



Houlihan
Lokey

Capital Solutions
U.S. Private Credit
Market Newsletter

Summer 2026



Table of Contents

01

Private Credit
Summer Recap

02

Private Credit
Secondaries

03

Houlihan Lokey
Credentials



Private Credit Summer Recap

01

Private Credit Market Update

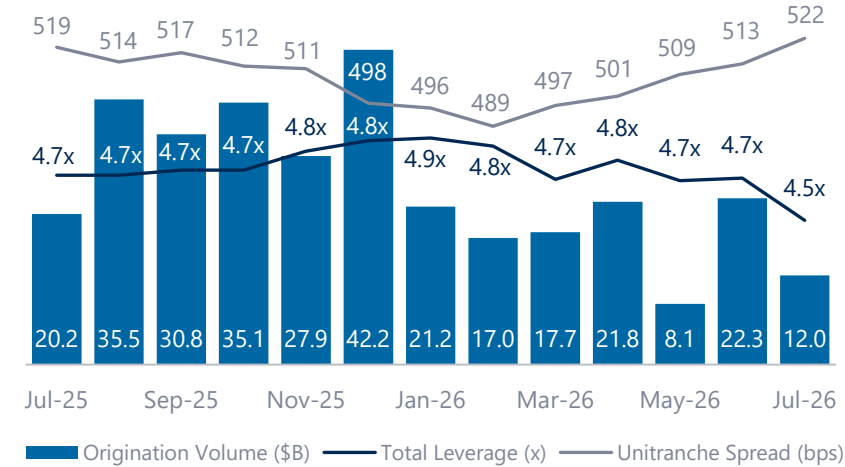
2026 Volumes Lag as Headline Pricing Widens

Private credit issuance has remained sluggish through the first half of 2026, with volumes of ~\$120 billion, down roughly 23% year-over-year. The shortfall reflects below-average refinancing activity and a near-absence of software issuance rather than a broad withdrawal of lender capital. Unitranche spreads widened to S+522 in July, the widest level in more than a year and ~30 bps above the February trough, with the upper middle market seeing the most pronounced widening. Total leverage on new issuance declined to 4.5x, the lowest reading in the trailing 12 months and down from a 4.9x peak in January.

BSL spreads tightened 70 bps from their widest levels, and sponsors have increasingly tested the syndicated market to take out existing private credit loans. The private vs. public premium is currently 178 bps, well above its 2025 average of 166 bps. That said, refinancings between the public and private markets are relatively balanced through year-to-date July at \$9.2 billion and \$9.0 billion, respectively.

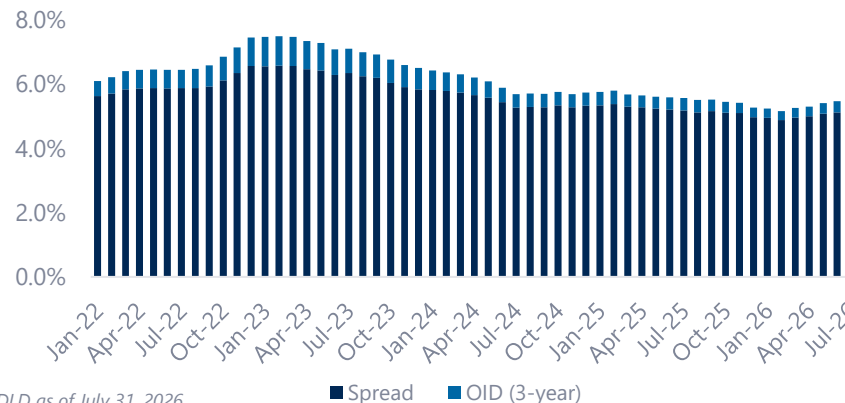
Private Credit Issuance Trends

2026 issuance remains sluggish despite a pickup in recent deal flow; the lack of software issuance has continued to weigh on volume.



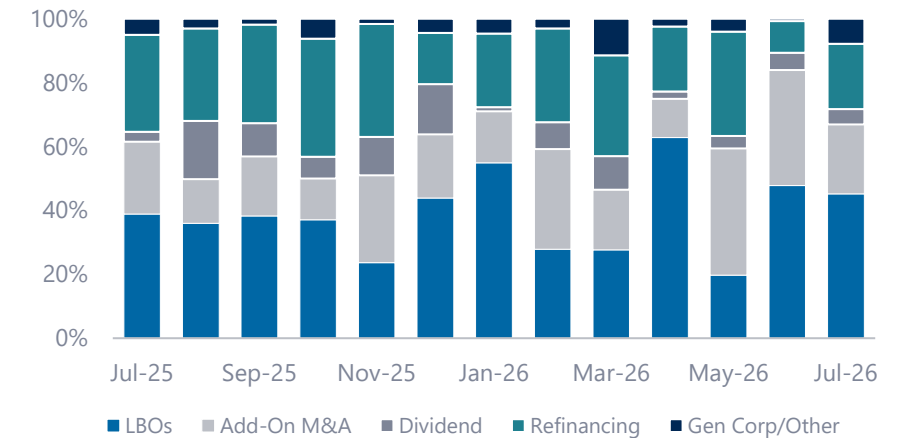
Private Credit Unitranche Pricing

Unitranche spreads increased month-over-month to 5.22% in July.



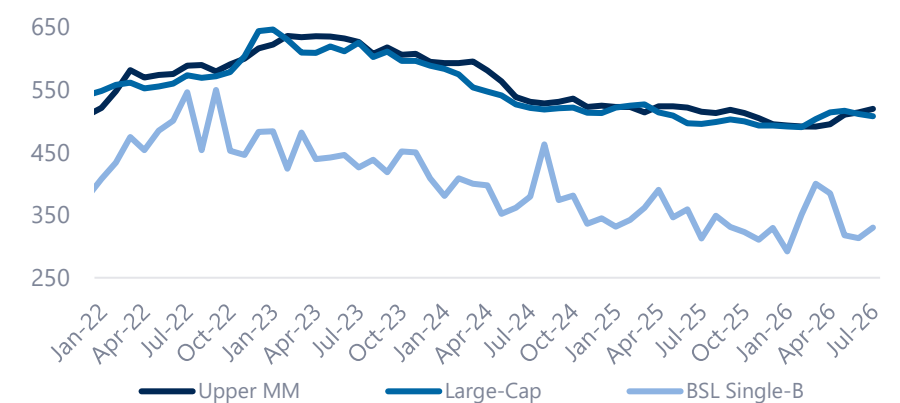
Share of Direct Lending Deal Volume

M&A share of volume declined to 67% in July from 84% in June, although it remained above the historical average; refinancing flow increased.



Private vs. Public Spreads by EBITDA⁽¹⁾

The private spread premium narrowed to 178 bps in July.



Source: KBRA DLD as of July 31, 2026.

Notes: Middle-market EBITDA definitions are defined as "lower middle market (lower MM) = <\$20 million," "core middle market (core MM) = \$20 million to <\$50 million," "upper middle market (upper MM) = \$50 million to <\$100 million," and "private large cap = \$100 million+."

(1) Public vs. private premium is calculated as large-cap over single-B.

Private Credit Market Update (cont.)

