



# INDICE AETHER FS UNITRANCHE FRANCE

EDITION  
2024 FIRST QUARTER

THE FIRST INDEX  
BENCHMARK FOR  
PRIVATE DEBT  
IN FRANCE

JULY 2024

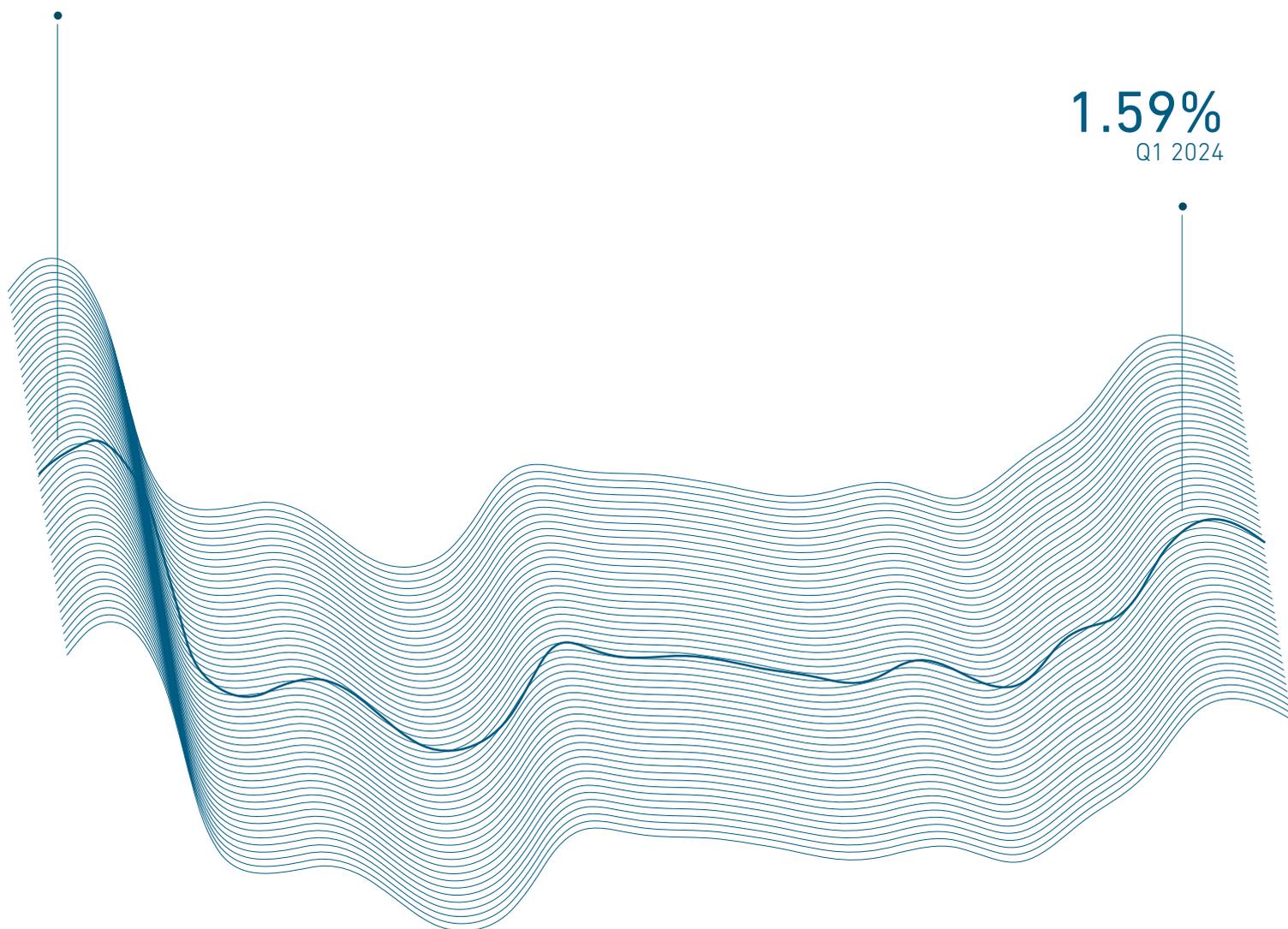


# I N D E X

## AETHER FS UNITRANCHE FRANCE INDEX

Source: Aether Financial Services

1.85%  
Q2 2018



## METHOD AND CONTRIBUTORS

The Aether FS Unitranche France Index is calculated using the ratio between the interest margin and the leverage at the close of a transaction, on a rolling six-month basis (formula below):

$$\text{Aether FS Unitranche France index} = \text{6-month rolling average} \left( \frac{\text{interest margin}}{\text{leverage}} \text{ at closing} \right)$$

