

Global Convertibles Issuance: Key Trends and Insights

An evolving convertibles landscape demonstrates record growth in select regions and sectors

Introduction

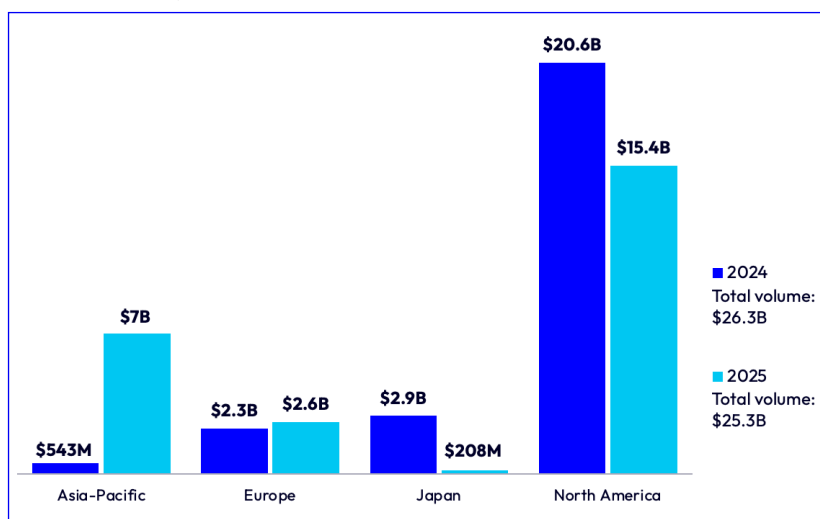
The global convertibles market experienced remarkable activity in Q1 2025, with surges in certain regions and sectors, signaling a dynamic shift in investor appetite and issuer strategies. This report examines key trends shaping the convertibles landscape, including regional issuance patterns, sectoral highlights, and the strategic motivations driving issuers. Supported by detailed insights into top deals and year-over-year performance, this analysis gives clear insight into how the convertibles market continues to evolve as an essential financing instrument.

Q1 2025

Robust Activity

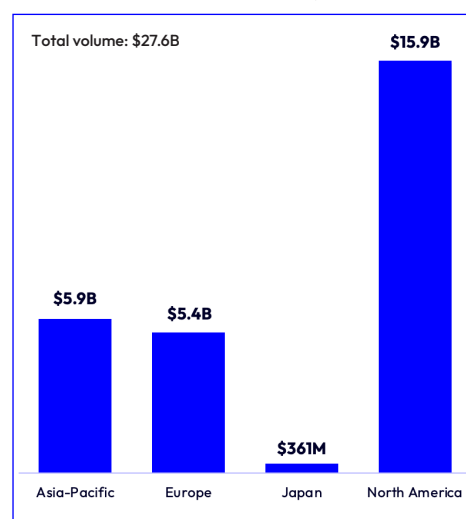
Global convertibles issuance remained strong in Q1 2025, with 57 new deals generating approximately \$25.3 billion in proceeds. This marks an increase in deal count from Q1 2024 (49 deals), though total volume saw a slight dip from \$26.3 billion. While new issuance was healthy, overall market size did decline during the first quarter due to a wave of redemptions. The average deal size now stands at about \$528 million, reflecting a balance of mid-sized offerings rather than an overconcentration in “mega-deals.” This elevated activity underscores continued healthy investor appetite for convertibles and issuer confidence in this financing channel.

New Issuance By Region (Q1 2024 vs. Q1 2025)



source: Numerix

Redemptions Gross Proceeds by Region (Q1 2025)



source: Numerix

Regional Shifts in Issuance

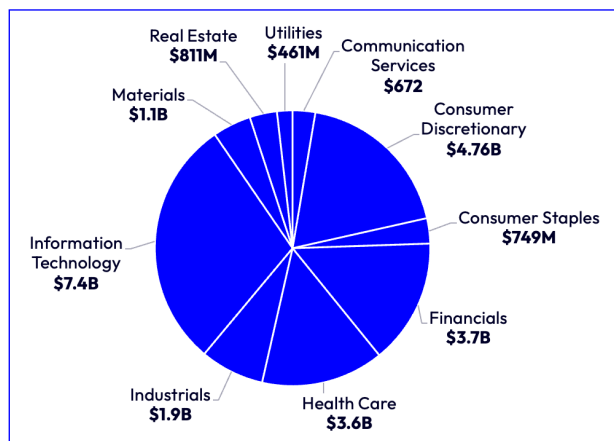
- North America led in issuance, with 26 deals raising about \$15.4 billion (roughly 60% of global volume).
- Asia-Pacific (ex-Japan) saw a significant jump in activity: 23 deals totaling \$7.0 billion, representing 28% of global volume—up substantially from just a few deals a year earlier. These figures include bank-issued instruments exchangeable into APAC equities.
- Europe contributed six deals worth \$2.6 billion (about 10% of global proceeds).
- Japan accounted for two deals and \$208 million in proceeds (about 1% of the global total).

This distribution highlights the continued dominance of North America’s issuance in the convertible space, but also underscores Asia-Pacific’s growing role in global issuance.

