

H1 2021 RESULTS

SIX MONTHS ENDED 30th JUNE 2021



ASTON MARTIN LAGONDA

Chief Executive Officer

Tobias Moers



LAGONDA

H1 2021 highlights

1

Significant improvement year-on-year, in-line with expectations

- Wholesales and revenue more than trebled to 2,901 and £499m
- Adjusted EBITDA £49m with 10% margin

2

Operating as a luxury company

- GT/Sport rebalance completed in Q1, earlier than originally planned
- Good visibility for GT/Sport and DBX

3

Excellent progress with Project Horizon

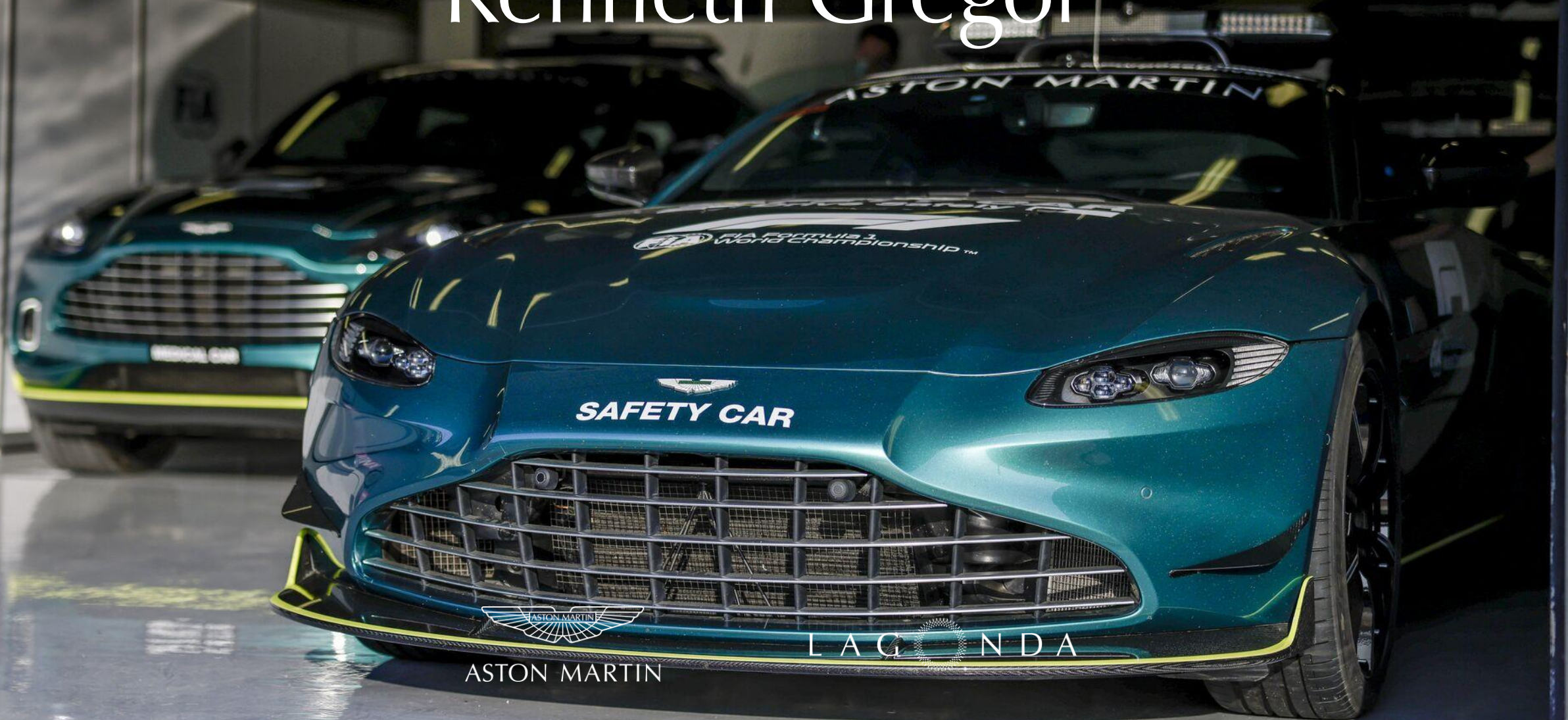
- Successfully launched two new vehicles
- All Aston Martins to have option of electrified powertrain by 2025/26
- Launched class-leading configurator
- Leveraging Aston Martin Cognizant Formula One™ team
- Manufacturing efficiencies delivering improved performance
- Strengthened executive leadership team and Board*
- Employee survey shows strong pride in Aston Martin

