

U.S. Refinancing: Maturities Climb Through 2025 After Record Issuance In First-Half 2020

S&P Global Ratings Research
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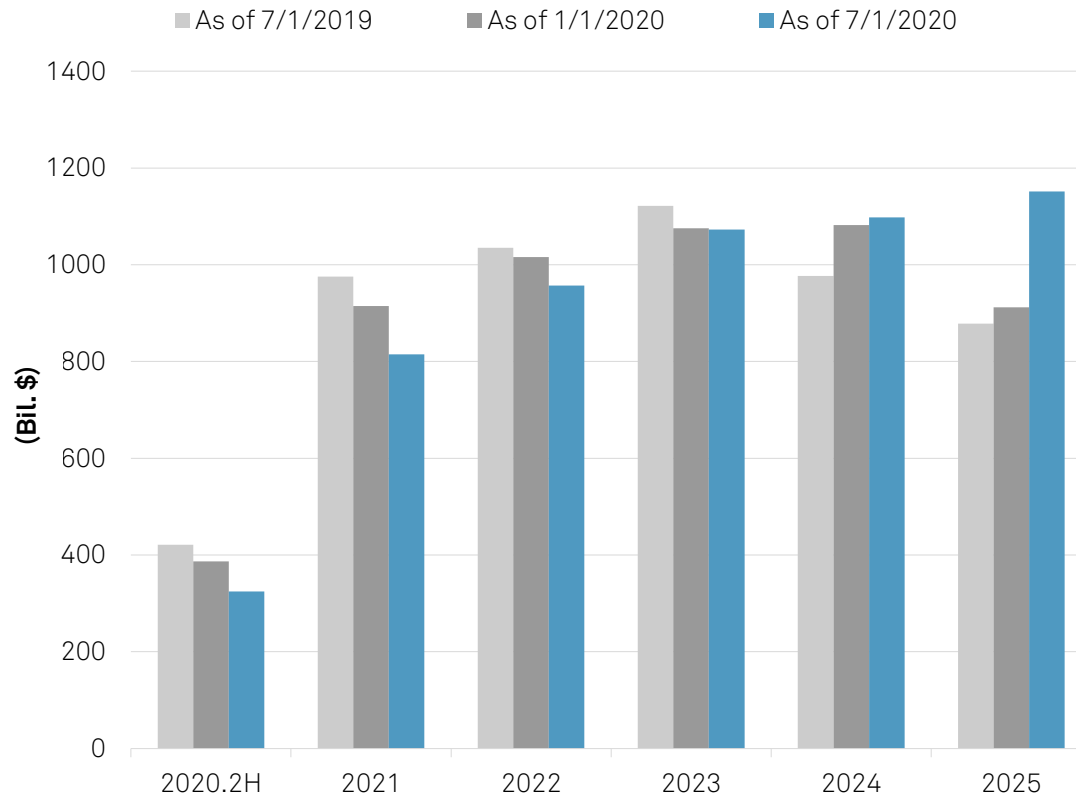
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Key Takeaways

- More than \$5.4 trillion in U.S. corporate debt rated by S&P Global Ratings is scheduled to mature through 2025.
- Annual maturities rise to a peak of \$1.15 trillion in 2025--now peaking one year later than they did at the beginning of 2020.
- Nearly \$2 trillion (or 37%) of the debt maturing through 2025 is speculative grade, and, while this debt carries more refinancing risk than investment grade, companies have more time to refinance as these maturities do not peak until 2025.
- Debt capital markets have shown sufficient capacity to fund upcoming refinancing demands--bond issuance alone has exceeded \$1 trillion annually for the past seven years.
- With bond issuance already surpassing \$1 trillion in the first half of 2020, the level of rated U.S. corporate debt instruments outstanding (including those maturing after 2025) rose by 5.8% year to date, to nearly \$10.5 trillion.

U.S. | **\$5.4 Trillion** In Corporate Debt Matures Through 2025

U.S. Maturity Wall – Financial And Nonfinancial Corporates



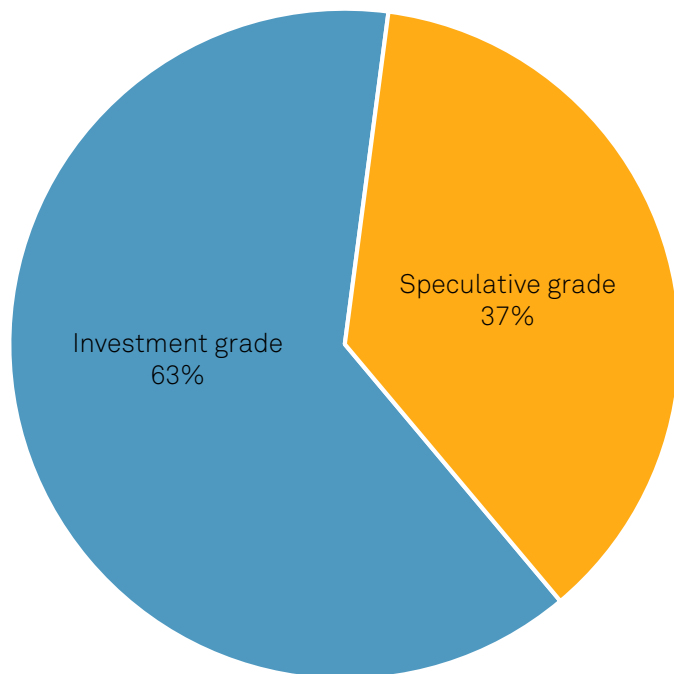
- After record issuance of \$1.1 trillion in first-half 2020, companies refinanced, paid down, or otherwise reduced 10% of debt maturing in second-half 2020 through 2022.
- Maturities now peak in 2025, with \$1.15 trillion scheduled to mature.
- New issuance helped lift 2025 maturities by 26% (or \$239 billion).

