Aston Martin Lagonda Global Holdings plc

("Aston Martin", or "AML", or the "Company", or the "Group")

Third quarter results for the nine months ended 30 September 2024

- **Improved Q3 2024 performance in line with revised expectations; on track to deliver revised FY 2024 guidance, as supply chain disruptions are proactively managed**
- **Scheduled ramp up of new Vantage and DBX707 supported 14% increase in Q3 volumes YoY; sequential growth to continue in Q4, alongside new V12 flagship Vanquish and Valiant special**
- **YTD 2024 total ASP increased 14% to £250k, supported by strong demand for Specials and 440bps increase in contribution to Core revenue from vehicle personalisation**
- **Order book continues to extend; expected to strengthen further as new range of models become available in all markets**

£m	YTD 2024	YTD 2023	*% change*	Q3 2024	Q3 2023	*% change*
Total wholesale volumes[1]	**3,639**	**4,398**	*(17%)*	**1,641**	**1,444**	*14%*
Revenue	994.6	1,039.5	*(4%)*	*391.6*	362.1	*8%*
Gross profit	376.9	370.8	*2%*	144.0	134.5	*7%*
Gross margin (%)	37.9%	35.7%	*220 bps*	36.8%	37.1%	*(30 bps)*
Adjusted EBITDA[2]	**112.9**	**131.1**	*(14%)*	**50.7**	**50.5**	*0%*
Adjusted EBIT[2]	(121.5)	(135.1)	*10%*	(21.7)	(48.4)	*55%*
Operating (loss)/profit	**(132.8)**	**(145.3)**	*9%*	**(26.7)**	**(52.1)**	*49%*
(Loss)/profit before tax	(228.9)	(259.8)	*12%*	(12.2)	(117.6)	*90%*
Net debt[2]	(1,216.5)	(749.9)	*(62%)*	(1,216.5)	(749.9)	*(62%)*

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

Adrian Hallmark, Aston Martin Chief Executive Officer commented:

"Having only joined Aston Martin in September, I can already clearly see growth opportunities for the Company as we bring incredible products to market and deliver on our vision to be the world's most desirable, ultra-luxury British performance brand.

"We recently launched Vanquish, successfully completing the most diverse, dynamic and desirable portfolio in the luxury segment. Recent media reviews of our V12 flagship highlights the strength of Aston Martin's products, which now truly align with our ultra-luxury high performance strategy.

"Long-term value creation and sustainable growth are key priorities as we look forward to Q4 2024 and beyond. We will deliver our fully reinvigorated portfolio to market efficiently and maximise the considerable commercial potential, including greater personalisation opportunities, to further strengthen the order book. In addition, we will drive profitability through a forensic approach to cost management and unrelenting focus on quality with a more balanced delivery profile in the future for our full range of new core models.

"Improved financial and operational performance in Q3 2024, demonstrates our strategy's effectiveness. We are on track to meet our revised Full Year 2024 guidance, which reflects the necessary action taken in September to adjust our production volumes given supplier disruption, which we are proactively managing, and the weak macroeconomic environment in China."

Aston Martin's Chief Executive Officer and Chief Financial Officer will host a ***Q&A*** *at 8:30am (GMT) today. Details can be found on page 6 of this announcement and online at www.astonmartinlagonda.com/investors*

Wholesale volume summary

Number of vehicles	YTD 2024	YTD 2023	*% change*	Q3 2024	Q3 2023	*% change*
Total wholesale	**3,639**	**4,398**	*(17%)*	**1,641**	**1,444**	*14%*
Core (excluding Specials)	3,481	4,330	*(20%)*	1,601	1,414	*13%*
By region:						
UK	664	774	*(14%)*	369	329	*12%*
Americas	1,112	1,417	*(22%)*	477	355	*34%*
EMEA ex. UK	1,101	1,267	*(13%)*	427	433	*(1%)*
APAC	762	940	*(19%)*	368	327	*13%*
By model:						
Sport/GT	2,416	2,090	*16%*	1,043	721	*45%*
SUV	1,065	2,240	*(52%)*	558	693	*(19%)*
Specials	158	68	*132%*	40	30	*33%*

