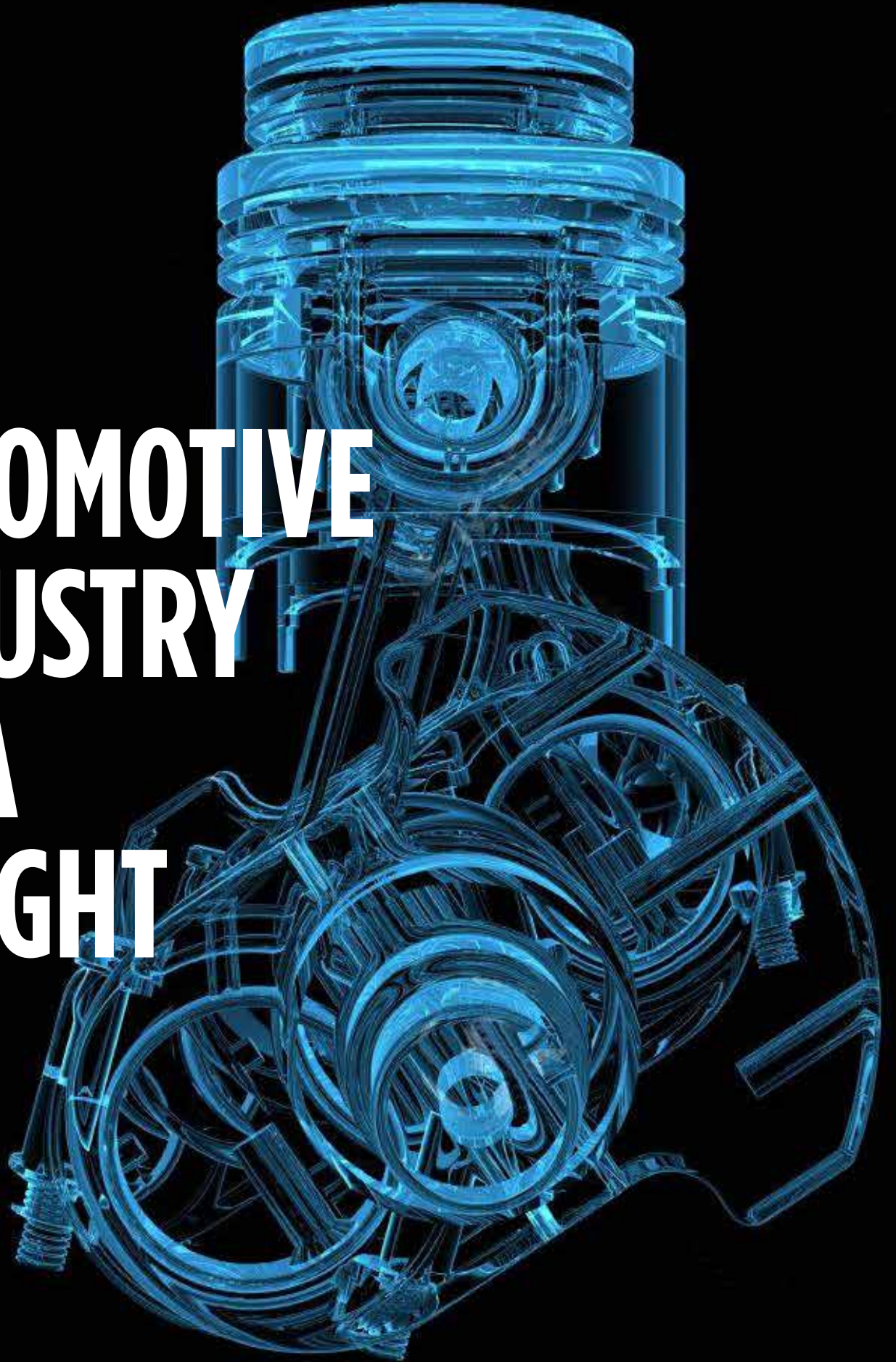




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AUTOMOTIVE INDUSTRY M&A INSIGHT

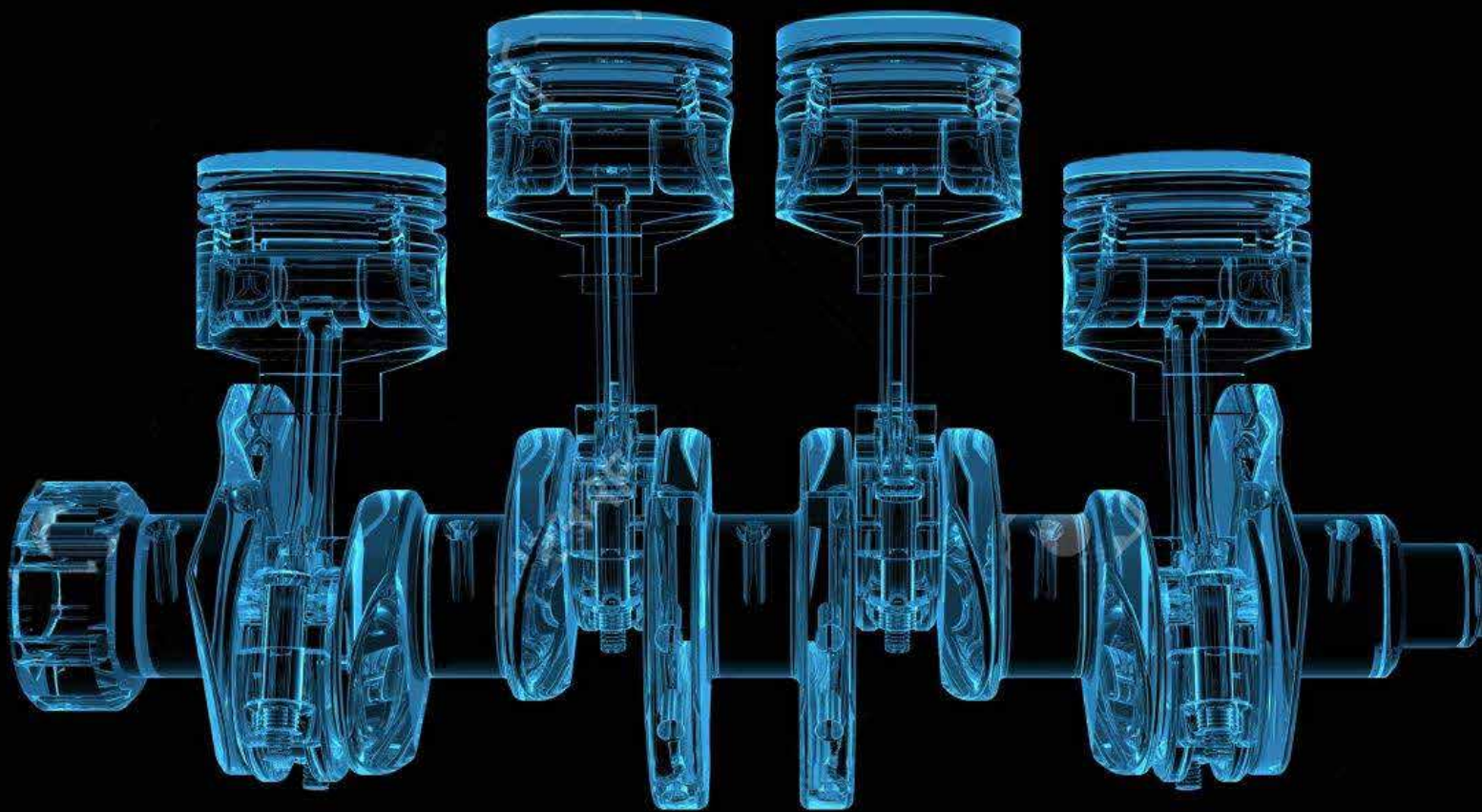


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M&A MARKET OVERVIEW

Merger & Acquisition (M&A) deal activity globally in the automotive industry continued to slow down, with 209 deals closing in 2019 compared to 300 deals in 2018 (page X). However, the market witnessed two major transaction through Q3 2019, including the acquisition of RF360 Holding Singapore Pte. Ltd. for \$1.3 billion by Qualcomm Global Trading Pte. Ltd., which was announced on September 16, 2019, and the acquisition of Tower International Inc. by Autokiniton US Holdings Inc., which was announced on July 12, 2019, with a transaction value of \$1.2 billion. Another significant transaction during the period was the acquisition of National Electric Vehicle Sweden AB by Evergrande Health Industry Group Limited for \$926 million.

