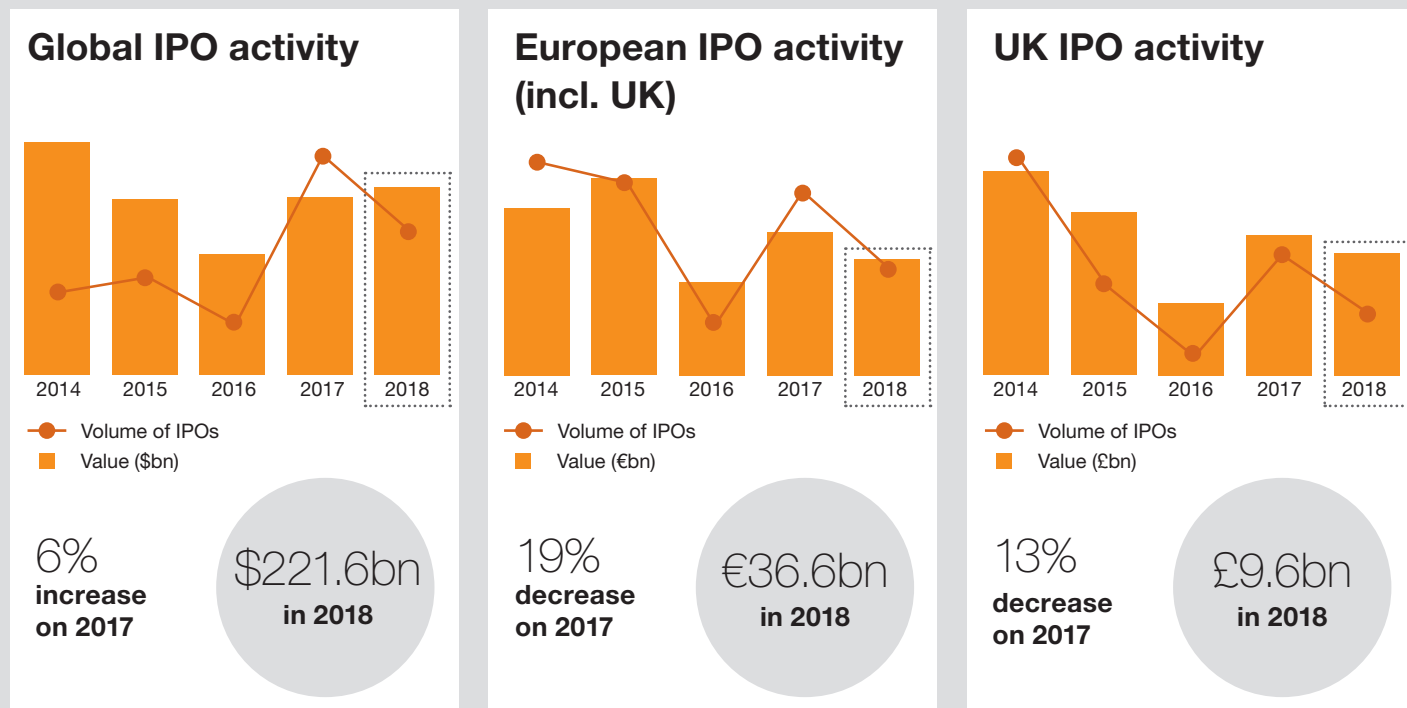




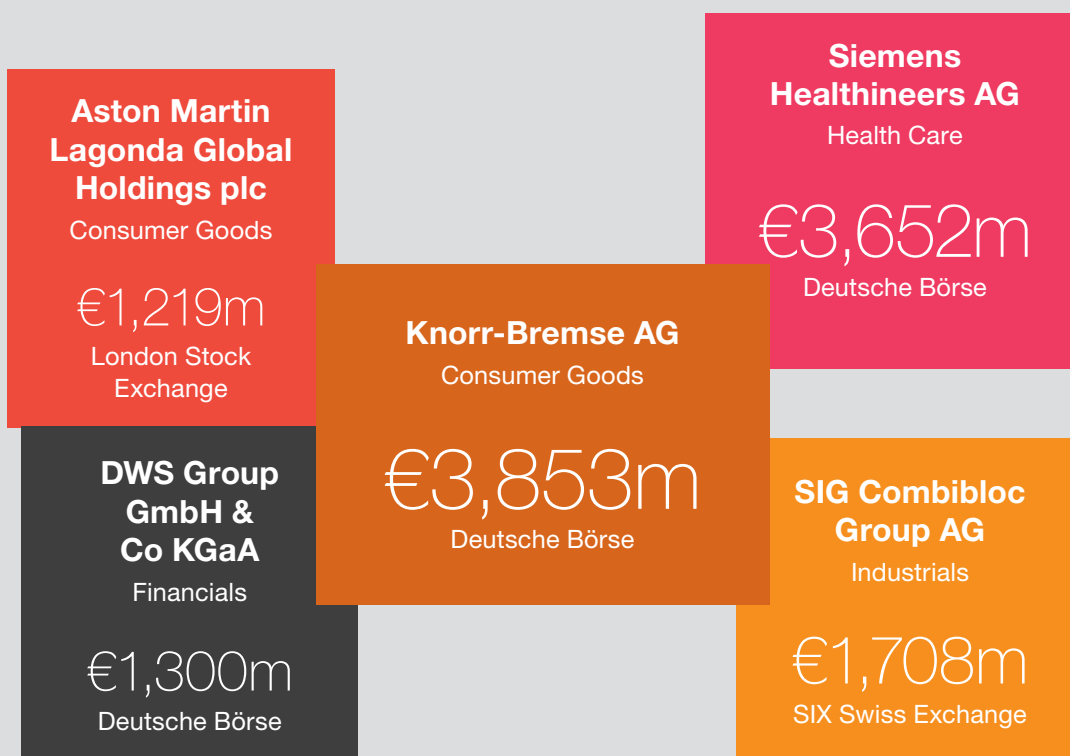
IPO Watch Europe 2018



European IPO markets raised €36.6bn in 2018, with annual proceeds down 19% compared to 2017



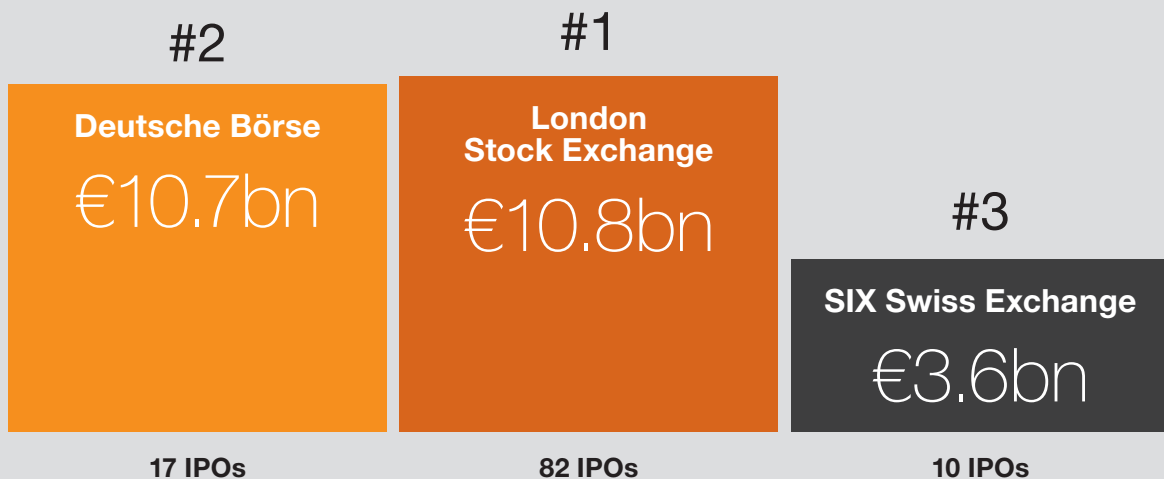
Top 5 European IPOs in 2018 – raised almost €12bn



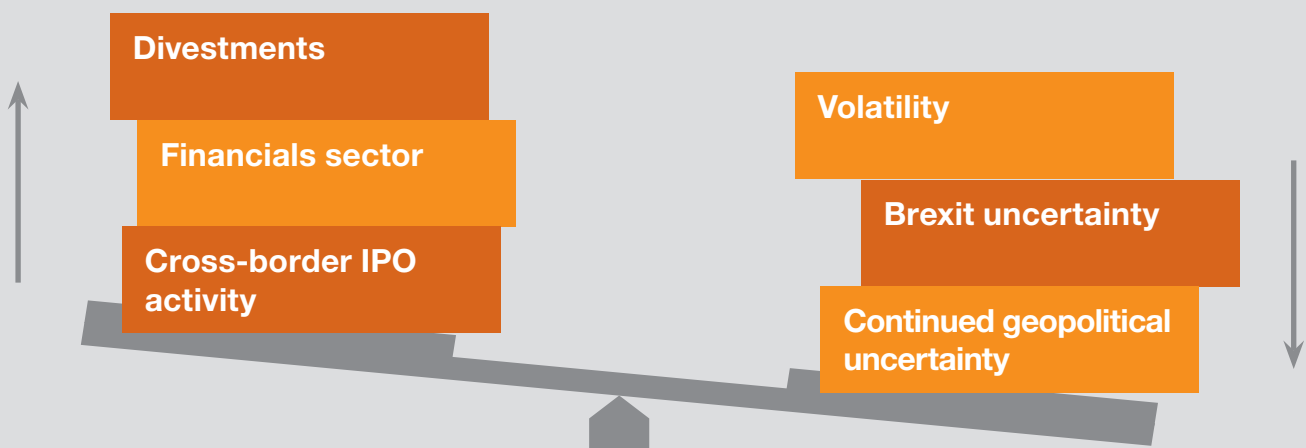
Financials continued to be the largest sector accounting for 33% of 2018 values



60% of European IPO values in 2018 raised on top two exchanges: London Stock Exchange and Deutsche Börse effectively equivalent by value, but London leads by volume



'Pause button' hit in the near term in European IPO markets but healthy number of companies preparing for IPOs later in 2019



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2018 IPO review and outlook for 2019

€36.6bn

IPO proceeds raised in 2018, down 19% from €45.1bn raised in 2017

313 IPOs

in 2018 across Europe, down 13% from 359 IPOs in 2017

€117m

average offering value in 2018, a decrease of 7% on €126m in 2017

Sitting in London, Brexit seems understandably dominant in every conversation, however resisting that temptation for the moment, let us first step back and take a look at 2018 to reflect on what we have seen in the European IPO markets, the trends we are observing and our expectations for next year.

