

# Innovative design. Sustainable power.

JLR, known for its premium vehicles and exceptional driving experiences, is guided by innovation and sustainability. With significant investments in electric vehicles, JLR is at the forefront of creating an eco-friendly transportation future while continuing to deliver on luxury and performance.

★  
**1**  
NEW LAUNCH

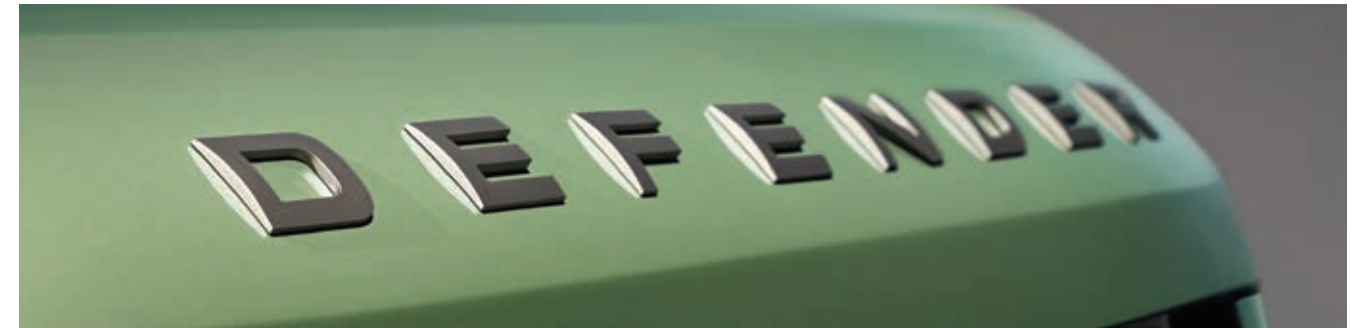
★  
**5**  
NEW VARIANTS

★  
**64.4%**  
PERCENTAGE SHARE OF  
CONSOLIDATED REVENUES



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.

**ADRIAN HARDELL**  
JLR INTERIM CHIEF EXECUTIVE OFFICER



**THE DEFENDER, WHICH HAS WON MORE THAN 50 GLOBAL AWARDS, IS ON SALE IN ALMOST 100 COUNTRIES.**

### Product, technology and innovation

Following the success of the new Range Rover, we introduced the New Range Rover Sport in May 2022, applying our modern luxury philosophy to a new vehicle. With plug-in electric hybrid power and a host of dynamic technologies, it brings dramatic design, connected convenience and electrified performance to a new level, setting a new standard for performance SUVs.

Innovations and technologies that ensure New Range Rover and New Range Rover Sport lead by example are protected by more than 200 new patents filed by the end of FY 2022-23. Some of these innovations were recognised by Euro NCAP, in awarding New Range Rover and Range Rover Sport maximum five-star safety scores, including ratings of over 80% for Occupant Protection and in the Safety Assist category, recognising their suite of Advanced Driver Assistance Systems.

The FY 2022-23 also saw us add to our Defender collection, with the introduction of the Defender 130 model. Echoing the name of the original long-wheelbase model, the Defender 130 adds another dimension to our all-conquering, all-terrain brand, providing space and comfort for up to eight adults, across three rows of full-size seating.

With the new Range Rover Velar, we are providing a calm sanctuary to our customers, promoting comfort and well-being. The cabin includes active technologies that help cleanse the air and minimise road noise, to be both cleaner and quieter, on any journey. With an upgraded battery pack on the F-PACE P400e plug-in electric hybrid, we offer an increase of 20% to our customers on their electric-only range. Jaguar I-PACE continues to reinforce its status as the benchmark all-electric performance SUV, thanks to an impressive real-world range and usability.

In FY 2022-23, we delivered our five millionth individual software-over-the-air (SOTA) update to 500,000 Range Rover, Defender, Discovery and Jaguar models. Originally developed to update infotainment systems, SOTA today updates a wide variety of vehicle systems, from engine, braking and steering systems, to transmission control for four-wheel-drive and ADAS, such as Adaptive Cruise Control.

