











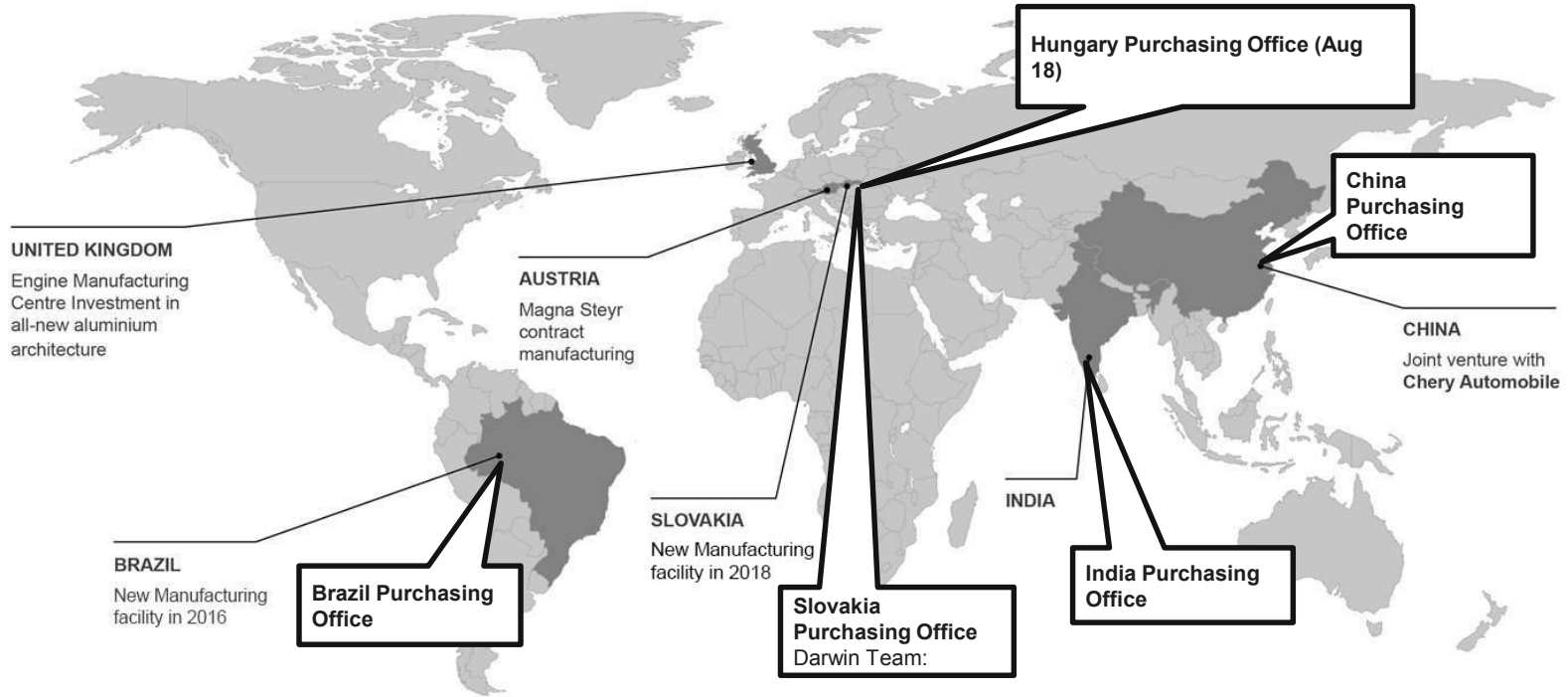
Spend under management
£18.9bn



2,310 team members

Production Purchasing	<ul style="list-style-type: none"> • 708.5 team members • Spend £12.6 bn 	
Non Production Purchasing	<ul style="list-style-type: none"> • 153 team members • Spend £5.4bn 	
AM & SO Production Purchasing	<ul style="list-style-type: none"> • 147.5 team members • Spend £908m 	
Cost Engineering	<ul style="list-style-type: none"> • 225 team members • Cost Engineering, Total Value Management 	
Supplier Technical Assurance & Contract Manufacturing	<ul style="list-style-type: none"> • 646 team members • Supplier process quality assurance 	
Global Programme & Operations	<ul style="list-style-type: none"> • 239 team members • Supply side capacity assurance 	
Purchasing Transformation and Operations	<ul style="list-style-type: none"> • 140 team members • Enabling Systems, Processes, Performance and Transformation 	
Apprentices & Directors Office	<ul style="list-style-type: none"> • 51 team members 	

