



2025 First Half Results

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2025 Half Year Results Presentation

Adrian Hallmark

Chief Executive Officer, Aston Martin Lagonda

Good morning, everyone. And thank you for joining us today for Aston Martin's Half One 2025 Results. It's a pleasure to be here alongside Doug Lafferty, CFO; and James Arnold, Head of Investor Relations.

H1 2025 Summary

Before Doug takes you through the financial performance in detail, I'm going to provide a summary of our key achievements and areas of focus during the first half, as we prepare for a planned increase in volumes which will drive enhanced financial performance in the second half of 2025. This includes the expected delivery of positive free cash flow generation in the second half and a 2025 adjusted EBIT improving towards breakeven.

As we outlined at the 2024 results, following an intense period of product development, our focus has shifted from pure volume orientation to value-driven growth in order to create a sustainably profitable business model. And I'm delighted to report that we're progressing well with our operational and cost transformation program, the details of which I'll share with you shortly.

Our first half performance, as guided, reflected our disciplined approach to production and deliveries. This resulted in retail volumes outpacing our wholesale volume by over 40% as we seek to optimise our stock levels around the world by model.

We're already seeing the benefits from the investment in our next generation of core models through strong ASP growth, up 7% to £192k. And this will further improve as we continue to launch new derivatives including the recently announced Vantage S, DBX S, Vantage Roadster and Vanquish Volante and drive further options sales.

Supported by robust demand and a disciplined supply policy, once these core models become established across our markets, I expect to see our forward order book improve beyond the current five-month horizon.

As we look at the broader global operating environment, tariffs imposed by the U.S. Government have been a particular issue for us to deal with, adding a degree of uncertainty to global trade and economic performance. While the U.K. government moved quickly to secure a trade agreement with the U.S., announcing this on the 8th of May, the scheme only became operational on the 30th of June. This left us with 24 hours to invoice the entire quarter worth of vehicle sales in the U.S. I'm pleased to say thanks to the planning and preparation that our teams achieved, we worked tirelessly with U.S. customs, and we were able to execute this mammoth task.

The deal agreed by the two governments is a quota-based mechanism under which the first 100,000 UK made cars imported into the U.S. each calendar year qualify for a reduced tariff of 10%. And any UK made cars sold beyond the 100,000 units will attract the higher rate of tariffs of 27.5%. We thank the UK Government for their efforts in negotiating this preferential rate, which currently puts the UK carmakers at a better position than those in

many other countries. But at the same time, let's not forget the 10% rate remains far higher than the previous rate of 2.5%.

As a consequence of these changes, we have already implemented a dynamic pricing strategy, announcing in June an initial 3% increase in the U.S. as we seek to mitigate the financial impact of the 10% tariff.

We continue to engage with the UK Government regarding the first come, first served quota mechanism. This is due to the uncertainty that it creates in terms of planning and forecasting the current financial year and then quarterly planning from 2026 onwards.

We have been assured that Government understands our concerns and we will await further clarification on how we will ensure that there is a fair allocation within this U.S. quota, providing the whole UK car industry with the ability to access this 10% rate on an ongoing basis.

Also, when we look at the global operating environment, the market for luxury vehicles in China remains extremely subdued. As such, we're taking further action to support our China dealer partners to reduce their stock levels, and this will help us to benefit from the next generation of cars and improved market conditions that we expect to emerge in the beginning of 2026.

Finally, I'm pleased to announce today that we shortly expect to complete the sale of our shares in the Aston Martin Aramco Formula One Team. This follows the announcement in March this year of our intention to enhance liquidity through the sale alongside further investment from the Yew Tree Consortium. In total, these combined activities will exceed our guided liquidity enhancement of £125m, with the gross proceeds alone from the AMR GP sale expected to be around £110m. Adjusting for the forthcoming sale, total liquidity at the end of the period will have increased to c.£340m, positioning us well ahead of our expected free cash flow generation in the second half of this year.

Ongoing core product innovation supporting H2'25

Now moving on to recent exciting developments across our core product range.

