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18

Aston Martin Lagonda

Gaydon site visit – 16 November 2021



ASTON MARTIN LAGONDA

Tobias Moers Chief Executive Officer



ASTON MARTIN LAGONDA

Our Vision

TO BE THE WORLD'S
MOST DESIRABLE ULTRA-
LUXURY BRITISH
BRAND...

...creating vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading customer experience.



Project Horizon

Delivering operational excellence, agility and efficiency



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- Re-defined internal vision, mission and behaviours
- Efficiency programme across plants complete
- New bonus scheme implemented, aligning management & employee incentives
- Employee engagement programme started with survey, action plans under development



- Sustainable product plan defined and aligned with market demand/business plan
- Expansion of portfolio starting with DBX and derivatives
- Halo mid-engine hypercar, Aston Martin Valkyrie, started production
- Introduction of first BEV in 2025



- F1™ engagement increases brand desirability – 2.1bn impressions to date
- New configurator improving customer journey; trebling dealer leads
- Strengthened regional team executing on dealer development
- Rebalancing supply to demand successful



- Product focus on improved margin per car and technical product competitiveness
- Teaming with tier 1 suppliers to drive quality and performance
- Targeting 10% gross reduction in material costs/unit across entire product range by 2022



- Experienced external hires to lead powertrain and vehicle development
- Developing bespoke Aston Martin connected car system
- 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
- 20% manufacturing cost per unit reduction achieved through paint consolidation & production line efficiencies at both Gaydon & St Athan
- Strategic alignment to operational footprint

Project Horizon

Manufacturing efficiencies achieved and more to come supporting 40%+ gross margin



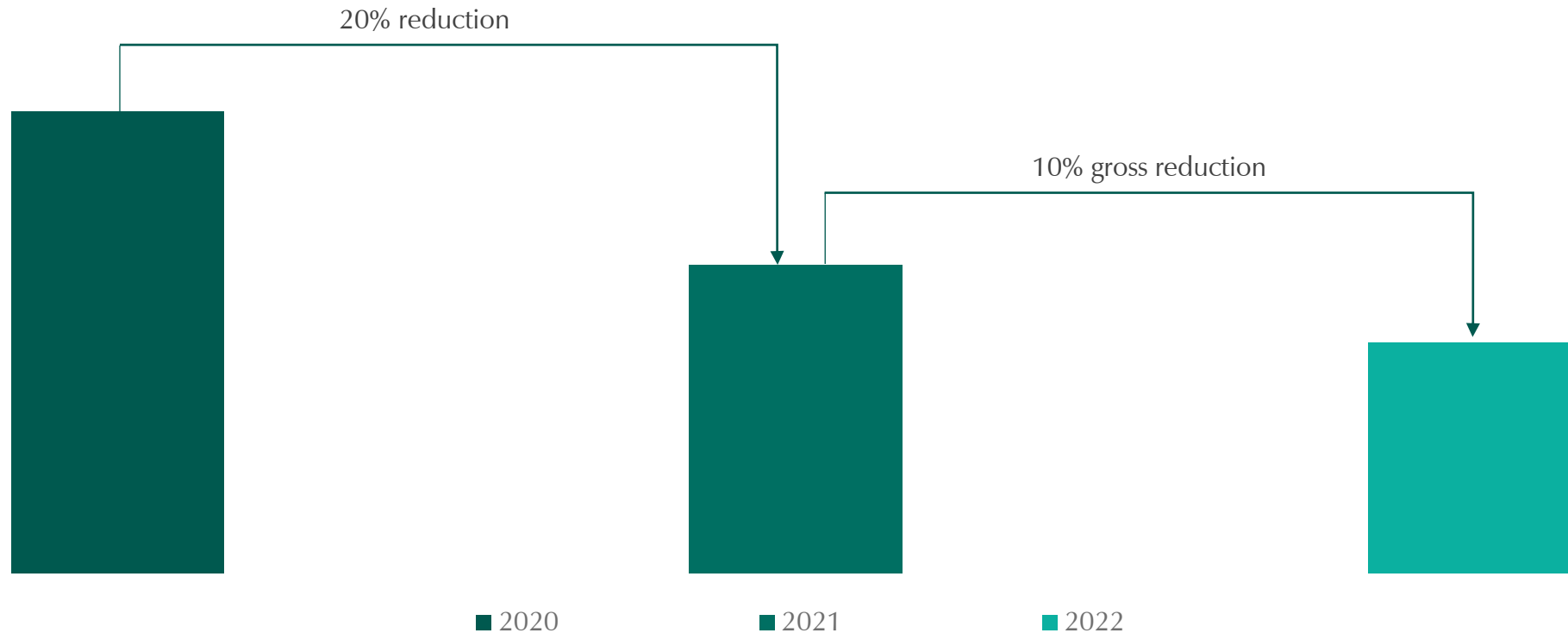
ASTON MARTIN



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Take-off into a new era for Aston Martin Lagonda

The next stage of our journey, accelerating growth and driving profitability

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



Team

Strength of brand attracting new talent to complete a new, world-class team

Product Innovation

A breath-taking and comprehensive core portfolio across front-engine, SUV and mid-engine enhanced by state-of-the-art limited editions



Sustainability

Transitioning Aston Martin to a world-leading sustainable ultra-luxury automotive company

A close-up, low-angle shot of the rear of a silver Aston Martin Lagonda Valhalla. The image focuses on the rear wing and the rear bumper. The rear wing is a prominent feature, with a large, oval-shaped air outlet on its side. The rear bumper is black and features the 'VALHALLA' badge in silver. The car is parked on a dark surface, and the background is blurred, showing the rear of another car.

Brand

ASTON MARTIN LAGONDA

Brand

Aston Martin is an iconic global brand, with a unique position combining ultra-luxury and high performance

50% of customers new to brand

Highlighting our loyal customer base and attracting new customers to brand

\$200k – \$5m

Unique strength and sentiment for brand, capable of attracting demand for wide range of products

4x reduction

In Variable Marketing spend compared to previous year
- Residual values sharply increasing

