
IPO Watch

Europe Q3 2016



€3.8bn

IPO proceeds raised in Q3 2016
(Q3 2015: €4.6bn, 17% decline)

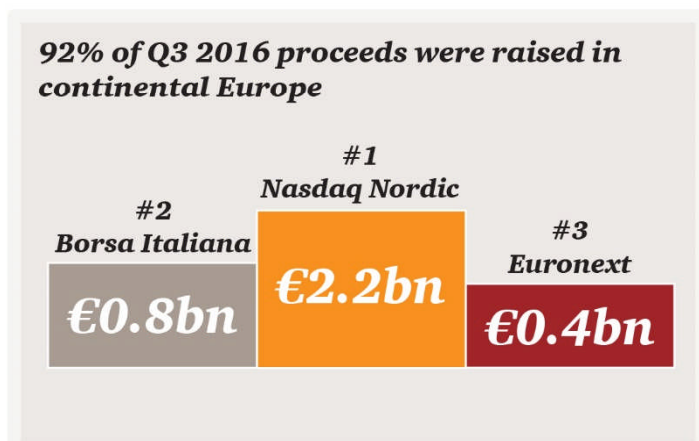
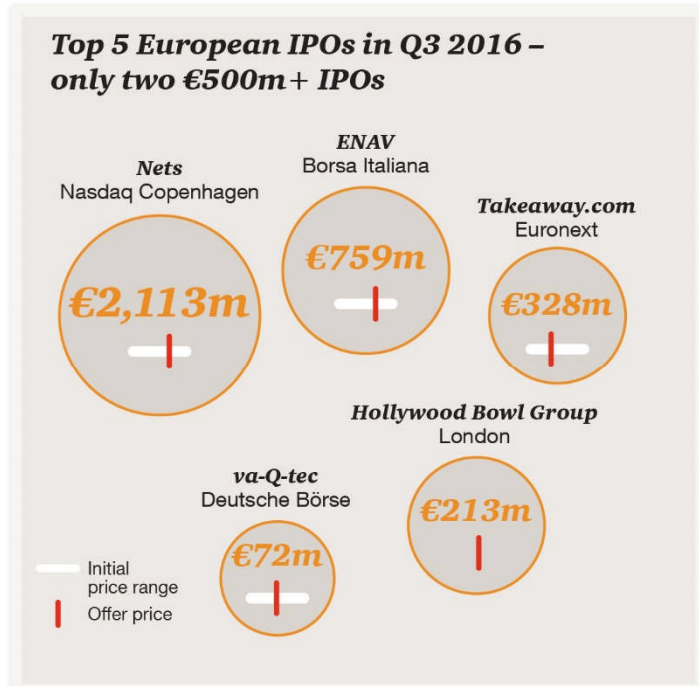
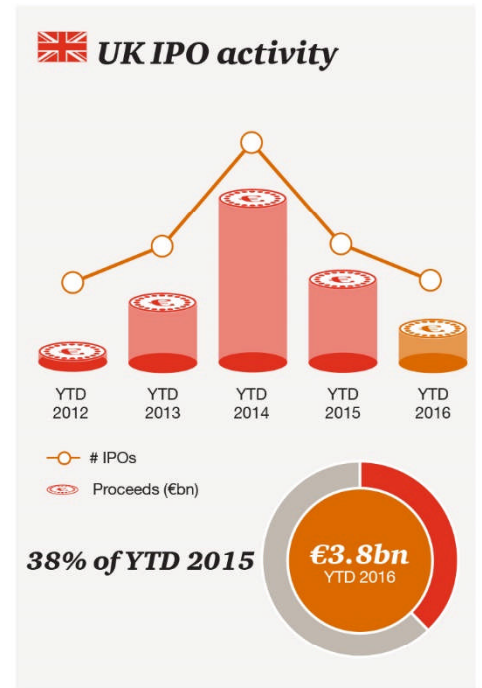
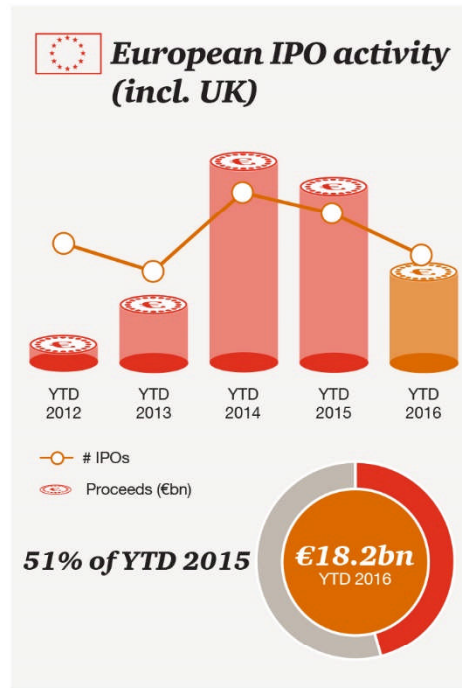
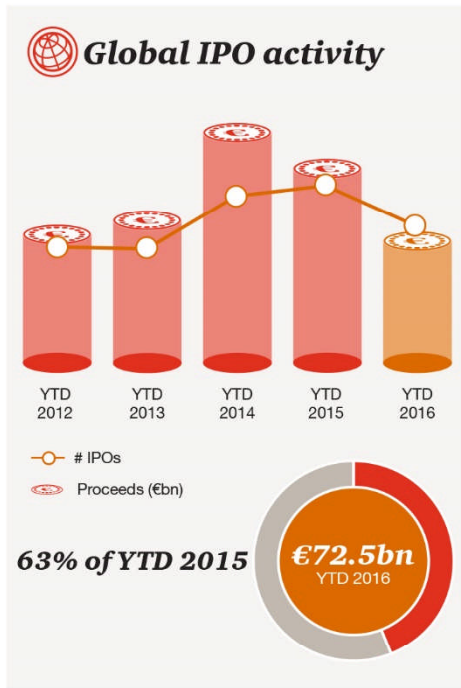
52 IPOs

in Q3 2016 across Europe
(Q3 2015: 53 IPOs, 2% decline)

€18.2bn

IPO proceeds raised in YTD 2016
(YTD 2015: €35.7bn, 49% decline)

European IPO market looks set to shrug off uncertainty to reach €25bn in 2016



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“The pipeline is encouraging, with a number of recent announcements indicating that we are in for an active Q4. While the full impact from the UK’s vote to leave the EU is still to be realised, the initial reaction is that it has not been as bad as had been feared.

