



## Press release

### European high-yield markets between apocalypse and euphoria

**London, 13. February 2023.** Robus Capital experts see little consensus in expectations for European high-yield markets in 2023. Performance estimates ranged from -8 percent to +15 percent, compared to a maximum of 2 percent to 3 percent in the past. "Even if a recession in some key European countries can actually be avoided at the last minute, there is still quite a bit of sand in the gears. Supply chains are still not back on track and the energy issue is not off the table either, despite the mild winter. The bottom line could be a positive return of 6-7 percent, but we don't believe in a return to a linear development like in the past years," says Mark Hoffmann, portfolio manager at Robus Capital.

#### **Higher allocation of floating-rate instruments secures yield income**

Despite signs of a brightening capital markets' environment, Robus Capital assumes further increases in key interest rates before the central banks could ease their monetary policy again somewhat when the global economic situation stabilizes towards the end of 2023 or at the beginning of 2024. Hoffmann sees this scenario as a good prerequisite for generating stable interest income again for Robus' credit funds. "We are well positioned for the scenario of rising interest rates with our increased share of floating-rate instruments. In addition, we expect interesting buying opportunities in the secondary markets to continue in the post cheap money period. Our value approach allows us to select attractive instruments early on, based on deep company analysis and financial modeling, which are ignored by the market in the sign of continued uncertainty," says the Robus Capital Manager.

#### **Covid losers catch up**

With this approach, Robus has built a consumer-focused portfolio in recent months. He continues to see catch-up potential in Covid losers in the tourism and travel, live entertainment and retail industries, while remaining cautious on B2B cyclicals. "Order books are still well filled, as in the construction industry. Experience shows that the dark clouds gather with a time lag twelve months later," Hoffmann says. "In an environment where debt capital is once again a scarce commodity, risks are once again being rewarded with regard to collateral, guarantees, covenants and coupons. Thus, we expect the yield level for selected corporate fixed-income instruments to remain high due to base annuities and risk premiums."

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### **About Robus Capital**

Robus Capital was founded in 2011 as an institutional asset manager specialising in publicly traded and private corporate bonds and loans. Today, Robus Capital manages an investment volume of EUR 1 billion from offices in Frankfurt and London. Robus Capital manages several special funds and a mutual fund. The investment focus is on debt instruments of medium-sized companies such as bonds, syndicated loans and promissory note loans. Institutional investors (insurance companies, foundations, pension funds or family assets), who often have a corporate background themselves, are Robus Capital's main client group. Investments can be made in both the primary and secondary markets and are also made in special situations that are very complex and require in-depth analysis. Robus Capital's regional focus is Europe and in particular the German-speaking countries, Benelux and Scandinavia. As of: January 2023.

**This press release is intended exclusively for media representatives**