JAGUAR LAND ROVER INVESTOR DAY

Jaguar Land Rover Classic Works
Wednesday 5th June 2019
WELCOME

JLR INVESTOR DAY

Ben Birgbauer
Group Treasurer
# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:35 – 10:05</td>
<td>JLR vision for the future</td>
<td>Prof. Dr. Ralf Speth – Chief Executive Officer</td>
</tr>
<tr>
<td>10:05 – 10:35</td>
<td>Sales environment and commercial strategy</td>
<td>Felix Bräutigam - Chief Commercial Officer</td>
</tr>
<tr>
<td>10:35 – 10:50</td>
<td>China market focus</td>
<td>Qing Pan – Executive Director, Jaguar Land Rover China</td>
</tr>
<tr>
<td>10:50 – 11:20</td>
<td>Project Charge and Accelerate</td>
<td>Adrian Mardell – Chief Financial Officer</td>
</tr>
<tr>
<td>11:20 – 11:35</td>
<td>Refreshment break</td>
<td></td>
</tr>
<tr>
<td>11:35 – 11:50</td>
<td>Product Engineering transformation for a sustainable future</td>
<td>Nick Rogers – Executive Director, Product Engineering</td>
</tr>
<tr>
<td>11:50 – 12:05</td>
<td>Financial outlook</td>
<td>Adrian Mardell – Chief Financial Officer</td>
</tr>
<tr>
<td>12:05 – 13:05</td>
<td>Q&amp;A with the Board of Management</td>
<td></td>
</tr>
<tr>
<td>13:05 – 13:50</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>13:50 – 14:20</td>
<td>Future proofing JLR – design</td>
<td>Ian Callum – Director of Design, Jaguar Gerry McGovern – Land Rover Chief Design Officer</td>
</tr>
<tr>
<td>14:20 – 16:15</td>
<td>Design, SVO and JLR Classics tours</td>
<td></td>
</tr>
<tr>
<td>16:15</td>
<td>Guest departure</td>
<td></td>
</tr>
</tbody>
</table>
Welcome to Jaguar Land Rover Classic, showcasing our rich history

We will focus on Jaguar Land Rover today and our exciting future
1 Jaguar Land Rover today

2 Our future
A tough environment
Difficult times given geopolitical, regulatory and technology change

<table>
<thead>
<tr>
<th>Geopolitical</th>
<th>Regulatory</th>
<th>Technological</th>
</tr>
</thead>
<tbody>
<tr>
<td>China economy</td>
<td>Diesel</td>
<td>From ICE...</td>
</tr>
<tr>
<td>Trade tensions</td>
<td>City Emissions Restrictions</td>
<td>...to ACES</td>
</tr>
</tbody>
</table>
Jaguar Land Rover challenges
We recognise, and are focused on, the challenges we face

We understand the significant challenges we face

- China
- Cost base
- Scale
- Portfolio
- Quality
- CO₂

We know they are impacting our performance

- Jaguar Land Rover takes £5.1bn hit as demand stalls
- Chinese slowdown sends Jaguar Land Rover to record £3.6bn loss
- Jaguar Land Rover to cut 4,500 jobs

We will explain the actions we are taking

- Our Vision & Strategy
- Our Sales Improvement
- Our Products
- Our Innovation
- Our Transformation
Growth track record
We’ve achieved significant growth since the Tata acquisition

**Revenue (£ Billions)**

**Retail Volume**
Our foundation is strong
Two iconic premium brands

<table>
<thead>
<tr>
<th>SPORTS TYPE</th>
<th>LIFESTYLE PACE</th>
<th>LUXURY X</th>
<th>REFINEMENT RANGE ROVER</th>
<th>VERSATILITY DISCOVERY</th>
<th>DURABILITY DEFENDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAGUAR</td>
<td>XJ</td>
<td>XE</td>
<td>RANGE ROVER</td>
<td>DISCOVERY</td>
<td>NEW DEFENDER</td>
</tr>
<tr>
<td>I-PACE</td>
<td>XF SPORTBRAKE</td>
<td>XF + XFL</td>
<td>RANGE ROVER SPORT</td>
<td>DISCOVERY SPORT</td>
<td></td>
</tr>
<tr>
<td>F-TYPE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-PACE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-TYPE CONVERTIBLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-PACE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REFRESHED XE + XEL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALL-NEW EVOQUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NEW DEFENDER
To be revealed this year
Recent launches
FY20 is a major year

July -18
I-PACE

Feb -19
New Evoque

Apr - 19
i6 launch

Mar -19
XE Refresh

Aug-19
Discovery Sport Refresh
Jaguar I-PACE
Record award winner
Range Rover Hybrids
Launched with refreshed Range Rover and Range Rover Sport
New Range Rover Evoque
New version of Range Rover’s best-seller
Jaguar XE and Discovery Sport
Significant mid-cycle refreshes
New Defender
Launch of the icon later in 2019
Global footprint
Expanded with Nitra, Slovakia facility now operational
Powertrain investment
Protecting for a flexible future with ICE and batteries

Engines + EDUs + Batteries

Wolverhampton Engine Manufacturing Centre
Hams Hall battery assembly site
Engineering expansion
Developing our global presence and collaborating

- Manchester, Gaydon, Whitley, Warwick - UK
  Multiple Engineering Facilities

- Budapest - Hungary
  Commodity Engineering

- Pune - India
  Hardware & Software Validation

- Shanghai - China
  Commodity Engineering and Localisation

- Portland - USA
  Software Architecture & System Engineering

- Shannon - Ireland
  Software Engineering
1 Jaguar Land Rover today

2 Our future
Automotive Change
Facing an unprecedented pace of change

AUTONOMOUS  CONNECTED  ELECTRIC  SHARED
New Blueprint for Success
Simpler, clearer and more focused
Our Vision
Destination Zero

DESTINATION ZERO
OUR RESPONSIBLE FUTURE

Zero Accidents, Zero Emissions, Zero Congestion
Our priorities
Clear focus on what is important this year

