TATA MOTORS

TATA MOTORS GROUP : RESULTS

Q1 FY’20 | 25 July 2019

Safe harbor statement

TATA MOTORS

Statements in this presentation describing the objectives, projections, estimates and expectations of Tata Motors Limited (the “Company”, “Group” or ‘ TML”) Jaguar Land Rover Automotive plc (“JLR ”) and its other direct and indirect subsidiaries 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

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

Narrations

- Q1FY20 represents the 3 months period from 1 Apr 2019 to 30 Jun 2019
- Q1 FY19 represents the 3 months period from 1 Apr 2018 to 30 Jun 2018

Accounting Standards

- Financials (other than JLR) contained in the presentation are as per IndAS
- Results of Jaguar Land Rover Automotive plc are presented under IFRS as approved in the EU.
- Tata Motors Finance –Performance snapshot is as per IndAS

Other Details

- **JLR volumes:** Retail volume and wholesales volume data includes sales from the Chinese joint venture (“CJLR”)
- **Reported EBITDA** is defined to include the product development expenses charged to P&L, revaluation of current assets and liabilities and realised FX and commodity hedges but excludes the revaluation of foreign currency debt, MTM on FX and commodity hedges, other income (except government grant) as well as exceptional items.
- **Reported EBIT** is defined as reported EBITDA plus profits from equity accounted investees less depreciation & amortisation.
- Retail sales of TML represents the estimated retails during the quarter.

Key developments

TATA MOTORS

Launched India's first compact truck : Tata Intra

Tigor EV is now available in Nagpur, New Delhi, Mumbai and Bengaluru

Celebrating 10,000 customers for Harrier

Refreshed Discovery Sport now on sale

Castle Bromwich to manufacture new electrified vehicles

JLR and BMW to collaborate on next-generation Electric Drive Units

China stabilizes, cash outflows lower

Project Charge on track, Turnaround 2.0 delivers

₹Cr.	Q1 FY'19	Q1 FY'20	Change
Volumes (units)^	3,10,109	**2,56,805**	(20.8%)
Revenue	66,619	**61,467**	(7.7%)
EBIT	(548)	**(1,562)**	-
EBIT%	*(0.8%)*	***(2.5%)***	(170 bps)
PBT (bei)*	(2,584)	**(3,129)**	-

Revenue

Volume: 257K
Revenue: ₹ 61.5 KCr

China and India impact volume and revenue growth

EBIT

(2.5%)

Negative operating leverage at both TML & JLR;
High warranty & marketing cost at JLR

PBT (bei)

₹(3.1)KCr

Lower EBIT offset by higher other income and FX gains

FCF (Auto)

Q1 FY20: ₹ (11.6)KCr
Q1 FY 19 : ₹ (18.7)KCr

Charge delivers. Cash outflows reduce in JLR;
Seasonal working capital impact in India

^ Global wholesales including CJLR

PAT includes share of profit of JV and Associates

**bei :- before exceptional items*

Revenue down 7.7% on lower volumes

JLR decline reduces, India retails better than wholesales

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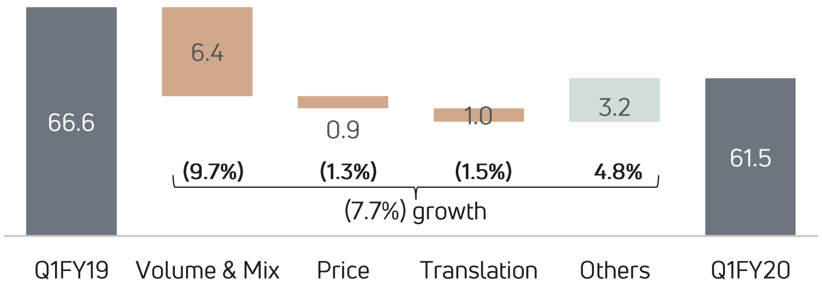
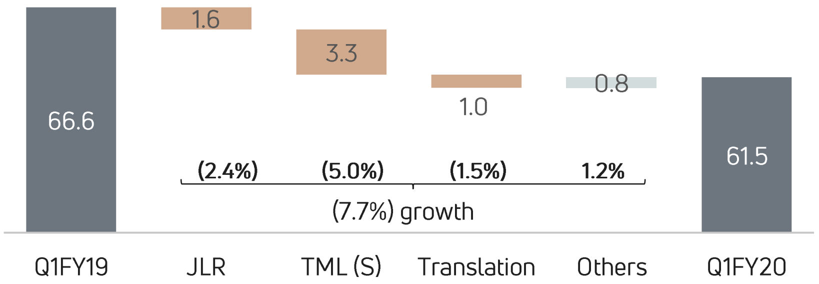
Net revenue at ₹ 61.5K Cr down 7.7%

Rs '000 Cr





Key highlights

TML (S) revenue down -19.9% *(-5.0% on total growth)*

- Retails (Domestic) @130.0K units (-12.6%);
  - CV: -14.8%, PV: -7.4%
- Wholesales(Domestic) @131.0K units (-20.5%);
  - CV: -16.0%, PV: -30.1%

JLR revenue down -5.4% *(-2.4% on total growth)*

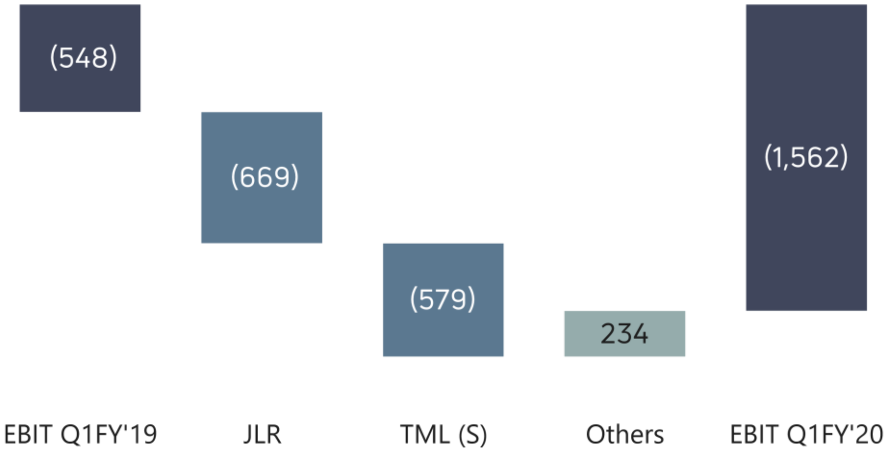
- Retails incl CJLR@ 128.6 K units(-11.6%)
- Wholesales incl CJLR @ 118.6 K units(-9.9%)

Unfavourable FX impact *(-1.2% on total growth)*

JLR details are as per Ind AS

EBIT at (2.5%) down 170 bps

Rs Cr. IndAS



EBIT (0.8%) (1.3%) (0.8%) 0.4% (2.5%)

JLR EBIT reflects

- Negative operating leverage from lower wholesales
- Higher VME and warranty expense

TML (S) EBIT reflects

- Negative operating leverage from lower wholesales
- Intense competitive intensity in a declining market

JLR details are as per Ind AS *For analytical purposes only*

TML (S) – Tata Motors Standalone (Incl. Joint Operations); JLR – Jaguar Land Rover

The 6 cylinders of Tata Motors

1. JLR

2. CJLR

3. CV

4. PV

5. TM Finance

6. Net debt & others

Jaguar Land Rover

Dr Ralf Speth and Adrian Mardell

China stabilizes, cash outflows lower

Pre-tax loss £395m,after £12m exceptionals, consistent with Q1 outlook

£Mn.	Q1FY19	Q1FY20	Change
Retails (K) ^	145.5	**128.6**	(11.6%)
Revenue	5,222	**5,074**	(2.8%)
EBITDA%	6.2%	**4.2%**	(200 bps)
EBIT	(196)	**(278)**	-
EBIT%	*(3.7%)*	***(5.5%)***	(180 bps)
PBT (bei)	(264)	**(383)**	-

Revenue

Volume : 128.6K
Revenue : £5.1B

Lower volumes due to weaker market conditions, runout of prior model Discovery Sport and China Evoque; WLTP delays

EBIT

(5.5%)

Negative operating leverage; higher VME & warranty cost; impact of Brexit contingency planning

PBT (bei)

£(383)m

Lower EBIT, higher finance cost and unfavourable unrealised revaluation

FCF

Q1 FY20 : £(0.7)B
Q1 FY19 : £(1.7)B

After £795m investment, £954m better than Q1 FY19, incl. £305m utilisation of new receivables facility

