RNS Number : 4470U
Aston Martin Lagonda Global Hld PLC
29 July 2020

**29 July 2020**

# Aston Martin Lagonda Global Holdings plc

**Interim results for the six months to 30 June 2020**

---

- **Yew Tree Consortium and other investors inject £688m of new equity**
- **Lawrence Stroll appointed Executive Chairman in April**
- **Appointment of New Executive team, led by Tobias Moers (ex. Mercedes AMG)**
- **Significant progress in rebalancing supply to demand, reducing dealer inventory**
- **Decisive action on costs to align organisation to lower wholesales**
- **Highly competitive Aston Martin branded Formula One™ team from 2021**
- **DBX deliveries started in July and media launch underway**

| *£m* | **H1 2020** | **H1 2019**[1] | ***% change*** |
|---|---|---|---|
| **Total retails**[2] | **1,770** | **2,996** | ***(41%)*** |
| **Total wholesales**[2] | **895** | **2,442** | ***(63%)*** |
| Revenue | 146.0 | 406.0 | *(64%)* |
| **Adjusted EBITDA**[3] | **(89.0)** | **20.8** | ***(n.m.)*** |
| **Adjusted operating loss**[3] | **(145.5)** | **(36.4)** | ***(n.m.)*** |
| | | | |
| Total adjusting items before tax[4] | (13.8) | (9.1) | *(n.m.)* |
| **Operating loss** | **(159.3)** | **(38.9)** | ***(n.m.)*** |
| Loss before tax | (227.4) | (80.0) | *(n.m.)* |
| | | | |
| Net debt[5] | 751.0 | 843.6 | |

*[1]H1 2019 has been restated for the correction of an error see note 2 of the Interim Financial Statements for detail; [2]Number of vehicles including specials; [3]Alternative performance measures are defined in the Appendix; [4]Adjusting items are detailed in note 5 of the Interim Financial Statements; [5] Includes lease liabilities (30 June 2020: £110m, 30 June 2019: £112m)*

*Lawrence Stroll, Aston Martin Lagonda Executive Chairman, said:*

"This has been a very intense and challenging six months. In January, I and my co-investors in the Yew Tree Consortium, committed to make a significant investment in Aston Martin and I took on the role of Executive Chairman from April to give clear leadership to the business, our partners and our dealers. Since then we have been fully engaged in executing the initial reset in order to achieve our ambition to build Aston Martin into one of the great global luxury car brands.

Obviously, it has been a challenging period with our dealers and factories closed due to Covid-19, in addition to aligning our sales with inventory with the associated impact on financial performance as we reposition for future success. However, I have been most impressed that through this most challenging of times we have been able to reduce our dealers' sports car inventory by 869 units.

We have also taken action to right-size the cost base in alignment with our plans and raised £688m of new equity from my consortium and other investors, to strengthen the balance sheet and improve liquidity. Throughout this time our primary concern has been the safety of our colleagues and I am full of admiration for how they have responded to the many challenges Covid-19 has presented.

We have recruited an outstanding new senior Executive team with the appointment of Tobias Moers as CEO and Ken Gregor as CFO - both bring deep experience of this industry.

The new DBX is critical to our successful future and I am delighted that, after more than a month of closure, production restarted and initial deliveries have now been made. Also critical to our future is the ability to market and engage with our customers. From next year, we will have the great benefit of a highly competitive Aston Martin branded 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.

Our ambition for the Company is significant, clear and only matched by our determination to succeed, to transform Aston Martin and capture the huge and exciting opportunity ahead of us. We have already made great progress in the first 90 days I've been in the business. There is still much to be done and I am looking forward to working with Tobias, Ken and the rest of the Aston Martin team as we execute our plans and keeping you updated as we progress."

**Key results - six months to 30 June 2020**

- Total retail[1] sales (1,770 cars) down 41%, ahead of wholesales in unit terms leading to an 869 unit reduction in dealer inventory
  - Q2 down 48%, weaker than Q1 down 34% due to full quarter impact of Covid-19; early signs from China, where all dealerships were re-opened in June, are encouraging with retails up 11% year-on-year in the month
- Total wholesales[2] (895 cars), down 63%. Covid-19 impacted dealer operations, amplifying the planned reduction of wholesales to reduce dealer inventories to luxury norm levels and rebalance supply to demand for sports cars
  - One Special, a DB5 *Goldfinger* Continuation, compared with 36 Specials in H1 2019
- Revenues declined to £146m principally due to volume decline
  - Product mix was favourable (higher DB11 and DBS Superleggera)
  - Customer and retail financing support per vehicle remained elevated at broadly similar levels to H2 2019
- Operating loss increased year-on-year principally due to the revenue decline and included a £17m FX headwind
  - Results benefited from c.£10m of furlough credits, reduced marketing spend (some of which was phasing) and cost control actions offsetting incremental St Athan ramp-up costs of c.£3m;
- Free cashflow[3] of £(371)m reflects the operating loss, a working capital outflow of £86m, H1 weighted capital expenditure of £162m and net interest paid of £30m
- Cash at 30 June of £359m includes net equity raise proceeds received in the period (£662m)
  - Funds from the draw of approximately $68m of delayed draw notes (DDNs), the £5m retail element of the June placing and the £20m Coronavirus Large Business Interruption Loan Scheme (CLBILS) were received in July; Proforma cash at 30 June including these funds and net of fees was c.£430m
  - Net debt at 30 June was £751m (31 December 2019: £988m).

**Strategic progress**

- Continued progress in rebalancing supply to demand of core sports cars with dealer stock reduced by 869 units (Q1 428 units, Q2 441 units), representing approximately three-months' retail sales
- Appointment of new Chief Executive Officer, Tobias Moers, joining 1 August and new Chief Financial Officer, Ken Gregor, who joined on 22 June, both with significant automotive experience
- Scaled up St Athan manufacturing operations with full production of the Company's first SUV, DBX, now started; media launch and deliveries underway; car named as one of UK automotive publication Autocar's 2020 Game Changers
- Outlined further actions to improve the cost efficiency of the business to operate as a true luxury car brand, in alignment with the strategic plan to deliver sustainable profitable growth. Proposals to reduce employee numbers by up to 500, reflecting lower than originally planned production volumes and improved productivity across the business. Annualised efficiencies of c.£28m expected.

**Outlook**

- 2020 is the year in which the business is being reset to enable it to operate as a true luxury company. This process, which involves reducing core wholesales to rebalance supply to demand and has a negative impact on results through the reset period, is necessary for the long-term performance of the Company
- The uncertainty surrounding the duration and impact of Covid-19 on the global economy continues. Trading remains challenging in many markets and the pace of emergence from lockdown and consumer recovery varies significantly. This will impact the duration of the dealer de-stocking process for sports cars, currently expected to continue well into 2021
  - More than 90% of the dealer network globally is now open
  - For the full year total wholesales are currently expected to be broadly evenly balanced between sports cars and DBX; DB5 *Goldfinger* Continuations have started to be delivered and 19 DBS GT Zagatos are on track for H2 delivery. As previously updated, Aston Martin Valkyrie deliveries are expected to start in FY 2021
  - Gaydon is due to resume manufacturing at the end of August, later than originally planned
  - Additional cost efficiencies are being delivered in-line with plans (c.£28m annualised in 2021: reduced direct manufacturing costs in line with volumes (c.£8m), operating costs (c.£10m) and reduced capital expenditure (c.£10m)), with low single digit £m benefit expected this year. The associated cash restructuring costs are expected to be c. £12m and have been booked in H1
  - Capital expenditure was H1 weighted, as planned, with FY 2020 investment expected to be c.£260m
  - With DBX and Specials deliveries in H2 depreciation and amortisation will increase year-on-year; the full year income statement net finance charge is expected to be c.£123m (assuming current exchange rates prevail for the remainder of the year).

**Prior year accounting adjustment**

- During the H1 results preparation process, the Company identified that its US region was deducting the majority of dealer and customer incentive support from revenue later than it should have been. As a result, the balance sheets of the Group as at 31 December 2018, 30 June 2019 and 31 December 2019 and the income statements for the six months ended 30 June 2019 and the year ended 31 December 2019 have been restated to correct this error.
  - This is a non-cash adjustment and has no impact on historic or future cashflows. Full details are set out in note 2 of the Interim Financial Statements
  - The impact of the adjustment is a reduction in EBIT of £(15.3)m in the full year to December 2019.

[1] Dealers sales to customers (some Specials are direct to customer)

2 Company sales to dealers (some Specials are direct to customer)

3 Operating cashflow less capital investment and net interest

All metrics and commentary in this announcement exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

**Enquiries**
**Investors and Analysts**
Charlotte Cowley Director of Investor Relations +44 (0)7771 976764
charlotte.cowley@astonmartin.com

**Media**
Kevin Watters Director of Communications +44 (0)7764 386683
kevin.watters@astonmartin.com
Grace Barnie Corporate Communications Manager +44 (0)7880 903490
grace.barnie@astonmartin.com

**Tulchan Communications**
Harry Cameron and Simon Pilkington +44 (0)20 73534200

- Recorded presentations accompanying this release from Lawrence Stroll and Kenneth Gregor are available on the corporate website from 7.30am today
- There will be a live Q&A for investors and analysts today at 08:30am
- Presentations and the Q&A can be accessed here https://www.astonmartinlagonda.com/investors/calendar/h1-2020-results; a dial-in facility is also available on +44 (0) 203 0095710; PIN: 2849635#
- A replay facility will be available on the website later in the day



## Sales & Revenue analysis

| Number of vehicles | H1 2020 | H1 2019 | % change |
|---|---|---|---|
| **Retail** | **1,770** | **2,996** | ***(41%)*** |
| Core (excluding Specials) | 1,763 | 2,907 | *(39%)* |

| Number of vehicles | H1 2020 | H1 2019 | % change |
|---|---|---|---|
| **Wholesale** | **895** | **2,442** | ***(63%)*** |
| Core (excluding Specials) | 894 | 2,406 | *(63%)* |
| By region: | | | |
| UK | 275 | 565 | *(51%)* |
| Americas | 280 | 700 | *(60%)* |
| EMEA ex. UK | 191 | 490 | *(61%)* |
| APAC | 149 | 687 | *(78%)* |
| By model: | | | |
| Sports | 283 | 865 | *(67%)* |
| GT | 596 | 1,458 | *(59%)* |
| Other | 15 | 83 | *(82%)* |
| Specials | 1 | 36 | *(97%)* |

*Note: Sports includes Vantage, GT includes DB11 and DBS Superleggera, Other includes prior generation models such as Rapide AMR*

Total retails were down 41% with dealer operations and customer demand more heavily impacted by the advance of Covid-19 globally during Q2 (down 48%) than Q1 (down 34%). Early signs from China, where all dealerships were re-open in June, were encouraging with retail sales up 11% year-on-year in the month, albeit off low volumes.

Total wholesales declined 63% aligned to the strategy of rebalancing supply to demand and reflecting lower dealer demand given the disruption to operations from Covid-19. Q2 (down 77%) was weaker than Q1 (down 45%) as expected. There was one Special delivered in the period, a DB5 *Goldfinger* Continuation, compared with 36 Specials in the prior year.

With retails significantly ahead of wholesales in unit terms, core dealer inventory reduced by 869 units (Q1 428 units, Q2 441 units), as the Company makes significant progress towards reducing dealer stock to more typical luxury levels.

### *Revenue by Category*

| *£m* | H1 2020 | H1 2019[1] | *% change* |
|---|---|---|---|
| Sale of vehicles | 113.1 | 355.0 | *(68%)* |
| Sale of parts | 23.1 | 32.2 | *(28%)* |

| | | | |
|---|---|---|---|
| Servicing of vehicles | 3.5 | 5.2 | *(33%)* |
| Brand and motorsport | 6.3 | 13.6 | *(54%)* |
| **Total** | **146.0** | **406.0** | ***(64%)*** |

*Note: H1 2019 has been restated to correct for an error, see note 2 of Interim Financial Statements for detail*

First half revenues were £146m, down year-on-year, as the Company started to reset core sports car volumes aligned to regaining exclusivity and operations were impacted by the advance of Covid-19.

In pursuit of lowering dealer stock to luxury levels, customer and retail financing support per unit to drive retail sales remained elevated at broadly similar levels to H2 2019. Product mix was positive, with a greater proportion of DB11 and DBS Superleggera than in the prior year period. These factors combined with lower volumes led to a 68% decline in revenue from sale of vehicles.

Wholesale average selling price (ASP) is impacted by the customer and retail financing support and the de-stocking dynamic with retail units about double wholesales in the period. Core ASP decreased to £121k (H1 2019: £139k) and improved to £136k in Q2 compared with £113k in Q1. With just one Special compared with 36 in H1 2019, total ASP was £124k (H1 2019: £145k).

