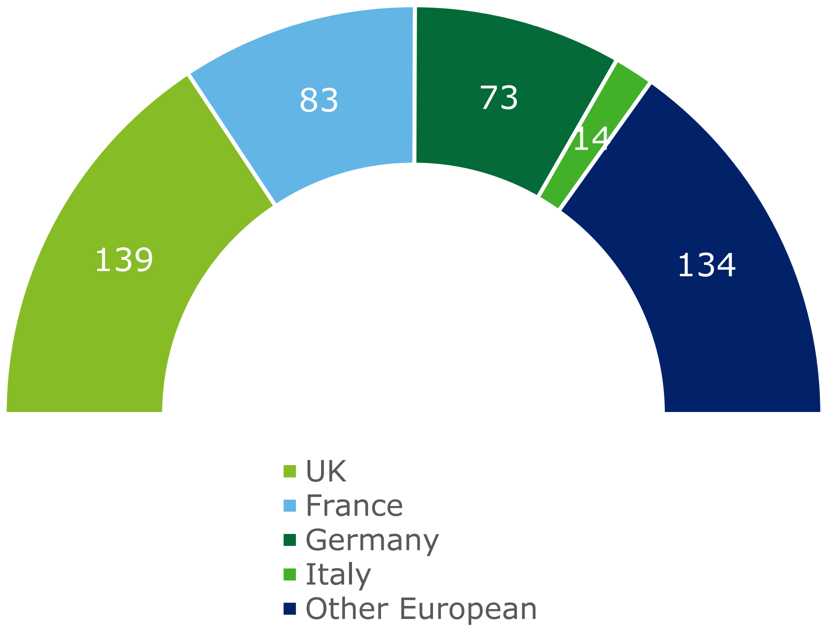
Deloitte.

