JAGUAR LAND ROVER AUTOMOTIVE plc

Investor presentation

8th December 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, the effects of the COVID-19 pandemic, changes in Government regulations, tax laws and other statutes and incidental factors. All forward-looking statements apply only as of the date hereof and we undertake no obligation to updated this information and do not assume any responsibility for the ultimate fairness, accuracy, correctness or completeness of any such information presented herein.

- 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) and finance income; gains/losses on debt and unrealised derivatives, realised derivatives entered into for the purpose of hedging debt, and equity or debt investments held at fair value; foreign exchange gains/losses on other assets and liabilities, including short-term deposits and cash and cash equivalents; share of profit/loss from equity accounted investments; depreciation and amortisation.

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

Free cash flow is defined as net cash generated from operating activities less net cash used in automotive investing activities, excluding investments in consolidated entities and movements in financial investments, and after finance expenses and fees paid.

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

The information contained in his presentation is provided as of the date of this presentation and is subject to change without notice. The information contained in this document may be updated, completed, revised and amended and such information may change materially in the future. The Group is under no obligation to update or keep current the information contained in this document.

Recent product and business highlights

Exciting products, electrification and other developments

New Defender awarded Top Gear Car of the Year

21MY Range Rover Velar launched

21MY Jaguar F-PACE launched

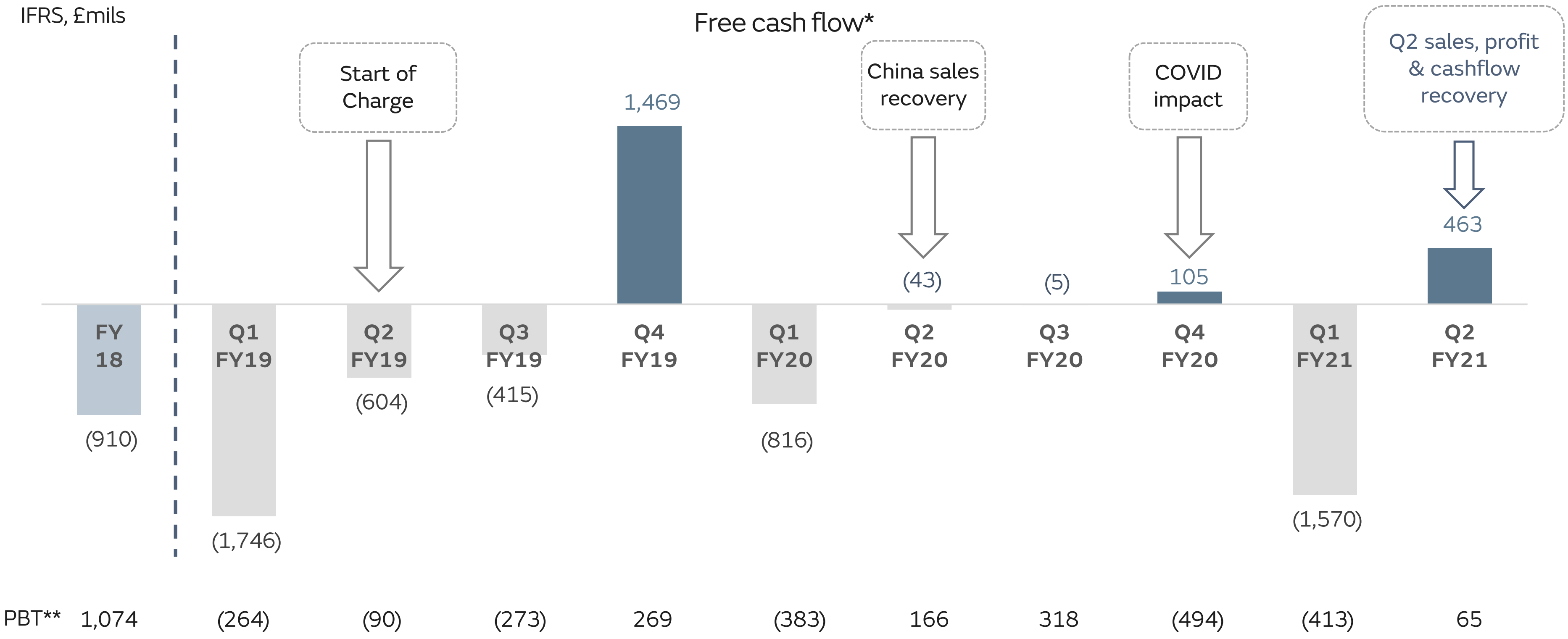
8 PHEVs and 11 MHEVs in FY21

21MY E-PACE launched

21MY Discovery launched

Cash flow improving, Q2 FY21 positive

Charge+ & China recovery driving improvement



* FCF metrics revised in Q2 FY 21. See appendix for further details
** Excludes exceptional items

