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Volatility primes more records for jumbo unitranche loans

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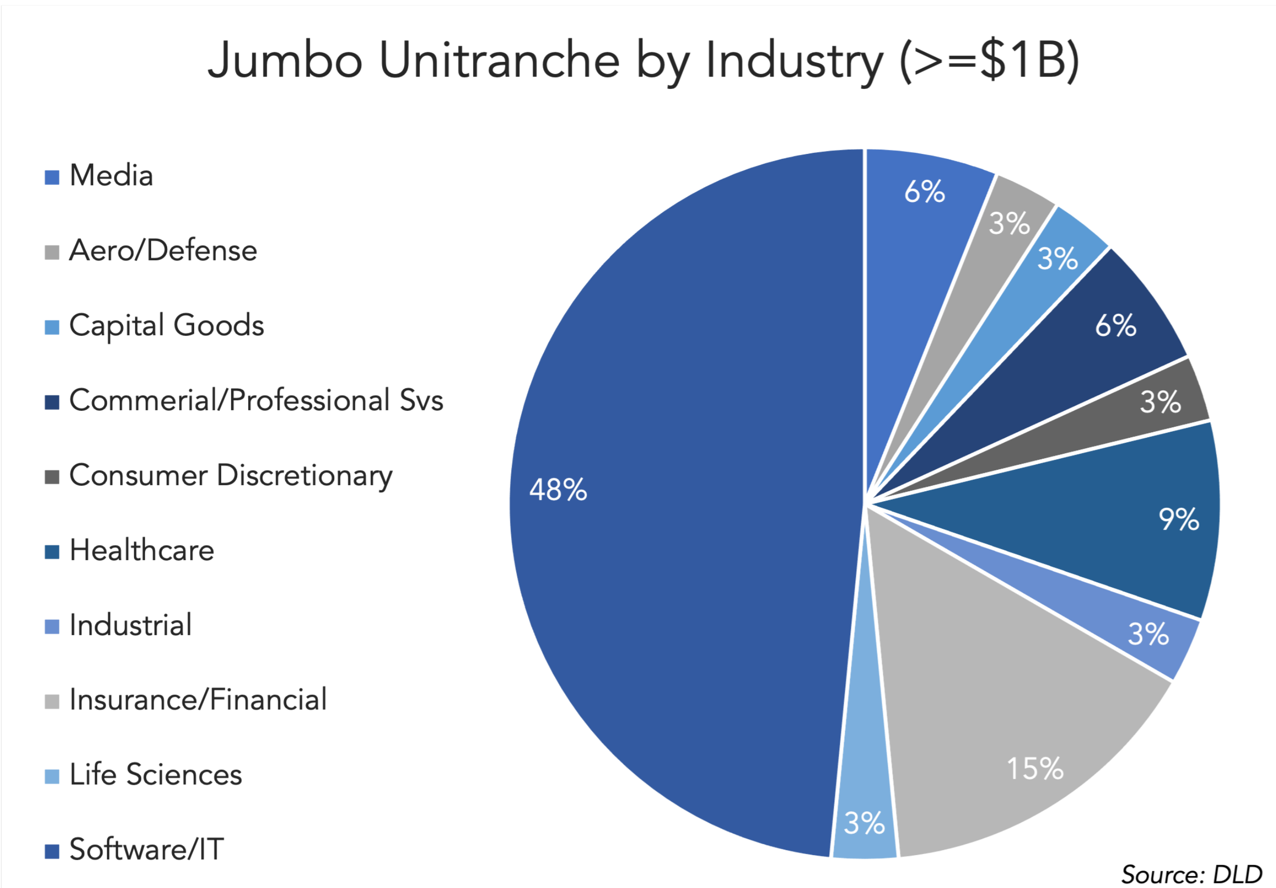

Chart

Jittery markets are priming new records for jumbo unitranche financing. At least a few mandates are in the works that exceed Galway Insurance’s $3.4 billion record last year.

Expect jumbos to emerge in support of buyouts, particularly in the software, insurance and healthcare sectors. About half of the $56 billion in jumbo unitranche loans tracked by DLD back software and IT companies.

Insurance and financials take the next largest share, at 15%, while healthcare is third, at 9%. About half of volume—by number and dollar amount— funded LBOs.

DLD’s $56 billion tally is spread across 33 loans, for an average of about $1.7 billion per deal. The average spread is L+599, based on available pricing. Excluding two recurring revenue loans, the average drops to L+576.