

**Tata Motors Group FY 18: Revenue ₹294 KCr (+9%) & PBT ₹11.2 KCr (+20%)**  
**Strong turnaround in the domestic business continues**

**Mumbai, May 23, 2018:** Tata Motors Ltd announced its results for the quarter and year ending Mar 31, 2018.

Consolidated ₹ Cr (Ind AS)	Q4FY'18	Vs PY	FY 18	Vs PY
Net Revenue	91,279	18%	294,243	9%
PBT	2,308	(55%)	11,155	20%
U EBIT (%)	6.6	(90 bps)	4.2	(80 bps)

U EBIT refers to Underlying EBIT

"Fit for Future" exceptional/additional charges in PBT			
	Q4FY18	FY18	
JLR (£ m)	(97)	340	
TML (S) (₹ Cr)	(1,236)	(1,229)	
Conso (₹ Cr)	(2,113)	1,512	

JLR £ m (IFRS)	Q4 FY' 18	Vs PY	FY'18	Vs PY
Net Revenue	7,555	4.0%	25,786	6%
PBT	364	(46%)	1536	-5%
U EBIT (%)	6.7	(200 bps)	4.2	(170 bps)

TML (S) ₹ Cr (Ind AS)	Q4 FY '18	Vs PY	FY' 18	Vs PY
Net Revenue	19,779	45%	58,457	32%
PBT	(474)	40%	(947)	60%
U EBIT (%)	3.1	460 bps	0.9	400 bps

### JAGUAR LAND ROVER (JLR)

- **Retails** up 1.7% in FY 18 to 614,309 units; Q4 down 3.8%. **Wholesales** up 2% in FY 18, Q4 up 2.2%
- **Net Revenue** +4.0 % to £7.6B in Q4; 6% in FY 18
- **U EBIT:** Q4 at 6.7% (-200bps), impact of higher D&A. (FY 4.2%, -170bps)
- **PBT at** £1.5B. Dividends increased to 20% of PAT (£225m) and 25% of PAT from next year.
- **Investments:** £4.2B mainly in products & technologies
- **Free Cash Flows** of £(1.0)B in FY '18; £949m in Q4

### TATA MOTORS (STANDALONE, INCL JO)

- **Wholesales** rise 34% to 201,573 units in Q4; FY volumes rise 17% to 637K
- **Net Revenue** +45% to ₹19.8K Cr in Q4; 32% in FY 18
- **U EBIT:** Q4 at 3.1% (+460 bps), volume growth, mix, ImpACT savings & operating leverage. (FY 0.9%, +400bps)
- **PBT** for the year -947Cr, impacted by Fit for Future exceptional/additional charges. PBT positive for year before these charges.
- **Investments:** ₹ 3.5KCr in products and technologies.
- **Free cash flows** of ₹1339Cr for the year. ₹2K Cr in Q4 '18

Natarajan Chandrasekaran, Chairman commented "In FY 18, JLR delivered profitable growth despite challenging market conditions. We invested for growth, launched exciting new products and established landmark partnerships. In the near term, the challenges of market, technology and geo-political uncertainties are likely to persist. This is the 10<sup>th</sup> year of Tata's acquisition of JLR. In this period, we grew 5 times, strengthened our differentiated premium brands, built leading edge technical capabilities and improved profitability by 1300bps. Looking ahead, we will draw inspiration from this proven legacy to create value over the long term and drive each of these further. We will also focus on cost efficiencies, drive operating leverage and manage capital spends prudently. In the domestic business, the "Turnaround" results are clearly visible. We gained market share in both CV and PV with strong improvement in profitability and positive cash flows. With "Turnaround 2.0" we will accelerate our efforts to "Win Decisively" in CV, "Win Sustainably" in PV and embed the turnaround culture in the company.

With these focused efforts, I am confident that Tata Motors Group shall deliver Competitive, Consistent and Cash Accretive Growth in the coming years"



## JAGUAR LAND ROVER

### BUSINESS HIGHLIGHTS

- Strong demand for Range Rover Velar, new Discovery and Jaguar F-PACE
- Exciting range of new cars introduced: Jaguar I-PACE, the world's first fully electric premium SUV is now available to order, placing the company at the forefront of the electric revolution; the compact E-PACE, which combines sports car looks with SUV practicality; Jaguar XF Sportbrake and the first plug-in hybrid models of the Range Rover and Range Rover Sport.
- Opening of an engine plant at the company's joint venture in China and construction of a manufacturing facility in Nitra, Slovakia, where production is due to begin in 2018
- Will continue to invest circa £4.5 billion in the 2018-19 financial year for in new models and technologies

### FINANCIALS

For the Fiscal year 2018, Retail sales grew 1.7% year-on-year to 614,309 cars, with demand up in China (19.9%), North America (4.7%) and in Overseas Markets (3.4%). These regional increases offset lower figures in the UK (-12.8%) and Europe (-5.3%), where sales were impacted by consumer uncertainty surrounding diesel models. The increase in sales was driven by new models, including the latest Land Rover Discovery, the award-winning Range Rover Velar (World Car Design of the Year), the long-wheelbase Jaguar XFL in China and continued solid demand for the Jaguar F-PACE.

Revenues increased 6.0% to £25.8B. Pre-tax profits were £1.5B including a one-off £437m pension credit reported in the first quarter partially offset by engineering charges ("Fit for Future") in Q4 '18. The EBIT margin before these "Fit for Future" charges was 4.2%, compared to 5.9% a year ago. The lower margin mainly reflected higher depreciation and amortisation as a result of the significant investment in the business and slower sales growth than in recent past. For the fourth quarter, pre-tax profits were £364m on revenues of £7.6B. During the financial year, the company invested a record £4.2B, over half of which was in new vehicles and technologies.

