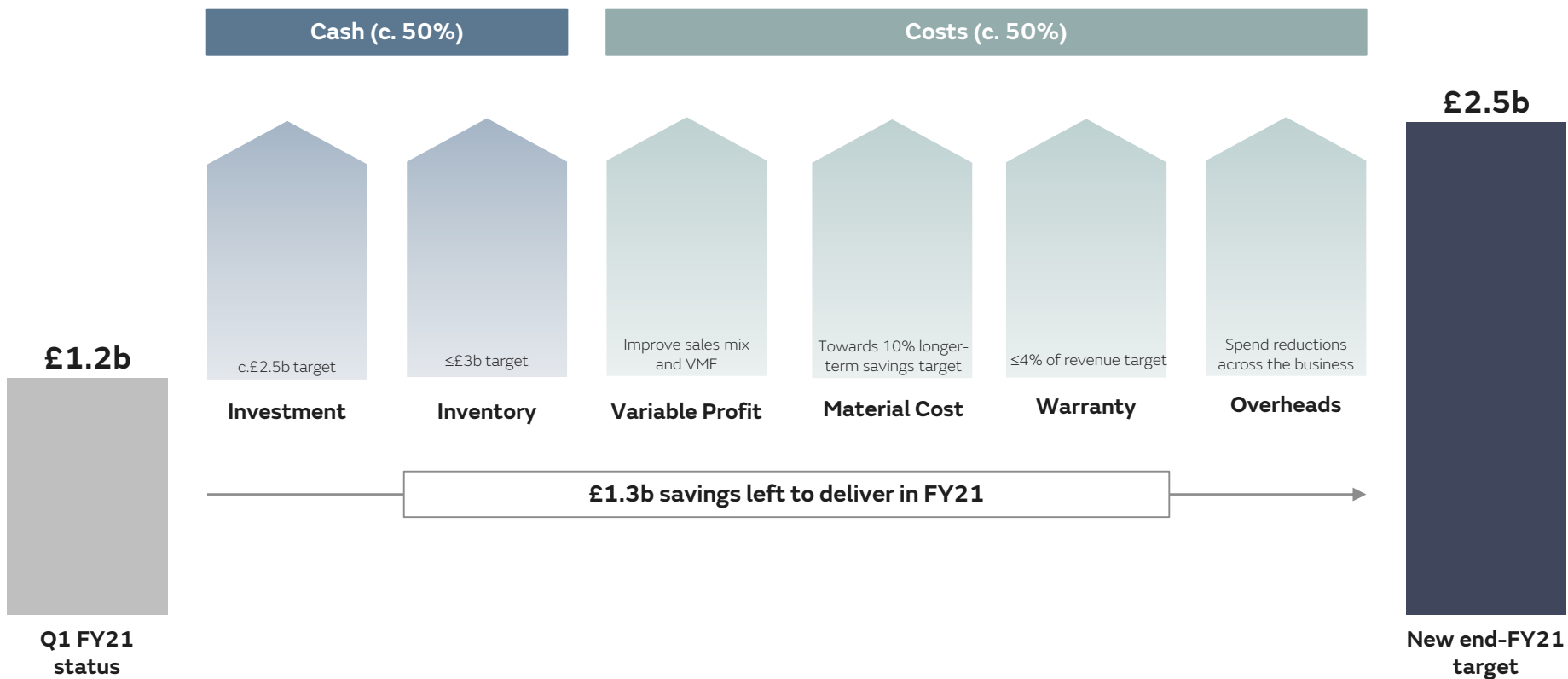
New target for  
end of FY21

£5.0b ----- ► £6.0b



# Charge+ FY21 focus

Continuing activity to achieve £2.5b cash benefits target

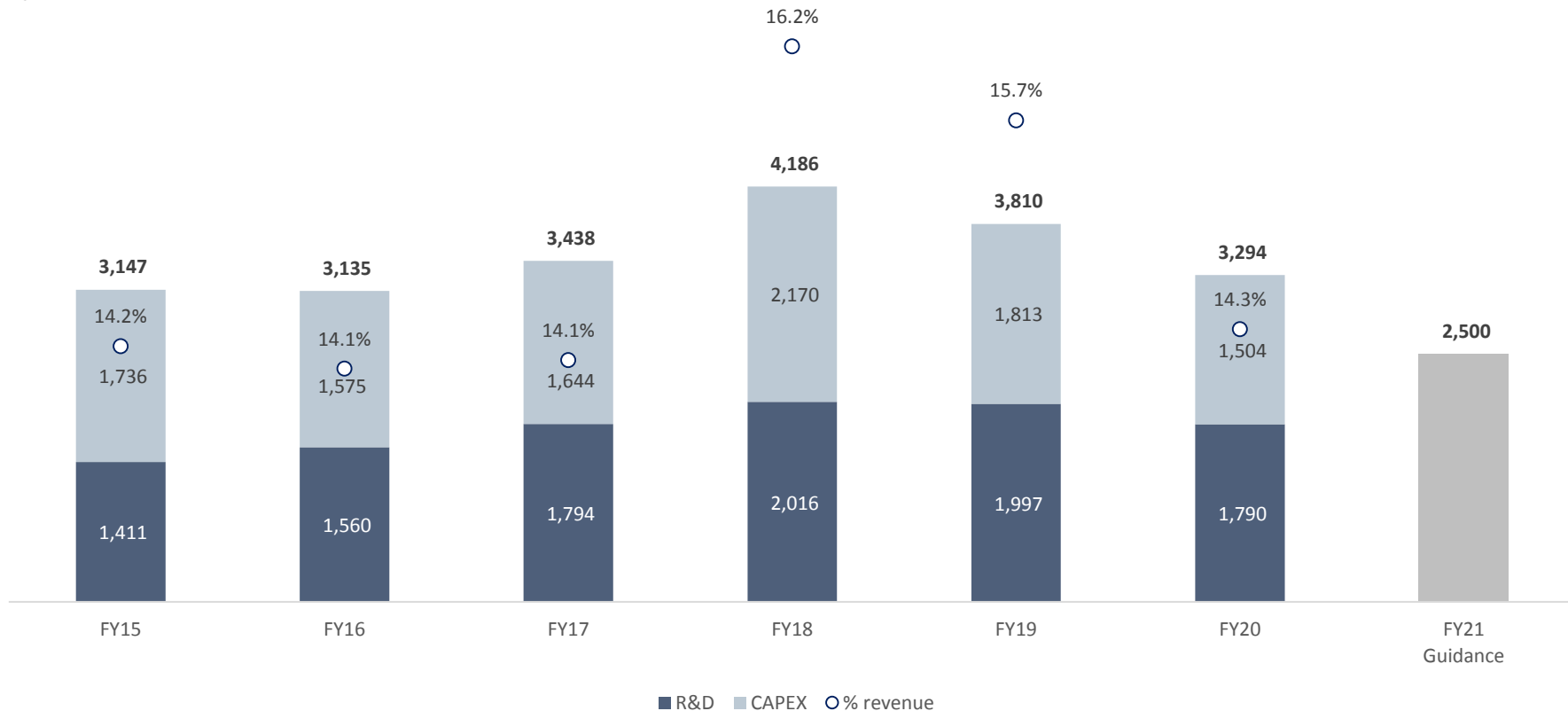




# Investment spending reduced significantly

Charge cost reductions in response to challenging environment

£mils



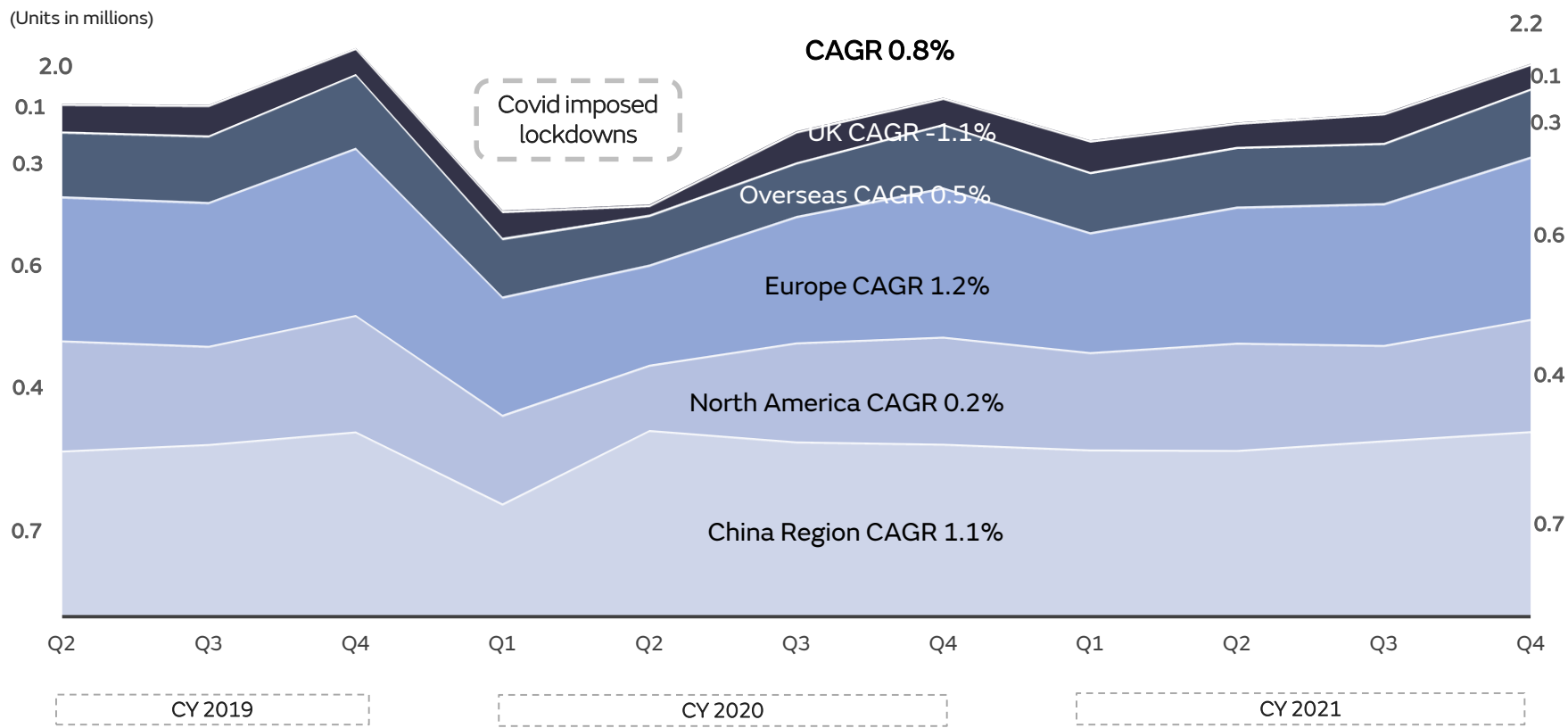


## JLR STRATEGY



# IHS industry volumes – JLR segments

Continue to expect gradual recovery



# Strong product portfolio

Two iconic British premium brands



*SPORTS*  
**TYPE**



*LIFESTYLE*  
**PACE**



*LUXURY*  
**X**



*REFINEMENT*  
**RANGE ROVER**



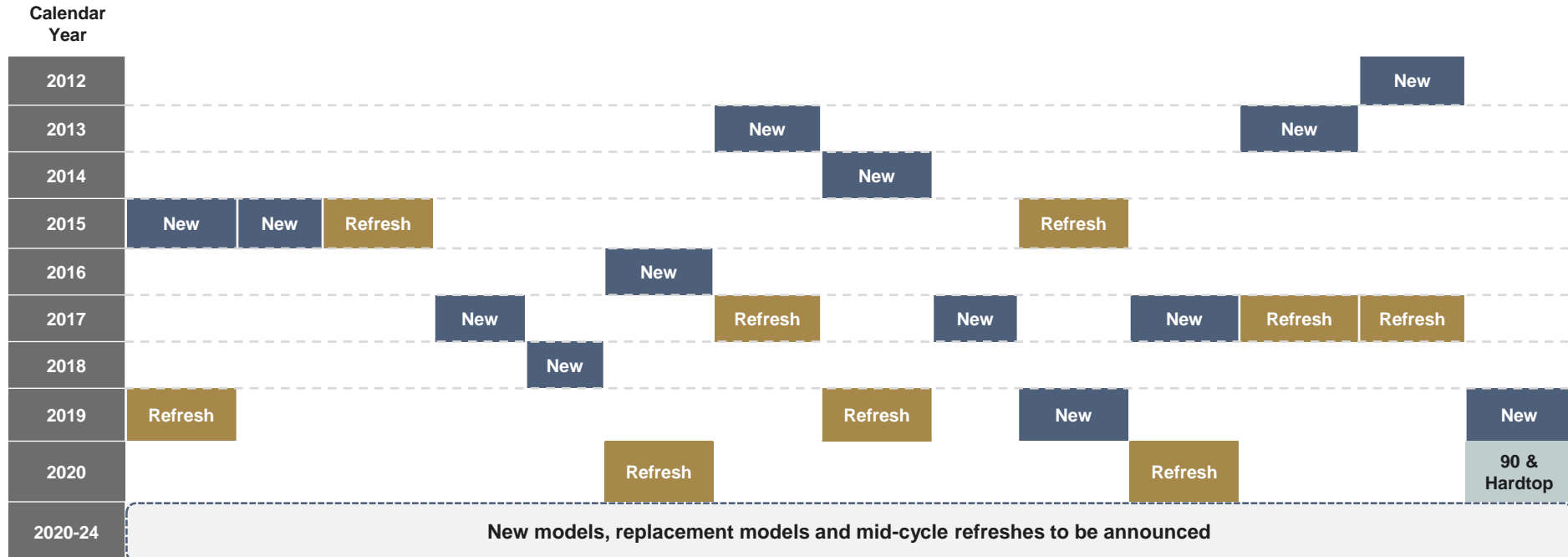
*VERSATILITY*  
**DISCOVERY**



*DURABILITY*  
**DEFENDER**



## Maintaining a competitive portfolio

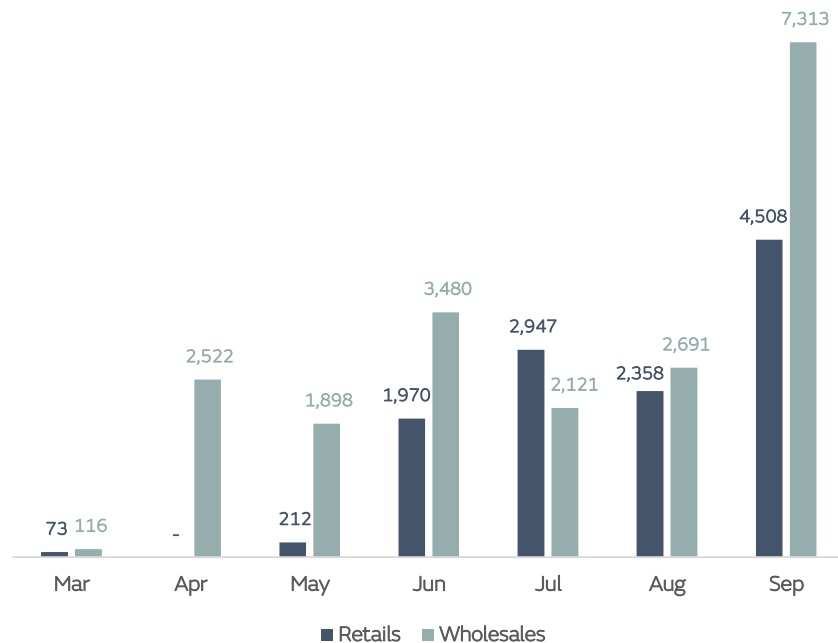


