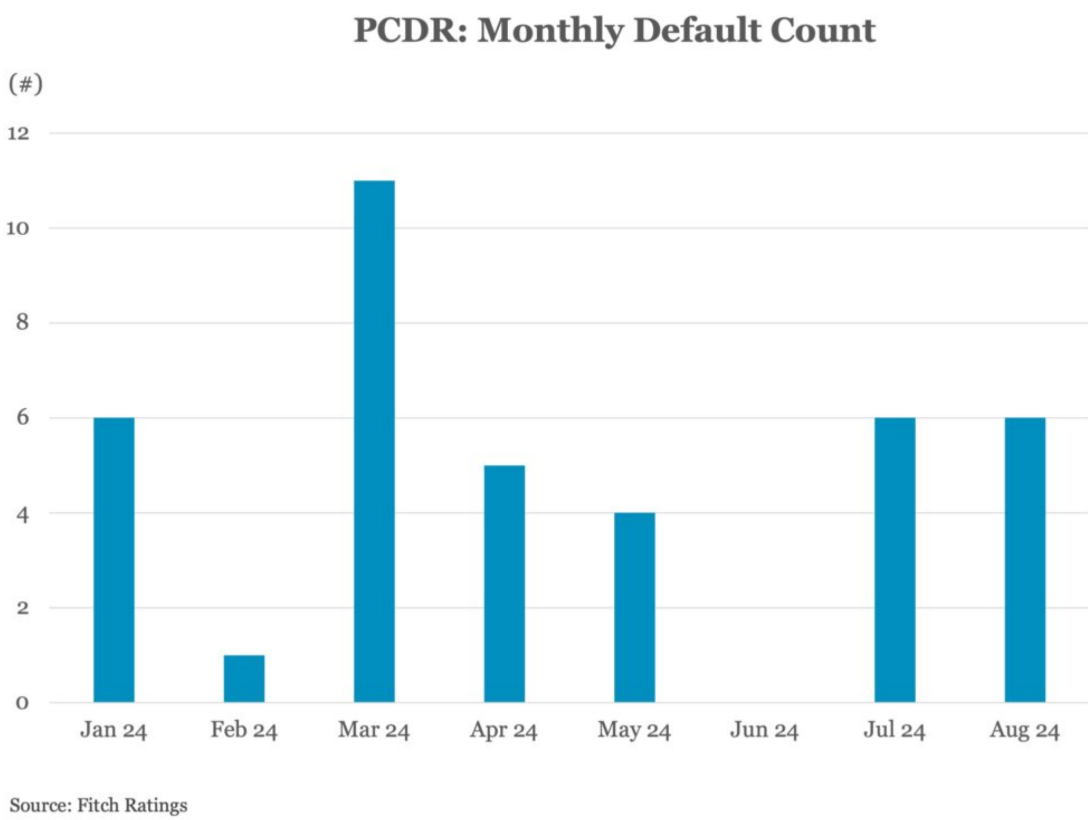
Private Credit Default Rate Debuts at 5.0%

Fitch Ratings | October 2, 2024



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Fitch Ratings' Private Credit Default Rate (PCDR) launches at 5.0% for August 2024, covering nearly 1,200 issuers covered by Fitch in the broad private credit segment. This report highlights sector specific default rates, key trends in default activity through the year-to-date (YTD) period, and the methodology for calculating these rates. Fitch plans to publish the PCDR on a monthly basis.

The year started with notable default activity as Fitch recorded 18 defaults in 1Q24, including 11 defaults that occurred in March 2024 alone. Healthcare providers outpaced all other sectors in 1Q24 defaults with three defaults, while each of the following sectors logged two defaults during the quarter: technology software, industrial and manufacturing, gaming, leisure and entertainment, and packaging and containers. In 2Q24, the pace of defaults slowed slightly to nine for the quarter, with no defaults in June. Healthcare providers logged its fourth default, leading in cumulative default count alongside technology software through the 1H24 period.