



# Jaguar Land Rover results under IFRS for the quarter ended 30 September 2013

8 November 2013



## 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 FY14 represents the 3 month period from 1 July 2013 to 30 September 2013
- Q2 FY13 represents the 3 month period from 1 July 2012 to 30 September 2012

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



## **Kenneth Gregor**

- CFO Jaguar Land Rover

## **Bennett Birgbauer**

- Treasurer Jaguar Land Rover

## **C. Ramakrishnan**

- CFO Tata Motors

# Agenda



## Key topics

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# Q2 FY14 financial highlights

## Record sales, revenue and profits



**Retail volumes** 102,000 for the quarter, up 19% from prior year.

Revenue **£4.6bn**, up £1.3bn on the same quarter in the prior year

**EBITDA £823m**, up £337m with **EBITDA margin of 17.8%**, up 3ppt from Q2 FY13

**PBT of £668m**, up £237m on the prior year

**Free cash flow** of £430m after investment of £595m, before financing costs

**Cash and financial deposits £2.7bn** and undrawn long-term committed bank lines £1.3bn

## Key financial metrics – Q2



### Key metrics - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2013	2012	Change	2013	2012	Change
Retail volumes ('000 units)	103	85	18	197	171	26
Wholesale volumes ('000 units)	102	84	18	193	161	32
Revenues (IFRS)	4,612	3,288	1,324	8,709	6,927	1,782
<b>EBITDA</b>	<b>823</b>	<b>486</b>	<b>337</b>	<b>1,498</b>	<b>1,013</b>	<b>485</b>
EBITDA %	17.8%	14.8%	3.0 ppt	17.2%	14.6%	2.6 ppt
<b>Profit before tax</b>	<b>668</b>	<b>431</b>	<b>237</b>	<b>1,083</b>	<b>763</b>	<b>320</b>
<b>Profit after tax</b>	<b>507</b>	<b>305</b>	<b>202</b>	<b>811</b>	<b>541</b>	<b>270</b>
Free cash flow <sup>(1)</sup>	430	115	315	89	221	(132)
Cash <sup>(2)</sup>	2,699	2,176	523	2,699	2,176	523

1 Cash from operating activities after investing activities (excluding investments in financial deposits)

2 Includes cash and cash equivalents and financial deposits

# Strong overall performance



Land Rover retail **volume up 11k units (15%)** – primarily reflects new Range Rover and Evoque sales growth

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Jaguar retail **volume up 7k units (56%)** – reflecting launch of new F-TYPE, XF Sportbrake and new all-wheel drive and smaller engine options for XF and XJ

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**EBITDA of £823m** (margin of 17.8%), up £337m (up 3ppt) from Q2 FY13, reflecting:

- wholesale volume increase
  - **richer product mix** supported by launch of new Range Rover Sport, new Range Rover and Jaguar F-TYPE
  - **richer geographic mix**, with increased volumes in emerging markets
  - includes **£79m** of local incentives
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**PBT of £668m**, up £237m due to higher EBITDA, partially offset by higher depreciation and amortisation as well as higher finance expense net of more favourable fx revaluation

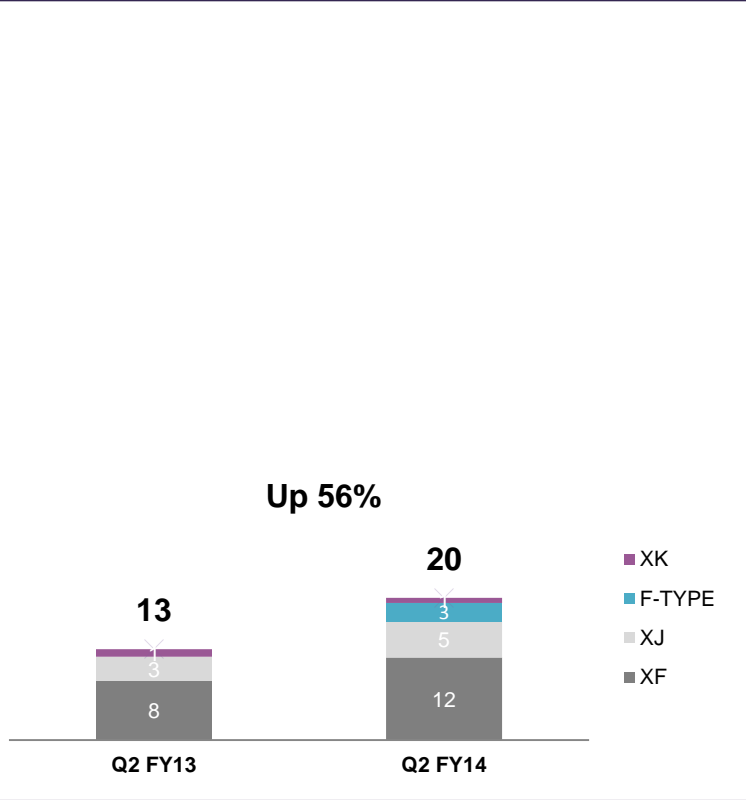
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**PAT of £507m** reflects an effective tax rate of 24% due to change in UK tax rates in Q2

