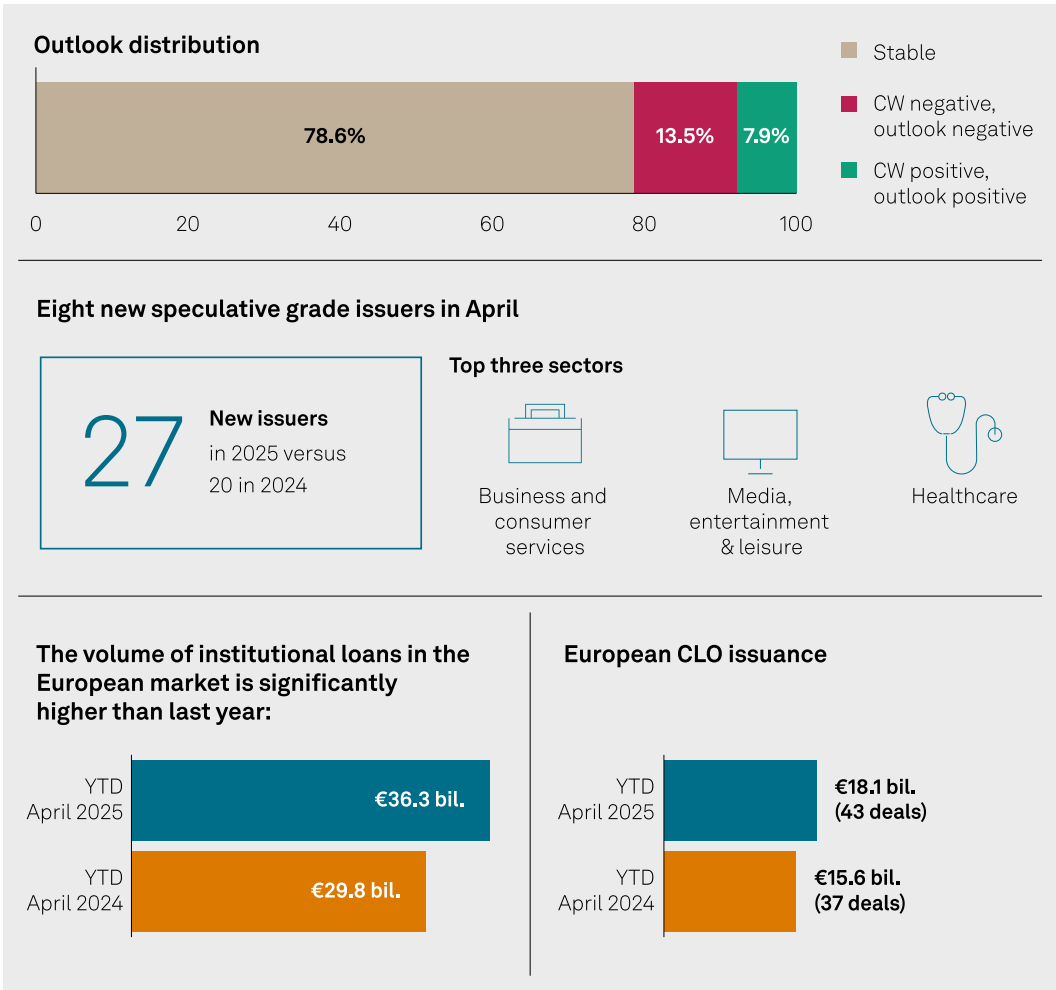


This report does not constitute a rating action

European Summary Report

May 22, 2025

The April 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). 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.
Source: S&P Global Ratings. Leveraged loan and CLO data is sourced from PitchBook LCD.

