



# Leveraged Loan Market Overview

**Current developments in Europe and  
Germany – Q2 2024**

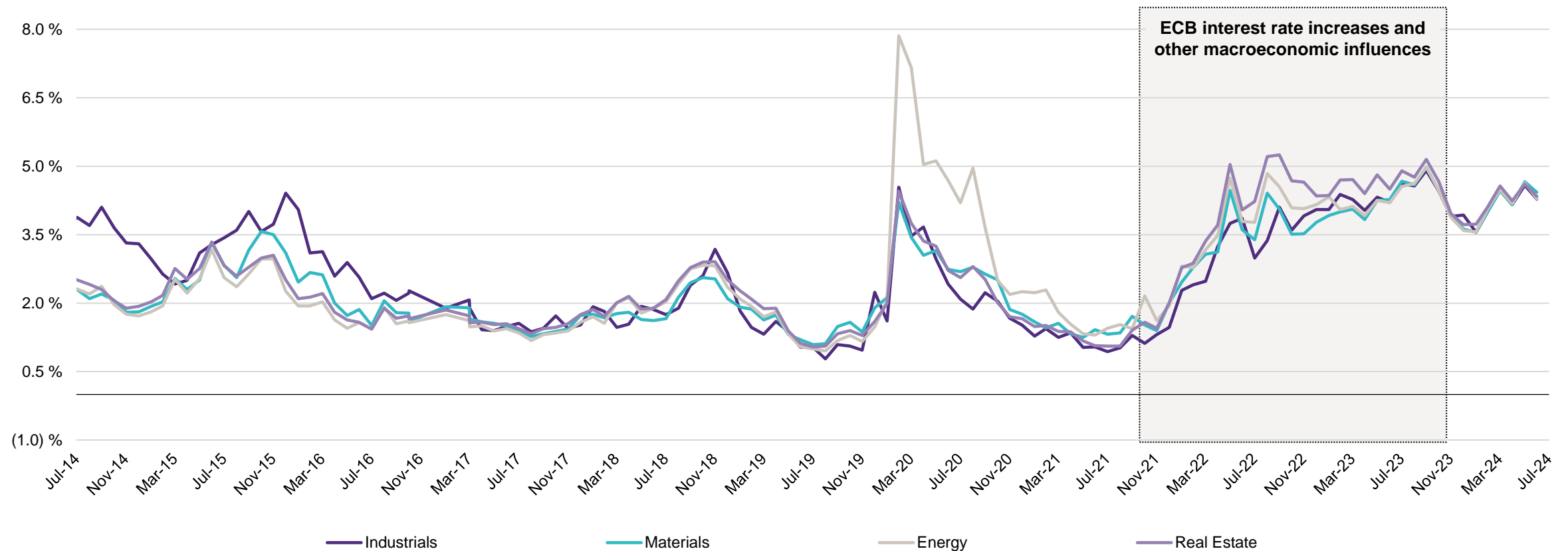
**August 2024**



# Current interest rate environment

## Development of EUR swap rates in various sectors

Development of interest market: Sectors - Industrials, Materials, Energy and Real Estate (companies with BB rating, 5-year term)  
(as of July 2024)