M&A activity in the automotive Industry sector is predominately driven by strategic buyers (page X), with strategic transactions representing average 86% of total deal value over the past 5 years. Of the 209 deals closed in the LTM, only 35 (18%) were completed by financial buyers.

Overall closed deal volume in 2019 has declined by 30.3% and therefore not remained in line with prior year, with 300 deals closing in 2018 (page X).

Among the sub sector of automotive industry, auto parts and equipment has seen a strong deal flow, with 166 (80%) transactions closing in 2019 (page X).

Public company equity performance in all subsector of automotive industry has also underperformed relative to S&P Global 1200 index in 2019 (page X).



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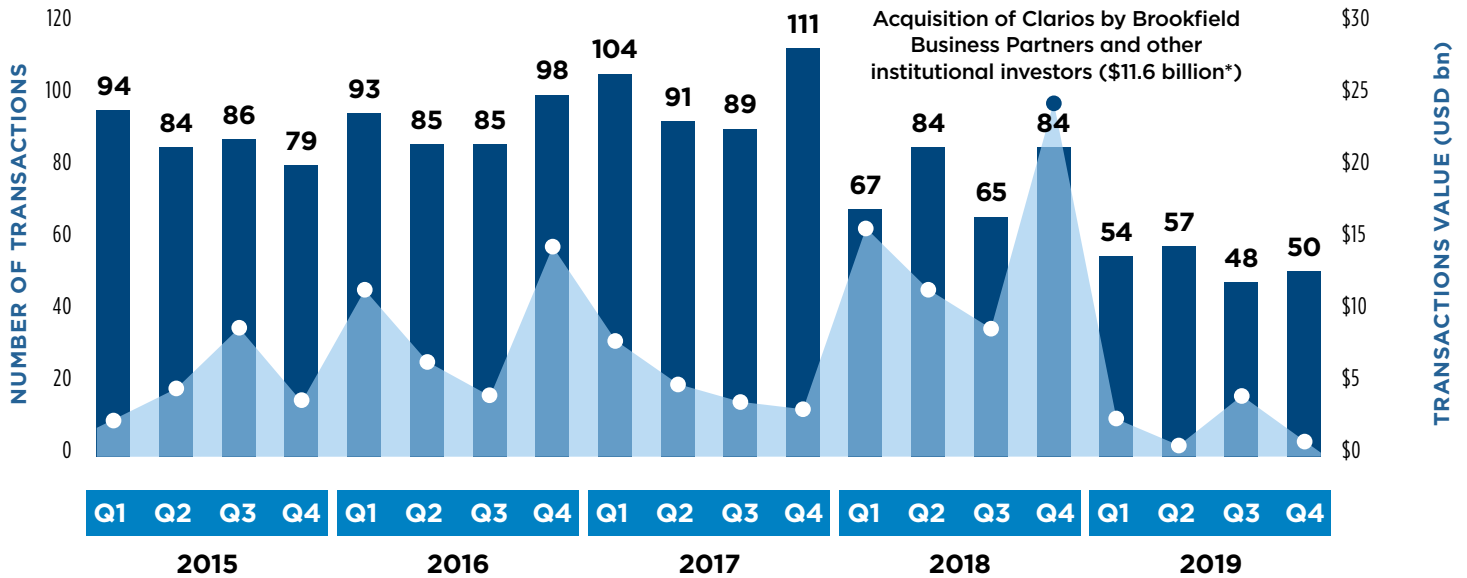
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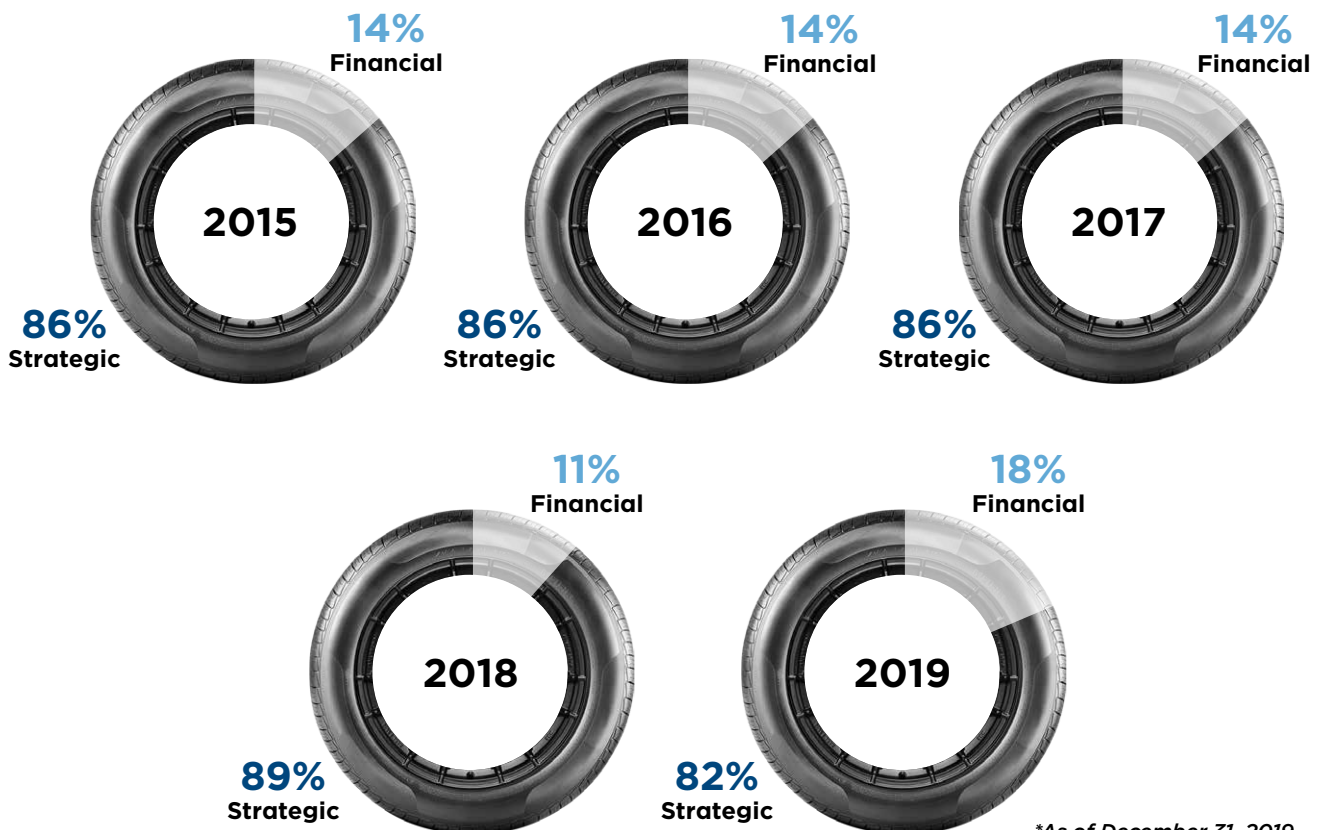
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- 3** Number of Closed Deals
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NUMBER OF CLOSED DEALS



*As of December 31, 2019



Number of Closed Deals by Buyer Type





*As of December 31, 2019



SELECTED RECENT NOTABLE IPOs



Electric vehicles is an upcoming sector with large investment interest and growth potential. Emerging markets also represent a key source for growth opportunities.