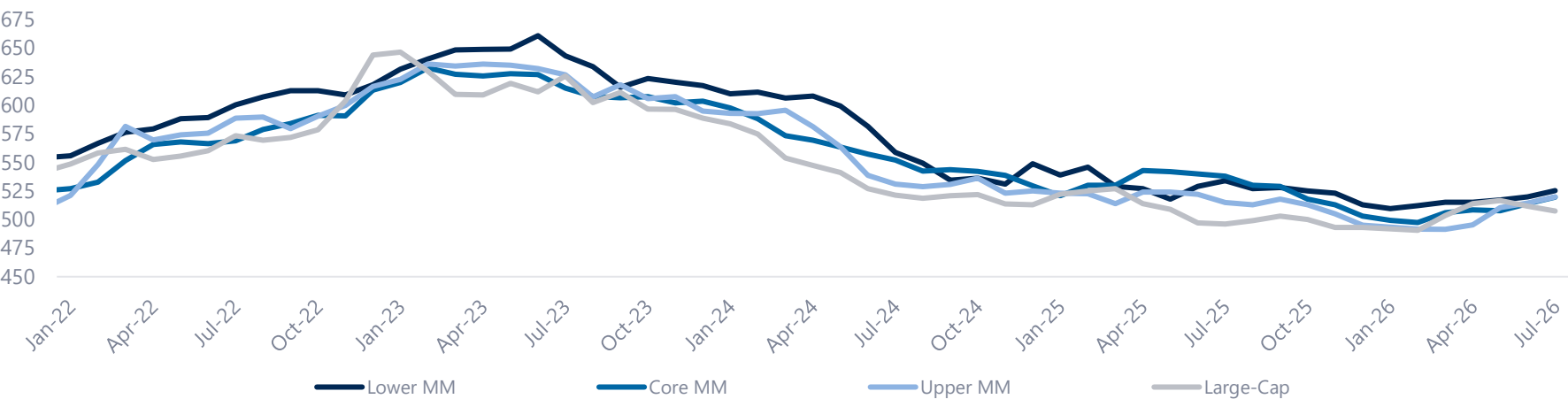
Pricing, Leverage, and Docs Depend on Company Size, Industry, and Sponsor

July's widening was not market-wide. Large-cap spreads tightened over the past two months, while other segments below it widened. With software issuance still largely absent, the large-cap deals clearing the market have been for stronger credits, which received tighter terms. The broader market widening is attributed to a matter of timing, as early-Q2 commitments are closing now. That said, current lender indications in the lower and core middle market point to spread compression.

Documentation has also seen dispersion: For deals above \$50 million of EBITDA, covenant-lite structures reached 41% of upper middle-market and large-cap deals in 1H 2026, up from 34% in 2025, while staying under 4% in deals below \$50 million of EBITDA. For deals closing, lenders have been pricing large-cap credits tighter and accepting looser documentation, with wider pricing for sub-\$50 million EBITDA borrowers and requiring maintenance covenants. Where private credit competes directly with the syndicated market, it is competing on speed and certainty as well as documentation and pricing.

Private Spreads by EBITDA

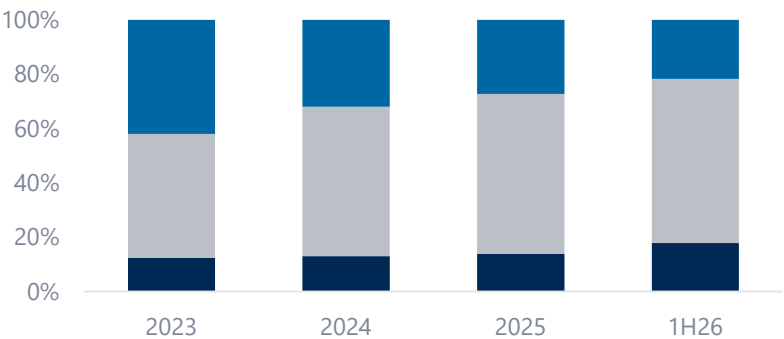
Large-cap tightened for a second month; all smaller cohorts widened.



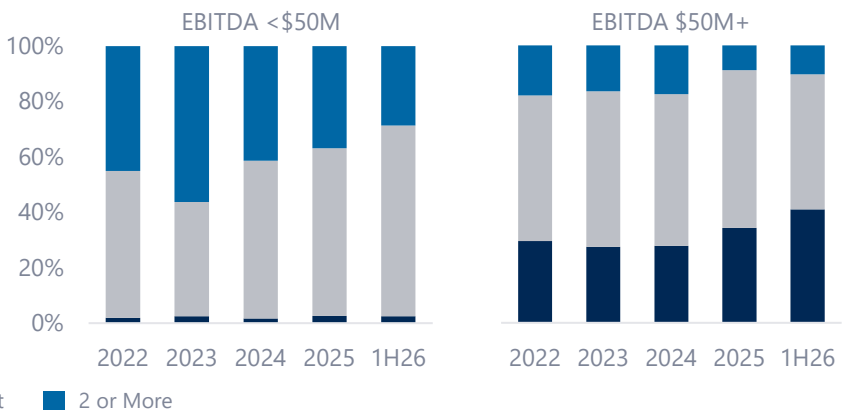
Covenant Trends

Cov-lite structures increased share in the upper MM and large-cap markets in 1H26.

Covenants Per Deal (%)



Covenants Per Deal by Market Size (%)



Source: KBRA DLD as of July 31, 2026.
Notes: Middle-market EBITDA definitions are defined as "lower middle market (lower MM) = <\$20 million," "core middle market (core MM) = \$20 million to <\$50 million," "upper middle market (upper MM) = \$50 million to <\$100 million," and "private large-cap = \$100 million+."

Private Credit Market Update (cont.)

Sponsor M&A Remains Muted as Strategic Activity Picks Up

Sponsor-related M&A has remained subdued throughout 2026, while strategic activity has seen a pickup. Announced corporate M&A in the Americas rose approximately 71% year-to-date to ~\$1.5 trillion as buyers pursued scale and consolidation, while sponsor-related M&A volumes declined. The combination of higher-for-longer reference rates and a difficult exit environment continues to weigh disproportionately on sponsor-led transactions.

LBO purchase price multiples averaged 12.6x in Q2 2026, up from 11.6x in Q1, with sponsors funding 63% of the capital structure with equity, up from 59% in Q1. Leverage diverged by segment in July: The upper middle market and large-cap held at 5.1x while the lower middle market fell to 3.7x, a 1.4x gap that reflects lenders financing the highest-quality assets aggressively while requiring materially tighter structures from smaller and cyclical borrowers. LBO leverage of 3.7x matches an all-time low, last achieved in August 2024.

