

This report does not constitute a rating action

European Summary Report

Oct. 31, 2024

The September Snapshot

EUROPEAN CORPORATE RATINGS LEVERAGED FINANCE CONTACTS

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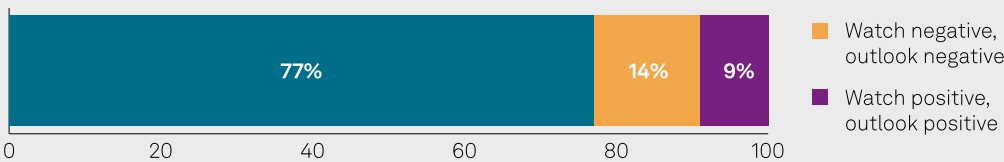
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Outlook distribution



Five new speculative-grade issuers in September

58

New issuers
YTD Sept. 2024 vs.
26 YTD Sept. 2023

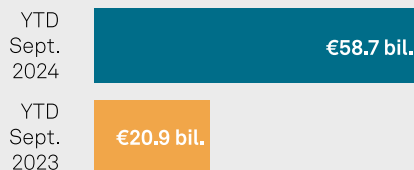
Top three sectors

Media,
entertainment,
and leisure

Health care

Business and
consumer
services

The volume of institutional loans in the European market is significantly higher than 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 »](#)

WEBINAR REPLAYS

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




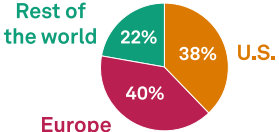
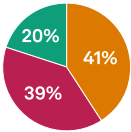
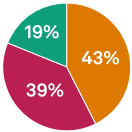
Key Insights

- With a surge in issuance in the year to date, borrowers have made material progress in refinancing their upcoming debt maturities. Speculative-grade debt due within the next 12 months has decreased by a further 20% since the second quarter of 2024, to \$80.9 billion from \$101.7 billion.
- Rating actions are quite balanced. However, autos, chemicals, and technology are the sectors to watch given their high negative outlook bias.
- Europe is the only region globally where the number of defaults increased in September 2024. Year-to-date defaults now amount to 30, 43% higher than in 2023 and the highest number since 2008.
- Chemicals companies led the defaults in September 2024. They are still dealing with weak free cash flows due to a tough industry environment and high interest rates, which make it difficult to service debt.

Monthly Highlight

Larger debt maturities are approaching

Even as borrowers are reducing near-term maturities

Debt maturing in the next:	12 months	24 months	36 months
Total debt maturing	\$2.14 tril. ↑ 7.2% since Jan. 1, 2024	\$4.73 tril. ↑ 4.5% since Jan. 1, 2024	\$7.31 tril. ↑ 0.1% since Jan. 1, 2024
% of total debt	8.8%	19.5%	30.1%
Speculative-grade share	 12%	 16%	 18%
Amount rated 'B-' and lower	\$70.8 bil. ↑ from \$60.4 bil. Jan. 1, 2024	\$216.6 bil. ↑ from \$214.0 bil. Jan. 1, 2024	\$405.2 bil. ↓ from \$441.4 bil. Jan. 1, 2024
Regional breakout	 Rest of the world: 22% U.S.: 38% Europe: 40%	 Rest of the world: 20% U.S.: 41% Europe: 39%	 Rest of the world: 19% U.S.: 43% Europe: 39%

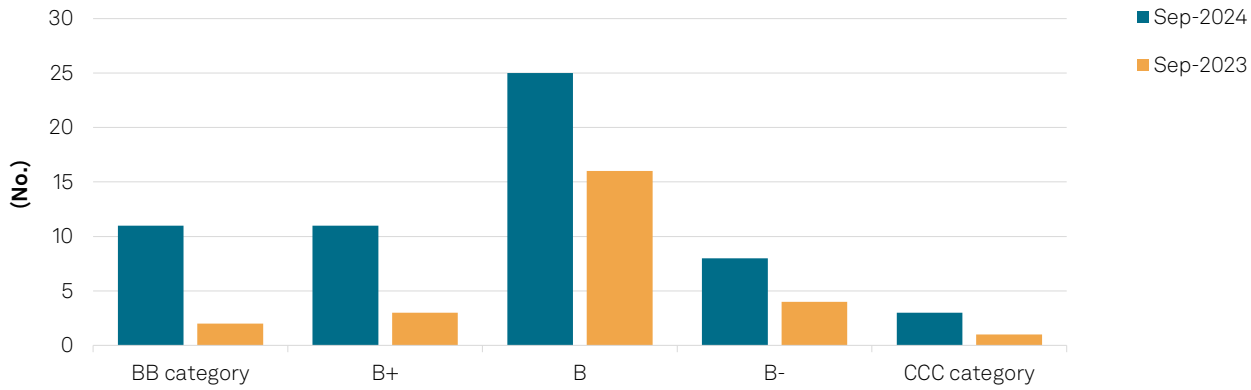
[Read the full report »](#)

