IPO Watch Europe

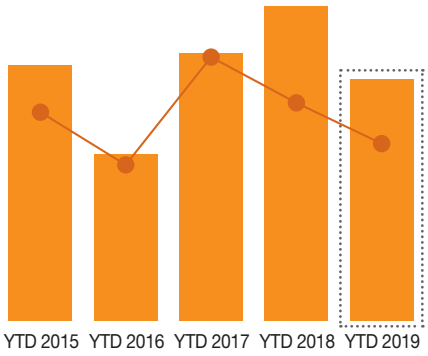
Q3 2019

pwc

pwc.co.uk/ipowatch

European IPO markets raised €3.8bn in Q3 2019 (up marginally on Q3 2018), however YTD values were down 40% on 2018

YTD Global IPO activity

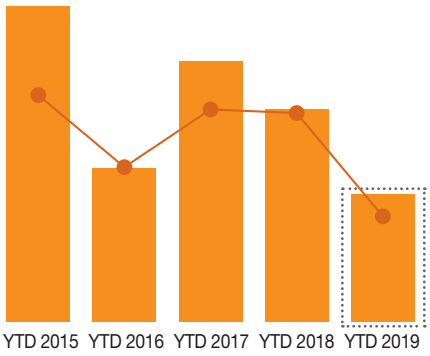


Volume of IPOs
Value ($bn)

(24%) **decrease on YTD 2018**

$125.7bn **in YTD 2019**

YTD European IPO activity (incl. UK)

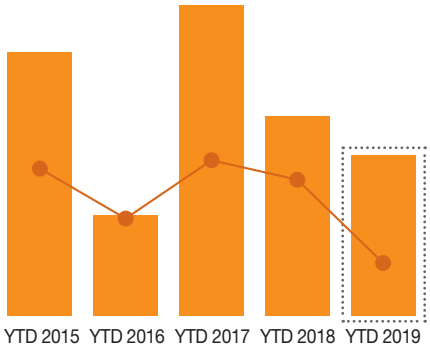


Volume of IPOs
Value (€bn)

(40%) **decrease on YTD 2018**

€15.9bn **in YTD 2019**

YTD UK IPO activity



Volume of IPOs
Value (£bn)

(20%) **decrease on YTD 2018**

£4.8bn **in YTD 2019**

European IPO markets were quiet in Q3, save for two mega-IPOs[1]

UniPhar plc
Consumer Services
€141m
Euronext Dublin, London

TeamViewer AG
Technology
€1,969m
Deutsche Börse

EQT Partners AB
Financials
€1,194m
Nasdaq Stockholm

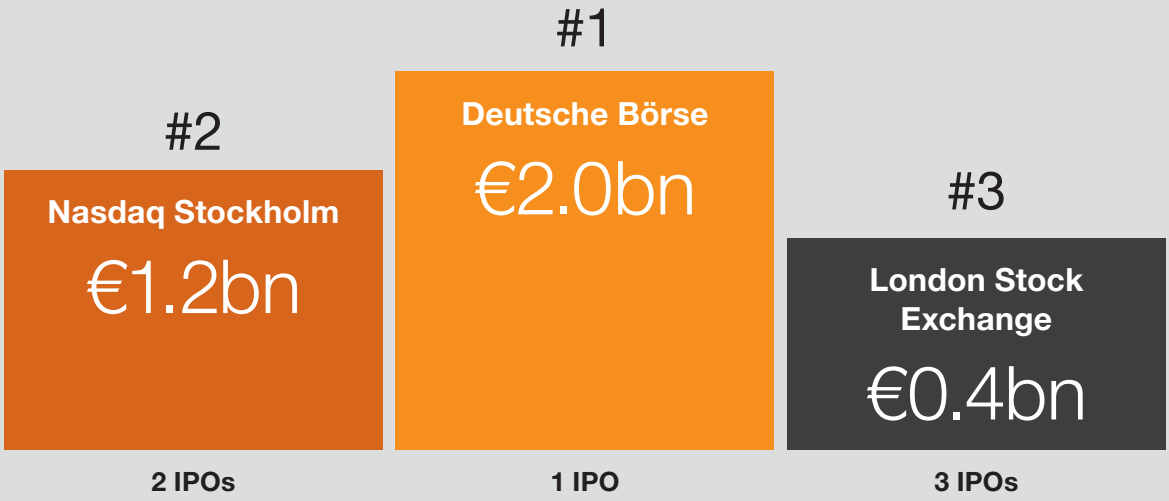
Addiko Bank AG
Financials
€156m
Wiener Börse

JPMorgan Global Core Real Assets Ltd
Financials
€169m
London

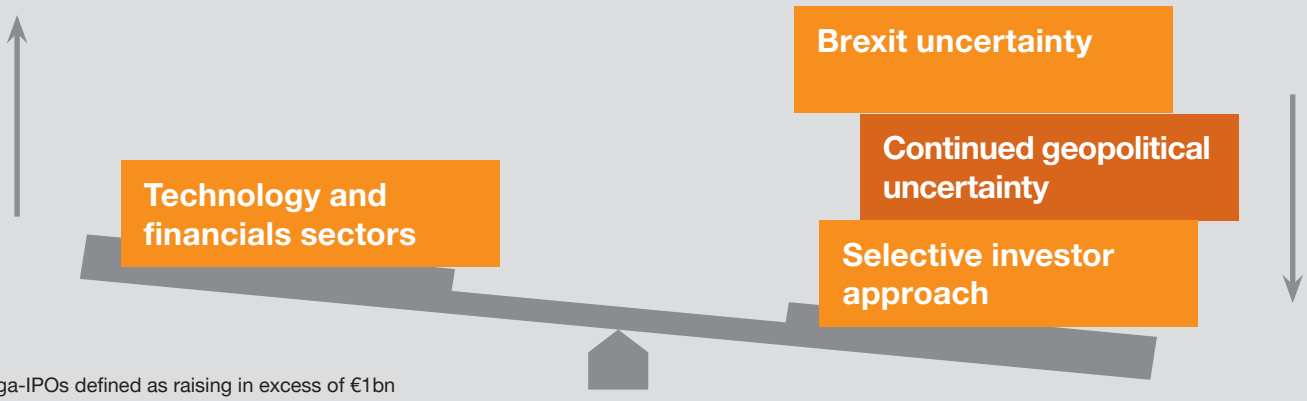
[1] Mega-IPOs defined as raising in excess of €1bn

