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# ***IPO Watch Europe 2016***



**€27.9bn**

IPO proceeds raised in 2016, down 51%  
from the €57.4bn raised in 2015

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**265 IPOs**

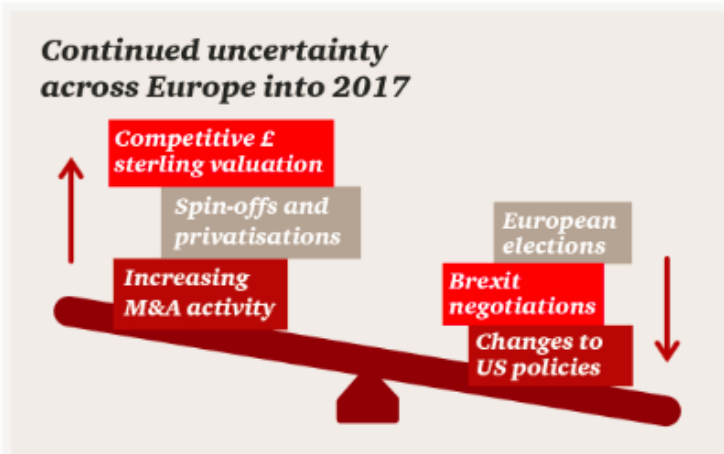
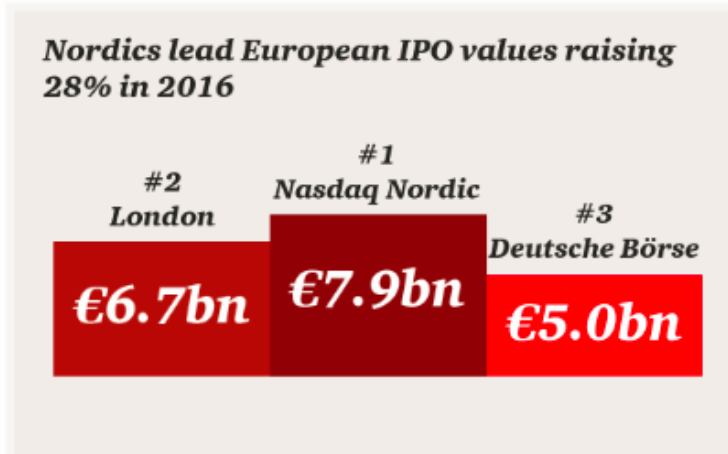
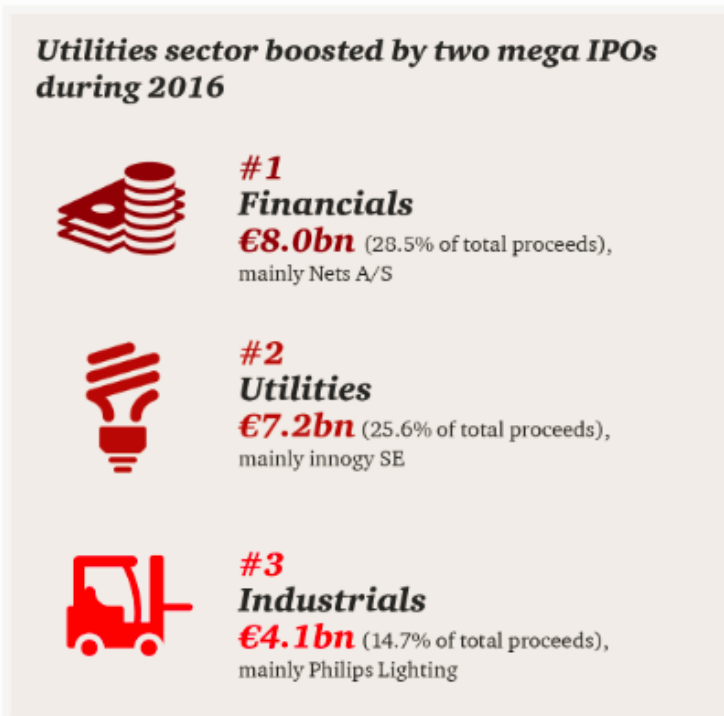
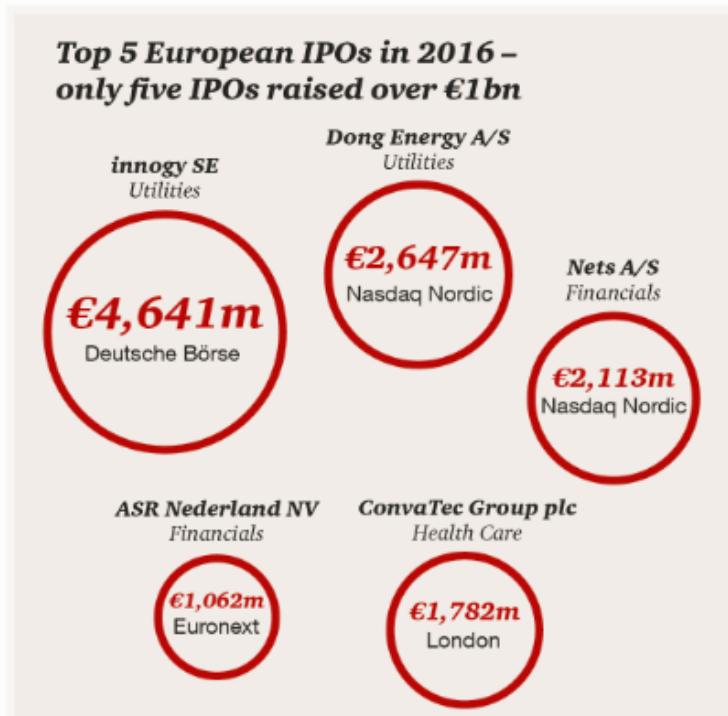
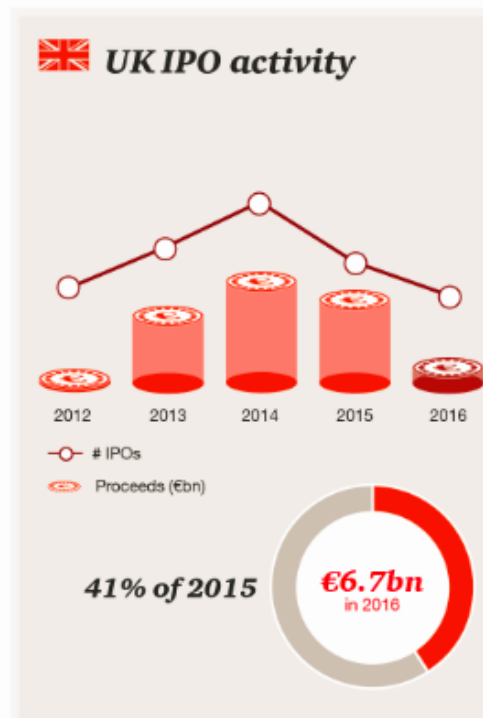
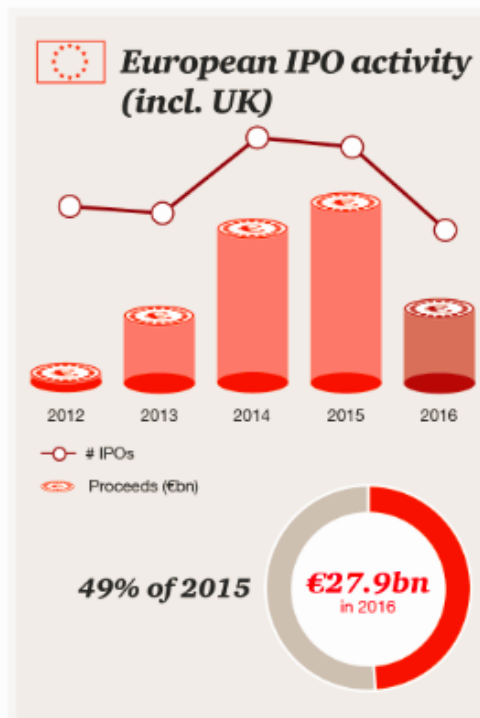
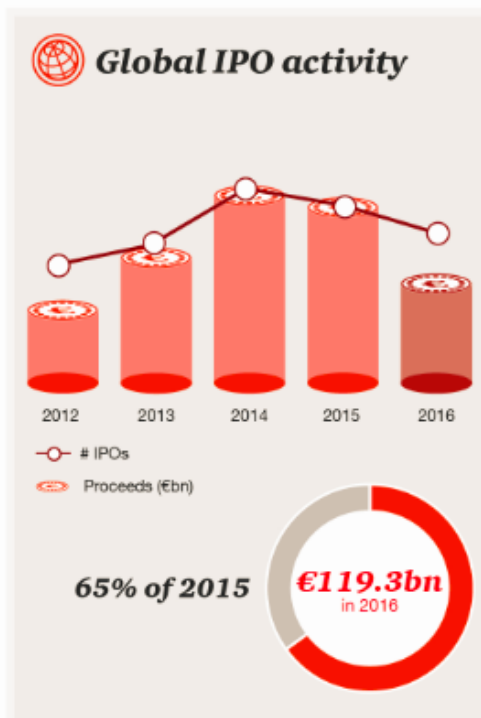
in 2016 across Europe, down from 364 IPOs  
in 2015

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**€184m**

average offering value in 2016, a  
decrease of 26% on the €248m in 2015

# European IPO markets raise €27.9bn in 2016, as a year of geopolitical shocks comes to an end







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## Outlook for 2017

The ongoing level of political uncertainty across Europe makes it challenging to predict levels of IPO activity for the year ahead. However, there are a number of factors to look out for over the coming year which will likely impact the level of IPO activity:

### Geopolitical uncertainty set to continue

The political calendar for the year ahead has the potential to create further challenges for the IPO market. Germany, France, the Netherlands and potentially Italy will be going to the polls, and closer to home, the potential triggering of Article 50 in March and the shaping of the agreements to negotiate the UK's exit from the European Union may create difficult timing decisions for potential IPO candidates.

Political uncertainty looks set to stay. However, it appears that with each political shock experienced in 2016, the markets stabilised with increasing speed, as investors are becoming 'used' to dealing with a level of uncertainty surrounding the various economies, particularly the UK.

