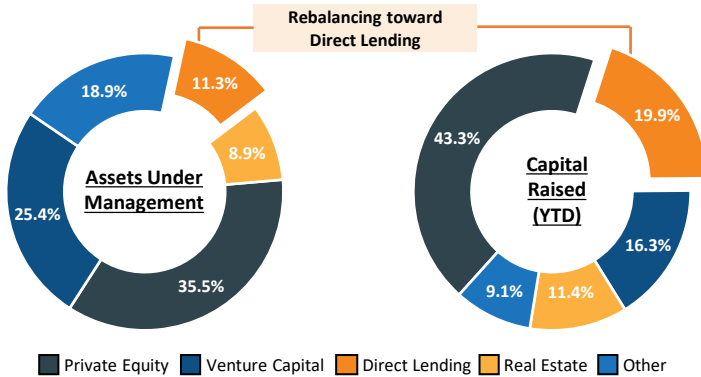


Game. Set. Match: A younger, nimbler Carlos Alcaraz unseated King Djokovic to conquer Wimbledon...and so bounces the ball in the credit markets, where the new champions are agile and sometimes less conventional groups – ranging from family offices to hedge funds – who bring flexibility and speed of execution to a challenging financing environment.

- **Capital allocators are rebalancing toward credit strategies in private markets**, bringing increased levels of creativity to solve financing needs. Floating rate, fixed rate, payment-in-kind – the menu of options for borrowers continues to broaden.
- **Direct lenders have stepped up to the plate** to finance M&A deals, as banks were sidelined to offload hung deals and reassess their risk appetite.
- Nonetheless, the last few months have seen **signs of revival in bank lending**, both across mega cap and middle market deals. Stabilization of rates helped alleviate interest rate risk, allowing for an emergent risk-on appetite. But progress is slow.
- Meanwhile, an **upcoming wave of debt maturities** ensures that leveraged finance activity is set to accelerate. Borrowers should expect to navigate economic headwinds, high borrowing costs, and elongated diligence processes. Planning ahead has never been more critical.

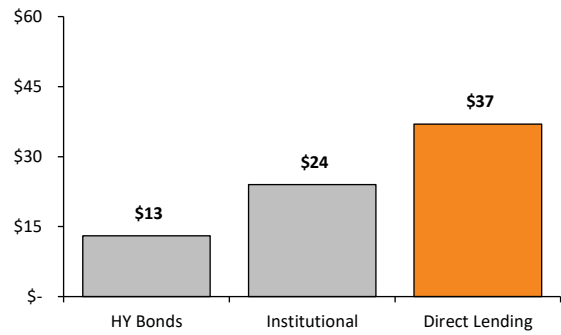
Fundraising Continues to Shift toward Direct Lending...

Private Capital Investment Strategies



...Which is Dominating M&A Financing

H1 2023 M&A Financing (\$B)

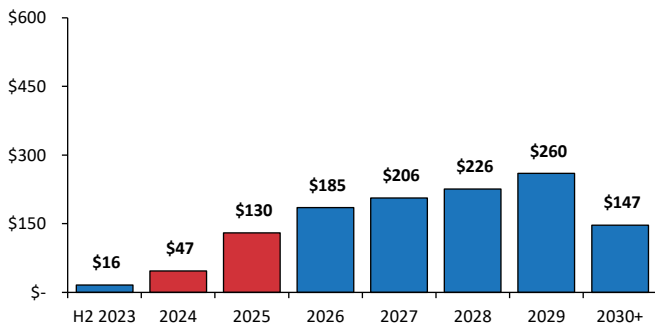


Source: KBRA DLD, Pitchbook

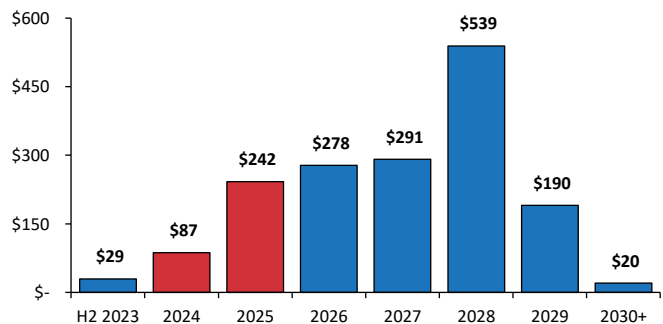
Proprietary Insights from Our Colleagues at MUFG

“Over 2024 and 2025, the high yield and leverage loan markets face a maturity wall of \$175 and \$300 billion, respectively. In the months ahead, look for companies to take advantage of resilient credit markets to opportunistically pre-fund their maturities before large debt burdens become current on corporate balance sheets. As the cycle progresses, corporates will have to navigate a more complicated economic and financing environment”

High Yield Maturity Wall Profile (\$B)



Leveraged Loan Maturity Profile (\$B)



MUFG Capital Markets Strategy

Intrepid’s Capital Advisory Group enables founders, management teams, and financial sponsors to access institutional capital across all forms of debt and equity to execute mission-critical transactions. We are experts at solving complex capital structure needs for our clients, and have global access to capital sources including banks, direct lenders, hedge funds, family offices, and private equity institutions.

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