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European recovery drives stampede of deals and ESG linked issuances

Deloitte Alternative Lender Deal Tracker Autumn 2021

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This issue covers data for the first half of 2021 and includes 333 Alternative Lender deals. While this represents a 36% increase in the number of deals from H2 2020, it represents a 106% increase from H1 2020.

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Deloitte Alternative Lender Deal Tracker Introduction

In this twenty-sixth edition of the Deloitte Alternative Lender Deal Tracker, we report that during H1 2021, there was a 106% increase in Alternative Lending deals compared to the same period in the previous year. Lending in the 6 months of H1 2021 was up 36% compared with the preceding 6 months. Our report covers 65 major Alternative Lenders with whom Deloitte is tracking deals across Europe.

So far 2021 has been a year of improving global economic prospects. The rollout of vaccines and an easing of restrictions in many countries have underpinned the recovery, and growth forecasts for developed economies this year have risen sharply. In May the OECD raised its 2021 GDP forecasts for all but two of its 38 member countries, alongside an upwards revision in its 2021 global GDP growth forecast from 4.2% to 5.8%. These upward revisions for the US and the UK were driven by their head start on vaccinations and, in the US, expansionary fiscal policy. Some major economies, including China, South Korea, and the US, have already recovered output to their pre- pandemic level. In Ireland, consumer prices in August were 2.8% higher compared to 12 months previously, the largest annual increase since November 2011.

The latest Deloitte European CFO survey reveals significantly improved levels of optimism across the region. While cost reductions remain a focus, investment intentions have surged. Almost half of European CFOs surveyed are planning to increase their capital expenditures over the next 12 months.

Despite this, the risk from more infectious and vaccine-resistant COVID-19 variants still pose a huge threat to recovery. The Delta variant has already driven a surge in the UK, Spain, Portugal, Cyprus, and the Netherlands, and slowed down the planned reopening of the British economy in June. The speed of increases in infections can be breath-taking: within three weeks of the Netherlands relaxing most remaining restrictions on the 26th of June, case rates rose by a factor of 15, with the Dutch government subsequently apologising for the premature easing and imposing new curbs. In mid-July the Financial Times reported that some UK companies were missing a fifth of their staff due to self-isolation requirements. Delta may not be the last COVID-19 variant, and there are huge uncertainties around the future direction of the pandemic, with restrictions, behaviours and public health systems needing to adapt and respond to counter developments in the virus. We may be tired of COVID-19, but it definitely isn't tired of us.

Increase in deal flow H1'21 vs H2'20

36%

Deals completed to date

3,073

The resurgence of the virus earlier in the summer is one of several factors that economists need to consider as they gauge the strength of the expected recovery in the eurozone. There are also other risks, such as supply chain bottlenecks in production lines and logistics, as well as the danger that Europe's governments may cut fiscal support too soon and kill off the recovery. According to the IFO Institute around 50% of German companies are reporting supply problems, by far the highest level in the 20 years. The enormous economic shock triggered by the pandemic has led to a global imbalance between supply and demand for raw materials, manufactured goods, and shipping vessels. The disruption is evident on retailers shelves with the prospect of products simply not being available in the coming weeks - and particularly in the lead up to the Christmas Season. The supply of workers has also suffered greatly, with companies in industries such as accommodation, transport and logistics, and food services reporting labour shortages. This mismatch between supply and demand has driven up global commodity prices and is feeding through into consumer price inflation. Emerging market central banks have already hiked interest rates despite incomplete economic recoveries, in order to shore up their currencies and dampen inflation. The consensus among central bankers and financial markets is that the inflation arising from this supply disruption is transitory. Indeed, some of the more extraordinary price surges, such as for timber, copper, and soybeans, have receded in recent weeks. In addition, the massive fiscal support provided by government in 2020–21 will be withdrawn over the coming months. The number of unemployed and furloughed workers remains well-above pre-pandemic levels, providing capacity in the labour market.

In the US and UK where recoveries are more advanced and the rate of inflation has increased more, central banks are adopting more hawkish, anti-inflationary rhetoric. The challenge will be to prevent the rise in prices becoming more permanent, potentially through wage increases, without prematurely raising interest rates and risking the recovery. In the US, the Federal Reserve moved one step closer to slowing its massive monetary support for the US economy, following a meeting of policymakers in late July that highlighted both the promise and the perils of the American recovery. The Federal Open Market Committee declared that it had made 'progress' towards its goals of full employment and 2% average annual inflation, marking the first milestone in the US central bank's path towards reducing its $120bn in monthly debt purchases, a move that could come later this year or early next.

In response to the economic recovery, momentum in the European leveraged market has been relentless, and 2021 is set to become one of the busiest years recorded. In the first half of the year, LCD (a news service from S&P Global Market Intelligence) reported €24.1bn of sponsor-backed M&A activity, of which €10.1bn was financed by bonds − more than in any full year since LCD began tracking data in 2006. A pick-up in corporate carve outs accounts for a large proportion of this activity. In the US, three of the largest buyout shops, Blackstone, Carlyle and Hellman & Friedman, joined forces to buy US medical supplier Medline Industries for $34bn in June: this is notable not only as the largest leveraged buyout since the 2008 global financial crisis, but also as one of the largest ever private equity deals. It also marks the return of club equity deals where several financial sponsors join forces to acquire targets. In the UK, where deal sizes tend to be smaller than in the US, there have only been a handful of buyouts valued at £5bn and over, but the pace is starting to pick up, as demonstrated by the £6.6bn acquisition of Asda, led by the Issa Brothers and TDR Capital.

The Private Equity 'supermarket sweep' is set to be joined by WM Morrison, which continues to be the target of fierce competition between rival private equity houses. WM Morrison has called on the Takeover Panel to break the deadlock between the US private equity funds jostling to buy the supermarket. Morrison is in talks with the

Panel to launch a formal auction process, having last month agreed a £7bn offer from Clayton, Dubilier & Rice. A rival consortium led by SoftBank-owned Fortress Investment Group could still trump CD&R's bid, with neither firm having declared their offers final. It is not just the primary markets that are buoyant: as of the 16th July 2021 the weighted average bid in the secondary market remained strong at 98.6% of par compared to 93.2% in the same period in the previous. Rating upgrades have outnumbered downgrades in the year to date and credit quality appears to have stabilised across nearly all sectors, except those affected by the remnants of lockdown restrictions.

The surge in Direct Lending seen in the latter half of 2020 has continued into H1 2021, as the asset class continues to see new entrants and find increasingly innovative ways of attracting new investment. Bain Capital and Pantheon recently formed a direct lending joint venture, US firms CANDRIAM and New York Life have purchased equity stakes in Kartesia, and Pemberton recently announced the launch of its 'Wealth & Asset Management Solutions' arm, which is aimed at providing wealth managers and their clients with access to private debt opportunities in Europe. Also worthy of note is note is a $750m commitment from one LP alone in ICG's latest round of fundraising for its eighth European debt fund, which is targeting €7 billion of commitments overall. In Ireland there has continued to be a strong level of activity within the private debt markets. Examples include HPS Investment Partners €30m loan facility to Hostelworld and Muzinich & Co. supporting Sonas Bathrooms MBO. We are also aware of a number of credit funds actively involved in a number of private equity processes ongoing in the Irish market.

As some investors begin to back away from traditionally cash stable segments in the light of climate concerns, environmental, social and governance (ESG) aspects of new deals are increasingly at the forefront of thinking by many LPs and their investment managers. In July the Loan Market and the European Leveraged Finance Associations published a guide to sustainability linked leveraged loans, and whilst the sharing of best practice will undoubtedly benefit the development of the market, an unanswered question for investors is whether the economics stack up. The most basic threat lies in increased costs, which come in the form of 3rd party monitoring fees, impact assessments, external reviews and reporting requirements required. These elements come in ESG linked margin ratchets, for example, which overall reduce returns to investors. Another example of this can be found in German government bonds, which are now being issued in twin form. The bonds are identical, except that the proceeds from one of the two go towards green projects only, though, the green ones sell at a premium (or maybe, a greenium?) and therefore a lower yield. Whatever the implications, what we do know is that ESG is here to stay, and those that aren't integrating into their investment mandate may get left behind, reduced yields or not.

In tandem with growing deal numbers, Private Debt managers continue to extend their tentacles across continental Europe, with Ares the latest to open a physical office in Madrid, adding to a growing list of players in Spain, including Pemberton and Tikehau. Whilst this is a positive development for the asset class and borrowers in jurisdictions that have previously relied on traditional bank financing, a large number of deals across Europe were financed by traditional lenders in H1 2021, in spite of strong competing offers from the private debt community. This suggests perhaps that the fight between banks and private capital is not yet over. It is worth remembering that the main driver of disintermediation was regulation, namely enhanced capital adequacy limits imposed on banks and subsequently the leveraged lending guidelines introduced by the ECB, which imposed more rigorous scrutiny on EBITDA adjustments, an overall leverage cap of 6.0x, and a repayment capacity test. As things stand, none of these restrictions currently apply to private debt managers, so it could be argued that this form of capital is benefiting from a lack of regulatory oversight. The argument against extending regulatory measures to private debt managers centres on the fact that the provision of credit by non-bank lenders to corporate borrowers is risk capital from investors rather than customer deposits. However, the reality is that a large proportion of the capital invested in direct lending funds is sourced from traditional pension and life insurance funds and so, in effect, the general public. The difference is that these funds are for the most part locked up for seven years or so, allowing GPs the time to work through situations and avoid redemptions during periods where the portfolio is more unstable. The question remains whether banks will find more innovative ways of recapturing market share – but the pendulum may have already swung too far for it to become a level playing field again, given that a number of private debt fund managers have already cornered the market and built lasting client relationships of their own.

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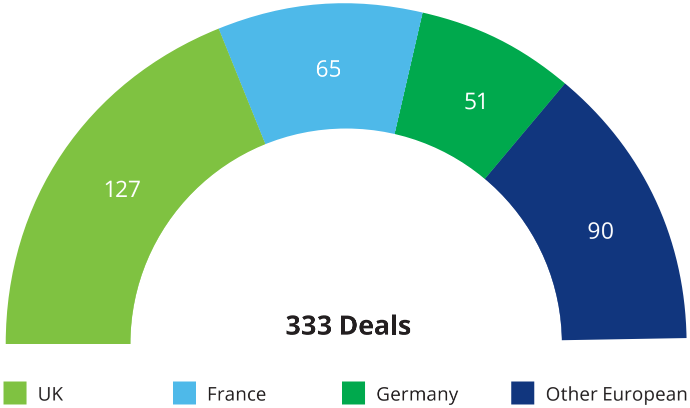
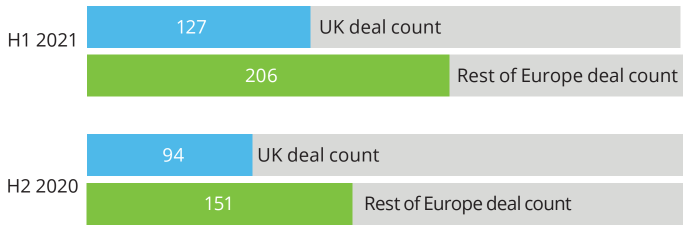
H1 2021 deals completed



H2 headline figures



Borrowers access Direct Lending to power growth
Businesses rely on access to growth capital, yet due to risk appetite and stringent regulation, banks are more constrained. Bringing in alternative and flexible capital allows companies to grow, yet the market can be overwhelming with numerous complex loan options offered to borrowers. Direct Lenders can offer effective rates with little or no equity dilution of your business, enabling businesses to make acquisitions, refinance bank lenders, consolidate the shareholder base, and grow activities.

Alternative Lending in action: Case study

Specialist Private Credit Fund finances expansion of ONTO's electric vehicle fleet

Founded in 2017 by Rob Jolly and Dannan O'Meachair, ONTO provides an accessible and affordable way for motorists to join the electric vehicle revolution without a long-term commitment. In the past four years, ONTO's innovative service has proved popular with consumers, enabling many to move away from the traditional internal combustion engine.

Given the rate of adoption of electric vehicles is accelerating, driven by both changing consumer tastes and the UK government's ban on the sale of new petrol and diesel cars from 2030, the company faces a huge market opportunity. A key challenge for ONTO has been the task of sourcing funding to more than a double the size of its fleet, and as a result the company appointed Deloitte Debt & Capital Advisory to support raising a new credit facility to unlock the next stage of its growth.

ONTO was keen to obtain the financial firepower and flexibility it needed from a relationship-minded lender that would actively support the business going forward, and Deloitte's deep knowledge of the debt markets helped the company to identify a partner which shared the company's vision, in Pollen Street Capital.

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ONTO – Vehicle subscription

ONTO is a leading electric vehicle subscription business based in the UK with a current fleet of over 3,000 vehicles. The company is headquartered in Warwick in the United Kingdom, and has a fully digital, all-inclusive subscription-based model which provides customers with flexible access to sought-after electric vehicles, without the upfront cost of outright purchase or the inflexibility of leasing solutions. The company is now the largest pure-play battery electric vehicle ('BEV') subscription service in Europe, with a fleet of over 3,000 electric vehicles. Customers are offered home delivery from a selection of 17 different models from ten leading manufacturers, with 1,000 miles per month, insurance, service and repair, and free access to more than 11,000 public EV charge points all included within the subscription fee.

As part of a combined debt and Series B round of financing, ONTO has obtained a new debt facility collateralised against its fleet to finance its expansion, with the expectation of doubling its fleet size every few months. The financing will also help the company further penetrate the B2B market, expanding from the 300 businesses they have already onboarded, while taking advantage of the benefit-in-kind tax savings on zero emissions cars.

"This funding will allow us to further expand our operations in the UK and help more customers step into the world of EVs without being tied into long-term contracts or faced with large upfront costs. We are delighted to embark on the next stage of our journey in partnership with our new lenders, to bring seismic change to the UK's adoption of green energy."

Rob Jolly, co-founder ONTO

"Given the stage in their lifecycle, the stringent timeframes and the funding required for a company experiencing high growth, the company needed a direct lender who could offer an attractive financing package, flexible terms and the commitment to support the business as it further scales. We are proud to have been part of this success story and it goes to the heart of Deloitte's own green agenda."

