

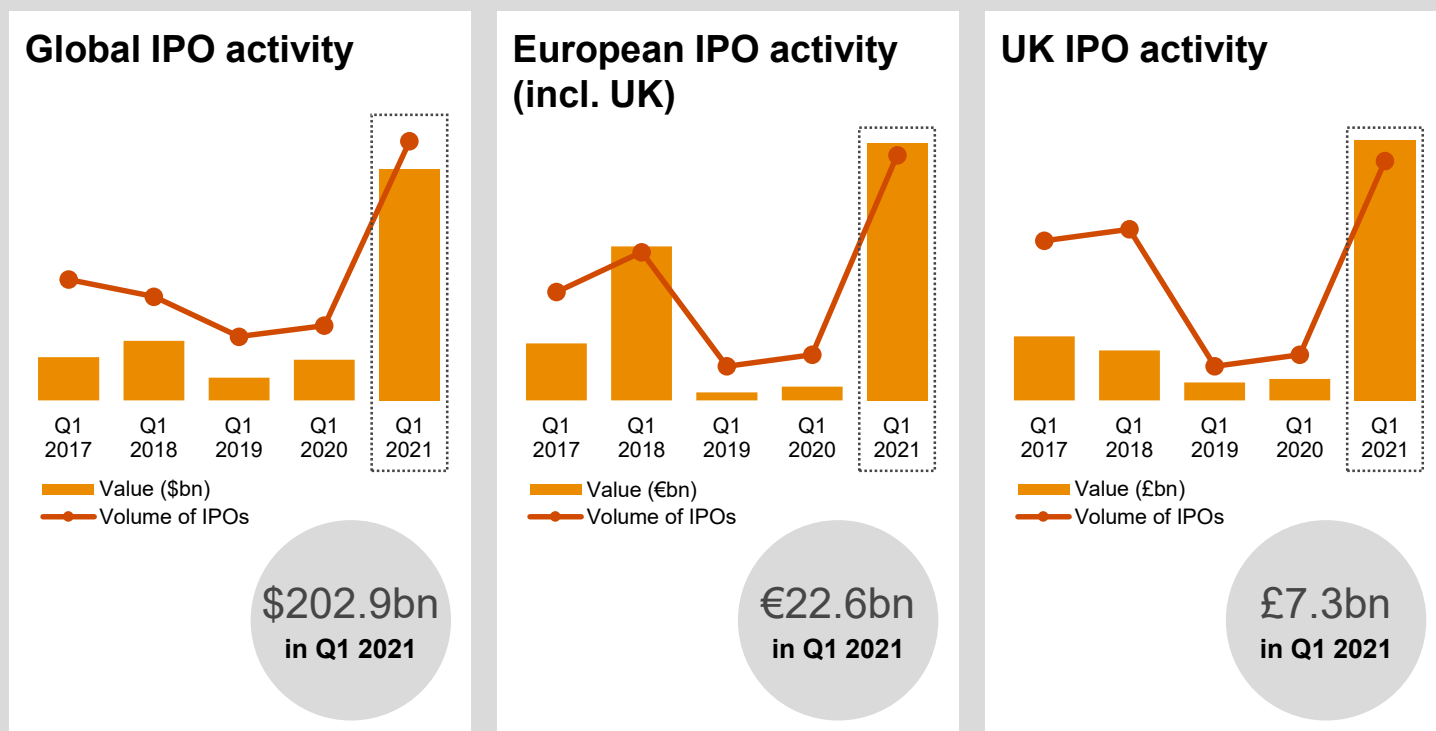


IPO Watch Europe

Q1 2021



European IPO activity in Q1 2021 saw a significant increase in issuance with **86 IPOs raising €22.6bn compared to €1.2bn in Q1 2020** from 16 IPOs and already surpassing full year 2020 IPO issuance. The increase in Q1 2021 is primarily driven by strong market conditions fuelled by post-pandemic optimism, improved macroeconomic backdrop and a significant pipeline of quality issuers ready to go public.



InPost SA Industrials €3,220m Euronext Amsterdam	Vantage Towers AG Telecommunications €2,000m Deutsche Börse	AUTO1 Group SE Consumer discretionary €1,833m Deutsche Börse	Deliveroo plc Technology £1,500m London Stock Exchange
Dr Martens plc Consumer discretionary £1,489m London Stock Exchange	Fix Price Group Ltd Consumer discretionary £1,248m London Stock Exchange	Moonpig Group plc Consumer discretionary £540m London Stock Exchange	Trustpilot Group plc Technology £473m London Stock Exchange

“ This has been a strong start to the year for IPOs in Europe, with Q1 2021 delivering the strongest first quarter since 2000. Improved market confidence driven in part by the ongoing vaccination programmes across Europe, continued government support programmes and supportive macroeconomic data have provided a positive backdrop.

