



# ORIGINAL EQUIPMENT SUPPLIERS ASSOCIATION

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## AZ AUTOMOTIVE POISED FOR GROWTH AFTER REALIGNING FINANCES

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In October, OESA member AZ Automotive, a Tier One full-service engineering and production supplier of metal stampings, assemblies and modules to automotive manufacturers, was very pleased to announce that it had significantly reduced its debt, realigned its cost structure and is now poised for growth.

A healthy balance sheet is a must to compete in this industry and the significant decrease in production that most suppliers have been confronted with this year resulted in an unbalanced debt to equity ratio for AZ. Working with its lenders and owners, AZ reduced the leverage in its balance sheet by increasing its equity and reducing its overall debt by 55 percent.

This was accomplished when affiliates managed by Vantage Capital, formerly a majority owner, increased their share to 100 percent ownership. Vantage Capital has been invested in AZ Automotive for the last seven years and is fully supportive of the business and GMAC, the senior lender agent to AZ, has financed the company for the past seven years as well and also continues its solid support.

To realign its cost structure, AZ substantially reduced its costs in a variety of ways, lowering its breakeven point on sales by 31 percent while maintaining the highest levels of quality and service from its manufacturing facilities and engineering function. Throughout this tough economic time, AZ has continued to provide the highest levels of quality and delivery service of engineered stampings, assemblies and modules from its eight manufacturing facilities, five of which are in the Detroit area.

The result makes the company stronger financially and more competitive. AZ is now pursuing a growth strategy to diversify its customer base and has plans to expand its geographic footprint to be near OEM manufacturing facilities.

OESA members that have had recent positive achievements in their business and would like to be featured in *OESA News* should contact Jeff Laskowski at 248.952.6401 ext 231 or [jlaskowski@oesa.org](mailto:jlaskowski@oesa.org).

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