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# European Summary Report

Oct. 1, 2024

## The August Snapshot

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### CREDIT RESEARCH & INSIGHTS

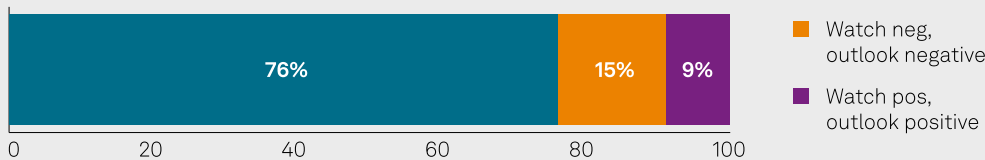
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### Outlook distribution



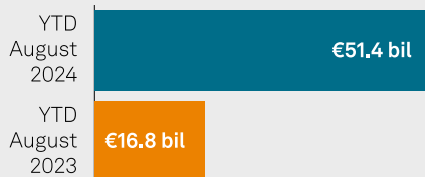
### Four new speculative-grade issuers in August

**53** New issuers  
YTD 2024 versus  
23 YTD August 2023

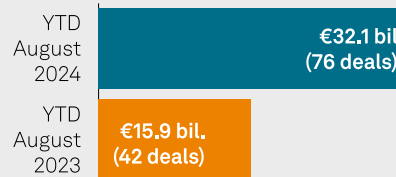
#### Top three sectors



### Institutional loan volumes in the European market well above last year's level:



### European CLO issuance



Note: Data above is year-to-date (YTD) except for the outlook distribution. CW--CreditWatch. CLO--Collateralized loan obligation. FY--Full year. Outlook distribution rounded to a whole number and only includes European corporate ratings (excluding utilities sector). Source: S&P Global Ratings. Leveraged loan and CLO data is sourced from PitchBook LCD. This report covers issuers incorporated in: Austria, Belgium, Bulgaria, Cayman Islands, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, Ireland, Isle of Man, Italy, Jersey, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, and the U.K. We update all the graphs and charts as per the latest newsletter period. Even when there are no changes, we still include the charts for continuity.

[Download data »](#)

## Key Insights

- This year, issuers have seized the opportunity offered by lower interest margins in public debt markets to refinance private debt, reversing the refinancing patterns of recent years. Deals have resulted in a median improvement of 150 basis points in interest margins, based on a sample of 17 issuers that refinanced private debt mainly in the broad syndicated loan (BSL) market.
- Rating actions were predominantly negative in the first half of the year, reverting to positive in the last three months. Chemicals, packaging, and building materials sectors have the highest negative bias and also driving downgrades recently.
- We expect the European trailing-12-month speculative-grade corporate default rate to decline to 4.25% by June 2025, from 4.7% as of June 2024. Consistent with our previous forecasts, this represents a declining default rate, but the decline is from a higher starting point than previously expected.

### WEBINAR REPLAYS

[European Leveraged Finance - 2024 Q1 Trends And Insights](#), March 27, 2024

[European Healthcare Services Outlook 2024: A Brighter Future Ahead](#), Dec. 12, 2023