Note: Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings on the respective report date. Foreign currencies are converted to U.S. dollars on the respective report period date. Source: S&P Global Ratings Research.

U.S. | Majority Of Debt Maturing Through 2025 Is Investment Grade

- Investment-grade maturities peak at \$679.2 billion in 2023.
- Speculative-grade issuers have a longer window to refinance--maturities peak at \$553.8 billion in 2025.

U.S. Corporate Debt Maturing Through 2025: 63% Is Investment Grade



U.S. Maturing Debt By Year

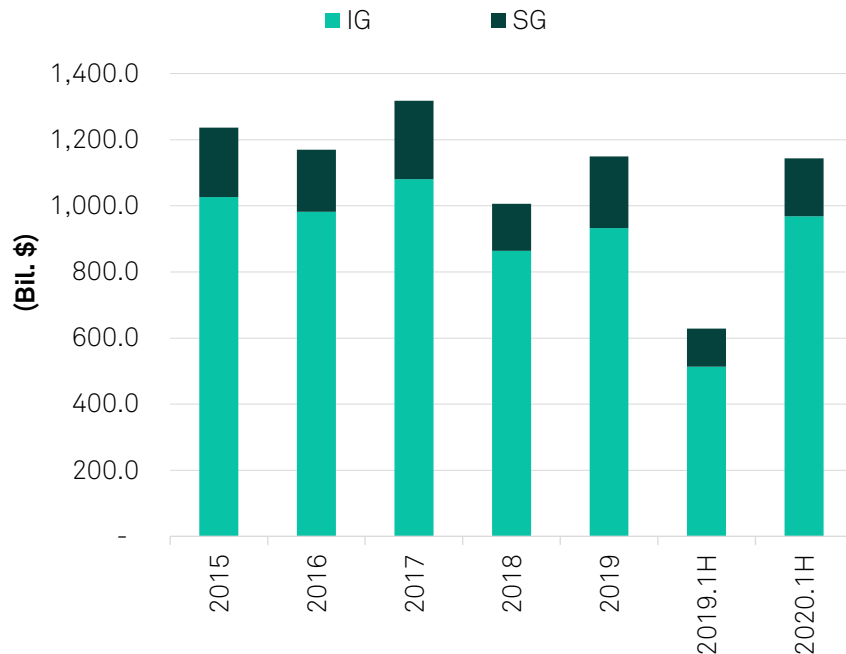
(Bil. \$)		2020.2H	2021	2022	2023	2024	2025
Financial services		112.0	243.4	244.7	249.0	196.7	203.9
	IG	108.7	233.3	223.3	222.8	175.3	162.2
	SG	3.3	10.1	21.4	26.2	21.4	41.7
Nonfinancial		212.5	571.4	712.2	823.6	901.3	947.6
	IG	174.0	399.0	443.9	456.5	389.5	435.5
	SG	38.5	172.4	268.3	367.1	511.8	512.1
Total IG		282.8	632.4	667.2	679.2	564.8	597.7
Total SG		41.8	182.4	289.8	393.4	533.2	553.8
Total		324.6	814.8	956.9	1072.6	1098.0	1151.5

Note: Data as of July 1, 2020. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Source: S&P Global Ratings Research.

U.S. | Debt Capital Markets Issuance Surpasses Refinancing Demands

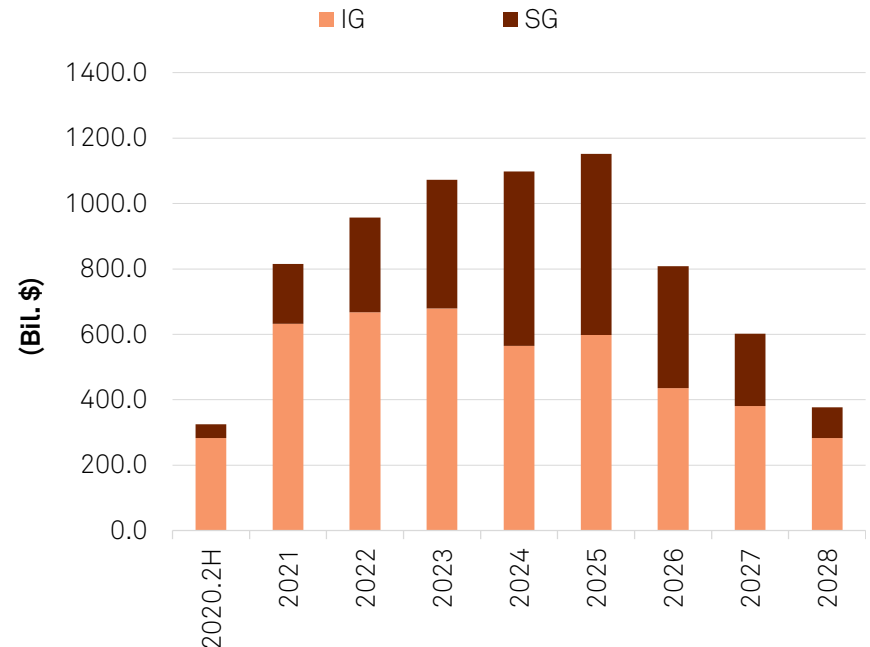
- Debt maturities rise to a peak of \$1.15 trillion in 2025--near the average annual bond issuance volume of 2017-2019.
- Maturities include term loans and revolving credit facilities, issuance of which has averaged over \$500 billion annually over the past three years.

