

MEETINGS WITH INVESTORS  
- BRITISH AUTOMOTIVE HOLDING  
FINANCIAL RESULTS Q1 2018





## MARIUSZ KSIĄŻEK

CEO

- › Founder, main shareholder and CEO of British Automotive Holding S.A.
- › Marvipol Group, which had been involved in property development since 1996, began importing and selling JLR cars in 2003 (in December 2017 the property development business was spun off into Marvipol Development)
- › Graduate of the Law and Administration Faculty at the University of Warsaw, with a master's degree.

**27**  
YEARS

of experience in  
business development



## ARKADIUSZ MIĘTKIEWICZ

Vice-President of the Management Board, in charge of import activities

- › Experienced manager, spent many years at Iberia Motor Capital Group, including as CEO and supervisory board member at the Group's subsidiaries.
- › He is the co-author of SEAT's success in Poland, Ukraine and Russia.
- › He has been with Marvipol since 2015, as the managing director of its import arm British Automotive Polska.

**25**  
YEARS

of experience in  
the automotive industry



## ARKADIUSZ RUTKOWSKI

Vice-President of the Management Board, in charge of dealership network

- › Worked for Iberia Motor Company S.A. since 1996. In 2002, he became the CEO of IMC S.A.'s Auto Barcelona.
- › In later years, he was additionally in charge of other IMC Group dealerships.
- › He has been with Marvipol since 2013, initially as managing director of the dealership British Automotive Centrum and since 2015 also as managing director of Marvipol Group's other JLR dealerships.

**22**  
YEARS

of experience in  
the automotive industry



## RAFAŁ SUCHAN

Member of the Management Board, in charge of finance

- › From 2007, he spent a decade at what is today known as MetLife Group, sitting on the management board of MetLife TFI and managing the finances of MetLife PTE.
- › Mr. Rafał Suchan has a wealth of experience in consulting and auditing, gained at Ernst & Young.
- › He has been with the Group since 2017 and is in charge of financial reporting.