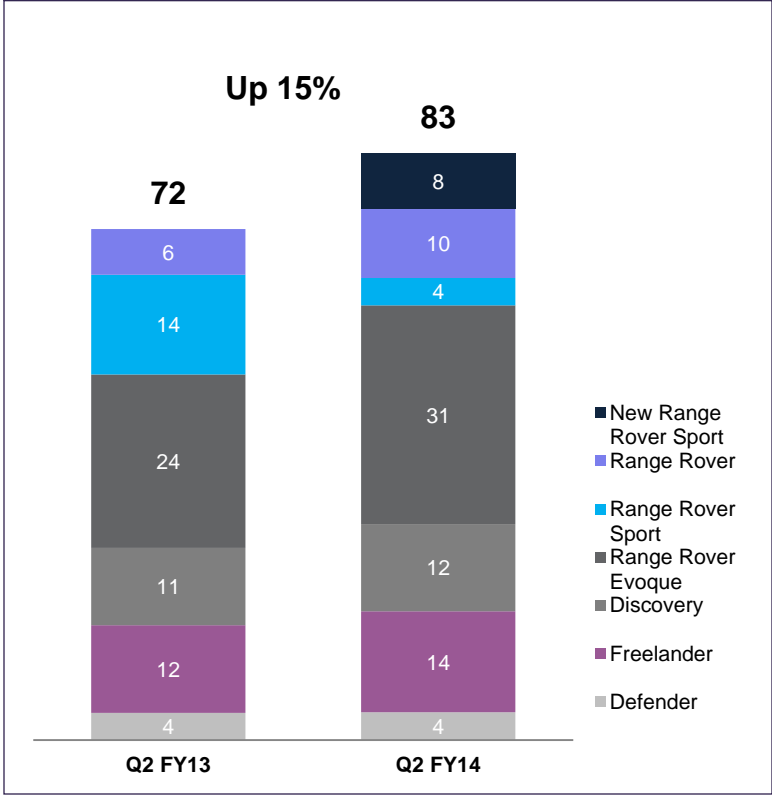
# Quarterly retail volumes by carline



Jaguar – Q2 FY14 vs Q2 FY13



Land Rover – Q2 FY14 vs Q2 FY13



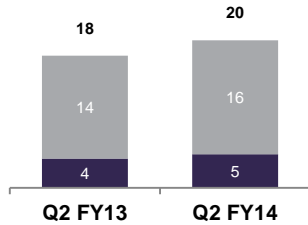


# Quarterly retail volumes by geography



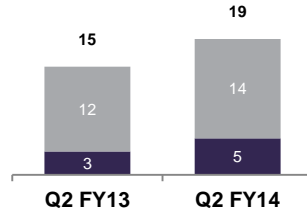
## UK

Up 12%



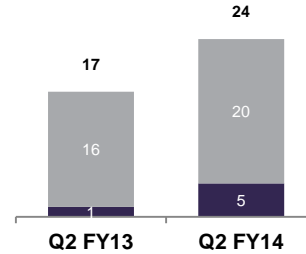
## North America

Up 26%

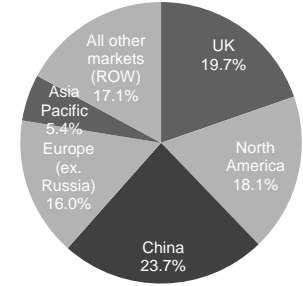


## China

Up 42%



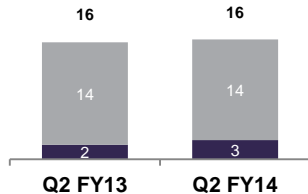
## Q2 FY14



102,644 units

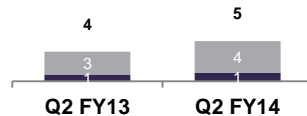
## Europe

Up 3%



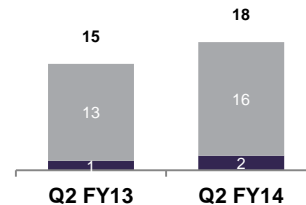
## Asia Pacific

Up 35%

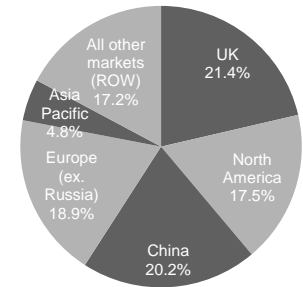


## All other markets

Up 20%



## Q2 FY13



84,749 units

# Income statement



## Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2013	2012	Change	2013	2012	Change
<b>Revenues</b>	<b>4,612</b>	<b>3,288</b>	<b>1,324</b>	<b>8,709</b>	<b>6,927</b>	<b>1,782</b>
Material cost of sales	(2,827)	(2,072)	(755)	(5,317)	(4,425)	(892)
Employee costs	(390)	(314)	(76)	(751)	(615)	(136)
Other expenses	(831)	(634)	(197)	(1,644)	(1,307)	(337)
Product development costs capitalised	259	218	41	501	433	68
<b>EBITDA</b>	<b>823</b>	<b>486</b>	<b>337</b>	<b>1,498</b>	<b>1,013</b>	<b>485</b>
Depreciation and amortisation	(216)	(119)	(97)	(418)	(240)	(178)
Foreign exch. gain/(loss) (net) <sup>(1)</sup>	73	67	6	43	(1)	44
Net finance income / (expense) <sup>(2)</sup>	(12)	(3)	(9)	(40)	(9)	(31)
<b>Profit before tax</b>	<b>668</b>	<b>431</b>	<b>237</b>	<b>1,083</b>	<b>763</b>	<b>320</b>
Income tax expense	(161)	(126)	(35)	(272)	(222)	(50)
<b>Profit after tax</b>	<b>507</b>	<b>305</b>	<b>202</b>	<b>811</b>	<b>541</b>	<b>270</b>

1. Includes mark to market of hedging instruments and revaluation of loans and other balance sheet items