### 2017 IPO windows

A number of candidates postponed their plans for an IPO during 2016, creating a backlog of companies looking to list in 2017. This coupled with the 2017 political calendar could motivate issuers to hit the first feasible IPO window, implying a potentially busy first quarter for IPOs in Europe.

On the other hand, investors have been sitting on big cash positions and are looking for growth opportunities to invest in a world characterised by low interest rates. We expect them to remain attracted by IPOs as an asset class and keen to engage in early dialogue with issuers.

The ongoing volatility in the markets along with the solid investor interest means that IPOs will get done in 2017, however it would not be surprising to see IPO windows opening and closing with some rapidity. As such, those companies which are able to achieve successful transactions will be those which are fully prepared and thus able to launch in a relatively speedy timeframe.

### Continuation of M&A activity

In spite of the geopolitical events in 2016, global M&A activity was strong and a number of mega M&A deals were completed.

In the wake of Brexit, the weakening of the pound has made UK companies more attractive for foreign companies, so in the UK at least, M&A activity is expected to continue during 2017.

The continuation of historically low interest rates and investor pressure on companies to find growth, means that companies across the Continent will consider acquisitions within Europe or globally to expand into new markets to achieve their growth strategy. We also expect them to seek opportunities to divest of non-core assets.

### Reduced PE activity?

There was an overall slowdown in PE backed IPO activity in 2016, as market volatility increased and the valuation pressures intensified with institutional investors. That said, a number of large IPO exits were successfully achieved, and private equity houses are continuing to create the optionality to IPO portfolio businesses in 2017 and beyond. We would observe, however, that in many instances, owners are pursuing both a private and public sales track.

### The year of the unicorn IPO?

The US is preparing for what may be a bumper crop of tech and ecommerce IPOs. Snap's well-documented IPO is probably the most anticipated since Facebook in 2012, and could be joined by a host of other unicorns looking to join the equity markets. To the East, a host of Chinese tech companies are also reportedly gearing up for a 2017 IPO. A number of high profile European tech unicorns could take the step into public life as they have reached a scale where they are hitting the limits of private financing and require the step-change offered by an IPO. Valuation will of course remain a key determinant, with many issuers already working to educate the market as to their progression and thereby achieve a step up from their latest private financings.

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*"As we move into 2017 investors will be looking at elections in France, Germany and the Netherlands, which have the potential to unsettle the IPO markets across Europe. Despite the uncertainty that this brings, the European IPO pipeline looks healthy, as investors seek out investment opportunities with compelling and well-supported equity stories. The pipeline of cross-border IPO activity is also beginning to build, with a number of international companies looking at listing in London."*

*As a result of the current economic and political outlook, investors will continue to be more selective, backing IPO candidates with an attractive valuation, a differentiated product and an equity story which is underpinned by strong performance."*

### Mark Hughes

*Partner, UK Capital Markets Leader at PwC*

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# 2016 European IPO review

## A challenging year for European IPOs

**The value of European IPOs in 2016 amounted to €27.9bn, a decrease of 51% as compared to 2015, with IPO volumes down by 27%.**

Political uncertainty, falling oil and commodity prices and concerns over a slowdown in the Chinese economy hampered the European IPO markets during 2016. While 2015 saw 14 mega IPOs (IPOs raising in excess of €1bn in proceeds), only five were seen in 2016.

2016 will be remembered as a great year for Nasdaq Nordic, as proceeds raised increased by 33%, bucking the Europe-wide trend. Indeed Nasdaq Nordic accounted for 28% of all European IPO proceeds in 2016 compared to just 10% in 2015, supported by the second and third largest IPOs in Europe, Dong A/S and Nets. London conversely accounted for 24% of IPO proceeds in 2016 compared to 29% in 2015.

**1** Nasdaq Nordic was Europe's most active exchange in terms of proceeds and number of IPOs, raising **€7.9bn** from 80 IPOs. Nasdaq Nordic also hosted two of the top three IPOs in Europe.

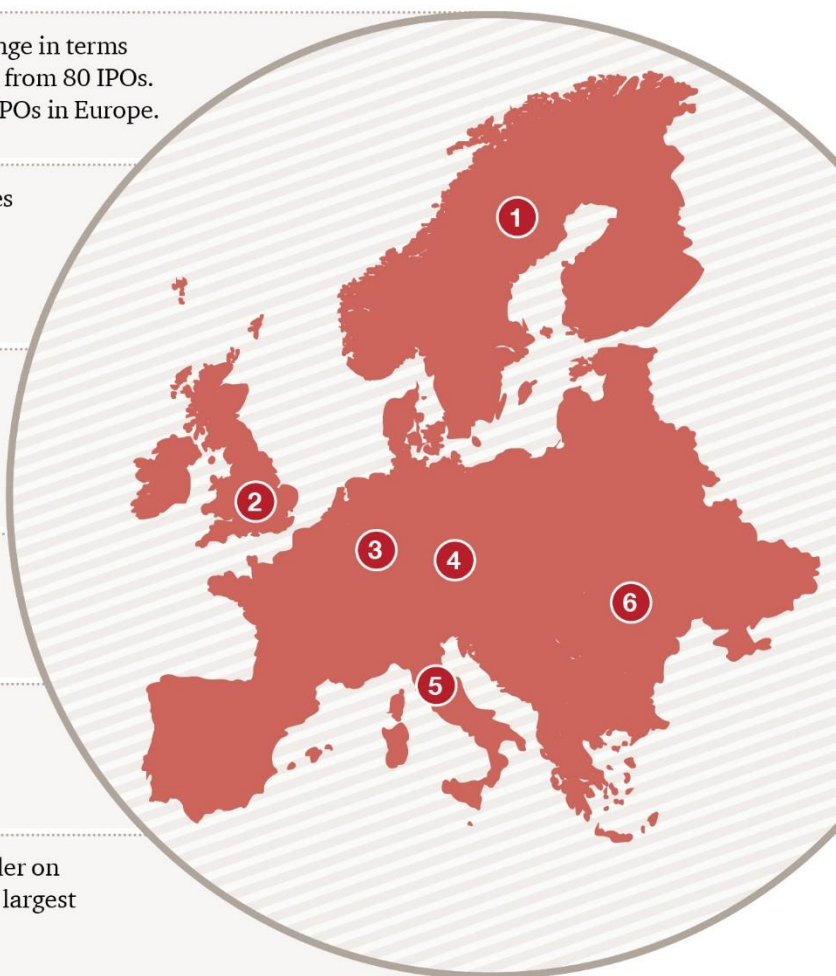
**2** AIM seemed to be sheltered from the shockwaves arising from the EU Referendum in the UK and continued to perform well, with 39 IPOs raising over **€1.3bn**.

**3** Germany hosted Europe's largest IPO in 2016 – **innogy SE**, a renewable energy company spin-off from RWE. The IPO raised **€4.5bn** (excluding greenshoe).

**4** MONETA Money Bank completed the **Czech Republic's** biggest IPO in eight years, raising **€619m** (excluding greenshoe).

**5** The **ENAV SpA** IPO on the **Borsa Italiana**, the first major IPO following the UK's vote to leave the EU, raised **€834m** for the Italian State.

**6** The IPO of **Med Life**, a private healthcare provider on the **Bucharest Stock Exchange**, was Romania's largest non-privatisation IPO in ten years.



## 2016 European IPO trends

*IPO values down 51%, with €27.9bn raised annually and average deal size decreased by 26%*

**Figure 1: Quarterly European IPO activity by value and volume**

	2015	2016	Q1 2016	Q2 2016	Q3 2016	Q4 2016
<b>Total European listings comprise those with:</b>						
Less than €5m raised	115	106	23	28	35	20
Greater than €5m raised	249	159	27	67	17	48
<b>Total number of listings</b>	<b>364</b>	<b>265</b>	<b>50</b>	<b>95</b>	<b>52</b>	<b>68</b>
Money raised excl. greenshoe (€m)	57,392	27,888	3,490	10,919	3,832	9,647
Exercised greenshoe (€m)	4,361	1,455	201	854	80	320
<b>Total money raised (€m)</b>	<b>61,753</b>	<b>29,343</b>	<b>3,691</b>	<b>11,773</b>	<b>3,912</b>	<b>9,967</b>
Average offering value (€m)*	248	184	136	175	228	207

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

*“Europe's largest IPO of the year was innogy SE, the renewable energy spin off of RWE, which raised €4.5bn, accounting for a staggering 16% of total European IPO proceeds for the year.*

*Nasdaq Nordic finished the year as Europe's most active exchange both in terms of value and volume, as the Nordic IPOs benefit from the involvement of cornerstone investors, providing much needed investor support in uncertain times.”*

