

Houlihan Lokey

Capital Solutions

U.S. Private Credit Market Newsletter

Spring 2026



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Private Credit Spring Recap

01

Private Credit Market Update

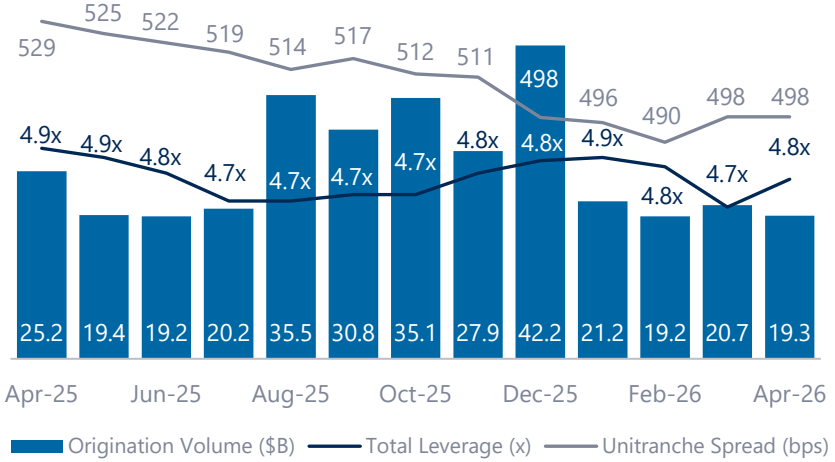
2026 Trends and Recap

So far in 2026, private credit issuance has been constrained by volatility linked to AI-related disruptions and geopolitical events in Iran. Volume totaled $80.4 billion, down 17% year over year, and more closely resembled the second quarter of 2025, when tariff-related volatility drove slower-than-usual issuance. Though April saw only $19.3 billion in volume, the private credit market remained active, with lenders particularly focused on LBOs, which accounted for 70% of all April activity.

Lenders have become more selective in recent months, which has driven a shift toward more lender-friendly terms. Recent spread widening has been broad-based and is especially apparent in the large-cap segment:[(1)] spreads widened by 6 bps in April to S+511 and have widened 18 bps since the beginning of the year.

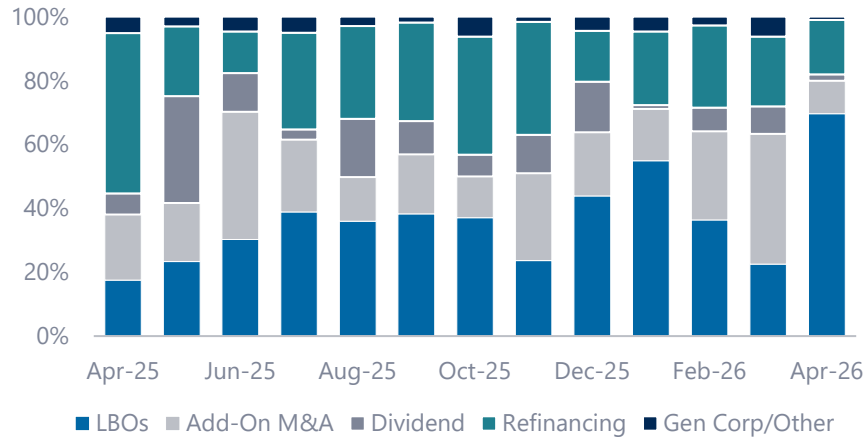
Private Credit Issuance Trends

In recent months, issuance has been impacted by AI-related disruptions and geopolitical events.



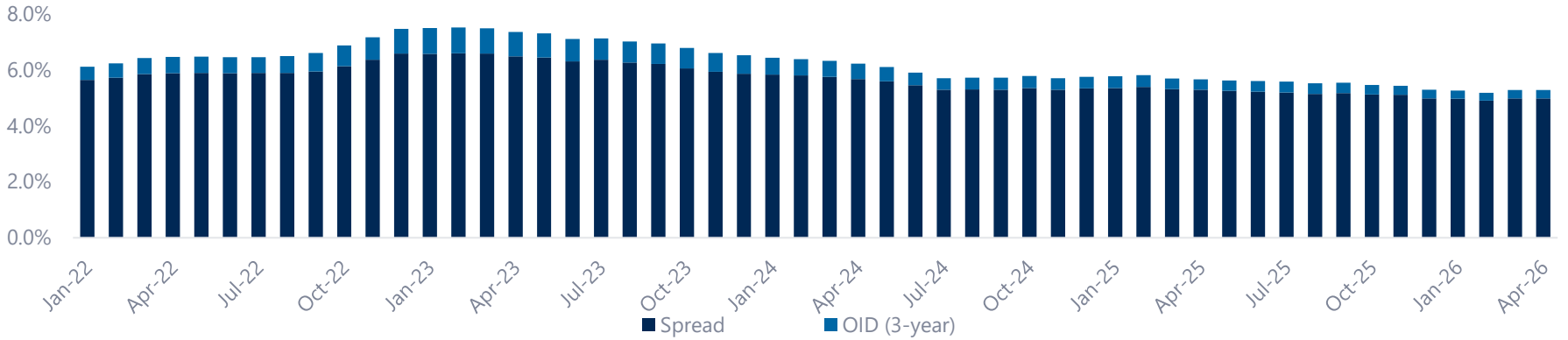
Share of Direct Lending Deal Volume

LBO volume bounced back in April, accounting for approximately 70% of total volume, after March, the lowest month since April 2025.



Private Credit Unitranche Pricing

Unitranche spreads remained flat month-over-month to 4.98% in April.



Source: KBRA DLD as of April 30, 2026.
(1) Large Cap EBITDA is defined as "private large cap. = $100 million+."

Private Credit Market Update (cont.)

M&A Volumes Have Decelerated Amid Market Dislocation

Following a strong end to 2025, sponsor-related M&A volumes have moderated throughout 2026 amid heightened market volatility and uncertainty. Private-credit-backed LBOs totaled approximately $37 billion, while add-on-related M&A contributed roughly $19 billion. The first quarter alone saw a 31% quarter-over-quarter decline and a 4% year-over-year increase.

LBO purchase price multiples averaged 11.6x in Q1 2026, down from 12.9x in Q4 2025. Concurrently, first-lien term loan yields dropped to 8.86% in the first quarter, the lowest level since Q2 2022.

In April, LBO leverage diverged across segments. The core middle market tightened to 4.8x, returning to 2025 averages. Lower-middle-market leverage rose to 4.3x. The upper-middle-market and large-cap segment held flat at 5.4x, remaining elevated relative to 2025.

