Jaguar Land Rover Automotive plc
Interim Report

For the three-month period ended
30 June 2026

Company registered number: 06477691

Contents

Group, Company, Jaguar Land Rover, JLR plc and JLR refers to Jaguar Land Rover Automotive plc and its subsidiaries. Note 2 to the condensed consolidated interim financial statements defines a series of alternative performance measures some of which are stated below, along with certain abbreviations.

Adjusted EBITDA margin	measured as adjusted EBITDA as a percentage of revenue.
Adjusted EBIT margin	measured as adjusted EBIT as a percentage of revenue.
Net debt	defined by the Company as total cash and cash equivalents, deposits and investments less total interest-bearing loans and borrowings.
Capital employed	defined as net assets excluding interest-bearing borrowings and lease liabilities.
Return on capital employed (ROCE)	defined as EBIT for the last 12 months divided by the average capital employed over the same period.
PBT (bei)	Profit Before Tax (before exceptional items)
Q1 FY27	three-month period ended 30 June 2026
Q4 FY26	three-month period ended 31 March 2026
Q1 FY26	three-month period ended 30 June 2025
China Joint Venture	Chery Jaguar Land Rover Automotive Co., Ltd.

Management's discussion and analysis of financial condition and results of operations

Revenue was £6 billion in Q1 FY27, down 9.6% year-on-year from Q1 FY26. Wholesale volumes (excluding China Joint Venture) of 79,288 were down 9.2% year-on-year and down 16.8% on the prior quarter. Revenue was impacted by the 9.2% reduction in wholesale volumes year-on-year, caused by temporary supply constraints, including a fire at a major component supplier at the start of the quarter, market disruption linked to the conflict in the Middle East and the planned wind down of outgoing Jaguar models ahead of the launch of Jaguar Type 01. The overall mix of the most profitable Range Rover, Range Rover Sport and Defender models was 80.8% of total wholesale volumes, up from 77.2% in Q1 FY26.

Profit before tax and exceptional items was £109 million in Q1 FY27, down from £351 million in Q1 FY26, resulting in an adjusted EBIT margin of 2.8%. Performance in the quarter reflects the impact of supply disruption and ongoing geopolitical challenges. The Company remains on track to deliver its FY27 guidance based on typical Q1 performance relative to the full year.

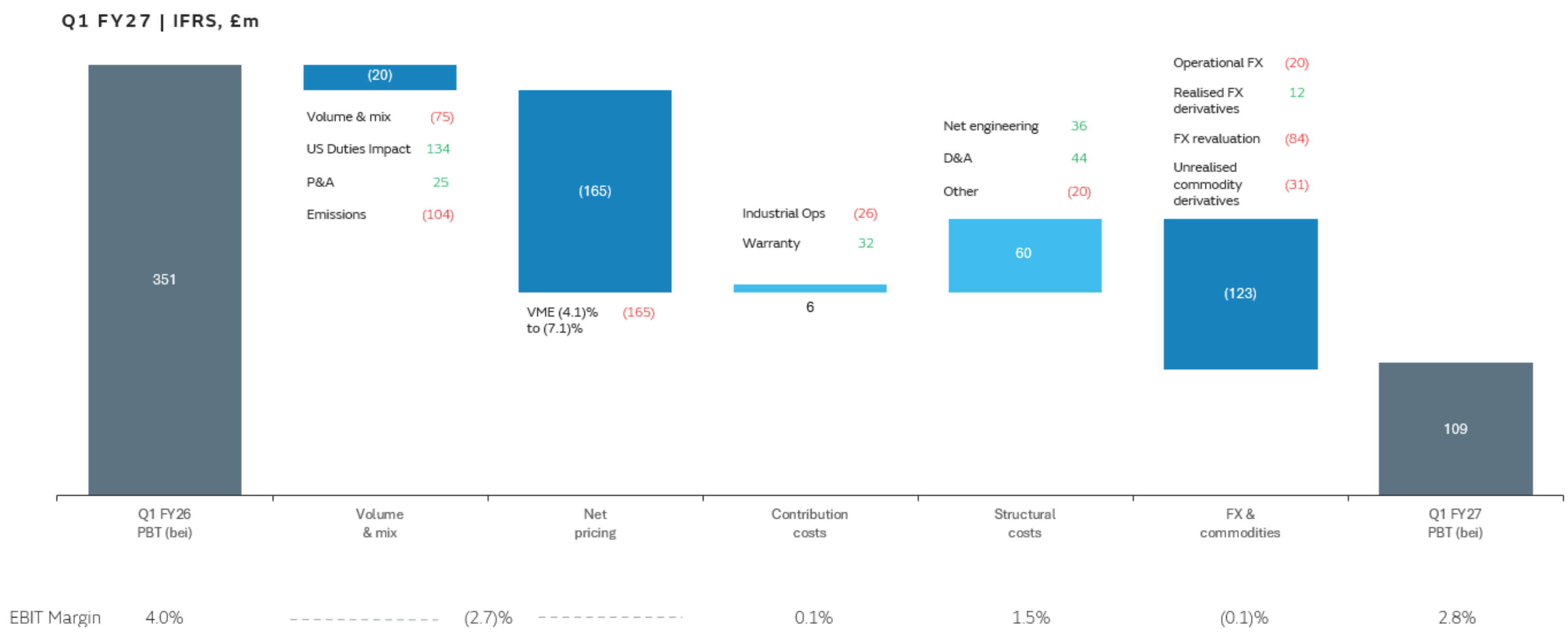
Market environment and business developments

- Volumes in the quarter were affected by temporary supply constraints, including a fire at a major component supplier at the start of the quarter, market disruption linked to the conflict in the Middle East; and the planned wind down of outgoing Jaguar models ahead of the reveal of Jaguar Type 01 in the coming months.
- JLR delivered first quarter profits of £109 million and an adjusted EBIT margin of 2.8%, which is on track to deliver FY27. Performance in the quarter reflects the impact of supply disruption and ongoing geopolitical challenges.
- GBP has been stable over the quarter, with GBP unchanged vs USD.
- JLR and Stellantis signed a memorandum of understanding to explore opportunities to collaborate new products for the Defender brand specifically designed for the US market.
- The newest member of the Range Rover family - Range Rover GT- was revealed as an electric grand tourer, based on JLR's EMA architecture, with plans to provide flexibility in the future through a full hybrid electric vehicle (HEV) propulsion offering.
- Our four brands all appeared at the Goodwood Festival of Speed, with Jaguar Type 01 making its debut, both the Range Rover Electric and the Range Rover Sport Electric being revealed, Defender's Dakar winning D7X-R showcased on the Goodwood hill climb and off-road arena, and the Discovery Landmark edition being unveiled.
- Range Rover returned to The Championships, Wimbledon with its fully electric model, combining modern luxury and heritage with one of the world's most iconic sporting events.
- Jaguar TCS Racing showcased its all-new GEN4 race car, the future of the ABB FIA Formula E World Championship.

Revenue and profits, quarter ending 30 June 2026

- Revenue was £6 billion in Q1 FY27, down 9.6% from Q1 FY26.
- Adjusted EBITDA[1] was £481 million (adjusted EBITDA margin: 8.1%) in Q1 FY27, down from £616 million (adjusted EBITDA margin: 9.3%) in Q1 FY26.
- Adjusted EBIT[1] was £167 million (adjusted EBIT margin: 2.8%) in Q1 FY27, down from £265 million (adjusted EBIT margin: 4.0%) in Q1 FY26.
- The profit before tax and exceptional items was £109 million in Q1 FY27, down from a profit of £351 million in Q1 FY26.
- Profit after tax was £66 million (after a tax charge of £43 million) in Q1 FY27, a reduction from a profit of £248 million in Q1 FY26 including a tax charge of £99 million.

