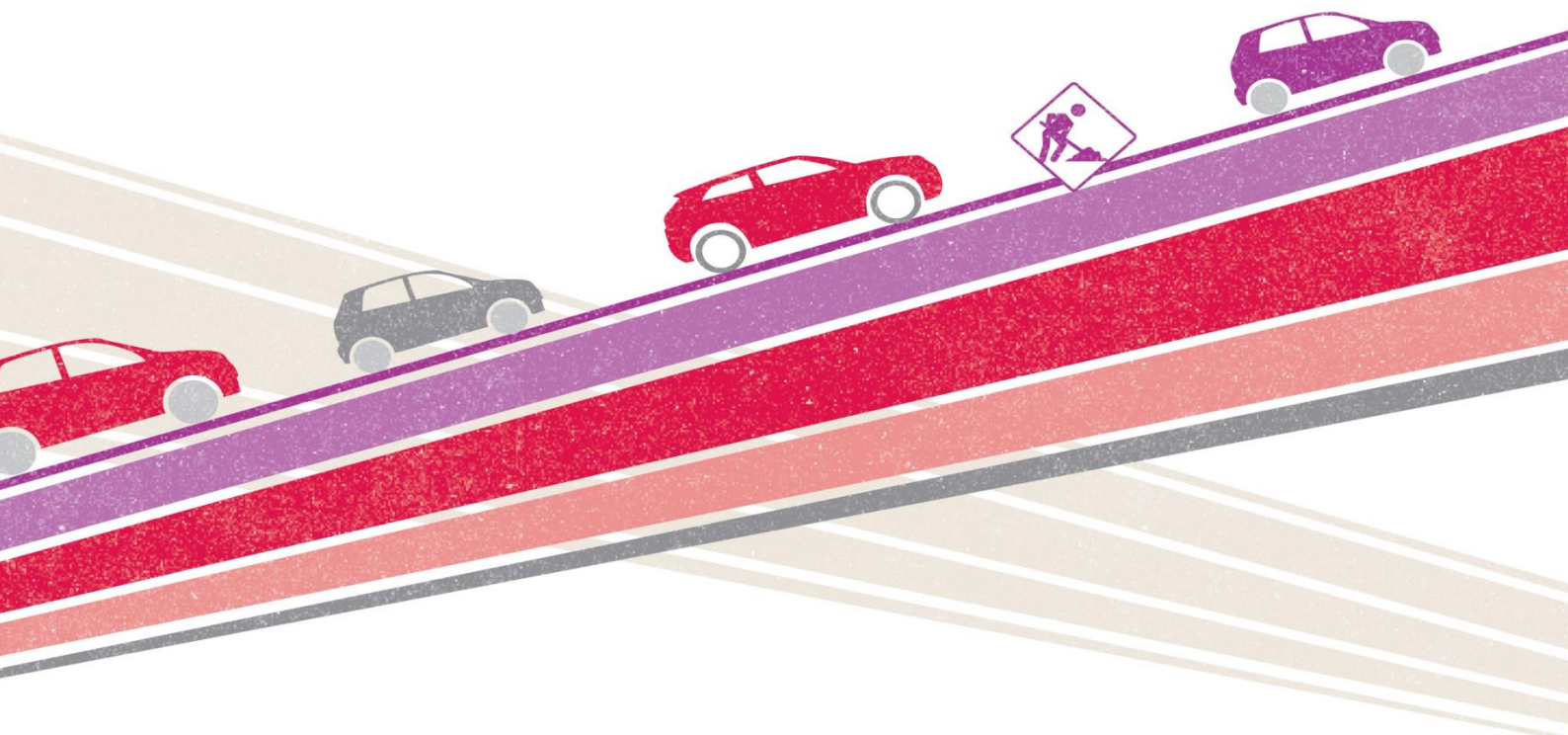


# *Auto transition – an evolving landscape*

October 2016 will mark the start of the end of vehicle manufacturing in Australia and the beginning of a new era for many automotive suppliers.

While the closure of manufacturing at the three OEM's will result in substantial challenges for the automotive supply base, it creates a timely opportunity for many to transition into new markets.

Is your business positioned to take advantage of this opportunity?





# We have a deep understanding of the automotive industry

Grant Thornton offers a combination of global automotive knowledge and local expertise. With member firms in over 130 countries, Grant Thornton has the global footprint to deliver services wherever our clients need us. Our success in helping our clients grow can be seen in the long-term relationships we have.



## Our experience

The Grant Thornton team has extensive experience in providing advisory services to companies and their key stakeholders in the automotive industry. Our strong relationships with these key stakeholders have been built over numerous recent engagements, including:

- a) Undertaking **corporate reviews** of automotive suppliers on behalf of the supplier, OEM's, financiers and other investors to identify risk areas and suggest strategies for improvement;
- b) Advising **government and industry bodies** on the impact of changes in the sector;
- c) Both formal and informal advice relating to the restructure of suppliers, assisting businesses requiring financial turnaround, management change or restructure, as well as **debt and capital solutions**, particularly where the client is under pressure from its financier.

