First Half Results 2026

Wednesday 29th July 2026

First Half Results
Introduction

Adrian Hallmark

Chief Executive Officer, Aston Martin Lagonda

Good morning everyone and thank you for joining us today for Aston Martin's 2026 half year results. It's a pleasure to be here alongside Doug Lafferty, CFO.

Before Doug takes you through the financials in detail, I will provide a short summary of our performance in the first six months of the year, with time for questions on the results at the end of the session.

As we outlined at the start of the year, 2026 was about delivering material improvement in financial performance driven by an enhanced product mix and benefits from the ongoing transformation programme as well as embedding a more disciplined approach to operations.

With that in mind, our H1 2026 results today demonstrates that we are on track to deliver material improvement.

Key to this has been the delivery of over 220 Valhallas, our first mid-engine PHEV supercar. Alongside this, our expanded range of award-winning core derivatives has supported our performance.

Importantly we have maintained a disciplined approach towards ongoing stock optimisation as we move towards a more balanced core production cadence. As a result, retail volumes significantly outpaced wholesales in the period. Alongside this we continue to see benefits from the previous investment we made into quality and customer satisfaction, with both measures trending hugely positively.

A key metric for us is free cash flow and continuing with the improving trend we reported at the Q1 results, this quarters outflow was significantly reduced. We expect this positive trend to continue in the second half of the year.

Last week we announced a new £550m debt financing. The key point is that this significant liquidity injection provides us with both additional resilience and further flexibility to execute our current and future product plans.

Taking all of this together and looking ahead, we are on track to deliver our FY 2026 guidance and I remain confident that in delivering our strategy we are positioning ourselves well for future success.

Undoubtably, the highlight of last year was the commencement of Valhalla deliveries in Q4 2025. Valhalla has been a monumental project for Aston Martin uniquely designed from the ground up. And, as mentioned, over 220 deliveries have taken place in H1 2026. We had an overwhelmingly positive reception from customers and press since its launch with some of the many quotes on the slides you can see in front of you.

The extensive customer drive events in Q2 are just one of the components of future demand creation for this amazing vehicle. Current orders are taking deliveries into the back end of Q4 of this year, and we'll have more still to come with Monterey Car Week amongst those events when it takes place next month. We have the Autumn opening scheduled of the new London flagship store on Berkeley Square which will drive further awareness in a prime location.

Of course, Valhalla is our focus today, but we are uniquely positioned amongst a small group of brands that can consistently design and develop exclusive limited edition high margin Specials. These are, and will continue to be, a fundamental part of our future financial success and we will update you when we have more exciting news on this front.

Finally, our range of exquisitely designed and handcrafted core vehicles. Today, we have one of the most thrilling and diverse line-ups of models in our 113-year history.

Since I joined Aston Martin nearly 2 years ago, I've consistently spoken of the need to continually refresh and expand our range of core models. We have applied the 'S' suffix to, high-performance derivatives of core models which we now have across our V8 range with Vantage S, DBX S and, most recently DB12 S. These have all been highly acclaimed and underpin the stable orderbook we have for core models, although over time I'd still like to see this improve too.

The latest limited-edition core to be launched is Vanquish 25. Created to celebrate 25 years of the iconic V12 Vanquish, this is the ultimate expression of our flagship grand tourer. This particular derivative is commissioned through Q by Aston Martin with availability limited to just 25 Coupe and 25 Volante on a global basis.

Recognition for all the hard work and effort that goes into the craftsmanship, design and engineering of these vehicles is always very important. And so, to finish I'll reference the most recent. Both Valhalla and Vanquish were recently named Robb Report 2026 "Best of the Best" in their respective classes. Something I'm proud of, our people are proud of and our customers expect!! Long may that trend continue.

With that I'll hand over to Doug who will take you through the financials. Thanks.

Doug Lafferty

Chief Financial Officer, Aston Martin Lagonda

Thank you Adrian, and good morning all.