YoY Profit before exceptionals walk



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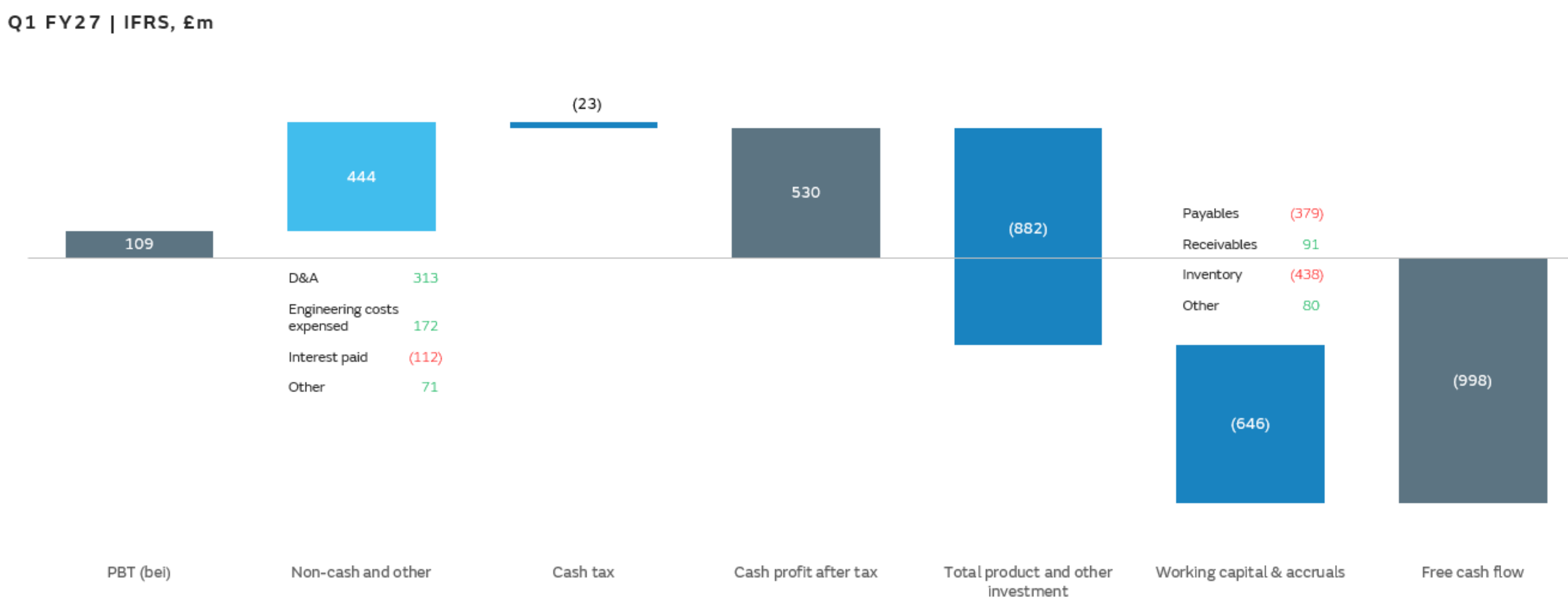
[1] Please see note 2 of the financial statements for alternative performance measures.

Cash flow

- Free cash flow[1] was £(998) million in Q1 FY27, compared to free cash flow of £(758) million in Q1 FY26.
- Working capital and accruals movements in the quarter were £(646) million (vs £(616) million in Q1 FY26), with decreases in payables (£379 million) and receivables (£91 million), and increases in inventory (£438 million) and other (£80 million) since 31 March 2026.
- Investment spend of £882 million in the quarter was up from £864 million in Q1 FY26 and includes £661 million of engineering spend, of which 74% was capitalised, and £221 million of capital investments.

PBT (bei) to Cash Flow Walk



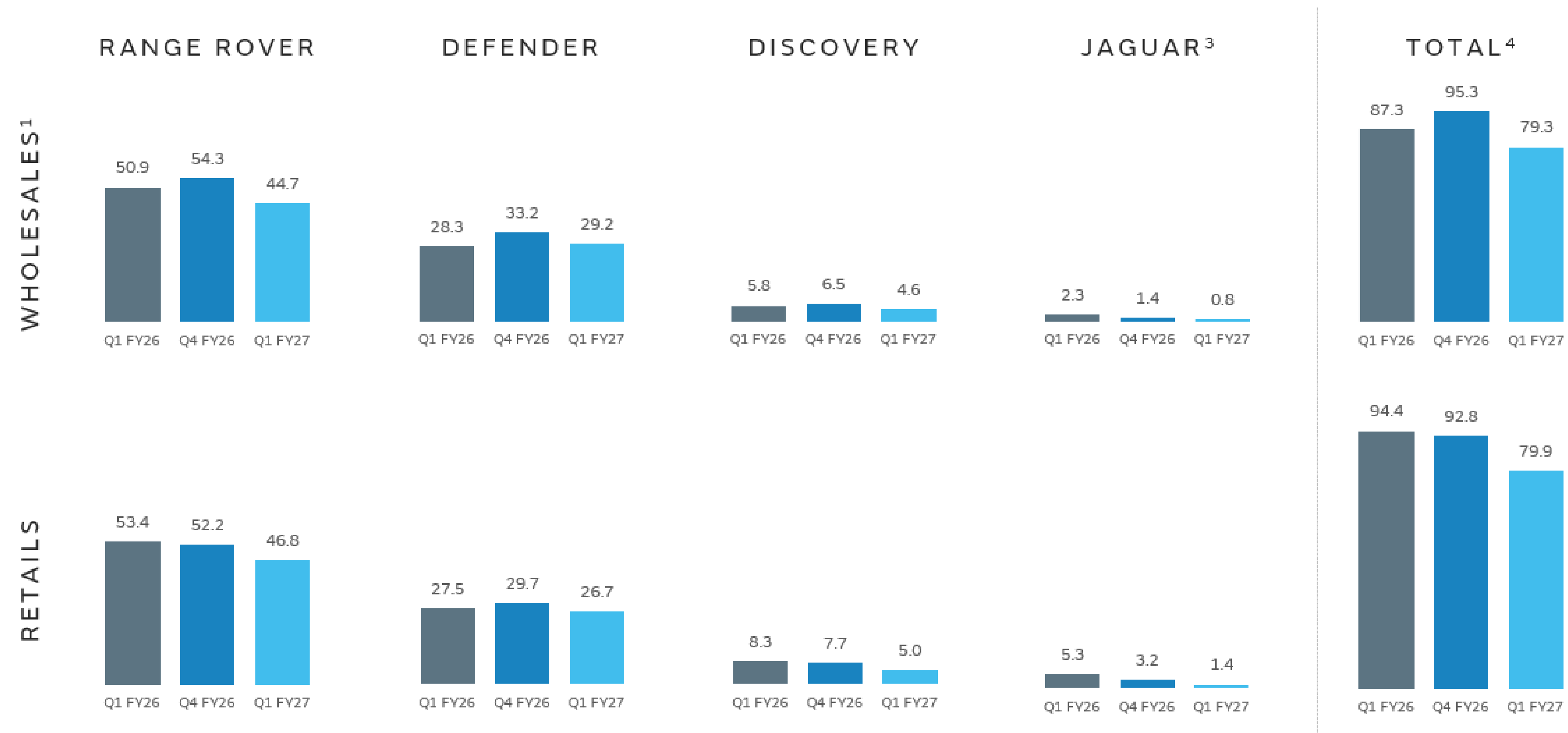
[1] Please see note 2 of the financial statements for alternative performance measures.

Sales volumes

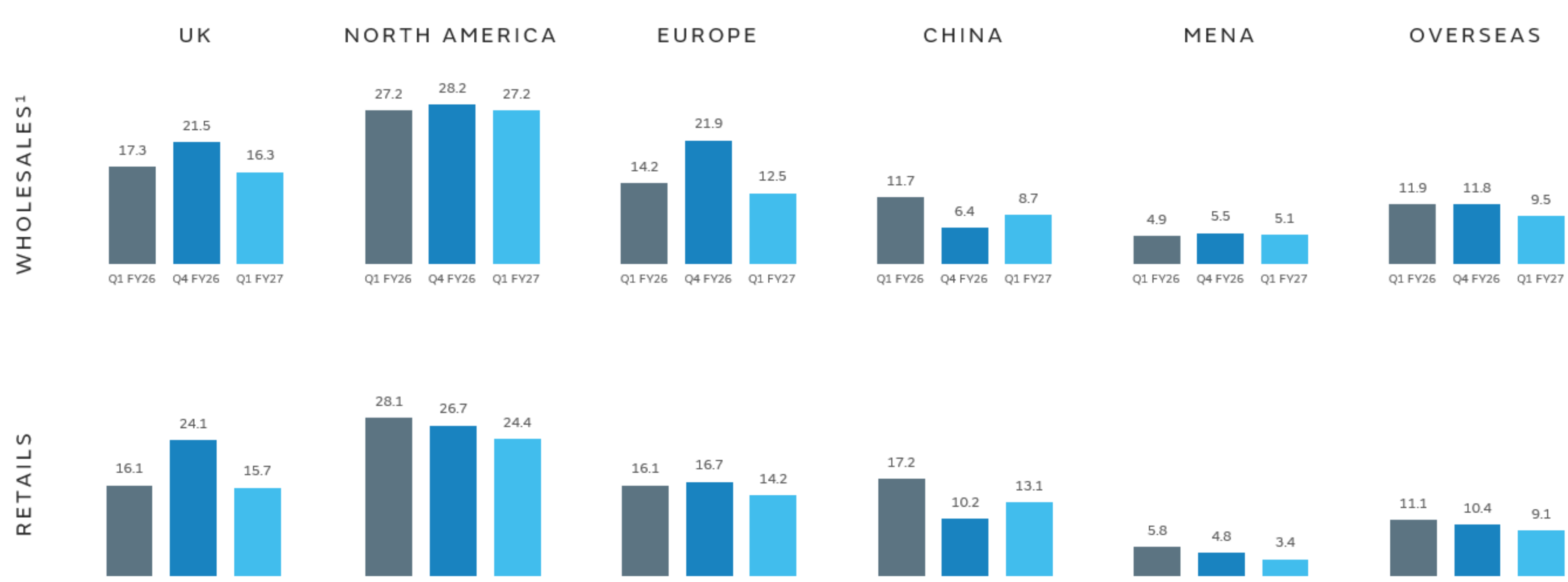
Wholesale[1] volumes in Q1 FY27 were 79,288 units in the period (excluding our China Joint Venture), down 9.2% compared to Q1 FY26 and down 16.8% compared to the quarter ended 31 March 2026.

Retail sales[2] in Q1 FY27 were 79,892 units, down 15.4% compared to the same quarter a year ago and down 13.9% from the prior quarter ended 31 March 2026.

