

Portman Ridge Finance Corporation to Acquire Garrison Capital Inc.

06.25.20



The Firm is representing Portman Ridge Finance Corporation, a publicly traded business development company (NASDAQ: PTMN) (“PTMN”), and Sierra Crest Investment Management LLC, an affiliate of BC Partners Advisors L.P. and LibreMax Capital LLC, in connection with PTMN’s proposed acquisition of Garrison Capital Inc., another publicly traded business development company (NASDAQ: GARS) (“GARS”).

In connection with the transaction, GARS stockholders will receive a combination of (i) \$19.1 million in cash (approximately \$1.19 per share) from PTMN; (ii) PTMN shares valued at 100% of PTMN’s net asset value per share at the time of the closing of the transaction in an aggregate number equal to GARS’ net asset value at the closing minus the \$19.1 million PTMN cash merger consideration; and (iii) an additional cash payment from Sierra Crest, the external adviser to PTMN, of \$5 million, or approximately \$0.31 per share. Following the closing of the transaction, current GARS stockholders are expected to own approximately 41.6% of the combined company.

In addition to approval by GARS’ and PTMN’s respective stockholders, the closing of the merger is subject to customary conditions. The parties currently expect the transaction to be completed in the fourth quarter of 2020.

The Firm previously represented BC Partners in its transaction to become the external adviser to PTMN (closed April 2019), and then represented PTMN in its acquisition of OHA Investment Corporation, another publicly traded business development company (closed December 2019).

The Simpson Thacher team includes Rajib Chanda, Steven Grigoriou and Christopher Healey (Registered Funds); Jonathan Corsico, Benjamin Bodurian and Paul Bolaji (M&A); Jonathan Goldstein, Sophie Staples and Edward Graiss (Tax); and John Schueller and Katherine Draper (Capital Markets - Securitization).

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