



First quarter Results 2026

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First Quarter Results Introduction

Doug Lafferty

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Good morning, everyone. Thanks for joining the call as always, this morning for our Q1 2026 results.

As ever, there'll be time for a few questions after I've provided a short summary of our performance for the first three months of this year.

Overall, our Q1 2026 performance was in line with our guidance, and we maintain our full year outlook.

As you are all aware, we expected Q1 to be the smallest quarter of the year as we continue to focus on realigning stock levels through a disciplined approach to managing production and deliveries. This was achieved with total wholesale volumes similar to the prior year period, whilst core retail volumes were significantly ahead of wholesales by over 50%.

As a result of 102 Valhalla deliveries, total ASP increased 17% to £252k, driving total revenue growth of 16%. As many of you would have seen at the start of the month, the overwhelmingly positive Valhalla driving reviews were published with many giving it five stars and some labelling it the 'Best Aston Martin ever'. We're now building on this positive coverage with an extensive program of global customer driving events for this groundbreaking supercar through until the end of July. We expect the benefits of these to prove further boost to the orderbook in the coming months.

Valhalla deliveries, in addition to the benefits from the ongoing transformation programme drove an increase in gross margin to 35% from 28% in the prior year period. This demonstrates positive progress towards our full year guidance of gross margin improving into the high 30%.

Adjusted EBITDA increased year-on-year by £28m to £23m, reflecting the improvement in gross profit.

Adjusted EBIT increased by 12% to minus £57m, with D&A increasing by 33% to £80m, reflecting the delivery of the Valhallas.

Free cash outflow in Q1 2026 marginally improved compared to the prior year with the benefits from EBITDA and reduced capital expenditure largely being offset by the working capital outflow which we expect to ebb and flow through the year.

As guided at the full year results, we expect free cash outflow in 2026 to materially improve compared to the prior year. This will be supported by an enhanced product mix and more balanced production cadence from Q2'26 onwards as we benefit from our expanded range of core models and the reduction in aged stock which was predominantly executed in the first quarter.

Total cash and available facilities were £178m at the end of the first quarter, benefiting from the gross proceeds of £50m associated with the completed sale of the Aston Martin Formula one naming rights.

We've also proactively sought to enhance our liquidity position. And today, we're pleased to announce that we've agreed a new £50m committed facility with Lawrence and other members of the Yew Tree Consortium. This improves our pro forma Q1 2026 total liquidity

to around £230m and provides us with additional headroom and flexibility should any unexpected headwinds materialise in the coming period.

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

It's also worth quickly noting that Q1 was the first period in which the quarterly tariff quota mechanism was in operation in the U.S.A. Our preparedness in terms of managing imports into the market was tested, and we had to carefully navigate the quota volumes based on limited data due to the ongoing impact from the Federal shutdowns that commenced in mid-February. I'm pleased to report, however, that all Q1 shipments to the U.S. were secured at the 10% tariff rate. We will continue to plan and monitor this closely as the remainder of the year plays out.

Finally, despite the heightened levels of macroeconomic uncertainty and with the Group currently experiencing no substantial direct impact from the Middle East conflict, we still expect to deliver materially improved financial performance in 2026 compared with 2025. And as such, our full year guidance and the short-mid-term outlook remain unchanged.

I'll hand back to Adam now so we can start the Q&A. Thank you

Q&A

Henning Cosman (Barclays): Morning everybody. Congratulations on what I think is a very solid first quarter, especially gross margin, really good and reassuring to see and also on the inventory reduction.

So, first question goes a bit in that direction. I suppose the retail run rate, especially you said 50% above wholesale. So retail run rate really bodes quite well for your full year guidance. So can you talk a bit to the convergence now of wholesale to retail that you're expecting in the further course of the year starting in Q2 and perhaps if you could a bit model by model dynamics as to what's driving the convergence.

The second point is on the RPU, or ASP as you call it. It was obviously still down in the first quarter because you have the dealer support payments in there. If I recall correctly, you're guiding for plus 5% ASP increase on a full year basis. So obviously it implies a bit of a swing. I was keen to understand a bit more is that mainly just driven by the significant reduction or absence even of the support payments in the quarters as we go on or maybe you could talk to the new variants also contributing to the ASP increase as we go.

