

## Executive Summary

Globex LLC – Credit Review (FY2025)

Key ratios reported by management: Interest coverage ratio is **1.9x**. Debt service coverage ratio (DSCR) is **1.10x**. Net leverage is **3.8x**.

Covenant thresholds per the Credit Agreement: minimum DSCR 1.25x, minimum interest coverage 2.0x, and maximum net leverage 3.5x.

# Covenants

## Covenant Compliance

The company is **not** in compliance with one or more financial covenants.

- Minimum Interest Coverage: threshold 2.0x; reported 1.9x — **breached**.
- Minimum DSCR: threshold 1.25x; reported 1.10x — **breached**.
- Maximum Net Leverage: threshold 3.5x; reported 3.8x — **breached**.

Management has requested a temporary waiver.

# Management Discussion

## Narrative

Adverse market conditions impacted sales and margin. Elevated leverage (3.8x) and lower coverage metrics (interest coverage 1.9x; DSCR 1.10x) indicate stress relative to policy thresholds.