



TATA MOTORS GROUP : AGM PRESENTATION

25th AUG 2020

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

- FY20 represents the 12 months period from 1 Apr 2019 to 31 Mar 2020
- FY19 represents the 12 months period from 1 Apr 2018 to 31 Mar 2019
- Q1FY21 represents the 3 months period from 1 Apr 2020 to 30 Jun 2020
- Q1FY20 represents the 3 months period from 1 Apr 2019 to 30 Jun 2019

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 highlights : Products & Others

TATA MOTORS



BS VI transition of entire CV Range



Fully refreshed BS VI- PV range launched



Tata Altroz launch



Unveiled the Nexon EV, powered by **TECHNOLOGY ZIPTRON**



Promoter's equity support



New Discovery Sport launched in China



First deliveries of New Defender in UK



Evoque and Discovery Sport PHEVs launched



Project Vector mobility concept revealed

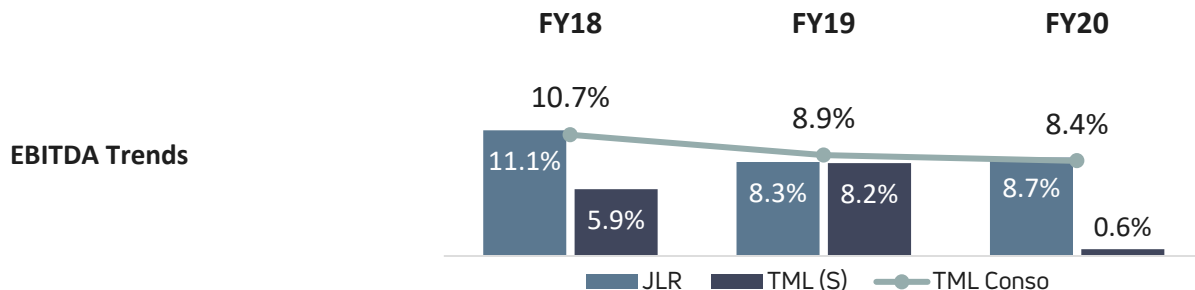


JLR and BMW to collaborate on next-generation Electric Drive Units

Exciting product launches and cutting edge technologies

Revenue ₹ 261 KCr (14%), EBIT (0.2)%; FCF ₹(9.2)K Cr

₹Cr.	FY'19	FY'20	Change
Global Wholesale (in 000s)	1,305.0	1,006.2	(23)%
Revenue	301,938	261,068	(14)%
EBITDA%	8.9	8.4	(50)bps
EBIT%	1.2	(0.2)	(140)bps
PBT (bei)	(1,720)	(7,709)	-
PBT	(31,371)	(10,580)	-
Free Cash Flow (Auto)	(9,168)	(9,205)	-



- Tata Motors Group is a flagship of the Tatas and enjoys full promoter support
- Actions are underway to significantly deleverage the Tata Motors Group
- JLR to become sustainably cash positive from FY22 while becoming future ready

Update on deleverage actions

Jaguar Land Rover

Area	Comment
Charge+	Targets enhanced further to £6B
Capex	FY21: £2.5B
FCF	JLR to be FCF positive from FY22

India Business

Area	Comment
Cost, Cash	FY21: On track to deliver ₹ 6000Cr
Capex	FY21: ₹ 1500Cr
FCF	TML to be FCF positive from FY21

PV India actions to 'Win Sustainably'

Actions		Details
1	<i>Reimagine PV</i>	<ul style="list-style-type: none">• Rejuvenate front end sales and service
2	Activate the new product range	<ul style="list-style-type: none">• Drive salience and customer preference of the fully refreshed BSVI range
3	Create separate legal entity for long term value creation	<ul style="list-style-type: none">• Drive transparent capital allocation and focus• Transfer the PV undertaking as a going concern on a slump sale basis at a lump sum consideration of ₹ 9,417 Crs
4	Establish an efficient cost base	<ul style="list-style-type: none">• Reduce break-evens by improving contribution margin and reducing fixed costs further



Jaguar Land Rover

PBT£(393)m*, EBIT breakeven; positive Q4 cashflow



IFRS £m	FY'19	FY'20	Change
Retails (in 000s)	578.9	508.7	(12)%
Revenue	24,214	22,984	(5)%
<i>EBITDA%</i>	8.2	8.7	50 bps
<i>EBIT%</i>	(0.7)	(0.1)	60 bps
PBT (bei)	(358)	(393)	-
Free Cash Flow	(1,265)	(702)	

