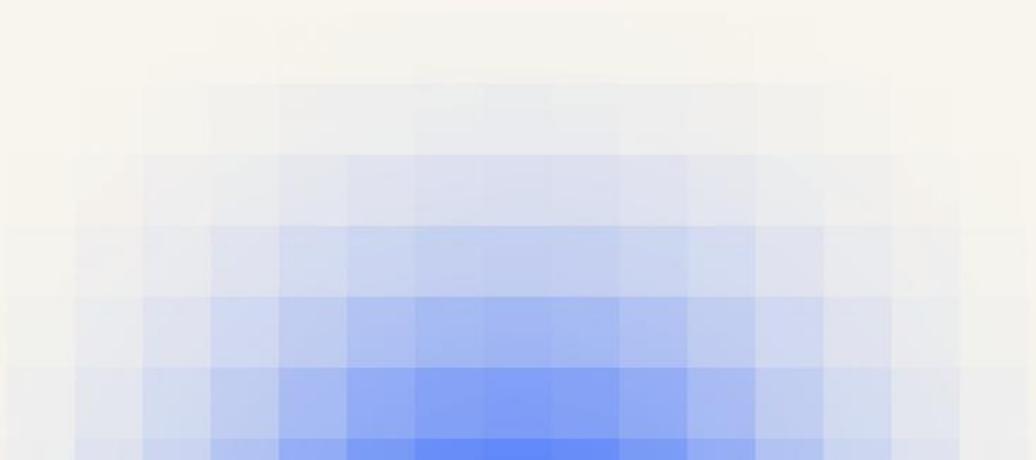


Q4'25 Capital Markets Radar Report

Terms-level Benchmarking
Analysis & Industry Trends



Q4 '25 CEO Letter

After the Spike, Markets Find Their Level

Last year, Noetica's AI surfaced a market shift that no one else was talking about: counterparties trading structural protections for issuer-friendly EBITDA flexibility. Our customers saw that trend early, and *Bloomberg* covered the phenomenon weeks later. That trade-off framework is now the established baseline—validated by full-year 2025 data showing year-over-year increases across both investor protections and issuer flexibility.

But Q4's data reveals something more important: After Q3's dramatic spike in investor protections, the market didn't continue escalating. It stabilized. Beneath that stabilization, next-generation LME blockers are emerging exactly as we predicted in *American Banker*, signaling the market's continued evolution toward more sophisticated protection design.

This pattern of bilateral negotiation under novel risk conditions isn't confined to LMEs—we're seeing the same dynamic play out across capital markets, particularly in AI infrastructure financing, where lenders are building protection frameworks from scratch for risks in real time.

Q3 Spike, Q4 Stabilization: The Market Finds Its Level

Q3 2025 saw dramatic surges in protective terms. Lien subordination protections jumped 23 percentage points to 84% of deals. J. Crew language (either form) hit 44%. Anti-PetSmart terms reached 28%. The market appeared to be hardening rapidly—and lenders appeared spooked.

But Q4 reveals the real story. Lien subordination consent requirements moderated to **66%**—still well above historical norms, but down from Q3's peak. J. Crew language pulled back to **35%**. Anti-PetSmart terms declined to **16%**. The market found its level.

This isn't creditor retreat—it's equilibrium. Q3's spike was overcorrection, an unsurprising response to regulatory uncertainty and heightened risk awareness. Q4's moderation shows the market calibrating to sustainable norms rather than maintaining panic-driven maximums.

Critically, the most fundamental protections remained strong. Pro rata sharing actually *increased* from 81% in Q3 to **84%** in Q4, and erroneous payment terms appeared in **91%** of deals in Q4. The core architecture holds. What's adjusting are the deal-specific calibrations. We're seeing a functioning market pricing risk appropriately through terms.

With even the most common protections still below universality, every deal involves real give-and-take. Credit quality, sponsor relationships, and market conditions all influence which protections make the final document. This negotiating space is healthy, and information remains more important than ever.

Next-Generation Protections: The Market Learns

The most telling signal in our Q4 data isn't in the percentages—it's in the evolution. As we wrote in *American Banker* this year, sophisticated market participants are developing next-generation LME blockers that respond to specific liability management innovations.

The Pluralsight blocker, which prevents transfers of material IP to *any* non-guarantor subsidiary (not just unrestricted subs), appeared in **11%** of deals in Q4. This protection closes the gap revealed by the 2024 Pluralsight deal, where material assets moved to a non-guarantor restricted subsidiary—an escape route traditional J. Crew language didn't cover.

Envision blockers, Wesco/Incora vote manipulation protections, and LME omniblockers each appeared in **1%** of deals. These terms are creeping into the market, but the data tells us that they remain rare. Early adopters are testing language that will likely proliferate as the market learns from each LME case study.

Lenders are splitting into two camps: those playing whack-a-mole with increasingly specific blockers in reaction to each new LME tactic, and those trying to shut down the entire game with comprehensive omniblockers. Both approaches are experimental—but their emergence proves the market is actively innovating beyond first generation LME blockers.

Data Center Financings: Same Challenge, Different Collateral

The explosive demand for compute and storage to support the growth of the AI economy shows credit markets grappling with the same fundamental challenge: how do counterparties structure protections for risks that are evolving faster than standardized frameworks can accommodate?

In Q3, CoreWeave closed a \$2.6 billion delayed draw term loan facility dedicated to delivering services under a long-term agreement with OpenAI—a structure that concentrates credit risk on a single customer relationship and collateral that depreciates as GPU technology evolves.

This isn't traditional project finance. Lenders can't rely on the same frameworks they use for power plants or toll roads. Instead, they're negotiating bespoke protections like contract realization ratios (measuring actual billings against projections) and material contract event triggers—risks that don't fit neatly into standard covenant packages. Just as first-generation J. Crew blockers proved insufficient when tested by creative liability management tactics, early AI infrastructure protections will face their own stress tests.

Looking Ahead: What 2026 Will Tell Us

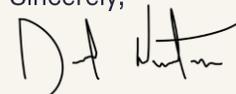
2025 established the new framework. The trade-off model proved sustainable, producing deal flow under tighter bilateral terms. Q4's stabilization after Q3's spike shows the market finding equilibrium rather than spiraling toward either extreme. We expect three dynamics will define 2026:

First, next-generation protections—like Pluralsight, Envision, and Wesco Incora blockers—are now appearing in the market. If markets weaken and test existing structures, expect further evolution of these covenant packages in response to exposed vulnerabilities.

Second, the negotiating space will persist but evolve. The current distribution—some protections near-universal, others selective—suggests healthy price discovery through terms. Unless credit conditions deteriorate sharply, expect 2026 to maintain this balance while continuing to refine which protections matter most for which situations.

Third, deal flow sustainability will face its real test. 2025 showed the trade-off framework can support transaction volume under normal conditions. But if economic conditions weaken or high-profile defaults continue to emerge—like the Renovo Home Partners and First Brands Group bankruptcies we discussed in the *Wall Street Journal*—we'll learn whether these guardrails are resilient enough to keep capital markets functioning through stress. This test won't be confined to traditional leveraged credit. AI infrastructure financings with concentrated customer dependencies and rapidly depreciating collateral will face the same scrutiny. The fundamental question remains consistent across markets: can negotiated bilateral protections withstand conditions their architects didn't anticipate? With trillions in pandemic-era debt maturing in 2028-2029, that test may come sooner than later. The advisors tracking terms-level data in real-time will see these trends as they emerge, not after they're already priced in.

