

# MARKET UPDATE



December 2023 | Volume 33

## Tree Line Closes Over \$750M of New Commitments YTD, Continues Team Growth

### Key Firm Highlights (Since Inception)

78

SPONSORS FINANCED

\$4.6B

COMMITMENTS ISSUED

85%


AGENT OR LEAD LENDER

#### **Key Updates:**


- Closed transactions exceeding \$750M of commitments for existing and new portfolio companies year to date, including financings with ten new private equity relationships
- Continued focus on buy-and-build strategies, committing capital to support 26 follow-on financings for add-on acquisitions and other growth requirements year to date for existing borrowers
- Hired Megan Brown as Vice President, Loan Servicing, and Shikha Lakhi, Costakis Loizou and Andrew Martin as Portfolio Management Analysts, in Tree Line's Austin and New York offices

"2023 has been another exciting year for Tree Line, with significant origination momentum and team growth despite a challenging market. We continue to focus on the Lower Middle Market, financing companies with less than \$10M of EBITDA at close while maintaining the capability to grow credit facilities to more than \$150M over time. We're thankful to have closed deals with ten new sponsor relationships this year based on our reliable approach, upfront feedback, and streamlined execution to close," said Jon Schroeder, Managing Partner of Tree Line.

# Recent Transaction Activity




A portfolio company of



November 2023


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




Tree Line served as Agent and Sole Lender to support May River Capital's acquisition of RLE Technologies ("RLE").

RLE designs and manufactures environmental monitoring equipment for data centers and critical facilities, serving a long-standing customer base of blue-chip OEMs, distributors, value-added reseller partners, and end users.

This transaction is Tree Line's first with May River Capital.




A portfolio company of



November 2023


## Revolver and First Lien Term Loan



Tree Line served as Co-Lead Arranger to support Ariel Alternatives' Project Black in its acquisition of My Code.


My Code offers solutions to brands that meet the rapidly growing need for multicultural marketing, with a mission to build a future for media and advertising where everyone is authentically represented.

This transaction is Tree Line's first with Ariel Alternatives.




A neighborhood company

A portfolio company of



October 2023


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




Tree Line served as Agent and Sole Lender to support SBJ Capital's investment in Sydnic.

Sydnic is one of the largest franchisees in the Precision system with 10 franchise locations serving the Southeast US markets. Sydnic technicians repair, maintain, and install residential garage doors, openers, and related equipment.

This transaction is Tree Line's fourth with SBJ Capital.




A portfolio company of



October 2023

## Revolver, First Lien Term Loan & DDTL



Tree Line served as Agent and Joint Lead Arranger to increase the Company's credit facility with a DDTL for acquisitions.

New Charter is a family of brands made of up the highest-performing Managed Service Providers across North America, providing IT support, consulting and managed IT services.

Tree Line first provided financing at New Charter's inception in 2020 and has since provided capital for over 20 add-ons.

# Target Investment Criteria

## Targeted Industries



## 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 3300 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](http://www.treelinecp.com) for additional detail.

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