

RESTRUCTURING MARKET

Three questions for...

Accuracy, Corporate Recovery Services:

Rodolphe Pacciarella and Stéphane Perrotto, associates, talk about Accuracy's role in the Heuliez case

You supported Heuliez during its restructuring. When did you become involved with the case?

In the late 1990s, Heuliez faced a sharp decline in orders from its largest customer, PSA, after it internally reintegrated the production previously outsourced to Heuliez. Although weakened financially, in 2002, the group managed to convince Opel to entrust it with the development and production of its new convertible coupe. It is the sharp drop in Tigra's production volumes in late 2006 that forced shareholders to seek equity. Accuracy then assisted the company in overhauling its business model plan, which was unsuitable for the goals. In late 2007, unable to accommodate the demands of potential customers – who did not want to make a commitment to a partner whose financial strength was deemed insufficient – and the demands of investors – who required order book visibility – the group initiated a safeguarding procedure. We then became involved to prepare, format, and enhance the reliability of the financial information communicated to the various parties involved.

What was your role in the plan implemented to save the company in 2007?

The group's knowledge gained during the overhaul of the business model allowed us, with the support of our restructuring expert teams, to effectively support Heuliez throughout the safeguarding procedures:

- Modelling of cash flow projections, ensuring reliability of financial data, and sensitivity analyses, in order to be able to anticipate any possible gaps in cash flow. This particularly enabled the judicial administrators, Mr Valliot, Mr Le Guernevé, and Mr Abitbol, to define the timing of negotiations in order to find the most permanent solution.
- Development of various turnaround scenarios. Each prospective buyer had its own vision of the future of the group's business lines and how they would be broken down: we helped to establish and model for each of them the various selected scenarios based on the scope assumptions, the future developments of the various activities, etc. The goal was to provide stakeholders, in a difficult context and with limited time, with sufficiently reliable and objective financial data to enable quick decision-making. We constantly had to find the right balance between accuracy and speed. After this procedure, Argentum, an Indian investor, proposed a safeguarding plan approved by the Court.

What was your role during the remainder of the procedure?

The financial crisis prevented Argentum from meeting its commitments, leading to the resolution of the safeguarding plan, and the Heuliez group was forced to initiate insolvency proceedings. Under the supervision of the CIRI, then we participated in the development and modelling of the various proposed recovery plan scenarios with the help of FSI and the Poitou-Charentes region. This included creating routing simulations, taking into account both the requests of the buyers and the operational and industrial constraints. This was made possible through the formation of a very experienced team, able to understand and analyse Heuliez's complex business model and optimise the solutions provided by the procedures.

■ ■ Ondine Delaunay