And perhaps a bit of a statement on the dealer support payments. Are they quite concentrated on that aging stock that you pointed out, the roughly 400 units, I suppose, is what's implied? Because then I would think that they must be materially higher on those and just really quite marginal on the regular or the new deliveries.

And finally, I have to ask on the cash burn, right? You said working capital would ebb and flow. No particular commitment, I suppose, from your statement that some of that working capital outflow could reverse and support you in a positive manner.

I guess you stuck with the statement that the majority of the outflow was still in Q1, right which I guess means it's going to be significantly less than the three other quarters combined than the Q1. But can you maybe, at this point, give us a bit more color as to the quantification of that outflow that we should still expect or if you're more comfortable to say

maybe what kind of liquidity range by year-end we could be getting towards. That would be great.

Doug Lafferty: Okay Henning, thanks. I'll try and unpick those. So, we'll take them in order then, starting with the convergence, as you call it, on the wholesale and retail.

So yes, look, I think we'll start to see those converge in Q2, and we expect that by the time we get to the end of Q2, that sort of stock realignment will be largely complete. So, there'll be a little bit of continuing retails running ahead of wholesales in Q2. But then after that, it should become much smoother. So it's been quite a long time certainly a good effort over the last two quarters on the aged stock and to improve the stock alignment with the dealers and get the pipeline in better shape, and we expect that to complete through Q2 so that as we enter the second half of the year, we're in a much more aligned position.

And then in terms of the mix, what I would say is that I think when you look at the mix in the first quarter, I would expect the SUV mix to get a little bit better as we move through the second half of the year. You'll probably start to see that reflected in Q2. And then I would expect that to stabilise in the second half of the year. And then obviously with the Valhalla, we continue to guide to delivering 500 Valhallas for the full year with just over 100 of those being delivered in the first quarter means the Valhalla contribution to the volume will continue to improve as we go through the quarters as well. So yes, look, I think we're pleased with where we've got to in Q1 with the stock realignment, a little bit more to do in Q2 and then H2 should be smoother.

Second question on ASP. So, I think the first statement is, yes, we still expect around 5% core ASP growth for the full year. And then there was quite a lot to unpick in your question but let me just try and give you my steer on it. Obviously, there's been some incremental dealer support over and above the levels that we would normally see. And you've seen that in Q4, and you've seen it again in Q1. That has largely been focused on the aged stock and the older models, if you like. So, the new derivatives that are being launched and have been launched over the last few months don't attract any incremental support. So, the support is focused on the cars that we're trying to tidy up from a stock point of view. So, as we go through the year, the pricing improvement to get to that level of a 5% increase will be largely supported by coming out of that period of dealer support. But equally, yes, the derivatives and yes, a continued sort of target to improve the options take across the core portfolio and the contribution from options should all contribute towards the improved ASP.

And then finally, on cash flow, I guess you probably won't be surprised that I'm not going to get too much into the detail on it. But what I would say is that from a free cash flow point of view, we still expect the material improvement as we move through the year. As we get to the end of the year and look at what the free cash flow position is, I still expect that Q1 will represent the vast majority of the free cash position at the end of the year. And I think you alluded to the interest. And yes, that includes obviously the interest payments as we go through. So, we still expect to see a material improvement between Q2 and Q4 with the majority of the cash outflow by the time we get to the end of the year having been sort of seen in Q1.

Christian Frenes (Goldman Sachs): I'll just ask two. So, I think the destock you mentioned already, it sounds like it's largely in line with prior commentary. So just to understand, the second half should then see higher ASPs, higher margins, improved free cash flow versus the first half, at least that's my understanding. Maybe you could confirm. And then also additional color maybe on this net working capital in H2, what to expect versus H1?

And then on a separate question, just the U.S.-U.K. quota mechanism. So it seemed to work out fairly well in Q1. As you look through to Q2, anything to call out? Any risks at this stage that are worth noting?

And then my last question, just the financial facility. I think it makes sense to raise financial flexibility, so I understand. But any additional details you can give us at this stage regarding that facility?

