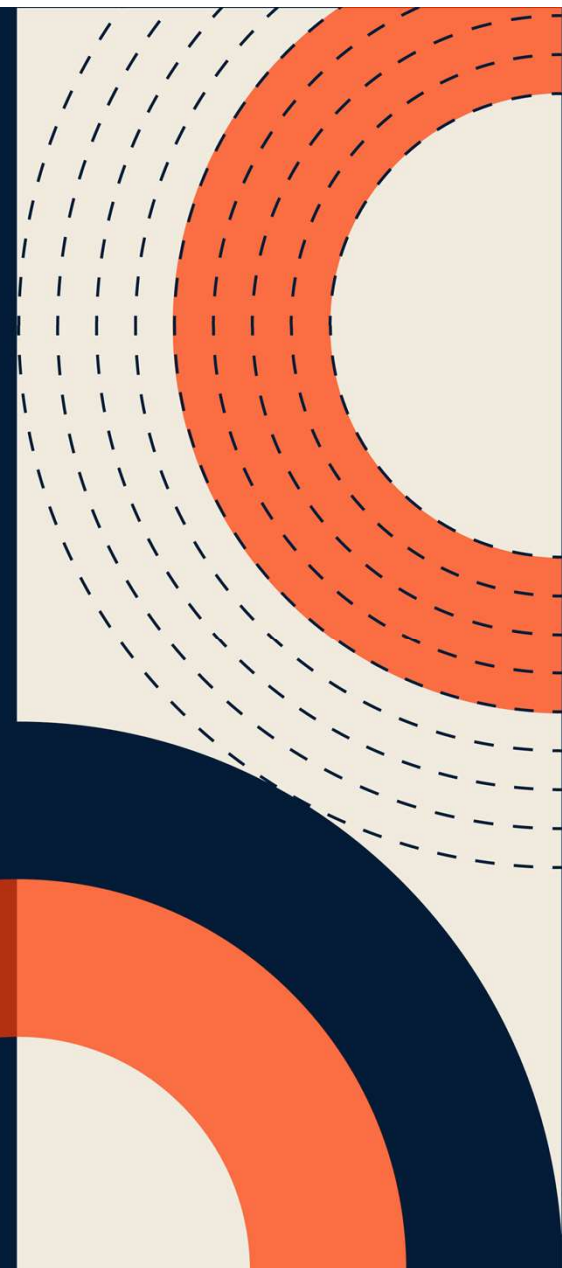


 PitchBook | LCD

 EUROPEAN

# Private Credit Monitor

June 2025





# Key Takeaways

- **Buyout volume supported by large deals** – Jumbo issuance supported Q2 estimated buyout volume, which rose by 61% to €6.14 billion, while deal count fell by 21%. And sponsor-backed M&A deal flow by count dropped in the last three months, but remains elevated relative to 2022-2023. There were 23 M&A-related deals in Q2, versus a quarterly average of 13 in 2022-2023.
- **Meanwhile, quarterly sponsor-backed direct lending deal volume neared 2024 quarterly highs** – At €9.43 billion, estimated PE-backed direct lending volume in Europe was supported by large transactions and nearly matched the 2024 quarterly average. Deal count was down, however, at 32 deals, from 40 in Q1. Total direct lending volume and count were down for the quarter as well.
- **However, total volume and deal count continue to be up year over year** – Total volume and deal count in H1 are 33% and 47% ahead of the same period in 2024, respectively.
- **Direct lenders revert to smaller bread and butter deals in spite of high-profile jumbos** – Private credit deals in the €100-349 million range increased in H1 to the highest level in the post-Covid era, despite the continued presence of jumbo transactions.
- **Deals see dramatic spread tightening** – Deals with spreads lower than 500 bps increased to the highest level since LCD began tracking average spreads, at 33% of transactions in H1, versus none in 2023 and 2024.
- **France overtakes the UK in H1 for the highest number of direct lending deals** – In June, France edged ahead of the UK in direct lending, at 22% of deals, and in the sponsored market. The UK, however, still dominated in non-sponsored deals, at 44%.
- **Leverage remains higher in the direct lending market versus BSL** – Leverage multiples for sponsored transactions were similar in the two markets in 2020-2022, but have increasingly diverged, with direct lending deals on average having higher leverage since 2023. The difference between the two markets was 1.25x turns of debt in the last 12-month period, 1.31x in 2024 and 0.22x in 2023.



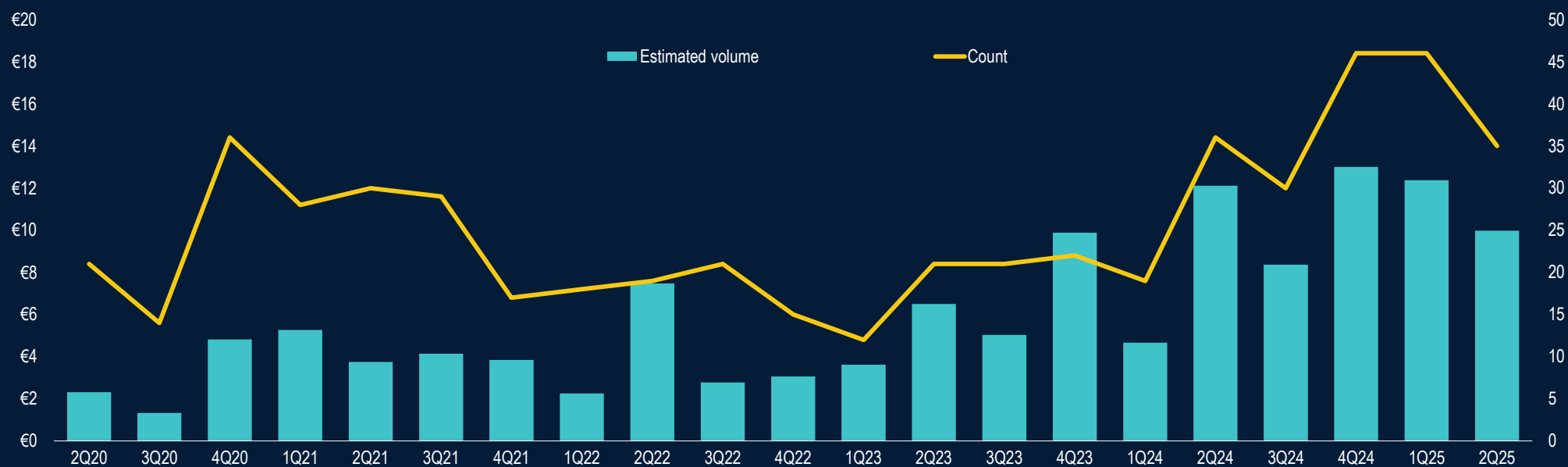
# Direct Lending Volume & Counts

MONTHLY EUROPEAN PRIVATE CREDIT MONITOR | PERMISSION TO REPRINT OR DISTRIBUTE ANY CONTENT FROM THIS PRESENTATION REQUIRES THE PRIOR WRITTEN APPROVAL OF PITCHBOOK DATA, INC.



## Direct lending deal count and estimated volume dipped in Q2...

Direct lending deal count and estimated volume (€B)



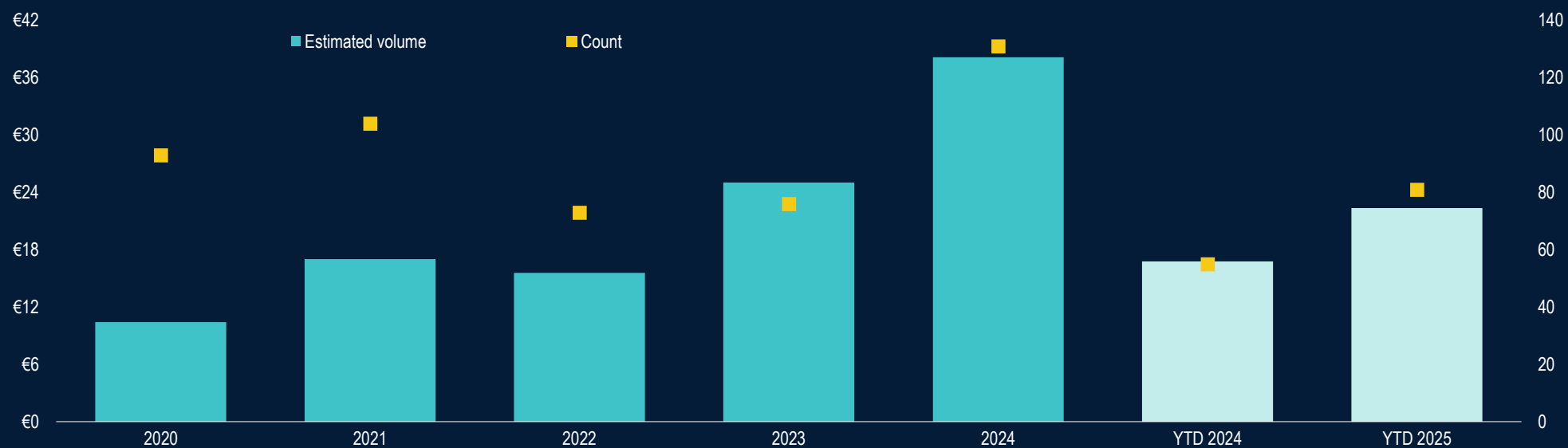
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



...but year-to-date direct lending transaction and volume levels are still stronger than in the same 2024 period...

