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European private equity IPO report

November 2018

Basis of preparation



Our analysis includes Initial Public Offerings (“IPOs”) that listed on a European stock exchange¹ between 1 January 2009 and 30 June 2018. All market data is sourced from Dealogic and Bloomberg and has not been independently verified by PwC.

An IPO is considered to be private equity (“PE”)-backed if there is a financial sponsor, classified as a private equity firm, which had direct influence over the issuer at the time of IPO or if the private equity firm itself was directly involved in the transaction.

The data in this report excludes IPOs raising less than €50m in proceeds and includes exercised greenshoes.

In order to create a pure and comparable sample, only operational companies have been taken into account. Therefore, issuers with one of the following Dealogic classifications have been excluded: closed-end funds, non-equity investment companies, acquisitions/restructurings companies, capital pool companies, SPACs, SPVs, REITs and Oil & Gas royalty trusts.

Industry classifications are based on the Industry Classification Benchmark (ICB) and index adjusted performance corrects for performance of the STOXX Europe 600 index. Both are sourced from Bloomberg.

A total of 607 IPOs are included in the analysis, of which 243 are private equity-backed and 364 are non PE-backed and which raised €104.1bn and €151.2bn respectively.

1) The following stock exchanges are included in the sample: Bolsas y Mercados Españoles, Borsa Istanbul, Borsa Italiana, Bucharest Stock Exchange, Budapest Stock Exchange, Deutsche Börse, Euronext Amsterdam, Euronext Brussels, Euronext Dublin, Euronext Lisbon, Euronext Paris, Kazakhstan Stock Exchange, London Stock Exchange, Luxembourg Stock Exchange, Moscow Exchange, Nasdaq Copenhagen, Nasdaq Helsinki, Nasdaq Iceland, Nasdaq Stockholm, Nasdaq Tallinn, Oslo Børs, Prague Stock Exchange, SIX Swiss Exchange, Vienna Stock Exchange, and Warsaw Stock Exchange

Number and proceeds of European IPOs

The cyclical recovery of the European IPO market kicked off in 2010 whilst the PE-backed IPO activity only started to rebound in 2013

Figure 1 – IPO activity by PE-backed issuers

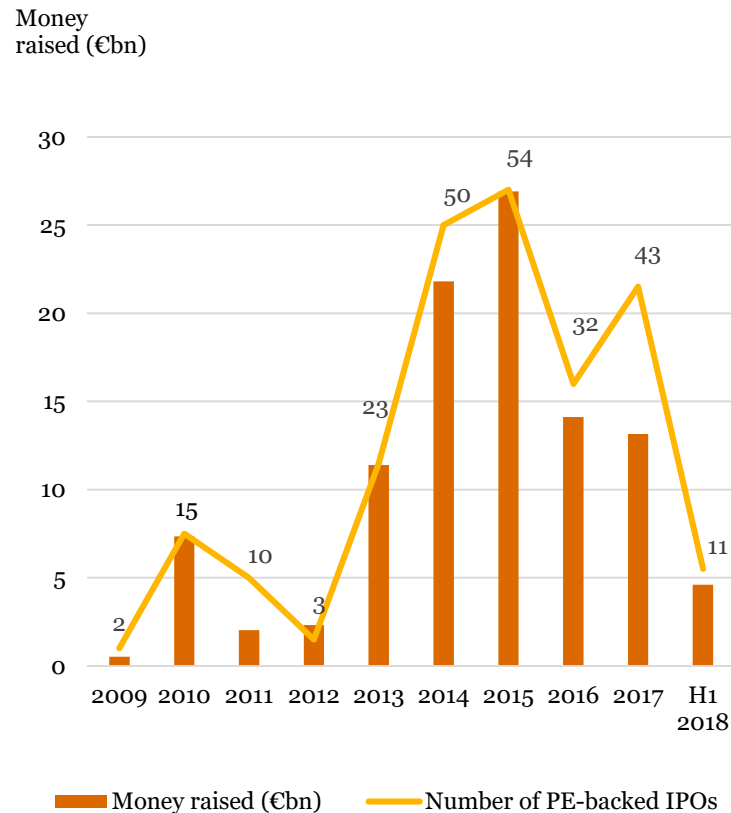
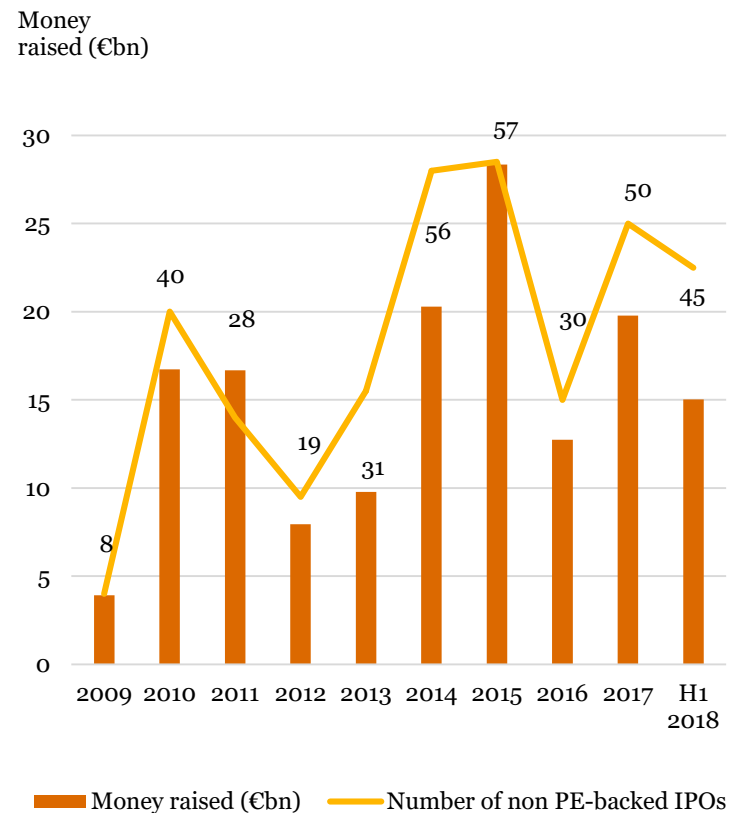


Figure 2 – IPO activity by non PE-backed issuers



After having been subdued during the financial crisis, European IPO activity slightly started to rebound in 2010, driven by non PE-backed issues. Whereas PE-owners only followed suit from 2013 onwards.

2015 saw the most active year for PE-backed IPO activity, both in terms of number of IPOs and money raised. The largest PE-backed IPOs that year were Worldpay and Auto Trader, while also large privatisations such as Aena and ABN AMRO took advantage of strong capital market conditions.

PE-backed IPO activity accounted for 40%–50% of total IPO activity in recent years, but this has dropped in H1 2018

Figure 3 – PE-backed IPO activity as a % of total IPO activity

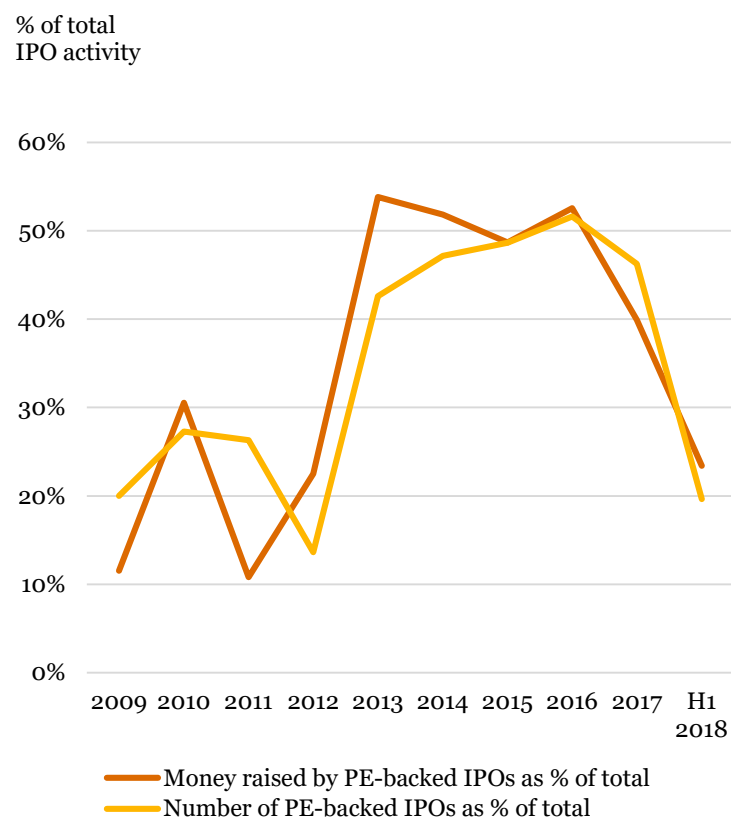
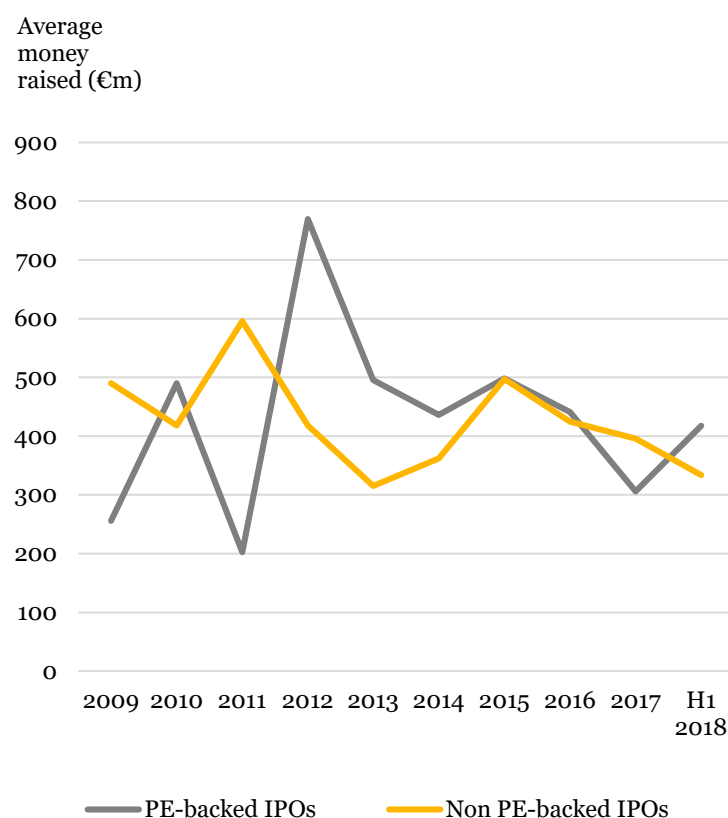


