

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re

WESCO AIRCRAFT HOLDINGS, INC., et al.,¹
Debtors.

Case No. 23-90611 (DRJ)

Chapter 11

(Joint Administration Requested)

NOTICE OF FILING FIRST DAY HEARING PRESENTATION

PLEASE TAKE NOTICE that on June 1, 2023, the above captioned debtors and debtors in possession (collectively, the “Debtors”), filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”).

PLEASE TAKE FURTHER NOTICE that Debtors hereby file the initial demonstrative presentation slides (the “Presentation”), attached hereto as **Exhibit A**, that will be used at the first day hearing scheduled for June 1, 2023 at 1:00 p.m. (CT).

PLEASE TAKE FURTHER NOTICE that the Presentation may be obtained on the Debtors’ claims and noticing agent website at <http://www.kccllc.net/incora/>.

[Remainder of page intentionally left blank]

¹ The Debtors operate under the trade name Incora and have previously used the trade names Wesco, Pattonair, Haas, and Adams Aviation. A complete list of the Debtors in these chapter 11 cases, with each one’s federal tax identification number and the address of its principal office, is available on the website of the Debtors’ noticing agent at <http://www.kccllc.net/incora/>. The service address for each of the Debtors in these cases is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.



239061123060100000000126

Dated: June 1, 2023

Respectfully submitted,

/s/ Kelli S. Norfleet

Kelli S. Norfleet (TX Bar No. 24070678)
Charles A. Beckham, Jr. (TX Bar No. 02016600)
Martha Wyrick (TX Bar No. 24101606)
HAYNES AND BOONE, LLP
1221 McKinney Street, Suite 4000
Houston, TX 77010
Telephone: 1 (713) 547-2000
Email: Kelli.Norfleet@HaynesBoone.com
Charles.Beckham@HaynesBoone.com
Martha.Wyrick@HaynesBoone.com

- and -

Dennis F. Dunne (admitted *pro hac vice*)
Samuel A. Khalil (admitted *pro hac vice*)
Benjamin M. Schak (admitted *pro hac vice*)
MILBANK LLP
55 Hudson Yards
New York, NY 10001
Telephone: 1 (212) 530-5000
Email: DDunne@Milbank.com
SKhalil@Milbank.com
BSchak@Milbank.com

*Proposed Counsel to the
Debtors and Debtors in Possession*

Certificate of Service

I certify that on June 1, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Kelli S. Norfleet

Kelli S. Norfleet

Exhibit A

First Day Presentation



In re Wesco Aircraft Holdings, Inc., et al.

Case No. 23-90611

June 1, 2023

incora™

Table of Contents



I	Team and Advisors	3
II	Company Overview	6
III	Circumstances Leading to Chapter 11	12
IV	Prepetition Negotiations	16
V	Path Forward	20

I. Team and Advisors

Key Personnel



Incora's management team has deep industry experience and expertise across many facets of the aerospace industry.