Annual U.S. Corporate Rated Bond Issuance



Data as of July 1, 2020. Sources: Thomson Reuters and S&P Global Ratings Research.

Annual U.S. Corporate Debt Maturities

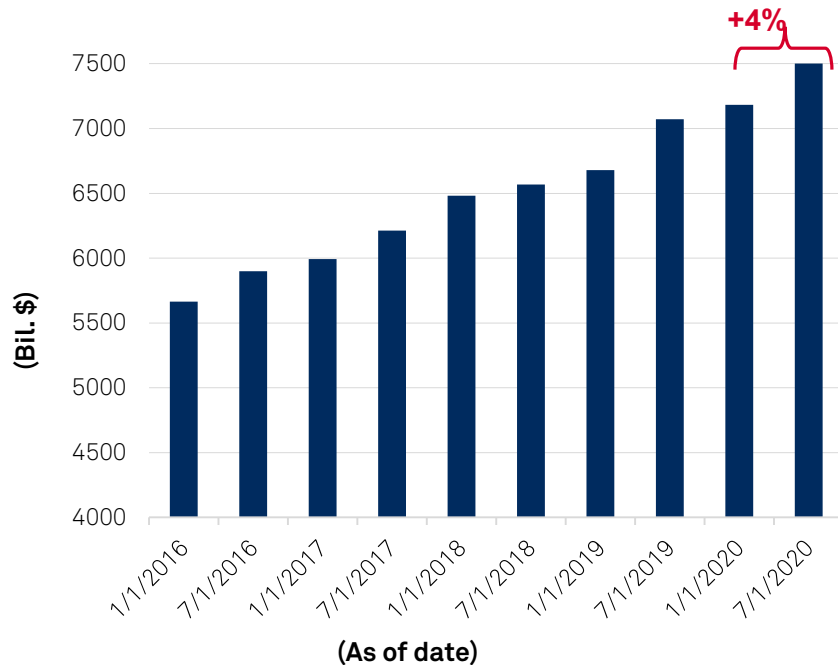


Note: Data as of July 1, 2020. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Source: S&P Global Ratings Research.

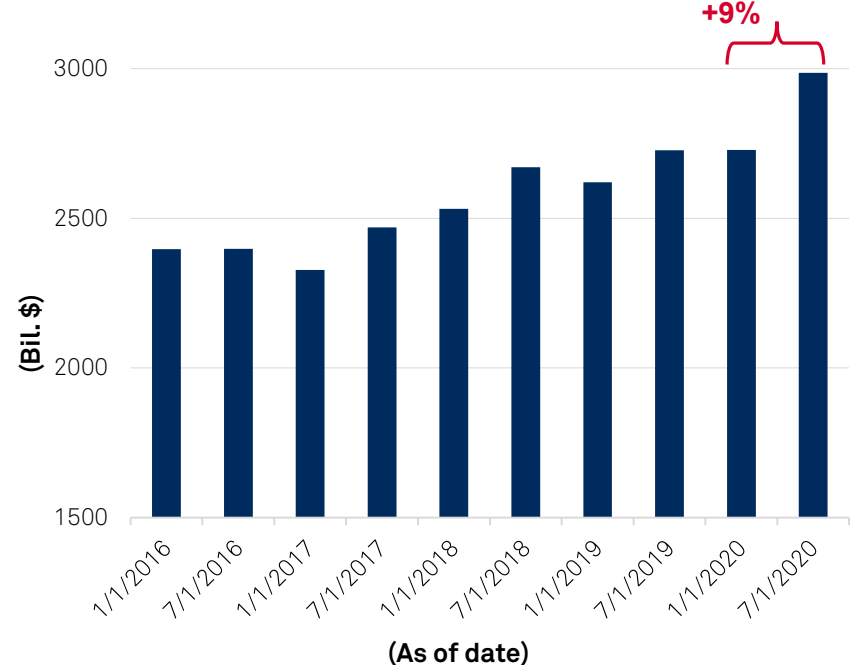
U.S. | **Debt Levels Are Rising** Following Record Issuance

- Record issuance contributed to a 4% increase in the amount of investment-grade debt instruments outstanding (including those maturing after 2025).
- Speculative-grade debt expanded by 9%, and this includes debt of recent fallen angels.

Investment-Grade: Debt Instruments Outstanding Increased By 4% In First-Half 2020



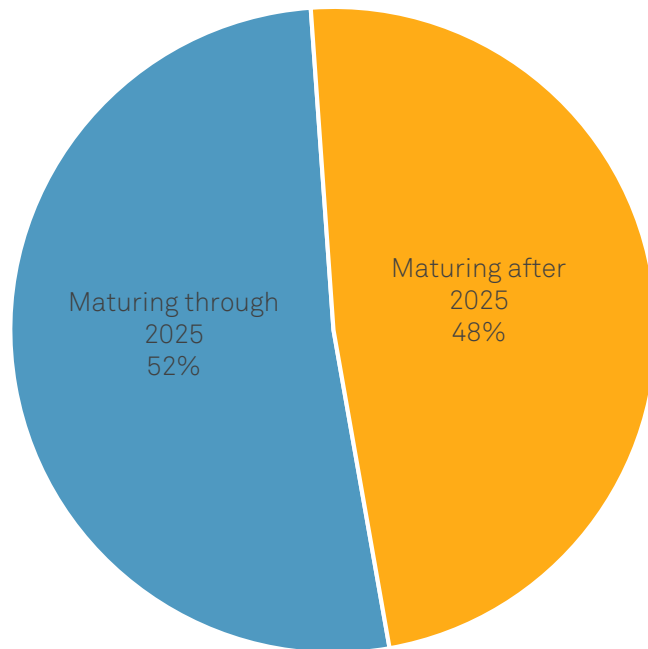
Speculative-Grade: Debt Instruments Outstanding Increased By 9% In First-Half 2020



Charts show investment- and speculative-grade-rated debt instruments outstanding, including those maturing after 2025. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings from financial and nonfinancial issuers. Source: S&P Global Ratings Research.

