1 November 2023

Aston Martin Lagonda Global Holdings plc

Results for the nine months to 30 September 2023

- **Q3 2023 performance in line with guidance and shows continued momentum**
- **YTD revenue up 21%, driven by ASP growth and strong demand**
- **DB12 deliveries commenced with order book extending into Q2 2024**
- **Q3 Gross margin reaches 37% driven by strong mix dynamics**
- **FY 2023 guidance maintained other than marginally updated volume outlook**

£m	YTD 2023	YTD 2022	*% change*	Q3 2023	Q3 2022	*% change*
Total wholesale volumes[1]	**4,398**	**4,060**	*8%*	**1,444**	**1,384**	*4%*
Revenue	1,039.5	857.2	*21%*	362.1	315.5	*15%*
Gross Profit	370.8	286.2	*30%*	134.5	98.1	*37%*
Adjusted EBITDA[2]	**131.1**	**79.8**	*64%*	**50.5**	**21.2**	*138%*
Adjusted operating loss[2]	(135.1)	(128.2)	*(5%)*	(48.4)	(55.5)	*13%*
Operating loss	**(145.3)**	**(148.4)**	*2%*	**(52.1)**	**(58.5)**	*11%*
Loss before tax	(259.8)	(511.3)	*49%*	(117.6)	(225.9)	*48%*
Net debt[2]	749.9	833.4	*10%*	749.9	833.4	*10%*

[1] Number of vehicles including Specials; [2] For definition of alternative performance measures please see Appendix

YTD 2023 Financial highlights

- Continued strong demand across existing and new product lines; the recently launched DB12 is driving reappraisal of Aston Martin amongst new audiences, with 55% of its initial customers new to the Aston Martin brand and with order book now extending to Q2 2024
- DBX orders also extending into 2024, as it continues to establish itself as the benchmark in the ultra-luxury SUV segment with over 25% market share in key markets. The DBX707 now represents c.70% of SUV sales in 2023 supporting the positive gross margin evolution
- Wholesale volumes increased by 8% year-on-year to 4,398 (YTD 2022: 4,060) driven by strong demand across the portfolio. Q3 2023 volumes reflect the ongoing transition to our next generation sports cars, which started with the initial deliveries of the DB12. The DB12 production ramp up was temporarily affected as supplier readiness and integration of the new EE platform that supports the fully redeveloped infotainment system was delayed. These issues are now resolved but did impact Q3 volume and our FY production capacity
- Revenue increased by 21% year-on-year to £1,040m primarily driven by:
    - higher volumes of both Core and Specials with 67 Aston Martin Valkyrie deliveries YTD in 2023 (YTD 2022: 44) including the first deliveries of our sold-out Aston Martin Valkyrie Spider
        - Total ASP of £219k YTD in 2023, up 12% from £195k YTD in 2022
        - Total ASP of £234k in Q3 2023, up 11% from £211k in Q3 2022
    - strong underlying pricing dynamics in the Core portfolio in addition to favourable mix from DBS 770 Ultimate, offset by adverse geographic mix and the planned ramp-down of certain models in advance of the launch of our next generation of sports cars
        - Core ASP of £184k YTD in 2023, up 6% from £173k YTD in 2022

