

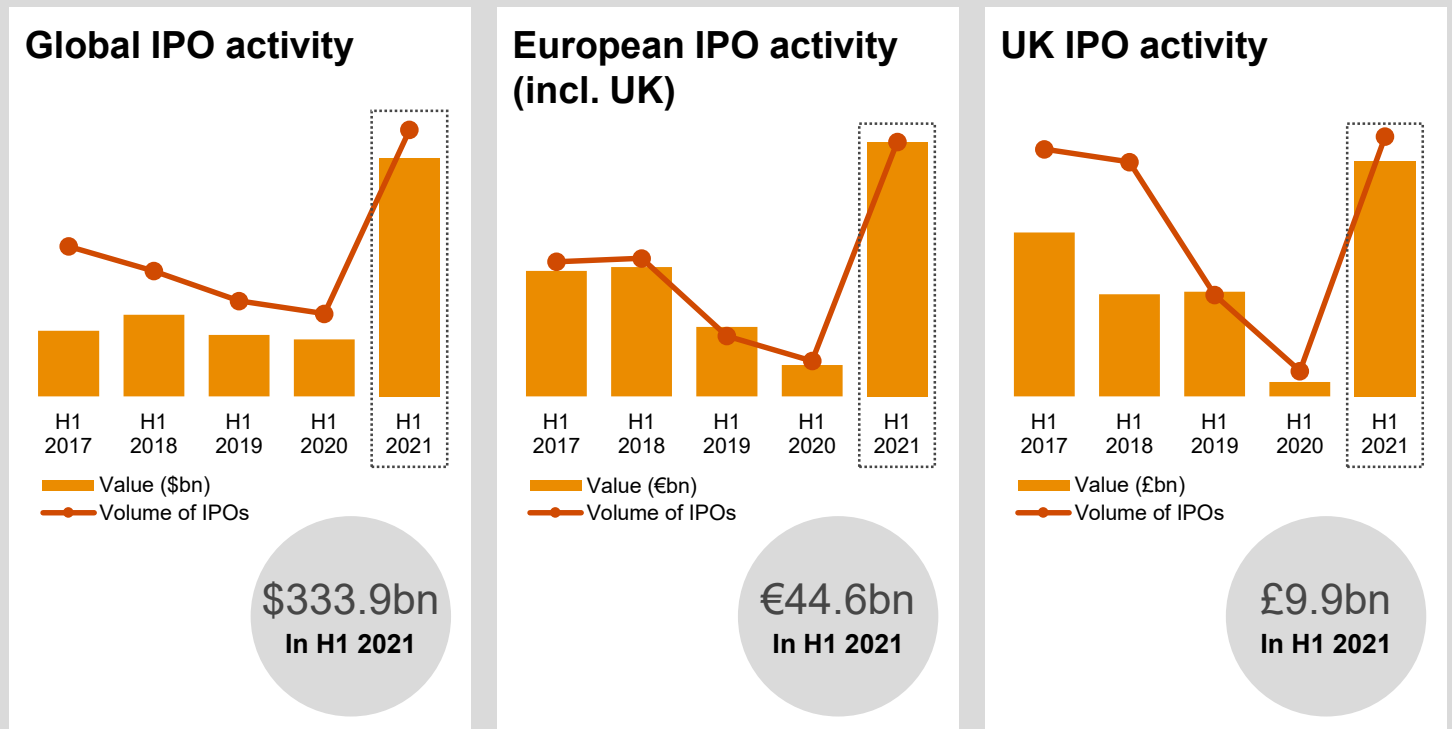


# IPO Watch Europe

Q2 2021



European IPO activity delivered another strong quarter, achieving the busiest first half in recent history with 223 IPOs raising €44.6bn, compared to 31 IPOs raising €5.5bn in H1 2020. An improving economic backdrop and resilient equity markets contributed to new issuance momentum and, while the valuations are being tested harder, cornerstone and institutional investors continue to support strong equity stories.



<b>Allfunds Group</b> Financials €2,164m Euronext Amsterdam	<b>Acciona Energia</b> Utilities €1,320m BME	<b>Alphawave IP Group</b> Technology €995m London Stock Exchange	<b>SUSE</b> Technology €975m Deutsche Börse
<b>ABOUT YOU Holding</b> Consumer Discretionary €842m Deutsche Börse	<b>PolyPeptide Group</b> Health Care €769m SIX Swiss Exchange	<b>SYNLAB International</b> Health Care €754m Deutsche Börse	<b>Vimian Group</b> Health Care €710m Nasdaq Nordic – Stockholm

European IPO activity in the second quarter of 2021 has continued at a strong pace, achieving the busiest first half in recent history. However, as we take stock of what the IPO market has delivered this quarter, it is evident that in the last couple of months investors have become more selective and price sensitive with a number of deals pricing towards the bottom of the range and some transactions being pulled or postponed.

