



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

7 August 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.

- Q1 FY14 represents the 3 month period from 1 April 2013 to 30 June 2013
- Q1 FY13 represents the 3 month period from 1 April 2012 to 30 June 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

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# Q1 FY14 financial highlights

## Record sales, revenue and profits



**Retail volumes** 95k for the quarter, up 10% from prior year.

Revenue **£4.1bn**, up £0.5bn on the same quarter in the prior year

**EBITDA £675m**, up £148m with **EBITDA margin of 16.5%**, up 2.0ppt from Q1 FY13

**PBT of £415m**, up £82 on the prior year

**Free cash outflow** of £341m after investment, reflecting higher investment spending and negative working capital movements

**Cash and financial deposits £2,215m** and undrawn committed bank lines £935m

# Key financial metrics – Q1




<b>Key metrics - IFRS</b>			
	<b>Quarter ended 30 June</b>		
<b>(£ millions, unless stated)</b>	<b>2013</b>	<b>2012</b>	<b>Change</b>
Retail volumes ('000 units)	95	86	9
Wholesale volumes ('000 units)	91	83	8
Revenues (IFRS)	4,097	3,638	459
<b>EBITDA</b>	<b>675</b>	<b>527</b>	<b>148</b>
EBITDA %	16.5%	14.5%	2.0 ppt
<b>Profit before tax</b>	<b>415</b>	<b>333</b>	<b>82</b>
<b>Profit after tax</b>	<b>304</b>	<b>236</b>	<b>68</b>
Free cash flow <sup>(1)</sup>	(341)	106	(447)
Cash <sup>(2)</sup>	2,215	2,332	(117)

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

A vertical decorative bar on the left side of the slide, composed of seven downward-pointing chevrons in a light gray color, separated by thin white lines.

Land Rover retail **volume up 5k units (7%)** – primarily reflects new Range Rover partially offset by Range Rover Sport run-out

Jaguar retail **volume up 3k units (28%)** – reflecting launch of new F-TYPE and new all-wheel drive and smaller engine options for XF and XJ and XF Sportbrake

**EBITDA of £675m** (margin of 16.5%), up £148m (up 2.0ppt) from Q1 FY13, reflecting:

- wholesale volume increase
- more favourable foreign exchange (eg average \$:£ rate from 1.59 in Q1 FY13 to 1.53 in Q1 FY14)
- richer product mix supported by launch of new Range Rover and Jaguar F-TYPE

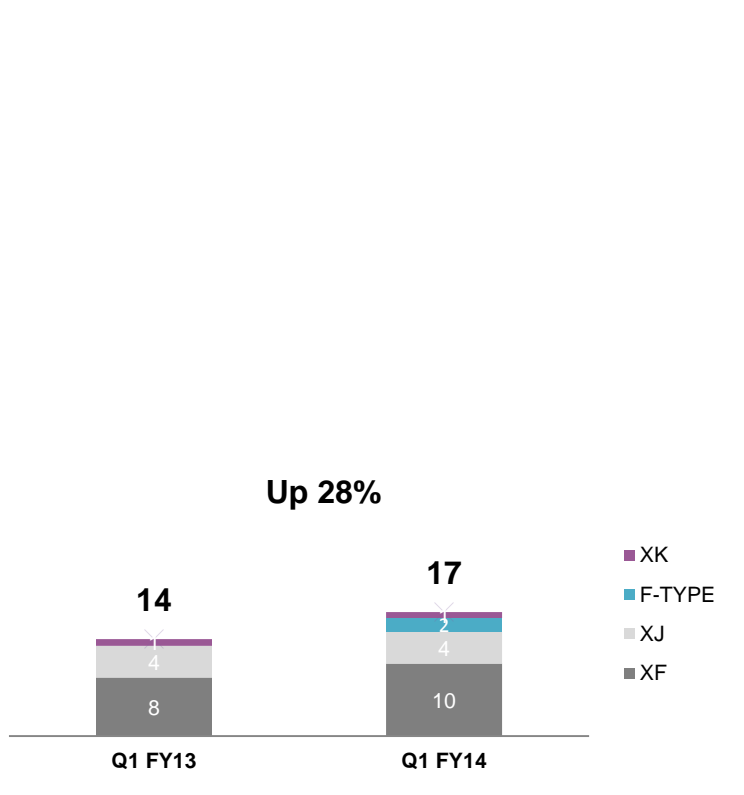
**PBT of £415m**, up £82m due to higher EBITDA, partially offset by higher depreciation and amortisation as well as higher finance expense net of more favourable fx revaluation