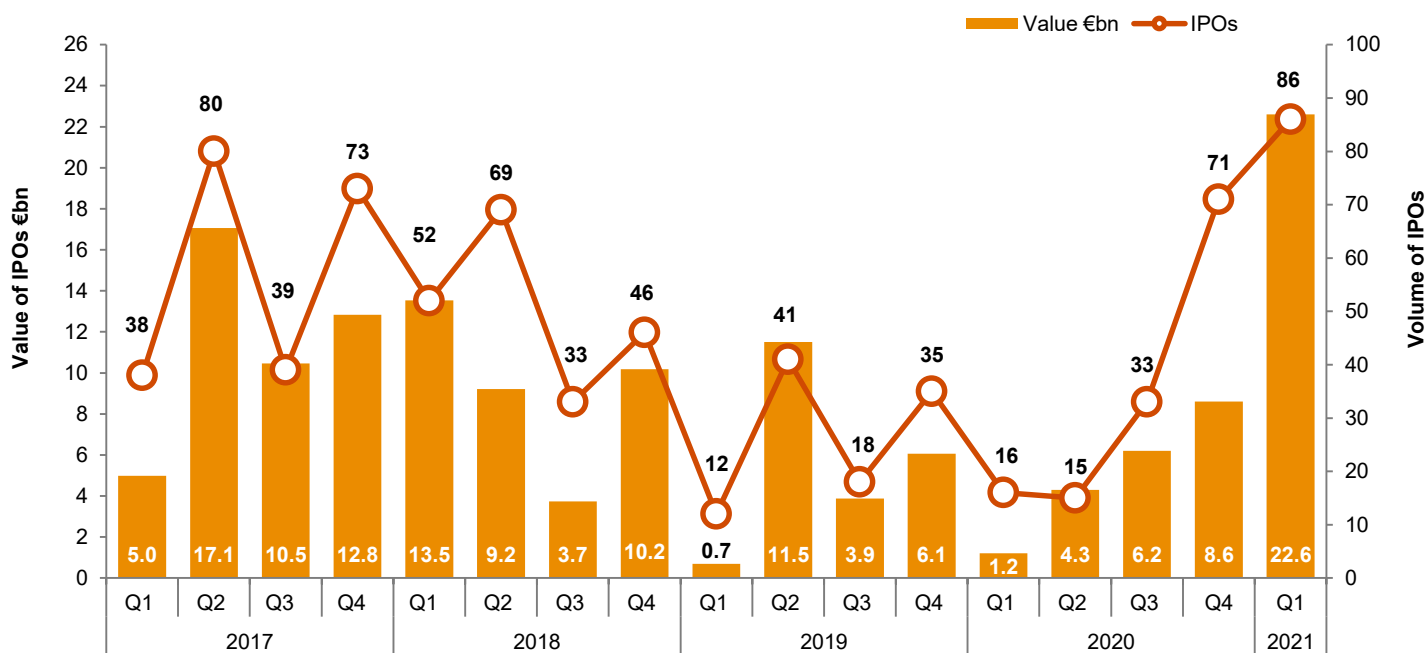
There are positive signs that momentum in the IPO market will continue throughout 2021. Given that backdrop, concerns around the pace of economic recovery and a hot IPO market in Q1, we anticipate that investors will focus on differentiated equity stories and challenge the overall quality of issuers.

Mark Hughes
 Partner, UK Capital Markets Leader

European IPO trends

Q1 2021 has seen the strongest European IPO activity in recent history, raising €22.6bn and surpassing full year 2020 IPO issuance of €20.3bn. Cornerstone support has also been a feature of 2021 IPOs and has added positive dynamics to the European IPO market. European SPACs issuance is gaining momentum, targeting technology and ESG sectors.

Figure 1: Quarterly European IPO activity since 2017



Q1 2021 European IPO issuance exceeded full year 2020 IPO proceeds

European IPO market remained very active throughout Q1 2021, marking it the best first quarter since 2000 and surpassing the full year 2020 IPO issuance levels. Notably, the top five IPOs in Q1 2021 (InPost, Vantage Towers, AUTO1 Group, Deliveroo, and Dr Martens) were all over €1bn, whereas, in the first quarter last year we saw much smaller transactions. The momentum in Q1 was driven by various factors such as positive market conditions on the back of post-pandemic optimism, continued government support programmes, improved macroeconomic indicators and significant pipeline of quality issuers that were ready to go public. The pipeline was also driven by increased IPO activity by PE houses looking to exit, supported by attractive valuations.

SPACs are gaining momentum in Europe

Q1 2021 SPACs issuance in the US have already exceeded the total issuance in all of last year. SPACs in Europe are gaining momentum with Euronext Amsterdam, Frankfurt and Stockholm exchanges becoming increasingly active, as well as being backed by top quality sponsors. European SPACs have a diverse industry, including a focus on technology, ESG and nutrition.

Cornerstones bring additional support to European IPOs

Another prominent feature of the European IPO markets this quarter has been the substantial cornerstone support of the European IPOs. A majority of high profile IPOs were supported by blue-chip institutional investors with cornerstone commitments being announced early in the marketing process helping to de-risk transactions and validate their equity stories. Whilst this is not a new feature to the IPO market, it has certainly added positive dynamics to the Q1 market and highlights the quality of the investment opportunities presented to the market this year.