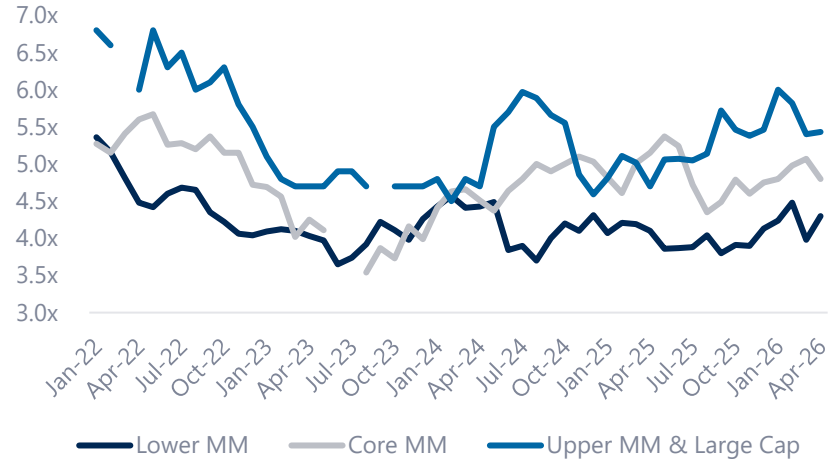
Sponsor-Related M&A Slows in 2026

M&A volume totaled $15.4 billion in April, up 60% year over year and 18% month over month.



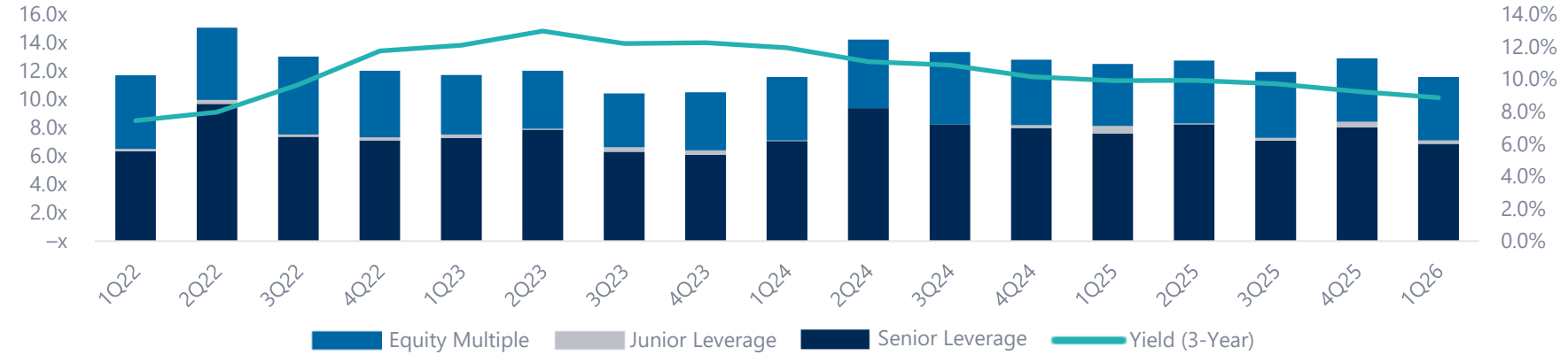
LBO Leverage Trends

Core-middle-market leverage tightened in April 2026; lower-middle-market widened.



LBO Purchase Price Multiple Components With Yields

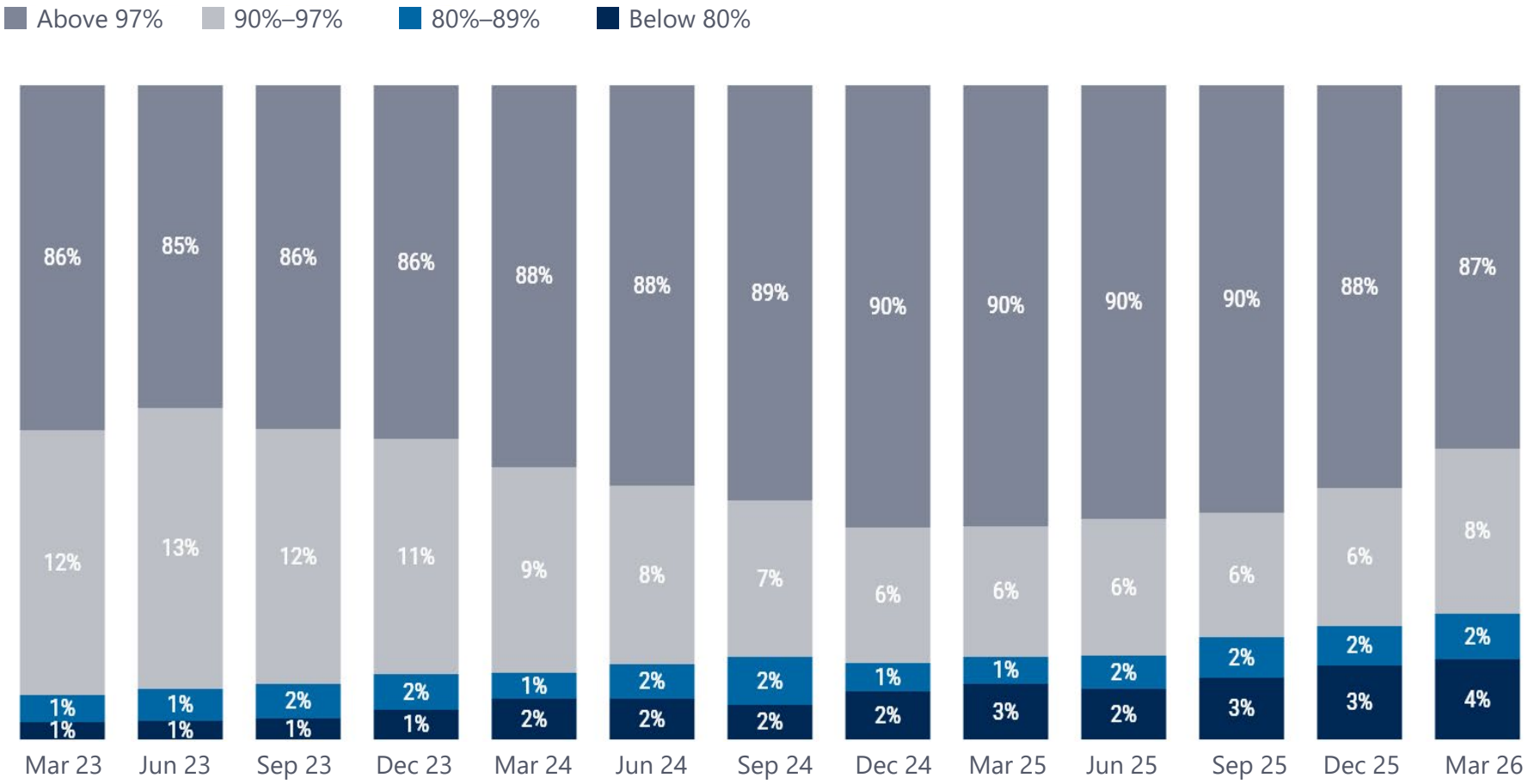
Sponsors contributed less equity to LBO deals in Q1 2026, averaging a 59% share, down from 62% in Q4 2025.



