Solon.
Corporate Finance · Debt Advisory

NO. 01

ILLUSTRATIVE SPECIMEN · FICTIONAL BORROWER

Northstar Components

Lender Presentation

Senior secured refinancing and growth facility · £10.5m committed facilities

£10.5m	**£5.7m**	**2.0x**
committed facilities	LTM adjusted EBITDA	opening net leverage

Northstar Components · ILLUSTRATIVE SPECIMEN · FICTIONAL BORROWER · not a live mandate

Solon Corporate Finance · Debt Advisory

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Illustrative specimen: figures are for demonstration and do not describe a live mandate.

Agenda

Executive summary

The facilities requested, the cash flow, and the protections

Facilities requested

Northstar Components is seeking £10.5m of senior secured facilities, comprising a £9.8m term loan drawn at close and a £0.7m committed, undrawn RCF, to refinance bank debt, fund automation capex and add a committed undrawn RCF for working-capital seasonality. The transaction is sized at 2.0x pro forma net leverage with 5.8x first-year interest cover and positive monthly liquidity headroom.

£36.4m
LTM revenue

£5.7m
LTM adj. EBITDA

2.0x
opening net leverage

5.8x
FY1 interest cover

Credit view

Credit thesis

Parts qualify into OEM platforms over c.15 months, reordered for the platform life; 85% of LTM revenue (FY2025) is reorders, 40 OEMs.

Cash flow and debt service

54.4% of LTM adjusted EBITDA converts to free cash flow, the figure that services the debt.

Purpose-led debt

Proceeds retire the incumbent facility and fund contracted growth; the committed RCF covers seasonality without drawing the term loan, so leverage opens at 2.0x and deleverages on the base case.

Source: Solon Debt Model Export Pack.

Transaction and indicative key terms

Indicative terms; final terms are proposed in lender term sheets

Term	Indicative basis
Borrower	Northstar Components Ltd
Facilities	£9.8m senior term loan + £0.7m RCF (committed, undrawn at close)
Total committed size	£10.5m
Purpose	Refinance bank debt, automation capex, committed RCF.
Tenor	5 yrs
Margin / coupon	Indicative; to be proposed in lender term sheets
Amortisation	Scheduled + cash sweep (see debt schedule)
Leverage covenant	2.75x opening, stepping down
Interest cover covenant	2.5x minimum
Ranking / security	Senior secured, first-ranking; debenture + guarantees
Expected close	30 Sep 2026

Commentary

- Covenants set with headroom to the base case, tested in the downside.
- Terms are indicative and resolve on lender feedback; not yet syndicated.

Indicative terms only; not an offer or commitment to lend.

Net leverage opens at 2.0x

Sources & uses and pro-forma capitalisation

(£ in millions)

Uses	£m
Refinance existing debt	£7.8m
Automation capex	£1.6m
Fees and expenses	£0.4m
Total uses	**£9.8m**

Sources	£m
Senior term loan (drawn at close)	£9.8m
Total sources	**£9.8m**

£11.5m

pro forma net debt

(£'000)

Pro-forma capitalisation	£'000	×EBITDA
Cash	300	–
Senior term loan (drawn)	9,800	1.7x
Retained existing senior	800	0.1x
Debt-like items (leases / HP / asset finance)	1,200	0.2x
Total gross debt	**11,800**	**2.1x**
Net debt	**11,500**	**2.0x**
Memo: RCF (committed, undrawn)	700	–
LTM adjusted EBITDA	5,700	–

Commentary

- Opening net leverage well inside the covenant.
- Retained existing senior sits alongside the new term loan in gross debt.

One committed facility replaces the senior stack

Current versus pro-forma capital structure

As reported at LTM FY2025

Current structure	£'000
Senior bank debt	8,600
Finance leases	750
HP / asset finance	450
Total gross debt	**9,800**
Cash	800
Net debt	**9,000**

At completion, 30 Sep 2026

Pro-forma structure (at close)	£'000
Senior term loan (committed, 5yr)	9,800
Retained existing senior	800
Retained debt-like items	1,200
Total gross debt	**11,800**
Cash	300
Net debt	**11,500**
Memo: RCF (committed, undrawn)	700

What the refinancing improves

- The incumbent senior facility is refinanced onto one committed term loan; the retained leases and HP / asset finance are carried as £1.2m of debt-like items.
- Committed for 5 years to 2031, replacing near-term and on-demand debt.
- A committed, undrawn £0.7m revolver adds working-capital headroom the current structure lacks.
- Opening net leverage 2.0x, inside a 2.75x opening covenant.

The business

Precision-engineered industrial automation components

Northstar Components is a Greater Manchester manufacturer of precision-engineered components for industrial automation: the machined and assembled parts that OEMs design into their automation equipment. A component is engineered into the customer's platform and validated over a c.15-month qualification cycle, after which the OEM reorders the qualified part for the platform's production life; reorders of previously qualified parts account for 85% of LTM revenue (FY2025), so revenue recurs and pricing holds. LTM revenue is £36.4m (FY2025), up from £32.1m in FY2023A at a 15.7% adjusted-EBITDA margin, forecast toward 17.0% by FY2028E as the automation programme lands.

ENTITY
Northstar Components Ltd (Companies House 09999999), private limited company.

WHY NOW
The incumbent facilities approach maturity and a committed five-year structure is being put in place.

PURPOSE
Refinance bank debt, automation capex, committed RCF.

Customers and contracts

The base is c.40 OEM automation manufacturers who design Northstar's parts into their platforms. Top-five customers are 58% of revenue at 11 years' average tenure, and a qualified-in part is displaced only after a fresh qualification programme.

£36.4m	£5.7m	15.7%
LTM revenue	LTM adj. EBITDA	adj. EBITDA margin

4.66m industrial robots worldwide, 2x in a decade

Market definition, size and demand drivers

The business supplies precision-engineered components that OEM automation manufacturers design into their platforms, serving UK and European industrial automation demand.

The market, in numbers

4.66m	28,831	~$50bn
industrial robots in operation worldwide (2024); demand doubled in a decade[1]	UK industrial-robot installed base, +9% YoY[2]	European industrial-automation market (2024), growing ~8.5% a year[3]

Demand drivers

1. **Reshoring of manufacturing**
   Bringing production back to UK and European sites raises demand for the automation these parts go into.

2. **Labour scarcity driving automation**
   Persistent skilled-labour shortages push manufacturers to automate, structurally supporting component demand.