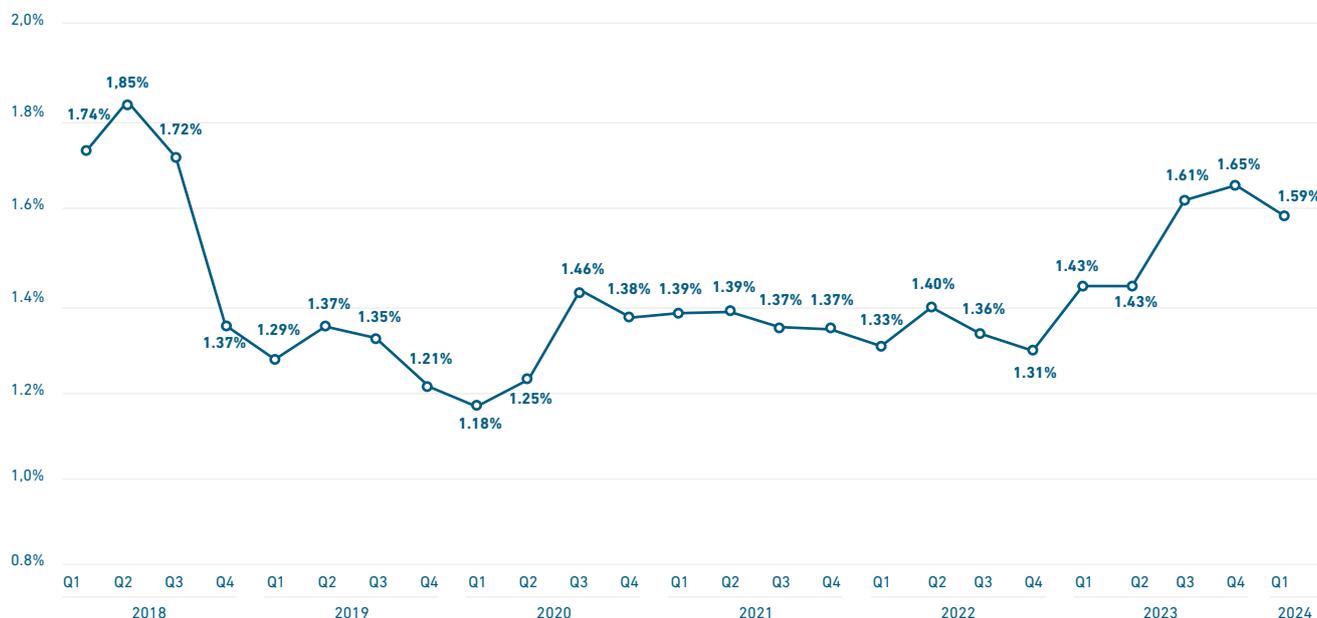
For this latest publication of its French Private Debt Benchmark Index, Aether Financial Services is pleased to be able to count once again on the participation of **Kerius Finance**<sup>1</sup> and is delighted that this independent player is helping to enrich its database.



<sup>1</sup> KERIUS Finance ([www.kerius-finance.com](http://www.kerius-finance.com)) is an independent consultancy specialising in the management and hedging of interest rate, currency, and commodity risks.

