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Middle Market Deal Terms at a Glance – Nov 2018

THE LEAD | November 14, 2018

Deal Component	November 2018	November 2017
Cash Flow Senior Debt (x EBITDA)	Micro Cap 1.75x - 2.50x Small Cap 2.75x - 3.75x Midcap 3.25x-4.75x	Micro Cap 1.75x-3.00x Small Cap 2.75x-4.00x Midcap 3.25x-4.75x
Total Debt Limit (x EBITDA)	Micro Cap 3.25x-4.00x Small Cap 4.00x-5.25x Midcap 4.50x-6.00x	Micro Cap 3.25x-4.50x Small Cap 3.50x-5.00x Midcap 4.50x-6.00x
Senior Cash Flow Pricing	Bank: L+2.50%-5.00% Non-Bank: <$7.5MM EBITDA L+4.00%-6.50% Non-Bank: >$15.0MM EBITDA L+4.00%-6.00% (2.00% floor)	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%
Second Lien Pricing (Avg)	Micro Cap L+7.00%-10.00% floating (2.00% floor) Small Cap L+6.00%-8.50% floating (2.00% floor) Midcap L+5.00%-7.00% floating (2.00% floor) Fixed rate options range from 7.0%-11.0%.	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%.
Subordinated Debt Pricing	Micro Cap 11.00%-14.00% Small Cap 10.00%-12.00% Midcap 8.50%-11.00% Warrants limited to distressed and special situations; Second lien may buy down to ~9.0%.	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%.
Unitranche Pricing	Micro Cap L+7.00%-10.00% Small Cap L+6.00%-8.50% Midcap L+5.50%-7.50% 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%-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= <$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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