Overview of the Global Organisation



- Global Purchasing also represented in each National Sales Company
- Hungary will become Eastern European Hub for Global Purchasing and STA

Production Purchasing

Continued evolution



- **Structured Supplier engagement & governance** with those who matter most
- **Global cross-functional supplier scorecard** and improvement planning
- **Win together** mentality
- **S24 holistic cost reduction** – material, ED+T, tooling, warranty etc. – Leverage MLA
- **Supplier management practices** to recognise move from 'Black box' to separate H/W + S/W sources

Supply Chain



Value Creation



- **Integrated Business Plan** & cross functional target commitment process to be introduced
- **Should design @ should cost** into MLA product & supply chain solutions
- **Software - accelerate core capability**, cybersecurity & validation
- **Develop business models** that incentivise feature development
- **Collaboration & Co-opetition**
- **Data and IP monetisation** and services

- **Connected Supply Chain** – real time supply chain visibility and collaboration
- **AutoSource** – automated tail spend sourcing and augmented sourcing / guided buying
- **Analytic insights** on sourcing, supplier and supply chain performance
- **Robotic Process Automation (RPA)** – liberating high value innovation
- **Blockchain** supporting end to end traceability and smart contracting
- **Network Risk mapping** – understanding and managing the risks across our network

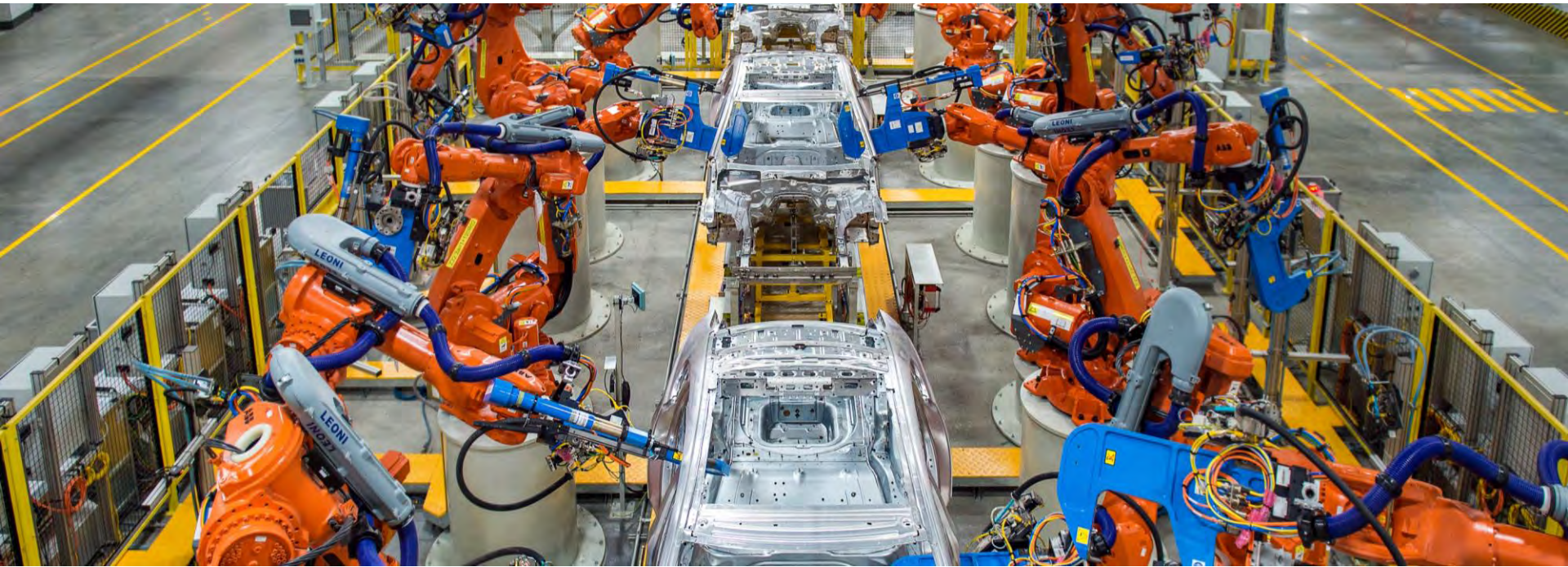
Digital



Responsible



- **Investment /Industrial strategy** (UK post Brexit) & supply chain reform programme to improve efficiency (complexity, consolidation, flexibility, vertical integration & re-use)
- Business case evaluation to consider **Brexit risk & social responsibility** e.g. conflict minerals, pollution /CO2 footprint, energy, water etc.
- **CoC solution providers** as co-MD's maintain robust commodity business plans/strategies (inc. core competence development) & delivery responsibilities