Direct lending deal count and estimated volume (€B)



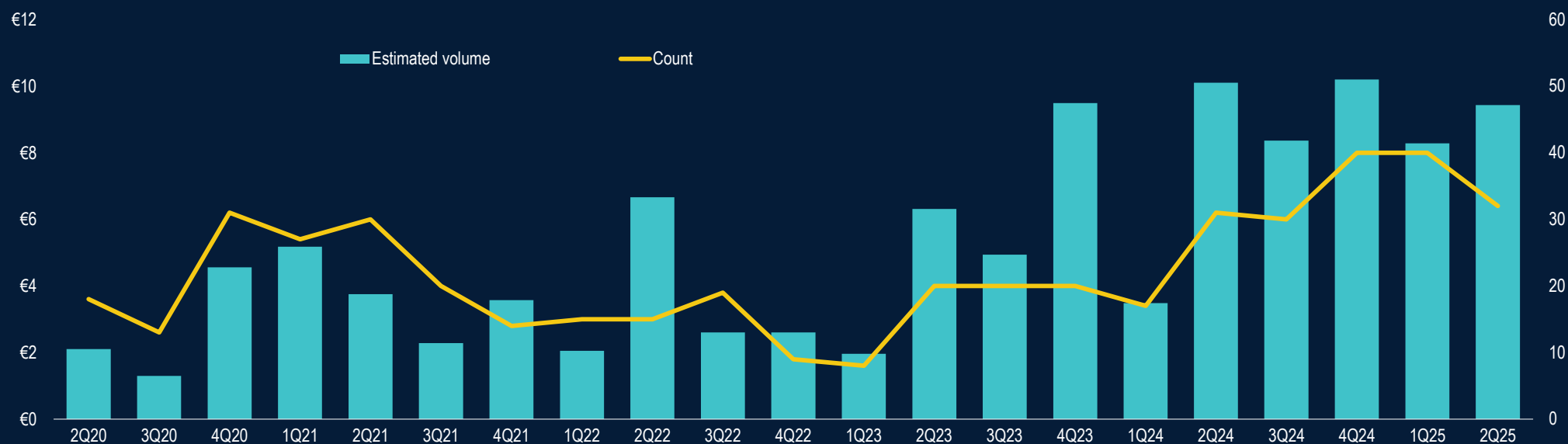
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## ...and the volume of sponsor-backed transactions in Q2 neared 2024 highs

Direct lending deal count and estimated volume, sponsor-backed borrowers (€B)



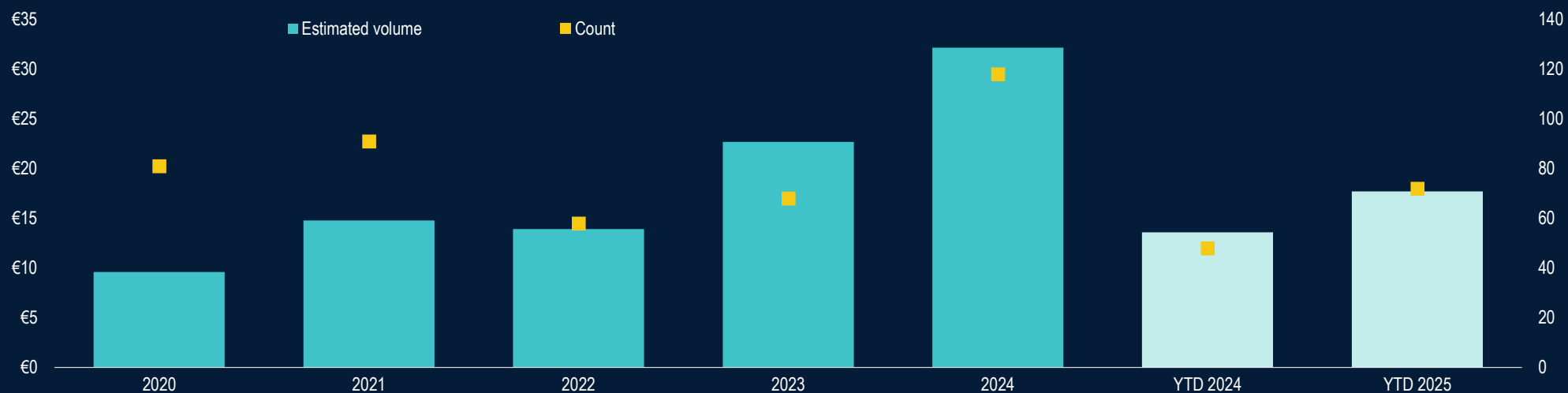
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Volume and number of sponsor-backed transactions follow the same year-over-year upward trend

Direct lending deal count and estimated volume, sponsor-backed borrowers (€B)



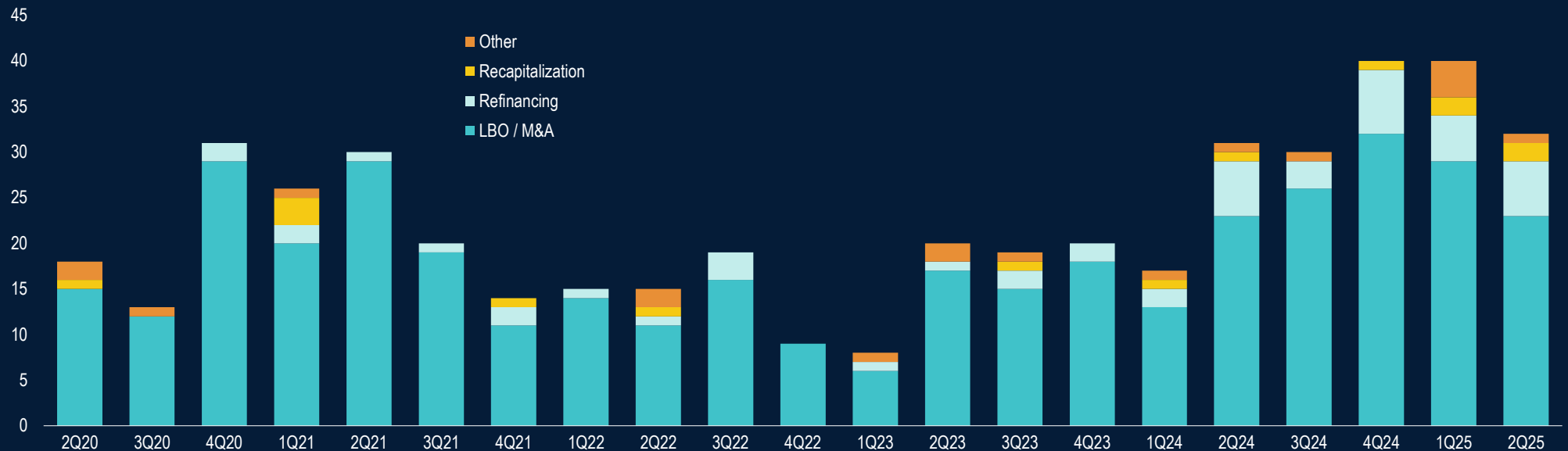
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Sponsor-backed M&A deal flow by count dropped in Q2, but is still elevated relative to 2022-2023

