

AML Procurement: Welsh Automotive Engagement

Paul Tedstone

Director of Production Procurement



ASTON MARTIN



Autolink 2019 - Cardiff City Stadium, 19th June 2019



SECOND
CENTURY PLAN

OUR
SUPPLIERS

OUR
TEAM

OUR
OPPORTUNITIES



ASTON MARTIN



**SECOND
CENTURY PLAN**

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ASTON MARTIN

OUR VISION | The GREAT British car Company that creates the most beautiful and accomplished automotive art in the World

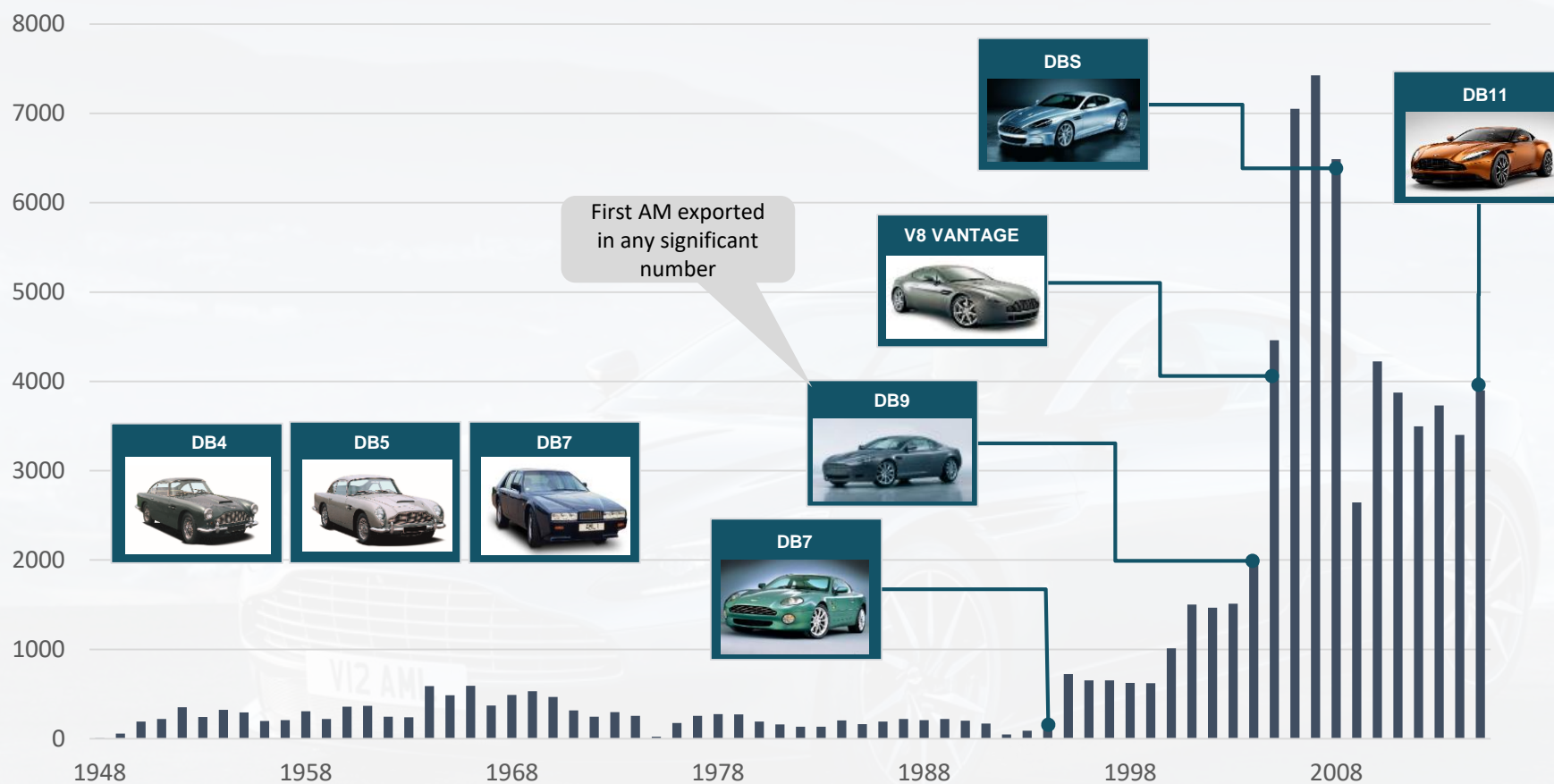
SECOND CENTURY PLAN





SECOND CENTURY PLAN | OUR HISTORY

ASTON MARTIN PRODUCTION: 1948 - 2016





SECOND CENTURY PLAN | SUSTAINABLE LUXURY

1

STABILISATION

ACHIEVED
2015 - 2017

- New leadership team
- Clear growth plan
- Fully financed
- De-risking of the business

