# Direct lenders poised for action in uncertain market

Deloitte Alternative Lender Deal Tracker Spring 2021

This issue covers data for the second half of 2020 and includes 232 Alternative Lender deals. While this represents a 52% increase in the number of deals from H1 2020, there was a 25% decrease from H2 2019.

**Deloitte Alternative Lender Deal Tracker editorial team**


**Robert Connold**
**Head of Alternative Lender Debt Advisory**
+44 (0) 20 7007 0479
rconnold@deloitte.co.uk

**Andrew Cruickshank**
**Director**
+44 (0) 20 7007 0522
acruickshank@deloitte.co.uk

**Megan de Jager**
**Manager**
+44 (0) 20 7007 5914
megandejager@deloitte.co.uk

**Varun Bambarkar**
**Deputy Manager**
+91 22 6185 6311
varbambarkar@deloitte.co.uk

**Edward Rushworth**
**Assistant Manager**
+44 (0) 20 7007 6438
erushworth@deloitte.co.uk

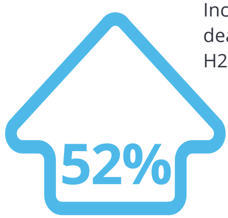
# Contents

# Deloitte Alternative Lender Deal Tracker Introduction

In this twenty-fifth edition of the Deloitte Alternative Lender Deal Tracker, we report that in H2 2020, there was a 25% decrease in Alternative Lending deals compared to the same period in the previous year. However, lending in H2 2020 was 52% higher than in the preceding 6 months. Our report covers 63 major Alternative Lenders with whom Deloitte is tracking deals across Europe.

Whichever way you measure it, 2020 was a dreadful year for the global economy.  The consumption-heavy UK economy was hit especially hard by its three lockdowns, posting a 9.9% decline in GDP before adjustment for differences in methodology for public sector accounting. This was the sharpest decline of any sizeable economy in Europe, other than Spain, and also the largest annual contraction in over 300 years, far worse than anything seen even in the Great Depression. Consumer spending accounts for 64% of UK GDP, higher than any wealthy economy other than the US, and far higher than the 53% average for the Eurozone. Moreover, an unusually high proportion of UK consumer spending, more than in any G7 nation, goes on socially consumed services such as meals out, leisure activities and holidays. Consequently, in an effort to shore up those industries and in response to economic conditions generally, the UK Government borrowed at levels not seen since the 1960s, with public sector net borrowing reaching £215 billion in February 2021.

To put this into perspective, total net borrowing following the Global Financial Crisis in 2009-10 reached only slightly more than £150 billion. With costs continuing to rise and a similar picture being seen across much of the Western world, COVID-19 looks set to be more damaging to government balance sheets than any event since the Second World War.




Increase in deal flow H2-20 vs H1-20


Total deals completed

That said, there are high hopes for an extraordinary rebound in 2021. In late February, the UK Prime Minister set out his 'roadmap' to ease current public health restrictions. Schools reopened on 8 March and barring any adverse developments, outdoor hospitality and retail will reopen on the 12 April, indoor hospitality and domestic holidays will be permitted from the 17 May, and all other remaining restrictions will be lifted from the 21 June.

To soften the impact of continued restrictions in the interim period, the UK Chancellor delivered his second budget, outlining an extension of the furlough scheme until the end of September, additional grants for the self-employed, an extension to business rates holidays, and reduced rates of VAT for sectors most impacted by the pandemic. Despite liberal use of the word 'generous', there was one surprise in the form of a plan to increase the main rate of corporation tax from 19% to 25% by 2023. While such a rise in business tax will be partially offset by a new tax 'super-deduction' of 130% for eligible investment, this marks a significant move away from the Conservative low-tax ideology, not to mention the highest rate of tax increase in almost three decades.

While the UK plans to increase tax receipts to solve its growing deficit problem, we seem to be witnessing a historic shift in thinking on US fiscal policy. Put simply, the US plans to spend its way out of the pandemic. In late February, the new Treasury secretary Janet Yellen declared it was time to "act big" on fiscal policy to boost US growth and on 6 March the US Senate passed the administration's $1.9tn stimulus package to support growth. Later this year the administration plans to go further, with new spending on infrastructure, climate change, education, digital transformation and healthcare. Taken together the measures could be worth 9% of US GDP. The booming US equity market, up 20% since last November's elections, shows that investors are positioned for a strong recovery. The big question is whether the recovery will leave the US economy operating above capacity, risking a serious and persistent inflation overshoot. The US bond market reacted swiftly with a sell off and spike in yields, which jumped to one-year highs of 1.6% on the 10-year benchmark note, having started the month of February at 1.1%.

Despite such a momentous year for the global economy, the loan markets have held up with remarkable resilience. Whilst deal activity was suppressed in the second and third quarters of 2020, private markets rebounded strongly in Q4 of 2020, and public markets in Q1 of 2021. Finance in support of the buyout of ASDA got the market off to a flying start in January; its new owners pulled in over £8bn of orders for their £2.75bn debt issue, making it the largest sterling high yield bond issuance ever seen in the European market, and one where the subordinated tranche was priced at the skinniest premium seen by the market since 2010. While the high-yield bond market in the UK is very active, it lacks the depth of liquidity of the dollar and euro markets and sterling has traditionally been seen as a niche currency. According to LCD, total primary issuance of €11.6bn in January 2021 was the largest recorded in the past 12 months, and almost every transaction completed in the primary market in the year to date was on terms inside those originally guided, some as much as a 75bps delta. This strength of demand is equally reflected in the secondary market, where the average bid of LCD's European loan flow-name composite stood at 99.68 of par on 25 February, a touch away from a pre-lockdown high of 103.39 in January 2020.

The private debt market has successfully navigated the pandemic, so far defying any worries about a debt crisis. Prior to the pandemic, it was commonly believed that a crisis would allow a reset of deal documentation in which the balance of power would shift from borrower to lender.

## …the influx of IPO and special-purpose acquisition company (SPACs) activity is funnelling liquidity back to investors.

The private debt market has successfully navigated the pandemic, so far defying any worries about a debt crisis. Prior to the pandemic, it was commonly believed that a crisis would allow a reset of deal documentation in which the balance of power would shift from borrower to lender. So far, there's little sign of it. After three consecutive quarters of declining numbers, European direct lending activity surged in Q4 of 2020, driving the number of deals up to 155, the highest ever recorded Q4 level and a 2% increase on the previous year's record. The most attractive assets in the Technology, Healthcare and Financial Services sectors continue to attract terms stronger than those received pre-pandemic, and several gorilla funds continue to finance jumbo deals once reserved for the syndicated markets, with GSO announcing its £1.8bn financing of Bourne Leisure. In a departure from the norm, The Restaurant Group became the latest listed borrower to tap the private debt market in its £380m financing from HPS.

Meanwhile, the influx of IPO and special-purpose acquisition company (SPACs) activity is funnelling liquidity back to investors. Such activity only drives capital in private markets back to their investors, which in turn drives those investors to reinvest in new commitments if they are to maintain their allocations to the asset class. Earlier this year, Ares Management announced $11bn of commitments for its fifth European credit fund, exceeding its original target of $9bn and bringing the total funding to €20bn for its strategy in Europe - from humble beginnings of €311m in 2007. In a dissimilar but not unrelated vein, Investec and HSBC both recently announced a foray into the private debt market the former raising its own fund, and the latter agreeing a tie up with its asset management division.

Whilst contrary to expectations there has been no let-up in commitments sought by distressed funds, managers in this space are yet to deploy at any great scale. Ultimately, the real fallout from the pandemic is yet to come, as many corporate borrowers under stress continue to defer rent and rates and make use of government support in the form of furlough and the Coronavirus Business Loan Interruption schemes. This is evident in a recent slowdown in the rate of downgrades, which has led to optimism that defaults will remain below expectations this year. Data from LCD shows that there were only 17 downgrades in the S&P European Leveraged Loan Index in the three months to January this year, which is the lowest since December 2019. But is it a case of watching and waiting? The answer lies in whether the economy is likely to experience a gradual but choppy economic recovery, or something more cataclysmic later this year. For corporate borrowers, insolvency risks are likely to increase if cash flows and earnings do not return to pre-pandemic trend levels before extraordinary fiscal stimulus is withdrawn. The next question is whether those investors are prepared to sit it out on the side-lines, or whether there is an interim stage during which participants begin acquiring debt tranches from bank lenders that are looking to shed their exposure in the expectation that any future stress will lead to a reprofiling of terms.

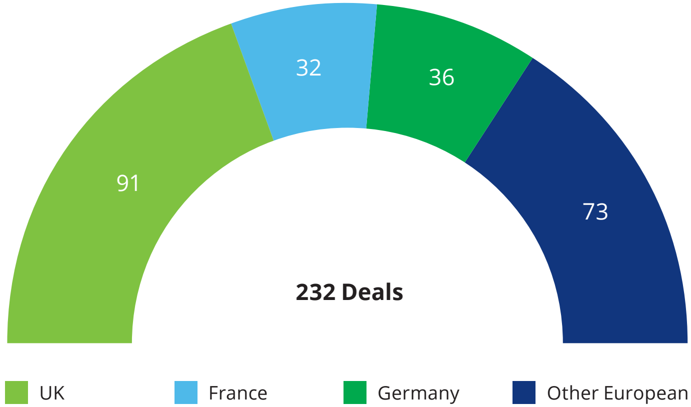
## The answer lies in whether the economy is likely to experience a gradual but choppy economic recovery, or something more cataclysmic later this year.

**Robert Connold**
**Head of Alternative Lender Debt Advisory**
Tel: +44 (0) 20 7007 0479
Email: rconnold@deloitte.co.uk

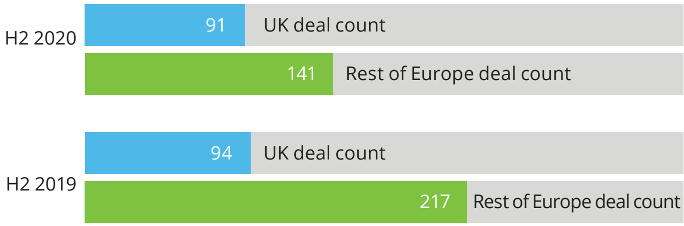
**Chris Skinner**
**Partner – Head of UK Debt Advisory**
Tel: +44 (0) 20 7303 7937
Email: chskinner@deloitte.co.uk

**Andrew Cruickshank**
**Director – Alternative Lender Debt Advisory**
Tel: +44 (0) 20 7007 0522
Email: acruickshank@deloitte.co.uk

## H2 2020 deals completed




## H2 headline figures




**Access Direct Lending to power growth**
Businesses rely on access to growth capital, yet due to their risk appetite and stringent regulation, banks are constrained. Alternative and flexible sources of capital allow companies to grow, although the market can be overwhelming, with numerous complex loan options available to borrowers. Direct Lenders can offer attractive rates with little or no equity dilution of your business, enabling you to make acquisitions, refinance bank lenders, consolidate your shareholder base, and invest in growth. To read more, turn to our Direct Lending guide on page 27.

# Alternative Lending in action: Case study

# Direct lenders fund HGGC's latest acquisition with bespoke Unitranche facility

With the backing of California-based sponsor HGGC, insurance broker Specialist Risk Group is positioned to achieve strong organic and acquisition-driven growth in the coming years under the leadership of CEO Warren Downey together with his experienced and highly capable management team.

**Colin Phinisey**
**Principal, Head of Debt Capital Markets, HGGC**

**Warren Downey**
**CEO, SRG**

With nearly 100 years of trading history in the sector, UK-headquartered Specialist Risk Group (SRG) occupies a niche but critical segment of the insurance broking market, sitting between smaller independent providers and premium consolidators, and larger global conglomerates and international generalists. The role SRG plays in connecting insurers with retail brokers and policy holders is a key component of the value chain it operates in, and its specialist approach creates a highly 'sticky' customer base. This in turn provides a crucial foundation for driving the top line growth in its business.

The company's mantra "Difficult. Done Well" perfectly encapsulates its proficiency in placing risks across the full spectrum of 'difficult-to-insure' industries and schemes, such as asbestos removal, waste & hazardous chemical recycling, and property repossession. Of the company's £320m+ gross written premiums, around 80% are non-standard, underlining its unique offering and positioning in the insurance space.

The modern Specialist Risk Group has its origins in the acquisition of Miles Smith Insurance Group (UK speciality broking) in 2018 and The Underwriting Exchange (Irish speciality broking) in 2019 by Pollen Street Capital (PSC).

"We are delighted to partner with HGGC, a firm that is completely aligned with our values as a culture and people-driven company. We share a common ethos and expansive ambition, and I am tremendously excited for the next chapter of the SRG story"

**Warren Downey, SRG Group CEO**

"The direct lending capital structure that the Deloitte team helped us put in place allows us to partner with relationship-minded lenders and will provide us with the flexibility to effectively execute our M&A strategy."

**Colin Phinisey, HGGC**

The Group was formed following the appointment of the CEO Warren Downey to establish a foundation for a more comprehensive offering. The subsequent acquisitions of LIME, Square Mile Broking and David Codling and Associates in 2019 enhanced the company's retail business portfolio, and in the past 12 months alone the company has completed a further five acquisitions, signalling to the sector its intent to continue consolidating the fragmented, specialist insurance broking market, and also proactively expand its customer base of 1,200 broker clients and 45,000 policyholders.

The exit of Pollen Street Capital provided an opportunity for a new investor to inject fresh capital into SRG and drive a new and exciting growth story for the coming years. This opportunity was seized towards the end of 2020 by the team at HGGC, a California-based mid-market fund with $5.4 billion in cumulative capital commitments. HGGC mandated Deloitte's Debt & Capital Advisory team to act as its advisors assist in accessing liquidity from the European direct lending market. Targeting direct lenders specifically allowed HGGC to raise its target level of financing within a compressed timeframe, despite the difficulties presented by the global economic climate and ongoing COVID-19 pandemic.

Aside from the regulatory and logistical dynamics of a cross-border transaction, the financing presented challenges due to the bespoke structure required, and also the need for flexibility to ensure that the offer was appropriate for financing both HGGC's investment and also its anticipated pipeline of acquisitions and ongoing working capital requirements. As advisors, Deloitte supported HGGC throughout the financing process, leveraging a large network of market contacts to initiate dialogue with a range of potential financing providers, and filtered them to create a concentrated pool of the most credible lenders to provide the structure required. Deloitte assisted HGGC with managing the lender due diligence process, organising lender meetings with the sponsor and management, involvement in term sheet negotiations, and liaising directly with lenders, sell side advisors and legal counsel to ensure the right structure and terms were delivered to HGGC. The deal closed on 26 February 2021, with HGGC's Fund IV acquiring a majority ownership and the existing management team rolling over a portion of equity alongside it. The debt was provided by Ares.

"This transaction is another good example of the continuing strong appetite from direct lenders for assets that are perceived as COVID-19 resilient."

**Robert Connold,Head of Alternative Lender Debt Advisory**

# Alternative Lending in action: Nordics

# Nordic lending market perspectives

The demand for alternative financing has grown steadily in the Nordics over the past few years. 2018 and 2019 saw record levels of activity, with the Alternative Lender Deal Tracker documenting 37 deals in each year. Despite the COVID-19 pandemic, activity was robust with 33 deals completed in 2020.

**Morten Husted Permin**
**Partner, Head of Nordic Debt & Capital Advisory**

**David Burton**
**Director, Nordic Debt & Capital Advisory**

Following a trend previously seen in the UK, France and Germany, private equity activity proved to be a catalyst for alternative lender deal activity. The software, technology and healthcare sectors, driven by higher valuation multiples with increased leverage, have been the most active in recent years.

It is expected that alternative lending will flow into new market sectors and non-PE-backed businesses in the future, as seen elsewhere in Europe, as more pan-European funds look to the Nordic market for untapped opportunities.

### Market characteristics

The regulatory environments across the Nordics are some of the most welcoming to businesses in the world. According to the Ease of Doing Business Index (World Bank Group), the Nordic countries rank amongst the top 10 globally. While laws and regulations vary across the Nordics, they are generally lender friendly, and both borrowers and lenders can benefit from stable and transparent regimes.

Moreover, the Nordics are characterised by their resilient economies, healthy financial and political environments and lender-attractive businesses. The region held up relatively well in 2020 despite the pandemic, with GDP falling 3-4% across the Nordics compared with a drop of about 7% across the Eurozone. The region also has attractive socioeconomic features, such as a quality education system and high levels of disposable income.

Despite these fundamentals, alternative lending is less prevalent than elsewhere in Europe. Higher capital ratios and profitability going into the Global Financial Crisis enabled Nordic banks to preserve their market share following the financial crash, unlike banks in other European countries. Strong relationships with private equity firms and competitive pricing against alternative lenders have allowed the banks to continue to retain this foothold. Another factor is that the banks can always provide local currency funding, although this is an advantage only in Sweden and Norway, rather than in Finland (which uses the euro) and Denmark (whose currency is pegged to the euro).

As elsewhere in Europe, business valuations have risen to all-time highs, buoyed up by the unprecedented global monetary stimulus. Furthermore, throughout 2020 as businesses struggled due to reduced customer demand and the impact of lockdowns, banks became more risk-averse and switched their focus from actively seeking new clients to supporting their existing borrower base, opening the market for alternative capital providers.

## Market drivers and trends

The resilience seen in the region during the pandemic, probably due to in part to Sweden's initial soft lockdown approach, underpinned an increase in deal completions both Sweden (with 20 deals closing in 2020 compared to 18 in 2019) and Norway (8 deals closing compared to 6 in 2019.). In Denmark however, where there were 14 deals in 2018 and 12 in 2019, deal activity dropped by over 50% in 2020. In the relatively nascent markets, Finland and Iceland, deal activity in 2020 was low.

As in the rest of Europe, activity in the Nordic direct lending market is driven largely by sponsor-backed companies, which in 2020 accounted for over 80% of all direct lending deals closed. More than 90% of these deals funded acquisitions. M&A activity in general rebounded strongly in the second half of the year, and growth is expected to continue into 2021, further driving demand for alternative lending.

**Case study:  Axcel and refinancing Loopia Group**

In autumn 2020, Nordic private equity house Axcel wanted to refinance a portfolio company it acquired in June 2018, the innovative web services and hosting business Loopia Group. With an operational and acquisitions focus in the Nordics and in Central and Eastern Europe, Axcel sought a degree of flexibility in its debt structure that was not currently provided by its existing club of lenders. As a result, it looked for a new financing solution to support future growth and the consolidation of Loopia's existing operations, following a spate of recent acquisitions by the company.

Deloitte's Nordic Debt & Capital Advisory team was mandated to handle a complex and competitive refinancing process within a two-month timeframe, which included lender materials preparation, lender dialogue, terms negotiation and final execution. Various lenders, both Nordic and international, were approached to explore financing options. These included amendments to the existing club deal, fresh bank financing, and also comprehensive borrowing structures from the direct lending market.

Deliverability and flexibility of terms were the key objectives of the refinancing. Based on a careful assessment of lenders, a unitranche structure provided by Arcmont Asset Management was chosen, due to its ability to deliver within a very tight deadline, the flexible terms granted, and the availability of further growth capital.

We also expect non-bank financing to become more commonplace in the wider corporate sector. However, cultural barriers such as language and having a local presence could inhibit adoption to some extent. To overcome these barriers, a growing number of international lenders are establishing local offices.

High yield corporate bonds are another source of non-bank financing. This has often been an attractive borrowing option for some companies motivated by price rather than flexibility in terms. As of 31 December 2020, outstanding volume on the Nordic high yield market stood at €46bn (according to trustee and loan agency service provider Nordic Trustee).

With less burdensome listing and reporting requirements, issuing high yield bonds on the Nordic exchanges is a feasible borrowing option for many smaller businesses. This may explain why issuance sizes in the Nordics are relatively small compared to larger European markets – the majority of Nordic high yield bond issuances since 2019 have been under €100m.

