Middle Market Deal Terms at a Glance – September 2017

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Deal Component	September 2017	September 2016
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 2.50x-3.50x Midcap 3.00x-4.00x
Total Debt Limit (x EBITDA)	Micro Cap 3.25x-4.50x Small Cap 3.50x-5.00x Midcap 4.50x-6.00x	Micro Cap 3.00x-4.50x Small Cap 3.00x 4.50x Midcap 4.00x-5.50x
Senior Cash Flow Pricing	Bank: L+3.00%-5.00% Non-Bank: <$10.0MM EBITDA L+5.50%-8.00% Non-Bank: >$15.0MM EBITDA L+4.50%-6.00% (potential for a 0.50%-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%-
Second Lien Pricing (Avg)	Micro Cap L+7.00%-12.00% floating (0.50%-1.00% fl) Small Cap L+6.50%-8.50% floating (0.50%-1.00% fl) Midcap L+6.00%-7.50% floating (0.50%-1.00% fl) Fixed rate options range from 7.0%-11.0%.	Micro Cap L+8.00% -11.00% floating (0.50%-1.00% fl) Small Cap L+7.00%-8.50% floating (0.50%-1.00% fl) Midcap L+6.00%-7.50% floating (0.50%-1.00% fl)
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%-12.00% (0.50%-1.00% fl) Small Cap L+6.50%-8.50% (0.50%-1.00% fl) Midcap L+6.00%-7.50% (0.50%-1.00%-1.50% fl) 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% fl) Small Cap L+7.00%-8.50% (0.50%-1.00% fl) Midcap L+6.00%-7.50% (0.50%-1.00% fl) Fixed rate alternatives available. Most unitranche lenders allow a small ABL facility outside of the unitranche facility. Capex, acquisition lines, and equity co-investments readily available.

*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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