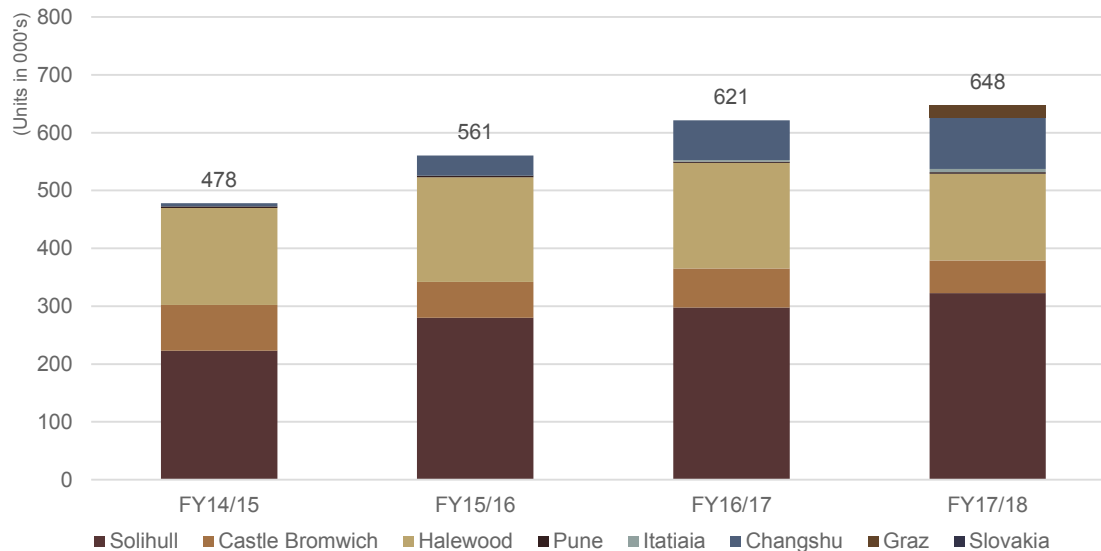
MANUFACTURING

TRANSFORMING OUR COST BASE

GRANT MCPHERSON
EXECUTIVE DIRECTOR, MANUFACTURING

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Growing our Output through our Capital and Human Assets



JLR product portfolio global assembly locations								
	UK Solihull	UK Halewood	UK Castle Brom	CHINA Changshu	AUSTRIA Graz	SLOVAKIA Nitza	BRAZIL Itatiaia	INDIA Pune
RR	✓							
RR Sport	✓							
Discovery	✓					✓		
F-Pace	✓							✓
RR Velar	✓							
Discovery Sport		✓		✓			✓	✓
RR Evoque		✓		✓			✓	✓
XE			✓	✓				✓
XF			✓	✓				✓
XJ			✓					✓
F-Type			✓					
E-Pace				✓	✓			
I-Pace					✓			

- Global Manufacturing resources have grown to over 23,000 in March 2018
- This includes approx. 4,000 engineers and technicians

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Core Technologies and a Global Plant Network



Press

8 new press & blanking lines in CB, HW, China & Slovakia incl. servo mechanical technology



Bodyshop

6 state of the art aluminium body Shops (CB, Sol, Slovakia & China) & full upgrade to steel body shops



Paintshop

2 new paint shops (China & Slovakia) and automation upgrades for existing sealer and paint application systems in UK



Assembly

4 new vehicle assembly facilities (Sol, China & Slovakia) and upgrades for MHEV & PHEV capabilities



Engine

New Ingenium manufacturing facilities in UK, China and India

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Global Plant Network (Outside of UK)



Austria (Graz) Full Manufacture
E-Pace and i-Pace



China (Changshu) Full Manufacture
Evoque, Disco Sport, XE LWB, XF
LWB & E-Pace



Slovakia (Nitra) Full Manufacture
Discovery and future models.