Technology was the largest sector in Q3 2019, due to the mega-IPO[1] of TeamViewer AG

The two mega-IPOs[1] drove the Deutsche Börse and Nasdaq Stockholm



After a busy Q2, markets were supportive, but Brexit and broader geopolitical uncertainty continued



[1] Mega-IPOs defined as raising in excess of €1bn

Contents

UK focus 2

Overview 3

European focus 4

European IPO trends 5

Market volatility 7

Pricing of top five IPOs 8

European PE trends 8

The sector story 9

Global focus 10

Global money raised via IPOs 11

Top ten largest IPOs 11

Appendix 12

IPOs by market 13

About IPO Watch Europe 15

Contacts 16

Outlook

"Q3 2019 has been a thin quarter for IPOs with issuance amounting to €3.8bn. This is marginally ahead of the same quarter last year, due primarily to the IPOs of TeamViewer at €2.0bn in Germany and EQT Partners at €1.2bn in Stockholm. However, volumes have been low, even taking account of the fact that Q3 bridges the summer break in July and August, with 16 IPOs in the period compared to 33 in Q3 2018. It was a revealing insight that the third largest IPO in Europe was JPMorgan Global Core Real Assets at €169m.

Looking forward, whilst there are several International IPOs in process for the London market, there have been few UK domestic IPOs as companies are generally sitting things out, waiting for Brexit and global trade uncertainty to resolve.

Peter Whelan
Partner, UK IPO Lead at PwC

UK focus

UK focus – Overview

Three companies listed in London in Q3 2019 raising £332m – the lowest Q3 value since 2016

Figure 1: UK IPO trends (by offering value)

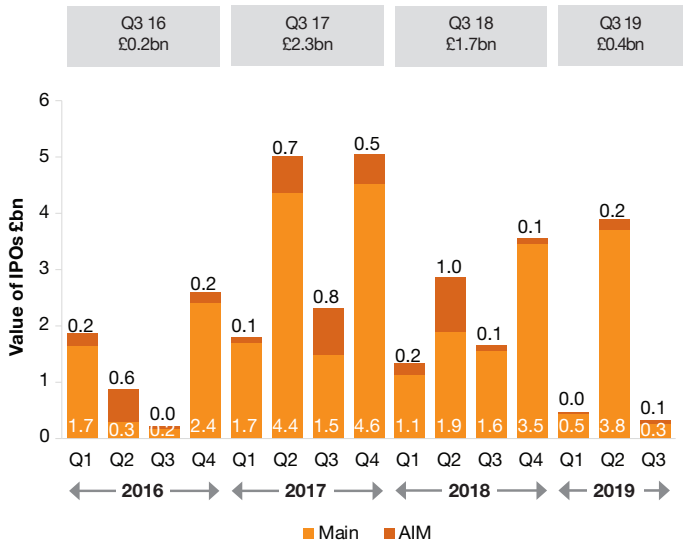


Figure 2: UK IPO trends (by volume)

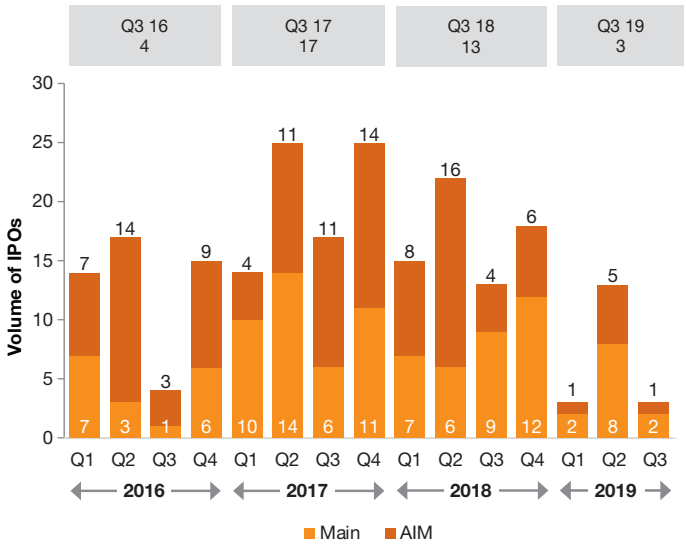


Figure 3: UK IPOs Q3 2019

Issuer	Value (£m)	Sector	Market	Private Equity ('PE') backed
JPMorgan Global Core Real Assets Ltd	149	Financials	Main	No
UniPhar plc	126	Consumer Services	Main	No
Brickability Group plc	57	Industrials	AIM	No

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

Figure 4: UK IPO value by sector

By offering value (£m)	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Variance vs Q3 2018
Financials	1,089	2,133	363	1,958	149	(940)
Consumer Services	65	–	95	1,176	126	61
Industrials	38	–	–	–	57	19
Telecommunications	–	–	–	541	–	–
Technology	441	5	–	28	–	(441)
Consumer Goods	–	1,083	–	242	–	–
Health Care	60	22	21	17	–	(60)
Basic Materials	–	376	–	–	–	–
Total Value	**1,693**	**3,619**	**479**	**3,962**	**332**	**(1,361)**

