Aston Martin Lagonda Global Holdings plc

("Aston Martin", or "AML", or the "Company"; or the "Group")

First quarter results for the three months ended 31 March 2024

Launch and delivery of four new models in 2024 to drive significant growth in H2 and beyond

Successful £1.15bn refinancing completed on new five-year terms following rating agency upgrades

70% increase in new Revolving Credit Facility to £170m from existing lenders

2024 guidance, including positive FCF inflection in H2'24, and medium-term targets reiterated

£m	Q1 2024	Q1 2023	*% change*
Total wholesale volumes[1]	**945**	**1,269**	*(26%)*
Revenue	267.7	295.9	*(10%)*
Gross Profit	99.7	101.9	*(2%)*
Gross Margin (%)	37.2%	34.4%	*280 bps*
Adjusted EBITDA[2]	**19.9**	**30.2**	*(34%)*
Adjusted EBIT[2]	(57.1)	(47.8)	*(19%)*
Operating loss	**(58.7)**	**(50.9)**	*(15%)*
Loss before tax	(138.8)	(74.2)	*(87%)*
Net debt[2]	(1,044.2)	(868.1)	*(20%)*

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

Lawrence Stroll, Aston Martin Executive Chairman commented:

"2024 is a year of immense product transformation at Aston Martin, with the introduction of four new models to the market before the end of the year. Our first quarter performance reflects this expected period of transition, as we ceased production and delivery of our outgoing core models ahead of the ramp up in production of the new Vantage, upgraded DBX707 and our upcoming V12 flagship sports car which we've confirmed today. As part of our ongoing programme of ultra-exclusive models, we will deliver a new Special in the fourth quarter of the year.

"Joining the multi award winning DB12 Coupe and highly acclaimed DB12 Volante, these 2024 launches will complete the newest core range in our segment, which along with the continuation of our Specials, is expected to drive strong financial delivery and positive free cash flow generation in the second half of the year and beyond.

"In March, we were pleased to successfully complete our planned refinancing, securing improved terms on new five-year senior secured notes. This followed upgrades from leading credit agencies, recognising the significant progress made by Aston Martin over recent years and the opportunity for our strategy to continue to deliver improved performance in the years to come. This, along with our existing lenders demonstrating their continued support through a 70% increase in the new RCF to £170m, marked a significant step in strengthening our balance sheet, aligning Aston Martin for a positive financial future.

"We were also delighted to announce in March that Adrian Hallmark will become our new Chief Executive Officer later in the year. Ensuring a smooth transition in leadership from Amedeo, Adrian will bring to Aston Martin unrivalled experience in both the ultra-luxury and British automotive sectors to further progress our strategy."

*Aston Martin's Chief Financial Officer will host a **Q&A** at 8:30am (BST) today. Details can be found on page 6 of this announcement and online at www.astonmartinlagonda.com/investors*

Wholesale volume summary

Number of vehicles	Q1 2024	Q1 2023	*Change*
Total wholesale	**945**	**1,269**	***(26%)***
Core (excluding Specials)	900	1,251	*(28%)*
By region:			
UK	154	220	*(30%)*
Americas	303	467	*(35%)*
EMEA ex. UK	283	343	*(17%)*
APAC	205	239	*(14%)*
By model:			
Sport/GT	650	582	*12%*
SUV	250	*669*	*(63%)*
Specials	45	18	*150%*

Note: Sport/GT includes Vantage, DB11, DB12, and DBS

Aston Martin's product transformation continued at pace during Q1 2024. The introduction of four new models in 2024 and the transitioning out of the previous ranges remains on track, resulting in a 26% decline in total wholesales to 945 (Q1 2023: 1,269). This was driven by:

- Sport/GT wholesales of 650 units increased by 12% (Q1 2023: 582), largely reflecting the cadence of DB12 volumes following the initial launch peak in Q4 2023.
- SUV wholesales of 250 decreased by 63% (Q1 2023: 669), reflecting a transitional ramp down in volumes ahead of the recently announced launch of the new model DBX707 with an upgraded interior and infotainment system to match class-leading performance.
- Specials wholesales of 45 (Q1 2023: 18), comprised of a mature cadence of 16 Aston Martin Valkyries (Q1 2023: 18), as well as further Valour deliveries.