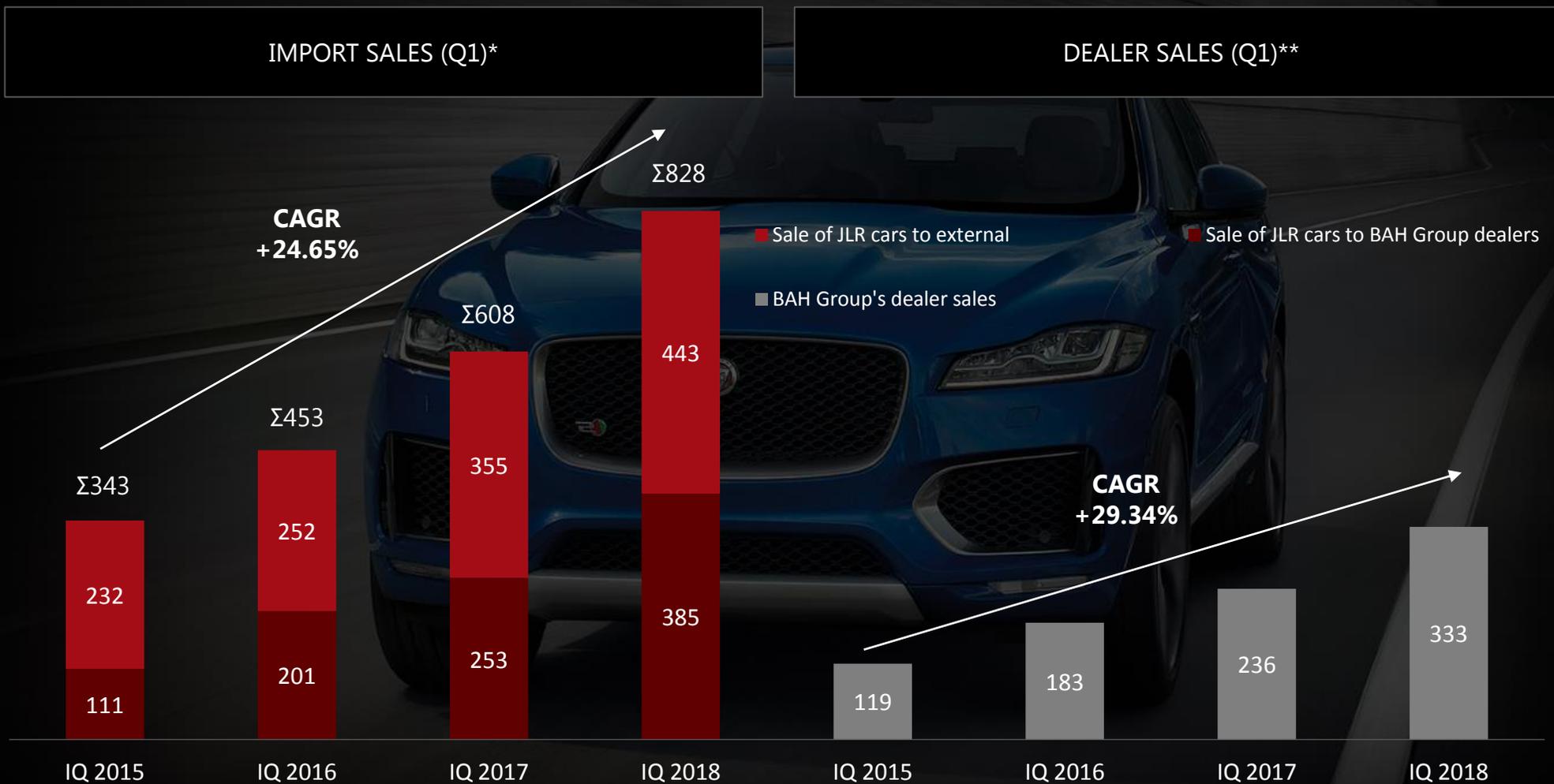
**18**  
YEARS

of experience in  
finance and consulting



FINANCIAL AND  
OPERATING DATA

# RECORD SALES VOLUMES

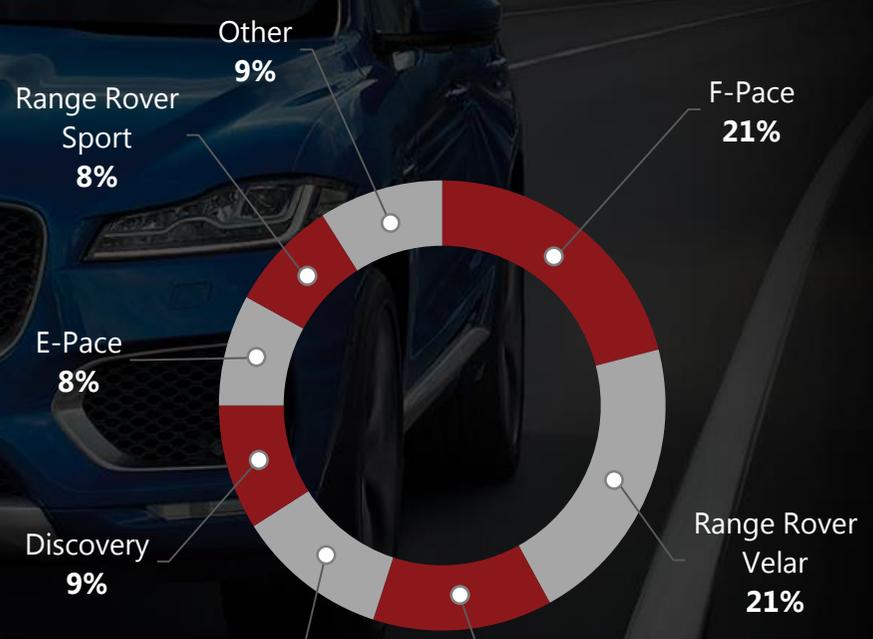
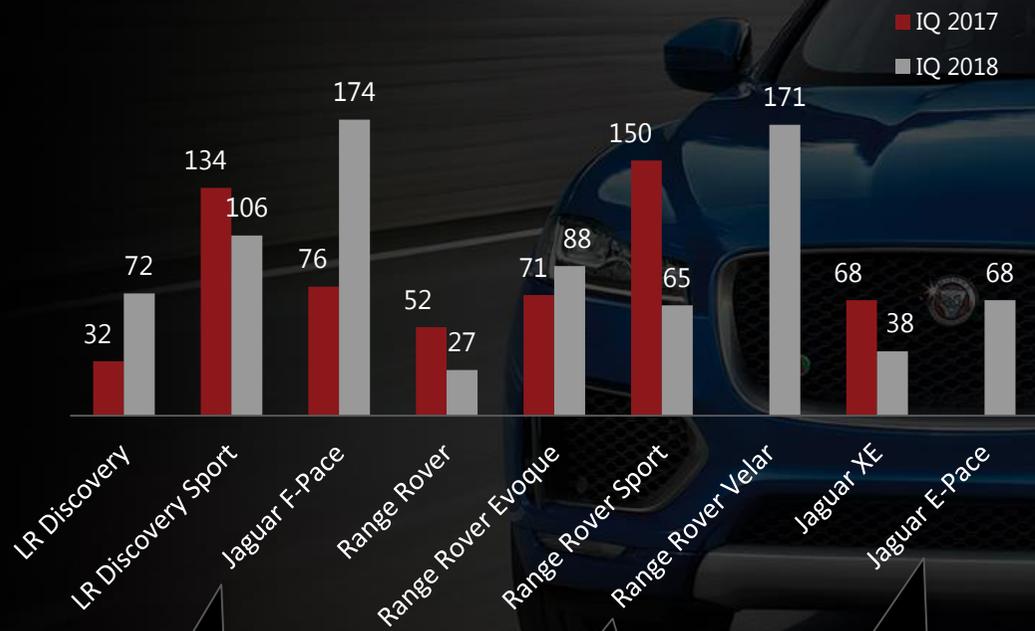


\*Sales by British Automotive Polska to dealers  
\*\*Sales by BAH Group dealers to end customers

# Q1 2018 - IMPORT SALES DRIVERS

SALES VOLUME (IN UNITS)

SALES VOLUME STRUCTURE (%)



**Jaguar F-Pace:**

- > Sales leader in Q1 2018
- > Highest y/y growth dynamic.

**Range Rover Velar**

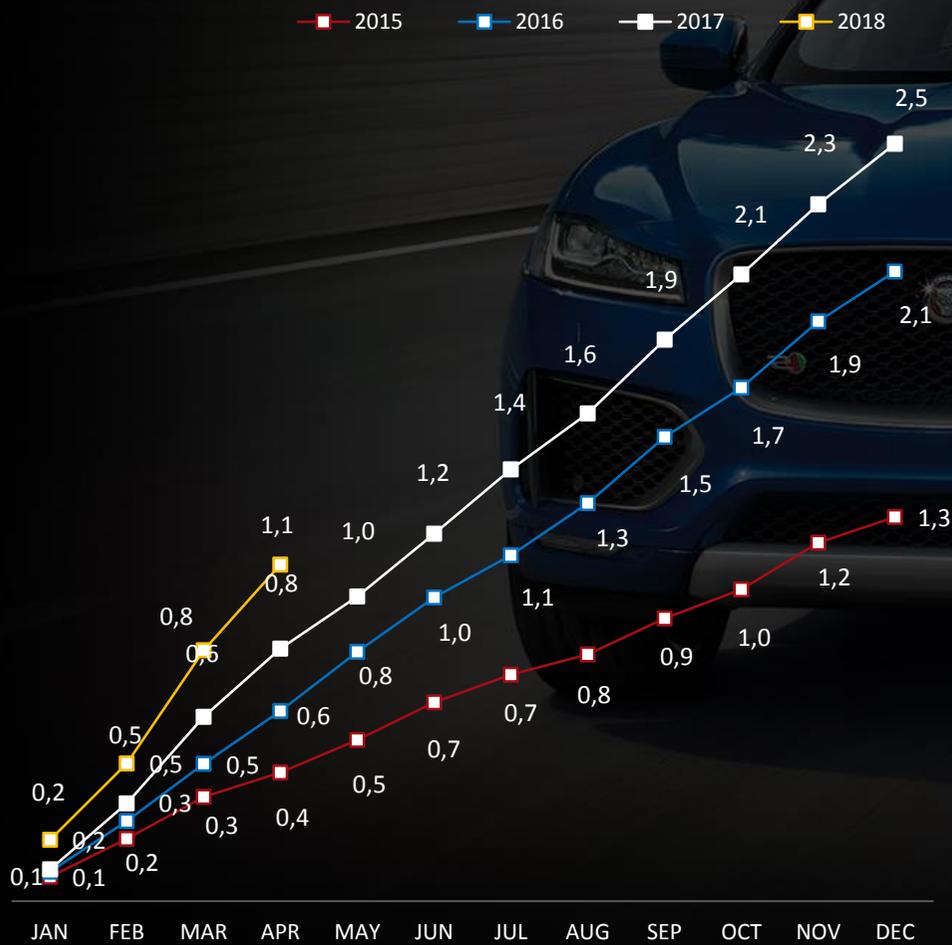
- > Last year's newcomer
- > 21% share in sales volume in Q1 2018

