

# INVESTOR PRESENTATION

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***FIRST QUARTER 2017***

*Financial Results for three months to March 31*



ASTON MARTIN



# First Quarter 2017 Highlights



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## FINANCIAL

- Extremely strong financial performance underpins record Q1 results
- Revenue rises 103% to £188 million
  - 75% YoY increase in unit volume
  - 30% YoY rise in average selling price
- EBITDA of £43 million / EBITDA Margin of 23%
- Pre-tax profit of £5.9 million, compared with pre-tax losses of £29.7 million in Q1 2016
- Cash generated from operating activities of £56 million
- Successful debt refinancing completed
- Increasing full year 2017 revenue and EBITDA guidance

## OPERATIONAL

- DB11 drives increased global market share of High Luxury Sports (HLS) market
- Debut of the AMR line of high performance vehicles
- Launch of expanded Q by Aston Martin personalisation service
- Vantage S Red Bull Racing Editions announced



AMR debut at the Geneva motor show



Vantage S Red Bull Racing Editions

# DB11 Global Momentum



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- DB11 continuing to contribute strongly to total wholesales in first quarter of 2017
- DB11 successfully delivered into all global markets
- Order book substantially supports 2017 planned DB11 production
- Launch of expanded Q by Aston Martin offering in March generated significant interest



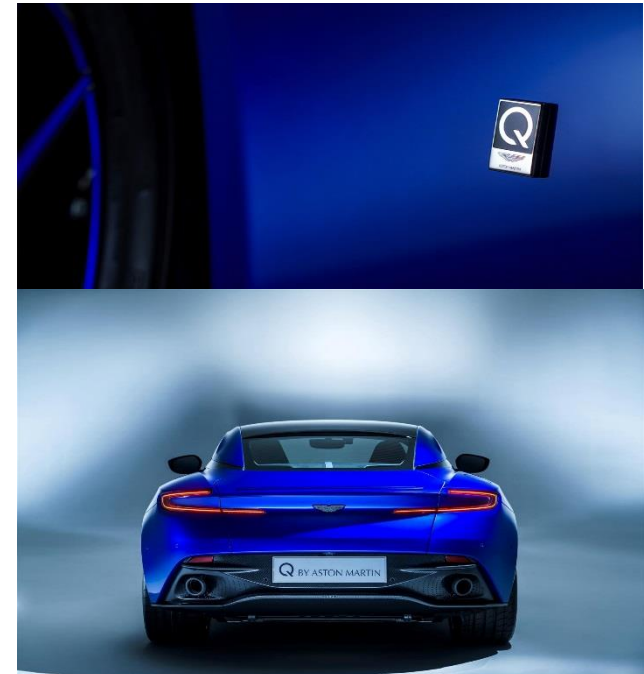


# Q by Aston Martin



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- Evolution of 'Q by Aston Martin'
- A new era of tailor-made sports cars with the expansion of the Q by Aston Martin personalisation service
  - A multi-tiered offering, giving customers almost limitless opportunities to create unique and luxurious Aston Martins
- **Q by Aston Martin – Collection**  
Service brings an array of distinctive design touches to your Aston Martin
- **Q by Aston Martin – Commission**  
The second stage of Aston Martin's enhanced offering: a world of the truly bespoke, individual sports car





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# Rising Global Brand Penetration

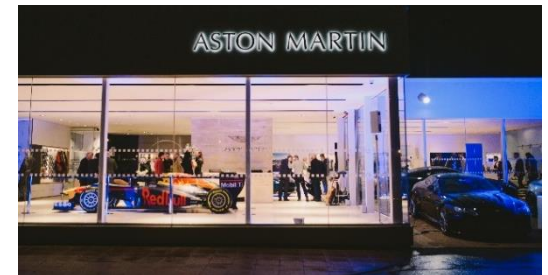
## Rising Market Share in the Global HLS Model Market

*(January & February 2017 global market data versus prior year)*

- Successful launch of DB11 drove increased brand visibility and market share gains globally in early 2017
- Aston Martin gained 7% market share across all HLS models
- In the sports car segment of the HLS market Aston Martin gained 12% market share