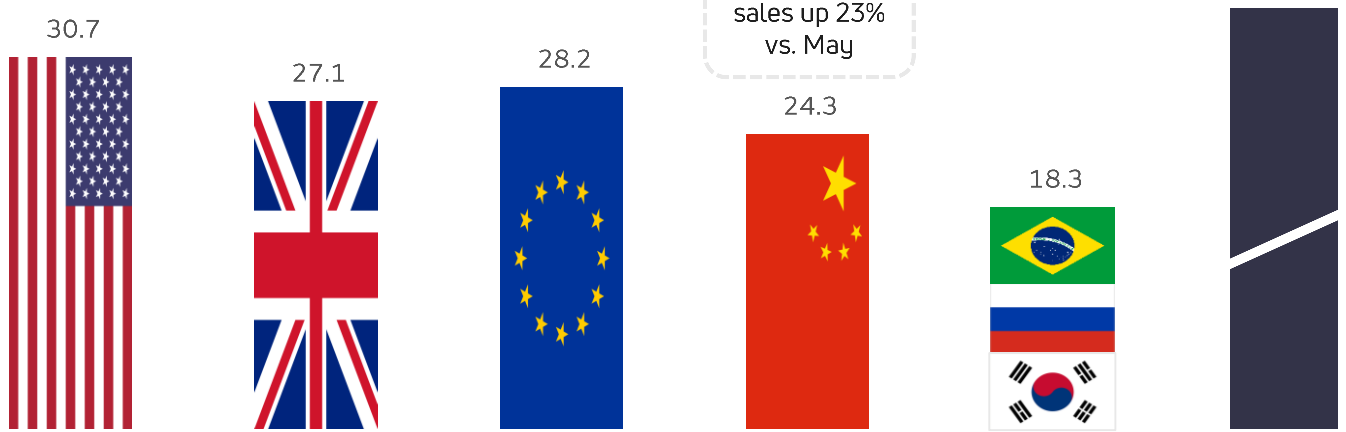
For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises its share of profits from CJLR within EBIT.
Note :bei :- before exceptional items

Retails 128.6k, down 11.6%

Weaker market conditions; UK up with record volumes

Retail units in '000

June China sales up 23% vs. May



	North America	UK	Europe	China	Overseas*	Total
JLR YoY	(0.6)%	2.6%	(9.3)%	(29.2)%	(19.6)%	(11.6)%
Industry	(1.2)%	(4.6)%	(1.9)%	(14.3)%	(4.2)%**	

Wholesales

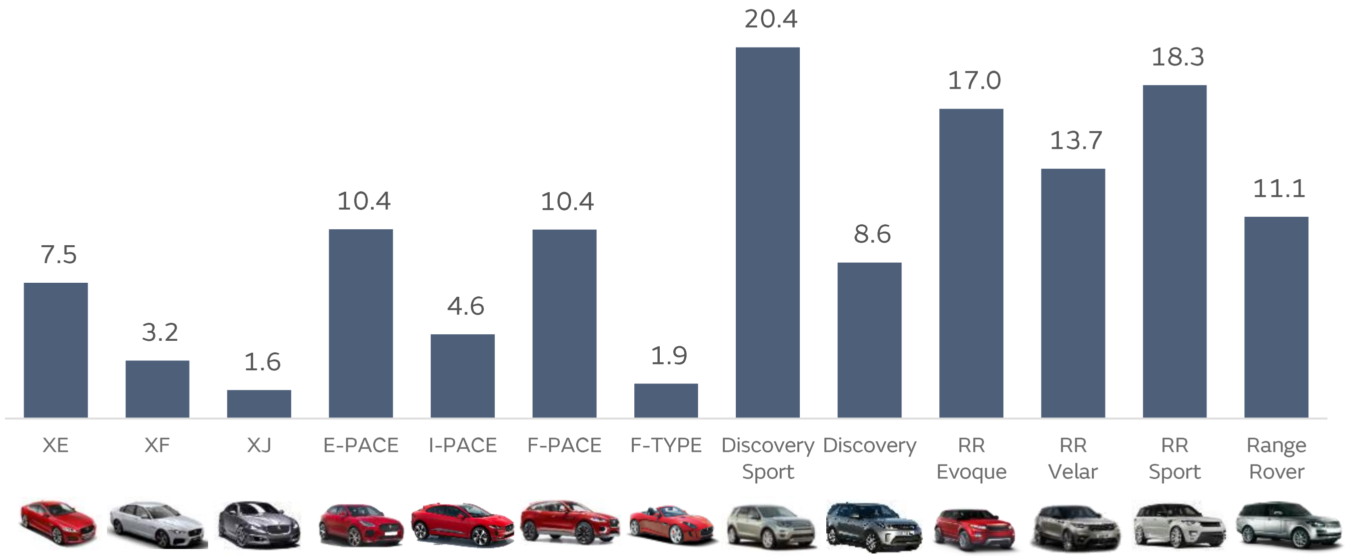
	North America	UK	Europe	China	Overseas*	Total
Units	26.0	25.3	25.4	24.2	17.8	118.6
YoY	(5.7)%	14.8%	(3.1)%	(26.8)%	(22.2)%	(9.9)%

Volumes include sales from Chery Jaguar Land Rover. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises it's share of profits from CJLR within EBIT.
* Overseas markets includes Australia, Brazil, Colombia, India, Japan, South Korea, Mexico, MENA, Russia, Singapore, South Africa, Taiwan and certain importers
** Industry volume data for South Korea was unavailable at time of release, thus Overseas industry volumes exclude South Korea,.
The total industry car volume data above has been compiled using relevant data available at the time of publishing, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe

Lower model sales reflecting market conditions

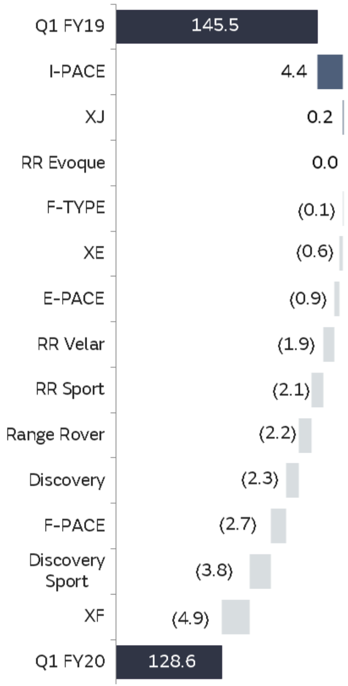
New Discovery Sport in launch; new China Evoque from August

Retail units in '000



Wholesales

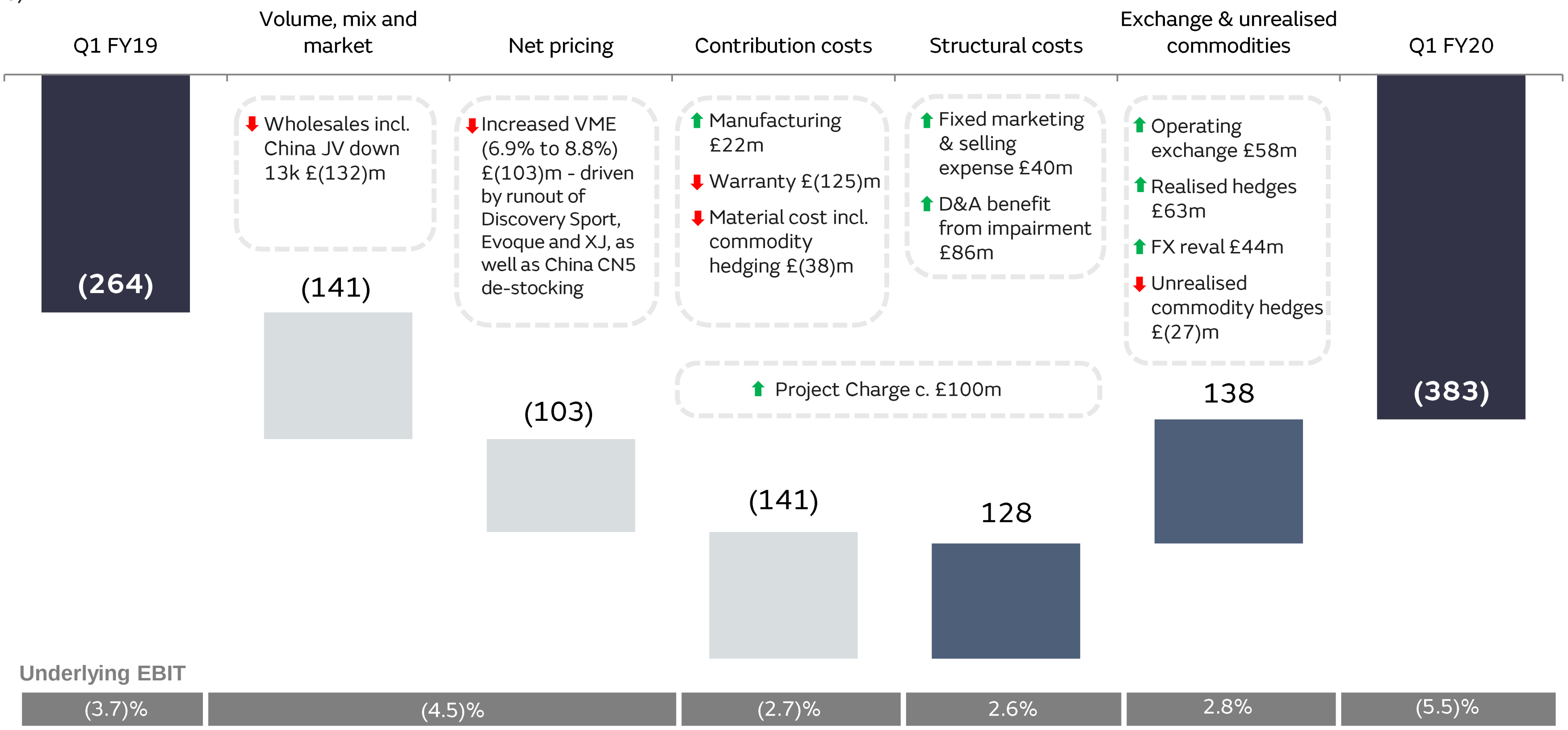
	XE	XF	XJ	E-PACE	I-PACE	F-PACE	F-TYPE	Discovery Sport	Discovery	RR Evoque	RR Velar	RR Sport	Range Rover
Units	7.9	3.9	1.6	9.3	5.2	9.4	1.9	16.4	8.0	17.9	11.0	16.0	10.0
YoY	(0.4)	(3.8)	0.6	(1.0)	5.1	(2.1)	0.3	(5.8)	(2.3)	3.9	(1.8)	(3.3)	(2.4)



Volumes include sales from Chery Jaguar Land Rover. For statutory reporting under IFRS, the Group recognises revenue on wholesales (excluding sales from CJLR). The Group recognises it's share of profits from CJLR within EBIT.