David Coleal
Chief Executive Officer



Wayne Hollinshead
President & COO



Dawn Landry
Chief Administrative Officer



Ray Carney
Chief Financial Officer



Dave Fawcett
Chief Contracts Officer



Mark Hernandez
Chief Information Officer



Gary Wells
Chief Commercial Officer



Patrick Bartels
*Independent Director,
Wolverine Intermediate*

Proposed Debtor Advisors



Alvarez and Marsal

Proposed Restructuring Advisor

Milbank

Milbank LLP

Proposed Co-Counsel to the Debtors



PJT Partners

Proposed Investment Banker



Quinn Emanuel Urquhart & Sullivan

Proposed Conflicts Counsel

haynesboone

Haynes Boone, LLP

Proposed Co-Counsel to the Debtors



Kurtzman Carson Consultants

Proposed Notice and Claims Agent

II. Company Overview

Corporate Structure

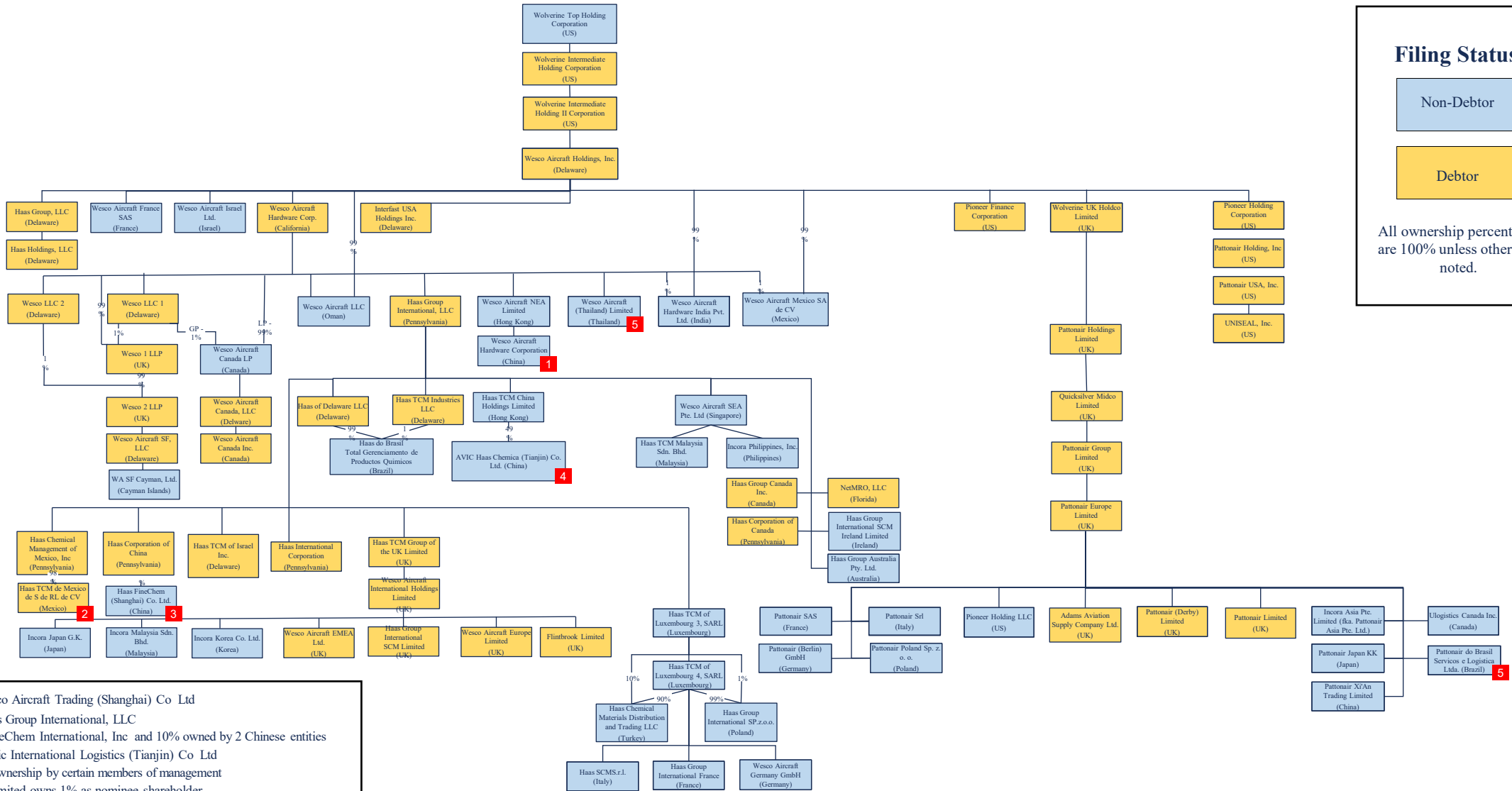


Filing Status:

Non-Debtor

Debtor

All ownership percentages are 100% unless otherwise noted.



Notes:

- 1 Company aka Wesco Aircraft Trading (Shanghai) Co Ltd
- 2 2% owned by Haas Group International, LLC
- 3 45% owned by FineChem International, Inc and 10% owned by 2 Chinese entities
- 4 51% owned by Avic International Logistics (Tianjin) Co Ltd
- 5 0.01% aggregate ownership by certain members of management
- 6 Pattonair Group Limited owns 1% as nominee shareholder

Operational Overview



Incora provides distribution and supply chain management solutions to a diverse range of industries, with a particular focus on aerospace.