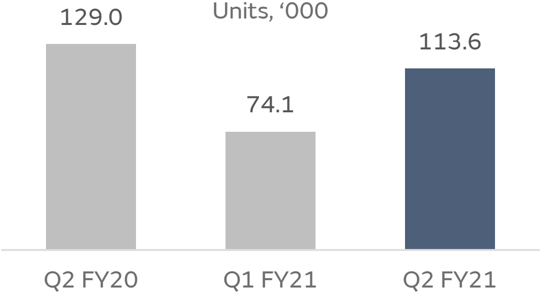
Improved results – PBT £65m, FCF £463m

Cost savings and FX more than offset lower post-Covid sales

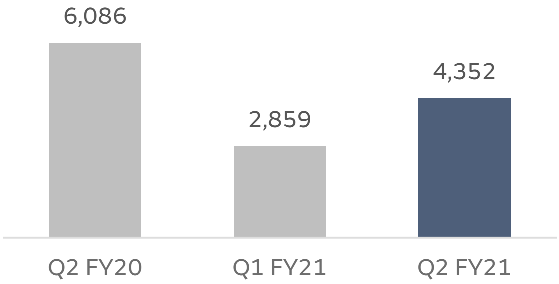
IFRS, £m

Retail volumes

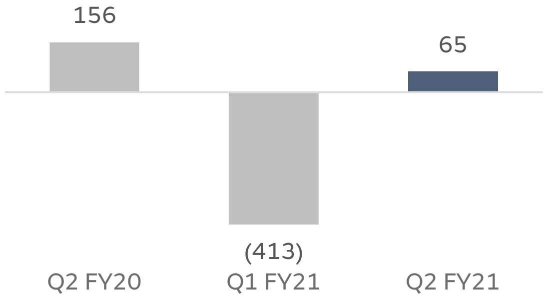
Units, '000



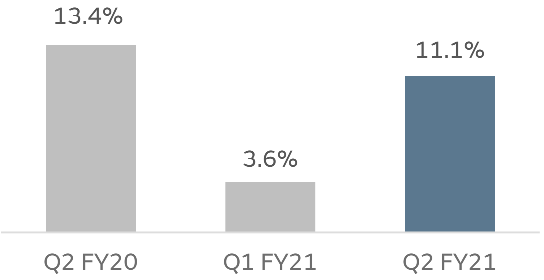
Revenue



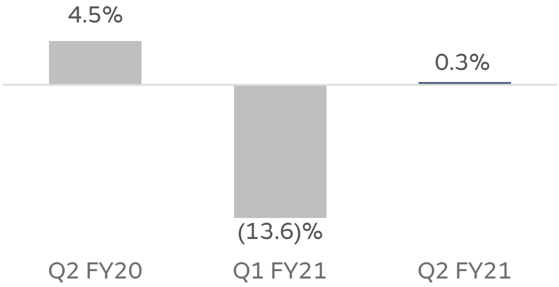
PBT



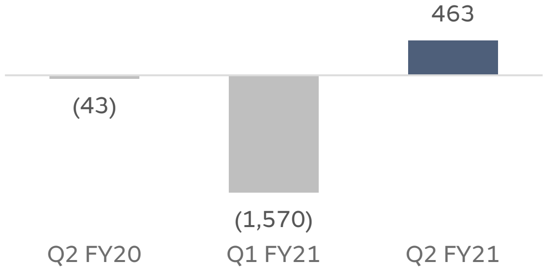
EBITDA



EBIT



Free Cash Flow



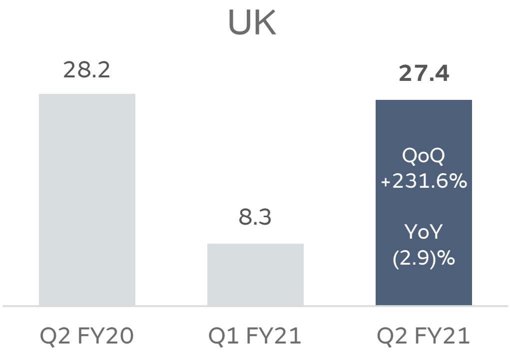
PBT excludes £(10)m exceptionals in Q2 FY20

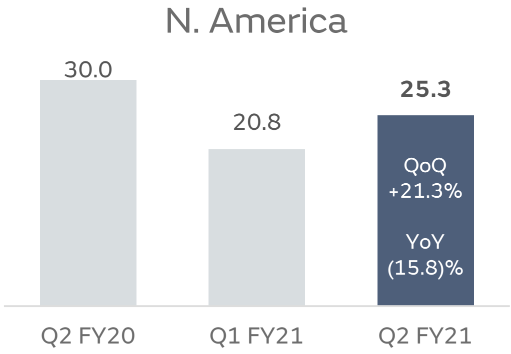
Note: FCF,EBITDA and EBIT metrics now revised in Q2 FY21, primary change to exclude FX revaluation on cash, current assets and liabilities, see appendix for further details. We present all historical periods included herein using the revised definitions for these metrics.

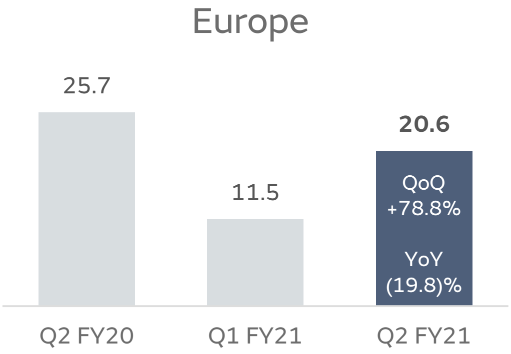
Retail sales recovery – up 53.3% QoQ

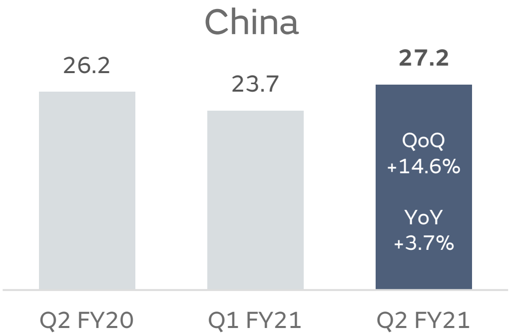
Down 11.9% YoY due to COVID, but China up 3.7% YoY