2

CORE STRENGTHENING

ALMOST COMPLETE
2016 – 2018

- All new GT / Sports Car Range
- New “Specials” Strategy

3

PORTFOLIO EXPANSION

COMMENCED AND ON
TRACK
2018 - 2022

- 7 core models expected by 2022
- 2nd manufacturing plant
- Optimised capacity at c.14k
- Full EV capability

SUSTAINABLE
LUXURY
BUSINESS

Delivering

Predictable growth and high margins

Significant value creation

Long term sustainability

3 PILLAR PRODUCT STRATEGY

GT, Sports and Mid-Engine

4 Models



SUVs

2 Models



Sedans

1 Models



Specials



- Regular cadence: Two specials and one heritage special p.a.
- Perpetuating brand uniqueness, exclusivity and desirability

SECOND CENTURY PLAN | CYCLE PLAN

SEVEN MODELS OVER SEVEN YEARS, COPY, REPEAT

Largest Investment plan in the company's history
7 new models over 7 years with a 7 year life & repeat
Alongside this we deliver regular lines of limited edition specials

	2015	2016	2017	2018	2019	2020	2021	2022
Core								
		DB11	VANTAGE	DBS				
Specials							Annual Special #1	
							Annual Special #2	
Heritage								

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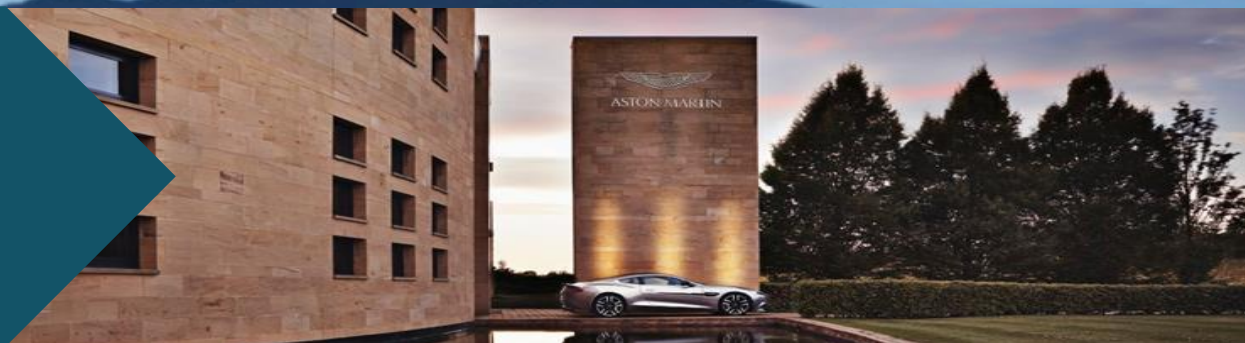
SECOND CENTURY PLAN | MANUFACTURING STRATEGY