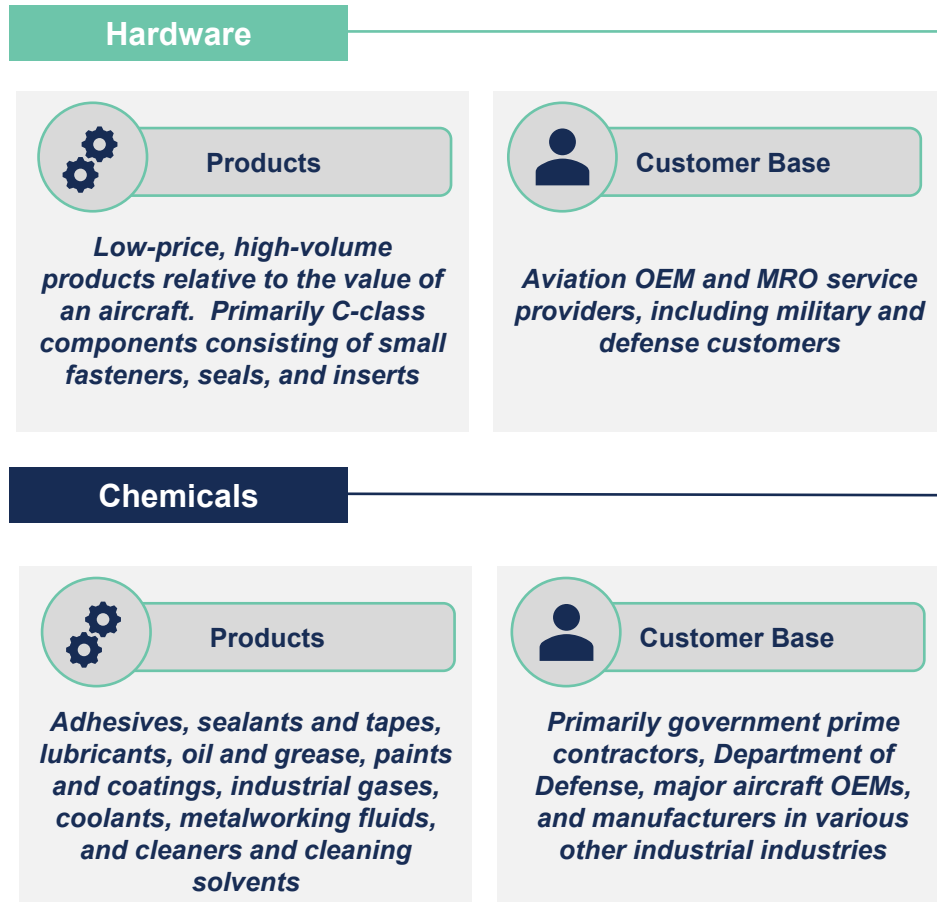
3,750
Employees

8,400+
Customers

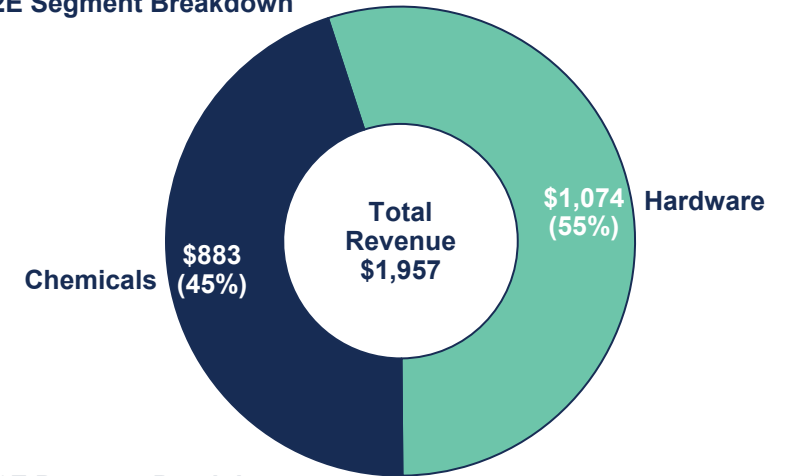
7,000+
Suppliers

\$1.0B+
Inventory

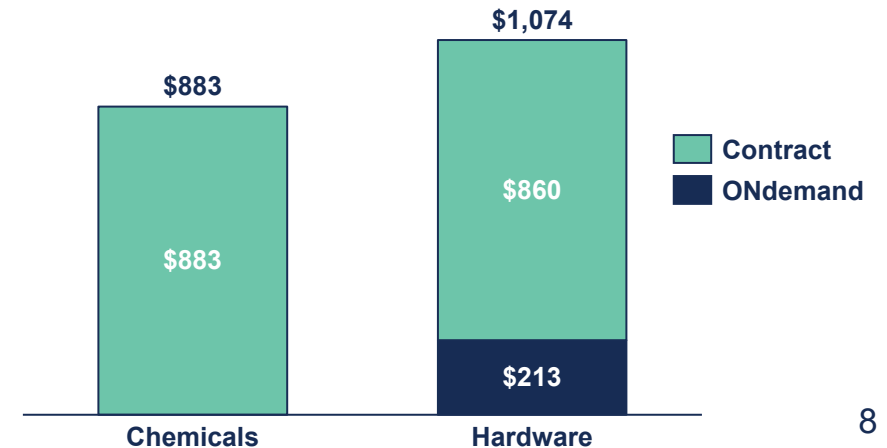
600,000+
Active SKUs



FY 2022E Segment Breakdown (% / \$)