"International funds are also turning to the Nordic with growing frequency, given the region's attractive fundamentals. This can be seen in an increasing level of deal activity as well as a growing physical presence."

## Active lenders in the market

The Nordic alternative lending market is dominated by both local and international private credit funds.

There was a marked increase in deal activity and fundraising by domestic funds in 2020. Capital Four launched its third direct lending fund in 2020 with more than €500m out of a target fund size of €1bn raised at first close in August. Nest Capital is in the process of raising its third fund, with an expected launch during the spring of 2021 and a target fund size of over €100m; and Kreditfonden is targeting a mid-2021 launch of a fund with a target size of €500m. The steps taken by domestic lenders to raise additional capital to boost direct lending capabilities can be seen as a vote of confidence in the Nordic alternative lending market as a whole.

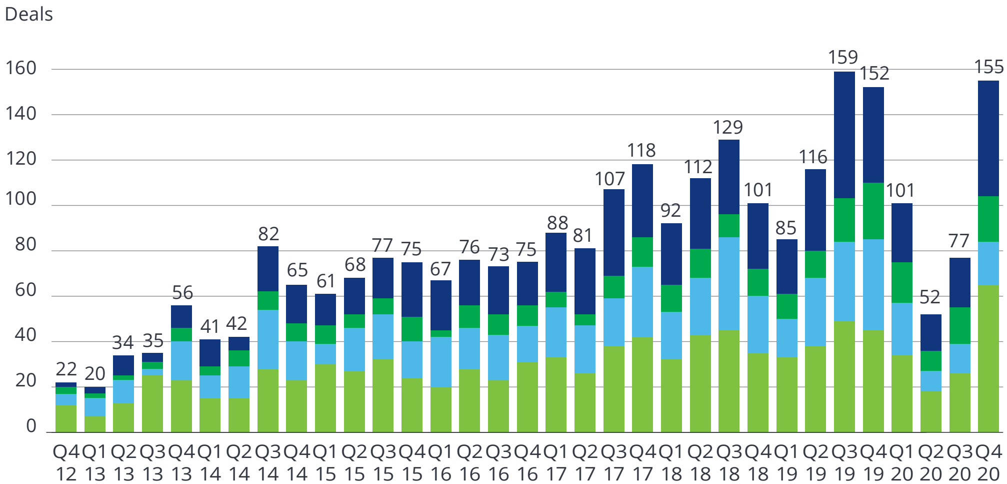
International funds are also turning to the Nordic with growing frequency, given the region's attractive fundamentals. This can be seen in an increasing level of deal activity as well as a growing physical presence. Funds such as Ares, Blackrock, Bridgepoint, Crescent and Pemberton have already established local Nordic offices and overall a growing proportion of Nordic deals are being carried out by international rather than domestic funds. In 2018 54% of deals were executed by international funds; the percentage rose to 62% in 2019, and then still further to 79% in 2020. This trend is true even for funds which do not have a local physical presence: for example Ardian provided both a unitranche and a dedicated acquisition facility to Denmark-based IT Relation, and Arcmont Asset Management recently provided financing to Loopia Group, a portfolio company of the Nordic private equity firm Axcel.

# Alternative Lender Deal Tracker H2 2020 Deals

# The Alternative Lender Deal Tracker now covers 63 lenders and a reported 2694 deals

## Alternative Lender Deal Tracker

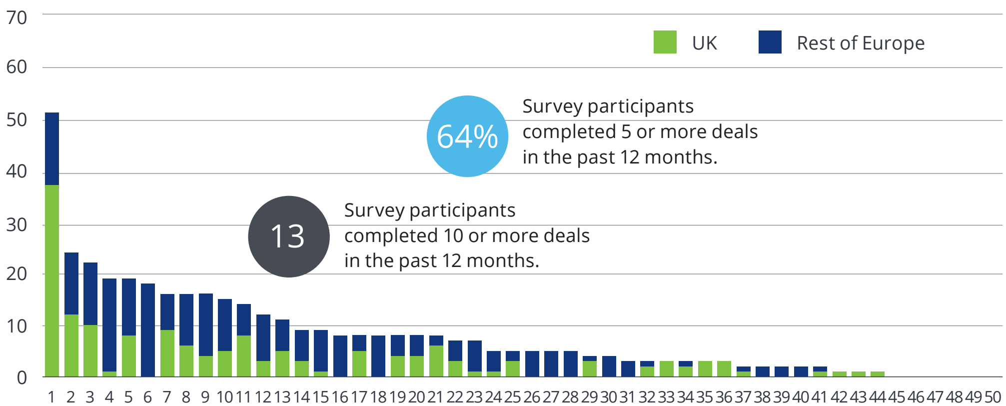
Currently covers 63 leading Alternative Lenders. Only UK and European deals are included in the survey.




Data in the Alternative Lender Deal Tracker is retrospectively updated for any new participants.

**978** UK deals completed

## Deals completed by each survey participant (Last 12 months)




**1,716** Euro deals completed

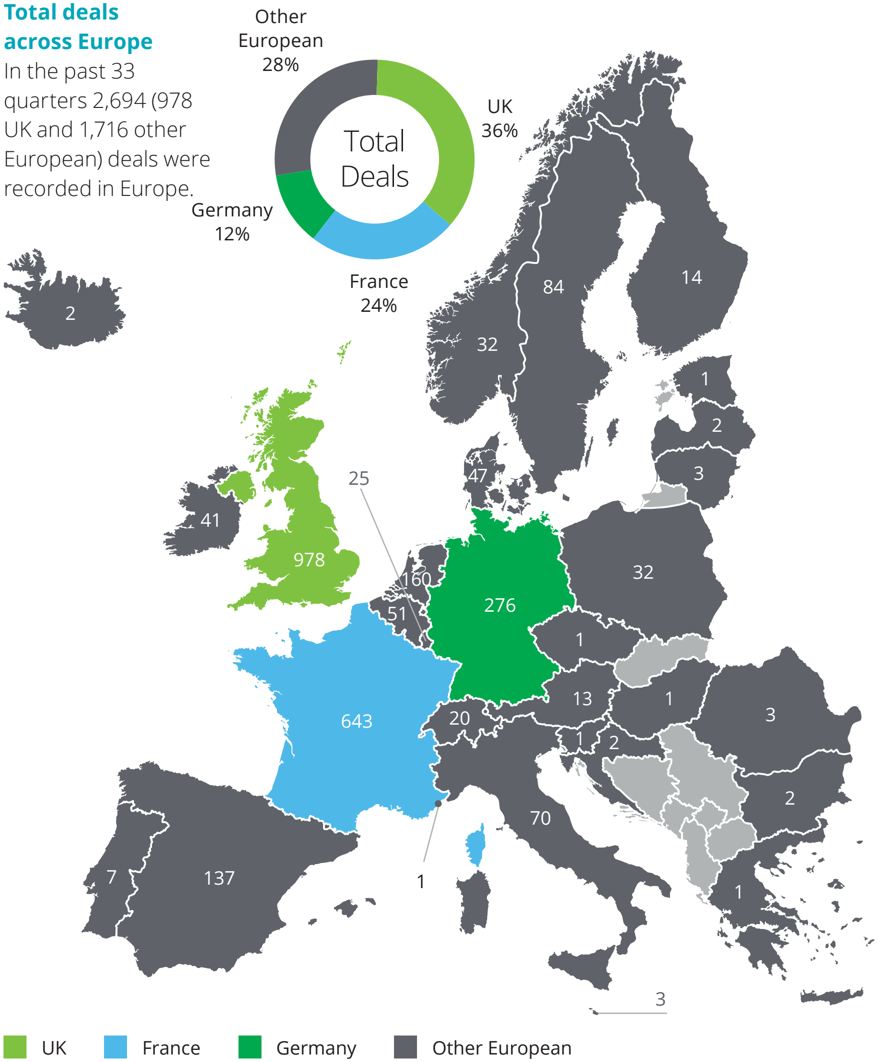
**2,694** Total deals completed

 © Deloitte Alternative Lender Deal Tracker

# Direct Lenders increasingly diversifying geographies

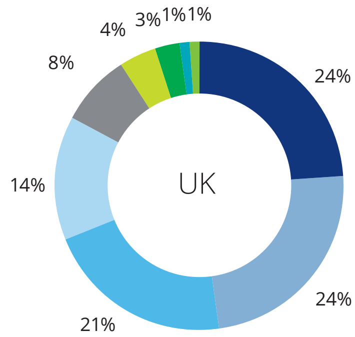
## Total deals across Europe

In the past 33 quarters 2,694 (978 UK and 1,716 other European) deals were recorded in Europe.

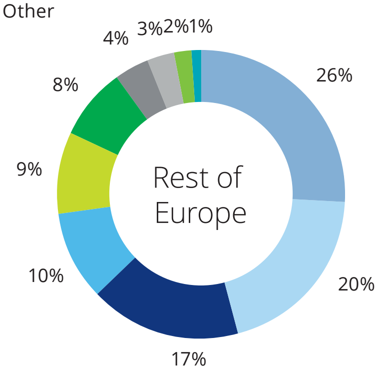



## Total deals across industries (Last 12 months)

Within the UK, the Business, Infrastructure & Professional Services and TMT industries have been the dominant users of Alternative Lending.




- Business, Infrastructure & Professional Services
- Technology, Media & Telecommunications
- Financial Services
- Healthcare & Life Sciences
- Leisure
- Manufacturing
- Retail
- Consumer Goods
- Transportation and Logistics
- Other

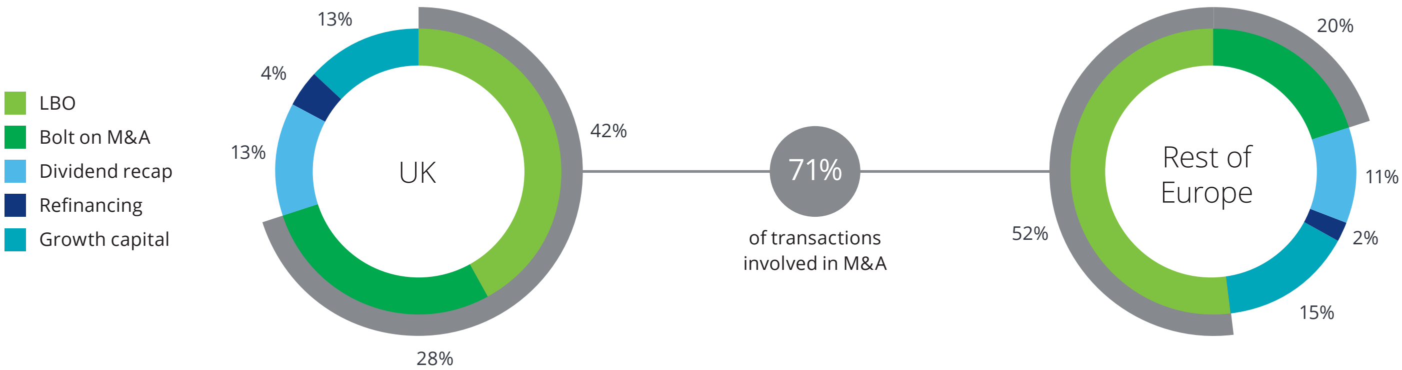



In the rest of Europe there are 5 main industries: TMT, Healthcare & Life Sciences, Business, Infrastructure & Professional Services, Financial Services and Consumer Goods.

# M&A activity still the key driver for Direct Lending Deals

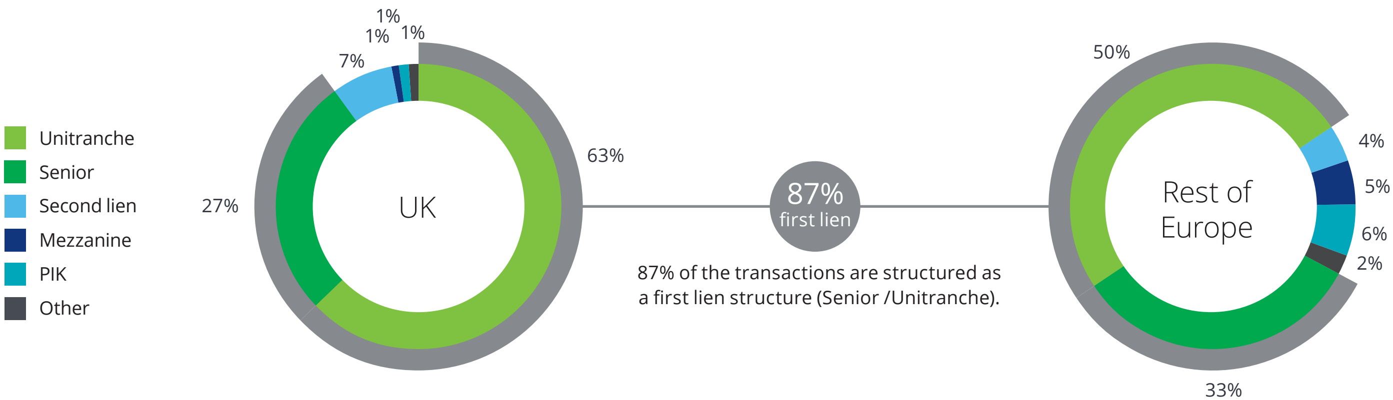
### Deal purpose (Last 12 months)

The majority of the deals are M&A related, with 71% of the UK and European deals being used to fund a buy out. Of the 385 deals in the last 12 months, 57 did not involve a private equity sponsor.




### Structures (Last 12 months)

Unitranche is the dominant structure, with 63% of UK transactions and 50% of European transactions. Subordinate structures represent only 13% of the transactions.



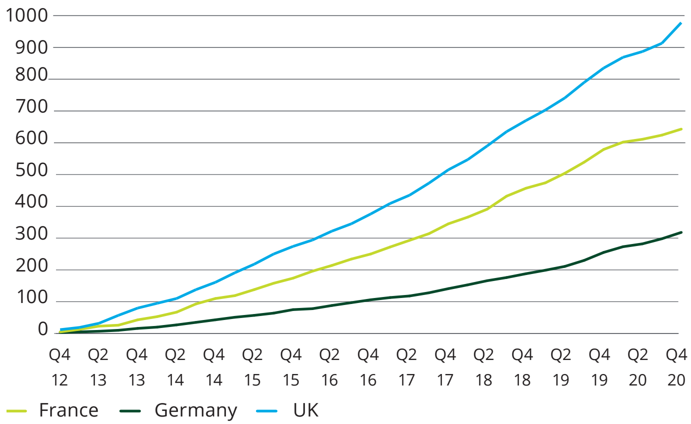

*For the purpose of the deal tracker, we classify senior only deals with pricing L + 650bps or above as unitranche. Pricing below this hurdle is classified as senior debt.

# The UK still leading as the main source of deal volume for Direct Lenders in Europe

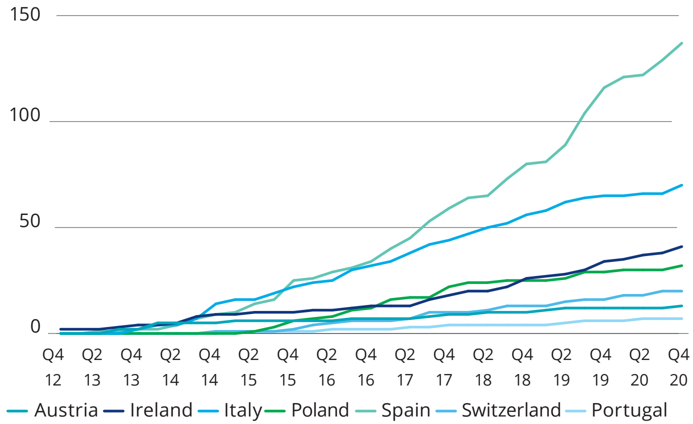
### Cumulative number of deals per country

The number of deals is increasing at different rates in various European countries. The graphs below show countries that have completed 5 or more deals up to the year ending December 2020.

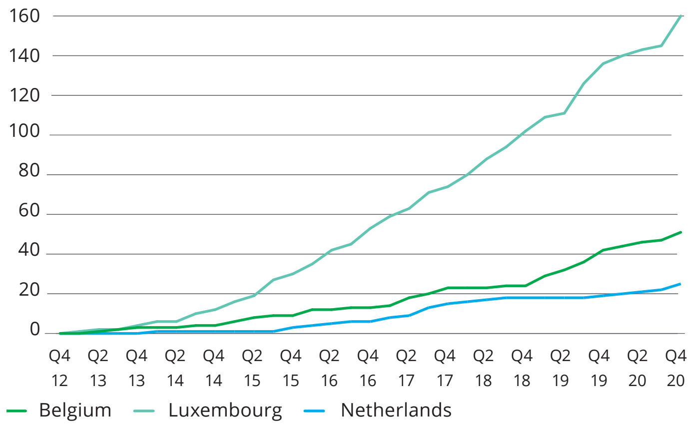
#### Largest geographic markets for Alternative Lenders