## Strengthening the Global Dealer Partner Network

- Our global dealer partners have committed to substantial investment of their own capital in 2017 to enhance the customer sales and service experience
- Extensively refurbished showroom in Wilmslow, UK, opened in February
- State-of-the-art showrooms in Copenhagen, Melbourne and Auckland to open over second quarter 2017
- Leading luxury car retailer Sky Group appointed as the new sole dealer in Tokyo with a prime location in the centre of the luxury car district in Aoyama



Wilmslow, UK



Auckland, New Zealand

Source: IHS Markit Global HLS market share data from January through February 2017 including Aston Martin, Bentley, Ferrari, Lamborghini, McLaren, and Rolls Royce.

# Global Launch of AMR Brand



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- Launch of AMR as our high-performance race-inspired sub-brand to amplify the model range
- Debut of two concept models:
  - Vantage AMR Pro
  - Rapide AMR
- Every core model line will have an AMR derivative







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### **VANTAGE AMR PRO**

- Heavily influenced by WEC winning V8 Vantage GTE
- Led by Q by Aston Martin Advanced Operations division
- Limited series of 7 track-only cars

### **MOST POWERFUL VANTAGE EVER**

- Extreme expression of performance and the ultimate iteration of Vantage
- A development of Aston Martin Racing's WEC winning GT4 race engine

### **PERFORMANCE**

- Race-spec adjustable suspension
- Competition engine and transmission mounts
- Centre-lock wheels
- Promises inspirational handling precision and exceptional levels of grip and traction



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### **RAPIDE AMR**

- Limited series of 210 cars
- Road legal derivative
- Deliveries commence 2018

### **WORLD'S FASTEST FOUR DOOR**

- Enhanced with a comprehensive suite of power, chassis and styling upgrades, plus a spectacular new interior treatment

### **PERFORMANCE**

- Aston Martin 6.0-litre V12 engine produces an increased peak output of 600 PS (592 bhp)
- New quad exhaust system
- Capable of 210 mph (338 km/h)



# Motorsport



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- Following on from World Endurance Championship success in 2016, Aston Martin Racing has committed to 5 more seasons with motorsport provider Prodrive
- WEC racing acts as development ground for technology that feeds core Aston Martin model range
- Aston Martin Racing's first 2017 podium in opening 6-hour race at Silverstone, UK



- Red Bull innovation partnership bringing Formula One technology and great brand awareness to Aston Martin
- Red Bull's design chief, Adrian Newey and Aston Martin's chief creative officer, Marek Reichman, advancing the Aston Martin Valkyrie hypercar development
- Partnership has enabled Vantage S Red Bull Racing Editions



# Successful Bond Refinancing Improves Balance Sheet



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- On 31<sup>st</sup> March Aston Martin Capital Holdings Limited together with its affiliates priced the offering of £550 million equivalent aggregate principal amount of senior secured notes due 2022
- Interest of 6.50% on the dollar tranche and 5.75% on the sterling bonds, compared with maturing 10.25% US dollar PIK notes and 9.25% bonds, significantly reduces cost of capital
- Offering received strong investor interest, oversubscribed by 6.5x
- Net proceeds used to:
  - Redeem the existing senior secured notes due 2018
  - Redeem the existing senior subordinated PIK notes due 2018
  - Pay commissions, fees and expenses associated with these transactions
  - For general corporate purposes



## DEBT RATING AGENCY UPDATES:

- Moody's Investors Service affirmed the company's high-yield rating at B3 and raised its outlook on the rating to "positive" from "stable"
- S&P Global Ratings affirmed the company's high-yield B- rating and stable outlook



# Refinancing benefits



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## 1 Strengthens financial profile

- Enhanced liquidity from additional £33 million cash on balance sheet and £80 million super senior revolving credit facility (SSRCF)
- Reduces cost of debt (c. £12 million in annual income statement interest savings)
- Extends maturity providing long-term capital structure stability

## 2 Reinforces solid foundation for delivering growth

- Increases financial reserves to improve liquidity headroom
- Enables management to focus on delivery of Second Century Plan
- Improves negotiating position with partners / counterparties due to improved financial profile