Count of PE-backed direct lending deals by use of proceeds



Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

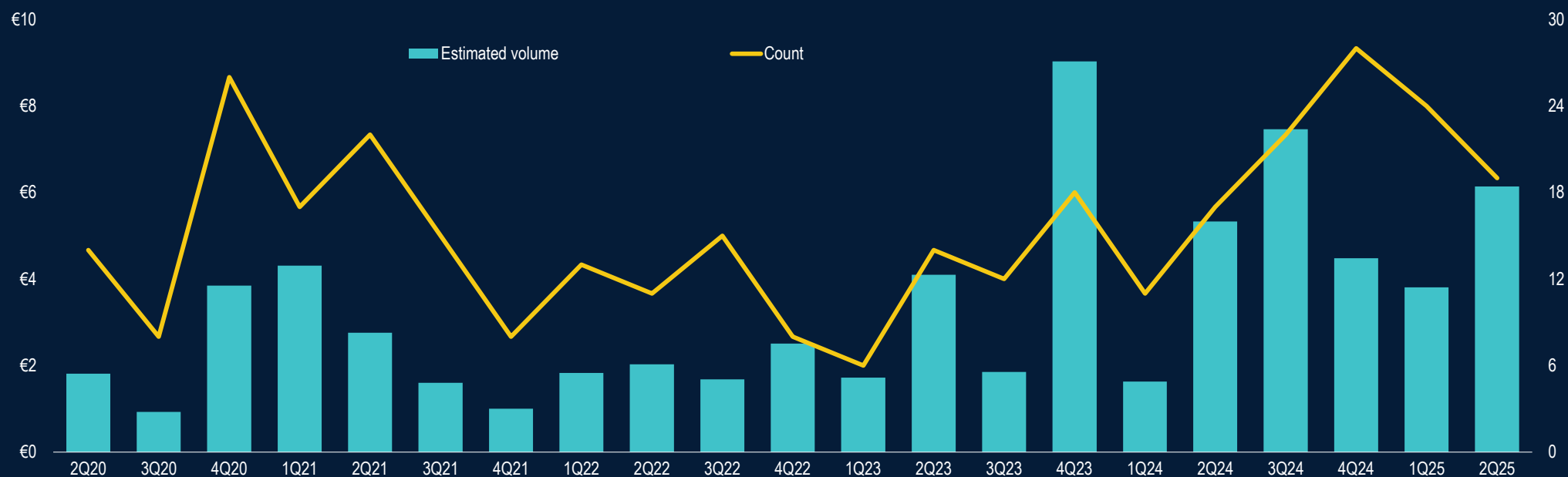
Deal count is based on transactions covered by LCD News





## Buyout volume in Q2 is the highest since Q3 2024, due to jumbo deals

Count and estimated volume of deals financing buyouts (€B)



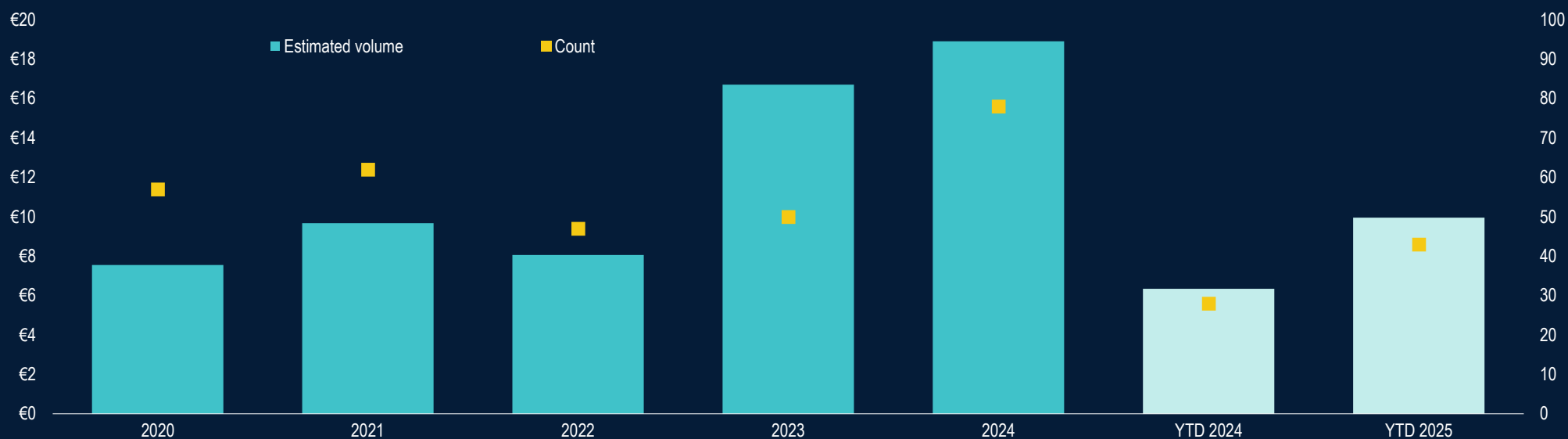
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Large transactions have also boosted volume year-over-year; deal count has grown as well

Count and estimated volume of deals financing LBOs (€B)



Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News

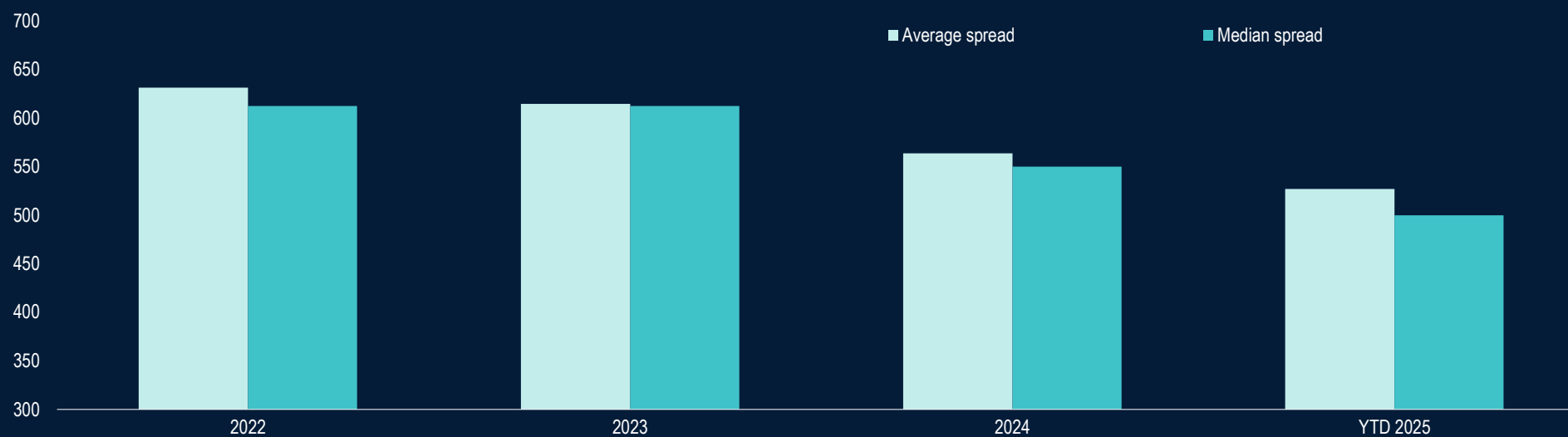


# Spreads



## Direct lending deal spreads continue to tighten, with YTD median at 500 bps

European direct lending average spreads (bps)



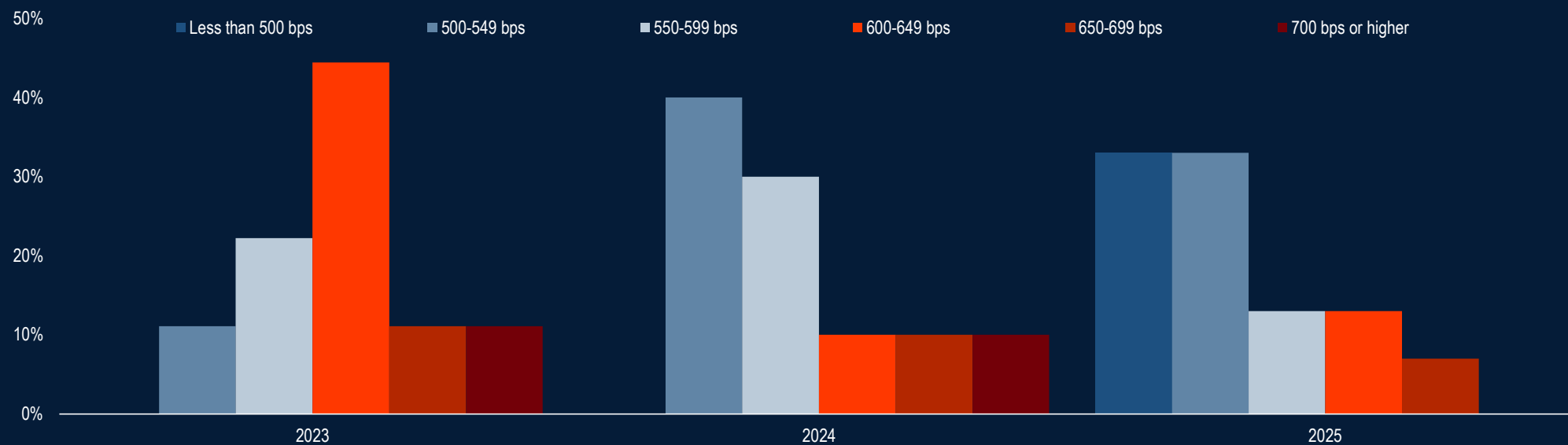
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Direct lending data is based on transactions covered by LCD News. Includes first-lien and unitranche deals.



