

JLR RETURNS TO PROFIT AS CHIP SHORTAGES EASED IN THE THIRD QUARTER

Gaydon, UK, 25 January 2023

- Revenues in Q3 FY23 of £6.0 billion, up 28% vs. Q3 FY22 and up 15% vs. Q2 FY23
- Free cash flow in Q3 FY23 of £490 million with EBIT margin of 3.7% and profit before tax of £265 million, up from a loss before tax of £(9) million in Q3 FY22
- Wholesale volumes of 80k, the highest level since Q1 FY22 when the semiconductor shortages began and up 15% vs. Q3 FY22
- The production ramp up of New Range Rover and New Range Rover Sport continued with 27k units wholesaled in the quarter, up from 14k in Q2
- Liquidity remained strong at the end of the quarter with £3.9 billion of cash
- Undrawn £1.5 billion unsecured revolving credit facility extended to April 2026 and extension to £0.6 billion equivalent China bank loan maturing June 2023 signed

Reimagine transformation continues

- Strong demand continues – 85k cars delivered to retail clients in Q3 while taking 95k new orders with the total number of orders increasing to a new record of 215k units
- Three most profitable models, the New Range Rover, New Range Rover Sport and Defender account for over 74% of the order book
- Modern luxury Range Rover SV is the fastest ever selling Special Vehicle Operations model, with more than 5,000 orders since launch in October 2021 at average pricing above £180,000
- Refocus transformation programme delivered £850 million year to date and on track to deliver £1 billion of savings this financial year
- Reimagined pure-electric Jaguar models, launching in 2025, will be built in Solihull alongside BEV Range Rovers, heralding an exciting new era of electric car production in the UK

Commenting on the business performance for the quarter, Adrian Mardell, JLR's Interim Chief Executive Officer, said:

“Jaguar Land Rover has returned to profit as chip shortages eased in the quarter and production and wholesales increased. These improved results are testament to the hard work and dedication of our people across the business who have delivered a further increase in production of our New Range Rover and Range Rover Sport models.

“We remain committed to our Reimagine strategy which will transform JLR into an all-electric modern luxury business, whilst delivering our SBTi climate goals and striving to exceed our clients' expectations.”

Jaguar Land Rover Automotive plc today reported its financial results for the three months to 31 December 2022 (Q3 FY23).

Jaguar Land Rover delivered on its plans and achieved positive free cash flow and profitability in Q3 as semiconductor supply challenges eased in the quarter. Revenues in Q3 FY23 were £6.0 billion, up 28% vs. Q3 FY22 and up 15% vs. Q2 FY23 reflecting strong model mix and pricing as the production ramp up of the New Range Rover and New Range Rover Sport continued with 27,456 units wholesaled in the quarter, up from 13,537 in Q2.

Profit before tax in the quarter was £265 million, up from a loss of £(9) million a year ago with a positive EBIT margin of 3.7%, up from 1.4% in Q3 FY22. The higher profitability reflects increased wholesale volumes with favourable mix, pricing and foreign exchange offset partially by higher inflation and supplier claims largely related to constrained volumes. Profit after tax in the quarter was £261 million, up from a loss of £(67) million in Q3 FY22. Free cash flow was £490 million in Q3 FY22, up from £164 million in Q3 FY22.

Wholesale volumes were 79,591 units in the period (excluding the Chery Jaguar Land Rover China joint venture), up 5.7% compared to the prior quarter ending 30 September 2022 and 15.0% compared to the same quarter a year ago. Compared to the prior quarter, wholesale volumes were higher in North America (+17%), UK (+13%) and Overseas (+10%) and lower in China (-13%) and Europe (-3%).

Wholesales in China during the quarter were impacted by lockdowns leading to dealer closures followed by high rates of staff absence as Covid-19 restrictions were relaxed. The situation is expected to recover in the fourth quarter with our dealers open and staff absence closer to normal levels in January.

The Company continues to see strong demand for its vehicles. As at 31 December 2022, the total order book increased to 215,000 client orders, up around 10,000 orders from 30 September 2022. Demand for the Range Rover, Range Rover Sport and Defender remains strong and represents 74% of the order book.

The *Refocus* transformation programme delivered £300 million of value in Q3 (£850 million year to date) and is on track to deliver a target of £1 billion plus improvements in the year to help mitigate the impact of inflation.

JLR had strong liquidity at the end of the quarter with £3.9 billion of cash. The £1.5 billion undrawn unsecured revolving credit facility has been extended from March 2023 to April 2026. An extension to our £0.6b equivalent China bank loan due to mature in June 2023 has also been signed (for three years maturing in January 2026, subject to annual reviews).

Although there continue to be supply chain and other macro risks, our guidance for the full year remains unchanged. Positive profits and free cash flow in Q4 FY23 on wholesales of 80,000 or more are expected to achieve breakeven cashflow and a positive EBIT margin for the full year.

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Notes to Editors

Jaguar Land Rover's *Reimagine* strategy is delivering a sustainability-rich vision of modern luxury by design.

We are transforming our business to become carbon net zero across our supply chain, products, and operations by 2039. We have set a roadmap to reduce emissions across our own operations and value chains by 2030 through approved, science-based targets. Electrification is central to this strategy and before the end of the decade our Range Rover, Discovery, Defender collections will each have a pure electric model, while Jaguar will be entirely electric.

At heart we are a British company, with two design and engineering sites, three vehicle manufacturing facilities, an engine manufacturing centre, and a battery assembly centre in the UK. We also have vehicle plants in China (a joint venture), Slovakia, Austria (contract manufacturing with Magna Steyr), India (contract manufacturing with Tata Motors Ltd) and Brazil, as well as seven technology hubs across the globe.

Jaguar Land Rover is a wholly owned subsidiary of Tata Motors Limited, part of Tata Sons.