We have also undertaken advisory engagements with businesses operating in the automotive sector across all key geographies, bringing an appreciation of the issues and challenges facing suppliers both domestically and internationally.

## CASE STUDY

Grant Thornton were appointed to review the viability of a Tier 1 supplier and identify the options available to them.

We reviewed each business unit, the supply chain and customer profile to identify areas where efficiencies and cost savings could be achieved.

By working closely with key management and other stakeholders we were able to develop a restructuring plan to assist the core business in transitioning away from automotive, and to develop a wind-down plan for the automotive division that could be implemented over the short to medium term aimed at minimise costs and distraction for the business.

*"Our deep understanding of the issues faced by the supplier and our relationships with key stakeholders allowed us to structure the right outcome for the client."*

### **Matt Byrnes**

Partner & National Head of Restructuring Advisory



# We recognise the specific challenges facing the sector

Suppliers who can define their offerings, prioritise their target growth market opportunities and capitalise on their internal capabilities will be best placed to diversify their businesses to ensure ongoing sustainability.

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## Challenge – inventory management

**Ensure that you are not left holding inventory with little or no future value.**

We can assist in developing a plan to maximise the value that can be extracted from your inventory holdings. A collaborative approach with suppliers and customers complimented by supply chain mapping can achieve the right balance between an orderly reduction in inventory while maintaining ongoing supply.

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## Challenge – plant & equipment

**Consider your strategy for addressing redundant plant and equipment while unlocking value in these assets**

Our team has extensive experience in managing key assets such as plant & equipment, however specialised, and maximising value via our network of key local, regional and global contacts. We will assist you to develop a strategy to ensure that your assets are realised in an optimal manner.

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## Challenge – assisting you to access funding

**In the current lending climate, suppliers will be required to obtain the best funding structure available through either traditional or alternative financing avenues.**

We can utilise existing relationships with traditional financiers to assist in negotiating a financial restructure, and also introduce alternate funding where required.

Our team understands the needs of lenders and we can assist you in preparing the right financial analysis and supporting information that may be required to facilitate in their decision-making.

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## Challenge – access to government funding

**The quantum and value of government programs available to suppliers can be a time consuming and daunting task.**

A range of Local, State and Federal Government funding programs are available to the supply chain to support diversification and transition strategies, and to mitigate the risk of economic downturn in response to OEM closures. Grant Thornton have a dedicated team who understand policy developments impacting the industry and who have deep expertise in assisting suppliers to access and maximise Government funding.

## CASE STUDY

Grant Thornton was engaged to conduct a Strategic Business Review and in turn support development of a Strategic Business Plan for a Tier 1 supplier. A thorough review of the organisation's strategy, goals, markets and capabilities informed its diversification strategy.

*"A detailed market analysis has helped to quantify opportunities in target product markets, identifying growth opportunities while preserving key organisational resources for the client."*

### Mark Phillips

Partner – Growth Advisory  
National Head of Performance Improvement  
National Head of Manufacturing

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## Challenge – orderly restructuring/wind down (i.e. liquidation)

**Suppliers should be restructuring their operations in response to the impending closure of manufacturing of the three OEM's.**

If you have not taken steps already, you should immediately seek advice to guide you through the transition phase.

Grant Thornton has worked closely with the supply chain in formal and informal restructurings and has a proven track record of success.

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## Challenge - consolidation

We have advised on a number of M&A transactions within the automotive industry and are aware of the many challenges faced by companies during this phase. We are able to advise on all aspects of the transaction including corporate structuring, risk mitigation, taxation issues and operational efficiencies.



# About Grant Thornton

GRANT THORNTON IS ONE OF THE WORLD'S LEADING ORGANISATIONS OF INDEPENDENT ASSURANCE, TAX AND ADVISORY FIRMS.

These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions.

Grant Thornton Australia has more than 1,200 people working in offices in Adelaide, Brisbane, Cairns, Melbourne, Perth and Sydney. We combine service breadth, depth of expertise and industry insight with an approachable “client first” mindset and a broad commercial perspective. W

More than 42,000 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work. Through this membership, we access global resources and methodologies that enable us to deliver consistently high quality outcomes for owners and key executives in our clients.

**42,000+**

PEOPLE GLOBALLY

**130+**

COUNTRIES

**\$4.6BN**

WORLDWIDE REVENUE  
2015 (USD)

