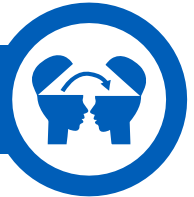


# Goodwill impairment support

Offering the client specialized industry knowledge through disruption and change



## Client challenge

A distributor of automotive replacement parts required valuation assistance for financial reporting purposes.

The company's European operations were facing headwinds due to COVID-19. As such, the client requested valuation services with respect to its goodwill impairment testing as part of its compliance with the financial reporting requirements under FASB ASC Topic 350, Intangibles – *Goodwill and Other*.

## The project

KPMG worked with senior members and key stakeholders of the company's finance and accounting functions in both the U.S. and in Europe to discuss the financial projections of the reporting unit as well as specific considerations which should be reflected in developing the financial outlook, given the current circumstances.

Further, KPMG worked with the client to assess how the various financial projections impacted certain valuation assumptions that would be used in the valuation models for goodwill impairment testing.

Additionally, the KPMG team performed industry research surrounding the impact of COVID-19 on the automotive industry to further support the assumptions used within the valuation analysis.

## Client results

The robust analysis and documentation provided by the KPMG team facilitated a quick and efficient review by the company's auditors and their specialists, allowing the company to record the impairment charge and meet their filing deadline.