INSTITUTIONAL BROCHURE | 2026

ACQUISITION & LEVERAGED FINANCE

Credit-Led Financing Structures for Execution Readiness and Downside Readiness

STIDE supports sponsors, corporate acquirers, management teams and eligible institutional counterparties in assessing and structuring acquisition and leveraged-finance transactions. Our work focuses on sustainable leverage capacity, cash-flow resilience, capital-structure alternatives, covenant design, lender-ready analysis and disciplined execution planning.

Sponsor-Backed Acquisitions| Strategic M&A | Management Buyout | Succession Transaction

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WHAT IS ACQUISITION / LEVERAGE FINANCE
LBO CAPITAL STACK
STIDE APPROACH

WHAT IS ACQUISITION/LEVERAGED FINANCE

The Architecture Behind Every Corporate Transaction

Acquisition finance refers to the debt capital structures used to fund the purchase of a business or asset — whether by a private equity sponsor, a corporate acquirer, or a management team pursuing a buyout. Leveraged finance is its most sophisticated subset: transactions funded predominantly by debt, with the target company's own cash flows and assets servicing the borrowings through the facility's life.

Together these disciplines power the global M&A market — enabling buyers to acquire businesses at scale without deploying equivalent equity capital, and allowing sellers to achieve premium valuations in competitive processes. In Asia, acquisition and leveraged finance is one of the fastest-growing segments of institutional credit, driven by rising private equity activity, accelerating family business succession, and corporate carve-outs across technology, healthcare, consumer, and industrial sectors.

"The difference between arranging acquisition finance and structuring it is the difference between what the market will give you and what the credit actually justifies. That gap is exactly where STIDE creates value for sponsors and acquirers."

THE LBO CAPITAL STACK

How Leveraged Transactions Are Structured

A leveraged buyout capital stack layers multiple tranches of debt and equity, each with a distinct risk profile, cost, and repayment priority — engineered by STIDE to maximise sponsor returns while satisfying institutional lender credit requirements across all tranches simultaneously.

Senior Secured — Term Loan A / B — **40–55%**
First lien · amortising (TLA) or bullet (TLB) · floating rate
SOFR+350–600bps · 4–6x EBITDA

Revolving Credit Facility — **5–10%**
Working capital · bolt-on acquisitions · capex
Commitment fee + margin · revolving

Second Lien / Unitranche — **10–20%**
Blended first/second economics · single credit agreement
SOFR+600–900bps · up to 7x EBITDA

Mezzanine / Subordinated Notes — **10–15%**
PIK or cash-pay · equity warrants · unsecured
12–18% all-in p.a. · PIK or cash

Sponsor Equity / Management Co-Invest — **20–35%**
Common equity · mgmt rollover · ratchet
IRR target 20–30%+

Illustrative Asia mid-market LBO capital stack — STIDE structured

ILLUSTRATIVE DEBT-CAPACITY SENSITIVITY

Illustrative only — actual outcomes depend on transaction, cash flows, terms, market conditions and credit approval.

METRIC	BASE CASE (ILLUSTRATIVE)	DOWNSIDE CASE (ILLUSTRATIVE)	WHAT IT SHOWS
1. LEVERAGE LEVEL (NET DEBT / EBITDA)	4.5x	5.5x	Debt capacity tested through downside credit conditions.
2. CASH INTEREST COVERAGE	4.2x	2.1x	Cash interest serviceability under stress.
3. SCHEDULED AMORTISATION (% OF OPENING DEBT)	15%	15%	Balanced amortisation profile.
4. MINIMUM LIQUIDITY	12 weeks cash cover	8 weeks cash cover	Liquidity maintained under stress.
5. DOWNSIDE EBITDA (% OF BASE CASE)	100%	70%	Earnings stress assumption.
6. INTEREST COVERAGE (EBITDA / CASH INTEREST)	4.2x	2.1x	Covenant and debt-service resilience.
7. FREE-CASH-FLOW DEBT SERVICE COVERAGE	1.6x	0.9x	Post-capex debt service capacity.
8. COVENANT HEADROOM (LEVERAGE TEST)	0.5x	1.0x	Distance to leverage threshold / amendment risk.