3. **Sustained factory-productivity investment**
   Ongoing productivity capex across industry underwrites a durable, non-cyclical demand base for automation components.

4. **Designed-in OEM stickiness**
   Once a part is specified into a platform, it recurs across that platform's production life, turning a design win into a multi-year revenue stream.

Sources: [1] International Federation of Robotics (IFR), World Robotics 2025 [2] IFR, World Robotics, UK data (2024) [3] Market Data Forecast, Europe Industrial Automation Market (2024)

85% of revenue is reorders of qualified parts

Market structure, the company's position and the downside

The market is specialised: the durable competitive position comes from being designed into an OEM's platform, where switching a component means a c.15-month requalification and often a platform redesign. A small supplier base, high entry costs and long validation lead times concentrate volume on incumbent suppliers. The parts are designed into OEM customers' platforms, so the top-five relationships (58% of revenue, 11 years' average tenure) are the stickiest in the book: displacing a designed-in component requires a c.15-month requalification and often a platform redesign. The engineering team carries the design and qualification capability that keeps parts specified in across each platform's production life.

Where the company sits

- Manufacturing and assembly run from the Greater Manchester site across engineering, machining and assembly, at 78% capacity utilisation and c.2,050 units a year, with 90% equipment availability and 98.5% first-pass quality.

Demand resilience through the cycle

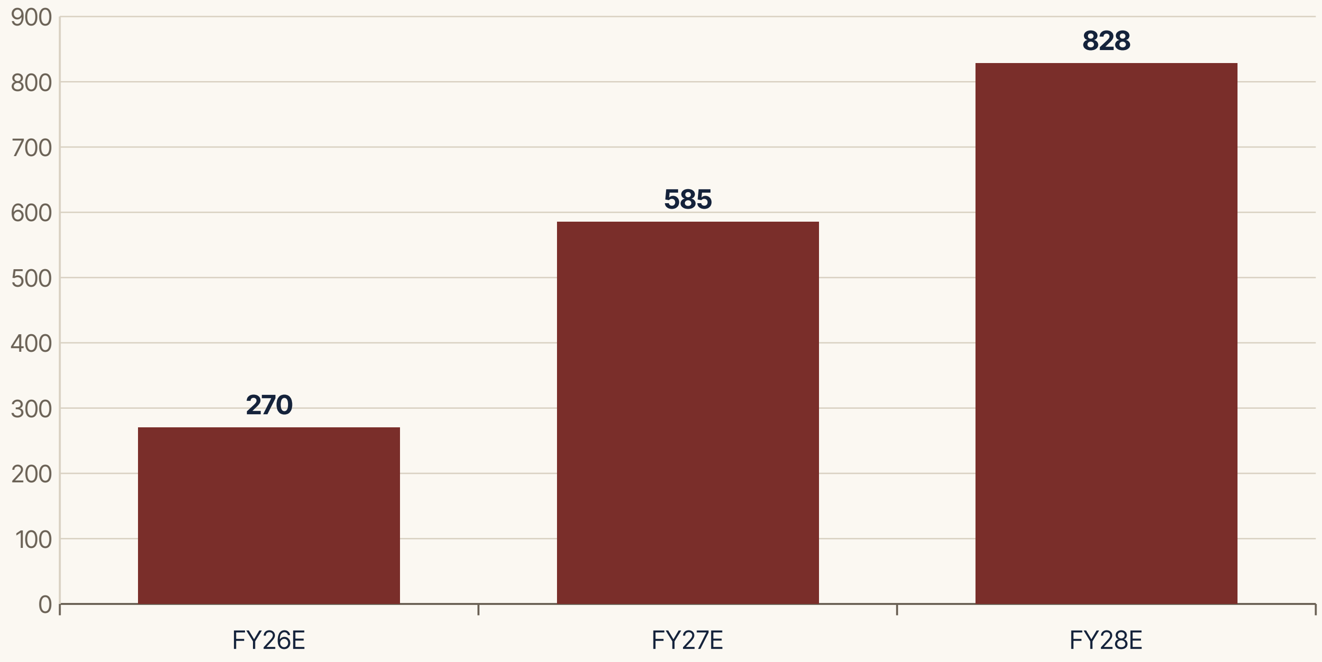
85% of revenue recurs as qualified-part reorders, and demand tracks a secular automation and reshoring trend, the UK robot installed base up 9% year on year. The credit rests on design wins in production, not market growth.

Sources: [1] International Federation of Robotics (IFR), World Robotics 2025 [2] IFR, World Robotics, UK data (2024) [3] Market Data Forecast, Europe Industrial Automation Market (2024)

The plan funds a phased growth programme

Growth capex, funded within the structure, maturing to run-rate EBITDA

Incremental EBITDA by forecast year (£'000)



Growth programme	£'000
FY26E capex draw	900
FY27E capex draw	700
FY28E capex draw	500
Total growth capex	**2,100**

43%
run-rate cash yield on growth capex

28 mo
simple payback

Commentary

- A £2.1m growth-capex programme, funded within the committed structure and the plan's cash generation, targets automation-cell capacity and tooling expansion, deployed over three years.

Management and ownership

Leadership, finance function, bench depth and key-person view

AB — **Andrew Beckwith**
MANAGING DIRECTOR
since 1999
Founder and controlling shareholder.

SW — **Sarah Whitfield**
FINANCE DIRECTOR
since 2018
Professional FD, appointed 2018.

HP — **Helen Prescott**
NON-EXECUTIVE CHAIR
since 2021
Independent non-executive chair.

MA — **Michael Ackland**
OPERATIONS DIRECTOR
since 2015
Runs manufacturing and assembly.

PN — **Priya Nair**
TECHNICAL DIRECTOR
Owns design-in and qualification.

Leadership and key-person view

Founder-owned; professional finance director appointed 2018. The business is led by Andrew Beckwith, Managing Director, in seat since 1999; founder and controlling shareholder. 22 years in precision manufacturing, holding the business since inception. Sarah Whitfield is Finance Director, in seat since 2018. The leadership bench covers Michael Ackland (Operations Director, in seat since 2015), Priya Nair (Technical Director), Daniel Okoro (Commercial Director, in seat since 2013), each reporting to the managing director. Helen Prescott is non-executive chair, in seat since 2021. Key-person risk is mitigated by a documented deputy in operations and by holding the qualification know-how across the engineering team rather than in any single individual.

