



# ASTON MARTIN LAGONDA

FY 2022 Results

Twelve months ended 31 December 2022

# Agenda

1. FY 2022 highlights
2. Financial review
3. Strategic foundations
4. Q&A

Appendix







**Amedeo Felisa**

CHIEF EXECUTIVE OFFICER



# 2022 Highlights

Enhanced key strategic foundations, while delivering amidst a challenging operating environment

- **FY performance in-line with outlook; strong Q4 performance and demand across the portfolio**
  - FY 2022 revenue up 26% year-on-year with record total ASP of more than £200k
  - c.80% of current range GT/Sports sold out for 2023 ahead of upcoming launches, DBX order book into Q3 2023
  - Wholesale volumes up 22% year-on-year in Q4, driven by DBX707 deliveries
- **Delivered thrilling new products in 2022, preparing to unleash next generation of GT/Sports cars and high margin Specials in 2023**
  - 2022: DBX707 and final edition V12 Vantage; unveiled ultra-luxury DBR22 & development upgrades to Valhalla
  - 2023: DBS770 Ultimate, start of next-generation of front-engine sports cars (first deliveries in Q3); Aston Martin Valkyrie Spider and new, strictly limited, exclusive Special to celebrate 110<sup>th</sup> anniversary
- **Actions taken to improve execution & innovation capabilities to support long-term growth**
  - New operational measures and processes implemented to enhance supply chain resilience and performance
  - Established new cross-functional structure for engineering organisation to enhance development of next generation high-performance vehicles
  - New leadership appointments and ways of working to support future growth
- **New brand positioning driving increased customer demand**
  - Impactful new creative identity and *Intensity. Driven.* brand positioning
  - >60% of customers new to the brand, amplified by F1® partnership
- **Making sustainability central to everything we do**
  - Deepened the integration of sustainability through our *Racing. Green.* strategy
  - Added new goals including 2.5% annual reduction in CO<sub>2</sub> emissions from our manufacturing facilities<sup>1</sup> and 2.5% annual reduction in CO<sub>2</sub> emissions intensity and energy consumption per car<sup>1</sup>



Doug Lafferty

CHIEF FINANCIAL OFFICER



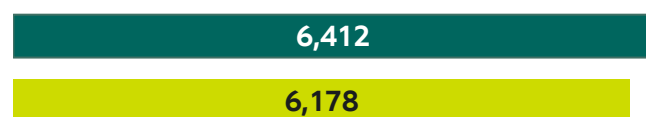


# 2022 Financial Results

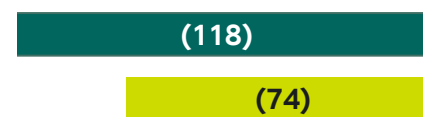
Results in line with prior outlook with strong Q4 performance

■ 2022      ■ 2021

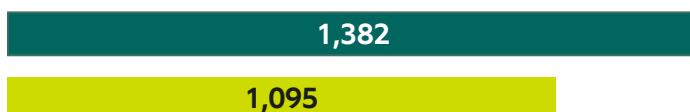
## Total Wholesales<sup>1</sup> (units)



## Adjusted Operating Loss (£m)



## Revenues (£m)



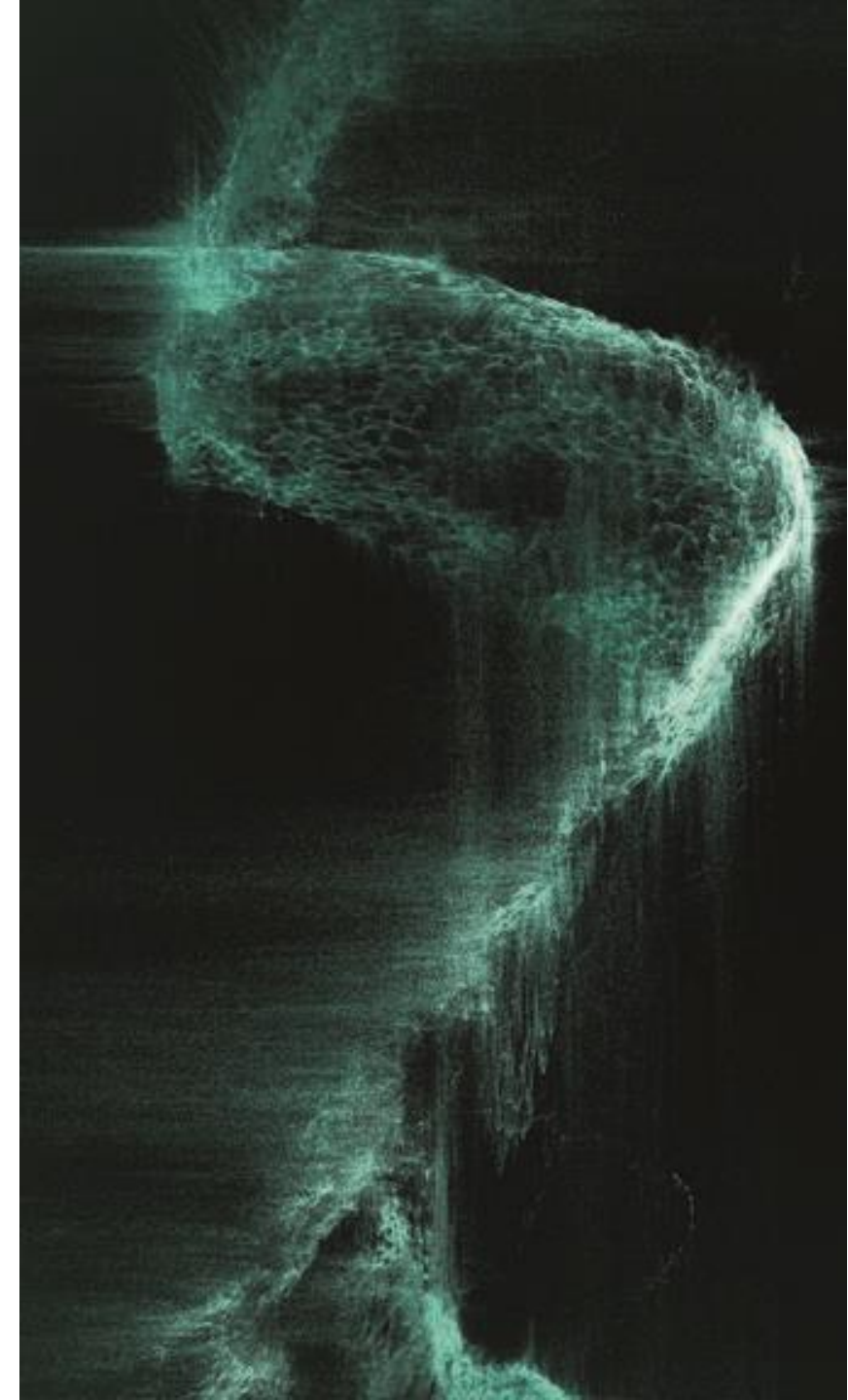
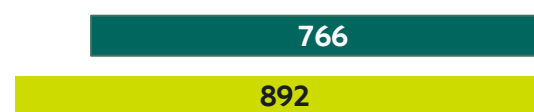
## Free Cash Flow<sup>2</sup> (£m)



