

Press release

ELFA publishes first instalment of its new ELFA Insights Series, calling for greater accessibility, consistency and content in reporting by borrowers

1 April 2019

The European Leveraged Finance Alliance (ELFA), a professional trade association for investors in the European leveraged finance market, today published the first instalment of its new ELFA Insights Series, calling for improvement to key aspects of disclosure provided to investors by borrowers.

The ELFA Insights Series is designed to provide a platform for investor members of ELFA to express their views about issues relating to disclosure, transparency, and market practices. The initiative reflects ELFA's remit to facilitate engagement by its members to the broader market and the general public.

The first instalment highlights the importance of accessibility, consistency, and content in financial reporting for borrowers, and urges investors to proactively engage with companies to push for improvements in these areas.

"Practices such as burying complex and risky covenant provisions in dense offering documents, barring discussion of such provisions in roadshow presentations, keeping periodic financial information behind password-protected websites, and using nebulous and inconsistent financial definitions in covenant calculations are inconsistent with, and ill-suited to, a functioning public market."

The first instalment will be followed by in-depth investigations of each of these elements over the coming months. The Executive Committee of ELFA hopes that this series will forge a greater understanding of the implications of poor market practices and propose what can be done to change them for the better functioning of the European high yield market.

The first instalment of the ELFA Insights Series is available for download on our website at <https://elfainvestors.com/elfa-insights-series>.

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