Although we are cautious as to whether 2016 manages to raise half of the €57bn raised in 2015, we do expect proceeds to reach the €25bn mark.”

Mark Hughes

Partner, UK Capital Markets leader at PwC

European IPO trends

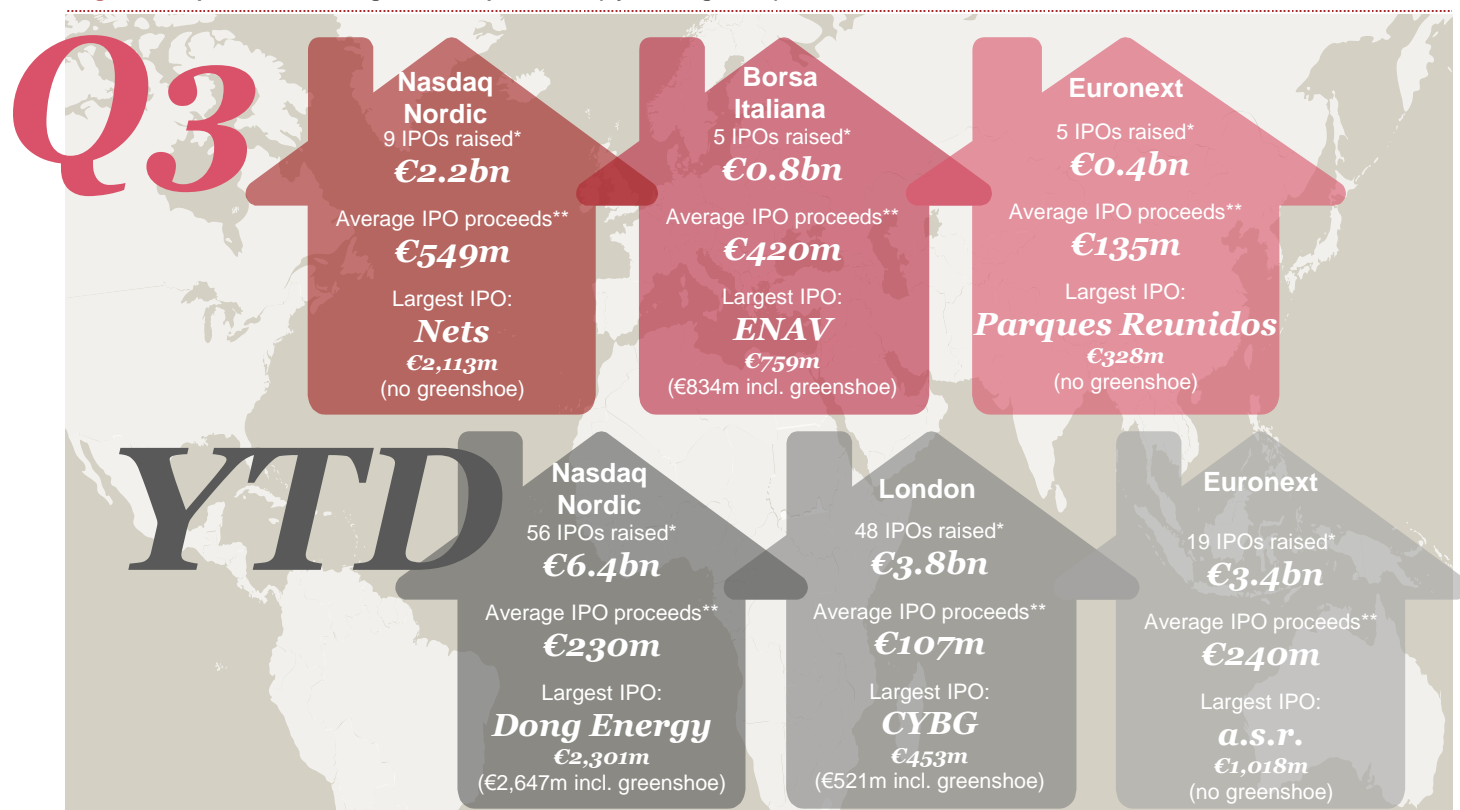
Nasdaq Nordic continued to be the most active European exchange in terms of both activity and proceeds raised

Figure 1: Quarterly European IPO activity by value and volume

	Q1 2016	Q2 2016	Q3 2016	YTD 2016	YTD 2015
Total European listings comprise those with:					
Less than €5m raised	23	28	35	86	86
Greater than €5m raised	27	67	17	111	173
Total number of listings	50	95	52	197	259
Money raised excl. greenshoe (€m)	3,490	10,919	3,832	18,241	35,719
Exercised greenshoe (€m)	201	854	80	1,135	2,840
Total money raised (€m)	3,691	11,773	3,912	19,376	38,559
Average offering value (€m)*	136	175	228	174	222

* Average offering value has been calculated based on total money raised including greenshoe, excluding listings raising less than €5m

Figure 2: Top 3 stock exchanges in Europe in 2016 (by offering value)



*Excludes greenshoe

**Average proceeds have been calculated on total proceeds including greenshoe, excluding listings raising less than €5m

European IPO trends

Subdued activity, as 52 IPOs raised €3.8bn, a decrease in proceeds of 17% compared to Q3 2015 and a 65% decrease compared to Q2 2016

