



STRONG END TO FISCAL 2020/21 WITH SIGNIFICANT Q4 PROFIT AND POSITIVE FREE CASH FLOW

- **Pre-tax profits of £534 million in Q4 and £662 million for the full year before exceptional charges**
- **Reimagine strategy announced in February to deliver double-digit EBIT margins by Fiscal 2025/26 entails £1.5 billion exceptional charges in Q4**
- **EBIT margin grows to 7.5% in Q4 and 2.6% for the full year**
- **Improving profitability reflects recovering volumes (although down in the full year due to Covid-19) along with favourable mix, cost performance and foreign exchange**
- **Revenue up 20.5% to £6.5 billion in Q4 (FY: £19.7 billion) led by strong sales in China and global sales of new Land Rover Defender**
- **Charge+ programme delivers Q4 cost and cash flow savings of £332 million, lifting full year savings to £2.5 billion and lifetime total to £6.0 billion**
- **Positive free cash flow of £729 million generated in Q4; £185 million in the full year**
- **Strong liquidity of £6.7 billion at 31 March 2021, with £4.8 billion of cash and £1.9 billion undrawn credit facility**

Whitley, UK, 18 May 2021: Jaguar Land Rover Automotive plc today reported strong underlying profitability and cash flow for the three months to 31 March 2021 (Fiscal Q4), and solid results for the full year.

The business continued to recover following the onset of the Covid-19 pandemic and retail sales in the fourth quarter were 123,483 vehicles, up 12.4% year-on-year. This was supported by a strong recovery in China, where sales grew 127% over Q4 last year, when the impact of Covid-19 peaked in that market. Full year retails of 439,588 vehicles were still down 13.6%, although sales in China increased 23.4% year-on-year. The award-winning new Land Rover Defender contributed significantly to retail sales, with 16,963 units sold in Q4 and 45,244 units for the full year.

Pre-tax profit before exceptional charges increased significantly to £534 million in Fiscal Q4 and £662 million for the full year, reversing losses in the same periods a year ago which were impacted by the start of the pandemic. The EBIT margin improved to 7.5% in Q4 and 2.6% for the full year, up 10.7 and 2.5 points respectively year-on-year. The improving performance mainly reflects recovering volumes, and favourable mix, cost performance (including lower marketing spend) and foreign exchange.

In February 2021 the company announced its new global strategy to Reimagine the future of modern luxury by design and deliver double-digit EBIT margins by Fiscal 2025/26. As previously communicated, this will entail £1.5 billion of exceptional charges in the fourth quarter, including £952 million of non-cash write downs of prior investments and £534 million of restructuring charges expected to be paid in Fiscal 2021/22. After these exceptional charges, the company reported a pre-tax loss of £952 million for the quarter and £861 million for the full year.

Free cash flow of £729 million was generated in Q4 to achieve positive free cash flow of £185 million, after investment spending of £2.3 billion, for the full year. Cash flow for Q2 to Q4 totalled £1.8 billion to more than offset the £1.6 billion cash outflow in Q1 when Jaguar Land Rover's plants were closed for two months due to Covid.



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

“We are pleased to have been able to continue to generate improved cash flow and profitability in Q4, despite the ongoing challenges of Covid-19 on both retailers and the supply chain. It was particularly satisfying to achieve a 7.5% EBIT margin in Q4 and positive cash flow for the full year. The strengthened performance reflects the success of our efforts to improve quality of sales and the cost structure of the business, as well as a focus on driving cash flow through Project Charge+.”

Profit and cash improvements from Charge+ in the quarter totalled over £332 million, including £155 million of cost efficiencies and a £177 million reduction in investment spending. This brings Charge+ savings to £2.5 billion in Fiscal 2020/21 and £6.0 billion since the programme was launched in September 2018, substantially exceeding the initial targets set.

Jaguar Land Rover ended the year with total cash and short-term investments of £4.8 billion, resulting in total liquidity of £6.7 billion including a £1.9 billion undrawn revolving credit facility (RCF), which runs to July 2022. Jaguar Land Rover has also completed an extension for £1.31 billion of the RCF to March 2024.

During the year, Jaguar Land Rover successfully launched its exciting new range of 21 Model Year vehicles, incorporating the very latest technologies. Twelve of the company’s models now have an electrified option, contributing to 62% of sales, including 8 plug-in hybrids, 11 mild hybrids and the all-electric Jaguar I-PACE.

The increasing Covid vaccination rates are encouraging for the ultimate recovery of the global economy and automotive industry from the effects of the pandemic. However, cases are still high in many markets while supply chain issues, in particular for semi-conductors, have become more difficult to mitigate and are now impacting production plans for Q1. The company is working closely with affected suppliers to resolve the issues and minimise the effect on customers.

For Fiscal 2021/22, Jaguar Land Rover expects sales to continue to recover. The company is still targeting an EBIT margin of at least 4.0% and break-even free cash flow after c.£2.5 billion of investment and c.£0.5 billion of restructuring costs that have already been accrued.

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

“In my first set of full-year results as CEO of Jaguar Land Rover, I have been encouraged by the company’s resilience and strong recovery during a uniquely challenging year. Despite the pandemic, this year has also seen significant positive change culminating in February with the launch of our Reimagine strategy focused on reimagining our iconic British brands for a future of modern luxury by design.

“Our strategy is ambitious and it will make us more agile, efficient and sustainable. Although it is still early days, we have made significant progress in implementing it. This has reaffirmed my confidence that we have the right strategy, the right people and the right product-plans to deliver against our targets. Jaguar Land Rover is well placed to emerge from the pandemic as a stronger and more resilient company that is able to navigate and capitalise on the opportunities ahead.”

ENDS



About Jaguar Land Rover: Reimagining the future of modern luxury by design

Jaguar Land Rover is reimagining the future of modern luxury by design through its two distinct, British brands.

Our current model range embraces fully electric, plug-in hybrid and mild-hybrid vehicles, as well as the latest diesel and petrol engines. Our class-leading Jaguars and Land Rovers are in demand around the world and in Fiscal 2020/21 we sold 439,588 vehicles in 123 countries. Land Rover is the global leader of luxury SUVs through its three families of Range Rover, Discovery and Defender. Jaguar is the first ever brand to offer a premium all-electric performance SUV, the Jaguar I-PACE.

At heart we are a British company, with two major design and engineering sites, three vehicle manufacturing facilities, an Engine Manufacturing Centre and a Battery Assembly Centre in the UK. 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 Shanghai, China.

Central to our Reimagine strategy is the electrification of both the Land Rover and Jaguar brands with two clear, distinct personalities. All Jaguar and Land Rover nameplates will be available in pure-electric form by the end of the decade. This marks the start of the company's journey to become a net zero carbon business across its supply chain, products and operations by 2039.

As a wholly owned subsidiary of Tata Motors since 2008, Jaguar Land Rover has unrivalled access to leading global players in technology and sustainability within the wider Tata Group.

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