Our product innovation focus, which will support sustainable profit growth in the future, has seen the launch this year of four new derivatives as promised. These include the Vantage Roadster and Vanquish Volante convertibles in addition to the new performance-focused DBX S and the Vantage S. As I mentioned at our Q1 results, the S Brand has a long association with Aston Martin and remains very much a part of our strategy moving forward to introduce derivatives through the lifecycle and across the whole product range. This keeps our models fresh and continues to offer customers a growing range of choice with greater focus on personalisation and options.

I'm confident these derivatives will support a strong ramp-up in volumes and financial performance in the second half of this year and beyond.

Exclusive Specials from Q4'25

As I've mentioned previously, Aston Martin is fortunate to be one of a few global brands who can successfully deliver ultra-exclusive Specials. These models epitomise the innovation and performance at the beating heart of the Aston Martin brand.

Continuing with this momentum in Specials, key milestone for 2025 is the eagerly awaited delivery of Valhalla, our first mid-engine plug-in hybrid electric vehicle and it's a game changer for the brand, bringing hypercar performance to a supercar price segment. We

expect it to be a significant contributor to our financial performance over the next 2-2.5 years.

Valhalla will mark our entry into a new segment of the market for Aston Martin, as well as a step forward in our commitment to hybrid and electrified technologies with performance at the core of their purpose. With the initial low volume production now underway, deliveries are expected to commence in the fourth quarter of 2025, and we have been advancing customer specifications for around a third of the vehicles already ordered and scheduled into production.

We plan to build just 999 units over a 2.5 year period, and we already have a 12 month order book in place. This impressive order book is prior to customers even driving the vehicle. And in the coming weeks, we will have prominent dynamic and static displays following the great experiences we already delivered at Monaco and Goodwood Festival. Looking ahead to the third quarter of this year, media and customer drives will be happening on a global basis to further develop the awareness of this vehicle.

As we enter the final stages of the project, one of the key outstanding processes is the timely completion of certification and homologation across our key markets. We're currently working successfully and tirelessly to ensure that we meet all of those timelines. And it looks today like we're fully on track.

Following the return of Aston Martin to the pinnacle of endurance rating with the Valkyrie Hypercar and its recent participation at Le Mans and the World Endurance Championship, we announced the launch also of 10 track only Valkyrie Le Mans Specials. We expect about half of these to be delivered in 2025, with the remainder in 2026.

Transitioning to a high-performance company

Now moving to a key focus for us this year, our transformation program. This forms part of the journey as we transition from a high potential to a high performing company. At the FY24 financial year results, I took you through the repositioning of the business based on the unique foundations of Aston Martin, underpinned by the strategy and investment in recent years of Lawrence Stroll, the Yew Tree Consortium and all of our strategic investors.

I want to introduce the same passion and energy that we brought to our brand and products into how we operate as a business. And we'll do this alongside instilling operational excellence and discipline.

Shortly after I joined last year, we've been analysing all areas of the company to identify how we benchmark and where significant improvements can be made. And I'm delighted to say that there are many areas and opportunities, as you'll see in the coming slides and we're already starting to demonstrate real progress, which in the years to follow, will enhance our performance as we realize the full potential of this iconic brand.

Demonstrable transformation progress made in 2025

Starting with brand awareness and demand generation which should enhance the quality of our order book. We set out clear plans this year to operate with a disciplined approach to production and to supply that position us strongly as we enter 2026. In 2026, we will have our enhanced range of core models and new derivatives. And in addition to these, we're seeking to maximise the value of every vehicle, which is why we're continuing to deliver additional options to offer customers and meet the desire for even greater personalisation. We've maintained a stable rate of contribution to core revenue at about 18%. And in the future, we'll look to build on this.

Customer loyalty and retention is another key factor that will underpin our future success. We have a great opportunity with the upcoming Valhalla with over 50% of the orders to

date from customers new to Aston Martin. Not only does this demonstrate the power and awareness of our brand, but it also provides us with the opportunity to showcase our core range of cars to c.500 new customers.

From a cost base and productivity point of view, we've continued to work with our colleagues across the business to deliver on the previously announced headcount reductions. In line with guidance, the operational cost savings from this will start to be realised in the second half of this year with a c.£25m annualised rate of savings just in this single activity.

