

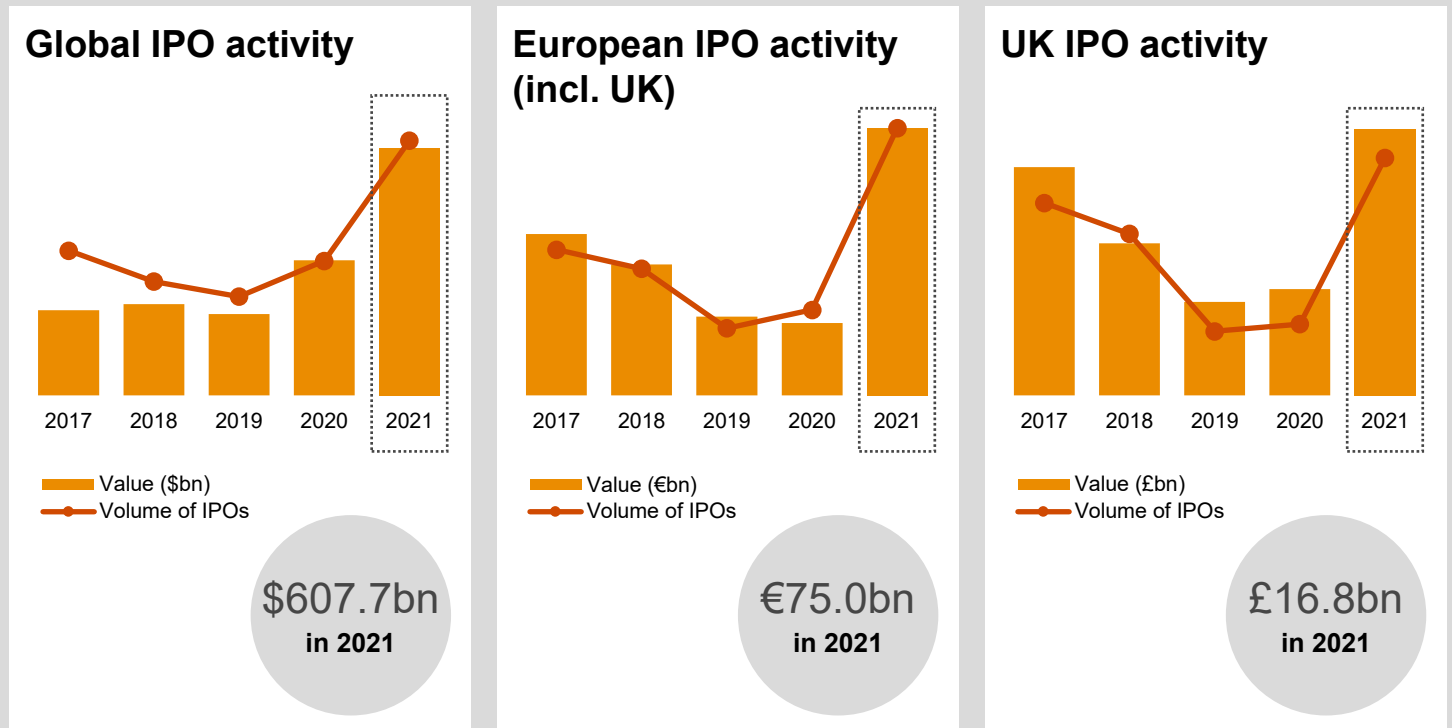


IPO Watch Europe

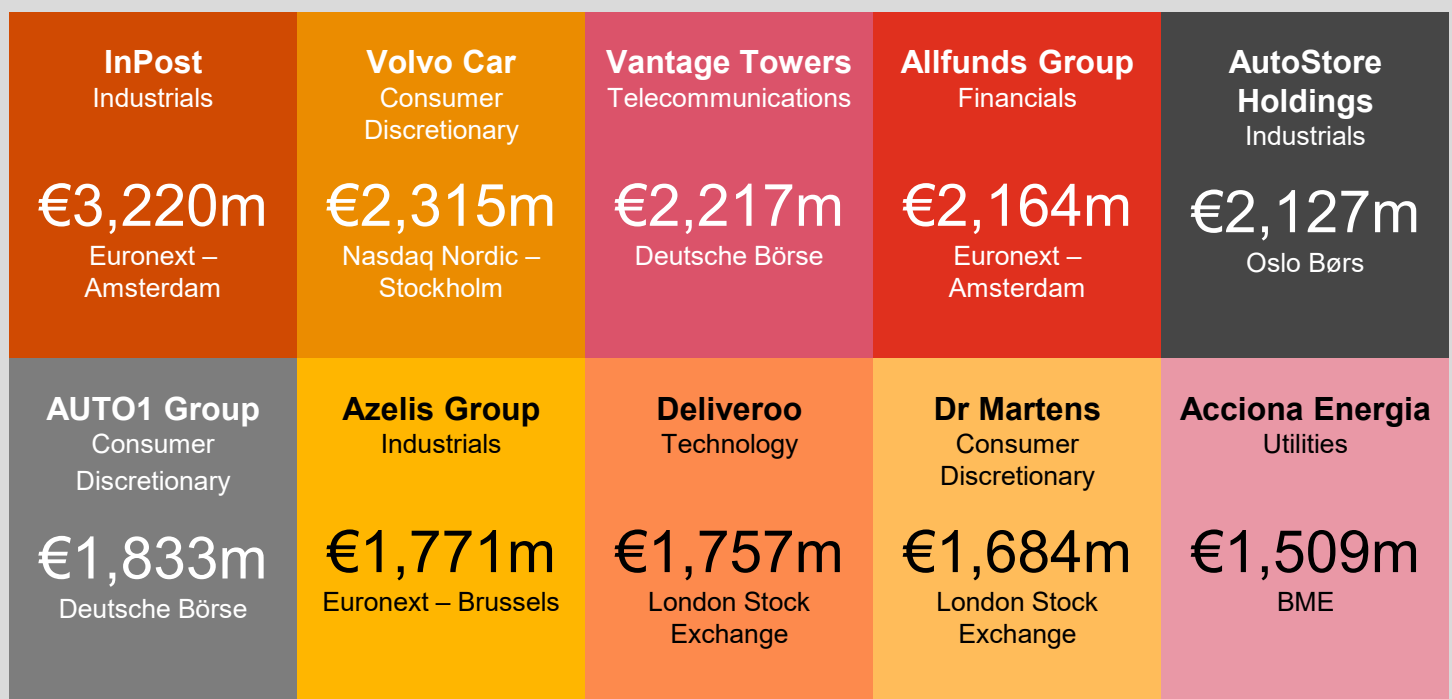
2021



2021 marks a record breaking year for IPO markets globally, as the reopening of the global economies boosted by the rollout of COVID-19 vaccines, supportive central bank policies and low interest rates, fuelled investors' appetite for equities. Global IPO markets have delivered 2,682 IPOs raising \$607.7bn, including 422 IPOs in Europe raising €75.0bn.



The top ten European IPOs, all of which were jumbo €1bn+ transactions, raised over €20bn in 2021, accounting for c. 27% of the total European IPO issuance.