Pre-tax loss £383m, before £12m exceptionals

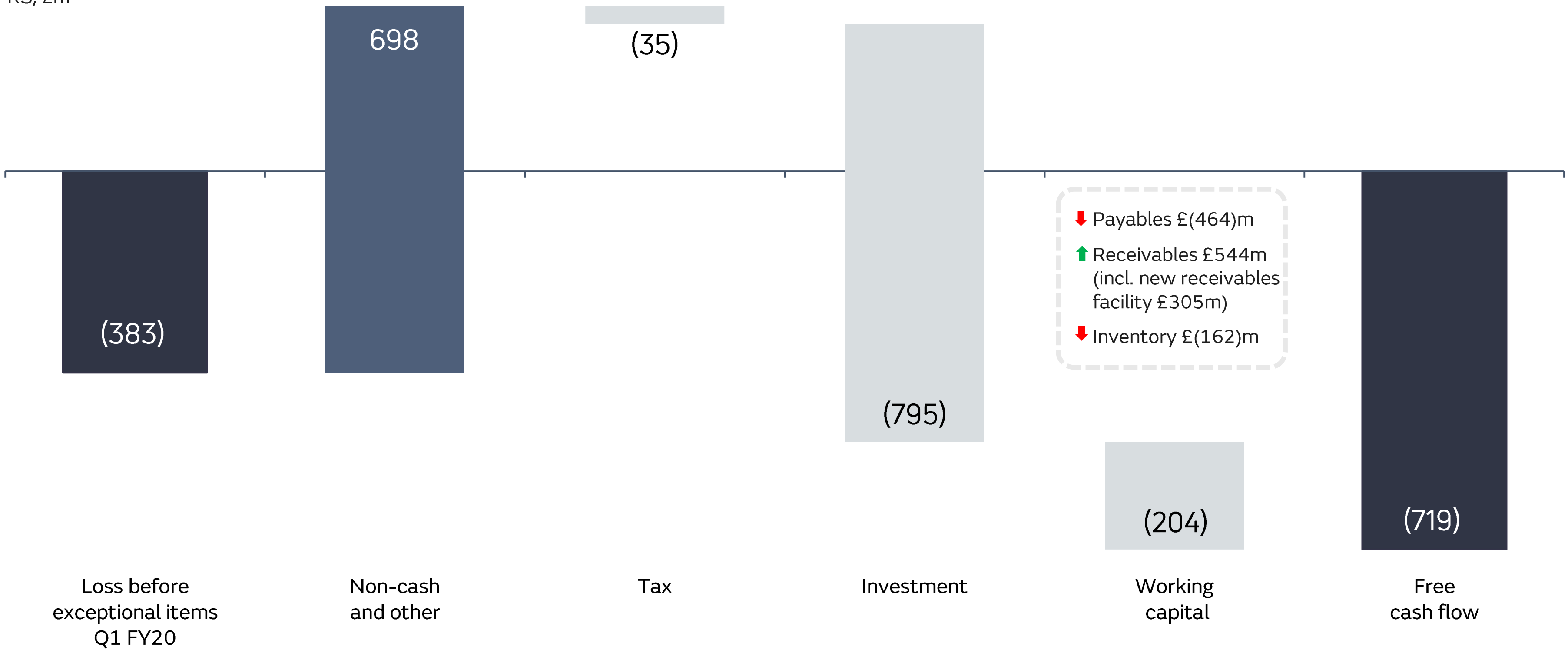
IFRS, £m



Cash outflow £954m better than prior year

Cash outflow of £719m, incl. £305m receivable financing

IFRS, £m



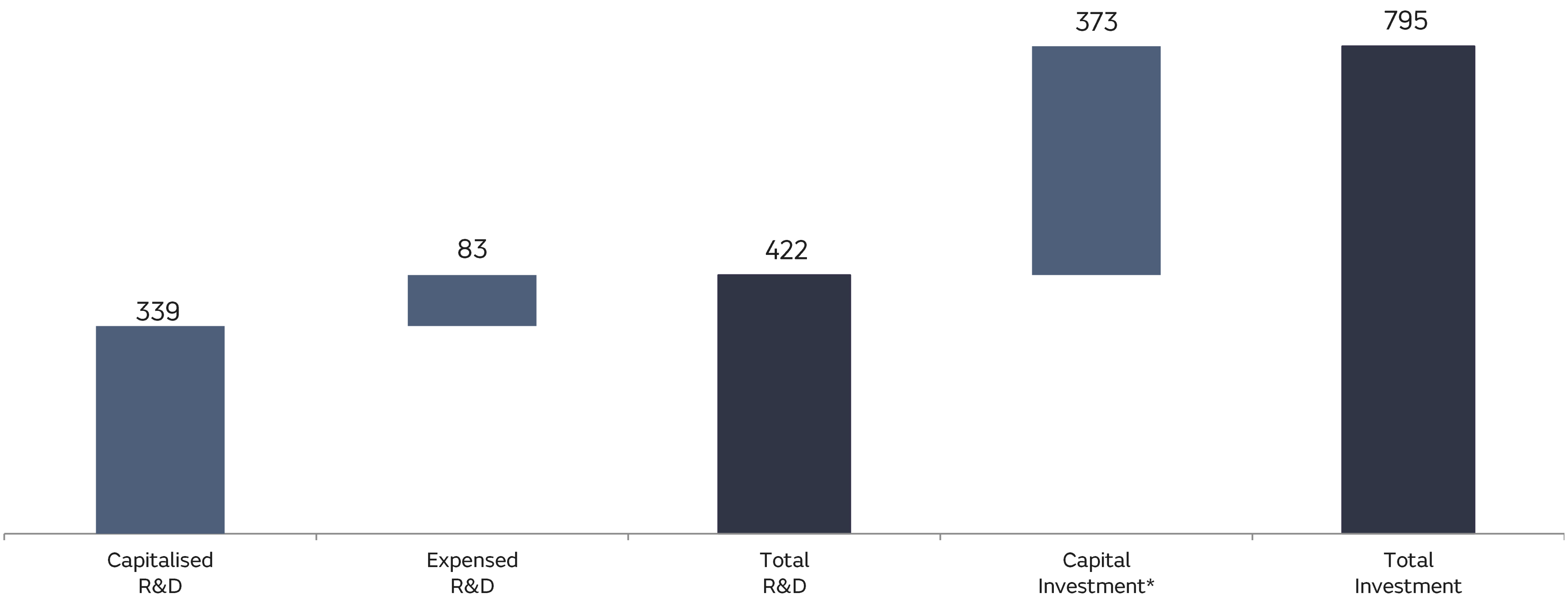
Vs. Prior year

£(119)	£(1)	£47	£271	£756	£954

Investment spending £271m lower than prior year

FY20 likely to be ~£3.8b

IFRS, £m



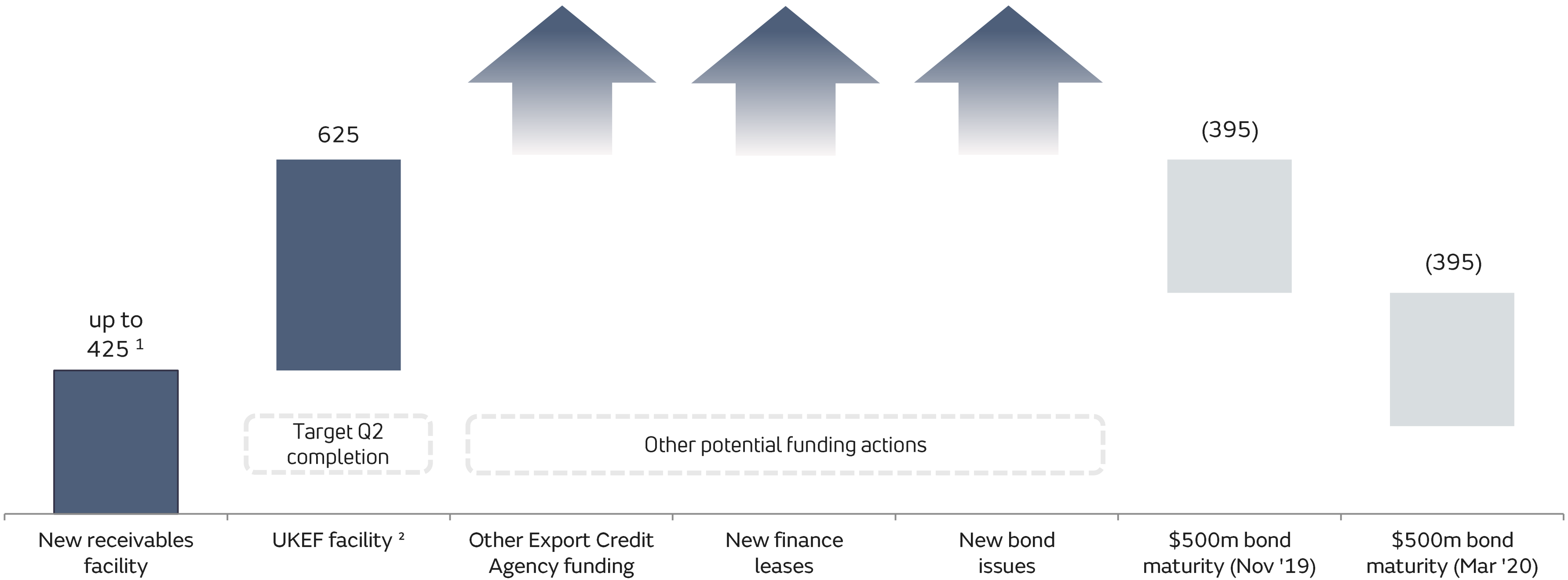
	Capitalised R&D	Expensed R&D	Total R&D	Capital Investment*	Total Investment
Q1 FY19	426	99	525	541	1,066

* Of which £301m relates to purchases of property, plant and equipment in Q1 FY20 vs. £435m in Q1 FY19.