## Q1 2024 INDEX

### 6-month rolling average interest margin/leverage ratio



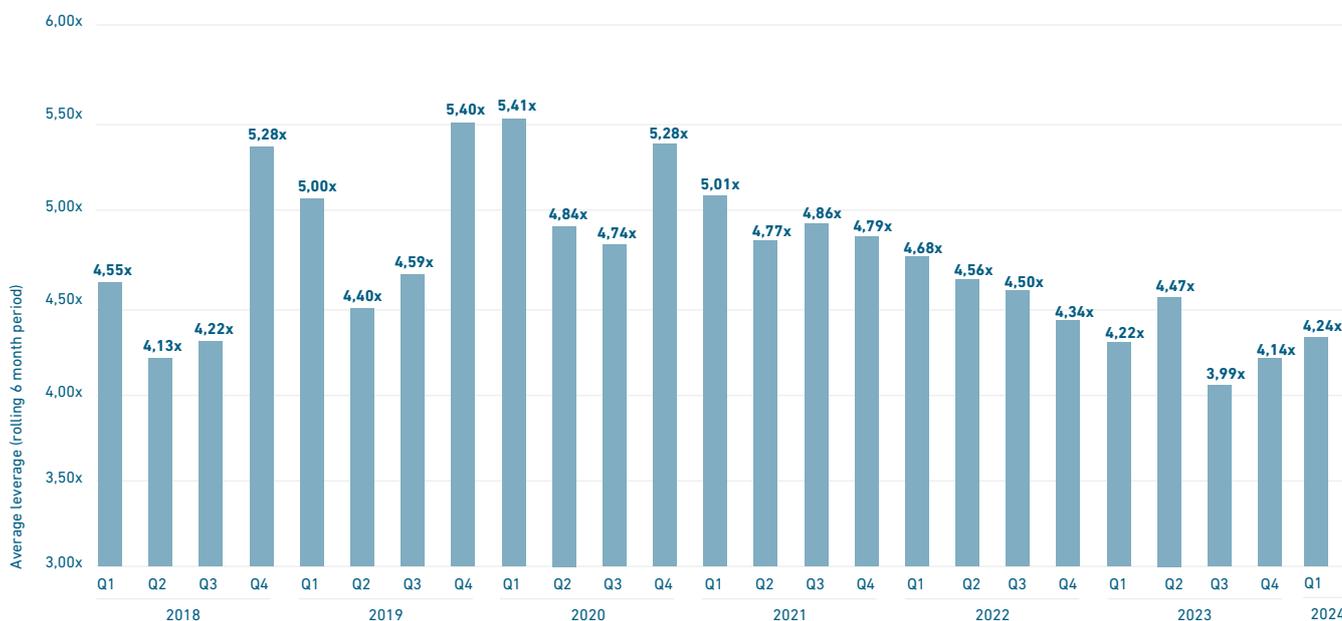
The Aether FS Unitranche France index fell slightly in the first quarter 2024. The margin per round of leverage stood at 1.59%, confirming the trend over the last two-quarters of a gradual increase in leverage at closing.

After a year dominated by bank financing in 2023, debt funds have confirmed their return, with a desire to play a part in the resumption of LBO financing. The Deloitte Private Debt Deal Tracker Spring 2024 study confirms that, at the European level, France maintains its leading position, followed by the UK (in terms of the number of deals in H2 2023).

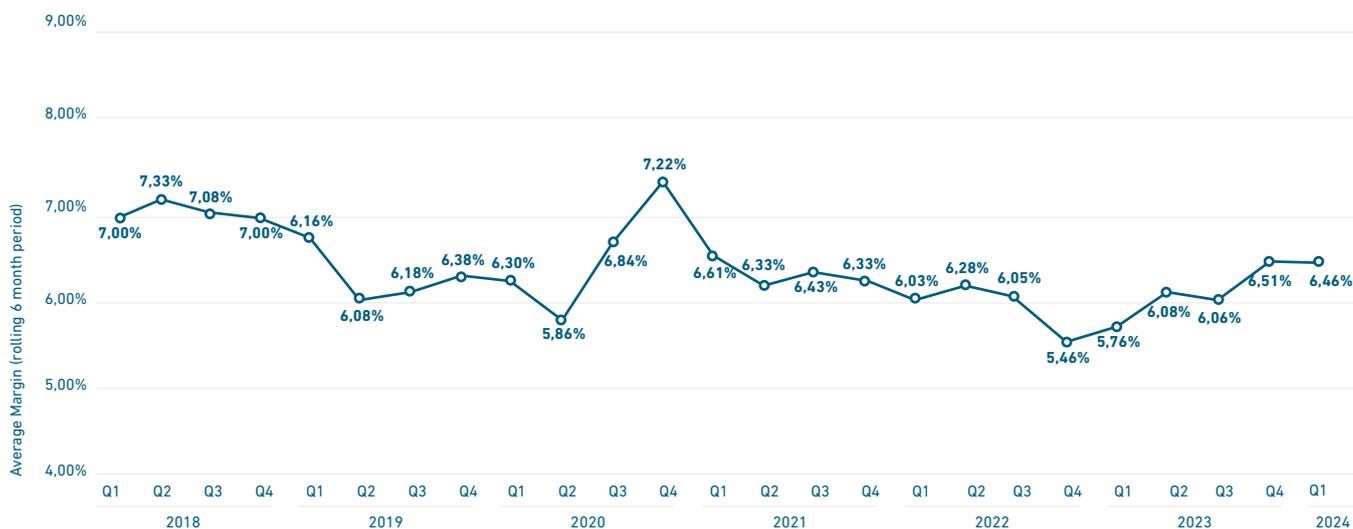
While the M&A market is still slow to pick up (down 8% over the quarter in mid-market value terms, according to the Argos index), the percentage of LBO deals is rising. The still tentative positive signs are since base rates have tightened less than expected, impacting valuations which have to take account of the leverage applied and the resulting cost of debt.

