Sponsors cash out on demand for leveraged loans in 2021

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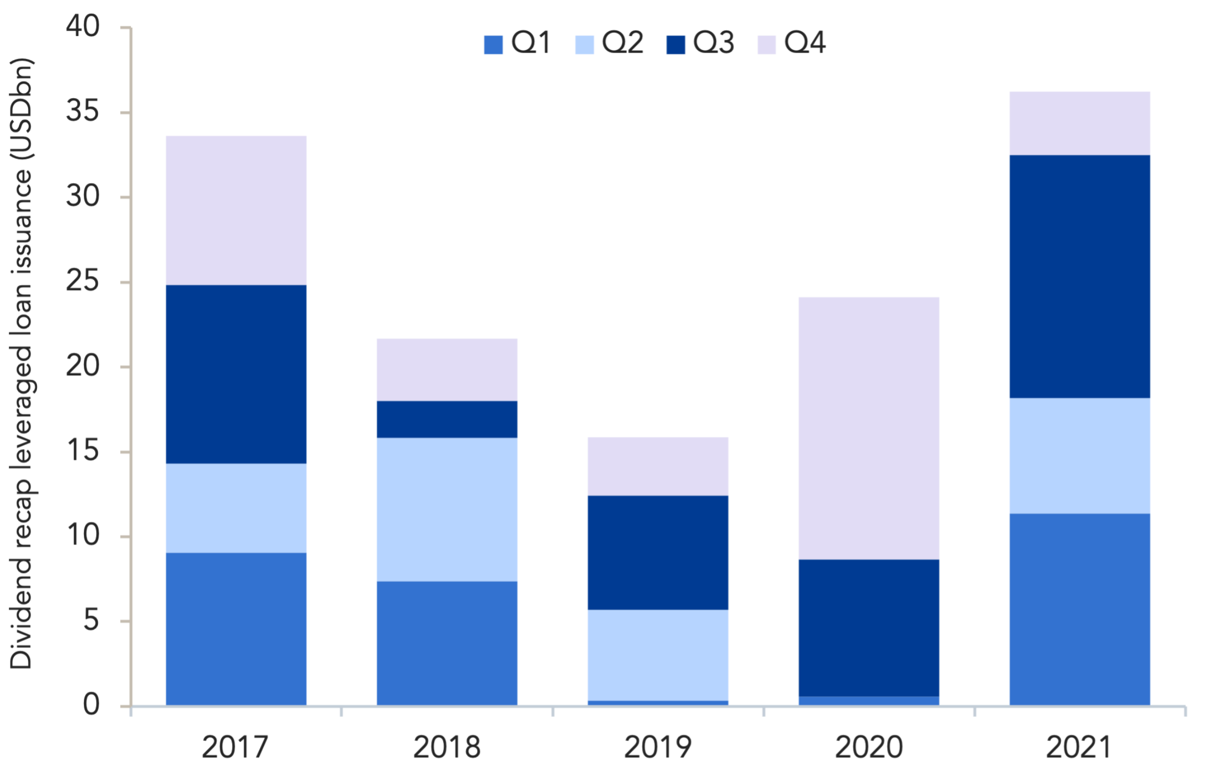

Source: Dealogic, Debtwire Par

Year-to-date dividend recapitalization financings have surpassed the full-year figures seen in the previous five years, as borrowers and financial sponsors alike capitalize on investor demand for leveraged loans. Issuance of USD 36.2bn through 20 October has already surpassed the 2020 figure by 50%, and the previous high set in 2017 by 8%.

So far in October, two deals totaling USD 3.75bn have been completed, including **Mitchell International**'s USD 2.475bn TLB due 2028. The Stone Point Capital-backed company priced the facility at Libor+ 375bps with a 50bps floor and 99.25 OID alongside a USD 525m second lien TL due 2029, which amounts to the largest dividend financnig this year. Apax Partners-owned **Trade Me Group** has also completed a USD 1.2bn-equivalent multi-currency loan financing to refinance debt and fund a dividend to shareholders.

Looking ahead, **Entertainment Partners** is expected to price a USD 850m TLB due 2028. Price talk on the TPG Capital-backed financing is guided at L+ 375-400bps with a 50bps floor and 99-99.5 OID. **Clubessential** and **Alliant Insurance** are also expected to complete dividend financings in the coming days.

(Past performance is no guarantee of future results.)