



Press Release

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London dominates Europe's IPO market for second quarter in a row

- €3.9bn raised from 64 IPOs in Q3 2018, bringing the total raised on European IPO markets to €25.8bn for the first nine months of the year
- IPO activity across Europe remained subdued with volumes falling by 16% and values down by 53% compared to Q3 2017
- London was the most active exchange by volume and values for the second quarter in a row raising €1.9bn, 49% of total European proceeds raised in Q3 2018
- There was only one mega-IPO in Q3 2018, SIG Combibloc Group on the SIX Swiss exchange, which raised €1.7bn

European IPOs raised €3.9bn in Q3 2018, down by 53% from Q3 2017 when €8.3bn was raised, according to PwC's latest *IPO Watch Europe*. A lack of mega-IPOs contributed to the low values raised in Q3, with SIG Combibloc Group on the SIX Swiss exchange the only listing larger than €1bn at €1.7bn. This was the second largest IPO of 2018, behind Siemens Healthineers AG in Q1 2018 which raised €3.7bn.

Sofia is one of the top four exchanges this quarter, behind London, Euronext and Borsa Italiana. The IPO of poultry producer Gradus in August was the largest at the Bulgarian Stock Exchange since 2007, when First Investment Bank raised €42m - and the first listing in Sofia since Q4 2016.

The London Stock Exchange remained the most active exchange in Europe in Q3 by volume and values for the second quarter in a row, with 16 IPOs raising €1.9bn (£1.7bn). IPO volumes and values, however, are down by 41% and 29% respectively compared to Q3 2017 when 27 IPOs raised €2.7bn (£2.4bn). Four out of the top five IPOs in Europe in Q3 2018 listed on the London Stock Exchange, with the largest IPO this quarter being Amigo Holdings, the provider of guarantor loans in the UK, which raised €407m (£359m).

“Geopolitical headwinds and the summer hiatus muted activity in Q3, with European IPO values at their lowest levels for two years. The pipeline going into Q4 needs to be looked at in the context of the recent signals issued by the capital markets around the world, some of them posting, in the past period, important corrections. In this context we must not wait to for a mega-IPO in the near future” said Sorin Petre, Partner, Valuation and Economics, PwC Romania.

„According to reports issued by the Bucharest Stock Exchange (BSE), the first nine months of this year brought 17.5% advance for the BET-TR index. The index reached record high values in August and



registered the highest value since it was launched back in 2014. On the European level, Bucharest's main index BET (8.5%) ranks second, for the first nine months, on the top growth rates for the main indices within the EU capital markets chart. It lags CYMAIN index of the Cyprus Stock Exchange who leads with 10.09%. Looking at the numbers, the local stock exchange market looks good but it still lacks the liquidity and constant IPOs being launched. This would strengthen the local capital market and would show investors and entrepreneurs that it is a viable solution for business development", said Ileana Guțu, Senior Manager, Valuation and Economics, PwC Romania.

Notes to editors.

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.

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