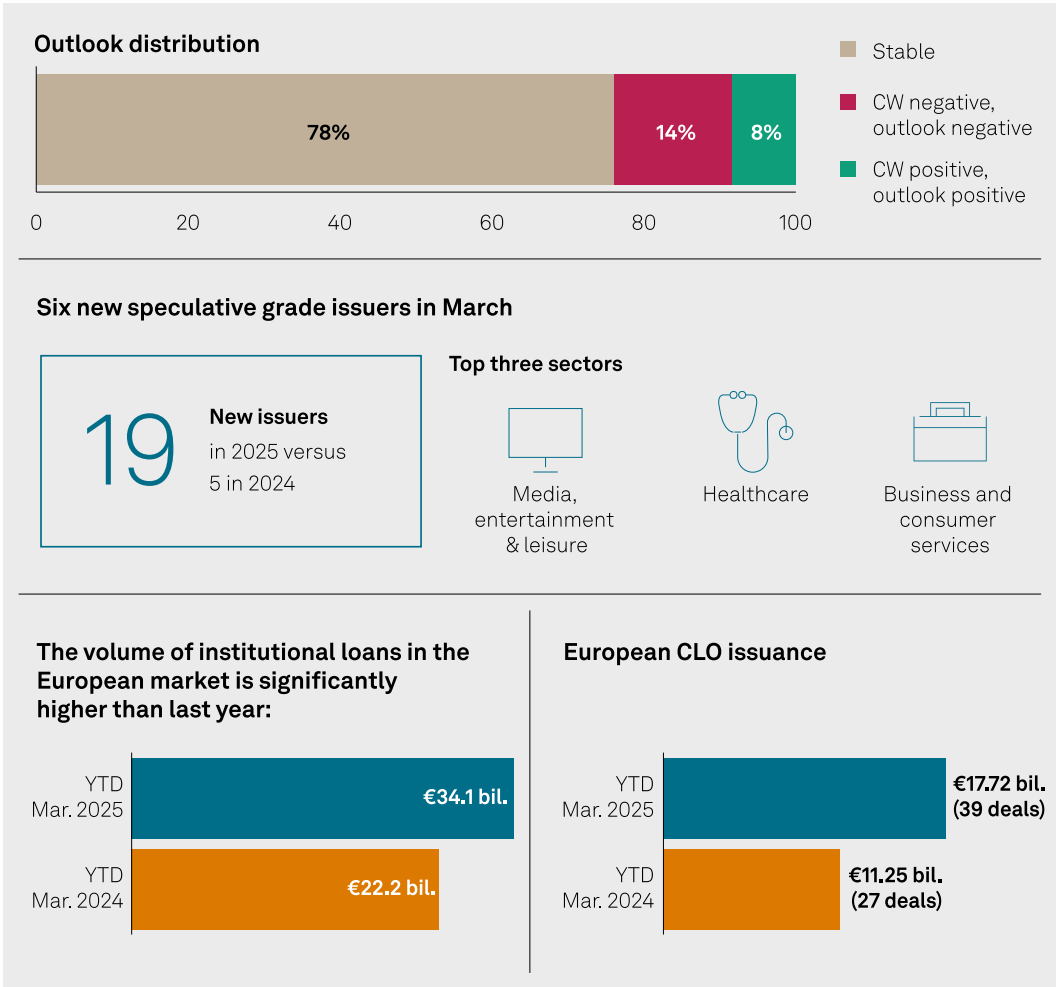


This report does not constitute a rating action

European Summary Report

April 23, 2025

The March Snapshot



Note: Data above is year-to-date (YTD), except for the outlook distribution. CLO--Collateralized loan obligation. 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, 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.