As guided at FY 2023 results, retail volumes comfortably outpaced wholesale volumes in Q1 2024, following the unwinding of the timing impact of DB12 deliveries in December 2023. Aston Martin continues to operate a demand-led approach, aligned with its ultra-luxury high performance strategy, and expects annual retail volumes to outpace wholesale volumes.

Aston Martin will be uniquely positioned with a fully reinvigorated core range of models by the end of the year. DB12 continues to receive excellent reviews, including for the recently launched DB12 Volante, resulting in DB12 orders now extending into Q4 2024. Given the timing of new product launches in 2024, the remainder of the order book continues to extend into Q3 2024, ahead of dealer demonstrators arriving which are expected to drive significant future customer demand.

Geographically, volumes in APAC (excluding China) were broadly flat with Japan continuing to see strong demand and growth. Following the opening of the brand's first global flagship location, Q New York, Aston Martin continued its ultra-luxury retail strategy with the recent opening of a new landmark showroom within the prestigious luxury hotel, The Peninsula Tokyo. Despite a decrease in wholesale volumes across other regions during the period of portfolio transitioning, overall volumes remained well balanced across all regions in Q1.

Revenue and ASP summary

£m	Q1 2024	Q1 2023	*% Change*
Sale of vehicles	239.6	270.1	*(11%)*
Total ASP (£k)	*253*	*213*	*19%*
Core ASP (£k)	*176*	*180*	*(2%)*
Sale of parts	20.9	20.2	*3%*
Servicing of vehicles	3.6	2.1	*71%*
Brand and motorsport	3.6	3.5	*3%*
Total revenue	**267.7**	**295.9**	***(10%)***

Q1 2024 total revenue of £268m decreased by 10% (Q1 2023: £296m), primarily due to the volume impact of the ongoing transition of Aston Martin's product portfolio. This was partially offset by an increase in total Average Selling Price (ASP), reflecting richer mix resulting from deliveries of Aston Martin Valkyrie Spider's and Valour limited edition models. The slight decline in core ASP reflects the prior year period mix benefitting from the contribution of V12 Vantage and DBS in addition to higher SUV sales, particularly in China, and year-on-year impact of foreign exchange. Demand for unique product personalisation continued to drive increased contribution to core revenue.

Income statement summary

£m	Q1 2024	Q1 2023
Revenue	**267.7**	**295.9**
Cost of sales	(168.0)	(194.0)
Gross profit	**99.7**	**101.9**
Gross margin %	*37.2%*	*34.4%*
Adjusted operating expenses[1]	(156.8)	(149.7)
of which depreciation & amortisation	77.0	*78.0*
Adjusted EBIT[2]	**(57.1)**	**(47.8)**
Adjusting operating items	(1.6)	(3.1)
Operating loss	**(58.7)**	**(50.9)**
Net financing expense	(80.1)	(23.3)
of which adjusting financing expense	*(26.7)*	*(13.8)*
Loss before tax	**(138.8)**	**(74.2)**
Tax (charge)/credit	(0.1)	0.4
Loss for the period	**(138.9)**	**(73.8)**
Adjusted EBITDA[1,2]	**19.9**	**30.2**
Adjusted EBITDA margin	7.4%	*10.2%*
Adjusted loss before tax[1]	**(110.5)**	**(57.3)**

1 Excludes adjusting items; 2 Alternative Performance Measures are defined in Appendix

Despite lower revenue and volumes, gross profit was broadly flat at £100m (Q1 2023: £102m), resulting in gross margin improving 280 basis points to 37% (Q1 2023: 34%). This margin improvement reflected benefits from the portfolio transformation and contribution from Specials. This was partially offset by higher manufacturing, logistics and other costs ahead of the anticipated ramp-up in production in H2'24. The Company continues to target over 40% gross margin from all new products, aligned with the Company's ultra-luxury strategy.

Adjusted EBITDA decreased by 34% in Q1 2024 to £20m (Q1 2023: £30m) with adjusted EBITDA margin declining to 7% (Q1 2023: 10%). This was primarily due to the lower volumes during the transition period and an 11% increase in adjusted operating expenses (excluding D&A). While SG&A costs were flat, this was offset by the phasing of non-capitalised engineering spend, relating mostly to our future electrification strategy.

Adjusted EBIT decreased by 19% in Q1 2024 to £(57)m (Q1 2023: £(48)m) with depreciation and amortisation broadly flat at £77m (Q1 2023: £78m).