Figure 4 – Average money raised per IPO (in €m)



Immediately following the financial crisis, PE-backed activity was still subdued. Probably because equity capital market valuations were not sufficiently attractive for portfolio companies PE owners had acquired prior to the financial crisis.

In the period 2013 to 2017, PE-backed IPOs accounted for approximately 40%–50% of total IPO activity in Europe, both in terms of number of transactions and money raised.

The surge of large European carve-outs (e.g. Siemens Healthineers, DWS Group and Elkem) in H1 2018, has led to a drop in PE-backed IPO activity as a percentage of total IPO activity compared to recent years. At the same time, after the wave of PE exits in 2013-2017 there might not be so much left in the “old” PE-portfolios, while the more recent acquisitions are not ready yet.

Average money raised per IPO over the last years has been around €400m without a clear trend regarding PE-backed vs. non PE-backed IPOs.

The London Stock Exchange attracted most PE-backed IPOs

Figure 5 – Most active stock exchanges (by number of PE-backed IPOs)

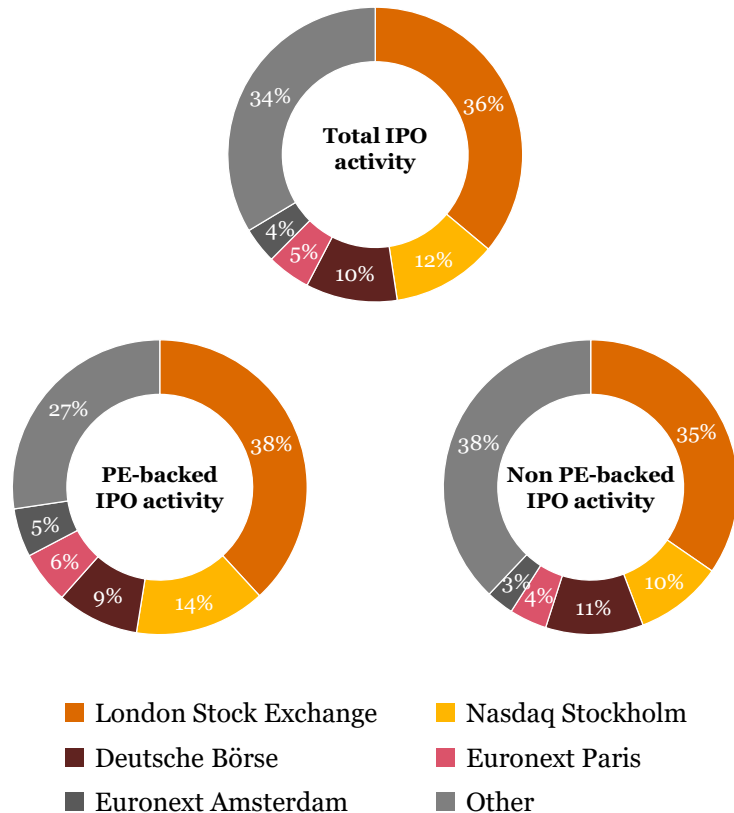
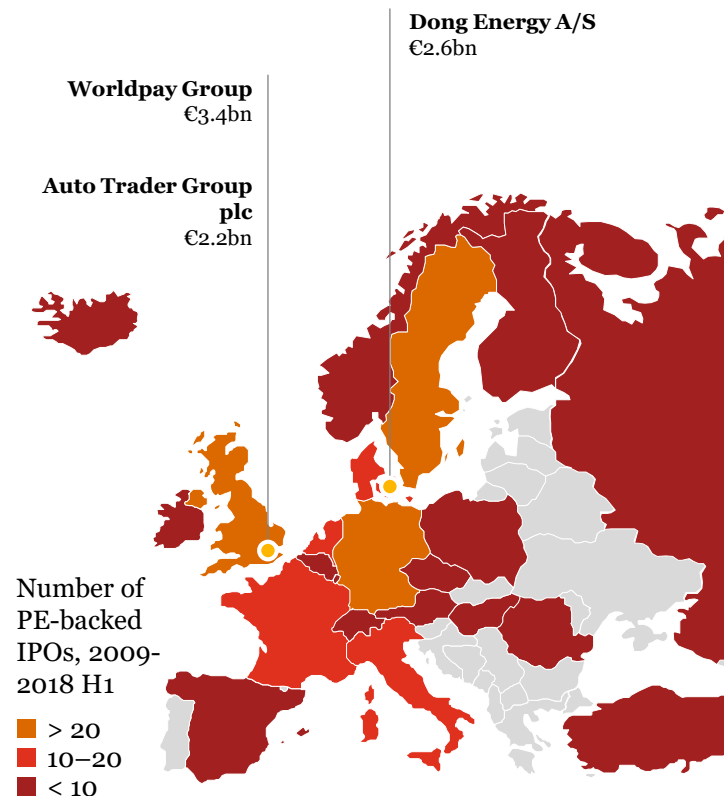


Figure 6 – Distribution of PE-backed IPO activity, including the top three PE-backed IPOs



For the past years, the UK has seen the most active IPO market in Europe for both PE-backed and non PE-backed issuers and accounted for more than a third of all IPOs in Europe.

Nasdaq Stockholm, Deutsche Börse, Euronext Paris and Euronext Amsterdam are completing the top five exchanges by number of PE-backed IPOs.

Two of the three largest PE-backed IPOs were issued on the London Stock Exchange, the other listed on Nasdaq Copenhagen.

Performance

While non PE-backed IPOs show more upside immediately post IPO, PE-backed IPOs outperform in the long run