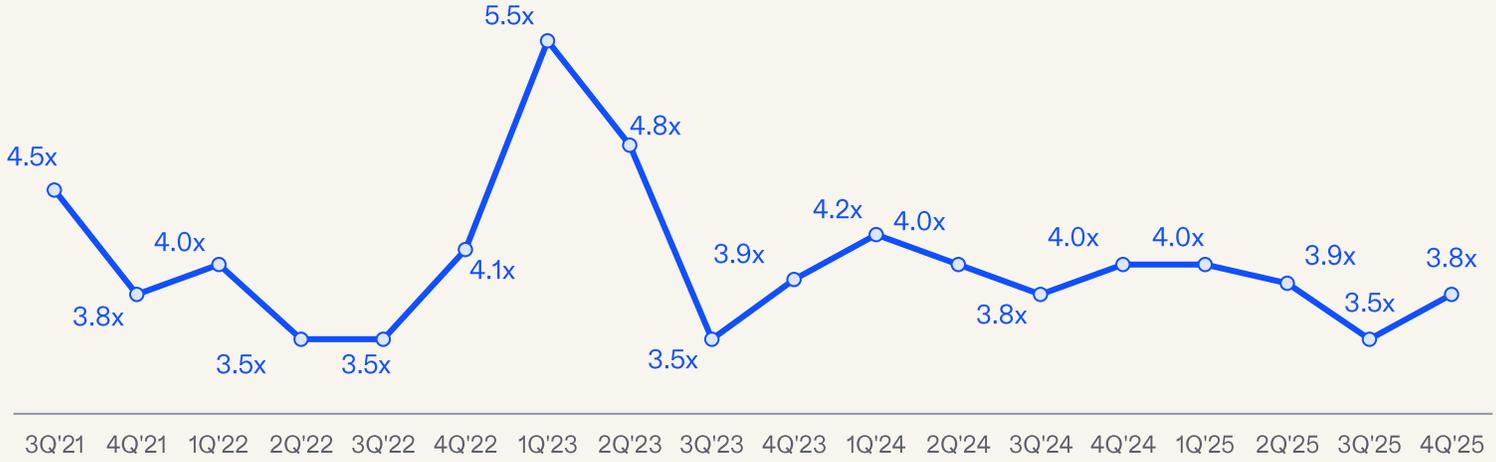
Sincerely,



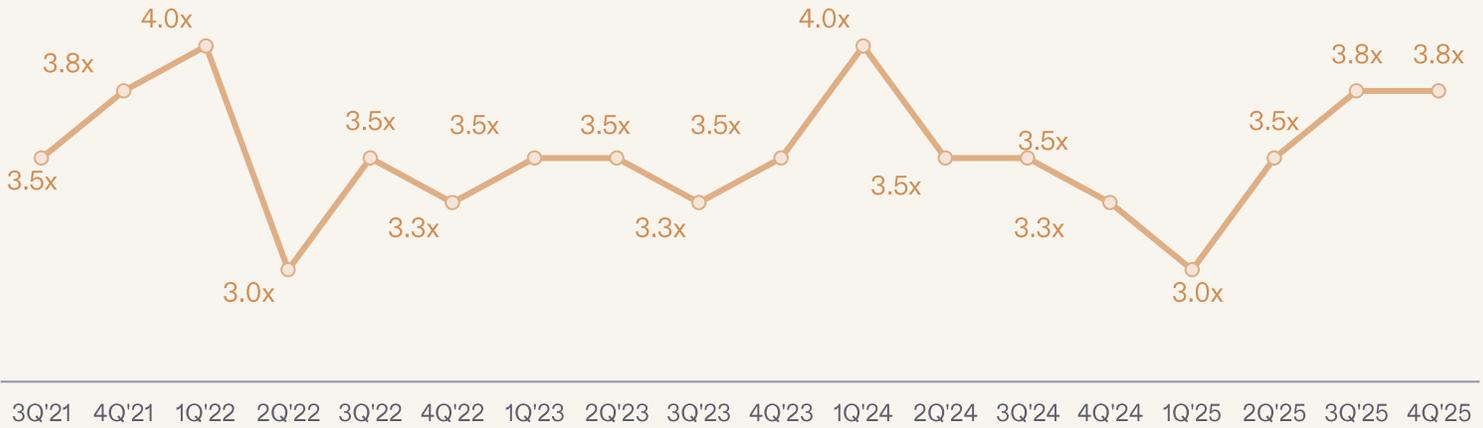
Dan Wertman, CEO

Key Term Trends

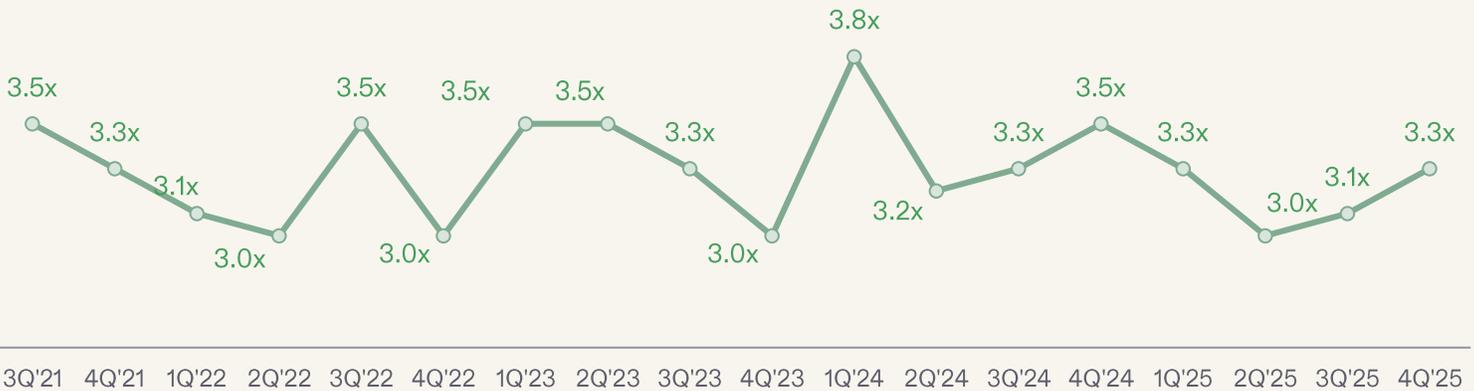
Financial Maintenance: Total Leverage Ratio



Investments: Ratio Capacity



Restricted Payments: Ratio Capacity

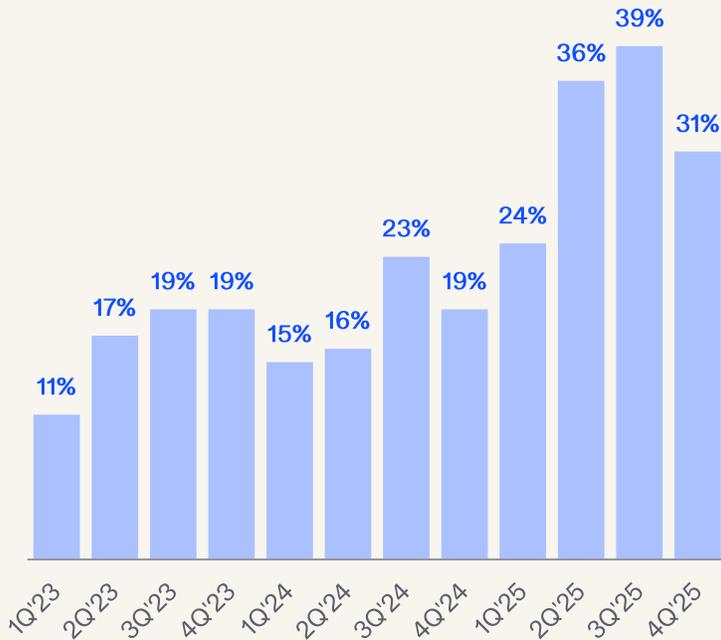


J. Crew Blockers

Term Definition

“J. Crew blockers” prevent companies from moving valuable assets, especially material intellectual property, out of creditors’ reach. They typically prohibit transferring these assets to unrestricted subsidiaries or designating such asset-holding subsidiaries as unrestricted.