**PAT of £304m** reflects an effective tax rate of 27%, consistent with the FY13 full year rate

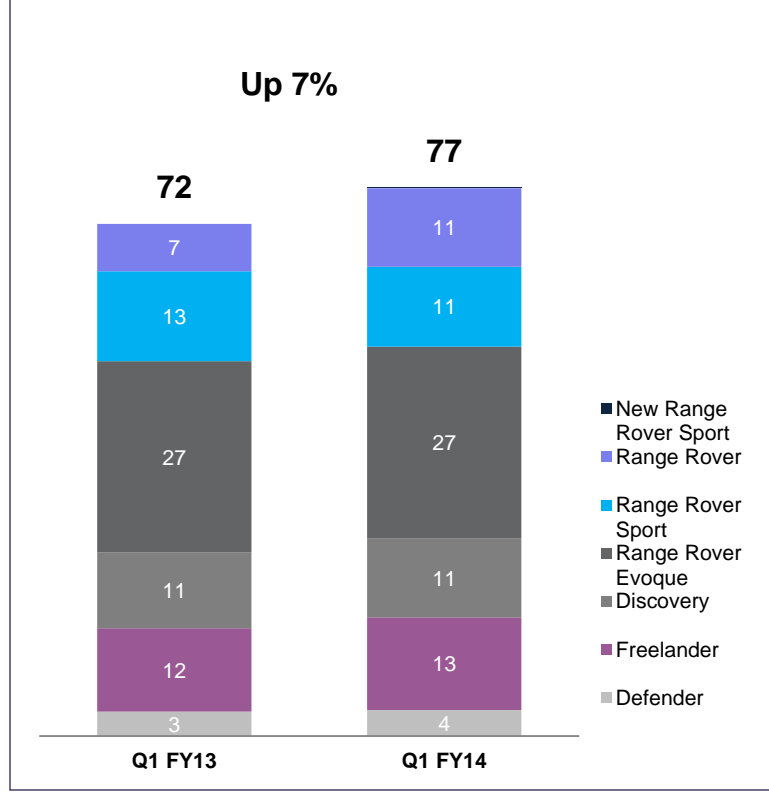
# Quarterly retail volumes by carline



Jaguar – Q1 FY14 vs Q1 FY13



Land Rover – Q1 FY14 vs Q1 FY13



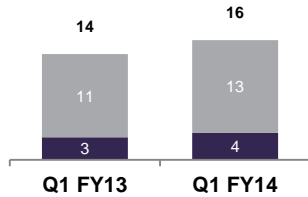


# Quarterly retail volumes by geography



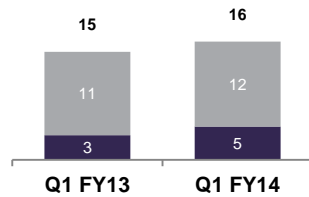
## UK

Up 13%



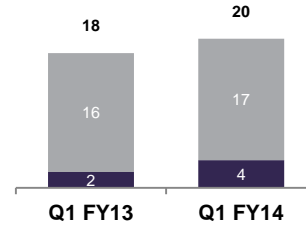
## North America

Up 10%

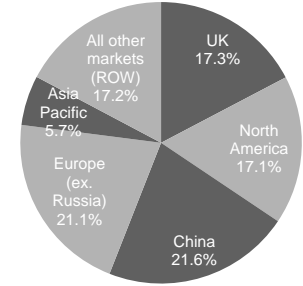


## China

Up 11%



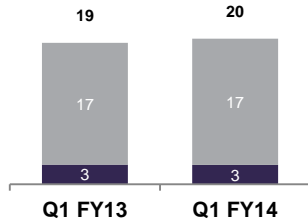
## Q1 FY14



94,719 units

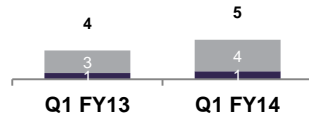
## Europe

Up 3%



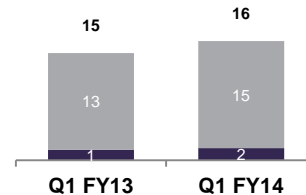
## Asia Pacific

Up 37%

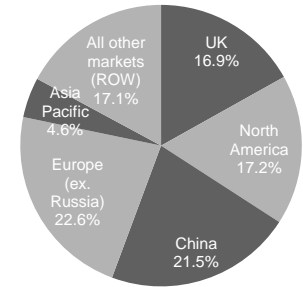


## All other markets

Up 11%



## Q1 FY13



85,758 units

## Consolidated income statement - IFRS

(£ millions, unless stated)	Quarter ended 30 June		
	2013	2012	Change
<b>Revenues</b>	<b>4,097</b>	<b>3,638</b>	<b>459</b>
Material cost of sales	(2,490)	(2,354)	(136)
Employee costs	(361)	(301)	(60)
Other expenses	(813)	(671)	(142)
Product development costs capitalised	242	215	27
<b>EBITDA</b>	<b>675</b>	<b>527</b>	<b>148</b>
Depreciation and amortisation	(202)	(121)	(81)
Foreign exch. gain/(loss) (net) <sup>(1)</sup>	(30)	(67)	37
Net finance income / (expense) <sup>(2)</sup>	(28)	(6)	(22)
<b>Profit before tax</b>	<b>415</b>	<b>333</b>	<b>82</b>
Income tax expense	(111)	(97)	(14)
<b>Profit after tax</b>	<b>304</b>	<b>236</b>	<b>68</b>

1. Includes mark to market of hedging instruments and revaluation of loans and other balance sheet items