FY27 | Brands | Units in 000's



FY27 | Regions | Units in 000's



[1] Wholesale volumes exclude sales from unconsolidated China joint venture.

[2] Retail sales represent vehicle sales made by dealers to end customers. Please see note 2 of the financial statements for definition of alternative performance measures.

[3] Jaguar wholesales reduced as production has come to an end in FY25.

[4] Unit volumes for some quarters may not cast due to rounding.

Funding and liquidity

Total cash and cash equivalents, deposits and investments at 30 June 2026 were £1,706 million (31 March 2026 £2,750 million). The cash and financial deposits include an amount of £406 million held in subsidiaries of Jaguar Land Rover outside of the UK. The cash in some of these jurisdictions may be subject to impediments to remitting cash to the UK other than through annual dividends.

The following table shows details of the Company's financing arrangements at 30 June 2026:

£ millions	Facility amount	Amount outstanding	Undrawn amount
€500m 6.875% Senior Notes due Nov 2026	256	256	-
$500m 4.500% Senior Notes due Oct 2027	377	377	-
$650m 5.875% Senior Notes due Jan 2028	418	418	-
€500m 4.500% Senior Notes due Jul 2028	430	430	-
$500m 5.500% Senior Notes due Jul 2029	309	309	-
$650m Syndicated Loan due Jan 2029	491	491	-
UKEF amortising loan due Dec 2026	63	63	-
UKEF amortising loan due Jul 2032	1,000	1,000	-
£2bn Syndicated Loan due May 2031	2,000	1,000	1,000
China loan due Dec 2026	334	334	-
Subtotal	**5,678**	**4,678**	**1,000**
Lease obligations	652	652	-
Other	38	38	-
Prepaid costs	(34)	(34)	-
Fair value adjustments[1]	(8)	(8)	-
Total	**6,326**	**5,326**	**1,000**
Undrawn RCF[2]	1,660	-	1,660
Undrawn UKEF loan maturing in Jul 2030	1,500	-	1,500
Total	**9,486**	**5,326**	**4,160**

[1]Fair value adjustments relate to hedging arrangements for the $500 million 2027 Notes.

[2]Undrawn RCF included a Revolving Credit Facility of £1,660 million (£622 million matures in 2028 and £1,038 million matures in 2029).

Risks and mitigating factors

There are a number of potential risks which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and/or historical results, discussed on pages 118-120 of the FY26 Annual Report of the Group (available at https://www.jaguarlandrover.com/annual-report-2026) along with mitigating factors. The principal risks discussed in the Group's FY26 Annual Report are uncertainty in EV adoption and powertrain preferences; intensifying market competition and consumer proposition; trade fragmentation, global geopolitical and economic environment; supply chain disruptions and vulnerabilities; cybersecurity and digital estate integrity; IT infrastructure; data management; people capability and capacity; environmental regulations and compliance; and litigation/regulatory. Investigation, recovery and remediation activities relating to the cyber incident are ongoing. In parallel, measures are being implemented to further enhance the Group's resilience.

Off-balance sheet financial arrangements

At 30 June 2026, Jaguar Land Rover Limited (a subsidiary of the Company) sold £389 million equivalent of receivables under a $900 million invoice discounting facility signed in September 2024.

Personnel

At 30 June 2026, Jaguar Land Rover employed 43,728 people worldwide, including agency personnel, compared to 44,663 at 30 June 2025.

Board of directors

The following table provides information with respect to the members of the Board of Directors of Jaguar Land Rover Automotive plc as at 30 June 2026:

Name	Position	Year appointed
Natarajan Chandrasekaran	Chairman and Director	2017
Mr P B Balaji	Chief Executive Officer and Director	2017
Richard Molyneux	Chief Financial Officer	2026
Hanne Sorensen	Non-Executive Director	2018
Charles Nichols	Non-Executive Director	2022
Al-Noor Ramji	Non-Executive Director	2022

Condensed Consolidated Income Statement

£ millions	Note	Three months ended 30 June 2026	30 June 2025
Revenue	3	5,973	6,604
Material and other cost of sales		(3,547)	(4,096)
Employee costs*	4	(869)	(847)
Other expenses	9	(1,670)	(1,506)
Exceptional items	4	-	(4)
Engineering costs capitalised	5	489	443
Other income	6	101	79
Depreciation and amortisation		(313)	(356)
Foreign exchange and fair value adjustments	7	(15)	35
Finance income	8	12	30
Finance expense (net)	8	(51)	(40)
Share of (loss)/profit of equity accounted investments		(1)	5
Profit before tax		**109**	**347**
Income tax expense	4,17	(43)	(99)
Profit for the period		**66**	**248**

*'Employee costs' exclude the exceptional items explained in note 4.

The notes on pages 15 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income and Expense

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Profit for the period	**66**	**248**
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit obligation	(46)	(80)
Income tax related to items that will not be reclassified	10	20
	(36)	**(60)**
Items that may be reclassified subsequently to profit or loss:		
(Loss)/gain on cash flow hedges (net)	(39)	863
Currency translation differences	1	(1)
Income tax related to items that may be reclassified	10	(216)
	(28)	**646**
Other comprehensive (expense)/income net of tax	**(64)**	**586**
Total comprehensive income attributable to shareholders	**2**	**834**

The notes on pages 15 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet

As at (£ millions)	Note	30 June 2026	31 March 2026	30 June 2025
Non-current assets				
Investments in equity accounted investees		336	336	307
Other non-current investments		54	56	54
Other financial assets	14	438	398	974
Property, plant and equipment	11	6,184	6,161	6,005
Intangible assets	12	8,493	8,057	7,054
Right-of-use assets	13	538	551	583
Pension asset	24	157	193	239
Other assets	16	250	169	245
Deferred tax assets		1,197	1,151	586
Total non-current assets		**17,647**	**17,072**	**16,047**
Current assets				
Cash and cash equivalents		1,706	2,750	3,318
Trade receivables		842	982	950
Other financial assets	14	684	783	979
Inventories	15	4,178	3,743	3,759
Other assets	16	858	854	805
Current tax assets		13	19	4
Assets classified as held for sale		74	71	46
Total current assets		**8,355**	**9,202**	**9,861**
Total assets		**26,002**	**26,274**	**25,908**
Current liabilities				
Accounts payable		6,470	6,840	6,646
Short-term borrowings	21	649	1,678	1,252
Other financial liabilities	18	666	666	741
Provisions	19	1,312	1,253	1,216
Other liabilities	20	744	778	789
Current tax liabilities		130	109	165
Total current liabilities		**9,971**	**11,324**	**10,809**
Non-current liabilities				
Long-term borrowings	21	4,025	3,048	2,299
Other financial liabilities	18	724	722	606
Provisions	19	1,851	1,803	1,576
Retirement benefit obligation	24	26	22	23
Other liabilities	20	1,273	1,229	1,165
Deferred tax liabilities		65	62	99
Total non-current liabilities		**7,964**	**6,886**	**5,768**
Total liabilities		**17,935**	**18,210**	**16,577**
Equity attributable to shareholders				
Ordinary share capital		1,501	1,501	1,501
Capital redemption reserve		167	167	167
Other reserves	23	6,399	6,396	7,663
Total equity attributable to shareholders		**8,067**	**8,064**	**9,331**
Total liabilities and equity		**26,002**	**26,274**	**25,908**

The notes on pages 15 to 32 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the JLR plc Board and authorised for issue on 10 August 2026.

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Condensed Consolidated Statement of Changes in Equity

£ millions	**Ordinary share capital**	**Capital redemption reserve**	**Other reserves**	**Total equity**
Balance at 1 April 2026	**1,501**	**167**	**6,396**	**8,064**
Profit for the period	-	-	66	66
Other comprehensive expense for the period	-	-	(64)	(64)
Total comprehensive income	**-**	**-**	**2**	**2**
Amounts removed from hedge reserve and recognised in inventory	-	-	1	1
Balance at 30 June 2026	**1,501**	**167**	**6,399**	**8,067**

£ millions	**Ordinary share capital**	**Capital redemption reserve**	**Other reserves**	**Total equity**
Balance at 1 April 2025	**1,501**	**167**	**7,276**	**8,944**
Profit for the period	-	-	248	248
Other comprehensive income for the period	-	-	586	586
Total comprehensive income	**-**	**-**	**834**	**834**
Amounts removed from hedge reserve and recognised in inventory	-	-	1	1
Dividends paid	-	-	(448)	(448)
Balance at 30 June 2025	**1,501**	**167**	**7,663**	**9,331**

The notes on pages 15 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Cash Flow Statement

£ millions	Note	Three months ended 30 June 2026	Three months ended 30 June 2025
Cash flows from operating activities			
Cash (used in)/generated from operations	27	(162)	6
Income tax paid		(23)	(60)
Net cash used in operating activities		**(185)**	**(54)**
Cash flows from investing activities			
Purchases of other investments		(2)	(2)
Investment in other restricted deposits		(22)	(8)
Redemption of other restricted deposits		30	13
Movements in other restricted deposits		8	5
Redemption of short-term deposits and other investments		-	23
Movements in short-term deposits and other investments		-	23
Purchases of property, plant and equipment		(209)	(216)
Proceeds from sale of fixed assets and assets held for sale		-	2
Cash outflow relating to intangible asset expenditure		(499)	(453)
Finance income received		14	34
Dividends received		-	2
Net cash used in investing activities		**(688)**	**(605)**
Cash flows from financing activities			
Finance expenses and fees paid		(112)	(73)
Proceeds from issuance of borrowings and repurchase arrangements		1,007	-
Repayment of borrowings and repurchase arrangements		(1,045)	(31)
Payments of lease obligations		(26)	(23)
Dividends paid		-	(448)
Net cash used in financing activities		**(176)**	**(575)**
Net decrease in cash and cash equivalents		**(1,049)**	**(1,234)**
Cash and cash equivalents at beginning of period		2,750	4,611
Effect of foreign exchange on cash and cash equivalents		5	(59)
Cash and cash equivalents at end of period		**1,706**	**3,318**

The notes on pages 15 to 32 are an integral part of these condensed consolidated interim financial statements.