Eleven fold increase vs. 2020

In dealer profitability, underscoring focus on exclusivity & luxury proposition



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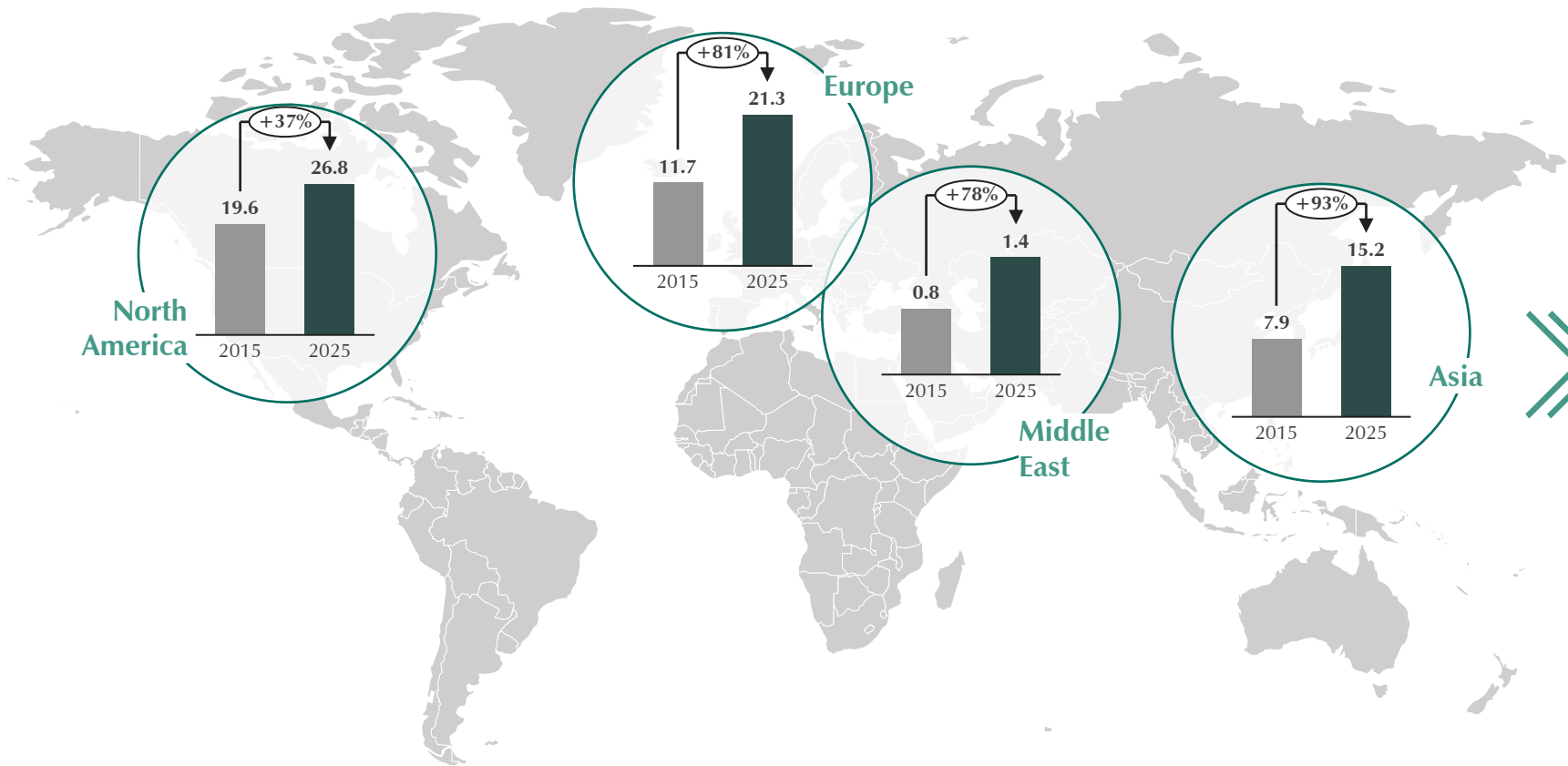
Brand

Global HNWI continues to grow with strong forecast driven by Asia and Europe

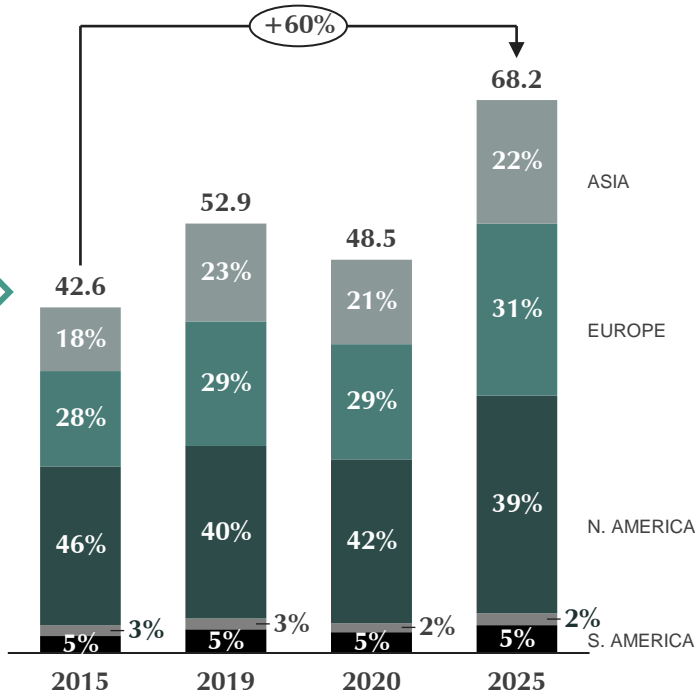


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Number of HNWIs globally in millions



HNWI DISTRIBUTION SHIFTS



Brand

Loyalty and conquest: retaining our valued customers and attracting new generation with exciting and innovative products



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PRESENT CUSTOMERS

- Successful, confident, with a strong sense of self
- Appreciation for beauty and craftsmanship
- Demonstrate taste rather than wealth
- Comfortable to stand out, but not in a flashy way



Average age **54**

Female buyers **9%**



Average age **38**

Female buyers **30%**



FUTURE CUSTOMERS

- Shift to more diverse customer profile
- Widen demographic through SUV & mid-engine

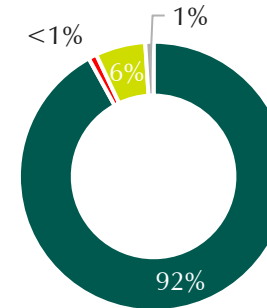


Average age

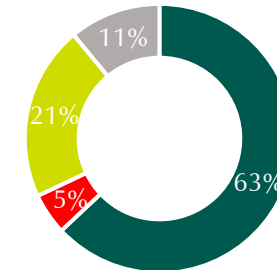


Female buyers

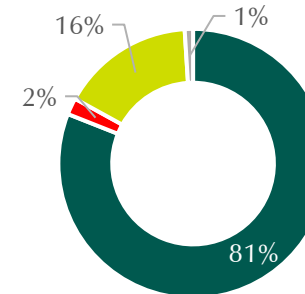
Aston Martin brand sentiment is unanimously and globally positive



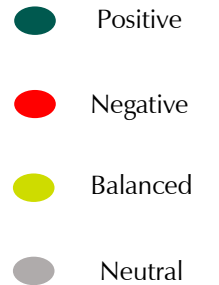
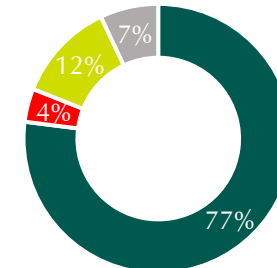
Luxury Competitor 1