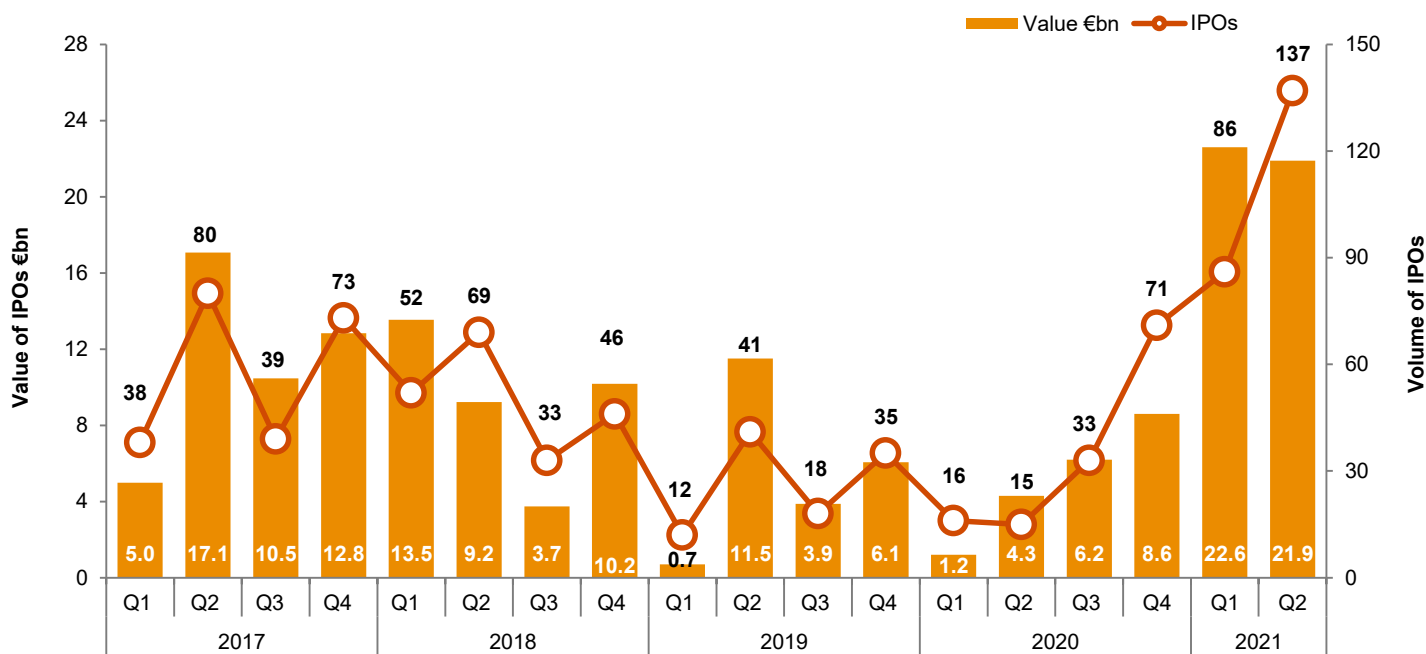
European IPO pipeline continues to be strong and new issuance momentum is likely to continue in the second half, however with a large number of IPOs to choose from investors will likely look to prioritise the must have stocks with unique investment stories (including ESG) and focus on the aftermarket performance.

**Mark Hughes**  
 Partner, UK Capital Markets Leader

# European IPO trends

IPO activity continued to be very strong in Q2 2021 with 137 transactions, raising €21.9bn. However, only two IPOs in Q2 2021 have raised over €1bn (Allfunds Group and Acciona Energia) compared to a significant number of €1bn+ transactions in Q1 2021.

Figure 1: Quarterly European IPO activity since 2017



## Strong Q2 2021 European IPO activity to close remarkable first half

Q2 2021 delivered another strong quarter of IPO activity in Europe with H1 2021 marking the busiest first half in recent history. Robust global equity markets and low volatility supported by strong macroeconomic indicators, accommodative monetary policies and reopening of the economies boosted by the rollout of the vaccination programmes, all contributed to the ideal backdrop for IPOs during H1 2021. However, with a large number of competing IPOs and a certain degree of deal fatigue, investors have notably become more selective and price sensitive.

Frankfurt and Amsterdam were particularly busy, advancing to the first and second positions respectively by total IPO proceeds raised in Q2, boosted by a flurry of domestic and international deals such as Allfunds Group IPO in Amsterdam and SUSE, ABOUT YOU, Synlab IPOs in Frankfurt.

## Focus on the European SPAC market

A number of SPACs have started to trade in Europe across Euronext Paris, Euronext Amsterdam, Borsa Italiana, Frankfurt and Stockholm stock exchanges with wide sector coverage such as e-commerce, technology, financials, ESG and renewables, while London is awaiting for changes to SPACs listing rules. Some of the common features of the European SPAC market included smaller deal sizes than what we had seen earlier in the year and a significant presence of cornerstone investors. Whilst the European SPAC issuance is expected to continue at a pace, the focus will be shifting towards SPAC mergers as target companies are being identified. The success of these de-SPACing transactions will be a key driver for normalisation of the SPAC market.

