



# IPO Watch EMEA

Q3 2024



# Q3 2024 IPO Watch EMEA key themes



After a period of short-term volatility over the summer that saw a number of IPOs postponed, mainly due to the macroeconomic headwinds and multiple elections around the world with the US still to come, capital market conditions have since started to stabilise. Whilst the EMEA IPO market has seen a few transactions launching in September, the remainder of 2024 is expected to be relatively quiet with activity expected to pick up in 2025. Notably, early preparation and IPO readiness remains front of mind as there is a significant backlog of private equity exits and corporates that are looking to access the market next year.

**Kat Kravtsov**  
Director, UK Capital Markets

Figure 1: Europe IPO activity (incl. UK)

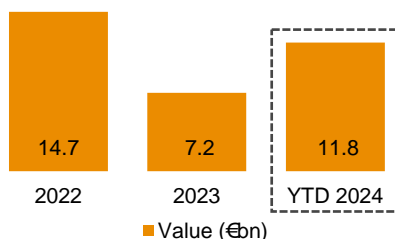


Figure 2: EMEA IPO activity

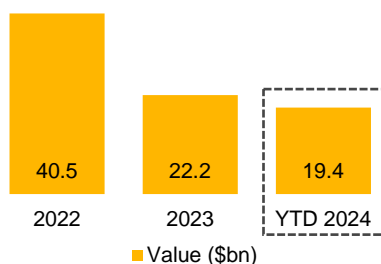
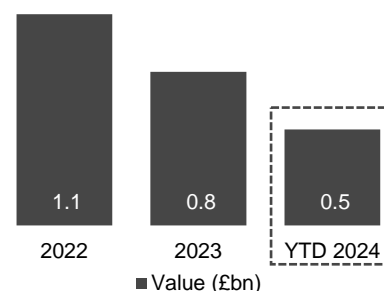


Figure 3: UK IPO activity



## The start of an easing monetary cycle drives continued strong equity market performance

- Interest rates cuts by the Bank of England (August), the ECB (September) and the US Fed (September) positively affected the equity markets, with the S&P 500 notably reaching an all-time high in Q3 2024.
- Equity market performance across EMEA in Q3 2024 has been broadly positive in the developed markets. The TASI has remained flat for the year due to the impact of lower oil prices.
- Inflation has continued to fall in 2024, reducing to 2.2% in the UK and Euro area according to the BoE and ECB, and 10.7% and 18.4% in the Middle East and Africa regions respectively according to IMF data.

## Three large IPOs launching in Europe in September, following a quiet summer

- Europe experienced a quieter period for IPOs in terms of both volume and value in July and August 2024, this was primarily due to the numerous elections and regulatory changes taking place over the Summer.
- Three significant IPOs have, however, launched in September 2024 including the IPO of Springer Nature in Frankfurt, Europastry IPO on the Madrid Stock Exchange and Zabka IPO in Poland.
- Reform of the EU Prospectus Regulations is back on the agenda in Europe, with the same aim as the UK's PME – to make Europe's capital markets a more attractive venue by simplifying the regulations and increasing liquidity.

## Decisive election results bring stability to the London market; all eyes are now on the Autumn Budget

- With the new Government placing economic growth at the heart of its plans, from an international perspective, the UK is also increasingly becoming a stability hub with a relatively stable and more importantly predictable policy environment.
- Applied Nutrition is currently testing the market with its Main Market IPO on the London Stock Exchange. Adding to positive UK market momentum is the positive aftermarket performance of recently priced IPOs, such as Rosebank Industries, that priced in Q3, and Raspberry Pi, with shares trading up 145% and 38% respectively as of 30 September.
- The FCA's new Listing Rules, which became effective on the 29 July 2024, represent a generational change in the UK's capital markets regulatory regime. For private businesses contemplating IPOs, the eligibility requirements are more flexible and seek to allow companies access to the capital markets at an earlier stage.

## Some significant IPOs but lower IPO volumes in the Middle East; the first IPO in Africa of 2024

- Whilst Q3 2024 Middle East IPO volumes have been lower than previous years, there have been a number of significant IPOs in the region this quarter including NMDC, the second largest IPO globally this quarter.
- Whilst the IPO market in the Middle East remains active, investors will be closely monitoring the broader macroeconomic and geopolitical environment, particularly the trajectory of oil prices.
- The \$55m IPO of Emtel, a Mauritian telecom network provider, was the first IPO in Africa in 2024.
- South African stocks have had a strongest third quarter in over 10 years, supported by optimism following the election results and the beginning of the easing monetary cycle.