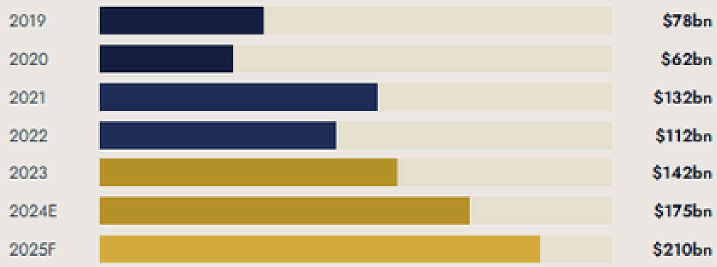
ASIA M&A MARKET STRUCTURING SOLUTIONS

ASIA M&A & ACQUISITION FINANCE MARKET

A Growing But Fragmented Financing Market

Private credit is increasingly relevant to acquisition financing in Asia-Pacific, particularly where transactions require speed, flexibility, bespoke security or structures that fall outside conventional bank parameters. However, market depth, lender appetite, pricing, enforcement, foreign-lending rules and available instruments vary materially by jurisdiction. Each financing strategy must therefore be assessed on a transaction-specific and country-specific basis.

ASIA-PACIFIC LBO & ACQUISITION FINANCE VOLUME (USD BN)

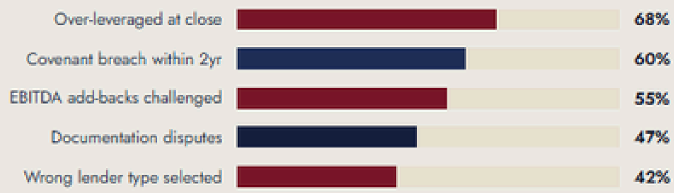


Source: Dealogic / KPMG Asia M&A Report / STIDE Research 2024

TRANSACTION TYPES STIDE FINANCES

Transaction Type	Leverage	Key Driver
Private Equity LBO	4–6× EBITDA	PE sponsor acquisition
Management Buyout	3–5× EBITDA	Management team purchase
Corporate Acquisition	2–4× EBITDA	Strategic M&A
Dividend Recapitalisation	3–5× EBITDA	Sponsor liquidity event
Corporate Carve-Out	3–6× EBITDA	Business separation
Succession Buyout	2–4× EBITDA	Family business transition
Public-to-Private	4–7× EBITDA	PE delisting deal

WHY ACQUISITION FINANCE FAILS WITHOUT STRUCTURING



Source: STIDE proprietary deal data 2021–2025; 200+ acquisition finance mandates reviewed

7 PRIVATE CREDIT STRUCTURING SOLUTIONS

What STIDE Structures & Advises on

Credit Underwriting and Sustainable Leverage Assessment

STIDE develops an institutional view of the target's credit capacity by examining earnings quality, cash conversion, working-capital volatility, capital expenditure, liquidity and debt-service requirements. Base, downside and stress scenarios are used to determine a leverage profile that supports transaction execution while preserving resilience through the financing term.

Capital-Structure Options Analysis

STIDE assesses the relative suitability of senior debt, unitranche, junior capital, mezzanine financing, vendor support and equity alternatives. Each option is evaluated against funding certainty, cost, repayment burden, ranking, security, covenant implications and operating flexibility to develop a coherent structure aligned with the transaction's commercial and credit objectives.

Acquisition Model and Credit Materials

STIDE prepares or reviews integrated acquisition models and institutional credit materials that translate transaction assumptions into clear financing outcomes. The analysis covers purchase-price funding, leverage, liquidity, debt service, cash-flow generation, deleveraging and downside performance, providing prospective financing providers with a disciplined basis for transaction review.

Commercial Covenant Architecture

STIDE develops a commercially balanced covenant framework designed to preserve credit discipline without unnecessarily constraining the borrower's operations or strategic plans. The analysis covers leverage and coverage tests, EBITDA definitions, cure rights, permitted baskets, reporting requirements, liquidity protections and downside headroom, coordinated with transaction counsel.

Capital-Provider Mapping

STIDE maps potential financing channels by reference to transaction size, sector, jurisdiction, instrument, security profile, leverage tolerance and execution requirements. This creates a more focused engagement strategy, helping clients direct their time and materials toward financing providers whose mandates are more closely aligned with the transaction.