Defender
Successfully launch Defender

MLA
Implement flexible architecture

China
Turn around China performance

Charge
Drive sustained Charge benefits

Accelerate
Deliver fundamental transformation

MLA = Modular Longitudinal Architecture
<table>
<thead>
<tr>
<th>Year</th>
<th>Nameplates</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>13</td>
</tr>
<tr>
<td>FY20</td>
<td>14</td>
</tr>
<tr>
<td>FY21-22</td>
<td>16</td>
</tr>
</tbody>
</table>
Electrification
Our journey towards Destination Zero

- **2014**: Range Rover and Range Rover Sport Diesel Hybrids
- **2017**: Range Rover and Range Rover Sport PHEVs
- **2018**: BEV and/or hybrids on all new and replacement models with I-PACE in 2018 and Evoque hybrids in 2019
- **2019**: BEVs/hybrids available on all JLR models
- **From 2020**:
Increase in investment efficiency
Protecting core vehicle programs

Focusing on core portfolio
Cut niche & non-product spend
(e.g. Evoque convertible)
(e.g. Range Rover SV Coupe)

Reducing powertrain complexity
Simplified offering
(e.g. >50% certification reductions)
(e.g. no V6 in Jaguar XE/XF)

Collaborating innovatively
Relationships for efficiency
(e.g. Waymo & I-PACE)
(e.g. BMW & EDUs)
Further collaboration
Working together to bring ACES to life
Conclusions

- Two iconic brands
- Outstanding products
- Clear vision and plans
- Transformation underway
- Passionate team
- Committed parent
Invictus
Courage and spirit

I am the master of my fate,
I am the captain of my soul

William Ernest Henley,
Invictus - 1875
SALES ENVIRONMENT AND COMMERCIAL STRATEGY
JLR INVESTOR DAY

Felix Bräutigam
Chief Commercial Officer
Agenda

1. Sales Environment
2. Commercial Strategy
EXTERNAL CHALLENGES PERSIST
Industry growth slowing down and exposure to volatility globally

Automotive Industry Volume Trends

<table>
<thead>
<tr>
<th>Country</th>
<th>17/18 vs. 18/19 Fiscal YoY Variance – TIV</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>-10.2</td>
</tr>
<tr>
<td>Overseas Top 5 Markets</td>
<td>-3.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-2.9</td>
</tr>
<tr>
<td>Europe</td>
<td>-2.5</td>
</tr>
<tr>
<td>North America</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Source: MarketInsight Actuals

Volatility is the new Normality

Chinese Economy | Brexit | Trade Tensions
Slow down | Deal/No Deal | Tariffs

Environmental Challenges

ACES: Unprecedented pace of change

Autonomous | Connected | Electric | Shared
MACRO RISKS

Downturn (?)

- High incentives
  Example: CFTP (35)%
- Strong SUV demand
- YOY share +2.3% (No 1)
- Rising incentives
  Example: CFTP (27)%
- Brexit
- Diesel uncertainty
- YOY share +13.4% (No 1)
- Slowing economy
- CO₂ / WLTP taxes
- Diesel mix 2015 2019
  60% 43%
  IHS MarketInsight, Diesel
- YOY share +1.8% (No 3)

- Continued macro headwinds
- Lower consumer confidence
- Price deterioration
- ‘Premiumisation’ expected to continue
- Australia expected to soften
- South Korea slow
- India, fastest growing economy
- YOY share +5.1% (No 3)

YOY share = JLR vs. Competitor % Segment Share YOY (FYTD Mar 19)
IHS MarketInsight
GROWN TO A 600,000 CAR COMPANY
Unprecedented headwinds in FY18 and FY19

Total Jaguar Land Rover Volumes

(Units in 1,000)
SEGMENT GROWTH BY REGION

Premium Segment growth expected to continue

CAGR 2.4%

UK CAGR 4.3%
Overseas CAGR 3.3%
Europe CAGR 1.3%
North America CAGR 1.4%
China Region CAGR 3.3%

(Units in millions)
POWERTRAIN TRENDS

Growth in electric volumes is coming, but volatile

Source: IHS Global Production Forecast Apr 2019, JLR Segments

OUR FLEXIBLE RESPONSE

Flexible architecture – MLA
2020 all models electrified
I-PACE = innovation
I-PACE eTrophy, Formula-E

Drivers
- Legislation
- Incentives
- Infrastructure
- Acceptance
Agenda

1. Sales Environment

2. Commercial Strategy
COMMERCIAL STRATEGY
Responding to Challenges

Challenges
- Macro Risks
- ACES
- New Blueprint

Strategic Answers
- Drive Market Exploitation
- Seize ACES
- Professional and Profitable Retailers
- Experiences Customers Love
- Brand Value and High Profit
- One Global Commercial Team

Commercial Strategy
- New Opportunities
- Performance Excellence
- Franchise Attractiveness
- People Excellence

Customer Excitement → Value
LAND ROVER BRAND STRUCTURE
Systematic brand building and powertrain expansion

Design & Capability

FY20

4 nameplates

RANGE ROVER
Refrinement

LUXURY

DISCOVERY
Versatility

LEISURE

DEFENDER
Durability

DUAL PURPOSE

FUTURE

1 nameplate
JAGUAR BRAND STRUCTURE
Brand re-focus and powertrain expansion

FUTURE 2019

X
3 nameplates

PACE
3 nameplates

TYPE
1 nameplate

Beauty
Luxury
Excitement
Innovation

LUXURY

LIFESTYLE

SPORTS
JAGUAR LAND ROVER BRAND STRATEGY

Brand distinction and synergies

Brand Distinction

Design
Product attributes
Positioning
Communications

Synergies

Research & Development
Architecture
Manufacturing
Logistics
Network
PRO-ACTIVE COMMUNICATIONS
Owned / earned / paid channel strategy

232 Awards 2018/19
CUSTOMER EXCITEMENT
Experiences customers love for live

ACCESSORIES
TEST DRIVE + ONROAD
EXPERIENCE CENTRE
OFFROAD
FORMULA E
E-TYPE ZERO
I-PACE ETROPHY
BRANDED GOODS
CLASSIC
ICE ACADEMY
SVO
ADVENTURE TRAVEL
CUSTOMER JOURNEY
Data driven, targeted sales funnel management