## Attractive yields for investors and stable interest rates have buoyed the bond markets over the quarter

- September showed strong volume and activity as the debt markets returned from the summer hiatus. Yields on European investment grade bonds have risen, influenced by persistent inflationary pressures and cautious monetary policies.
- The high-yield bond market in Europe has been notably active, although spreads have widened slightly due to concerns over corporate debt sustainability and potential defaults.



# Capital markets and macroeconomic overview

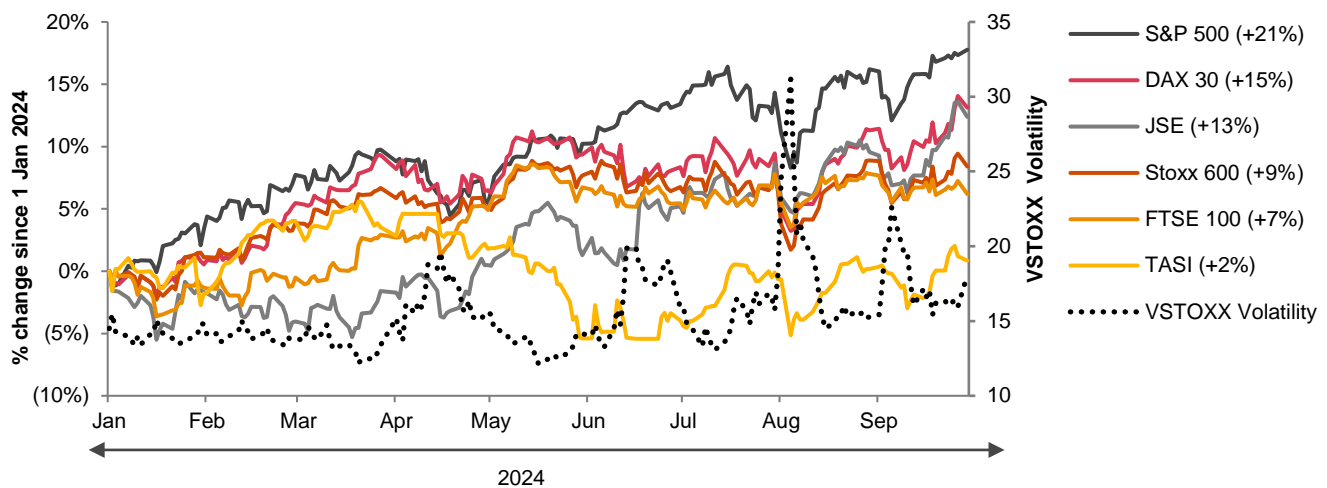
Broadly positive index performance, particularly in developed economies, reflects the growing optimism that inflation has been managed without significant economic damage, creating space for central banks to cut interest rates as seen in the UK, US and EU. Strong equities performance and low volatility create a supportive environment for IPOs.

## Equity capital markets performance and macroeconomic environment

Equity indices have seen broadly positive performance in Q3 2024 with the DAX 30 and JSE up 13% and higher, the Stoxx 600 and FTSE 100 up 7% higher and the S&P 500 up 21% for the year. The TASI, the leading stock market index in Saudi Arabia, has been flat for the year driven by the lower oil prices which have dropped to under \$70 (USD/Bbl) as of 30 September 2024. The VSTOXX Volatility index spiked in August 2024 due to concerns over an economic slowdown in the US and an increase in Japanese interest rates, stabilising in September to more normalised levels.

IMF data shows that Africa is forecasted to have the highest GDP growth rate over 2024 at 3.5%, followed by the Middle East (2.5%) and Europe (1.4%). Inflation has been falling across all regions in EMEA in Q3, except for Africa. This has allowed central banks, particularly in developed economies, to start easing their respective monetary policies, which creates a more favourable environment for IPOs and M&A activity due to the impact of interest rates on valuations and the cost of financing.

Figure 4: Historical performance of major equity indices YTD 2024



Source: S&P Global Market Intelligence LLC 30 September 2024

## Investment grade and high-yield bond market update

According to the European Central Bank (ECB), in the third quarter of 2024, the investment grade corporate bond market in Europe saw an issuance volume of approximately €150bn, reflecting a year-to-date increase of 5% compared to the same period in 2023. Attractive yields for investors and stable interest rates have buoyed the bond markets over the quarter. September showed strong volume and activity as the markets returned from the summer hiatus. Yields on European investment grade bonds have risen, influenced by persistent inflationary pressures and cautious monetary policies by the ECB. In the US, according to the Federal Reserve, investment grade corporate bond issuance had a recovery in the third quarter, with August being the second-best month in terms of volume since mid-2021, according to flow tracker EPFR.