Key credit highlights

The business case for the credit

1 Components qualified into OEM platforms convert into repeat, multi-year demand

Northstar's parts are designed into customer equipment and validated over a c.15-month qualification cycle, then reordered for the platform's production life. Reorders are 85% of LTM revenue across c.40 OEM customers.

2 The qualification barrier both wins the customer and defends the margin

Requalifying a competing part costs the OEM a c.15-month programme, so pricing holds: gross margin rose from 38.6% (FY2023A) to 40.9% (LTM FY2025), adjusted-EBITDA margin 15.7%, forecast toward 17.0% by FY2028E.

3 The business is structurally cash-generative after capex

The model converts adjusted EBITDA to free cash flow at 54.4% on an LTM basis (FY2025) after £1.0m maintenance capex, and that cash funds scheduled amortisation and the 50% cash sweep.

4 Framework call-offs from the qualified base carry the growth forecast

Framework call-offs from the qualified base underwrite the plan: the forecast rests on a 4.5-month order book, 12 months of visibility and a 1.06 book-to-bill, and the top-five OEMs have reordered for 11 years. That pipeline carried a 6.5% revenue CAGR to £36.4m LTM (FY2025).

5 Proceeds refinance bank debt and fund phaseable productivity capex

Proceeds refinance £7.8m of existing bank debt and fund a £1.6m phaseable productivity-capex programme; opening net leverage is 2.0x, inside the 2.75x covenant. The automation tranche is contracted cell by cell.

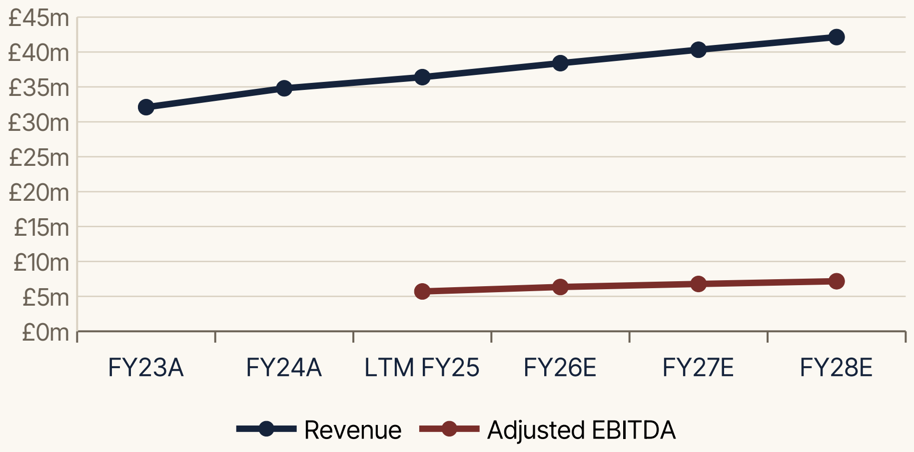
6 The structure opens conservatively inside its covenant package

Pro-forma net leverage opens at 2.02x against a 2.75x covenant, with 5.8x FY1 interest cover and 2.0x debt-service cover. The £10.5m facility is a £9.8m term loan and £0.7m undrawn RCF, alongside £0.8m retained senior.

Financial performance

Three-year actuals and forecast trajectory (£m)

£m · FYE	FY2023A	FY2024A	LTM FY2025
Revenue	£32.1m	£34.8m	£36.4m
Gross profit	£12.4m	£13.8m	£14.9m
Reported EBITDA	£4.4m	£4.8m	£5.1m
Adjusted EBITDA	–	–	£5.7m
Cash tax	£0.5m	£0.6m	£0.7m
Maintenance capex	£0.8m	£0.9m	£1.0m
FCF before debt service	£3.0m	£3.1m	£3.1m
Net debt	£9.9m	£9.3m	£9.0m



15.7%
adj. EBITDA margin

54.4%
FCF conversion

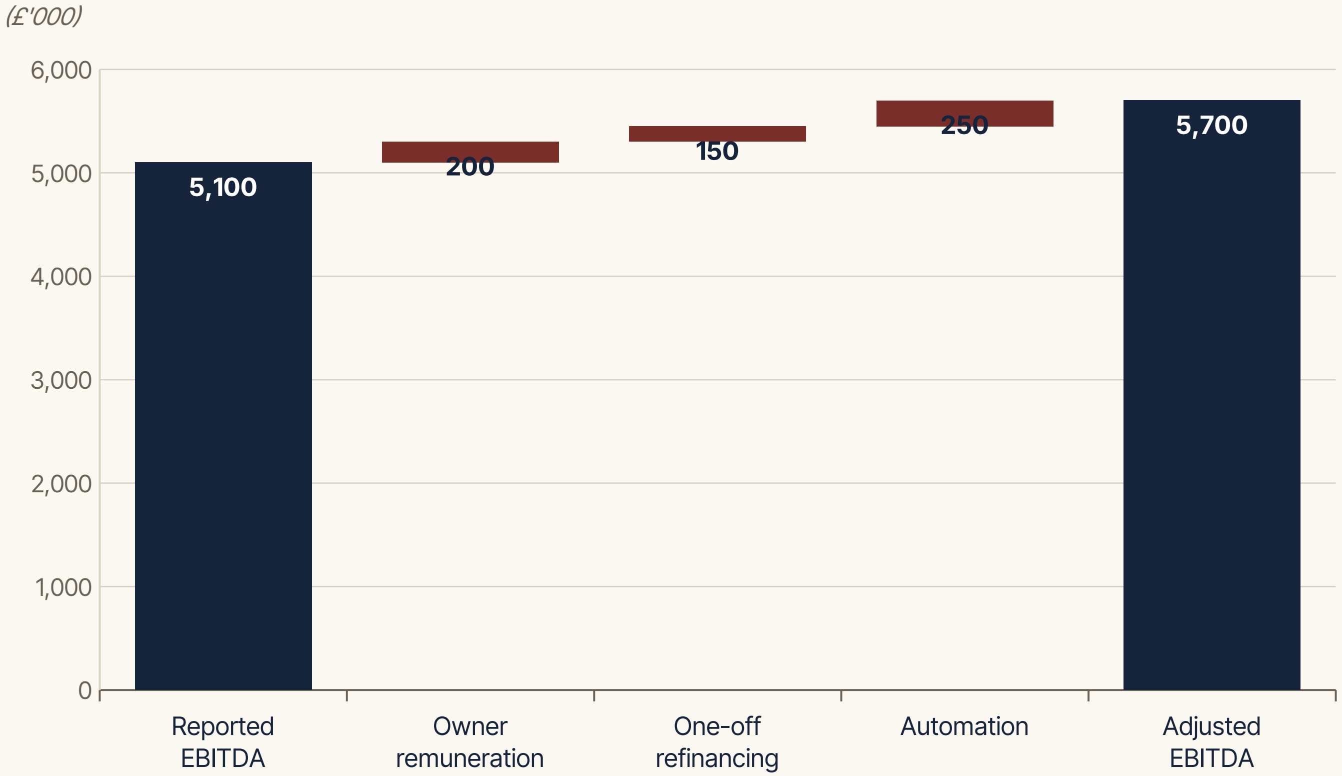
Adjusted EBITDA reflects management add-backs. FY2026E–FY2028E are forecast.

