



Corporate Schuldschein: Primary Market Q1 2023

Market resumes record-breaking run in Q1 2023

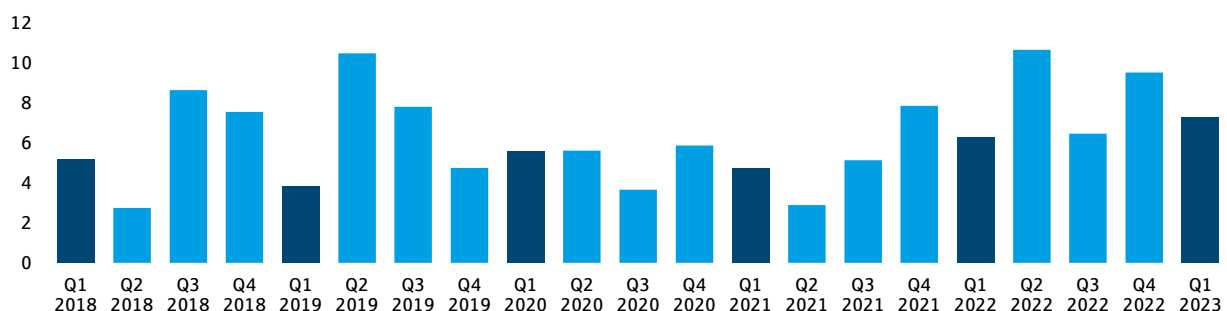


Ulrich Kirschner, CFA
Senior Analyst
Phone +49 69/91 32-28 39

While issuance on the corporate bond market stalled, at least temporarily, the Schuldschein market once again delivered a convincing performance in the first quarter of 2023. The number of valued issues, at 33, was slightly above the quarterly average of the past five years. At the same time, elevated spread levels spurred on investor demand. For example, the record-breaking deal by Porsche Holding SE (EUR 2.7 billion) was a key factor in the total placement volume reaching more than EUR 7 billion - the highest Q1 figure ever recorded. Among the larger transactions was also a Schuldschein placed by Fraport AG of EUR 450 million. On average, SSD tranches were somewhat higher than last year at just under EUR 200 million; however, excluding the Porsche issue, they were slightly smaller at EUR 144 million.

Largest-ever Q1 placement volume

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



*values from previous quarter adjusted where applicable.

Sources: Bloomberg, bondradar, Helaba Research & Advisory

Utilities place most transactions - one third of deals from non-German issuers

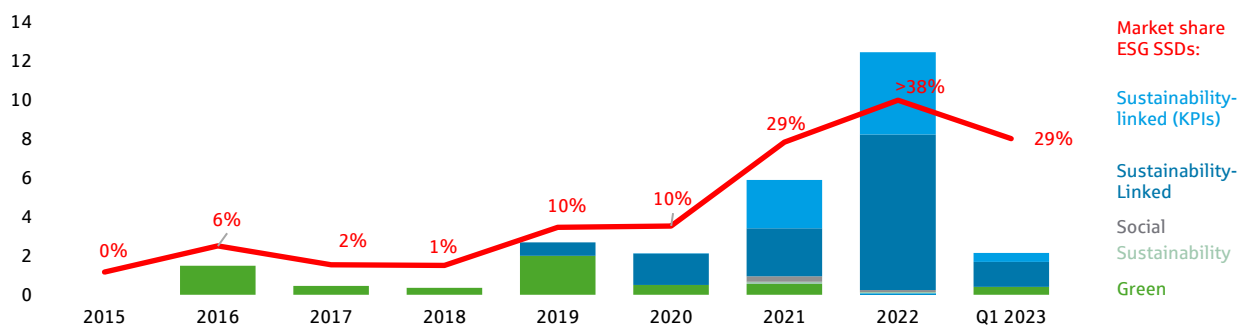
With demand for liquidity from utilities remaining high, this sector issued the largest number of Schuldschein notes (7), followed by the industrial services sector (4 deals). In terms of placement volume, due to the enormous Porsche deal the automotive sector dominated activity with a market share of 38 %. Industrial services and retail were far behind at 13 % each. As was the case during 2022, non-German issuers were responsible for nearly one-third of placements, albeit half of these companies were from Austria. Five of the 33 deals placed in Q1 were issued by companies from outside the DACH region. Hofer placed the largest SSD tranche in pound sterling to date - a rare Schuldschein currency - in an amount of GBP 150 million.