### Summary income statement and analysis

| *£m* | **H1 2020** | **H1 2019[1]** |
|---|---|---|
| **Revenue** | **146.0** | **406.0** |
| Cost of sales | (148.8) | (259.2) |
| **Gross (loss)/profit** | **(2.8)** | **146.8** |
| *Gross margin* | *n.m.* | *36.2%* |
| | | |
| Operating expenses[2] | (142.7) | (164.2) |
| *of which depreciation & amortisation* | *56.5* | *57.2* |
| Other (expense) | - | (19.0) |
| **Adjusted operating loss** | **(145.5)** | **(36.4)** |
| *Adjusted operating margin* | *n.m.* | *n.m.* |
| Adjusting operating items | (13.8) | (2.5) |
| **Operating loss** | **(159.3)** | **(38.9)** |
| | | |
| Net financing expense | (68.1) | (41.1) |
| *of which adjusting financing items* | - | *(6.6)* |
| **Loss before tax** | **(227.4)** | **(80.0)** |
| Taxation | 27.6 | 17.2 |
| **Reported net income** | **(199.8)** | **(62.8)** |
| | | |
| **Adjusted EBITDA** | **(89.0)** | **20.8** |
| *Adjusted EBITDA margin* | *n.m.* | *5.1%* |
| **Adjusted loss before tax** | **(213.6)** | **(70.9)** |
| | | |
| EPS (pence)[3] | (16.7) | (7.3) |
| **Adjusted EPS (pence)[3]** | **(15.8)** | **(6.4)** |

*Note: For definition of alternative performance measures and detail on adjusting items please see the Appendix and note 19 of the Interim Financial Statements; [1]H1 2019 has been restated to correct for an error, see note 2 of Interim Financial Statements for detail; [2]Excludes adjusting items;[3] Under IAS 33 The weighted average number of ordinary shares in the comparative period has been restated to reflect the bonus element of the rights issue completed on 1 April 2020.*

The operating loss of £159m reflected the flow through of the revenue reduction to gross margin, with an offset from tight control of operating expenses, there was also an FX headwind of £17m.

Total adjusted operating expenses were £143m, down £21m year-on-year reflecting cost discipline through the Covid-19 crisis and includes the benefit of c. £10m of furlough credits from the Government's Coronavirus Job Retention Scheme. At its peak, more than 75% of employees were furloughed. As St Athan re-opened on 5 May these credits reduced as the period progressed, and at the end of June c.30% of employees remained furloughed. Expenses also benefited from some fixed marketing savings and some re-phasing of spend, as an example the revised timings for the release of the new James Bond film. The fixed cost base started to see the benefits of the initial cost reduction programme, offsetting c.£3m of incremental St Athan costs as it scaled up to start production.

Depreciation and amortisation of £57m was broadly unchanged year-on-year giving adjusted EBITDA of £(89)m (H1 2019: £21m).

Adjusting operating items of £14m predominantly consist of restructuring costs of £12m associated with the previously announced cost reduction actions expected to deliver annualised savings of c.£28m in FY 2021, with low single digit £m savings expected in H2 2020. Other adjusting operating items totalled £2m (£2m lease asset impairment related to a site closure, £3m related to management settlement agreements and a £3m credit associated with legacy incentive schemes).

Net financing costs of £68m were up from £41m in the prior year reflecting higher interest payments year-on-year given the $150m of new notes issued in H2 2019 and a full six months of interest on the $190m Senior Secured Notes drawn April 2019. Net financing costs includes a £20m adverse FX charge principally due to the US dollar denomination of the notes. The loss before tax was £227m (H1 2019: £80m).

The effective tax rate for the half-year was 12%, lower than the prior year principally due to a corporate interest rate restriction (relating to the tax treatment of interest costs) (H1 2019: 22%).

The total share count at 30 June 2020 was 1,824m, increased by 1,596m shares due to issuance in the period. The weighted average number of shares in the period was 1,203m giving an adjusted EPS of (15.8)p (H1 2019: (6.4)p).

### Cash flow and net debt

| *£m* | H1 2020 | H1 2019 |
|---|---|---|
| Cash (used in) / generated from operating activities | (179.4) | 20.8 |
| Cash used in investing activities | (159.9) | (159.0) |
| Cash inflow from financing activities | 597.3 | 121.0 |
| Effect of exchange rates on cash and cash equivalents | (6.5) | (0.5) |
| Increase/(Decrease) in net cash | 251.5 | (17.7) |
| **Cash balance** | **359.4** | **126.9** |

Net cash outflow from operating activities was £179m (H1 2019: £21m inflow) driven by the operating loss of £159m and a working capital outflow of £86m. A substantial payables outflow of £110m, largely in early Q2, was the most significant contributor to the working capital outflow. Inventory increased to support the production of DBX at St Athan. This planned increase was somewhat offset by reduced finished goods stock, with Gaydon manufacturing suspended throughout Q2. The resulting inventory outflow was £30m. Offsetting these, a receivables inflow of £51m is largely due to lower wholesales and realisation of the majority of the Q4 2019 overhang in Q1 2020. Deposits were broadly unchanged at £322m.

Capital expenditure was £162m with investment focused on DBX and Aston Martin Valkyrie. Capital expenditure is still expected to be significantly H1 weighted, with investment shifting towards core sports car mid-cycle refreshes and mid-engine development in H2.

Free cashflow[1] of £(371)m (H1 2019: £(161)m) prior to financing was significantly improved towards the end of the quarter, with lower payables outflow in June and reduced capital expenditure.

Cash inflow from financing of £597m included net proceeds of £662m from the placing and equity raise completed in April and the non-pre-emptive equity raise in June (£5m relating to the retail element of the June placing was received in early July) along with a c.£20m reduction in inventory financing. This inventory financing facility remains available for up to £40m to support short term working capital as required. Cash interest paid in the period was £31m (H1 2019: £23m).

The net cash inflow of £252m resulted in a closing cash balance of £359m at 30 June 2020, up from £108m at 31 December 2019.

[1] Operating cashflow less capital investment and net interest

| *£m* | 30-Jun-20 | 31-Dec-19 | 30-Jun-19 |
|---|---|---|---|
| Senior Secured Notes [1] | 877.0 | 829.9 | 734.9 |
| Unsecured loans | - | - | 0.9 |
| Inventory financing | 19.5 | 38.9 | - |
| Bank loans and overdrafts | 114.6 | 124.0 | 123.1 |
| Lease liabilities (IFRS 16) | 110.0 | 111.4 | 111.6 |
| **Gross debt** | **1,121.1** | **1,104.2** | **970.5** |
| Cash balance | 359.4 | 107.9 | 126.9 |
| Cash not available for short-term use | 10.7 | 8.7 | - |
| **Net debt** | **751.0** | **987.6** | **843.6** |
| Adjusted leverage | n.m. | 8.3x | 5.3x |

[1] *Nominal value £882m (£285m @ 5.75%, $590m @6.5% and $150m @12%)*

Net debt at 30 June 2020 was down to £751m (31 December 2019: £988m) primarily due to the higher cash balance. Gross debt includes back-to-back facilities in China (£34m) and a £70m drawdown of the RCF supporting working capital requirements. Inventory financing reduced to £20m (31 December 2019: £39m).

Post quarter-end, funds of approximately $68m from the delayed draw notes (DDNs) at 12% (6% cash; 6% PIK), the retail element[1] (£5m) of the June equity placing and the £20m Coronavirus Large Business Interruption Loan Scheme (CLBILS) were received. Proforma gross debt post CLBILS and DDN draw was £1,196m. Proforma cash at 30 June including these additional funds and the retail element of the June equity placing was c.£430m net of fees.

## APPENDICES

### Dealerships

| | 30 Jun-20 | 30 Jun-19 |
|---|---|---|
| UK | 22 | 21 |
| Americas | 44 | 44 |
| EMEA ex. UK | 50 | 55 |
| APAC | 46 | 42 |
| **Total** | **162** | **162** |
| *Number of countries* | *51* | *53* |

### Units

| Retail | Q1-20 | Q1-19 | Change | Q2-20 | Q2-19 | Change | H1-20 | H1-19 | Change |
|---|---|---|---|---|---|---|---|---|---|
| **Total** | **1,010** | **1,528** | ***(34%)*** | **760** | **1,468** | ***(48%)*** | **1,770** | **2,996** | ***(41%)*** |
| Core (ex. Specials) | 1,006 | 1,468 | *(31%)* | 757 | 1,439 | *(47%)* | 1,763 | 2,907 | *(39%)* |

| Wholesale | Q1-20 | Q1-19 | Change | Q2-20 | Q2-19 | Change | H1-20 | H1-19 | Change |
|---|---|---|---|---|---|---|---|---|---|
| UK | 229 | 235 | *(3%)* | 46 | 330 | *(86%)* | 275 | 565 | *(51%)* |
| Americas | 107 | 250 | *(57%)* | 173 | 450 | *(62%)* | 280 | 700 | *(60%)* |
| EMEA ex. UK | 148 | 211 | *(30%)* | 43 | 279 | *(85%)* | 191 | 490 | *(61%)* |
| APAC | 94 | 361 | *(74%)* | 55 | 326 | *(83%)* | 149 | 687 | *(78%)* |
| **Total** | **578** | **1,057** | ***(45%)*** | **317** | **1,385** | ***(77%)*** | **895** | **2,442** | ***(63%)*** |

| Wholesale | Q1-20 | Q1-19 | Change | Q2-20 | Q2-19 | Change | H1-20 | H1-19 | Change |
|---|---|---|---|---|---|---|---|---|---|
| Sport | 188 | 289 | *(35%)* | 95 | 576 | *(84%)* | 283 | 865 | *(67%)* |
| GT | 382 | 693 | *(45%)* | 214 | 763 | *(72%)* | 596 | 1,458 | *(59%)* |
| Other | 8 | 43 | *(81%)* | 7 | 42 | *(83%)* | 15 | 85 | *(82%)* |
| Specials | 0 | 32 | *n.m.* | 1 | 4 | *(75%)* | 1 | 36 | *(97%)* |
| **Total** | **578** | **1,057** | ***(45%)*** | **317** | **1,385** | ***(77%)*** | **895** | **2,442** | ***(63%)*** |

*Note: Sports includes Vantage, GT includes DB11 and DBS Superleggera, Other includes prior generation models such as Rapide AMR*

### Retail/Wholesale units historic data

| Retail | Q1-18 | Q2-18 | Q3-18 | Q4-18 | Q1-19 | Q2-19 | Q3-19 | Q4-19 |
|---|---|---|---|---|---|---|---|---|
| **Total** | **1,114** | **1,272** | **1,579** | **1,562** | **1,528** | **1,468** | **1,486** | **1,654** |
| Core (ex. Specials) | 1,058 | 1,217 | 1,533 | 1,531 | 1,468 | 1,439 | 1,463 | 1,629 |
| **Wholesale** | **Q1-18** | **Q2-18** | **Q3-18** | **Q4-18** | **Q1-19** | **Q2-19** | **Q3-19** | **Q4-19** |
| Sport | - | 261 | 854 | 1,080 | 289 | 576 | 585 | 800 |
| GT | 682 | 902 | 836 | 1,112 | 693 | 763 | 862 | 1,066 |
| Other | 233 | 126 | 71 | 99 | 43 | 42 | 39 | 40 |
| Specials | 48 | 47 | 15 | 75 | 32 | 4 | 11 | 17 |
| **Total** | **963** | **1,336** | **1,776** | **2,366** | **1,057** | **1,385** | **1,497** | **1,923** |

*Note: Sports includes Vantage, GT includes DB11 and DBS Superleggera, Other includes prior generation models such as Rapide AMR*

### Restatement summary

| | Q1-19 | Q2-19 | Q3-19 | Q4-19 | Q1-20 |
|---|---|---|---|---|---|
| Additional accrual (£m) | 8.1 | 15.0 | 21.8 | 29.1 | 20.3 |
| Impact on EBIT (£m) | 5.7 | (7.0) | (6.8) | (7.2) | 8.8 |
| ASP Total/core (£k) | 165/154 | 129/128 | 147/126 | 158/127 | 113/113 |
| As previously reported ASP Total/core (£k) | 160/149 | 134/134 | 151/130 | 163/132 | 98/98 |

All data in the tables below is presented restated for the adjustments above. For full detail see note 2 of the Interim Financial Statements