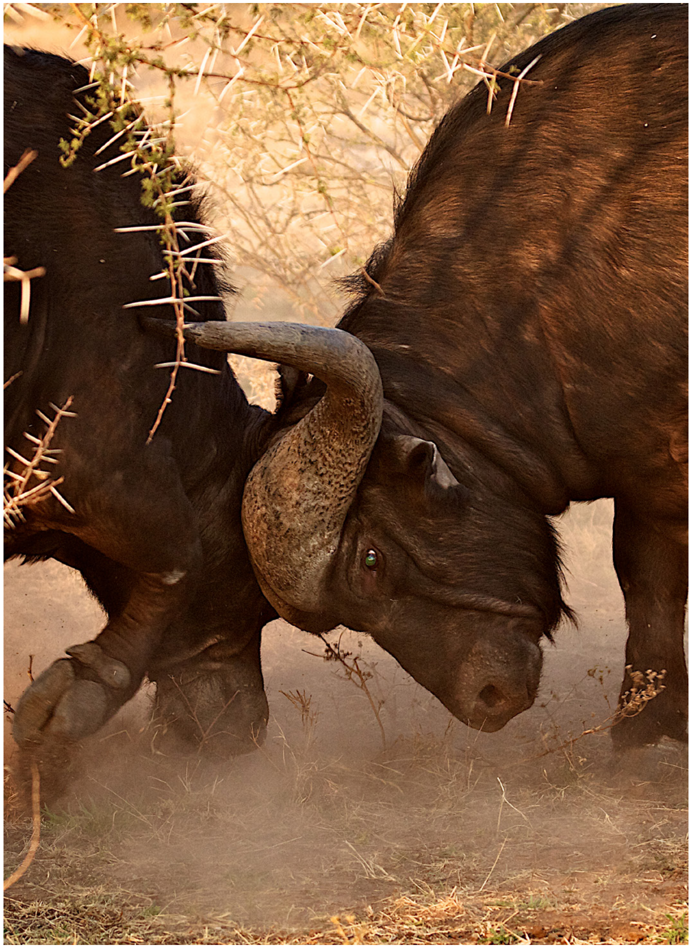
Rob Connold, Head of Alternative Lending Deloitte

"While two out of three UK drivers want their next car to be electric, the transition can be both expensive and daunting. At ONTO we've been changing the rules of the game for car ownership through our no-commitment, all-inclusive subscription service. Our focus is on providing an easy, flexible and affordable alternative, and we're seeing huge demand."

Rob Jolly, co-founder ONTO

"We are excited to partner with ONTO as they work to accelerate the shift to electric mobility and ultimately reduce emissions. If the UK is to achieve its goals in green energy, then transformative companies like ONTO will be key."

Matthew Potter, Partner at Pollen Street Capital



Alternative Lending in action: ESG

Sustainability-linked-loans boom as ESG lending space continues to expand

The COVID-19 pandemic and extreme weather events have demonstrated that the financial markets are far from immune from environmental, social and governance (ESG) concerns, whilst also stressing the importance of directing capital towards sustainable projects and companies.

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It is becoming increasingly clear that a focus on ESG policies does not need to be to the detriment of financial performance. There is a growing base of evidence that suggests a link between companies that prioritise ESG issues in their corporate strategy, and their ability to create long-term value for shareholders. This comes via reduced costs, improved employee productivity, less regulatory and legal interventions, and improved investment returns. As a result, developing an ESG strategy is becoming a board level priority.

Sustainable finance

Sustainable finance is an umbrella term that encompasses strategic financing decisions that take ESG criteria into consideration and the financial instruments that fund them. Broadly speaking, strategic financing aligns a company's ESG strategy with its financing structure. There are several forms of sustainable finance, such as Socially Responsible Investing (SRI), impact investing, sustainable funds, microfinance, green bonds and green loans, and Sustainability Linked Loans (SLLs). In the debt markets, green bonds were the first ESG product, but there should be a clear distinction between green bonds and the now more prevalent SLLs.

Green bonds are fixed income securities, the proceeds of which must exclusively finance or refinance projects that will have a positive impact on the environment or promote environmentally sustainable activities. This type of financing requires the borrower both to meet minimum issuance requirements, and to have a specific environmental project to finance or refinance. The European Investment Bank was the first institution to issue a green bond in 2007, and since then has raised in excess of €33.7 billion in green bonds across 17 currencies. All these bonds are listed on the Luxembourg Stock Exchange. Following the success of green bonds, this market has expanded in to Social and Sustainability Bonds, which again require a specific use-of-proceeds.

SLLs, and Sustainability Linked Bonds are currently however the key forces underpinning the mid-market ESG lending space. Introduced in 2017, these facilities carry no restriction on the use of the proceeds and are more akin to a traditional debt product. The key difference is that a SLL aligns a borrower's financing to one or more sustainability performance targets (SPTs), which are targets relating to ESG-specific KPIs. These instruments are aimed at incentivising the borrower to achieve pre-determined targets, by offering downward ratchets on interest rates if the SPTs are met, with the aim of improving borrower sustainability. In turn, this means they are a more viable option than green bonds for companies operating in sectors which may not output explicitly "ESG-friendly" projects.

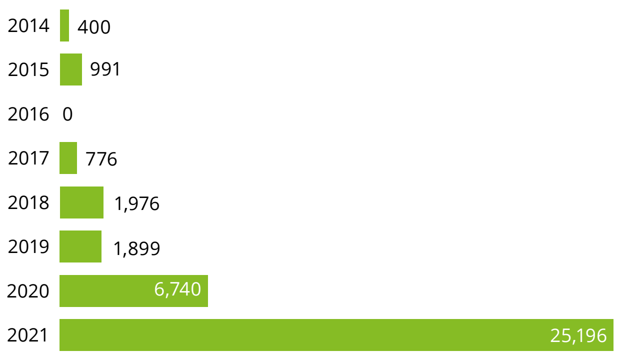
Industry growth

Although ESG focus arguably took a back seat in 2020 as shareholders globally turned their attention to more pressing issues as a result of the COVID-19 crisis, according to Dealogic Global SLL issuances were still in excess of $150 billion in FY20. Whilst historically SLLs have taken a much smaller percentage of the US market where green bonds and loans are typically favoured, there has been a rapid increase in issuance there also, with H1 2021 issuances of $122 billion already more than six times larger than the entire FY20 total of $19 billion.[1] The expansion of SLLs has not been restricted to corporate grade credit – according to Dealogic, $25.2 billion worth of European ESG-linked leveraged finance deals were closed in the first half of 2021, compared to just $8.6 billion in both 2020 and 2019 combined.

As a result, SLLs have been a growing component of high street bank portfolios for some time; Deutsche Bank committed €200bn of funds for sustainable financing and investing, and is promoting the future issuance of sustainability-linked loans. It recently concluded a deal to act as a lender and bookrunner on a sustainability linked multi-currency €2.5 billion revolving credit facility for Iberdrola, a large energy company: this particular facility is linked to both environmental (reduction of emissions) and social (presence of women in leadership roles) criteria. Similarly, a syndicate of 25 banks, including the likes of Bank of America, Barclays, JPMorgan Chase and Industrial & Commercial Bank of China Ltd financed Royal Dutch Shell in 2019, in one of the largest sustainability-linked loans to date, tying interest and overall fees on a $10 billion revolving credit facility to its progress against a short-term net-carbon footprint intensity target.

ESG-linked leveraged finance issuance surges in first half of 2021

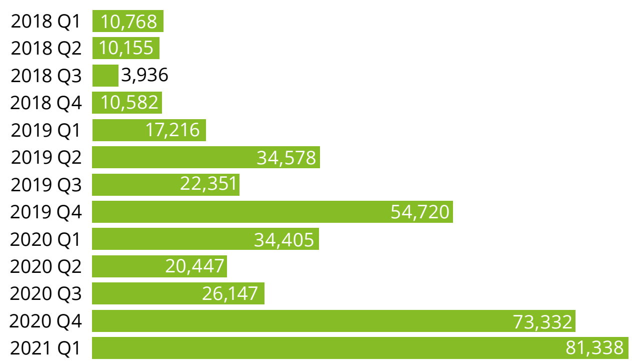
The value of European deals from Jan 2014-Jun 2021, in $m



Source: Dealogic

Sustainability-linked-loan issuances since 2018

The value of global deals from Q1 2018, in $m



Alongside banks, private credit has also been expanding its presence in sustainable finance; in October 2020, global asset management firm Barings negotiated Europe's first ESG unitranche facility of €130m, backing Eurazeo's acquisition of UTAC-CERAM. It also co-arranged a €555m senior secured credit facility for Questel, with both facilities including an annual review of credit margins based on the achievement of five pre-defined ESG criteria. In August 2021, Ares Management Corporation (Ares) announced that it would be providing a £1 billion financing package for the RSK Group, the UK's largest privately-owned multi-disciplinary environmental business. The new debt facilities include an annual margin review based on the achievement of SPTs that are focused on carbon intensity reduction, and continual improvement in health and safety management. This transaction is the largest private credit-backed sustainability linked financing to date.

Benefits of SLL financing

A benefit for lenders of sustainable lending (SLLs in particular) is the enhanced ESG transparency and reporting compared to traditional loan instruments. In line with the EU's Sustainable Finance Disclosure Regulation (SFDR), all asset managers are now required to disclose their ESG policies and procedures; and lenders that are willing without prompting to be transparent about their ESG practices will be seen in a positive light by both borrowers and potential investors. Broadly speaking, investors are paying more attention to how their funds are being used, and increasingly want their funds to be channelled into companies that 'do no harm'. Lenders that issue SLLs will in turn improve their attractiveness to Limited Partners (LPs); LPs understand the long-term value of investing in companies that have specific ESG goals and incentives built into their business plans, enabling them to invest without having to compromise on their risk profile. Overall, greater public awareness of ESG issues is changing the way in which investments are evaluated by asset managers and lenders. Both are intent on 'greening up' their portfolios, and seek to invest in companies that promote a green image and provide regular granular data about how the company is performing in terms of its ESG targets.

A potential benefit of SLLs to borrowers is a margin adjustment mechanism called the ESG margin ratchet. Margin ratchets reward borrowers for achieving ESG targets by lowering their margin, but penalise borrowers if they miss them. ESG margin ratchets work alongside traditional leverage ratchets, but are linked to achieving sustainability targets with the overall aim of improving the borrower's sustainability profile over the term of the loan. The borrower also has an obligation to report on its performance with reference to these targets, and a failure to comply will also trigger an increased margin. According to Reorg, approximately 40% of European syndicated leveraged loans originated in 2021 had ESG margin ratchets, indicating that ESG sustainability linked features have become a priority for lenders.

At present due to the relatively nascent nature of this market, lenders do not currently receive any capital relief on ESG-linked commitments, they are reported in an identical manner to traditional loans. As such, the ESG margin adjustment is a direct haircut to lenders' return on capital. As well as providing a competitive advantage, anecdotal lender feedback has indicated that investment committees are comfortable with the reduced economics, because they consider this to be an investment in the credit strength of the business, working under the principle that those borrowers with a more advanced and committed ESG strategy, will be the stronger credits in the future, given the wider implications on governance and long term sustainability of the business model.

Sustainability-linked loan principles

The Loan Market Association has developed the Sustainability Linked Loan Principles (SLLPs) as a guideline to set out the key underlying characteristics of a SLL. The framework of principles is based on five core components: the selection of key performance indicators (KPIs); the calibration of KPIs; loan characteristics; reporting; and verification. These voluntary recommended guidelines for designing a SLL are voluntary, and are also flexible in that they can be altered and adjusted on a deal-by-deal basis.

1) Selection of Key Performance Indicators

Broadly speaking, borrowers measure their ESG performance in one of two ways: either through ESG scores and ratings prepared by third party credit rating agencies, or through KPIs. Most deals to date have been negotiated with KPI targets. Typically, a deal includes one to four KPIs, with all sustainability linked features discussed and agreed in advance of agreeing the deal. A definition of each chosen KPI, the rationale behind the choice, and the calculation methodology should be clearly set out.

2) The calibration of KPIs

Once the KPIs are chosen, sustainability-linked targets are negotiated. The chosen targets should represent an improvement in a selected KPI that is over and above the 'business-as-usual' outcome and, where possible, should be presented in the context of the borrower's historical performance. Targets may be either dynamic, and improved year-on-year, or static, whereby the KPI target fixed throughout the entire life of the loan.

Common KPI categories are set out below:

Environment:	Energy efficiency
	Greenhouse gas emissions
	Renewable energy
	Water consumption
	Circular economy
Social:	Human rights
	Affordable housing
	Data security
	Employee health and safety
	Gender equality
Governance:	Business ethics
	Strong corporate governance
	Regulatory quality

3) Loan characteristics

The ESG-specific elements of the more traditional components of the loan, such as the ESG-margin ratchet, are then set, based on the performance indicators that have been negotiated, and these will be clearly stated in the loan document. They can include decreases in margin and also increases, should the borrower fall too far short of the agreed SPTs.

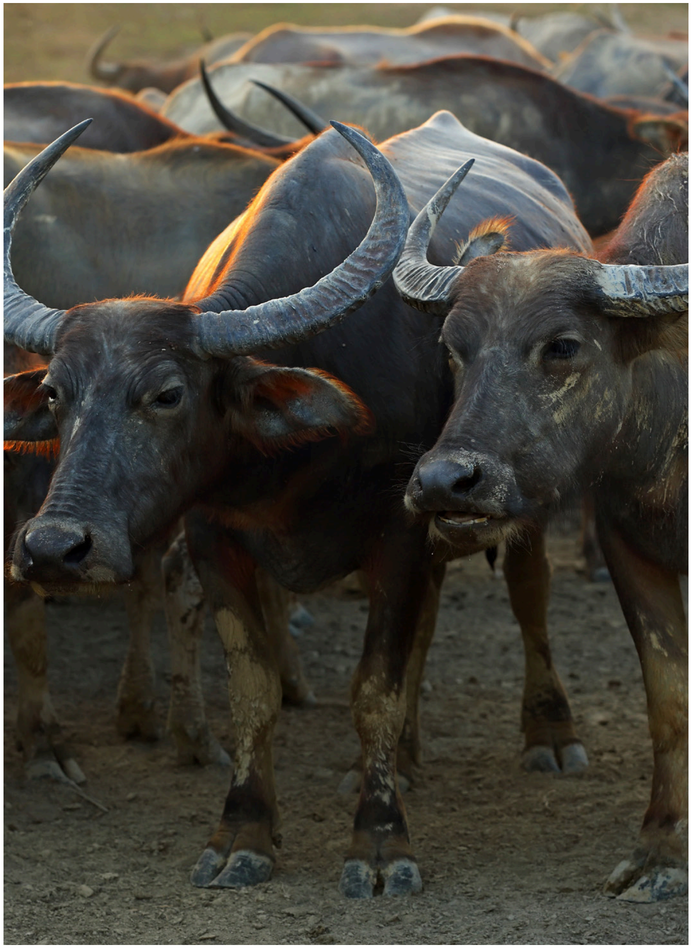
4) Reporting

Borrowers have an obligation to present a baseline report at least annually to their lender in which they provide an update on both their financial performance and their ESG targets. Actual performance is comared with the KPI targets, enabling the lender to assess the position of the borrower.

5) Verification

The baseline report may be prepared by the borrower and then verified by an independent third party. Alternatively the report may be both prepared and verified by an independent third party. According to Reorg, most borrowers who signed ESG deals in 2021 have opted to prepare the report themselves and obtain verification subsequently. Once the report is complete and verified, the lender will perform a comprehensive evaluation of the borrower's performance, and adjust the ESG margin ratchets accordingly. To date, deals have typically not included a requirement for a quarterly or bi-annual baseline report, meaning that ESG margin ratchets are adjusted only once each year.

The growth of ESG linked securities is now an unavoidable reality that, regardless of potential haircuts to margins, lenders need to become comfortable with and include large holdings of in their portfolios. With the impact of climate change on extremes of weather and rising sea levels, borrowers will need to re-evaluate their strategy moving forward. They will need to ensure that changes in strategy are not made simply to adhere to term sheet guidelines from potential lenders, but that they should drive change to reduce their carbon footprint and bring about genuine improvements in social and governance structures across all market segments.