**Lucy Tarleton**  
*Director, UK Capital Markets Group at PwC*

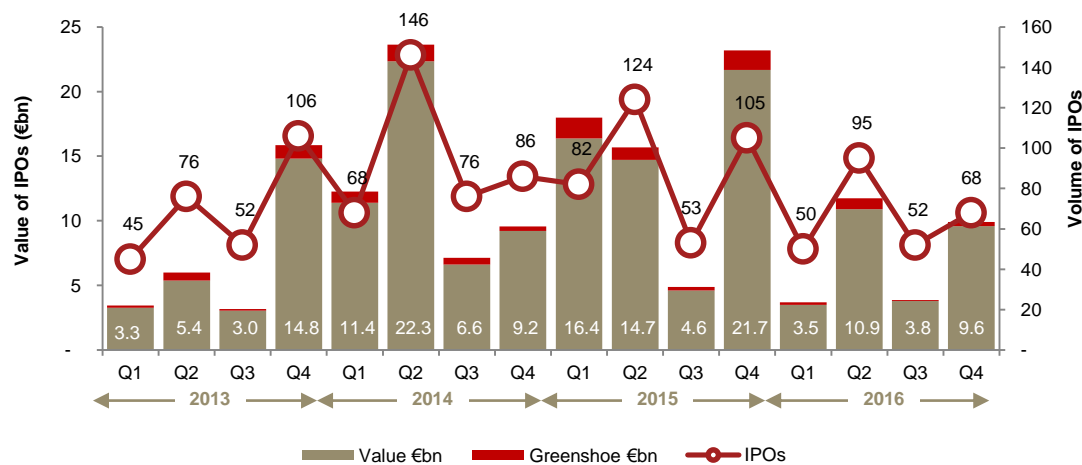
# 2016 European IPO trends

## IPO volumes and values at their lowest level since 2009

Figure 2: European IPO activity since 2008\*



Figure 3: Quarterly European IPO activity since 2013



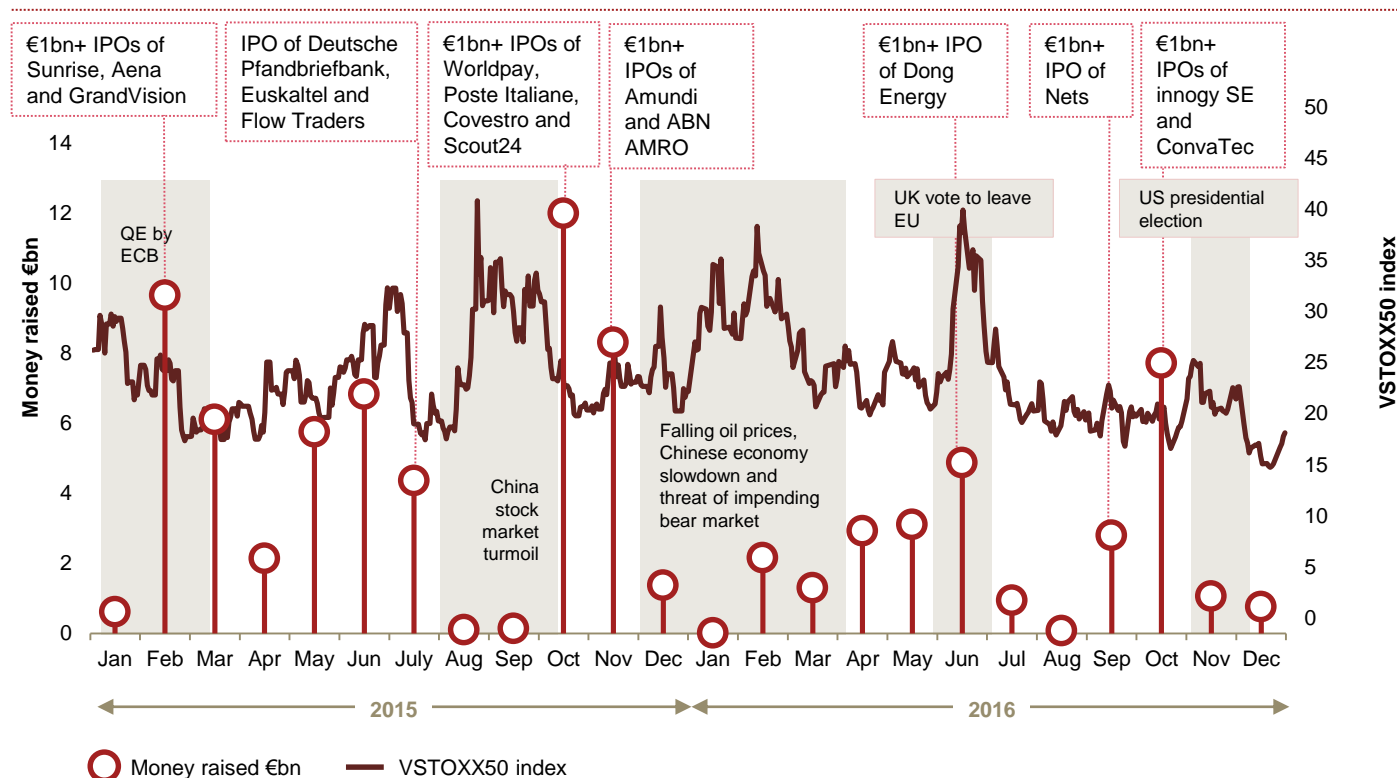
\*Excludes greenshoe.

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

# Market volatility

*Political uncertainty resulted in market volatility for much of 2016*

**Figure 4: Volatility tracked against IPO proceeds**



*“Whilst markets across Europe have become increasingly selective, they have been supportive for high quality businesses and are likely to continue to do so, with valuations attractive and volatility back to a relatively low level. The investor debate on valuations is likely to remain intense, and successful issuers will be those who prepare a watertight equity story, and who engage early with investors in order to build understanding and confidence.”*

**James Anderson**  
Partner, Equity Advisory Group at PwC



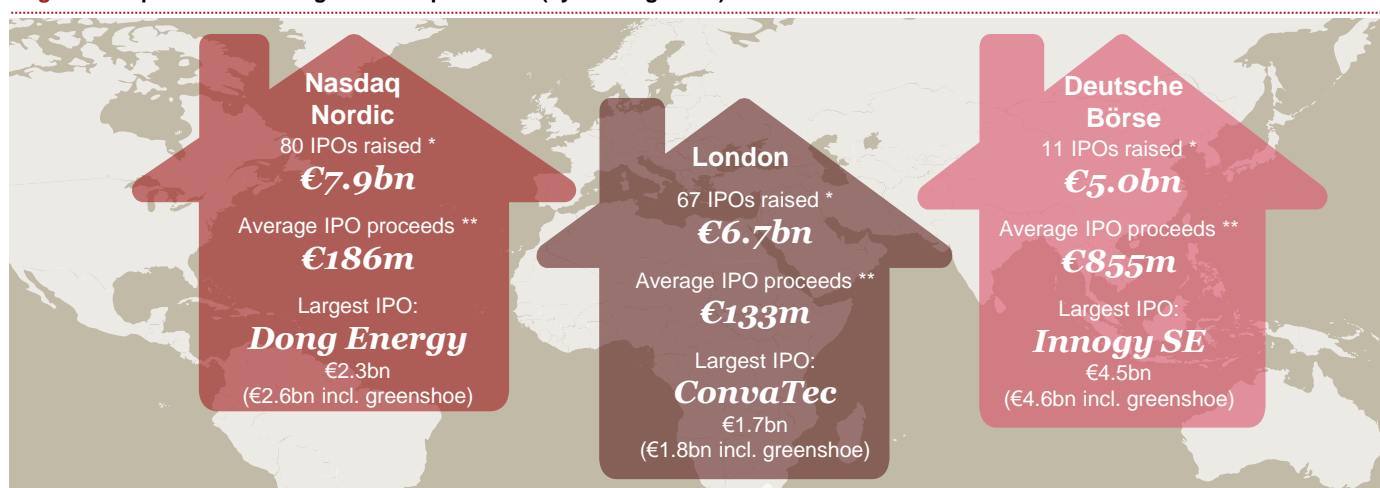
# Exchange activity by value

Most European exchanges recorded a decrease on 2015, with Nasdaq Nordic being the notable exception, increasing by 33%

Figure 6: IPO offering value by stock exchange\*

Stock exchange offering value (€m)	2015	2016	Move	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Nasdaq Nordic	5,905	7,861	↑	811	3,436	2,196	1,418
Nasdaq Copenhagen	168	4,891	↑	477	2,301	2,113	0
Nasdaq Stockholm	5,216	2,222	↓	317	869	83	953
Nasdaq Helsinki	409	676	↑	17	232	-	427
Nasdaq Iceland	112	58	↓	-	20	-	38
Nasdaq Tallinn	-	14	↑	-	14	-	-
London Stock Exchange	16,370	6,700	↓	2,327	1,180	311	2,882
Deutsche Börse	6,795	5,022	↓	288	17	72	4,645
Euronext	11,228	3,455	↓	3	2,986	406	60
Euronext Amsterdam	6,113	2,608	↓	-	2,280	328	-
Euronext Paris	4,720	824	↓	3	683	78	60
Euronext Brussels	395	23	↓	-	23	-	-
Euronext Lisbon	-	-	-	-	-	-	-
Borsa Italiana	5,265	1,343	↓	28	437	775	103
BME (Spanish Exchange)	7,794	1,327	↓	3	1,300	8	16
SIX Swiss Exchange	2,039	733	↓	-	633	-	100
Prague Stock Exchange	-	656	↑	-	656	-	-
Oslo Børs & Oslo Axess	1,078	287	↓	-	90	12	185
Warsaw	440	262	↓	19	92	4	147
Borsa Istanbul	42	103	↑	11	92	-	-
Bucharest Stock Exchange	-	51	↑	-	-	-	51
Luxembourg	-	48	↑	-	-	48	-
Sofia	6	31	↑	-	-	-	31
Budapest	-	9	↑	-	-	-	9
Wiener Börse	-	-	↑	-	-	-	-
Athens Stock Exchange	-	-	-	-	-	-	-
Irish Stock Exchange	394	-	↓	-	-	-	-
Zagreb Stock Exchange	36	-	↓	-	-	-	-
<b>Total</b>	<b>57,392</b>	<b>27,888</b>	<b>↓</b>	<b>3,490</b>	<b>10,919</b>	<b>3,832</b>	<b>9,647</b>

Figure 7: Top 3 stock exchanges in Europe in 2016 (by offering value)



\*Excludes greenshoe

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

## Exchange activity by volume

Continental exchanges witnessed significant declines in activity with London seeing a 27% fall in IPO volumes