2. Includes £(9)m start-up costs in China JV and £9m unrealised gain on bond call options for the quarter

## High levels of investment and strong liquidity



### Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2013	2012	Change	2013	2012	Change
<b>Cash from operating activities</b>	<b>823</b>	<b>472</b>	<b>351</b>	<b>1,451</b>	<b>997</b>	<b>454</b>
Working capital changes	241	99	142	(74)	170	(244)
Tax paid	(69)	(47)	(22)	(266)	(157)	(109)
<b>Cash flow from operations</b>	<b>995</b>	<b>524</b>	<b>471</b>	<b>1,111</b>	<b>1,010</b>	<b>101</b>
Investment in fixed and intangible assets	(595)	(444)	(151)	(1,103)	(821)	(282)
Other (including finance income)	30	35	(5)	81	32	49
<b>Free cash flow (before financing)</b>	<b>430</b>	<b>115</b>	<b>315</b>	<b>89</b>	<b>221</b>	<b>(132)</b>
Investment in financial deposits	140	(200)	340	105	(375)	480
Changes in debt	92	(89)	181	(3)	(233)	230
Dividend paid	-	(150)	150	(150)	(150)	-
Finance expenses and fees	(38)	(32)	(6)	(84)	(92)	8
<b>Net change in cash &amp; cash equivalents</b>	<b>624</b>	<b>(356)</b>	<b>980</b>	<b>(43)</b>	<b>(629)</b>	<b>586</b>

# Strong financing structure



## Key financial indicators - IFRS

(£ millions, unless stated)	30 September 2013	30 September 2012	Change
Cash and cash equivalents	2,029	1,801	228
Financial deposits	670	375	295
<b>Cash and financial deposits</b>	<b>2,699</b>	<b>2,176</b>	<b>523</b>
Long term undrawn credit facilities	1,250	795	455
Other undrawn committed facilities	83	232	(149)
<b>Total liquidity</b>	<b>4,032</b>	<b>3,203</b>	<b>829</b>
Total equity	4,555	3,465	1,090
Total debt	(2,117)	(1,739)	(378)
<b>Net cash</b>	<b>582</b>	<b>437</b>	<b>145</b>
Total debt / annualised EBITDA	0.8 x	0.8 x	(0.0) x
Total debt/equity	0.5 x	0.5 x	0.0 x

