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European and US Loan Markets: Trends and Deal Terms

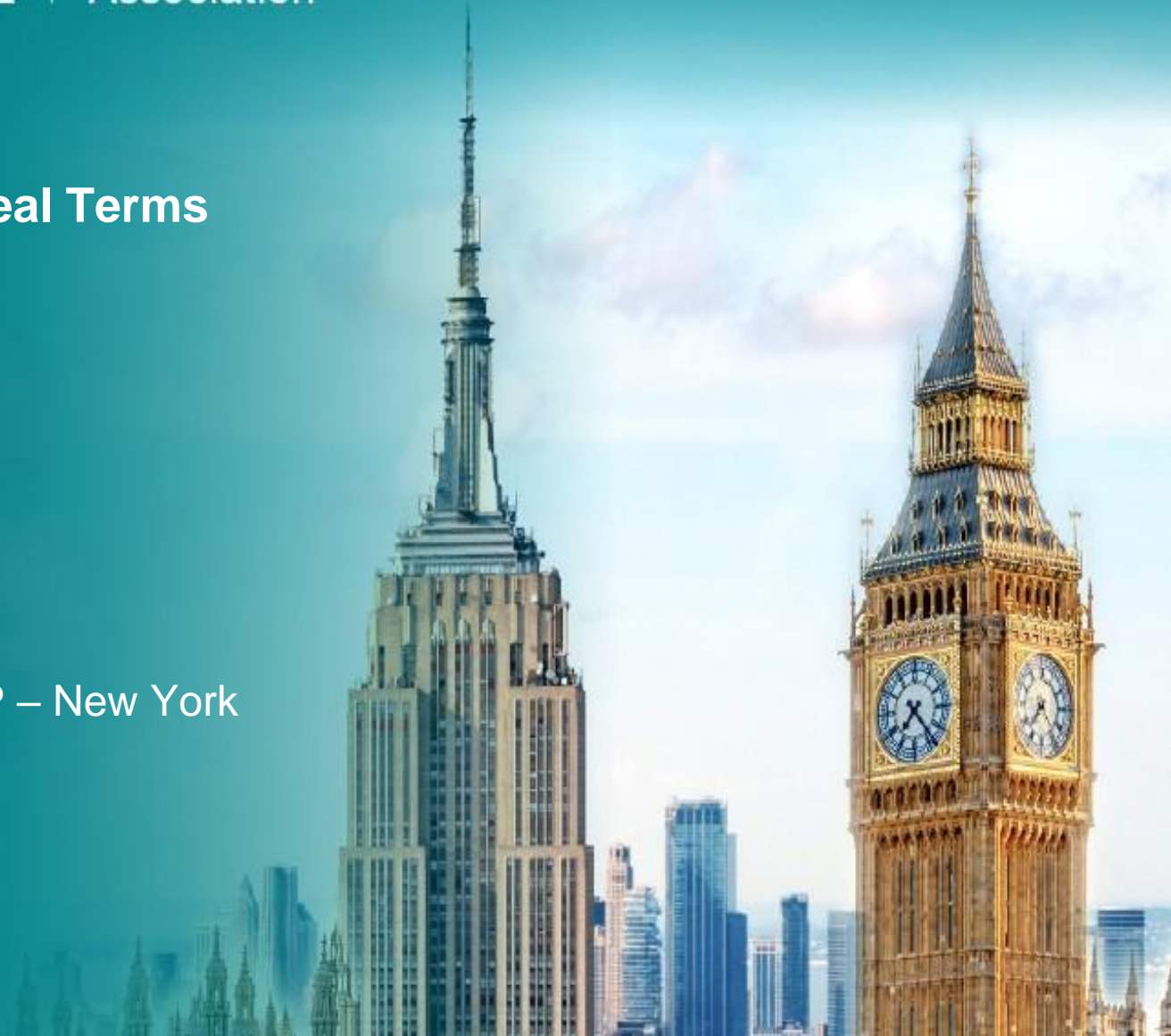
Moderator

- Ilona Potiha, Partner, A&O Shearman

Speakers

- Filippo Crosara, Partner, A&O Shearman
- Sanders Witkow, Partner Davis Polk & Wardwell LLP – New York

Thursday, May 15, 2025



European and US Loan Markets: Trends and Deal Terms



Ilona Potiha
Partner
A&O Shearman



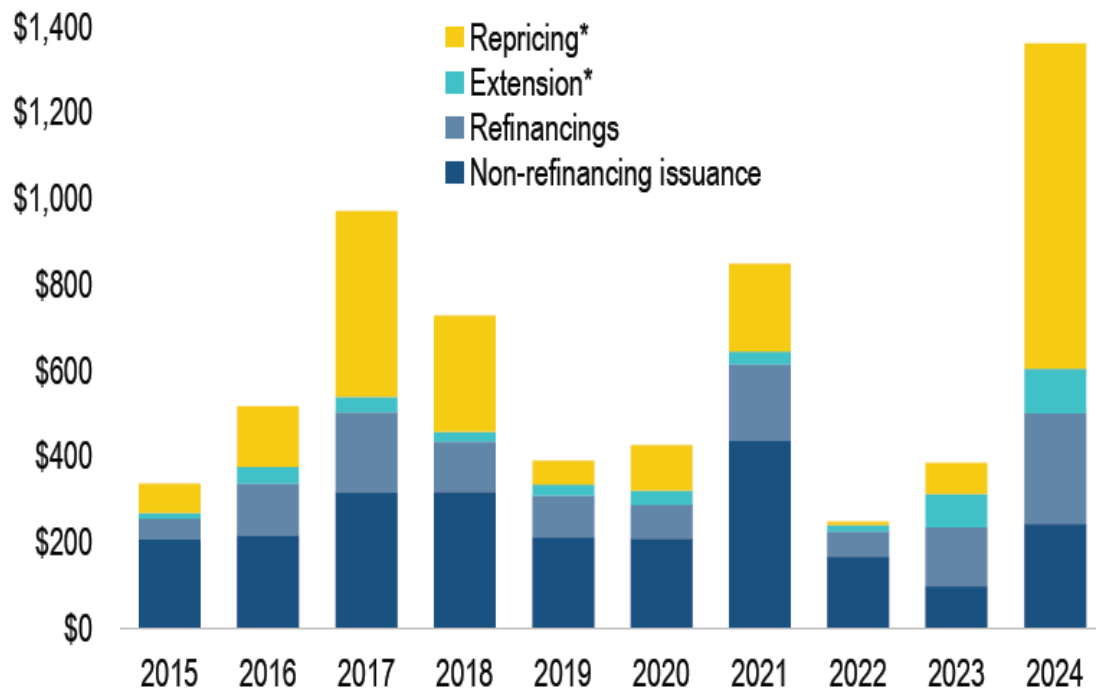
Sanders Witkow
Partner
Davis Polk & Wardwell LLP