European IPO markets

European IPO proceeds reached €36.6bn in 2018, down by 19% from the €45.1bn raised in 2017, with volumes down by 13%. The fall in activity is starkest on the BME, Borsa Italiana and Euronext exchanges where values have decreased by 77%, 64% and 52% respectively.

IPO proceeds on the top two exchanges for 2018, the London Stock Exchange and the Deutsche Börse, were effectively equal at €10.8bn* and €10.7bn* respectively, however, the Deutsche Börse only hosted 17 IPOs in the year compared to 82 IPOs taking place in London. Despite the lower volume of IPO activity in Germany, the Deutsche Börse was boosted by the two largest European IPOs of the year: Knorr-Bremse and Siemens Healthineers which raised €3.9bn and €3.7bn respectively, compared to the only €bn+ IPO in London - Aston Martin - which raised €1.2bn (£1.1bn).

Activity was subdued across European exchanges for much of 2018, due to high market volatility and a significant correction to global indices in the first half of the year. Volatility has continued in recent months, driven by the uncertainty around trade between the US and China, the wider geopolitical climate and the potential end of the current bull run.

Although the London Stock Exchange is the most active exchange in Europe in 2018 with 82 IPOs, IPO volumes and values have fallen 20% and 13% respectively since this time last year. This is in comparison, however, to 2017 which saw a resurgence in IPO activity to pre-EU Referendum levels. Compared to 2016, when 67 IPOs raised £5.7bn (€7.0bn), IPO values and volumes in 2018 are up 66% to £9.6bn (€10.8bn) and 22% to 82 respectively.

Trends

A key transaction for London in 2018 was its largest ever technology IPO with Czech-based Avast in Q2 which raised £692m. Other UK technology IPOs included the Main Market IPO of Funding Circle and the AIM IPOs of gaming companies, Codemasters Group and Team 17. This is the first year technology has made the top three sectors on the London Stock Exchange.

The financials sector has again dominated UK IPOs in 2018 and has accounted for more than half of all London IPOs to date, and 53% of proceeds. Investment companies, including Real Estate Investment Trusts (REITs) which are included in the financials sector, have continued to drive activity and have accounted for 63% of the sector's volumes. Smithson Investment Trust plc was the second largest IPO in London this year after Aston Martin, having raised £823m.

A further important theme for London is that, despite the uncertainties of Brexit, it has continued to demonstrate its role as a destination of choice for international IPOs from Africa, the Middle East and the CEE. The IPO of Vivo Energy with an offering of \$819m (£603m) was a landmark transaction with a pan African equity story. It was the largest African IPO since Telecom Egypt in 2005 and the first significant float since Seplat in 2014. We provide a high level review on this transaction in our case study in our UK focus section.

Other international listings included companies such as Avast plc from the Czech Republic, Slovenia-based Nova Ljubljanska Banka, and Kazakh group, Kazatomprom. The latter was a key transaction for the privatisation programme in Kazakhstan with the expectation of further deals to come.

“Activity has been subdued across European exchanges for much of 2018, due to high market volatility and a significant correction to global indices in the first half of the year. Volatility has continued in recent months, driven by the uncertainty around trade between the US and China, the wider geopolitical climate and the potential end of the current bull run.

We are seeing a healthy number of companies preparing for an IPO in 2019 despite the ongoing Brexit negotiations which have clearly impacted IPO activity on the London market – we can see that the “pause button” has been hit for now.”

Peter Whelan

Partner, UK IPO Lead at PwC

Expectations for 2019

As noted earlier, the markets had a difficult end of year with concerns regarding the global macro picture, Trump, Brexit and also fears that we are heading into the late equity cycle. We do not see signs that these concerns have been corrected as we start 2019.

The above will likely mean that the ‘pause’ button will be hit for IPO issuance in the near term, particularly in the UK with the shadow of Brexit. Despite this, we are seeing a healthy number of companies preparing for IPOs later in 2019. The expectation is that there will be ever more focus by investors on quality and a differentiated story which in turn puts the spotlight on fundamentals, the quality of preparation and early engagement with investors.

More specifically, the financials sector looks set to be a key driver of activity as we go into 2019. It is also notable that in the USA, it seems that it will be the year of the Unicorns with a range of significant transactions in preparation with confidential filings from Uber and Lyft combined with expectations of IPOs from Airbnb, Peloton, Palantir and Slack.

Our last point would be to underline that despite some high profile coverage for several transactions that are well below their IPO price that as we have set out in our chart of the relative performance of UK IPOs, there are 30 companies that have outperformed the index versus eight that have underperformed which is a fundamental factor for investors as we go into 2019.

*Note: there are slight variations in the basis of calculation between our IPO Watch Europe and Global IPO Watch publications which have for examples resulted in marginally different results between our sister publications.

2018 IPO review and outlook for 2019

A challenging year for European IPOs

The value of European IPOs in 2018 amounted to €36.6bn, a decrease of 19% as compared to 2017, with IPO volumes down by 13%.

High market volatility, a significant correction to global indices in the first half of the year, uncertainty around the ongoing Brexit negotiations and trade between the US and China, have hampered the European IPO markets during 2018.

IPO values on the top two exchanges for 2018, the London Stock Exchange and Deutsche Börse, were €10.8bn and €10.7bn respectively, however the Deutsche Börse only hosted 17 IPOs in the year compared to 82 IPOs taking place in London. Despite the lower volume of IPO activity in Germany, the Deutsche Börse was boosted by hosting three of the largest European mega-IPOs of the year: Knorr-Bremse AG, Siemens Healthineers AG and DWS Group GmbH & Co KGaA, which raised €3.9bn, €3.7bn and €1.3bn respectively. While 2017 saw nine mega IPOs (IPOs raising in excess of €1bn in proceeds), only six were seen in 2018.

Despite the Brexit uncertainty, the London Stock Exchange saw a strong level of cross-border IPO activity with companies from Africa (Vivo Energy plc), CEE (Avast plc and Nova Ljubljanska Banka) and Kazakhstan (Kazatomprom).

When Dutch payments processing firm **Adyen** went public on 13 June, the stock jumped 100% above the initial share price, giving the company a valuation of €14.8bn.

Elkem, one of the world's largest silicones suppliers, was Norway's biggest IPO since 2010, raising €777m.

The IPO of medical technology company **Siemens Healthineers AG**, was the second largest listing for the Deutsche Börse in 2018, raising €3.7bn.

German brake system maker **Knorr-Bremse AG** raised €3.9bn as part of their IPO on the Deutsche Börse in October, the largest-ever IPO of a German family-owned business and the largest European IPO of 2018.

The IPO of petroleum company **Vivo Energy**, which raised \$819m (€684m), was the largest UK listed African IPO since Telecom Egypt in December 2005.

The IPO of poultry producer **Gradus** in August was the largest on the Bulgarian Stock Exchange since 2007, when First Investment Bank raised €42m, and the first listing in Sofia since 2016.

UK focus – Overview

London was in number one position by volumes, despite a drop of 13% in terms of money raised

Figure 1: UK IPO trends (by offering value)

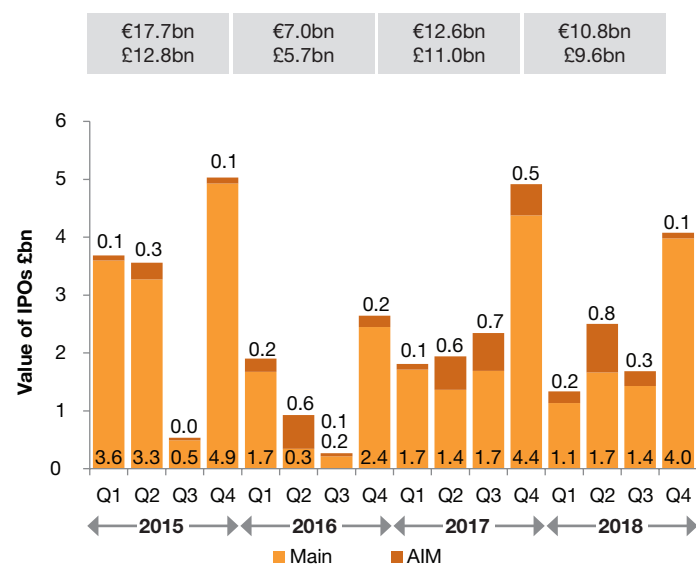
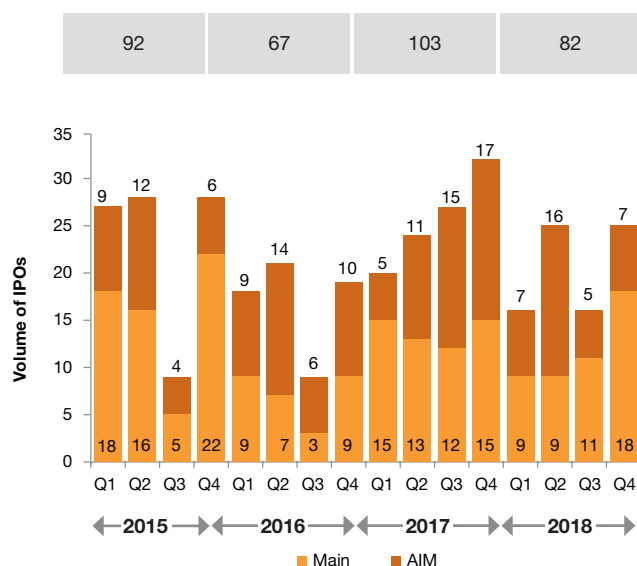


Figure 2: UK IPO trends (by volume)



London was very marginally ahead in terms of money raised, but took the top spot in terms of volumes, having raised £9.6bn (€10.8bn), a decrease of 13% on IPO values in 2017.

