

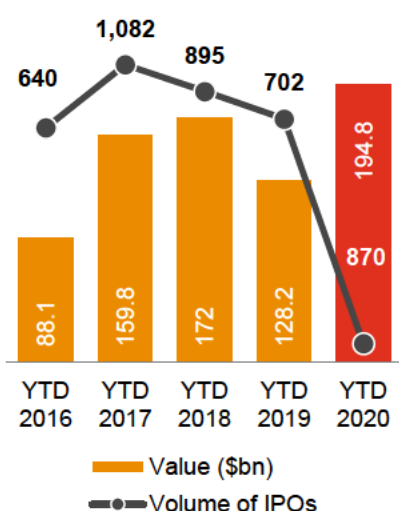
IPO Watch Europe

Q3 2020



European IPO markets have raised €5.9bn in Q3 2020 from 33 IPOs compared to €3.9bn in Q3 2019 from 18 IPOs. Europe has seen two mega-IPOs during Q3 and a reduction in the further offer and placing activity observed during H1 2020.

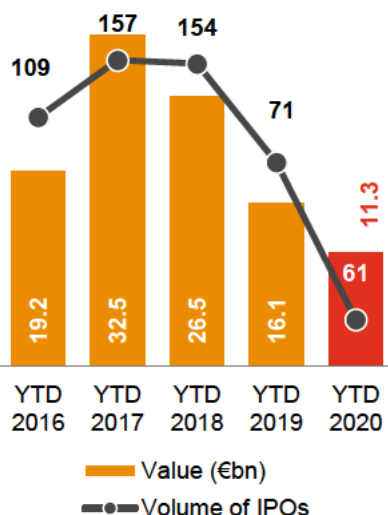
Global IPO activity



52%
up on YTD 2019

\$194.8bn
In YTD 2020

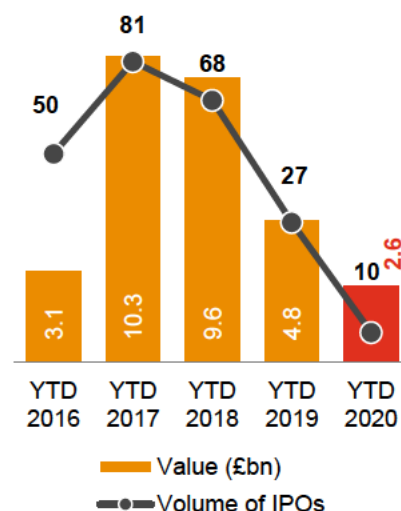
European IPO activity (incl. UK)



30%
Down on YTD 2019

€11.3bn
In YTD 2020

UK IPO activity



46%
Down on YTD 2019

£2.6bn
In YTD 2020

Allegro.eu SA

Technology

€2,012m

Warsaw Stock Exchange

Hensoldt AG

Industrials

€400m

Deutsche Börse

THG Holdings plc

Industrials

€2,041m

London Stock Exchange

UnifiedPost Group SA/NV

Technology

€219m

Euronext – Brussels

Knaus Tabbert Group GmbH

Consumer Goods

€202m

Deutsche Börse



IPO activity showed signs of life in Q3, particularly with the mega-IPOs of The Hut Group in London and Allegro.eu in Warsaw, which provided a welcome boost to European IPO markets for 2020. Despite the potential market volatility in connection with the US elections and Brexit uncertainty, we see a relatively healthy pipeline of companies across Europe, – particularly in the technology sector, beginning to build for the first half of 2021 and beyond.

Mark Hughes

Partner, UK Capital Markets Leader

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Overview

Having ground to a halt earlier in the year, IPO activity is beginning to awaken. IPO markets across Europe raised €5.9bn from 33 IPOs in Q3 2020 compared to €4.2bn raised from 14 IPOs in Q2 2020. IPO volumes and values in the year to date still remain below those seen in 2019 as a result of the continued impact of COVID-19. 61 IPOs have raised €11.3bn YTD, a 30% decrease by value from the 71 IPOs that raised €16.1bn in the same period last year.

That said, and for the first time this year, Q3 saw two mega-IPOs¹ come to market. The IPOs of THG Holdings plc in London and Allegro.eu SA in Warsaw both raised over €2bn, highlight investors' appetite for technology and e-commerce companies. THG was the second largest IPO in Europe YTD after JDE Peet's NV IPO in Q2 2020, and Allegro was the largest Polish IPO since PZU SA in 2010.