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

YTD 2024 wholesale volumes of 3,639 decreased by 17% (YTD 2023: 4,398), reflecting Aston Martin's product transformation with the Company introducing the new Vantage and DBX707 at the end of Q2 2024, alongside the established DB12:

- Sport/GT: YTD 2024 wholesales of 2,416 increased 16% (YTD 2023: 2,090), reflecting the initial ramp up of new Vantage wholesales from late Q2 2024, supported by ongoing DB12 wholesales.
- SUV: YTD 2024 wholesales of 1,065 decreased by 52% (YTD 2023: 2,240), reflecting a strategic transitional ramp down in prior model volumes at the start of 2024, followed by the initial ramp up of upgraded DBX707 wholesales from late Q2 2024.
- Specials: YTD 2024 wholesales of 158 (YTD 2023: 68), comprised of Aston Martin Valkyries and Valour deliveries.

Q3 2024 wholesale volumes of 1,641 increased by 14% (Q3 2023: 1,444). This reflects ongoing DB12 wholesales in addition to the ramp up in production of the new Vantage and DBX707, resulting in a quarterly sequential increase of 56% (Q2 2024: 1,053). The company expects to continue ramping up production of these new models into Q4 2024, in addition to introducing the new V12 flagship Vanquish, in line with the Company's revised FY 2024 volume guidance provided in September 2024. As the new range of models becomes available in all markets, the full order book has extended into Q1 2025 and is expected to continue strengthening as the benefits from increased marketing activities and customer engagement drive further demand.

Geographically, as guided, wholesale volumes across all regions were down compared to YTD 2023 due to the product portfolio transition. The Americas and EMEA, excluding UK, were the largest regions YTD 2024, collectively representing 61% of total wholesales, primarily driven by DB12 demand. While China remains a market with significant long-term growth opportunities, the trend there continued with volumes decreasing by 54% compared with YTD 2023, driven by a combination of market dynamics and the timing of new model deliveries, including DB12, which only commenced in Q3 2024. YTD 2024 wholesale volumes in APAC excluding China were up 4%. All regions were up in Q3 2024 compared with Q3 2023, except EMEA due to timing of DBX707 deliveries in 2024 and higher DBS volumes compared to other regions in Q3 2023.

Revenue and ASP summary

£m	YTD 2024	YTD 2023	% change	Q3 2024	Q3 2023	% change
Sale of vehicles	913.4	965.3	*(5%)*	364.6	338.0	*8%*
Total ASP (£k)	*250*	*219*	*14%*	*222*	*234*	*(5%)*
Core ASP (£k)	*178*	*184*	*(3%)*	*177*	*183*	*(3%)*
Sale of parts	64.6	59.3	*9%*	21.8	19.0	*15%*
Servicing of vehicles	8.8	6.9	*28%*	2.5	2.7	*(7%)*
Brand and motorsport	7.8	8.0	*(3%)*	2.7	2.4	*13%*
Total revenue	**994.6**	**1,039.5**	***(4%)***	**391.6**	**362.1**	***8%***

YTD 2024 revenue decreased by 4% to £995m (YTD 2023: £1,040m), largely reflecting the volume impact of the planned portfolio transition. This included the new Vantage and DBX707 initial production ramp up commencing at the end of Q2 2024 and concludes in Q4 2024 with deliveries commencing of Vanquish and Valiant. In addition, strengthening sterling against major currencies compared to the prior year has resulted in a continued foreign exchange headwind:

- YTD 2024 total ASP: Increased 14% reflecting the richer mix resulting from deliveries of Specials including the Aston Martin Valkyrie Spider and Valour limited edition models. Q3 2024 total ASP (£222k) decreased 5%, partly reflecting fewer Valkyrie deliveries compared with Q3 2023.
- YTD 2024 core ASP: Marginally lower, down 3%, reflecting the prior year 2023 period mix benefitting from the contribution of V12 Vantage, DBS, DBS 770 Ultimate and higher SUV sales. Continued strong demand for product personalisation drove an increase in contribution to core revenue from options, up 440 basis points to 19% compared to YTD 2023, partly reflecting the launch period of new models.

