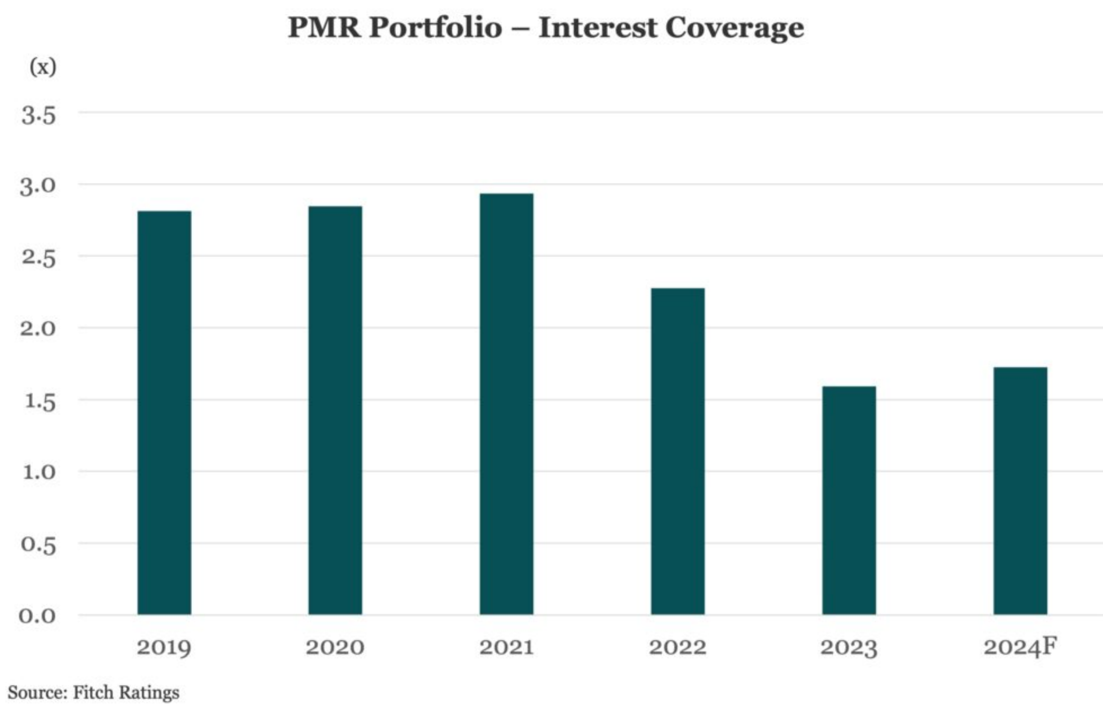
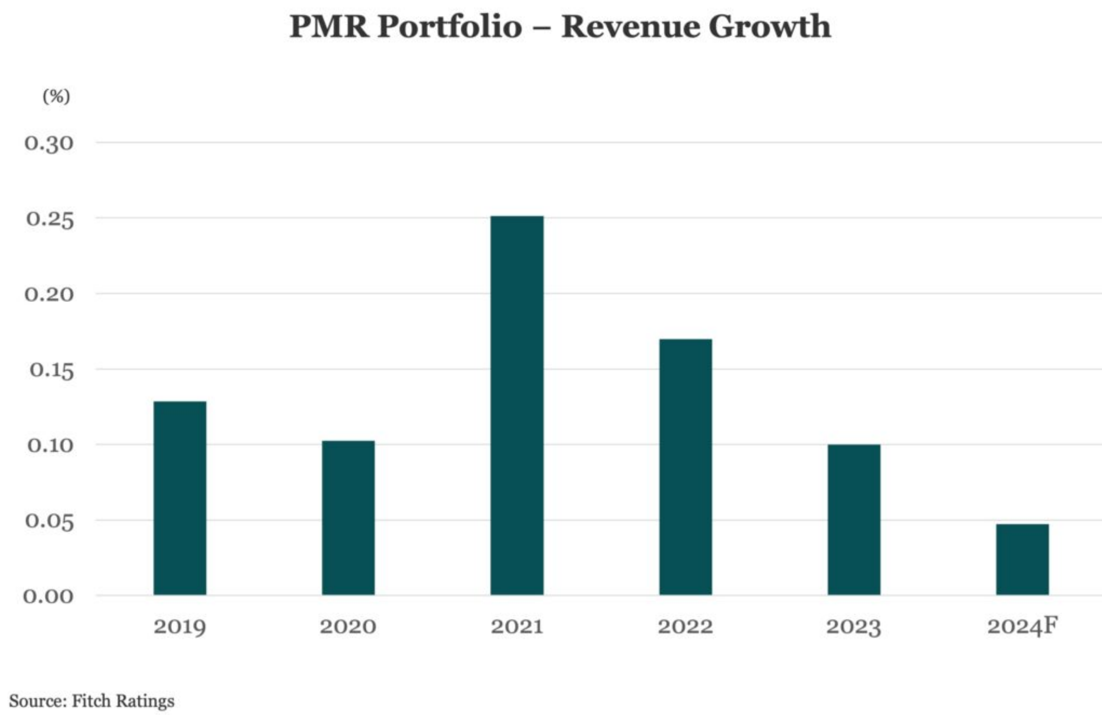
Fitch's Privately Monitored Middle Market Portfolio Overview ? 3Q24 (Part 2)

Fitch Ratings | November 13, 2024





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In the charts above, Fitch presents aggregate data for Middle Market companies that it privately rates on a monitored basis for asset managers, defined as:

- in the area of $500 million of debt; or
- $100 million of EBITDA or below.

Fitch forecasts 2024 Interest Coverage slightly up to 1.7x from 1.6x in 2023. Lower base rates will support coverage. However, Fitch does not expect much further benefit from lower spreads the remainder of the year.

Fitch forecasts 2024 revenue growth at 4.7%, slightly down from the last quarter's projection of 4.9%. Technology and Diversified Manufacturing lead other sectors with estimated revenue growths of 8.3% and 8.0%, respectively, for 2024. In a recent Fitch Wire, Fitch noted that robust artificial intelligence infrastructure spending is positive for IT Hardware and semiconductor manufacturer's credit profiles, but cautions that sustained expenditures near current levels may lead to excess capacity in the medium term.