4 May 2022

Aston Martin Lagonda Global Holdings plc

First quarter results for the three months to 31 March 2022

- Management change announced in separate release; new CEO and CTO

- Q1 performance in-line with expectations; FY 2022 guidance maintained
- Successfully launched DBX707 ahead of Q2 deliveries; V12 Vantage sold-out
- Strong gross margin driven by pricing, mix and Project Horizon efficiency actions

£m	Q1 2022	Q1 2021	*% change*
Total wholesale volumes[1]	**1,168**	**1,353**	*(14%)*
Revenue	232.7	224.4	*4%*
Adjusted EBITDA[2]	**24.4**	**20.7**	*18%*
Adjusted operating loss[2]	**(34.3)**	**(15.3)**	*(124%)*
Operating loss	**(47.7)**	**(15.3)**	*(212%)*
Loss before tax	(111.6)	(42.2)	*(164%)*
Net debt[2]	(956.8)	(722.9)	

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

Financial highlights

- Retails[1] outpaced wholesales[2] as strong demand continues across product lines; lower wholesales, as guided, as prepared for start of DBX707 production and continued supply chain challenges
- Revenue increased 4% to £233m driven by
  - strong pricing dynamics throughout the core portfolio (ASP: £151k vs. Q1 2021: £149k); and
  - Aston Martin Valkyrie programme deliveries (14 vehicles)
- Gross margin increased substantially to 36% (Q1 2021: 28%) reflecting Valkyrie programme deliveries, Project Horizon and foreign exchange benefit
- Adjusted EBITDA increased to £24m due to higher priced Specials and cost efficiency benefits from Project Horizon, partially offset by re-investment into brand and new product launch activities
  - Increased operating loss largely due to higher depreciation and amortisation, as guided
  - Higher net financing charge, driven by £38m YoY negative non-cash FX reval. impact
- Continued positive cashflow from operations of £43m; free cash outflow[3] of £25m includes a working capital inflow of £32m offset by capital expenditure of £67m due to investment in future product pipeline
- Solid liquidity with cash of £404m (December 2021: £419m); Net debt of £957m (December 2021: £892m), including the £33m impact of non-cash FX revaluation of dollar denominated debt

Taking-off into a new era for Aston Martin

- Retail customer demand continues to run ahead of wholesales, with GT/Sports sold out for the year
- DBX707, the world's most powerful luxury SUV, launched to significant customer and media excitement; DBX orderbook up c.60% on the prior year
- New V12 Vantage announced, with all 333 units sold-out by launch in March following unprecedented demand
- *Racing.Green.*, new ESG strategy, launched on Earth Day reiterating electrification plans; first PHEV deliveries in 2024 and first BEV targeted for launch in 2025

[1] Dealers' sales to customers (some Specials are direct to customer)
[2] Company sales to dealers (some Specials are direct to customer)
[3] Operating cashflow less capital investment and net cash interest; note cash interest payments are in Q2 and Q4

- Strengthening the team with new senior appointments in commercial (China), design (exteriors), engineering (Body in White, vehicle integration and Valkyrie team), quality (suppliers) and sustainability;
  - New CFO Doug Lafferty appointed to the Board 1 May 2022
  - New Chief People Officer, Simon Smith appointed on 11 April 2022

Lawrence Stroll, Executive Chairman commented:

"We continue to make tremendous progress, now operating as an ultra-luxury brand and seeing exceptional demand across our product range with sports cars sold out for the year and DBX orders up 60%. Our most recently announced limited-edition, the V12 Vantage, was fully sold out prior to its official launch in March; and DBX707 is making headlines as the premier ultra-luxury performance SUV on the market, generating strong customer interest.

We are poised to deliver good growth in 2022 and remain extremely confident in the medium and long-term prospects as we transform Aston Martin into the world's most desirable ultra-luxury British performance brand."

Outlook

We remain on our journey to achieving our medium-term targets of c.10,000 wholesales, c.£2bn revenue and c.£500m adjusted EBITDA by 2024/25.