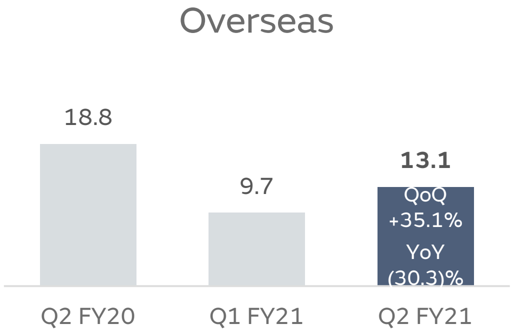
Retail units in '000

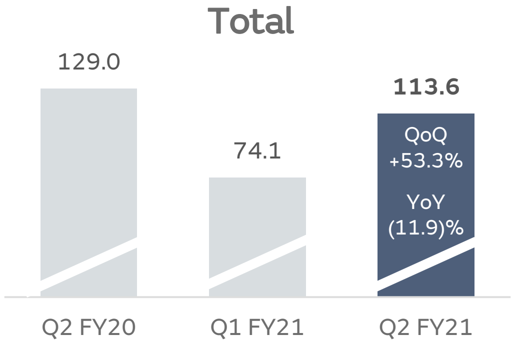












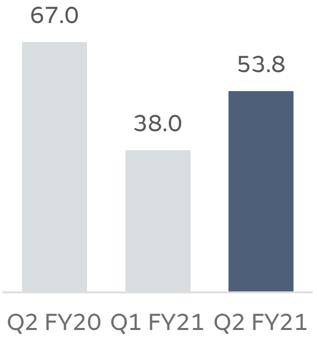
Q2 FY21

Covid continues to impact all model families

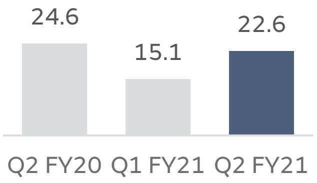
Significant growth in Defender

Retail units in '000

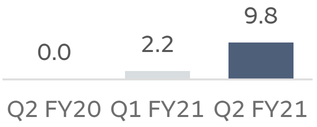
Range Rover



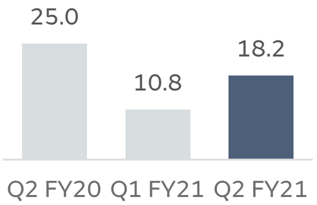
Discovery



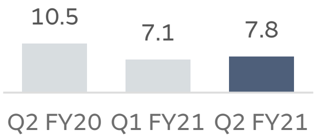
Defender



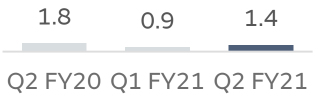
Jaguar PACE



Jaguar sedans

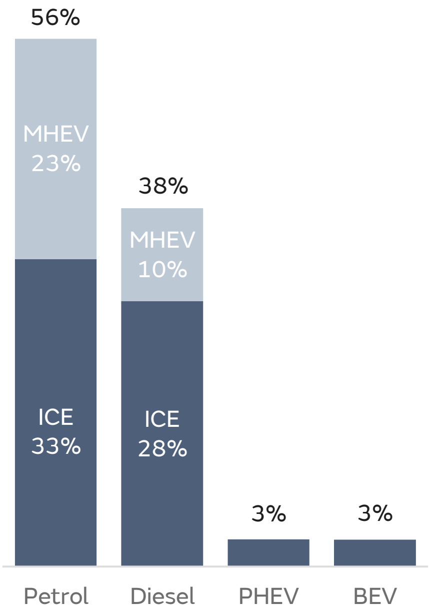


Jaguar F-TYPE



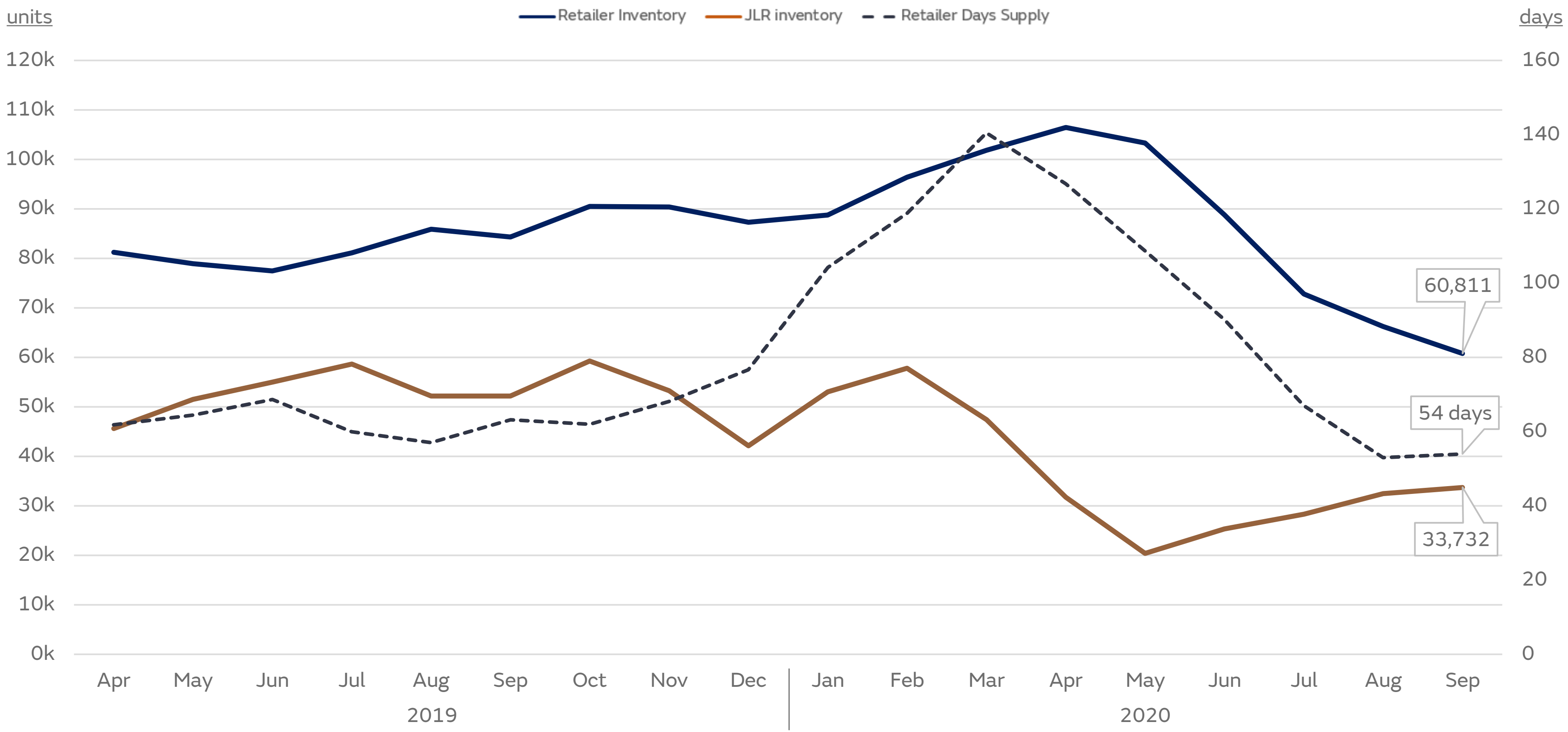
JLR Powertrain mix

Q2 FY21



Inventories at near ideal levels

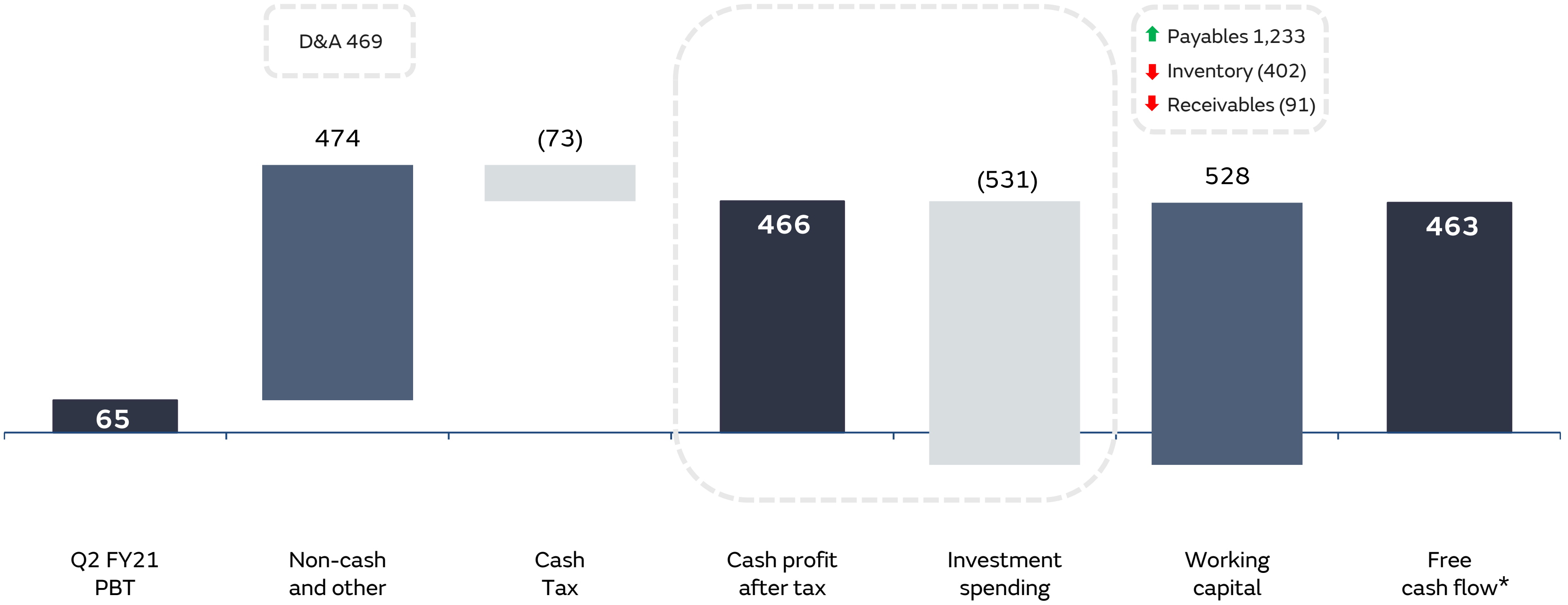