FY20 funding plans

$700m receivable facility in use, plan for £625m UKEF facility

IFRS, £m



[1] £425m net assumes full $700m drawdown (£305m drawn at 30th June) and repayment of £114m preceding facility (fully repaid by 30th June). New facility accounted as sold instead of debt, i.e. off balance sheet.
[2] UK Export Finance providing £500m guarantee in support of £625m 5yr amortising syndicated loan, subject to final documentation and approvals

JLR STRATEGY AND OUTLOOK

Turnaround and transformation plan

Proactive response to improve results in challenging environment

JAGUAR

LAND ROVER

1. Strong pipeline of new and refreshed products to improve sales, particularly in China





2. Project Charge to reduce cost and improve profits and cash flow

IDEAS. ACTIONS. CASH.
CHARGE

3. Project Accelerate to create a more robust long term sustainable business

ACCELERATE
TRANSFORMING TODAY FOR TOMORROW

Positive Evoque and I-PACE sales development

New Evoque on sale in China from August

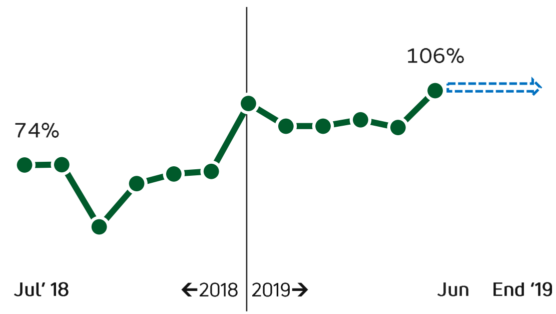
Q1 China market update

Continued stabilization of KPIs; expect growth to improve hereon

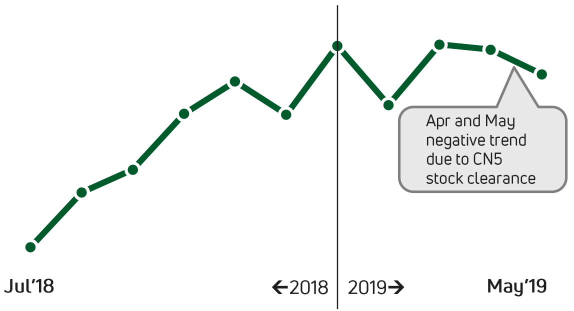
Underlying Operational Performance

- Retail Target achievement improved to above 100% with an improved retailer confidence
- Retailers Return on Sales (RoS) improved in 2019 with increased number of profitable retailers. April and May results negatively affected by CN5 stock clearance with higher discount level.
- Retailer stock level reduced to the lowest level since 2017, which helped to balance supply and demand relationship while releasing cash for retailers
- Local registration improved to 80%

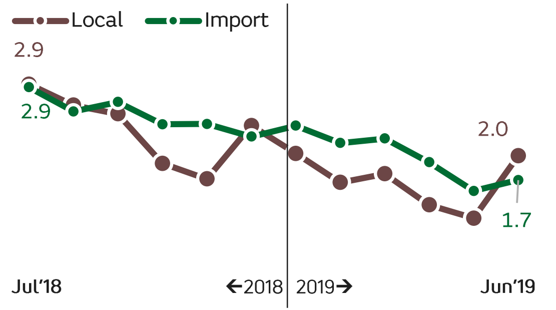
Retail Target Achievement



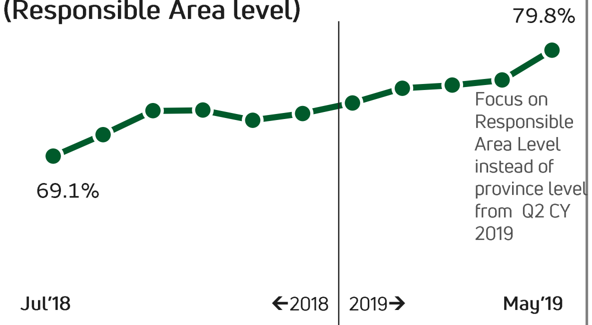
Retailer Return on Sales %



Retailer Stock Index in month



Local Registration Rate (Responsible Area level)



Source: IMSS Sales and Marketing

Note: Jun19 local car stock level increase due to RR Evoque run out with CN5

Brexit – Expect decisive actions in coming days

Risk mitigation plans for a possible "No Deal" Brexit outcome

Deal

- JLR to benefit from continued friction less trade
- Expect currency to appreciate gradually

No Deal

- Potential delays at ports could disrupt supply chain
- Loss of access to preferential tariffs could result in loss of competitiveness

Near-term operational impacts

Impacted area	JLR Response
Production Scheduling	To evaluate closer to Oct 31st.
Production continuity	Buffer stocks increased to reduce potential disruption
Operational continuity	Cross-functional Brexit governance programme in place incl. supplier engagement, IT changes and customs compliance

Ongoing structural impacts

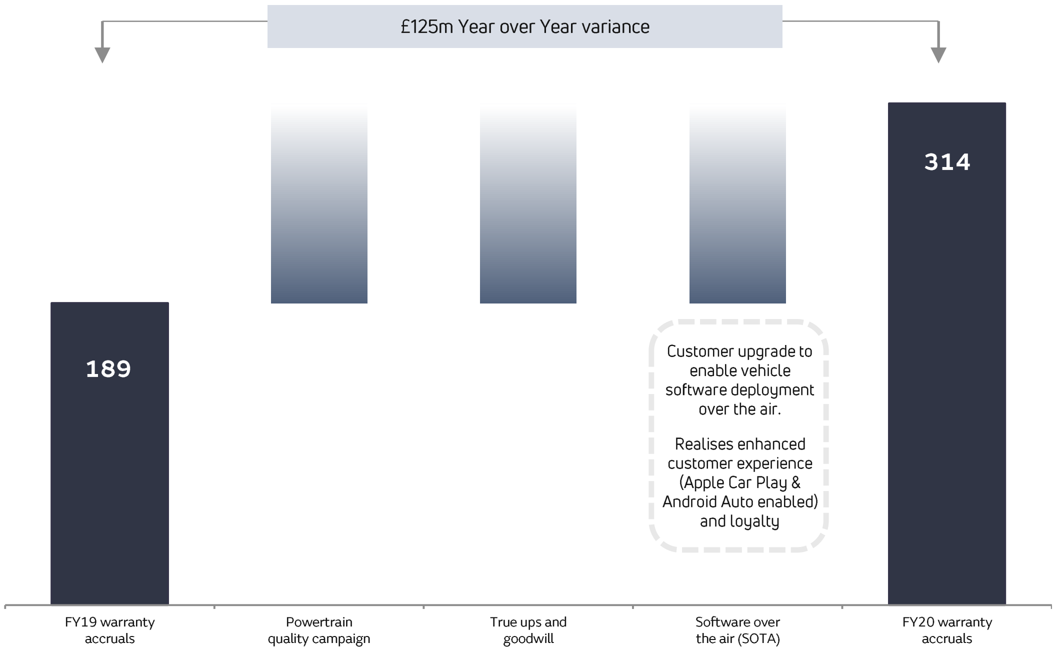
Impacted Area	JLR Response
Pricing	Will pass on net cost impact if any to the extant possible
FX offset	Year 1: The pound expected to weaken offsetting tariff costs partly in year one (net of hedging) Year 2 onwards: Expect to benefit from currency

Clarity to help execution; JLR continues to actively engage with government and trade bodies

Warranty and quality update

Q1 reflects legacy issues; transformation underway to improve

Q1 FY20 WARRANTY INCREASE



IMPLEMENTING QUALITY TRANSFORMATION

CURRENT PRODUCT

- **RAPID ISSUE RESOLUTION:** Collecting multiple product performance measures and creating a single prioritised issue set for rapid fix implementation (e.g. SOTA deployment)
- **QUALITY STRATEGY DEPLOYMENT:** Strengthened organisational engagement in the Quality transformation, driven through simplified measurement of performance & improved information flow across the business.

FUTURE PRODUCT

- **ENGINEERING FOR A QUALITY OUTCOME:** Focussing Engineering effort on the core systems to improve the reduction of technical risk and ensure robust product functional performance & durability (e.g. new software test facilities & rigs)
- **PRODUCT COMPLEXITY REDUCTION:** Control Product Complexity that balances customer requirement whilst maximising product testing & validation during Engineering Development. (e.g. powertrain & chassis derivative reduction)
- **PRODUCT DEVELOPMENT GOVERNANCE:** Enhanced quality governance at critical product development milestones with a strong & independent assessment of technical risk during programme delivery.

