



## Corporate Schuldschein: Primary Market Q2 2024

### Foreign issuers back in full swing

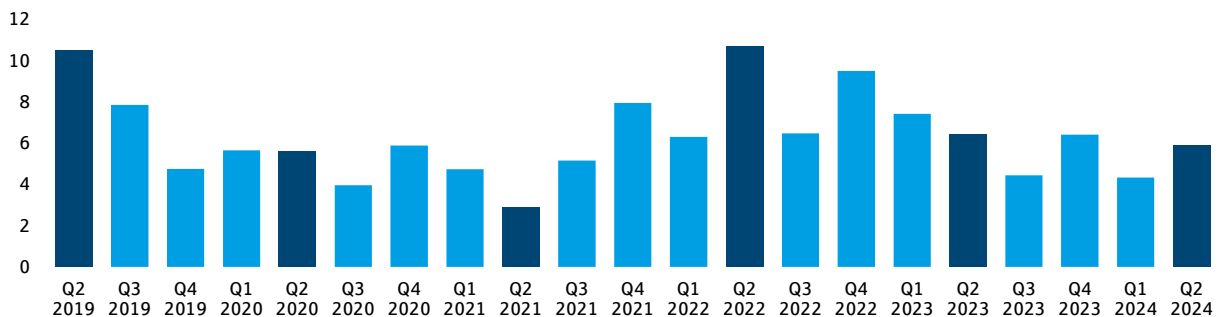


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With an issue volume of EUR 5.9 billion in 32 deals including private placements, slightly more was placed in the second quarter of 2024 than in the first three months of the year. Nevertheless, the result is still around half a billion below the Q2 level of the previous year. In our opinion, the fact that only two transactions of benchmark size have been valued on the Schuldschein market to date due to the favorable refinancing costs on the bond market may have played a role here. One of these came from Clariant in the amount of EUR 500m. The next largest transaction in Q2 was brought to the market by SIG AG with a ticket size of EUR 450m. To our knowledge, nine issues with a launch volume of around EUR 1.2 billion are currently in the marketing phase. In addition, 13 deals with a total volume of at least EUR 1.6 billion will be validated in the months of July to September, for which the marketing phase has already been completed. We therefore anticipate a better Q3 volume result than in the previous year (EUR 4.4 billion).

### Volume sees recovery in Q2

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



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

### Trend towards lower ESG volumes continues

At just 22 % of the total issue volume, the proportion of placements with sustainability components remained at a low level in the second quarter. In Q2 of the previous year, ESG Schuldscheine still accounted for 46 %. Green Schuldscheine with earmarked use of funds have now become the dominant issue format again for the first time over the last four years. The largest transaction of this type, at EUR 400 million, was issued by the utility Hamburger Energiewerke GmbH. However, the share of sustainability-linked deals in the total Q2 volume fell to just 5 % or EUR 265 million.

**Industrial services and utilities in the top position - rated issuers more involved**

With 10 placements each since the beginning of the year, most deals were placed on the market by companies from the industrial services and utilities sectors. Both sectors also issued the highest volume in the first half of the year (12 % each). Just under a quarter of Schuldschein issues (15) came from companies with an agency ratings. This is significantly more than in the first half of the previous year. At EUR 3.4 billion, the rated corporates collected around a third of the placement volume. The respective average transaction size rose to EUR 226 million, but remained well below the benchmark size that is generally common on the bond market.

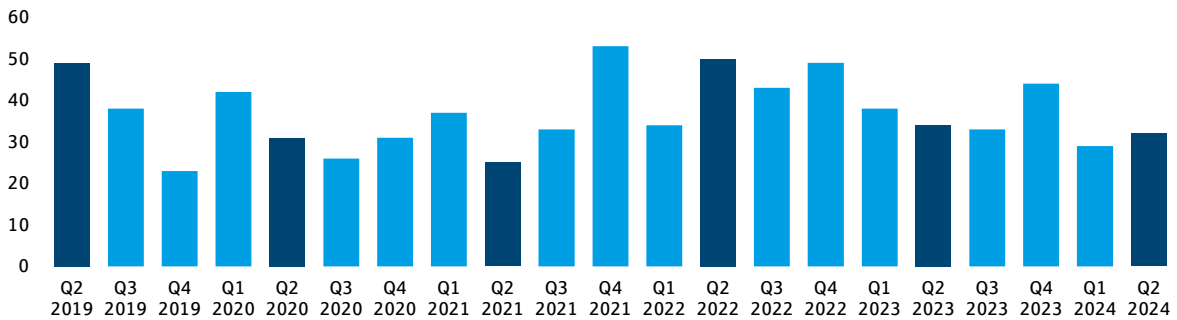
**Volume of foreign corporates at a high level - activity of French issuers normalizes**