Business improves EBIT by 60bps and cash flows by £563m in challenging times

Total retails down 12.1%,



Retail units in '000

Includes c. 44k unit Covid impact

508.7

129.3



North America

106.6



UK

107.0



Europe

90.1



China

75.5



Overseas

Total



JLR YoY (7.5)%

(9.6)%

(16.1)%

(8.9)%

(20.3)%

(12.1)%

Industry (3.9)%

(10.9)%

(4.8)%

(16.6)%

N/A

Wholesales (excl. CJLR)

Units 135.8

110.1

113.3

38.3

78.5

476.0

YoY 1.9%

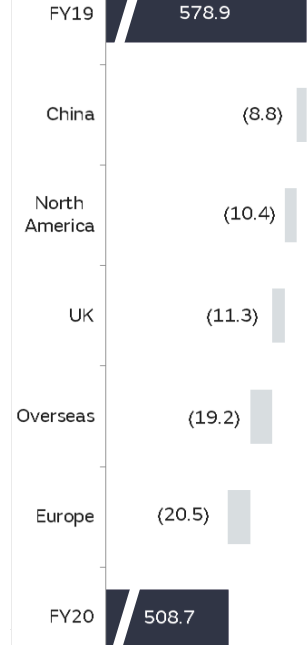
(7.3)%

(8.8)%

(4.6)%

(14.2)%

(6.3)%



China down 8.9%, outperformed industry

Covid-19 – Community Response



Visor production for frontline workers (14k/wk)



Vehicles supporting Red Cross internationally



42 vehicles deployed to UK community causes



Guidelines to support employees volunteering



IT equipment redeployed to hospitals



Covid dataset simulations with university partners

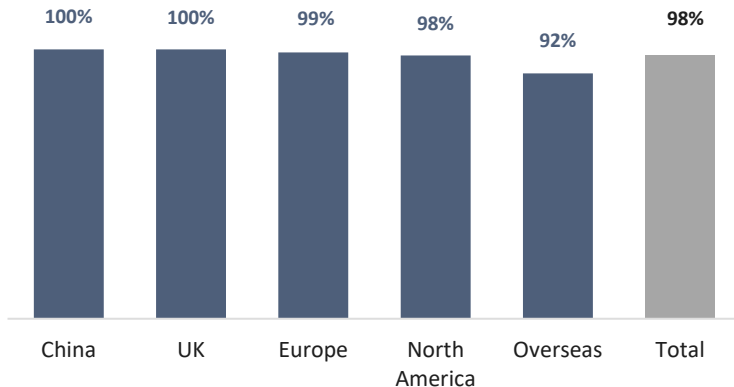
We are doing our best to help frontline workers

Demand led restart with c. 98% of retailers open



JLR retailers status by region

% JLR retailer sales sites presently open*



- c. 98% of retailers open (partially or fully)
- China and UK retailers all fully open
- JLR Q1 inventory of £2.6b, below £3b target

* Note : Status as at 23 July.

JLR production restart schedule

JLR production restart schedule		Restart	Shifts
China JV (Changshu)	Evoque, Disc. Sport, E-PACE, XEL, XFL	2 nd Mar	1
UK (Solihull)	Range Rover, RR Sport, Velar, F-PACE	18 th May	2
UK (Wolverhampton)	Engines	18 th May	1
Slovakia (Nitra)	Defender, Discovery	18 th May	2
Austria (Graz)	I-PACE, E-PACE	18 th May	1
UK (Halewood)	Evoque, Discovery Sport	8 th Jun	1
Brazil (assembly)	Discovery Sport	15 th Jun	1
India (assembly)	Velar, Evoque, Disc. Sport, XE, XF, F-PACE	15 th Jun	1
UK (Castle Bromwich)	Jaguar F-TYPE	10 th Aug	1

- Social distancing protocols and procedures in place to protect employees
- 35% (10.2k) of total workforce furloughed (40% (6.6k) manufacturing staff furloughed)
- Supply base supporting restart with only limited issues to date

Solihull & Nitra plants now operating 2 shifts

Defender launch update



- Response to new Defender continues to be promising with 7.9K wholesales in Q1
- Just launched in China at Chengdu Autoshow, with positive response
- Order bank now over 30k
- Slovakia production now up to 2 shift to meet demand as product gets to dealerships and lockdown eases

Start of deliveries by region



Deliveries underway in many markets

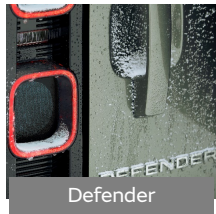
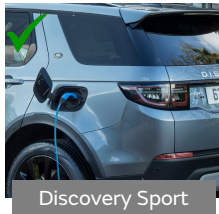
Electrification continues across the range