Figure 3: European IPO activity since 2007 (YTD and full year)*

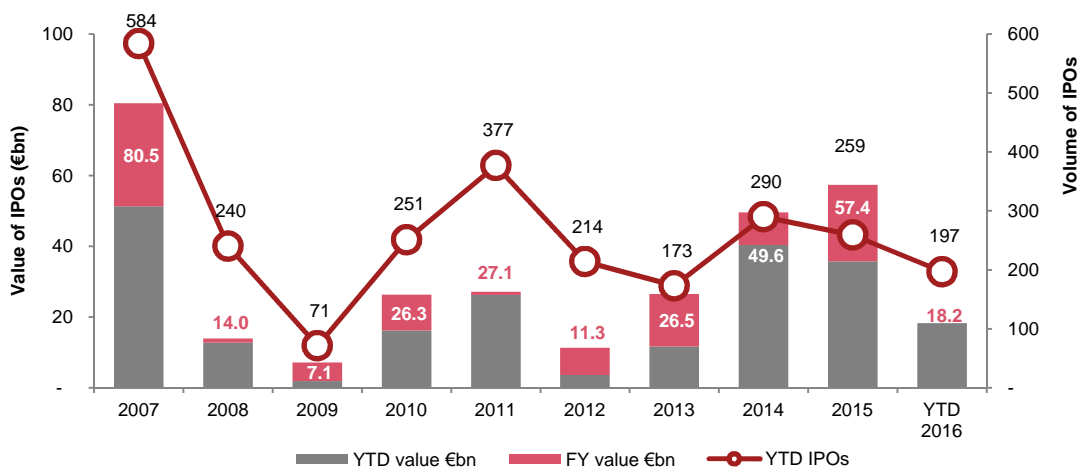
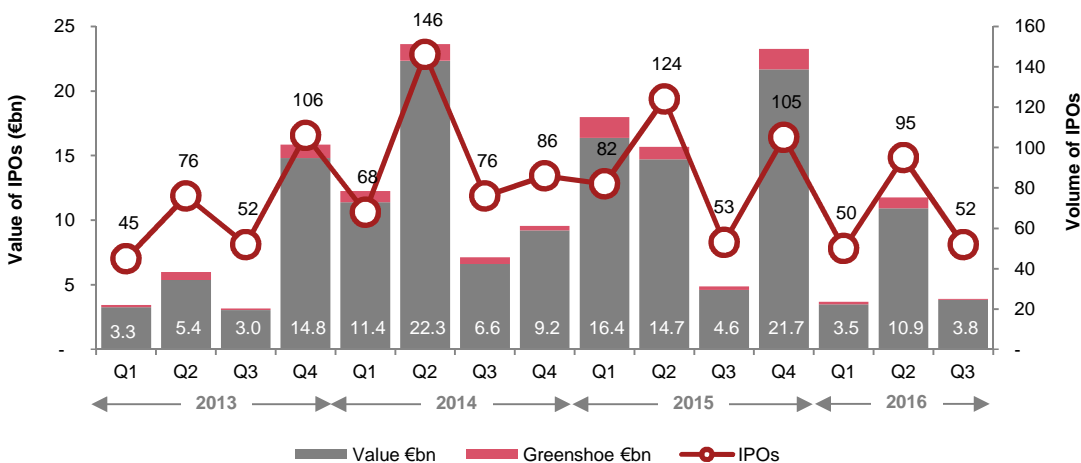


Figure 4: Quarterly European IPO activity since 2013



“Although Q3 is traditionally the quietest quarter for IPOs, this year was particularly slow. Q3 saw a number of planned transactions being delayed or cancelled allowing time to assess the impact on the market from the UK’s vote to leave the EU. As we enter the final quarter, the clouds appear to be clearing as IPO candidates seek to take advantage of the current market conditions, prior to any volatility which may result from the US presidential election.”

Lucy Tarleton

Director, Capital Markets at PwC

*Excludes greenshoe.

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

Market volatility

Volatility peaked in June 2016 following the UK's vote to leave the EU, but has since normalised

