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Aston Martin Lagonda Global Hld PLC
26 June 2020

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26 June 2020

Aston Martin Lagonda Global Holdings plc
Pre-close trading and funding update

Aston Martin Lagonda Global Holdings plc ("Aston Martin" or the "Company") has continued to make good progress on its strategy to realise its full potential and operate as a true luxury company. This involves a fundamental reset, reducing core sports car wholesales to rebalance supply to demand which is absolutely necessary for the long-term performance of the Company.

- Dealer stock reduced by 617 units year-to-date to end May
- COVID-19 impacting Q2, as expected with lower retail sales and wholesales
- More than 90% of dealer network now open
- St Athan scaled up and DBX production started
- Increasing liquidity with Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan (subject to documentation), partial draw of delayed draw notes (DDNs) and non-pre-emptive equity raise

Lawrence Stroll, Aston Martin Lagonda Executive Chairman said:

"After a couple of months in the business, I am as enthusiastic and confident in our multi-year plan to build on the inherent strengths of Aston Martin, its unique Brand defined by beautiful design, engineering and the skills of its people to forge the foundations of a bright future as I ever was.

We are making very good progress on my first priority, the rebalancing of supply and demand and reducing dealer stock as we reset the business and restore exclusivity. We have also successfully completed all test production trials for DBX and have scaled up St Athan for full production. I am delighted to confirm that production has now started and we are on track to deliver this beautiful, luxury, performance SUV in July as planned.

Development of our range of mid-engined cars, descended from the era defining Aston Martin Valkyrie hypercar, continues along with updates of our core sports car models. From next year we will also have the great benefit of our own highly competitive Works Formula One team - giving us a significant global marketing platform to further strengthen our Brand and engage with our customers and partners across the world.

We have taken decisive action to improve the cost efficiency of the Company, in alignment with reduced sports car production levels, and are focussed on cost and investment control consistent with restoring profitability. Today we announce further steps to improve financial flexibility in a period of ongoing uncertainty with this additional funding to execute the business plan.

We have revitalised Executive leadership to deliver the strategy. I am looking forward to welcoming Tobias at the start of August and am delighted that Ken joined us earlier this week. Our energies and those of the whole Aston Martin team will be focused on building a stronger business for our customers, our employees, our strategic and other partners and our shareholders and enabling Aston Martin to return to being one of the pre-eminent luxury car brands in the world."

Since the Q1 results statement (13 May) key steps have been taken to deliver the plan. The Company has:

- Continued to control wholesales (sales to dealers) to reduce dealer stock towards a new lower luxury norm in order to build a stronger order book and regain price positioning and exclusivity - dealer stock had reduced by 617 units year-to-date to end May;
- Scaled up the St Athan manufacturing facility with full production of the Company's first SUV, DBX now started;
- Announced the appointment of a new Chief Executive Officer, Tobias Moers, joining on 1 August and a new Chief Financial Officer, Ken Gregor, who joined on 22 June, both with significant automotive experience, complementing the luxury experience of the Executive Chairman; and
- Set out plans to right-size the organisational structure and bring the cost base in line with reduced sports car production levels, consistent with restoring profitability.

While trading remains challenging in many markets due to COVID-19 and it is difficult to predict trends, the business is starting to return to more normal operation:

- The primary concern remains the health and safety of our colleagues and their families, business partners and the local communities and we continue to provide all the support possible. Public health measures advised by governments are being followed in support of their efforts to contain the spread of the virus.
- As expected, due to COVID-19 disruption, retail sales (dealer sales to customers) and wholesales are expected to be lower in Q2 than in Q1 and wholesale average selling price (ASP) to continue to be impacted by the de-stocking process.

However:

- More than 90% of the global dealer network is now open, with 50% fully open and others operating with some limited capacity. Only 10 dealers are not operational (principally in India and South America) and including new appointments in the Middle East (2) and China (1)
- All 18 dealers in China have been open since mid-May and early signs are positive, with good market share maintained and an acceleration of de-stocking on low volumes
- Strong DBX orderbook maintained ahead of July media launch aligned with deliveries on track to start in July
- For the full year total wholesales are currently expected to be broadly evenly balanced between sports cars and DBX.

- Testing and development of Aston Martin Valkyrie has resumed after the COVID-19 related closure of test facilities and deliveries are now expected to start in 2021.
- DB5 *Goldfinger* Continuation production has started at Aston Martin Works, Newport Pagnell.
- Strong financial discipline is being applied throughout the business
    - Cost efficiencies are being delivered in-line with plans. Actions to preserve profitability such as furloughing employees due to COVID-19 business interruption, with the Gaydon manufacturing facility currently remaining closed, and re-phasing marketing spend support lower operating costs year-on-year
    - Capital expenditure and R&D investment year-to-date was focused on DBX and Aston Martin Valkyrie shifting towards core sports car mid-cycle refreshes, DBX variant and mid-engine development as the year progresses. H1 capex and R&D is expected to be c.£155m, as the majority of spend arises in H1 as planned
    - At 31 May 2020, cash was £244m and net debt £883m (including lease liabilities of £109m following the adoption of IFRS16 in the prior year), balances reflect reduced payables and DBX capital expenditure prior to deliveries starting in H2.

As disclosed in May, the Company continues review of all future funding and refinancing options to increase liquidity, particularly in light of the ongoing uncertainty presented by COVID-19. Today, the Company announces:

- It has received approval for a Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan of £20m, subject to documentation;
- plans to draw approximately $68m of the delayed draw senior secured notes due 2022 at 12% coupon having exceeded the order condition required to draw the notes; and
- a non-pre-emptive equity raise of up to 19.99% of the Company's current issued ordinary share capital (see separate announcement released today for detail).

Discussions are also ongoing to secure up to £50m of trade financing in addition to inventory financing arrangements currently in place. (30 March 2020: £39.7m).

The Company's Interim Results for the six months to 30 June 2020 are due to be announced on 29 July 2020.

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Aston Martin Lagonda Global Holdings plc by Catherine Sukmonowski, Company Secretary.

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Detail on notes:

It is intended that approximately $68,000,000 in aggregate principal amount of 12% delayed draw senior secured split coupon notes due April 15, 2022 (the "Notes") will be issued by Aston Martin Capital Holdings Limited (the "Issuer"). Pursuant to the terms of the purchase agreements relating to the Notes, the Notes will be issued as senior secured notes and will bear interest at a rate of 12% per annum (comprised of 6% per annum in cash plus 6% per annum paid as PIK interest).

The issuance of the Notes is subject to customary closing conditions and settlement is expected to occur on or around 3 July 2020. The Issuer intends to use the gross proceeds of the offering of the Notes for general corporate purposes, including working capital and capital expenditures and to pay commissions, fees and expenses associated with the issuance of the Notes.

Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Company. All statements other than statements of historical facts included in this press release are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "anticipates", "estimates", "projects", "will", "may", "would", "could" or "should", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the Company's operations. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic and business cycles, the terms and conditions of the Company's financing arrangements, foreign currency rate fluctuations, competition in the Company's principal markets, acquisitions or disposals of businesses or assets and trends in the Company's principal industries. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this press release may not occur. The forward-looking statements contained in this press release speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the Listing Rules, MAR, the DTRs, the rules of the London Stock Exchange or the FCA.

Cautionary Statement

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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