

Middle Market Deal Terms at a Glance – Jan 2018

THE LEAD | January 18, 2018

Deal Component	January 2018	January 2017
Cash Flow Senior Debt (x EBITDA)	Micro Cap 1.75x-3.00x Small Cap 2.75x-4.00x Midcap 3.25x-4.75x	Micro Cap 1.50x-2.50x Small Cap 2.75x-3.75x Midcap 3.25x-4.25x
Total Debt Limit (x EBITDA)	Micro Cap 3.50x-4.50x Small Cap 4.00x-5.00x Midcap 4.50x-6.00x	Micro Cap 3.00x-4.50x Small Cap 3.25x-4.75x Midcap 4.25x-5.75x
Senior Cash Flow Pricing	Bank: L+3.00%-5.00% Non-Bank: <\$7.5MM EBITDA L+5.50%-8.00% Non-Bank: >\$15.0MM EBITDA L+4.50%-6.00% (potential for a 1.00% floor)	Bank: L+3.00%-4.50% Non-Bank: <\$10.0MM EBITDA L+6.00%-8.00% Non-Bank: >\$15.0MM EBITDA L+4.50%-6.50% (potential for a 0.50% - 1.00% floor)
Second Lien Pricing (Avg)	Micro Cap L+7.00%-11.00% floating (1.00% floor) Small Cap L+6.50%-8.50% floating (1.00% floor) Midcap L+6.00%-7.50% floating (1.00% floor) Fixed rate options range from 7.0%-11.0%.	Micro Cap L+8.00%-11.00% floating (0.50% - 1.00% floor) Small Cap L+6.50%-8.50% floating (0.50% - 1.00% floor) Midcap L+6.00%-7.50% floating (0.50% - 1.00% floor) Fixed rate options range from a low of 7.0%-11.0%
Subordinated Debt Pricing	Micro Cap 12.00%-14.00% Small Cap 10.00%-13.00% Midcap 10.00%-12.00% Warrants limited to distressed and special situations; Second lien may buy down to ~9.0%.	Micro Cap 11.00%-14.00% Small Cap 10.00%-13.00% Midcap 10.00%-12.00% Warrants limited to sub \$5 million EBITDA and special situations; Second lien may buy down rate to ~9.00%. Equity co-invests readily available.
Unitranche Pricing	Micro Cap L+7.00%-11.00% (1.00% floor) Small Cap L+6.50%-8.50% (1.00% floor) Midcap L+6.00%-7.50% (1.00% floor) Fixed rate options range from 7.0%-11.0%. ABL revolver can be arranged outside of the Unitranche to arbitrage all-in pricing.	Micro Cap L+8.00%-11.00% (0.50% - 1.00% floor) Small Cap L+6.50%-8.50% (0.50% - 1.00% floor) Midcap L+6.00%-7.50% (0.50% - 1.00% floor) Fixed rate options range from a low of 7.0% - 11.0%. ABL revolver can be arranged outside the Unitranche to arbitrage all-in pricing.

*Micro Cap= <\$5.0mm EBITDA(1)

*Small Cap= >\$10mm EBITDA

*Midcap= >\$20mm EBITDA

*Changes from last month are in red

(1) <\$7.5mm for January 2017

Source: [SPP Capital Partners](#)

Contact: **Stefan Shaffer**

stefan@sppcapital.com