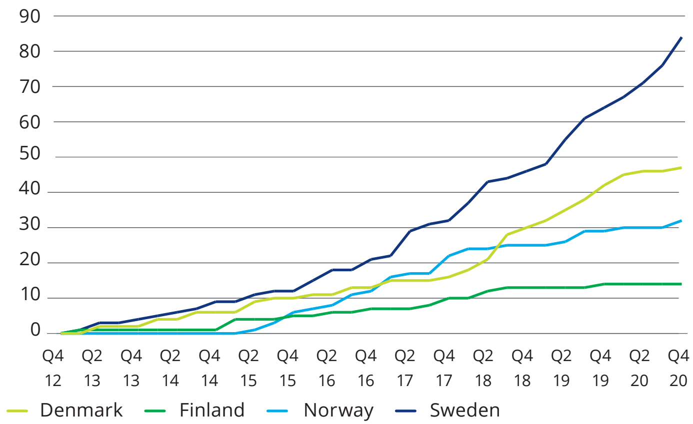

#### Other European




#### Benelux




#### Nordics

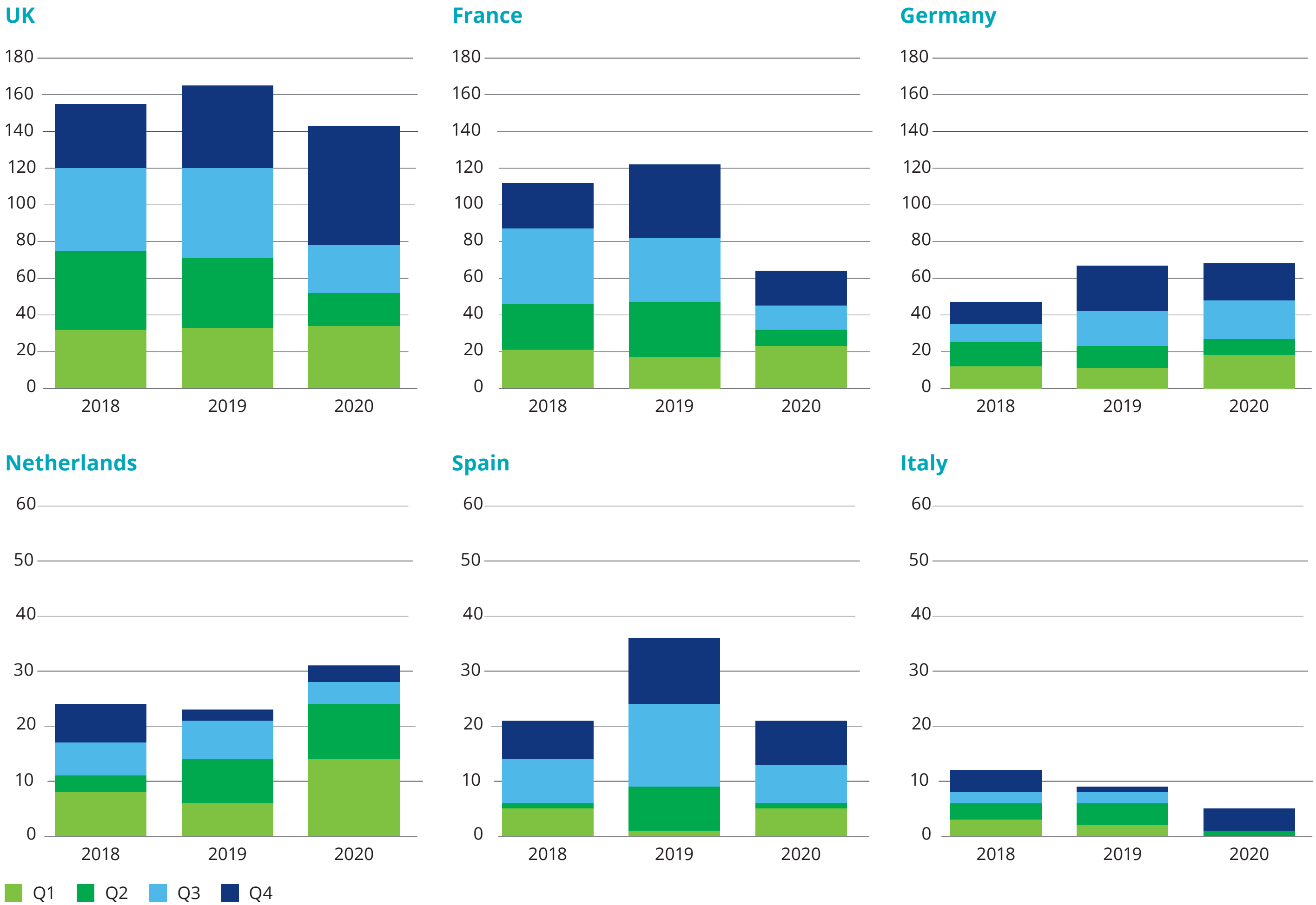



© Deloitte Alternative Lender Deal Tracker 

# Direct Lending is growing in each of the main European markets

### Comparison of deals for the past three years on a LTM basis for selected European countries

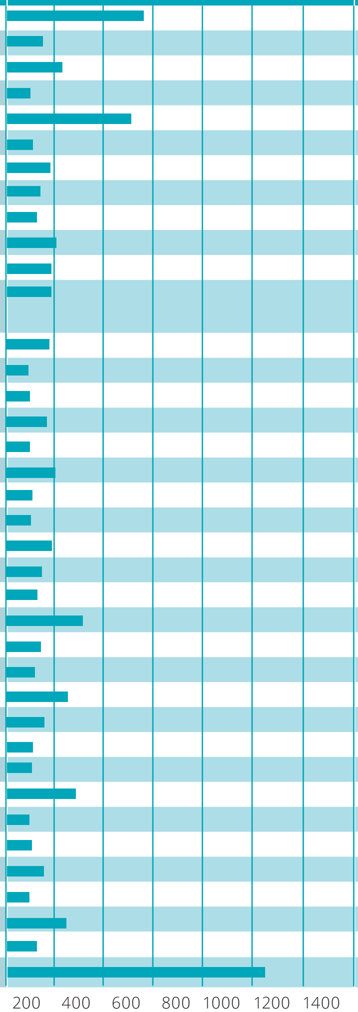
On an average, over time the number of deals have been increasing with positive growth between 2018 and 2019 in the majority of countries shown below. Volatility in 2020 as a result of Covid-19 has disrupted this trend, but it it too early to determine the long-term impact.



# Which landmark unitranche deals have been completed?

## Selected Landmark Unitranche Deals (>€90m)

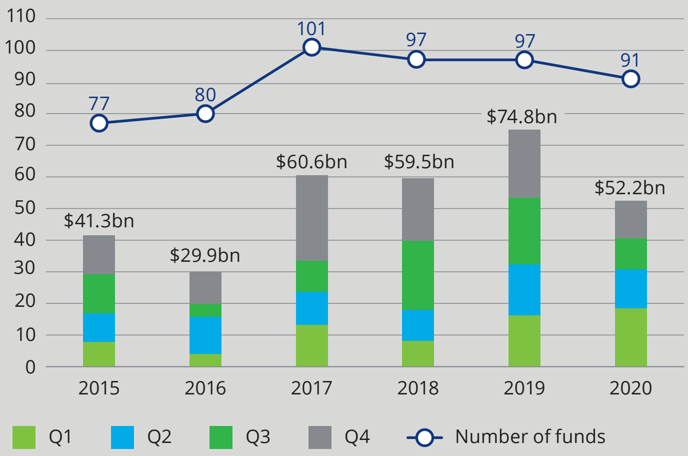
| Borrower | Country | Unitranche in €m | Lenders | Sponsor | Date |
|---|---|---|---|---|---|
| Questel | France | | SMBC, Park Square, Barings, Bridgepoint Credit, Capza | ✓ | Dec-20 |
| XLN | UK | | Ares | – | Dec-20 |
| Verastar | UK | | Ares | ✓ | Dec-20 |
| ISI Emerging Markets | UK | | Ares | ✓ | Dec-20 |
| DWS | UK | | Ares | ✓ | Dec-20 |
| GRP Group | UK | | Ares | – | Dec-20 |
| Jagex | UK | | Permira | ✓ | Dec-20 |
| Intracto | Belgium | | Alcentra | ✓ | Dec-20 |
| Customs Support Group | Netherlands | | Arcmont | ✓ | Dec-20 |
| Angulas Aguinaga | Spain | | Arcmont, Tikehau Capital | ✓ | Dec-20 |
| Consensus | UK | | Barings | ✓ | Dec-20 |
| Thinkproject | Germany | | Goldman Sachs Private Debt, SMBC, Park Square, Bridgepoint Credit, Northleaf | ✓ | Dec-20 |
| Atman | UK | | Permira | ✓ | Dec-20 |
| Profand | Spain | | Tikehau Capital | ✓ | Dec-20 |
| Eleda | Sweden | | Ares | ✓ | Nov-20 |
| Wireless Logic | UK | | Ares | ✓ | Nov-20 |
| Adler & Allan | UK | | Arcmont | ✓ | Nov-20 |
| PIB | UK | | Bridgepoint Credit | ✓ | Nov-20 |
| Process Sensing Technology | UK | | SMBC, Park Square | ✓ | Nov-20 |
| Totalmobile | UK | | Five Arrows | ✓ | Nov-20 |
| Talan | France | | Tikehau Capital, CVC | ✓ | Nov-20 |
| Amplitude Surgical | France | | Tikehau Capital | ✓ | Nov-20 |
| Odigo | France | | Tikehau Capital | ✓ | Nov-20 |
| Surfaces Technological Abrasives | Italy | | Tikehau Capital, Arcmont, Goldman Sachs Private Debt | ✓ | Oct-20 |
| Phenna | UK | | Arcmont | ✓ | Oct-20 |
| Heinenoord | Netherlands | | Five Arrows | ✓ | Oct-20 |
| DOCUNordic | Sweden | | Arcmont, Goldman Sachs Private Debt, Permira | ✓ | Sep-20 |
| Laboratoire X.O. | France | | Ares | ✓ | Aug-20 |
| Unifaun | Sweden | | Goldman Sachs Private Debt | ✓ | Aug-20 |
| Corilus | Belgium | | Bridgepoint Credit | ✓ | Jul-20 |
| TSG Solutions | France | | ICG | ✓ | Jun-20 |
| Vision Healthcare | Belgium | | Hayfin | ✓ | Jun-20 |
| Weka | Germany | | Hayfin | ✓ | Jun-20 |
| Laboratoire X.O (Proton) | France | | Ares | ✓ | Jun-20 |
| EuroParcs | Netherlands | | Ares | ✓ | Jun-20 |
| Eleda | Sweden | | Ares | ✓ | Jun-20 |
| Rosemont/ Primrose | UK | | Ares | ✓ | Jun-20 |
| Ardonagh | UK | | Ares | ✓ | Jun-20 |




Source: LCD, an offering of S&P Global Market Intelligence, Deloitte research and other publicly available sources.

# Direct Lending fundraising

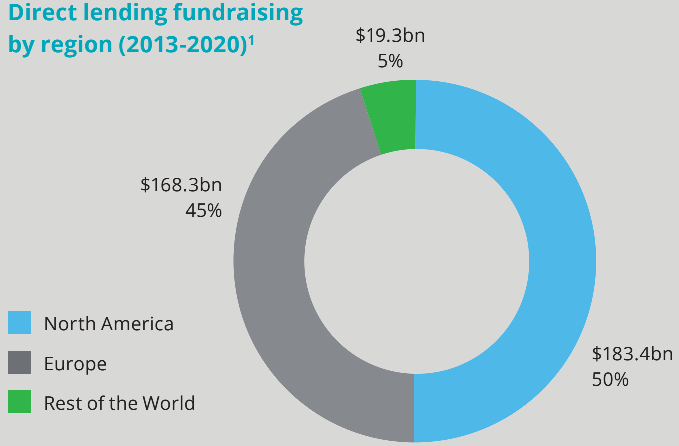
## Global direct lending fundraising by quarter[1]




## Selected largest European funds with final closing in 2020[1]

- GSO European Senior Debt Fund II - **$6,102m**
- Permira Credit Solutions Fund IV - **€3,400m**
- KKR Dislocation Fund - **$2,800m**
- Blue Ocean Fund - **$2,100m**
- Arrow Credit Opportunities – **€1,700m**

## Direct lending fundraising by region (2013-2020)[1]

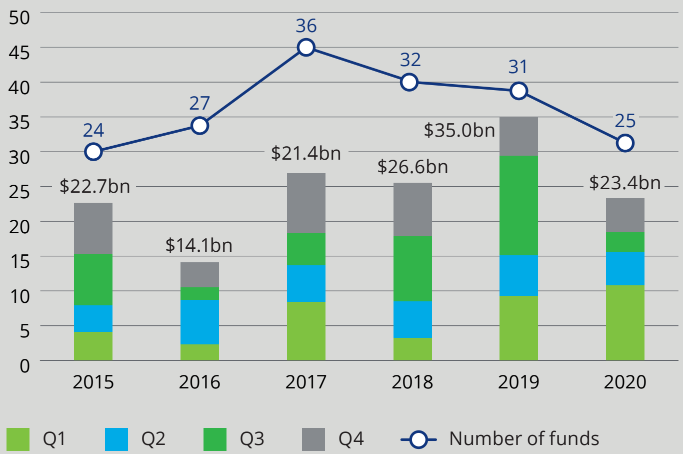



## Selected largest US funds with final closing in 2020[1]

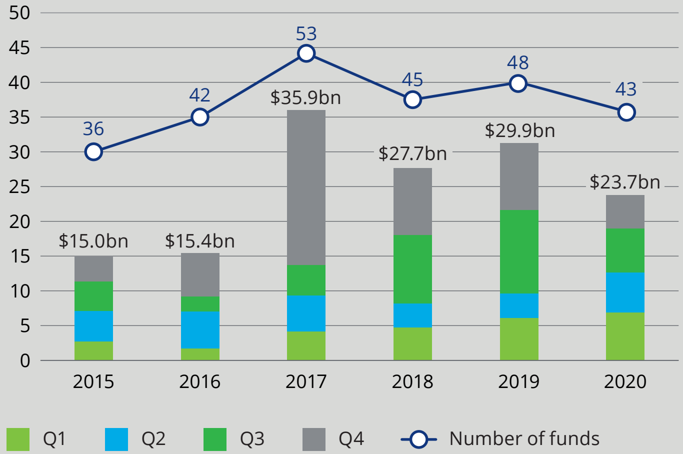
- HPS Mezzanine Partners 2019 - **$11,000m**
- Clearlake Capital Partners VI - **$7,000m**
- Ares Special Opportunities Fund - **$3,500m**
- Bain Capital Distressed & Special Situations 2019 - **$3,200m**
- Antares Senior Loan - **$3,000m**

[1] Data sourced from preqin

## Europe Direct Lending fundraising by quarter[1]




## North America Direct Lending fundraising by quarter[1]




## Global Trends[1]

- Private debt has fared well during what has been a difficult economic period, with future AUM growth to be driven by investors' search for yield and higher returns
- Private debt (PD) is now the third largest asset class in private capital, behind only private equity and real estate
- Fundraising in PD was robust over 2020, with 200 funds closed raising an aggregate $118bn, slightly below the 2019 total
- Most of this capital was raised by the largest funds, with the top 10 PD funds raising 39% of the total capital, up from 31% in 2019 – increased competition for deals has also led to a larger proportion of mega deals (valued at $1bn+) in the private debt space

## European Market[1]

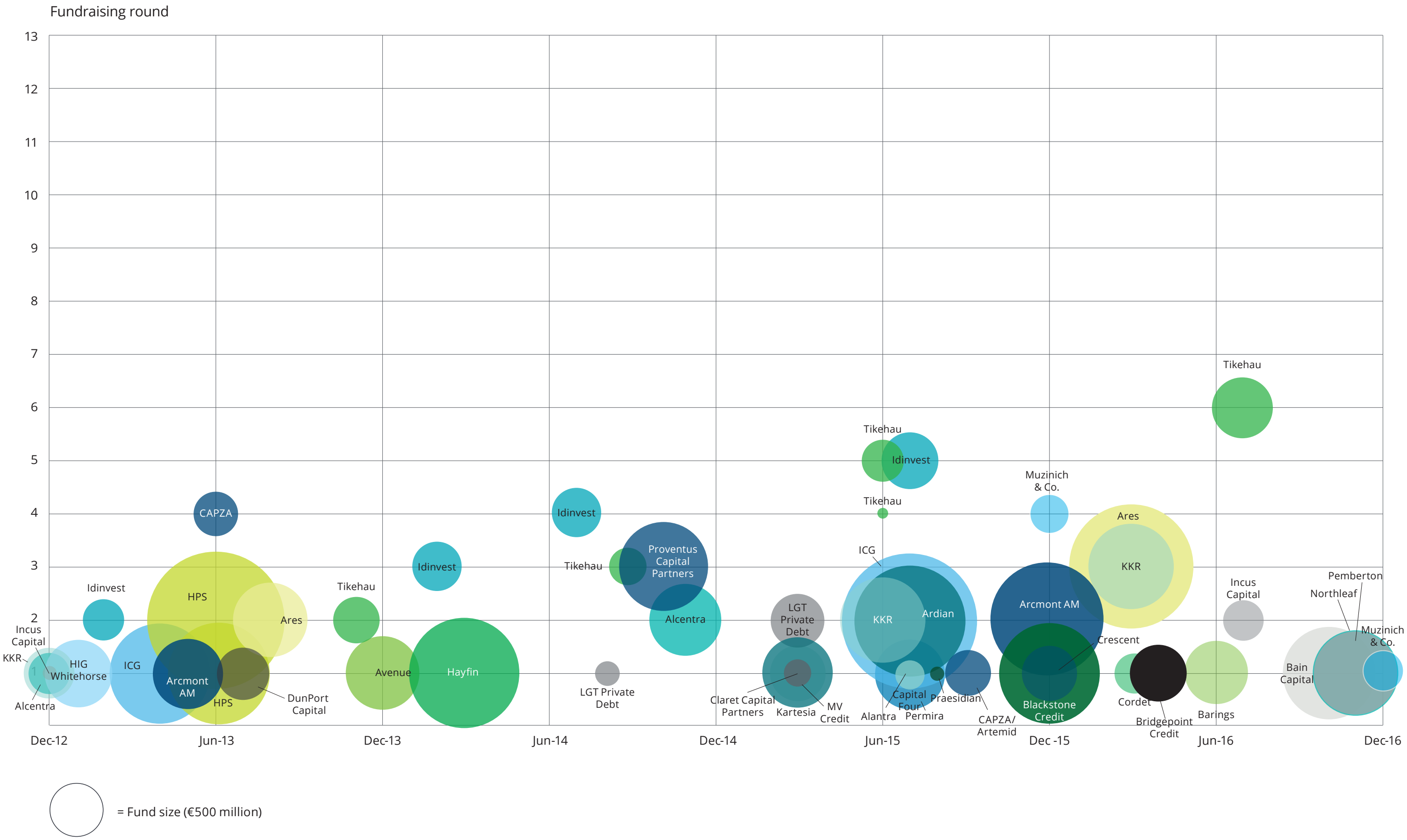
- Overall, fundraising in Europe was hit harder than the US, with 45 funds closed, raising $36.8bn – the equivalent figures for 2019 were 59 funds closed, with $51bn raised
- Direct Lending funds dominated closures in Europe, with 25 funds closing, representing 56% of all funds closed. These funds accounted for $23.4bn of capital raised equal to 63% of the total
- The largest single Europe-focused private debt fund closed was the GSO European Senior Debt Fund II, which raised $6.1bn
- With returns on European 10-year government debt generally in negative territory, it's likely that many more European investors will increase allocations towards the asset class

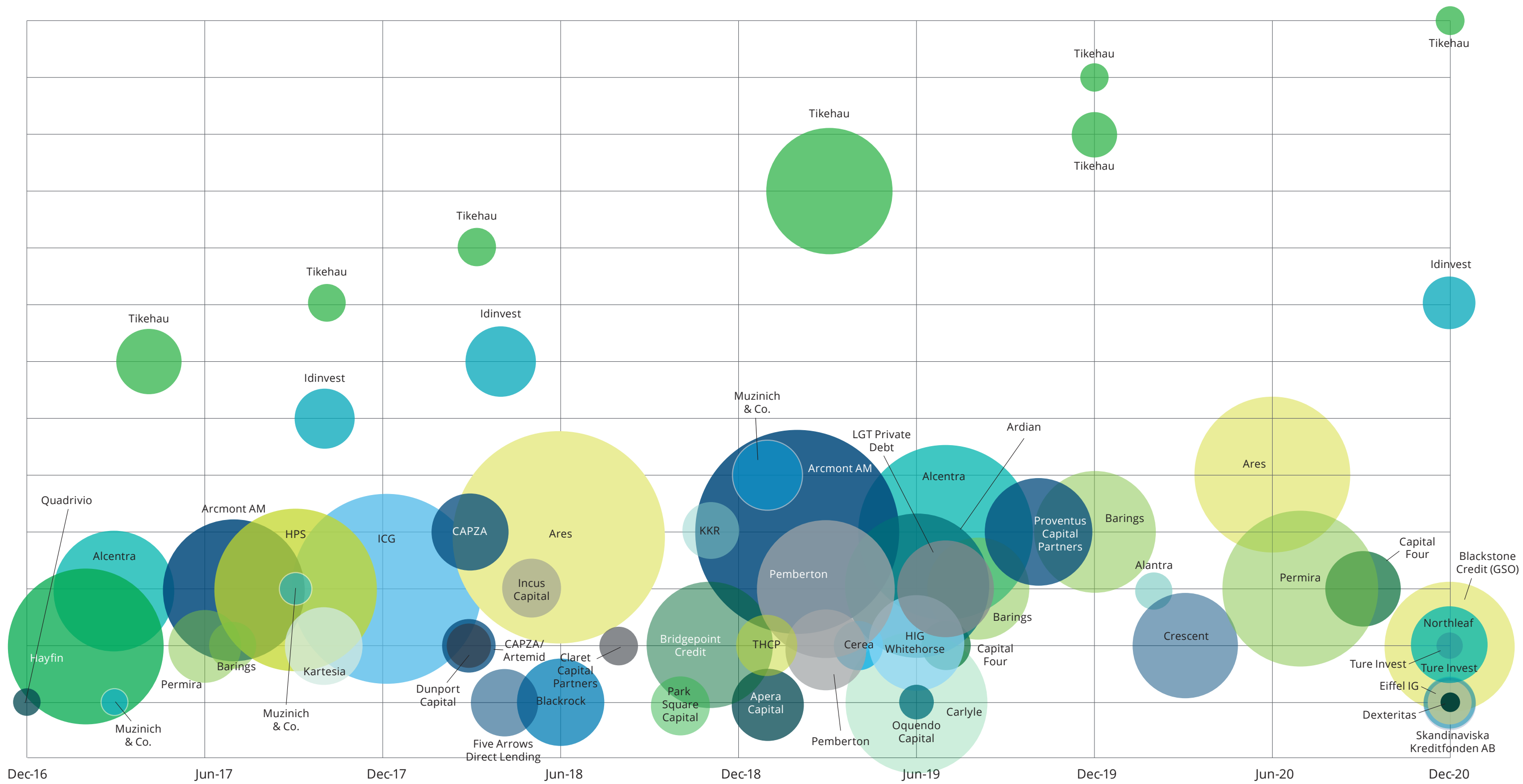
## US Market[1]