On track to create a world-class, performance oriented, ultra-luxury automaker



Chief Financial Officer

Kenneth Gregor



ASTON MARTIN

LAGONDA

H1 2021 financial results

Significant improvement on prior year

Total Wholesales¹

(Units)

H1 2021

2,901

H1 2020

895

Revenues

(£m)

H1 2021

499

H1 2020

146

Adjusted EBITDA

(£m)

H1 2021

49

H1 2020

(89)

Adjusted Operating Loss

(£m)

H1 2021

(36)

H1 2020

(146)

Free Cash Flow²

(£m)

H1 2021

(44)

H1 2020

(371)

Net Debt

(£m)

H1 2021

792

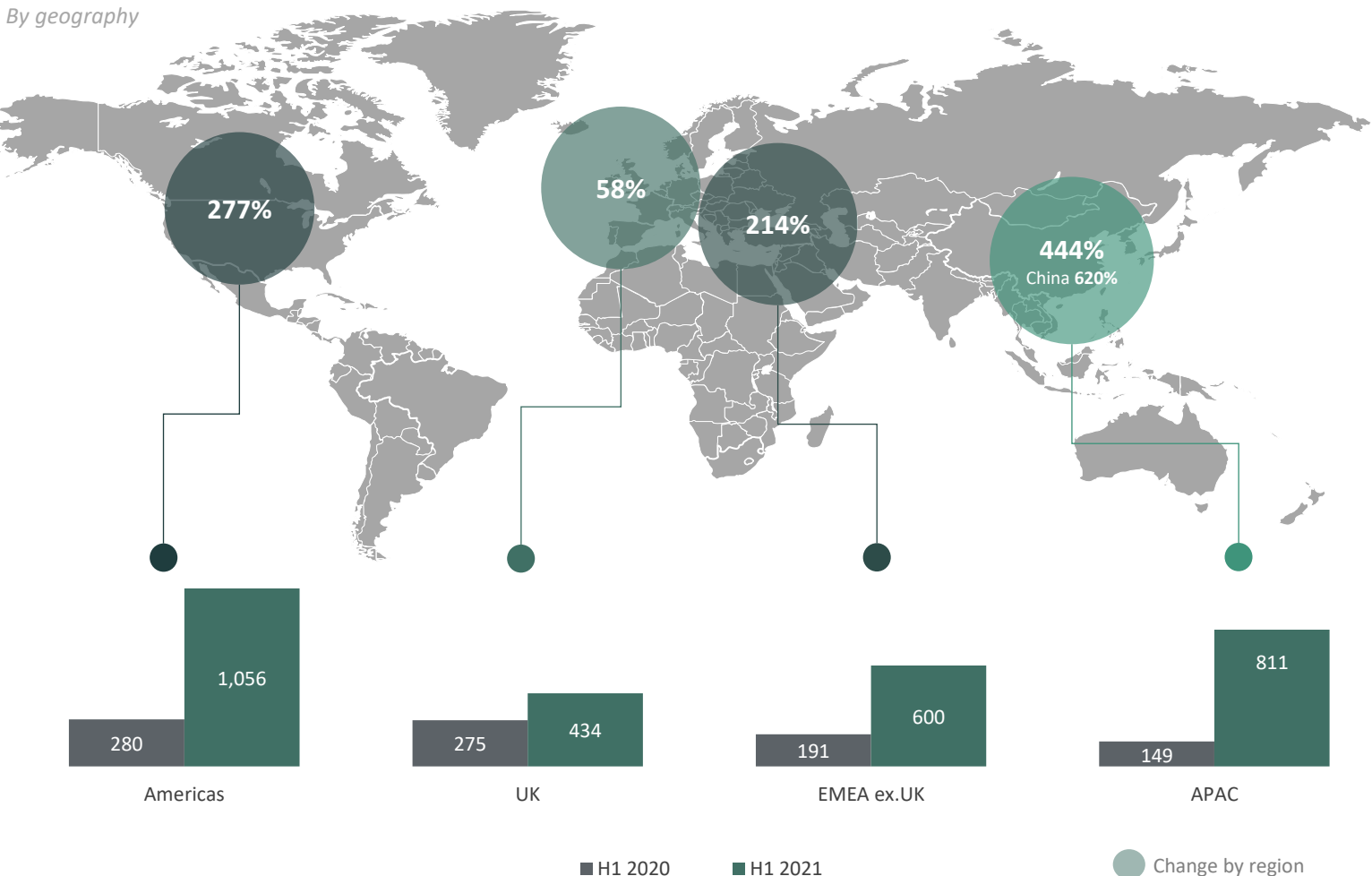
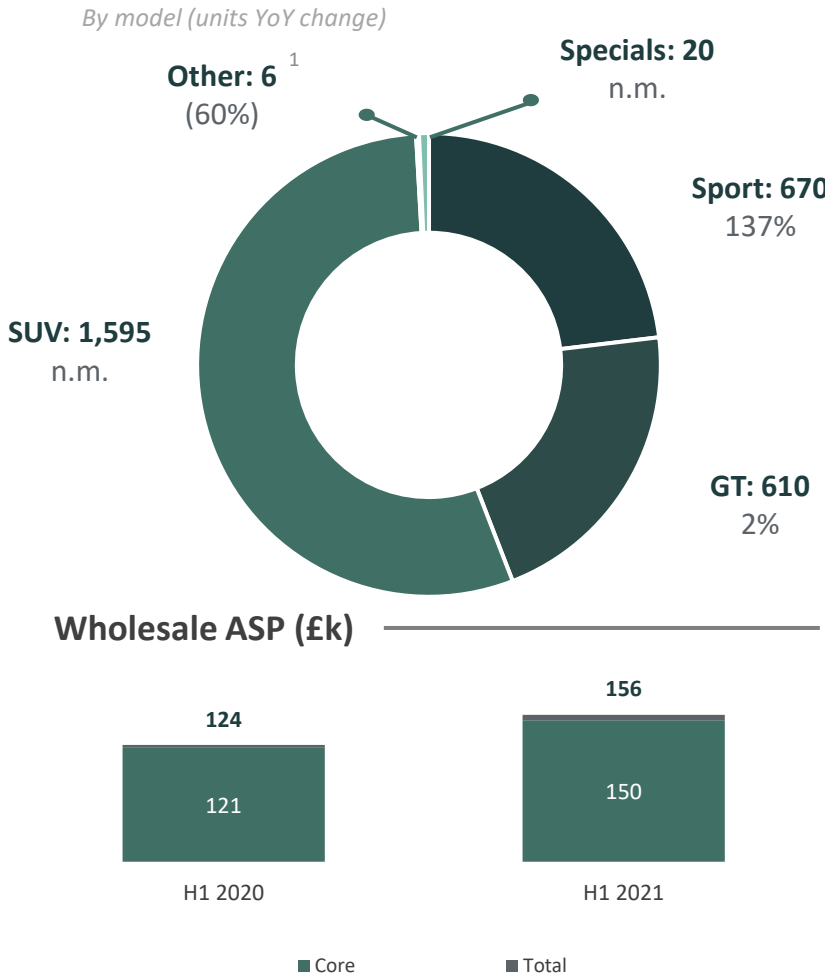
H1 2020