Demand-led strategy supports future wholesales growth



Return to positive free cash flow £463m

Primarily reflects working capital recovery from Q1

IFRS, £m



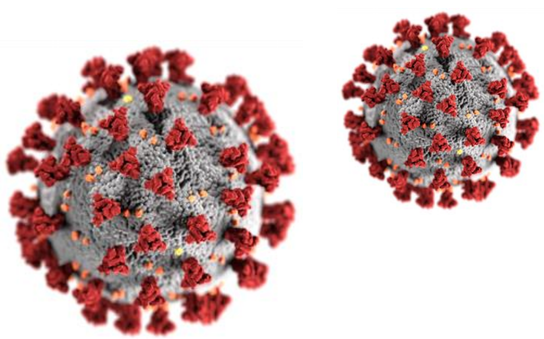
	Q2 FY21 PBT	Non-cash and other / Cash Tax	Cash profit after tax	Investment spending	Working capital	Free cash flow*
B/(W) Q1 FY21	478	(126)	352	17	1,664	2,033
B/(W) Q2 FY20	(91)	(330)	(421)	310	617	506

* FCF metrics revised in Q2 FY 21. See appendix for further details

Business Update

Significant geopolitical & regulatory risks remain

Despite continuing signs of recovery and stabilisation



Impact of Covid-19

Brexit: Trade agreement uncertainty remains

US presidential transition

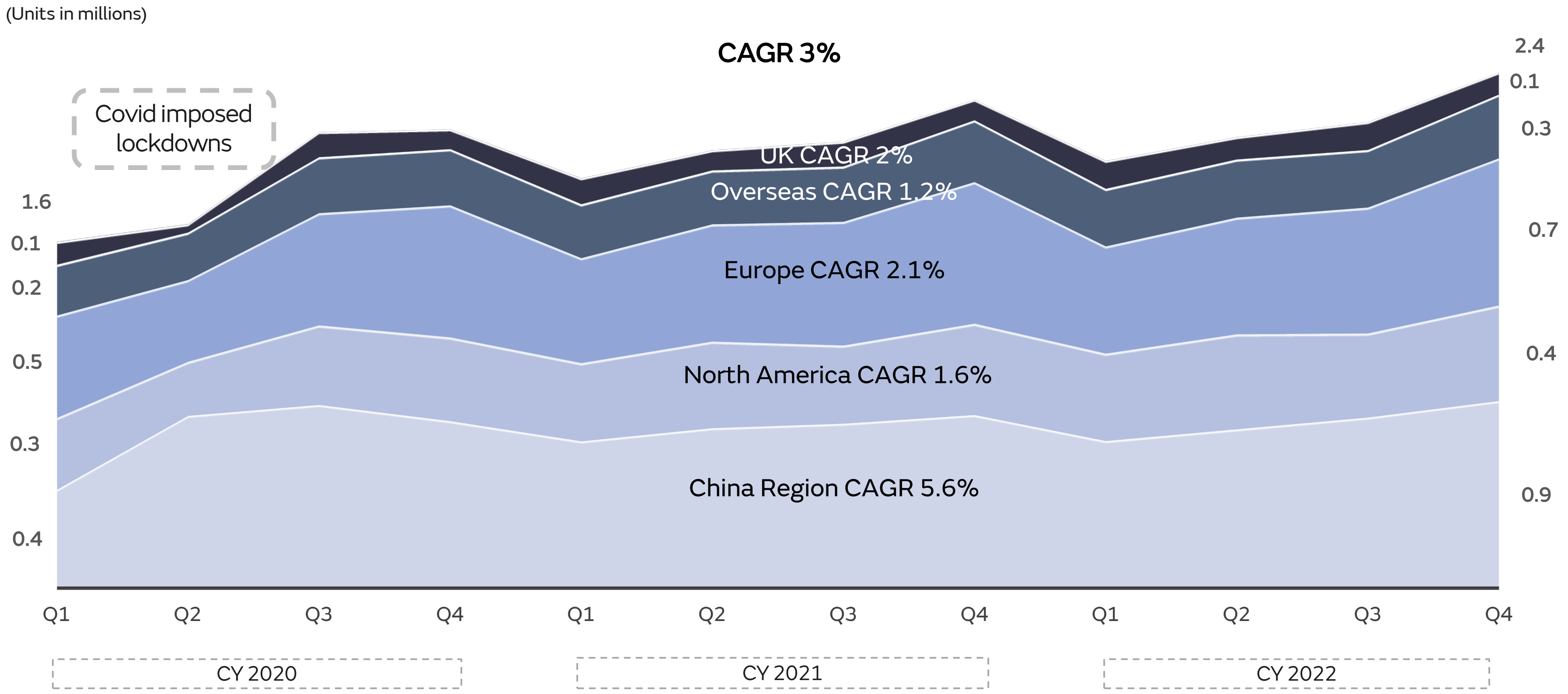
Slow economic recovery with possible recessions

