

Leveraged Finance Chart Book

Europe – May 2019

Bloomberg

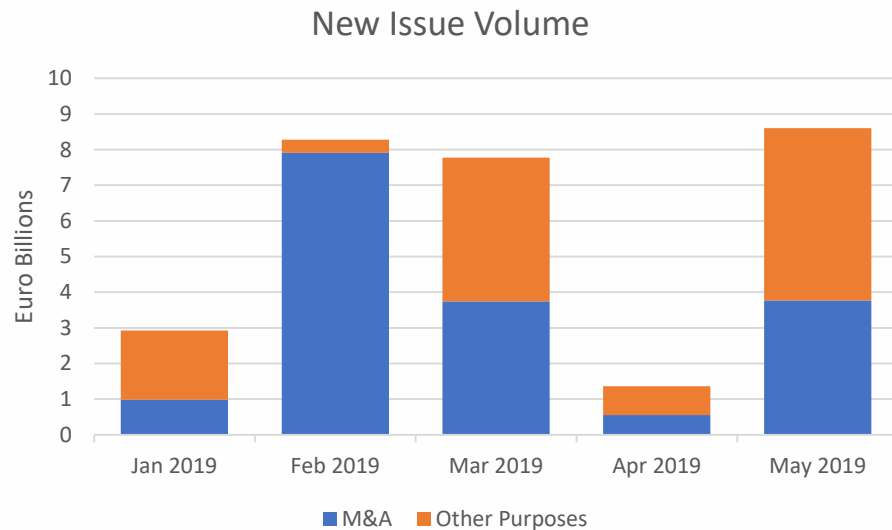
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Primary Revival

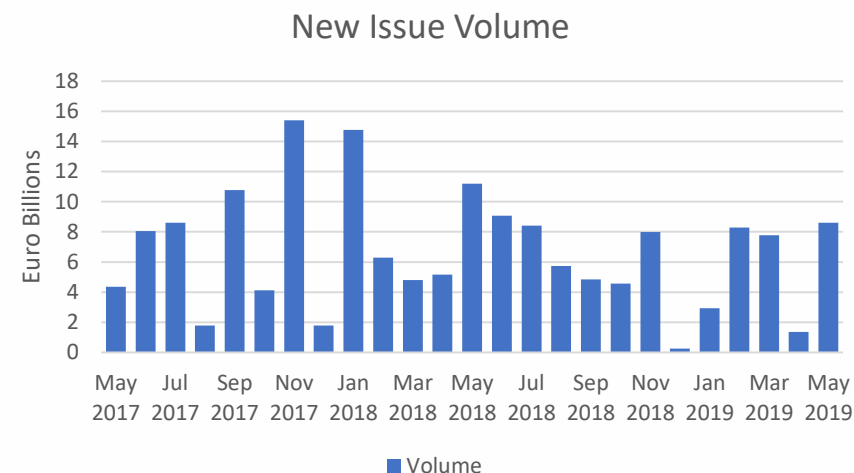
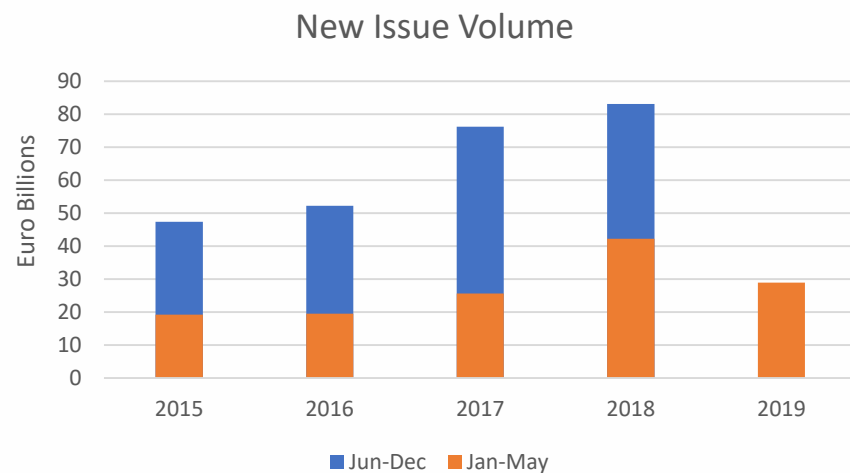
European leveraged loan volume improves to EU8.6b in May

Leveraged loan issuance ran at a good pace through May. Market conditions were strong enough to encourage borrowers to ask for loans to fund dividends and to refinance existing debt, while some large M&A transactions emerged too. In total, institutional loans worth EU8.6 billion launched. That's the most in any month since June last year, and takes year to date issuance to EU28.9 billion.