International Market – ALD Deal Tracker

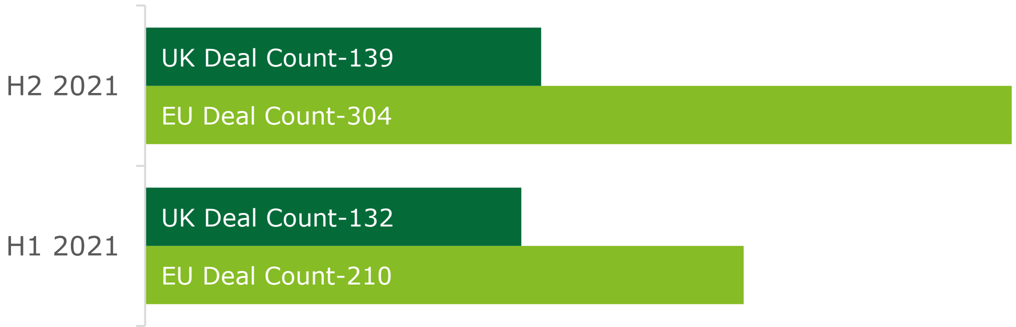
March 2022 |

Deloitte Alternative Lender Deal Tracker

H2 2021 deals completed



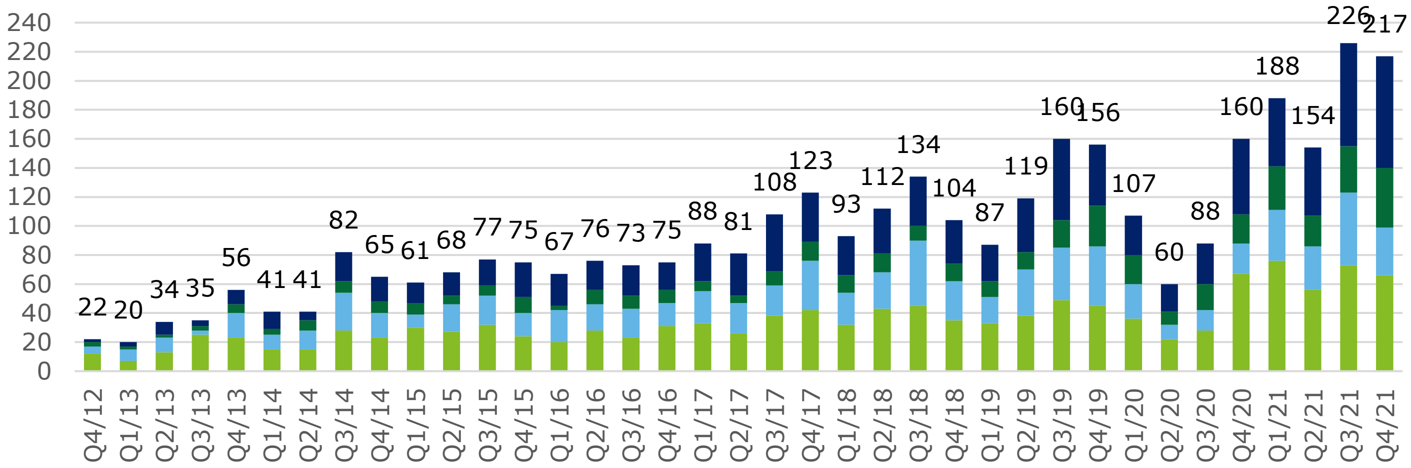
H2 2021 headline figure



The Alternative Lender Deal Tracker now covers 68 lenders and a reported 3353 deals

Alternative Lender Deal Tracker

Currently covers 68 leading Alternative Lenders. Only UK and European deals are included in the survey.



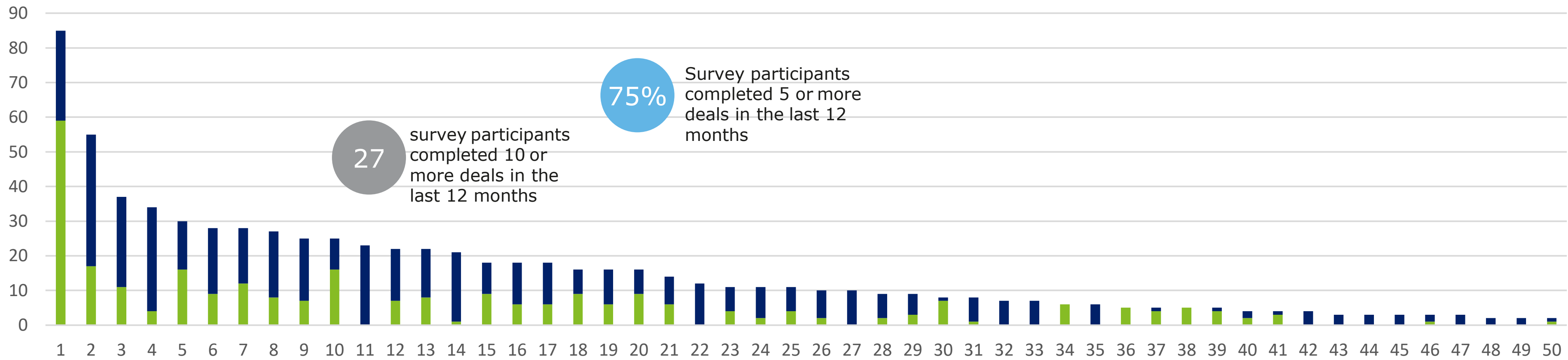
Data in the Alternative Lender Deal Tracker is retrospectively updated for any new participants

1259 UK deals completed

2274 Euro deals completed

3533 Total deals completed

Deals done by each survey participant (Last 12 months)