## Strategic importance of ESG for equity story and IPO readiness

We have noted the importance of strategic approach to sustainability in our earlier reports, with it increasingly being one of the focus areas for IPO readiness. As ESG framework matures, a more robust ESG strategy, information on KPIs and reporting is expected by investors from the companies looking to go public, however there is still limited guidance around best practice. ESG strategy has now become an important pillar of the equity story and, as evidenced by recent transactions, investors integrate ESG considerations in their investment decision making process.



In Europe, we have seen a wide variety of IPOs across various sectors, geographies and deal sizes. There has clearly been enough liquidity for significant IPO volumes on the European exchanges as companies choose to list on their domestic markets.

An increase in SPACs being listed on European or London exchanges, as the market slows in the US, is an area to watch.

Meanwhile ESG remains a growing priority for investors and represents an increasingly important value lever for deals.

**Richard Spilsbury**  
Partner, UK Capital Markets

# European exchanges

Deutsche Börse and Euronext Amsterdam have taken the first and the second places respectively by the total value of the IPO proceeds raised in Q2 2021, pushing London Stock Exchange into a third place. LSE remained a top exchange for further offers in Europe, followed by BME largely due to the Cellnex Telecom €7bn capital increase transaction.

Figure 2: Top five stock exchanges by IPOs in Europe in Q2 2021 (by offering value)

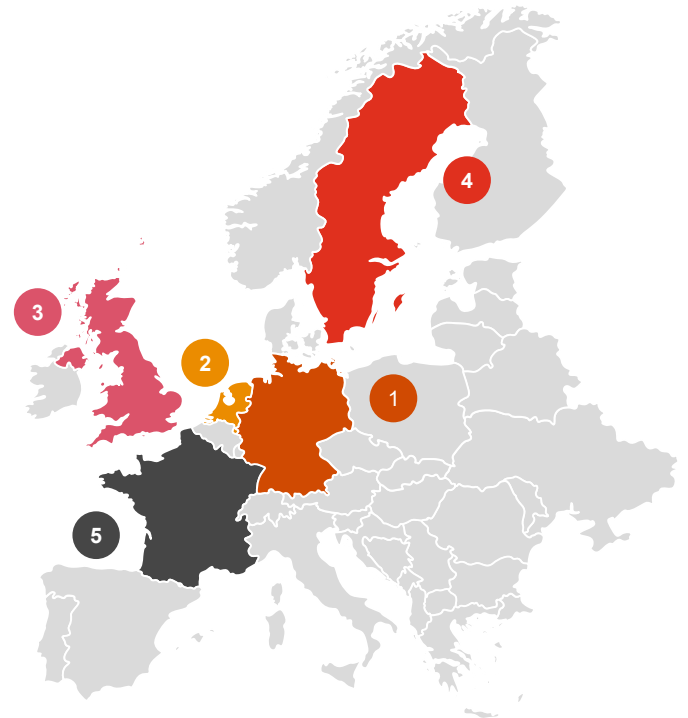
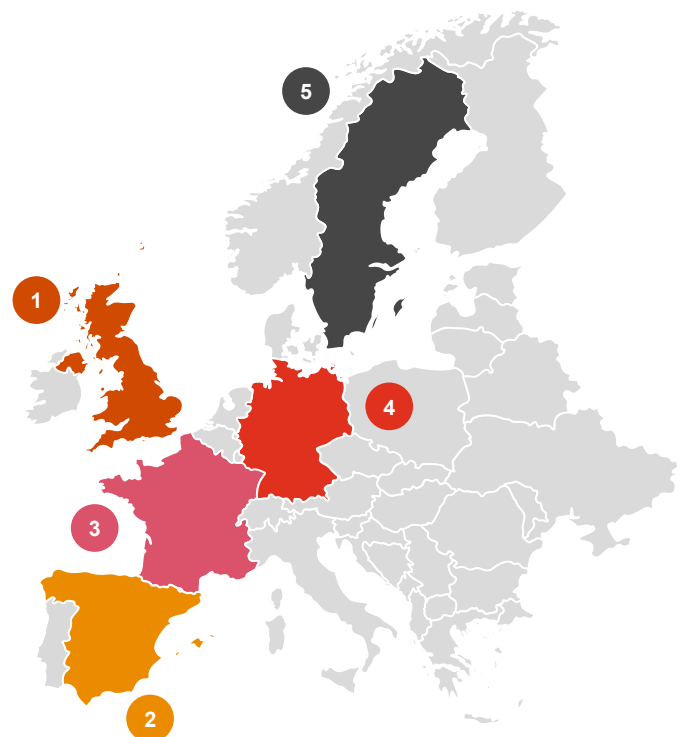
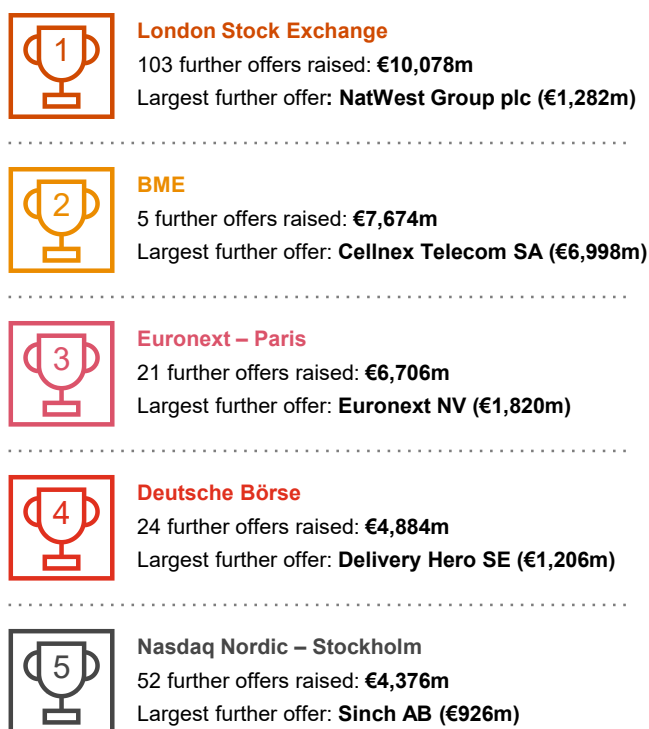