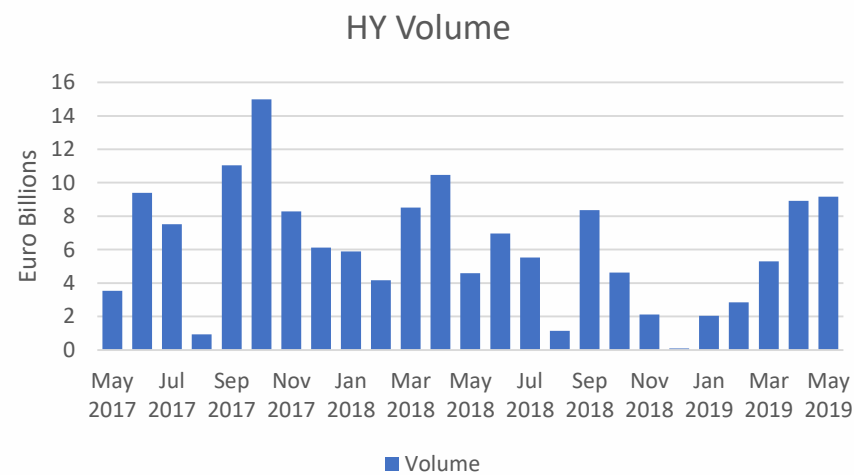
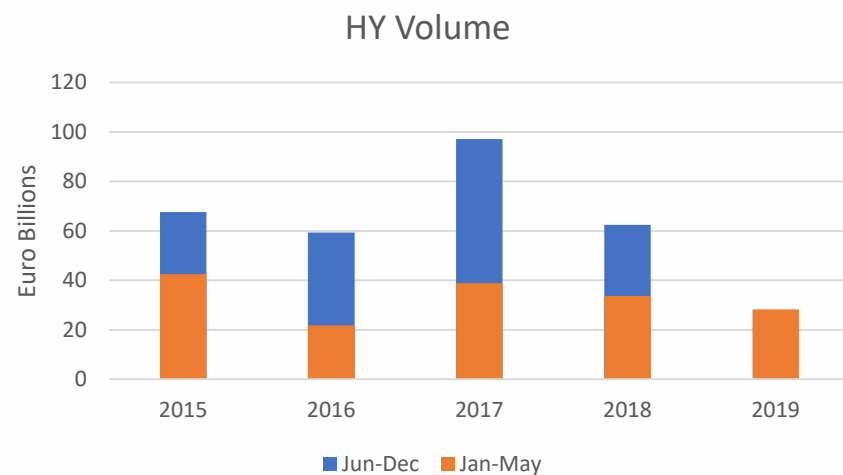
EUR/GBP 1L/2L institutional loans. Excludes repricings.

- The number of opportunistic deals could ease if the broader volatility that spread through equity and high-yield markets in late May cools appetite for loans too. But loan volume has been thin overall in 2019, at 35% down on the year, and this continues to bolster the technical bid for assets.
- Unusually for Europe, leveraged corporate borrowers not backed by a private equity sponsor made up a larger share of the month's issuance than sponsored-led deals. At EU4.8 billion, May's leveraged corporate issuance was larger than any month in at least four years.
- Pricing Three-month rolling single B all-in spreads for first-lien through May trimmed to 428bps from 435bps at the end of April. Five deals flexed tighter, and none wider during the month.
- Sector Alarm was one of the four companies seeking loans in May to pay a dividend. Repricings made an appearance for the first time this year: Avantor asked to cut the margin on its dollar and euro term loans.