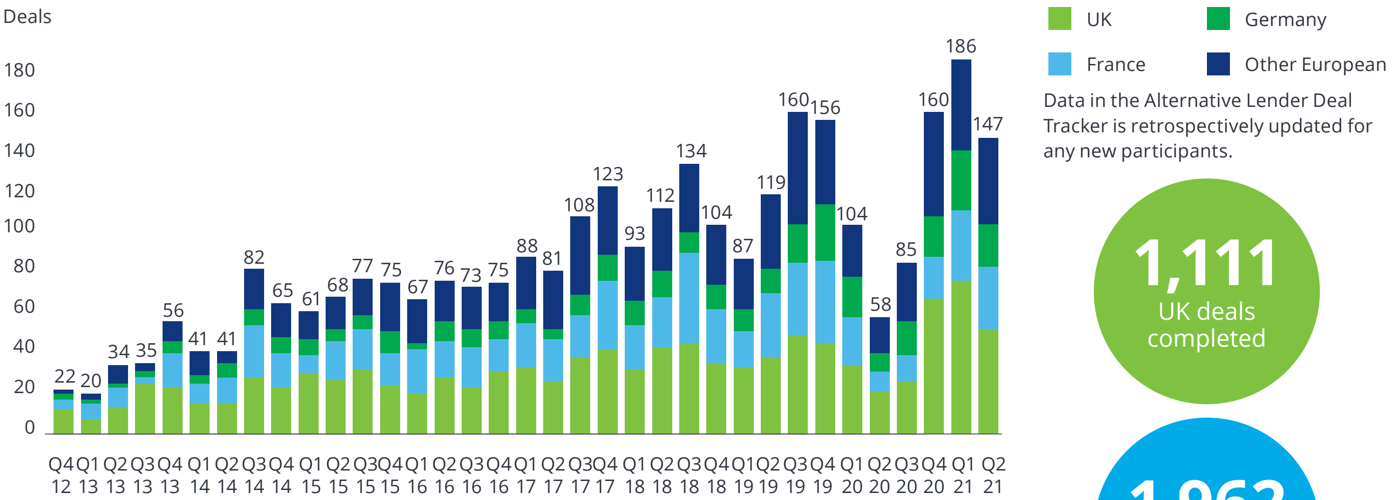
1. Sustainability-linked loan supply outpaces green bonds and loans amid US surge
2. Deutsche Bank acts as Bookrunner for Iberdrola's sustainability-linked credit facility – Deutsche Bank (db.com)
3. Barings Backs Eurazeo's Acquisition of UTAC-CERAM
4. Ares Management Corporation Leads £1 Billion of Available Debt Facilities to RSK Group in Largest Sustainability Linked Private Credit Financing to Date

Alternative Lender Deal Tracker H1 2021 Deals

The Alternative Lender Deal Tracker now covers 65 lenders and a reported 3,073 deals

Alternative Lender Deal Tracker

Currently covers 65 leading Alternative Lenders. Only UK and European deals are included in the survey.



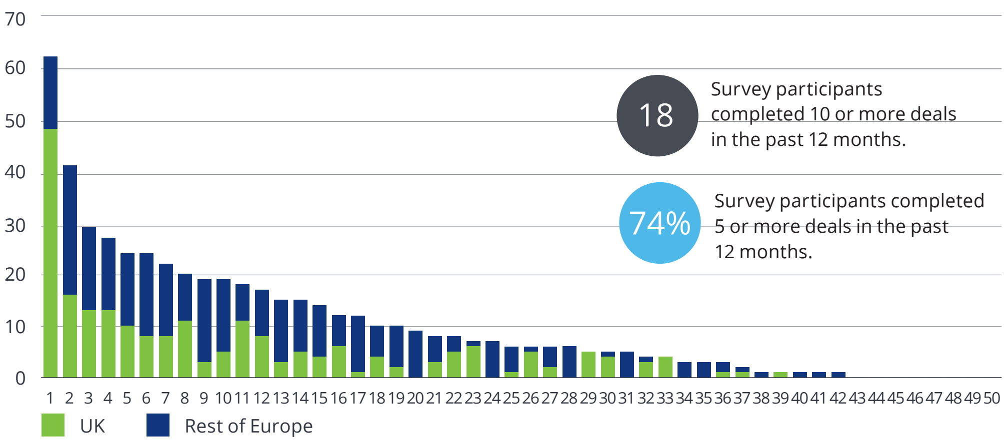
Data in the Alternative Lender Deal Tracker is retrospectively updated for any new participants.

1,111 UK deals completed

1,962 Euro deals completed

3,073 Total deals completed

Deals completed by each survey participant (Last 12 months)



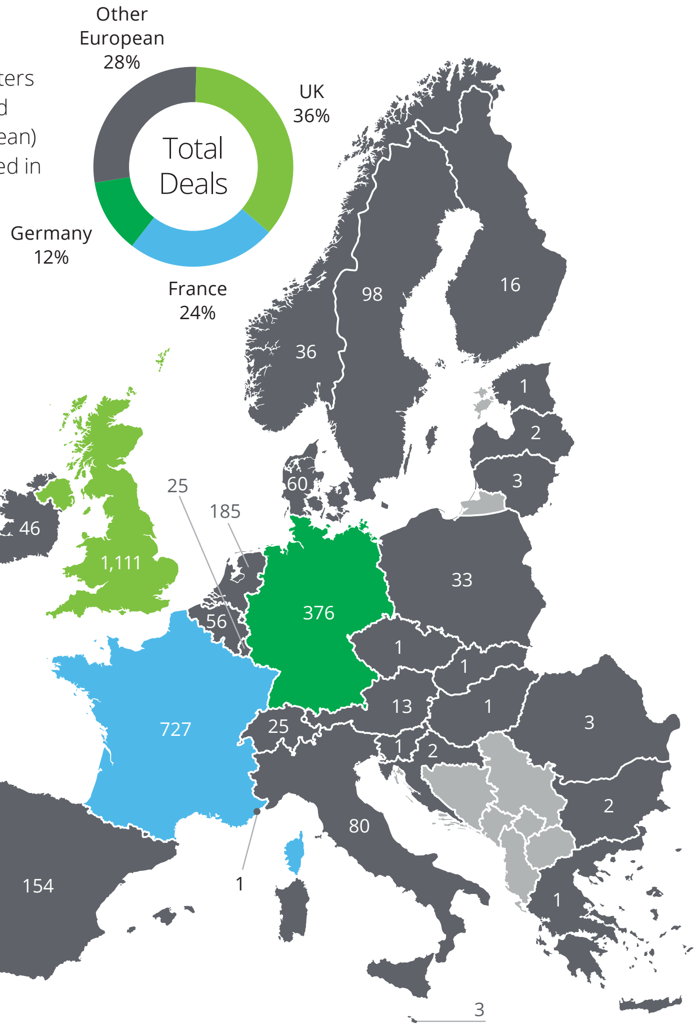
18 Survey participants completed 10 or more deals in the past 12 months.

74% Survey participants completed 5 or more deals in the past 12 months.

Direct Lenders increasingly diversifying geographies

Total deals across Europe

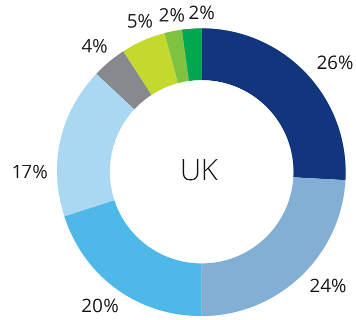
In the last 35 quarters 3,073 (1,111 UK and 1,962 other European) deals were recorded in Europe.



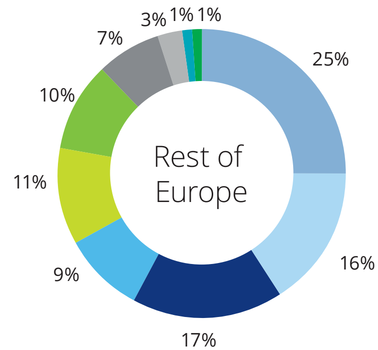
UK | France | Germany | Other European

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
- Retail
- Manufacturing
- Consumer Goods
- Transportation and Logistics
- Human Capital
- Other

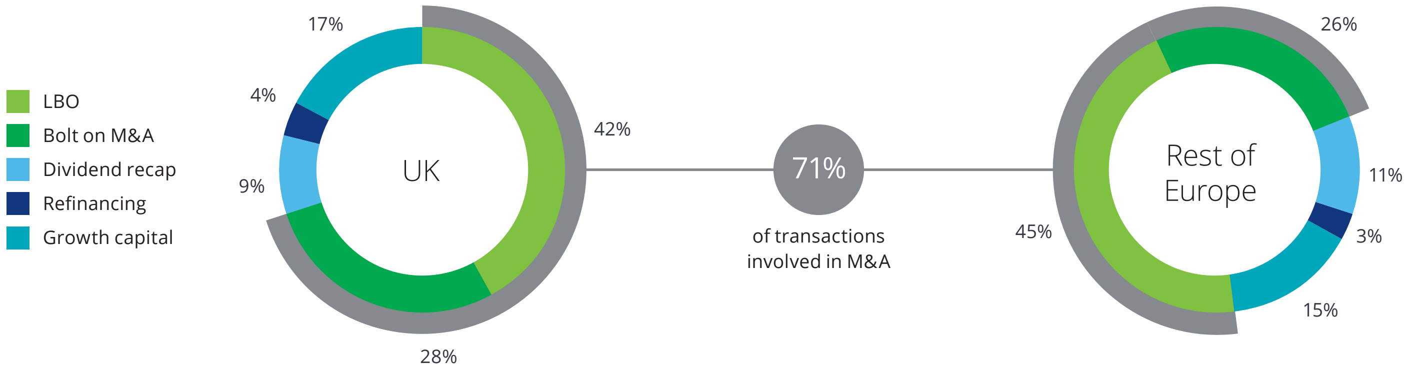


In the rest of Europe there are 5 main industries: TMT, Healthcare & Life Sciences, Business, Infrastructure & Professional Services, Financial Services and Consumer Goods.

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

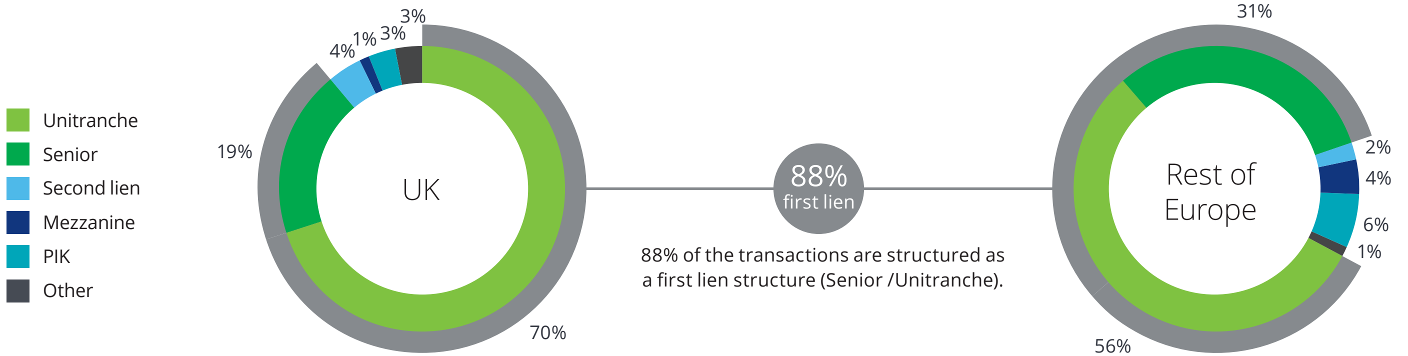
Deal purpose (Last 12 months)

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 578 deals in the last 12 months, 72 deals did not involve a private equity sponsor.



Structures (Last 12 months)

Unitranche is the dominant structure, with 70% of UK transactions and 56% of European transactions. Subordinate structures represent only 12% of the transactions.



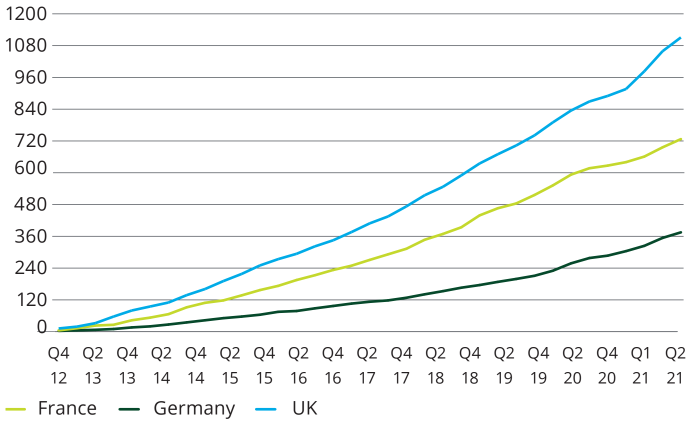
*For the purpose of the deal tracker, we classify senior only deals with pricing L + 650bps or above as unitranche. Pricing below this hurdle is classified as senior debt.

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

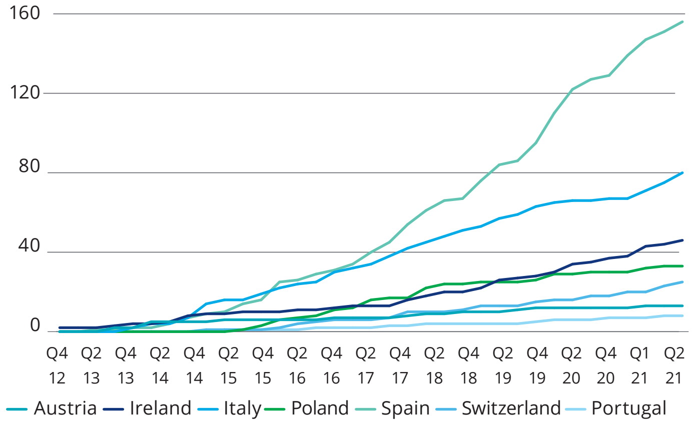
Cumulative number of deals per country

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 till June 2021.

