

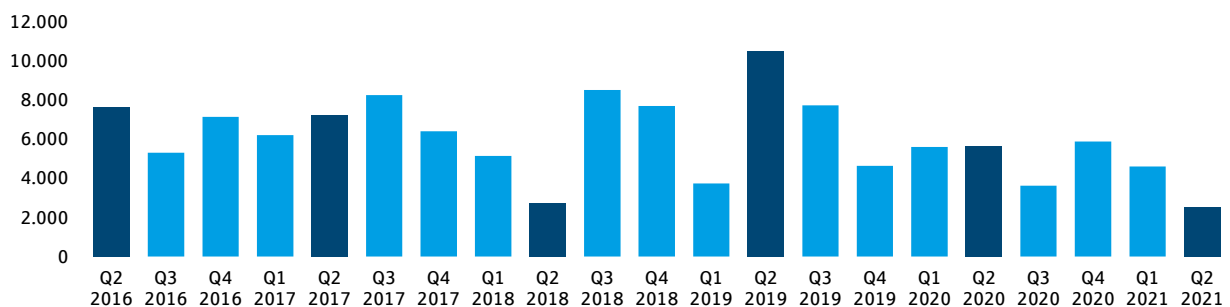


### Primary Market Update Schuldschein Q2 2021: A premature summer break

- The second quarter of 2021 saw considerably lower issuance volumes than in the same period last year with 20 transactions raising around EUR 2.5 billion. It is likely that many SSD issuers, like their corporate bond counterparts, do not currently see the need for additional liquidity. That said, we are aware of 13 deals that are still in the marketing phase and will be placed in the further course of the year. For this reason, we expect the second half of 2021 to see momentum in the market gather pace.
- The average deal size since January, at approx. EUR 140 million, was EUR 30 million smaller than throughout 2020. From April to June, the French telecoms group Iliad issued the largest SSD with a volume of EUR 500 million. 44 transactions in the first half of the year were issued by companies without an agency rating, with their share of new issuance rising to 86 % - the highest proportion since 2015. In our opinion, this can be largely attributed to the fact that the ECB's intervention has led to more favourable spread levels for rated companies in the corporate bond market. The floor in the SSD market is also likely to have played a role. As interest rates pick up, however, the relevance of this factor diminishes.
- As is often the case, industrials were responsible for the largest number of Schuldscheine and the highest volume. Overall, though, there was a relatively diverse range of sectors among issuers in the first three months of the year. Retailers were unusually prominent, ranking third with 6 deals or 14 % of the total issuance volume.
- A continued rebound in the activity of non-German issuers was discernible compared to the previous year. Since January, almost 40 % of total placement volume has been issued by companies outside the Federal Republic (2020: 21 %). Austrian issuers led the way with 5 deals, followed by Dutch borrowers with 3 SSDs. The Scandis were also active, with a combined 3 notes that included the Swedish diagnostic and healthcare provider Medivac in the second quarter. Despite this, German companies remained the dominant players in the market, accounting for 36 transactions.
- The popularity of smaller SSD transactions (up to EUR 250 million) was higher than in 2020, reaching a share of around 55 % of total placement volume. This is the highest level since 2014.

#### Current momentum indicates recovery in second half of 2021

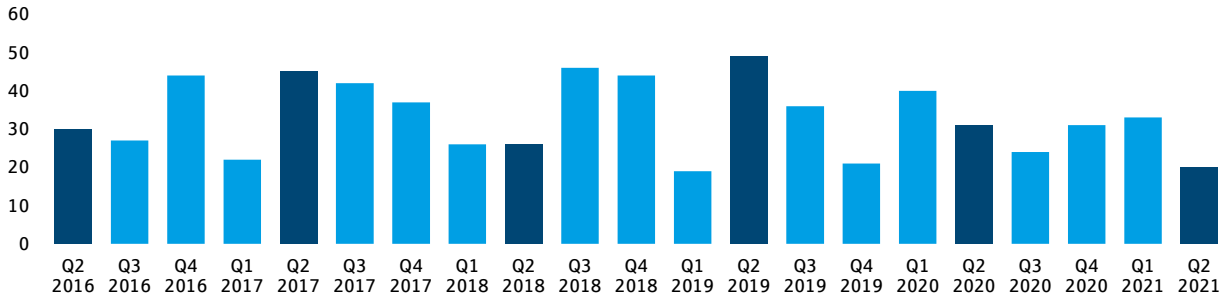
Valued Schuldschein issues by volume\* (in EUR millions)



\*values from previous quarter adjusted where applicable. Final volumes estimated for 3 deals in Q2 2021.  
Source: Helaba Research & Advisory

### Number of valued deals at lower end of spectrum of previous quarters

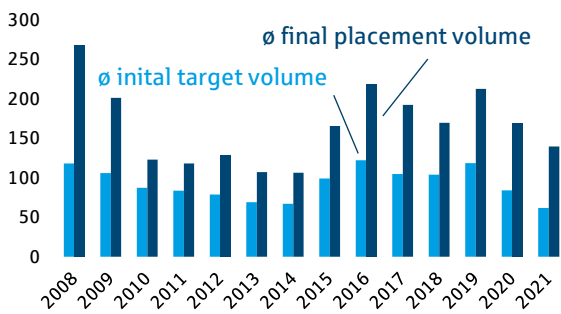
Number of valued Schuldschein issues\*



\*values from previous quarter adjusted where applicable.  
Source: Helaba Research & Advisory

### Transactions markedly smaller than 2020

Average transaction volumes\* (in EUR millions)



\*includes valued deals until end of June 2021. Final volumes estimated for 3 deals in Q2 2021.  
Source: Helaba Research & Advisory

