



## Investment Banking | **Industry Spotlight**



**Downstream Petroleum | Q1 2017**

## Downstream Petroleum Investment Banking

### Commitment to Downstream Petroleum

- Fifth Third is a leading financial partner and capital markets advisor in the Convenience Store and Downstream Fuel and Lubricant Distribution industries (collectively “Downstream Petroleum”)
- Fifth Third has extensive credit exposure to the Downstream Petroleum industry and is actively engaged in the M&A marketplace
- Fifth Third has relationships with the largest operators in the U.S., reflecting our dedication to the C-Store industry with M&A advisory, capital markets activity, lending, and risk management strategies

### Representative Services

#### Capital Raising & Advisory

- M&A Advisor
- Lead Credit Provider
- Co-Manager on Bond Transactions
- Syndicated Lending

#### Risk Management

- Treasury Management
- Commodities Hedging
- Foreign Exchange Risk Management
- Interest Rate Risk Management

## Key Downstream Petroleum Contacts

### Investment Banking

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### Debt Capital Markets

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### Equity Capital Markets

**Mike Ryan**  
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## Sector Leadership Team

### Michael J. Burr

#### Sr. Managing Director

- Mike has 25+ years of investment banking experience with JP Morgan, Challenger Capital and Fifth Third Securities
- Mike has advised several of the largest c-store operators in North America in M&A as well as debt and equity capital raises

### Robert Bohn

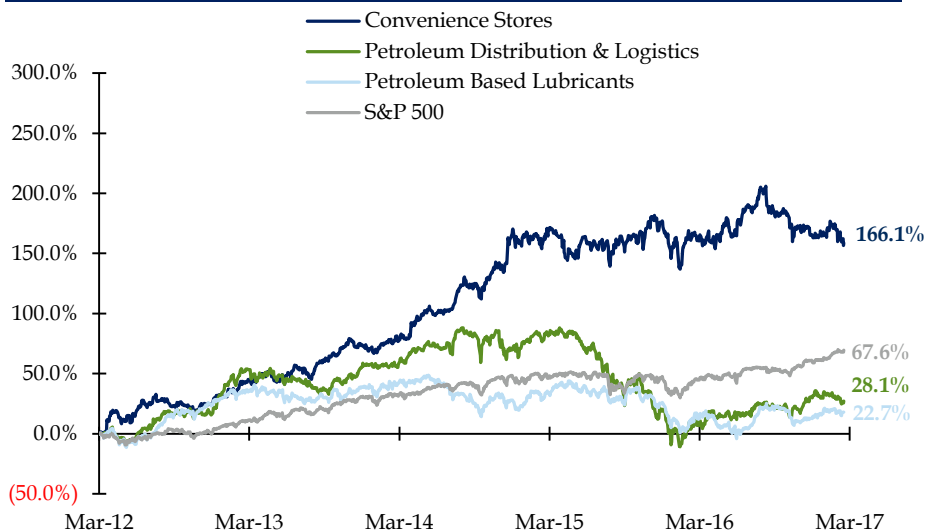
#### Director

- Rob has 12+ years of investment banking experience with Citigroup, Ewing Bemiss & Co. and Fifth Third Securities
- Rob has been active in developing Fifth Third’s c-store relationships, advising on M&A and capital structuring issues

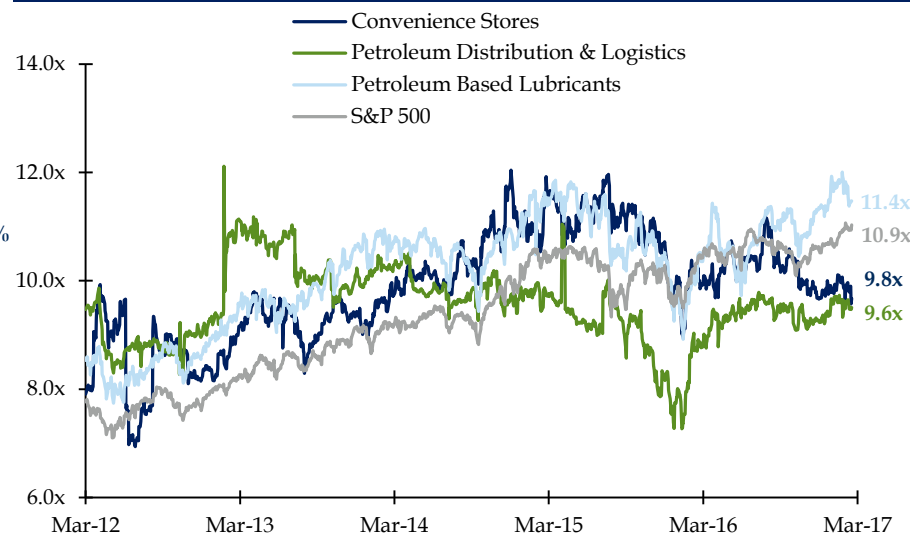
## Recent M&A Transactions

|  |   |  |
|--|---|--|
|  <p>has been acquired by</p>  <p>Sell-Side Advisor</p>  |  <p>has been acquired by</p> <p>Croton Holding Company</p> <p>Sell-Side Advisor</p>  | <p>\$425,000,000</p>  <p>has been acquired by</p>  <p>Sell-Side Advisor</p>  |
|--|---|--|