Cross-Border Workstream Coordination

STIDE supports the coordination of cross-border financing workstreams involving legal, tax, security, intercreditor, foreign-lending and regulatory considerations. By aligning commercial structure with jurisdiction-specific requirements and professional-adviser inputs, the transaction can progress through diligence and documentation with clearer responsibilities, dependencies and execution priorities.

Post-Closing Credit and Refinancing Support

STIDE supports the continuing credit lifecycle after financial close through performance review, covenant analysis, refinancing preparation and transaction-readiness support. This may include add-on acquisitions, amendment or waiver workstreams, recapitalisation analysis and updated lender materials, helping clients respond to changing business conditions before financing constraints become execution problems.

INSTRUMENT SUITE
CAPITAL STACK WATERFALL
COVENANT ENGINEERING

ACQUISITION FINANCE INSTRUMENTS

Illustrative Financing Instruments and Structures

The availability, legal classification, pricing, leverage, ranking, security and terms of each instrument depend on the borrower, transaction, jurisdiction and prevailing market conditions. References are illustrative and do not constitute an offer, recommendation or indication of available financing.

SENIOR TERM LOANS TLA/TLB

First-lien senior secured acquisition debt — amortising (TLA for bank clubs) or bullet (TLB for institutional). Structured with optimal covenant, security, and amortisation profile calibrated to target cashflow dynamics and exit timing.

3–7yr · SOFR+350–600bps · 4–6× EBITDA

UNITRANCHE FACILITIES

Single lender, blended first/second lien economics — STIDE structures unitranches to compress execution risk vs bifurcated facilities while preserving borrower flexibility through delayed draw mechanics and PIK toggle provisions.

4–7yr · SOFR+600–900bps · up to 7× EBITDA

SECOND LIEN / JUNIOR DEBT

Junior ranking secured debt filling leverage gaps above senior capacity — STIDE structures second lien with intercreditor deed engineering protecting borrower rights in enforcement scenarios while satisfying junior lender security requirements.

5–8yr · SOFR+800–1100bps

MEZZANINE DEBT

Subordinated, unsecured — PIK toggle reduces early cash pay burden; STIDE negotiates equity warrant coverage and conversion mechanics balancing lender return requirements with sponsor dilution minimisation objectives.

12–18% all-in · PIK or cash-pay

PREFERRED EQUITY / VENDOR NOTES

Structured quasi-equity — STIDE engineers liquidation preference, dividend rate, PIK mechanics, and exit rights; simultaneously negotiates vendor notes to bridge valuation gaps at close without increasing senior leverage ratios.

15–22% p.a. · structured exit rights

ACQUISITION BRIDGE FINANCE

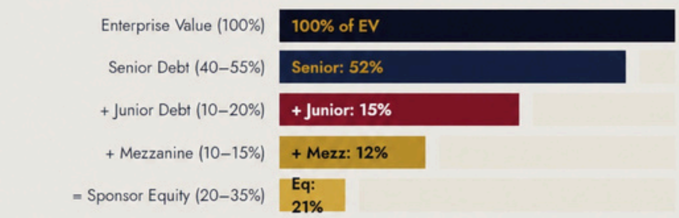
Short-term bridge enabling competitive deal speed — STIDE pre-structures the bridge with a committed permanent financing path, avoiding bridges that extend or fail to refinance at competitive terms post-close.

6–18 months · committed bridge-out

CAPITAL STACK WATERFALL & CREDIT METRICS

From Enterprise Value to Sponsor Equity

STIDE sizes each tranche to what cashflows genuinely support — not what sponsors hope or lenders initially offer. The waterfall below illustrates a STIDE-structured mid-market LBO.



