
IPO Watch

Europe Q1 2018



€12.5bn

raised in Q1 2018

(Q1 2017: €4.6bn, 172% increase)

67 IPOs

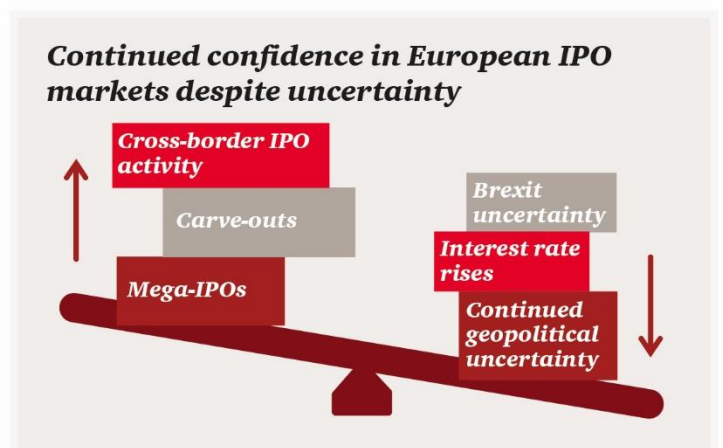
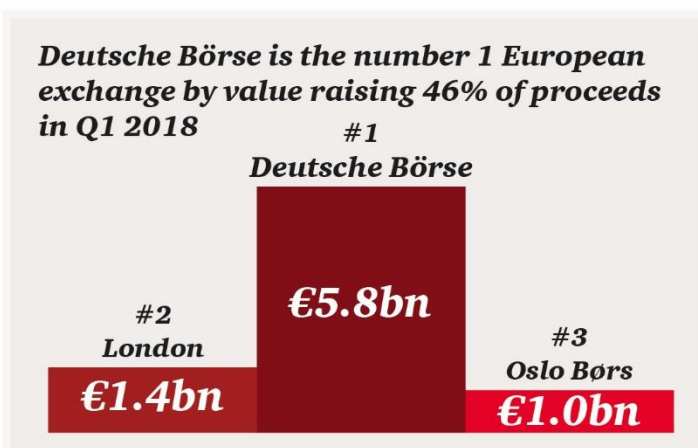
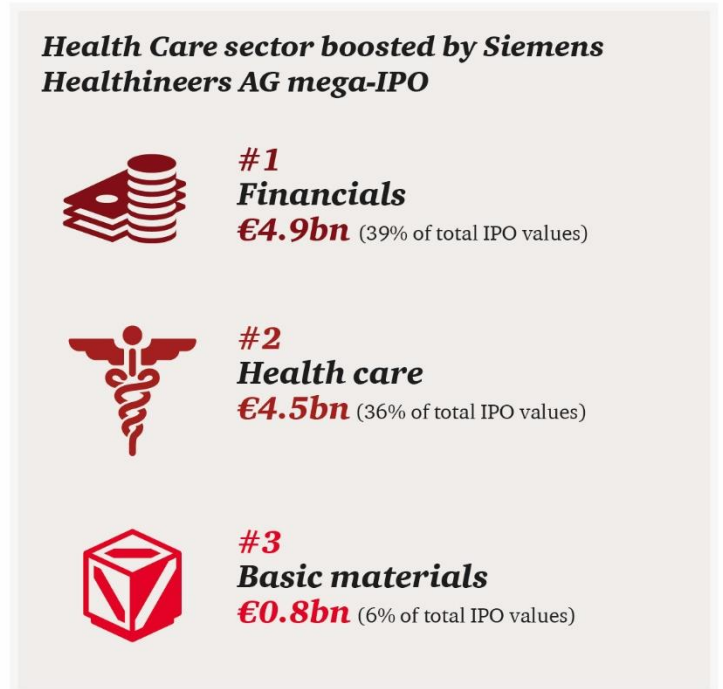