1 Accounting policies

Basis of preparation

The financial information in these condensed consolidated interim financial statements is unaudited and does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The condensed consolidated interim financial statements of Jaguar Land Rover Automotive plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' in accordance with the requirements of UK-adopted international accounting standards. The balance sheet and accompanying notes as at 30 June 2025 have been disclosed solely for the information of the users.

The comparative figures for the financial year ended 31 March 2026 are not the Company's statutory accounts for that financial year but are derived from those accounts. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments held at fair value as highlighted in note 22.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2026, which were prepared in accordance with UK-adopted international accounting standards.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2026, as described in those financial statements.

Estimates and judgements

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates include impairment of tangible and intangible fixed assets and product warranty. For further information on significant judgements and estimates refer to the consolidated financial statements for the year ended 31 March 2026 and to note 19 of this report.

Going concern

The condensed consolidated interim financial statements have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Directors have assessed the financial position of the Group as at 30 June 2026, and the projected cash flows of the Group for the twelve-month period from the date of authorisation of the condensed consolidated interim financial statements (the 'going concern assessment period').

The Group has available liquidity of £5.9 billion at 30 June 2026, £1.7 billion of which is cash, with the remainder being the undrawn RCF facilities, undrawn UKEF and undrawn term loan facility. Within the going concern assessment period, there is a £1 billion minimum quarter-end liquidity covenant attached to the Group's loans and RCF facility. During the quarter, the Group entered into a £2,000 million term loan facility maturing in May 2031. Of this amount, £1 billion was drawn and used to repay the £1 billion RCF bridge facility outstanding at 31 March 2026. Following repayment, the bridge facility was terminated. The remaining £1 billion of the term loan facility was undrawn at 30 June 2026. Net debt increased by £1 billion in the quarter ended 30 June 2026. The Group will continue to monitor and take actions to manage liquidity and net debt levels in the future. Further details of the Group's available financing facilities and the maturity of facilities are described in note 21.

The Group has assessed its projected cash flows over the going concern assessment period. This base case model is built upon the most recent Board-approved forecasts, which reflects the Directors best estimation of how the business plans to perform over the going concern period. It incorporates the latest view of trading performance, macroeconomic assumptions, and strategic initiatives.

The Group has carried out a reverse stress test against the base case to determine the decline in wholesale volumes over a twelve-month period that would result in a liquidity level that breaches the £1 billion liquidity financing covenant. The reverse stress test models a demand reduction across the Group's product portfolio since demand is now considered the primary risk on wholesale volume, rather than supply following resolution of previously noted supply constraints.

In order to reach a liquidity level that breaches covenants, it would require a significant sustained decline in wholesale volumes compared to the base case over a twelve-month period. The reverse stress test reflects the variable profit impact of the wholesale volume decline, and assumes all other assumptions are held in line with the base case. It does not reflect other potential upside measures that could be taken in such a reduced volume scenario; nor any new funding.

The Group does not consider this scenario to be plausible given that the stress test volumes are significantly lower than forecasts. The Group has a strong order bank and is confident that it can significantly exceed reverse stress test volumes.

The Group has also considered the impact of severe but plausible downside scenarios, including scenarios that reflect a decrease in variable profit per unit compared with the base case to include additional increases in material and other related production costs. Under all scenarios the Group has sufficient headroom.

The Directors, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, consider that the Group has adequate financial resources to continue operating throughout the going concern assessment period, meeting its liabilities as they fall due. Accordingly, the Directors continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

2 Alternative performance measures

In reporting financial information, the Group presents alternative performance measures ('APMs') that are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business.

The APMs used by the Group are defined below:

Alternative performance measure	Definition
Adjusted EBITDA	Adjusted EBITDA is defined as profit/(loss) before: income tax expense; exceptional items; finance expense (net of capitalised interest) and finance income; gains/losses on debt and unrealised derivatives, realised derivatives entered into for the purpose of hedging debt, and equity or debt investments held at fair value; foreign exchange gains/losses on other assets and liabilities, including short-term deposits and cash and cash equivalents; share of profit/(loss) from equity accounted investments; depreciation and amortisation. Adjusted EBITDA margin is measured as adjusted EBITDA as a percentage of revenue.
Adjusted EBIT	Adjusted EBIT is defined as for adjusted EBITDA but including share of profit/(loss) from equity accounted investments, depreciation and amortisation. Adjusted EBIT margin is measured as adjusted EBIT as a percentage of revenue.
Return on capital employed ('ROCE')	ROCE is defined as EBIT for the last twelve months divided by the average capital employed over the same period. Capital employed is defined as net assets excluding interest-bearing borrowings and lease liabilities.
Profit/(loss) before tax and exceptional items	Profit/(loss) before tax excluding exceptional items.
Free cash flow	Net cash generated from operating activities less net cash used in automotive investing activities, excluding investments in joint ventures, associates and subsidiaries and movements in financial investments, and after finance expenses and fees paid and net cash from repurchase financing arrangements. Financial investments are those reported as cash and cash equivalents, short-term deposits and other investments, and equity or debt investments held at fair value.
Total product and other investment	Cash used in the purchase of property, plant and equipment, intangible assets, investments in equity accounted investments and other trading investments, acquisition of subsidiaries and expensed research and development costs.
Working capital and accruals	Changes in assets and liabilities as presented in note 27. This comprises movements in assets and liabilities excluding movements relating to financing or investing cash flows or non-cash items that are not included in adjusted EBIT or adjusted EBITDA.
Total cash and cash equivalents, deposits and investments	Defined as cash and cash equivalents, short-term deposits and other investments, marketable securities and any other items defined as cash and cash equivalents in accordance with IFRS.
Available liquidity	Defined as total cash and cash equivalents, deposits and investments plus committed undrawn credit facilities.
Net debt	Total cash and cash equivalents, deposits and investments less total interest-bearing loans and borrowings.
Retail sales	Jaguar Land Rover retail sales represent vehicle sales made by retailers to end customers and include the sale of vehicles produced by our Chinese joint venture, Chery Jaguar Land Rover Automotive Company Ltd.
Wholesales	Wholesales represent vehicle sales made to retailers or other external clients. The Group recognises revenue on wholesales.

The Group uses adjusted EBITDA as an APM to review and measure the underlying profitability of the Group on an ongoing basis for comparability as it recognises that increased capital expenditure year-on-year will lead to a corresponding increase in depreciation and amortisation expense recognised within the consolidated income statement.

The Group uses adjusted EBIT as an APM to review and measure the underlying profitability of the Group on an ongoing basis as this excludes volatility on unrealised foreign exchange transactions. Due to the significant level of debt and currency derivatives held, unrealised foreign exchange distorts the financial performance of the Group from one period to another.

The Group uses ROCE to assess the efficiency in allocating capital to profitable investments.

Free cash flow is considered by the Group to be a key measure in assessing and understanding the total operating performance of the Group and to identify underlying trends.

Total product and other investment is considered by the Group to be a key measure in assessing cash invested in the development of future new models and infrastructure supporting the growth of the Group.

Working capital and accruals is considered by the Group to be a key measure in assessing short-term assets and liabilities that are expected to be converted into cash within the next twelve-month period; as well as over the longer term.

Total cash and cash equivalents, deposits and investments and available liquidity are measures used by the Group to assess liquidity and the availability of funds for future spend and investment.

Exceptional items are in note 4.

Reconciliations between these alternative performance measures and statutory reported measures are shown on the next pages.

2 Alternative performance measures (continued)

Adjusted EBIT and Adjusted EBITDA

£ millions	Note	Three months ended 30 June 2026	Three months ended 30 June 2025
Adjusted EBITDA		**481**	**616**
Depreciation and amortisation		(313)	(356)
Share of (loss)/profit of equity accounted investments		(1)	5
Adjusted EBIT		**167**	**265**
Foreign exchange on debt, derivatives and balance sheet revaluation	27	-	80
Unrealised (loss)/gain on commodities	27	(15)	19
Finance income	8	12	30
Finance expense (net)	8	(51)	(40)
Fair value loss on equity investments	27	(4)	(3)
Profit before tax and exceptional items		**109**	**351**
Exceptional items	4	-	(4)
Profit before tax		**109**	**347**

£ millions	Note	Three months ended 30 June 2026	Three months ended 30 June 2025
Adjusted EBIT		167	265
Revenue	3	5,973	6,604
Adjusted EBIT margin (%)		**2.8%**	**4.0%**

Return on capital employed

As at (£ millions)	Note	30 June 2026	31 March 2026	30 June 2025
Adjusted EBIT - last twelve months		67	165	2,091
Capital employed				
Net assets		8,067	8,064	9,331
Add: total interest-bearing loans and borrowings	21	5,326	5,388	4,222
Capital employed		**13,393**	**13,452**	**13,553**
Average capital employed		**13,473**	**13,376**	**12,873**
Return on capital employed (%)		**0.5%**	**1.2%**	**16.2%**

Free cash flow

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Net cash used in operating activities	(185)	(54)
Purchases of property, plant and equipment	(209)	(216)
Cash outflow relating to intangible asset expenditure	(499)	(453)
Proceeds from sale of fixed assets and assets held for sale	-	2
Dividends received	-	2
Finance expenses and fees paid	(112)	(73)
Finance income received	14	34
Net cash outflow from repurchase financing arrangements*	(7)	-
Free cash flow	**(998)**	**(758)**

*For the three-month period ended 30 June 2025 cash flows arising from repurchase arrangements were presented within operating activities rather than financing activities. Comparative information has not been restated as the amounts involved were not material.