Source: KBRA DLD as of April 30, 2026.
Notes: Middle-market EBITDA definitions are defined as "lower middle market (LMM) = <$20 million," "core middle market (CMM) = $20 million to <$50 million," "upper middle market (UMM) =$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 had exhibited a pronounced divergence between strong and weak borrowers. While the top end remains fundamentally resilient, the segment of loans priced above 97% of par fell to 87%. This decline is largely driven by broader spread widening, which pushed otherwise healthy loans into the 90%–97% tier rather than by fundamental credit deterioration.

Conversely, the distressed segment has expanded, with loans priced below 90% rising to 6%, and the deeply discounted tier (below 80% of par) reaching a multi-year high of 4%. Many borrowers in this bottom tier face compounding headwinds: secular revenue contraction, margin compression, high cash burn, supply chain/customer concentration risks, etc. With higher leverage triggering covenant defaults and sponsors' unwillingness to inject new capital, lenders may be increasingly forced to transition from yield-based valuations to distressed restructurings and recovery scenarios.

Source: Houlihan Lokey Financial and Valuation Advisory.
Note: Y-axis range is set to 0%–30% for presentation purposes, and figures may not total 100% due to rounding.

Private Credit Snapshot April 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+475-550 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+475-575 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

Sustained macroeconomic volatility and ongoing AI disruption fears drove heightened lender conservatism through April. Despite these headwinds, a technical supply-demand imbalance persists. Pressured to deploy capital, lenders held new-issue pricing and OID levels steady from March, even as underwriting standards tightened significantly for smaller and cyclical issuers.

This dynamic has created a distinctly bifurcated market. Non-cyclical and more resilient sectors continue to attract robust competition. Conversely, the software space remains under intense scrutiny amid rising refinancing risks. With distress indicators and PIK utilization ticking upward, overall deal flow in this segment and adjacent subsectors has slowed, allowing lenders to successfully demand stricter covenants and structural protections.



Software Sector Analysis

02

AI Disruption and Software Impact

The credit market for the software sector is fundamentally recalibrating due to AI and broader economic shifts, with lenders now prioritizing profitability and cash flow durability and imposing tighter structural terms.

What's Changed

1 Shift From Growth to Profitability

- The prior assumption that any high-growth software company would be able to easily cut costs to achieve 25% EBITDA margins is no longer the case.
- Lenders now prioritize EBITDA multiples and steady-state margins/actual cash generation.

2 Compressed ARR Leverage

- Prior acceptable leverage of approximately 2.0x+ ARR has stepped down to approximately 1.0x–1.5x.
- Lenders are actively reducing existing exposure and making conservative new originations.

3 Medallia Is the Defining Case Study

- The 2021 take-private of Medallia, involving approximately $3 billion in ARR-structured debt, is a prime example of risk.
- Despite double-digit revenue growth, restructuring talks are underway.

4 Secondary Market Price Action

- As of April 30, around 25% of software and services loans trade in distressed territory (below 80 cents on the dollar).

5 Recovery Assumptions Are Being Reset

- Market participants are publicly flagging that AI disruption outcomes for software businesses may prove binary, rather than gradual deterioration.
- This changes the recovery analysis and explains why structure, not just spread, is the primary lender response.

6 Rising Default Rates

- Moody's pegged the trailing 12-month below investment grade loan default rate at 5.5% as of January 31, well above the 2%–2.5% historical baseline. UBS forecasts ~6% for 2026, with Morgan Stanley flagging a scenario approaching 8%, concentrated in software.

Modified Deal Structures

With terminal value more challenging to underwrite, lenders are tightening structures to compress effective duration and enforce profitability discipline.

1. **Interest-only periods are shortened** from 3 years to 2 years or less.
2. Overall **loan tenors are shortening.**
3. **Liquidity minimums and cash controls** are now standard.
4. **PIK toggle provisions are being rejected** in new deals due to concerns about elevated PIK usage in existing portfolios.
5. **Covenant documentation tightening**, enhanced information rights, and tighter cash sweeps.

Sources: Houlihan Lokey Capital Solutions, Bloomberg News, PitchBook LCD, Moody's Ratings.

AI Disruption and Software Impact (cont.)

While spreads are wider than recent vintages, capital remains available for the right assets in specific sub-verticals, particularly where scale and high credit quality are evident.

Software Sector Issuance and Pricing

- Lenders maintain that they still support large-cap financings, exemplified by recent billion-plus dollar deals, but with tighter terms and a higher all-in cost of capital.
  - While the trend is toward smaller commitment sizes, selected lenders are still willing to provide financing in the hundreds of millions of dollars.
- Similarly, the market is still open for smaller issuers (EBITDA <$30 million); for these transactions to get done, they require only 1–3 lenders, while larger deals (>$1 billion in size) need 5 or more lenders.
- Investment preferences are currently concentrated in data infrastructure, systems of record, and regulated verticals—such as healthcare, utilities, and government tech—that benefit from high switching costs, whereas media and discretionary IT spend, marketing technology, and businesses with limited pricing power are viewed with more caution.
- Recently, software spreads are approximately 50–150 bps wider than recent vintages, with most software credits clearing at S+550–700+.

Lender Appetite Varies Across Software Sub-Verticals

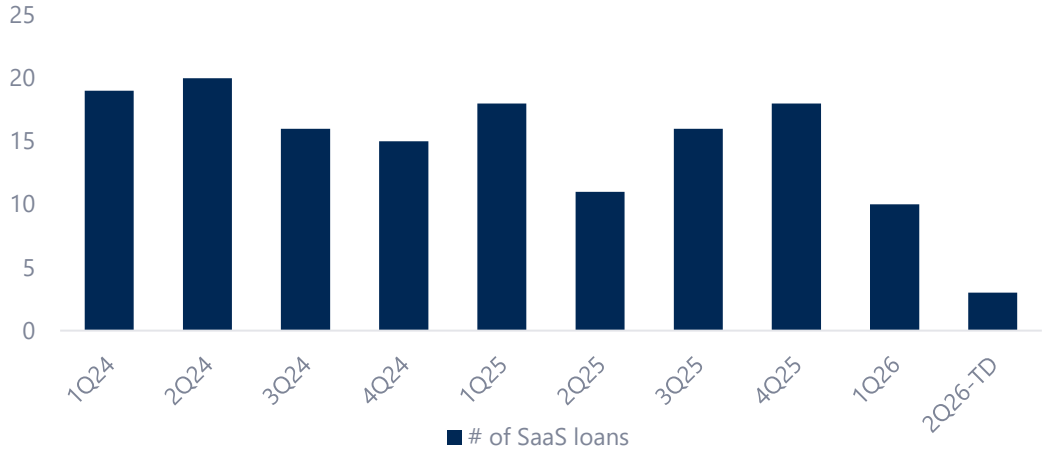
As many lenders avoid software entirely, active players favor mission-critical vertical software and IT consulting over discretionary software segments like application and home entertainment.