    - Core ASP of £183k in Q3 2023, down 3% from £189k in Q3 2022

- Gross profit increased by 30% year-on-year to £371m (YTD 2022: £286m), and gross margin increased to 36% (YTD 2022: 33%). The increase in gross profit was primarily driven by growth in wholesale volumes and higher ASPs across the Core product portfolio, favourable mix dynamics from the DBS 770 Ultimate, and strong momentum from Specials, partially offset by higher manufacturing and logistics costs, and FX
- Adjusted EBITDA increased by 64% year-on-year to £131m (YTD 2022: £80m), primarily driven by the strong growth in gross profit, partially offset by higher operating expenses including reinvestments into brand and marketing activities, as well as inflationary impacts on general costs. Adjusted EBITDA margin increased to 13% (YTD 2022: 9%)
- Operating loss of £145m included a £58m year-on-year increase in depreciation and amortisation, as a result of higher Aston Martin Valkyrie programme deliveries and the continuing accelerated amortisation of capitalised development costs ahead of next generation of sports cars starting in 2023
- Loss before tax of £260m (YTD 2022: loss of £511m) included a positive year-on-year impact from the revaluation of US dollar-denominated debt
- Free cash outflow of £297m (YTD 2022: £336m outflow) included:
    - Increased capital investment year-on-year, in-line with FY 2023 guidance, primarily related to new model development, including the next-generation of sports cars as well as development of the Company's electrification programme
    - Working capital outflow of £69m driven by increase in inventory to support launch of next generation sports car models, which is expected to partially unwind in Q4 2023
    - Net cash interest payments of £53m
- Total liquidity of over £600m (December 2022: £590m) including cash of £544m and an additional c.£60m of revolving credit facility available. YTD 2023 cash includes £216m of proceeds from August's share offering and £95m proceeds from the new shares issued to Geely International (Hong Kong) Limited in May
- Net debt of £750m (December 2022: £766m), including a positive £17m non-cash FX revaluation of US dollar-denominated debt as the GBP strengthened against the US dollar

Balance Sheet

- We remain focused on reducing our leverage and retiring debt and will continue to do so in consideration of a wide range of factors. In line with the announcement in July, our objective is to repay the second lien in full. During November, we will be redeeming 50% of the outstanding second lien notes and beyond that, we intend to undertake a fulsome refinancing exercise during the first half of 2024

Q3 2023 Operational Highlights

- The Company has continued the year-long global celebration of Aston Martin's 110th anniversary with a series of unique events and culminating in the launch of Valour, a spectacular, ultra-exclusive V12-engined, manual transmission special edition
- On 1 August, the Company successfully completed a share offering raising gross proceeds of £216m to accelerate net leverage reduction and support longer term growth
- The Company proudly presented the DB12 Volante on 14 August ahead of its global debut during Monterey Car Week in California. Companion to the DB12 Coupe, this open-top model

combines spectacular Super Tourer performance and handling with the irresistible sensory thrills of roof-down driving

- On 19 September the new strategic supply arrangement with Lucid Group, Inc. ("Lucid") was approved by Shareholders, providing Aston Martin with access to Lucid's technologies, including electric powertrains and battery systems
- On 27 September the Company announced an update on the development of Valhalla, its first series production mid-engine supercar, with the first running prototype taking to the road later this year, and set to enter production in 2024
- The ongoing Formula 1® season being enjoyed by the Aston Martin Aramco Cognizant Formula One® Team continues to drive brand visibility and heightened product consideration, with a 7% increase in website traffic versus non-race weekends in 2023 and 13% uplift in configurator traffic. Market research indicates that 60% of luxury car buyers strongly agree they are more likely to buy an Aston Martin because of its association with F1®
- On 4 October, the Company announced that Aston Martin is set to enter the 2025 24 Hours of Le Mans Hypercar class with a racing prototype version of the ultimate Hypercar, the Aston Martin Valkyrie
    - Through the invaluable support and backing of Aston Martin's championship-winning endurance racing partner Heart of Racing, at least one Aston Martin Valkyrie race car will be entered by Aston Martin into the top Hypercar class of each of the FIA World Endurance Championship and the IMSA WeatherTech SportsCar Championships from 2025
    - The prototype Aston Martin Valkyrie will participate in three of sports car racing's most prestigious events; Le Mans, the Rolex 24 at Daytona and the 12 Hours of Sebring
- On 9 October, a consortium working on the Company's high-performance electrification strategy was awarded £9 million of government funding through the Advanced Propulsion Centre UK, further supplementing the research and development of Aston Martin's innovative modular battery electric vehicle (BEV) platform, which will be propelled by world-leading electric vehicle technologies from Lucid

Lawrence Stroll, Executive Chairman commented:

"Our 110th anniversary year continues to be a fantastic one for the Company, and we are delighted with the strategic and financial progress we have made during the first nine months of 2023. Our volumes, pricing, gross margins and EBITDA are showing strong improvement and we are delivering an accelerated industrial turnaround.