## INDEX COMPONENTS

### Changes in leverage at closing



### Spreads at closing



The first quarter of 2024 follows on from the end of 2023. The Unitranchers are playing with their shoulders to confirm their return to the French market in the face of banks still present but in a smaller cap segment.

Leverage at closing rose slightly to 4.24x, up 2.6% on the previous quarter and similar to the first quarter of 2023.

Closing margins remained stable at an average of 6.46%. These margins remain high against a backdrop of high base rates.

## THE ESCROW ACCOUNT

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For financial transactions, the parties involved may use escrow accounts to secure part of the transaction.

These escrow accounts can be used for various purposes, but they are all managed using an agreement that dictates the rules for releasing funds and the sequence of operations.

These accounts can be used to:

- Set aside the amount relating to an earn-out to be paid within 24 months with or without partial release on fulfilment of criteria;
- Escrow the amount of the asset-liability guarantee provided for in the SPA;
- Guarantee milestones in the sequencing of property projects;
- Guarantee the payment of a number of interest periods linked to the debt contracted (interest reserve account);
- Any other application that might justify placing an amount in a separate account.

The escrow account is then opened with a third-party institution that is a party to the escrow agreement. Each transaction involves adapting the operating terms and conditions of the escrow account to the operation envisaged (such as in particular, the amount of money to be held, the conditions required to release the funds, the timetable, etc.).

The third-party holder of the escrow account acting as escrow agent must meet the requirements of competence and reliability and must react quickly to the requests of the parties. The escrow agent must also act independently and impartially to ensure the proper execution of the transactions.

For several months now, Aether FS has been offering this option for financial transactions of all kinds, offering to open cash and securities accounts so that any type of instrument can be held in escrow.

## PRESENTATION OF AETHER FINANCIAL SERVICES

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France's leading independent provider of financial transaction execution services, Aether Financial Services was founded in 2015 by Edouard Narboux and Henri-Pierre Jeancard. Based in Paris and London, Aether Financial Services is made up of a multicultural team of more than 20 people, experts in 3 business lines.



### AGENCY

Active in Private Debt and Capital Markets, Aether Financial Services covers all financing agent roles (Loan agent, Bond agent, Administrative agent, Calculation agent, Security agent, etc).



### VALUATION AND CALCULATION

Aether Financial Services values all types of financial instruments or securities, from the most «vanilla» to the most structured, for recurring, specific or one-off requirements.



### CORPORATE AND ISSUER SERVICES

Aether Financial Services offers a range of digital solutions dedicated to the administrative management of functions relating to securities transactions (capital increases, general meetings, record keeping, etc.).

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## AETHER FINANCIAL SERVICES' COMMITMENT TO SOLIDARITY

For several years, Aether Financial Services has been involved with associations through Social Impact Contracts (la Cravate Solidaire, the Auteuil Foundation and the Article 1 association). In 2021, Aether Financial Services committed to protecting the environment through reforestation and forest preservation alongside Reforest'Action. This partnership demonstrates Aether Financial Services' commitment to the environment and its desire to help combat global warming.

## RECEIVE FUTURE EDITIONS

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**By post:** Louis Thuillez, Aether Financial Services, 36, rue de Monceau 75008 Paris

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**\*Required information**

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