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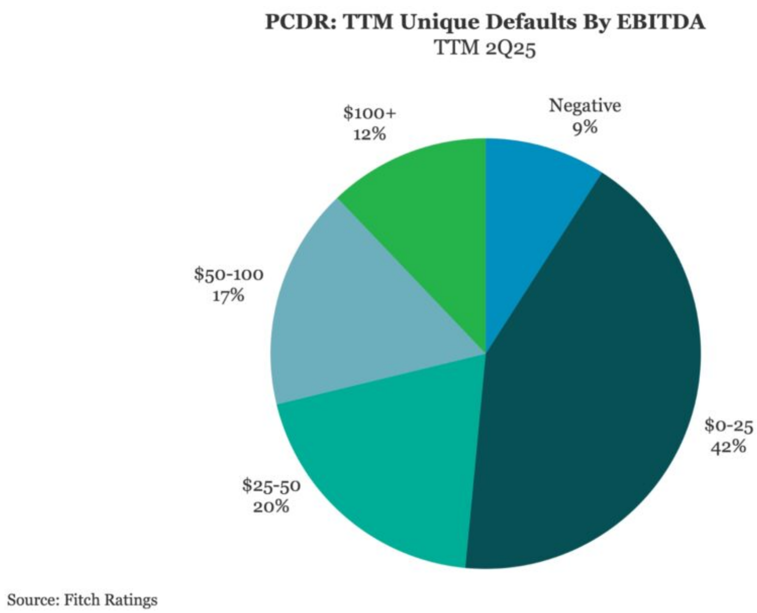
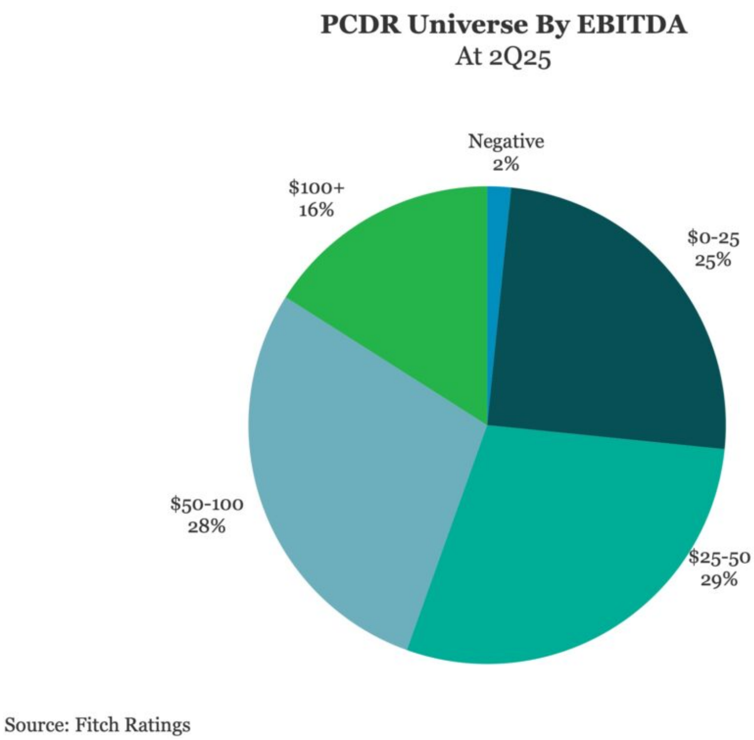
U.S. Private Credit: Sizing Up Defaults

Fitch Ratings | October 8, 2025





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Issuers generating less than $25 million EBITDA defaulted at more than twice the rate of larger companies over the TTM ending 2Q25. These issuers posted a 9.3% default rate—more than double the 3.9% default rate of mid-sized companies generating $25 million to $50 million in EBITDA. These smaller companies are disproportionately concentrated in ‘CCC+’ and lower ratings. Limited scale and lack of diversification make issuers more susceptible to operational disruptions and economic headwinds.