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CONTENTS

Monthly Highlight	2
YTD 2025 And 2024 New Speculative-Grade Issuers	3
Defaults	3
Speculative-Grade Rating Outlook Mix	5
Recovery Ratings	5
High-Yield Bond Insights	6
CLOs	7

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Key Insights

- European credit markets are far from immune to global trade headwinds, as indicated by recent declines in primary market issuance and secondary market pricing. Speculative bond issuance was muted, exacerbated by fund outflows, whilst loan issuance was more active, driven partially by increased collateralized loan obligation (CLO) formation, continued corporate refinancing, M&A activity, and early 2025 expectations for a decrease in funding costs. Widening credit spreads and rising yields, along with a pickup in volatility amid continued market uncertainty, may dampen leveraged loan supply and put additional pressure on lower-rated borrowers due to rising borrowing costs and a more selective investor base.
- S&P Global Ratings' analysis of the impact of the U.S. administration's 25% tariffs on the eurozone rated universe suggests they will have limited or very limited direct effects on issuers, as in many cases there are mitigating factors. The most effective mitigants will be existing production in the U.S.; the ability to pass, entirely or partially, the tariffs on to customers through price increases; and the possibility to redirect sales to other regions. The autos sector is going to be the most severely impacted, followed by the metals sector.
- Ratings remain resilient--the negative corporate outlook bias has declined to about 27% for 'B-' and lower-rated issuers, well below the five-year average of close to 33%. Since the start of 2025, issuer downgrades have primarily occurred in consumer-facing sectors such as media and entertainment, consumer products, and retail. These downgrades are mostly linked to weak operating metrics and unsustainable capital structures.
- There were eight defaults in Europe in the first quarter of 2025, down from 11 in the same period in 2024. Cumulative defaulted debt in Europe was \$9.42 billion over the first three months of 2025, which was higher than in the first quarters of 2023 and 2024.

WEBINAR REPLAYS

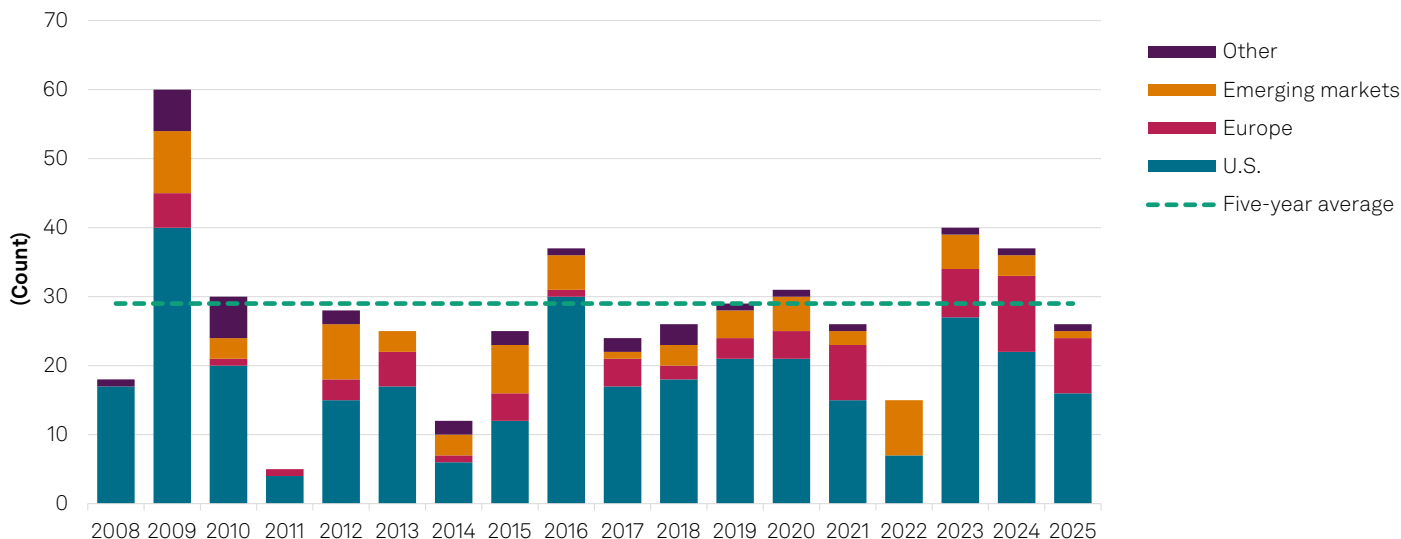
[Can European Healthcare Operators Navigate The Upcoming Budget Austerity?](#), Nov. 28, 2024