## Cohort of transactions pricing lower than 500 bps grows to one-third of deals in 2025

New-issue spread distribution of LBOs financed in the direct lending market



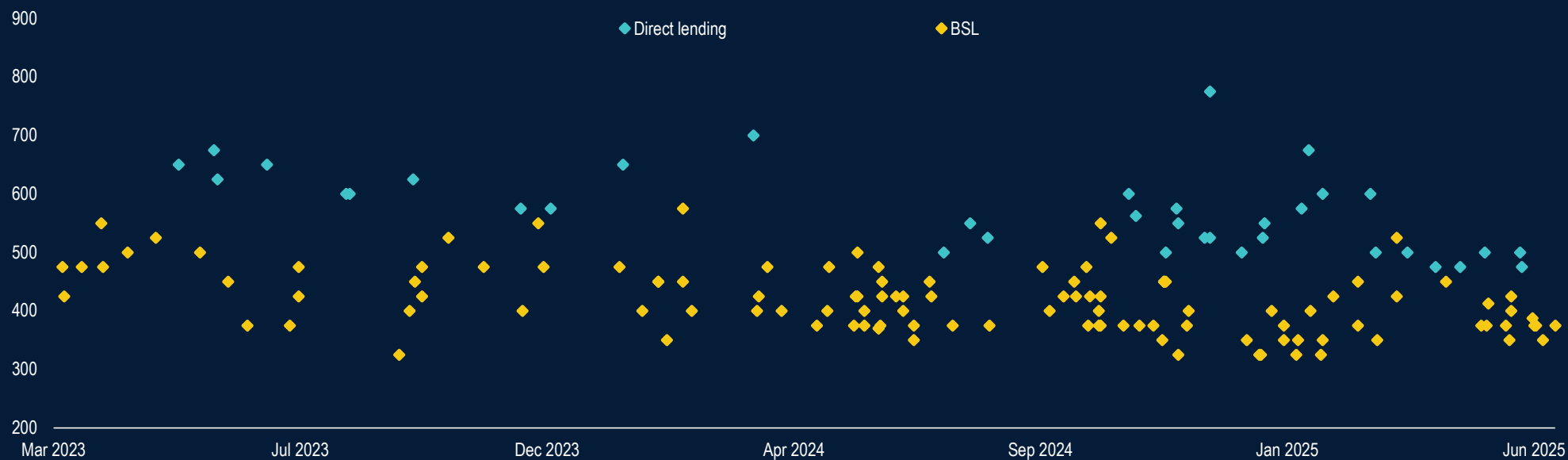
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Data reflects senior secured loans and unitranche facilities.



## But in many acquisitions, lenders benefit from higher spreads

New-issue spread of acquisition-related deals, PE-backed borrowers (bps)



Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Direct lending data is based on transactions covered by LCD News.



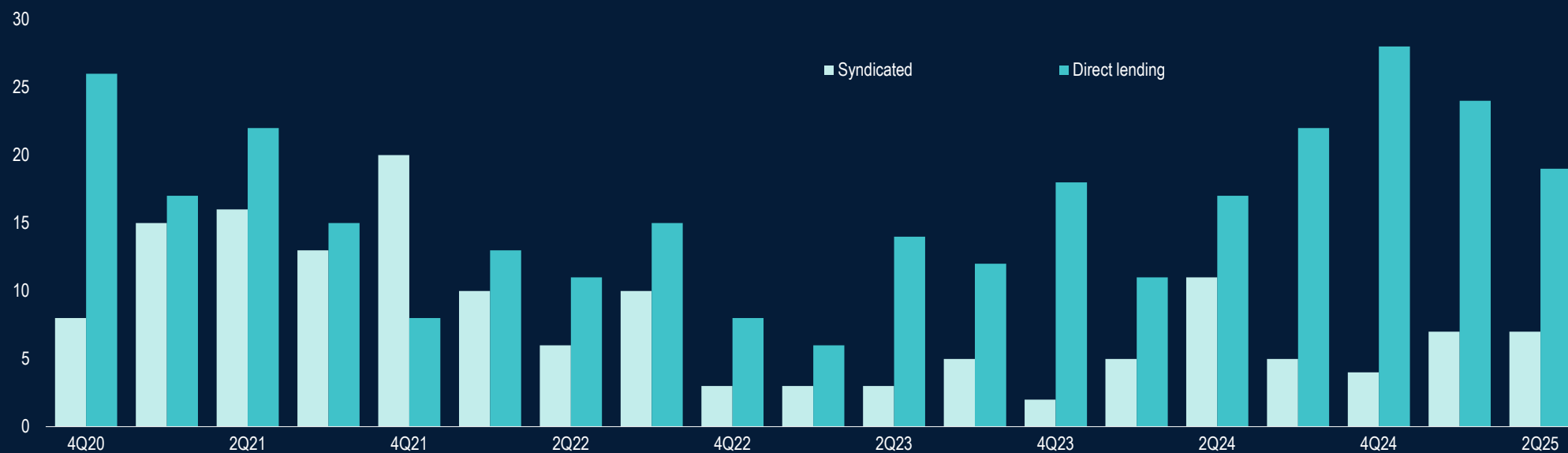
# Broadly Syndicated vs. Direct Lending Market

MONTHLY EUROPEAN PRIVATE CREDIT MONITOR | PERMISSION TO REPRINT OR DISTRIBUTE ANY CONTENT  
FROM THIS PRESENTATION REQUIRES THE PRIOR WRITTEN APPROVAL OF PITCHBOOK DATA, INC.



## Broadly syndicated buyout deal count continues to recover from 2022-2023 lows

Count of LBO deals financed in BSL vs direct lending market



Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

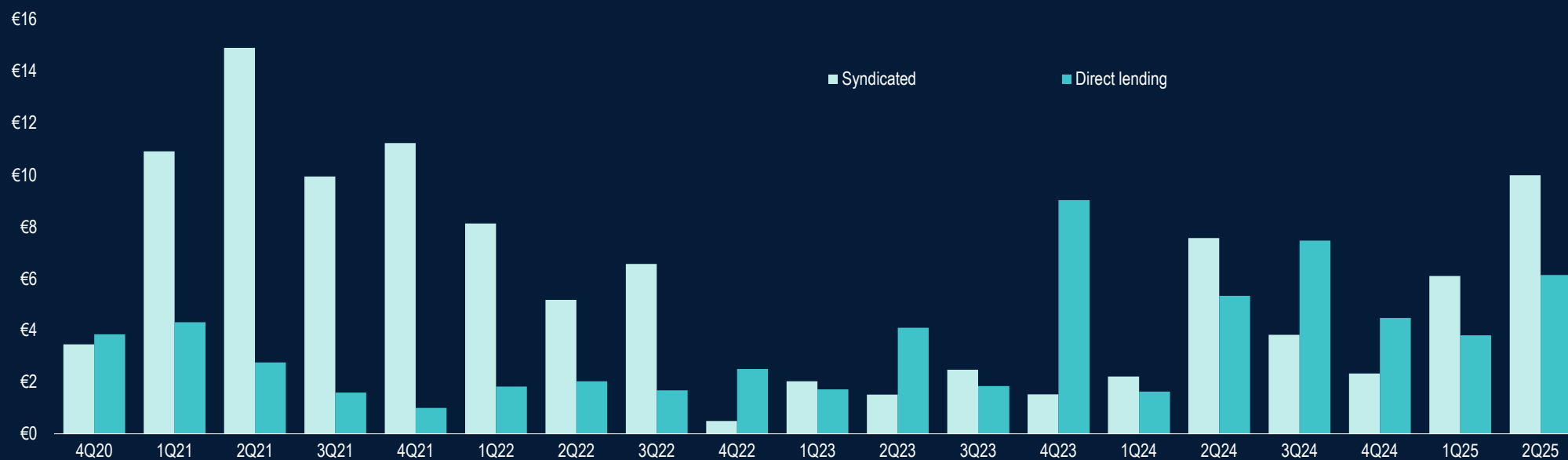
Deal count is based on transactions covered by LCD News





## Volume is also still recovering, with BSL volume in Q2 at its highest point since Q4 2021

New-issue volume for LBOs financed in BSL vs direct lending market (€B)

