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## European Summary Report

March 3, 2025

### The January Snapshot

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#### CREDIT RESEARCH & INSIGHTS

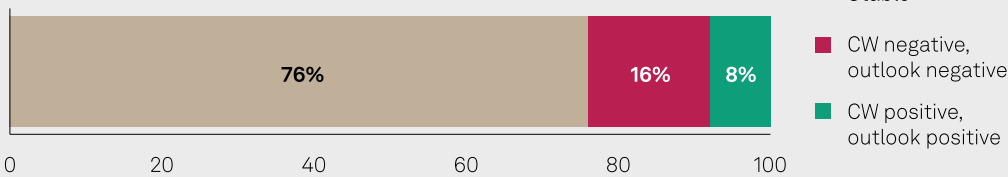
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#### Outlook distribution



#### Six new speculative-grade issuers in January

6

**New issuers**  
in 2025 versus  
2 in 2024

#### Top three sectors



Telecommunications

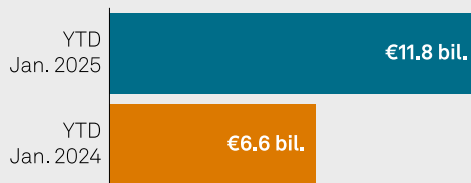


Healthcare

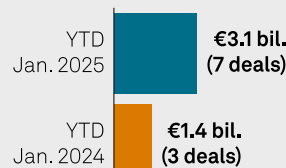


Business and  
consumer  
services

#### The volume of institutional loans in the European market is significantly higher than last year:



#### European CLO issuance



Note: Data above is year-to-date (YTD), except for the outlook distribution. CW--CreditWatch. Outlook distribution is 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

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

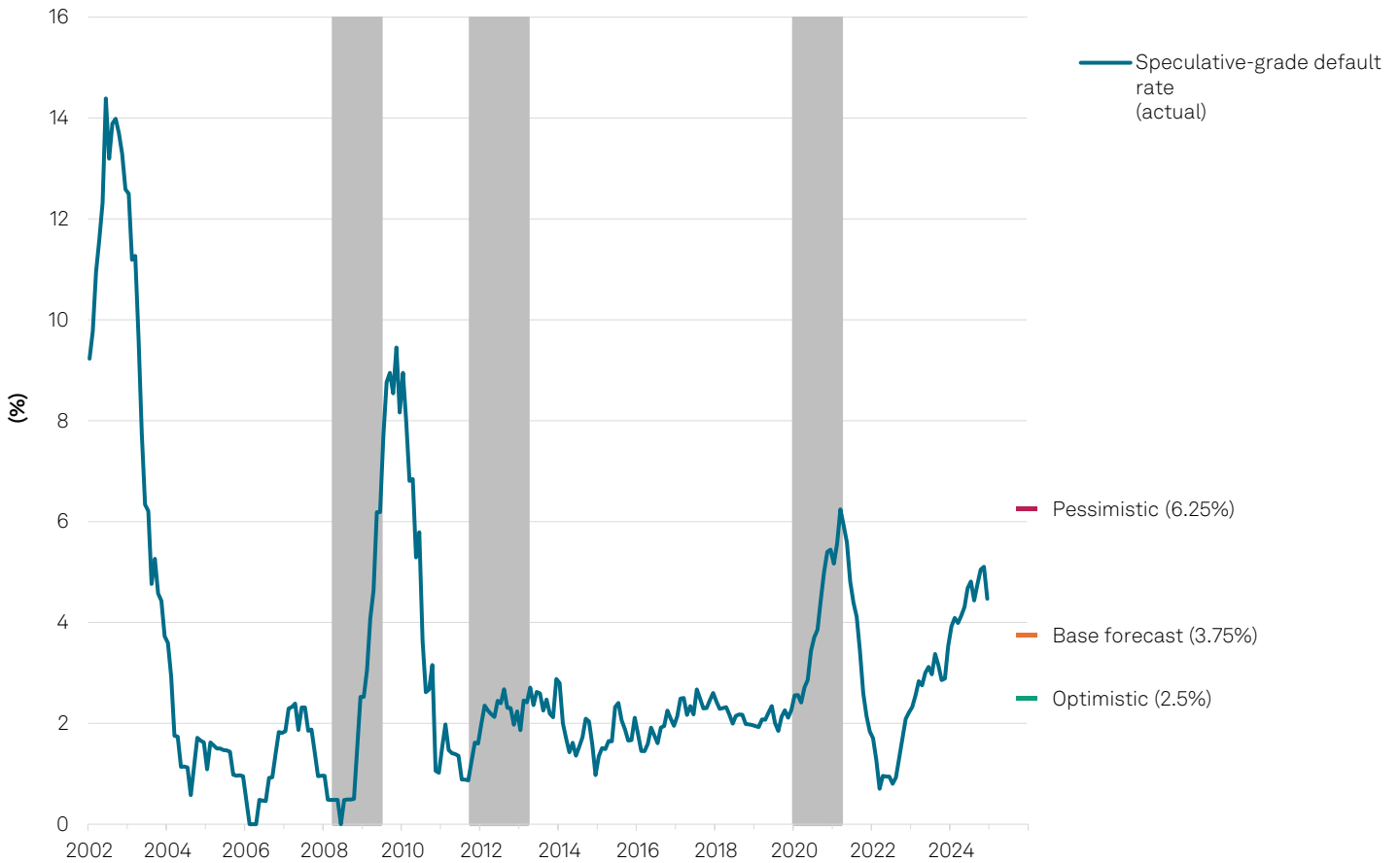
[European Leveraged Finance - 2024 Q1 Trends And Insights](#), March 27, 2024

