JAGUAR LAND ROVER & ITS SUPPLY CHAIN

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Supply Chain Projects & External Engagement
May 2017
WORKING WITH THE AUTOMOTIVE SECTOR
The Automotive Council was formed in 2009 under Labour; our Sector flourished under Liberal Dem/Conservative Coalition; entered a new era with the Conservatives:

To strengthen and promote **sustainable growth of the automotive sector in the UK** through enhanced dialogue and co-operation between UK government and automotive industry

**Leadership**
- **Industry Chair**
  - Nigel Stein
  - CEO - GKN PLC

**Department**
- **Business**
- **Energy**
- **Industrial Strategy**

**Government Transition:**
- Automotive Industrial Strategy
- Advanced Propulsion Centre £1Bils over 10 Yrs
- Automotive Investment Organisation (AIO)
- Business Environment, Supply Chain & Technology Groups
- Joint BBA ACUK Forum

**Expectations:**
- Need to deliver more for less using the **Momentum** established in the last 5 years
- **Greater Devolved Application** - Midlands Engine, Northern Powerhouse, Growth Hubs
- Government continues to actively support the Automotive Industry
- Strategy adjustment post Brexit – weaker currency, trade uncertainties, labour movement
UK OEM PASSENGER VEHICLE PRODUCTION FOOTPRINT
1.7 Million Cars = 17 Year High = A Car Every 20 Seconds

Mix of UK production, number of vehicles in thousands
2016 – 1.7 Mils Units (8.5% Growth) 78% Exported/ SMMT forecasts over 2 Mils Units in 2020 (4%pa)

Further new models are expected in 2017 adding further power to the UK Automotive Industry. Mar 17 YTD 7.6%

Production by Model vs 2015 + Increased/ New Model  – No Significant Change – Decreased/ Model on Run-out
The performance SUV is the fastest selling model Jaguar has produced and is only the second vehicle to claim the historic double of the World Car Awards. To win the pair of trophies, the F-PACE saw off the competition in a vote of 75 influential motoring journalists from 24 countries.
JAGUAR LAND ROVER
Economic Impact

- Jaguar Land Rover supports around 275,000 UK jobs through its service providers, supply chain and R&D businesses, including its own UK employees.

- Jaguar Land Rover has increased its UK workforce by more than 20,000 people in the last five years to 37,000 in 2016.

- Jaguar Land Rover’s UK supply chain has increased its workforce by 60,000 people in the same period.

- In June 2016, Jaguar Land Rover was ranked 8\textsuperscript{th} in LinkedIn’s 25 Most Attractive Employers in the UK list.

- In January 2016, Jaguar Land Rover was named ‘Best UK Employer’ by Bloomberg.

- The largest investor in automotive R&D and engineering in the UK.

- 80\% of production exported from three plants in the UK representing 8\% of UK manufacturing exports.
SUSTAINED UNIT RETAIL GROWTH DRIVEN BY GREAT VEHICLES

CAGR 15%

2017 CY Mix
- EUROPE: 23%
- China: 21%
- UK: 21%
- North America: 20%
- Overseas: 15%

000's


Land Rover
Jaguar
Jaguar Land Rover

2009 2010 FY12 FY13 FY14 FY15 FY16 FY17

144 181 233 252 306 316 354 385 431

52 51 54 59 80 77 95 173 173

196 181 233 252 306 316 354 385 434

22% 16% 16% 6% 13% 16%

434 462 522 604

604
Jaguar Land Rover Reports Record Sales

Jaguar 83% Growth as the new F-Pace hits the market, Land Rover 1% due to run out of Discovery. Fuelled by production increases both in the UK and Abroad (Brazil & China)

<table>
<thead>
<tr>
<th>Market</th>
<th>Year to Mar ‘17</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>141,043</td>
<td>13%</td>
</tr>
<tr>
<td>China</td>
<td>125,207</td>
<td>32%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>124,755</td>
<td>16%</td>
</tr>
<tr>
<td>North America</td>
<td>123,527</td>
<td>24%</td>
</tr>
<tr>
<td>Overseas</td>
<td>89,477</td>
<td>(6)%</td>
</tr>
<tr>
<td>Total</td>
<td>604,009</td>
<td>16%</td>
</tr>
</tbody>
</table>

Sales by Model Line

<table>
<thead>
<tr>
<th>Model Line</th>
<th>Share</th>
<th>Growth</th>
</tr>
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<tbody>
<tr>
<td>New</td>
<td>21%</td>
<td>32%</td>
</tr>
<tr>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19%</td>
<td>7%</td>
<td>25%</td>
</tr>
<tr>
<td>15%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>11%</td>
<td>6%</td>
<td>(2)%</td>
</tr>
<tr>
<td>10%</td>
<td>10%</td>
<td>(4)%</td>
</tr>
<tr>
<td>2%</td>
<td>2%</td>
<td>(9)%</td>
</tr>
</tbody>
</table>

*Including CJLR sales
<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>£0.8bn</td>
<td>XJ, EVOQUE, RANGE ROVER, RANGE ROVER SPORT</td>
</tr>
<tr>
<td>2011</td>
<td>£0.9bn</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>£1.5bn</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>£2.0bn</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>£2.0bn</td>
<td>F-TYPE COUPÉ, DISCOVERY SPORT, XE</td>
</tr>
<tr>
<td>2015</td>
<td>£3.1bn</td>
<td>XF, F-PACE</td>
</tr>
<tr>
<td>2016</td>
<td>£3.1bn</td>
<td>EVOQUE CONVERTIBLE</td>
</tr>
<tr>
<td>2017</td>
<td>£2.4bn</td>
<td>RANGE ROVER SPORT- SVR, XF Long Wheel Base, NEW DISCOVERY</td>
</tr>
<tr>
<td>2018</td>
<td>£X.Xbn</td>
<td>RANGE ROVER VELAR, J-XXX, I-PACE</td>
</tr>
</tbody>
</table>
INVESTMENT & INNOVATION WITHIN THE TATA GROUP
– Creating the World’s Most Stunning Showroom

