



JAGUAR LAND ROVER RETURNS TO PROFIT, REVENUES RISE 8% IN SECOND QUARTER OF 2019/2020 FINANCIAL YEAR

- Revenues rise 8% year-on-year to £6.1 billion
- Pre-tax profit reaches £156 million, £246 million better than a year ago
- Company achieves 4.8% EBIT margin
- Operating cash outflow of £64 million after £841 million of investment spending, representing £559 million improvement on prior year quarter
- Strong demand for new Range Rover Evoque and Range Rover Sport, with the launches of the new Jaguar XE and Land Rover Discovery Sport rolling out
- Company on track to achieve £2.5 billion cost and cashflow improvement target by end March 2020

Whitley, UK, 25 October 2019: Jaguar Land Rover Automotive plc today reported financial results for the three-month period ending 30 September 2019.

Revenue increased 8.0% year-on-year to £6.1 billion, driven by higher wholesales (up 2.9%) and favourable product mix. While total retail sales were down slightly (-0.7%), performance in China improved sharply, up 24.3%. Global retail sales of the new Range Rover Evoque were up by 54.6%, Range Rover Sport rose 17.5% and Jaguar I-PACE retails were up by 2,593 units.

Jaguar Land Rover generated pre-tax profits of £156 million in the quarter, £246 million better year-on-year. The improvement reflects favourable wholesale volume and mix, operating costs, depreciation and amortization, and foreign exchange. Profit margins also significantly improved with an EBIT margin of 4.8% and an EBITDA margin of 13.8%.

The company's Project Charge transformation programme contributed £162 million of cost improvement and £285 million reduction in investment spending in the quarter. With £2.2 billion efficiencies achieved to date, Jaguar Land Rover remains on track to achieve the full targeted £2.5 billion by 31 March 2020 and further improvements beyond then.

Prof Sir Ralf Speth, Jaguar Land Rover Chief Executive, said: ***"Jaguar Land Rover has returned to profitability and revenue growth. This is testament to the fundamental strength of our business, our award-winning products, new technologies and operating efficiencies."***

"We were one of the first companies in our sector to address the challenges facing our industry. As such, it is encouraging to see the impact of our Project Charge transformation programme and our improvement initiatives in the China market start to come through in our results."

Free cash flow was negative £64 million for the quarter, a £559 million year-on-year improvement. This progress reflects both better profitability and a £154 million decrease in investment spending to £841 million for the period. At quarter end, Jaguar Land Rover had cash of £2.85 billion and a £1.9 billion undrawn credit facility. Since then, the company has completed a £625 million five-year amortizing loan facility backed by a £500 million guarantee from UK Export Finance (UKEF) and signed a new £100 million working capital facility for fleet buybacks.

Jaguar Land Rover is also continuing to execute its product strategy. In September the New Land Rover Defender was revealed, the toughest and most capable Land Rover vehicle yet. The latest addition to the company's line-up retains the character and authenticity of the



original and meets the most stringent emissions and safety standards in the world. The first customer deliveries of the New Defender will begin from spring 2020.

Jaguar Land Rover's Advanced Product Creation Centre opened at Gaydon, UK, in September. Co-locating Jaguar and Land Rover design, vehicle engineering and purchasing for the first time, the new facility increases collaboration, encourages innovation and promotes leaner processes. The centre supports the delivery of the company's Destination Zero mission to achieve a future of zero emissions, zero accidents and zero congestion.

For the financial year ending 31 March 2020, Jaguar Land Rover continues to expect year-on-year improvement and to target a 3-4% EBIT margin with cash flow increased over last year.

Prof Sir Ralf Speth concluded: ***"Our people have responded very positively to the challenging circumstances over the past year. The improved performance this quarter reflects their ongoing passion and determination. Looking forward, we will continue our product offensive, broadening our range of electrified vehicles on the journey towards our Destination Zero future."***

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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, the world's leading manufacturer of premium all-wheel-drive vehicles; and Jaguar, one of the world's premier luxury sports saloon and sports car marques.

At Jaguar Land Rover, we are driven by a desire to deliver class-leading vehicles, which will provide experiences people love, for life. Our products are in demand around the globe. In 2018 Jaguar Land Rover sold 592,708 vehicles in 128 countries.

We support around 260,000 people 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. We have seven technology hubs, in the UK these are based in Manchester, Warwick (NAIC) and London. Globally these are located in Shannon, Ireland, Portland, USA, Budapest, Hungary and Changshu, China.

We have a 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. From 2020 all new Jaguar and Land Rover vehicle models offer the option of electrification, giving our customers even more choice.