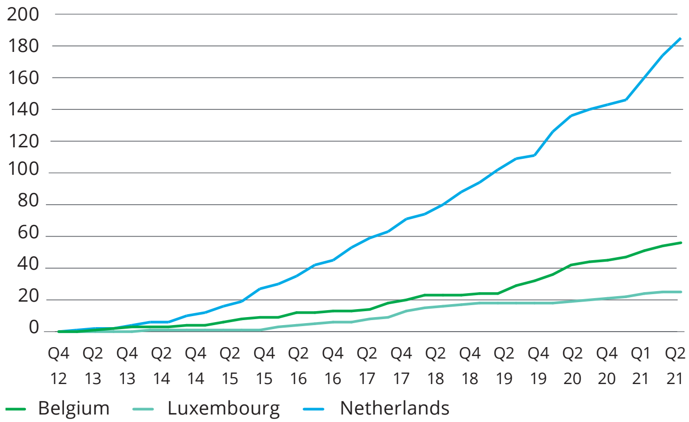
Largest geographic markets for Alternative Lenders



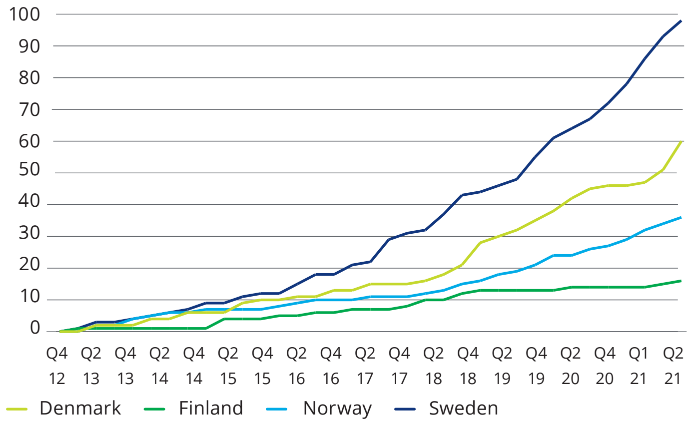
Other European



Benelux

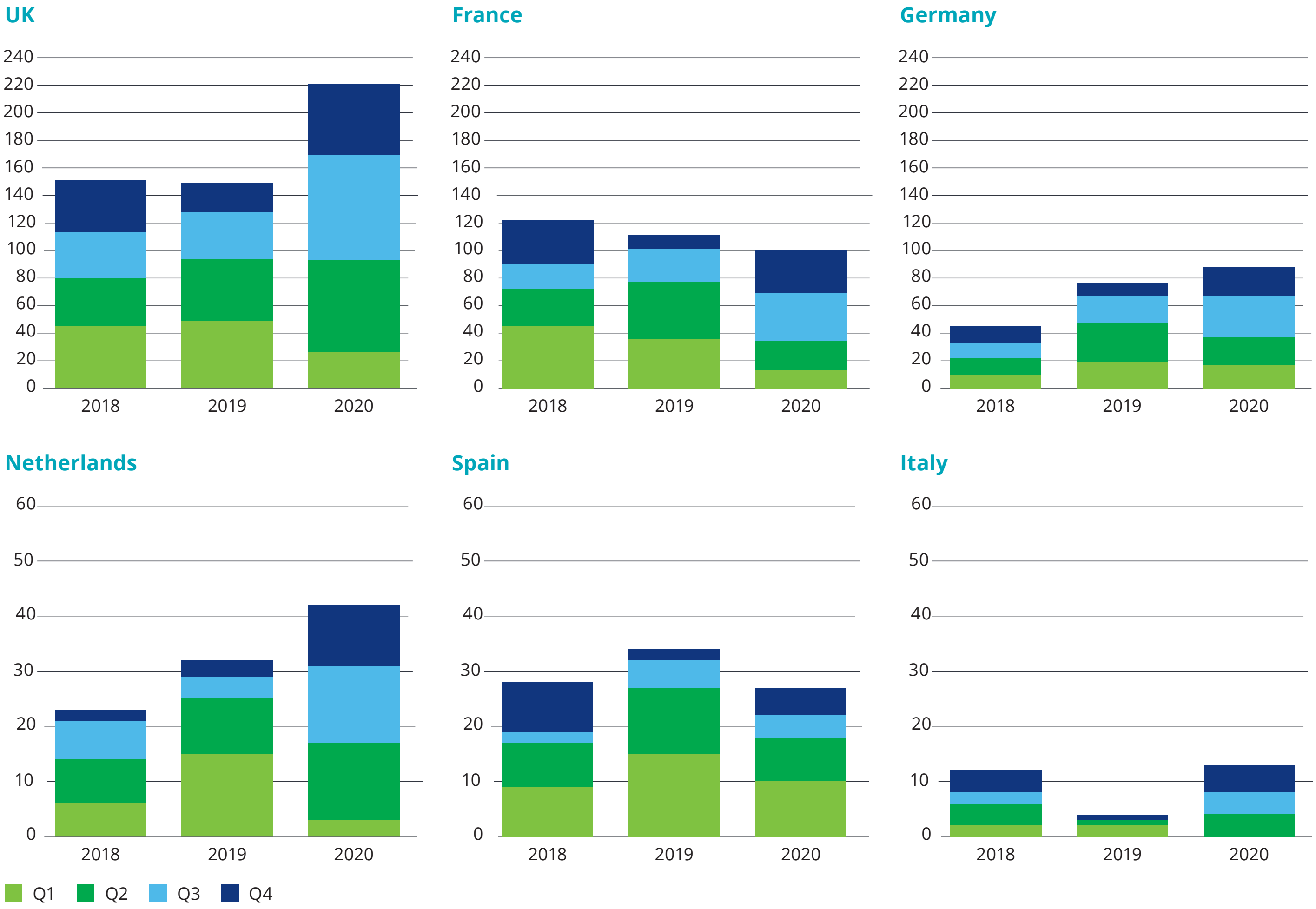


Nordics



Direct Lending is growing in each of the main European markets

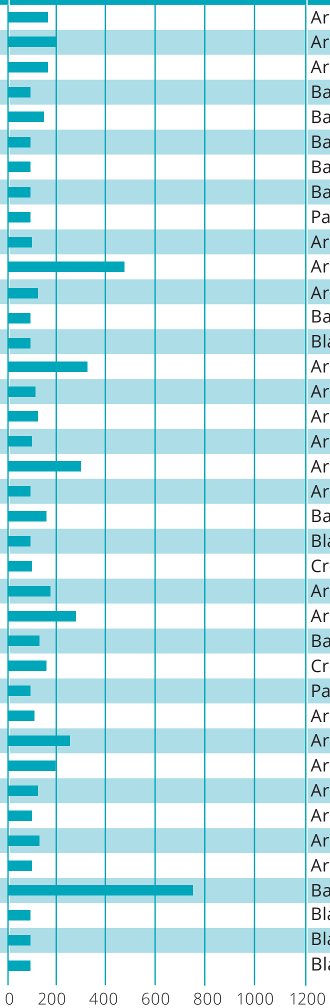
Comparison of deals for the last three years on a LTM basis for selected European countries



Which landmark unitranche deals have been completed?

Selected Landmark Unitranche Deals (>€90m)

Borrower	Country	Unitranche in €m	Lenders	Sponsor	Date
AFH	UK		Ares	✓	Jun-21
ESS	UK		Ares	✓	Jun-21
ICP Nurseries II	UK		Ares	✓	Jun-21
Helibron	Netherlands		Barings, Park Square, SMBC	✓	Jun-21
Groupe Premium	France		Barings	✓	Jun-21
UK Fast	UK		Barings	✓	Jun-21
Optium	Netherlands		Barings	✓	Jun-21
Exclaimer	UK		Barings	✓	Jun-21
Trackunit	Denmark		Park Square, SMBC	✓	Jun-21
Confirma Software	Sweden		Ares	✓	May-21
IDH Group	UK		Ares	✓	May-21
Medivet	UK		Ares	✓	May-21
iM Glbal Partners	France		Barings	✓	May-21
Razor Group	Germany		Blackrock	–	May-21
Sortera	Sweden		Ares	✓	Apr-21
Px	UK		Ares	✓	Apr-21
European Dental Group	Netherlands		Ares	✓	Apr-21
True Potential	UK		Ares	–	Apr-21
VetPartners UK Ltd	UK		Ares	✓	Apr-21
Socium	UK		Ares	✓	Apr-21
Innovad	Belgium		Barings	✓	Apr-21
MarketPay	France		Blackrock	✓	Apr-21
Cohedron	Netherlands		Crescent	✓	Apr-21
Emvia Living	Germany		Ardian	✓	Mar-21
Survitec	UK		Ares	✓	Mar-21
Native Instruments	Germany		Bain Capital, Bridgepoint Development Capital, Northleaf	✓	Mar-21
DMC	UK		Crescent	✓	Mar-21
Questel	France		Park Square	✓	Mar-21
Content & Cloud	UK		Ares	✓	Feb-21
SRG	UK		Ares	✓	Feb-21
Ascot Lloyd (Bellpenny)	UK		Ares	✓	Feb-21
Grant & Stone	UK		Ares	✓	Feb-21
Aston Lark	UK		Ares	✓	Feb-21
James Hay	UK		Ares	✓	Feb-21
Onecom	UK		Ares	✓	Feb-21
SumUp	Germany		Bain Capital, Goldman Sachs Private Debt	–	Feb-21
Focus Group	UK		Blackrock	✓	Feb-21
Pharma&	Germany		Blackrock	✓	Feb-21
Viseo	France		Blackrock	–	Jan-21

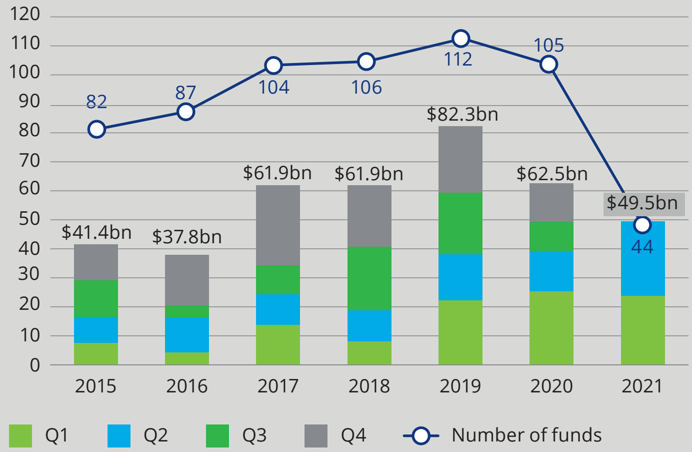


Source: LCD, an offering of S&P Global Market Intelligence, Deloitte research and other publicly available sources.

Direct Lending fundraising

Direct Lending fundraising

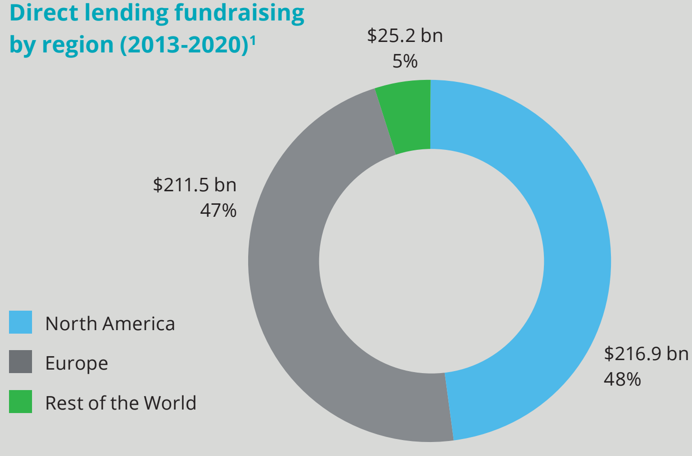
Global direct lending fundraising by quarter[1]



Select largest European funds raised in 2021 YTD[1]

- Ares Capital Europe V **– $13,237m**
- Ares Pathfinder **– $3,600m**
- Park Square Capital Partners IV **– $2,676m**
- BlackRock European Middle Market Private Debt Fund II **– $2,478m**
- Capza Private Debt 5 **– $1,925m**

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

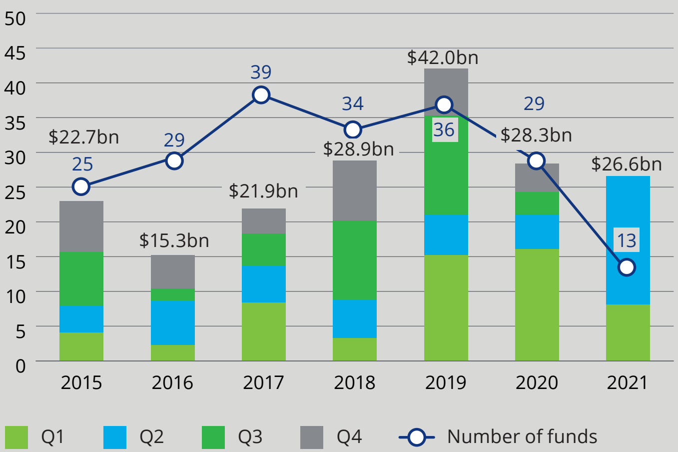


Select largest US funds raised in 2021 YTD[1]

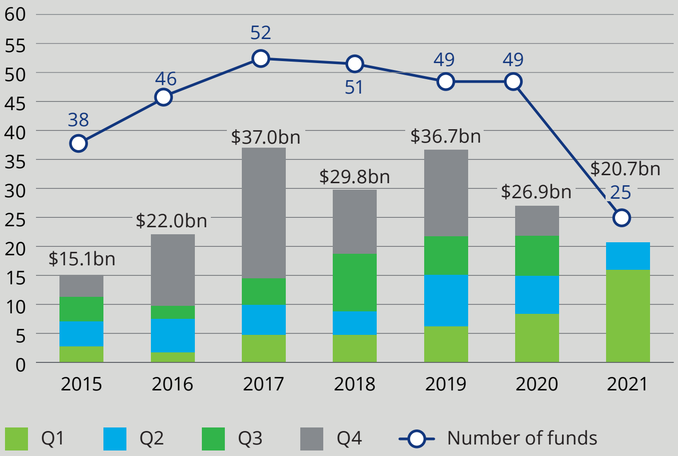
- Broad Street Loan Partners IV **– $4,445m**
- PIMCO Corporate Opportunities Fund III **– $3,960m**
- CVI Credit Value Fund V **– $3,583m**
- Cerberus Offshore Levered Loan Opportunities Fund IV **– $2,400m**
- Apollo Accord Fund IV **– $2,340m**

[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 (PD) industry survived a major storm in 2020 and proved its worth to investors. Private debt AUM stood at $1046.9bn as of December 2020, estimated to have a CAGR of 16.2% till 2025.
- Private debt is now the third largest asset class in private capital, behind only private equity ($6,470.3bn) and real estate ($1,206.7bn).
- Fundraising in PD was robust over 2020, with 246 funds closed raising an aggregate $164bn, well above 2019 levels ($142bn). The positive momentum has continued in 2021, and 96 funds have reached a final close, raising an aggregate $81bn so far.
- Most of this capital has been raised by the largest funds – the top 10 PD funds raised 41% of capital, up from 30% in 2019. The 50 largest funds accounted for 77% of the capital raised last year, as investors focused more on bigger names to reduce their risk.

