



ATA

Agenda

- 1 Introduction
- 2 Company & Industry Analysis
- 3 Electrification vs. Off-Highway
- 4 Recommendations & Action Plan

About ATA

A close-up, high-angle shot of a car engine, showing various mechanical components like the timing belt, pulleys, and hoses. The lighting is warm and focused on the engine parts.

**Fluid Component
Testing**

A family of four is shown inside a car. A man wearing sunglasses is driving, a woman is in the passenger seat, and a young boy is in the back seat. They are all smiling and looking towards the camera. The scene is brightly lit by sunlight coming through the car windows.

Safer transportation

SWOT Analysis



Strength

- Modular Platform
- Internal R&D team



Weakness

- Financial Constraints
- Operational Constraints



Opportunity

- Global markets expanding
- NAFTA dependent on Imports



Threat

- Declining Sales due to ride sharing
- Political Instability affects Exports

Porter's 5

Forces	Weak	Moderate	Strong
Rivalry among competing firms			x
Bargaining power of suppliers			x
Threat of substitute products		x	
Bargaining power of consumers		x	
Potential entry of new competitors	x		

Electrification vs. Off-Highway

Electrification

- Reduction in Battery Prices
- Manufacturing Platforms
- Charging Infrastructure
- Zero Emission Vehicle (ZEV) Mandate
- Policies restricting investment in ICE plants
- Incentives for OEMs
- Shifting Consumer preferences
- Hybrid Vehicles
- Autonomous Vehicles

Off-Highway

- Economic growth in US
- Demand in construction
- Electrification of Off-Highway Equipment
- Strict laws for Off-Highway emissions
- Tariffs on steel and aluminum

Reasons for not choosing Off-Highway

- **More resources required to penetrate**
- **New skill sets**
- **Product customization**
- **Off-highway switching towards electrification**
- **Tariffs**

Reasons for choosing Electrification



- **Declining production Costs**
- **Government regulations**
- **Consumer preference**
- **Hybrid Vehicles**

Recommendations & Action Plan

Human Resource Recommendations

- **Designated HR Team/ Individual**

- **Recruitment & Selection**

Job Descriptions

Metrics,

Reduces Legal Ramifications

- **Talent Acquisition**

Alignment with business goals

Use data & Marketing

Diversify Sourcing

Highlight Values & Culture

- **Health & Safety**

Involve Employees by conducting Surveys

Identify and Control Hazards

Reviewing Inspections

- **Training Programs**

Maintains Competitive Advantage

- **Performance Appraisals**

Focus on Job Performance

Documentation

Plan for Future Evaluations and Developments

Marketing Recommendations

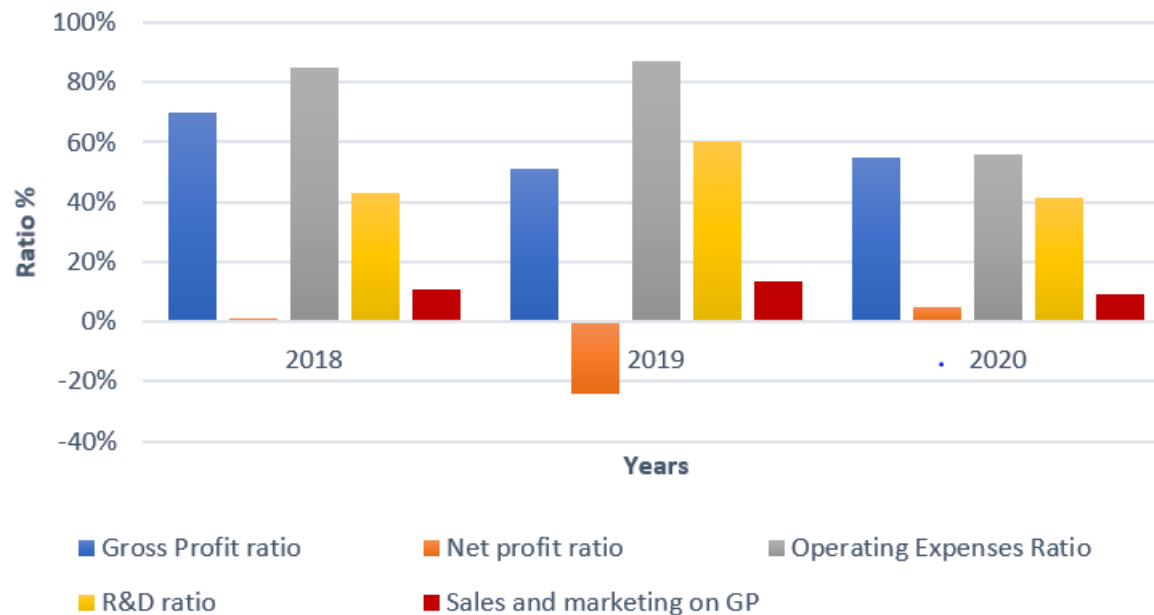
- **Sherlock Holmes Approach**
- **Tiering Segmentation**
- **Content Marketing**
- **Optimizing Lead Nurturing**
- **Work closely with customers**
Establish new fluid testing standards
- **Advertise new test systems**
Content Marketing

Supply Chain Recommendations

- **Multiple suppliers**
Increased efficiency & productivity
- **Access global markets**
Cheap labor & advanced technological innovations
- **Partnerships**
Enter untapped markets
- **Backward/forward integration**
Increased efficiency & productivity
- **Utilize ERP software**
Integrated & centralized system across functions
- **Healthy relationships with suppliers**
Avoid errors/delays
- **Periodic reviews of suppliers**
Ensure company standards

Financial Model

Changes in ratios from 2018-2020



• ATA's Financial Model

- High R&D costs
- Top risks: changing macroeconomic trends, Information security and dependency on suppliers

• Recommendations

- Increase security around confidential information e.g. device management policies
- Increase spending on marketing to foster sales
- Invest in electrification (a growing market) to mitigate risk

Investment Funding



- **Current Situation:**

- Major source of funding - Equity
- 100% debt-free
- Operates on retained earnings
- Line of credit
- Use of BDC and mostly EDC loans

- **Recommendation:**

- Debt financing
- Utilization of tax shield benefit

Strategic Recommendations

- **Information Technology**
- **CSR**
- **Services**
- **Aerify**
- **Relevant Metrics & Success Factors**

Aerify



China
Hydropower



India
Agricultural Equipment



Japan
Windmills



North America
Construction



Germany
Mining equipment



Global
Aircraft Manufacturing



Korea
Ship Building

Relevant Metrics & Success Factors

Recommended Metrics

- Customer loyalty retention
- Customer acquisition cost
- Gross Margin and Net Profit Margin

Competitive Advantage

- Design product modules, away from custom engineering

Critical Success Factors

- Knowledge, expertise and skills ATA possesses, particularly related to fluid testing of components

Thank You
