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EMEA Bridge Loans for M&A at Record High in 2015

By Joe Young

- **EMEA bridge loan financing for acquisitions** has reached a record high of \$185.5bn in 2015, up 30% on the combined full year 2013 and 2014 volumes (\$144.4bn) while **activity** (62 deals) is on par with 2014 (58 deals)
 - **Average deal size** of \$4.1bn in 2015 is also a record, surpassing \$2.5bn in 2014
- **Healthcare** is the most active sector with five bridge loans worth a combined \$35.1bn to support acquisitions, up 23% on \$28.6bn 2014 and the highest yearly volume on record
- The proposed \$117.4bn acquisition of **SABMiller** by **Anheuser-Busch InBev**, announced in July, is backed by a \$75bn loan, the largest syndicated loan on record globally. \$40bn of the loan is a bridge facility, the largest on record from an EMEA borrower, surpassing **Telefonica's** \$32.8bn bridge facility to support the acquisition of **O2** in February 2006
- **Average margin** for acquisition related EMEA bridge loans fell to 338bps in 2015, down 139bps from 2014, and the lowest average margin since 2012 (282bps)
- **JPMorgan** leads the acquisition related EMEA bridge loan bookrunner ranking in 2015 with a 11.7% market share, followed by **HSBC** and **BNP Paribas** with shares of 9.8% and 8.6%, respectively

**Acquisition related financing proceeds used for acquisitions, future acquisitions, spin-offs, and LBOs*