### Summary financials

| *£m* | Q1-20 | Q1-19 | Q2-20 | Q2-19 | H1-20 | H1-19 |
|---|---|---|---|---|---|---|
| Total wholesale volumes[1] | 578 | 1,057 | 317 | 1,385 | 895 | 2,442 |
| Revenue | 88.8 | 201.5 | 57.2 | 204.5 | 146.0 | 406.0 |
| Gross profit | 14.3 | 88.1 | (17.1) | 58.7 | (2.8) | 146.8 |

| | | | | | | |
|---|---|---|---|---|---|---|
| *Gross margin* | *16.1%* | *43.7%* | *(29.9%)* | *28.7%* | *(1.9%)* | *36.2%* |
| Adjusted EBITDA | (38.1) | 34.0 | (50.9) | (13.2) | (89.0) | 20.8 |
| *Adjusted EBITDA margin* | *(42.9%)* | *16.9%* | *(89.0%)* | *(6.5%)* | *(61.0%)* | *5.1%* |
| Adjusted operating (loss) | (67.0) | 3.5 | (78.5) | (39.9) | (145.5) | (36.4) |
| *Adjusted operating margin* | *(75.5%)* | *1.7%* | *n.m.* | *(19.5%)* | *n.m.* | *(9.0%)* |
| | | | | | | |
| Adjusting operating items | (0.9) | (1.0) | (12.9) | (1.5) | (13.8) | (2.5) |
| Adjusting financing items | - | (8.0) | - | 1.4 | - | (6.6) |
| Operating (loss)/profit | (67.9) | 2.5 | (91.4) | (41.4) | (159.3) | (38.9) |
| (Loss) before tax | (110.1) | (11.6) | (117.3) | (68.4) | (227.4) | (80.0) |

*Note: For definition of alternative performance measures please see Appendix and note 19 of the Interim Financial Statements; [1]Number of vehicles including specials*

### Summary cash flow statement

| *£m* | Q1-20 | Q1-19 | Q2-20 | Q2-19 | H1-20 | H1-19 |
|---|---|---|---|---|---|---|
| Cash (used in)/generated from operating activities | (4.1) | 46.6 | (175.3) | (25.8) | (179.4) | 20.8 |
| Cash used in investing activities | (84.2) | (76.3) | (75.7) | (82.7) | (159.9) | (159.0) |
| Cash inflow from financing activities | 156.4 | 14.6 | 440.9 | 106.4 | 597.3 | 121.0 |
| Effect of exchange rates on cash and cash equivalents | (4.3) | (1.7) | (2.2) | 1.2 | (6.5) | (0.5) |
| Net cash inflow/(outflow) | 63.8 | (16.8) | 187.7 | (0.9) | 251.5 | (17.7) |
| **Cash balance** | **171.7** | **127.8** | **359.4** | **126.9** | **359.4** | **126.9** |

### Alternative Performance Measure

| *£m* | H1 2020 | H1 2019 |
|---|---|---|
| **Loss for the period** | **(227.4)** | **(80.0)** |
| Adjusting operating expense | **13.8** | **2.5** |
| Adjusting finance expense | **-** | **6.6** |
| **Adjusted EBT** | **(213.6)** | **(70.9)** |
| Adjusted finance income | **(1.6)** | **(3.2)** |
| Adjusted finance expense | **69.7** | **37.7** |
| **Adjusted operating loss** | **(145.5)** | **(36.4)** |
| Reported depreciation | **22.7** | **24.7** |
| Reported amortisation | **33.8** | **32.5** |
| **Adjusted EBITDA** | **(89.0)** | **20.8** |

### Alternative performance measures

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
- Adjusted operating loss is loss from operating activities before adjusting items
- Adjusted EBITDA removes depreciation, loss/(profit) on sale of fixed assets and amortisation from adjusted EBIT
- 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, cash held not available for short-term use (the definition of this APM has been updated since 31 December 2019)
- Adjusted leverage is represented by the ratio of Net Debt, to the last 12 months adjusted EBITDA (the definition of this APM has been updated since 31 December 2019)
- Free cashflow is represented by net cash (outflow)/inflow from operating activities plus the net cash used in investing activities plus interest paid in the period.

Further details and definitions of adjusting items are contained in note 5 of the Interim Financial Statements.

**Principal risks**

Delivery of our strategic objectives is dependent on effective risk management and there are a number of potential risks and uncertainties which could have a material impact on the Group's performance. The principal risks previously reported on pages 55 to 66 of the 2019 Annual Report have been reassessed during the period together with consideration of new and emerging risks and opportunities.

Covi-19 has impacted many aspects of the Group's operations and finances, with global dealerships experiencing extended periods of closure, the temporary cessation of manufacturing activity at the Gaydon and St Athan manufacturing plants and significant disruption to the global supply chain. The Group implemented its incident management plan in response to this evolving situation with daily Executive Committee Covid-19 briefings and the establishment of a Covid-19 Taskforce to manage the situation. This comprised key senior management from all functions of the business. The health, safety and well-being of our employees, associates, customers and other stakeholders remains our priority and is at the forefront of our response to the pandemic.

The Group has taken action to mitigate the significant risks posed by Covid-19. These include:

- Capital and funding actions including the successful equity placing, rights issue and non-pre-emptive equity raise, partial drawdown of the delayed draw notes, obtaining grant income from the Coronavirus Job Retention Scheme and accessing the Coronavirus Large Business Interruption Loan Scheme;
- Operational processes including the provision of appropriate personal protective equipment to employees and the implementation of other measures to ensure a safe working environment;
- Facilitating temporary working from home arrangements to minimise risk of infection and spread on site;
- Implementing strict cost control measures to protect short term liquidity including shut-down of manufacturing facilities and making use of the Job Retention Scheme to place employees on furlough where appropriate; and,
- Commencing a restructuring programme to further reduce the fixed cost base of the business to be more commensurate with the forecast future demand for our vehicles.

The current and ongoing impact of Covid-19 has been considered as part of the half-year risk assessment, with all corporate risks being reassessed in the light of the Covid-19 pandemic. Covid-19 has emerged as a multi-faceted risk impacting a number of our principal risks and so we have assessed its impact across our individual corporate risk assessments. The temporary closure of the majority our dealership network and temporary cessation of production at Gaydon and St Athan presented immediate Cash flow and operational challenges.

We have not identified any new principal risks. Several of the principal risk likelihood and impact ratings have changed, primarily as a result of the Covid-19 pandemic with the most significant changes being:

- Increased likelihood of supply chain disruption due to the impact of Covid-19 and the approaching end of the Brexit transition period on 31 December 2020;
- Increased likelihood and impact of the failure to attract, develop and retain top talent risk as a result of the recent Executive Management and Board personnel changes and the current restructuring activity;
- Increased likelihood of potential impairment of capitalised development costs as a result of volume reductions within the reset Business Plan and the ongoing impact of Covid-19 on global sales;
- Reduced likelihood and impact of the inability to deliver major programmes risk as St Athan is now fully operational and production of the DBX has commenced; and,
- Insufficient liquidity risk remains a principal risk despite the likelihood initially reducing due to the successful capital raise activity, with this being offset by pressure in the opposite direction caused by underperformance against plan due to Covid-19.

Aside from the above key changes the remaining principal risks and uncertainties that the Group faces for the second half of the year are consistent with those previously reported as summarised below:

**Strategic risks**

<u>Macro-economic and political instability:</u> The Group operates in many markets exposing us to changing economic, regulatory, social and political developments that may impact customer demand, profitability or our ability to sell within those markets. Adverse macro-economic conditions or country-specific changes to the operating, regulatory or political environment may lead to an unfavourable business climate and significant tensions between major trading parties which could impact the Group's operations. This may include explicit trade protectionism, differing tax or regulatory regimes, changing public sentiment or reduced disposable incomes which could affect demand for our vehicles. The impact of Covid-19 and changing customer behaviours could adversely affect demand for our vehicles.

<u>Inability to maintain favourable competitive positioning:</u> Maintaining our competitiveness in the high luxury segment car market is critical to achieving our strategic growth objectives. The Group competes with a number of other manufacturers with strong brands and reputations and which may have access to greater financial resources. The high luxury segment is relatively small due to the price at which cars are sold and significant investment is required to introduce new models to the market, which relies on a sufficient level of demand to support the growing levels of production and competition. The trend towards cars with lower engine capacity and alternative powertrains could adversely affect the Group.

<u>Brand/reputational damage arising from poor quality, late delivery, product recall or ineffective brand positioning and awareness:</u> Our brand and reputation are critical in securing demand for our vehicles and in developing additional revenue streams. Damage to our brand or reputation for any reason could significantly impact our ability to deliver the volume growth required to support our strategy.

<u>Inability to incorporate automotive technological advancements (e.g. active safety, connected car, electrification, autonomous driving):</u> Inability to keep pace with changing customer requirements and expectations with the move towards more advanced technologies due to reliance on third parties for key components and availability of funds to invest internally on product development. The Group's current liquidity position and funding structure may restrict the availability of funds to pursue potential acquisitions, invest in organic growth projects or exploit emerging business opportunities to maintain our competitiveness in relation to technological change. In particular, keeping abreast of the development of new technology (e.g. active safety, connected car, electrification, autonomous driving) in line with changes in trends and customer tastes. The Group is currently reliant upon certain key suppliers maintaining their pace of technological development and making this available to the Group in a timely manner and at an acceptable cost.

**Operational risks**

<u>Failure to attract, develop and retain top talent:</u> Inability to attract, motivate, develop and retain our people to perform to the best of their ability to meet our strategic objectives. Our performance, operating results and future growth depend on our ability to attract, motivate and retain talent with the appropriate level of expertise to deliver our strategy. The impact of current financial performance on remuneration and benefits and recent restructuring activities increase the risk of loss of key individuals and skills.

<u>Inability to deliver major programmes:</u> Failure to implement major programmes on time, within budget and to the right technical specification could jeopardise delivery of the strategy and have significant adverse financial and reputational consequences. Successful delivery of significant programmes (including the new manufacturing facility in St Athan and core (DBX) and special (Valkyrie) vehicle programmes) is fundamental to the achievement of the Group's strategic objectives.

<u>Inadequate protection against cyber-attack resulting in potential loss of data, system availability or operational disruption:</u> A cyber security breach could result in an unplanned system outage, impacting core operations and/or result in a major data loss leading to reputational damage and financial loss. The Group's technology environment is critical to its success and operational resilience. A robust control environment helps decrease the risk of core business operational disruption and major data loss.

<u>Potential disruption to the supply chain:</u> Supply chain disruption could result in production stoppages, delays, quality issues and/or increased costs resulting in adverse operational and financial consequences for the Group. Potential loss of key Tier 1 supplier or a single-source supplier, or deterioration in quality, could seriously jeopardise production resulting in delayed or lost sales and brand/reputational damage. (See also the principal risk relating to Brexit). The Group's exposure to this risk is adversely affected by Covid-19 due to the complex, global nature of the automotive supply chain and the increased likelihood of supplier failure in the current environment.

**Compliance risks**

<u>Potential non-compliance with laws and regulations:</u> The Group's operations are subject to a broad spectrum of national and regional laws and regulations in the various jurisdictions in which we operate. These include product safety, emissions, trademarks, competition, employee and customer health and safety, data, corporate governance, employment and tax. Changes to laws and regulations or a major compliance breach could have a material impact on the business.

<u>Uncertainty surrounding Brexit:</u> Various Brexit scenarios could impact the Group's financial position, supply chain and people. Whilst the UK officially left the EU on 31 January 2020 uncertainty remains as to the nature of any future trade agreements once the transition period ends on 31 December 2020. The current uncertainty regarding the way the UK leaves the EU makes it very difficult to plan for, with multiple scenarios having to be considered and addressed.

**Financial risks**

<u>Insufficient liquidity and lack of financial stability to support planned growth and operations:</u> The Group may not be able to generate sufficient cash to fund its capital expenditure and sustain its operations and its significant leverage may make it difficult for the Group to operate its business. The liquidity of the Group improved as a result of the strategic equity placement and rights issue which completed during Q1. However since then the ongoing impact of Covid-19 has exerted additional liquidity pressure on the business. The Group's liquidity requirements arise primarily from its need to fund capital expenditure for product development, working capital and to service debt.

Potential impairment of capitalised development costs: The value of capitalised development costs continues to grow as we expand our product portfolio. The carrying value of development costs in our balance sheet is dependent upon the future profitability of the vehicle platforms to which they are attributed. A significant reduction in vehicle lifecycle profitability could result in the need to impair the capitalised development intangible asset.