# Agenda



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## *Jaguar C-X17 Sports Crossover concept*

- **£1.5bn** investment in a new lightweight aluminium architecture for **future Jaguar products**
- 1<sup>st</sup> product will be a **smaller sedan** for sale in 2015, the **first aluminium monocoque** in the segment
- Using engines from our new engine facility, Jaguar will be able to offer vehicles with top speeds **over 186mph** and emissions of **less than 100g/km**



## Other developments



Launch of world's first **premium diesel SUV hybrids**; Range Rover and Range Rover Sport

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Jaguar Land Rover was named **Responsible Business of the Year** by Business in the Community

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Jaguar Land Rover is **lead partner** and will invest £50 million in the **National Automotive Innovation** campus with Warwick University to create a large-scale collaborative research centre

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Moody's rating upgrade to **Ba2** following a similar upgrade from S&P in Q1

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## Strong performance in the first half

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In the **2013/14 fiscal year**, continued focus is on:

- continuing to build sales momentum with the new **Range Rover**, **Jaguar XF Sportbrake** and **Jaguar F-TYPE**
  - successfully launching the new **Range Rover Sport** and other new derivatives
  - continuing to invest in more new products and new technologies to meet consumer and regulatory requirements and build manufacturing capacity in the UK and internationally
  - continuing to monitor economic and sales trends closely to balance sales and production
  - continuing to generate strong operating cash flows to support investment in the region of £2.75bn in FY14
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## Q & A





