



THIRD QUARTER EBIT AND CASHFLOW TURN POSITIVE DESPITE SEMICONDUCTOR SUPPLY CONSTRAINTS

- Q3 FY22 revenue of £4.7 billion up 22% from Q2, with wholesales up 8% from Q2 but down year on year
- Q3 EBIT margin of 1.4% and free cash flow £164 million reflecting improvements in wholesales, mix and cost efficiency, while PBT was £(9) million
- Order book hits new record of c. 155,000 units, up c. 30,000, reflecting strong demand for the New Range Rover
- Refocus transformation programme delivers £1 billion of value year to date and is now expected to achieve £1.4 billion of value in FY22, beating our £1 billion target
- Liquidity of £6.5 billion at quarter end, including £4.5 billion of cash and a £2 billion undrawn revolving credit facility, after new £625 million amortising 5-year loan 80% guaranteed by UK Export Finance and syndicated to 12 banks

Gaydon, UK, 31 January 2022: Jaguar Land Rover Automotive plc today reported its financial results for the three months to 31 December 2021 (Q3). Jaguar Land Rover reported positive Earnings Before Interest and Tax (EBIT) and free cashflow in Q3 as supply and wholesale volumes improved. While production and sales remain significantly constrained by semiconductor shortages, the Company continues to see strong demand for its products with global retail orders at record levels.

Wholesales to dealers in Q3 were 69,182 units, up 8% on Q2 FY22 with production volumes up 41% to 72,184 units. Overall, however, sales remain significantly constrained by chip shortages and low inventories with retail sales in Q3 of 80,126 vehicles, down 13.6% from Q2 FY22 and 37.6% from Q3 FY21. The mix of electrified retail sales (BEV, PHEV and MHEV) increased to 69% in Q3 compared to 53% a year ago. While regional sales broadly followed total sales, model mix was stronger with wholesales of the Range Rover model family up 30% on the prior quarter.

Demand remains strong with a record order book of almost 155,000 vehicles, up 30,000 units from Q2 reflecting strong demand for the New Range Rover, with deliveries for the model to start later in Q4 FY22.

For Q3, revenue was £4.7 billion, up 22% from Q2 FY22. EBIT margin improved from Q2 to 1.4% and free cash flow improved to £164 million, reflecting the increased wholesale volume, more favourable mix, pricing and FX, partially offset by a provision for quality campaigns. PBT was a £(9) million loss in the quarter.

Jaguar Land Rover ended the quarter with total cash and short-term investments of £4.5 billion, after completion of a £625 million 5-year amortising loan 80% guaranteed by UK Export Finance and syndicated to 12 banks. In addition, the Company has an undrawn revolving credit facility of £2.0 billion through July 2022 (£1.5 billion through March 2024).

Commenting on the financial results, Adrian Mardell, Jaguar Land Rover's Chief Financial Officer, said:

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"It was encouraging to see a positive EBIT margin and cashflow, despite chip supply constraining wholesales to 69,000 units in the Quarter. It demonstrates the progress we've made in reducing the breakeven point in the business through mix optimisation and cost efficiencies so we will be well placed as supply and sales volumes improve."

The Refocus transformation programme has delivered £1 billion of value in the first three quarters of FY22 through digital initiatives, market performance, cost efficiency and investment. The programme is now expected to achieve £1.4 billion of value in FY22, beating the original £1 billion target.

Semiconductor supply improved somewhat during Q3 primarily reflecting recovery from specific situations in Q2 such as Covid outbreaks in Southeast Asia as well as proactive engagement by the Company. The semiconductor shortage is expected to continue through 2022 but is expected to gradually improve as capacity within the supply base increases, while the Company is also engaging with first-tier suppliers and directly with the chip manufacturers to secure supply longer-term.

With this gradual expected improvement, Jaguar Land Rover expects Q4 profits to improve from Q3 with positive cashflow. Our medium- and longer-term financial targets under the Reimagine strategy, underpinned by the Refocus transformation programme, remain unchanged, including increasing EBIT margins to 10% or more by FY26.

Commenting on the business performance in Q3, Thierry Bolloré, Jaguar Land Rover's Chief Executive Officer, said:

"Whilst semiconductor supplies have continued to constrain sales this quarter, we continue to see very strong demand for our products underlining the desirability of our vehicles. The global order book is at record levels and has grown an incredible 30,000 units for the New Range Rover before deliveries even start this Quarter. We continue to execute our Reimagine strategy to realise the full potential of the business and create the next generation of the most desirable luxury vehicles for the most discerning of customers."

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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 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

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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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