[How Snooze Drag Helps Borrowers Extend Loan Maturities](#), Dec. 11, 2023

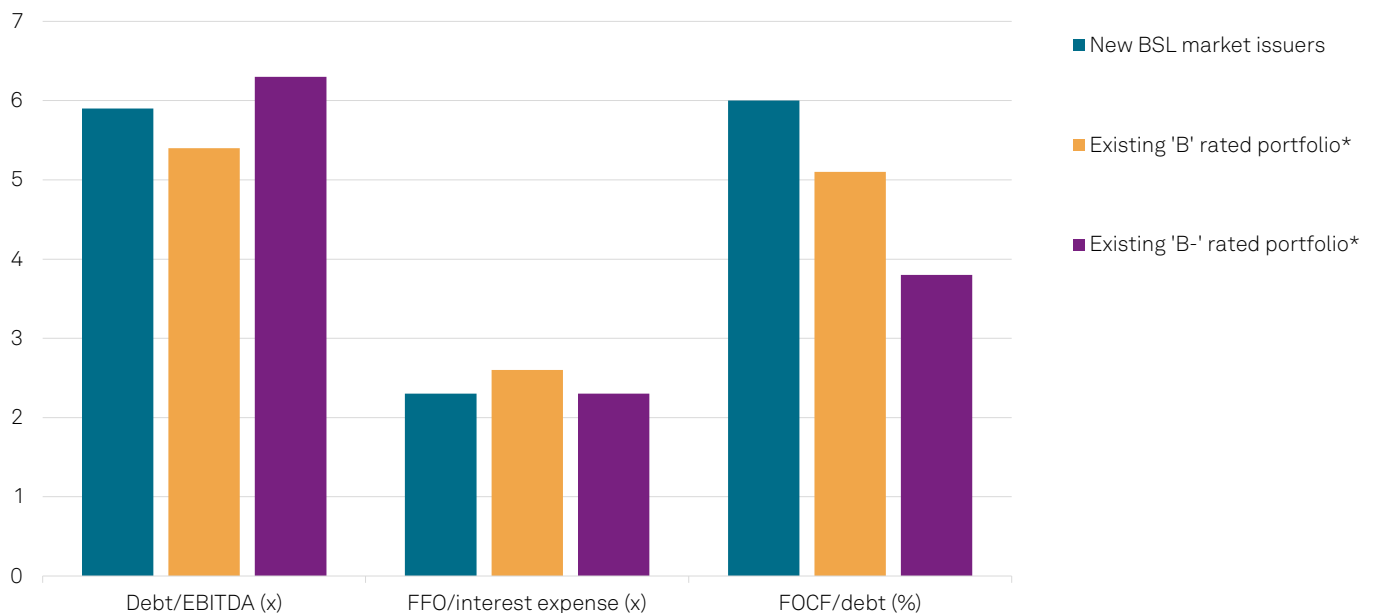
[European CLOs: Where Do We Go From Here?](#)

## Monthly Highlight

### European Refinancing Flows Have Flipped As Public Leveraged Debt Replaces Private

Former private debt issuers new to the BSL compare favorably to 'B' and 'B-' rated issuers

Forecast median credit metrics for 2025



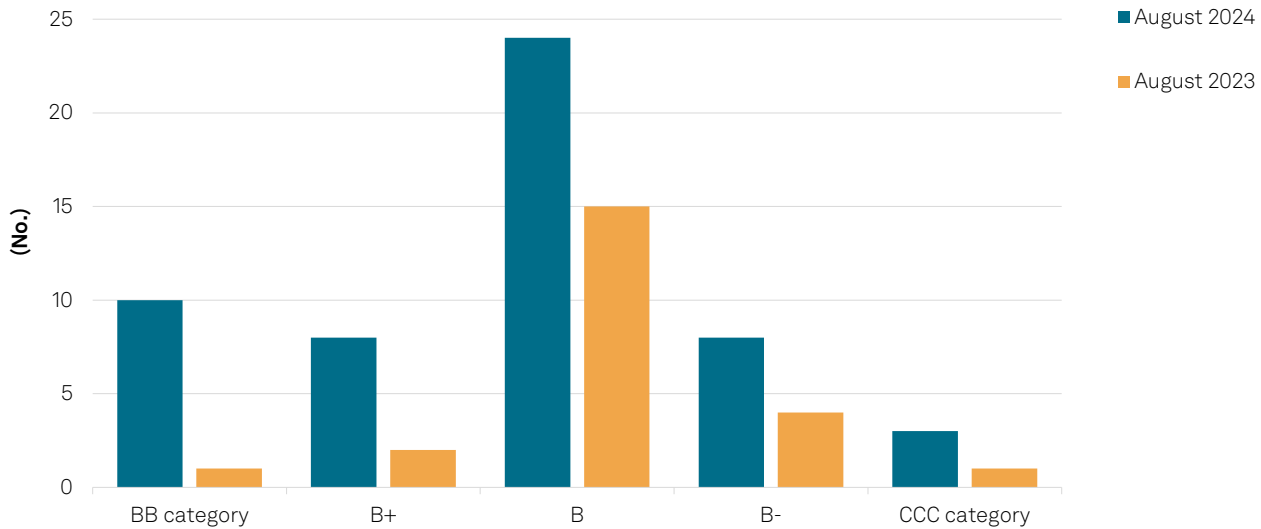
All figures are S&P Global Ratings-adjusted. Shareholder contributions treated as debt are excluded from debt. \*Includes issuers rated prior to 2024. BSL--Broadly syndicated loan market. FFO--Funds from operations. FOCF--Free operating cash flow. Source: S&P Global Ratings.