Figure 8: IPO volume by stock exchange

Stock exchange offering volume	2015	2016	Move	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Nasdaq Nordic	90	80	↓	14	33	9	24
Nasdaq Stockholm	72	62	↓	10	25	7	20
Nasdaq Helsinki	11	9	↓	2	4	-	3
Nasdaq Copenhagen	2	4	↑	1	2	1	-
Nasdaq Iceland	3	2	↓	-	1	-	1
Nasdaq Tallinn	1	1	-	-	1	-	-
Nasdaq Riga	-	1	↑	-	-	1	-
Nasdaq Vilnius	1	1	-	1	-	-	-
London Stock Exchange	92	67	↓	18	21	9	19
Warsaw	33	25	↓	5	8	5	7
Euronext	46	23	↓	1	13	5	4
Euronext Paris	32	16	↓	1	7	4	4
Euronext Amsterdam	8	6	↓	-	5	1	-
Euronext Brussels	6	1	↓	-	1	-	-
Euronext Lisbon	-	-	-	-	-	-	-
BME (Spanish Exchange)	24	24	-	5	5	10	4
Borsa Italiana	27	14	↓	2	5	5	2
Deutsche Börse	23	11	↓	3	2	4	2
Oslo Børs & Oslo Axess	8	6	↓	-	4	1	1
SIX Swiss Exchange	3	4	↑	1	2	-	1
Borsa Istanbul	6	2	↓	1	1	-	-
Bucharest Stock Exchange	5	2	↓	-	-	1	1
Luxembourg	-	2	↑	-	-	2	-
Sofia	1	2	↑	-	-	-	2
Prague Stock Exchange	1	1	↑	-	1	-	-
Budapest	-	1	↑	-	-	-	1
Wiener Börse	1	1	↑	-	-	1	-
Athens Stock Exchange	-	-	-	-	-	-	-
Irish Stock Exchange	2	-	↓	-	-	-	-
Zagreb Stock Exchange	2	-	↓	-	-	-	-
<b>Total</b>	<b>364</b>	<b>265</b>		<b>50</b>	<b>95</b>	<b>52</b>	<b>68</b>

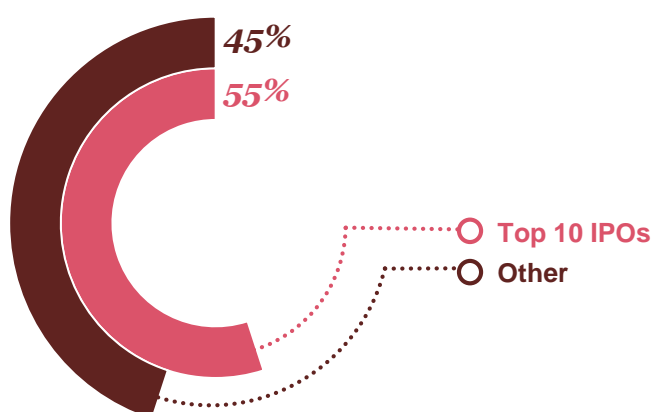
“For the first time Nasdaq Nordic finished 2016 as Europe’s most active exchange, both in terms of value and volume, with Dong Energy A/S as the largest IPO. The IPO pipeline for 2017 also looks quite promising, despite the expectation that market conditions will slowly tighten in the US and Europe.”

**Jens Otto Damgaard**  
Partner, Denmark Capital Markets Group at PwC

# Top 10 IPOs in Europe

**In 2016, only five IPOs raised €1bn+. The top 10 IPOs raised 55% of the total annual proceeds (in 2015, the top 10 IPOs raised 40%)**

**Figure 9: Top 10 IPOs (by offering value) in 2016**



*“The innogy SE IPO was the main story coming from Germany in 2016, raising 91% of all proceeds on the Deutsche Börse. IPO volumes were down 52% on 2015. Looking forward to 2017, the overall political environment has the potential to impact IPO windows, but we remain cautiously optimistic for a recovery.”*

**Nadja Picard**

*Partner, German Capital Markets Group Leader at PwC*

**Figure 10: Top 10 IPOs in 2016**

Trading date	Issuer	€m (excl. greenshoe)	€m (incl. greenshoe)	Sector	Market	Country of operation	PE backed
Oct-16	innogy SE	4,545	4,641	Utilities	Deutsche Börse	Germany	✗
Jun-16	Dong Energy A/S	2,301	2,647	Utilities	Nasdaq Nordic	Denmark	✓
Sep-16	Nets A/S	2,113	2,113	Financials	Nasdaq Nordic	Denmark	✓
Oct-16	ConvaTec Group plc	1,667	1,782	Health Care	London	United Kingdom	✓
Jun-16	ASR Nederland NV	1,018	1,062	Financials	Euronext	Netherlands	✗
May-16	Philips Lighting NV	750	863	Industrials	Euronext	Netherlands	✗
Jul-16	ENAV SpA	759	834	Industrials	Borsa Italiana	Italy	✗
May-16	MONETA Money Bank as	656	739	Financials	Prague	Czech Republic	✗
Oct-16	Ahlsell AB	619	712	Industrials	Nasdaq Nordic	Sweden	✓
Apr-16	Parques Reunidos Servicios Centrales SA	600	600	Consumer Services	BME	Spain	✓
<b>Total</b>		<b>15,028</b>	<b>15,993</b>				



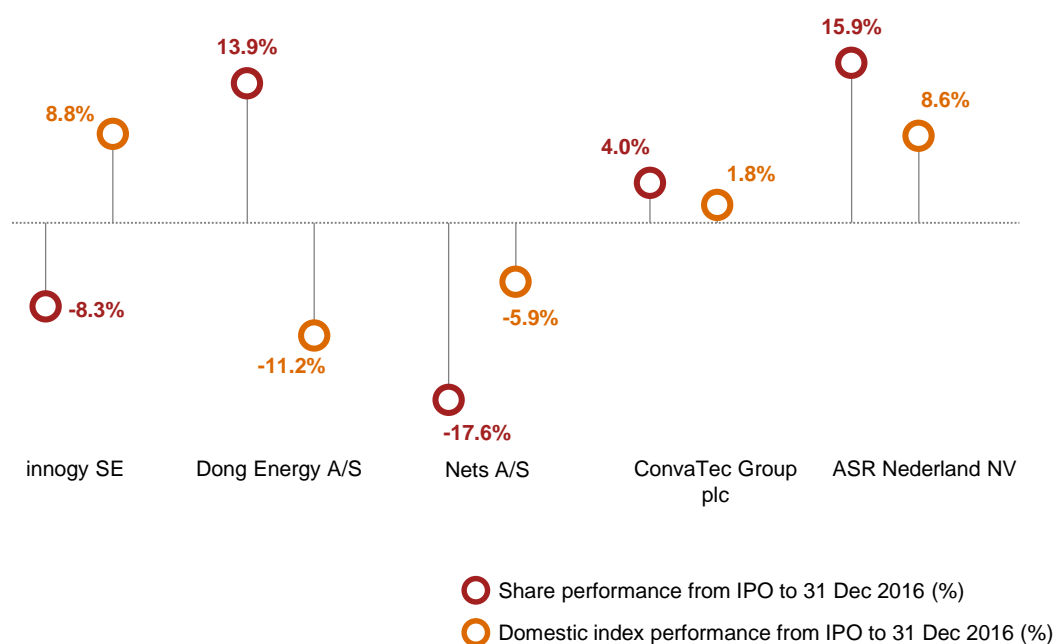
## Pricing and performance

*Three of the five largest IPOs outperformed the indices from IPO to the year end*

**Figure 11: Pricing of Top 5 IPOs in 2016**

	innogy SE	Dong Energy A/S	Nets A/S	ConvaTec Group plc	ASR Nederland NV
Exchange	Deutsche Börse	Nasdaq Nordic	Nasdaq Nordic	London	Euronext
IPO date	7 Oct	9 Jun	23 Sep	26 Oct	10 Jun
Deal specifics	Divestment	Privatisation	PE backed	PE backed	Privatisation
Money raised (€m) incl. greenshoe	4,641	2,647	2,113	1,782	1,062
Price range	€32.00 - €36.00	DKK 200 - 255	DKK 130 - 160	£2.25 - £2.75	€0.18 - €0.22
Offer Price	€36.00	DKK 235	DKK 150	£2.25	€0.195

**Figure 12: Performance of top 5 IPOs**

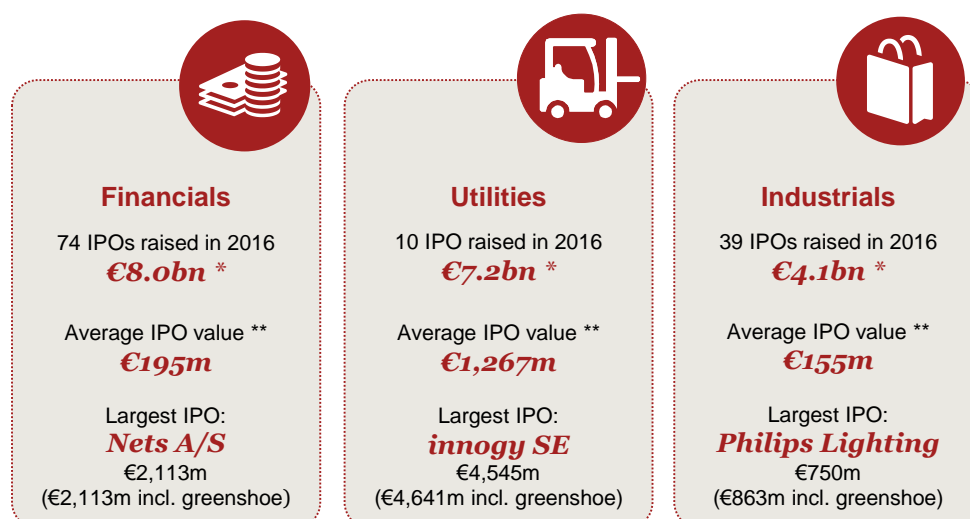


## The sector story

*Financials remained the largest sector, despite a significant decrease on 2015, driven by the IPOs of Nets and ASR Nederland. The Utilities sector bounced back from 2015 following the mega IPOs of innogy SE and Dong Energy*

Figure 13: IPO value by sector\*

By offering value (€m)	2015	2016	Increase / (decrease)	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Financials	20,500	7,962	(12,538)	1,323	3,399	2,218	1,022
Utilities	444	7,160	6,716	269	2,344	0	4,547
Industrials	13,162	4,121	(9,041)	233	1,895	831	1,162
Consumer Services	6,298	3,517	(2,781)	551	2,218	603	145
Health Care	2,971	2,351	(620)	186	154	95	1,916
Consumer Goods	4,017	1,827	(2,190)	872	678	31	246
Telecommunications	5,441	438	(5,003)	0	10	0	428
Technology	2,969	309	(2,660)	45	87	38	139
Oil & Gas	44	170	126	0	112	16	42
Basic Materials	1,546	33	(1,513)	11	22	0	0
<b>Total</b>	<b>57,392</b>	<b>27,888</b>	<b>(29,504)</b>	<b>3,490</b>	<b>10,919</b>	<b>3,832</b>	<b>9,647</b>