Luxury Competitor 2



Luxury Competitor 3



Brand

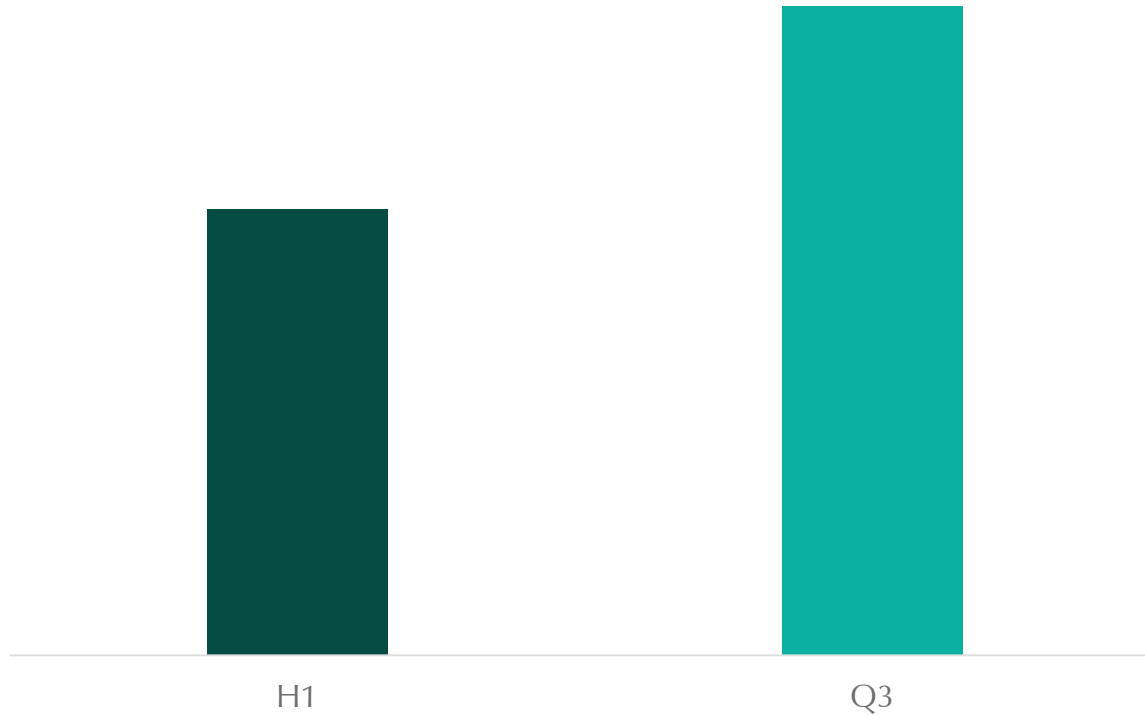
Go-to-market: enhancing the customer journey and reflecting our luxury proposition



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Leads to dealers

Class-leading configurator with improved customer experience launched in July, **trebling leads to dealers**



- **13.1K** users on launch
- **850 leads** to dealers in July
- **2.5K leads** between Jul-Sep


Brand

Dealer profitability increased eleven fold

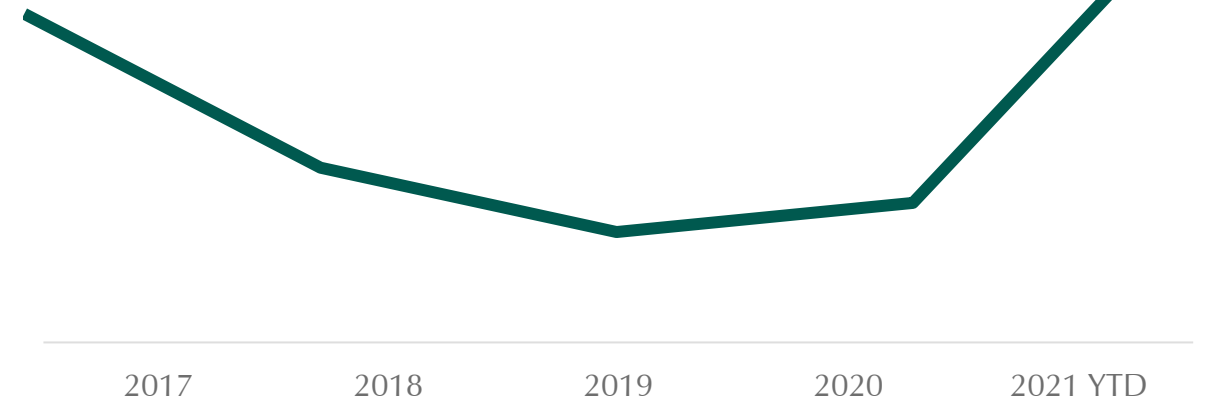


Increased dealer profitability, underscoring focus on exclusivity and luxury proposition

- Renewed focus on customer experience
- Increased dealer franchise inquiries
 - 33% more inquiries YTD 2021 vs. FY 2020

- 
- DBX YTD impact
 - Rebalanced stock
 - Strong pre-owned

Dealer margin



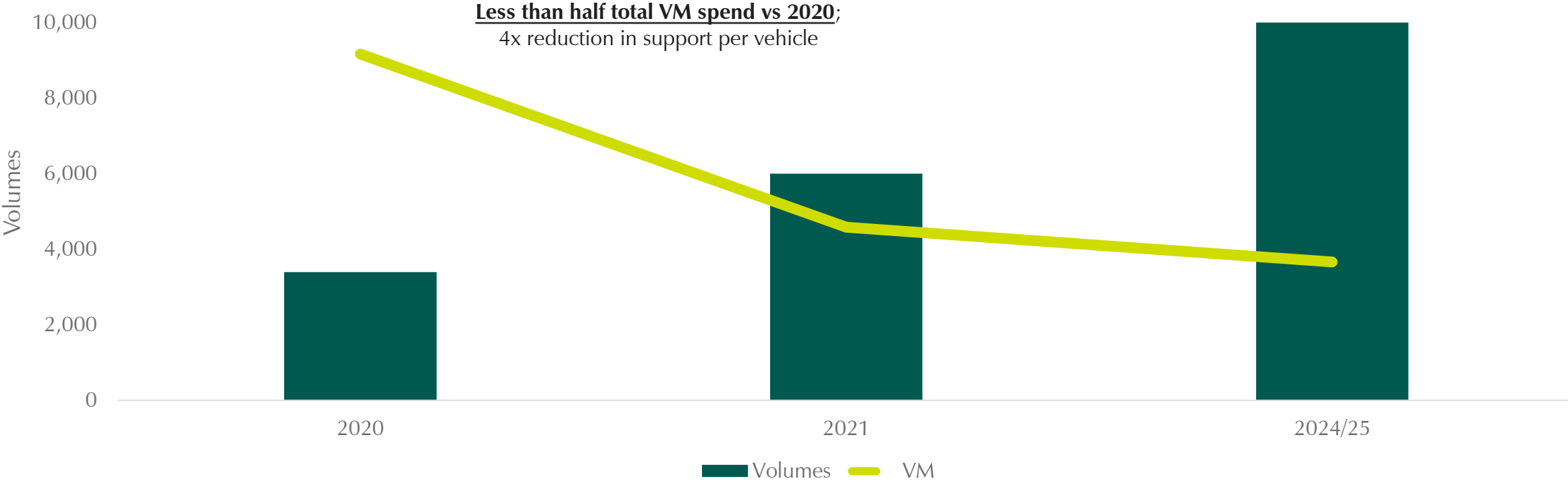
Brand

Variable Marketing has decreased substantially year-on-year and continues to reduce underpinning strength of brand



