



# ASTON MARTIN LAGONDA

Q3 2023 Results

Nine months ended 30 September 2023

# YTD and Q3 2023 Highlights

Performance in line with guidance and shows continued momentum and strong demand across product lines

- **Q3 performance in line with guidance; FY 2023 guidance maintained other than marginally updated volumes**
  - YTD revenue up 21%, driven by ASP growth and strong demand
  - Gross profit increased by 30% YoY with a gross margin of 36% YTD ; gross margin reached 37% in Q3 2023
  - Adj. EBITDA increased 64% YoY to £131m or a margin of 13%, representing YoY margin expansion of c. 330 bps
  - Total liquidity of over £600m including cash of £544m and an additional c.£60m revolving credit facility available; net debt reduced to £750m
  - FY 2023 guidance maintained other than marginally updated volume outlook
  - No changes to medium term outlook; on track to substantially achieve 2024/25 financial targets in 2024
- **Delivering thrilling new products: next generation of sports cars and high margin Specials**
  - New DB12 Coupe deliveries commenced in Q3 2023 with order book extending into Q2 2024, with production now running at the rates required to meet updated volume expectations
  - DBS 770 Ultimate deliveries ramped up in Q3 2023; Aston Martin Valkyrie Spider deliveries commenced in Q3 2023
  - DBR22, Valour and DB12 Volante deliveries to commence in Q4 2023
  - Second next generation sports car to be launched in Q1 2024
- **Continued strategic and financial momentum**
  - Share offering raised £216m gross proceeds to accelerate net leverage reduction and support longer term growth
  - In November, we will be redeeming 50% of the outstanding second lien notes and intend to undertake a fulsome refinancing exercise during H1 2024
  - New strategic supply arrangement with Lucid Group gained shareholder approval
  - Announced entry to the 2025 24 Hours of Le Mans Hypercar class with endurance racing partner Heart of Racing, using a racing prototype version of the Aston Martin Valkyrie
  - A consortium working on the Company's high-performance electrification strategy was awarded £9 million of government funding through the Advanced Propulsion Centre UK



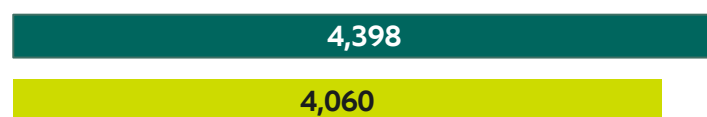
# YTD 2023 Financial Results

Q3 performance in-line with guidance, FY guidance maintained other than marginally updated volume outlook

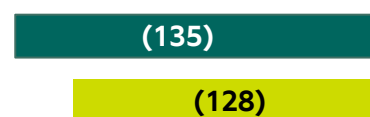
■ YTD 2023

■ YTD 2022

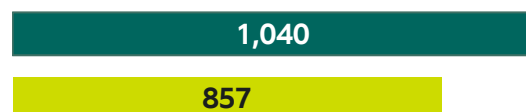
## Total Wholesales<sup>1</sup> (units)



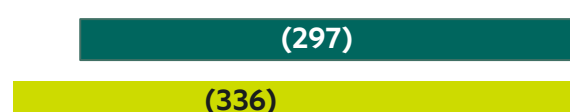
## Adjusted Operating Loss (£m)