Figure 7 – Aftermarket performance of European IPOs 2009-H1 2018

Figure 7.1 – Average performance¹

Average performance

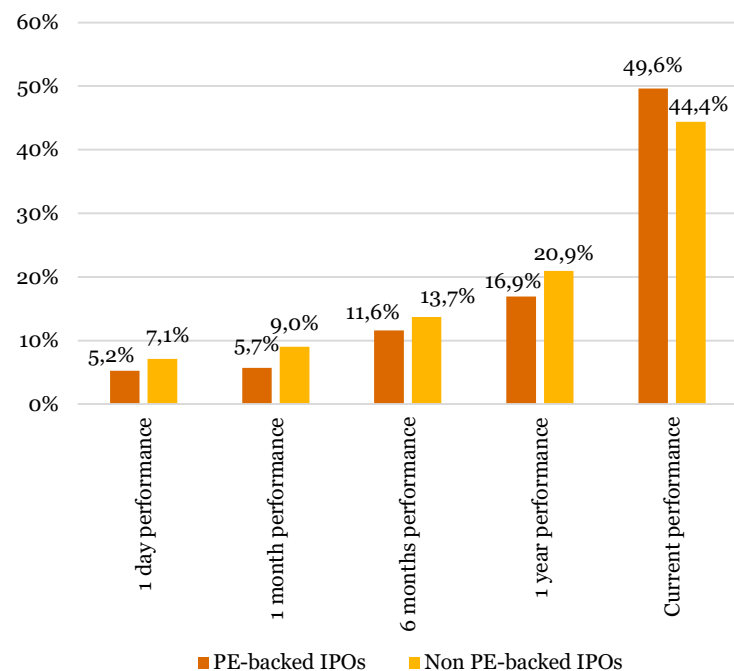
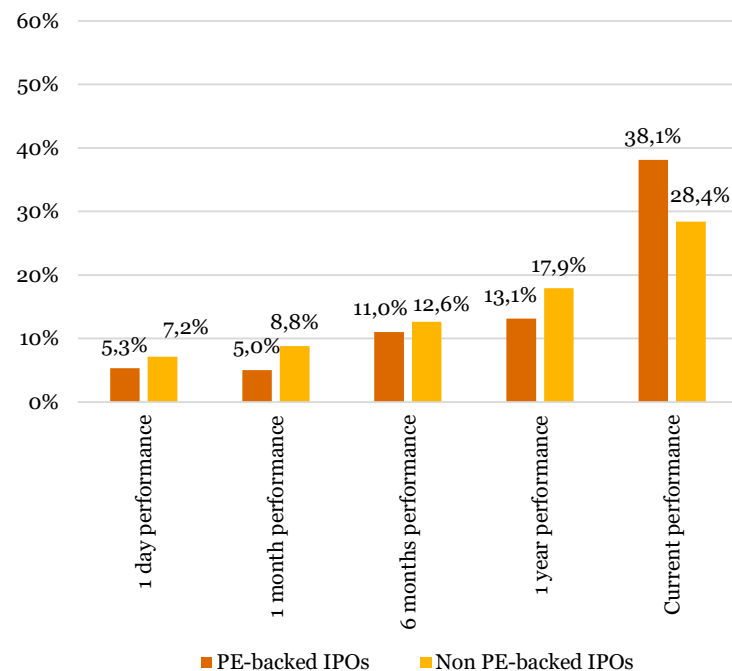


Figure 7.2 – Index adjusted average performance¹

Average performance relative to STOXX Europe 600 index



IPOs as an asset class display an attractive performance, with a few IPOs having a current aftermarket performance of more than 1,000%.

PE-backed IPOs underperformed non PE-backed transactions within the first year post IPO by 4.0 percentage points (absolute) and 4.8 percentage points (index adjusted), respectively. A similar, albeit a slightly smaller, underperformance is observable for shorter time periods post listing.

Reasons for this might be that PE owners, which are experienced capital market participants and/or make use of external specialist advisors, have a rather firm view on the value of an asset and optimum timing of a transaction. They are therefore able to sell at higher valuation levels, limiting upside for the shares in the secondary market.

In the longer term, PE-backed IPOs outperform non PE-backed transactions. This can, among other factors, point to higher operating efficiency acquired during PE ownership.

1) Current performance as per 30 June 2018

PE-backed Fevertree Drinks has the highest current index adjusted performance of all IPOs in the period 2009-H1 2018

Figure 8 – Top five PE-backed IPOs by current performance















Company	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Current index adjusted performance ²
Fevertree Drinks	04-Nov-14	119	197	Consumer Goods	 / 	+2,417%
Brenntag	29-Mar-10	748	2,575	Basic Materials	 / 	+715%
Chr. Hansen	03-June-10	742	1,670	Health Care	 / 	+500%
Amadeus IT	27-Apr-10	1,444	4,923	Technology	 / 	+467%
Kruk	19-May-11	94	170	Financials	 / 	+368%

Figure 9 – Top five non PE-backed IPOs by current performance

Company	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Current index adjusted performance ²
NMC Health	02-Apr-12	155	468	Health Care	 / 	+1,561%
Burford Capital	16-Oct-09	86	86	Financials	 / 	+1,343%
P/F Bakkafrøst	24-Mar-10	89	188	Consumer Goods	 / 	+1,315%
Plus500	19-Jul-13	57	153	Financials	 / 	+1,277%
Yoox	30-Dec-09	120	209	Consumer Services	 / 	+725%

All of the top performing PE-backed and non PE-backed IPOs are currently trading at a multiple of their offer price.

The PE-backed IPO of tonic water producer Fevertree Drinks shows the highest current index adjusted performance of +2,417%, but there are also four non PE-backed companies that currently trade at more than 1,000% of their offer price.

1) Market capitalisation is post deal and includes exercised greenshoes
2) Current performance as per 30 June 2018

In terms of short term performance, recent PE-backed IPOs have generally outperformed those in prior years

Figure 10 – Index adjusted performance of PE-backed IPOs by IPO date¹

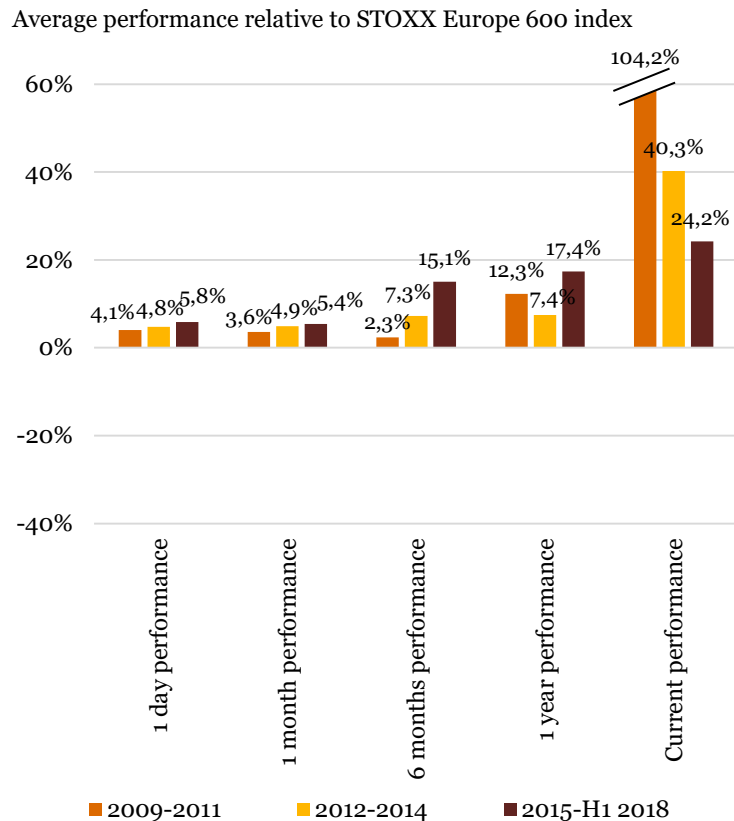
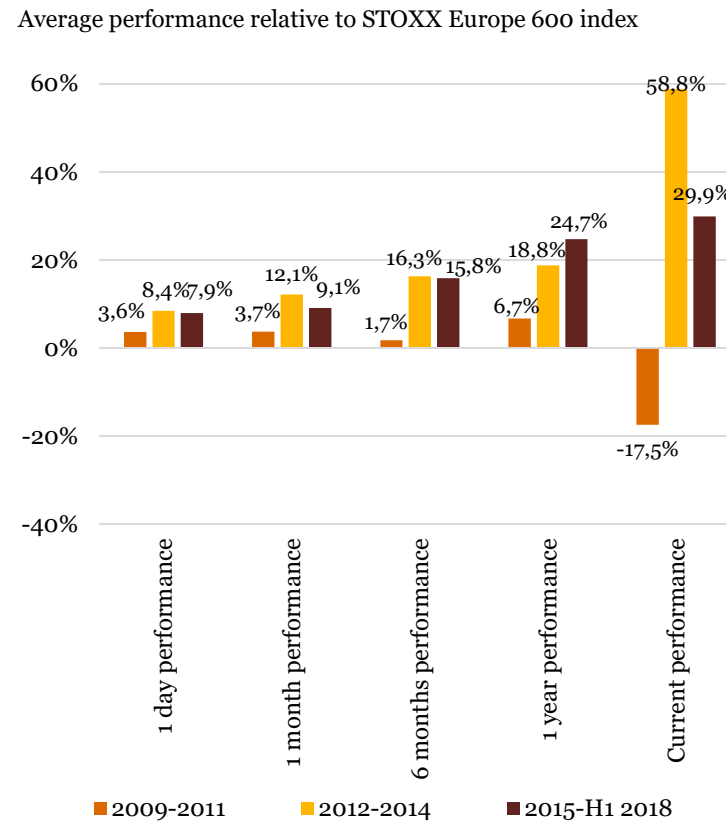


Figure 11 – Index adjusted performance of non PE-backed IPOs by IPO date¹



Reflecting a very good market backdrop for new issues recently, IPOs that priced over the past three years show on average a better short term aftermarket performance than IPOs that priced between 2009-2011 or 2012-2014. This applies to both PE-backed and non PE-backed deals. A reason might be that in the years after the financial crisis, conditions on the capital markets has been mixed and IPOs did not generate a similar return during the first year as more recent IPOs did.

The most striking observation is the difference in the current performance of the PE-backed and non PE-backed IPOs that priced between 2009-2011. This is driven by the fact that many non PE-backed IPOs are currently under water, with only 16% of non PE-backed IPOs in this period are currently outperforming the index, compared to 63% of the PE-backed IPOs.