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

Monthly Highlight

The global default tally is below the average

Year-to-date defaults by region

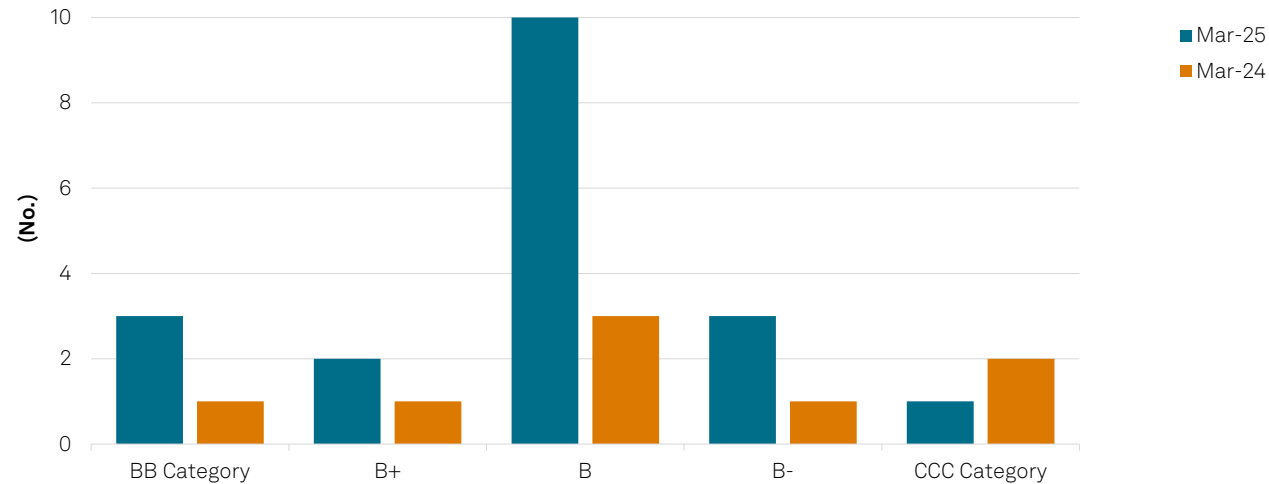


Data as of March 31, 2025. Data has been updated to reflect confidential issuers.
Source: S&P Global Ratings Credit Research & Insights.

