



JAGUAR LAND ROVER REPORTS FOURTH QUARTER AND FULL-YEAR RESULTS FOR FISCAL 2019/20

- After return to profit in the second and third quarters, Covid-19 disruption significantly impacts fourth quarter and full-year results for Fiscal 2019/20
- Retail unit sales fall 30.9% in Q4 and 12.1% in Fiscal 2019/20
- Full-year pre-tax loss of £422 million on revenues of £23 billion but EBIT margin almost break-even (-0.1%), up 0.6 percentage points from a year ago
- Positive Q4 cash flow of £225 million
- ‘Charge’ transformation programme delivers savings of £3.5 billion by 31 March 2020; target increased to £5 billion by 31 March 2021
- Solid liquidity position of £5.6 billion with £3.7 billion of cash, financial deposits and £1.9 billion undrawn credit facility

Whitley, UK, 15 June 2020: Jaguar Land Rover Automotive plc today reported financial results for the fourth quarter and financial year ending 31 March 2020.

The company returned to profitability with improved operating cash flow in the second and third quarters, reflecting double-digit retail sales growth in China, as well as cost and cash flow improvements under its Project Charge transformation programme. Prior to the emergence of the Covid-19 pandemic, the company expected these trends to continue in the fourth quarter to achieve a full-year profit and meet its other financial targets for Fiscal 2019/20.

The Covid-19 pandemic significantly impacted Q4 and full-year Fiscal 2019/20. Fourth quarter retail sales were 109,869 units, down 30.9% year-on-year, while full year sales totalled 508,659 vehicles, down 12.1% year-on-year. As a result of lower unit sales, the company made a pre-tax loss of £501 million in Q4 and £422 million for the full year, on revenues of £5.4 billion and £23 billion respectively.

Earnings Before Interest and Tax (EBIT, which also excludes foreign exchange and commodity revaluation) were almost break-even for the year at £(24) million (EBIT margin of -0.1% was up 0.6 percentage points) and the company achieved positive cash flow of £225 million in Q4. The company ended the quarter with solid liquidity of £5.6 billion including £3.7 billion of cash and a £1.9 billion undrawn revolving credit facility.

Jaguar Land Rover responded quickly to the Covid-19 situation, implementing a temporary shutdown of all plants and rigorous cost and investment controls to conserve cash. The company is now seeing encouraging recovery in China and is gradually resuming production at the Solihull, Halewood and engine plants in the UK, as well as its Slovakia plant and the contract assembly line in Austria.

Prof Sir Ralf Speth, Jaguar Land Rover Chief Executive, said:

“Jaguar Land Rover’s early action to transform its business meant that as a company we were on track to meet our full-year expectations and operational and financial targets before the pandemic hit in the fourth quarter. We also reacted quickly to the disruption caused by Covid-19. Our immediate priority has been the health and wellbeing of our people – and this remains the case as we have now begun the gradual, safe restart of our operations.”



The company saw strong demand over the year for the new Range Rover Evoque, sales of which rose by 24.7% year-on-year and the all-electric Jaguar I-PACE, with sales up 40%. Sales of the refreshed Land Rover Discovery Sport are expected to continue to grow following its March launch in China.

New products will support the recovery of the business, including the ramp-up of the unparalleled new-generation Land Rover Defender; plug-in hybrid versions of the Range Rover Evoque and Land Rover Discovery Sport with new 1.5-litre 3-cylinder Ingenium petrol engine; and the exciting, newly-refreshed Jaguar F-TYPE.

The company is planning for a gradual recovery as lockdowns are relaxed and economies respond. The pick-up in China has been encouraging with all retailers now open, contributing to unit sales of 6,828 vehicles in April (down only 3.1% year-on-year) and 8,068 in May (up 4.2%). Sales of Range Rover and Range Rover Sport have been particularly encouraging.

Other regions saw the full impact of lockdowns in April and May with total worldwide sales of 14,709 vehicles in April (down 62.5% year-on-year) and 24,024 in May (down 43.3%). However, sales are expected to recover as retailers reopen. Most recently, about 89% of retailers worldwide are fully or partially open.

