

JAGUAR LAND ROVER GENERATES PROFIT AND POSITIVE CASH FLOW IN SECOND QUARTER OF FISCAL 2020/21 ON CONTINUED SALES RECOVERY

- **Retail sales of 113,569 units in Q2 up 53.3% on Q1 but still down 11.9% year-on-year due to Covid-19**
- **Profit before tax of £65 million on revenues of £4.4 billion**
- **Positive free cash flow of £463 million after £531 million of investment spending**
- **'Charge+' transformation generates £0.6 billion of savings in Q2 including £0.3 billion of cost and £0.3 billion of investment; savings year-to-date now total £1.8 billion**
- **Solid liquidity of £5.0 billion at 30 September, including over £3 billion of cash and a £1.9 billion undrawn credit facility, before a \$700 million bond issued in October**
- **Significant expansion of electrification technology to seven plug-in hybrid (PHEV) and nine mild-hybrid (MHEV) models**

Whitley, UK, 27 October 2020: Jaguar Land Rover Automotive plc today reported financial results for the three months ended 30 September 2020 (Fiscal Q2).

Jaguar Land Rover returned to profit with significant positive cash flow in Fiscal Q2 as sales and revenue recovered from the impact of Covid-19 in Fiscal Q1 but remain below pre-pandemic levels a year ago.

Retail sales of 113,569 units were up 53.3% from Fiscal Q1 with almost all retailers now open. However, retail sales in most markets continued to be impacted by Covid-19 and were down 11.9% in total year-on-year. Encouragingly, China retails were up 14.6% on the prior quarter and 3.7% year-on-year while global retails of the new Defender rose to 4,508 units in the month of September.

Revenue was £4.4 billion (on wholesales of 73,451 excluding the China Joint Venture), up 52.2% from Fiscal Q1, although down 28.5% from pre-covid levels a year ago.

Jaguar Land Rover generated a £65 million profit before tax (PBT) in the second quarter, up significantly from a loss of £413 million in the prior quarter but lower than the pre-covid PBT of £156 million a year ago. The improvement in the year reflects the recovery in sales, Project Charge+ cost efficiencies and favourable foreign exchange impact. Margins were also improved from Q1 with EBITDA at 11.1% and EBIT at 0.3%.

As expected, free cash flow was positive (£463 million), after £531 million of investment spending. The positive cash flow primarily reflects a £528 million recovery in working capital following the restart of production and the reopening of the global retailer network.

Cost and cash improvements from the Project Charge+ transformation programme in the quarter totalled £0.6 billion, including £0.3 billion of cost and £0.3 billion of investment savings. Total savings year-to-date are now £1.8 billion and the company is on track to achieve the £2.5 billion target for the full year ending 31 March 2021.

Jaguar Land Rover ended the second quarter of Fiscal 2020/21 with solid liquidity of £5 billion, comprising over £3 billion of cash and short-term investments and a £1.9 billion undrawn revolving credit facility. The company has since completed a \$700 million five-year unsecured bond issued in October 2020, increasing pro forma September liquidity to £5.5 billion.

Adrian Mardell, Jaguar Land Rover Chief Financial Officer, said:

“We were pleased to see sales, profitability and cash flow significantly improve in Fiscal Q2 from the prior quarter. While sales and profitability have not fully recovered to pre-pandemic levels in most markets, it was particularly encouraging to see China sales up year-on-year and global sales of the new Land Rover Defender starting to ramp up. The Charge+ cost and cash efficiency programme also contributed significantly to the better results in the quarter. Charge+ remains on track to deliver £2.5 billion of saving this year and, with continued strong liquidity, Jaguar Land Rover is well-placed to benefit from further market recovery in the second half and beyond.”

All of Jaguar Land Rover’s manufacturing facilities have now resumed production, with the plants at Solihull (UK), Halewood (UK), Nitra (Slovakia) and the Engine Manufacturing Centre at Wolverhampton (UK) now increased to two shifts as demand for the company’s vehicles has continued to recover.

A gradual improvement in sales is expected to continue and will be supported by new and refreshed products, including the short wheel-base Land Rover Defender 90, the refreshed Jaguar F-PACE, as well as 2021 model year Range Rover Velar, Jaguar XF and Jaguar XE. Furthermore, Jaguar Land Rover continues to expand its offering of electrification across its model range. Of the 13 nameplates in the company’s product portfolio, seven have now been revealed with plug-in hybrids and nine with mild-hybrids, in addition to the full battery electric Jaguar I-PACE. One more PHEV and two more MHEVs are expected to debut this fiscal year.

Although the outlook remains uncertain as a result of Covid-19 and the ongoing negotiations over future UK / EU trading arrangements, Jaguar Land Rover expects the recovery in sales, revenue, and profitability to continue in the second half of Fiscal 2020/21, supported by Project Charge+. The company also continues to expect positive free cash flow over the second half of the year and remains committed to achieving positive free cash flow in Fiscal 2021/22, to reduce net debt and increase financial resilience.

Thierry Bolloré, who became Jaguar Land Rover Chief Executive Officer on 10 September 2020, concluded:

“Although Jaguar Land Rover is not immune to the headwinds impacting the global automotive industry, it has the foundations in place to generate long-term sustainable profitability. I have been encouraged by the strengths of the company – reflected by its brand appeal and the capabilities of its employees – that will enable it to seize new opportunities in a rapidly-changing industry. I am confident these qualities and a strong product strategy with a focus on financial discipline will equip Jaguar Land Rover to address challenges in the period ahead.”

ENDS

Notes to editors

- Jaguar Land Rover has a growing portfolio of electrified vehicles across its model range, embracing fully electric, plug-in hybrid and mild-hybrid vehicles.
- In addition to the all-electric Jaguar I-PACE, the company’s electrified line-up currently includes plug-in hybrid variants of the Range Rover, Range Rover Sport, Range Rover Evoque, Land Rover Discovery Sport, Land Rover Defender, Jaguar F-PACE and Range Rover Velar. All models with plug-in hybrids also have mild-hybrid derivatives, as well as the recently-revealed new model year Jaguar XE and Jaguar XF.

About Jaguar Land Rover

MEDIA INFORMATION



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.

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.

Jaguar Land Rover social channels:

- Twitter: [@JLR_News](https://twitter.com/JLR_News)

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