FY 2022E Revenue Breakdown (% / \$)



Suite of Products and Provision of Value



Hardware (55%)

Representative Products

Blind and Panel Fasteners 	Bolts, Nuts, and Screws 	Clamps 	Rivets
Connectors 	Switches 	Circuit Breakers 	Sensors and Rays
Rolling Bearings 	Cam Followers 	Airframe Control Bearings 	Machined Parts

Chemicals (45%)

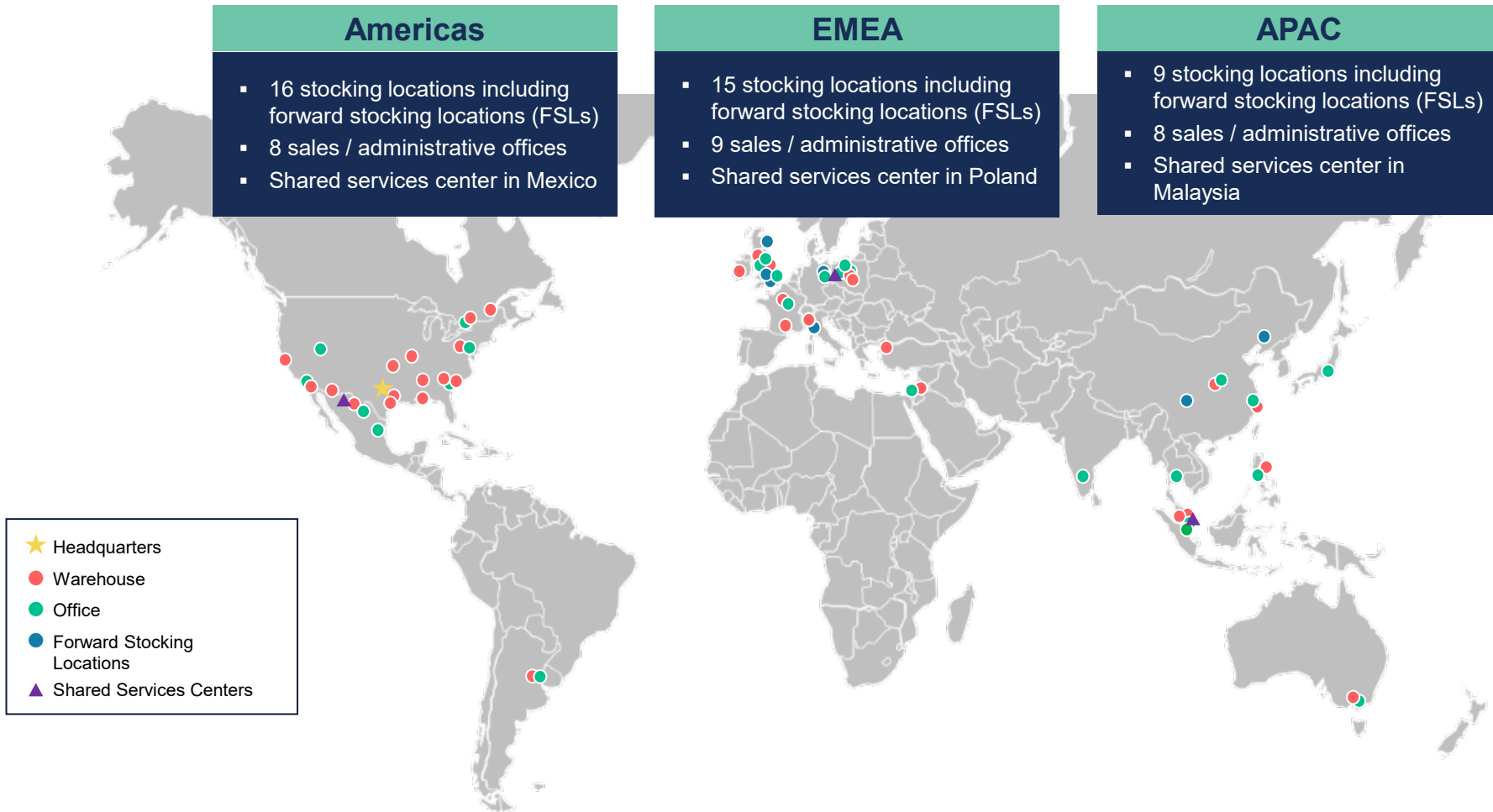
Adhesives, Tapes, and Sealants 	Chemicals and Solvents 	Paints and Coatings
Composite Materials 	Lubricants 	Surface Treatments

