Mega Company

Turnaround of the Year

Chassix Holdings, Inc.

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Chassix (the "Company") is a critical supplier to the global automotive industry with annual revenue in excess of $1.4 billion and over 5,000 employees in approximately 25 global manufacturing facilities. In the fall of 2014, Chassix faced an over-leveraged balance sheet, unsustainable margin profile and imminent liquidity shortage as one of its large casting facilities was experiencing a production crisis. The supplier is integral to the global supply chain, producing safety critical components. The severe production issues for the Company was introducing near-term risk to the industry's supply chain and production in North America.

After intense negotiation between the stakeholders, the framework for the long-term solution was developed. That solution was a pre-arranged Plan of Reorganization that included long term commercial agreements with the major customers, a stable margin profile, secure employment for the vast majority of the workforce, a conversion of debt to equity of approximately $550 million USD, an infusion of capital from the new shareholders, a significantly de-leveraged capital structure, and a substantial recovery for the unsecured supply chain trade creditors. After the agreements were finalized, Chassix voluntarily filed for bankruptcy protection in March 2015 with a pre-arranged Plan of Reorganization. The Company quickly emerged from bankruptcy protection at the end of July 2015 with a sustainable business model and brighter future.

The consensual plan called for sacrifices from all parties to ensure supply of critical parts to the automobile production process. There were complex commercial, legal, operational and financial considerations that required a solution for all the pieces to fit together.

Chassix is performing well and is now sustainable for the long-term upon completion of the restructuring process. All manufacturing facilities remain operational and this critical supplier to the automotive industry is now able to thrive in a competitive market. The negative consequences could have resulted in the liquidation of the enterprise, which would have created significant uncertainty and outcomes for the customers, employees, creditors, and shareholders.