751

H1 2021 wholesales

Supply to demand rebalance achieved, improved pricing

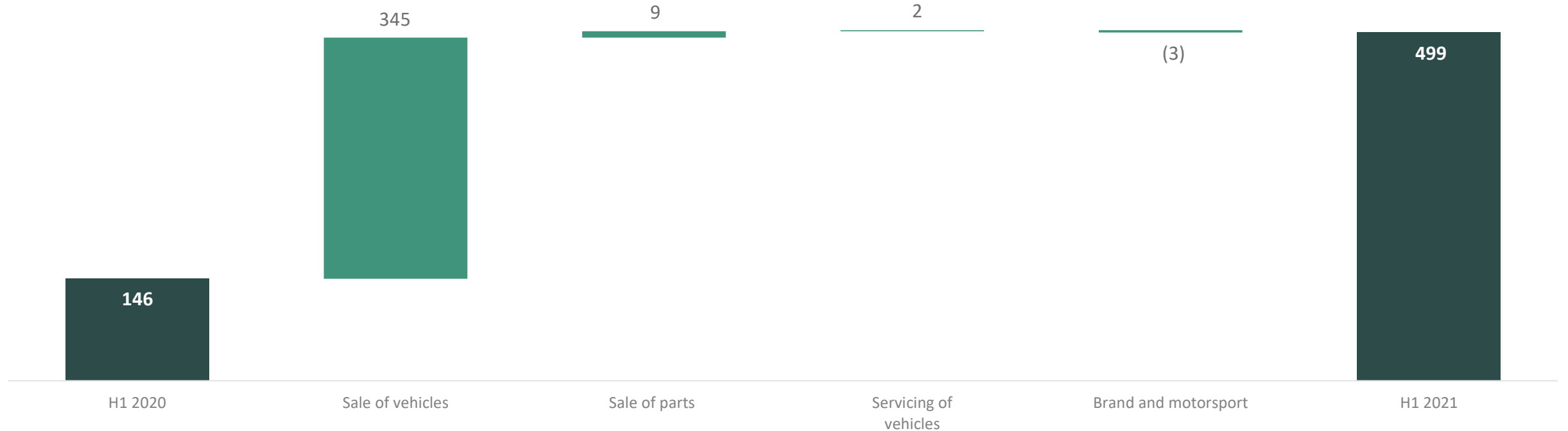
Total wholesales: 2,901



H1 2021 revenue

Strong wholesales and pricing drive growth

(£m)



1 Sale of vehicles

- Increased wholesales
- Increased ASP
- More specials

2 Sale of parts and Servicing of vehicles

- Increased as dealers returned to more normal operations

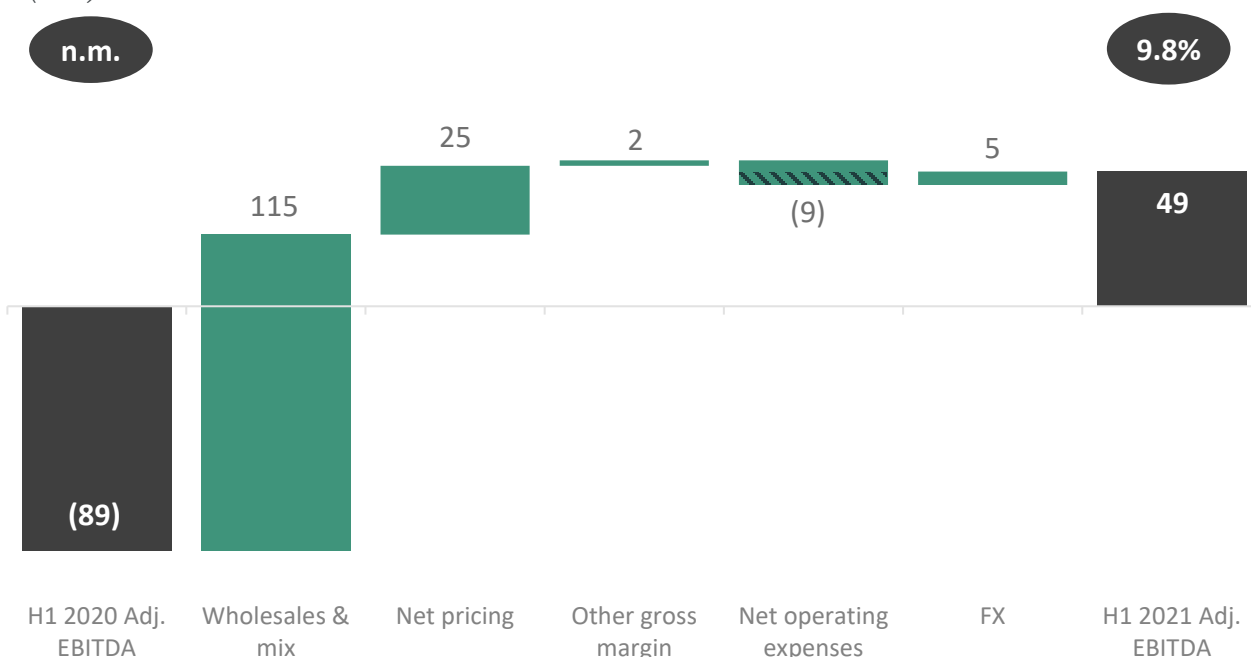
3 Brand & motorsport

- Low race car sales, as expected

H1 2021 adjusted EBITDA

£138m y-o-y increase; Q2 margin 12% ex. doubtful debt provision

(£m)



● Margin

- 1 **Wholesales & mix**
 - ↑ Volume: +2,006 units
 - ↑ Specials: +19 units
 - ↑ Cost efficiencies
- 2 **Net pricing**
 - Benefit from decreased customer financing support and improved residual values
- 3 **Net Opex**
 - Restructuring savings largely offset by non-repeat of furlough
 - =£5m doubtful debt provision
- 4 **D&A**
 - Increased due to expanded core portfolio and Specials
- 5 **Net financing expenses**
 - £9m FX benefit
 - £14m adj. credit from FV movement of outstanding warrants

