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Volume surged in December, strong M&A tone carries into first week of 2021

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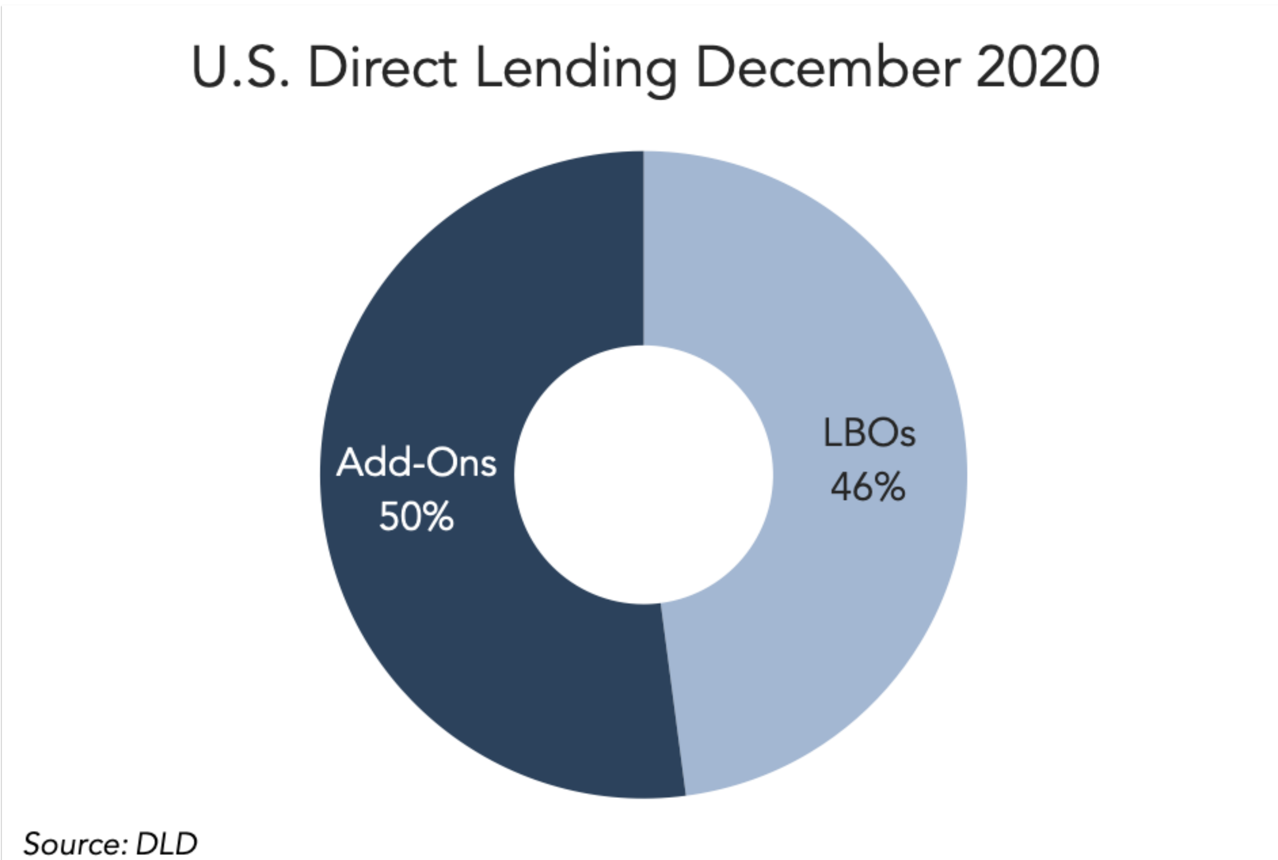

Direct lenders established a new high watermark for volume in December, setting the tone for an aggressive first quarter in 2021. Last month's volume soared past every previous monthly tally since DLD launched in September 2019.

Deal flow snowballed into the holidays as the U.S. moved past the presidential election and had multiple Covid vaccines in sight. Tax and regulatory uncertainties under a new administration added to existing pressure to close quickly as investors made up for lost time.

December alone accounted for 45% of fourth quarter volume.

Buyouts maintained their rebound, taking a 46% share of the December loans tracked by DLD. For the quarter, LBOs rebuilt a 44% share, up from 33% in the two previous quarters.

In the first week of 2021, buyout financing has outnumbered add-ons nearly three to one with a strong M&A calendar ahead.