



Q1 SALES AND PROFITABILITY IMPROVED FROM COVID IMPACT A YEAR AGO BUT SIGNIFICANTLY CONSTRAINED BY CONTINUING SEMICONDUCTOR SHORTAGE

- Wholesales of 84.4k vehicles, up 72.6% but 30k units (27%) lower than planned due to chip shortage resulting in a pre-tax loss and a free cash outflow
- Pre-tax loss of £110 million, but £303 million better than a year ago, and a free cash outflow of £996 million, but £574 million better than a year ago
- Demand remains strong with record order book of 110k units for when chip supply starts to improve as expected in the second half of the year
- Strong liquidity of £5.7 billion at 30 June 2021, with £3.7 billion of cash, and £1.9 billion undrawn credit facility – additional £0.9 billion of liquidity since added in July with £0.8 billion of new bonds and increase in revolving credit facility (RCF)
- Reimagine strategy powered by Refocus continues to make progress, driving quality, financial growth, sustainability and digitalisation

Whitley, UK, 26 July 2021: Jaguar Land Rover Automotive plc today reported its financial results for the three months to 30 June 2021, which were significantly improved compared to the first quarter of last year (peak COVID impact), although significantly impacted by the ongoing semiconductor supply shortage affecting global automotive and other industries.

Retail sales in the first quarter were 124,537 vehicles, up 68.1% year-on-year as sales continued to recover from the impact of the pandemic. Sales were higher year-on-year in each key region including in the UK (+186.9%), Europe (124.0%), Overseas (71.0%), North America (50.5%), and China (14.0%). Retail sales of all model families increased year-on-year, led by Range Rover and Defender models. Electrified vehicles made up 66.0% of our retail sales in Q1, comprising 2.0% BEV's, 6.5% PHEV and 57.1% MHEV.

Revenue was £5.0 billion in the first quarter, 73.7% higher than Q1 in the prior year, reflecting a 72.6% year-on-year growth in wholesales to 84,442 vehicles, however, this was c. 30,000 units lower than planned due to semiconductor supply constraints. The production constraint resulted in a pre-tax loss of £110 million with an EBIT margin of (0.9)% and a free cash outflow of £996 million. The free cash outflow was after £571 million of investment spending and unfavourable working capital of £922 million related to the lower production. Nevertheless, these results represent a significant improvement from the loss of £413 million and free cash outflow of £1.6 billion at the peak of the pandemic in Q1 a year ago.

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

"We are encouraged by the continuing recovery in sales and the very strong demand for our products with record order books. However, the global shortage of semiconductors continues to be a challenge which has constrained our financial results in the first quarter"

Jaguar Land Rover ended the quarter with total cash and short-term investments of £3.7 billion, resulting in total liquidity of £5.7 billion including a £1.9 billion undrawn revolving credit facility. The company has further bolstered liquidity in July with the issuance of €500 million 4.5% 7-year and \$500 million 5.5% 8-year bonds as well as the addition of £80 million to our existing RCF (now £2.015 billion) maturing July 2022 and £190 million added to the RCF extension (now £1.5 billion) maturing March 2024.

MEDIA INFORMATION



Since announcing the [Reimagine strategy](#), the company continues to make progress and has strengthened its structure and capability with a number of executive appointments, including François Dossa to lead the Strategy and Sustainability team, Hanno Kirner as an Executive Director of Tata Group Synergy Programmes, and Lennard Hoornik as Chief Commercial Officer.

Jaguar Land Rover continues to launch new and refreshed products, including the launch of the long wheel-base Range Rover Evoque and refreshed long-wheel base Jaguar XFL from the China joint venture, Chery Jaguar Land Rover. The company continues to increase the electrification of its models as 12 of Jaguar Land Rover's 13 nameplates have an electrified option.

The continued increase in Covid vaccination rates are encouraging for the ultimate recovery of the global economy and automotive industry, however, there is still uncertainty with the infection rates rising as a result of the spread of the delta variant.

The shortage of semiconductors is presently very dynamic and difficult to forecast. Based on recent input from suppliers, we now expect chip supply shortages in the second quarter ended 30 September 2021 to be greater than in the first quarter, potentially resulting in wholesale volumes about 50% lower than planned, although we are continuing to work to mitigate this. We expect the situation will start to improve in the second half of our financial year. However, the broader underlying structural capacity issues will only be resolved as supplier investment in new capacities comes online over the next 12-18 months and so we expect some level of shortages will continue through to the end of the year and beyond. While the present supply constraints continue, Jaguar Land Rover will continue to prioritise production of higher margin vehicles for the chip supply available, as well as make chip and product specification changes where possible to reduce the impact.

In the scenario above, JLR expects a negative EBIT margin with a free cash outflow of less than £1 billion in the second quarter. As semiconductor supply improves, JLR expects to achieve a positive EBIT margin and positive free cash flow in the second half of the financial year. Our medium and longer term financial targets under the Reimagine strategy, underpinned by the Refocus transformation programme, remain unchanged, including double digit EBIT margins by FY26.

Encouragingly, Jaguar Land Rover continues to see strong demand for its products for when semiconductor supply ultimately improves. The company presently has about 110,000 global retail orders, the highest in the history of the company, representing 3 months of sales cover, with 5 months in Europe and 4 months in the UK. Orders for the Defender alone total over 29,000, representing over 4 months of demand.

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

"We are pleased to see a continuing positive recovery from the pandemic, with year-on-year growth in all regions, demonstrating the appeal of Jaguar and Land Rover vehicles. Though the current environment continues to remain challenging, we will continue to adapt and manage elements that are within our control and ensure that Jaguar Land Rover is well-placed to respond to any further market developments. We remain encouraged by the sheer strength of the demand for our vehicles, and note the success of our electrified powertrain offering as we work to drive that demand further by reimagining our iconic British brands for a future of modern luxury by design. We have the right vision with Reimagine, and we are already on the journey."

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 127 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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