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Total Variable Marketing per car



Brand

Increasing brand awareness and providing luxury customer experiences



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Valhalla global tour

- Valhalla is a 'brand shaper' attracting new customers
- USA, Europe & APAC events ongoing across Q4 and into 2022
- Choice of bespoke luxury event venues
- Strong interest following 1:1 customer presentations

Goodwood Festival of Speed

- 280 guests across four events
- Era-defining Valkyrie hypercar global debut
- Private Valhalla 1:1 customer product presentations
- Six models displayed in supercar paddock

Pebble Beach Concours d'Elegance

- Stand prominence reflective of our brand ambitions
- 700+ VIP guests and media
- 52 Dealers attended the Dealer conference & Valkyrie Spider reveal
- Valkyrie Spider reveal generated two times customer demand vs. allocation
- Direct sales for Valhalla, V12 Speedster and Valkyrie AMR Pro

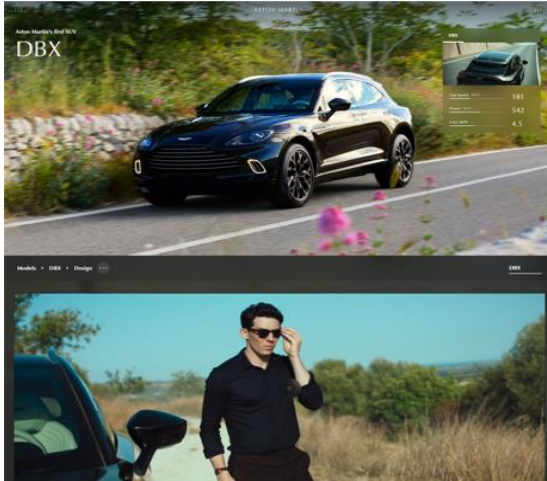


Brand

New levels of marketing performance across multiple platforms and initiatives



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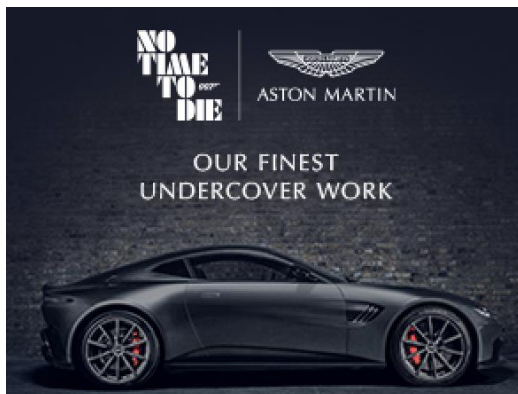
Product-led global campaigns



F1 customer hospitality & experiences



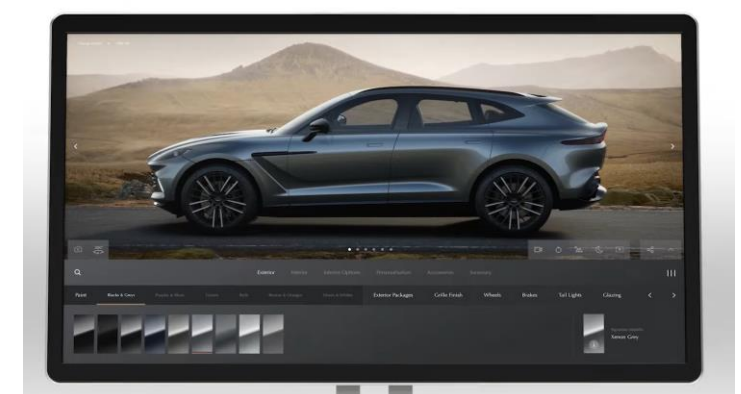
Talent-led campaigns



Brand partnership activations



Global brand awareness



Enhanced digital customer journey

A close-up, low-angle shot of the rear of a silver Aston Martin Lagonda. The focus is on the rear wing and the 'VALHALLA' badge. The car's design is sleek and aerodynamic, with visible air vents on the rear wing. The background is blurred, showing other cars in a parking lot.

Product Innovation

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Product Innovation

Most comprehensive portfolio in the ultra-luxury space

Breath-taking & comprehensive core portfolio

Three pillars across front-engine, SUV and mid-engine

- Introduction of a new generation of sports cars in 2023 followed by PHEV powertrain
- Raising the benchmark for performance luxury SUVs in 2022
- Mid-engine underpinned by performance-oriented electrified PHEV powertrain

Successful Limited Editions

Roadmap for the future embedding strong Limited Edition series within our product portfolio

- Limited Editions to represent around one third of overall profitability
- Serve loyal customers with state of the art offering

Electrification journey

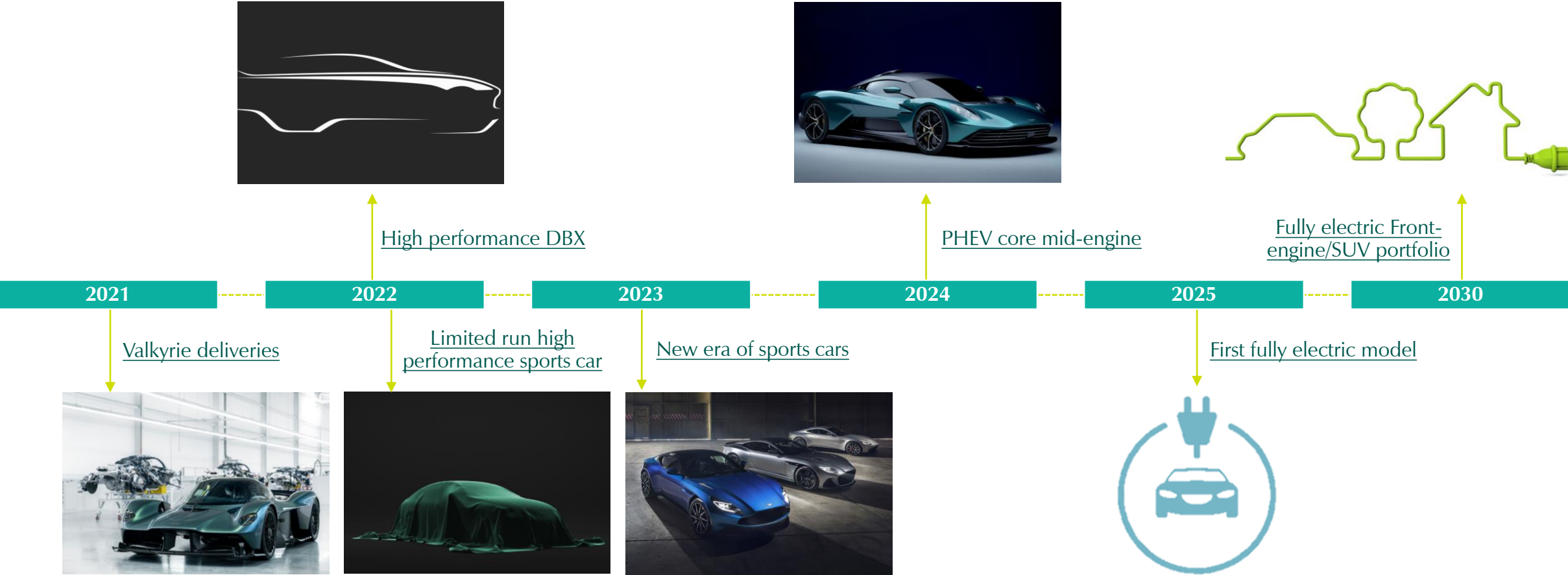
- 2023: launch of the first PHEV Aston Martin
- 2025: launch of the first BEV Aston Martin
- 2030: fully electric front-engine and SUV portfolio