[Read the full report »](#)

## YTD 2024 And 2023 Speculative-Grade New Issuers

Chart 1

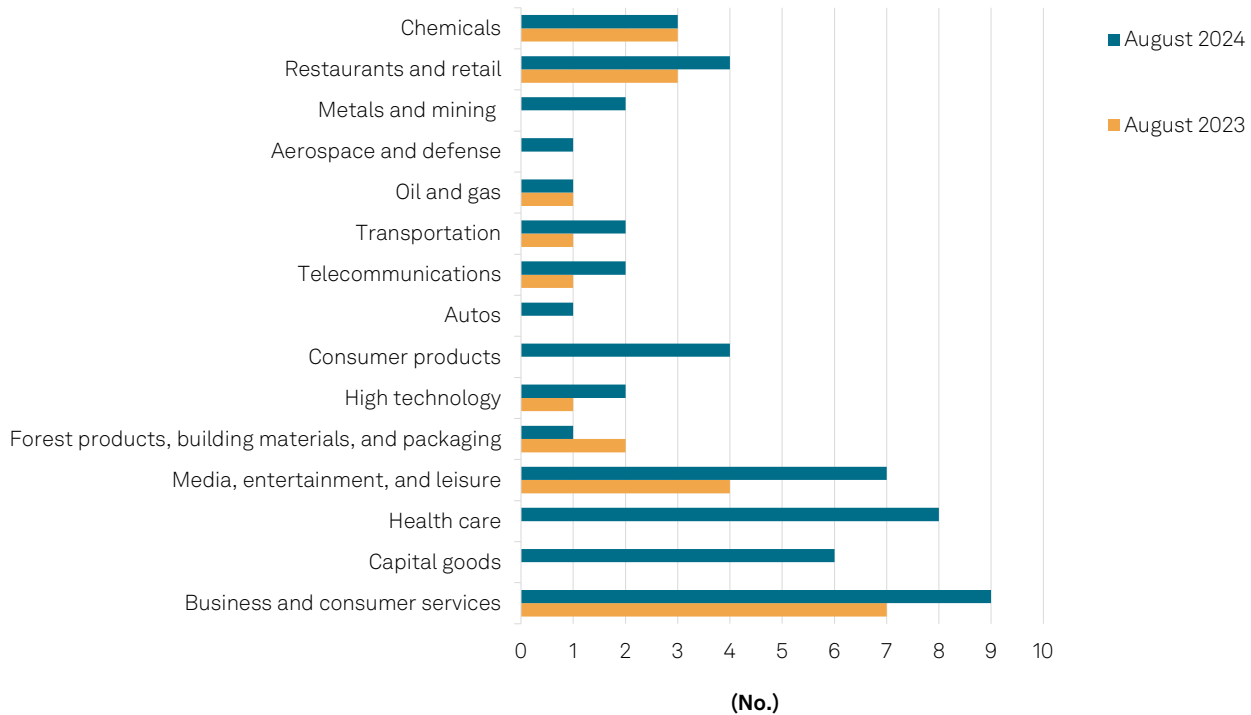
### New issuers by rating



Note: Data represents new issuers as of August 31, 2023, and August 31, 2024. Includes European corporate ratings and excludes confidential issuers. YTD--Year-to-date. Source: S&P Global Ratings.

Chart 2

### New issuers by industry group



Note: Data represents new issuers as of August 31, 2023, and August 31, 2024. Includes European corporate ratings and excludes confidential issuers. YTD--Year-to-date. Source: S&P Global Ratings.

# Defaults

Chart 3

YTD downgrades to 'SD'/'D'