€98.6bn has been raised from further offer and placing activity across Europe in the period to date compared to €56.8bn in YTD 2019. London was the most active exchange with €33.5bn raised, representing over a third of the value raised YTD. Values of further offers amounted to €31.5bn in Q3, tailing off from activity earlier in the year.

Outlook

Looking forward, after an absence of IPOs in Europe this year, new listings are expected to return with technology and e-commerce being the predominant sectors. Equity market investors have been very supportive of existing quoted companies as they deal with the fallout from COVID-19, but are proving to be equally supportive of new issuers with strong and well-communicated equity stories. Despite the ongoing pandemic, the forthcoming US elections and Brexit, the final quarter of the year has started positively: seven IPOs across Europe priced in the first week of October, several companies have announced their intentions to float before the end of the year; and a relatively healthy pipeline of IPO candidates is building for 2021.

¹IPO raising >€1bn

Europe focus

Given the ongoing uncertainty and market volatility caused by COVID-19, new issuances continue to be significantly impacted across European exchanges

Figure 1: Top three stock exchanges in Europe in Q3 2020 vs Q2 2020 (by offering value)

Q3 2020



London Stock Exchange

6 IPOs raised: €2,150m

Largest sector: **Industrials**

Largest IPOs: **THG Holdings plc** (€2bn)



Warsaw Stock Exchange

2 IPOs raised: €2,017m

Largest sector: **Technology**

Largest IPOs: **Allegro.eu SA** (€2bn)

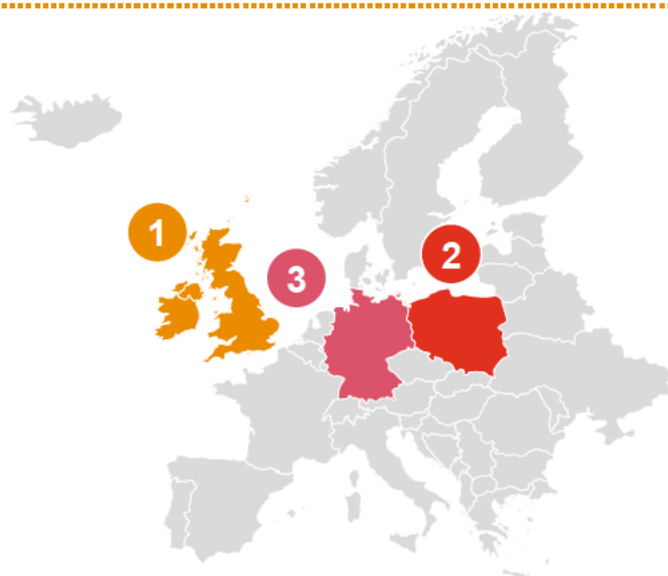


Deutsche Börse

3 IPOs raised: €717m

Largest sector: **Consumer Goods**

Largest IPOs: **Hensoldt AG** (€400m)



Q2 2020



Euronext – Amsterdam

1 IPO raised: €2,587m

Largest sector: **Consumer Goods**

Largest IPOs: **JDE Peet's NV** (€2.6bn)



Borsa Italiana

2 IPOs raised: €592m

Largest sector: **Basic Materials**

Largest IPOs: **GVS SpA** (€571m)

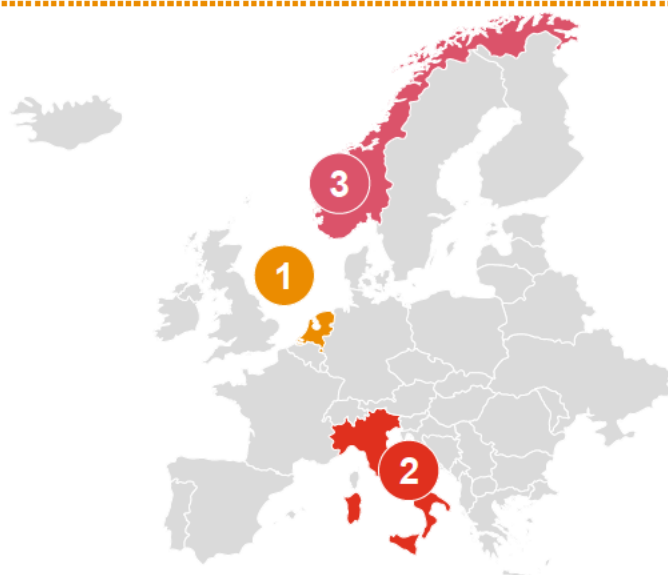


Oslo Børs

3 IPOs raised: €451m

Largest sector: **Consumer Goods**

Largest IPOs: **Pexip Holding ASA** (€216m)