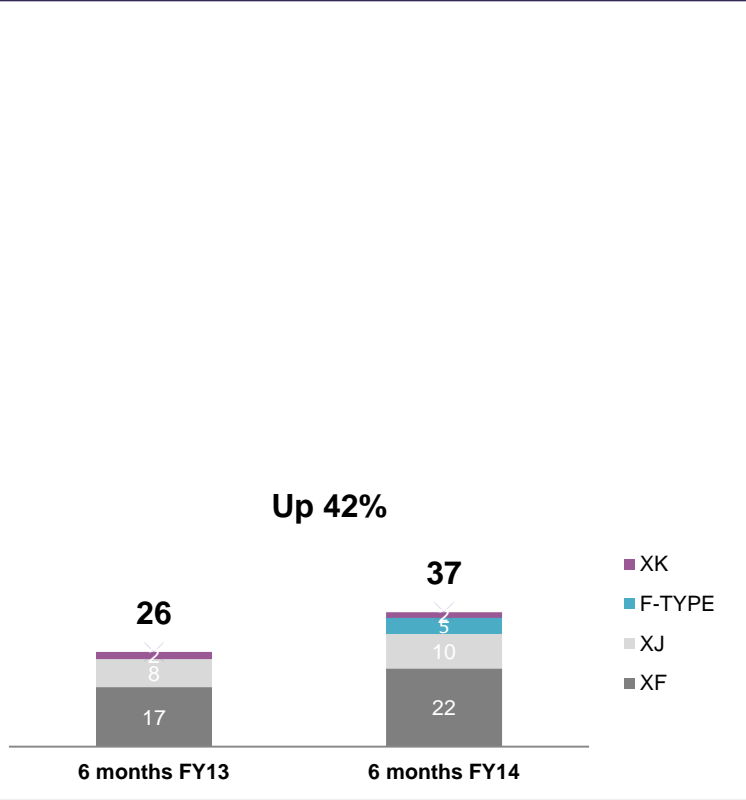
## Additional slides



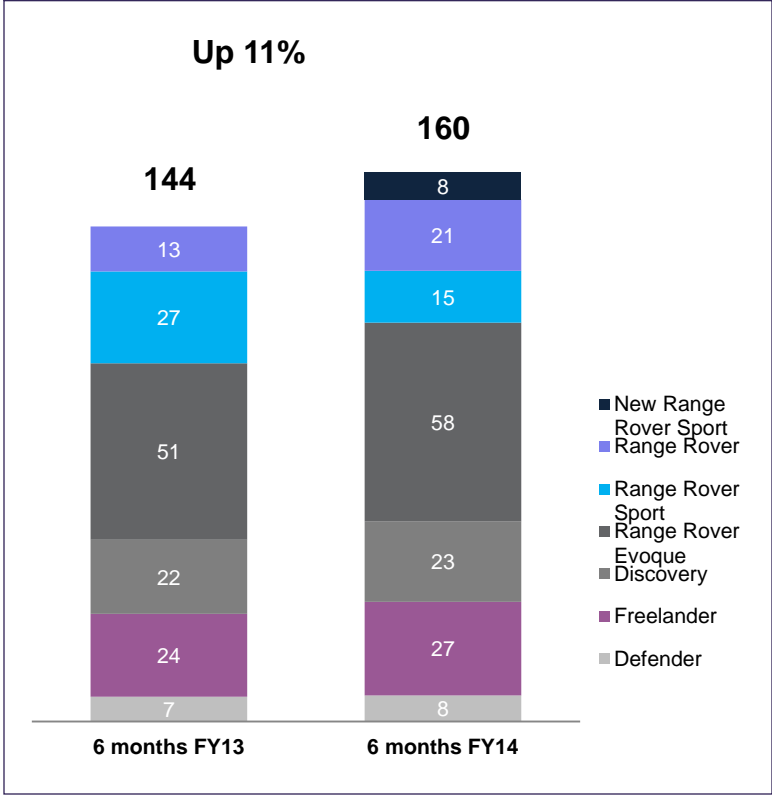
# 6 month retail volumes by carline



Jaguar – 6 months FY14 vs 6 months FY13



Land Rover – 6 months FY14 vs 6 months FY13

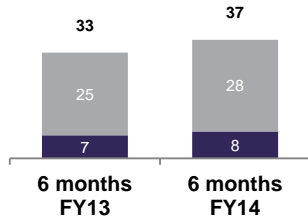


# 6 month retail volumes by geography



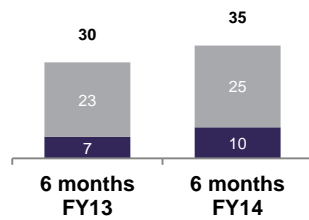
## UK

Up 12%



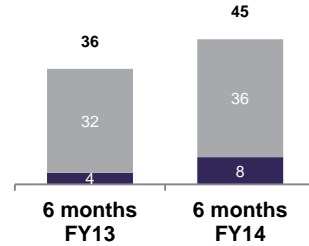
## North America

Up 18%

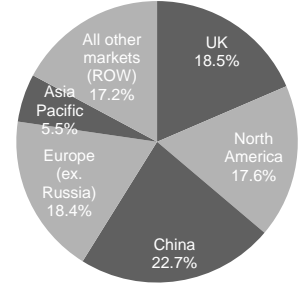