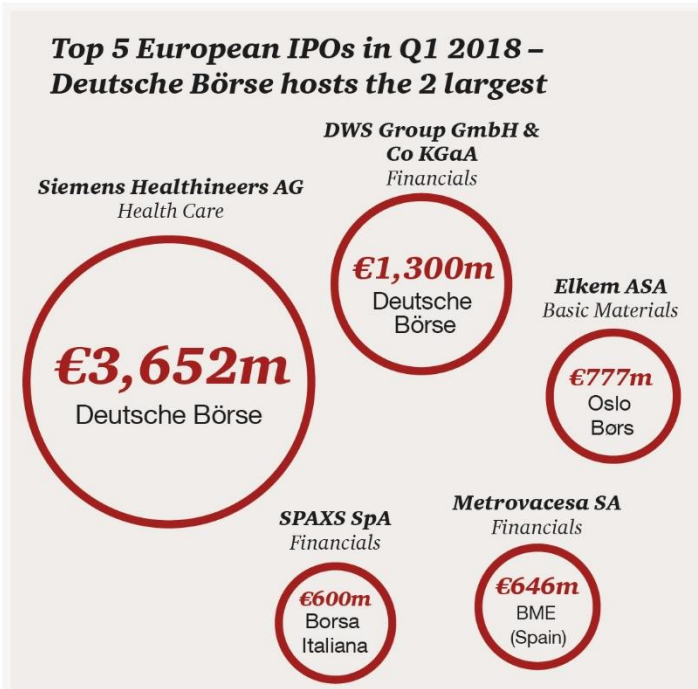
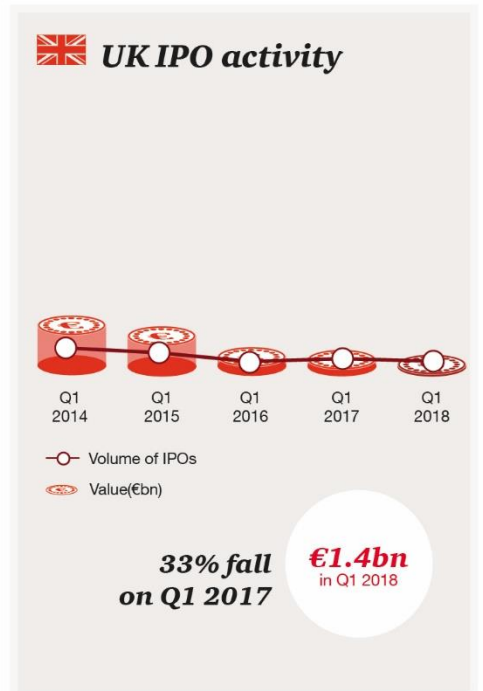
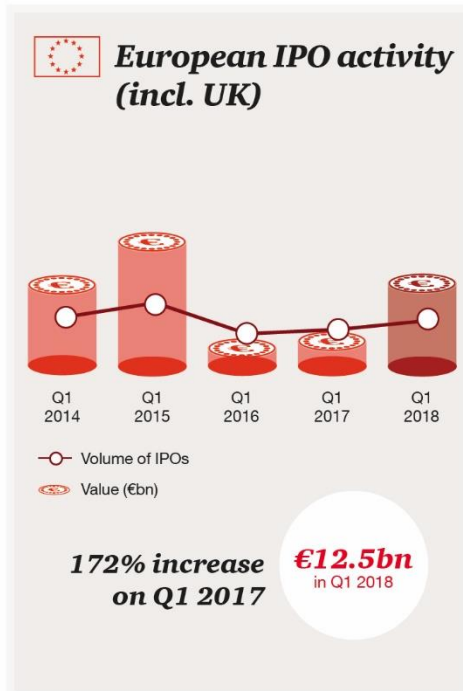
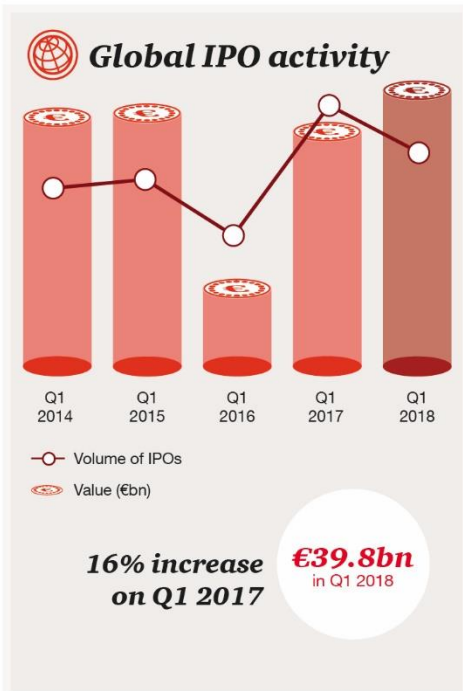
in Q1 2018 across Europe