"The launch of the DB12, which has seen extraordinary demand, is driving a reappraisal of Aston Martin amongst new audiences, with 55% of initial DB12 customers new to the brand and when we launch our second next generation sports car in Q1 next year, we expect a similarly resounding response. Commencing deliveries of our next generation of sports cars is a major milestone marking the beginning of a completely new line up of front engine sports cars that will reposition Aston Martin as an ultra-luxury high-performance brand, enhance our growth and bring higher levels of profitability.

"We are thrilled to be returning to Le Mans, the scene of many historic triumphs for Aston Martin, aiming to write new history with a racing prototype inspired by the Valkyrie. Aston Martin's return to the pinnacle of endurance racing, in addition to our partnership with the Aston Martin Aramco Cognizant Formula One® team, will allow us to amplify our brand and build a deeper connection with our customers and community.

"We look to the future with enormous excitement. Over the coming quarters we will showcase our breath-taking line-up of new products and we remain on track to substantially achieve our 2024/25 financial targets in 2024."

Amedeo Felisa, Chief Executive Officer commented:

"Our year-to-date performance has seen us continue to make progress on our strategic direction with strong revenue and margin growth. During Q3 we commenced deliveries of the game-changing DB12, the first of our next-generation sports cars which has been met with industry wide acclaim and exceptional demand since its launch. Given the slight delays in the initial production ramp up we have marginally updated our volume expectations for the year. As we continue to transition the portfolio, we also delivered further sales of the sold-out DBS 770 which we expect to conclude during Q4.

"On Specials, we continued to deliver Valkyries during Q3 including the first of the Spider model and, over the remainder of the year we will commence deliveries of the sold out 110-year anniversary special, Valour, as well as the ultra-luxury DBR22.

"The expansion and transformation of our portfolio across both Core and Specials will continue to bring significant improvements in profitability, with all new models targeting a 40%+ gross margin. Our Q3 financial performance was in line with our expectations, and other than updating our volume outlook, we remain on track to deliver on our full year guidance."

Outlook

For FY2023 our guidance, other than volumes, remain unchanged since our FY 2022 results announcement on 1 March:

- Given the initial delays experienced with the DB12 ramp up during Q3, we have marginally updated our FY volume outlook as the impact limits production capacity for the full year. Demand is very strong, with DB12 orders into Q2 2024 and production is now running at the rates required to meet our volume expectations for the year
- As we move into Q4, we expect to deliver improved ASPs and gross margin evolution towards achieving our 40%+ target, supported by the delivery of new products across the Core and Specials ranges:
    - In addition to the final deliveries of the sold-out DBS 770 Ultimate, we will continue deliveries of the first of our next generation of sports cars – the DB12 Super Tourer
    - Within Specials, in Q4 we plan to commence deliveries of the ultra-luxury DBR22 and, in conjunction with our historic 110th anniversary, the ultra-exclusive Valour. We also anticipate continued deliveries of the sold-out Aston Martin Valkyrie Spider
- Within the fourth quarter of 2023, we continue to expect to see a significant increase in adjusted EBITDA, primarily due to the timing and related contribution of these new product launches
- Overall, we expect to deliver significant growth in profitability compared to 2022, driven by an increase in volumes as well as higher gross margin in both Core and Special vehicles, albeit with a marginally updated volume outlook. We now target positive free cash flow in Q4 including the initial $33m (£26m) cash payment to Lucid in relation to the strategic supply arrangement announced on 26 June 2023, which is expected to be paid in the fourth quarter of 2023

- We expect to increase investment in brand and new product launch activities during the year. This will also allow us to continue to elevate our ultra-luxury performance brand positioning and to support the acceleration of our longer-term growth
- Although the operating environment remains volatile, including ongoing inflationary pressures and pockets of supply chain disruptions, our teams continue to work in partnership with our suppliers to mitigate and minimise any impact on our performance in 2023

We remain well on track to achieve our financial targets of c.£2bn revenue and c.£500m adjusted EBITDA by 2024/25. The Company expects to substantially achieve these financial targets in 2024. There is also no change to our expectations of achieving the new medium-term guidance for 2027/28, announced earlier in the year.