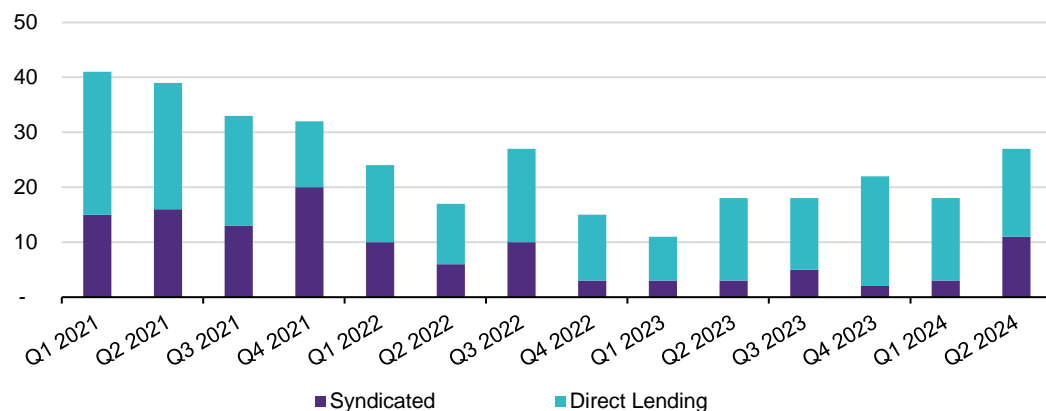


# Private Credit

## European direct lending market statistics

### European count of LBOs financed via syndicated vs. direct lending

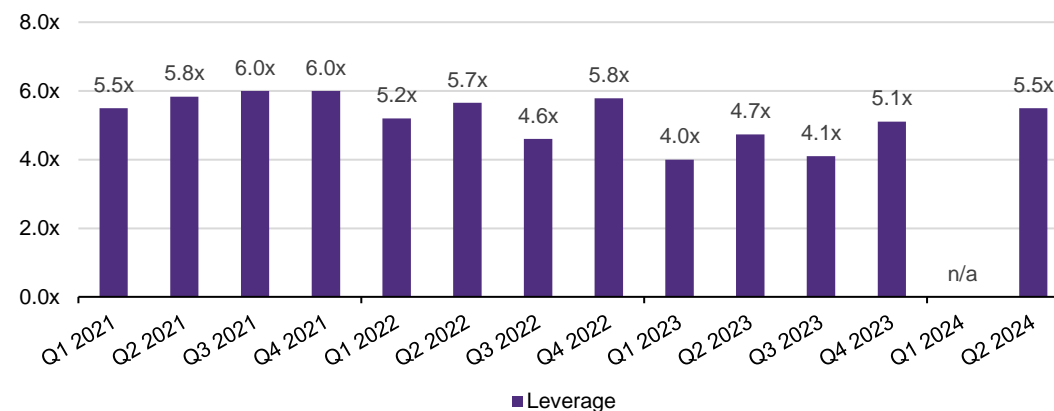
(as of July 2024)



LBOs financed via syndicated vs. direct lending			
	Syndicated (#)	Direct lending (#)	Ø-Deal size (€M)
<b>Q2 2024</b>	<b>11</b>	<b>16</b>	<b>300.0</b>
Q1 2024	3	15	406.8
Q4 2023	2	20	240.8
Q3 2023	5	13	175.0

### European direct lending market | Leverage

(as of July 2024)



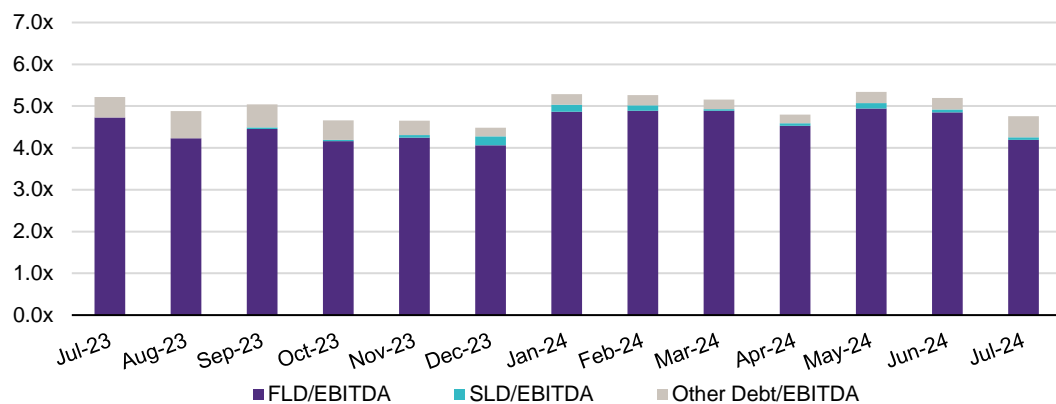
European direct lending market - Leverage		
	Ø-EBITDA (€M)	Leverage
<b>Q2 2024</b>	<b>40.0</b>	<b>5.5x</b>
Q1 2024	25.0	n/a
Q4 2023	25.0	5.1x
Q3 2023	31.3	4.1x