Top European exchanges in 2021

The London Stock Exchange maintained its dominant position in Europe in 2021 across both, IPOs and further offers, which was in part due to five high profile €1bn+ IPOs and three €1bn+ rights issues. The €2.3bn IPO of Volvo saw Stockholm take second place and Amsterdam delivered the largest IPO in Europe, €3.2bn IPO of InPost, taking third place.

Figure 1: Top five stock exchanges by IPOs in Europe in 2021 (by offering value)

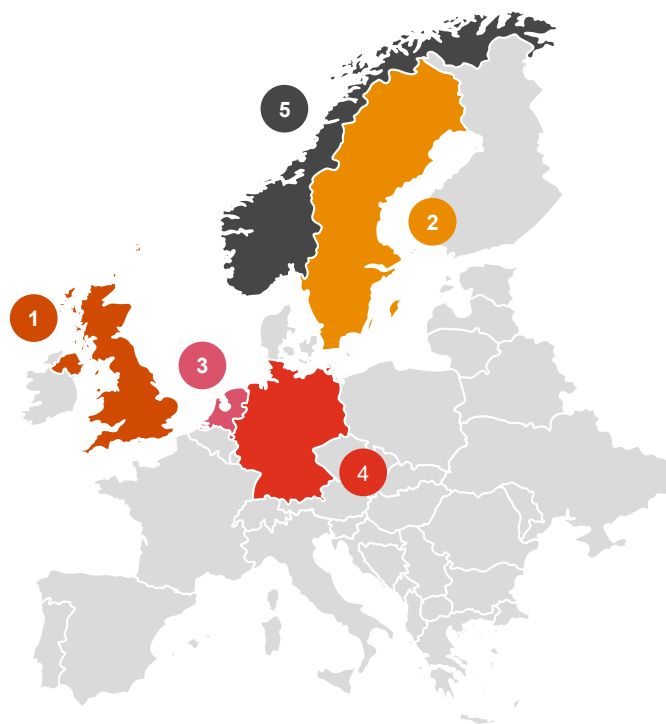
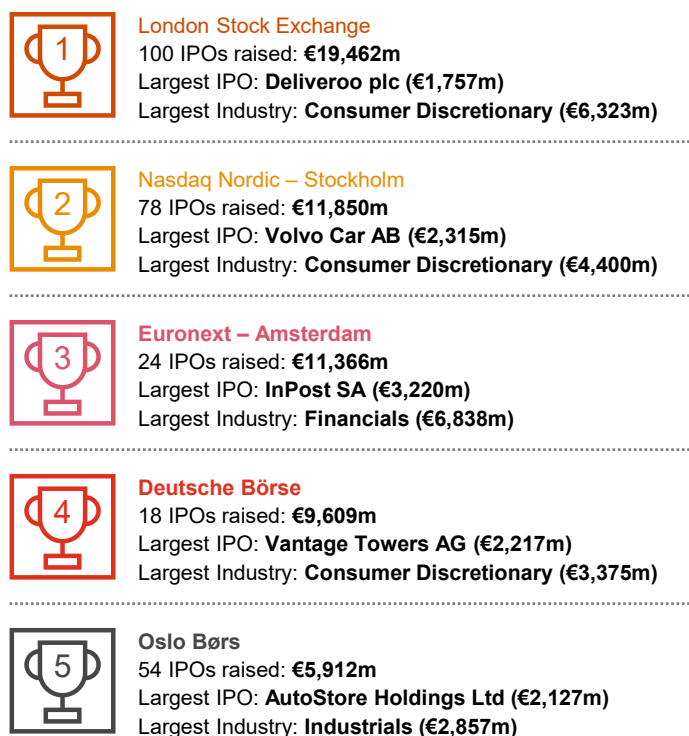
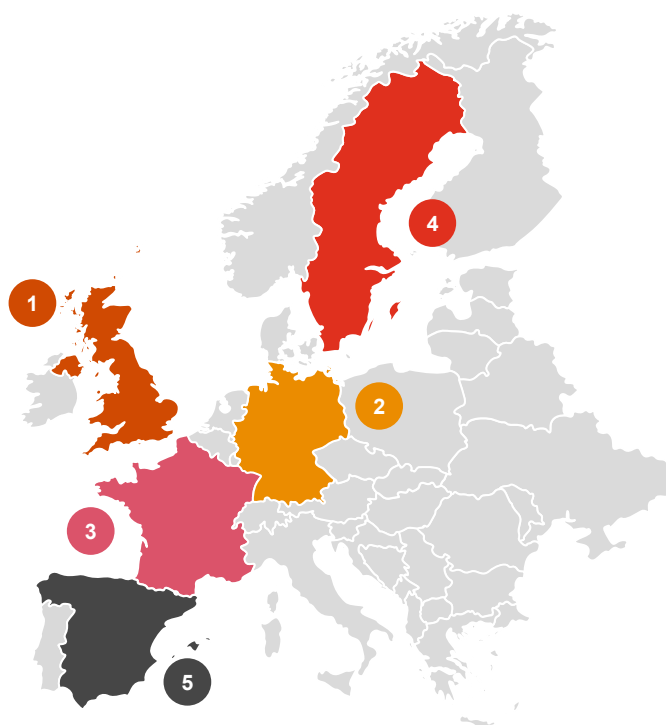
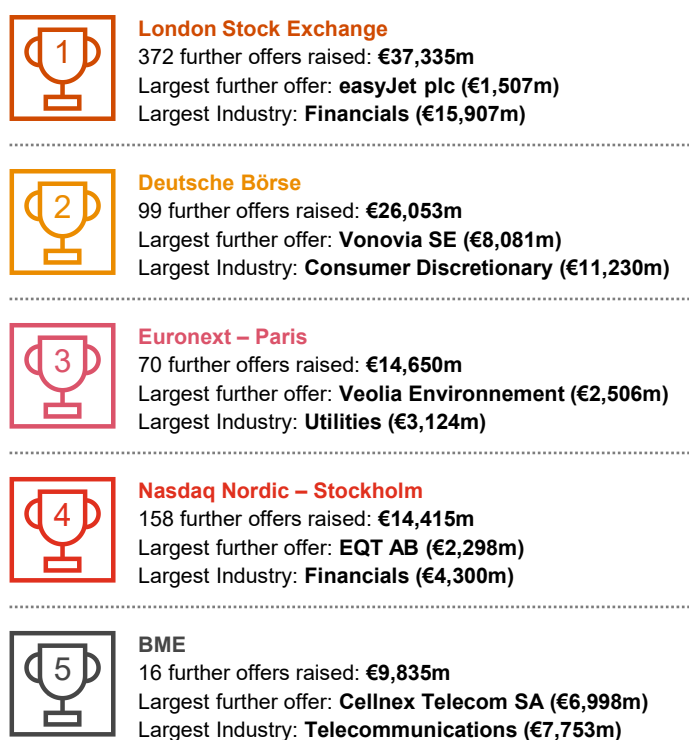