## Adjusted EBITDA (£m)



## Net Debt (£m)

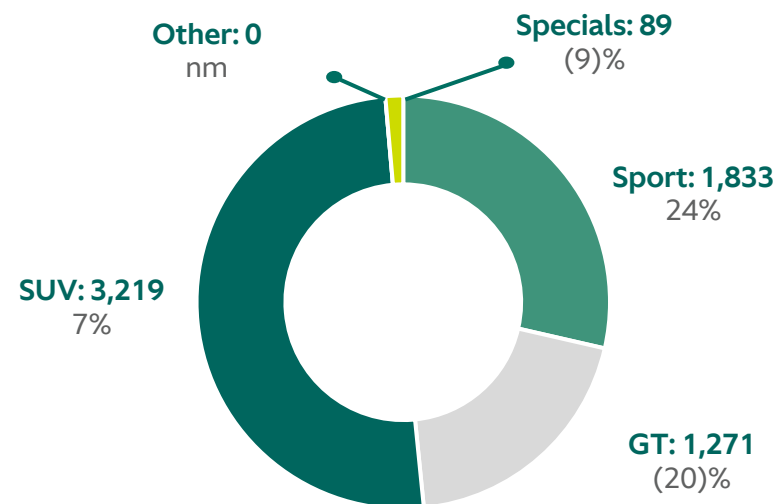


# 2022 Wholesales & ASP

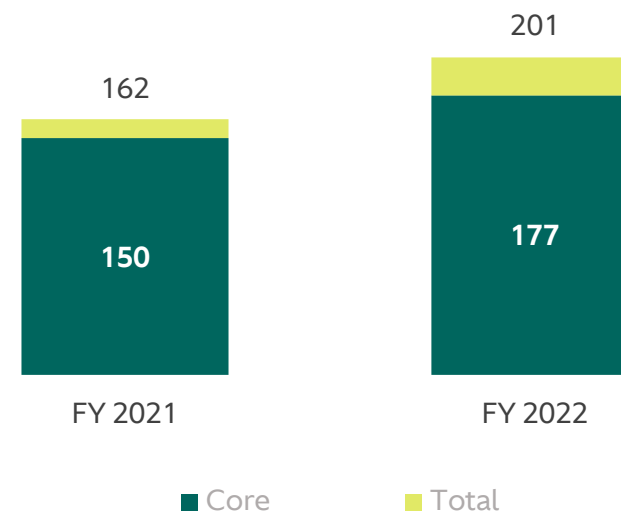
Strong demand across the portfolio, record total ASPs of more than £200k. DBX represented more than 50% of volumes