Brazil (Local Assy)
Evoque & Discovery Sport

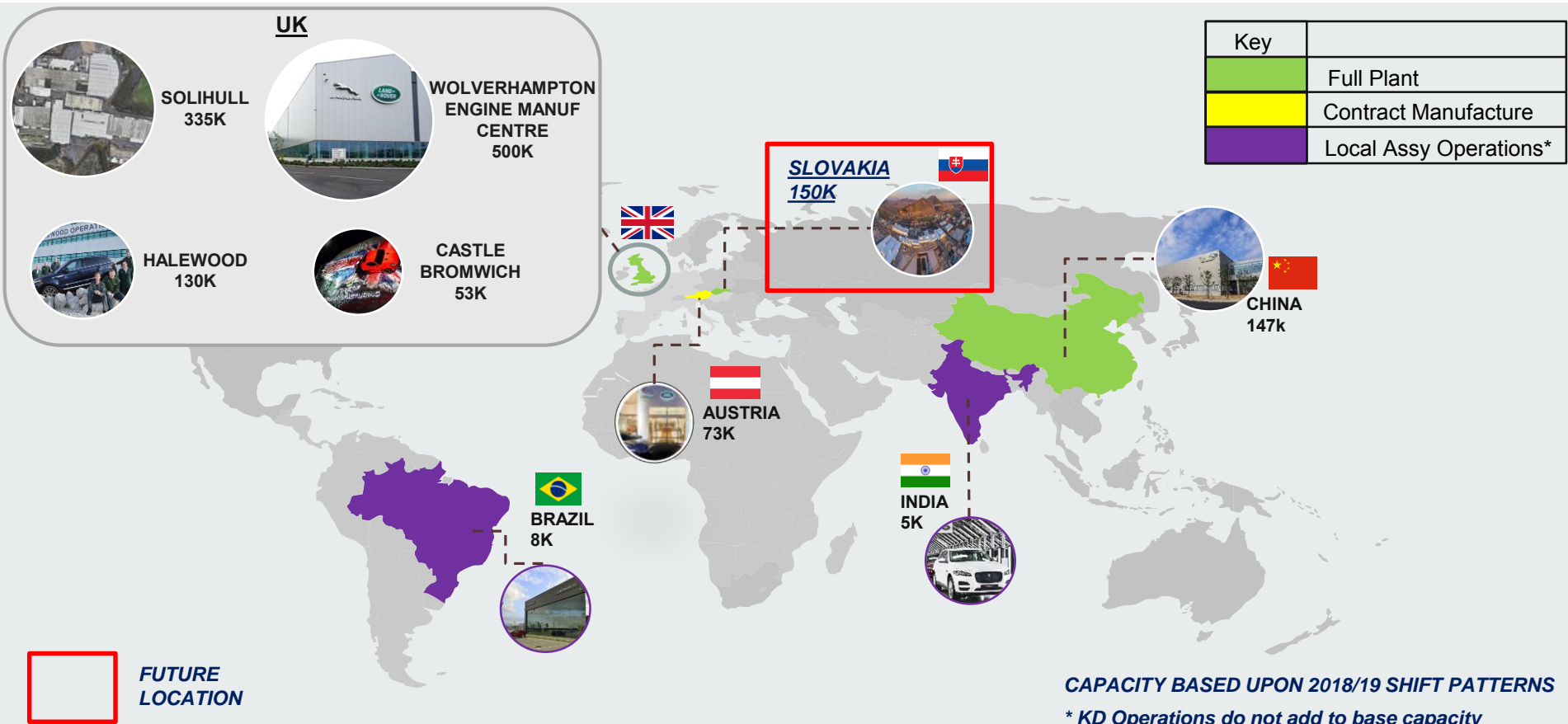


Pune (Local Assy)
Evoque, Disco Sport, XE, XF,
F-Pace & XJ

☐ Future Plans

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Supporting Key Markets and Accessing a Lower Cost Base

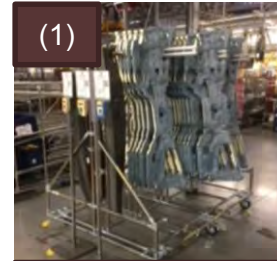


DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

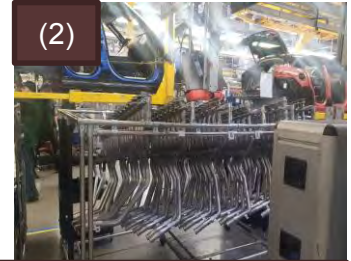
Transforming our Cost Base – Examples of productivity 2015-2018



Halewood paint shop – Over 20 robots installed for interior paint reducing headcount (29 heads), reducing basecoat material usage and improving quality



(1)



(2)

Dash Pad (1) and Fuel Filler Neck (2) trolleys in station reducing steps and avoiding sequencing costs

Solihull FA2 – 290 heads saved per shift since 2015 by increasing Value Added Utilisation of associates through Kaizen