A reason might be that in the years after the financial crisis, PE firms intending to divest a portfolio company did not have many alternatives to an IPO and hence had to leave more upside potential for new investors.

1) Current performance as per 30 June 2018

On average, smaller IPOs have outperformed €1bn+ IPOs

Figure 12 – Index adjusted performance of PE-backed IPOs by money raised¹

Average performance relative to STOXX Europe 600 index

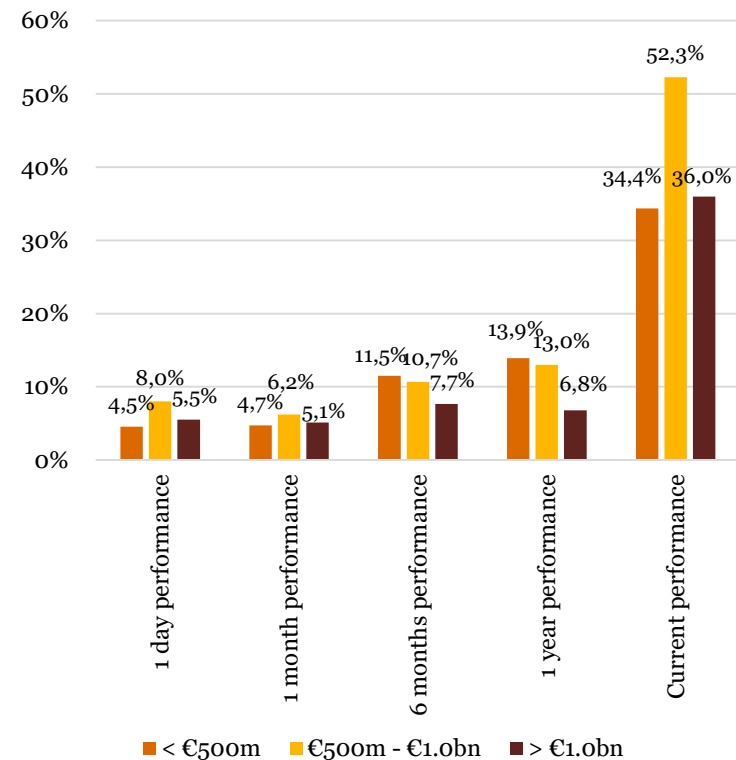
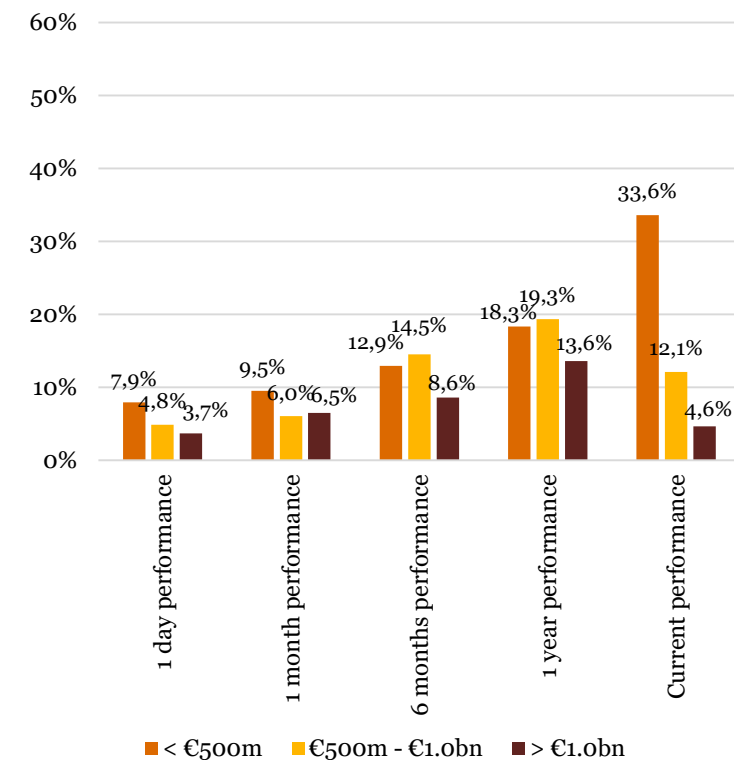


Figure 13 – Index adjusted performance of non PE-backed IPOs by money raised¹

Average performance relative to STOXX Europe 600 index



In general, performances in the year following the IPO do vary by transaction size, noticeably IPOs raising less than €1bn have on average performed better than larger IPOs. This can be explained by the fact that smaller companies often have a stronger growth story.

Most striking is the current average outperformance of PE-backed IPOs raising more than €500m, compared to the current performance of non PE-backed IPOs of a similar size. This can partly be explained by lower index adjusted performance of a number of non PE-backed IPOs in industries such as Basic Materials, Utilities or Oil & Gas. They didn't manage to get a similar (or a better) performance than the index, despite the fact that these companies are currently trading above their offer price.

1) Current performance as per 30 June 2018

The three most active PE-backed IPO industries all outperform the STOXX Europe 600 index during the first year of trading

Figure 14 – Performance of PE-backed IPOs by industry







Top three Industries	Total money raised (€bn)	Average performance relative to STOXX Europe 600 index					Current ¹	Top three IPOs
		1 day	3 months	6 months	1 year			
 Industrials	26.8	+6.8	+5.8	+8.4	+10.0	+20.9	Worldpay Group Nets AA	
 Consumer Services	22.8	+4.1	+2.9	+8.5	+10.7	+20.1	Auto Trader Group B&M European Value Retail Merlin Entertainments	
 Financials	18.3	+3.5	+2.1	+9.1	+12.2	+17.0	BAWAG Group BTG Pactual esure Group	

Figure 15 – Performance of non PE-backed IPOs by industry

Top three Industries	Total money raised (€bn)	Average performance relative to STOXX Europe 600 index					Current ¹	Top three IPOs
		1 day	3 months	6 months	1 year			
 Industrials	24.8	+8.5	+11.7	+13.4	+15.2	+12.5	Aena Royal Mail Landis & Gyr	
 Consumer Services	12.1	+8.4	+6.6	+15.0	+21.7	+46.2	Galenica Sante DKSH AO World	
 Financials	47.8	+4.1	+5.8	+12.4	+17.0	+34.7	ABN AMRO Group Poste Italiane Bankia	

IPOs in the three largest industries (based on money raised by PE-backed IPOs) have all outperformed the STOXX Europe 600 index. However, in line with the general trend, on average the short term aftermarket performance of non PE-backed IPOs in these same industries was higher.

1) Current performance as per 30 June 2018

Bookbuilding and pricing

PE-backed and non PE-backed IPOs mostly priced within the middle of their initial price range

Figure 16 – Pricing of largest PE-backed IPOs

Issuer	Money raised (€m)	Filing range	Offer Price	Currency	Breadth of price range (%) ¹
Worldpay Group	3,350	2.25 - 2.60	2.40	GBP	15.6%
Dong Energy	2,647	200 - 255	235	DKr	27.5%
Auto Trader Group	2,227	2.00 - 2.50	2.35	GBP	25.0%
Sunrise Communications Group	2,148	57 - 78	68	CHF	36.8%
Nets	2,113	130 - 160	150	DKr	23.1%

Figure 17 – Pricing of largest non PE-backed IPOs

Issuer	Money raised (€m)	Filing range	Offer Price	Currency	Breadth of price range (%) ¹
Glencore International	7,088	4.80 - 5.80	5.30	GBP	20.8%
innogy	4,641	32 - 36	36	EUR	12.5%
Aena	4,262	43 - 55	58	EUR	27.9%
Siemens Healthineers	4,200	26 - 31	28	EUR	19.2%
ABN AMRO Group	3,838	16 - 20	17.75	EUR	25.0%

Figure 18 – IPO pricing dynamics²

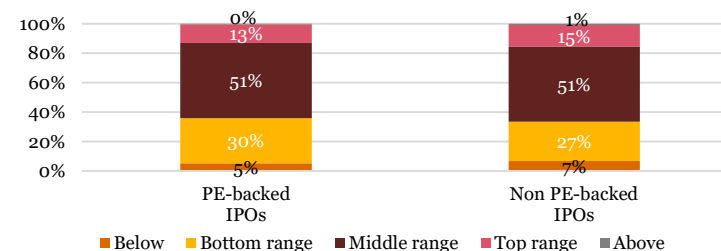


Figure 19 – Price range³ by money raised

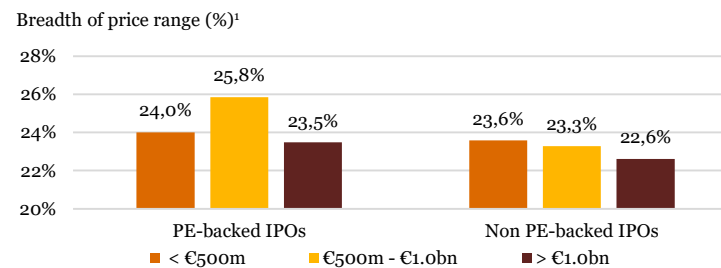
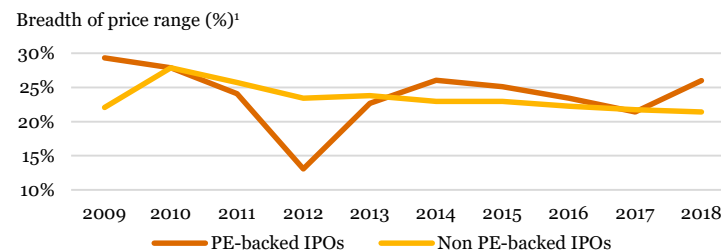


Figure 20 – Price range³ by year



More than 90% of the European IPOs priced within their initial price range and the majority of transactions priced around the middle of their range. On average, PE-backed issuers priced slightly more often towards the lower end of their price range than non PE-backed issuers.

