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# Middle Market Deal Terms at a Glance – September 2023

THE LEAD | October 12, 2023

| Deal Component | September 2023 | September 2022 |
|---|---|---|
| Cash Flow Senior Debt (x EBITDA) | Micro Cap 1.50x-2.00x<br>Small Cap 2.00x-3.00x<br>Midcap 2.50x-4.00x | Micro Cap 1.50x-2.50x<br>Small Cap 2.75x-3.25x<br>Midcap 3.50x-5.50x |
| Total Debt Limit (x EBITDA) | Micro Cap 2.50x-3.50x<br>Small Cap 3.50x-4.50x<br>Midcap 4.00x-5.00x | Micro Cap 3.75x-4.25x<br>Small Cap 4.00x-5.00x<br>Midcap 5.00x-7.00x |
| Senior Cash Flow Pricing | Bank: S+3.75%-5.00%<br>Non-Bank: <$10.0MM EBITDA S+6.50%-8.50%<br>Non-Bank: >$40.0MM EBITDA S+5.50%-6.50% | Bank: S+3.00%-4.50%<br>Non-Bank: <$10.0MM EBITDA S+6.50%-8.50%<br>Non-Bank: >$40.0MM EBITDA S+5.50%-6.50% |
| Unitranche and Second Lien Pricing | Micro Cap S+8.00%-10.00%<br>Small Cap S+6.50%-8.00%<br>Midcap S+6.25%-7.50% | Micro Cap S+8.00%-10.50% floating<br>Small Cap S+7.50%-8.50% floating<br>Midcap S+5.50%-8.00% floating |
| Subordinated Debt Pricing | Micro Cap 14.00%-16.00%<br>Small Cap 13.00%-15.00%<br>Midcap 12.00%-14.00% | Micro Cap 12.00%-14.00%<br>Small Cap 11.00%-13.00%<br>Midcap 9.50%-11.50% |

*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**
sshaffer@sppcapital.com