Warranty and quality update

US IQS scores significantly improved; China VQS scores positive

JD Power US IQS

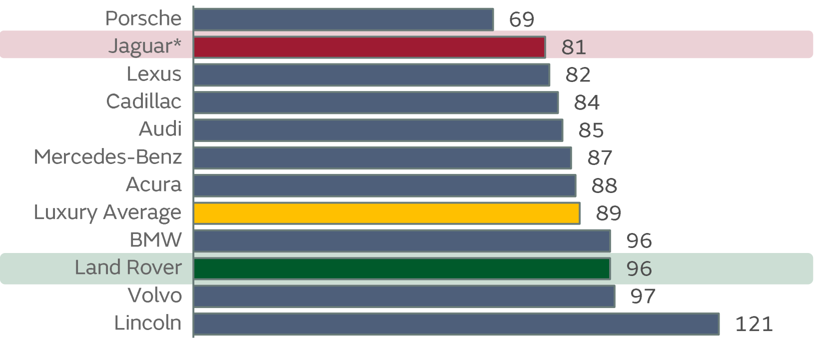
2019 IQS PP100 Rankings

Improvement / Deterioration

	2019 Rank	Score	
BMW	20	102	15
Ram	21	105	21
Audi	22	106	1
MINI	23	107	17
Acura	24	110	11
Chrysler	25	113	2
Subaru	26	113	(2)
Volkswagen	27	113	10
Volvo	28	114	(8)
Alfa Romeo	29	118	
Mitsubishi	30	121	10
Land Rover	31	123	(37)
Jaguar	32	130	(18)

- Jaguar ranked 32 and Land Rover ranked 31 by JD Power for 19MY
- However, Jaguar and Land Rover scores significantly improving:
  - Land Rover most improved of any brand in the last 3 years
  - Jaguar score second most improved in the 19MY Survey
- Target: top 5

JD Power China VQS



- Jaguar ranked 2 and Land Rover ranked 9 by JD Power for 18MY
- In both the midsize and large luxury SUV segment, XFL, Range Rover and Range Rover Sport perform top of the rankings

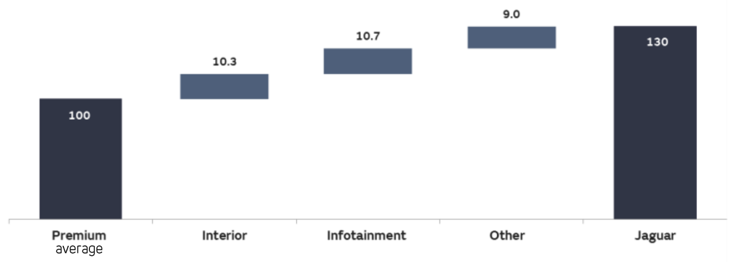
* Small sample size

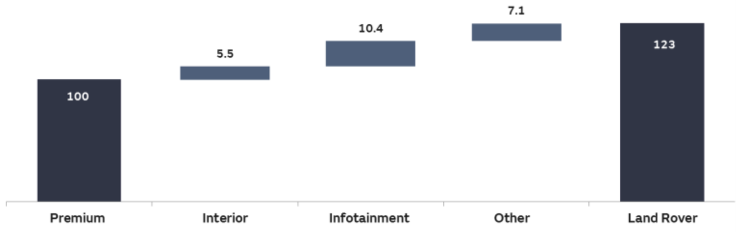
Warranty and quality update

Focus on improving Infotainment and Interiors

Key areas of improvement:
INFOTAINMENT and INTERIORS

JD Power US IQS scores





Our response

INFOTAINMENT

- JDP 19 MY IQS: 20% improvement from 18 MY
- SOTA implemented as key enabler for improved infotainment system performance and quality, latest software to increase stability and connectivity, including support of Apple Car play and Android Auto
- New models to include: Instant start up, Improved Touch Screen Response, voice and navigation engines

INTERIOR

- Mid-cycle improvements on XE, F-PACE, Discovery Sport
- New model improvements including stowage, user controls and comfort

Project Charge ahead of target

£1.7b of £2.5b target delivered

	Target £b	FY19 £b	FY20 Q1 £b	Comment
Investment	1.0	0.7	0.3	• FY20: Expected to achieve > £0.5b driven by reductions in engineering expenditure and non-product investments
Working Capital	0.5	0.4	-	• Q1 YoY working capital £0.8b improvement but QoQ £(0.2)b due to seasonality • FY20: Expected to exceed £0.5b cumulative target through further reductions in inventory and receivables
Cost & Profits	1.0	0.2	0.1	• £0.1b savings in Q1 driven by headcount reduction and lower fixed marketing / selling expenses. • FY20: Expected to achieve > £0.8b (roadmap on next slide)
Total Cash	2.5	1.3	0.4	

Roadmap for £1b of cost savings

Target to achieve

£1B

Cost and profit

£150M value realized in FY19,

- c.£120M YoY FY19 non-people overheads savings
- c.£30M people savings realised

£250M year-over-year people cost reduction in FY20 -- £400m reduction in existing cost base from redundancy program offset partially by previously assumed increases in people costs

- £60M delivered in Q1 FY20, On track for timely completion

£250M+ FY20 material cost improvements targeted, incl.:

- High confidence in achieving full FY20 target

£200M+ FY20 targeted across overhead costs

- Targeting non-people overheads
- c.£30M delivered in Q1 FY20

£150M additional operating profit initiatives being identified for FY20

Looking ahead

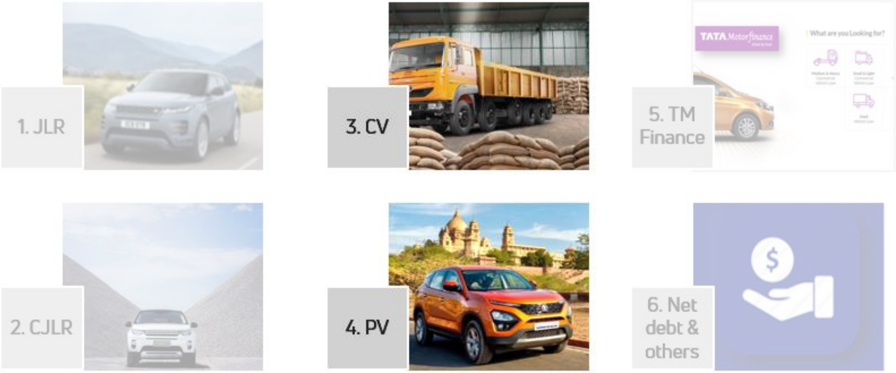
Our plans remain same

Key metrics	FY20-21	FY22-23	Beyond
Retail sales growth	> Premium Segment	> Premium Segment	> Premium Segment
EBIT margin	3-4%	4-6%	7-9%
PBT	Positive	Positive	Positive
Investment spending	Up to £4b	Up to £4b	11-13% of revenue
Free cash flow	Negative, improving	Positive	Positive
Gross debt/EBITDA	≤ 2.8x	≤ 2.8x	≤ 2.0x

- Expect improved PBT, margins and cash flow over FY20, driven by new products and Project Charge
- FY21 metrics reflect the impact of significant prior model run outs and changeovers in the period
- Gross debt / EBITDA target ratio increased from 2.5x to 2.8x, to adjust for the impact of accounting for leases as debt under IFRS16 (year-end target, intra-year ratios may be higher)

We are committed to Competitive, Consistent, Cash Accretive growth over the medium to long term

3 & 4: Tata Motors (Standalone)



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Connecting Aspirations

Guenter Butschek, PB Balaji

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Connecting Aspirations

Turnaround 2.0

Turnaround 2.0 delivers. Focus on retails, cost reductions & cash

Revenue ₹13.4K Cr (-19.9%), EBIT ₹111Cr (0.8% of Revenue)

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₹Cr.	Q1FY'19	Q1FY'20	Change
Volume (units)	176,868	136,705	(22.7%)
Revenue	16,675	13,352	(19.9%)
EBITDA%	*8.4%*	*6.7%*	(170 bps)
EBIT	690	111	-
EBIT%	*4.1%*	*0.8%*	(330 bps)
PBT (bei)	1,464	(40)	-

Revenue

Volume : 137K
Revenue : ₹13.4K Cr

Retails ahead of wholesales; However markets are weak

EBIT

0.8%

Adverse mix; Competitive intensity impacts net pricing, offset by cost reductions

PBT (bei)

₹(40)Cr

Lower EBIT, lower other income (incl JLR dividend)

