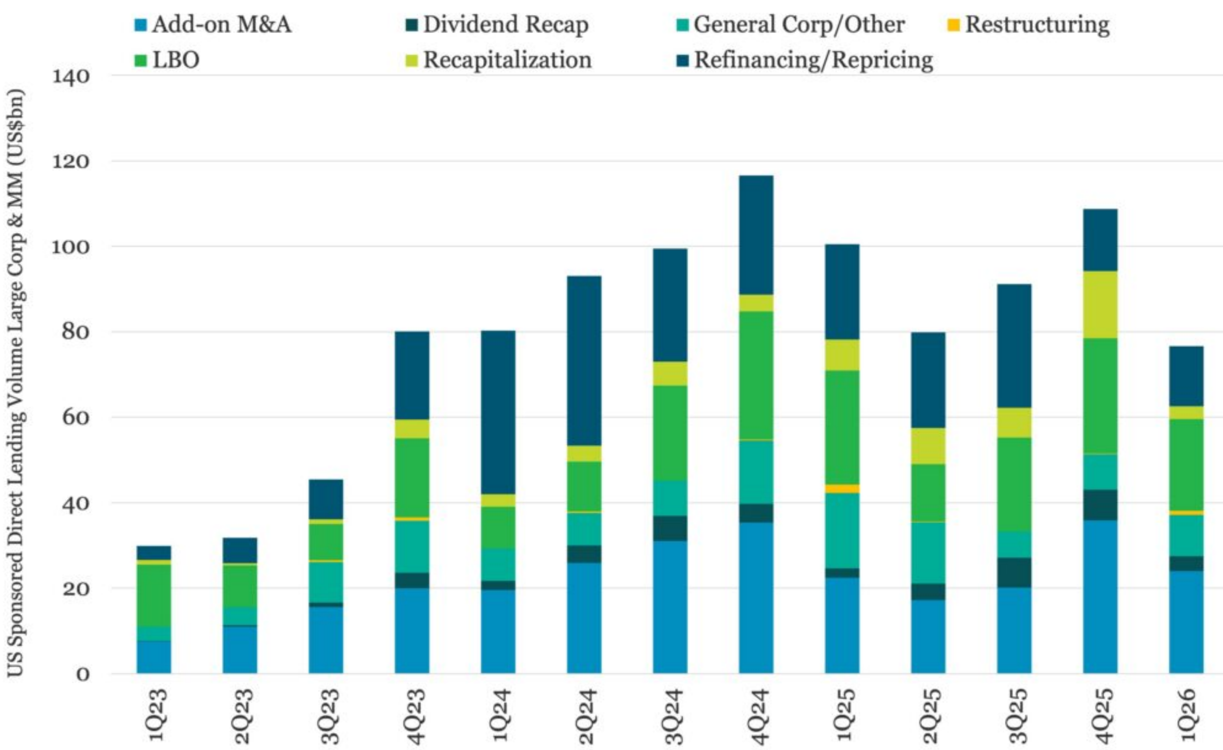
THE LEAD
https://theleadpc.com/leveraged-loan-insight-analysis-4-20-2026/

1Q26 US Sponsored direct lending volume down across financing purposes

LSEG | April 23, 2026



Source: LSEG LPC

Direct lenders raised less than US$77bn to back sponsor activity in 1Q26, a 30% decline compared to 4Q25 results. More noteworthy, the smaller pipeline of deals was true largely across credits, regardless of stated use of proceeds. At just over US$45bn, loan issuance backing M&A activity was down 28% quarter over quarter, with LBO loan volume alone, down 21%. Less than US$3.5bn in dividend recap financings were completed during the quarter, a 52% drop compared to the previous quarter (although an increase cmpared to the US$2.2bn raised in the year ago period). Refinancings and repricing activity totalled US$14bn, down only 3.5% quarter over quarter, but off a more significant 37% compared to the same time last year.