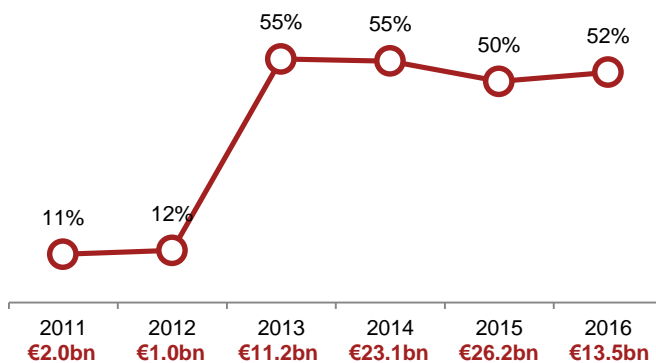
\*Excludes greenshoe

\*\* Average value has been calculated on total proceeds including greenshoe, excluding listings raising less than \$5m

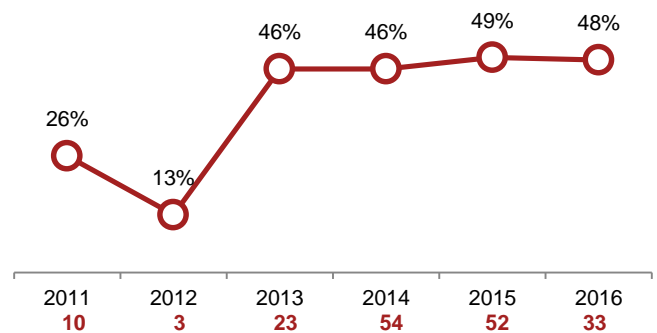
# European PE Trends

*The proportion of PE backed IPOs remains consistent across Europe although has fallen in London*

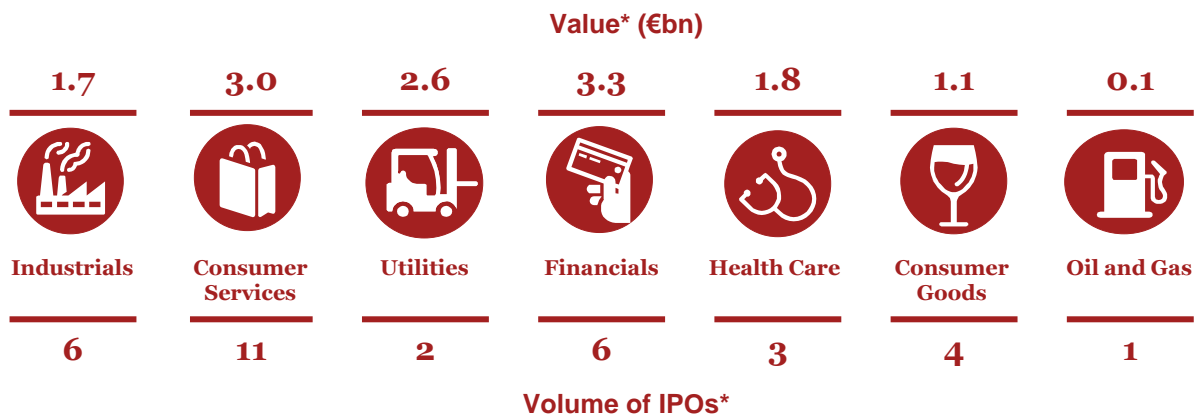
**Figure 14: Value of European PE backed IPOs as a percentage of total European IPO value\***



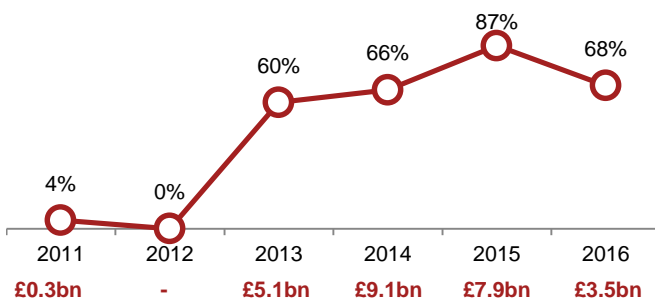
**Figure 15: Volume of European PE backed IPOs as a percentage of total European IPOs\***



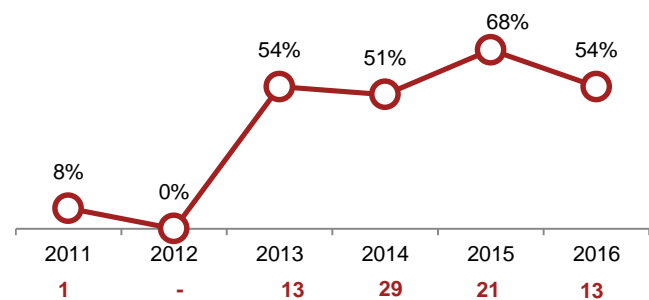
**Figure 16: European PE backed IPOs by industry (2016, €bn)**



**Figure 17: Value of London PE backed IPOs as a percentage of total London IPO value\***



**Figure 18: Volume of London PE backed IPOs as a percentage of total London IPOs\***



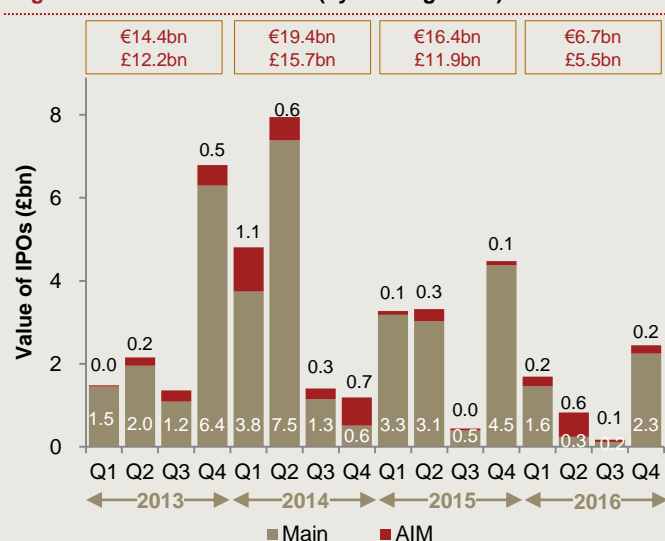
\*IPOs raising over €50m, excludes closed-end funds, SPACs, SPVs, Capital Pool companies, Investment Managers, REITs, Royalty Trusts  
Source: Dealogic, Bloomberg



## London focus – Overview

**London IPO proceeds decreased by 51% and volumes by 27%, representing its worst year since 2009**

**Figure 19: London IPO trends (by offering value)\***

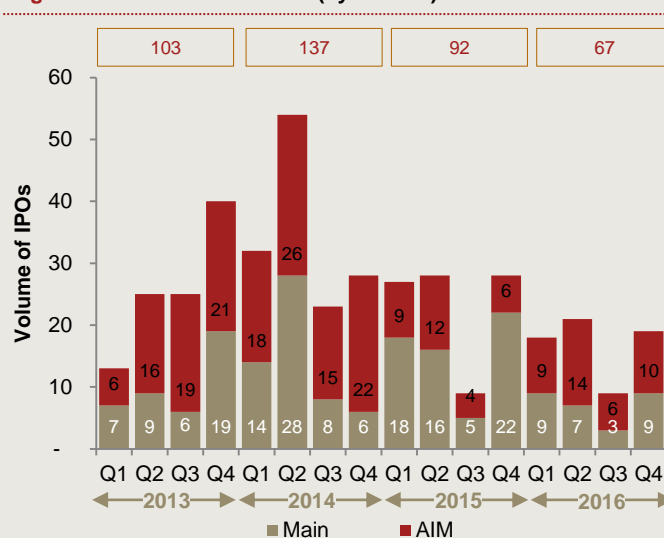


The London IPO market in 2016 faced a series of challenges from general unfavourable market conditions to the result of the EU referendum. This resulted in a number of IPO cancellations and postponements, as well as some deals pricing at the bottom of their range.

Following the summer break during

which the results of the EU referendum were digested by the market, there was a flurry of intention to float announcements of companies looking to list in London. It seemed as though the London IPO market was set to finish the year strongly. However, as a result of market volatility and weak investor demand, some opted for trade sales, and others postponed

**Figure 20: London IPO trends (by volume)**



their IPOs pending more favourable market conditions.

As concerns over the UK economy persist and as the government looks to define what Brexit will look like, investors are favouring geographically diversified opportunities over those which are predominantly UK focused.

**Figure 21: Top 5 UK IPOs in 2016**

Issuer	Proceeds (£m)		Sector	PE backed
	Excl. greenshoe	Incl. greenshoe		
ConvaTec Group plc	1,484	1,587	Health Care	✓
Metro Bank plc	400	400	Financials	✓
CYBG plc	344	396	Financials	✗
Civitas Social Housing plc	350	350	Financials	✗
Countryside Properties plc	304	349	Consumer Goods	✓

*“In Q4, London saw its largest IPO of the year with Convatec raising €1.7bn. The Convatec IPO was not without its obstacles as there had to be a compromise on price to get a deal done. This was a recurring theme in the London IPO market for the second half of 2016. A failure to agree on pricing resulted in a number of high profile deals failing to get over the final hurdle.”*

**Lucy Tarleton**

*Director, UK Capital Markets Group at PwC*

\*Excludes greenshoe.