- ✓ Vertical Software
- ✓ IT Consulting and Other Services
- ✓ System Service
- ✓ Internet Software and Services

- × Home Entertainment Software
- × Data Processing and Outsourced Services
- × Application Software

Software-as-a-Service Activity Slows in 2026

Broader software deal flow has slowed modestly, while SaaS has declined more sharply, as the first quarter of 2026 saw the lowest activity in 9 quarters.



Precedent Transactions

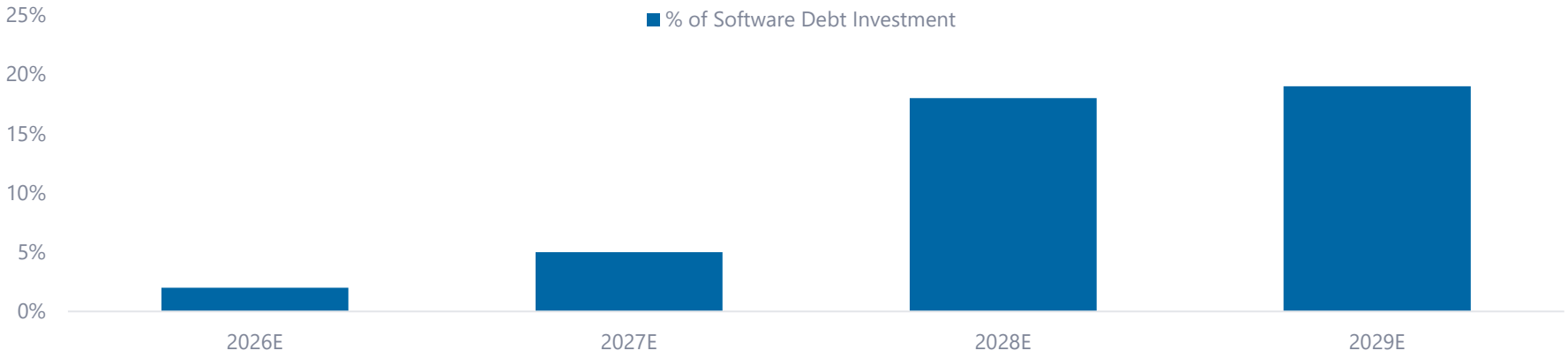
onestream	Size: $2.25B
CONSERVICE® The Utility Experts®	Size: $1.46B
majesco	Size: $1.3B
nexthink	Size: $750M

Sources: Houlihan Lokey Capital Solutions, KBRA DLD as of April 30, 2026.

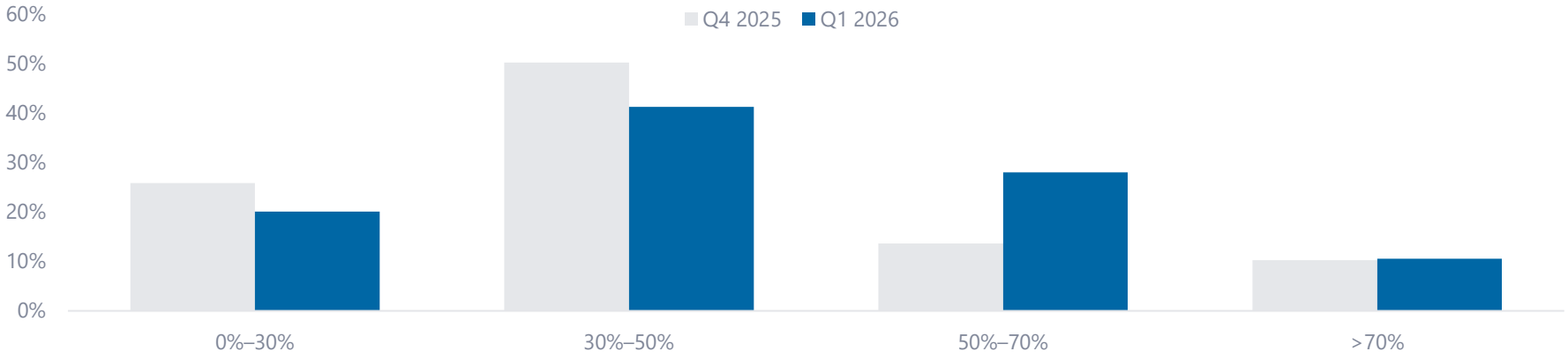
AI Disruption and Software Impact (cont.)

A wall of debt maturities is looming for private credit funds with high exposure to software and technology loans, as they face rising refinancing and credit risks.

Software Debt Maturity Wall Approaches



Software LTV Distribution



Navigating the 2028–2029 Maturity Wall

A significant share of software maturities falls in 2028–2029. According to Moody's, approximately 45% of software debt investments are set to mature within the next 3 years. Borrowers facing refinancing risk who engage early retain optionality, while those who wait will have fewer options.

Compounding this pressure is a restrictive financing environment, where refinancing legacy ARR-structured debt is increasingly more difficult.

While a majority (~61%) of software companies remain well-positioned with first-quarter LTVs below 50%, the remaining segment faces elevated exposure to potential valuation shocks, highlighted by a significant quarter-over-quarter jump in the 50%–70% LTV bracket.

For businesses unable to meet this bar, liability management exercises (LMEs) have become a proactive strategic necessity rather than a last resort.

Sources: Houlihan Lokey Financial and Valuation Advisory, Bloomberg, PitchBook LCD, Moody's Ratings, BDC holdings data.



