

This report does not constitute a rating action

European Summary Report

Aug. 15, 2024

The July 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

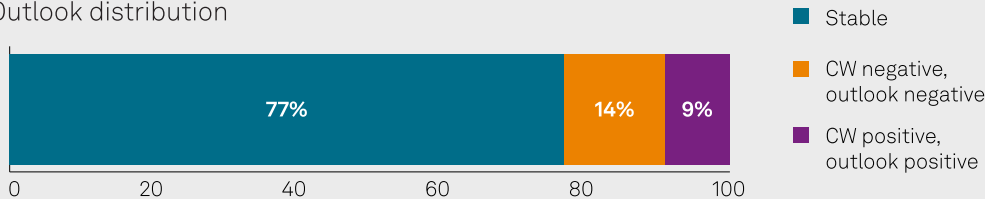
New York
nicole.serino
@spglobal.com
+1-212-438-1396

CONTENTS

Monthly Highlight	2
Year To Date 2024 And 2023	
Speculative-Grade New Issuers	3
Defaults	4
Speculative-Grade Rating	
Outlook Mix	5
Recovery Ratings	5
High-Yield Bond Insights	6
CLOs	7
Sources	8
Related Research	8

The number of European issuers rated 'CCC+' and lower continues to decline and it is now in line with the five-year average

Outlook distribution



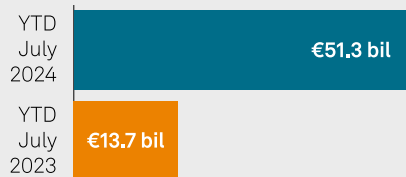
Twelve new speculative-grade issuers in July



Top three sectors



Institutional loans volumes in European market is substantially above last year's level despite lower issuance in July 2024 (€2.64bil)



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, Luxembourg, 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

- In second-quarter 2024, for the first time in a year, upgrades—rather than defaults and withdrawals—accounted for the most removals from the risky credits cohort (issuers rated ‘CCC+’ and below). Specifically, 56% of removals were upgrades to ‘B-’ due to improved operating performance and credit metrics, compared with 33% in first-quarter 2024 and 63% in second-quarter 2023.
- Speculative-grade debt due within the next 12 months has decreased further, by 19% since first-quarter 2024 (to \$101.7 billion from \$125.5 billion) due to strong investor demand, tighter pricing, and improved financing conditions and economic outlooks.
- Primary issuance of leveraged loans has picked up substantially in the first half of the year. CLO issuance follows the trend in leveraged loan origination volume, with a lag of about four quarters. With the substantial increase in leveraged loan originations, the arranging of European CLOs increased 103% through first-half 2024, which we attribute to spreads tightening in the first two quarters relative to year-end 2023, as well as increased year-to-date new loan issuance.
- Market sentiment has remained arguably resilient. Despite the call for snap elections in France around mid-June, European high-yield bond spreads only widened about 40 bps in response. And since then, they have declined by 15 bps to 340 bps on July 17. This is 55 bps below where they began the year and only 9 bps above the start of 2022.

WEBINARS

[European Leveraged Finance - 2024 Q1 Trends And Insights](#), March 27, 2023

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

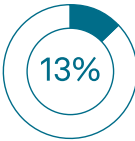
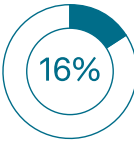
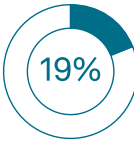
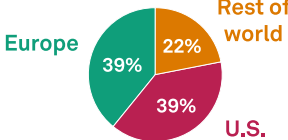
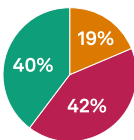
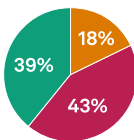
[How Snooze Drag Helps Borrowers Extend Loan Maturities](#), Dec. 11, 2023