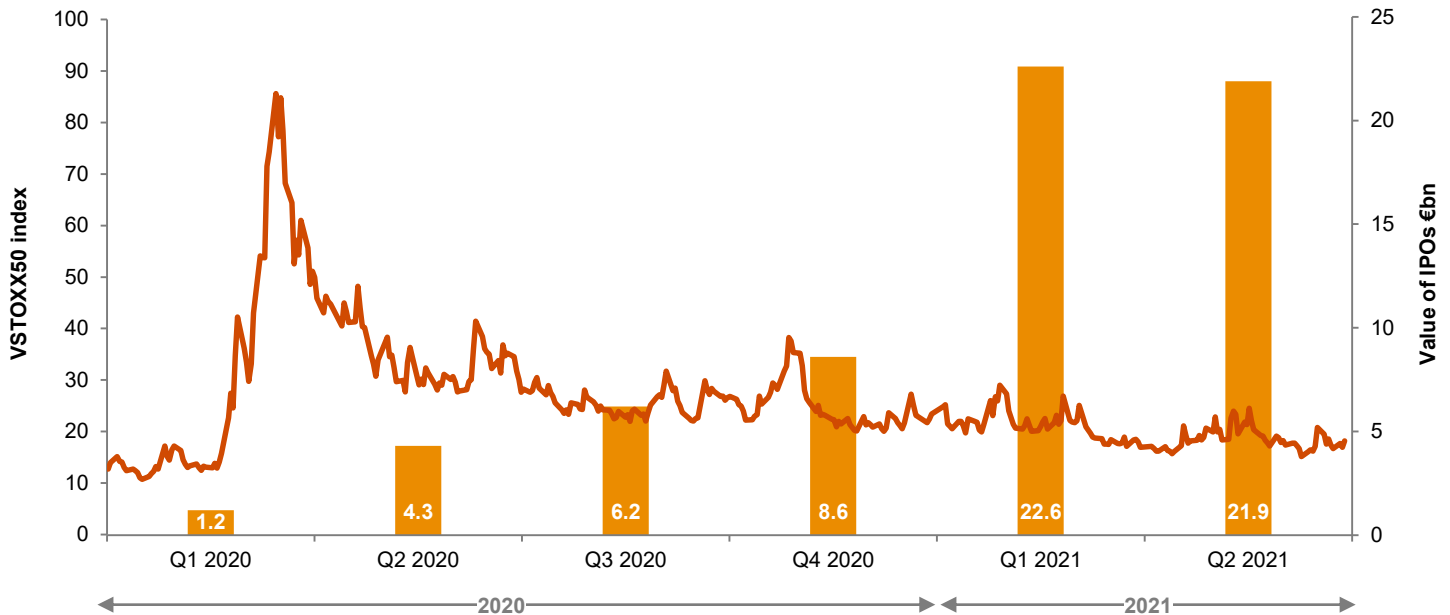
Figure 3: Top five stock exchanges by further offers in Europe Q2 2021 (by offering value)