## Revenues (£m)



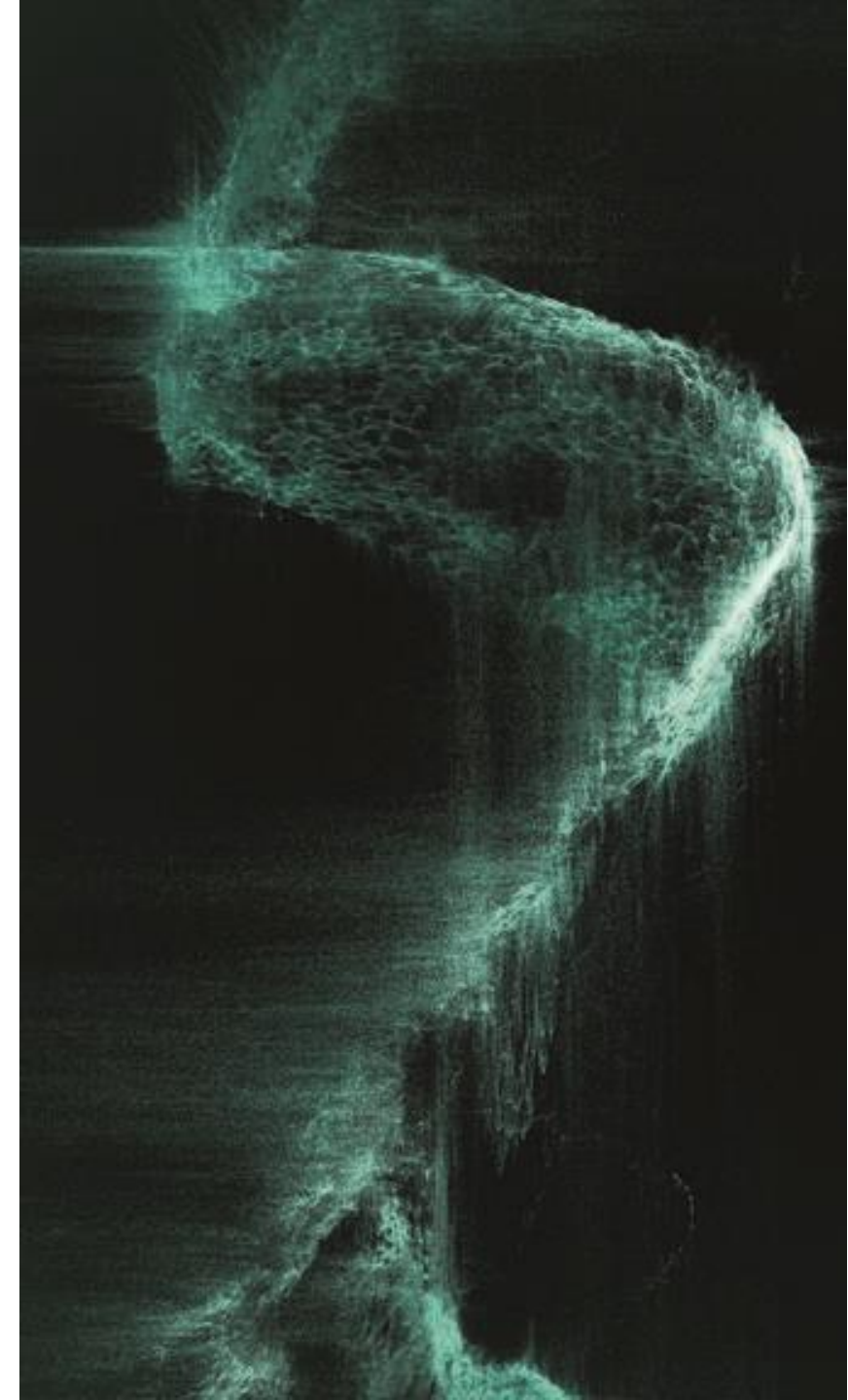
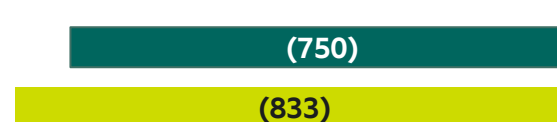
## Free Cash Flow<sup>2</sup> (£m)



