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Private Credit Landscape

OCTOBER 2026



A message from AIC

The private credit market has grown steadily over the years and evolved from a niche strategy providing bespoke financing to middle-market, sponsor-backed companies into a variety of full-fledged asset classes. Today, private credit solutions range from direct lending to middle-market firms to providing capital to investment-grade issuers and beyond, with strategies designed to serve distinct portfolio objectives.

While private credit refers to a wide array of financing activity with an estimated total addressable market of nearly \$40 trillion, the focus of this report is on a specific subset of the private credit market: the approximately \$1.9 trillion market providing capital solutions for unrated middle-market and large-cap businesses. These are companies that, in most cases, do not access public ratings agencies or syndicated debt markets—not because of their financial condition, but because of their size, ownership structure, or the specialized nature of their business.

In early 2026, concerns about private credit's future dominated financial headlines. Yet even against the backdrop of a challenging economic environment and increased media scrutiny, private credit continued doing precisely what it was built to do: provide committed, structured capital to companies across the size spectrum, in sectors and at terms that conventional markets could not or would not match.

As a result, in Q1 2026, direct lending notched its second-highest quarter on record. Amid ongoing turbulence, borrowers and sponsors showed they value a financing partner that holds its commitments.

That resilience borne of long-term commitment matters because the companies that private credit serves rely on a lender who doesn't simply retreat when conditions become complex. As this report illustrates, small and mid-sized businesses across the U.S. have found that working with private credit allows them the deep partnership, expertise, and flexibility they need to grow and thrive.

These aren't just abstract numbers; they're stories of real companies contributing to their communities by creating jobs, advancing innovation, and scaling their impact.

Among the case studies highlighted in this report, you'll find:

- A U.S. chemical manufacturer who chose to partner with private credit as it navigated supply chain vulnerability caused by tariffs.
- A medical imaging software provider that leveraged private credit financing to transform from niche subset to comprehensive solutions.

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Will Dunham

President & CEO, American Investment Council



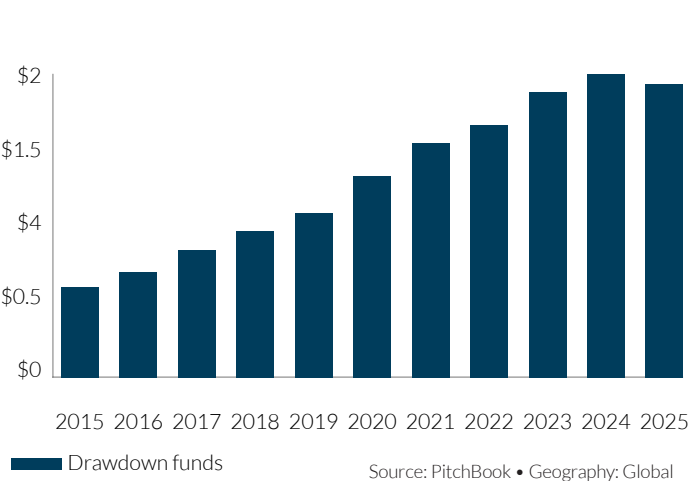
- A plant-based ingredient manufacturer that was able to tap into growing demand for health-conscious foods thanks to private credit financing.
- A dental practice that turned to private credit to expand access to care in rural communities in the Southeastern United States.

Each of these stories is part of the measurable and consequential impact private credit has on the American economy. AIC research, developed in partnership with EY, found that in 2024, private credit supported more than 2.5 million US jobs, contributed over \$370 billion to GDP, and delivered \$217 billion in wages and benefits to American workers. The median company backed by private credit employs 182 people—not a large-cap technology business but a manufacturer, a services firm, or a health care platform serving communities that are too often overlooked by traditional lending¹.