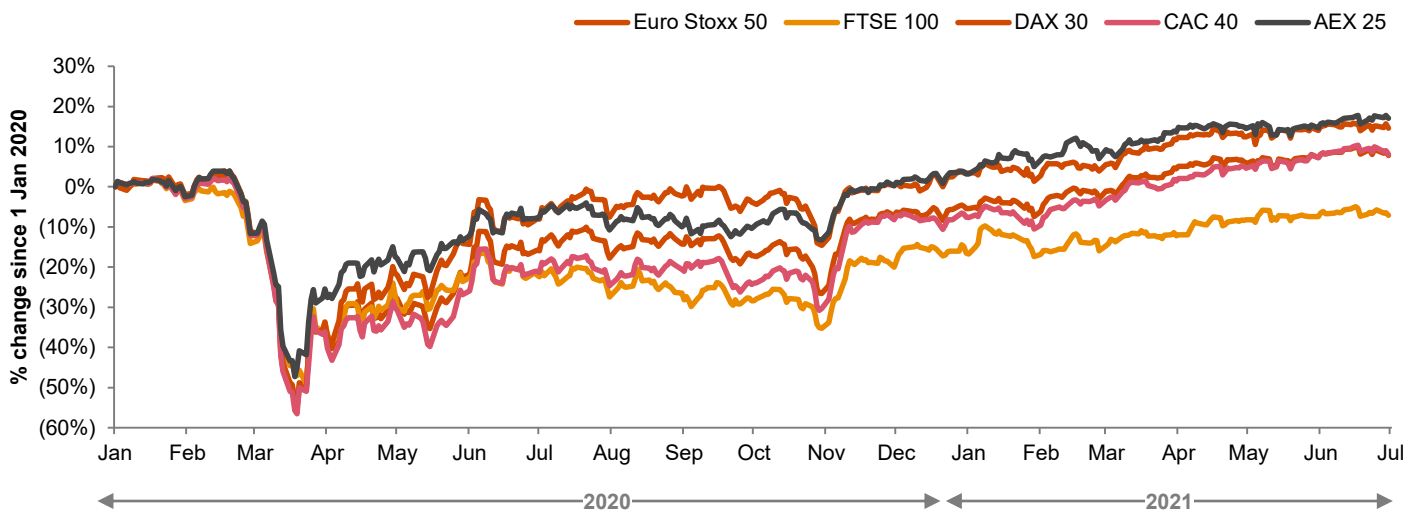
# Market volatility

The European markets continued to enjoy low volatility in Q2 2021, dipping to 15 points in June 2021, which is the lowest it has been since the start of the pandemic. A combination of strong equity markets and low volatility have provided an ideal backdrop for IPO issuance.

**Figure 4: Volatility tracked against European IPO values**



**Figure 5: Historical performance of major European market indices since January 2020**

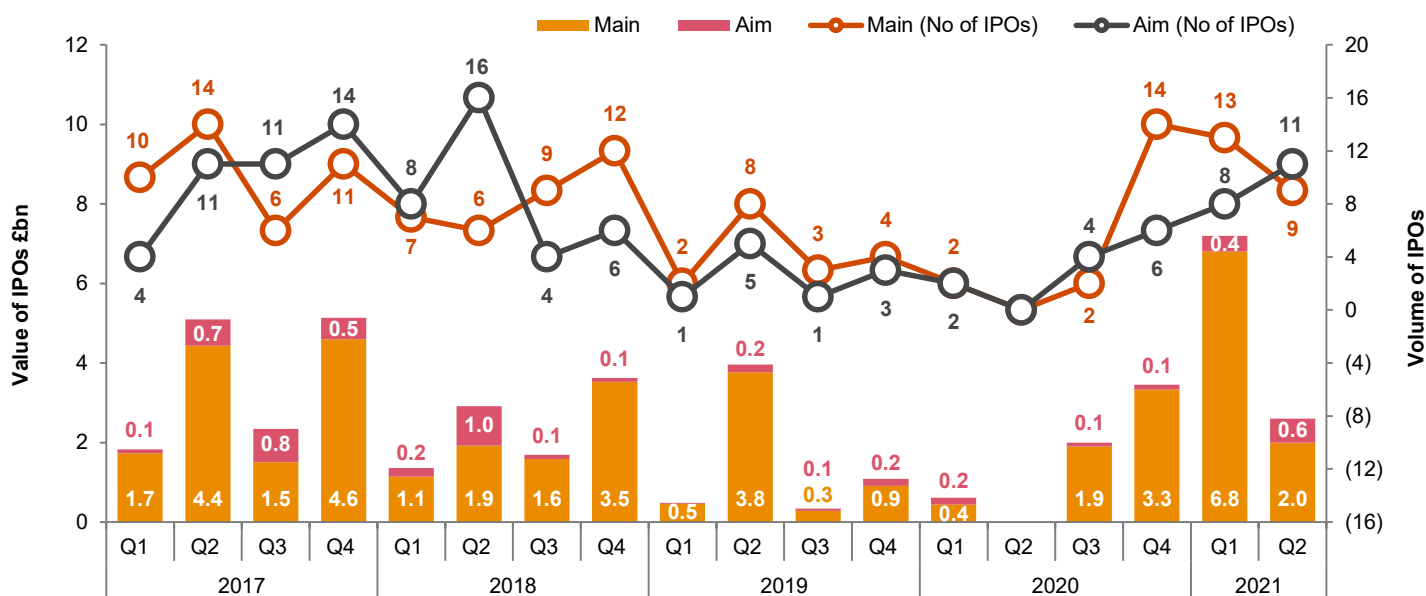


Source: Bloomberg 30 June 2021

# UK focus

Whilst Q2 2021 has seen lower total IPO proceeds in London with £2.6bn from 20 IPOs compared to an exceptional Q1 2021 £7.2bn from 21 IPOs, this could be attributed to overall smaller deal sizes and higher proportion of AIM IPOs in Q2, with Victorian Plumbing IPO being the largest ever float on AIM by market capitalisation.

