



Who Is ORIX?

ORIX Corporation

NYSE ADR: IX

- Established in 1964, ORIX Corporation is a diversified global financial services company with over \$110 billion in global assets.
- The Company, currently rated Baa2/A-, has maintained an investment grade rating through various economic cycles over the last 15+ years.
- Based in Tokyo, Japan, the Company employs over 31,000 people and conducts business in 36 countries.

ORIX USA Corporation

- Established in 1981, ORIX USA is a wholly owned subsidiary of ORIX Corporation. Over the last 32 years ORIX USA has grown into a diversified provider of investment capital and advisory services.
- Headquartered in Dallas, TX, ORIX USA manages over \$7 billion through various investment strategies targeting North American markets.
- In addition to its principal investing activities, ORIX USA offers a variety of financial advisory services to middle-market clients.

Advisory Services

- **Houlihan Lokey**
 - Middle-market investment banking services
 - M&A, capital markets, and restructuring
 - Acquired in 2005 and IPO in 2015
- **RED Capital Group**
 - Real estate capital provider
 - Acquired in 2010
- **ORIX Asset Management**
 - SEC registered investment advisor
 - \$11.7 billion in assets
 - Acquired in 2010



Principal Investing

- **ORIX Corporate Capital**
- **ORIX Energy Capital**
- **ORIX Healthcare**
- **ORIX Venture Finance**
- **Mezzanine and Private Equity**
- **Real Estate**
- **Municipal Investment**
- **Corporate Development and Strategic Opportunities**



ORIX Energy Capital Overview

Strategy

- ORIX Energy Capital is part of the direct lending business of ORIX USA
- ORIX Energy Capital focuses on providing customized capital solutions across the Lower-Middle Market Energy sector
 - **Upstream**
 - **Midstream**
 - **Downstream**
- We actively seek investment opportunities on the following capital needs:
 - **Growth:** internal growth initiatives or identified acquisition opportunities.
 - **Recapitalization:** capital structure maturities and appropriately structured shareholder dividends.
 - **Buyout:** **appropriately** capitalized management or sponsor-led buyouts.
 - **Shareholder Liquidity:** targeting minority shareholders or partial monetization for majority owner/operators.
 - **Special Situations:** “storied credits” in need of DIP / exit financing.



ORIX Energy Capital Advantage

Financial Strength

- ORIX Energy Capital draws its resources from ORIX Corporation, an investment grade international financial services firm with global assets in excess of \$110 billion.
- Extensive institutional knowledge accumulated over nearly 30 years and \$4.5 billion in deployed capital provides a unique competitive advantage when evaluating new opportunities.
- Dedicated capital allows for a patient long-term view on investment opportunities.

Experienced Professionals

- Our energy professionals have over 75 years of experience evaluating and executing oil and gas assets and financings.
- Our team brings together a combination of investment banking, financing, technical evaluation, and legal expertise to each investment opportunity.
- Key decision makers within the business have worked together for over 20 years and have led investment teams through numerous economic cycles

Speed/Certainty of Close

- Our dedicated team allows us to respond quickly to new opportunities even under the most demanding timetables.
- Substantial upfront diligence and flat organizational structure results in an expedited credit approval process and certainty of credit terms
- Internally sourced capital eliminates funding and/or limited partner issues at closing.

Flexible Capital Solutions

- ORIX Energy Capital provides both debt and equity solutions to the Lower-Middle Market across the energy sector.
- The ORIX Energy Capital team can facilitate a range of capital transactions through either a lead investment roll or as a meaningful partner within an investor group.
- Challenging situations or investments calling for flexibility in structure, covenant or payment terms are instances where ORIX can provide value-added capital.



Secured Debt

- ▶ **Typical investment size \$10 - \$50+ million**
- ▶ **Focus on Loan To Value of Total Proved not just PDP**
 - *Up to 100% of PV-10 PDP at Current Strip*
 - *Up to 75% of PV-10 PDNP at Current Strip*
 - *Up to 50% of PV-10 PUD at Current Strip*
- ▶ **Senior, Uni-tranche & 2nd lien debt structures**
- ▶ **Scheduled amortization & cash flow sweep**
- ▶ **Sole lender or club financing**
- ▶ **LIBOR based cash coupon**
- ▶ **Hedging Required**
- ▶ **Call Protection**
- ▶ **ORRI / NPI**



Mezzanine

- ▶ **Typical investment size \$5 - \$50 million**
- ▶ **Co-invest: \$1.0 - \$10 million in equity**
- ▶ **EBITDA: \$5 - \$30 million**
- ▶ **Cash flow amortization to senior secured**
- ▶ **Identified growth opportunities**
- ▶ **Growth Capital / Shareholder Liquidity**
- ▶ **Buyout / Recap**
- ▶ **Cash and/or PIK coupon**
- ▶ **ORRI / Warrants / NPI**



Equity

- ▶ **Typical investment size \$5.0 - \$50 million**
- ▶ **Ownership: 10% - 49%**
- ▶ **EBITDA: \$5 to \$50 million**
- ▶ **Proven business with positive cash flow**
- ▶ **Identified growth opportunities**
- ▶ **Low leverage**
- ▶ **Minority investment**
- ▶ **Growth Capital / Shareholder Liquidity**
- ▶ **Entry valuation critical**
- ▶ **Equity dividend / sale**



What is Working for ORIX Today?

- **Unitranche Term Loan**
- **First Out/Last Out Construct**
- **Senior Banks Take Discounted Pay-Off**
- **Pre and Post Bankruptcy Financing Solutions**
- **Senior Banks take “Silent Second Lien” behind new Term Loan but Significantly Reduce Exposure to Troubled Credits**
- **Preferred Equity for Stronger Balance Sheets**
- **Providing Restructuring and Workout Services**



What is NOT Working for ORIX Today?

- **Deepwater Offshore**
- **2nd Lien**
- **Oil Field Services**
- **Drill-Co's**