2023 guidance (unchanged other than volumes):

- **Wholesales**: year-on-year growth to c.6,700 units (revised from c.7,000 units)
- **Adjusted EBITDA margin**: year-on-year expansion, up to c.20% adjusted EBITDA margin
- **Capex and R&D**: c.£370m
- **Depreciation and amortisation**: c.£350m-£370m
- **Interest costs**: c.£120m (cash), assuming current exchange rates prevail for 2023

The financial information contained herein is unaudited.

All metrics and commentary in this announcement exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

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- There will be a call for investors and analysts today at 08:30am GMT
- The conference call can be accessed live via the corporate website https://www.astonmartinlagonda.com/investors/calendar
- A replay facility will be available on the website later in the day

Aston Martin Lagonda provides no guarantee that future development and future results achieved will correspond to the forward-looking statements included here and accepts no liability if they should fail to do so. Aston Martin Lagonda undertakes no obligation to update these forward-looking statements and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this release.

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Sales & Revenue analysis

Due to strong demand across the portfolio total wholesales of 4,398 increased by 8% year-on-year in the first nine months of 2023 (YTD 2022: 4,060). As expected, Sport/GT volumes year-to-date in 2023 continue to be lower than the comparative period due to the ongoing transition to our next generation of sports car models. In the third quarter of 2023, total wholesales included 30 Specials (Q3 2022: 18), including the first deliveries of the sold out Valkyrie Spider. DBX volumes increased by 23% year-on-year, driven by the DBX707, the world's most powerful luxury SUV. The DBX707 is now clearly established as a benchmark in the ultra-luxury SUV segment with strong volume growth in the majority of our key markets.

Geographically, the Americas was the strongest and the largest region year-to-date, representing 32% of wholesales, driven by strong demand for the DBX. EMEA excl. UK represented 29% of wholesales year-to-date, with volumes increasing 44% year-on-year driven by DBX and DBS 770 Ultimate, and includes the first deliveries of our new DB12. Year-on-year wholesale volumes in APAC were impacted by lower sales in China, which decreased by 57% YTD in 2023 versus the comparative period in 2022, which more than offset growth in wholesale volumes including the DBX707 and DBS 770 Ultimate outside of China. China continues to be a market where we see significant opportunity for long-term growth. In our home market, the UK, we grew wholesales 12% year-on-year driven by DBX deliveries.

Revenues of £1,040m increased by 21% year-on-year, primarily driven by strong pricing and mix dynamics and higher Aston Martin Valkyrie deliveries. Revenues in the third quarter of 2023 of £362m increased by 15% year-on-year, driven by higher wholesale average selling price (ASP), growth in Core wholesale volumes and the delivery of Specials.

Strong year-on-year pricing dynamics in the first nine months of 2023 were supported by price increases, reflecting the strong pricing power of the Aston Martin brand, in addition to favourable mix from DBX707, V12 Vantage, and DBS 770 Ultimate, and the delivery of Specials. Year-to-date total wholesale ASP of £219k (YTD 2022: £195k) included 68 Specials in the period, compared with 50 in the comparative period, with Q3 2023 total ASP a record level for Aston Martin of £234k (Q3 2022: £211k). Year-to-date Core ASP was £184k (YTD 2022: £173k), due to strong underlying pricing dynamics across the Core portfolio. Q3 Core ASP was £183k (Q3 2022: £189k) which saw these strong pricing dynamics offset by unfavourable FX dynamics, geographic mix impact and the planned ramp-down of production of certain models in advance of the launch of our next generation of sports cars.