Price ranges have in most transactions a breadth of around 24% with no clear trend regarding PE-backed versus non PE-backed IPOs.

1) Breadth of price range has been calculated as the difference between the high-end and low-end of the range divided by the low-end of the range multiplied by 100%
 2) IPOs are classified “Middle” if the offer price is in the middle 50% of the initial price range. The top and bottom 25% are classified as “Top range” and “Bottom range”, whereas “Above” and “Below” indicate IPOs pricing outside the price range
 3) IPOs with a fixed price have been excluded from the breadth of price range calculations

Transaction structures

Secondary sell-downs are much more common in PE-backed IPOs

Figure 21 – Primary vs. secondary proceeds in European IPOs 2009-2018 H1

Figure 21.1 – All IPOs

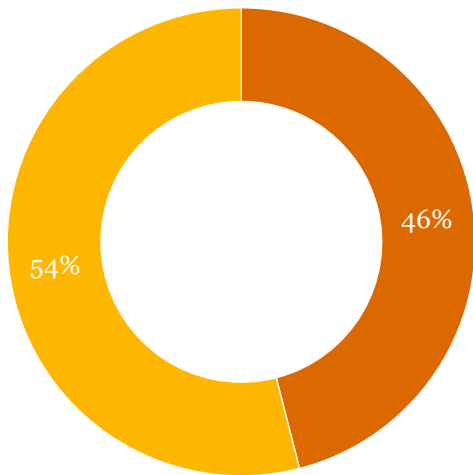


Figure 21.2 – PE-backed IPOs

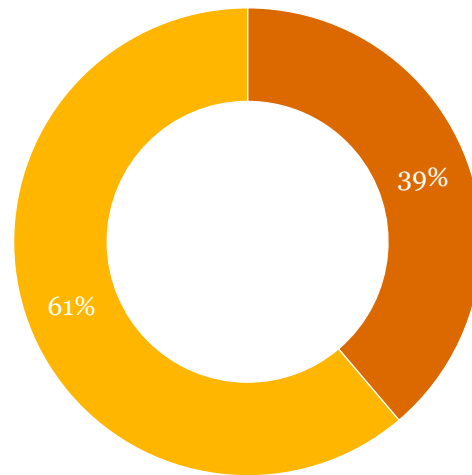
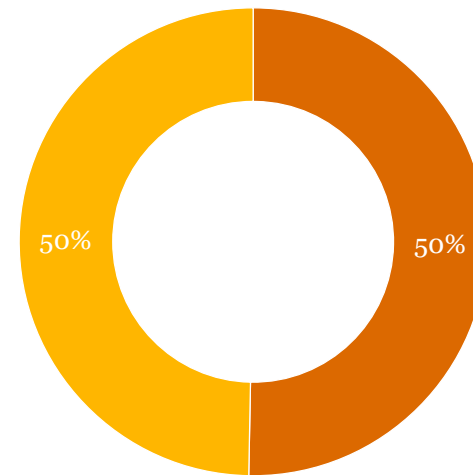


Figure 21.3 – Non PE-backed IPOs



■ Primary proceeds ■ Secondary proceeds

Primary proceeds, i.e. new funds raised in the IPO which go to the company, accounted for 46% of IPO proceeds from 2009 to H1 2018. The majority of IPO proceeds (54%) went to selling shareholders (secondary proceeds).

In PE-backed transactions, secondary sell-downs are significantly more pronounced, as Private Equity firms often use IPOs as a first step to divest a portfolio company.

On average, PE-backed IPOs displayed a larger initial free float as compared to non PE-backed IPOs

Figure 22 – Average free float at IPO¹

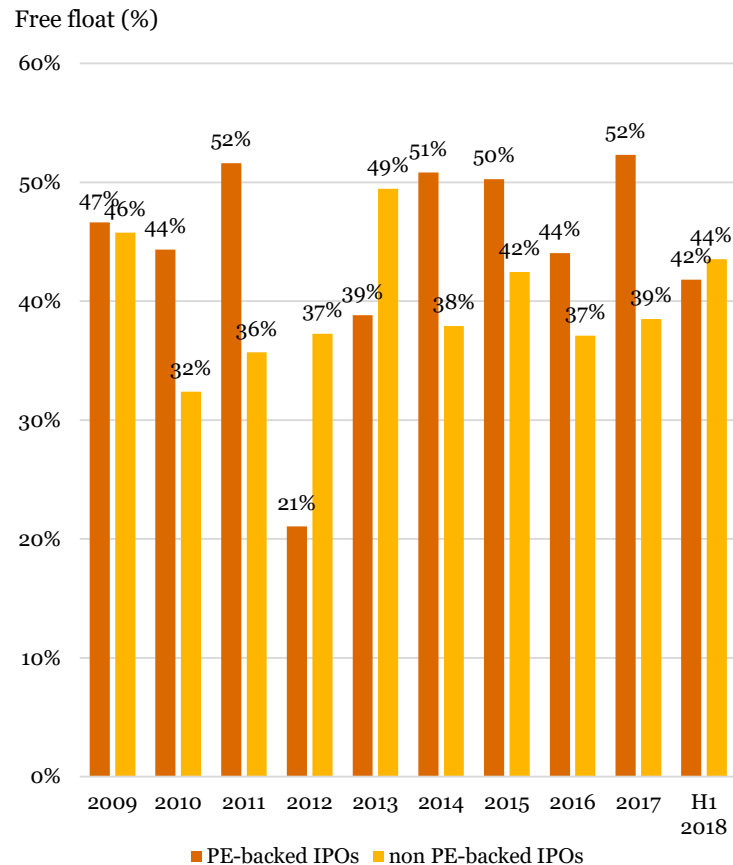
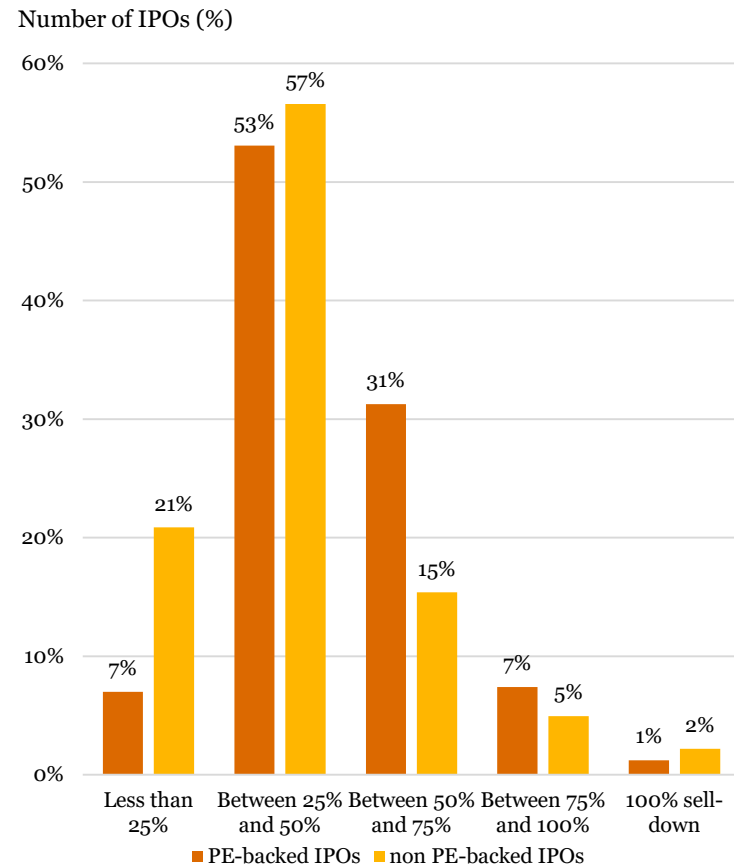


Figure 23 – Distribution of free float at IPO



Between 2009 and H1 2018, the average free float at IPO of PE-backed IPOs (47.8%) was higher than that of non PE-backed IPOs (39.7%).