The high-yield bond market in Europe has been notably active, although spreads have widened slightly due to concerns over corporate debt sustainability and potential defaults. Globally, macroeconomic factors such as supply chain disruptions and oil price volatility have also influenced corporate bond markets, contributing to a complex landscape for both investors and issuers.

## Green bonds market update

In spite of markets cooling more generally to ESG initiatives, the green bond market continues to expand robustly in 2024. Corporate green bond issuances have seen substantial growth, particularly in Europe, where regulatory frameworks and investor demand for ESG (Environmental, Social, and Governance) compliant investments have encouraged more companies to enter the market.

According to the Climate Bonds Initiative, in Europe, corporate green bond issuance reached €80bn in Q3, a 20% increase year-to-date. Major corporations across sectors like energy, manufacturing, and technology have leveraged green bonds to finance projects aimed at reducing carbon footprints and enhancing sustainability. Additionally, innovations in green bond structures and enhanced transparency standards are bolstering investor confidence, further propelling market growth.

Source: S&P Global Market Intelligence LLC 30 June 2024

# EMEA IPO trends

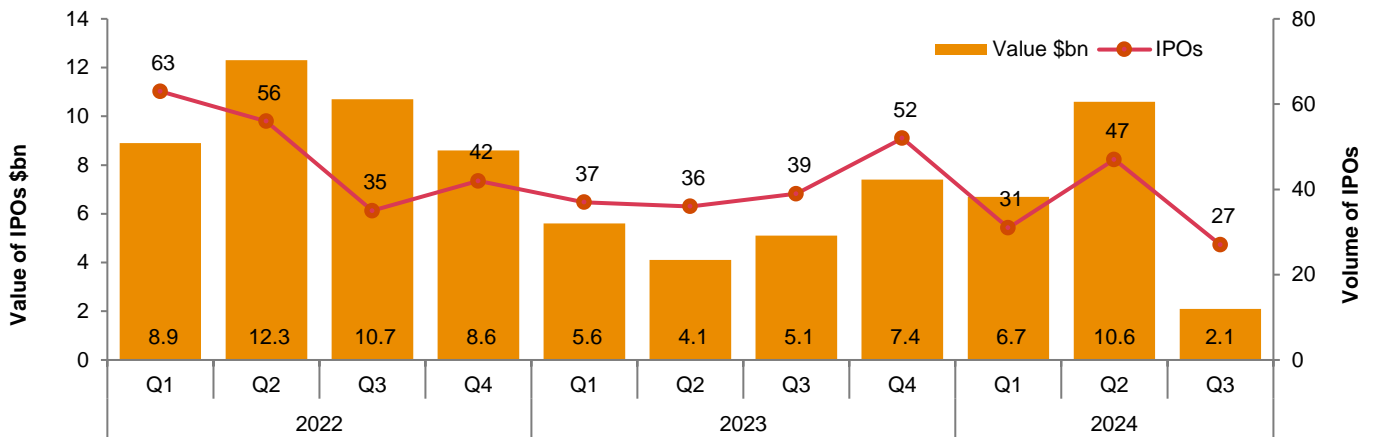


Despite a quiet summer, the IPO market is currently being tested by a few large IPOs in Europe, three of which are private equity-backed, demonstrating continued sponsor appetite for IPOs. With a backdrop of stabilising equity capital markets and a significant backlog of maturing PE-backed investments, we expect to see increased IPO and follow-on equity issuance activity from the sponsors in 2025. The focus will be on achievable valuations and post-IPO performance.

The UK capital markets has also witnessed a generational change with new listing rules now in place designed to attract more companies to IPO in London. The impressive aftermarket performance of Raspberry Pi and Rosebank Industries coupled with a few further IPOs, including Applied Nutrition, expected to test the market in 2024 should instil confidence in the growing IPO pipeline targeting 2025.

