

“A Slow Sort of Country”

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Media coverage at the time trumpeted how banks were fighting to regain lost share to direct lenders. It also warned that this competition would hurt private credit returns by forcing those managers to cut their spreads to keep good assets from going away.

Another measure of non-bank success has been the ratio of new deals to refinancings. Of the \$260 billion of institutional-only volume measured by LCD so far this year, only about \$28 billion, or barely 10%, was related to new LBOs. By contrast, KBRA DLD reports May’s LBO middle market activity of \$7 billion as more than 36% of overall volume of \$19.3 billion. Our own experience in the second quarter reflected 50% of volume from new deals...

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