Total wholesales<sup>1</sup>: 6,412

By model (units); YoY % change



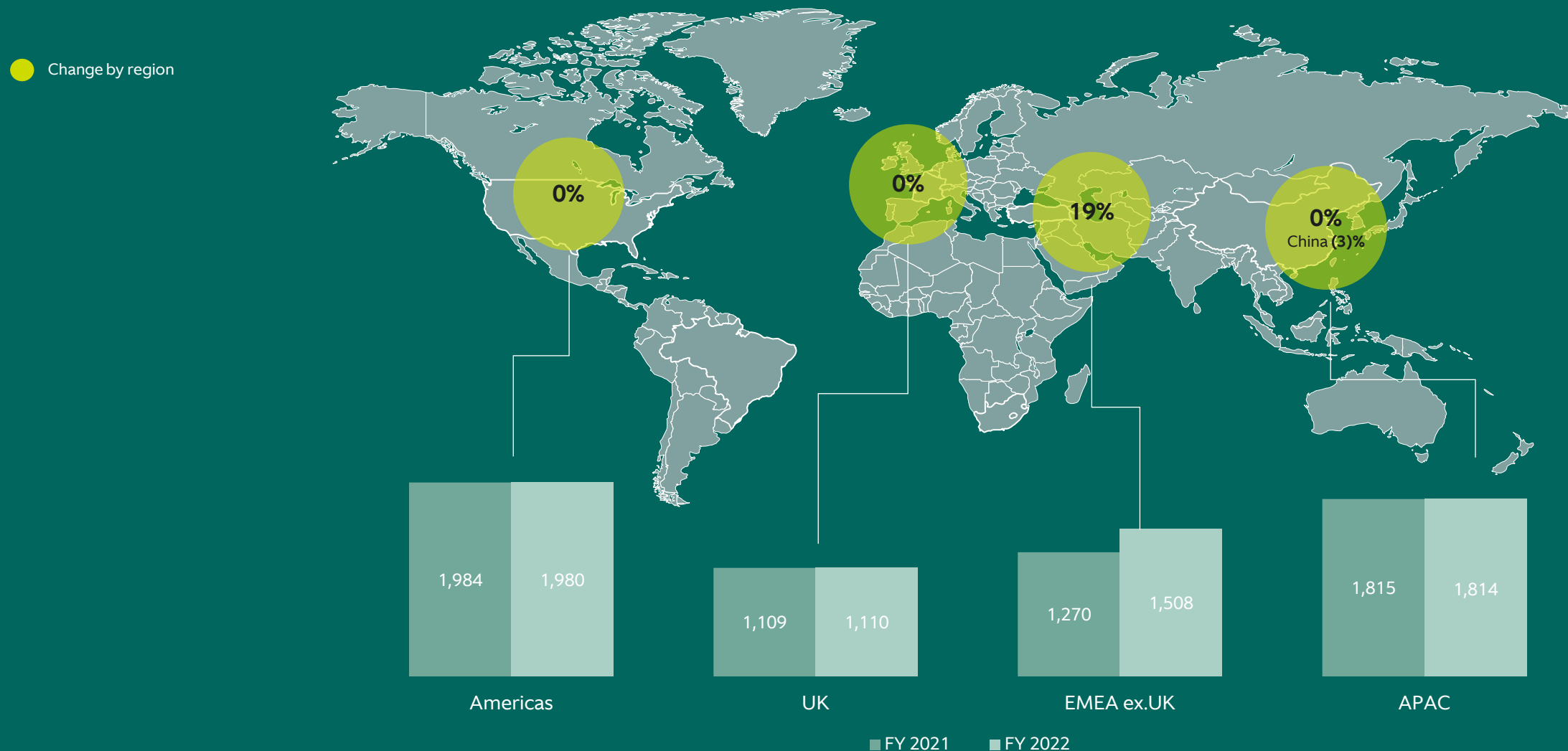
Wholesale ASP (£k)



Certain financial data within this presentation has been rounded; see Appendix for more detail on APMs; (1) Wholesales are company sales to dealers; Other consists of prior generation models; GT includes DB11 and DBS; Sport includes Vantage; SUV includes DBX and derivatives

# 2022 Wholesales by Region

Volumes remain well balanced across all regions, quarterly fluctuations impacted by supply chain disruptions during the year

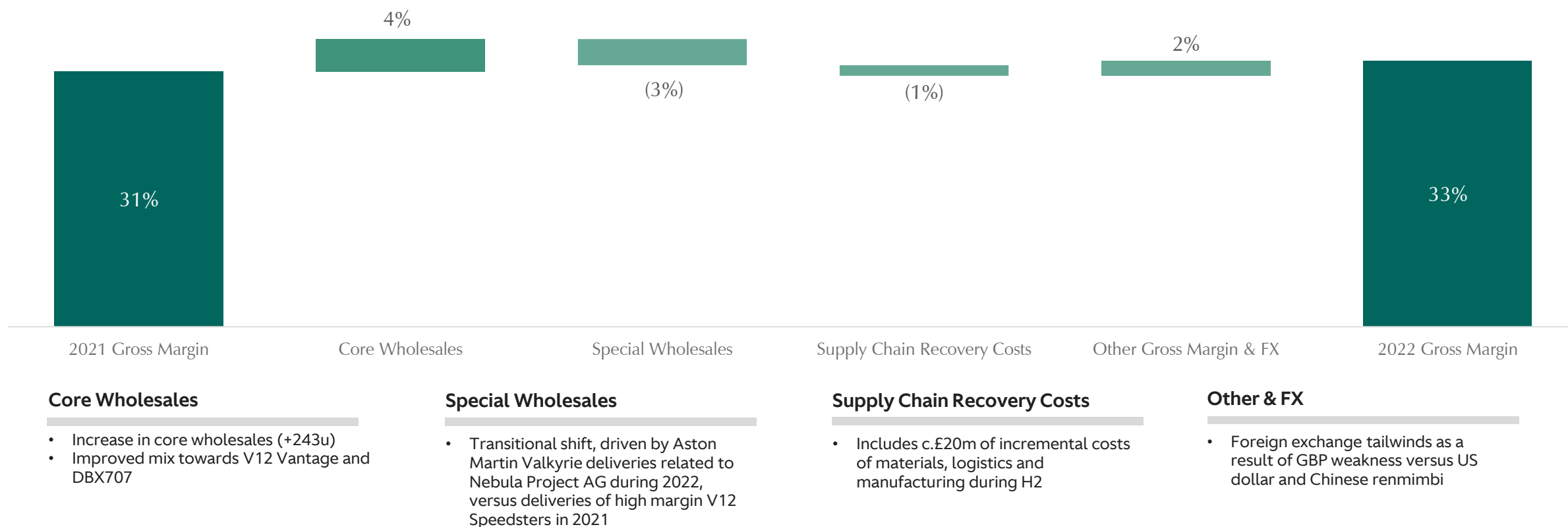




# 2022 Gross Margin

Strong underlying core YoY gross margin progression, aligned with ultra-luxury strategy; lower special YoY gross margin driven by transitional mix shift