**Vhernie Manickavasagar**  
Partner, UK Capital Markets

Figure 5: EMEA IPO activity (Q1 2022 to Q3 2024)



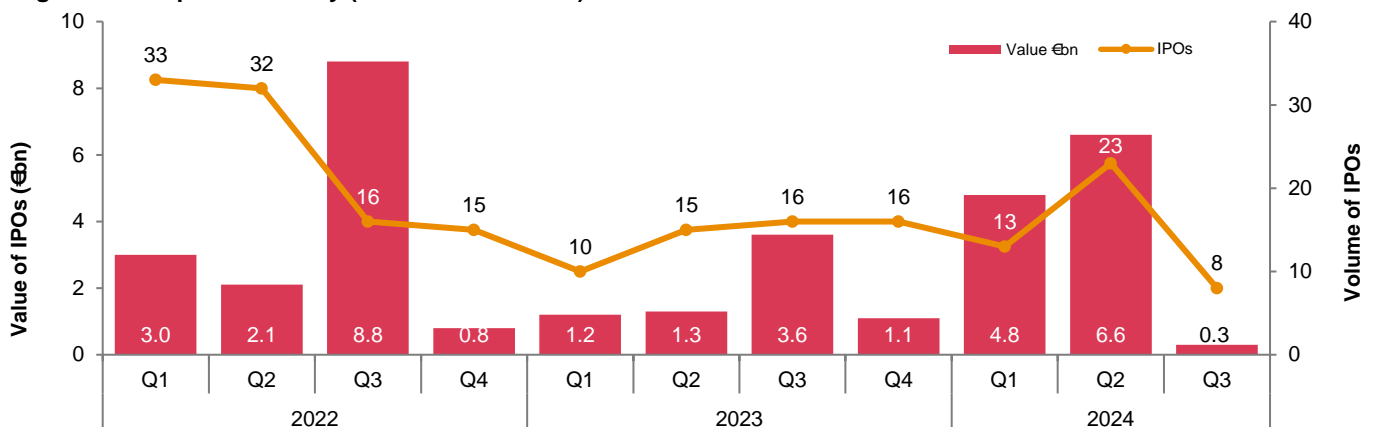
Source: S&P Global Market Intelligence LLC

## Q3 2024 EMEA and Middle East IPO activity

Although overall, Q3 2024 IPO issuance volume and value in EMEA saw a decline in Q3 compared to previous quarters, there have been 3 significant IPOs pricing in the Middle East and several large IPOs launching in Europe.

IPOs from the Middle East dominated Q3 issuance, raising \$1.7bn from 18 IPOs, including the second largest IPO globally in Q3, the \$877m IPO of NMDC Energy. While the IPO pipeline in the Middle East remains robust, with notable ongoing diversification away from the energy sector, investors will be closely monitoring the broader macroeconomic and geopolitical environment, particularly the trajectory of oil prices. IPO activity is expected to continue in the KSA and UAE with growing momentum in the Oman IPO market as witnessed by the launch of c.\$2bn IPO of OQ Exploration and Production.

Figure 6: Europe IPO activity (Q1 2022 to Q3 2024)



