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## European Summary Report

Dec. 18, 2024

### The November Snapshot

#### EUROPEAN CORPORATE RATINGS LEVERAGED FINANCE CONTACTS

##### Nicole Guido

London  
nicole.guido  
@spglobal.com  
+44-20-7176-0468

##### Marta Stojanova

London  
marta.stojanova  
@spglobal.com  
+44-20-7176-0476

##### David W Gillmor

London  
david.gillmor  
@spglobal.com  
+44-20-7176-3673

##### Maulik Shah

CRISIL Global Analytics Center,  
an S&P affiliate, Mumbai

#### CREDIT RESEARCH & INSIGHTS

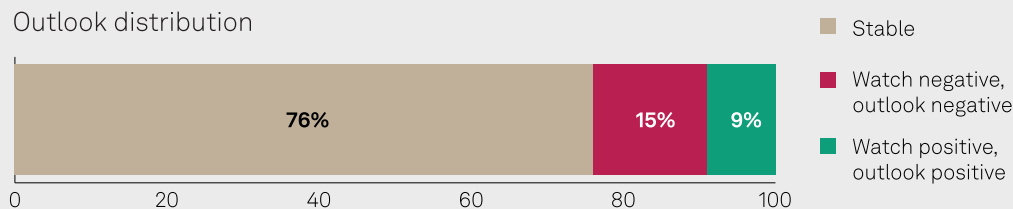
##### Nicole Serino

New York  
nicole.serino  
@spglobal.com  
+1-212-438-1396

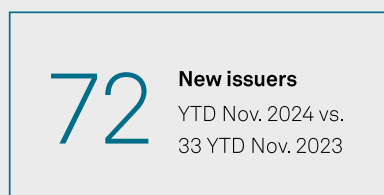
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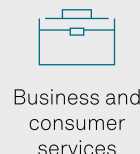
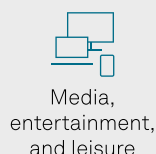
#### Outlook distribution



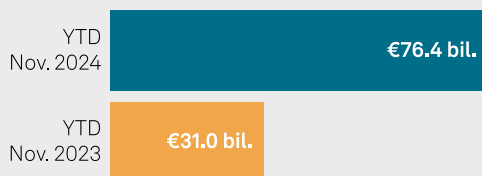
#### Nine new speculative-grade issuers in November



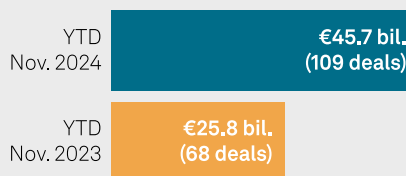
#### Top three sectors



#### 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 »](#)

## Key Insights

- The financial markets remained remarkably resilient to geopolitical uncertainty in 2024. Upgrades outpaced downgrades over the course of the year, while issuance was strong across the entire rating spectrum. Borrowers made material progress with refinancing upcoming maturities, which will now peak in 2028.
- With financing costs steady and EBITDA growth recovering, we anticipate a strong rebound in interest coverage after a period of weakness. However, the degree of improvement across credit ratings is likely to vary significantly.
- Repricings have dominated recent broadly syndicated loan activity, with spreads narrowing on more than 40% of loans in 2024. The public pricing margin has fallen well below 400 basis points for 'B' rated issuers. To a lesser degree, this is also affecting private credit, reducing the overall cost of funding for many issuers and thereby intensifying competition between public and private credit providers.
- Despite the positive rating momentum and shrinking 'B-' and 'CCC+' rated issuer populations, European CLOs' exposure to the 'B-' and 'CCC+' baskets has increased in the past year. This is largely due to a few downgrades of widely held issuers such as Altice.