Figure 2: Top five stock exchanges by further offers in Europe 2021 (by offering value)



Equity market performance and volatility

Equity markets delivered outstanding returns in 2021, driven by the reopening of global economies, strong corporate earnings and accommodative monetary policies, even with rising inflation in H2 providing a headwind. Markets were significantly less volatile in 2021 providing a less unpredictable backdrop compared to 2020 and therefore a helpful environment for equity investment and pricing. Overall, European markets outperformed the UK equities in 2021 with Stoxx600 gaining 22% vs FTSE100 gaining only 14%.

Figure 3: Historical performance of major market indices since January 2021

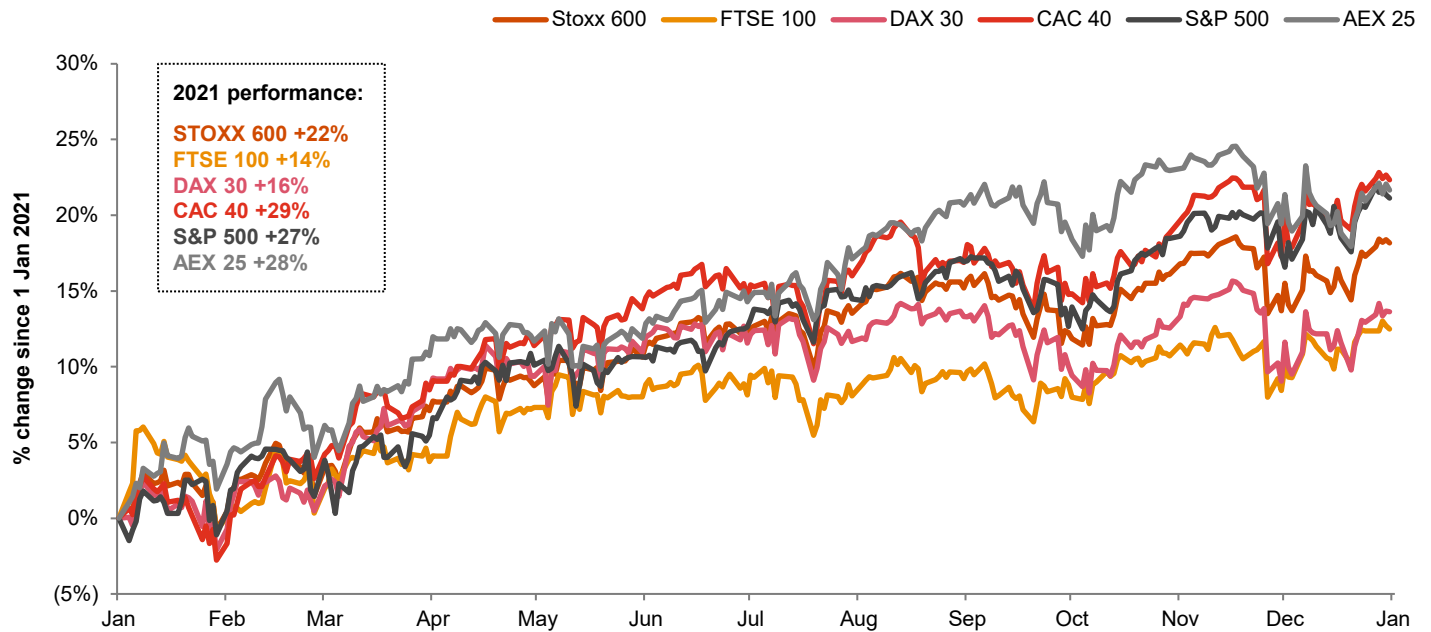
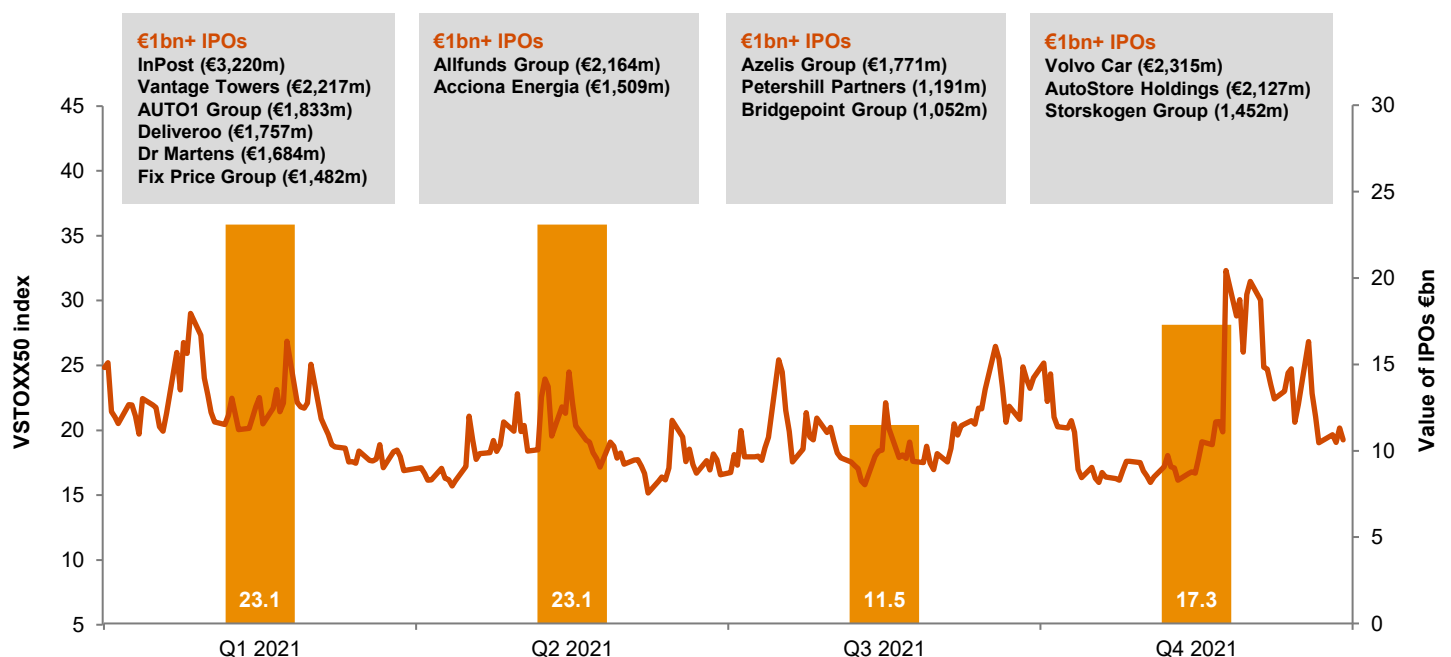