## Adjusted EBITDA (£m)



## Net Debt (£m)

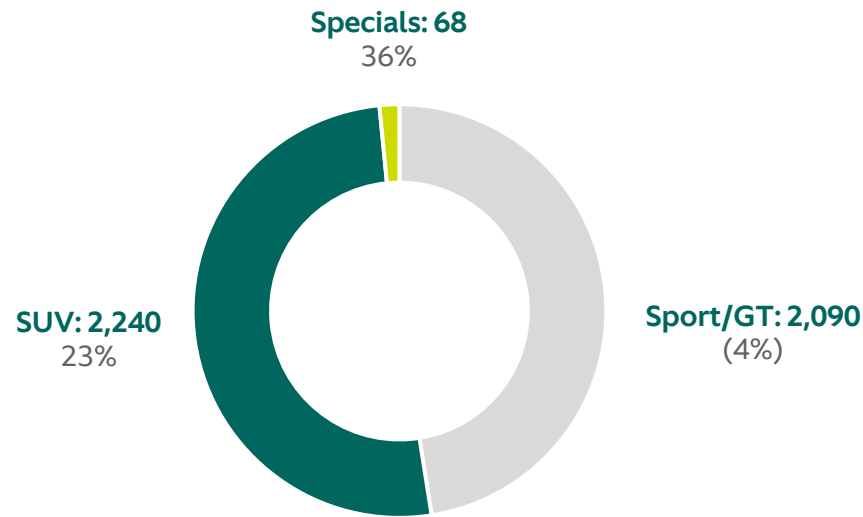


# YTD 2023 Wholesales & ASP

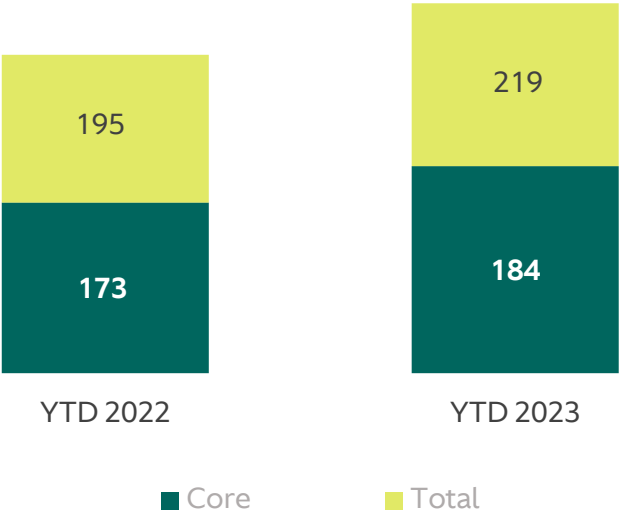
8% volume growth driven by strong demand across the portfolio; Q3 volumes reflect ongoing transition to our next generation sports cars; Continued strong ASP progression

Total wholesales<sup>1</sup>: 4,398

By model (units); YoY % change

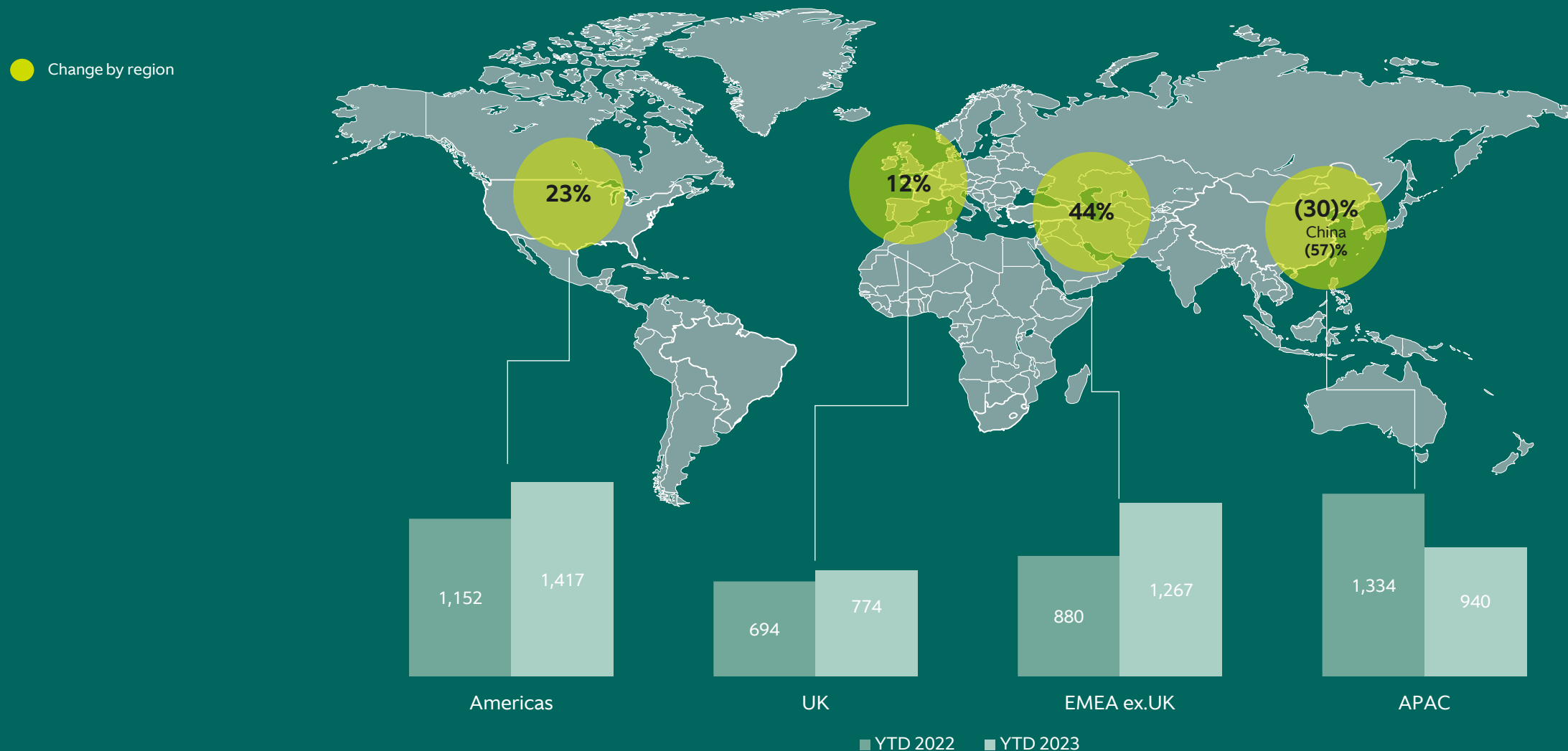


Wholesale ASP (£k)