Q2 2026 Private Credit Survey

03

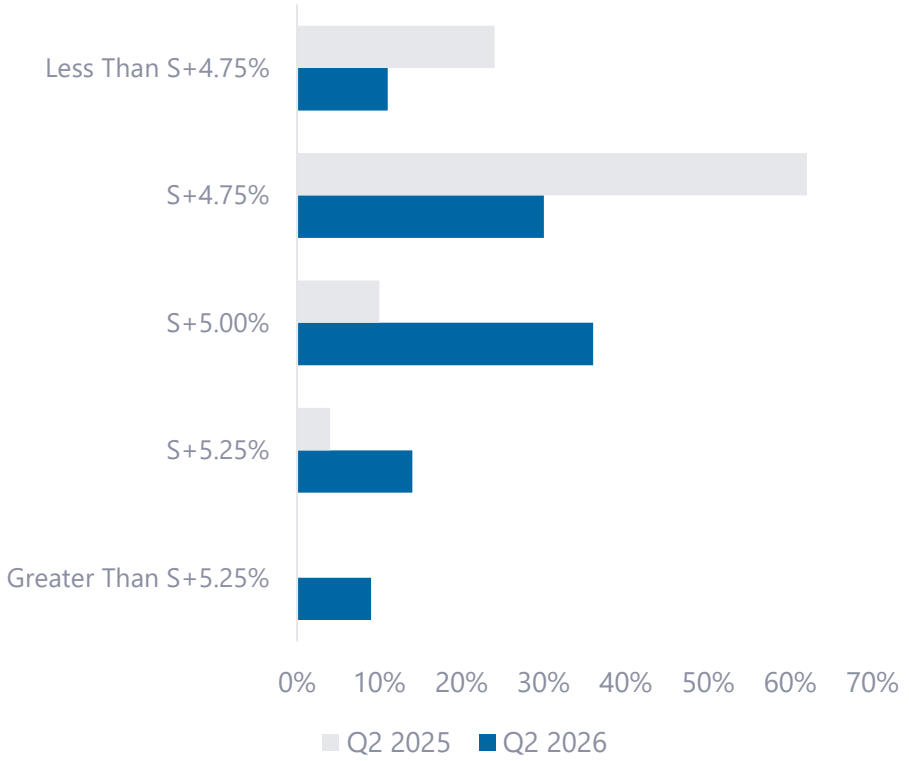
Pricing and Upfront Fees

- Since Houlihan Lokey's Private Credit Market Survey in Q2 2025, the corporate credit market has seen a meaningful shift in pricing dynamics.
- Top-tier sponsor-backed credit spreads have widened year over year. In Q2 2025, 86% of respondents reported spreads of S+4.75% or tighter. By Q2 2026, that figure fell to just 41%, with pricing shifting predominantly into the S+5.00% to S+5.25%+ range.
- Upfront fees have widened in tandem. The share of respondents quoting OID at 99 or tighter fell from 75% in Q2 2025 to 56% in Q2 2026. Conversely, quotes for OID at 98.5 more than doubled, jumping from 18% to 42%.

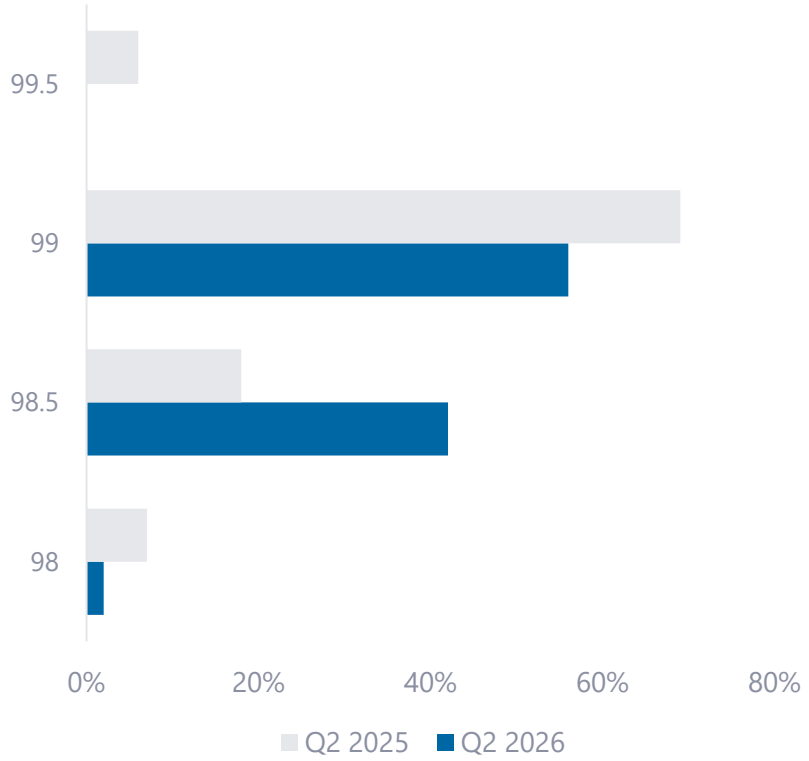
Highlights From Houlihan Lokey's Q2 2026 Private Credit Survey

Houlihan Lokey is pleased to present the findings from our Capital Solutions Private Credit Market Survey for Q2 2026. This survey is intended to measure the overall sentiment within private credit, with a specific focus on gauging appetite and preferences in the software sector. The following data reflects responses from private credit finance professionals who participated in the survey this quarter.

01 For PE sponsor-backed, top-tier credits, where are you currently seeing pricing?



02 For PE sponsor-backed, top-tier credits, where is OID?

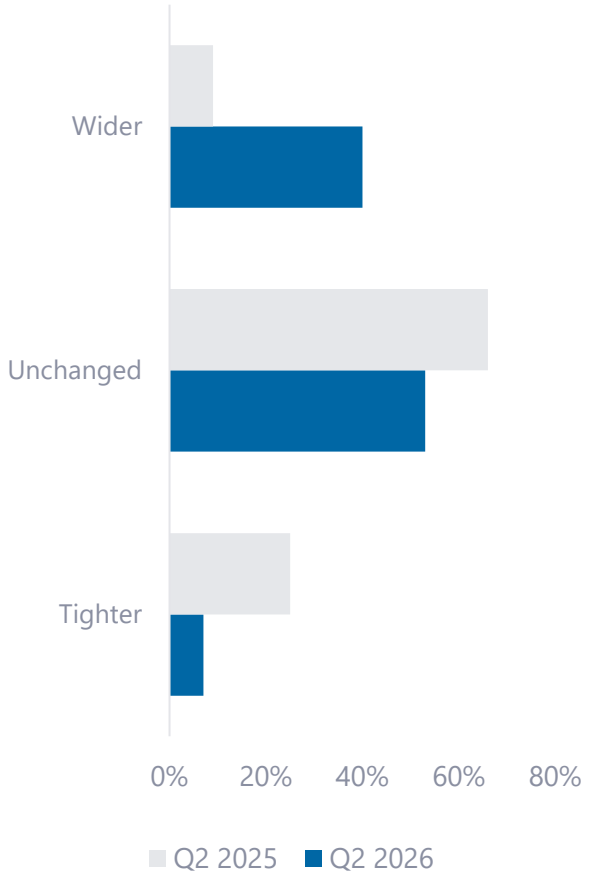


Highlights From Houlihan Lokey's Q2 2026 Private Credit Survey (cont.)