Before we move into Q&A on the results, I'll take you through our financial performance for the first half of 2026, and our guidance for the remainder of the year.

As Adrian mentioned, overall, we saw a material improvement in financial performance in H1, reflecting over 220 Valhalla deliveries, an 11% increase in core wholesale volumes and certain transformation benefits. Looking at the detail on the slide, total wholesale volumes increased 21% compared to the prior year to 2,331. Retail volumes outpace wholesales by over 30% as we continue to maintain a disciplined approach to managing the balance between production and demand.

Revenue ended the period at £629 million, a 38% increase compared to H1 2025, largely reflecting the increased total wholesales and an improved Specials mix, driven by Valhalla. Total ASP increased by 17% to £241k, again benefitting from higher Valhalla deliveries.

Additionally, demand for unique product personalisation continued to drive strong contribution to core revenue of 17%, broadly in line with the prior year period.

As a result of the increased gross profit up 68% from £127m to £213m, adjusted EBIT improved by 10% in H1 2026 to a £109 million loss. The increase in gross profit was partially offset by depreciation and amortisation increasing by 45% to £172 million associated with Valhalla deliveries.

As we turn to our first half performance in more detail, the split of our wholesales is shown on the left-hand side of the slide. Sport and GT volumes increased year-on-year to represent 67% of the mix, reflecting next generation models of DB12, Vantage and Vanquish as well as the new derivatives of Vantage S, DB12 S and Vanquish Volante. SUV volumes increased 7% during the first half of 2026 compared to the prior year period, at 23% of the mix. As mentioned, Specials increased significantly driven by over 220 Valhalla deliveries in the first half, representing 10% of the mix compared with only 1% in the prior year period. For the full year, we continue to expect total wholesale volumes to be similar to 2025 levels, including c. 500 Valhalla deliveries.

On the right-hand side of the slide, total ASP increased by 17%, again reflecting increased Valhalla deliveries. Core ASP decreased by 5% year-over-year, reflecting targeted dealer support to reduce aged stock. As previously guided, this remained elevated during H1 2026 but we expect it to revert towards normalised levels in H2 2026 which will support the anticipated further gross margin expansion in the second half of the year.

Overall, volumes remained well balanced across all regions in H1 2026, with the Americas and EMEA (excluding the UK) collectively representing c. 65% of wholesales. Volumes across all regions increased compared to the prior year period reflecting our progress towards achieving a more balanced production cadence. That said, the automotive industry continues to face a challenging global macroeconomic and geopolitical environment. Most recently, this has included the conflict in the Middle East and the impact of US tariffs. Whilst we have successfully navigated the quarter end process regarding US tariffs, we continue to monitor the evolving Middle East situation which to date we have actively managed in order to limit the direct impact on the business.

As we turn to the next slide, the impact of Valhalla, increased core volumes and benefits from the ongoing transformation programme drove an increase in gross margin to 34% from 28% in the prior year period. Transformation benefits included a reduction in investments in product quality and customer satisfaction year over year, whilst as Adrian mentioned driving improving trends in these key metrics. This was partially offset by the previously mentioned targeted dealer support, FX headwinds predominantly due to the pound strengthening year-on-year against the US dollar, and additional logistics costs associated with Valhalla deliveries. The first half of the year demonstrates positive progress towards our full year guidance of gross margin improving into the high 30s%.

Adjusted EBIT improved by 10% year-on-year to a loss of £(109) million, primarily reflecting the impacts of Valhalla and core volumes. This was partially offset by a 16% increase in adjusted net operating expenses excluding D&A, primarily relating to an £11m benefit from the revaluation uplift of secondary warrants associated with the sale of the AMR GP investment in H1 2025. This remains in line with our guidance for the full year as we focus on delivering improved operating leverage. Additionally, D&A increased 45%

primarily reflecting the higher deliveries of Specials year over year, again in line with the full year guidance.

