SPECIMEN LENDER ONE-PAGER · FICTIONAL BORROWER · FORMAT DEMONSTRATION

# Northstar Components

Senior secured refinancing and growth facility · £10.5m committed facilities · 7 Jul 2026

| £10.5m | £5.7m | 2.0x | 5.8x |
|---|---|---|---|
| committed facility | LTM adjusted EBITDA | opening net leverage | FY1 interest cover |

## SOURCES & USES

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

| SOURCES | |
|---|---|
| Senior term loan (drawn at close) | £9.8m |
| **Total sources** | **£9.8m** |

## COVENANTS (FY1: ACTUAL VS THRESHOLD)

| | |
|---|---|
| Net leverage | 1.4x vs 2.75x |
| Interest cover | 5.8x vs 2.5x |
| Minimum liquidity | £1.0m vs £250k |

## CREDIT HIGHLIGHTS

1. **Components qualified into OEM automation platforms convert into repeat, multi-year demand.** Northstar's parts are designed into customer equipment 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) across 40 active OEM customers, supporting the £36.4m revenue base.
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 incumbency is sticky and pricing holds: gross margin rose from 38.6% (FY2023A) to 40.9% (LTM FY2025) through the input-cost cycle. LTM adjusted-EBITDA margin (FY2025) sits at 15.7% and is forecast toward 17.0% by FY2028E as the automation programme converts labour cost to throughput.
3. **The business is structurally cash-generative after capex.** The model converts adjusted EBITDA to free cash flow at 54.4% on a last-twelve-months basis (FY2025) after maintenance capex of £1.0m, and that cash funds scheduled amortisation and the 50% cash sweep from operating cash flow.
4. **Framework call-offs from the qualified base carry the growth forecast.** Revenue increased by £4.3m, or 13.4%, to £36.4m LTM (FY2025) from £32.1m in FY2023A (6.5% CAGR, FY2023-FY2025), driven primarily by call-off volumes on qualified OEM programmes. The forecast mid-single-digit growth rests on the same base: a 4.5-month firm order book, 12 months of framework call-off visibility and a 1.06 book-to-bill.

## FACILITIES REQUESTED

Northstar Components is seeking £10.5m of committed senior secured facilities: a £9.8m term loan drawn at close and a £0.7m undrawn revolving facility. The structure opens at 2.0x pro forma net leverage with positive monthly liquidity headroom per the Solon debt model.