



## **JAGUAR LAND ROVER REPORTS STRONG PROFIT AND CASH FLOW FOR THIRD QUARTER OF FISCAL 2020/21**

- Profit before tax of £439 million, up £374 million on prior quarter and £121 million year-on-year
- Improved profits reflect revenue of £6 billion, up £1.6 billion from Q2 while still lower than pre-Covid levels a year ago, with favourable sales mix, cost performance and partial reversal of prior-period reserves
- Positive free cash flow of £562 million, a Q3 record
- ‘Charge+’ transformation savings £0.4 billion in Q3, increasing total for the first three quarters of the fiscal year to £2.2 billion
- Liquidity of £6.4 billion at 31 December, with £4.5 billion of cash and £1.9 billion undrawn credit facility. Includes \$1.35 billion of bonds issued in Q3
- Electrified options extended to 12 Jaguar Land Rover models, including 8 with plug-in hybrid (PHEV), 11 with mild-hybrid (MHEV), and the all-electric Jaguar I-PACE (BEV)
- Despite Covid and other risks, the company expects to deliver strong EBIT margins and positive free cash flow in Q4

**Whitley, UK, 29 January 2021:** Jaguar Land Rover Automotive plc today reported strong financial results for the three months to 31 December 2020 (Fiscal Q3), with improved pre-tax profits and its best-ever third quarter cash flow.

Fiscal Q3 retail sales were 128,469 vehicles, up 13.1% on Q2 but still 9% lower than pre-Covid levels a year ago. Sales in China were up 20% on the prior quarter and up 19.1% year-on-year. Most other regions were also up on the preceding quarter while down from the prior-year third quarter. Sales of the new Land Rover Defender grew to 16,286 units, a 66.0% increase on the prior quarter.

Profit before tax (PBT) was £439 million (after £37 million of exceptional charges), up £374 million from Q2 and £121 million from a year ago. The significant improvement reflects revenue of £6 billion, up £1.6 billion from Q2 while still lower than pre-Covid levels a year ago, with favourable sales mix, cost performance and partial reversal of prior-period reserves for emissions and residual values. EBIT margin improved to 6.7% (+400bps year-on-year).

Profit and cash improvements from the Project Charge+ transformation programme in the quarter were £0.4 billion, including £0.2 billion of cost and £0.2 billion of investment efficiencies. Savings year-to-date total £2.2 billion, and the company is well on track to deliver the £2.5 billion target for the full year ending 31 March 2021.

Free cash flow in the third quarter was £562 million, primarily reflecting the strong PBT and favourable working capital after £675 million of investment spending. Cash and short-term investments increased to £4.5 billion, including \$1.35 billion of five- and seven-year bonds issued in the quarter. Total liquidity was £6.4 billion including a £1.9 billion undrawn revolving credit facility.



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

***“We are pleased to report these strong profits and record third quarter cash flows. It reflects our focus on prioritising profitable sales and delivering cost and cash improvements. While sales have not yet fully recovered to pre-Covid levels in most markets, it was pleasing to see China sales up year-on-year for the second quarter in a row and sales of the new Defender continuing to grow.”***

Jaguar Land Rover was encouraged by the Brexit trade deal agreed in December between the UK and the European Union. This has avoided the risk of tariffs on automotive parts and finished vehicles, although there will still be increased customs administration requirements.

The approval of effective Covid-19 vaccines is also encouraging, with the promise of an eventual end to the pandemic. While current infection rates and associated restrictions are a challenge, all of the company’s plants and the majority of retailers are open. In markets where showrooms are closed by restrictions, in the UK in particular, sales are generally able to continue through remote solutions such as a ‘click and deliver’ basis.

In this environment, Jaguar Land Rover continues to expect a gradual improvement in sales supported by new and refreshed vehicles incorporating the latest technologies. Recent new products include the short wheelbase Land Rover Defender 90 and the Range Rover Velar, Land Rover Discovery, Jaguar F-PACE, E-PACE and XF. Furthermore, electrification has now been extended to 12 of the 13 Jaguar Land Rover models, including 8 with PHEV, 11 with MHEV, and the all-electric Jaguar I-PACE BEV.

Although Covid and other risks remain, the company continues to expect to generate strong profit margins (EBIT) and positive free cash flow in the fourth quarter and targets achieving positive free cash flow in subsequent years, to reduce net debt and increase financial resilience.

Thierry Bolloré, Jaguar Land Rover Chief Executive Officer, concluded:

***“I am encouraged by the improved financial performance in this first full quarter as CEO of Jaguar Land Rover. This performance is a credit to the outstanding efforts of the employees of Jaguar Land Rover to overcome many challenges this year and I would like to thank every one of our colleagues for their contribution, particularly those who are working safely in our plants and facilities. Looking ahead, these challenges continue, including the Covid pandemic and its impact on the global economy, the UK’s new trading relationship with the EU and the significant technological changes taking place in the automotive industry. In this environment, I’m working with my management team on plans to realise an exciting future for Jaguar Land Rover, which I look forward to sharing in due course.”***

**ENDS**



## About Jaguar Land Rover

Jaguar Land Rover is the UK's largest premium 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 PR social channels:

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