1. Consider
2. Explore
3. Select
4. Purchase

TARGETED AND PERSONALISED OMNI CHANNEL COMMS
NUTURE AND CONVERT

PERSONALISATION ENGINE
ANALYTICS LAYER
CUSTOMER DATA
INTEGRATION LAYER
ACTIVATION LAYER

MANAGED DATA, SYSTEMS AND TOOLS
SEAMLESS END TO END CUSTOMER EXPERIENCE

CRM@RETAIL
CRM@JLR
RETAILER PORTAL
RETAILER MANAGEMENT SYSTEM

JAGUAR.COM
LANDROVER.COM
MY JAGUAR
MY LANDROVER
SOCIAL CHANNELS
PAID MEDIA

5. Ownership
6. Renew
7. Resolve
8. Maintain
9. Enjoy
10. Enjoy
CUSTOMER JOURNEY
Future integrated digital customer journey

PAST
Printed brochures & spec guides
Website with generic content
Physical retail channel only
In-Control account only

PRESENT
Personalised e-Brochure
Owners’ Portal
New car online sales
Single customer ID, but multiple platforms

FUTURE
Personalised journeys: All channels
Owners’ App/Portal: All markets
E-Commerce: All products & services
Single customer ID: All platforms
CUSTOMER EXCITEMENT

Improve the customer experience

Fix:
• customer clock

Excite:
• culture transformation

Enable:
• self-authorisation
• customer / vehicle tracking
• integrated systems
SYSTEMATIC SALES CHANNEL MANAGEMENT
Working with strong, independent retailers

<table>
<thead>
<tr>
<th>Wholesale</th>
<th>Retail</th>
<th>New CI</th>
<th>Our Retail Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global presence today</td>
<td>Retailers globally today</td>
<td>Retailer investment today</td>
<td>Local Market Exploitation</td>
</tr>
<tr>
<td>128 countries</td>
<td>1,600</td>
<td>£3.6bn</td>
<td>▪ New car</td>
</tr>
<tr>
<td>National Sales Companies today</td>
<td></td>
<td></td>
<td>▪ Used car</td>
</tr>
<tr>
<td>23</td>
<td></td>
<td></td>
<td>▪ Customer Service</td>
</tr>
<tr>
<td>Local Offices</td>
<td></td>
<td></td>
<td>Consistent Brands</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td>Integrated Marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Closed-loop Sales Funnel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Seamless Customer Journey</td>
</tr>
</tbody>
</table>

Forecast to grow to 1,730

Planned Investment £8bn

Converted today 750

Roll out completed 2025

Retailer investment today £3.6bn

Local Market Exploitation ▪ New car ▪ Used car ▪ Customer Service

Consistent Brands

Integrated Marketing

Closed-loop Sales Funnel

Seamless Customer Journey
NEW COMMERCIAL STRUCTURE
From traditional pillars to one team

ONE GLOBAL COMMERCIAL TEAM

Customer Experience  Product Marketing  Market Performance  Customer Service  Planning

Regions: 🇺🇸 🇬🇧 🇪🇺 🇨🇳
KEY MESSAGES
In conclusion

Macro Challenges and change ahead

Our answer:

One Global Commercial Strategy
One Commercial Team
Two iconic brands
Professional and passionate network
Experiences customers love for life
THANK YOU
CHINA MARKET FOCUS
JLR INVESTOR DAY

Qing Pan
Executive Director, President – Jaguar Land Rover China
Exceptionally fast growth from FY12 to FY18

Sales down in FY19 due to weak market conditions

Retail sales, '000

<table>
<thead>
<tr>
<th># Retailers</th>
<th>75</th>
<th>98</th>
<th>130</th>
<th>159</th>
<th>190</th>
<th>206</th>
<th>234</th>
<th>249</th>
</tr>
</thead>
</table>

FY19 retail sales volume split by models

- Evoque 7,875
- Discovery Sport 25,832
- E-Pace 1,853
- XEL 10,797
- XFL 11,221
- RR 8,143
- Others 6,755
- Velar 6,926
- RRS 7,253

*Source: IHS + internal data

Exceptionally fast growth from FY12 to FY18

Sales down in FY19 due to weak market conditions

*CAGR 30% driven by import models RR, RRS and Evoque

*CAGR 26% driven by localisation

Decline in FY19 due to macro economic impact (total passenger vehicle sales fell 8.1%) and US/CN trade war

FY19 retail sales volume split by models

Exceptionally fast growth from FY12 to FY18

Sales down in FY19 due to weak market conditions

*CAGR 30% driven by import models RR, RRS and Evoque

*CAGR 26% driven by localisation

Decline in FY19 due to macro economic impact (total passenger vehicle sales fell 8.1%) and US/CN trade war

FY19 retail sales volume split by models

*Source: IHS + internal data

Exceptionally fast growth from FY12 to FY18

Sales down in FY19 due to weak market conditions

*CAGR 30% driven by import models RR, RRS and Evoque

*CAGR 26% driven by localisation

Decline in FY19 due to macro economic impact (total passenger vehicle sales fell 8.1%) and US/CN trade war

FY19 retail sales volume split by models

*Source: IHS + internal data
China market continues to be challenging
Premium market slowing down with high discounting levels

Market slow down and greater premium segment discounts

<table>
<thead>
<tr>
<th>Volume YoY Growth Rate [Insurance]</th>
<th>Premium</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY18</td>
<td>+17.6%</td>
<td>+13.0%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>+5.0%</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>+9.1%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>+3.0%</td>
<td>-20.9%</td>
</tr>
<tr>
<td>Q4 FY19</td>
<td>3.3%</td>
<td>-5.6%</td>
</tr>
</tbody>
</table>