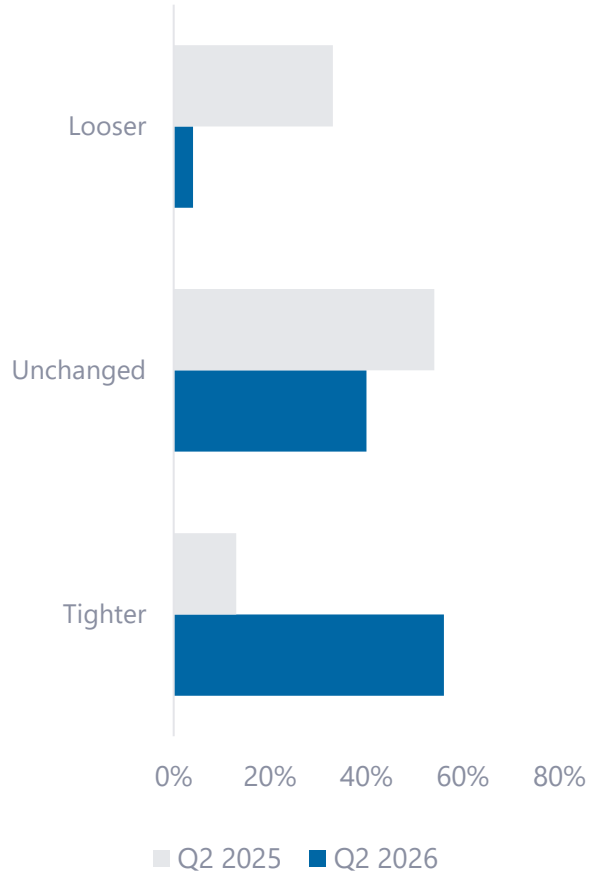
Lending Expectations for 2026

- Current market uncertainty continues to drive investor scrutiny. Survey respondents expect pricing, leverage, and terms to favor lenders for the remainder of the year.
- Structure and documentation expectations show an even sharper shift. Compared with Q2 2025, the looser-docs camp fell from 33% to just 4%, while respondents expecting tighter docs jumped from 13% to 56%.
- Deal volume remains net-positive, but expectations are more measured, suggesting cautious optimism replacing the previous, more bullish, 2025 outlook.

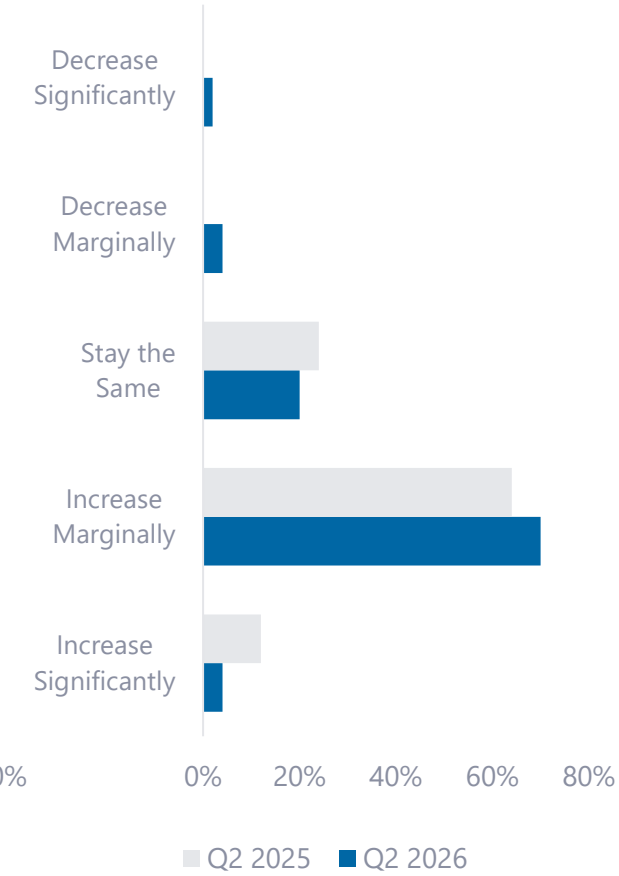
03 What is your expectation for pricing for the next six months?



04 What is your expectation for transaction structure and documentation for the next six months?



05 What do you expect for deal volume in the next six months?

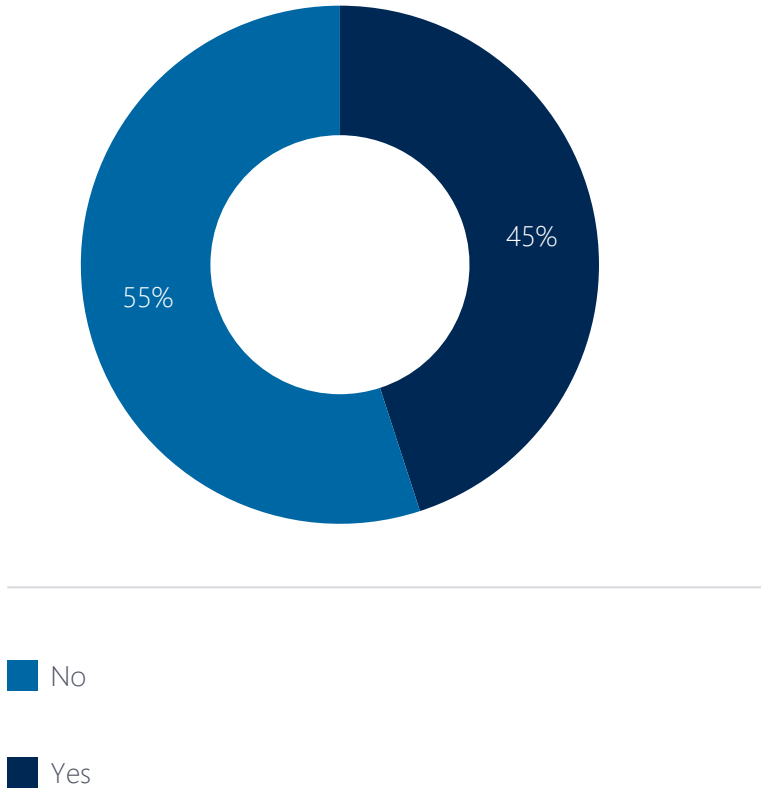


Highlights From Houlihan Lokey's Q2 2026 Private Credit Survey (cont.)