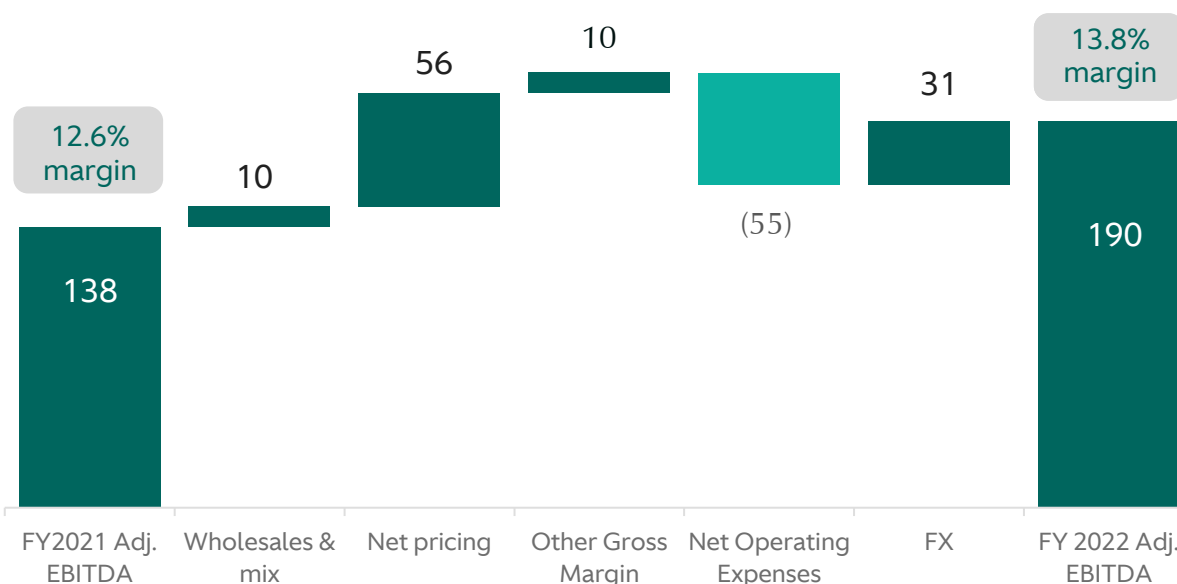
(£m)



# 2022 Adjusted EBITDA

38% YoY increase as strong pricing and mix dynamics and FX tailwinds were partially offset by higher operating expenses

(£m)



## Wholesales & mix

- ↑ Core mix + Specials
- ↑ Volumes (+234 units)

## Net pricing

- Decreased customer financing support
- Increased average selling prices

## Net Opex

- Increased investment in brand, marketing and new product launch initiatives
- Higher G&A costs, impacted by inflationary pressures

## D&A

- Increase due to Aston Martin Valkyrie deliveries & accelerated depreciation ahead of next generation sports cars

## Financing expenses

- £156m adverse FX impact on reval of \$-denominated debt
- £166m interest costs

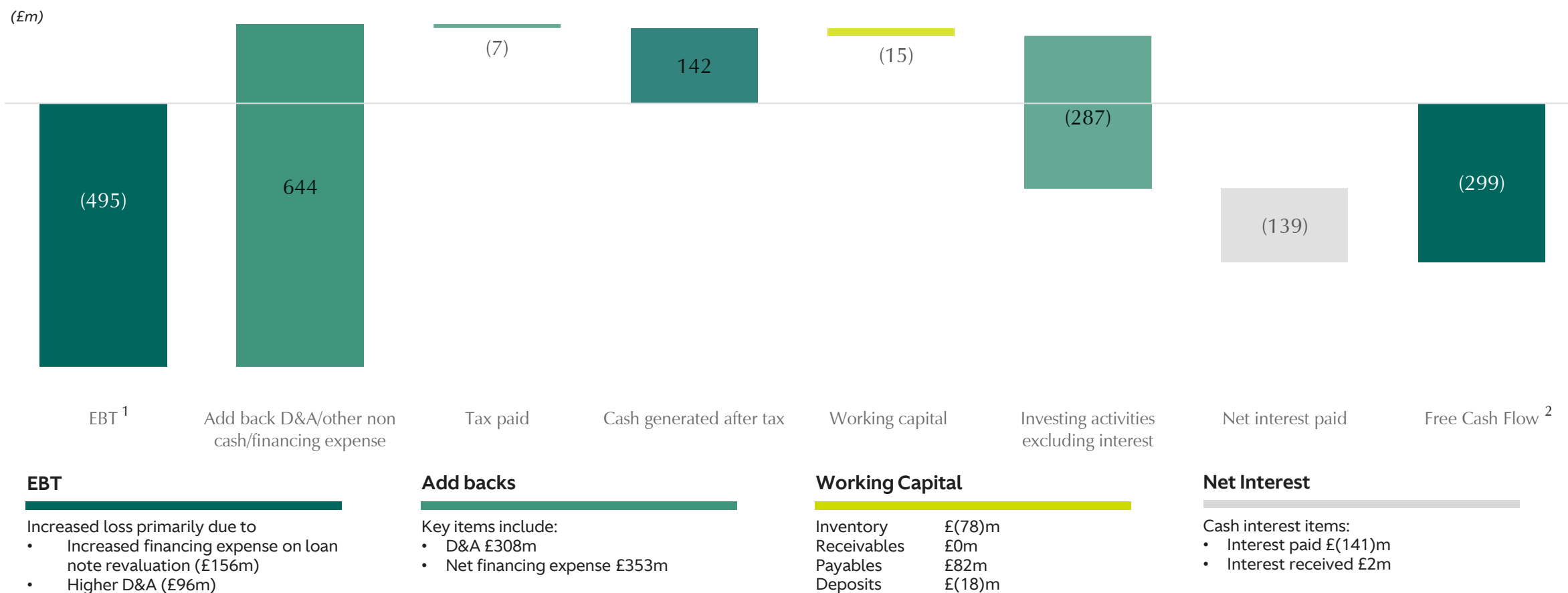
## EBT Analysis

£m	FY 2022	FY 2021
<b>Adjusted EBITDA</b>	<b>190.2</b>	<b>137.9</b>
D&A	(308.1)	(212.2)
<b>Adjusted EBIT</b>	<b>(117.9)</b>	<b>(74.3)</b>
Net adjusted financing expense	(333.1)	(171.4)
<b>Adjusted EBT</b>	<b>(451.0)</b>	<b>(245.7)</b>
Adjusting items <sup>1</sup>	(44.0)	31.9
<b>EBT</b>	<b>(495.0)</b>	<b>(213.8)</b>



