ASTON MARTIN LAGONDA

Aston Martin Lagonda Reports Sharply-Increased Profits as Revenue Growth Exceeds 80% in Third Quarter

Unit Sales Almost Double; Adjusted EBITDA up 93%; Full-Year Outlook Confirmed

£m (excl wholesale volumes)	Q3-18	Q3-17	Variance	YTD-18	YTD-17	Variance
Total wholesale volumes*	1,776	891	+99%	4,075	3,330	+22%
Revenue	282.4	156.4	+81%	727.3	566.8	+28%
Adj. EBITDA**	54.4	28.1	+93%	160.3	121.2	+32%
Adj. EBIT ***	27.2	8.6	+218%	91.6	63.5	+44%
EBIT	25.3	8.6	+196%	89.7	63.5	+41%
Reported PBT	3.1	0.3	+899%	23.9	20.6	+16%

**Number of vehicles including specials*

***Adjusted EBITDA: represents profit / (loss) for the period, before income tax (charge) / credit, net financing expense, profit and loss on the disposal of fixed assets, depreciation and amortisation, and adjusted for the non-recurring and exceptional costs associated with the Initial Public Offering of £1.8 million.*

**** Adjusted EBIT: represents Adjusted EBITDA, minus depreciation and amortisation.*

Highlights

- **Revenue increased 81% to £282 million, driven by continuing strong demand for DB11 variants and first full quarter of Vantage production**
- **Total wholesale units of 1,776 almost double, primarily driven by growth in the Americas and Asia Pacific, including China**
- **Adjusted EBITDA up 93% to £54 million driven by increased volume following completion of core model refreshes**
- **Net cash flow from operating activities up £33.9 million versus Q3 2017**
- **Sports car range strengthened with introduction of DBS Superleggera**
- **St Athan facility construction on track to be operationally ready in H1 2019 and planned investment continues in new products**
- **Assembly of first DBX prototypes started on schedule; full production to begin in 2020**
- **FY 2018 outlook reaffirmed with sales towards the top end of the guided range**

15 November 2018, Gaydon, UK: Aston Martin Lagonda Global Holdings plc (LSE: AML, “Aston Martin Lagonda” or “the Company”), the producer of luxury handcrafted sports cars, today reported a record increase in third quarter revenues and Adjusted EBITDA amid growing demand for new models including the DB11 Volante and Vantage and rising sales in core markets such as China and the US.

Dr Andy Palmer, Aston Martin Lagonda President and Group CEO, said: “Aston Martin Lagonda has marked its first reporting-period as a listed company by delivering a sharp increase in unit sales, in profits and revenues. These strong results give us confidence that we will meet our full-year targets with sales at the top end of the range. This will pave the way for future growth as we prepare to begin production of the breakthrough DBX model at our new plant at St Athan, and as we receive further orders for new models including the DBS Superleggera and special editions.

We are proud of our inaugural results as a listed company. They show that our Second Century plan is working and that we are well placed to deliver long-term sustainable growth. This will be core to our strategy as we continue to expand and as we deliver shareholder value."

For the three months to September 30, revenue rose by 81% to £282 million and Adjusted EBITDA jumped 93% to £54 million, representing an Adjusted EBITDA margin of 19%. The strong growth in Adjusted EBITDA was driven primarily by higher volumes and increased contribution from market mix. Correspondingly, Adjusted EBIT increased from £16.8 million to £25.3 million.

Profit before tax was £3.1 million, up from £0.3 million in the prior year quarter, as total wholesale volumes reached 1,776 units, compared with 891 in the same period last year. During the quarter, the company saw especially strong growth in the Americas (+185%) and Asia Pacific (+133%).

In the year to date, Adjusted EBITDA was up 32% to £160.3m as wholesale volumes grew by 745 units, market mix improved and a consulting contract for sale of certain intellectual property was recognised. Correspondingly profit before tax in the year to date grew by 16% to £23.9m.

In China, sales more than doubled amid strong demand for DB11 derivatives and the new Vantage. Unit sales in the UK, the company's home market, increased 66%, offsetting lower volume growth and some softness in EMEA pending new model introductions in the region.

During the period, the company continued to make progress on the construction of its new manufacturing plant at St Athan in Wales, where the new DBX model will be produced. Construction is now in the third and final phase of completion and installation of the paint shop is complete. Assembly of the first DBX prototypes has commenced on schedule, ahead of full production starting in 2020.

Net cash inflow from operating activities was £89.6 million, an increase of £33.9 million, driven primarily by operating profit and working capital improvement. Capital Expenditure was £70.9 million in the quarter, £34.6m lower than the prior year primarily due to the timing of product launches and R&D spending on new programmes. Cash at the end of the period end was £86.7m (Q3 2017: £72.0m).

The average selling price per vehicle (excluding specials) was £136,000 in the quarter, a 7% reduction versus prior year, reflecting the planned shift in volumes to the Vantage and V8-engined DB11 derivatives.

Net financing expense increased from £8.2 million to £22.3 million, primarily driven by compounding interest on the Preference shares, crystallised at IPO, and a reduction in the net gain on fair value adjustments on foreign exchange hedges. Given the conversion of the Preference shares to Ordinary shares at IPO, the interest expense will reduce in subsequent quarters. Preference share interest amounted to £11.2 million (Q3 2018) and £32.0 million in the year to date.