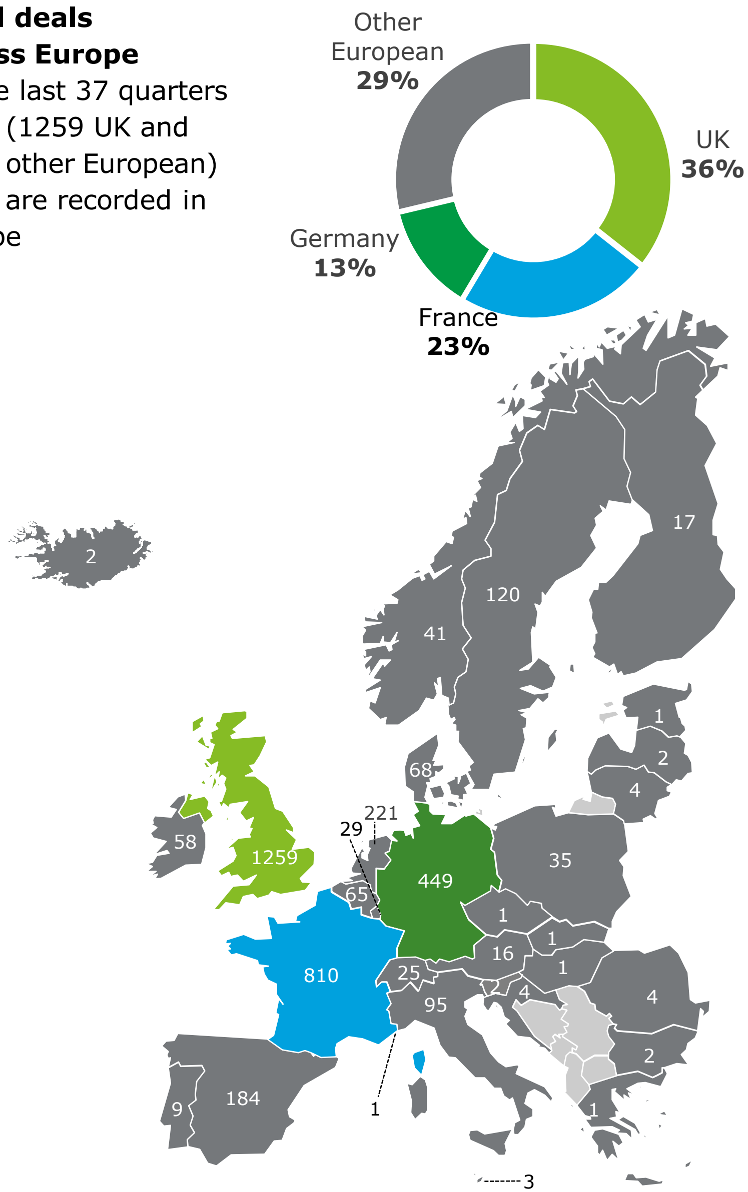


75% Survey participants completed 5 or more deals in the last 12 months

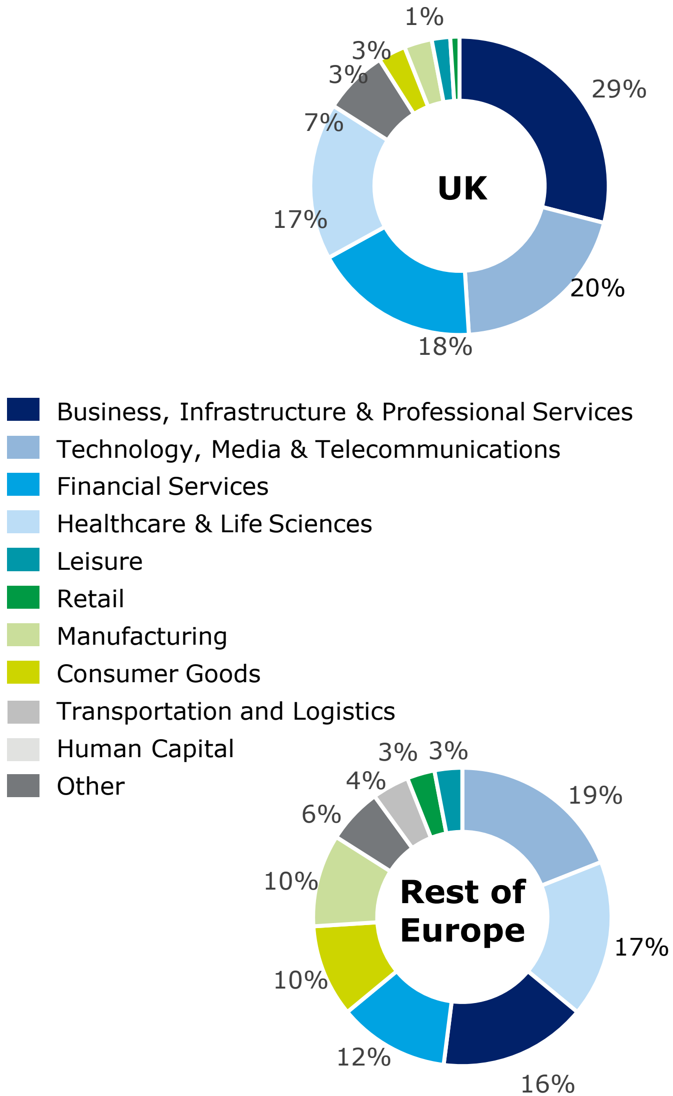
27 survey participants completed 10 or more deals in the last 12 months