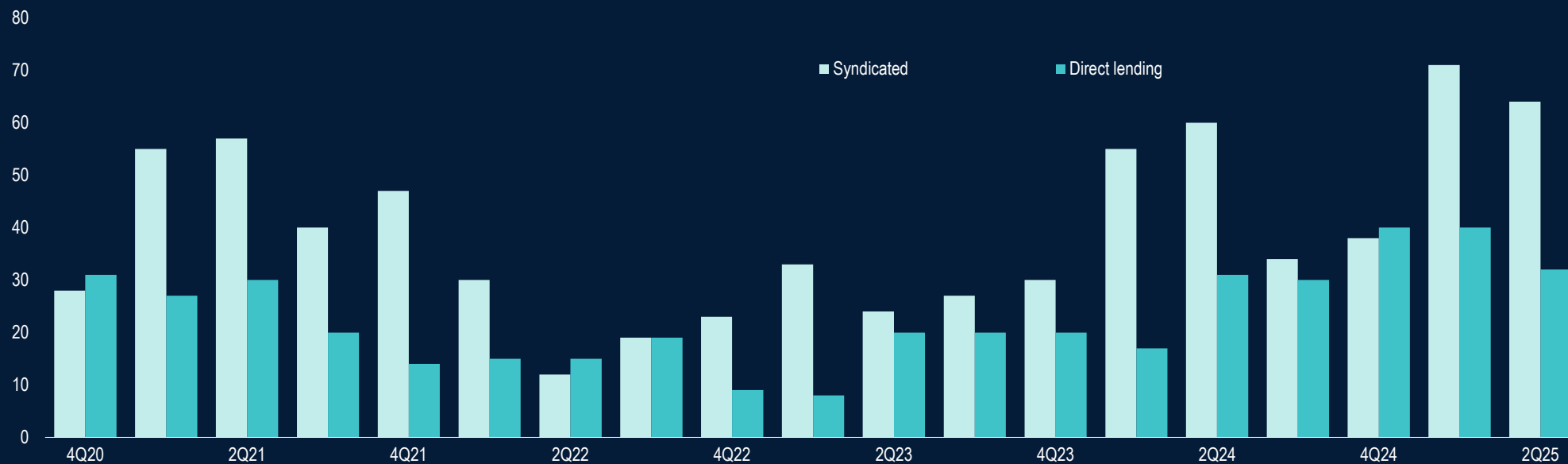


Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025



## BSL market, boosted by refinancings and recaps, hosts more sponsored deals than direct lending so far this year

Count of sponsor-backed deals financed in BSL vs direct lending market



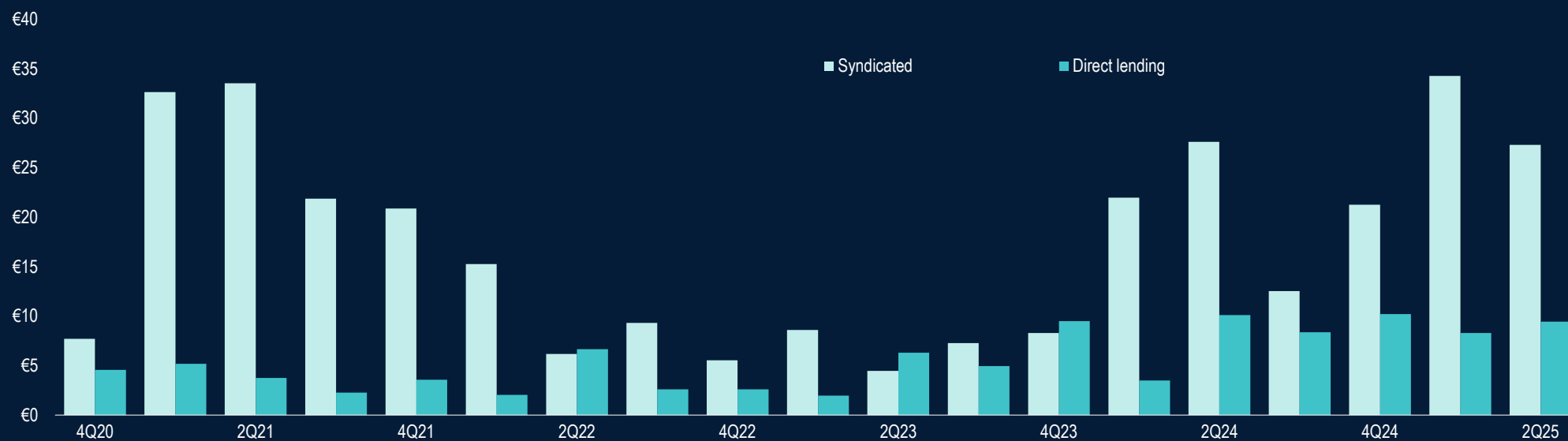
Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Refinancings and recaps also boost volume levels in the broadly syndicated market

New-issue sponsor-backed volume for loans financed in BSL vs private credit market (€B)



Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025



## Direct lending deals refinanced in the broadly syndicated market

Last ten syndicated term loans that refinance debt provided by direct lenders

Company	PE sponsor	Borrower Rating (S&P/Moody's)	Date	Debt being refinanced
Trescal	EQT Partners	B/B2	Jun-25	Unitranche debt
NovaTaste	PAI	B/B2	Jun-25	Unitranche debt
ATG Entertainment	Providence Equity Partners	B/B2	Mar-25	Unitranche facility
Colosseum Dental	Jacobs Holding	B/B2	Feb-25	Unitranche facility
VDK Groep	EMK Capital	B+/B1	Jan-25	Unitranche facility
Applegreen	Blackstone Group	B-/B3	Jan-25	Unitranche debt
Questel	Eurazeo Capital	B/B2	Jan-25	€555 million unitranche
Dechra Pharmaceuticals	EQT Partners	B-/B2	Nov-24	£1.25 billion unitranche
OCS Group	Clayton, Dubilier & Rice	B/B2	Nov-24	£600 million unitranche
OCU Group	Triton Managers	B/B2	Oct-24	£551 million in private debt

Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Table is based on LCD News reporting.



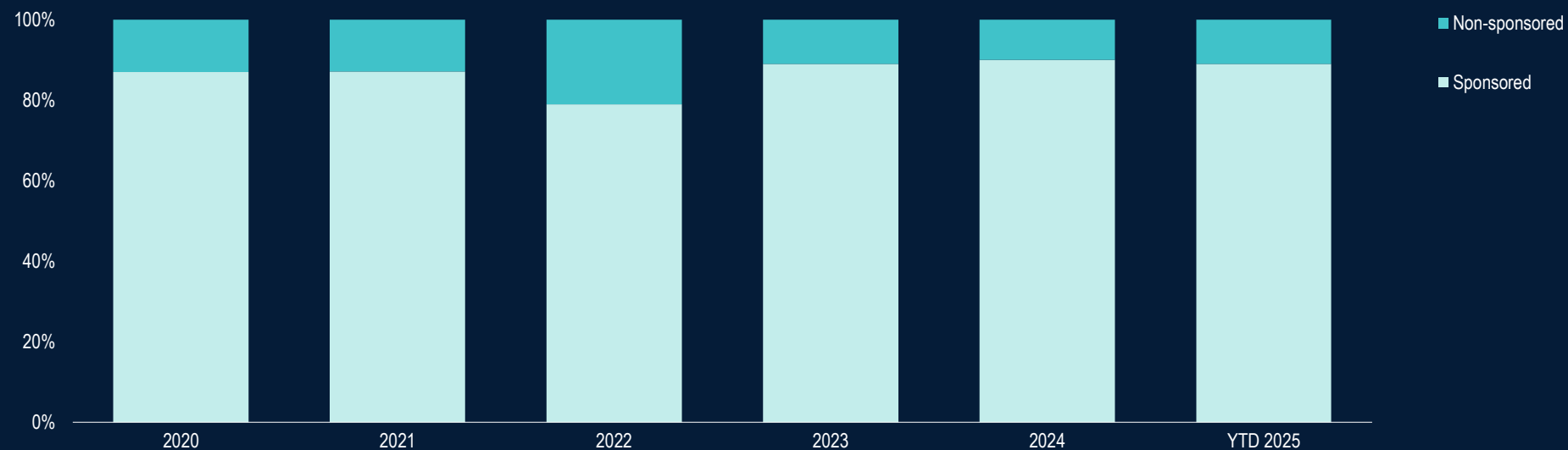
# Market Characteristics

MONTHLY EUROPEAN PRIVATE CREDIT MONITOR | PERMISSION TO REPRINT OR DISTRIBUTE ANY CONTENT  
FROM THIS PRESENTATION REQUIRES THE PRIOR WRITTEN APPROVAL OF PITCHBOOK DATA, INC.