U.S. | Nearly Half Of U.S. Corporate Debt Matures After 2025

52% Of U.S. Corporate Debt Is Scheduled To Mature Through 2025



Total U.S. Corporate Debt Amount By Rating

Rating category	Financial	Nonfinancial	Total
AAA	0.0	80.1	80.1
AA	185.4	391.4	576.7
A	1,046.5	1,690.2	2,736.7
BBB	1,034.0	3,076.6	4,110.6
BB	157.3	1,192.5	1,349.8
B	91.7	1,177.1	1,268.8
CCC/Below	11.9	355.2	367.2
IG	2,265.8	5,238.3	7,504.2
SG	261.0	2,724.8	2,985.7
Total	2,526.8	7,963.1	10,489.9

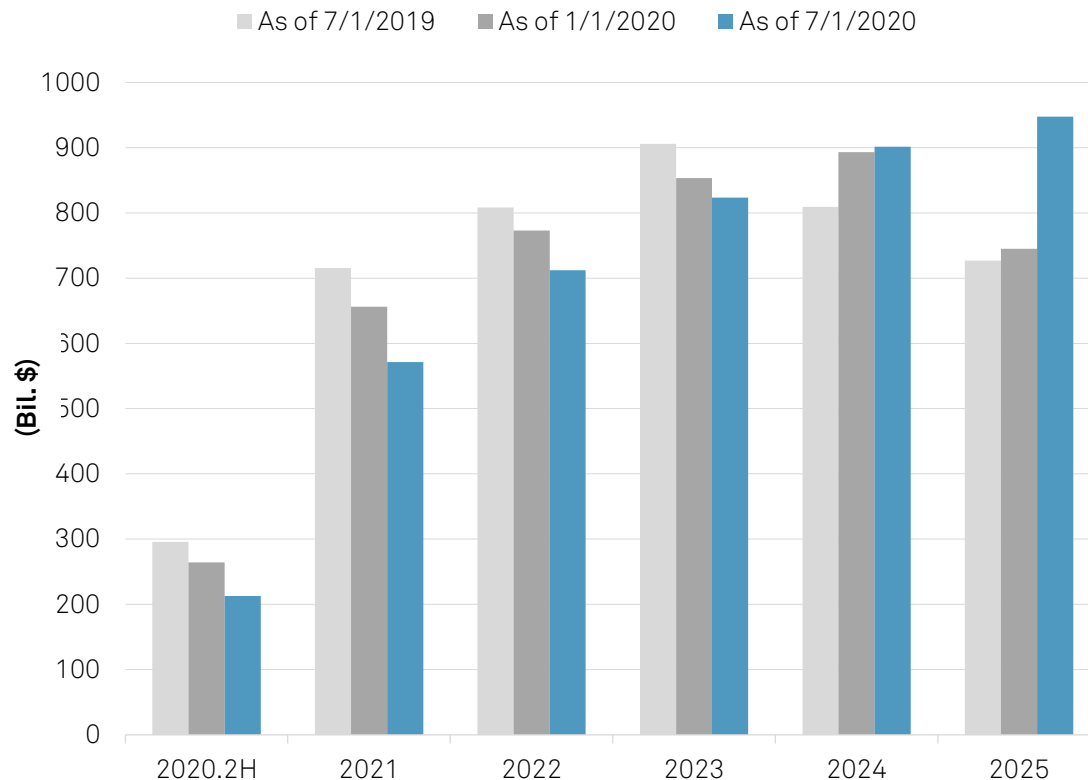
Note: Includes bonds, notes, loans, and revolving credit facilities rated by S&P Global Ratings that were outstanding as of July 1, 2020. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on July 1, 2020. Source: S&P Global Ratings Research.

