## TRW Automotive Holdings Corp

**Date:** 6/30/2009

| | | **Facility Description** | **Covenant: Max. leverage & min. interest coverage** |
|---|---|---|---|
| **Company Description:** | Founded in 1904, TRW Automotive Holdings Corporation is among the world's largest and most diversified suppliers of automotive systems, modules and components to global automotive original equipment manufacturers (OEMs) and related aftermarket. Its operations primarily encompasses design, manufacture and sale of active and passive safety related products. Active safety related products principally refer to vehicle dynamic controls primarily braking and steering. Passive safety related products principally refer to occupant restraints primarily air bags and seat belts and safety electronics. The Company offers its products for passenger cars, light trucks, and commercial vehicles. TRW Automotive Holdings sells its products primarily in the United States, the United Kingdom, and Germany. TRW Automotive Holding is a primarily a Tier 1 supplier, which made 86% of end-customer sales to major OEMs in 2008. Of the 2008 sales, 56% were in Europe, 30% in North America, 9% in Asia and 5% in ROW. Four biggest customer as a % of sales for 2008 were VW (includes Audi, Seat, Skoda, Bentley) at 17.8%, GM (includes GM, Opel, Saab) at 13.5%, Ford (Ford, Volvo, Mazda) at 12.1% and Chrysler at 9.6%. | | |
| **Industry:** | Automotive | | |
| **Sponsor / Equity:** | Public (45% of common held by Blackstone) | | |

| $ Out. | Issue | Spread | Maturity | Call Protect. | Corp. Rating* | Facility Rating* | Outlook Moody's | Outlook S&P | Current Price | YTM | YTC-4 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| $1,400.0 | Revolver | | 5/9/12 | NA | Caa1/B+ | | | | | | |
| $600.0 | TL A1 | L+6.00% | 5/9/13 | NA | | Ba3/BB | Neg | Neg | 89.0 | L + 9.43% | L + 9.33% |
| $500.0 | TL B1 | L+6.00% | 2/9/14 | NA | | Ba3/BB | Neg | Neg | 89.0 | L + 8.94% | L + 9.33% |

Note: Spread information assumed to reset to higher level per current amendment

Loans priced as: 6/29/09

### Transaction Description

On May 9, 2007, the Company entered into its 5th amended and restated credit agreement. As part of this amended and restated credit agreement, the company secured a $2.5 billion senior secured credit facility consisting of a (i) 5 year, $1.4 billion RCF; (ii) a 6 year, $600 million TL A facility and; (iii) a 6.75 year $500 million TL B facility. With a $461 million draw on the RCF and using $15.6 million of cash on hand the Company refinanced $2.5 billion of its existing credit facilities.

### Subsequent Events

On 4/30/09 Chrysler filed for Chapter 11 under the bankruptcy code. For the three months ended 4/3/09, Company's sales to Chrysler N.A. totaled $195MM or 8.2% of the Company's total sales. Company expects to collect all its current A/R outstanding with Chrysler. Subsequently, GM filed for Chapter 11 under the bankruptcy code. For the three months ended 4/3/09, the Company's total sales to GM totaled $139MM or 5.8% of consolidated sales.

### Financial Summary: Historical

| ($ in millions) | FYE 12/31, 2006 | FYE 12/31, 2007 | FYE 12/31, 2008 | YTD Mar-08 | YTD Apr-09 | LTM Apr-09 |
|---|---|---|---|---|---|---|
| **Net Revenue** | **$13,144.0** | **$14,702.0** | **$14,995.0** | **$4,144.0** | **$2,390.0** | **$13,241.0** |
| *YOY Growth* | *4.0%* | *11.9%* | *2.0%* | *NA* | *-42.3%* | *NA* |
| **Adjusted EBITDA** | **1,207.0** | **1,250.0** | **1,091.0** | **362.0** | **44.0** | **773.0** |
| *EBITDA Margin* | *9.2%* | *8.5%* | *7.3%* | *8.7%* | *1.8%* | *5.8%* |
| Cash Interest Expense (incl. PIK) | 261.0 | 273.0 | 191.0 | 47.8 | 47.8 | 191.0 |
| Cash Taxes Paid | 155.0 | 187.0 | 148.0 | 37.0 | 37.0 | 148.0 |
| Change in WC - A/R & A/P (source) | -47.0 | -116.0 | -256.0 | 279.0 | 178.0 | -357.0 |
| Capital Expenditure | 529.0 | 513.0 | 482.0 | 97.0 | 35.0 | 420.0 |
| **Inc./(Dec) in Free Cash Flow** | **309.0** | **393.0** | **526.0** | **-98.8** | **-253.8** | **371.0** |
| Adj. EBITDA / Interest Expense | 4.6x | 4.6x | 5.7x | 7.6x | 0.9x | 4.0x |
| **Senior Sec. Debt / Adj. EBITDA** | **1.3x** | **1.3x** | **1.2x** | | | **1.9x** |
| Senior Debt / Adj. EBITDA | 1.2x | 1.3x | 1.5x | | | 2.0x |
| **Total Debt / Adj. EBITDA** | **2.5x** | **2.6x** | **2.7x** | | | **3.8x** |
| Net Total Debt / Adj. EBITDA | 2.0x | 1.9x | 2.0x | | | 3.1x |
| Adj. EBITDA - Capex / Interest | 2.6x | 2.7x | 3.2x | 5.5x | 0.2x | 1.8x |

Source: Company financials

### Capital Structure: As of Apr- 09

| $ in millions) | Market Prices | $ | Leverage | Net Leverage | PF outstndg as of ~ 2Q09 | PF leverage as of ~ 2Q09 |
|---|---|---|---|---|---|---|
| Cash | | $535.0 | | | $1,422.3 | |
| Revolving credit facility | | 310.0 | | | 1,200.0 | |
| Term loan facilities | 90 | 1,091.0 | | | 1,091.0 | |
| Capitalized leases | 90 | 45.0 | | | 45.0 | |
| **Total Sr. Secured Debt** | | 1,446.0 | 1.9x | 1.2x | 2,336.0 | 3.0x |
| 7% Senior Notes due 2014 | 75 | 485.0 | | | 482.0 | |
| 6 3/8% Euro Senior Notes due 2014 | 62 | 362.0 | | | 355.0 | |
| 7 1/4% Senior Notes due 2017 | 72 | 562.0 | | | 562.0 | |
| Other borrowings | | 42.0 | | | 42.0 | |
| Short-term debt | | 61.0 | | | 61.0 | |
| **Total Senior Debt** | | 2,958.0 | 3.8x | 3.1x | 3,838.0 | 5.0x |
| Subordinated Debt | | 0.0 | | | 0.0 | |
| **Total Debt** | | $2,958.0 | 3.8x | 3.1x | $3,838.0 | 5.0x |

*Note: Sometime during the second quarter, the Company drew down its revolver. However, there is no material change in net leverage*

*Note: Senior notes breakdown between 2 issues of 2014 notes and the 2017 notes estimated by MB Research Advisors based on latest 10K and 10Q information for total outstandings and recent buybacks*

Source: Company financials