European IPO trends

Q3 2020 saw 33 IPOs raise a total of €5.9bn compared to €3.9bn from 18 IPOs in Q3 2019, bringing YTD 2020 values to €11.3bn. Despite two mega-IPOs during the period, YTD activity continues to track below YTD 2019 levels of €16.1bn.

Figure 2: Quarterly European IPO activity since 2017

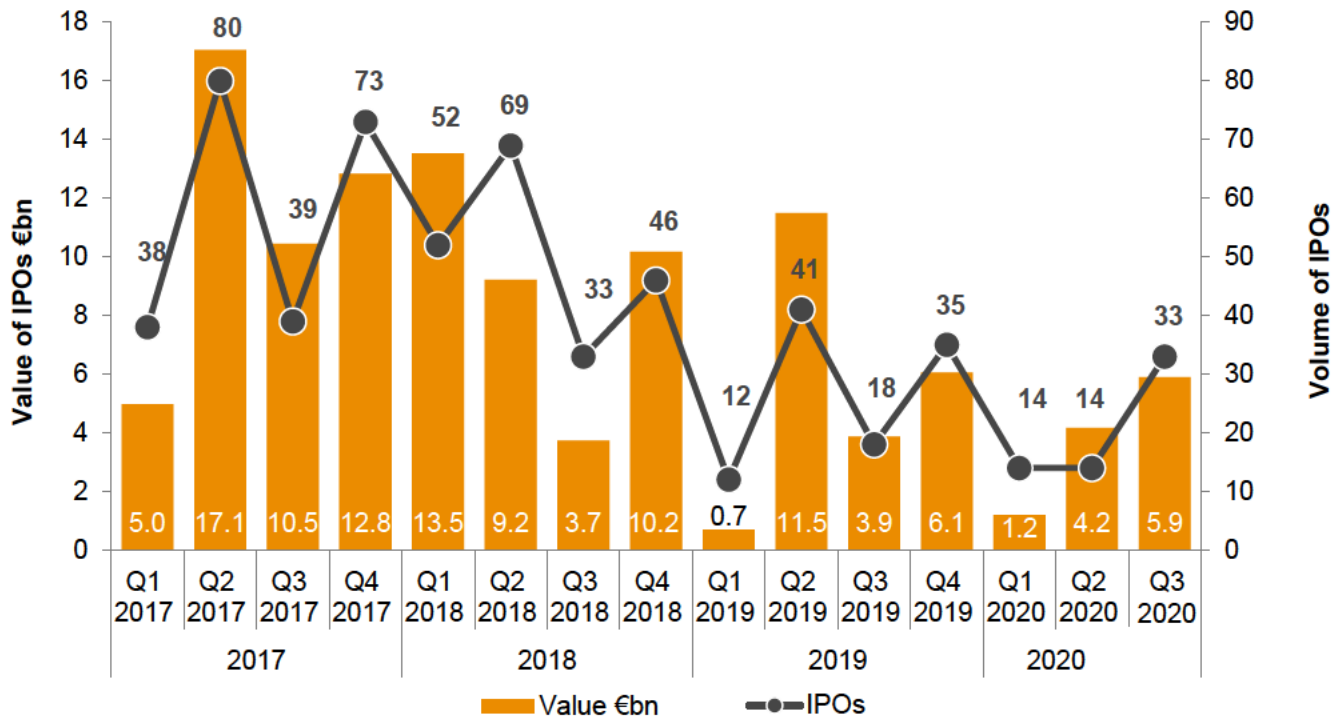
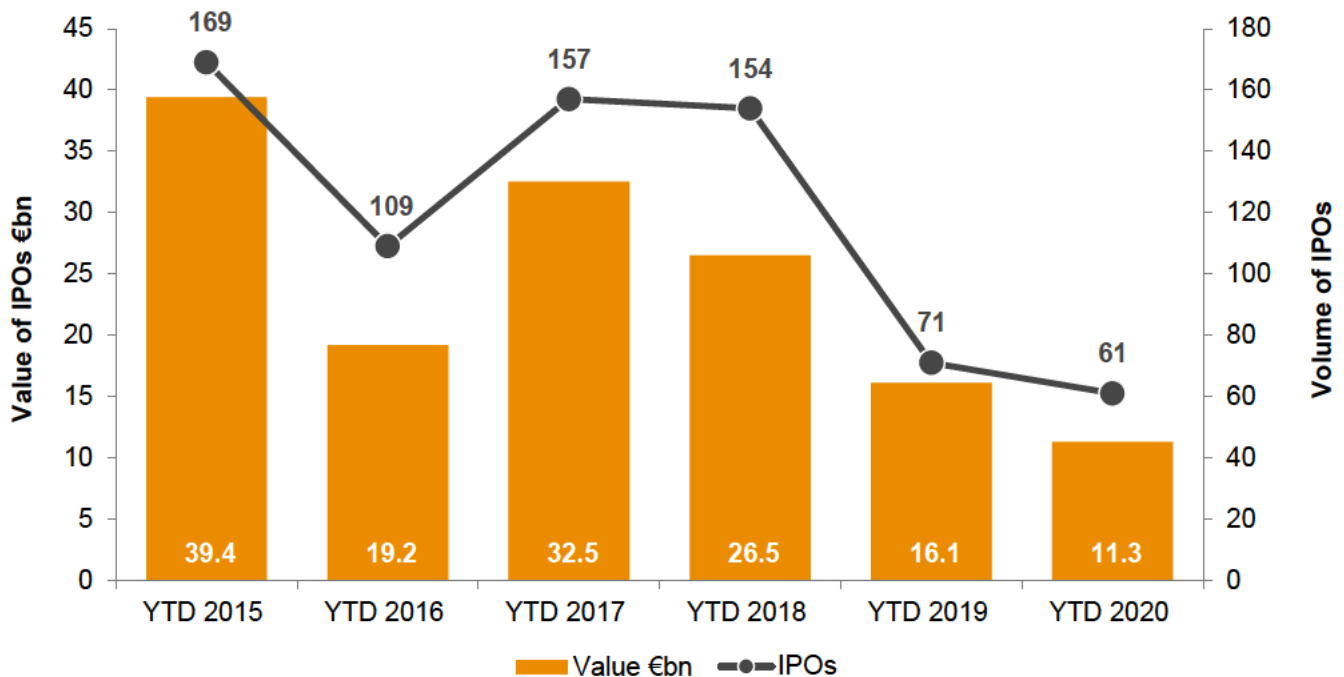