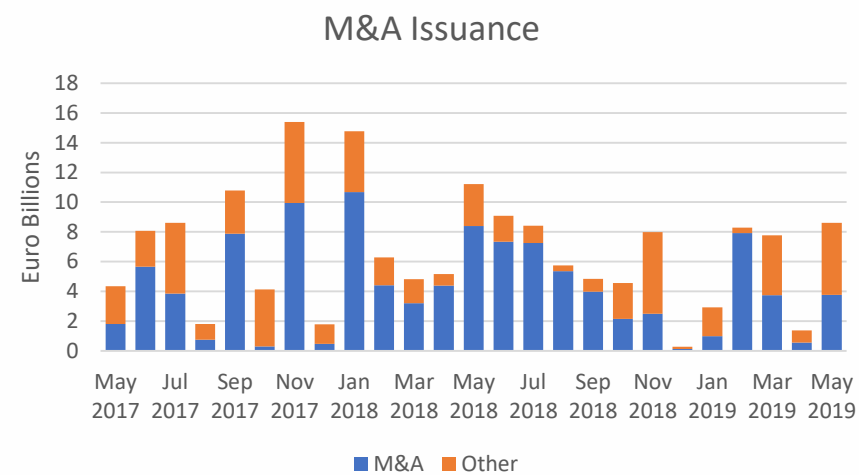
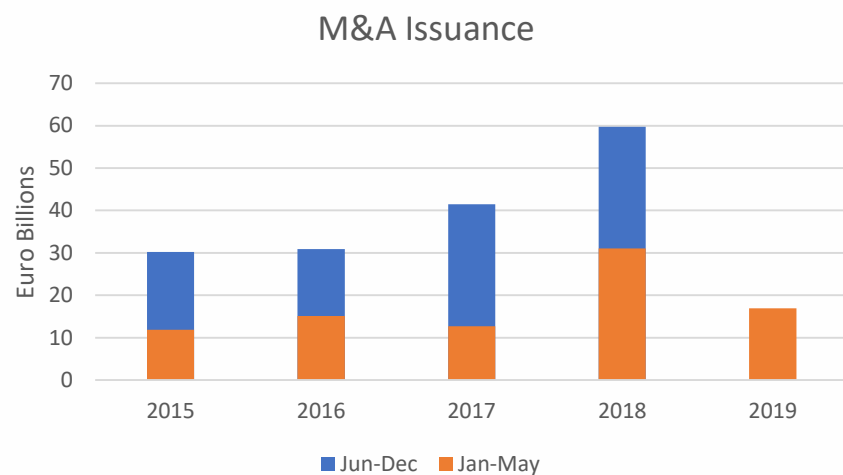
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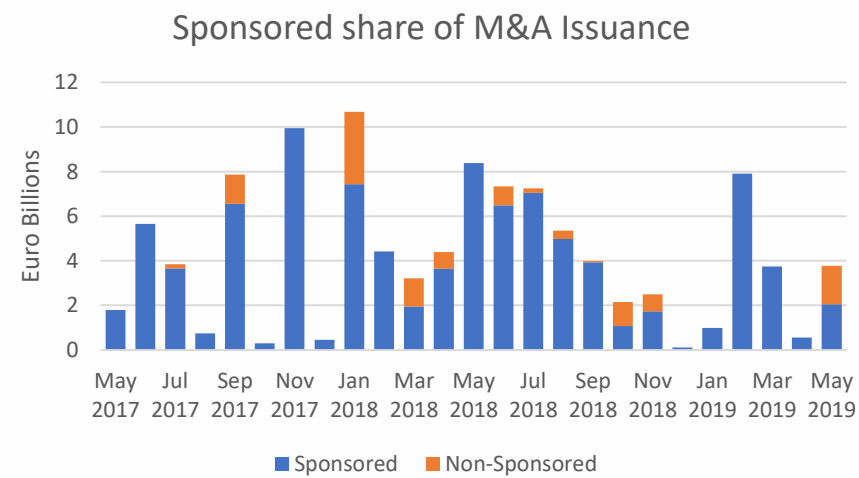
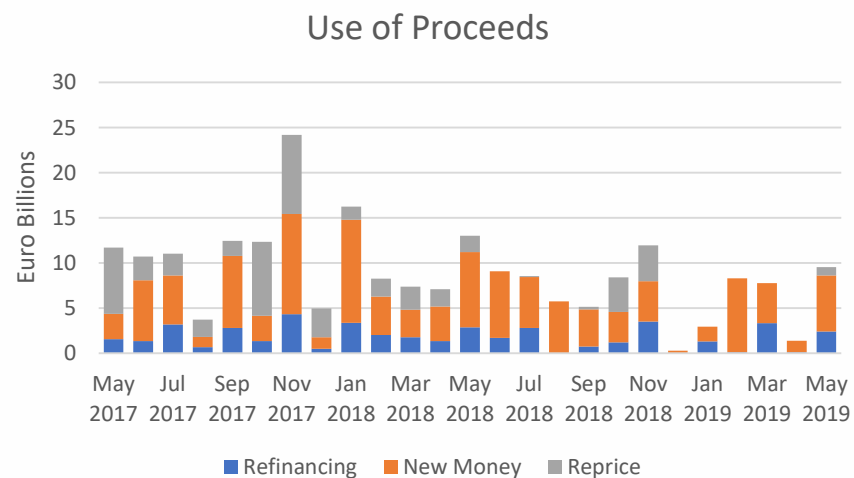
HY corporate bonds.