 	
CARBON REVOLUTION LIMITED	
Exchange	Australian Security Exchange
Ticker	ASX:CBR
Amount Raised	EUR 55.8m
IPO date	01 Nov 2019
Business Area	Electric vehicles
EV/EBITDA	2.95x
EV/Revenue	13.66x

 	
CENTRAL MOTEK CO.LTD.	
Exchange	Korean Exchange
Ticker	KOSE:A308170
Amount Raised	EUR 9.8m
IPO date	15 Oct 2019
Business Area	Auto Parts and Equipment
EV/EBITDA	12.30x
EV/Revenue	1.10x

 	
PT GAYA ABADI SEMPURNA TBK	
Exchange	Indonesian stock Exchange
Ticker	IDX:SLIS
Amount Raised	EUR 3.8m
IPO date	18 Sept 2019
Business Area	Motorcycles
EV/EBITDA	144.43x
EV/Revenue	22.09x

 	
INZILE AB	
Exchange	Nasdaq First North
Ticker	OM:INZILE
Amount Raised	EUR 4.28m
IPO date	26 Jun 2019
Business Area	Electric work vehicles
EV/EBITDA	-
EV/Revenue	78.02x

 	
RUNNER AUTOMOBILES LIMITED	
Exchange	Dhaka Stock Exchange
Ticker	DSE:RUNNERAUTO
Amount Raised	EUR 10.53m
IPO date	04 Mar 2019
Business Area	Motorcycles
EV/EBITDA	10.96x
EV/Revenue	1.53x



RECENT M&A ACTIVITY BY SUBSECTOR

Automotive Industry Subsector Definitions

AUTO PART AND EQUIPMENT:

Manufacturers of parts and accessories for automobiles and motorcycles.

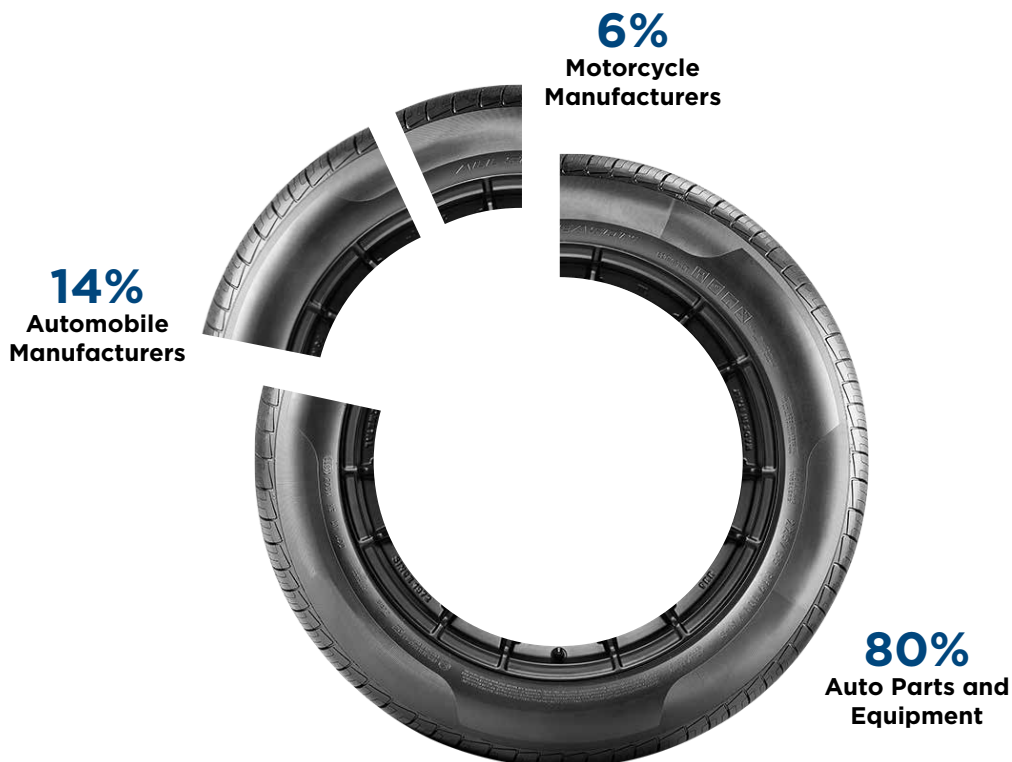
AUTOMOBILE MANUFACTURERS:

Companies that produce mainly passenger automobiles and light trucks. Excludes companies producing mainly motorcycles and three-wheelers classified in the Motorcycle Manufacturers sub-industry and heavy-duty trucks classified in the Construction & Farm Machinery & Heavy Trucks sub-industry.

MOTORCYCLES MANUFACTURERS:

Companies that produce motorcycles, scooters or three-wheelers.

M&A Activity By Automotive Industry Sector in 2019



YEAR IN REVIEW

NOTABLE M&A TRANSACTIONS



While M&A activity declined in the auto sector in 2019, there were several notable transactions announced in Q4 2019, the largest of which are highlighted below.

Hitachi will sell its Chemical unit Hitachi Chemical Co. to Showa Denko for \$8.26 billion. Hitachi Chemical makes a wide range of products, including materials for semiconductors and lithium-ion batteries as well as auto parts. The transaction allows Showa Denko to boost the company's revenue from advanced automotive batteries and functional materials, two segments that are growing fast as carmakers race to make more electric-powered vehicle.

In a very significant deal, Honda will take control of the big four Japanese motorcycles suppliers Keihin, Showa, and Nissin and merge them into one company. In a deal with Hitachi, Honda will then integrate the newly owned companies into a new company named Hitachi Automotive Systems.

Fiat Chrysler and Peugeot owner PSA have signed a binding merger agreement solidifying approximately a \$50 billion deal that has created the world's fourth largest automaker. It's intended to help them cope with slowing demand and the cost of developing electric and driverless vehicles.