What drove the numbers

Revenue rose £4.3m, or 13.4%, to £36.4m LTM (FY2025) from £32.1m in FY2023A; gross profit tracked to £14.9m at a 40.9% gross margin, up from 38.6%. The 15.7% adjusted-EBITDA margin is forecast toward 17.0% by FY2028E; FCF conversion is 54.4% after maintenance capex.

Adjusted EBITDA bridge

Reported to adjusted; £600k of evidenced add-backs (£'000)



Add-back	£'000	Evidence
Owner remuneration normalisation	200	Salary benchmarking memo and payroll
One-off refinancing and legal fees	150	Invoice support
Automation installation disruption	250	Board pack and supplier invoices
Total add-backs	**600**	**–**

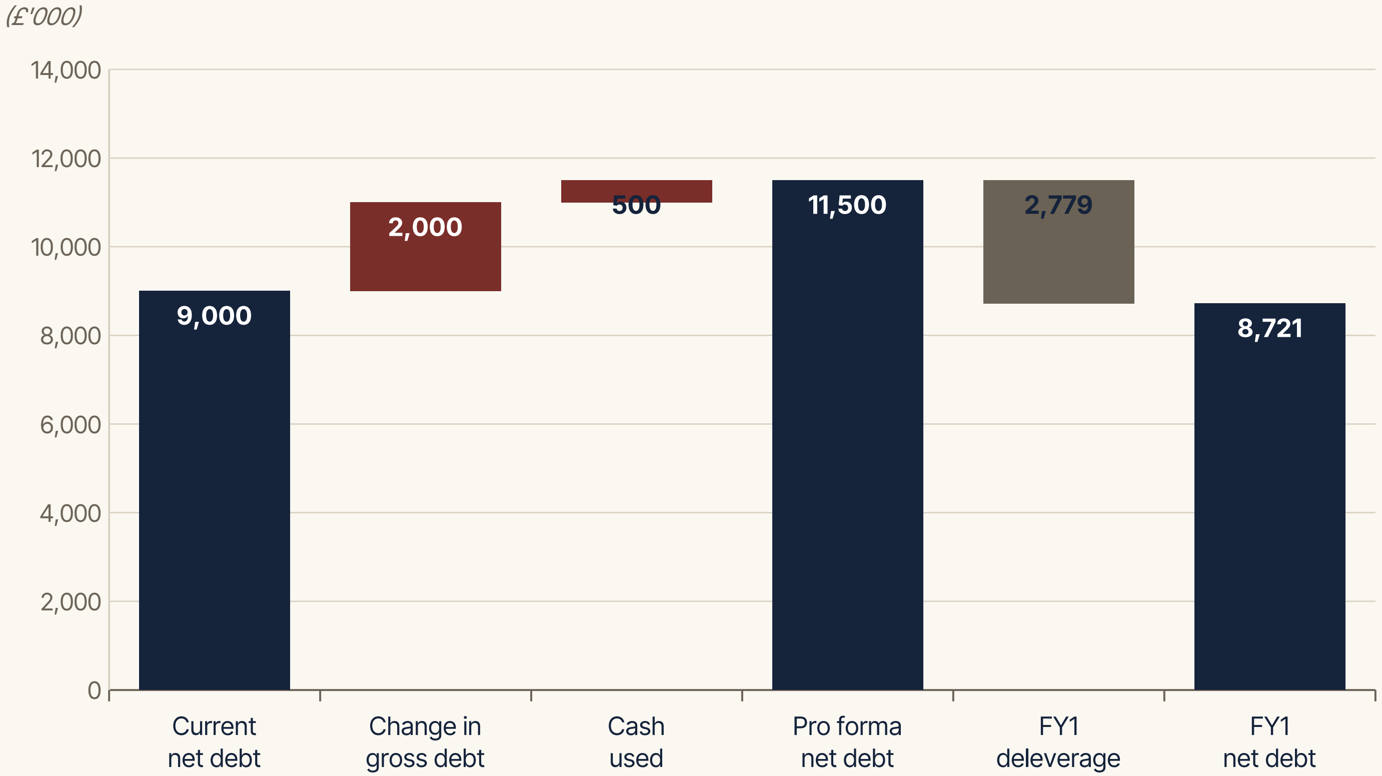
Commentary

- Add-backs total £600k, 11.8% of reported EBITDA.

Source: Solon Debt Model Export Pack.

Net debt opens at 2.0x, 1.4x by FY1

Net debt movement, current to pro forma to FY1 (£'000)



