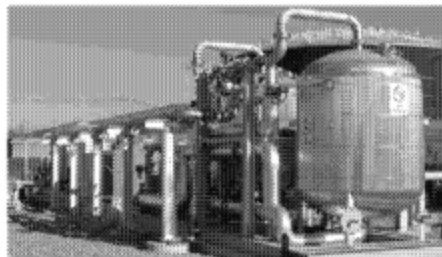
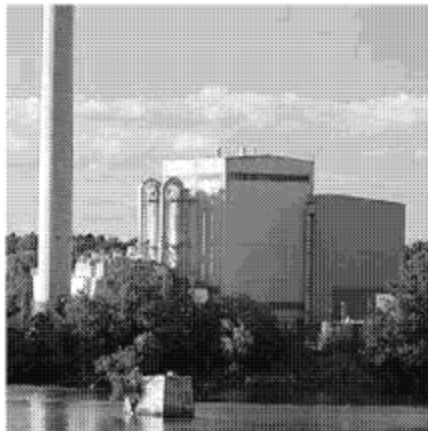




Portfolio Investment: Waste-to-Energy Company

Financing of leading waste-to-energy company



Financing Opportunity

- Acquisition financing to provide sponsor with financing visibility to purchase the company and provide an efficient capital structure
- Strong relative value for first lien term loans and 2nd lien term loan
- Maximum leverage covenants and excess cash flow sweep provided additional lender protections on top of conservative total leverage profile of 4.7x with substantial equity contribution

Transaction Summary

- The company owns and operates 15 facilities with a combined processing capacity of more than 20,000 tons per day of municipal solid waste and an electric generation capacity of 579MW. It also owns four independent power plants that can generate 184MW of electricity and two ash landfills with 900 tons per day of capacity
- The company benefits from varied revenue streams with high EBITDA margins
- Geographically diversified assets
- Multiple facilities, including a revolver, term loan B, term loan C, and 2nd lien term loan

Investment Rationale

- Largely contracted cash flows – 64% of 2015 revenue contracted via long term disposal and energy contracts
- Diversified revenue streams with no facility representing more than 10% of revenue and a large, diverse waste disposal customer base
- Strong waste growth fundamentals
- Defensible competitive position – new locations are hard to cite and permit
- Supportive sponsor with meaningful cash equity investment

Source: Deutsche AM. As of July 21, 2016.

The photographs depicted above and on subsequent pages are not intended to be representative of all assets in the portfolio. For more information on all assets, including those not shown herein, please contact us. Past performance is not indicative of future results.