WEBINAR REPLAY

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

Monthly Highlight

Global Refinancing Update Q3 2024: Near-Term Risk Eases

Debt maturing in the next:	12 months	24 months	36 months
Total debt maturing	\$2.17 tril. ↑ 8.5% since Jan. 1, 2024	\$4.65 tril. ↑ 2.8% since Jan. 1, 2024	\$7.32 tril. ↑ 0.3% since Jan. 1, 2024
% of total debt	9.0%	19.4%	30.5%
Speculative-grade share			
Amount rated ‘B-’ and lower	\$66.0 bil. ↑ from \$60.4 bil. Jan. 1, 2024	\$200.8 bil. ↓ from \$214.0 bil. Jan. 1, 2024	\$423.5 bil. ↓ from \$441.4 bil. Jan. 1, 2024
Regional breakout			

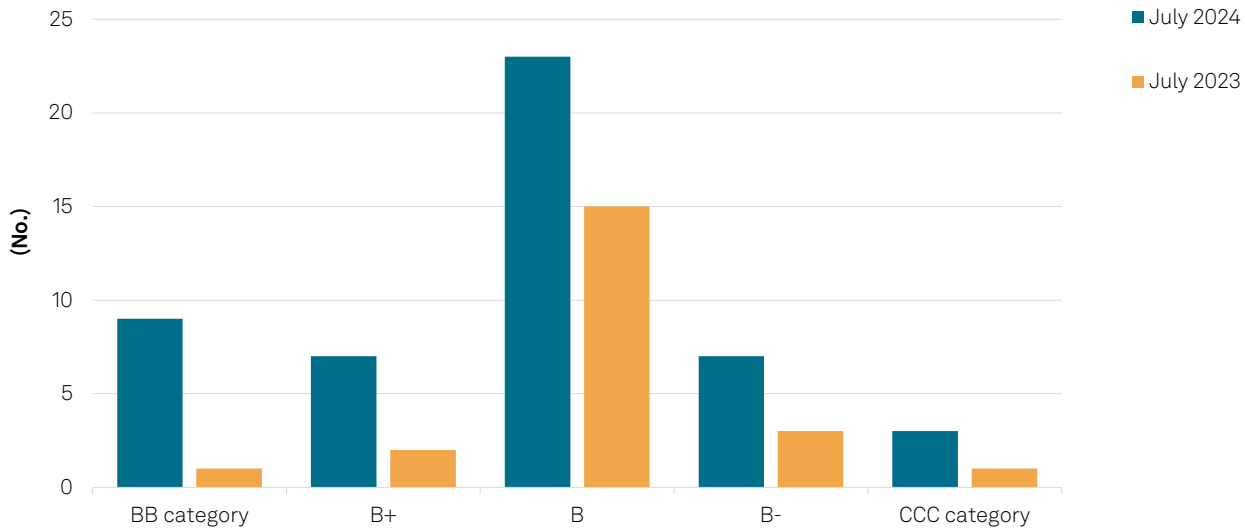
[Read the full report »](#)

Data as of July 1, 2023. 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.