**Jaguar E-Pace:**

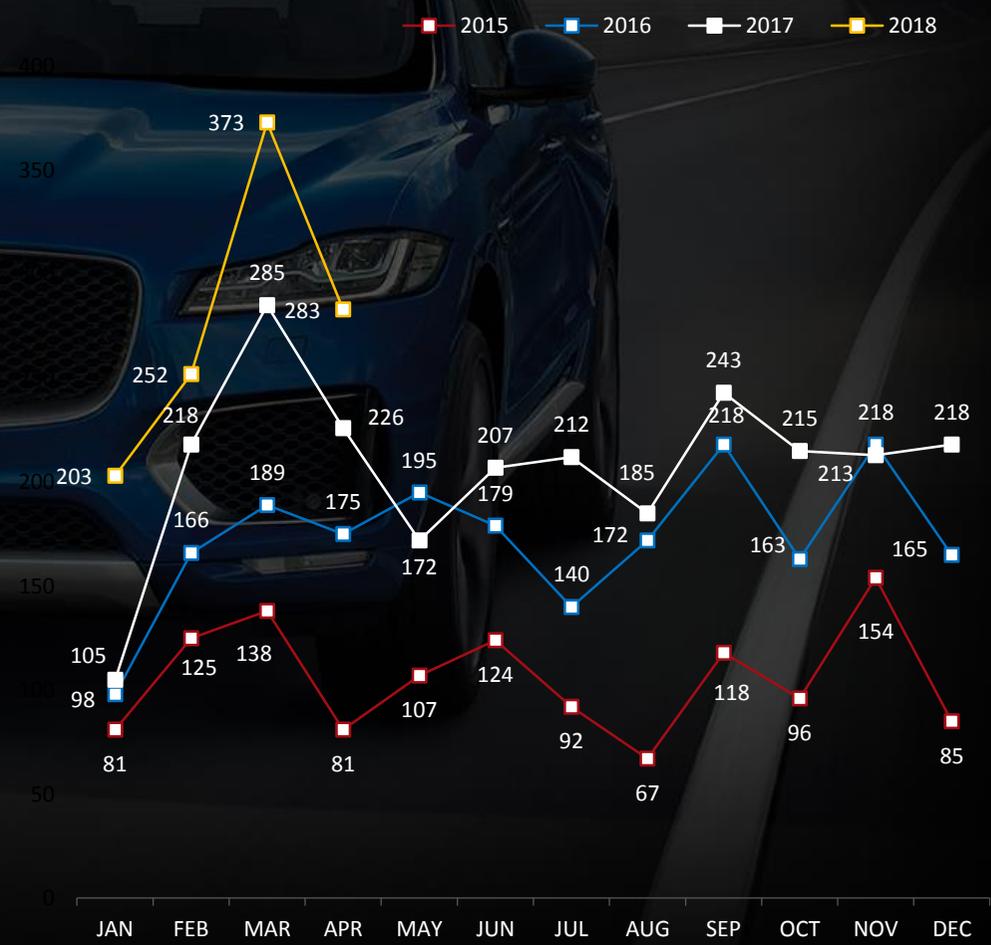
- > Successful debut, strong client interest
- > Sixth best-selling car in Q1 2018

# STRONGER IMPORT SALES

SALES VOLUME (000S UNITS, YTD)



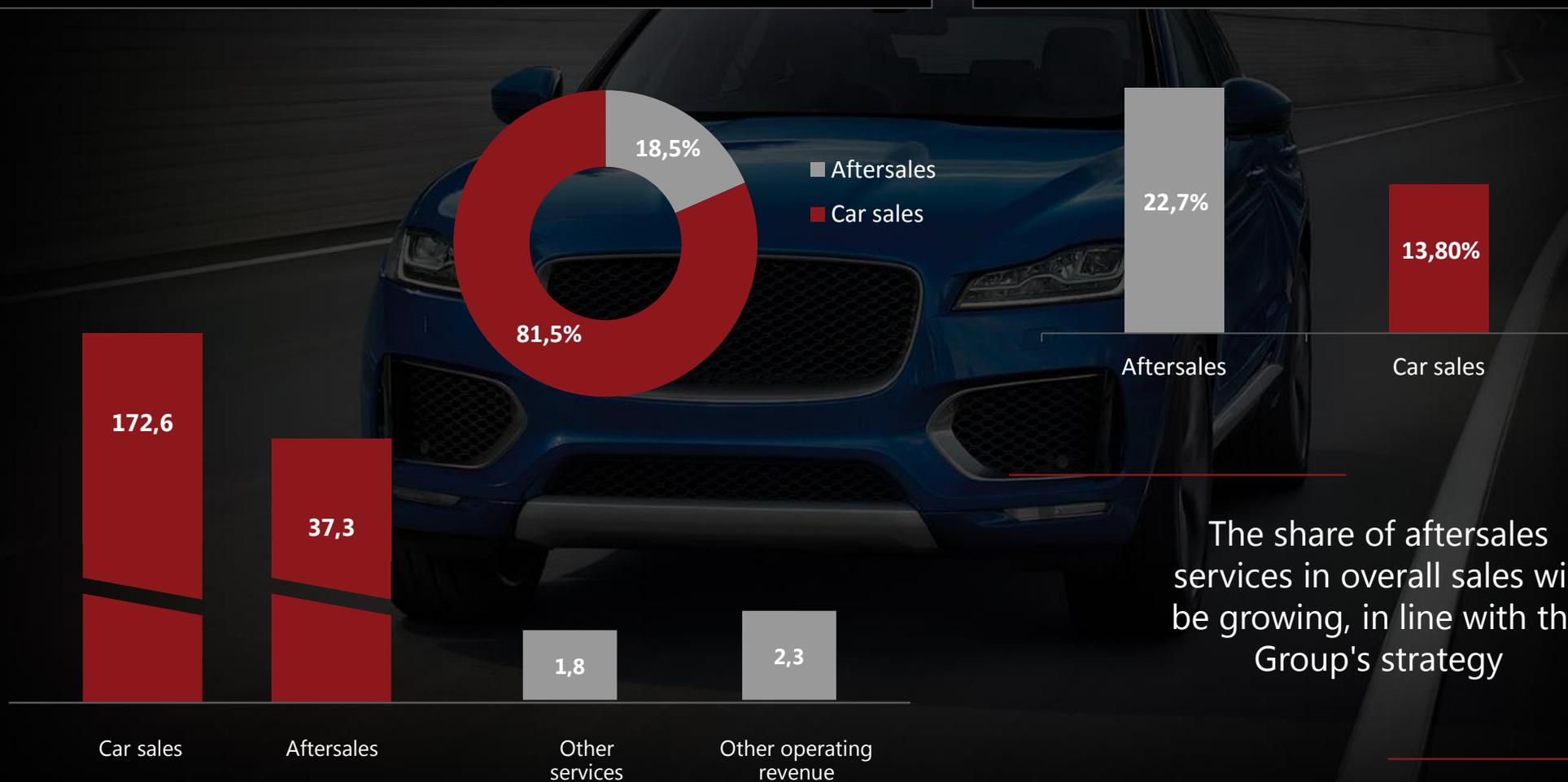
SALES VOLUME (IN UNITS PER MONTH)