The risks summarised above, linkage to the Group's strategy, and mitigating actions taken in respect of them, are explained and described in more detail on pages 55 to 66 of the 2019 Annual Report.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Notes | **6 months ended 30 June 2020** Adjusted | Adjusting items | Total | 6 months ended 30 June 2019 *restated* [1] Adjusted | Adjusting items | Total | 12 months ended 31 December 2019 *restated* [1] Adjusted | Adjusting items | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **£m** | **£m** | **£m** | £m | £m | £m | £m | £m | £m |
| **Revenue** | 3 | **146.0** | **-** | **146.0** | 406.0 | - | 406.0 | 980.5 | - | 980.5 |
| Cost of sales | | **(148.8)** | **-** | **(148.8)** | (259.2) | - | (259.2) | (642.7) | - | (642.7) |
| **Gross (loss)/profit** | | **(2.8)** | **-** | **(2.8)** | 146.8 | - | 146.8 | 337.8 | - | 337.8 |
| Selling and distribution expenses | | **(34.2)** | **-** | **(34.2)** | (44.8) | - | (44.8) | (95.0) | - | (95.0) |
| Administrative expenses | 5 | **(108.5)** | **(13.8)** | **(122.3)** | (119.4) | (2.5) | (121.9) | (233.7) | (42.1) | (275.8) |
| Other expense | 4 | **-** | **-** | **-** | (19.0) | - | (19.0) | (19.0) | - | (19.0) |
| **Operating (loss)/profit** | | **(145.5)** | **(13.8)** | **(159.3)** | (36.4) | (2.5) | (38.9) | (9.9) | (42.1) | (52.0) |
| Finance income | 6 | **1.6** | **-** | **1.6** | 3.2 | - | 3.2 | 16.3 | - | 16.3 |
| Finance expense | 5, 7 | **(69.7)** | **-** | **(69.7)** | (37.7) | (6.6) | (44.3) | (77.3) | (6.6) | (83.9) |
| **Loss before tax** | | **(213.6)** | **(13.8)** | **(227.4)** | (70.9) | (9.1) | (80.0) | (70.9) | (48.7) | (119.6) |
| Income tax credit/(charge) | 8 | **24.0** | **3.6** | **27.6** | 15.8 | 1.4 | 17.2 | (6.8) | 8.8 | 2.0 |
| **Loss for the period** | | **(189.6)** | **(10.2)** | **(199.8)** | (55.1) | (7.7) | (62.8) | (77.7) | (39.9) | (117.6) |

| | Notes | 6 months ended 30 June 2020 | 6 months ended 30 June 2019 *restated* [1] | 12 months ended 31 December 2019 *restated* [1] |
|---|---|---|---|---|
| **(Loss)/profit for the period attributable to:** | | | | |
| Owners of the group | | **(200.3)** | (63.8) | (126.4) |
| Non-controlling interests | | **0.5** | 1.0 | 8.8 |
| | | **(199.8)** | (62.8) | (117.6) |
| **Other comprehensive income** | | | | |
| **Items that will never be reclassified to the Income Statement** | | | | |
| Remeasurement of defined benefit liability | | **(22.2)** | (1.0) | (1.4) |
| Taxation on items that will never be reclassified to the Income Statement | | **5.2** | 0.2 | 0.2 |
| **Items that are or may be reclassified to the Income Statement** | | | | |
| Foreign exchange translation differences | | **2.8** | 0.2 | (2.7) |
| Fair value adjustment on cash flow hedges | | **(26.8)** | (2.3) | 9.0 |
| Amounts recycled to the Income Statement in respect of cash flow hedges | | **6.0** | 3.8 | 15.6 |
| Taxation on items that may be reclassified to the Income Statement | | **3.9** | 1.2 | (3.4) |
| **Other comprehensive (expense)/income for the period, net of income tax** | | **(31.1)** | 2.1 | 17.3 |
| **Total comprehensive loss for the period** | | **(230.9)** | (60.7) | (100.3) |
| **Total comprehensive (loss)/income for the period attributable to:** | | | | |
| Owners of the group | | **(231.4)** | (61.7) | (109.1) |
| Non-controlling interests | | **0.5** | 1.0 | 8.8 |
| | | **(230.9)** | (60.7) | (100.3) |
| **Earnings per ordinary share** [2] | | | | |
| Basic | 9 | **(16.7p)** | (7.3p) | (14.5p) |
| Diluted | 9 | **(16.7p)** | (7.3p) | (14.5p) |

1. The comparative periods have been restated for the correction of an error - see note 2 for further details.
2. The comparative basic and diluted earnings per ordinary share values have been restated to reflect the bonus element of the rights issue completed on 1 April 2020.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | **Share Capital** | **Share Premium** | **Merger Reserve** | **Capital Reserve** | **Translation Reserve** | **Hedge Reserve** | **Retained Earnings** | **Non-controlling Interest** | **Total Equity** |
|---|---|---|---|---|---|---|---|---|---|
| | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| **At 1 January 2020** | **2.1** | **352.3** | **-** | **6.6** | **(0.4)** | **(2.3)** | **(13.5)** | **14.1** | **358.9** |
| Correction of error (net of tax) - *see note 2* | - | - | - | - | - | - | (26.4) | - | (26.4) |
| **At 1 January 2020** *restated* [1] | **2.1** | **352.3** | **-** | **6.6** | **(0.4)** | **(2.3)** | **(39.9)** | **14.1** | **332.5** |
| **Total comprehensive loss for the period** | | | | | | | | | |
| (Loss)/profit for the period | - | - | - | - | - | - | (200.3) | 0.5 | **(199.8)** |
| **Other comprehensive income** | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Foreign currency translation differences | - | - | - | - | 2.8 | - | - | - | **2.8** |
| Fair value movement - cash flow hedges | - | - | - | - | - | (26.8) | - | - | **(26.8)** |
| Amounts recycled to the Income Statement - cash flow hedges | - | - | - | - | - | 6.0 | - | - | **6.0** |
| Remeasurement of defined benefit liability | - | - | - | - | - | - | (22.2) | - | **(22.2)** |
| Taxation on other comprehensive income | - | - | - | - | - | 3.9 | 5.2 | - | **9.1** |
| **Total other comprehensive (loss)/income** | **-** | **-** | **-** | **-** | **2.8** | **(16.9)** | **(17.0)** | **-** | **(31.1)** |
| **Total comprehensive (loss)/income for the period** | **-** | **-** | **-** | **-** | **2.8** | **(16.9)** | **(217.3)** | **0.5** | **(230.9)** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | |
| Issue of ordinary shares (note 16) | 14.4 | 499.0 | 144.0 | - | - | - | - | - | **657.4** |
| Credit for the period under equity settled share-based payments | - | - | - | - | - | - | 3.1 | - | **3.1** |
| Tax on items credited to equity | - | - | - | - | - | - | 1.6 | - | **1.6** |
| **Total transactions with owners** | **14.4** | **499.0** | **144.0** | **-** | **-** | **-** | **4.7** | **-** | **662.1** |
| **At 30 June 2020** | **16.5** | **851.3** | **144.0** | **6.6** | **2.4** | **(19.2)** | **(252.5)** | **14.6** | **763.7** |

| | Share Capital | Share Premium | Merger Reserve | Capital Reserve | Translation Reserve | Hedge Reserve | Retained Earnings | Non-controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| **At 1 January 2019** | **2.1** | **352.3** | **-** | **6.6** | **2.3** | **(23.5)** | **97.2** | **10.2** | **447.2** |
| Correction of error (net of tax) - *see note 2* | - | - | - | - | - | - | (13.2) | - | (13.2) |
| **At 1 January 2019** *restated*[1] | **2.1** | **352.3** | **-** | **6.6** | **2.3** | **(23.5)** | **84.0** | **10.2** | **434.0** |
| **Total comprehensive loss for the period** | | | | | | | | | |
| (Loss)/profit for the period | - | - | - | - | - | - | (63.8) | 1.0 | **(62.8)** |
| **Other comprehensive income** | | | | | | | | | |
| Foreign currency translation differences | - | - | - | - | 0.2 | - | - | - | **0.2** |
| Fair value movement - cash flow hedges | - | - | - | - | - | (2.3) | - | - | **(2.3)** |
| Amounts recycled to the Income Statement - cash flow hedges | - | - | - | - | - | 3.8 | - | - | **3.8** |
| Remeasurement of defined benefit liability | - | - | - | - | - | - | (1.0) | - | **(1.0)** |
| Income tax on other comprehensive income | - | - | - | - | - | 1.2 | 0.2 | - | **1.4** |
| **Total other comprehensive (loss)/income** | **-** | **-** | **-** | **-** | **0.2** | **2.7** | **(0.8)** | **-** | **2.1** |
| **Total comprehensive (loss)/income for the period** | **-** | **-** | **-** | **-** | **0.2** | **2.7** | **(64.6)** | **1.0** | **(60.7)** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | |
| Credit for the year under equity settled share-based payments | - | - | - | - | - | - | 2.0 | - | **2.0** |
| Tax on items credited to equity | - | - | - | - | - | - | - | - | **-** |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** | **-** | **2.0** | **-** | **2.0** |
| **At 30 June 2019** | **2.1** | **352.3** | **-** | **6.6** | **2.5** | **(20.8)** | **21.4** | **11.2** | **375.3** |

| | Share Capital | Share Premium | Merger Reserve | Capital Reserve | Translation Reserve | Hedge Reserve | Retained Earnings | Non-controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| **At 1 January 2019** | **2.1** | **352.3** | **-** | **6.6** | **2.3** | **(23.5)** | **97.2** | **10.2** | 447.2 |
| Correction of error (net of tax) - *see note 2* | - | - | - | - | - | - | (13.2) | - | (13.2) |
| **At 1 January 2019** *restated*[1] | **2.1** | **352.3** | **-** | **6.6** | **2.3** | **(23.5)** | **84.0** | **10.2** | **434.0** |
| **Total comprehensive loss for the year** | | | | | | | | | |
| (Loss)/profit for the year | - | - | - | - | - | - | (126.4) | 8.8 | (117.6) |
| **Other comprehensive income** | | | | | | | | | |
| Foreign currency translation differences | - | - | - | - | (2.7) | - | - | - | (2.7) |
| Fair value movement - cash flow hedges | - | - | - | - | - | 9.0 | - | - | 9.0 |
| Amounts recycled to the Income Statement - cash flow hedges | - | - | - | - | - | 15.6 | - | - | 15.6 |
| Remeasurement of defined benefit liability | - | - | - | - | - | - | (1.4) | - | (1.4) |
| Tax on other comprehensive income | - | - | - | - | - | (3.4) | 0.2 | - | (3.2) |
| **Total other comprehensive (loss)/income** | **-** | **-** | **-** | **-** | **(2.7)** | **21.2** | **(1.2)** | **-** | **17.3** |
| **Total comprehensive (loss)/income** | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **for the year** | **-** | **-** | **-** | **-** | **(2.7)** | **21.2** | **(127.6)** | **8.8** | **(100.3)** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | |
| Credit for the year under equity settled share-based payments | - | - | - | - | - | - | 3.7 | - | 3.7 |
| Dividend paid to non-controlling interest | - | - | - | - | - | - | - | (4.9) | (4.9) |
| Tax on items credited to equity | - | - | - | - | - | - | - | - | - |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** | **-** | **3.7** | **(4.9)** | **(1.2)** |
| **At 31 December 2019** | **2.1** | **352.3** | **-** | **6.6** | **(0.4)** | **(2.3)** | **(39.9)** | **14.1** | **332.5** |

