

# INVESTOR PRESENTATION

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**FIRST HALF 2017**

Financial results for six months to 30<sup>th</sup> June



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# First Half 2017 Highlights



## FINANCIAL

- Record financial performance as sales accelerate globally
- Revenue rises 94% to £410 million
  - 67% YoY increase in unit volume
  - 25% YoY rise in average selling price
- EBITDA up nearly fourfold to £93 million / EBITDA margin of 23%
- Pre-tax profit of £21 million, compared with pre-tax losses of £82 million in H1 2016
- Cash generated from operating activities of £95 million
- Strong liquidity with cash position of £123 million at end of half
- Increasing full year 2017 revenue and EBITDA guidance

## OPERATIONAL

- DB11 platform expanded with launch of 4.0-litre twin-turbo V8
- More than 75% of investment required for sports car portfolio replacement completed
- RapidE - Aston Martin's first all-electric model set for 155 unit series production, launching in 2019
- Aston Martin Racing claims 24 Hours of Le Mans victory



Auto Shanghai 2017



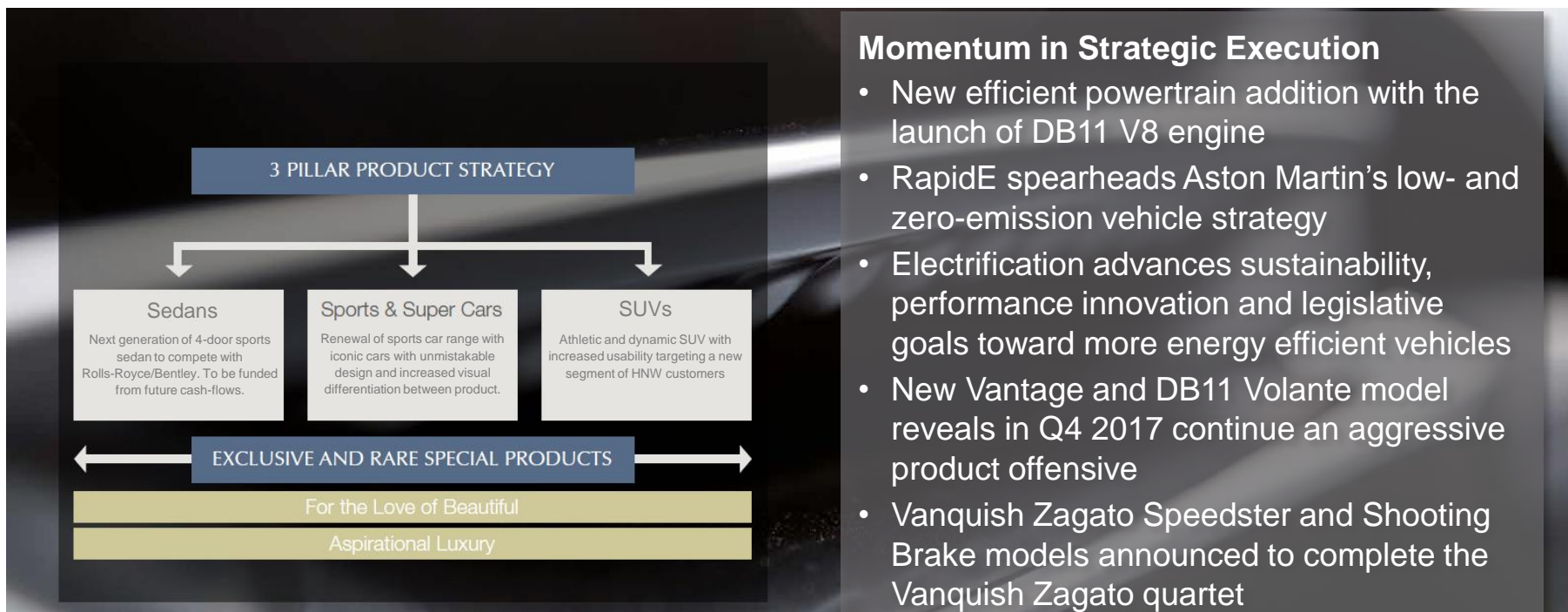
Launch of V8-powered DB11



# The Second Century Plan



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### ASTON MARTIN DB11

- New V8 variant unveiled June 2017 at Goodwood Festival of Speed
- Deliveries in Q4 2017
- V8 expands DB11's global appeal with exceptional performance and improved efficiency

### PRICING

- Recommended Retail Price from £144,900 in the UK, €184,000 in Germany and \$198,995 in USA