Table 1

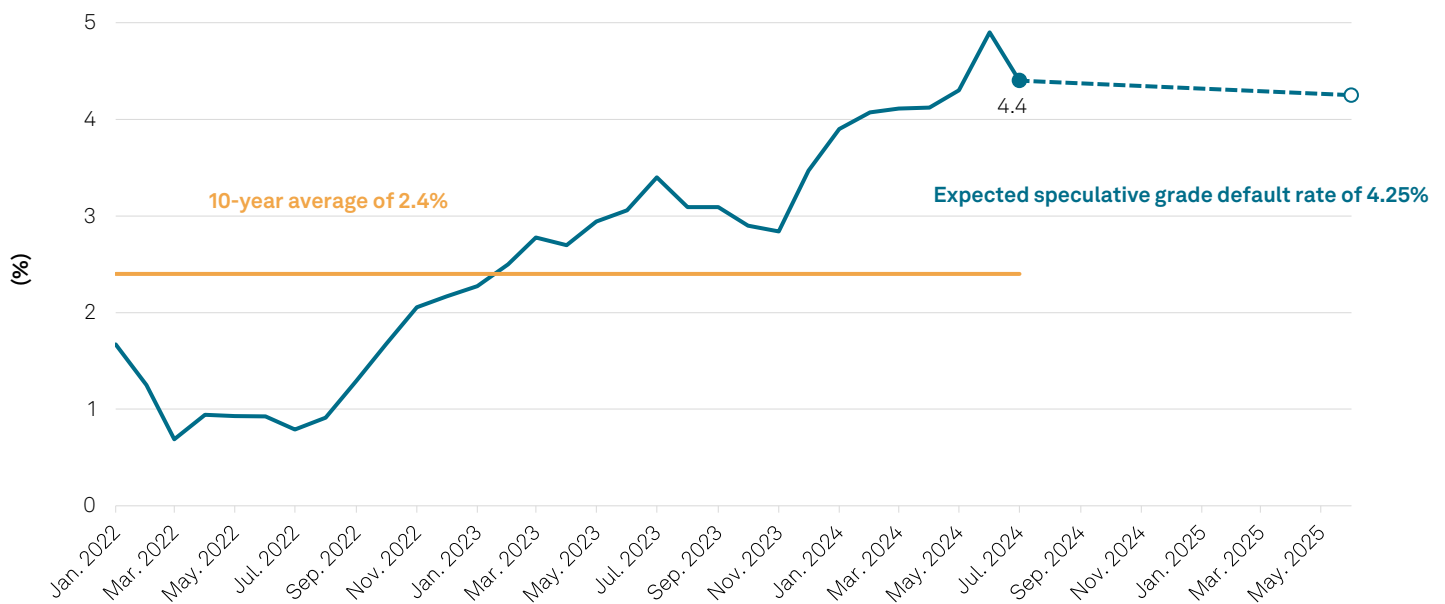
Ratings raised after selective default ('SD') and default ('D')

Issuer name	Prior rating	Rating raised to	Sector	Reason for default
Toro Private Holdings I, Ltd	D	CCC+/Stable	Transportation	Distressed exchange
Vedanta Resources Ltd.	SD	CCC+/Stable	Mining and minerals	Distressed exchange
Venator Materials PLC	D	CCC+/Negative	Chemicals	Bankruptcy
Vue Entertainment International Ltd	SD	CCC+/Negative	Media, entertainment, and leisure	Distressed exchange
Bahia de las Isletas, S.L.	SD	CCC+/Stable	Transportation	Missed interest payments
La Financiere Atalian SAS	D	CCC+/Stable	Business and consumer services	Distressed exchange
Tele Columbus AG	D	CCC+/Stable	Telecommunications	Missed coupon payments
Wittur Holding GmbH	D	CCC+/Stable	Capital goods / machine and equipment	Distressed exchange
Ignition Topco BV	D	CCC+/Stable	Chemicals	Missed payments

Note: Data on number of defaults are as of August 31, 2024. Includes European corporate ratings. D--Default. SD--Selective default. YTD--Year-to-date. For more information on European defaults, see "[Monthly defaulted debt more than doubled to \\$14.9 billion in August](#)" published Sept. 13, 2024. List of ratings raised after 'SD' and 'D' is as of Aug. 31, 2024. Source: S&P Global Ratings.

