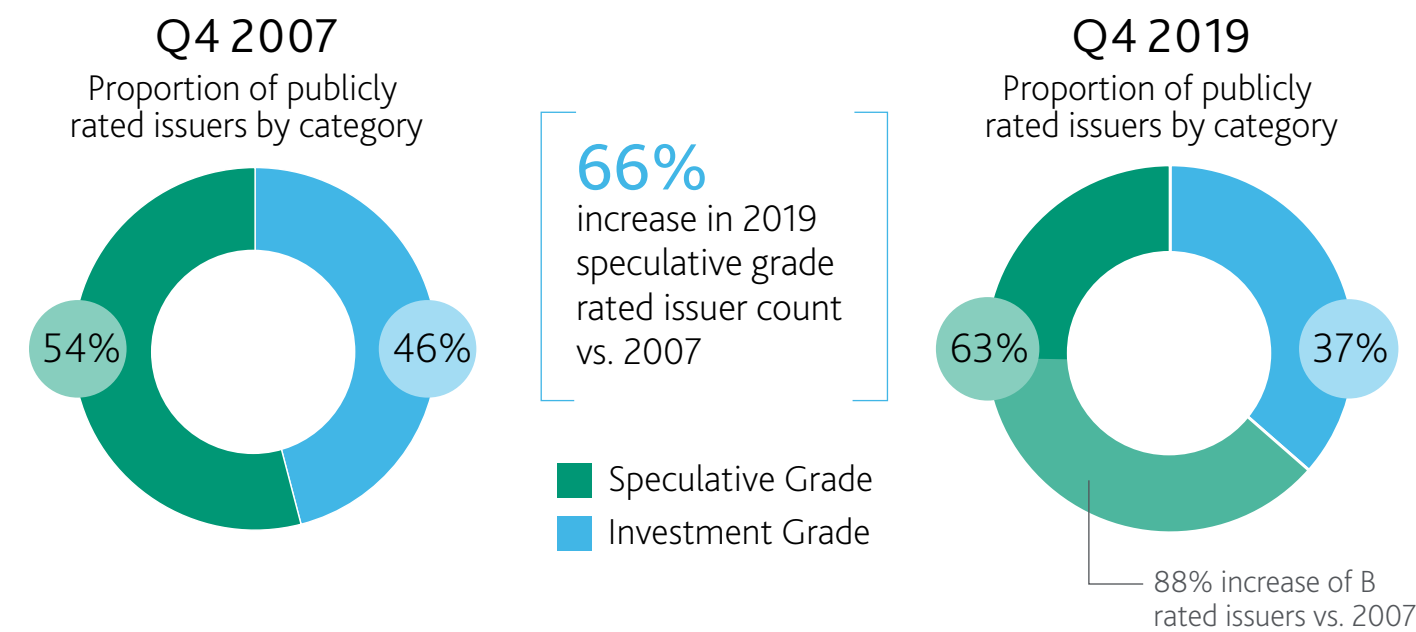


# Non-Financial Corporates: Rating Activity During COVID-19

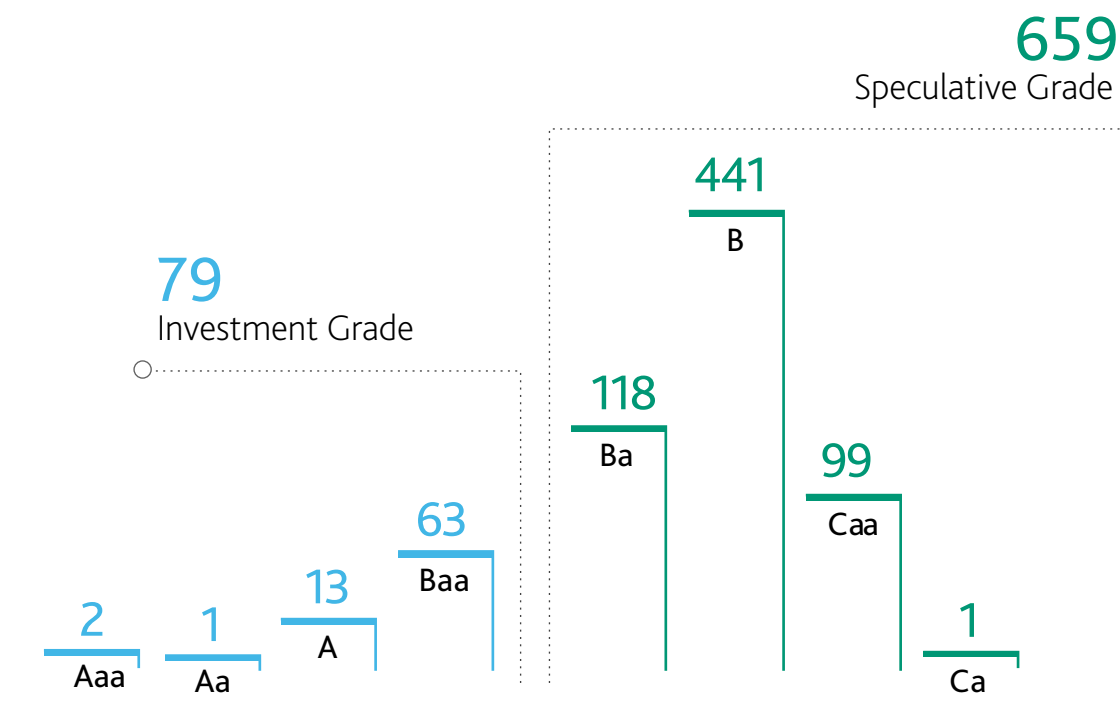
The spread of the coronavirus has placed significant stress on the global economy but corporate downgrades reveal a thorough and measured approach to credit during turbulent times.

**Then & Now: the number of speculative grade corporate issuers pre-COVID-19 was significantly higher versus pre-2008 credit crisis**



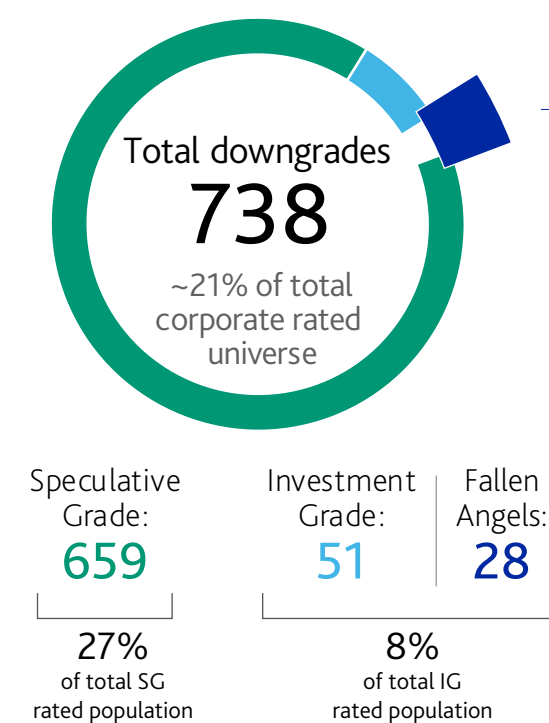
**Majority of downgrades within speculative grade\***

Total # of downgrades per category, Mar 1 – May 31, 2020



**Recent downgrades represent a small percentage of the total non-financial corporates rated universe\***

Mar 1 – May 31 2020



## FALLEN ANGELS IN DETAIL

"Fallen Angels" are entities that move from investment grade to speculative grade

**82% of fallen angels had a negative outlook prior to COVID-19**

**AMER**

- » Service Properties Trust
- » Carnival Corporation
- » Royal Caribbean Cruises Ltd.
- » Newell Brands Inc.
- » Occidental Petroleum Corporation
- » Petroleos Mexicanos
- » Apache Corporation
- » Gap, Inc. (The)
- » Macy's, Inc.
- » Michael Kors (USA), Inc.