Source: Dealogic

European focus

European IPO trends

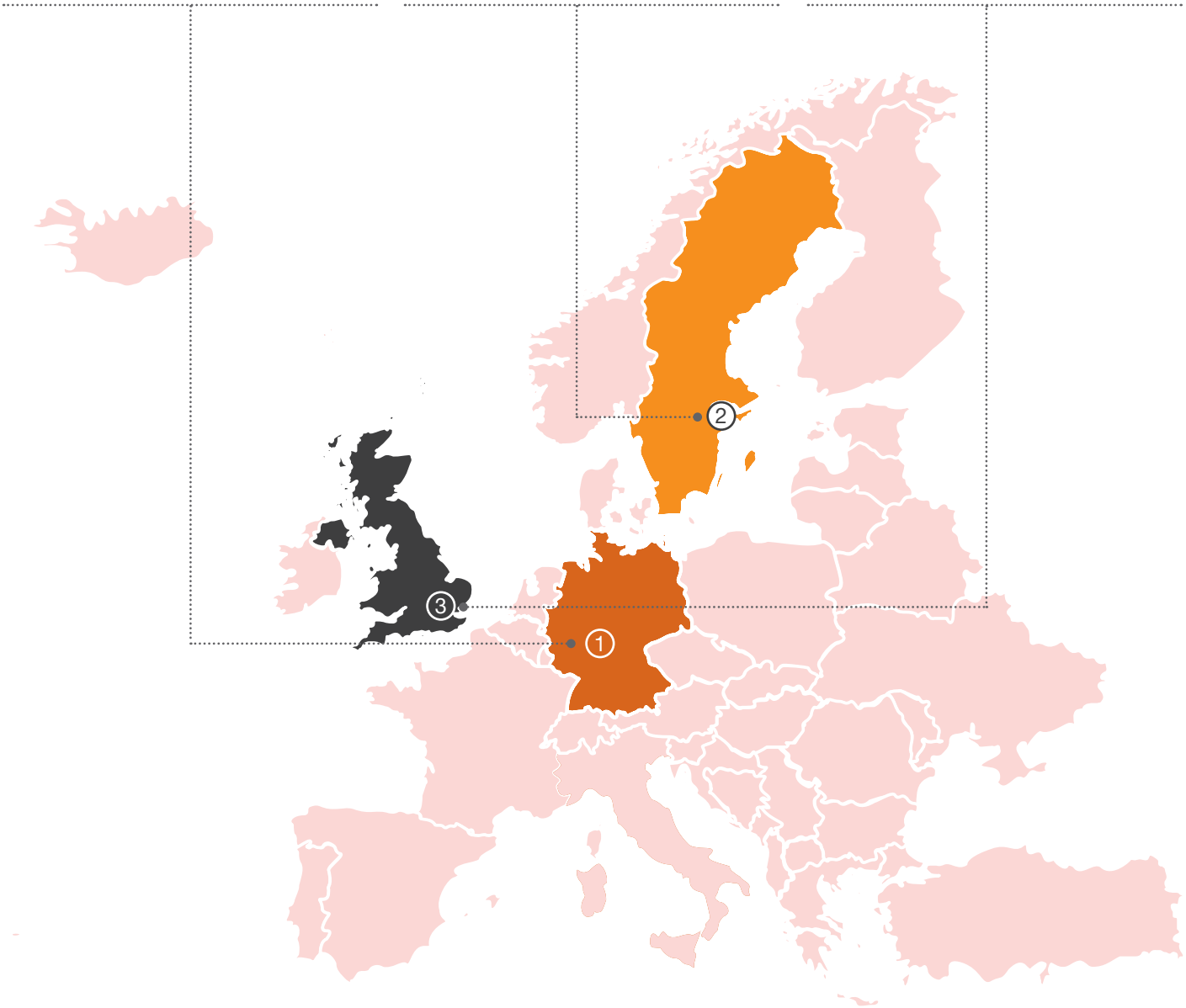
The TeamViewer AG IPO made the Deutsche Börse the top exchange in Europe by value in Q3 2019

Figure 6: Top three stock exchanges in Europe in Q3 2019 (by offering value)

1 **Deutsche Börse**
1 IPO raised: **€2.0bn**
Largest sector: **Technology**
Largest IPO: **TeamViewer AG** (€1,969m)

2 **Nasdaq Stockholm**
2 IPOs raised: **€1.2bn**
Largest sector: **Financials**
Largest IPO: **EQT Partners AB** (€1,194m)

3 **London Stock Exchange**
3 IPOs raised: **€373m**
Largest sector: **Financials**
Largest IPO: **JPMorgan Global Core Real Assets Ltd** (€169m)



European IPO trends

Q3 2019 values were broadly in line with Q3 2018, despite fewer than half the number of IPOs

