Total leverage on sponsored MM deals inched down in 4Q24, driven by lower junior leverage

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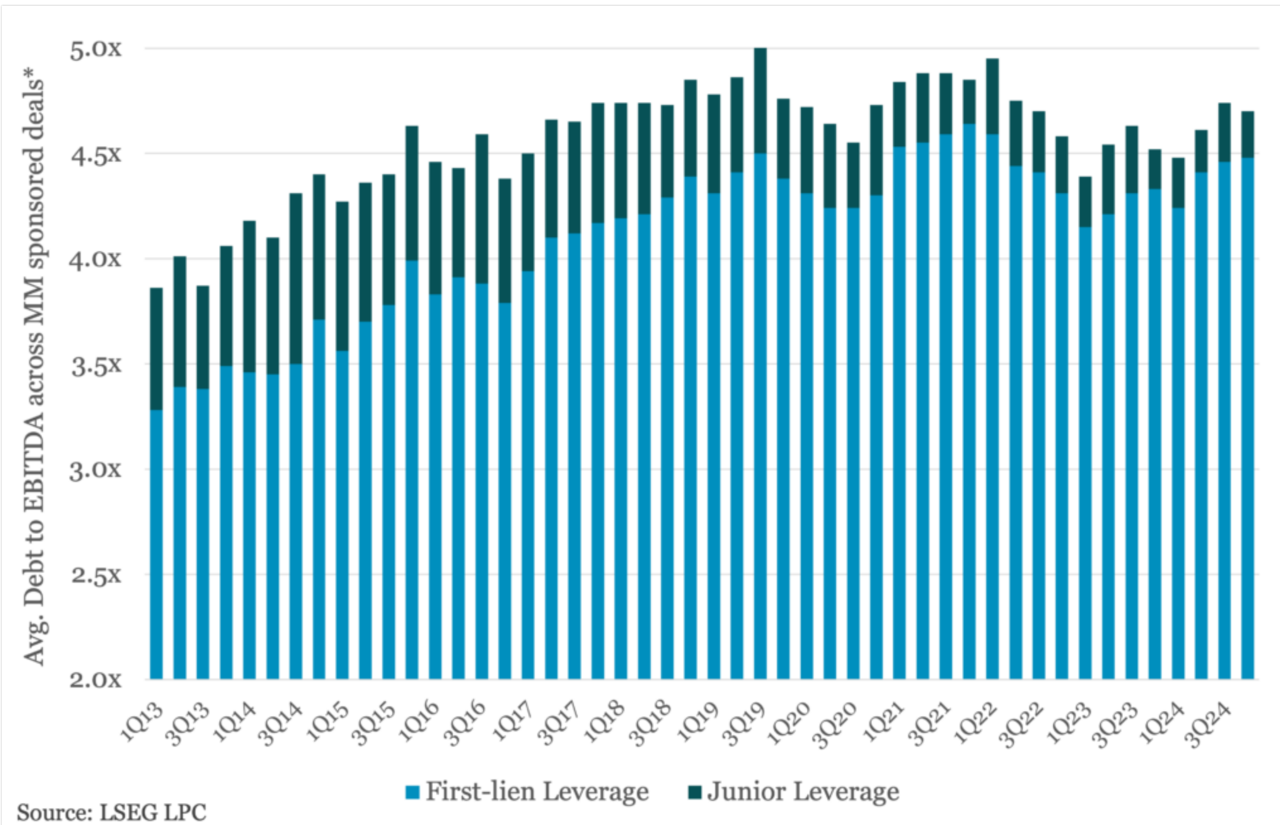

Total leverage on sponsored middle market deals inched down to 4.70x on average in 4Q24, driven by lower junior leverage. First-lien leverage came in at 4.48x in 4Q24, up from 4.46x in 3Q24, while junior leverage declined to 0.22x from 0.28x.

Despite the recent decline, average total leverage of 4.70x in 4Q24 was above the 4.52x recorded at the same time last year. Leverage increased and spreads declined across company size in 2024. Spreads tightened by 48bp on average in the upper middle market (EBITDA >=US$20m), while leverage widened by 0.14x to 4.77x. In the lower middle market (EBITDA <US$20m), spreads tightened by 57bp and leverage widened by 0.27x to 4.58x.