IP Transfer Prohibitions



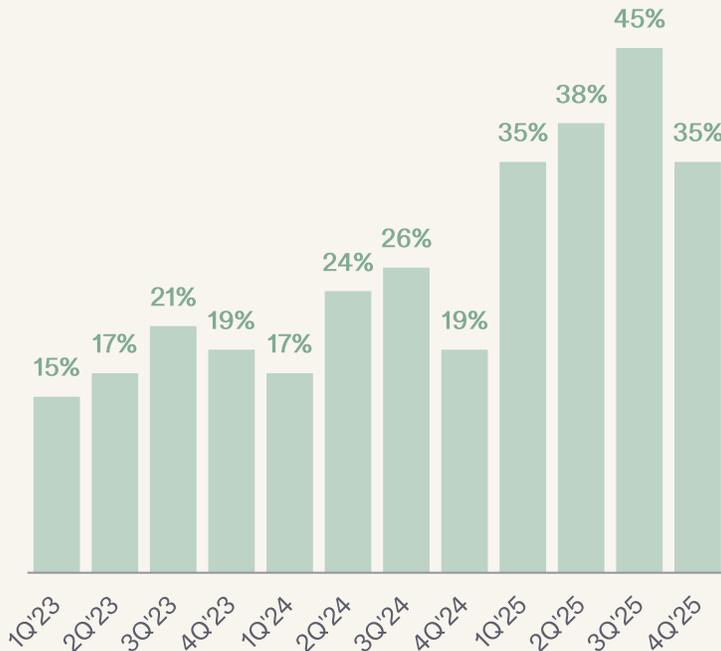
Term History

In 2016, J.Crew, facing financial trouble, utilized unrestricted subsidiary capacity to move material intellectual property (IP) (e.g., trademarks) out of the credit group, thereby releasing creditors’ security interest in such IP. This maneuver, an early form of liability management transaction, allowed it to raise new financing secured by those IP assets while effectively subordinating existing creditors’ claims on such assets.

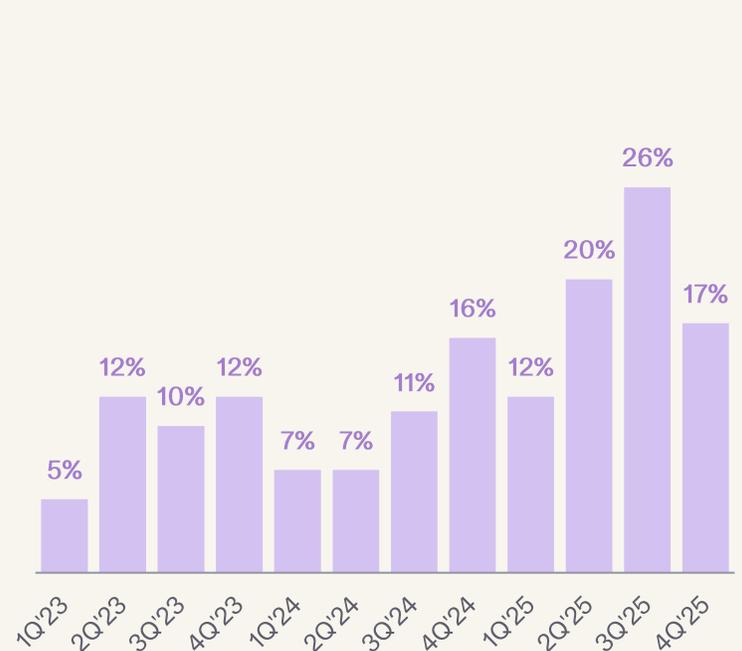
Unrestricted Subsidiary Designation Restrictions



J. Crew Language (Either or Both of Above)



J. Crew Language (Both of Above)



Note: All charts on page refer to percentage prevalence.

J. Crew Blockers (Cont'd)

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Primary Lender(s)	Size	Primary Advisor(s)
12/12/25	J. Jill	CCP Agency	TL: \$75M	Morgan Lewis Katten Muchin Rosenman
11/4/25	Tenet Healthcare	J.P. Morgan Bank of America Barclays	Revolver: \$1.9B	Gibson Dunn Paul Hastings
9/26/25	Coherent	J.P. Morgan	Revolver: \$700M TL: \$1.25B	Sidley Austin Simpson Thacher
6/2/25	Herc Holdings	Wells Fargo	TL: \$750M	Simpson Thacher Latham & Watkins
1/29/25	American Axle	J.P. Morgan	Revolver: \$1.25B TLA: ~\$485M TLB: ~\$1.5B	A&O Shearman

Lender Advisor Table: Highest Average FY 2025 (IP Transfer Prohibitions)⁽²⁾

Advisor	Term Inclusion (%)
1 Gibson Dunn	71%
2 Sidley Austin	67%
3 Norton Rose Fulbright	60%
4 Alston & Bird	56%
5 Akin Gump	50%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

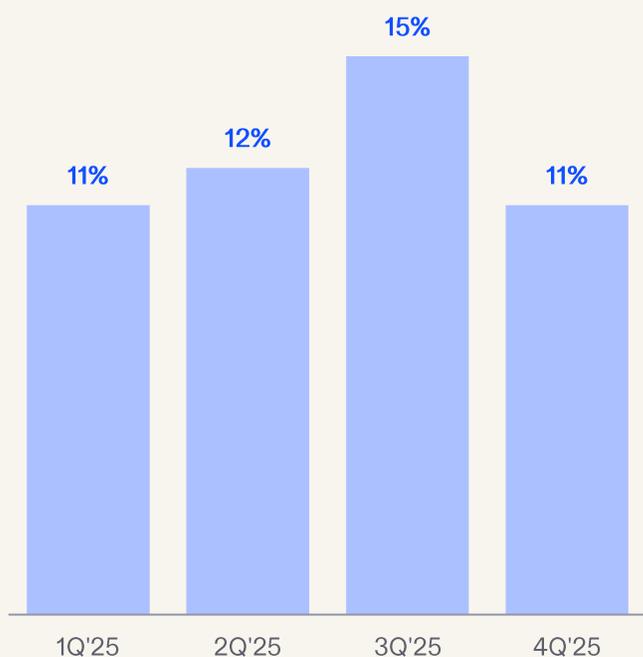
(2) Minimum five deals in FY2025.

Pluralsight Blocker

Term Definition

A “Pluralsight blocker” is an enhanced form of J.Crew-style protections designed to limit the transfer or leakage of material assets—typically material intellectual property—from the credit group to any non-guarantor subsidiary. Pluralsight blockers prohibit such transfers not only to unrestricted subsidiaries, but also to non-guarantor restricted subsidiaries, thereby preventing the movement of core value outside the loan group.

Term Prevalence Over Time



Term History

The concept of a “Pluralsight blocker” arose following a 2024 LME by Pluralsight in which material IP was moved into a non-guarantor subsidiary, revealing a gap in traditional J.Crew protections. In response, lenders began negotiating language to prevent transfers of material IP or other assets to any non-loan party. While these protections are emerging and have started appearing in some private credit deals, they are not yet as widespread as traditional J.Crew protections.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/18/25	Urban One	Bank of America	Revolver: \$75M	Kirkland & Ellis Latham & Watkins
10/7/25	Certara	Bank of America J.P. Morgan Mizuho Bank	Revolver: \$100M TL: \$300M	Simpson Thacher
8/13/25	Fossil Group	ACF Finco	Revolver: \$150M	Weil Norton Rose Fulbright
4/1/25	Celsius Holdings	UBS Goldman Sachs Wells Fargo	Revolver: \$100M TL: \$900M	Freshfields
3/24/25	Marriott	J.P. Morgan Merrill Lynch Suntrust	Revolver: \$800M	Gibson Dunn Foley & Lardner

Lender Advisor Table: Highest Average in FY 2025 (Pluralsight Blocker)⁽²⁾

Advisor	Term Inclusion (%)
1 Holland & Knight	57%
2 Norton Rose Fulbright	40%
T-3 McGuireWoods ⁽³⁾	33%
T-3 Sidley Austin ⁽³⁾	33%
5 Blank Rome	29%

⁽¹⁾ Table reflects primary lenders and primary advisors; non-exhaustive.