Figure 7: Quarterly European IPO activity since 2015

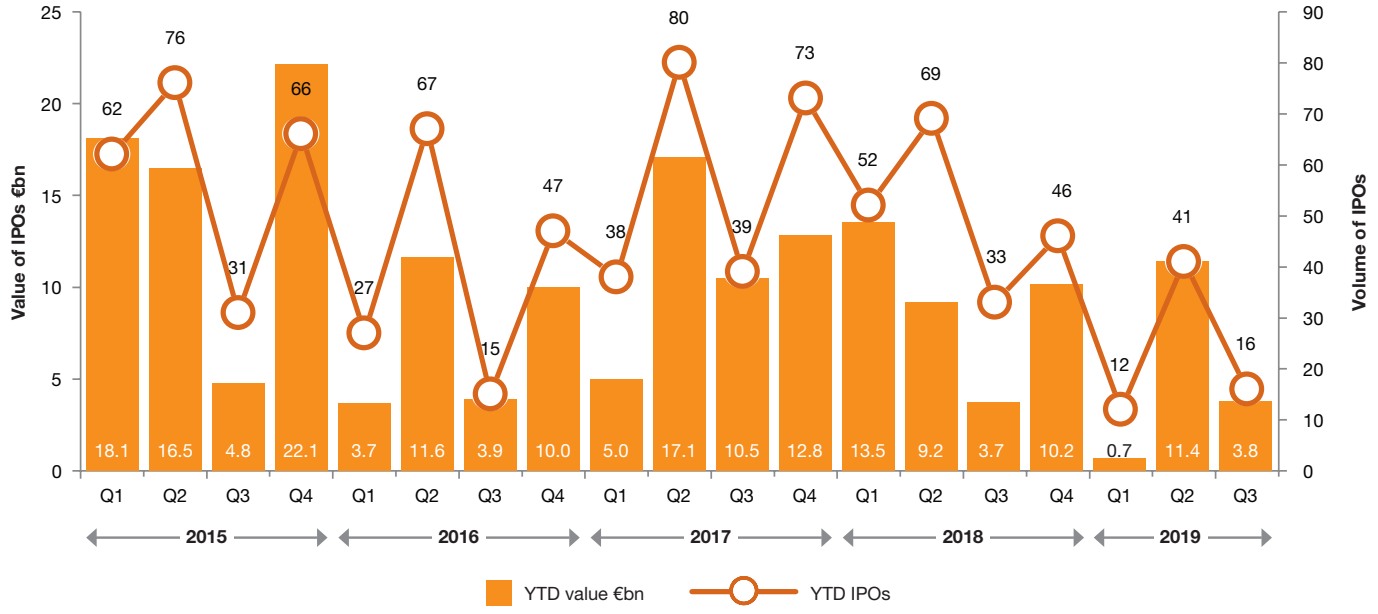
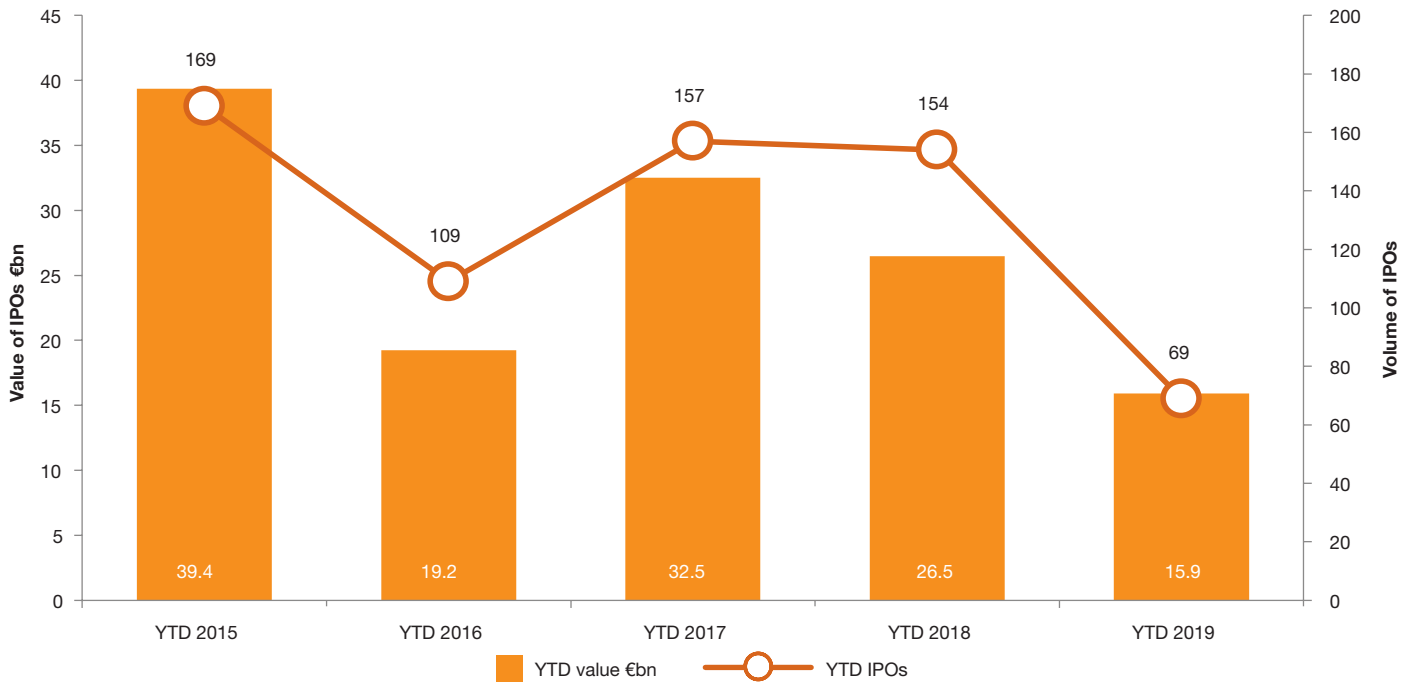