Out of the 243 PE-backed IPOs that are included in the sample, only 3 (or 1%) saw the PE shareholder(s) sell all their shares at IPO. This compares to 8 (or 2%) of non PE-backed IPOs where 100% of the outstanding shares were offered at IPO.

The majority of companies have a free float at IPO between 25% and 50%. In addition, almost a third of PE-backed IPOs have a free float between 50% and 75%.

In contrast, more than 20% of all non PE-backed IPOs have an initial free float of less than 25%. This can partly be explained by the relatively large number of sizeable transactions (including a number of privatisations), which often have a lower initial free float.

1) Only two and three PE-backed IPOs were included in the 2009 and 2013 data respectively, distorting the trend in the figure 22

Use of proceeds

Debt repayment is the most important driver of PE-backed IPOs

Figure 24 – Use of proceeds by number of PE-backed IPOs¹

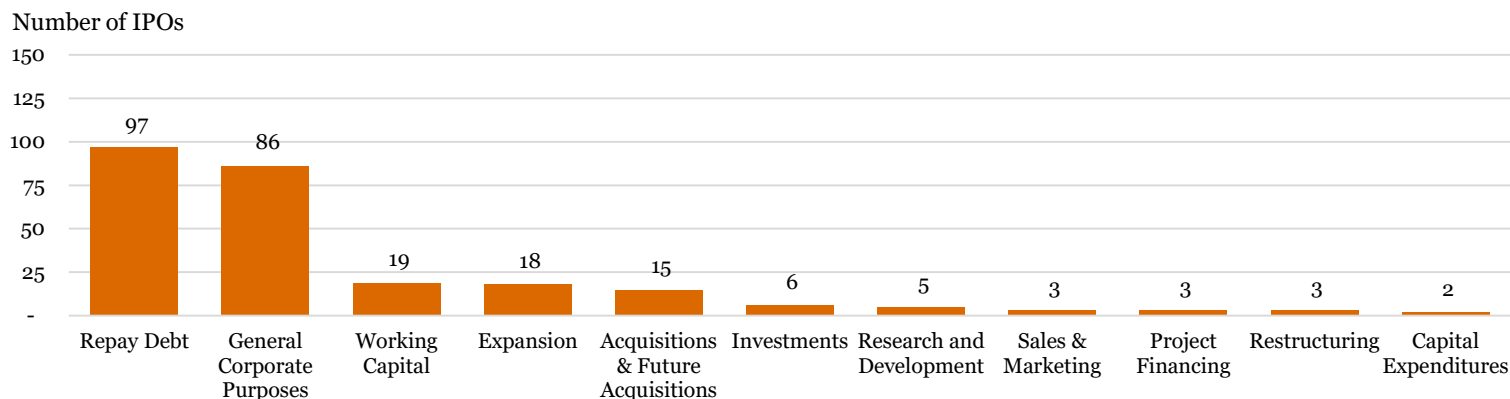
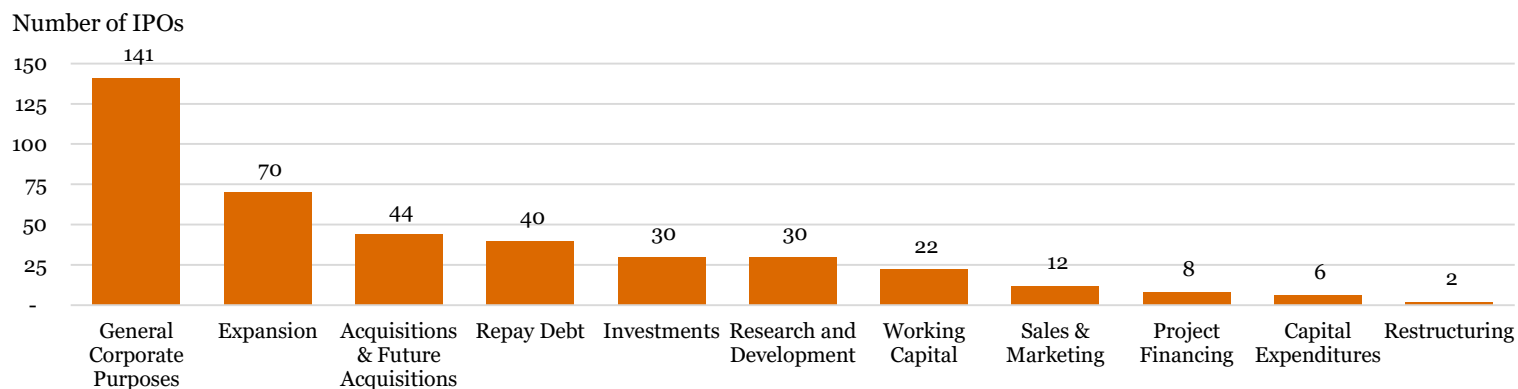


Figure 25 – Use of proceeds by number of non PE-backed IPOs¹



PE-backed issuers most frequently use their primary proceeds to repay debt, whereas non PE-backed issuers commonly use their IPO proceeds for growth-oriented purposes, with ‘Expansion’, ‘Investments’ and ‘Research and Development’ being the most prominent ones.

A reason for this might be that PE-backed companies come to market with a higher leverage than family, or publicly owned companies and they need to decrease the leverage to a level more accepted by capital market investors.

1) The percentages represent the number of issuers as a percentage of the total number of IPOs, that state the applicable use of primary proceeds in their prospectus. Issuers may announce multiple uses of proceeds, so the numbers do not add up to 100%






Most active PE firms

CVC and Nordic Capital were the most active PE firms on the European IPO market, with involvement in 11 IPOs each

Figure 26 – Most active PE firms by number of IPOs¹

Private equity firm	Number of IPO exits	Money raised (€m) ²	Top three issuers
CVC	11	9,487	Sunrise Communications Group, AA, Merlin Entertainments
Nordic Capital	11	4,232	ConvaTec Group, Munters, Europris
Bain Capital	8	8,410	Worldpay Group, Nets, Brenntag
EQT	8	4,649	ISS, Terveystalo, SSP Group
Cinven	7	4,689	Amadeus, Ziggo, Numericable

Figure 27 – Most active PE firms by exchange country¹

Exchange country	Top three PE firms (# of IPOs) per country	Top PE firms' share of total number of IPOs per country
	CVC (5), Apax (4), Oaktree (4)	14.6%
	Nordic Capital (7), EQT (4), FSN (3)	40.0%
	Apollo (2), Triton (2), Hellman & Friedman and Blackstone ³ (1)	22.7%
	Eurazeo (2), KKR (2), CDR and Ardian ⁴ (1)	35.7%
	JC Flowers (2), 3i (2), Hal Investments (1)	38.5%

CVC and Nordic Capital were involved in the highest number of PE-backed IPO exits, which raised a total of €9.5bn and €4.2bn respectively.

In addition, CVC was the leading PE firm in the UK with 5 IPOs on the London Stock Exchange with average money raised of more than €900m. Nordic Capital however led the ranks in Sweden with 7 IPOs on Nasdaq Stockholm. The average money raised was lower as each transaction raised less than €500m.

1) In case multiple PE firms tie at the same rank, the PE firm with the largest total PE-backed IPO proceeds has been included. If the PE firms that tied a place were involved in the same IPO, they are both included in the table

2) Money raised includes total IPO proceeds, i.e. primary and secondary proceeds are included

3) Hellman & Friedman and Blackstone were both involved in the IPO of Scout24

4) CDR and Ardian were both involved in the IPO of SPIE

Holding periods

The average PE holding period prior to executing a PE-backed IPO has been fairly stable at around five years