1. The comparative periods have been restated for the correction of an error - see note 2 for further details.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | Notes | **As at 30 June 2020** | As at 30 June 2019 *restated* [1] | As at 31 December 2019 *restated* [1] | As at 1 January 2019 *restated* [1] |
|---|---|---|---|---|---|
| | | **£m** | £m | £m | £m |
| **Non-current assets** | | | | | |
| Intangible assets | | **1,272.6** | 1,154.5 | 1,183.6 | 1,071.7 |
| Property, plant and equipment | | **406.6** | 335.0 | 350.5 | 313.0 |
| Right-of-use assets | | **77.9** | 77.0 | 81.8 | 82.5 |
| Trade and other receivables | | **2.0** | 2.1 | 1.8 | 1.8 |
| Other financial assets | | **-** | - | 0.2 | - |
| Deferred tax asset | 8 | **70.2** | 34.8 | 45.7 | 32.7 |
| | | **1,829.3** | 1,603.4 | 1,663.6 | 1,501.7 |
| **Current assets** | | | | | |
| Inventories | | **229.2** | 242.2 | 200.7 | 165.3 |
| Trade and other receivables | | **192.7** | 202.2 | 249.7 | 243.0 |
| Income tax receivable | | **4.8** | - | 0.3 | 0.8 |
| Other financial assets | | **13.5** | - | 8.9 | 0.1 |
| Cash and cash equivalents | 11 | **359.4** | 126.9 | 107.9 | 144.6 |
| | | **799.6** | 571.3 | 567.5 | 553.8 |
| **Total assets** | | **2,628.9** | 2,174.7 | 2,231.1 | 2,055.5 |
| **Current liabilities** | | | | | |
| Borrowings | 12 | **106.8** | 113.3 | 114.8 | 99.4 |
| Trade and other payables | | **639.7** | 734.2 | 731.2 | 655.2 |
| Income tax payable | | **0.4** | 3.5 | 8.9 | 4.9 |
| Other financial liabilities | 13 | **15.0** | 6.8 | 6.3 | 4.2 |
| Lease liabilities | | **11.3** | 10.6 | 14.1 | 15.0 |
| Provisions | 14 | **24.2** | 7.9 | 12.0 | 10.8 |
| | | **797.4** | 876.3 | 887.3 | 789.5 |
| **Non-current liabilities** | | | | | |
| Borrowings | 12 | **884.8** | 745.6 | 839.1 | 604.7 |
| Trade and other payables | | **8.6** | 19.4 | 9.4 | 49.8 |
| Other financial liabilities | 13 | **2.9** | 7.1 | 2.6 | 4.4 |
| Lease liabilities | | **98.7** | 101.0 | 97.3 | 101.5 |
| Provisions | 14 | **14.5** | 12.0 | 16.2 | 12.9 |
| Employee benefits | 15 | **57.8** | 38.0 | 36.8 | 38.7 |
| Deferred tax liabilities | 8 | **0.5** | - | 9.9 | 20.0 |
| | | **1,067.8** | 923.1 | 1,011.3 | 832.0 |
| **Total liabilities** | | **1,865.2** | 1,799.4 | 1,898.6 | 1,621.5 |
| **Net assets** | | **763.7** | 375.3 | 332.5 | 434.0 |
| **Capital and reserves** | | | | | |
| Share capital | 16 | **16.5** | 2.1 | 2.1 | 2.1 |
| Share premium | 16 | **851.3** | 352.3 | 352.3 | 352.3 |
| Merger reserve | 16 | **144.0** | - | - | - |
| Capital reserve | | **6.6** | 6.6 | 6.6 | 6.6 |
| Translation reserve | | **2.4** | 2.5 | (0.4) | 2.3 |
| Hedge reserve | | **(19.2)** | (20.8) | (2.3) | (23.5) |
| Retained earnings | | **(252.5)** | 21.4 | (39.9) | 84.0 |
| **Equity attributable to owners of the group** | | **749.1** | 364.1 | 318.4 | 423.8 |
| Non-controlling interests | | **14.6** | 11.2 | 14.1 | 10.2 |
| **Total shareholders' equity** | | **763.7** | 375.3 | 332.5 | 434.0 |

1. The prior period comparatives have been restated for the correction of an error - see note 2 for further details.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

| | Notes | **6 months ended 30 June 2020** | 6 months ended 30 June 2019 *restated* [1] | 12 months ended 31 December 2019 *restated* [1] |
|---|---|---|---|---|
| | | **£m** | £m | £m |
| **Operating activities** | | | | |
| Loss for the period | | **(199.8)** | (62.8) | (117.6) |

| | Note | | | |
|---|---|---|---|---|
| *Adjustments to reconcile loss for the period to net cash (outflow)/inflow from operating activities* | | | | |
| Tax (credit)/charge on continuing operations | 8 | **(27.6)** | (17.2) | (2.0) |
| Net finance costs | | **68.1** | 41.1 | 67.6 |
| Other non-cash movements | | **5.9** | 1.3 | (4.4) |
| Loss on sale of non-current assets | | **-** | - | 0.9 |
| Depreciation and impairment of property, plant and equipment | | **16.6** | 18.9 | 38.8 |
| Depreciation and impairment of right-of-use assets | | **8.1** | 5.8 | 13.3 |
| Amortisation and impairment of intangible assets | | **33.8** | 32.5 | 112.4 |
| Difference between pension contributions paid and amounts recognised in Income Statement | | **(1.6)** | (2.3) | (4.4) |
| Increase in inventories | | **(30.0)** | (70.9) | (33.3) |
| Decrease/(increase) in trade and other receivables | | **51.1** | 41.2 | (28.9) |
| Increase in trade and other payables | | **(109.8)** | (27.8) | (54.7) |
| Increases in advances and customer deposits | | **2.8** | 72.3 | 48.4 |
| Movement in provisions | | **11.2** | (3.8) | 4.5 |
| Cash (outflow)/inflow from operations | | **(171.2)** | 28.3 | 40.6 |
| Increase in cash held not available for short-term use | | **(1.2)** | - | (8.7) |
| Income taxes paid | | **(7.0)** | (7.5) | (12.5) |
| ***Net cash (outflow)/inflow from operating activities*** | | **(179.4)** | 20.8 | 19.4 |
| ***Cash flows from investing activities*** | | | | |
| Interest received | | **1.6** | 3.2 | 5.0 |
| Payments to acquire property, plant and equipment | | **(38.7)** | (40.9) | (82.2) |
| Payments to acquire intangible assets | | **(122.8)** | (121.3) | (228.0) |
| ***Net cash used in investing activities*** | | **(159.9)** | (159.0) | (305.2) |
| ***Cash flows from financing activities*** | | | | |
| Interest paid | | **(31.3)** | (23.1) | (52.0) |
| Proceeds from issuance of shares | 16 | **682.5** | - | - |
| Principal element of lease payments | 11 | **(5.8)** | (5.2) | (10.9) |
| Repayment of existing borrowings | 11 | **(83.0)** | - | (91.5) |
| Proceeds from existing borrowings | 11 | **-** | 11.1 | 102.3 |
| Proceeds from inventory repurchase arrangement | 11 | **19.5** | - | 38.7 |
| Repayment of inventory repurchase arrangement | 11 | **(38.7)** | - | - |
| New borrowings | 11 | **75.0** | 138.6 | 260.8 |
| Transaction fees on issuance of shares | | **(20.9)** | - | - |
| Transaction fees on financing activities | | **-** | (0.4) | (4.1) |
| ***Net cash inflow from financing activities*** | | **597.3** | 121.0 | 243.3 |
| **Net increase/(decrease) in cash and cash equivalents** | | **258.0** | (17.2) | (42.5) |
| Cash and cash equivalents at the beginning of the period | 11 | **107.9** | 144.6 | 144.6 |
| Effect of exchange rates on cash and cash equivalents | | **(6.5)** | (0.5) | 5.8 |
| ***Cash and cash equivalents at the end of the period*** | | **359.4** | 126.9 | 107.9 |

1. The comparative periods have been restated for the correction of an error - see note 2 for further details.

**Notes to the Interim Financial Statements**

**1. Basis of preparation**

The results for the 6 month period ended 30 June 2020 have been reviewed by Ernst & Young LLP, the Group's auditor, and a copy of their review report appears at the end of this interim report. The financial information for the year ended 31 December 2019 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The auditor's report on the statutory accounts for the year ended 31 December 2019 was not qualified and did not contain any statements under section 498(2) or (3) of the Companies Act 2006. The report made reference to a material uncertainty around the ability of the Group to continue trading as a going concern pending completion of a strategic investment by a consortium led by Lawrence Stroll and subsequent rights issue. The strategic investment and rights issue were successfully completed during the 6 month period ended 30 June 2020. A copy of the statutory accounts for the year ended 31 December 2019 prepared under International Financial Reporting Standards as adopted by the EU ("IFRS") have been delivered to the Registrar of Companies.

Aston Martin Lagonda Global Holdings plc (the "Company") is a company incorporated and domiciled in the UK. The Consolidated Interim Financial Statements of the Company as at the end of the period ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group meets its day-to-day working capital requirements and medium-term funding requirements through a mixture of Senior Secured Notes ($400m and $190m at 6.5%, $150m at 12%, £230m and £55m at 5.75% which all mature in April 2022), a revolving credit facility (£80m) which matures in January 2022, facilities to finance inventory, back-to-back loans and a wholesale vehicle financing facility. At the balance sheet date the Group had cash and cash equivalents of £359m. After the balance sheet date, the Group has arranged further Senior Secured Notes of $68m at 12% which mature in April 2022 and a £20m Coronavirus Large Business Interruption Loan Scheme (CLBILS) which matures in January 2022, and have entered into a new wholesale finance facility with a term of August 2021.

The Directors have prepared trading and cash flow forecasts for the 12 month period from the date of approval of these Interim Financial Statements. These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due for the period of at least 12 months from the date of these Interim Financial Statements.

The forecasts reflect our strategy of rebalancing supply and demand and the decisive actions taken to improve cost efficiency, in alignment with reduced sports car production levels as further described in the Chairman's statement. The forecasts make assumptions in respect of future market conditions and, in particular, wholesale volumes, average selling price, the launch of new models including Valkyrie and the potential impact of Coronavirus on sales. The nature of the Group's business is such that there can be variation in the timing of cash flows around the development and launch of new models. In addition the availability of funds provided through the vehicle wholesale finance facility changes as the availability of credit insurance and sales volumes vary, in total and seasonally. Key Covid-19 assumptions within the forecasts include a reduction in production and wholesale volumes and we have considered how we would manage the risk of the impact of supply chain disruption and another period of extended lockdown. The forecasts take into account these factors to the extent which the directors consider them to represent their best estimate of the future based on the information that is available to them at the time of approval of these Interim Financial Statements. After applying a reverse stress test and making comparisons to the detailed forecasts, the directors have a reasonable expectation that the financial headroom will not be exhausted during this period.

The Group plans to make continued investment for growth in the next 12 months, accordingly funds generated through operations are expected to be reinvested in the business mainly through new model development and other capital expenditure. To a certain extent such expenditure is discretionary and, in the event of risks occurring which could have a particularly severe effect on the Group, for instance, an elongated recovery and further impact from Covid-19, actions such as constraining capital spending, working capital improvements, reduction in marketing expenditure and continuation of the strict and immediate expense control would be taken to safeguard the Group's financial position.

After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

**Statement of compliance**

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as endorsed by the European Union. They do not include all the information required for full annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2019.

**Significant accounting policies**

These Interim Financial Statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published Consolidated Financial Statements for the year ended 31 December 2019.

The Group has recognised amounts due from government-sponsored Covid-19 related employee furlough schemes, of £9.7m, as a credit against the related staff costs and not as an item of Other income. These amounts are recognised on an accruals basis and in line with the Groups accounting policy on government grants.

**2. Prior year restatement**

The Group reports that in the preparation for the interim financial results it has determined that an adjustment should be made in respect of the timing of accounting recognition of the majority of customer and retail incentive support (variable marketing expense (VME)) associated with supporting lease and other incentive programs in the US. This is a non-cash adjustment and has no impact on the timing of the Company's historic or forecast cash flows.

Pursuant to IFRS 15, future VME in the US should be estimated and accrued for on the balance sheet of the Group and deducted from revenue at the point revenue is recognised for the wholesale of the vehicle to the dealer rather than at the time of retail sale by the dealer to the end customer, as had previously been the approach. Outside of the US, the majority of retailer incentive reward programs are considered to be related to the purchase of future vehicles and are accounted for accordingly at that time.

As a result, the balance sheet of the Group as at 1 January 2019, 30 June 2019 and 31 December 2019 and the income statement for the six months ended 30 June 2019 and the year ended 31 December 2019 have been restated to correct this error and the related adjustments to tax.