# REVENUE AND MARGIN STRUCTURE

REVENUE STRUCTURE IN Q1 2018 (PLN M)

GROSS SALES MARGIN Q1 2018 (%)

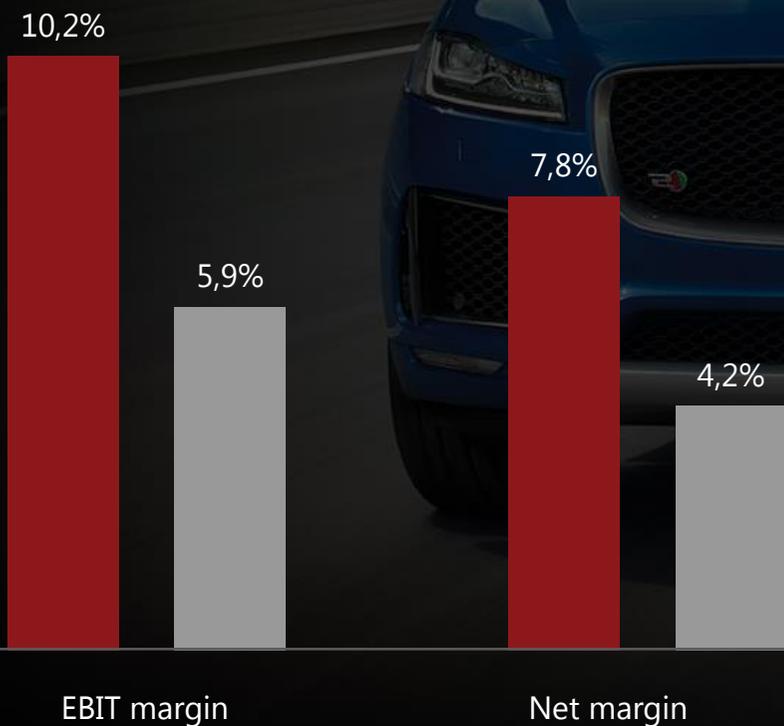


The share of aftersales services in overall sales will be growing, in line with the Group's strategy

# EBIT AND NET MARGIN

EBIT AND NET MARGIN (%)

■ 1Q2017 ■ 1Q2018



## Factors having impact on profitability:

- > BAH's aggressive sales policy,
- > Significant reduction of exports and change of export structure
- > Marketing costs
- > Changes in sales mix
- > One-off costs to launch showroom in Katowice



# RESULT ON SALES

	<b>Q1 2018</b>	<b>Q1 2017</b>		<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Change</b>	<b>% change</b>
<b>Revenue from sales</b>	211 739	166 555	<b>Revenue from sales</b>				
<b>Cost of sales</b>	(178 325)	(136 398)	Cars	172 647	130 888	41 759	32%
<b>Profit on sales</b>	<b>33 414</b>	<b>30 157</b>	Aftersales	37 301	34 589	2 712	8%
<b>Selling costs and administrative expenses</b>	(13 649)	(8 446)	Other	1 791	1 078	713	66%
<b>Other operating revenue</b>	2 295	6 145	<b>TOTAL</b>	<b>211 739</b>	<b>166 555</b>	<b>45 184</b>	<b>27%</b>
<b>Other operating costs</b>	(9 579)	(10 851)	<b>Sales margin</b>				
<b>Operating profit</b>	<b>12 481</b>	<b>17 005</b>	Cars	13.8%	14.8%	-1.0%	
<b>Finance income</b>	172	144	Aftersales	22.7%	28.0%	-5.3%	
<b>Finance costs</b>	(1 600)	(897)	Other	59.8%	100.0%	-40.2%	
<b>Gross profit</b>	<b>11 053</b>	<b>16 252</b>	<b>TOTAL</b>	<b>15.8%</b>	<b>18.1%</b>	<b>-2.3%</b>	
<b>Income tax</b>	(2 289)	(3 248)	<b>Profit on sales</b>	<b>33 414</b>	<b>30 157</b>	<b>3 257</b>	
<b>Net profit</b>	<b>8 764</b>	<b>13 004</b>					

