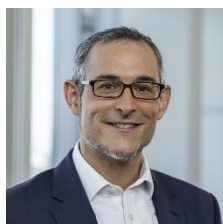




Corporate Schuldschein: Primary Market Q1 2024

The return of the French

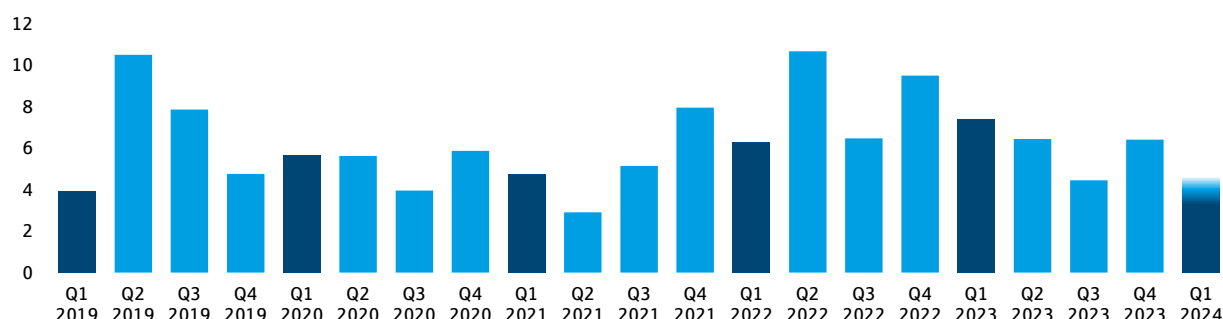


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In the first quarter of 2024, as things stand today, just under EUR 4 bn was placed on the Schuldschein market in 27 transactions. At first glance, this is significantly less than in the same quarter of 2023, although it is likely that some (private) placements have not yet been announced. In addition, last year's placement volume was distorted by the record transaction of EUR 2.7 bn by Porsche Automobil Holding. Excluding this, issuance in the first quarter of this year was only slightly lower. The two largest transactions in the months from January to March came from the Swiss company Liebherr International AG (EUR 400 million) and Vetter Pharma-Fertigung GmbH & Co. KG of Ravensburg (EUR 325 million). At EUR 139 m, the average deal size (calculated by valued tranches) is still significantly lower than in 2023. To our knowledge, 7 transactions are currently in the marketing phase and will be valued in Q2. We expect the market to pick up further after Easter.

Volume development in Q1 somewhat more subdued than in the previous year

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



*values from previous quarter adjusted where applicable; data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

ESG deals with low market share in the first quarter

The trend towards fewer issues with a sustainability feature continued in the first quarter of this year. Overall, only 21% of the volume was issued as ESG Schuldschein, compared with 33% in Q4. Sustainability-linked deals accounted for the majority of the placement volume. However, Dürr, a mechanical engineering company, also issued a green Schuldschein with earmarked use of proceeds. In our view, the revival of green Schuldscheine is likely to continue this year, not least as issuers develop a better understanding of the EU taxonomy that came into force in 2022.

Machinery construction with the largest volume - share of issuers with agency rating increased significantly

The machinery construction sector brought the highest issue volume to the market in the first quarter. A total of EUR 675 million was issued in four transactions. In terms of the number of deals, the industrial services sector led the way with six placements (issue volume EUR 654 million). In the first three months of the year, agency-rated companies came to the market somewhat more frequently. Seven of the 27 rated deals, or around a quarter, were launched by rated companies. They accounted for 28% of the placement volume. Given the dynamic development of the corporate bond market, the strong participation of this group of issuers is surprising at first glance. However, at just under 200 million, the average size of these SSD transactions was well below the benchmark size generally seen in the bond market.