# 2022 Free Cashflow

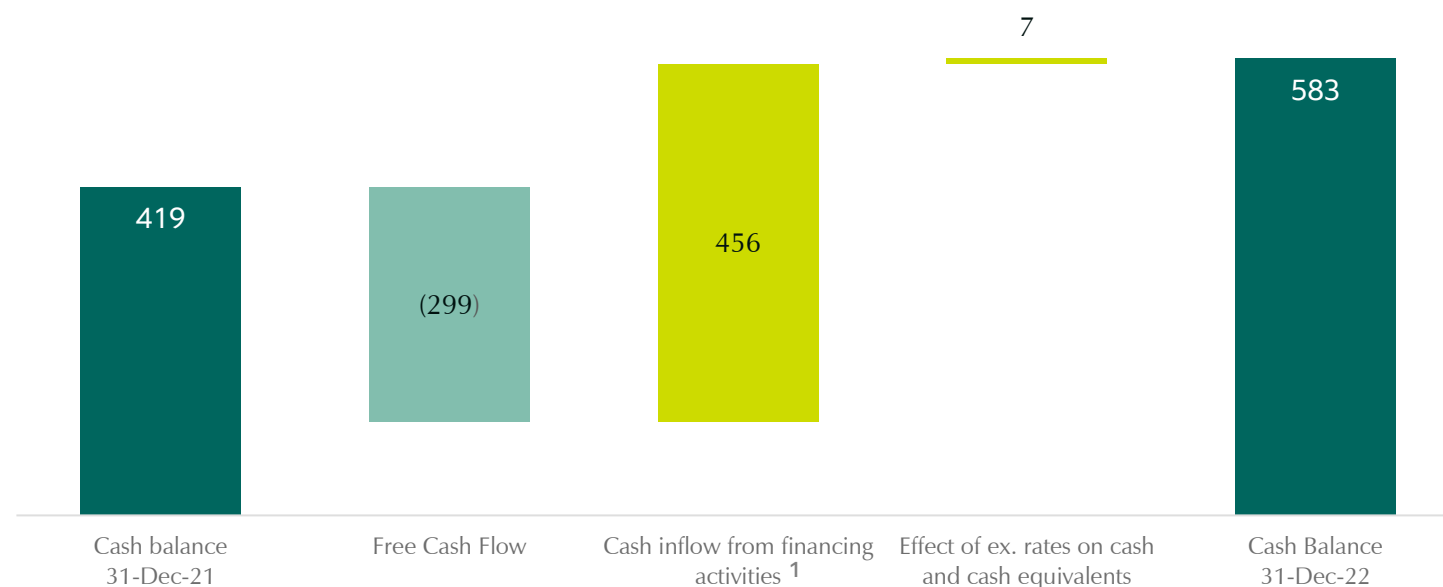
Positive FCF in Q4 driven by strong profitability and cash inflows from working capital



## 2022 Cash & Debt

Strengthened liquidity position; net debt declined by more than £125 million YoY, despite adverse £156m (non cash) FX impact; successful debt tender in Q4

(£m)



£m	FY 2022	FY 2021
Loan notes	(1,104.0)*	(1,074.9)
Inventory financing	(38.2)	(19.7)
Bank loans and overdrafts	(107.1)	(114.3)
Lease liabilities	(99.8)	(103.4)
<b>Gross debt</b>	<b>(1,349.1)</b>	<b>(1,312.3)</b>
Cash balance	583.3	418.9
Cash not available for short-term use	0.3	1.8
<b>Net debt</b>	<b>(765.5)*</b>	<b>(891.6)</b>

\* Includes £156m adverse non-cash FX revaluation of \$-denominated notes



# 2023 & Medium-Term Outlook

Significant growth in profitability and positive FCF expected in H2'23; On track to achieve mid-term financial targets

## 2023 Guidance

Wholesales	<b>Growth to c. 7,000 units</b>
Adj. EBITDA margin	<b>Up to c.20%</b>
D&A	<b>c. £350-370m</b>
Interest expense	<b>c. £120m cash<sup>1</sup></b>
Capex and R&D	<b>c. £370m</b>

- H1'23 adj. EBITDA & FCF expected to be similar to H1'22
- Profile of FCF expected to be broadly similar Q1'23 vs Q2'23
- Expect strong YoY growth in H2'23, driven by new Core & high margin Specials products
- Positive FCF expected in H2'23

## Medium-Term Guidance

Wholesales	<b>c. 10,000 units</b>
Revenue	<b>c. £2bn</b>
Adj. EBITDA	<b>c. £500m</b>

c. 25% adj. EBITDA margin by 2024/25

Targeting to become sustainably FCF positive from 2024



Amedeo Felisa

CHIEF EXECUTIVE OFFICER





# Strategic Foundations

Key strengths which underpin our strategy and future growth ambitions



## Brand

Aston Martin is an iconic global brand, with a unique position transcending ultra-luxury and high performance underpinned by a strong and loyal customer base



## Product Innovation

A breathtaking and comprehensive core portfolio across front-engine, SUV and mid-engine enhanced by a strategically-aligned Specials programme, developed through our partnership with Mercedes-Benz AG