YTD 2024 And 2023 Speculative-Grade New Issuers

Chart 3

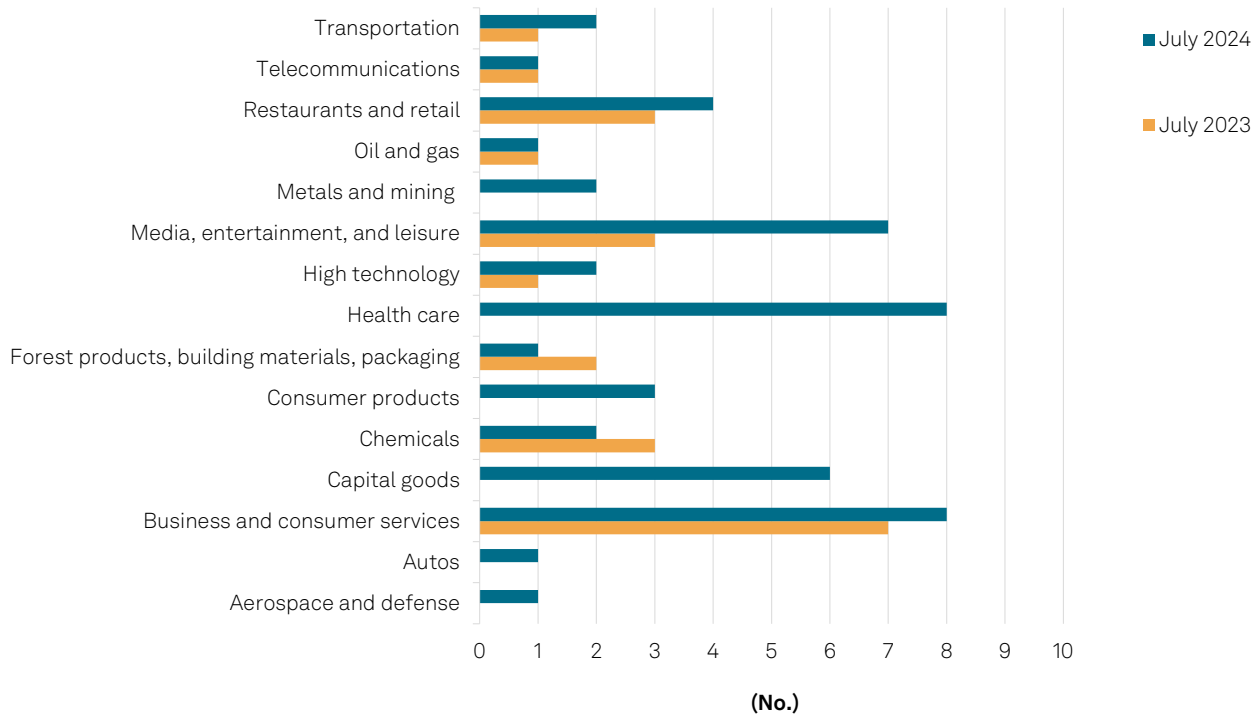
New issuers by rating



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

Chart 4

New issuers by industry group



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

Defaults

Chart 5

YTD downgrades to 'SD'/'D'



Table 1

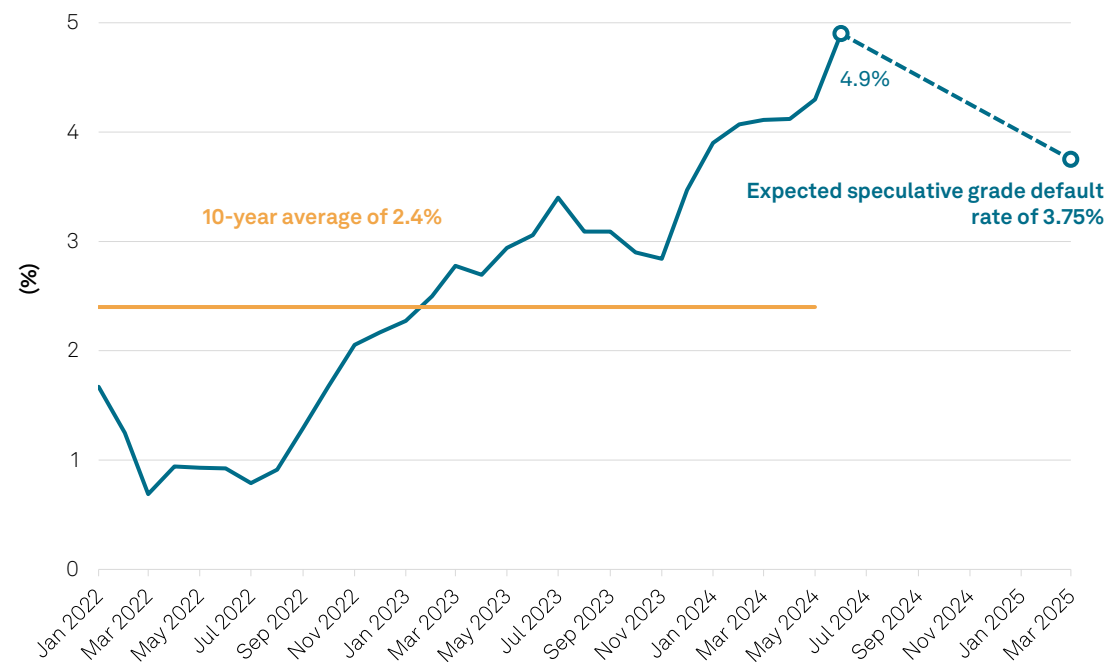
Ratings raised after selective default ('SD') and default ('D')

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 payment
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 June 30, 2024. Includes European corporate ratings. D--Default. SD--Selective default. YTD--Year-to-date. For more information on European defaults, see "[Defaults drop in June](#)," published July 17, 2024. List of ratings raised after 'SD' and 'D' is as of June 30, 2024. Source: S&P Global Ratings.