Key Insights

- Combined high-yield bond and leveraged loan issuance totaled €275 billion in 2024. This represents the second-highest annual total after a record haul in 2021 and mainly resulted from refinancing activity and strong market demand, as reflected in tightening spreads. That said, 'CCC'/'C' issuers still face limited primary market access and sizable pending maturities.
- While the ratings on almost one-third of speculative-grade issuers remained at 'B-' and lower levels at the start of 2025, weakest links--that is, issuers rated 'B-' and below, with negative outlooks or CreditWatch negative--accounted for about 7%. In January this year, more than one-third of weakest links pertained to the following sectors: chemicals, packaging, and environmental services; consumer products; and media and entertainment. The latter two sectors have led the default tally since 2022.
- We expect the European trailing-12-month speculative-grade corporate default rate will reach 3.75% by December 2025--down from 4.5% through December 2024. The default rate started to decline in fourth-quarter 2024 but remains historically elevated, largely because of an increase in distressed exchanges and debt restructurings.

Monthly Highlight

European trailing-12-month speculative-grade default rate and December 2025 forecast



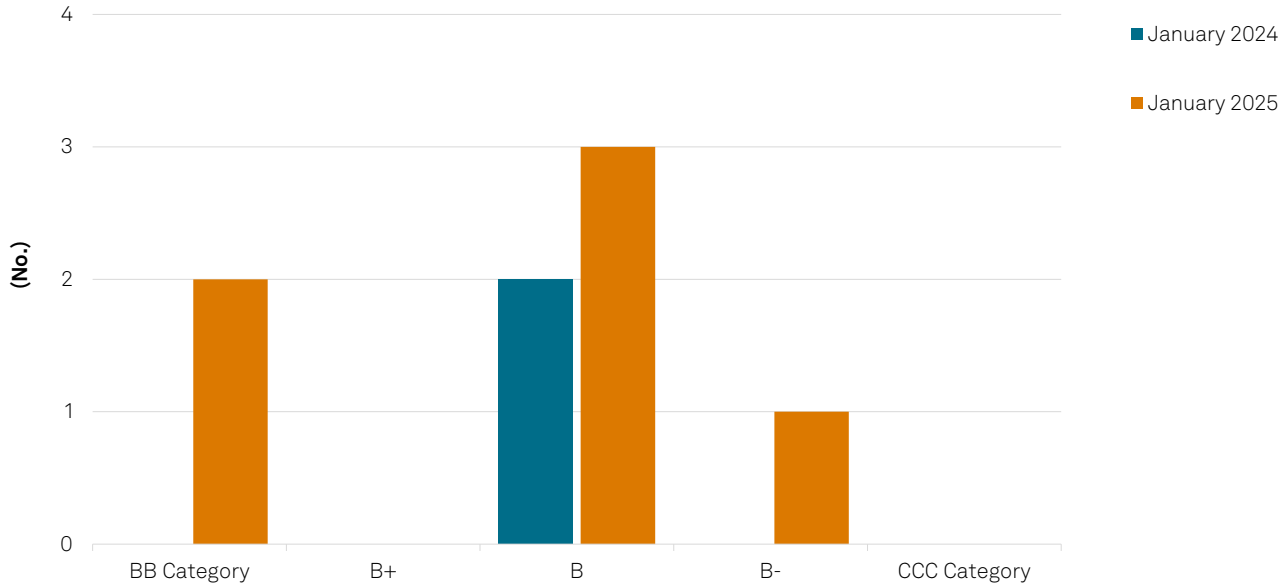
Data as of Dec. 31, 2025. Shaded areas are periods of recession as defined by the Center for Economic Policy Research. Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

[Read full report »](#)

# YTD 2025 And 2024 New Speculative-Grade Issuers

Chart 1

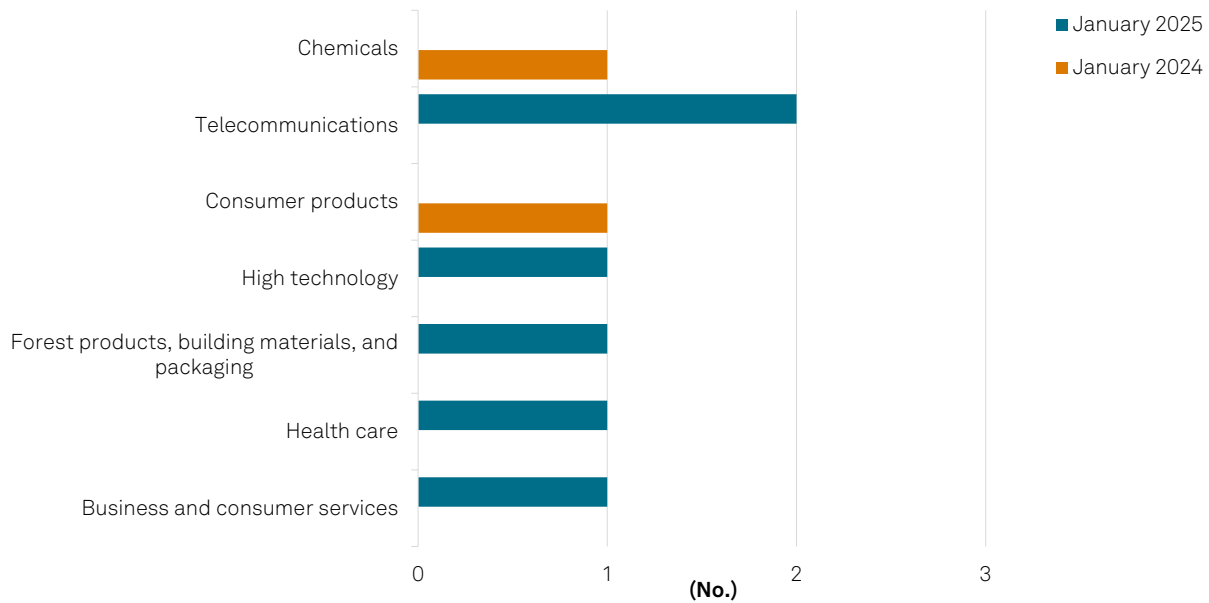
## New issuers by rating



Data represent new issuers as of Jan. 31, 2024, and Jan. 31, 2025, include European corporate ratings, and exclude confidential issuers. YTD--Year-to-date. Source: S&P Global Ratings.

