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SPECIMEN LENDER ONE-PAGER · FICTIONAL BORROWER · FORMAT DEMONSTRATION

Northstar Components

Senior secured refinancing and growth facility · £14.6m committed facilities · pro forma at 30 Sep 2025

£14.6m	£5.7m	1.65x	7.11x
committed facilities	covenant EBITDA, year to Sep 2025	opening net leverage	FY2026 interest cover

SOURCES & USES AT CLOSE

USES	
Repay incumbent term loan and overdraft	£7.8m
Retained senior debt (carried over)	£0.8m
Finance leases and HP (carried over)	£1.2m
Adviser, legal and lender fees	£0.4m
Cash to the balance sheet (automation)	£1.6m
Total uses	**£11.8m**

SOURCES	
Senior term loan (drawn at close)	£9.8m
Retained senior debt	£0.8m
Finance leases and HP	£1.2m
Total sources	**£11.8m**

COVENANTS (FY2026: ACTUAL VS THRESHOLD)

Net leverage	1.43x vs 2.75x
Interest cover	7.11x vs 3.00x
Minimum liquidity	£3.4m vs £250k

Net leverage steps to 2.50x and 2.25x and interest cover to 3.25x and 3.50x from September 2027 and 2028. Every test is met at every date in the base case and the downside.

CREDIT HIGHLIGHTS

1. **Qualified parts become repeat, multi-year demand.** Northstar's parts are designed into OEM automation equipment and validated over a long qualification cycle, then reordered for the platform's production life. Reorders of qualified parts are 85% of revenue, and the top-five OEMs, 58% of revenue, average 11 years with the business.
2. **The qualification barrier defends the margin.** Requalifying a rival part is a long, costly programme for the OEM, so pricing holds: gross margin was 40.9% in the latest year against 38.6% two years earlier. The EBITDA margin moves from 14.0% to 17.0% by FY2028 as the automation programme lands.
3. **Cash-generative after capex, with one funded investment year.** CFADS was 60.8% of EBITDA in the latest year. In FY2026, the automation year, CFADS of £1.2m sits below debt service; the £1.6m held from close and the delayed draw carry it, and cover is 1.60x in FY2027.
4. **Deleverages well inside its covenants.** Net leverage falls from 1.65x to 0.50x by September 2028. A 37.7% shortfall in forecast EBITDA is what breaks the first covenant; the downside, with EBITDA 18.0% below the base case, meets every test.

FACILITIES REQUESTED

Northstar Components is seeking £14.6m of committed senior secured facilities: a £9.8m term loan drawn at close, a £2.1m delayed-draw growth capex facility drawn as the programme is spent and a £0.7m revolving facility undrawn at close, with £0.8m of retained senior debt and £1.2m of finance leases and HP carried over. The senior facilities price at 3.30% over SONIA and mature on 30 September 2030.

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