



Financing

DEBT MARKETS UPDATE



ACQUISITIONS
DIVESTITURES
FINANCINGS
RESTRUCTURINGS

Current Trends



Significant decrease in cash flow loans due to downturn in company performance in some sectors and increased rate exposure



Regional bank valuations declined due to failures of SVB, Signature and First Republic, impacting credit availability



Private credit funds are aggressively seeking to deploy capital in several areas including ABL, equipment financing, and impact investing



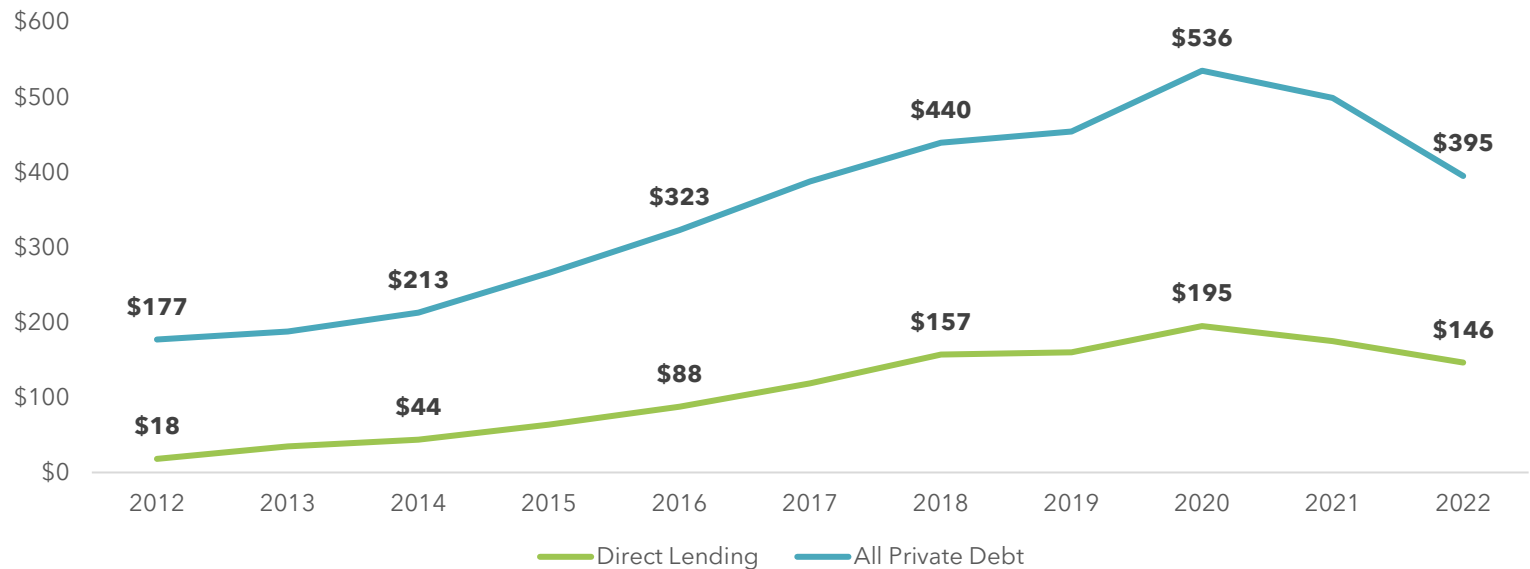
Minority and preferred equity injections from private equity and family offices can support acquisition strategies

Industry Overview

The debt markets have experienced an increase in interest rates at a pace not seen since the 1980s, and the fed funds rate target of 5.0-5.25% is the highest since September 2007. Distressed credits are on the rise in banks' portfolios, and bankruptcy specialists are seeing an uptick in activity. Despite the market volatility, debt capital remains readily available for most companies as private credit funds have stepped into the breach created by the banks, albeit with significantly higher pricing. Growth financings will be curtailed, however, while CFOs adapt to a world without "free money" which will impact capital investment and M&A activity.