Sponsor-Related M&A Slows in 2026

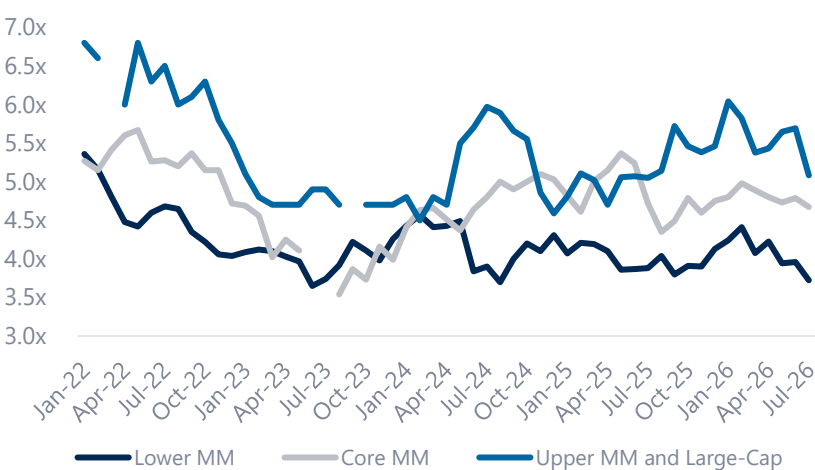
Sponsor M&A volume totaled \$8 billion in July, down 35.5% year over year, with third-quarter activity tracking below second-quarter pace.

75 (\$ in Billions)



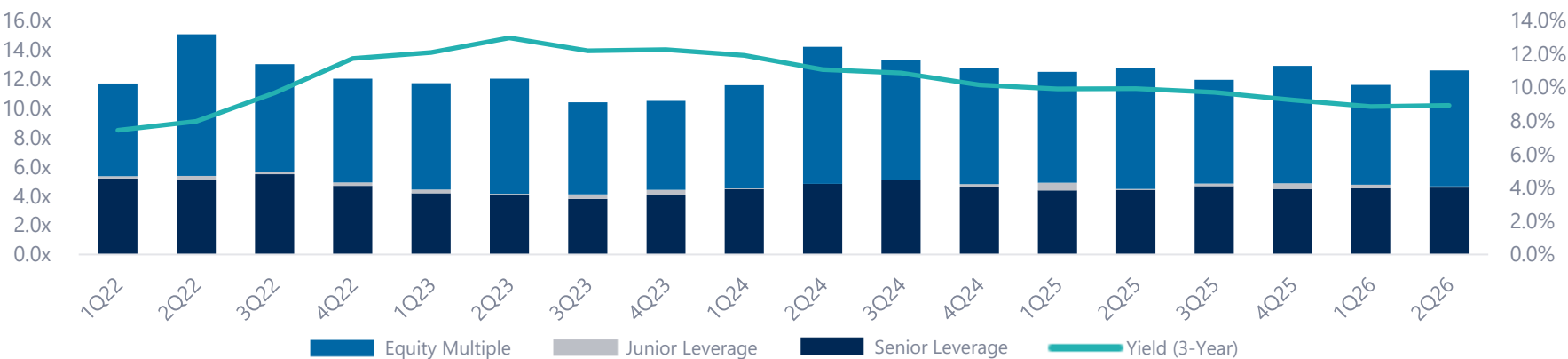
LBO Leverage Trends

Upper MM and large-cap held at 5.1x in July, while the lower MM fell to 3.7x, the widest gap in the series.



LBO Purchase Price Multiple Components With Yields

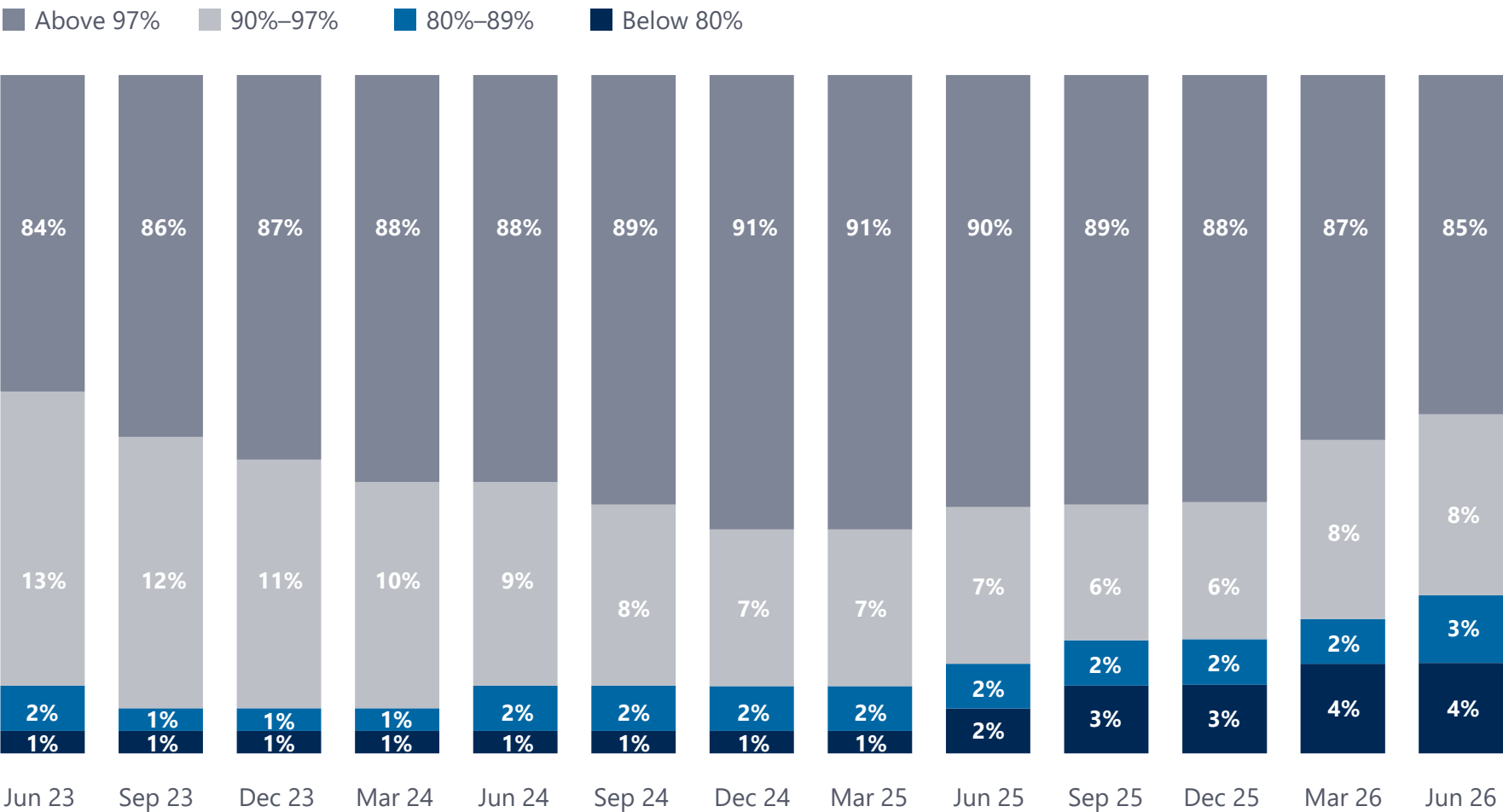
Purchase price multiples rose to 12.6x in Q2 2026 while sponsors funded 63% of the capital structure with equity, up from 59% in Q1.



Sources: KBRA DLD as of July 31, 2026. Valuation Research Corporation.
Notes: Middle-market EBITDA definitions are defined as "lower middle market (lower MM) = <\$20 million," "core middle market (core MM) = \$20 million to <\$50 million," "upper middle market (upper MM) = \$50 million to <\$100 million," and "private large-cap = \$100 million+."

