

MARKET UPDATE



January 2023 | Volume 30

Tree Line Commits \$1.0 Billion in 2022, Expands Platform, Announces Team Promotions

Key Firm Highlights

278

TRANSACTIONS
COMPLETED

\$3.8B

COMMITMENTS ISSUED
SINCE INCEPTION

84%

AGENT OR LEAD LENDER

Key Updates:

- Closed transactions with 13 new private equity relationships, resulting in 68 unique sponsors financed since inception, with a total of \$1.0 Billion in new financing commitments in 2022
- Grew current portfolio to \$2.2 Billion of commitments across 70 companies. Continued active support of buy and build platforms, with 53 add-ons financed in 2022
- Expanded investable capital to \$2.5 Billion in 2022, adding its ninth direct lending fund
- Promoted Stephan Schneck to Managing Director, Brandon Cheeseborough to Vice President and Cole Rademacher to Senior Associate

"We remain excited about our firm and portfolio growth despite a turbulent market. We continue to close deals with new and existing private equity relationships who come to us because they can count on a transparent process and certainty to close. Our team has been instrumental in creating this culture of execution, and we're excited to promote Stephan, Brandon and Cole, who have been key to Tree Line's growth," said Frank Cupido, Partner of Tree Line.

Recent Transaction Activity



A portfolio company of



August 2022

First Lien Term Loan, Revolver & Equity Co-Investment



Tree Line served as Sole Lender for a first lien credit facility and provided an equity co-investment to support Avance Investment Management's partnership with RIA Advisory.

RIA provides software implementation services, revenue management advisory and support to enterprise clients. This financing represents Tree Line's first transaction with Avance.



A portfolio company of



August 2022

First Lien Term Loan, Revolver & Delayed Draw Term Loan



Tree Line served as Sole Lender for a first lien credit facility to support Growth Catalyst Partners' acquisition of Sigma 7.

Sigma7 is a specialized risk services firm supporting the contextualization and management of risk for customers across various industry sectors, risk domains and locations. This financing represents Tree Line's third transaction with Growth Catalyst Partners.

Midwest-Based Residential Roofing Business

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Middle Market Private Equity Sponsor

November 2022

First Lien Term Loan & Revolver



Tree Line served as Lead Arranger for a first lien credit facility to support a middle market private equity sponsor's acquisition of a residential roofing business.

This financing represents Tree Line's eighth investment in residential home services, including HVAC, plumbing, remediation and roofing.



A portfolio company of



November 2022

First Lien Term Loan and Equity Co-Investment



Tree Line acted as Sole Lender for a first lien financing and an equity co-investment to support Palladium Heritage's investment in Southwest Strategies.

Southwest Strategies is a public relations and communications firm operating in a unique niche focused on utilities, transportation energy, water, and land use. This financing represents Tree Line's first transaction with Palladium Heritage.



A portfolio company of



December 2022

First Lien Term Loan



Tree Line served as Lender in an increase to Evergreen Services Group II's credit facility to finance an acquisition.

Evergreen Services Group II, owned by Alpine Investors, is a holding company that acquires and operates managed IT providers, government service providers and application management companies.

This financing represents Tree Line's ninth platform with Alpine.

Target Investment Criteria

Targeted Industries



Business
Services



Tech-enabled
Services



Healthcare



Financial
Services



Consumer



Manufacturing

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 \$2.5B in investable capital, and has completed over 270 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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