

MARKET UPDATE



August 2023 | Volume 32

Tree Line Closes Over \$430M of New Commitments YTD, Adds Three to Team

Key Firm Highlights (Since Inception)

74

SPONSORS FINANCED

\$4.5B

COMMITMENTS ISSUED

87%


AGENT OR LEAD LENDER

Key Updates:

- Closed transactions exceeding \$430M of commitments for existing and new portfolio companies year to date, including financings with seven new private equity relationships
- Signed term sheets for an additional \$100M of new commitments across five transactions, showing momentum in lower middle market deal activity
- Continued focus on buy and build strategies, committing \$135 to support 12 add-on acquisitions year to date for existing borrowers
- Hired Megan Brown as a Vice President, Loan Servicing, and Costakis Loizou and Shikha Lakhi as Portfolio Management Analysts, in Tree Line's Austin Office


"We're pleased to announce continued robust investment activity despite the challenging M&A market, as well as ongoing expansion of our team. Sponsors have come to appreciate our unique ability to back a platform in its early stages with trusted abilities to grow credit facilities to over \$150M. This has contributed to reliable portfolio and sponsor relationship growth. We're also excited to welcome Megan, Costakis and Shikha to our team," said Frank Cupido, Partner of Tree Line.

Recent Transaction Activity



STRAIGHTAWAY
TIRE & AUTO REPAIR


A portfolio company of



O2 O2 Investment Partners, LLC

March 2023

First Lien Term Loan, Revolver, DDTL & Equity Co-Investment



Tree Line acted as Co-Lead Arranger for a first lien credit facility to support O2's acquisition of Straightaway Tire & Auto Repair. The Company is an automotive service platform that operates 43 locations across the US. Straightaway represents the eighth O2 platform Tree Line has financed.


Propane Distribution Company

A portfolio company of


Private Equity Sponsor

April 2023

First Lien Term Loan, Revolver & Equity Co-Investment




Tree Line acted as Agent and Sole Lender for a first lien credit facility to support a sponsor-backed acquisition of a retail propane distribution company in the South Central US. This financing represents Tree Line's first transaction with the private equity sponsor.



RIA
RECOGNIZE > INNOVATE > ACCELERATE


A portfolio company of



AVANCE

May 2023

Incremental First Lien Term Loan & Revolver Upsize



Tree Line acted as Agent and Lead Arranger for an increase to its existing first lien credit facility to RIA Advisory, an Avance Investment Management portfolio company, to support its acquisition of TMG Consulting. RIA Advisory, a leading revenue management solutions provider, and TMG Consulting, a top advisory and professional services firm to the utilities market, combined to create an industry-leading provider of revenue management solutions for clients.


Tree Care Services Company

A portfolio company of

Private Equity Sponsor

June 2023

Incremental First Lien Term Loan & Equity Co-Investment



Tree Line acted as Agent and Sole Lender for an increase to its existing first lien credit facility to a sponsor-backed tree care services business. The Company is a leading national provider of tree care and plant healthcare services. Since our initial investment in 2022, Tree Line has financed six add-on acquisitions for the Company.

Target Investment Criteria

Targeted Industries



Business
Services



Tech-enabled
Services



Healthcare



Financial
Services



Consumer



Manufacturing

Key Deal Criteria

\$5M+

EBITDA

\$5M-\$150M

Investment Size

**Sponsored
Non-sponsored**
Ownership

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

**Cash Flow
NAV**
Loan Type

North America
Geography

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 \$5M-\$30M of EBITDA in North America in transaction sizes up to \$150M. Tree Line currently manages \$2.6B in investable capital, and has completed over 300 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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