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WEBINAR REPLAYS

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

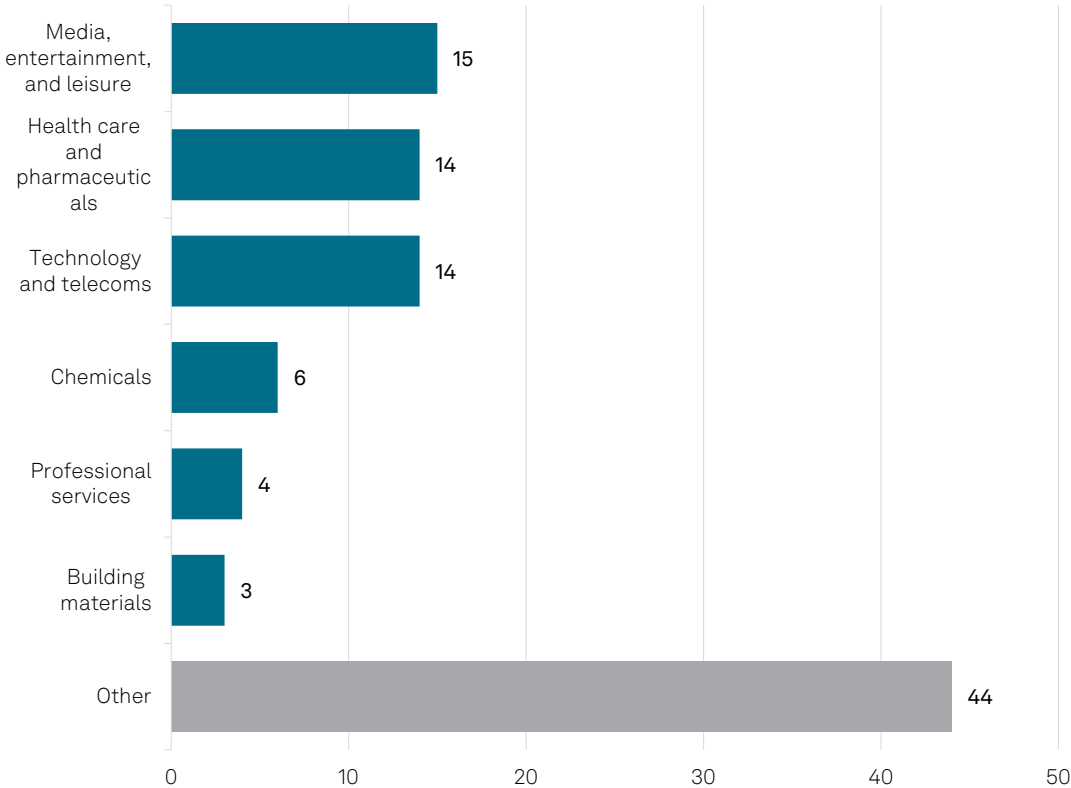
[European Leveraged Finance - 2024 Q1 Trends And Insights](#), March 27, 2024

Key Insights

- As of March 31, 2025, European CLOs holdings of BSL rated 'B-' were worth a total of about €40.65 billion, or about 25.8% of CLO portfolios in Europe. The 30 largest 'B-' rated credits, based on their debt volume, make up 52% of the total principal of 'B-' rated European CLO holdings which is predominantly led by healthcare, leisure, and software sectors. Tariffs minimally affect the top 30 'B-' European CLO holdings directly, but these credits are vulnerable to secondary impacts like economic slowdowns, fiscal changes, and consumer confidence. Top 30 'B-' rated companies have taken measures like optimized operations and cost-cutting to maintain ratings, but their leveraged structures depend on revenue recovery in 2025.
- The 12-month trailing speculative-grade default rate (%) for Europe stands at 3.8%. European defaults increased to eight from just three in the previous quarter, and they make up over one-third of year-to-date global defaults. Most defaults originate from three sectors: health care, media and entertainment, and chemicals, packaging, and environmental services. Distressed exchanges remain the main cause of defaults.
- Europe's private credit market has grown significantly over the past decade in parallel with the rise of private equity - roughly totaling \$400 billion. European private credit funds are gradually expanding their lending activities from midmarket entities to more credit classes and strengthening their relationships with banks. The European NBFI sector is smaller compared to the U.S., representing an average of 7.7% of total financial assets, compared with 16.3% in the U.S.

