



Leveraged Loan Market Overview

Current developments in Europe and
Germany – Q4 2024

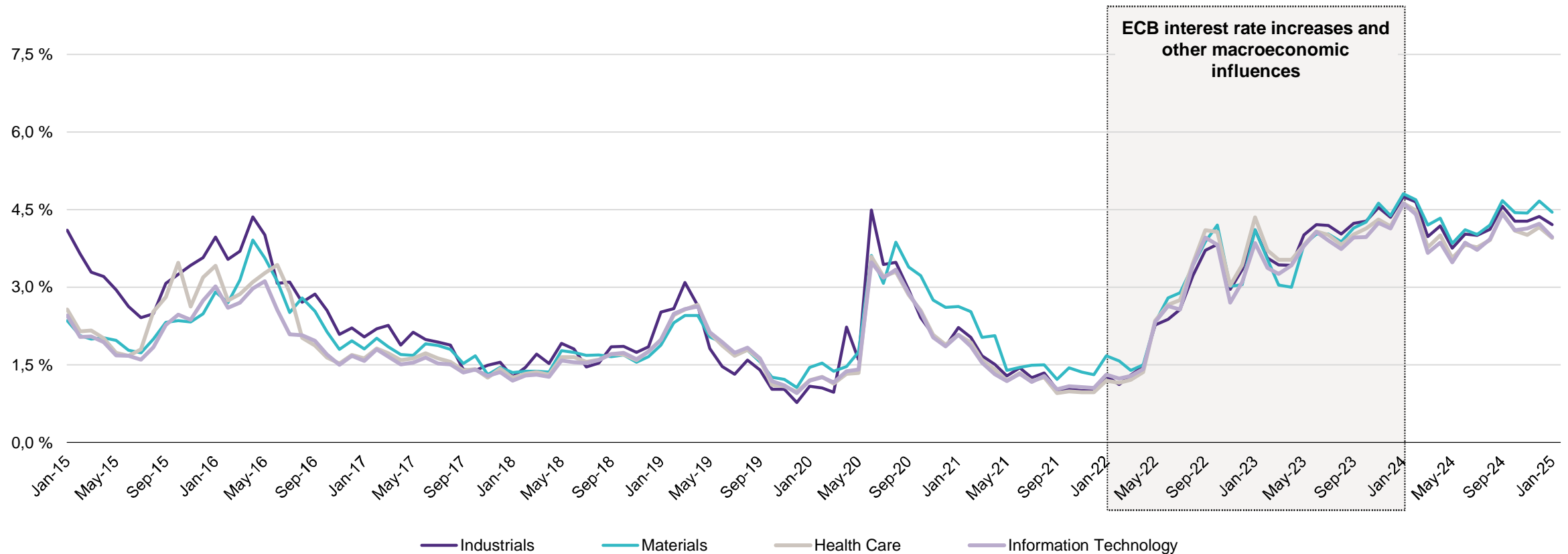
February 2025



Current interest rate environment

Development of EUR swap rates in various sectors

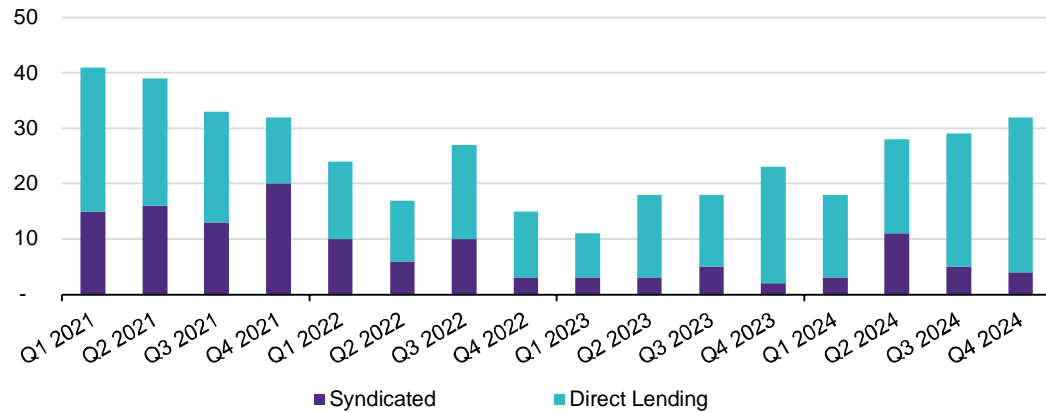
Development of interest market: Sectors - Industrials, Materials, Health Care and Information Technology (companies with BB rating, 5-year term)
(as of February 2025)