Filippo Crosara
Partner
A&O Shearman - London

2024 Deal Trends

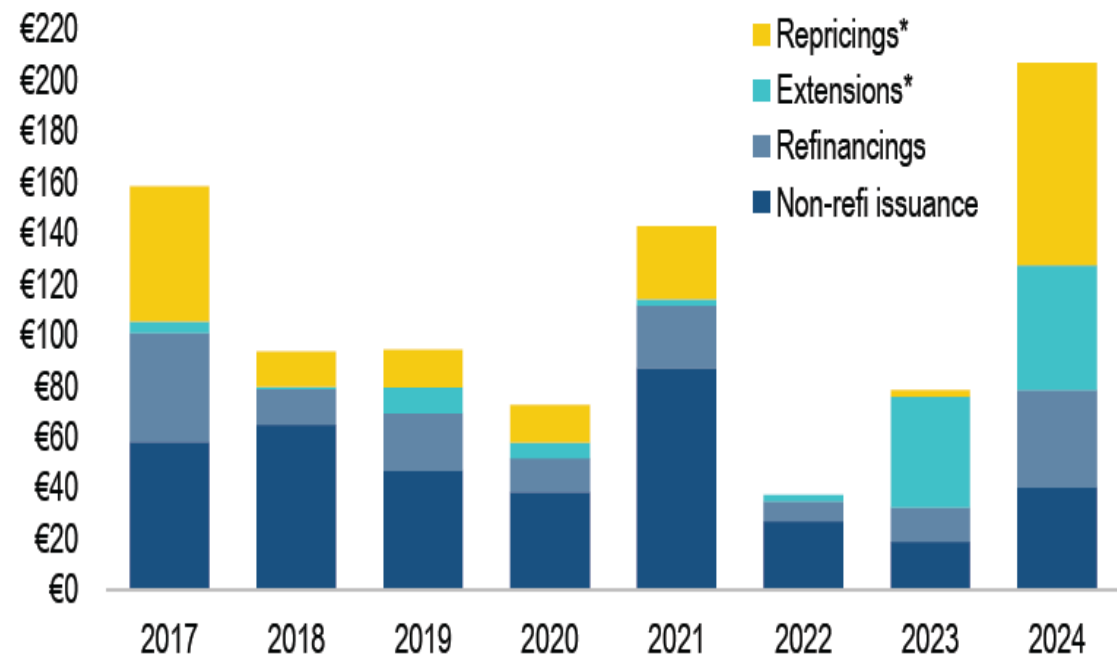
US Institutional Loan Activity



Source: PitchBook | LCD • Data through Dec. 31, 2024

*Reflects repricings and extensions done via an amendment process only

European Institutional Loan Activity

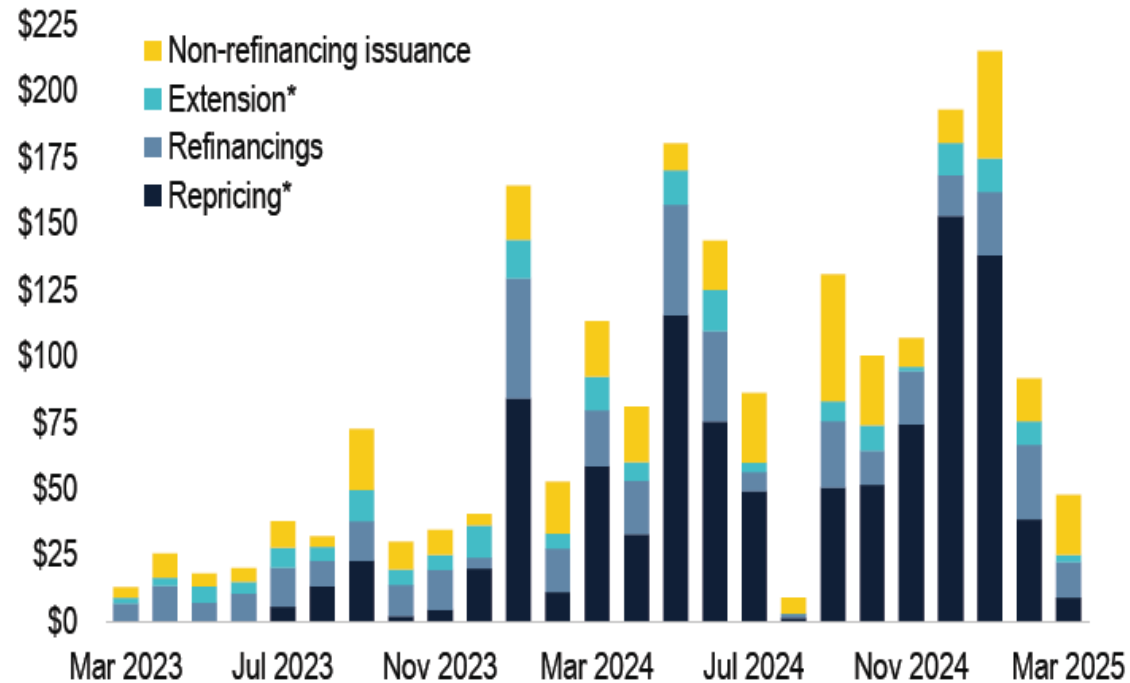