Product Innovation

Diverse product range to expand and define luxury automotive over next decade



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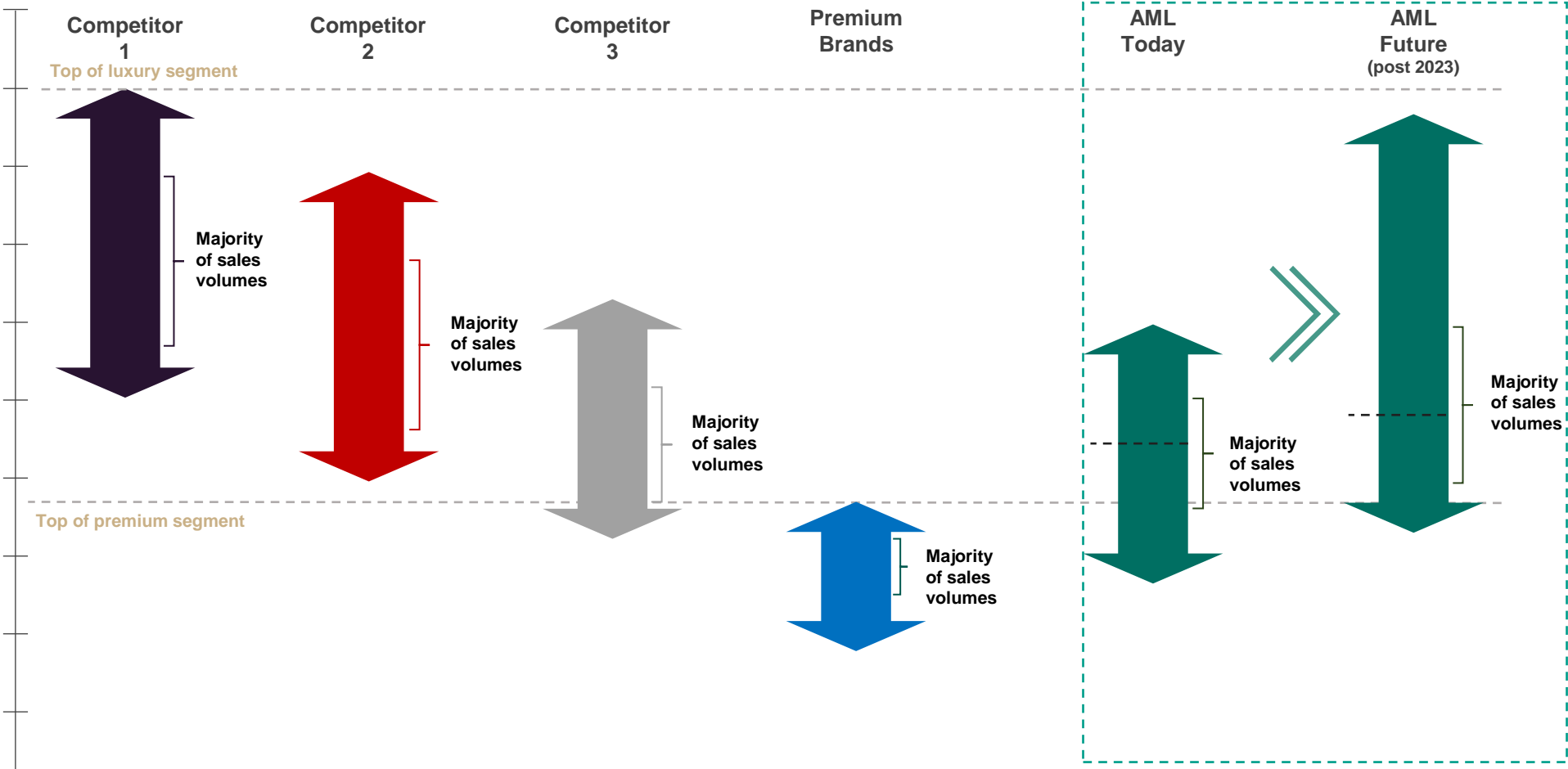


Product Innovation

Breath-taking and comprehensive core portfolio providing customer experience through performance and innovation



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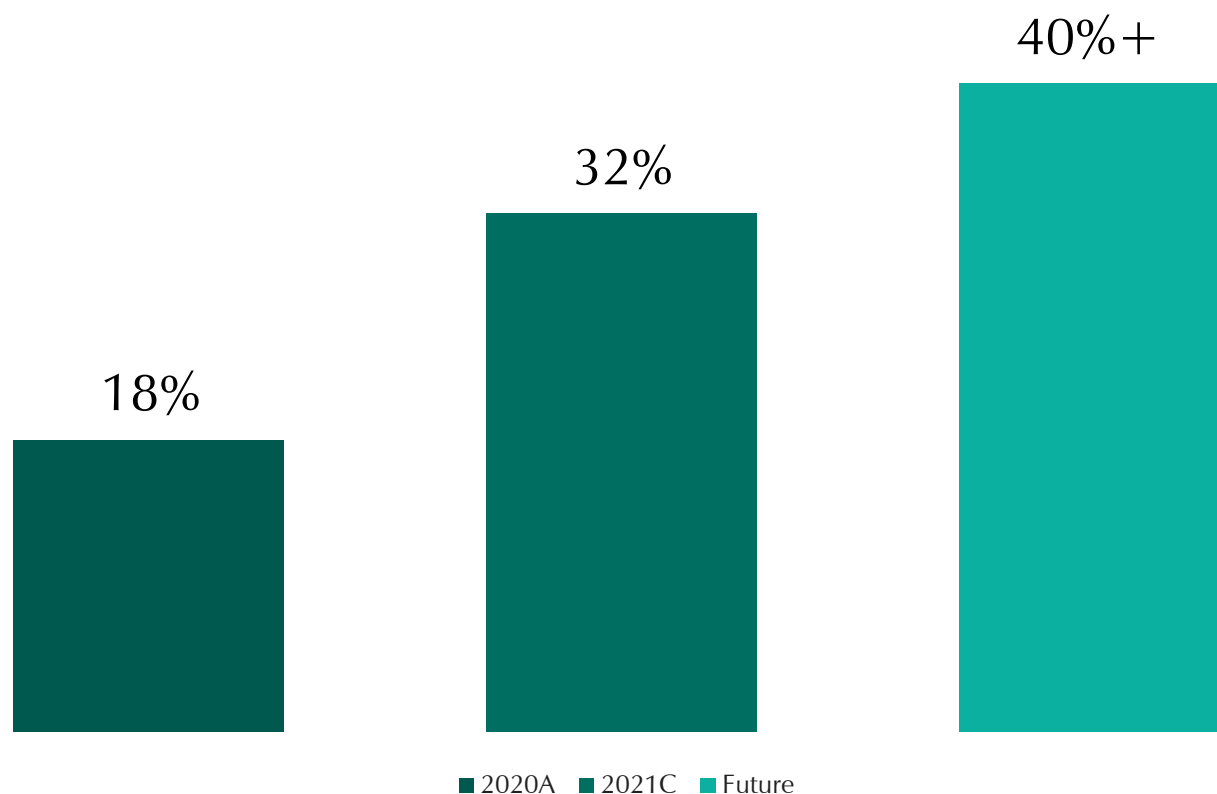
Product Innovation

