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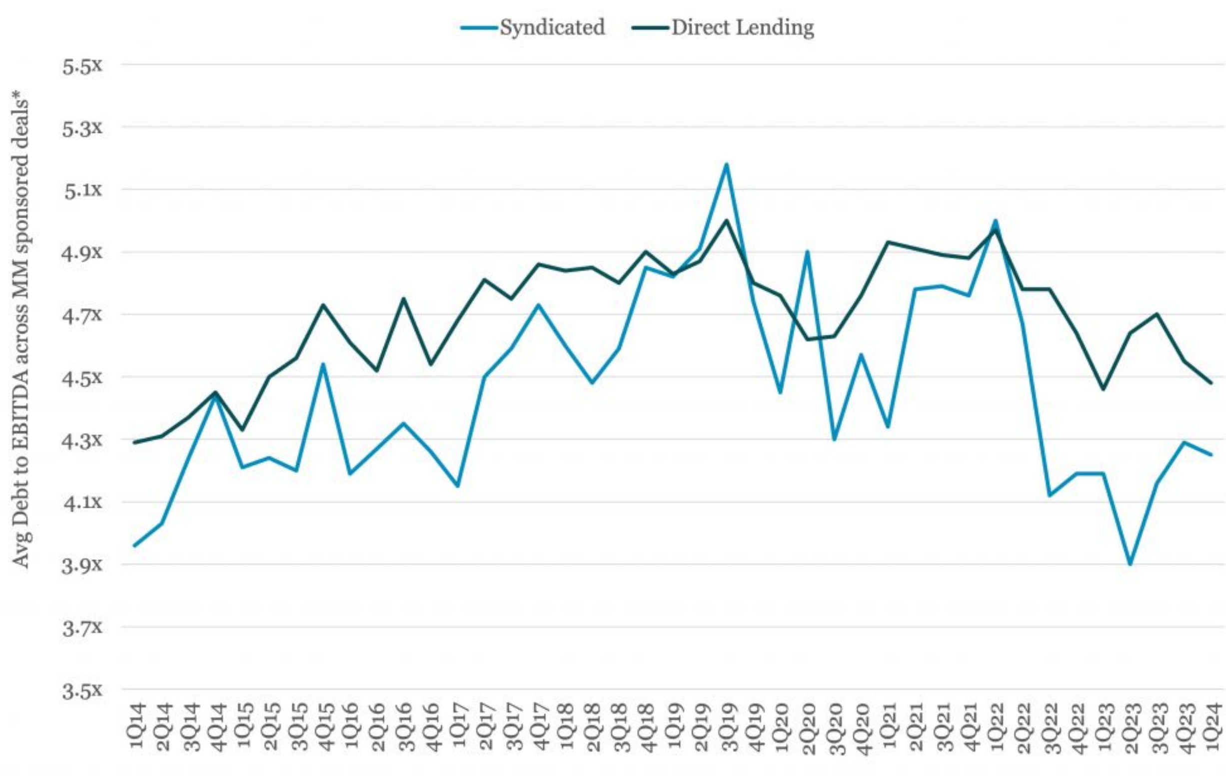
Leverage declined for both direct lending and syndicated deals in 1Q24

LSEG | May 1, 2024



*excludes annual recurring revenue (ARR) deals
Source: LSEG LPC

Total leverage on sponsored middle market deals ticked down to 4.44x in 1Q24, driven by a drop in first lien leverage. First-lien leverage came in at 4.20x in 1Q24, down from 4.33x in 4Q23, while junior leverage in contrast increased modestly to 0.24x from 0.19x. At a more granular level, leverage declined for both direct lending and syndicated deals. For direct lending transactions, leverage averaged 4.48x in 1Q24, down from 4.55x in 4Q23 and so remained well below the recent highs. On the other hand, leverage for syndicated deals decreased to 4.25x in 1Q24 from 4.29x in the prior quarter.