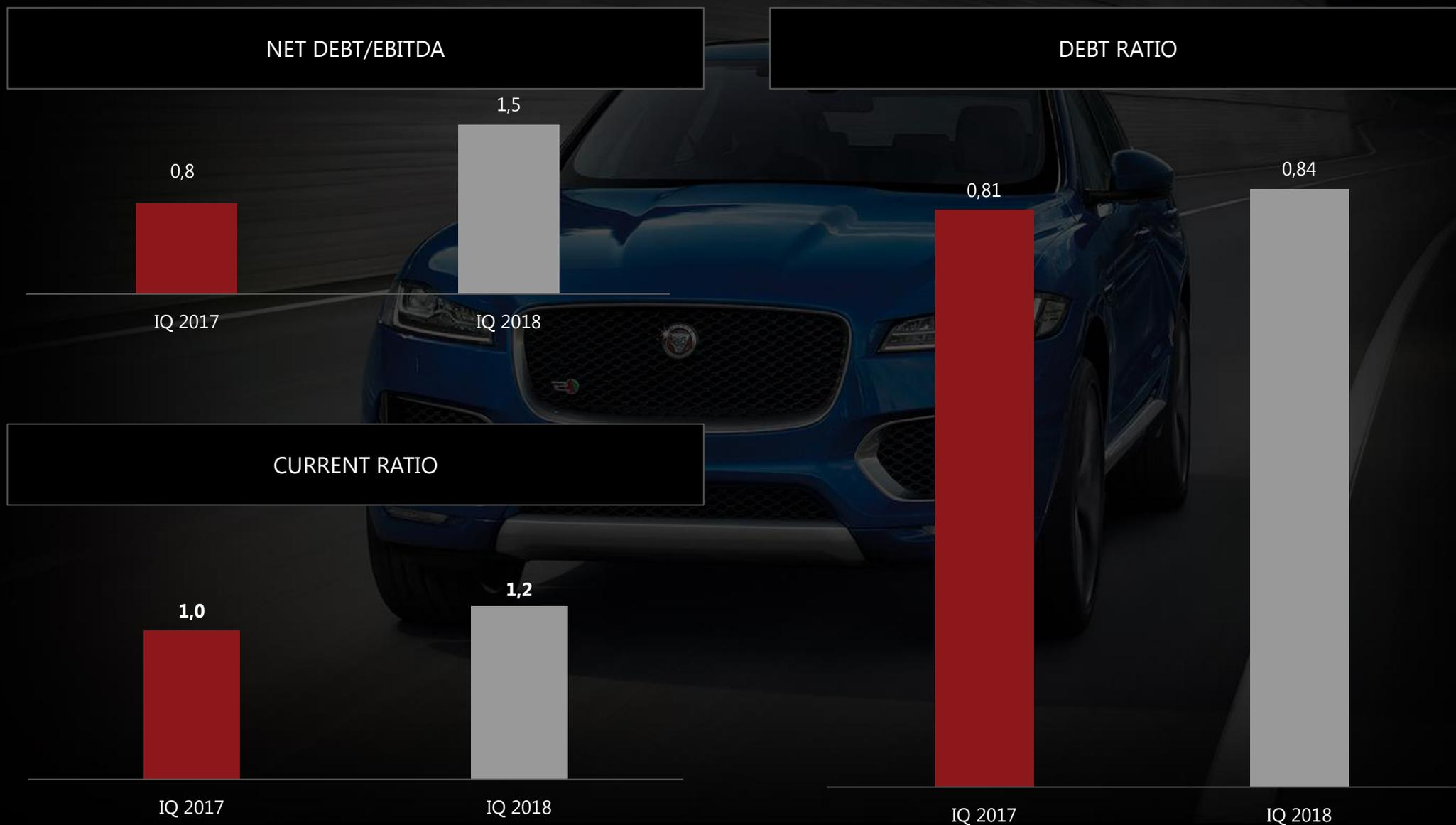
- > Product mix change => 36% growth in wholesale volume, revenue up by 32%
- > Growth in revenue from aftersales services (+8%) connected with car park expansion and launch of showroom in Katowice
- > Decline in margins on cars (-1%) due to aggressive sales policy and promotions on selected models
- > Decline in margins on aftersales services (-5.3%) related to a change in service mix: warranty vs commercial repairs, and shift of Q1 2018 bonus settlement
- > **DECLINE IN % MARGIN ON SALES (-2.3%), BUT GROWTH IN VOLUME OF MARGIN FROM PLN 30.2M TO 33.4M DUE TO HIGHER VOLUMES**

# OPERATING AND FINANCE COSTS

	<b>Q1 2018</b>	<b>Q1 2017</b>		<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Change (PLN 000s)</b>	<b>Change (%)</b>
<b>Revenue from sales</b>	211 739	166 555		Marketing services	5 140	1 170	3 970 339%
<b>Cost of sales</b>	(178 325)	(136 398)		Remuneration	3 221	2 722	499 18%
<b>Profit on sales</b>	<b>33 414</b>	<b>30 157</b>		External services	4 244	3 761	483 13%
<b>Selling costs and administrative expenses</b>	(13 649)	(8 446)		Use of materials and energy	747	551	196 36%
<b>Other operating revenue</b>	2 295	6 145		Depreciation	297	242	55 23%
<b>Other operating costs</b>	(9 579)	(10 851)		<b>Selling costs and administrative expenses</b>	<b>13 649</b>	<b>8 446</b>	<b>5 203</b> <b>62%</b>
<b>Operating profit</b>	<b>12 481</b>	<b>17 005</b>			<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Change</b>
<b>Finance income</b>	172	144		One-off costs to acquire dealership in Katowice	(2 500)	-	(2 500)
<b>Finance costs</b>	(1 600)	(897)		Exchange differences and measurement of forwards	(1 886)	(2 522)	636
<b>Gross profit</b>	<b>11 053</b>	<b>16 252</b>		Other operating costs	(2 898)	(2 184)	(714)
<b>Income tax</b>	(2 289)	(3 248)		<b>Result on other operating activities</b>	<b>(7 284)</b>	<b>(4 706)</b>	<b>(2 578)</b>
<b>Net profit</b>	<b>8 764</b>	<b>13 004</b>					

- > Accumulation of marketing expenses (PLN +4.0m) related to the "Deduct VAT" campaign
- > One-off costs to launch showroom in Katowice (PLN +2.5m)
- > Higher costs to finance car stock (PLN +0.7m)

