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Daily Analytic: Unitranche spreads tighten sharply over the last year

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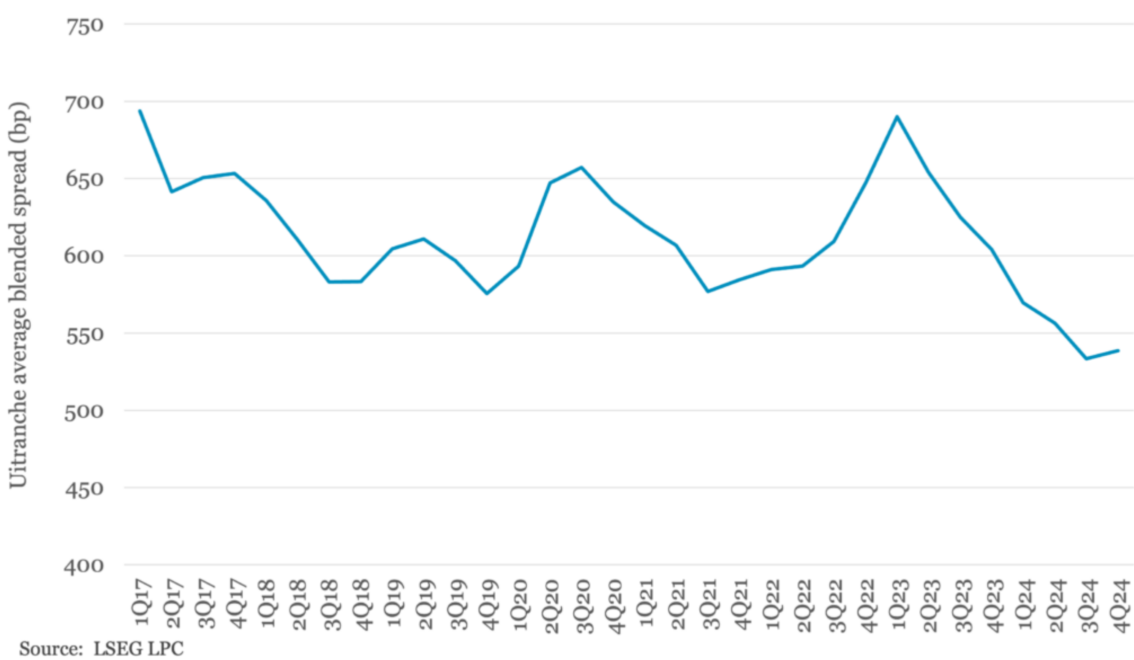

Unitranche pricing tightened significantly over the course of 2024, moving steadily lower in the first nine months of the year before edging higher in 4Q24. The unitranche blended spread averaged 539bp in 4Q24, up marginally from 533bp in 3Q24 but well below the 604bp recorded in 4Q23. Looking at the different market segments, the average unitranche spread for large corporate issuers tightened to 519bp in 4Q24, down from 599bp a year earlier. In comparison, middle market issuers saw unitranche spreads drop by 62bp year-over-year to 544bp in 4Q24. Focusing on Ebitda size, unitranche spreads finished the year averaging 553bp for borrowers with Ebitda less than US$20m and 536bp for those with Ebitda greater than US$20m.