- North American focused private debt fundraising hit $74.4bn in 2020 – up from $67.3bn in 2019, with 113 funds closed in 2020, up from 99 funds closed during 2019
- Direct Lending was the most popular strategy in terms of funds closed (43) and aggregate capital raised – just ($23.7bn)
- Mezzanine funds raised a total of $21.5bn, with 21 funds closed, indicating that on average these funds were larger

# Senior: How much funding has been raised by which Direct Lending manager?

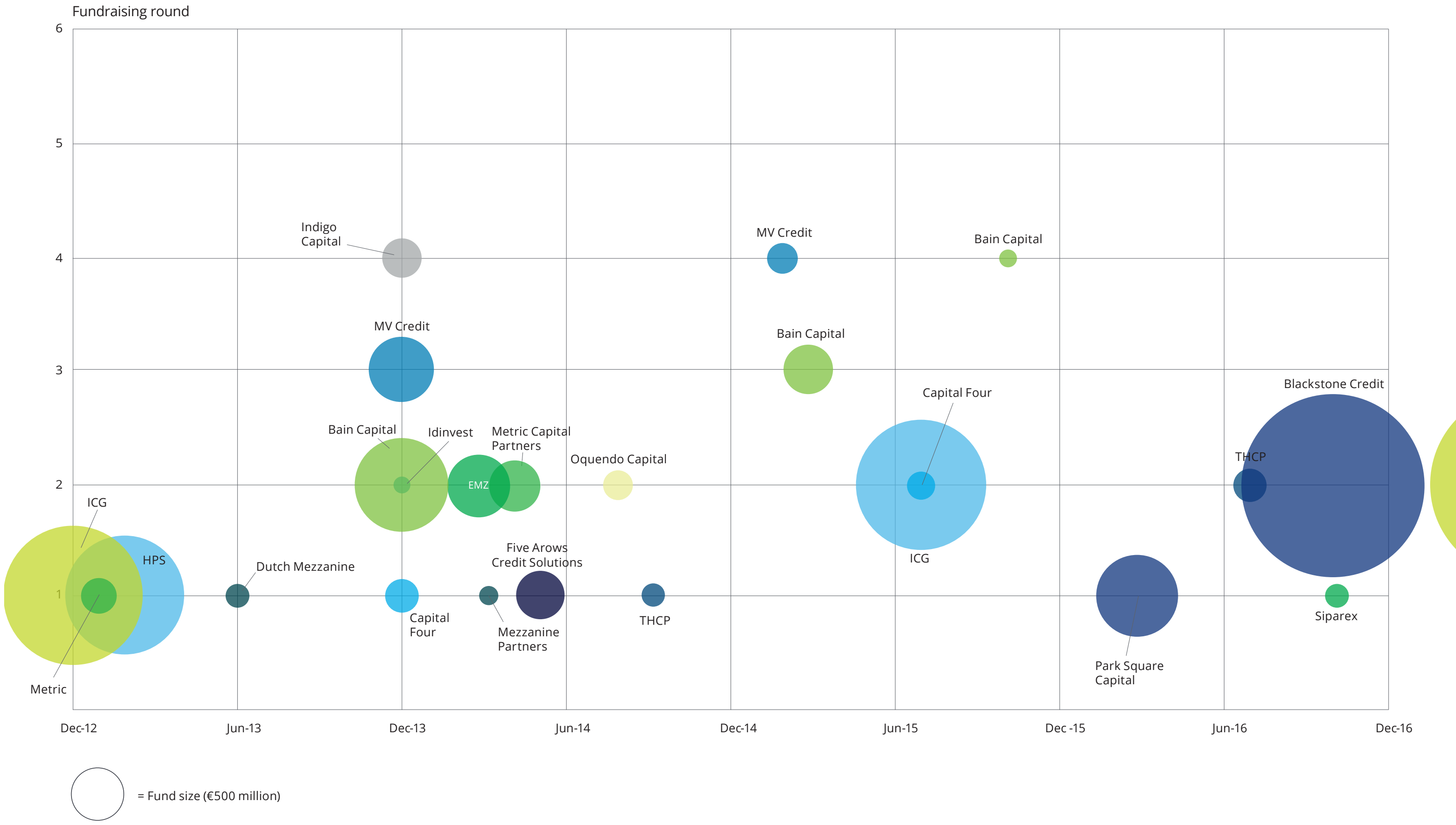
## Senior Direct Lending fundraising focused on the European market



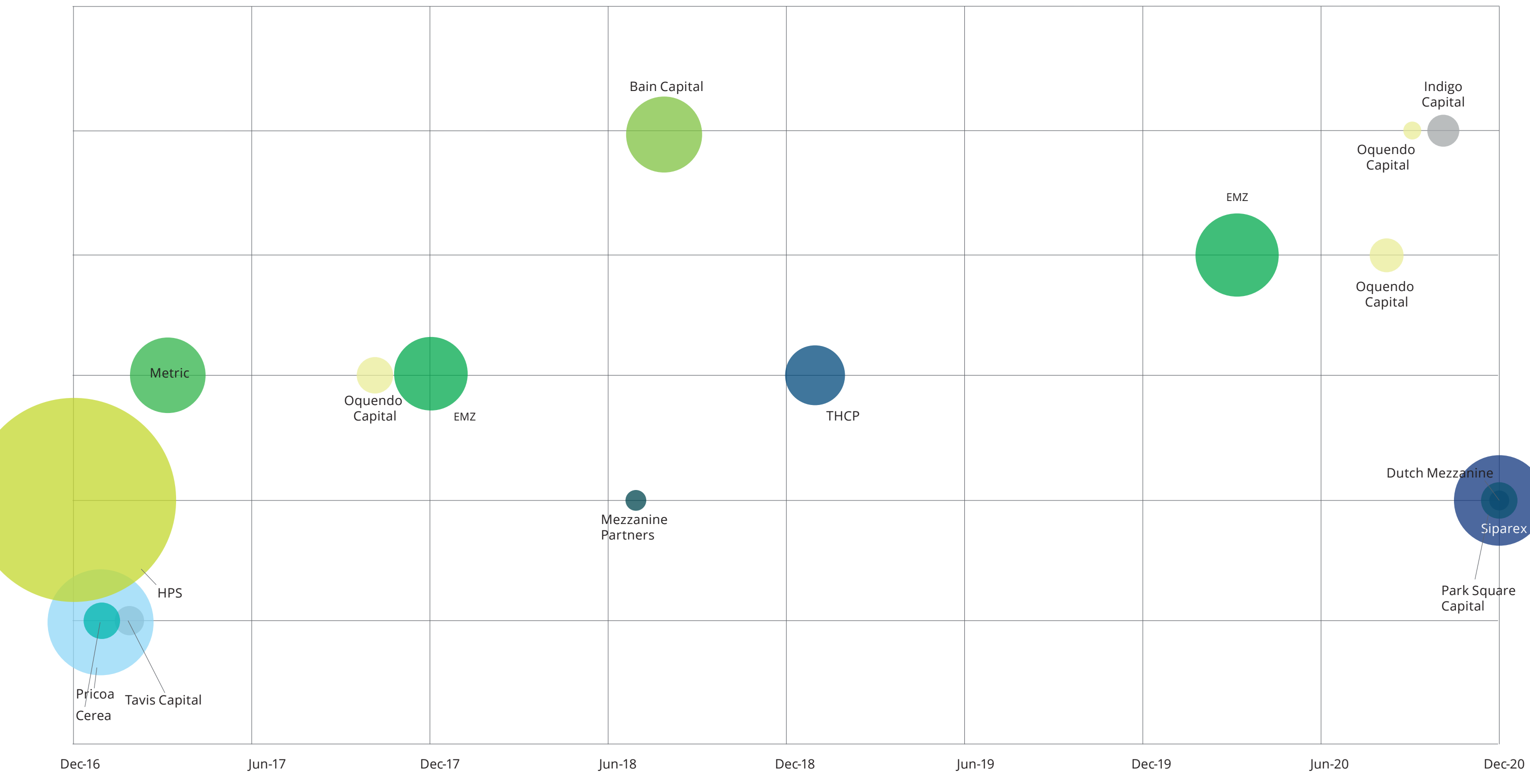

Tikehau
Tikehau
Tikehau
Tikehau
Tikehau
Tikehau
Tikehau
Tikehau
Idinvest
Idinvest
Idinvest
Idinvest
Muzinich & Co.
LGT Private Debt
Ardian
Arcmont AM
Alcentra
Ares
Quadrivio
Arcmont AM
HPS
ICG
CAPZA
Ares
KKR
Proventus Capital Partners
Barings
Capital Four
Blackstone Credit (GSO)
Alcentra
Incus Capital
Pemberton
Alantra
Permira
Barings
Hayfin
Permira
Barings
Kartesia
CAPZA/ Artemid
Claret Capital Partners
Bridgepoint Credit
THCP
Cerea
HIG Whitehorse
Capital Four
Crescent
Northleaf
Ture Invest
Ture Invest
Eiffel IG
Dexteritas
Dunport Capital
Blackrock
Park Square Capital
Apera Capital
Carlyle
Oquendo Capital
Muzinich & Co.
Muzinich & Co.
Five Arrows Direct Lending
Pemberton
Skandinaviska Kreditfonden AB
Dec-16
Jun-17
Dec-17
Jun-18
Dec-18
Jun-19
Dec-19
Jun-20
Dec-20

# Junior/Growth: How much funding has been raised by which Direct Lending manager?

## Junior/Growth Capital Direct Lending fundraising focused on the European market




 © Deloitte Alternative Lender Deal Tracker


Bain Capital
Indigo Capital
Oquendo Capital
EMZ
Oquendo Capital
Metric
Oquendo Capital
EMZ
THCP
Dutch Mezzanine
Siparex
Mezzanine Partners
Park Square Capital
HPS
Pricoa
Tavis Capital
Cerea
Dec-16
Jun-17
Dec-17
Jun-18
Dec-18
Jun-19
Dec-19
Jun-20
Dec-20

# How much funding has been raised by which Direct Lending manager?

## An overview of some of the largest funds raised in the market

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| **Alantra** | | | | |
| Alteralia SCA SICAV RAIF | Q1 20 | €200 | Senior | Europe |
| Alteralia SCA SICAR | Q3 15 | €139 | Senior | Europe |
| **Alcentra** | | | | |
| European Direct Lending Fund III | Q3 19 | €5,500 | Senior and Junior | Europe |
| Direct Lending Fund | Q1 17 | €2,100 | Senior and Junior | Europe |
| European Direct Lending Fund | Q4 14 | €850 | Senior and Junior | Europe |
| Direct Lending Fund | Q4 12 | €278 | Senior and Junior | Europe |
| **Apera Capital** | | | | |
| Apera Capital Private Debt Fund I | Q1 19 | €750 | Senior and Junior | Europe |
| **Arcmont Asset Management** | | | | |
| Arcmont Senior Fund III | Q1 19 | €6,000 | Senior and Junior | Europe |
| Arcmont Senior Loan Fund I | Q3 17 | €2,900 | Senior | Europe |
| Arcmont Direct Lending Fund II | Q4 15 | €2,100 | Senior and Junior | Europe |
| Arcmont Direct Lending Fund I | Q2 13 | €810 | Senior and Junior | Europe |
| **Ardian** | | | | |
| Axa Private Debt Fund IV | Q2 19 | €3,300 | Senior and Junior | Europe |
| Ardian Private Debt Fund III | Q3 15 | €2,026 | Senior and Junior | Europe |
| Axa Private Debt Fund II | Q2 10 | €1,529 | Senior and Junior | Europe |
| **Ares** | | | | |
| Ares Special Opportunities Fund, L.P. | Q2 20 | €3,500 | Senior | Europe |
| ACE IV | Q2 18 | €6,500 | Senior | Europe |
| ACE III | Q2 16 | €2,536 | Senior and Junior | Europe |
| ACE II | Q3 13 | €911 | Senior and Junior | Europe |
| ACE I | Q4 07 | €311 | Senior | Europe |
| **Bain Capital** | | | | |
| Bain Capital Middle Market Credit 2018 | Q3 18 | €870 | Junior | Global |
| Bain Capital Specialty Finance | Q4 16 | €1,406 | Senior | Global |
| Bain Capital Direct Lending 2015 (Unlevered) | Q4 15 | €56 | Junior | Global |
| Bain Capital Direct Lending 2015 (Levered) | Q1 15 | €433 | Junior | Global |
| Bain Capital Middle Market Credit 2014 | Q4 13 | €1,554 | Junior | Global |

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| Bain Capital Middle Market Credit 2010 | Q2 10 | €1,017 | Junior | Global |
| **Barings** | | | | |
| Global Private Loan Fund III | Q4 19 | $2,400 | Senior and Junior | Europe |
| European Private Loan Fund II | Q3 19 | €1,500 | Senior and Junior | Europe |
| Global Private Loan Fund II | Q3 17 | $1,300 | Senior and Junior | Global |
| Global Private Loan Fund I | Q2 16 | $777 | Senior and Junior | Global |
| **Blackrock** | | | | |
| BlackRock European Middle Market Private Debt Fund I | Q2 18 | €1,100 | Senior | Europe |
| **Blackstone Credit** | | | | |
| GSO European Senior Debt Fund II | Q4 20 | $6,102 | Senior | Europe |
| Capital Opportunities Fund II | Q4 16 | $6,500 | Junior | Global |
| European Senior Debt Fund | Q4 15 | $1,964 | Senior | Europe |
| Capital Opportunities Fund I | Q1 12 | $4,000 | Junior | Global |
| **Bridgepoint Credit** | | | | |
| Bridgepoint Direct Lending II | Q4 20 | €2,300 | Senior | Europe |
| Bridgepoint Direct Lending I | Q2 16 | €530 | Senior | Europe |
| **Capital Four** | | | | |
| Capital Four - Private Debt III – Senior | Q3 20 | € 650 | Senior | Europe |
| Capital Four Strategic Credit Fund | Q3 19 | € 350 | Senior and Junior | Europe |
| Capital Four Strategic Lending Fund | Q3 15 | € 135 | Junior | Europe |
| **Capzanine** | | | | |
| Capzanine 4 Private Debt | Q1 18 | €850 | Senior and Junior | Europe |
| Artemid Senior Loan 2 | Q1 18 | €413 | Senior | Europe |
| Artemid CA | Q3 15 | €70 | Senior | Europe |
| Artemid Senior Loan | Q3 15 | €345 | Senior | Europe |
| Capzanine 3 | Q3 12 | €700 | Senior and Junior | Europe |
| Capzanine 2 | Q3 07 | €325 | Senior and Junior | Europe |
| Capzanine 1 | Q1 05 | €203 | Senior and Junior | Europe |
| **Carlyle** | | | | |
| Carlyle Credit Opportuniites Fund, L.P. | Q2 19 | €2,902 | Senior and Junior | Europe |
| **Céréa** | | | | |
| Céréa Dette II | Q2 19 | €350 | Senior | Europe |
| Céréa Mezzanine III | Q1 17 | €200 | Junior | Europe |
| Céréa Dette | Q2 16 | €270 | Senior | Europe |
| **Claret Capital Partners** | | | | |
| Claret European Growth Capital Fund II SCSp | Q3 18 | €215 | Senior and Junior | Europe |
| Claret European Growth Capital Fund I | Q1 15 | €122 | Senior | Europe |
| **Dexteritas** | | | | |
| Dexteritas Dutch Credit Opportunities Fund | Q4 20 | €55 | Senior | Europe |
| **Dunport Capital Management** | | | | |
| Elm Corporate Credit DAC | Q1 18 | €283 | Senior and Junior | Europe |
| Ireland Corporate Credit DAC | Q3 13 | €450 | Senior and Junior | Europe |

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| **Dutch Mezzanine** | | | | |
| Dutch Mezzanine Fund II | Q2 17 | €122 | Junior | Europe |
| Dutch Mezzanine Fund I | Q1 13 | €60 | Junior | Europe |
| **Eiffel Investment Group** | | | | |
| Eiffel 5 | Q4 20 | €278 | Senior | Europe |
| **EMZ** | | | | |
| EMZ 9 | Q1 20 | €1,043 | Junior | Europe |
| EMZ 8 | Q4 17 | €815 | Junior | Europe |
| EMZ 7 | Q1 14 | €695 | Junior | Europe |
| EMZ 6 | Q1 09 | €640 | Junior | Europe |
| **Five Arrows** | | | | |
| Five Arrows Direct Lending | Q1 18 | €655 | Senior and Junior | Europe |
| Five Arrows Credit Solutions | Q2 14 | €415 | Junior | Europe |
| **Hayfin** | | | | |
| Direct Lending Fund II | Q1 17 | €3,500 | Senior | Europe |
| Direct Lending Fund I | Q1 14 | €2,000 | Senior | Europe |
| **HIG** | | | | |
| H.I.G. Whitehorse Loan Fund III | Q1 13 | €750 | Senior and Junior | Europe |
| H.I.G. Bayside Loan Opportunity Fund V (Europe) | Q2 19 | $1,500 | Senior and Junior | Europe |
| **HPS Investment Partners** | | | | |
| Speciality Loan Fund 2016 | Q3 17 | $4,500 | Senior | Global |
| Mezzanine Partners Fund III | Q4 16 | $6,600 | Junior | Global |
| Highbridge Speciality Loan Fund III | Q2 13 | €3,100 | Senior | Global |
| Mezzanine Partners Fund II | Q1 13 | $4,400 | Junior | Global |
| Highbridge Speciality Loan Fund II | Q2 10 | €1,100 | Senior | Global |
| Mezzanine Partners Fund I | Q1 08 | $2,100 | Junior | Global |
| **ICG** | | | | |
| Senior Debt Partners III | Q4 17 | €5,200 | Senior | Europe |
| Senior Debt Partners II | Q3 15 | €3,000 | Senior | Europe |
| ICG Europe Fund VI | Q1 15 | €3,000 | Junior | Europe |
| Senior Debt Partners I | Q2 13 | €1,700 | Senior | Europe |
| ICG Europe Fund V | Q1 13 | €2,500 | Junior | Europe |
| **Idinvest** | | | | |
| Idinvest Senior Debt 5 | Q4 20 | €400 | Senior | Europe |
| Idinvest Private Debt IV | Q2 18 | €715 | Senior and Junior | Europe |
| Idinvest Dette Senior 4 | Q4 16 | €300 | Senior | Europe |
| Idinvest Dette Senior 3 | Q3 15 | €530 | Senior | Europe |
| Idinvest Dette Senior 2 | Q3 14 | €400 | Senior | Europe |
| Idinvest Private Debt III | Q1 14 | €400 | Senior and Junior | Europe |
| Idinvest Private Value Europe II | Q4 13 | €50 | Junior | Europe |
| Idinvest Dette Senior | Q1 13 | €280 | Senior | Europe |
| Idinvest Private Value Europe | Q2 12 | €65 | Junior | Europe |
| Idinvest Private Debt | Q3 07 | €290 | Senior and Junior | Europe |