## Sustainability

Deepening the integration of sustainability into our business and improving our sustainability performance through our *Racing. Green.* programme



## People

The right people and processes, with unique understanding and experience of the ultra-luxury car sector

# Brand

New brand positioning and go-to-market strategy, realising our iconic brand's potential

- **Impactful new creative identity and *Intensity. Driven.* brand positioning, supported by new model launches, enhanced data management and customer targeting tools**
  - Resulting in a >10% increase in sales leads, 10% increase in web and configurator sessions, as well as heightened brand desirability
  - >60% increase in sales leads generated by award-winning online configurator, supported by increasing brand salience and optimised digital user experience
  - New model launches, enhanced data management and customer targeting tools driving a c.60% increase in dealership test drives
  - More than 60% of customers new to the Aston Martin brand
- **Bold campaigns and optimised content strategy**
  - Introduction to new platforms such as TikTok, delivering a >70% increase in video views and improved engagement across social media
- **Aston Martin Aramco Cognizant Formula One™ Team continues to connect the brand with engaged audiences and to raise consideration in key markets**
  - Aston Martin's Formula One® global fanbase surpassed 150 million in 2022
  - Research shows that >95% of US customers feel Aston Martin's presence in F1® made them more likely to consider the brand
  - More than 70% of Vantage F1® Edition owners are new to the Aston Martin brand, further demonstrating the positive impact that Aston Martin's global presence in the sport is having on its brand image and appeal to new customers





# Product Innovation





# DBX707

The world's most powerful luxury SUV

“AN SUV THAT DRIVES  
LIKE A SUPER COUPE”  
Wall Street Journal, July 2022





# V12 Vantage and DBS 770 Ultimate

Iconic finale models, sold out





# Valkyrie and Valkyrie AMR Pro

Space-age engineering, bringing track performance onto the streets





# Valhalla

Latest development upgrades to hybrid supercar Valhalla showcased at Pebble Beach





## DBR22

A spectacular V12-engined two-seater coach-built design concept



# Thrilling next generation sports cars

First deliveries to commence in Q3 2023





# Sustainability

Making sustainability central to everything we do

- **Accelerated progress towards the *Racing. Green.* goals**
  - Unchanged timeline for electrification – first PHEV (the Valhalla) commences delivery in 2024, first BEV targeted for launch in 2025, fully electrified sports and SUV portfolio by 2030
  - Continued commitment to the Science Based Targets initiative (SBTi) Net-Zero Standard
  - Sustainability embedded throughout the vehicle design process, with intensified focus on using materials which are low carbon, sustainably sourced and recycled
- **Working towards net-zero manufacturing facilities and a 30% reduction in supply chain emissions by 2030 (vs 2020)**
  - Continuing to implement projects to help meet these goals
  - New targets to drive year-on-year improvements, including reducing CO<sub>2</sub> emissions<sup>1</sup> and energy intensity per car each year by 2.5%. Achieved reduction in CO<sub>2</sub> emissions<sup>1</sup> per car of 3.9% in 2022
- **A focus going beyond climate change**
  - Continued commitment to only use renewable electricity in our manufacturing facilities in Gaydon and St Athan
  - Aim to achieve zero single-use plastic packaging from our manufacturing facilities by 2025
  - Target to cut our water consumption by 15% by 2025 (vs 2019). Investment in water saving technologies in 2022 will save 1 million litres of water annual from staff facilities
- **People are at the heart of the success of the business**
  - New safety training programme and further improvements to safety management systems as we continue to strive for zero injuries and zero harm
  - Further emphasis on increasing diversity and championing inclusivity, with enhanced target for women to be in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030 vs 15% currently



# People

No one builds an Aston Martin on their own

## ▪ New appointments and internal promotions

- Continuing to add and promote key talent, including senior leaders in engineering, commercial, HR and operational teams
- New executive management appointments during 2022:
  - CEO Amedeo Felisa, CFO Doug Lafferty, Chief People Officer Simon Smith, Group Chief Technology Officer Roberto Fedeli

## ▪ New ways of working to support future growth

- New cross-functional organisational structure for engineering
  - Optimised product development process to maximise cross-carline component sharing, reducing complexity & driving engineering efficiencies
  - New value engineering function to support continued alignment between technical and financial targets
  - Pre-production pilot facility developed in order to optimise product launch processes
  - Expanding in-house engineering capabilities
- Re-shaped and enhanced supply chain strategy
  - Maintaining a resilient, stable and structured supply chain and logistics framework to improve planning and scheduling infrastructure and parts assurance from suppliers and optimise inventory management
  - Focus on building a strong network of strategic supplier partners, to improve resilience and minimise supply chain disruption