As shown on the right-hand side of the slide, net adjusted financing costs increased to £99 million from £9 million, primarily due to an £11m million loss from the impact of non-cash US dollar debt revaluations as compared to a £72 million gain in the prior year period. Finally, H1 2026 adjusting items of £53 million primarily relates to the gain on the previously announced Aston Martin F1 naming rights to AMR GP.

Turning to free cash flow, which materially improved year-on-year with an outflow of £198 million compared with £321m in the prior year period. This reflects the improved cash inflow from operating activities, which includes a working capital outflow of £45 million in line with the prior year period, and £120 million capital expenditure, which reduced by £50 million compared to the prior year partially offset by increased net cash interest paid of £75 million.

As previously guided, free cash outflow is expected to materially improve in FY 2026 compared with the prior year, with a cumulative year-on-year improvement from Q2 onwards. This is supported by improved EBITDA, lower capital expenditure, an enhanced product mix and more balanced production cadence from Q2 2026 onwards. It is worth noting that after adjusting for Q2 2026 net cash interest paid of £73m, free cash flow excluding net cash interest paid approached breakeven for the quarter.

Moving to cash and debt, we ended the first half of the year with total liquidity of £145 million. As announced last week, the Group has significantly enhanced its liquidity position through a new debt financing of £550m. This moves the company's pro forma liquidity as at 30 June 2026 to c. £340 million and we have revised our FY26 net cash interest guidance to c. £160m from c. £150m to reflect the impact of the new financing.

Net debt increased to £1.5 billion. Combined with the increase in EBITDA year-on-year, this resulted in an adjusted net leverage ratio of 8.9x.

Finally, looking ahead to the remainder of 2026. Our FY 2026 operational guidance and short-to-mid-term outlook remains unchanged, and we expect a material improvement in financial performance compared to the prior year. This will be driven by an enhanced product mix and benefits from the ongoing transformation programme and disciplined approach to operations.

With that in mind, we will continue to monitor global macroeconomic and geopolitical events closely, in particular relating to any impact they may have on consumer confidence, demand and supply chains.

Thank you, and I'll now hand over to the operator to open the line for Q&A on the half year results.

Q&A

Henning Cosman (Barclays): Good morning everybody thank you for taking my question.

Firstly, perhaps on the free cash flow. It's really good to see underlying free cash flow, excluding the interest payment narrow towards breakeven. Doug, I wonder if there's anything at all you can help us sort of quantify a little bit for the second half, what you're expecting there.

Second question, also good to see guidance unchanged, especially on gross margin, EBIT margin, I suppose, now implies low 40% of gross margin in the second half. Can you just discuss there a little bit the sequential change, where the improvement comes from across volume, core ASPs and dealer support, more Specials, transformation benefits, if you can help us quantify that a little bit, but perhaps specifically the core ASP, right? I think we had previously talked about plus 5% for the full year and still at minus 5% in the first half. So obviously implies quite a big swing if the plus 5% for the full year is sustained. If you could confirm if that's still valid.

And if I can squeeze a third one. Obviously very prominent refinancing last week, greater liquidity buffer, always welcome. But perhaps you could discuss in your words again, the rationale and the structure of the financing and perhaps what the significance is for your large majority shareholders, equity shareholders as well also the minority equity shareholders? Thank you very much.

Doug Lafferty: Good morning Henning. Thanks for those questions, I think it's probably mostly for me. On the first one with regards to free cash flow, yes, look, it's good to deliver the free cash flow improvement that we expected in Q2. And I think that is in line with our expectations and pretty much in line with the expectations from our market. And obviously we've guided to material cumulative year-on-year improvement from Q2 onwards, so off to a good start in that regard. With regards to the remainder of the year, that guidance remains in place. I would expect the full year free cash flow position to not be a million miles away from the position where we've landed at the half year. That would be a little bit of added color, I suppose.

