



Corporate Schuldschein: Primary market Q3 2022

Full steam ahead

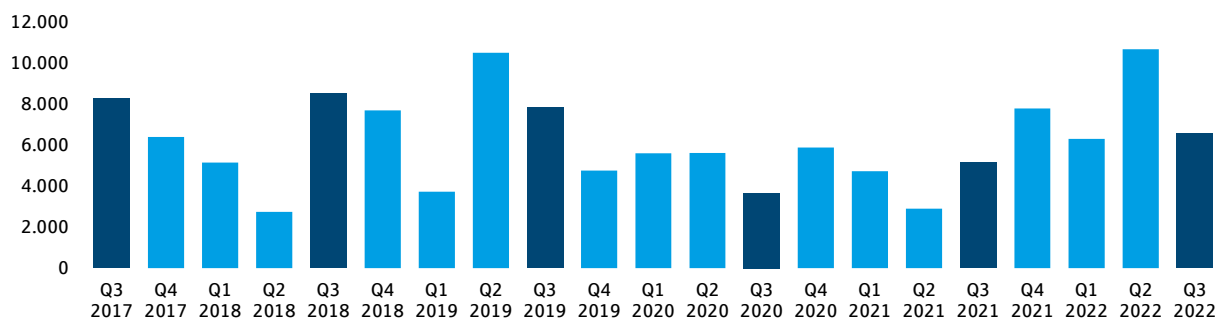


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The Schuldschein market posted yet another impressive performance in the third quarter of 2022 with 43 transactions raising a total of almost EUR 6.6 billion, setting it apart from rather lacklustre momentum in the corporate bond segment. The most significant deals valued in Q3 came from the specialist chemicals distributor Brenntag (approx. EUR 640 million) and the utility EnBW (EUR 500 million). With an average volume of EUR 153 million, transactions were marginally smaller than in the same quarter of the previous year. Meanwhile, the corporate SSD market has achieved a total issuance volume since the start of the year of close to EUR 24 billion – an all-time high – and remains on course for a record-breaking year. This indication is also supported by the most recent number of new deals in the marketing phase: just as in the months of April to June, it has picked up noticeably and returned to a level far exceeding the average of the last six years.

Robust growth in volume in Q3

Corporate Schuldscheine: Valued issuance volume* in EUR (millions)



*values from previous quarters adjusted where applicable.

Sources: Bloomberg, bondradar, Helaba Research & Advisory

High market share among utilities and retail segments - participation of non-German issuers remains strong

In light of the turmoil engulfing the energy markets, the first nine months of the year saw a particularly large number of utilities looking to bolster their liquidity positions. With as many as 18 transactions, the sector placed the most deals and the third-largest overall volume on the market. Since January, retailers accounted for the highest issuance volume, with 16 transactions raising a total of EUR 3.6 billion. The German Otto Group launched the segment's biggest single transaction in Q3 at EUR 382 million. Just over a third of all deals in the first three quarters were originated by non-German companies, half of which came from Austria and Switzerland. Taken together, issuers from outside Germany captured 46 % of total market volume. One of the most prominent non-German transactions in Q3 was the EUR 300 million SSD from the Finnish company Konecranes, while the largest USD tranche since 2019 in an amount of USD 250 million was issued by German industrial Brenntag.

Fewer deals from rated issuers – trend towards ESG unbroken

Only 8 deals from issuers with agency ratings were valued in Q3, a significantly lower number than in the second quarter of the year. Despite this decline, rated transactions still made up a quarter of all deals in the year to date and they also accounted for one third of total issuance volume. The trend towards Schuldschein loans with a sustainability dimension continued unabated in the third quarter, too, with notable examples including the SSD issued by Konecranes (EUR 300 million). Notes with an ESG component enjoyed their second-best quarter yet generating around 36 % of total placement volume. Sustainability-linked deals, which offer issuers more flexibility as they are not limited by any restrictions on use of proceeds, remained the only type of deals issued. Meanwhile, the market share of sustainable funding in 2022 has now reached nearly 40 %.