Figure 5: Volatility compared to IPO proceeds

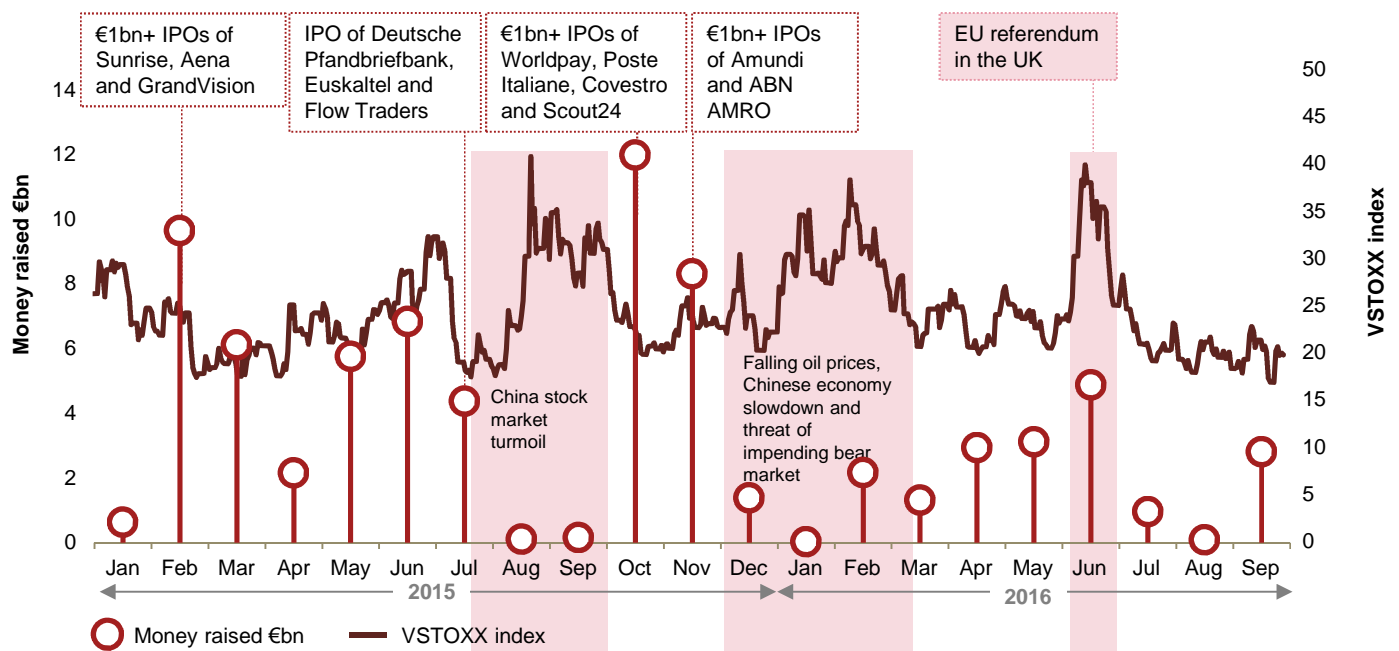
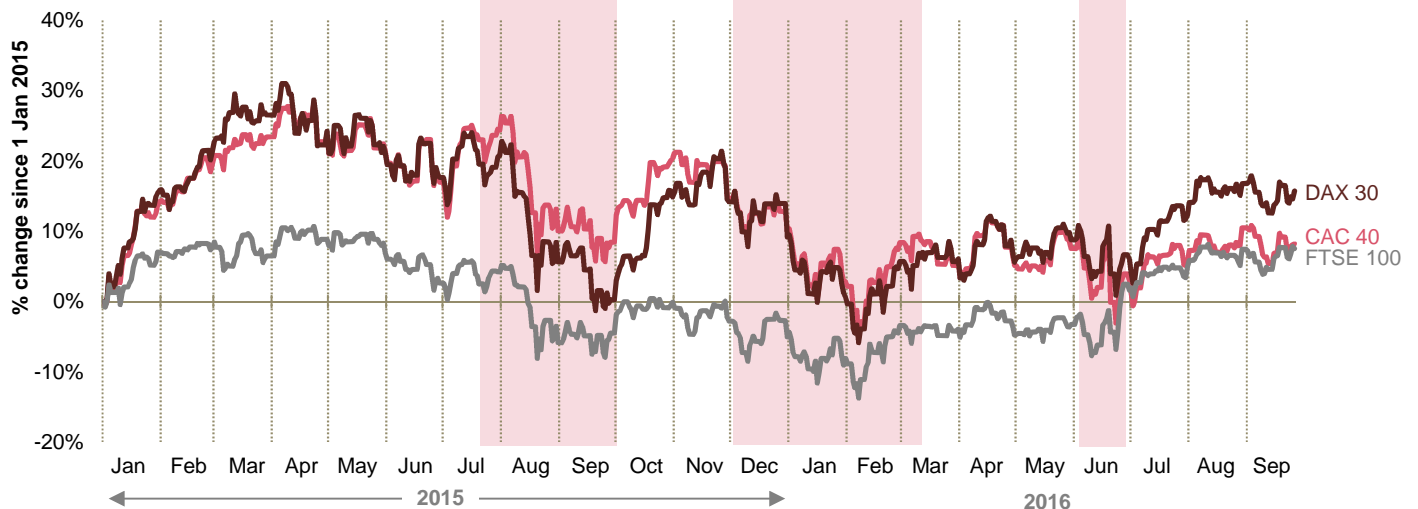


Figure 6: Historical performance of major market indices since January 2015



Source: Thomson Reuters as at 30 Sep 2016

Pricing and performance of top 5 IPOs

Late rush closing Q3 2016 as 4 of the top 5 IPOs priced in the last 15 days of the quarter

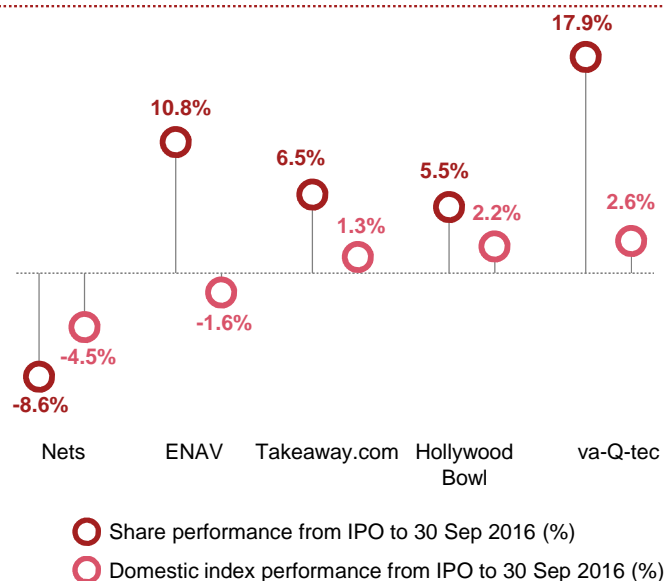
Figure 7: Top 5 IPOs in Q3 2016

	Nets	ENAV	Takeaway.com	Hollywood Bowl	va-Q-tec
Exchange	Nasdaq Copenhagen	Borsa Italiana	Euronext Amsterdam	London	Deutsche Börse
IPO date	23 September	26 July	30 September	16 September	30 September
Money raised (€m) incl. greenshoe	2,113	834	328	213	72
Price range	DKR130.00 – DKR160.00	€2.90 - €3.50	€20.50 - €26.50	£1.60	€11.20 - €13.40
Offer price	DKR150.00	€3.30	€23.00	£1.60	€12.30

Figure 8: Offer price versus initial price range of top 5 IPOs



Figure 9: Performance of top 5 IPOs

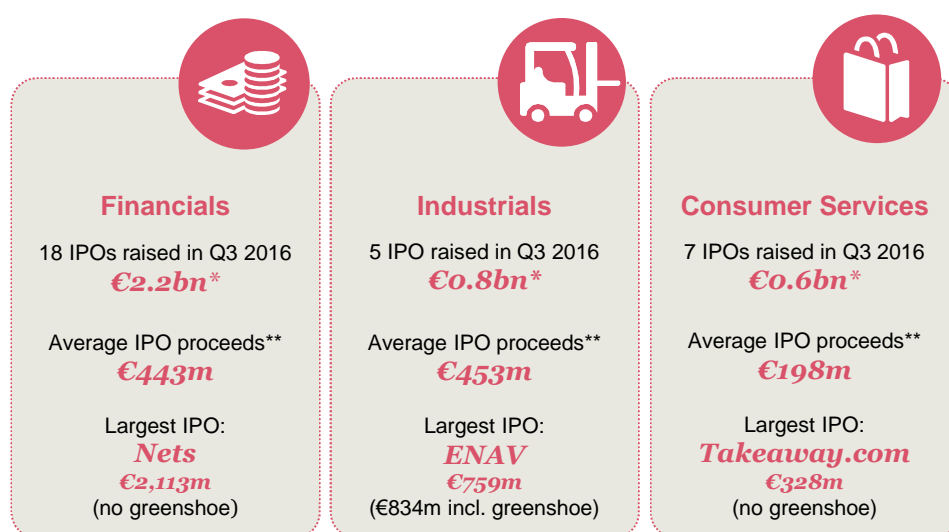


The sector story

Financials continued to be the largest sector accounting for 58% of Q3 proceeds raised