VALUE  
FROM REFOCUS  
TRANSFORMATION  
IN FY 2022-23

# £1.1 billion



**Modern luxury of electric propulsion**

Through FY 2022-23, we continued to transform our business at pace, both in electrifying our current vehicles, and in planning our electric future. The new Range Rover Sport provides a pure-electric capability for almost every journey.

As one of the fastest-charging plug-in hybrid systems, recharging up to 80% takes under an hour.

Every one of our brands—Range Rover, Discovery, Defender, and Jaguar—now offers plug-in and mild hybrid vehicles, together with the all-electric Jaguar I-PACE with 68% of sales being electrified vehicles in FY 2022-23.

The reimagining of Jaguar into a pure-electric modern luxury brand is on track. More details of a new 4-door GT Jaguar to be released later in 2023, before going on sale in selected markets in 2024, and up for client deliveries in 2025.

We are developing a unique architecture, named JEA, that will be manufactured in-house at our Solihull manufacturing facility. The new design language for Jaguars of the Future has been clearly defined - they are highly-anticipated and will be a copy of nothing.

This year, we also re-confirmed our next generation electrification roadmap. Our electrified modular architecture (EMA) will be electric only whilst the flexible modular longitudinal architecture (MLA) will offer flexibility between ICE, hybrid and pure-electric.

The first all-electric Range Rover will launch in 2024, and over the years, all our collections will have pure-electric options.

**TO MAKE CHARGING INFRASTRUCTURE ACCESSIBLE, JAGUAR AND LAND ROVER HAVE LAUNCHED CHARGING POWERED BY PLUGSURFING, WHERE ONLY ONE CHARGING KEY AND ONE APP GIVES ACCESS TO A CURATED NETWORK OF OVER 300,000 CHARGING POINTS ACROSS 27 EUROPEAN COUNTRIES AND 700 CHARGING POINT PROVIDERS.**

**5 million+** **200+**

INDIVIDUAL SOTA UPDATE MILESTONE REACHED IN FY 2022-23

PATENTS FILED UP TO FY 2022-23 FOR INNOVATIONS AND TECHNOLOGIES IN RANGE ROVER AND RANGE ROVER SPORT



**Collaborating for a connected future**

Collaboration and knowledge sharing with industry leaders in connected services, data and software development is a cornerstone of our strategy. For this, we have formed a multi-year strategic partnership with NVIDIA, a leader in AI and computing. We will jointly develop next-gen automated driving systems, plus AI-enabled services and experiences for our customers. From 2025, new Jaguar and Land Rover vehicles will be built on the NVIDIA DRIVETM software-defined platform delivering a host of AI-enabled features like automated driving and parking, among others.

We have entered into a global strategic agreement with Wolfspeed to secure supply of its cutting-edge silicon carbide semiconductors that will provide the next generation of modern luxury electric vehicles with significantly increased powertrain efficiency, extended driving range, while reducing weight and conserving space.

**Awards and recognition**

- The Range Rover has been awarded Car Design Review 9's top accolade of 'Production Car of the Year', for its thoroughly modern yet recognisable form.
- The new Range Rover won in the 'Best New Large SUV' and 'Best PHEV' categories at the Car Expert Awards and Business Motoring awards.
- The Defender won 'Best Large Premium SUV' and 'Best Off-roader' at the Auto Express and Parkers awards.