## Lenders continue to seek out non-sponsored deals to source deal flow

Share of European private credit deals by ownership type, by deal count



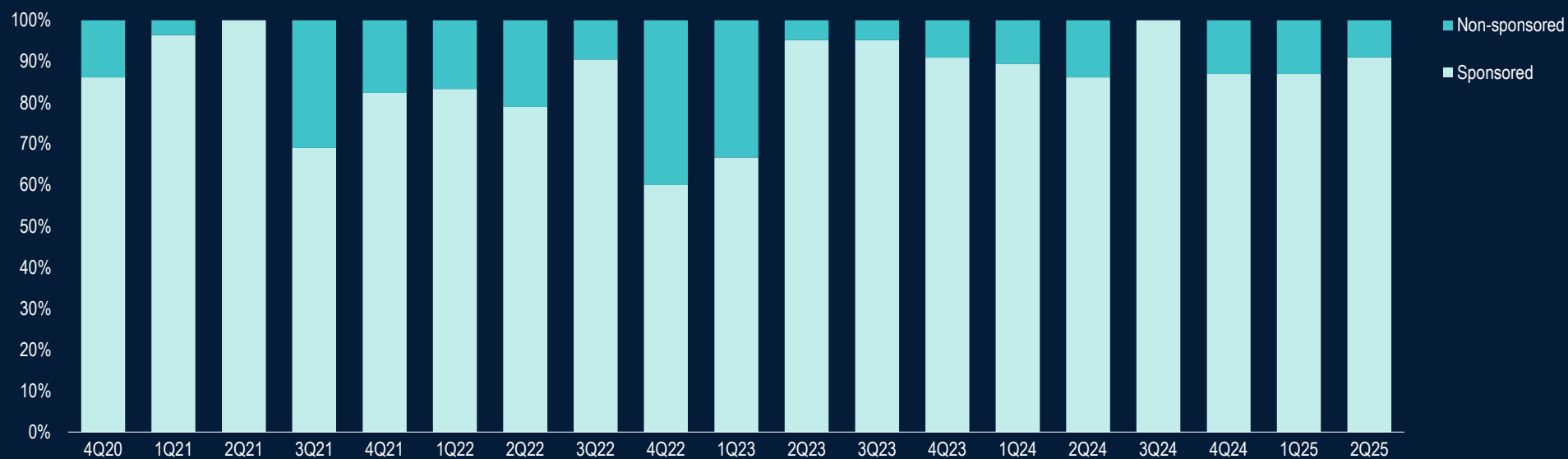
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Percentage of non-sponsored deals dropped slightly in the last quarter

Share of European private credit deals by ownership type, by deal count



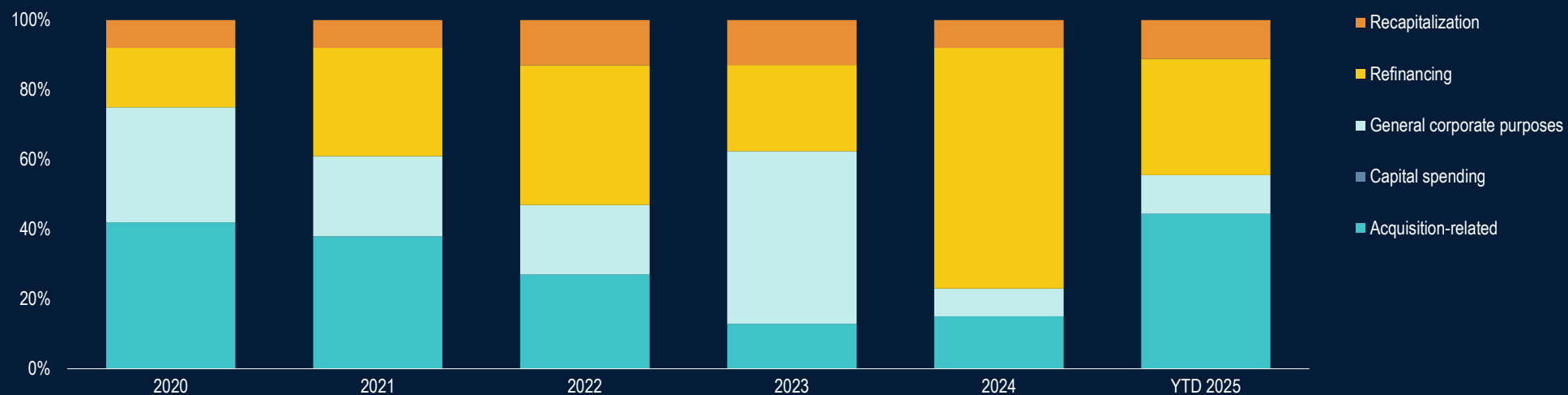
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Percentage of acquisition-related non-sponsored transactions the highest since LCD records began

### European direct lending non-sponsored deals by purpose



Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

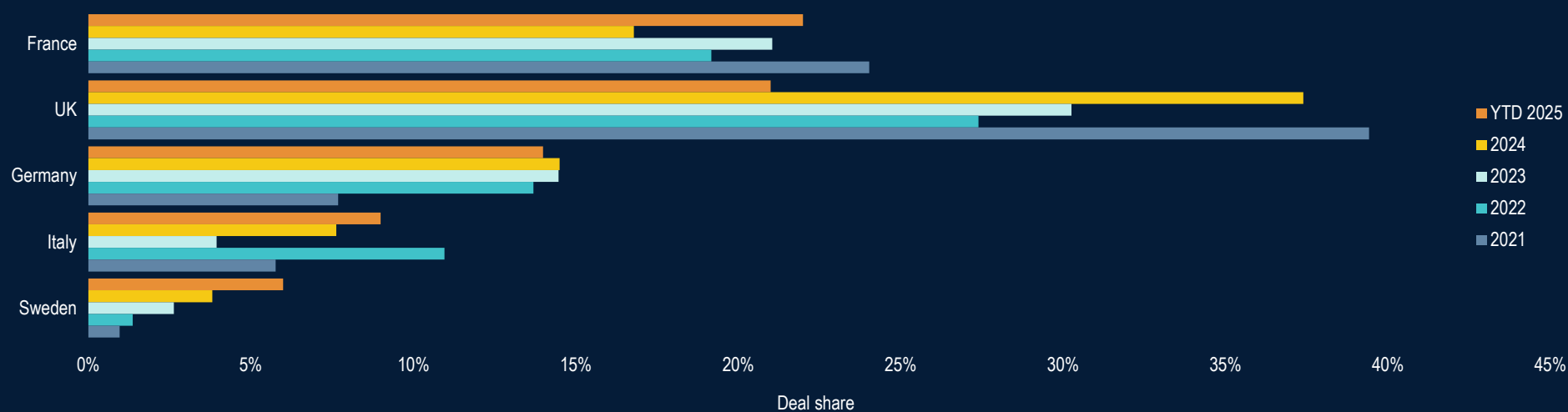
Deal count is based on transactions covered by LCD News





## France slightly ahead of the UK with the biggest share of the European direct lending market in 2025...

European direct lending deal share by top countries



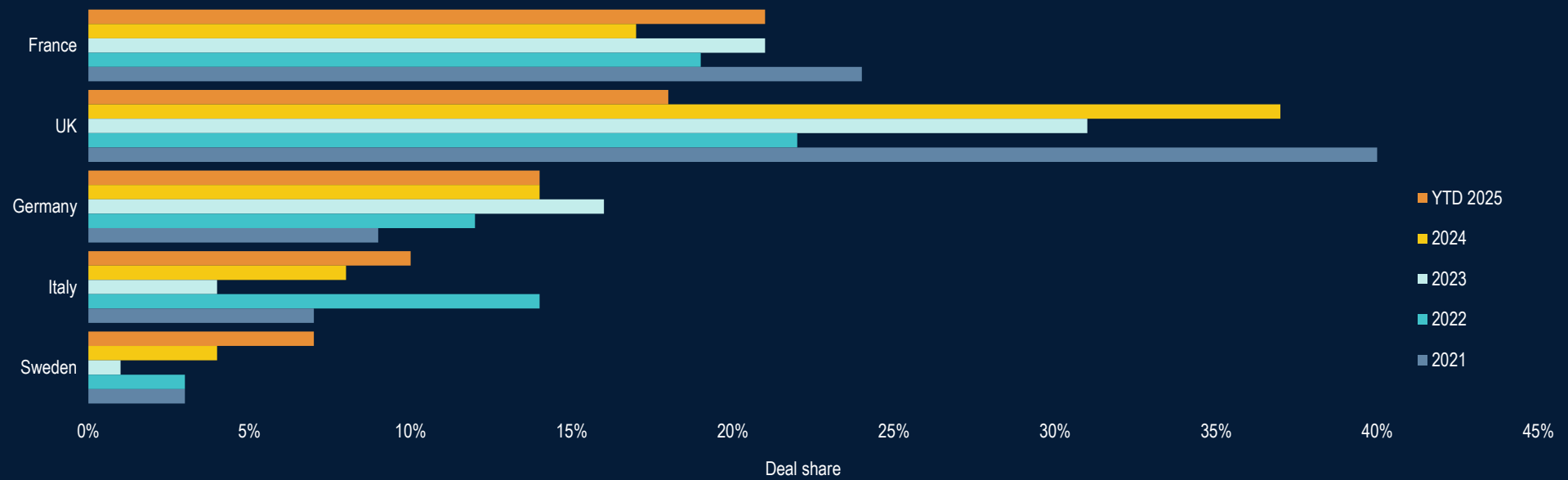
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



...as well as in the sponsor-backed market...