# Defender update; sales building

Defender 90 now available to order, alongside Defender 110



Defender monthly sales



# Range Rover and Range Rover Sport enhanced

New powertrains and special editions available to order now



Upgraded: Range Rover



*Fifty special edition*

Upgraded: Range Rover Sport



*SVR Carbon edition*

## *Both models*

- New Ingenium six-cylinder diesels give V8-like performance, and with 48V MHEV as standard, joining existing MHEV 6 cylinder petrol, PHEV and ICE options
- Apple CarPlay and Android Auto as standard
- Available to order now

## *Range Rover*

- Special editions: Fifty, Westminster & SVAutobiography Dynamic Black

## *Range Rover Sport*

- HSE Dynamic Black & Stealth editions join HSE Silver and SVR Carbon

# All-new 21MY Jaguar F-PACE

New powertrains and exquisite new interior



**Electrified:** Jaguar F-PACE PHEV



*21MY F-PACE PHEV*

**Luxurious & Connected:** Pivi Pro infotainment



*21MY F-PACE Interior*

## Key Features

- Enhanced exterior design, an all-new interior, advanced connectivity and efficient electrified powertrain capability for the first time
- Technologies include Jaguar's latest Pivi Pro dual-sim infotainment accessed through an all-new 11.4-inch HD curved glass touchscreen
- Plug-in four-cylinder hybrid 404PS petrol powertrain is capable of an all-electric range of up to 33 miles (53km)\* with CO2 emissions from 49g/km\*
- Exquisite details, luxurious materials and intuitive technology to create a tranquil cabin space for all occupants
- Available to order now

\* All emissions, fuel economy and EV-only range figures are EU – WLTP (TEL) Combined