NOTABLE GLOBAL M&A TRANSACTIONS



TABLE 1 | Automotive Parts and Equipment

Announced Date	Target	Target Description	Target Country	Bidder	Enterprise Value (m)	Reported Revenue Multiple	Reported EBITDA Multiple	Reported PE Multiple
18/12/2019	Hitachi Chemical Co., Ltd.	Listed Japan-based company engaged in the manufacturing of electronics and chemical-related products	Japan	Showa Denko K.K.	8,140.86	1.46	13.38	32.73
22/11/2019	CURT Group	US-based manufacturer and distributor of towing products and truck accessories	USA	Lippert Components, Inc.	307.75	1.33	—	—
30/10/2019	Nissin Kogyo Co., Ltd. (65.14% Stake)	Japan-based listed company engaged in manufacturing automotive components	Japan	Honda Motor Co., Ltd.	874.68	0.56	4.09	12.60
30/10/2019	Showa Corporation (66.5% Stake)	Listed Japan-based manufacturer and seller of automotive components	Japan	Honda Motor Co., Ltd.	1,112.19	0.47	3.46	7.54
30/10/2019	Keihin Corporation (58.65% Stake)	Listed Japan-based company engaged in manufacturing auto parts	Japan	Honda Motor Co., Ltd.	1,317.08	2.80	3.67	10.77
17/10/2019	Vetriere Riunite S.p.A.	Italy-based glass manufacturer of lenses for automotive headlights, door glass for washing machines, technical glass, glass for lighting appliances and perfumery, as well as tableware and glassware	Italy	Sun European Partners, LLP	110	1.01	6.71	—
14/10/2019	Shandong Jiatai Transport Equipment Co., Ltd. (51% Stake)	China-based company engaged in design, development and manufacture of rail transit vehicle seats	China	Guangdong Huatie Tongda High-speed Railway Equipment Corporation	242.39	8.54	30.94	17.92
27/09/2019	Hankuk Glass Industries Co., Ltd.	South Korea-based glass manufacturer and processor for the architectural and automotive markets	South Korea	Glenwood Private Equity	223.82	0.58	5.55	8.64
26/09/2019	Shanghai Haima Automobile R&D Co., Ltd	China-based company engaged in the research and development of automotive parts and vehicle manufacturing.	China	Zhengzhou Ruizhishang Industrial Co., Ltd.	102.16	7.10	—	—
02/09/2019	Seoyon Electronics Co., Ltd. (50.12% Stake)	Listed South Korea-based manufacturer of automobile components	South Korea	Mobase Co., Ltd.	254.50	0.43	8.49	—
28/08/2019	Suzuki Motor Corporation (4.95% Stake)	Listed Japan-based automotive manufacturing company engaged in manufacturing automobiles, four-wheel drive vehicles, motorcycles, all-terrain vehicles, outboard marine engines, wheelchairs and a variety of other small internal combustion engines	Japan	Toyota Motor Corporation	14,338.36	0.43	3.56	5.69
12/07/2019	Tower International, Inc.	US-based manufacturer of engineered structural metal components, automotive metal structural components and assemblies	USA	Autokiniton Global Group, LP	757.50	0.54	5.49	8.45
25/06/2019	Chongqing Jinkang New Energy Automobile Co., Ltd. (19.36% Stake)	China-based new energy automobile maker	China	Chongqing Fuyu Capital Equity Investment Fund Management Co., Ltd	580.52	177.85	—	—
19/06/2019	Chassis Brakes International B.V.	Netherlands-based manufacturer of automotive foundation brakes and foundation brake components	France Netherlands	Hitachi Automotive Systems, Ltd	588	0.63	11.76	—
04/06/2019	Zhongce Rubber Group Co., Ltd. (46.95% Stake)	China-based company engaged in production and sales of tires, tires and rubber products	China	Shanghai Tongzhong Enterprise Management Co., Ltd.	2462.56	0.71	6.52	15.45
08/05/2019	AxleTech	US-based manufacturer of axles, axle components, planetary axles, brakes, and aftermarket parts for commercial vehicles	USA	Meritor, Inc.	156.28	0.71	—	—
01/04/2019	Ningbo Jiye Investment Co., Ltd.	China-based SPV set up to acquire an 84.23% stake of Germany-based Grammer. Grammer is an auto supplier.	China	Ningbo Jifeng Auto Parts Co., Ltd.	955.63	0.44	5.95	10.90
12/03/2019	Aurangabad Electricals Limited	India-based company engaged in manufacturing and selling of automotive component	India	Mahindra CIE Automotive Ltd	103.79	1.25	—	—
22/01/2019	PT Multistrada Arah Sarana Tbk	Listed Indonesia-based tire manufacturer	Indonesia	Compagnie Generale des Etablissements Michelin SA	616.20	2.21	20.11	—
				Mean	1,785.34	10.49	9.08	13.29
				Median	602.10	0.71	6.52	10.90

NOTABLE GLOBAL M&A TRANSACTIONS



TABLE 2 | Automobile and Motorcycles Manufacturing

Announced Date	Target	Target Country	Bidder	Deal Value EUR(m)	Enterprise Value (m)	Reported Revenue Multiple	Reported EBITDA Multiple	Reported PE Multiple
31/12/2019	Changan PSA Automobile Co., Ltd (CAPSA) (50% Stake)	China	Shenzhen Qianhai Ruizhi Investment Co., Ltd.	208.00	620.92	5.30		
18/12/2019	PSA Peugeot-Citroen SA (3.39% Stake)	France	PSA Peugeot-Citroen SA	679.00	13,815.75	0.19	1.87	7.35
18/12/2019	PSA Peugeot-Citroen SA	France	Fiat Chrysler Automobiles N.V	14,746.00	14,746.47	0.20	1.99	7.87
30/10/2019	Keihin Corporation (58.65% Stake)	Japan	Honda Motor Co., Ltd.	1,317.00	1,317.08	2.80	3.67	10.77
26/09/2019	Shanghai Haima Automobile R&D Co., Ltd.	China	Zhengzhou Ruizhishang Industrial Co., Ltd.	102.00	102.16	7.10		
17/09/2019	Dongfeng Xiaokang Motor Co., Ltd. (50% Stake)	China	Chongqing Sokon Industry Group Co., Ltd.	492.00	683.86	0.31	4.66	9.72
16/09/2019	Newmar Corporation	USA	Winnebago Industries, Inc.	311.00	311.26	0.52	6.61	
10/09/2019	Fortress Resources, LLC	USA	Spartan Motors, Inc.	83.00	83.10	2.20	12.06	12.99
28/08/2019	Suzuki Motor Corporation (4.95% Stake)	Japan	Toyota Motor Corporation	819.00	14,338.36	0.43	3.56	5.69
31/07/2019	Lijue Co., Ltd.	China	Anshan Co-Operation (Group) Co.,Ltd.	57.00	56.61	0.72	–	7.25
12/07/2019	Tower International, Inc.	USA	Autokiniton Global Group, LP	758.00	757.50	0.54	5.49	8.45
27/06/2019	ASV Holdings, Inc.	USA	Yanmar Co., Ltd.	92.00	92.19	0.82	–	–
25/06/2019	Chongqing Jinkang New Energy Automobile Co., Ltd. (19.36% Stake)	China	Chongqing Fuyu Capital Equity Investment Fund Management Co., Ltd.	122.00	580.52	3.24		
28/05/2019	Alexander Dennis Limited	United Kingdom	NFI Group Inc.	363.00	362.65	0.51	–	–
12/04/2019	FAW Jiefang Automotive Co., Ltd.	China	Faw Car Co., Ltd.	2,150.00	2,149.60	0.22		20.31
28/03/2019	WABCO	Belgium, Switzerland, USA	ZF Friedrichshafen AG	6,445.00	6,747.97	1.98	13.17	18.37
			Mean	1,796.50	3,547.88	12.61	5.90	10.88
			Median	427.50	652.39	0.63	4.66	9.08

AUTOMOTIVE EQUITY PERFORMANCE

In 2019, to a degree greater than the S&P Global 1200, automotive indexes have generally declined, with both index floating nearly 11.21% and 15.21% compared to S&P index of 25.25%. Both the indexes underperformed relative the S&P index for last five years as well. However, both the indexes has remained strong relative to the five year index performance, auto parts and equipment index climbing 15.21% from -0.57% while automobile and motorcycles manufacturers climbing 11.21% from 0.80%. This index has been volatile over the last year, with volatile sales levels amongst companies in this group, as well as a restructuring effort for Auto Parts, which analysts have looked at with initial success. This group continues to push back on companies like Amazon and Walmart entering the auto “do-it- yourself” market, which the incumbents still have a stronghold.