Income statement

Gross profit of £371m increased by £85m, or 30%, year-on-year, driven by growth in wholesale volumes and ASPs across the Core product portfolio, and strong momentum from Specials, partially offset by higher manufacturing, logistics and other costs. This translated to a gross margin of 36%, a year-on-year expansion of approximately 230 basis points, primarily driven by strong pricing dynamics and mix which was particularly strong in Q3 2023 with gross margin reaching 37%. The company continues to target a 40%+ contribution margin from future products.

Adjusted EBITDA of £131m increased by £51m, or 64% year-on-year. This translated to an adjusted EBITDA margin of 13%, an increase of approximately 330 basis points compared to the prior year period. The year-on-year increase in adjusted EBITDA was primarily due to strong growth in gross profit, partially offset by higher operating expenses including reinvestments into brand and marketing activities including events such as the Goodwood Festival of Speed and Pebble Beach, product launch investments such as the DB12 Volante and Valour, as well as investment in IT infrastructure, and general inflationary impacts on manufacturing costs.

Adjusting operating items of £10m (YTD 2022: £20m) predominantly related to ERP implementation costs.

Net financing costs of £115m were down from £363m in the comparative period, comprising a positive non-cash FX revaluation impact of £17m, with the prior year significantly higher due to the revaluation of the US dollar-denominated debt as the GBP weakened against the US dollar, with an impact of £(245)m YTD 2022 versus £17m YTD 2023.

The £28m adjusting financing items was due to the revaluation of share warrants. The loss before tax was £260m (YTD 2023: £511m), an improvement of £251m year-on-year, and the loss for the period was £260m (YTD 2023: £518m).

Cash flow and net debt

Cash flow from operating activities was an inflow of £31m (YTD 2022: £57m outflow), an improvement of c.£88m YTD. The year-on-year change in cash flow from operating activities was driven by higher EBITDA and improved working capital. Cash flow from operating activities in YTD 2023 included a £69m outflow related to movements in working capital (compared with a £106m outflow in YTD 2022). The largest driver was a £53m increase in inventories primarily driven by the ramp up of our next generation of sports cars at the end of the quarter, as well as initiatives to improve production and supply chain resilience ahead of upcoming vehicle launches.

Demand for Specials remained strong in the first nine months of 2023, with continued deposit intake for Valour, DBR22 and Valhalla. This was offset by higher deliveries of Aston Martin Valkyrie programme vehicles which resulted in a net £1m unwind of customer deposits (YTD 2022: £9m inflow).

Capital expenditure of £276m was up £63m over the comparative period, with future investment focused on the next generation of sports cars, as well as development of the Company's electrification programme.

Free cash flow was an outflow of £297m; (YTD 2022: outflow of £336m), primarily due to the changes in working capital-related cashflows described above and the year-on-year increase in capital expenditure. Cash at 30 September 2023 was £544m (31 December 2022: £583m) whilst net debt of £750m was broadly unchanged from £766m at 31 December 2022.

APPENDICES

Wholesale number of vehicles

	YTD 2023	YTD 2022	*% change*	Q3 2023	Q3 2022	*% change*
Total	**4,398**	**4,060**	***8%***	**1,444**	**1,384**	***4%***
Core (excluding Specials)	4,330	4,010	*8%*	1,414	1,366	*4%*
By region:						
UK	774	694	*12%*	329	206	*60%*
Americas	1,417	1,152	*23%*	355	432	*(18%)*
EMEA ex. UK[3]	1,267	880	*44%*	433	266	*63%*
APAC[3]	940	1,334	*(30%)*	327	480	*(32%)*
By model:						
Sport/GT	2,090	2,184	*(4%)*	721	623	*16%*
SUV	2,240	1,826	*23%*	693	743	*(7%)*
Specials	68	50	*36%*	30	18	*67%*