Nonfinancial Corporates

Maturities Rise Through 2025

U.S. Nonfinancials | \$4.2 Trillion In Debt Matures Through 2025

U.S. Nonfinancial Corporate Maturity Wall



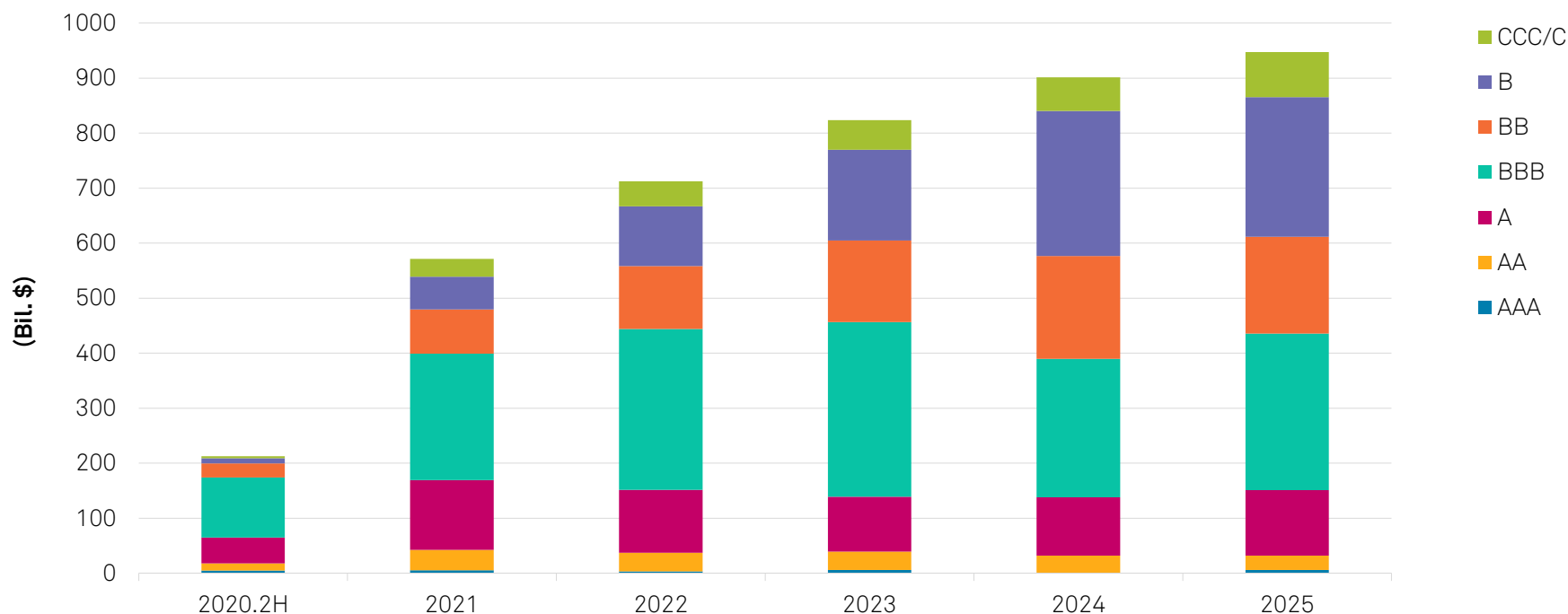
- Maturities now peak in 2025, with \$948 billion scheduled to mature.
- Nonfinancial companies refinanced, paid down, or otherwise reduced 9% of debt maturing in second-half 2020 through 2023.
- New issuance helped lift 2025 maturities by \$203 billion.

Note: Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings on the respective report date. Foreign currencies are converted to U.S. dollars on the respective report period date. Source: S&P Global Ratings Research.

U.S. Nonfinancials | 65% Of Investment-Grade Debt Maturing Through 2025 Is 'BBB'

- 'BBB' category debt maturities through 2025 total near \$1.49 trillion--and 39% of this is rated 'BBB-'.
- The largest category in speculative grade is 'B'--accounting for 46% of speculative-grade debt maturing in this period.

Nonfinancial Corporate Maturities By Rating Category



Note: Data as of July 1, 2020. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on July 1, 2020. Source: S&P Global Ratings Research.

U.S. Nonfinancials | Sectors With Most Debt Maturing Through 2025

- Technology: leads with \$559 billion--64% investment grade
- Media and entertainment (including leisure): has the highest amount of speculative-grade debt maturing through 2025 with \$335 billion

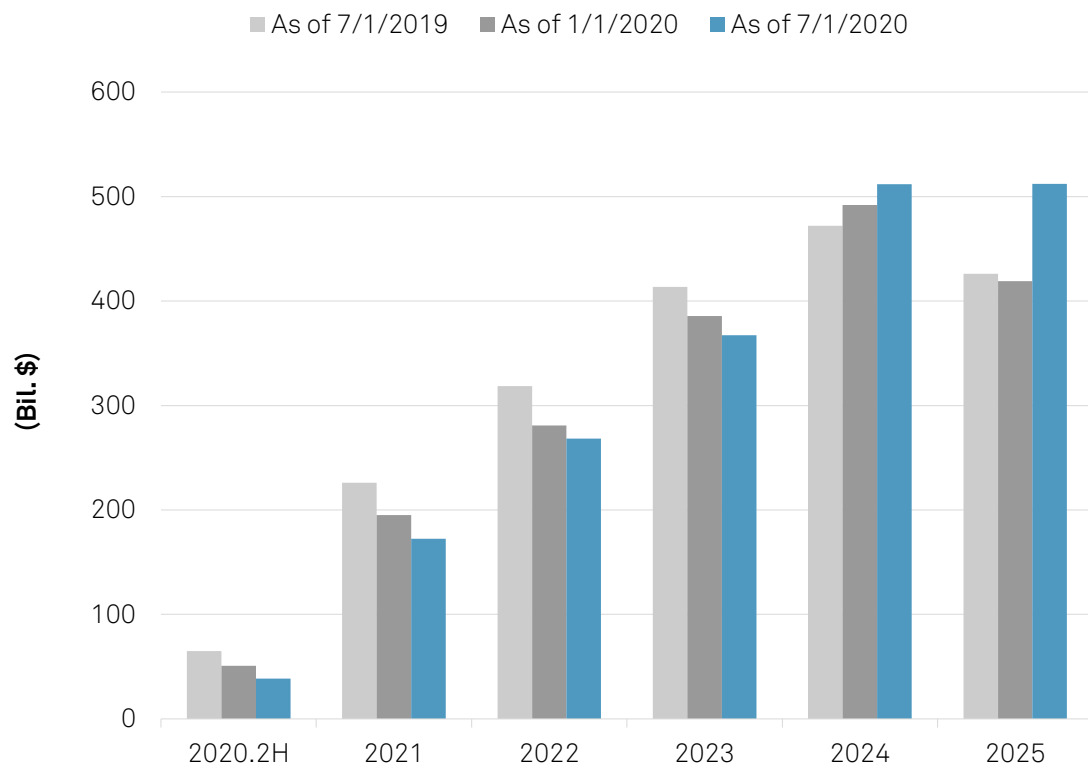
Nonfinancial Corporate Maturities By Sector