### PERFORMANCE

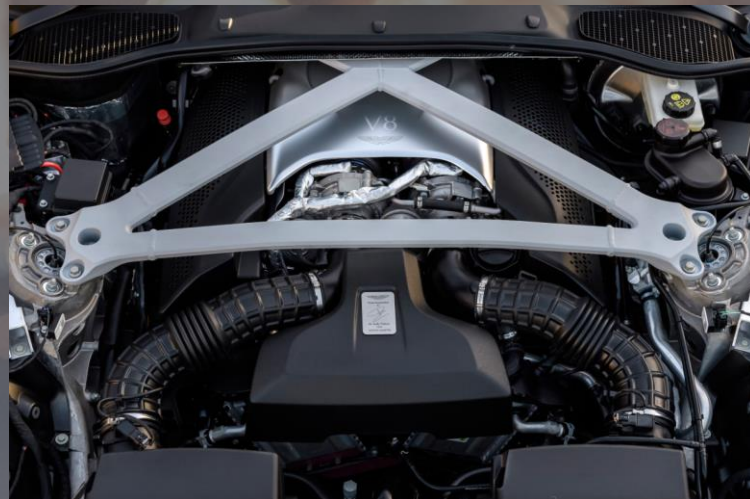
- New 4.0L twin-turbo V8 503 bhp engine
- Top speed of 187 mph
- 0-62 mph in 4.0 seconds
- 28.5 mpg fuel economy
- More than 100 kg lighter than V12-powered DB11





## Aston Martin DB11 V8 Engine

- Lowest CO<sub>2</sub> emission in current model line-up
- EU combined fuel economy figure of 28.5 mpg
- New V8 derivative brings further significant benefits in markets where car taxation policy is structured around engine capacity, such as China



## China Durability Testing

- Aston Martin has provided vehicles to the relevant authorities for new testing protocols
- The new V8-powered DB11 is the first vehicle to be tested using the new protocols
- These tests have been built into the launch planning process and will not delay the sale date for the V8 variant in China
- New introductions for 2018 already incorporate the testing into the launch plan and therefore the budget

# Vantage AMR – Fitting Finale to Iconic Sports Car



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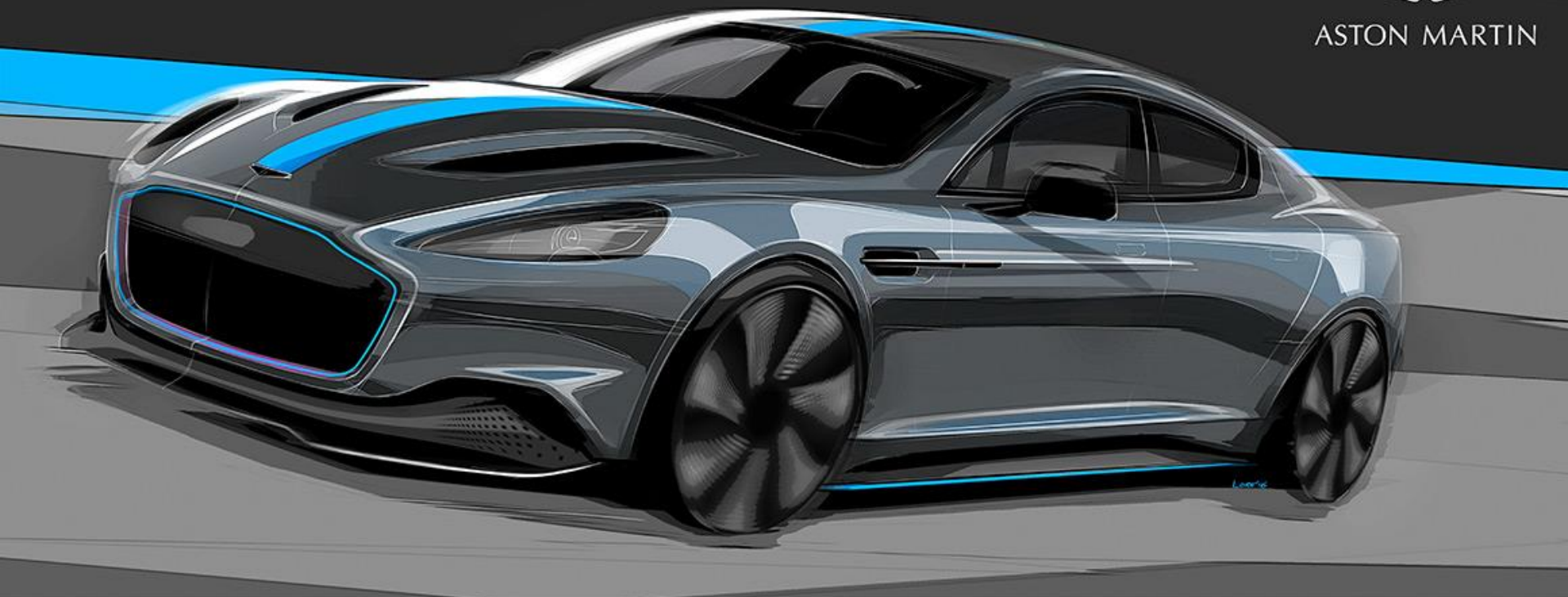
- Aston Martin's most successful sports car is the first AMR model to enter production
- Global Vantage AMR production limited to just 300 cars:
  - 100 V12 and 200 V8, available in Coupe and Roadster
- Inspired by the 24 Hours of Le Mans winning V8 Vantage GTE
- Deliveries are scheduled to commence in Q4 2017
- Prices starting from £97,995 (UK) and €126,995 (Germany)