Source: London Stock Exchange

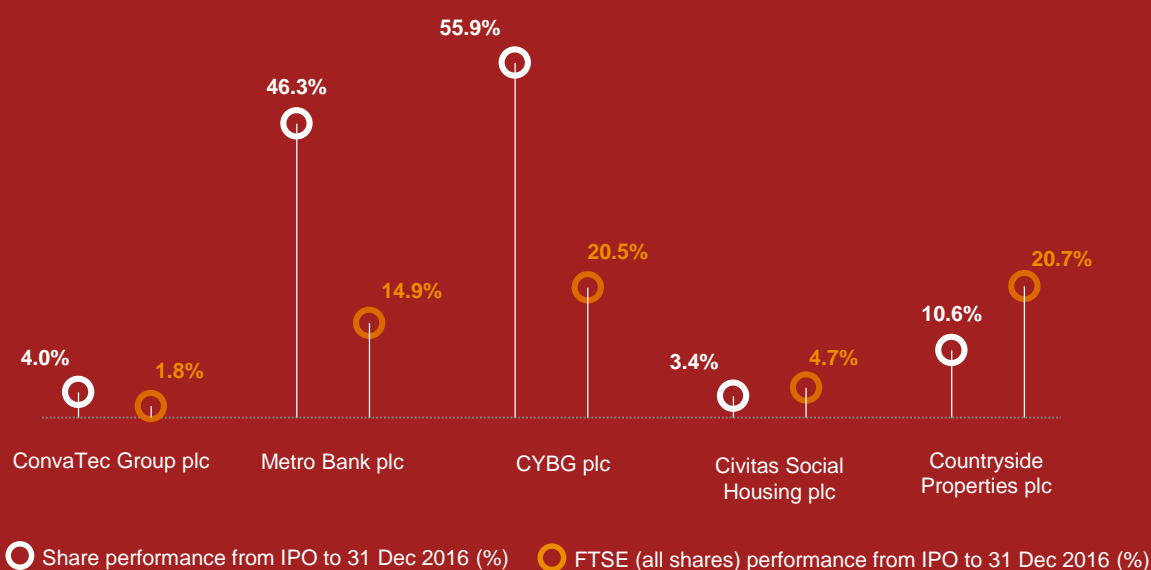
# London focus – Pricing and performance

## London's largest IPOs priced towards the bottom of their price range

Figure 22: Pricing of top 5 UK IPOs, 2016

	ConvaTec Group plc	Metro Bank plc	CYBG plc	Civitas Social Housing plc	Countryside Properties plc
Exchange	London – Main	London – Main	London – Main	London – Main	London – Main
IPO date	26 Oct	10 Mar	8 Feb	18 Nov	17 Feb
Deal specifics	PE backed	PE backed	-	-	PE backed
Price range	£2.25 - £2.75	Fixed price initially £24.00	£1.75 - £2.25	£1.00	£2.25 - £2.75
Offer Price	£2.25	£20.00	£1.80	£1.00	£2.25

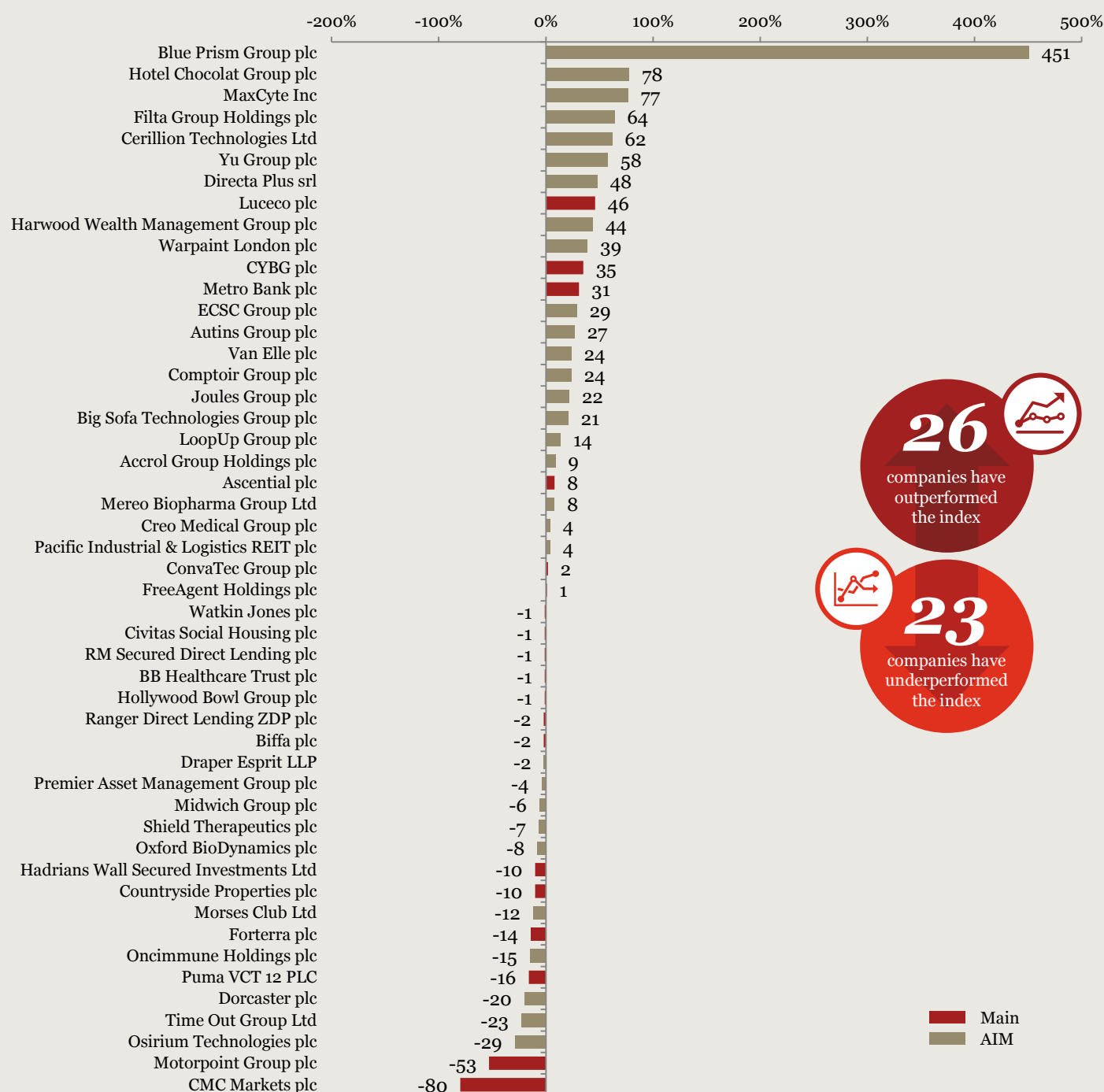
Figure 23: Performance of top 5 UK IPOs, 2016



Source: Thomson Reuters as at 31 Dec 2016

# London focus – Relative performance of London IPOs

Figure 24: Share price performance of London IPOs relative to the FTSE all share index, from IPO to 31 Dec 2016 (%)



Note: Threshold of €10m proceeds | 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: Dealogic and Thomson Reuters as of 31 Dec 2016



# London focus – The sector story

## Financials keep their supremacy and, together with Industrials and Consumer Services account for 86% of total proceeds

Figure 25: London IPO value by sector\*

By offering value (£m)	2015	2016	Increase / (decrease)	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Financials	4,549	1,910	(2,639)	983	269	40	618
Health Care	324	1,591	1,267	42	22	2	1,524
Consumer Services	2,418	752	(1,666)	280	284	188	-
Industrials	3,316	685	(2,631)	132	201	-	352
Consumer Goods	715	472	(243)	304	119	27	23
Technology	565	77	(488)	35	11	9	23
Basic Materials	10	15	5	-	15	-	-
Utilities	-	14	14	10	4	-	-
Oil & Gas	-	3	3	-	-	-	3
<b>Total value (£m)</b>	<b>11,897</b>	<b>5,519</b>	<b>(6,378)</b>	<b>1,787</b>	<b>925</b>	<b>265</b>	<b>2,543</b>

*“With the backdrop of broader political and economic events, 2016 was another largely uneventful year for Tech companies seeking public funding. Our best scale-ups continued to have access to private capital, albeit that this market was also impacted with uncertainty, delays and questions about whether valuations were appropriate. Where possible, emerging fast growing tech companies are opting to grow their businesses out of the public limelight and I would expect that this trend will continue into 2017 until there is greater economic clarity in the UK, Europe and the US. The really positive observation is that entrepreneurial activity continues to thrive, with disruption and tech development taking centre stage.”*

**Brian Henderson**

*Partner, Fast Growth Companies Leader at PwC*

## London focus – AIM

AIM continues to be a key component on the funding ladder for growing SMEs and complements the increasing innovative equity and debt funding options available.

In 2016, 39 AIM IPOs raised €1.3bn, compared to 36 IPOs raising €0.7bn in 2015, with the average AIM IPO raising €34m in 2016 compared to €24m in 2015. AIM has been the chosen market for well known names such as Joules, Hotel Chocolat and Time Out Group and we see the size of the offerings and companies coming to market, steadily increasing.

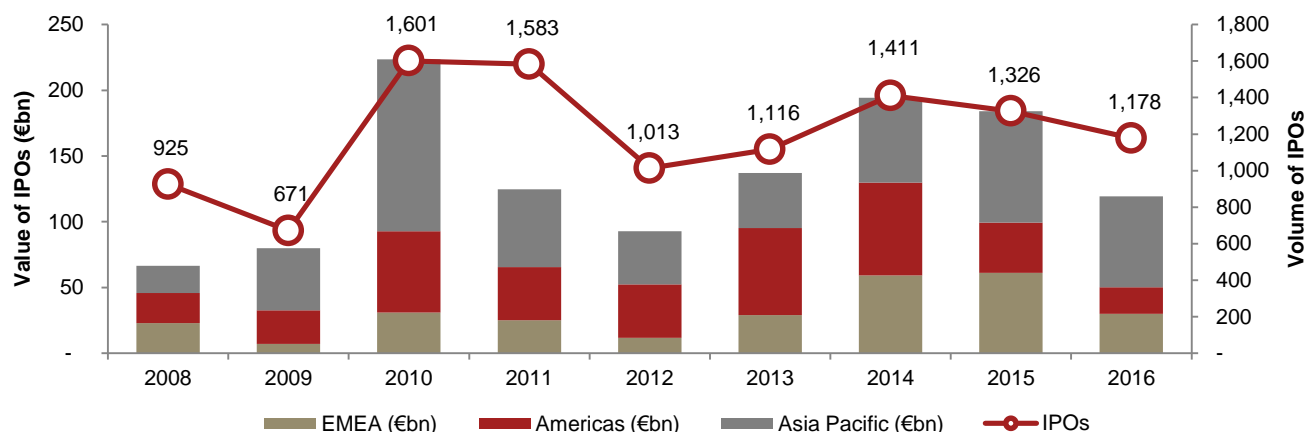
In 2016 four AIM IPOs raised over €100m, while there were none in 2015, and the average equity value of AIM quoted companies in 2016 was £82m in December 2016, compared to £70m in December 2015. As of the end of 2016, seven companies, or 15% of all AIM quoted companies had an equity market value of over £1bn, compared to four, or 11% as of the end of 2015.