The financial sector continued to dominate UK IPOs and accounted for more than half of IPO values in 2018, including JTC plc, the Jersey based institutional and private client financial services business, which raised £244m, UK adviser platform IntegraFin Holdings, which raised £178m and niche lender TruFin, which raised £70m. The UK also saw an increase in cross-border IPO activity, including Czech-based Avast plc and Africa-focused Vivo Energy, who raised £692m and £603m (\$819m) respectively.

London also saw its largest ever technology IPO with Czech-based Avast. Other technology IPOs included Funding Circle, i-nexus Global, Codemasters and Team17.

Figure 3: Top five UK IPOs in 2018

Issuer	Value £m	Sector	Market	PE backed
Aston Martin Lagonda Global Holdings plc	1,083	Consumer Goods	Main	Yes
Smithson Investment Trust plc	823	Financials	Main	No
Avast Plc	692	Technology	Main	Yes
Vivo Energy plc	603	Consumer Services	Main	Yes
Nova Ljubljanska Banka	530	Financials	Main	No

“London has continued to demonstrate it is still attracting cross-border IPOs, with companies such as Avast plc from the Czech Republic, Slovenia-based Nova Ljubljanska Banka, Africa-focused Vivo Energy and Kazakh group, Kazatomprom, all listing this year.

Looking ahead, the financials sector looks set to be a key driver of activity as we go into 2019. The pipeline for UK IPOs also includes a number of international companies, demonstrating London’s continued attractiveness for overseas issuers and strength as a global financial centre”

Lucy Tarleton
Director, UK Capital Markets Group at PwC

Case study – Vivo Energy IPO

Largest Africa-focused IPO on the LSE since 2005



Company profile

- Market leading pan-African fuel and lubricants retailer operating under the Shell brand in 15 high growth markets across Africa.
- Established since December 2011 through the progressive carve-out of Shell's African downstream business.
- Recently agreed an acquisition of Engen International Holdings, adding operations in eight new countries and more than 225 Engen-branded service stations to the Group's portfolio. With Engen acquisition, total presence will increase to over 2,000 service stations in 23 African markets, covering 35% of Africa population.
- Provides exposure to Africa consumer theme and growing middle class – Well placed to capitalise on Africa's population and economic growth.

Deal features

- First significant float of an Africa-based business on the LSE since Seplat in 2014.
- First dual LSE and JSE IPO and first PE exit via an IPO concurrently on the LSE and JSE.
- The deal closed around the middle of the price range, in an uncertain market which saw the recent withdrawal of a number of IPOs, including Africa focused prospects – A testament to the strength of the equity story, management team and a high quality IPO process.

Deal summary

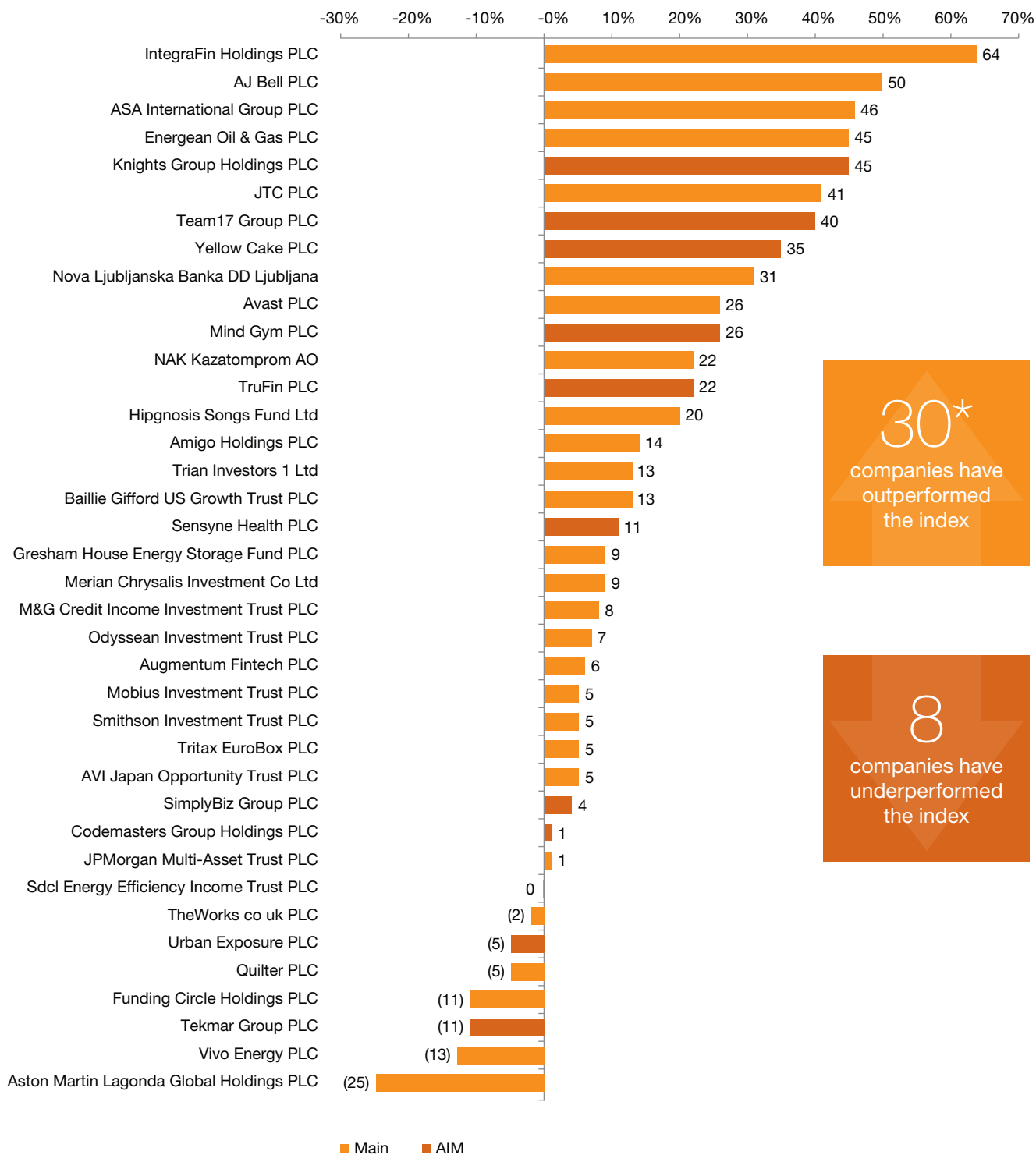
Major holders (pre-IPO)	Vitol (54.9%), Helios (44.2%)
Listing venue	LSE/JSE
Pricing date	4 May 2018
Primary/ Secondary	100% secondary
Joint Global Co-ordinators	JP Morgan (Sponsor), Credit Suisse, Citi
Joint Bookrunners	BNP Paribas, RMB, Standard Bank
Deal size Market cap at IPO	\$819m \$2,690m
Index inclusion	FTSE 250
Free Float at IPO	30.5%
IPO price Price range	\$2.24 \$2.10 - \$2.44
PwC role	Auditors and Reporting Accountants



UK focus

Relative performance of UK IPOs

Figure 4: Share price performance of UK IPOs relative to the FTSE All Share Index, from IPO to 31 December 2018 (%)



*Threshold of €50m proceeds | 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: Dealogic and Thomson Reuters as of 31 December 2018

UK focus – The sector story

The financials sector dominated UK IPO activity, accounting for more than half of IPO values in 2018

Figure 5: UK IPO value by sector

By offering value £m	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	2017	Increase/ (decrease)
Financials	906	560	1,366	2,206	5,038	9,910	(4,872)
Consumer Goods	-	293	-	1,083	1,376	3,542	(2,166)
Technology	6	708	2	447	1,163	2,053	(890)
Consumer Services	30	620	65	-	715	750	(35)
Basic Materials	2	-	153	337	492	1,317	(825)
Oil and Gas	330	68	-	-	398	68	330
Industrials	-	253	38	-	291	329	(38)
Health Care	3	-	60	22	85	186	(101)
Total value £m	1,277	2,502	1,684	4,095	9,558	18,155	(8,597)

“The financials sector has once again dominated the UK IPO market and has raised over half the money in London in 2018. Interestingly we have seen a number of IPOs focusing on the broader wealth sector, including investment platform, AJ Bell which has had a particularly strong opening, Jersey based institutional and private client financial services business, JTC, and wealth manager, Quilter, supported by strong valuations of their listed counterparts. Additionally it is exciting to see some of the fintech disrupters make their step onto the public markets - e.g. peer to peer lender, Funding Circle, UK adviser platform IntegraFin Holding and niche lender TruFin. The UK, and London in particular, is a hotbed for fintech activity, and despite the heightened levels of political and economic uncertainty currently, I expect to see a number of fintech businesses consider the public route alongside their more established peers through 2019 and beyond in what will see good growth in UK listed Financial Services businesses.”

Stephen Jones

Transaction Services Partner at PwC

“The increase in IPOs from European tech companies comes against a backdrop of a very active tech IPO market in the US and UK companies in particular have had a relatively good year for public fundraising.

2018 market activity has demonstrated that the UK has a mature and flourishing tech ecosystem, from start-ups to quoted tech companies. That said, with the continued heightened levels of political and economic uncertainty in the UK, Europe and US going into 2019 and the continued availability of substantial private capital, some of our other UK high profile scale-ups have continued and will continue to access funding to grow their businesses out of the public limelight.”

