3 May 2023

Aston Martin Lagonda Global Holdings plc

First quarter results for the three months to 31 March 2023

- Q1 performance in-line with expectations; FY 2023 guidance maintained
- Strong demand across the portfolio; c.95% of current range GT/Sports sold out for 2023 ahead of upcoming launches; DBX order book to the end of Q3
- Q1 revenue growth of 27% driven by strong DBX volumes and ASP growth
- First of the next generation of sports cars to be launched later this month; production started in early Q2 and customer deliveries due to commence in Q3

£m	Q1 2023	Q1 2022	*% change*
Total wholesale volumes[1]	**1,269**	**1,168**	*9%*
Revenue	295.9	232.7	*27%*
Gross profit	101.9	84.0	*21%*
Adjusted EBITDA[2]	**30.2**	**24.4**	*24%*
Adjusted operating loss[2]	**(47.8)**	**(34.3)**	*(39%)*
Operating loss	**(50.9)**	**(47.7)**	*(7%)*
Loss before tax	(74.2)	(111.6)	*34%*
Net debt[2]	(868.1)	(956.8)	*9%*

[1] Number of vehicles including Specials; [2] For definition of alternative performance measures please see Appendix;

Q1 2023 Financial highlights

- Retails[3] outpaced wholesales[4] as strong demand continues across the portfolio; c.95% of current range of GT/Sports cars sold out for 2023 ahead of upcoming launches and DBX order book to the end of Q3 2023, with the DBX707 representing more than 70% of total DBX orders
- Wholesale volumes increased by 9% year-on-year to 1,269 (Q1 2022: 1,168) driven by 59% year-on-year DBX volume growth, underpinned by the DBX707. As expected, GT/Sports volumes were lower due to the ongoing transition of sports car sales ahead of new launches later in the year
- Revenue increased by 27% year-on-year to £296m primarily driven by
  - favourable mix dynamics from the DBX707 and V12 Vantage, higher volumes and strong pricing dynamics in the core portfolio
    - Q1 2023 core ASP of £180k, up 19% from £151k in Q1 2022
  - higher year-on-year Aston Martin Valkyrie programme deliveries (18 vehicles compared to 14 in Q1 2022)
    - Q1 2023 total ASP of £213k, up 18% from £181k in Q1 2022
- Gross profit increased by 21% year-on-year to £102m (Q1 2022: £84m), with gross margin of 34% (Q1 2022: 36%). The increase in gross profit was primarily driven by favourable mix and higher volumes of core models, partially offset by higher manufacturing, logistics and other costs.

[3] Dealers' sales to customers (some Specials are direct to customer)
[4] Company sales to dealers (some Specials are direct to customer)

- Adjusted EBITDA increased by 24% year-on-year to £30m (Q1 2022: £24m), primarily driven by higher revenue and gross profit, partially offset by higher operating expenses including reinvestments into brand and marketing activities, as well as inflationary impacts on general costs. Adjusted EBITDA margin of 10% (Q1 2022: 10%)
- Operating loss of £51m included a £19m year-on-year increase in depreciation and amortisation, driven by higher Aston Martin Valkyrie programme deliveries and the continuing accelerated amortisation of capitalised development costs ahead of next generation of sports cars starting in 2023
- Loss before tax of £74m (Q1 2022: loss of £112m) included lower year-on-year net financing charges due to a positive non-cash FX revaluation impact
- Free cash outflow of £118m (Q1 2022: £25m outflow) included:
  - Working capital outflow of £54m (Q1 2022: £32m inflow) primarily driven by higher inventories related to ordered vehicles at the end of the quarter, as well as initiatives to improve production and supply chain resilience ahead of upcoming vehicle launches
  - Higher year-on-year capital expenditure of £86m (Q1 2022: £67m), primarily related to new model development, including the next-generation of sports cars as well as development of the Company's electrification programme
- Cash of £408m (December 2022: £583m) included a £50m repayment of the Company's Revolving Credit Facility during Q1 2023; Net debt of £868m (December 2022: £766m), including a positive £28m non-cash FX revaluation of US dollar-denominated debt as the GBP strengthened against the US dollar.