Total product and other investments

£ millions	Note	Three months ended 30 June 2026	Three months ended 30 June 2025
Purchases of property, plant and equipment		209	216
Cash outflow relating to intangible asset expenditure		499	453
Engineering costs expensed	5	172	193
Purchases of other investments		2	2
Total product and other investments		**882**	**864**

Total cash and cash equivalents, deposits and investments

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Cash and cash equivalents	1,706	2,750	3,318
Total cash and cash equivalents, deposits and investments	**1,706**	**2,750**	**3,318**

2 Alternative performance measures (continued)

Available liquidity

As at (£ millions)	Note	30 June 2026	31 March 2026	30 June 2025
Cash and cash equivalents		1,706	2,750	3,318
Committed undrawn credit facilities	21	4,160	4,160	1,660
Available liquidity		**5,866**	**6,910**	**4,978**

Net debt

As at (£ millions)	Note	30 June 2026	31 March 2026	30 June 2025
Cash and cash equivalents		1,706	2,750	3,318
Interest-bearing loans and borrowings	21	(5,326)	(5,388)	(4,222)
Net debt		**(3,620)**	**(2,638)**	**(904)**

Retails and wholesales

Units	Three months ended	
	30 June 2026	30 June 2025
Retail sales	79,892	94,420
Wholesales	79,288	87,286

Included in wholesales are 146 vehicles sold on sale and leaseback arrangements during the three-month period ended 30 June 2026 (three-month period ended 30 June 2025: 72 vehicles).

3 Revenue

£ millions	Three months ended	
	30 June 2026	30 June 2025
Revenue recognised for sales of vehicles, parts and accessories	5,571	6,185
Revenue recognised for services transferred	113	112
Revenue - other	187	194
Total revenue from contracts with clients	**5,871**	**6,491**
Realised revenue hedges	102	113
Total revenue	**5,973**	**6,604**

4 Exceptional items

No exceptional items were recognised during the three-month period ended 30 June 2026.

The exceptional items recognised during the three-month period ended 30 June 2025 comprise of £(4) million in relation to separation payments made to employees resulting in tax charges of £nil and tax credits of £1 million.

The table below sets out the exceptional items recorded during the three-month period ended 2025 and the impact on the condensed consolidated income statement if these items were not disclosed separately as exceptional items.

£ millions	Three months ended 30 June 2025
	Employee costs
Excluding exceptional items	**(847)**
Restructuring costs - employee and third party obligations	(4)
Including exceptional items	**(851)**

5 Engineering costs capitalised

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Total engineering costs incurred	661	636
Engineering costs expensed	(172)	(193)
Engineering costs capitalised	**489**	**443**
Interest capitalised in relation to engineering costs	64	61
Total capitalised in property, plant and equipment and intangible assets	**553**	**504**

6 Other income

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Grant income	30	51
Commissions	8	9
Other	63	19
Total other income	**101**	**79**

7 Foreign exchange and fair value adjustments

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Foreign exchange and fair value adjustments on loans	3	36
Foreign exchange (loss)/gain on economic hedges of loans	(12)	13
Foreign exchange (loss)/gain on derivatives	(5)	7
Other foreign exchange gain/(loss)	15	(27)
Realised gain/(loss) on commodities	3	(10)
Unrealised (loss)/gain on commodities	(15)	19
Fair value loss on equity investments	(4)	(3)
Total foreign exchange and fair value adjustments	**(15)**	**35**

8 Finance income and expense

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Finance income	12	30
Total finance income	**12**	**30**
Interest expense on lease liabilities	(12)	(13)
Total interest expense on financial liabilities measured at amortised cost other than lease liabilities measured at amortised cost	(82)	(63)
Interest expense on derivatives designated as a fair value hedge of financial liabilities	-	(6)
Unwind of discount on provisions	(21)	(19)
Interest capitalised	64	61
Total finance expense (net)	**(51)**	**(40)**

The capitalisation rate used to calculate borrowing costs eligible for capitalisation during the three-month period ended 30 June 2026 was 5.2% (three-month period ended 30 June 2025: 6.2%).

9 Other expenses

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
Stores, spare parts and tools	43	30
Freight cost	157	167
Works, operations and other costs	830	676
Power and fuel	33	28
Product warranty	355	362
Publicity	252	243
Total other expenses	**1,670**	**1,506**

10 Allowances for trade and other receivables

£ millions	Three months ended 30 June 2026	Three months ended 30 June 2025
At beginning of period	5	5
Charged during the period	8	-
At end of period	**13**	**5**

11 Property, plant and equipment

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2026	**2,942**	**9,810**	**11**	**209**	**125**	**14**	**2,059**	**15,170**
Additions	-	13	-	6	-	-	172	191
Transfers	5	19	-	-	-	-	(24)	-
Disposals	-	(2)	-	-	-	-	-	(2)
Assets classified as held for sale	(3)	-	-	-	-	-	-	(3)
Foreign currency translation	(4)	(7)	-	-	-	-	-	(11)
Balance at 30 June 2026	**2,940**	**9,833**	**11**	**215**	**125**	**14**	**2,207**	**15,345**
Depreciation and impairment								
Balance at 1 April 2026	**1,075**	**7,671**	**11**	**150**	**93**	**9**	**-**	**9,009**
Depreciation charge for the period	31	122	-	4	2	-	-	159
Disposals	-	(2)	-	-	-	-	-	(2)
Foreign currency translation	(2)	(3)	-	-	-	-	-	(5)
Balance at 30 June 2026	**1,104**	**7,788**	**11**	**154**	**95**	**9**	**-**	**9,161**
Net book value								
At 1 April 2026	1,867	2,139	-	59	32	5	2,059	6,161
At 30 June 2026	**1,836**	**2,045**	**-**	**61**	**30**	**5**	**2,207**	**6,184**

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2025	**2,840**	**10,152**	**11**	**200**	**128**	**14**	**1,408**	**14,753**
Additions	-	-	-	8	-	-	243	251
Transfers	28	32	-	-	-	-	(60)	-
Disposals	(3)	(107)	-	(2)	(1)	-	-	(113)
Foreign currency translation	11	16	-	1	-	-	-	28
Balance at 30 June 2025	**2,876**	**10,093**	**11**	**207**	**127**	**14**	**1,591**	**14,919**
Depreciation and impairment								
Balance at 1 April 2025	**947**	**7,637**	**11**	**141**	**91**	**7**	**-**	**8,834**
Depreciation charge for the period	31	138	-	4	2	-	-	175
Disposals	(1)	(103)	-	(2)	(1)	-	-	(107)
Foreign currency translation	3	9	-	-	-	-	-	12
Balance at 30 June 2025	**980**	**7,681**	**11**	**143**	**92**	**7**	**-**	**8,914**
Net book value								
At 1 April 2025	1,893	2,515	-	59	37	7	1,408	5,919
At 30 June 2025	**1,896**	**2,412**	**-**	**64**	**35**	**7**	**1,591**	**6,005**

12 Intangible assets

£ millions	Software	Customer related	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost						
Balance at 1 April 2026	**712**	**61**	**628**	**5,856**	**6,006**	**13,263**
Additions - externally purchased	10	-	-	-	-	10
Additions - internally developed	-	-	-	-	553	553
Balance at 30 June 2026	**722**	**61**	**628**	**5,856**	**6,559**	**13,826**
Amortisation and impairment						
Balance at 1 April 2026	**540**	**57**	**154**	**4,455**	**-**	**5,206**
Amortisation charge for the period	13	-	-	114	-	127
Balance at 30 June 2026	**553**	**57**	**154**	**4,569**	**-**	**5,333**
Net book value						
At 1 April 2026	172	4	474	1,401	6,006	8,057
At 30 June 2026	**169**	**4**	**474**	**1,287**	**6,559**	**8,493**