YTD 2025 And 2024 New Speculative-Grade Issuers

Chart 1

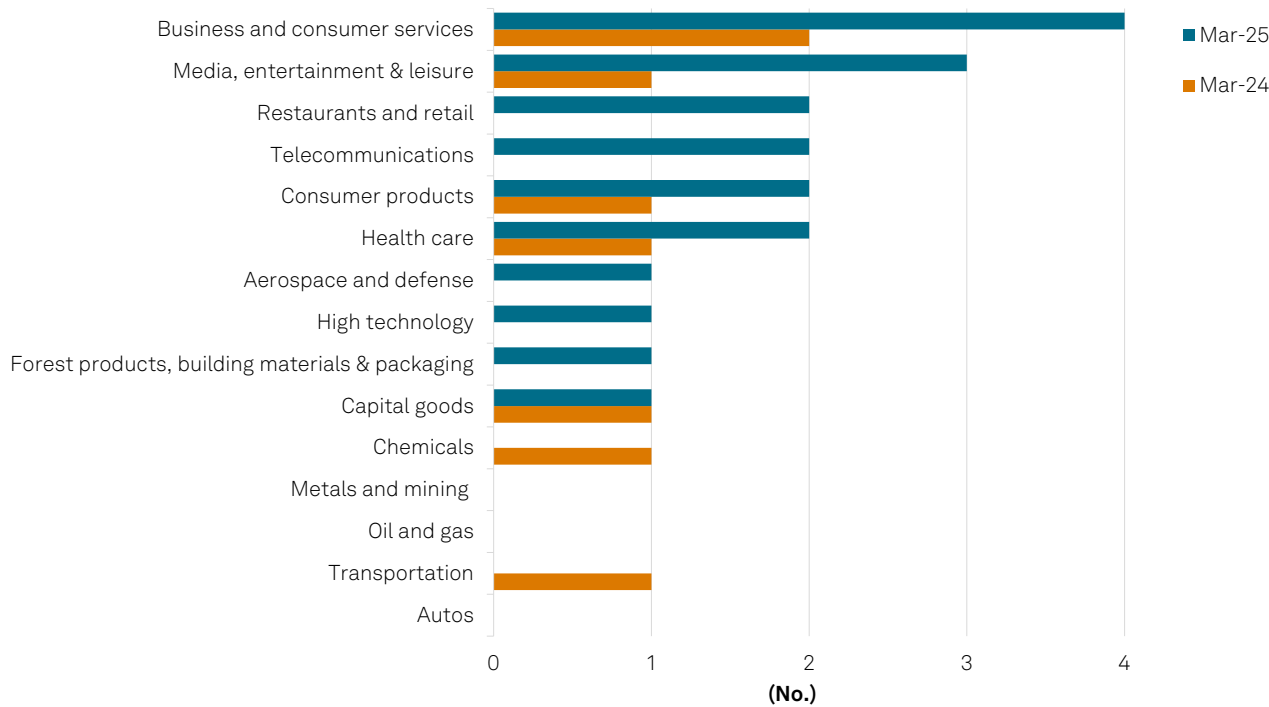
New issuers by rating



Data represents new issuers as of Mar. 31, 2024, and Mar. 31, 2025, includes European corporate ratings, and excludes confidential issuers. YTD--Year-to-date. Source: S&P Global Rating

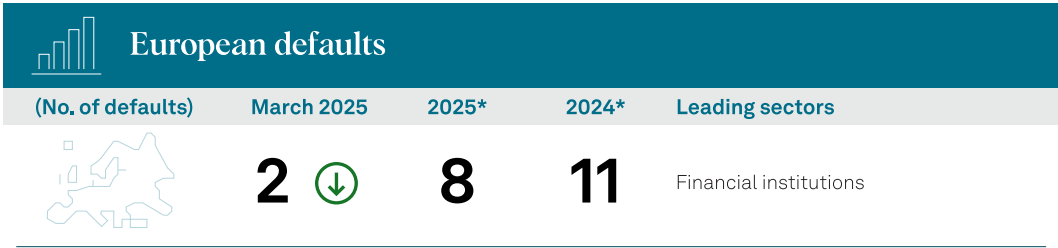
Chart 2

New issuers by industry group



Data represents new issuers as of Mar. 31, 2024, and Mar. 31, 2025, includes European corporate ratings, and excludes confidential issuers. Source: S&P Global Ratings.