On the second question, yes, we still expect an overall core ASP growth towards that level of 5%. I'll give you my view, and then I think Adrian can add a little bit more to it. But the drivers that will kind of facilitate that improvement from my perspective in H2 are that we've got the product mix strengthening through the derivatives. There will be a normalising in the level of dealer support that we've seen and that we guided would be heavier in the first half of the year versus the second half of the year. I think similarly, in terms of cost of quality and warranty, that should normalise as we go through the second half of the year and some of the efforts that we've got underway focused on those two things. You can see the evidence of that as we've spoken about today in terms of the retail versus wholesales, obviously that's getting stock in alignment. And once we've got that fully aligned which we're very, very close to doing, I think we'll see a change in the level of dealer support. And then, of course, we've got the remaining delivery of the Valhallas taking us to that sort of 500 level that we've talked about. So those are the things that are going to support the improvement across the second half. But Adrian, do you want to add any color to the transformation parts?

Adrian Hallmark: Yes, absolutely. Thanks and good morning. I think there's three major influences that will start to really flourish in the second half of the year. The first is the reduction in variable marketing spend. You know that we had significant stocks ahead of retails in the past. We've made a significant step change this year already. We've sold a third more cars to customers than we've sold to dealers, and you can see how that's flowed through the P&L. And the sell-down of some of those cars, especially in the States, has been slower than we'd hoped. Not dramatic. It's probably 70-80 cars less than we anticipated. But certainly, by the end of Q3, that will wash through. And beyond that then, most other models and most other countries are down to nominal levels of VM. So that will definitely help the margins and the bottom line as we move forward.

Quality, we've made huge strides in quality over the past 12 months. When we started the journey to bring down the cost of quality from those highs by investing in the campaigns and the improvement activities, we thought we'd already seen the peak of the issues that we were facing. We hadn't. We now have. And the work that's being done to transform the quality in the hands of the customer is quite breathtaking. And we're already seeing that in the three months indicators (three months in service with new cars). And that, of course, will wash through and reduce the actual cost and the future provisions during the second half of this year and certainly into next.

So, both the VM and the quality costs that we've incurred in the first half are on a significant downward trend because of the underlying performance of the business. The other one thing I would add, we are seeing good option uptake, for example, on Valhalla and the retail orders that we're generating through the system. Because we still have some sell-down to do and because the dealers have been ordering some stock cars of the new models pre-launches, we've not yet seen the full benefit of all of that new portfolio offering being applied to the majority of cars going through production. It is the case on Valhalla, it is the case on the 4-5 month’s worth of orders that we've got on the core S models. But as we move through the back end of this year, that mix will richen, and you'll see that come through in the margin. So, I would say those are the three key factors: quality, VM, and options uptake.

Doug Lafferty: Thank you. And then on your final question, Henning, we're happy that we got the financing secured, the £550m financing that we announced last week. As a reminder, that transaction comprised the £450m senior secured term loan and £100m delayed draw term loan. As we also stated last week, we used the proceeds of the financing to repay the outstanding facility, so the RCF and the Yew Tree Consortium facility that we spoke about earlier this year with pro forma liquidity, therefore at the end of June standing at £340m. So as you referenced, we've got more headroom, more liquidity. And as we said, it provides us with flexibility and resilience as we go ahead and execute the plan from here. Just to reiterate, the delayed draw term loan element of that is not included in that liquidity number.

Look, the Board sees the financing as important for the company as a whole, and I don't think there's any differentiation between major stakeholders or minor shareholders. So, it's an important deal for the company. I would just add that all the information about the deal as we set out in our announcements that we made last week. So, there's not really much more to add today.

Henning Cosman (Barclays): Very good thank you Adrian and Doug.

Christian Frenes (Golman Sachs): Yes good morning everybody thanks for taking my question and good morning Adrian Doug and James. One of my questions was asked already, but in terms of digging into the components of that a little bit more, let's look at net working capital and capex. On net working capital, there was an inflow in the quarter. Could you comment a little bit on your H2 outlook as it pertains to the cash flow statement? And then on capex, I noticed that it seems to be more H2 weighted this year versus at least 2024 and 2025 when it was more balanced. And I'm wondering why is that?

