IPO Watch Europe
Q1 2022
Q1 2022 has been a challenging quarter for IPOs. The market sentiment deteriorated following a record breaking 2021 driven by continued concern of valuations at IPO, rising inflation, commodity prices and interest rates, and more recently exacerbated by the war in Ukraine. As a result, European IPO activity in Q1 2022 saw a significant decline in issuance with 28 IPOs raising €2.7bn compared to 89 IPOs in Q1 2021 raising €23.1bn.

Notably, four IPOs out of the top eight in Europe were Special Purpose Acquisition Companies (“SPACs”) raising €753m across three different exchanges being Frankfurt, London and Amsterdam, and focusing on a broad range of sectors such as consumer technology, fintech, gaming and green energy. The largest IPO in Europe in Q1 2022 was the €776m IPO of Var Energi, a Norwegian oil and gas business that was spun-out of Italy's Eni.
Top European exchanges in Q1 2022

With limited issuance in Q1 2022, the Oslo Børs took first position by IPO value, pricing 3 IPOs including the largest IPO of the quarter, Var Energi. Borsa Italiana saw 4 IPOs priced in Q1, taking second position, followed by the London Stock Exchange with 10 IPOs raising €459m whilst maintaining its top position in the further offers market.

Figure 1: Top five stock exchanges by IPOs in Europe in Q1 2022 (by offering value)

1. Oslo Børs
   - 3 IPOs raised: €886m
   - Largest IPO: Var Energi ASA (€776m)

2. Borsa Italiana
   - 4 IPOs raised: €769m
   - Largest IPO: Technoprobe SpA (€713m)

3. London Stock Exchange
   - 10 IPOs raised: €459m
   - Largest IPO: New Energy One Acquisition Corp plc (€209m)

4. Deutsche Börse
   - 1 IPO raised: €210m
   - Largest IPO: 468 SPAC II SE (€210m)

5. Euronext – Amsterdam
   - 1 IPO raised: €196m
   - Largest IPO: GP Bullhound I SE (€196m)

Figure 2: Top five stock exchanges by further offers in Europe Q1 2022 (by offering value)

1. London Stock Exchange
   - 54 further offers raised: €6,974m
   - Largest further offer: Barclays plc (€1,067m)

2. Nasdaq Nordic – Stockholm
   - 24 further offers raised: €1,264m
   - Largest further offer: SwedenCare AB (€339m)

3. Deutsche Börse
   - 9 further offers raised: €1,020m
   - Largest further offer: Deutsche Bank (€253m)

4. Oslo Børs
   - 20 further offers raised: €938m
   - Largest further offer: Norway Royal Salmon ASA (€197m)

5. Borsa Italiana
   - 5 further offers raised: €898m
   - Largest further offer: Stellantis NV (€732m)
Equity market performance and volatility

Following double digit gains of the equity markets in 2021, Q1 2022 was a difficult quarter to navigate due to continued concern of valuations at IPO, rising inflation and commodity prices, combined with expectations of tightening monetary policies. The war in Ukraine further weighed heavily on sentiment. As a result, the VSTOXX volatility index peaked at nearly 50 during Q1, leading to European and US indices finishing the quarter below 2021 year end levels. The FTSE 100, however, finished up 2% in Q1 on commodity stocks gains.

Source: Bloomberg 31 March 2022
European and UK IPO trends

Equity market volatility dampened the IPO outlook for 2022 with limited activity for much of Q1 2022. However, with a growing IPO backlog and a number of companies that are still preparing for flotations, the IPO market could reopen quickly when the markets stabilise.

Figure 5: Quarterly European IPO activity since 2017

Q1 2022 IPO issuance in Europe totalled €2.7bn from 28 IPOs compared to €23.1bn from 89 IPOs in Q1 2021. Successful IPOs came from a range of sectors such as technology, green energy and industrials. As we noted in our earlier publications, pricing and post-IPO performance was front of mind for investors. Q1 also saw some activity in the SPAC market across various European exchanges including the London Stock Exchange.