Figure 4: Volatility tracked against European IPO Values

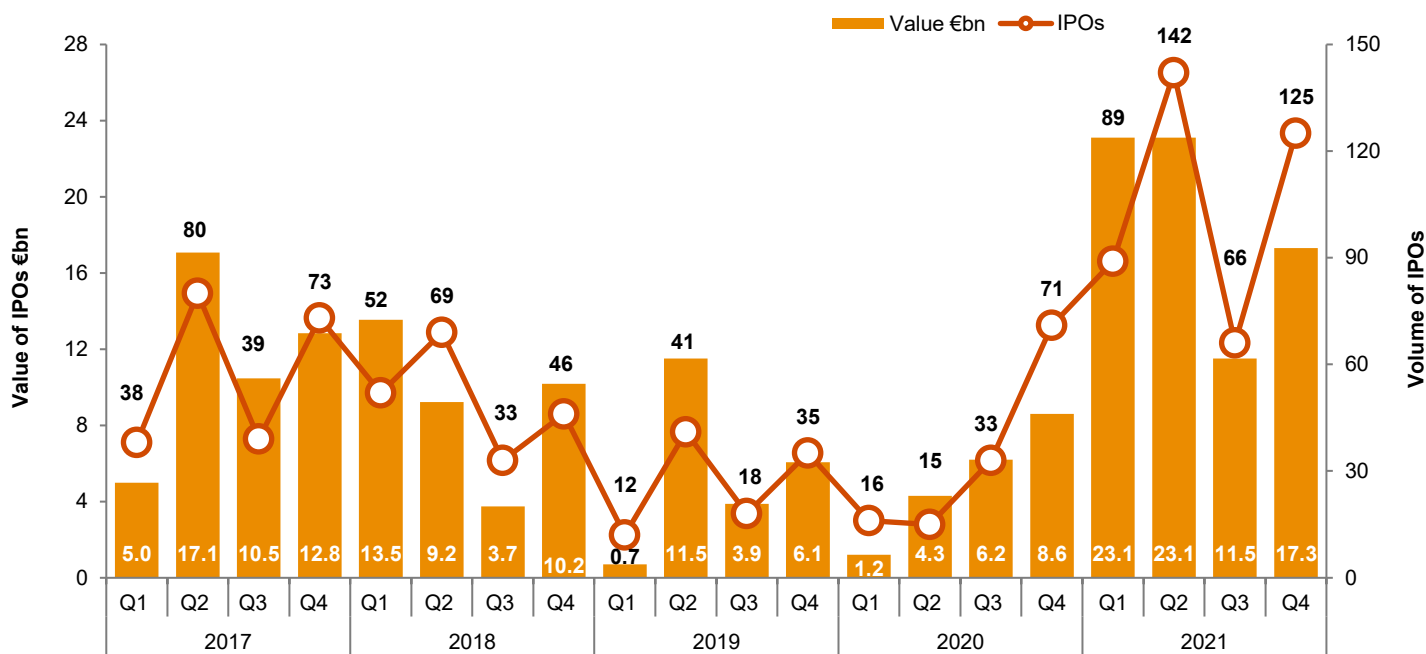


Source: Bloomberg 31 December 2021

European IPO trends and outlook

2021 has seen the strongest IPO market in Europe in recent history, with robust activity continuing in Q4. Overall, the 2021 European IPO market has delivered 422 IPOs raising €75.0bn, compared to 135 IPOs raising €20.3bn in 2020. The outlook for the European IPOs is positive notwithstanding recently increased investor selectivity and focus on quality.

Figure 5: Quarterly European IPO activity since 2017



2021 was the year of the IPO

In Europe the IPO market has delivered extraordinary volumes throughout the year with H1 being the busiest boosted by market optimism around reopening of economies and strong corporate earnings momentum. We have also seen a significant number of jumbo IPOs over €1bn+, as highlighted on the previous page which came from various sectors and regions across Europe. The most active sectors in Europe were technology, consumer, e-commerce, financials and industrials. The most active exchanges in 2021 were London, Stockholm, Amsterdam, Frankfurt and Oslo, all delivering significant IPO volumes including jumbo IPOs. The largest IPO in Europe was the €3.2bn IPO of InPost priced in Amsterdam.

What to expect in 2022

With such a busy IPO year behind us, investors are taking a breather and are likely to tread carefully as the IPO markets reopen in 2022, particularly taking into consideration a number of disappointing debuts that ended the year below their respective issue prices. As we have noted in our previous reports, valuation considerations and IPO pricing will be front of mind for investors as well as the overall IPO readiness of the businesses and robustness of their equity stories.

Spin offs, SPACs and focus on ESG reporting

The European IPO pipeline, however, is not short of candidates as issuers and their advisers are pressing hard to prepare for the next IPO window. Whilst there is a degree of uncertainty, ongoing macroeconomic recovery provides a supportive backdrop. As a continued theme from 2021, the investors' preference for pure play equity stories and corporate simplification will likely lead to further spin offs and demerger IPOs across Europe.

We also expect to see further broadening of the IPO sector coverage as investors bid for tech and high growth companies will be tested. Renewed interest around European SPACs including UK following the revision of the listing rules is another trend to be watched, particularly, in certain sectors such as ESG and tech-enabled businesses. With the continued focus on ESG, the ESG strategy and the reporting of this will be a key part of value determination.



2021 was very much the year of the IPO. We have witnessed one of the busiest IPO markets in Europe in 2021 on record and evidence suggests that there is still a lot of money in the market that investors are looking to deploy.

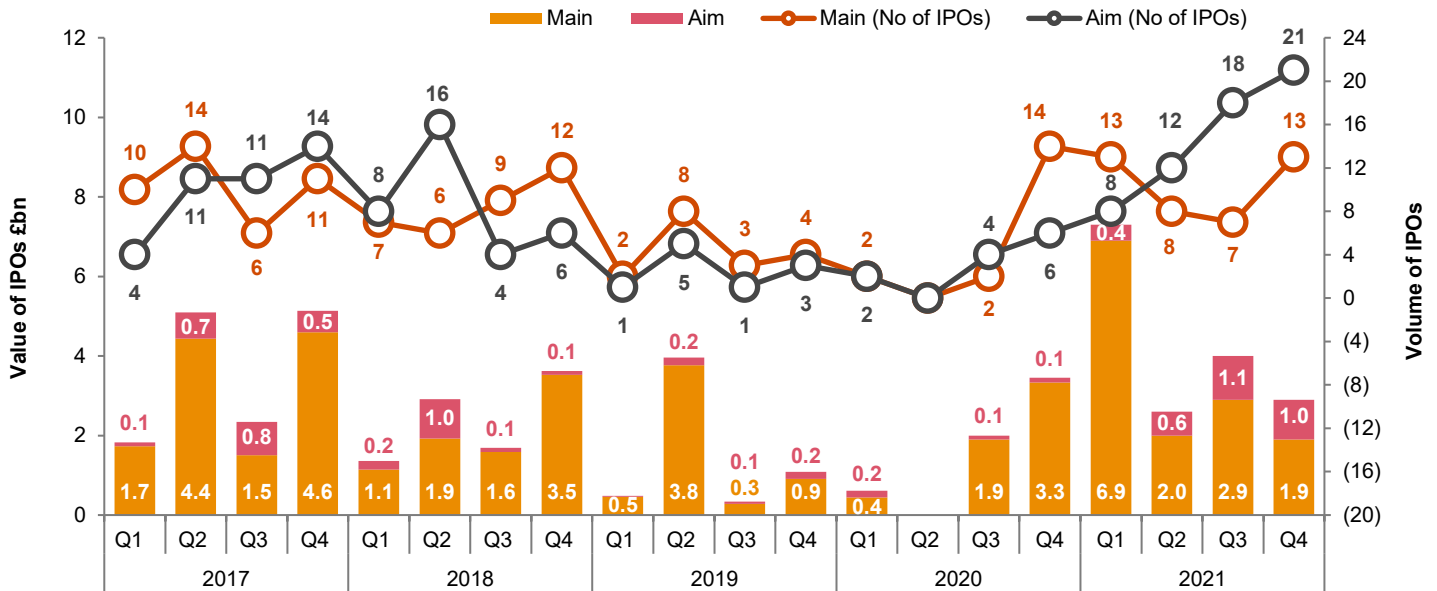
While the market is expected to calm in early 2022 as investors display more selectivity, this will mean that IPO candidates will need to be well prepared. A robust equity story and an ability to adapt to evolving regulation and the geopolitical environment will be crucial, especially with increasing expectations over net zero commitments and ESG reporting

Richard Spilsbury
Partner, UK Capital Markets

UK IPO trends and outlook

The London IPO market saw a very busy year in 2021, raising a total of £16.8bn from 100 issuances which was more than 2020 and 2019 combined. AIM IPOs continued to gain momentum, delivering its sixth consecutive quarter of growth in the number of IPOs.