Illustrative mid-market LBO — STIDE structured and placed all tranches simultaneously

KEY CREDIT METRICS — WHAT LENDERS UNDERWRITE

- **4–6×** MAX LEVERAGE EBITDA
- **1.5×** MIN INTEREST COVERAGE
- **70%+** MIN FCF CONVERSION
- **30%** MIN EQUITY CUSHION

COVENANT ENGINEERING —

Covenant	Bank Standard	Maximised
Total Net Leverage	≤5.5× EBITDA	+ 25–35% headroom
Interest Coverage	≥1.5× standard	Calibrated with buffer
Equity Cure Rights	2× per facility life	3× broad eligible equity
EBITDA Add-Backs	Narrow, lender-defined	Maximised, borrower-defined
Acquisition Basket	Restrictive	12-month bolt-on built in
Restricted Payments	Conservative cap	Pro-forma leverage test

STIDE Acquisition Finance Engagement — Credit Analysis to Financial Close (MAS Exempt Corporate Advisor)

01 Mandate Scoping — 02 KYC & AML Screening — 03 Credit Underwriting — 04 Stack Engineering — 05 CIM & Model Preparation — 06 Lender Targeting — 07 Term Sheet & Legal Docs — 08 Financial Close

CREDIT ELIGIBILITY SECTOR COVERAGE

BORROWER & DEAL ELIGIBILITY

Six Credit Quality Criteria STIDE Applies

STIDE evaluates each target as a financeable credit, not merely as an M&A asset. Our six credit quality criteria help shape the appropriate capital structure by assessing cash-flow resilience, leverage capacity, repayment mechanics, covenant headroom, security support, and lender-readiness before institutional review begins.

- **EBITDA Quality & Normalisation**
  STIDE independently normalises EBITDA — removing one-time items, owner compensation, and pre-deal restructuring — and stress-tests the run-rate figure to a lender downside scenario that still services the proposed debt. Minimum EBITDA: USD 3M mid-market, USD 30M+ institutional LBO.

- **Free Cashflow Conversion Analysis**
  We model FCF from EBITDA through interest, tax, capex, and working capital to confirm a minimum 1.2× DSCR under base case and positive FCF under downside. FCF — not EBITDA — services the debt, and we build every structure around that discipline.

- **Market Position & Revenue Defensibility**
  STIDE analyses customer concentration, switching costs, competitive intensity, and pricing power to determine whether EBITDA is structurally defensible through an ownership change, leverage increase, and the operational complexity of the transaction itself.

- **Management Team Credit Assessment**
  We assess management as a credit risk — continuity risk, succession depth, compensation alignment post-close, and the structural alignment of management incentives with debt service discipline and organic capital allocation priorities.

- **Equity Sponsor Quality & Track Record**
  For PE-backed transactions, STIDE analyses sponsor track record across the full fund portfolio — covenant breach history, portco support behaviour in downside, and institutional lender relationship quality — as all materially affect lender credit committee conviction.

- **Exit Pathway & Repayment Visibility**
  We model the full repayment waterfall — scheduled amortisation, cash sweep, and refinancing or exit proceeds — demonstrating to lenders that debt will be repaid within the proposed tenor under realistic, not optimistic, cashflow and valuation assumptions.

LENDER NETWORK

Capital Provider Coverage Framework

LENDER APPETITE MATRIX

Provider Category	Typical Relevance	Principal Considerations
Commercial banks	Senior secured and revolving facilities	leverage, amortisation, security and relationship
Direct lenders	Unitranche and bespoke senior financing	certainty, flexibility, pricing and call protection
Private credit funds	Senior, junior and special situations	risk appetite, security, tenor and return requirements
Mezzanine providers	Subordinated or PIK capital	intercreditor terms, cash burden and equity features
Family offices	Bespoke or relationship-led capital	governance, concentration and execution requirements

TARGET SECTORS

Technology & SaaS · Healthcare Services · Consumer & FMCG · Industrial Services · Financial Services · Education · Logistics · Media & Platforms

GEOGRAPHIC FOOTPRINT

Singapore	Indonesia	Philippines
Thailand	Vietnam	Malaysia

What a Structured Mandate is Designed to Improve

STIDE-structured mandates are built to improve the quality of institutional credit review. Our work focuses on leverage sizing supported by sustainable cash flow, covenant frameworks that balance lender protection with borrower flexibility, evidence-led transaction preparation, and targeted capital-provider mapping across banks and eligible non-bank credit providers. STIDE does not guarantee leverage levels, covenant terms, provider participation, pricing, timing, financial close, or transaction completion.

