

European CLO Monitor Q1 2024

April 18, 2024

This report does not constitute a rating action

Key Takeaways

- Rating activity for European CLOs was robust during Q1 2024, where we reviewed 11 transactions managed by nine collateral managers.
- Rating transitions--mainly upgrades (56% of classes reviewed) and affirmations (43%)--were positive primarily due to stable credit performance and higher credit enhancement driven by deleveraging.
- We lowered the rating on one tranche in a transaction (1% of classes reviewed), mainly due to a reduced collateral balance and lower credit enhancement.
- Rating action severities were 1.5 notches for upgrades and one notch for downgrades.
- Investcorp and KKR accounted for most affirmations and upgrades among the 11 transactions we reviewed (with two transactions for each collateral manager).
- We reviewed 101 transactions as part of our annual review surveillance process.
- We rated 21 new transactions (including two refinanced and six reset).
- We withdrew ratings on 62 tranches in 16 transactions, mainly due to redemption, reset, and refinancing.

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The full data set, covering surveillance actions, new ratings, rating transitions, and a list of our recent publications download is only available to RatingsDirect on Capital IQ subscribers.

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