Premium Segment Discounts

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>-12.6%</td>
</tr>
<tr>
<td>Q1</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Q2</td>
<td>-15.5%</td>
</tr>
<tr>
<td>Q3</td>
<td>-15.7%</td>
</tr>
<tr>
<td>Q4</td>
<td>-15.1%</td>
</tr>
</tbody>
</table>

Source: Insurance data; TP flash report

YoY growth by premium segment - CY2019 Jan - Apr

<table>
<thead>
<tr>
<th>Price level</th>
<th>SUV2</th>
<th>Sedan3</th>
<th>SUV3</th>
<th>Sedan4</th>
<th>SUV4</th>
<th>Sedan5</th>
<th>SUV5</th>
</tr>
</thead>
<tbody>
<tr>
<td>+24%</td>
<td></td>
<td></td>
<td></td>
<td>-11%</td>
<td></td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>+11%</td>
<td></td>
<td></td>
<td></td>
<td>+7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-7%</td>
<td></td>
<td></td>
<td></td>
<td>-15%</td>
<td></td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>-14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JLR share</th>
<th>N.A.</th>
<th>1.4%</th>
<th>6.2%</th>
<th>1.4%</th>
<th>9.7%</th>
<th>1.1%</th>
<th>18.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLR volume</td>
<td>N.A.</td>
<td>3,401</td>
<td>11,276</td>
<td>2,553</td>
<td>6,467</td>
<td>307</td>
<td>7,326</td>
</tr>
</tbody>
</table>

Source: Registration data, CY19 Jan - Apr
<table>
<thead>
<tr>
<th>Key challenges</th>
<th>Actions taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market</strong></td>
<td>• Production has been cut and <strong>stock levels reduced</strong></td>
</tr>
<tr>
<td>• Weaker <strong>market conditions</strong> combined with ambitious growth plans resulting in high stock levels, discounting and poor retailer profitability and liquidity</td>
<td>• Retailer targets have been reset to enable network recovery</td>
</tr>
<tr>
<td>• Newer <strong>retailer network</strong> with relative concentration of large retailer groups and tier 3,4,5 cities most impacted by slowdown</td>
<td>• Enhanced <strong>training</strong> to improve retailer capability</td>
</tr>
<tr>
<td><strong>Retailers</strong></td>
<td>• Improved <strong>communication</strong> with retailers, country-wide roadshow</td>
</tr>
<tr>
<td>• Overly complicated <strong>incentive programmes</strong> providing insufficient compensation for retailers</td>
<td>• Step by step and cautious continuous consolidation of <strong>network</strong>, plus implementation of Market Area Strategy</td>
</tr>
<tr>
<td>• Young integrated marketing, sales and service organisation</td>
<td><strong>Org.</strong></td>
</tr>
<tr>
<td><strong>Brand</strong></td>
<td>• Simplified <strong>incentive programmes</strong> and additional compensation</td>
</tr>
<tr>
<td>• Insufficient investment in <strong>brand development</strong> and support relative to competition</td>
<td>• Launched <strong>Project Dragon</strong> to improve process, system, organisation and people capability</td>
</tr>
<tr>
<td></td>
<td><strong>Brand</strong></td>
</tr>
<tr>
<td></td>
<td>• Prioritize resources for brand development and <strong>improve efficiency</strong> through big data analysis by working with external partners</td>
</tr>
</tbody>
</table>
China operational KPIs stabilising

Underlying Operational Performance

- Retail Target achievement improved to above 90% with an improved retailer confidence
- Retailers Return on Sales (RoS) improved with additional cash liquidity enhancement measures
- Local registration improved to 87% with better sales quality
- Retailer stock level reduced to the lowest level since 2017, which helped to balance supply and demand relationship while releasing cash for retailers

<table>
<thead>
<tr>
<th>Retail Target Achievement</th>
<th>Local Registration Rate</th>
<th>Retailers’ Return on Sales (ROS)</th>
<th>Retailers’ Stock level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul'18 62%</td>
<td>Jul'18 81%</td>
<td>Jul'18 2.3 premium avg.</td>
<td>Jul'18 2.3</td>
</tr>
<tr>
<td>END '19 70%</td>
<td>END '19 90%</td>
<td>END '19 1.5</td>
<td>END '19 1.2-1.5</td>
</tr>
</tbody>
</table>
Vision in China – plans for FY20 & 21

China vision to be delivered through achievement in 5 areas

<table>
<thead>
<tr>
<th>Our Formula for Winning – The Commercial Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>New opportunities</td>
</tr>
<tr>
<td>Performance Excellence</td>
</tr>
<tr>
<td>Franchise Attractiveness</td>
</tr>
<tr>
<td>People Excellence</td>
</tr>
</tbody>
</table>

**Strong branding and long term positioning**
- Proactive reputation management
- Further improve brand awareness and brand appeal by digital marketing tools and brand experience centers

**Optimised Product portfolio**
- Launch of new Evoque, Discovery Sport MCF and Defender
- Incorporating China-specific features and hygiene factors

**Captured new business opportunities**
- Piloting mobility services with local partners following global strategy
- PoCs (Proof of Concepts) for data monetization business concepts

**Improved retailer profitability and business attractiveness**
- Focus on people in retail - selection, assessment, training and coaching
- Continually enhancing retailer performance
- Profit coaching by consistent commercial policy

**Efficient and effective organization**
- Supply end to end stock management (allocation, process and system)
- Evolution of the sales and marketing organization

**Sustainable and profitable growth in China**
China will still be the most attractive market
Long-term growth potential substantial in China

**Overall Demands for Cars in China**

- **China’s automotive car park**
  - [Million units]
  - 2013: 130
  - 2014: 150
  - 2015: 160
  - 2016: 190
  - 2017: 210
  - Potential: 210

- **Cars per 1,000 people in 2017**
  - [units]
  - China: 870
  - Denmark: 611
  - Japan: 711
  - UK: 599
  - Germany: 599
  - France: 599
  - Italy: 513
  - US: 513