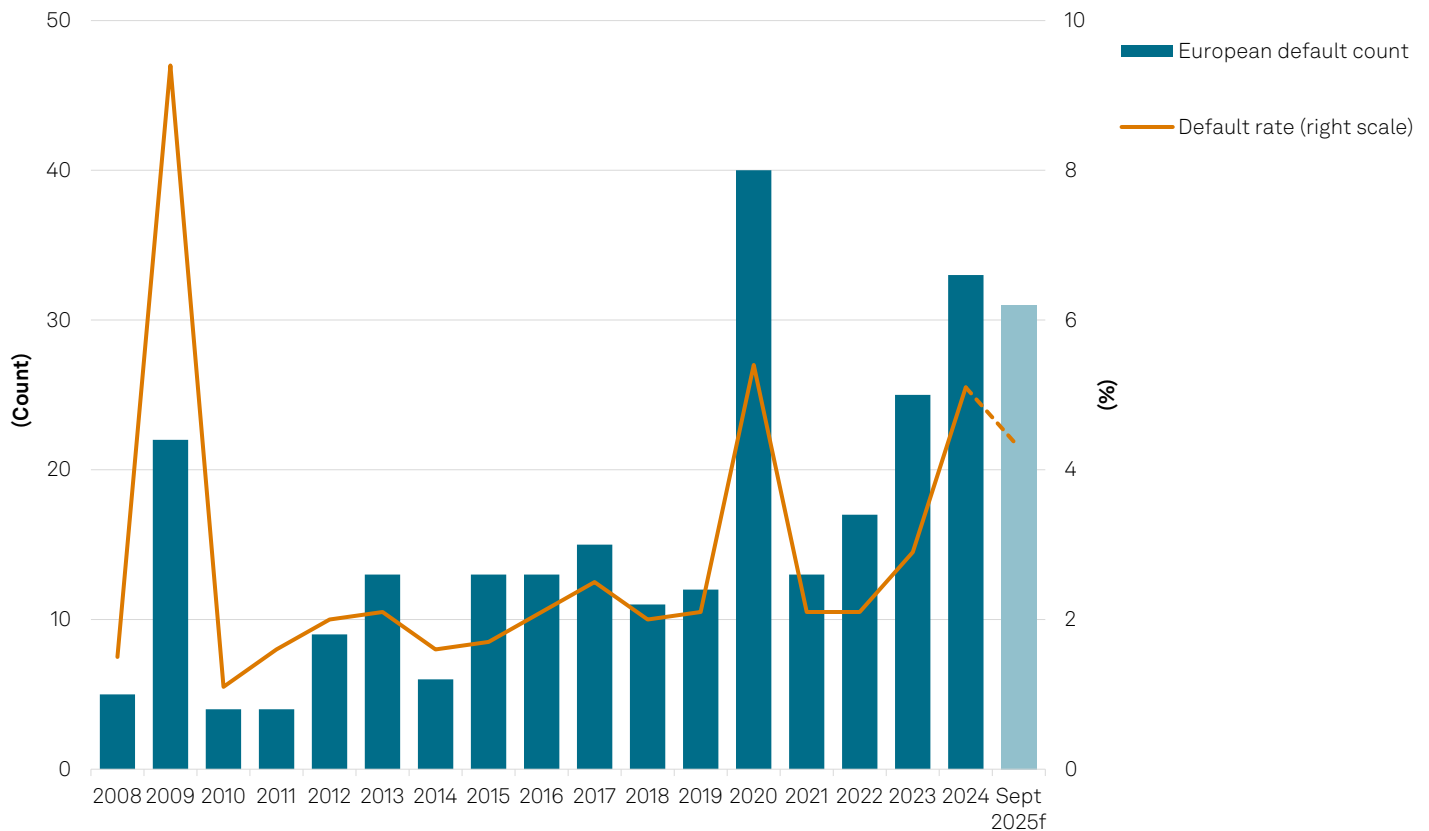
### WEBINAR REPLAYS

[Can European Healthcare Operators Navigate The Upcoming Budget Austerity?](#), Nov. 28, 2024