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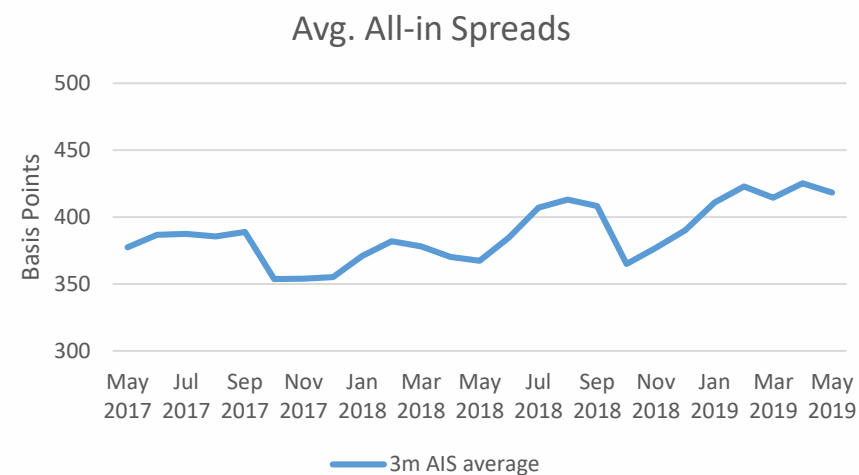
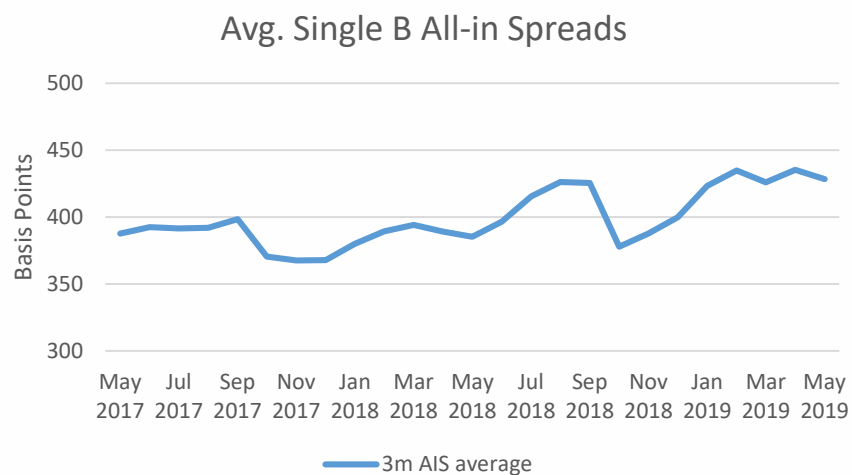
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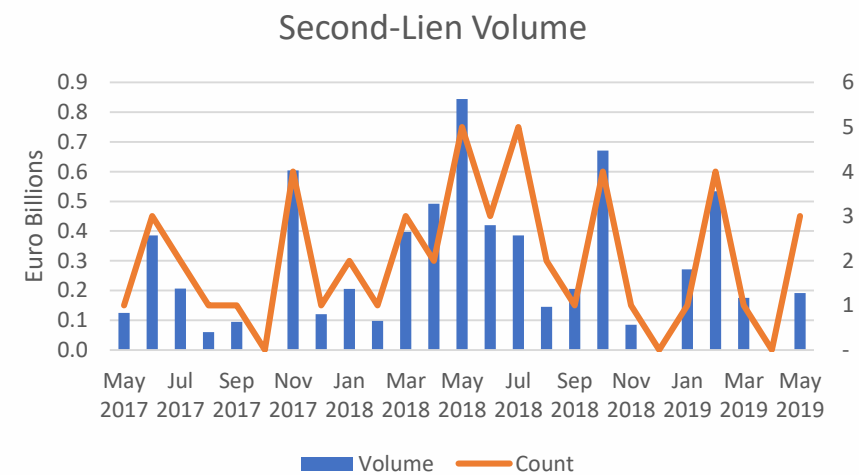
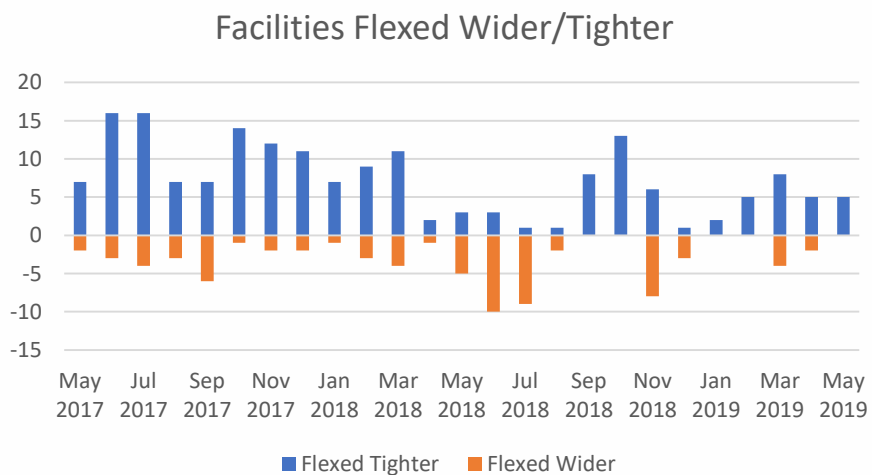
