



Press Release

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Q2 European IPO performance quadruples to €22.3bn year on year, says PwC

- Best Q2 for European IPOs since 2007, with 145 IPOs raising €22.3bn
- €33.7bn already raised to date in 2014 by 213 IPOs –more than in any full year since the financial crisis
- Although traditionally quieter, Q3 proceeds are expected to reach €12bn
- Pulled IPOs likely to remain a feature of the environment as investors become more selective

The surge in IPOs since the second half of 2013 has now approached record levels as Q2 2014 posted the best Q2 performance since the financial crisis hit the capital markets, according to PwC's latest analysis of IPO activity.

In Europe, 145 IPOs raised €22.3bn in in Q2, almost twice the amount raised in Q1 2014, and more than four times the proceeds year on year, according to PwC's IPO Watch report published today. €33.7bn has already been raised to date in 2014, more than in any full year since 2007.

London led the activity over the quarter, with 54 companies going public over the period and raising €9.9bn or £7.9bn. The performance of continental Europe was also impressive with 91 companies raising €12.4bn– compared to 51 deals raising €2.7bn last year.

Despite the mediocre aftermarket performance of some high profile listings, activity accelerated in June with 68 deals raising €13.8bn across Europe. PwC has tracked over €6bn in the IPO pipeline for July and up to €12bn for Q3 in total.

Mark Hughes, capital markets partner at PwC, said:

“It's been over a year since the markets re-opened to IPOs, the longest run in recent years. We're now confident that we've entered a new era for companies wanting to go public and so as long as deals continue to perform, we see this positive trend set fair to continue.

“Given the continued strength of the IPO pipeline, the prospects for Q3 remain strong and are likely to continue rebound towards pre-crisis levels.”

Private equity exits continue to feature prominently in IPO activity levels, particularly in London where they account for 64% of the proceeds raised.



Compared to previous periods, activity is more evenly distributed with six of the continental Europe exchanges reaching the billion euro mark. Almost half of the exchanges covered in PwC's analysis raised more than €500m over the quarter, compared to only three last year.

Stock exchange offering value (€m)	H1 2013	Q1 2014	Q2 2014	H1 2014
London Stock Exchange	4,511	5,925	9,942	15,867
NYSE Euronext	925	2,113	4,457	6,570
BME (Spanish Exchange)	-	900	2,731	3,631
NASDAQ OMX	371	1,947	1,332	3,279
Borsa Italiana	325	72	1,154	1,226
SIX Swiss Exchange	-	-	1,073	1,073
Deutsche Börse	1,879	-	857	857
Oslo Børs & Oslo Axess	53	147	239	386
Irish Stock Exchange	-	265	218	483
Wiener Börse	-	-	194	194
Warsaw	102	18	89	107
Borsa Istanbul	432	4	39	43
Luxembourg	35	-	-	-
Total	8,633	11,391	22,325	33,716

Consumer services and the finance sector (banking, real estate and insurance) each represented close to a third of proceeds raised thanks to four of the top ten transactions of the period, each. In London, retail deals still represented €4.7bn (£3.7bn), or 47% of the proceeds raised on the exchange in the period.

Alongside the successes, the number of pulled and postponed deals also reached a high point. 14 deals were shelved this quarter, which is equal to 9% of the announced IPOs, compared to three (4%) in the previous quarter.

Vivienne Machlachlan, capital markets director at PwC, said:

“There’s definitely a feeling of markets getting tougher, with investors rigorously testing equity stories and tougher pricing discussions. Given the number of companies looking to go public at the moment, we’re bound to see some deals having to work harder to attract interest. It will take prime candidates to convince canny investors that they are “must-have deals.”

Summer months are traditionally much quieter in terms of IPO activity. However, given the size of the pipeline, PwC expects activity to remain above levels achieved in recent years, driven by the flow of exits from private equity and markets underpinned by low volatility and strong equity markets. On the other hand, M&A activity is picking up which may lead to a greater number of “dual track” situations going to a sale rather than IPO.



10 largest IPOs of Q2 2014	€m	Sector	Market	Country of Origin	PE Backed
AA	1,733	Consumer Services	London	UK	Yes
B&M European Value Retail	1,336	Consumer Services	London	UK	Yes
Merlin Properties	1,250	Financials	BME	Spain	No
Applus Services	1,100	Industrials	BME	Spain	Yes
Elior	847	Consumer Services	Euronext	France	Yes
Euronext	845	Financials	Euronext	Pan-Europe	No
Coface	832	Financials	Euronext	France	No
Anima Holding	693	Financials	Borsa Italiana	Italy	Yes
Saga	678	Consumer Services	London	UK	Yes
Com Hem Holding	630	Telecommunications	OMX	Sweden	Yes
Total	9,944				

Notes to editors:

IPO Watch Europe surveys all new primary market equity IPOs above €5m in value on Europe's principal stock markets and market segments (including exchanges in Austria, Belgium, 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 and greenshoe offerings are excluded.

This survey was conducted between 1 April and 30 June 2014 and captures new market IPOs based on their trading date. All market data is sourced from the stock markets themselves and has not been independently verified by PricewaterhouseCoopers LLP.

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