



2026: The outlook for private credit



"In 2026, we believe the best opportunities for infrastructure sit in the mid-market as it offers superior risk-adjusted returns. Competition will remain elevated, especially around the upper end of the market. Syndicated loan markets have returned, but private credit remains the preferred route for many borrowers and sponsors. Some of the most exciting decarbonisation opportunities now sit beyond traditional wind and solar. Diversification will remain key as well as transparency to earn deeper trust."

Albane Poulin, Head of Private Credit, Gravis.

Key take-outs:

- Competition will be elevated in the upper end of the market
- The mid-market offers superior risk-adjusted returns
- Public market volatility will reinforce demand for private credit
- Bilateral structures offer control and value
- Diversification and transparency matter

How did private credit fare in 2025?

2025 was a volatile year for public markets, driven largely by central bank policy uncertainty and tariff tensions.

Despite that backdrop, the private credit market proved highly resilient in terms of deal flow, transaction execution, and fund performance. We expect that resilience to continue in 2026, as borrowers prioritise certainty of execution and access to flexible, long-term capital.

What do you expect in 2026?

Central banks are likely to move gradually toward more accommodative policy, but we should still expect some periods of volatility, especially if inflation or growth deviates from expectations. This will continue to reinforce demand for private lenders who can deliver speed and reliability, as the activity is not correlated to the volatile public markets.

Competition will remain elevated, especially around the upper end of the market. We expect an acceleration in M&A activity, and refinancing needs to remain high. Banks are still constrained, particularly in the mid-market, which allows private lenders like us to fill the funding gap with less competition. At the very large-cap end, competition will remain intense, both among private credit investors and the syndicated loan market.

What type of lending will be popular?

Syndicated loan markets have returned, but private credit remains the preferred route for many borrowers and sponsors. Even as liquidity returned on the syndicated loan market – driven largely by CLO demand – borrowers continue to select private lenders because of flexibility, speed and certainty of execution. The banks are



constrained by regulation and internal processes, and remain conservative and focused on investment-grade, where competition pushes yields sharply lower.

Asset-backed financing is set to grow faster than traditional cash-flow lending as we see particular momentum in energy, social, mobility and digital infrastructure. The secondaries market is expanding, driven by both LPs and GPs seeking liquidity solutions.

Tell us about opportunities in the mid-market.

We believe the best opportunities for 2026 sit in the mid-market infrastructure debt as it offers superior risk-adjusted returns. Competition for direct lending from syndicated loans sits primarily in the large deal sizes. By contrast, mid-market infrastructure debt focuses on smaller and more complex projects, which tend to be less crowded and offer higher spreads of roughly 350 to 550 basis points.

We typically see a 1–2% complexity premium relative to public markets. Capturing that premium requires deep expertise and resources, which is why at Gravis we maintain a direct investment team with 20 people dedicated to origination, negotiation, and ongoing support.

What makes bilateral structures so valuable?

Bilateral transactions give lenders control, but also deliver value for borrowers. Bilateral structures allow lenders to tailor financing to each project and move much faster than syndicated loans or club deals. For example, developers often rely on us not only for capital but also for structuring support, including financial modelling and pragmatic covenants that reflect the underlying assets.

When renegotiation is needed, bilateral control means decisions can be made quickly and efficiently, and this is a key advantage in evolving sectors.

Where are you finding opportunities?

We believe some of the most exciting decarbonisation opportunities now sit beyond traditional wind and solar. We are seeing innovation across battery solutions, agrivoltaics, sustainable food production, EV charging networks and digital infrastructure – all areas that benefit from strong policy incentives. Investing through debt in these sectors provides attractive returns while maintaining capital preservation, and because projects are smaller and local, ESG impacts can be tracked and measured more effectively.

Why is diversification important?

Investor appetite is shifting toward diversified infrastructure strategies rather than narrow energy-only mandates. By investing across energy, social, digital and mobility infrastructure, each with different economic drivers, we can reduce exposure to any single policy or regulatory change.

How much transparency do investors expect?

As private credit becomes a larger share of institutional portfolios, investors want deeper visibility into what is truly driving returns and risk. That includes credit quality, performance updates, counterparty exposure, ESG KPIs, and individual asset valuations. Managers who deliver that transparency will earn deeper trust and a durable competitive edge. At Gravis, we provide a dedicated investor portal designed to offer easy access to comprehensive, structured reporting across all our portfolios.

What is your key message to investors in 2026?

For investors seeking contractual, inflation-resilient returns and real downside protection, we believe 2026 presents a highly attractive entry point. And as public budgets become increasingly stretched, private capital and private credit in particular, are set to become the long-term solution to closing the infrastructure financing gap.



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