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

## Monthly Highlight

### European defaults remain elevated



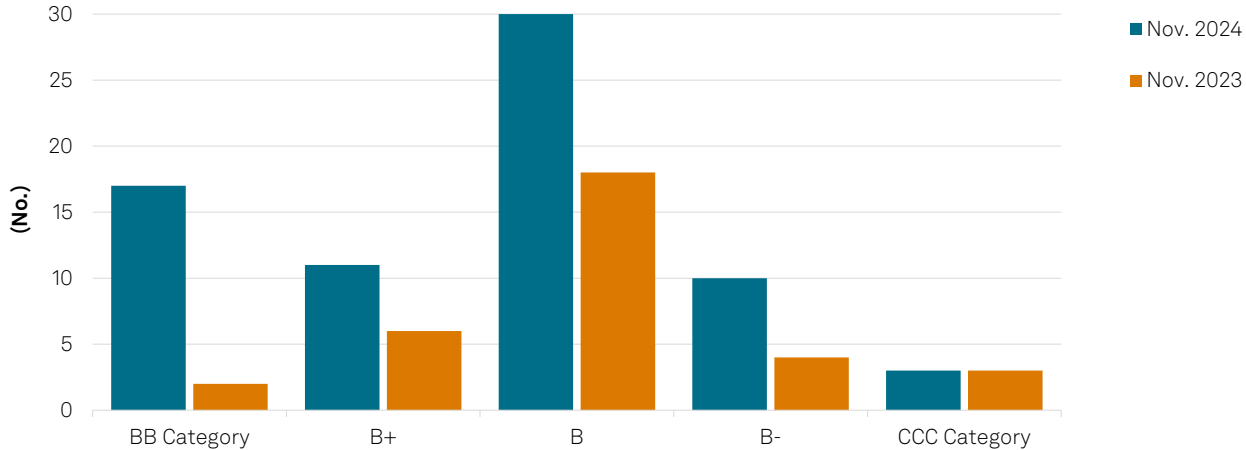
Data as of Nov. 30, 2024. Data have been updated to reflect confidential issuers. Default rate is as of Nov. 30 for each year, the default rate as of Nov. 30, 2024, is estimated. f--Forecast. Source: S&P Global Ratings Credit Research & Insights.

[Read the full report »](#)