Trade tensions impact global economic recovery

Emissions compliance

IHS industry volumes – JLR specific segments

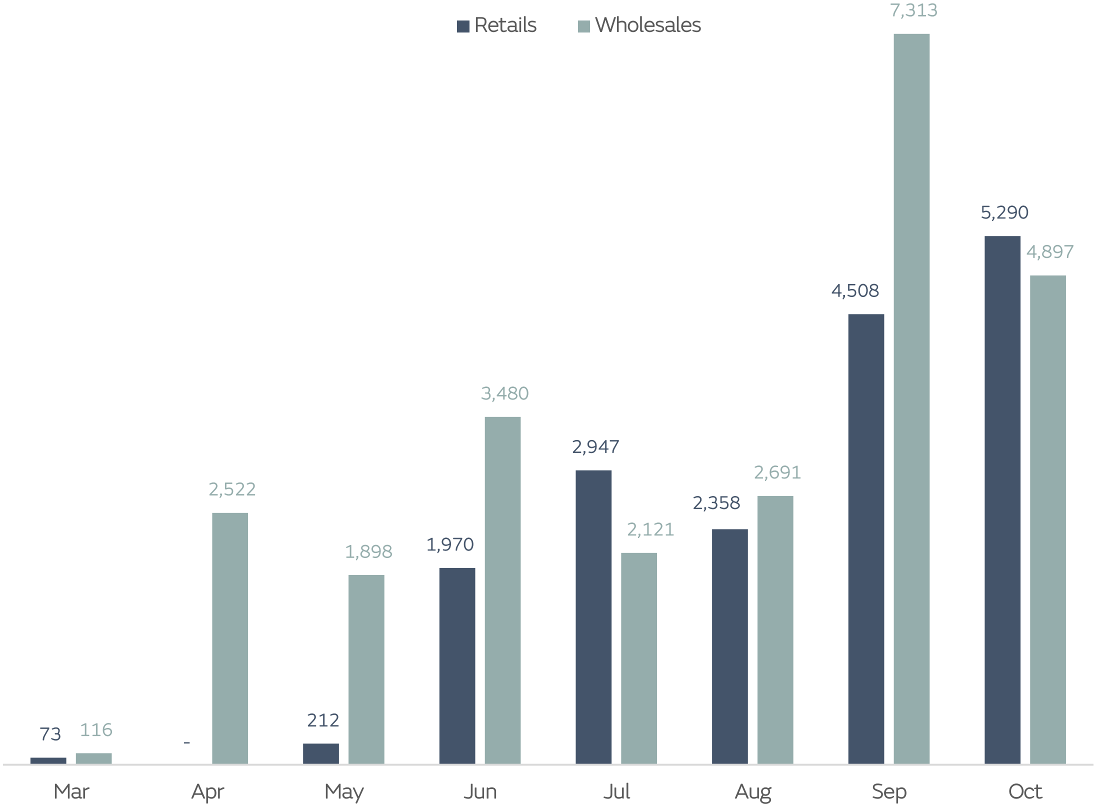
Continue to expect gradual recovery



Source: IHS November 2020

Land Rover Defender is Top Gear Car of the Year

Sales building; short wheel-base model now available to order



New 21MY E-PACE, Velar, F-PACE and Discovery

Electrified options and significant infotainment upgrades

New Jaguar E-PACE

Upgraded Range Rover Velar

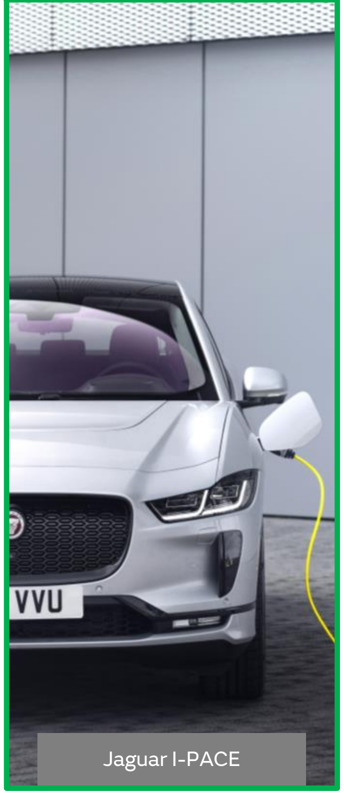
New Jaguar F-PACE

Upgraded Land Rover Discovery

Significant electrification expansion in FY21

12 of 13 nameplates electrified this year

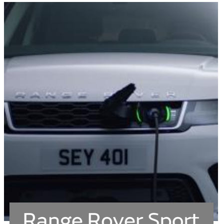
Battery electric (BEV)



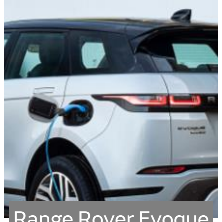
Jaguar I-PACE

Plug-in Hybrid (PHEV)

Range Rover



Range Rover Sport


Range Rover Evoque


Discovery Sport


Defender


F-PACE


Range Rover Velar


Jaguar E-PACE

Mild Hybrid (MHEV)