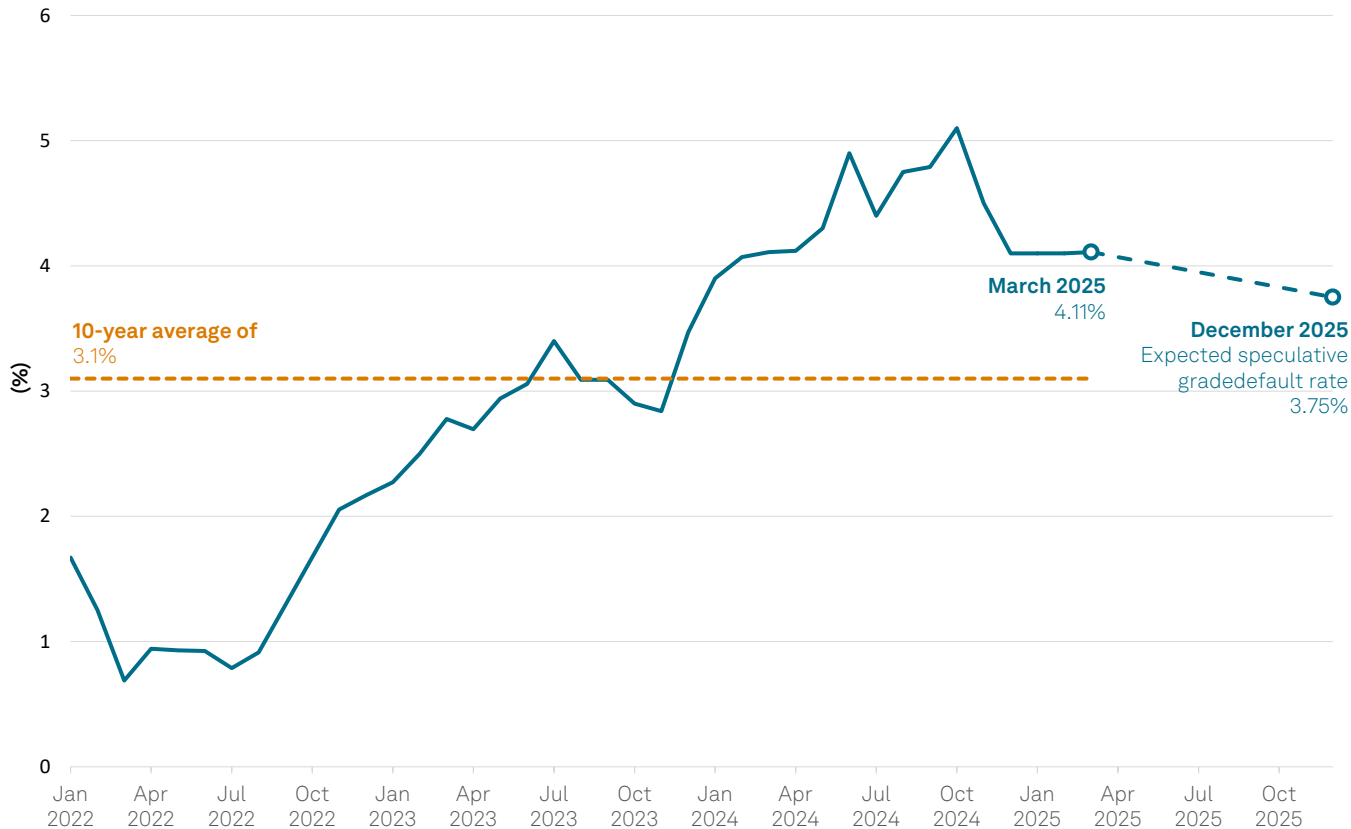
Defaults



Data as of Mar. 31, 2025. *Captures year-to-date default tally. Direction of arrow indicates month-over-month change. Default counts may include confidentially rated issuers. See ["Trade Tensions Could Reverse Decline In Corporate Defaults"](#), published April 16, 2025. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