# YTD 2024 And 2023 New Speculative-Grade Issuers

Chart 1

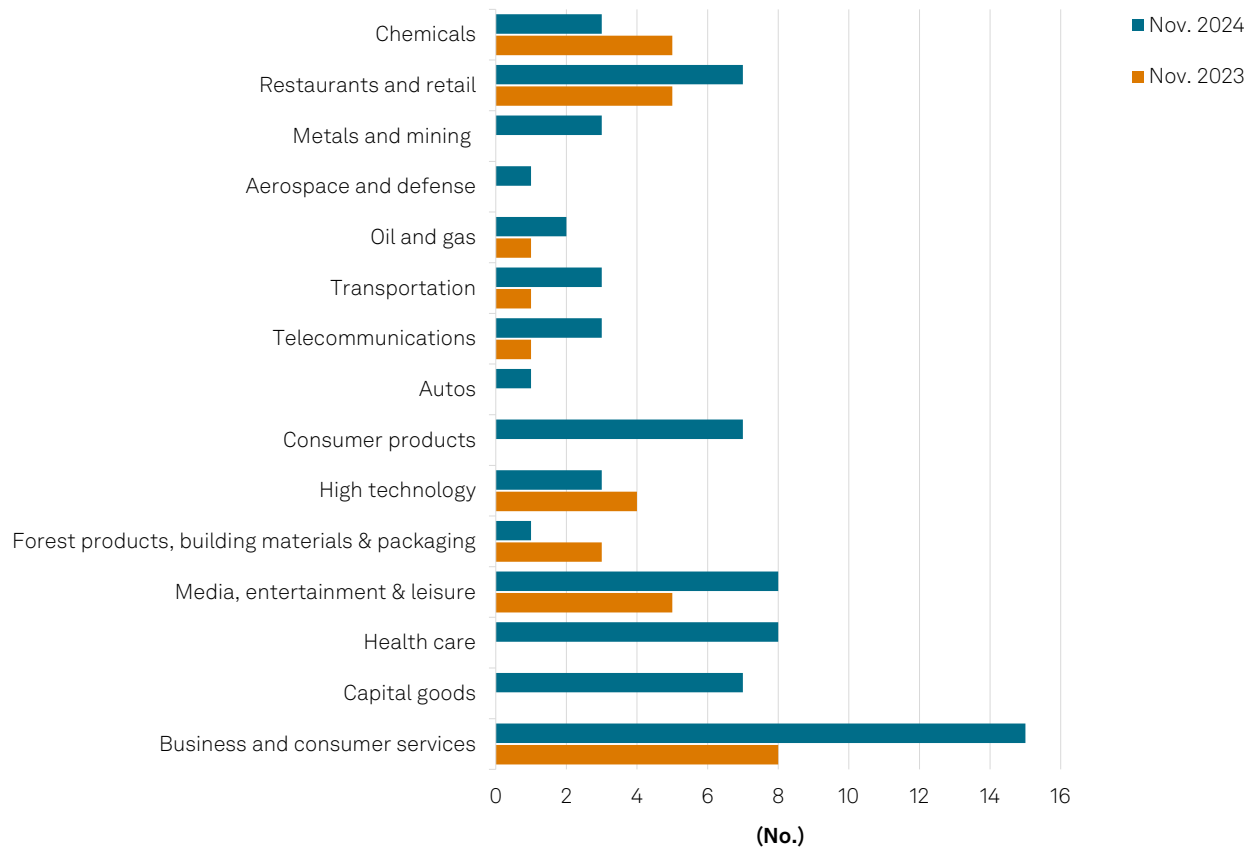
## New issuers by rating



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

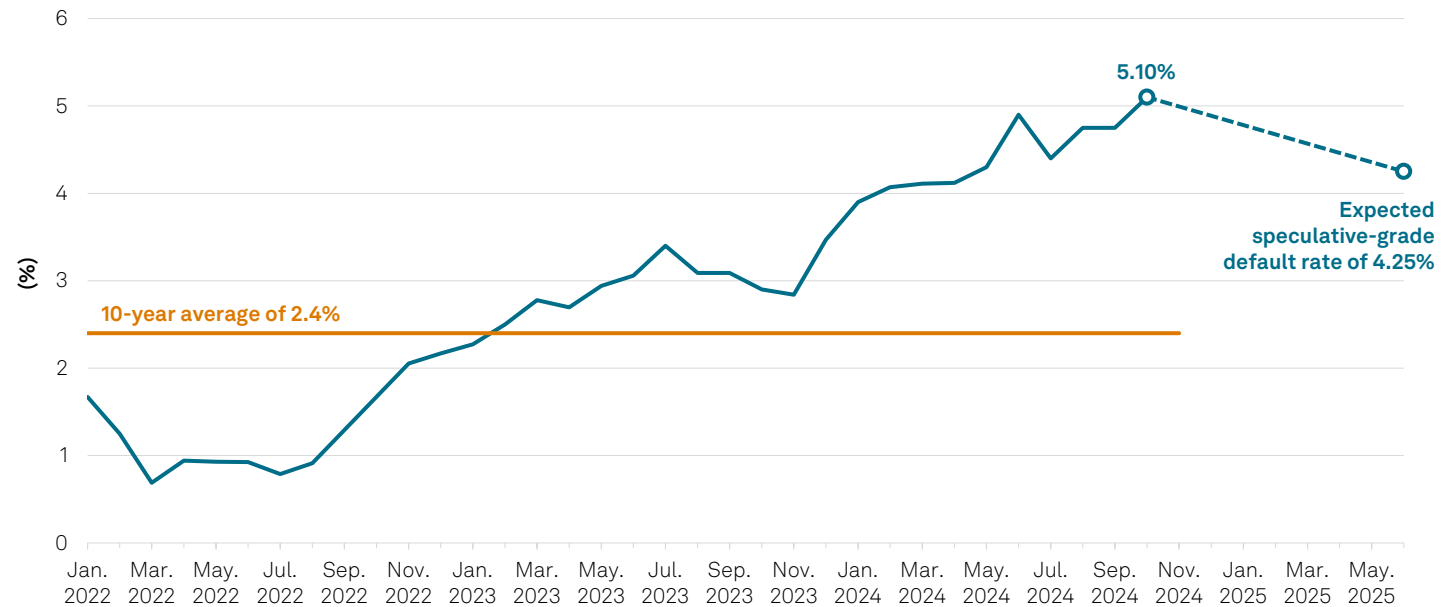
Ratings raised after selective default ('SD') and default ('D')