Brian Henderson

Partner at PwC

2018 European IPO trends

European IPO values and volumes down by 19% and 13% respectively compared to 2017

Figure 6: European IPO activity since 2009*

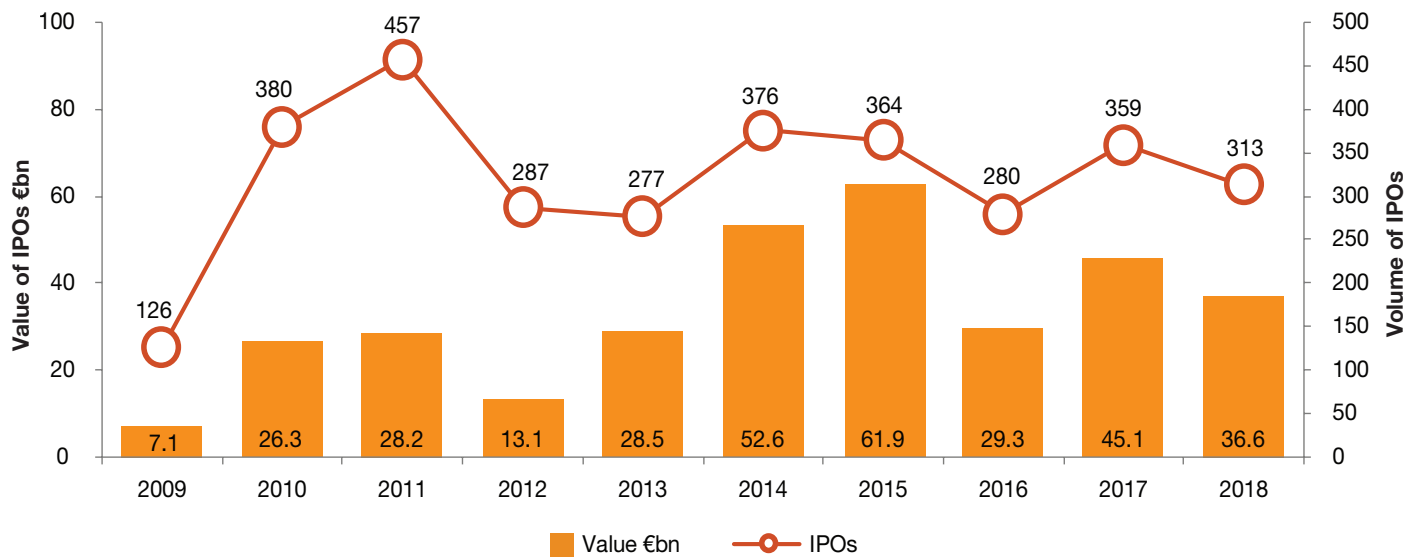
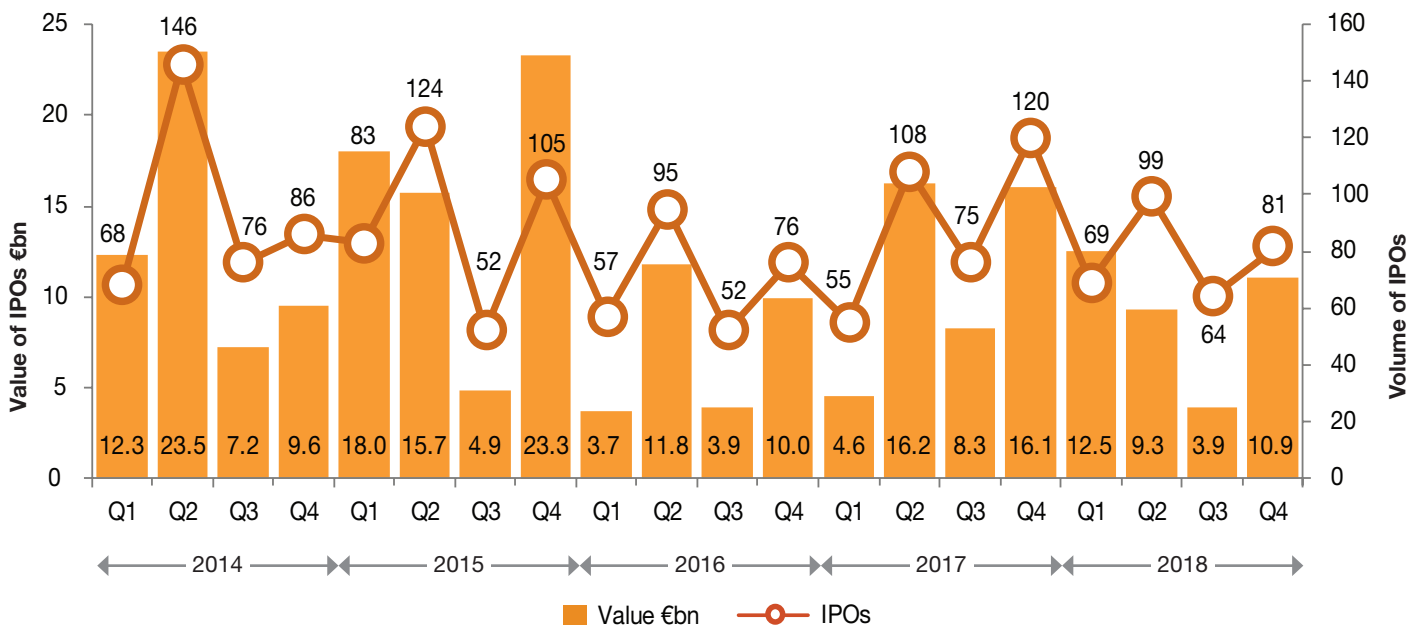


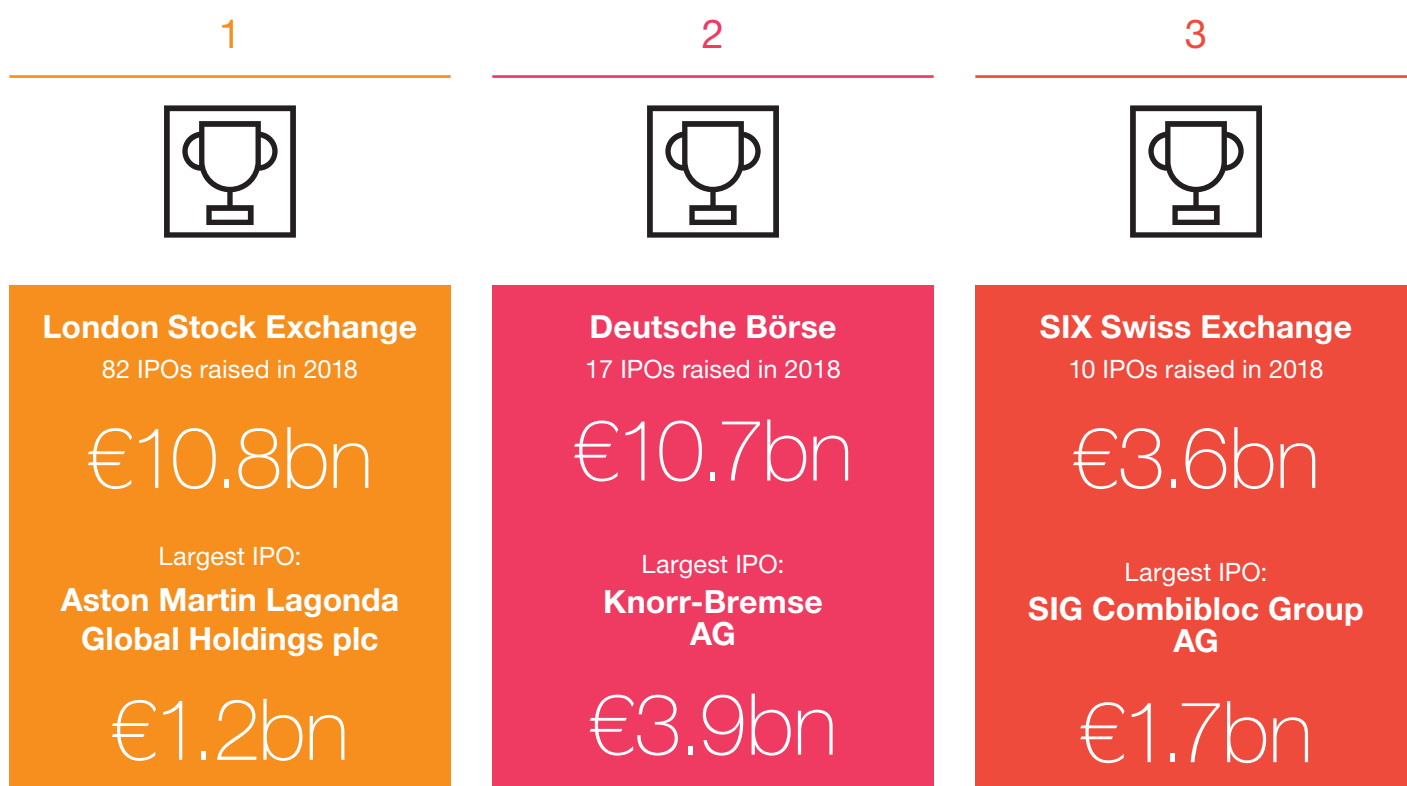
Figure 7: Quarterly European IPO activity since 2014



*Excludes IPOs on Borsa Istanbul, Zagreb Stock Exchange and Bucharest Stock Exchange pre 2011

IPO values of €10.8bn on the London Stock Exchange were very marginally ahead of those on the Deutsche Börse at €10.7bn

Figure 8: Top three stock exchanges in Europe in 2018 (by offering value)



Market volatility

IPO activity subdued across European exchanges for much of 2018, due to high market volatility and a significant correction to global indices in the first half of the year