# Significant electrification expansion in FY21

1 BEV, 7 PHEV and 7 MHEV available now



## Battery electric (BEV)



## Plug-in Hybrid (PHEV)



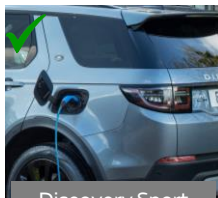
Range Rover



Range Rover Sport



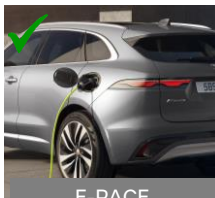
Range Rover Evoque



Discovery Sport



Defender



F-PACE



Range Rover Velar



## Mild Hybrid (MHEV)



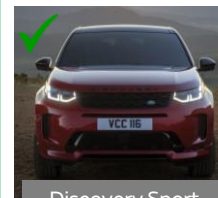
Range Rover



Range Rover Sport



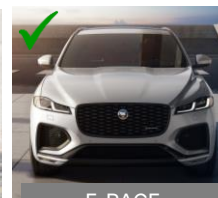
Range Rover Evoque



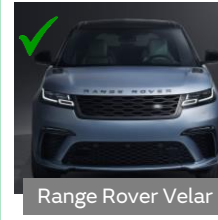
Discovery Sport



Defender



F-PACE



Range Rover Velar



1 BEV, 8 PHEV and 11 MHEV available by end of FY21

# CO<sub>2</sub> Emissions status

## JLR plans for compliance



### 2018 (NEDC):

EU28 Target: 178 CO<sub>2</sub>g/km  
Status: 155 CO<sub>2</sub>g/km



### 2021 (WLTP):

EU27 Target: 159 CO<sub>2</sub>g/km



#### Notes:

- 2020: JLR has reserved £58m for potential CO<sub>2</sub> fines in H1 CY20 due to Covid and delays in Evoque and Discovery Sport PHEV's.
- Full year provision will depend on future development of sales and timing of new PHEV deliveries (incl. Covid impact).
- Derogated targets, expected until 2029. 2021 WLTP target equivalent to c. 132 NEDC



### 2018 (NEDC as for EU28):

EU28 Target: 178 CO<sub>2</sub>g/km  
Status: 155 CO<sub>2</sub>g/km



### 2021 (WLTP):

UK1 Target: 158 CO<sub>2</sub>g/km



#### Notes:

- 2020: as for EU28
- 2021: May be small fines for UK1 (<£10m) given somewhat higher SUV mix in UK vs. EU.
- Derogated targets, expected until 2029. 2021 WLTP target equivalent to c. 132 NEDC



### 2018:

Target: 283 CO<sub>2</sub>g/mile  
Status: 288 CO<sub>2</sub>g/mile



### 2021:

Target: 253 CO<sub>2</sub>g/mile



#### Notes:

- Compliance supported by credit purchase and carry forward / back (<£10m expected for 2020, similar for 2021)



### 2018:

Target: 8.1 L/100km  
Status: 8.9 L/100km



### 2021:

Target: 7.7 L/100km



#### Notes:

- Compliance supported by credit purchase and carry forward (<£10m expected for 2020, similar for 2021)

#### Notes:

- Most recent published data for 2018; data for 2019 not yet released but will show compliance
- Future periods include company estimates although actual results could differ, e.g. JLR portfolio model mix and launch timings, market performance, Covid impact and applicable regulations.

# Brexit planning



JLR Base case is UK-EU FTA (deal); but ready for WTO (no deal)

- Deal**
- Tariffs on UK-EU trade avoided
  - Tariffs may still be imposed on JLR sales from EU to EU FTA markets (subject to rules of origin criteria)
  - UK economy likely to improve and GBP to strengthen (FX impact on revenue partially offset by impact on costs, and hedging)
  - Potential delays at ports could disrupt supply chain and the export of finished vehicles

**No Deal** Leave EU on 1/1/21 without trade deal (subsequent deal possible but extension considered unlikely)

Near-term operational Impacts	Ongoing structural Impacts
<ul style="list-style-type: none"> <li>➤ Potential delays at ports could disrupt supply chain and the export of finished vehicles</li> <li>➤ Expected to be relatively short term</li> <li>➤ Potential additional buffer stock</li> <li>➤ Assume some lost volumes would be recovered</li> </ul>	<ul style="list-style-type: none"> <li>➤ WTO tariffs on EU-UK trade (vehicles and parts) and loss of preferential tariff rates available under existing EU trade agreements with 3rd countries</li> <li>➤ Tariff impact limited to less than 30% of sales (EU and EU 3rd country markets that presently benefit from EU treaties),</li> <li>➤ Pass on pricing/net cost impact for tariffs where possible</li> <li>➤ Pound may weaken, partially offsetting the net impact of tariffs in year 1 (net of hedging) and substantially offsetting thereafter</li> </ul>

- Actions**
- Brexit steering committee in place
  - Resourcing for additional customs processes
  - Planning for additional buffer stock (production components and aftermarket parts)
  - Prioritise no deal planning