Q1 2023 Operational Highlights

- On 15 January 2023 the Company commenced a year-long global celebration of Aston Martin's 110th anniversary, which will culminate in the launch of a highly exclusive, limited-edition special model later in the year. The anniversary will also take centre stage at this year's British Grand Prix at Silverstone, Goodwood Festival of Speed, Pebble Beach Concours d'Elegance and other major events across Aston Martin's key regions, as part of a global marketing campaign entitled *Intensity: 110 Years in the Making*
- The DBS 770 Ultimate, the most powerful production Aston Martin ever, was unveiled in January 2023, with all 499 examples sold out. Deliveries are scheduled to begin in Q3 2023
- In January 2023 the Company announced that it is increasing employment at its Gaydon headquarters with the creation of more than 100 new skilled jobs in its manufacturing facility to support the launch of its next generation of sports cars
- In February 2023, the very first hand-built Aston Martin DBS 770 Ultimate raised CHF 750,000 for charity, taking centre stage of a glittering auction at the Action Innocence Charity Gala in Gstaad, Switzerland
- In February 2023, the Company invited some of the world's most respected motoring journalists to discover the full potential of the Aston Martin Valkyrie at the Bahrain International Circuit. Our era-defining hypercar met with significant acclaim and more than 70 articles have since been published, with an online reach of 16.5 million and more than 5 million YouTube views for video reviews of the model
- On 27 April 2023, the Company announced further progress in its *Racing.Green.* sustainability strategy, using CO_2 emission offsets to establish carbon neutral status for its Gaydon and St Athan plants. This follows an acceleration towards the goals established in the strategy announced in 2022, with updated targets now including:
  - Carbon Neutral manufacturing facilities, with 100% use of renewable electricity

- A new goal to achieve a 2.5% year-on-year reduction in CO2 emissions from its manufacturing facilities[5]
- A new goal to reduce CO_2 emissions intensity and energy consumption per car by 2.5% year on year[6]
- A new target to improve biodiversity at its manufacturing facilities

- A year since its launch, the multi award-winning DBX707 continues to attract significant media acclaim and with 60% of its owners either completely new or returning to the brand, it is also achieving an excellent Net Promoter Score (NPS)
- DBX707 recently named 'Best Exclusive & Luxury Car' at the prestigious Auto vum Joer awards in Luxembourg
- DBX707, the world's most powerful luxury SUV, was announced as the new Official FIA Medical Car of Formula 1® in conjunction with the start of the 2023 World Championship season
- The excellent start to the Formula 1® season by the Aston Martin Aramco Cognizant Formula One® Team has driven significant brand visibility and heightened product consideration, with a c.50% increase in web sessions and more than 30% uplift in configuration leads on the day of the season-opening Bahrain Grand Prix
- The Company continued to strengthen its leadership team with new senior appointments in operations, supply chain and electrification

Lawrence Stroll, Aston Martin Lagonda Executive Chairman commented:

"2023 is set to be one of the most exciting years in Aston Martin's history. In addition to celebrating our 110th anniversary and our exciting line-up of Specials, it will also see the start of our next generation of sports cars which will truly reposition Aston Martin as an ultra-luxury performance brand and enhance our growth.

"Since the start of the year, we have continued to see strong demand across our product range, with our current range of sports cars essentially sold out for the year. The DBX707, the first car developed under my leadership, continues to receive broad media acclaim and, with a growing number incredibly satisfied customers, is strengthening the DBX orderbook in our all major markets, as well as our overall financial performance."

"Our partnership with the Aston Martin Aramco Cognizant Formula One® team has continued to drive significant brand awareness and growing demand from a new generation of customers, further amplified by its strong start to the season."