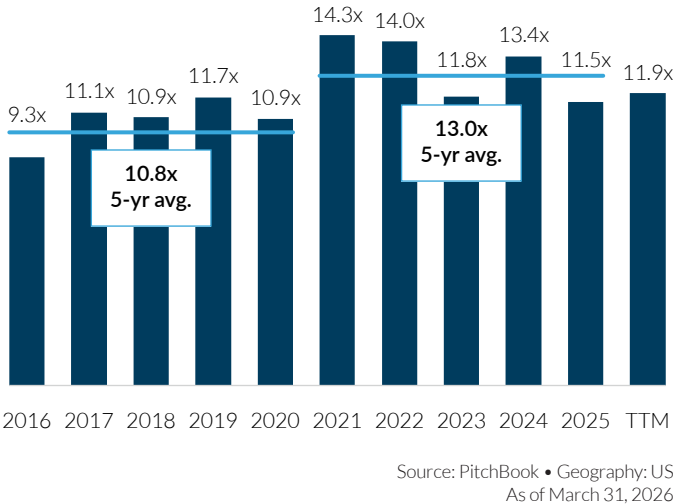
1: "Economic Contribution of Private Credit to the US Economy in 2024: Prepared for the American Investment Council," EY, June 2025.

Trend analysis

Private credit AUM forecast (\$T)



Median PE buyout enterprise value (EV)/EBITDA multiple



Despite current market volatility, private credit's utility sees it continuing to grow.

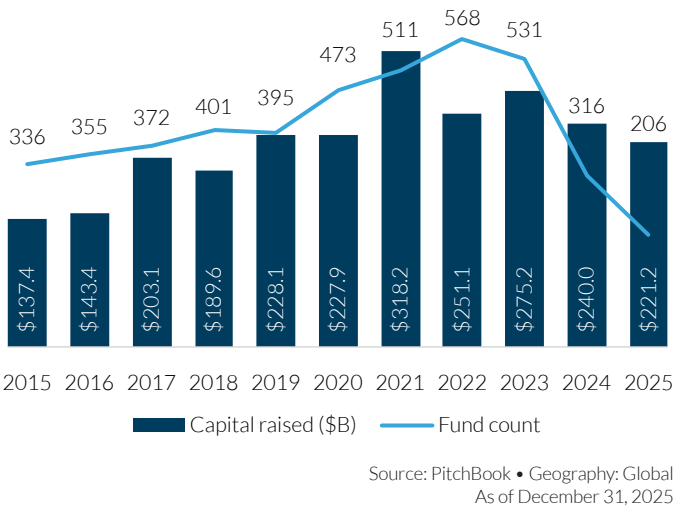
Multiples subside below a five-year average but remain a turn higher than pre-2020 multiples, suggesting a competitive floor for quality assets

Private credit direct lending activity by quarter



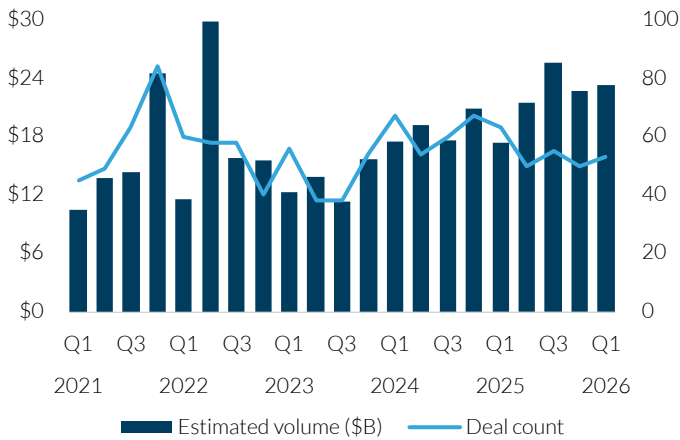
Direct lending notches second-highest quarter on record by volume, buoyed by larger deals as private credit scales up

Private credit fundraising activity



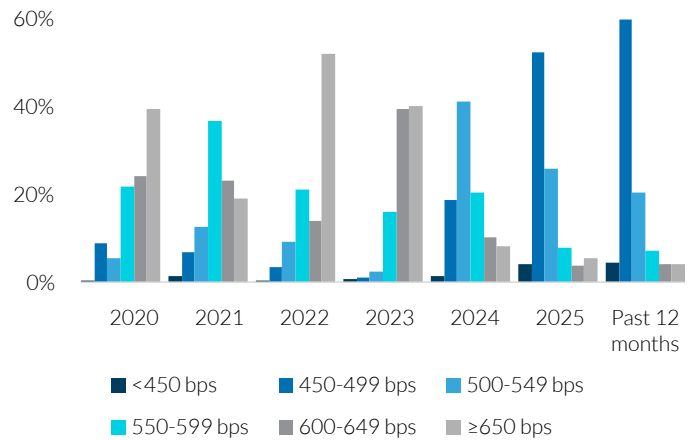
Strong fundraising by large firms underscores that ample capital for financing remains