For 2022, we expect to deliver significant growth on 2021 with a c.8% increase in core volumes expected to deliver a c.50% improvement in adjusted EBITDA from the core business. We will deliver the first two vehicles from the new management team, DBX707 and the V12 Vantage, with improved profitability compared with prior models as well as price adjustments across the full portfolio, given the pricing power of the brand.

In addition, 75-90 Aston Martin Valkyrie programme vehicles remain on track for shipment.

The global operating environment remains uncertain with the war in Ukraine, ongoing global COVID-19 lockdowns, most notably in China, continued supply chain and logistics disruptions, and raw material cost inflation. Our teams remain focused on minimising any impact on the Company.

<u>2022 guidance unchanged</u> – updated to reflect prevailing exchange rates:

- Wholesales: growth to > 6,600 units
- Adjusted EBITDA margin: c.350-450bps expansion
- Capex and R&D: c.£300m
- Depreciation and amortisation: c.£315m-£330m

  Reflecting Aston Martin Valkyrie programme shipments and a full year of accelerated depreciation of capitalised development costs ahead of next generation GT/sports vehicles in 2023
- Interest costs updated for FX movements (assuming £:$1.32, versus previous assumption of £:$1.35):
    - c.£195m (P&L), £25m higher than original guidance of £170m largely driven by non-cash FX reval. of dollar denominated debt in Q1
    - c. £130m (cash), £5m higher than original guidance of £125m

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
- 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

Sales & Revenue analysis

Total wholesales were lower than the comparative period, as prepared for start of production of DBX707 at St Athan and continued to navigate a challenging operating environment. Wholesales were 1,168 units and included 19 Specials compared with one Special in Q1 2021. DBX represented 37% of the core mix ahead of DBX707 deliveries in Q2 2022. DBX is expected to represent over 50% of wholesales going forwards.

By geography, Americas, down 16%, and APAC, down 26%, were impacted by transportation delays. Our home market of the UK was impacted the least by supply chain disruptions, down 3% compared to last year.

Revenues were £233m, up 4% over the comparative period, driven mainly by increased high-value Specials and strong pricing dynamics.

Retail sales to end customers outpaced wholesales and with price increases across the range implemented during late 2021, core average selling price (ASP) improved over the comparative period to £151k (Q1 2021: £149k). Total ASP of £181k (Q1 2021: £151k) benefited from the increased number and higher price of Specials.

Income statement

Adjusted EBITDA was £24m with a margin of 10% (Q1 2021: £21m with a 9% margin). The operating loss of £48m (Q1 2021: £15m) reflected:

- revenue growth, increased Specials, Project Horizon and foreign exchange benefits contributing to a gross margin of 36%, a significant expansion over the comparative period (Q1 2021: 28%)
- increased brand and key product launch investment, particularly DBX707
- higher depreciation and amortisation (up £23m year-on-year) principally due to Aston Martin Valkyrie programme deliveries and accelerated depreciation of capitalised development costs ahead of next generation GT/Sports vehicles in 2023
- a £5m benefit from exchange rate movements.

Adjusting operating items of £13m predominantly related to the pension scheme closure accrual disclosed at the full year 2022 results (Q1 2021: nil)

Net financing costs of £64m were up from £27m in the comparative period, comprising of interest on Senior Secured Notes outstanding and an FX charge of £33m (Q1 2021 included a £5m FX benefit). The £11m adjusting finance credit was due to fair value movements of outstanding warrants (Q1 2021: £5m credit). The loss before tax was £113m (Q1 2021: £42m).

Cash flow and net debt

Net cash inflow from operating activities was £43m (Q1 2021: £72m inflow), driven primarily by a working capital inflow of £32m. The largest driver was a £67m payables inflow reflecting deferred income due to logistics disruptions and ramp-up in development and timing of development costs. Demand for limited-edition models remains strong with an £12m inflow from customer deposits.

Capital expenditure of £67m was up £19m over the comparative period, with investment expected to increase through the year. This will be focused on the development of the future product pipeline including full refreshes of front-engine products as well as development of the mid-engine programmes.