Historical Pricing Loan Prices by Bucket

Fair Value Trend of All Borrowers



Pricing Under Pressure

The private credit market continues to exhibit signs of increasing headwinds, creating a more pronounced divergence between the strongest and weakest borrowers. While the top end of the market remains broadly resilient, the segment of loans priced above 97% of par contracted for a fifth consecutive quarter, falling to 85%. This indicates sustained pressure on even the most robust credits, pushing a growing share of loans into the 90%–97% of par tier.

Simultaneously, the distressed end of the market has further expanded. The share of loans priced below 90% of par has now risen to 7%, with the most deeply discounted tier (below 80% of par) hitting a multi-year high of 4%. This widening performance gap suggests that while a majority of the market is healthy, a growing portion of borrowers are facing a more challenging economic environment.

Private Credit Snapshot August 2026

Houlihan Lokey provides insights on new issuances based on the firm’s Portfolio Valuation and Fund Advisory Services practice, which is a leading advisor to many of the world’s largest asset managers.

New Issuance Metrics

EBITDA <\$20 Million EBITDA					\$20 Million to \$100 Million EBITDA				>\$100 Million EBITDA			
Security Type	Pricing	OID	Leverage	LTV	Pricing	OID	Leverage	LTV	Pricing	OID	Leverage	LTV
First Lien Loan	S+475-550 bps	98.0 - 99.0	3.25x - 4.25x	40%	S+450-525 bps	98.5 - 99.0	3.75x - 4.75x	40%	S+475-525 bps	98.5 - 99.0	4.25x - 5.25x	40%
Unitranche	S+500-575 bps	98.0 - 99.0	4.25x - 5.25x	50%	S+475-550 bps	98.0 - 99.0	4.75x - 6.25x	50%	S+475-550 bps	98.5 - 99.0	5.25x - 6.75x	55%
Second Lien Loan	N/A	N/A	N/A	N/A	S+650-775 bps	97.0 - 98.0	5.50x - 6.50x	55%	S+650-750 bps	97.5 - 98.0	5.50x - 6.75x	55%
Sub Debt	All-in: 13.0%-15.0%	97.0 - 98.0	5.25x - 6.25x	60%	All-in: 12.0%-14.0%	97.0 - 98.0	6.25x - 7.25x	60%	All-in: 11.0%-13.0%	97.0 - 98.0	6.25x - 7.25x	60%
Preferred	All-in: 15.0%-19.0%	N/A	N/A	N/A	All-in: 14.0%-18.0%	N/A	N/A	N/A	All-in: 14.0%-17.0%	N/A	N/A	N/A

Source: Houlihan Lokey Financial and Valuation Advisory.
 Notes: These insights are gleaned from the private credit valuation process and reflect current new issuance metrics. The data sheds light on market trends, encompassing aspects like pricing, leverage, and loan-to-value ratios for various issuer sizes. Houlihan Lokey conducts tens of thousands of valuations annually. Leveraging its integration within a world-class corporate finance, capital solutions, financial restructuring, and financial advisory platform, Houlihan Lokey gains a real-time understanding of market sentiment and a distinctive perspective on the private credit market.

Houlihan Lokey Offers Proprietary Insights on Current Market Trends

The private credit market enters August 2026 exhibiting a distinct dual identity. Macro-level indicators suggest a gradual normalization in exit activity and direct-lending LBO volume, even as overall levels remain below prior-year peaks. Direct lenders still holding reserves of dry powder are competing aggressively for a thin pipeline of prime, non-cyclical deals, resulting in highly attractive terms for high-quality borrowers. Conversely, lower-tier borrowers and those in tech-heavy, software, or AI-vulnerable sectors face an uphill battle marked by wider spreads, tighter leverage, and rigorous documentation scrutiny, illustrating the market’s ongoing bifurcation.

Looking ahead through the remainder of 2026, private credit demand remains robust, offering favorable terms to borrowers resilient to macroeconomic risks. Nevertheless, market participants expect the divide between top-tier and weaker credits to persist, with sector dynamics and credit quality ultimately determining deal execution and terms.

The background of the slide features a blurred image of a financial market. On the left, there are large, out-of-focus orange and yellow bokeh lights. On the right, a digital screen displays a candlestick chart with orange and white bars, set against a dark background with a grid. Below the chart, some numerical data is visible, including '188' and '180'.

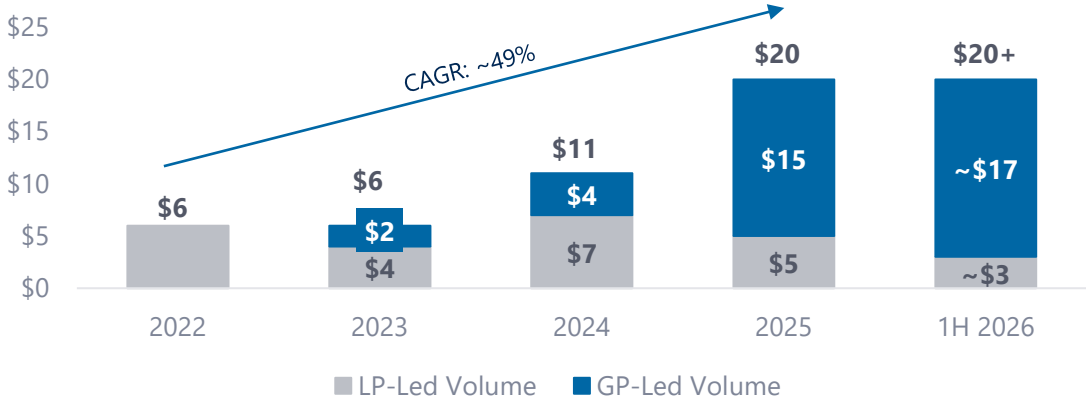
Private Credit Secondaries

02

Private Credit Secondaries: Primed for Continued Growth

Private credit is one of the fastest-growing asset classes in the alternative secondaries market. It has transitioned from a niche strategy into a core component of the private market ecosystem, and its explosive growth in secondaries activity is closely tied to several structural factors.

Credit Secondaries Transaction Volume 2022–1H 2026 (\$B)



- The credit secondaries market accelerated sharply in 1H 2026, with transaction volume reaching \$20 billion+ in six months, already surpassing full-year 2025 levels.
- Growth continues to be driven by GP-led continuation vehicles (CV), which represented the large majority of 1H 2026 volume.
- Credit CVs have become a core portfolio management tool, enabling GPs to extend duration, re-optimize fund leverage, realign fees and incentives, and offer existing LPs a liquidity option while attracting new strategic capital.
- The credit secondary market has seen record fundraising and newly dedicated platforms from major managers. Dedicated dry powder is estimated at ~\$30 billion–\$35 billion.
- Underlying private credit AUM now exceeds \$2 trillion, with the 2018–2021 vintage funds entering harvest periods still holding significant remaining assets.



Massive Primary AUM Base

Private credit AUM crossed \$2 trillion+ (up from \$300 billion in 2010) and is projected to reach \$3 trillion by 2030. Larger AUM = more assets eligible for secondary transactions.



Slower Return of Capital

~80% of private credit is in closed-end fund structures.⁽¹⁾ M&A exits and refinancings have been muted since 2022, extending fund lives and creating LP demand for liquidity alternatives.