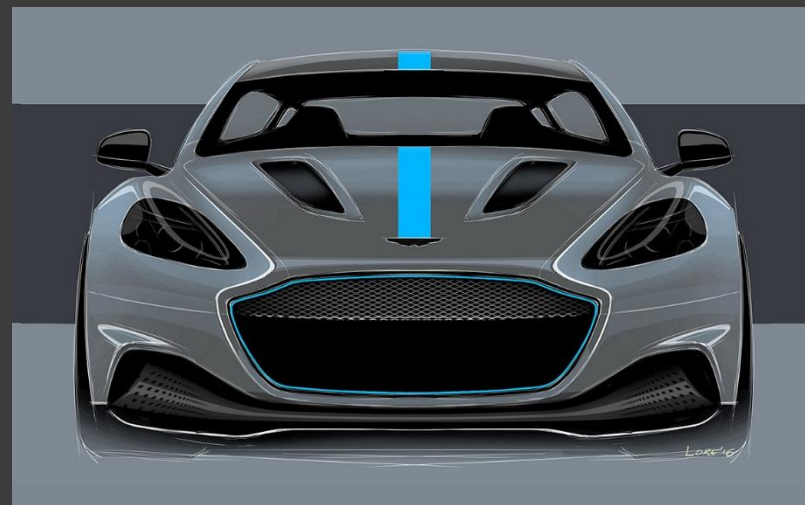


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## RapideE – The first BEV in the luxury segment

- Aston Martin's first all-electric, zero-emission model
- Spearheads development of low- and zero-emission vehicle strategy laid out in Aston Martin's Second Century Plan
- Collaboration and engineering integration with Williams Advanced Engineering who worked on the original RapideE Concept
- Production to begin in 2019
- Limited to a series production of 155 cars





**Aston Martin and Red Bull Advanced Technologies have been working intensively to further develop the Aston Martin Valkyrie's aerodynamics, body styling and cockpit packaging**

- Aerodynamic development has driven evolution of the hypercar's exterior design
- Exquisite, innovative detailing reflect the uncompromising pursuit of performance
- Ultra-efficient interior packaging achieves space for two 98 percentile adults
- Cockpit features F1-style reclined driving position and minimalist ergonomics



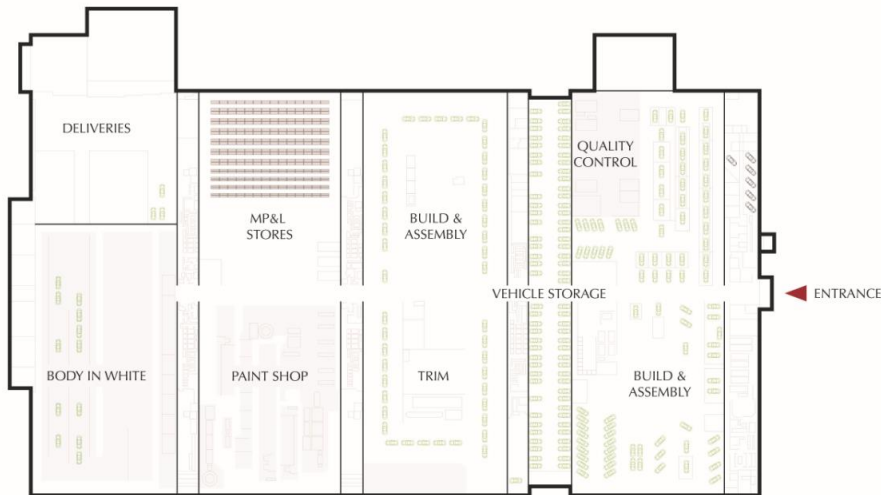


# St Athan Manufacturing Facility Development



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## ST ATHAN



- Aston Martin starts conversion of St Athan facility ahead of SUV production
- Ministry of Defence (MOD) formally hands over St Athan site to Aston Martin
- The first phase of the plan to redevelop the site into a state-of-the-art manufacturing facility is on schedule to complete next month
- Up to 750 new, skilled jobs created in South Wales; on target to commence DBX production in 2019



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# 2017 Le Mans GTE Champions