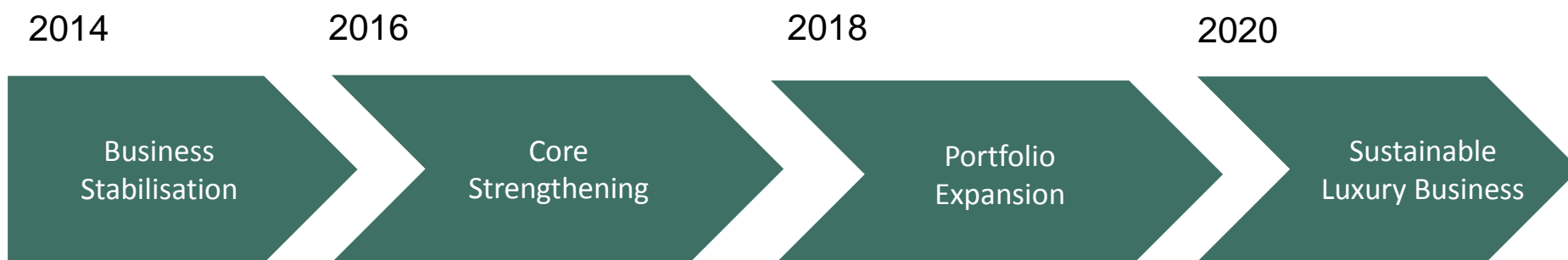
## 3 Strengthens relationships with wider capital markets

- Demonstrates global access
- Diversifies Aston Martin's lender base
- Positive dialogue with rating agencies supports continuing investor confidence

# Second Century Momentum



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- Continued strong demand for DB11 and associated pricing strength underpin improved financial performance, including EBT profitability during the first quarter of 2017
- Launch of Vanquish S and enhanced Vantage S models in Q4 2016 maintains demand
- Successful debt refinancing
- Roll out of new core models continues on plan





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# Financial Results

# Q1 2017 Financial Summary



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## Income Statement

- Q1 revenues of £188 million; more than double same period in prior year
- Average selling price of £144,000, up by 30% 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 £43 million, 610% higher than prior year
- LTM EBITDA £138 million
- Pre-tax profit of £5.9 million profit vs £(29.7) million loss in prior year
  - Aston Martin is profitable for the second successive quarter\*

## Cash & Investment

- Strong liquidity with cash position at end of quarter of £96 million
- Product development expenditure in line with guidance
- Limited edition models remain strongly cash generative

**Performance exceeds budget for 9th consecutive quarter**

\* Before exceptional items



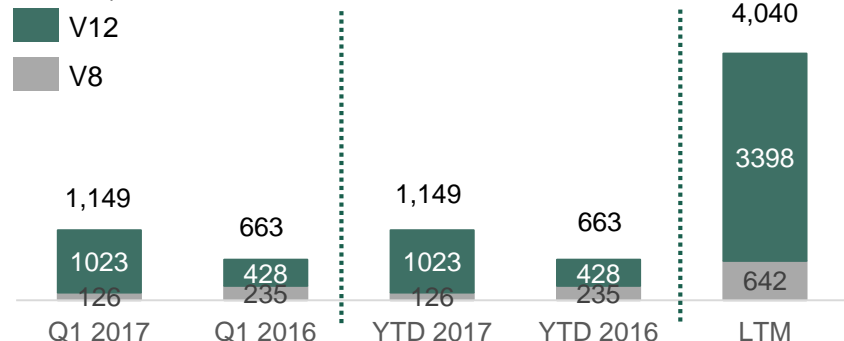
# Q1 Revenues



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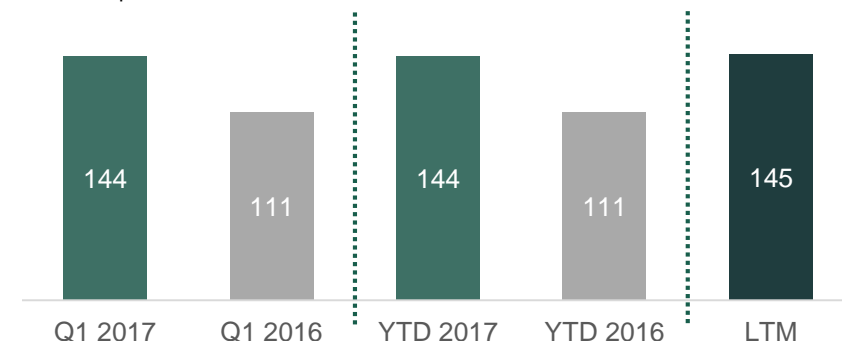
## Wholesale Volume (Units)