**1,200+**

PEOPLE NATIONALLY

## INDUSTRY SPECIALISATIONS

Automotive Dealerships

Energy & Resources

Financial Services

Food & Beverage

Health & Aged Care

Life Sciences

Manufacturing

Not-for-Profit

Professional Services

Public Sector

Real Estate & Construction

Consumer Products & Retail

Technology & Media

## OUR SERVICES TO DYNAMIC BUSINESSES

### TAX

Business planning tax advice

Corporate tax risk management

GST & indirect taxes including fuel tax credits

Fringe benefits tax

Employment taxes

International tax

Transfer pricing

Expatriate taxes

Research & development

Corporate advisory services

### AUDIT & ASSURANCE

External audits

Internal reviews

Reviews of financial reports

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IFRS training

Expert accounting & audit opinions

Systems & controls reviews

Compliance audits & reviews

### PRIVATE ADVISORY

Business & strategic planning

Compliance services

Tax advisory

Outsourced accounting solutions

Private wealth advisory

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Corporate insolvency

Corporate simplification

Debt advisory

Complex & international insolvency

Due diligence

Expert witness

Family law

Financial modelling

Initial Public Offerings

Investigations

IT forensics

Mergers & acquisitions

Personal insolvency

Raising finance

Restructuring & turnaround

Valuations

Transaction advisory

### GROWTH ADVISORY

Asia practice

Business risk advisory

Internal audit

Legislative & regulatory compliance

Risk management

Internal control & process risk

Governance

Data analytics

Performance improvement

Business & growth strategy

Operational improvement & effectiveness

Finance function transformation

Supply chain improvement

Implementation strategies for M&A

Leadership, talent & culture

Business strategy & planning

Leadership

Talent & capability

Cultural transformation

HR Direct

Public sector advisory

Policy strategy governance

Organisational design & implementation

Regulations

Technology advisory

Technology strategy & optimisation

Technology audit & reviews

Technology project governance

ITIL enablement

IT security

Project scoping & management

Technology solutions

ERP/CRM/ eCommerce

Corporate performance management

Process automation

Data analysis

Mobile enterprise applications & document management



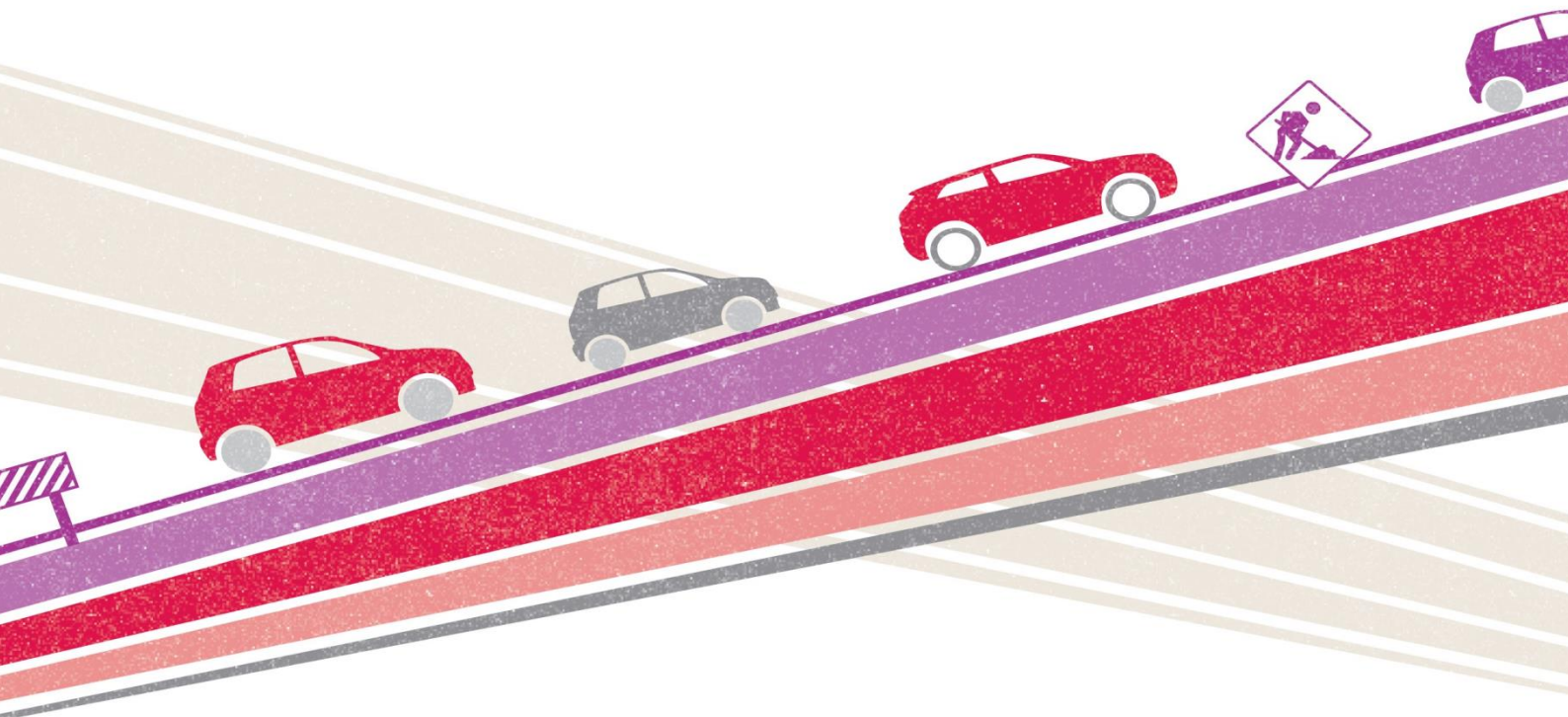
Should you wish to discuss your company's financial or operational options further, please contact:



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