Figure 8: Q3 YTD European IPO activity since 2015



Market volatility

Due to global economic growth concerns, markets continue to be volatile

Figure 9: Volatility tracked against European IPO values

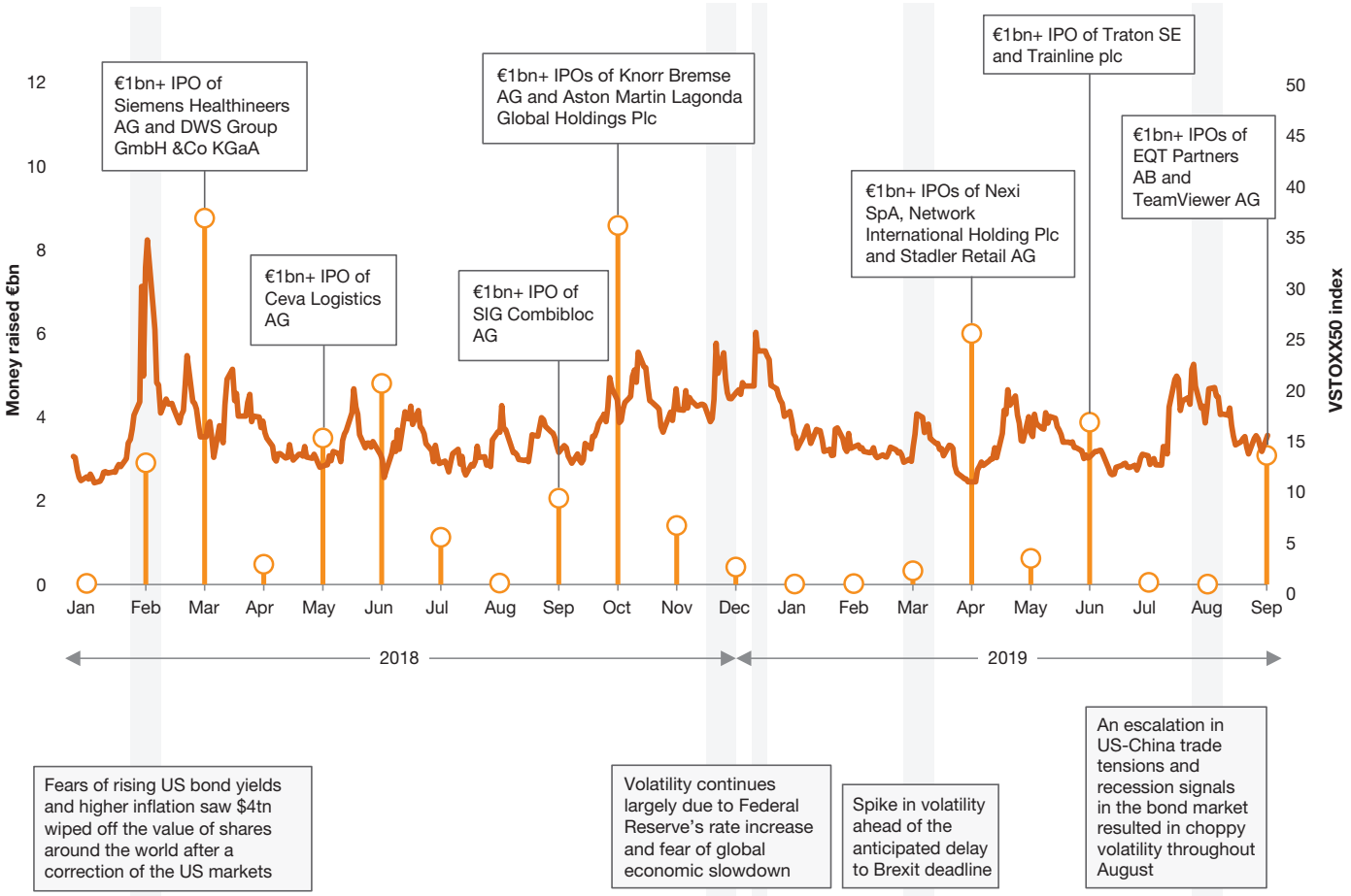
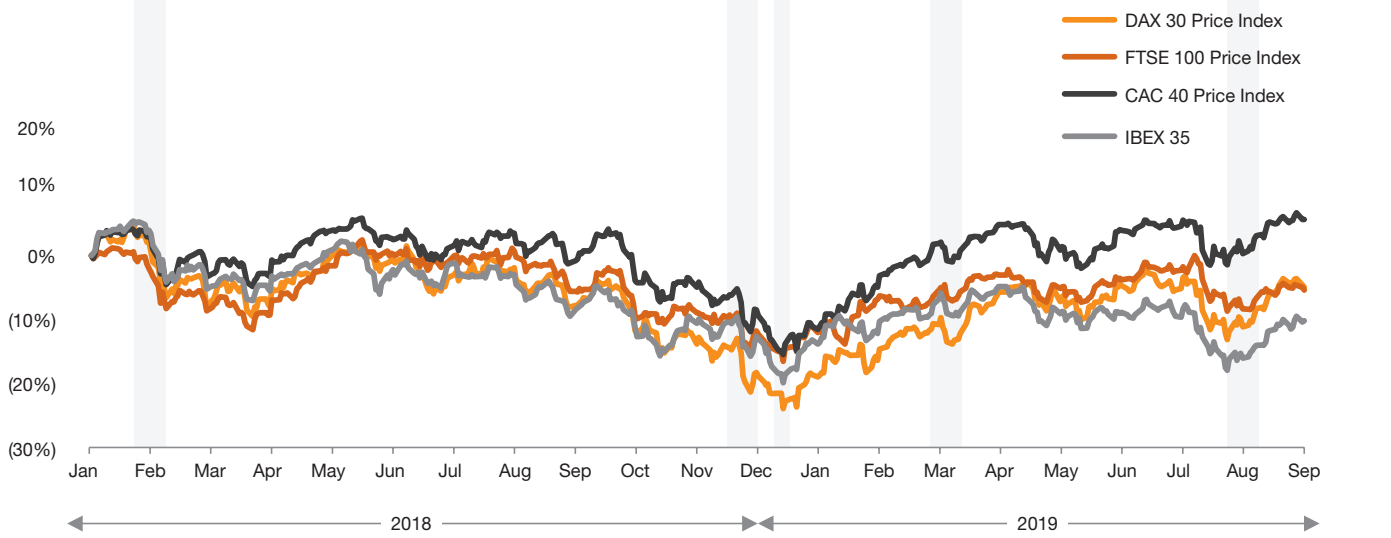