JAGUAR LAND ROVER

UNITS SOLD

3,72,217

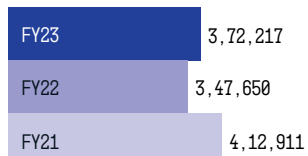


Financial and operational metrics

Sales volume (incl. CJLR)

UNIT WHOLESAL

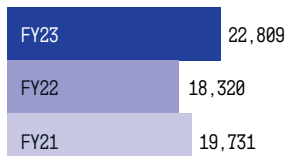
↗ 7.1% Y-0-Y GROWTH



Revenue

£ MILLION

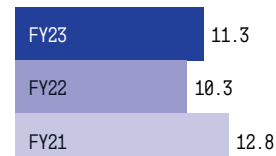
↗ 24.5% Y-0-Y GROWTH



EBITDA margin

%

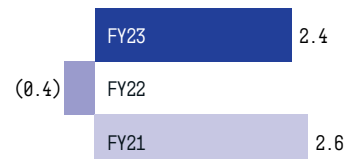
↗ 100 BPS



EBIT margin

%

↗ 280 BPS



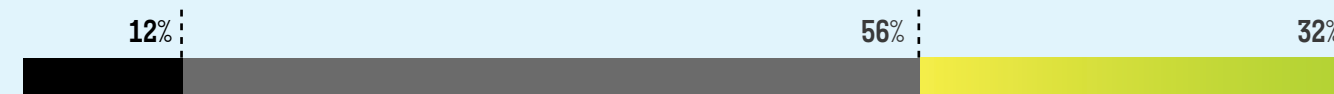
Free cash flow

£ MILLION

↗ + £1,677 MILLION Y-0-Y



JLR Powertrain mix (retails) (%)



BEV+PHEV MHEV ICE

Vehicle portfolio

6 LAND ROVER 7 JAGUAR



Performance overview

Rising sales, improving profitability

FY 2022-23 saw us turning the corner as sales and profitability increased significantly on the back of easing of the global chip crisis. Revenues stood at £22.8 billion, up 25% from the prior year, though a marginal full-year, pre-tax loss before exceptional items of £64 million persisted. The recovery was considerable vis-à-vis last year. Profitability improved on account of higher wholesales, better pricing and a stronger product mix as the new the Range Rover, Range Rover Sport and Defender accounted for 76% of the 200,000 units-strong order book. This was partly offset by higher material costs, the planned increase in SG&A spend and higher manufacturing and supply chain costs. Free cash flow was £0.5 billion as volumes improved progressively and working capital was recovered. The Refocus transformation exceeded the full year target with £1.1 billion of savings this financial year.

Segment outlook

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 FY 2023-24. Investment spending is expected to increase to about £3 billion in the fiscal year, but free cash flow is expected to be >£2 billion and net debt is expected to reduce to <£1 billion by FY 2023-24.

Read more about JLR on <https://www.jaguarlandrover.com//annual-report-2023>



## JAGUAR LAND ROVER



## Operating environment

### Challenges

#### Semiconductors and general supply constraints

The ongoing supply chain challenges, particularly around semiconductors, continued to limit our ability to build cars in line with customer demand during FY 2022-23. We saw significant volatility in raw material commodity markets during the year leading to abnormal pricing levels and elements of scarcity in some markets. Supply constraints were caused by various external factors, namely the pandemic recovery, the conflict in Russia-Ukraine and energy inflation.

In response to these challenges, we focused production on higher margin products and improved our organisational capabilities and processes to more proactively manage our supply chain. We put in place long-term supply agreements directly with a number of semiconductor manufacturers to protect both current and future product programmes.

As a result of our actions, our wholesale volumes (ex. CJLR) for the year were 321,362, up 9.2% compared to the prior year. Whilst general supply chain challenges are likely to continue in the coming year, we anticipate that the actions we have taken this year will minimise the impacts on our volumes.

#### Global inflation

Inflationary pressures have increased during the past year with energy prices in Europe, where we produce the majority of our cars, rising as a result of the Russian invasion of the Ukraine. Inflation accounted for around £850 million of increased costs during the past year with cost increases coming from higher commodity prices, energy costs, labour rates and semiconductor prices.

We have taken steps to offset these impacts under our Refocus programme which has delivered over £1 billion of value to the business through actions taken to optimise sales, lower costs and to prioritise investment spending.

