



Alternative Capital Moves to the Mainstream

LONDON, 26 May 2017 - Alternative capital is becoming more mainstream, at least in the UK mid-market, according to the panel of eminent capital providers assembled by mid-market M&A association, ACG UK yesterday.

The 'Trends in Alternative Capital' panel debate, the latest in ACG UK's 'Trends In...' series, revealed broad agreement among the panelists, who represented the banking, private debt, asset based lending, private equity and corporate finance communities, that the funding environment for mid-market and SME businesses has evolved rapidly over the last five years. This is resulting in closer collaboration between the different capital providers and more flexible and tailored financial solutions being provided to growth companies in the UK.

Chris Smith, a partner with Clearwater International, a multinational corporate finance house, and moderator of the panel, opened proceedings by revealing that 65% of the deals they worked on in 2016 involved alternative capital up from 15% just four years ago. The panel discussed the reasons for this, including supply side drivers such as quantitative easing and low interest rates that are increasing the amount of available capital. These are coupled with demand factors including a healthy number of successful UK SME firms that are in a position to take on debt and a growing awareness among the senior management in these businesses of the alternative financing options available to them and a greater willingness to take them on.

Richard Shaw, Investment Director at Growth Capital Partners and Chair of ACG UK, said: "Alternative finance structures have become part and parcel of capital raising and it is no longer the case that companies are mainly focused on their incumbent banking relationships or traditional sources of funds. For well managed businesses there are a wide and increasing range of funding options available at the various stages of the growth cycle – the key is to find the right supportive partner and funding structure for the situation. If the trends outlined by our panelists continue, it should provide continued positive support for UK SME's and mid-market companies."

The Trends in Alternative Capital debate took place at the London offices of law firm McDermott Will & Emery and the panelists included:

- Darren Hart, Head of Growth Capital, Santander Corporate & Commercial Banking
- Mensah Lambie, Partner, Beechbrook Capital
- Donald Campbell, Senior Vice President, Pricoa Capital Group
- Jonathan Hughes, Regional Sales Director, Leumi ABL Ltd
- Chris Smith, Partner, Clearwater International (moderator)

- ENDS -

About ACG UK

Founded in 1954, the Association for Corporate Growth has 59 chapters and 14,500 members around the world. ACG serves 90,000 investors, executives, lenders and advisers to growing middle-market companies. ACG's mission is to drive middle-market growth. ACG UK was founded in 2012 and brings together private equity professionals, investment bankers & intermediaries, attorneys, auditors & accountants, lenders, corporate development officers, company leaders and others focused on the middle market.

Follow us on Twitter [@UKACG](#) and find out about our upcoming programme of events at www.acg.org/uk.

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