



AL-KOR MAKİNA KALIP  
SANAYİ VE TİC. A.Ş.

SECTOR  
AUTOMOTIVE

REGION  
EUROPE

Based in Istanbul, Turkey, the automotive parts supplier AL-KOR Makina Kalip Sanayi ve Tic. A.S. (Al-Kor) is a successful specialist in the design and production of moulds, tooling and metal or plastic parts for automotive Tier 1 companies. Primary product lines include lighting and electrical components, air conditioning and ventilation, vehicle access mechanisms, cable trays and telecommunication cabinets.

From their origins in 1970 to a market-leading supplier today, focused on growth, innovation and customer solutions, Al-Kor employs c.350 staff and has turnover in excess of EUR 14m. Al-Kor is a global supplier exporting to Africa, Asia and the Americas. European supply chains in particular have presented significant new business opportunities for toolmaking and parts provision.

#### CHALLENGE

As part of its growth strategy, Al-Kor could see the benefits of a potential manufacturing purchase in Germany, a production facility similar to Al-Kor's own plant in Turkey. The acquisition of Cleff Fahrzeugteile GmbH & Co KG, located in Wuppertal about 50km north of Cologne, would complement Al-Kor's existing product range and capability, and add new expertise in bus vehicle components such as interior lighting and storage compartments.

But there was significant work needed both before and during the acquisition, such as deciding on the most appropriate structure for the deal, understanding the tax implications and potential liabilities along with full commercial due diligence and contract negotiation. Al-Kor turned to its domestic accountant, UHY UZMAN CPA LLP, for the best advice.

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#### SOLUTION

Following a period of consultancy with UHY UZMAN CPA LLP, the Al-Kor management team opted for an asset purchase with its potential for stepping up depreciable assets, short term cashflow benefits and earlier tax reductions in the first years of ownership. The next step was to begin the acquisition process in Germany, and the UHY member firm in Cologne, Germany – Dr. Leyh, Dr. Kossow & Dr. Ott KG - took on the assignment.

“They guided us through the legal and financial requirements and even participated in the seller negotiations” says Alen Darcin, deputy chairman of the Al-Kor board. “They analysed the seller's annual statements and their planned future profit and loss accounts, as well as considering the detailed tax situation that might arise from this form of asset deal. They also produced a valuation report to help us negotiate an adequate purchase price and handled all the legal aspects that could have been potential risks – such as responsibility for employees that is often an issue in this kind of deal.”

#### RESULT

The expert teamwork and ongoing consultancy between Al-Kor and both UHY member firms has put the automotive

supplier in a strong position to conclude the acquisition successfully and all parties are looking forward to a positive outcome. Al-Kor is reassured to have an effective international network of UHY member firms to assist them in this and future expansion.

“The UHY member firms in Turkey and Germany really helped us to come to the right financial decisions” says Alen. “We prefer UHY because we want to work with professionals at a global market level. We all win with this level of co-operation.”

#### UHY IN THE AUTOMOTIVE SECTOR

UHY member firms help automotive clients develop strategies for sustainable growth, manage supply chains and deal with international pricing issues. Our member firms' local market knowledge means clients get access to country-specific advice in areas such as transfer pricing, import duties, risk analysis, commercial and financial strategies and local outsourcing requirements.

Read our automotive supply chain feature in issue 1 of UHY Global – available from [www.uhy.com](http://www.uhy.com)