Figure 10: Historical performance of major European market indices since January 2018



Source: Thomson Reuters as at 30 September 2019

Pricing of top five IPOs

Two European mega-IPOs[1] launched at the end of the quarter, pricing towards the top end of the range

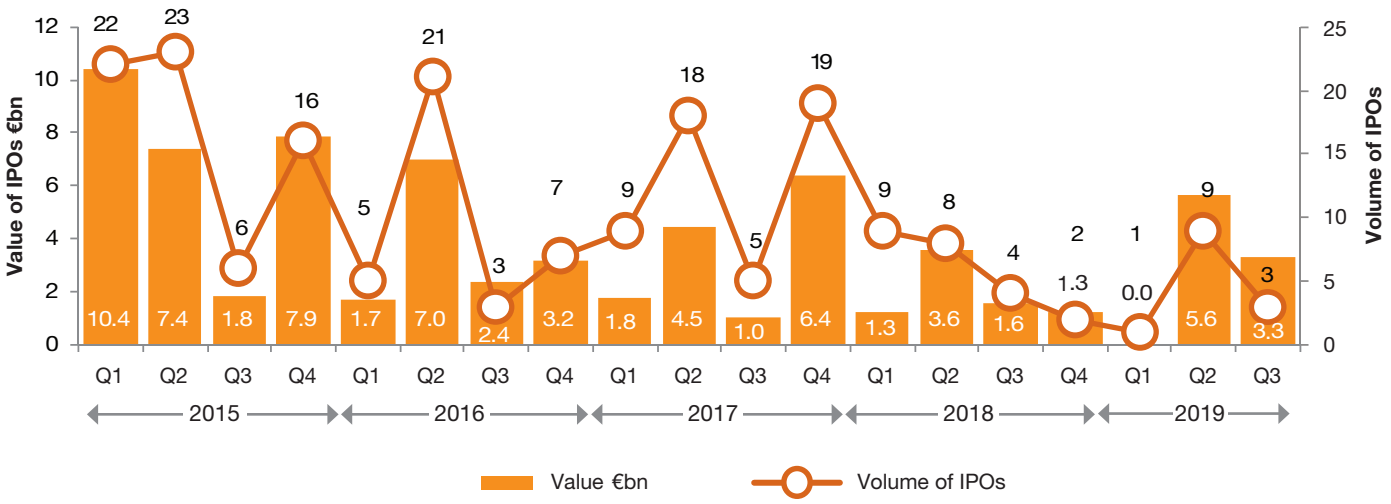
Figure 11: Top five European IPOs in Q3 2019

	TeamViewer AG	EQT Partners AB	JPMorgan Global Core Real Assets Ltd	Addiko Bank AG	UniPhar plc
Exchange	Deutsche Börse	Nasdaq Stockholm	London	Wiener Börse	Euronext Dublin, London
IPO date	24-Sep	24-Sep	23-Sep	11-Jul	12-Jul
Money raised (€m)	1,969	1,194	169	156	141
Price range	€23.50 – €27.50	SEK62.00 – SEK68.00	£1.00	€19.00 – €23.00	€1.15
Offer price	€26.25	SEK67.00	£1.00	€16.00	€1.15
Price at quarter end	€24.88	SEK87.34	€1.03	€17.10	€1.16
Variance vs IPO date	(5.22%)	30.3%	2.5%	0.6%	0.9%

European PE trends

Q3 2019 was quiet for PE-backed IPOs, but values were boosted by TeamViewer AG and EQT Partners AB

Figure 12: Quarterly value and volume of European PE-backed IPOs since 2015



Source: Dealogic

[1] Mega-IPOs defined as raising in excess of €1bn

The sector story

Technology was the largest sector in Q3 2019 due to the mega-IPO[1] of TeamViewer AG

Figure 13: European IPO values by sector

By offering value (€m)	Q1 2019	Q2 2019	Q3 2019	YTD 2019	YTD 2018	Variance vs YTD 2018
Technology	6	44	1,969	2,019	2,140	(121)
Financials	451	4,733	1,519	6,703	9,070	(2,367)
Consumer Services	111	2,151	161	2,423	2,081	342
Industrials	33	2,958	77	3,068	4,913	(1,845)
Consumer Goods	–	287	25	312	1,141	(829)
Health Care	94	635	14	743	5,265	(4,522)
Utilities	–	–	12	12	419	(407)
Telecommunications	–	604	–	604	81	523
Oil & Gas	–	27	–	27	453	(426)
Telecommunications	–	–	–	–	921	(921)
Total	**695**	**11,439**	**3,777**	**15,911**	**26,484**	**(10,573)**