Figure 10: IPO value by sector*

By offering value (€m)	Q1 2016	Q2 2016	Q3 2016	YTD 2016	YTD 2015	Variance vs YTD 2015
Financials	1,323	3,399	2,218	6,940	10,097	(3,157)
Consumer Services	551	2,218	603	3,372	5,306	(1,934)
Industrials	233	1,895	831	2,959	8,479	(5,520)
Utilities	269	2,344	-	2,613	444	2,169
Consumer Goods	872	678	31	1,581	2,092	(511)
Health Care	186	154	95	435	2,208	(1,773)
Technology	45	87	38	170	1,635	(1,465)
Oil & Gas	-	112	16	128	29	99
Basic Materials	11	22	-	33	35	(2)
Telecommunications	-	10	-	10	5,394	(5,384)
Total	3,490	10,919	3,832	18,241	35,719	(17,478)



*Excludes greenshoe

** Average proceeds have been calculated based on total proceeds including greenshoe, excluding listings raising less than €5m

London focus - Overview

London IPO proceeds are down 59% and activity is down 25% compared to YTD 2015

Figure 11: London IPO trends (by offering value)*

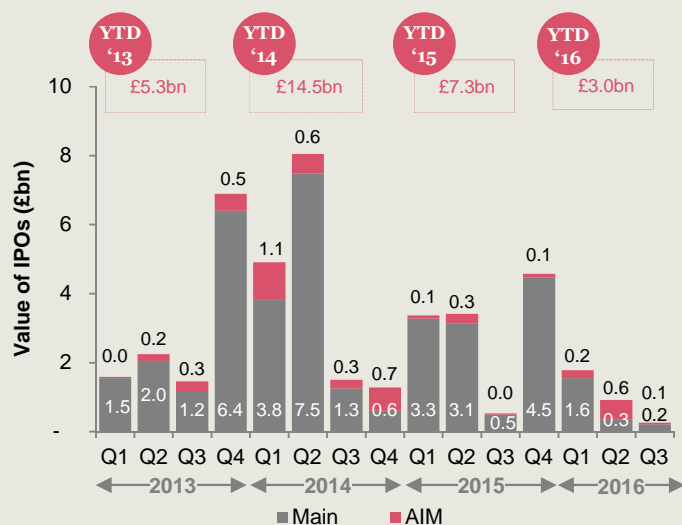


Figure 12: London IPO trends (by volume)

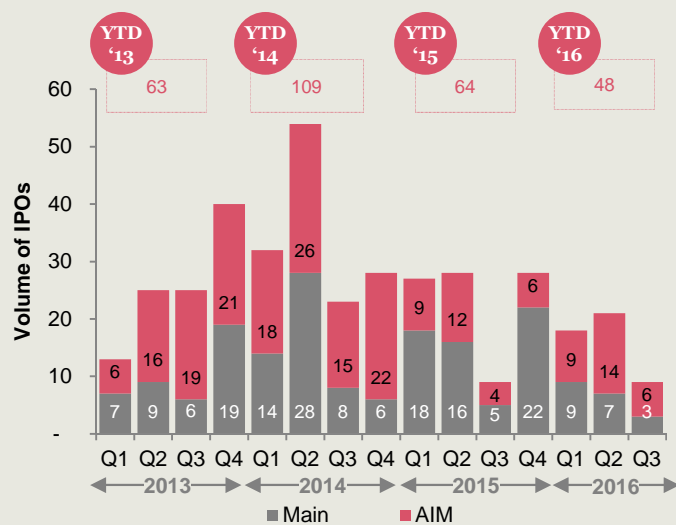


Figure 13: Top 5 UK IPOs in Q3 2016

Issuer	Value (£m)		Sector	Market	PE backed
	Excl. greenshoe	Incl. greenshoe			
Hollywood Bowl Group	181	181	Consumer Services	Main	Yes
Ranger Direct Lending ZDP	30	30	Financials	Main	No
Autins Group	27	27	Consumer Goods	AIM	No
Dorcaster	10	10	Financials	AIM	No
LoopUp Group	9	9	Technology	AIM	No

