

MARKET UPDATE



September 2022 | Volume 29

Tree Line Continues Portfolio Growth with Over \$800M of YTD New Commitments

Key Firm Highlights

256

TRANSACTIONS
COMPLETED

\$3.7B

COMMITMENTS ISSUED
SINCE INCEPTION

84%
















AGENT OR LEAD
ARRANGER

"We're proud to have maintained our dependable approach in the current environment. New sponsors continue to choose to work with us due to our highly transparent execution with strong certainty to close, as well as follow-on financing capabilities which has helped nearly double our average portfolio company EBITDA from initial closing. We're also excited to continue to grow our investment and operations teams with recent hires in our Austin office," said Frank Cupido, Partner of Tree Line.

Key YTD Updates:

- Closed transactions with 11 new private equity relationships, resulting in 66 unique sponsors financed since inception
- Continued active support of buy and build platforms, helping lower middle market borrowers grow to middle market leaders, with 33 add-ons financed year to date
- Grew team to 28 with hires of Malcolm Ferrell, Jessie Wei, Nathan Gernhard and Riley Haier, in Tree Line's Austin office. Malcolm Ferrell joined as a Vice President responsible for transaction execution and portfolio management, Jessie Wei joined as Controller, Nathan Gernhard joined as Analyst responsible for portfolio management and Riley Haier joined as Staff Accountant

Recent Transaction Activity

 <p>A portfolio company of</p>  <p>June 2022</p>	<p>First Lien Term Loan, Revolver, DDTL & Equity Co-Investment </p> <p>Tree Line served as Lender in a financing consisting of a first lien term loan, revolver, and equity co-investment to support Watterson's acquisition of Bassett Creek Services.</p> <p>Watterson provides emergency & disaster response, facility management, and environmental services to corporate clients across the US and Canada. This represents Tree Line's first transaction with Highview.</p>
 <p>A portfolio company of</p>  <p>June 2022</p>	<p>First Lien Term Loan & Revolver </p> <p>Tree Line served as Agent and Sole Lender on a first lien term loan and revolver to support the continued growth of CE Rental.</p> <p>CE Rental is a leading special event rental company that provides a wide variety of event rental equipment for the mid-Atlantic market. This represents Tree Line's first transaction with Dubin Clark.</p>
 <p>A portfolio company of</p>  <p>June 2022</p>	<p>First Lien Term Loan, Revolver & DDTL </p> <p>Tree Line served as Joint Lead Arranger for a first lien financing to support Bessemer's strategic investment in RotoCo, Inc.</p> <p>RotoCo is the largest franchisee of the Roto-Rooter Plumbing and Drain Service in the US and Canada, with branches and franchises in California from Sacramento to San Diego. This financing represents Tree Line's second transaction with Bessemer.</p>
 <p>A portfolio company of</p>  <p>02 Broadband Partners, LLC</p> <p>June 2022</p>	<p>First Lien Term Loan </p> <p>Tree Line acted as Agent and Lead Arranger for an increase to its existing loan to Frontier Dental Group to support its acquisition of D&S Dental Laboratory, Inc.</p> <p>Frontier is a full service, multi-site laboratory group that provides high-end dental prosthetics for cosmetic and general dentistry, as well as removable dental products. This represents the fourth add-on acquisition Tree Line has financed for Frontier.</p>
 <p>A portfolio company of</p>  <p>STG Commodities</p> <p>July 2022</p>	<p>ARR-Based First Lien Term Loan & Revolver </p> <p>Tree Line served as Agent and Sole Lender on a first lien financing to support STG Allegro Fund's acquisition of Brady Technologies' commodities business.</p> <p>The Company, based in the UK, is a leading global trading, risk and logistics software provider for the commodities sector. This financing represents Tree Line's second transaction with STG.</p>

Target Investment Criteria

Targeted Industries



Borrower and Deal Size

\$3M+
EBITDA

\$8M+
ARR

\$5-150M
Investment Size

Other Key Criteria

Sponsored
Non-sponsored
Ownership
North America
Geography

1st Lien Term Loans
Unitranche Term Loans
Equity Co-Investments
Security Type

Cash Flow
ARR
Loan Type

About Tree Line

Tree Line Capital Partners is a private credit asset management firm focused on direct lending to the lower middle market. The firm provides first lien term loans, unitranche term loans and equity co-investments to lower middle market borrowers with between \$3M-\$30M of EBITDA and at least \$8M of ARR in North America in transaction sizes up to \$150M. Tree Line currently manages \$2.4B in investable capital, and has completed over 250 transactions for acquisitions, recapitalizations, refinancings, expansion projects and other growth capital needs. Tree Line's team has extensive direct lending experience spanning multiple economic cycles and has generated significant repeat investment opportunities from the private equity community through reliable execution coupled with a direct relationship approach. Tree Line is headquartered in San Francisco with offices in New York, Los Angeles and Austin.

Visit www.treelinecp.com for additional detail.

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