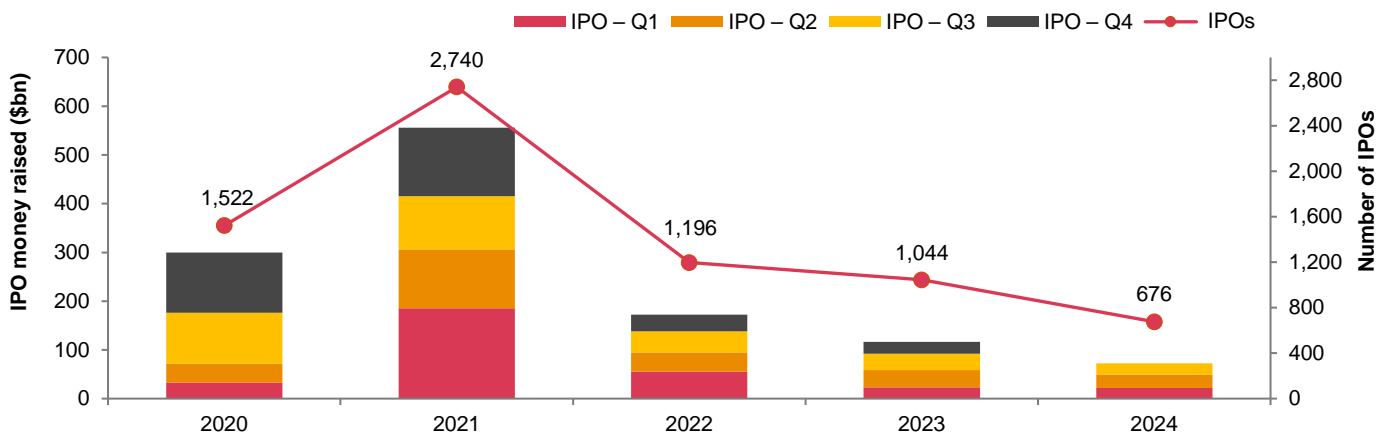
## Q3 2024 European and UK IPO activity

In July and August 2024, Europe experienced a quieter period for IPO activity, primarily due to various elections and regulatory changes that occurred over the summer. Three significant IPOs have, however, launched in September 2024 including the IPO of Springer Nature in Frankfurt at a c. €4.5bn valuation, the IPO of Europastry targeting a c. €1.5bn valuation on the Madrid Stock Exchange and the recently announced Zabka IPO in Poland which could raise up to €1.5bn at a valuation of up to €7.2bn. UK sports nutrition company, Applied Nutrition, also launched in Q3 and is expected to IPO in Q4 2024 at a c.£500m valuation. Looking ahead, reform of the EU Prospectus Regulations is back on the agenda in Europe, with the aim of making Europe's capital markets a more attractive venue by simplifying the regulations and increasing liquidity.

# Global perspective

The characteristic lull in IPO activity seen over the Summer has been exacerbated by the continued decline in IPO activity in China, which formerly dominated activity in the Asia Pacific region, but has now been overtaken by India as the leading country for IPOs in the region.

Figure 7: Global money raised via IPO (5-year overview)



Source: S&P Global Market Intelligence LLC

## Global Q3 2024 IPO activity overview

The Summer months are ordinarily characterised by a lull in IPO activity, however Q3 global IPO proceeds are down 32% at \$22.4bn compared to Q3 2023 (\$33.1bn). This decline is attributable primarily to an over 80% reduction in IPO proceeds raised in China (Q3 2024 proceeds raised \$2.8bn compared to \$12.8bn in the same period last year), with China continuing to experience macroeconomic headwinds and uncertainty in the region. Despite the headline decline in Q3 IPO volumes, this quarter has seen the largest global IPO of the year and India's IPO market continues to build momentum.

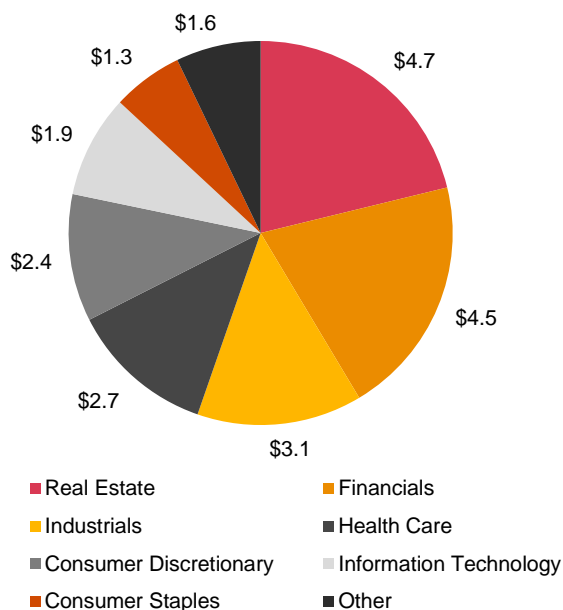
The IPO of Lineage, a provider of temperature-controlled warehousing and logistics, marked the largest IPO globally in the year-to-date by some distance, raising IPO proceeds of \$4.4bn (the next largest IPO seen this year was Puig, which raised \$2.8bn in April 2024). Lineage makes up most of the Real Estate Q3 sector proceeds presented in the pie chart alongside, with the Financials sector also performing strongly, driven by eight \$200m+ IPOs on Nasdaq.

Momentum in India's IPO market continues to build, hosting two of the top five IPOs seen globally in Q3 2024, including Bajaj Housing which dual-listed to the Mumbai Stock Exchange and NSEI (\$781m), and Ola Electric Mobility to NSEI (\$732m). Bajaj Housing offers finance to individuals and corporate entities for the purchase and renovation of homes and commercial spaces, and Ola Electric mobility designs and manufactures electric vehicles.

In the year-to-date, IPOs in India have raised more than double the proceeds in the same period last year (\$8.5bn proceeds to Q3 2024) and, with several \$1bn+ IPOs expected by the market, the momentum in India's IPO market shows no signs of slowing down.