FCF

Q1 FY20 : ₹(4.6) KCr
Q1 FY19 : ₹(2.5) KCr

Impacted by seasonality and higher working capital from poor wholesales

*bei :- before exceptional items

PBT (bei) at ₹(40)Cr, EBIT down 330bps

EBIT impacted by lower volumes and adverse mix

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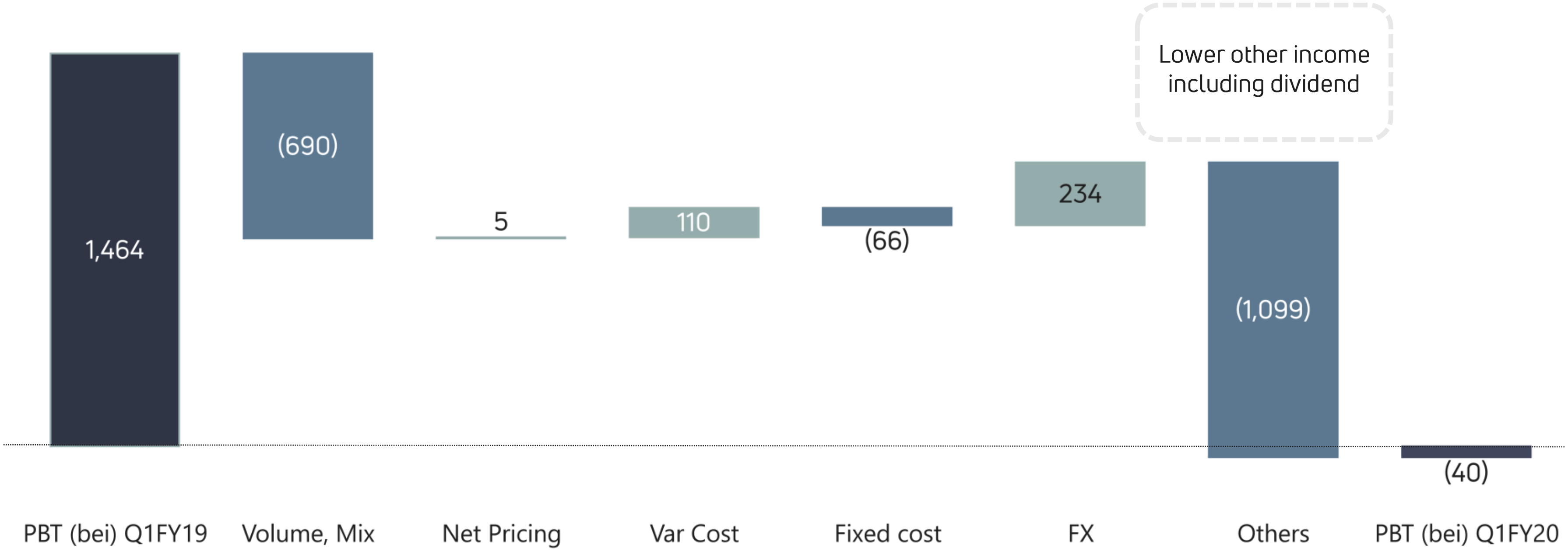
₹ Cr. IndAS



EBIT %	4.1%	(3.9)%	0.0%	0.8%	(0.9)%	0.6%	0.1%	0.8%

$\underbrace{(3.9)\% \quad 0.0\% \quad 0.8\%}_{-310bps}$

For analytical purposes only

Free Cash Flows of ₹ (4.6) KCr

Adverse working capital movements due to steep fall in demand

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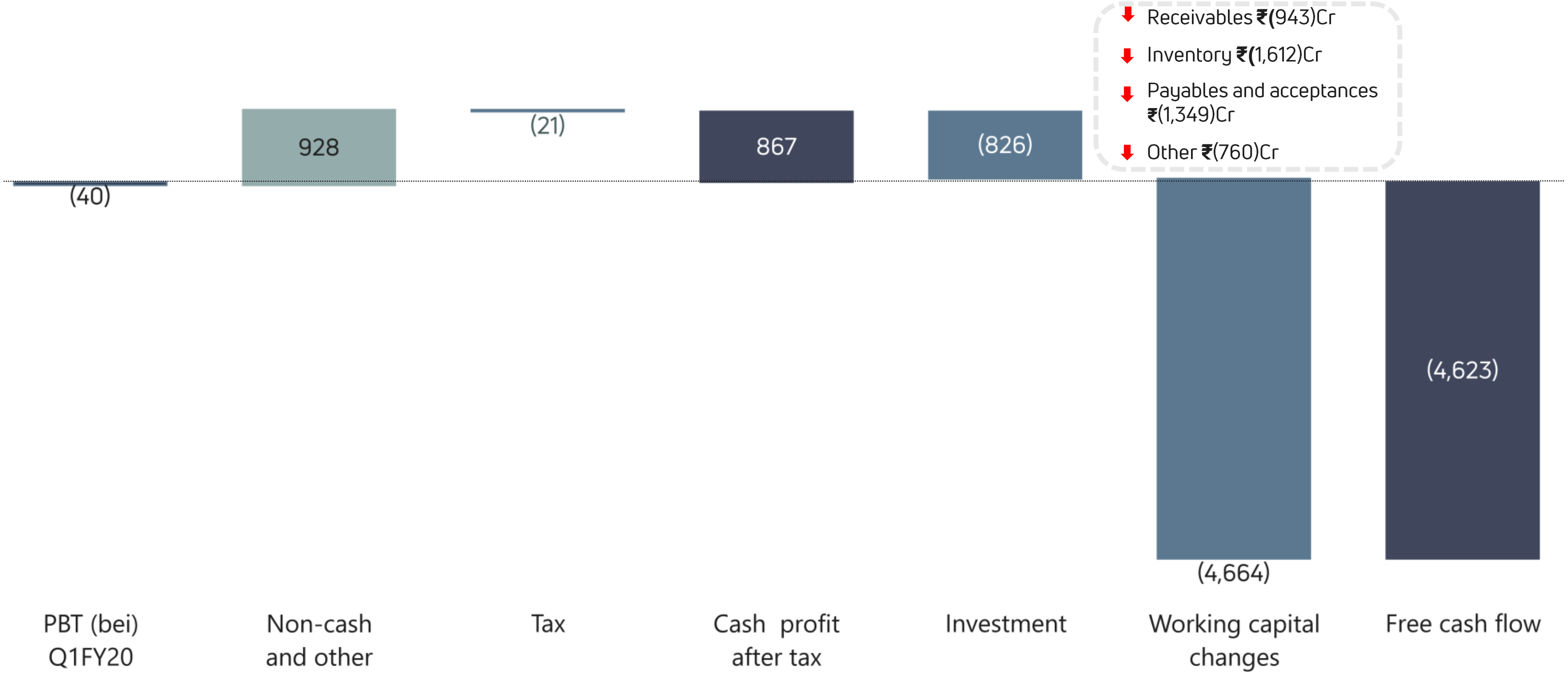
₹ Cr. IndAS



	PBT (bei) Q1FY20	Non-cash and other	Tax	Cash profit after tax	Investment	Working capital changes	Free cash flow
YoY	(1,504)	+898	(115)	(721)	+29	(1,436)	(2,129)

* Free cash flow is measured as cash flow from operating activities, less payments for property, plant and equipment and intangible assets.

Investment Spending ₹946Cr

BS VI investments and new product investments drive up spends

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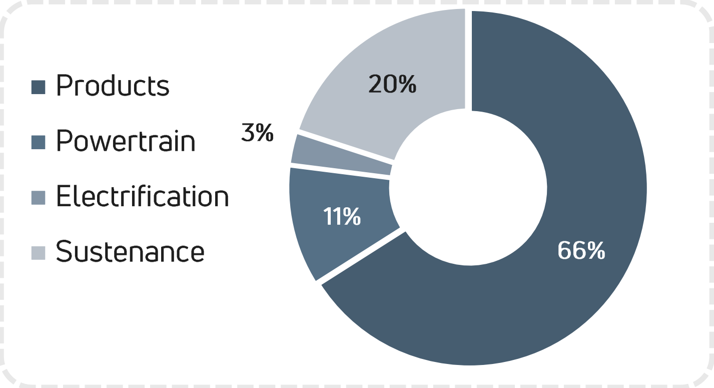
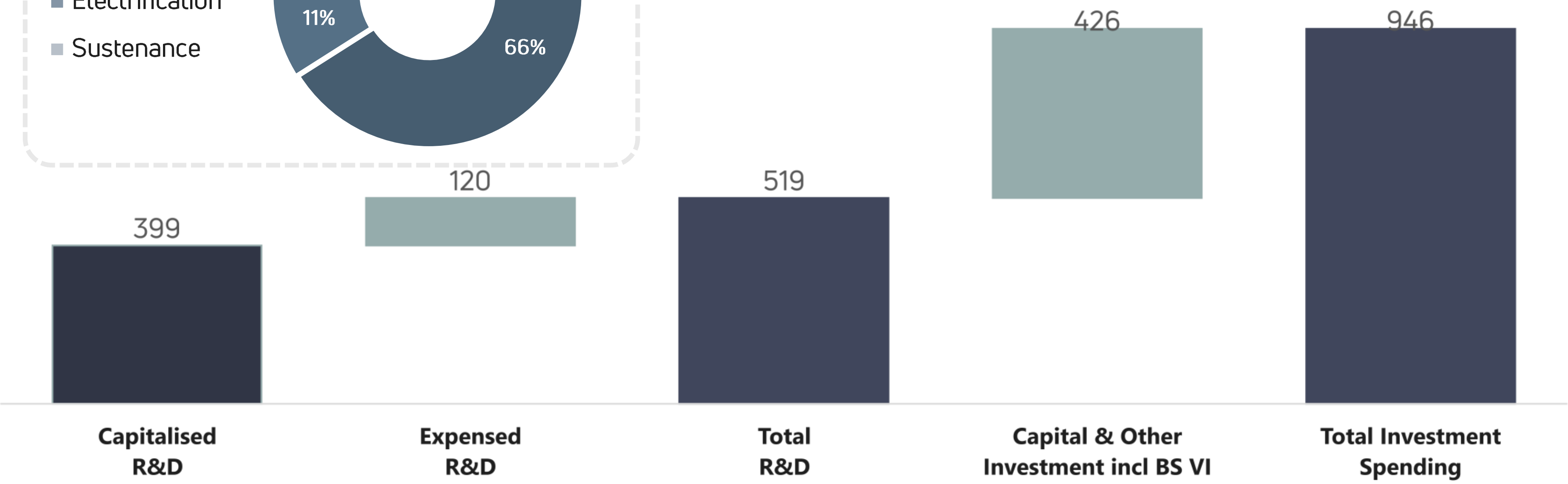
₹ Cr. IndAS