Excludes special editions



## Average Selling Price (£k)

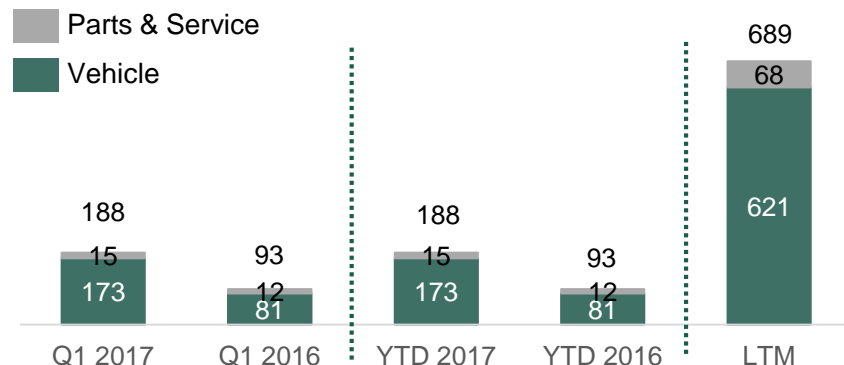
Excludes special editions



## Revenue (£m)

Parts & Service

Vehicle



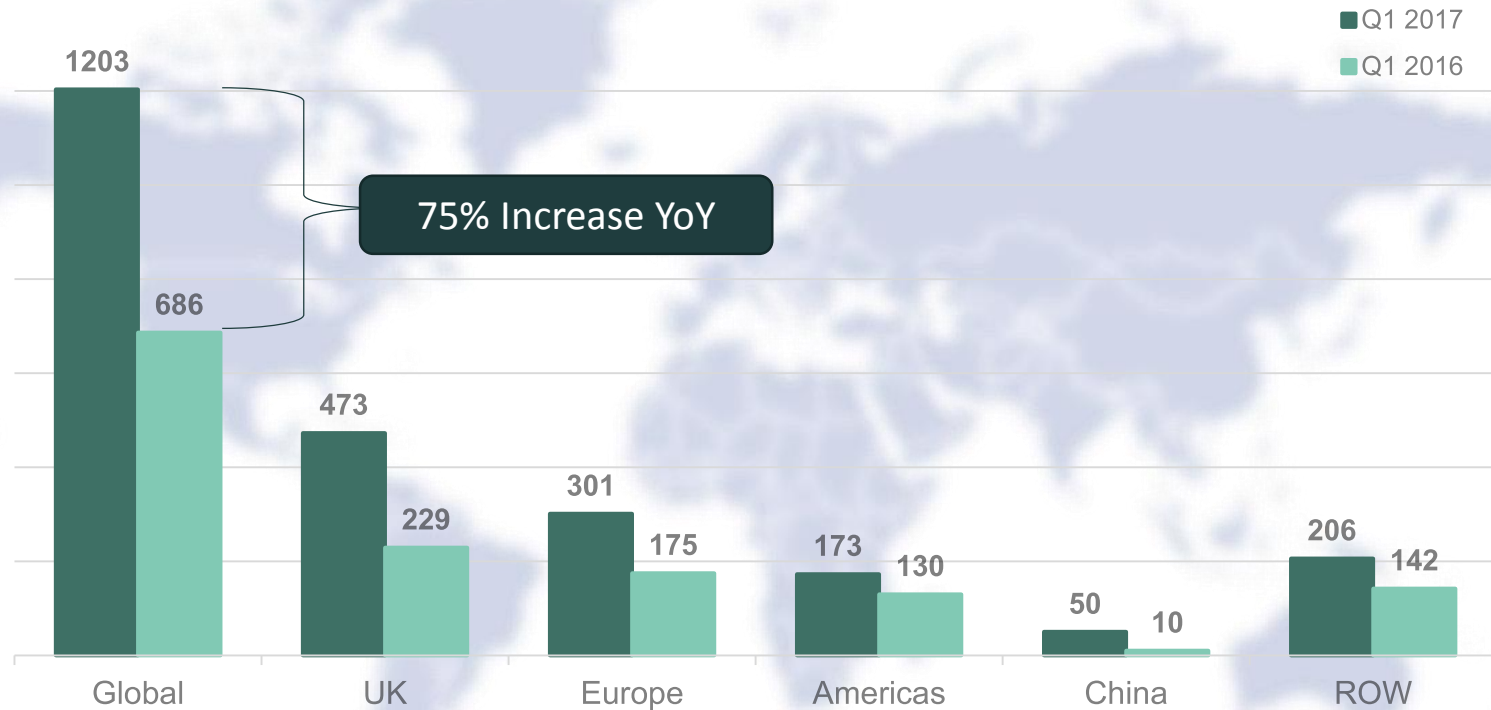
- Q1 revenue at £188 million, 103% higher than prior year, supported by uplift in volumes and average selling price (ASP)
- Q1 ASP improvement due to DB11 introduction, improved mix, higher options take and foreign exchange benefits



