Middle Market Deal Terms at a Glance – Oct 2019

THE LEAD | October 15, 2019

Deal Component	October 2019	October 2018
Cash Flow Senior Debt (x EBITDA)	Micro Cap 1.50x-2.50x Small Cap 2.50x-4.00x Midcap 3.00x-4.50x	**Micro Cap** 1.75x - 2.50x **Small Cap** 2.75x - 3.75x **Midcap** 3.25x-4.75x
Total Debt Limit (x EBITDA)	Micro Cap 2.75x-4.00x Small Cap 4.00x-5.50x Midcap 4.50x-6.00x	**Micro Cap** 3.50x-4.00x **Small Cap** 4.00x-5.25x **Midcap** 4.50x-6.00x
Senior Cash Flow Pricing	Bank: L+3.00%-4.50% Non-Bank: <$7.5MM EBITDA L+5.50%-7.00% Non-Bank: >$15.0MM EBITDA L+4.00%-5.50%	Bank: L+2.50%-5.00% Non-Bank: <$7.5MM EBITDA L+4.50%-6.50% Non-Bank: >$15.0MM EBITDA L+4.50%-6.00% (2.00% floor)
Second Lien Pricing (Avg)	Micro Cap L+7.50%-10.00% Small Cap L+6.00%-8.00% Midcap L+5.00%-6.50%	**Micro Cap** L+7.00%-10.00% floating (2.00% floor) **Small Cap** L+6.50%-8.50% floating (2.00% floor) **Midcap** L+5.50%-7.00% floating (2.00% floor) Fixed rate options range from 7.0%-11.0%.
Subordinated Debt Pricing	Micro Cap 11.00%-14.00% Small Cap 9.50%-12.00% Midcap 8.50%-11.00%	**Micro Cap** 11.00%-14.00% **Small Cap** 10.00%-12.00% **Midcap** 9.00%-11.00% Warrants limited to distressed and special situations; Second lien may buy down to ~9.0%.
Unitranche Pricing	Micro Cap L+7.00%-10.00% Small Cap L+6.00%-8.00% Midcap L+5.00%-6.50% 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+7.00%-10.00% (2.00% floor) **Small Cap** L+6.50%-8.50% (2.00% floor) **Midcap** L+5.50%-7.50% (2.00% 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= <$7.5mm EBITDA / *Small Cap= >$10mm EBITDA / *Midcap= >$20mm EBITDA / *Changes from last month are in red

Source: SPP Capital Partners

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