(Bil. \$)	Investment grade						Speculative grade						Total
Sector	2020.2H	2021	2022	2023	2024	2025	2020.2H	2021	2022	2023	2024	2025	
Aerospace and defense	4.0	9.5	9.7	12.3	6.1	18.9	0.9	3.5	3.3	6.4	14.6	15.9	105.1
Automotive	5.3	17.5	13.2	21.7	6.3	8.0	5.5	16.1	15.1	20.1	27.1	24.4	180.6
CP&ES	5.9	15.3	17.4	18.9	23.0	11.8	3.6	7.8	11.8	22.9	30.1	23.0	191.4
Capital goods	19.9	36.8	36.7	28.9	22.1	30.4	1.3	4.5	6.3	10.0	24.8	28.8	250.5
Consumer products	19.3	44.2	41.2	43.8	36.9	34.1	2.5	13.4	32.4	36.9	51.7	51.5	407.8
FP&BM	1.5	3.7	3.0	4.2	3.1	7.3	0.4	2.3	4.9	6.9	9.7	16.1	63.3
Health care	12.0	30.7	40.1	33.1	38.0	39.5	2.2	12.0	23.5	33.2	51.5	62.3	378.2
High technology	24.6	78.9	60.3	83.2	54.3	55.6	5.0	8.0	17.4	45.3	59.3	67.1	559.0
Home/RE	1.9	8.1	21.1	25.7	23.3	26.2	5.2	17.7	17.9	14.7	10.7	14.1	186.8
Media and entertainment	15.5	28.8	28.5	26.5	32.9	26.1	3.2	19.9	42.1	64.1	111.6	94.1	493.3
Metals, mining, and steel	0.0	1.5	3.6	2.7	0.9	0.9	0.0	1.8	4.0	8.1	6.0	15.8	45.2
Oil and gas	9.0	11.6	25.5	19.3	15.8	25.9	2.5	27.0	33.2	20.7	15.2	18.9	224.4
Retail/restaurants	11.8	26.5	30.1	27.9	25.5	30.9	1.1	8.6	15.7	26.9	20.2	23.5	248.7
Telecommunications	20.2	22.1	38.3	38.4	35.5	47.2	0.8	15.0	19.8	17.6	37.2	23.7	315.8
Transportation	4.8	15.0	22.2	27.0	19.9	28.6	1.3	4.6	10.6	10.9	14.6	10.7	170.1
Utilities	18.3	48.6	52.9	42.8	45.9	44.3	3.0	10.0	10.2	22.6	27.5	22.2	348.5

Note: Data as of July 1, 2020. CP&ES--Chemicals, packaging, and environmental services. FP&BM--Forest products and building materials. Home/RE--Homebuilders/real estate companies. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings and are scheduled to mature from July 1, 2020, through Dec. 31, 2025. Source: S&P Global Ratings Research.

U.S. Nonfinancials | \$1.87 Trillion In Speculative-Grade Corporate Debt Matures Through 2025

U.S. Speculative-Grade Nonfinancial Corporate Maturity Wall



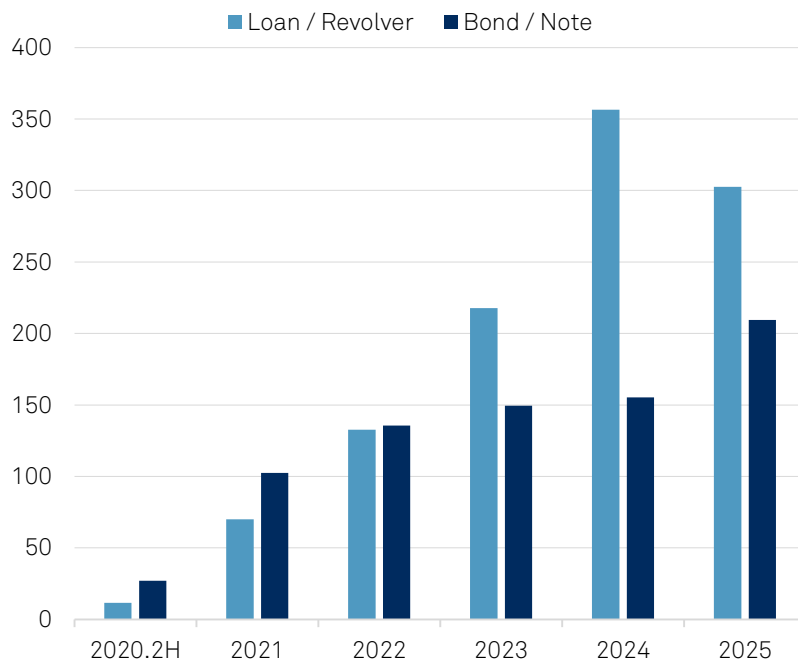
- Nonfinancial companies refinanced, paid down, or otherwise reduced 9% of speculative-grade debt maturing in second-half 2020 through 2022.
- Maturities now peak in 2025, with \$512 billion scheduled to mature.
- New issuance helped lift 2025 maturities by 22% (or \$93 billion).

Note: Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings on the respective report date. Foreign currencies are converted to U.S. dollars on the respective report period date. Source: S&P Global Ratings Research.

U.S. Nonfinancials | Spec-Grade Maturities Through 2025 - Loans/Revolvers Exceed Bonds

- Term loans are a higher proportion of speculative-grade debt than investment grade.
- Maturities of spec-grade loans and revolvers begin to surpass bond maturities in 2023.