2. Includes £(5)m start-up costs in China JV and £(12)m unrealised loss on call options in bond debt for the quarter

# High levels of investment and strong liquidity



## Consolidated cash flow - IFRS

(£ millions, unless stated)	Quarter ended 30 June		
	2013	2012	Change
<b>Cash from operating activities</b>	<b>628</b>	<b>525</b>	<b>103</b>
Working capital changes	(315)	71	(386)
Tax paid	(197)	(110)	(87)
<b>Cash flow from operations</b>	<b>116</b>	<b>486</b>	<b>(370)</b>
Investment in fixed and intangible assets	(508)	(377)	(131)
Other (including finance income)	51	(3)	54
<b>Free cash flow (before financing)</b>	<b>(341)</b>	<b>106</b>	<b>(447)</b>
Investment in financial deposits	(35)	(175)	140
Changes in debt	(95)	(144)	49
Dividend paid	(150)	-	(150)
Finance expenses and fees	(46)	(60)	14
<b>Net change in cash &amp; cash equivalents</b>	<b>(667)</b>	<b>(273)</b>	<b>(394)</b>

# Strong financing structure



## Key financial indicators - IFRS

(£ millions, unless stated)	30 June 2013	30 June 2012	Change
Cash and cash equivalents	1,405	2,157	(752)
Financial deposits	810	175	635
<b>Cash and financial deposits</b>	<b>2,215</b>	<b>2,332</b>	<b>(117)</b>
Long term undrawn credit facilities	795	710	85
Other undrawn committed facilities	140	186	(46)
<b>Total liquidity</b>	<b>3,150</b>	<b>3,228</b>	<b>(78)</b>
Total equity	3,690	3,081	609
Total debt	(2,068)	(1,845)	(223)
<b>Net cash</b>	<b>147</b>	<b>487</b>	<b>(340)</b>
Total debt / annualised EBITDA	0.8 x	0.8 x	0.0 x
Total debt/equity	0.6 x	0.6 x	0.0 x

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# Recent launch: All-New Jaguar F-TYPE