Source: PitchBook | LCD • Data through Dec. 31, 2024

*Reflects extensions and repricings done via amendment process only

Q1 2025 Deal Trends

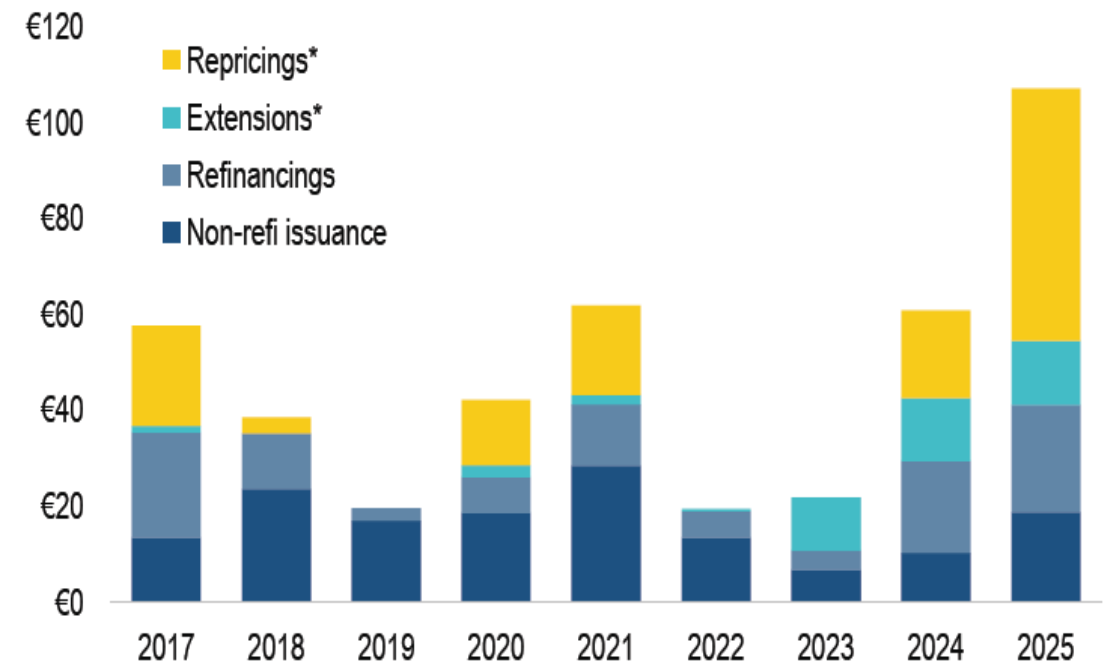
US Institutional Loan Activity (\$B)



Source: PitchBook | LCD • Data through March 31, 2025

*Reflects repricings and extensions done via an amendment process only

European Institutional Loan Activity (€B)

