

Middle Market Deal Terms at a Glance – March 2016

THE LEAD | March 8, 2016

Deal Component	March 2016	March 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	Bank: L+3.50%-5.00% Non-Bank: <\$10.0MM EBITDA L+7.00%-8.00% Non-Bank: >\$15.0MM EBITDA L+4.50%-6.50% (potential for a 1.00% floor)	Bank: L+2.00%-3.50% Non-Bank: L+4.00%-6.00%
Second Lien Pricing (Avg)	Micro Cap L+9.00%-12.00% floating (1.00% fl) Small Cap L+7.50%-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+6.50%-8.50% floating (1.00% fl) Midcap L+6.00%-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+8.50%-11.00% (1.00% fl) Small Cap L+7.50%-8.50% (1.00% fl) Midcap L+6.00%-7.50% (1.00%-1.50% 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](#)

Contact: **Stefan Shaffer**

stefan@sppcapital.com