Direct lending activity for LBOs by quarter



Source: PitchBook | LCD • Geography: US
As of March 31, 2026

New-issue spread distribution of LBOs financed in direct lending

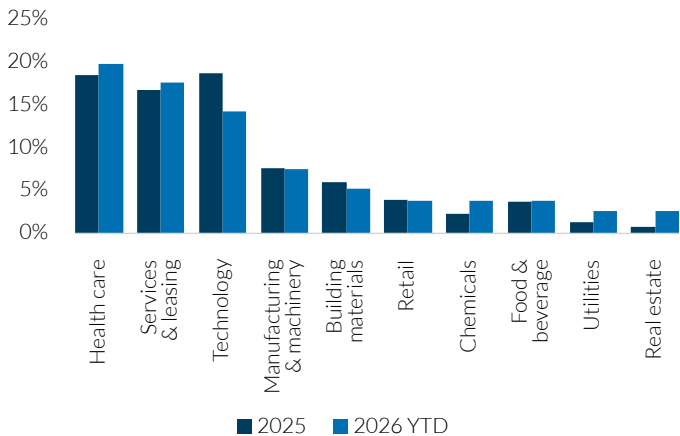


Source: PitchBook | LCD • Geography: US
As of March 31, 2026

PE firms and private credit continue to partner and structure deals to weather current market volatility

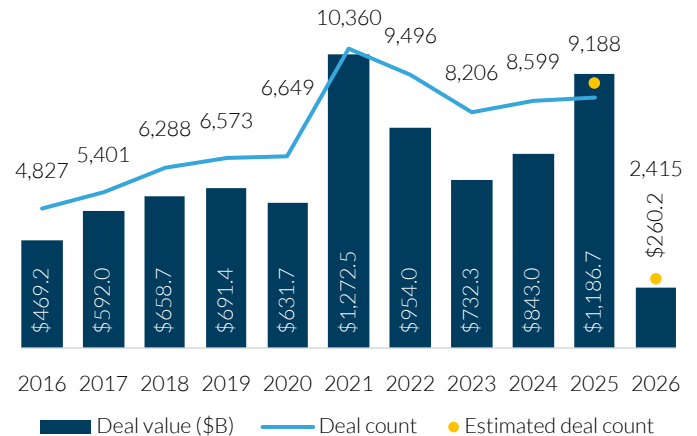
Buyouts re-anchor around a new level, suggesting a cautious re-adjustment

Share of new-issue direct lending deal count by top 10 sectors



Source: PitchBook | LCD • Geography: US
As of April 30, 2026

PE deal activity



Source: PitchBook • Geography: US
As of March 31, 2026

Fund managers refocus on sectors like health care, benefiting from longer-term, structural positives amid technology headwinds

After a robust 2025, deal activity continues apace in 2026, even as investors display increased caution

CASE STUDIES

Private credit: A curated approach

For corporate borrowers, private credit offers something capital markets cannot always guarantee: a financing partner that underwrites the specific business, commits to a defined structure, and remains at the table across the life of the investment. The following case studies illustrate how that proposition plays out in practice across industries, company sizes, and stages of institutional development.

Private credit has provided acquisition financing for founder-owned businesses accessing institutional debt for the first time,

incremental capital for PE-backed platforms compounding growth through bolt-on M&A, and structural continuity for companies navigating sponsor transitions or delayed exits. For businesses in sectors where credit markets have historically been thin—specialty manufacturing, professional services, health care services, and niche software—private credit has been less an alternative to other financing and more the primary institutional relationship available. These 10 profiles, drawn from transactions between 2009 and 2026, document that relationship across the full range of contexts in which private credit operates.

Isolatek International

Stanhope, New Jersey



Financing helps a key manufacturer navigate supply chain volatility: Isolatek International, manufacturer of the CAFCO and FENDOLITE lines of fire-resistive coating materials used in structural steel protection, was taken private by SK Capital Partners in 2023. Two debt draws from private credit followed in 2024, and a second buyout was announced in April 2026, funded

in part by banks and private credit. Isolatek operates in a specialty chemicals segment that attracts limited BSL appetite because the market is niche, the customer base is concentrated in industrial and construction end markets, and the regulatory environment around passive fire protection creates underwriting complexity that broadly syndicated lenders typically avoid. Private credit's capacity for sector-specific diligence makes it the practical financing option for businesses of this profile. As the only name in this set of case studies with direct tariff exposure—fire-resistive materials rely on mineral inputs with meaningful import cost sensitivity—Isolatek also illustrates private credit's engagement with industrial businesses navigating supply chain variability, where a lender's familiarity with the underlying business supports more responsive credit management.