## China

Up 26%



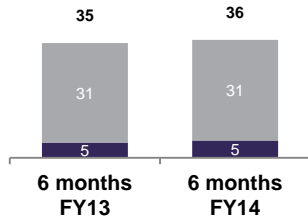
## 6 month FY14



197,363 units

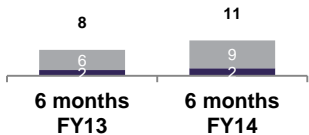
## Europe

Up 3%



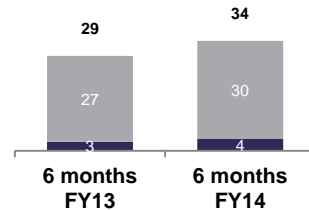
## Asia Pacific

Up 36%

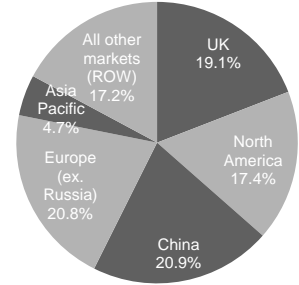


## All other markets

Up 16%



## 6 month FY13

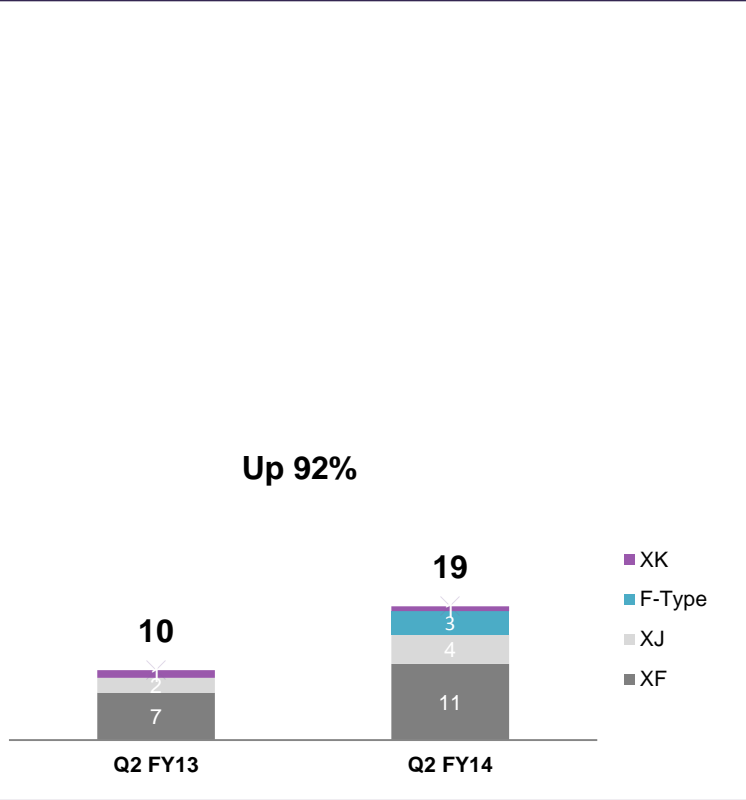


170,507 units

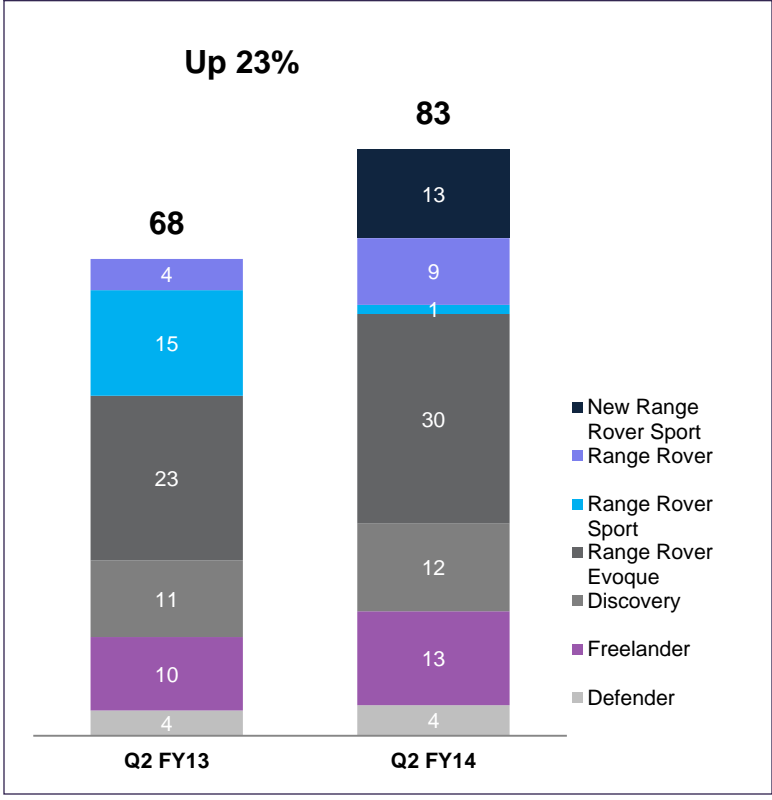
# Quarterly wholesale volumes by carline