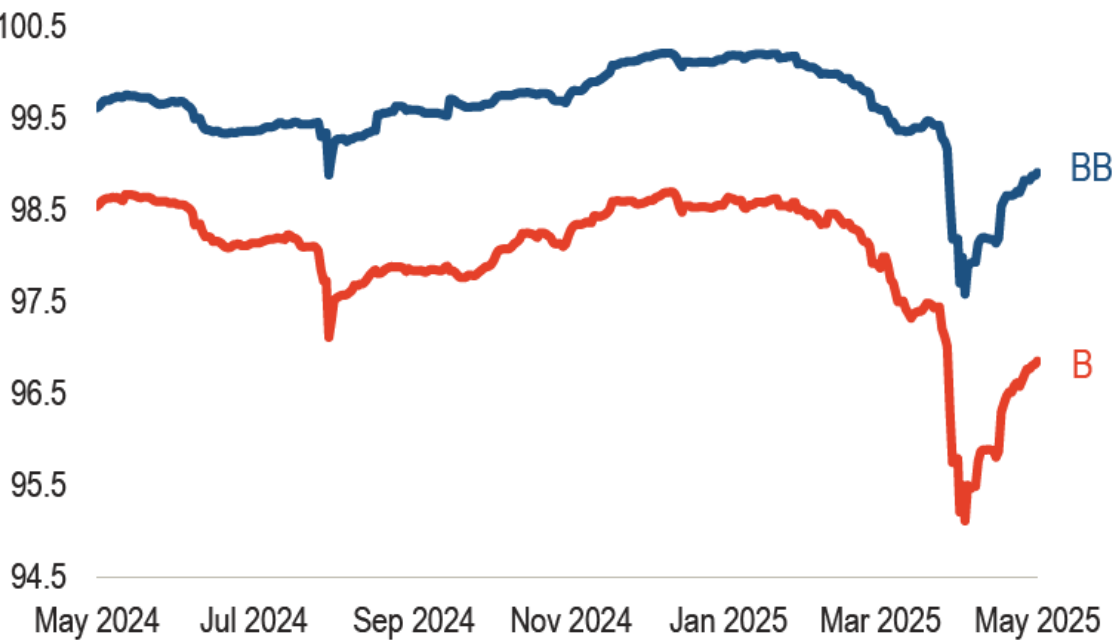


Source: PitchBook | LCD • Data through March 31, 2025

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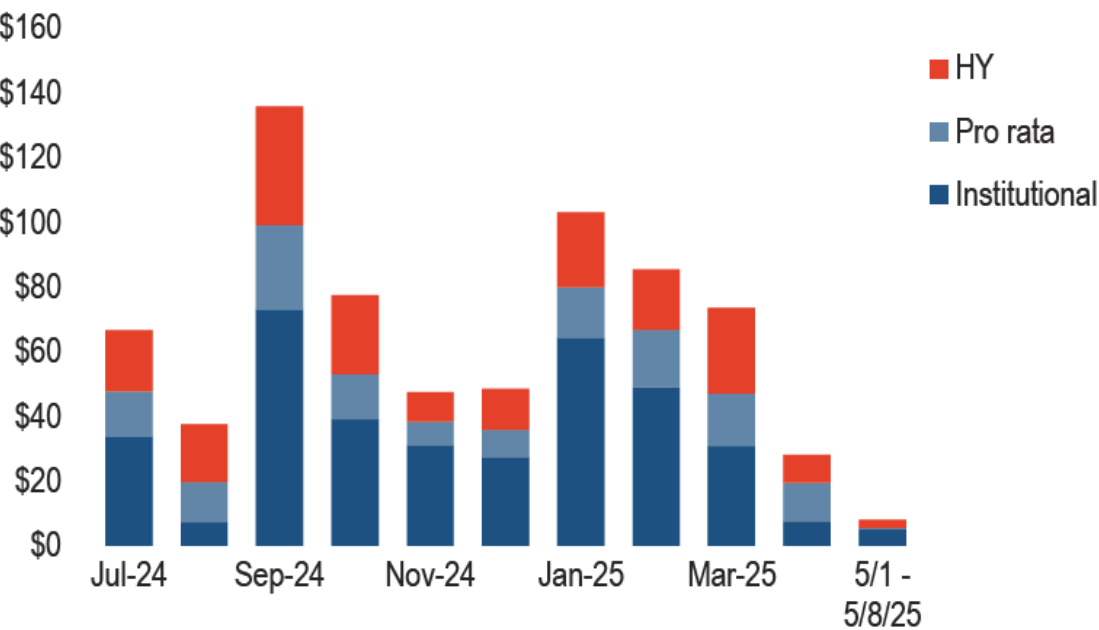
2025 US Market Trends

Weighted average bid of US leveraged loans



Sources: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

US new-issue leveraged finance volume (\$B)



Source: PitchBook | LCD

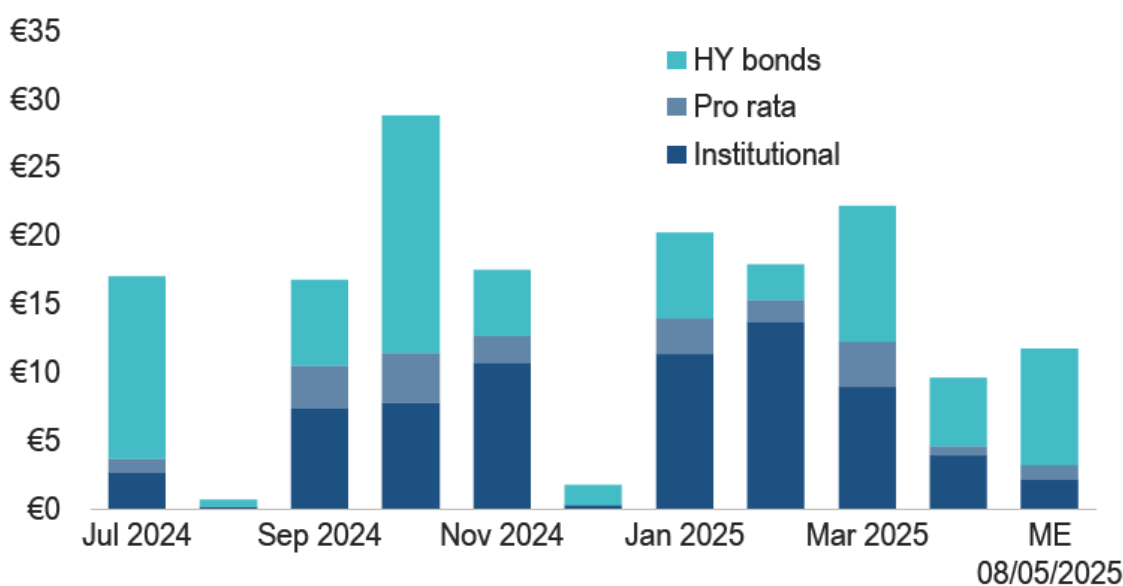
2025 European Market Trends

European loans priced at par and above



Sources: PitchBook | LCD; Morningstar European Leveraged Loan Index • Data through April 30, 2025