Scarcely any rated issuers - large number of deals with ESG components

The first three months of the year saw as few as 4 deals (12 %) from publicly rated issuers. The share of rated companies over an entire year has only been lower in 4 of the last 15 years. Schuldschein issues with sustainability aspects accounted for 28 % of total placement volume in the first quarter. One major reason for the significant decline compared to Q4 2022, however, was the large size of the Porsche deal, which was issued without any sustainability components. With respect to the number of transactions, however, 12 of the 33 deals were issued as ESG Schuldschein notes. This was equivalent to a share of around 36 % - the highest-ever proportion. The vast majority of these transactions were once again structured as sustainability-linked SSDs. The largest sustainable placement, at EUR 500 million, was issued by Rhenus SE & Co. KG.

Porsche deal results in ESG-related transactions with lower share of total volume

Corporate Schuldscheine: Valued issuance volumes of transactions with ESG components, in EUR (billions)



Sources: Bloomberg, Helaba Research & Advisory

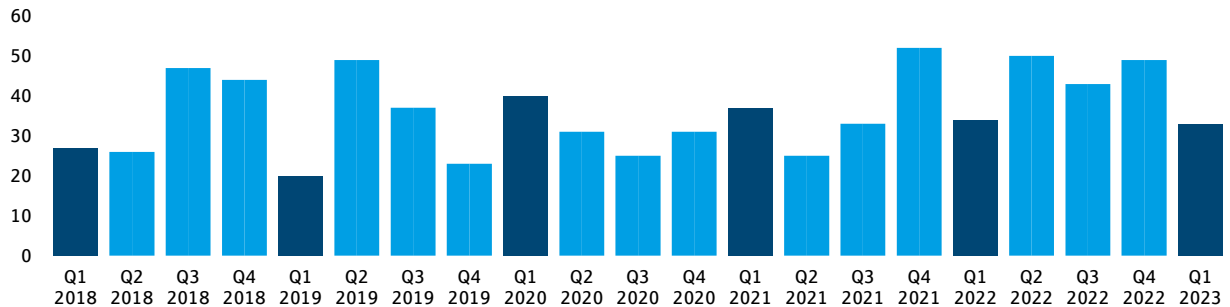
Healthy market performance expected for the remainder of the year

To the best of our knowledge, there are 8 transactions with a launch volume of almost EUR 1.2 billion that are presently in the marketing phase. Taking as yet unknown deals into account and considering increases in volumes that depend on market demand, this figure is likely to be higher. Accordingly, activity on the Schuldschein market is similar to the level seen in the spring of 2022 and has once again proven to be remarkably resilient, despite the recent turmoil on capital markets. Additionally, 7 new placements with a total volume of more than EUR 1 billion, for which the marketing phase has already been concluded, are expected to be valued in the second quarter. As such, we anticipate that the seasonally typical pace of activity will pick up in the weeks ahead. Currently, we believe that a total issuance volume of up to EUR 30 billion is a realistic prospect for 2023 as a whole.

Chartbook: Corporate Schuldschein issues

Number of transactions slightly above quarterly average

Corporate Schuldscheine: Number* of valued issues

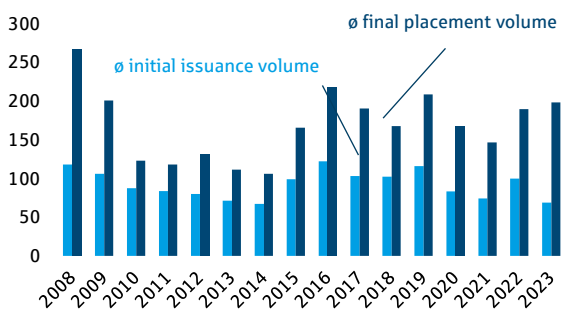


*values from previous quarter adjusted where applicable.

Sources: Bloomberg, Helaba Research & Advisory

Average Q1 Schuldschein larger than in 2022

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

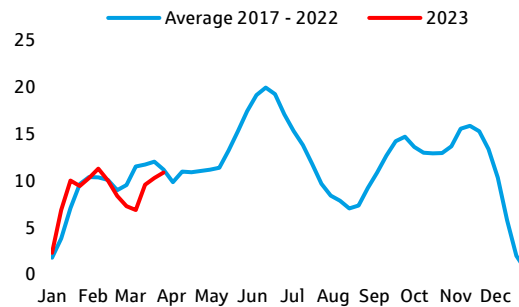


*SSD = Schuldscheindarlehen (promissory notes), data up to end of March 2023

Sources: Bloomberg, Helaba Research & Advisory

Robust market demand

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

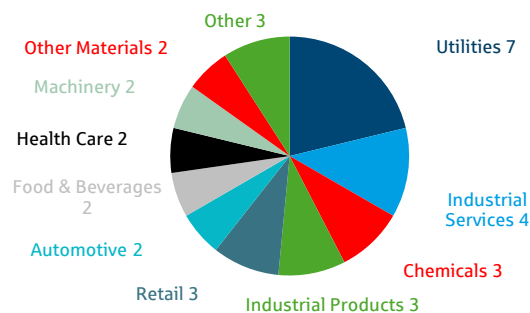


*as of: 30 March 2023.