Amedeo Felisa, Aston Martin Lagonda Chief Executive Officer commented:

"Over the course of the first three months of the year, we have continued to build on the progress we have made to meet strong customer demand and deliver on our targets. Our Q1 performance was in line with expectations, with strong growth in DBX deliveries led by the critically acclaimed DBX707 – the world's most powerful luxury SUV.

"The transition of our portfolio, led by the DBX707, is accelerating, with the first of the next generation of sports cars coming off the production line in Gaydon ahead of its unveiling later this month. We remain on track to deliver a number of thrilling new Specials in the second half of the year. Our new portfolio

[5,6] Scope 1 CO_2 emissions

will also bring significant improvements in profitability, with all new models, from the DBX707 onwards, continuing to target a 40%+ gross margin.

"We have also further strengthened our organisation, promoting internal talent and hiring new leaders to enhance our execution capabilities, focus our investments in areas that will continue to differentiate the Aston Martin driving experience, and deliver on our goals."

Outlook

We remain on our way to achieving our target of c.10,000 wholesales, aligned with our ultra-luxury strategy. In addition, we are well on track to deliver our medium-term financial targets of c.£2bn revenue and c.£500m adjusted EBITDA in 2024/25.

For 2023 our expectations are unchanged since our FY 2022 results announcement on 1st March;

- We expect to deliver significant growth in profitability compared to 2022, primarily driven by an increase in volumes and higher gross margin in both Core and Special vehicles. We expect significant year-on-year growth and positive free cash flow in the second half of the year.
- For the first half of 2023, we expect our adjusted EBITDA and free cash flow performance to be similar to the first half of 2022. This is driven by expectations of strong year-on-year growth in DBX volumes whilst commencing the transition of sports cars sales ahead of new launches later in the year, as well as investments to support our future growth.
- We expect the second half of 2023 to see the delivery of a number of new products across the Core and Specials ranges, all with improved profitability. In addition to the ramp up of the already sold-out DBS 770 Ultimate, we continue to expect deliveries of the first of our next generation of sports cars to commence in Q3.
- Within Specials, we plan to commence deliveries of the sold-out Aston Martin Valkyrie Spider and the ultra-luxury DBR22 in the second half of the year. Finally, and in conjunction with our historic 110th anniversary, we plan to launch a new, strictly limited, exclusive Aston Martin model, with deliveries commencing in Q4.
- We expect to increase investment in brand and new product launch activities during the year. This will also allow us to continue to elevate our ultra-luxury performance brand positioning and to support the acceleration of our longer-term growth.
- Although the operating environment remains volatile, including ongoing inflationary pressures and pockets of supply chain disruptions, our teams continue to work in partnership with our suppliers to mitigate any impact on our performance in 2023.
- We expect 2023 to be the peak year of capital expenditure, with capital expenditure readjusting from next year to support both the development and the delivery of our future product range, as well as our target of becoming sustainably free cash flow positive from 2024.

2023 guidance unchanged:

- **Wholesales**: year-on-year growth to c.7,000 units
- **Adjusted EBITDA margin**: year-on-year expansion, up to c.20% adjusted EBITDA margin
- **Capex and R&D**: c.£370m
- **Depreciation and amortisation**: c.£350m-£370m
- **Interest costs**: c.£120m (cash) assuming current exchange rates prevail for 2023

The financial information contained herein is unaudited.

All metrics and commentary in this announcement exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

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- There will be a call for investors and analysts today at 08:30am BST
- The conference call can be accessed live via the corporate website https://www.astonmartinlagonda.com/investors/calendar
- A replay facility will be available on the website later in the day

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Sales & Revenue analysis

Retail sales to end customers outpaced wholesales in Q1. Total wholesales of 1,269 increased by 9% year-on-year (Q1 2022: 1,168) driven by significantly higher DBX volumes. As expected, Sports/GT volumes were lower than the comparative period due to the ongoing transition of sports car sales ahead of new launches later in the year. Total wholesales included 18 Specials (Q1 2022: 19), all of which were Aston Martin Valkyries. DBX volumes increased by 59% year-on-year, driven by the DBX707, the world's most powerful luxury SUV. The DBX707 is now clearly established as a benchmark in the ultra-luxury SUV segment with strong volume growth in the majority of our key markets.