TRADING STATISTICS



FIGURE 4 | Last Five Years Equity-Market Performance

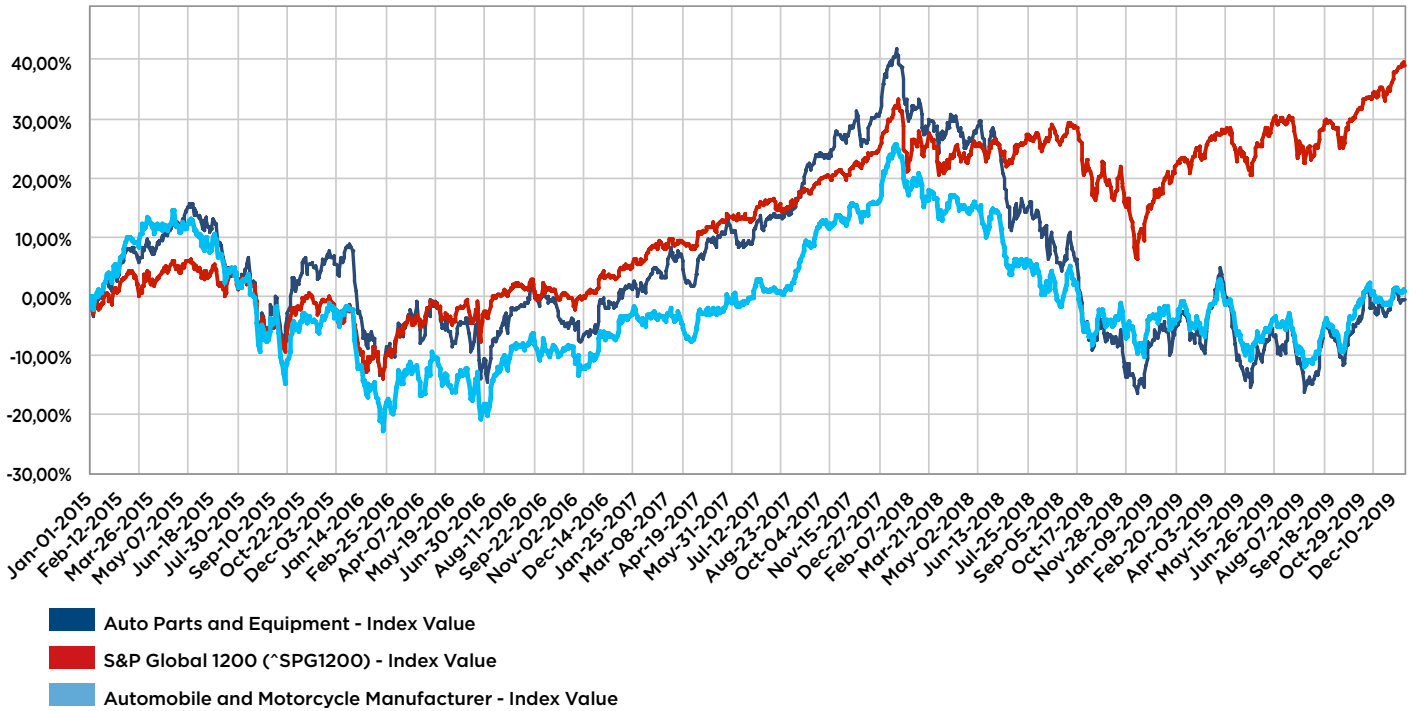
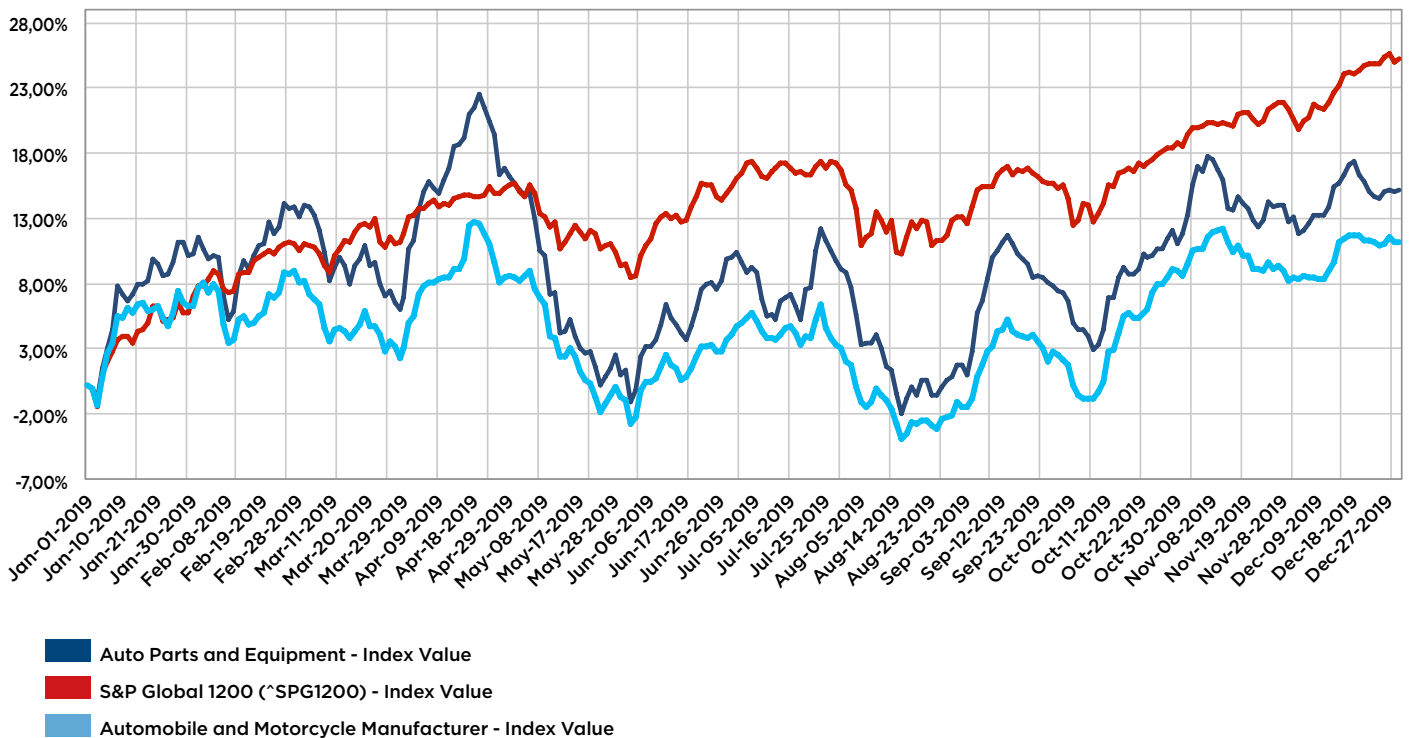


FIGURE 5 | 2019 Equity-Market Performance



Source: S&P Global Market Intelligence as of December 31, 2019.

TRADING STATISTICS



TABLE 2 | Automobile and Motorcycles Manufacturing

Company Name	Market Capitalization	Total Enterprise Value	TEV/Total Revenues	TEV/EBITDA	P/E	EBITDA Margin %
Toyota Motor Corporation (TSE:7203)	178,220.6	297,093.3	1.2x	7.8x	7.61x	7.4%
Volkswagen AG (XTRA:VOW3)	90,870.1	250,751.1	1.0x	8.3x	8.66x	6.1%
Tesla, Inc. (NasdaqGS:TSLA)	88,855.3	98,564.2	4.5x	50.2x	7.82x	7.8%
Daimler AG (XTRA:DAI)	49,640.5	187,776.5	1.1x	16.2x	10.16x	4.6%
Bayerische Motoren Werke Aktiengesellschaft (XTRA:BMW)	46,055.8	146,090.8	1.5x	12.7x	9.77x	14.0%
General Motors Company (NYSE:GM)	45,053.8	123,218.5	0.9x	9.2x	4.44x	8.7%
Honda Motor Co., Ltd. (TSE:7267)	43,375.5	83,737.5	0.6x	7.1x	6.24x	10.8%
SAIC Motor Corporation Limited (SHSE:600104)	35,390.4	33,962.4	0.3x	9.2x	4.63x	10.2%
AUDI AG (XTRA:NSU)	34,744.0	18,637.0	0.3x	2.4x	13.99x	11.0%
Ford Motor Company (NYSE:F)	32,908.9	151,733.0	1.1x	14.6x	7.74x	11.0%
Ferrari N.V. (NYSE:RACE)	29,069.5	30,287.3	8.4x	29.5x	11.09x	16.9%
Maruti Suzuki India Limited (NSEI:MARUTI)	27,286.9	27,157.0	2.8x	26.0x	5.08x	10.7%
Hyundai Motor Company (KOSE:A005380)	21,188.7	68,607.9	0.9x	15.7x	–	12.8%
Porsche Automobil Holding SE (XTRA:PAH3)	20,800.5	19,534.5	180.9x	4.8x	7.90x	11.6%
Nissan Motor Co., Ltd. (TSE:7201)	20,250.1	75,469.5	0.8x	13.2x	7.55x	5.2%
Fiat Chrysler Automobiles N.V. (BIT:FCA)	19,327.5	18,220.5	0.2x	1.9x	5.08x	(37.0%)
BYD Company Limited (SEHK:1211)	19,060.8	28,577.7	1.7x	13.2x	7.47x	7.0%
Suzuki Motor Corporation (TSE:7269)	19,031.0	19,470.7	0.6x	5.7x	–	10.4%
PT Astra International Tbk (IDX:ASII)	18,682.1	25,431.9	1.6x	8.2x	9.01x	3.6%
Subaru Corporation (TSE:7270)	17,918.3	12,988.0	0.5x	4.2x	54.77x	12.6%
Peugeot S.A. (ENXTPA:UG)	17,468.1	13,120.1	0.2x	1.7x	8.48x	(5.1%)
Geely Automobile Holdings Limited (SEHK:175)	15,049.9	13,721.8	1.0x	8.9x	11.37x	11.0%
Guangzhou Automobile Group Co., Ltd. (SEHK:2238)	13,691.8	12,355.5	1.6x	NM	87.69x	8.9%
Kia Motors Corporation (KOSE:A000270)	13,192.3	11,418.6	0.3x	3.4x	16.43x	19.8%
Bajaj Auto Limited (NSEI:BAJAJ-AUTO)	11,269.2	10,794.3	2.7x	12.9x	7.02x	9.4%
Renault SA (ENXTPA:RNO)	10,518.9	51,927.9	0.9x	8.2x	38.00x	28.4%
Summary Statistics	Market Capitalization	Total Enterprise Value	TEV/Total Revenues	TEV/EBITDA	P/E	EBITDA Margin %
High	178,220.6	297,093.3	180.9x	50.2x	87.69x	28.4%
Low	10,518.9	10,794.3	0.2x	1.7x	4.44x	(37.0%)
Mean	36,113.5	70,409.5	8.4x	11.8x	14.92x	8.4%
Median	20,994.6	29,432.5	1.0x	8.9x	8.19x	10.3%