(Q1 2017: 54 IPOs, 24% increase)

€260m

average offering value in Q1 2018, an increase of 31% compared to €199m in Q1 2017

European IPO markets raise €12.5bn in Q1 2018, with proceeds up 172% compared to Q1 2017



Contents

European IPO trends	4
Market volatility	6
Pricing of top 5 IPOs	7
European PE trends	7
The sector story	8
UK focus	
Overview	9
Relative performance of UK IPOs	10
Global perspective	11
Appendix	12
Contacts	14

Outlook for 2018

“The first quarter of 2018 has seen increased volatility and significant corrections to global indices. Europe’s IPO markets, however, have proved resilient with investors eager to find value and ready to engage in early conversations with companies with compelling equity stories and solid fundamentals.

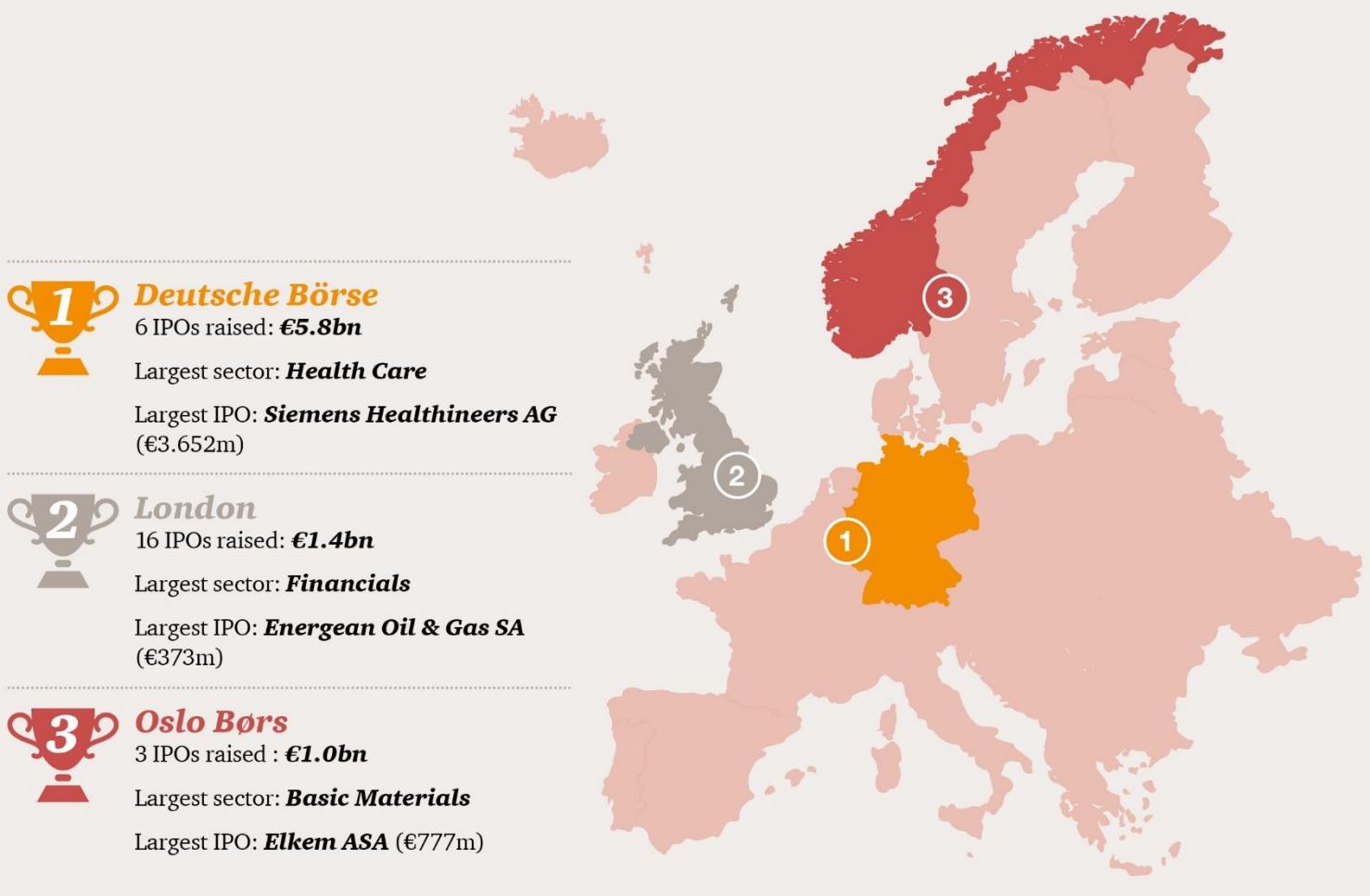
Despite uncertainty around the ongoing Brexit negotiations, a potential trade war between the US and China and rumoured rate rises, Europe’s IPO market remains open.”

Mark Hughes
Partner, UK Capital Markets Leader at PwC

European IPO trends

The Deutsche Börse is the most active in terms of value, bolstered by Siemens Healthineers AG, their largest IPO since innogy SE in October 2016

Figure 1: Top 3 stock exchanges in Europe in Q1 2018 (by offering value)



European IPO trends

Q1 2018 European IPO values have more than doubled compared to Q1 2017, boosted by two mega-IPOs*

Figure 2: European IPO activity since 2009

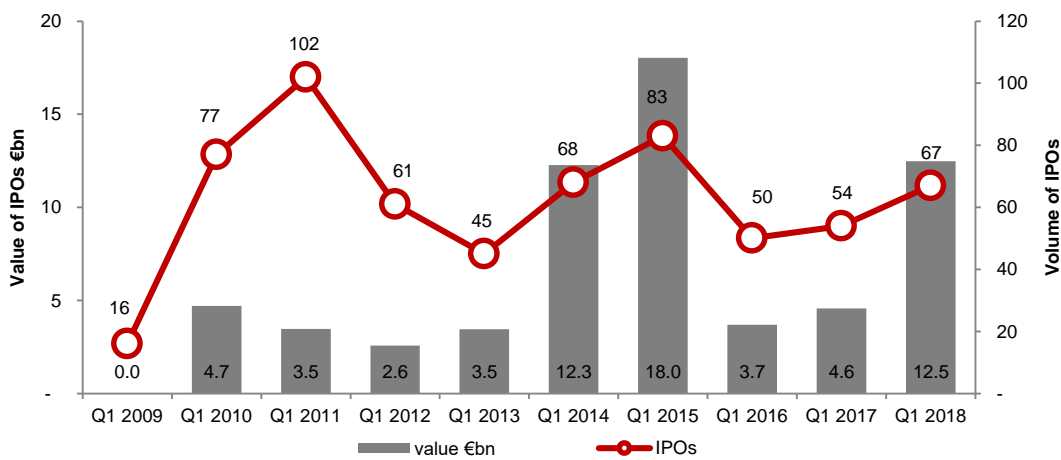
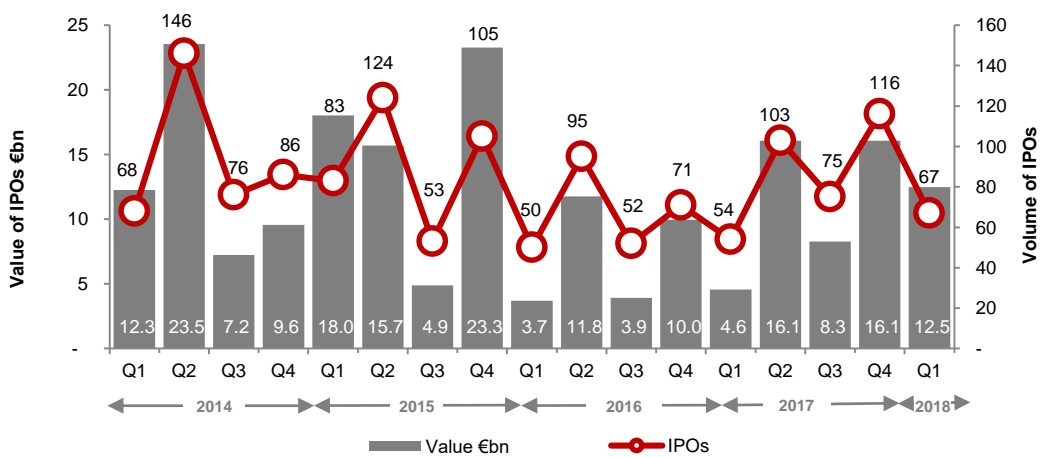