Figure 6: Quarterly UK IPO activity since 2017



London maintained its top spot for IPOs in Europe

Whilst FTSE100 performance underwhelmed compared to other European markets, which to a large extent reflects the current sector weighting of the exchange (banks, energy and resource companies), the IPO market delivered a number of landmark transactions in 2021. Post IPO performance remains under scrutiny with a number of 2021 IPOs below their issue price. Investors are also applying more scrutiny to IPO valuations and equity stories as evidenced by a number of IPO cancellations in Q4 2021.

Outstanding year for AIM IPOs

The AIM market concluded 2021 with another strong quarter with Q4 delivering 21 IPOs raising £1bn of proceeds. With six consecutive quarters of growth in the number of IPOs on AIM, the pipeline is as strong as ever, demonstrating AIM's continuing appeal for high growth companies. The largest IPO on AIM last year was Life Science REIT focused on UK life science properties, raising £350m in an oversubscribed transaction.

First London SPAC under new listing regime

Hambro Perks Acquisition Company IPO that priced in Q4, targeting a European tech-enabled business, became the first SPAC to list in London under the new FCA rules with a structure closely resembling a US SPAC. Whilst overall global SPAC sentiment has cooled compared to early last year, the market will support selected SPACs backed by reputable sponsors with attractive business combinations.

IPO market is open for 2022, however the bar is set higher

Although issuers are not expected to rush to the gate in January, a strong IPO pipeline of issuers are getting ready to tap the markets later in Q1/Q2 as investors take a breather after a busy year. Similarly to continental Europe, spin offs and corporate carveouts will be an important driver of the IPO market in the UK. Sector wise, ESG themed sectors such as alternative energy will be attractive for investors. We also expect further broadening of the IPO pipeline beyond tech related stocks with tech companies needing to sharpen their equity stories in the face of tighter pricing and investor scrutiny of long term value, reflecting sector's secondary market dynamics.

With the changes to the UK listing rules announced in 2021, including allowing dual class share structure on to the premium segment and a reduction of the minimum free float level from 25% to 10%, we expect that London will increase its attractiveness to potential issuers, providing a further tailwind for UK IPOs.



Whilst the IPO window is open for business and there is a significant backlog of IPOs in the pipeline, the IPO market for 2022 is likely to be quieter compared to last year, particularly in January and February with more issuers likely to launch later in Q1 and Q2. As seen in H2 2021, investor selectivity and scrutiny remains high, with IPO pricing facing increased pressure in 2022.

London stands to benefit from changes to UK listings rules, with IPO volumes to be driven by corporate carveouts and sectors with a strong ESG story, such as renewables, that present plenty of opportunity.

Aftermarket performance will be front of mind following the mixed IPO returns of last year and will be a key consideration for how businesses tell their story.

