**JAGUAR LAND ROVER REPORTS Q1 REVENUES OF £4.4 BILLION AS SUPPLY CHAIN HEADWINDS CONTINUE; ORDERS AT RECORD LEVELS**

Gaydon, UK, 27 July 2022

**Financial performance impacted by semiconductor and other constraints in the quarter but continue to expect significant improvement during the financial year ending 31 March** **2023**

* Semiconductor related production constraints compounded by slower than expected production ramp up of New Range Rover and Range Rover Sport
* Covid-19 lockdowns in China also impacted production and sales in the quarter
* Retail sales in Q1 flat vs. Q4, while wholesales 6% lower vs. Q4
* Loss before tax for the quarter of £(524) million excluding £155 million favourable exceptional pension item but including £(236) million unfavourable FX and commodity revaluation year on year
* Demand remains strong with a record 200,000 client orders, with Range Rover, Range Rover Sport and Defender accounting for over 60% of client orders
* Chip supply expected to gradually improve, supported by continuing senior management engagement and new partnership agreements with suppliers
* Continue to expect significant improvement in volumes and profitability over the balance of the financial year ending 31 March 2023
* Strong liquidity of £5.2 billion, including £3.7 billion cash at 30 June 2022 and £1.5 billion undrawn revolving credit facility from July

**Reimagine transformation continues**

* Reimagine, our strategy to deliver the future of modern luxury to our clients and achieve net zero carbon emissions across our supply chain, products and operations by 2039, continues at pace
* Barbara Bergmeier appointed Executive Director of Industrial Operations to transform our global purchasing, supply chain and manufacturing functions
* Refocus transformation programme delivered a further £250 million of value in Q1, in addition to the £1.5 billion delivered in FY22
* Electrified sales (BEV, PHEV and MHEV) mix improved to 66% vs. 64% in Q4 FY22
* Investment spending of £2.6 billion planned for the full year to deliver our Reimagine product plans, including the rapid electrification of the product portfolio
	+ Range Rover BEV will be launched in 2024 as part of six new Range Rover, Defender, and Discovery models planned by end 2026
	+ Transformation of Jaguar into an all-electric luxury brand remains on track with first new vehicles to be revealed before end 2024
* Plans underway to deliver our ambitious SBTi-approved 2030 targets to reduce greenhouse gas emissions across our operations by 46% and across our value chain by 54% per vehicle by 2030
* Launched Open Innovation Programme with Plug and Play in Q1 to drive collaborations with start-ups on connectivity, digital services, industrial operations, as well as electrification and sustainability

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

*“Our strategy to deliver the future of modern luxury to our clients continues at speed, as we accelerate our plans for an electric-first, brand-led business.*

*"Although headwinds from the global semiconductor supply and COVID lockdowns in China have impacted our business performance this quarter, I am pleased to confirm that we have a completely reinforced organisation setup to respond to the semiconductor crisis. This is now starting to recover production growth to achieve greater volumes and will allow us to take advantage of our record order book in the second quarter."*

Jaguar Land Rover Automotive plc today reported its financial results for the three months to 30 June 2022 (Q1 FY23). Despite strong demand and a record order book, sales continued to be constrained by the global chip shortage, compounded by the slower than expected production ramp up of the New Range Rover and Range Rover Sport and the impact of Covid lockdowns in China, leading to a loss for the quarter.

Retail sales in Q1 FY23 were 78,825 vehicles, broadly flat (183 units lower) compared with the last quarter ending 31 March 2022 and down 37% (46k units) from the same quarter a year ago ending 30 June 2021. Wholesale volumes were 71,815 units in Q1 FY23 (excluding our China Joint Venture), down 6% compared to the last quarter. The total order book now stands at almost 200,000 units, up around 32,000 orders from the 31 March 2022, with our three most profitable models, the New Range Rover, New Range Rover Sport and Defender accounting for over 60% of the order book.

Revenue was £4.4 billion in Q1 FY23, down 7.6% from Q4 FY22, reflecting the lower wholesales. The loss before tax in the quarter was £(524) million with (4.4)% EBIT margin before a £155 million favourable exceptional pension item. The loss primarily reflects the lower wholesale volumes with weaker Range Rover and Range Rover Sport mix due to ramp up, as well as unfavourable inflation £(161) million and currency and commodity revaluation £(236) million year on year. Free cashflow turned negative in the quarter to £(769) million, primarily reflecting £(616) million of unfavourable working capital movements.

The Refocus transformation programme delivered £250 million of value in Q1 and is on track to deliver a target of £1 billion plus improvements in the year to help mitigate the impact of inflation.

Jaguar Land Rover ended the quarter with total cash and short-term investments of £3.7 billion and the undrawn revolving credit facility reduced as scheduled from £2 billion to £1.5 billion in July, resulting in total liquidity of £5.2 billion.

Financial performance is expected to improve significantly over the year with chip supply expected to improve through enhanced supplier engagement including long term partnership agreements, as well as ramping up New Range Rover and Range Rover Sport production. We continue to target achieving a 5% EBIT margin and £1 billion positive free cash flow over the full FY23 financial 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 zero net debt in FY24.

**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 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 brands 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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