KBRA DLD tracks 214 deals in 1Q23 across U.S., Europe

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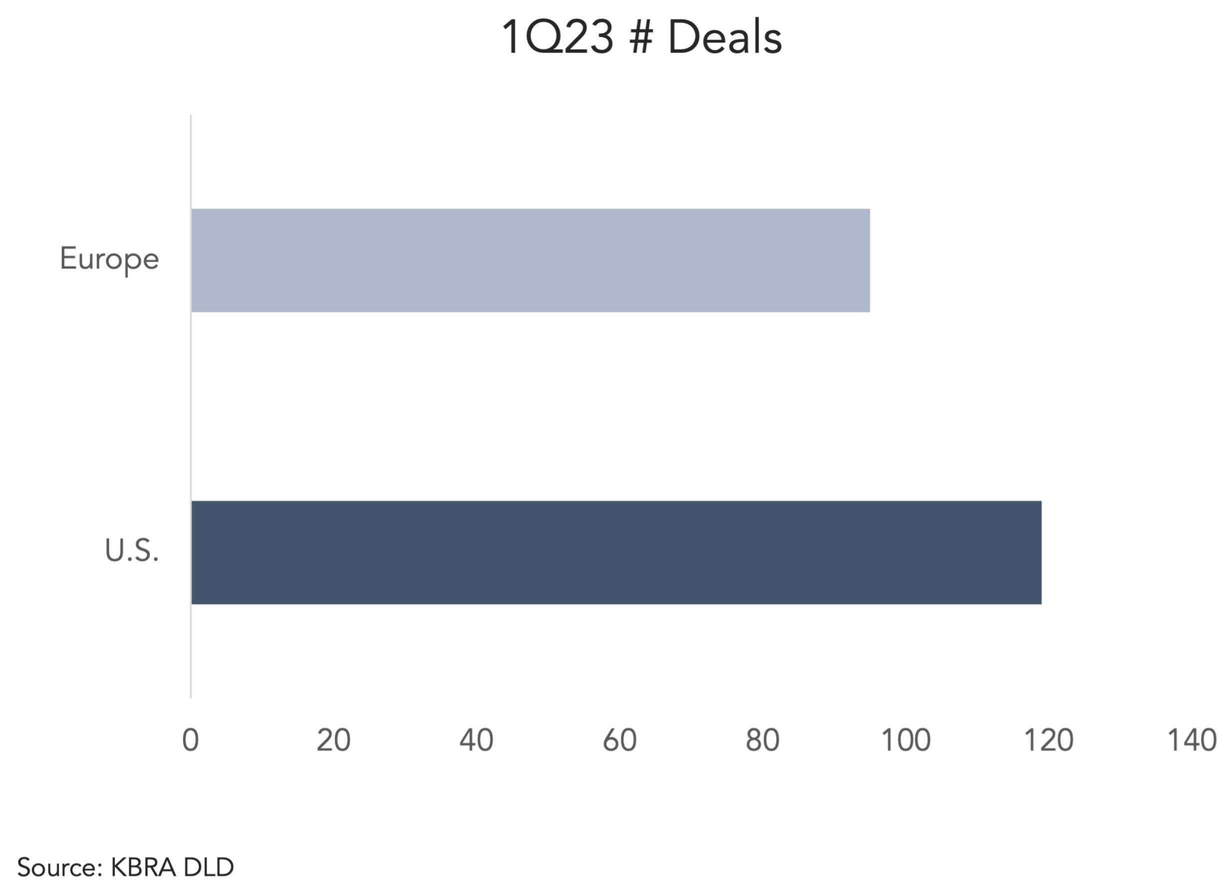
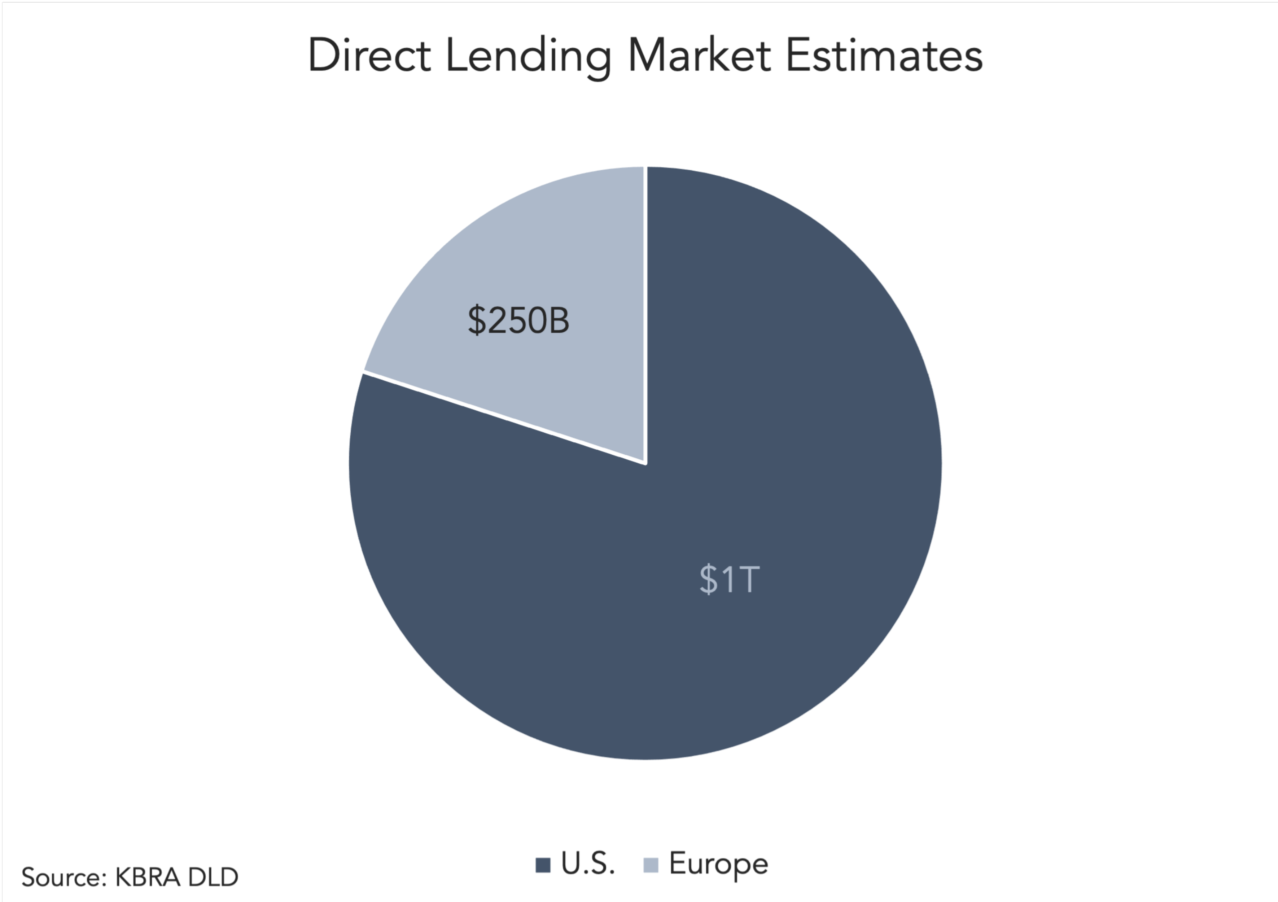
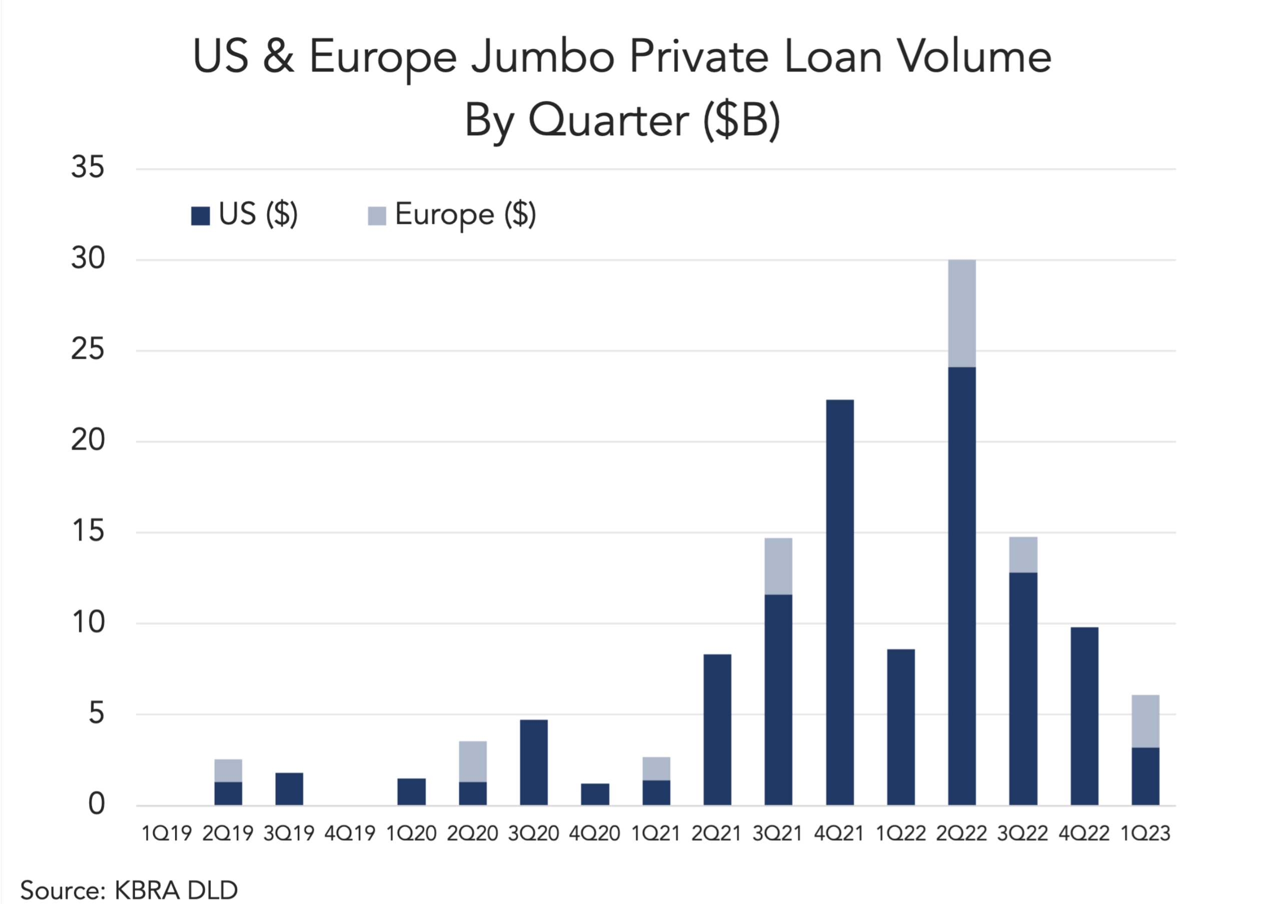
KBRA DLD tracked 214 direct lending deals in the first quarter across the U.S. and Europe. Even though Europe's direct lending universe is much smaller than the U.S., the region's count didn't lag by much. Our tally drew 95 deals for Europe versus 119 in the U.S.



There is more capital at play in the U.S. market for direct lending, with pockets of MM CLO money and BDC vehicles, which account for roughly $300 billion of the U.S. estimate and neither of which exist in Europe. The average deal size in the U.S. is also larger, at about $250-300 million excluding jumbo financings. In Europe, many deals total less than $100 million, according to arrangers.



Interest in Europe’s direct lending market has been growing in recent years. Among them is U.S. asset manager **Nuveen**, which owns New York-based direct lender **Churchill Asset Management**, merged with **Arcmont Asset Management**, a private lender based in London to create **Nuveen Private Credit**. The deal closed earlier this year.



On the jumbo front, U.S. volume across borrowers with >=$1 billion in private loans totaled $3.2 billion in the first quarter compared to $2.8 billion in Europe. Cotiviti, a $5.5 billion record financing for private lenders announced in February, evaporated this month after the parties failed to agree on final sale terms.