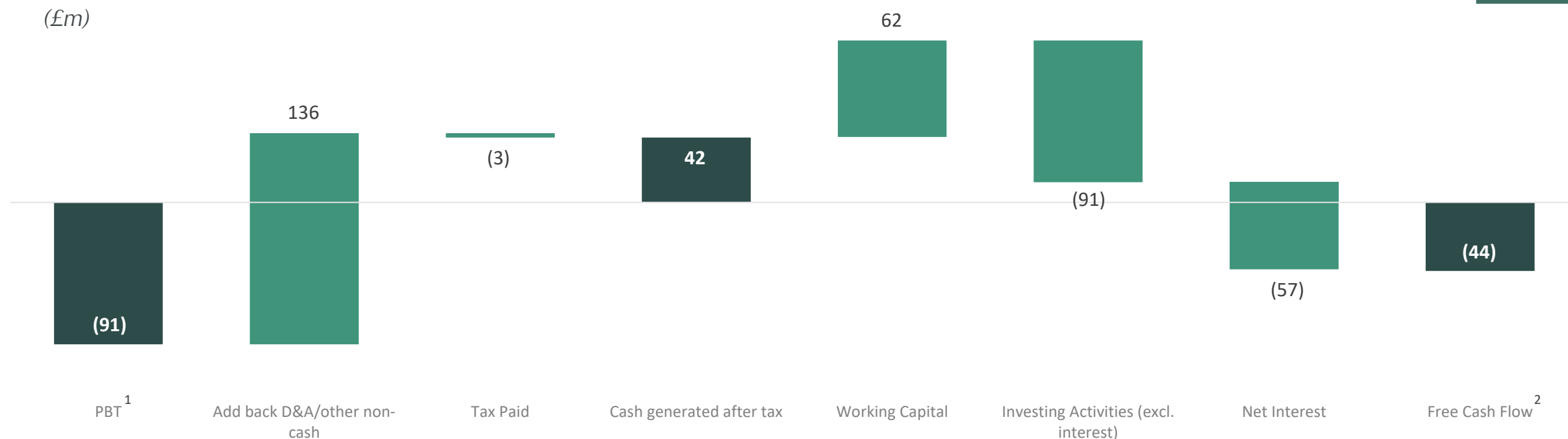
PBT Analysis

£m	H1 2021	H1 2020
Adjusted EBITDA	48.8	(89.0)
D&A	(84.8)	(56.5)
Adjusted EBIT	(36.0)	(145.5)
Net adjusted financing expense	(66.7)	(68.1)
Adjusted PBT	(102.7)	(213.6)
Adjusting items ¹	12.0	(13.8)
PBT	(90.7)	(227.4)

H1 2021 free cash outflow

Project Horizon working capital benefits

(£m)



- 1 **PBT**
Reduced loss primarily due to increased revenue and improved profitability
- 2 **Add backs**
Key items include:
 - D&A £85m
 - Net financing expense £53m

- 3 **Working Capital**
 - Receivables £40m
 - Inventory £9m
 - Payables £6m
 - Deposits £7m