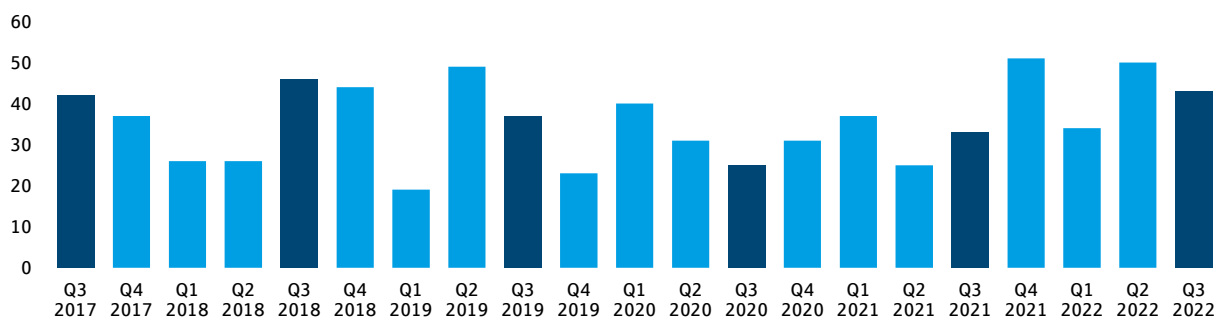
Issuance activity expected to remain elevated

We anticipate that the buoyant growth on the Schuldschein market will persist into the fourth quarter. Based on the latest information at our disposal, almost 20 deals with a total launch volume of more than EUR 2 billion are currently in the marketing phase and will be placed in Q4. This is in addition to almost EUR 1.5 billion in transactions that have already been closed. Accordingly, we adhere to our forecast of a total placement volume in 2022 as a whole of at least EUR 30 billion.

Chartbook: Corporate Schuldschein issues

Above-average number of deals

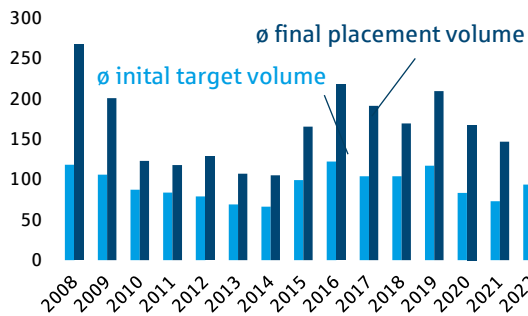
Corporate Schuldscheine: Number* of valued issues



*values from previous quarters adjusted where applicable
Sources: Bloomberg, Helaba Research & Advisory

Average SSD issue larger than previous year

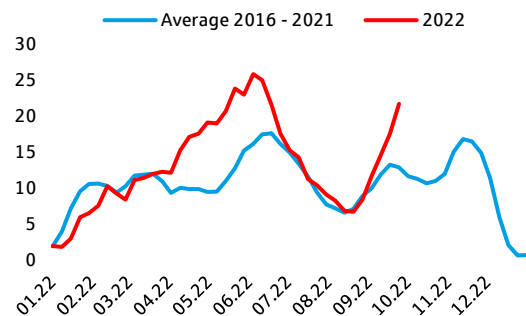
Corporate SSD: Average transaction volumes* in EUR (millions)



*SSD = Schuldschein loans, data until end of September 2022
Sources: Bloomberg, Helaba Research & Advisory

Market demand sees marked uptick again

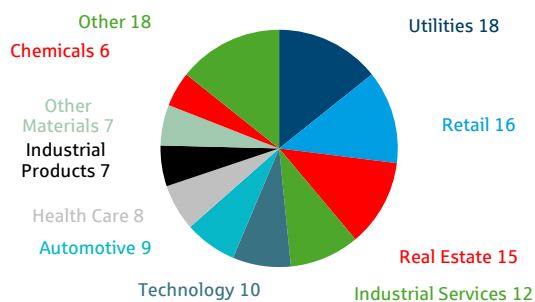
Corporate SSD: Number of deals in the marketing phase*, weekly averages