The Midea Group, a Chinese appliance manufacturer listed in Shenzhen, debuted on the Hong Kong Stock Exchange in September, raising proceeds of \$4bn. The success of the deal fuels hopes for the revival of equity issuance in the region.

Figure 8: Q3 2024 Global IPO proceeds by sector (\$bn)



Source: S&P Global Market Intelligence LLC

## Top 5 Global IPOs in Q3 2024 (in \$m)

<b>Lineage</b> Real Estate / REIT  <b>\$4,437m</b> Nasdaq	<b>NMDC Energy</b> Industrials  <b>\$877m</b> ADX	<b>Bajaj Housing</b> Financials  <b>\$781m</b> Mumbai Stock Exchange	<b>Ola Electric Mobility</b> Consumer Discretionary  <b>\$732m</b> NSEI	<b>99 Speedmart</b> Consumer Staples  <b>\$542m</b> Bursa Malaysia
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# Overview of changes to the UK Listing Rules

The new Listing Rules announced by the FCA, which became effective in July 2024, represent a generational change in the UK's capital markets regulatory regime. The new Rules have been implemented with the intention of making the UK's capital markets a more attractive destination for companies to list, raise capital and grow. The key changes to the UK listing rules are set out below:



The previous Standard and Premium market segments have been combined into a single segment – **Equity Shares (Commercial Companies)**.

For Premium listed companies, the transfer into the ES(CC) category is automatic. Index inclusion is likely to be within the ES(CC) rather than the Transition or International categories. Standard listed companies may choose to transfer to the ES(CC) Category or remain in the newly created Equity Shares (Transition) category which preserves the previous Standard listing regime. The process to transfer is not intended to be onerous.

All companies in the ES(CC) category need to Comply or Explain how they meet the requirements of the UK Corporate Governance Code.



For **Significant Transactions**, the requirement for a **shareholder circular** and vote has been replaced with a Significant Transaction notification **disclosure regime**.

Enhanced market notifications are required for transactions between 25% and 100% of the class tests - these do not require FCA or Sponsor involvement. The onus is largely placed on directors to determine the appropriate level of disclosure in areas such as financial information to provide investors with information on which to base their investment decisions.

Requirements remain for shareholder approval and re-admission for reverse takeover transactions (>100%), and companies in severe financial difficulty no longer need to appoint a sponsor for transactions or make certain disclosures (e.g. a working capital statement).



The eligibility requirements for **IPOs** have been relaxed.

Eligibility requirements for historical financial information and demonstrable revenue track records have been relaxed in order to encourage earlier stage companies to the market. The Sponsor regime has been retained for IPOs.

A working capital statement is still required, although this no longer needs to be 'clean'.

Eligibility requirements for an independent business have been removed, as has the requirement for a written controlling shareholder agreement to be in place where a controlling shareholder relationship exists.



Greater flexibility has been introduced to allow dual class share structures (**DCSS**) with **weighted voting rights**.

Allowing a targeted form of DCSS to encourage innovative, often founder-led companies or companies with institutional (e.g. private equity) investors to list sooner. There is a 10 year sunset clause for the exercisability of the enhanced voting rights held by institutional (i.e. legal) investors.



A new **Procedures, Systems and Controls Form** has been introduced for new applicants.

For the first time, the board of companies making an initial application for listing of any securities (debt or equity) will need to confirm to the FCA that the applicant has taken reasonable steps to establish adequate procedures, systems and controls to enable it to comply with its obligations under the Listing Rules and the Disclosure and Transparency Rules following admission.



Changes have been made to the **Sponsor** regime.

The Sponsor role has only been retained in a formal capacity to support Commercial Companies, SPACs and closed-ended investment funds at initial application stage, on reverse takeovers, related party transactions and in seeking waivers.



# About IPO Watch EMEA

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 EMEA

IPO Watch EMEA reports on all new primary market equity IPOs on EMEA principal stock markets and market segments using the Capital IQ list of exchanges mapping, on a quarterly basis. Movements between markets on the same exchange are excluded.

The data in this report is based on data extracted from Capital IQ on 1 October 2024 and based on their offering date between 1 January 2024 and 30 September 2024 and excludes greenshoe.

Only transactions with a minimum of \$5 million money raised have been included, the data excludes Closed-End Funds and Business Development companies 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 Capital IQ Primary sectors.

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RITM0118976