Definitions

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization. **EBITDA:** does not reflect adjustments for extraordinary items. **Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments. **LTM:** Last 12 Months

Includes majority acquisitions and mergers with disclosed financial details. Excludes bankruptcy sales.
Source: S&P Global Market Intelligence as of December 31, 2019.

TRADING STATISTICS¹



TABLE 5 | Automotive Parts and Equipment

Company Name	Market Capitalization	Total Enterprise Value	TEV/Total Revenues	TEV/EBITDA	P/E	EBITDA Margin %
DENSO Corporation (TSE:6902)	31,247.4	30,565.4	0.7x	6.1x	10.13x	15.8%
Continental Aktiengesellschaft (XTRA:CON)	22,244.7	28,262.3	0.6x	7.1x	5.56x	11.0%
Aptiv PLC (NYSE:APTV)	20,936.0	25,152.7	1.9x	12.8x	17.76x	32.3%
Hyundai Mobis Co.,Ltd (KOSE:A012330)	17,952.7	11,669.1	0.4x	4.3x	22.37x	17.8%
Aisin Seiki Co., Ltd. (TSE:7259)	8,723.1	15,507.3	0.5x	4.9x	21.64x	14.4%
Fuyao Glass Industry Group Co., Ltd. (SHSE:600660)	7,989.6	8,486.9	3.1x	13.5x	12.30x	12.5%
BorgWarner Inc. (NYSE:BWA)	7,536.7	8,768.6	1.0x	5.9x	10.08x	9.1%
Gentex Corporation (NasdaqGS:GNTX)	6,953.3	6,533.2	3.9x	12.0x	8.95x	9.8%
Autoliv, Inc. (NYSE:ALV)	6,257.6	8,004.0	1.0x	8.3x	12.58x	11.3%
Faurecia S.E. (ENXTPA:EO)	6,199.4	8,971.6	0.5x	5.1x	15.66x	9.6%
HELLA GmbH & Co. KGaA (XTRA:HLE)	5,146.7	5,344.4	0.8x	7.6x	14.23x	9.6%
China Shipbuilding Industry Group Power Co., Ltd. (SHSE:600482)	4,353.4	5,166.8	1.3x	21.3x	—	9.2%
Changzhou Xingyu Automotive Lighting Systems Co.,Ltd. (SHSE:601799)	3,681.5	3,353.6	4.7x	29.9x	—	24.1%
Bharat Forge Limited (BSE:500493)	2,963.5	3,250.9	2.7x	15.3x	25.10x	17.7%
CIE Automotive, S.A. (BME:CIE)	2,724.5	4,327.1	1.3x	7.3x	8.97x	17.5%
Dometic Group AB (publ) (OM:DOM)	2,670.2	3,589.4	2.0x	12.3x	18.90x	10.9%
Fox Factory Holding Corp. (NasdaqGS:FOXF)	2,404.6	2,472.8	3.8x	21.7x	18.03x	16.5%
Dorman Products, Inc. (NasdaqGS:DORM)	2,272.3	2,256.6	2.5x	13.9x	7.90x	8.3%
Dana Incorporated (NYSE:DAN)	2,167.4	4,448.3	0.6x	5.1x	10.26	4.5%
Exide Industries Limited (BSE:500086)	2,126.2	1,861.4	1.0x	4.1x	19.50x	23.2%
Endurance Technologies Limited (BSE:540153)	1,908.9	1,894.4	2.0x	12.4x	—	5.0%
Adient plc (NYSE:ADNT)	1,754.5	4,633.0	0.3x	7.6x	—	3.2%
Bethel Automotive Safety Systems Co., Ltd (SHSE:603596)	1,609.8	1,522.8	4.1x	27.6x	20.94x	5.9%
IKD Co., Ltd. (SHSE:600933)	1,597.6	1,409.4	4.2x	15.9x	23.24x	16.3%
Keihin Corporation (TSE:7251)	1,564.8	1,493.1	0.5x	4.9x	15.78x	5.7%
Gentherm Incorporated (NasdaqGS:THRM)	1,415.4	1,475.2	1.7x	11.5x	29.02x	15.8%
Burrell SA (ENXTPA:BUR)	1,360.0	3,366.9	0.4x	4.2x	18.15x	15.0%
Jiangnan Mould & Plastic Technology Co., Ltd. (SZSE:000700)	1,205.8	1,513.3	2.2x	69.0x	27.09x	26.4%
FAWER Automotive Parts Limited Company (SZSE:200030)	1,131.9	1,130.5	1.0x	19.8x	31.78x	15.0%
HyUnion Holding Co.,Ltd (SZSE:002537)	1,123.1	1,070.1	1.5x	26.6x	24.40x	17.5%
HYUNDAI WIA Corporation (KOSE:A011210)	1,077.1	1,867.6	0.3x	7.0x	13.15x	2.4%
Summary Statistics	Market Capitalization	Total Enterprise Value	TEV/Total Revenues	TEV/EBITDA	P/E	EBITDA Margin %
High	31,247.4	30,565.4	4.7x	69.0x	31.78x	32.3%
Low	1,077.1	1,070.1	0.3x	4.1x	5.56x	2.4%
Mean	5,880.6	6,753.8	1.7x	13.7x	17.17x	13.3%
Median	2,670.2	3,589.4	1.3x	11.5x	17.76x	12.5%

Definitions

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization. **EBITDA:** does not reflect adjustments for extraordinary items. **Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments. **LTM:** Last 12 Months

S&P Global Market Intelligence



VALUATION TRENDS

Over the LTM, there has been a divergence in valuations between different auto industry sub-sectors. This shows the decreasing interdependence of similar trends of companies in the auto industry. Automobile manufacturers have always enjoyed consistently higher valuations than parts manufacturers.