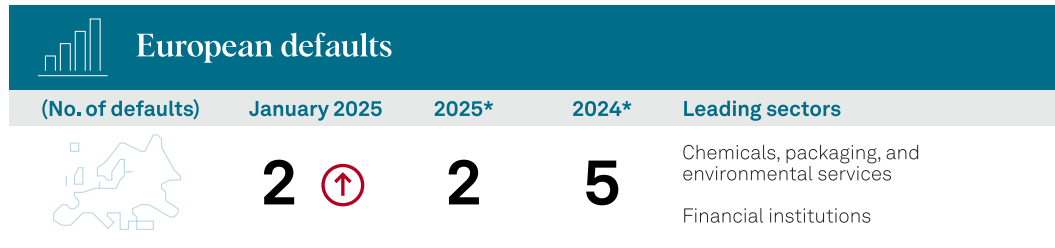
Chart 2

## New issuers by industry group



Data represent new issuers as of Jan. 31, 2024, and Jan. 31, 2025, include European corporate ratings, and exclude confidential issuers. Source: S&P Global Ratings.

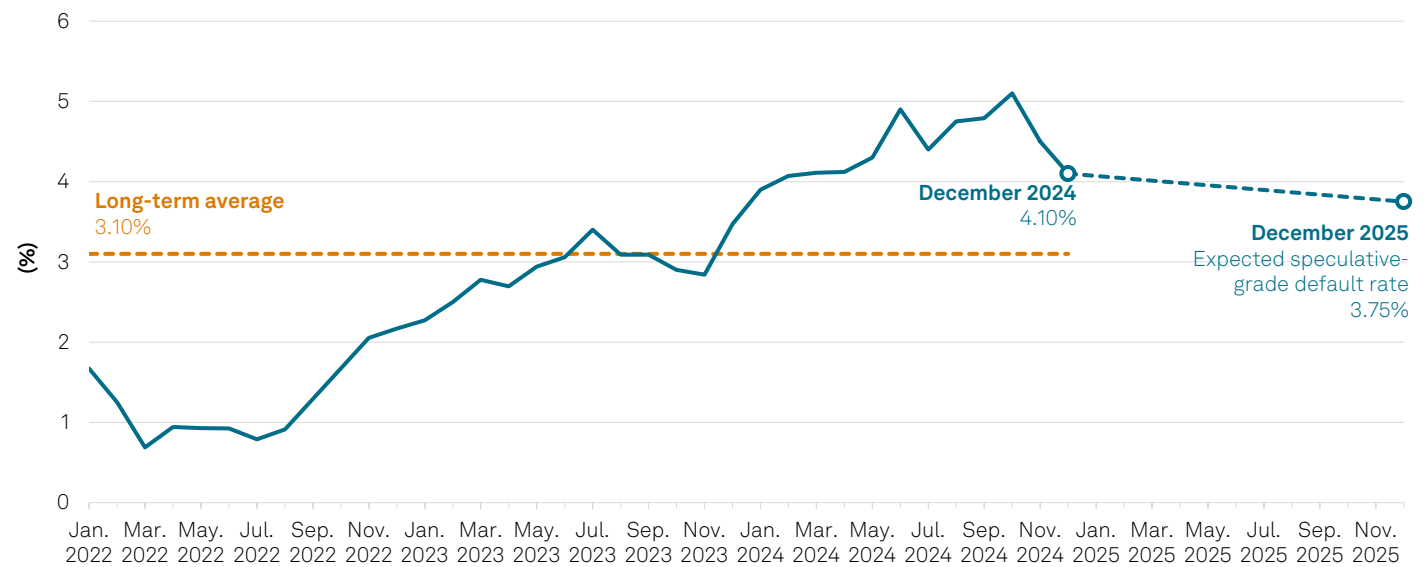
# Defaults



Data as of Jan. 31, 2025. \*Captures year-to-date default tally. Direction of arrow indicates month-over-month change. Default counts may include confidentially rated issuers. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