Figure 3: European YTD IPO activity since 2015



European further offers

London continues to lead European Further Offers by value with €33.5bn (30%) of the €98.6bn raised YTD 2020. Following a period of companies strengthening their balance sheets earlier in the year, Further Offer activity saw a 29% decrease in value and 35% decrease by volume in Q3 compared to Q2 2020. Looking into Q4, further capital raises to strengthen balance sheets are expected, but the increased M&A activity is also driving the need for primary capital to preserve credit quality and fund growth.

Figure 4: Top three stock exchanges in Europe YTD 2020 (by offering value)

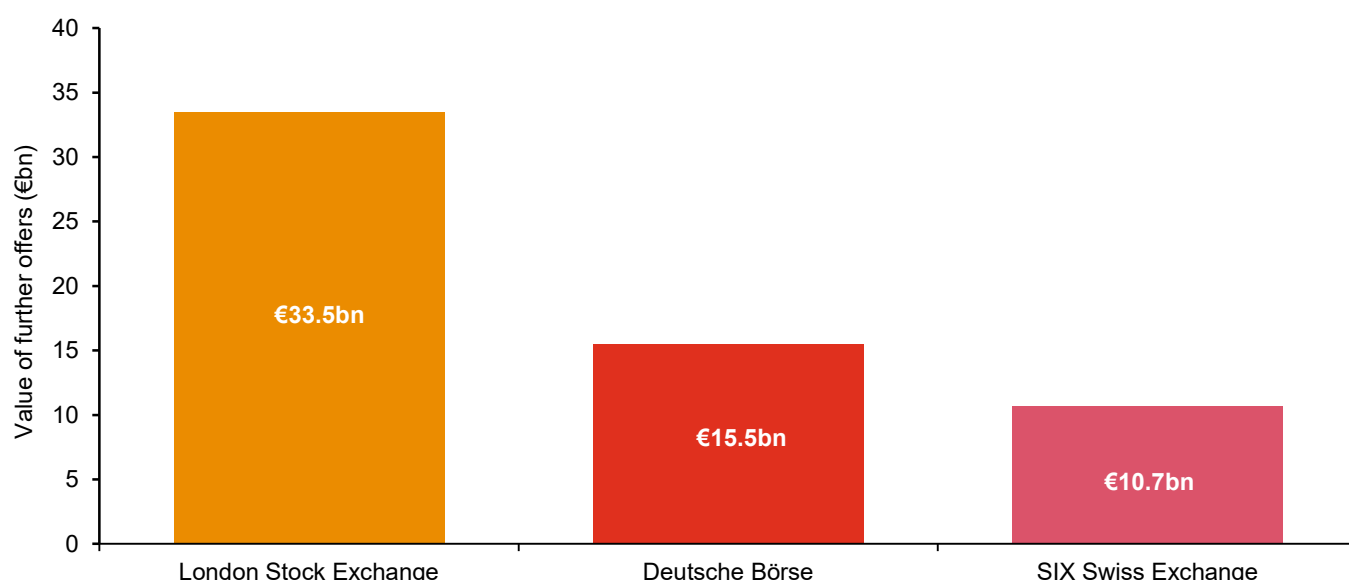


Figure 5: Top five European further offers in Europe YTD 2020

	Cellnex Telecom SA	Siemens Healthineers AG	Sika AG	Compass Group plc	SGS SA
Exchange	BME	Deutsche Börse	SIX Swiss Exchange	London Stock Exchange	SIX Swiss Exchange
Further offer date	13-Aug	02-Sep	27-May	19-May	03-Feb
Money raised (€m)	4,000	2,730	2,408	2,337	2,108

UK Focus

UK Focus

The mega-IPO of THG Holdings plc which raised £1.9bn, represented almost three quarters of the money raised from IPOs in London YTD in 2020. YTD 2020 UK equity issuances have continued to be underpinned by Further Offer activity as a result of the continued impact of COVID-19 and exceed YTD 2019 levels by 56% in value and 28% by volume.