New generation of vehicles to drive growth and 40%+ contribution margin



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Contribution Margin



Core Portfolio

- Demand revitalised with introduction of a new generation of sports car followed by PHEV powertrain
- Strategic SUV expansion, capitalising on market segmentation
- Highly profitable mid-engine segment driven by performance and electrified technology

Limited Editions

- Reserved to serve the most loyal of Aston Martin customers
- Pushing the limits on creativity and innovation
- Synergies between Core and Limited Editions enhancing entire portfolio

A close-up, low-angle shot of the rear of a silver Aston Martin Lagonda. The car's rear features a prominent black spoiler with a 'VALHALLA' badge in silver lettering. The car is parked on a dark surface, and the background is blurred, showing other vehicles.

Team

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Team

World-class leadership team and brand attracting top talent globally

Unbelievably dedicated & talented

Employee base that have adapted and navigated the headwinds of 2020 & 2021

F1™ inspired

Performance-led culture & mindset

- Agility
- Speed
- Winning culture

Transformation of the business

Transformation to engineering-led, performance-oriented ultra-luxury automaker

- > 300 engineers hired
- In-house IP development focused on software & skills related to electric drive
- Creation of Engineering Centres of Excellence with a global footprint

Key hires across management

Spanning the business, from operational to commercial functions

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A close-up, low-angle shot of the rear of a silver Aston Martin Lagonda Valhalla. The image highlights the car's aerodynamic design, featuring a large rear wing with multiple air vents and a prominent rear diffuser. The 'VALHALLA' badge is visible on the rear panel. The background is blurred, showing other vehicles in a parking lot.

Sustainability

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Sustainability

A new clear strategy underscoring commitment to ESG to be published in Q1 2022

Carbon neutral

Clear ambition to target carbon neutral in both the value chain and manufacturing facilities

Zero waste

No landfill and clear focus on reducing plastic waste

Sustainability standards

Now a key element of procurement process
Sustainable materials being explored for production

Promoting diversity & inclusion

Developing talent to increase number of women in leadership positions



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Ken Gregor
Chief Financial Officer



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To be the world's most desirable ultra-luxury British brand...

- c.10k units and c.£2bn of revenue by 2024/2025
- Vehicle contribution margins c.40%
- c.£500m EBITDA (25% +) by 2024/2025
- FCF positive during 2023 and sustainable thereafter
- Product investment (R&D + capex) c.£300m p.a.
- Target net debt leverage of < 2.5x



Finance

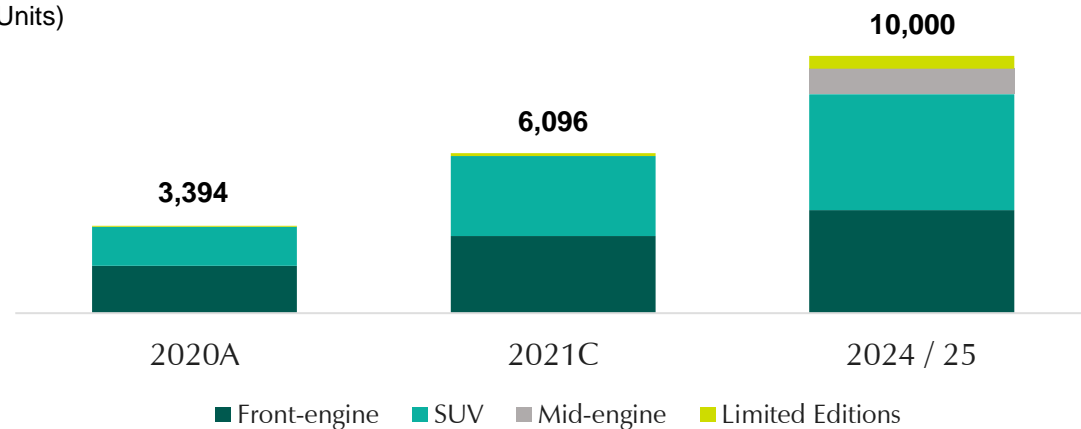
Path to medium-term targets – free cashflow positive by 2023



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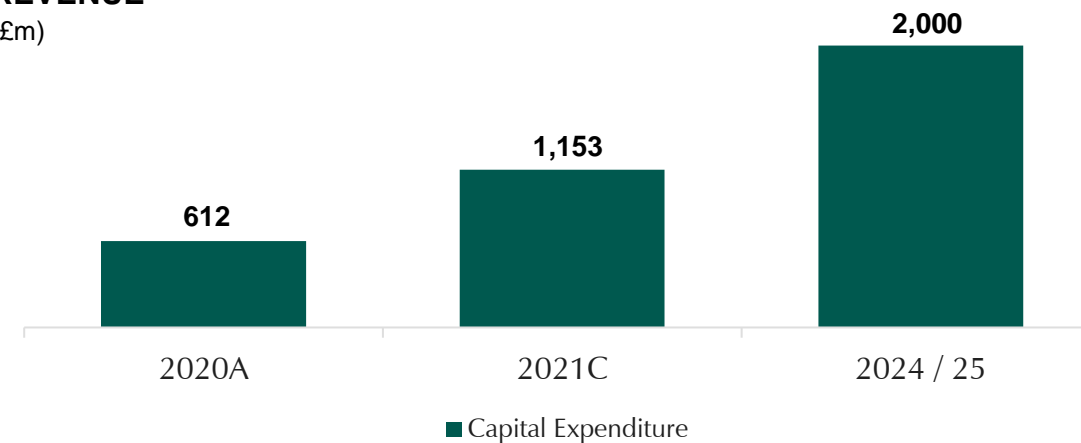
VOLUMES

(Units)