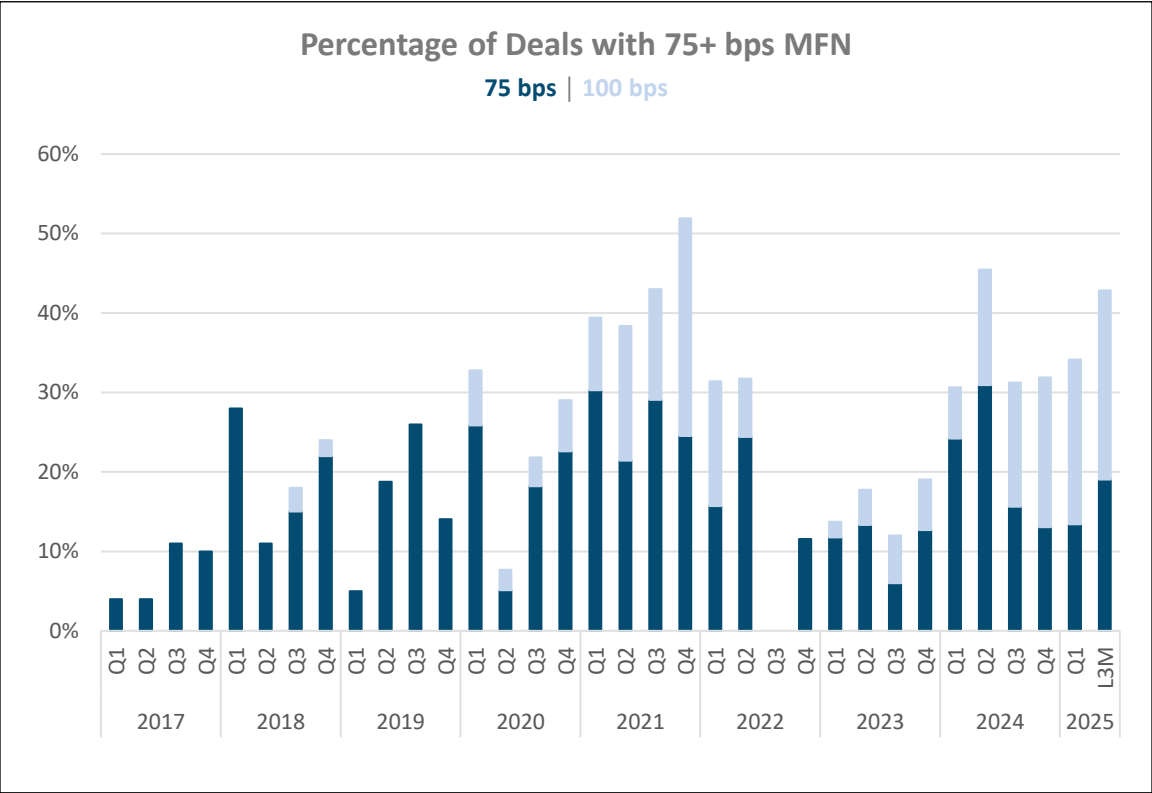
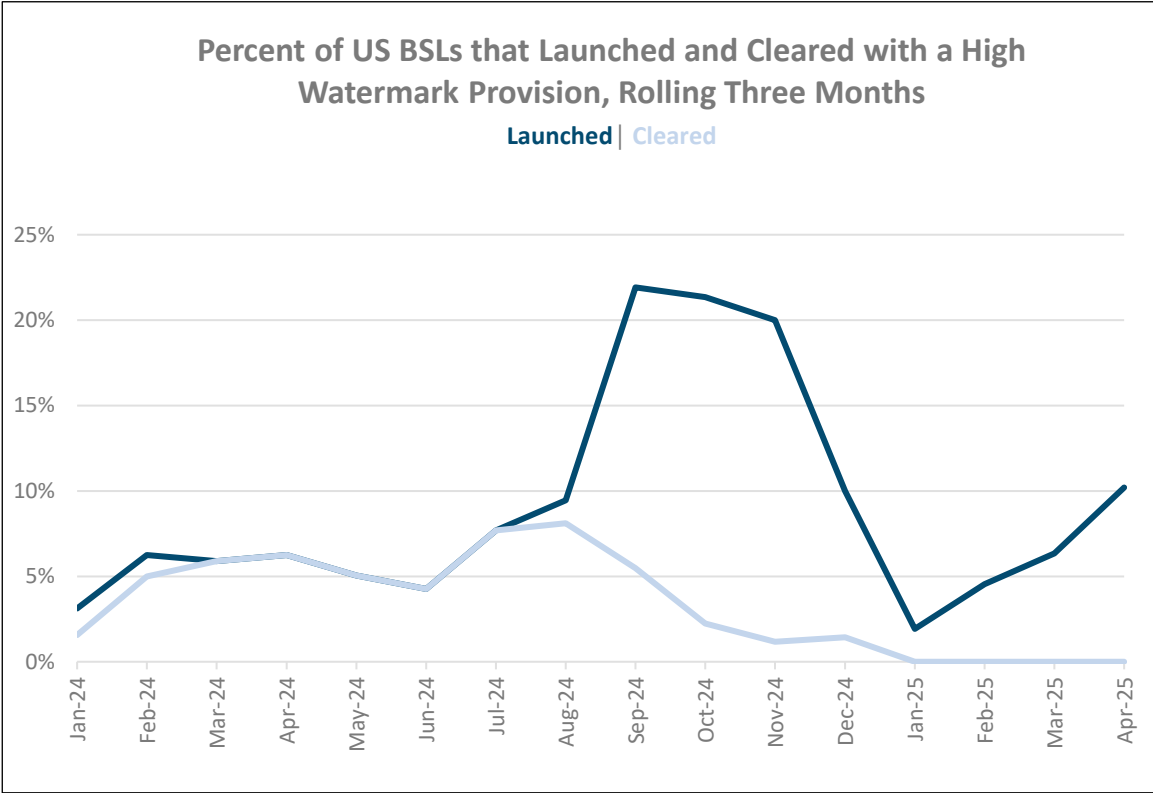
European new-issue leveraged finance volume (€B)