The participation of non-German counterparties remained solid in the second quarter. In the first six months, they placed just under 44% of the issuance amount with 22 deals. 12 of these Schuldschein placements came from outside the DACH region. The number of validated French deals (including one tranche for which the marketing process was already completed in 2023) increased to four. In addition, the marketing phase has already been completed for two further issues from France, which will be placed in Q3. This normalization of the French activity reinforces our view that the Schuldschein market is once again open to solid foreign borrowers. In terms of issue size, Schuldschein tranches with a volume of between EUR 250 and 500 million accounted for almost 45 % of the market. In addition, investors are primarily looking for short and medium maturities, not least due to the unchanged inverted yield curve.

## Chartbook: Corporate Schuldschein issues

### Number of deals in the second quarter close to the median level of the last five years

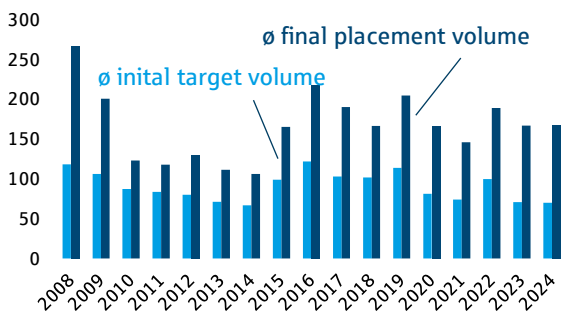
Corporate Schuldscheine: Number\* of valued issues



\*values from previous quarter adjusted where applicable;  
Sources: Bloomberg, Helaba Research & Advisory

### SSD on average as high as in the previous year

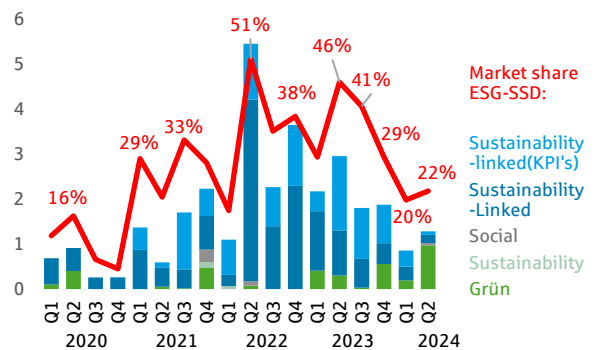
Corporate SSD: Average transaction volumes\* in EUR (millions)



\*SSD = Schuldscheinanleihen (promissory notes), data up to 05 July 2024.  
Sources: Bloomberg, Helaba Research & Advisory

### ESG's market remains weak

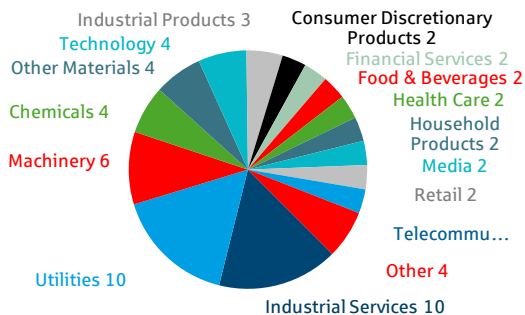
Corporate SSD: ESG issuance volume\* in EUR million or %