Technology
1 IPO raised in Q3 2019
€2.0bn
Largest IPO
TeamViewer AG
€1,969m

Financials
3 IPOs raised in Q3 2019
€1.5bn
Largest IPO
EQT Partners AB
€1,194m

Consumer Services
3 IPOs raised in Q3 2019
€161m
Largest IPO
UniPhar plc
€141m

Source: Dealogic

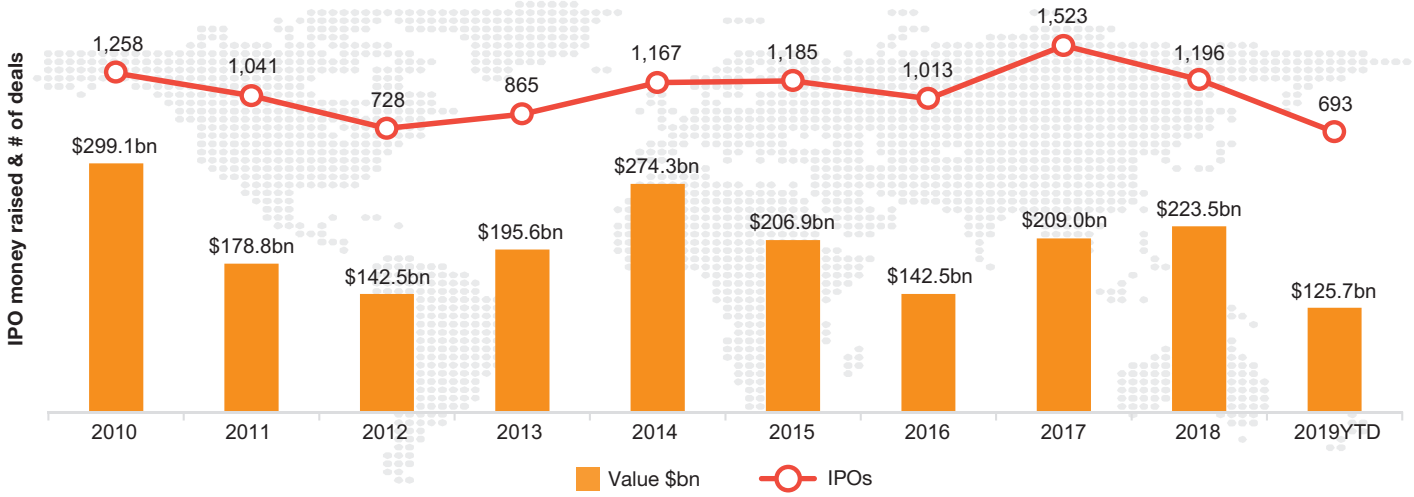
[1] Mega-IPOs defined as raising in excess of €1bn

Global focus

Global money raised via IPOs

With activity levels subdued in Q3 2019, expectations for Q4 are adjusted downwards

Figure 14: Global money raised via IPOs (ten year overview)



Source: Dealogic as of 30 September 2019

Figure 15: Top ten largest IPOs 2019 YTD

Pricing date	Issuer name	Issuer country	Sector	Exchange	Filing range	Offer price	Pricing	Money raised	Free float	Secondary shares (%)	Performance 1-day	Performance 1-month	Performance Current
9-May-19	Uber Technologies		Consumer Services	NYSE	44.00 – 50.00	45.00	Bottom of range	$8.1bn	10.7%	0.0%	(7.6%)	(1.9%)	(32.3%)
24-Sep-19	Budweiser Brewing Co APAC		Consumer Goods	HKEX	27.00 – 30.00	27.00	Bottom of range	$5.0bn	10.8%	0.0%	4.4%	N/A	4.4%
16-May-19	Avantor		Health Care	NYSE	18.00 – 21.00	14.00	Below range	$3.3bn	44.6%	0.0%	3.6%	34.3%	5.0%
28-Mar-19	Lyft		Consumer Services	NASDAQ	62.00 – 68.00	72.00	Above range	$2.6bn	12.4%	0.0%	8.7%	(20.5%)	(43.3%)
12-Apr-19	Nexi		Industrials	Borsa Italiana	8.50 – 10.35	9.00	In range	$2.3bn	36.4%	65.2%	(6.2%)	(6.6%)	4.0%
24-Sep-19	TeamViewer		Technology	Deutsche Börse	23.50 – 27.50	26.25	In range	$2.2bn	37.5%	100.0%	(3.6%)	N/A	(5.9%)
17-Apr-19	Pinterest		Technology	NYSE	15.00 – 17.00	19.00	Above range	$1.6bn	16.3%	0.0%	28.4%	40.5%	39.2%
10-Apr-19	Network International		Industrials	LSE	3.95 – 4.65	4.35	In range	$1.6bn	56.0%	100.0%	14.9%	20.2%	23.0%
27-Jun-19	Traton		Industrials	Deutsche Börse; NASDAQ S'holm	27.00 – 33.00	27.00	Bottom of range	$1.6bn	10.3%	100.0%	(2.0%)	0.2%	(9.4%)
12-Apr-19	Stadler Rail		Industrials	SIX Swiss Exchange	33.00 – 41.00	38.00	In range	$1.5bn	40.3%	100.0%	13.4%	10.6%	18.0%

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 September 2019

Appendix

Appendix – IPOs by market

Appendix 1: European IPOs by market

	Q3 2018		Q4 2018		Q1 2019		Q2 2019		Q3 2019	
	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m
Total										
Deutsche Börse	1	17	3	4,016	–	–	3	1,582	1	1,969
Nasdaq Nordic	1	14	10	237	3	35	10	1,860	2	1,206
Nasdaq Stockholm	1	14	6	167	2	29	8	1,848	2	1,206
Nasdaq Helsinki	–	–	3	65	1	6	1	6	–	–
Nasdaq Copenhagen	–	–	1	5	–	–	1	6	–	–
London Stock Exchange Group	22	2,040	24	4,397	5	591	19	6,616	10	435
London Stock Exchange	13	1,903	18	4,110	3	556	13	4,514	3	373
Borsa Italiana	9	137	6	287	2	35	6	2,102	7	62
Wiener Börse	–	–	–	–	1	22	1	52	1	156
Euronext	5	86	5	1,321	2	35	–	–	2	147
Euronext Dublin[1]	–	–	–	–	–	–	–	–	1	141
Euronext Paris	5	86	3	741	1	8	–	–	1	6
Euronext Brussels	–	–	1	575	1	27	–	–	–	–
Euronext Lisbon	–	–	1	5	–	–	–	–	–	–
Borsa Istanbul	–	–	–	–	–	–	1	5	1	5
SIX Swiss Exchange	1	1,503	–	–	–	–	3	2,014	–	–
Oslo	2	71	–	–	1	12	4	454	–	–
BME (Spain)	–	–	2	200	–	–	1	250	–	–
Warsaw	1	5	–	–	–	–	1	8	–	–
Belgrade Stock Exchange	–	–	1	6	–	–	–	–	–	–
Prague	–	–	1	1	–	–	–	–	–	–
Europe total	**33**	**3,736**	**46**	**10,178**	**12**	**695**	**43**	**2,841**	**17**	**3,918**
Europe total (excl. dual listings)[2]	**33**	**3,736**	**46**	**10,178**	**12**	**695**	**41**	**11,439**	**16**	**3,777**