### European direct lending sponsored deal share by top 5 countries



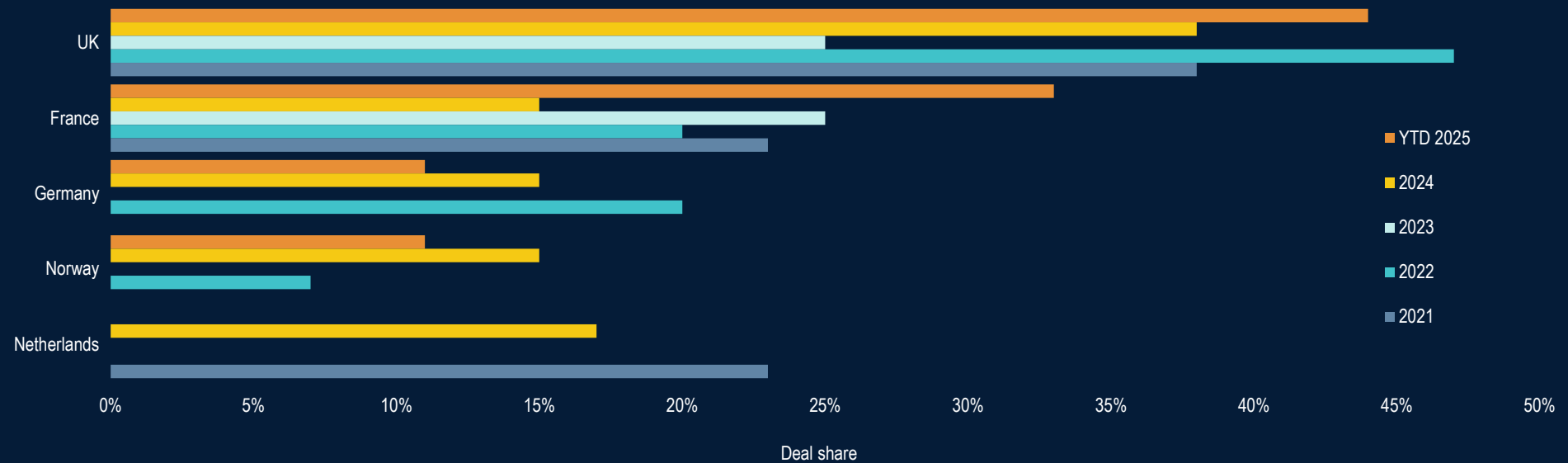
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## ...while the UK dominates the non-sponsored direct lending market

European direct lending non-sponsored deal share by top countries



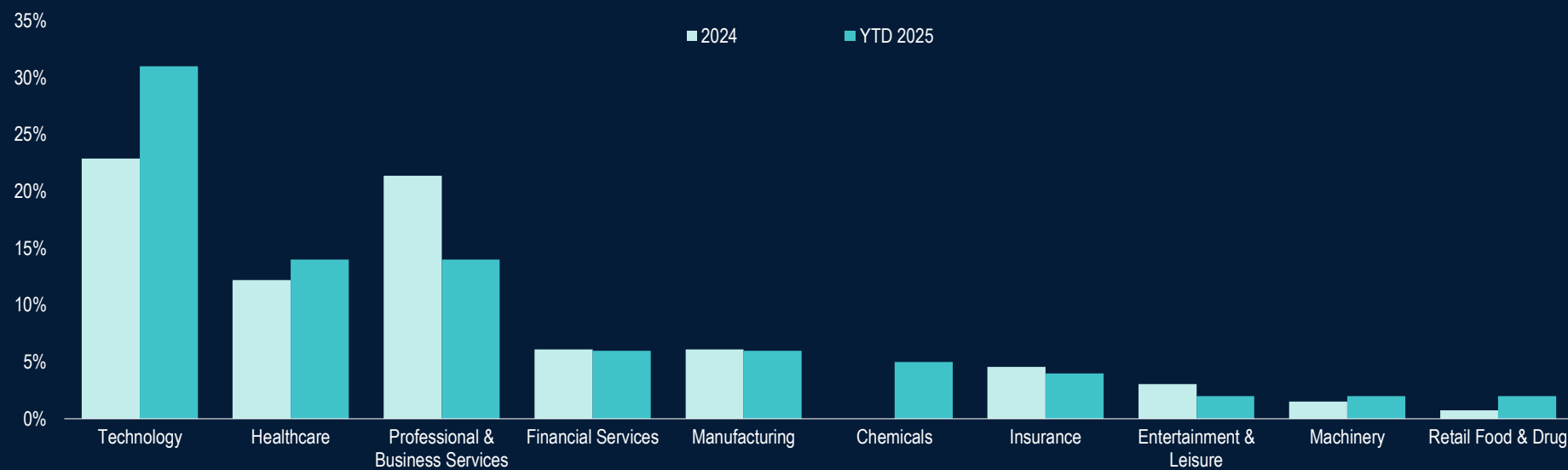
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Deal count is based on transactions covered by LCD News



## Healthcare and Professional & Business Services share second position in sector distribution in 2025, behind Technology

New-issue direct lending top 10 sectors – share by deal count

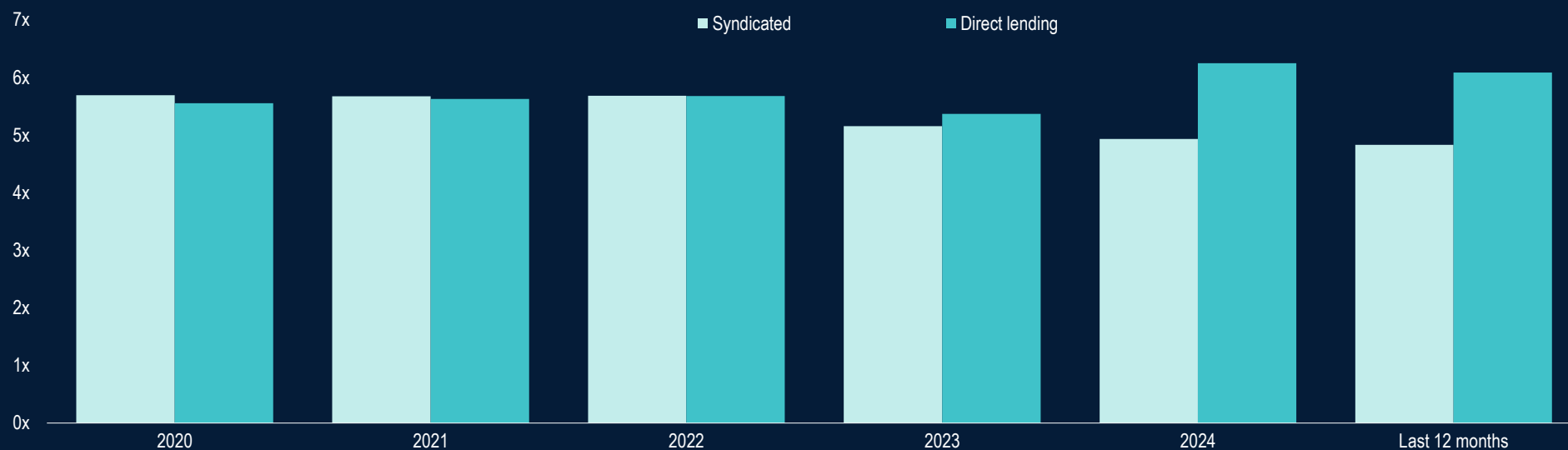


Source: PitchBook | LCD • Geography: Europe • \*As of June 30, 2025



## Leverage grows in the direct lending market; fewer B-minus credits tap the broadly syndicated market

Leverage for PE-backed transactions in broadly syndicated vs direct lending market