Sector Leaders and Laggards

- Information Technology maintained its leadership, with 12 deals totaling about \$7.4 billion, or 30% of total Q1 2025 volume.
- Financials posted four deals and \$3.7 billion, reflecting robust issuance among banks, asset managers, and related firms.
- Healthcare recorded 10 deals worth \$3.6 billion, showing continued interest in biotech and pharmaceutical convertibles.
- Consumer Discretionary saw six deals totaling \$4.76 billion, fueled by notable transactions in e-commerce and retail.
- Industrials (seven deals, \$1.9 billion) and Materials (four deals, \$1.1 billion) were comparatively modest.
- Utilities had two deals totaling about \$461 million, while Energy had none. Overall, growth-oriented sectors (particularly Technology) remain the primary drivers of convertible issuance, while other sectors vary quarter to quarter based on specific financing needs and market conditions.

New Issuance by Sector Q1 2025



source: Numerix

Year-over-Year Context

Whereas Q1 2024 saw 49 deals and \$26.3 billion, Q1 2025 climbed to 57 deals with moderately less proceeds at \$25.3 billion—representing an 18% increase in deal count year-on-year. Even after the strong rebound in 2024, convertible issuance has continued to show momentum in 2025. Key underlying drivers include companies’ pursuit of lower-cost financing amid higher interest rates and investors’ appetite for equity-linked exposure. These factors appear to be keeping the market on a solid growth trajectory.

Top 10 Deals (by Size)

Ticker	Issuer	Size USD	Sector
KKR	KKR & Co	\$2.3B	Financials
MSTR	MicroStrategy	\$2B	Information Technology
9961 HK	Baidu Inc / Trip.com	\$2B	Consumer Discretionary
MCHP	Microchip Technology	\$1.4B	Information Technology
GME	GameStop Corp	\$1.3B	Consumer Discretionary
ITGR	Integer Holdings Corp	\$875M	Health Care
MSTR	MicroStrategy	\$730M	Information Technology
SMCI	Super Micro Computer	\$700M	Information Technology
U	Unity Software	\$690M	Information Technology
GH	Guardant Helath	\$600M	Health Care

source: Numerix

Key Observations from the Top 10 Deals

1. Zero-Coupon Popularity

A notable number of the top 10 deals carried a 0% coupon (including MicroStrategy, Baidu, and GameStop), underscoring strong investor demand for equity-linked instruments. Issuers benefit from minimal near-term cash costs, especially attractive given higher prevailing rates on traditional debt.

2. Wide Range of Premiums

Among the top 10 deals, conversions premiums varied. Notably, the two mandatory convertibles were priced at premiums of 22.5% and 25%, while most traditional convertibles in the top 10 fell within the 30–50% range. While a premium range of 25–50% is common, the presence of extremely high premiums indicates that, for select high-conviction names, investors are willing to accept significant upside in exchange for participation in potential equity growth.

3. Maturity Structures Vary

The top deals have maturities stretching from 2028 to 2030. Mandatory convertibles typically have a 3-year maturity and function more like equity, as they do not return principal at maturity. In contrast, the most common convertible maturity is 5 years, with some structures designed to be perpetual. Shorter maturities cater to near-term capital requirements, while longer tenors and perpetual structures allow issuers to lock in financing and reduce refinancing risk.

4. Sector and Geographic Diversity

Technology and related industries dominate the top deals—ranging from software (Unity), semiconductors (Microchip, Super Micro), to fintech and data analytics (MicroStrategy). However, there is also representation from Financials (KKR) and Healthcare (Integer Holdings, Guardant Health). On the geographic side, both U.S. and Asian issuers (e.g., Baidu) feature prominently, showcasing the global nature of convertible financing in Q1 2025.

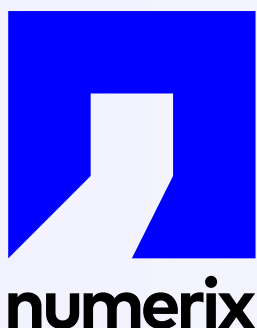
5. Strategic Financing Motives

These top 10 deals were used for a variety of purposes: refinancing existing debt, funding acquisitions, and fueling R&D or expansion. The combination of low coupons, flexible structures, and embedded equity optionality continues to make convertibles an attractive choice for issuers seeking both immediate capital and longer-term shareholder value creation. Notably, companies like MicroStrategy and GameStop have tapped the convertible market to finance Bitcoin purchases—highlighting a growing trend of using convertibles to gain exposure to crypto assets as part of broader strategic initiatives.

Conclusion

Q1 2025's convertibles market shows continued vibrancy, with overall issuance surpassing the prior year's levels. North America remains the largest contributor in terms of issuance, but Asia-Pacific's share has grown markedly. Technology continues to lead among sectors, though there is a healthy mix of Financials, Healthcare, and select Consumer names in the top deals. The willingness of investors to accept zero-coupon structures and high conversion premiums highlights the ongoing demand for equity-linked exposure, while issuers leverage these features to obtain cost-effective capital.

Overall, the Q1 2025 data points to a robust and still-evolving convertible landscape, as companies and investors alike capitalize on the flexibility and potential upside inherent in these instruments.



Numerix LLC
Corporate Headquarters

100 Park Avenue
15th Floor
New York, NY 10017
sales@numerix.com

in  

[numerix.com](https://www.numerix.com)