

CHIEF EXECUTIVE OFFICER'S STATEMENT

This year Jaguar Land Rover reimagined the Land Rover Defender and celebrated winning an historic treble at the 2019 World Car of the Year awards with the Jaguar I-PACE. We are proud to be the UK's largest automotive manufacturer, respected across the world for our outstanding, award-winning products and innovative, customer-focused technologies.

It is our people that make us what we are. I would like to thank everyone at Jaguar Land Rover and Tata for their outstanding support.

2020 will be remembered for the COVID-19 pandemic, which has devastated lives, caused a global healthcare crisis and disrupted businesses worldwide. Even before the virus outbreak, the 2020s promised to be a decade of change for the entire automotive sector. As a company, we will learn from these challenges and find even better ways to achieve our "Destination Zero" mission of zero emissions, zero accidents and zero congestion.

Our Performance

Total revenues in Fiscal 2019/20 were £23.0 billion, with 475,952 wholesale units (excluding wholesales from our China joint venture), an EBIT margin of -0.1%¹ and a loss before tax of £422 million¹.

Notwithstanding the impact of regulatory changes, shifting consumer tastes, Brexit and ongoing trade tensions, during the second and third quarters, sales for Jaguar and Land Rover were on a strong and profitable trajectory, underpinned by the pro-forma £2.9 billion² of cost and cashflow improvements achieved through our major transformation programme, 'Project Charge' by 31 December 2019. Our decisive turnaround measures in China resulted in six months of continued double digit year-on-year growth.

The unprecedented disruptions caused by the COVID-19 outbreak inevitably impacted sales and profitability in the fourth quarter. Despite the many headwinds, retail sales of our all-electric Jaguar I-PACE and our all-new Range Rover Evoque increased year-on-year by 40% and 24.7% respectively. In addition, we sold more of our halo Special Vehicle products than ever before, with over 9,500 vehicles retailed in Fiscal 2019/20, up 64% year-on-year.

We have reacted quickly and decisively to the pandemic, with an accelerated focus on improving cashflow and strengthening liquidity to pave the way for long-term EBIT margin improvement. Charge+, the next phase of our transformation

programme, is already ahead of schedule, having achieved a pro-forma £600 million³ of savings in Q4 Fiscal 2019/20 against a new target of over £2 billion of cost improvements by March 2021.

Our Products and Innovation

We relentlessly innovate to create exciting and inherently diverse products with a compelling combination of British design and engineering integrity. Our portfolio is successfully attracting a broad range of customers.

This year, Jaguar refreshed its sport saloon [XE](#), with an enhanced exterior, an all-new luxurious interior and the introduction of new intuitive technology: wireless device charging, embedded Apple Car Play and Spotify app and the first-in-segment ClearSight interior rear view mirror, feeding images of the road behind to a high-definition screen.

Our iconic sports car, the Jaguar [F-TYPE](#), has also been refreshed, receiving overwhelmingly positive customer and media feedback.

Our leaps forward in [electrification](#) were evidenced by significant success for the Panasonic Jaguar Racing team in the Formula E championship this year, securing two victories and two podiums in a highly competitive field of renowned manufacturers. We have taken our learnings from race to road. In November 2019, the groundbreaking Jaguar I-PACE added the coveted [Golden Steering Wheel](#) to its vast collection of prestigious awards.

For Land Rover, we go Above and Beyond when it comes to capability and innovation. In September 2019, we launched our new [Defender](#) to critical acclaim. It is, of course, our most capable and durable Land Rover ever, simply unstoppable. Yet, it is also relevant for the digital age, with the latest advances in connectivity, including the world's first dual-modem, dual eSIM design, Software-Over-The-Air (SOTA) for all key functional and infotainment systems, offering Clear Sight Ground View, our innovative "invisible" bonnet as well as efficient drivetrains, with mild-hybrid and, soon, plug-in hybrid technology.

[Plug-in hybrid technology](#) is already available on both the Range Rover and Range Rover Sport. Now, courtesy of our new Premium Transverse Architecture (PTA), we have expanded our electrified Land Rover vehicle line-up with our latest 1.5 litre three-cylinder plug-in hybrid system offering emissions from only 32g/km and an all-electric range of up to

66km. This technology is now available for both the all-new Range Rover Evoque and comprehensively updated Land Rover Discovery Sport.

Investing in Mobility

Through collaboration and continuous investment into R&D, we are leading the transition to connected seamless integrated mobility. This year we celebrated the official opening of two world-class facilities, our [Advanced Product Creation Centre](#) in Gaydon and the [National Automotive Innovation Centre](#) in Warwick, one of Europe's largest automotive R&D hubs. Both embody the spirit of collaboration and creativity to tackle society's greatest mobility challenges.

We are already leading the way with Project Vector, a physical representation of our "Destination Zero" ambition to make our societies safer and healthier and our environment cleaner. Unveiled in February 2020, [Vector](#) is an advanced, autonomy-ready electric vehicle designed to meet the needs of both public and private mobility systems.

Our Purpose

At this challenging time, our actions define who we are today and will be tomorrow. I am incredibly proud of the way our employees have mobilised to support our communities and emergency services, working beyond normal day-to-day boundaries. Our thoughts are with those directly affected by COVID-19 and the frontline staff fighting the virus around the world.

We are preparing for a post-virus future in which private vehicles could play a far greater role than previously imagined. Our team has demonstrated that we have a path forward towards long-term sustainable growth, with a lean cost base, disciplined capital allocation, a highly skilled workforce and world class R&D.

Throughout all of this, our purpose will remain constant: to create experiences people love for life.



PROF SIR RALF D SPETH KBE FRENG FRS
Chief Executive Officer
Jaguar Land Rover Automotive plc
2 July 2020



¹ Please see note 3 on page 70 of the Annual Report for Alternative performance measures

² Pro-forma analytically derived unaudited estimate consisting of £1.5b of investment savings (compared to original planning targets), £0.7b improvement in inventory (since Q3 FY19) and £0.7b cost efficiencies (primarily selling, general and administration (SG&A), material costs and other)

³ Pro-forma analytically derived unaudited estimate consisting of £0.4b of investment savings (compared to original planning targets), £0.3b of cost efficiencies (primarily SG&A, material cost and other) partially offset by £0.1b for higher inventory