Spec-Grade Loan Maturities Surpass Bonds In 2023



Nonfinancial Maturities By Debt Type

(Bil. \$)	2020.2H	2021	2022	2023	2024	2025	Total
Investment grade	174.0	399.0	443.9	456.5	389.5	435.5	2,298.4
Loan/revolver	33.7	74.2	81.6	117.5	78.9	63.0	448.9
Bond/note	140.3	324.8	362.3	339.0	310.6	372.4	1,849.5
Speculative grade	38.5	172.4	268.3	367.1	511.8	512.1	1,870.3
Loan/revolver	11.5	70.0	132.7	217.8	356.5	302.6	1,091.0
Bond/note	27.0	102.3	135.6	149.4	155.4	209.6	779.2
Total loan/revolver	45.2	144.3	214.3	335.2	435.4	365.6	1,540.0
Total bond/note	167.3	427.1	497.9	488.4	466.0	582.0	2,628.7
Grand total	212.5	571.4	712.2	823.6	901.3	947.6	4,168.7

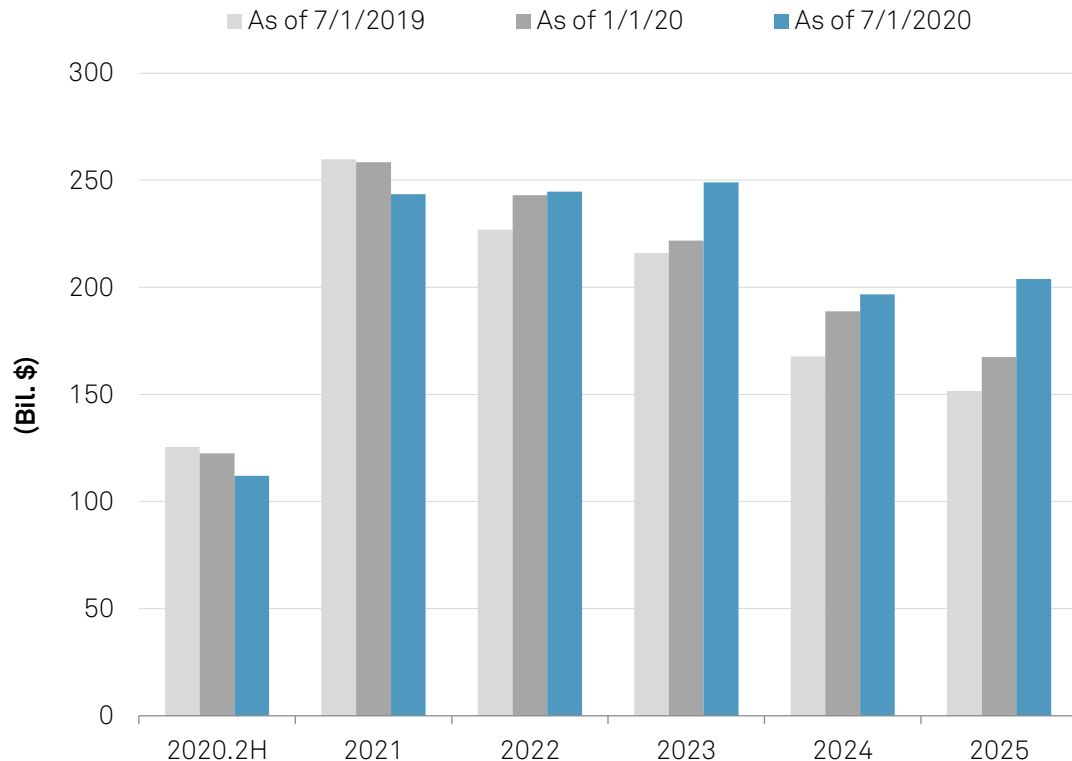
Note: Data as of July 1, 2020. Chart includes bonds, loans, and revolving credit facilities that are rated 'BB+' and lower by S&P Global Ratings. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on July 1, 2020. Source: S&P Global Ratings Research.