Figure 6: Quarterly European IPO activity since 2017

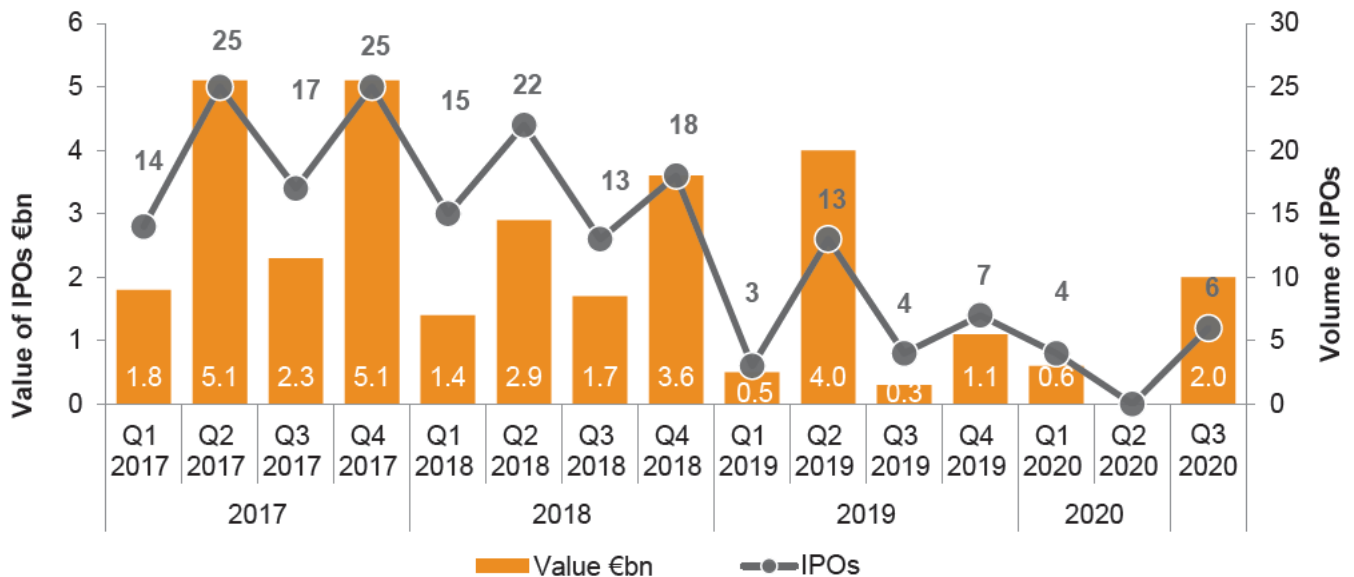
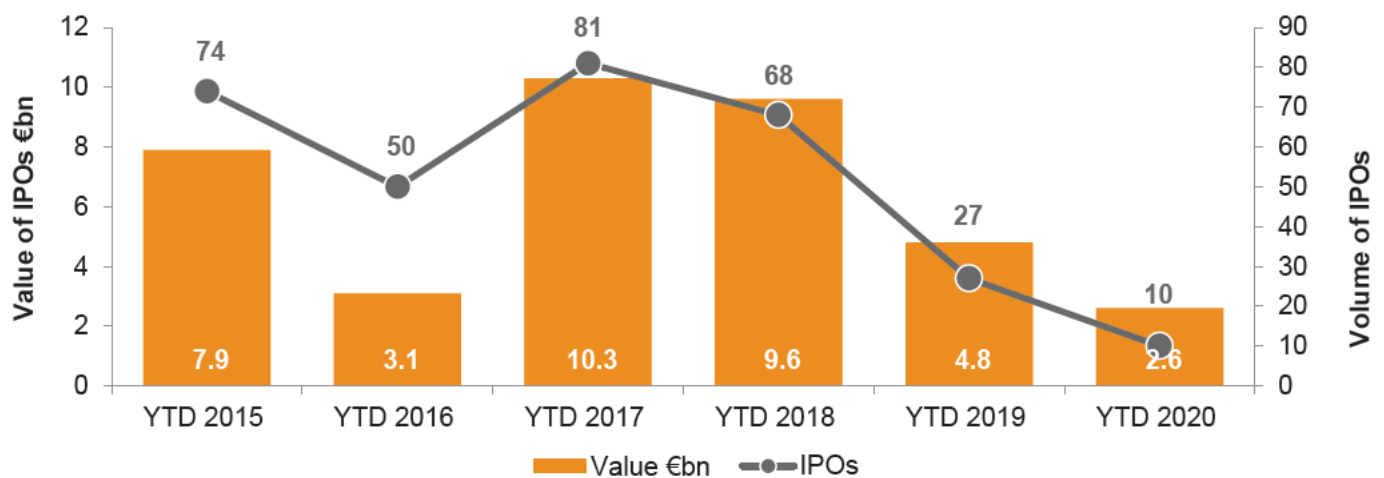


Figure 7: UK YTD IPO activity since 2015



“ The Hut Group’s choice of a listing on the Standard segment of the Main Market demonstrates that fast growing technology companies can achieve a multi-billion valuation in Europe and founders can retain control of the business once public. The standard listing is not a common route to IPO used by UK companies of this size, but this IPO illustrates the choice of access to market that the London Stock Exchange can provide and gives companies flexibility to access a global pool of capital.

Despite the near-term headwinds, deals are being done. It is also promising to see a number of international issuers in the IPO pipeline, continuing to recognise London as ‘open for business’ and a key global financial centre.

Lucy Tarleton
Director, UK Capital Markets Group

Global focus

Global money raised via IPOs

The US continued to dominate IPO activity accounting for 52% of the money raised in 2020 YTD. Despite challenging global economic conditions, global 2020 YTD IPO proceeds are almost on a par with 2019.