**PV Market Forecast [per JLR brand category]**

<table>
<thead>
<tr>
<th>JLR brand category</th>
<th>2018 Sales ('000)</th>
<th>2018 # of brands</th>
<th>2025 forecast ('000)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super premium</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Core premium</td>
<td>2,868</td>
<td>15</td>
<td>3,897</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Near premium</td>
<td>2,941</td>
<td>5</td>
<td>3,329</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Core non-premium</td>
<td>9,017</td>
<td>29</td>
<td>11,183</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Low Cost</td>
<td>8,354</td>
<td>52</td>
<td>11,113</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Total</td>
<td>23,186</td>
<td>&gt;100</td>
<td>Thereof &gt;60 local OEM's</td>
<td>29,530</td>
</tr>
</tbody>
</table>

- Based on developed countries motorization rates, China’s car parc may increase to 600-800 million cars
- Creating an annual demand of around 3 million total passenger cars
- Even if we assume the premium share would remain around 12%, that translates to a premium demand about 4 million cars annually

- Overall Demands for Cars in China
  - Cars per 1,000 people in 2017
  - China: 870
  - Denmark: 611
  - Japan: 711
  - UK: 599
  - Germany: 599
  - France: 599
  - Italy: 513
  - US: 513

**Source:** IHS forecast Feb2019
China outlook for FY20
Continuing headwinds but opportunity for growth

Challenges
- Lower economic growth forecast and lower industry sales
- Emission standards
- Competition and discounting
- Sophisticated customers
- Dealer group consolidation and retailer performance concerns

Opportunities
- China remains the biggest premium market
- Upside of economic recovery with stimulus and end of trade tensions
- New products – all new Evoque and Defender
- Project Dragon and Charge
- Brand development and pull strategy
Conclusions

People  BEST TALENTS

Organization  EFFECTIVE & EFFICIENT

Technology  LEADING TECHNOLOGY

Purchasing  EXTENSIVE SUPPLIER BASE & GLOBAL SYNERGIES

Production  STATE OF THE ART MANUFACTURING

Sales & Marketing  FULLY DIGITALISED END TO END PLANNING & DELIVERY
Charge has 3 main objectives...

1. Stabilize cash position
   - Working Capital Changes (e.g. Inventory)
   - Investment optimisation

2. Right-size structural cost
   - Organisation restructuring
   - Non-people Overheads cost reduction
   - Non-Production Purchasing efficiencies
   - Marketing spend rationalization
   - Manufacturing spend efficiencies

3. Improve variable profit
   - Material cost improvements
   - Product Tiger Teams – Design to value
   - Net Vehicle Revenue efficiencies

...with targeted workstreams against each

£2.5B+

FY19 and FY20 impact
The Charge methodology has four key underlying principles

Rigour in evaluation
Line-by-line scrutiny of spend
Nothing "out of scope" until business case proven

Depth of analytics
Data-driven approach; "lead with the facts"
Heavy analytics underpinning all initiatives

Speed to action
Dedicated x-functional team across 10 workstreams
Rapid progression of hundreds of initiatives with near-term savings

Decision focus
Steering Committee with JLR and TML Board members E2Weeks
40+ Board Level decisions made
<table>
<thead>
<tr>
<th>Area</th>
<th>Target £b</th>
<th>FY19 £b</th>
<th>% Complete</th>
<th>FY20 (Bal; £b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>1.0</td>
<td>0.7</td>
<td>70%</td>
<td>&gt;0.3</td>
</tr>
<tr>
<td>Working Capital</td>
<td>0.5</td>
<td>0.4</td>
<td>80%</td>
<td>&gt;0.1</td>
</tr>
<tr>
<td>Cost &amp; Profits</td>
<td>1.0</td>
<td>0.2</td>
<td>20%</td>
<td>0.8</td>
</tr>
<tr>
<td>Total Cash</td>
<td>2.5</td>
<td>1.3</td>
<td>50%</td>
<td>1.2</td>
</tr>
</tbody>
</table>
Investment: Target has been exceeded in FY19 and on-track to be achieved in FY20; we are now going even further

Investment: No project "out of scope"

Four key criteria used for a rigorous line-by-line review of all investment spend
- Compliance
- Financial Return
- Safeguarding core business
- Strategic growth

The workstream improved cash forecasting and transformed the way we work
- More accurate capital cash forecasting now instilled
- Capital budget-owners have been given the tools and support to improve their cash forecasting
- Enabled scrutiny of spend at a deeper level of granularity, supported by availability of better data

Summary of Investment saves
The Investment Savings since Charge began are shown below

<table>
<thead>
<tr>
<th>FY19 Actual</th>
<th>FY20 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5B</td>
<td>4.5B</td>
</tr>
<tr>
<td>3.8B</td>
<td>3.8B</td>
</tr>
</tbody>
</table>

£4B target exceeded in FY19 and on-track in FY20

FY19 target exceeded and FY20 target on-track to be achieved; The next goal is to achieve even more FY20 investment savings
**Investment: Rigorous review methodology that evaluates investment spend of all projects at JLR**

All projects with spend in FY19 and FY20

- Can cash be saved in short term by deleting or deferring project?
  - NO: Continue subject to review*
  - YES: Financial return

  Does the project deliver cash payback within 12 months?
  - NO: Delete or defer
  - YES: Safeguard core business

  Will there be a cash or financial impact to the business if this investment is not continued?
  - NO: Delete or defer after considering cycle plan implications
  - YES: Strategic growth

  What evidence is there that the window of opportunity will close in 12m unless continued?
  - NO: Delete or defer
  - YES: Continue subject to review*

*Continued projects to be reviewed for cost savings opportunities

100+
Live and future vehicle programmes reviewed

500+
Lines of non-prod spend reviewed
Lean inventory: Targeting £100M incremental inventory reduction in FY20 after substantial progress in FY19

£800M Inventory reduction since start of Charge
£150M reduction v.s. end of FY18

Key sources of progress:
- Clearing aged vehicles, driven by VIN level tracking and intervention for global inventory
- Rapidly adjust production levels (e.g., via plant shutdowns) in line with volume drops
- Improving retail forecast accuracy through advanced forecasting analytics