Figure 9: Volatility tracked against European IPO values

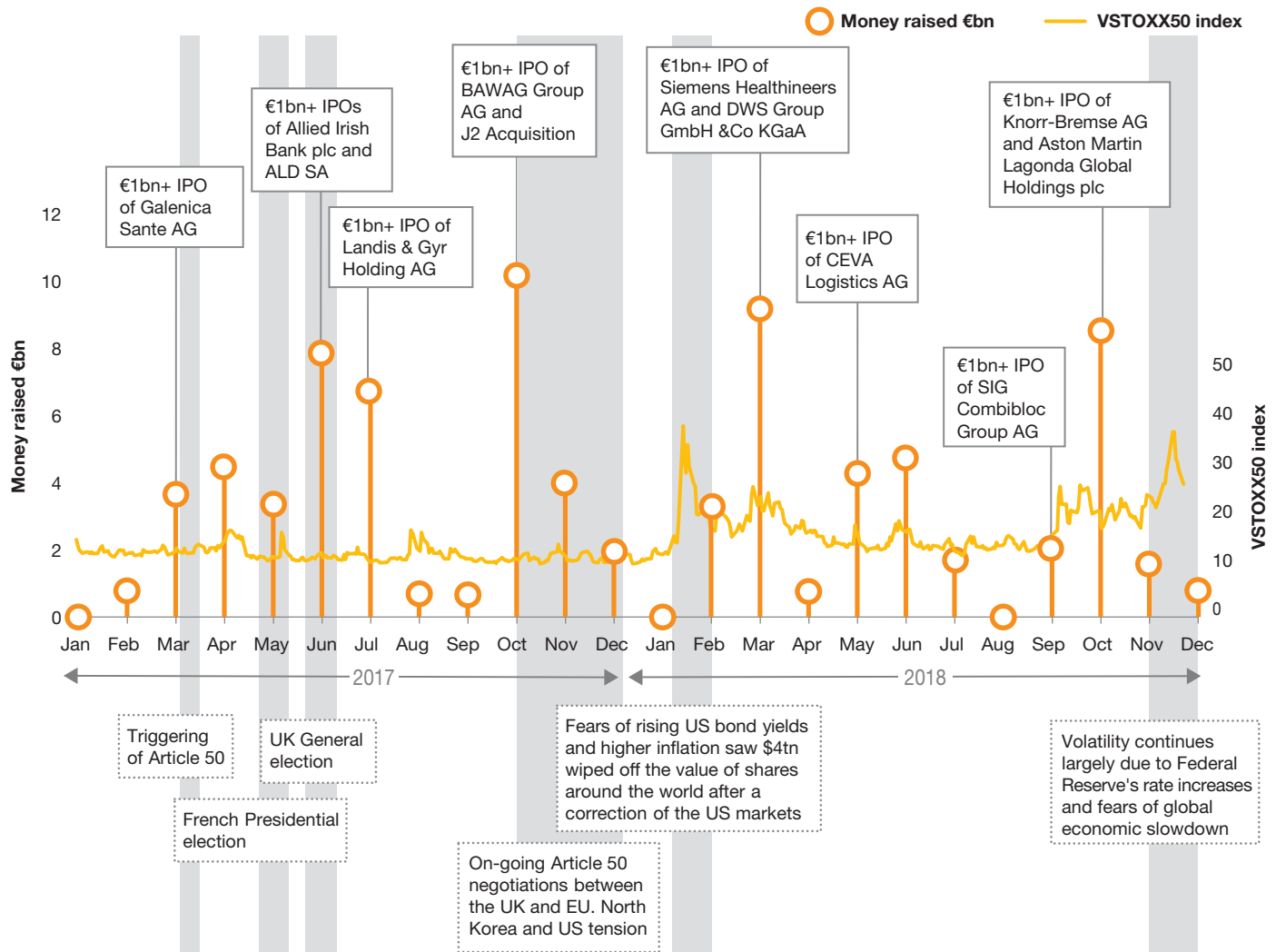
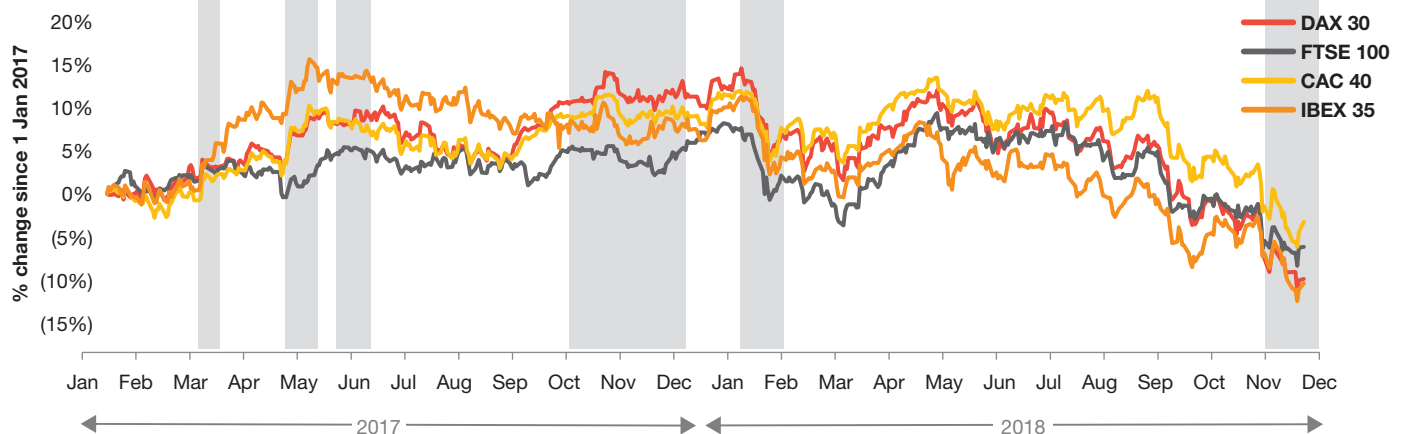


Figure 10: Historical performance of major European market indices since January 2017



Source: Thomson Reuters as at 31 December 2018

Top ten IPOs in Europe

2018 saw six mega-IPOs, the largest being Knorr-Bremse AG

Figure 11: Top ten IPOs in 2018

Trading date	Issuer	€m	Sector	Stock Exchange	Country of operation	PE backed
Oct-2018	Knorr-Bremse AG	3,853	Consumer Goods	Deutsche Börse	Germany	No
Mar-2018	Siemens Healthineers AG	3,652	Health Care	Deutsche Börse	Germany	No
Sep-2018	SIG Combibloc Group AG	1,708	Industrials	SIX Swiss Exchange	Switzerland	Yes
Mar-2018	DWS Group GmbH & Co KGaA	1,300	Financials	Deutsche Börse	Germany	No
Oct-2018	Aston Martin Lagonda Global Holdings plc	1,219	Consumer Goods	London Stock Exchange	United Kingdom	Yes
May-2018	CEVA Logistics AG	1,061	Industrials	SIX Swiss Exchange	Switzerland	Yes
Jun-2018	Adyen BV	947	Financials	Euronext	Netherlands	Yes
Oct-2018	Smithson Investment Trust plc	936	Financials	London Stock Exchange	United Kingdom	No
May-2018	Avast Plc	788	Technology	London Stock Exchange	Czech Republic	Yes
Mar-2018	Elkem ASA	777	Basic Materials	Oslo Børs	Norway	No
Total		16,241				

Pricing of top five IPOs

Three of the top five IPOs in Europe listed on the Deutsche Börse in 2018

Figure 12: Pricing of Top five IPOs in 2018

	Knorr-Bremse AG	Siemens Healthineers AG	SIG Combibloc Group AG	DWS Group GmbH & Co KGaA	Aston Martin Lagonda Global Holdings plc
Exchange	Deutsche Börse	Deutsche Börse	SIX Swiss Exchange	Deutsche Börse	London Stock Exchange
IPO date	12-Oct	16-Mar	28-Sep	23-Mar	03-Oct
Money raised €m	3,853	3,652	1,708	1,300	1,219
Price range	€72.00 – €87.00	€26.00 – €31.00	CHF11.00 – CHF12.00	€30.00 – €36.00	€17.50 – €22.50
Offer Price	€80.00	€28.00	CHF12.00	€32.50	€20.00

“For the first time since 2012, the Deutsche Börse was the most active Continental-European exchange in terms of value, hosting three of the top five IPOs in Europe in 2018 and almost beat London Stock Exchange. The mega-IPOs of Siemens Healthineers, Knorr-Bremse and DWS Group raised 82% of all proceeds on the Deutsche Börse, with the remainder coming from a range of smaller transactions. Looking forward to 2019, a prediction is more difficult than ever given the uncertainties relating to the economic and political environment. At the same time, there are a number of deals in the pipeline, again amongst them, multi-billion transactions as the trend of corporate spin-offs continues.”