£ millions	Goodwill	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost								
Balance at 1 April 2025	**-**	**756**	**-**	**61**	**628**	**6,494**	**4,094**	**12,033**
Additions - externally purchased	-	10	-	-	-	-	-	10
Additions - internally developed	-	-	-	-	-	-	504	504
Disposals	-	(19)	-	-	-	-	-	(19)
Foreign currency translation	-	1	-	-	-	-	-	1
Balance at 30 June 2025	**-**	**748**	**-**	**61**	**628**	**6,494**	**4,598**	**12,529**
Amortisation and impairment								
Balance at 1 April 2025	**-**	**563**	**-**	**55**	**154**	**4,564**	**-**	**5,336**
Amortisation charge for the period	-	19	-	-	-	137	-	156
Disposals	-	(18)	-	-	-	-	-	(18)
Foreign currency translation	-	1	-	-	-	-	-	1
Balance at 30 June 2025	**-**	**565**	**-**	**55**	**154**	**4,701**	**-**	**5,475**
Net book value								
At 1 April 2025	-	193	-	6	474	1,930	4,094	6,697
At 30 June 2025	**-**	**183**	**-**	**6**	**474**	**1,793**	**4,598**	**7,054**

13 Right-of-use assets

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Other	Total
Cost							
Balance at 1 April 2026	**783**	**119**	**30**	**22**	**6**	**2**	**962**
Additions	1	6	4	3	-	-	14
Disposals	(8)	(5)	(1)	-	-	-	(14)
Balance at 30 June 2026	**776**	**120**	**33**	**25**	**6**	**2**	**962**
Depreciation							
Balance at 1 April 2026	**329**	**56**	**10**	**12**	**2**	**2**	**411**
Depreciation charge for the period	16	6	3	2	-	-	27
Disposals	(8)	(5)	(1)	-	-	-	(14)
Balance at 30 June 2026	**337**	**57**	**12**	**14**	**2**	**2**	**424**
Net book value							
At 1 April 2026	454	63	20	10	4	-	551
At 30 June 2026	**439**	**63**	**21**	**11**	**4**	**-**	**538**

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Other	Total
Cost							
Balance at 1 April 2025	**789**	**105**	**17**	**28**	**6**	**3**	**948**
Additions*	6	18	3	2	-	-	29
Disposals	(2)	(2)	(1)	(1)	-	-	(6)
Foreign currency translation	-	(1)	-	-	-	-	(1)
Balance at 30 June 2025	**793**	**120**	**19**	**29**	**6**	**3**	**970**
Depreciation							
Balance at 1 April 2025	**296**	**48**	**6**	**14**	**1**	**3**	**368**
Depreciation charge for the period	16	5	2	2	-	-	25
Disposals	(2)	(2)	(1)	(1)	-	-	(6)
Balance at 30 June 2025	**310**	**51**	**7**	**15**	**1**	**3**	**387**
Net book value							
At 1 April 2025	493	57	11	14	5	-	580
At 30 June 2025	**483**	**69**	**12**	**14**	**5**	**-**	**583**

*The comparatives for the three months ended 30 June 2025 have been re-presented to align with presentation changes made during the year ended 31 March 2026. The amounts disclosed as ‘Additions’ include lease modifications previously disclosed as ‘Other’. This has not resulted in any change to the reported Total cost.

14 Other financial assets

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Non-current			
Restricted cash	13	14	13
Derivative financial instruments	253	223	783
Warranty reimbursement and other receivables	92	77	77
Other	80	84	101
Total non-current other financial assets	**438**	**398**	**974**
Current			
Restricted cash	15	22	1
Derivative financial instruments	352	416	606
Warranty reimbursement and other receivables	213	224	237
Accrued income	29	20	26
Other	75	101	109
Total current other financial assets	**684**	**783**	**979**

15 Inventories

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Raw materials and consumables	172	143	167
Work-in-progress	761	753	537
Finished goods	3,244	2,848	3,054
Inventory basis adjustment	1	(1)	1
Total inventories	**4,178**	**3,743**	**3,759**

Inventories of finished goods include £472 million (31 March 2026: £470 million, 30 June 2025: £460 million) relating to vehicles sold to rental car companies, fleet clients and others with guaranteed repurchase arrangements.

During the three-month period ended 30 June 2026, the Group recorded an inventory write-down expense of £19 million (three-month period ended 30 June 2025: £12 million). The write-down is included in 'Material and other cost of sales'.

16 Other assets

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Non-current			
Prepaid expenses	171	156	175
Research and development expenditure credit	70	5	59
Other	9	8	11
Total non-current other assets	**250**	**169**	**245**
Current			
Recoverable VAT	266	243	232
Prepaid expenses	340	293	326
Research and development expenditure credit	241	265	229
Other	11	53	18
Total current other assets	**858**	**854**	**805**

17 Taxation

Recognised in the income statement
Income tax for the three-month periods ended 30 June 2026 and 30 June 2025 has been calculated using the estimated effective tax rate expected to apply for the respective financial years.

A tax charge of £43 million was recognised in the three-month period ended 30 June 2026 (30 June 2025: £99 million). The effective tax rate for the period was 39% (30 June 2025: 29%).

The effective tax rate reflects the geographical mix of profits and applicable corporate income tax rates in the jurisdictions in which the Group operates. The increase in the effective tax rate to 39% compared with the prior period was principally driven by withholding taxes and other permanent differences which, due to the relatively low profit before tax generated during the period, had a proportionately greater impact on the Group's effective tax rate.

18 Other financial liabilities

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Current			
Lease obligations	88	89	84
Interest accrued*	58	60	71
Derivative financial instruments	49	26	78
Liability for vehicles sold under a repurchase arrangement	469	489	508
Other	2	2	-
Total current other financial liabilities	**666**	**666**	**741**
Non-current			
Lease obligations	564	573	587
Derivative financial instruments	160	149	18
Other	-	-	1
Total non-current other financial liabilities	**724**	**722**	**606**

*Relates mainly to interest accrued on Euro MTF listed debt, syndicated loan and UK Export Finance facility.

Included in the 'Liability for vehicles sold under a repurchase arrangement' balance is £324 million (31 March 2026: £332 million, 30 June 2025: £337 million) related to vehicles for the management car scheme. Participants in the scheme make payments through deductions from salary.

19 Provisions

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Current			
Product warranty	1,005	960	857
Emissions compliance	153	118	180
Third party claims and obligations	119	139	138
Other provisions	35	36	41
Total current provisions	**1,312**	**1,253**	**1,216**
Non-current			
Product warranty	1,734	1,691	1,486
Emissions compliance	64	55	44
Other provisions	53	57	46
Total non-current provisions	**1,851**	**1,803**	**1,576**

£ millions	Product warranty	Emissions compliance	Third party claims and obligations	Other provisions	Total
Balance at 1 April 2026	**2,651**	**173**	**139**	**93**	**3,056**
Provisions made during the period	339	55	34	4	432
Provisions used during the period	(270)	-	(40)	(2)	(312)
Unused amounts reversed in the period	-	(10)	(14)	(7)	(31)
Impact of unwind of discounting	21	-	-	-	21
Foreign currency translation	(2)	(1)	-	-	(3)
Balance at 30 June 2026	**2,739**	**217**	**119**	**88**	**3,163**

Product warranty

Information on the assumptions made in estimating the product warranty provision are included within the consolidated financial statements for the year ended 31 March 2026. Due to the uncertainty and potential volatility of the inputs to the assumptions, such as number of vehicles impacted and repair costs, it is reasonably possible that the actual cost over an extended period of time could be different to the estimate.

20 Other liabilities

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Current			
Liabilities for advances received	51	55	53
Ongoing service obligations	364	360	337
VAT	65	97	90
Deferred grant income	35	37	42
Other taxes payable	205	208	265
Other	24	21	2
Total current other liabilities	**744**	**778**	**789**
Non-current			
Ongoing service obligations	574	575	625
Deferred grant income	687	638	533
Other	12	16	7
Total non-current other liabilities	**1,273**	**1,229**	**1,165**

21 Interest bearing loans and borrowings

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Short-term borrowings			
Bank Loans	330	1,323	305
Current portion of long-term EURO MTF listed debt	257	261	822
Current portion of long-term loans	62	94	125
Total short-term borrowings	**649**	**1,678**	**1,252**
Long-term borrowings			
Bank loans	2,464	1,482	530
EURO MTF listed debt	1,523	1,528	1,731
Other unsecured	38	38	38
Total long-term borrowings	**4,025**	**3,048**	**2,299**
Lease obligations	652	662	671
Total interest-bearing loans and borrowings	**5,326**	**5,388**	**4,222**

Undrawn facilities

As at 30 June 2026, the Group had available committed borrowing facilities comprising a fully undrawn revolving credit facility ('RCF') of £1,660 million (31 March 2026: £2,660 million, 30 June 2025: £1,660 million), including £622 million maturing in October 2028 and £1,038 million maturing in October 2029. The Group also had a fully undrawn UK Export Finance ('UKEF') backed loan facility of £1,500 million (31 March 2026: £1,500 million, 30 June 2025: £nil), maturing in October 2030.

During the quarter, the Group entered into a £2,000 million term loan facility maturing in May 2031. Of this amount, £1,000 million was drawn and used to repay the £1,000 million RCF bridge facility outstanding at 31 March 2026. Following repayment, the bridge facility was terminated. The remaining £1,000 million of the term loan facility was undrawn at 30 June 2026.

These borrowing facilities are subject to a covenant requiring the Group to maintain minimum quarter-end liquidity of £1 billion.

22 Financial instruments

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments held at fair value. These financial instruments are classified as either level 2 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices which are observable, or level 3 fair value measurements, being those derived from significant unobservable inputs. There have been no changes in the valuation techniques used or transfers between fair value levels from those set out in note 38 to the annual consolidated financial statements for the year ended 31 March 2026.