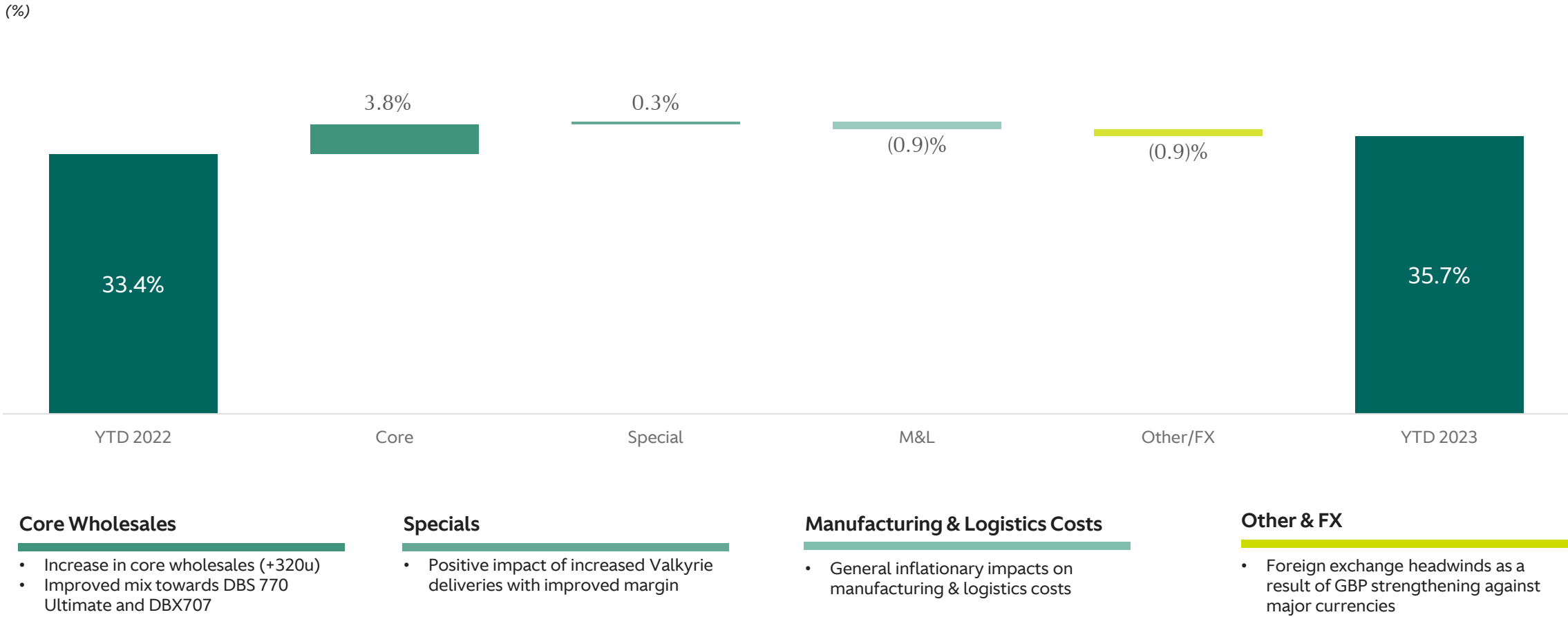
# YTD 2023 Wholesales by Region

Strong growth in all regions ex. China due to higher DBS 770 Ultimate and DBX volumes; China impacted by weaker market conditions



# YTD 2023 Gross Margin

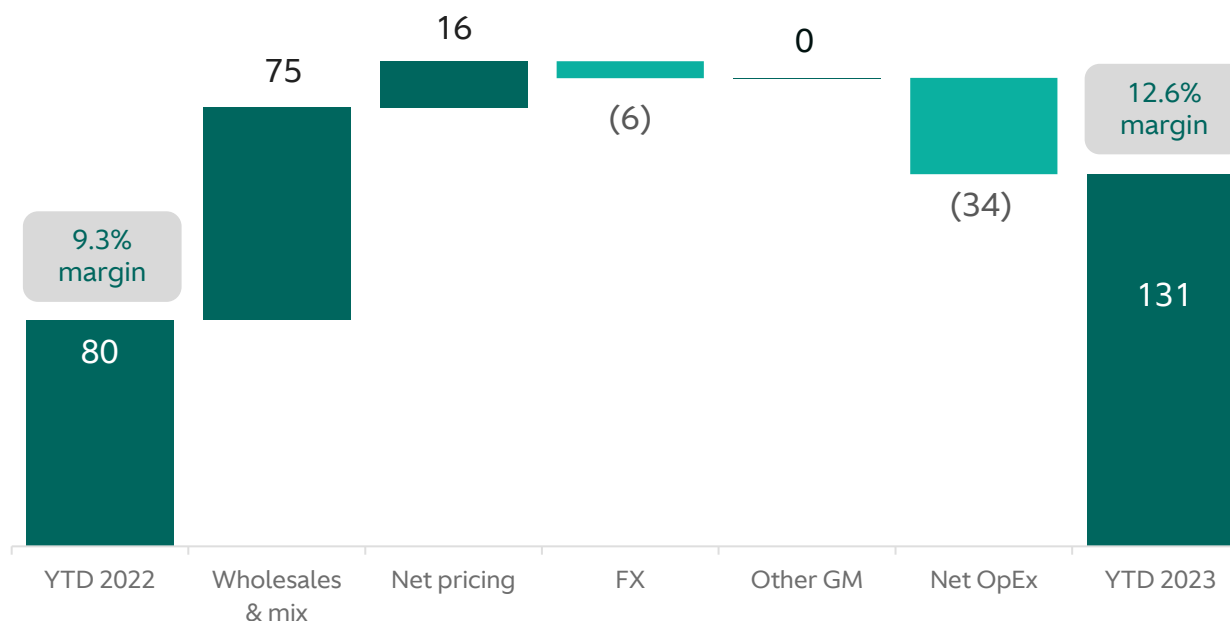
YoY improvement in gross margin driven by core portfolio, partially offset higher manufacturing & logistics costs and FX headwinds



