**SEMICONDUCTOR SHORTAGE CONTINUES TO CONSTRAIN SALES AND PROFITABILITY IN Q2 DESPITE STRONG DEMAND**

* **Q2 wholesales 64,032, down 12.8% year-on-year due to chip supply, in line with guidance**
* **Revenue of £3.9 billion and pre-tax loss of £302 million**
* **Free cash outflow of £664 million, significantly better than expected £1 billion outflow**
* **Demand remains strong with record order book of more than 125k units**
* **Strong liquidity of £5.9 billion at 30 September 2021, including £3.8 billion of cash and a £2 billion undrawn revolving credit facility**
* **Highly anticipated all new Range Rover announced with sales expected to begin in Q4 FY22**
* **Continuing to execute Reimagine strategy and Refocus transformation programme**

**Whitley, UK, 1 November 2021:** Jaguar Land Rover Automotive plc today reported its financial results for the three months to 30 September 2021. The global semiconductor supply shortages continued to constrain sales volumes and revenue in line with expectations and resulted in a loss, however, the cash outflow was significantly better than anticipated.

Wholesales to dealers in the Quarter were 64,032 vehicles, down 12.8% year-on-year, and retail sales (including the China Joint Venture) were 92,710 vehicles, down 18.4%, reflecting the semiconductor shortage and lower retailer inventories. Retails were lower year-on year in most regions, including North America (-15.6%), China (-6.3%), Europe (-17.0%), and in the UK (-47.6%), but were up in our Overseas region (+10.0%). Retail sales of all models were lower year-on-year except for the new Land Rover Defender, which retailed 16,725 vehicles, up 70.4% year-on-year, making it our bestselling model in the quarter. The mix of electrified vehicles (BEV, PHEV and MHEV) reached 66%.

For the Quarter, revenue was £3.9 billion with a pre-tax loss of £302 million (EBIT margin -4.7%). The free cash outflow was £664 million, after £484 million of investment spending and £501 million volume-related working capital outflow. This was significantly better than prior guidance for a £1 billion free cash outflow, reflecting prioritised production of higher margin products and cost controls to reduce the cash break-even point for the Company.

Jaguar Land Rover ended the quarter with total cash and short-term investments of £3.8 billion, after the issuance of €500 million 7-year and $500 million 8-year bonds, resulting in total liquidity of £5.9 billion (including a £2.0 billion undrawn revolving credit facility).

Despite the impact of the semiconductor shortage on production and sales, the Company continues to see strong demand for its products with global retail orders at record levels of more than 125,000 vehicles.

Adrian Mardell, Jaguar Land Rover’s Chief Financial Officer, said:

***“The global shortage of semiconductors continued to constrain our production, sales and financial performance in the second quarter but we’re encouraged to see the continuing strong demand for our products with order books at new record levels. We were pleased the cash outflow on these volumes came in significantly better than expected, reflecting the progress we are making to reduce the break-even point for the business through product mix optimisation and cost controls.”***

Jaguar Land Rover continues to progress its ambitious product plans under the Reimagine strategy. The Company revealed the much-anticipated new Range Rover and opened the order books in October. The new Range Rover is the true embodiment of Jaguar Land Rover’s vision for Modern Luxury by Design. It will be built on new bespoke flexible Modular Longitudinal Architecture (MLA), which provides four, five or seven seat options, and a range of electrified powertrains – allowing for plug-in hybrid models which provides CO2 emissions below 30g/km, with a WLTP certified pure-electric driving range of up to 100km (62 miles)¹ and a pure-electric model to be introduced by 2024 - bringing full-time zero tailpipe emissions driving to the Range Rover for the first time.

Driven by the company’s Reimagine strategy to achieve net zero emissions by 2039, Jaguar Land Rover is partnering with COP26 ahead of the vital climate change summit in Glasgow in November. Jaguar Land Rover will be providing a fleet of electrified vehicles to world leaders and delegates attending the summit, including the multi award-winning all-electric performance SUV Jaguar I-PACE, as leaders and their teams travel to and from the venue.

The Refocus transformation programme aims to achieve £1 billion of value in FY22 and has achieved about £0.5 billion in the year to date. The quality pillar of the programme is seeing good progress, Jaguar Land Rover took 1st place in the J.D. Power US APEAL study and was most improved in the recent J.D. Power US Initial Quality Study.

Looking ahead, the semiconductor shortage remains dynamic and difficult to forecast, however, the Company expects to see a gradual recovery starting in the second half of Fiscal 2022. While supply remains constrained, the Company will continue to take mitigating actions, including prioritising the production of higher margin vehicles for the available supply of semiconductors and closely managing costs to bring down the break-even point for the business. Furthermore, we are taking measures to increase the future visibility and control over semiconductor supply for our vehicles, working closely with semiconductor and tier one suppliers. As a result, Jaguar Land Rover expects the EBIT margin and free cash flow (before restructuring costs) to turn positive in the second half of Fiscal 2022.

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.

Thierry Bollore, Jaguar Land Rover’s Chief Executive Officer, said:

***“The global semi-conductor shortage remains challenging but I’m pleased to see the actions we have been implementing reduce the impact. With strong customer demand with a record order book we are well placed to return to strong financial performance as semiconductor supply begins to improve.  At the same time, 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 – starting with the stunning new Range Rover.”***

¹*PHEV figures quoted at launch are based on Manufacturer’s Estimates. The figures provided at launch are based on Manufacturer’s Estimates in accordance with EU WLTP legislation for Standard Wheelbase five seat derivatives with a fully charged battery. For comparison purposes only. Real world figures may differ. CO2, fuel economy, energy consumption and range figures may vary according to factors such as driving styles, environmental conditions, load, wheel fitment, accessories fitted, actual route and battery condition. Range figures are based upon production vehicle over a standardised route. PHEV available to order early 2022*

**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 two 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 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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