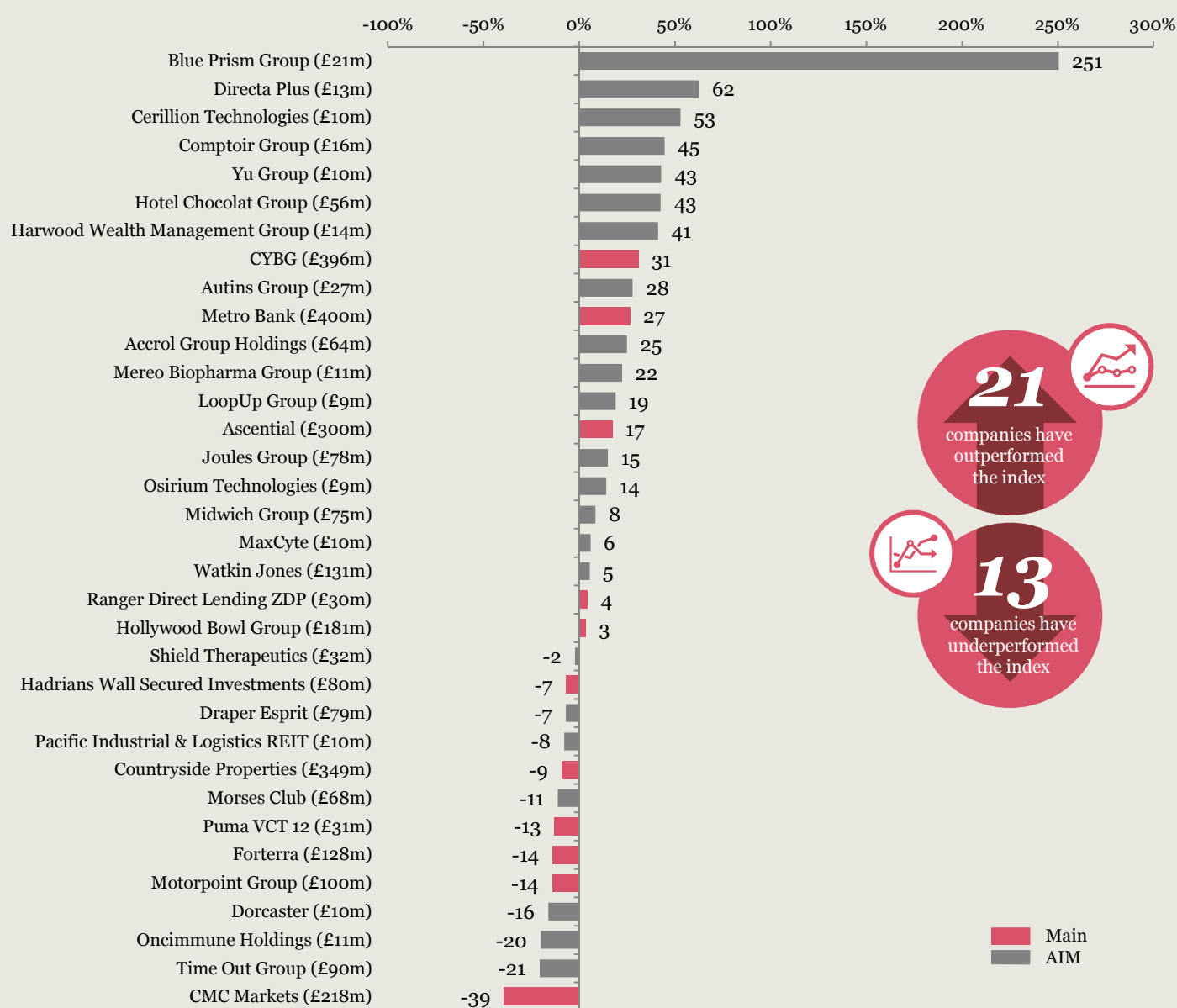
Note: Ranking in £ sterling may be different from ranking in Euros due to exchange rate

*Excludes greenshoe

London focus - Relative performance of London IPOs

£1 invested in each of the UK IPOs raising more than £5m would have resulted in a gain of £5.80 (or +17.1%)

Figure 14: Share price performance of London IPOs relative to the FTSE all share index, from IPO to 30 September 2016 (%)



Note: Threshold of £5m | Relative performance based on the FTSE All Share Index for Main Market listed companies and FTSE AIM All Share index for AIM quoted companies

Source: Thomson Reuters as of 30 September 2016

London focus - PE trends and the sector story

In Q3 only Hollywood Bowl raised more than €50m (ca. £40m) in London

Figure 15: Value of London PE-backed IPOs vs non PE-backed IPOs in London*

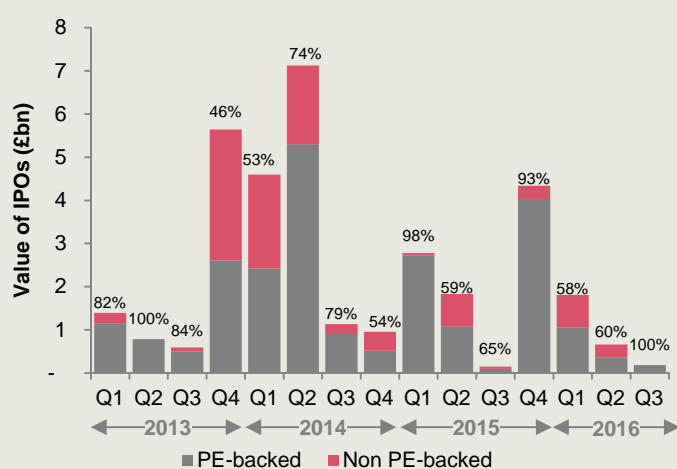


Figure 16: Volume of London PE-backed IPOs vs non PE-backed IPOs in London*

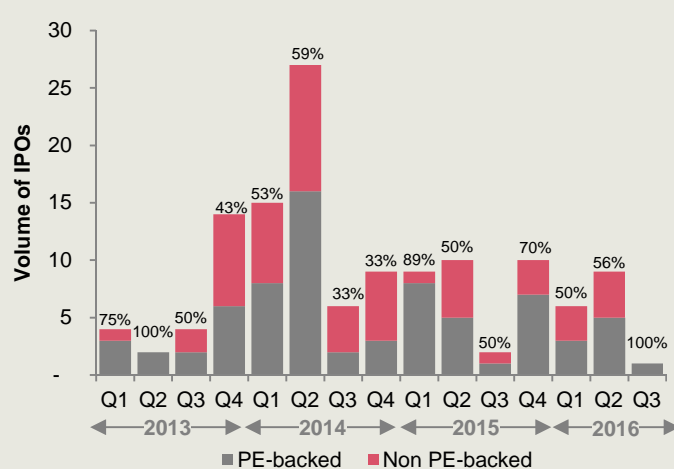


Figure 17: London IPO value by sector (excl. greenshoe)

By offering value (£m)	Q1 2016	Q2 2016	Q3 2016	YTD 2016	YTD 2015	Variance vs. YTD 2015
Financials	980	268	40	1,287	3,611	(2,323)
Consumer Services	280	284	181	745	2,157	(1,413)
Consumer Goods	304	119	27	449	377	72
Industrials	131	201	-	333	525	(192)
Health Care	42	22	-	65	213	(148)
Technology	35	9	9	52	405	(352)
Utilities	10	4	-	14	-	14
Basic Materials	-	13	-	13	10	3
Telecommunications	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-
Total value (£m)	1,782	920	256	2,958	7,297	(4,340)