Financial Services

Maturities Peak In 2023

U.S. Financial Services | \$1.25 Trillion Matures Through 2025

U.S. Financial Services Maturity Wall



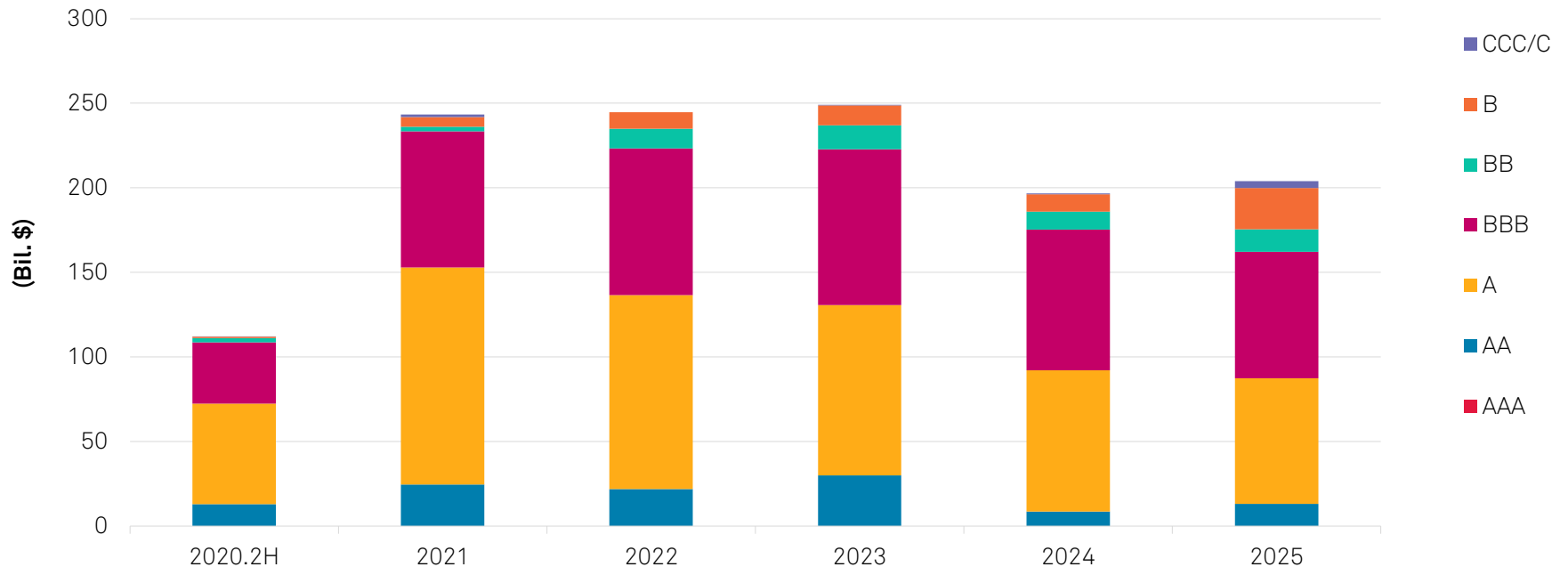
- Maturities now peak in 2023, with \$249 billion scheduled to mature.
- Financial services lowered the amount of debt maturing in second-half 2020 through 2022 by 4%.
- With the new issuance, maturities in 2023-2025 have risen by 12%.

Note: Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings on the respective report date. Foreign currencies are converted to U.S. dollars on the respective report period date. Source: S&P Global Ratings Research.

U.S. Financial Services | 90% Of Debt Maturing Through 2025 Is Investment Grade

- Financial services debt is more highly concentrated in higher rating levels than nonfinancial debt.
- ‘A’ category is the largest, with 45% of financial services debt maturing through 2025 (\$561 billion).
- ‘BBB’ category follows, with \$453 billion maturing through 2025.

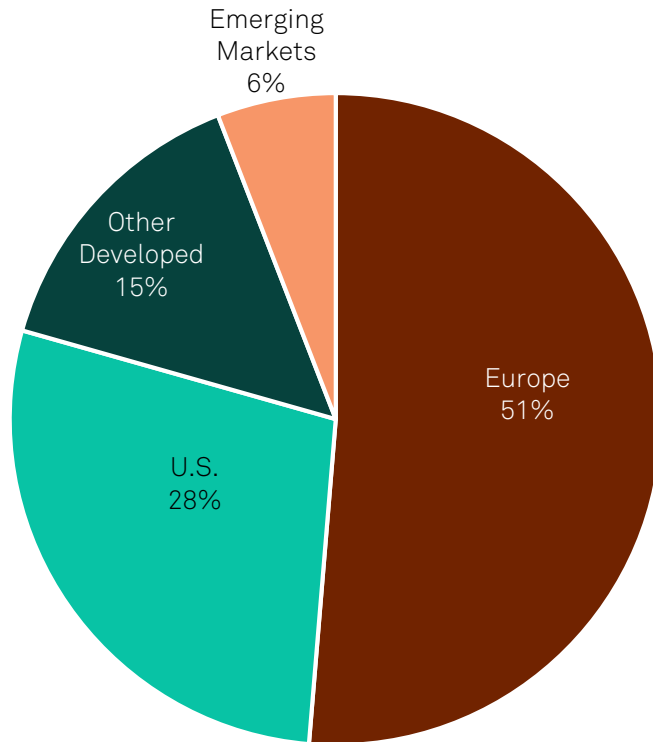
(Annual Financial Services Maturities)



Note: Data as of July 1, 2020. Includes bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on July 1, 2020. Source: S&P Global Ratings Research.

U.S. Financial Services | Account For 28% Of Financials' Maturities Globally Through 2025

Europe Accounts For The Largest Share Of Financial Services Debt Globally



Maturing Debt Of U.S. Financial Services

(Bil. \$)		2020.2H	2021	2022	2023	2024	2025
Investment grade		108.7	233.3	223.3	222.8	175.3	162.2
	Financial institutions	85.8	198.4	184.4	173.3	151.7	138.0
	Insurance	22.9	34.9	38.9	49.4	23.6	24.2
Speculative grade		3.3	10.1	21.4	26.2	21.4	41.7
	Financial institutions	2.9	7.0	14.7	18.4	13.2	19.4
	Insurance	0.4	3.1	6.7	7.8	8.1	22.3
Financial institutions (total)		88.7	205.4	199.1	191.8	164.9	157.4
Insurance (total)		23.3	38.0	45.6	57.2	31.7	46.5
Grand total		112.0	243.4	244.7	249.0	196.7	203.9

Note: Data as of July 1, 2020. Includes bonds, loans, and revolving credit facilities rated by S&P Global Ratings that are scheduled to mature from July 1, 2020, through Dec. 31, 2025. Source: S&P Global Ratings Research.

Related Research

- [Global Refinancing--Rated Corporate Debt Due Through 2025 Nears \\$12 Trillion](#), July 27, 2020
- [Global Financing Conditions: Bond Issuance Is Expected To Finish 2020 Up 6% After A Strong Second Quarter](#), July 27, 2020
- [Global Corporate Debt Market: State Of Play In 2020](#), June 25, 2020

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