Figure 6: Quarterly UK IPO activity since 2017



## IPO sentiment remains positive following an exceptional Q1

Following the strongest Q1 in recent history, the second quarter of 2021 has delivered a number of notable transactions such as Darktrace and Made.com IPOs. A number of dual track processes going down the trade route and overall smaller deal sizes, as compared to Q1, contributed to lower total proceeds raised in Q2. However, IPO sentiment remains positive on the back of post-IPO performance of recent issues. A significant number of transactions came from technology and e-commerce businesses, highlighting strong investor appetite for the sector.

Looking back at the first half, London has been a listing venue of choice for international issuers welcoming companies from the US, Canada, Continental Europe, Israel, Russia and Australia. Similarly, the technology sector dominated the international issuance ranging from consumer internet and video games to semiconductors. However, not all international issuers were successful with gold miner Nordgold cancelling its London IPO pointing to investor valuation sensitivity.

## Innovation in IPOs with Wise direct listing on LSE

Innovation has certainly been front of mind ever since the usual IPO framework has been challenged by COVID-19 as markets have adopted new ways of working. Wise IPO has also challenged the norm and whilst the company largely went through the usual IPO routine, it is the first fintech business to have a direct listing on the London Stock Exchange, where the price was determined in the unique opening auction on the date of admission, rather than through a traditional bookbuilding exercise with institutional investors. Whilst the first day trading volumes were lower than that of the previous direct listings in the US, the stock closed up 10% showing investors were satisfied with the valuation.

## Momentum in AIM IPO issuance

AIM issuance continued to gain momentum with an increasing number of companies choosing to IPO on the alternative market. Q2 2021 delivered the fourth consecutive quarter of growth in the number of IPOs on AIM following the halt in new issuance activity in Q2 2020 due to the pandemic. Notably, the AIM IPO pipeline this quarter was largely driven by technology, e-commerce and consumer companies and it also delivered the largest AIM IPO by market cap for Victorian Plumbing raising £298m.



Whilst we have seen more normalised IPO activity in Q2, the first six months of 2021 have delivered a number of successful transactions including some notable international IPOs in London. Technology and consumer companies account for a majority of new issuance.

The recent example of Wise opting for a direct listing in London highlights a focus on innovation in IPOs and growing appeal of London to global tech firms.

Also a number of successful AIM IPOs and an increasing pipeline of high growth companies looking to follow, indicate there could be stronger AIM activity later in the year.