Direct Lenders increasingly diversifying geographies

Total deals across Europe
In the last 37 quarters 3353 (1259 UK and 2274 other European) deals are recorded in Europe



Total deals across industries (Last 12 months)
Within the UK, the the Business, Infrastructure & Professional Services and TMT industries have been the dominant users of Alternative Lending

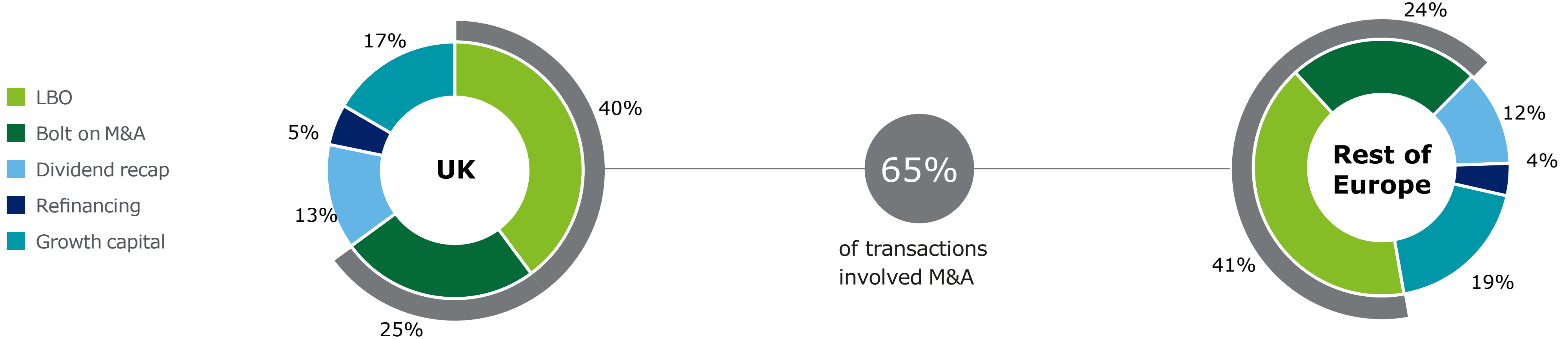


In the rest of Europe there are 5 main industries: TMT, Business, Infrastructure & Professional Services, Healthcare & Life Sciences, Manufacturing and Consumer Goods

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

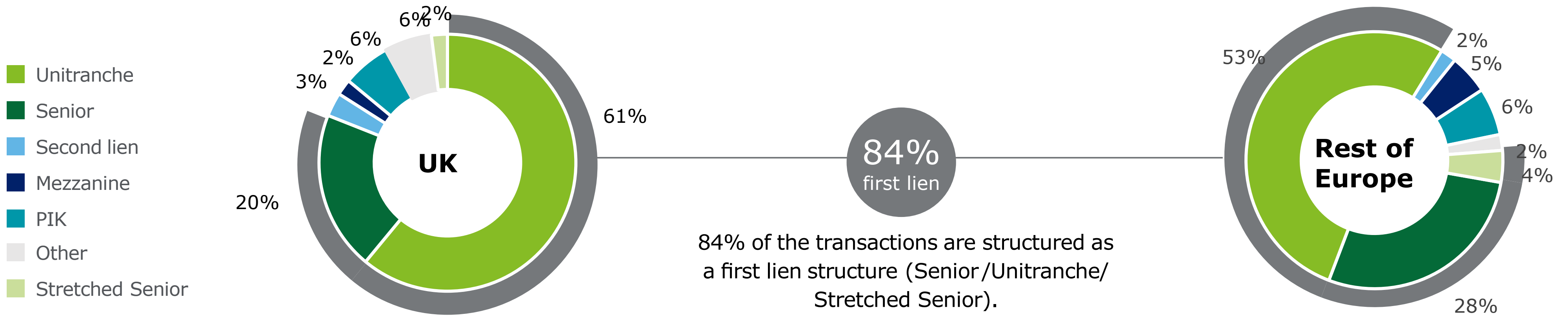
Deal purpose (Last 12 months)