Chart 4

European trailing-12-month speculative-grade default rate

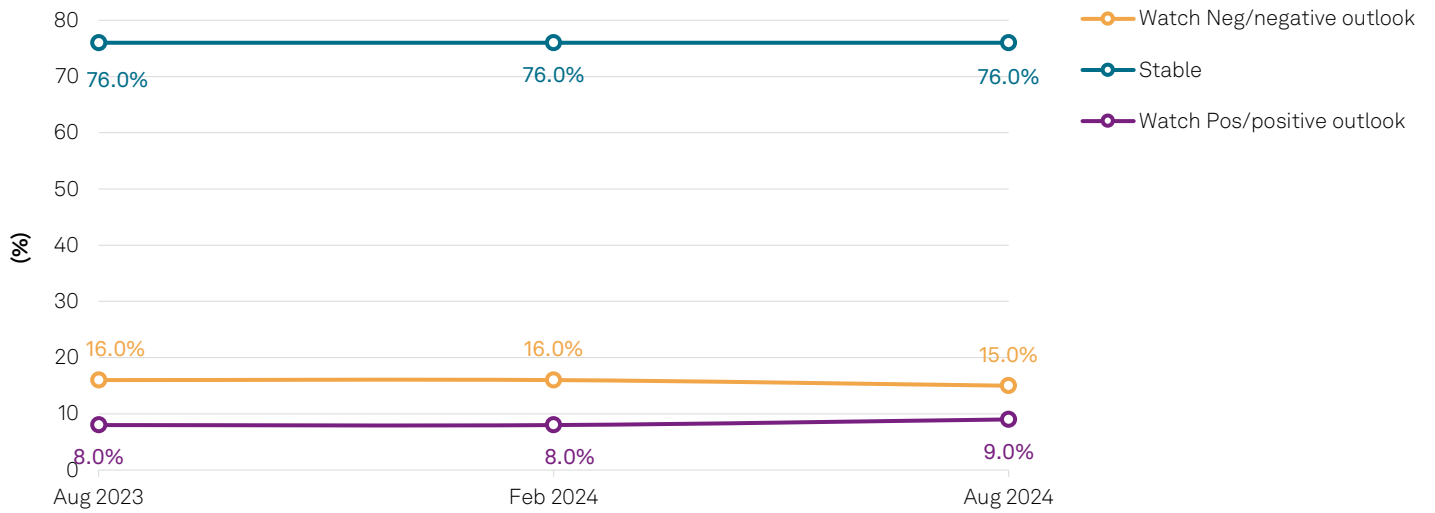


Note: Data as of Aug. 31, 2024. See "[The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#)", published Aug. 22, 2024. Source: S&P Global Ratings.

## Speculative-Grade Rating Outlook Mix

Chart 5

August 2023/2024 speculative-grade CreditWatch/outlook distribution

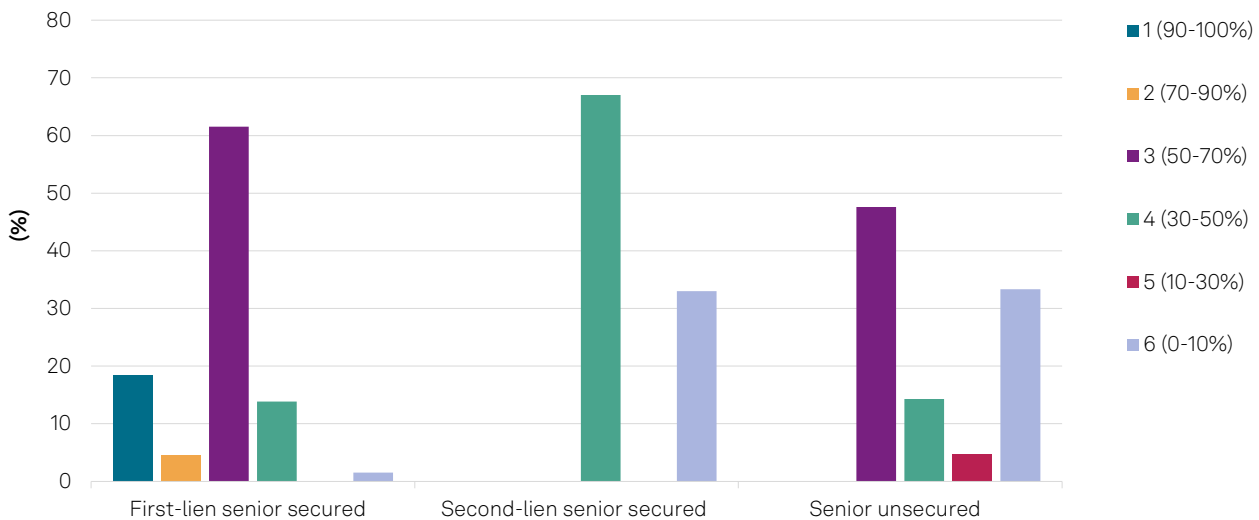


Note: Data as of August 31, 2023, and August 31, 2024. CreditWatch/outlook distribution includes all European corporate ratings. Does not include investment-grade issuers. Source: S&P Global Ratings.