Geographically, the Americas was the strongest and the largest region, representing 37% of wholesales in the quarter, driven by strong year-on-year DBX growth. EMEA also saw strong growth in Q1, driven by higher DBX and V12 Vantage volumes. Our home market, the UK saw lower year-on-year volumes driven by the transition of sports cars sales ahead of new launches later in the year, which more than offset higher year-on-year DBX volumes. Finally, APAC volumes were down modestly year-on-year, but this continues to be a region where we see significant opportunity for long-term growth.

Q1 revenue of £296m increased by 27% year-on-year, primarily driven by strong pricing and mix dynamics as well as higher Aston Martin Valkyrie deliveries. Total average selling price (ASP) of £213k (Q1 2022: £181k), increased by 18% compared to Q1 2022 with core ASP increasing by 19% to £180k (Q1 2022: £151k).

Income statement

Gross profit of £102m increased by £18m, or 21%, year-on-year, primarily driven by favourable mix and higher volumes of core models, partially offset by higher manufacturing, logistics and other costs. This translated to a gross margin of 34%, a decline of approximately 170 basis points compared to Q1 2022, primarily due to higher manufacturing, logistics and other costs, which more than more offset higher year-on-year gross margin within the core range of vehicles.

The Company continues to target a 40%+ gross margin from its future products.

Adjusted EBITDA of £30m increased by £6m, or 24% year-on-year. This translated to an adjusted EBITDA margin of 10%, consistent with the prior year period. The year-on-year increase in adjusted EBITDA was primarily due to higher year-on-year gross profit, as described above, partially offset by increased investments in brand and marketing initiatives to support our future growth as well as higher general costs.

Adjusting operating items of £3m (Q1 2022: £13m) predominantly related to ERP implementation costs.

Net financing costs of £23m were down from £64m in the comparative period, comprising of interest on Senior Secured Notes and a non-cash FX benefit of £28m (Q1 2021 included a £33m FX charge). The

£14m adjusting financing items was due to fair value movements of outstanding warrants (Q1 2021: £11m credit). The loss before tax was £74m in Q1 2023, an improvement of £38m year-on-year (Q1 2022: £112m).

Cash flow and net debt

Cash flow from operating activities was an outflow of £33m (Q1 2022: £43m inflow). The year-on-year change in cash flow from operating activities was primarily due to adverse movements in working capital. Cash flow from operating activities in Q1 2023 included a £54m outflow related to movements in working capital (compared with a £32m inflow in Q1 2023). The largest driver was a £48m increase in inventories primarily driven by higher levels ordered vehicles at the end of the quarter, as well as initiatives to improve production and supply chain resilience ahead of upcoming vehicle launches.

Demand for Specials remained strong in Q1, with deposit intake for Valhalla and the ultra-luxury DBR22. However, this was offset by higher deliveries of Aston Martin Valkyrie programme vehicles, resulting in a net £20m outflow from customer deposits during the quarter. (Q1 2022: £12m inflow)

Capital expenditure of £86m was up £19m over the comparative period, with investment focused on the future product pipeline, particularly the next generation of sports cars, as well as development of the Company's electrification programme.

Free cash flow was an outflow of £118m; (Q1 2022: outflow of £25m), primarily due to the changes in working capital-related cashflows described above and, to a lesser extent, by the year-on-year increase in capital expenditure. Cash at 31 March 2023 was £408m (31 December 2022: £583m) and includes a £50m repayment of the Company's Revolving Credit Facility during Q1 2023. Net debt of £868m increased from £766m at 31 December 2022.