Figure 3: Quarterly European IPO activity since 2014



*Mega-IPOs are those raising in excess of €1bn

Note: Excludes IPOs on Borsa Istanbul, Zagreb Stock Exchange and Bucharest Stock Exchange pre 2011

Source: Dealogic and Stock Exchanges

Market volatility

Volatility makes a come back in Q1 2018 after the historic lows of 2017

Figure 4: Volatility tracked against European IPO values

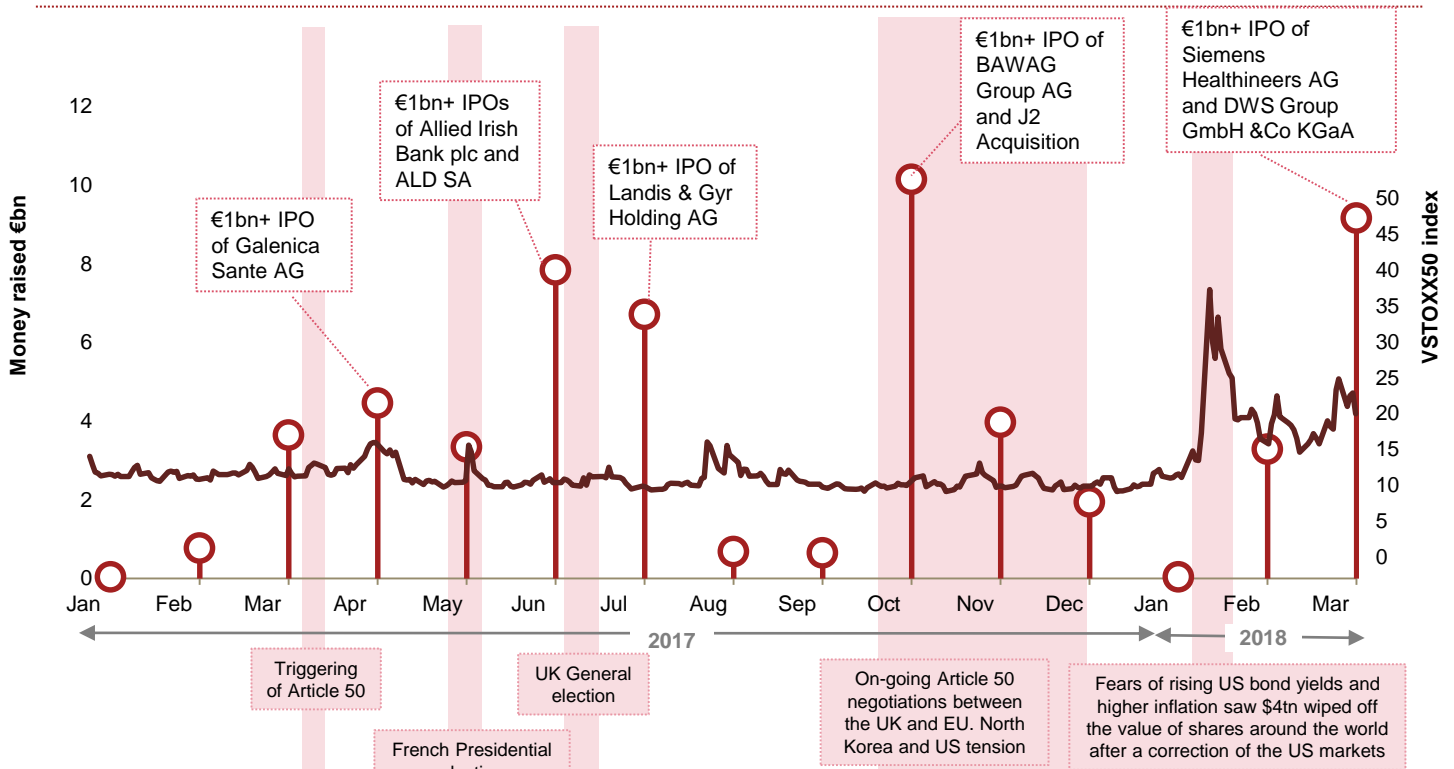
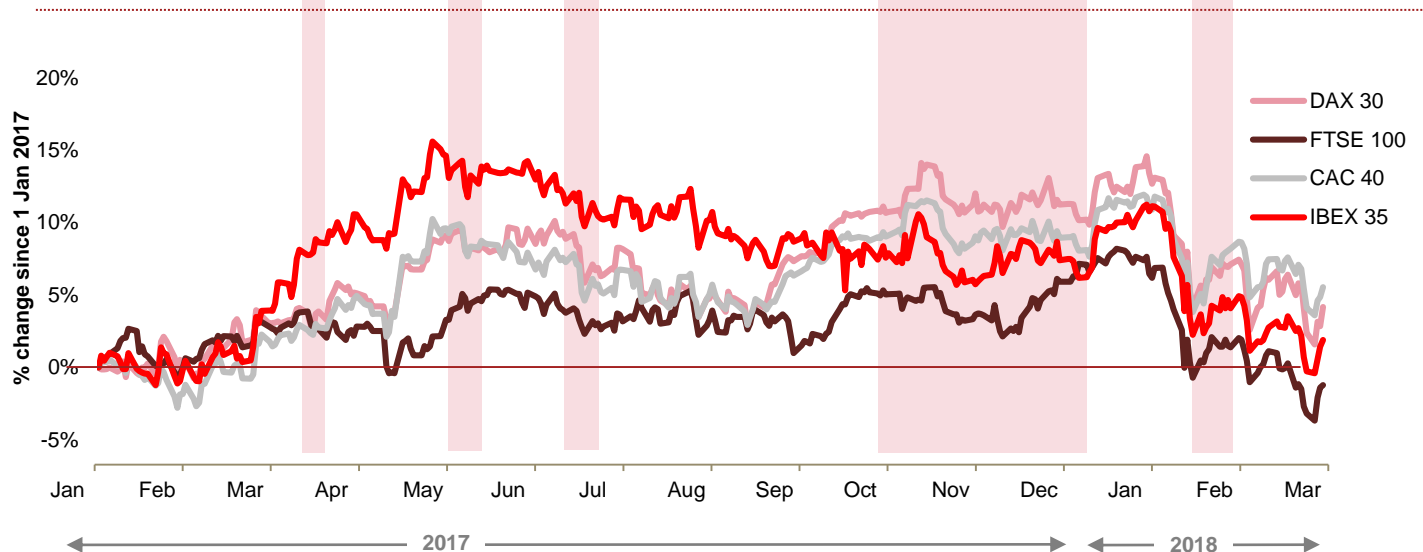