European Market[1]

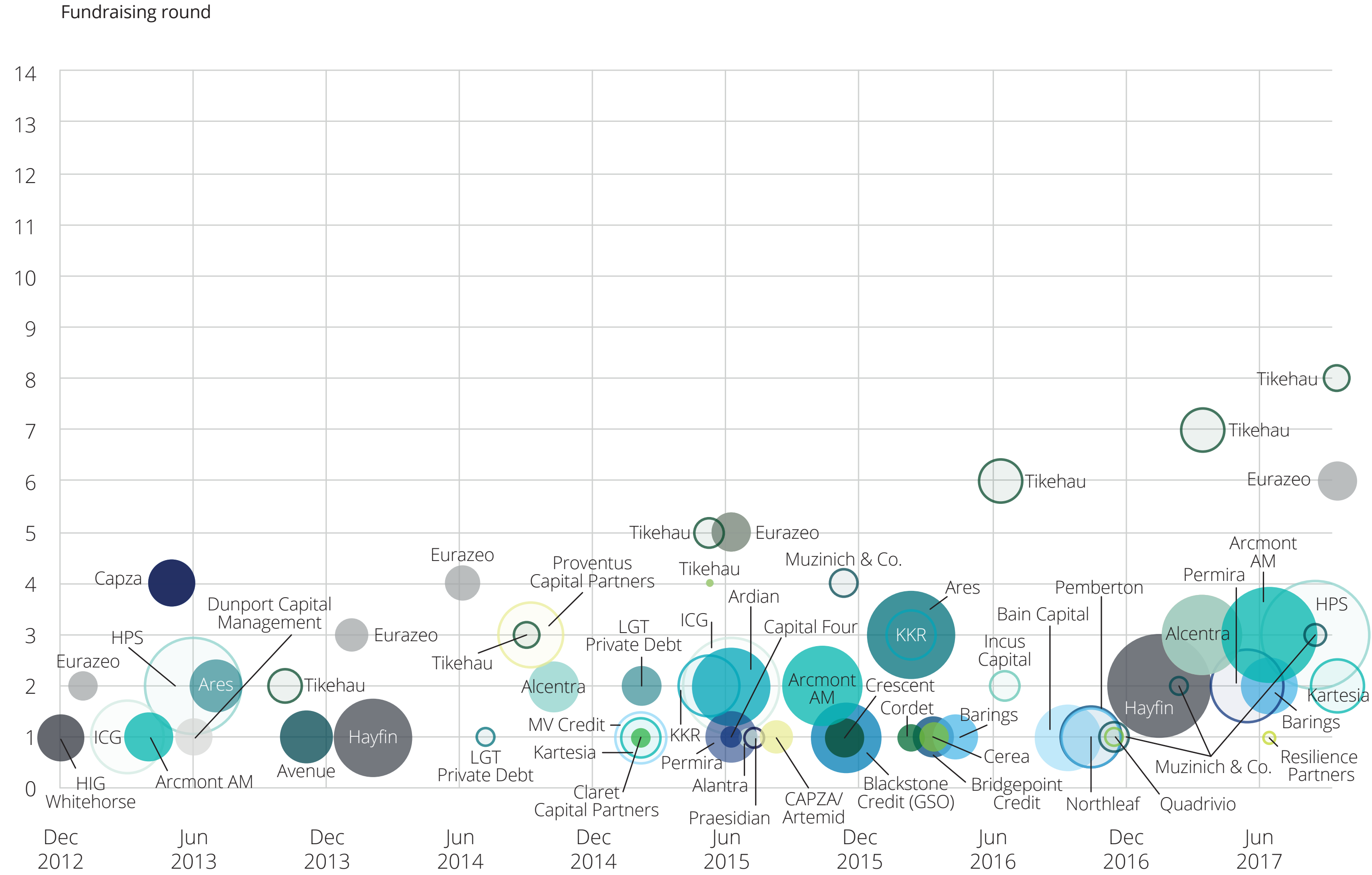
- Overall, fundraising environment has improved in 2021 and 23 funds have reached a final close, raising $34.5bn so far.
- Europe-focused AUM reached $318bn as of December 2020 (the most recent data available) – up from $260bn in December 2019.
- Direct Lending funds dominated closures in Europe, with 29 funds closing, representing 56% of all funds closed. These funds accounted for $28.25bn of capital raised equal to 57% of the total. This year, 15 direct lending funds have reached a final close, raising $28bn in aggregate in Europe.
- 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. There is pressure on private debt managers in Europe to allocate capital, and as a result calls have exceeded distributions over the past few years.

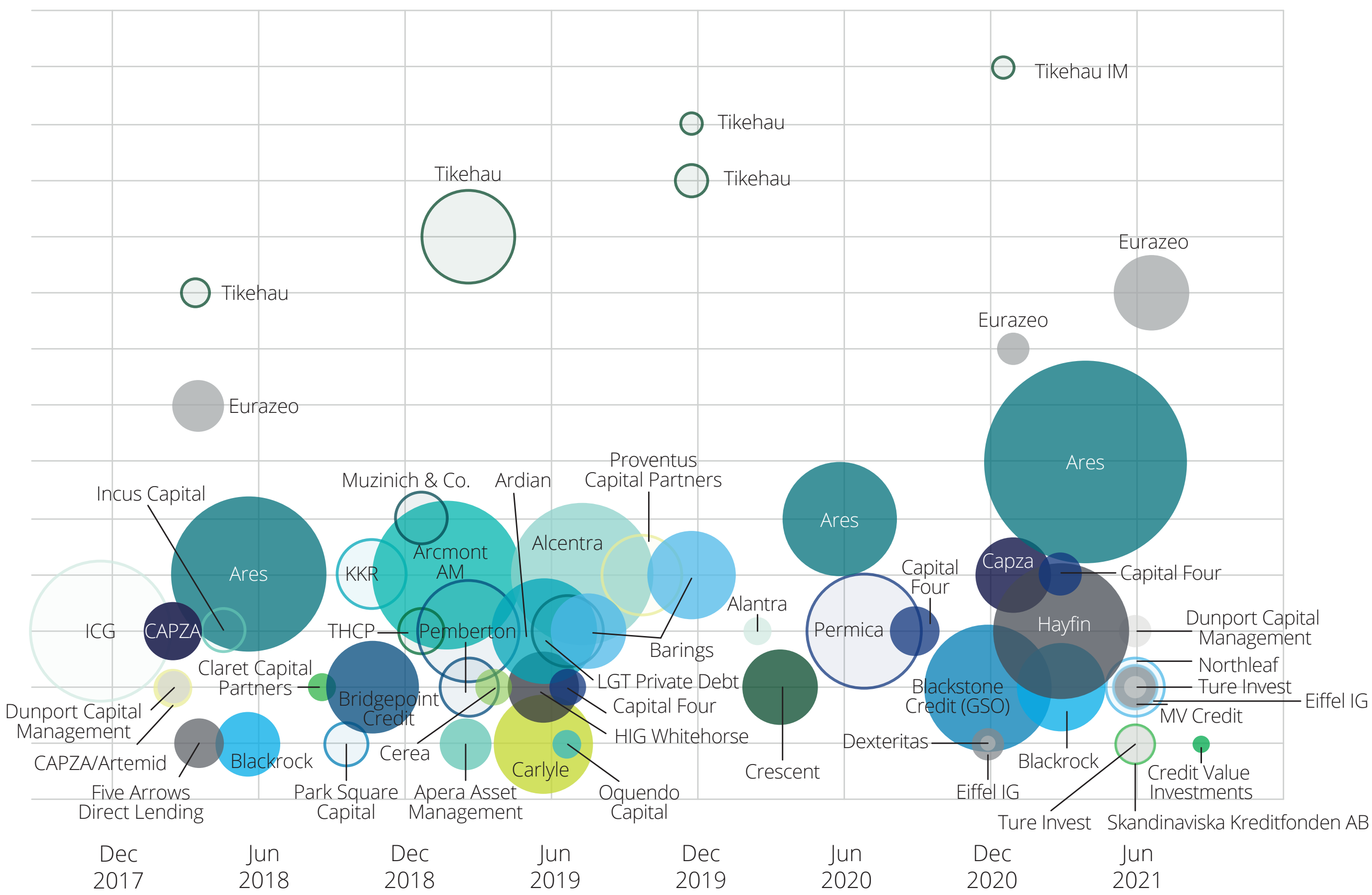
US Market[1]

- North American focused Private Debt fundraising hit $103.5bn in 2020 – up from $69.7bn in 2019. 56 funds have raised $42bn so far in 2021. 132 funds closed in 2020, up from 108 funds closed during 2019
- There are currently 382 funds in market in North America, raising an aggregate $173bn.
- Mezzanine funds raised a total of $21.5bn, with 23 funds closed in 2020. Fundraising has been difficult for mezzanine managers in 2021 as only 5 funds have reached a final close, raising $2bn so far.

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

Senior Direct Lending fundraising focused on the European market





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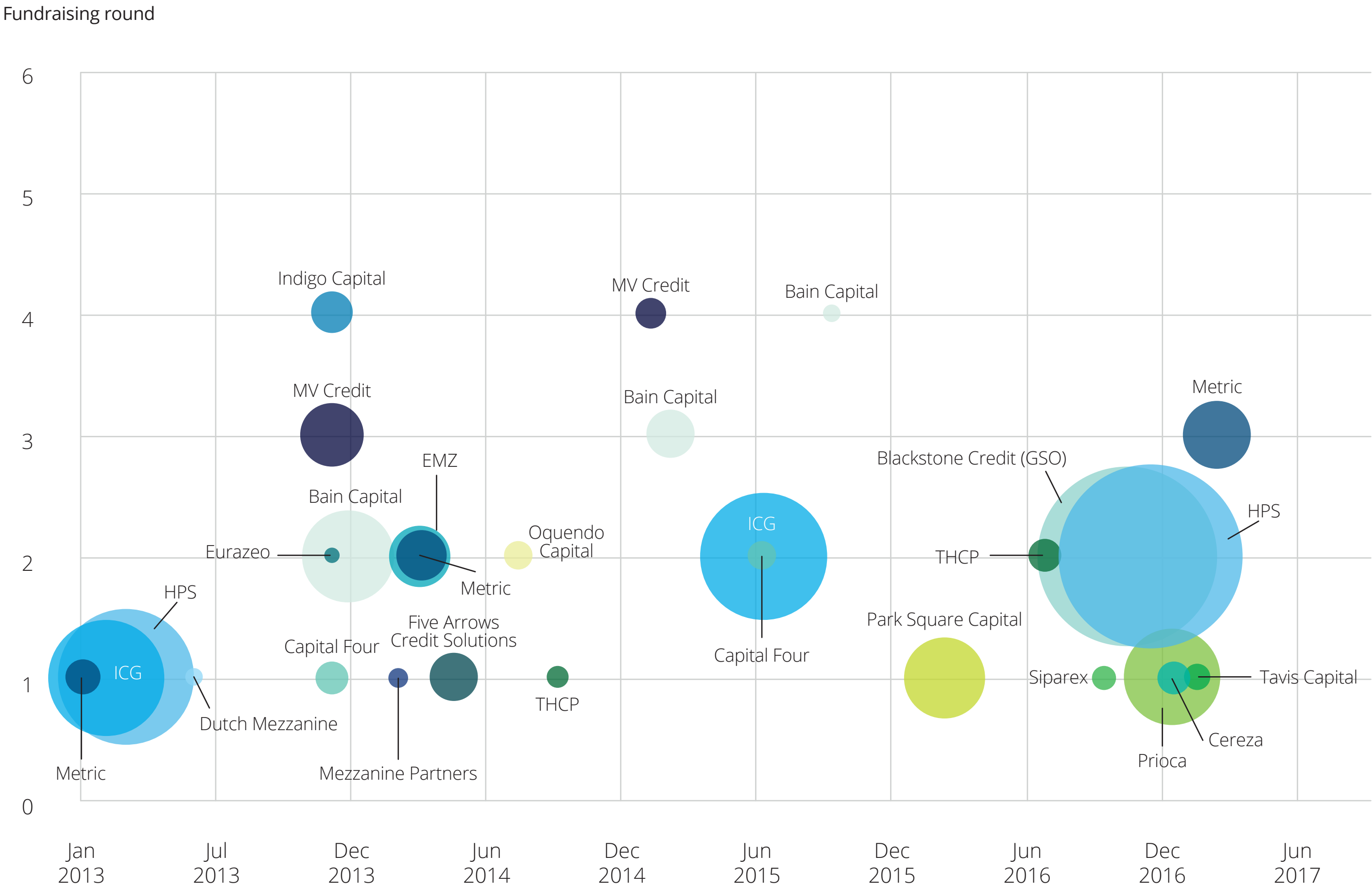
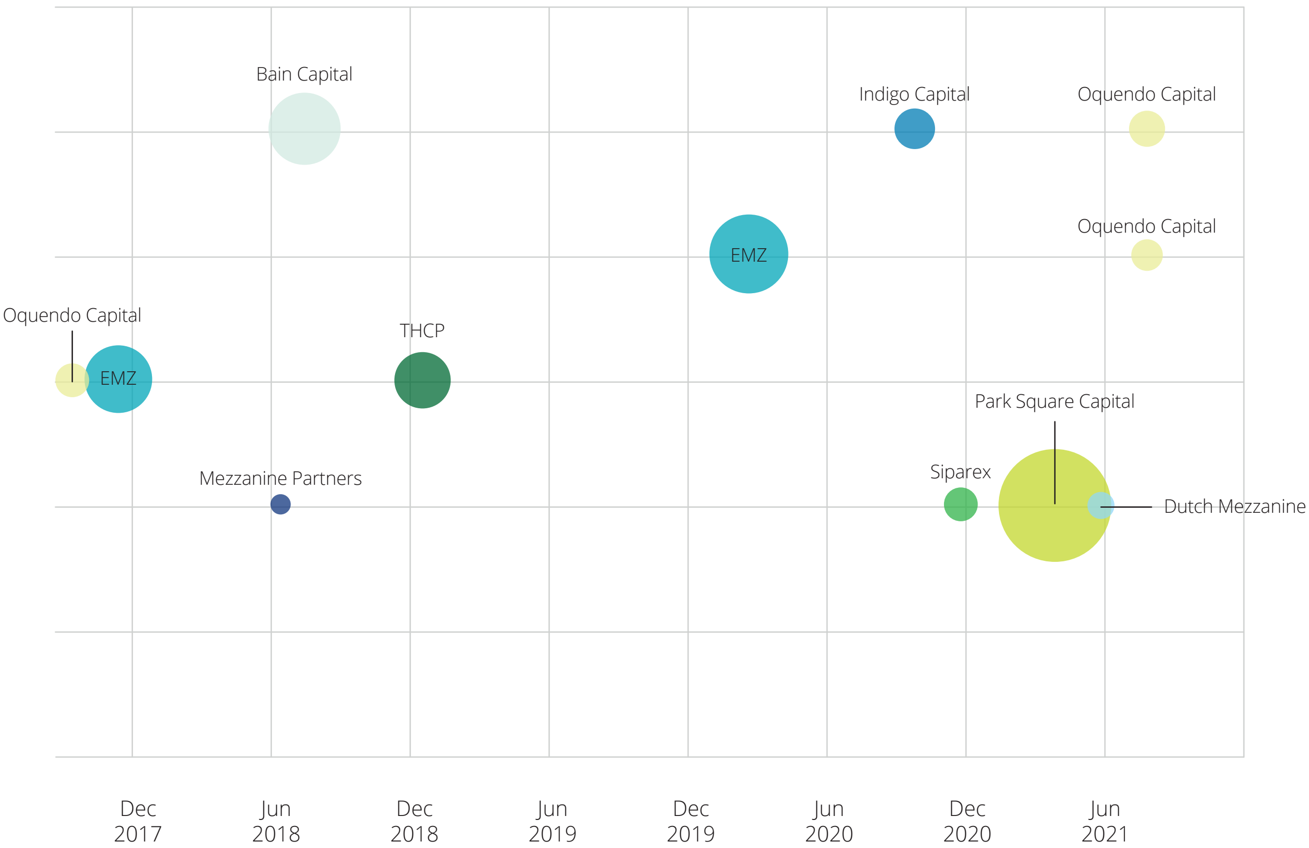
Ares
Proventus
Capital Partners
Muzinich & Co.
Ardian
Incus Capital
Ares
Alcentra
Capital
Four
Capza
Capital Four
Arcmont
AM
KKR
Alantra
Dunport Capital
Management
ICG
CAPZA
Ares
THCP
Pemberton
Barings
Permica
Hayfin
Northleaf
Claret Capital
Partners
LGT Private Debt
Blackstone
Credit (GSO)
Ture Invest
Eiffel IG
Dunport Capital
Management
Bridgepoint
Credit
Capital Four
MV Credit
HIG Whitehorse
Dexteritas
CAPZA/Artemid
Blackrock
Cerea
Crescent
Blackrock
Carlyle
Credit Value
Investments
Five Arrows
Direct Lending
Park Square
Capital
Apera Asset
Management
Oquendo
Capital
Eiffel IG
Ture Invest
Skandinaviska Kreditfonden AB
Dec 2017
Jun 2018
Dec 2018
Jun 2019
Dec 2019
Jun 2020
Dec 2020
Jun 2021