Monthly Highlight

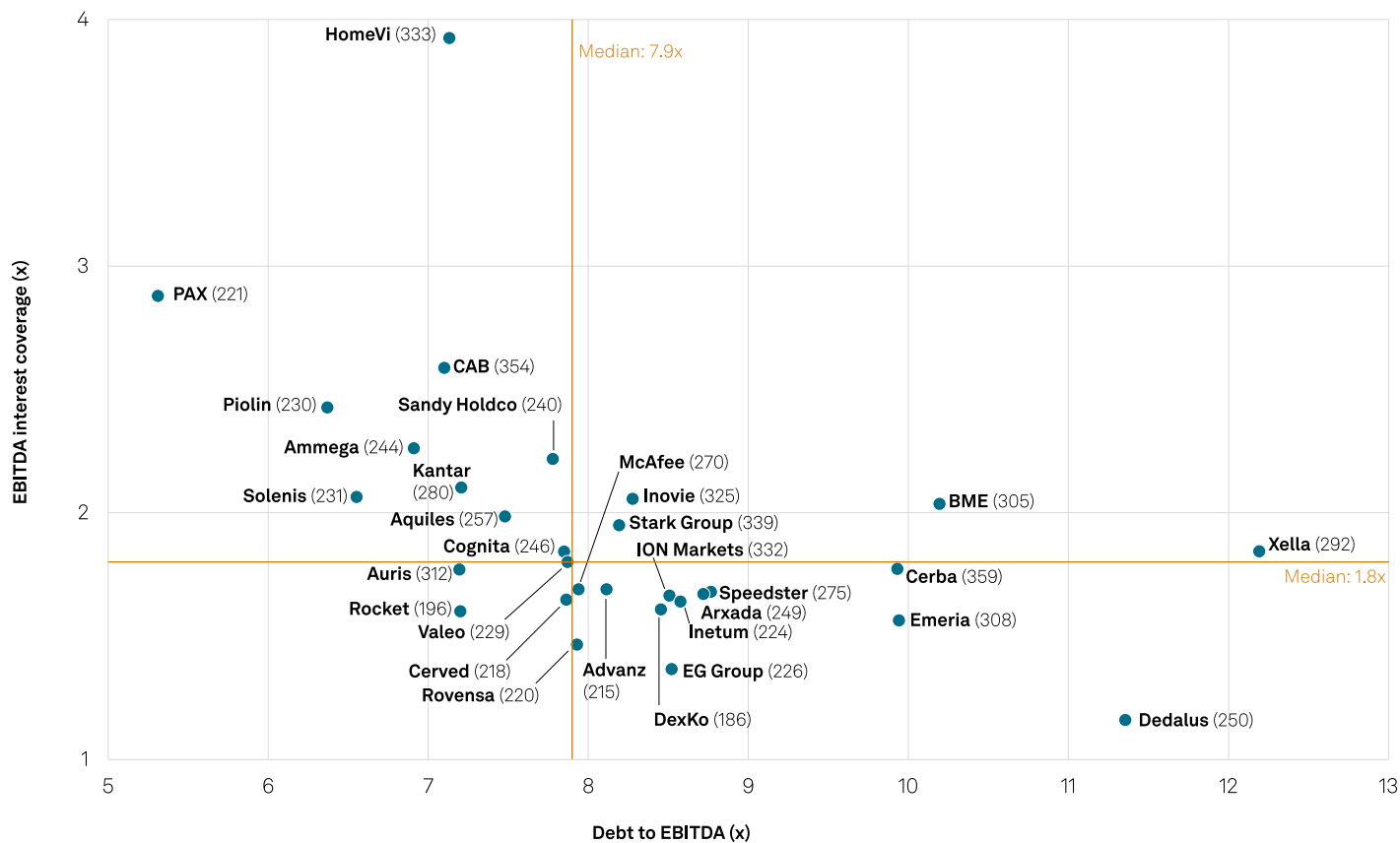
Three sectors stand out among 'B-' issuers in CLO portfolios
CLO holdings of 'B-' rated issuers by sector (No.)



CLO--Collateralized loan obligation. Source: S&P Global Ratings.

Diverging credit profiles among 'B-' issuers highlight idiosyncratic risks

Metrics for the top-30 'B-' rated issuers in European CLOs (2025f)