We have seen a significant deal flow in Europe across a broad range of sectors from technology and telecoms to consumer products and industrials. However, what stands out in particular is the flurry of European tech, online and e-commerce new listings. This has largely been driven by increased investor appetite for digital companies that have benefited from the lockdowns and broader shift towards online by consumers and companies, as well as increasing focus on sustainable businesses strategies.

Another area to watch is increasing European activity around SPACs in Amsterdam, Frankfurt and other jurisdictions, seeking to capitalise on the M&A recovery.

Richard Spilsbury
Partner, UK Capital Markets

European exchanges

London Stock Exchange continues to dominate both IPOs and further offers in Q1 2021 with a number of high profile transactions. Euronext Amsterdam has advanced to second position and hosted the IPO of InPost which was the largest IPO in Europe this quarter.

Figure 2: Top five stock exchanges by IPOs in Europe in Q1 2021 (by offering value)

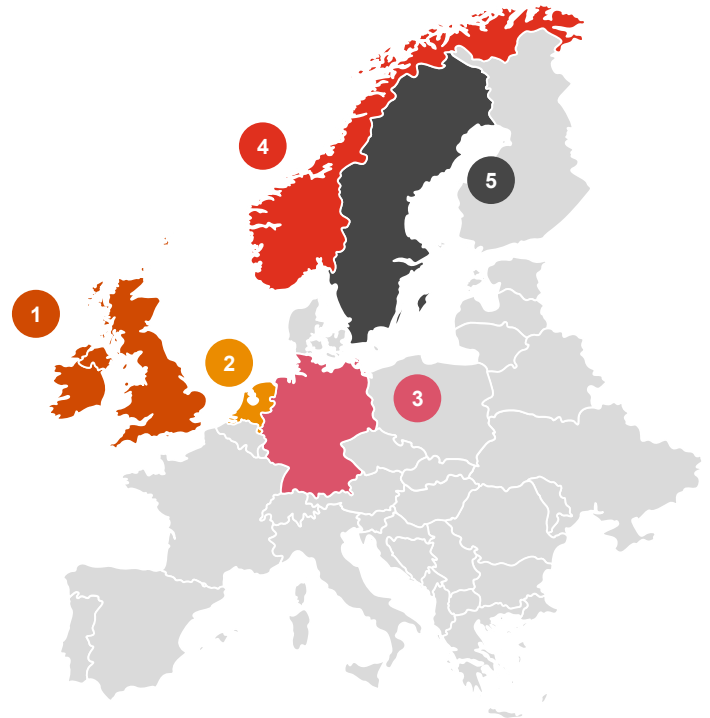
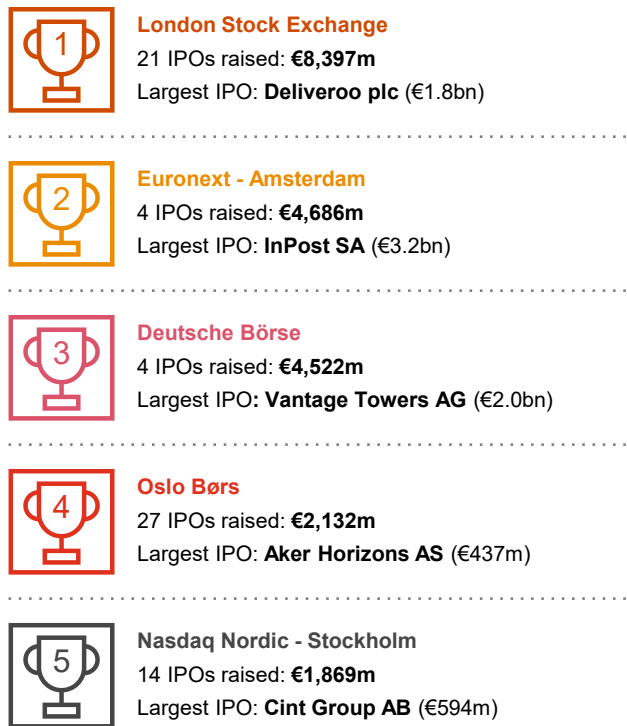
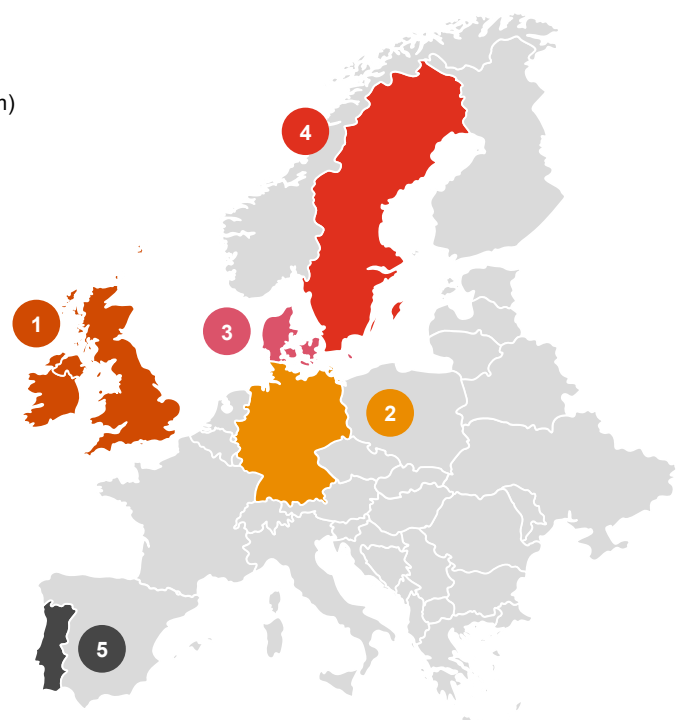
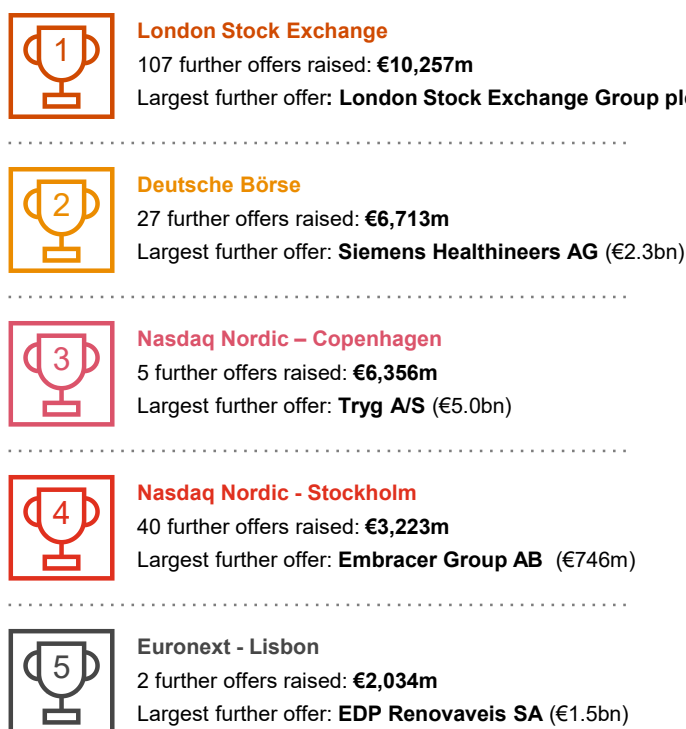