**APAC**

- » Motherson Sumi Systems Limited
- » DIC Corporation

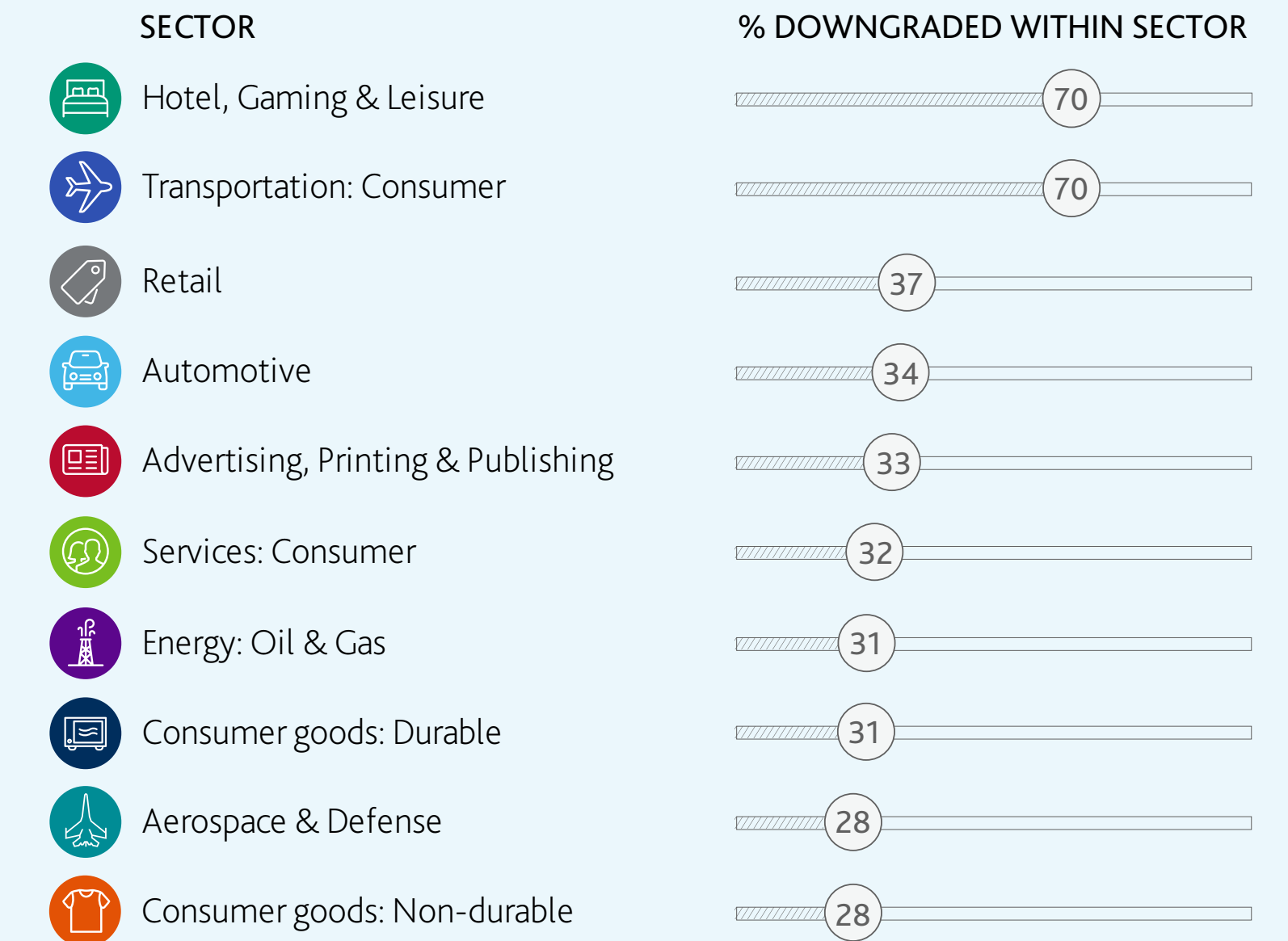
**EMEA**

- » ZF Friedrichshafen AG
- » Barloworld Limited
- » CECONOMY AG
- » Esselunga S.p.A.
- » Marks & Spencer p.l.c.
- » Bidvest Group Limited, The
- » Deutsche Lufthansa Aktiengesellschaft
- » British Airways, Plc
- » Int'l Consolidated Airlines Group, S.A.
- » Telkom SA SOC Limited
- » Growthpoint Properties Limited
- » Redefine Properties Limited
- » ADO Properties S.A.
- » Wereldhave N.V.
- » Sasol Limited
- » ArcelorMittal

About 6% of companies across all rating categories were under review for downgrade at the end of May, down from 8% at the end of April. An additional 30% had negative outlooks.

**Top 10 sectors most affected by COVID-19\***

Mar 1 – May 31, 2020



**Late cycle reports highlighted corporate credit stress prior to COVID-19**