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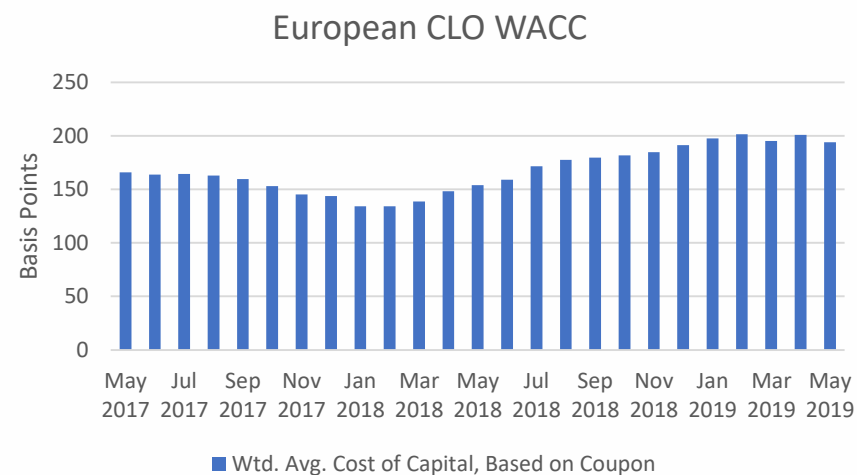
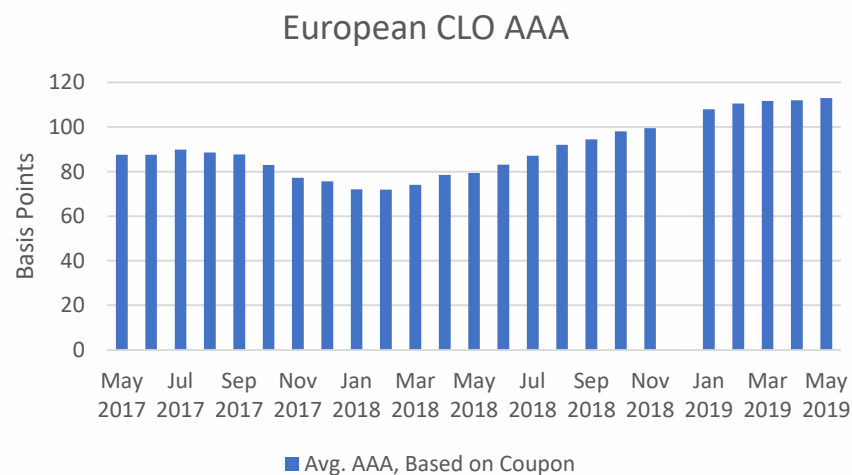
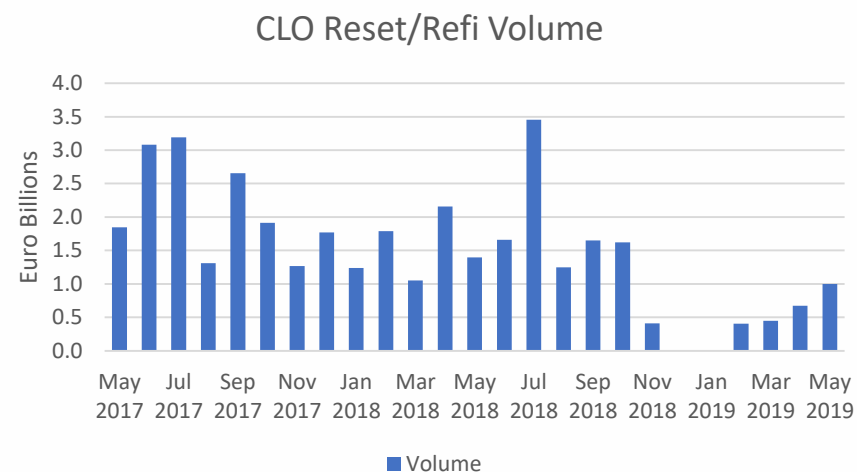
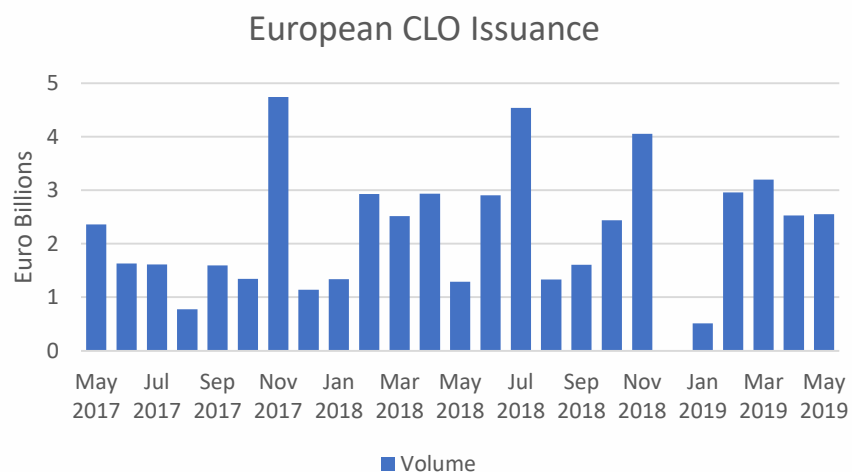
EUR 1L institutional loans. Single B and unrated issuers.