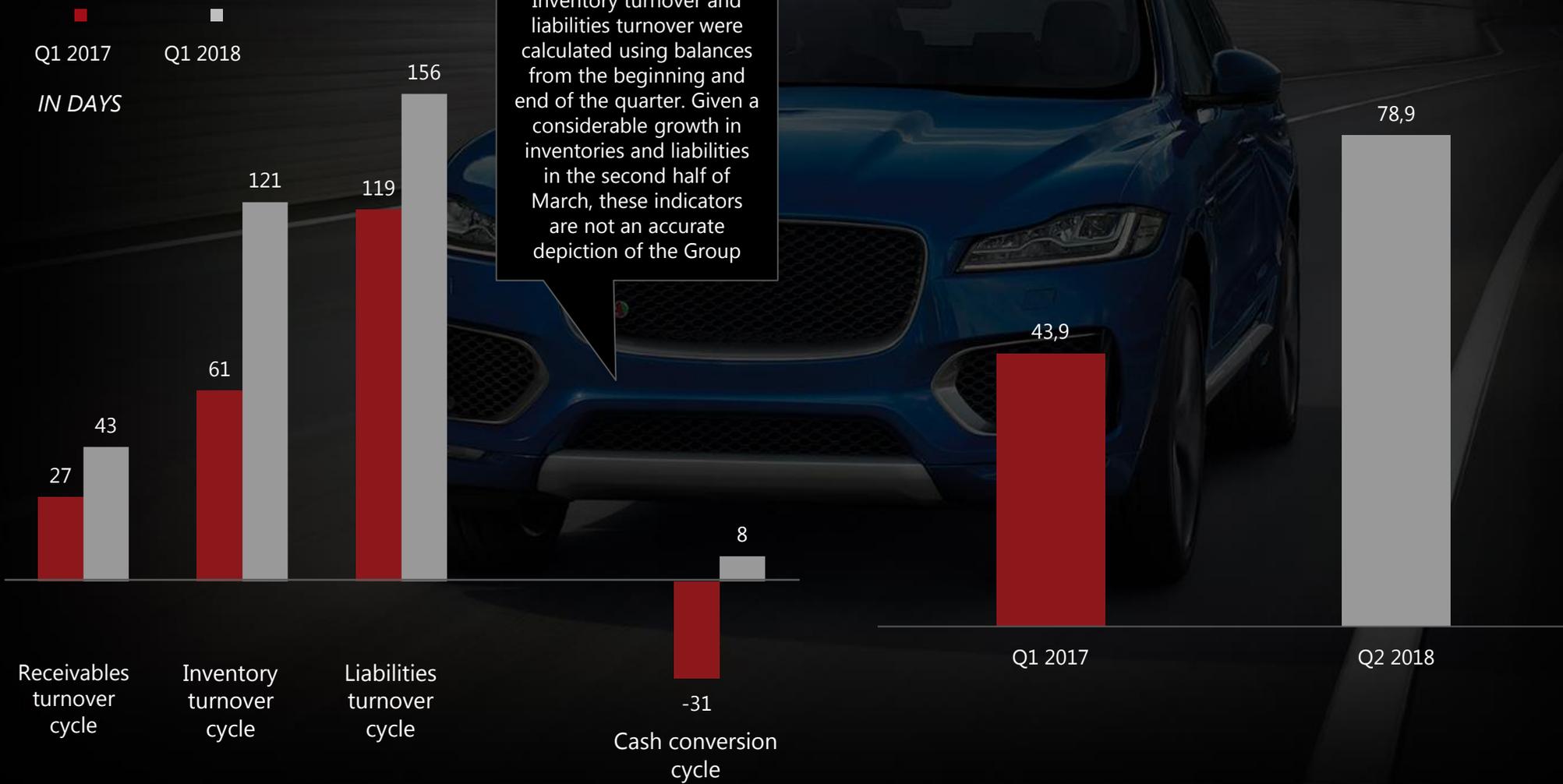
# SAFE LEVELS OF DEBT AND LIQUIDITY



# WORKING CAPITAL MANAGEMENT

NET WORKING CAPITAL (PLN M)

Inventory turnover and liabilities turnover were calculated using balances from the beginning and end of the quarter. Given a considerable growth in inventories and liabilities in the second half of March, these indicators are not an accurate depiction of the Group



GROWTH PLANS



# DOUBLE THE NUMBER OF JLR LOCATIONS IN WARSAW

Construction of new 3S showroom at ul. Puławska

Construction of British Motor Club - a Jaguar Land Rover showroom and automotive club at ul. Wawelska

Renovation of showroom at ul. Waszyngtona



FACILITY AT UL. WITOSA PROVIDES NEW AND "APPROVED" USED CAR SALE SERVICES

# BRITISH MOTOR CLUB – WAWELSKA



- › A "club" for fans of British automotive heritage
- › A place to present JLR brands and non-business activities and showcase classic models (brand heritage)
- › Hosting of British-themed cultural events



# NATIONWIDE INVESTMENTS IN JLR DEALERSHIP NETWORK

## Investments by own dealers:

- › Preparations to build new showroom in the Tri-City area
- › Continuing activities in Katowice (from January 2018) through a BAH Group company and plans to build own showroom at new location

## New locations:

- › Letters of intent: Rzeszów, Kielce
- › Search for dealer candidates: Olsztyn, Szczecin, Lublin, Lubuskie voivodship, Białystok



— Yellow —  
JLR authorised showrooms and service centres owned by BAH Group scheduled to be opened (2018/2019)

— Blue —  
Potential locations for authorised JLR showrooms and service centres, launched by 2020/2021

— Green —  
JLR authorised showrooms and service centres

— Red —  
JLR authorised showrooms and service centres owned by BAH Group

## Jaguar E-Pace

5-seat compact SUV combining Jaguar's sport heritage with spacious and practical interior.

The first Jaguar featuring only petrol and diesel engines from the Ingenium family, with up to 300hp, which are Jaguar's latest technological advancements. Highest safety rating from Euro NCAP.

### **Roadshow at largest dealerships in Poland (7-24 June)**

- › Kraków
- › Katowice
- › Wrocław
- › Warsaw
- › Poznań
- › Gdańsk

Sales launch in Poland - January 2018

### Jaguar I-Pace

Jaguar's first ever model with an electric drive, making Jaguar one of the leaders of the electric revolution.

Two electric engines for the front and rear axle with 400hp and 700Nm. 90kWh batteries offering ranges up to 480km. Superb performance ensured by AWD; from 0 to 100km/h in just 4.8 seconds.