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

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




Bain Capital
Indigo Capital
Oquendo Capital
Oquendo Capital
EMZ
Oquendo Capital
EMZ
THCP
Park Square Capital
Mezzanine Partners
Siparex
Dutch Mezzanine
Dec 2017
Jun 2018
Dec 2018
Jun 2019
Dec 2019
Jun 2020
Dec 2020
Jun 2021

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 Asset Management				
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				
ACE V	Q2 21	€ 11,000	Senior	Europe
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
Bain Capital Middle Market Credit 2010	Q2 10	€ 1,017	Junior	Global

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
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 II	Q1 21	€ 2,100	Senior	Europe
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 IV	Q1 21	€ 500	Senior and Junior	Europe
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				
Capza 5 Private Debt	Q1 21	€ 1,516	Senior and Junior	Europe
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	€ 2,597	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 III, SCSp	Q4 21	€ 136	Senior and Junior	Europe
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
Credit Value Investments				
CVI CEE Private Debt Fund	Q3 21	€ 80	Senior and Junior	Europe
Dexteritas				
Dexteritas Dutch Credit Opportunities Fund	Q4 20	€ 55	Senior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Dunport Capital Management				
Oak Corporate Credit Fund	Q2 21	€ 300	Senior and Junior	Europe
Elm Corporate Credit DAC	Q1 18	€ 283	Senior and Junior	Europe
Ireland Corporate Credit DAC	Q3 13	€ 450	Senior and Junior	Europe
Dutch Mezzanine				
Dutch Mezzanine Fund II	Q4 20	€ 122	Junior	Europe
Dutch Mezzanine Fund I	Q1 13	€ 60	Junior	Europe
Eiffel Investment Group				
Eiffel 4	Q2 21	€ 300	Senior	Europe
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
Eurazeo				
Eurazeo Private Debt V	Q1 21	€ 1,500	Senior and Junior	Europe
Eurazeo Senior Debt 5	Q1 21	€ 300	Senior	Europe
Eurazeo Private Debt IV	Q2 18	€ 715	Senior and Junior	Europe
Eurazeo Dette Senior 4	Q4 16	€ 300	Senior	Europe
Eurazeo Dette Senior 3	Q3 15	€ 530	Senior	Europe
Eurazeo Dette Senior 2	Q3 14	€ 400	Senior	Europe
Eurazeo Private Debt III	Q1 14	€ 400	Senior and Junior	Europe
Eurazeo Private Value Europe II	Q4 13	€ 50	Junior	Europe
Eurazeo Dette Senior	Q1 13	€ 280	Senior	Europe
Eurazeo Private Value Europe	Q2 12	€ 65	Junior	Europe
Eurazeo Private Debt	Q3 07	€ 290	Senior and 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 III	Q1 21	€ 5,000	Senior	Europe
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	$1500	Senior and Junior	Europe
HPS Investment Partners				
Specialty Loan Fund 2016	Q3 17	$4,500	Senior	Global
Mezzanine Partners Fund III	Q4 16	$6,600	Junior	Global
Highbridge Specialty Loan Fund III	Q2 13	€ 3,100	Senior	Global
Mezzanine Partners Fund II	Q1 13	$4,400	Junior	Global
Highbridge Specialty Loan Fund II	Q2 10	€ 1,100	Senior	Global
Mezzanine Partners Fund I	Q1 08	$2,100	Junior	Global

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
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
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

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
MV Credit				
MV Senior II	Q2 21	€ 526	Senior	Europe
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	Q2 21	$1,009	Senior	Global
Northleaf Private Credit	Q1 14	$1,400	Senior and Junior	Global
Oquendo Capital				
Oquendo IV	Q3 21	€ 241	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	Q2 21	€ 2,188	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
Resilience Partners				
Resilience Partners Fund I	Q3 17	€ 50	Senior and Junior	Europe

Alternative Lenders	Date	Size (m) w/o leverage	Investment Strategy	Geography
Skandinaviska Kreditfonden AB				
Scandinavian Credit Fund I AB	Q2 21	€ 340	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
Tikehau				
Fund 13	Q4 20	€ 114	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	Q2 21	€ 400	Senior	Europe
Hedda Credit Fund I	Q2 21	€ 100	Senior	Europe

Direct Lending professionals
Key statistics and recent moves

PARAGON SEARCH PARTNERS

Direct Lending Market Headcount

After an impacted 2020, there was an expected increase in hiring in the first half of 2021, with a net increase of 20 in Investment Professionals (IP) from 683 to 703. This is comparable with the market expansion we saw throughout 2018, 2019 and H1 2020.

The number of departures was the same in H2 2020 as in H1 2021. The net change came from increased hiring, which was up by 31% compared to H2 2020.

As in H2 2020, a number of IPs left the market in H1 2021 for Private Equity and higher risk credit investing strategies.

We have adjusted the market data to accommodate for some new market entrants and team mergers.

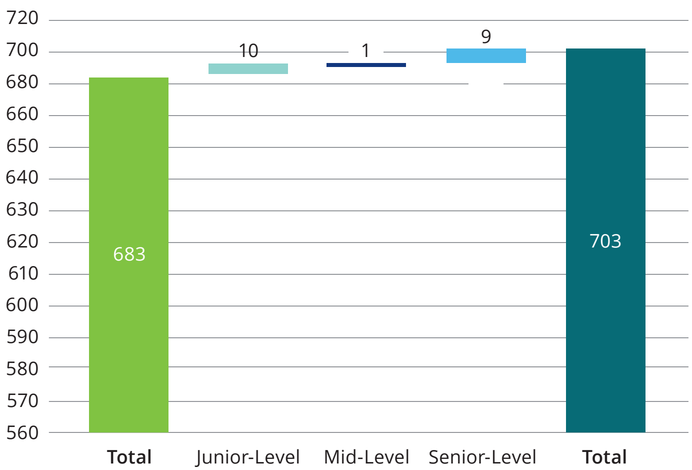
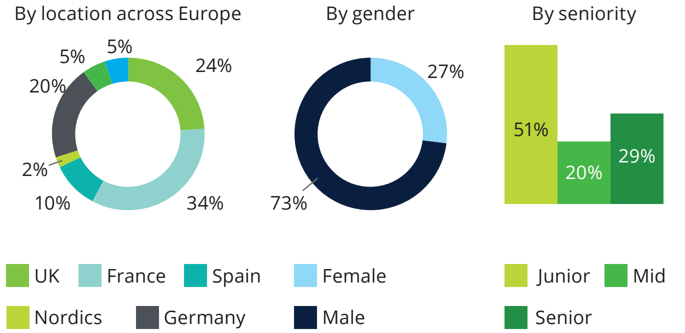


Figure 2. Breakdown of hiring



Overview of new hires

Figure 2 shows the number of hires happening outside London have surged in recent months, with Paris now comprising one-third of overall hires for the year so far (compared to 11% in H2 2020), with Frankfurt and Munich contributing 20% of all hires (9% in H2 2020). Remarkably, hiring rates in London fell from 67% of the total in H2 2020 to just 24% in H1 2021.

The majority of hiring is at the junior level (51%) despite dropping from 64% in H2 2020 and 58% in H1 2020. Hiring at the mid-level returned to 20% of the total - the same as in H1 2020 - after falling to just 7% in H2 2020. Senior hires made up 29%, the same as in H2 2020, and up from 22% in H1 2020. Female hiring has fallen as a percentage of total hires, from 29% in H2 2020 to 27% in H1 2021. This may seem a negligible difference, but it is surprising given the extensive efforts by funds to hire female IPs at all levels. Given this drop in H1 2020, it is unlikely that this year will see the consistent increase of the previous years: 16% in 2017, 20% in 2018, 23% in 2019 and 28% in 2020.

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.

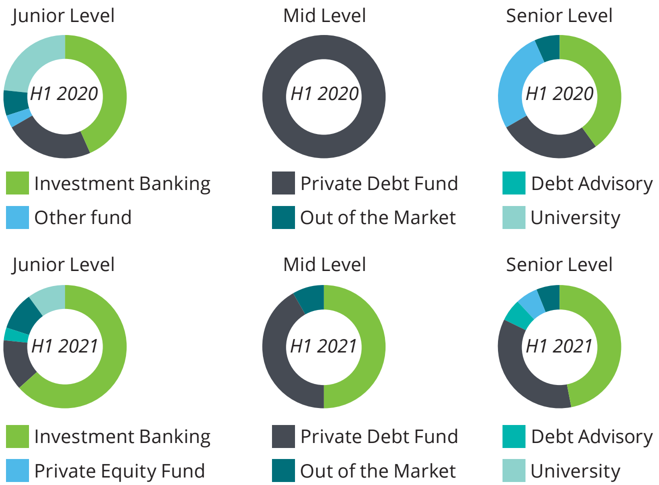
When analysing seniority, junior-level IPs are those with less than 6 years relevant experience, mid-level constitutes 6-10 years experience, and senior is those with more than 10 years experience.

Percentage numbers around rounded to the nearest whole number

Source of new hires

Figure 3 shows a comparison of the sources of hiring across different seniority levels between H2 2020 and H1 2021. Banking remains the most popular source of hiring across all seniorities (56% of all hires; 63% of junior; 50% of mid; 47% of senior). At the junior level, hiring straight from university dropped (10%), as expected, due to graduates typically starting in H2 not H1, whilst private debt hires made up 13% of hires at this level. In comparison, fund-to-fund moves were 42% of the total at the mid-level, and 35% at senior level. One small difference between H2 2020 and H1 2021 was the slight increase in hires from debt advisory, although this was only 3% of all hires.

Figure 3. Pie charts displaying the source of hiring at different levels of seniority in H1 2020 and H1 2021



Notable market moves January 2021 to June 2021

Arcmont Asset Management	Nicolas de Lovinfosse has joined Arcmont from UBS to help with their French coverage.
Ares Management	Mehdi Abdounhas joined Ares Paris from HSBC.
Apollo Global Management	Philipp Schroeder has joined Apollo to lead the DACH coverage from London.
Blackstone Credit	As part of a move into direct lending, Blackstone Credit have hired Christoffer Hansson from SEB London for their Nordic coverage, as well as Robert Wieber from Hayfin and Karim Askar from ESO Capital - both in Frankfurt.
Bridgepoint Credit	Jeroen Udo has joined Bridgepoint Credit from ABN AMRO in Amsterdam to lead their Benelux origination efforts, while Marcos Martinez-Tello has left Bridgepoint Credit to join Ninety-One Asset Management.
Capital Four Management	Capital Four have made a 5th direct lending hire with Jan Hebeler from SEB leveraged finance.
Crescent Capital	Nicolai Sonderiis has joined Crescent from Nykredit to lead their Nordic coverage.
HIG Whitehorse	HIG Whiteorse have hired Seb Lorenz from Barings to lead their DACH business. They have also hired Charles Bourgeois and Laurent Vaille from Tikehau Capital to lead the French coverage.
Intermediate Capital Group	Phil Arbour joined ICG from Palomon whilst MD Andreas Klein has left the ICG London business.
Muzinich & Co.	Eleonora Astori has left Muzinich Italy to join Triton Partners.
Park Square Capital	Catalina Stoica has joined Park Square as a Principal from JP Morgan leveraged finance.
Permira Credit	Laura Repko has joined Permira Credit (FKA Permira Debt Managers) from Beechbrook Capital and Pierig Melot has joined from Jefferies London to help with French coverage.
Sixth Street Partners	Sixth Street have lost two IPs: Max Albou who has moved to HIG Whitehorse and Ido Krakowsky who has moved to L Catterton.
Tikehau Capital	Tikehau have hired Dominic Felsmann from ABN AMRO to lead DACH coverage, and Laura Scolan from Messiers Maris & Associes to lead France.

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 and alternative asset markets.