#### Geopolitics

Geopolitical challenges including increasing geopolitical tensions and regulatory and legislative changes such as the US inflation reduction act have a global reach and can impact supply chains. While we have not observed any direct impacts on our business in the last year as a result of specific events, we proactively scenario plan against a range of outcomes to ensure we remain well balanced as a business.

### Opportunities

#### Commitment to Reimagine strategy

In February 2021, we launched our Reimagine strategy – our roadmap for the future, to realise our vision to become proud creators of the most desirable, modern luxury brands, for the most discerning of clients. Since then, we have made great progress. In April 2023, interim Chief Executive Adrian Mardell reaffirmed the business's commitment to this strategy, repositioning the company as an electric-first, modern luxury carmaker by 2030.

#### House of brands approach

As a next step within the Reimagine strategy, we will move to a House of Brands approach, to amplify the unique character of each of our brands – Range Rover, Defender, Discovery and Jaguar. This will also accelerate our vision, which is to become proud creators of the world's most desirable modern luxury automotive brands for the most discerning clients.

#### Investing in next generation electric models

As part of our electrification roadmap, we will accept client orders for the modern luxury all-electric Range Rover from this autumn. The first of our next-generation medium-size modern luxury SUVs will be an all-electric model from the Range Rover family, launching in 2025 and built at Halewood.

We also announced that the first of three reimagined modern luxury Jaguars will be a 4-door GT built in Solihull in the West Midlands. With power output more than any previous Jaguar, an expected 400+ mile range and with prices starting from £100,000, the new Jaguar will be built on its own unique JEA architecture.

The first of our next generation medium-size modern luxury SUVs will be an all-electric model from the Range Rover family, launching in 2025. The first of three reimagined modern luxury Jaguars will be a 4-door GT, with unprecedented power output and an expected 400+ mile range.

#### Strengthening the shift to electrification

From 2024, a pure electric Range Rover will join the family. By 2026, Land Rover will welcome six all-electric variants, across two architectures.

Our Halewood plant will become JLR's first all-electric production facility, and our next-generation electrified modular architecture (EMA) will now be pure electric only.

This underlines our commitment to Reimagine, and signals our increasing ambition to switch to electrification. This will strengthen the transition to our modern luxury electric future, moving us towards our financial goals, developing new skills, and reaffirming our pledge to be net zero carbon by 2039.

While EMA will now be electric only, our flexible MLA architecture, which the Range Rover and Range Rover Sport are built on, will continue to offer internal combustion, hybrid and battery electric options. This gives us, flexibility to adapt our vehicle line-up to meet the needs of different markets around the world as they transition to carbon net zero.

#### Collaborations and partnerships

Through the course of the year we have entered into partnership agreements with strategic semiconductor manufacturers to secure long-term supply as a means to protect current and future product programmes.

We are collaborating with leaders in their respective field, such as NVIDIA who are experts in AI and Tata technologies, who are helping us streamline technology.

### Strategic review

Through our Reimagine strategy, we have set a clear vision and pathway to become the proud creators of modern luxury.

#### A renewed purpose

*Live the exceptional with soul is why we do business* - our company Purpose, introduced during FY 2022-23. It was co-created with over 1,000 voices from across our business and sets out how we will achieve our aspirations.

Our Purpose is guided by our Creators' Code, a set of five co-created behaviours – Customer Love, Unity, Integrity, Growth and Impact.

These set out how we will behave each day to achieve our shared goals. The Creators' Code is underpinned by progressive policies, benefits, and engagement with our people - to accelerate our collective progress.

Combined with the positive impacts of sustainability, and diversity and inclusion, our Purpose will enable us to better understand and serve our customers, fuel innovation and engage and inspire our people.

#### REIMAGINE

Reimagine is the roadmap for the transformation of JLR into a sustainable, electric-first modern luxury business. Through Reimagine we will deliver double-digit EBIT margins by 2026 and be net cash positive by FY 2025. We will achieve our Science Based Target initiative (SBTi) carbon reduction targets in 2030 and carbon net zero goals by 2039, and always strive to exceed our clients' expectations.