Range Rover

Range Rover Sport


Range Rover Evoque

Discovery Sport

Defender


F-PACE


Range Rover Velar

Jaguar XF

Jaguar XE

Jaguar E-PACE

Discovery

JLR electrification plans to support CO_2 compliance

Covid and launch timings may lead to fines in 2020

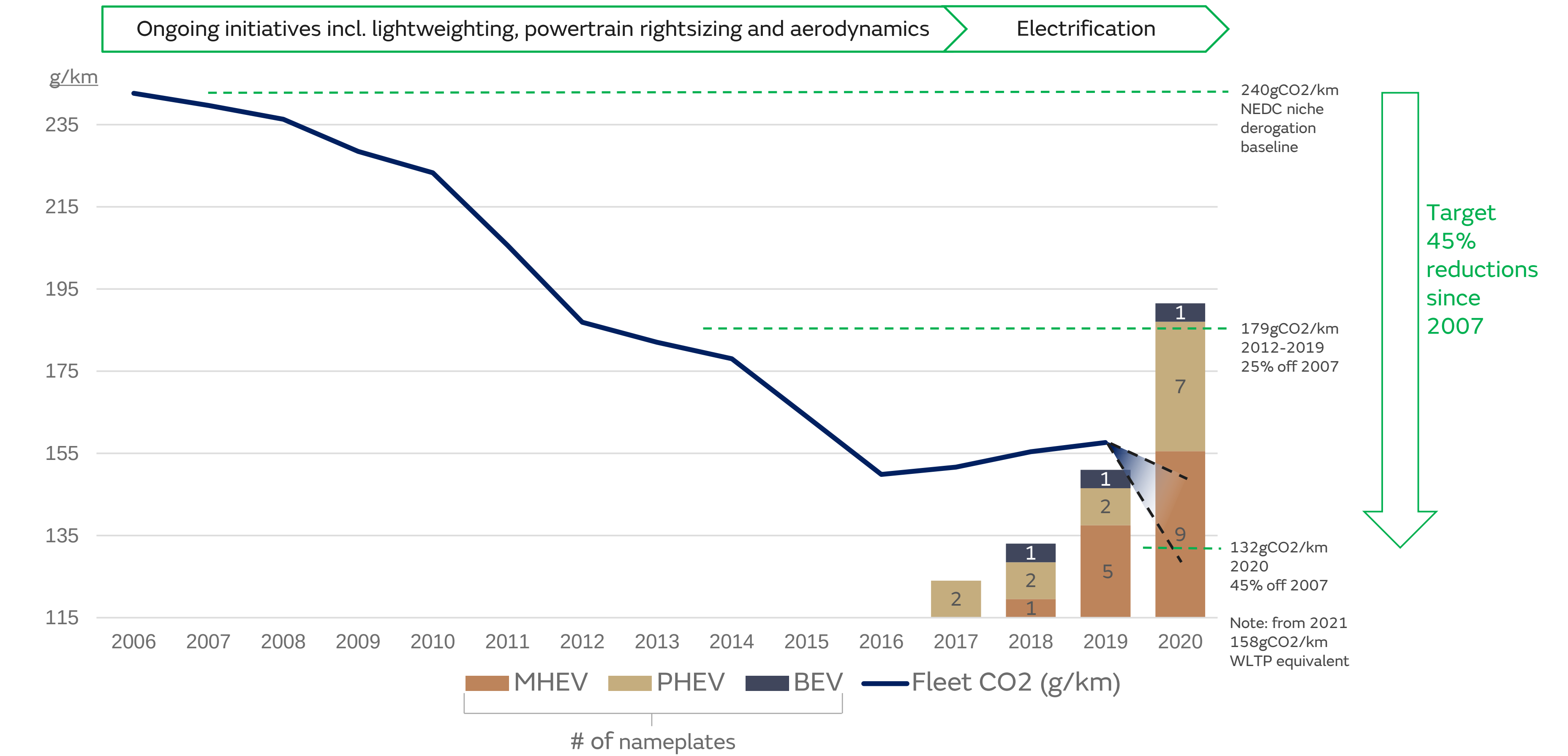
	Status 2019	Target 2020	Target 2021
EU / UK	EU28 (NEDC) **178 CO2g/km target** 158 CO2g/km status	EU28 transition to new NEDC target **132 CO2g/km** As a result of Covid sales impacts and PHEV, MHEV timing changes, JLR has reserved £90m at Q2 for potential EU CO_2 fines. Full year provision is expected to reduce with increased BEV, PHEV and MHEV deliveries.	EU27 (WLTP) **159 CO2g/km** UK1 (WLTP) **158 CO2g/km**
US	EPA GhG **274 CO2g/mile target** 282 CO2g/mile status	EPA GhG **263 CO2g/mile**	EPA GhG **253 CO2g/mile**
China	CAFC **6.7 L/100km target** 7.3 L/100km status	CAFC **6.9 L/100km**	CAFC **7.7 L/100km**

Notes:

- 2019 provisional. Most recent published data is for 2018 which confirmed compliance
- Forecast compliance will depend on JLR portfolio model mix and launch timings, market performance, Covid impact and applicable regulations
- US/China compliance supported by credit purchase and carry forward / back (c. £10m expected for each market in each of 2019 , 2020 and 2021)

Fleet CO_2 emissions down ~45% since 2007

Enabled by additional electrified models



Brexit planning

JLR Base case is UK-EU FTA (Deal); but ready for WTO (No Deal)

Deal

Base case sees Canada-style 'Deal' with tariffs on UK/EU trade avoided, but tariff exposure for EU exports to EU FTA markets. Customs declarations

No Deal

Threat of Australia-style 'No Deal' remains, with tariffs on UK-EU trade as key differentiator vs. 'Deal'

Many operational implications are common to both outcomes

- Increased customs declarations, administration and compliance in both deal and no deal scenarios
- Potential border delays could disrupt supply chain and the export of finished vehicles in the short-term during transition

Operational mitigations for both outcomes

- Potential additional 1 day production stock (EU stock at UK plants and UK stock at Slovakia), and 2 weeks of aftermarket parts buffer stock
- Resourcing for additional customs processes, and IT solutions in place, with JLR Supplier readiness programme in operation
- Assume recovery of lost volumes due to potential border disruption
- Intensive preparations in Q3: Brexit steering committee, dialogue with Government and partners to secure 'Deal' but prioritise 'No Deal' planning

Primary tariff implications	Deal	No Deal
Tariffs on UK / EU sales, assumed 10% of transfer price on c. 20% of sales	No	Yes
Tariffs on UK / EU parts purchases, assumed 4% average, with c. 80% recovery from vehicle exports	No	Yes
Loss of preferential tariff rates available under existing EU trade agreements with 3rd countries [1]	Yes	Yes

Tariff Mitigations

- Weaker pound in 'No Deal' outcome expected to significantly offset tariff cost, net of hedging initially
- Recover through pricing and mix to extent possible
- UK sales benefit from tariffs on competitor imports
- Potential future trade agreements to reduce tariffs

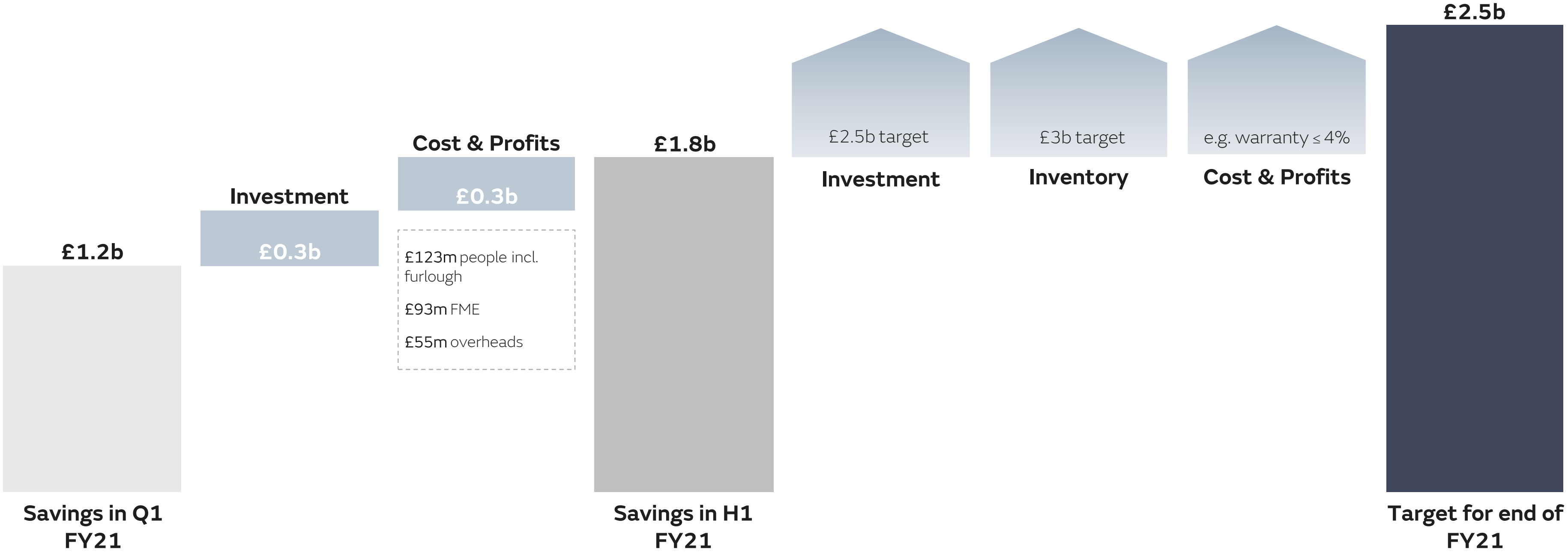
[1] *For Sales from EU: South Korea, South Africa, Mexico, Colombia.* *For sales from UK: Mexico, Turkey still to be agreed*