Income statement summary

£m	YTD 2024	YTD 2023	Q3 2024	Q3 2023
Revenue	**994.6**	**1,039.5**	**391.6**	**362.1**
Cost of sales	(617.7)	(668.7)	(247.6)	(227.6)
Gross profit	**376.9**	**370.8**	**144.0**	**134.5**
Gross margin %	*37.9%*	*35.7%*	*36.8%*	*37.1%*
Adjusted operating expenses[1]	(498.4)	(505.9)	(165.7)	(182.9)
of which depreciation & amortisation	*234.4*	*266.2*	*72.4*	*98.9*
Adjusted EBIT[1,2]	**(121.5)**	**(135.1)**	**(21.7)**	**(48.4)**
Adjusting operating items	(11.3)	(10.2)	(5.0)	(3.7)
Operating loss	**(132.8)**	**(145.3)**	**(26.7)**	**(52.1)**
Net financing (expense)/income	(96.1)	(114.5)	14.5	(65.5)
of which adjusting financing (expense)/ income	*(19.2)*	*(28.3)*	*3.1*	*9.6*
Loss before tax	**(228.9)**	**(259.8)**	**(12.2)**	**(117.6)**
Tax credit/(charge)	9.2	(0.2)	0.1	(0.4)
Loss for the period	**(219.7)**	**(260.0)**	**(12.1)**	**(118.0)**
Adjusted EBITDA[1,2]	**112.9**	**131.1**	**50.7**	**50.5**
Adjusted EBITDA margin	*11.4%*	*12.6%*	*12.9%*	*13.9%*
Adjusted loss before tax[1]	**(198.4)**	**(221.3)**	**(10.3)**	**(123.5)**

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

Despite the lower revenue and volumes YTD 2024, gross profit of £377m increased by 2% (YTD 2023: £371m), resulting in a gross margin of 38%, expanding by 220 basis points (YTD 2023: 36%). The gross margin performance reflected benefits from the ongoing portfolio transformation to next generation models in addition to strong volumes of high margin Specials. This was partially offset by higher manufacturing, logistics and other costs ahead of the significant ramp up in production in Q4 2024. The Company continues to target over 40% gross margin from future products, aligned with the Company's ultra-luxury high performance strategy.

YTD 2024 adjusted EBITDA at £113m (YTD 2023: £131m) was in line with revised Q3 2024 guidance, decreasing by 14%, with adjusted EBITDA margin declining to 11% (YTD 2023: 13%). This was primarily due to the lower core volumes during the portfolio transition period, and a 10% increase in adjusted operating expenses (excluding D&A) which includes reinvestments into brand and marketing activities and inflationary impacts on the cost base, partially offset by a higher number of Specials.

Adjusted EBIT improved by 10% YTD 2024 to £(122)m (YTD 2023: £(135)m) with depreciation and amortisation decreasing by 12% to £234m (YTD 2023: £266m).

YTD 2024 adjusted net financing costs of £77m (YTD 2023: £86m) decreased primarily due to a larger year-on-year impact of US dollar debt revaluations. The £19m net adjusting finance charge (YTD 2023: £28m) was due to redemption premiums associated with the refinancing of the senior secured notes, partially offset by gains on financial instruments recognised through the income statement.

The adjusted loss before tax of £198m (YTD 2023: £221m loss), reflects the improved adjusted EBIT and lower adjusted net finance costs.

On a reported basis, the YTD 2024 operating loss of £133m decreased by 9% (YTD 2023: £145m loss) primarily due to a marginally improved gross profit and reduced operating expenses, which in combination with a decrease in net finance expenses resulted in a reduced loss before tax of £229m (YTD 2023: £260m).

Cash flow and net debt summary

£m	YTD 2024	YTD 2023	Q3 2024	Q3 2023
Cash (used in)/generated from operating activities	(51.4)	31.4	20.5	13.9
Cash used in investing activities (excl. interest)	(300.0)	(275.0)	(99.9)	(94.8)
Net cash interest (paid)/received	(42.4)	(53.2)	(1.8)	2.4
Free cash outflow	**(393.8)**	**(296.8)**	**(81.2)**	**(78.5)**
Cash inflow from financing and other investing activities (excl. interest)	163.4	262.8	69.6	218.1
(Decrease)/increase in net cash	**(230.4)**	**(34.0)**	**(11.6)**	**139.6**
Effect of exchange rates on cash and cash equivalents	(5.1)	(5.5)	(4.2)	4.1
Cash balance	**156.9**	**543.8**	**156.9**	**543.8**
Available facilities	154.1	52.4	154.1	52.4
Total cash and available facilities ("liquidity")	**311.0**	**596.2**	**311.0**	**596.2**