Chart 6

European trailing-12-month speculative-grade default rate

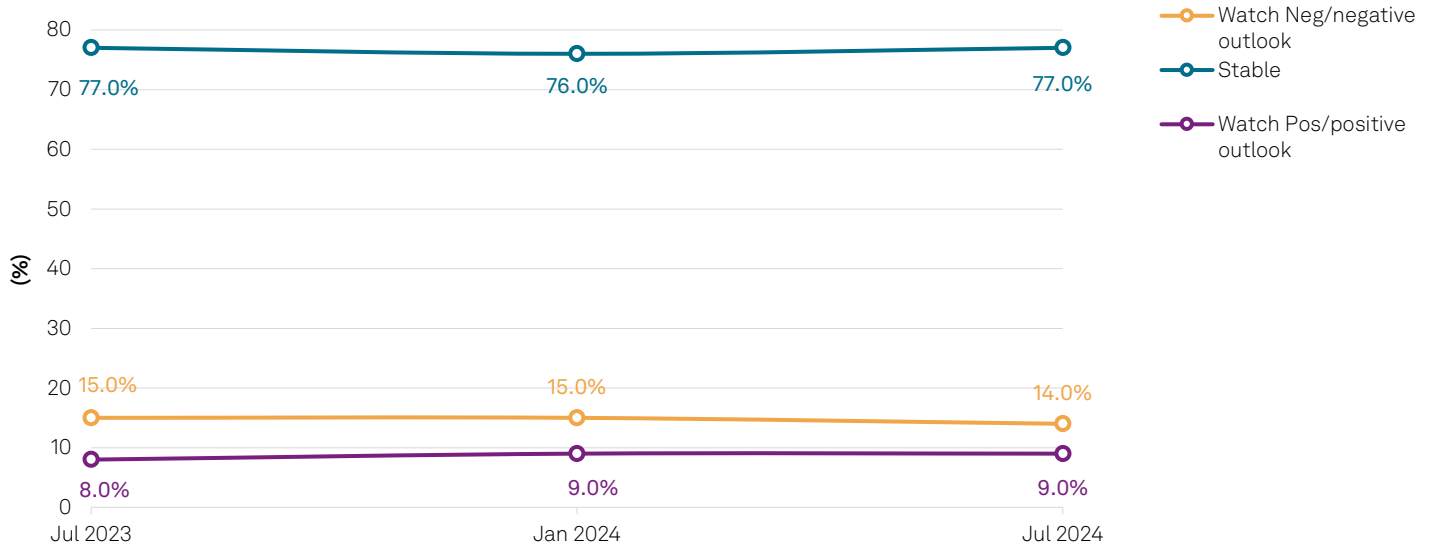


Note: Data as of June 30, 2024. See "[The European Speculative-Grade Default Rate Should Level Out At 3.75% By March 2025](#)," published May 22, 2024. Source: S&P Global Ratings.

