MEDIA INFORMATION

JAGUAR LAND ROVER REPORTS POSITIVE CASHFLOW AND PROFIT MARGIN IN THE FOURTH QUARTER

- **Company sees increase in free cash flow and EBIT margin in Q4, but sales remain constrained by global semiconductor shortage**
- **Wholesales improved 11% in Q4 to 76.5K units while full year volumes of 294,182 were down 15%**
- **Quarterly free cash flow again positive and increased to £340 million in Q4; full year free cash outflow of £1.16 billion, reflecting working capital impact of lower volumes in the first half**
- **Q4 EBIT margin of 2.0% with pre-tax profit before exceptional items about breakeven (£9 million); full year EBIT margin at (0.4)% with pre-tax loss before exceptional items of £0.4 billion**
- **Exceptional charge of £43m in the fourth quarter relating to our business in Russia**
- **Strong demand for New Range Rover helps order book to new record at more than 168,000 units, up 13,000 in Q4**
- **Aligned to our Reimagine strategy, our Refocus transformation programme delivers £1.5 billion of value in the year, beating £1 billion target**
- **Liquidity of £6.4 billion as at 31 March 2022, including £4.4 billion cash and a £2 billion undrawn revolving credit facility**

Gaydon, UK, 12 May 2022: Jaguar Land Rover Automotive plc today reported its financial results for the three months to 31 March 2022 (Q4) and for the full 2021/22 fiscal year (FY22). Jaguar Land Rover produced positive free cash flow and Earnings Before Interest and Tax (EBIT) in Q4, despite ongoing semiconductor supply challenges. While production and sales remain constrained by semiconductor shortages, resulting in a loss and cash outflow for the full year, the Company continues to see strong demand for its products with global retail orders at record levels.

Wholesales (excluding the China Joint Venture) in Q4 were 76,526 units, up 11% on Q3 FY22 with higher production volumes. Retail sales in Q4 were 79,008 vehicles, down 1% from Q3 FY22 as a consequence of constrained wholesales and low dealer inventories, while the mix of electrified retail sales (BEV, PHEV and MHEV) increased to 66% for the full year compared to 51% in the prior year.

Wholesales for the full year FY22 were 294,182, down 15% compared to the fiscal year ending 31 March 2021 (FY21). Retail sales for FY22 were 376,381, down 14% compared to FY21.

Demand remains strong with the order bank growing to a new record 168,000 units at 31 March 2022. Orders for the New Range Rover have grown to 46,000, while demand for the Defender remains strong with 41,000 orders.

Revenue was £4.8 billion in Q4 FY22, up 1% from Q3 FY22, reflecting the higher wholesales offset partially by the impact of the runout of the previous generation Range Rover, with the New Range Rover still ramping up. The EBIT margin in the quarter was 2% with profit before tax about breakeven (£9 million) before a £(43) million exceptional charge for our business in Russia. The results reflect the increased wholesale volume, lower variable marketing spend and lower warranty costs, offset by the impact of the Range Rover model changeover on mix. Cashflow improved to £340 million, up from £164 million in Q3.

Full year performance in FY22 was significantly impacted by the constraint on production and sales resulting from the global chip shortage. Revenue was £18.3 billion, down 7% from the prior year, with a pre-tax loss of £412 million before the £(43) million exceptional charge in Q4, compared to a PBT of £662 million before exceptional items in FY21. The impact on working capital of the reduced volumes in the first half of the financial year resulted in a free cash outflow of £1.16 billion for FY22. The working capital outflow is expected to be recovered over time as volumes gradually increase.

Jaguar Land Rover ended the fiscal year with total cash and short-term investments of £4.4 billion and total liquidity of £6.4 billion, including the undrawn revolving credit facility of £2 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:

"Despite the ongoing semiconductor supply constraints limiting production, we have delivered a second successive quarter of positive cashflow demonstrating our continuing focus on revenue optimisation and cost efficiencies. Despite the present chip supply, inflation and other challenges, our lower breakeven point should position us well as volumes gradually recover."

In line with our Reimagine strategy, our Refocus transformation programme significantly exceeded the original £1 billion target for FY22 and delivered £1.5 billion of value in the year. This performance has been achieved through digital initiatives, market performance, cost efficiency and investment savings. Inflation represents an increasing headwind for the business and we expect our Refocus actions to help mitigate this in the coming year.

The Company has responded to the conflict in the Ukraine by providing humanitarian support to the families of Ukrainian employees of our Slovakia plant and through the supply of vehicles to the International Federation of Red Cross and Red Crescent Societies. While sales to Russia remain paused, Russia and Ukraine historically account for about 2.5% combined of global sales. The impact on production has been limited to date as a result of active management of our parts supply chain. While we have a relatively small number of parts that are sourced from the affected countries, it is too early to say how future commodity supply and pricing could be impacted.

We expect the global semiconductor shortage to continue through the next fiscal year with gradual improvement. However, the Covid lockdowns in China as well as the new Range Rover Sport model changeover are expected to limit volume improvements in Q1 possibly resulting in negative EBIT and negative cash flows in the quarter. Volumes are expected to improve progressively thereafter, and we target achieving a 5% EBIT margin and £1bn+ positive free cash flow in FY23 for the full year. Our medium- and longer-term financial targets under the Reimagine strategy, underpinned by the Refocus transformation programme, remain unchanged, including improving EBIT margins to 10% or more by FY26 and improving free cash flow to achieve near zero net debt in FY24.

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

"The environment remains difficult in light of the global chip shortage and other challenges. However, I'm encouraged by the continuing strong customer demand for our products, highlighted by a record order book. And we are continuing to execute our Reimagine Strategy with exciting new products like the Defender, New Range Rover and just announced New Range Rover Sport while we are rapidly progressing our plans for a new generation of electric vehicles with our all electric Jaguar strategy and BEV first EMA platform for new Land Rover products."

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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 2021/22 we sold 376,381 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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