

Sep-14 Sales JLR Sep-14 sales down 8.4% YoY

Land Rover registers 7.8% decline, Jaguar declines by 11.2% YoY

- JLR Sep-14 sales declined by 8.4% YoY (+3.8% MoM) to 32,858 units (est. 38,256 units), driven by decline in both Land Rover and Jaguar.
- Our interaction with management indicates healthy demand environment. Decline in sales have been primarily due to production constraints on account of transition to upcoming launches of Jaguar XE, Discovery Sport and start of China JV in 4QFY15.
- Land Rover declined by 7.8% YoY to 27,143 units (est. 31,497 units), while Jaguar declined by 11.2% YoY to 5,715 units (est. 6,760 units).
- As per the regional retail sales performance data released, China grew at the highest rate of 25.3% YoY. The UK and Europe grew by 9.3% and 21.1% YoY respectively, while the AsiaPacific grew by 24.5%. All major markets registered growth, except US and RoW which declined by 12.3% and 2.5% respectively.
- Commenting on the September performance Andy Goss, Jaguar Land Rover Group Sales Operations Director said:** *"Jaguar Land Rover has delivered continued solid growth in September. Our investment in new products continues with the debut of the Land Rover Discovery Sport and the Jaguar XE this month, giving us a very strong, desirable range of products appealing to more customers than ever before - and many more new models in the pipeline."*

Valuation and view

- We believe JLR is on the strategic path and is investing in the right areas, resulting in its evolution as a much stronger and balanced player in the luxury vehicle market.
- Domestic business is expected to bounce back strongly along with an economic recovery and favorable product lifecycle in the PV division.
- The stock trades at 7.7x/5.7x FY15E/FY16E consolidated EPS.
- Maintain **Buy** with a target price of INR620 (FY16E SOTP-based) for ordinary shares and INR372 for DVR (~40% discount to the target price for ordinary shares).

Tata Motors: JLR [Wholesale]

Company Sales	YoY			MoM		YTD				Residual Growth (%)	Residual Monthly Run rate	FY15 YTD Monthly Run rate
	Sep-14	Sep-13	YoY (%) chg	Aug-14	(%) chg	FY15-YTD	(%) chg	FY15 estimate	YoY (%) chg			
JLR	32,858	35,874	-8.4	31,650	3.8	219,131	13.8	485,904	13.0	12.4	44,462	36,522
Jaguar	5,715	6,438	-11.2	4,658	22.7	37,365	-0.1	86,272	8.8	16.7	8,151	6,228
Land rover	27,143	29,436	-7.8	26,992	0.6	181,766	17.2	399,632	14.0	11.5	36,311	30,294

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Tata Motors: JLR [Retails]

	YoY			MoM		YTD	
Company Sales	Sep-14	Sep-13	YoY (%) chg	Aug-14	(%) chg	FY15YTD	(%) chg
JLR	30,249	27,852	8.6	34,233	-11.6	226,377	46.8
Jaguar	5,074	5,405	-6.1	6,069	-16.4	39,203	35.1
Land rover	25,175	22,447	12.2	28,164	-10.6	187,174	49.5

Region-wise Retail Sales

Region	Sep-14	Sep-13	YoY %	Aug-14	MoM %	FY15YTD	YoY %
UK	1,270	1,161	9.3	5,582	-77.2	41,035	81.6
US	6,293	7,179	-12.3	6,492	-3.1	36,152	22.5
Europe	4,931	4,072	21.1	5,992	-17.7	39,849	35.2
China	10,104	8,063	25.3	8,552	18.1	62,698	75.1
Asia Pacific	2,126	1,708	24.5	2,140	-0.7	13,144	46.5
RoW	5,525	5,669	-2.5	5,475	0.9	33,499	20.4
Total JLR	30,249	27,852	8.6	34,233	-11.6	226,377	46.8

Brand-wise Retail Sales

Brands	Sep-14	Sep-13	YoY %	Aug-14	MoM %	FY15YTD	YoY %
XF	2,616	2,898	-9.7	3,301	-20.8	22,122	36.1
XJ	1,442	1,571	-8.2	1,296	11.3	8,777	13.1
XK	197	128	53.9	337	-41.5	1,797	44.8
Others (incl. F-type)	819	808	1.4	1,135	-27.8	6,507	
Total Jaguar	5,074	5,405	-6.1	6,069	-16.4	39,203	35.1
Defender	910	766	18.8	1,085	-16.1	8,025	46.6
Discovery	2,809	3,417	-17.8	3,298	-14.8	21,046	14.0
Freelander	3,777	3,626	4.2	3,868	-2.4	30,464	43.2
Range Rover (incl. new)	3,942	2,728	44.5	4,468	-11.8	26,187	51.0
RR Evoque	8,355	8,599	-2.8	9,126	-8.4	61,444	35.3
RR Sport (incl. new model)	5,382	3,311	62.5	6,319	-14.8	40,008	132.5
Total Land Rover	25,175	22,447	12.2	28,164	-10.6	187,174	49.5

NOTES

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