Implementation of Automated Guided Vehicles across multiple locations (average save 1 head/shift per AGV)



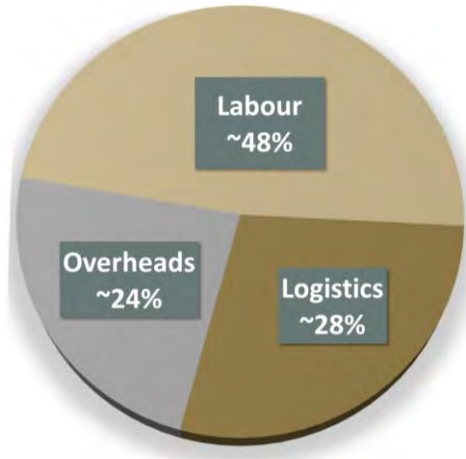
Re-tender and contracts negotiation, routes optimization, improved packaging solutions and utilisation of connected car technology delivering over £40m of freight positive performance in FY18

DEVELOPING A GLOBAL MANUFACTURING CAPABILITY

Transforming our Cost Base



Manufacturing Cost Structure 18/19



Total: c£2.8bn

Cost Transformation - Workstreams

Our target is to close any productivity gap to our near-facing competition*,

(*Harbour hours per car industry benchmarks).

- Leverage new product architecture commonality and scale efficiencies through *Design for Assembly & Design for Logistics*
- Grow facility utilisation and energy efficiency with technology application and best practice maintenance systems
- Lean Toolset application for manpower productivity, throughput and space
- Access lower cost base as we develop our operational footprint eg Slovakia
- Enhance logistics infrastructure and systems for inbound supplychains
- Re-engineer line-side material supply eg AGV delivery >80% for new plants
- Outbound logistics using autonomous vehicle capabilities

Labour productivity benchmarking
(185 Global Plants, 19 OEMs, Hours Per Unit)

Harbour Report 17 ® - Oliver Wyman

JLR Plants rank in 3rd place for short term productivity improvement -3.7% in 1 year
JLR Plants rank in 5th place for medium term productivity improvement -14.8% in 4 yrs

Halewood Plant ranked as most improvement plant in 2017 Report -12% in last year

NEW SLOVAKIA PLANT ON TRACK FOR JOB #1 IN SEPTEMBER 2018

New model plant in eastern europe



First Phase with 150k units per annum capacity, Body in White, Paint Shop and Trim & Final Assembly, protection to grow to 300k units per annum



'Model Plant' technology installation completion in April 2018 for BiW, Paint Shop and Trim & Final



Discovery launch activity began November 2017, target Job #1 September 2018 and prepared for further new model in 2019



Over 1,000 local employees now recruited and onboarded, accessing lower cost base in Manufacture and Supplychain



JAGUAR LAND ROVER INVESTOR DAY

FINANCIAL STRATEGY

KEN GREGOR
CHIEF FINANCIAL OFFICER

Overall, long term profitable growth delivered

Recent headwinds and lower profitability



Jaguar Land Rover has delivered solid performance over the long term, through exciting products, strong profits and investing in our future

Over the period FY11 to FY18 JLR has:

- Increased revenues by 15% CAGR to £26 billion
- Generated PBT of over £14 billion
- Invested over £20 billion in new products, technology, capacity and infrastructure
- Delivered over £3 billion cash flow (after funding the investment)

And, we have exciting products and plans in the pipeline to generate sustainable, profitable growth

However, in the past 3 years, we have had slower volume growth and experienced lower profitability , reflecting:

- Market and economic headwinds including diesel uncertainty, Brexit and market cyclicality
- Higher incentive spending in competitive markets
- Negative operating leverage from lower volume growth and higher D&A expenses

JLR is taking action to address these challenges



We are taking actions to address these challenges

- Volume growth plans moderated to reflect revised market conditions
- Driving cost efficiencies and operating leverage across the business
- Tough choices made on investment plans to meet affordability criteria whilst remaining competitive and innovative

We are targeting sustainable profitable growth with positive cash flow over the medium to long term

- Sales growth supported by new products and technology
- Continuing to invest in world class capabilities and infrastructure
- Improving contribution margins and operating leverage
- Moderating investment to c. 12-13% of revenue whilst ensuring competitiveness

Medium term targets

Volume growth	>> Premium Segments
EBIT %	4-7%
Investment	c. £4.5b p.a. in FY19-21

Long term targets

Volume growth	>> Premium Segments
EBIT %	7-9%
Investment	c. 12-13% of Revenue



DELIVERING ON THESE PLANS