Note: Sport/GT includes Vantage, DB11, DB12, and DBS

Summary Income Statement

£m	YTD 2023	YTD 2022	Q3 2023	Q3 2022
Revenue	**1,039.5**	**857.2**	**362.1**	**315.5**
Cost of sales	(668.7)	(571.0)	(227.6)	(217.4)
Gross profit	**370.8**	**286.2**	**134.5**	**98.1**
Gross margin %	*35.7%*	*33.4%*	*37.1%*	*31.1%*
Operating expenses[4]	(505.9)	(414.4)	(182.9)	(153.6)
of which depreciation & amortisation	*266.2*	*208.0*	*98.9*	*76.7*
Adjusted operating loss[5]	**(135.1)**	**(128.2)**	**(48.4)**	**(55.5)**
Adjusting operating items	(10.2)	(20.2)	(3.7)	(3.0)
Operating loss	**(145.3)**	**(148.4)**	**(52.1)**	**(58.5)**
Net financing expense	(114.5)	(362.9)	(65.5)	(167.4)
of which adjusting financing (expense) income	*(28.3)*	*19.0*	*9.6*	*(5.4)*
Loss before tax	**(259.8)**	**(511.3)**	**(117.6)**	**(225.9)**
Taxation	(0.2)	(6.7)	(0.4)	(2.3)
Loss for the period	**(260.0)**	**(518.0)**	**(118.0)**	**(228.2)**
Adjusted EBITDA[5]	**131.1**	**79.8**	**50.5**	**21.2**
Adjusted EBITDA margin	12.6%	9.3%	13.9%	6.7%
Adjusted loss before tax[5]	**(221.3)**	**(510.1)**	**(123.5)**	**(217.5)**

3 Q3 2022 and YTD 2022 numbers restated
4 Excludes adjusting items
5 Alternative Performance Measures are defined in the Appendix

Summary Cash Flow

£m	YTD 2023	YTD 2022	Q3 2023	Q3 2022
Cash generated from/(used in) operating activities	31.4	(56.9)	13.9	(23.8)
Cash used in investing activities (excl. interest received)	(275.0)	(213.4)	(94.8)	(75.2)
Net cash interest (paid)/received	(53.2)	(65.3)	2.4	(2.8)
Free cash outflow	**(296.8)**	**(335.6)**	**(78.5)**	**(101.8)**
Cash inflow from financing activities (excl. interest)	262.8	666.7	218.1	707.7
(Decrease)/Increase in net cash	**(34.0)**	**331.1**	**139.6**	**605.9**
Effect of exchange rates on cash and cash equivalents	(5.5)	21.8	4.1	9.7
Cash balance	**543.8**	**771.8**	**543.8**	**771.8**

Net Debt Overview

£m	30-Sep-23	31-Dec-22	30-Sep-22
Loan notes	(1,102.2)	(1,104.0)	(1,339.5)
Inventory financing	(38.8)	(38.2)	(39.5)
Bank loans and overdrafts	(57.9)	(107.1)	(126.9)
Lease liabilities (IFRS 16)	(95.3)	(99.8)	(101.3)
Gross debt	**(1,294.2)**	**(1,349.1)**	**(1,607.2)**
Cash balance	543.8	583.3	771.8
Cash not available for short-term use	0.5	0.3	2.0
Net debt	**(749.9)**	**(765.5)**	**(833.4)**

Summary Balance Sheet

£m	30-Sep-23	31-Dec-22	30-Sep-22
Non-current assets	1,965.3	1,978.9	1,978.2
Current assets	1,159.0	1,125.4	1,416.0
Total assets	**3,124.3**	**3,104.3**	**3,394.2**
Current liabilities	1,003.3	1,041.9	1,082.8
Non-current liabilities	1,272.7	1,289.9	1,526.4
Total liabilities	**2,276.0**	**2,331.8**	**2,609.2**
Total equity	**848.3**	**772.5**	**785.0**

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.