EUR 1L institutional loans.



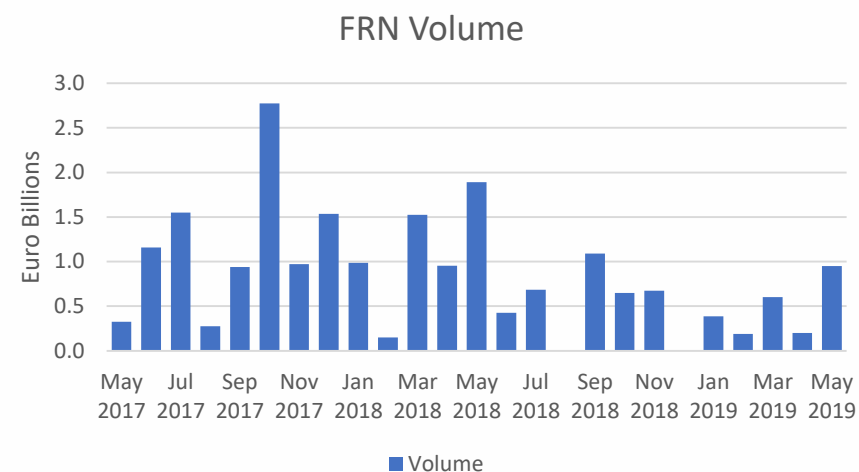
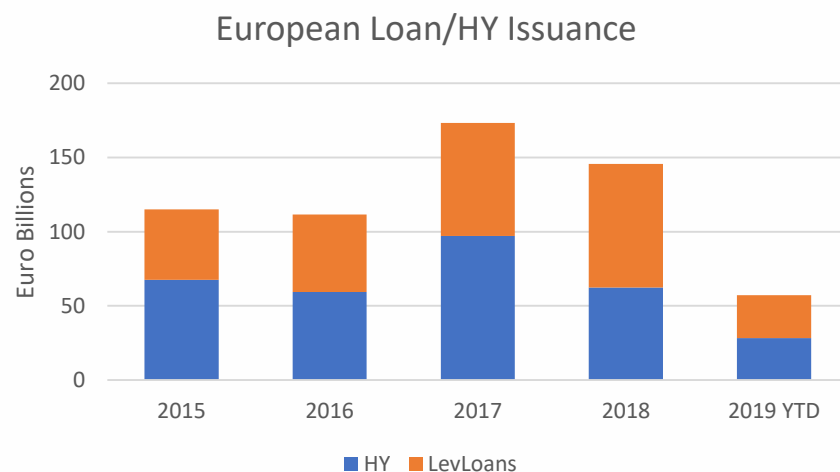
EUR/GBP 1L/2L institutional loans.