Private Lending Dry Powder

(\$Billions)



Source: PitchBook

Potential Objectives for a Successful Financing



Find a new financing partner when current lending relationship is strained due to changes at bank or in company performance



Replace senior lending relationship with unitranche facility to create more flexibility and borrowing capacity



Increase liquidity by borrowing more on receivables and inventory with a non-regulated asset-based lender



Bring in a minority partner or junior capital provider to take advantage of buying opportunities in this turbulent market, particularly in the manufacturing and consumer sectors



Include mezzanine lenders in credit groups to increase total funding amounts as senior lenders reduce credit exposure and require more equity

(4) U.S. Census Bureau; (5) IBISWorld; (6) Associated Builders and Contractors

Key Types of Capital

Debt

Asset-based
Senior
Mezzanine
Unitranche

Equity

Common
Preferred
Structured



Key Lender Considerations

- » Current Performance and Liquidity
- » Industry Outlook
- » Total Leverage
- » Collateral Coverage/Downside Protection
- » 13-Week Cash Flow

Cascade Expertise in Dynamic Financing Markets

- » Quick access to over 1,000 investors, lenders, and family offices
- » Daily interaction with rapidly changing capital markets
- » Experience managing through both growth and distressed markets as our team has been operators, investors, and advisors
- » Seasoned team and proven process built for fast execution
- » Over 250+ years of combined transaction experience



Services

- » Quick assessment of capital structure needs and options
- » Investor identification and selection
- » Financial modeling
- » Covenant testing, liquidity analysis, and valuation support
- » Aggressive auction process
- » Term sheet negotiation
- » Final documentation & closing

Select Industry Experience



Healthcare



Business
Services



Industrials &
Manufacturing



Consumer



Food &
Beverage

Select Transactions

Financing & Buy-Side Advisor

NLG NORLEE GROUP

has acquired

COLWILL ENGINEERING

Learn more about the transaction here.

Financing

BARFLY

parent company of

TRUCK

has secured a \$25 million investment from

CONGRUENT MAINST

Learn more about the transaction here.

Financing

MORAE GLOBAL™

has refinanced its business with

WHITE OAK COMMERCIAL FINANCE

Learn more about the transaction here.

Financing

PPS PACIFIC POWER & SYSTEMS

has secured follow-on financing for accelerated growth from

WHITEWOLF CAPITAL LLC

Learn more about the transaction here.

Financing

tcc wireless

has secured unitranche financing from

BRIGHTWOOD

Learn more about the transaction here.

Financing

PROVIDENCE GROUP, INC.

has secured senior debt financing from

Gemino Healthcare Finance

Learn more about the transaction here.

Financing

SURGERE™

has secured a growth capital investment from

CYPRESS GROWTH CAPITAL

Learn more about the transaction here.

Financing

MORAE GLOBAL™

has secured growth capital from

LATERAL INVESTMENT MANAGEMENT to acquire

phoenix

Learn more about the transaction here.

Financing

PPS PACIFIC POWER & SYSTEMS

has completed a minority recapitalization and acquisition financing with

WHITEWOLF CAPITAL LLC

Learn more about the transaction here.

Restructuring & Refinance

Precision Critical Aerospace Component Manufacturer

Financial & Operational Advisor

Learn more about the transaction here.

About Cascade Partners

Cascade Partners is a boutique investment banking firm focused on middle-market businesses in industrials, healthcare, business services and manufacturing. Manufacturing and related business services are passions and specialties at Cascade Partners.

With more than 250 years of combined experience, we work with business owners and shareholders to achieve their objectives and explain the impact and opportunity of their options. Our experience extends beyond just being transaction advisors, too. We have been operators, served on boards and made personal investments in services firms. From buy-side and sell-side advisory services to securing growth financing, restructurings or recapitalizing your business, our expertise and insight goes deeper than the economic factors of a deal.

We recognize and respect the long-term impacts of a transaction on our clients' company, employees, family, wealth and personal lives and are committed not only to creating long-term value for companies but to creating transformative solutions for people.

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