*as of: 30 September 2022.
Sources: Bloomberg, Helaba Research & Advisory

Utilities account for largest number of deals

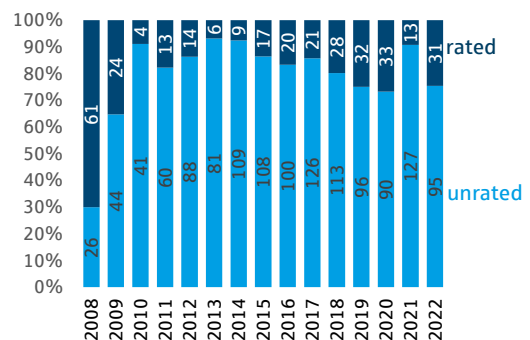
Corporate SSD: Number of valued issues in 9M 2022



Sources: Bloomberg, Helaba Research & Advisory

Quarter of deals from rated corporates

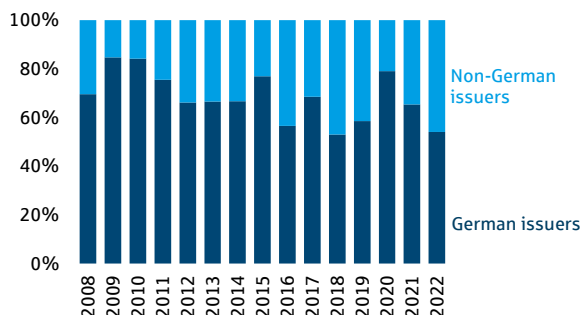
Corporate SSD: Number of deals with and without agency ratings*



*data until end of September 2022
Sources: Bloomberg, Helaba Research & Advisory

Non-German participation near all-time high

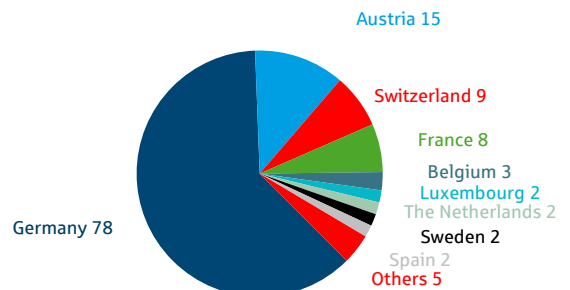
Corporate SSD: Valued issuance volume*



*data until end of September 2022
Sources: Bloomberg, Helaba Research & Advisory

A diverse range of issuers from outside Germany

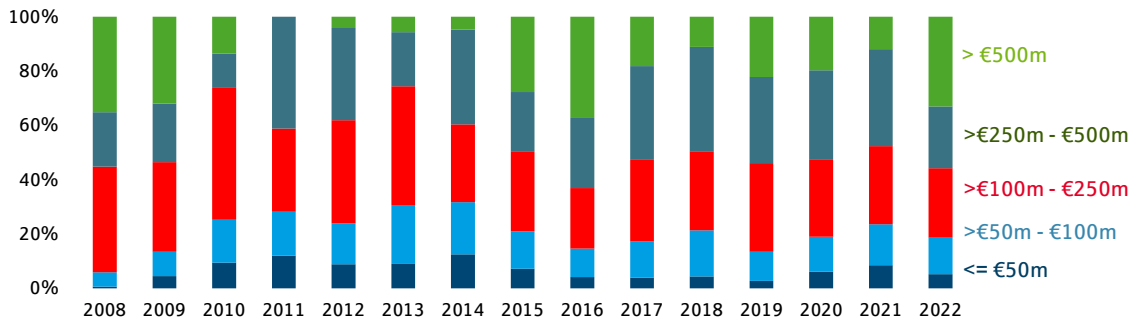
Corporate SSD: Number of valued issues in 9M 2022



Sources: Bloomberg, Helaba Research & Advisory

Demand for large Schuldschein loans remains brisk

Corporate SSD: Valued issuance volume by tranche size*



*data until end of September 2022

Sources: Bloomberg, Helaba Research & Advisory



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