

# Aston Martin Lagonda Global Holdings PLC

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## Aston Martin 'more like BMW than Ferrari' according to Deutsche Bank

Shares in Aston Martin Lagonda Global Holdings PLC (LON:AML) backfired on Monday after Deutsche Bank claimed the carmaker lacked the prestige of its Italian rival Ferrari.

Global political and economic uncertainty has dented consumer appetite for big-ticket items such as cars over the past year or so.

**READ:** Aston Martin swings to a loss on huge IPO costs  
Luxury brands such as Ferrari, which sell to the uber-rich, are generally unaffected by such macro issues, but Deutsche claimed it has seen a decline in demand for Aston Martins.

"We observed much higher volatility in demand versus its peer, Ferrari, closer in fact to the premium OEMs, like BMW," read a note to clients.

"In line with the previous company communication, we have been of the view that Aston Martin would be less exposed to end-market volatility, but we revise our view, on the back of a slowdown in Aston's key markets, Germany and the UK, weighing on sales momentum."

In order to try to prop up sales, the analysts expect Aston Martin to have to lower its prices which will hit profits.

### '2019 earnings risk'

"With muted demand momentum forecast in the short term, but increasing fixed costs already, due to St Athan (manufacturing plant) ramping up, we see a risk to earnings in 2019.

"To us, the DBX launch, late this year, has always been the key story and remains the key trigger of the stock; but with deliveries of that model still several months out, we see limited share price potential in the meantime."

They concluded: "With all this in mind, we lower our target price to 1,000p from (2,000p) and downgrade to 'hold' (from 'buy') on valuation grounds."

Aston Martin shares fell 4% to 977p on Monday morning, almost half what they were valued at the back when the company floated in October.

**Price:** 843.7p

**Market Cap:** £1923.66M

### 1 Year Share Price Graph



### Share Information

**Code:** AML

**Listing:** LSE

**52 week**                      **High**                      **Low**  
   1,915.00p                      790.00p

**Sector:**                      **Automobiles & Parts**

**Website:**                      **global.astonmartin.com**

### Company Synopsis:

*Aston Martin is a modern, exclusive sports car brand with a unique heritage instantly recognised around the world. Founded in 1913 by Lionel Martin and Robert Bamford, Aston Martin is acknowledged as an iconic global brand synonymous with style, luxury, performance and exclusivity.*

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