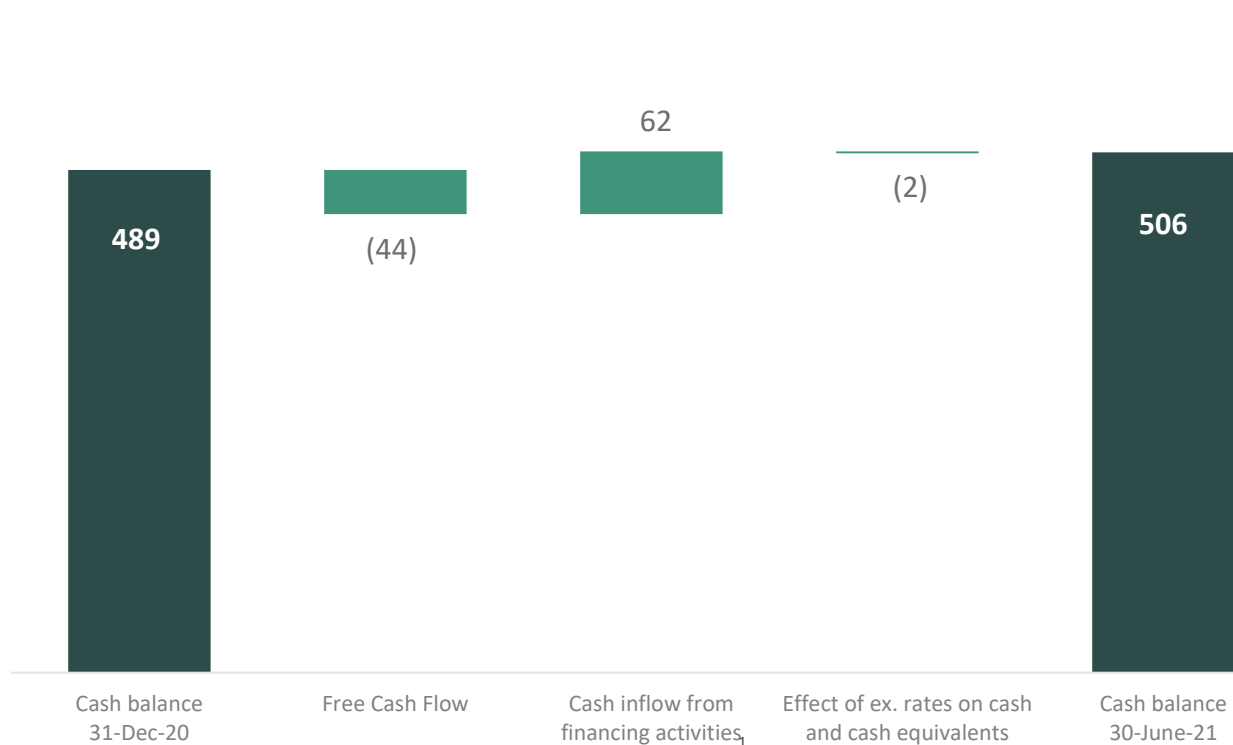
- 4 **Investing Activities**
Capex of £90m, aligned to cashflow & business plan deliverables

- 5 **Net Interest**
Cash interest items:
 - Interest paid £(58)m
 - Interest received £1m

H1 2021 cash and net debt

Improved cash position with additional liquidity raise

(£m)



£m	H1 2021	FY 2020
Loan notes	(1,041.6)	(965.0)
Inventory financing	(39.8)	(38.2)
Bank loans and overdrafts	(118.0)	(119.8)
Lease liabilities	(99.2)	(103.0)
Gross debt	(1,298.6)	(1,226.0)
Cash balance	505.6	489.4
Cash not available for short-term use	1.5	9.9
Net debt	(791.5)	(726.7)

H1 trading as expected; full year guidance substantially unchanged¹



2021 – uncertainty remains due to COVID-19

Wholesales	c. 6,000
Adj. EBITDA margin	Mid-teens % prior to £15m impact of legal action ¹
Adjusted EBITDA expected to be heavily weighted to H2, particularly Q4, given timing of Specials	
D&A	c. £255m - £265m ²
Interest expense	c.£135m ³
Capex and R&D	c. £250m – £275m



Medium term targets by 2024/25

Wholesales	c.10,000
Revenue	c.£2bn
Adj. EBITDA	c.£500m



Chief Executive Officer

Tobias Moers



LAGONDA

Project Horizon: delivering operational excellence, agility and efficiency throughout every aspect of the Company



- Organisational structure streamlined
- First steps in building performance driven culture underway
- Dynamic and innovative mindset perceptible throughout organisation
- Restructuring savings on track



- Sustainable product plan defined and aligned with market demand/business plan
- Expansion of portfolio based on DBX and GT/Sports platform
- Iconic Aston Martin Valkyrie as the milestone to enter mid-engine market
- Electrified powertrain and upgraded infotainment in 2023/24



- F1™ engagement increases brand desirability – with over 85 million viewers a race
- Customer experience strengthened with launch of new configurator and focus on customer journey
- Network extension in Europe
- Rebalancing supply to demand successful



- Product focus on improved margin per car and technical product competitiveness
- F1™ engagement emphasises performance and drives innovation
- Restructuring of material costs; initial savings already secured