Data as of Oct. 1, 2024. Includes financial and nonfinancial corporates' bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Source: S&P Global Ratings Credit Research & Insights. Source: S&P Global Ratings.

YTD 2024 And 2023 Speculative-Grade New Issuers

Chart 1

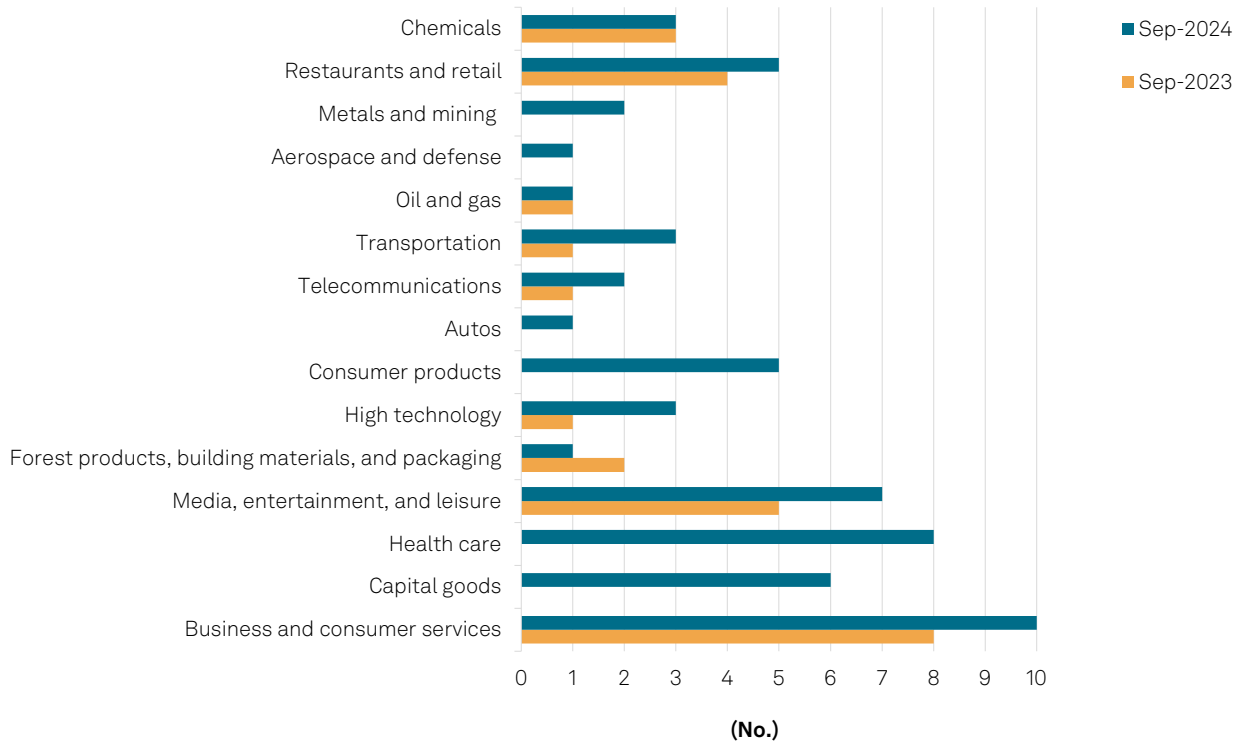
New issuers by rating



Note: Data represents new issuers as of Sept. 30, 2023, and Sept. 30, 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 Sept. 30, 2023, and Sept. 30, 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