And then the other one was just on the aged stock realignment and dealer support. It seems it was supposed to be completed in Q2, but now it seems to continue into H2. Can you clarify, please, how much remains to be done? And once it's complete, let's think in 2027, where should the average selling prices for core settle, do you believe? That's the second question.

And then the third one would be just on the new financing facility. So that's great news. And you mentioned the £100m draw down term loan, and I think there's an additional £100m on top of that. I just wanted to make sure that they are currently available? And if not, what's required to unlock them? Thank you.

Adrian Hallmark: Thanks, Christian. If I can start, I'll do the easier one first, if I may, the aged stock question. You're absolutely right that the rundown of that stock was slower than we thought. And as I mentioned, I think globally, it's probably at the half year, 70-80 cars worse than we had anticipated, but it's 100s of cars better than it was at the beginning of the year. And you can do the calculation with 30% more retail than wholesales, that is a huge shift in the total number. So we missed by, let's say, 10% of what we plan to achieve. As we move forward, as we get the stock in balance and as the retails and the wholesales come into balance in the second half of the year and through 2027, I can't give you an absolute prediction on what that will do to the ASP. But you can see what the VM is. You can see what normal VM or variable marketing looks like, and that peak will come down, and that will all go straight onto the gross margin of the future vehicles. So from that point of view, we are a bit behind pace. Of course, we have been dynamic with this as well. The Middle East situation, not using that as an excuse for the 70-80 cars, but that gave us another challenge throughout the year as did the price increase effect from U.S. tariffs, but we've managed to balance stocks around the world so that we're pretty much even across models and across the world. It's just a quantum of DBX in the U.S. that is the residual issue that we're working with dealers to get through.

I'll let Doug talk in more detail about capex, but I will just make one comment. As we look at 2026, we are now accelerating our plans for the regeneration of our core product lines that starts in the next 3-4 years. New technologies, revised body platform, new powertrains, electronic architectures, modules, systems, etc. We are now contracting for those major systems, and that really ramps up in the second half of this year and into 2027. So we still anticipate to be in line with our previous forecast for capex. That's all included in the mid-term plan that we've given and that we've shown before, but it's a natural effect of contracting in order to be able to deliver cars in 3-4 years time.

Doug Lafferty: Yes. And the only thing I'd add to that on capex was in the second half of the year, we'll make some one-off technology access fee payments that weren't in the first half. So, that coupled with Adrian's comments is the reason why the capex is heavier in the second half of the year this year.

I think I'll just go back to the working capital point. So there was about £20m reversal of the Q1 outflow in the second quarter. So overall, the first half was around £45m outflow. I think the remainder of the year, we'll expect to be broadly flat, maybe a small outflow in Q3 as inventory builds ahead of Q4, but broadly in line with, I think, where we are at the half year.

And then on the final question, as I said, there's not much more to say on the financing. But the delayed draw term loan, the £100m is committed, subject to certain conditions, but we won't disclose what those conditions are. And then the junior £100m facility is effectively an available basket to us should we wish to utilise it in the future.

Christian Frenes (Golman Sachs): Great. Thank you very much

Harry Martin (Bernstein): Good morning everyone thanks for taking my questions. The first one I have is on the underlying core demand. You've given the numbers that allow us to see that retail sales in Q1 and Q2 were around 1,200 units. Is that a run rate you're happy with for Aston Martin in the mid-term? Or maybe you could reflect on if this is a floor which with more variants, China coming back, a better luxury consumer, Aston Martin in the mid-term can grow from? And then I guess, in the second half of the year, due retail sales grow year-over-year? Or are they fairly flat?

The second question on the Valhalla. It looks like Specials ASP stepped back in Q2 versus Q1. Is that just FX or lower option spec or something else? You mentioned good option uptake on the recent orders. So could you reflect on if there's anything in the mix of the order book from H2 that is different to the vehicles delivered so far? And then a final question, just a follow-up on core ASP. Maybe it's my turn to be the bad cop among the analyst group and ask the question a bit more directly, what was core ASP in the second quarter, excluding dealer support? Thank you.