- Aston Martin Racing takes victory at the 85th 24 Hours of Le Mans in dramatic style, after Jonny Adam (GB) snatched the GTE Pro lead on the final lap of the iconic endurance race



- #97 V8 Vantage GTE of Darren Turner, Jonny Adam and Daniel Serra takes GTE Pro class victory
- Team breaks all GTE race and qualifying lap records during race week
- Result comes just days after Vantage AMR PRO unveiling – a limited edition series of 7 track-only cars heavily influenced by the victorious V8 Vantage GTE





# Global Brand Building



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- New long-term partnership with Tom Brady, record-breaking National Football League star
- Creative collaboration will produce the Tom Brady curated 2018 Aston Martin Vanquish S
- US marketing investments and Tom Brady launch led to busiest day of traffic for US website in Aston Martin history



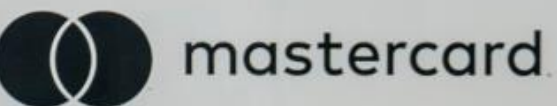
- *Art of Living Experiences:* Curated lifestyle experiences offering rare first hand insight into specialised areas including travel, haute cuisine, sport, fashion and culture
- *Monaco Race Weekend:* Sponsored by Aston Martin and Red Bull Racing
- *24 Hours of Le Mans:* The Fast Track Adventure
- Exclusively for Aston Martin customers



- Unveiling of the new sales centre for Aston Martin Residences at 300 Biscayne Boulevard Way in Miami
- Overwhelmingly positive response from the market – places the project on schedule in terms of development and pre-sales
- Project will break ground in Autumn 2017, open in 2021
- Residences and penthouses, priced from \$600,000 to upwards of \$50 million



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SPORTS



Financial Results





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# H1 2017 Financial Summary

## Income Statement

- H1 revenue of £410 million; 94% increase vs same period in prior year
- Average selling price of £149,000, up by 25% versus prior year, reflects benefits from DB11 introduction, product mix, options uptake and exchange upside
- Increased gross margin of 39% driven by significant increase in average selling price and greater efficiencies
- EBITDA at £93 million, up nearly fourfold versus the prior year period
- LTM EBITDA £175 million
- Pre-tax profit of £21 million profit versus £82 million pre-tax loss in prior year
  - Underlying pre-tax profit £34m before exceptional items
  - Aston Martin is profitable for the third successive quarter\*

## Cash & Investment

- Strong liquidity with cash position of £123 million at end of half
- Product development expenditure within guidance
- Limited edition models remain strongly cash generative

**Performance exceeds budget for 10th consecutive quarter**

\* Before exceptional items

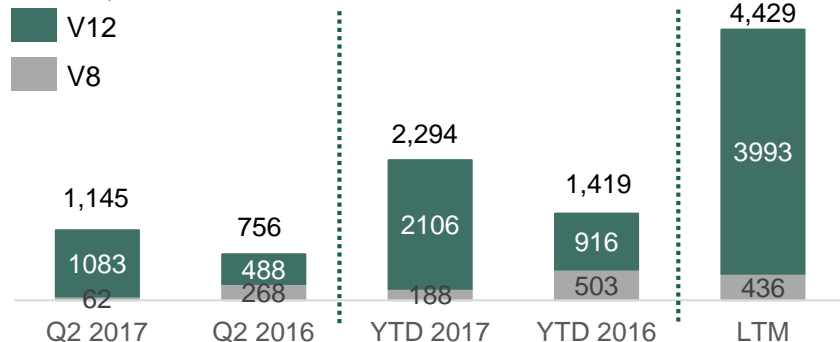
# Q2 Revenue



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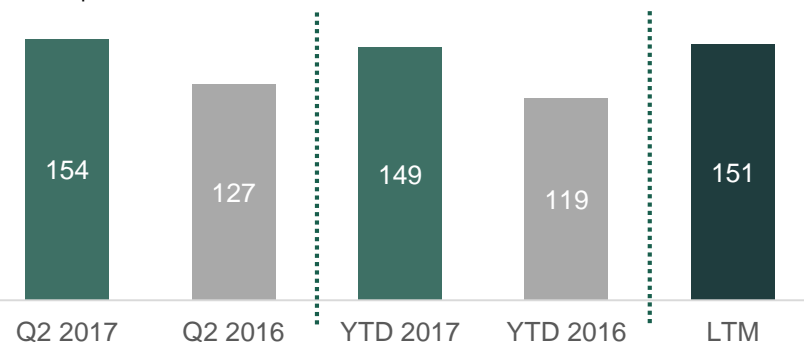
## Wholesale Volume (Units)