Nadja Picard

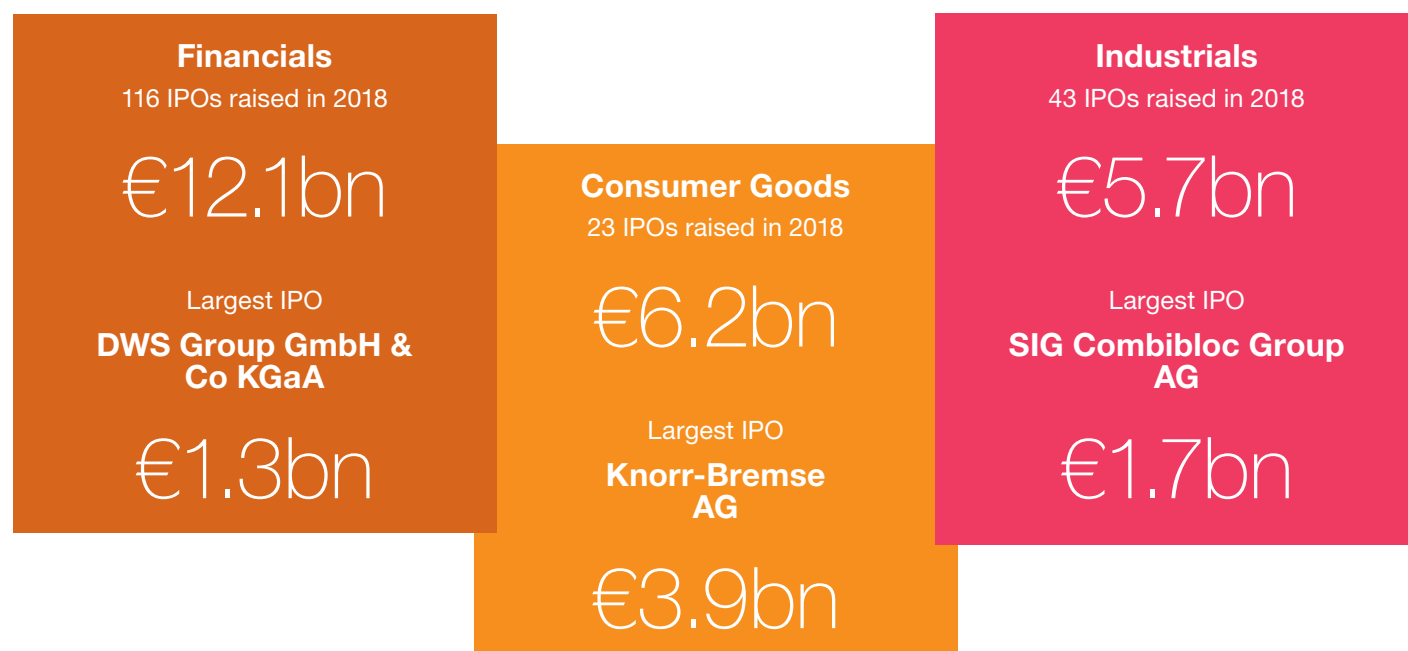
German Capital Markets Group Leader at PwC

The sector story

Financials continued to be the largest sector accounting for 33% of 2018 values

Figure 13: IPO value by sector

By offering value (€m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	2017	Increase/(decrease)
Financials	4,879	2,213	1,621	3,436	12,149	15,555	(3,406)
Consumer Goods	436	520	132	5,093	6,181	7,080	(899)
Industrials	415	3,159	1,799	309	5,682	8,641	(2,959)
Health Care	4,483	246	82	212	5,023	2,359	2,664
Technology	59	1,663	16	598	2,336	1,602	734
Consumer Services	593	1,382	105	127	2,207	5,737	(3,530)
Basic Materials	779	-	173	424	1,376	2,089	(713)
Utilities	463	8	-	668	1,139	499	640
Oil & Gas	373	87	2	-	462	320	142
Telecommunications	-	70	11	-	81	1,246	(1,165)
Total	12,480	9,348	3,941	10,867	36,636	45,128	(8,492)



European PE Trends

PE backed IPO activity has continued to slow across Europe in 2018

Figure 14: Value of European PE backed IPOs as a percentage of total European IPO value*

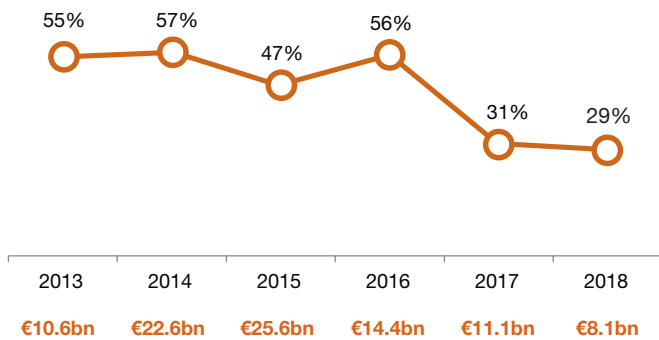


Figure 15: Volume of European PE backed IPOs as a percentage of total European IPOs*

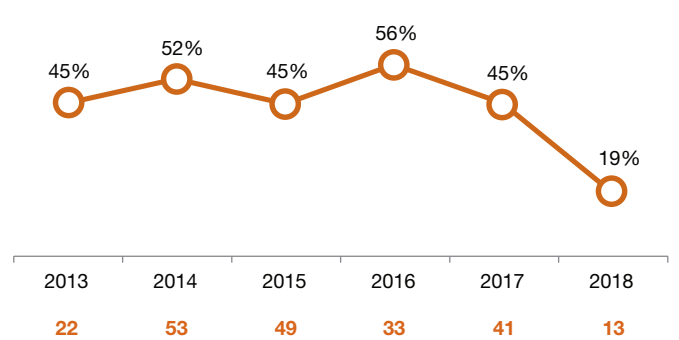


Figure 16: European PE backed IPOs by industry 2018 €bn*

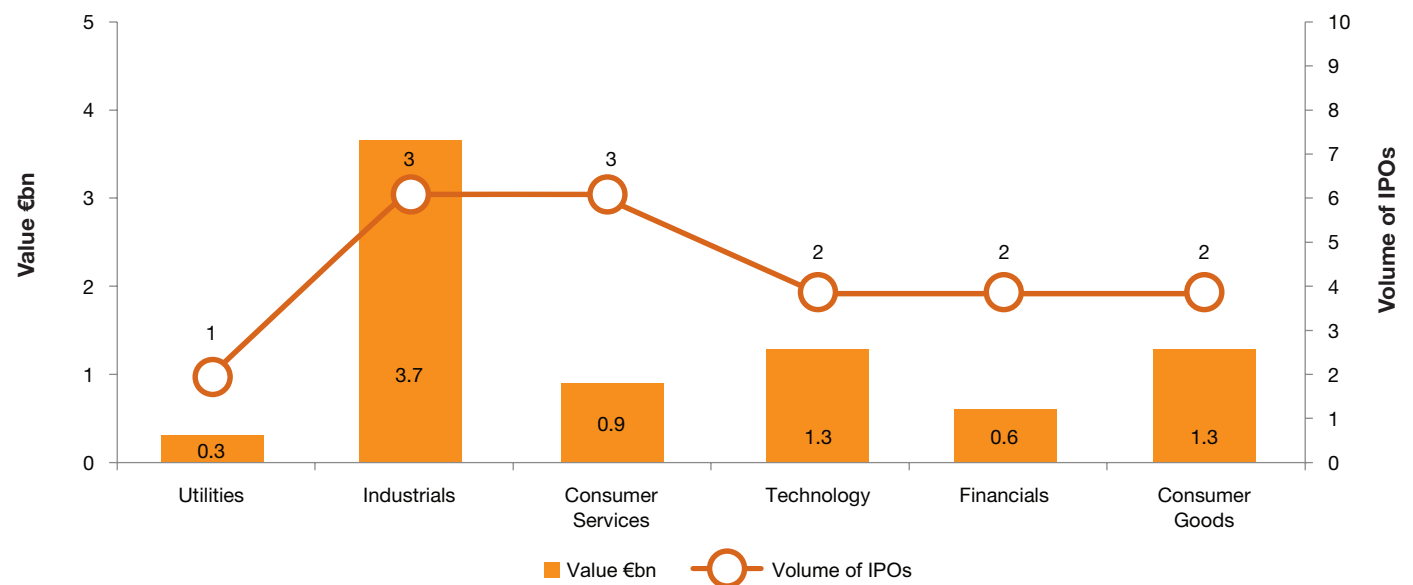


Figure 17: Value of London PE backed IPOs as a percentage of total London IPO value*

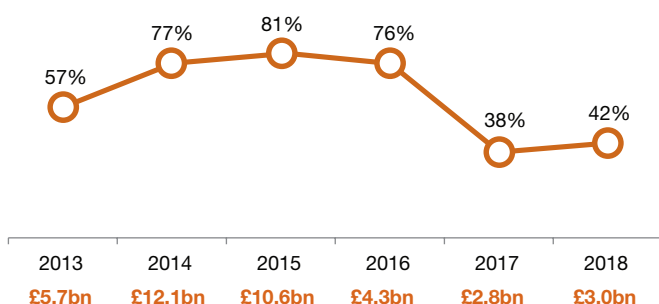
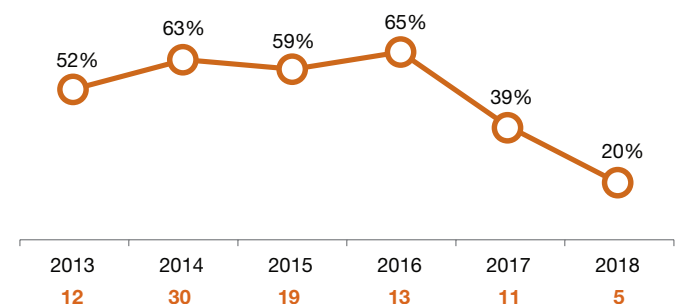


Figure 18: Volume of London PE backed IPOs as a percentage of total London IPOs*



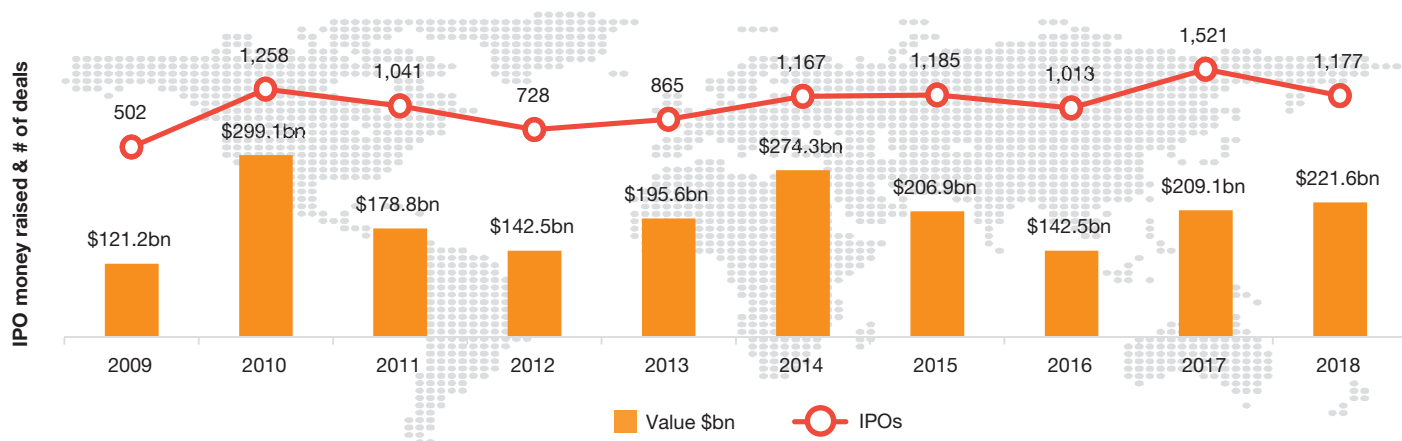
*IPOs raising over €50m, excludes closed-end funds, SPACs, SPVs, Capital Pool companies, Investment Trusts, REITs, Royalty Trusts