GAYDON

Warwickshire, GB

*Home of our sports cars
and special projects*

Optimised capacity c. 7.0k units



ST ATHAN

Glamorgan, GB

*Home of our large cars
and Electrification*

Optimised capacity c. 7.0k units



NEWPORT PAGNELL

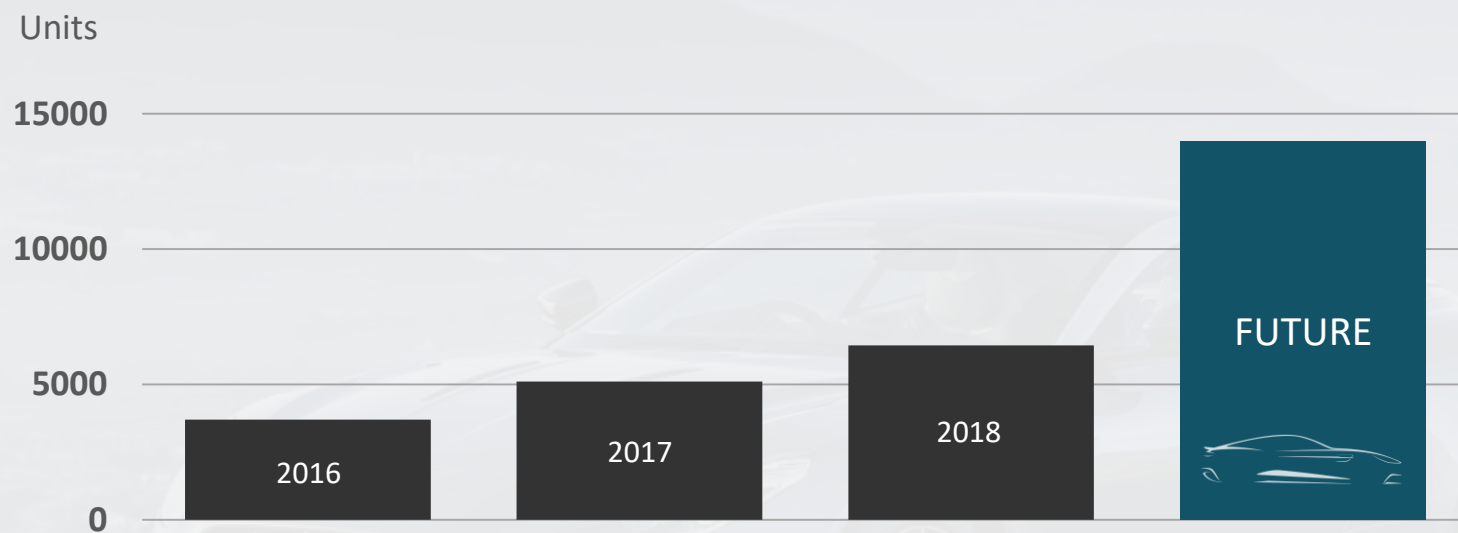
Buckinghamshire, GB

*Home of our Heritage car
continuation and restorations*



SECOND CENTURY PLAN | PRODUCTION GROWTH

The addition of our St Athan facility raises our production capacity to 14,000 cars a year.



This growth, supported by the new model releases of the Second Century Plan opens up new opportunities to develop and bolster our supply base.

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OUR SUPPLIERS



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STRATEGY

1



PERFORMANCE

2



PARTNERSHIP

3



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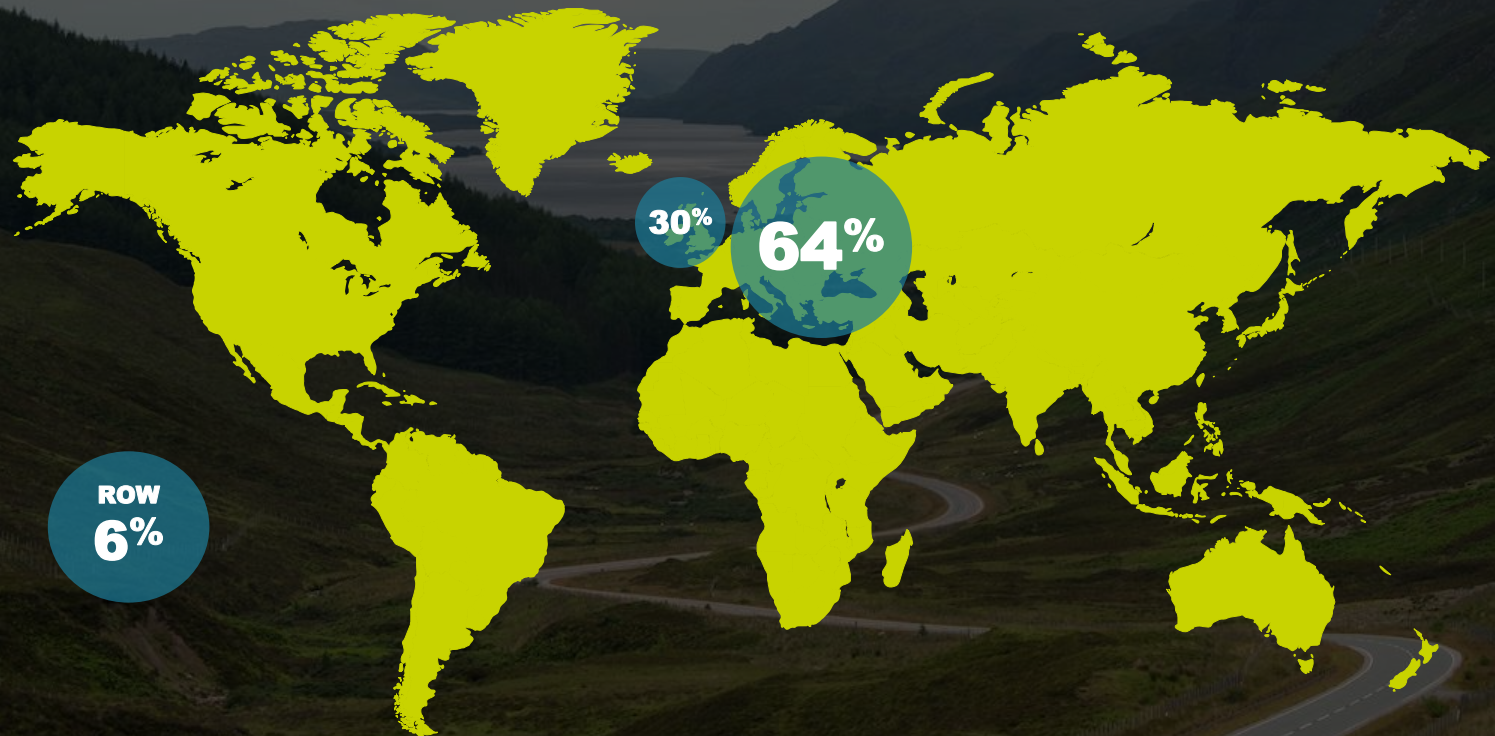
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OUR SUPPLIERS | STRATEGY