The tables below show the carrying amounts and fair value of each category of financial assets and liabilities.

As at 30 June 2026 (£ millions)		Fair value through profit and loss				
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Cash and cash equivalents	1,706	-	-	-	1,706	1,706
Trade receivables	842	-	-	-	842	842
Other non-current investments	-	54	-	-	54	54
Other financial assets - current	332	-	20	332	684	684
Other financial assets - non-current	185	-	1	252	438	438
Total financial assets	**3,065**	**54**	**21**	**584**	**3,724**	**3,724**
Accounts payable	6,470	-	-	-	6,470	6,470
Short-term borrowings	649	-	-	-	649	654
Long-term borrowings*	4,025	-	-	-	4,025	4,057
Other financial liabilities - current	617	-	24	25	666	666
Other financial liabilities - non-current	564	-	4	156	724	786
Total financial liabilities	**12,325**	**-**	**28**	**181**	**12,534**	**12,633**

*Included in long-term borrowings is £(8) million of fair value adjustments which relate to hedge relationships that have been discontinued. Included in the long-term borrowings is £1,104 million that is designated as a hedging instrument in a cash flow hedge relationship.

22 Financial instruments (continued)

As at 31 March 2026 (£ millions)		Fair value through profit and loss				
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Cash and cash equivalents	2,750	-	-	-	2,750	2,750
Trade receivables	982	-	-	-	982	982
Other non-current investments	-	56	-	-	56	56
Other financial assets - current	367	-	38	378	783	783
Other financial assets - non-current	175	-	2	221	398	398
Total financial assets	**4,274**	**56**	**40**	**599**	**4,969**	**4,969**
Accounts payable	6,840	-	-	-	6,840	6,840
Short-term borrowings	1,678	-	-	-	1,678	1,679
Long-term borrowings*	3,048	-	-	-	3,048	3,041
Other financial liabilities - current	640	-	16	10	666	666
Other financial liabilities - non-current	573	-	1	148	722	784
Total financial liabilities	**12,779**	**-**	**17**	**158**	**12,954**	**13,010**

*Included in long-term borrowings is £(9) million of fair value adjustments which relate to hedge relationships that have been discounted. Included in long-term borrowings is £1,108 million that is designated as a hedging instrument in a cash flow hedge relationship.

As at 30 June 2025 (£ millions)		Fair value through profit and loss				
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Cash and cash equivalents	3,318	-	-	-	3,318	3,318
Trade receivables	950	-	-	-	950	950
Other non-current investments	-	54	-	-	54	54
Other financial assets - current	373	-	28	578	979	979
Other financial assets - non-current	191	-	5	778	974	974
Total financial assets	**4,832**	**54**	**33**	**1,356**	**6,275**	**6,275**
Accounts payable	6,646	-	-	-	6,646	6,646
Short-term borrowings*	1,252	-	-	-	1,252	1,248
Long-term borrowings**	2,299	-	-	-	2,299	2,427
Other financial liabilities - current	663	-	36	42	741	741
Other financial liabilities - non-current	588	-	15	3	606	653
Total financial liabilities	**11,448**	**-**	**51**	**45**	**11,544**	**11,715**

*Included in short-term borrowings is £428 million that is designated as the hedged item in a fair value hedge relationship. Included in short-term borrowings is £(115) million of fair value adjustments which relate to the ongoing hedge relationship. Included in short-term borrowings is £511 million that is designated as a hedging instrument in a cash flow hedge relationship.
**Included within long-term borrowings is £(14) million of fair value adjustments of which relate to hedge relationships that have been discontinued. Included in long-term borrowings is £1,067 million that is designated as a hedging instrument in a cash flow hedge relationship.

The following table shows the levels in the fair value hierarchy for financial assets and liabilities held at fair value and for financial liabilities that are not measured at fair value, where the carrying value is not a reasonable approximation of fair value:

As at 30 June 2026 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	54	54
Derivative assets	-	605	-	605
Total financial assets measured at fair value	**-**	**605**	**54**	**659**
Financial liabilities measured at fair value				
Derivative liabilities	-	209	-	209
Total financial liabilities measured at fair value	**-**	**209**	**-**	**209**
Financial liabilities not measured at fair value				
Borrowings	1,787	2,924	-	4,711
Total financial liabilities not measured at fair value	**1,787**	**2,924**	**-**	**4,711**

As at 31 March 2026 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	56	56
Derivative assets	-	639	-	639
Total financial assets measured at fair value	**-**	**639**	**56**	**695**
Financial liabilities measured at fair value				
Derivative liabilities	-	175	-	175
Total financial liabilities measured at fair value	**-**	**175**	**-**	**175**
Financial liabilities not measured at fair value				
Borrowings	1,782	2,938	-	4,720
Total financial liabilities not measured at fair value	**1,782**	**2,938**	**-**	**4,720**

22 Financial instruments (continued)

As at 30 June 2025 (£ millions)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	54	54
Derivative assets	-	1,389	-	1,389
Total financial assets measured at fair value	**-**	**1,389**	**54**	**1,443**
Financial liabilities measured at fair value				
Derivative liabilities	-	96	-	96
Total financial liabilities measured at fair value	**-**	**96**	**-**	**96**
Financial liabilities not measured at fair value				
Borrowings	2,671	1,005	-	3,676
Total financial liabilities not measured at fair value	**2,671**	**1,005**	**-**	**3,676**

Reconciliation of level 3 fair values

The following table gives a reconciliation of the movements in level 3 financial assets held at fair value:

£ millions	Three months ended	
	30 June 2026	30 June 2025
Balance at beginning of the period	56	55
Originated/purchased during the period	2	2
Fair value changes recognised in consolidated income statement	(4)	(3)
At end of period	**54**	**54**

23 Other reserves

The movement in reserves is as follows:

£ millions	Translation reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2026	**(368)**	**217**	**134**	**6,413**	**6,396**
Profit for the period	-	-	-	66	66
Remeasurement of defined benefit obligation	-	-	-	(46)	(46)
Gain on effective cash flow hedges	-	86	9	-	95
Income tax related to items recognised in other comprehensive income	-	(21)	(1)	10	(12)
Cash flow hedges reclassified to profit and loss	-	(126)	(8)	-	(134)
Income tax related to items reclassified to profit or loss	-	31	1	-	32
Amounts removed from hedge reserve and recognised in inventory	-	1	-	-	1
Foreign currency translation	1	-	-	-	1
Balance at end 30 June 2026	**(367)**	**188**	**135**	**6,443**	**6,399**

£ millions	Translation reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2025	**(395)**	**460**	**(4)**	**7,215**	**7,276**
Profit for the period	-	-	-	248	248
Remeasurement of defined benefit obligation	-	-	-	(80)	(80)
Gain on effective cash flow hedges	-	977	2	-	979
Income tax related to items recognised in other comprehensive income	-	(245)	-	20	(225)
Cash flow hedges reclassified to profit and loss	-	(115)	(1)	-	(116)
Income tax related to items reclassified to profit or loss	-	29	-	-	29
Amounts removed from hedge reserve and recognised in inventory	-	-	1	-	1
Foreign currency translation	(1)	-	-	-	(1)
Dividends paid	-	-	-	(448)	(448)
Balance at end 30 June 2025	**(396)**	**1,106**	**(2)**	**6,955**	**7,663**

24 Employee benefits

The Group has pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each scheme. The following tables set out disclosures pertaining to employee benefits of the Group which includes its defined benefit pension schemes:

Change in present value of defined benefit obligation

£ millions	Three months ended	
	30 June 2026	30 June 2025
Defined benefit obligation at beginning of period	4,712	4,694
Current service cost	14	14
Interest expense	70	67
Actuarial losses arising from:		
Changes in financial assumptions	6	24
Experience adjustments	26	27
Exchange differences on foreign schemes	-	(1)
Member contributions	1	-
Benefits paid	(68)	(59)
Defined benefit obligation at end of period	**4,761**	**4,766**

Change in fair value of schemes' assets

£ millions	Three months ended	
	30 June 2026	30 June 2025
Fair value of schemes' assets at beginning of period	4,883	4,985
Interest income	74	71
Remeasurement loss on the return of plan assets, excluding amounts included in interest income	(14)	(29)
Administrative expenses	(1)	(2)
Employer contributions	17	16
Member contributions	1	-
Benefits paid	(68)	(59)
Fair value of schemes' assets at end of period	**4,892**	**4,982**

The principal assumptions used in accounting for the pension schemes are set out below:

As at	30 June 2026	30 June 2025
Discount rate	6.0%	5.7%
Expected rate of increase in benefit revaluation of covered employees	2.0%	1.9%
RPI inflation	2.8%	2.8%
CPI Inflation rate (capped at 5% p.a.)	2.5%	2.4%
CPI Inflation rate (capped at 2.5% p.a.)	1.8%	1.7%

Amounts recognised in the condensed consolidated balance sheet consist of:

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Present value of defined benefit obligations	(4,761)	(4,712)	(4,766)
Fair value of schemes' assets	4,892	4,883	4,982
Net pension asset	**131**	**171**	**216**
Presented as non-current asset	157	193	239
Presented as non-current liability	(26)	(22)	(23)

For the valuations at 30 June 2026 the mortality assumptions used are the Self-Administered Pension Schemes ('SAPS') mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 97 per cent to 115 per cent have been used for male members and 102 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 103 per cent to 112 per cent have been used for male members and 100 per cent to 115 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 92 per cent to 99 per cent have been used for male members and 92 per cent to 98 per cent have been used for female members.