Doug Lafferty: Well I'll answer that one first, Harry. So I'd say ASP in Q2 or H1 was broadly in line with last year if you exclude the variable marketing and maybe a little bit of impact from FX, but otherwise, broadly in line.

Adrian Hallmark: Good morning Harry. First of all, on core demand, just checking the figures on the wholesale, it was around 1,400 in total in Q2, less Valhalla. Clearly, Q2 is not the biggest quarter in the year. So if you look at the normal calendarisation from a retail point of view, that means that we're still in line for our full year forecast, bearing in mind that Q4 will always be the biggest quarter. So Q4 will naturally be the biggest quarter, driven largely by the U.S. which is the big quarter of the year. So, we're still on track for the total year number. And as we've mentioned, the balance between wholesale and retail should occur in Q3 and Q4, and we intend to maintain that going forward. Core demand is still as we expect.

The average selling price of Valhalla in Q2, I'm not exactly sure because we've not seen overall a drop in the average selling price. It's more likely to be regional mix than anything else. I can absolutely confirm that the average selling price of Valhalla is over £1.1m, about £1.15m. That's consistent all the way through the system. There could be some exchange rate or mix effects. There were a lot of cars went to the states in Q1 last year. But we see no downward trend. In fact, if I look at the cars that are going through the system now, we have some of the longest lead and highest priced cars that we've seen since the beginning. It's actually enriching as we get through the period. So, nothing of concern to us there from our point of view.

Harry Martin (Bernstein): Okay. Great. So, we can maybe expect that Specials ASP to trend up over the next few quarters as well?

Adrian Hallmark: Absolutely.

Horst Schneider (Bank of America): Thank you so much and good morning. I have got two questions left. The first one relates again to this new financing structure and to the new term loan. You have established these two subsidiaries now, the asset holding subsidiary and the unrestricted subsidiary. I think the key question is what assets have been transferred to each of the subsidiary. So, what is now the collateral also for the new loan? That's question number one.

Question number two, more a forecasting question. Could you provide any indication on split when I look at GT and sports cars, what is Vantage, DB12 and Vanquish? And how is this split developing basically in terms of demand? Thank you.

Adrian Hallmark: So I think, first of all, on the sales split of the GTs and sports cars. Again, it's pretty much as per our expectation. DB12 is the highest volume car by a small margin, Vantage second and Vanquish, being the highest priced derivative that we have, is clearly the lower volume of the three cars. I haven't actually done the percentage calculation in my head. But the mix is as we expect. DB12 is particularly strong. And Vantage in the U.S. has really picked up traction too. And it's thanks to a lot of work that's been done on residual values around the S derivatives that's bringing the affordability and lease payments of those cars absolutely in line with competition and very competitive without the need for excessive VM. So, I mean all the figures are in the pack, but there's no big swing in the mix on the sports cars and GTs.

Doug Lafferty: And Horst, on your first question, I don't think the answer is going to surprise you. But what I'll say is, as I said earlier, all the information relating to the transaction we've set out in our prior announcement, so nothing further to disclose today.

Horst Schneider (Bank of America): Can you maybe talk about the fees associated to the transaction? I'm not sure if you showed that in your reports.

Doug Lafferty: No. And as I said, the pro forma liquidity takes into account the repayment of facilities and transaction costs, and the rest is for the company corporate purposes.

Horst Schneider (Bank of America): Okay. All right thank you.

Adrian Hallmark: First of all, thanks everybody, for joining. It's been an important quarter for us, and there's some definite progress that's being made. We're looking forward to the second half of the year and continuing to deliver on those systematic improvements that we're building into the business model. Thanks for your time again. Thanks Doug and the team for all the preparation. Looking forward to catching you in Q3.