▶ Start of retail sales

**April 2013**

- A front-engined, rear-wheel drive convertible, the F-TYPE is engineered to deliver pure dynamic driving reward and stunning performance
- The F-TYPE is constructed around the fourth generation of Jaguar's acclaimed lightweight aluminium architecture using industry-first technology
- Won numerous awards since its launch, including:



**World Car Design of  
the Year award**

*The All-New Jaguar F-TYPE*



**AUTOWEEK**

**Best in Show**

## Other developments



Recent **J.D.Power** survey results for both the US and the UK were released in the quarter

- New Range Rover achieves **highest APEAL** (Automotive Performance, Execution and Layout) score in its segment and of any model in the industry in 2013 and Land Rover brand is 4<sup>th</sup> overall
- Jaguar Named **Best Brand** in the UK VOSS (Vehicle Ownership Satisfaction Study) survey, Jaguar XF wins Best Executive Car and Land Rover wins Star Brand

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Paid 2<sup>nd</sup> annual dividend to Tata Motors of **£150 million** in June 2013

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Standard and Poor's credit rating increased from BB- to **BB** in July 2013

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Also in July 2013, increased undrawn revolving credit facilities from £795 million to **£1.25 billion** with £938 million maturing in 2018 and £312 million maturing in 2016



## Strong performance in the first quarter

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In the **2013/14 fiscal year**, 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