Data through last 30 days

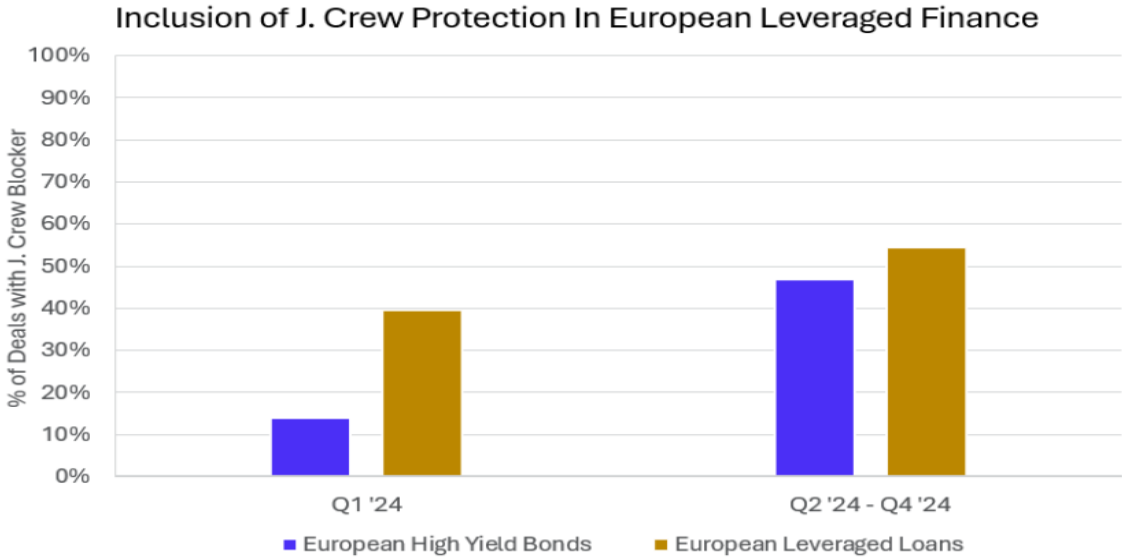
Source: PitchBook | LCD

Europe to US Deal Trends



Source: Covenant Review, a Fitch Solutions Company

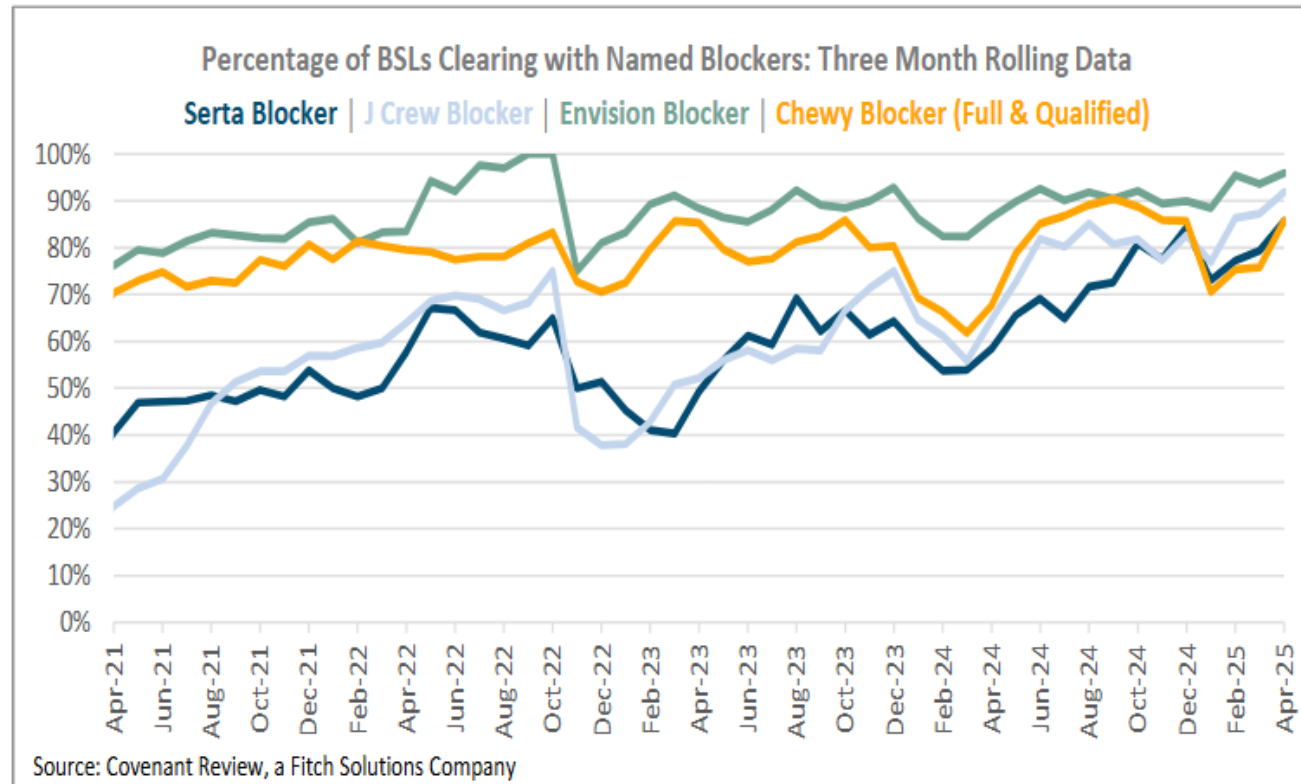
US to Europe Deal Trends



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*Note: It is not unexpected that J. Crew blockers are the most increasingly requested LME Blocker in European financings as most European LMEs have involved drop-down transactions.

