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Middle Market Deal Terms at a Glance – Apr 2020

THE LEAD | April 15, 2020

Deal Component	April 2020	April 2019
Cash Flow Senior Debt (x EBITDA)	Micro Cap 1.50x-2.50x Small Cap 2.50x-3.50x Midcap 2.75x-4.00x	Micro Cap 1.75x-2.50x Small Cap 2.50x-3.50x Midcap 3.00x-4.50x
Total Debt Limit (x EBITDA)	Micro Cap 2.50x-3.25x Small Cap 3.50x-4.50x Midcap 4.00x-5.00x	Micro Cap 3.00x-4.00x Small Cap 4.00x-5.00x Midcap 4.50x-5.50x
Senior Cash Flow Pricing	Bank: L+3.50%-5.00% Non-Bank: <$7.5MM EBITDA L+6.50%-9.00% Non-Bank: >$15.0MM EBITDA L+5.50%-8.00%	Bank: L+2.50%-4.50% Non-Bank: <$7.5MM EBITDA L+5.00%-6.50% Non-Bank: >$15.0MM EBITDA L+4.00%-6.00% (2.00% floor)
Second Lien Pricing (Avg)	Micro Cap L+9.00%-11.00% Small Cap L+8.00%-10.00% Midcap L+6.00%-8.00%	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%.
Subordinated Debt Pricing	Micro Cap 12.00%-15.00% Small Cap 11.00%-13.00% Midcap 10.00%-12.00%	Micro Cap 11.00%-14.00% Small Cap 10.00%-12.00% Midcap 8.50%-11.00%
Unitranche Pricing	Micro Cap L+9.00%-11.00% Small Cap L+8.00%-10.00% Midcap L+6.00%-8.00% 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% Small Cap L+6.00%-8.50% Midcap L+5.00%-7.00% 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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