How we plan to go further
In FY20, we will continue to drive sustainable improvements, offsetting new nameplate introductions:
- Controlled inventory mix to optimise in-market stock
- Reduction of lead times through port stock efficiencies
- Analytically driven stock targets at each stage of the supply chain and end to end tracking of actuals
- Launch of a new governance forum responsible for end to end management of global inventories

Underpinned by advanced analytics and state-of-the-art tools
£1B
Cost and profit

Target to achieve

Plans to deliver £1B cost & profit target

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

£400M annualized steady state impact from redundancy program
  • On track for timely completion
  • Focus on sustaining benefits

£250M+ FY20 material cost improvements targeted, including:
  • £25M savings identified from Tiger Teams
  • £150M other high confidence FY20 initiatives in-flight

£200M+ FY20 targeted across other cost & profit levers, including:
  • Non-people overheads
  • Other variable profit levers
People and Org: We are becoming a leaner, fitter organisation

Status

On track to achieve org restructuring targets

6K
leaving the business in FY19 and FY20

~£400M annualized steady state savings

<10%
Targeted FY20 people cost as % of revenue

Down from 11%+
Rigour and heavy analytics...

Example: £120M from rigorous non-people overheads reviews

Line by Line Reviews
• 200+ cross functional management accounts evaluated

Purchasing & Payments Challenges
• 10,000+ lines of spend scrutinised across all functions

Internal & External Benchmarking
• Auto and cross-industry expertise applied to inform approach

Data-driven board-level decisions
• E.g. Infrastructure consolidation, Travel policy change, cancelling Geneva Motor Show appearance

...to improve cost and profit

Example: Use advanced analytics to improve mix mgmt. & order control

Opportunity identification
• Prioritised list of opportunities to improve stock turnover speed

Dealer-personalized recommendations
• Option takes and impact on stock turn by derivative

Example: Significant focus on material cost improvements

Material costs reductions
• Heavy analytics to create detailed supplier dossiers
• Structural efficiencies and complexity reduction
Product Tiger Teams: Agile approach that focuses on process speed and empowered decision-making to improve product cost

What are Tiger Teams?

- Cross functional teams set up for defined **product cost reduction** tasks using a new agile methodology

A new way of working

- **25** Member cross-functional core team
- **25** Day-long workshops to date
- **350** Design-to-value ideas considered to date
- **58** Ideas translated into decision and action
- **All** Current Carlines impacted by the Tiger Teams actions
- **£29M** expected FY20 savings; **£300M+** over next 5 years
Charge is already beginning to impact the DNA of the organisation, beyond being a focused programme.
Stabilise cash position

Right-size investment

Optimise structural cost

Improve variable profits

Sustain impact, embed advanced analytics
Accelerate: addressing fundamental challenges

...that will ensure our sustainable and successful future

<table>
<thead>
<tr>
<th>Reduce delays &amp; improve quality</th>
<th>Deliver competitive material cost</th>
<th>Enhance sales performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Optimised resource planning</td>
<td>• “Should Design” &amp; “Should Cost” with benchmarking</td>
<td>• Positioning, pricing and launch approach</td>
</tr>
<tr>
<td>• Drive consistency and commonality within the programme delivery process</td>
<td>• Purchase lifecycle planning, and sourcing</td>
<td>• Customer centric product and feature offerings</td>
</tr>
<tr>
<td>• Step-up risk &amp; change management</td>
<td>• Customer value driven tech standards</td>
<td>• Customer marketing effectiveness</td>
</tr>
<tr>
<td>• Mindset &amp; process discipline</td>
<td>• Make vs Buy</td>
<td>• Customer service and quality perception,</td>
</tr>
<tr>
<td>• Vendor collaboration and quality standards</td>
<td></td>
<td>• Fix right first time - rapid diagnosis and issue resolution</td>
</tr>
</tbody>
</table>

Role and process clarity, business behaviours, and supporting enterprise-wide systems

Diagnose - Develop - Deploy - Institutionalise - Iterate
THANK YOU

Adrian Mardell
Chief Financial Officer
Jaguar Land Rover

JAGUAR LAND ROVER
W/1/26 Abbey Road, Whitley
Coventry CV3 4LF, UK
REFRESHMENT BREAK

JLR INVESTOR DAY

Jaguar Land Rover Classic Works
Wednesday 5th June 2019
PRODUCT ENGINEERING TRANSFORMATION FOR A SUSTAINABLE FUTURE

JLR INVESTOR DAY

Nick Rogers
Executive Director, Product Engineering
Despite a challenging climate, we have engineered and launched pioneering products and propulsion systems.

**Jaguar I-PACE**
- World's first premium SUV BEV
- Received over 65 awards globally, including World Car of the Year

**New Ingenium Engine**
- Six cylinder petrol
- Pioneering hybrid electrification technology

**All New Range Rover Evoque**
- Engineering and technical revolution
- Transformation recognised by media, 5 star NCAP safety

Our pioneering products are our lifeblood.
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
Delivering our promise to drive efficiency in mechanical areas, and grow mechatronics and software capability

- Carefully selected to maintain and grow skills
- Obsessed with streamlining traditional mechanical engineering, optimising prototyping and simulation
- Driving efficiency to self fund and make headroom for growth in software and mechatronics skills

We are transforming our efficiency to reduce cost and improve product quality
We are reskilling our Product Engineering team

Efficient Geometric Control

Networks and Electrical Distribution Systems

Software Engineering and Delivery

Engineering and Development of Electrical Hardware

Thermal and Aerodynamic Engineering

Leveraging Digital Engineering

Systems Engineering

Engineering Structures Efficiently

Technical curiosity is at the heart of our efficiency transformation
The results of our transformation have been recognised by the media

42% reduction in panel gaps  
Body stiffness improves handling and dynamics  
5 star Euro NCAP rating on Evoque

“Land Rover’s key ingredient for making a success of the 2019 Evoque recipe seems to be all-round thoroughness...the enhanced quality is made obvious by tighter panel gaps.”

“It might look similar to the outgoing car, but the new Land Rover Discovery Sport brings a significantly upgraded interior, new mechanicals and hybrid power...”