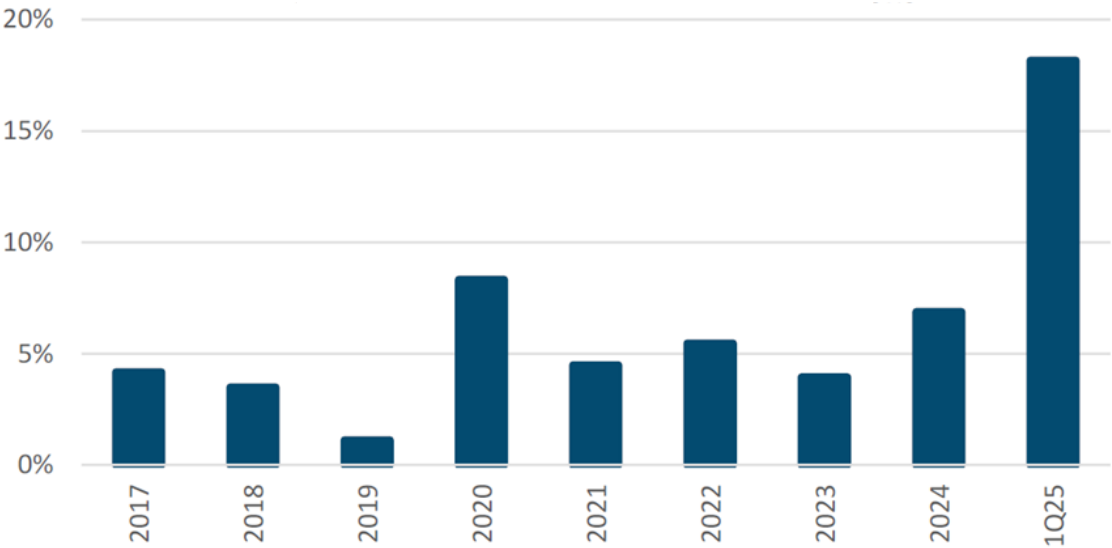
US BSL LME Trends



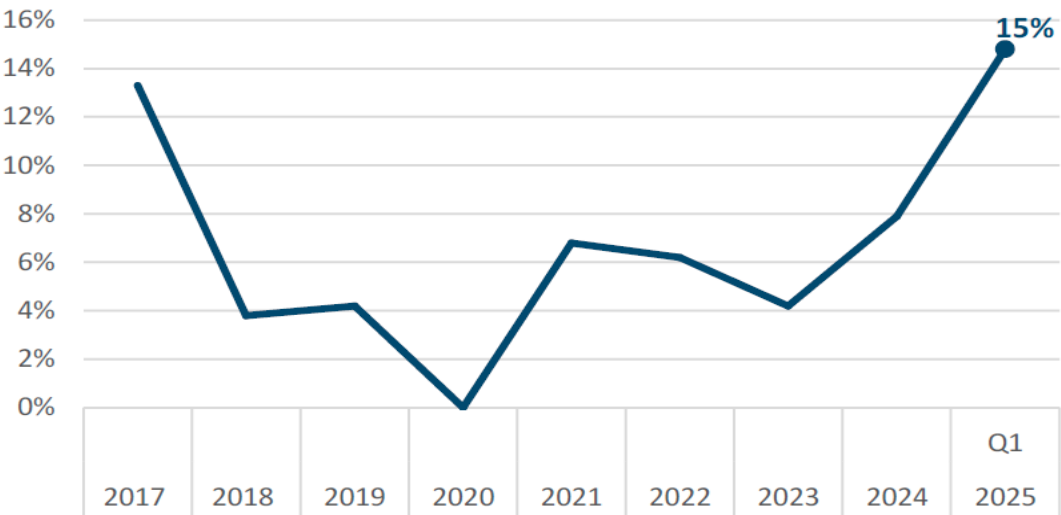
*Note Covenant Review counts any deal which has a J. Crew, Serta OR limited Unrestricted Subsidiary investment capacity as an Envision Blocker.

