Innovating for the road ahead

The global recession has forced the automotive sector to reset. In the period of intense transition that has followed, customer demands are changing, governments are continually raising the standards for clean and safe transportation, and new market entrants are emerging to transform the competitive landscape.

As vehicle manufacturers, suppliers and dealers develop new value propositions to meet shifting mobility needs in both developed and emerging markets, stakeholder collaboration is increasing in order to facilitate a flexible cost structure, reduce risk and leverage new technology.

With competition set to intensify even further, we believe automotive companies across the value chain will need to ensure financial and operational flexibility, capitalize on market opportunities and rationalize their product portfolios to gain scale in fast-growth markets, and drive profitable and sustainable growth in developed markets.

To succeed, players at every level of the value chain – from component suppliers to commercial or light vehicle manufacturers to retailers – will need to think beyond traditional sector trends and barriers, and increase their ability to adapt and respond quickly.
Making the connections that move you forward

Our Global Automotive Center helps make connections that drive results. With more than 7,000 EY professionals serving automotive companies globally, and thousands of carefully cultivated relationships throughout the sector, we have an extraordinary network of resources to share with you. Putting you in touch with the right people is just one of the ways we help you to move ahead.

**Connecting you to our global resources**

At EY, we have a truly global approach to serving our automotive clients, which includes access to a network of automotive subject-matter professionals who are thinking about your business every day. We mobilize quickly to respond and connect you with the right people anywhere in the world.

**Connecting you to a dynamic forum for discussion**

As the automotive sector grows and more diverse and new players emerge, it is more important than ever for you to forge new connections and stay abreast of the trends and concerns of today’s market. We are committed to creating issue-based forums for you to meet with other leaders and share perspectives on key issues.

We are present at leading sector events that focus on the most pressing business issues and bring together a diverse group of market participants. From major automotive shows around the globe to private executive roundtables to focused advanced mobility events, these forums allow us to engage in substantive discussions about the future of the sector with you and other leaders.

“EY can cover organizations with services on a worldwide level. We are active in 73 countries with them.” – Automotive audit committee member, Switzerland
We know the value of being ahead of the issues, and we can help you get ahead and stay there. We are immersed in your markets so we understand the challenges and opportunities you face. And our Global Automotive Center draws on its expansive pool of resources to anticipate trends, identify implications and translate our observations into well-informed points of view that support your goals in a meaningful and actionable way.

We leverage our fundamental understanding of macro trends in the sector to help us focus on the specific challenges or opportunities you face. Whether working with you on strategic initiatives or resolving a challenging issue, we can help you achieve the optimal positioning for your business. If you are considering a joint venture, building a manufacturing facility in an emerging market or looking for process efficiencies, we have at our fingertips the global intelligence that will provide you with the necessary perspective to make strategic decisions in a timely fashion.

**Insights that make a difference to you**

- **Mega trends impacting your business over the next decade** – a detailed analysis of the major trends shaping the global light vehicle industry that will significantly impact revenues, costs and profitability over the years ahead.

- **Market-specific reports** – an in-depth look at issues in specific automotive markets around the globe, such as China, Russia and Central and Eastern Europe.

- **The electrification of transportation** – detailed analyses examining the entire alternative transportation value chain, from the opportunities and risks within electric vehicle (EV) charging infrastructure to consumer demand for EVs.

- **Business trend viewpoints** – perspectives covering the most critical trends – from advanced mobility issues to social media to cost management – and the specific implications for your business.

> “Throughout the years they [EY] have demonstrated a deep understanding of the automotive sector in general and of our company, in particular.”
> - Senior automotive executive, Mexico
Working across the sector and around the world to deliver results

We work with the biggest, brightest and best companies in automotive. This broad and deep exposure means we understand the dynamics of the sector and what the leading players are doing. We leverage our collective knowledge and experience across the sector so you can improve your performance.

**Sector experience**

EY’s areas of concentration touch all sub-sectors of the industry including:

- Light vehicle manufacturers
- Component suppliers – original equipment and aftermarket
- Commercial vehicle manufacturers
- Retailers and dealers
- Electric vehicle/advanced mobility

**Our market leadership in serving the sector**

- We audit 13 of the top 25 *Automotive News* Top 100 Global OEM Suppliers
- We are the leading auditor on the 2011 *Russell 3000* in terms of companies audited (32%)
- We are the leading auditor on the 2011 *Automotive News* Top 150 North American Suppliers list in terms of companies audited (31%)
- We audit 32% of the *Fortune 1000* automotive sector companies
- We audit 34% of the *Forbes Global 2000* automotive sector companies

“It is a brand known worldwide and they are integrated at a global level to be able to solve all types of problems.” – Head of audit, Spain
Achieving results that give you an advantage

Client objective: increase competitiveness by reducing global effective tax rate and enhancing supply chain tax efficiency (US, Russia)

Our contribution: we conducted feasibility studies and redesigned an operating model to achieve $5B in cost savings over 10 years, and a projected reduction of over 10% in the effective tax rate

Client objective: align its transfer pricing processes in order to avoid paying significant overseas taxes in spite of losing money in its headquartered country (US)

Our contribution: improved and automated company’s transfer pricing processes allowing the client to realize significant efficiency and cost savings that more than paid for the project

Client objective: identify location for additional manufacturing and distribution facilities (India, Brazil, Russia, China)

Our contribution: using innovative methodologies and programming techniques, we rigorously evaluated and ranked various options to advise the client on its market entry strategy

Client objective: because regulatory body in Japan had recently published an IFRS road map, client wanted to fully understand and plan for the impacts of IFRS conversion on their financial reporting (Japan)

Our contribution: identified the differences between IFRS and various country GAAPs to develop a group accounting policy that was IFRS compliant

Client objective: large global vehicle manufacturer sought to grow through acquisition of a major player in the fleet services space (Europe)

Our contribution: providing holistic deal advisory services beginning with pre-transaction due diligence, followed by integration planning and finally a full-scale integration across 10+ countries in Europe

Client objective: achieve greater informational transparency to allow management to respond more rapidly to changes in business plan (US)

Our contribution: we assist large, global players across the automotive value chain to transform their finance organizations through process reengineering and technology design, build and deployment

Client objective: understand the role that the company could play in the emerging EV infrastructure value chain (US, Western Europe)

Our contribution: created an awareness of key stakeholders and facilitated a strategic discussion with senior management on the different possible directions the company could take

Client objective: ensure that the company’s IT security was robust enough to stand up to increasing scrutiny of boards and government bodies (US)

Our contribution: performed maturity assessment of company’s information security program and identified actionable improvements based on leading practice examples from across the sector

A sampling of our contributions to leading automotive companies
Why EY in automotive

We make it our business to understand your business. Whether we are working with you on broad strategic initiatives or to identify the best solution for a specific need, our professionals bring a wealth of diverse experience that is customized specifically to your requirements.

Our focus is on helping you accelerate and improve your execution. As a results-driven organization, our people are not afraid to have the difficult conversations that will help you think differently and critically about your business. We work with you to provide actionable insights and deliver tools and alternatives to help you sharpen your focus on the market.

We apply focus, rigor and attention to detail to help you get the job done, whether you want to:

- Evolve your operating model
- Grow through acquisition
- Improve profitability
- Optimize supply chain management
- Assess and manage IT risk
- Drive down costs and release cash
- Address the sustainability agenda
- Reduce global taxes
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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