The majority of the deals are M&A related, with 65% of the UK and Euro deals being used to fund a buy out. Of the 785 deals in the last 12 months, 96 deals did not involve a private equity sponsor.



Structures (Last 12 months)

Unitranche is the dominant structure, with 61% of UK transactions and 53% of European transactions. Subordinate structures represent only 16% of the transactions.

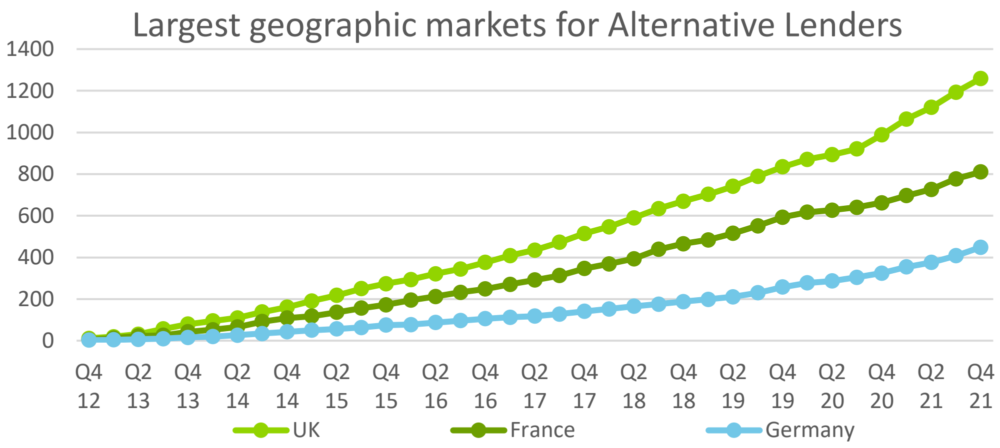


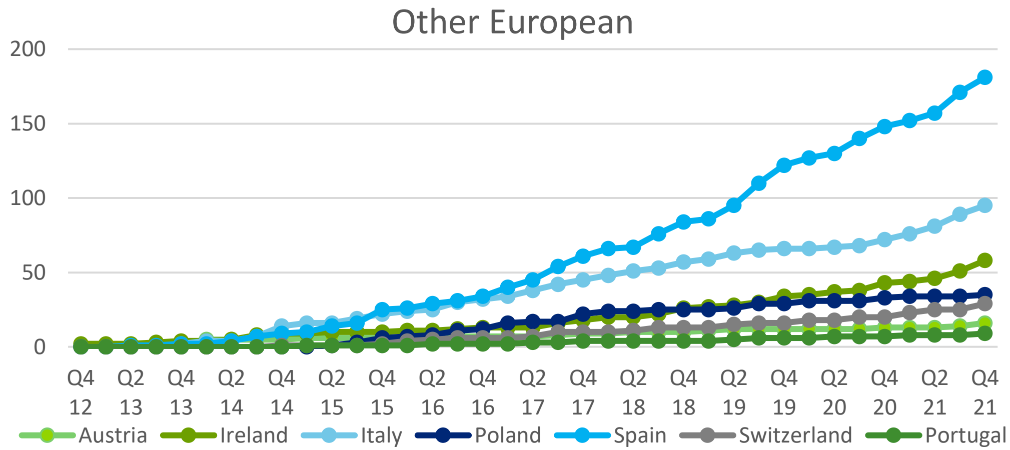
*For the purpose of the deal tracker, we classify senior only deals with pricing L + 650bps or above as unitranche. Pricing below this hurdle is classified as senior debt.