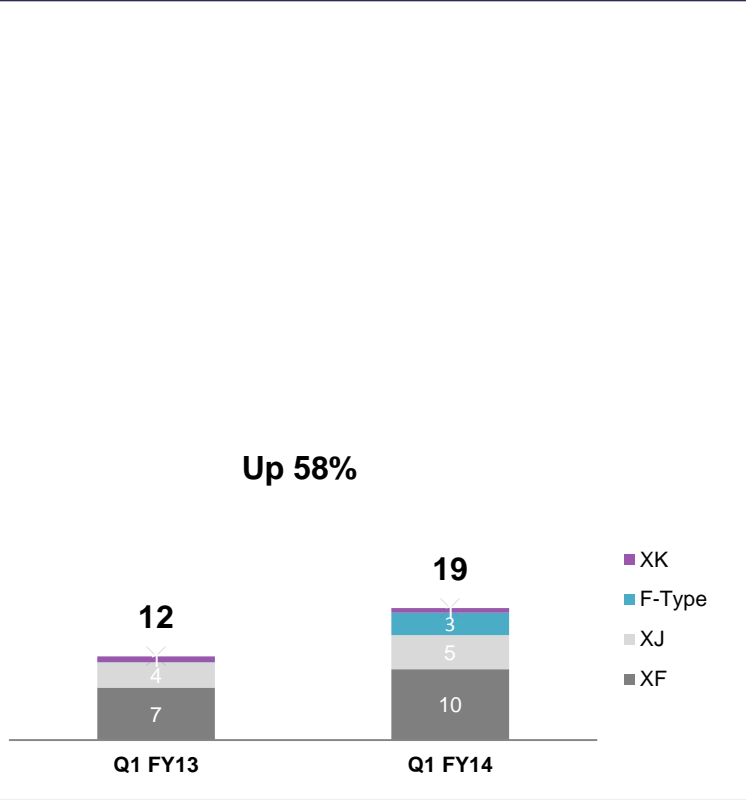
## Additional slides



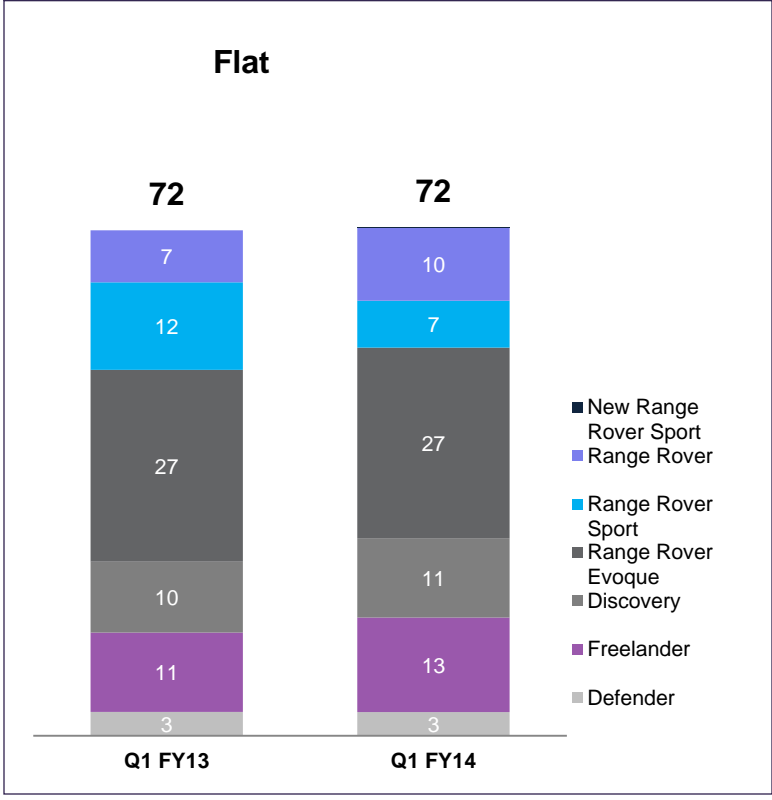
# Quarterly wholesale volumes by carline



## Jaguar – Q1 FY14 vs Q1 FY13



## Land Rover – Q1 FY14 vs Q1 FY13

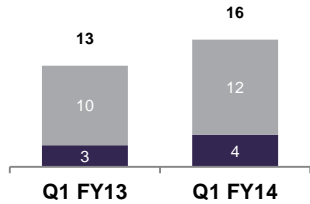


# Quarterly wholesale volumes by geography



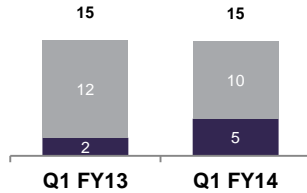
## UK

Up 23%



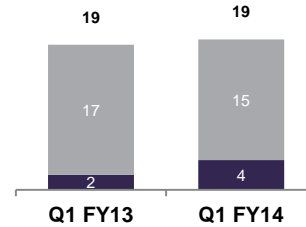
## North America

Flat

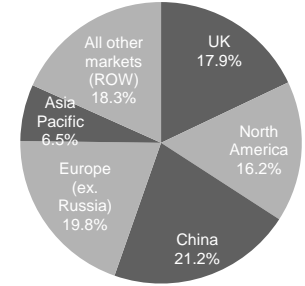


## China

Flat



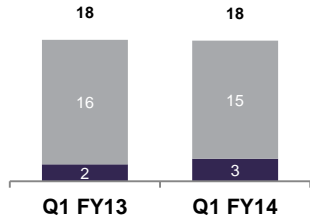
## Q1 FY14



90,620 units

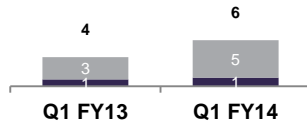
## Europe

Flat



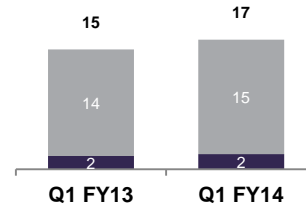
## Asia Pacific

Up 50%

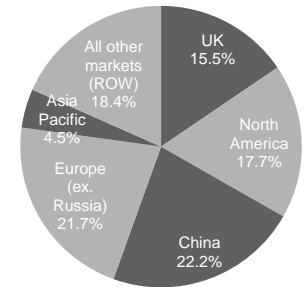


## All other markets

Up 13%



## Q1 FY13



83,452 units



## Key financial indicators - IFRS

(£ millions, unless stated)	Quarter ended 30 June		
	2013	2012	Change
R&D expense			
Capitalised	242	215	27
Expensed	50	47	3
<b>Total R&amp;D expense</b>	<b>292</b>	<b>262</b>	<b>30</b>
Investment in tangible and other intangible assets	266	162	104
<b>Total product and other investment</b>	<b>558</b>	<b>424</b>	<b>134</b>
Of which capitalised	508	377	131