But that's not the end. There are other savings that we're activating across the business through a disciplined approach, and we expect to deliver operating leverage with a 2025 financial year SG&A falling well below the £300m that we saw in 2024, supporting our goal of improved effectiveness.

We also successfully completed the rollout of our new ERP system at our production sites. The rollout at Gaydon in quarter two was executed with minimal interruption to the business, thanks to careful planning and intense execution. We've progressed a modern, integrated and efficient cloud-based systems that will drive greater operating efficiencies across the supply chain.

A key to product innovation throughout the lifecycle is offering our customers the most relevant, exciting and compelling vehicles in the sector. We've clearly demonstrated that already with the derivatives I've outlined, we can assure you that we'll have more to offer in the future as we progress towards hybrid electrified performance technology.

And finally, delivering excellence in quality and product launch cycles. Here, we plan to build on the significant learnings from the intense period of new launches that we've been through over the past couple of years. In particular, ensuring that we provide sufficient capacity and time between launches to be able to deliver programs and ramps up effectively. And Valhalla now remains our key focus, as I mentioned, and we are on track for the first customer deliveries in the last quarter of this year.

We also need to deliver the highest standards and consistency across our portfolio. We've already seen significant improvement in cars completing production process right first time from about 65% during the second half of 2024 to 95% today, as I previously indicated was our target. This has huge benefits across the organisation, removing unnecessary costs and efficiencies and delays.

Also benefiting the business is the decision that we announced in Q1 this year to invest in software and infotainment system improvements in our cars. This, in addition to some further warranty costs, increased spend by c.£20m in H1 compared to last year. We are

seeing the benefits from this program with improved customer satisfaction scores, a trend I would expect to see accelerate as we move into the second half of this year.

So, lots of positive developments as we aim to get the business consistently performing and becoming sustainably profitable for the future.

With that, I'd now like to hand over to Doug so he can take you through the financial results in detail as well as the outlook for the rest of the year.

Thank you.

Doug Lafferty

Chief Financial Officer, Aston Martin Lagonda

Thank you Adrian, and good morning everyone.

Before we move into Q&A, I'll take you through our financial performance for the first half of 2025, and our guidance for the remainder of the year.

H1 2025 financial summary

As Adrian mentioned, overall, our H1 performance was largely in line with guidance, reflecting fewer Specials deliveries and the uncertainty we and many of our peers have experienced in relation to changes in U.S. tariffs and the wider macroeconomic environment.

Looking at the detail on the slide, wholesale volumes were broadly in line with the prior year at 1,922, as we followed a disciplined approach to production and deliveries in support of stock optimisation. This resulted in retail volumes outpacing wholesales by over 40% as we prepare for growth in the second half of the year, particularly in Q4, driven by our new core derivatives and Specials.

In terms of revenue, at £454m, this reflected a 25% reduction compared to H1 2024 largely as a result of the fewer Specials delivered, as we prepare to commence Valhalla deliveries in Q4 2025. Looking at our core performance, ASP increased by 7% to £192k, benefitting from our next generation models including the flagship V12, Vanquish. Additionally, demand for unique product personalisation continued to drive strong contribution to core revenue of 18%, broadly in line with the prior year period.

As a result of the lower Specials volumes, increased warranty costs and other investments made in enhancing product quality, adjusted EBIT decreased by 22% in H1 2025 to a £122m loss, with depreciation and amortisation decreasing by 27% to £119 million, also primarily driven by fewer Specials.

Wholesale volumes & Average Selling Prices (ASP)

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 slightly year-on-year to represent over 70% of the mix, reflecting next generation models of DB12, Vantage and Vanquish. SUV volumes remained in-line with the first half of 2024, at just over 25% of the mix. As Adrian has mentioned, we expect to realise the benefits of our full range of new core models and derivatives including

Vantage Roadster, Vanquish Volante, DBX S, and Vantage S, as we ramp up deliveries through the second half of the year.

Specials reduced by 100 units to just 18 deliveries in the first half, reflecting the completion of previous programmes ahead of the commencement of Valhalla deliveries expected in Q4 this year.

For the full year, we continue to expect to deliver modest total wholesale volume growth when compared to 2024.