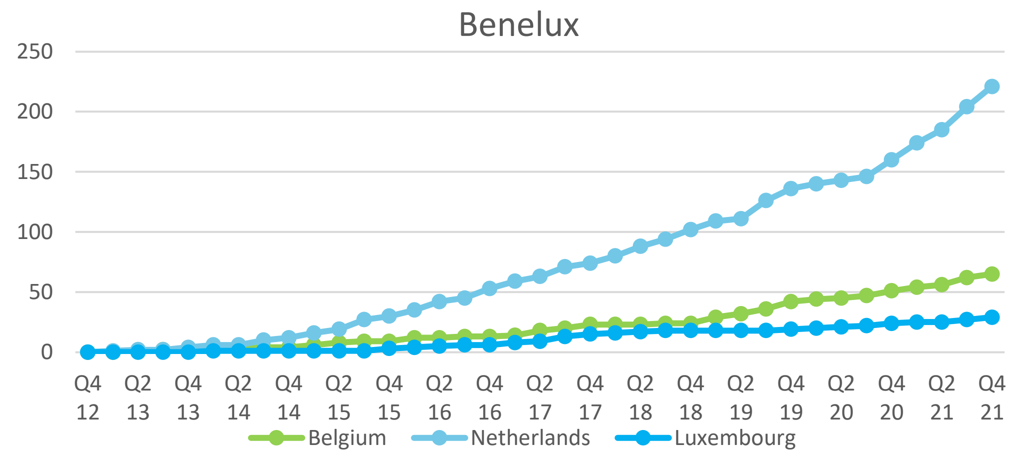
The UK still leading as the main source of deal volume for Direct Lenders in Europe