Doug Lafferty: Christian, thanks for the question.

So, I think the first one is probably a little bit of a repeat of one of Henning's questions. But again, yes, just to clarify specifically on your questions with regards to H2 on ASP. Yes, we expect it to be stronger in the second half for the reasons I've outlined. And obviously that will lead to improved gross margins in the second half versus the first half. So, as we've guided to the high 30s, we're in the mid-30s in Q1. We expect to see that continue to improve towards the margin that we've guided to. And then obviously all of that supports the sort of profitability and free cash flow position improvement that we've guided to for 2026. So, all of that remains intact and yes, driven by a healthy sort of core ASP growth, but of course, also with the added contribution of the Valhalla which will be there for the entire year. And as I said, with volumes sort of growing into the full year guidance of c. 500 units as we move through the quarters.

I think you talked about capex and net working capital. So, capex, we're still guiding to £300m for the year. Obviously, the run rate was a little bit below that for the first quarter, but we expect that to catch up. And then with regards to net working capital, if there's going to be an outflow for the full year, the majority of it is done in Q1 and ebb and flow, take what you think from that sort of statement. But I think we'll see small variances around where we are. Obviously, we'll be focused on trying to make sure that net working capital is as tight as possible. And if we can get some of the outflow back during the year, then all efforts on that. But I think the position for net working capital will be broadly in line with where we see for Q1. So not too material movements as we go through the rest of the year.

On the quota mechanism, it was an interesting kind of experience at the end of Q1. Obviously we had cars on their way, in the U.S. and obviously some high-value cars. A lot of the Valhallas that were shipped in Q1 actually went to the U.S. So we have to keep a close eye on where we thought the quota was tracking for the quarter. And as you know this year, the 100,000 cars that can be exported from the UK into the U.S. is split by quarter. So you've got 25,000 a quarter. And we were a little bit short of data because of the government shutdown. But we managed to get some information towards the end of the quarter which meant that we trod carefully over the last few days. But at the end of the quarter, we've managed to get everything that we wanted to get into the U.S. So it was interesting in terms of the way that the whole thing worked. I think the risks are the same as we move into Q2. For us, Q1 was a small quarter. I can't speak for other companies, other manufacturers and OEMs who are shipping cars from the UK to the U.S. as to how their quarters are split. So we'll need to keep an eye on Q2. And the risks are the same. The risks are that the quota gets filled earlier than we've got our final shipments going into the U.S., and then we'd need to hold shipments. And to be clear, that is what we would intend to do because we don't want to ship any cars into the U.S. at a higher tariff rate and swallow the margin impact. So it's the same risk that we'll manage over Q2, but hopefully, with access to more information should the federal shutdowns allow.

And then the third question on the facility. So look, I completely agree with you, obviously that it's helpful to have additional flexibility and headroom. More details on the facility, I

guess, it is interest-bearing, but only if drawn, there's a small commitment fee, but it's a fairly simple structure. And as you say, helpful to get us a little bit more headroom as we move into the remainder of the year. And look, I alluded to it in my opening, it's really to protect us against things that we're not expecting. And with the situation in the Middle East, we're not seeing any direct impact from that today. But the longer that goes on, the longer the risk is. So I think it's a prudent move to make sure that we've got appropriate liquidity to make sure that we can execute our plan.

Harry Martin (Bernstein): So I wanted to ask first about the UK. We talked a lot about China and the U.S. in the last 12 or 18 months. But can you touch on what's happening in the UK? Wholesales are down 25%. I think it's the lowest wholesale quarter for a long time as I look back. So is that just market weakness? Is that where a lot of this aged stock still needs to be cleared? Any thoughts that you have there would be useful.

And then the second question, just a couple on the Valhalla. What's the latest expectation you have around orderbook extension with some of the driver activation events that are ongoing? And do we move back to net inflows rather than a net outflow on the deposits that we saw in Q1? And then if you can remind us of the broader strategy around Specials and what we can expect into the medium-term, both from the Valhalla platform and from the core platform as well.

Doug Lafferty: Thanks, Harry.