Maturing Portfolios

2015–2021 vintage funds still hold residual assets, and aging leverage now diverts cash flow toward deleveraging, suppressing returns. A CV lets GPs recapitalize and unlock future performance.



Dedicated Buyer Capital

The market is evolving beyond simple portfolio sales. CVs have become an effective tool for GPs to manage portfolios while providing LPs with an option for liquidity.



Elevated Redemption Requests

Rising redemptions across BDCs and semi-liquid vehicles reflect a technical liquidity squeeze, not weakening credit, so sponsors are increasingly turning to secondaries to meet investor demand.

Sources: Houlihan Lokey Capital Solutions, Preqin, PitchBook, International Monetary Fund (including various other market sources).

(1) A closed-end fund is a finite-life vehicle with limited investor redemption rights, where capital is committed upfront, invested over a defined period, and returned through portfolio realizations. As funds approach the end of their term, managers may face increasing pressure to generate liquidity and return capital to investors.

Private Credit Secondaries: Fundamentals

Credit secondaries are poised to grow and evolve, particularly as new buyers raise dedicated pools of capital.

Credit Secondaries Transactions Fall Into One of Two Categories: (1) GP-led or (2) LP-led transactions

GP-Led Transactions

- GP-led transactions are initiated by a fund manager and can be structured as a single or multi-fund continuation vehicle, strip sale, tender offer, or direct portfolio sale in which the lender of record will change.
- Most recent GP-led transactions have been single or multi-fund CVs that recapitalize mature credit portfolios and offer existing LPs cash or an option to roll into the CV.

LP-Led Transactions

- LP-led transactions are initiated by a limited partner and involve a direct sale of an LP interest in a private credit fund to another LP.
- This sale could be achieved through either a single-fund or multi-fund portfolio sale.

Expanding Investor Appetite

- **A growing number of specialized private credit secondaries funds are being launched** by both traditional secondary players and established direct lenders, signaling deep market conviction.
- Emergence of **semi-liquid evergreen funds** with lower cost of capital.
- Interest in the asset class is broadening to insurance companies, traditional alternative asset managers, sovereign wealth funds/pensions, etc.
- The result is a deeper and **more sophisticated buyer universe** that can **underwrite opportunities at a more appropriate cost of capital.**

Return Targets

- Private credit secondaries investors target a premium over primary direct lending returns, with incremental return from complex transactions.
- **Direct lending: 11.0%–13.0% targeted net IRR.**
 - Higher end of the range for portfolios with more junior debt or complexity.
- **Opportunistic and special situations: 15.0%–20.0%+ targeted net IRR.**
 - All or majority non-direct lending investments or structural/operational complexity (e.g., debt-for-equity swap scenarios in event of bankruptcy).

Investor Value Proposition

- In addition to premium returns, credit secondaries offer several unique benefits to investors.
- **Acquire seasoned, funded portfolios** with immediate cash flow with reduced J-curve effect.
- **Lower blind pool risk:** greater visibility into underlying asset performance and portfolio composition.
- **Shorter weighted average life and built-in diversification** across borrowers, industries, and vintages.

Private Credit Secondaries: Benefits to the Fund Manager in a GP-Led Transaction

In addition to offering existing LPs a liquidity option, credit CVs have emerged as a strategic solution that can help fund managers achieve several objectives.



Extend Asset Duration

Retain high-performing assets within a new vehicle to optimize realization, without being forced into premature exits driven by fund maturity timelines.



Secure Dry Powder

New investors commit fresh, fee-paying capital into the vehicle, which the fund manager can immediately deploy into new investment opportunities.



Re-Lever and Recycle Capital

Enhance returns through re-leveraging the portfolio and utilizing capital recycling provisions. Recycling permits reinvestment of loan repayments into new attractive investments.



Realign Economics and Terms

Reset management fees, carried interest, and governance structures to reflect current market conditions and the future opportunity set—refreshing LP alignment.



Crystallize DPI

Demonstrate tangible distributions to paid-in capital (DPI),⁽¹⁾ a critical fundraising metric, without waiting for natural run-off or M&A-driven exits.



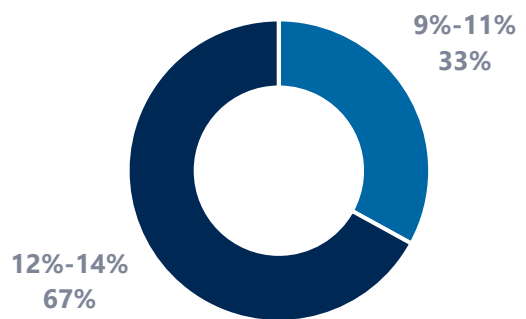
Expand LP Relationships

Bring in new institutional LP investors who can become anchor investors in future primary fundraises, broadening the capital formation network.

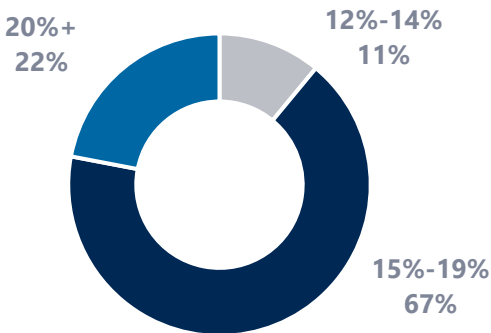
2026 Houlihan Lokey Credit Secondaries Survey Takeaways⁽¹⁾

All signs point to continued growth in credit secondaries, with many market participants projecting transaction volume reaching \$50 billion+ by 2030.

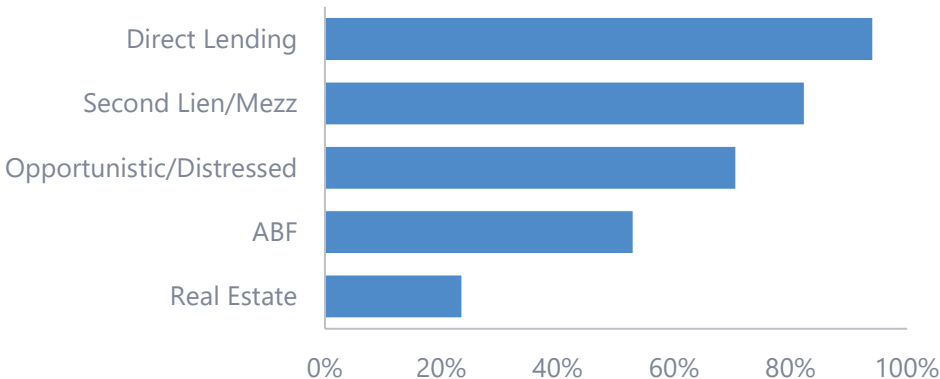
Expected Unlevered Gross Return
Direct Lending



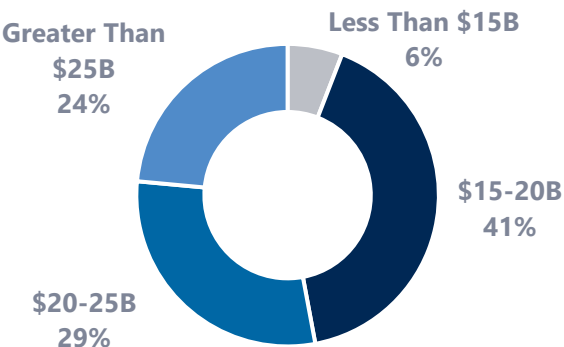
Expected Unlevered Gross Return
Opportunistic