Commentary

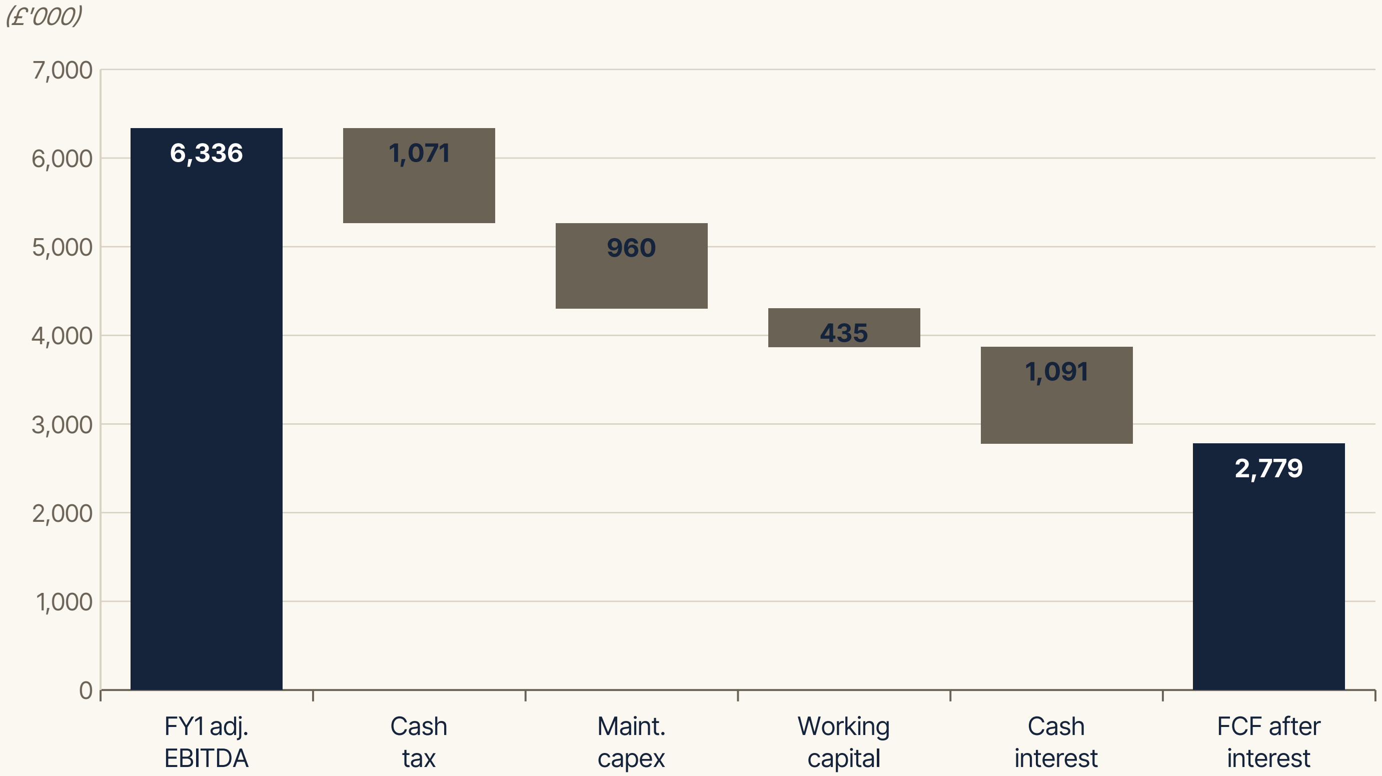
- Pro forma net debt of £11.5m deleverages to £8.7m by FY1.
- The £0.7m RCF is committed and undrawn; it sits outside gross debt and covers seasonal swings.
- Deleveraging is funded by cash generation, with no reliance on asset sales.

2.0x
opening net leverage

1.4x
FY1 net leverage

FY1 cash flow covers debt service 2.0x

FY1 adjusted EBITDA to free cash flow (£'000)



54.4%
LTM FCF conversion

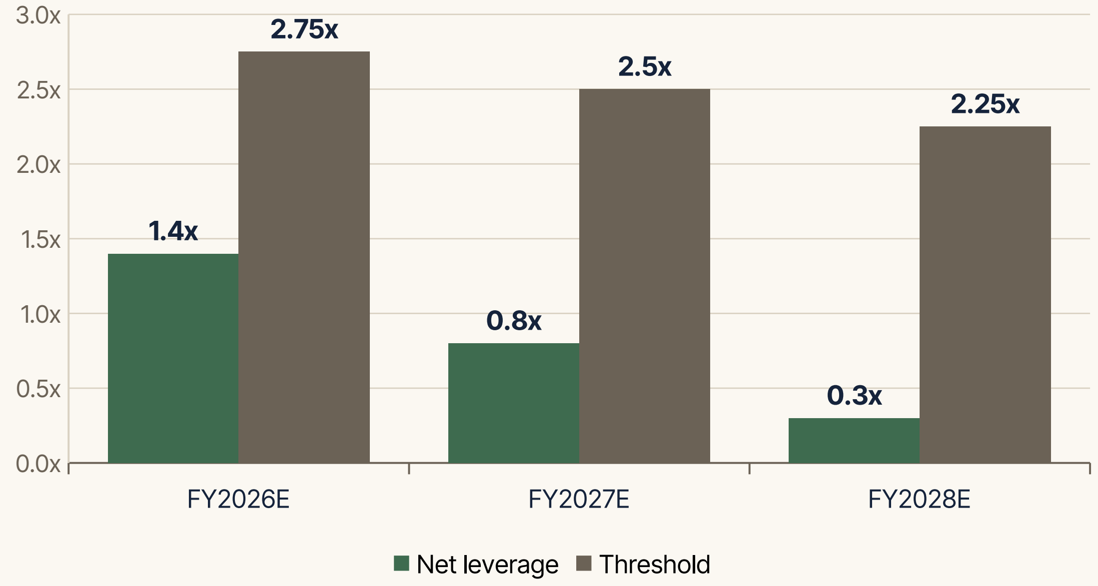
2.0x
FY1 DSCR proxy

Commentary

- DSCR proxy of 2.0x: free cash flow against cash interest plus scheduled amortisation.
- Free cash flow after interest is positive in every forecast year.

Covenant headroom, FY1–FY3

Net leverage and interest cover versus thresholds



Test	FY2026E	FY2027E	FY2028E
Net leverage	1.4x	0.8x	0.3x
threshold	2.75x	2.5x	2.25x
headroom	1.4x	1.7x	2.0x
Interest cover	5.8x	7.2x	9.3x
threshold	2.5x	2.75x	3.0x
headroom	3.3x	4.4x	6.3x
Min liquidity headroom (incl. undrawn RCF)	£1.0m	£3.4m	£4.9m

Liquidity headroom is cash plus the undrawn RCF above the covenant floor. FY1 is the lowest month-end position; FY2–FY3 are year-end.

Commentary

- Under an EBITDA stress the minimum liquidity covenant binds first; leverage and interest cover carry more headroom.
- Thresholds step down as the business deleverages.