Adjusted net financing costs of £53m (Q1 2023: £10m), increased primarily due to the year-on-year impact of US dollar debt revaluations, and accelerated amortisation of fees related to prior loan notes as a result of the successful refinancing. The £27m net adjusting finance charge (Q1 2023: £14m) was largely due to movements in fair value of outstanding warrants, and the redemption premiums associated with the refinancing of the senior secured notes.

The adjusted loss before tax of £111m (Q1 2023: £57m loss), reflects the lower adjusted EBIT and increased adjusted net finance costs.

Cash flow and net debt summary

£m	**Q1 2024**	**Q1 2023**
Cash (used in) operating activities	(61.5)	(33.0)
Cash used in investing activities (excl. interest)	(86.3)	(85.3)
Net cash interest paid	(42.6)	-
Free cash outflow	**(190.4)**	**(118.3)**
Cash inflow/(outflow) from financing activities (excl. interest)	27.9	(54.2)
(Decrease)/increase in net cash	**(162.5)**	**(172.5)**
Effect of exchange rates on cash and cash equivalents	(0.3)	(3.0)
Cash balance	**229.6**	**407.8**
Available facilities	165.6	53.0
Total cash and available facilities	**395.2**	**460.8**

Net cash outflow from operating activities was £62m (Q1 2023: £33m). The year-on-year increase in cash flow used in operating activities was primarily driven by a £10m decrease in adjusted EBITDA, as explained above, and a working capital outflow of £74m (Q1 2023: £54m outflow). The largest drivers of working capital outflow were:

- £33m decrease (Q1 2023: £20m decrease) in deposits held, due to the increased volume of Specials delivered compared to the prior period,
- £59m decrease in payables following reduction from peak production volumes in Q4 2023,
- £25m increase in inventories (Q1 2023: £48m increase) ahead of new Vantage production,
- which was partially offset by a decrease in receivables of £43m (Q1 2023: £23m decrease) following collections from the prior quarter.

Capital expenditure of £86m was broadly flat compared to the comparative period (Q1 2023: £85m), 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 outflow of £190m in Q1 2024 (Q1 2023: £118m outflow), was due to the increase in cash outflow from operating activities as detailed above, as well as the cash interest payment of £43m, brought forward from the previous Q2 payment date as part of the Company's refinancing exercise.

£m	31-Mar-24	31-Dec-23	31-Mar-23
Loan notes	(1,140.5)	(980.3)*	(1,080.8)*
Inventory financing	(38.0)	(39.7)	(39.0)
Bank loans and overdrafts	0.0	(89.4)	(57.7)
Lease liabilities (IFRS 16)	(95.3)	(97.3)	(98.4)
Gross debt	(1,273.8)	**(1,206.7)**	**(1,275.9)**
Cash balance	229.6	392.4	407.8
Net debt	(1,044.2)	**(814.3)**	**(868.1)**

*Includes £41m and £31m issued as PIK interest as at 31-Dec-23 and 31-Mar-23, respectively

Compared with 31 December 2023, gross debt marginally increased to £1,274m (31 December 2023: £1,207m) as a result of the successful refinancing where, following upgrades from leading credit agencies, the Group priced on improved terms senior secured notes of $960m at 10.000% and £400m at 10.375% due in 2029. In addition, existing lenders entered into a new super senior revolving credit facility agreement, increasing their binding commitments by c. £70 million to £170 million. This new facility provides the Company with additional liquidity as it continues to accelerate its growth strategy, with total cash and available facilities of £395m on 31 March 2024, in line with the position at 31 December 2023. As announced in March 2024, the proceeds from the offering of the notes, together with cash on the balance sheet, were used to redeem in full the existing senior secured notes and second lien split coupon notes, to repay in full the borrowings under the previous revolving credit facility and make the early interest payment in March that was due in April 2024.

Net debt of £1,044m increased from £868m as at 31 March 2023. Given the robust EBITDA performance in last twelve-month period, the net leverage ratio decreased year-on-year to 3.5x (Q1 2023: 4.4x).

Outlook

We remain on track to deliver our FY 2024 financial targets announced at our FY 2023 results on 28 February 2024, as we deliver another year of significant strategic and financial progress, continuing the ongoing product portfolio transformation:

- Enhanced profitability and EBITDA will be driven by high single-digit percentage wholesale volume growth
- Gross margin further improving to achieve our longstanding target of c. 40%
- EBITDA margin expansion continuing into the low 20s%.

