

JLR PROFITABILITY CONTINUES TO IMPROVE WITH ITS BEST Q1 CASHFLOW ON RECORD

Gaydon, UK, 25 July 2023

- Revenues in Q1 FY24 of £6.9 billion, up 57% year-on-year
- Profit before tax and exceptional items in Q1 FY24 was £435 million, up £67 million from Q4 FY23 and up nearly £1 billion from Q1 FY23
- EBIT margin in the quarter was 8.6%, up from 6.5% in Q4 FY23
- The higher profitability year-on-year reflects favourable volume, mix, pricing and foreign exchange revaluation offset partially by higher inflation and supplier claims
- Free cash flow of £451 million, the highest JLR Q1 cashflow on record; cumulative free cash flow over the last three quarters is £1.8 billion
- Cash on hand increased to £4 billion and net debt reduced to £2.5 billion at 30 June 2023
- Order book strong at 185k units with Range Rover, Range Rover Sport and Defender representing 76% of the order book
- Adrian Mardell and Richard Molyneux confirmed as Chief Executive Officer and Chief Financial Officer respectively
- Tata's newly announced £4 billion UK gigafactory will provide JLR with stable and secure supply of battery cells to electrify JLR's next generation modern luxury vehicles

Reimagine transformation continues

- Our first reimaged modern luxury electric vehicle to go on sale will be a Range Rover BEV, available for pre-order later this year and on sale in 2024
- Range Rover Sport named the 2023 Auto Express Large Premium SUV of the year 2023
- JLR's Jaguar and Land Rover (Range Rover, Defender, Discovery) brands placed top of J.D. Power US 'Automotive Performance, Execution and Layout (APEAL)' study based on client perceptions of design, performance, safety, comfort and quality
- Model year refreshes of Discovery Sport and Range Rover Evoque with significant interior upgrades. Outbound Edition of Defender 130 launched
- Limited edition *New Range Rover Sport SV EDITION ONE*, with pricing ranging from £168,800 to more than £190,000 in the UK, was fully reserved ahead of its launch in May, following exclusive Range Rover House preview events
- Digital transformation continues with Tata Technologies to support Enterprise Risk Management (ERM) across the business, and with Everstream to use AI to monitor our global supply chains

Commenting on the business performance, Adrian Mardell, JLR's Chief Executive Officer, said:

"I am pleased to report a third consecutive quarter of strengthening financial performance for JLR. We have had a strong start to the financial year and delivered our highest production levels in nine quarters and our highest Q1 cashflow on record. This is testament to the thousands of determined people in the business working tirelessly to deliver every aspect of our Reimagine strategy."

Commenting on the financial performance, Richard Molyneux, JLR's Chief Financial Officer, said:

"The good financial performance in the quarter reflects the strength of our luxury brands. The record Q1 cashflow of £451 million brings our net debt down to £2.5 billion on our journey to become net cash positive. Looking ahead, we aim to deliver continuing improvements in results by executing our Reimagine strategy and generating the cash to invest in our electric future."

Jaguar Land Rover Automotive plc today reported its financial results for the three months to 30 June 2023 (Q1 FY24).

JLR continued its positive trading momentum in Q1, driven by further improvements in volumes, mix and pricing compared to a year ago.

Revenues in Q1 FY24 were £6.9 billion, up 57% vs. Q1 FY23, with wholesale volumes of 93,253, up 30% year on year. Compared to Q4 FY23, revenue was down 3% due to slightly lower wholesales reflecting shipping schedules, however total production was up quarter on quarter.

Profit before tax and exceptional items in the quarter was £435 million, up from a loss a year ago and profit of £368 million in Q4 FY23. EBIT margin was positive 8.6%, up from 6.5% in Q4 FY23 and up from being negative a year ago. The higher profitability year-on-year reflects favourable volume, mix, pricing and foreign exchange revaluation offset partially by higher inflation and supplier claims. Profit after tax in the quarter was £323 million, up from a loss the same quarter a year ago and a profit of £259 million in Q4 FY23.

Free cash flow for the period was £451 million, the best Q1 cashflow on record. This contributed to a strengthening of the Company's balance sheet with cash increasing to £4 billion and net debt reduced to £2.5 billion. Total liquidity was at £5.5 billion including the £1.52 billion undrawn revolving credit facility maturing in March 2026.

The order book remained strong with over 185,000 client orders at quarter end, reducing from 200,000 at 31 March 2023 in line with expectations, as chip and other supply constraints continue to improve. Range Rover, Range Rover Sport and Defender demand remains strong and accounted for 76% of the order book.

Q2 production and cashflow is expected to be lower than Q1 reflecting the annual summer plant shutdown while wholesales and profitability are expected to be more in line with recent quarters.

ENDS

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Notes to Editors

JLR'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.

JLR is a wholly owned subsidiary of Tata Motors Limited, part of Tata Sons.