Chart 3

## European trailing-12-month speculative-grade default rate

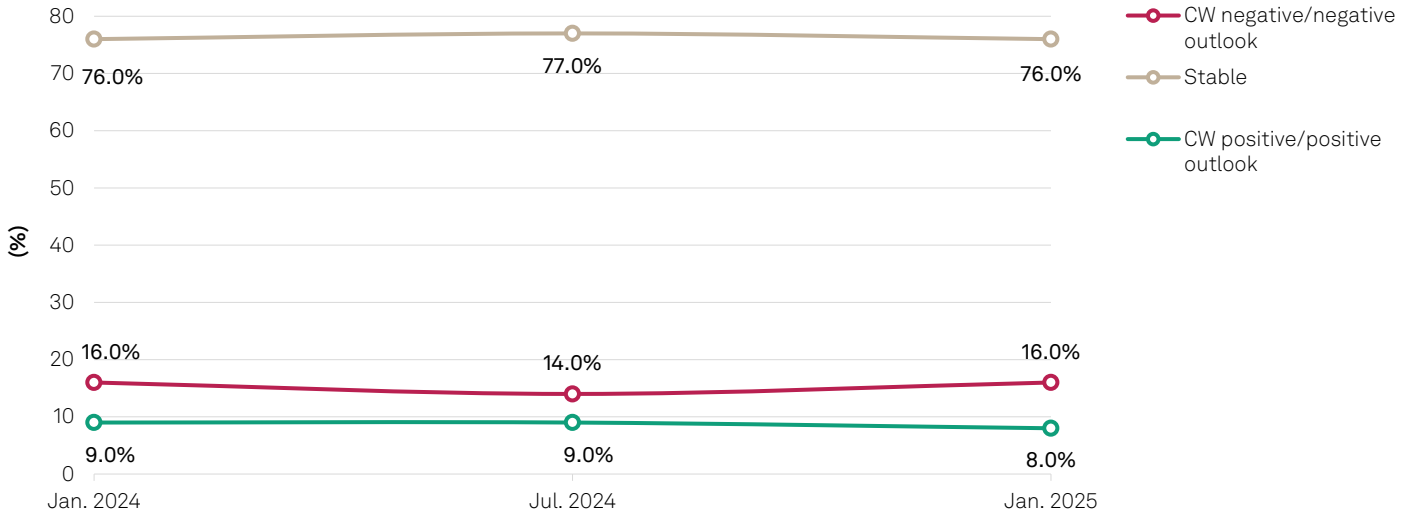


Data as of Dec. 31, 2024. See "[European Speculative-Grade Default Rate Could Level Out At 3.75% By December 2025](#)," published Feb. 21, 2025. Source: S&P Global Ratings.