Chart 3

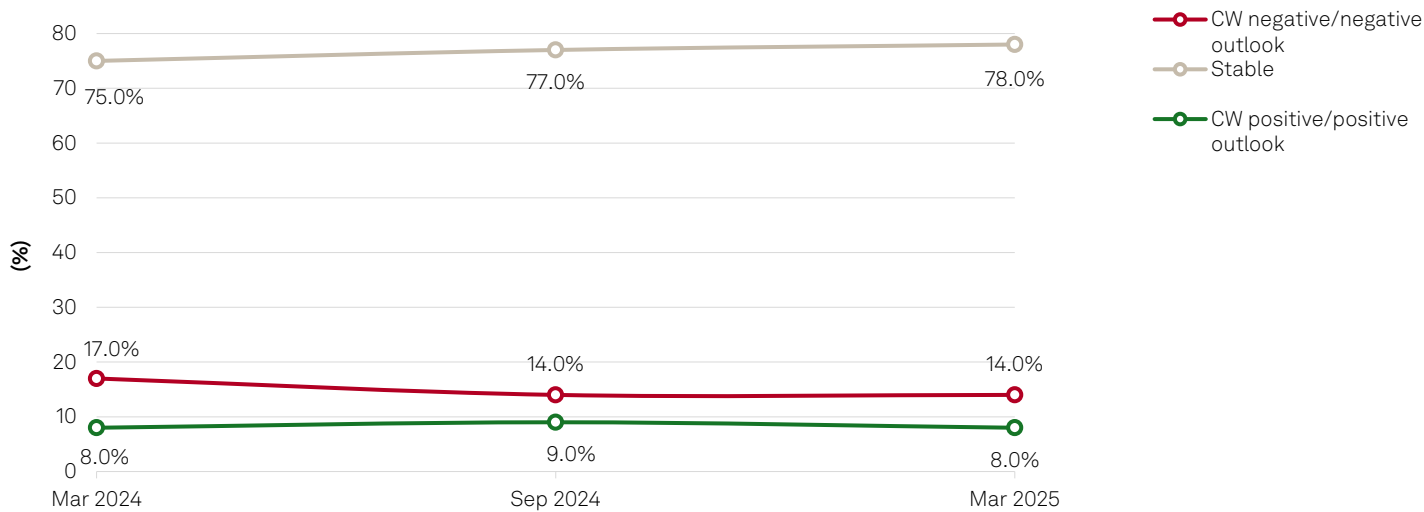
European trailing 12-month speculative-grade default rate



Data as of Mar. 31, 2025. See ["Trade Tensions Could Reverse Decline In Corporate Defaults"](#), published April 16, 2025. 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

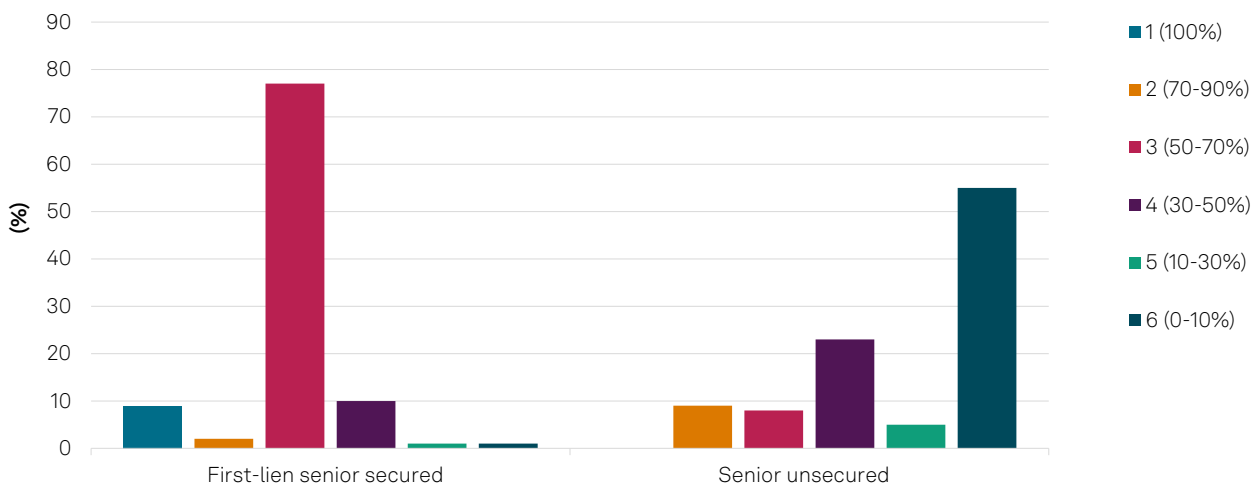
Chart 4
March 2024/2025 speculative-grade CreditWatch/outlook distribution