On the right-hand side of the slide, total ASP decreased by 25%, again reflecting the fewer Specials deliveries compared to the prior year period, while core ASP as I've already mentioned increased by 7%.

H1 2025 wholesales by region

Overall, volumes remained well balanced across all regions in H1 2025, with the Americas and EMEA (excluding the UK) collectively representing 62% of wholesales. This was despite the challenges relating to the U.S. tariff implementation which only came into effect on the 30th of June 2025.

The movements in volumes across the UK and EMEA reflected the timing of model transitions and deliveries into these markets.

Volumes in APAC decreased by 9%, with volumes in China remaining broadly flat compared with the first half of 2024, reflecting ongoing macroeconomic weakness continuing to impact demand, a trend we expect to continue, at least in the near-term. As Adrian has outlined, we are taking further action to support our China dealer network to help position them well to benefit from our next generation core model range when the market conditions improve.

H1 2025 gross margin

As we turn to the next slide, as expected, the impact of fewer Specials deliveries is reflected in the decline in gross margin year-on-year. The impact of core wholesales, despite a slight increase in volumes and improved mix from the next generation of models, was also dilutive to gross margin, as a result of the warranty costs and other investments made in product quality. This includes the previously communicated investment in software and infotainment enhancements, which has resulted in recent improvements in customer satisfaction. Additionally, gross margin was impacted by the U.S. tariff increases. As Adrian has mentioned, we have implemented a dynamic pricing strategy, announcing in June an initial 3% increase in the U.S., as we seek to mitigate the financial impact of the additional tariff.

As we ramp up production in H2, benefitting from additional derivatives and the contribution from Valhalla, we now expect FY 2025 gross margin to improve from current levels to be broadly in line with the prior year.

H1 2025 adjusted EBIT

Adjusted EBIT decreased by 22% year-on-year to a loss of £122m, primarily reflecting the gross profit movement, which was partially offset by a 24% decrease in adjusted operating expenses excluding D&A, with D&A also decreasing by 27%. The decrease in adjusted operating expenses aligns with our focus on optimising the cost base as part of our ongoing transformation programme. It also includes an £11m benefit from the secondary warrant revaluation uplift associated with the forthcoming sale of our investment in AMR GP.

Our previously announced organisational adjustments are progressing as planned, and we are on track to deliver a reduction in adjusted operating expenses (excluding D&A) in FY 2025, now expected to be below £300m. With updated D&A guidance of c.£340m, adjusted EBIT is now expected to improve towards breakeven. This also reflects the impact from

foreign exchange rate movements, the additional investment in software and infotainment enhancements, and the support for our China dealer network.

As shown on the right-hand side of the slide, net adjusted financing costs decreased to £9m from £88m, primarily due to a £78m year-on-year impact of non-cash U.S. dollar debt revaluations resulting from a weaker U.S. dollar.

Finally, H1 2025 adjusting items excluded the redemption premiums associated with the refinancing of our senior secured notes in H1 2024, though included the expected costs associated with the organisational adjustments.

H1 2025 free cash flow

Turning to free cash flow, which was broadly stable year-on-year with an outflow of £321m. This reflects the lower EBIT, in addition to higher net cash interest paid of £69m. As expected, working capital improved year-on-year to an outflow of £45m, compared to the £119m outflow in H1 2024. The key driver here being the deposit inflow relating to Valhalla with deposits held increasing by £28m compared with an £84m outflow in the prior year period relating mainly to the delivery of Valour and Valkyrie Specials.

Capital expenditure of £171m was slightly below the comparative period, with investment focused on future product pipeline including Valhalla. In H2, we will accelerate our investment in new product developments which will support our growth strategy. Capex for the full year is still expected to be circa £400m.

As we ramp up deliveries of our new derivatives and Specials through the rest of the year, we still expect to deliver positive free cash flow generation in H2, driven by performance in the fourth quarter.

H1 2025 cash & debt

To finish with cash and debt, we ended the first half of the year with total liquidity of £228m. We expect to enhance liquidity with the gross proceeds of around £110m in Q3 2025, from the forthcoming completion of the sale of our investment in AMR GP.