Figure 3: Top five stock exchanges by further offers in Europe Q1 2021 (by offering value)



Market volatility

A year after the start of the global pandemic, the volatility of the European markets dipped below 20 in early March 2021 after a year of uncertainty characterised by significant price swings in both directions. A more stable Q1 2021 provided a favourable backdrop for the IPO market in Europe with a number of issuers taking advantage of a receptive IPO market.

Figure 4: Volatility tracked against European IPO values

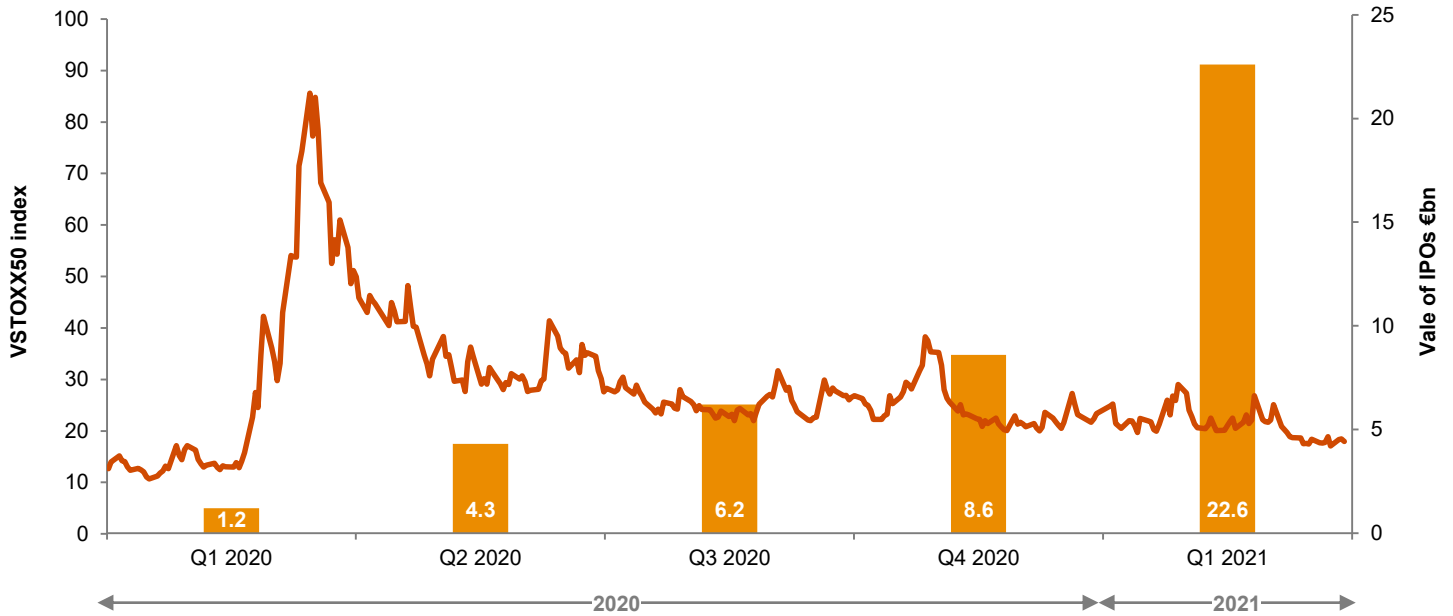
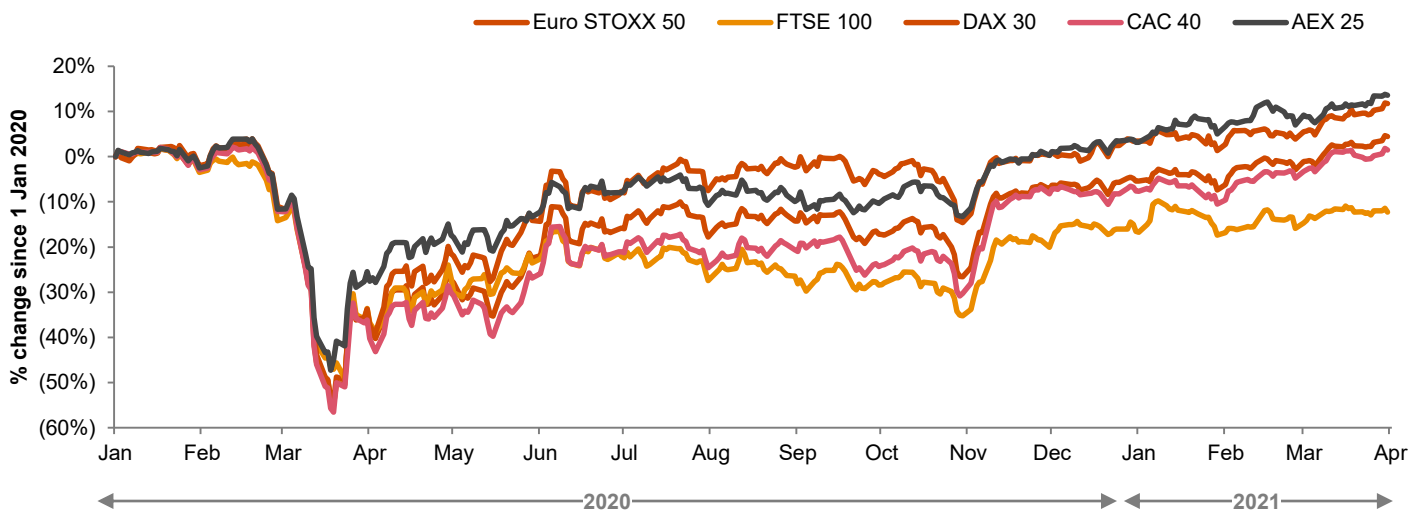


Figure 5: Historical performance of major European market indices since January 2020

