

Aston Martin Lagonda Global Holdings PLC

10:24 16 Apr 2019

JP Morgan lets some air out of Aston Martin's tyres as it predicts pricing pressure and "softening" demand

Shares in Aston Martin Lagonda Global Holdings PLC (LON:AML) skidded in late-afternoon after JP Morgan cut its target price to 1,500p from 1,800p.

In a note, the US investment bank said the car maker's pricing power for its lower-cost vehicles could come under pressure in its 2019 fiscal year, which could affect as much as 15% of its sales.

READ: Aston Martin 'more like BMW than Ferrari' according to Deutsche Bank Analysts also highlighted a "softening" of demand for premium models across Europe, citing low-single digit declines over the last five months as opposed to four years of "straight line growth" since 2015.

The bank also forecast that a lack of output in the first quarter from the group's DBX luxury SUV model as well as higher depletion and amortisation (D&A), would "take a toll" on its first quarter results, and as such cut their earnings forecasts for the full year by 10%.

JP Morgan's analysts aren't the only ones expecting lower earnings from Aston Martin, with Deutsche Bank saying they saw a "risk to earnings in 2019" as a result of "muted demand momentum" and increasing costs due to ramp-ups at the company's St Athan manufacturing plant.

Shares were down 0.6% at 931.4p.

Price: 480.5

Market Cap: £1.1 billion

1 Year Share Price Graph



Share Information

Code: AML

Listing: LSE

52 week High Low
1700 371.1

Sector: Transport

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.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.