Net debt increased to £1.38bn, combined with the decline in EBITDA year-on-year, this resulted in an adjusted net leverage ratio of 6.7x. As we prepare to deliver a significantly stronger second half performance, and through disciplined strategic delivery and profitable growth in the future, we expect to deleverage in line with our medium-term target.

Guidance and outlook

Finally, looking ahead to the remainder of 2025. We continue to closely monitor global events and will remain agile in responding to changes in the external environment. That said, we continue to expect to deliver a significantly stronger performance in H2 2025 compared with H1 2025, commencing with Q3 improvements, but primarily driven by Q4. This is due to the benefits from initial Valhalla deliveries, in addition to the contribution from our full range of core models including first deliveries of Vantage Roadster, Vanquish Volante, DBX S and Vantage S.

As I have already mentioned and as shown in detail on the slide, we have slightly revised some of our guidance for 2025.

Additionally, the impact of the recently announced US tariffs on the global economy remains uncertain, and whilst we now have clarity on the 10% tariff rate for UK automotive manufactures, we continue to monitor the current quota mechanism and how this will

impact our deliveries, especially for the higher priced Specials including Valhalla towards the end of the year.

Thank you, and I'll now hand over to the operator to open for the Q&A.

Q&A

Harry Martin (Bernstein): I'll start on the U.S. tariffs, thanks for the disclosure on the 3% price increase. I just had a couple of clarifications. Firstly, is it right to infer you're expecting to be able to absorb and offset two-thirds of the tariff, so the other 7%? And then also, can we expect U.S. deliveries in the future, maybe even this year, skew more to January or Q1 versus Q4 with that uncertainty about the quota limit? And can you simply skew Q4 deliveries in the future to Europe and the other key markets to smooth the impact on the rest of the business?

And then the remainder of my questions are on the order book. So, starting with Valhalla. When we spoke three months ago, Adrian, you said that the 2026 Valhalla deliveries were 90% covered, a 12-month order book still implies some slots available in the second half of next year and limited incremental progress. So can I just ask about what the progress has been in the order book on the Valhalla this quarter? Have there been any cancellations in the U.S. around the tariffs or any other impacts there? And when do you expect the full 999 units to be sold?

And then just a final one on the order book. For the wider group, the ambition has been for some time to increase the length of the book beyond that five months. I think that the hope was that in H1 this year by limiting deliveries to dealers as you've done successfully versus retail sales that you might be able to extend that order book. So, should we see some progress in the second half of the year?

Adrian Hallmark: Okay. Thanks, Harry. We'll start with the tariffs then. First of all, on the price increases, we clearly are in a dynamic situation. We will remain vigilant to the response of manufacturers that we compete with. And any further pricing will be a result of that analysis. So, it's probably not the end, but for now, we're watching and waiting for all the other movements to occur. A great example being until a few days ago, there was no deal with Europe. If that hadn't been achieved, it would make obviously a difference. But we remain vigilant. We will not be planning to absorb all of the tariff cost. We'll be addressing that on a competitive basis.

In terms of timing of cars, you're absolutely right. The quota system is the remaining jeopardy with the tariff system. We're delighted with the fact that there's been a deal done with the UK and U.S., the government have worked hard to achieve that, and it was fast, and that was a major relief despite the fact we had to almost stop shipments for the quarter of the year for a third of our volume. The good news is we did catch it all up on the last day of the quarter. But going forward, you're absolutely right, because of the nature of the U.K. export profile, the first come, first served basis of the current agreement means that by default with JLR being about 3/4 of the total U.S. imports from the UK, it could put pressure at any given period on the number of slots available at the 10% quota. So, we would -- if the quota run out, we'd be exposed to 27.5%, so we will remain dynamic on that as well.

Of course, going forward, exactly as you've suggested, the difficulty is that quarter four is historically and naturally the biggest quarter for sales for all companies in the U.S. market, not just an Aston Martin phenomenon. So moving to Q1, it means that we have to bring production forward earlier in the year to meet that Q4 demand. And because of the timing

of what's happened with the tariffs, we cannot do that this year. So we have to rely upon the quota system working for 2025, but we definitely will adapt in 2026.