Private Credit

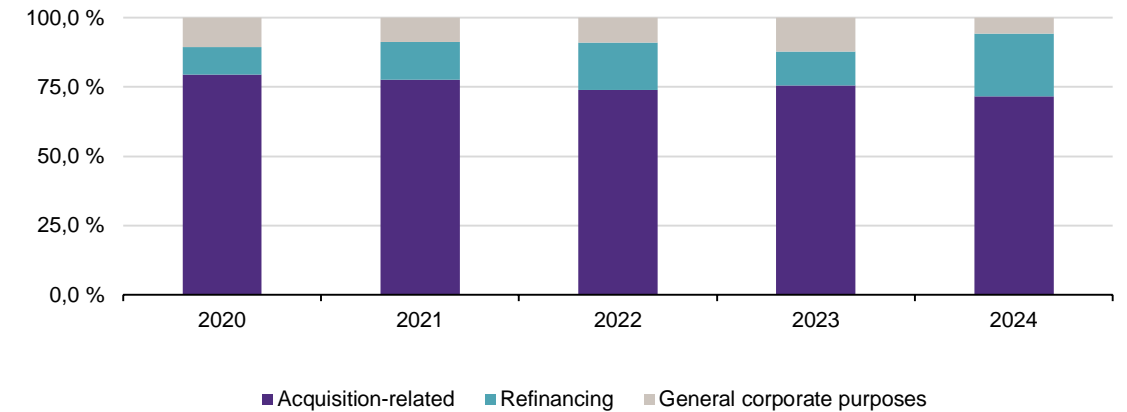
European direct lending market statistics

European count of LBOs financed via syndicated vs. direct lending
(as of February 2025)



LBOs financed via syndicated vs. direct lending			
	Syndicated (#)	Direct lending (#)	Total (#)
Q4 2024	4	28	32
Q3 2024	5	24	29
Q2 2024	11	17	28
Q1 2024	3	15	18

European direct lending deals by purpose
(as of February 2025)

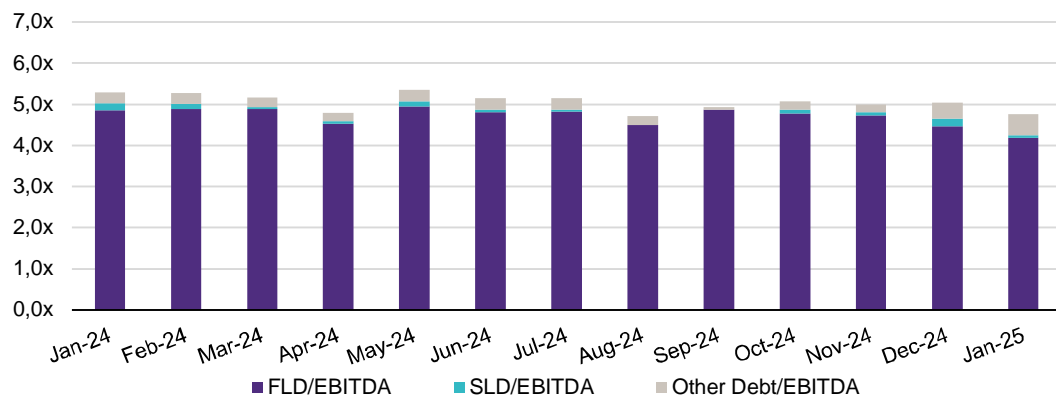


European direct lending deals by purpose			
	Acquisition-related	Refinancing	General
2024	71.6 %	22.7 %	5.7 %
2023	75.6 %	12.2 %	12.2 %
2022	73.9 %	17.0 %	9.1 %
2021	77.5 %	13.8 %	8.7 %