# YTD 2023 Adjusted EBITDA

64% YoY increase and 330 basis points margin expansion as higher volumes, strong pricing dynamics & mix were partially offset by higher operating expenses

(£m)



## Wholesales & mix

- ↑ Core mix + Specials
- ↑ Core volumes (+320 units)

## Net pricing

- Includes flowthrough of price increases
- Increased ASPs also include strong options contribution

## 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 higher Aston Martin Valkyrie production & deliveries as well as launch of new products

## Financing expenses

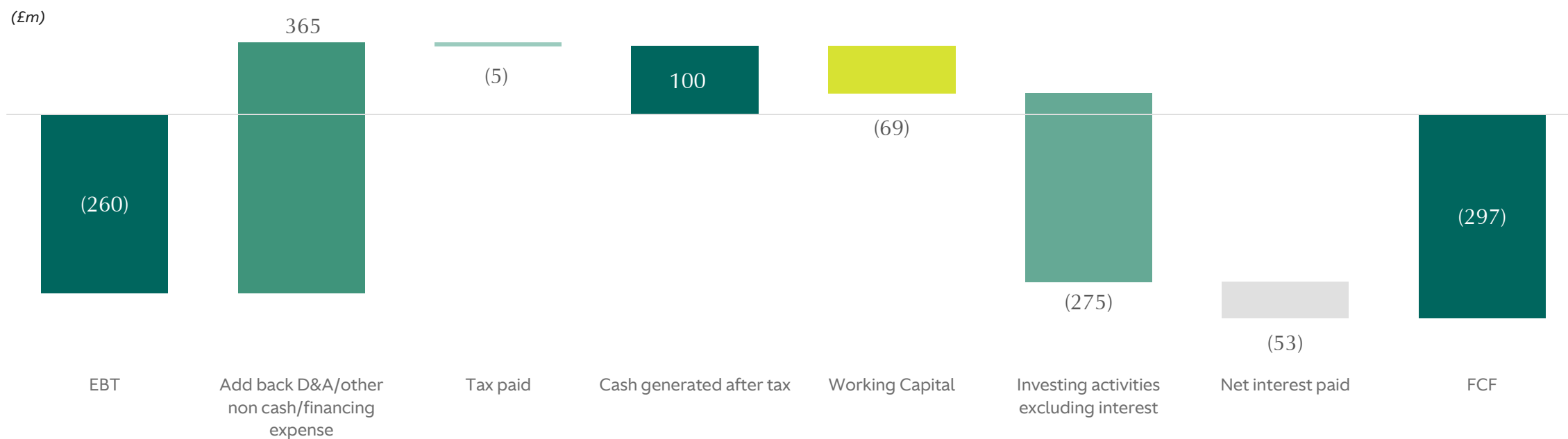
- £17m non-cash FX gain on revaluation of \$-denominated debt

## EBT Analysis

£m	YTD 2023	YTD 2022
Adjusted EBITDA	131.1	79.8
D&A	(266.2)	(208.0)
Adjusted EBIT	(135.1)	(128.2)
Net adjusted financing expense	(86.2)	(381.9)
Adjusted EBT	(221.3)	(510.1)
Adjusting items <sup>1</sup>	(38.5)	(1.2)
EBT	(259.8)	(511.3)

# YTD 2023 Free Cash Flow

YTD 2023 performance ahead of YTD 2022 including £63m YoY increase in capex



## EBT

Decreased loss primarily due to

- Decreased YoY finance expense on loan note revaluation (£262m: £17m favourable in 2023 vs £245m adverse in 2022)

