US sponsored middle market direct lending volume fell by 10% in 1Q24

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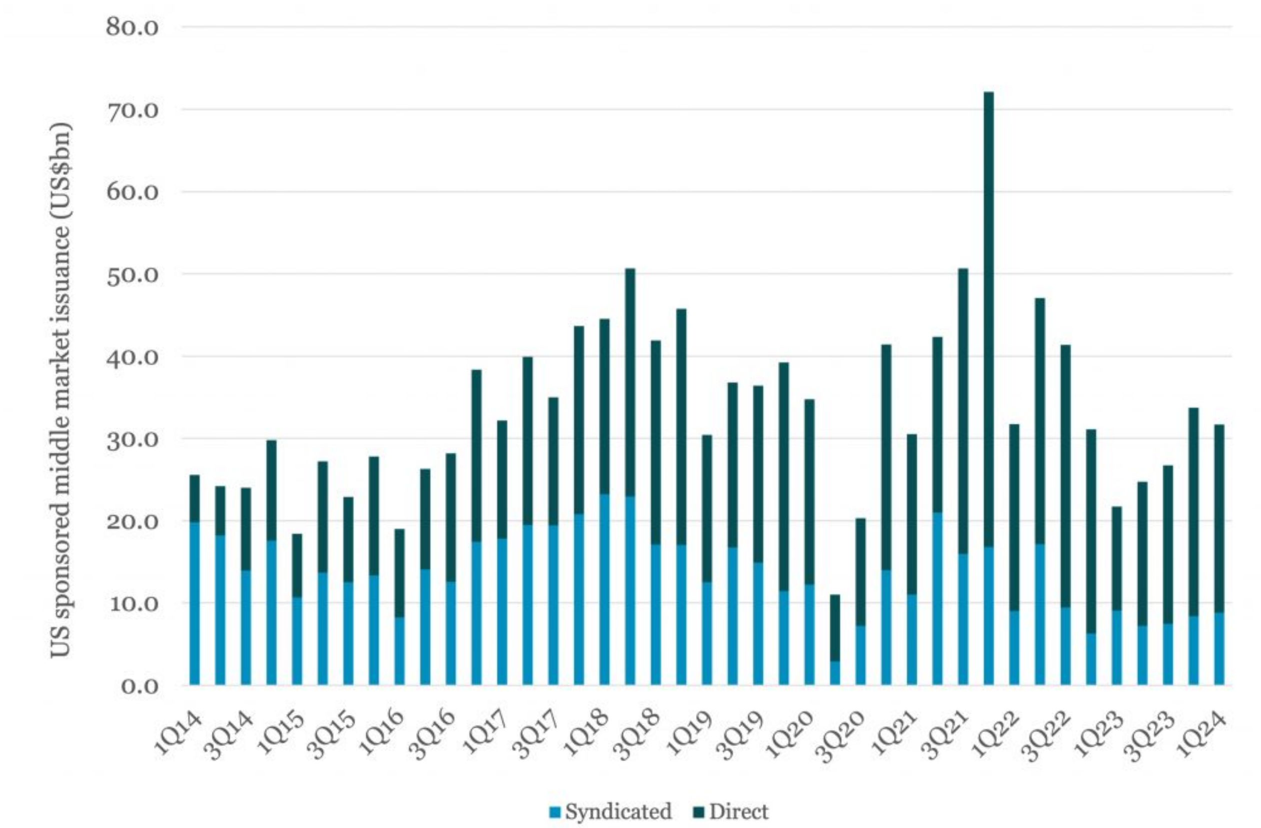

Overall sponsored middle market loan volume fell by 6% to US$31.7bn in 1Q24, though it still represented a 46% gain year-over-year. Breaking out this activity, direct lending deal flow amounted to US$22.8bn in 1Q24 versus US$8.8bn of syndicated deals. For direct lending volume, this represented a 10% decline quarter-over-quarter but an 81% increase from the same period last year. M&A activity was the main drag on direct lending in 1Q24, with add-on acquisition issuance off by 19% and LBOs down 6%. Direct lending middle market volume was 2.6x greater than syndicated volume in 1Q24, a decline from the 3.0x posted in 4Q23.