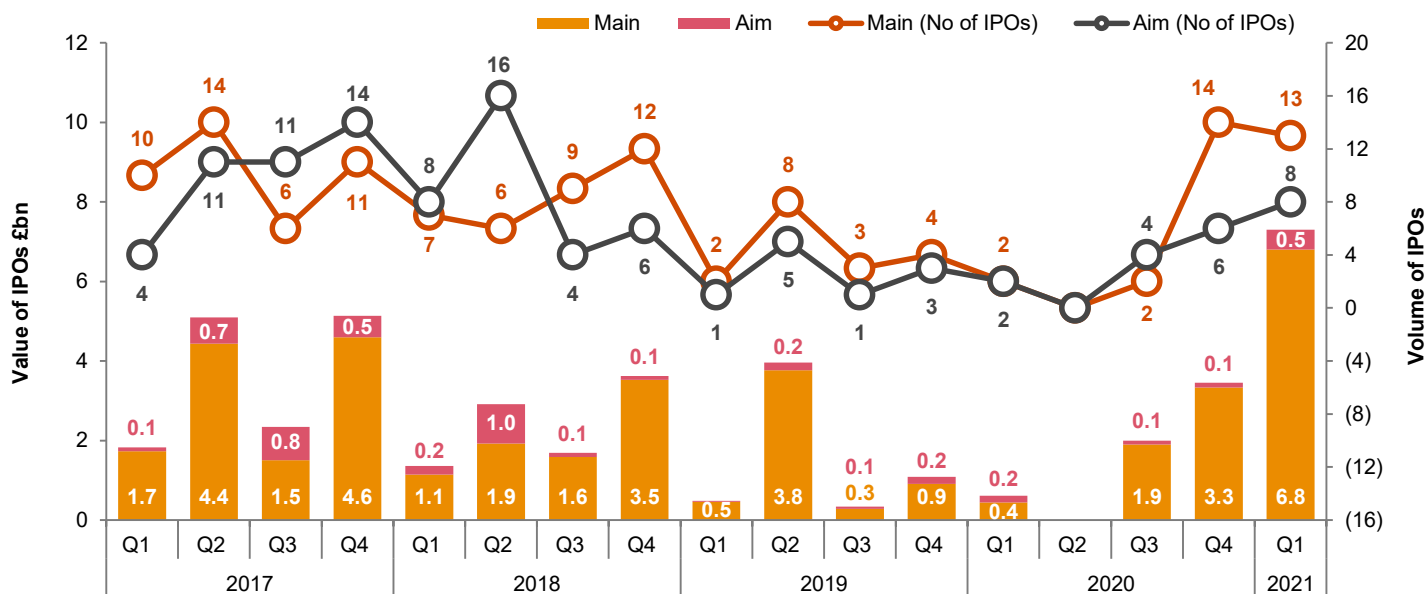


Source: Bloomberg 31 March 2021

UK focus

In London, issuers have raised £7.3bn through 21 IPOs in Q1 2021, marking the best start to a year in recent history. London also welcomed a number of foreign issuers including Fix Price and Trustpilot with both being among the top five IPOs in the quarter.

Figure 6: Quarterly UK IPO activity since 2017



Exceptional Q1 2021 IPO issuance in London

London continues to hold the top spot for IPOs and FOs issuance in Europe with a number of high profile transactions pricing in Q1. Technology, e-commerce and consumer companies took centre stage this quarter, supported by strong cornerstone and anchor demand. The outlook for Q2 2021 is encouraging with a significant number of IPOs in the pipeline. However, we anticipate the quality of assets and valuations to be tested harder as investors become more selective. The virtual processes and condensed marketing timetables are likely to be permanent features in the market with IPO windows being less constrained and we may see deals pricing well into the summer.

Positive reception of Lord Hill's UK listings review

The UK market had a positive reaction to the UK listings review as London looks to attract IPOs of technology companies and founder-led businesses with such measures as potential inclusion of dual-class share structures on the Premium Segment and smaller free-float requirements. In addition, the upcoming consultation on listings of SPACs in London could further fuel activity levels.