As part of our modern luxury vision, we have announced the creation of a House of Brands organisation, to amplify the unique DNA of each of JLR's celebrated British automotive brands – Range Rover, Defender, Discovery, and Jaguar. This allows each brand to project their individual purpose, desirability, and personality. The House of Brands will also



## JAGUAR LAND ROVER



provide clarity and differentiation for our clients, to create emotional connection.

Two new product additions to the House this year were New Range Rover Sport and Defender 130, both of which beautifully embody our modern luxury design philosophy.

We are also completely reimagining the future of Jaguar, moving purposefully to deliver a dramatic, aspirational, and unique pure-electric modern luxury brand. More details of a new 4-door GT Jaguar will be released later in 2023, before going on sale in selected markets in 2024, for client deliveries in 2025.

Our business will also become carbon net zero by 2039. Guided by our Planet Regenerate, Engage for Good and Responsible Business programmes, sustainability is at the heart of everything we do.

We will deliver environmental, societal and community impact for a luxury business, creating the world's most desirable, electrified luxury vehicles, against a canvas of true sustainability. We have committed to ambitious science-based targets, to reduce our greenhouse emissions by 46% in our own operations and by 54% per vehicle across our entire value chain by 2030.

Central to our Reimagine strategy and integral to our drive towards carbon net zero is the transition to an electric future for all brands – both vehicles and the supporting ecosystem, with plug-in electric hybrids acting as a key steppingstone for JLR and its clients. Our modern luxury philosophy extends to our ambition for effortless, charging experiences globally.

We are investing £3.0 billion per annum over the next five years to deliver our product plans, including the rapid electrification of the product portfolio.

The pure-electric Range Rover and Range Rover Sport, are on track to arrive in 2024, they will be followed by our Electrified Modular Architecture in 2025, while new Jaguar will be on sale in selected markets in 2024, for client deliveries in 2025.

By 2030, all nameplates will offer pure-electric options variants that are expected to account for 60% of our retail sales.

We are at the forefront of the rapidly changing automotive industry with a focus on electrification, digital services and data. Leadership in these areas is critical to delivering a modern luxury experience to our clients, now and in the future.

Our digital transformation will create new experiences, new levels of intimacy and connected car services for our customers. As a business, we are creating a digital-first mindset to support our growth, enhance the client experience, and increase the productivity and expertise of our teams.

Through our Open Innovation programme, we will deliver technology and digital services leadership, working with global start-ups and scaleups, to bring new thinking and new opportunities. These are strategic collaborations that allow us to lead, not follow.

Through global partnerships announced in FY 2022-23, we will deliver automated driving systems and AI-powered connected services in our vehicles from 2025 with NVIDIA; increase performance and range for our next generation of electric vehicles, using Silicon Carbide semiconductor inverter technologies developed with Wolfspeed; and accelerate the digital transformation of our industrial operations with Tata Technologies.

In FY 2022-23, we have initiated an approach to strategic foresight, for our business, taking a collaborative approach with external partners, to better identify growth opportunities and improve business resilience, by understanding and evaluating disruptive risks before they happen.



### Refocus

Our Refocus transformation programme is the engine room of long-term fulfilment of our Reimagine strategy. It is how we are driving change across our business to improve our operations and allow us to achieve our strategic goal of reimagining our automotive future.

Refocus has already created significant results, for our business and culture, and delivered over £2.5 billion of value since the beginning of FY 2021-22. Through our Charge and Accelerate cost saving and transformation journey to date, it's created the right foundation of cost control, waste elimination and cross functional collaboration to help us focus on sustainable value creation and business excellence to deliver true sustainable growth. This new era and approach we have called Refocus 2.0.

With more than 100 Refocus initiatives driving change in the last year, the programme has delivered against key objectives one year earlier than planned.