The company plans to resume production gradually to meet recovering demand. The Solihull and Halewood vehicle manufacturing plants and engine plant in the UK, the Slovakia plant and contract manufacturing line in Graz (Austria) have restarted. The reopening of our other plants will be confirmed in due course, while the joint-venture plant in China has been open since late February.

In this uncertain situation, Jaguar Land Rover will continue to manage costs and investment spending rigorously to protect liquidity. Cost and cash improvements under Project Charge increased by £600 million in Q4 to bring cumulative savings to £3.5 billion by 31 March 2020. The company has increased the Charge target for March 2021 by £1.0 billion to £5.0 billion. As part of this, Jaguar Land Rover has been deferring or delaying lower-margin and non-critical investment. The company is targeting investment spending in the region of £2.5 billion in Fiscal 2020/21: substantially lower than the spending of £3.3 billion in Fiscal 2019/20 and £3.8 billion in Fiscal 2018/19. Against the backdrop of the Covid-19 pandemic, the company has taken the difficult decision to reduce the number of contract-agency employees in its manufacturing plants over the coming months.

As a result of the impact of worldwide lock downs on sales and plant shutdowns, free cash flow was negative c. £1.5 billion in April and May, including one-time working capital outflows of c. £1.2 billion; free cash flow for the full quarter ending 30 June is expected to be less than £2 billion negative. The outlook with Covid-19 remains uncertain. However, Jaguar Land Rover expects a gradual recovery of sales consistent with industry estimates and improving cash flow boosted by the recovery of working capital, lower investment and other Project Charge cost reductions for the remainder of the current fiscal year.

Prof Sir Ralf Speth concluded:

“In such uncertain times, I remain convinced that Jaguar Land Rover’s focus on its people, its innovative products and its Destination Zero mission will remain the key to navigating out of this global crisis effectively. In China, we are beginning to see recovery in vehicle sales and customers are returning to our showrooms. Our operational fitness gives me confidence that we can weather this storm.”

ENDS



Notes to editors

- In Fiscal 2019/20 Jaguar Land Rover revealed plans to manufacture a range of new electrified vehicles at its Castle Bromwich manufacturing plant in the UK, with the first vehicle confirmed as the next-generation all-electric Jaguar XJ.
- The company will open a new Battery Assembly Centre near Birmingham (UK) and will begin the manufacture of next-generation electric drive units at the Engine Manufacturing Centre (EMC) in Wolverhampton (UK) later this year.
- In September 2019, Jaguar Land Rover unveiled new facilities at its Gaydon site in Warwickshire, creating the UK's largest automotive creation and development centre.
- This was followed in February 2020 by the celebration of the official opening of the National Automotive Innovation Centre at the University of Warwick, one of Europe's largest automotive R&D hubs and a great example of how academics, suppliers and manufacturers such as Jaguar Land Rover can work together to tackle society's greatest mobility challenges.
- Jaguar Land Rover unveiled its bold new concept vehicle, Project Vector, as part of the company's Destination Zero journey, offering its vision of an autonomous, electric, connected future for urban mobility.
- The company continues to do whatever it can to support its communities through the current situation resulting from the Covid-19 pandemic. To date, this has included the deployment of more than 360 Jaguar and Land Rover vehicles around the world to organisations such as the Red Cross and other emergency services. The new Defender, for example, has gone straight into action to reach vulnerable people.
- Jaguar Land Rover has offered its research, engineering and manufacturing expertise to support the development of medical and personal protective equipment. It is producing reusable NHS-approved protective visors for frontline medical staff to answer the UK government call for more vital equipment to fight coronavirus and has scaled up capacity to 14,000 per week
- The company is also encouraging its employees to get involved with national and local community efforts to support the vulnerable and in need, including the NHS call for Volunteer Responders in the UK and around the world.

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 Fiscal 2019/20 we sold 508,659 vehicles in 127 countries.

We support around 250,000 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. 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.

MEDIA INFORMATION



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.

Jaguar Land Rover social channel:

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