Source: Dealogic

Global money raised via IPOs

As a result of a few mega-IPOs, 2018 IPO proceeds out to equity markets

Figure 19: Global money raised via IPOs (ten year overview)



Source: Dealogic as of 31 December 2018

Figure 20: Top ten global IPOs in 2018

Pricing date	Issuer name	Issuer country	Sector	Exchange	Filing range	Offer price
10-Dec-18	SoftBank		Telecommunications	Tokyo SE	1,500.00 - 1,500.00	1,500.00
1-Aug-18	China Tower		Technology	HKEx	1.26 - 1.58	1.26
29-Jun-18	Xiaomi		Technology	HKEx	17.00 - 22.00	17.00
15-Mar-18	Siemens Healthineers		Health Care	Deutsche Börse	26.00 - 31.00	28.00
10-Oct-18	Knorr-Bremse		Consumer Goods	Deutsche Börse	72.00 - 87.00	80.00
23-May-18	Foxconn Industrial Internet		Technology	Shanghai SE	N/A	13.77
13-Sep-18	Meituan Dianping		Consumer Services	HKEx	60.00 - 72.00	69.00
9-May-18	AXA Equitable		Financials	NYSE	24.00 - 27.00	20.00
14-Sep-18	Fideicomiso CIB/3057		Financials	Mexican SE	1,910.20 - 1,910.20	1,910.20
23-Jan-18	PagSeguro Digital		Industrials	NYSE	17.50 - 20.50	21.50

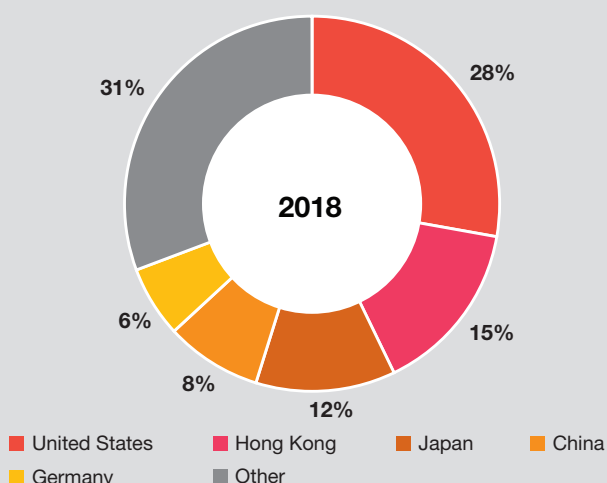
Note: included deals > \$5m, excluding PIPO's and transactions on Over-The-Counter exchanges. Country indicates the company's Country of domicile. Sector classification

Source: Dealogic, Bloomberg as of 31 December 2018

Extract from PwC Global IPO Watch, Q4 2018. For further details, refer to 'About IPO Watch Europe'

paced those in recent years even as volatility returned

Figure 21: Top countries 2018



Note: Top countries have been selected based on money raised in 2018.

Source: Dealogic as of 31 December 2018

“On a global level, 2019 was a positive year for the IPO markets with IPO values increasing over 5% on 2017 to a four year high of €221.6bn, driven by a rise in the number of mega-IPOs – across markets and across regions. As in previous years, Asia continued to dominate the global activity and hosted the top three IPOs of 2019, including SoftBank’s IPO in December which was the second largest IPO ever after Alibaba’s \$25bn listing in 2014.

The big story in 2019 was the dominance of technology IPOs across all major exchanges, including a number of Unicorn IPOs and a significant increase in the number of US IPOs of Chinese companies, despite the concerns over trade relations.

The outlook for 2019 is more uncertain given recent heightened volatility and ongoing concerns over the global economy and geopolitical tensions, however there is reason to believe that global trends seen this year will extend into 2019, with the US and Asia set to dominate the global IPO markets and a healthy number of Unicorns and cross-border IPOs in the pipeline on the key exchanges.”

Ross Hunter

Partner, Head of the Global IPO Centre at PwC

Pricing	Money raised	Free float	Secondary shares (%)	Performance		
				1-day	1-month	Current
In range	\$21.3bn	33.5%	100.0%	(14.5%)	N/A	(9.5%)
Bottom of range	\$7.5bn	27.1%	0.0%	0.0%	(8.7%)	17.5%
Bottom of range	\$5.4bn	11.2%	34.2%	(1.2%)	0.8%	(24.0%)
In range	\$5.2bn	15.0%	100.0%	7.9%	16.2%	30.5%
In range	\$4.4bn	29.8%	100.0%	2.1%	5.2%	(1.7%)
N/A	\$4.3bn	10.0%	0.0%	44.0%	25.1%	(15.8%)
In range	\$4.2bn	8.7%	0.0%	5.3%	(20.3%)	(36.4%)
Below range	\$3.2bn	28.1%	100.0%	1.7%	5.3%	(16.9%)
In range	\$3.0bn	N/A	0.0%	N/A	N/A	N/A
Above range	\$2.6bn	38.0%	46.3%	35.8%	50.6%	(12.9%)

ation is based on the Industry Classification Benchmark (ICB).

Overview of global IPO activity

The last few months of 2018 proved to be poor for equity markets due to political instability and higher interest rates in the US

Figure 22: Global IPO activity

	2016	2017	2018	Q4 2016	Q4 2017	Q4 2018
IPO activity						
Number of IPOs	1,013	1,521	1,177	373	439	284
% sponsor-backed	9.7%	9.3%	7.6%	7.2%	9.8%	3.5%
Money raised	\$142.5bn	\$209.1bn	\$221.6bn	\$54.5bn	\$67.7bn	\$56.1bn
% sponsor-backed	22.9%	22.7%	14.1%	19.8%	21.1%	5.4%
Advanced metrics						
Free float %	31.3%	31.9%	32.2%	30.1%	31.5%	31.3%
Overallotment exercised (%) ¹	25.3%	25.2%	31.5%	19.6%	26.3%	24.5%
% secondary shares	15.1%	14.6%	13.6%	13.2%	17.6%	11.6%

Thanks to an increase in the size of mega-IPOs in 2018 compared to recent years, 2018 IPO proceeds outpaced those seen recently even as volatility returned to the equity markets. SoftBank Corp, the telecom unit of SoftBank Group Corp, was the largest IPO globally in 2018, raising \$21.3bn compared to Snap Inc, the US company behind Snapchat, the largest IPO of 2017, which raised only \$3.9bn.

Despite political tension between the US and China in 2018, the US led the world by value of IPOs. IPO activity in the US was the highest since 2014 by value and volume, with 243 IPOs raising \$61.6bn in 2018. Of this, cross-border IPO activity accounted for 29% of proceeds and 26% of the number of IPOs.

The three largest global IPOs of the year took place in Asia-Pacific and together accounted for 35% of IPO proceeds in the region. Due to stricter regulatory oversight IPO proceeds in China fell by 42%, and the number of IPOs by 77%.

Equity markets in EMEA suffered early-on from global geopolitical uncertainty and finished the year in negative territory. German IPO proceeds reached an 18-year high, boosted by the mega-IPOs of Knorr Bremse, Siemens Healthineers and Deutsche Bank's DWS Group on the Deutsche Börse.

¹ Overallotment exercised (%) presents the percentage of IPOs in which the overallotment option has been exercised (either partly or in full).

Source: Dealogic, Bloomberg as of 31 December 2018

Extract from PwC Global IPO Watch, Q4 2018. For further details, refer to 'About IPO Watch Europe'