Free cash outflow of £25m; (Q1 2021: inflow of £24m), reflected the increased investment for the future. Cash at 31 March 2022 was £404m (31 December 2021: £419m) and includes an £18m increase in inventory financing in the period. Interest on all outstanding notes is paid in Q2 and Q4.

Net debt of £957m was up from £892m at 31 December 2021 including the £33m impact of non-cash FX revaluation of dollar denominated debt

APPENDICES

Wholesale number of vehicles

	Q1 2022	Q1 2021	*Change*
Total	**1,168**	**1,353**	*(14%)*
Core (excluding Specials)	1,149	1,352	*(15%)*
By region:			
UK	264	272	*(3%)*
Americas	361	431	*(16%)*
EMEA ex. UK	271	284	*(5%)*
APAC	272	366	*(26%)*
By model:			
Sport	381	312	*22%*
GT	347	289	*20%*
SUV	421	746	*(44%)*
Other	-	5	*n.m.*
Specials	19	1	*n.m.*

Note: Sport includes Vantage, GT includes DB11 and DBS, SUV includes DBX and Other includes prior generation models

Summary Income Statement

£m	Q1 2022	Q1 2021
Revenue	**232.7**	**224.4**
Cost of sales	(148.7)	(161.1)
Gross profit	**84.0**	**63.3**
Gross margin %	*36.1%*	*28.2%*
Operating expenses[1]	(118.3)	(78.6)
of which depreciation & amortisation	*58.7*	*36.0*
Adjusted operating loss[2]	**(34.3)**	**(15.3)**
Adjusting operating items	(13.4)	-
Operating loss	**(47.7)**	**(15.3)**
Net financing expense	(63.9)	(26.9)
of which adjusting financing income	*10.8*	*5.4*
Loss before tax	**(111.6)**	**(42.2)**
Taxation	(0.4)	0.4
Loss for the period	**(112.0)**	**(41.8)**
Adjusted EBITDA[1,2]	**24.4**	**20.7**
Adjusted EBITDA margin	*10.5%*	*9.2%*
Adjusted loss before tax[1]	**(109.0)**	**(47.6)**

1 Excludes adjusting items; 2 Alternative Performance Measures are defined in the Appendix

Summary Cash Flow

£m	Q1 2022	Q1 2021
Cash generated from/(used in) operating activities	43.2	72.2
Cash used in investing activities (excl. interest received)	(66.7)	(47.6)
Net cash interest paid	(1.9)	(0.4)
Free cash inflow/(outflow)	**(25.4)**	**24.2**
Cash inflow from financing activities (excl. interest)	5.9	64.4
(Decrease)/Increase in net cash	**(19.5)**	**88.6**
Effect of exchange rates on cash and cash equivalents	4.4	(2.6)
Cash balance	**403.8**	**575.4**

Net Debt Overview

£m	31-Mar-22	31-Dec-21	31-Mar-21
Loan notes*	(1,113.7)*	(1,074.9)*	(1,040.5)
Inventory financing	(37.8)	(19.7)	(39.0)
Bank loans and overdrafts	(108.1)	(114.3)	(118.6)
Lease liabilities (IFRS 16)	(102.9)	(103.4)	(101.7)
Gross debt	**(1,362.5)**	**(1,312.3)**	**(1,299.8)**
Cash balance	403.8	418.9	575.4
Cash not available for short term use	1.9	1.8	1.5
Net debt	**(956.8)**	**(891.6)**	**(722.9)**

*Includes £15m issued as PIK interest

Summary Balance Sheet

£m	31-Mar-22	31-Dec-21	31-Mar-21
Non-current assets	1,982.6	1,974.6	1,919.9
Current assets	911.2	867.9	947.5
Total assets	**2,893.8**	**2,842.5**	**2,867.4**
Current liabilities	1,029.1	905.2	855.7
Non-current liabilities	1,310.8	1,276.9	1,248.2
Total liabilities	**2,339.9**	**2,182.1**	**2,103.9**
Total equity	**553.9**	**660.4**	**763.5**

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 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
- 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.