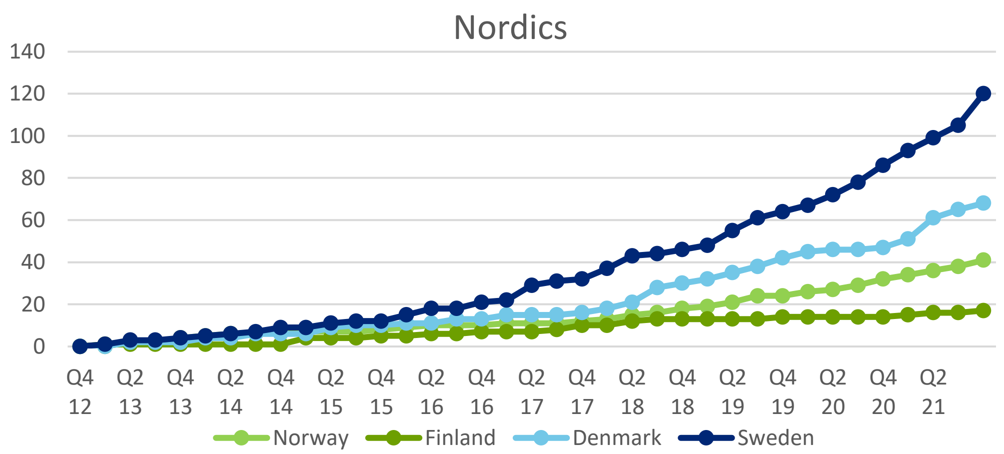
Cumulative number of deals per country

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 2021



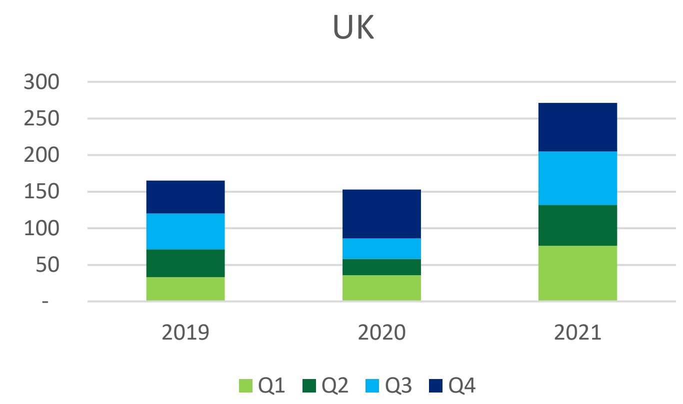


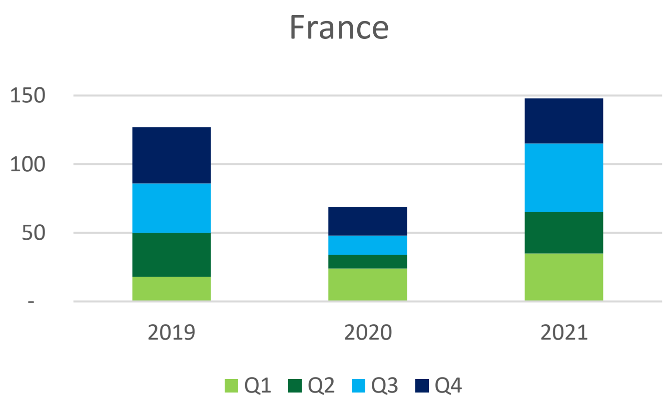


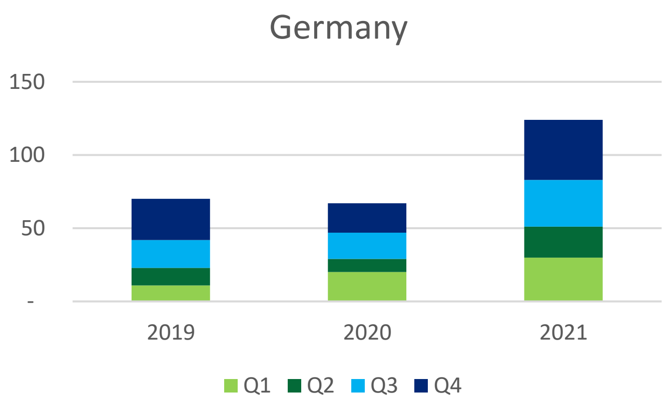


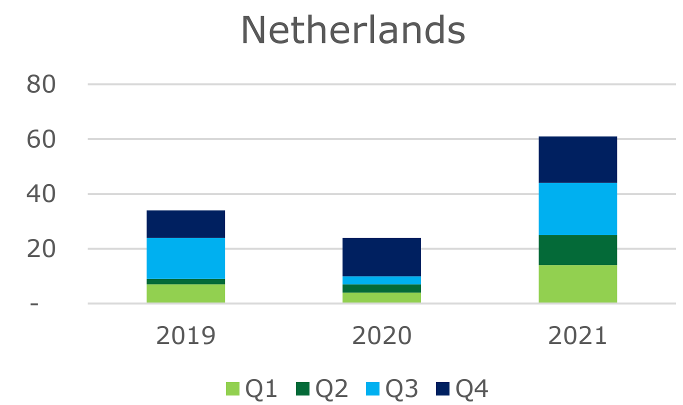
Direct Lending is growing in each of the main European markets

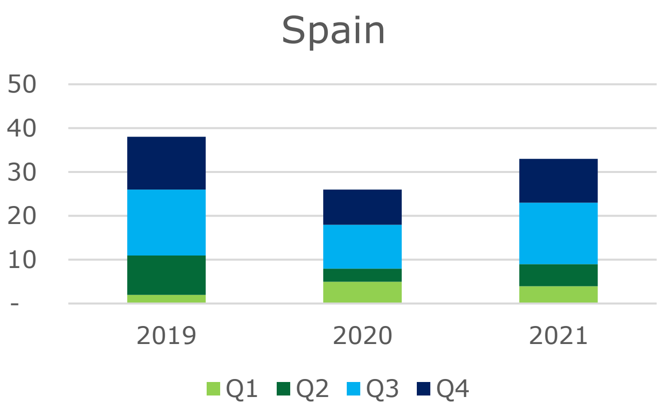
Comparison of deals for the last three years on a LTM basis for selected European countries