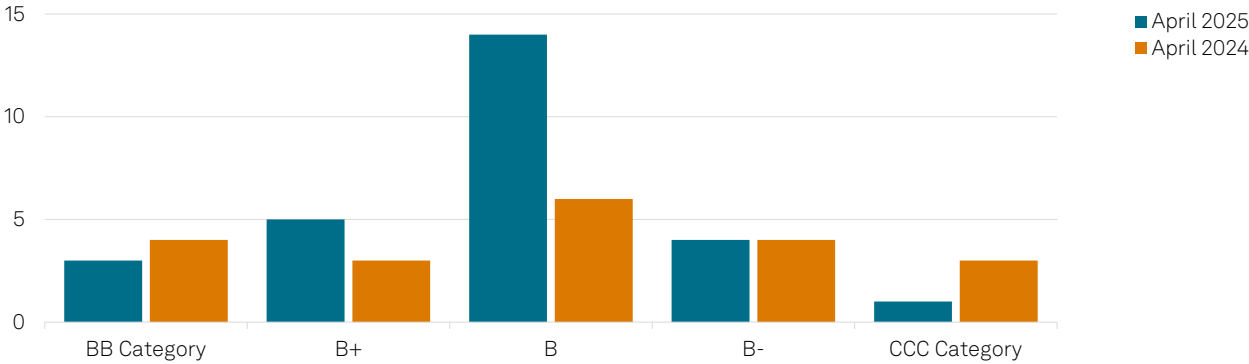


Note: Issuers with the highest risk profiles--characterized by elevated debt to EBITDA and low EBITDA interest coverage--are in the bottom right quadrant. Figure in parentheses signifies the number of CLOs invested in the entity. f--Forecast for the period ending Dec. 31, 2025. Source: S&P Global Ratings.

YTD 2025 And 2024 New Speculative-Grade Issuers

Chart 1

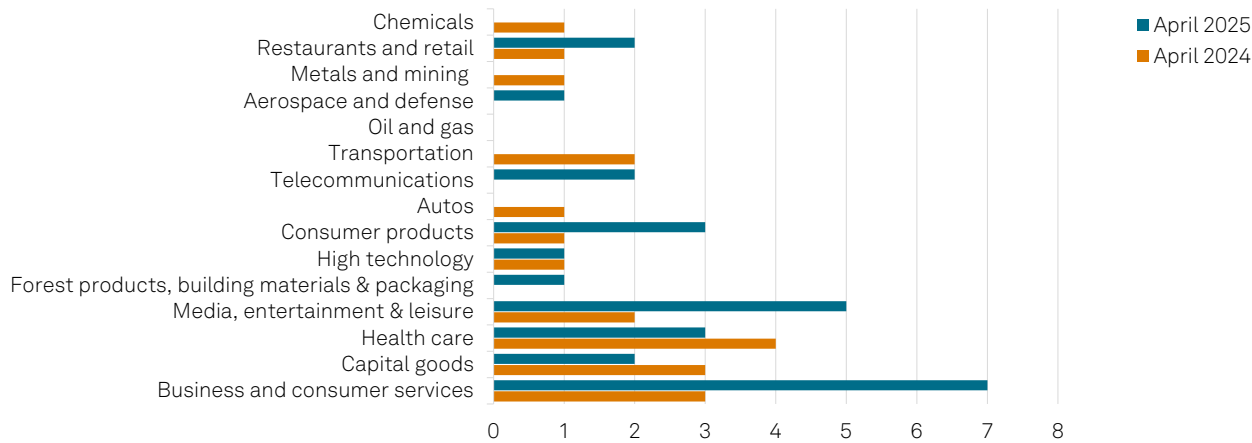
New issuers by rating



Data represents new issuers as of Apr. 30, 2024, and Apr. 30, 2025, includes European corporate ratings, and excludes confidential issuers. YTD--Year-to-date. Source: S&P Global Ratings.

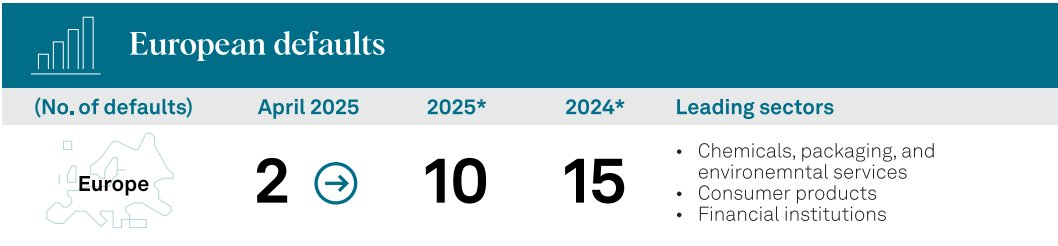
Chart 2

New issuers by industry group



Data represents new issuers as of Apr. 30, 2024, and Apr. 30, 2025, includes European corporate ratings, and excludes confidential issuers. Source: S&P Global Ratings.

