

AUTOMOTIVE

Mercedes-Benz, Aston Martin expand technology partnership

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A luxury SUV, the DBX signals a new era in Aston Martin's history. Image credit: Aston Martin Lagonda

By LUXURY DAILY NEWS SERVICE

German automaker Mercedes-Benz is furthering its investment in Britain's Aston Martin, in a move that will give the struggling marque access to enhanced technologies.

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According to the strategic technology agreement, Mercedes-Benz will gradually increase its stakes in Aston Martin up to a maximum of 20 percent. Despite its stature as one of the most prestigious automotive brands, Aston Martin has seen its financial health decline since going public in 2018 ([see story](#)).

"This is a transformational moment for Aston Martin," said Lawrence Stroll, executive chairman of Aston Martin Lagonda, in a statement. "It is the result of six months of enormous effort to position the company for success to capture the huge and exciting opportunity ahead of us.

"Today, we take another major step forward as our long-term partnership with Mercedes-Benz AG moves to another level with them becoming one of the company's largest shareholders," he said. "Through this new expanded agreement, we secure access to world-class technologies to support our long-term product expansion plans, including electric and hybrid powertrains and this partnership underpins our confidence in the future."

Next chapter

Mr. Stroll joined Aston Martin in January after leading a group who made an investment of \$239 million in the struggling automaker ([see story](#)).

The pandemic has worsened the marque's financial situation, leading Aston Martin to cut 500 jobs this summer ([see story](#)).

According to the automaker's financial results for the third quarter ended on Sept. 30, retail sales were down 39 percent year-to-date to 2,752 vehicles. Aston Martin has also been working to reduce inventory at its dealerships.

Through the first nine months of the year, revenues have fallen to 270 million pounds, or \$349,793 million at current exchange, while operating loss amounted to 229 million pounds, or \$296,623.

The new agreement between Aston Martin and Mercedes-Benz is set to have a maximum of value of 286 million pounds, or \$370,427 million.

Priorities for Aston Martin through the new agreement include access to powertrain architecture for conventional, hybrid and electric vehicles for its next generation of vehicles, to launch in 2027. The renewed partnership will also bolster Mercedes-Benz's luxury credentials.



Mercedes-Benz has been making strides in electrification and other technology. Image credit: Mercedes-Benz

Mercedes first took a stake in Aston Martin in 2013 when the automakers collaborated on engine development ([see story](#)).

More recently, Aston Martin Lagonda poached Mercedes-AMG boss Tobias Moers as its new CEO after incumbent Andy Palmer stepped down by mutual agreement. Mr. Moers had served as the chairman of the management board and CEO of Mercedes-AMG since 2013 ([see story](#)).

"[The] expansion of our partnership with Mercedes-Benz AG is a critical step towards achieving our goals for Aston Martin," Mr. Moers said in a statement. "The capabilities of Mercedes-Benz AG technology will be fundamental to ensure our future products remain competitive and will allow us to invest efficiently in the areas that truly differentiate our products."

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