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# First Quarter Wholesales by Region

Wholesales by region, Q1 2017 and 2016



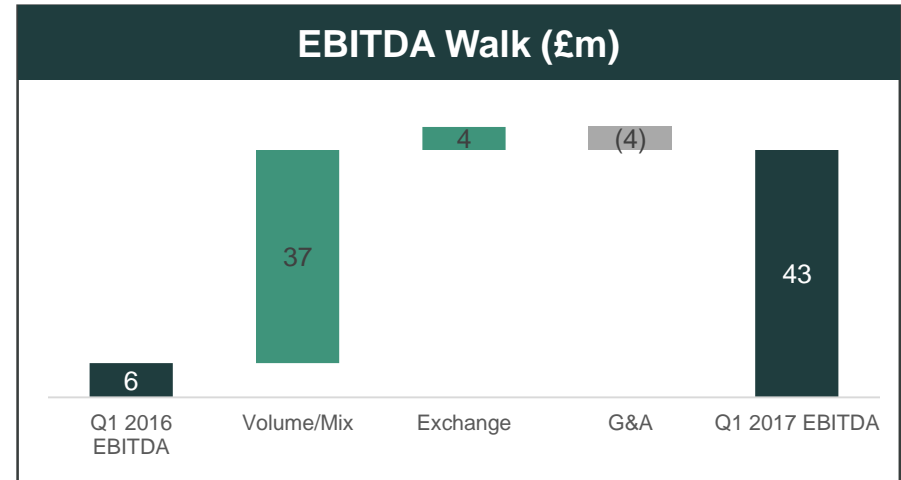
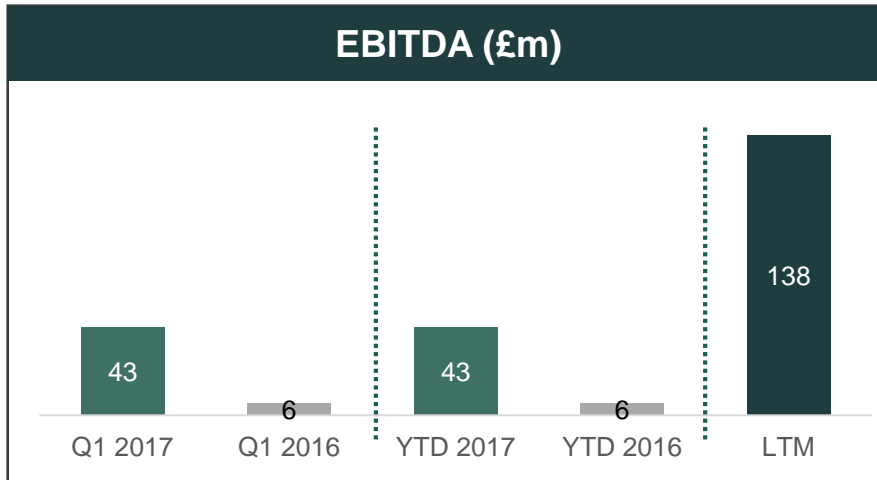
Note: Includes special editions