Distance to breach: 31.4% to the minimum liquidity covenant

Scenario grid and distance-to-breach in the borrower's own units

Scenario	FY1 EBITDA	FY1 leverage	Min liq. headroom (incl. RCF)	Status
Base	£6.3m	1.4x	£1.0m	OK
Downside	£5.2m	1.8x	£849k	OK
Severe downside	£3.6m	3.0x	(£735k)	Breach: leverage & liquidity

Break-point: FY1 EBITDA decline that breaches each covenant

Constraint	Threshold	EBITDA decline to breach
Net leverage	2.75x	49.95%
Interest cover	2.5x	56.95%
Minimum liquidity	£250k	31.40%

Hardest modelled stress, Severe downside: 43.0% EBITDA decline, 3.0x FY1 leverage (breach: leverage & liquidity).

How far to a breach

- The minimum liquidity covenant binds first: FY1 EBITDA would have to fall 31.4% to breach it.
- The Severe downside over-stress (43.0% EBITDA decline) drives FY1 leverage to 3.0x, through the 2.75x covenant, and intra-year liquidity £735k below the £250k floor: both covenants breach, as a deliberate over-stress no base or downside case approaches should.
- The plausible Downside (18.0% EBITDA decline) breaches neither covenant.

Downside protection

Cover, liquidity and structural protections under stress

Distance to breach

The binding minimum liquidity covenant is a 31.4% EBITDA decline away, beyond the plausible Downside (18.0%), which breaches neither covenant. Only the deliberate Severe downside over-stress (43.0%) crosses a covenant.

Liquidity floor

Minimum monthly liquidity headroom of £1.0m: cash plus the undrawn RCF above a £250k covenant floor.

Structural protection

First-ranking debenture and guarantees; scheduled amortisation plus cash sweep reduce gross debt every year.

5.8x

FY1 interest cover

2.0x

FY1 DSCR proxy

£1.0m

min monthly liquidity headroom (incl. RCF)

Source: Solon Debt Model Export Pack.

Senior secured, first-ranking; 1.9x asset cover on gross debt

Security, guarantor perimeter and estimated going-concern recovery

Security package

Element	Basis
Ranking	Senior secured, first-ranking
Instrument	Debenture: fixed and floating charge over the obligor group
Obligors	Northstar Components Ltd as the sole borrowing obligor
Guarantees	Debenture over the Borrower as the sole obligor; any entity that becomes a material subsidiary accedes as a guarantor
EBITDA in the group	100.0% of group EBITDA sits within the guarantor perimeter
Enforcement	First-ranking debenture; scheduled amortisation plus cash sweep reduce gross debt every year

Estimated recovery

Going-concern cover

At a conservative 4.0x distressed exit multiple, below entry and market, enterprise value of £22.8m covers pro-forma gross debt of £11.8m at 1.9x.

£22.8m
going-concern enterprise value

1.9x
cover of pro-forma gross debt

100.0%
implied senior recovery

Commentary

- The single-obligor structure guarantees the whole facility; no material EBITDA sits outside the perimeter.

Recovery is an estimate for structuring discussion, not a valuation or an appraisal. Going-concern enterprise value is shown at a distressed exit multiple well below entry and prevailing market levels; actual recovery depends on the buyer universe and process at the point of enforcement.

Key risks and mitigants

Each mitigant carries a magnitude and an evidence pointer

Risk	Why it matters	Mitigant	Magnitude & evidence
Revenue concentration	Top-five customers account for 58% of revenue.	Multi-year frameworks and qualification lead times reduce churn risk.	Top-five customers are 58% of revenue at 11 years' tenure; 85% of LTM revenue (FY2025) is qualified reorders.
Input-cost pressure	Metals and energy costs can move quickly.	Price-reset mechanisms exist on key accounts.	Price-reset clauses cover 70% of key-account revenue; gross margin rose 38.6% (FY2023A) to 40.9% (LTM FY2025).
Capex execution	Automation programme must land on time.	Capex is modular and can be phased if volumes weaken.	The £1.6m automation tranche is contracted cell by cell, each at c.42% incremental margin, c.28-month payback.

Credit view of the risks

- Proceeds refinance bank debt and fund a phaseable capex programme; pro-forma net leverage opens at 2.02x against a 2.75x covenant.

Completion targeted for 30 Sep 2026

Single-round lender process, week 1 to week 14

Access agreed	Meetings	Term sheets	Credit approval	Completion
Week 1	Week 5	Week 7	Week 11	Week 14

Status

- Process launching; indicative terms invited from the market on a single-round timetable.
- Completion targeted for 30 Sep 2026; documentation and CPs precede drawdown.

Data room and diligence status

Status by workstream

Financials

LTM management accounts and audited statutory year-end actuals provided.

EBITDA quality

Add-back evidence file provided, with documentary support named per item.

Debt

Existing facility statements and amortisation profile provided.

Commercial

Customer framework and contract-book summary provided.

Legal

Corporate, security and material-contract summaries provided.

Tax

Group tax position and structure memo provided.

Data-room status: All core workstreams populated (financials, debt, commercial, legal and tax); data room open to shortlisted lenders under NDA.

Appendix

The model behind the numbers: dashboard, debt schedule, liquidity and scenarios.

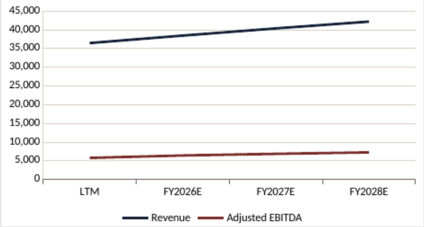
The model dashboard

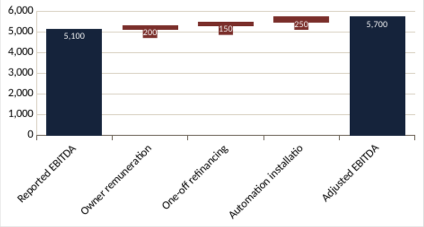
Solon Model Dashboard

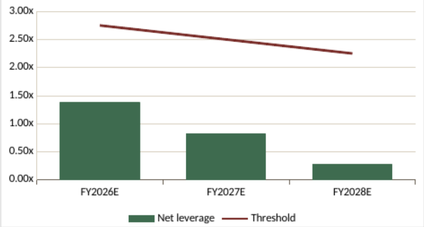
Executive-facing model output linked to audited calculation tabs

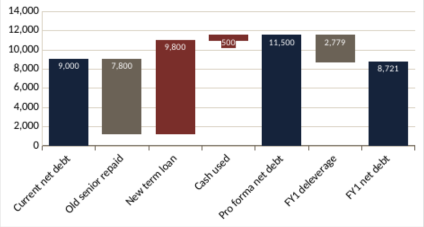
Metric	Value	Read
Total committed facility (£'000)	10,500	TL drawn + RCF undrawn
LTM adjusted EBITDA (£'000)	5,700	Sizing denominator
Opening net leverage	2.02x	Supportability
Model status	PASS	Release gate

Metric	Value	Read
FY1 revenue (£'000)	38,402	Base case
FY1 adjusted EBITDA (£'000)	6,336	Base case
FY1 interest cover	5.8x	Debt service
Min liq. headroom, cash + undraw	1,022	Covenants FY1









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Northstar Components

What this shows

- The one-page read: headline metrics, the revenue and adjusted-EBITDA path, the earnings and net-debt bridges, and covenant headroom.
- Every figure is live-linked to the model delivered with this pack.