Charge+ savings £0.6b in Q2, £1.8b YTD

On-track to exceed £2.5b target savings in FY21

Q2 FY21 progress of £0.6b. H1 FY21 savings £1.8b

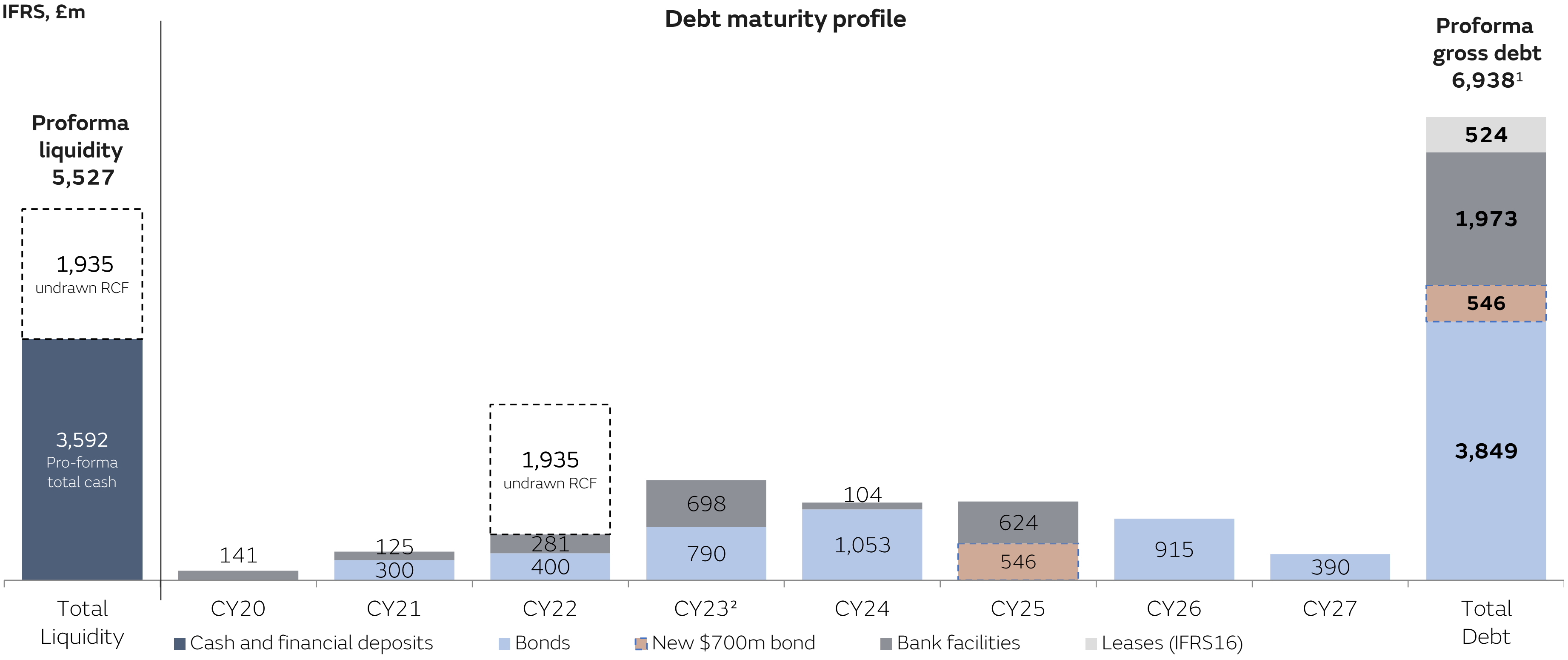
£0.7b to deliver in H2 FY21 to achieve £2.5b FY21 target



FUNDING AND OUTLOOK

£5.5b proforma liquidity at end September

After $700m bond issued in October



[1] Includes £45m comprising £41m Fair Value adjustment, and £38m of other debt, partially offset by £34m of capitalised fees
[2] Includes RMB 5b 3-year syndicated revolving loan facility, subject to annual confirmatory review

Outlook

Expect sales and financial performance to improve in H2 FY21

2nd half FY21

Improving vs H1:

- Sales volumes & revenue
- Profits
- Cash flow

Q3 FY21

- On-track with 2nd half guidance
- Modest impact on sales from 2nd lockdown in Nov

Fiscal 2022

Targeting:

- Improved sales & profit
- Positive free cash flow
- Lower net debt

Product portfolio

- Launch new products
- Expand electrification

CHARGE+

Targeting:

- £2.5b savings in FY21
- £2.5b investment

Risks remain

- Covid
- Economy
- Brexit & US gov't transition
- Electrification & emissions

Thank you

Adrian Mardell

Chief Financial Officer, Jaguar Land Rover

Bennett Birgbauer

Treasurer, Jaguar Land Rover

Jaguar Land Rover Investor Relations

investor@jaguarlandrover.com

Jaguar Land Rover

Abbey Road, Whitley, Coventry
CV3 4LF

Jaguarlandrover.com

ADDITIONAL SLIDES

Change in Alternative Performance Measures

For improved transparency and comparability

JLR has performed a review of its Alternative Performance Metrics (APMs), including benchmarking against peer companies and its parent company TML. The main changes being to :

- Update its 'Free Cash Flow' metric to exclude FX revaluation on cash
- Update its 'EBITDA' and 'EBIT' metrics to exclude FX revaluation on cash and other assets and liabilities, consistent with the FCF definition and aligning treatment of all balance sheet FX revaluation.