94% of production expenditure is within the UK and Mainland Europe

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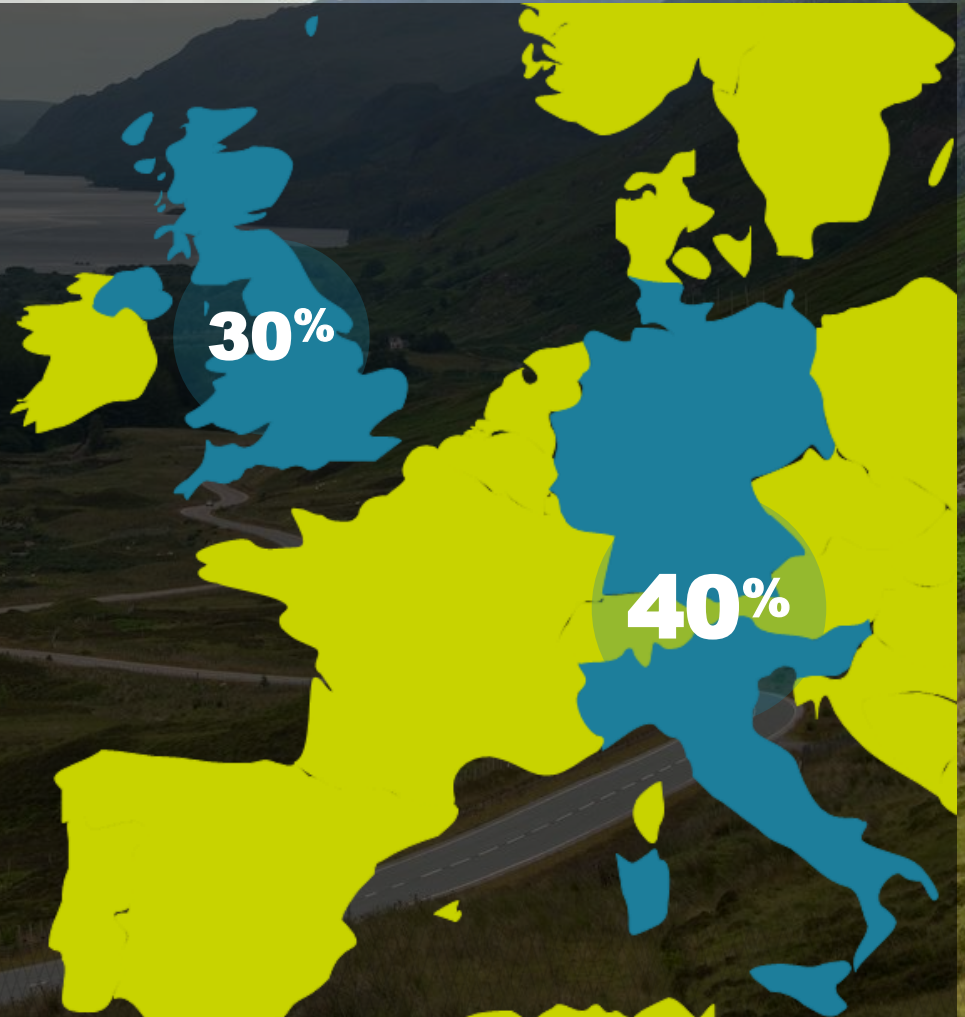
OUR SUPPLIERS | STRATEGY