YTD 2024 net cash outflow from operating activities was £51m (YTD 2023: £31m inflow). The outflow was primarily driven by an £18m decrease in YTD 2024 adjusted EBITDA, as explained above, and YTD 2024 working capital outflow of £142m (YTD 2023: £69m outflow). The drivers of YTD 2024 working capital outflow were:

- £123m decrease (YTD 2023: £1m decrease) in deposits held, due to the increased volume of Specials delivered compared to the prior period. This trend is expected to continue in Q4 2024 driven by Valiant and Valkyrie deliveries before tapering off in Q1 2025 as the current Specials programmes conclude,

- £108m increase in inventories (YTD 2023: £53m increase) with a noticeable increase in Q3 2024 ahead of the Q4 2024 ramp up in new Vantage, DBX707 and Vanquish production,
- partially offset by an £80m decrease in receivables (YTD 2023: £18m increase) and an £8m increase in payables (YTD 2023: £3m increase).

Capital expenditure of £300m was marginally higher compared to the comparative period (YTD 2023: £275m). Investment is focused on the future product pipeline, including the next generation of models and development of the Company's electrification programme.

Free cash outflow of £394m YTD 2024 compared with YTD 2023 at £297m outflow, was primarily due to the increase in cash outflow from operating activities as detailed above. Sequentially, free cash outflow improved in Q3 2024 to £81m compared to £122m in Q2 2024 and £190m in Q1 2024. This improving trend is expected to continue into Q4 2024 as the Company benefits from a fully reinvigorated portfolio.

£m	**30-Sep-24**	**31-Dec-23**	**30-Sep-23**
Loan notes	(1,227.4)	(980.3)	(1,102.2)
Inventory financing	(39.8)	(39.7)	(38.8)
Bank loans and overdrafts	(8.3)	(89.4)	(57.9)
Lease liabilities (IFRS 16)	(97.9)	(97.3)	(95.3)
Gross debt	**(1,373.4)**	**(1,206.7)**	**(1,294.2)**
Cash balance	156.9	392.4	543.8
Cash not available for short-term use	-	-	0.5
Net debt	**(1,216.5)**	**(814.3)**	**(749.9)**

Compared with 31 December 2023, gross debt increased to £1,373m (31 December 2023: £1,207m) as a result of the refinancing and private debt placing. In March 2024, following upgrades from leading credit agencies, the Group priced on improved terms senior secured notes of $960m at 10.000% and £400m at 10.375% due in 2029. In addition, existing lenders entered into a new super senior revolving credit facility agreement, increasing their binding commitments by circa £70m to £170m. This new facility, in addition to the circa £135m private debt placing in August 2024, provides the Company with additional liquidity as it continues to accelerate its growth strategy.

Total cash and available facilities ("liquidity") was £311m on 30 September 2024 which increased by £64m compared to 30 June 2024 (£247m), reflecting the circa £135m private debt placing in August 2024, partially offset by the guided free cash outflow in Q3 2024. Liquidity at year end 2024, is expected to reflect the continued positive free cash flow trend, with Q4 2024 free cash outflow significantly improved compared with Q3 2024, benefitting from enhanced performance driven by the full range of new models.

Net debt of £1,217m at 30 September 2024 increased from £750m as at 30 September 2023 due to the higher gross debt (30 September 2023: £1,294m) and lower cash balance (30 September 2023: £544m). The net leverage ratio of 4.2x (30 September 2023: 3.1x) reflects the EBITDA performance during the portfolio transition period YTD 2024 and the increase in net debt with disciplined strategic delivery and EBITDA growth supporting future deleveraging.

Outlook

- On track to deliver revised FY 2024 guidance which reflects adjustment to volumes as the Company continues with the H2 2024 production ramp up following new model launches
- Well positioned for sustainable growth as Aston Martin moves ahead with a completely reinvigorated range of new models

On 30 September 2024, Aston Martin announced an update to its 2024 wholesale volumes, making a circa 1,000 unit reduction to address disruption in its supply chain and continued macroeconomic weakness in China. In addition, the Company seeks to smooth the cadence of wholesale volumes over the coming quarters to deliver on its demand-led approach and maximise production efficiencies.