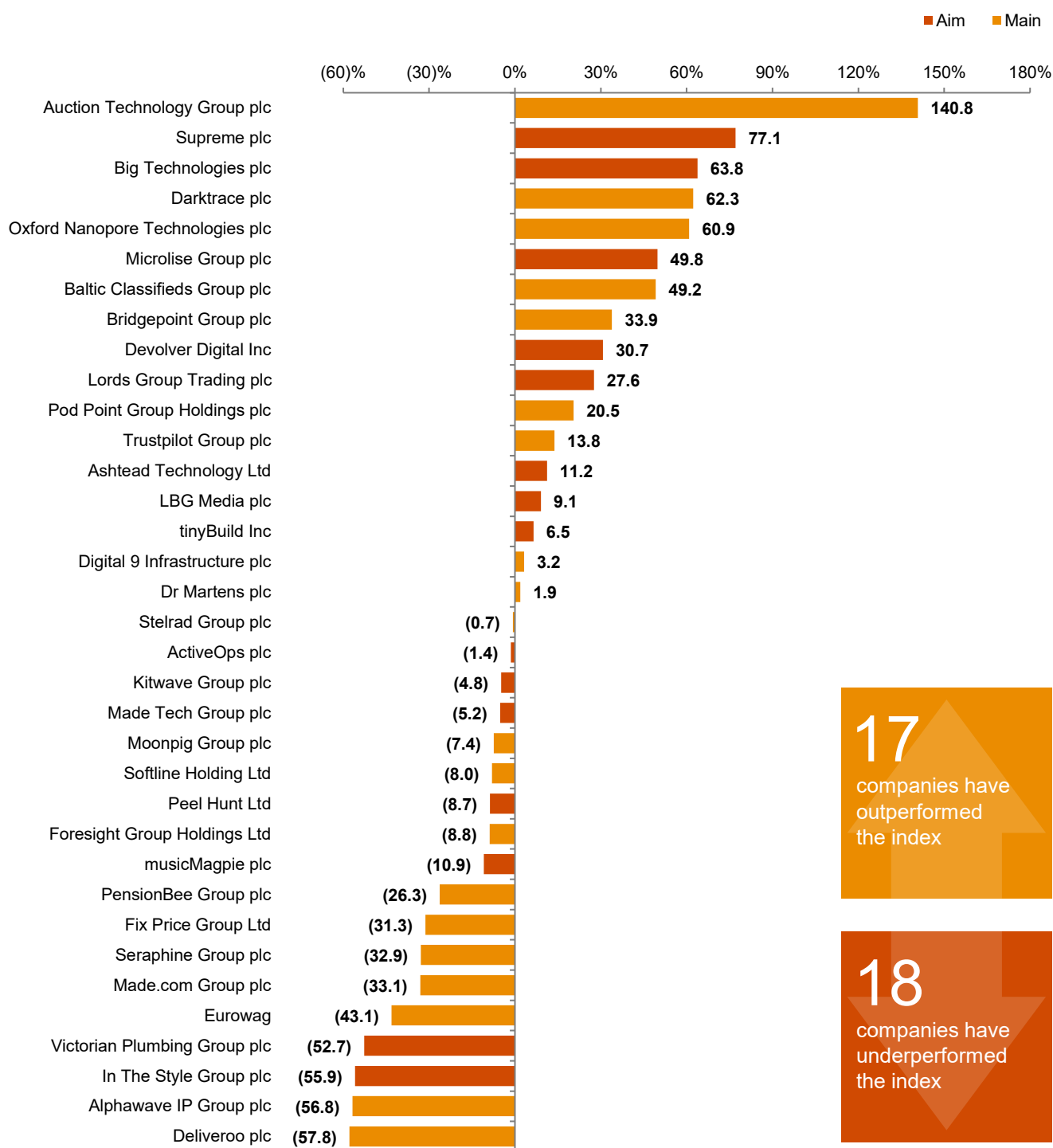
Ekaterina Chmatova

Senior Manager, UK Capital Markets

Relative performance of UK IPOs

London IPOs have delivered a mixed aftermarket performance in 2021, with a number of issuers such as Darktrace, Oxford Nanopore, Bridgepoint and others outperforming their relative indices, whilst other IPOs ended the year below their issue price. With this backdrop, IPO investors are expected to be selective and price sensitive as the IPO market reopens.

Figure 7: Share price performance of UK IPOs relative to the FTSE all share index, from IPO to 31 December 2021 (%)



* Threshold of £50m IPO size – Relative performance based on the FTSE All Share Index for Main Market listed companies and FTSE AIM All Share index for AIM quoted companies.

** Excludes closed-end funds, SPACs, Investment Trusts, REITs, Royalty Trusts

Source: Bloomberg as of 31 December 2021

Global money raised via IPOs

The Global IPO market had a record breaking year in 2021 delivering 2,682 IPOs, with the first quarter being the busiest as global economies reopened. The largest IPO globally last year was the \$13.7bn IPO of Rivian Automotive on NASDAQ, an American electric vehicle automaker. The outlook for 2022 is constructive, albeit with some headwinds possible, such as inflationary risks, geopolitical instability and uncertainty around other virus variants.