Figure 6: Quarterly UK IPO activity since 2017

The London IPO market slowed down significantly in Q1 2022 with only 10 IPOs raising £0.4bn compared to 21 IPOs raising £7.3bn in Q1 2021. New Energy One SPAC, targeting companies in the green energy sector, was the largest IPO on the LSE in Q1 this year raising £175m. The AIM market saw 6 IPOs this quarter with the largest being the £30m IPO of Clean Power Hydrogen.
Global money raised via IPOs

Whilst the global IPO market has seen a decrease in activity in the first quarter of 2022 with 286 IPOs raising $56.1bn, compared to 792 IPOs in Q1 2021 raising $212.4bn, Q1 2022 activity was still higher on average than its pre-pandemic levels. Strong activity in the Asia-Pacific region, including China and South Korea, as well as strong IPO activity in the Middle East drove the volumes in Q1. The largest IPO globally this quarter was the $10.7bn IPO of the South Korean electric vehicle battery maker, LG Energy Solution, priced on the Korea Exchange.

Figure 7: Global money raised via IPOs (10-year overview)

![Graph showing 10-year overview of global money raised via IPOs]

Figure 8: Top ten largest IPOs in Q1 2022

<table>
<thead>
<tr>
<th>Pricing date</th>
<th>Issuer name</th>
<th>Issuer country</th>
<th>Sector</th>
<th>Exchange</th>
<th>Money raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-Jan-22</td>
<td>LG Energy Solution Ltd</td>
<td>🇰🇷</td>
<td>Industrials</td>
<td>Korea Exchange</td>
<td>$10.7bn</td>
</tr>
<tr>
<td>14-Jan-22</td>
<td>Jinko Solar Co Ltd</td>
<td>🇨🇳</td>
<td>Energy</td>
<td>Shanghai Exchange</td>
<td>$1.6bn</td>
</tr>
<tr>
<td>10-Mar-22</td>
<td>Nahdi Medical Co</td>
<td>🇸🇦</td>
<td>Consumer Staples</td>
<td>NYSE</td>
<td>$1.4bn</td>
</tr>
<tr>
<td>12-Jan-22</td>
<td>TPG Inc</td>
<td>🇺🇸</td>
<td>Financials</td>
<td>NYSE</td>
<td>$1.1bn</td>
</tr>
<tr>
<td>7-Feb-22</td>
<td>Abu Dhabi Ports Co</td>
<td>🇸🇦</td>
<td>Industrials</td>
<td>Abu Dhabi Securities Exchange</td>
<td>$1.1bn</td>
</tr>
<tr>
<td>30-Mar-22</td>
<td>PT GoTo Gojek Tokopedia TbK</td>
<td>🇮🇩</td>
<td>Technology</td>
<td>Indonesia Stock Exchange</td>
<td>$1.0bn</td>
</tr>
<tr>
<td>15-Feb-22</td>
<td>Var Energi ASA</td>
<td>🇳🇴</td>
<td>Energy</td>
<td>Oslo Børs</td>
<td>$0.9bn</td>
</tr>
<tr>
<td>7-Mar-22</td>
<td>Ganzhou Tengyuan Cobalt New Materials Co Ltd</td>
<td>🇨🇳</td>
<td>Basic Materials</td>
<td>Shenzhen Stock Exchange</td>
<td>$0.9bn</td>
</tr>
<tr>
<td>27-Jan-22</td>
<td>PIMCO Access Income Fund</td>
<td>🇺🇸</td>
<td>Financials</td>
<td>NYSE</td>
<td>$0.9bn</td>
</tr>
<tr>
<td>30-Jan-22</td>
<td>Elm Co</td>
<td>🇸🇦</td>
<td>Technology</td>
<td>Saudi Stock Exchange</td>
<td>$0.8bn</td>
</tr>
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</table>
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 on 5 January 2022 and based on their pricing date between 1 January and 31 March 2022 and includes greenshoe (if exercised). Only transactions with a minimum of $5 million money raised have been included, the data excludes PIPOs and transactions on Over-The-Counter exchanges. In case IPOs take place on two or more exchanges, the full amount of money raised is attributed to all exchanges. Industry classification is based on the FTSE Russell Industry Classification Benchmark (ICB).

All market data is sourced from Dealogic and has not been independently verified by PricewaterhouseCoopers LLP.

**Basis of preparation for global IPO watch**

Global IPO Watch analyses IPO and FO trends on a quarterly basis, both at a global and regional level. It's 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 transaction 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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