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 equip.	Distressed exchange
Ignition Topco BV	D	CCC+/Stable	Chemicals	Missed Payments
Pfleiderer Group B.V. & Co. KG	SD	CCC+/Stable	Forestry products/ building materials/ packaging	Distressed exchange
Praesidiad Group Ltd.	D	CCC+/Stable	Capital goods/ machinery and equip.	Distressed exchange

Note: Data on number of defaults is as of Nov. 30, 2024. Includes European corporate ratings. D--Default. SD--Selective default. YTD--Year-to-date. For more information on European defaults, see "[Defaults On Track To Close The Year Below 2023 Levels.](#)" published Dec. 11, 2024. List of ratings raised after 'SD' and 'D' is as of Nov. 30, 2024. Source: S&P Global Ratings.

Chart 4

European trailing-12-month speculative-grade default rate

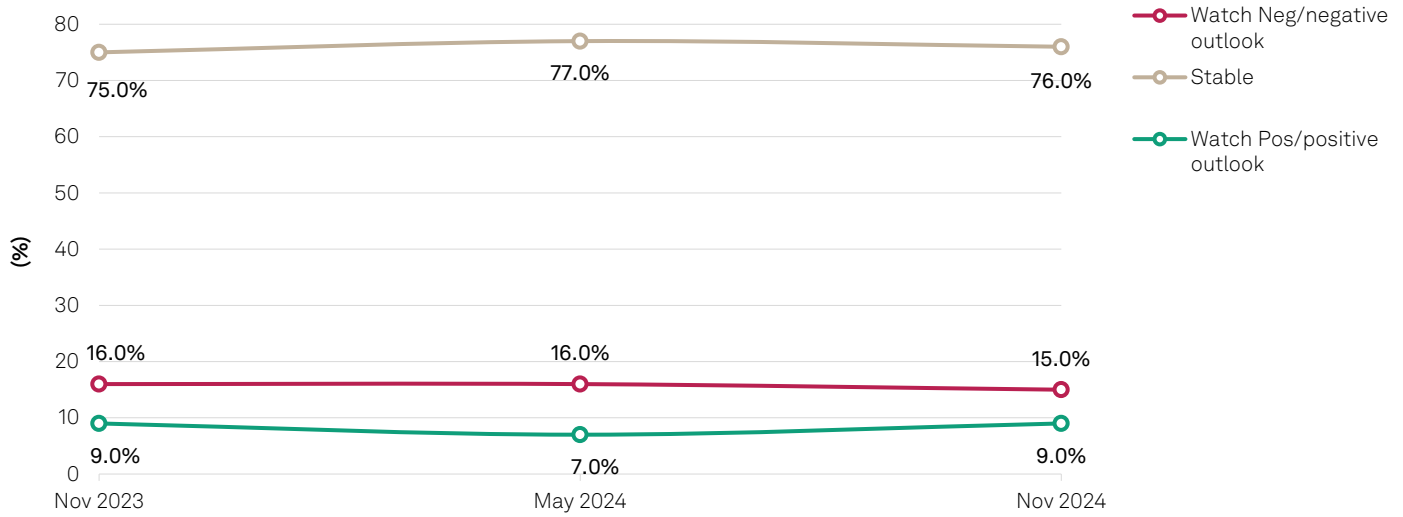


Note: Data as of Nov. 30, 2024. See "[European Speculative-Grade Default Rate Should Fall To 4.25% By September 2025.](#)" published Nov. 19, 2024. Source: S&P Global Ratings.