Distribution Value Add

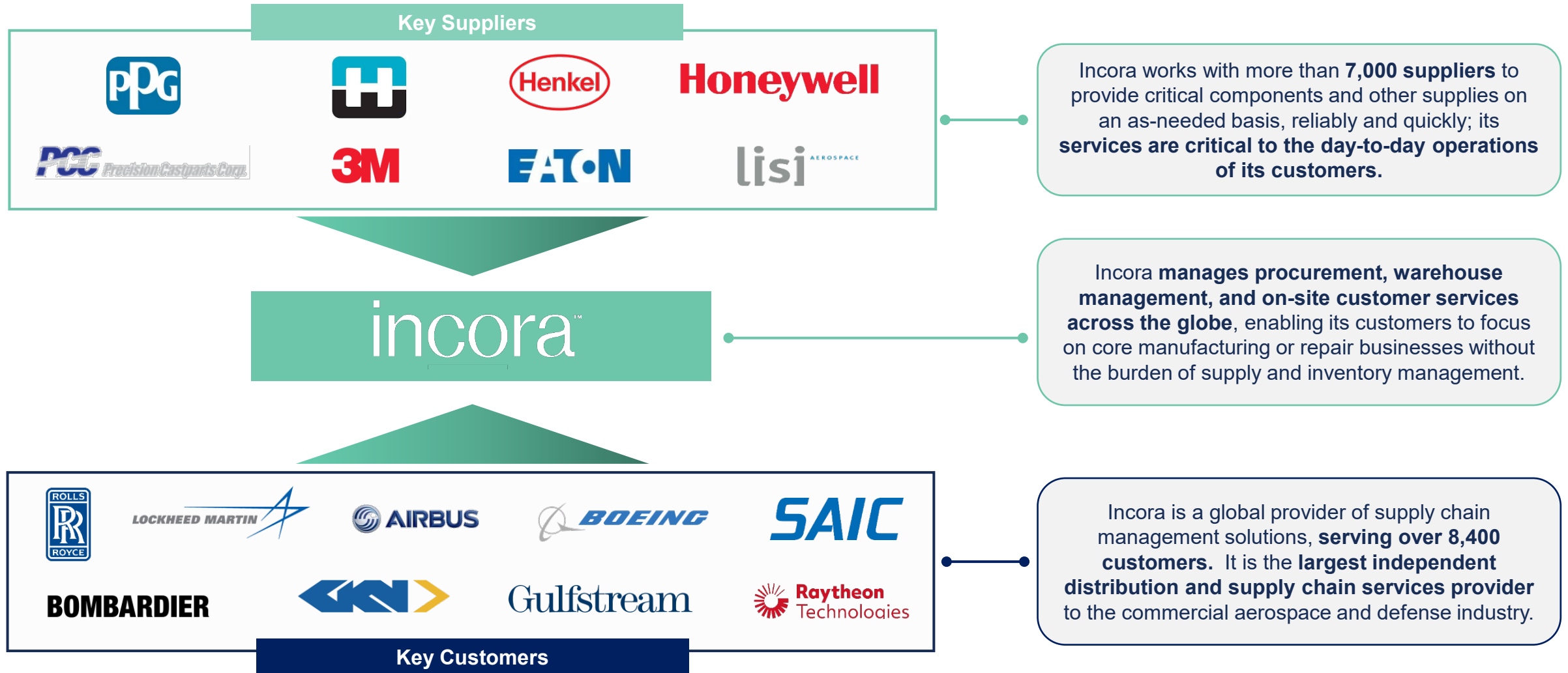
Supplier Benefits	Customer Benefits
<ul style="list-style-type: none"> Improved machine utilization Reduced finished goods inventory Improved working capital and cash flow Price discipline Access to 8,400+ customers Lower administrative and selling costs Improved on-time performance 	<ul style="list-style-type: none"> Lower overhead costs Reduced inventory / working capital Lower excess and obsolescence expense Improved productivity Leverage supplier relationships Substantial improvement in quality Better on-time delivery Fewer stock shortages Single point of contact

Geographic Footprint

Incora employs approximately 3,750 people worldwide and operates more than 60 stocking locations, warehouses, and offices in 17 countries.