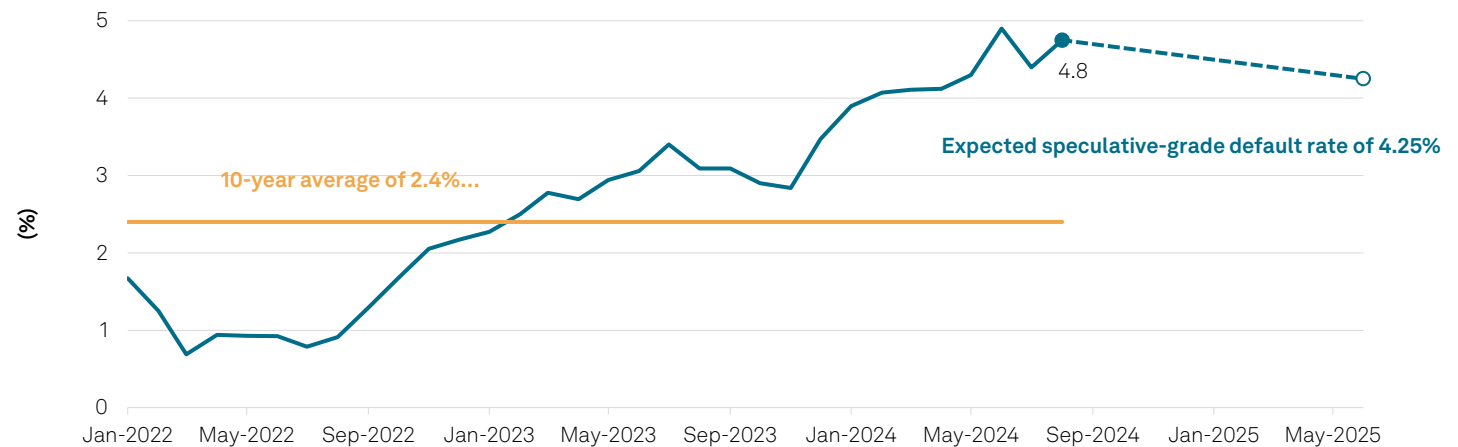
Ratings raised after selective default ('SD') and default ('D')

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/machinery and equipment	Distressed exchange
Ignition Topco BV	D	CCC+/Stable	Chemicals	Missed payments
Pfleiderer Group B.V. & Co. KG	SD	CCC+/Stable	Forest products, building materials, and packaging	Distressed exchange
OQ Chemicals Holding Drei GmbH	D	CCC-/Stable	Chemicals	Missed interest payments

Note: Data on number of defaults are as of Sept. 30, 2024. Includes European corporate ratings. D--Default. SD--Selective default. YTD--Year-to-date. For more information on European defaults, see "[The Pace Of Global Corporate Defaults Slows](#)," published Oct. 16, 2024. List of ratings raised after 'SD' and 'D' is as of Sept. 30, 2024. Source: S&P Global Ratings.