## ▪ Investing in people

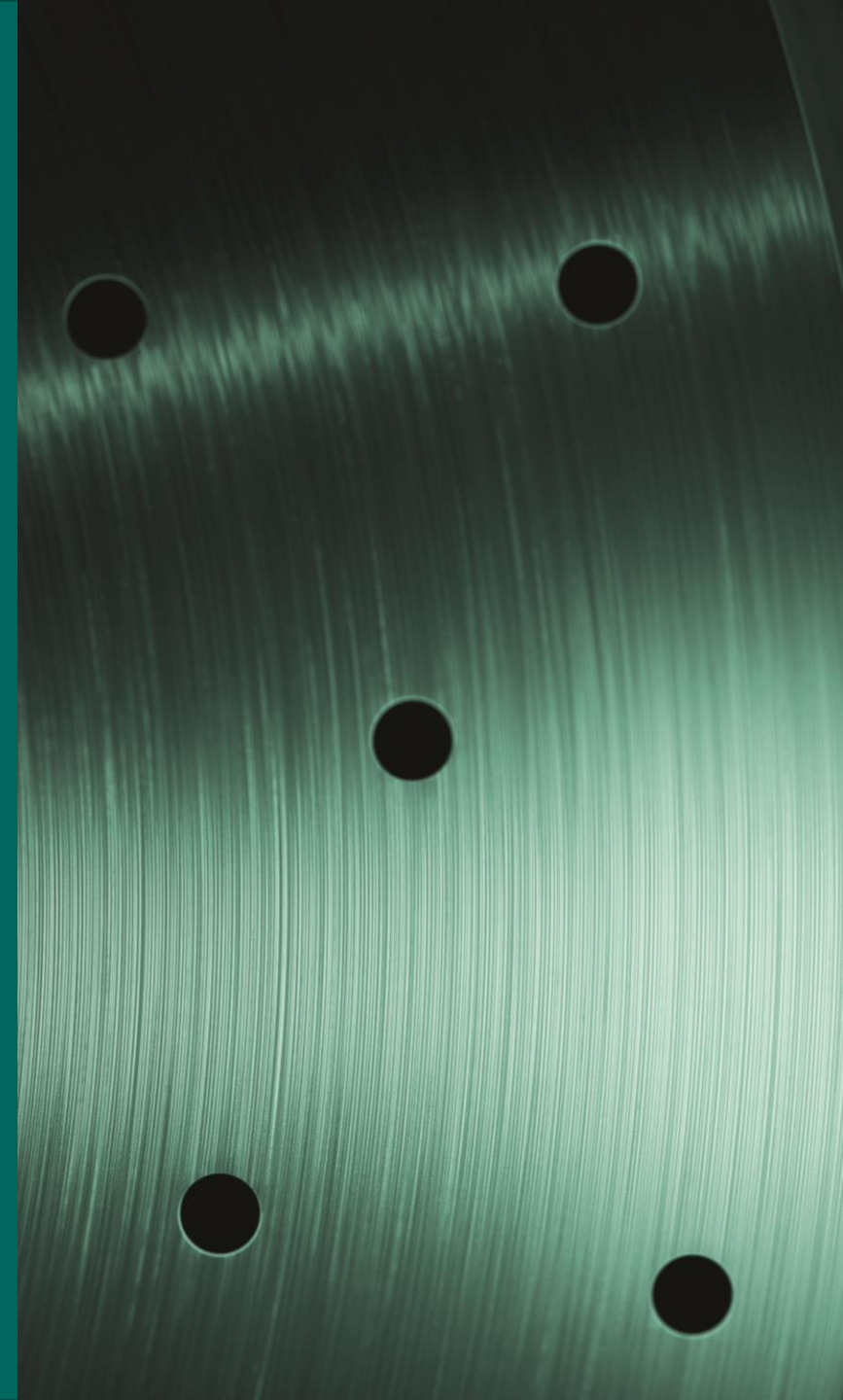
- Improve colleague engagement by becoming a 'Great Place to Work' by 2025
- Increase the culture of inclusion, leveraging the five Aston Martin values of Unity, Openness, Trust, Ownership and Courage
- Fostering a spirit of collaboration – 'No one builds an Aston Martin on their own'



## Accelerating forward

...To become the worlds' most desirable ultra-luxury British performance brand

- Exciting product renewal with increased profitability
- Elevated brand strength driving demand
- Improved execution & innovation capabilities to support long-term growth
- Enhanced financial base with acceleration of growth expected through H2 2023
- Deeper integration of *Racing. Green.*
- On track to achieve medium-term financial targets





Q&A





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Appendix



# Income Statement, Cashflow and Balance Sheet

2022 vs 2021

<i>£m</i>	FY 2022	FY 2021	Q4 2022	Q4 2021
<b>Revenue</b>	<b>1,381.5</b>	<b>1,095.3</b>	<b>524.3</b>	<b>358.9</b>
Cost of sales	(930.8)	(751.6)	(359.8)	(237.1)
<b>Gross profit</b>	<b>450.7</b>	<b>343.7</b>	<b>164.5</b>	<b>121.8</b>
<i>Gross margin</i>	32.6%	31.4%	31.4%	33.9%
Operating expenses <sup>1</sup>	(568.6)	(418.0)	(154.2)	(131.0)
<i>of which depreciation &amp; amortisation</i>	308.1	212.2	100.1	74.8
<b>Adjusted EBIT</b>	<b>(117.9)</b>	<b>(74.3)</b>	<b>10.3</b>	<b>(9.2)</b>
Adjusting operating items	(23.9)	(2.2)	(3.7)	0.9
<b>EBIT</b>	<b>(141.8)</b>	<b>(76.5)</b>	<b>6.6</b>	<b>(8.3)</b>
Net financing expense/(income)	(353.2)	(137.3)	9.7	(16.9)
<i>of which adjusting financing items</i>	(20.1)	34.1	(39.1)	21.2
<b>EBT</b>	<b>(495.0)</b>	<b>(213.8)</b>	<b>16.3</b>	<b>(25.2)</b>
Taxation	(32.7)	24.5	(26.0)	(7.5)
<b>Loss for the period</b>	<b>(527.7)</b>	<b>(189.3)</b>	<b>(9.7)</b>	<b>(32.7)</b>
<b>Adjusted EBITDA</b>	<b>190.2</b>	<b>137.9</b>	<b>110.4</b>	<b>65.6</b>
<i>Adjusted EBITDA margin</i>	13.8%	12.6%	21.1%	18.3%
<b>Adjusted EBT</b>	<b>(451.0)</b>	<b>(245.7)</b>	<b>59.1</b>	<b>(47.3)</b>
EPS <sup>2</sup> (pence)	(124.5)	(58.6)		
<b>Adjusted EPS<sup>2</sup> (pence)</b>	<b>(114.1)</b>	<b>(70.9)</b>		