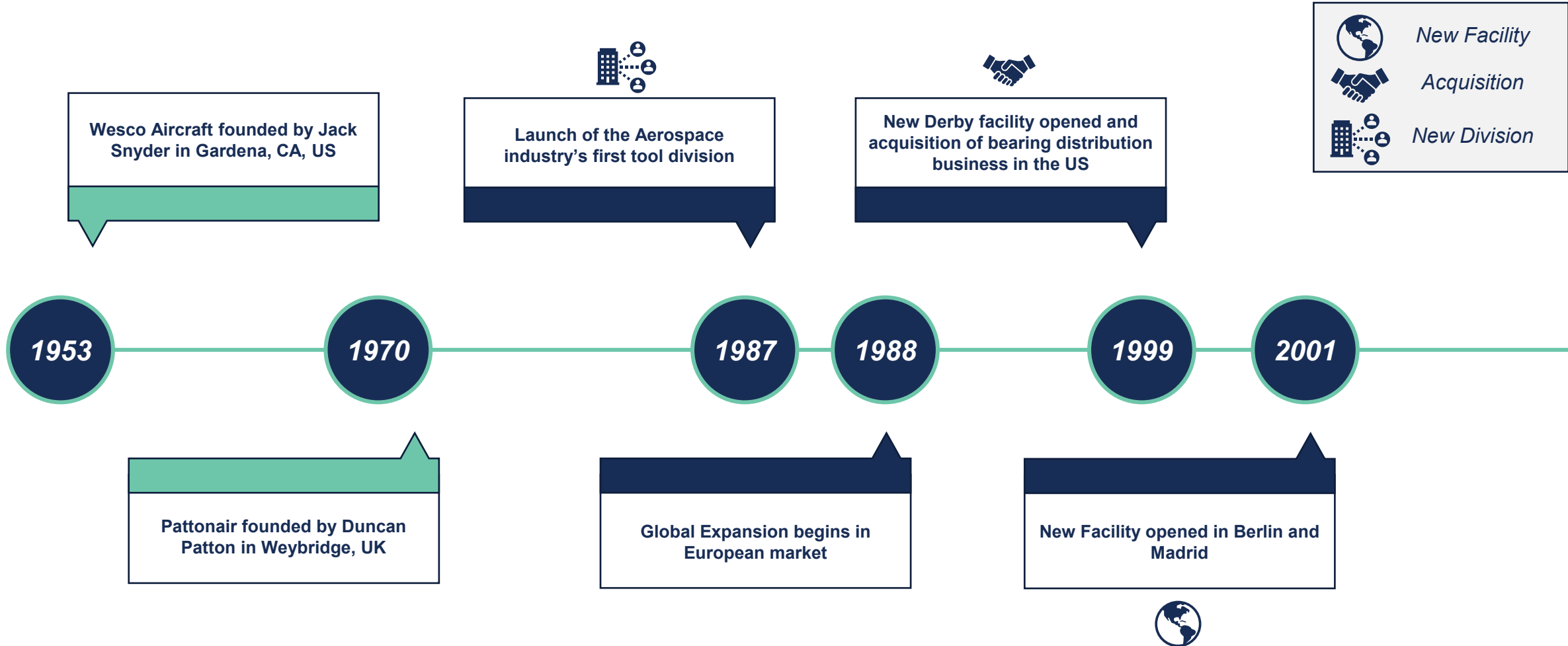


Supplier & Customer Relationship



III. Circumstances Leading to Chapter 11

Corporate Timeline



Corporate Timeline (cont.)