Speculative-Grade Rating Outlook Mix

Chart 7

July 2023/2024 speculative-grade CreditWatch/outlook distribution

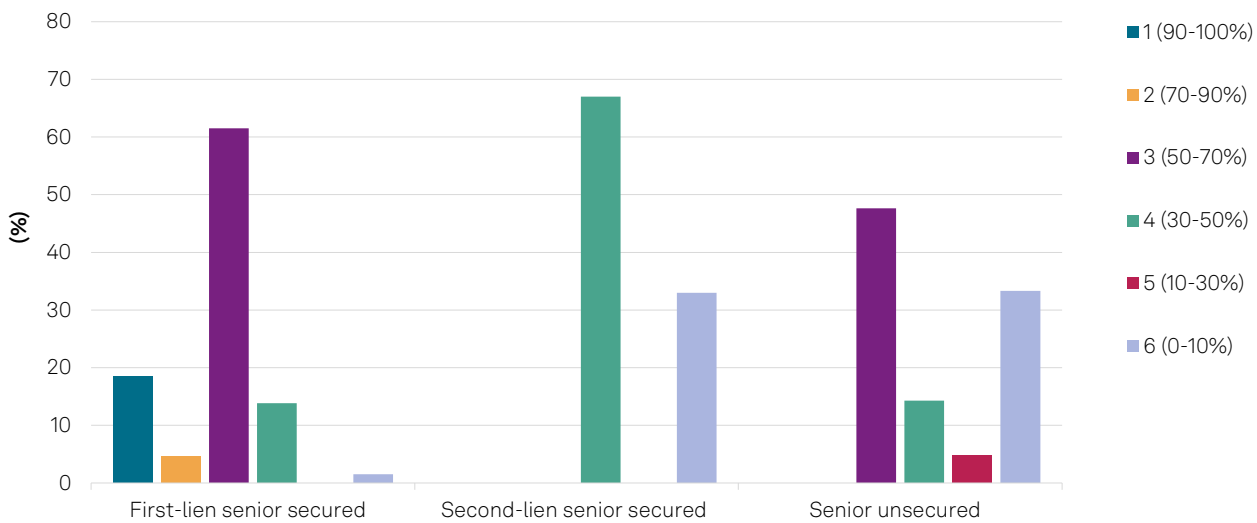


Note: Data as of July 31, 2023, and July 31, 2024. CreditWatch/outlook distribution includes all European corporate ratings. Does not include investment-grade issuers. Source: S&P Global Ratings.

Recovery Ratings

Chart 8

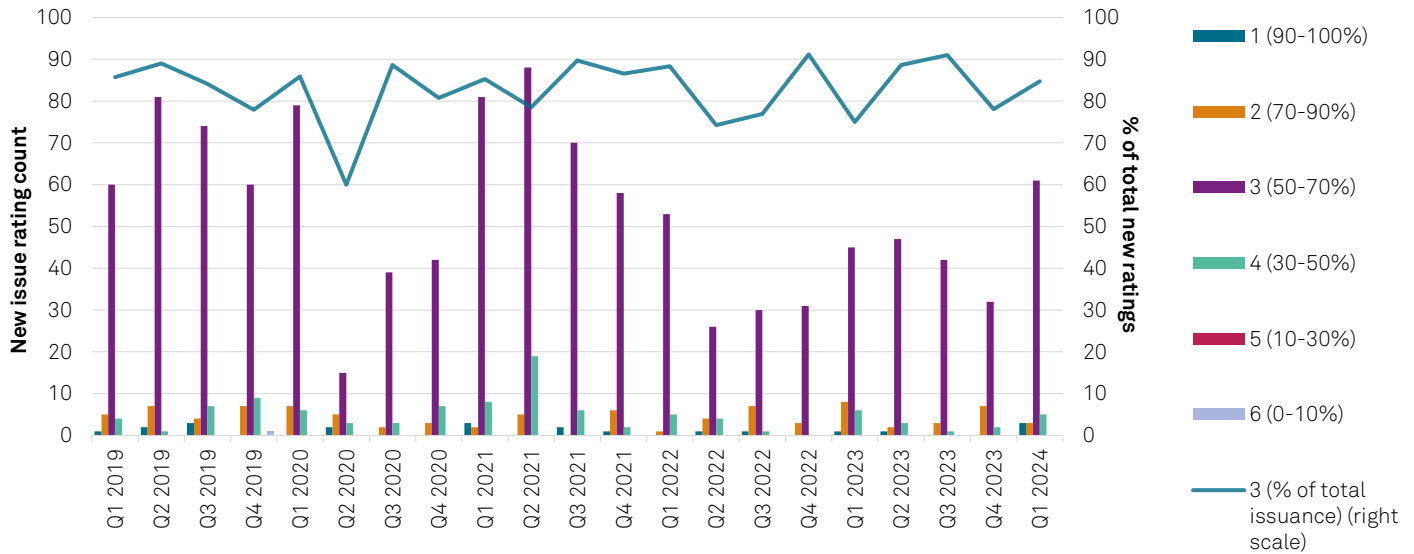
Recovery rating distribution for weakest links