As expected, given the product transformation and launch timings of four new models in 2024:

- Wholesale volumes will be heavily weighted to the second half of the year, resulting in significant H2'24 growth in gross profit and EBITDA compared with the prior year period
- Q2'24 performance expected to be broadly similar to Q1'24

The following timelines are all on track and are anticipated to be as follows for our new models in 2024:

- Vantage and DBX707 – deliveries before the end of Q2'24 with production ramping up through H2'24A
- New V12 flagship – deliveries scheduled to begin in Q4'24
- New ultra-exclusive Special – deliveries scheduled in Q4'24.

Continued capital investment in new product developments to support our growth strategy is expected to total c. £350m in 2024, broadly even across the first and second half of the year. FCF is expected to materially improve in 2024 compared with the prior year, achieving our targeted inflection point for positive FCF generation in H2'24, primarily driven by the timing of wholesale volumes.

Through disciplined strategic delivery, we expect to continue deleveraging, towards our net leverage ratio target of c. 1.5x in 2024/25. Following our successful refinancing in Q1'24, we now expect net cash interest of c. £120m in FY24[1]. Depreciation and amortisation forecast remains at c. £400m in FY24.

The Group's medium-term outlook for 2027/28, remains unchanged.

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.

[1] *Assuming current exchange rates prevail for 2024*

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Q&A details

- There will be a Q&A today at 08:30am BST: https://app.webinar.net/9LzoY2dm2NG
- The Q&A can be accessed live via the corporate website: https://www.astonmartinlagonda.com/investors/results-and-presentations
- A replay facility will be available on the website later in the day

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Aston Martin Lagonda provides no guarantee that future development and future results achieved will correspond to the forward-looking statements included here and accepts no liability if they should fail to do so. Aston Martin Lagonda undertakes no obligation to update these forward-looking statements and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this release.

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Alternative Performance Measure

£m	Q1 2024	Q1 2023
Loss before tax	**(138.8)**	**(74.2)**
Adjusting operating expense	1.6	3.1
Adjusting finance expense	35.7	13.8
Adjusting finance (income)	(9.0)	-
Adjusted EBT	**(110.5)**	**(57.3)**
Adjusted finance (income)	(2.7)	(2.4)
Adjusted finance expense	56.1	11.9
Adjusted EBIT	**(57.1)**	**(47.8)**
Reported depreciation	20.7	18.9
Reported amortisation	56.3	59.1
Adjusted EBITDA	**19.9**	**30.2**

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 EBIT 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 EBIT divided by revenue
- Adjusted EBITDA margin is adjusted EBITDA (as defined above) divided by revenue
- Adjusted Earnings Per Share is loss after income tax before adjusting items, divided by the weighted average number of ordinary shares in issue during the reporting period
- 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 and cash held not available for short-term use
- 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.

About Aston Martin Lagonda:

Aston Martin's vision is to be the world's most desirable, ultra-luxury British brand, creating the most exquisitely addictive performance cars.

Founded in 1913 by Lionel Martin and Robert Bamford, Aston Martin is acknowledged as an iconic global brand synonymous with style, luxury, performance, and exclusivity. Aston Martin fuses the latest technology, time honoured craftsmanship and beautiful styling to produce a range of critically acclaimed luxury models including the Vantage, DB12, DBS, DBX and its first hypercar, the Aston Martin Valkyrie. Aligned with its Racing. Green. sustainability strategy, Aston Martin is developing alternatives to the Internal Combustion Engine with a blended drivetrain approach between 2025 and 2030, including PHEV and BEV, with a clear plan to have a line-up of electric sports cars and SUVs.

Based in Gaydon, England, Aston Martin Lagonda designs, creates, and exports cars which are sold in more than 50 countries around the world. Its sports cars are manufactured in Gaydon with its luxury DBX SUV range proudly manufactured in St Athan, Wales. The company is on track to deliver net-zero manufacturing facilities by 2030.

Lagonda was founded in 1899 and came together with Aston Martin in 1947 when both were purchased by the late Sir David Brown, and the company is now listed on the London Stock Exchange as Aston Martin Lagonda Global Holdings plc.