	<i>New Facility</i>
	<i>Acquisition</i>
	<i>New Division</i>



Provest, Italy is acquired and new facilities in UK and China



Acquisition of Airtechnics to form electronics products division



Domestic Aviation specialists, Adams Aviation acquired

2005

2007

2008

2014

2019

2020

New Facilities in Paris and Singapore



Acquisition of Haas Group to expand footprint into Chemical Management Services for Aerospace



Platinum Equity acquires Pattonair from Exponent Private Equity



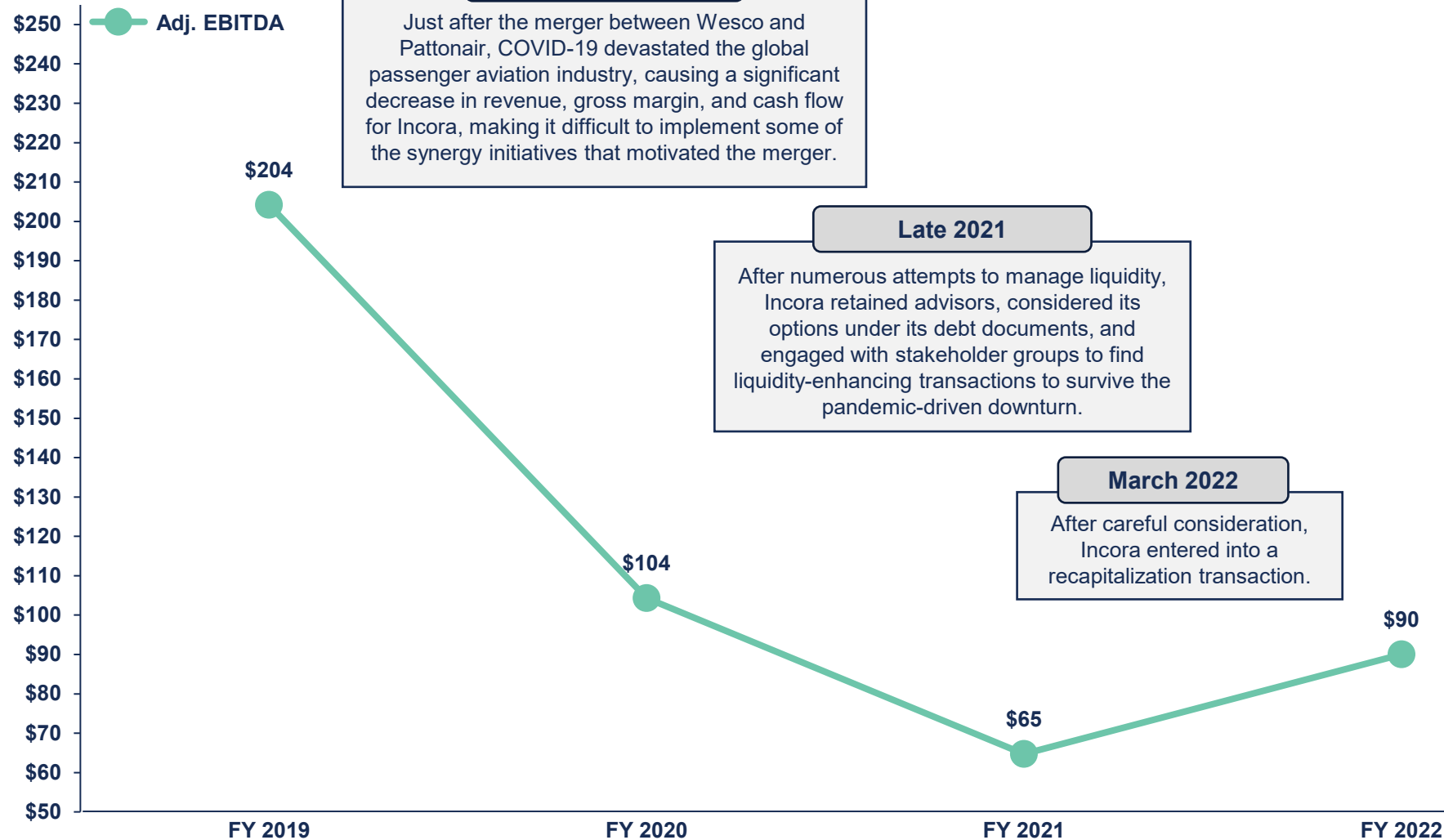
Pattonair and Wesco merge after the purchase of Wesco Aircraft by Pattonair parent company, Platinum Equity, the combined entities become Incora



How Did We Get Here?



FY 2019 – 2022E Adj. EBITDA
(\$s in millions)



May 2023

Incora was positioned to recover from the pandemic, but additional unforeseeable events strained Incora's resources and led to this chapter 11 proceeding:

- Supply Chain Disruption**
Aerospace parts have undergone significant disruption that has increased the lead times for Incora to procure critical supplies for its customers.
- Inflation Impact**
Longer term contracts were entered without inflation protection clauses, creating intense margin pressure on the business when volume declined, and inflation grew.
- Lower-Than-Expected Production Rates**
Incora's customers struggled to meet production forecasts due to labor shortages and supply chain disruptions.
- Factoring Facility Disruption**
In April 2023, the provider for Incora's main factoring facility discontinued accepting then-outstanding nominations causing a liquidity reduction of \$43 million.