## Speculative-Grade Rating Outlook Mix

Chart 5

November 2023/2024 speculative-grade CreditWatch/outlook distribution

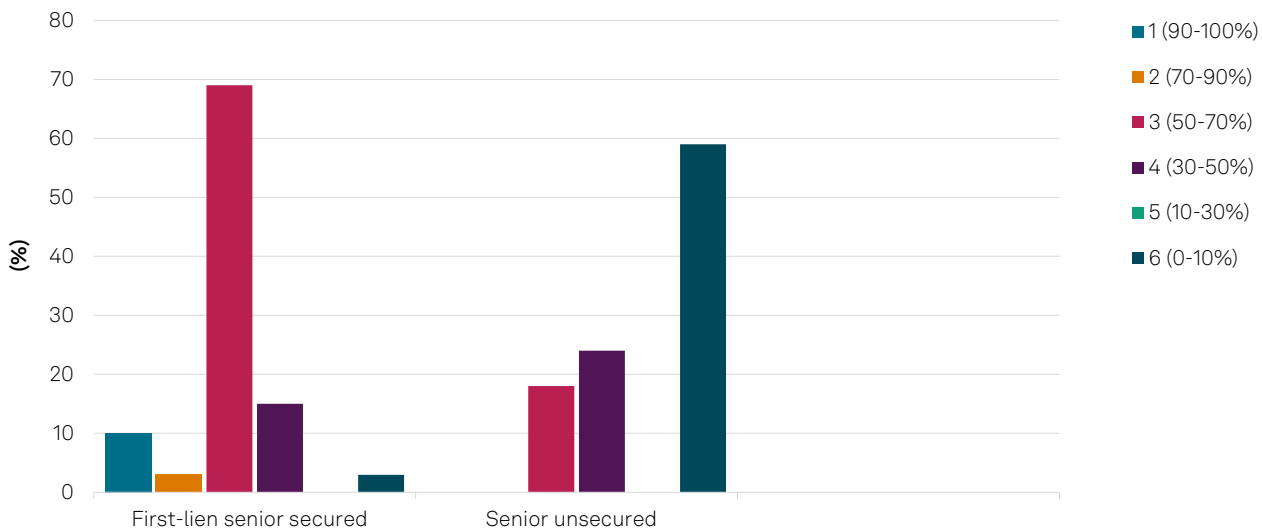


Note: Data as of Nov. 30, 2023, and Nov. 30, 2024. CreditWatch/outlook distribution includes all European corporate ratings. Does not include investment-grade issuers. Source: S&P Global Ratings.

## Recovery Ratings

Chart 6

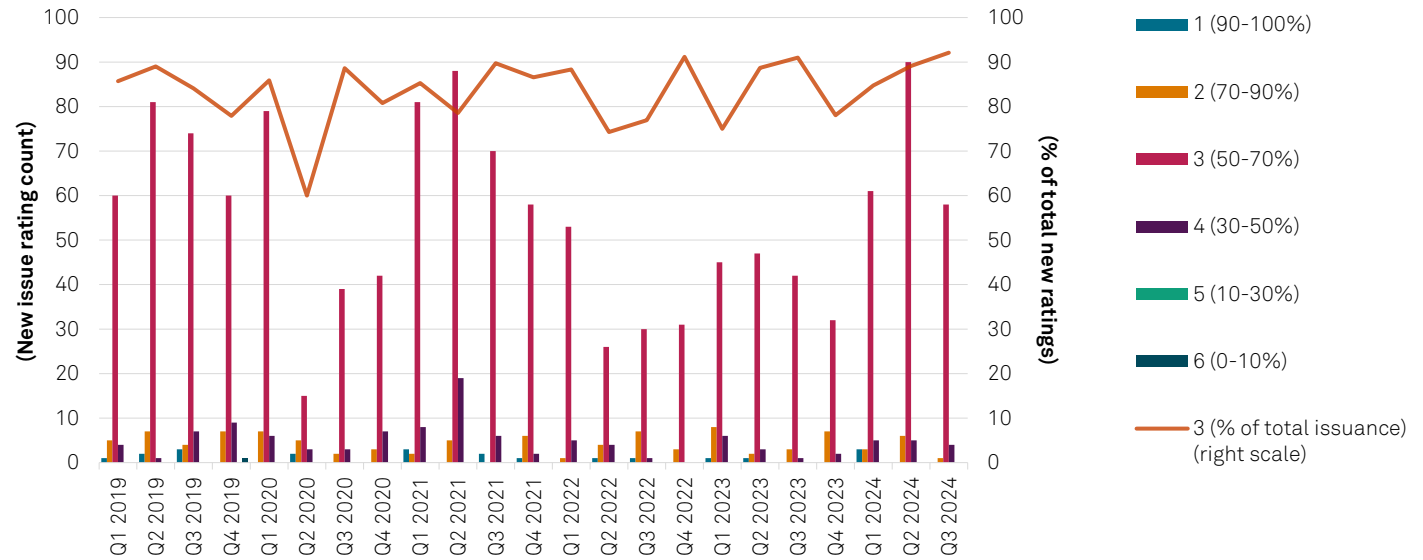
Recovery rating distribution for weakest links