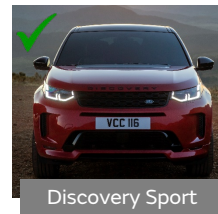
Battery electric (BEV)



Plug-in Hybrid (PHEV)



Mild Hybrid (MHEV)



1 BEV, 8 PHEV and 11 MHEV available by end of FY21

1 BEV, 4 PHEV and 5 MHEV available now

Charge + Progress



£B	Charge & Charge+				Balance Target Q2 to Q4'21	Cumulative Target
	FY19	FY20	Q1FY21	Achieved so far		
Investment	0.7	1.2	0.3	2.2	c. 0.7	c. 4.0
Working Capital	0.4	0.2	0.4	1.0		
Cost & Profits	0.2	0.8	0.5	1.5	c. 0.6	c. 2.0
Total Cash Saving	1.3	2.2	1.2	4.7	1.3	6.0

£3.5b of savings delivered till FY20, target increased by £2.5b for FY21

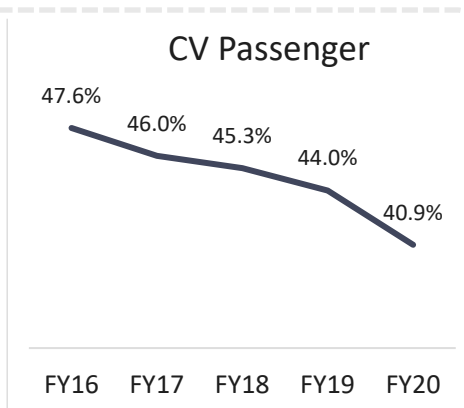
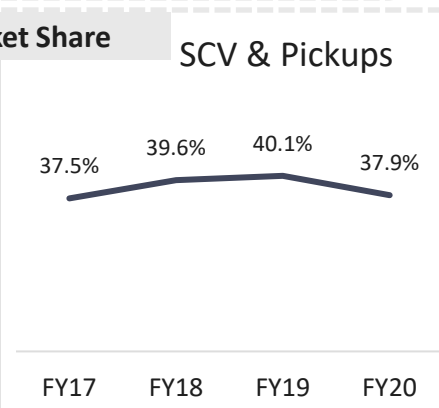
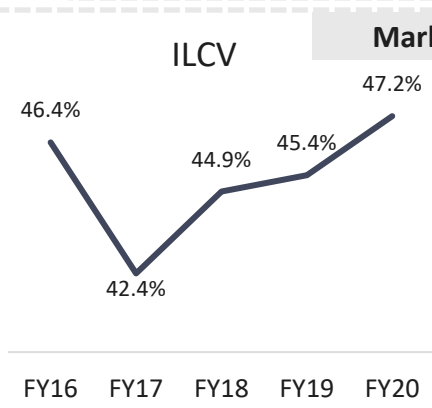
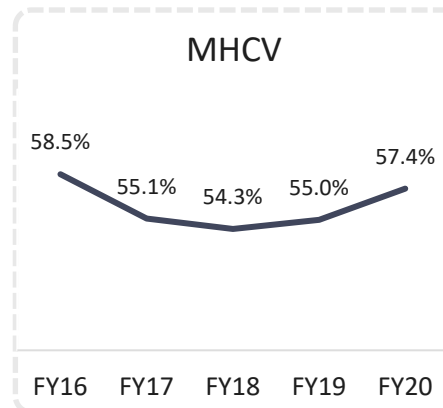
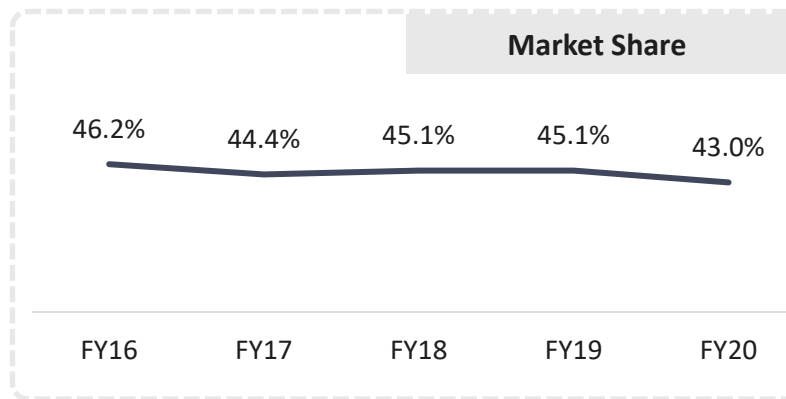