## FUNDING AND OUTLOOK

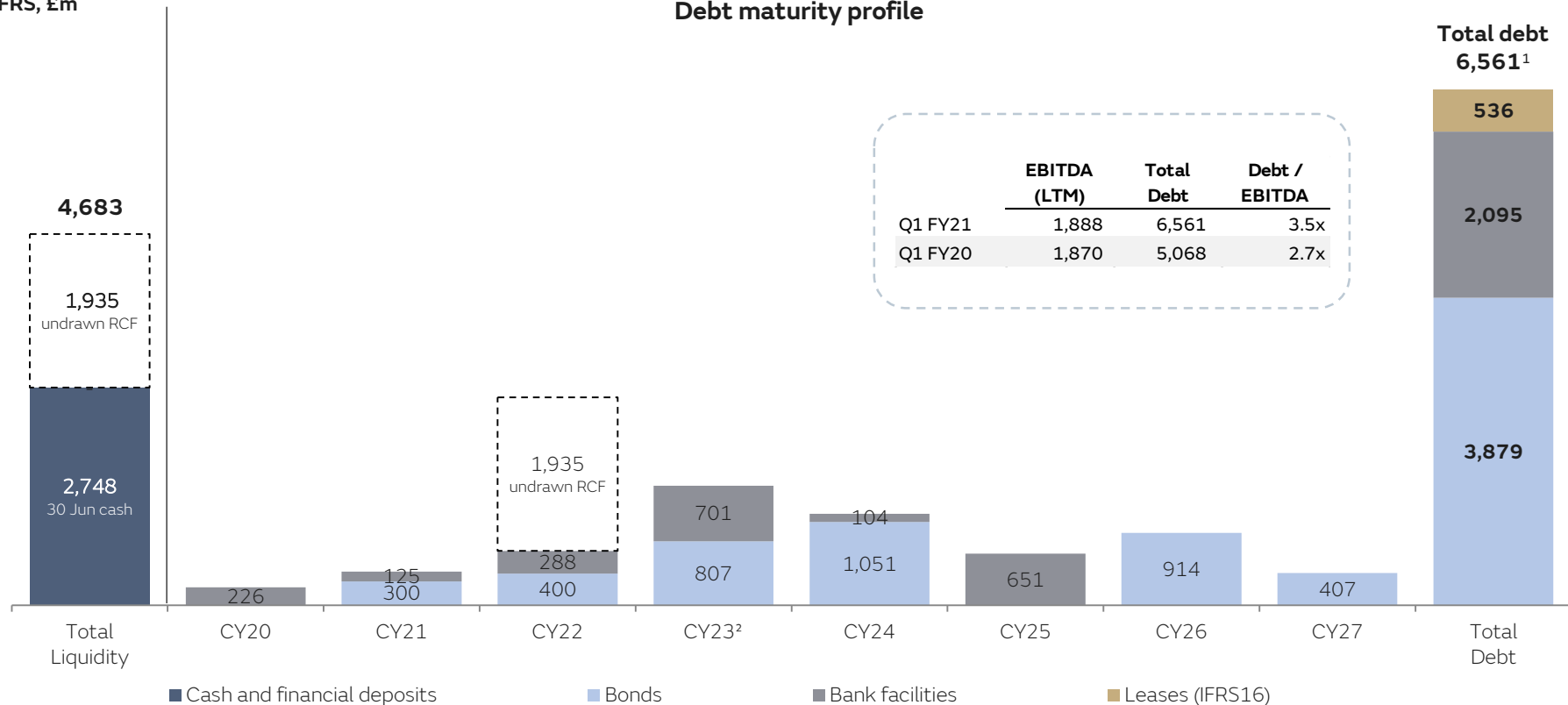
# £4.7b liquidity at end June

After £647m new funding



IFRS, £m

## Debt maturity profile



<sup>1</sup> Includes £51m comprising £49m Fair Value adjustment, and £33m of other debt, partially offset by £31m of capitalised fees

<sup>2</sup> Includes RMB 5b 3-year syndicated revolving loan facility, subject to annual confirmatory review



# Looking ahead

## Continuing uncertainty but planning for improvement

- Outlook remains uncertain
- Q2 FY21 retail sales 113.6k units, up 53.3% QoQ, revenue and profits expected to be better than Q1 as recovery continues
- c. £3b total cash and c. £5b total liquidity (including undrawn RCF) at the end of Q2 primarily reflecting positive free cash flow, expected to continue over the second half of FY21
- Committed to sustainable positive cash flow from FY22 and reduction in net debt while becoming future ready

### **Focus areas**

- New and refreshed models and continued roll out of electrification to meet recovering demand
- Deliver Charge+ cost and cash savings of £2.5b in FY21
- Investment reduced to £2.5b for FY21



**ADDITIONAL SLIDES**

# Covid results in lower sales and loss in quarter

Lower sales substantially offset by £500m Charge+ cost savings



IFRS, £m	Q1 FY21	Q1 FY20	Change B/(W)
Retail volumes ('000 units)	74.1	128.6	(54.5)
Revenues	2,859	5,074	(2,215)
Profit / (Loss) - before tax and exceptional items	(413)	(383)	(30)
- before tax	(413)	(395)	(18)
- after tax	(648)	(402)	(246)
<i>EBITDA margin</i>	3.5 %	4.2 %	(0.7) %
<i>EBIT margin</i>	(13.6) %	(5.5) %	(8.1) %
Investment	548	795	247
Free cash flow (before financing)	(1,512)	(719)	(793)
Cash	2,748	2,930	(182)

## Volume and revenue

- Lower wholesales (53%), revenue (44%)
- Improvement through the quarter, particularly China, N. America and UK

## Profit

- Loss mitigated by Charge+ savings
- CJLR achieves breakeven profit
- JLR PAT reflects non-recognition of deferred tax assets under IAS12

## Cash flow

- Includes £1.2b of Charge+ improvements incl. £0.5b cost, £0.4b inventory and £0.3b investment