Embedding an obsession with technical curiosity is improving our costs and efficiency
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
Phase 2 on its way - our Modular Longitudinal Architecture

Flexible, scalable toolkit to transform efficiency and cost in our pioneering products
Flexible architecture with flexible, efficient propulsion systems

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

**Plug-in Hybrid**
50km electric-only range from 13.1kWh battery, plus an Internal Combustion Engine (ICE).

**Battery Electric**
470km electric-only range from 90.2kWh battery.

- **INGENIUM ENGINE**
- **48V BATTERY**
- **DC/DC CONVERTER**
- **BELT-INTEGRATED STARTER GENERATOR (BISG)**

- **INGENIUM ENGINE**
- **DC/AC INVERTER**
- **ON-BOARD CHARGER**
- **ELECTRIC MOTOR**

- **INGENIUM ENGINE**
- **ELECTRIC MOTOR**
- **BATTERY**

**Up to 12% lower CO2**
**Low** particulate emissions

**Up to 70% lower CO2**
**Lower** particulate emissions

**Up to 100% lower CO2**
**Lowest** particulate emissions

Our strategy delivers a fully emissions compliant portfolio.
And we are continuing to engineer clean diesels

Tailpipe Nitrogen Oxides ($NO_x$) are low for all driving styles and use cases

- **Urban**
- **Total**
- **Cold test 0 → 5°C**
- **Hot test 25 → 35°C**

Laboratory test limit = CF = 1

- **Smooth**
- **Aggressive**

3000+ tests on our 19MY vehicles

New Evoque is the first luxury compact SUV to achieve strict RDE2 compliance, ahead of schedule

Testing completed forWLTP 2nd Act certification

In addition to emissions reductions, customers are being rewarded with tax reductions for clean diesels
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
We have listened to, and acted on, customer feedback to improve features and quality

63,000 new car owners voted Jaguar as Brand with Best Features

Voters rated highly:
- Wi-Fi connectivity
- InControl infotainment system
- Remote climate feature

“T like the whole package. It looks great, drives well and the automatic gearbox is superb. The option to change modes is brilliant. Very comfortable and huge space in the boot.”
- Jaguar customer

Positive praise for the quality and features transformation in our new vehicles
Harvesting data, coupled with SOTA, is a key enabler for system performance and quality.

**Software over the Air (SOTA) enables latest technology in every car**

- **Warranty reduction**
- **Predictive servicing**
- **Recall avoidance**
- **Leveraging data analytics**
- **New revenue streams**

**NOW**

- 3 modules SOTA capable

**NEED**

- NEAREST PETROL STATION & FUEL PRICE SERVICE
- REMOTE CLIMATE CONTROL
- VEHICLE STATUS INFO & ‘GUARDIAN MODE’

**NEXT**

- 14 modules SOTA capable

**FUTURE**

- All modules SOTA capable
  - Autonomous process
  - On board diagnostic tester connected to cloud platform
  - Machine-learned Interventions
  - Features over the Air
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
Through Project Charge, Tiger Teams are identifying opportunities to streamline

Streamlining exact customer needs
- Using data analytics for customer trends and business impact
- Analysing industrial footprint to identify efficiencies
- Reducing complexity for optimised customer offering

Child part configuration opportunities
- Reduction in front seat variants
- Reduction in door casings
- Reduction in headliner variants
- Reduction in spring & damper assemblies

Tiger teams – part of Charge
Efficiently optimising customer offering

YoY Investment Saves
The Investment Savings since Charge began are shown below

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 - FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5B</td>
<td>3.8B</td>
<td>4.5B</td>
<td>4B</td>
</tr>
<tr>
<td>Outlook before Charge</td>
<td>Current Outlook</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Embed Approach

Optimising customer offering to increase commonality to streamline our operations
1. Transforming skills and efficient resource

2. Smart, efficient commodities and architectures

3. Improving our quality

4. Reducing our costs

5. Leveraging strategic partnerships

6. Sustainable innovation
Engineering collaborations with global partners to leverage skills, efficiency and technology

Key strategic partnerships help us play a key role in the automotive shared economy
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation
We have leveraged global trends for modern customer needs to innovate clean and sustainable technologies.

<table>
<thead>
<tr>
<th>Sustainable interiors</th>
<th>Health and wellbeing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>53</strong> recycled plastic bottles in Kvadrat seats</td>
<td>Remove <strong>&gt;98%</strong> impurities with Cabin Air Ionisation</td>
</tr>
<tr>
<td><strong>30%</strong> natural wood fibres in Eucalyptus seat fabric</td>
<td>Motion sickness modelling to prevent recurrence</td>
</tr>
</tbody>
</table>

Health and wellbeing is a key focus for our future technologies.
1. Transforming skills and efficient resource
2. Smart, efficient commodities and architectures
3. Improving our quality
4. Reducing our costs
5. Leveraging strategic partnerships
6. Sustainable innovation

PRODUCT ENGINEERING TRANSFORMATION FOR A SUSTAINABLE FUTURE

Nick Rogers
Executive Director, Product Engineering
FINANCIAL OUTLOOK

JLR INVESTOR DAY

Adrian Mardell
Chief Financial Officer
Business Overview
Jaguar Land Rover performance to date

- Jaguar Land Rover has delivered solid performance over the long term, through exciting products, strong profits and investing in our future. Between FY11 and FY19 JLR has:
  - Increased revenues to £24b (12% CAGR)
  - Generated PBT of over £13b (before exceptional items)
  - Generated c. £27b of operating cash flow before investment of c. £25b in new products, technology, capacity and infrastructure

- FY19 financial performance was weak as a result of industry headwinds, including challenging China market, diesel uncertainty in Europe and UK and increasing regulatory requirements and rapid technological change requiring significant ongoing investment
  - PBT before exceptional items £(358)m and after exceptional items £(3.6)b
  - Cashflow £(1.3)b after investment of £3.8b