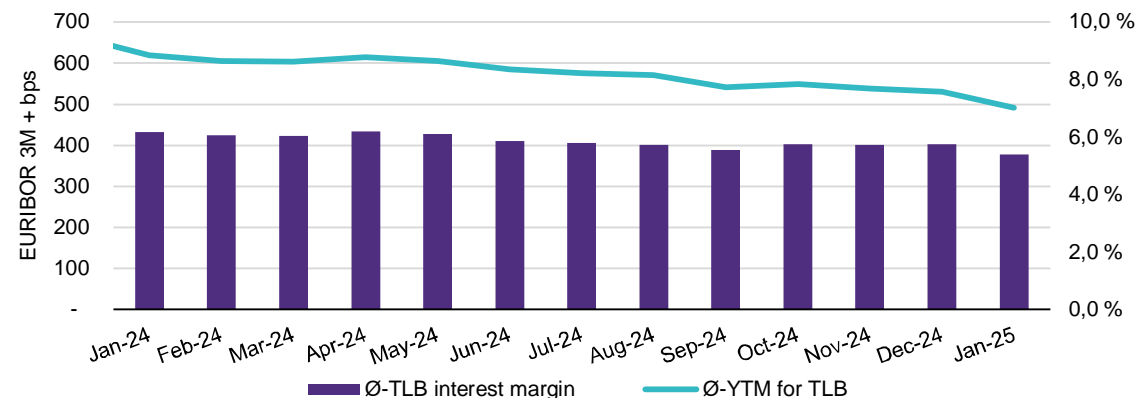
Financing (sub-)investment grade

Leverage ratios and interest margins (Europe)

Leverage ratios (rolling three months)
(as of February 2025)



Ø-Margin for new transactions (rolling three months)
(as of February 2025)



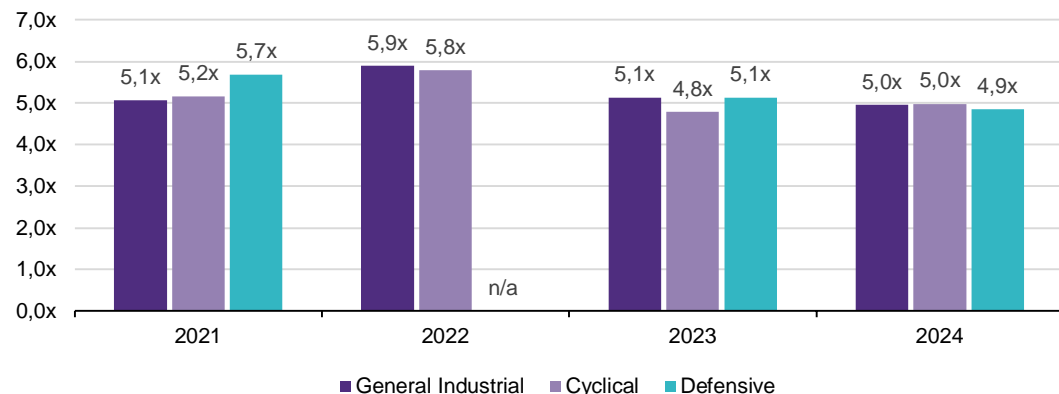
Leverage ratios (rolling three months)			
	First-lien debt /EBITDA	Second-lien debt /EBITDA	Other Debt /EBITDA
Jan. 2025	4.2x	0.1x	0.5x
Q4 2024	4.5x	0.2x	0.4x
Q3 2024	4.9x	0.0x	0.1x
Q2 2024	4.8x	0.1x	0.3x
Q1 2024	4.9x	0.0x	0.2x

Ø-Margin for new transactions (rolling three months)		
	Ø-Term loans B margin (bps)	Ø-YTM for Term loans B
Jan. 2025	377.4	7.0 %
Q4 2024	402.1	7.6 %
Q3 2024	388.1	7.7 %
Q2 2024	411.1	8.4 %
Q1 2024	423.5	8.6 %

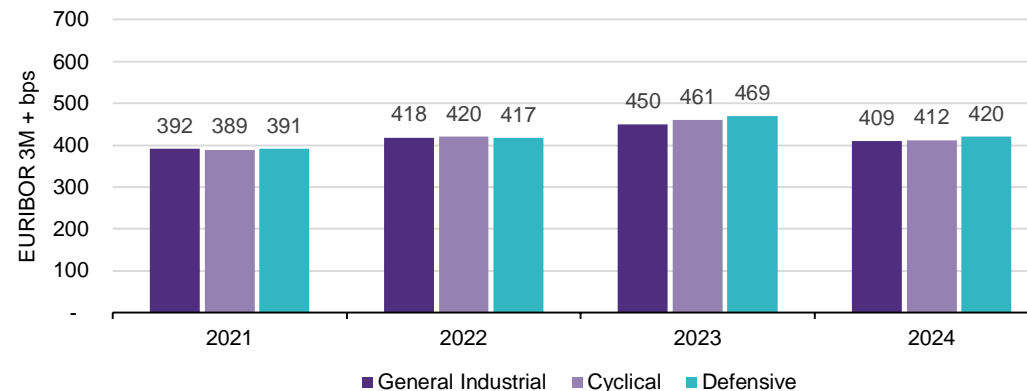
Financing (sub-)investment grade

Leverage and margins (European primary industries)

Leverage ratios (rolling three months)
(as of February 2025)



Leveraged financing | Ø-Institutional spread (rolling three months)
(as of February 2025)



