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Aston Martin 'resets' operations, in which St. Athan remains a vital base

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Aston Martin's new Spanish plant will play an increasingly important part in the company's reset plan to boost sales around the world.

by Robert ...

The luxury car maker has seen a sharp decline in its sports cars sales and in recent weeks new management is it prepares to roll out production of its DBX SUV at St Athan in coming weeks.

This week it announced 500 job cuts across the business, but mostly at Gaydon where it builds the sports models, as it seeks to save £10M this year, £18M in capital expenditure and manufacturing, £12M in cash restructuring and further £10M in operating costs.

Aston Martin continues to take decisive action in other areas to reduce cost and remove



non-critical expenditure from the business at every level including in areas such as contractor numbers, site footprint, marketing and travel.

In a statement today it said, “Aston Martin Lagonda today updates on actions to improve the cost efficiency of the business, in alignment with its strategic plan to deliver profitable growth, operating as a true luxury car brand.

As communicated previously, the plan requires a fundamental reset which includes a planned reduction in front-engined sports car production to rebalance supply to demand.”



[The new Aston Martin DBX.](#)

The firm’s statement continues... “The Company’s first SUV, DBX, remains on track for



deliveries in the summer and has a strong order book. The measures announced today will right-size the organisational structure and bring the cost base into line with reduced sports car production levels, consistent with restoring profitability.

Aston Martin will shortly launch a consultation process on proposals to reduce employee numbers by up to 500, reflecting lower than originally planned production volumes and improved productivity across the business. The employee and Trade Union consultation process will be launched in the coming days.”

The cuts come a week after Aston Martin confirmed Tobias Moers, CEO of Mercedes-AMG, would become chief executive on 1 August, replacing Andy Palmer, who conceived the Second Century Plan for new models, new technology and who brought production to St Athan.

Aston Martin has seen its share price plummet since floating in October 2018. Last month it posted a deep first-quarter loss after sales dropped by almost a third due to the impact of the novel coronavirus outbreak.