The adjustment results in an earlier accrual for VME in the US than previously reported and impacts the balance sheet and income statement for each financial period as set out below.

| | 30 June 2019 | 31 December 2019 | 31 December 2018 |
|---|---|---|---|
| | £m | £m | £m |
| Additional accrual required for VME | (15.0) | (29.1) | (13.8) |

| | 6 months ended 30 June 2019 | 12 months ended December 2019 |
|---|---|---|
| | £m | £m |
| Impact on EBITDA compared to previously reported result | (1.2) | (15.3) |

This error has been corrected by restating each of the affected Consolidated Interim Financial Statement line items for the prior periods as follows:

**Consolidated Statement of Comprehensive Income (extract)**

| | 6 months ended 30 June 2019 | | | 12 months ended 31 December 2019 | | |
|---|---|---|---|---|---|---|
| | As reported Adjusted | Increase/ (decrease) Adjusted | ***As restated* Adjusted** | As reported Adjusted | Increase/ (decrease) Adjusted | ***As restated* Adjusted** |
| | £m | £m | **£m** | £m | £m | **£m** |
| **Revenue** | 407.1 | (1.1) | **406.0** | 997.3 | (16.8) | **980.5** |
| Cost of sales | (259.2) | - | **(259.2)** | (642.7) | - | **(642.7)** |
| **Gross (loss)/profit** | 147.9 | (1.1) | **146.8** | 354.6 | (16.8) | **337.8** |
| Selling and distribution expenses | (44.8) | - | **(44.8)** | (95.0) | - | **(95.0)** |
| Administrative expenses | (119.3) | (0.1) | **(119.4)** | (235.2) | 1.5 | **(233.7)** |
| Other expense | (19.0) | - | **(19.0)** | (19.0) | - | **(19.0)** |
| **Operating (loss)/profit** | (35.2) | (1.2) | **(36.4)** | 5.4 | (15.3) | **(9.9)** |
| Finance income | 3.2 | - | **3.2** | 16.3 | - | **16.3** |
| Finance expense | (37.7) | - | **(37.7)** | (77.3) | - | **(77.3)** |
| **Loss before income tax** | (69.7) | (1.2) | **(70.9)** | (55.6) | (15.3) | **(70.9)** |
| Income tax credit/(charge) | 14.6 | 1.2 | **15.8** | (8.9) | 2.1 | **(6.8)** |
| **Loss for the period** | (55.1) | - | **(55.1)** | (64.5) | (13.2) | **(77.7)** |
| **(Loss)/profit for the period attributable to:** | | | | | | |
| Owners of the group | (63.8) | - | **(63.8)** | (113.2) | (13.2) | **(126.4)** |
| Non-controlling interests | 1.0 | - | **1.0** | 8.8 | - | **8.8** |
| | (62.8) | - | **(62.8)** | (104.4) | (13.2) | **(117.6)** |
| **Other comprehensive (expense)/income for the period, net of income tax** | 2.1 | - | **2.1** | 17.3 | - | **17.3** |
| **Total comprehensive loss for the period** | (60.7) | - | **(60.7)** | (87.1) | (13.2) | **(100.3)** |
| **Total comprehensive (loss)/income for the period attributable to:** | | | | | | |
| Owners of the group | (61.7) | - | **(61.7)** | (95.9) | (13.2) | **(109.1)** |
| Non-controlling interests | 1.0 | - | **1.0** | 8.8 | - | **8.8** |
| | (60.7) | - | **(60.7)** | (87.1) | (13.2) | **(100.3)** |

The impact of the correction of the restatement above, together with the impact of the bonus element of the rights issue on Earnings per ordinary share in the comparative periods is summarised as follows:

| | 6 months ended 30 June 2019 | | | | 12 months ended 31 December 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | As reported | Bonus issue[1] | Error Correction | ***As restated*** | As reported | Bonus issue[1] | Error Correction | ***As restated*** |
| **Earnings per ordinary share** | | | | | | | | |
| Basic | (28.0p) | (20.7p) | (0.0p) | **(7.3p)** | (49.6p) | (29.3p) | (5.8p) | **(14.5p)** |
| Diluted | (28.0p) | (20.7p) | (0.0p) | **(7.3p)** | (49.6p) | (29.3p) | (5.8p) | **(14.5p)** |

1. The comparative basic and diluted earnings per ordinary share values have been restated to reflect the bonus element of the rights issue completed on 1 April 2020.

**Consolidated Statement of Financial Position (extract)**

| | 30 June 2019 | | | 31 December 2019 | | | 1 January 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | As reported | Increase/ (decrease) | ***As restated*** | As reported | Increase/ (decrease) | ***As restated*** | As reported | Increase/ (decrease) | ***As restated*** |
| | £m | £m | **£m** | £m | £m | **£m** | £m | £m | **£m** |
| Deferred tax asset | 33.0 | 1.8 | **34.8** | 45.7 | - | **45.7** | 32.1 | 0.6 | **32.7** |
| Deferred tax liability | - | - | **-** | 12.6 | (2.7) | **9.9** | 20.0 | - | **20.0** |
| Trade and other payables - current | 719.2 | 15.0 | **734.2** | 702.1 | 29.1 | **731.2** | 641.4 | 13.8 | **655.2** |
| Net Assets | 388.5 | (13.2) | **375.3** | 358.9 | (26.4) | **332.5** | 447.2 | (13.2) | **434.0** |
| Retained earnings | 34.6 | (13.2) | **21.4** | (13.5) | (26.4) | **(39.9)** | 97.2 | (13.2) | **84.0** |
| Equity attributable to owners of the group | 377.3 | (13.2) | **364.1** | 344.8 | (26.4) | **318.4** | 437.0 | (13.2) | **423.8** |
| Non-controlling interests | 11.2 | - | **11.2** | 14.1 | - | **14.1** | 10.2 | - | **10.2** |
| Total shareholders' equity | 388.5 | (13.2) | **375.3** | 358.9 | (26.4) | **332.5** | 447.2 | (13.2) | **434.0** |

There is no overall impact on the cashflow in any of the previous periods from the restatement mentioned above. The income statement impact and the movement in the statement of financial position is all classified within cashflows from operations and hence no impact on overall cashflow sub headings.

### 3. Segmental information

| Revenue | 6 months ended 30 June 2020 £m | 6 months ended 30 June 2019 restated [1] £m | 12 months ended 31 December 2019 restated [1] £m |
|---|---|---|---|
| **Analysis by category** | | | |
| Sale of vehicles | **113.1** | 355.0 | 880.8 |
| Sale of parts | **23.1** | 32.2 | 63.0 |
| Servicing of vehicles | **3.5** | 5.2 | 9.3 |
| Brands and motorsport | **6.3** | 13.6 | 27.4 |
| | **146.0** | 406.0 | 980.5 |

| Revenue | 6 months ended 30 June 2020 £m | 6 months ended 30 June 2019 restated [1] £m | 12 months ended 31 December 2019 restated [1] £m |
|---|---|---|---|
| **Analysis by geographic location** | | | |
| United Kingdom | **39.4** | 102.0 | 229.6 |
| The Americas | **43.2** | 98.0 | 278.5 |
| Rest of Europe, Middle East & Africa | **33.3** | 84.0 | 231.2 |
| Asia Pacific | **30.1** | 122.0 | 241.2 |
| | **146.0** | 406.0 | 980.5 |

1. The prior period segmental comparatives have been restated to reflect the correction of an error within Sale of vehicles in The Americas - see note 2 for further detail.

The Group's revenue, when assessed on an annual basis, is typically weighted toward the second half of the year. This is exaggerated in the current year in part due to the impact of Covid-19.

**Non-current assets other than financial instruments and deferred tax assets by geographic location**

| **As at 30 June 2020** | **Right-of-use Assets £m** | **Property, Plant and Equipment £m** | **Goodwill £m** | **Intangible Assets £m** | **Other Receivables £m** | **Total £m** |
|---|---|---|---|---|---|---|
| **United Kingdom** | **68.5** | **308.7** | **85.4** | **1,169.7** | **-** | **1,632.3** |
| **The Americas** | **0.2** | **1.5** | **-** | **-** | **-** | **1.7** |
| **Rest of Europe, Middle East & Africa** | **-** | **95.7** | **-** | **17.5** | **2.0** | **115.2** |
| **Asia Pacific** | **9.2** | **0.7** | **-** | **-** | **-** | **9.9** |
| | **77.9** | **406.6** | **85.4** | **1,187.2** | **2.0** | **1,759.1** |

| As at 30 June 2019 | Right-of-use Assets £m | Property, Plant and Equipment £m | Goodwill £m | Intangible Assets £m | Other Receivables £m | Total £m |
|---|---|---|---|---|---|---|
| United Kingdom | 68.0 | 262.2 | 85.4 | 1,050.7 | - | 1,466.3 |
| The Americas | 0.3 | 0.6 | - | - | - | 0.9 |
| Rest of Europe, Middle East & Africa | 0.1 | 72.1 | - | 18.4 | 2.1 | 92.7 |
| Asia Pacific | 8.6 | 0.1 | - | - | - | 8.7 |
| | 77.0 | 335.0 | 85.4 | 1,069.1 | 2.1 | 1,568.6 |

| As at 31 December 2019 | Right-of-use Assets £m | Property, Plant and Equipment £m | Goodwill £m | Intangible Assets £m | Other Receivables £m | Total £m |
|---|---|---|---|---|---|---|
| United Kingdom | 71.5 | 266.0 | 85.4 | 1,081.3 | - | 1,504.2 |
| The Americas | 0.2 | 1.0 | - | - | - | 1.2 |
| Rest of Europe, Middle East & Africa | 0.1 | 83.5 | - | 16.9 | 1.8 | 102.3 |
| Asia Pacific | 10.0 | - | - | - | - | 10.0 |
| | 81.8 | 350.5 | 85.4 | 1,098.2 | 1.8 | 1,617.7 |

### 4. Other expense

| | 6 months ended 30 June 2020 £m | 6 months ended 30 June 2019 £m | 12 months ended 31 December 2019 £m |
|---|---|---|---|
| Loss allowance - sale of intellectual property | **-** | (19.0) | (19.0) |

In the 6 months ended 30 June 2019 the recoverability of a receivable relating to the sale of certain legacy intellectual property was assessed as doubtful resulting in the recognition of a £19.0m loss allowance.

### 5. Adjusting items

| | 6 months ended 30 June 2020 £m | 6 months ended 30 June 2019 £m | 12 months ended 31 December 2019 £m |
|---|---|---|---|
| *Adjusting operating expenses:* | | | |
| Impairment of assets[1]: | | | |
| Development costs | **-** | - | (27.7) |
| Plant, machinery, fixtures and fittings | **-** | - | (4.7) |
| Tooling | **-** | - | (3.7) |
| Inventory | **-** | - | (2.3) |
| Right-of-use lease assets | **(2.0)** | - | (1.0) |
| | **(2.0)** | - | (39.4) |
| Restructuring[2]: | | | |
| Restructuring costs | **(12.4)** | - | (2.8) |

| | | | |
|---|---|---|---|
| Settlement arrangements and incentive payments[3] | **(2.7)** | - | - |
| | **(15.1)** | - | (2.8) |
| Initial Public Offering costs: | | | |
| Staff incentives[4] | **3.3** | (2.0) | 0.6 |
| Professional fees | **-** | (0.5) | (0.5) |
| | **3.3** | (2.5) | (42.1) |
| *Adjusting finance expenses:* | | | |
| Movement on derivatives not qualifying for hedge accounting | **-** | (6.6) | (6.6) |
| Adjusting items before tax | **(13.8)** | (9.1) | (48.7) |
| Tax credit on adjusting items | **3.6** | 1.4 | 8.8 |
| Adjusting items after tax | **(10.2)** | (7.7) | (39.9) |

1. In the 6 months ended 30 June 2020 the Group commenced a rationalisation exercise to reduce its geographical footprint. This resulted in an impairment charge of £2.0m writing down the right-of-use asset to £nil, triggered by conclusion of activity at one of the Group's leased sites.
2. In the 6 months ended 30 June 2020 costs associated with the first phase of the restructuring plan, announced in 2019, were £0.3m (30 June 2019: £nil, 31 December 2019: £2.8m).

   The Group announced on 4 June 2020, that it would shortly launch a consultation process on proposals to reduce employee numbers reflecting lower than originally planned production volumes. The restructuring costs associated with this second phase are expected to be £12.1m.
3. It was announced on 27 February 2020 that Mark Wilson would step down as CFO and as an Executive Director of the Group on 30 April 2020. Subsequent to this, on 25 May 2020, Dr. Andrew Palmer stepped down as CEO and as an Executive Director of the Group. Tobias Moers will join the Group as CEO and Executive Director on 1 August 2020. Amounts due at 30 June 2020, as a result of these changes, are £2.7m.
4. In the period ended 30 June 2020 a Legacy Long-term Incentive Plan ("LTIP") charge of £3.1m was recognised and is included in Staff incentives (30 June 2019: £2.0m, 31 December 2019 £3.6m).

   With the continuing reduced performance of the Group in 2020, the remaining Initial Public Offering ("IPO") bonus held for management is no longer expected to be paid. This decision resulted in £6.4m being credited back to the Consolidated Income Statement.