⁽²⁾ Minimum five deals in FY2025.

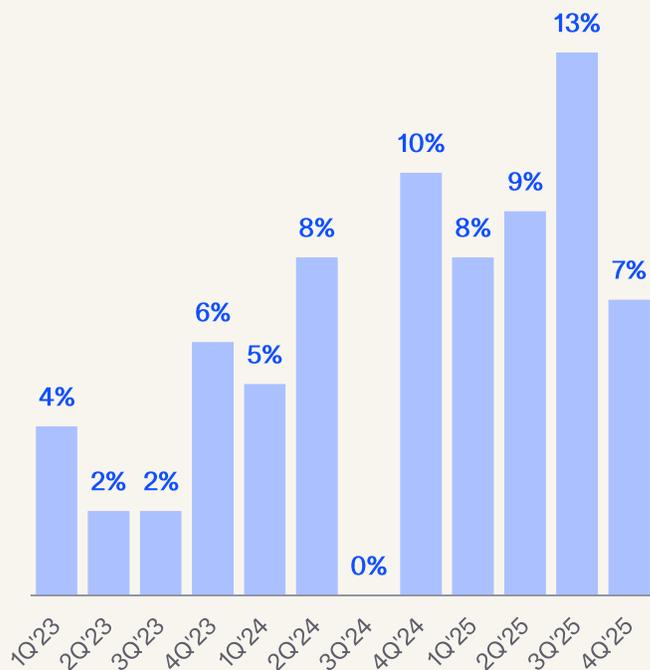
⁽³⁾ Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Windstream Net Short

Term Definition

“Windstream net short language” refers to protective provisions in credit agreements that restrict rights of or penalize creditors who hold a “net short” position—that is, those creditors that benefit if the borrower fails. Typically, such language prevents net short holders from declaring a default or voting in certain situations.

Term Prevalence Over Time



Term History

Windstream net short language began appearing in 2019 in response to “net short debt activism”, a market dynamic in which creditors were incentivized to declare borrower defaults to profit off short positions. One such famous example is Aurelius Capital Management’s “net short” default with respect to Windstream. Since then, the language has become increasingly common to align creditor and borrower incentives.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
11/14/25	Yellowstone Midco	Wells Fargo Jefferies Goldman Sachs	Revolver: \$150M TL: \$150M	Kirkland & Ellis
10/16/25	Viavi Solutions	Wells Fargo BMO TD Securities	TL: \$600M	Gibson Dunn Cahill Gordon
7/25/25	Upland Software	Sound Point	Revolver: \$30M TL: \$240M	Morrison Foerster Paul Hastings
4/21/25	Clearwater Analytics	J.P. Morgan	Revolver: \$200M TL: \$800M	Kirkland & Ellis
1/30/25	MultiPlan	Goldman Sachs	Revolver: \$350M 1 st Out TL: \$325M 2 nd Out TL: ~\$1.1B	Gibson Dunn Kirkland & Ellis Cahill Gordon

Borrower Advisor Table: Highest Average in FY 2025 (Net Short Provisions)⁽²⁾

Advisor	Term Inclusion (%)
1 Wachtell, Lipton, Rosen & Katz	67%
2 Davis Polk & Wardwell	43%
3 Freshfields	40%
4 Simpson Thacher	39%
5 A&O Shearman	30%

⁽¹⁾ Table reflects primary lenders and primary advisors; non-exhaustive.

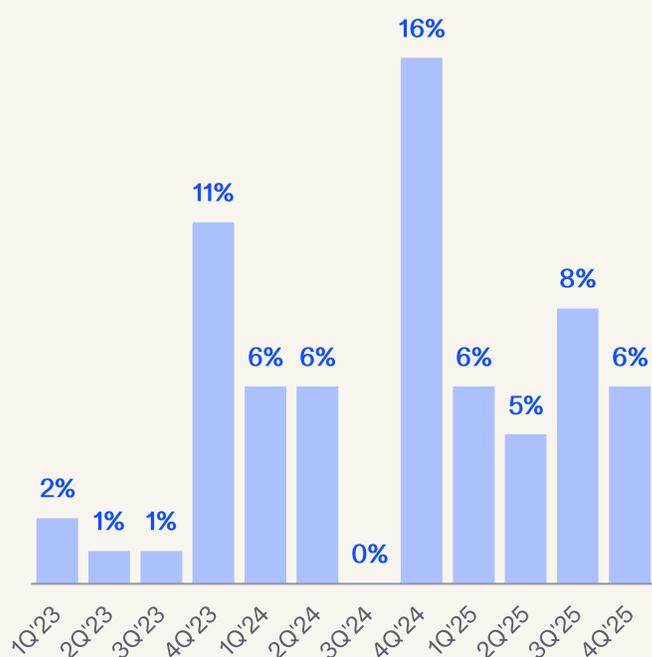
⁽²⁾ Minimum five deals in FY2025.

Temporal Limits on Default

Term Definition

Temporal limits on default limit the ability of lenders to declare an event of default to a specified time period after the default occurred. Such limits typically apply if the underlying event: (1) occurred 2+ years ago, (2) was disclosed to the lenders (often via required reporting), and (3) the lenders took no action within that time window.

Term Prevalence Over Time



Term History

These terms began showing up post-2008, especially for technical or minor covenant breaches that weren't material enough to warrant acceleration. In the mid-2010s, as covenant-lite became more normalized, the provisions started appearing more frequently, particularly in sponsored deals.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
11/13/25	Phoenix Education	Morgan Stanley Goldman Sachs Bank of Montreal	Revolver: \$100M	Paul, Weiss Cahill Gordon
11/6/25	Angi Group	J.P. Morgan Citizens PNC	Revolver: \$175M	Sidley Austin Paul Hastings
7/9/25	Hillenbrand Inc.	J.P. Morgan HSBC Bank Wells Fargo	Revolver: \$700M USD TL: \$175M Euro TL: €240M	Skadden
6/16/25	Dotdash Meredith	J.P. Morgan	TL: \$700M	Wachtell Lipton Cahill Gordon
2/12/25	Primo Brands	Morgan Stanley Bank of America	TL: ~\$3.1B	Latham & Watkins

Borrower Advisor Table: Highest Average in FY 2025 (Temporal Default Limits)⁽²⁾

Advisor	Term Inclusion (%)
1 Wachtell, Lipton, Rosen & Katz	67%
2 Sidley Austin	33%
3 Ropes & Gray ⁽³⁾	25%
4 Sullivan & Cromwell ⁽³⁾	25%
5 Davis Polk & Wardwell	21%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

(2) Minimum five deals in FY2025.