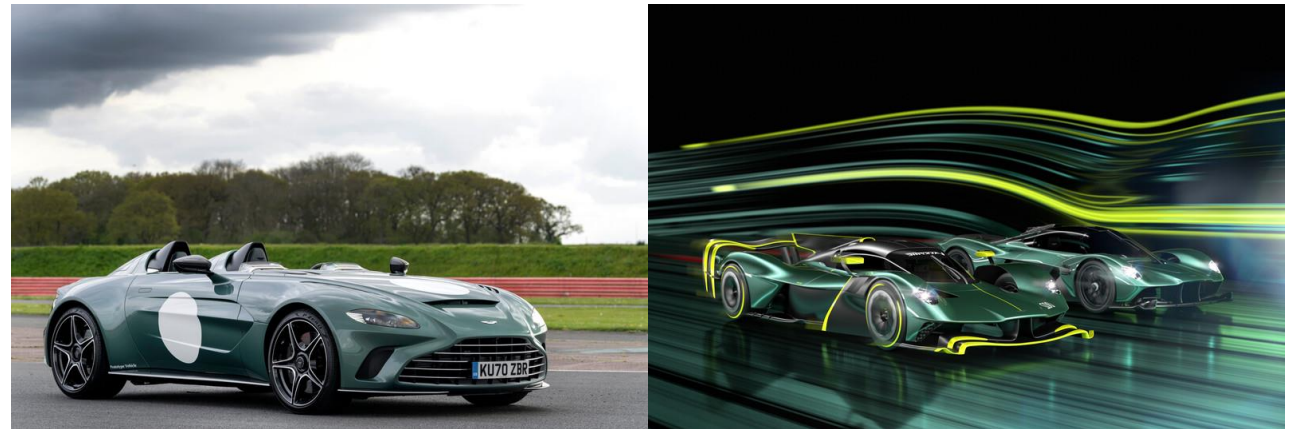
- Experienced external hires to lead powertrain and vehicle development
- Align to industry standard working practices to drive accountability
- Investment in leading edge PLM/ERP IT architecture
- Focused on significantly increasing productivity, through cross functional collaboration and digitalisation



- New Chief Operating Officer is driving transformation
- Optimised operational footprint and efficiencies delivers significant annual savings (>30%)
- New production system driven by technology, digitalisation and efficient supply chain
- Strategic alignment to operational footprint

Project Horizon: portfolio strategy & cycle planning

- **Vantage F1® edition and V12 Speedster first of more than 10 new vehicles to launch by 2023**
- **Aston Martin Valkyrie to lead the way for mid-engine programme from H2; Valkyrie AMR Pro to start deliveries in Q4**
- **First DBX derivative on track for start of production in Q3**
- **Reveal of Valhalla plug-in hybrid supercar – the first new generation Aston Martin**



Project Horizon: go-to-market

- **Aston Martin Cognizant Formula One™ Team driving brand awareness; over 1.4bn social media impressions year-to-date**
- **Welcoming customers at race weekends; Silverstone used as platform to reveal Valhalla plug-in hybrid supercar**
- **Leadership team boosted further with new Heads of Marketing & Communications and Sales Operations & Network Development**
- **Start of a new era of customer experience with launch of new class-leading configurator in July**



Project Horizon: operational excellence

- Touches all aspects of the value chain, including logistics, materials and suppliers
- Revised efficient assembly concept for manufacturing
 - Gaydon move to single line completed in April
 - Paint shop and St Athan efficiencies live post summer break
- All sports manufacturing consolidated at Gaydon; including Aston Martin Valkyrie and V12 Speedster
- Actions delivering efficiencies in H1, particularly working capital, more building through H2



49% Reduction in rework resource



c. 90 Fewer vehicles in manufacturing process

Creating a world-class ultra-luxury automaker

Customer focused product renewal

- Two new products delivered, three more in H2
- Aston Martin Valkyrie production on track
- Valhalla hybrid supercar revealed

Operational excellence

- Excellent progress with Project Horizon transformation plan
- Manufacturing efficiencies improving performance at both plants
- Benefits to build through the year and into 2022

Path to positive free cash flow in 2023

- Revenue trebled and double-digit EBITDA margin
- Tight management of investment to align with cashflow
- Free cash outflow improvement of £326m year-on-year