Figure 5: Historical performance of major European market indices since January 2017



Pricing of top 5 IPOs

Top 5 IPOs priced at the lower end of the range

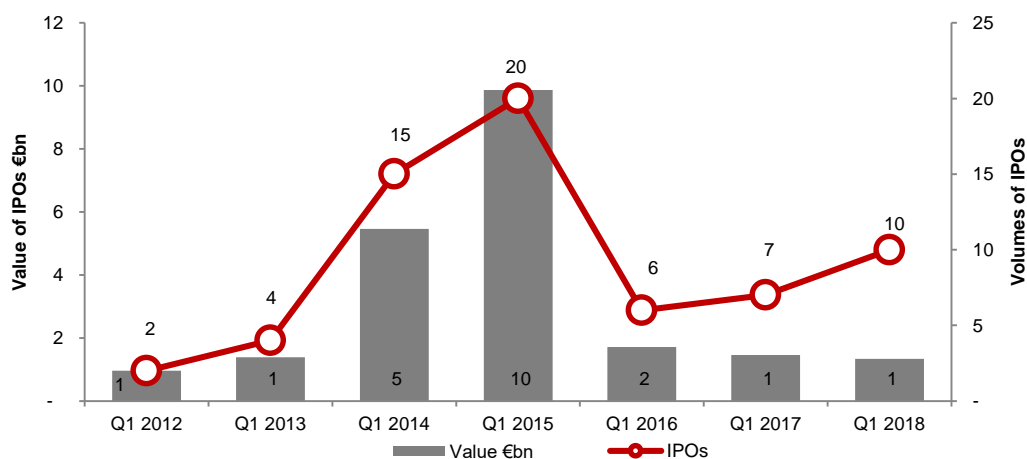
Figure 6: Top 5 European IPOs in Q1 2018

	Siemens Heathineers AG	DWS Group GmbH & Co KGaA	Elkem ASA	Metrovacesa SA	SPAXS SpA
Exchange	Deutsche Börse	Deutsche Börse	Oslo	BME	Borsa Italiana
IPO date	16-Mar	23-Mar	22-Mar	06-Feb	01-Feb
Money raised (€m)	3,652	1,300	777	646	600
Price range	€26.00 – €31.00	€30.00 - €36.00	NKR29.00 - NKR35.00	€18.00 - €19.50	€10.00
Offer price	€28.00	€32.50	NKR29.00	€16.50	€10.00

European PE trends

The volume and value of PE backed IPOs remains subdued with a number of deals opting for private sale processes

Figure 7: Quarterly value and volume of European PE backed IPOs since 2012



The sector story

Financials and Health Care represent the largest sectors in the quarter supported by the mega-IPOs* of Siemens Healthineers AG and DWS Group GmbH & Co KGaA

Figure 8: European IPO values by sector

	Q1 2017 Value (€m)	Q1 2017 Volume	Q2 2017 Value (€m)	Q2 2017 Volume	Q3 2017 Value (€m)	Q3 2017 Volume	Q4 2017 Value (€m)	Q4 2017 Volume	Q1 2018 Value (€m)	Q1 2018 Volume
Financials	2,700	24	5,217	23	3,017	32	5,890	30	4,879	28
Health Care	514	10	435	14	59	6	1,286	13	4,478	7
Basic Materials	134	3	8	2	497	3	1,300	6	779	2
Consumer Services	4	1	3,881	14	427	6	714	14	632	8
Utilities	-	1	-	-	-	1	501	2	463	2
Consumer Goods	152	3	1,464	9	236	3	4,815	13	436	6
Oil & Gas	61	3	227	2	3	1	27	2	376	2
Technology	21	4	1,234	14	543	12	322	22	331	10
Industrials	984	5	3,397	22	2,458	9	1,203	14	106	2
Telecommunications	-	-	204	3	1,044	2	-	-	-	-
Total	4,570	54	16,067	103	8,284	75	16,058	116	12,480	67



Financials

28 IPOs raised
€4.9bn

Largest IPO:
**DWS Group GmbH & Co
KGaA**
€1.3bn



Health Care

7 IPOs raised
€4.5bn

Largest IPO:
Siemens Healthineers AG
€3.7bn



Basic Materials

2 IPOs raised
€0.8bn

Largest IPO:
Elkem ASA
€0.8bn

*Mega-IPOs are those raising in excess of €1bn

Source: Dealogic and Stock Exchanges

UK focus – overview

Continuing the trend experienced in 2017, the Financials sector continues to dominate London IPOs, representing 71% of London IPO values