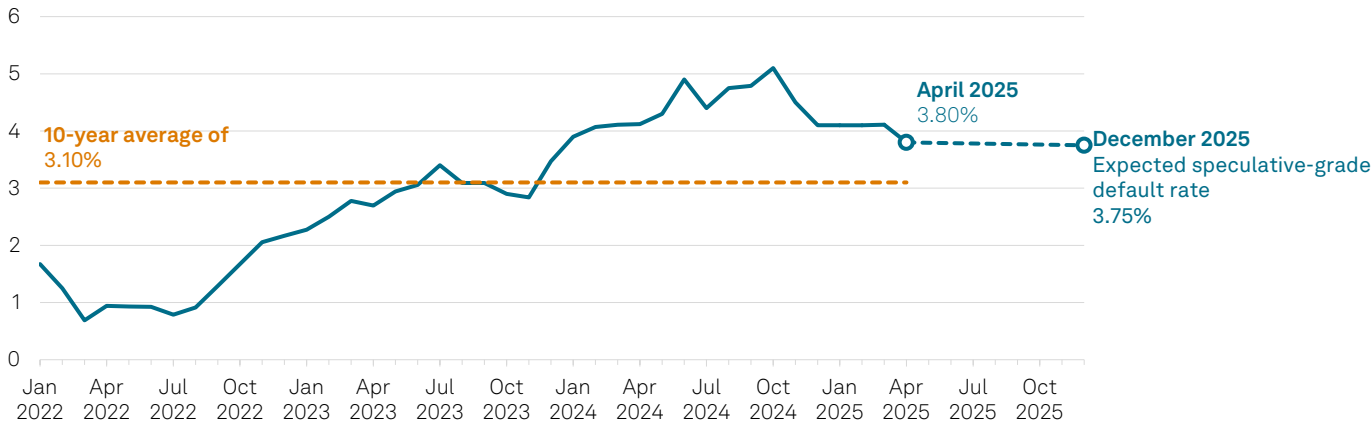
Defaults



Data as of Apr. 30, 2025. *Captures year-to-date default tally. Direction of arrow indicates month-over-month change. Default counts may include confidentially rated issuers. See "[Corporate Defaults Fall Below Long-Term Average](#)", published May 14, 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 (%)

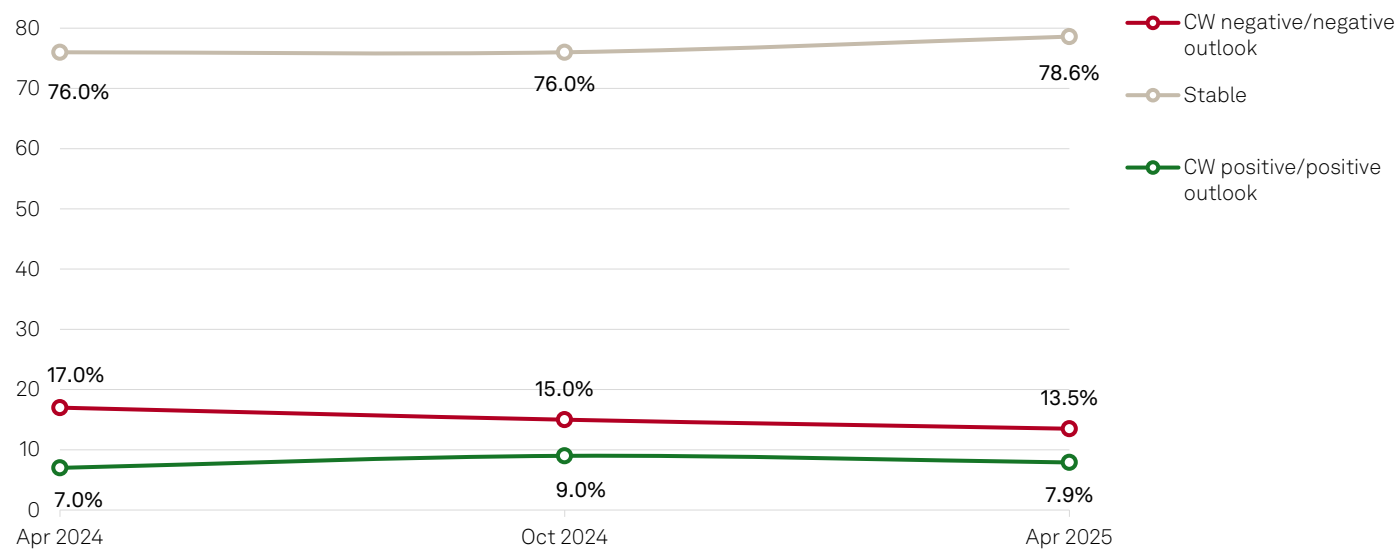


Data as of Apr. 30, 2025. See "[Corporate Defaults Fall Below Long-Term Average](#)", published May 14, 2025. See "[Corporate Default Forecasts Maintained, But Risks Are Rising](#)", published Apr. 25, 2025. Source: S&P Global Ratings.