Portability

US PE Backed Loans

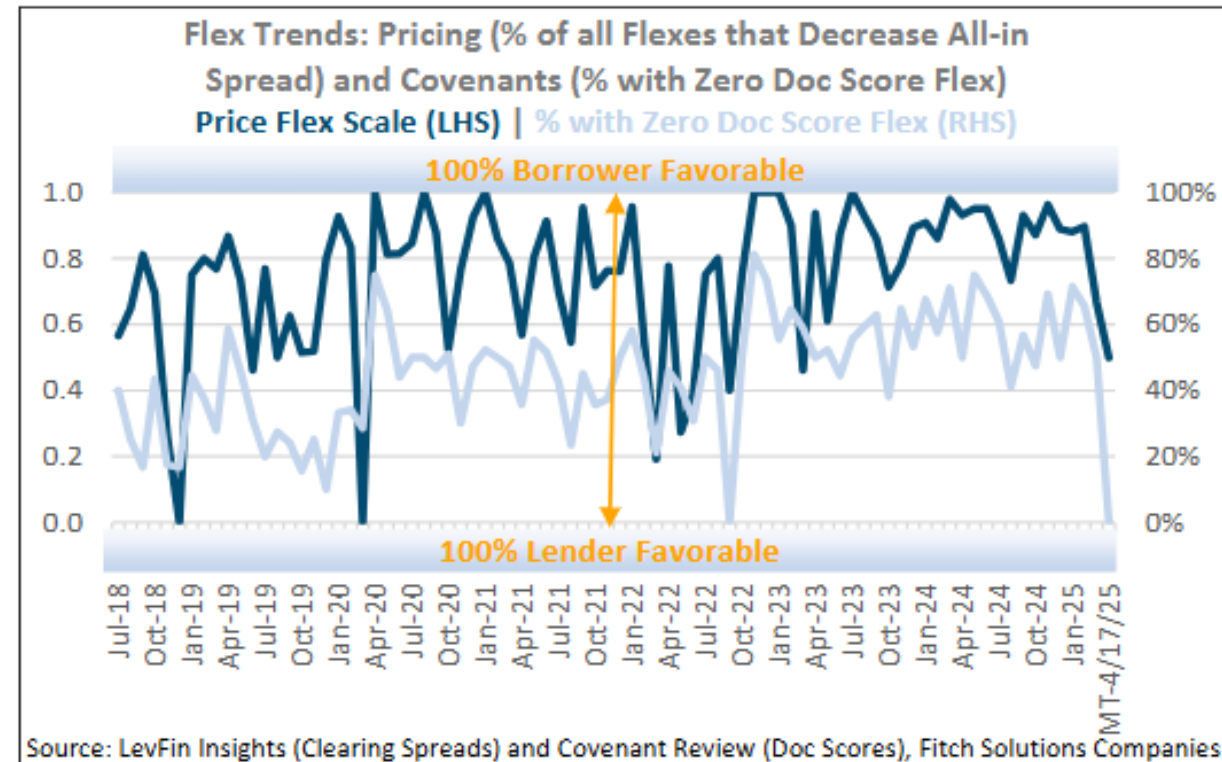


European Loans



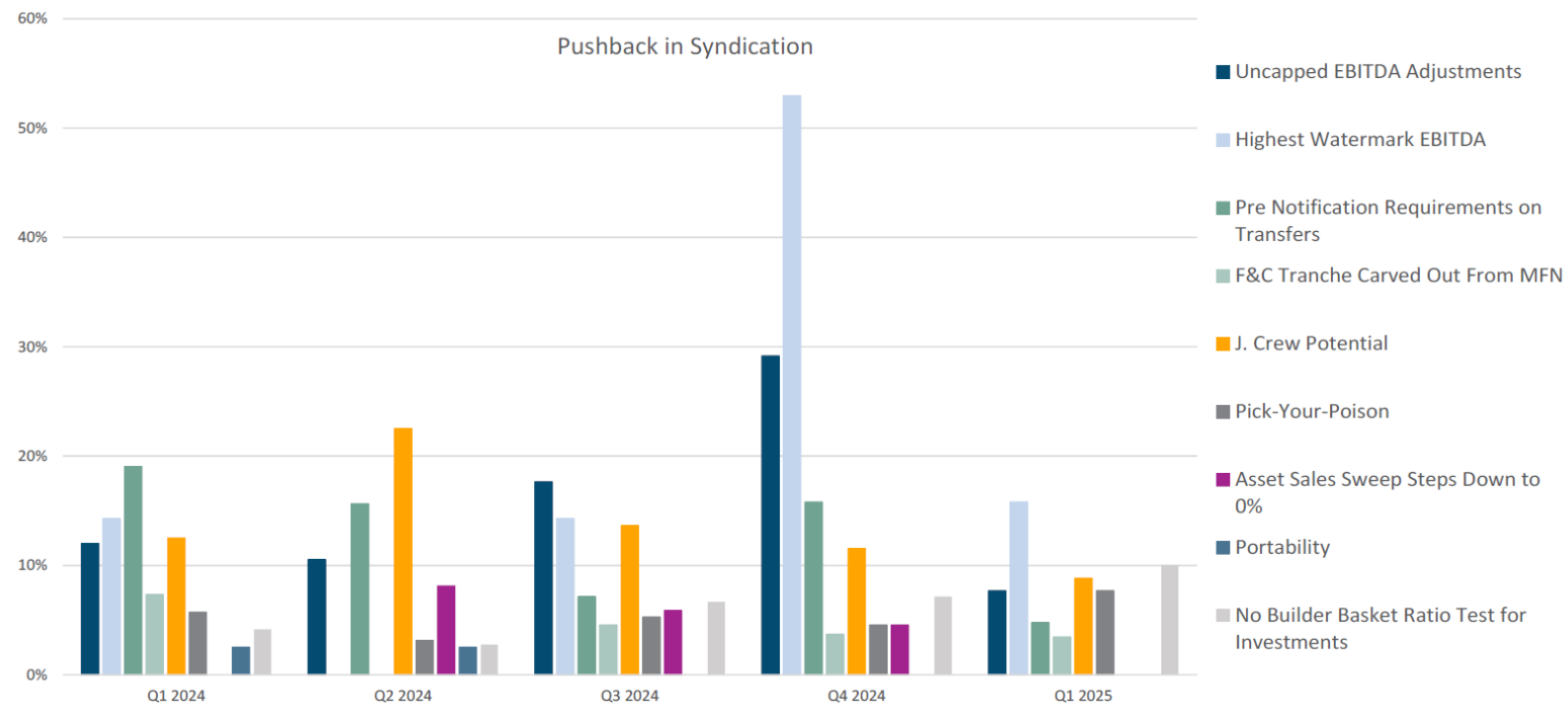
Source: Covenant Review, a Fitch Solutions Company

US Flex



*Note the MT – 4/17.25 period represents a small sample where Covenant Review only reviewed two PE backed loans which cleared with flex being utilized (i.e. zero docs were reviewed that had no tightening of terms via flex for terms which effect their documentation scores).

European Flex



Source: Covenant Review, a Fitch Solutions Company

Predictions/Forecasts for the next twelve months

