

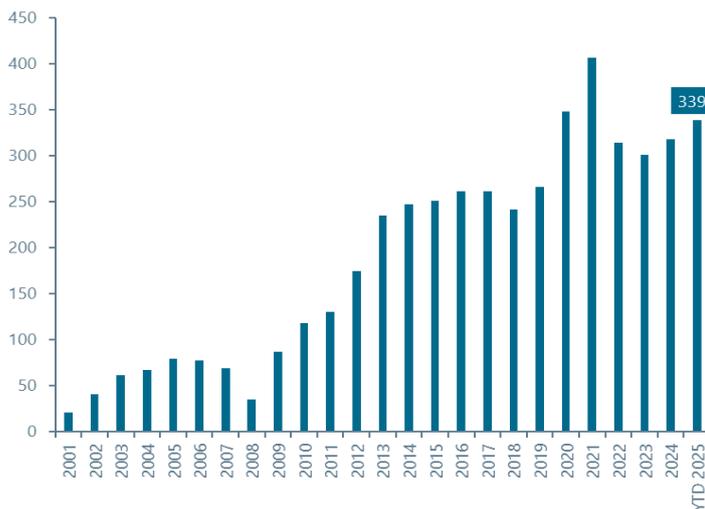
## European High Yield market trends

### Record level of High Yield issuances

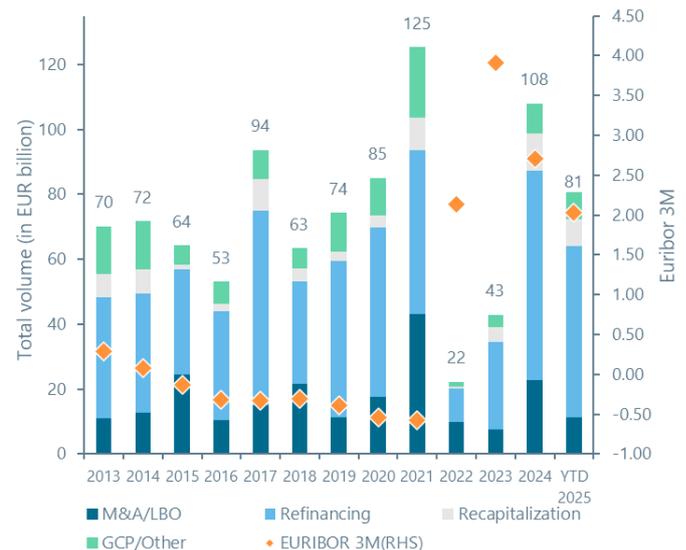
So far, the year 2025 has been a record period in terms of issuances, with a total volume reaching EUR 81 billion. Indeed, given the favorable market conditions, issuers have been encouraged to proactively refinance their existing debt.

### European High Yield outstanding market size<sup>1</sup>

In EUR billion



### Evolution of High Yield issuances<sup>2</sup>



### Strong tailwind from technical factors

Technical dynamics were driven on one hand by EUR 7.8 billion in inflows, reflecting increased investor confidence in the market; and on the other hand, by limited net supply, as most issuances were conducted as part of refinancing operations.

### Solid fundamentals and contained default rates

The default rate of the European High Yield market is expected to remain relatively stable, decreasing from 3.29% in September 2025 to 3.25% by year-end, before experiencing a slight increase to 3.75% in 2026. The evolution of default rates in Europe therefore remains on a contained trajectory<sup>3</sup>. Despite a slight erosion in performance within the High Yield segment over the past year, financial indicators have remained solid. In Q2 2025, the average leverage stood at 4.5x (+0.2x<sup>3,4</sup>), the EBITDA margin at 14.2% (-1.0%<sup>3,4</sup>) and the ICR at 4.7x (-0.2x<sup>3,4</sup>). The European High Yield market is relatively shielded from Trump's tariff policies, as many issuers have significant domestic operations (ex. the telecommunications sector accounting for 25% of the index).

<sup>1</sup> Source: Bloomberg, data based on Bloomberg Pan-European High Yield Index as of 30.09.2025

<sup>2</sup> Source: Pitchbook, High Yield trend data as of 31.08.2025

<sup>3</sup> Source: JP Morgan, September 2025

<sup>4</sup> Year-over-year

October 2025, data as of 30.09.2025

### Yields remain at elevated levels

The market's Yield-to-Worst remains at elevated levels compared to historical norms, excluding peak periods such as COVID-19 and the invasion of Ukraine, despite tight spread levels.

### Average yield-to-worst and OAS<sup>1</sup>

Bloomberg Euro HY 3% Issuer Constraint x Fin TR  
Unhedged EUR Index



### Our high yield bonds funds at a glance

#### SCOR ESG EURO HIGH YIELD

Combining fundamental analysis of issuers, ESG integration and a limited drawdown

**EUR 696m** of assets under management

**Benchmark index:** Bloomberg Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged



#### SCOR FUNDS – ESG EURO SHORT TERM DURATION HIGH YIELD

Capturing refinancing needs on the high yield market while limiting volatility

**EUR 215m** of assets under management

**No benchmark** – The fund seeks to achieve a positive absolute return



<sup>1</sup> Source: Bloomberg Euro HY 3% Issuer Constraint YtW and OAS as of 30.09.2025

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