- Significant increase in wholesale units following second production quarter of DB11
- Wholesale performance supported by shift to strong retail pull
- Strong forward order bank on DB11 maintained



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# First Quarter & YTD EBITDA



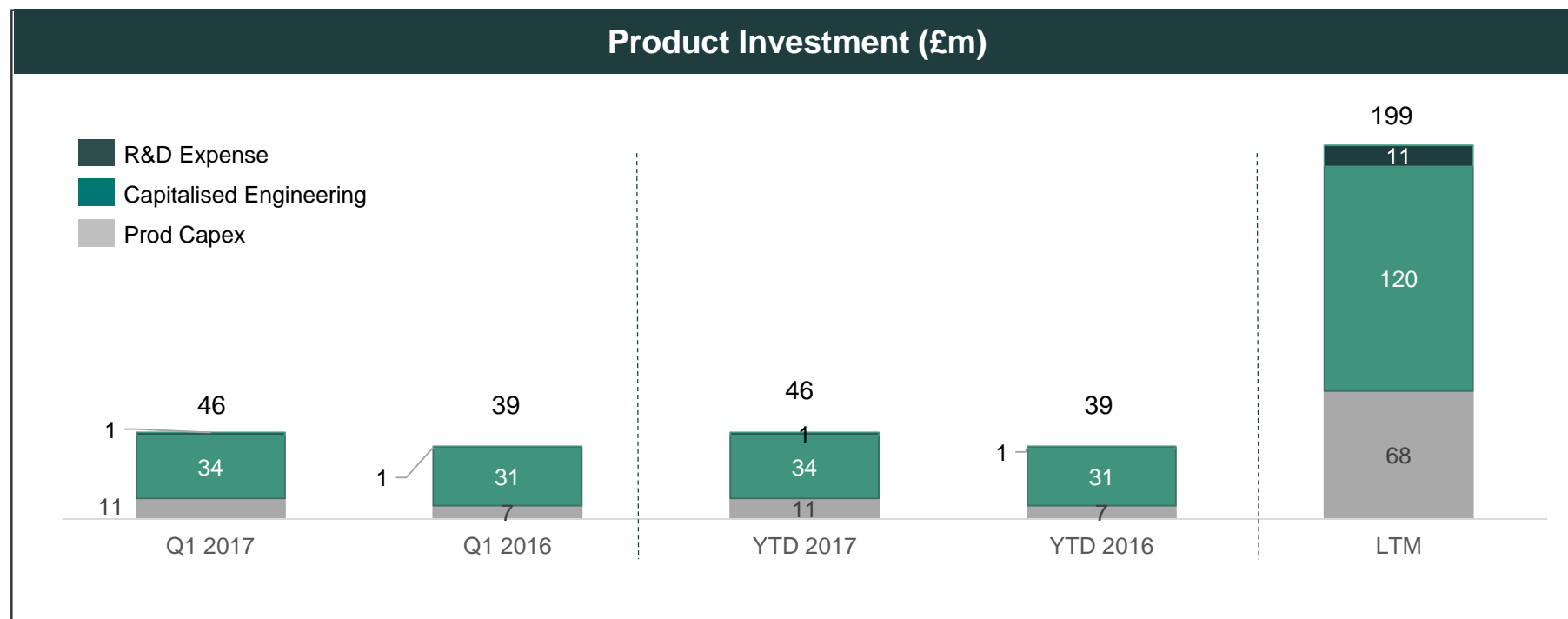
- Significant year-on-year increase in EBITDA driven by DB11 sales
- Foreign exchange environment continued to be positive for earnings
- Planned G&A increase driven by:
  - Continued fixed marketing investment driving brand salience and penetration, demonstrated by increased market share
  - Overheads associated with second manufacturing plant at St. Athan, Wales





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# First Quarter & YTD Investment



- Continued investment in roll-out of new core products and special models drives capital expenditure and engineering investment
- LTM spend in line with expectations