## Recovery Ratings

Chart 6

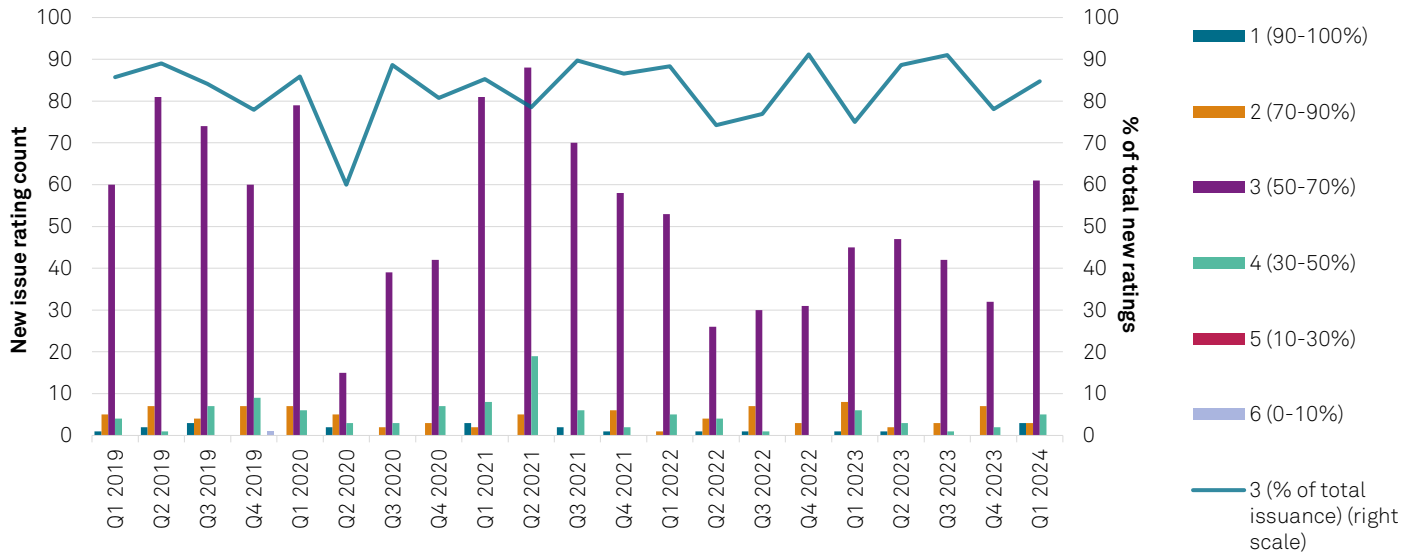
Recovery rating distribution for weakest links



Note: Data as of March 31, 2024. Weakest links are issuers rated 'B-' and below with either negative outlooks or on CreditWatch negative. Source: S&P Global Ratings.

Chart 7

Recovery ratings distribution of first-lien new issues (Europe)

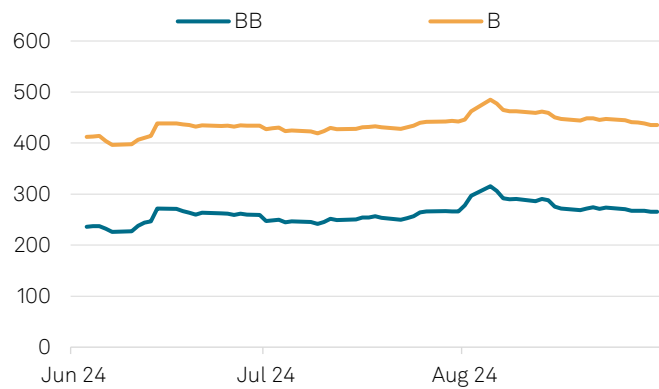


Data as of March 31, 2024. Recovery ratings distribution of first-lien new issues. Source: S&P Global Ratings.