#### **Roadshow at dealerships offering the new I-PACE model (25.06 - 10.07)**

- › Kraków
- › Poznań
- › Katowice
- › Warsaw
- › Wrocław

Start of sales in Poland - H2 2018

# BAH

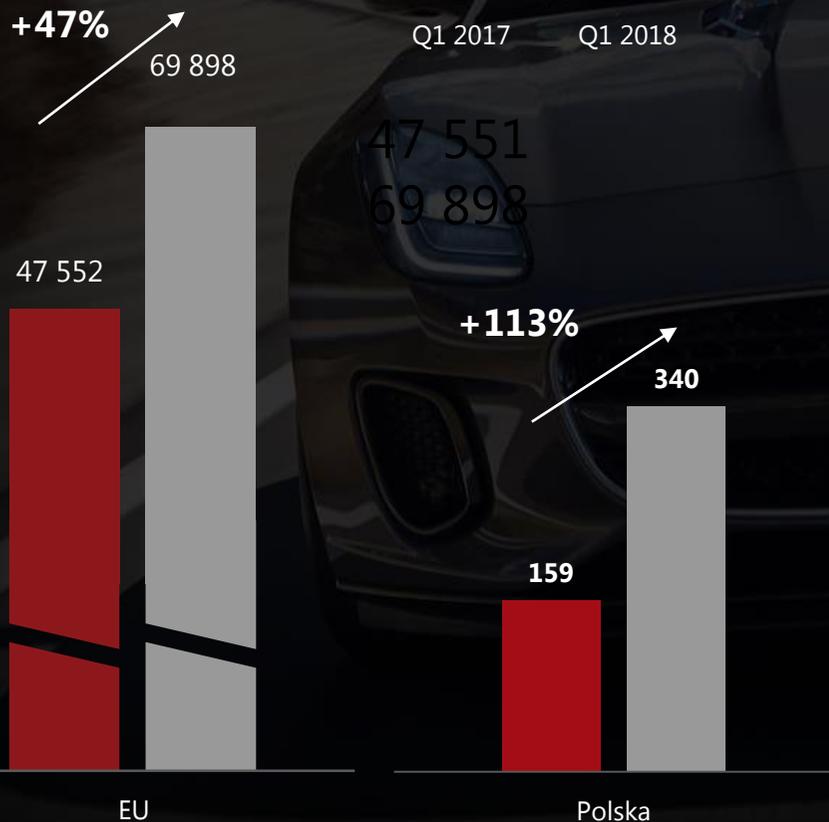
BRITISH AUTOMOTIVE HOLDING

## MARKET OVERVIEW

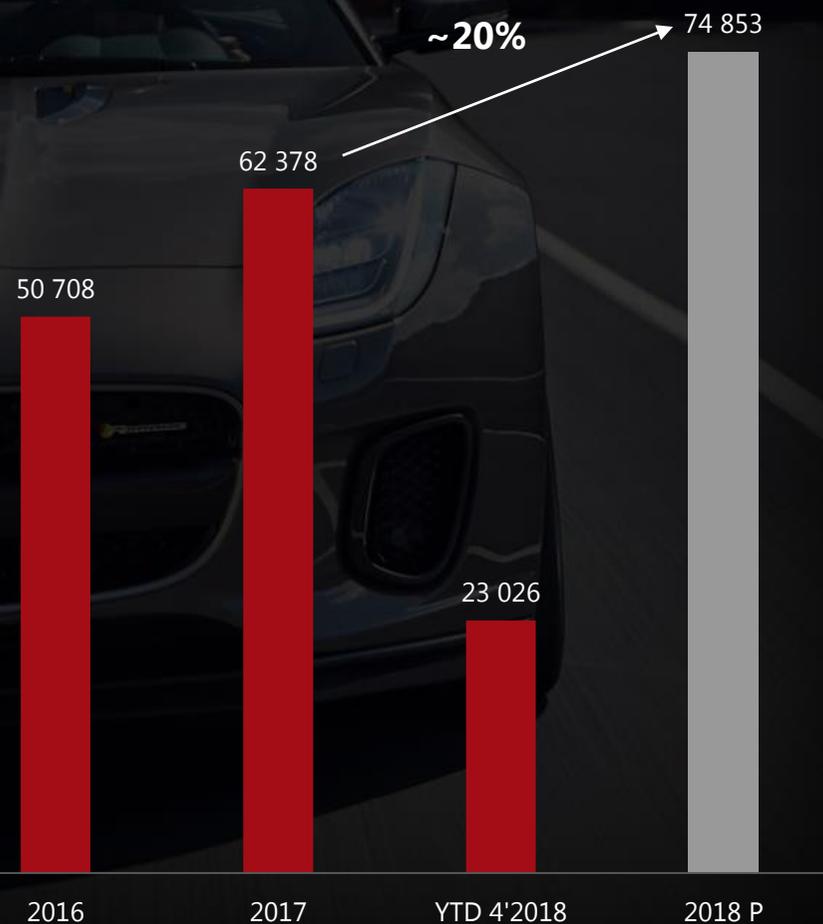


# DYNAMICALLY GROWING MARKET IN KEY SEGMENTS

SALES OF ELECTRIC AND HYBRID CARS (in units)\*



SALES OF PREMIUM CARS IN POLAND (in units)\*



\*Sources: SAMAR, ACEA, carsalesbase.com, CEPIK, end of February 2018, forecast: average of forecasts from SAMAR, KMPG and Polish Automotive Industry Association.

BAH

BRITISH AUTOMOTIVE HOLDING

SUMMARY

# Q1 2018 OVERVIEW

**PLN 211.7m**

REVENUE FROM  
SALES



**New model  
premiers**

Jaguar E-Pace  
Range Rover Sport  
and Range Rover,  
including the PHEV  
version (plug-in  
hybrid)

**PLN 12.5m**

OPERATING PROFIT



**Excellent quarter  
for  
RR Velar**

Over 20% share in  
quarterly sales

**PLN 8.8m**

NET PROFIT



**Preparations to  
build new  
facilities**

Warsaw (Puławska),  
Katowice, Tri-City  
area.

**828 units**

JLR IMPORT SALES



**First dividend  
voted through in  
accordance with  
new dividend  
policy**

80% of profit, paid  
out quarterly.