Source: the Solon debt model delivered with this pack.

Operating KPIs

Operating KPIs

Industrials / manufacturing · the operating metrics that drive the credit

LTM revenue	36,400	Link · Historical Spread
LTM adjusted EBITDA	5,700	Link · Adjusted EBITDA
Adjusted EBITDA margin	15.7%	EBITDA / revenue
LTM FCF conversion	54.4%	FCF before debt service / EBITDA

Sector KPI	Value	Basis
Units produced (per year)	2,050	Output volume, LTM
Revenue per unit	**17,756**	LTM revenue / units produced
Capacity utilisation	78.0%	Output / installed capacity
Spare capacity	**22.0%**	Headroom before capex
Gross margin	40.9%	Gross profit / revenue
Fixed-cost share (operating leverage)	42.0%	Fixed / total cost base
Order book	5	Forward order book, months of revenue
Book-to-bill	1.1x	Orders won / revenue billed
Cash conversion cycle	**94**	DSO + DIO - DPO
OEE (avail. x perf. x quality)	**84.2%**	Overall equipment effectiveness
Break-even revenue	**20,000**	Fixed costs / contribution margin
Margin of safety	**45.1%**	(Revenue - break-even) / revenue

Working-capital cycle (days and GBP'000)

Component	Days	GBP'000
Receivables (DSO)	58	5,784
Inventory (DIO)	82	4,830
less Payables (DPO)	(46)	(2,710)
Cash conversion cycle	**94**	**7,905**

Overall equipment effectiveness (OEE)

Availability	90.0%
Performance	95.0%
Quality	98.5%
OEE = A x P x Q	**84.2%**

Contribution & break-even

Contribution margin	46.0%
Fixed costs	9,200
Break-even revenue	20,000
Margin of safety	45.1%
Degree of operating leverage	2.2x

Gross-margin bridge (prior → current, GBP'000)

Prior-year revenue	34,800
Prior gross margin	39.7%
Prior gross profit	13,800
Volume	634
Price / mix / cost	466
Current gross profit	**14,900**

Blue cells are management-reported / field-exam inputs; every derived figure is a live formula on those inputs and the LTM financials. Present

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Northstar Components

What this shows

- The operating metrics that drive the credit: capacity and OEE, contribution and break-even, the gross-margin bridge and the working-capital cycle.
- Sector inputs are field-exam or management-reported; derived KPIs are computed on the LTM financials. Source: adviser model.

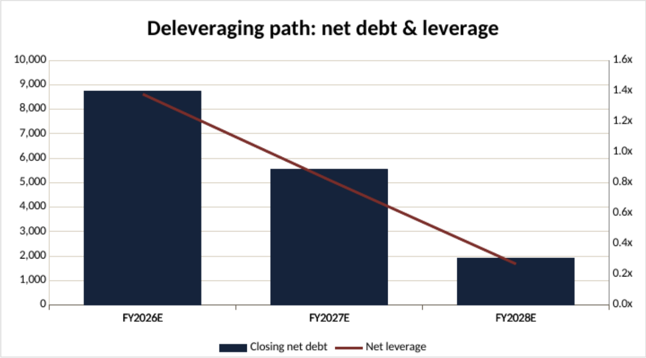
Source: the Solon debt model delivered with this pack.

The debt schedule

Debt Schedule

Forecast roll-forward · cash interest on average senior bank debt · £'000 unless stated

Metric	FY2026E	FY2027E	FY2028E
Revenue	38,402	40,322	42,137
Revenue growth	5.5%	5.0%	4.5%
Adjusted EBITDA	**6,336**	**6,774**	**7,163**
Adjusted EBITDA margin	16.5%	16.8%	17.0%
Cash tax	1,071	1,205	1,334
Maintenance capex	960	1,008	1,053
Working-capital movement	435	417	394
Cash interest (senior + debt-like)	1,091	945	774
FCF before amort & sweep	**2,779**	**3,199**	**3,608**
Opening net debt	**11,500**	**8,721**	**5,522**
Opening gross bank debt	10,600	9,060	7,261
Scheduled amortisation	300	400	500
Cash sweep	1,240	1,399	1,554
Closing gross bank debt	9,060	7,261	5,207
Debt-like items	1,200	1,200	1,200
Closing cash	1,540	2,939	4,493
Closing net debt	**8,721**	**5,522**	**1,914**
Net leverage	**1.4x**	**0.8x**	**0.3x**
Net leverage · covenant	2.75x	2.50x	2.25x
Interest cover	5.8x	7.2x	9.3x
Interest cover · covenant	2.50x	2.75x	3.00x
DSCR proxy	2.0x	2.4x	2.8x
Opening net debt ties to Sources & Uses pro-forma net debt (Debt Sizing B12).			
of which · senior interest (avg balan	934	775	592
of which · debt-like interest (blendec	84	84	84



Solon Corporate Finance · Debt Advisory

Northstar Components

What this shows

- Revenue, adjusted EBITDA, cash flow and the resulting deleveraging, year by year.
- Net leverage, interest cover and DSCR are shown against the covenant on the same grid.

Source: the Solon debt model delivered with this pack.