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

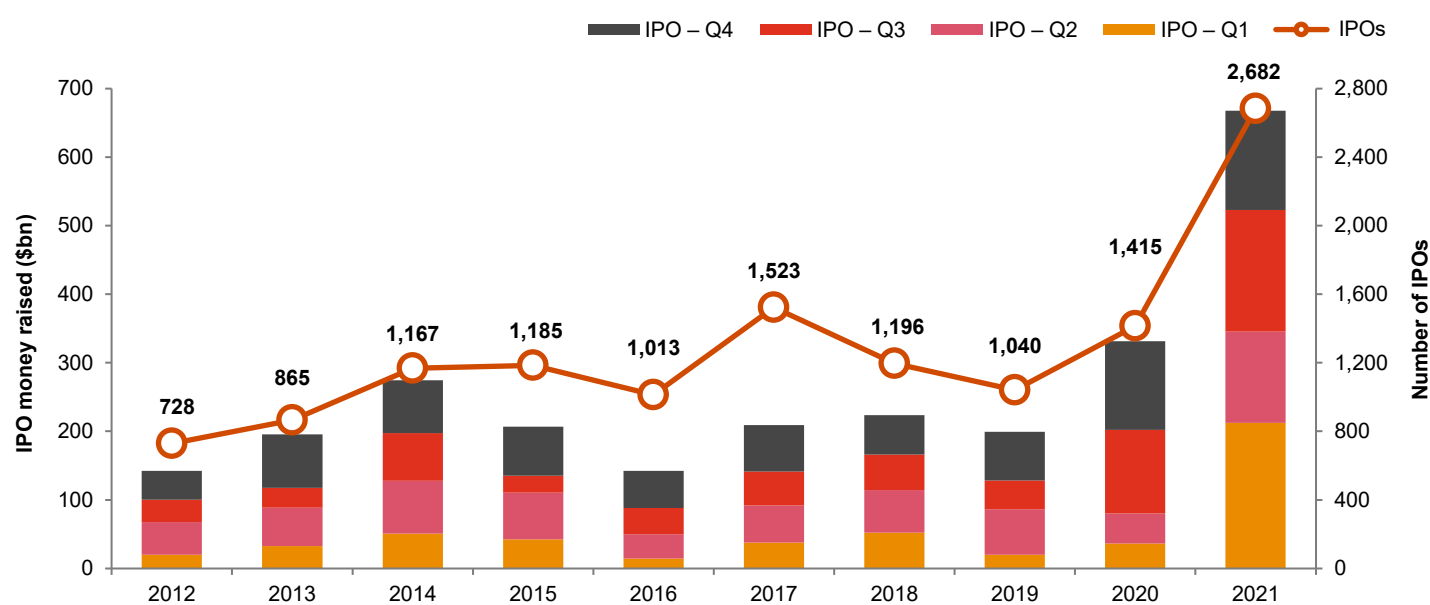


Figure 9: Top ten largest IPOs in 2021

Pricing date	Issuer name	Issuer country	Sector	Exchange	Money raised
9-Nov-21	Rivian Automotive Inc	USA	Consumer Discretionary	NASDAQ	\$13.7bn
29-Jan-21	Kuaishou Technology	China	Technology	HKEX	\$6.2bn
10-Mar-21	Coupang Inc	South Korea	Consumer Discretionary	NYSE	\$4.6bn
29-Jun-21	DiDi Global Inc	China	Consumer Discretionary	NYSE	\$4.4bn
27-Jan-21	InPost SA	Poland	Industrials	Euronext Amsterdam	\$3.9bn
29-Jul-21	Krafton Inc	South Korea	Consumer Discretionary	Korea Exchange	\$3.8bn
7-May-21	China Three Gorges Renewables Group Co Ltd	China	Utilities	Shanghai Exchange	\$3.5bn
27-Oct-21	GLOBALFOUNDRIES Inc	USA	Technology	NASDAQ	\$2.9bn
29-Oct-21	Volvo Car AB	Sweden	Consumer Discretionary	Nasdaq Nordic – Stockholm	\$2.7bn
17-Mar-21	Vantage Towers AG	Germany	Telecommunications	Deutsche Börse	\$2.6bn

Appendix: European IPOs over €400m in 2021

Appendix 1: European IPOs

IPO date	Issuer	IPO size (€m)	Stock Exchange	Sector
27-Jan-21	InPost SA	3,220	Euronext – Amsterdam	Industrials
29-Oct-21	Volvo Car AB	2,315	Nasdaq Nordic – Stockholm	Consumer Discretionary
17-Mar-21	Vantage Towers AG	2,217	Deutsche Börse	Telecommunications
23-Apr-21	Allfunds Group plc	2,164	Euronext – Amsterdam	Financials
20-Oct-21	AutoStore Holdings Ltd	2,127	Oslo Børs	Industrials
2-Feb-21	AUTO1 Group SE	1,833	Deutsche Börse	Consumer Discretionary
16-Sep-21	Azelis Group NV	1,771	Euronext – Brussels	Industrials
31-Mar-21	Deliveroo plc	1,757	London Stock Exchange	Technology
29-Jan-21	Dr Martens plc	1,684	London Stock Exchange	Consumer Discretionary
30-Jun-21	Acciona Energia SA	1,509	BME	Utilities
5-Mar-21	Fix Price Group Ltd	1,482	London Stock Exchange	Consumer Discretionary
6-Oct-21	Storskogen Group AB	1,452	Nasdaq Nordic – Stockholm	Financials
28-Sep-21	Petershill Partners Plc	1,191	London Stock Exchange	Financials
21-Jul-21	Bridgepoint Group Plc	1,052	London Stock Exchange	Financials
13-May-21	Alphawave IP Group plc	995	London Stock Exchange	Technology
17-May-21	SUSE SA	975	Deutsche Börse	Technology
25-Mar-21	CTP NV	948	Euronext – Amsterdam	Financials
14-Jun-21	ABOUT YOU Holding AG	842	Deutsche Börse	Consumer Discretionary
18-Jun-21	Vimian Group AB	819	Nasdaq Nordic – Stockholm	Health Care
14-May-21	Pepco Group Ltd	817	Warsaw Stock Exchange	Consumer Discretionary
24-Nov-21	Ariston Holding NV	802	Borsa Italiana	Industrials