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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

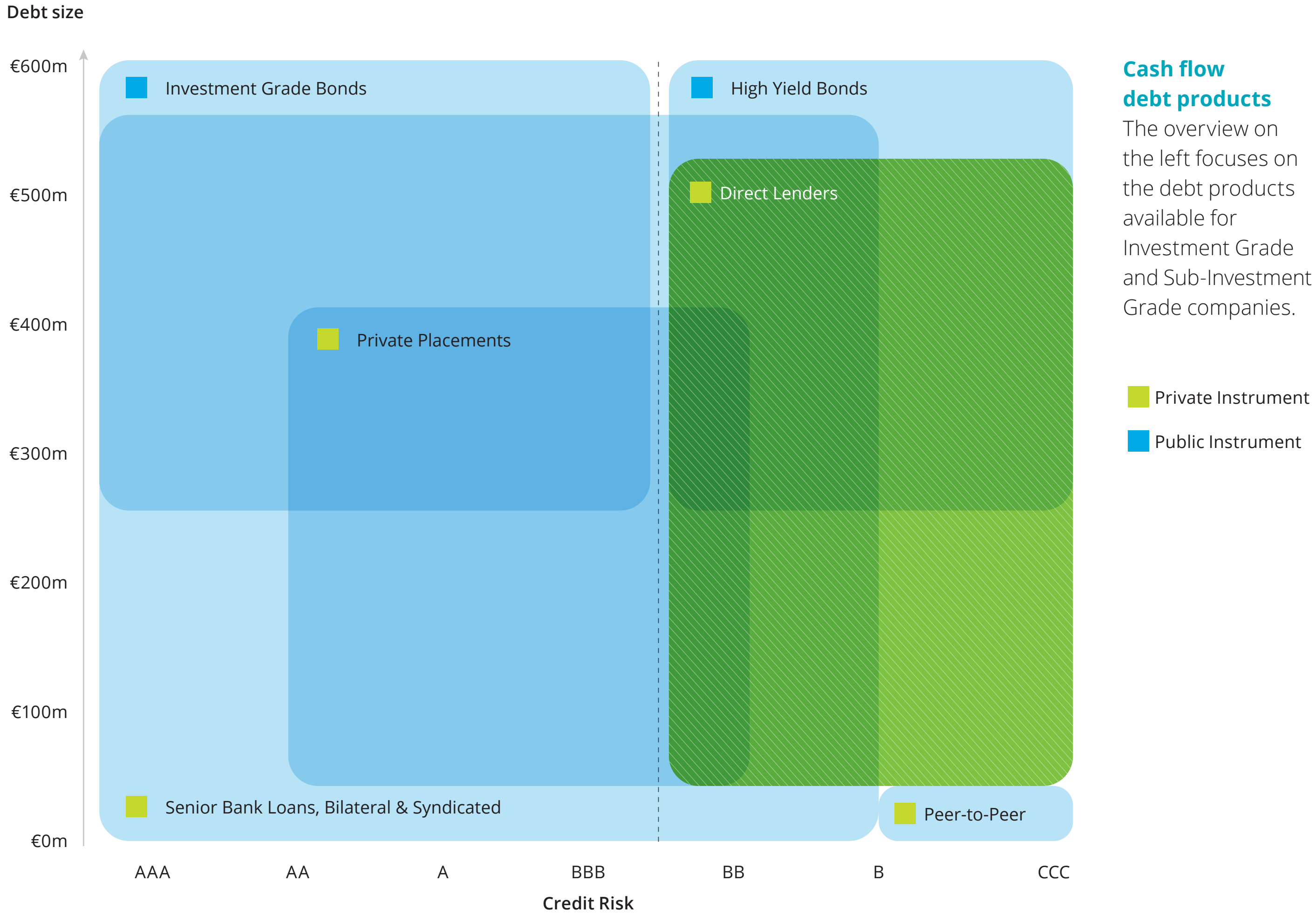
Main features of Euro PP

- 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

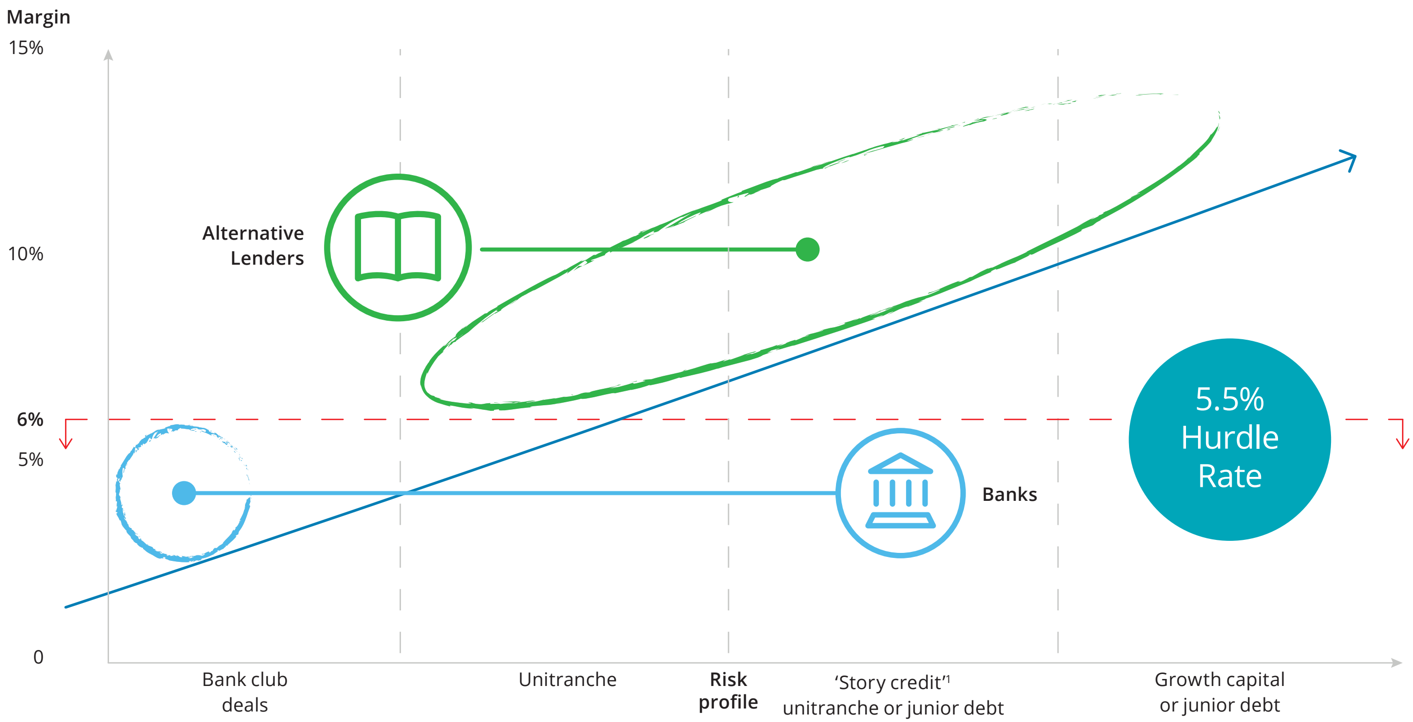
How do Direct Lenders compare to other cash flow debt products?



Cash flow debt products

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

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.

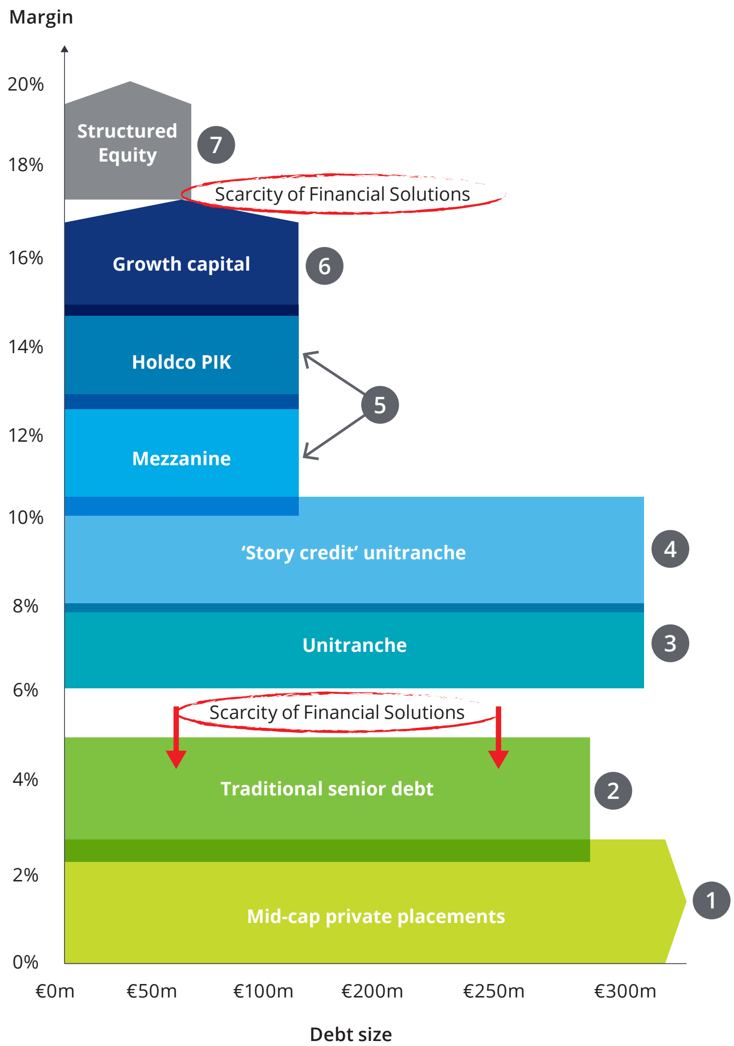
Majority of the Direct Lenders have hurdle rates which are above L+600bps margin and are mostly involved in the most popular strategy of 'plain vanilla' unitranche, which is the deepest part of the private debt market. However, direct lenders are increasingly raising senior risk strategies funds with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

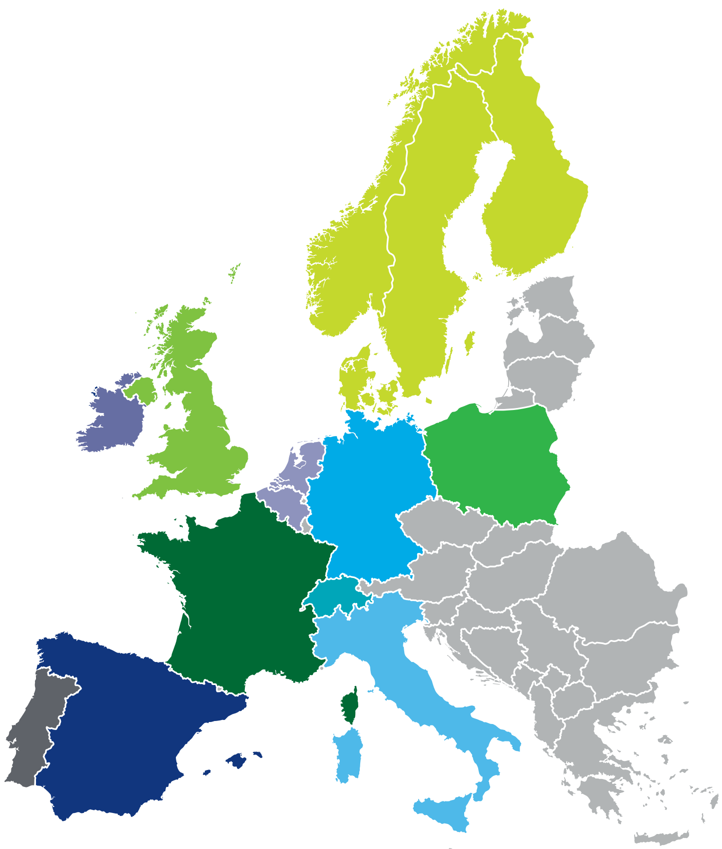
Fund strategy	Description	Target return (Gross IRR)	Investment period	Fund term	Management fee	Preferred return	Carried interest
Direct senior lending	Invest directly into corporate credit at senior levels of the capital structure	5-10%	1-3 years	5-7 years (plus 1-2 optional one year extensions)	Typically around 1% on invested capital	5-6%	10%
Specialty lending/credit opportunities	Opportunistic investments across the capital structure and/or in complex situations 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 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%

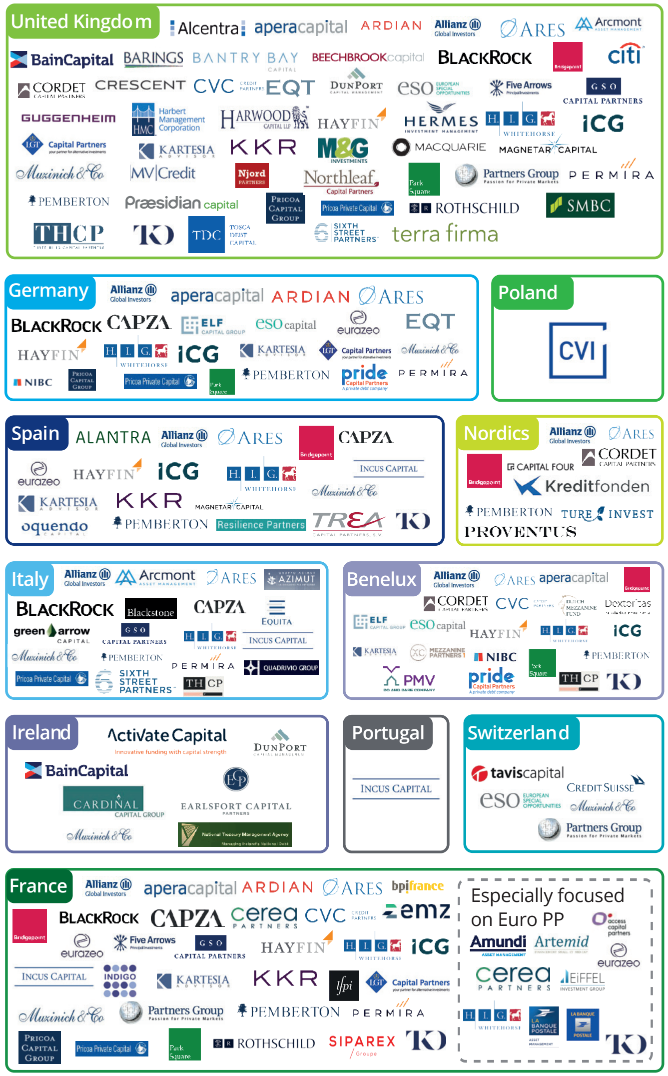
Management fee – an annual payment made by the limited partners in the fund to the fund's manager to cover the operational expenses.

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.

Who are the Direct Lenders?

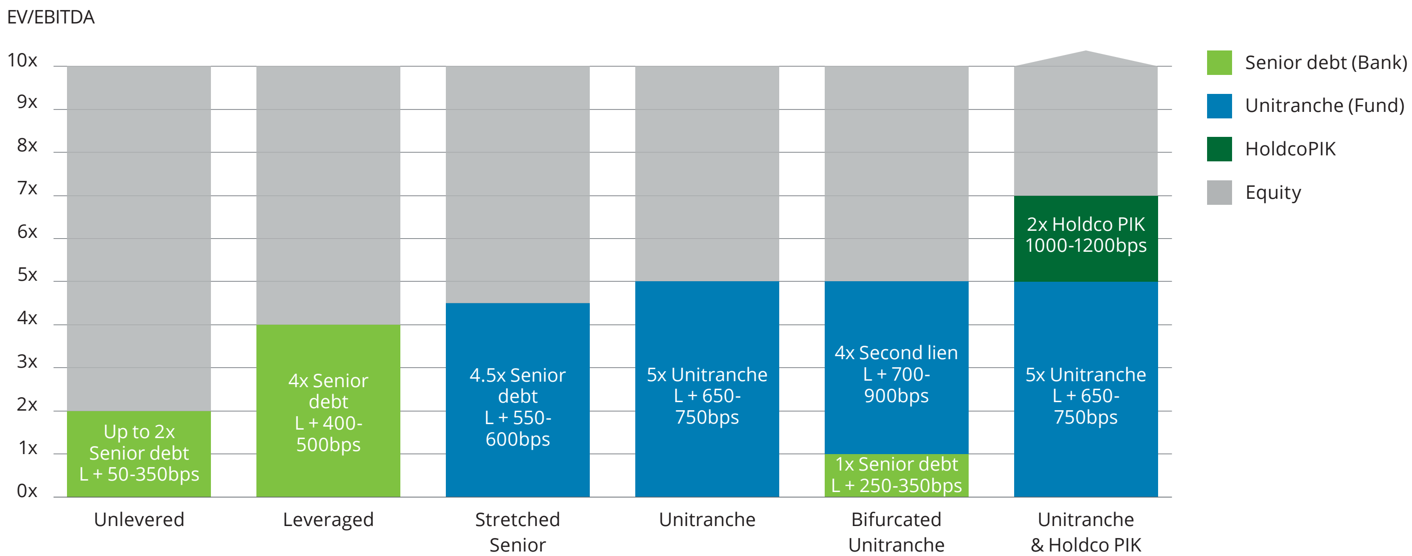




Note: offices included with at least one dedicated Direct Lending professional. The graph does not necessarily provide an overview of the geographical coverage.

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

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.