# Financial Outlook



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## FULL-YEAR 2017 GUIDANCE

**Wholesale Volumes**

**>30% increase vs prior year**

**Revenue**

**> £800 million**

**EBITDA**

**≥ £170 million**

**Net Core Development Costs**

**10% increase vs prior year**

- First full year of DB11 production, supported by strong order book, expected to drive a step change in financial performance
  - FY revenue and EBITDA revised upward due to improved trading outlook

# Summary Highlights



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- Second Century Plan product offensive on track – Key product development and portfolio expansion
- Revenues more than double year-over-year on strong demand for DB11 and favourable product mix
- Improving profitability – Net profit in Q1
- Budget exceeded for nine successive quarters
- Successful debt refinancing reducing the cost of capital and enhancing liquidity
- Business momentum fuelling an increase in full year 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 31 March 2017.



# Appendices

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# Summary Income Statement

	Q1		Q1		YTD		YTD		LTM	
	2017	% of	2016	% of	2017	% of	2016	% of	LTM	% 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	£188.3		£92.6		£188.3		£92.6		£689.1	
Cost of Sales	(114.8)	61%	(62.0)	67%	(114.8)	61%	(62.0)	67%	(424.7)	62%
<b>Gross Profit</b>	<b>£73.5</b>	<b>39%</b>	<b>£30.7</b>	<b>33%</b>	<b>£73.5</b>	<b>39%</b>	<b>£30.7</b>	<b>33%</b>	<b>£264.4</b>	<b>38%</b>
Selling & Distribution	(13.1)	7%	(10.5)	11%	(13.1)	7%	(10.5)	11%	(44.5)	6%
Administrative & Other	(36.4)	19%	(33.4)	36%	(36.4)	19%	(33.4)	36%	(215.0)	31%
<b>Operating Profit/ (Loss)</b>	<b>24.0</b>	<b>13%</b>	<b>(13.2)</b>	<b>14%</b>	<b>24.0</b>	<b>13%</b>	<b>(13.2)</b>	<b>14%</b>	<b>4.9</b>	<b>1%</b>
Net Financing Expense	(18.1)	10%	(16.6)	18%	(18.1)	10%	(16.6)	18%	(132.0)	19%
<b>Profit/ (Loss) before Tax</b>	<b>5.9</b>	<b>3%</b>	<b>(29.7)</b>	<b>32%</b>	<b>5.9</b>	<b>3%</b>	<b>(29.7)</b>	<b>32%</b>	<b>(127.1)</b>	<b>18%</b>
Taxation	(1.2)	1%	2.9	3%	(1.2)	1%	2.9	3%	7.9	1%
<b>Profit/ (Loss) after tax</b>	<b>4.8</b>	<b>3%</b>	<b>(26.8)</b>	<b>29%</b>	<b>4.8</b>	<b>3%</b>	<b>(26.8)</b>	<b>29%</b>	<b>(119.2)</b>	<b>17%</b>



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# Summary Income Statement - Continued

	Q1		Q1		YTD		YTD		LTM	
	2017	% of	2016	% of	2017	% of	2016	% of	LTM	% of
	<u>(mils)</u>	<u>sales</u>	<u>(mils)</u>	<u>sales</u>	<u>(mils)</u>	<u>sales</u>	<u>(mils)</u>	<u>sales</u>	<u>(mils)</u>	<u>sales</u>
Operating profit/ (loss)	24.0	13%	(13.2)	14%	24.0	13%	(13.2)	14%	4.9	1%
Depreciation & Amortisation	18.6	10%	19.2	21%	18.6	10%	19.2	21%	132.7	19%
<b>EBITDA</b>	<b>£42.6</b>	<b>23%</b>	<b>£6.0</b>	<b>6%</b>	<b>£42.6</b>	<b>23%</b>	<b>£6.0</b>	<b>6%</b>	<b>£137.5</b>	<b>20%</b>
<u>Adjustments</u>										
<b>Adjusted EBITDA (£m)</b>	<b>£42.6</b>	<b>23%</b>	<b>£6.0</b>	<b>6%</b>	<b>£42.6</b>	<b>23%</b>	<b>£6.0</b>	<b>6%</b>	<b>£137.5</b>	<b>20%</b>