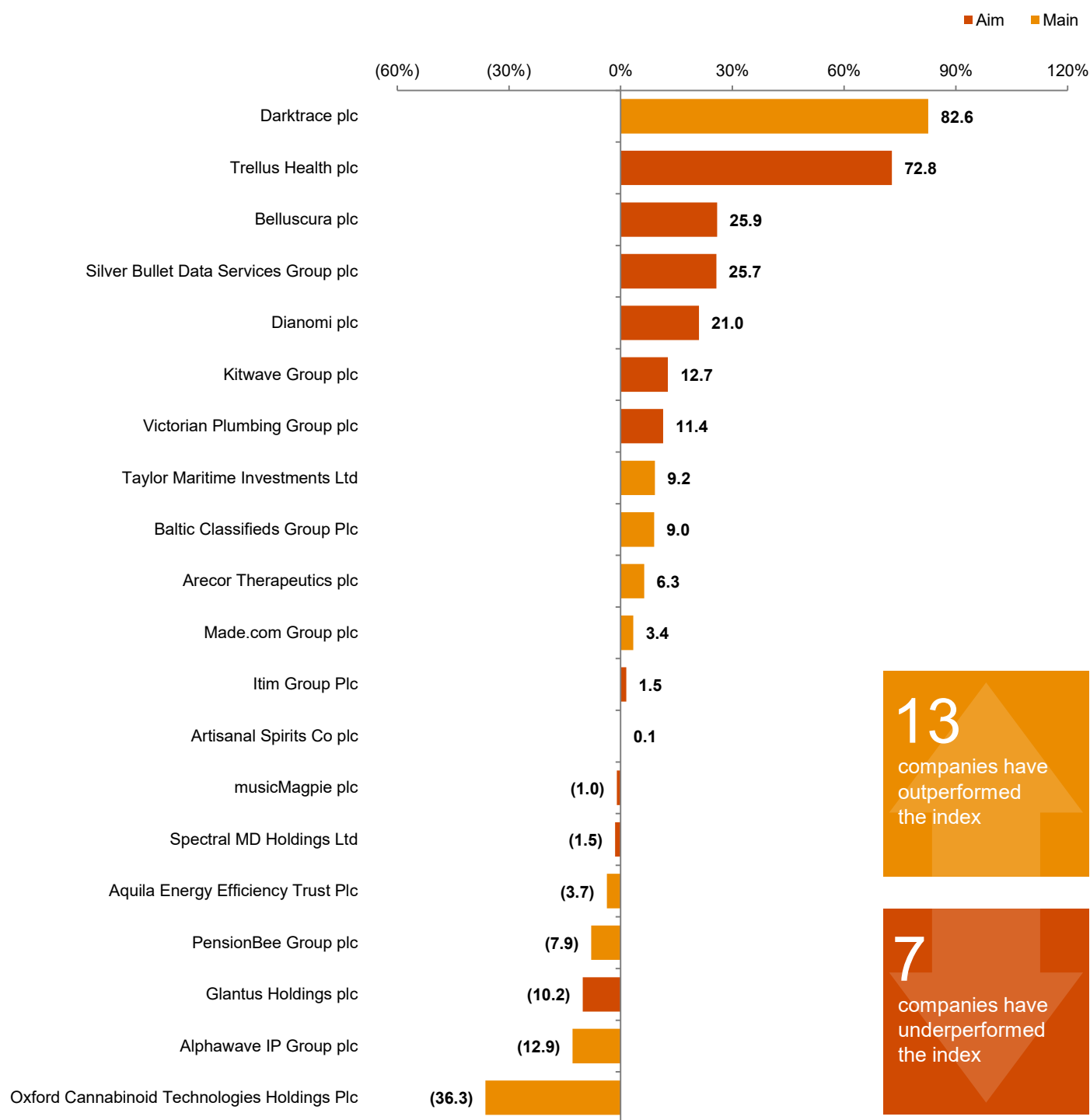
## Ekaterina Chmatova

Senior Manager, UK Capital Markets

# Relative performance of UK IPOs

With a few exceptions of disappointing market debuts, London new listings have delivered a positive after market performance in Q2 2021, with 13 issuers outperforming their relative indices. Post-IPO performance is front of mind for investors putting pressure on IPO pricing.

Figure 7: Share price performance of trading UK IPOs relative to the FTSE all share index, from IPO to 30 June 2021 (%)



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: Bloomberg as of 30 June 2021

# Global money raised via IPOs

Global IPO issuance in Q2 2021 has totalled US\$131.0bn from 582 IPOs, with H1 2021 IPO issuance not only exceeding full year 2020 issuance, but also being the busiest first half in recent history. The largest IPO globally in Q2 was Chinese ride-hailing company DiDi Global raising US\$4.4bn on the New York Stock Exchange.

Figure 8: Global money raised via IPOs (10-year overview)