**6. Finance income**

| | **6 months ended 30 June 2020 £m** | 6 months ended 30 June 2019 £m | 12 months ended 31 December 2019 £m |
|---|---|---|---|
| Bank deposit and other interest income | **1.6** | 3.2 | 5.0 |
| Foreign exchange gain on borrowings not designated as part of a hedging relationship | **-** | - | 11.3 |
| | **1.6** | 3.2 | 16.3 |

**7. Finance expense**

| | **6 months ended 30 June 2020 £m** | 6 months ended 30 June 2019 £m | 12 months ended 31 December 2019 £m |
|---|---|---|---|
| Bank loans, overdrafts, senior secured notes and other interest | **43.6** | 26.9 | 62.8 |
| Foreign exchange loss on borrowings not designated as part of a hedging relationship | **17.7** | 3.7 | - |
| Hedge ineffectiveness on loan instruments designated as a cashflow hedge | **2.3** | - | - |
| Net interest expense on the net defined benefit liability | **0.4** | 0.6 | 1.1 |
| Interest on contract liabilities held | **3.6** | 4.2 | 8.8 |
| Interest on lease liabilities | **2.1** | 2.3 | 4.6 |
| Finance expense before adjusting items | **69.7** | 37.7 | 77.3 |
| Adjusting finance expenses (note 5) | **-** | 6.6 | 6.6 |
| Total finance expense | **69.7** | 44.3 | 83.9 |

**8. Income tax credit/(charge)**

The effective tax rate for the period ended 30 June 2020 is 12% (period ended 30 June 2019: 22% *restated*). This compares to a UK statutory rate of tax 19% applicable to the group for the period to 30 June 2020 (19% for the period ended 30 June 2019). The deferred tax asset at 30 June 2020 has been calculated based on the rate of 19% substantively enacted at the period end date, except for deferred tax assets arising in overseas subsidiaries where the deferred tax asset has been recognised at the applicable rate for each subsidiary. Permanently disallowable expenditure and an unrecognised net deferred tax asset in respect of interest deductions deductible give rise to further adjustments to the total tax arising in the periods.

**9. Earnings per ordinary share**

| ***Continuing and total operations*** | **6 months ended 30 June 2020** | 6 months ended 30 June 2019 *restated* [1,3] | 12 months ended 31 December 2019 *restated* [1,3] |
|---|---|---|---|
| **Basic earnings per ordinary share** | | | |
| Loss available for equity holders (£m) | **(200.3)** | (63.8) | (126.4) |
| Basic weighted average number of ordinary shares (million) | **1,203.0** | 870.4 | 870.4 |
| Basic earnings per ordinary share (pence) | **(16.7p)** | (7.3p) | (14.5p) |
| | | | |
| **Diluted earnings per ordinary share** | | | |
| Loss available for equity holders (£m) | **(200.3)** | (63.8) | (126.4) |
| Diluted weighted average number of ordinary shares (million) | **1,203.0** | 870.4 | 870.4 |
| Diluted earnings per ordinary share (pence) | **(16.7p)** | (7.3p) | (14.5p) |

| | **30 June 2020 Number** | 30 June 2019 Number | 31 December 2019 Number |
|---|---|---|---|
| Diluted weighted average number of ordinary shares is calculated as: | | | |
| Basic weighted average number of ordinary shares[1] (million) | **1,203.0** | 870.4 | 870.4 |
| Adjustments for calculation of diluted earnings per share: | | | |
| Long-term incentive plans[2] | **-** | - | - |
| Weighted average number of ordinary shares and potential ordinary shares (million) | **1,203.0** | 870.4 | 870.4 |

1. The weighted average number of ordinary shares in both comparative periods have been restated to reflect the bonus element of the rights issue completed on 1 April 2020.
2. The impact of the Long-term incentive plan ("LTIP") shares has been excluded from the weighted average number of ordinary shares calculation on the basis of antidilution.
3. The comparative periods loss available to equity holders have been restated to reflect the correction of an error - see note 2 for further details.

**10. Research and Development expenditure**

| | **6 months ended 30 June 2020** | 6 months ended 30 June 2019 | 12 months ended 31 December 2019 |
|---|---|---|---|

| | £m | £m | £m |
|---|---|---|---|
| Total research and development expenditure | **123.0** | 121.3 | 226.0 |
| Capitalised research and development expenditure | **121.3** | (121.3) | (226.0) |
| Research and development expenditure recognised as an expense during the period | **1.7** | - | - |

**11. Net debt**

| | **30 June 2020 £m** | 30 June 2019 £m | 31 December 2019 £m |
|---|---|---|---|
| Cash and cash equivalents | **359.4** | 126.9 | 107.9 |
| Cash held not available for short-term use[1] | **10.7** | - | 8.7 |
| Bank loans and overdrafts[2] | **(114.6)** | (124.0) | (124.0) |
| Inventory repurchase arrangements[3] | **(19.5)** | - | (38.9) |
| Senior Secured Notes | **(877.0)** | (734.9) | (829.9) |
| Lease liabilities[4] | **(110.0)** | (111.6) | (111.4) |
| | **(751.0)** | (843.6) | (987.6) |
| Current | **232.5** | 3.0 | (51.2) |
| Non-current | **(983.5)** | (846.6) | (936.4) |
| | **(751.0)** | (843.6) | (987.6) |

4. In 2019, £8.7m held in certain local bank accounts had been frozen in relation to local arbitration proceedings (30 June 2019: £nil). At 30 June 2020 the balance held in frozen bank accounts was £10.7m. The cash held in these accounts did not meet the definition of cash and cash equivalents and therefore was classified as an other financial asset.

5. At 30 June 2020 £70m of the £80m revolving credit facility was drawn down (30 June 2019: £70.0m, 31 December 2019: £70.0m). The group is party to a back-to-back loan arrangement with HSBC Bank plc, whereby Chinese Yuan to the value of £36.2m were deposited in a restricted account with HSBC in China in exchange for a Sterling overdraft facility with HSBC in the United Kingdom. The £36.2m of restricted cash is shown in the total of cash and cash equivalents above (30 June 2019: £37.4m, 31 December 2019: £36.7m). At 30 June 2020 the Group has drawn down £33.9m (30 June 2019: £36.7m, 31 December 2019: £36.3m) of the combined overdraft facility which is included in bank loans and overdrafts.

   In 2018 the Group entered into a fixed rate loan to finance the construction of the paint shop at the new St Athan manufacturing facility. The loan matures on 31 March 2022. The quarterly repayments on the loan include an element of capital repayment and interest charge. The final payment on 31 March 2022 includes an increased capital repayment of £6.3m. At 30 June 2020 the amount outstanding is £10.7m with £2.9m included in current borrowings and £7.8m included in non-current borrowings.

6. At 30 June 2020 a repurchase liability of £19.5m was recognised in accruals and other payables and Net Debt. In June 2020, £16.2m of parts for resale, service parts and production stock were sold for £19.5m (gross of indirect tax) and subsequently repurchased. Under the repurchase agreement, the Group will repay £20m gross of indirect tax. As part of this arrangement legal title to the parts was surrendered however control remained with the Group. This repurchase arrangement will be fully settled in 2020.

   At 31 December 2019 a repurchase liability of £38.9m including accrued interest of £0.2m, was recognised in accruals and other payables and Net Debt. In November 2019, £32.2m of parts for resale, service parts and production stock were sold for £38.7m (gross of indirect tax) and subsequently repurchased. This repurchase arrangement was fully settled in the 6 month period ended 30 June 2020.

7. The comparative Group Net Debt at 30 June 2019 and 31 December 2019 have been re-presented to align with the updated definition of Net debt to include current and non-current lease liabilities following the Group's adoption of IFRS 16 on 1 January 2019. There is no impact on the Group's Consolidated Income Statement, earnings per share, retained earnings or net assets. Net Debt is a non-IFRS alternative performance measure used for evaluating the performance of the Group and for further details see note 19.

**12. Movement in net debt**

| | **30 June 2020 £m** | 30 June 2019 £m | 31 December 2019 £m |
|---|---|---|---|
| Cash and cash equivalents | **359.4** | 126.9 | 107.9 |
| Cash held not available for short-term use | **10.7** | - | 8.7 |
| Inventory repurchase arrangement | **(19.5)** | - | (38.9) |
| Lease liabilities[1] | **(110.0)** | (111.6) | (111.4) |
| Loans and other borrowings - current | **(106.8)** | (113.3) | (114.8) |
| Loans and other borrowings - non-current | **(884.8)** | (745.6) | (839.1) |
| Net debt | **(751.0)** | (843.6) | (987.6) |
| | | | |
| **Movement in net debt** | | | |
| Net increase/(decrease) in cash and cash equivalents | **258.0** | (17.2) | (42.5) |
| Add back cash flows in respect of other components of net debt: | | | |
| New borrowings | **(75.0)** | (138.6) | (260.8) |
| Proceeds from inventory repurchase arrangement | **(19.5)** | - | (38.7) |
| Proceeds from existing borrowings | **-** | (11.1) | (102.3) |
| Repayment of existing borrowings | **83.0** | - | 91.5 |
| Repayment of inventory repurchase arrangement | **38.7** | - | - |
| Lease liability payments | **5.8** | 5.2 | 10.9 |
| Movement in cash held not available for short-term use | **1.2** | - | 8.7 |
| Transaction fees | **-** | 0.4 | 4.1 |
| Increase/(decrease) in net debt arising from cash flows | **292.2** | (161.3) | (329.1) |
| Non-cash movements: | | | |
| Opening lease liability upon adoption of IFRS 16 | **-** | (116.5) | (116.5) |
| Foreign exchange gain/(loss) on secured loan | **(38.5)** | (4.9) | 23.7 |
| Interest added to debt | **(4.8)** | (0.6) | (1.1) |
| Borrowing fee amortisation | **(3.4)** | (1.7) | (6.0) |
| Lease liability interest charge | **(2.1)** | (2.3) | (4.6) |
| Lease modifications | **(2.0)** | - | - |
| Unpaid transaction fees | **-** | (0.7) | (2.0) |
| Foreign exchange (loss)/gain and other | **(4.8)** | 3.9 | 7.5 |
| Decrease/(increase) in net debt | **236.6** | (284.1) | (428.1) |
| Net debt at beginning of the year | **(987.6)** | (559.5) | (559.5) |
| **Net debt at the end of the year** | **(751.0)** | (843.6) | (987.6) |

1. Net debt in the comparative periods has been re-presented to include lease liabilities - see note 11 for further detail.

**13. Financial Instruments**

The following tables provide an analysis of financial instruments grouped into Levels 1 to 3 based on the degree to which the value is observable. There were no transfers between levels during the current and comparative periods.

| | **30 June 2020** | | | 30 June 2019 | | | 31 December 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Nominal Value** | **Book Value** | **Fair Value** | Nominal Value | Book Value | Fair Value | Nominal Value | Book Value | Fair Value |

| Included in assets | £m | £m | £m | £m | £m | £m | £m | £m | £m |
|---|---|---|---|---|---|---|---|---|---|
| **Level 2** | | | | | | | | | |
| Forward foreign exchange contracts | **-** | **-** | **-** | - | - | - | - | 0.4 | 0.4 |
| **Level 3** | | | | | | | | | |
| Warrant equity options[1] | **-** | **2.8** | **2.8** | - | - | - | - | - | - |
| | **-** | **2.8** | **2.8** | - | - | - | - | 0.4 | 0.4 |

| | **30 June 2020** | | | 30 June 2019 | | | 31 December 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Nominal Value** | **Book Value** | **Fair Value** | Nominal Value | Book Value | Fair Value | Nominal Value | Book Value | Fair Value |
| ***Included in liabilities*** | **£m** | **£m** | **£m** | £m | £m | £m | £m | £m | £m |
| **Level 1** | | | | | | | | | |
| £285m 5.75% Sterling Senior Secured Notes | **285.0** | **280.2** | **255.9** | 285.0 | 277.9 | 280.8 | 285.0 | 279.0 | 273.6 |
| $400m 6.5% US Dollar Senior Secured Notes | **322.9** | **322.9** | **285.8** | 315.4 | 315.4 | 312.9 | 301.6 | 301.6 | 288.0 |
| $190m 6.5% US Dollar Senior Secured Notes | **153.4** | **149.1** | **139.4** | 149.8 | 141.6 | 148.3 | 143.3 | 137.2 | 133.8 |
| $150m 12.0% US Dollar Senior Secured Notes | **121.1** | **124.7** | **125.4** | - | - | - | 113.1 | 112.1 | 122.1 |
| **Level 2** | | | | | | | | | |
| Forward foreign exchange contracts | **-** | **15.0** | **15.0** | - | 13.9 | 13.9 | - | 8.9 | 8.9 |
| | **882.4** | **891.9** | **821.5** | 750.2 | 748.8 | 755.9 | 843.0 | 838.8 | 826.4 |

1. On 31 March 2020 Aston Martin Lagonda Limited, an indirect subsidiary of the Company, entered into an agreement which included warrant options for subscription in equity shares in Racing Point UK Limited. The warrant options have been recorded as an embedded option derivative asset at £2.9m on initial recognition. The fair value movement in the options for the period to 30 June 2020 was £0.1m and is recognised within the Income Statement in administrative expenses.