Figure 28 – Average holding period prior to PE-backed IPO¹

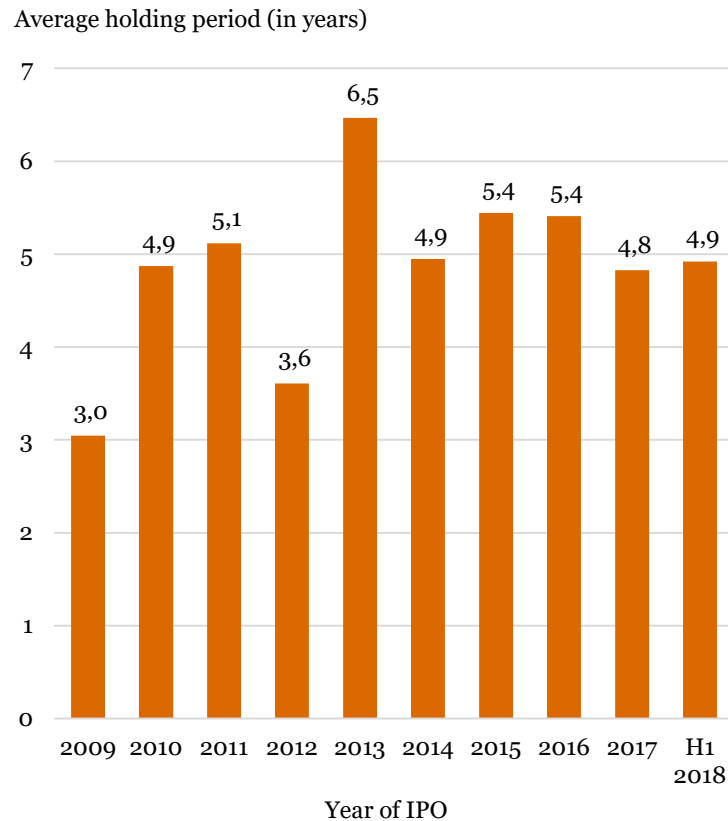
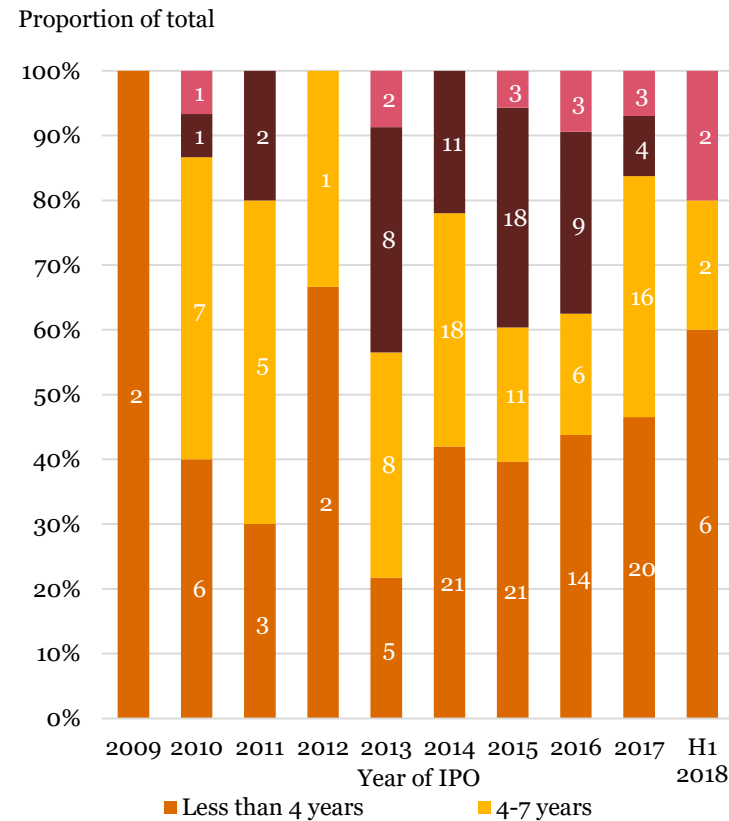


Figure 29 – Breakdown of holding periods prior to PE-backed IPO¹



The average holding period of around five years before PE firms bring their portfolio companies to market via an IPO has been relatively stable for the last years. In 2013, the average holding period was 6.5 years, likely as PE firms started to exit their investments made before the financial crisis.

The distribution of holding periods is of course broader than the average holding period of five years. A number of PE firms started to sell-down within a couple of years and others have kept a company in their portfolio for over 10 years.

There are different reasons for longer or shorter holding periods, including the following:

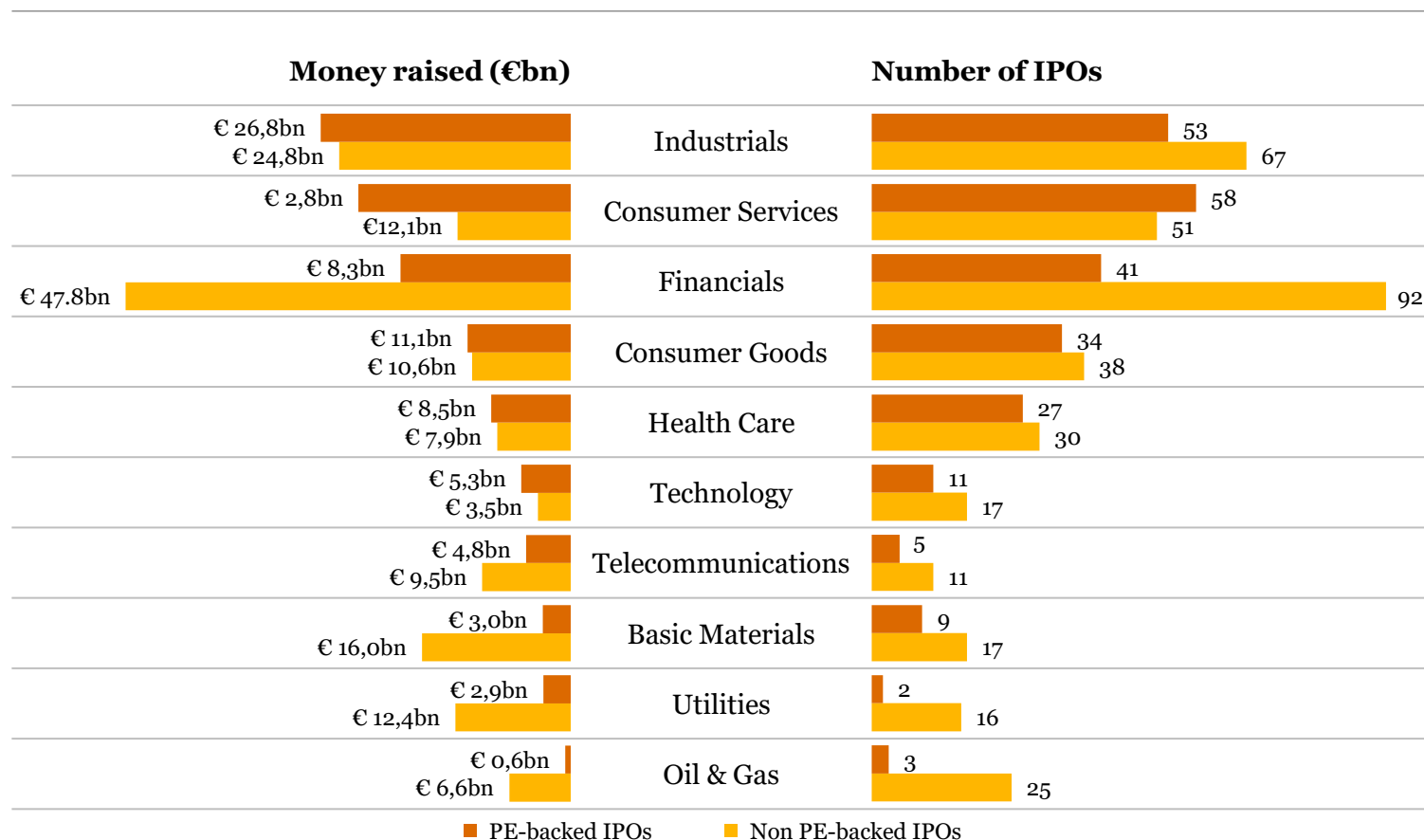
- General strategy of the PE firm, including a certain industry focus for example
- Application of a buy-and-build strategy, whereby a portfolio company is held for a longer period of time
- Capital market conditions versus the conditions for re-financing
- Operational issues and sector/ market developments

¹ Only two and three PE-backed IPOs were included in the 2009 and 2013 data respectively, distorting the trend in the figures shown on this page

European IPOs by industry

PE-backed IPO activity has mainly been driven by the Industrials and Consumer Services industries

Figure 30 – IPO activity by industry¹



PE-backed IPO activity is centred around a selected number of industries, while non PE-backed activity is distributed more widely.

Most PE-backed IPO proceeds were raised by companies in the Industrials industry, but Consumer Services has been the most active industry in terms of number of PE-backed IPOs. Together, the Industrials and Consumer Services industries accounted for almost half the PE-backed IPO activity.




The Financials industry (including real estate) came in third for PE-backed IPOs in terms of both proceeds and number of IPOs, whereas this was by far the most active industry for non PE-backed IPOs driven by post-crisis (re)privatisations.

The Utilities and Oil & Gas industries were the least active industries for PE-backed IPO activity, which is in line with the traditional private equity investment preferences.

1) Industries are sorted by PE-backed IPO proceeds

Support Services drove IPO activity in the Industrials industry

Figure 31 – Activity per subsector of the top PE-backed IPO industries

Industry	Sector	Number of PE-backed IPOs	Money raised (€bn)
Industrials			
	Support Services	21	15.8
	Construction & Materials	13	4.0
	Industrial Transportation	7	2.8
	Other	12	4.3
Consumer Services			
	General Retailers	26	9.0
	Travel & Leisure	23	8.2
	Media	4	3.5
	Other	5	2.1
Financials			
	Financial Services	17	6.0
	Banks	10	5.5
	Real Estate Investment & Services	8	4.0
	Other	6	2.8

The Industrials' subsector Support Services, which includes companies with operations other than heavy industrials, was the driving force behind activity in the Industrials industry. The Support Services subsector includes amongst others non-financial service providers, payment service providers like Worldpay and Adyen, employment agencies and waste and disposal companies.