# Financing (sub-)investment grade

## Leverage ratios and interest margins (Europe)

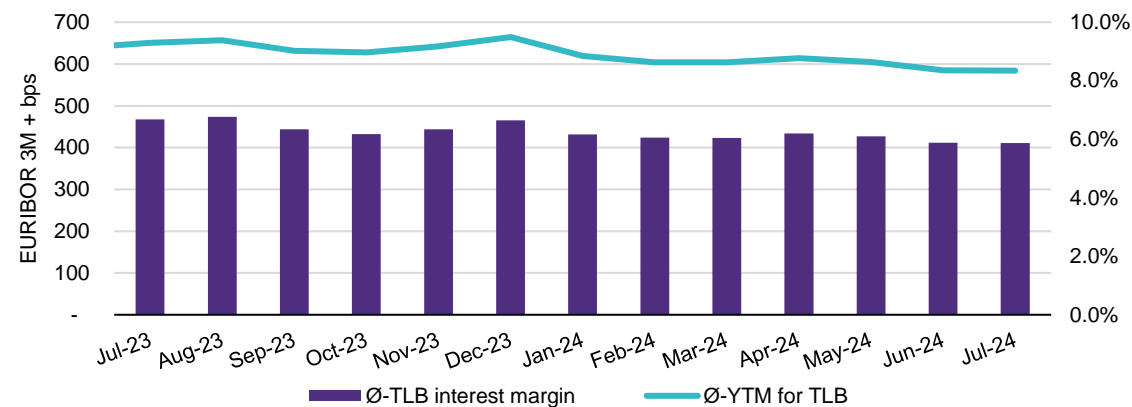
### Leverage ratios (rolling three months)

(as of July 2024)



### Ø-Yield for new transactions (rolling three months)

(as of July 2024)



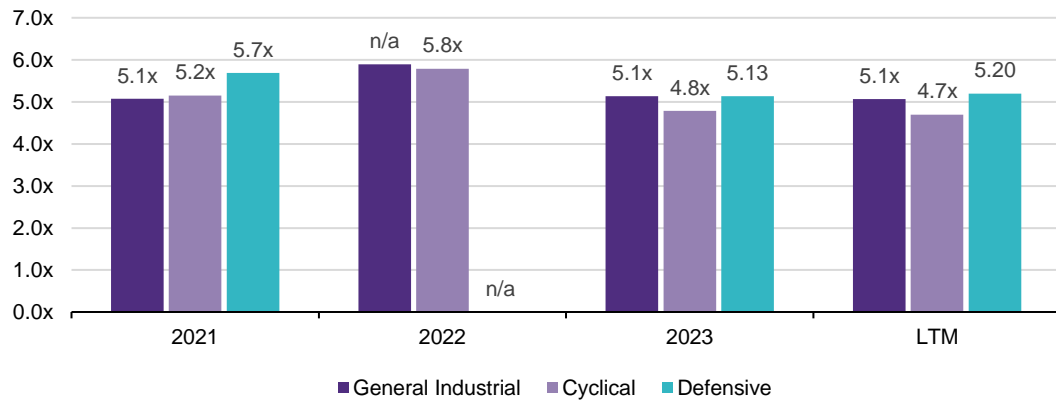
Leverage ratios (rolling three months)			
	First-lien debt /EBITDA	Second-lien debt /EBITDA	Other Debt /EBITDA
<b>July 2024</b>	<b>4.2x</b>	<b>0.1x</b>	<b>0.5x</b>
Q2 2024	4.9x	0.1x	0.2x
Q1 2024	4.9x	0.1x	0.2x
Q4 2023	4.1x	0.2x	0.2x
Q3 2023	4.5x	0.1x	0.6x