(3) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied

EBITDA Cost Savings Addback

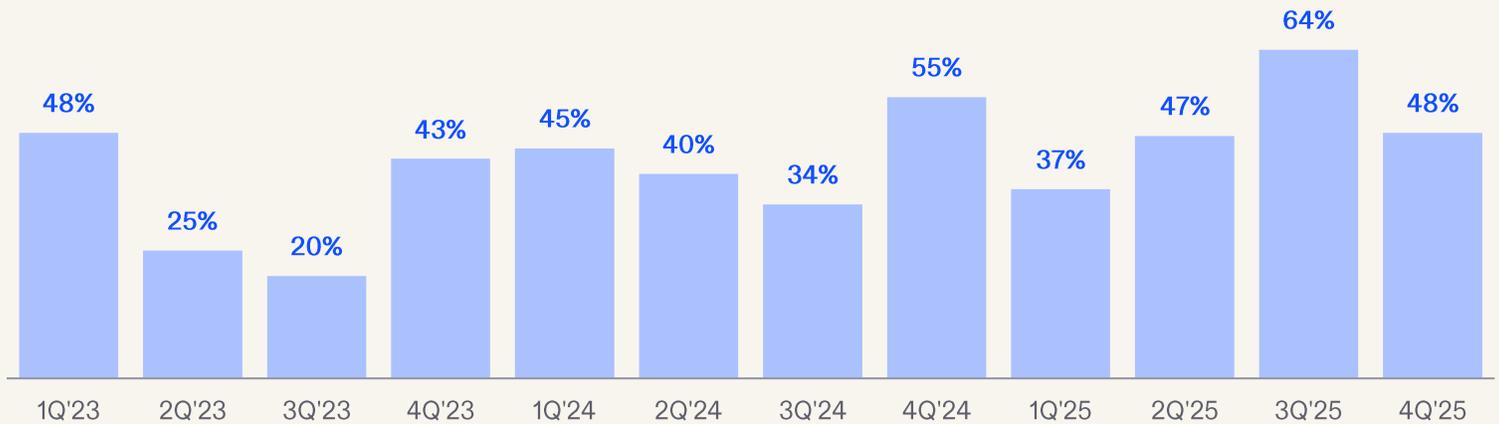
Term Definition

EBITDA cost savings addbacks are adjustments that allow a borrower to add back projected cost savings to their EBITDA calculation. These addbacks allow borrowers to report higher EBITDA, which can improve leverage ratios, covenant compliance, and borrowing capacity. Cost savings addbacks typically reflect expected reductions in operating expenses that result from actions like restructuring, cost-cutting initiatives, synergies from mergers and acquisitions, facility closures or consolidations, headcount reductions, and supply chain optimization. These are not actual savings already realized in historical financials, but anticipated savings from initiatives already taken or committed to be taken.

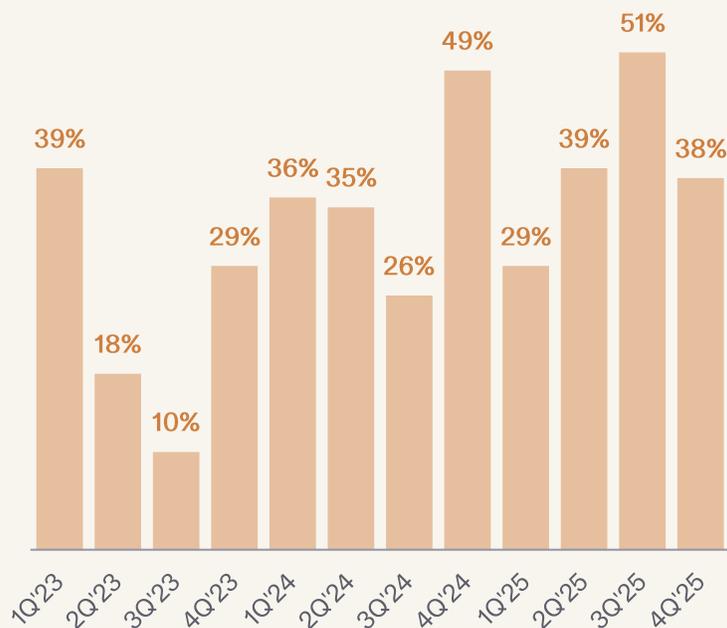
Term History

This language began appearing in the late 1990's and early 2000's. Its use became more formalized and widespread throughout the 2000's and 2010's, with limitations on look-forward periods and caps on cost savings—usually stated as a percentage of EBITDA—becoming more common during this period as well.

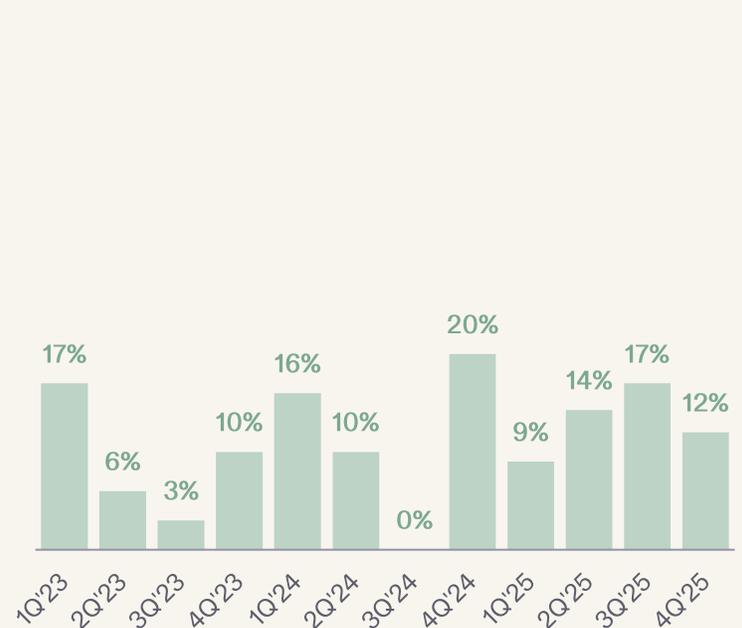
Cost Savings Addback



20%+ Cost Savings Addback



Uncapped Cost Savings Addback



Note: All charts on page refer to percentage prevalence.

EBITDA Cost Savings Addback (Cont'd)

Key Selected Examples in FY 2025

Date	Company	Primary Lender(s)	Size	Primary Advisor(s)
12/12/25	CCC Intelligent Solutions	Bank of America Citibank J.P. Morgan Morgan Stanley	Incremental Term Loan: \$100M	Kirkland & Ellis Cahill Gordon
10/17/25	Greenlight	Bank of America J.P. Morgan Morgan Stanley BMO	Term Loan: \$689M	Hogan Lovells
9/17/25	Sotera Health	Jefferies J.P. Morgan Barclays	Term Loan: \$1.4B	Cleary Gottlieb Latham & Watkins
6/13/25	Redwire / Edge Autonomy	J.P. Morgan TCBI Securities Bank of America Truist	Term Loan: \$90M	Holland & Knight Winston & Strawn
2/4/25	Michael Kors	J.P. Morgan Barclays Bank of America BNP Paribas	Revolver: \$1.5B TL: \$700M	Paul, Weiss

Borrower Advisor Table: Highest Average in FY 2025 (Uncapped Addback)⁽²⁾

Advisor	Term Inclusion (%)
1 Ropes & Gray	45%
2 Simpson Thacher	43%
3 Kirkland & Ellis	26%
4 Davis Polk & Wardwell ⁽³⁾	25%
5 Sullivan & Cromwell ⁽³⁾	25%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

(2) Minimum five deals in FY2025

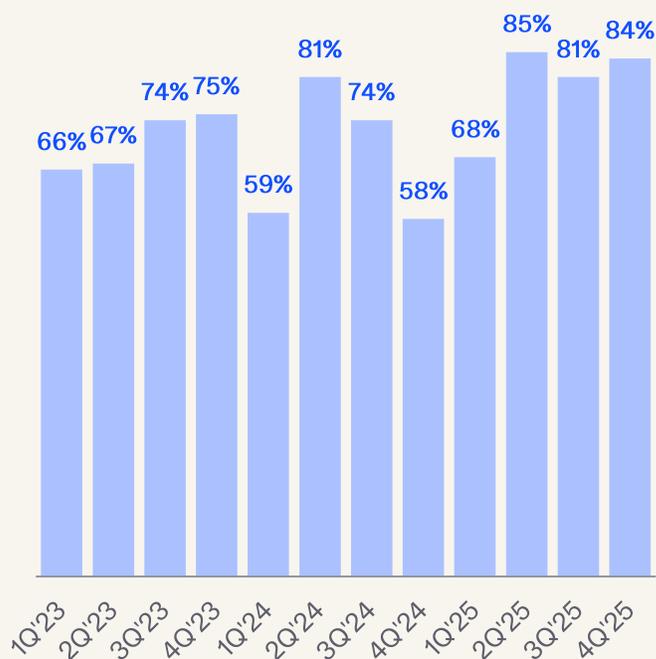
(3) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Pro Rata Sharing: All Lender Consent

Term Definition

The requirement for all lenders to consent to amendments to the pro rata sharing portions of a credit agreement is found in the sacred rights section of the agreement and are often included to ensure that the interests of all lenders are protected, particularly when it comes to adjustments or changes in the economic terms of the credit agreement.