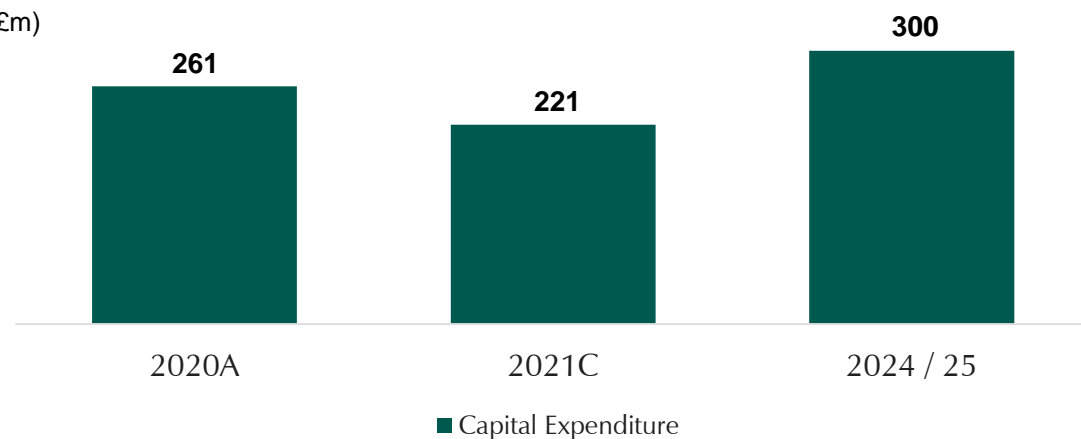
REVENUE

(£m)



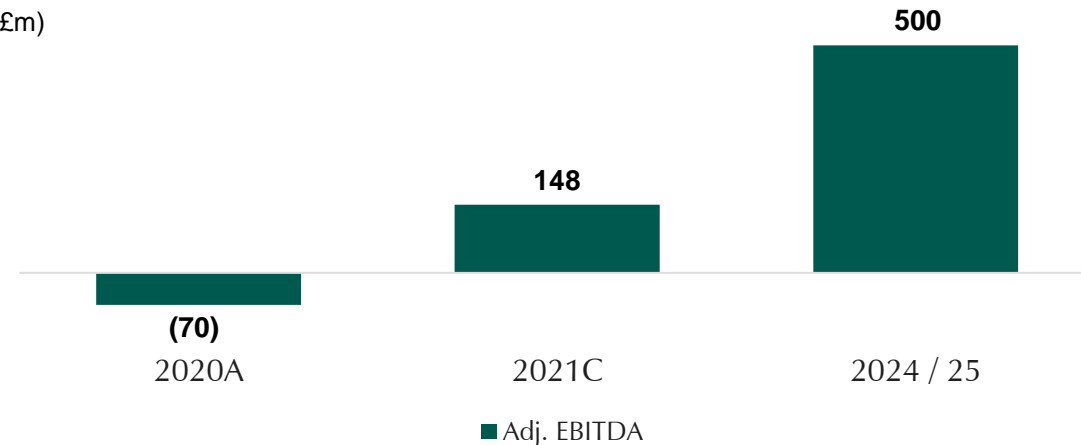
INVESTMENT/CAPEX

(£m)



EBITDA

(£m)



Finance

Path to c. £500m EBITDA and c. 25% EBITDA margin



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(£m)

c.13%

c.25%

500

148

Consensus FY21
Adj. EBITDA

Wholesales & mix

Pricing &
other revenue

Manufacturing cost performance
net marketing investment

Adj. EBITDA (pre-marketing)

● Margin

1

Wholesales & mix

- Increased volumes
- Improved geographic mix
- Improved product mix
- Higher priced derivatives

2

Pricing & Other Revenue

- Reduced incentive per vehicle
- Increased option uptake

3

Cost performance

- Delivery of manufacturing efficiencies

4

Marketing

- Investment to drive luxury positioning and growth
- Declines as % of revenue

Michael Straughan
Chief Operating Officer



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Project Horizon

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I AM Aston Martin

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Portfolio Strategy & Cycle Planning

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Project Horizon

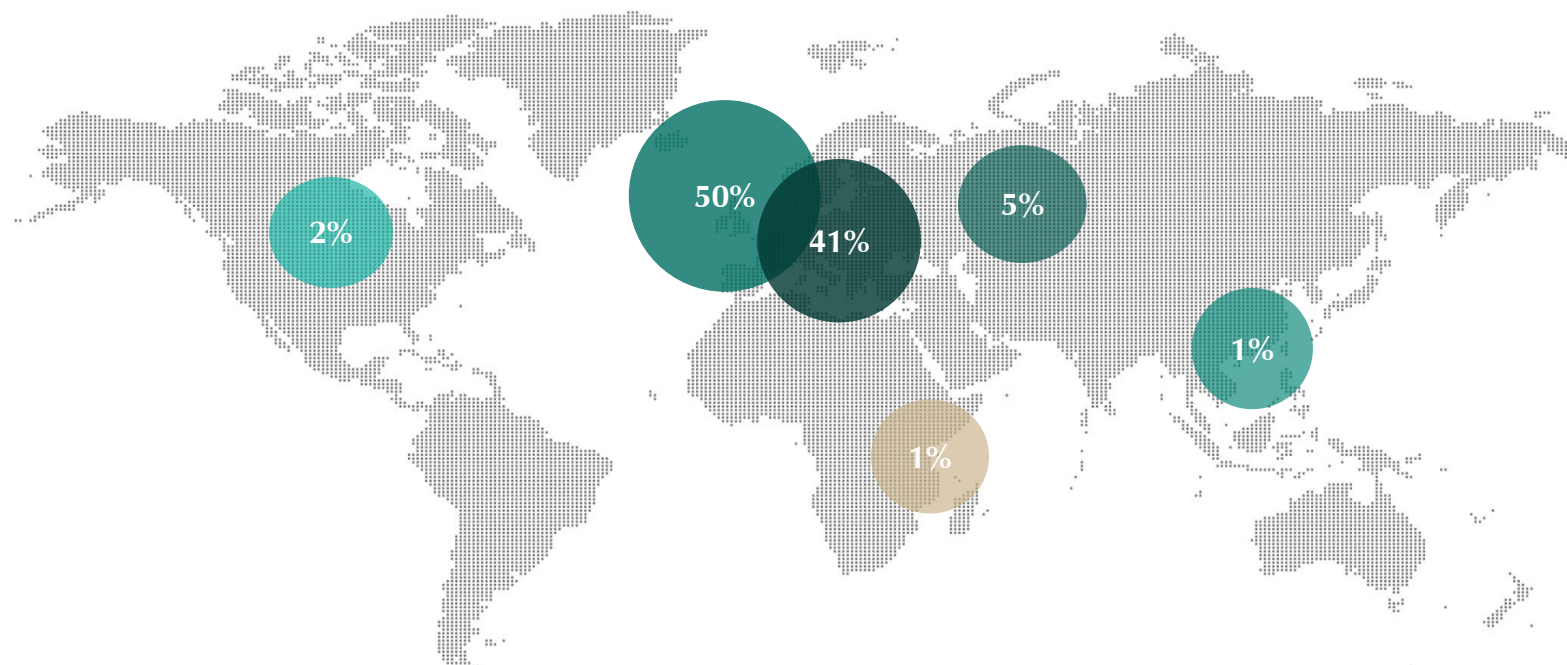
Global supply chain and supplier risk management



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Present

Euro-centric supply base



Future

Shift to a global presence, utilising best in class suppliers across the world

Supplier Risk Management Approach

- Identifies suppliers that are at risk
- Enables manufacturing operations to continue with significantly reduced disruption