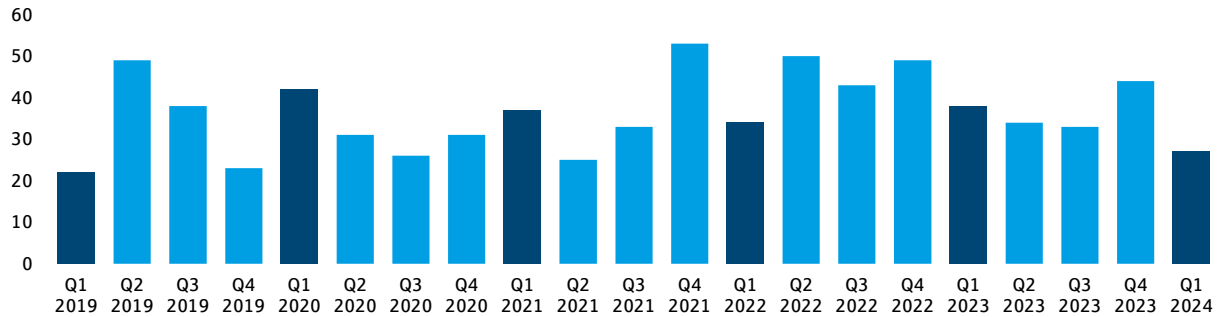
Volume share of foreign companies reaches record level - French issuers active again

After last year's reorganisation of the French company Orpea led to a reluctance to invest in French issuers, there was a marked increase in the number of companies from across the German border entering the Schuldschein market in Q1. In addition to three transactions from Austria and Switzerland, a further seven deals came from other European countries. Of these, three transactions were placed by French companies - including a tranche for which the marketing process had already been completed in 2023. In our view, this indicates that the Schuldschein market is once again fully open to solid foreign issuers with a good credit profile. In terms of size, deals in the EUR 100-250m range have been unusually popular in the first three months. Moreover, investors are mainly looking for short and medium maturities, not least because of the still inverted yield curve.

Chartbook: Corporate Schuldschein issues

Number of deals currently below previous year's level

Corporate Schuldscheine: Number* of valued issues

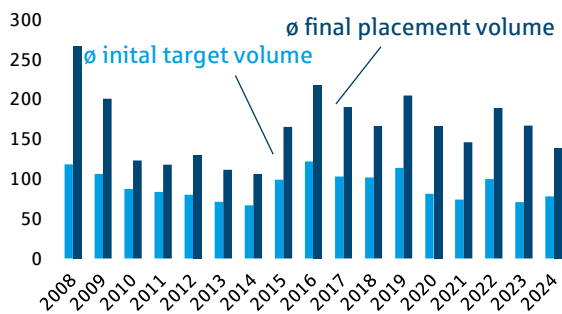


*values from previous quarter adjusted where applicable; data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

SSD on average smaller than in the previous year

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

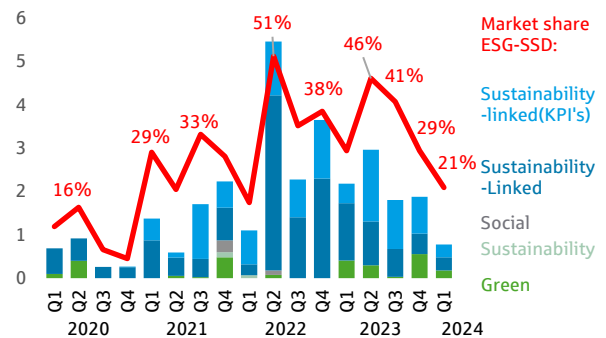


*SSD = Schuldscheindarlehen (promissory notes), data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