\*data up to 05 July 2024.  
Sources: Bloomberg, Helaba Research & Advisory

### Industrial Services sector strongly engaged

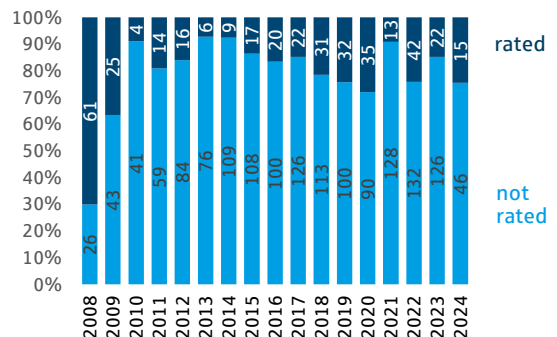
Corporate SSD: Number of valued issues\*, H1 2024



\*data up to 05 July 2024.  
Sources: Bloomberg, Helaba Research & Advisory

### A quarter of deals from rated issuers

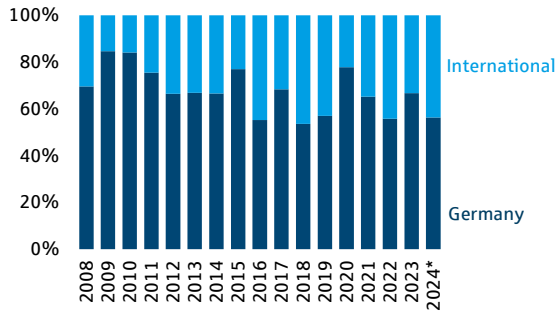
Corporate SSD: Number of deals with and without agency ratings\*



\*data up to 05 July 2024.  
Sources: Bloomberg, Helaba Research & Advisory

### Non-German market share on high level

Corporate SSD: Valued issuance volume\*

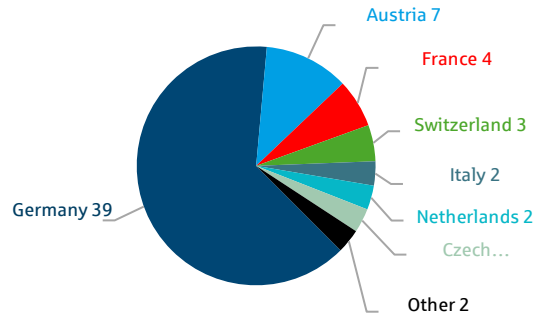


\*data up to 05 July 2024.

Sources: Bloomberg, Helaba Research & Advisory

### One in five SSDs from outside the DACH region

Corporate SSD: Number of valued issues\*, H1 2024

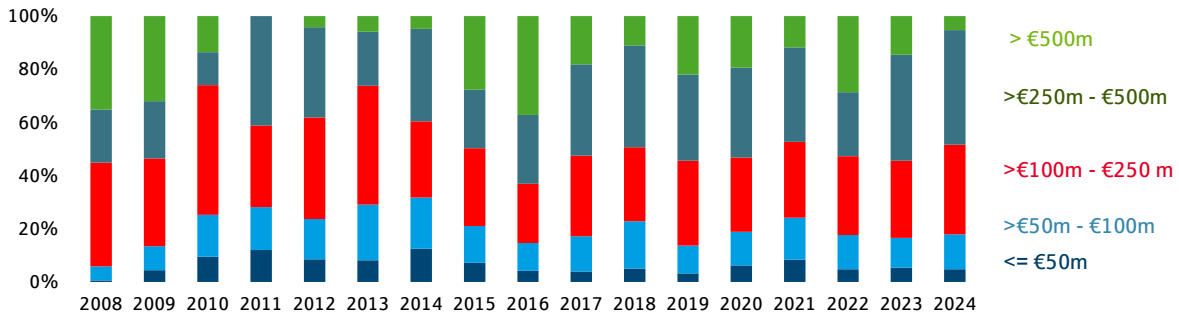


\*data up to 05 July 2024.

Sources: Bloomberg, Helaba Research & Advisory

### Medium Schuldschein size continue to be popular

Corporate SSD: Valued issuance volume by tranche size\*



\*data up to 05 July 2024.

Sources: Bloomberg, Helaba Research & Advisory



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