Turnaround 2.0: Managing the slowdown by doing it right

Revenue down 37%, EBIT at (7.1)%

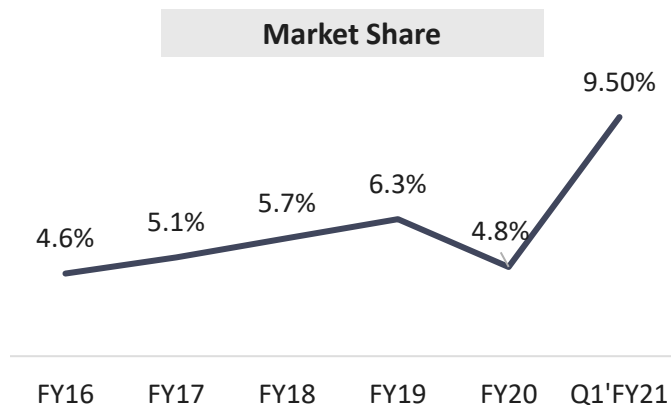
₹Cr.	FY'19	FY'20	Change
Wholesale (in 000's)	732.4	475.2	(35)%
Revenue	69,203	43,928	(37)%
<i>EBITDA%</i>	8.2	0.6	(760) bps
<i>EBIT%</i>	3.8	(7.1)	(1090) bps
PBT (bei)*	2,602	(4,616)	-
PBT	2,399	(7,127)	-
Free Cash Flow	1,539	(5,968)	

CV : Market Share improves in MHCV & ILCV; Losses in SCV and buses



Market shares in M&HCV and ILCV increased with improved retail focus

PV: FY20 impacted by inventory corrections



Contribution margins steady; Focus on front end activation

Tata Motors has become the market leader in EVs

Tata Motors EV Strategy

- Focus on **fleet, government & personal** segments
- **Contemporary and accessible EVs**
 - Low Voltage EV for fleet use
 - High Voltage EV for personal use
- **Conversion route** to optimize investments
- Build a **strong EV ecosystem** with Tata Group companies

FY20 Performance



Market leader in Fleet (46%)
& Government (53%)



Market leader in personal
segment (43%)



1000th Nexon EV !!

High-tech, high performance EVs further reinforce brand image

Current Situation & Recovery Actions



Challenges

- Conservative approach by financiers
- Lower freight & absolute utilisation
- Driver & labour unavailability
- School reopening and WFH limiting bus demand



Bright Spots

- Utilisations improving as freight movements increase
- Rural economy to lead the revival
- Select industries improving (Steel, Petroleum, FMCG, e-Comm)
- Customers feedback on BSVI range good.



Demand Generation

- Upskill sales force
- Establish BSVI through field trials
- Extensive engagement with banks & NBFCs to co-create solutions



Demand Fulfilment

- De-bottlenecking supply chain
- Proactive engagement with Govt. agencies on COVID safety norms



Cost Reduction & Cash Conservation

- Repurposed engineering to focus on direct material cost reduction
- Focus on Fixed Cost reduction and capital allocation

Multiple actions taken for recovery and growth



Sales Growth

- **Retail focus** to be in sync with changing consumer demand
- **Innovative financing schemes**



Aftersales Transformation

- **Home service** to get vehicles on-road
- **Special service support** to COVID warriors
- **Sanitization measures** at workshops



Network Support & Profitability

- **COVID support** to channel partners
- **Incentives designed to support dealer profitability**



Digital Initiatives

- eCommerce platform - **“ClickToDrive”** to support online lead generation
- Launched **dealer specific webpages** and **Google My Business (GMB)** for all dealers

Closely monitoring evolving situation

Cash savings of ₹1020Cr till date

₹ Cr	Secure Cost		Q1 FY21 Comments
	Target FY21	Actual Q1'21	
Investment	3,000	480	Rs 1500Cr for the year secured. Investment prioritisation and controls in place
Working Capital	1,500	-	Working capital savings to start from Q2 onwards
Cost & Profits	1,500	540	Employee costs, Marketing, Manufacturing, Discretionary and Others
Total Cash Saving	6,000	1,020	

On track to deliver ₹ 6KCr of cash and cost savings

- Uncertain demand environment
- Q2 FY21 sales volumes, revenue and profits expected to be better than Q1 as recovery continues
- Liquidity to improve with positive free cash flows between Q2-Q4 FY21

Focus Area

- Significantly deleverage the company
- Positive Free Cash flows from FY22 in JLR and from FY21 in TML India business.
- Continue to launch exciting products including EVs to meet recovering demand
- Deliver cost and cash savings of £2.5b in FY21 in JLR and ₹ 6KCr in TML India
- Execute PV subsidiarisation actions

Thank you!

Tata Motors Investor Relations