ESG's market share falls again significantly

Corporate SSD: ESG issuance volume* in EUR million or %

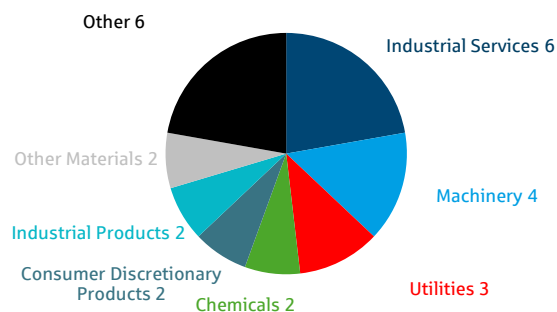


*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

Industrial Services sector strongly engaged

Corporate SSD: Number of valued issues*, Q1 2024

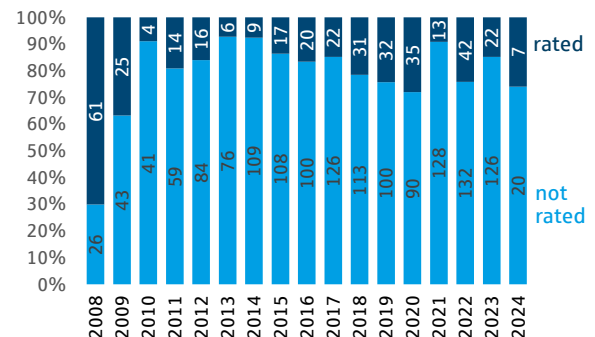


*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

Market activity of rated corporates recovers

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

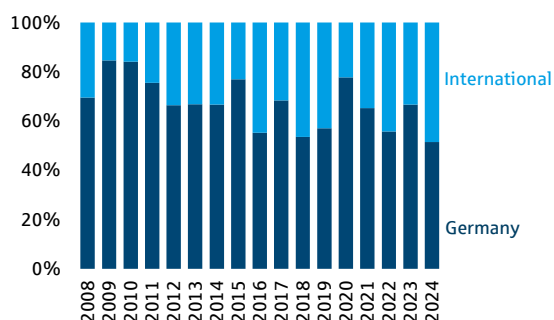


*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

Non-German market share on record level

Corporate SSD: Valued issuance volume*

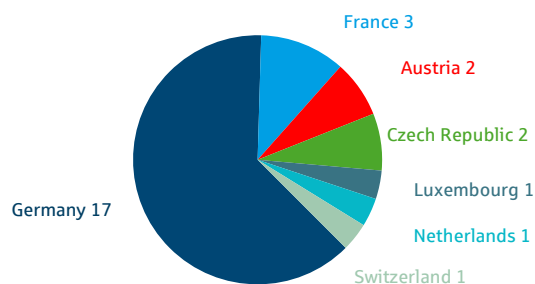


*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

French issuers present again

Corporate SSD: Number of valued issues*, Q1 2024

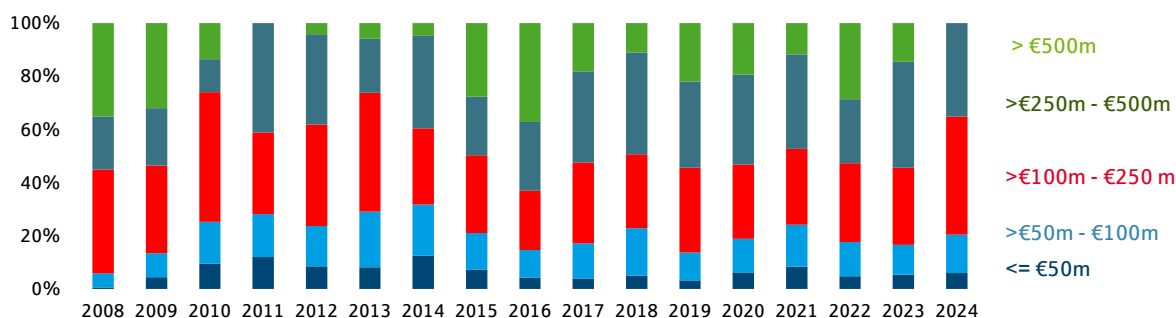


*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory

Medium Schuldschein size unusually popular

Corporate SSD: Valued issuance volume by tranche size*



*data up to 27 March 2024.

Sources: Bloomberg, Helaba Research & Advisory



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