70%

of production expenditure is
within UK, Germany and Italy

30%

40%



OUR SUPPLIERS | STRATEGY

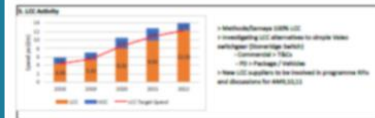
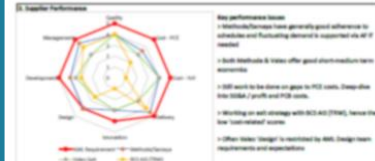
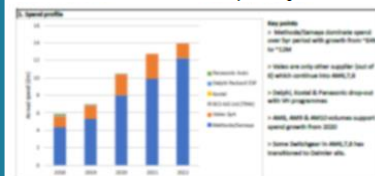
Development of robust commodity and supplier strategies is driving the transformation of our supply base

- Strategic **selection** and replacement of suppliers
- Effective **management** of our current supply base
- Cross-functionally **balanced** and aligned strategic direction for sourcing and supplier activity
- Achievement of Quality, Cost, Delivery, Development and Management (**QCDDM**)

OVERVIEW:
CURRENT & FORECAST

ASTON MARTIN PROCUREMENT - COMMODITY STRATEGY

Team: Electrical Commodity: Switchgear



MARKET & TECHNICAL ROADMAP

Buyer: David Holmes

Supplier	Product	Value	ABC	Share	ABC	Share	ABC	Share
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%

Supplier	Product	Value	ABC	Share	ABC	Share	ABC	Share
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%
ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%

Supplier	Product	Value	ABC	Share	ABC	Share	ABC	Share
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Supplier	Product	Value	ABC	Share	ABC	Share	ABC	Share
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ABB	Switchgear	100000	10%	10%	10%	10%	10%	10%

SUPPLIER STRATEGY

ASTON MARTIN PROCUREMENT - COMMODITY STRATEGY

Team: Electrical Commodity: Switchgear



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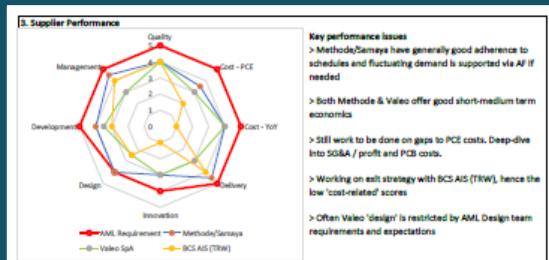
OUR SUPPLIERS | PERFORMANCE

AML's Supplier Performance Management (SPM) approach is based around the key measures of

QUALITY
COST
DELIVERY
DEVELOPMENT
MANAGEMENT



**Clear and robust
Supplier Performance
measures and controls**



- PCE
- Cost - Full
- Low
- High

Key performance issues

- > Methode/Sameya have generally good adherence to schedules and fluctuating demand is supported via AI if needed
- > Both Methode & Valeo offer good short-medium term economics
- > Still work to be done on gaps to PCE costs, Deep-dive into SG&A / profit and PCB costs.
- > Working on exit strategy with BCS AIS (TRW), hence the low 'cost-related' scores
- > Often Valeo 'Design' is restricted by AML Design team requirements and expectations



Informed and cross-functionally aligned Supplier strategy

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OUR SUPPLIERS | PARTNERSHIP

Our Vision is to develop a world class interdependent supply base which enables the successful delivery of the Second Century Plan



ALIGNED TO TARGETS
& GOALS



CONTINUOUS
PERFORMANCE
DEVELOPMENT



GREATER SUPPLIER
INTEGRATION

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OUR TEAM



OUR TEAM | ORGANISATION

PROCUREMENT ORGANISATION

- AML Procurement has 100 employees working in a number of diverse functions
- Evolution from traditionally *Operational Purchasing* function to **Strategic Procurement** function
- Fast-moving dynamic team aligned to our rapid growth and diversification plan
- Procurement & Supplier Development teams introduced to drive transformation of our organisation and Supply Base