[1] Acquired by Euronext on 27 March 2018

[2] Dual listings in Q3 2019 comprised UniPhar plc (London Stock Exchange and Euronext Dublin). Q2 2019 comprised Frequentis AG (Wiener Börse and Deutsche Börse) and Traton SE (Deutsche Börse and Nasdaq Stockholm).

	Q3 2018		Q4 2018		Q1 2019		Q2 2019		Q3 2019	
	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m
EU-regulated										
Deutsche Börse – Prime and General Standard	1	17	3	4,016	–	–	3	1,582	1	1,969
Nasdaq Nordic – Main	–	–	3	120	1	21	4	1,784	1	1,194
London – Main	9	1,785	12	4,002	2	532	8	4,292	2	310
Wiener Börse	–	–	–	–	1	22	1	52	1	156
Euronext	3	66	4	1,308	1	27	–	–	2	147
Borsa Italiana – Main	–	–	3	254	–	–	2	2,076	–	–
SIX Swiss Exchange	1	1,503	–	–	–	–	3	2,014	–	–
Oslo Børs & Oslo Axess	2	71	–	–	1	12	4	454	–	–
Warsaw – Main	1	5	–	–	–	–	1	8	–	–
BME (Spain) – Main	–	–	2	200	–	–	–	–	–	–
Belgrade Stock Exchange	–	–	1	6	–	–	–	–	–	–
Prague	–	–	1	1	–	–	–	–	–	–
EU-regulated sub-total	**17**	**3,447**	**29**	**9,907**	**6**	**614**	**26**	**12,262**	**7**	**3,776**
Exchange-regulated										
London – AIM	4	118	6	108	1	24	5	222	1	63
Borsa Italiana – AIM	9	137	3	33	2	35	4	26	7	62
Nasdaq Nordic – First North	1	14	7	117	2	14	6	76	1	12
Borsa Istanbul	–	–	–	–	–	–	1	5	1	5
BME (Spain) – Alternative	–	–	–	–	–	–	1	250	–	–
Euronext – Alternext	2	20	1	13	1	8	–	–	–	–
Exchange-regulated sub-total	**16**	**289**	**17**	**271**	**6**	**81**	**17**	**579**	**10**	**142**
Europe total	**33**	**3,736**	**46**	**10,178**	**12**	**695**	**43**	**12,841**	**17**	**3,918**
Europe total (excl. dual listings)[2]	**33**	**3,736**	**46**	**10,178**	**12**	**695**	**41**	**11,439**	**16**	**3,777**

[2] Dual listings in Q3 2019 comprised UniPhar plc (London Stock Exchange and Euronext Dublin). Q2 2019 comprised Frequentis AG (Wiener Börse and Deutsche Börse) and Traton SE (Deutsche Börse and Nasdaq Stockholm).

About IPO Watch Europe

Executing a successful IPO is typically the culmination of a complex process, whatever market you list on. From strategy, accounting, reporting, financial systems, governance, adviser selection, marketing process, media and investor relations, to treasure and financial risk management, legal, tax, HR, technology – every piece of the puzzle must be in place, and connected before you proceed.

Planning and good preparation are crucial to a successful IPO, regardless of the market or stock exchange. PwC's dedicated team of capital markets professionals are here to help and make the task at hand an easier experience for you. We have deep experience and knowledge of the rules and regulations governing all major capital markets—and a successful history of working on both international and domestic IPOs.

Find out more at **www.pwc.co.uk/capitalmarkets**

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, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, Turkey and the UK) on a quarterly basis. Movements between markets on the same exchange are excluded.

The data in this report is based on data extracted from Dealogic and includes greenshoe (if exercised). Only transactions with a minimum of $5 million money raised have been included. The data excludes PIPOs and transactions on Over-The-Counter exchanges. In case IPOs take place on two or more exchanges, the full amount of money raised is attributed to all exchanges. Industry classification is based on the FTSE Russell Industry Classification Benchmark (ICB).

This survey was conducted between 1 January and 30 September 2019 based on IPO pricing date. All market data is sourced from Dealogic and has not been independently verified by PricewaterhouseCoopers LLP.

Basis of preparation for Global IPO Watch

Global IPO Watch analyses IPO and FO trends on a quarterly basis, both at a global and regional level. It is based on data extracted from Dealogic, whereby only transactions with a minimum of $5 million money raised have been included. Transaction proceeds include the over allotment option (if exercised). The data excludes PIPOs and transactions on Over-The-Counter exchanges. In case IPOs or FOs take place on two or more exchanges, the full amount of money raised is attributed to all exchanges. If a transaction is executed in two or more regions, the money raised is also attributed to all regions. Industry classification is based on the FTSE Russell Industry Classification Benchmark. Index performance is based on pricing data extracted from Bloomberg.

Contacts

Peter Whelan

M: +44 (0)7770 977937
E: peter.whelan@pwc.com

Chris Ersser

M: +44 (0)7808 035662
E: christopher.ersser@pwc.com

Simon Williams

M: +44 (0)7808 107167
E: simon.j.williams@pwc.com

John Reilly

M: +44 (0)7738 311137
E: john.a.reilly@pwc.com

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2019 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

190927-163144-AB-OS