Term Prevalence Over Time



Term History

These provisions have become standard practice in many syndicated loans, particularly in large, high-value credit facilities where multiple institutions are involved. Recently—especially in complex or structured financing deals—there is a trend toward requiring unanimous or near-unanimous consent for any changes to critical payment distribution mechanisms, including pro rata sharing.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/16/25	The Children's Place	Wells Fargo J.P. Morgan Bank of America Crystal Financial	Revolver: \$350M FILO TL: \$100M	Blank Rome
12/12/25	Ivanhoe Electric	National Bank of Canada Société Générale Bank of Montreal	TL: \$200M	A&O Shearman
9/15/25	Black Rock Coffee Holdings	J.P. Morgan	Revolver: \$25M TL: \$50M	Perkins Coie Willkie Farr
5/6/25	Steve Madden	Citizens J.P. Morgan Citibank	Revolver: \$250M TL: \$300M	Foley & Lardner Norton Rose Fulbright
4/1/25	Karman Holdings	Citibank RBC KKR	Revolver: \$50M TL: \$300M	Stoel Rives Willkie Farr

Lender Advisor Table: Highest Average in FY 2025 (Pro Rata Sharing Provisions)⁽²⁾

Advisor	Term Inclusion (%)
1 Haynes & Boone ⁽³⁾	100%
T-2 Holland & Knight ⁽³⁾	100%
T-2 Gibson Dunn ⁽³⁾	100%
4 Milbank ⁽³⁾	90%
5 Moore & Van Allen ⁽³⁾	90%

⁽¹⁾ Table reflects primary lenders and primary advisors; non-exhaustive.

⁽²⁾ Minimum five deals in FY2025

⁽³⁾ Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Lien Subordination: All Lender Consent

Term Definition

Sacred rights terms that require all lenders consent to any subordination of liens (i.e., no lender's security interest in the collateral can be subordinated to a new or existing lien without the unanimous approval of all lenders). These terms are often included in credit deals to prevent certain types of liability management transactions that may favor certain lenders over other lenders.

Term Prevalence Over Time



Term History

Lenders in high-yield markets have become sensitive to any changes that could undermine the collateral securing their position, especially new debt issued in connection with a buyback, exchange, or refinancing that could subordinate their claims. With the erosion of protections in syndicated loan markets over the last decade, focus has shifted toward ensuring protections are clearly defined and that no changes to the priority of claims occur without the agreement of all parties.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/1/25	Blue Owl Technology	Bank of Nova Scotia Citizens	Revolver: \$750M	Latham & Watkins Nixon Peabody
11/26/25	N-able	J.P. Morgan Citibank	Revolver: \$60M TL: \$400M	Ropes & Gray Cahill Gordon
8/21/25	Dream Finders Homes	Western Alliance Citizens	Revolver: \$1.475B	Holland & Knight Haynes Boone
7/29/25	FormFactor	Wells Fargo	Revolver: \$150M	Freshfields
5/5/25	Tetra Tech	Bank of America Wells Fargo PNC	Revolver: \$600M TL: \$500M	Hogan Lovells

Lender Advisor Table: Highest Average in FY 2025 (Lien Subordination Consent Rights)⁽²⁾

Advisor	Term Inclusion (%)
1 Gibson Dunn ⁽³⁾	100%
2 Morgan Lewis ⁽³⁾	100%
3 Mayer Brown	90%
T-4 Blank Rome ⁽³⁾	86%
T-4 Holland & Knight ⁽³⁾	86%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

(2) Minimum five deals in FY2025.

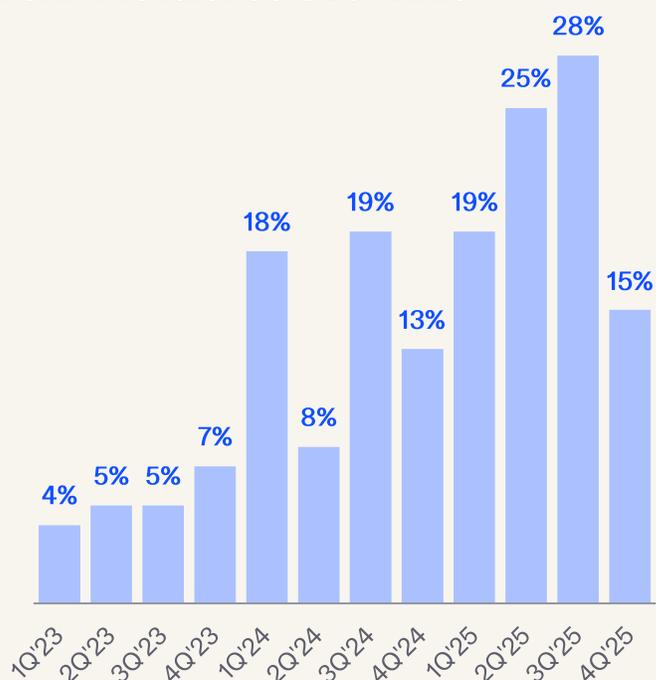
(3) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Anti-PetSmart

Term Definition

“Anti-PetSmart” terms refer to protections for lenders to prohibit a guarantor being released from its guarantees if it ceases to be a wholly-owned subsidiary. Anti-PetSmart terms often prohibit such a release when guarantors become non-wholly-owned as a result of the purchase of equity by an affiliate or as a result of transactions not for bona fide business purposes.

Term Prevalence Over Time



Term History

In June 2018, PetSmart transferred portions of its equity ownership in Chewy to an investor holding company and a newly created unrestricted subsidiary; because Chewy was no longer a wholly-owned subsidiary, it was released from its guarantee. In response, lenders began introducing “anti-PetSmart” language to prevent such transactions. The language became increasingly prevalent in 2020 and 2021, and has become more popular recently, with its frequency greatly increasing over the last twelve months.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
11/18/25	Alkermes	J.P. Morgan	TL: \$1.5B	Cleary Gottlieb A&L Goodbody
10/1/25	Pagaya	BMO Valley National	Revolver: \$132M	Davis Polk
9/26/25	WaterBridge Infrastruc- ture	Truist	Revolver: \$500M	Vinson & Elkins Gibson Dunn
5/15/25	Light & Wonder	J.P. Morgan Bank of America Wells Fargo	TL: \$800M	Brownstein Hyatt Cahill Gordon Latham & Watkins
5/2/25	VSE Corp.	Citizens Bank of America	Revolver: \$400M TL: \$300M	Jones Day Cadwalader

Lender Advisor Table: Highest Average in FY 2025 (Anti-PetSmart Terms)⁽²⁾

Advisor	Term Inclusion (%)
1 Gibson Dunn	86%
2 Cahill Gordon	59%
3 Holland & Knight	57%
4 Mayer Brown	50%
5 Simpson Thacher	48%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

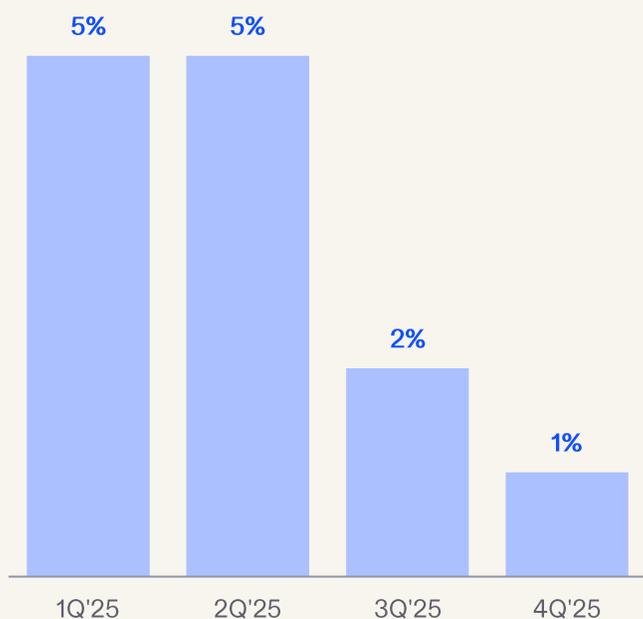
(2) Minimum five deals in FY2025.