**385 units**

DEALER SALES



**British Motor Club  
at ul. Wawelska  
in Warsaw**

Construction of  
new showroom and  
automotive club

# LONG-TERM VALUE-ACCRETIVE FACTORS FOR BAH S.A.

Expansion of dealership network to 17 sales and service facilities by 2021:

Use of potential of Jaguar Land Rover's global expansion:

Favourable market:

- › Increase of market share in existing locations
- › Expansion into smaller regional centres
- › Effects of own network expansion:
  - › Active growth of revenue while retaining satisfactory margins
  - › Stronger negotiating position in relations with the car-maker
  - › Larger importance of high-margin aftersales (service and spare parts sales)

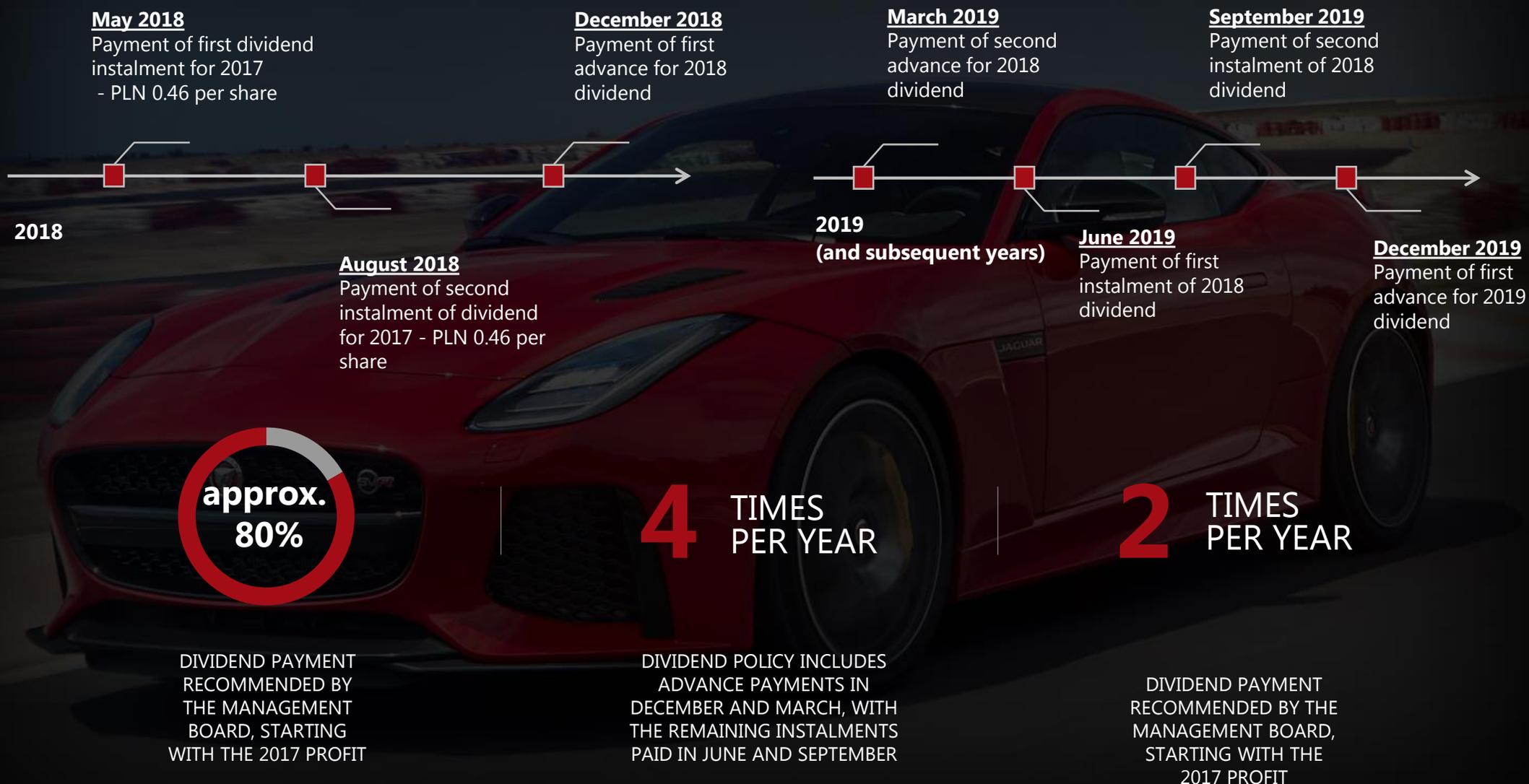
- › Technological advancement trends in autonomous, electric and hybrid vehicles
- › New model premiers, liftings of bestsellers
- › Brand strength and recognisability

- › Successively higher economic growth driving demand for passenger vehicles, especially in the SUV/offroad class
- › Growing luxury goods market
- › Very dynamic growth on the hybrid and electric car market

Double sales volumes  
in 2017-2021

Stronger position on the premium car market

# EXCEPTIONALLY ATTRACTIVE DIVIDEND POLICY



# OBJECTIVES AND PLANS FOR 2018

1

DOUBLE-DIGIT SALES VOLUME  
GROWTH

2

FURTHER ENHANCEMENT OF  
REVENUE FROM SALES, INCLUDING  
AFTERSALES

3

PAYMENT OF SECOND TRANCHE OF  
DIVIDEND  
FOR 2017 AND FIRST ADVANCE  
PAYMENT FOR 2018 DIVIDEND

4

LAUNCH OF SALES OF NEW JLR  
MODELS

5

LAUNCH OF SALES OF REFRESHED  
FLAGSHIP JLR MODELS

6

COMPLETION OF BRITISH MOTOR  
CLUB PROJECT AT UL. WAWELSKA

7

CONSTRUCTION OF JAGUAR LAND  
ROVER SHOWROOM AT UL.  
PUŁAWSKA

8

START OF CONSTRUCTION OF NEW  
FACILITIES  
IN GDAŃSK AND KATOWICE

9

CONTINUED TERRITORIAL  
EXPANSION IN OTHER PARTS OF  
POLAND

THANK YOU FOR  
YOUR ATTENTION



**BAH**  
BRITISH AUTOMOTIVE HOLDING

**British Automotive  
Holding S.A.**

ul. Prosta 32  
Warsaw  
22 536 50 50  
biuro@ba-holding.pl  
<http://ba-holding.pl/>

---

**Izabela Tokarz**

Izabela.Tokarz@ba-holding.pl  
+48 502 141 219

Prosta 32  
00-838 Warsaw