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

IPO money raised and No. of deals

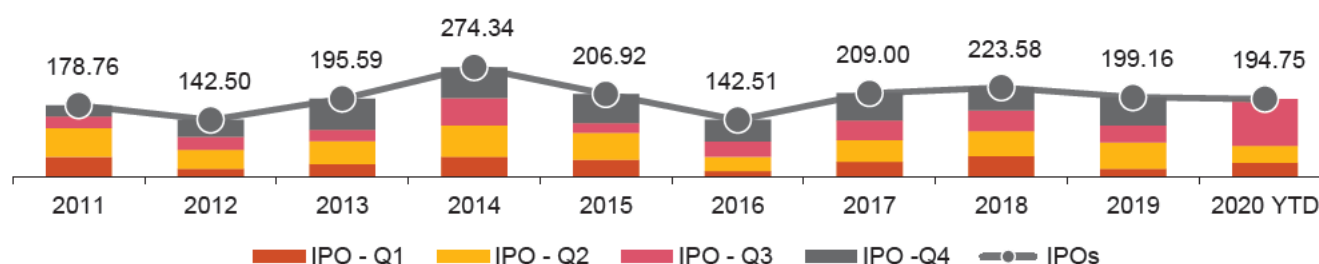


Figure 9: Top ten largest IPOs in YTD 2020

Pricing date	Issuer name	Issuer country	Sector	Exchange	Money raised
3-Jan-20	Beijing-Shanghai High Speed Railway Co Ltd		Consumer Services	Shanghai SE	\$4.4bn
22-Jul-20	Pershing Square Tontine Holdings Ltd		Financials	NYSE	\$4.0bn
15-Sep-20	Snowflake Inc		Technology	NYSE	\$3.9bn
29-May-20	JDE Peet's BV		Consumer Goods	Euronext Amsterdam	\$2.9bn
15-Jun-20	Royalty Pharma plc		Health Care	NASDAQ	\$2.5bn
13-Aug-20	KE Holdings Inc		Consumer Services	NYSE	\$2.4bn
16-Sep-20	THG Holdings plc		Industrials	LSE	\$2.4bn
29-Sep-20	Allegro.eu SA		Technology	Warsaw SE	\$2.3bn
5-Feb-20	Central Retail Corp pcl – CRC		Consumer Services	Thailand SE	\$2.3bn
28-Jan-20	BlackRock Health Sciences Trust II		Financials	NYSE	\$2.3bn



The volume and value of European IPOs remained well behind those in Asia-Pacific and the Americas, with the gap wider than in recent years. Activity in the US increased significantly in the quarter, with issuers being more creative in the routes to market as SPACs and Direct Listings found support. Most

striking, 82 US SPACs raised €32.2.bn representing 49% of all US IPO proceeds and 27% of global IPO proceeds in Q3 2020. Looking ahead into Q4, there is a solid pipeline of companies preparing for IPOs, with Ant Group expected to lead the headlines.