Figure 9: UK IPO trends (by offering value)

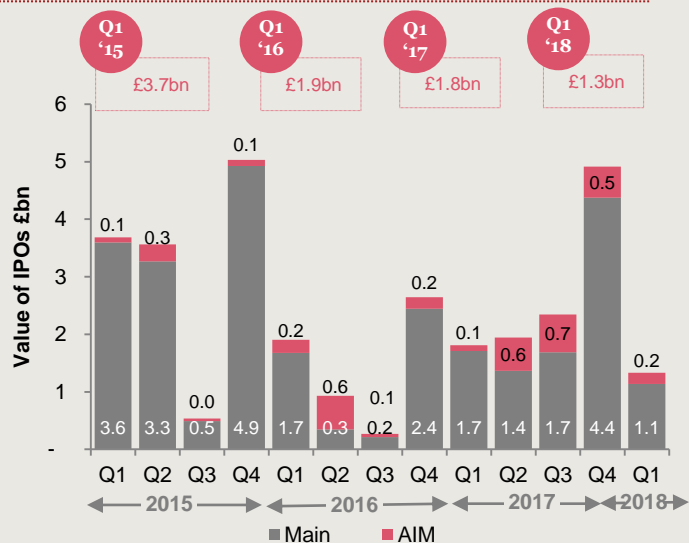


Figure 10: UK IPO trends (by volume)

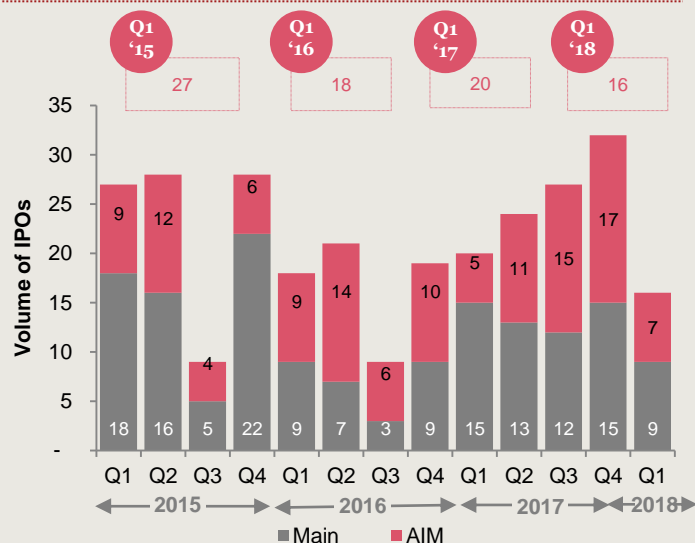


Figure 11: Top 5 UK IPOs in Q1 2018

Issuer	Value (£m)	Sector	Market	PE backed
Energean Oil & Gas SA	330	Oil & Gas	Main	No
JTC plc	244	Financials	Main	Yes
IntegraFin Holdings Ltd	178	Financials	Main	No
Baillie Gifford US Growth Trust PLC	173	Financials	Main	No
JPMorgan Multi-Asset Trust plc	93	Financials	Main	No

Note: Ranking in £ sterling may be different from ranking in Euros due to exchange rate