4 x 4
£ 16 Billion
Invested to the end of 2016

All New Models Under Tata
JAGUAR I-PACE BEV
MORE TO COME IN 2017 AND BEYOND

I-PACE concept
JLR’s First Battery Electric Vehicle

- All-wheel-drive from twin electric motors
- 500km range (NEDC cycle)
- 0-60mph in 4 seconds
- 90kWh lithium-ion battery
- Rapid charging takes 2 hours
- On the road in 2018
JAGUAR LAND ROVER
Investment in Facilities and Vehicles

• New £20m Technical Centre to undertake manufacturing, personalisation and commissioning programmes for JLR Special Vehicle Operations division.

• Invested £1.5bn in the Solihull plant in the last 5 years.

• £400m invested in the Castle Bromwich plant in support of new XF - the largest single investment in the history of the Castle Bromwich plant.

• Investment: £500m invested in the Halewood plant since 2010.

• Investing £450m to expand its Engine Manufacturing Centre – site totals £1bn.

• The £150m National Automotive Innovation Centre (NAIC) will open in second half of 2017. It will provide a state-of-the-art facility for JLR’s advanced research team and collaborative partners from academia, the supply chain & other industries.

• JLR’s UK Supply Chain has invested £2bn, & there is a further £250m in the pipeline
JAGUAR LAND ROVER
Our Investments Flow into the Supply Chain

<table>
<thead>
<tr>
<th>Investment in Research &amp; Development Centres</th>
<th>Investment in Manufacturing Facilities</th>
<th>Investment in Skills, Training &amp; Lifetime Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitley, Gaydon, WMG - NAIC</td>
<td>EMC, Solihull, CB &amp; Halewood</td>
<td>Skills Strategy &amp; Learning Organisation</td>
</tr>
<tr>
<td>Electrification Technologies</td>
<td>Maximising Productivity, Industry 4.0</td>
<td>JLR Processes, In Plant Learning, Maintenance Course</td>
</tr>
<tr>
<td>Connectivity Technologies</td>
<td>Establishing Trading Links</td>
<td>Using the JLR Brand, Referrals, Skills Show</td>
</tr>
<tr>
<td>Collaborated in APC Investing in New Prototyping Centre</td>
<td>Moved Production from Italy to UK</td>
<td>WHS Plastics 400 Trained 150 Promoted</td>
</tr>
</tbody>
</table>
What is the Secret to their Success?

ACQUIRE CUSTOMER SUPPLIER PARTNER RELATIONSHIP
Strong commercial & engineering links

CLEAR STRATEGY
MATCHES YOUR CUSTOMERS’ & FUTURE CUSTOMERS’ STRATEGY
I UNDERSTAND MY CUSTOMERS’ STRATEGY & BUSINESS

CURRENT BUSINESS STATE & POSITION IN THE VALUE CHAIN
ON WHAT BASIS DO YOU COMPETE?
UNIQUE SELLING POINT (USP)
Improved Quality; Cheaper; Guaranteed Delivery; Flexible; Greater Reliability; Innovative; That Unforgettable Customer Experience

INDUSTRY STANDARDS
BASE ENTRY REQUIREMENT
LOOKING AHEAD
JAGUAR LAND ROVER
Manufacturing and Product Development Facilities

- HALEWOOD
- ENGINE MANUFACTURING CENTRE WOLVERHAMPTON
- CASTLE BROMWICH
- SOLIHULL
- WMG AT WARWICK UNIVERSITY
- WHITLEY
- GAYDON
JAGUAR LAND ROVER
Growth Opportunities & Threats

Growth Opportunities

- Traditional Automotive Technologies
- Advanced Propulsion
- Digital Revolution

5 year forecast £20Bn Revenue, 50,000 New Jobs

Industrial Strategy = Competitive Mixed Offer
- Free Trade
- EU Labour
- Skills Support
- Accelerated CA
- Land/ Planning
- Grant Incentives
- APC/ Innovate
- AIO FDI Exports
- Competitiveness Analysis & Support

Growth Threats

- Off Shoring pressure > Re-shoring actions
- Decline of ICE not balanced with Electrification investment
- Lack of Confidence in UK Suppliers to Invest & Improve Productivity
- Digital Revolution requires significant R&D

Attrition to the 100,000 Jobs created in the last 5 Years
MULTI MODAL TRANSPORT 2025
– The Total ACE Journey Experience
JAGUAR LAND ROVER IS EVOLVING AS A COMPANY

Investing in skills and our people

Seizing the initiative & taking calculated risks

Open to global cultural diversity

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Breakthrough</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thought Small</td>
<td>Thinking Big</td>
</tr>
<tr>
<td>Planned Small</td>
<td>Planning Big</td>
</tr>
<tr>
<td>Delivered Big</td>
<td>Delivering Bigger</td>
</tr>
</tbody>
</table>

Taking action & assuming responsibility

Overcoming resistance & being the architects of our own global success

“Creating Our Own Positive Advanced Manufacturing Future”

Tomorrow – All car companies will be technology companies
THANK YOU

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