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| **Incus Capital** | | | | |
| Incus Capital European Credit Fund III | Q2 18 | €500 | Senior and Junior | Europe |
| Incus Capital Iberia Credit Fund II | Q3 16 | €270 | Senior and Junior | Europe |
| Incus Capital Iberia Credit Fund I | Q4 12 | €128 | Senior and Junior | Europe |
| **Indigo Capital** | | | | |
| Fund V | Q3 07 | €220 | Junior | Europe |
| Fund IV | Q3 03 | €200 | Junior | Europe |
| Fund III | Q3 00 | €100 | Junior | Europe |
| **Kartesia** | | | | |
| Kartesia Credit Opportunities IV | Q4 17 | €870 | Senior and Junior | Europe |
| Kartesia Credit Opportunities III | Q1 15 | €508 | Senior and Junior | Europe |
| **KKR** | | | | |
| KKR Lending Partners III L.P. ("KKRLP III") | Q4 18 | $1,498 | Senior | Global |
| Fund Lending Partners Europe | Q1 16 | $850 | Senior and Junior | Europe |
| Fund Lending Partners II | Q2 15 | $1,336 | Senior and Junior | Global |
| Fund Lending Partners I | Q4 12 | $460 | Senior and Junior | Global |
| **LGT Private Debt** | | | | |
| CEPD II | Q3 19 | €1,350 | Senior and Junior | Europe |
| Private Debt Fund | Q1 15 | €474 | Senior and Junior | Europe |
| UK SME Debt | Q3 14 | €100 | Senior and Junior | Europe |
| **Metric** | | | | |
| MCP III | Q1 17 | €860 | Special Situations | Europe |
| MCP II | Q2 14 | €475 | Special Situations | Europe |
| MCP I | Q1 13 | €225 | Special Situations | Europe |
| **Mezzanine Partners** | | | | |
| Mezzanine Partners II | Q3 18 | €65 | Junior | Europe |
| Mezzanine Partners I | Q1 14 | €65 | Junior | Europe |
| **Muzinich & Co.** | | | | |
| Muzinich Pan-European Private Debt Fund | Q1 19 | € 707 | Senior and Junior | Europe |
| Muzinich French Private Debt Fund | Q3 17 | € 153 | Senior | Europe |
| Muzinich Iberian Private Debt Fund | Q1 17 | € 104 | Senior and Junior | Europe |
| Muzinich Italian Private Debt Fund | Q4 16 | € 268 | Senior and Junior | Europe |
| Muzinich UK Private Debt Fund | Q4 15 | € 250 | Senior and Junior | Europe |
| **MV Credit** | | | | |
| MV Subordinated IV | Q4 18 | € 835 | Junior | Europe |
| MV Senior Strategies | Q1 15 | € 815 | Senior and Junior | Europe |
| MezzVest III | Q4 13 | € 752 | Junior | Europe |
| **Northleaf** | | | | |
| Northleaf Senior Private Credit | Q4 20 | $1,009 | Senior | Global |
| Northleaf Private Credit | Q1 14 | $1,400 | Senior and Junior | Global |

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| **Oquendo Capital** | | | | |
| Oquendo IV | Q3 20 | € 154 | Junior | Europe |
| Oquendo Senior | Q2 19 | € 173 | Senior | Europe |
| Oquendo III | Q4 17 | € 200 | Junior | Europe |
| Oquendo II | Q3 14 | € 157 | Junior | Europe |
| Oquendo I | Q4 09 | € 50 | Junior | Europe |
| **Park Square Capital** | | | | |
| Park Square Capital Partners IV SCSp | Q4 20 | € 1,235 | Junior | Europe |
| Park Square Capital European Loan Partners, LP Inc. | Q4 18 | € 502 | Senior | Europe |
| Park Square Capital Partners III LP | Q1 16 | € 1,185 | Junior | Europe |
| **Pemberton** | | | | |
| Pemberton European Strategic Credit Opportunities Fund | Q1 19 | €942 | Senior and Junior | Europe |
| Pemberton European Mid-Market Debt Fund II | Q1 19 | €2,740 | Senior | Europe |
| European Mid-Market Debt Fund | Q4 16 | €1,140 | Senior | Europe |
| **Permira** | | | | |
| Permira Credit Solutions IV | Q3 20 | € 3,500 | Senior and Junior | Europe |
| Permira Credit Solutions III | Q2 17 | € 1,700 | Senior and Junior | Europe |
| Permira Credit Solutions II | Q3 15 | € 800 | Senior and Junior | Europe |
| **Pricoa** | | | | |
| Pricoa Capital Partners V | Q1 17 | €1,692 | Junior | Global |
| **Proventus** | | | | |
| Proventus Capital Partners | Q4 19 | €1,670 | Senior and Junior | Europe |
| Proventus Capital Partners III | Q4 14 | €1,300 | Senior and Junior | Europe |
| Proventus Capital Partners II/IIB | Q2 11 | €835 | Senior and Junior | Europe |
| Proventus Capital Partners I | Q3 09 | €216 | Senior and Junior | Europe |
| **Skandinaviska Kreditfonden AB** | | | | |
| Scandinavian Credit Fund I AB | Q4 20 | €390 | Senior | Europe |
| **Siparex** | | | | |
| Siparex Intermezzo II | Q4 20 | €200 | Junior | Europe |
| Siparex Intermezzo I | Q4 16 | €100 | Junior | Europe |
| **Tavis Capital** | | | | |
| Swiss SME Credit Fund I | Q1 17 | CHF137 | Junior | Europe |

| Alternative Lenders | Date | Size (m) w/o leverage | Investment Strategy | Geography |
|---|---|---|---|---|
| **Tikehau** | | | | |
| Fund 13 | Q4 20 | € 120 | Senior | Europe |
| Fund 12 | Q4 19 | € 116 | Senior | Europe |
| Fund 11 | Q4 19 | € 297 | Senior | Europe |
| Fund 10 | Q1 19 | € 2,200 | Senior and Junior | Europe |
| Fund 9 | Q1 18 | € 212 | Senior | Europe |
| Fund 8 | Q4 17 | € 205 | Senior and Junior | Europe |
| Fund 7 | Q2 17 | € 615 | Senior | Europe |
| Fund 6 | Q3 16 | € 610 | Senior and Junior | Europe |
| Fund 5 | Q3 15 | € 290 | Senior and Junior | Europe |
| Fund 4 | Q3 15 | € 19 | Senior and Junior | Europe |
| Fund 3 | Q3 14 | € 230 | Senior | Europe |
| Fund 2 | Q4 13 | € 134 | Senior and Junior | Europe |
| Fund 1 | Q4 13 | € 355 | Senior | Europe |
| **Ture Invest** | | | | |
| Ture Invest Fund I | Q4 20 | €400 | Senior | Europe |
| Hedda Credit Fund I | Q4 20 | €100 | Senior | Europe |

# Direct Lending professionals Key statistics and recent moves

## Direct Lending Market Headcount

H2 2020 saw the ramifications of COVID-19 in the hiring market with total headcount barely increasing from H1 2020. Figure 1 shows that the number of investment professionals (IPs) increased from 632 to 638, the smallest net increase for many years, and the numbers at mid and senior experience levels fell d the second half of the year.

Whereas hiring rates in H2 were consistent with H1, the number of departures increased, from 16 in H1 2020 to 39 in H2 2020. Whilst leavers have triggered numerous replacement hiring processes that will correct the market throughout 2020, H2 saw a number of IPs leave the market for different strategies, namely credit opportunities and private equity.

**Figure 1. Net moves across different levels of seniority between H1 2020 and H2 2020**

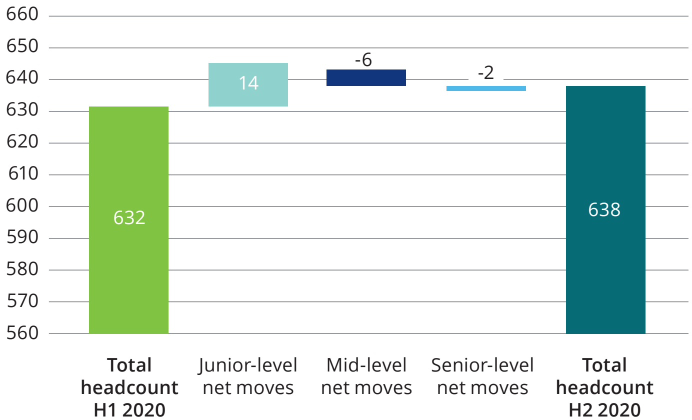
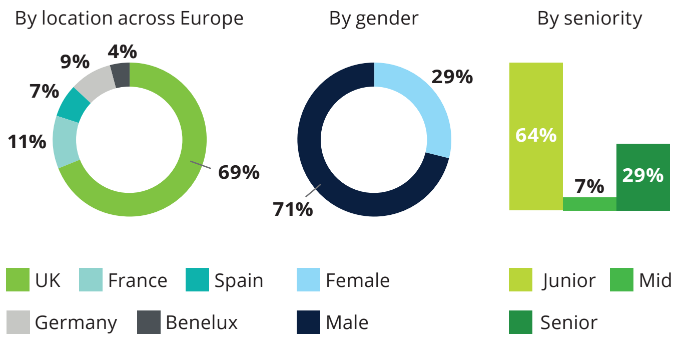



**Figure 2. Breakdown of hiring**




## Breakdown of hiring

Figure 2 (above) shows the percentage of hires across different countries in Europe. In H2 2020, 69% of hires were in the UK, followed by France, Germany Spain and Benelux. This local hiring trend is similar to H1 when 67% of hires were in the UK.

Regarding seniority, the majority of hires were at the junior-level, accounting for 64% of all hires. The mid-level made up 7% of hires and senior-level hires 29%. Hires at the mid-level show the most notable drop-off from 20% in H1 2020, while junior and senior hires show a upsurge from their respective levels of 58% and 22% in H1 2020.

Gender diversity of hires continues to increase. Figure 2 shows 29% of all hires in H2 were female hires, an increase from 27% in H1. In 2020, female hires made up 28% of the total, an increase from 2019 (23%), 2018 (20%) and 2017 (16%), indicating a steady increase in gender diversity year on year.

**Notes**

For the purpose of this analysis we have included the total investment team headcounts at c. 35 combined Mezzanine / Direct Lending funds (such as Park Square, Crescent Capital). We have excluded investment teams where the large majority of their investment activity is in minority or majority equity. We have also excluded teams whose main activity is in the corporate private placement market.

When analysing seniority, junior-level IPs are those with less than 6 years relevant experience, mid-level constitutes 6-10 years experience, and senior is those with more than 10 years experience.

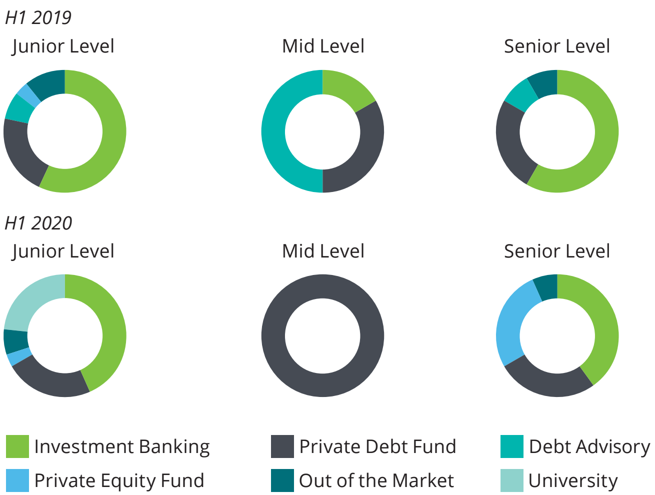
Percentage numbers around rounded to the nearest whole number

## Source of hires – Breakdown

Figure 3 compares the source of hiring at different levels of seniority in H2 2019 and H2 2020. In 2020, investment banks did the most hiring at the junior-level (43%) and at the senior-level (40%), whereas competitor debt funds represented the sole source of hires at the Mid-level, 23% of junior-level and 27% at the senior-level.

Universities were the 2nd largest source for junior hiring (23%), substantial increase compared to just 9% in H2 2019. PE played a significant part for the first time but these moves represent internal transfers across funds' PE strategies. There was a fall in hires from debt advisory in H2 2020 compared to H2 2019.

**Figure 3. Sources of hiring at different levels of seniority in H1 2019 and H1 2020**




## Recent Notable Direct Lending Moves

| | |
|---|---|
| Alcentra | Claes Styren left as VP for Anacap Credit Opportunities |
| Apera | Benjamin Schall joined as Principal from UniCredit |
| Arcmont | Mark Jochims left as Partner for TBC |
| Ares Management | Anita Das joined as VP from PSP |
| Bridgepoint | Michael Lucas left as MD for HIG Whitehorse |
| Bridgepoint | Thomas Athanasiou left as Director for TBC |
| Bridgepoint | Miguel Fraguas Jover left as Director for KKR |
| CIC | Charles De Villaines joined as MD from Macquarie Group |
| CSAM | Rakesh Pavithran and Samantha Wessels joined as Directors from CS Lev Fin and out of the market respectively |
| CVC | Miguel Toney as Partner from Park Square |
| HIG Whitehorse | Guido Lorenzi left Whitehorse Italy as Principal for QuattroR (PE) |
| HIG Whitehorse | Pascal Meysson joined as MD, head of Europe, from Alcentra |
| HPS | Rachel Zagajewski joined as VP from Park Square |
| HPS | Peter Atkinson joined as MD from GIC |
| ICG | Pablo Burgos Sainz joined as MD from Soc Gen |
| KKR | Michael Small joined as Partner from Park Sq |
| Proventus | Natalia Novak joined as MD from CVC (advisory) |
| PSP | Philipp Schroeder left as Director for TBC |

### Paragon Search Partners

Bruce Lock and Andrew Perry are co-Managing Partners of Paragon Search Partners, a London-headquartered search firm focused on the global credit markets, leveraged and acquisition finance, investment banking and private equity. To contact Bruce Lock at Paragon by email, use lockb@paragonsearchpartners.com. To contact Andrew Perry at Paragon by email, use aperry@paragonsearchpartners.com. Or to contact by phone the office telephone number is +44 (0) 20 7717 5000.

**Bruce Lock**
**Managing Director**
lockb@paragonsearchpartners.com

**Andrew Perry**
**Managing Director**
aperry@paragonsearchpartners.com

# Diversity review in corporate credit

# Gender within Direct Lending

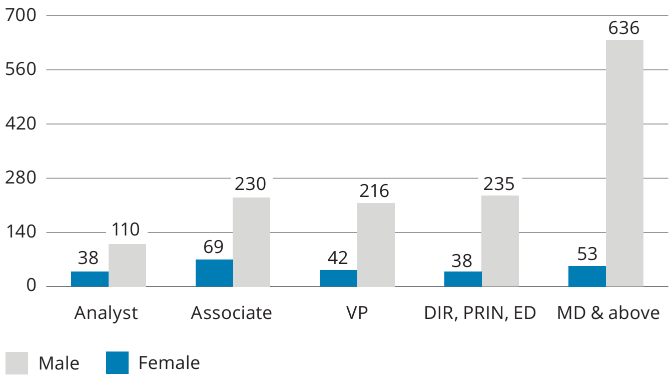
## The progress of diversity in corporate credit

There are currently 5,714 investment professionals working across Direct Lending, Single Name Distressed, CLO's and Leveraged Finance in Europe. 14% are female and 86% are male.

The percentage of women at senior levels in credit is significantly less than among juniors who join the industry from university. Of 5,714 professionals, women account for just 7.9% of the senior work force, 17.1% of mid-level professionals and 23% at junior level. In generally, the largest drop in percentages occurs between mid-level and senior roles. Even in other investment industries, women are very much underrepresented.

Understanding why is key to increasing diversity. One theory is that the limited number of female role models in senior positions affects perceptions – if women cannot see senior females or be mentored by them, will they believe that they are good enough themselves to make it to the top? Other factors include unconscious bias, expectations, and organisational cultures, which have been created by predominantly male executives over many years.

### Figure 1. Female hierarchy in Direct Lending

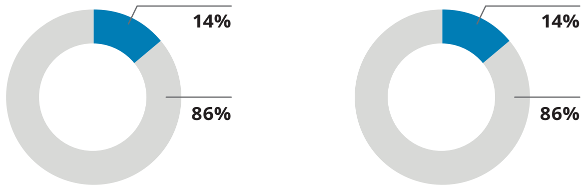



WATERMAN STERN

## Research

This information is sourced from an in-depth review conducted by Waterman Stern. In total 420 teams were analysed including European Direct Lending teams, CLO Managers, Distressed Debt & Special Situations funds. Alongside the fund managers; Leveraged Finance, Debt Advisory & Restructuring teams.

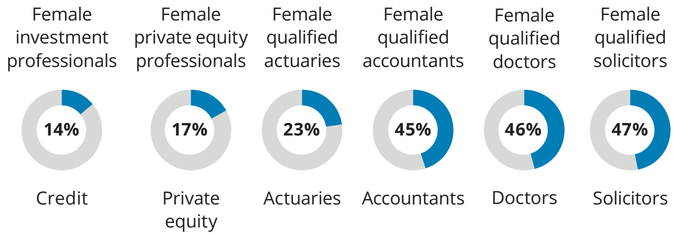
### Figure 2. Gender diversity in Corporate Credit and Direct Lending




**Corporate Credit**
Direct Lending, CLOs, Distressed Debt & Special Situations, Leveraged finance, debt advisory & restructuring teams in Banking & Advisory Firms

**Direct lending**
Lower mid-market, mid-market, large ticket, special situations credit, participation model and venture debt

### Figure 3. Gender diversity compared to other professions



# Ethnicity within Direct Lending

**The Industry is predominantly made up of a white workforce**
Of 5,714 professionals reviewed, only 11.8% are of non-white ethnicity and just 33 are black. The UK Investment Association also found that less than 1% of asset management staff are black.

Gender is the overriding 'diversity' issue within asset management. However, the Black Lives Matter movement and other global protests over systemic racism are intensifying demand for corporations to take action to close both the gender and ethnicity gaps within their organisation.

Statistics from the Equality and Human Rights Commission Race Report show that unemployment rates were significantly higher for ethnic minorities at 12.9% compared with 6.3% for white people and that black workers with degrees earn 23.1% less on average than white workers.

These figures demonstrate the reality across Direct Lending, Distressed Debt, CLO management, Leveraged Finance & Restructuring advisory teams. Simply put, 88% of applicants for jobs will be white, and 86% will be male.

It is evident that whilst this is a collective problem, it will require individual solutions. For example, Corporate Advisory firms have a far more diverse applicant base at graduate level than investment banks. Buyside organisations that do look to hire directly at graduate level have an extremely low diverse applicant base. Each type of organisation has different obstacles to overcome, and there is no one size fits all solution to the challenge of improving diversity.

**Figure 4. Ethnic diversity in Corporate Credit and Direct Lending**

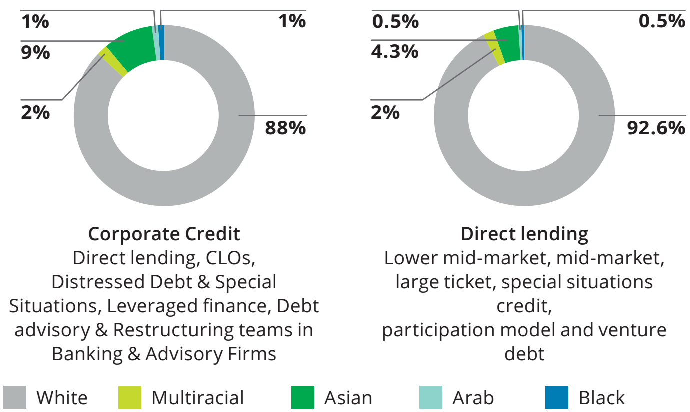
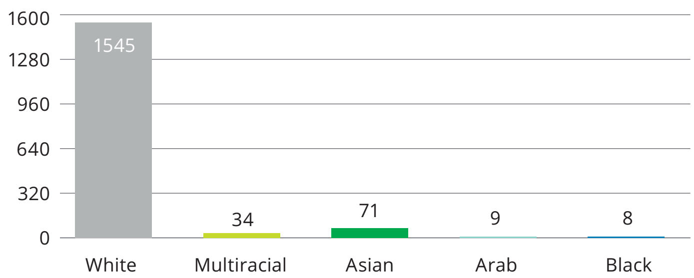



**Figure 5. Ethnic diversity in Direct Lending**




**Waterman Stern**

Waterman Stern is a London based Executive Search & Recruitment firm specialising in Credit. They operate in Direct Lending, CLOs, Distressed Debt and Special Situations. Mostly consulting on senior and mid-level front office hires.