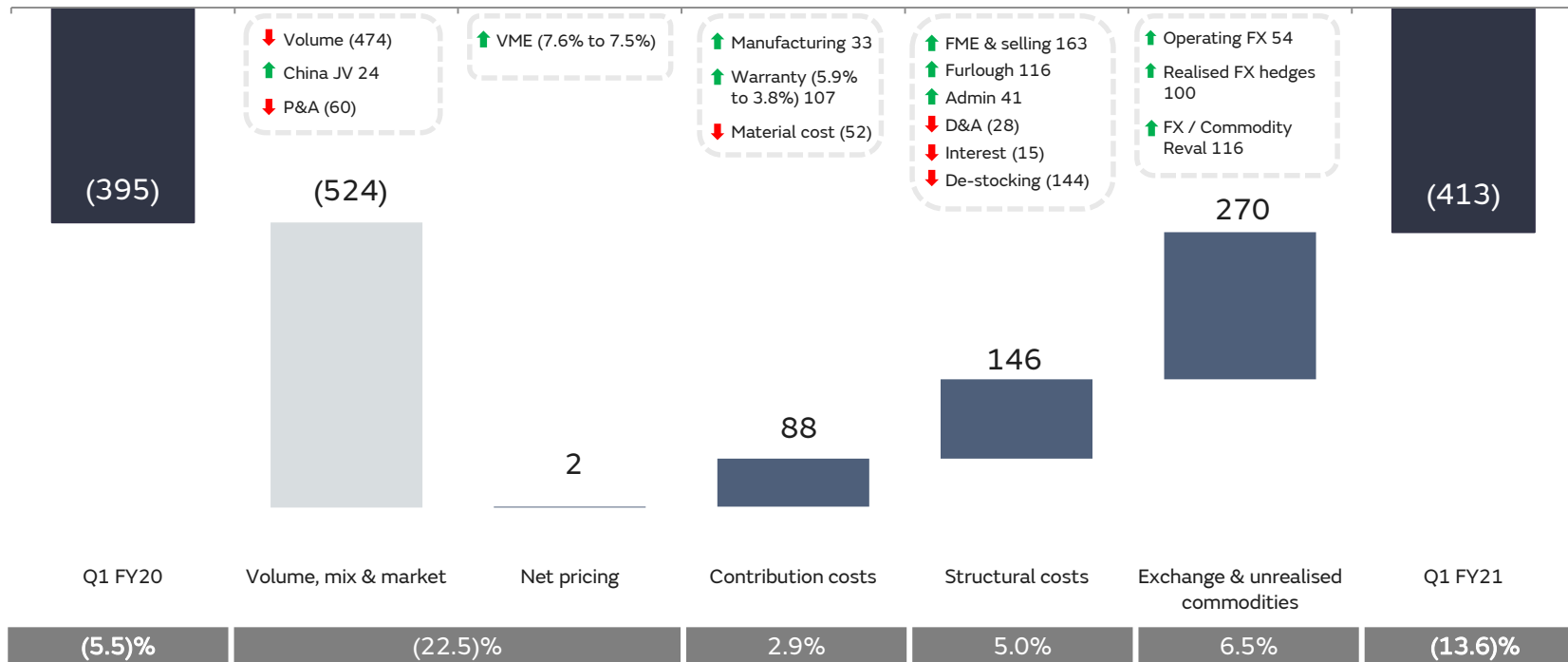
**£1.5b cash outflow incl. £1.1b one-time working capital unwind -- £500m better than prior guidance**

# Covid sales impact drives £413m loss

Lower sales substantially offset by £500m Charge+ cost savings



IFRS, £m



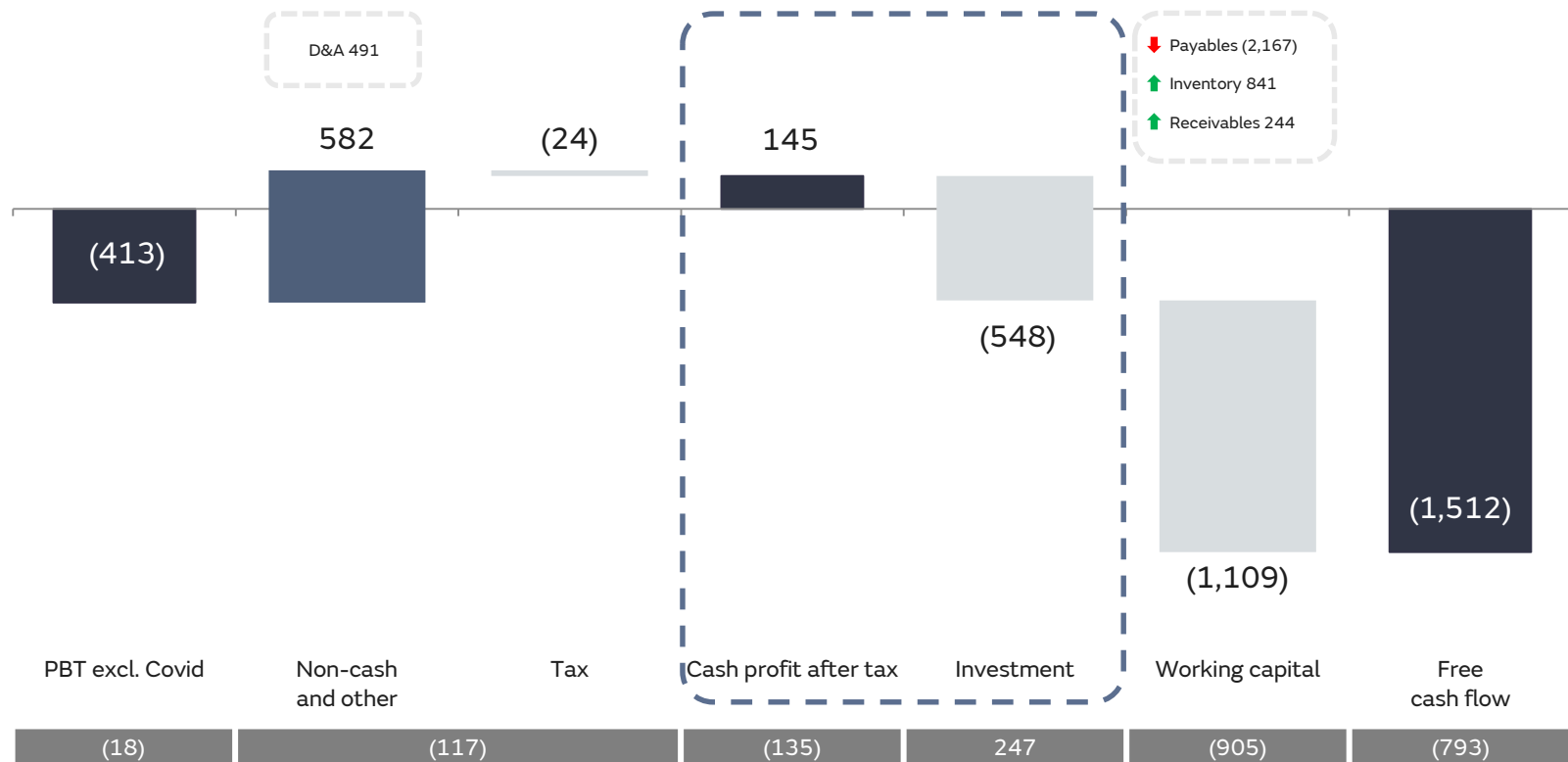
**£500m Charge+ cost savings: £400m structural; £70m vol & mix; £30m contribution**