Chart 4

European trailing-12-month speculative-grade default rate

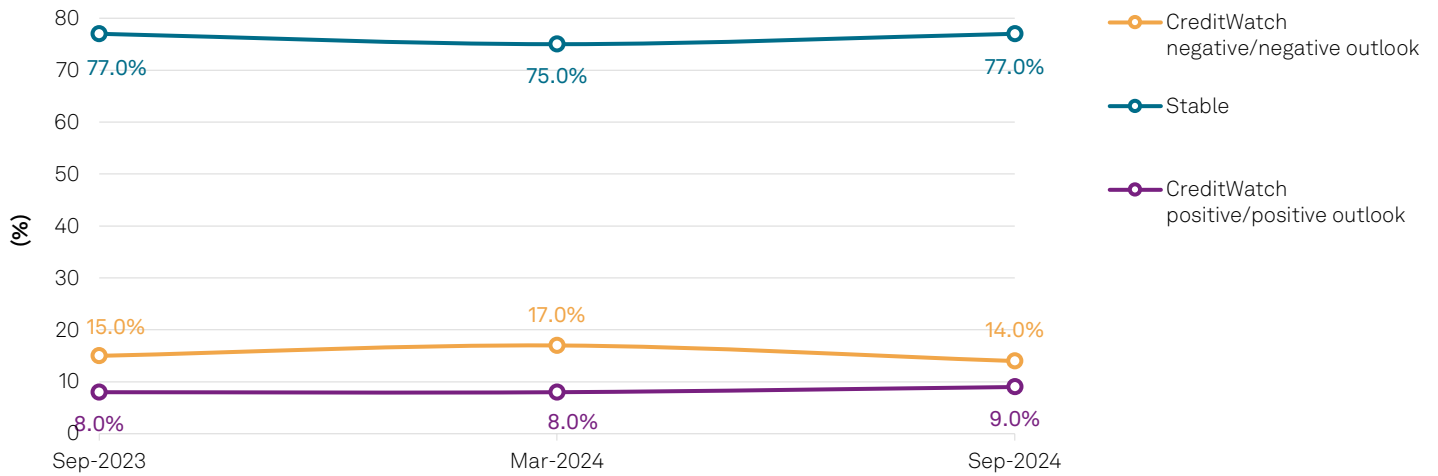


Note: Data as of Sept. 30, 2024. See "[The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#)," published Aug. 22, 2024. Source: S&P Global Ratings.

Speculative-Grade Rating Outlook Mix

Chart 5

September 2023/2024 speculative-grade CreditWatch/outlook distribution

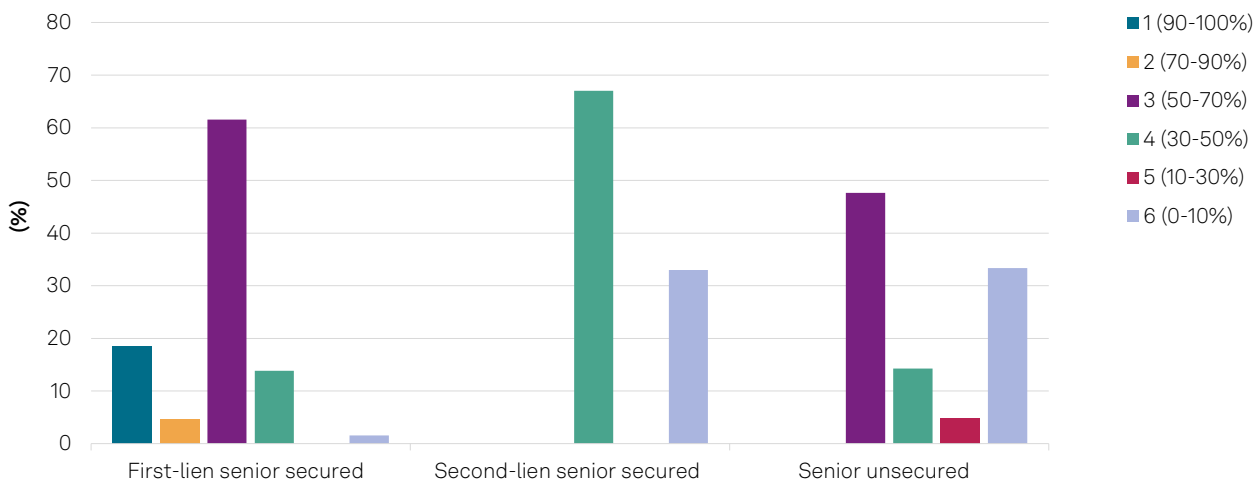


Note: Data as of Sept. 30, 2023, and Sept. 30, 2024. CreditWatch/outlook distribution includes all European corporate ratings. Does not include investment-grade issuers. Source: S&P Global Ratings.