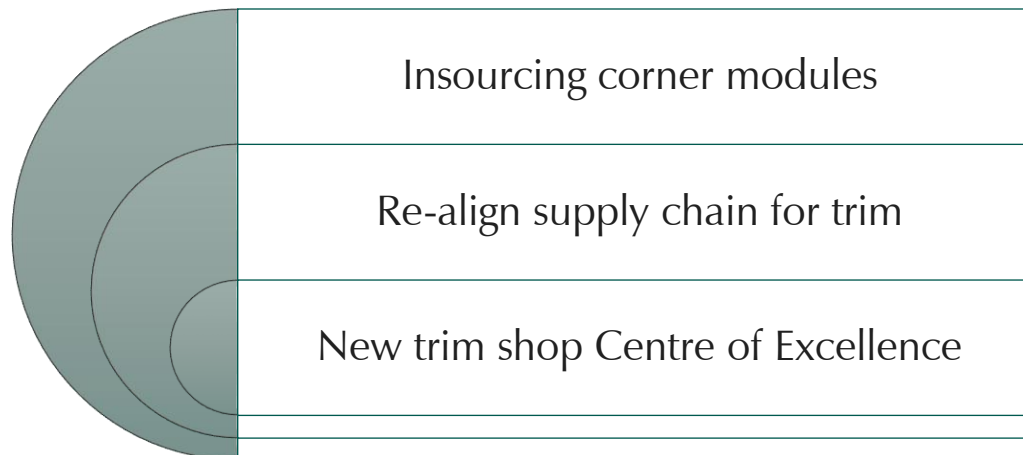


- Highlight at-risk suppliers
- Credit risk monitoring to spot supplier entering financial distress
- Raw material forecasting tool developed to understand materiality risk
- Implement mitigation strategies

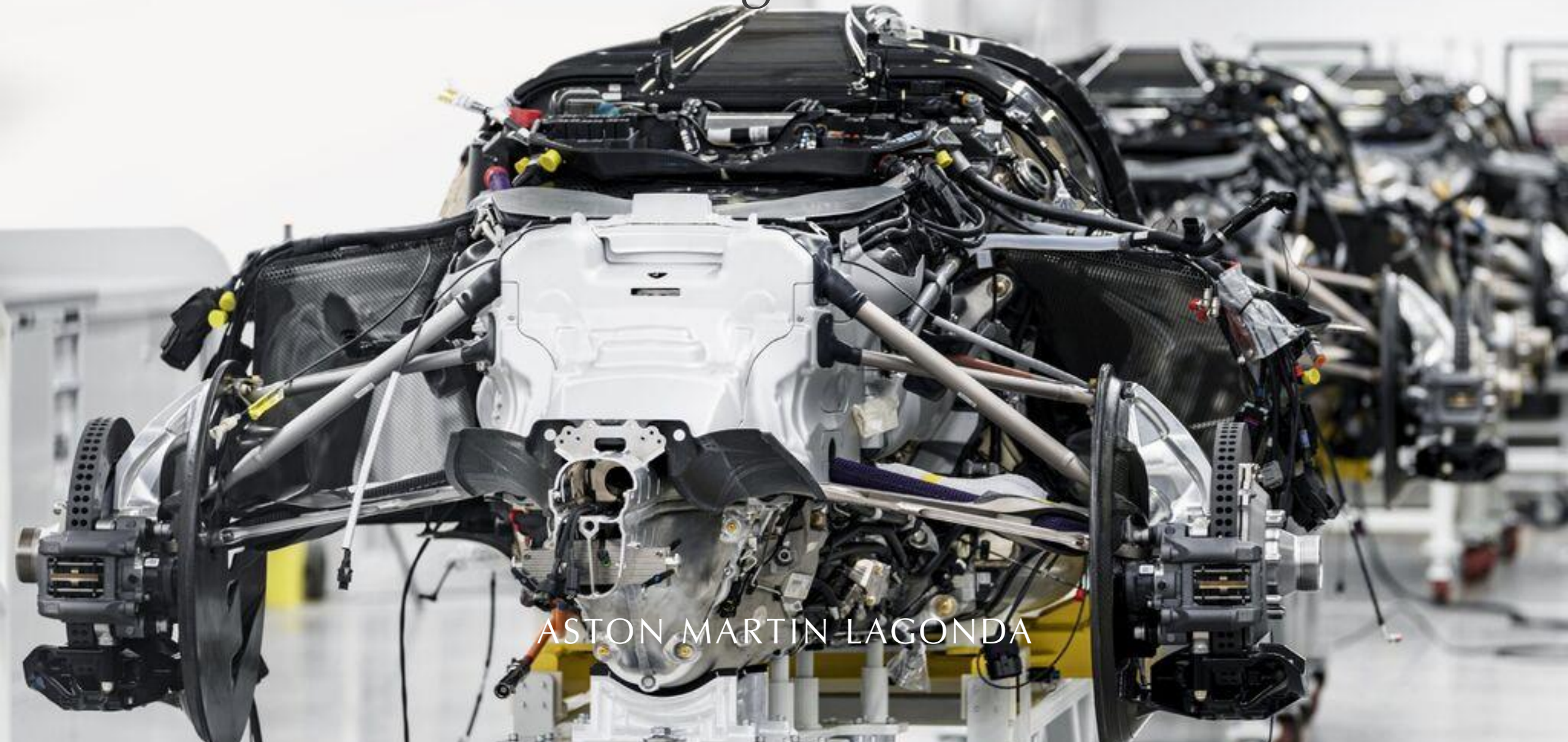
Building long-term strategic partnerships with suppliers in order to:

- Deliver sustainable cost reduction
- Champion continuous development to deliver new innovations

A series of major projects is underway to deliver substantial savings to the business:



Manufacturing Transformation



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Project Horizon

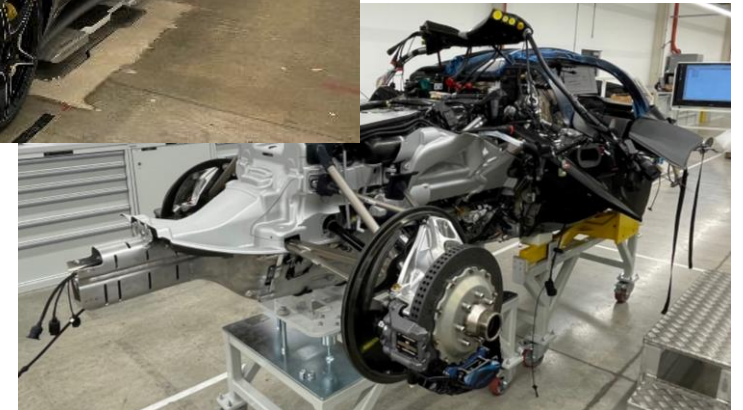
Establishing class leading production methodology across plants, aligned to small volume luxury manufacturer



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- Developed world-class paint application, utilising state-of-the-art facility in St Athan
- Line stations reduced from 56 to 34
- Internal quality KPI's improved circa 60% following consolidation

- Developed 'hybrid bay build' process to improve flexibility & agility of manufacturing
- Line stations reduced from 80 to 23
- Valkyrie and Speedster relocated to Gaydon to develop Sports Car Centre of Excellence



Thank you



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