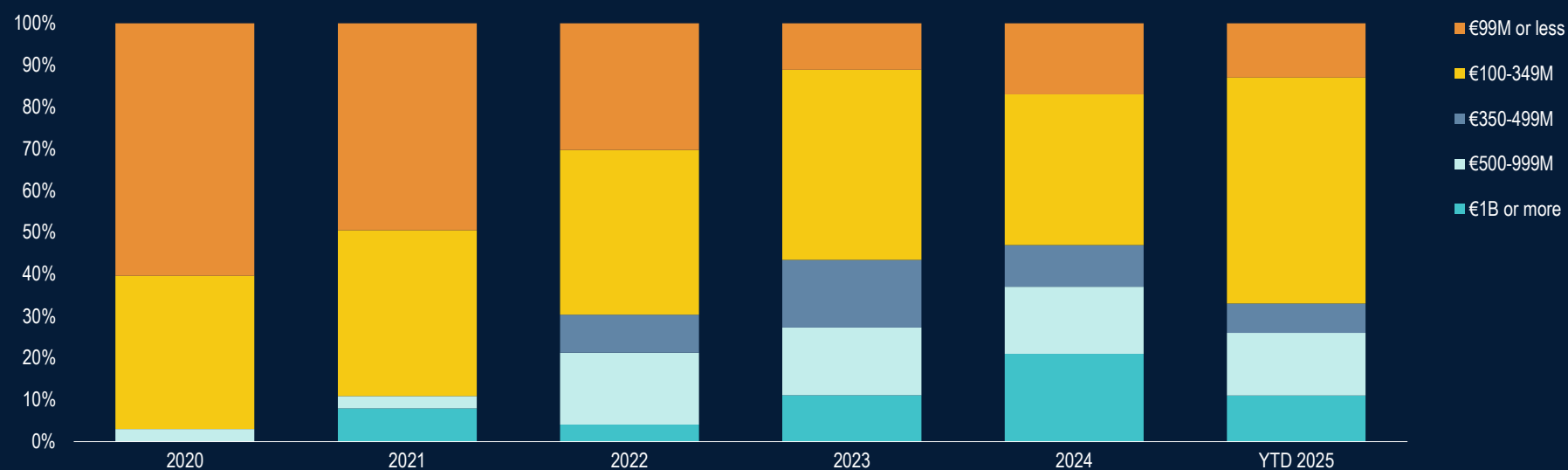
Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Direct lending data is based on transactions covered by LCD News. Includes new-issue deals only, excluding repricings.



## Private credit deals in the €100-349 million range increased in H1 to the highest level in the post-Covid era

Deal size diversification of European direct lending deals, by count



Source: Pitchbook | LCD • Geography: Europe • \*As of June 30, 2025

Direct lending data is based on transactions covered by LCD News; share calculated based on deals where size information is disclosed.



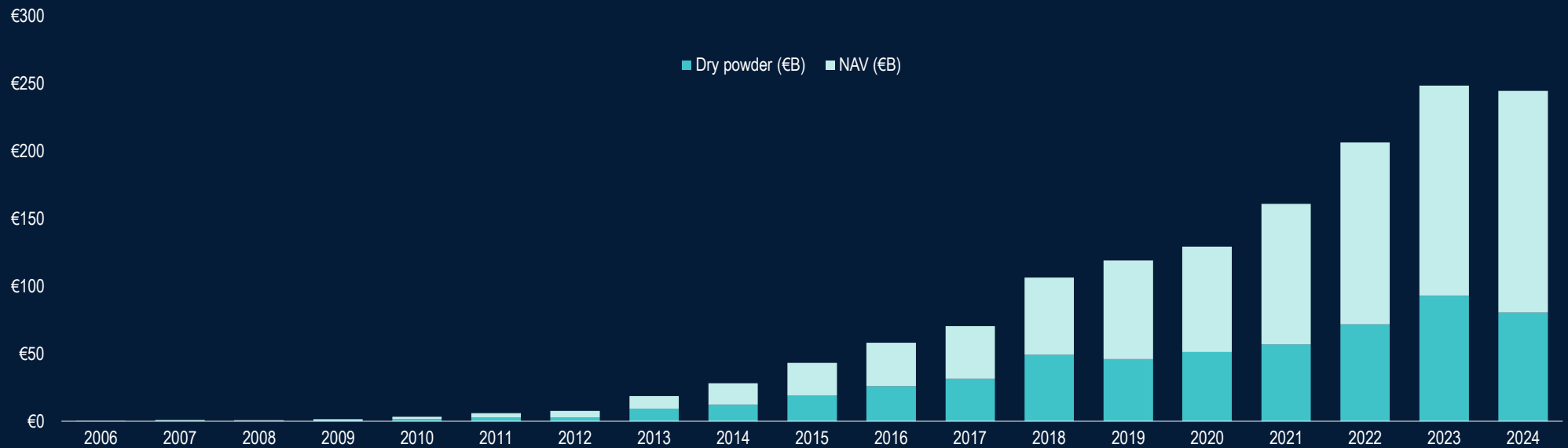
# Direct Lending AUM, Private Debt Capital Raised

MONTHLY EUROPEAN PRIVATE CREDIT MONITOR | PERMISSION TO REPRINT OR DISTRIBUTE ANY CONTENT  
FROM THIS PRESENTATION REQUIRES THE PRIOR WRITTEN APPROVAL OF PITCHBOOK DATA, INC.



## Direct lending AUM generally rises over the years

European direct lending AUM (€B)



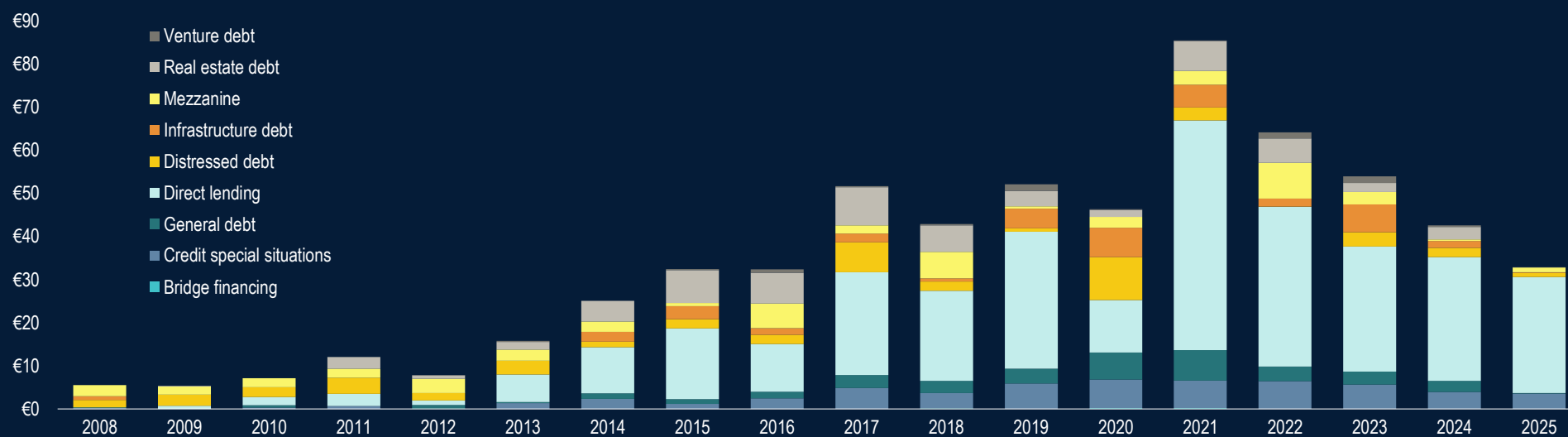
Source: PitchBook • Geography: Europe • \*As of Dec. 31, 2024





## Direct lending remains the largest type of private capital fundraising in Europe

European private debt capital raised by type (€B)



Source: PitchBook • Geography: Europe • \*As of July 7, 2025



# Methodology

MONTHLY EUROPEAN PRIVATE CREDIT MONITOR | PERMISSION TO REPRINT OR DISTRIBUTE ANY CONTENT FROM THIS PRESENTATION REQUIRES THE PRIOR WRITTEN APPROVAL OF PITCHBOOK DATA, INC.



# Methodology

## Data composition:

- Unless otherwise noted, data reflects new-issue direct lending transactions as tracked by PitchBook LCD. Charts reflect new transactions in the European direct lending market, including both private-equity-backed borrowers and non-backed borrowers, as covered by LCD News.
- We define direct lending as directly originated loans to corporate borrowers that are not broadly syndicated. These borrowers are typically unrated and tend to be small to mid-sized companies. However, in recent years, larger borrowers have also issued this type of financing. This type of financing is typically provided by a non-bank lender, or a small “club,” or group, of lenders. These loans are generally not tradable as broadly syndicated loans are. Lenders usually provide the financing with the intention of holding the debt to maturity.
- Given the opaque nature of the direct lending market, deal size is not available for every transaction. To calculate overall volume, LCD estimates deal size where it is not available using historical averages within our dataset.

## Contacts:

### Research

- Taron Wade, Head of Credit Research, EMEA, [taron.wade@pitchbook.com](mailto:taron.wade@pitchbook.com)

### Data

- Julia Avdoi-Green, Associate Data Analyst, [julia.avdoigreen@pitchbook.com](mailto:julia.avdoigreen@pitchbook.com)

### Support

- PB Support, [support@pitchbook.com](mailto:support@pitchbook.com)