EUR/GBP 2L institutional loans. Excludes repricings.



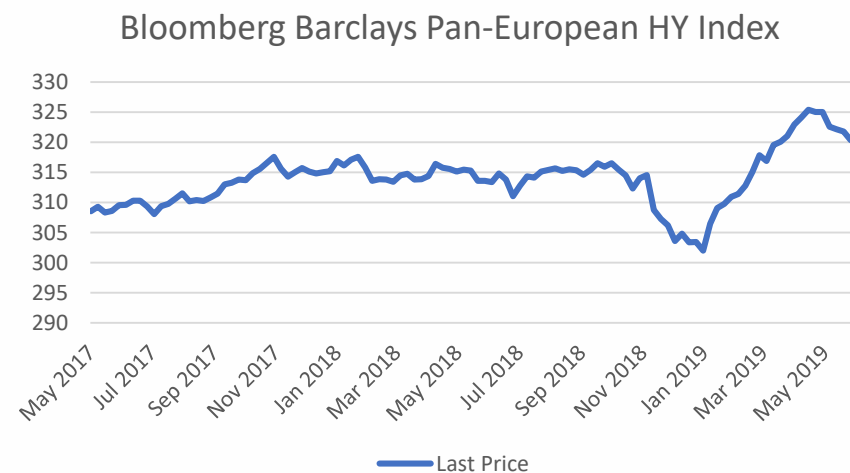
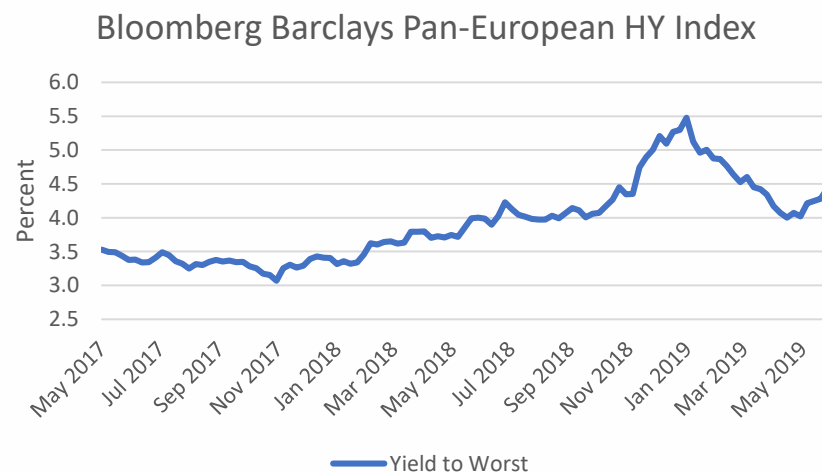
Includes anchored, syndicated and short-dated transactions.

Includes deals that had no single B tranche; the average is higher if these deals are excluded (196bps for May).



EUR/GBP 1L/2L institutional loans (excludes repricings) and HY corporate bonds.

FRN corporate bonds.



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