Office telephone number +44 (0) 20 3950 5633


**Dale Shorey**
**Founder & Headhunter**
dale@watermanstern.com

**Sarah Bittar**
**Head of Operations**
sarah@watermanstern.com

# When to use Alternative Debt?

| | | |
|---|---|---|
| 1 | Private Equity acquisitions | Reduce equity contribution and enable more flexible structures |
| 2 | Corporates making transformational/ bolt-on acquisitions | Enable growth of private companies with less/no cash equity |
| 3 | Growth capital | Enable growth opportunities |
| 4 | Consolidation of shareholder base | Enable buy-out of (minority) shareholders |
| 5 | Special dividend to shareholders | Enable a liquidity event |
| 6 | To refinance bank lenders in over-levered structures | Enable an exit of bank lenders |
| 7 | Raising junior HoldCo debt | Increase leverage for acquisitions/ dividends |

# Insights into the European Alternative Lending market

# Alternative Lender '101' guide

## Who are the Alternative Lenders and why are they becoming more relevant?

Alternative Lenders consist of a wide range of non-bank institutions with different strategies including private debt, mezzanine, opportunity and distressed debt.

These institutions range from larger asset managers diversifying into alternative debt to smaller funds newly set up by ex-investment professionals. Most of the funds have structures comparable to those seen in the private equity industry with a 3-5 year investment period and a 10 year life with extensions options. The limited partners in the debt funds are typically insurance, pension, private wealth, banks or sovereign wealth funds.

Over the last three years a significant number of new funds has been raised in Europe. Increased supply of Alternative Lender capital has helped to increase the flexibility and optionality for borrowers.

### Key differences to bank lenders?

- Access to non amortising, bullet structures
- Ability to provide more structural flexibility (covenants, headroom, cash sweep, dividends, portability, etc.).
- Access to debt across the capital structure via senior, second lien, unitranche, mezzanine and quasi equity.
- Increased speed of execution, short credit processes and access to decision makers.
- Potentially larger hold sizes for leveraged loans (€30m up to €300m).
- Deal teams of funds will continue to monitor the asset over the life of the loan

### However

- Funds are not able to provide clearing facilities and ancillaries.
- Funds will target a higher yield for the increased flexibility provided..

# Euro Private Placement '101' guide

### Euro PP for mid-cap corporates at a glance

Since its inception in July 2012, the Euro Private Placement (Euro PP) volumes picked up significantly. After the amendment in the insurance legislation in July 2013, the majority of Euro PPs are currently unlisted. The introduction of a standardised documentation template by the Loan Market Association (LMA) in early 2015 is supportive of a Pan-European roll-out of this alternative source of financing.

### Key characteristics of the credit investor base

- Mainly French insurers, pension funds and asset managers
- Buy and Hold strategy
- Target lending: European mid-cap size, international business exposure, good credit profile (net leverage max. 3.5x), usually sponsor-less

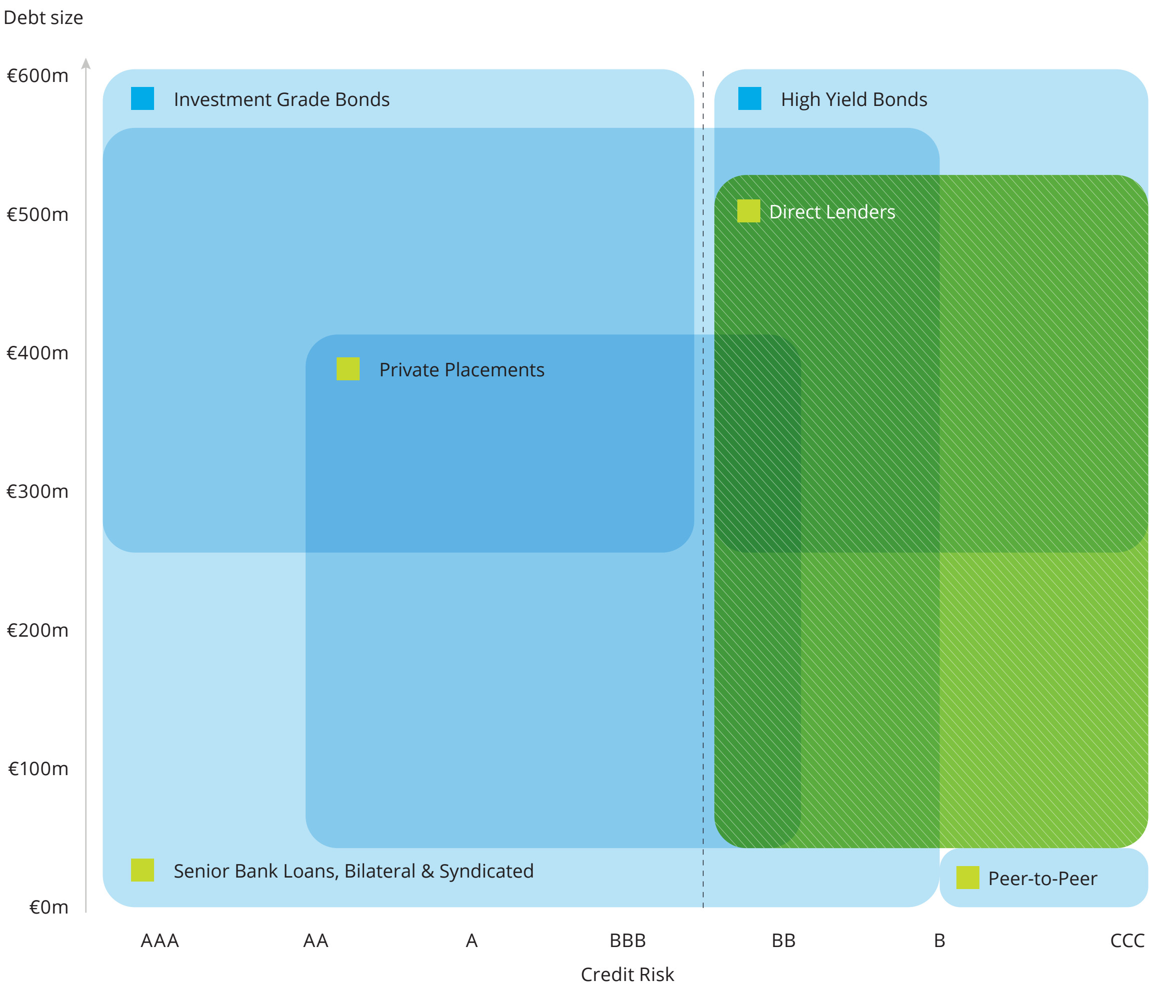
### Main features of Euro PP

- Loan or bond (listed or non-listed) – If listed: technical listing, no trading and no bond liquidity
- Usually Senior, unsecured (possibility to include guarantees if banks are secured)
- No rating
- Minimum issue amount: €10m
- Pari passu with other banking facilities
- Fixed coupon on average between 3% and 4.5% – No upfront fees
- Maturity > 7 years
- Bullet repayment profile
- Limited number of lenders for each transaction and confidentiality (no financial disclosure)
- Local jurisdiction, local language
- Euro PPs take on average 8 weeks to issue

### Pros and Cons of Euro PP

- ✓ Long maturity
- ✓ Bullet repayment (free-up cash flow)
- ✓ Diversification of sources of funding (bank disintermediation)
- ✓ Very limited number of lenders for each transaction
- ✓ Confidentiality (no public financial disclosure)
- ✓ Covenant flexibility and adapted to the business
- ✓ General corporate purpose
- ✗ Make-whole clause in case of early repayment
- ✗ Minimum amount €10m
- ✗ Minimum credit profile; leverage < 3.5x

# How do Direct Lenders compare to other cash flow debt products?



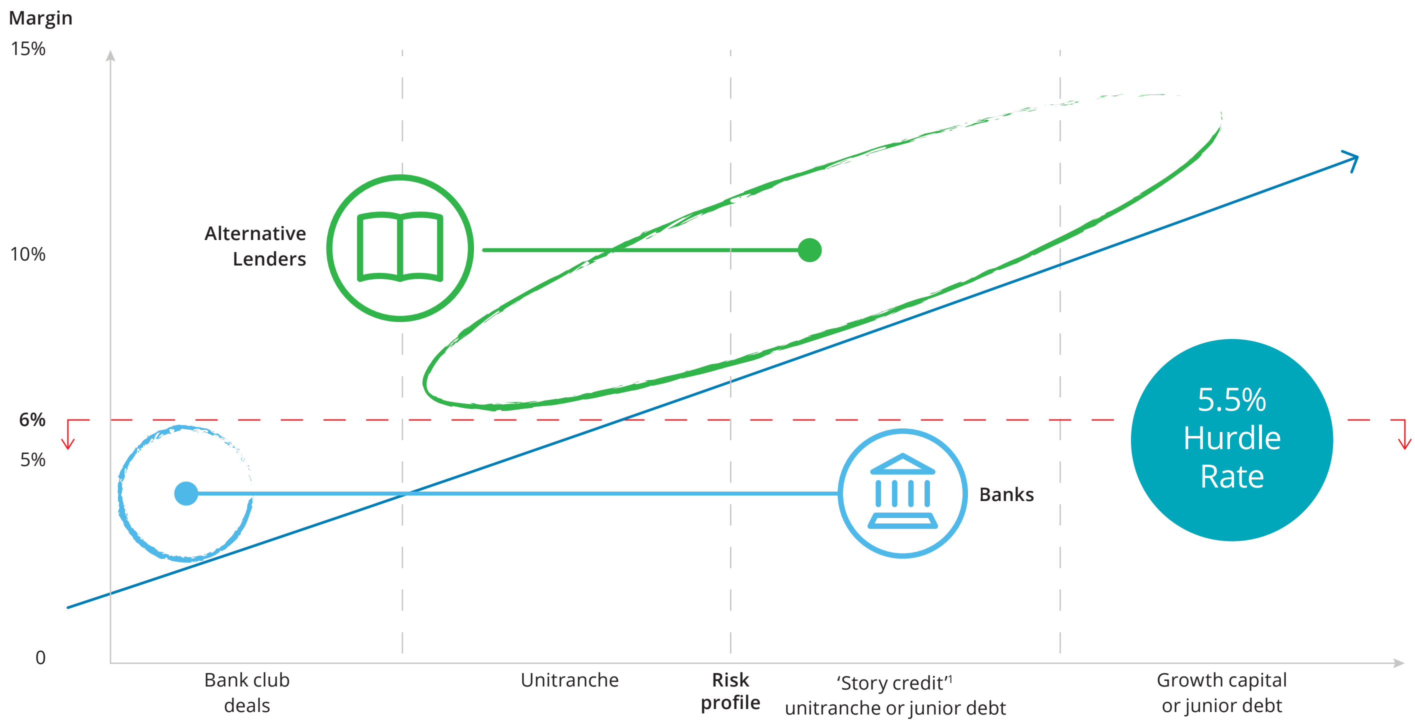

**Cash flow debt products**

The overview on the left focuses on the debt products available for Investment Grade and Sub-Investment Grade companies.

Private Instrument

Public Instrument

# How do Alternative Lenders compete with bank lenders?




Leveraged loan banks operate in the 350bps to 600bps margin range providing senior debt structures to mainly companies owned by private equity.

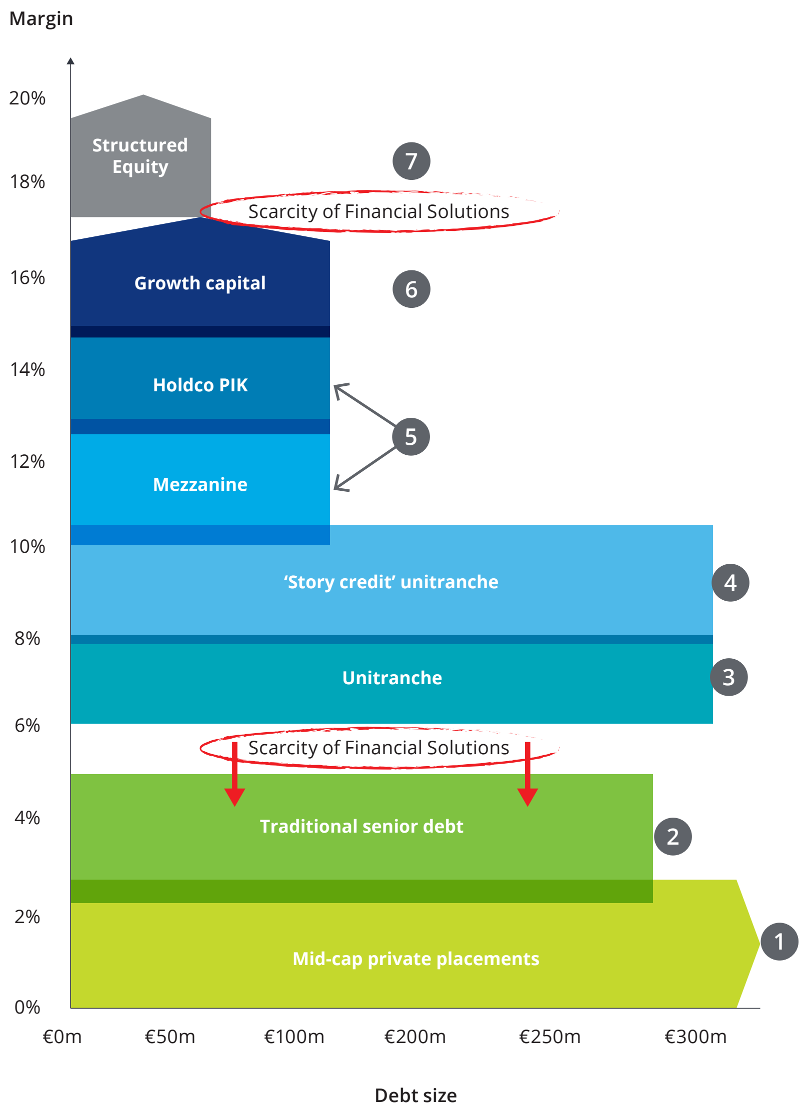
Majority of the Direct Lenders have hurdle rates which are above L+600bps margin and are mostly involved in the most popular strategy of 'plain vanilla' unitranche, which is the deepest part of the private debt market. However, direct lenders are increasingly raising senior risk strategies funds with lower hurdle rates.

Other Direct Lending funds focus on higher yielding private debt strategies, including: 'Story credit'1 unitranche and subordinated debt or growth capital.

Similar to any other asset class the risk return curve has come down over the last 3 years as a result of improvements in the economy and excess liquidity in the system.

[1] 'Story Credit' – unitranche facility for a company that historically was subject to a financial restructuring or another financial difficulty and as a result there is a higher (real or perceived) risk associated with this investment

# What are the private debt strategies?




Note: Distressed strategies are excluded from this overview

We have identified seven distinctive private debt strategies in the mid-market Direct Lending landscape:

1. Mid-cap Private Placements
2. Traditional senior debt
3. Unitranche
4. 'Story credit' unitranche
5. Subordinated (mezzanine/PIK)
6. Growth capital
7. Structured equity

There is a limited number of Alternative Lenders operating in the L+450bps to L+600bps pricing territory.

A number of large funds are now actively raising capital to target this part of the market.

Direct Lenders approach the mid-market with either a niche strategy (mainly new entrants) or a broad suite of Direct Lending products to cater for a range of financing needs.

The latter is mostly the approach of large asset managers.

# How does the Direct Lending investment strategy compare to other strategies?

| Fund strategy | Description | Target return (Gross IRR) | Investment period | Fund term | Management fee | Preferred return | Carried interest |
|---|---|---|---|---|---|---|---|
| **Direct senior lending** | Invest directly into corporate credit at senior levels of the capital structure | 5-10% | 1-3 years | 5-7 years (plus 1-2 optional one year extensions) | Typically around 1% on invested capital | 5-6% | 10% |
| **Specialty lending/credit opportunities** | Opportunistic investments across the capital structure and/or in complex situations<br><br>Typically focused on senior levels of the capital structure | 12-20% | 3-5 years | 8-10 years (plus 2-3 optional one year extensions) | Typically 1.25 – 1.50% on invested capital or less than 1% on commitments | 6-8% | 15%-20% |
| **Mezzanine** | Primarily invest in mezzanine loans and other subordinated debt instruments | 12-18% | 5 years | 10 years (plus 2-3 optional one year extensions) | 1.50 – 1.75% on commitments during investment period, on a reduced basis on invested capital thereafter | 8% | 20% |
| **Distressed** | Invest in distressed, stressed and undervalued securities<br><br>Includes distressed debt-for-control | 15-25% | 3-5 years | 7-10 years (plus 2-3 optional one year extensions) | Various pending target return and strategy: 1.50 – 1.75% on commitments or 1.50% on invested capital | 8% | 20% |

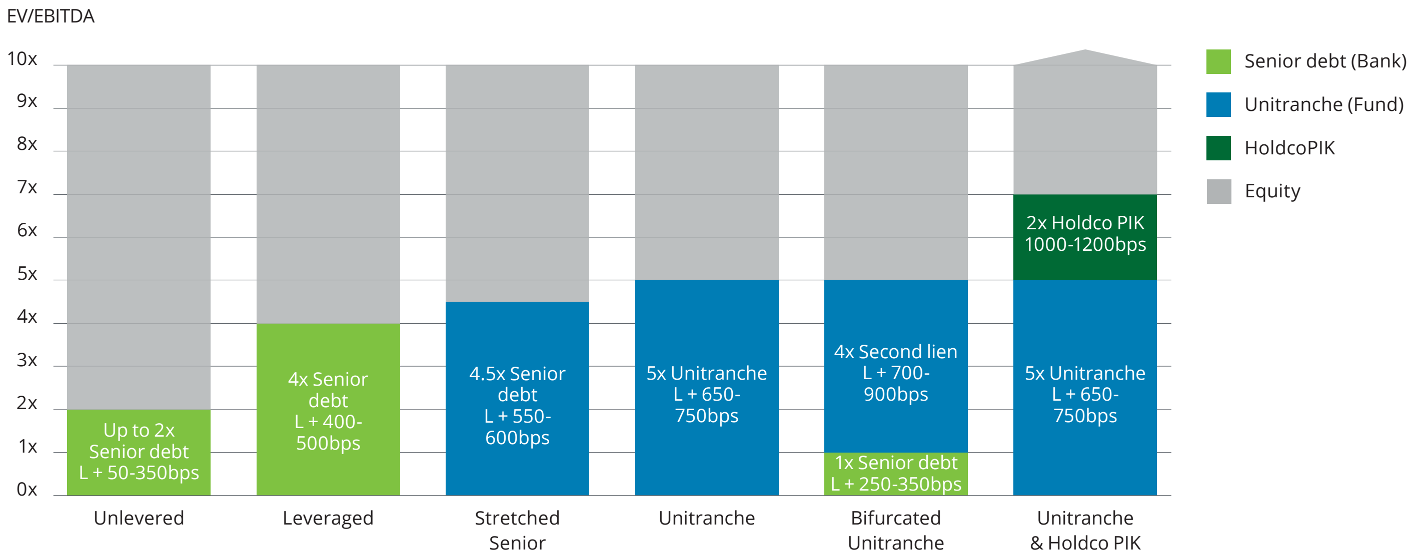
**Management fee** – an annual payment made by the limited partners in the fund to the fund's manager to cover the operational expenses.

**Preferred return (also hurdle rate)** – a minimum annual return that the limited partners are entitled to before the fund manager starts receiving carried interest.

**Carried interest** – a share of profits above the preferred return rate that the fund manager receives as compensation which is based on the performance of the investment.

# What debt structures are available in the market?

### Structures




### Weighted Average Cost of Debt (WACD) – based on mid-point average range

| | | | | | |
|---|---|---|---|---|---|
| L + 50-350bps | L + 450bps | L + 575bps | L + 700bps | L + 700bps | L + 815bps |

Note: The structures and pricing presented are indicative and only for illustrative purposes.