Just like we did in Q1 for Q2, we switched production for the U.S. into quarter one and out of the rest of the world, got the vehicles into the U.S. and switched out of the U.S. in quarter two and back to the rest of the world. So we managed that first tariff uncertainty period effectively. We've now got to do that ongoing.

In terms of the order book for Valhalla, it's a moving beast. The net position between Q1 and Q2 is that we have more orders for Valhalla. I said the end of 2026 as a general statement, and it's still about the end of 2026.

What we've not seen yet because people are holding off until they've seen the car physically and driven the car, we've not seen the next spike in orders. We're largely covered for 2026. And if you walk in today to order a Valhalla, it would be late in quarter four that you get the build slot, in some markets even at quarter one in 2027. So, we're still plus or minus in the same space.

We haven't seen massive cancellations. We've seen some as a result of the tariff situation and general economic environment, but the net position is still better than it was in Q1. And I'm confident, following Goodwood, Monaco and the events that we've done and all the activities we've coming for the rest of this year including drive events, from September through to November in Europe and America, once people get into the car, we'll see another acceleration of orders on the vehicle. To put it in context, just overall, one third of Valhalla is already secured with second deposits. We're in a good state.

Sorry, and the rest of the range, yes. It's definitely by model. If I look across the range, with Vanquish, we're way beyond five months. With Vantage Roadster, same; Vantage generally, we're about on track; and the same with DB12; DBX707 is remaining the challenge. But the S model, which we're just launching and will be shipped into markets in Q3 in real volumes, and effectively, will be 90% of the build for the rest of this year. We're quite confident from dealer first reactions and dealer first activity that we will, with DBX extend the order cover better than we have seen with DBX707 to date. And just as a taste, early next year, there are two more product actions of DBX derivatives to further polarise the range, focus it in two different directions, and we're confident that S through to these next two derivatives will be a great bridge to building that order bank worldwide.

Akshat Kacker (JP Morgan): Three questions, please. The first one on China. Could you just talk about the level of dealer support that's expected in 2025, and if you could help us understand the nature of these payments, is this a one-off payment? Or do you expect further payout if market demand does not improve?

The second question is on inventories. After a volatile quarter that we have seen in the second quarter, could you please talk about the current situation of core car model inventories in the U.S.? Are stock levels in line with your expectations? Or will you be restocking in Q3?

And the last question is on capital investments. I think you have reiterated the £400m spend this year after the full refresh of your core car product portfolio. Could you just give us more details on Capex allocation? Is there a higher-than-expected spend on the Valkyrie? Is it going towards powertrain transition? Are you upgrading manufacturing facilities? Just trying to understand this better.

Doug Lafferty: Okay. So, on China, I'm not giving specific details on exactly how much we're supporting dealers by, but it's a sort of double-digit million sum to give you some

guide, low double digits. And that support is really in the guise of additional variable marketing to allow the dealers to move vehicles, which would be in inventory for a little while through to end customers. So we don't expect it to repeat. We expect that action to have the impact that we'd like it to have during the second half of this year and for the action to leave the dealers in China in a better position as and when the market returns to some kind of normality. So the market in China remains very, very stagnant, I think, for ourselves and for others. So this action is to help stimulate the sale of the inventory that the dealers have so that we can free up space to get the new products in next year.

On the Capex, yes, so we're reiterating the £400m. We're obviously running slightly behind that from a run rate point of view in the first half, but that was exactly as we expected. But in terms of construct, it's not dissimilar to how we've described it before. So the vast majority of the Capex is obviously on the engineering programs. And as you'd expect, there's quite a chunk of Capex on the Valhalla in the first half of this year. But then as we move through the second half of the year, that starts to pivot to the next range of vehicles that we're going to be bringing out. So at least 80-85% of the total Capex bill is on R&D engineering for vehicles. The remainder is on what I call keeping the lights on and things like that, but nothing material in terms of changes and capital investment from a factory point of view. It's more just ongoing maintenance, investments in IT and a little bit of investment in marketing Capex, but the vast majority remains behind the car programs.

Akshat Kacker: Great. And just the last one on core car model inventories in the U.S., please?

Adrian Hallmark: Yes. So, if we look globally, first of all, the inventory is down by about a third compared with the 1st of January this year. So major shift and we're just about in line with our ideal stock level, give or take, 100-150 units. We're in a really good shape.