Recovery Ratings

Chart 6

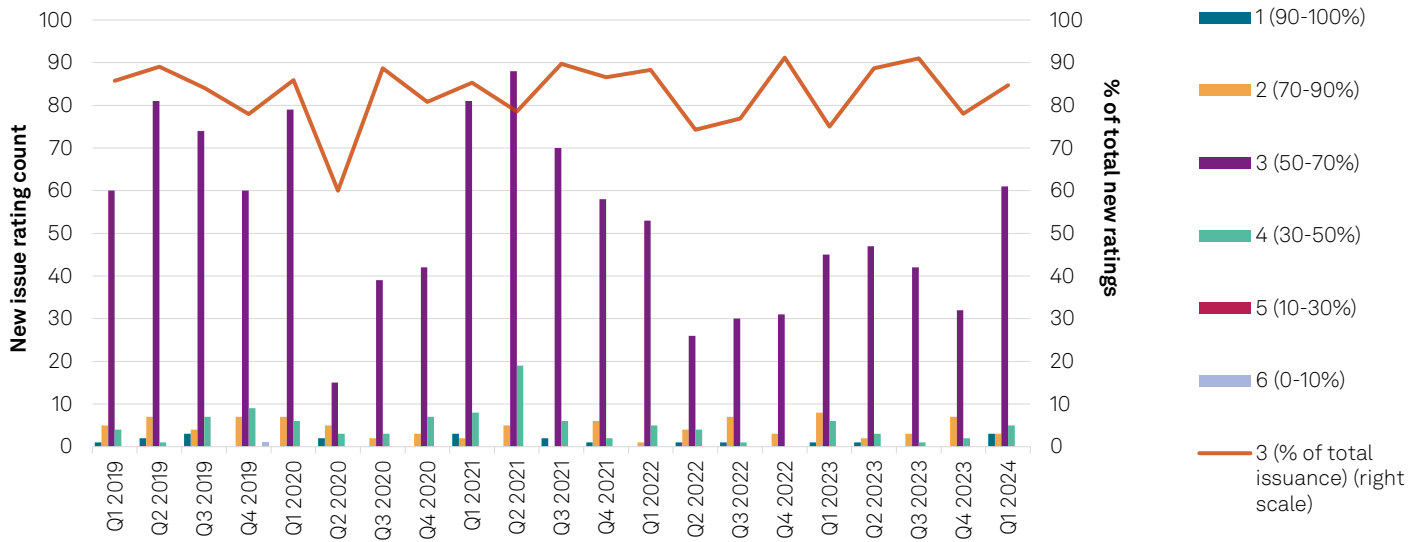
Recovery rating distribution for weakest links



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 rating distribution of first-lien new issues (Europe)

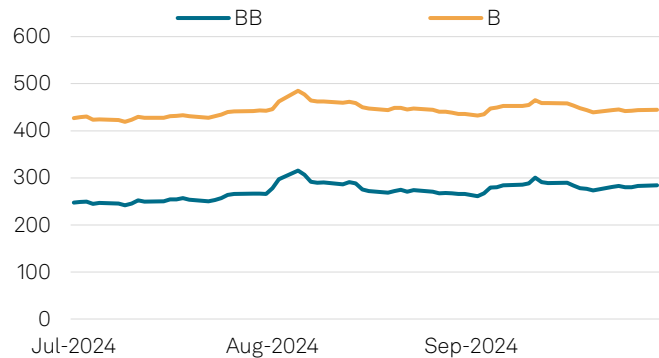


Data as of March 31, 2024. Recovery rating distribution of first-lien new issues. Source: S&P Global Ratings.

High-Yield Bond Insights

Chart 8

Three-month bond spread (bps)

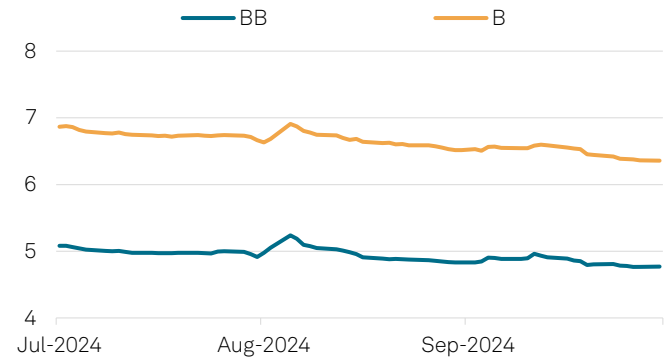


	BB	B
Minimum	242	419
Maximum	315	485
Average	271	444
Current (as of Sept. 30, 2024)	284	445

Data as of Sept. 30, 2024. Source: S&P Market Intelligence.

Chart 9

Three-month bond yield (%)



	BB	B
Minimum	4.8	6.4
Maximum	5.2	6.9
Average	4.9	6.6
Current (as of Sept. 30, 2024)	4.8	6.4

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 Sept. 30, 2024. Source: S&P Global Ratings.

Sources

- [Reductions In Near-Term Maturities Continue Ahead Of Further Rate Cuts](#), Oct. 28, 2024
- [The Pace Of Global Corporate Defaults Slows](#), Oct. 16, 2024
- [The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#), Aug. 22, 2024

Related Research

- [European Refinancing Flows Have Flipped As Public Leveraged Debt Replaces Private](#), Sept. 23, 2024
- [The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#), Aug. 22, 2024
- [CLO Pulse Q2 2024: Movers And Shakers In The Top 50 Obligor 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 Obligor](#), May 15, 2024
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- [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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