* UK IPOs raising over €50m, excludes closed-end funds, SPACs, SPVs, Capital Pool companies, Investment Managers, REITs, Royalty Trusts
Source: Dealogic

Global perspective

Proceeds raised in Asia Pacific were almost double the combined value of the Americas and EMEA, but 2 of the top 3 IPOs listed in Copenhagen

Figure 18: Global IPO activity*

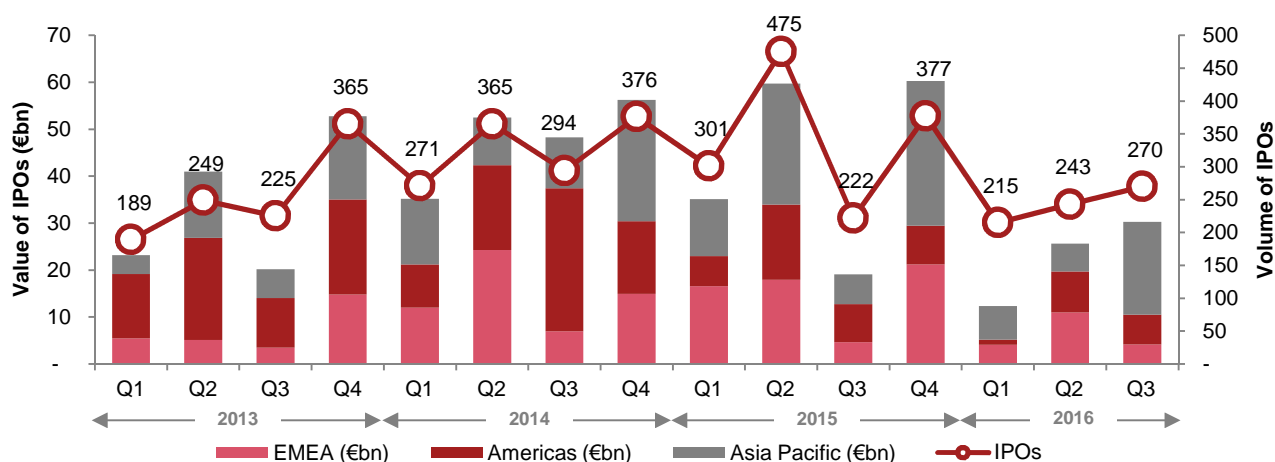


Figure 19: Top 10 global IPOs YTD 2016

Date	Issuer	€m (incl. greenshoe)	Exchange	Sector	Deal type
Sep-16	Postal Savings Bank of China	6,648	Hong Kong	Financials	Privatisation
Jun-16	Dong Energy	2,647	Nasdaq Copenhagen	Utilities	Privatisation/ PE
Sep-16	Nets	2,113	Nasdaq Copenhagen	Financials	PE
Mar-16	China Zheshang Bank	1,720	Hong Kong	Financials	-
Jul-16	LINE	1,196	NYSE, Tokyo	Technology	Carve-out
Apr-16	MGM Growth Properties	1,068	NYSE	Financials	Carve out
Jun-16	a.s.r.	1,061	Euronext Amsterdam	Financials	Privatisation
May-16	US Foods Holding	1,048	NYSE	Consumer Goods	PE
Jun-16	BOC Aviation	1,004	Hong Kong	Industrials	Carve out
Aug-16	Bank of Jiangsu	986	Shanghai	Financials	-

“The DONG Energy A/S and Nets A/S IPOs in Q2 and Q3 are the largest in Europe so far this year. These combined with the 54 other IPOs on Nasdaq Nordic mean that the Nasdaq Nordic is the most active European exchange for the year to date in terms of number of IPOs and the largest in terms of proceeds. The pipeline also looks strong, with a number of opportunities lining up for IPO, however, whether these will happen in Q4 or 2017, is hard to say.”