## 5-Year Share Price Performance



## 5-Year EV/Forward EBITDA Performance



## Sub-Sector Indices' Stock Price Performance

| Sub-Sector                         | Number of Companies | Median Enterprise Value<br>\$ in millions | Median %               | Median TEV / LTM Multiples |              | Median TEV / Forward Multiples |              |
|------------------------------------|---------------------|---|------------------------|----------------------------|--------------|--------------------------------|--------------|
|                                    |                     |   | Change in Price<br>YTD | Revenue                    | EBITDA       | Revenue                        | EBITDA       |
| C-Stores                           | 4                   | \$6,133.9                                 | (2.8%)                 | 0.6x                       | 9.6x         | 0.5x                           | 8.7x         |
| Petroleum Distribution & Logistics | 7                   | 2,097.0                                   | (1.3%)                 | 0.5x                       | 13.0x        | 0.5x                           | 9.6x         |
| Petroleum Based Lubricants         | 4                   | 4,437.3                                   | 3.6%                   | 0.8x                       | 14.5x        | 0.8x                           | 10.9x        |
| <b>S&amp;P 500</b>                 | <b>500</b>          |   | <b>5.8%</b>            | <b>2.4x</b>                | <b>12.2x</b> | <b>2.22</b>                    | <b>11.01</b> |

# Public Company Comparables

Downstream Petroleum | **Industry Spotlight**  
Q1 2017

|   | Stock Price at 3/31/17 | % of 52-Week High | Market Cap | Enterprise Value | LTM Financials |         | Revenue Growth |              | LTM Margins  |             | Debt/ EBITDA | Price/ Earnings | Enterprise Value / |             |              |              |
|---|------------------------|-------------------|------------|------------------|----------------|---------|----------------|--------------|--------------|-------------|--------------|-----------------|--------------------|-------------|--------------|--------------|
|   |                        |                   |            |                  | Revenue        | EBITDA  | '15A - '16A    | '16A - '17E  | Gross        | EBITDA      |              |                 | Revenue            |             | EBITDA       |              |
|   |                        |                   |            |                  |                |         |                |              |              |             |              |                 | LTM                | 2017E       | LTM          | 2017E        |
| <b>C-Stores</b>                                     |                        |                   |            |                  |                |         |                |              |              |             |              |                 |                    |             |              |              |
| Alimentation Couche-Tard Inc.                       | \$45.40                | 87.9%             | \$26,072   | \$29,399         | \$35,679       | \$2,353 | (1.1%)         | 36.2%        | 17.8%        | 6.6%        | 1.7x         | 22.7x           | 0.8x               | 0.6x        | 12.5x        | 9.9x         |
| Sunoco LP   | 24.17                  | 63.5%             | 2,708      | 7,103            | 15,497         | 751     | (15.0%)        | 18.7%        | 14.1%        | 4.8%        | 6.0x         | NM              | 0.5x               | 0.4x        | 9.5x         | 9.2x         |
| Casey's General Stores, Inc.                        | 111.92                 | 82.2%             | 4,350      | 5,165            | 6,425          | 530     | (10.6%)        | 35.7%        | 26.0%        | 8.3%        | 1.8x         | 22.8x           | 0.8x               | 0.6x        | 9.7x         | 8.3x         |
| Murphy USA Inc.                                     | 73.16                  | 90.9%             | 2,694      | 3,211            | 9,448          | 400     | (10.2%)        | 39.9%        | 5.4%         | 4.2%        | 1.7x         | 13.1x           | 0.3x               | 0.2x        | 8.0x         | 7.3x         |
| <b>Mean</b>   |                        |                   |            |                  |                |         | <b>(9.2%)</b>  | <b>32.6%</b> | <b>15.8%</b> | <b>6.0%</b> | <b>2.8x</b>  | <b>19.5x</b>    | <b>0.6x</b>        | <b>0.5x</b> | <b>9.9x</b>  | <b>8.7x</b>  |
| <b>Median</b>                                       |                        |                   |            |                  |                |         | <b>(10.4%)</b> | <b>35.9%</b> | <b>15.9%</b> | <b>5.7%</b> | <b>1.7x</b>  | <b>22.7x</b>    | <b>0.6x</b>        | <b>0.5x</b> | <b>9.6x</b>  | <b>8.7x</b>  |
| <b>Petroleum Product Distribution and Logistics</b> |                        |                   |            |                  |                |         |                |              |              |             |              |                 |                    |             |              |              |
| Energy Transfer Partners, L.P.                      | \$35.82                | 82.3%             | \$19,663   | \$60,815         | \$20,276       | \$4,601 | (36.3%)        | 24.6%        | 23.0%        | 22.7%       | 7.3x         | NM              | 3.0x               | 2.2x        | 13.2x        | 9.0x         |
| Sunoco Logistics Partners L.P.                      | 23.98                  | 76.2%             | 7,924      | 16,204           | 9,151          | 1,261   | (12.7%)        | 16.6%        | 16.3%        | 13.8%       | 5.8x         | 24.5x           | 1.8x               | 1.5x        | 12.8x        | 10.1x        |
| World Fuel Services Corp.                           | 35.89                  | 70.4%             | 2,516      | 3,018            | 27,016         | 258     | (11.1%)        | 20.9%        | 3.3%         | 1.0%        | 4.6x         | 19.8x           | 0.1x               | 0.1x        | 11.7x        | 8.1x         |
| Global Partners LP                                  | 19.20                  | 87.5%             | 651        | 2,097            | 8,240          | 215     | (20.1%)        | 12.2%        | 6.9%         | 2.6%        | 6.8x *       | NM              | 0.3x               | 0.2x        | 9.8x *       | 10.5x        |
| Delek US Holdings, Inc.                             | 23.82                  | 91.4%             | 1,490      | 1,831            | 4,198          | 29      | (12.2%)        | 29.2%        | 9.2%         | 0.7%        | 28.7x        | NM              | 0.4x               | 0.3x        | 62.7x        | 7.8x         |
| CrossAmerica Partners LP                            | 24.87                  | 89.0%             | 849        | 1,393            | 1,790          | 71      | (15.8%)        | 23.0%        | 8.7%         | 4.0%        | 7.7x         | NM              | 0.8x               | 0.6x        | 19.6x        | 12.0x        |
| Sprague Resources LP                                | 27.05                  | 89.1%             | 578        | 1,135            | 2,390          | 61      | (31.4%)        | 3.7%         | 8.8%         | 2.5%        | 9.2x         | NM              | 0.5x               | 0.5x        | 18.7x        | 9.6x         |
| <b>Mean</b>   |                        |                   |            |                  |                |         | <b>(20.0%)</b> | <b>18.6%</b> | <b>10.9%</b> | <b>6.7%</b> | <b>10.6x</b> | <b>22.2x</b>    | <b>1.0x</b>        | <b>0.8x</b> | <b>23.1x</b> | <b>9.6x</b>  |
| <b>Median</b>                                       |                        |                   |            |                  |                |         | <b>(15.8%)</b> | <b>20.9%</b> | <b>8.8%</b>  | <b>2.6%</b> | <b>7.5x</b>  | <b>22.2x</b>    | <b>0.5x</b>        | <b>0.5x</b> | <b>16.0x</b> | <b>9.6x</b>  |
| <b>Petroleum Based Lubricants</b>                   |                        |                   |            |                  |                |         |                |              |              |             |              |                 |                    |             |              |              |
| Brenntag AG   | \$56.39                | 93.3%             | \$8,707    | \$10,489         | \$11,082       | \$835   | (1.4%)         | 4.2%         | 22.6%        | 7.5%        | 2.9x         | 22.9x           | 0.9x               | 0.9x        | 12.6x        | 11.7x        |
| Fuchs Petrolub SE                                   | 48.78                  | 100.6%            | 6,282      | 6,129            | 2,393          | 422     | 6.0%           | 2.2%         | 37.2%        | 17.6%       | 0.0x         | 24.8x           | 2.6x               | 2.5x        | 14.5x        | 14.0x        |
| Parkland Fuel Corporation                           | 22.22                  | 92.9%             | 2,142      | 2,746            | 4,665          | 179     | 2.7%           | 64.6%        | 11.4%        | 3.8%        | 3.5x         | NM              | 0.6x               | 0.4x        | 15.3x        | 10.1x        |
| Calumet Specialty Products Partners, L.P.           | 3.70                   | 29.6%             | 288        | 2,296            | 3,599          | 121     | (14.6%)        | 4.6%         | 10.3%        | 3.4%        | 16.5x *      | NM              | 0.6x               | 0.6x        | 19.0x *      | 9.0x         |
| <b>Mean</b>   |                        |                   |            |                  |                |         | <b>(1.8%)</b>  | <b>18.9%</b> | <b>20.4%</b> | <b>8.1%</b> | <b>2.1x</b>  | <b>23.9x</b>    | <b>1.2x</b>        | <b>1.1x</b> | <b>14.1x</b> | <b>11.2x</b> |
| <b>Median</b>                                       |                        |                   |            |                  |                |         | <b>0.7%</b>    | <b>4.4%</b>  | <b>17.0%</b> | <b>5.7%</b> | <b>2.9x</b>  | <b>23.9x</b>    | <b>0.8x</b>        | <b>0.8x</b> | <b>14.5x</b> | <b>10.9x</b> |
| <b>Mean</b>   |                        |                   |            |                  |                |         | <b>(12.3%)</b> | <b>22.4%</b> | <b>14.7%</b> | <b>6.9%</b> | <b>6.2x</b>  | <b>21.5x</b>    | <b>0.9x</b>        | <b>0.8x</b> | <b>17.0x</b> | <b>9.8x</b>  |
| <b>Median</b>                                       |                        |                   |            |                  |                |         | <b>(12.2%)</b> | <b>20.9%</b> | <b>11.4%</b> | <b>4.2%</b> | <b>4.6x</b>  | <b>22.8x</b>    | <b>0.6x</b>        | <b>0.6x</b> | <b>12.8x</b> | <b>9.6x</b>  |