# £1.5b cash outflow, £500m better than guided

Inc. £1.1b one-time w. capital unwind; June cashflow breakeven



IFRS, £m

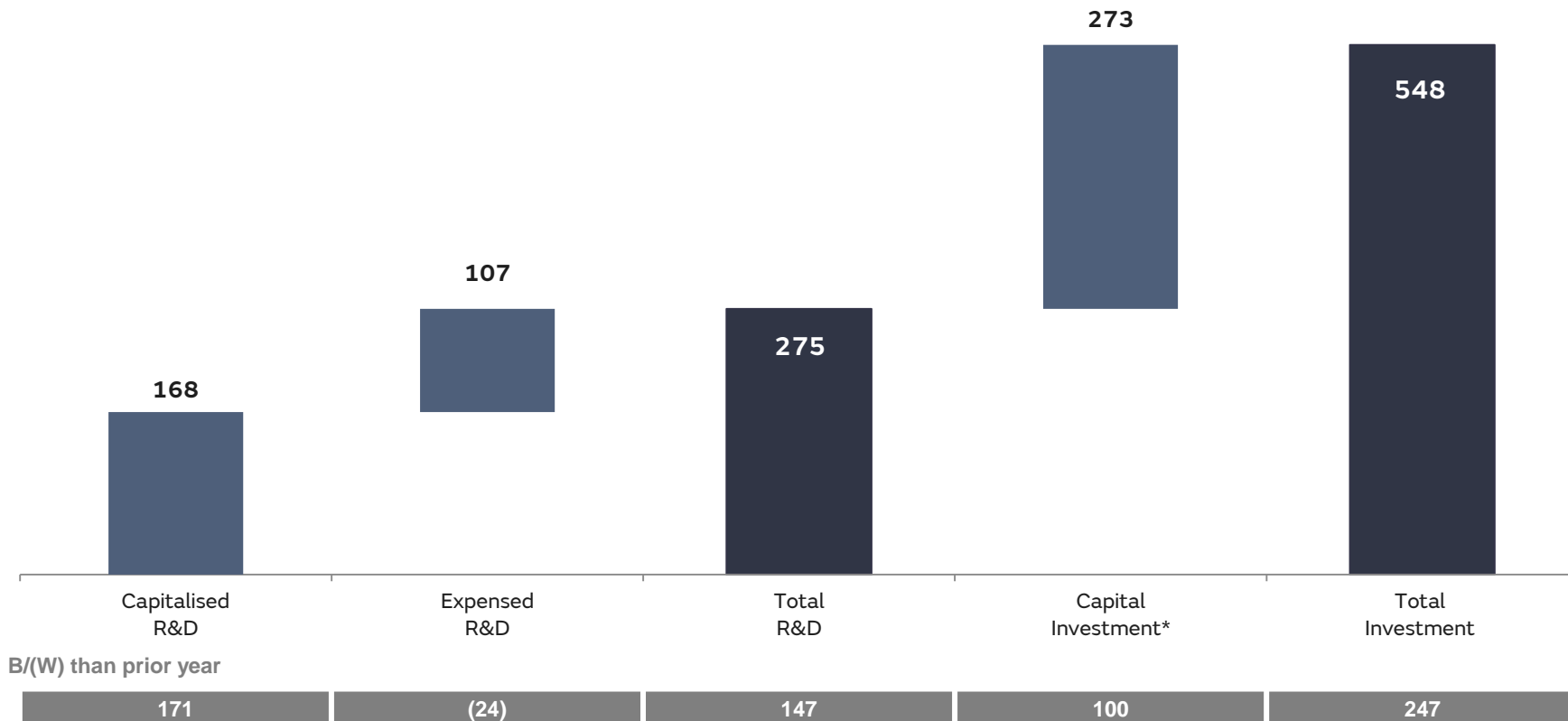


# Investment £548m, down significantly YoY

FY target £2.5b – focus on higher-margin, critical investment



IFRS, £m



\* Of which £222m relates to purchases of property, plant and equipment in Q1 FY21 vs. £301m in Q1 FY20.

Q1 FY21 YoY

# Retails down 42.4%, improving through quarter

China down only 2.5%



## Retail units in '000

June retails up YoY

20.8



8.3



11.5



23.7



9.7



74.1



Total

JLR YoY (32.1)%

(69.5)%

(59.1)%

(2.5)%

(46.9)%

(42.4)%

Industry (33.3)%

(70.1)%

(50.9)%

2.3%

N/A

## Wholesales (excl. CJLR)

Units 10.7

9.1

11.0

8.6

9.5

48.9

YoY (58.8)%

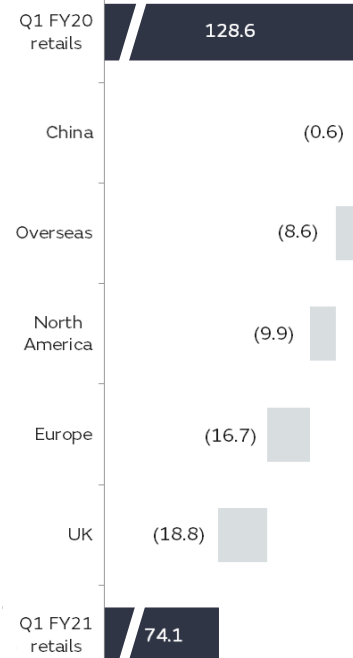
(64.1)%

(56.5)%

(12.3)%

(46.5)%

(53.1)%



Retail 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 its share of profits from CJLR within EBIT.

CJLR wholesales were 16.5k units in Q1 FY21, up 15.0% YoY (14.4k units in Q1 FY20).

Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers

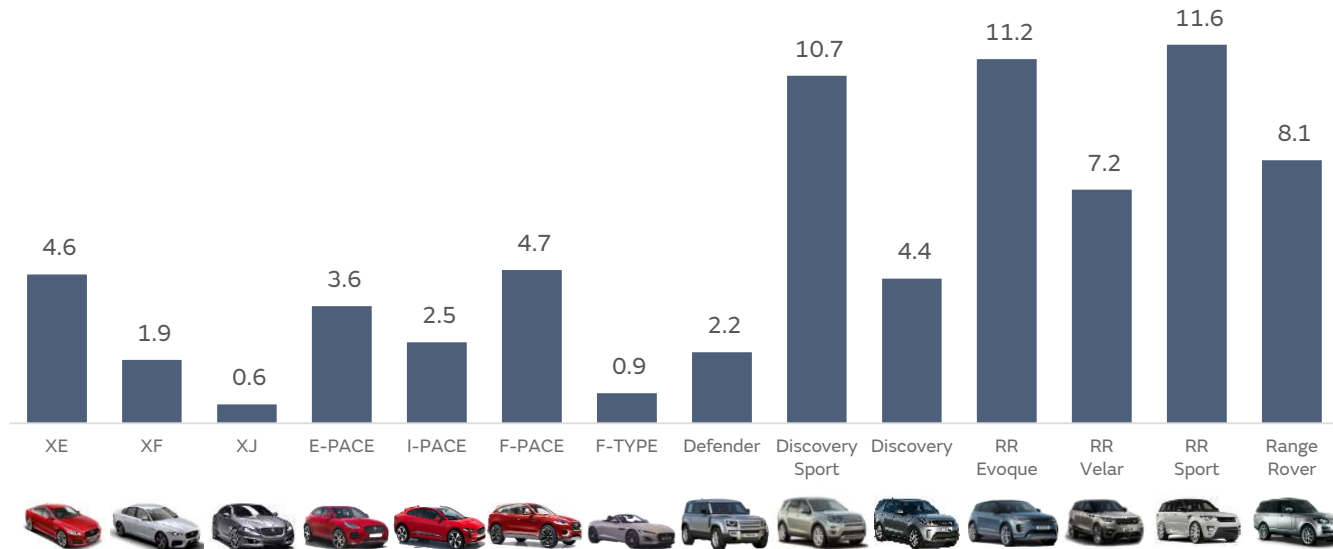
The total industry car volume data above has been compiled using relevant data available at the time of publishing, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe

# Covid impact across all models

Encouraging Defender launch, 7.9k wholesales

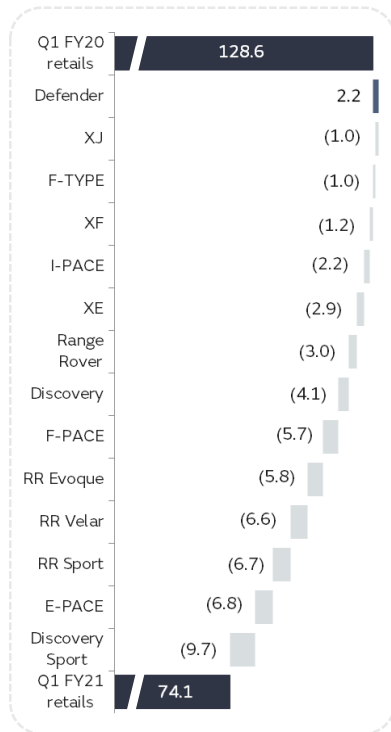


## Retail units in '000



## Wholesales (excl. CJLR)

Units	0.8	0.6	0.5	3.5	2.2	3.6	1.0	7.9	3.8	3.6	4.6	4.8	7.2	4.8
YoY	(2.4)	(2.0)	(1.1)	(5.1)	(3.0)	(5.7)	(0.9)	7.9	(6.6)	(4.3)	(11.7)	(6.2)	(8.9)	(5.2)



# Income statement



IFRS, £m	Q1 FY21	Q1 FY20	Change
<b>Revenues</b>	<b>2,859</b>	<b>5,074</b>	<b>(2,215)</b>
Material and other cost of sales	(1,833)	(3,281)	1,448
Employee costs	(435)	(656)	221
Other (expense)/income	(658)	(1,263)	605
Product development costs capitalised	168	339	(171)
Depreciation and amortisation	(491)	(463)	(28)
Share of profit/(loss) from Joint Ventures	0	(28)	28
<b>EBIT</b>	<b>(390)</b>	<b>(278)</b>	<b>(112)</b>
Debt/unrealised hedges MTM & unrealised investments	27	(70)	97
Net finance (expense) / income	(50)	(35)	(15)
<b>Profit before tax and exceptional items</b>	<b>(413)</b>	<b>(383)</b>	<b>(30)</b>
Exceptional items	0	(12)	12
<b>Profit before tax</b>	<b>(413)</b>	<b>(395)</b>	<b>(18)</b>
Income tax	(235)	(7)	(228)
<b>Profit after tax</b>	<b>(648)</b>	<b>(402)</b>	<b>(246)</b>

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.

# FX & unrealised commodities +£270m YoY



Operating FX (inc. hedges) £154m; FX & commodity reval £116m

IFRS, £m

	Q1 FY21	YoY Change	QoQ Change
Operational exchange <sup>1</sup>	n/a	54	13
Realised FX hedges and other <sup>2</sup>	(49)	100	63
Revaluation of CA / CL and other <sup>3</sup>	(1)	33	74
<b>Total FX impacting EBITDA &amp; EBIT</b>	<b>n/a</b>	<b>187</b>	<b>150</b>
Revaluation of unrealised currency derivatives <sup>3</sup>	8	(4)	7
Revaluation of USD and Euro Debt <sup>3</sup>	(4)	45	105
<b>Total FX impact on PBT</b>	<b>n/a</b>	<b>228</b>	<b>262</b>
Unrealised commodities (excl. from EBITDA & EBIT)	16	42	83
<b>Total pre-tax hedge reserve</b>	<b>(431)</b>	<b>180</b>	<b>(39)</b>
Current portion of hedge reserve	(262)	182	(57)

## End of Period Exchange Rates

GBP:USD	1.228	(3.1%)	(0.3%)
GBP:EUR	1.094	(1.7%)	(2.3%)
GBP:CNY	8.680	(0.3%)	(0.8%)

Memo:

<sup>1</sup> The year-on-year operational exchange is an analytical estimate, which may differ from the actual impact

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

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

<sup>4</sup> Realised commodities was £(10)m in Q1 FY21