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

Recovery Ratings

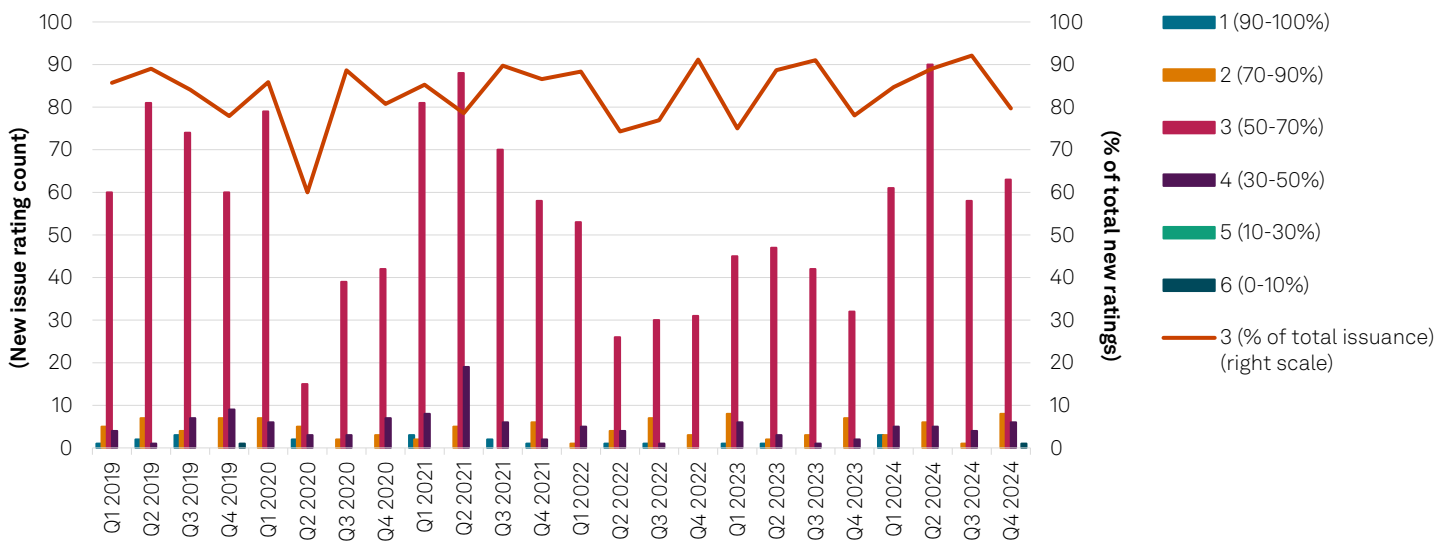
Chart 5
Recovery rating distribution for weakest links



Data as of Dec. 31, 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

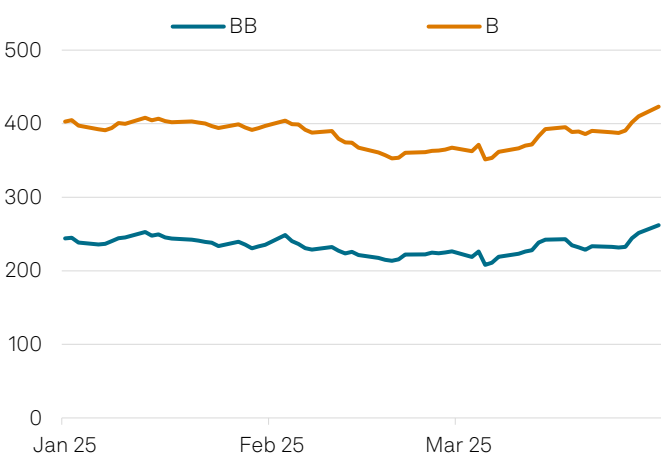


Data as of Dec. 31, 2024. Recovery rating distribution of first-lien new issues. Source: S&P Global Ratings.