### Share of unrated deals unusually high

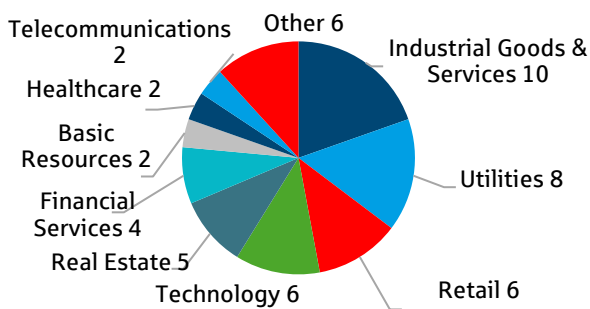
Number of issues by publicly rated and unrated deals\*



\*includes valued deals until end of June 2021.  
Source: Helaba Research & Advisory

### Diverse mix of sectors by number of deals ...

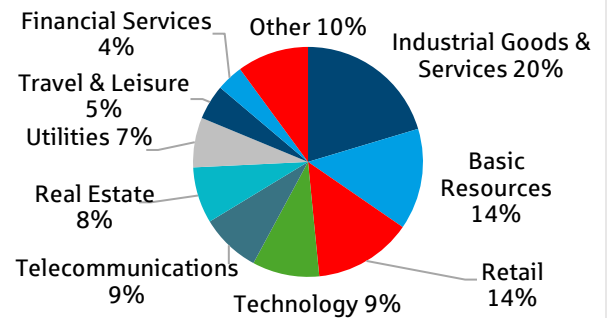
Number of issues by sector in H1 2021



Source: Helaba Research & Advisory

### ... and volume

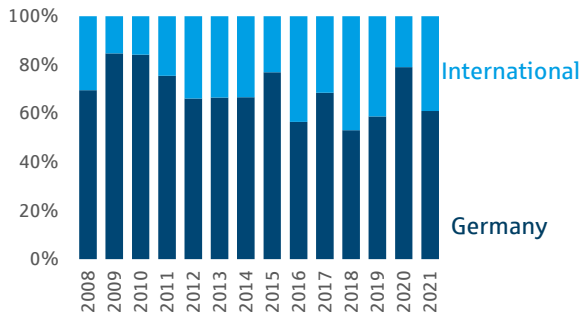
Issuance volume by sector in H1 2021\* (EUR billions or %)



\*final volumes estimated for 3 deals in Q2 2021.  
Source: Helaba Research & Advisory

### Non-German issuers return to market...

Issuance volume by country of origin\* (in %)

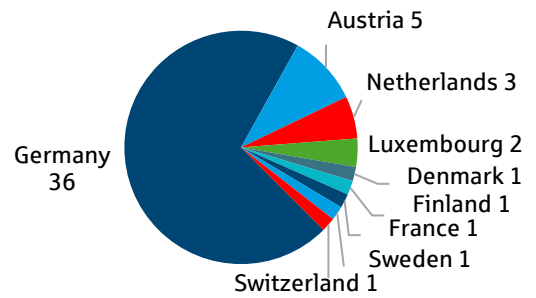


\*includes valued deals until end of June 2021. Final volumes estimated for 3 deals in Q2 2021.

Source: Helaba Research & Advisory

### ... but two-thirds of deals still from Germany

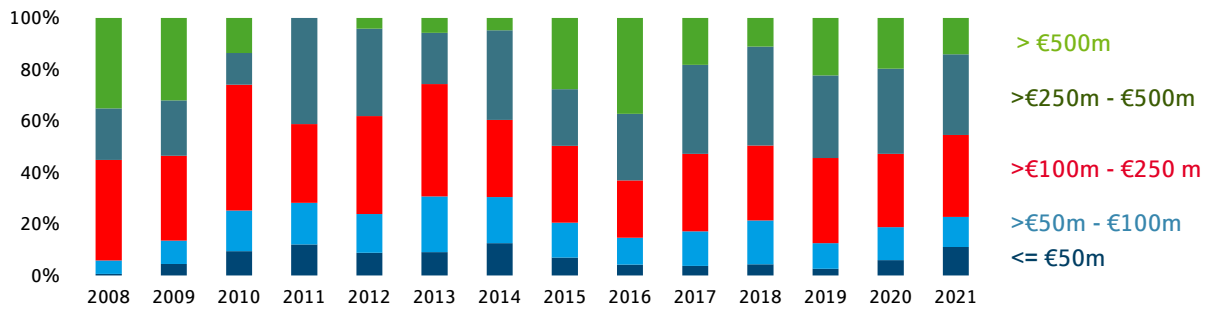
Number of issues by country of origin in H1 2021



Source: Helaba Research & Advisory

### Popularity of smaller volumes slightly higher

Issue size (distribution by volume in EUR millions)\*



\*includes valued deals until end of June 2021. Final volumes estimated for 3 deals in Q2 2021.

Source: Helaba Research & Advisory



Sign up for our newsletter here:

<https://news.helaba.de/research/>



Ulrich Kirschner, CFA  
Senior Analyst

Tel +49 69 / 91 32-24 39

## Publisher and Editor

Helaba Research & Advisory  
Editor Stefan Rausch  
Publisher  
Dr. Gertrud R. Traud  
Chief Economist / Head of Research  
Neue Mainzer Str. 52-58  
60311 Frankfurt am Main  
Phone +49 69/91 32-20 24  
Internet: <http://www.helaba.com>

## Disclaimer

This publication was very carefully researched and prepared. However, it contains analyses and forecasts regarding current and future market conditions that are for informational purposes only. The data are based on sources that we consider reliable, though we cannot assume any responsibility for the sources being accurate, complete, and up-to-date. All statements in this publication are for informational purposes. They must not be taken as an offer or recommendation for investment decisions.