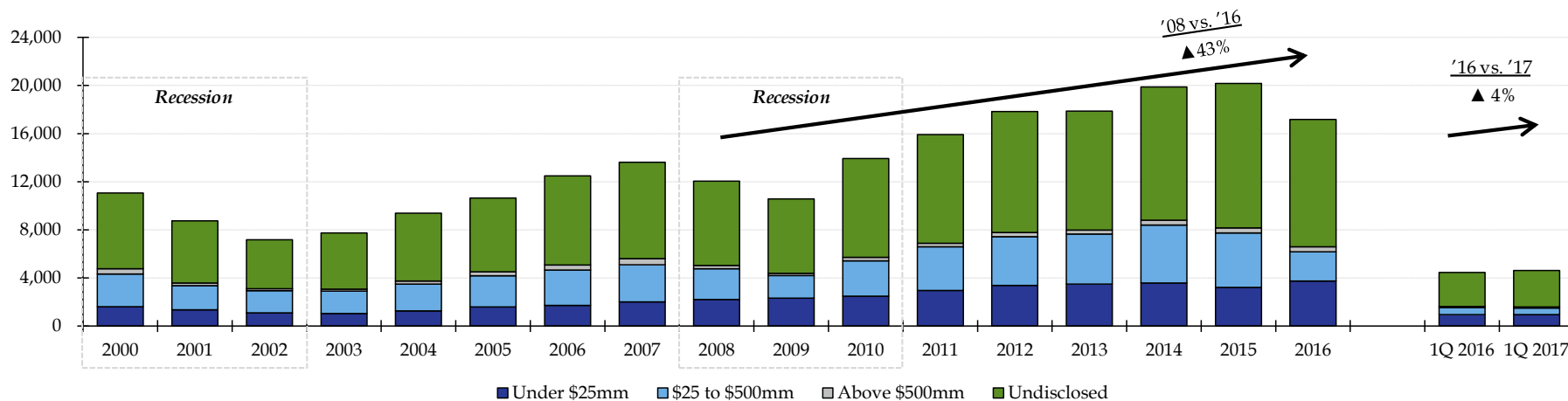
\* Excluded from mean and median NA - Not available NM - Not meaningful E - Estimate

Enterprise value equals market capitalization plus minority equity plus debt minus cash.