### Pros and Cons per structure

| | | | | | |
|---|---|---|---|---|---|
| ✓ Lowest pricing<br>✓ Relationship bank<br><br>• Low leverage<br>• Shorter tenor (3-5 years) | ✓ Increased leverage<br>✓ Club of relationship banks<br><br>• More restrictive terms<br>• Partly amortising | ✓ Increased leverage<br>✓ Bullet debt<br>✓ Lower equity contribution<br><br>• More restrictive terms than Unitranche<br>• Higher pricing than bank debt<br>• Need for RCF lender | ✓ Stretched leverage<br>✓ Flexible covenants<br>✓ One-stop shop solution<br>✓ Speed of execution<br>✓ Relationship lender<br><br>• Higher pricing | ✓ Stretched leverage<br>✓ Flexible covenants<br>✓ Greater role for bank<br>✓ Reach more liquid part of the unitranche market<br><br>• Higher pricing<br>• Intercreditor/AAL | ✓ Stretched leverage<br>✓ Flexible covenants<br>✓ Lower equity contribution<br>✓ No Intercreditor<br><br>• Higher pricing |



Insights into the European Alternative Lending market

# More sponsor-less companies are turning to Direct Lenders to finance growth

## Background

- Traditionally private companies without access to further shareholder funding lacked the ability to make transformational acquisitions
- Bank lenders are typically not able to fund junior debt/quasi equity risk and would require a sizable equity contribution from the shareholders to fund acquisitions
- Cost savings, revenues synergies and ability to purchase bolt on acquisitions at lower EBITDA multiples makes a buy and build strategy highly accretive for shareholder's equity.

## Opportunity

- Alternative Lenders are actively looking to form longer term partnerships with performing private companies to fund expansion
- Recent market transactions have been structured on Debt/EBITDA multiples as high as 4.5-5.0x including identifiable hard synergies. Typically, this is subject to c.30–40% implied equity in the structure, based on conservative enterprise valuations
- A number of Alternative Lenders are able to fund across the capital structure from senior debt through minority equity.

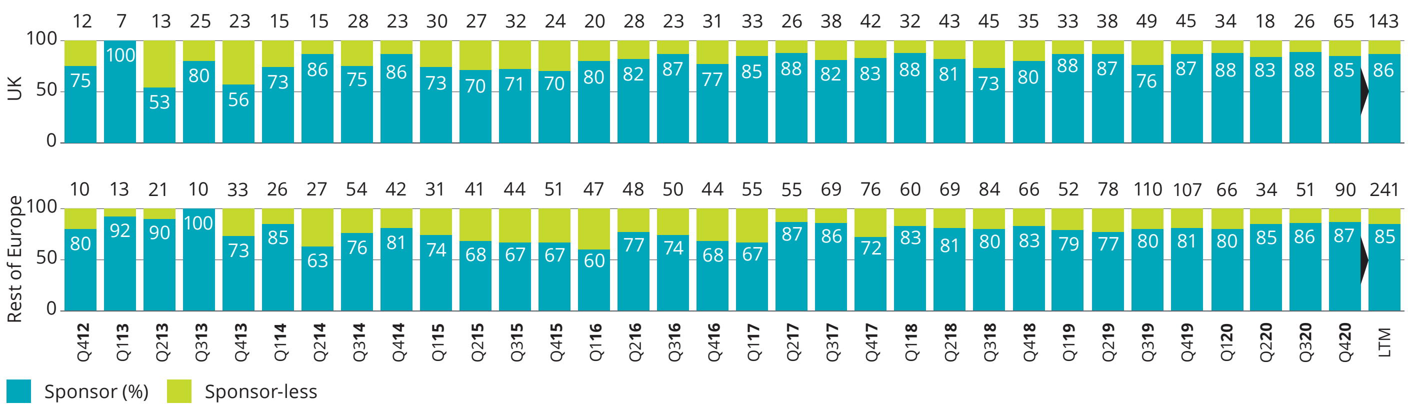
**Key advantages**

Key advantages of using Alternative Lenders to fund a buy and build strategy may include:

- Accelerate the growth of the company and exponentially grow the shareholder value in a shorter time period.
- No separate equity raising required as Alternative Lenders can act as a one stop solution providing debt and minority equity.
- Significant capital that Alternative Lenders can lend to a single company (€150-300m) making Alternative Lenders ideal for long term partnership relationships and follow on capital for multiple acquisitions.

## Sponsor backed versus private Direct Lending deals

As % of total deals per quarter



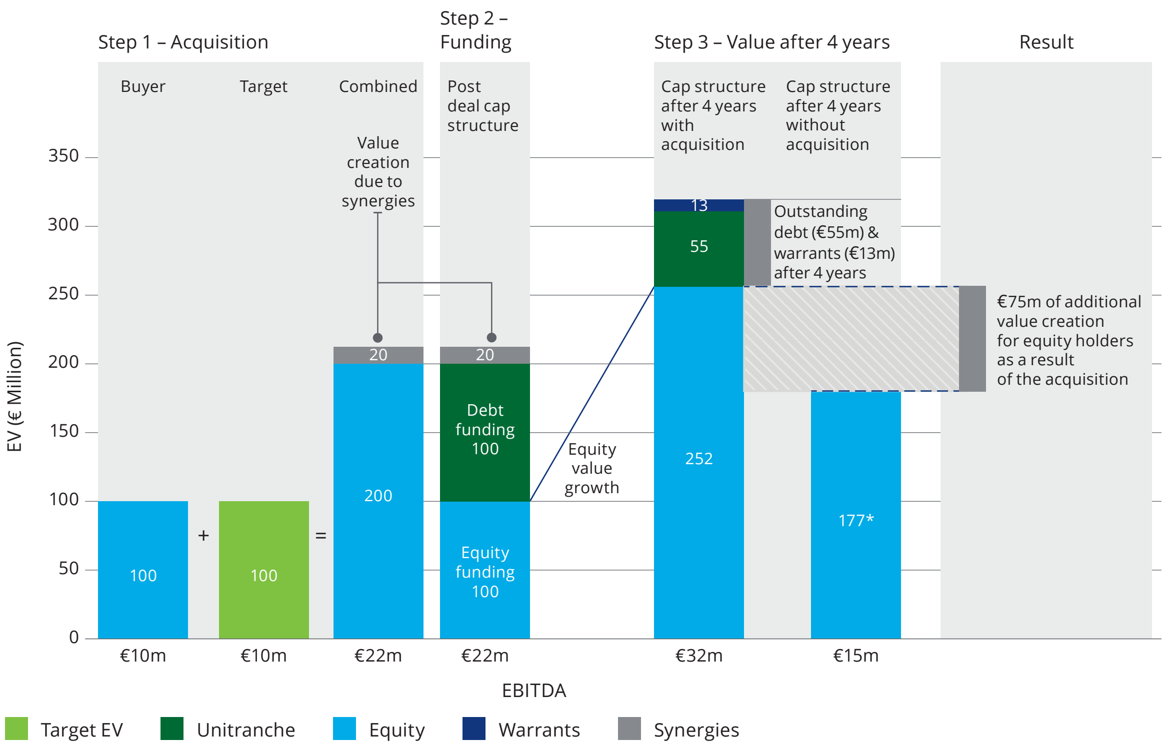
# Unlocking transformational acquisitions for privately owned companies

### Indicative calculations

- The calculations on this page illustrate the effect of value creation through acquisitions financed using Alternative Lenders.
- In this example the equity value is growing from €100m to €252m in 4 years time. Without the acquisition, the equity value would have been only €177m, using the same assumptions and disregarding any value creation as a result of multiple arbitrage.

### Value creation through M&A

Indicative calculations




*EV is c.€147m and with c.€30m cash on balance sheet brings the equity value to c.€177m.

### Assumptions

- Both businesses generate €10m EBITDA with €2m potential synergies
- No debt currently in the business
- Cost of debt is 8% with 5% penny warrants on top
- 10% EBITDA growth pa; 75% Cash conversion; 20% Corporate tax rate
- No transaction costs

# Who are the Direct Lenders?

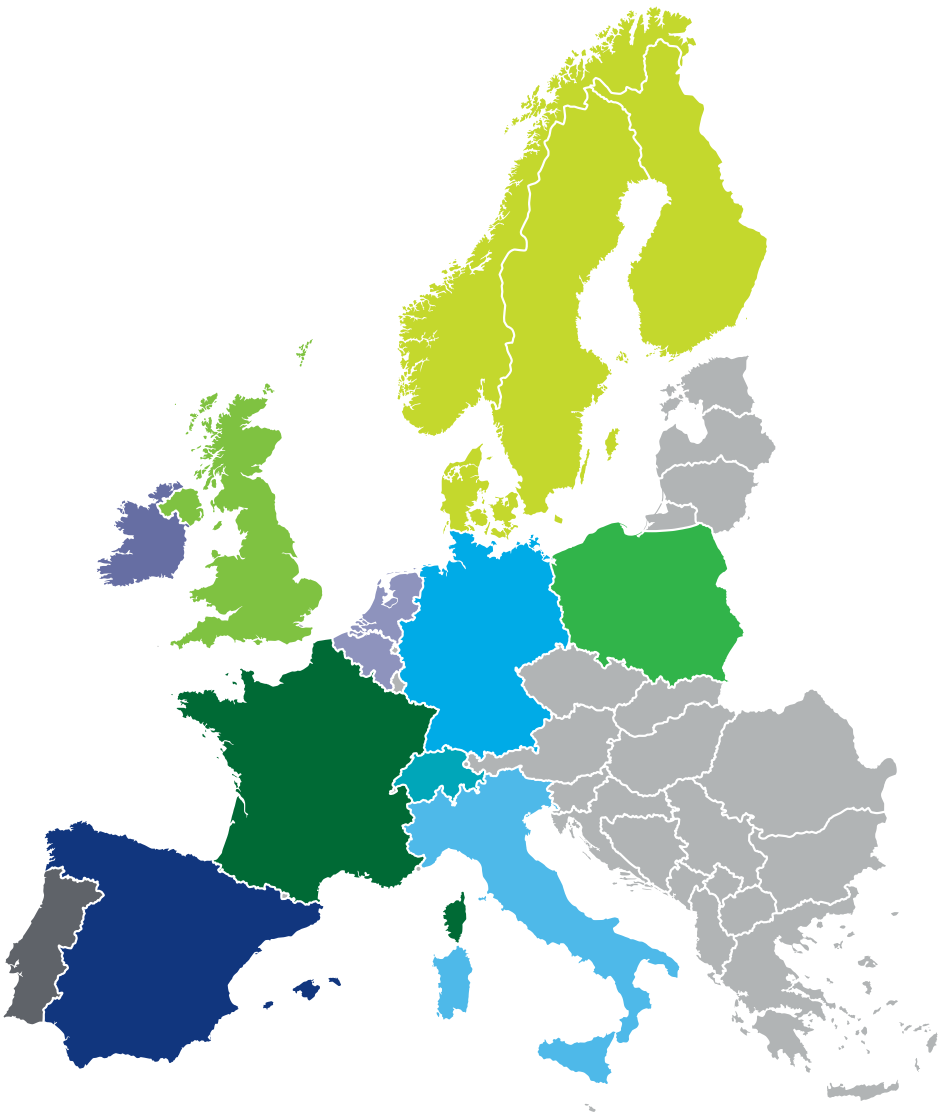
**Note: offices included with at least one dedicated Direct Lending professional. The graph does not necessarily provide an overview of the geographical coverage.**

## United Kingdom

Alcentra, aperacapita, ARDIAN, ARES, Arcmont, BainCapital, BARINGS, BANTRY BAY, BEECHBROOK, BlackRock, citi, CORDET, CRESCENT, CVC, Bridgepoint, DunPort, EQT, eso, Five Arrows, GSO Capital Partners, GUGGENHEIM, HMC, Harwood, Hayfin, Hermes, HIG Whitehorse, ICG, Kartesia, KKR, Capital Partners, M&G, Macquarie, Magnetar Capital, Muzinich & Co, MV Credit, Njord, Northleaf, Partners Group, Park Square, Permira, Pemberton, Præsidian capital, Pricoa Capital Group, Pricoa Private Capital, Rothschild, Sixth Street Partners, SMBC, terra firma, THCP, Tikehau Capital, TDC Tosca Debt Capital

## Ireland

ActiVate Capital, BainCapital, Cardinal, DunPort, Earlsfort Capital, Muzinich & Co, National Treasury Management Agency



## Germany

- aperacapital
- ARDIAN
- ARES
- BLACKROCK
- CAPZA
- eSO capital
- ELF Capital
- EQT
- HAYFIN
- HIG Whitehorse
- ICG
- IGI Capital Partners
- idinvest Partners
- KARTESIA
- Muzinich & Co
- NIBC
- Park Square
- PEMBERTON
- pride Capital Partners
- PERMIRA
- Pricoa Private Capital
- Pricoa Capital Group
- TIKEHAU CAPITAL

## Spain

- ALANTRA
- ARES
- Bridgepoint
- CAPZA
- HAYFIN
- HIG Whitehorse
- ICG
- idinvest Partners
- INCUS CAPITAL
- KARTESIA
- KKR
- MAGNETAR CAPITAL
- Muzinich & Co
- oquendo
- PEMBERTON
- TIKEHAU CAPITAL
- TREA

## Nordics

- ARES
- Bridgepoint
- CAPITAL FOUR
- CORDET Capital Partners
- Kreditfonden
- PEMBERTON
- PROVENTUS
- TURE INVEST

## Poland

- CVI

## Italy

- Arcmont
- AZIMUT
- BLACKROCK
- Blackstone
- CAPZA
- EQUITA
- green arrow capital
- GSO Capital Partners
- HIG Whitehorse
- INCUS CAPITAL
- Muzinich & Co
- PEMBERTON
- PERMIRA
- Pricoa Private Capital
- Quadrivio Group
- Sixth Street Partners
- THCP
- TIKEHAU CAPITAL

## Benelux

- aperacapital
- ARES
- Bridgepoint
- CORDET Capital Partners
- CVC Credit Partners
- Dexteritas
- Dutch Mezzanine Fund
- ELF Capital
- eSO capital
- HAYFIN
- HIG Whitehorse
- ICG
- KARTESIA
- AC Mezzanine Partners
- NIBC
- Park Square
- PEMBERTON
- PMV
- pride Capital Partners
- THCP
- TIKEHAU CAPITAL

## France

- aperacapita
- ARDIAN
- ARES
- bpifrance
- Bridgepoint
- BLACKROCK
- CAPZA
- cerea Partners
- CVC Credit Partners
- emz
- Five Arrows
- GSO Capital Partners
- HAYFIN
- HIG Whitehorse
- INCUS CAPITAL
- ICG
- idinvest Partners
- IGI Capital Partners
- Indigo
- KARTESIA
- KKR
- Ifpi
- Muzinich & Co
- Park Square
- Partners Group
- PEMBERTON
- PERMIRA
- Pricoa Capital Group
- Pricoa Private Capital
- ROTHSCHILD
- TIKEHAU CAPITAL
- SIPAREX Groupe

Especially focused on Euro PP

- access capital partners
- Amundi Asset Management
- Artemid
- La Banque Postale Asset Management
- Banque Postale
- cerea Partners
- EIFFEL Investment Group
- HIG Whitehorse
- idinvest Partners
- TIKEHAU CAPITAL

## Portugal

- INCUS CAPITAL

## Switzerland

- CREDIT SUISSE
- eSO
- Muzinich & Co
- Partners Group
- taviscapital

# Deloitte Debt and Capital Advisory

# What do we do for our clients?

## Debt and Capital Advisory

### Independent advice

- We provide independent advice to borrowers across the full spectrum of debt markets through our global network.
- Completely independent from providers of finance – our objectives are fully aligned with those of our clients.

### Global resources & execution expertise

- A leading team of 200 debt professionals based in 30 countries including Europe, North America, Africa and Asia, giving true global reach.
- Our expertise ranges from the provision of strategic advice on the optimum capital structure and available sources of finance through to the execution of raising debt.

### Market leading team

- Widely recognised as a Global leader with one of the largest Debt Advisory teams.
- We pride ourselves on our innovative approach to challenging transactions and the quality of client outcomes we achieve, using our hands on approach.

### Demonstrable track record

- In the last 12 months, we have advised on over 100 transactions with combined debt facilities in excess of €10bn.
- Our target market is debt transactions ranging from €25m up to €750m.

## Debt and Capital Services provided

### Refinancing

- Maturing debt facilities.
- Rapid growth and expansion.
- Accessing new debt markets.
- Recapitalisations facilitating payments to shareholders.
- Asset based finance to release value from balance sheet.
- Off balance sheet finance.
- Assessing multiple proposals from lenders.

### Acquisitions, disposals, mergers

- Strategic acquisitions, involving new lenders and greater complexity.
- Staple debt packages to maximise sale proceeds.
- Additional finance required as a result of a change in strategic objectives.
- FX impacts that need to be reflected in the covenant definitions.
- Foreign currency denominated debt or operations in multiple currencies.

### Restructuring or negotiating

- New money requirement.
- Real or potential breach of covenants.
- Short term liquidity pressure
- Credit rating downgrade.
- Existing lenders transfer debt to an Alternative Lender group.
- Derivatives in place and/or banks hedging requirements to be met.

### Treasury

- Operations in multiple jurisdictions and currencies creating FX exposures.
- Develop FX, interest rate and commodity risk management strategies.
- Cash in multiple companies, accounts, countries and currencies.
- Hedging implementation or banks hedging requirements to be met.