Sources: Bloomberg, Helaba Research & Advisory

Utilities responsible for most transactions

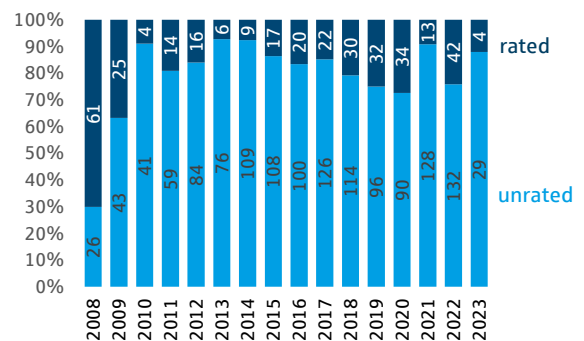
Corporate SSD: Number of valued issues*, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

Hardly any deals with rates corporates

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

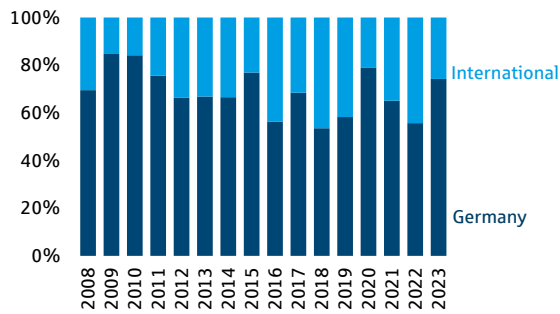


*data up to end of March 2023

Sources: Bloomberg, Helaba Research & Advisory

Porsche deal boosts volume from Germany

Corporate SSD: Valued issuance volume*

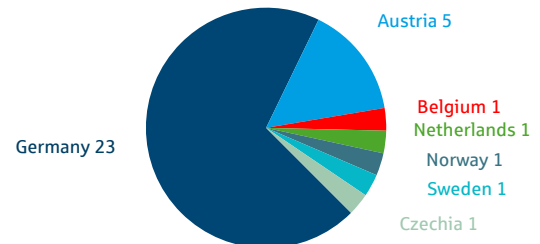


*data up to March 2023

Sources: Bloomberg, Helaba Research & Advisory

Above-average number of SSDs from Austria

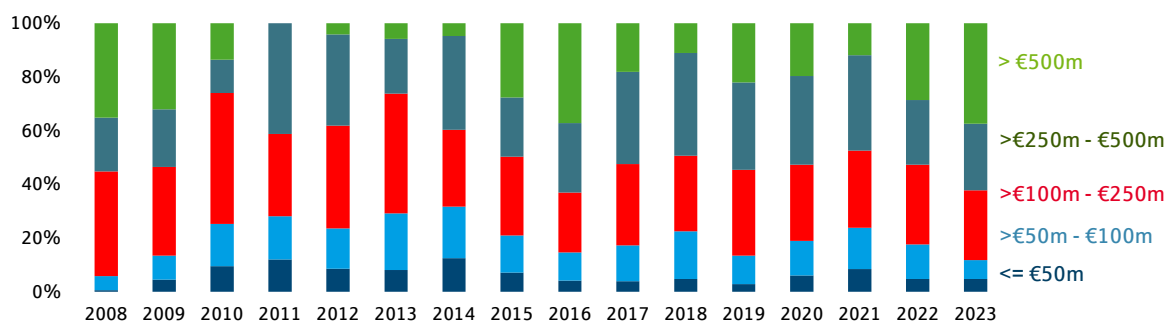
Corporate SSD: Number of valued issues, Q1 2023



Sources: Bloomberg, Helaba Research & Advisory

Smaller Schuldscheine with slightly lower share of total volume

Corporate SSD: Valued issuance volume by tranche size*



*data up to end of March 2023

Sources: Helaba Research & Advisory



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Helaba Research & Advisory

Editor:

Stefan Rausch

Publisher:

Dr. Gertrud R. Traud

Chief Economist/

Head of Research & Advisory

Neue Mainzer Str. 52-58

60311 Frankfurt am Main

Phone +49 69 / 91 32 - 2024

Internet: www.helaba.com

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