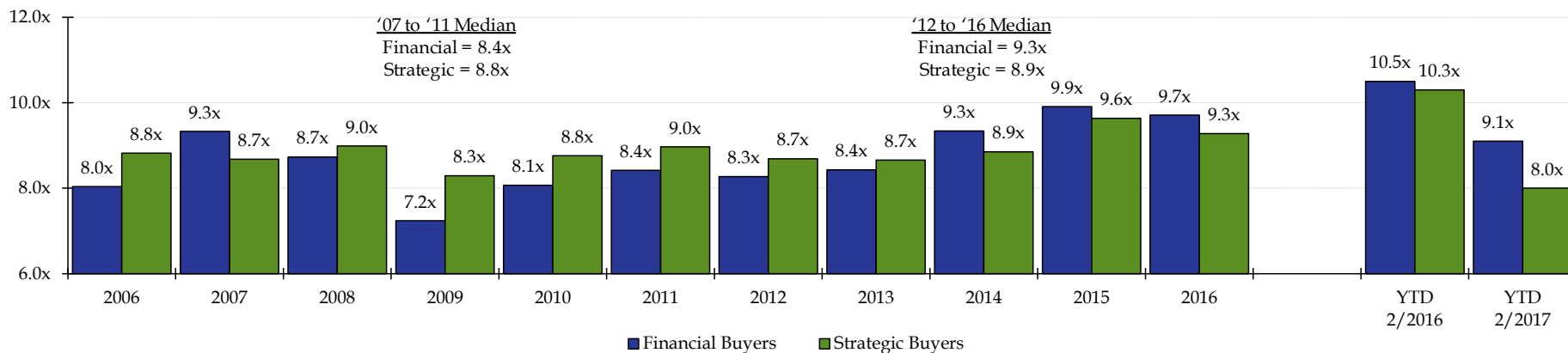
Source: Company filings and S&P Capital IQ.

# U.S. M&A Volume and Valuation Trends

## Transaction Volume



## Median Transaction Multiples (Enterprise Value/LTMEBITDA)



## M&A Remains Robust

- In a low organic growth environment, M&A is still an effective tool to “move the needle”
- Buyers are on the hunt for synergies and to find the best deal to make “1 + 1 = 3”
- Maximizing purchasing power through increased scale and driving efficiencies through distribution routes have been effective in successful transactions

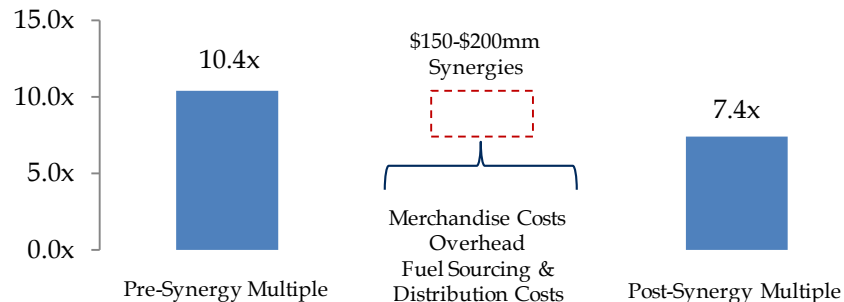
## Retail Stores & Fuel

- Fuel consumption is still recovering from pre-Recession levels due to increased fuel-economy in motor vehicles and shifts in driving habits among Millennial drivers
- Food service and other enhanced in-store merchandise programs are increasing store footprints to accommodate a wider range of product offerings

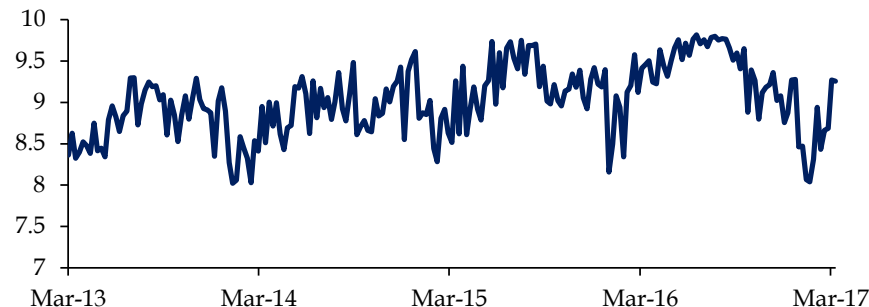
## Lubricants

- Rapid consolidation continues, while Exxon continues to look for brand exclusiveness with its distributors
- Organic growth is slow but steady