In particular, in the U.S., because of that three month moratorium on shipping, we were able to run down stocks significantly. So they are even slightly better than the global average reduction that we achieved. Of course, not only the total quantum of stock has reduced significantly, but as we go through the year and launch these new derivatives, the four that Doug mentioned in particular, the stock levels will stay similar to the point that we've achieved in the midpart of the year, but the mix will be totally changed. So there will be Volantes and Roadsters, DBX S and Vantage S in there when they weren't in the first half. But it's not just a different level in total quantum, but also it's the fresh products with new appeal. So that's why we're more confident about the growth potential in the second half of the year now that we've reset.

Horst Schneider (Bank of America): Thank you and good morning. Just a few questions left from my side. The first one is, as you can imagine, is about gross liquidity in relation to the cash burn that you had in Q2, we all have got in mind that you always said you feel comfortable with this £200-300m of gross liquidity, you are now rather at the lower end of this range. And it sounds like there's still going to be a cash burn in Q3, which could push you basically by the end of Q3 below your target gross liquidity level. Is that a reason of concern? And does that maybe require any action? That's question number one.

Question number two, I hear you on inventories, but when I look at your balance sheet, I can't really see that the inventories have come down. So maybe you can explain that again to a stupid analyst?

And the third question that I have on when you talk about orders, and I heard you on the various models, can you also maybe specify what's the demand trend by region. I think it's

still really bad in China also because the luxury tax has increased there. But maybe what's the trade-off between U.S. and Europe?

Doug Lafferty: I think I'll probably take the first two. So on the liquidity, yes, obviously we've talked in our release about the position from a liquidity point of view. The free cash flow in Q2 was impacted a little bit by timing.

So as Adrian mentioned, we actually ended up shipping or crossing the sort of tax line, if you like, on all of the cars that went into the U.S. only on the 30th of June, and that makes it very difficult to collect all the cash in relation to those vehicles. We did a very good job as a team to get the cars across the line, but there's a little bit of an overhang, so there's a catch-up from a receivables point of view.

And secondly, sort of front and center on the announcement here is that we're expecting very imminently to have the liquidity boost from the sale of the Formula One shares, and that's around £110m.

So, between those two sorts of things, that will put us squarely back in the territory of being more comfortable than it would appear at the end of Q2. And then, of course, we're expecting to generate cash in the second half of the year. So from a liquidity point of view, we don't have any concerns, and there's no action at this stage for sure.

With regards to the inventory, I think there's sort of perhaps a little misunderstanding. So we don't hold any dealer inventory on our balance sheet. So when Adrian is talking about dealer inventory and when we talk about the relationship between retail and wholesale, you'll never see that on the balance sheet. The inventory on the balance sheet is inventory pertaining to either company work in progress, company stock or anything like that. So there's no swings on the inventory and the balance sheet as it relates to the inventory in the field.

And the third question, I think, was again on --

Horst Schneider: Sorry, just quickly, but then we should see basically a more meaningful reduction in the trade receivables, they have come down but not really that meaningful. That should reflect the dealer inventories, right?

Doug Lafferty: Yes. To an extent, but it also, of course, reflects the timing of the sales force. So over the last several periods, the timing of the sales has certainly been the biggest swing from a trade receivables point of view. But as I said, from an inventory perspective, that's the company inventory.

Adrian Hallmark: And on the demand by region, I think if we break it down into six parts, UK is pretty much on plan and doing okay. Europe, the same. U.S., despite the tariff disruption, the underlying performance is what we expected so it's fairly stable. It's our supply that's being disrupted, not the dealers' ability to sell the stock that they had. Middle East is not at its full potential for us, but it's stable and predictable. China is a big problem child, no question. And we have a small tactical problem in Asia Pacific. Again, not anywhere near as significant as China, just a little bit of rebalancing. So overall, four out of the six regions are in good shape, and we can rely upon them.

So on that point, I think we're just about out of time. We'd like to thank everybody for participating again, and we're looking forward to acceleration in the second half and some more clarity on the tariffs in particular and the quota system. Thank you, everybody.