24 Employee benefits (continued)

For the valuations at 31 March 2026 the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 97 per cent to 115 per cent have been used for male members and 102 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 103 per cent to 112 per cent have been used for male members and 100 per cent to 115 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 92 per cent to 99 per cent have been used for male members and 92 per cent to 98 per cent have been used for female members.

For the valuations at 30 June 2025 the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 97 per cent to 115 per cent have been used for male members and 102 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 103 per cent to 112 per cent have been used for male members and 100 per cent to 115 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 92 per cent to 99 per cent have been used for male members and 92 per cent to 98 per cent have been used for female members.

For the 30 June 2026 period end calculations there is an allowance for future improvements in line with the CMI (2025) projections with a long-term rate of improvement of 1.25 per cent per annum and a smoothing parameter of 7.0 (31 March 2026: CMI (2025) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.0, 30 June 2025: CMI (2023) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.0).

25 Commitments and contingencies

The following includes a description of commitments and contingencies. The Group assesses such commitments and claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential outflow is probable and capable of being estimated and discloses such matters in the financial statements, if material. For potential outflows that are considered possible, but not probable, the Group provides disclosure in the condensed consolidated financial statements but does not record a liability unless the outflow becomes probable. Such potential outflows may be of uncertain timing and/or amount.

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Contingencies:			
- Third party claims and obligations	117	188	257
- Taxes and duties	49	48	69
Commitments:			
- Plant and equipment	930	873	953
- Intangible assets	18	13	21
Pledged as collateral/security against the borrowings and commitments:			
- Other financial assets	19	19	11

Contingencies

Contingencies relate to legal and constructive obligations to third parties. There are claims and obligations against the Group which management has not recognised, as settlement is not considered probable. These claims and obligations relate primarily to the following:

- Third party claims and obligations (primarily supplier claims)
- Taxes and duties

There have been no material changes to regulatory, litigation and competition matters disclosed in the Group's Annual Report for the year ended 31 March 2026. The reduction in third party claims and obligations is driven by a reduction in supplier claims.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and equipment and intangible assets.

Joint venture

Stipulated within the joint venture agreement for Chery Jaguar Land Rover Automotive Company Ltd., and subsequently amended by a change to the Articles of Association of Chery Jaguar Land Rover Automotive Company Ltd. is a commitment for the Group to contribute a total of CNY 5,000 million of capital. Of this amount, CNY 3,475 million has been contributed as at 30 June 2026. The outstanding commitment of CNY 1,525 million translates to £167 million at the 30 June 2026 exchange rate.

The Group's share of capital commitments of its joint venture at 30 June 2026 is £20 million (31 March 2026: £20 million, 30 June 2025: £25 million) and contingent liabilities of its joint venture at 30 June 2026 is £7 million (31 March 2026: £7 million, 30 June 2025: £6 million).

26 Capital management

The Group's objectives when managing capital are to ensure the going concern operation of all subsidiary companies within the Group and to maintain an efficient capital structure to support ongoing and future operations of the Group and to meet shareholder expectations.

The Group accesses debt markets through a combination of bond issuances and loan facilities to meet its funding requirements and maintain adequate liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash in subsidiaries is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure and funding requirements are regularly monitored by the Directors to ensure sufficient liquidity is maintained by the Group. All debt issuances and capital distributions are approved by the Directors.

The following table summarises the capital of the Group:

As at (£ millions)	30 June 2026	31 March 2026	30 June 2025
Short-term debt	737	1,767	1,336
Long-term debt	4,589	3,621	2,886
Total debt*	**5,326**	**5,388**	**4,222**
Equity attributable to shareholders	8,067	8,064	9,331
Total capital	**13,393**	**13,452**	**13,553**

*Total debt includes lease obligations of £652 million (31 March 2026: £662 million, 30 June 2025: £671 million).

27 Notes to the consolidated cash flow statement

Reconciliation of profit for the period to cash generated from operations

£ millions	Three months ended	
	30 June 2026	30 June 2025
Cash flows from operating activities		
Profit for the period	**66**	**248**
Adjustments for:		
Depreciation and amortisation	313	356
Loss on disposal of fixed assets and assets held for sale	-	4
Income tax expense	43	99
Finance expense (net)	51	40
Finance income	(12)	(30)
Foreign exchange on debt, derivatives and balance sheet revaluation	-	(80)
Unrealised loss/(gain) on commodities	15	(19)
Share of loss/(profit) of equity accounted investments	1	(5)
Fair value loss on equity investments	4	3
Exceptional items	-	4
Other non-cash adjustments	3	(1)
Realised loss on hedged commodities	-	3
Cash flows from operating activities before changes in assets and liabilities	**484**	**622**
Trade receivables and other assets	91	(181)
Other financial assets	15	6
Inventories	(438)	(145)
Accounts payable, other liabilities and retirement benefit obligation	(379)	(336)
Other financial liabilities	(12)	13
Provisions	77	27
Cash (used in)/generated from operations	**(162)**	**6**

27 Notes to the consolidated cash flow statement (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

£ millions	Borrowings	Lease obligations	Interest accrued	Repurchase arrangements*	Total
Balance at 1 April 2026	**4,726**	**662**	**60**	**332**	**5,780**
Cash flows					
Proceeds from issue of financing	1,000	-	-	7	1,007
Repayment of financing	(1,031)	(26)	-	(14)	(1,071)
Arrangement fees paid	(21)	-	-	-	(21)
Interest paid	-	(12)	(65)	-	(77)
Non-cash movements					
Issue of new leases	-	14	-	-	14
Interest accrued	-	12	63	-	75
Other lease modification	-	2	-	-	2
Foreign currency translation	(6)	-	-	-	(6)
Fee amortisation	6	-	-	-	6
Long-term borrowings revaluation in hedge reserve	(1)	-	-	-	(1)
Fair value adjustment on loans	1	-	-	-	1
Balance at 30 June 2026	**4,674**	**652**	**58**	**325**	**5,709**
Balance at 1 April 2025	**3,685**	**671**	**66**	**-**	**4,422**
Cash flows					
Repayment of financing	(31)	(23)	-	-	(54)
Interest paid	-	(13)	(49)	-	(62)
Non-cash movements					
Issue of new leases	-	25	-	-	25
Interest accrued	-	13	54	-	67
Other lease modification	-	5	-	-	5
Foreign currency translation	(21)	(7)	-	-	(28)
Long-term borrowings revaluation in hedge reserve	(82)	-	-	-	(82)
Balance at 30 June 2025	**3,551**	**671**	**71**	**-**	**4,293**

*For the period ending 30 June 2025, cash flows arising from repurchase arrangements were presented within operating activities rather than financing activities. Comparative information has not been restated as the amounts involved were not material.

Included within 'Finance expenses and fees paid' in the condensed consolidated cash flow statement for the three-month period ended 30 June 2026 is £14 million (three-month period ended 30 June 2025: £7 million) of cash interest paid relating to other assets and liabilities.

28 Related party transactions

Tata Sons Private Limited is a company with significant influence over the Group's ultimate parent company Tata Motors Passenger Vehicles Limited. The Group's related parties therefore include Tata Sons Private Limited, subsidiaries and joint ventures of Tata Sons Private Limited and subsidiaries, joint ventures and associates of Tata Motors Passenger Vehicles Limited. The Group routinely enters into transactions with its related parties in the ordinary course of business, including transactions for the sale and purchase of products with its joint ventures, and IT and consultancy services received from subsidiaries of Tata Sons Private Limited.

All transactions with related parties are conducted under normal terms of business and all amounts outstanding are unsecured and will be settled in cash. Transactions and balances with the Group's own subsidiaries are eliminated on consolidation.

The following tables summarise related party transactions and balances not eliminated in the condensed consolidated interim financial statements:

Three months ended 30 June 2026 (£ millions)	With joint ventures of the Group	With associates of the Group and their subsidiaries	With Tata Sons Private Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates
Sale of products	40	16	-	55
Purchase of goods	9	82	-	109
Services received	-	-	116	50
Services rendered	2	-	1	4
Trade and other receivables	4	18	1	99
Accounts payable	4	6	38	65

Three months ended 30 June 2025 (£ millions)	With joint ventures of the Group	With associates of the Group and their subsidiaries	With Tata Sons Private Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates
Sale of products	49	30	-	42
Purchase of goods	19	38	-	92
Services received	-	-	130	88
Services rendered	-	-	1	-
Trade and other receivables	4	16	1	99
Accounts payable	9	7	42	89
Dividend paid	-	-	-	448

28 Related party transactions (continued)

Compensation of key management personnel

£ millions	Three months ended	
	30 June 2026	30 June 2025
Key management personnel remuneration	5	6

29 Subsequent events

Subsequent to the reporting date, the Group drew down the remaining £1 billion of its existing £2 billion term loan facility, comprising two £500 million drawdowns in July and August 2026 respectively.

Separately, the Group intends to exercise the 3-month par call to repay the £256 million that remains outstanding as at 17 August 2026 of the Group's €500 million 6.875% Senior Notes due in November 2026.