## Add backs

Key items include:

- D&A £266m
- Net financing expense £115m

## Working Capital

Inventory	£(53)m
Receivables	£(18)m
Payables	£3m
Deposits	£(1)m

## Net Interest

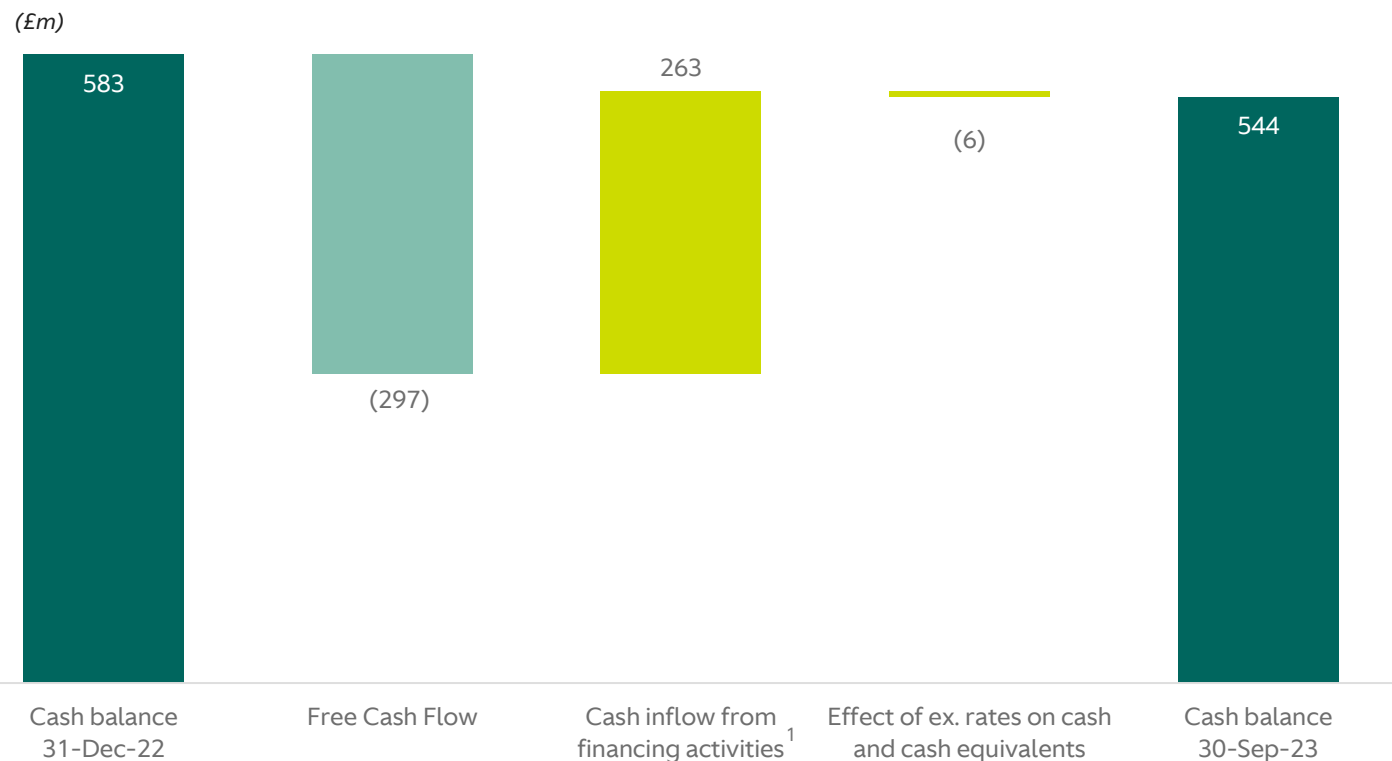
Cash interest items:

- Interest paid £(63)m
- Interest received £10m



## YTD 2023 Cash & Debt

Cash balance of £544m includes £216m gross proceeds from share offering and £95m gross proceeds of Geely share issuance; c.£600m of overall liquidity



£m	YTD 2023	YTD 2022
Loan notes	(1,102.2)*	(1,339.5)
Inventory financing	(38.8)	(39.5)
Bank loans and overdrafts	(57.9)	(126.9)
Lease liabilities	(95.3)	(101.3)
<b>Gross debt</b>	<b>(1,294.2)</b>	<b>(1,607.2)</b>
Cash balance	543.8	771.8
Cash not available for short-term use	0.5	2.0
<b>Net debt</b>	<b>(749.9)*</b>	<b>(833.4)</b>

\* Includes £17m favourable non-cash FX revaluation of \$-denominated notes

# 2023 Outlook

FY guidance maintained other than volumes

## 2023 Guidance

Wholesales	<b>Growth to c.6,700 units (revised from 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>