ESG remains front of mind for investors

As we have seen in the last year, there has been a major shift in investors' attitude towards ESG across all markets, with investors focusing on sustainability issues whilst making their investment decisions. ESG strategy is becoming a critical pillar of the equity story and a must-have feature for all companies looking to go public. Particularly, investors will focus on coherent communication of the strategy which is also supported by robust reporting of ESG metrics.

The rise of the retail investor

Structural shifts in the equity markets are driving forces behind the growing importance of retail investor participation as technology has made it a lot easier and cheaper for retail investors to participate in the IPOs. Increased retail investor interest, particularly around IPOs of high profile consumer oriented companies, is a trend that is likely to continue and we see more companies considering retail offers as they prepare for their IPOs.



Retail offers are becoming increasingly important, particularly in the UK, with Deliveroo completing their Community Offer alongside the IPO and PensionBee announcing its plans to offer shares to its customers as part of their recently launched IPO.

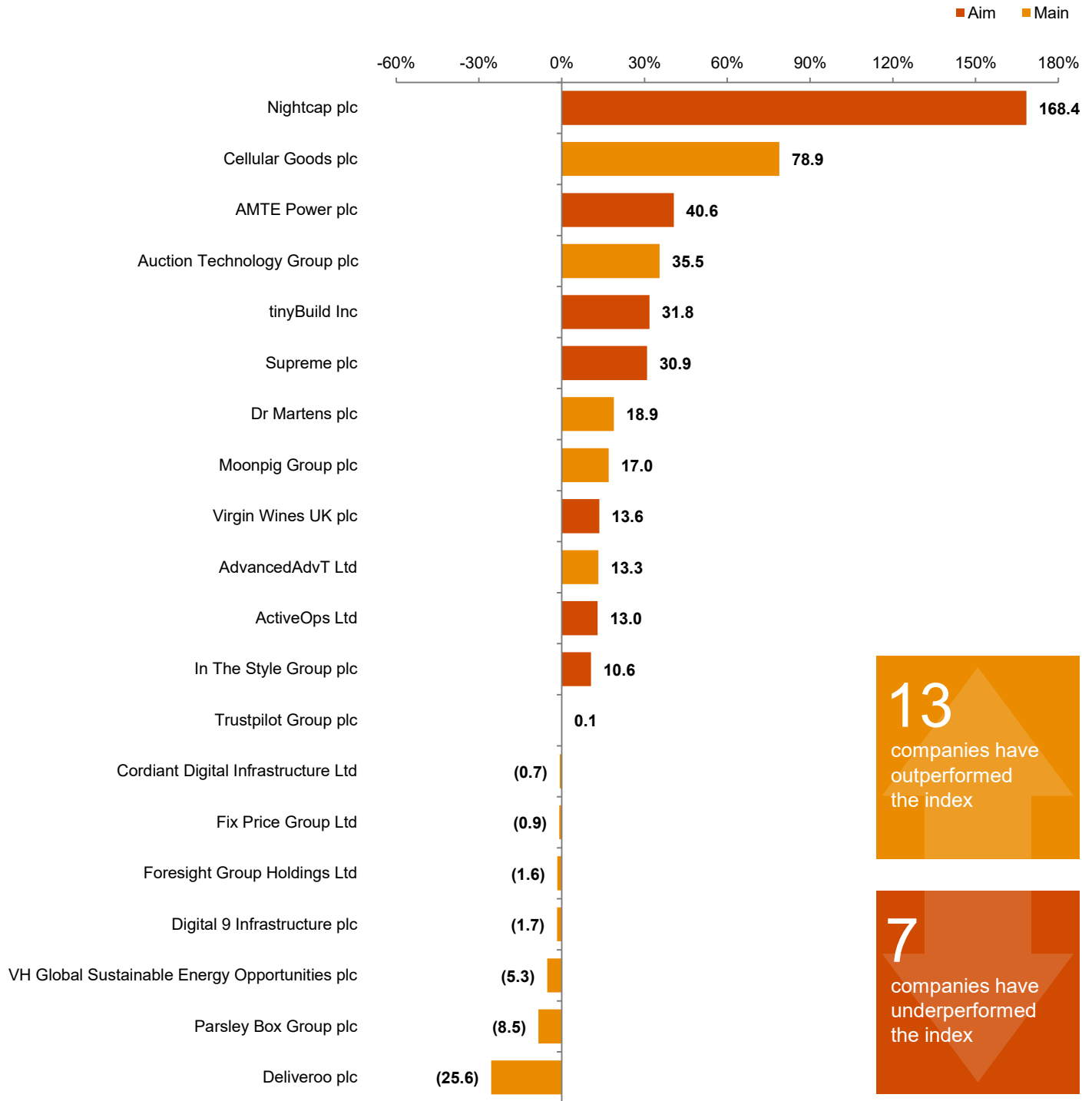
The structure and size of the retail component needs to be a part of the early IPO preparation discussion to get the balance right between the additional process requirements and target retail and customer investor base.