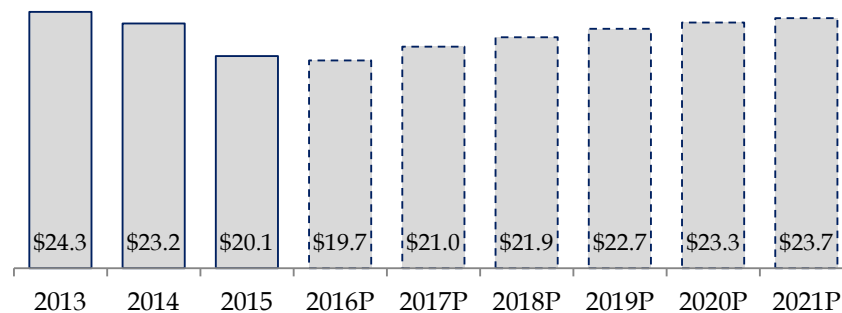
## Illustrative M&A Synergistic Value: Couche-Tard Acquires CST



## Fuel Consumption in the United States (millions of barrels per day)








## Lubricant Revenue in the United States (\$ in billions)



# Rapid Consolidation for Retail and Distribution

## Fifth Third Securities Believes Consolidation Will Continue




- Generational shifts as Baby Boomer owners monetize the business ahead of retirement
- MLP model requires consistent growth to meet investor demands – normalizing oil prices will improve MLP’s market positions
- Scale provides a strong competitive advantage in the dynamic, rapidly changing industry environment

| Buyer  | Target   | Year of Transaction | Target Location   | Target Description   |
|--|--|---------------------|---|--|
|   | American General Investments                       | 2016                | Baton Rouge, LA   | Owns and operates convenience stores   |
|  | CST Brands, Inc. (NYSE:CST)                        | 2016                | San Antonio, TX   | Operates convenience stores and distributes fuel   |
|  | Premium 7 - Estonia                                | 2016                | Estonia   | Operates fuel stations with convenience stores   |
|  | Shell Denmark                                      | 2016                | Denmark   | Operates fuel stations with convenience stores   |
|  | Imperial Oil, Ltd. Canadian Retail Assets          | 2016                | Canada  | Operates fuel stations with convenience stores   |
|  | Topaz Energy Group                                 | 2015                | Ireland   | Operates fuel stations with convenience stores   |
|    | Mountain Empire Oil Company, Inc.                  | 2017                | Southeast   | Owns and operates convenience stores   |
|  | Lemmen Oil Corporation                             | 2016                | Coopersville, MI  | Owns and operates convenience stores   |
|  | 137 Convenience Stores                             | 2016                | Midwest   | Operates fuel stations and convenience stores  |
|  | 34 Convenience Stores                              | 2016                | South Carolina  | Operates fuel stations and convenience stores  |
|  | 18 Convenience Stores                              | 2016                | Midwest   | Owns and operates convenience stores   |
|  | 21 Stores from Gas-Mart USA, Inc.                  | 2016                | Overland Park, KS   | Owns and operates convenience stores   |
|  | 42 Self-Service, 23 Wholesale Stores               | 2016                | Virginia and Kentucky                                       | Owns and operates convenience stores   |
|    | State Oil Company                                  | 2016                | Libertyville, IL  | Distributes motor fuel to convenience stores   |
|  | CST Fuel Supply                                    | 2015                | San Antonio, TX   | Engages in wholesale distribution of motor fuels   |
|  | Flash Foods, Inc.                                  | 2015                | Waycross, GA  | Operates convenience stores and distributes fuel   |
|  | Nice N Easy Grocery Shoppes                        | 2014                | Canastota, NY   | Operates convenience stores and distributes fuel   |
|  | Landmark Industries                                | 2014                | Houston, TX   | Sells and distributes petroleum products to dealers and convenience stores                   |
|    | Denny Oil Co.                                      | 2016                | Nacogdoches, TX   | Operates convenience stores and distributes fuel   |
|  | Kolkhorst Petroleum Company                        | 2016                | Navasota, TX  | Engages in wholesale distribution and retail sale of motor fuels                             |
|  | Alta East, Motor Fuel Distribution                 | 2015                | Middletown, NY  | Distributes gasoline throughout the United States  |
|  | Susser Holdings Corporation                        | 2015                | Corpus Christi, TX  | Distributes motor fuel to convenience stores and other fuel distributors                     |
|  | Westex Capital                                     | 2015                | Del Rio, TX   | Operates as a fuel dealer  |
|  | Mid-Atlantic Convenience Stores                    | 2014                | Richmond, VA  | Operates convenience stores and distributes fuel   |
|  | 3W Warren Fuels                                    | 2013                | San Marcos, TX  | Supplies motor fuels throughout the United States  |
|  | Arkansas Valley Companies                          | 2016                | Arkansas  | Distributes fuel and operates gas stations   |
|  | Sunshine Fuel, LLC                                 | 2016                | Palm Beach, FL  | Distributes branded fuel to gas stations in Kansas and Oklahoma                              |
|  | Keeman Petroleum Co. Inc.                          | 2016                | Valdosta, GA  | Supplies branded fuel to gas stations in Southern Georgia and Florida                        |
|  | Atlas Oil Co.                                      | 2015                | Taylor, MI  | Provides fuel supply and logistics services throughout the distribution process              |
|  | Mansfield Oil Company                              | 2014                | Gainesville, GA   | Provides fuel supply and related services for the commercial, government, and retail sectors |
| The Besche Oil Company   | 2013   | Waldorf, MD         | Supplies multiple types of oil throughout the United States |  |
|  | 17 Stores from Quality State Oil Co., Inc.         | 2016                | Sheboygan, Wisconsin  | Operates convenience stores and distributes fuel   |
|  | 5 Convenience Stores                               | 2016                | Illinois  | Owns and operates convenience stores   |
|  | 20 Convenience Stores                              | 2016                | United States   | Owns and operates convenience stores   |
|  | 121 Convenience Stores                             | 2015                | West and Midwest  | Owns and operates convenience stores   |
|  | 5 Travel Centers from Hospitality Properties Trust | 2015                | Newton, MA  | Owns and operates retail travel centers  |
|  | 19 Stores from Gas-Mart USA, Inc.                  | 2015                | Midwest   | Owns and operates fuel stations and convenience stores                                       |
|  | 19 Stores from Best Oil Company, Inc.              | 2015                | Cloquet, MN   | Owns and operates convenience stores   |
|  | 26 Convenience Stores                              | 2015                | Midwest   | Owns and operates fuel stations and convenience stores                                       |