## Speculative-Grade Rating Outlook Mix

Chart 4

January 2024/2025 speculative-grade CreditWatch/outlook distribution

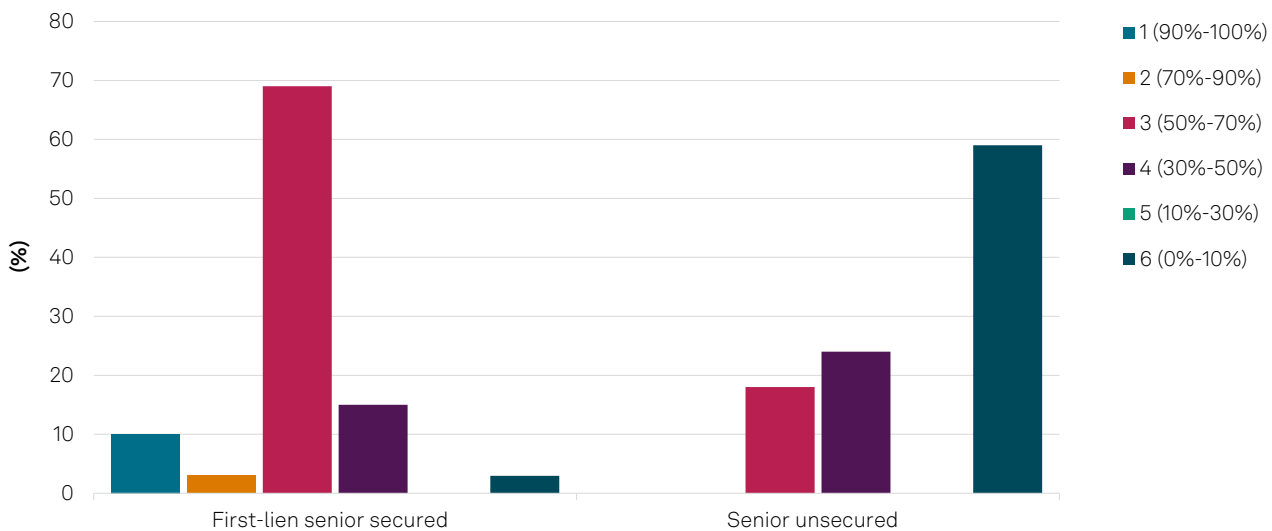


Data as of Jan. 31, 2024, and Jan. 31, 2025. CreditWatch/outlook distribution includes all European speculative-grade corporate issuers. Source: S&P Global Ratings.

## Recovery Ratings

Chart 5

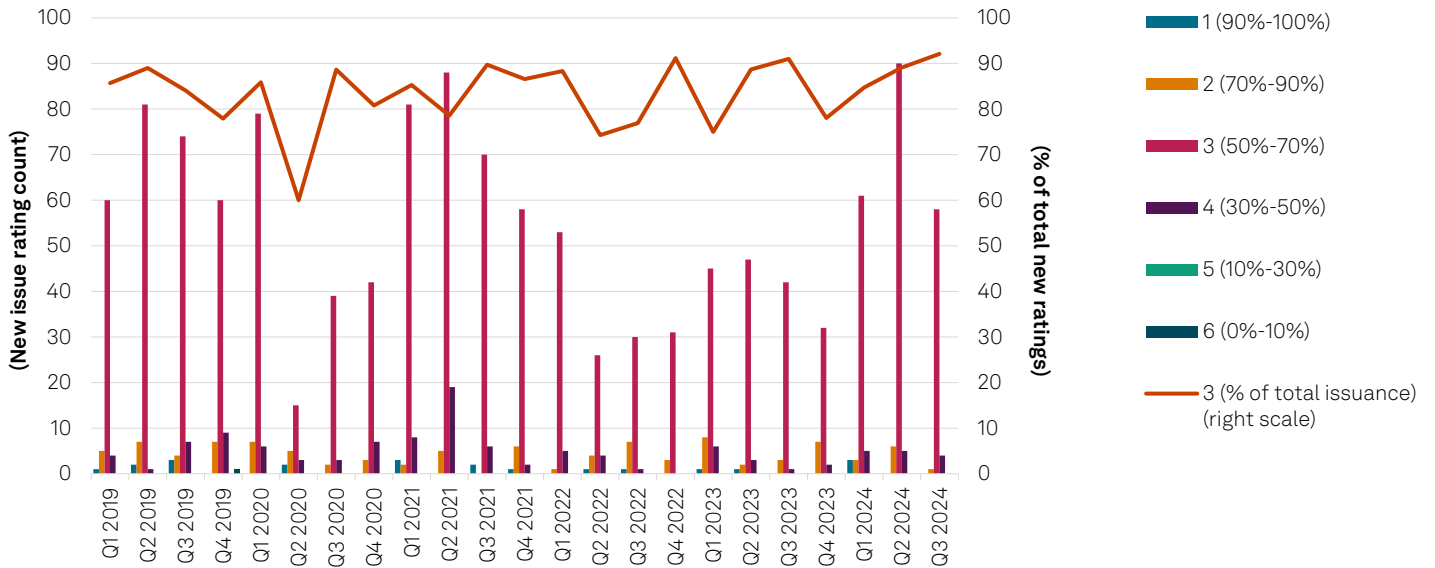
Recovery rating distribution for weakest links