APPENDICES

Wholesale number of vehicles

	Q1 2023	Q1 2022	*Change*
Total	**1,269**	**1,168**	*9%*
Core (excluding Specials)	1,251	1,149	*9%*
By region:			
UK	220	264	*(17%)*
Americas	467	361	*29%*
EMEA ex. UK	322	271	*19%*
APAC	260	272	*(4%)*
By model:			
GT/Sport	582	728	*(20%)*
SUV	669	421	*59%*
Specials	18	19	*(5%)*

Note: GT/Sport includes Vantage, DB11 and DBS

Summary Income Statement

£m	Q1 2023	Q1 2022
Revenue	**295.9**	**232.7**
Cost of sales	(194.0)	(148.7)
Gross profit	**101.9**	**84.0**
Gross margin %	*34.4%*	*36.1%*
Operating expenses[7]	(149.7)	(118.3)
of which depreciation & amortisation	*78.0*	*58.7*
Adjusted operating loss[8]	**(47.8)**	**(34.3)**
Adjusting operating items	(3.1)	(13.4)
Operating loss	**(50.9)**	**(47.7)**
Net financing expense	(23.3)	(63.9)
of which adjusting financing (expense) income	*(13.8)*	*10.8*
Loss before tax	**(74.2)**	**(111.6)**
Taxation	0.4	(0.4)
Loss for the period	**(73.8)**	**(112.0)**
Adjusted EBITDA[7,8]	**30.2**	**24.4**
Adjusted EBITDA margin	*10.2%*	*10.5%*
Adjusted loss before tax[7]	**(57.3)**	**(109.0)**

7 *Excludes adjusting items*

8 *Alternative Performance Measures are defined in the Appendix*

Summary Cash Flow

£m	**Q1 2023**	**Q1 2022**
Cash generated from/(used in) operating activities	(33.0)	43.2
Cash used in investing activities (excl. interest received)	(85.3)	(66.7)
Net cash interest paid	-	(1.9)
Free cash outflow	**(118.3)**	**(25.4)**
Cash (outflow)/inflow from financing activities (excl. interest)	(54.2)	5.9
(Decrease)/Increase in net cash	**(172.5)**	**(19.5)**
Effect of exchange rates on cash and cash equivalents	(3.0)	4.4
Cash balance	**407.8**	**403.8**

Net Debt Overview

£m	**31-Mar-23**	**31-Dec-22**	**31-Mar-22**
Loan notes*	(1,080.8)*	(1,104.0)	(1,113.7)
Inventory financing	(39.0)	(38.2)	(37.8)
Bank loans and overdrafts	(57.7)	(107.1)	(108.1)
Lease liabilities (IFRS 16)	(98.4)	(99.8)	(102.9)
Gross debt	**(1,275.9)**	**(1,349.1)**	**(1,362.5)**
Cash balance	407.8	583.3	403.8
Cash not available for short-term use	0.0	0.3	1.9
Net debt	**(868.1)**	**(765.5)**	**(956.8)**

*Includes £31m issued as PIK interest

Summary Balance Sheet

£m	**31-Mar-23**	**31-Dec-22**	**31-Mar-22**
Non-current assets	1,967.3	1,978.9	1,982.6
Current assets	985.0	1,125.4	911.2
Total assets	**2,952.3**	**3,104.3**	**2,893.8**
Current liabilities	993.9	1,041.9	1,029.1
Non-current liabilities	1,260.7	1,289.9	1,310.8
Total liabilities	**2,254.6**	**2,331.8**	**2,339.9**
Total equity	**697.7**	**772.5**	**553.9**

Alternative performance measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance.

- Adjusted operating loss is loss from operating activities before adjusting items
- Adjusted EBITDA removes depreciation, loss/(profit) on sale of fixed assets and amortisation from adjusted operating loss
- Adjusted operating margin is adjusted operating (loss)/profit divided by revenue
- Adjusted EBITDA margin is adjusted EBITDA (as defined above) divided by revenue
- Net Debt is current and non-current borrowings in addition to inventory financing arrangements, lease liabilities recognised following the adoption of IFRS 16, less cash and cash equivalents, cash held not available for short-term
- Free cashflow is represented by cash (outflow)/inflow from operating activities plus the cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.