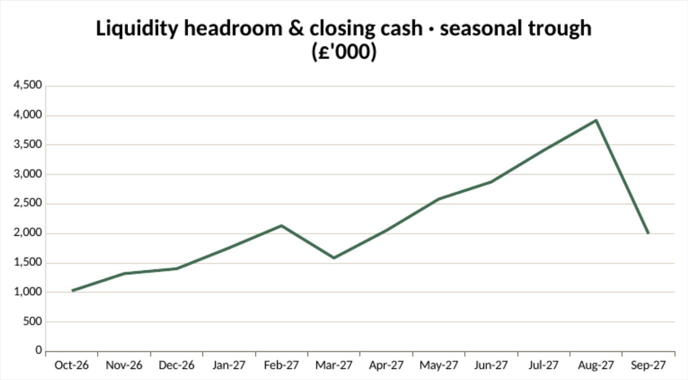
Monthly liquidity

Monthly Liquidity

Seasonal 12-month cash walk · revolving RCF draws to the floor at the trough · £'000

Metric	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27
Net cash flow	272	292	83	354	375	(546)	467	533	290	536	507	(1,923)
Closing cash before RCF	572	864	947	1,301	1,676	1,130	1,597	2,130	2,420	2,956	3,462	1,540
Min cash threshold (floor)	250	250	250	250	250	250	250	250	250	250	250	250
RCF drawn	-	-	-	-	-	-	-	-	-	-	-	-
RCF undrawn (available)	700	700	700	700	700	700	700	700	700	700	700	700
Closing cash (after RCF)	**572**	**864**	**947**	**1,301**	**1,676**	**1,130**	**1,597**	**2,130**	**2,420**	**2,956**	**3,462**	**1,540**
Liquidity headroom (cash + undrawn RCF – floor	**1,022**	**1,314**	**1,397**	**1,751**	**2,126**	**1,580**	**2,047**	**2,580**	**2,870**	**3,406**	**3,912**	**1,990**

Cash trough (pre-RCF)	**572**	Month 1 (Oct-26)
Min liquidity headroom	**1,022**	Month 1 (Oct-26); vs floor 250
Peak RCF utilisation	**-**	RCF undrawn all year · cash stays above th



Solon Corporate Finance · Debt Advisory

Northstar Components

What this shows

- The month-by-month cash walk across the first forecast year.
- The liquidity line is cash plus the undrawn RCF above the floor; the lowest month is the FY1 covenant test.

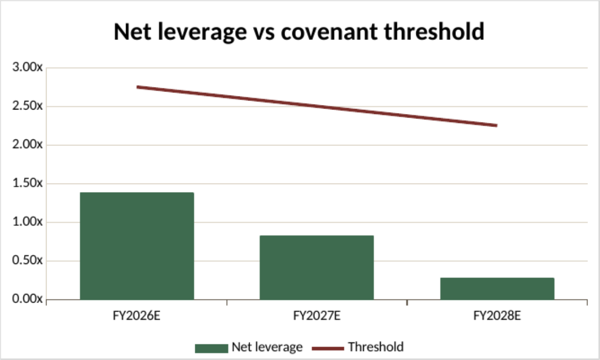
Source: the Solon debt model delivered with this pack.

Covenants and scenarios

Covenants

Actual vs threshold by year · headroom positive on every test

Covenant / metric	FY2026E	FY2027E	FY2028E
Net leverage · actual	1.4x	0.8x	0.3x
Net leverage · threshold	2.75x	2.50x	2.25x
Net leverage · headroom	1.37x	1.68x	1.98x
Net leverage · status	OK	OK	OK
Interest cover · actual	5.8x	7.2x	9.3x
Interest cover · threshold	2.50x	2.75x	3.00x
Interest cover · headroom	3.31x	4.42x	6.26x
Interest cover · status	OK	OK	OK
Min liquidity · actual (£'000)	1,272	3,639	5,193
Min liquidity · threshold (£'000)	250	250	250
Min liquidity · headroom (£'000)	1,022	3,389	4,943
Min liquidity · status	OK	OK	OK



Solon Corporate Finance · Debt Advisory

Northstar Components

What this shows

- Net leverage and interest cover against threshold, with headroom by year.
- Thresholds step down as the business deleverages; the scenario grid and break-point sit on the following model tabs.

Source: the Solon debt model delivered with this pack.

Scenario analysis

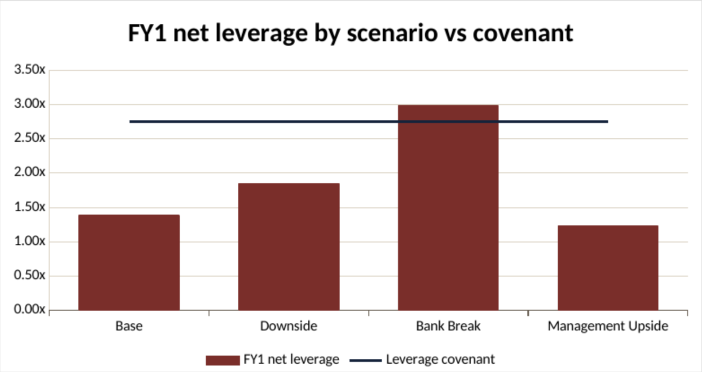
Scenarios

Base, downside and break cases · FY1 leverage vs covenant and liquidity headroom · £'000 unless stated

Scenario	Revenue stress	EBITDA stress	FY1 revenue	FY1 EBITDA	FY1 net leverage	Lev. covenant	Headroom	Status	Min liq. headroom
Base	-	-	38,402	6,336	**1.4x**	2.75x	1.4x	**OK**	1,022
Downside	(10.0%)	(18.0%)	34,562	5,196	**1.8x**	2.75x	0.9x	**OK**	849
Bank Break	(24.0%)	(43.0%)	29,186	3,612	**3.0x**	2.75x	(0.2x)	**BREACH (lev + liq)**	**(735)**
Management Upside	5.0%	8.0%	40,322	6,843	**1.2x**	2.75x	1.5x	**OK**	1,067

Covenant break-point		
Binding covenant	Minimum liquidity	Threshold 2.75x (leverage) / 2.5x (cover)
EBITDA decline to breac	**(50.0%)**	FY1 EBITDA fall that lifts net leverage to the covenant
EBITDA decline to breac	**(57.0%)**	FY1 EBITDA fall that drops interest cover to the covenant

Break-point holds FY1 net debt and interest at base, EBITDA stressed: a closed-form distance-to-breach solve. The scenario grid opposite re-forecasts net debt in full. Source: SRC-007.



Solon Corporate Finance · Debt Advisory

Northstar Components

What this shows

- Base, downside and stress cases with FY1 leverage and the distance to the binding covenant.
- The break-point is the EBITDA decline that first brings a covenant to its threshold.

Source: the Solon debt model delivered with this pack.