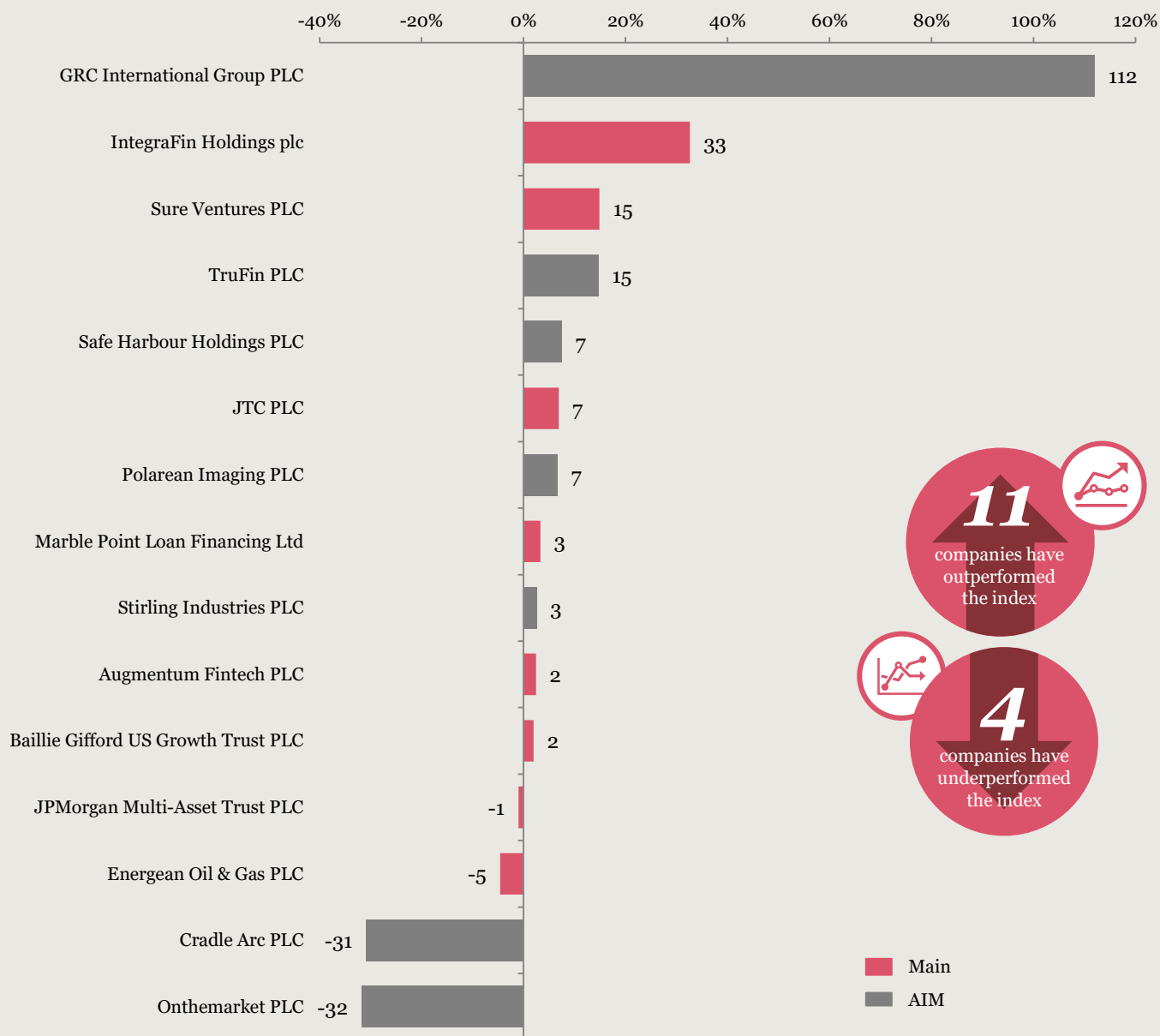
Figure 12: UK IPO value by sector

By offering value (£m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Variance vs Q1 2017
Financials	1,576	653	1,481	2,169	906	(670)
Oil & Gas	53	188	3	2	333	280
Consumer Services	-	175	172	184	30	30
Technology	-	293	9	13	6	6
Basic Materials	7	7	427	1,159	2	(5)
Industrials	-	585	237	170	-	-
Consumer Goods	53	37	-	771	-	(53)
Health Care	121	5	15	7	-	(121)
Utilities	-	-	-	441	-	-
Total	1,810	1,943	2,344	4,916	1,277	(533)

UK focus – relative performance of UK IPOs

London IPOs performed well in Q1 2018 with 11 out of 15 IPOs out-performing the market

Figure 13: Share price performance of UK IPOs relative to the FTSE all share index, from IPO to 29 March 2018 (%)



“Q1 is typically a quieter quarter in terms of IPO activity, and last year it was boosted by a backlog of UK IPOs after a pause in activity following the EU referendum. In addition, with the public markets frequently in competition with valuations from the private sector and the prospect of selling shareholders retaining a significant stake following IPO, dual-track processes are increasingly common, helping shareholders and issuers reach a successful outcome to hedge against the volatility in public markets.

The outlook is promising and issuers continue to be attracted to the UK market with a number of cross-border IPOs set to launch in London.”

Lucy Tarleton
 Director, UK Capital Markets Group at PwC

Global perspective

Although global IPO values are up on Q1 2017, volumes are down largely as a result of a decrease in Asia Pacific IPOs

Figure 14: Global IPO activity

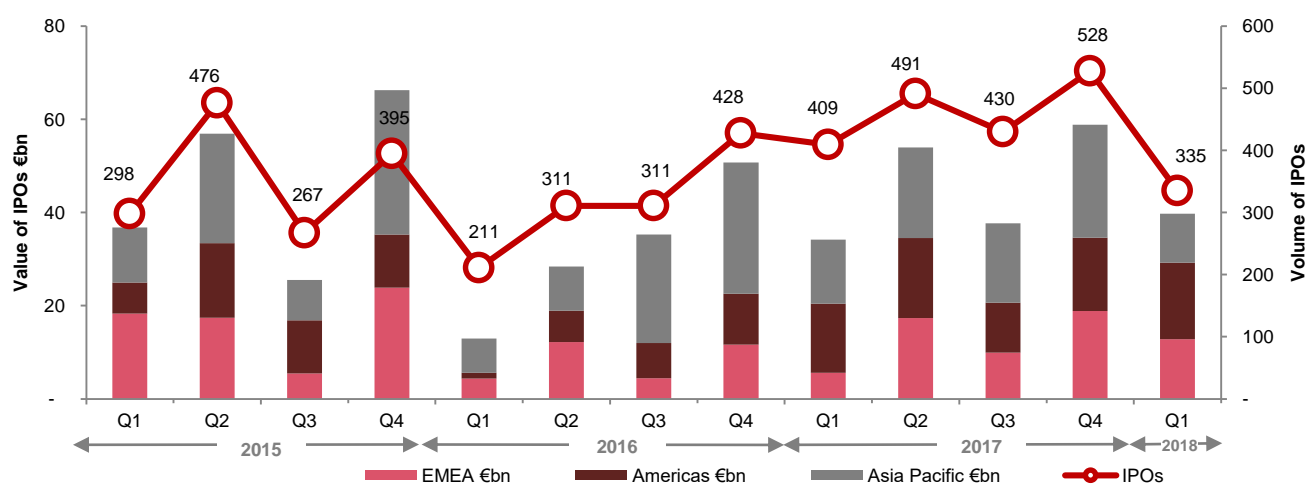


Figure 15: Top 10 global IPOs YTD 2018

Date	Issuer	Value (€m)	Exchange	Sector
Mar-18	Siemens Healthineers AG	3,652	Deutsche Börse	Health Care
Jan-18	PagSeguro Digital Ltd	2,128	NYSE	Industrials
Mar-18	iQIYI Inc	1,811	NASDAQ	Consumer Services
Mar-18	DWS Group GmbH & Co KGaA	1,300	Deutsche Börse	Financials
Jan-18	ADT Inc	1,201	NYSE	Industrials
Mar-18	Fibra E - Grupo Aeroportuario de la Ciudad de Mexico	1,195	Mexican Stock Exchange	Industrials
Jan-18	Bank of Gansu Co Ltd	732	Hong Kong Exchange	Financials
Mar-18	Dropbox Inc	708	NASDAQ-US	Technology
Feb-18	Fideicomiso CIB/2919 - CFE Fibra E	698	Mexican Stock Exchange	Financials
Jan-18	Gates Industrial Corp plc	686	NYSE	Industrials