Appendix



Income Statement, Cash Flow and Net Debt

£m	H1 2021	H1 2020
Revenue	498.8	146.0
Cost of sales	(355.5)	(148.8)
Gross profit/(loss)⁽¹⁾	143.3	(2.8)
<i>Gross margin</i>	28.7%	<i>n.m.</i>
Operating expenses ⁽¹⁾	(179.3)	(142.7)
<i>of which depreciation & amortisation</i>	84.8	56.5
Adj. operating loss	(36.0)	(145.5)
<i>Adj. operating loss margin</i>	<i>n.m.</i>	<i>n.m.</i>
Adjusting operating items	(2.0)	(13.8)
Operating loss	(38.0)	(159.3)
Net financing expense	(52.7)	(68.1)
<i>of which adjusting financing items</i>	14.0	-
Loss before tax	(90.7)	(227.4)
Taxation	19.6	27.6
Reported net income	(71.1)	(199.8)
 Adj. EBITDA	 48.8	 (89.0)
<i>Adj. EBITDA margin</i>	9.8%	<i>n.m.</i>
Adj. loss before tax	(102.7)	(213.6)
 <i>Diluted EPS (pence)⁽²⁾</i>	 (63.3)	 (333.0)
<i>Adjusted diluted EPS (pence)⁽²⁾</i>	(85.3)	(316.0)

£m	H1 2021	H1 2020
Cash generated / (used) from operating activities	103.8	(179.4)
Capital expenditure	(91.0)	(161.5)
Net cash interest paid	(57.1)	(29.7)
Free cash outflow	(44.3)	(370.6)
Cash inflow from financing activities (excl. interest)	62.4	628.6
Increase in net cash	18.1	258.0
Effect of exchange rates on cash and cash equivalents	(1.9)	(6.5)
Cash balance	505.6	359.4
Loan notes	(1,041.6)	(877.0)
Inventory financing	(39.8)	(19.5)
Bank loans and overdrafts	(118.0)	(114.6)
Lease liabilities	(99.2)	(110.0)
Gross debt	(1,298.6)	(1,121.1)
Cash balance	505.6	359.4
Cash not available for ST use ⁽³⁾	1.5	10.7
Net debt	(791.5)	(751.0)

APM reconciliation and Adjusting items

Income Statement reconciliation			H1 2021 Adjusting items	
£m	H1 2021	H1 2020	£m	Income Statement
(Loss) for the year before tax	(90.7)	(227.4)	Restructuring costs	0.5
Adjusting operating expenses	2.0	13.8	Site consolidation	(0.6)
Adjusting finance expenses	(14.0)	-	ERP implementation	(1.9)
Adjusted EBT	(102.7)	(213.6)	Adjusting operating items	(2.0)
Adjusted finance (income)	(10.7)	(1.6)		
Adjusted finance expense	77.4	69.7	Gain on financial instruments recognised at FV through Income Statement	14.0
Adjusted EBIT	(36.0)	(145.5)	Adjusted financing expenses	14.0
Reported depreciation	28.8	22.7	Tax on adjusting items	13.3
Reported amortisation	56.0	33.8		
Adjusted EBITDA	48.8	(89.0)	Total adjusting items	25.3

EPS reconciliation

	H1 2021	H1 2020
Adjusted Earnings Per Ordinary Share		
(Loss) available for equity holders (£m)	(72.7)	(200.3)
Adjusting Items		
Adjusting items before tax (£m)	(12.0)	13.8
Tax on adjusting items (£m)	(13.3)	(3.6)
Adjusted Earnings (£m)	(98.0)	(190.1)
Basic weighted average number of ordinary share (millions)	114.9	60.2
Adjusted earning per ordinary shares (pence)	(85.3p)	(316.0p)
Adjusted Diluted Earnings Per Ordinary Share		
Adjusted Earnings (£m)	(98.0)	(190.1)
Diluted weighted average number of ordinary shares (million)	114.9	60.2
Adjusted diluted earnings per ordinary share (pence)	(85.3)	(316.0p)

H1 Results

<i>£m</i>	Q1-21	Q1-20	Q2-21	Q2-20	H1-21	H1-20
Total wholesale volumes (#) ⁽¹⁾	1,353	578	1,548	317	2,901	895
Revenue	224.4	88.8	274.4	57.2	498.8	146.0
Adj. EBITDA	20.7	(38.1)	28.1	(50.9)	48.8	(89.0)
Adj. operating loss	(15.3)	(67.0)	(20.7)	(78.5)	(36.0)	(145.5)
Operating loss	(15.3)	(67.9)	(22.7)	(91.4)	(38.0)	(159.3)
Loss before tax	(42.2)	(110.1)	(48.5)	(117.3)	(90.7)	(227.4)

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 PBT is the loss before tax and adjusting items as shown in the Consolidated Income Statement

Adjusted operating loss 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 operating margin is adjusted operating (loss)/profit divided by revenue

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 plus the cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.

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