### Driving profitability

**In Quality**, we have improved the quality that our customers' experience during their vehicle ownership. We are measuring customer satisfaction through net promoter score (NPS): in China, Land Rover ranked second in the Customer Service Index (CSI) survey and second in the Vehicle Dependability Survey (VDS). Similarly, in the USA, our JD Power ranking in the Initial Quality Survey (IQS), which measures customer perception of vehicle quality after three months of ownership, improved by two points compared to overall industry drop of eighteen points.

**In Programme Delivery and Performance**, we are addressing underlying business constraints that impact on Agile squads' ability to deliver value. Our focus has been on simplifying governance, decision-making processes, as well as increasing the speed with which impediments are resolved to streamline our products' time to market.

**In Delivered Cost per Car**, we have continued building on successful cost reduction initiatives across key vehicle programmes. Through technical and feature optimisation,

we have driven material cost reduction changes without disrupting programme delivery. The delivery of cost initiatives approved in FY 2022-23 will continue in FY 2023-24 to mitigate a reduction in returns on legacy carlines.

**In Supply Chain**, we have continued to deliver end-to-end efficiencies and increased operating stability. Throughout FY 2022-23, we significantly improved our semiconductor supply, with intensive efforts on risk identification and mitigation. Throughout next year, our focus will be on improving operating transparency, stability, and resilience through new technologies with our external partners.

**In Customer and Market Performance**, we are transforming our go-to-market models and the way we interact with our discerning clients. We have launched our first direct agency sales model in South Africa and created a seamless on and offline Modern Luxury Client Journey with our Retail Partners in Europe, all underpinned from our digital transformation with a new integrated platform enabling our clients to complete their new vehicle reservation journey online.

The new go-to-market models are all about client experience and leveraging our retail footprint of over 75 years. We are exploring new Modern Luxury physical retail designs, ensuring each of our brands unique DNA comes alive which is client centred, and simplifying every client touch point too. We have a new format in Mayfair-London Boutique, whilst in China, we have opened retail outlets in 5 cities including Beijing and Shanghai with this design language, truly showcasing immersive and joyful experiences.

These principles also extended to 'Range Rover House' which is a fully curated experience, inspiring homes, iconic locations and exclusively for clients, targeting our audience, this was delivered in Pebble Beach and other locations globally creating growth through desirability.

**In Responsible Spend**, we continued to drive collaboration across the business. By simplifying end-to-end processes and removing nonvalue add bureaucracy, £100m savings have been achieved throughout the period. New technology and digital ways of working are delivering improved cost control, and will continue to be our focus in the future.

JAGUAR LAND ROVER



**Changing our way of working**

**In Digital,** we merged our Digital and IT teams to form a single 'Digital' function, capitalising on the best practices, bringing together a fully integrated team of over 800 people. Working with our strategic partners, smart tools and technologies developed by the Digital team have underpinned critical operations in FY 2022-23. Notable examples include a suite of tools to support the launch of our vehicles built on the modular longitudinal architecture (MLA), as well as enabling data-driven decision making. Our focus remains on modernising our digital infrastructure, as well as staying safe from cyber-attacks.

**In Agile Organisation and Culture,** our priority has been on unfolding our Purpose and Creators' Code across the organisation. We launched our "Reimagine Leadership" programme which offered numerous learning interventions such as practical empowerment and team engagement to support our cultural transformation.

To enable delivery of our products on time, to cost and quality, we also transitioned six programme delivery portfolios into agile ways of working whereby 8,000 people are working in empowered squads and have adopted core Agile procedures.

**Commitment to carbon net zero**

**In Sustainability,** in FY 2022-23, we successfully reduced our emissions from our Manufacturing and Operations (scope 1 and 2) by 13.2 kTCO<sub>2</sub>e, through delivery of specific projects, helping to meet our Science Based Targets initiative (SBTi) glidepath targets. We also progressed in our strategy execution plan for our transition to supply chain decarbonisation and electrification which support attainment of our scope 3 target in future years, as described in our strategy approach.

