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Middle Market Deal Terms at a Glance – 1/25/2016

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Deal Component	Jan 2016	Jan 2015
Cash Flow Senior Debt (x EBITDA)	Micro Cap 1.50x-2.50x Small Cap 2.50x-3.50x Midcap 3.00x-4.00x	Micro Cap 1.50x-2.00x Small Cap 2.00x-3.50x Midcap 3.00-4.25x
Total Debt Limit (x EBITDA)	Micro Cap 3.00x-4.00x Small Cap 3.75x-4.50x Midcap 4.00x-5.50x	Micro Cap 3.00x-4.00x Small Cap 3.75x 4.50x Midcap 4.00x-5.00x
Senior Cash Flow Pricing	L+3.00%-4.00% (bank) L+4.50%-6.50% (non-bank; potential for a 1.00% fl)	L+3.00%-4.00% (bank) L+4.50%-6.00% (non-bank)
Second Lien Pricing (Avg)	Micro Cap L+9.00%-11.00% floating (1.00% fl) Small Cap L+7.00%-9.00% floating (1.00% fl) Midcap L+5.50%-7.50% floating (1.00% fl)	Micro Cap L+8.00%-11.00% floating (1.00% fl) Small Cap L+6.00%-9.00% floating (1.00% fl) Midcap L+5.50%-7.50% floating (1.00% fl)
Subordinated Debt Pricing	Micro Cap 12.0%-14.0% Small Cap 11.0%-13.0% Midcap 10.0%-12.0% Warrants in special situations; Second lien may buy down to ~9.0%. Equity co-invests readily available.	Micro Cap 12.0%-14.0% Small Cap 11.0%-13.0% Midcap 11.0%-12.0% Warrants in special situations; Second lien may buy down to ~9.0%.
Unitranche Pricing	Micro Cap L+9.50%-11.00% (1.00% fl) Small Cap L+7.00%-8.50% (1.00% fl) Midcap L+6.00%-7.50% (1.00% fl) Potential for fixed rate with BDC or mezz lender. Equity co-invests readily available.	Micro Cap L+8.00%-11.00% (1.00% fl) Small Cap L+6.00%-8.00% (1.00% fl) Midcap L+5.50%-7.50% (1.00% fl) Potential for fixed rate with BDC or mezz lender.Most Unitranche lenders allow a small ABL facility outside of the loan.

*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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