Jaguar – Q2 FY14 vs Q2 FY13



Land Rover – Q2 FY14 vs Q2 FY13

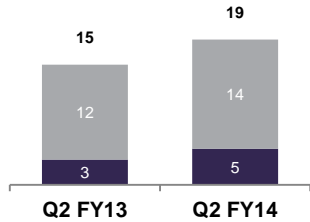


# Quarterly wholesale volumes by geography



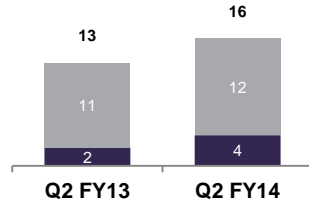
## UK

Up 21%



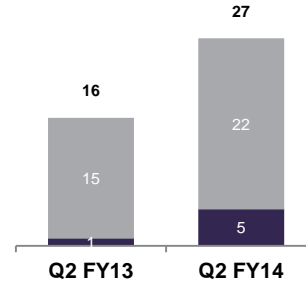
## North America

Up 24%

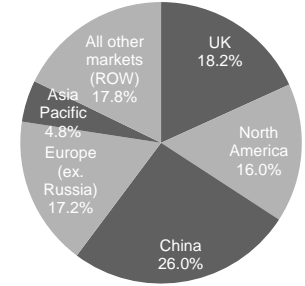


## China

Up 62%



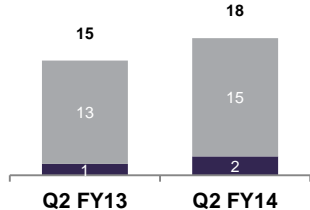
## Q2 FY14



101,931 units

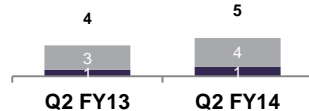
## Europe

Up 20%



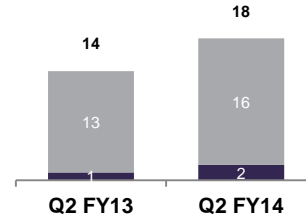
## Asia Pacific

Up 24%

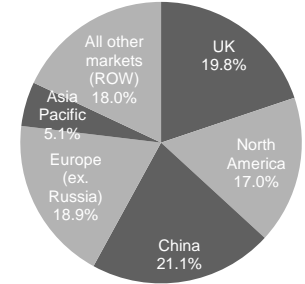


## All other markets

Up 30%



## Q2 FY13



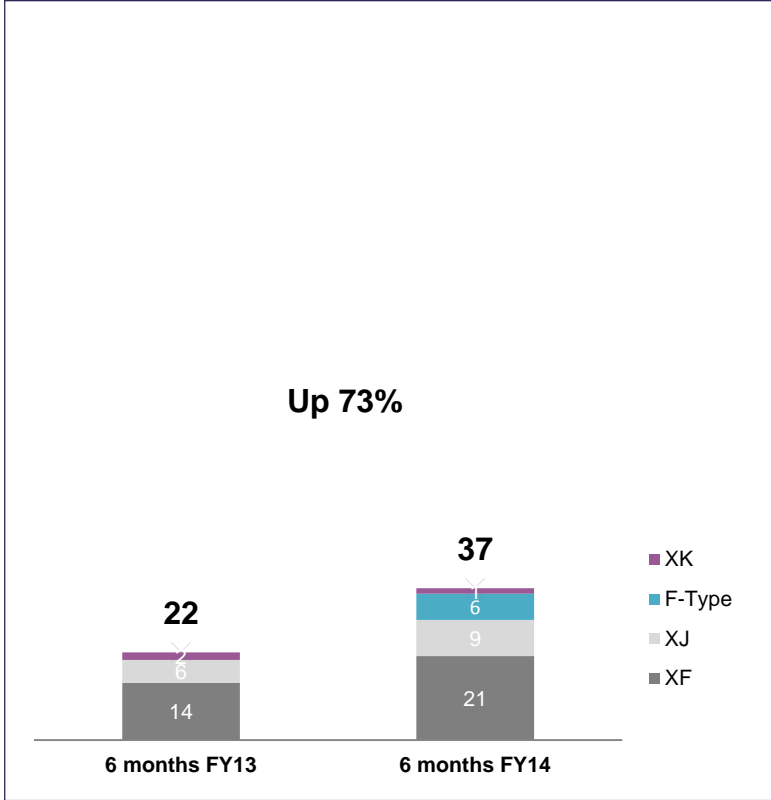
77,442 units



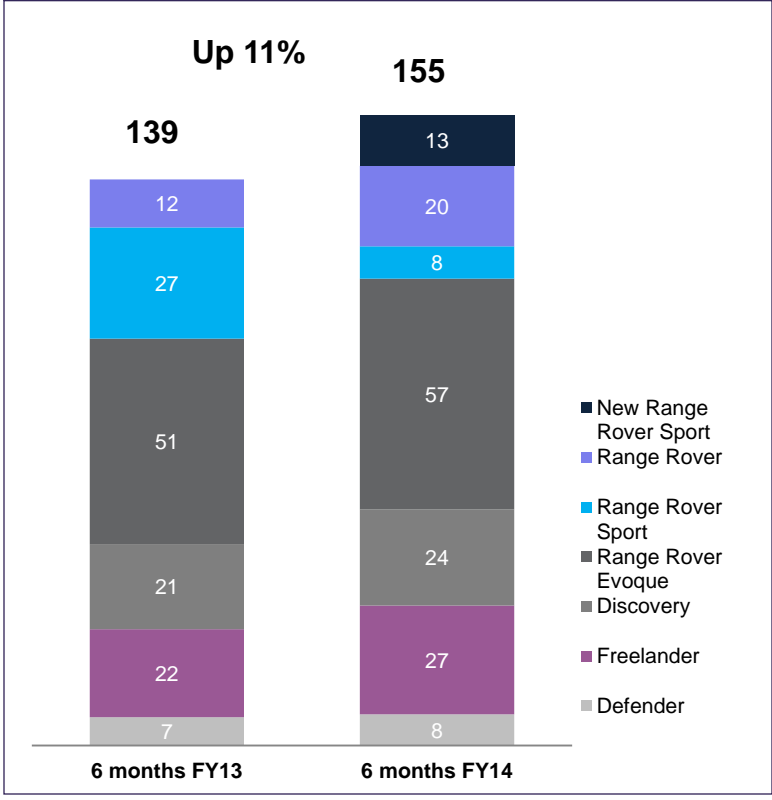
# 6 month wholesale volumes by carline



Jaguar – 6 months FY14 vs 6 months FY13



Land Rover – 6 months FY14 vs 6 months FY13



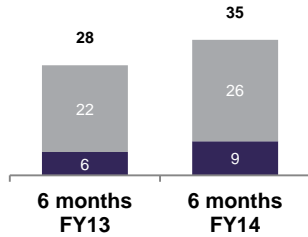


# 6 month wholesale volumes by geography



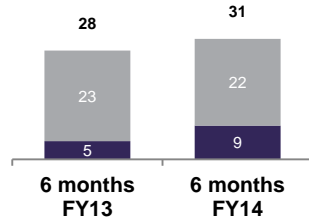
## UK

Up 23%