Envision Blockers

Term Definition

Envision blockers are restrictions designed to limit investment capacity to transfer assets to unrestricted subsidiaries. Such provisions typically cap transfers by requiring that investments in unrestricted subsidiaries be made solely pursuant to specified investment baskets (preventing “stacking”) and/or by imposing an aggregate limitation on all investments in unrestricted subsidiaries.

Term Prevalence Over Time



Term History

In 2022, Envision Healthcare completed an LME in which it transferred assets into newly designated unrestricted subsidiaries and incurred new superpriority debt outside the existing credit group, priming its term loan lenders. “Envision blocker” provisions began appearing in credit agreements in 2023 and continued to evolve through 2024. By 2025, Envision blockers had become a recognized though still uncommon feature in leveraged finance documentation.

Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
11/17/25	William Carter	J.P. Morgan Bank of America PNC Truist	Revolver: \$750M	Paul Hastings King & Spalding
10/16/25	ESAB	J.P. Morgan Wells Fargo BNP Paribas	Revolver: \$1.05B TL: \$350M	Kirkland & Ellis
8/15/25	MP Materials	J.P. Morgan Goldman Sachs Morgan Stanley	Revolver: \$275M	Skadden Milbank
5/5/25	Digital-Ocean	Morgan Stanley J.P. Morgan Bank of America	Revolver: \$300M DDTL: \$500M	Cooley Latham & Watkins
1/16/25	Definitive Healthcare	Bank of America J.P. Morgan DNB	Revolver: \$50M TL: \$175M	Sidley Austin Morgan Lewis

Lender Advisor Table: Deals Including Term in FY 2025 (Envision Blockers)⁽²⁾

Advisor	Term Inclusion (%)
1 Moore & Van Allen	30%
T-2 Cadwalader, Wickersham & Taft ⁽³⁾	20%
T-2 Morgan Lewis ⁽³⁾	20%
4 Morrison Foerster	13%
5 Mayer Brown	10%

⁽¹⁾ Table reflects primary lenders and primary advisors; non-exhaustive.

⁽²⁾ Minimum five deals in FY2025.

⁽³⁾ Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Wesco / Incora Blockers

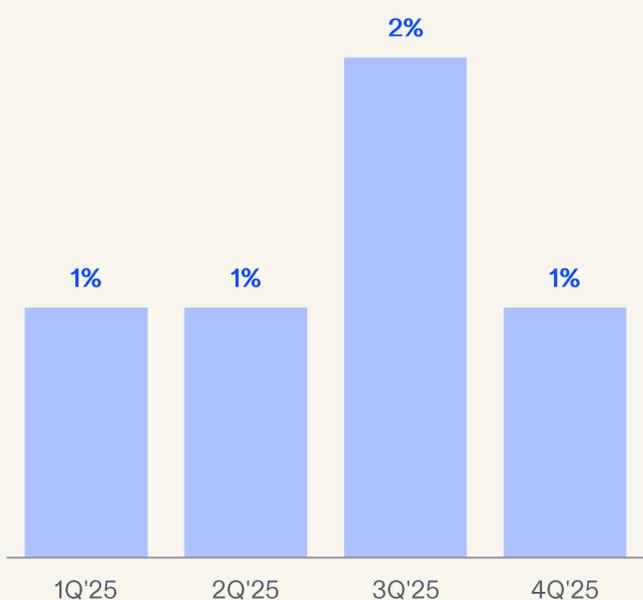
Term Definition

Wesco / Incora blockers restrict borrowers from manipulating creditor voting thresholds, which is typically done by issuing additional debt for the purpose of influencing amendment, waiver or consent votes. Wesco / Incora blockers often prohibit the incurrence of debt whose primary purpose is to alter voting dynamics, or alternatively disenfranchise debt issued for that purpose.

Term History

Wesco / Incora blockers first began appearing in credit agreements in 2023, following the market reaction to aggressive liability management transactions like the 2022 Wesco / Incora uptier. Though still rare, they are selectively used in higher-risk credit agreements and transactions involving lenders with strong negotiating leverage.

Term Prevalence Over Time



Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/8/25	Xponential Fitness	HPS Investment Fortress	Revolver: \$25M TL: \$525M	Kirkland & Ellis
8/6/25	Eventbrite	Morgan Stanley Silicon Valley Bank Axos Bank	TL: \$60M	Latham & Watkins Morrison Foerster
7/25/25	Upland Software	Sound Point Agency	Revolver: \$30M TL: \$240M	Morrison Foerster Paul Hastings
4/10/25	E.W. Scripps	J.P. Morgan Bank of America Truist	Revolver: \$278M TL: \$885M	Simpson Thacher Davis Polk
1/30/25	MultiPlan	Goldman Sachs	Revolver: \$350M 1 st Out TL: \$325M 2 nd Out TL: ~\$1.1B	Gibson Dunn Kirkland & Ellis Cahill Gordon

Lender Advisor Table: Deals Including Term in FY 2025 (Wesco / Incora Blockers)⁽²⁾

Advisor	Term Inclusion (%)
1 Gibson Dunn	14%
2 Morrison Foerster	13%
T-3 Davis Polk & Wardwell ⁽³⁾	4%
T-3 Paul Hastings ⁽³⁾	4%
5 Latham & Watkins	2%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

(2) Minimum five deals in FY2025.

(3) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

LME Omniblockers

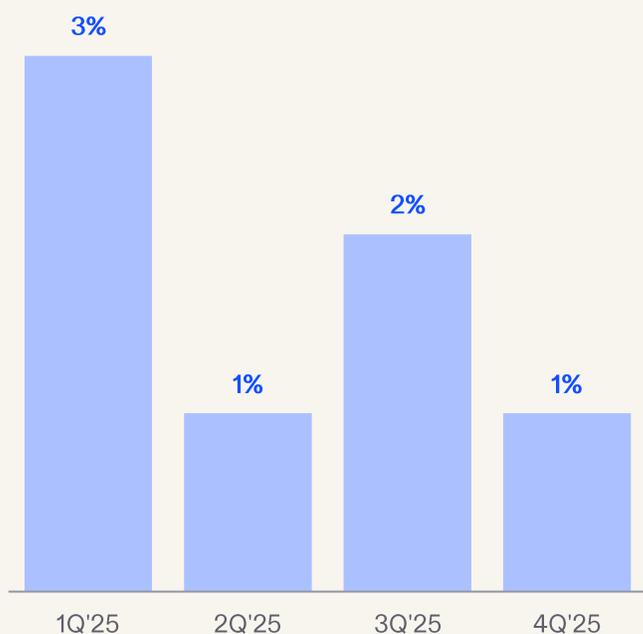
Term Definition

As its name suggest, an omniblocker is designed to prevent all types of LMEs, typically by prohibiting LMEs broadly or by trying to specifically call out and prohibit every type of known LME.

Term History

The “LME omniblocker” first appeared in late 2024 in select post-LME or restructuring deals. While still uncommon in general syndicated lending, these provisions are expected to grow in use as LME activity continues, though adoption remains largely limited to bespoke facilities.