Speculative-Grade Rating Outlook Mix

Chart 4

April 2024/2025 speculative-grade CreditWatch/outlook distribution (%)

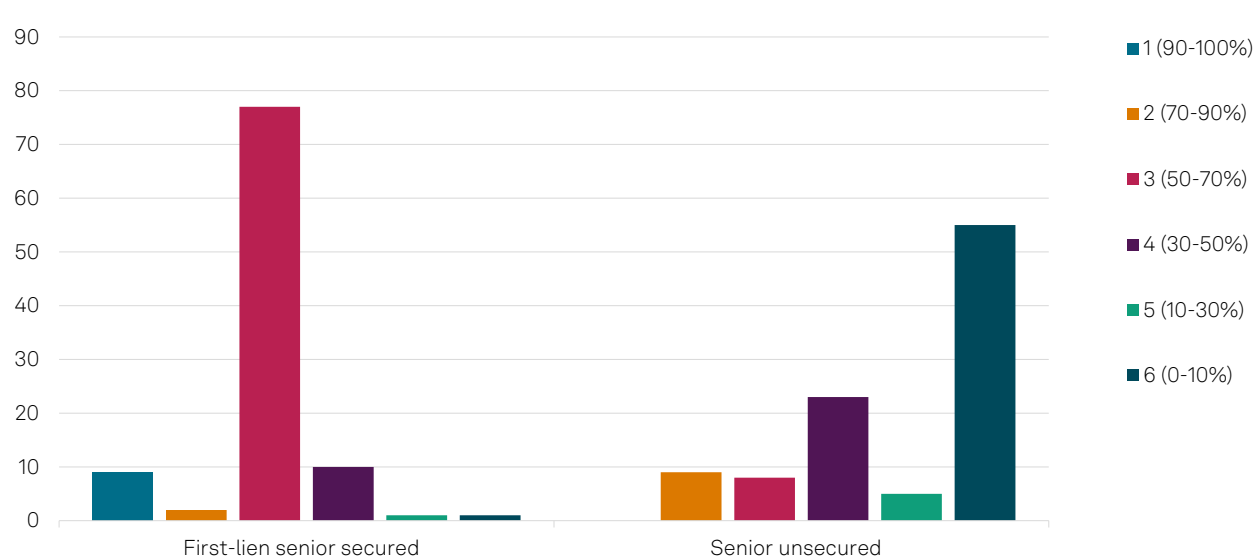


Data as of April. 30, 2024, and April. 30, 2025. CreditWatch/outlook distribution includes all European speculative-grade corporate issuers. Source: S&P Global Ratings.

Recovery Ratings

Chart 5

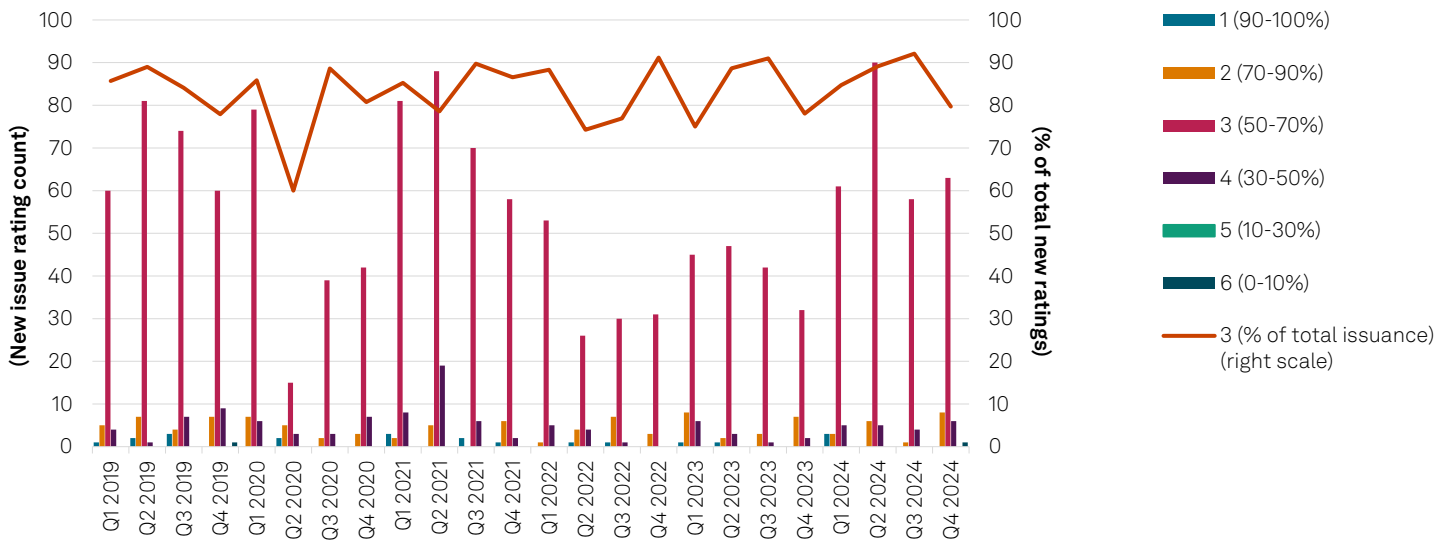
Recovery rating distribution for weakest links (%)