Intelrad Medical Systems

Raleigh, North Carolina



From niche software provider to comprehensive solution—generating a \$2.3 billion exit:

Intelrad, a medical imaging software and workflow solutions provider, is a textbook example of private credit functioning effectively from acquisition through exit in a sponsor-backed software business. In 2021, Intelrad raised \$741.9 million in private credit, anchored by Blue Owl,

Carlyle Credit, and Morgan Stanley Private Credit. Blue Owl's involvement extended from the original 2020 buyout through a 2022 secondary transaction, a lengthy stretch that reflected confidence in the underlying credit and eliminated the need to rebuild a lender syndicate at each ownership transition. The capital funded eight acquisitions from 2020 to 2022, adding meaningful capabilities such as cloud-based image management, on-demand image sharing, and a proprietary AI platform. These additions collectively evolved Intelrad from a niche imaging software provider into a more comprehensive solution spanning radiology, cardiology, and cloud-based care settings. The March 2026 sale to GE HealthCare at a reported \$2.3 billion EV delivered a clean exit and full debt repayment, validating private credit's role across the full PE lifecycle.

Richey May



Englewood, Colorado

Nontraditional small firms are empowered by private credit's flexibility: Richey May, an accounting and advisory firm serving financial services clients, is backed by F3 Partners and represents a sector where private credit holds a structural advantage; accounting partnerships cannot pledge equity in ways that satisfy conventional bank underwriting, and regulatory

limitations on non-CPA ownership further restrict traditional credit access. In August 2025, Richey May secured a \$10 million loan, followed by two additional financings to fund acquisitions. Private credit's willingness to underwrite partnership structures (and to extend longer tenors consistent with PE holding periods) makes it the primary institutional financing option for professional services firms pursuing growth strategies. While transaction sizes are smaller than those in technology or health care, the strategic function is the same. It enables scaled growth in fragmented markets that would otherwise remain subscale and supports the kind of patient, long-duration capital deployment that accounting firm M&A requires.

Nügredient Solutions



Ceres, California

Tapping into growing health-conscious trends: Nügredient Solutions, a plant-based ingredient manufacturer serving food and nutrition brands, was acquired by Guardian Capital Partners in March 2026 in a transaction representing the company's first engagement with institutional private capital. The \$110.5 million financing package—which includes a delayed-draw term

loan—was structured to accommodate working capital variability, allowing the company to draw incrementally, as raw material procurement cycles require. For a specialty manufacturer of nut- and plant-based ingredients, procurement is seasonal and volume driven, meaning capital needs are lumpy and difficult to predict on a fixed schedule. Flexibility is a meaningful advantage of private credit over standardized bank products; the instrument was designed around the company's operational reality rather than a generic lending template. For a founder-owned manufacturer of this scale and profile, conventional bank financing was not a realistic alternative at the required size and structure. Private credit served as the enabling mechanism for institutional ownership and the growth investment that followed, creating access to capital that unlocked a scaling strategy the company could not have pursued through traditional channels.

Service Logic



Charlotte, North Carolina

Private credit's growing scale helps Service Logic scale up: Service Logic, a national commercial HVAC and mechanical services platform, reached a financing milestone in December 2025 when its Bain Capital- and Mubadala-backed leveraged buyout was supported by \$4 billion in private credit, including a \$3.1 billion unitranche (among the largest ever executed). The

financing is expected to support the continued expansion of the company's national footprint, enabling acquisitions of regional operators as well as investment in field technician hiring and training programs. The transaction demonstrates how private credit has scaled to offer sponsors a single negotiated process rather than the execution risk of a broad loan syndication. Pricing certainty, structural flexibility, and the ability to close on a defined timeline are tangible advantages that informed the financing choice. The participation of a sovereign wealth fund alongside a traditional PE sponsor reflects the institutional depth now available within private credit markets.

