

## JLR DELIVERS SIGNIFICANTLY IMPROVED REVENUE, PROFIT AND FREE CASH FLOW FOR THE FOURTH QUARTER AND FULL YEAR

Gaydon, UK, 12 May 2023

- Revenues in Q4 FY23 of £7.1 billion, up 49% (y-o-y); Full year revenue for FY23 of £22.8 billion, up 25% vs FY22 as chip supply improved further
- Wholesales in Q4 were 94,649 units, up 24% (y-o-y); Full year wholesales of 321,362, up 9% vs FY22
- Free cash flow in Q4 FY23 of £815 million resulting in £1.3 billion in H2 FY23 and £521 million for the full year
- Q4 EBIT margin was 6.5%; FY23 EBIT margin was 2.4% up from (0.4%) in FY22
- Q4 FY23 profit before tax and exceptional items of £368 million
- Net debt improved to £3.0 billion at 31 March 2023 with cash of £3.8 billion and liquidity of £5.3 billion (including undrawn £1.52 billion revolving credit facility)
- Order book at 200K units remains strong despite increased retail sales with Range Rover, Range Rover Sport and Defender representing 76% of the book

### *Reimagine* transformation continues

- Investment of £15bn over five years in JLR's electrification and digital transformation:
  - JLR's Halewood plant in the UK will become an all-electric manufacturing facility
  - Over 11,300 employees and partners reskilled for electrification with a further 11,625 in training now
  - Opened further three global tech hubs to develop autonomous technologies as part of NVIDIA partnership
  - New partnership with Tata Technologies to achieve faster time to market through new cloud technologies
  - Announced House of Brands strategy to amplify our brands: Range Rover, Defender, Discovery, and Jaguar, with Land Rover as a trust mark, visible on our vehicles, websites, social media and retail sites
    - New Range Rover Sport SV to be revealed and available for pre-order this month
    - First pure electric Range Rover will be available for pre-order later this year
    - First of three reimagined modern luxury electric Jaguars will be a 4-door GT, built in Solihull, UK, to be unveiled in 2024
    - Reimagined Defender goes from strength to strength as our best-selling model in FY23
- Refocus transformation programme exceeded the full year target with £1.1 billion of savings this financial year

Commenting on the business performance, Adrian Mardell, JLR's Interim Chief Executive Officer, said: "JLR delivered a strong set of results for the fourth quarter. We increased production and delivered revenue, profit, free cash flow and wholesales growth as chip supply continued to improve.

“For the fiscal year ahead, while we are mindful of the headwinds that remain, our target is to increase EBIT margins to over 6% and deliver significantly positive free cash flow to reduce our net debt further, while increasing investment to £3 billion.

“With the collective strength of our people, we will continue to deliver our *Reimagine* strategy. Demand for our exceptional modern luxury vehicles remains strong and with a pipeline of ultra-desirable electrified models on the horizon, I am excited and confident for our future.”

**Jaguar Land Rover Automotive plc today reported its financial results for the three months to 31 March 2023 (Q4 FY23) and for the fiscal year ending 31 March 2023 (FY23).**

JLR again delivered on its targets and achieved positive free cash flow and profitability in Q4 as chip supply constraints continued to ease. Revenues in Q4 FY23 were £7.1 billion, up 18% vs. Q3 FY23 and up 49% vs. Q4 FY22, reflecting strong model mix and pricing, as the production ramp up of the New Range Rover and New Range Rover Sport continued with 33k units wholesaled in the quarter, up from 27k in Q3.

Profit before tax and exceptional items in the quarter was £368 million, up from a profit of £9 million a year ago with a positive EBIT margin of 6.5%, up from 2.0% in Q4 FY22. The higher profitability reflects increased wholesale volumes with favourable mix, pricing and foreign exchange revaluation offset partially by higher inflation and supplier claims largely related to volume constraints in the year. Profit after tax in the quarter was £259 million, up from a loss of £(102) million in Q4 FY22. Free cash flow was £815 million in Q4 FY23, up from £340 million in Q4 FY22.

For the full year (FY23), free cash flow was £521 million with a positive EBIT margin of 2.4%, compared to negative cash flow and EBIT margin in FY22. Profit before tax and £161 million of favourable exceptional items was a loss of £(64) million, £348 million better than a year ago. The loss after tax for the full year was £(60) million, £762 million better than a year ago.

As a result of the strong cashflow, net debt reduced to £3.0 billion with cash of £3.8 billion, even after repaying about £0.9 billion of debt in Q4. Total liquidity was at £5.3 billion including the £1.52 billion undrawn revolving credit facility.

The improved results in the quarter reflect a significant improvement in volumes as chip constraints have continued to ease. Wholesale volumes for the fourth quarter were 94,649 units (excluding the Chery Jaguar Land Rover China joint venture), up 19% compared to the prior quarter ending 31 December 2022 and 24% compared to the same quarter a year ago. Compared to the prior year, wholesale volumes were higher in all markets led by Overseas (+62%), UK (+24%), Europe (+22%), China (+17%) and North America (+2%).

The order book remained strong with about 200,000 client orders at quarter end, down from a peak of about 215,000 in Q3 FY23, as anticipated, reflecting higher retails and fulfilled orders this quarter. Range Rover, Range Rover Sport and Defender demand remains particularly strong with about 152,000 client orders (76% of the order book).

The *Refocus* transformation programme delivered £250 million of value in Q4 and exceeded the target of £1 billion improvements in the year with £1.1 billion delivered to help mitigate the impact of inflation.

We expect the gradual improvements in chip supply to continue during the next fiscal year. While supply challenges and macro risks remain, we are targeting to grow wholesales through the year and achieve EBIT margins of over 6% in FY24. Investment spending is expected to increase to about £3 billion in the fiscal year, but free cash flow is expected to be over £2 billion and net debt is expected to reduce to below £1 billion by FY24.

## ENDS

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## Notes to Editors

Jaguar Land Rover's *Reimagine* strategy is delivering a sustainability-rich vision of modern luxury by design.

We are transforming our business to become carbon net zero across our supply chain, products, and operations by 2039. We have set a roadmap to reduce emissions across our own operations and value chains by 2030 through approved, science-based targets. Electrification is central to this strategy and before the end of the decade our Range Rover, Discovery, Defender collections will each have a pure electric model, while Jaguar will be entirely electric.

At heart we are a British company, with two 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 (a joint venture), Slovakia, Austria (contract manufacturing with Magna Steyr), India (contract manufacturing with Tata Motors Ltd) and Brazil, as well as seven technology hubs across the globe.

Jaguar Land Rover is a wholly owned subsidiary of Tata Motors Limited, part of Tata Sons.