   The fair value of the warrant equity option above has been established by applying the proportion of equity represented by the derivative to an assessment of the enterprise value of Racing Point UK Limited, which is then adjusted to reflect marketability and control commensurate with the size of the investment. The enterprise value has been estimated using a blend of measures including an income-based approach and a market based approach. Due to the size of the potential investment, as a proportion of the equity of Racing Point UK Limited, there are no plausible sensitivities which would give rise to a material variation in the carrying value of the derivative.

   There is a further fair value embedded derivative in the agreement in respect of an additional economic interest in the equity of Racing Point UK Limited which has been assessed as having a carrying value of £nil at both inception and the period end. The movement in the value of this derivative has been estimated using the same method as the warrant equity option disclosed above.

The forward currency contracts are carried at fair value based on pricing models and discounted cash flow techniques derived from assumptions provided by third party banks. The Sterling Senior Secured Notes are all valued at amortised cost. The fair value of these Senior Secured Notes at the current and comparative period ends are determined by reference to the quoted price on The International Stock Exchange Authority in St. Peter Port, Guernsey. For all other receivables and payables, the carrying amount is deemed to reflect the fair value.

Under IFRS 7, such assets and liabilities are classified by the way in which their fair value is calculated. The interest bearing loans and borrowings are considered to be level 1 liabilities. Forward foreign exchange contracts are considered to be level 2 assets and liabilities. Warrant equity options are considered to be level 3 assets and liabilities.

IFRS 7 defines each level as follows:
- level 1 assets and liabilities have inputs observable through quoted prices;
- level 2 assets and liabilities have inputs observable, other than quoted prices, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- level 3 assets and liabilities as those with inputs not based on observable market data.

### 14. Provisions

| | **30 June 2020** | 30 June 2019 | 31 December 2019 |
|---|---|---|---|
| | **£m** | £m | £m |
| Warranty provision | **26.6** | 19.9 | 28.2 |
| Restructuring costs | **12.1** | - | - |
| | **38.7** | 19.9 | 28.2 |
| | | | |
| Current | **24.2** | 7.9 | 12.0 |
| Non-current | **14.5** | 12.0 | 16.2 |
| | **38.7** | 19.9 | 28.2 |

The Group announced in June 2020 that it would shortly launch a consultation process on proposals to reduce employee numbers reflecting lower than originally planned production volumes. The total estimated staff restructuring costs are £12.0m, in addition to other directly attributable costs of £0.1m. These costs were fully provided for in the current reporting period and are expected to be fully utilised over the next 12 months.

### 15. Pension Scheme

The net liability for defined benefit obligations of £36.8m at 31 December 2019 has increased to a net liability of £57.8m at 30 June 2020. The movement of £21.0m comprises a net actuarial loss of £22.2m in addition to a charge to the Income Statement of £4.7m less contributions of £5.9m.

The net actuarial loss is primarily caused by a decrease in the discount rate reflecting the reduction in corporate bond yields during the period. At 30 June 2020, no adjustment has been made under IFRIC 14 to the net pension asset as the reduction in discount rate moved the pension deficit over and above the discounted value of the future deficit reduction contributions.

### 16. Share capital

| | **30 June 2020** | | 30 June 2019 | | 31 December 2019 | |
|---|---|---|---|---|---|---|
| | **Number** | **£m** | Number | £m | Number | £m |
| Ordinary shares | **1,824,014,450** | **16.5** | 228,002,890 | 2.1 | 228,002,890 | 2.1 |

*Movement in Ordinary shares:*
During the 6 month period ended 30 June 2020 the Company issued ordinary shares to improve liquidity, provide flexibility in executing its strategy to operate as a true luxury company and help build the appropriate capital structure for the longer term.

| | **Number** | **Share Capital £m** | **Share Premium £m** | **Merger Reserve £m** |
|---|---|---|---|---|
| **Opening balance at 1 January 2020** | **228,002,890** | **2.1** | **352.3** | **-** |
| Private placing[1] | 76,000,000 | 0.7 | 170.3 | - |
| Rights issue[2] | 1,216,011,560 | 10.9 | 353.8 | |
| Non-pre-emptive placing and retail offer[3] | 304,000,000 | 2.8 | - | 149.3 |
| | **1,596,011,560** | **14.4** | **524.1** | **149.3** |
| Transaction costs arising on the issuance of ordinary shares | - | - | (25.1) | (5.3) |
| Net movement during the period | **1,596,011,560** | **14.4** | **499.0** | **144.0** |
| **Balance at 30 June 2020** | **1,824,014,450** | **16.5** | **851.3** | **144.0** |

1. On 31 March 2020 the Company issued 76.0m ordinary shares by way of a private placing. The shares were issued at 225p raising gross proceeds of £171.0m, with £0.7m recognised as share capital and the remaining £170.3m recognised as share premium.

2. On 1 April 2020 the Company issued 1,216.0m ordinary shares by way of a rights issue. The shares were issued at 30p raising gross proceeds of £364.7m, with £10.9m recognised as share capital and the remaining £353.8m recognised as share premium.

3. On 26 June 2020 the Company issued 304m ordinary shares through a non-pre-emptive placing and retail offer. The shares were issued at 50p raising gross proceeds of £152.1m, with £2.8m recognised as share capital and the remaining £149.3m recognised as merger reserve. At 30 June 2020 £5.3m of proceeds were still to be received by the Company. The merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006.

**17. Related party transactions**
During the 6 month period ended 30 June 2020, an agreement was signed with the previous CEO, a Director of the Group at the time, for the purchase of a vehicle at an expected discount of approximately £0.3m, in line with the employee purchases policy then in effect. This vehicle sale is not expected to complete in 2020 or materially affect the financial position and performance of the Group.

There have been no other related party transactions in the 6 month period to 30 June 2020 that have materially affected the financial position or performance of the Group.

**18. Post balance sheet events**
After the balance sheet date, the Group has arranged further Senior Secured Notes of $68.0m at 12% which mature in April 2022 and a £20.0m Coronavirus Large Business Interruption Loan Scheme (CLBILS) which matures in January 2022, whilst also entering into a new wholesale finance facility with a term of August 2021.

**19. Alternative performance measures**
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.

The key APMs that the Group focuses on are as follows:

i) Adjusted loss before tax (EBT) is the loss before tax and adjusting items (note 5) as shown in the Consolidated Income Statement.
ii) Adjusted operating loss (EBIT) is operating (loss)/profit before adjusting items.
iii) Adjusted EBITDA removes depreciation, (profit)/loss on sale of non-current assets and amortisation from adjusted EBIT.
iv) Adjusted Earnings Per Share is loss after income tax before adjusting items as shown in the Consolidated Income Statement, divided by the weighted average number of ordinary shares in issue during the reporting period.
v) Net Debt is current and non-current borrowings in addition to inventory financing arrangements and lease liabilities, less cash and cash equivalents, and cash held not available for short-term use as shown in the Consolidated Statement of Financial Position (the definition of this APM has been updated since 31 December 2019 - see note 11).
vi) Adjusted leverage is represented by the ratio of Net Debt, to the last 12 months ("LTM") adjusted EBITDA (this APM definition has been updated since 31 December 2019 - see note 11).
vii) Free cashflow is represented by net cash (outflow)/inflow from operating activities plus the net cash used in investing activities plus interest paid in the period.

**Income statement**

| | **6 months ended 30 June 2020 £m** | 6 months ended 30 June 2019 *restated* [1] £m | 12 months ended 31 December 2019 *restated* [1] £m |
|---|---|---|---|
| **Loss before tax** | **(227.4)** | (80.0) | (119.6) |
| Adjusting operating expenses | **13.8** | 2.5 | 42.1 |
| Adjusting finance expenses | **-** | 6.6 | 6.6 |
| **Adjusted loss before tax (EBT)** | **(213.6)** | (70.9) | (70.9) |
| Adjusted finance income | **(1.6)** | (3.2) | (16.3) |
| Adjusted finance expense | **69.7** | 37.7 | 77.3 |
| **Adjusted operating loss (EBIT)** | **(145.5)** | (36.4) | (9.9) |
| Reported depreciation | **22.7** | 24.7 | 42.7 |
| Reported amortisation | **33.8** | 32.5 | 85.2 |
| Loss on disposal of non-current assets | **-** | - | 0.9 |
| **Adjusted EBITDA** | **(89.0)** | 20.8 | 118.9 |

8. The comparative periods have been restated to reflect a correction of an error - see note 2 for further detail.

**Earnings per share**

| | **6 months ended 30 June 2020 £m** | 6 months ended 30 June 2019 *restated* [1,2] £m | 12 months ended 31 December 2019 *restated* [1,2] £m |
|---|---|---|---|
| **Adjusted earnings per ordinary share** | | | |
| Loss available for equity holders (£m) | **(200.3)** | (63.8) | (126.4) |
| Adjusting items | | | |
| Adjusting items before tax (£m) | **13.8** | 9.1 | 48.7 |
| Tax on adjusting items (£m) | **(3.6)** | (1.4) | (8.8) |
| Adjusted earnings (£m) | **(190.1)** | (56.1) | (86.5) |
| Basic weighted average number of ordinary shares (million) | **1,203.0** | 870.4 | 870.4 |
| Adjusted earnings per ordinary share (pence) | **(15.8p)** | (6.4p) | (9.9p) |
| | | | |
| **Adjusted diluted earnings per ordinary share** | | | |
| Adjusted earnings (£m) | **(190.1)** | (56.1) | (86.5) |
| Diluted weighted average number of ordinary shares (million) | **1,203.0** | 870.4 | 870.4 |
| Adjusted diluted earnings per ordinary share (pence) | **(15.8p)** | (6.4p) | (9.9p) |

9. The weighted average number of ordinary shares in both comparative periods have been restated to reflect the bonus element of the rights issue completed on 1 April 2020.

10. The comparative periods loss available to equity holders have been restated to reflect the correction of an error - see note 2 for further details.

**Net debt**

| | **30 June 2020 £m** | 30 June 2019 *restated* [1] £m | 31 December 2019 *restated* [1] £m |
|---|---|---|---|
| **Opening cash and cash equivalents** | **107.9** | 144.6 | 144.6 |
| Cash (outflow)/inflow from operating activities | **(179.4)** | 20.8 | 19.4 |
| Cash outflow from investing activities | **(159.9)** | (159.0) | (305.2) |
| Cash inflow from financing activities | **597.3** | 121.0 | 243.3 |
| Effect of exchange rates on cash and cash equivalents | **(6.5)** | (0.5) | 5.8 |
| **Cash and cash equivalents at the end of the period** | **359.4** | 126.9 | 107.9 |
| Cash held not available for short-term use | **10.7** | - | 8.7 |
| Inventory repurchase arrangement | **(19.5)** | - | (38.9) |
| Lease liabilities | **(110.0)** | (111.6) | (111.4) |
| Borrowings | **(991.6)** | (858.9) | (953.9) |
| **Net Debt** | **(751.0)** | (843.6) | (987.6) |
| | | | |
| **Adjusted LTM EBITDA** | **9.1** | 158.5 | 118.9 |
| **Adjusted leverage** | **82.5x** | 5.3x | 8.3x |

1. The comparative periods adjusted LTM EBITDA and adjusted leverage have been restated for the correction of an error in addition to the re-presentation of Net debt to include lease liabilities - see note 2 and 11 respectively for further details.

**Free Cashflow**

| | 30 June 2020 £m | 30 June 2019 £m | 31 December 2019 £m |
|---|---|---|---|
| Net cash (outflow)/inflow from operating activities | **(179.4)** | 20.8 | 19.4 |
| Net cash used in investing activities | **(159.9)** | (159.0) | (305.2) |
| Interest paid | **(31.3)** | (23.1) | (52.0) |
| **Free cashflow** | **(370.6)** | (161.3) | (337.8) |

**RESPONSIBILITY STATEMENT**

The Interim consolidated financial information has been prepared in accordance with IAS 34 adopted by the European Union. We confirm that to the best of our knowledge that the Interim Management Report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Lawrence Stroll
Executive Chairman
29 July 2020

Ken Gregor
Chief Financial Officer
29 July 2020

**Independent review report to Aston Martin Lagonda Global Holdings plc**

**Introduction**

We have been engaged by the Company to review the condensed set of Financial Statements in the Interim Report for the 6 month period ended 30 June 2020 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes 1 to 19. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

**Directors' Responsibilities**

The Interim Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the Annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this Interim Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

**Our Responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the Interim Report for 6 month period ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Birmingham
29 July 2020

[1] Due to timing of retail share sales not closing before 30 June

END

IR GUGDRRXDDGGC