## High-Yield Bond Insights

Chart 8

Three-month bond spread (bps)

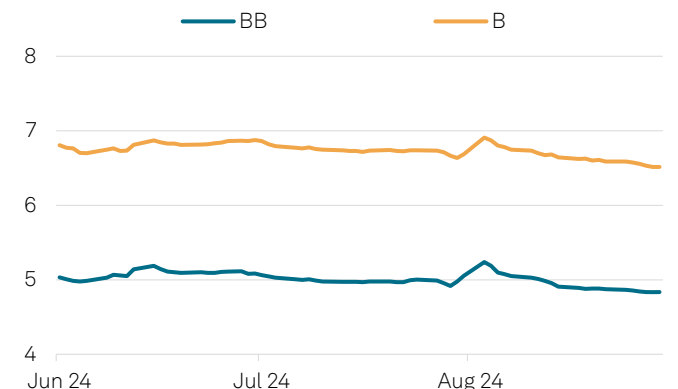


	BB	B
<b>Minimum</b>	226	396
<b>Maximum</b>	315	485
<b>Average</b>	262	436
<b>Current (as of Aug. 31, 2024)</b>	265.4	435.4

Data as of August 31, 2024. Source: S&P Market Intelligence.

Chart 9

Three-month bond yield (%)



	BB	B
<b>Minimum</b>	4.8	6.5
<b>Maximum</b>	5.2	6.9
<b>Average</b>	5.0	6.7
<b>Current (as of Aug. 31, 2024)</b>	4.83	6.51

## CLOs

Table 2

### Top 10 obligors held in Europe

Rank	Obligor	Rating and CreditWatch/outlook	GIC code
1	Liberty Global PLC	BB-/Stable	Diversified telecommunication services
2	Ineos Ltd.	BB/Negative	Chemicals
3	Altice Europe N.V.	CCC+/Developing	Diversified telecommunication services
4	Lorca Telecom Bidco S.A.U.	BB/Stable	Diversified telecommunication services
5	Peer Holding III B.V.	BB/Stable	Multiline retail
6	Nidda German Topco GmbH	B/Stable	Pharmaceuticals
7	Chrome HoldCO SAS	B-/Stable	Health care providers and services
8	Verisure Midholding AB	B+/Stable	Diversified consumer services
9	Laboratoire Eimer SELAS	B-/Stable	Food and staples retailing
10	IVC Acquisition Topco Ltd.	B/Stable	Health care providers and services

Note: Ratings and CreditWatch/outlooks as of Aug. 31, 2024. Source: S&P Global Ratings.

## Sources

- [European Refinancing Flows Have Flipped As Public Leveraged Debt Replaces Private](#), Sep 23, 2024
- [The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#), Aug 22, 2024
- [Monthly Defaulted Debt More Than Doubled To \\$14.9 Billion in August](#), Aug 13, 2024

## Related Research

- [CLO Pulse Q2 2024: Movers And Shakers In The Top 50 Obligators In European CLO's Portfolios](#), July 30, 2024
- [Ratings Performance Insights](#), July 15, 2024
- [Credit Conditions Europe Q3 2024 – Keep Calm, Carry On](#), June 25, 2024
- [Corporate Results Roundup Q1 2024: Recovery continues excluding commodity sectors but remains fragile and fragmented](#), May 15, 2024
- [CLO Pulse Q1 2024: High Leverage Affects Interest Coverage Ratios In European Obligators](#), May 15, 2024
- [Corporate Results Roundup Q1 2024: Recovery continues excluding commodity sectors but remains fragile and fragmented](#), May 15, 2024
- [Risky Credits: European Debt Surged To €80 Billion In Q1 2024](#), May 2, 2024
- [Ardagh Group S.A. And Glass-Packaging Subsidiaries Downgraded To 'CCC-' On Debt Restructuring Risk; Outlook Negative](#), April 25, 2024
- [Q2 2024 Global Refinancing Update: Window Of Opportunity May Be Closing](#), April 24, 2024
- [Altice Franc Altice France S.A. Downgraded To 'CCC+' On Weaker Cash Flow Prospects And Sustainability Concerns; Outlook Developing](#), April 19, 2024
- [The Rise of Repeat Defaulters](#), April 11, 2024
- [Credit Conditions Europe Q2 2024: Credit Heals, Defense Shields](#), March 27, 2024
- [Why European Leveraged Loan Borrowers Like The “Snooze Drag”](#), Nov. 27, 2023

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