## Economies of Scale Driving M&A

- Significant operating efficiencies are available through strategic development of distribution routes and infrastructure
- Expanding capabilities helps drive new customer growth and greater “share of wallet” with existing customers

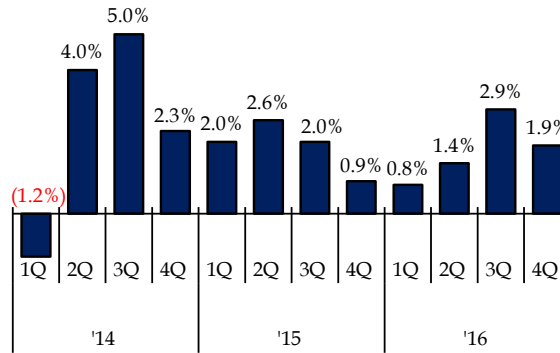
| Buyer  | Target  | Year of Transaction | Target Location              | Target Description   |
|--|---|---------------------|------------------------------|--|
| <br>Owned by<br>Audax Partners<br>(since 2016)         | Sensmeier Oil Company, Inc.                             | 2017                | Mansfield, OH                | Distributor of petroleum products  |
|  | Slidell Oil Co., Lubricant and Commercial Fuel Division | 2016                | Slidell, LA                  | Distributor and retailer of lubricants and fuel                                      |
|  | Cardwell Distributing, Inc.                             | 2016                | Midvale, UT                  | Supplies fuels and lubricants to retail, commercial, and industrial customers        |
|  | Hollingsworth Lubricants                                | 2016                | Goodlettsville, TN           | Distributor of lubricants  |
|  | U.S. Refueling, LLC                                     | 2016                | Blue Bell, PA                | Supplier of diesel fuels, propane, and diesel exhaust fluids                         |
|  | Industrial Action Services, Inc.                        | 2016                | Huntington, TX               | Provider of oil flushing and chemical cleaning plant services                        |
|  | Parker Oil Company                                      | 2016                | Wichita, KS                  | Distributor of petroleum products, lubricants, chemicals, and automotive accessories |
|  | Automotive Service, Inc.                                | 2015                | Sinking Spring, PA           | Distributor of automotive, fleet, and industrial lubricants                          |
|  | Mid-State Industrial Supply Inc.                        | 2015                | Nashville, TN                | Supplier of gasoline and diesel fuels  |
|  | J. B. Weimar, Inc.                                      | 2015                | Nashville, TN                | Supplier of gasoline and diesel fuels  |
| <br>Publicly-Owned<br>(XTRA:BNR)                       | Greene's Energy Group, Pipeline & Chemicals Business    | 2017                | Houston, TX                  | Provides pipeline cleaning and chemical testing services to the oil and gas industry |
|  | EpChem International                                    | 2016                | Asia Pacific                 | Distributor of special performance chemicals   |
|  | NOCO Energy Corp.                                       | 2016                | Tonawanda, NY                | Distributes petroleum and energy products in the United States and Canada            |
|  | Mayes County Petroleum Products                         | 2016                | Pryor, OK                    | Distributes lubricants, chemicals, and fuels to industrial and commercial customers  |
|  | Warren Chem Specialties                                 | 2016                | Cape Town, South Africa      | Supplier of raw materials  |
|  | Zhong Yung Chemical Ltd.                                | 2016                | Central, Hong Kong           | Distributor of chemical solvent  |
|  | WHANEE Corporation                                      | 2016                | Gwacheon, South Korea        | Distributor of specialty chemicals   |
|  | ACU PHARMA und CHEMIE GmbH                              | 2016                | Apolda, Germany              | Provider of contract micronizing and milling   |
|  | LEIS Polytechnik  | 2015                | Ramstein-Miesenbach, Germany | Distributor of thermoplastic compounds   |
|  | Plastichem Pty Ltd.                                     | 2015                | Kempton Park, South Africa   | Distributor of plastics, rubber, chemicals, and polymer additives                    |
| <br>Owned by<br>Golden Gate Partners<br>(since 2015) | J.A.M. Distributing Co. & G.H. Berlin-Windward, Inc.    | 2015                | East Hartford, CT            | Distributor of lubricants and related ancillary products                             |
|  | Cargill, Inc., Certain Assets                           | 2015                | Wayzata, MN                  | Small Pack Specialty Business  |
|  | Miller Industrial Fluids LLC                            | 2017                | Indianapolis, IN             | Blender and distributor of lubricants and industrial fluids                          |
|  | Rex Oil Company   | 2016                | Thomasville, NC              | Distributor of lubricants  |
|  | Hagan-Kennington Oil Company                            | 2016                | Gastonia, NC                 | Distributor of lubricants  |
|  | Universal Lubricants, LLC                               | 2016                | Wichita, KS                  | Distributor of engine oils and lubricants  |
|  | Badger Lubrication Technologies                         | 2015                | Milwaukee, WI                | Distributor of lubricants, including cutting oils                                    |
|  | PetroLiance LLC   | 2014                | Riddlesburg, PA              | Supplier of lubricants and filtration products                                       |
|  | LubriCorp LLC   | 2014                | Knoxville, TN                | Distributor of automotive, aviation, commercial, and industrial lubricants           |
|  | US Lubes, LLC, New Jersey Division                      | 2012                | New Jersey                   | Distributor of automotive, commercial, and industrial lubricants                     |
| Craft Oil Corp.<br>Lorenz Lubricant Company, Inc.<br>Anderson Lubricants, Inc.   | Craft Oil Corp.   | 2012                | Avoca, PA                    | Distributor of motor oil, industrial lubricants, and metal working fluids            |
|  | Lorenz Lubricant Company, Inc.                          | 2012                | Northfield, MN               | Distributor of green lubricants and greases  |
|  | Anderson Lubricants, Inc.                               | 2011                | Superior, WI                 | Distributor of lubricants  |