\* Excludes greenshoe

# Global perspective – Overview

## Europe hosts four of 2016's top 10 IPOs

Figure 26: Global IPO activity \*



**Global IPO values decreased by 35% when compared to 2015, with values across the majority of the largest exchanges falling**

In 2016, Hong Kong led the world by value of IPOs. They were closely followed by Shanghai and New York in second and third positions, respectively. There's no surprise that Hong Kong features heavily in the Global top 10 with three listings. One of which being Postal Savings Bank China the largest IPO of 2016.

Asia Pacific, home to the Hong Kong and Shanghai exchanges, continues to be the world's most active IPO region in terms of value as it has been

in five of the past nine years. EMEA is the next most active region in terms of value however, values fell by 51% mostly driven by Europe.

Cross-border IPO activity fell by 13% to €6.2bn from the €7.1bn raised in 2015. The number of cross-border IPOs also fell from 86 to 73, a reduction of 8%. The Americas region had 15 inbound IPOs from other regions raising a total of €2.5bn. This included the biggest cross-border IPO of ZTO Express, a Chinese delivery service.

Figure 27: Global IPO activity by region

Stock exchange region offering value (€m) *	2015	2016
<b>EMEA total</b>	<b>61,107</b>	<b>29,991</b>
Europe	57,392	27,888
Middle East	1,452	762
Africa	1,798	1,341
Other EMEA	465	-
<b>Americas total</b>	<b>38,299</b>	<b>20,259</b>
US	32,515	18,658
Canada	3,783	450
Latin America	2,001	1,138
Other Americas	-	13
<b>Asia Pacific total</b>	<b>84,625</b>	<b>69,091</b>
Hong Kong	30,530	22,688
Australia	5,714	4,202
China	22,967	20,243
Japan	13,862	8,235
Singapore	325	1,451
Other Asia	11,227	12,272
<b>Total global</b>	<b>184,031</b>	<b>119,341</b>

Figure 28: Top 10 global IPOs in 2016

Issuer	€m (incl. greenshoe)	Exchange	Privatisation
Postal Savings Bank of China Co Ltd	6,823	Hong Kong	No
innogy SE	4,641	Deutsche Börse	No
JR Kyushu	3,640	Tokyo	Yes
Dong Energy A/S	2,647	Nasdaq Nordic	Yes
Nets A/S	2,113	Nasdaq Nordic	No
Samsung BioLogics Co Ltd	1,805	Korea	No
ConvaTec Group plc	1,782	London	No
China Resources Pharmaceutical Group Ltd	1,771	Hong Kong	No
China Zheshang Bank Co Ltd	1,720	Hong Kong	No
Bank of Shanghai Co Ltd	1,427	Shanghai	No

Source: Dealogic, European IPO Watch, US Capital Markets Watch, Greater China IPO Watch, Africa Capital Markets Watch, India Capital Markets Watch

# Global perspective – Cross-border IPOs

## Cross-border IPO activity has significantly decreased

Figure 29: Cross-border IPO activity, 2007-2016

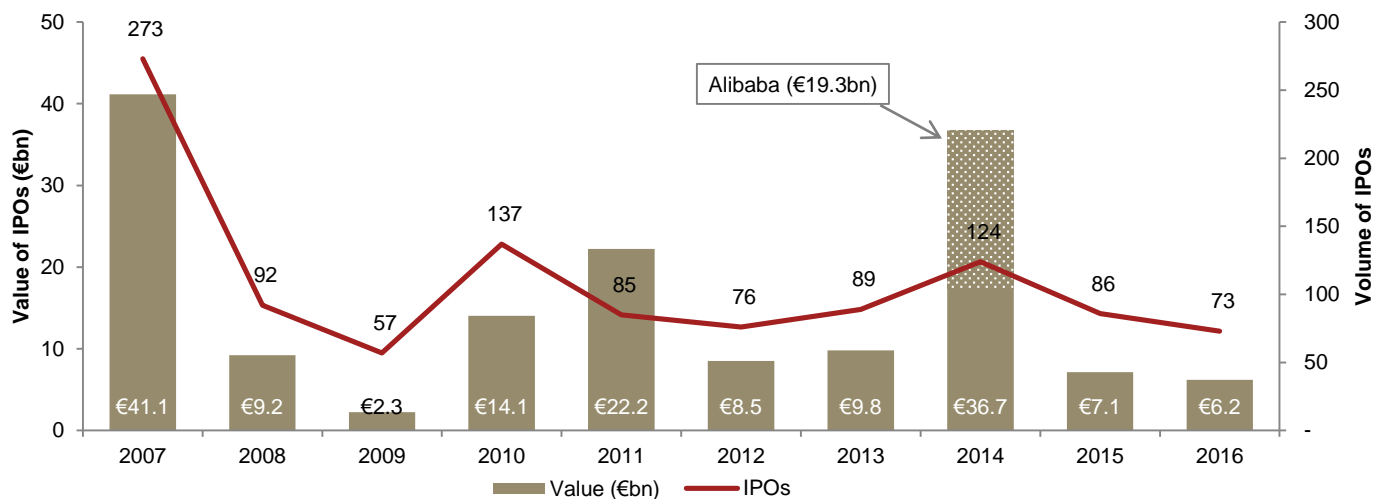
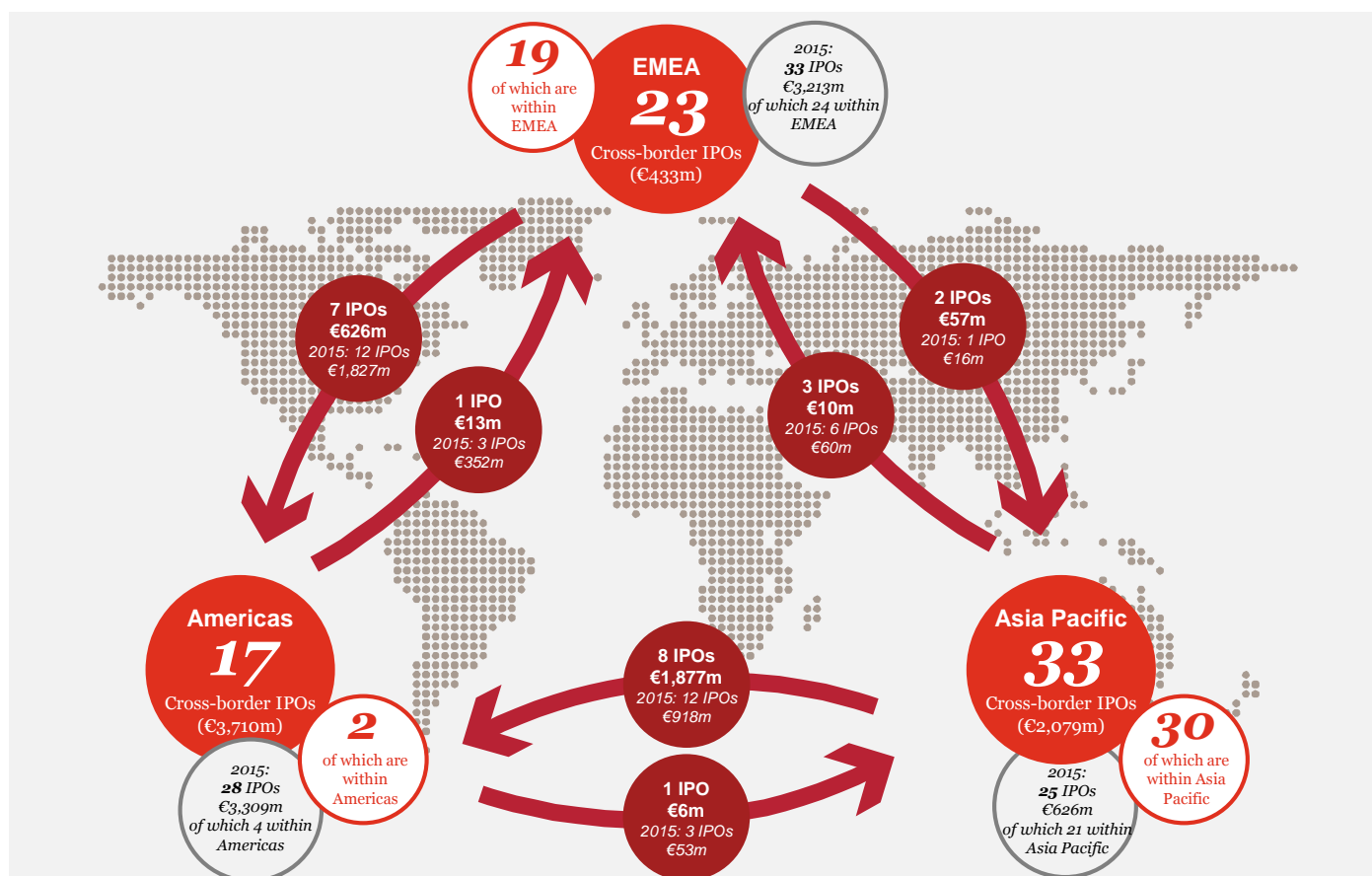