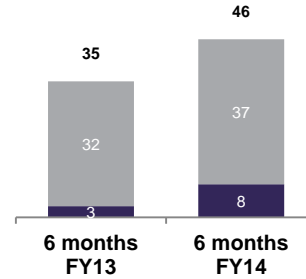
## North America

Up 11%

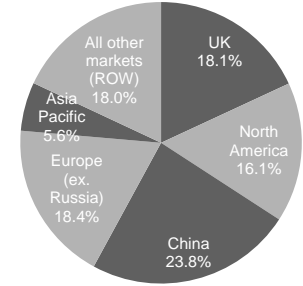


## China

Up 31%



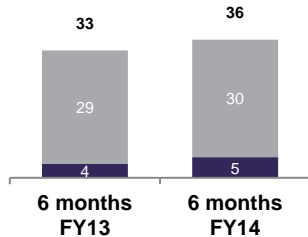
## 6 month FY14



192,551 units

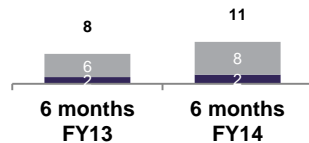
## Europe

Up 8%



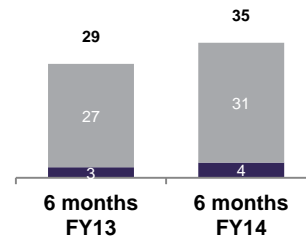
## Asia Pacific

Up 41%

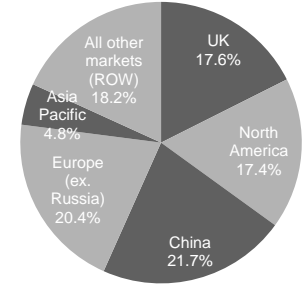


## All other markets

Up 19%



## 6 month FY13



160,894 units

# Product and other investment



## Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 30 September			6 months ended 30 September		
	2013	2012	Change	2013	2012	Change
R&D expense						
Capitalised	259	218	41	501	433	215
Expensed	62	51	11	112	91	40
<b>Total R&amp;D expense</b>	<b>321</b>	<b>269</b>	<b>52</b>	<b>613</b>	<b>524</b>	<b>255</b>
Investment in tangible and other intangible assets	336	226	110	602	388	162
<b>Total product and other investment</b>	<b>657</b>	<b>495</b>	<b>162</b>	<b>1,215</b>	<b>912</b>	<b>417</b>
Of which capitalised	595	444	151	1,103	821	282