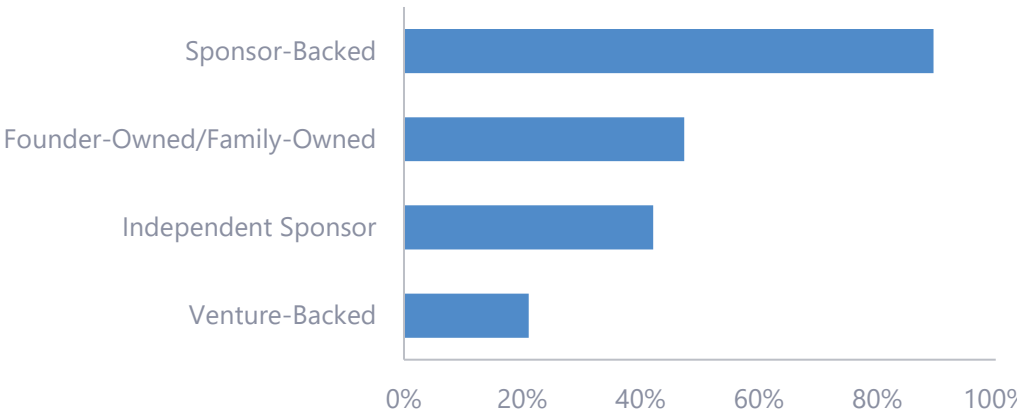
Strategy Focus



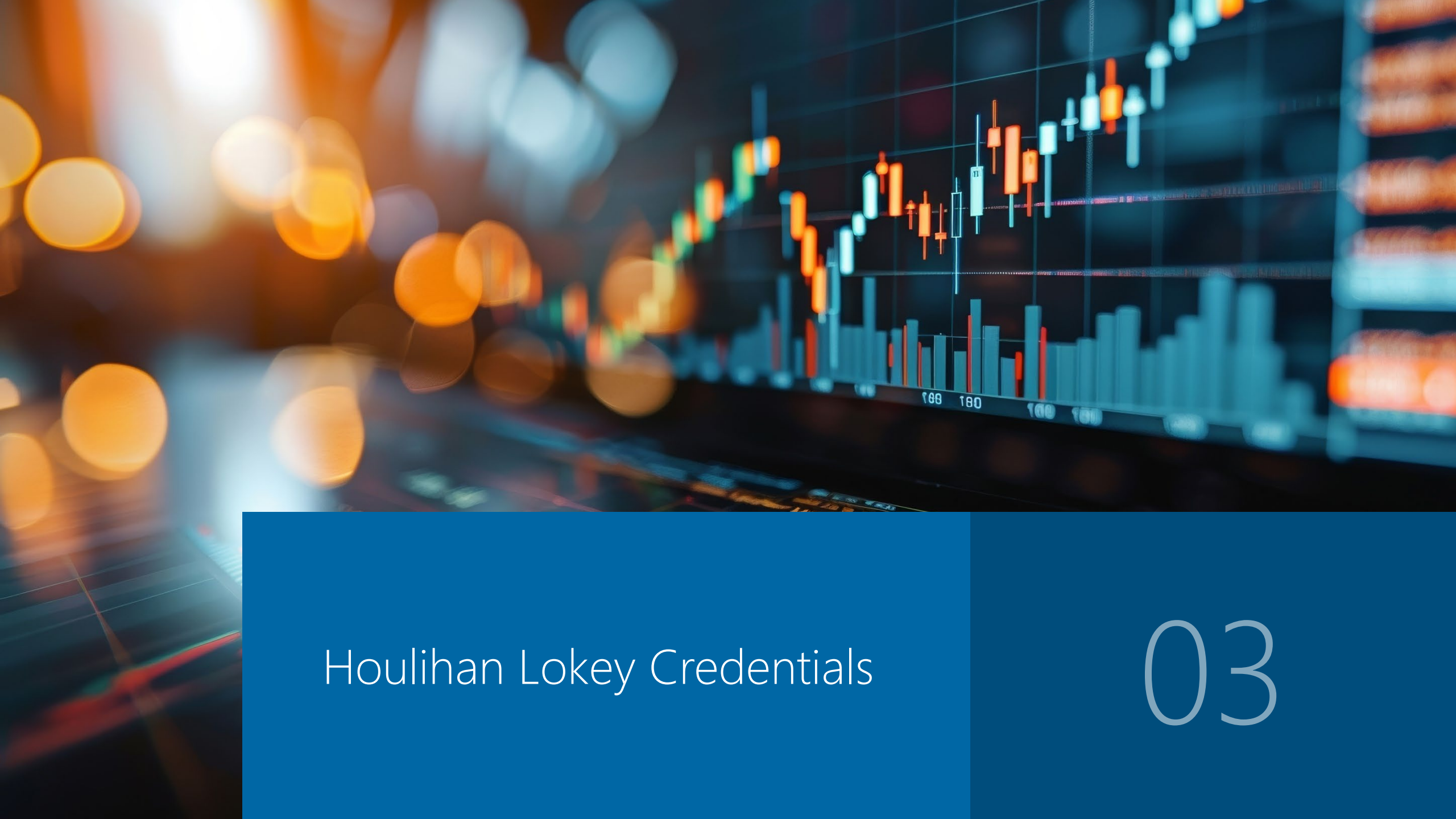
Expected Credit Continuation
Volume for 2026



Ownership Preference



⁽¹⁾ Based on responses from finance professionals who participated in the Houlihan Lokey Credit Secondaries Survey.

The background of the slide features a blurred image of a financial market. On the left, there are large, out-of-focus orange and yellow bokeh lights. On the right, a computer monitor displays a candlestick chart with orange and white bars, set against a dark grid. Below the chart, a bar chart with blue and red bars is visible. The overall scene is dimly lit, with the primary light sources being the bokeh lights and the screen's glow.

Houlihan Lokey Credentials

03

Capital Solutions Global Overview

Houlihan Lokey's Capital Solutions Group comprises more than 240 professionals globally and offers clients a broad range of tailored financing alternatives and strategic financial advice.

Our team has deep senior-level relationships across the capital markets and a long track record of raising capital across varying market conditions. With deep expertise in both private and public markets, we are committed to delivering innovative, value-enhancing solutions that support long-term success for our clients.