INW Manufacturing



Farmington, Utah

Supplements boom creates tailwinds for INW to use acquisition financing:

INW Manufacturing is one of North America's largest contract supplement manufacturers, producing vitamins, protein powders, and other wellness products for major brands. The company has operated as a PE-backed platform since its buyout in 2021 by a consortium of PE firms; later in the same year, it raised an \$880 million acquisition financing, led by Oaktree, Main Street Capital, Investcorp, and CION Investment. Rather than returning to market for full refinancings with each bolt-on acquisition, INW has drawn on the same lender group incrementally (and added fresh backers, most recently Bain Capital Credit and Fortress in a February refinancing), utilizing a capital structure approach that preserves deal momentum and reduces transaction costs across a multiyear consolidation strategy. Private credit's ability to provide committed delayed-draw capacity makes it well suited to M&A-driven platforms where acquisition timing is unpredictable. For a platform with stable contract volumes and diversified customers, the financing model enables growth that would have otherwise required repeated capital markets processes. Private credit financing has allowed INW to respond to consumer demand growth for wellness products by deepening its custom-formulation expertise and meaningfully expanding its product range through its acquisition strategy.

Mitrtech

Bee Cave, Texas



Creditors help Mitrtech weather unexpected challenges:

One key reason businesses choose to utilize private credit is for the long-term relationships and stability it offers. A prime example is Mitrtech, which provides workflow software with AI-driven data analytics to help large enterprises manage legal spending, regulatory risk, and policy compliance. The company has been backed by private equity since 2015. One of several private credit backers over the years, Golub Capital has appeared on nearly every debt transaction from 2017 to a \$2 billion unitranche refinancing in December 2025—a record of lender continuity that is structurally uncommon in broadly syndicated markets, where loan ownership disperses across secondary trading. That consistency delivered measurable value in early 2025 when a planned \$4 billion secondary buyout was canceled. A disruption of this magnitude would typically trigger a complex and costly renegotiation, potentially forcing operational changes or management distraction. Instead, the existing credit structure absorbed the event without requiring a full recapitalization, providing the company and its sponsor time to reassess exit alternatives while continuing to invest in product development and customer relationships. Mitrtech illustrates how private credit's relationship-based model provides organizational stability through periods of M&A uncertainty, and how lender familiarity with a borrower's business simplifies complex credit decisions across multiple ownership cycles.

Healthcare Linen Services Group



Saint Charles, Illinois

Private credit continuity enables a clean bill of health:

For Healthcare Linen Services Group, a laundry and textile services provider for hospitals and health care facilities, private credit has been a source of consistent capital through multiple PE sponsors since 2009. Private credit has supported leveraged recapitalizations, add-on acquisitions, and most recently, a \$335 million unitranche loan backing a 2026 buyout, with multiple backers appearing on consecutive structures. This long-running relationship illustrates one of private credit's most practical strengths: the ability to support a roll-up platform through complete ownership cycles, funding new value-creation strategies—whether it be geographic build-outs, product line expansion, or unit cost reductions—without requiring a public market exit to reset the capital structure. The sector's nondiscretionary demand provides the underlying credit quality that makes this continuity possible and underscores how private credit can serve businesses where demand stability underpins the long-term financing relationship.

TekniPlex



Wayne, Pennsylvania

Specialized packaging manufacturer deepens its roots with private credit: TekniPlex, a manufacturer of highly engineered packaging materials backed by Genstar Capital, has built a track record of accessing private credit to fund growth across multiple transactions. In November 2023, the company raised a \$200 million add-on term loan to finance the acquisition of Seisa Medical Holdings, an El Paso, Texas-based medical device manufacturer, expanding its footprint in the healthcare supply chain. Most recently, Great Elm Group provided further financing in back-to-back transactions in late 2025 and early 2026, reflecting a durable lending relationship built around the company's needs. Founded in 1967 and employing roughly 9,000 people across multiple countries, TekniPlex serves medical, pharmaceutical, personal care, and food & beverage markets—sectors where reliability and quality are critical. Private credit's flexibility has allowed the company to pursue acquisitions and invest in its manufacturing base.