The changes summarised below and restatements shown on following page:

Item	Change
FX on cash, current assets and liabilities	To exclude from FCF, EBITDA and EBIT Previously FX revaluation of cash is included in FCF and of cash, current assets and liabilities in EBITDA and EBIT. This change will ensure consistent treatment with all balance sheet FX revaluation excluded from FCF, EBITDA and EBIT.
Financial Investments <20%	To exclude from FCF Previously included, but now to exclude since reflecting such investments are financial rather than core, e.g. relatively immaterial InMotion investments, or exceptional such as minority investment in Lyft
Restricted Deposits	To exclude from FCF Previously included, but now to exclude given we retain legal title
Non-automotive investments	To exclude from FCF currently not applicable to JLR, but consistent with benchmarking

Change in Alternative Performance Measures

Financial reporting impact & restatements

	Q2 FY21	Q1 FY21	FY20	FY19
Free cash flow (previously reported)	397 [1]	(1,512)	(702)	(1,265)
Exclude:				
FX gain/loss on cash & deposits	59	(26)	(72)	(44)
Movement in restricted cash	7	(10)	4	(1)
Purchases of other investments	-	-	11	14
Proceeds from sale of other investments	-	(22)	-	-
Free cash flow (restated)	463	(1,570)	(759)	(1,296)
EBITDA (previously reported)	466 [1]	101	2,000	1,981
Exclude:				
FX gain/loss on balance sheet revaluation	15	1	50	13
EBITDA (restated)	481	102	2,050	1,994
EBIT (previously reported)	(2) [1]	(390)	(24)	(180)
EBIT (restated)	13	(389)	26	(167)
EBITDA % (previously reported)	10.7% [1]	3.5%	8.7%	8.2%
EBITDA % (restated)	11.1%	3.6%	8.9%	8.2%
EBIT % (previously reported)	0.0% [1]	-13.6%	(0.1)%	(0.7)%
EBIT % (restated)	0.3%	-13.6%	0.1%	(0.7)%

[1] change effected in Q2 FY21 so nothing 'previously reported' but values shown for comparison

Q2 FY21

Improved results – PBT £65m

Lower post-Covid sales offset by cost savings and FX

IFRS, £m

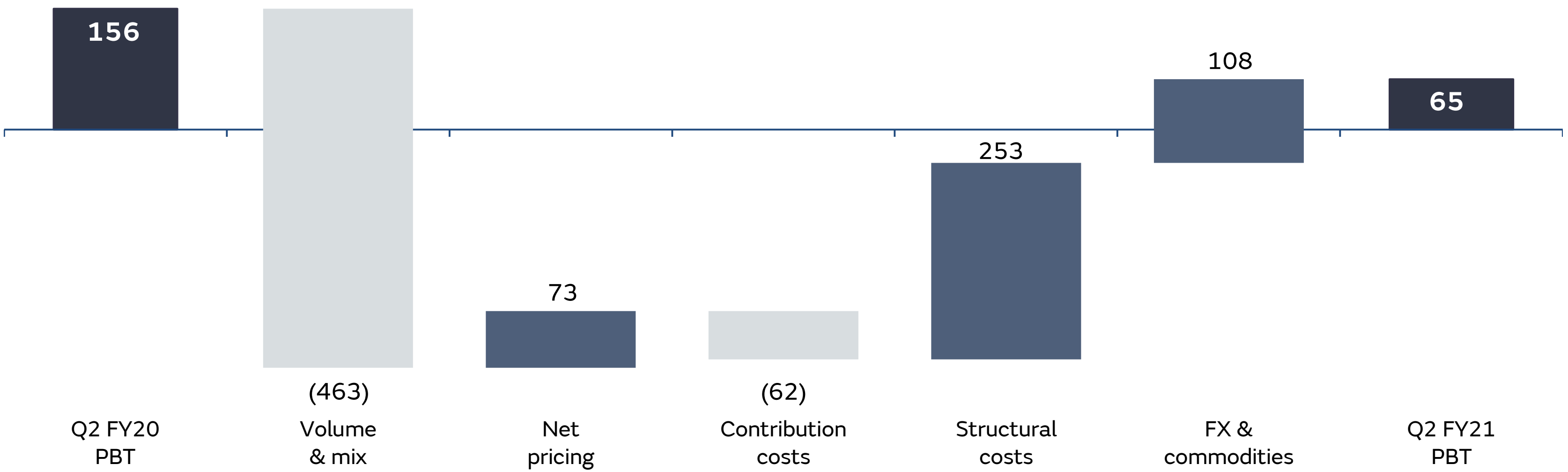
- ⬇ Volume (484)
- ⬆ China JV 57

- ⬆ VME (5.9% to 3.8%) inc. US residual 64

- ⬇ Warranty (25)
- ⬇ Material cost (39)

- ⬆ FME & selling 113
- ⬆ Furlough 55
- ⬆ Labour/overhead 68

- ⬇ Realised FX (49)
- ⬆ Reval 157



	Q1 FY21 PBT	Volume & mix	Net pricing	Contribution costs	Structural costs	FX & commodities	Q2 FY21 PBT
PBT QoQ	(413)	331	147	31	(70)	39	65

EBIT Margin*		Q2 FY20	Volume & mix / Net pricing	Contribution costs	Structural costs	FX & commodities	Q2 FY21
	YoY	**4.5%**	(7.2)%	(1.5)%	5.6%	(1.1)%	**0.3%**
	QoQ	**(13.6)%**	15.6%	0.8%	(1.4)%	(1.1)%	**0.3%**

* EBIT margin presented for all periods using the revised definition of EBIT. See "Change in Alternative Performance Measures" slides for further details.

Q2 FY21

China JV: Improving operating performance

Profit breakeven on better sales

(presented on 100% basis)	YoY			QoQ		
IFRS, £m	**Q2 FY21**	**Q2 FY20**	**Change**	**Q2 FY21**	**Q1 FY21**	**Change**
Retail volumes ('000 units)	16.0	14.5	1.5	16.0	14.1	1.9
Wholesale volumes ('000 units)	17.9	13.4	4.6	17.9	16.5	1.4
Revenues	502	332	170	502	479	23
Profit / (Loss) - before tax	2	(109)	111	2	(3)	5
- after tax	1	(82)	83	1	1	-
EBITDA Margin	10.8%	(15.1)%	25.8%	10.8%	9.8%	1.0%
EBIT Margin	1.0%	(32.2)%	33.2%	1.0%	0.4%	0.6%

All numbers presented on 100% basis, noting JLR 50% share.