Global perspective – Cross-border IPOs

Continued appetite for cross-border IPOs in 2018

Figure 23: Cross-border IPO activity in 2018

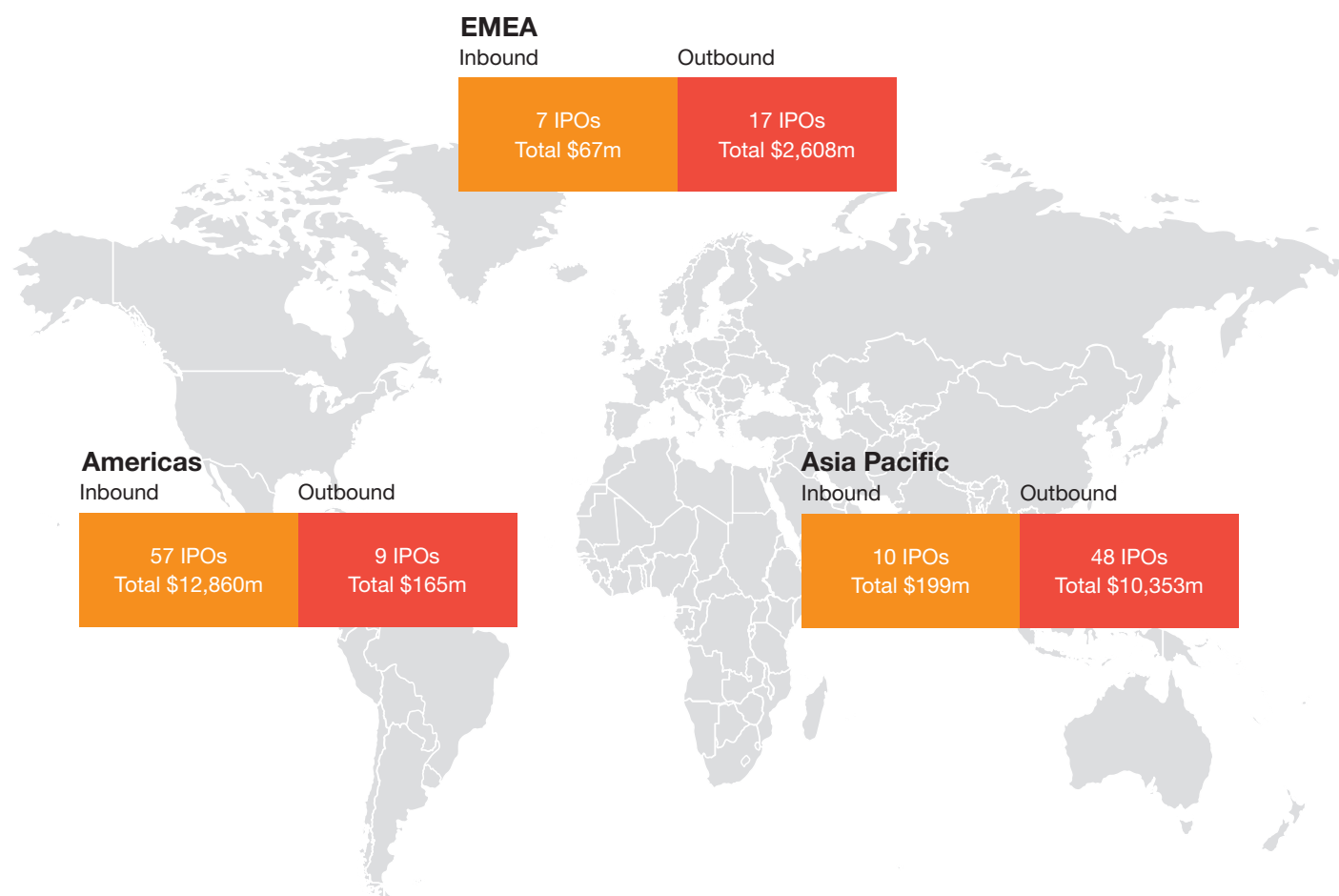


Figure 24: Top five cross-border IPOs

Issuer	Issuer Nationality	Proceeds \$m	Stock Exchange	Sector
iQIYI Inc	China	2,424	NASDAQ	Consumer Services
Pinduoduo Inc	China	1,743	NASDAQ	Consumer Services
NIO Inc	China	1,152	NYSE	Consumer Goods
Tencent Music Entertainment Group	China	1,066	NYSE	Technology
Farfetch Ltd	United Kingdom	1,018	NYSE	Consumer Services

Source: Dealogic

Source: Dealogic as of 31 December 2018

Extract from PwC Global IPO Watch, Q4 2018. For further details, refer to 'About IPO Watch Europe'

Appendix

Appendix – IPOs by market

Appendix 1: European IPOs by market

	2017		2018		Performance	Q1 2018		Q2 2018		Q3 2018		Q4 2018	
	IPOs	Value €m	IPOs	Value €m		IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m
Total													
London Stock Exchange Group	135	17,948	113	12,769	↓	22	2,303	31	3,484	28	2,043	32	4,939
<i>London Stock Exchange</i>	103	12,580	82	10,839	↓	16	1,447	25	2,846	16	1,899	25	4,647
<i>Borsa Italiana</i>	32	5,368	31	1,930	↓	6	856	6	638	12	144	7	292
Deutsche Börse	13	2,578	17	10,742	↑	6	5,849	7	851	1	17	3	4,025
SIX Swiss Exchange	5	4,115	10	3,594	↓	3	379	3	1,426	2	1,708	2	81
Euronext	23	7,182	28	3,481	↓	6	865	10	1,273	6	89	6	1,254
<i>Euronext Amsterdam</i>	3	757	5	1,765	↑	4	818	1	947	–	–	–	–
<i>Euronext Paris</i>	15	1,989	18	1,014	↓	–	–	8	251	6	89	4	674
<i>Euronext Brussels</i>	2	630	2	615	↓	1	40	–	–	–	–	1	575
<i>Euronext Dublin</i>	3	3,806	2	82	↓	1	7	1	75	–	–	–	–
Nasdaq Nordic	98	4,249	61	2,827	↓	13	713	24	1,805	5	21	19	288
<i>Nasdaq Stockholm</i>	79	2,444	32	975	↓	5	493	14	258	2	14	11	210
<i>Nasdaq Helsinki</i>	10	1,610	12	801	↓	4	211	3	520	–	–	5	70
<i>Nasdaq Copenhagen</i>	5	185	12	582	↑	3	9	4	558	2	7	3	8
<i>Nasdaq Iceland</i>	1	–	3	322	↑	1	–	2	322	–	–	–	–
<i>Nasdaq Tallinn</i>	1	4	1	147	↑	–	–	1	147	–	–	–	–
<i>Nasdaq Riga</i>	1	3	1	–	↓	–	–	–	–	1	–	–	–
<i>Nasdaq Vilnius</i>	1	3	–	–	↓	–	–	–	–	–	–	–	–
Borsa Istanbul	3	278	9	1,111	↑	6	650	3	461	–	–	–	–
Oslo Børs	19	1,253	16	1,084	↓	5	1,011	5	–	4	–	2	73
BME (Spanish Exchange)	27	3,703	34	855	↓	5	646	6	–	11	9	12	200
Warsaw	27	1,811	20	81	↓	2	24	10	48	4	8	4	1
Sofia	–	–	1	42	↑	–	–	–	–	1	42	–	–
Bucharest	4	256	1	40	↓	1	40	–	–	–	–	–	–
Belgrade Stock Exchange	–	–	1	6	↑	–	–	–	–	–	–	1	6
Athens Stock Exchange	2	–	1	4	↑	–	–	–	–	1	4	–	–
Wiener Börse	2	1,680	1	–	↓	–	–	–	–	1	–	–	–
Budapest	1	75	–	–	↓	–	–	–	–	–	–	–	–
Total	359	45,128	313	36,616		69	12,480	99	9,348	64	3,941	81	10,867

	2017		2018		Performance	Q1 2018		Q2 2018		Q3 2018		Q4 2018	
	IPOs	Value €m	IPOs	Value €m		IPOs	Value €m	IPOs	Value €m	IPOs	Value €m	IPOs	Value €m
EU-Regulated													
Deutsche Börse – Prime and General Standard	9	2,514	15	10,612	↑	4	5,719	7	851	1	17	3	4,025
London – Main	55	10,415	47	9,034	↓	9	1,286	9	1,892	11	1,610	18	4,516
SIX Swiss Exchange	5	4,115	10	3,594	↓	3	379	3	1,426	2	1,708	2	81
Euronext	19	7,135	17	3,298	↓	6	865	5	1,135	2	60	4	1,238
Nasdaq Nordic – Main	22	3,136	17	2,048	↓	2	289	10	1,639	–	–	5	120
Oslo Børs & Oslo Axess	11	1,104	5	1,084	↓	3	1,011	–	–	–	–	2	73
BME (Spanish Exchange) – Main	5	3,691	5	855	↓	1	646	–	–	1	9	3	200
Borsa Italiana – Main	8	4,102	5	696	↓	–	–	2	440	–	–	3	256
Warsaw – Main	8	1,756	5	72	↓	1	22	3	45	1	5	–	–
Sofia	–	–	1	42	↑	–	–	–	–	1	42	–	–
Bucharest	4	256	1	40	↓	1	40	–	–	–	–	–	–
Belgrade Stock Exchange	–	–	1	6	↑	–	–	–	–	–	–	1	6
Athens Stock Exchange	2	–	1	4	↑	–	–	–	–	1	4	–	–
Weiner Börse	2	1,680	1	–	↓	–	–	–	–	1	–	–	–
Budapest	1	75	–	–	↓	–	–	–	–	–	–	–	–
EU-regulated sub-total	151	39,979	131	31,655		30	10,257	39	7,428	21	3,455	41	10,515
Exchange – Regulated													
London – AIM	48	2,165	35	1,535	↓	7	161	16	954	5	289	7	131
Borsa Italiana – AIM	24	1,266	26	1,234	↓	6	856	4	198	12	144	4	36
Borsa Istanbul	3	278	9	1,111	↑	6	650	3	461	–	–	–	–
Nasdaq Nordic – First North	76	1,113	44	779	↓	11	424	14	166	5	21	14	168
Euronext – Altemext	4	47	11	183	↑	–	–	5	138	4	29	2	16
Deutsche Börse – Scale	4	64	2	130	↑	2	130	–	–	–	–	–	–
Warsaw – New Connect	19	55	15	9	↓	1	2	7	3	3	3	4	1
Oslo – MTF	8	149	11	–	↓	2	–	5	–	4	–	–	–
BME – Alternative	22	12	29	–	↓	4	–	6	–	10	–	9	–
Exchange-regulated sub-total	208	5,149	182	4,981		39	2,223	60	1,920	43	486	40	352
Europe total	359	45,128	313	36,636		69	12,480	99	9,348	64	3,941	81	10,867

How PwC can help you

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 are 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, Croatia, Denmark, France, Germany, Greece, the Netherlands, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Romania, 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 excludes greenshoe. Where data has not been provided in Euros, it has been converted using the spot rate as of the pricing date of the IPO.

This survey was conducted between 1 January and 31 December 2018 and captures introductions as well as IPOs based on their first trading date. All market data is sourced from Dealogic and the stock markets themselves 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 is based on data extracted from Dealogic, whereby only transactions with a minimum of \$5 million money raised have been included. Transaction proceeds include the overallotment option (if exercised). The data excludes PIPO's 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 FTSE Russell Industry Classification Benchmark. Index performance is based on pricing data extracted from Bloomberg.

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