High-Yield Bond Insights

Chart 7

Three-month bond spread (basis points)

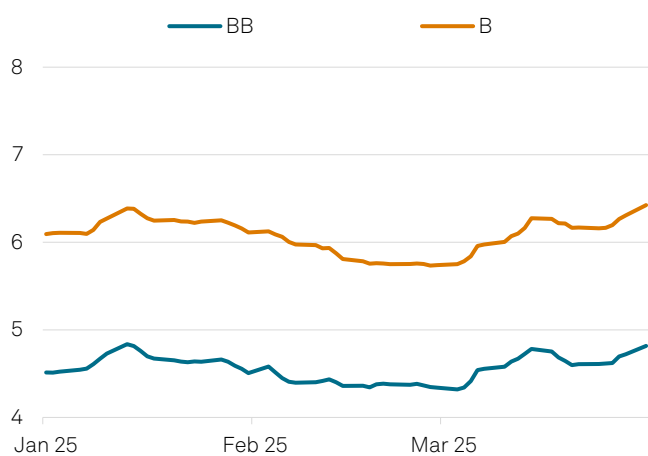


	BB	B
Minimum	208	351
Maximum	262	423
Average	233	386
Current (as of March. 31, 2025)	262	423.2

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

Chart 8

Three-month bond yield (%)



	BB	B
Minimum	4.3	5.7
Maximum	4.8	6.4
Average	4.6	6.1
Current (as of March. 31, 2025)	4.8	6.4

CLOs

Table 1

Top 10 obligors held in Europe

Rank	Obligor	Rating and CreditWatch/outlook	GIC code
1	Liberty Global Ltd	BB-/Stable	Diversified telecommunication services
2	Ineos Group Holdings S.A.	BB/Negative	Chemicals
3	Altice France Holding	CC/Negative	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	Verisure Midholding AB	B+/Stable	Diversified consumer services
7	CAB	B-/Stable	Health care providers and services
8	IVC Acquisition Topco Ltd	B/Stable	Health care providers and services
9	Nidda Healthcare Holding	B/Stable	Pharmaceuticals
10	Chrome Holdco SAS	B/Stable	Health care providers and services

CLO--Collateralized loan obligation. Ratings and CreditWatch/outlooks as of March. 31, 2025. Source: S&P Global Ratings.

Sources

- [Trade Tensions Could Reverse Decline In Corporate Defaults](#), April. 16, 2025
- [Most European Corporates Can Manage The Immediate Effects Of U.S. Tariffs](#), April 04, 2025
- [Credit Conditions Europe: Q2 2025 Europe Plots A New Course](#), Mar. 26, 2025
- [European Speculative-Grade Default Rate Could Level Out At 3.75% By December 2025](#), Feb. 21, 2025

Related Research

- [Europe Plots A New Course](#), Mar. 26, 2025
- [European Secured Debt Recovery Expectations 2024 – Recovery Prospects Nudge Lower](#), March 6, 2025
- [Global Refinancing: Credit Market Resurgence Helps Ease Upcoming Maturities](#), Feb. 4, 2025
- [Global Credit Outlook 2025 – Promise And Peril](#), Dec. 4, 2024
- [European Refinancing Flows Have Flipped As Public Leveraged Debt Replaces Private](#), Sept. 23, 2024
- [CLO Pulse Q2 2024: Movers And Shakers In The Top 50 Obligors In European CLO's Portfolios](#), July 30, 2024

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