

Get Funded While the Getting Is Good

Despite all the geopolitical noise domestically and around the world, the stock market continues to soar to new highs and private equity and debt markets are following suit. If you or your clients are thinking about raising capital, there may never be a better time.

As we head into the holidays, we see:

- A number of our clients in the “better for you” consumer products space preparing to launch growth capital raises in Q1’20.
- An increase in companies pursuing debt dividend recaps to take advantage of recent interest rate reductions.
- Commercial banks tightening their credit boxes while direct lenders continue to aggressively look to put money to work.
- An increasing number of direct lenders who had traditionally focused solely on sponsors expanding their scope to include entrepreneur-owned businesses.

A few interesting things to note on a macro level:

- The global leveraged loan market is more than \$2.2 trillion, which is comparable to the U.S. subprime mortgage market ahead of the 2008 financial crisis. Leveraged loans in this context are defined as loans in excess of 5x EBITDA.¹
- Fundamental analysis is becoming more prevalent as recent earnings calls show a renewed focus on margins and metrics favored over tremendous growth stories with unsubstantiated profitability.
- Amid leading recessionary indicators, the Federal Reserve continues its practice of overnight repurchase agreements supplying additional liquidity to the market and encouraging banks to continue inter-bank lending.
- There has been increased activity in the origination of collateralized loan obligations (CLOs) within the middle-market as evidenced by increasing volume and new entrants to the space. CLOs are structured securities backed by pools of leveraged loans to businesses. Middle-market CLOs have rapidly increased in prevalence, which may encourage commercial lenders to stretch underwriting criteria as investors seek current yield in what seems to be a peaking macro market.

Intrepid’s Capital Markets team partners with entrepreneurs and financial sponsors to achieve their goals while maintaining close connections with potential investors across the capital structure to facilitate the best possible financial and strategic partnerships for our clients. Feel free to reach out to us regarding any potential capital raising opportunities or questions you may have about the current state of private debt and equity markets.

Wishing all a Happy Thanksgiving and meaningful holiday season!

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¹ Forbes






































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Select Recent Transactions

 <p>has received an investment from</p>  <p>in partnership with management</p> <p>Advisor to Frontier Dental Laboratories</p>	 <p>has completed a recapitalization and growth financing with</p>  <p>Advisor to Advice Media</p>	 <p>a portfolio company of</p>  <p>has completed a refinancing with</p>  <p>Advisor to Mercury Media</p>	 <p>has been acquired by</p>  <p>Advisor to Artisan Vehicle Systems</p>
 <p>has received working capital financing from</p>  <p>Advisor to Artisan Vehicle Systems</p>	 <p>has completed a dividend recapitalization with</p>  <p>and</p>  <p>Advisor to American Logistics Company</p>	<p>The management team of</p>  <p>has completed a management buyout with financing from</p>  <p>and</p>  <p>Advisor to Pacific Crane Maintenance Co.</p>	 <p>has completed a recapitalization and growth financing with</p>  <p>Advisor to CourtCall</p>
 <p>a portfolio company of</p>  <p>has completed a debt financing with</p>  <p>Advisor to Mercury Media</p>	 <p>has completed a \$65,000,000 debt and equity financing with</p>  <p>and</p>  <p>Advisor to Ice Mobility</p>	 <p>has completed a growth recapitalization with</p>  <p>Advisor to Country Wine & Spirits</p>	 <p>has completed a senior and subordinated debt financing led by</p>  <p>Advisor to PreSonus</p>
 <p>has raised growth capital from</p>  <p>and</p>  <p>Advisor to Solid Commerce</p>	<p>TAX CREDIT CO.™</p> <p>has completed a recapitalization with</p> <p>VSS Structured Capital II, L.P.</p> <p>a fund managed by</p>  <p>Advisor to Tax Credit Co.</p>	 <p>has completed a growth financing with</p>  <p>Advisor to Ad Exchange Group</p>	 <p>has received a growth equity investment from</p>  <p>Advisor to Envy Medical</p>