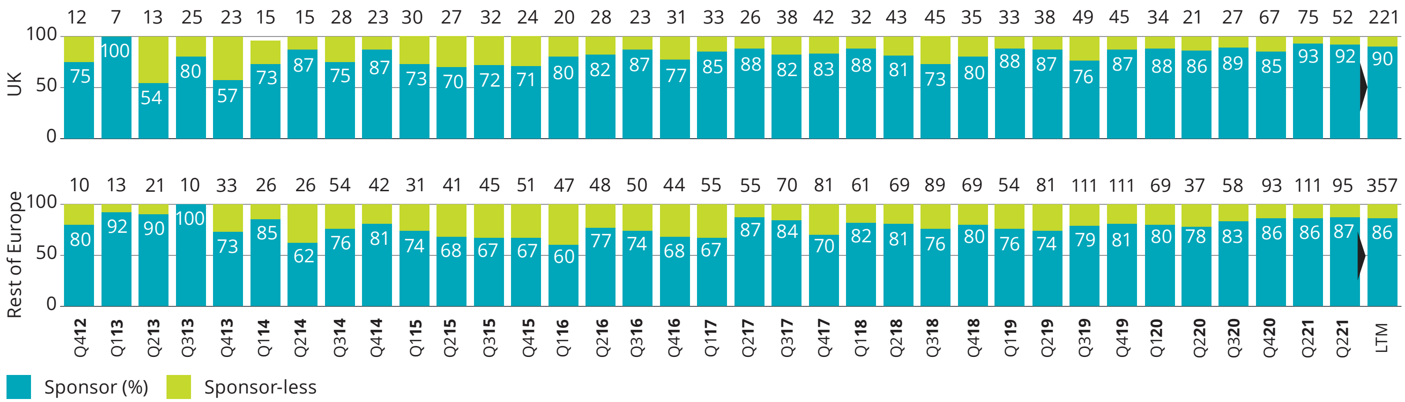
Key advantages

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



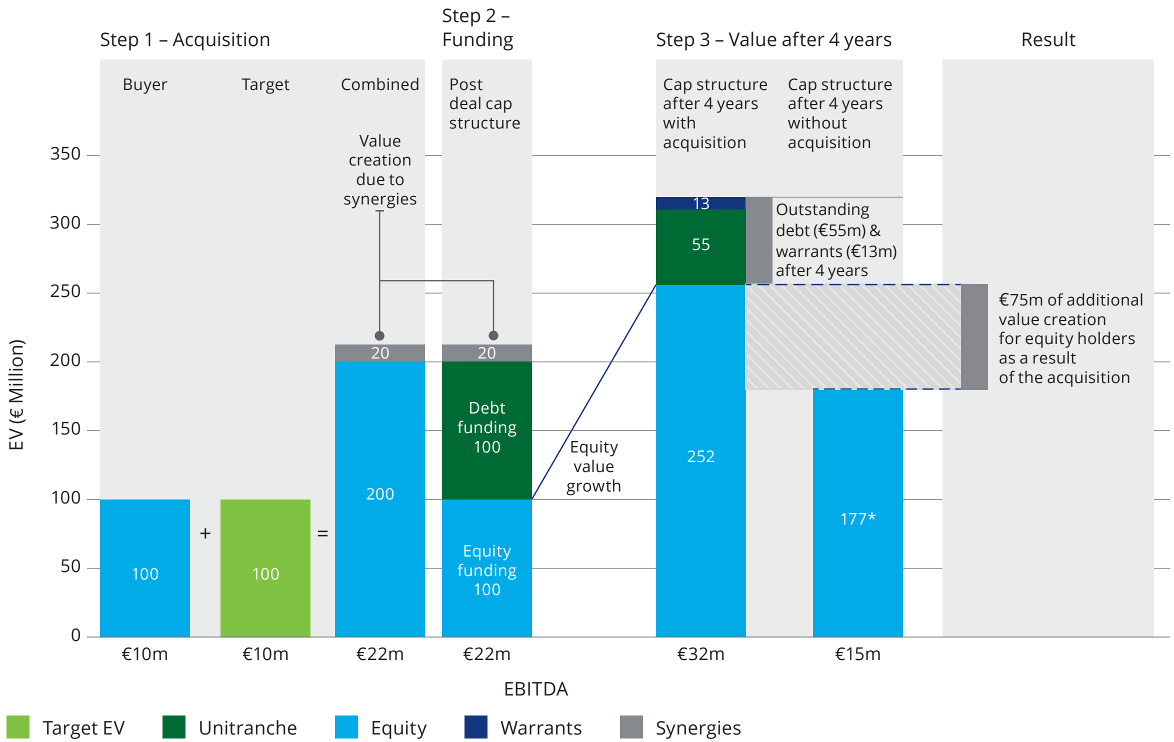
Unlocking transformational acquisitions for privately owned companies

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

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

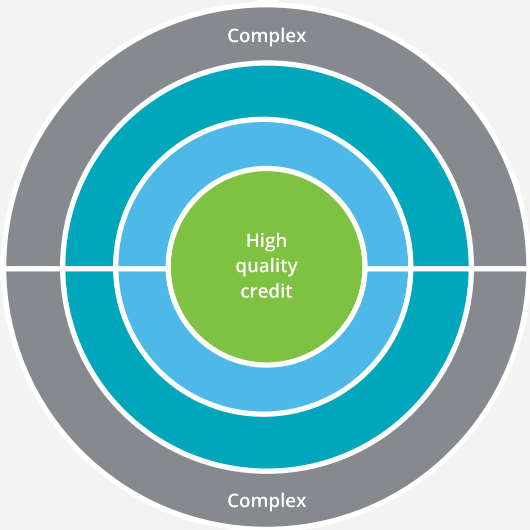
How complex is your credit?

Sector

Growth	Volatile	Stable
Cyclicality	High	Low
Seasonality	High	Low
Scarcity of product	Commodity	High value-add
Changing regulatory environment	High	Low

Market position & Clients

Low	High	Market share
Many	Few	Competitors
Few	Many	Barriers to entry
High	Low	Customer concentration
High	Low	Supplier concentration



Management, Shareholders & Jurisdiction

Management quality	Low	High
Corporate Governance	Weak	Strong
Shareholder commitment	Low	High
Jurisdiction	Difficult	Easy

Financial Performance

Volatile	Stable	Stable performance
Low	High	Cash generation
High	Low	Leverage
Low	High	Asset coverage

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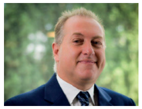

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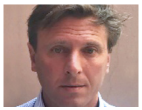

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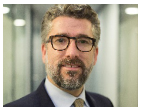

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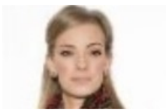

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Deloitte Debt and Capital Advisory credentials

Selected Global transactions

Country	Company	Sponsor	Transaction	Date	Amount
UK	BRUNSWICK	Private	*Refinancing*	Sep 2021	Undisclosed
UK	WEALTH at work	Equistone	*Acquisition Financing*	Sep 2021	Undisclosed
UK	oddschecker	Bruin Capital	*Acquisition Financing*	Aug 2021	Undisclosed
UK	Zenith	Bridgepoint (Main)	*Securitisation*	Aug 2021	£550m
UK	ClearView Healthcare Partners	GHO	*Acquisition Financing*	Aug 2021	Undisclosed
Germany	Ingentis	Maguar Capital	*Acquisition Financing*	Aug 2021	Undisclosed
UK	AUXADI	Inflexion	*Refinancing*	Jul 2021	Undisclosed
UK	ONTO	N/A	*NBL*	Jul 2021	Undisclosed
UK	Sygnature Discovery	Phoenix Equity Partner.	*Acquisition Financing*	Jul 2021	Undisclosed
UK	emerald Publishing	Private	*Refinancing*	Jul 2021	£37.5m
UK	CarNext.com	TDR	*Refinancing*	Jul 2021	Undisclosed
Netherlands	IGS GeboJagema / Smile Invest	Ardian Expansion	*Acquisition Financing*	Jul 2021	Undisclosed
UK	VPS	PAI	*Refinancing*	Jun 2021	Undisclosed
UK	MyHeritage	Francisco Partners	*Acquisition Financing*	Jun 2021	£214m
UK	Centric Health	Five Arrows Principal.	*Refinancing*	Jun 2021	£37m
UK	SSE Contracting	Aurelius	*ABL*	Jun 2021	£20m
Italy	Peak Rock Capital	N/A	*Acquisition Financing*	Jun 2021	€95m
UK	TED BAKER	Public	*Refinancing*	May 2021	£129m
UK	McBride	Public	*Refinancing*	May 2021	£118m
South Africa	Agri Technovation	N/A	*Financial Model Build*	May 2021	Undisclosed
Netherlands	DELI HOME / ARDIAN	Smile Invest	*Acquisition Financing*	May 2021	Undisclosed
UK	itm	Inflexion	*Acquisition Financing*	Apr 2021	Undisclosed
US	More Cowbell I LLC & its subsidiaries	N/A	*Refinancing*	Apr 2021	Undisclosed
UK	Velocity Clinical Research	N/A	*Growth financing*	Apr 2021	Undisclosed

Country	Company	Sponsor	Deal type	Date	Amount
US	Disys	N/A	*Growth financing*	Apr 2021	Undisclosed
South Africa	Ndalamo Resources	N/A	*Aquistion Financial Mo.*	Apr 2021	Undisclosed
Netherlands	ram infotechnology	Keensight Capital	*Acquisition Financing*	Apr 2021	Undisclosed
Belgium	Milcobel	Private	*Refinancing*	Apr 2021	Undisclosed
UK	Wickes	Public	*Debut Facility*	Mar 2021	£80m
UK	eGISS	EMK	*Acquisition Financing*	Mar 2021	£6m
UK	itm	Inflexion	*Acquisition Financing*	Mar 2021	Undisclosed
South Africa	Ignition Group	N/A	*Financial Model Build*	Mar 2021	Undisclosed
South Africa	Comair Limited	N/A	*Financial Model Build*	Mar 2021	Undisclosed
UK/Germany	Vodafone	Vodafone	*Treasury Advisory*	Mar 2021	€12bn
UK	idhl	BDC	*Acquisition Financing*	Mar 2021	Undisclosed
UK	idhl	BDC	*Lender Education*	Mar 2021	Undisclosed
UK	HGGC	HGGC	*Acquisition Financing*	Mar 2021	Undisclosed
UK	NRG Fleet Services	Palatine	*Refinancing*	Mar 2021	Undisclosed
UK	Specialist Risk Group	HGGC	*Acquisition Financing*	Mar 2021	Undisclosed
UK	Frontier Medical Group	Kester Capital	*Refinancing*	Feb 2021	£87m
Hungary	Confidential	N/A	*Growth Financing*	Feb 2021	€28m
Bermuda	Apex	Apex	*Preferred Equity*	Feb 2021	$330m
UK	Avania	Avania	*Refinancing*	Feb 2021	€17.5m
Jersey	Hawksford	Hawksford	*Acquisition Financing*	Feb 2021	£35m
UK	ITC Luxury Travel	North Edge	*Refinancing*	Feb 2021	Undisclosed
UK	Prescient Healthcare Group	BDC	*Acquisition Financing*	Jan 2021	£87m
UK	Broadstone	Livingbridge	*Lender Education*	Jan 2021	Undisclosed
UK	Western Global	Private	*Lender Education*	Jan 2021	£41m

Selected Global transactions

Country	Company	Lender / Sponsor	Type	Date	Amount
Germany	NI	Fransisco Partners	*Acquisition Financing*	Jan 2021	Undisclosed
UK	BROADSTONE	Livingbridge	*Acquisition Financing*	Jan 2021	Undisclosed
UK	MANCHESTER 1824 The University of Manchester	University of Manchester	*Refinancing*	Jan 2021	£250m
UK	VERASTAR	Vitruvian	*Refinancing*	Jan 2021	Undisclosed
UK	MVF	Bridgepoint Developmen.	*Refinancing*	Dec 2020	Undisclosed
UK	CDKGlobal.	Francisco Partners	*Acquisition Financing*	Dec 2020	Undisclosed
US	X-CHEM PHARMACEUTICALS	GHO	*Refinancing*	Dec 2020	Undisclosed
UK	CLEAR COURSE PARTNERSHIP	ClearCourse	*Refinancing*	Dec 2020	£50m
UK	X-CHEM PHARMACEUTICALS	N/A	*Refinancing*	Dec 2020	Undisclosed
UK	GFS Enterprise Carrier Management	Phoenix Equity Partner.	*Refinancing*	Dec 2020	Undisclosed
UK	ATPI	ICG	*Refinancing*	Dec 2020	Undisclosed
Finland	Project Berba	Bregal Milestone	*Refinancing*	Nov 2020	Undisclosed
UK	pibGroup	Carlyle	*Incremental*	Nov 2020	£200m
UK	BROADSTONE	Livingbridge	*Incremental*	Nov 2020	£33m
UK	Hg	Hg	*Fund Finance*	Nov 2020	Undisclosed
UK	EMK Capital Enterprise Management Knowledge	Inflexion	*CLBILS*	Nov 2020	Undisclosed
Germany	WARWEG	Investcorp	*Refinancing*	Nov 2020	Undisclosed
Germany	Avira	Investcorp	*Refinancing*	Oct 2020	€43m
UK	Hg Capital Trust plc	Hg Trust	*Fund Finance*	Oct 2020	Undisclosed
Denmark	LOOPIA	Axcel	*Refinancing*	Oct 2020	€105m
UK	MOUNTAIN WAREHOUSE	Inflexion	*CLBILS*	Oct 2020	£45m
Netherlands	QuinteS Een zorg minder!	Aquiline Capital Partn.	*Refinance*	Oct 2020	Undisclosed
US	Westcon Comstor	WestCon International	*Factoring*	Oct 2020	€275m
UK	heinenoord [assuradeuren]	Heinenoord	*Refinancing*	Oct 2020	Undisclosed

Country	Company	Sponsor / Borrower	Deal type	Date	Amount
UK	HRworks Login	Maguar	*Acquisition Financing*	Sep 2020	Undisclosed
UK	The Citation Group	Hg	*Lender Education*	Sep 2020	Undisclosed
UK	moda	Endless	*Refinancing / ABL*	Sep 2020	Undisclosed
UK	SUMO DIGITAL	Sumo Digital Group	*Refinancing*	Sep 2020	£30m
Norway	CONSIGNOR	Francisco Partners	*Acquisition Financing*	Aug 2020	£200m
UK	APG A-PLAN GROUP	Hg	*Incremental*	Aug 2020	£200m
UK	SPY ALARMS	Phoenix Equity Partner.	*Acquisition Financing*	Aug 2020	Undisclosed
Germany	F24	Hg	*Acquisition Financing*	Aug 2021	Undisclosed
UK	4thUtility	DIF Capital Partners	*Capex financing*	Aug 2020	£25m
UK	ACCROL GROUP	Accrol Plc	*Refinancing*	Aug 2020	£17m
UK	camira	Camira Fabrics	*Refinancing*	Aug 2020	Undisclosed
UK	FIRST PORT	Equistone	*Incremental*	Jul 2020	Undisclosed

Notes

Designed and produced by 368 at Deloitte, London. J21347