29-Apr-21	PolyPeptide Group AG	769	SIX Swiss Exchange	Health Care
27-Apr-21	SYNLAB AG	754	Deutsche Börse	Health Care
30-Sep-21	Oxford Nanopore Technologies plc	700	London Stock Exchange	Health Care
23-Sep-21	Majorel Group Luxembourg SA	660	Euronext – Amsterdam	Technology
23-Sep-21	Antin Infrastructure Partners SAS	632	Euronext – Paris	Financials
2-Feb-21	Moonpig Group plc	613	London Stock Exchange	Consumer Discretionary
19-Feb-21	Cint Group AB	594	Nasdaq Nordic – Stockholm	Technology
23-Mar-21	Trustpilot Group Plc	550	London Stock Exchange	Technology
23-Sep-21	Cary Group AB	520	Nasdaq Nordic – Stockholm	Consumer Discretionary
29-Apr-21	Pegasus Acquisition Co Europe BV	500	Euronext – Amsterdam	Financials
15-Oct-21	Byggfakta Group Nordic HoldCo AB	487	Nasdaq Nordic – Stockholm	Technology
11-Nov-21	Pantheon Infrastructure PLC	467	London Stock Exchange	Financials
23-Jun-21	OX2 Group AB	464	Nasdaq Nordic – Stockholm	Energy
12-May-21	Montana Aerospace AG	461	SIX Swiss Exchange	Industrials
14-Oct-21	OVH Groupe SAS	450	Euronext – Paris	Technology
25-Feb-21	Desenio Group AB	442	Nasdaq Nordic – Stockholm	Consumer Discretionary
30-Jun-21	Baltic Classifieds Group Plc	442	London Stock Exchange	Consumer Discretionary
14-May-21	Hedosophia European Growth	441	Euronext – Amsterdam	Financials
28-Jan-21	Aker Horizons AS	437	Oslo Børs	Utilities
15-Feb-21	Cordiant Digital Infrastructure Ltd	424	London Stock Exchange	Financials
17-Nov-21	Life Science REIT plc	416	London Stock Exchange	Financials
23-Mar-21	FRIEDRICH VORWERK Group SE	414	Deutsche Börse	Utilities

* The table excludes Wise plc direct listing on LSE, as the deal is not captured by Dealogic, since no proceeds were raised in the direct listing

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.

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, 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 the 4 January 2022 and based on their pricing date between 1 January and 31 December 2021 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. 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 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 transactions 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.

Contacts

Richard Spilsbury

Partner, UK Capital Markets

M: +44 (0)7703 503562

E: richard.j.spilsbury@pwc.com

Ekaterina Chmatova

Senior Manager, UK Capital Markets

M: +44 (0)7710 036613

E: ekaterina.chmatova@pwc.com

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