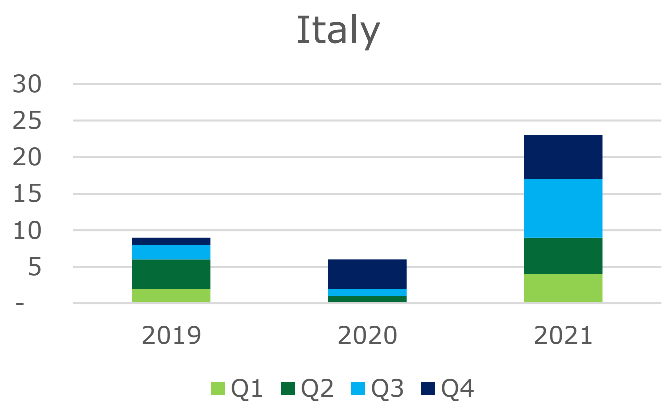




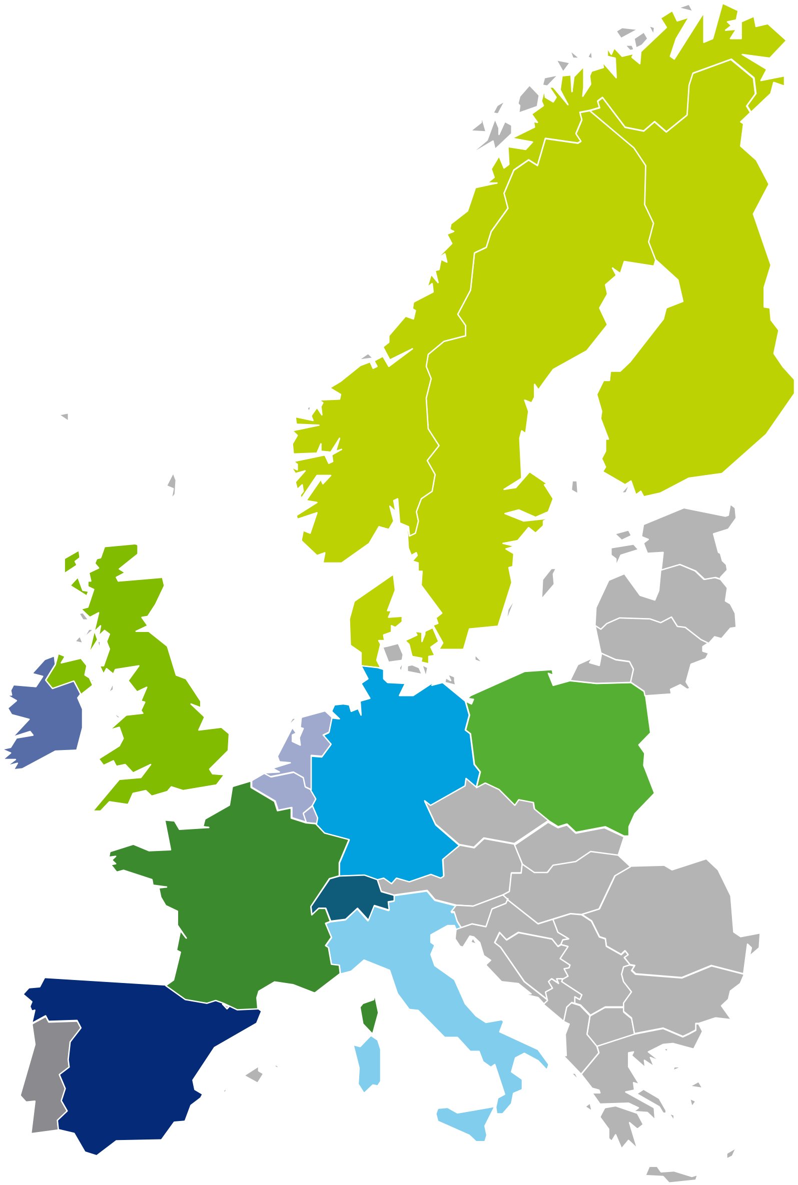








Who are the Direct Lenders?



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