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 9

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

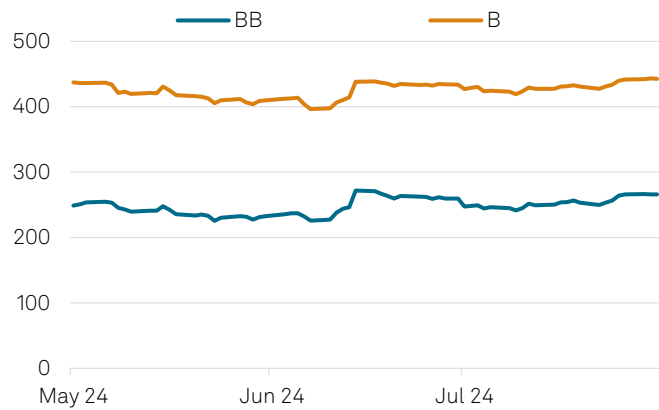


Data as of March 31, 2024. Recovery ratings distribution of first-lien new issues. Source: S&P Global Ratings.

High-Yield Bond Insights

Chart 10

Three-month bond spread (bps)

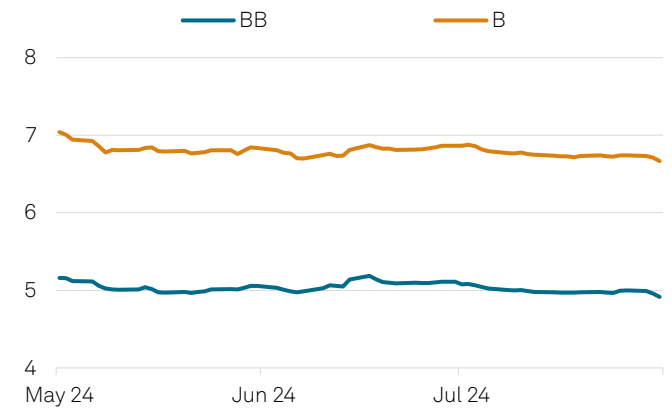


	BB	B
Minimum	226	396
Maximum	272	443
Average	248	425
Current (as of July 31, 2024)	266	442

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

Chart 11

Three-month bond yield (%)



	BB	B
Minimum	4.9	6.7
Maximum	5.2	7.0
Average	5.0	6.8
Current (as of July 31, 2024)	4.9	6.7

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	Chrome HoldCo SAS	B-/Stable	Health care providers and services
6	Verisure Midholding AB	B+/Stable	Diversified consumer services
7	Nidda German Topco GmbH	B/Stable	Pharmaceuticals
8	Peer Holding III B.V.	BB/Stable	Multiline retail
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 July 31, 2024. Source: S&P Global Ratings.

Sources

- [Global Refinancing Update Q3 2024: Near-Term Risk Eases](#), July 29, 2024
- [Global Financing Conditions: Early Issuance Should Support Growth Through Second-Half Slowdown](#), July 29, 2024
- [Risky Credits: Positive Ratings Momentum In Europe Continue](#), July 26, 2024
- [Defaults drop in June](#), July 17, 2024
- [Credit Conditions Europe Q3 2024 – Keep Calm, Carry On](#), June 25, 2024
- [The European Speculative-Grade Corporate Default Rate Should Level Out At 3.75% By March 2025](#), May 22, 2024

Related Research

- [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

Articles are available at [Corporate Research | S&P Global Ratings \(spglobal.com\)](#).

Free account registration is required.

Copyright 2024 © by S&P Global Ratings Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Ratings Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its websites, www.spglobal.com/ratings (free of charge) and www.ratingsdirect.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/ratings/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of S&P Global Ratings Financial Services LLC.