Appendix – IPOs by market

Appendix 1: European IPOs by market

	Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018	
	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m
TOTAL										
Deutsche Börse	2	235	3	1,049	3	234	5	1,060	6	5,849
London Stock Exchange Group	24	2,260	30	2,654	37	3,596	44	9,438	22	2,303
<i>London Stock Exchange</i>	20	2,118	24	2,258	27	2,672	32	5,532	16	1,447
<i>Borsa Italiana</i>	4	142	6	396	10	924	12	3,906	6	856
Oslo Børs & Oslo Axess	1	7	4	821	1	29	5	247	3	1,011
Euronext	5	189	8	2,543	2	6	5	638	5	858
<i>Euronext Paris</i>	4	80	5	1,265	1	6	5	638	-	-
<i>Euronext Amsterdam</i>	1	109	1	648	1	-	-	-	4	818
<i>Euronext Brussels</i>	-	-	2	630	-	-	-	-	1	40
Nasdaq Nordic	13	406	41	1,669	11	537	33	1,637	13	713
<i>Nasdaq Helsinki</i>	1	30	4	219	1	425	4	936	4	211
<i>Nasdaq Stockholm</i>	12	376	34	1,435	9	112	24	521	5	493
<i>Nasdaq Copenhagen</i>	-	-	2	12	-	-	3	173	3	9
<i>Nasdaq Iceland</i>	-	-	-	-	1	-	-	-	1	-
<i>Nasdaq Tallin</i>	-	-	-	-	-	-	1	4	-	-
<i>Nasdaq Riga</i>	-	-	-	-	-	-	1	3	-	-
<i>Nasdaq Vilnius</i>	-	-	1	3	-	-	-	-	-	-
Borsa Istanbul	1	13	2	265	-	-	-	-	6	650
BME (Spanish Exchange)	6	1,459	4	1,570	8	-	9	674	5	646
SIX Swiss Exchange	-	-	2	1,776	2	2,310	1	29	3	379
Bucharest	-	-	2	192	-	-	2	64	1	40
Warsaw	2	1	6	542	9	1,227	10	41	2	24
Irish Stock Exchange*	-	-	1	2,986	1	270	1	550	1	7
Wiener Börse	-	-	-	-	-	-	1	1,680	-	-
Budapest	-	-	-	-	1	75	-	-	-	-
Total	54	4,570	103	16,067	75	8,284	116	16,058	67	12,480
EU-REGULATED										
Deutsche Börse (Prime and General Standard)	1	218	2	1,032	2	231	4	1,033	4	5,719
London Main	15	2,001	13	1,578	12	1,915	15	4,921	9	1,286
Oslo Børs & Oslo Axess	1	7	4	821	1	29	5	247	3	1,011
Euronext	4	180	7	2,532	2	6	3	611	5	858
BME (Spanish Exchange) (Main)	2	1,459	2	1,565	-	-	1	667	1	646
SIX Swiss Exchange	-	-	2	1,776	2	2,310	1	29	3	379
Nasdaq Nordic (Main)	1	69	10	1,269	1	425	10	1,373	2	289
Bucharest	-	-	2	192	-	-	2	64	1	40
Warsaw (Main)	-	-	3	518	2	1,215	3	23	1	22
Irish Stock Exchange (Main)	-	-	1	2,986	1	270	1	550	1	7
Borsa Italiana (Main)	-	-	3	358	1	344	4	3,400	-	-
Wiener Börse	-	-	-	-	-	-	1	1,680	-	-
Budapest	-	-	-	-	1	75	-	-	-	-
EU-regulated sub-total	24	3,934	49	14,627	25	6,820	50	14,598	30	10,257
EXCHANGE-REGULATED										
Borsa Italiana - AIM	4	142	3	38	9	580	8	506	6	856
Borsa Istanbul	1	13	2	265	-	-	-	-	6	650
Nasdaq Nordic - First North	12	337	31	400	10	112	23	264	11	424
London - AIM	5	117	11	680	15	757	17	611	7	158
Deutsche Börse - Scale	1	17	1	17	1	3	1	27	2	130
Warsaw - NewConnect	2	1	3	24	7	12	7	18	1	2
Euronext - Alternext	1	9	1	11	-	-	2	27	-	-

*Acquired by Euronext on the 27th March 2018

About IPO Watch Europe

IPO Watch Europe surveys all new primary market equity IPOs on Europe's principal stock markets and market segments (including exchanges in Austria, Belgium, Croatia, Denmark, France, Germany, Greece, the Netherlands, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey and the UK) on a quarterly basis. Movements between markets on the same exchange are excluded.

This survey was conducted between 1 January and 31 March 2018 and captures introductions as well as IPOs based on their first trading date. Values include greenshoe. All market data is sourced from Dealogic and the stock markets themselves and has not been independently verified by PricewaterhouseCoopers LLP.



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