Figure 30: Cross-border IPO activity in 2016



Source: Dealogic

# Global perspective – Cross-border IPOs

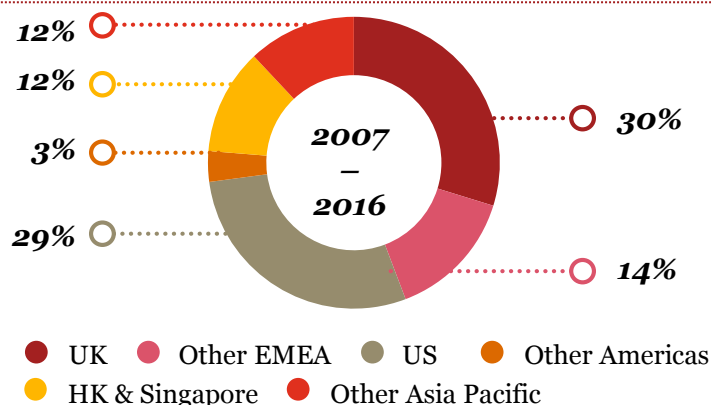
Figure 31: Cross-border activity in 2016 between the top 10 (by number) issuing countries and selected exchanges

Issuer nationality	Exchange nationality								Total by issuer nationality 2016	Total by issuer nationality 2015
	By value (€m)	New York	London	Other European	Australia	Singapore	Hong Kong	Other exchanges		
China	1,822	-	-	3	27	355	-	319	2,526	600
Bermuda	1,206	-	-	-	-	-	-	-	1,206	321
Singapore	-	-	-	1	-	-	1,060	-	1,061	34
Germany	270	-	-	-	-	-	-	-	270	171
Japan	-	-	-	-	-	-	154	-	154	42
Netherlands	49	-	-	100	-	-	-	-	149	-
Switzerland	110	-	-	34	-	-	-	-	144	-
Belgium	140	-	-	-	-	-	-	-	140	-
Malta	-	-	-	90	-	-	-	-	90	-
Greece	58	-	-	-	-	-	-	-	58	-
Other issuer nationalities	65	47	102	114	5	35	57	57	425	5,980
<b>Total by exchange 2016</b>	<b>3,720</b>	<b>47</b>	<b>329</b>	<b>141</b>	<b>360</b>	<b>1,249</b>	<b>376</b>	<b>376</b>	<b>6,223</b>	n/a
<b>Total by exchange 2015</b>	<b>28,930</b>	<b>2,401</b>	<b>3,843</b>	<b>307</b>	<b>624</b>	<b>224</b>	<b>374</b>	<b>374</b>	<b>n/a</b>	<b>7,148</b>

Issuer nationality	Exchange nationality								Total by issuer nationality 2016	Total by issuer nationality 2015
	By volume of IPOs	New York	London	Other European	Australia	Singapore	Hong Kong	Other exchanges		
China	7	-	-	1	5	2	-	7	22	17
Bermuda	2	-	-	-	-	-	-	-	2	1
Singapore	-	-	-	1	-	-	6	-	7	5
Germany	1	-	-	-	-	-	-	-	1	2
Japan	-	-	-	-	-	-	1	-	1	1
Netherlands	1	-	-	1	-	-	-	-	2	-
Switzerland	2	-	-	2	-	-	-	-	4	-
Belgium	1	-	-	-	-	-	-	-	1	-
Malta	-	-	-	1	-	-	-	-	1	-
Greece	1	-	-	-	-	-	-	-	1	-
Other issuer nationalities	2	9	7	7	1	4	1	1	31	60
<b>Total by exchange 2016</b>	<b>17</b>	<b>9</b>	<b>13</b>	<b>12</b>	<b>3</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>73</b>	n/a
<b>Total by exchange 2015</b>	<b>58</b>	<b>29</b>	<b>16</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>8</b>	<b>8</b>	<b>n/a</b>	<b>86</b>

Figure 32: Regions attracting cross-border IPOs as a percentage of total volume of cross-border IPOs (2007-2016)



"2016 was a challenging year for the IPO markets globally. Geopolitical uncertainty and concerns over the health of the global economy impacted on 2016's IPO windows. The year ahead looks more promising, as a number of US, European, and Asian tech unicorns are reportedly lining up to IPO in 2017, while some large privatisations are also in the IPO pipeline for the year. At the start of the year the focus will be on the US and the development of the new administration's policies. The key question is whether these will incentivise access to the US capital markets or will cross border activity into the US be hindered?"

**Clifford Tompsett**  
Partner, Head of the Global IPO Centre at PwC

Source: Dealogic

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# *Appendix*



# Appendix – IPOs by market

## Appendix 1: European IPOs by market

Stock exchange	2015		2016		Q1 2016		Q2 2016		Q3 2016		Q4 2016	
	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*	IPOs	Value (€m)*
<b>TOTAL</b>												
Nasdaq Nordic	90	5,905	80	7,861	14	811	33	3,436	9	2,196	24	1,418
London	92	16,370	67	6,700	18	2,327	21	1,180	9	311	19	2,882
Deutsche Börse	23	6,795	11	5,022	3	288	2	17	4	72	2	4,645
Euronext	46	11,228	23	3,455	1	3	13	2,986	5	406	4	60
Borsa Italiana	27	5,265	14	1,343	2	28	5	437	5	775	2	103
BME (Spanish Exchange)	24	7,794	24	1,327	5	3	5	1,300	10	8	4	16
SIX Swiss Exchange	3	2,039	4	733	1	-	2	633	-	-	1	100
Prague	1	-	1	656	-	-	1	656	-	-	-	-
Oslo Børs & Oslo Axess	8	1,078	6	287	-	-	4	90	1	12	1	185
Warsaw	33	440	25	262	5	19	8	92	5	4	7	147
Borsa Istanbul	6	42	2	103	1	11	1	92	-	-	-	-
Bucharest	5	-	2	51	-	-	-	-	1	-	1	51
Luxembourg	-	-	2	48	-	-	-	-	2	48	-	-
Sofia	1	6	2	31	-	-	-	-	-	-	2	31
Budapest	-	-	1	9	-	-	-	-	-	-	1	9
Wiener Börse	1	-	1	-	-	-	-	-	1	-	-	-
Irish Stock Exchange	2	394	-	-	-	-	-	-	-	-	-	-
Zagreb Stock Exchange	2	36	-	-	-	-	-	-	-	-	-	-
Athens Stock Exchange	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>364</b>	<b>57,392</b>	<b>265</b>	<b>27,888</b>	<b>50</b>	<b>3,490</b>	<b>95</b>	<b>10,919</b>	<b>52</b>	<b>3,832</b>	<b>68</b>	<b>9,647</b>
<b>EU-REGULATED</b>												
Nasdaq Nordic (Main)	29	5,115	29	7,229	5	592	12	3,236	3	2,167	9	1,234
London Main	61	15,640	28	5,359	9	2,026	7	432	3	249	9	2,652
Deutsche Börse (Prime and General Standard)	19	6,786	8	5,008	3	288	1	3	2	72	2	4,645
Euronext	28	11,115	14	3,370	-	-	10	2,954	2	368	2	48
BME (Spanish Exchange) (Main)	7	7,662	3	1,300	0	0	3	1,300	-	-	-	-
Borsa Italiana (Main)	10	5,000	3	1,137	0	0	2	378	1	759	-	-
SIX Swiss Exchange	3	2,039	4	733	1	0	2	633	-	-	1	100
Prague	1	-	1	656	-	-	1	656	-	-	-	-
Oslo Børs	5	1,020	4	275	0	0	3	90	-	-	1	185
Warsaw (Main)	14	434	12	255	1	17	5	91	-	-	6	147
Bucharest	-	-	1	51	-	-	-	-	-	-	1	51
Sofia	1	6	2	31	-	-	-	-	-	-	2	31
Budapest	-	-	1	9	-	-	-	-	-	-	1	9
Wiener Börse	1	-	-	-	-	-	-	-	-	-	-	-
Irish Stock Exchange (Main)	2	394	-	-	-	-	-	-	-	-	-	-
Zagreb Stock Exchange	2	36	-	-	-	-	-	-	-	-	-	-
Athens Stock Exchange	-	-	-	-	-	-	-	-	-	-	-	-
<b>EU-regulated sub-total</b>	<b>183</b>	<b>55,247</b>	<b>110</b>	<b>25,413</b>	<b>19</b>	<b>2,923</b>	<b>46</b>	<b>9,773</b>	<b>11</b>	<b>3,615</b>	<b>34</b>	<b>9,102</b>
<b>EXCHANGE-REGULATED</b>												
London AIM	31	730	39	1341	9	301	14	748	6	62	10	230
Nasdaq Nordic (First North)	61	790	51	632	9	219	21	200	6	29	15	184
Borsa Italiana (AIM)	17	265	11	206	2	28	3	59	4	16	2	103
BME (Spanish Exchange) (MAB)	17	132	21	27	5	3	2	-	10	8	4	16
Oslo Axess	3	58	2	12	-	-	1	-	1	12	-	-
Euronext (Alternext)	18	113	9	85	1	3	3	32	3	38	2	12
Borsa Istanbul	6	42	2	103	1	11	1	92	-	-	-	-
Deutsche Börse (Entry Standard)	4	9	3	14	-	-	1	14	2	-	-	-
Warsaw (NewConnect)	19	6	13	7	4	2	3	1	5	4	1	-
Bucharest (AeRO)	5	-	1	-	-	-	-	-	1	-	-	-
Luxembourg (MTF)	-	-	2	48	-	-	-	-	2	48	-	-
Wiener Börse (MTF)	-	-	1	-	-	-	-	-	1	-	-	-
Irish Stock Exchange (ESM)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Exchange-regulated sub-total</b>	<b>181</b>	<b>2,145</b>	<b>155</b>	<b>2,475</b>	<b>31</b>	<b>567</b>	<b>49</b>	<b>1,146</b>	<b>41</b>	<b>217</b>	<b>34</b>	<b>545</b>
<b>Europe total</b>	<b>364</b>	<b>57,392</b>	<b>265</b>	<b>27,888</b>	<b>50</b>	<b>3,490</b>	<b>95</b>	<b>10,919</b>	<b>52</b>	<b>3,832</b>	<b>68</b>	<b>9,647</b>

\* Excludes greenshoe



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## Contacts

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### 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 December 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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