Term Prevalence Over Time



Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/20/25	Ramaco Resources	Keybank Truist	Revolver: \$350M	Step toe & Johnson BakerHostetler
11/25/25	Altice	J.P. Morgan	TL: \$2B	Ropes & Gray Akin Gump
8/6/25	Norvax	Blue Torch Finance	TL: \$115M	Kirkland & Ellis Akin Gump
2/26/25	B. Riley Financial	Oaktree	TL: \$160M	Sullivan & Cromwell Kirkland & Ellis
2/21/25	Getty Images	J.P. Morgan Goldman Sachs Bank of America	TLs: \$550M and €440M	Skadden Cahill Gordon

Lender Advisor Table: Deals Including Term in FY 2025 (LME Omniblockers)⁽²⁾

Advisor	Term Inclusion (%)
1 Akin Gump	33%
2 Gibson Dunn	14%
T-3 Davis Polk & Wardwell ⁽³⁾	4%
T-3 Paul Hastings ⁽³⁾	4%
T-3 Simpson Thacher ⁽³⁾	4%

⁽¹⁾ Table reflects primary lenders and primary advisors; non-exhaustive.

⁽²⁾ Minimum five deals in FY2025.

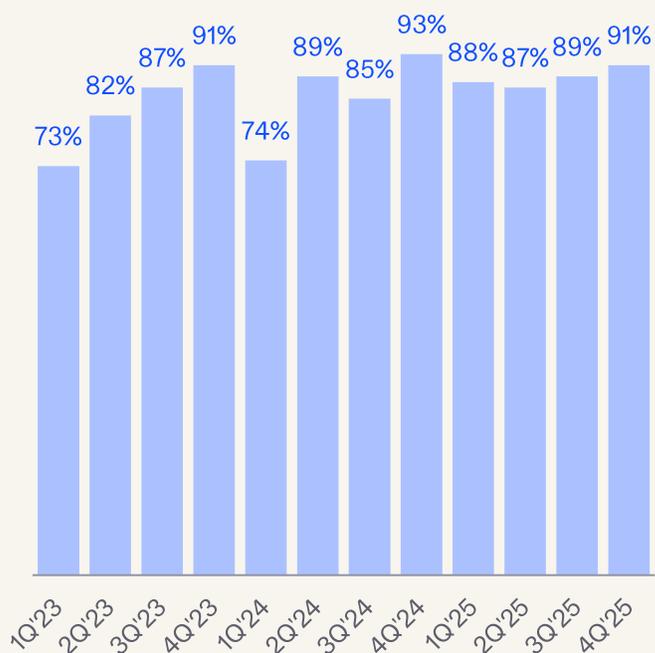
⁽³⁾ Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied

Erroneous Payments

Term Definition

Erroneous payments terms prescribe what happens if a borrower, lender, agent, or administrative party accidentally sends money to another party to the facility by mistake—typically due to a clerical, operational, or system error. Typically, such terms require the return of funds regardless of perceived entitlement, protecting administrative agents and borrowers from the losses.

Term Prevalence Over Time⁽¹⁾



Term History

In 2020, Citibank, acting as the agent for a group of lenders to Revlon, mistakenly wired \$900M to lenders—the full principal amount owed—rather than just an interest payment. Some lenders refused to return the funds, arguing that such payment was a de facto prepayment of the entire loan. A U.S. District Court initially sided with the lenders, citing a rule that under certain conditions, mistaken payments don't need to be returned. This was later reversed on appeal in 2022.

Key Selected Examples in FY 2025⁽²⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/11/25	National Healthcare Properties	Wells Fargo BMO Capital One	Revolver: \$400M TL: \$150M	Greenberg Traurig Jones Day
10/3/25	ACI Pioneer	Natixis	TL: \$542M	Kirkland & Ellis Paul Hastings
9/10/25	Accel Entertainment	CIBC Fifth Third J.P. Morgan	Revolver: \$300M TL: \$600M	Jones Day
6/16/25	Fidelity Private Credit	Truist ING Capital Sumitomo	Revolver: \$300M	Dechert Mayer Brown
5/15/25	Light & Wonder	J.P. Morgan Bank of America Wells Fargo	TL: \$800M	Brownstein Hyatt Cahill Gordon Latham & Watkins

Borrower Advisor Table: Highest Average in FY 2025 (Erroneous Payments)⁽³⁾

Advisor	Term Inclusion (%)
1 Dechert ⁽⁴⁾	100%
T-2 Cleary Gottlieb ⁽⁴⁾	100%
T-2 Gibson Dunn ⁽⁴⁾	100%
T-2 Hunton Andrews Kurth ⁽⁴⁾	100%
T-5 Hogan Lovells ⁽⁴⁾	100%
T-5 Sullivan & Cromwell ⁽⁴⁾	100%

(1) Median impacted by number of firms with few high-yield deals, but high percentages of term inclusion.

(2) Table reflects primary lenders and primary advisors; non-exhaustive.

(3) Minimum five deals in FY2025

(4) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

Market Capitalization Dividends

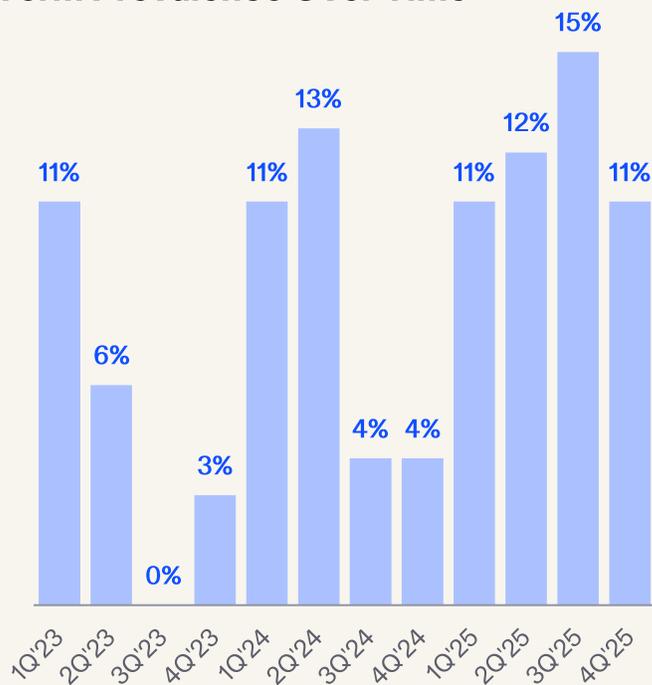
Term Definition

Borrower-friendly market cap-based dividend terms allow borrowers to pay dividends, do buybacks, or sometimes make other restricted payments without triggering a default, up to an amount typically based on a percentage of the company's market capitalization.

Term History

The term was rarely used during the early and mid-2010s, with increased prevalence in the late 2010s as an erosion of protective terms in credit facilities became more common. Although there was a pullback during COVID, recently market cap-based dividends have been resurging.

Term Prevalence Over Time



Key Selected Examples in FY 2025⁽¹⁾

Date	Company	Lender(s)	Size	Advisor(s)
12/23/25	Loar Group	First Eagle Citibank	Incremental TL: \$445M	Ropes & Gray Benesch, Friedlander
12/8/25	Mirion	Citibank Goldman Sachs J.P. Morgan	Term Loan: \$450M	Davis Polk Milbank
9/9/25	Dropbox	Blackstone Wells Fargo	DDTL: \$700M	Wilson Sonsini Paul Hastings
8/4/25	Acuren	Jefferies Citigroup UBS	Revolver: \$125M TL: \$875M	Greenberg Traurig Latham & Watkins
1/13/25	Exact Sciences	J.P. Morgan Bank of America PNC	Revolver: \$500M	K&L Gates

Borrower Advisor Table: Highest Average in FY 2025 (Market Cap-Based Dividend Terms)⁽²⁾

Advisor	Term Inclusion (%)
1 Cravath, Swaine & Moore	50%
2 Simpson Thacher	48%
3 Davis Polk & Wardwell ⁽³⁾	46%
4 Willkie Farr & Gallagher ⁽³⁾	46%
5 Paul, Weiss	33%

(1) Table reflects primary lenders and primary advisors; non-exhaustive.

(2) Minimum five deals in FY2025.

(3) Ties are broken by total deal volume. If both percentage and deal volume are equal, firms remain tied.

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