## Downstream Petroleum continues to benefit from macroeconomic trends

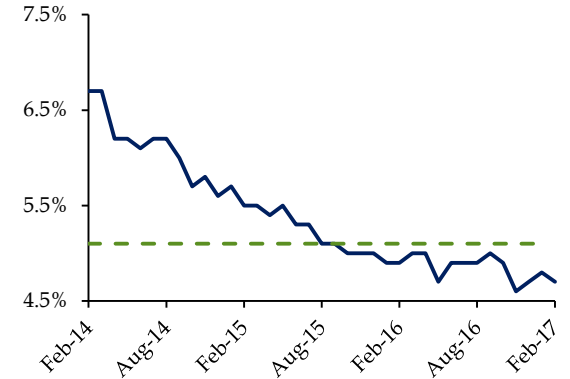
- Expectations for deregulation, tax reform and increased infrastructure spending have increased consumer and business confidence
- Improved economic growth and consumer confidence should offset any increases in retail gasoline prices while spurring continued in-store merchandise sales
- A rebound in manufacturing is likely to increase petroleum based lubricant demand, in addition to diesel consumption from distribution networks

## Real GDP Growth



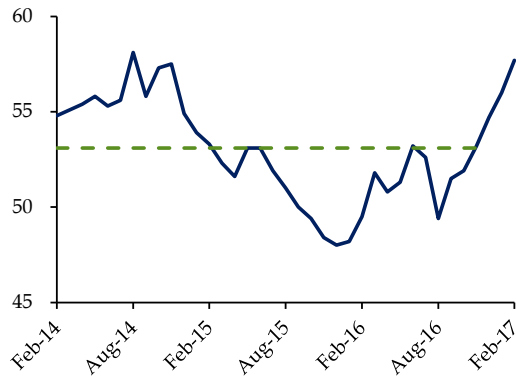
Source: Bureau of Economic Analysis

## National Unemployment Rate



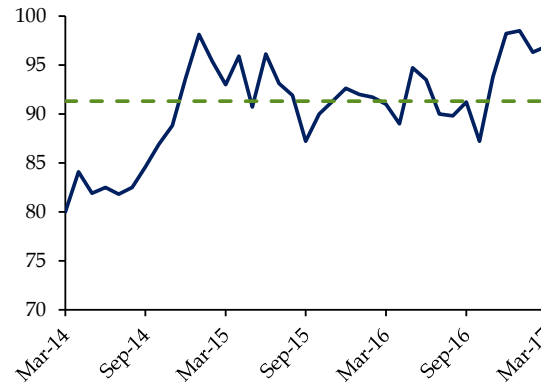
Source: Bureau of Labor Statistics

## PMI Manufacturing Index



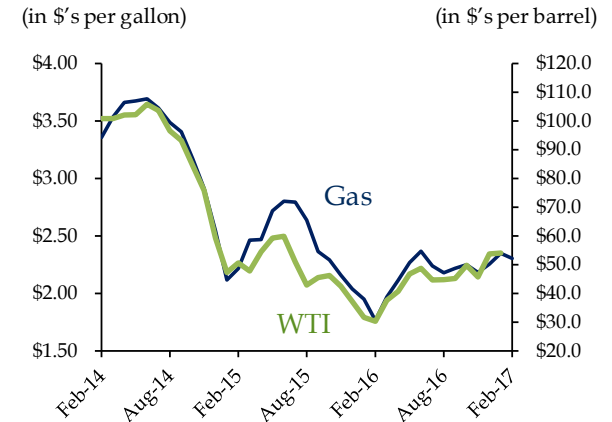
Source: S&P Capital IQ

## Consumer Sentiment Index



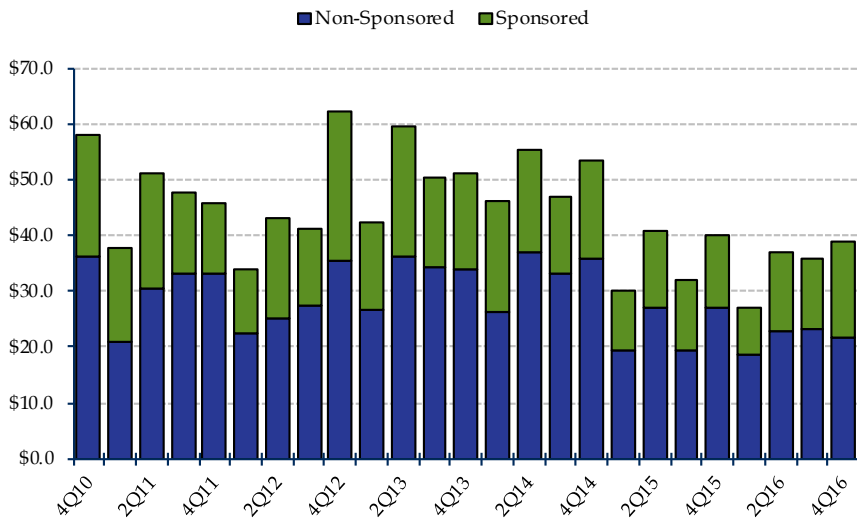