Look, I wouldn't read too much into the UK on a small quarter. So there's nothing material happening in the UK There's no particular market weakness given the size of the volumes that have been sort of going in the UK in this Q1 and last Q1, I think it's a big percentage on a small number. So I wouldn't read too much into it. The UK is still pretty strong for us. The stock is now in a very healthy position in the UK. So we're confident that the UK will continue to support the overall volume for the year. So there's nothing really to talk about from a UK perspective.

On the Valhalla, I think we're really pleased with what's happened this year. We're into production. We've been delivering cars for five to six months. They've been received very, very well by customers. The media drive event that we ran during March went incredibly well and I hope that all of you have seen the reviews that have come out since that. And we're very, very pleased – unsurprised - but very, very pleased with the positive reviews. And then very recently, I think a couple of weeks ago, just started the activation on events where we now have Valhallas in every region. So, customers can access the cars. Many of them will get to drive them, but certainly, an awful lot of people will get to see it in the flesh which, of course, we built the initial orderbook for the Valhalla without any of those tools. So we do expect these activities to act as a catalyst and boost the order book as we go through the next couple of months. It takes a little bit of time to get people through the process, but we will start to see an improvement. And just from a sort of net inflow/outflow point of view, I think it's important to note but obviously whilst there might be a net outflow from a deposit flow point of view in the balance sheet, but we actually have taken more deposits so are net new deposits by a fairly material number during the course of particularly March and into April. So we're pleased with the way it's tracking and very confident in the car.

And then obviously with Special strategy, you won't be surprised to hear me say that Specials continues to be a big part of the cycle plan strategy going forward. They will offer accretive margin and fabulous customer experience and amazing cars that we can deliver like we did with the Valiant and the Valour and the DBR22's. So it's a kind of dual track on the Specials. We'll continue to deliver special cars off core platforms, and we'll continue to

deliver initially the first run of the Valhallas and then I suspect that we'll maybe use that platform onwards as well like we did with Valkyrie. So I think it's a watch this space Harry, but there's exciting things to come definitely from the Specials program.

Horst Schneider (Bank of America): I've got a few questions left. The first one is on this £50m facility. So maybe you can provide some more details, especially if this loan is pari passu or if it's maybe subordinated or has got any other securitisation.

Then the second question is, from here, what is your additional debt capacity as of today pro forma for this loan? So what could you raise on top of that maybe?

And the last question is more industrially related. Given the oil price increase, do you feel at the moment in discussions with customers that it's a disadvantage not to have yet a PHEV, take Valhalla aside, but that you have not yet hybrids on board. Also given that your peers are electrifying more, especially on the SUV side?

Doug Lafferty: Thanks, Horst. Yes. I think I gave a little bit more color on the £50m facility. It is secured and secured against specific assets in the company. So I don't think there's much further to say on that one.

And then with regards to further debt capacity, what you would expect me to say is that the company continues to keep under review its options. But obviously you've seen how additional liquidity has come into the company over the last 12 to 18 months. So we always explore various different options, what's available to us. So we're not purely focused on what debt capacity there is. There is a little bit of remaining debt capacity, but we're not going to get into the details.

And then on the final question was, I think it's an interesting question. And obviously we're going to need to monitor how things evolve from here on in with oil price and the impact it could have on inflation, the impact it could have on consumers. But I don't feel like we feel as though we've got a gap in our portfolio that might suffer as a consequence of not having a PHEV in the core portfolio. So we're very comfortable with the cars that we've got in the market. We're very happy with the new derivatives that we're bringing to the market, and we think that provides differentiation for our customers and for customers who the brand and the cars might appeal to from other marques. So we're confident in the portfolio, and we think it's the right portfolio for now. Obviously, we're focused on evolving it in the future. But today, we've got to back ourselves with the cars we have, the S derivatives and derivatives to come.

Horst Schneider (Bank of America): For the time being, there's no intention to electrify the DBX, right? So that's a little bit down the road.

Doug Lafferty: Yes. It's down the road and those things take time. It's not the work at the moment. So they need to be appropriately planned into the cycle plan which obviously is a event. So there were no changes to our cycle plan, I would say, over the last few months.

Thanks everybody. Any further questions, you know where to find us.

So thanks very much. And speak to you again soon.