SGA Dental Partners

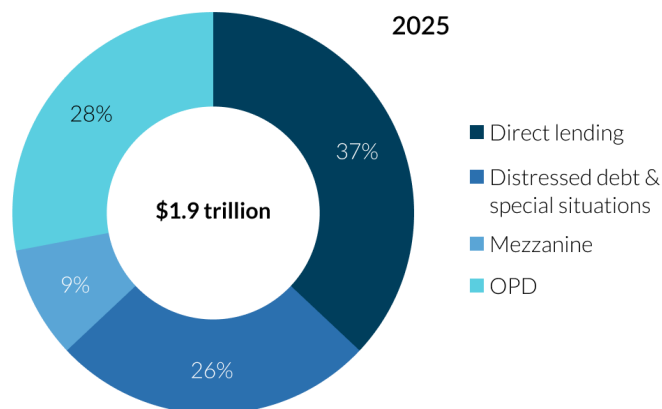


Richmond Hill, Georgia

Private credit enables the creation of a dental practice platform from scratch: SGA Dental Partners, co-founded in 2018 by a practicing dentist with Thurston Group as a platform, has built a network of dental service organizations (DSOs) and has financed virtually every stage of that growth through private credit. SGA was founded with an explicit focus on smaller, often rural Southeastern communities that may otherwise have had limited access to institutional-quality dental care. Starting from a \$26 million initial draw with Thurston Group, followed by a subsequent debt deal a few years later with Kayne Anderson, the company completed six financings totaling more than \$1.2 billion, reaching a \$700 million facility for a three-way merger in January 2026 at SOFR+575, with Centerbridge Partners and Man Direct Lending appearing on consecutive structures. At the outset, conventional bank financing was not available at the required scale or structure for a founder-led DSO without an institutional track record. Private credit provided patient, relationship-oriented capital at each growth inflection, from early platform formation through large-scale regional expansion. The trajectory illustrates the asset class's capacity to support a company across its full institutional development, growing alongside the business rather than requiring it to fit a predetermined credit template.

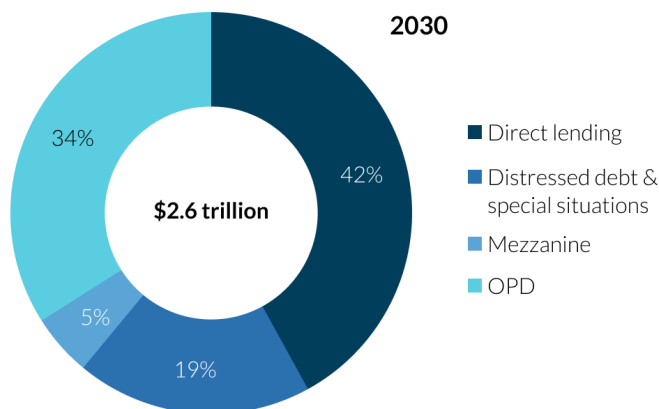
Outlook

Share of base-case 2025 private credit AUM forecast by substrategy



Source: PitchBook • Geography: Global

Share of base-case 2030 private credit AUM forecast by substrategy



Source: PitchBook • Geography: Global

Q1 2026 volatility in private credit was sector-specific. AI-driven concerns about software-business-model durability produced a sharp repricing across PE-backed technology credits, reflecting sentiment and uncertainty rather than a broad deterioration in underlying credit quality. Software loan bids fell nearly seven points to 87.97, while nonsoftware performing loan bids declined roughly one point to 96.08. This divergence underscores how narrowly concentrated the stress was, and how the broader market continued to function without meaningful disruption.² PE-backed direct lending deal count held above its 2022-2023 averages, and LBO- and M&A-related direct lending volume remained near record levels.³ Retail inflows into semi-liquid credit vehicles slowed materially and reversed for some funds, but institutional dry powder remains substantial.⁴ Software represents only a portion of private credit portfolios, and the broader asset class remains diversified with stronger near-term credit profiles. Where stress has emerged, private credit lenders have demonstrated one of the asset class's core advantages: the ability to work constructively with borrowers in a way that fragmented syndicated ownership simply cannot accommodate. The flexibility of the asset class positions private credit lenders to navigate the current cycle, protecting borrower viability and lender returns.

The broader private credit portfolio is composed primarily of sectors where demand characteristics are more stable and AI disruption risk is limited, including healthcare services and industrials. AIC research with EY found that in 2024, private credit supported more than 2.5 million US jobs, contributed over \$370 billion to GDP, and financed companies with a median workforce of 182 employees.⁵ Capital deployment across those sectors has continued through the volatility.