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 6

Recovery rating distribution of first-lien new issues in Europe

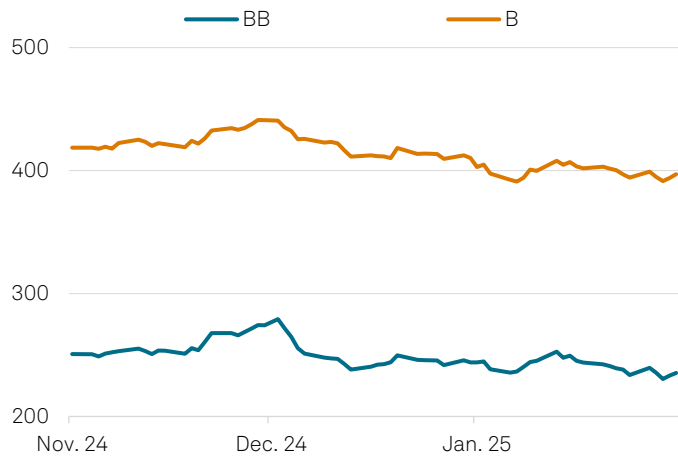


Data as of Sept. 30, 2024. Recovery rating distribution of first-lien new issues. Source: S&P Global Ratings.

## High-Yield Bond Insights

Chart 7

Three-month bond spread (basis points)

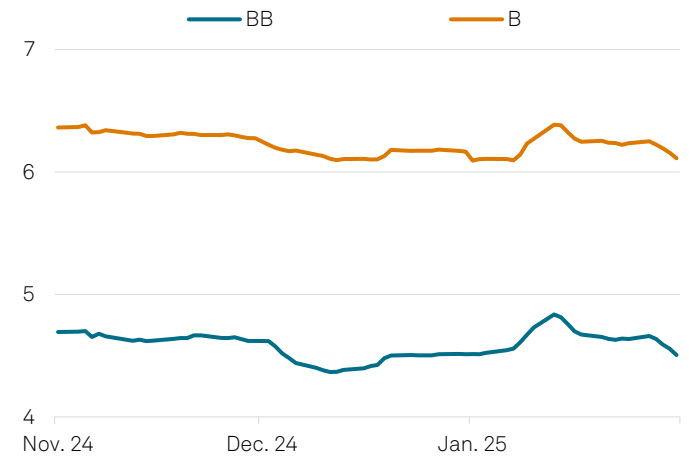


	BB	B
<b>Minimum</b>	230	391
<b>Maximum</b>	279	441
<b>Average</b>	249	414
<b>Current (as of Jan. 31, 2025)</b>	235.4	397.0

Data as of Jan.31, 2025. Source: S&P Market Intelligence.

Chart 8

Three-month bond yield (%)



	BB	B
<b>Minimum</b>	4.4	6.1
<b>Maximum</b>	4.8	6.4
<b>Average</b>	4.6	6.2
<b>Current (as of Jan. 31, 2025)</b>	4.5	6.1

## CLOs

Table 1

### 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	Verisure Midholding AB	B+/Stable	Diversified consumer services
7	Laboratoire Eimer SELAS	B-/Stable	Health care providers and services
8	IVC Acquisition Topco Ltd	B/Stable	Health care providers and services
9	Nidda German Topco GmbH	B/Stable	Pharmaceuticals
10	Chrome HoldCo SAS	B-/Stable	Health care providers and services

Ratings and CreditWatch/outlooks as of Jan. 31, 2025. Source: S&P Global Ratings.

## Sources

- [European Speculative-Grade Default Rate Could Level Out At 3.75% By December 2025](#), Feb. 21, 2025
- [Consumer Products And Health Care Led Defaults In January](#), Feb. 13, 2025

## Related Research

- [European Debt Restructuring Note: Atos SE](#), Feb 19, 2025
- [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
- [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

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

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## Leveraged Finance: European Summary Report

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