TRANSACTION SCENARIOS ENGAGEMENT TERMS

TRANSACTION SCENARIOS

What STIDE Supports

PE-Backed LBO

A private equity sponsor is evaluating the acquisition of a healthcare platform requiring senior, unitranche, or junior capital support.

STIDE may support the mandate by reviewing earnings quality, normalising EBITDA, assessing sustainable leverage capacity, preparing an acquisition financing model, stress-testing repayment capacity, and developing lender-ready financing materials.

Illustrative transaction value: USD 180M
Illustrative capital-structure analysis may test a range of leverage cases. Any financing quantum or leverage level remains subject to diligence, cash-flow performance, provider appetite, legal review and final credit approval.

Potential structure: unitranche, mezzanine, or hybrid senior / junior capital

Potential objective: support a disciplined acquisition financing process for institutional review.

Management Buyout

A management team is evaluating the acquisition of an industrial software business and requires financing that supports acquisition debt, management retention, working capital stability, and post-close flexibility.

STIDE may support the mandate through credit analysis, free cash flow assessment, working capital review, capex analysis, covenant structuring, and lender-ready transaction preparation.

Illustrative transaction value: USD 90M
Potential structure: senior debt with PIK mezzanine or other subordinated capital
Potential objective: support acquisition financing readiness while preserving operating flexibility.

ENGAGEMENT & DIFFERENTIATORS

How To Engage STIDE

Preliminary Credit Assessment

STIDE reviews earnings quality, EBITDA adjustments, cash-flow resilience, leverage capacity, covenant headroom, repayment profile, and key execution risks to identify the likely financing pathway, tranche considerations, evidence gaps, and lender-readiness requirements.

Structuring Mandate

Upon mandate execution, STIDE undertakes credit analysis, capital-structure assessment, financial-model review, lender-material preparation and transaction-workstream coordination. STIDE may also organise preliminary counterparty and transaction information to support the independent onboarding processes of prospective providers. Legal, tax, regulatory, KYC, AML/CFT, sanctions and final credit determinations remain the responsibility of the relevant qualified advisers and financing providers.

Execution Pathway

Execution timing depends on transaction complexity, evidence quality, legal review, diligence requirements, provider appetite, market conditions, and final credit approval. Multi-tranche, cross-border, sponsor-backed, or complex leveraged finance structures generally require longer coordination.

Mandate Eligibility

STIDE supports acquisition and leveraged finance mandates for eligible corporate, institutional, sponsor-backed, family-owned, and accredited counterparties. Mandates may include PE acquisitions, strategic acquisitions, MBOs, succession financing, refinancing, dividend recapitalisations, and bolt-on acquisition financing.

STIDE provides non-custodial corporate finance advisory, credit structuring, and execution support only, and does not act as a lender, broker-dealer, placement agent, underwriter, fund manager, legal adviser, tax adviser, insurer, or guarantor.

Client Input required

- Latest audited financial statements
- recent management accounts
- transaction structure and purchase price bridge
- quality of earning findings
- financial model and assumptions
- debt and security schedule
- corporate and beneficial ownership information
- legal, tax and regulatory findings
- Management plan and post closing integration assumptions

Credit-First Structuring

STIDE evaluates each transaction through an institutional credit lens before shaping the capital structure. Leverage and tranche sizing are tested against sustainable cash flow, repayment capacity, covenant headroom, and downside scenarios, supporting a lender-ready structure built for disciplined review and post-close resilience.

Covenant Architecture for Sponsor Flexibility

STIDE develops covenant frameworks designed to protect lender discipline while preserving sponsor and management flexibility where the credit supports it. Our work focuses on EBITDA definitions, equity cure mechanics, acquisition baskets, cure periods, reporting thresholds, and downside headroom analysis for institutional review.

Parallel Multi-Tranche Structuring

STIDE supports senior, mezzanine, and preferred equity structuring in parallel, aligning each tranche with the transaction's credit profile, repayment capacity, security position, covenant framework, and target capital-provider requirements. This helps create a coherent lender-ready capital stack and reduces sequencing friction across financing workstreams.

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Not intended for retail distribution.

SCAN TO SUBMIT A REVIEW

Review

ARRANGE A CALL

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