Excludes special editions



## Average Selling Price (£k)

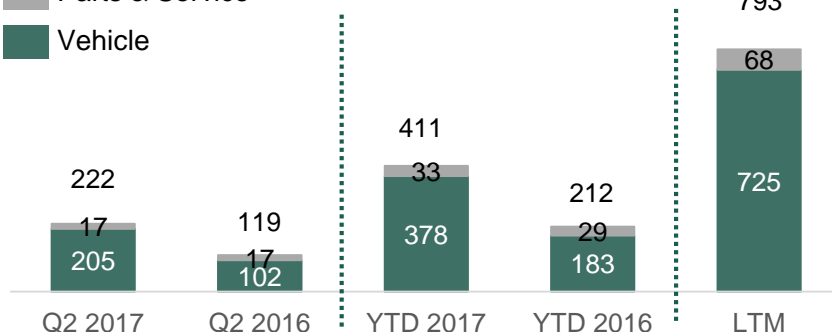
Excludes special editions



## Revenue (£m)

Parts & Service

Vehicle



- LTM revenue exceeds £750 million (and \$1 billion) for the first time in company's history
- Q2 revenue at £222 million, 86% higher than prior year, supported by uplift in volumes and average selling price (ASP)
- Q2 ASP improvement due to DB11 introduction, improved mix, higher options take and foreign exchange benefits

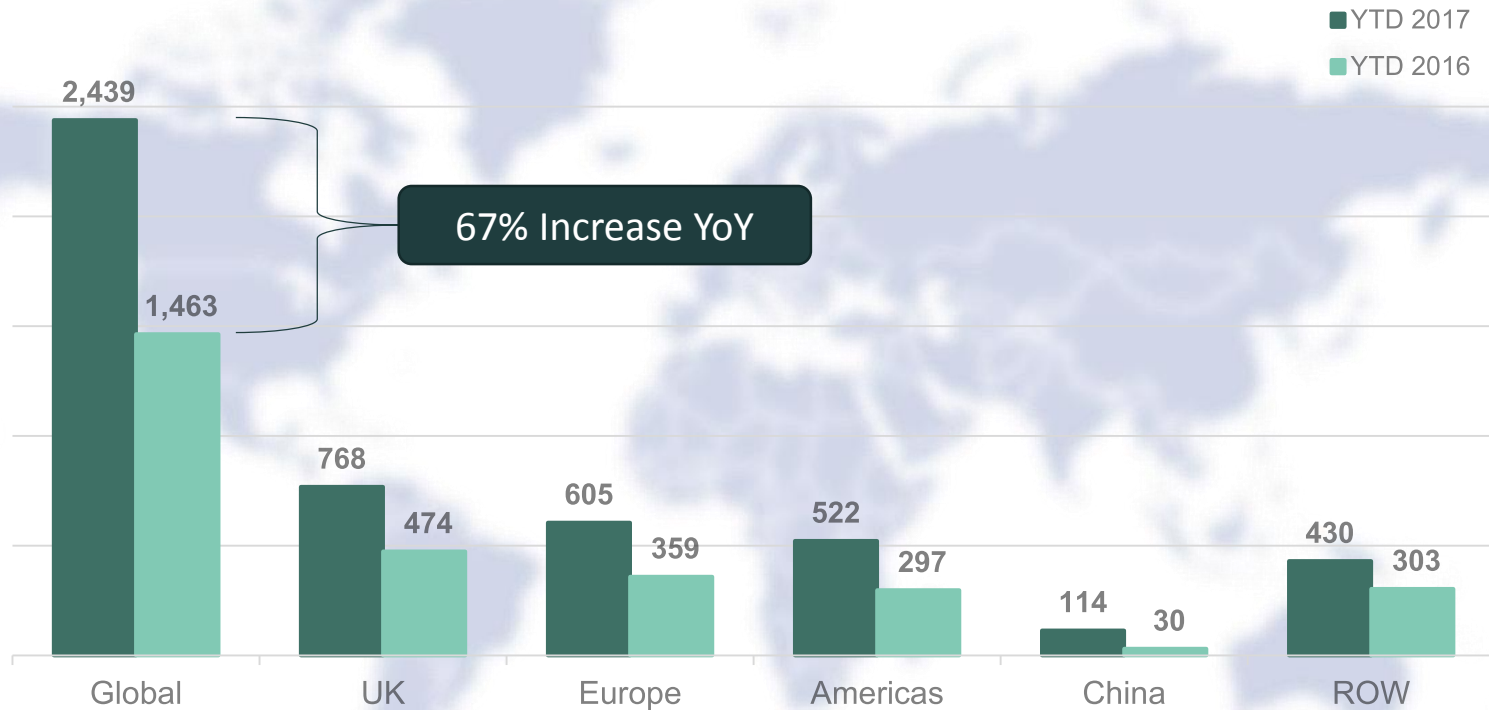




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# Year-to-date Wholesales by Region