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

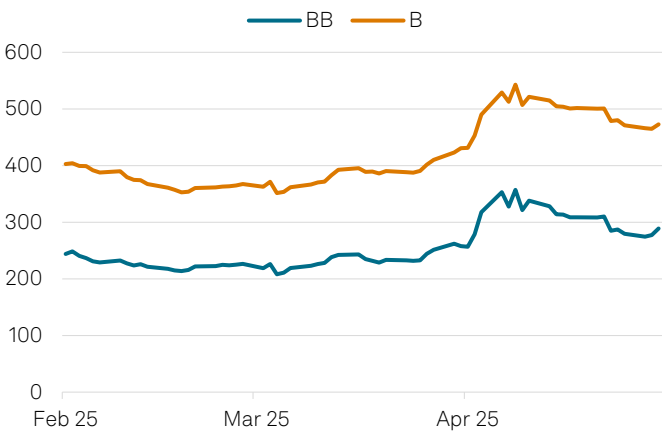


Data as of Dec. 31, 2024. Recovery rating distribution of first-lien new issues. Source: S&P Global Ratings.

High-Yield Bond Insights

Chart 7

Three-month bond spread (basis points)

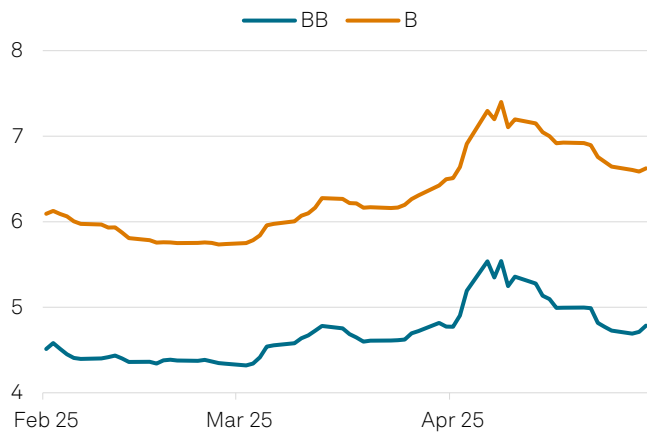


	BB	B
Minimum	208	351
Maximum	357	543
Average	255	417
Current (as of April. 30, 2025)	288.8	472.7

Data as of April.30, 2025. Source: S&P Market Intelligence.

Chart 8

Three-month bond yield (%)



	BB	B
Minimum	4.3	5.7
Maximum	5.5	7.4
Average	4.7	6.3
Current (as of April. 30, 2025)	4.8	6.6

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

CLO--Collateralized loan obligation. Ratings and CreditWatch/outlooks as of April 30, 2025. Source: S&P Global Ratings.

Sources

- [CLOs' Diverse Top 30 'B-' Credits Will Face Differing Pressures In 2025](#), April. 24, 2025
- [Private Markets Monthly \(EMEA Edition\), April 2025](#), April 10, 2025
- [Ratings Performance Insights](#), Apr.10, 2025
- [Corporate Defaults Fall Below Long-Term Average](#), May. 14, 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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