IV. Prepetition Negotiations

Capital Structure



Capital Structure as of May 15, 2023
(\$s in millions)

\$3,144	
\$421	ABL Facility
\$1,388	2026 Secured 1L Notes
\$533	2027 Secured 1.25L Notes
\$184	2024 Unsecured Notes
\$352	2026 Unsecured Notes
\$111	2027 Unsecured Notes
\$156	PIK Notes

(\$s in millions)

Debt Facility	Principal and Accrued Interest Outstanding ¹	Security and Priority
ABL Facility	\$421	First lien on current assets; third lien on fixed assets
2026 Secured 1L Notes	\$1,388	Second lien on current assets; first lien on fixed assets
2027 Secured 1.25L Notes	\$533	Third lien on current assets; second lien on fixed assets
2024 Unsecured Notes	\$184	None
2026 Unsecured Notes	\$352	None
2027 Unsecured Notes	\$111	None
PIK Notes	\$156	None; structurally subordinated
Total Secured	\$2,341	
Total Unsecured	\$803	
Total	\$3,144	

(1) Amounts do not reflect any interest (including payment-in-kind interest) accrued since May 15, 2023.

Key Creditor Parties

ABL Lenders

ABL Agent:



Advisors:



Financial Advisor



Counsel

1L Noteholder Ad Hoc Group

Lenders:



Advisors:

EVERCORE *Investment Bank*



Counsel

PORTER|HEDGES

Counsel



Litigation Counsel

1.25L Noteholders

Lenders:



Advisors:

Greenhill *Investment Bank*

Paul Weiss *Counsel*



Counsel

DIP Financing

A senior secured superpriority debtor-in-possession note purchase agreement (the “DIP Note Purchase Agreement,” and the notes issued thereunder the “DIP Notes”) with an aggregate principal amount of \$300 million to be provided by certain of the Debtors’ 1L noteholders.

Maturity

Will mature upon the earliest of

- (a) the 9-month anniversary of the Petition Date,
- (b) the date on which the DIP Financing obligations are accelerated in accordance with the terms of the DIP Note Purchase Agreement,
- (c) a sale of all or substantially all of the Debtors’ assets,
- (d) the date on which all outstanding DIP Financing obligations are prepaid in full, and
- (e) the effective date of any plan for the reorganization of any of the Debtors under Chapter 11 of the Bankruptcy Code.

Interest

All amounts outstanding under the DIP Notes will bear interest at the rate of SOFR (subject to a “floor” of 4.00% per annum and a credit spread adjustment of 10 basis points) for the relevant interest period plus 8.50% per annum (or, if applicable, ABR (as defined in the DIP Note Purchase Agreement) plus 7.50% per annum).

Approval

The proposed order approving the DIP Financing also seeks authorization for use of cash collateral and approval of adequate protection to be provided to prepetition secured parties.

V. Path Forward

Primary Case Objectives

Incora hopes to accomplish an efficient, comprehensive restructuring and to emerge as a stronger enterprise.



I.



Concentrating the issues raised in the litigation over the March 2022 transaction

II.



Negotiating a restructuring support agreement and proposing and confirming a chapter 11 plan

III.



Renegotiating burdensome contracts to allow Incora to maximize customer and supplier value

Proposed Hearing Agenda

Pleading	Docket No.
DIP Financing Motion	Dkt. No. 84
Joint Administration Motion	Dkt. No. 58
Claims Agent Retention Application	Dkt. No. 2
Schedules/SOFAs Extension Motion	Dkt. No. 9
Global Stay Notice Motion	Dkt. No. 82
Foreign Representative Appointment Motion	Dkt. No. 6
Redaction of Personal Information Motion	Dkt. No. 81
Utilities Motion	Dkt. No. 29
Cash Management Motion	Dkt. No. 80
Insurance Motion	Dkt. No. 8
Taxes Motion	Dkt. No. 10
Customer Programs Motion	Dkt. No. 5
Wages Motion	Dkt. No. 12
503(b)(9) and Lien Claimants Motion	Dkt. No. 4
Critical and Foreign Vendors Motion	Dkt. No. 3
Litigation Stay Motion	Adv. Pro. No. 23-03091, Dkt. No. 2