Wholesales by region, YTD 2017 and 2016



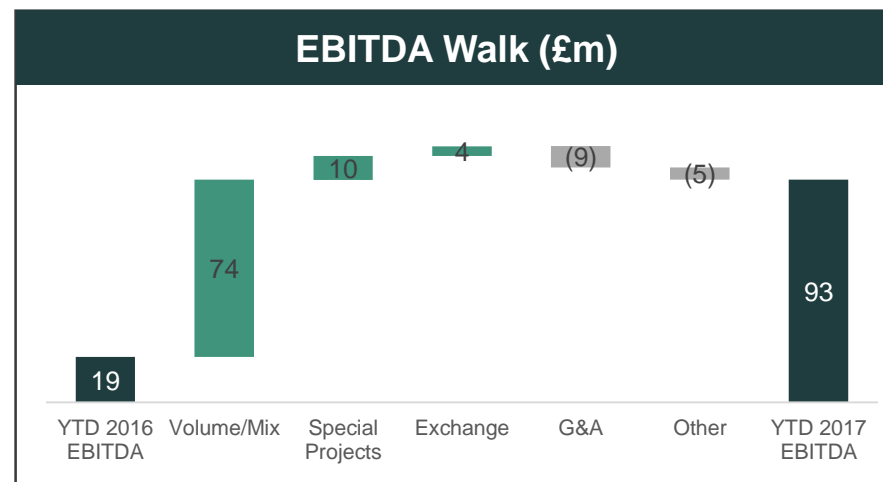
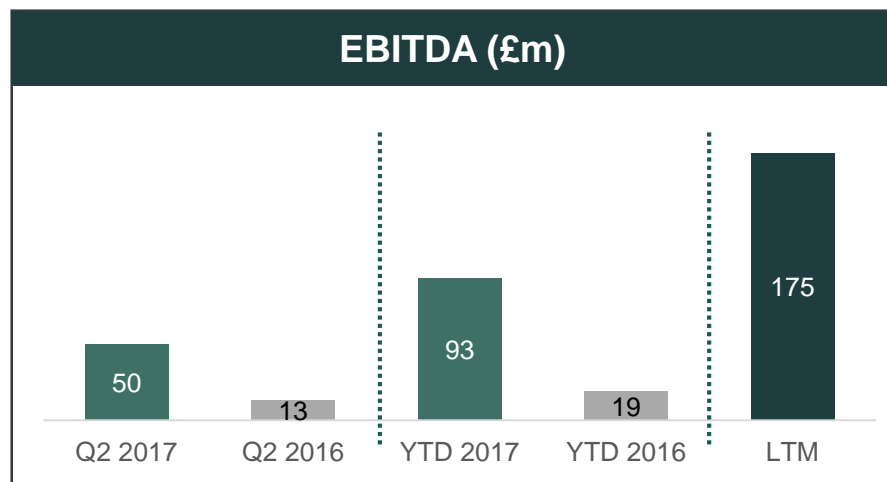
Note: Includes special editions

- Significant increase in wholesale units following introduction of DB11
- Wholesale performance supported by shift to strong retail pull
- Strong forward order bank on DB11 maintained, bolstered by the launch of V8-powered DB11

# Second Quarter & YTD EBITDA



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- Significant year-on-year increase in EBITDA driven by DB11 sales, higher ASPs, special models and foreign exchange benefits
- Planned G&A increase driven by:
  - Continued fixed marketing investment driving brand salience and penetration, demonstrated by increased market share
  - Overheads associated with second manufacturing plant at St. Athan, Wales