FUNCTIONS

PRODUCTION PROCUREMENT

BODY IN
WHITE

BASE ENGINE &
ELECTRICAL

INTERIOR TRIM

CHASSIS &
POWERTRAIN

PROGRAMME
MANAGEMENT

INDIRECT
PROCUREMENT

PROCUREMENT
DEVELOPMENT

COST ESTIMATION

LOCATIONS



Chase Point (Coventry)



St Athan



Gaydon



Milton Keynes (Red Bull)



Wellesbourne



Newport Pagnell



OUR TEAM | ORGANISATION

PRODUCTION PROCUREMENT

- AML Direct Material Procurement is split across four Strategic Commodity Groups
- These cover Production vehicle Sourcing, SVO, PCE & SDE
- Situated in 3 main locations in St Athan (Wales), Chasepoint (Coventry) & Wellesbourne

Body in White	<ul style="list-style-type: none"> • Tub & Main Chassis • Body panels • Bumpers 	<ul style="list-style-type: none"> • Hinges • Exterior trims • Pressings
Chassis & Powertrain	<ul style="list-style-type: none"> • Corners • Exhaust system • Fuel system 	<ul style="list-style-type: none"> • Steering system • Braking system • Transmission
Base Engine & Electrical	<ul style="list-style-type: none"> • Main Engines • Electric architecture • Harnesses 	<ul style="list-style-type: none"> • Strategic Partnerships (Ford & Daimler) • Entertainment
Interior Trim	<ul style="list-style-type: none"> • Seats • Materials • Trim 	<ul style="list-style-type: none"> • Glass • Roof systems • Carbon trim

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OUR OPPORTUNITIES



OUR OPPORTUNITIES | WAF PARTNERSHIP

WELSH AUTOMOTIVE FORUM

BEEL	EE
	Lighting
	Harnesses
	Engines
	Switchgear
	Castings- Engine
	Infotainment
	Steering Column
	Hybrid Controls
	P2.5 Motor / Inverter
BIW	Anodising
	Castings
	Composites
	Bumpers & RIM
	Extrusions
	Heavy Pressing
	Small Pressing / Sheet Metal
	Brightware
	Welded Assembly
	Hinges
CHPT	Locks & Latches
	Transmission
	Brakes
	Sub Frames and Suspension
	Exhaust & Catalyst
	Steering gear
	Pipes, hoses and driveline ancillaries
	Prop and Driveshafts
	Wheels
	Bearings
	Differential
	Pedal Box
	Wiper Systems
	HVAC
	Engine Mounts
Interior	Trans TCU
	DCT Transmission / Damper
	Tyres
	Gearbox Mounts
	Leather & Cutting
	Wrapped components
	Convertible roof systems
	Seats
	Veneers (Interior) / Interior Decorative Trim
	Carbon Finishers
	Carpet mouldings, NVH
	Active Safety



WAF – POTENTIAL SUPPLIERS OF INTEREST

	SUPPLIER 1	SUPPLIER 2	SUPPLIER 3
Name			
Location			
OEM's			
Associates			
Turnover			
Competence			

Collaborative and strategic approach to Supplier Identification & Engagement through Welsh Automotive Forum



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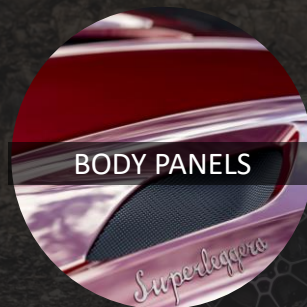
Welsh Automotive Forum
Fforwm Modurol Cymru

- AML are working together with WAF to understand and engage with the Welsh Automotive market for our key strategic commodities.
- An integrated approach at commodity-level will ensure effective focus on the most relevant areas to establish key relationships in the region and deliver mutual benefit.

LOCALISATION OPPORTUNITIES

Opportunities are available across a range of commodities that's we've identified as we actively explore to reinforce our local supply base to support our Second Century Plan.

Potential
Localisation
Opportunities
we're exploring



BODY PANELS



SMALL PRESSINGS



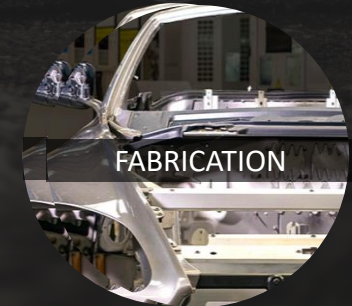
ELECTRIFICATION



EXHAUST SYSTEMS



BRAKE SYSTEMS



FABRICATION



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THANK YOU