Ross Hunter, Partner, IPO Centre Leader

Appendices

Appendix – European IPOs in Q3 2020

Appendix 1: European IPOs

IPO date	Issuer	Value (€m)	Stock Exchange	Sector
02-Jul-20	Gaming Factory SA	5	Warsaw	Technology
16-Sep-20	THG Holdings plc	2,041	London	Consumer Services
06-Jul-20	Sikri Holding AS	19	Oslo	Technology
06-Jul-20	ayfie Group AS	5	Oslo	Technology
09-Jul-20	Brockhaus Capital Management AG	115	Deutsche Börse	Financials
17-Jul-20	Energisme SA	8	Euronext – Paris	Technology
30-Jul-20	Fade Gıda Yatırım Sanayi Ticaret AS	5	Borsa Istanbul	Consumer Goods
14-Aug-20	Aker Offshore Wind Holding AS	48	Oslo	Oil and Gas
14-Aug-20	Aker Carbon Capture AS	48	Oslo	Oil and Gas
26-Aug-20	BEWi ASA	26	Oslo	Industrials
01-Sep-20	Mdundo.com A/S	5	OMX – Copenhagen	Technology
02-Sep-20	Kooth plc	29	London	Health Care
03-Sep-20	ELOP AS	10	Oslo	Industrials
04-Sep-20	Salmon Evolution Holding AS	47	Oslo	Consumer Goods
09-Sep-20	Exsitec Holding AB	7	OMX – Stockholm	Technology
15-Sep-20	Audientes A/S	5	OMX – Copenhagen	Consumer Goods
06-Jul-20	Elixir International plc	28	London	Industrials
17-Sep-20	Nyxoah SA	85	Euronext – Brussels	Health Care
17-Sep-20	Readly International AB	69	OMX – Stockholm	Consumer Services
17-Sep-20	Offshore Heavy Transport AS	51	Oslo	Industrials
17-Sep-20	Agilyx AS	28	Oslo	Industrials
21-Sep-20	UnifiedPost Group SA/NV	219	Euronext – Brussels	Technology
21-Sep-20	Implantica AG	106	OMX – Stockholm	Health Care
21-Sep-20	Various Eateries plc	27	London	Financials
21-Sep-20	Calnex Solutions plc	25	London	Consumer Services
22-Sep-20	Knaus Tabbert Group GmbH	202	Deutsche Börse	Consumer Goods
23-Sep-20	Hensoldt AG	400	Deutsche Börse	Financials
25-Sep-20	Mintra Holding AS	81	Oslo	Consumer Services
29-Sep-20	Allegro.eu SA	2,012	Warsaw	Technology
29-Sep-20	Guild Esports PLC	22	London	Technology
30-Sep-20	Zaptec AS	41	Oslo	Consumer Goods
30-Sep-20	TECO 2030 ASA	7	Oslo	Utilities
30-Sep-20	HydrogenPro AS	54	Oslo	Consumer Goods

Appendix – Further offers by market

Appendix 2: European further offers by market

	Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 2020	
Stock exchange	FOs	Value (€m)	FOs	Value (€m)	FOs	Value (€m)	FOs	Value (€m)	FOs	Value (€m)
London Stock Exchange Group	60	6,226	79	7,603	65	5,887	134	23,301	67	7,305
London Stock Exchange	57	5,021	75	5,876	59	4,995	128	21,314	64	7,256
Borsa Italiana	3	1,205	4	1,727	6	892	6	1,987	3	49
Euronext	19	2,994	–		17	5,580	29	5,501	21	3,270
Euronext Brussels	4	228	6	1,245	2	67	12	1,985	3	173
Euronext Paris	12	1,983	12	1,995	12	3,581	8	1,397	12	1,582
Euronext Amsterdam	3	783	5	521	2	1,567	6	1,123	3	1,125
Euronext Dublin	–	–	1	90	–	–	3	996	2	494
Euronext Lisbon	–	–	1	176	1	293			1	1,020
Deutsche Börse	15	1,837	13	837	12	2,290	19	4,693	20	8,581
SIX Swiss Exchange	4	529	7	1,756	7	4,862	8	4,056	8	1,833
Nasdaq Nordic	18	728	–	–	36	2,986	63	3,330	49	3,615
Nasdaq Nordic – Stockholm	15	505	39	2,403	30	1,130	51	2,629	40	2,305
Nasdaq Nordic – Copenhagen	–	–	–	–	4	1,353	8	613	2	126
Nasdaq Nordic – Iceland	1	193	8	346	–	–	–	–	1	143
Nasdaq Nordic – Helsinki	–	–	–	–	2	503	4	88	6	1,041
Nasdaq Nordic – Tallin	2	30	–	–	–	–	–	–	–	–
Luxembourg	–	–	1	73	–	–	2	1,287	–	–
Oslo Børs	8	573	17	1,295	15	424	23	1,136	13	574
BME	3	212	7	4,064	–	–	2	823	3	4,775
Warsaw	1	162	1	14	1	52	4	344	1	32
Wiener Börse	–	–	4	845	2	159	1	7	1	236
Borsa Istanbul	–	–	1	71	2	570	–	–	–	–
Bucharest	–	–	1	19	–	–	–	–	1	115
Total	128	13,261	203	23,353	157	22,738	285	44,478	184	31,460
Total (excl Dual listings)	127	13,145	203	23,353	157	22,738	277	42,601	182	30,966

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.

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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, 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 FTSE Russell Industry Classification Benchmark (ICB).

This survey was conducted between 1 January (or 1 July where applicable) to 30 September and IPOs based on their pricing date, and between 1 July to 30 September 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 over-allotment 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 FTSE Russell Industry Classification Benchmark. Index performance is based on pricing data extracted from Bloomberg.

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