	Capitalised R&D	Expensed R&D	Total R&D	Capital & Other Investment incl BS VI	Total Investment Spending
YoY	+78	+14	+92	(108)	(15)

CV – Wholesales (Dom) -16.0%; Retails (Dom.) -14.8%

"Win Decisively" by driving all round execution

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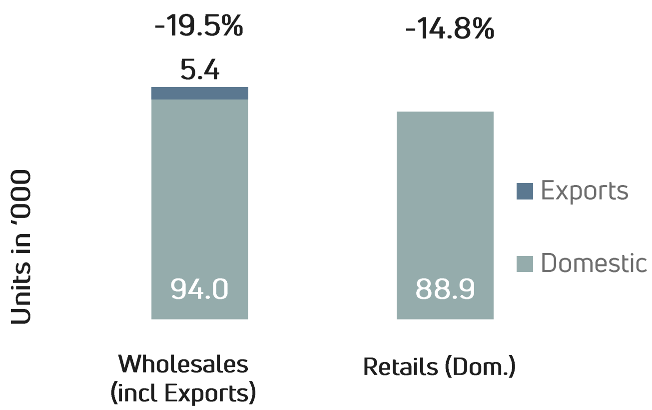


Market share gain in MHCV & ILCV over FY19

MHCV	55.3%	+30 bps
ILCV	46.2%	+80 bps
SCV & Pickups	38.6%	(150 bps)
CV Passenger	43.3%	(70 bps)

- Growth impacted by demand slowdown, higher axle loads, liquidity stress , low freight availability for cargo operators
- We continue to intensify the Turnaround through:
  - Focus on retail growth through market activations and new product launches
  - Focus on dealer performance and profitability, network expansion
  - Deploying robust product planning and delivery process
  - Continued focus on rigorous cost reduction
  - Inventory management to mitigate BS VI transition risk in a low demand environment
  - Execute customised finance solutions for enhanced retail growth

CV: Revenue growth -20.8%, EBIT at 4.7%

Profitability impacted due to adverse mix and negative operating leverage

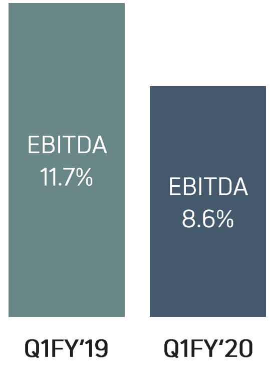
TATA MOTORS
Connecting Aspirations

₹ Cr. IndAS

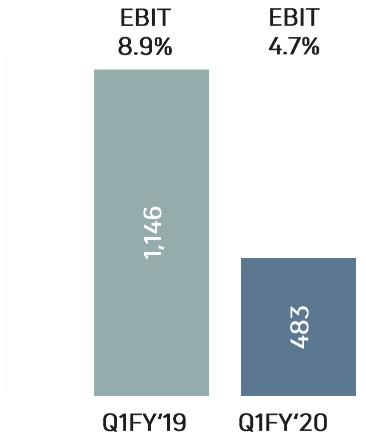
Revenue

Growth : -20.8%

EBITDA Margins



EBIT and EBIT margin



Performance impacted by over 30% decline in MHCV volumes partially offset by aggressive cost reductions

PV – Wholesales (Dom) -30.1%; Retails (Dom.) -7.4%

"Win Sustainably" by getting basics right

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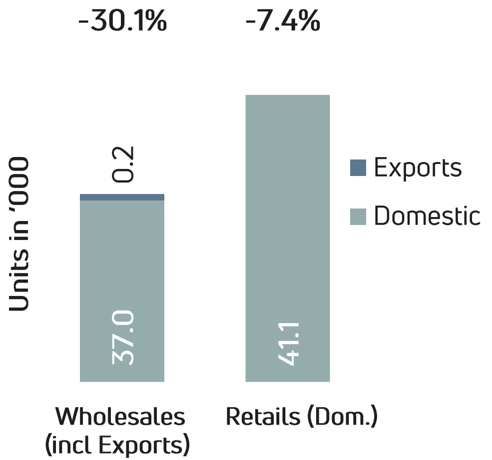
Connecting Aspirations



Strong focus on retails, Harrier & Nexon supported the UV market share gain

Passenger Car	4.0%	-190 bps
UV & Vans	7.4%	+40 bps

- Distribution organisation rationalized to consolidate stock holding and simplify operations
- Retail growth impacted by low consumer sentiment and weak liquidity; Walk-ins reduce, digital leads increase. Focus on conversion.
- Dual-tone Harrier launched; Unveiled next generation premium urban car-ALTROZ
- **In the rest of the year we will intensify our Turnaround efforts through**
  - Strengthening brand position and user experience
  - Innovation intensity to continue on Alpha and Omega architectures
  - Drive dealer profitability and shift focus to retail
  - Deliver customised financing solutions
  - Continue to drive cost reductions
  - Transition to BS VI

PV : Enhancing Brand experience

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Connecting Aspirations

PV - Revenue growth -17.7%

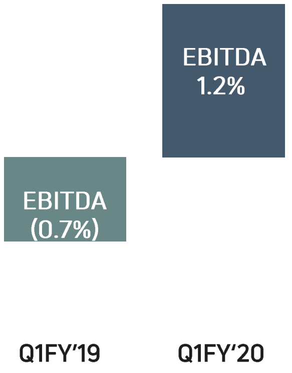
EBITDA improved despite revenue decline

₹ Cr. IndAS

Revenue

Growth : -17.7%

EBITDA Margins



EBIT and EBIT margin

EBITDA improvement achieved through continued cost reductions, improved product mix.

BSVI readiness

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Connecting Aspirations

Product development and design

- On track

Manufacturing capability

- On track

Inventory planning

- Plans in place, however challenged by fluid demand scenario

Sales and service personnel training

- Skill building, special tools and infrastructure in progress;
- Educational programs for customers planned.

Geared up for a promising EV Future

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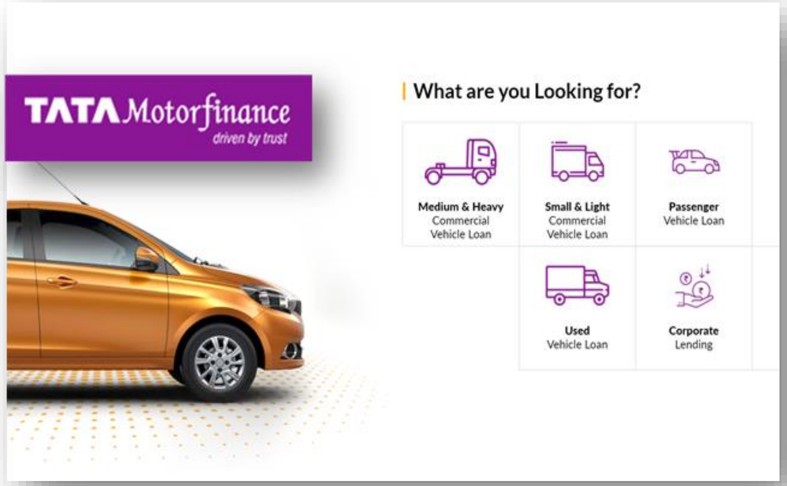
Connecting Aspirations

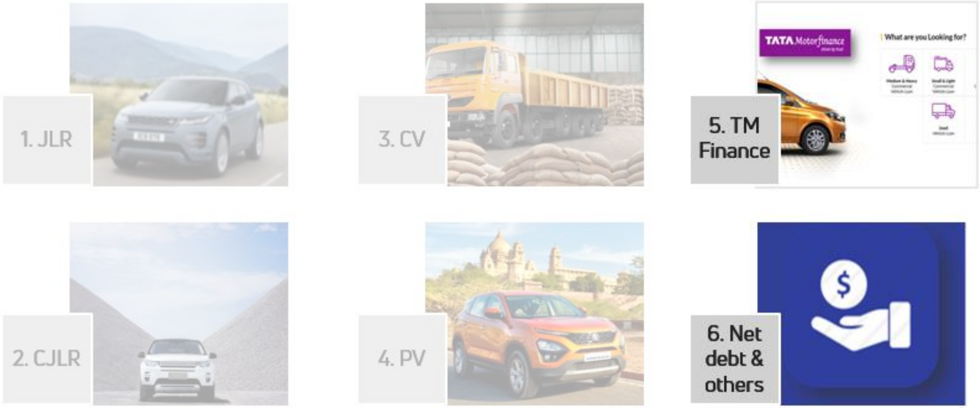
- **FAME II** incentives of ₹10K Cr rolled out to drive adoption of EVs
- **GST** to be reduced from **12% to 5%,** (to be confirmed by the GST council), also applicable to privately owned EVs.
- **Income tax deduction of ₹1.5 Lacs** against interest paid on EV loans.