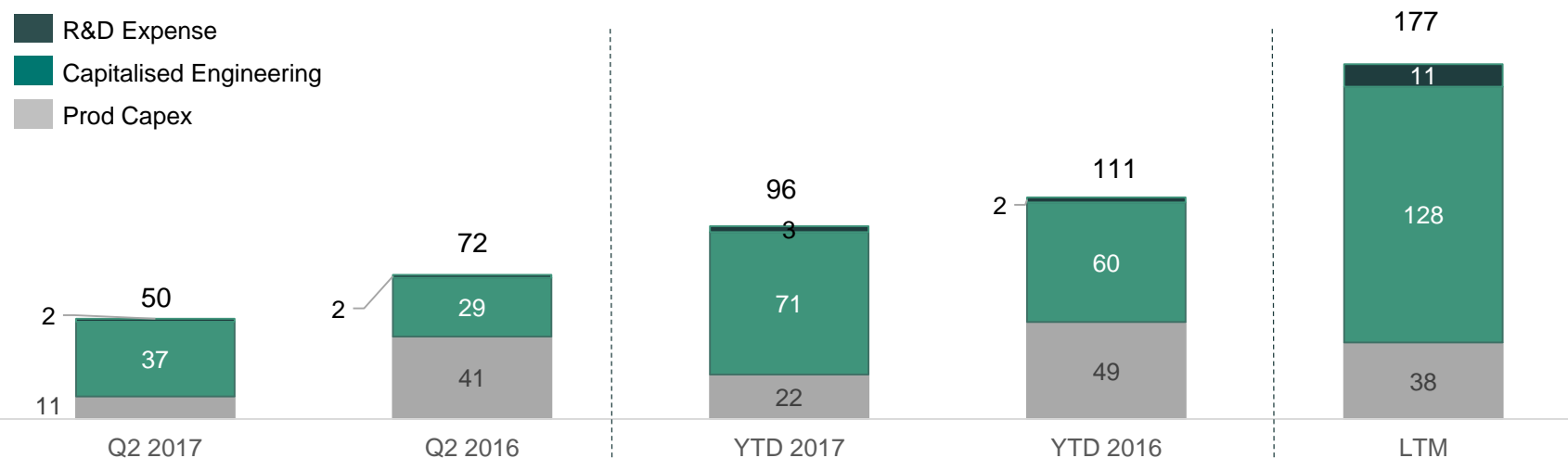


# Second Quarter & YTD Investment



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## Product Investment (£m)



- Capitalised engineering spend increased YoY in line with expectations due to cadence of new product launches
- Prod capex higher in prior year due to facilities and tooling spend associated with DB11 launch
- Continued investment in roll-out of new core products and special models drives capital expenditure and engineering investment
- LTM spend within guidance and in line with expectations

# Financial Outlook



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## FULL-YEAR 2017 GUIDANCE

**Wholesale Volumes**

**>30% increase vs prior year**

**Revenue**

**> £830 million**

**EBITDA**

**≥ £175 million**

**Net Core Development Costs**

**10% increase vs prior year**

- Full-year 2017 revenue and EBITDA guidance upwardly revised based on H1 business momentum
- First full year of DB11 production, supported by strong order book, expected to drive a step change in financial performance
- Launch of V8 variant of DB11 will shift engine mix in H2 2017
- Planned Q4 2017 announcements of new Vantage and DB11 Volante to drive additional future demand



# Summary Highlights



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- Second Century Plan product offensive continues with V8 variant of DB11 – additional new models due for announcement in Q4 2017 to build momentum further
- RapidE - Aston Martin's first all-electric model spearheads low and zero-emission vehicle strategy
- Improving profitability – Net profit in Q2 accelerates sequentially
- Budget exceeded for ten successive quarters
- Improved cash flow from operations enhances liquidity for continued product launches
- Successful execution puts business on track for upwardly revised 2017 revenue and EBITDA guidance

# Reconciliation of GAAP to Non-GAAP Financial Measures



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This presentation contains certain non-GAAP financial measures, including earnings before interest, tax, depreciation and amortisation (EBITDA) and adjusted EBITDA. From time-to-time, the company considers and uses these supplemental measures of operating performance in order to provide the investors and readers with an improved understanding of underlying performance trends.

The company believes it is useful for itself and the reader to review, as applicable, both (1) GAAP measures that include (i) amortisation, (ii) interest expense, (iii) income taxes, (iv) depreciation and amortization, (v) exceptional restructuring costs, (vi) non-recurring payment to a former Director relating to settlement of shares; and (2) the non-GAAP measures that exclude such information.

The company presents these non-GAAP measures because it considers them an important supplemental measure of its performance. The company's definition of these adjusted financial measures may differ from similarly named measures used by others. The company believes these measures facilitate operating performance comparisons from period to period by eliminating potential differences caused by the existence and timing of certain expense items that would not otherwise be apparent on a GAAP basis. These non-GAAP measures have limitations as alternative financial metrics and should not be considered in isolation or as a substitute for the company's GAAP reporting measures. The principal limitations of non-GAAP measures are that they do not reflect the company's actual expenses and may thus have the effect of inflating its financial measures on a GAAP basis.



# Disclaimer



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This presentation contains certain forward-looking statements, which are based on current assumptions and estimates by the management of Aston Martin Holdings (UK) Limited ("Aston Martin"). 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.

Aston Martin provides no guarantee that future development and future results actually achieved will correspond to the assumptions and estimates stated here, and accepts no liability if they should fail to do so. We undertake 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 presentation.

We confirm that to the best of our knowledge the condensed set of consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and fairly represent the financial condition and operations of the Aston Martin group as at 30 June 2017.