LTM Key Facts and Figures



\$35B
Capital Raised



240+
FTEs



135+
Transactions Closed



18
Offices



50+
Managing Directors



8
Countries



Capital Solutions Capabilities Overview

Private Corporate Credit

- ABLs/FILOS
- First Lien and Unitranche Loans
- Second Lien and Mezzanine Loans
- HoldCo PIK Instruments

cerberus
S+S INDUSTRIES
Cerberus has acquired S+S Industries
Revolver, Senior Term Loan, & Equity Co-Investment
Acquisition Financing
\$605,000,000
Exclusive Placement Agent

OBSSESSION HOLDINGS
KINGSWOOD
CAPITAL MANAGEMENT
Obsession Holdings, a portfolio company of Kingswood Capital Management
Senior Term Loan
Dividend Recapitalization
Exclusive Placement Agent

PACSUN
GOLDEN GATE CAPITAL
Pacsun, a portfolio company of Golden Gate Capital
Senior Term Loan
Refinancing
Exclusive Placement Agent

Asset and Structured Finance

- Financial Assets: Specialty Finance and Esoteric Asset Classes
- Real Assets: Infrastructure, Real Estate, and Project Finance
- Private Securitizations and Structured Asset Sales

zentro
M/C PARTNERS
Zentro, a portfolio company of M/C Partners, has issued Asset-Backed Notes
Sole Placement Agent & Sole Structuring Agent

LILY-4 Funding LLC
COVENTRY
LILY-4 Funding LLC, an affiliate company of Coventry
\$250,000,000
Asset-Backed Notes
Exclusive Placement Agent

gigstream
Crestline
Gigstream, a portfolio company of Crestline Investors, has issued Asset-Backed Notes
Sole Placement Agent & Sole Structuring Agent

Markets Advisory

- Bank Commitments, Leveraged Loans, High-Yield Bonds
- IPOs, Follow-Ons, Monetization Alternatives, Rights Offerings, Convertibles
- Privatizations, Spinoffs

ITG
Initial Public Offering
Class A Common Stock
\$312,195,136
19,512,196 Shares
Price: \$16.00 per share
Co-Manager

FREEDOM MORTGAGE
FREEDOM MORTGAGE
Freedom Mortgage Holdings LLC
Senior Notes Offering
\$800,000,000
Joint Book-Running Manager

VELOCITY
VELOCITY
Velocity Vehicle Group in partnership with Cranemere
\$500 million 8% Senior Notes
due June 2029
Exclusive Financial Advisor

GP Advisory

- Strategic Advisory for Asset Managers
- Firm-Level Equity Stake Sales and Debt Financings
- Fund-Level NAV Loans and Preferred Equity

KINGSWOOD
CAPITAL MANAGEMENT
BONACCORD
CAPITAL PARTNERS
Kingswood Capital Management has sold a minority equity GP stake to Bonaccord Capital Partners
Sellside Advisor

GRAHAM
PARTNERS
PACT
CAPITAL PARTNERS
Graham Partners has closed on an all-primary minority GP Stake investment from PACT Capital Partners
Financial Advisor

PROPRUM
CAPITAL PARTNERS
L&G
Proprium Capital Partners has sold a controlling equity interest to, and secured an anchor fund commitment from Legal & General
Sellside Advisor

Equity Placements

- Growth Equity
- Structured Equity
- Minority Stake Sales

PDW
ONDAS + CEDARPINE
HOOD RIVER Booz Allen
PDW has raised \$110m from a group of investors led by Ondas
Financial Advisor

ep wealth advisors
Berkshire Partners
OARES
EP Wealth Advisors, a portfolio company of Berkshire Partners, has received a significant minority investment from Ares Management
Financial Advisor

Reworld
EQT
GIC
Reworld, a portfolio company of EQT, has sold a minority equity stake to GIC
Joint-Lead Placement Agent

Directs/Co-Investments

- LP-Style Capital to Support Single-Asset Transactions
- Mid-Life Co-Investments
- Specialty Investment Vehicles for Esoteric Asset Classes

B.C.P
Bentford Capital Partners
Bentford Capital Partners has completed a minority recapitalization of a regional food retailer
Financial Advisor

RONIN
Project NASA
Ronin has acquired two specialty manufacturers of heavy haul equipment
Financial Advisor

CASTLE HARLAN
Project Challenger
Castle Harlan has acquired Project Challenger
Financial Advisor

Secondary Solutions

- Continuation Vehicles
- Fund Tender Processes With Stapled Capital
- Sale of LP Interests and Strip Sales

Monogram
Capital
Single-Asset Continuation Vehicle
\$300,000,000
Financial Advisor

ridge
TRADING TECHNOLOGIES
Single-Asset Continuation Vehicle
\$835,000,000
Financial Advisor

GCP Capital Partners
ALKEME
GCP Capital Partners
Single-Asset Continuation Vehicle
ALKEME
Financial Advisor

Primary Capital Advisory

- Control Buyout
- Growth Equity
- Alternatives

JLL Partners
JLL Partners Fund IX
\$1,400,000,000
U.S. Healthcare, Industrials, Business Services Buyout
February 2026
Global Placement Agent

Lorient Capital
Lorient Healthcare Fund III
\$503,067,500
U.S. Healthcare Buyout
June 2025
Exclusive Placement Agent

GSP Garnett Station Partners
GSP 5.0 Fund
\$1,200,000,000
U.S. Middle-Market Multi-Unit Consumer and Business Services
February 2025
Exclusive Placement Agent