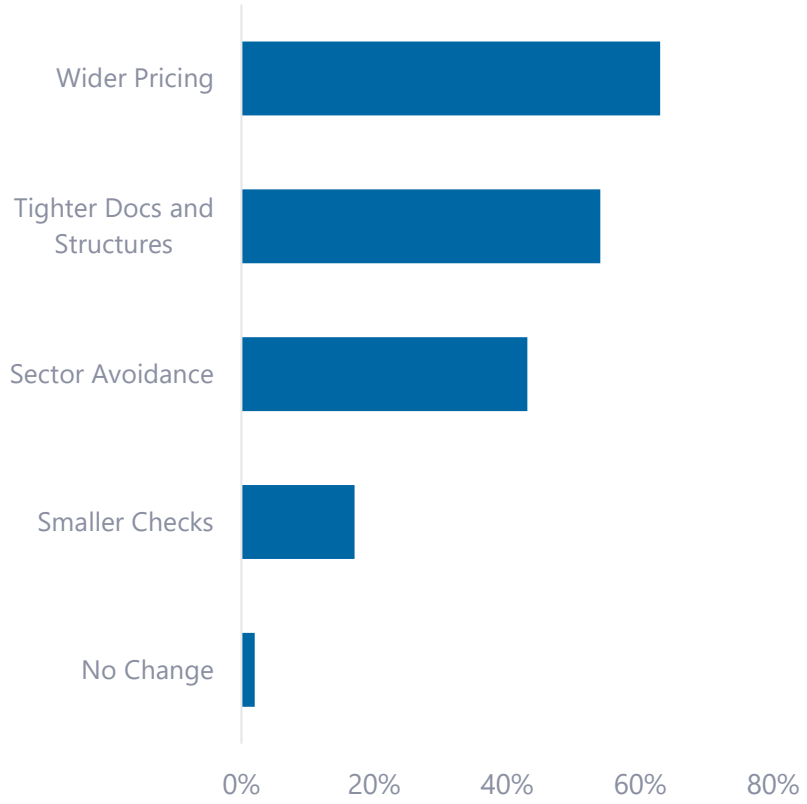
Underwriting Trends and Structural Flexibility

- **Reduced PIK Flexibility:** Many lenders are no longer offering Payment-in-Kind (PIK) options for new LBO financings. Even among those who do, this flexibility is no longer guaranteed.
- **Stricter Underwriting:** Nearly all lenders (98%) report that underwriting standards have become notably stricter since the beginning of 2026.
- **Demanding Better Terms:** In a sharp shift away from the looser terms of 2024–2025, lenders are now demanding higher returns, tighter protections, and are more selective regarding sectors and hold sizes.

06 For a new LBO, will you provide PIK flexibility?



07 Since the start of 2026, how have your firm's underwriting standards changed?

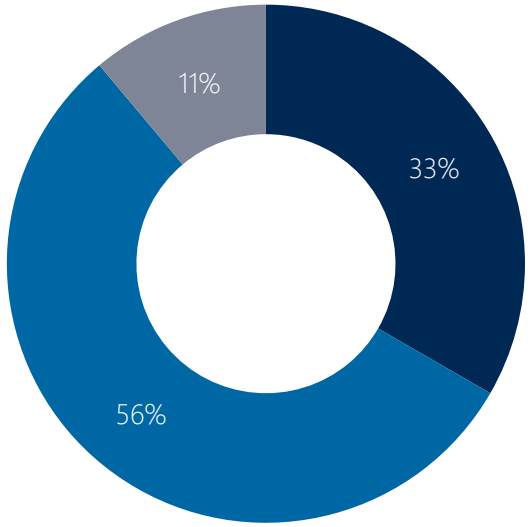


Highlights From Houlihan Lokey's Q2 2026 Private Credit Survey (cont.)

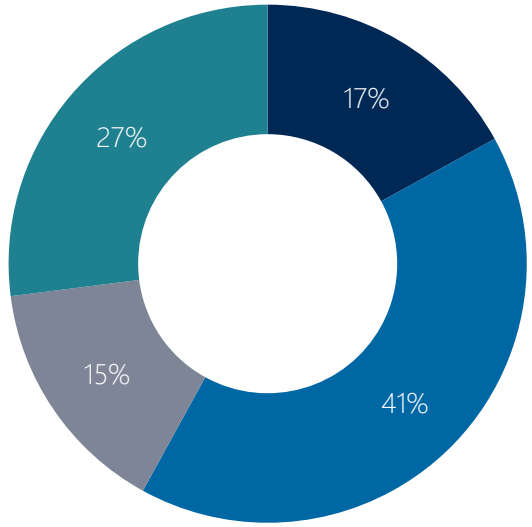
Software Sector Market Appetite and Pricing

- Investor sentiment remains constructive despite varied exposure. The majority of respondents indicated caution but openness to strong opportunities, highlighting how the sector remains a strategic focus with greater selectivity.
- Software debt is pricing at wider spreads than broader market top-tier paper, with more than 80% of survey respondents noting that software credits are clearing at S+5.50% or wider.