Dr. Ralf Speth, Jaguar Land Rover CEO, said: "Despite external headwinds, these results reflect the underlying strengths of Jaguar Land Rover. Sales have reached a new high, as strong demand in our key overseas markets offset the challenging conditions in the UK and other parts of Europe. Our sustained growth and business resilience reflects the support we have received over the past 10 years from Tata. As we mark this important milestone and as we shape our future, we will continue with over-proportional investment in new vehicles, manufacturing facilities and next generation automotive technologies in line with our Autonomous, Connected, Electric and Shared strategy to provide our customers with the next generation of Jaguars and Land Rovers. We are confident of our plans to drive robust growth and efficiencies to ensure that we continue to deliver solid results and generate sustainable profitable growth to support continued investment with positive free cash flows in the medium to long term.

We are one team with pioneering spirit, delivering outstanding new cars, with the best of British design and engineering integrity, leading in customer desirability."



## TATA MOTORS (STANDALONE INCL. JOINT OPERATIONS)

### BUSINESS HIGHLIGHTS

- Turnaround Strategy clearly visible
- Gained Market share in CV after 7 years and second year in a row for PV
- Strong volumes and cost reduction efforts deliver improved profit and cash flow delivery
- Delivered positive free cash flow (of ₹1,339 Cr) in FY 18 after 5 years
- Commercial Vehicles (CV) growth driven by increased market demand particularly for high tonnage vehicles, newly launched products, increased acceptance of SCR technology, improved stakeholders' engagement
- Passenger Vehicles (PV) continues to demonstrate positive momentum on the back of new product launches and customer centric initiatives

### FINANCIALS

In FY '18 wholesales (including exports) grew 17% to 636,968 units with broad based growth across the entire portfolio. In the domestic market M&HCV trucks grew 16%, ILCV trucks +36%, SCV & Pick Ups +37%. PV was up 19%. New products in CV with SCR technology has been well received by the customers. "Nexon" has met with excellent consumer response while the existing portfolio of Tiago, Tigor and Hexa continued to deliver strong growths. The performance in the quarter reflects the results of the Turnaround Strategy which involves focused actions on filling up portfolio gaps, rigorous cost reductions while taking steps to improve the reliability of our supply chain.

In FY 18, Revenue increased 32% to ₹58,457Cr, Pre-tax loss reduced by ₹1406 Cr to ₹-947Cr. Pre-tax loss for the year includes "Fit for Future" exceptional/additional charges of ₹1,229Cr. In Q4 '18, Revenue increased 45% to ₹19,779Cr, Pre-tax loss reduced by ₹313Cr to ₹-474Cr. Pre-tax loss for the quarter includes "Fit for Future" exceptional/additional charges of ₹1,236Cr.

Mr. Guenter Butschek, Tata Motors CEO & MD, said: "FY18 has been a hallmark year for Tata Motors with a record breaking sales performance, increase in market share and the standalone business turning profitable before one-time exceptional charges. As we step into Turnaround 2.0, we would like to embed Turnaround thinking within TML and our business plan will continue to remain robust in terms of sales, market share and financial performance. We want to structurally improve the business with reinforced & focused actions in PV, and continuing the momentum in CV from last year. Our future pipeline is full of attractive products, bundled with the most desirable and customer-centric service offerings. We will continue to enhance the organization's effectiveness, enabling greater speed, simplicity and agility in our efforts. These interventions give us the confidence to deliver competitive, consistent and cash accretive growth over the medium to long term."

## ADDITIONAL COMMENTARY ON FINANCIAL STATEMENTS

(CONSOLIDATED NUMBERS, IND AS)

### FINANCE COSTS AND TAX

Finance costs increased by ₹14Cr to ₹1,178Cr during Q4 FY'18 vs prior year. In FY 18, they increased by ₹444Cr to ₹4,682Cr. The increase is due to higher borrowings in both TML (S) and JLR.

The Effective Tax Rate for FY18 was 32.3%. This broadly reflects non- recognition of tax credits in the Standalone business and one-time impact of reduction in tax rates on deferred tax assets (UK reduced from 19% to 17% and US reduced from 35% to 21%).

### JOINT VENTURES, ASSOCIATES AND OTHER INCOME

In the quarter, Net profit from joint ventures and associates contributed ₹845Cr compared with ₹411Cr in prior year. Other income was ₹364Cr versus ₹234Cr in the same quarter prior year. The increase is coming from mainly the additional interest incomes earned during the year.

For the year FY '18, Net profit from joint ventures and associates contributed ₹2,278Cr vs ₹1,493Cr in FY'17. Other income was ₹889Cr versus ₹755Cr in the prior year.

### FREE CASH FLOWS

Free cash flow in the quarter, was positive ₹6,714Cr reflecting higher operating profits and favourable working capital offsetting investments in both TML (S) and JLR. Free cash flow in the year, was negative ₹11,191Cr reflecting higher investments, lower operating profits and unfavourable working capital. FCF of automobile business was +₹8930 Cr for the quarter and -₹7330Cr for the year.

### NET DEBT

Closing net debt was ₹39,977Cr compared to ₹27,485Cr as at 31<sup>st</sup> March 2017, reflecting negative free cash flow at JLR with continued high investments and lower sales growth. Net Automotive debt stood at ₹13,889Cr vs ₹7,401Cr as at 31<sup>st</sup> March 2017.

*Notes: Joint Operations refers to Fiat Automobiles Pvt Ltd and Tata Cummins Pvt Ltd*

For further information contact

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