Source: University of Michigan

## Oil & Retail Gas Prices

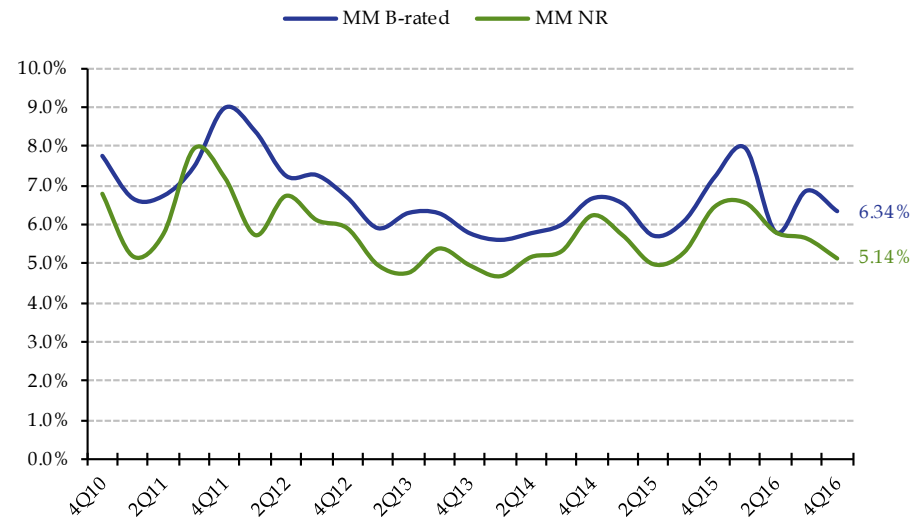


Source: Energy Information Administration

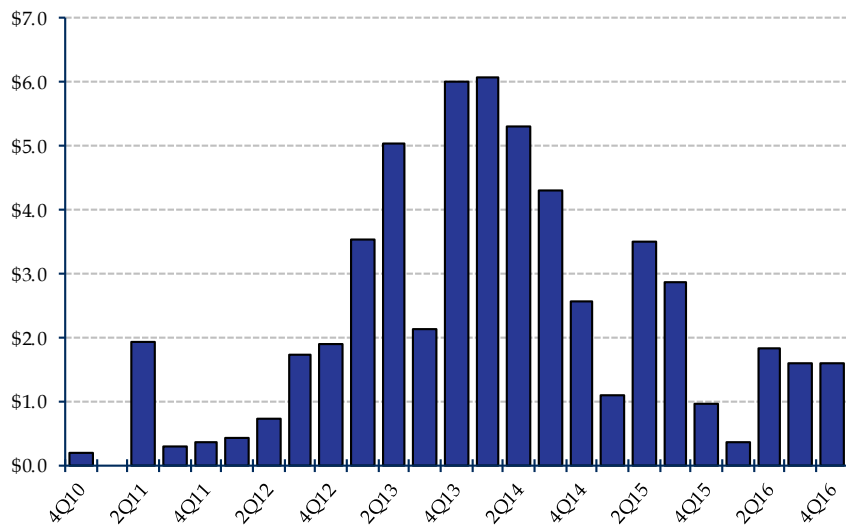
## Loan Volume: Low Level of Supply Continues (\$ in billions)



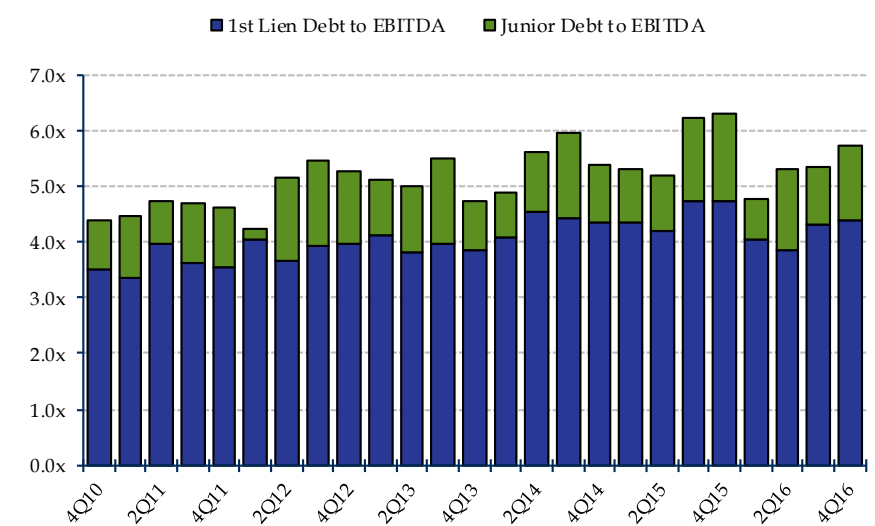
## Term Loan Spreads Tighten<sup>[1]</sup>



## Covenant Lite Volume Remains Relatively Low (\$ in billions)



## LBO Leverage Again Climbs Higher; Lack of Supply Continues



Note: This data represents the entire U.S. middle market (all industries)  
 Note: The middle market is defined as deal size ≤ \$100 million and borrowers sales ≤ \$500 million  
 [1] Includes both non-sponsored and sponsored transactions  
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters IPC

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees. It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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