VALUATION TRENDS

FIGURE 6 | Last Five Years Valuation Trend - Enterprise Value / EBITDA

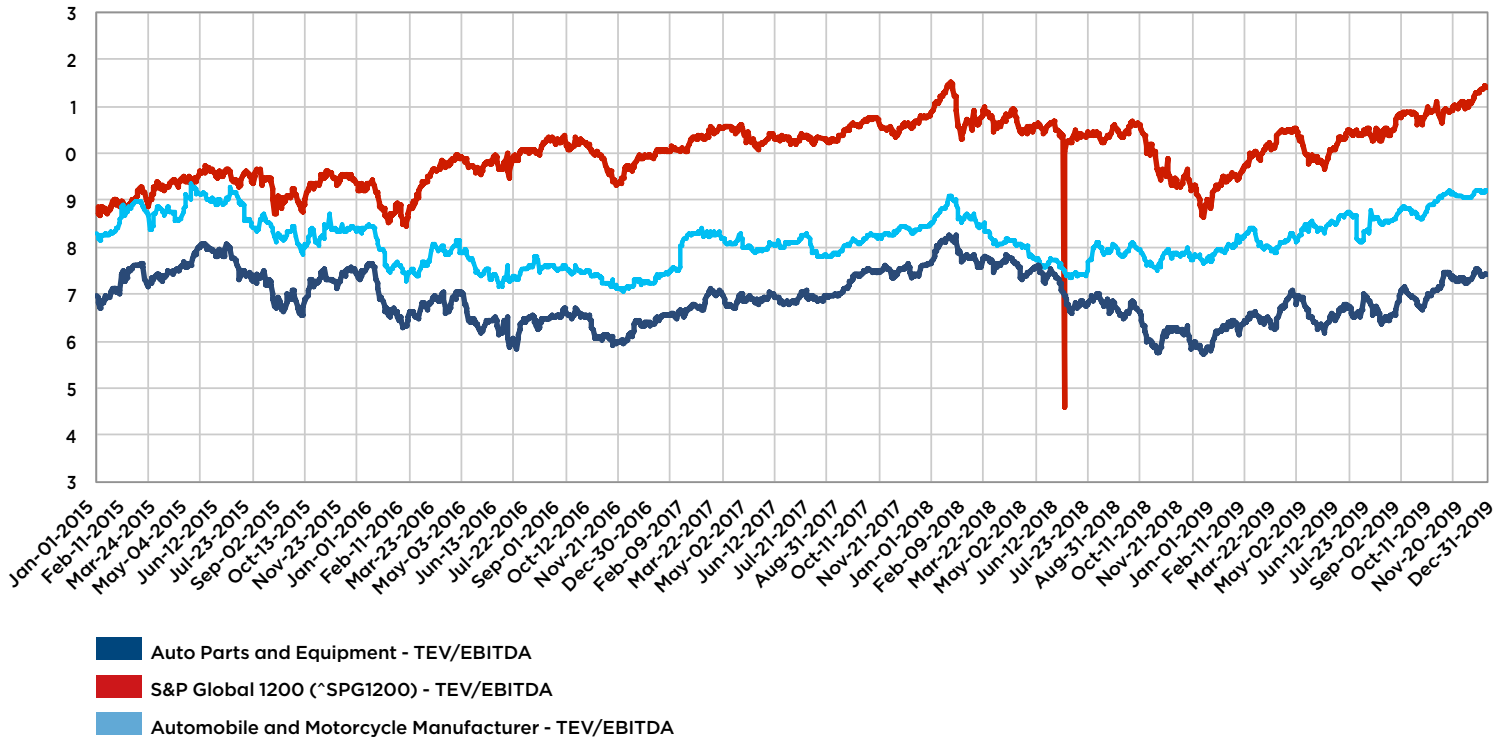
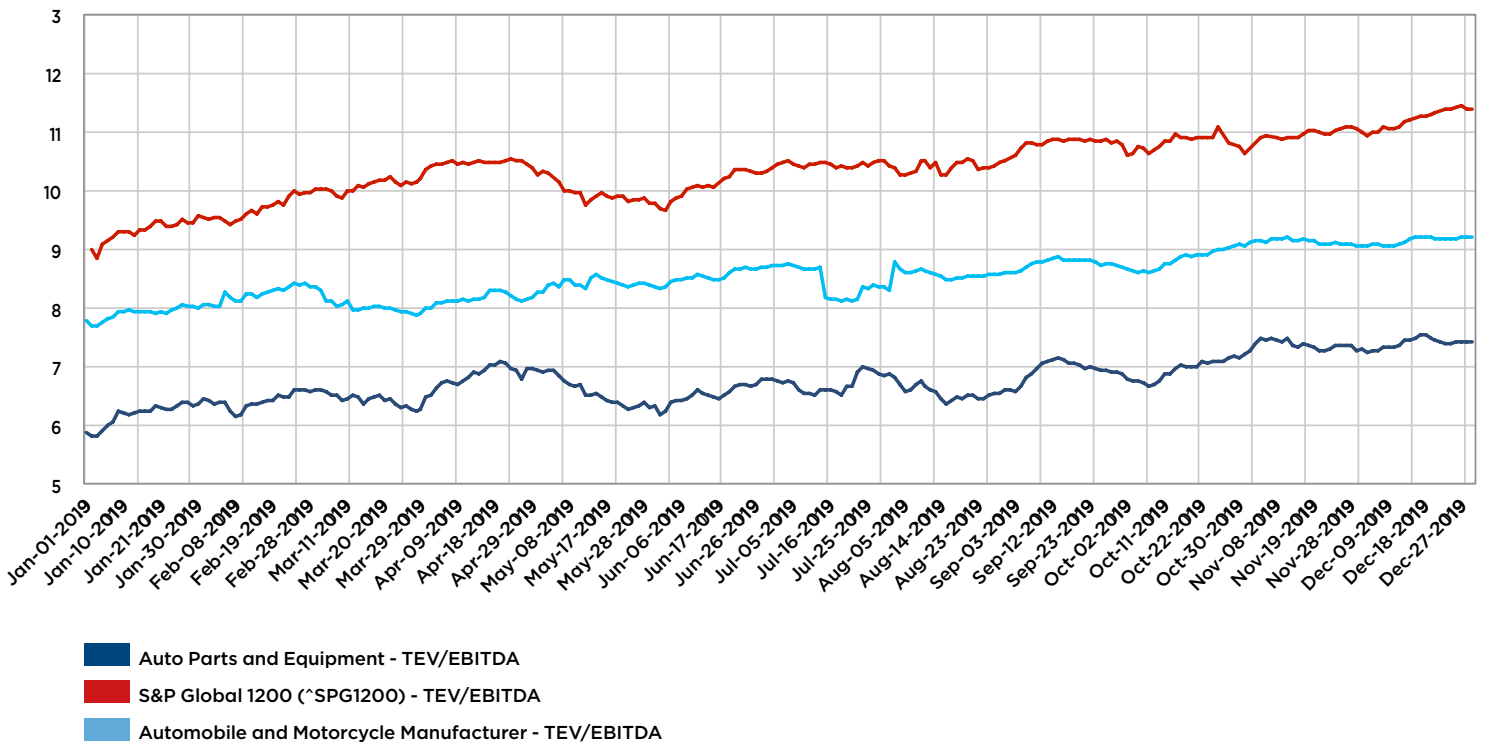
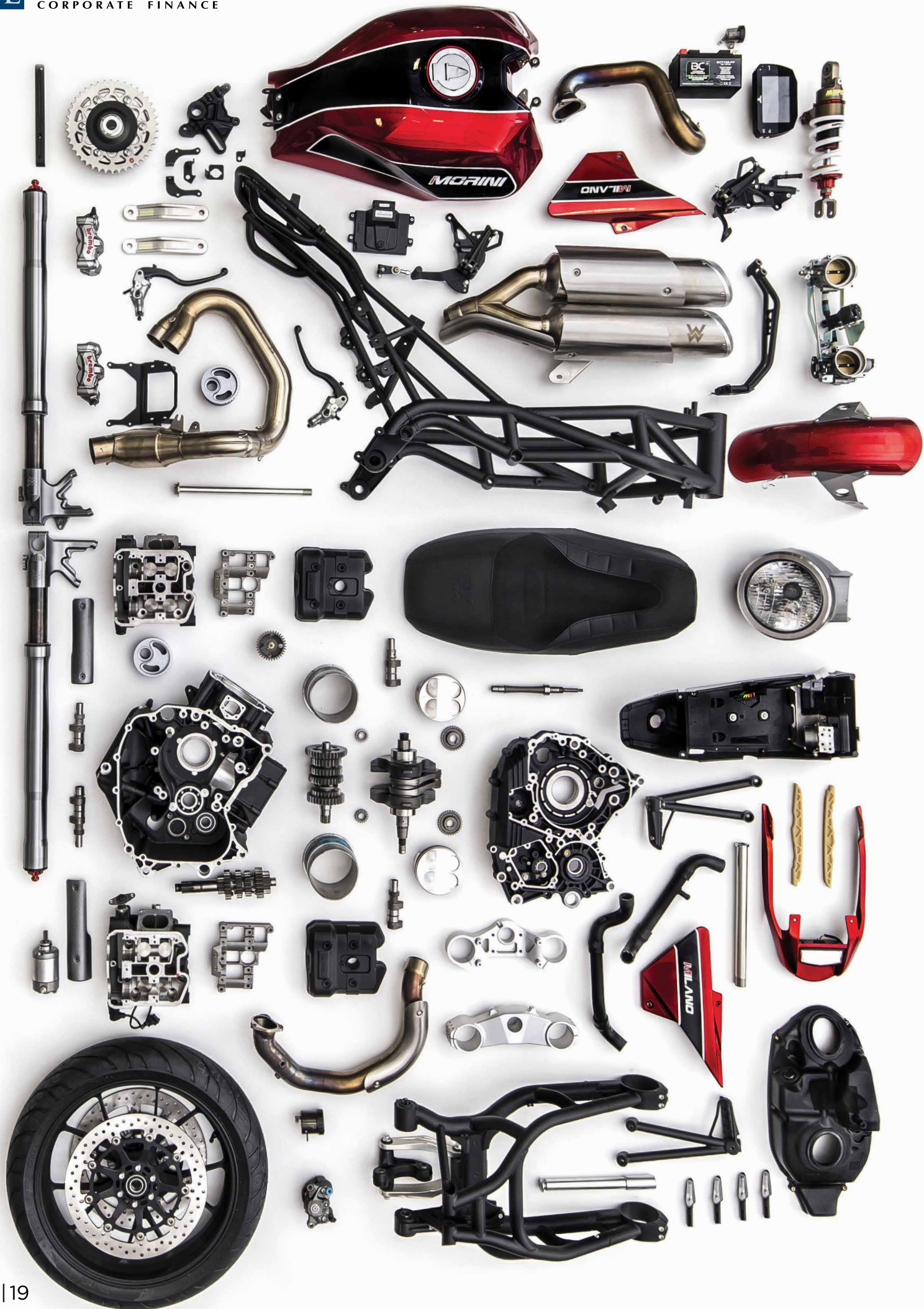