	Leverage Ratios (rolling three months)		
	General Industrial	Cyclical	Defensive
2024	5.0x	5.0x	4.9x
2023	5.1x	4.8x	5.1x
2022	5.9x	5.8x	n/a
2021	5.1x	5.2x	5.7x

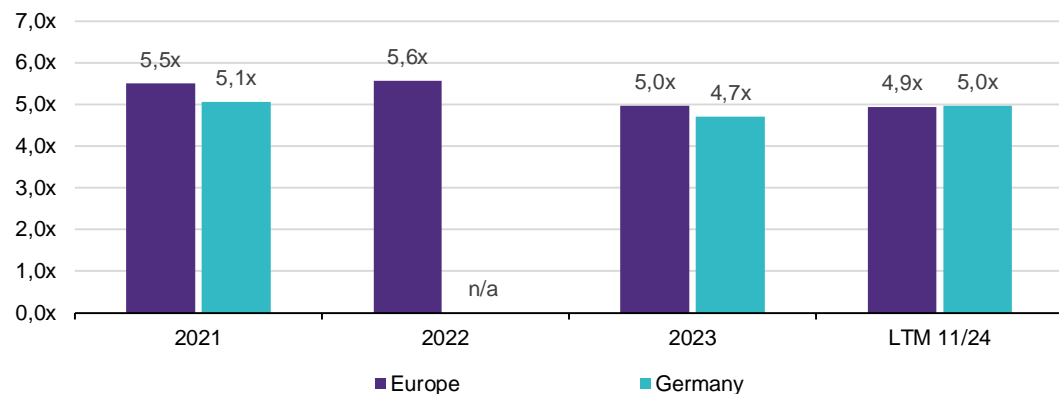
	Ø-Margin for new transactions (rolling three months)		
	General Industrial	Cyclical	Defensive
2024	409	412	420
2023	450	461	469
2022	418	420	417
2021	392	389	391

Financing (sub-)investment grade

Leverage and margins (Europe & Germany)

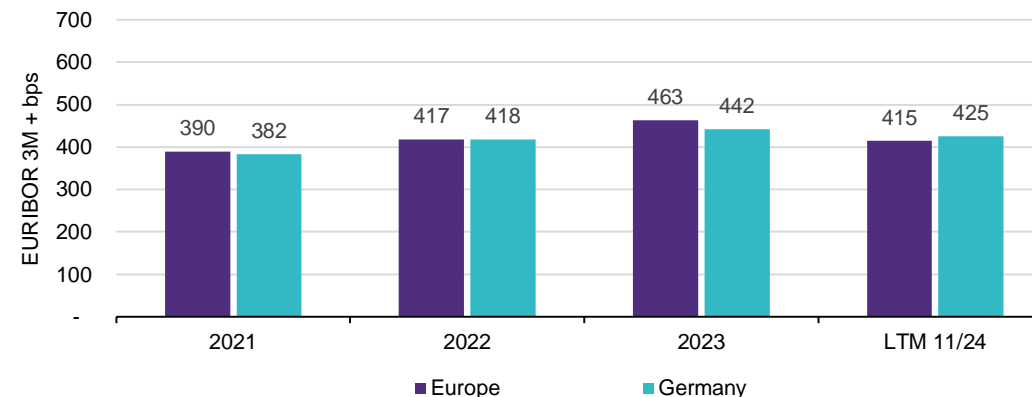
Leveraged financing | Debt/EBITDA Multiple

(as of February 2025)



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

(as of February 2025)



Leveraged Finance - Multiples

	2021	2022	2023	LTM 11/24
Europe				
Debt/EBITDA	5.5x	5.6x	5.0x	4.9x
Senior Debt/EBITDA	5.5x	5.5x	4.9x	4.9x
EBITDA/Cash Interest	4.5x	3.4x	2.8x	2.9x
Germany				
Debt/EBITDA	5.1x	n/a	4.7x	5.0x
Senior Debt/EBITDA	5.1x	n/a	4.7x	4.6x
EBITDA/Cash Interest	4.7x	n/a	2.7x	3.0x

Leveraged Finance - Margins

	2021	2022	2023	LTM 11/24
Europe				
Ø-Interest margin	390	417	463	415
Ø-Financing size (in EUR Mio.)	545	538	538	545
Ø-Pro-rata-term (years)	6.2	6.2	5.3	5.4
Germany				
Ø-Interest margin	382	418	442	425
Ø-Financing size (in EUR Mio.)	418	544	238	458
Ø-Pro-rata-term (years)	6.1	6.2	5.4	5.7



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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