Capital Solutions Private Credit Solutions

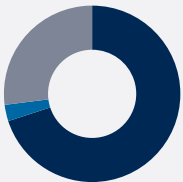
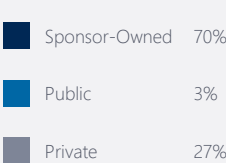
maurices ABL Revolver & FILO Term Loan Refinancing \$82,500,000 ABL Revolver \$55,000,000 FILO Term Loan Exclusive Placement Agent	MELLOTT MFG Mellott Company, a portfolio company of MFG Partners Senior Secured Credit Facility Refinancing & Dividend Recapitalization Exclusive Placement Agent	OBSESSION HOLDINGS KINGSWOOD CAPITAL MANAGEMENT Obsession Holdings, a portfolio company of Kingswood Capital Management Senior Term Loan Dividend Recapitalization Exclusive Placement Agent	cerberus S+S INDUSTRIES Cerberus has acquired S+S Industries Revolver, Senior Term Loan, & Equity Co-Investment Acquisition Financing \$605,000,000 Exclusive Placement Agent	THE VITAMIN SHOPPE KINGSWOOD CAPITAL MANAGEMENT The Vitamin Shoppe, a portfolio company of Kingswood Capital Management Senior Term Loan Dividend Recapitalization Exclusive Placement Agent	PACSUN GOLDEN GATE CAPITAL Pacsun, a portfolio company of Golden Gate Capital Senior Term Loan Refinancing Exclusive Placement Agent	OWL TRIVE CAPITAL OWL Services, Inc., a portfolio company of Trive Capital Senior Secured Term Loan Refinancing \$275,000,000 Exclusive Placement Agent
zentro MC PARTNERS Zentro, a portfolio company of MC Partners, has issued Asset-Backed Notes Sole Placement Agent & Sole Structuring Agent	careerminds bv Careerminds, a portfolio company of BV Investment Partners Revolver, Senior Term Loan & DDTL Acquisition Financing & Refinancing Exclusive Placement Agent	Spinrite COMVEST PRIVATE EQUITY Spinrite, a portfolio company of Comvest Private Equity Revolver & Term Loan Refinancing Exclusive Placement Agent	voyant BEAUTY WIND POINT PARTNERS Voyant Beauty, a portfolio company of Wind Point Partners Revolver, Senior Term Loan & DDTL Acquisition Financing & Refinancing Undisclosed Exclusive Placement Agent	PRIME PROVIDERS PINE STREET GROUP Prime Providers, a portfolio company of Pine Street Group Revolver, Senior Term Loan & DDTL Acquisition Financing & Refinancing Undisclosed Exclusive Placement Agent	TRADING TECHNOLOGIES Trading Technologies Revolver, Senior Term Loan, and Delayed Draw Term Loan Refinancing & Growth Capital Placement Agent	ARC HEALTH TG THURSTON GROUP ARC Health Partners, a portfolio company of Thurston Group Refinancing & Acquisition Financing \$181,500,000 Exclusive Placement Agent
Aline Accounting Partners The Services - Accounting - Business Consulting \$5,000,000 Revolver \$37,200,000 Term Loan \$57,800,000 Delayed Draw Term Loan Acquisition Financing Exclusive Placement Agent	MGT VISTRIA MGT, a portfolio company of The Vistria Group Dividend Recapitalization Co-Lead Placement Agent	Mercury Northleaf Mercury, a portfolio company of Northleaf Capital Partners Senior Secured Credit Facility Growth Financing Exclusive Placement Agent	ALLEGHENY METALLURGICAL Growth Financing \$150,000,000 Senior Term Loan Exclusive Placement Agent	gigstream Crestline Gigstream, a portfolio company of Crestline Investors, has issued Asset-Backed Notes Sole Placement Agent & Sole Structuring Agent	ACRES ACRES Capital Rated Term Loan & Preferred Equity Refinancing Exclusive Placement Agent	CCMP GROWTH ADVISORS AIRO CCMP Growth Advisors, LP, has acquired Airo Mechanical, a portfolio company of Thomas Investments and Stephens Capital Partners Exclusive Buy-side Advisor & Placement Agent
PayComplete ACON PayComplete, a portfolio company of ACON Investments \$15,000,000 Revolver \$113,000,000 Term Loan Refinancing Exclusive Placement Agent	ORION STEEL ATLAS HOLDINGS Acquisition Financing/Recapitalization ABL Revolver, Term Loan, and DDTL ~\$530 million Exclusive Placement Agent	Kodak alaris KINGSWOOD CAPITAL MANAGEMENT Kodak Alaris, a portfolio company of Kingswood Capital Management Revolver and Term Loan Dividend Recapitalization Exclusive Placement Agent	evolv Evolv Technologies Holdings, Inc. Revolver & Term Loan Growth Capital \$75,000,000 Exclusive Placement Agent	ridge 7RIDGE Limited Senior Secured Term Loan & Delayed Draw Term Loan Refinancing & Growth Capital \$75,000,000 Exclusive Placement Agent	KIDS EMPIRE HADRENA Senior Term Loan and Delayed-Draw Term Loan \$105,000,000 Exclusive Placement Agent	FRONTIER ENERGY CENTER Frontiera Energy Center, a 540 MW natural-gas-fired combined-cycle power plant in Mission, Texas, has successfully raised a new First Lien Term Loan to refinance its existing debt facilities Exclusive Placement Agent

Note: Closed deals and key facts and figures reflect U.S. closed deals for LTM ending June 2026. The closed deal summary is based on deal count.

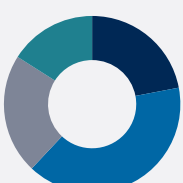
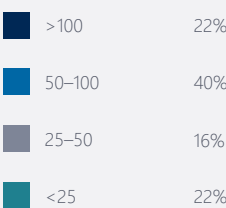
(1) Unique investor is defined as a lender/investor who has participated in a transaction that closed in LTM ending June 2026.

Closed Deal Summary

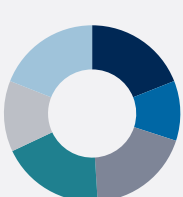
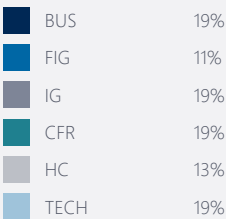
By Ownership



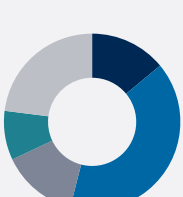
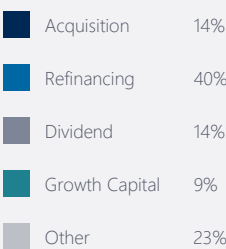
By EBITDA (\$M)



By Industry



By Use of Proceeds



LTM Key Facts and Figures

~\$9B

Private Credit Capital Raised

~\$233M

Average Deal Size

30

Deals in Market

650+

Unique Investors⁽¹⁾

16

Managing Directors

82

FTEs

About Houlihan Lokey: A Leading Independent, Global Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,790

Global
Employees

33

Locations
Worldwide

\$8.77B

Market
Cap⁽¹⁾

\$2.5B

Revenue⁽²⁾

~25%

Employee-
Owned

No

Debt



CORPORATE FINANCE

2025 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	458
2	Goldman Sachs	441
3	Rothschild	400
4	JP Morgan	364
5	Morgan Stanley	357

Source: LSEG.
Excludes accounting firms and brokers.

FINANCIAL RESTRUCTURING

2025 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	83
2	PJT Partners	55
3	Lazard	50
4	Rothschild	44
5	Evercore	33

Source: LSEG.

FINANCIAL AND VALUATION ADVISORY

2001–2025 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,170
2	Duff & Phelps, a Kroll Business	1,069
3	JP Morgan	1,034
4	UBS	769
5	Morgan Stanley	716

Source: LSEG.
Announced or completed transactions.

FINANCIAL SPONSORS COVERAGE

2025 Global Private Equity Financial Advisors
Rankings

	Advisor	Deals
1	Houlihan Lokey	286
2	Rothschild	232
3	Jefferies	196
4	Goldman Sachs	164
5	JPMorgan Chase	162

Source: The Deal.

Debt Capital Solutions — Markets Team



Denis Collins
Managing Director
DCollins@HL.com
+1 212.497.7848



Chris Hebble
Managing Director
CHebble@HL.com
+1 310.788.5204



Megan Bearden
Vice President
Megan.Bearden@HL.com
+1 646.259.7567



Ryan Smith
Financial Analyst
RyanC.Smith@HL.com
+1 212.331.8250

Disclaimer

© 2026 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include the following licensed (or, in the case of Singapore, exempt) entities: in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and a member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); (ii) Europe: Houlihan Lokey UK Limited (FRN 792919), authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Ltd., regulated by the Dubai Financial Services Authority; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an "exempt corporate finance adviser" able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) India: Houlihan Lokey Advisory (India) Private Limited, registered as an investment adviser with the Securities and Exchange Board of India (registration number INA000001217); and (vii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the United Kingdom, European Economic Area (EEA), Dubai, Singapore, Hong Kong, India, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (UK, EEA, and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. No entity affiliated with Houlihan Lokey, Inc., provides banking or securities brokerage services, nor is any such affiliate subject to FINMA supervision in Switzerland or similar regulatory authorities regarding such activities in other jurisdictions. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Any forward-looking information and statements contained herein are subject to various risks and uncertainties, many of which are difficult to predict, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. In addition, past performance should not be taken as an indication or guarantee of future performance, and information contained herein may be subject to variation as a result of currency fluctuations. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide financial or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.



Houlihan
Lokey

Corporate Finance
Financial Restructuring
Financial and Valuation Advisory

[HL.com](https://www.hl.com)