The most active subsector by number of transactions was General Retailers with the IPOs of B&M European Value Retail and Delivery Hero being the largest PE-backed transactions.

Top European IPOs 2009 – H1 2018

UK IPOs dominate the list of largest PE-backed transactions

Figure 32 – Top ten PE-backed IPOs 2009-H1 2018 by money raised

Issuer	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Private Equity firm	Pricing ²	Index adjusted performance	1 day	Current ³
Worldpay Group	13-Oct-15	3,350	6,473	Industrials	 / 	Advent, Bain Capital	Middle	+11%	+72%	
Dong Energy	09-Jun-16	2,647	13,200	Utilities	 / 	Goldman Sachs	Middle	+11%	+54%	
Auto Trader Group	19-Mar-15	2,227	3,283	Consumer Services	 / 	Apax	Middle	+8%	+86%	
Sunrise Communications Group	05-Feb-15	2,148	2,890	Telecommunications	 / 	CVC	Middle	+12%	+17%	
Nets	23-Sep-16	2,113	4,024	Industrials	 / 	Advent, ATP, Bain Capital	Middle	-3%	0%	
ConvaTec Group	26-Oct-16	1,782	4,931	Health Care	 / 	Avista, Nordic Capital	Bottom range	0%	-16%	
AA	23-Jun-14	1,733	1,733	Industrials	 / 	Charterhouse, CVC, Permira	Middle	-7%	-59%	
BAWAG Group	24-Oct-17	1,680	4,800	Financials	 / 	Cerberus	Bottom range	-3%	-14%	
Pandora	05-Oct-10	1,524	3,617	Consumer Goods	 / 	Axcel	Middle	+24%	+65%	
B&M European Value Retail	11-Jun-14	1,456	3,340	Consumer Services	 / 	CD&R	Middle	+6%	+40%	

Five out of the top ten largest PE-backed IPOs came out of the UK and an additional three out of Denmark.

The most active years for large-cap transactions were 2015 and 2016, when capital markets showed benign conditions for issuers.

- 1) Market capitalisation is post deal and includes exercised greenshoes
- 2) IPOs are classified “Middle” if the offer price is in the middle 50% of the initial price range. The top and bottom 25% are classified as “Top range” and “Bottom range”, whereas “Above” and “Below” indicate IPOs pricing outside the price range
- 3) Current performance as per 30 June 2018

Continental European issuers are more prominent in top largest non PE-backed IPOs

Figure 33 – Top ten non PE-backed IPOs 2009-H1 2018 by money raised

Issuer	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Pricing ²	Index adjusted performance	
							1 day	Current ³
Glencore International	19-May-11	7,088	41,994	Basic Materials	 /  	Middle	-1%	-68%
innogy	06-Oct-16	4,641	20,000	Utilities	 / 	Top range	+1%	-9%
Aena	10-Feb-15	4,262	8,700	Industrials	 / 	Above	+21%	+166%
Siemens Healthineers	15-Mar-18	4,200	28,000	Health Care	 / 	Middle	+8%	+25%
ABN AMRO Group	20-Nov-15	3,838	16,685	Financials	 / 	Middle	+3%	+25%
Poste Italiane	23-Oct-15	3,112	8,816	Financials	 / 	Middle	0%	+5%
Bankia	18-Jul-11	3,092	6,497	Financials	 / 	Below	-1%	-144%
Enel Green Power ⁴	01-Nov-10	2,466	8,000	Utilities	 / 	Below	-2%	-21%
Pirelli & Co	29-Sep-17	2,398	6,500	Consumer Goods	 / 	Bottom range	0%	+13%
Royal Mail	10-Oct-13	2,341	3,902	Industrials	 / 	Top range	+37%	+31%














(Re-)Privatisations, such as Aena, ABN AMRO, Poste Italiane, Bankia and Royal Mail are a source of large-scale IPOs as are corporate carve-outs such as innogy, Siemens Healthineers and Enel Green Power.

While UK-based issuers dominated PE-backed IPO activity, continental European issuers are more prominent in the largest non PE-backed transactions.

- 1) Market capitalisation is post deal and includes exercised greenshoes
- 2) IPOs are classified “Middle” if the offer price is in the middle 50% of the initial price range. The top and bottom 25% are classified as “Top range” and “Bottom range”, whereas “Above” and “Below” indicate IPOs pricing outside the price range
- 3) Current performance as per 30 June 2018
- 4) Enel Green Power SpA has been delisted from the Italian Stock Exchange on 1 April 2016. To calculate the current performance, the offer price for which it was taken private was used

The ten largest PE-backed IPOs listing in H1 2018 originated from nine different countries

Figure 34 – Top ten PE-backed IPOs H1 2018 by money raised

Issuer	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Private Equity firm	Pricing ²	1 day	Current ³
Adyen	12-Jun-18	947	7,067	Industrials	 / 	General Atlantic	Top range	+89%	+99%
Avast	10-May-18	688	2,722	Technology	 / 	CVC, Summit	Bottom range	-1%	-12%
CEVA Logistics	03-May-18	687	952	Industrials	 / 	Apollo	Bottom range	-6%	-15%
Vivo Energy	04-May-18	684	2,245	Consumer Services	 /  	Helios	Middle	+4%	-9%
Netcompany Group	07-Jun-18	479	1,041	Technology	 / 	FSN	Middle	+30%	+53%
NIBC Holding	23-Mar-18	320	1,291	Financials	 / 	aPriori, JC Flowers & Co	Bottom range	-2%	-11%
JTC	14-Mar-18	273	347	Financials	 / 	CBPE	Middle	+9	+31
MLP Saglik Hizmetleri	07-Feb-18	268	845	Health Care	 / 	Turkven	Below	-1%	-26%
Bygghemma Group First	27-Mar-18	138	354	Consumer Services	 / 	FSN	Middle	-13%	-17%
Harvia	21-Mar-18	58	93	Consumer Goods	 / 	CapMan	Bottom range	+2%	+19%

The ten largest PE-backed IPOs in H1 2018 originated from nine different countries and listed on just as many different stock exchanges.


The aftermarket performance of PE-backed IPOs shows some mixed results. With seven out of the top ten PE-backed IPOs underperforming the index. This reflects the more challenging conditions in capital markets with raising concerns over trade wars and an upcoming end to loose monetary policy.

Payment processor Adyen, the largest European PE-backed IPO in H1 2018, priced at the top of the initial price range. Nevertheless, Adyen's share price jumped up on its first trading day and had an index adjusted performance of +99% at the 30th of June, 2018.

- 1) Market capitalisation is post deal and includes exercised greenshoes
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- 3) Current performance as per 30 June 2018

In line with PE-backed IPOs, the top ten largest non PE-backed IPOs were executed by companies from a diverse range of countries

Figure 34 – Top ten non PE-backed IPOs H1 2018 by money raised

Issuer	Date	Money raised (€m)	Market cap at IPO (€m) ¹	Industry	Country of domicile/ Exchange country	Pricing ²	Index adjusted performance	
							1 day	Current ³
Siemens Healthineers	15-Mar-18	4,200	28,000	Health Care	 / 	Middle	+8%	+25%
DWS Group	22-Mar-18	1,333	6,500	Financials	 / 	Middle	+3%	-24%
Elkem	21-Mar-18	742	1,774	Basic Materials	 / 	Bottom range	-3%	+30%
Metrovacesa	02-Feb-18	646	2,503	Financials	 / 	Below	-1%	-9%
Kojamo	14-Jun-18	553	2,101	Financials	 / 	Bottom range	+2%	+11%
SoK Marketler Ticaret	14-May-18	445	1,179	Consumer Services	 / 	Below	-4%	-13%
Amigo Holdings	29-Jun-18	407	1,479	Financials	 / 	Middle range	+3%	+3%
Instone Real Estate Group	13-Feb-18	390	795	Financials	 / 	Bottom range	-3%	+3%
B&S Group	22-Mar-18	381	1,221	Consumer Services	 / 	Bottom range	+1%	-5%
Godewind Immobilien	28-Mar-18	375	435	Financials	 / 	Middle range	-9%	-8%

The ten largest non PE-backed IPOs in H1 2018 originated from eight different countries.

The top non PE-backed IPOs in H1 2018 were larger on average compared to PE-backed IPOs due to Siemens Healthineers, which was not only the largest non PE-backed IPO in Europe, but also the largest IPO globally in H1 2018.

Although still mixed, aftermarket performance is slightly better compared to PE-backed IPOs with only four deals underperforming the broader index. This seems to reflect investors' preference for large names with differentiated stories, which are likely to enter an index post IPO.

Half of the top ten issuers are active in the Financials industry, of which four are Real Estate companies.

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- 3) Current performance as per 30 June 2018

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