Outlook

For the remainder of the year, continued volume growth is expected as the Company increases deliveries of Vantage and DBS Superleggera. For Full Year 2018, the Company now expects to achieve sales at the top end of its stated range of 6,200 – 6,400 units, and at the same time reconfirms its stated outlook for Adjusted EBITDA margin (23%) and Adjusted EBIT margin (13%). The Company also reconfirms its medium term objectives.

Conference Call for analysts and investors

A conference call for analysts and investors, hosted by Andy Palmer and Mark Wilson, will take place today, 15 November 2018 at 9.00am London time. The dial-in number is:

UK / International: +44 (0)33 3300 0804
UK Toll Free: 0800 358 9473
Password: 13586444#

There will also be a live webcast available on https://www.astonmartinlagonda.com/investors/calendar and the presentation will be made available on our website at https://www.astonmartinlagonda.com/investors/results-centre.

A transcript of the call will also be available in due course at: https://www.astonmartinlagonda.com/investors/results-centre.

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About Aston Martin Lagonda:

Aston Martin Lagonda (LSE: AML) is a luxury automotive group focused on the creation of exclusive cars and SUVs and is the only luxury automotive manufacturer listed on the LSE. The iconic Aston Martin brand fuses the latest technology, exceptional hand craftsmanship and timeless design to produce models including the DB11, Rapide S, DBS Superleggera, Vantage and Vanquish Zagato. The Lagonda brand will relaunch in 2021 as the world's first luxury electric vehicle company. Based in Gaydon, England, Aston Martin Lagonda designs, creates and exports cars which are sold in 53 countries around the world.

Lagonda was founded in 1904 and Aston Martin in 1913. The two brands came together in 1947 when both were purchased by the late Sir David Brown. Under the leadership of Dr Andy Palmer and a new management team, the Group launched its Second Century Plan in 2015 to deliver sustainable long-term growth. The plan is underpinned by the introduction of seven new models including the DB11, new Vantage, DBS Superleggera and DBX, as well as the development of a new manufacturing centre in St Athan, Wales.

For more information visit Aston Martin Lagonda online at www.astonmartinlagonda.com

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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 release.

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Adjusted earnings before interest, tax, depreciation, and amortisation are calculated to reflect non-cash accounting items and other one-time items including exceptional costs associated with the Initial Public Offering.

Summary financial statements:

Summary Income Statement

	Q3 2018 £m	Q3 2017 £m	YTD 2018 £m	YTD 2017 £m	LTM £m
Revenue	282.4	156.4	727.3	566.8	1,036.5
Cost of Sales	(176.1)	(92.3)	(420.5)	(343.5)	(573.1)
Gross Profit	106.4	64.1	306.8	223.2	463.4
Selling and distribution	(30.6)	(17.8)	(75.8)	(47.8)	(87.9)
Administrative and other	(50.5)	(37.7)	(141.3)	(111.9)	(200.5)
Operating Profit	25.3	8.6	89.7	63.5	175.0
Net financing expense [1]	(22.3)	(8.2)	(65.8)	(43.0)	(88.1)
Profit before tax	3.1	0.3	23.9	20.6	86.9

[1] Restated following the introduction of IFRS Revenue from Contracts with Customers which came into effect 01 January 2018

Summary Income Statement – Non GAAP reconciliation

	Q3 2018 £m	Q3 2017 £m	YTD 2018 £m	YTD 2017 £m	LTM £m
Operating Profit	25.3	8.6	89.7	63.5	175.0
Depreciation and Amortisation	27.3	19.5	68.8	57.6	93.2
EBITDA	52.6	28.1	158.5	121.2	268.1
Adjustments:					
Past service pension benefit	-	-	-	-	(24.3)
IPO related non-recurring items	1.8	-	1.8	-	1.8

Adjusted EBITDA	54.4	28.1	160.3	121.2	245.6

Summary cash flow statement

	Q3 2018 £m	Q3 2017 £m	YTD 2018 £m	YTD 2017 £m	LTM £m
Cash generated from operating activities	89.6	55.7	151.5	150.3	345.0
Cash used in investing activities	(69.8)	(104.9)	(219.9)	(210.3)	(350.5)
Cash (outflow) / inflow from financing activities	(6.0)	(1.2)	(13.2)	31.9	19.2
Effect of exchange rates on cash and cash equivalents	1.4	(0.8)	0.4	(1.6)	0.9
Net cash inflow / (outflow)	15.2	(51.1)	(81.2)	(29.7)	14.7
Cash at period end	86.7	72.0	86.7	72.0	86.7

Summary balance sheet

	As at 30.09.18 £m	As at 30.09.17 £m
Non current assets	1,362.1	1,092.6
Current assets	424.8	333.4
Total assets	1,786.9	1,426.0
Current liabilities	(643.6)	(439.5)
Non-current liabilities	(1,001.1)	(910.3)
Total liabilities	(1,644.7)	(1,349.8)
Total equity	(142.2)	(76.2)

Summary net debt[1]

	Q3 2018 £m	Q3 2017 £m
Bank loans and overdrafts	25.0	20.8
Senior Secured Notes	583.1	515.8
Unsecured loan [2]	1.3	-
Gross debt	609.4	536.6
Cash and cash equivalents	86.6	72.0

Net debt	522.8	464.6
Net debt/ LTM adjusted EBITDA	2.1x[3]	2.4x

[1] Excluding preference shares
[2] Unsecured loan @ 5% (Japenese Yen)
[3] Based on LTM adjusted EBITDA of £245.6m