Ø-Yield for new transactions (rolling three months)		
	Ø-Term loans B margin (bps)	Ø-YTM for Term loans B
<b>July 2024</b>	<b>411.4</b>	<b>8.4%</b>
Q2 2024	411.6	8.4%
Q1 2024	423.5	8.6%
Q4 2023	465.0	9.5%
Q3 2023	444.1	9.0%

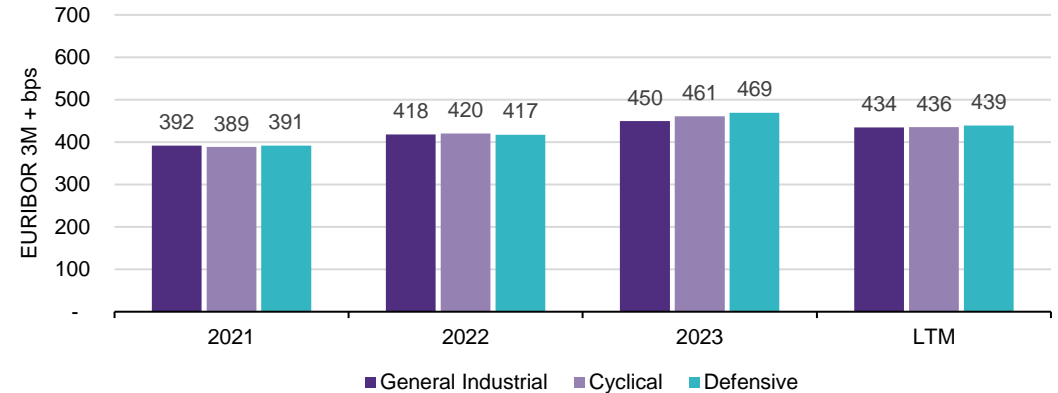
# Financing (sub-)investment grade

## Leverage and margins (European primary industries)

**Leverage ratios (rolling three months)**  
(as of July 2024)



**Leveraged financing | Ø-Institutional spread (rolling three months)**  
(as of July 2024)



	Leverage Ratios (rolling three months)		
	General Industrial	Cyclical	Defensive
<b>LTM</b>	<b>5.1x</b>	<b>4.7x</b>	<b>5.2x</b>
2023	5.1x	4.8x	5.1x
2022	5.9x	5.8x	n/a
2021	5.1x	5.2x	5.7x

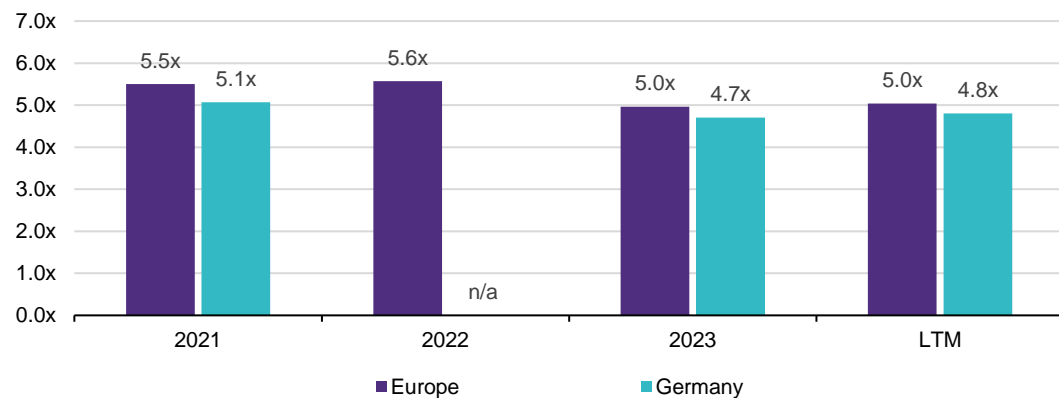
	Ø-Yield for new transactions (rolling three months)		
	General Industrial	Cyclical	Defensive
<b>LTM</b>	<b>434</b>	<b>436</b>	<b>439</b>
2023	450	461	469
2022	418	420	417
2021	392	389	391