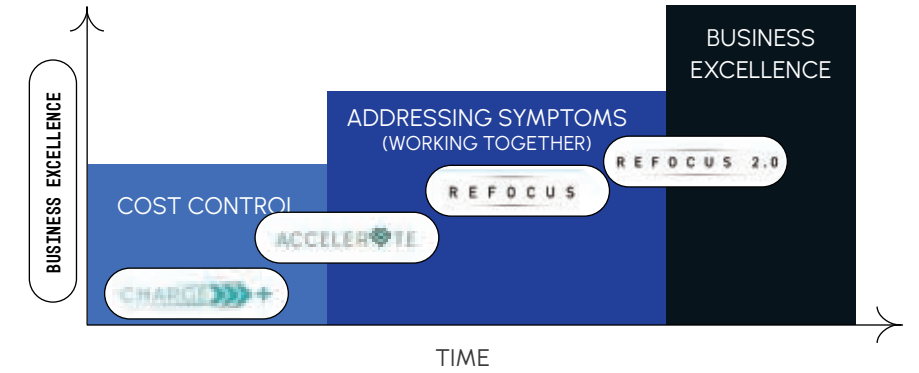
In addition to our decarbonisation roadmap, we have strengthened our overall sustainability position. This has been achieved through adopting strategic partnerships, enriching our circular economy capabilities and responsible business practices, and is reflected in external indices and reporting standards.

For further details, please refer to the dedicated sustainability section.

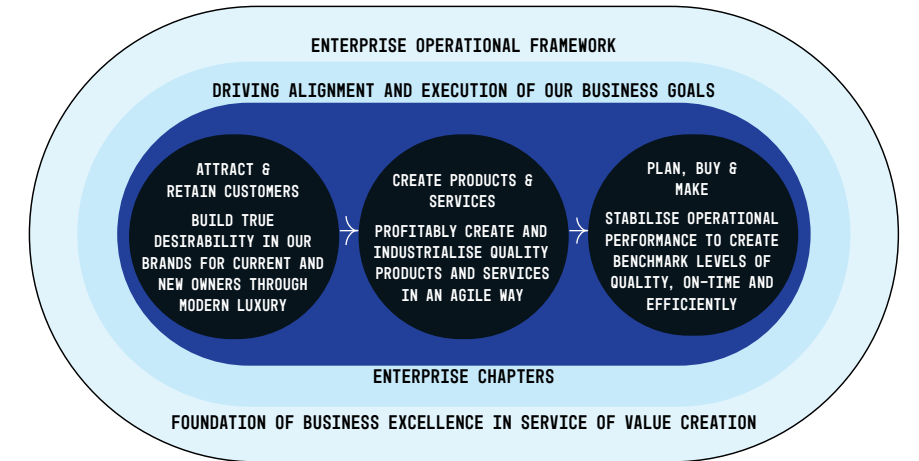


**REFOCUS 2.0**

Our Refocus transformation is now evolving to its next level. This next phase will accelerate the energy and power of our organisation and people to deliver our Reimagine strategy.



Refocus 2.0 is an enterprise-wide approach that will simplify our operating framework and governance, with greater focus on systematic value creation and business excellence to help grow our business. Our new Refocus "Value Creation System" will govern everything we do as a business under the three value streams: how we "Attract & Retain our Customers" to our brands, how we maximise the return on the investments we make in the "Creation of Products & Services", and how we "Plan, Buy & Make" the Industrial Operations part of our business to build our products.



These value creation streams connect our business capabilities, providing end-to-end visibility on how we deliver value.

Using a single set of aligned **Business Outcomes**, measured through our simplified 'Key Performance Indicators' as part of our **Enterprise Operating Framework**, we are connecting everyone in our business to a common purpose and set of priorities. By simplifying our management cadence and how we measure enterprise performance, we drive truly aligned impact for a sustainable future. Working together in functional "Enterprise Chapters" against each outcome, our teams will unite their skills and capabilities to deliver both sustained continuous improvement and business excellence.'