Ekaterina Chmatova
Senior Manager, UK Capital Markets

Relative performance of UK IPOs

Overall new listings have delivered a positive after market performance in Q1 2021, where we have seen 13 issuers outperforming their relative indices including LSE's landmark IPOs of the first quarter such as Dr Martens and Moonpig.

Figure 7: Share price performance of trading UK IPOs relative to the FTSE all share index, from IPO to 31 March 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 31 March 2021

Global money raised via IPOs

Global IPO issuance in Q1 2021 has totalled US\$202.9bn from 727 IPOs, fuelled by the significant SPACs IPO activity in the United States. The largest IPO globally in Q1 was Kuaishou Technology IPO raising US\$6.2bn on the Hong Kong Stock Exchange.

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

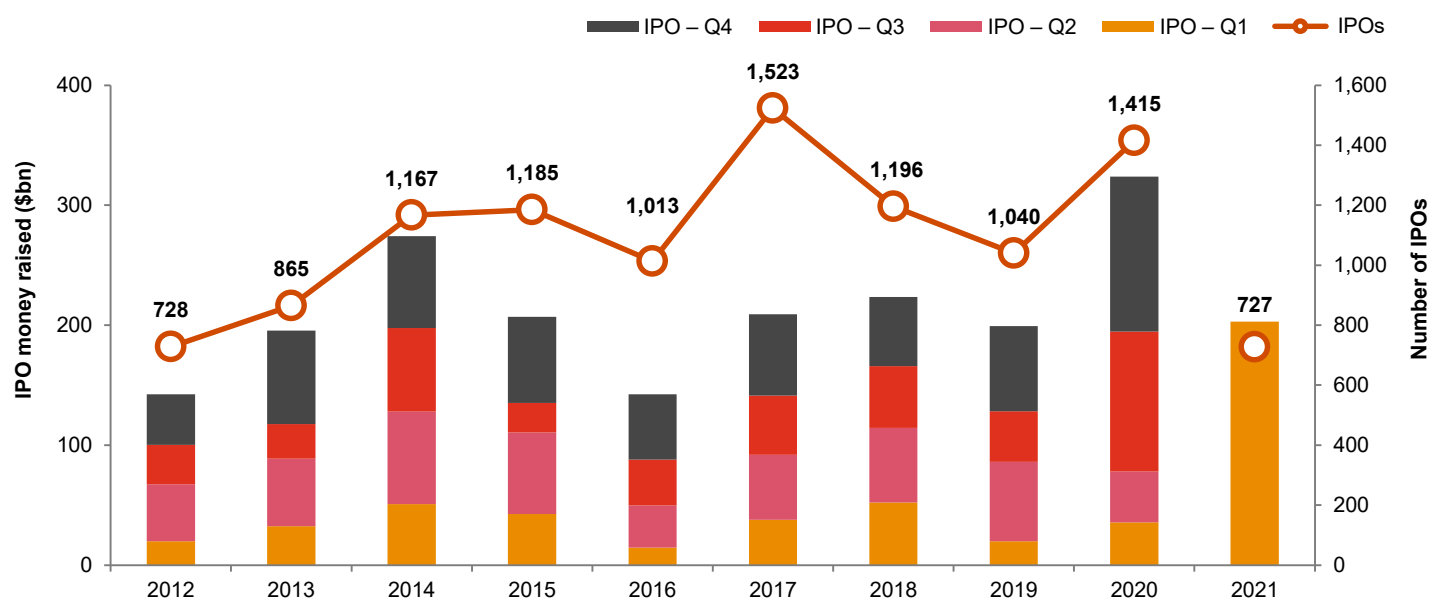


Figure 9: Top ten largest IPOs in Q1 2021

Pricing date	Issuer name	Issuer country	Sector	Exchange	Money raised
29-Jan-21	Kuaishou Technology		Technology	HKEX	\$6.2bn
10-Mar-21	Coupang Inc		Consumer Discretionary	NYSE	\$4.6bn
27-Jan-21	InPost SA		Industrials	Euronext Amsterdam	\$3.9bn
10-Feb-21	Bumble Inc		Technology	NASDAQ	\$2.5bn
17-Mar-21	Vantage Tower AG		Telecommunications	Deutsche Börse	\$2.4bn
2-Feb-21	AUTO1 Group SE		Consumer Discretionary	Deutsche Börse	\$2.2bn
14-Jan-21	Playtika Holding Corp		Consumer Discretionary	NASDAQ	\$2.2bn
26-Jan-21	Shoals Technologies Group Inc		Utilities	NASDAQ	\$2.1bn
31-Mar-21	Deliveroo plc		Technology	LSE	\$2.1bn
29-Jan-21	Dr Martens plc		Consumer Discretionary	LSE	\$2.0bn

Appendix: European IPOs over €100m in Q1 2021

Appendix 1: European IPOs

IPO date	Issuer	Value (€m)	Stock Exchange	Sector
27-Jan-21	InPost SA	3,220	Euronext - Amsterdam	Industrials
17-Mar-21	Vantage Towers AG	2,000	Deutsche Börse	Telecommunications
02-Feb-21	AUTO1 Group SE	1,833	Deutsche Börse	Consumer Discretionary
31-Mar-21	Deliveroo plc	1,757	London	Technology
29-Jan-21	Dr Martens plc	1,684	London	Consumer Discretionary
05-Mar-21	Fix Price Group Ltd	1,457	London	Consumer Discretionary
