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The serial issuer phenomenon: mastering the art of repricing

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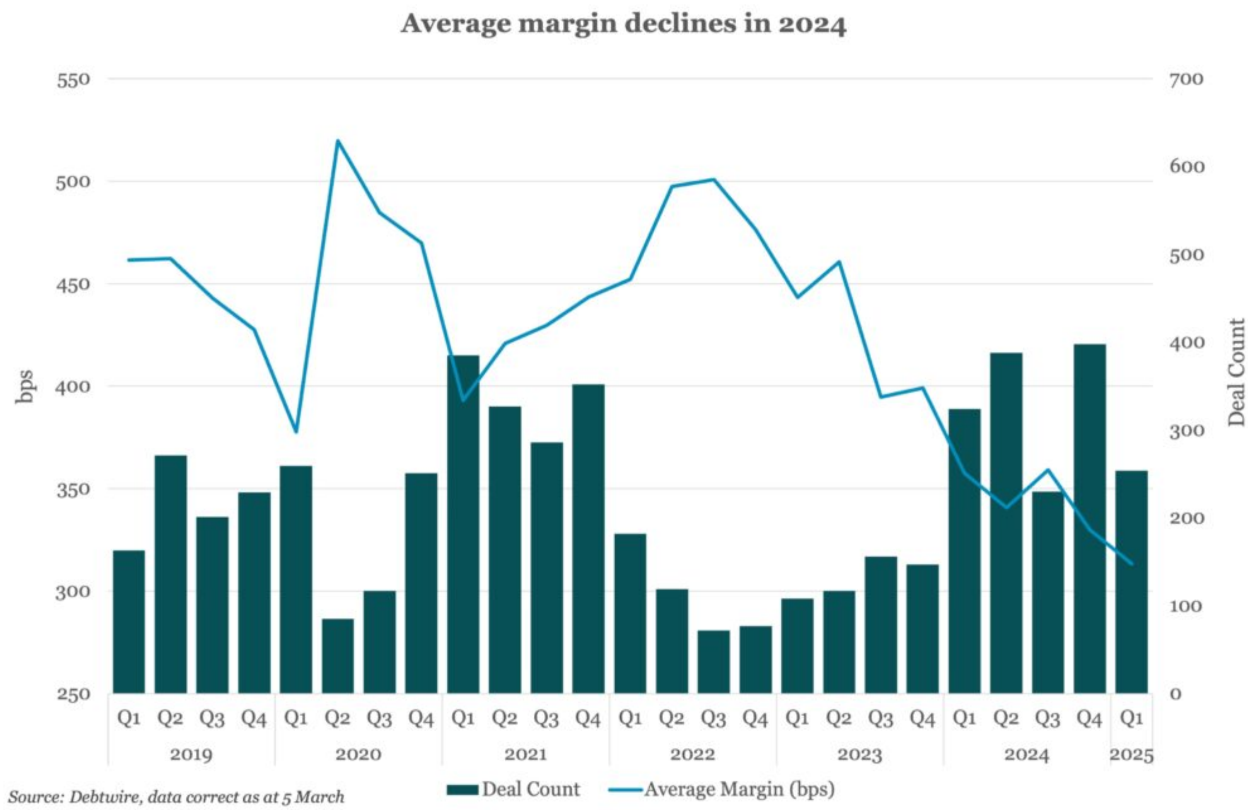

An increasingly tight leveraged finance environment prompted borrowers to visit the loans market multiple times in 2024 in order to reduce pricing on their existing debt. Three rate cuts by the US Federal Reserve and increasingly tight spreads from demand outpacing supply were the main factors that led companies to increase the frequency of their deals compared with previous years.

The trend is still going strong in 2025. “A lot of the repricing opportunities that hit the market in the first weeks of the year are from serial issuers that came multiple times in 2024,” says a banker. “Some were able to reduce margins by more than 100 basis points (bps). The question now is how far can they go?”

Eight issuers tapped the leveraged loan market on four different occasions in 2024, while 46 issuers visited the market three times during the year, according to *Debtwire* data. The average margin on institutional loans stood at 347bps, down from 424bps in 2023 and 482bps in 2022.

Deal volume in general increased in 2024, as companies had significant incentives to reprice their debt given a steady decline in the average margin of loans.

Back to business

LifePoint Health accessed the market three times overall last year, looking to reduce pricing on its outstanding loans. In March, the healthcare company tightened the margin by 75bps on its USD 1.85bn term loan B (TLB) to S+ 475bps before tapping the market again in October to reduce pricing by a further 100bps to S+ 375bps. It also reduced pricing on a USD 500m fungible TLB add-on, which initially priced in May at S+ 400bps to refinance its 9.75% senior 2026 notes, and repriced in November to S+ 350bps, cutting the margin by 50bps.

Similarly, **AL NGPL**, a subsidiary of Arclight Capital, came to the market twice, first in March to cut the margin on a USD 706m TLB to S+ 325bps from S+ 350bps, and then revisited the market again in September to cut the margin further by 75bps to S+ 250bps. **Dealer Tire** came to the market on three occasions to reprice its USD 1.4bn TLB. First, the issuer cut the margin to S+ 375bps from S+ 450bps in January. Then, the facility was refinanced in June with a new seven-year TLB of a similar amount and a S+ 350bps margin, which was then repriced six months later to S+ 300bps at the year-end.

Just a thought, but do we need to add market tickers for these companies…?

Half of the repricing undertaken in 2024 took place in the fourth quarter, in terms of volume, driven by high-profile deals such as **UKG**'s. The software company repriced its USD 6.3bn TLB, reducing pricing on it to S+ 300bps from S+ 350bps. Meanwhile, **Medline Industries** repriced a USD 6.1bn TLB, securing a 50bps margin cut. Lastly, **McAfee** also lowered the margin by 50bps on its USD 5.6bn TLB by visiting the market late in the year.

What lies ahead?

The market is expected to remain heavily driven by repricing activity, as borrowers continue to capitalize on strong investor demand for these transactions. Robust demand enables companies to further tighten pricing on their existing debt.

"If there is going to be rate volatility, then floating-rate credit is a great place to be," Jon Brager, a partner and portfolio manager at Palmer Square Capital Management told *Debtwire*. "You are immune to long-end rate moves and earn your yield over time in a steady fashion."

Demand for repricing deals will remain high for as long as investors believe there will not be any additional rate cuts by the Fed, according to a buysider. "If we are not at risk of a significant near-term cut, then we should continue to see strong demand for leveraged loans and the floating asset class, as it is one of the most efficient ways to harvest income for investors."

The recent rise in economic uncertainty stemming from the policies of the new Trump administration has narrowed the probability of more rate cuts by the Fed this year.

"We may experience spells of relentless demand for floating-rate paper, specifically loans, and a lot of repricings unless and until people start forecasting large rate cuts," the buysider concluded.

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