- In FY19, we were encouraged by the success of newer products such as the award winning I-PACE, E-PACE and Range Rover Velar, as well the success of our turnaround led by Project Charge, which is ahead of schedule having delivered £1.25b of cash and cost savings to date

- Going forwards we are committed to restoring profitable growth, driven by exciting new products, such as the new Defender, as well as further efficiencies from Project Charge and Accelerate
**Looking ahead**

**Planning targets**

<table>
<thead>
<tr>
<th>Key metrics</th>
<th>FY20-21</th>
<th>FY20-21</th>
<th>FY20-21</th>
<th>FY20-21</th>
<th>FY20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail sales growth</td>
<td>&gt; Premium Segment</td>
<td>&gt; Premium Segment</td>
<td>&gt; Premium Segment</td>
<td>&gt; Premium Segment</td>
<td>&gt; Premium Segment</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>3-4%</td>
<td>4-6%</td>
<td>7-9%</td>
<td>7-9%</td>
<td>7-9%</td>
</tr>
<tr>
<td>PBT</td>
<td>Positive</td>
<td>Positive</td>
<td>Positive</td>
<td>Positive</td>
<td>Positive</td>
</tr>
<tr>
<td>Investment spending</td>
<td>Up to £4b</td>
<td>Up to £4b</td>
<td>11-13% of revenue</td>
<td>11-13% of revenue</td>
<td>11-13% of revenue</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Negative, improving</td>
<td>Positive</td>
<td>Positive</td>
<td>Positive</td>
<td>Positive</td>
</tr>
<tr>
<td>Gross debt/EBITDA</td>
<td>≤ 2.5x</td>
<td>≤ 2.5x</td>
<td>≤ 2.0x</td>
<td>≤ 2.0x</td>
<td>≤ 2.0x</td>
</tr>
</tbody>
</table>

- Expect improved PBT, margins and cash flow, driven by strong product pipeline, Project Charge and Accelerate
- In FY20, loss with negative cash flow expected in Q1, reflecting Brexit costs (e.g. extra week of plant shutdown in April and potential WLTP ACT 2 certification delays) in addition to historical sales and production seasonality; profit expected in subsequent quarters with improving cash flow
- FY21 guidance reflects the impact of significant prior model run outs and changeovers in the period

We are committed to Competitive, Consistent, Cash Accretive growth over the medium to long term
Margin improvement
Driven by new products and cost improvements

NOTE: DIRECTIONAL ONLY; NOT TO SCALE
Capital allocation

- JLR WACC is c. 9.7% (post tax)
- JLR generally targets returns of 25% on new and replacement product programmes (non-product and infrastructure investments can have lower rates of return)
- As a result of lower than planned volumes and weak financial performance in FY19, JLR concluded that the carrying value of capitalized investments should be written down, resulting in a £3.1b pre-tax exceptional charge

Drivers of future improved returns on capital
- Sales growth and improved operating leverage from new and replacement models but with more conservative volume assumptions
- Project Charge and Accelerate
- More efficient platform strategy (MLA)
- Collaborations
- Increased commonality and reduced complexity
£5.7bn total liquidity

After £1.3bn cash outflow and $700m debt maturity

Cash and financial deposits
- Total
  - CY19: 384
  - CY20: 384
  - CY21: 300
  - CY22: 154

Debt
- Total
  - FY18: 3,731
  - FY19: 4,511

EBITDA
- Total
  - FY18: 1.3
  - FY19: 2.3

Debt / EBITDA
- Total
  - FY18: 0.0
  - FY19: 0.0

Total Debt
- FY18: 111
- FY19: 768
- Total: 3,632

Cash
- Total: 3,775

15.6% revenue

Undrawn RCF
- Total: 1,935

IFRS, £m
FY19 funding actions and FY20 funding options

New $700m receivable discounting facility completed

**FY19**

<table>
<thead>
<tr>
<th>IFRS, £m</th>
<th>€500m bond issued</th>
<th>$1bn syndicated loan</th>
<th>$700m bond maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>449</td>
<td>766</td>
<td>(547)</td>
</tr>
</tbody>
</table>

**FY20**

<table>
<thead>
<tr>
<th>Potential funding actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$700m receivables facility completed*</td>
</tr>
<tr>
<td>Export Credit Agency funding</td>
</tr>
<tr>
<td>New finance leases</td>
</tr>
<tr>
<td>New bond issues</td>
</tr>
<tr>
<td>$500m bond maturity (Nov '19)</td>
</tr>
<tr>
<td>$500m bond maturity (Mar '20)</td>
</tr>
<tr>
<td>(385)</td>
</tr>
<tr>
<td>(385)</td>
</tr>
</tbody>
</table>

* £425m incremental funding from $700m receivable facility over c. $150m utilisation under preceding facility.
IFRS 16 lease reporting to start 1 April 2019
c. £500m of operating leases to be reclassified as debt

- The adoption of IFRS 16 is an IFRS accounting requirement for JLR starting in FY20*

- This represents an accounting reporting change:
  - Most operating lease and lease-like transactions will be accounted on the balance sheet as debt with a corresponding capitalized asset on the balance sheet. The reported lease liability will be c. £500m.
  - Lease payments will be accounted as principal and interest payments instead of lease operating expense while the capitalized asset will be amortized.

- No change in economics or actual cash flows

*JLR is adopting a “modified retrospective” approach to IFRS16 implementation, meaning: (1) No restatement of prior year comparatives; (2) Difference between opening right of use assets and lease liability taken to reserves
Turnaround and transformation plan
Proactive response to improve results in challenging environment

Continue to execute Project Charge to improve profits and cashflow in FY20

Improve China results

Drive longer term structural improvements in costs, sales, time to market and quality with Accelerate

Maintain solid liquidity and balance sheet

Continue to develop a strong finance team to support the transformation of the business
JAGUAR LAND ROVER INVESTOR DAY

Jaguar Land Rover Classic Works
Wednesday 5th June 2019
Q&A WITH THE BOARD OF MANAGEMENT

JLR INVESTOR DAY

Jaguar Land Rover Classic Works
Wednesday 5th June 2019