- Expect strong year-on-year growth in profitability in Q4 2023 driven by new Core and high margin Specials
- Targeting positive FCF in Q4 2023 including the initial cash payment to Lucid Group

Targeting to become sustainably FCF positive from 2024



## Medium Term Outlook

On track to substantially achieve 2024/25 financial targets in 2024; Reiterated targets for 2027/28

### 2024/2025 Targets

Revenue	c. £2bn
Adj. EBITDA	c. £500m
Free cash flow	Positive from 2024

- Expect to substantially achieve these targets by 2024 and, with continued strong momentum, likely to exceed them in 2025
- Inflection point for positive FCF expected during 2024

### 2027/2028 Targets

Revenue	c. £2.5bn
Gross margin	In the mid 40s%
Adj. EBITDA	c. £800m
Adj. EBITDA margin	c. 30%
Free cash flow	Sustainably positive
Net leverage ratio	c. 1.0x

- Expect to invest c.£2bn over 2023-2027 in long-term growth and transition to electrification
- Comprised of c.£1.8bn capex + c.£0.2bn of new technology access fees to strategic suppliers and partners

Medium-Term outlook reiterated





Q&A



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Appendix

# Income Statement and Cashflow

YTD and Q3 comparisons

£m	YTD 2023	YTD 2022	Q3 2023	Q3 2022
<b>Revenue</b>	<b>1,039.5</b>	<b>857.2</b>	<b>362.1</b>	<b>315.5</b>
Cost of sales	(668.7)	(571.0)	(227.6)	(217.4)
<b>Gross profit</b>	<b>370.8</b>	<b>286.2</b>	<b>134.5</b>	<b>98.1</b>
<i>Gross margin</i>	35.7%	33.4%	37.1%	31.1%
Operating expenses <sup>1</sup>	(505.9)	(414.4)	(182.9)	(153.6)
<i>of which depreciation &amp; amortisation</i>	266.2	208.0	98.9	76.7
<b>Adjusted EBIT</b>	<b>(135.1)</b>	<b>(128.2)</b>	<b>(48.4)</b>	<b>(55.5)</b>
Adjusting operating items	(10.2)	(20.2)	(3.7)	(3.0)
<b>EBIT</b>	<b>(145.3)</b>	<b>(148.4)</b>	<b>(52.1)</b>	<b>(58.5)</b>
Net financing (expense)/income	(114.5)	(362.9)	(65.5)	(167.4)
<i>of which adjusting financing items</i>	(28.3)	19.0	9.6	(5.4)
<b>EBT</b>	<b>(259.8)</b>	<b>(511.3)</b>	<b>(117.6)</b>	<b>(225.9)</b>
Taxation	(0.2)	(6.7)	(0.4)	(2.3)
<b>Loss for the period</b>	<b>(260.0)</b>	<b>(518.0)</b>	<b>(118.0)</b>	<b>(228.2)</b>
 <b>Adjusted EBITDA</b>	 <b>131.1</b>	 <b>79.8</b>	 <b>50.5</b>	 <b>21.2</b>
<i>Adjusted EBITDA margin</i>	12.6%	9.3%	13.9%	6.7%
<b>Adjusted EBT</b>	<b>(221.3)</b>	<b>(510.1)</b>	<b>(123.5)</b>	<b>(217.5)</b>

£m	YTD 2023	H1 2023	FY 2022	YTD 2022
Cash generated from operating activities	31.4	17.5	127.1	(56.9)
Cash used in investing activities (excl. interest)	(275.0)	(180.2)	(286.9)	(213.4)
Net cash interest received/(paid)	(53.2)	(55.6)	(139.0)	(65.3)
<b>Free cash outflow</b>	<b>(296.8)</b>	<b>(218.3)</b>	<b>(298.8)</b>	<b>(335.6)</b>
Cash inflow from financing activities (excl. interest)	262.8	44.7	456.2	666.7
<b>Increase/(decrease) in net cash</b>	<b>(34.0)</b>	<b>(173.6)</b>	<b>157.4</b>	<b>331.1</b>
Effect of FX on cash / cash equivalents	(5.5)	(9.6)	7.0	21.8
<b>Cash balance</b>	<b>543.8</b>	<b>400.1</b>	<b>583.3</b>	<b>771.8</b>
Cash not available for ST use <sup>2</sup>	0.5	0.0	0.3	2.0
Borrowings	(1,198.9)	(1,149.6)	(1,249.3)	(1,505.9)
Lease Liabilities	(95.3)	(96.7)	(99.8)	(101.3)
<b>Net debt</b>	<b>(749.9)</b>	<b>(846.2)</b>	<b>(765.5)</b>	<b>(833.4)</b>