08 What best describes your firm's current appetite for software sector financings?



09 For software and services credits, where are you currently seeing pricing?

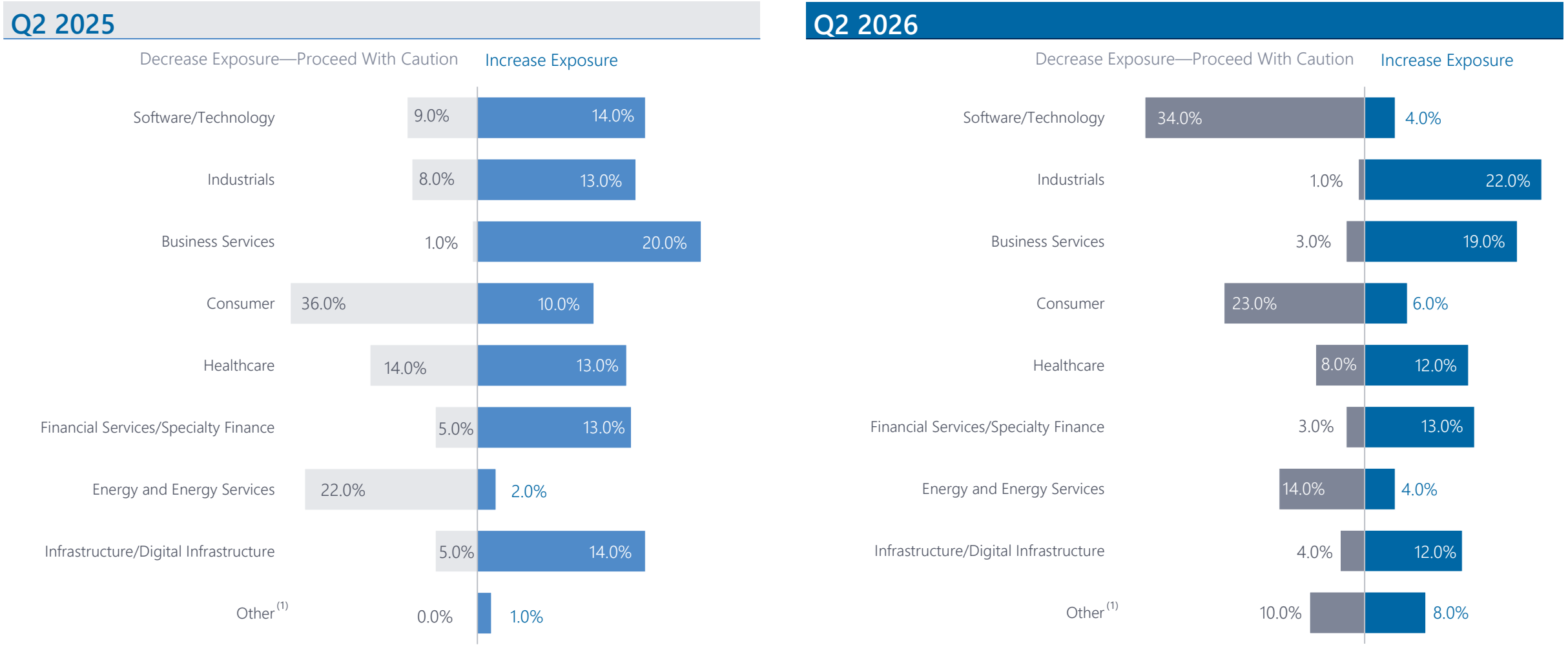


Highlights From Houlihan Lokey's Q2 2026 Private Credit Survey (cont.)

Additional Takeaways

In which sectors would you like to increase or decrease exposure during the remainder of the year?

Percent of respondents



(1) *"Other" is defined as all sectors not listed, including but not limited to government services, real estate, sports, and media and entertainment.*

Capital Solutions Global Overview

Houlihan Lokey's Capital Solutions Group comprises more than 200 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

$38B+
Capital Raised

200+
FTEs

140+
Transactions Closed

18
Offices

50+
Managing Directors

8
Countries



Note: LTM key facts and figures as of March 31, 2026.

Capital Solutions Capabilities Overview

Private Corporate Credit

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

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

The Vitamin Shoppe, a portfolio company of Kingswood Capital Management
Senior Term Loan
Dividend Recapitalization
Exclusive Placement Agent

OWL Services, Inc., a portfolio company of Trive Capital
Senior Secured Term Loan
Refinancing
$275,000,000
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, a portfolio company of MJC Partners, has issued Asset-Backed Notes
Sole Placement Agent & Sole Structuring Agent

LILY-3 Funding LLC, an affiliate company of Coventry
$250,000,000
Asset-Backed Notes
Exclusive Placement Agent

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

Markets Advisory

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

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

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

UL Solutions
Follow-On Offering
Class A Common Stock
$1,127,000,000
23,000,000 Shares
Price: $49.00 per share
Co-Manager

GP Advisory

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

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

Kingswood Capital Management has sold a minority equity GP stake to Bonaccord Capital Partners
Sellside Advisor

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

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

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

PDW has raised $110m from a group of investors led by Ondas
Financial Advisor

Directs/Co-Investments

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

Strength Capital Partners has acquired Grand Equipment Company
Financial Advisor

Broadstone has received a strategic growth investment from Lovell Minnick Partners
Financial Advisor

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

Single-Asset Continuation Vehicle
$835,000,000
Financial Advisor

GCP Capital Partners
Single-Asset Continuation Vehicle
ALKEME
Financial Advisor

Single-Asset Continuation Vehicle
£240,000,000
Financial Advisor

Primary Capital Advisory

- Control Buyout
- Growth Equity
- Alternatives

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

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

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

Note: Tombstones reflect U.S. transactions only.

Capital Solutions Private Credit Solutions

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 MJC 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
Senior Term Loan
Refinancing
Exclusive Placement Agent

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
$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

ORION STEEL, ATLAS HOLDINGS
Acquisition Financing / Recapitalization
ABL Revolver, Term Loan & 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

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

gigstreem, Crestline
Gigstreem, 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 MECHANICAL
CCMP Growth Advisors, LP, has acquired Airo Mechanical, a portfolio company of Thomas Investments and Stephens Capital Partners
Exclusive Buyside 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

evolv
Evolv Technologies Holdings, Inc.
Revolver & Term Loan
Growth Capital
$75,000,000
Exclusive Placement Agent

7ridge
7RIDGE Limited
Senior Secured Term Loan & Delayed Draw Term Loan
Refinancing & Growth Capital
$75,000,000
Exclusive Placement Agent

KIDS EMPIRE, CHADRENA
Senior Term Loan and Delayed-Draw Term Loan
$105,000,000
Exclusive Placement Agent

FRONTERA ENERGY CENTER
Frontera 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

SCOUT SURFACE SOLUTIONS, KINETIC PRESSURE CONTROL
Scout Surface Solutions has acquired Kinetic Pressure Control
Acquisition Financing
Exclusive Placement Agent

MOOD:MEDIA, VECTOR CAPITAL
Mood Media, a portfolio company of Vector Capital
Revolver and Term Loan Refinancing
Exclusive Placement Agent

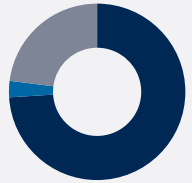
DartPoints, NOVA INFRASTRUCTURE, Astra, OIC
DartPoints, a portfolio company of Nova Infrastructure, Astra Capital Management, and OIC
Senior Term Loan, Delayed Draw Term Loan & Equity Co-Investment
Acquisition Financing & Growth Capital
Exclusive Placement Agent

BHG behavioral health group, VISTRIA
Behavioral Health Group, a portfolio company of Vistria Group
Revolver, Senior Term Loan, DDTL & HoldCo PIK Notes
Refinancing
Exclusive Placement Agent

Closed Deal Summary

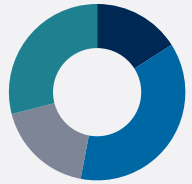
By Ownership

Sponsor-Owned	74%
Public	3%
Private	23%



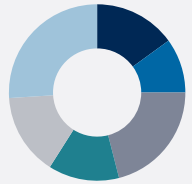
By EBITDA ($M)

>100	16%
50–100	37%
25–50	18%
<25	29%



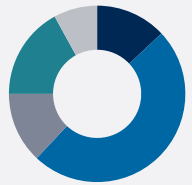
By Industry

BUS	15%
FIG	10%
IG	21%
CFR	13%
HC	15%
TECH	26%



By Use of Proceeds

Acquisition	13%
Refinancing	49%
Dividend	13%
Growth Capital	17%
Other	8%



LTM Key Facts and Figures

~$9B
Private Credit Capital Raised

~$230M
Average Deal Size

25
Deals in Market

650+
Unique Investors(1)

18
Managing Directors

61
FTEs

Note: Closed deals and key facts and figures reflect U.S. closed deals for LTM ending March 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 March 2026.

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.

2,776	33	$9.78B	$2.6B	~25%	No
Global Employees	Locations Worldwide	Market Cap[1]	Revenue[2]	Employee-owned	Debt

HLI LISTED NYSE

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.

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(1) *As of May 29, 2026.*
(2) *LTM ended March 31, 2026.*

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Corporate Finance

Financial Restructuring

Financial and Valuation Advisory

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