<i>£m</i>	FY 2022	FY 2021
Cash generated from operating activities	127.1	178.9
Cash used in investing activities (excl. interest)	(286.9)	(185.2)
Net cash interest paid	(139.0)	(116.9)
<b>Free cash outflow</b>	<b>(298.8)</b>	<b>(123.2)</b>
Cash inflow from financing activities (excl. interest)	456.2	51.5
<b>Increase/(decrease) in net cash</b>	<b>157.4</b>	<b>(71.7)</b>
Effect of FX on cash / cash equivalents	7.0	1.2
<b>Cash balance</b>	<b>583.3</b>	<b>418.9</b>
Cash not available for ST use <sup>3</sup>	0.3	1.8
Borrowings	(1,249.3)	(1,208.9)
Lease Liabilities	(99.8)	(103.4)
<b>Net debt</b>	<b>(765.5)</b>	<b>(891.6)</b>

## 2022 Quarterly Breakdown

Income statement, cashflow and Alternative Performance Measures

£m	Q1 2022	Q2 2022	Q3 2022	Q4 2022
<b>Revenue</b>	<b>232.7</b>	<b>309.0</b>	<b>315.5</b>	<b>524.3</b>
Cost of sales	(148.7)	(204.9)	(217.4)	(359.8)
<b>Gross profit</b>	<b>84.0</b>	<b>104.1</b>	<b>98.1</b>	<b>164.5</b>
<i>Gross margin</i>	36.1%	33.7%	31.1%	31.4%
Operating expenses <sup>1</sup>	(118.3)	(142.5)	(153.6)	(154.2)
<i>of which depreciation &amp; amortisation</i>	58.7	72.6	76.7	100.1
<b>Adjusted EBIT</b>	<b>(34.3)</b>	<b>(38.4)</b>	<b>(55.5)</b>	<b>10.3</b>
Adjusting operating items	(13.4)	(3.8)	(3.0)	(3.7)
<b>EBIT</b>	<b>(47.7)</b>	<b>(42.2)</b>	<b>(58.5)</b>	<b>6.6</b>
Net financing (expense)/income	(63.9)	(131.6)	(167.4)	9.7
<i>of which adjusting financing items</i>	10.8	13.6	(5.4)	(39.1)
<b>EBT</b>	<b>(111.6)</b>	<b>(173.8)</b>	<b>(225.9)</b>	<b>16.3</b>
Taxation	(0.4)	(4.0)	(2.3)	(26.0)
<b>Loss for the period</b>	<b>(112.0)</b>	<b>(177.8)</b>	<b>(228.2)</b>	<b>(9.7)</b>
<b>Adjusted EBITDA</b>	<b>24.4</b>	<b>34.2</b>	<b>21.2</b>	<b>110.4</b>
<i>Adjusted EBITDA margin</i>	10.5%	11.1%	6.7%	21.1%
<b>Adjusted EBT</b>	<b>(109.0)</b>	<b>(183.6)</b>	<b>(217.5)</b>	<b>59.1</b>

£m	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Cash generated/(used in) from operating activities	43.2	(76.3)	(23.8)	184.0
Cash used in investing activities (excl. interest)	(66.7)	(71.5)	(75.2)	(73.5)
Net cash interest paid	(1.9)	(60.6)	(2.8)	(73.7)
<b>Free cash (outflow)/inflow</b>	<b>(25.4)</b>	<b>(208.4)</b>	<b>(101.8)</b>	<b>36.8</b>
Cash inflow/(outflow) from financing activities (excl. interest)	5.9	(46.9)	707.7	(210.5)
<b>(Decrease)/increase in net cash</b>	<b>(19.5)</b>	<b>(255.3)</b>	<b>605.9</b>	<b>(173.7)</b>
Effect of FX on cash/cash equivalents	4.4	7.7	9.7	(14.8)
<b>Cash balance</b>	<b>403.8</b>	<b>156.2</b>	<b>771.8</b>	<b>583.3</b>

£m	Q1 2022	Q2 2022	Q3 2022	Q4 2022
EBT	(111.6)	(173.8)	(225.9)	16.3
Adjusting operating expenses	13.4	3.8	3.0	3.7
Adjusting financing (income)/expenses	(10.8)	(13.6)	5.4	39.1
<b>Adjusted EBT</b>	<b>(109.0)</b>	<b>(183.6)</b>	<b>(217.5)</b>	<b>59.1</b>
Adjusted finance income	(0.6)	(0.6)	(0.7)	(1.1)
Adjusted finance expense	75.3	145.8	162.7	(47.7)
<b>Adjusted EBIT</b>	<b>(34.3)</b>	<b>(38.4)</b>	<b>(55.5)</b>	<b>10.3</b>
Reported depreciation	11.5	26.4	23.8	27.1
Reported amortisation	47.2	46.2	52.9	73.0
<b>Adjusted EBITDA</b>	<b>24.4</b>	<b>34.2</b>	<b>21.2</b>	<b>110.4</b>



# Significant reduction in nominal debt, both in USD and GBP terms

Redemption of \$200m of Senior Secured Notes in Q4'22



## Alternative performance measures

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

- Adjusted EBT is the loss before tax and adjusting items as shown on the Consolidated Income Statement
- 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 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, cash held not available for short-term use
- Free cashflow is represented by cash (outflow)/inflow from operating activities less the net cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.





An aerial photograph showing a blue Aston Martin Lagonda driving on a two-lane asphalt road that curves through a landscape. To the left of the road is a steep, rocky cliff face with patches of green vegetation. To the right of the road is a concrete guardrail, followed by a dense forest of green trees. The car is positioned in the center of the frame, moving away from the viewer.

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# ASTON MARTIN

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