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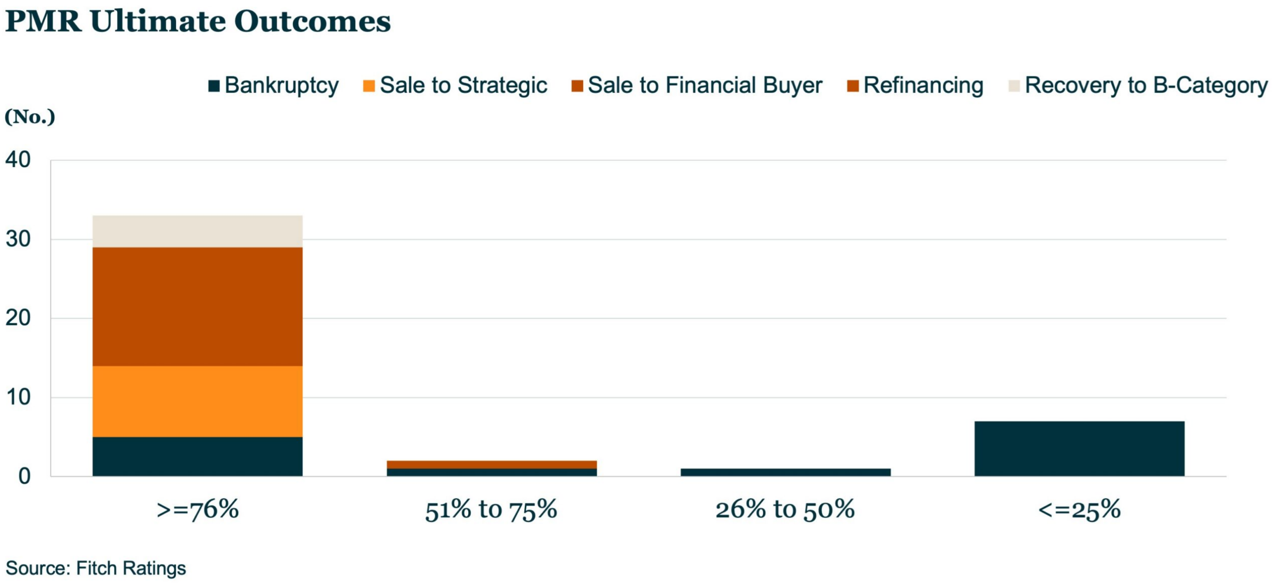
Barbelled Recovery Trend Persists in Fitch’s Private Ratings Portfolio

Fitch Ratings | September 8, 2026



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The trend of barbelled recovery outcomes, either very high or very low recoveries, persisted in Fitch Ratings’ private ratings portfolio in 1H26. Two defaulted issuers in Fitch’s privately monitored ratings (PMR) portfolio reached their ultimate recovery in 1H26 and illustrate this pattern. Lenders to one issuer recovered par, while lenders to the other appear to have recovered less than 25%. The trend suggests that sponsor and lender collaboration can often result in positive outcomes though, if the situation deteriorates to the point where the sponsor decides to exit, recoveries can be very low.

Eleven borrowers defaulted for the first time in 1H26, bringing the total number of borrowers, currently or at one time rated by Fitch in its PMR portfolio, that have defaulted to 81. Of these, 41 have not yet reached their ultimate outcomes, and Fitch continues to rate them. Fitch’s PMR portfolio currently includes around 375 issuers and has included nearly 800 unique issuers over the life of the portfolio.