FIGURE 7 | 2019 Valuation Trend - Enterprise Value / EBITDA



Note: Represents most actively traded public automotive sector companies
Source: S&P Global Market Intelligence as of December 31, 2019.



YEAR IN REVIEW

DOWNWARD TRENDS

In 2019 as well as the previous decade, the automotive sector has reinvented itself from the start of the decade and perhaps come full circle. Coming on the heels of the Great Recession, the decade brought unprecedented hardships to many as they navigated an industry recovering from bankruptcies and diminished sales. The middle of the decade created momentum to the recovery, and the latter half accelerated growth and excitement as new technologies and market entrants brought radical changes to how consumers view mobility solutions.

In North America's market, the trade war between the U.S. and China has impacted the industry as China announced a various tariff on U.S.-made goods, including large passenger cars and motorcycles, in response to President Trump's push to place a tariff on steel and aluminum imports that would affect Chinese suppliers. China's automobile tariffs significantly impact several auto parts and equipment that rely on exporting to China.

While the Chinese economy experienced a slowdown in 2019 with consumers delaying purchases of big-ticket items, and the auto market slumps accordingly. A large portion of this growth of battery and plug-in vehicles has come from sales of vehicles to Chinese carmakers' own ride-hailing companies, bolstered by subsidies from the Chinese government. The trade war between China and the U.S. continued through the end of 2019, resulting in a cut in topline automotive forecasts in China as a result of tit-for-tat tariffs. However, the Chinese government, in an effort to support the industry, cut the import duty on vehicles entering China, and restrictions on foreign equity ownership were removed.

The U.K. market declined in 2019, despite increases in other European markets, primarily as a result of uncertainty around Brexit. The European auto market is tightly integrated between countries as 54% of U.K.-manufactured cars are sold in the EU and 27.4% of EU-built cars are imported and sold in the U.K. While a deal is yet to be signed, a fallback solution for Britain could be to have EU-U.K. trade temporarily governed by World Trade Organization rules.




TRANSLINK


AUTOMOTIVE INDUSTRY EXPERIENCE

September 2019

Italy



Acquired 100% of




(Metalforming Division)

Selling shareholders of Euromeccanica reinvest in the new group


TL TRANSLINK
CORPORATE FINANCE
Advisor to the seller

October 2018

Italy | China



Acquired 100% of



TL TRANSLINK
CORPORATE FINANCE
Advisor to the sellers

April 2018

Denmark



Acquired by



TL TRANSLINK
CORPORATE FINANCE
Advisor to the seller

January 2018


US



Through their portfolio company



Has acquired



TL TRANSLINK
CORPORATE FINANCE
Advisor to the buyer

September 2017

US



Has closed on a strategic capital transaction


TL TRANSLINK
CORPORATE FINANCE
Advisor to the company

February 2017

Italy | Germany



Acquired 100% of



TL TRANSLINK
CORPORATE FINANCE
Advisor to the seller

February 2017

US



acquired



TL TRANSLINK
CORPORATE FINANCE
Advisor to the buyer

March 2017

US



has acquired



TL TRANSLINK
CORPORATE FINANCE
Advisor to the buyer

March 2016

India | Spain




Acquired the automotive OEM lighting business of



TL TRANSLINK
CORPORATE FINANCE
Advisor to the buyer

September 2015

Italy | India



Acquired 75% of



TL TRANSLINK
CORPORATE FINANCE
acted as exclusive advisor to the seller



TRANSLINK AUTOMOTIVE GROUP

International team of professionals with expertise in the Automotive sector

Translink's team of experts has years of experience handling cross-border deals in the automotive sector. Our international network ensures we find the right bidder or target for a potential transaction.

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Tilman Georg Eckstein | Germany
Matteo Paggi | Italy
José M. Banus | Spain
Niklas Wilhelmsson | Sweden
Eser Becer | Turkey
Hamish Morrison | UK



ASIA

Han Bao | China
Lenny Wang | China
Kohei Rick Tsukada | Singapore and Japan

CONTACT US

About Translink Corporate Finance





Translink is an independent investment banking firm focused on mergers and acquisitions (M&A) advisory and other corporate finance services. We offer local expertise for cross-border deals through our long-established international presence: more than 30 offices worldwide, including presence in all major markets. We specialize in middle-market transactions, typically from €10 million up to €300 million. Translink is an independent partnership owned by the professionals operating the business.

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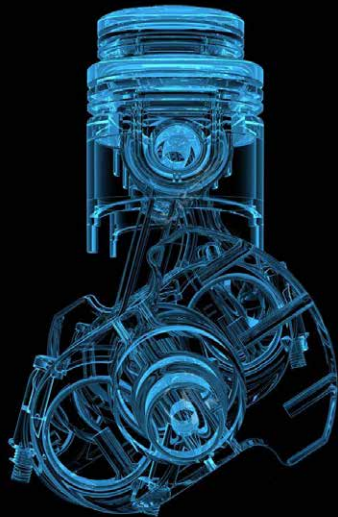
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