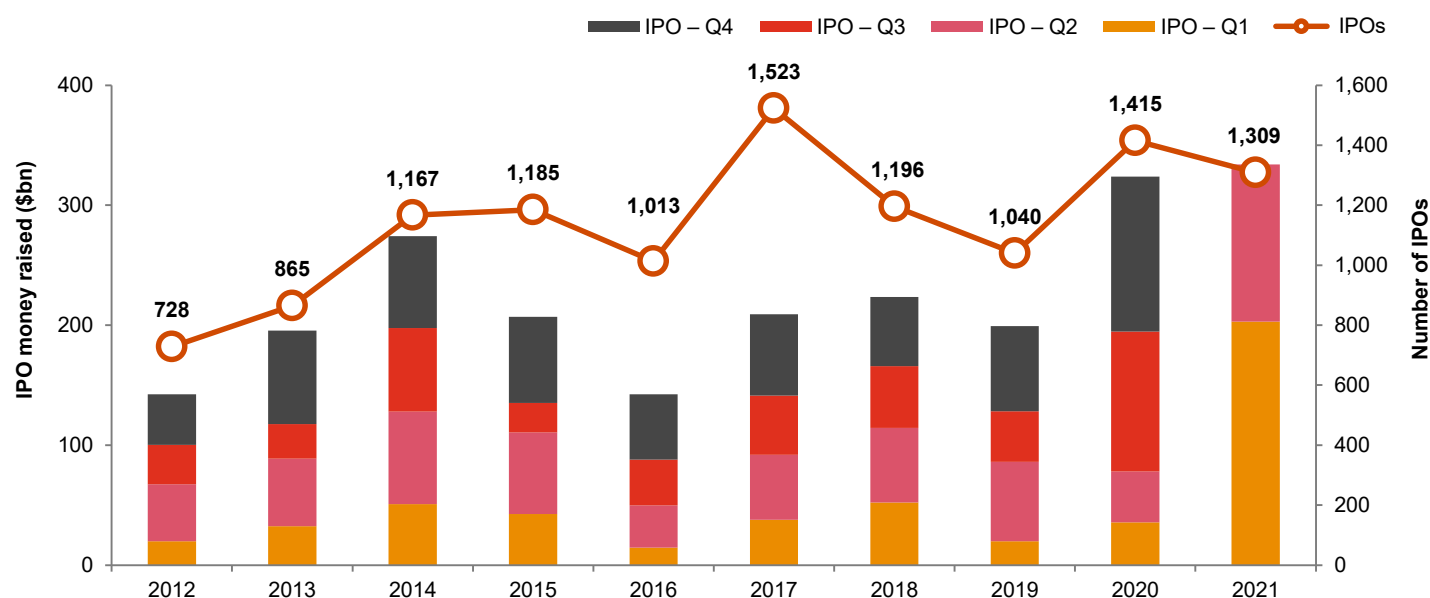


Figure 9: Top ten largest IPOs in Q2 2021

Pricing date	Issuer name	Issuer country	Sector	Exchange	Money raised
29-Jun-21	DiDi Global Inc		Consumer Discretionary	NYSE	\$4.4bn
21-May-21	JD Logistics Inc		Industrials	HKEX	\$3.6bn
7-May-21	China Three Gorges Renewables Group Co Ltd		Utilities	Shanghai Stock Exchange	\$3.5bn
23-Apr-21	Allfunds Group plc		Financials	Euronext – Amsterdam	\$2.6bn
26-Apr-21	SK IE Technology Co Ltd		Technology	Korea Exchange	\$2.0bn
15-Apr-21	AppLovin Corp		Technology	NASDAQ	\$2.0bn
19-May-21	Oatly Group AB		Consumer Staples	NASDAQ	\$1.7bn
20-Jun-21	Acciona Energia SA		Utilities	BME	\$1.6bn
22-Jun-21	Full Truck Alliance Co Ltd		Industrials	NYSE	\$1.6bn
20-Apr-21	UiPath Inc		Technology	NYSE	\$1.5bn





# Appendix: European IPOs over €200m in Q2 2021

## Appendix 1: European IPOs

IPO date	Issuer	Value (€m)	Stock Exchange	Sector
23-Apr-21	Allfunds Group plc	2,164	Euronext – Amsterdam	Financials
30-Jun-21	Acciona Energia SA	1,320	BME	Utilities
13-May-21	Alphawave IP Group plc	995	London	Technology
17-May-21	SUSE SA	975	Deutsche Börse	Technology
14-Jun-21	ABOUT YOU Holding AG	732	Deutsche Börse	Consumer Discretionary
29-Apr-21	PolyPeptide Group AG	769	SIX Swiss	Health Care
27-Apr-21	SYNLAB International GmbH	754	Deutsche Börse	Health Care
18-Jun-21	Vimian Group AB	714	Nasdaq Nordic – Stockholm	Health Care
14-May-21	Pepco Group Ltd	710	Warsaw	Consumer Discretionary
29-Apr-21	Pegasus Acquisition Co Europe BV	500	Euronext – Amsterdam	Financials
12-May-21	Montana Aerospace AG	461	SIX Swiss	Industrials
12-May-21	Baltic Classifieds Group plc	442	London	Consumer Discretionary
23-Jun-21	OX2 Group AB	432	Nasdaq Nordic – Stockholm	Energy
14-May-21	Hedosophia European Growth	400	Euronext – Amsterdam	Financials
17-Jun-21	Aramis Group SA	388	Euronext – Paris	Consumer Discretionary
23-Jun-21	Cherry GmbH	362	Deutsche Börse	Technology
17-Jun-21	Victorian Plumbing Group plc	348	London	Consumer Discretionary
16-Jun-21	Islandsbanki hf	342	Nasdaq Nordic – Iceland	Financials
30-Jun-21	Mister Spex SE	326	Deutsche Börse	Health Care
16-Jun-21	Elopak AS	302	Oslo Børs	Industrials
29-Apr-21	468 SPAC I SE	300	Deutsche Börse	Financials
09-Jun-21	Believe Digital	300	Euronext – Paris	Consumer Discretionary
22-Jun-21	Bike24 Holding AG	280	Deutsche Börse	Consumer Discretionary
28-May-21	Accor Acquisition Co	275	Euronext – Paris	Financials
23-Jun-21	Creaspac AB	245	Nasdaq Nordic – Stockholm	Financials
16-Jun-21	RevolutionRace AB	243	Nasdaq Nordic – Stockholm	Consumer Discretionary
23-Jun-21	Puuilo Oy	237	Nasdaq Nordic – Helsinki	Consumer Discretionary
16-Jun-21	Made.com Group plc	226	London	Consumer Discretionary
26-Apr-21	Hemnet Group AB	223	Nasdaq Nordic – Stockholm	Financials
21-May-21	REVO SpA	220	Borsa Italiana	Financials
30-Apr-21	Darktrace plc	218	London	Technology
24-May-21	Taylor Maritime Investments Ltd	208	London	Industrials
30-Apr-21	OboTech Acquisition SE	200	Deutsche Börse	Financials
18-Jun-21	Transition SA	200	Euronext – Paris	Financials

# 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 treasury 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 is 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](http://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 greenshore (if exercised). Only transactions with a minimum of \$5 million 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 new enhanced FTSE Russell Industry Classification Benchmark (ICB).

This survey was conducted between 1 January (or 1 April where applicable) to 30 June and IPOs based on their pricing date, and between 1 April to 30 June for further offers analysis. 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. Its is based on data extracted from Dealogic, whereby only transactions with a minimum of \$5 million raised have been included. Transaction proceeds include the overallotment option (if exercised). The data excluded 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 transactions is executed in two or more regions, the money raised is also attributed to all regions. Industry classification is based on the new enhanced FTSE Russell Industry Classification Benchmark. Index performance is based on pricing data extracted from Bloomberg.

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