# Financing (sub-)investment grade

## Leverage and margins (Europe & Germany)

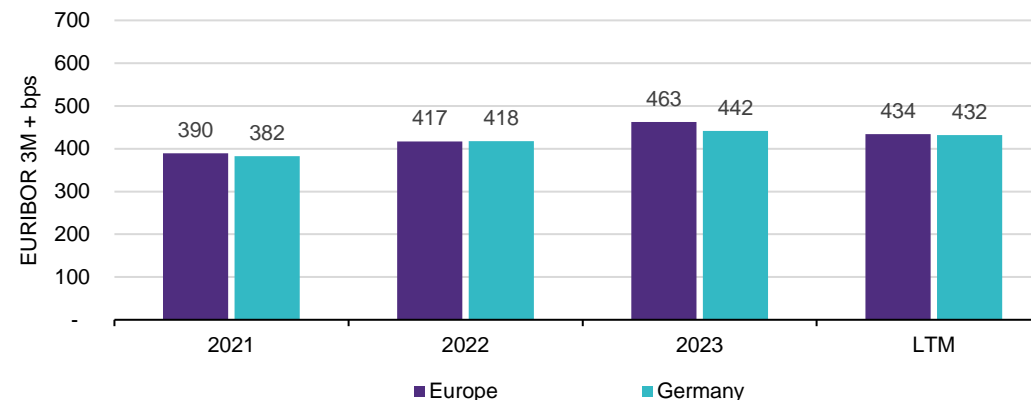
### Leveraged financing | Debt/EBITDA Multiple

(as of July 2024)



### Leveraged financing | Ø-Interest margin (rolling three months)

(as of July 2024)



	Leveraged Finance - Multiples			
	2021	2022	2023	LTM
<b>Europe</b>				
Debt/EBITDA	5.5x	5.6x	5.0x	5.1x
Senior Debt/EBITDA	5.5x	5.5x	4.9x	5.0x
EBITDA/Cash Interest	4.5x	3.4x	2.8x	2.7x
<b>Germany</b>				
Debt/EBITDA	5.1x	n/a	4.7x	4.8x
Senior Debt/EBITDA	5.1x	n/a	4.7x	4.8x
EBITDA/Cash Interest	4.7x	n/a	2.7x	2.6x

	Leveraged Finance - Margins			
	2021	2022	2023	LTM
<b>Europe</b>				
Ø-Interest margin	390	417	463	434
Ø-Financing size (in EUR Mio.)	545	538	538	538
Ø-Pro-rata-term (years)	6.2	6.2	5.3	5.3
<b>Germany</b>				
Ø-Interest margin	382	418	442	432
Ø-Financing size (in EUR Mio.)	417	544	238	347
Ø-Pro-rata-term (years)	6,1	6,2	5,4	4,6



**Contact**



# Grant Thornton Debt Advisory Team

We support you in your financing process and offer you creative and individual financing solutions

## Why use a debt advisor?



### Execution certainty

By using our extensive network among financiers and running an optimised (tailored to the transaction) financing process, we maximise certainty of funds



### Speed of execution

We deliver a senior deal team with ample acquisition financing experience and manage time pressure to ensure a swift availability of funds



### Best terms and conditions

By running a competitive process, we obtain the best terms and conditions available in the market (e.g. in terms of pricing, covenants, buy & build flexibility)

## When we get involved and how we add value?

Typically, we advise corporations, family owned companies, financial investors, private equity and family offices on:



Refinancings



Amend & extend



Rating analysis (using Bafin-licensed tool)



Sustainable finance (ESG)



Dividend financing and recaps



Alternative financings (e.g., factoring, leases)



LBOs and acquisition financing



Financing options review



Financial restructuring

### Gründe für unser Team



Financing expertise



Global network



Independent advice



Execution resources



Competitive financing process



Negotiation expertise

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