Total leverage on US LBO deals exhibited hints of bifurcation across EBITDA ranges

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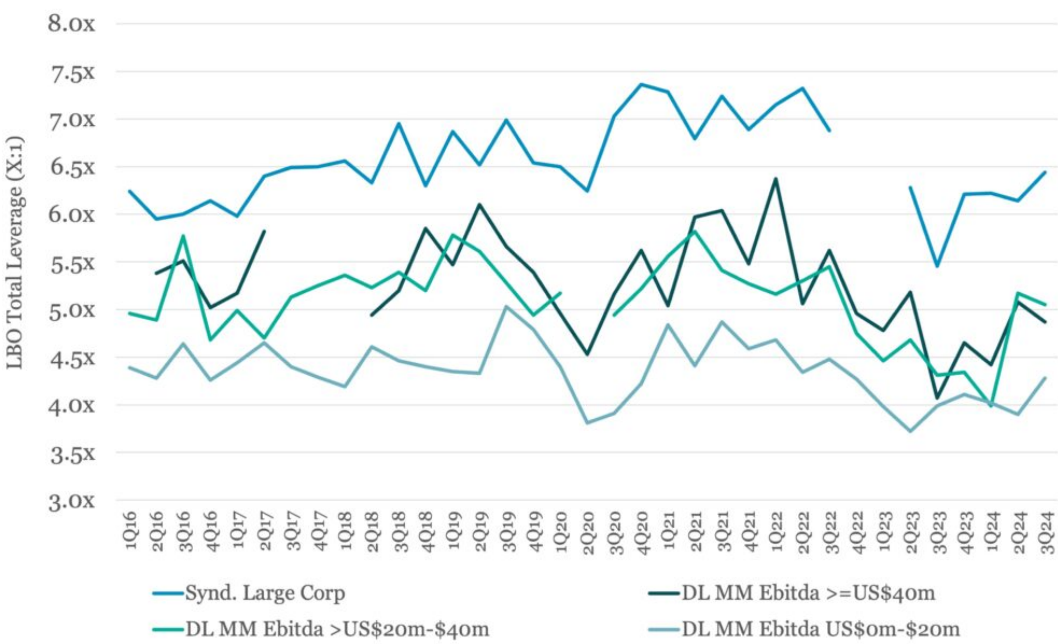

In 3Q24, total leverage on US LBO deals exhibited hints of bifurcation across different EBITDA ranges. For syndicated large corporate LBOs, total leverage averaged 6.44x in 3Q24, up from 6.14x in the previous quarter. Similarly, smaller direct middle market credits (borrowers with EBITDA of US$20m or less) saw an increase in total leverage to 4.28x from 3.9x. In contrast, leverage declined for borrowers in both the core middle market (EBITDA between US$20m-$40m) and the larger middle market (EBITDA over US$40m). Specifically, LBO leverage for core direct middle market credits decreased to 5.05x from 5.17x quarter-over-quarter, while leverage among larger middle market issuers fell to 4.87x from 5.08x in 3Q24. Overall in 1Q-3Q24, total LBO leverage across EBITDA ranges has risen compared to 2023 levels.