## 2023 Quarter-on-Quarter Comparisons

### Income statement and cashflow

£m	Q1 2023	Q2 2023	Q3 2023	YTD 2023
<b>Revenue</b>	<b>295.9</b>	<b>381.5</b>	<b>362.1</b>	<b>1,039.5</b>
Cost of sales	(194.0)	(247.1)	(227.6)	(668.7)
<b>Gross profit</b>	<b>101.9</b>	<b>134.4</b>	<b>134.5</b>	<b>370.8</b>
<i>Gross margin</i>	34.4%	35.2%	37.1%	35.7%
Operating expenses <sup>1</sup>	(149.7)	(173.3)	(182.9)	(505.9)
<i>of which depreciation &amp; amortisation</i>	78.0	89.3	98.9	266.2
<b>Adjusted EBIT</b>	<b>(47.8)</b>	<b>(38.9)</b>	<b>(48.4)</b>	<b>(135.1)</b>
Adjusting operating items	(3.1)	(3.4)	(3.7)	(10.2)
<b>EBIT</b>	<b>(50.9)</b>	<b>(42.3)</b>	<b>(52.1)</b>	<b>(145.3)</b>
Net financing (expense)/income	(23.3)	(25.7)	(65.5)	(114.5)
<i>of which adjusting financing items</i>	(13.8)	(24.1)	9.6	(28.3)
<b>EBT</b>	<b>(74.2)</b>	<b>(68.0)</b>	<b>(117.6)</b>	<b>(259.8)</b>
Taxation	0.4	(0.2)	(0.4)	(0.2)
<b>Loss for the period</b>	<b>(73.8)</b>	<b>(68.2)</b>	<b>(118.0)</b>	<b>(260.0)</b>
<b>Adjusted EBITDA</b>	<b>30.2</b>	<b>50.4</b>	<b>50.5</b>	<b>131.1</b>
<i>Adjusted EBITDA margin</i>	10.2%	13.2%	13.9%	12.6%
<b>Adjusted EBT</b>	<b>(57.3)</b>	<b>(40.5)</b>	<b>(123.5)</b>	<b>(221.3)</b>

£m	Q1 2023	Q2 2023	Q3 2023	YTD 2023
Cash generated from operating activities	(33.0)	50.5	13.9	31.4
Cash used in investing activities (excl. interest)	(85.3)	(94.9)	(94.8)	(275.0)
Net cash interest paid	-	(55.6)	2.4	(53.2)
<b>Free cash outflow</b>	<b>(118.3)</b>	<b>(100.0)</b>	<b>(78.5)</b>	<b>(296.8)</b>
Cash inflow from financing activities (excl. interest)	(54.2)	98.9	218.1	262.8
<b>Increase/(decrease) in net cash</b>	<b>(172.5)</b>	<b>(1.1)</b>	<b>139.6</b>	<b>(34.0)</b>
Effect of FX on cash / cash equivalents	(3.0)	(6.6)	4.1	(5.5)
<b>Cash balance</b>	<b>407.8</b>	<b>400.1</b>	<b>543.8</b>	<b>543.8</b>
£m	Q1 2023	Q2 2023	Q3 2023	YTD 2023
EBT	(74.2)	(68.0)	(117.6)	(259.8)
Adjusting operating expenses	(3.1)	(3.4)	(3.7)	(10.2)
Adjusting financing expenses/(income)	(13.8)	(24.1)	9.6	(28.3)
<b>Adjusted EBT</b>	<b>(57.3)</b>	<b>(40.5)</b>	<b>(123.5)</b>	<b>(221.3)</b>
Adjusted finance/(income)	(2.4)	(64.4)	34.3	(32.5)
Adjusted finance expense	11.9	66.0	40.8	118.7
<b>Adjusted EBIT</b>	<b>(47.8)</b>	<b>(38.9)</b>	<b>(48.4)</b>	<b>(135.1)</b>
Reported depreciation	18.9	26.7	25.0	70.6
Reported amortisation	59.1	62.6	73.9	195.6
<b>Adjusted EBITDA</b>	<b>30.2</b>	<b>50.4</b>	<b>50.5</b>	<b>131.1</b>

## 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 EBIT
- Adjusted EBITDA margin is adjusted EBITDA (as defined above) divided by revenue
- Net Debt is current and non-current borrowings in addition to inventory financing arrangements, lease liabilities, less cash and cash equivalents, and cash held not available for short-term use
- Free cashflow is represented by cash (outflow)/inflow from operating activities less the net cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.





# Disclaimer

An aerial photograph of a blue Aston Martin Lagonda driving on a two-lane asphalt road. The road is bordered by a concrete wall on the left and a metal guardrail on the right. Beyond the guardrail is a dense forest. In the background, a steep, rocky cliff face rises, partially covered with green vegetation. The word "Disclaimer" is written in white text in the top left corner.

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