Updated guidance (from 30 September 2024):

- FY 2024 wholesale volumes are now expected to decline by high single digit percentage compared with FY 2023 (previously high single digit volume growth).
- FY 2024 gross margin now expected to be modestly below 40% (previously targeting c. 40%).
- FY 2024 adjusted EBITDA margin now in the high teen's percentage (previously low 20s%).
- H2'24 free cash flow, while materially improved compared with H1'24, will remain negative (previously positive free cash flow generation in H2'24), with Q4 2024 free cash outflow expected to significantly improve sequentially compared with Q3 2024.
- The Company remains focused on achieving its previously communicated targets for FY 2025.

Following the successful launch of the new Vantage and DBX707, with deliveries commencing as planned at the end of Q2 2024, performance in Q4 2024 will benefit from all next generation core models available in market including initial deliveries of the V12 flagship Vanquish. In addition, Valiant, the ultra-exclusive Special, remains on track with the majority of deliveries expected by year end, concluding the current programme of Specials.

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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Results Presentation

- There will be a Q&A today at 08.30am GMT: https://app.webinar.net/pjr64AR9JA2

- The Q&A can be accessed live via the corporate website: https://www.astonmartinlagonda.com/investors/results-and-presentations
- A replay facility will be available on the website later in the day

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this release. This release contains certain forward-looking statements, which are based on current assumptions and estimates by the management of Aston Martin Lagonda Global Holdings plc ("Aston Martin Lagonda"). Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. Such statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. These risks may include, for example, changes in the global economic situation, and changes affecting individual markets and exchange rates.

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Alternative Performance Measures

£m	YTD 2024	YTD 2023
Loss before tax	**(228.9)**	**(259.8)**
Adjusting operating expense	11.3	10.2
Adjusting finance expense	35.7	28.3
Adjusting finance income	(16.5)	-
Adjusted EBT	**(198.4)**	**(221.3)**
Adjusted finance income	(46.9)	(32.5)
Adjusted finance expense	123.8	118.7
Adjusted EBIT	**(121.5)**	**(135.1)**
Reported depreciation	55.4	70.7
Reported amortisation	179.0	195.5
Adjusted EBITDA	**112.9**	**131.1**

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 operating loss
- Adjusted operating margin is adjusted EBIT 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 and cash held not available for short-term use
- Adjusted leverage is represented by the ratio of Net Debt to the last twelve months ('LTM') Adjusted EBITDA
- Free cash flow is represented by cash inflow/(outflow) from operating activities less the cash used in investing activities (excluding interest received and cash generated from disposals of investments) plus interest paid in the year less interest received.

About Aston Martin Lagonda:

Aston Martin's vision is to be the world's most desirable, ultra-luxury British brand, creating the most exquisitely addictive performance cars.

Founded in 1913 by Lionel Martin and Robert Bamford, Aston Martin is acknowledged as an iconic global brand synonymous with style, luxury, performance, and exclusivity. Aston Martin fuses the latest technology, time honoured craftsmanship and beautiful styling to produce a range of critically acclaimed luxury models including Vantage, DB12, Vanquish, DBX707 and its first hypercar, the Aston Martin Valkyrie. Aligned with its Racing. Green. sustainability strategy, Aston Martin is developing alternatives to the Internal Combustion Engine with a blended drivetrain approach between 2025 and 2030, including PHEV and BEV, with a clear plan to have a line-up of electric sports cars and SUVs.

Based in Gaydon, England, Aston Martin Lagonda designs, creates, and exports cars which are sold in more than 50 countries around the world. Its sports cars are manufactured in Gaydon with its luxury DBX707 SUV range proudly manufactured in St Athan, Wales. The company is on track to deliver net-zero manufacturing facilities by 2030.

Lagonda was founded in 1899 and came together with Aston Martin in 1947 when both were purchased by the late Sir David Brown, and the company is now listed on the London Stock Exchange as Aston Martin Lagonda Global Holdings plc.