These reduce the TCO (total cost of ownership) gap in the personal segment and create a positive case for the shared segment

- EV achieved a market share of 65% in Q1, with sales of 163 Tigor EVs
- Established a strong presence in corporate fleet (60%) and government (72%) - 14 departments as customers
- Opened up personal segment to 10 fleets across 5 cities
- Won new tenders in buses. Market share on EV Buses 56%

5. Tata Motors Finance





PB Balaji

Tata Motors Finance: Getting fit for the future

Heightened vigil across the business to manage change

TATA MOTORS

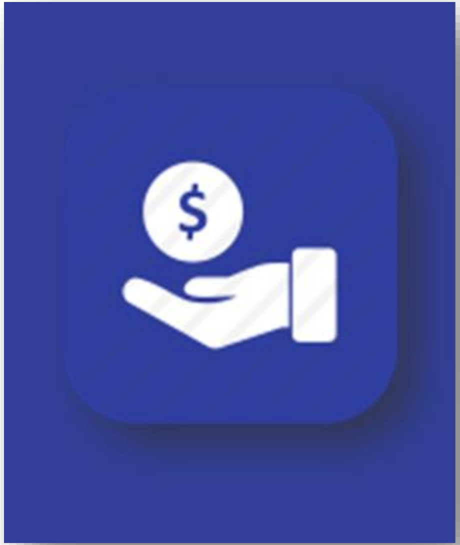
₹ Cr. IndAS

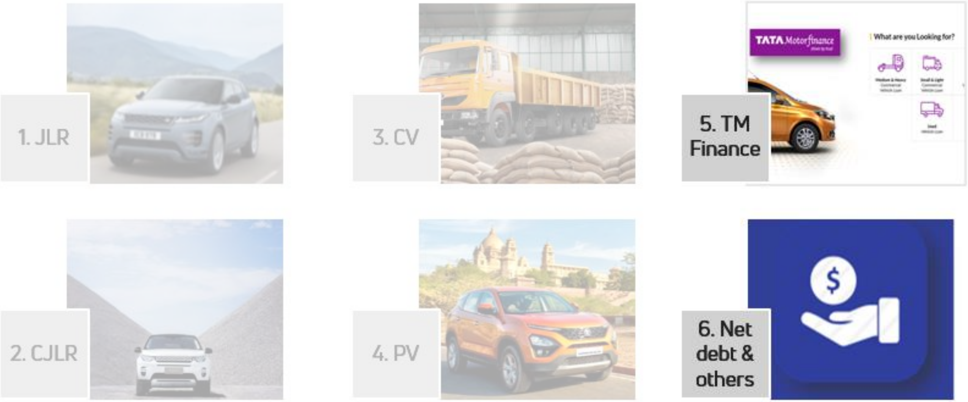
IndAS	Q1FY19	Q1FY20
Market Share	24.2	25.9
PBT	56	10
ROE (pre tax)	19.6%	2.4%
AUM	29,751	38,280
GNPA %	3.7	4.1
NNPA %	2.2	2.6

Further details of IGAAP, IndAS reconciliation in the Databank

- Project Sparkle being implemented to step up customer responsiveness and improve profitability.
- Temporary impact of this crucial change felt in the quarter
  - Disbursals of Q1 FY20 down 16% to ₹3,910 Cr due to poor demand scenario
  - Q1 FY20 PBT at Rs 10 Cr impacted by higher credit losses due to changes to collections organisation as well as external market stress and increased borrowing costs
- Expect changes to stabilise by Oct 2019 and significantly improved performance thereafter
- Plans being implemented to diversify funding sources

6. Net Debt and Others





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Debt Profile

Maturities well spread out; liquidity adequate

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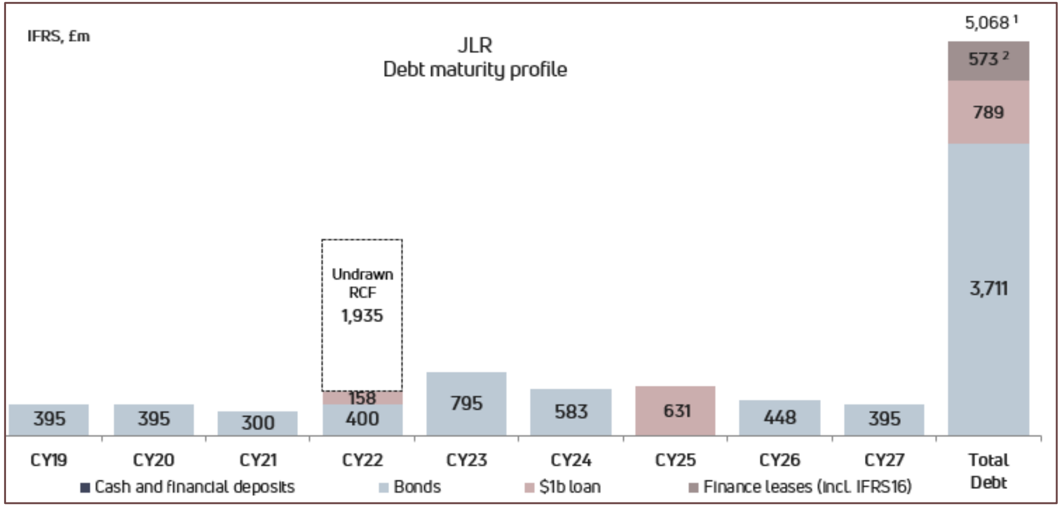
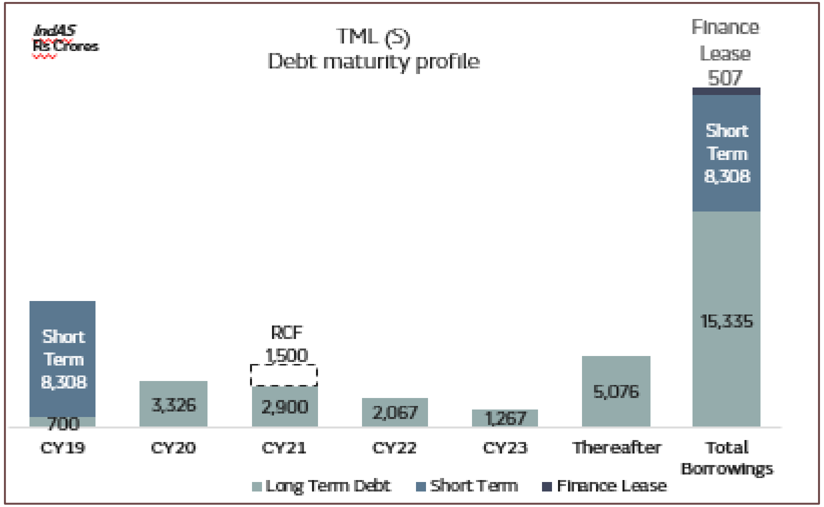
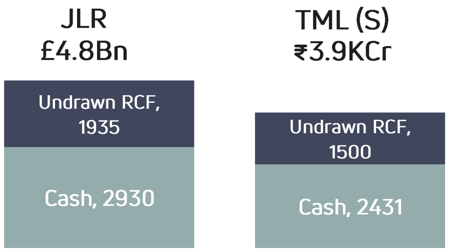




Liquidity



	JLR	TML (S)
With IFRS 16 impact	2.7x	4.7x
W/O IFRS 16 impact	2.4x	4.6x

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Tata Motors Group - Outlook

PB Balaji

Industry headwinds to continue

Global and market-specific challenges

Challenges
- High Incentives
- Tariff risks

Positives
- Strong SUV demand
- JLR outperforming industry

Challenges
- Brexit
- Diesel uncertainty and taxes

Positives
- JLR outperforming the industry

Challenges
- Slowing economy
- Diesel uncertainty
- CO_2 taxes

Challenges
- Continued Macro headwinds
- Lower consumer confidence

Positives :
- Premium demand more resilient and premiumisation expected to continue

Challenges
Next 3-6 month demand likely to be tepid as liquidity normalises and capacity overhang abates

Positives
Medium term retail growth to remain strong with robust infra spending & GDP growth.

Global challenges
- Technological change, including the adoption of electrification and driver assistance
- Emissions compliance and regulatory change
- Macro headwinds
- Geo-political risks, including trade wars

Looking ahead – Our plans

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Jaguar Land Rover

Plans	FY20-21	FY22-23	Beyond
Retail sales growth	> Premium Segment	> Premium Segment	> Premium Segment
EBIT margin	3-4%	4-6%	7-9%
FCF	Negative, Improving	Positive	Positive

- Expect gradual improvement in growth and profitability as the year progresses
- We will
  - Improve PBT and cash flow driven by strong product pipeline, Project Charge and Accelerate;
  - Return to profit with 3-4% EBIT margin and negative but improved cash flow
  - Deliver Project Charge targets of £2.5b by Mar 2020 with a focus on costs / profitability in the next phase

Tata Motors (Standalone)

Plans	FY20-21	FY22-23	Beyond
Volume Growth	> Market	> Market	> Market
EBIT %	3-4%	4-6%	5-7%
FCF	Positive	Positive	Positive

- Performance to improve gradually as demand and liquidity situation improves with the Union Budget interventions and onset of festive season

We will

- Focus on retail growth, while driving all round performance improvement internally and invest for future growth
- Continue to launch exciting products to attract end consumers
- Work closely with banks, NBFCs and TMF to address liquidity stress of the value chain
- Navigate near term demand slowdown with a focus on agility and tightly managing working capital

We are committed to Competitive, Consistent, Cash Accretive Growth over the medium to long term

Investor Relations Note

TATA MOTORS

Thank You

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