**Depth and breadth of expertise in a variety of situations**

# Global Deloitte Debt and Capital Advisory

## One of the most successful Debt and Capital Advisory teams

### UK Partners

**Chris Skinner**
Partner, Head UK Debt & Capital Advisory
+44 (0) 20 7303 7937
chskinner@deloitte.co.uk

**Phil Adam**
Partner
+44 (0) 20 7007 0308
pdadam@deloitte.co.uk

**James Blastland**
Partner
+44 (0) 20 7303 7502
jblastland@deloitte.co.uk

**John Gregson**
Partner
+44 (0) 20 7007 1545
jogregson@deloitte.co.uk

**Anil Gupta**
Partner
+44 (0) 113 292 1174
anilgupta@deloitte.co.uk

### UK Team

**Mark Beckett**
Director
+44 (0) 20 7303 7849
mbeckett@deloitte.co.uk

**Robert Connold**
Director
+44 (0) 20 7007 0479
rconnold@deloitte.co.uk

**Andrew Cruickshank**
Director
+44 (0) 20 7007 0522
acruickshank@deloitte.co.uk

**Alex Dugay**
Director
+44 (0) 20 7007 9593
adugay@deloitte.co.uk

**Paolo Esposito**
Director
+44 (0) 20 7007 8964
pesposito@deloitte.co.uk

**Steve Mowll**
Director
+44 (0) 20 7303 4099
smmowll@deloitte.co.uk

**Henry Pearson**
Director
+44 (0) 20 7303 2596
hepearson@deloitte.co.uk

**Carl Sharman**
Director
+44 (0) 20 7007 7128
casharman@deloitte.co.uk

**Adam Sookia**
Director
+44 (0) 113 292 1927
asookia@deloitte.co.uk

**Priya Veerapen**
Director
+44 (0) 20 7007 7339
pveerapen@deloitte.co.uk

**Helen Dunmore**
Assistant Director
+44 (0) 113 292 1871
hdunmore@deloitte.co.uk

**Lucy Fall**
Assistant Director
+44 (0) 20 7007 2472
lfall@deloitte.co.uk

**Tao Foo**
Assistant Director
+44 (0) 20 3741 2135
taofoo@deloitte.co.uk

**Will Garrett**
Assistant Director
+44 (0) 20 7007 1847
wgarrett@deloitte.co.uk

**Ben James**
Assistant Director
+44 (0) 20 7303 2467
benjames@deloitte.co.uk

**Shefali Prakash**
Assistant Director
+44 (0) 20 7007 5826
shefaliprakash@deloitte.co.uk

**Holly Rainford**
Assistant Director
+44 (0) 161 455 6497
hrainford@deloitte.co.uk

**Svenja Schumacher**
Assistant Director
+44 (0) 20 7007 9363
sschumacher@deloitte.co.uk

**Alex Skeaping**
Assistant Director
+44 (0) 20 7007 7881
askeaping@deloitte.co.uk

**Carl Stevenson**
Assistant Director
+44 (0) 20 7007 7672
carlstevenson@deloitte.co.uk

**Karlien Porre**
Partner
+44 (0) 20 7303 5153
kporre@deloitte.co.uk

**Nick Soper**
Partner
+44 (0) 20 7007 7509
nsoper@deloitte.co.uk

**George Fieldhouse**
Director
+44 (0) 20 7007 2612
gfieldhouse@deloitte.co. uk

**Zoe Harris**
Director
+44 (0) 20 7007 9723
zzharis@deloitte.co.uk

**Louise Harvey**
Director
+44 (0) 20 7303 3476
louiseharvey@deloitte.co.uk

**Roger Lamont**
Director
+44 (0) 20 7007 7731
rolamont@deloitte.co.uk

**Jamie Mehmood**
Director
+44 (0) 20 7007 7818
jmehmood@deloitte.co.uk

**Adam Worraker**
Director
+44 (0) 20 7303 8347
aworraker@deloitte.co.uk

**Naeem Alam**
Assistant Director
+44 (0) 20 7007 3655
nalam@deloitte.co.uk

**Tom Birkett**
Assistant Director
+44 (0) 20 7007 9758
tbirkett@deloitte.co.uk

**Agathe Boutonnet**
Assistant Director
+44 20 7303 2153
aboutonnet@deloitte.co.uk

**Jack Chaplin**
Assistant Director
+44 (0) 20 7007 2436
jchaplin@deloitte.co.uk

**Michael Keetley**
Assistant Director
+44 (0) 20 7303 0384
mikeetley@deloitte.co.uk

**Anu Kuppa**
Assistant Director
+44 20 7007 1254
anukuppa@deloitte.co.uk

**Alice De Lovinfosse**
Assistant Director
+44 (0) 20 7007 6220
adelovinfosse@deloitte.co.uk

**Ikaros Matsoukas**
Assistant Director
+44 (0) 20 7303 5841
imatsoukas@deloitte.co.uk

**John Pardoe**
Assistant Director
+44 (0) 20 7007 4154
jpardoe@deloitte.co.uk

**Allen West**
Assistant Director
+44 (0) 20 7303 0997
allenwest@deloitte.co.uk

**Sam White**
Assistant Director
+44 (0) 113 292 1224
sawhite@deloitte.co.uk

**Luka Bankovich**
Manager
+44 (0) 20 7007 7480
lbankovich@deloitte.co.uk

**Louis-Ferdinand Bravard**
Manager
+44 (0) 20 3741 2742
lbravard@deloitte.co.uk

**Megan de Jager**
Manager
+44 (0) 20 7007 5914
megandejager@deloitte.co.uk

## UK Team

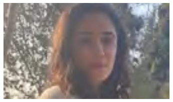
**Will Durgan**
Manager
+44 (0) 20 7007 1618
wdurgan@deloitte.co.uk

**Hamish Elsey**
Manager
+44 (0) 20 7303 5916
haelsey@deloitte.co.uk

**Anni Gibson**
Manager
+44 (0) 20 7303 0153
anngibson@deloitte.co.uk

**Varun Goel**
Manager
+44 (0) 78 8100 8460
varugoel@deloitte.co.uk

**Ankush Gupta**
Manager
+44 (0) 20 7303 2330
ankushgupta@deloitte.co.uk



**Nada El-Kordie**
Manager
44 20 7007 2055
nelkordie@deloitte.co.uk

**Mishka Lalla**
Manager
+44 (0) 20 7007 0061
mlalla@deloitte.co.uk

**Tyler Lovas**
Manager
+44 (0) 20 7303 2092
tylerlovas@deloitte.co.uk

**Shazad Khan**
Manager
+44 (0) 20 3741 2051
stkhan@deloitte.co.uk

**Ernesto Martínez**
Manager
+44 (0) 20 7007 2724
ernestomartinez@deloitte.co.uk

**June Shi**
Manager
+44 (0) 20 7007 5195
juneshi@deloitte.co.uk

**Tom Spellins**
Manager
+44 (0) 20 7007 1774
tomspellins@deloitte.co.uk

**Tom Tarrant**
Manager
+44 (0) 20 7007 6247
ttarrant@deloitte.co.uk

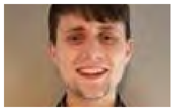
**Goutham Panthulu**
Manager
+44 (0) 20 7303 7636
gpanthulu@deloitte.co.uk

**Joe Tipton**
Manager
+44 (0) 20 7303 0428
jtipton@deloitte.co.uk

**Lynn Li**
Assistant Manager
+44 (0) 161 455 6569
yingli@deloitte.co.uk

**Lucien Nzotarh**
Assistant Manager
+44 (0) 1224 84 7438
lnzotarh@deloitte.co.uk

**Edward Rushworth**
Assistant Manager
+44 (0) 20 7007 6438
erushworth@deloitte.co.uk



**Angus Jones**
Associate
+44 20 7303 6369
angusjones@deloitte.co.uk

**Salar Vaziri**
Associate
+44 20 7303 6425
svaziri@deloitte.co.uk

### Deloitte UK/US Joint Venture

**David Flemming**
**Senior Vice President**
+1 (212) 313 1908
davfleming@deloitte.com

**Luke Harris**
Manager
+44 (0) 20 7007 2344
lukeharris@deloitte.co.uk

**Emily Harvey**
Manager
+44 (0) 20 7303 4814
emiharvey@deloitte.co.uk

**Manuel Hamel**
Manager
+41 58 279 6373
manhamel@deloitte.ch

**Wangyu Kim (Q)**
Manager
+44 (0) 20 7303 8248
wakim@deloitte.co.uk

**Hannah Kirkup**
Manager
+44 (0) 113 292 1564
hkirkup@deloitte.co.uk

**Tim Mercorio**
Manager
+44 (0) 20 7665 1801
timercorio@deloitte.co.uk

**Harry Nicholas**
Manager
+44 (0) 20 7303
hanicholas@deloitte.co.uk

**Dimitris Pantermalis**
Manager
+44 (0) 20 7303 5047
dpantermalis@deloitte.co.uk

**Philippa Raal**
Manager
+44 (0) 20 7007 3829
praal@deloitte.co.uk

**Tomas Reto**
Manager
+44 (0) 1727 885221
treto@deloitte.co.uk

**Sam Adejumo**
Assistant Manager
+44 (0) 20 7007 8208
saadejumo@deloitte.co.uk

**Laura Baeardwood**
Assistant Manager
+44 (0) 20 7007 4741
lbeardwood@deloitte.co.uk

**Tinu Fagbohun**
Assistant Manager
+44 (0) 20 7007 9962
tfagbohun@deloitte.co.uk

**Aleks Jaunkains**
Assistant Manager
+44 (0) 20 7303 4680
ajaunkains@deloitte.co.uk

**Shivan Joshi**
Assistant Manager
+44 20 7007 4541
shivanjoshi@deloitte.co.uk

## Global senior team

### Australia

**Amber Faulkner-Shotter**
+61 (2) 9322 7702
afaulkner-shotter
@deloitte.com.au

### Austria

**Thomas Lahmer**
+43 15 3700 2722
tlahmer@deloitte.at

### Belgium

**Sebastiaan Preckler**
+ 32 2 800 28 35
spreckler@deloitte.com

### Brazil

**Reinaldo Grasson**
+55 11 5186 1763
rgoliveira@deloitte.com

### Canada

**Andrew Luetchford**
+1 41 6601 5277
aluetchford@deloitte.ca

### Chile

**Jaime Retamal**
+56 22 729 8784
jaretamal@deloitte.com

### China

**Patrick Fung**
+852 2238 7400
pfung@deloitte.com.hk

### Czech Republic

**Radek Vignat**
+420 246 042 420
rvignat@deloittece.com

### Denmark

**Morten Husted Permin**
+45 61 55 26 70
mpermin@deloitte.dk

### France

**Olivier Magnin**
+33 1 4088 2885
omagnin@deloitte.fr

### Germany

**Axel Rink**
+49 (69) 75695 6443
arink@deloitte.de

### Greece

**Ioannis Apostolakos**
+30 210 678 1348
iapostolakos@deloitte.gr

### India

**Vishal Singh**
+91 22 6185 5203
vvsingh@deloitte.com

### Ireland

**John Doddy**
+353 141 72 594
jdoddy@deloitte.ie

### Israel

**Joseph Bismuth**
+972 3 608 5554
jbismuth@deloitte.co.il

### Italy

**Andrea Azzolini**
+39 283 325 700
aazzolini@deloitte.it

### Japan

**Haruhiko Yoshie**
+81 80 443 51 383
haruhiko.yoshie
@tohmatsu.co.jp

### Luxembourg

**Pierre Masset**
+352 45145 2756
pmasset@deloitte.lu

### Mexico

**Jorge Schaar**
+52 55 5080 6392
jschaar@deloittemx.com

### Netherlands

**Alexander Olgers**
+31 8 8288 6315
aolgers@deloitte.nl

### Norway

**Andreas Enger**
+47 23 279 534
aenger@deloitte.no

### Poland

**Michal Lubieniecki**
+48 22 5110 010
mlubieniecki
@deloittece.com

### Portugal

**Antonio Julio Jorge**
+351 210 422 524
ajorge@deloitte.pt

### Singapore

**Richmond Ang**
+65 6216 3303
rang@deloitte.com

### South Africa

**Brad Mc Dermott**
+27 (0) 83 307 3277
brmcdermott
@deloitte.co.za

### Spain

**Aitor Zayas**
+34 911 578 945
azayas@deloitte.es

### Switzerland

**Peter Nobs**
+41 58 279 6065
panobs@deloitte.ch

### Turkey

**Kivanc Cidam**
+90 212 366 60 62
kcidam@deloitte.com

### UAE

**Robin Butteriss**
+971 4506 4857
robutteriss@deloitte.com

### UK

**Chris Skinner**
+44 (0) 20 7303 7937
chskinner@deloitte.co.uk

### USA

**John Deering**
+1 70 4333 0574
jdeering@deloitte.com

# Deloitte Debt and Capital Advisory credentials

## Selected Global transactions

| Country | Client | Transaction | Date | Value |
|---|---|---|---|---|
| UK | HGGC | *Acquisition Finance* | Feb 2021 | Undisclosed |
| UK | Northedge Capital | *Refinance* | Feb 2021 | Undisclosed |
| UK | Apex Group Limited | *Acquisition Finance* | Feb 2021 | Undisclosed |
| UK | Kester Capital | *Refinance* | Feb 2021 | €18m |
| UK | Hg Mercury 3 | *Fund Finance* | Feb 2021 | Undisclosed |
| UK | Aquiline Capital Partn. | *Refinance* | Jan 2021 | Undisclosed |
| UK | Bridgepoint D.C | *Acquisition Financing* | Jan 2021 | £87m |
| UK | Private | *Lender Education* | Jan 2021 | Undisclosed |
| South Africa | ABB | *Transfer Pricing of Debt* | Jan 2021 | R250k |
| UK | University of Manchester | *Additional Liquidity* | Jan 2021 | £250m |
| UK | Verastar | *Refinancing* | Jan 2021 | Undisclosed |
| Italy | Coop | *Term Loan* | Jan 2021 | €80m |
| USA | GHO | *Acquisition Financing* | Dec 2020 | Undisclosed |
| UK | Bridgepoint D.C | *Refinancing* | Dec 2020 | Undisclosed |
| South Africa | Kerry Ingredients S.A. | *Transfer Pricing of Debt* | Dec 2020 | Undisclosed |
| UK | Phoenix Equity Partners | *Recapitalisation* | Dec 2020 | Undisclosed |
| Netherlands | Polyscope | *Amend & Restatement* | Dec 2020 | Undisclosed |
| South Africa | Universal Coal and Energy Holdings S.A. | *Financial Model Build* | Dec 2020 | Undisclosed |
| Netherlands | Fortino Capital Partners | *Acquisition Finance* | Dec 2020 | Undisclosed |
| UK | Halfords | *Refinancing* | Dec 2020 | £180m |
| South Africa | Afgri Group | *Financial Model Build* | Dec 2020 | Undisclosed |
| Netherlands | VP Capital | *Real Estate Finance* | Dec 2020 | Undisclosed |
| Ireland | Landmarque Property Group Limited | *Acquisition Financing* | Dec 2020 | Undisclosed |
| Slovakia | Infracapital | *Refinancing* | Dec 2020 | €130m |

| | | | |
|---|---|---|---|
| UK | Mountain Warehouse<br>*CIBILS* | Nov 2020 | £15m |
| UK | Hg Genesis 9<br>*Fund Finance* | Nov 2020 | Undisclosed |
| UK | Sumo Group<br>*Acquisition Financing* | Nov 2020 | Undisclosed |
| Ireland | GEM Group Limited<br>*Acquisition Financing* | Nov 2020 | Undisclosed |
| UK | Carlyle<br>*Incremental* | Nov 2020 | £200m |
| UK | Project Rocket II<br>Hg<br>*Refinancing* | Nov 2020 | Undisclosed |
| UK | Confidential<br>Sand<br>*C-19 Amendment* | Nov 2020 | £555m |
| UK | Infracapital<br>*Acqusition* | Nov 2020 | £150m |
| Netherlands | Batenburg<br>*Refinancing* | Oct 2020 | Undisclosed |
| Denmark | Loopia Group<br>*Refinancing* | Oct 2020 | Undisclosed |
| South Africa | Nestle S.A.<br>*Transfer Pricing of Debt* | Oct 2020 | R115k |
| South Africa | Comair<br>*Model Review* | Oct 2020 | Undisclosed |
| UK | Investcorp Technology Partners<br>*Acquisition Financing* | Oct 2020 | Undisclosed |
| South Africa | Die Humansdorpse Kooperasie<br>*Financial Model Build* | Sept 2020 | R375k |
| South Africa | Die Humansdorpse Kooperasie<br>*Financial Model Build* | Sept 2020 | R450k |
| Ireland | Cosgrave Property Group<br>*NAMA Refinance and Development Financing* | Oct 2020 | €360m |
| UK | Diploma PLC<br>*Acquisition Financing* | Oct 2020 | £135m+$170m |
| Ireland | Winterbrook<br>*Acquisition & Development Financing* | Oct 2020 | Undisclosed |
| UK | Westcon<br>*Refinance* | Oct 2020 | €275m |
| UK | Hg Trust plc<br>*Fund Finance* | Oct 2020 | £200m |
| UK | Aquiline Capital Partn.<br>*Refinance* | Oct 2020 | Undisclosed |
| UK | Hg Capital<br>*Staple Financing* | Sept 2020 | Undisclosed |
| UK | Maguar Capital<br>*Acquisition financing* | Sept 2020 | €25m |
| South Africa | SKG<br>*Alt Capital Struc. Implementation* | Sept 2020 | R450k |

## Selected Global transactions

| | | | | | |
|---|---|---|---|---|---|
| UK | | Camira Fabrics | *Amend & Extend* | Sept 2020 | Undisclosed |
| UK | | Hg | *Acquisition Financing* | Aug 2020 | Undisclosed |
| South Africa | | MTN Cameroon | *Cashflow Review for A Debt Refi* | Aug 2020 | R450k |
| UK | | Accrol Group Holdings Plc | *Refinancing* | Aug 2020 | $35m |
| Italy | | Bitron | *Term Loan* | Aug 2020 | €80m |
| Netherlands | | Begra | *Acquisition Financing* | Aug 2020 | Undisclosed |
| Norway | | Francisco Partners | *Acquisition Financing* | Jul 2020 | Undisclosed |
| Italy | | Roberto Cavalli | *Term Loan* | Jul 2020 | €10m |
| South Africa | | Ndalamo Resource Pty Ltd | *Debt Capacity Analysis* | Jul 2020 | Undisclosed |
| France | | Telenco | *LBO Financing* | Jul 2020 | €105m |
| Belgium | | Glide Buyout Partners | *Acquisition Financing* | Jul 2020 | Undisclosed |
| UK | Confidential | Norton | *Covid-19 support* | Jul 2020 | £225m |
| UK | | Berry Bros & Rudd | *ABL Facility* | Jul 2020 | £52m |
| UK | Confidential | Project Lexus | *Subscription line Financing* | Jun 2020 | Undisclosed |
| UK | Confidential | Project Kite | *Distressed Financing* | Jun 2020 | Undisclosed |
| UK | | Matalan | *Refinancing* | Jun 2020 | Undisclosed |
| Belgium | | Galeria | *C-19 Loan* | Jun 2020 | Undisclosed |
| UK | Confidential | Monaco | *Covid-19 support* | Jun 2020 | £800m |
| UK | Confidential | Project Orchard | *Acquisition Financing* | Jun 2020 | £11m |
| UK | | Horizon | *Acquisition Financing* | Jun 2020 | Undisclosed |
| UK | Confidential | Project Galaxy | *Liquidity Support* | Jun 2020 | Undisclosed |
| UK | | Livingbridge | *Acquisition Financing* | Jun 2020 | £26m |
| UK | | Inflexion | *Acquisition Financing* | Jun 2020 | Undisclosed |
| UK | Confidential | Birch | *COV-19* | Jun 2020 | Undisclosed |

| Country | | Company | Deal type | Date | Amount |
|---|---|---|---|---|---|
| Netherlands | | Felton | *Acquisition Financing* | Jun 2020 | Undisclosed |
| UK | Confidential | Best | *Covenant Amendment* | May 2020 | Undisclosed |
| UK | Confidential | Card | *Covid-19 support* | May 2020 | £200m |
| UK | | Bodycote | *Amend & Extend* | May 2020 | £250m |
| France | | Gifi Tati | *Debt Advisory* | May 2020 | Undisclosed |
| UK | Project Rocket | Hg | *Refinancing* | May 2020 | Undisclosed |
| Belgium | | Castelmore Group | *Acquisition Financing* | May 2020 | Undisclosed |
| South Africa | | ABB South Africa (PTY) Ltd | *Transfer Pricing of Debt* | May 2020 | Undisclosed |
| UK | | Wightfibre | *CAPEX Financing* | Apr 2020 | £50m |
| UK | | Hg | *Incremental Facility* | Apr 2020 | Undisclosed |
| UK | Confidential | Violet | *Amend & Extend* | Apr 2020 | €550m |
| UK | Confidential | Spring | *Refinance* | Apr 2020 | £500m |
| UK | Confidential | Valentine | *Amend & Extend* | Apr 2020 | £180m |
| UK | Confidential | Caspian | *Refinance* | Apr 2020 | £80m |
| CH/UK/GER | | Gov of Switzerland | *Refinancing* | Apr 2020 | Undisclosed |
| Ireland | | Travelwin Group DAC | *Growth Financing* | Apr 2020 | Undisclosed |
| UK | | Hg Saturn 2 | *Fund Finance* | Apr 2020 | Undisclosed |
| UK | | SNIB | *Advisory* | Apr 2020 | Undisclosed |
| UK | Confidential | Windsor | *Covid-19 support* | Mar 2020 | £320m |
| UK | Confidential | Steel | *Covid-19 support* | Mar 2020 | £100m |
| Canada | | Espresso | *Senior Debt* | Mar 2020 | C$60m |
| Canada | | Prompt | *Senior Debt* | Mar 2020 | C$20m |
| France | | CDC | *Project Finance* | Mar 2020 | Undisclosed |
| Belgium | acquiring | RVM Invest | *Acquisition Finance* | Mar 2020 | Undisclosed |

# Notes

Deloitte.

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2021 Deloitte LLP. All rights reserved.

Designed and produced by 368 at Deloitte, London. J20806