Evergreen PE AUM eclipsed \$57.6 billion in Q1 2026, nearly tripling from \$21.1 billion in 2022, and private credit interval and tender offer funds are scaling on a similar trajectory. This expansion broadens the investor base beyond institutional allocators to include retirement plans and individual investors. Looking ahead, the structural drivers that have propelled private credit remain strong. Evergreen and semi-liquid vehicles are expanding access to a broader investor base. Direct lending is scaling to meet transactions once reserved exclusively for syndicated markets. And as sponsors navigate a more demanding exit environment, where valuation discipline has returned and multiple expansion cannot be assumed, the certainty of execution that private credit provides has become more valuable, not less. The period ahead will require lenders and borrowers alike to exercise judgment, maintain discipline, and build relationships that can absorb volatility.

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2: "Q1 2026 US Credit Markets Quarterly Wrap," PitchBook | LCD, Marina Lukatsky, et al., April 1, 2026.

Note: Leveraged loan return data is sourced from the Morningstar LSTA US Leveraged Loan Index.

3: Ibid.

4: "Q1 2026 US PE Breakdown," PitchBook, Steven Buibish, et al., April 14, 2026.

Note: Evergreen AUM data was aggregated on April 10, 2026; disclosure documents range from June 30 to December 31, 2025.

5: "Economic Contribution of Private Credit to the US Economy in 2024: Prepared for the American Investment Council," EY, June 2025.

Methodology

Reports are prepared in accordance with PitchBook's methodology, which is described in detail on the [PitchBook report methodologies page](#). For easier consultation, excerpts for this report are below:

Vintage year: Vintage year is the year in which a fund makes its first investment by delivering capital to a project or company. When we cannot confirm the year of first investment, the year of the fund's final close is used as the vintage year.

IRR: IRR represents the rate at which a historical series of cash flows are discounted so that the net present value of the cash flows equals zero. For pooled calculations, any remaining unrealized value in the fund is treated as a distribution in the most recent reporting period. This explains why some vintages show high IRRs but low DPI values.

Horizon IRR: Horizon IRR is a capital-weighted pooled calculation that shows the IRR for a certain range in time. For example, the one-year horizon IRR figures in the report may show the IRR performance for the one-year period beginning in Q2 20x0 through the end of Q1 20x1, while the three-year horizon IRR is for the period beginning in Q2 20x0 through the end of Q1 20x3.

DPI multiple: A measurement of the capital that has been distributed back to LPs as a proportion of the total paid-in, or contributed, capital. DPI is also known as the cash-on-cash multiple or the realization multiple.

RVPI multiple: A measurement of the unrealized return of a fund as a proportion of the total paid-in, or contributed, capital.

TVPI multiple: A measurement of both the realized and unrealized value of a fund as a proportion of the total paid-in, or contributed, capital. Also known as the investment multiple, TVPI can be found by adding together the DPI and RVPI of a fund.

Pooled calculations: Pooled calculations combine cash flow data from a group of funds to create a capital-weighted IRR value. All cash flows and NAVs for each fund in the sample group (such as all private capital funds or all 2004 vintage VC funds) are aggregated in the calculation. For vintage-specific calculations, we begin the calculation in Q1 of the vintage year, regardless of which quarter a fund first called capital. In cases where the sample has unrealized value, the ending NAV is treated as a cash outflow in the last reporting period.

Equal-weighted pooled calculations: Using the same methodology as the pooled calculations, the equal-weighted version expresses each fund's cash flows and ending NAV as a ratio of fund size. The result is that each fund in these calculations has an equal impact on the output, regardless of the fund size.

PME calculations: PME metrics benchmark the performance of a fund (or group of funds) against an index. A white paper detailing the calculations and methodology behind the PME benchmarks can be found at pitchbook.com. [PitchBook Market Insights](#) also contains several articles with PME benchmarks and analysis. All PME figures are calculated using the KS-PME method: When using a KS-PME, a value greater than 1.0 implies outperformance of the fund over the public index (net of all fees).

About AIC

The American Investment Council (AIC) is the leading advocacy and resource organization established to develop and provide information about the private investment industry and its contributions to the long-term growth of the US economy and the retirement security of American workers. Member firms of the AIC consist of the country's leading private equity, private credit, and growth capital firms united by their successful partnerships with limited partners and American businesses. More information about the AIC can be found at www.investmentcouncil.org.