# Appendices

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# Summary Income Statement

	Q2		Q2		YTD		YTD		LTM	
	2017	% of	2016	% of	2017	% of	2016	% of		% of
	<u>(m)</u>	<u>sales</u>	<u>(m)</u>	<u>sales</u>	<u>(m)</u>	<u>sales</u>	<u>(m)</u>	<u>sales</u>	<u>(m)</u>	<u>sales</u>
Revenue	£222.0		£119.2		£410.4		£211.8		£792.5	
Cost of Sales	(136.4)	61%	(78.7)	66%	(251.2)	61%	(140.7)	66%	(482.5)	61%
<b>Gross Profit</b>	<b>£85.6</b>	<b>39%</b>	<b>£40.5</b>	<b>34%</b>	<b>£159.1</b>	<b>39%</b>	<b>£71.2</b>	<b>34%</b>	<b>£310.1</b>	<b>39%</b>
Selling & Distribution	(16.9)	8%	(9.5)	8%	(30.0)	7%	(20.0)	9%	(51.9)	7%
Administrative & Other	(37.8)	17%	(35.6)	30%	(74.2)	18%	(69.0)	33%	(217.2)	27%
<b>Operating Profit / (Loss)</b>	<b>30.9</b>	<b>14%</b>	<b>(4.7)</b>	<b>4%</b>	<b>55.0</b>	<b>13%</b>	<b>(17.8)</b>	<b>8%</b>	<b>41.0</b>	<b>5%</b>
Net Financing Expense	(15.7)	7%	(47.9)	40%	(33.8)	8%	(64.5)	30%	(99.8)	13%
<b>Profit / (Loss) before Tax</b>	<b>15.2</b>	<b>7%</b>	<b>(52.6)</b>	<b>44%</b>	<b>21.1</b>	<b>5%</b>	<b>(82.3)</b>	<b>39%</b>	<b>(58.8)</b>	<b>7%</b>
Taxation	(3.0)	1%	5.6	5%	(4.2)	1%	8.6	4%	(0.7)	0%
<b>Profit / (Loss) after tax</b>	<b>12.1</b>	<b>5%</b>	<b>(47.0)</b>	<b>39%</b>	<b>16.9</b>	<b>4%</b>	<b>(73.8)</b>	<b>35%</b>	<b>(59.5)</b>	<b>8%</b>



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# Summary Income Statement - Continued

	Q2		Q2		YTD		YTD		LTM	
	2017	% of	2016	% of	2017	% of	2016	% of		% of
	(mils)	sales	(mils)	sales	(mils)	sales	(mils)	sales	(mils)	sales
Operating profit / (loss)	30.9	14%	(4.7)	4%	55.0	13%	(17.8)	8%	41.0	5%
Depreciation & Amortisation	19.4	9%	18.1	15%	38.0	9%	37.2	18%	134.0	17%
<b>EBITDA</b>	<b>£50.4</b>	<b>23%</b>	<b>£13.4</b>	<b>11%</b>	<b>£93.0</b>	<b>23%</b>	<b>£19.4</b>	<b>9%</b>	<b>£175.0</b>	<b>22%</b>
<u>Adjustments</u>										
<b>Adjusted EBITDA (£m)</b>	<b>£50.4</b>	<b>23%</b>	<b>£13.4</b>	<b>11%</b>	<b>£93.0</b>	<b>23%</b>	<b>£19.4</b>	<b>9%</b>	<b>£175.0</b>	<b>22%</b>



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# Summary Cash Flow Statement

	Q2 2017 <u>(£ mils)</u>	Q2 2016 <u>(£ mils)</u>	YTD 2017 <u>(£ mils)</u>	YTD 2016 <u>(£ mils)</u>	LTM <u>(£ mils)</u>
Cash generated from operating activities	38.9	59.6	94.6	53.6	205.5
Cash used in investing activities	(54.6)	(72.3)	(105.4)	(115.3)	(180.3)
Cash inflow from financing activities	43.6	61.7	33.1	80.5	6.2
Effect of exchange rates on cash and cash equivalents	(0.7)	(7.3)	(0.8)	(5.9)	13.2
Net cash inflow	27.2	41.6	21.4	12.9	44.7
Cash at period end	<b>123.1</b>	<b>78.5</b>	<b>123.1</b>	<b>78.5</b>	<b>123.1</b>



# Aston Martin Model Portfolio



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*DB11*

DB11 showcases a fresh and distinctive design language, pioneering aerodynamics and is powered by a potent new in-house designed 5.2-litre twin-turbocharged V12 engine



*VANQUISH S*

Vanquish S – the ultimate super Grand Tourer. Improved engine power, enhanced dynamics and new styling features create a car of unprecedented ability



*RAPIDE S*

Singular vision, shared pleasure. Rapide S follows a unique recipe to create the world's most beautiful four-door sports car



*V8 VANTAGE S*

Fusing sophisticated engineering and artful design, V8 Vantage S is a unique package of intense driver involvement



*V12 VANTAGE S*

Thrilling, potent and crackling with attitude, V12 Vantage S is the essence of Vantage concentrated and enhanced to deliver pure driving excitement



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