



JAGUAR LAND ROVER PROFIT INCREASES TO £318 MILLION IN THIRD QUARTER OF 2019/2020 FINANCIAL YEAR

- Revenues rise 2.8% year-on-year to £6.4 billion
- Pre-tax profit of £318 million, up £591 million year-on-year (before exceptionals in the previous year)
- Project Charge cost and cashflow improvements beat the £2.5 billion target ahead of schedule
- “Project Charge +” formally launched
- Operating cash outflow of £144 million, a £217 million year-on-year improvement
- China retail sales continue to grow (up 24.3%)
- Strong demand for new Range Rover Evoque (global sales up 30.0%)

Whitley, UK, 30 January 2020: Jaguar Land Rover Automotive plc today reported financial results for the three-month period ending 31 December 2019.

Revenues increased to £6.4 billion, up 2.8% year-on-year. While total retail sales fell 2.3%, sales in China continued to recover (up 24.3%) and sales in North America increased by 1.1%. Product mix was stronger, with global sales of the new Range Rover Evoque luxury compact SUV up 30.0% and the refreshed Land Rover Discovery Sport rising 9.2%. Retail sales of the Range Rover Sport and Land Rover Discovery also grew year-on-year.

Pre-tax profit increased to £318 million in the quarter, representing a £591 million year-on-year improvement versus the £273 million loss in the third quarter of last year (before an exceptional non-cash asset impairment of £3.1 billion in Q3 of the prior year).

The improvement reflected a combination of the higher China volume, stronger product mix, lower operating costs (including Project Charge) and favourable foreign exchange. Margins also turned positive year-on-year with an EBIT margin of 3.3% and an EBITDA margin of 10.8%.

The company’s Project Charge transformation programme reduced operating costs by £154 million, investment by £200 million, and inventories by £405m in the quarter. This brings the total cost and cashflow improvements to £2.9 billion, exceeding the £2.5 billion target three months ahead of schedule. The company has now embarked on ‘Project Charge +’, the next phase of Project Charge, which will primarily target cost savings and deliver a further £1.1 billion of cost and cashflow improvements for a total of £4 billion of improvements by March 2021.

Prof Sir Ralf Speth, Jaguar Land Rover Chief Executive, said: ***“In the third quarter Jaguar Land Rover sustained year-on-year revenue and profit growth as we continued to transform our business. Conditions in the automotive industry remain challenging but we are encouraged by the recovery in our China business and the success of the new Range Rover Evoque. Our proactive and decisive actions are creating a more robust, resilient business, transforming today for tomorrow.”***

Free cash flow was negative £144 million, up £217 million year-on-year, reflecting the improved profitability and lower investment spending. The latter decreased £128 million to £892 million for the period.

In addition, the Company raised £1.6 billion of new funding in the quarter, including €1 billion of five and seven-year bonds and a £625 million five-year amortising loan backed by a £500 million guarantee from UK Export Finance (UKEF).



At the end of the period, Jaguar Land Rover had cash of £3.9 billion and a £1.9 billion undrawn credit facility, resulting in £5.8 billion of liquidity.

The new Land Rover Defender, which has been completely reinvented for the digital age, was revealed at the Frankfurt Motor Show in September. Deliveries of the world's most iconic 4X4 are expected to start in the spring. As part of the company's continuing product offensive, the new Jaguar F-TYPE was unveiled in December, generating a very positive customer and media reaction to the two-seat sports car that embodies Jaguar's design DNA. In addition, the all-electric Jaguar I-PACE won the coveted Golden Steering Award for Best Mid-Size SUV in November.

Despite the many challenges presently facing the industry, Jaguar Land Rover has continued to expect improved profitability and cashflow for the financial year ending 31 March 2020 with an EBIT margin of around 3%, however, the developing situation with the coronavirus could have some impact on this.

Prof Sir Ralf Speth concluded: ***“Our improving financial results and the cost and cash flow achievements of Project Charge will support the next phase of our pipeline of exciting new vehicles and technologies, with a choice of outstanding electrified, petrol and diesel powertrains. This combined success is enabling us to lay the foundations for long-term growth as we move purposefully towards Destination Zero - our mission to shape future mobility with zero emissions, zero accidents and zero congestion.”***

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About Jaguar Land Rover

Jaguar Land Rover is the UK's largest automotive manufacturer, built around two iconic British car brands. Land Rover is the world's leading manufacturer of premium all-wheel-drive vehicles. Jaguar is one of the world's premier luxury marques, as well as being the first ever brand to offer a premium all-electric performance SUV, the Jaguar I-PACE.

At Jaguar Land Rover we are driven by a desire to deliver class-leading vehicles, providing experiences people love, for life. Our products are in demand around the globe and in 2019 we sold 557,706 vehicles in 127 countries.

We employ some 40,000 people globally and support around 250,000 more through our retailer network, suppliers and local businesses. At heart we are a British company, with two major design and engineering sites, three vehicle manufacturing facilities, an Engine Manufacturing Centre and soon to be opened Battery Assembly Centre. We also have vehicle plants in China, Brazil, India, Austria and Slovakia. Three of our seven technology hubs are in the UK – Manchester, Warwick (NAIC) and London – with additional sites in Shannon, Ireland, Portland, USA, Budapest, Hungary and Changshu, China.

We have a growing portfolio of electrified products across our model range, embracing fully electric, plug-in hybrid and mild-hybrid vehicles, as well as continuing to offer the latest diesel and petrol engines, giving our customers even more choice.

We are confident that our comprehensive strategy, exciting pipeline of market-leading vehicles and innovative approach to technology and mobility will see us continue to progress towards Destination Zero, our mission to shape future mobility with zero emissions, zero accidents and zero congestion.