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# Summary Cash Flow Statement

	Q1 2017 (mils)	Q1 2016 (mils)	YTD 2017 (mils)	YTD 2016 (mils)	LTM (mils)
Cash generated from/ (used in) operating activities	£55.7	(6.0)	£55.7	(6.0)	£226.2
Cash used in investing activities	(50.9)	(43.0)	(50.9)	(43.0)	(198.1)
Cash (outflow)/ inflow from financing activities	(10.5)	18.7	(10.5)	18.7	24.4
Effect of exchange rates on cash and cash equivalents	(0.1)	1.5	(0.1)	1.5	6.6
Net cash (outflow)/ inflow	(5.7)	(28.7)	(5.7)	(28.7)	59.1
Cash at period end	<b>96.0</b>	<b>36.9</b>	<b>96.0</b>	<b>36.9</b>	<b>96.0</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

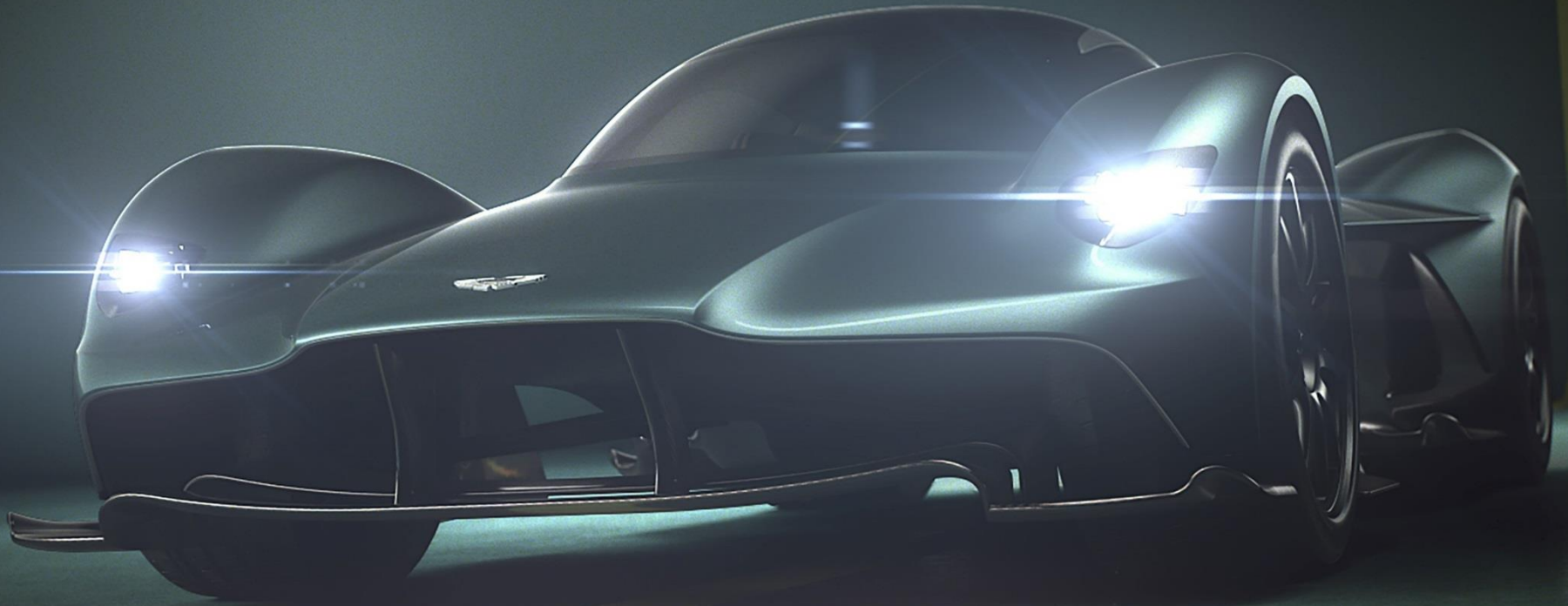


*V12 VANTAGE S*

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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