Rasmus Friis Jørgensen
Partner, PwC Denmark

* Excludes greenshoe
Source: Dealogic

Appendix - IPOs by market

Appendix 1: European IPOs by market

Stock exchange	Q1 2016		Q2 2016		Q3 2016		YTD 2016		YTD 2015	
	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*
TOTAL										
Nasdaq Nordic and Baltic	14	811	33	3,436	9	2,196	56	6,443	64	3,954
London Stock Exchange	18	2,327	21	1,180	9	311	48	3,818	64	10,092
Euronext	1	3	13	2,986	5	406	19	3,395	33	5,522
BME (Spanish Exchange)	5	3	5	1,300	10	8	20	1,311	16	7,770
Borsa Italiana	2	28	5	437	5	775	12	1,240	20	2,064
Prague	-	-	1	656	-	-	1	656	-	-
SIX Swiss Exchange	1	-	2	633	-	-	3	633	3	2,039
Deutsche Börse	3	288	2	17	4	72	9	377	15	2,840
Warsaw	5	19	8	92	5	4	18	115	24	339
Borsa Istanbul	1	11	1	92	-	-	2	103	5	25
Oslo Børs & Oslo Axess	-	-	4	90	1	12	5	102	6	644
Luxembourg	-	-	-	-	2	48	2	48	-	-
Irish Stock Exchange	-	-	-	-	-	-	-	-	2	394
Zagreb Stock Exchange	-	-	-	-	-	-	-	-	2	36
Bucharest	-	-	-	-	1	-	1	-	4	-
Wiener Börse	-	-	-	-	1	-	1	-	1	-
Total	50	3,490	95	10,919	52	3,832	197	18,241	259	35,719
EU-REGULATED										
Nasdaq Nordic and Baltic (Main)	5	592	12	3,236	3	2,167	20	5,995	18	3,260
Euronext	-	-	10	2,954	2	368	12	3,322	22	5,436
London Main	9	2,026	7	432	3	249	19	2,707	39	9,508
BME (Spanish Exchange) (Main)	-	-	3	1,300	-	-	3	1,300	6	7,662
Borsa Italiana (Main)	-	-	2	378	1	759	3	1,137	8	1,909
Prague	-	-	1	656	-	-	1	656	-	-
SIX Swiss Exchange	1	-	2	633	-	-	3	633	3	2,039
Deutsche Börse (Prime and General Standard)	3	288	1	3	2	72	6	363	12	2,840
Warsaw (Main)	1	17	5	91	-	-	6	108	7	333
Oslo Børs	-	-	3	90	-	-	3	90	3	586
Irish Stock Exchange (Main)	-	-	-	-	-	-	-	-	2	394
Zagreb Stock Exchange	-	-	-	-	-	-	-	-	2	36
Wiener Börse	-	-	-	-	-	-	-	-	1	-
EU-regulated sub-total	19	2,923	46	9,773	11	3,615	76	16,311	123	34,003
EXCHANGE-REGULATED										
London AIM	9	301	14	748	6	62	29	1,111	25	584
Nasdaq Nordic (First North)	9	219	21	200	6	29	36	448	46	694
Borsa Italiana (AIM)	2	28	3	59	4	16	9	103	12	155
Borsa Istanbul	1	11	1	92	-	-	2	103	5	25
Euronext (Alternext)	1	3	3	32	3	38	7	73	11	86
Luxembourg (MTF)	-	-	-	-	2	48	2	48	-	-
Deutsche Börse (Entry Standard)	-	-	1	14	2	-	3	14	3	-
Oslo Axess	-	-	1	-	1	12	2	12	3	58
BME (Spanish Exchange) (MAB)	5	3	2	-	10	8	17	11	10	108
Warsaw (NewConnect)	4	2	3	1	5	4	12	7	17	6
Bucharest (AeRO)	-	-	-	-	1	-	1	-	4	-
Wiener Börse (MTF)	-	-	-	-	1	-	1	-	-	-
Exchange-regulated sub-total	31	567	49	1,146	41	217	121	1,930	136	1,716
Europe total	50	3,490	95	10,919	52	3,832	197	18,241	259	35,719

* Excludes greenshoe

Appendix - Exchange activity by value

Appendix 2: IPO offering value by stock exchange*

Stock exchange offering value (€m)	Q1 2016	Q2 2016	Q3 2016	YTD 2016	YTD 2015
Nasdaq Nordic and Baltic	811	3,436	2,196	6,443	3,954
<i>Nasdaq Copenhagen</i>	477	2,301	2,113	4,891	168
<i>Nasdaq Stockholm</i>	317	869	83	1,269	3,369
<i>Nasdaq Helsinki</i>	17	232	-	249	352
<i>Nasdaq Iceland</i>	-	20	-	20	65
<i>Nasdaq Tallinn</i>	-	14	-	14	-
<i>Nasdaq Riga</i>	-	-	-	-	-
<i>Nasdaq Vilnius</i>	-	-	-	-	-
London Stock Exchange	2,327	1,180	311	3,818	10,092
Euronext	3	2,986	406	3,395	5,522
<i>Euronext Amsterdam</i>	-	2,280	328	2,608	2,250
<i>Euronext Paris</i>	3	683	78	764	2,972
<i>Euronext Brussels</i>	-	23	-	23	300
BME (Spanish Exchange)	3	1,300	8	1,311	7,770
Borsa Italiana	28	437	775	1,240	2,064
Prague Stock Exchange	-	656	-	656	-
SIX Swiss Exchange	-	633	-	633	2,039
Deutsche Börse	288	17	72	377	2,840
Warsaw	19	92	4	115	339
Borsa Istanbul	11	92	-	103	25
Oslo Børs & Oslo Axess	-	90	12	102	644
Luxembourg	-	-	48	48	-
Bucharest Stock Exchange	-	-	-	-	-
Wiener Börse	-	-	-	-	-
Irish Stock Exchange	-	-	-	-	394
Zagreb Stock Exchange	-	-	-	-	36
Total	3,490	10,919	3,832	18,241	35,719

*Excludes greenshoe

Appendix - Exchange activity by volume

Appendix 3: IPO volume by stock exchange

Stock exchange offering volume	Q1 2016	Q2 2016	Q3 2016	YTD 2016	YTD 2015
Nasdaq Nordic and Baltic	14	33	9	56	64
<i>Nasdaq Copenhagen</i>	1	2	1	4	1
<i>Nasdaq Stockholm</i>	10	25	7	42	51
<i>Nasdaq Helsinki</i>	2	4	-	6	8
<i>Nasdaq Iceland</i>	-	1	-	1	2
<i>Nasdaq Tallinn</i>	-	1	-	1	1
<i>Nasdaq Riga</i>	-	-	1	1	-
<i>Nasdaq Vilnius</i>	1	-	-	1	1
London Stock Exchange	18	21	9	48	64
Euronext	1	13	5	19	33
<i>Euronext Amsterdam</i>	-	5	1	6	5
<i>Euronext Paris</i>	1	7	4	12	24
<i>Euronext Brussels</i>	-	1	-	1	4
BME (Spanish Exchange)	5	5	10	20	16
Borsa Italiana	2	5	5	12	20
Prague Stock Exchange	-	1	-	1	-
SIX Swiss Exchange	1	2	-	3	3
Deutsche Börse	3	2	4	9	15
Warsaw	5	8	5	18	24
Borsa Istanbul	1	1	-	2	5
Oslo Børs & Oslo Axess	-	4	1	5	6
Luxembourg	-	-	2	2	-
Bucharest Stock Exchange	-	-	1	1	4
Wiener Börse	-	-	1	1	1
Irish Stock Exchange	-	-	-	-	2
Zagreb Stock Exchange	-	-	-	-	2
Total	50	95	52	197	259



Contacts

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 the EU, Iceland, Norway, Turkey and Switzerland) on a quarterly basis. Movements between markets on the same exchange are excluded.

This survey was conducted between 1 July and 30 September 2016 and captures IPOs based on their first trading date. All market data is sourced from the stock markets themselves and has not been independently verified by PricewaterhouseCoopers LLP.

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