Note: Data as of Sept. 30, 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)

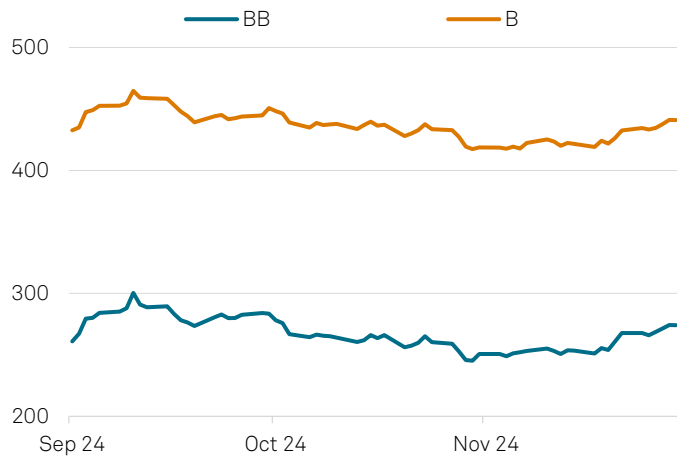


Data as of Sept. 30, 2024. Recovery rating distribution of first-lien new issues. Source: S&P Global Ratings.

## High-Yield Bond Insights

Chart 8

Three-month bond spread (bps)

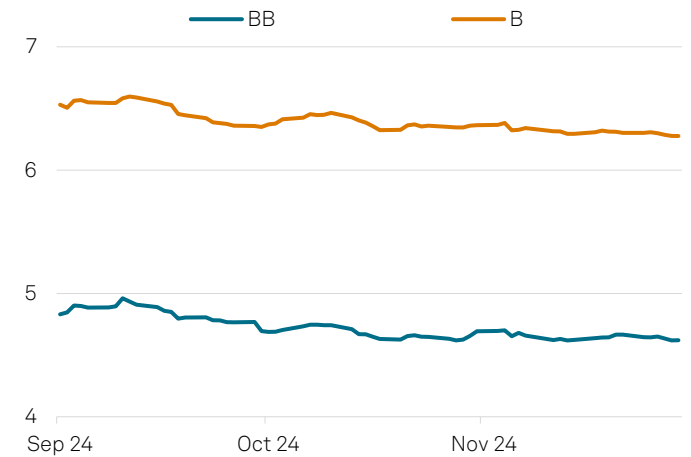


	BB	B
<b>Minimum</b>	245	417
<b>Maximum</b>	300	465
<b>Average</b>	267	436
<b>Current (as of Nov. 30, 2024)</b>	274.2	441.0

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

Chart 9

Three-month bond yield (%)



	BB	B
<b>Minimum</b>	4.6	6.3
<b>Maximum</b>	5.0	6.6
<b>Average</b>	4.7	6.4
<b>Current (as of Nov. 30, 2024)</b>	4.6	6.3

## 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	Peer Holding III B.V.	BB/Stable	Multiline retail
5	Lorca Telecom Bidco S.A.U.	BB/Stable	Diversified telecommunication services
6	Nidda German Topco GmbH	B/Stable	Pharmaceuticals
7	Verisure Midholding AB	B+/Stable	Diversified consumer services
8	Chrome HoldCo SAS	B-/Stable	Health care providers and 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 Nov. 30, 2024. Source: S&P Global Ratings.

## Sources

- [Defaults On Track To Close The Year Below 2023 Levels](#), Dec. 11, 2024
- [Global Credit Outlook 2025 – Promise And Peril](#), Dec. 4, 2024
- [European Speculative-Grade Default Rate Should Fall To 4.25% By September 2025](#), Nov. 18, 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
- [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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