25-Mar-21	CTP BV	854	Euronext - Amsterdam	Financials
02-Feb-21	Moonpig Group plc	613	London	Consumer Discretionary
19-Feb-21	Cint Group AB	594	Nasdaq Nordic - Stockholm	Technology
23-Mar-21	Trustpilot Group plc	550	London	Technology
25-Feb-21	Desenio Group AB	442	Nasdaq Nordic - Stockholm	Consumer Discretionary
28-Jan-21	Aker Horizons AS	437	Oslo Børs	Utilities
15-Feb-21	Cordiant Digital Infrastructure Ltd	424	London	Financials
05-Feb-21	Huuuge Inc	371	Warsaw	Consumer Discretionary
25-Mar-21	European FinTech IPO Co 1 BV	362	Euronext - Amsterdam	Financials
23-Mar-21	Friedrich Vorwerk Group SE	360	Deutsche Börse	Utilities
26-Mar-21	Digital 9 Infrastructure plc	349	London	Financials
23-Feb-21	Auction Technology Group plc	348	London	Technology
25-Mar-21	ACQ Bure AB	342	Nasdaq Nordic - Stockholm	Financials
08-Mar-21	Aker Clean Hydrogen AS	340	Oslo Børs	Utilities
18-Feb-21	Lakestar SPAC I SE	275	Deutsche Börse	Financials
28-Jan-21	VH Global Sustainable Energy Opportunities plc	274	London	Financials
04-Feb-21	Foresight Group Holdings Ltd	258	London	Financials
12-Feb-21	ESG Core Investments BV	250	Euronext – Amsterdam	Financials
09-Mar-21	tinyBuild Inc	180	London	Consumer Discretionary
19-Mar-21	EcoOnline Holding AS	158	Oslo Børs	Technology
18-Mar-21	RugVista Group AB	152	Nasdaq Nordic - Stockholm	Consumer Discretionary
18-Mar-21	Marwyn Acquisition Company I Ltd	152	London	Financials
24-Mar-21	Sitowise Group plc	140	Nasdaq Nordic - Helsinki	Industrials
26-Mar-21	Froy ASA	134	Oslo Børs	Consumer Staples
26-Mar-21	Norse Atlantic ASA	125	Oslo Børs	Consumer Discretionary
12-Feb-21	Sonans Holding AS	122	Oslo Børs	Consumer Discretionary
18-Mar-21	Nightingale Health Ltd	110	Nasdaq Nordic - Helsinki	Health Care
26-Mar-21	Pierce Group AB	103	Nasdaq Nordic - Stockholm	Consumer Discretionary

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

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 to 31 March and IPOs based on their pricing date, and between 1 January to 31 March 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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