



IPO Watch EMEA

H1 2024



H1 2024 IPO Watch EMEA



The EMEA IPO market delivered an impressive H1 issuance, as the European market bounced back with a number of sizeable IPOs testing the strength of the recovery. Largely positive aftermarket performance of the European IPOs provides further momentum for the deal flow in the second half of the year and beyond, whilst investors continue to navigate short-term market volatility and complex economic and geopolitical landscape.

Kat Kravtsov

Director, UK Capital Markets

Figure 1: Europe IPO activity (incl. UK)

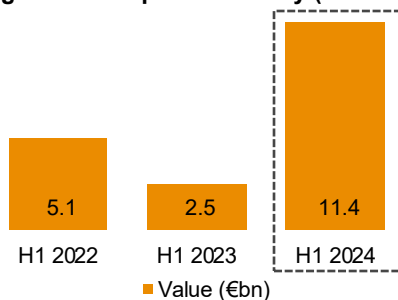


Figure 2: EMEA IPO activity

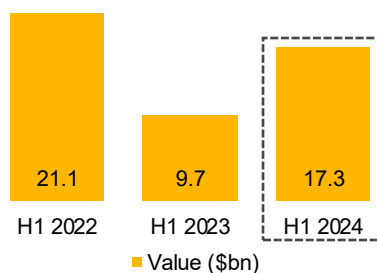
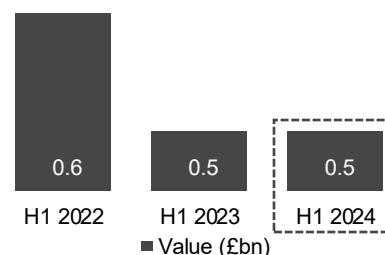


Figure 3: UK IPO activity



Positive macroeconomic developments are strengthening market performance in advanced economies

- Positive macroeconomic developments including easing inflation in Europe and the Middle East, forecasted GDP growth across the EMEA region and consistently low volatility, as measured by the VSTOXX index, provided a supportive environment for equity market performance in developed markets with the Stoxx 600, S&P 500 and FTSE 100 increasing by 7%, 14% and 6% in H1 respectively.
- Impending election results globally, including the US, France and India will shape local IPO market landscapes in the remainder of the year and beyond, with decisive election outcomes expected to bring stability.

Continued return to normality for European IPO markets

- European IPO proceeds across the region have more than quadrupled from €2.5bn in H1 2023 to €11.4bn in H1 2024, moving towards normalised issuance.
- The two largest IPOs globally in Q1 2024 (Galderma and Douglas) and Q2 2024 (Puig Brands and CVC Capital) were on European exchanges. Puig Brands and CVC are up 7% and 22% respectively since IPO.
- Three of the largest IPOs are in the consumer sector and over half of the 10 largest European IPOs in H1 2024 are PE-backed.
- Despite short-term volatility driven by European and US elections, the outlook for the European IPO market remains constructive for H2 with a stronger pipeline for 2025.

Building momentum in the UK may signal a consistent return of UK IPOs in H2 2024 and beyond

- British computer maker Raspberry PI listed in London in Q2 2024, raising £166m and increasing 44% since IPO in a boost to the London market which has sought to attract technology company listings.
- The UK has seen some of the largest secondary market transactions globally with the National Grid and Haleon follow-ons of £7bn and £2.4bn respectively.
- In July new listing rules were published by the FCA as part of the overall package of planned reforms aimed at reinvigorating the IPO market in London.

Middle East IPOs dominated by the Kingdom of Saudi Arabia (KSA) and South Africa's first IPO since H1 2023

- KSA has seen three of the top five IPOs in the Middle East with Dr. Soliman Fakeeh Hospital raising \$763m in Q2 2024. Turkey has seen 19 smaller IPOs with a total value of \$1.3bn raised in H1 2024.
- South Africa has seen the first African IPO of 2024 with Transaction Capital completing the spin-off of WeBuyCars in Q2 2024. Although the JSE has only had 3 listings in the last 5 years, expectations for a rebound in listing activity are supported by possible improvements in the macroeconomic outlook and stability after the general election.

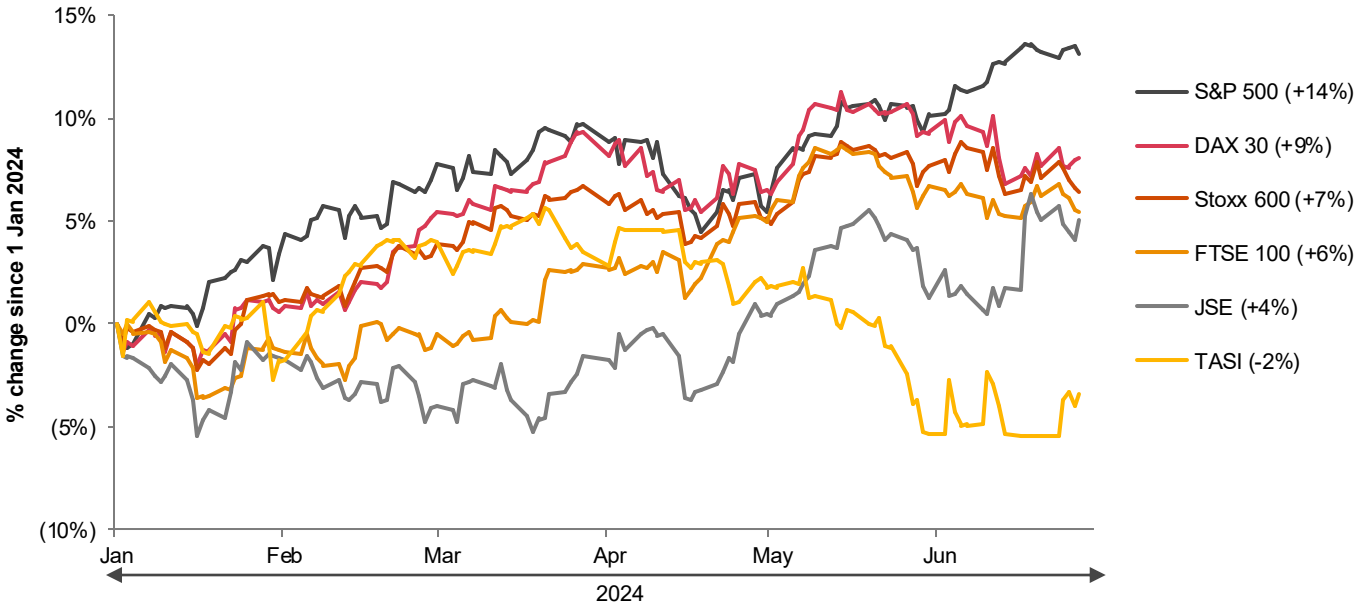
Top 5 EMEA IPOs in Q2 2024

Puig Brands Consumer Staples €2,610m BME	CVC Capital Financials €2,022m Euronext Amsterdam	Dr. Soliman Fakeeh Hospital Health Care \$763m Saudi Exchange	Alef Education Consumer Discretionary \$515m Abu Dhabi Securities	Exosens Industrials €350m Euronext Paris
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Equity markets and macroeconomic overview

As inflation eases and GDP forecasts increase, the improving macroeconomic outlook is driving strong equity index performance on advanced economy exchanges in EMEA. The decline of the TASI has been driven by commodity prices, while JSE volatility has been driven by election uncertainty.

Figure 4: Historical performance of major equity indices in H1 2024



Source: S&P Global Market Intelligence LLC 30 June 2024

Equity market performance and macroeconomic environment

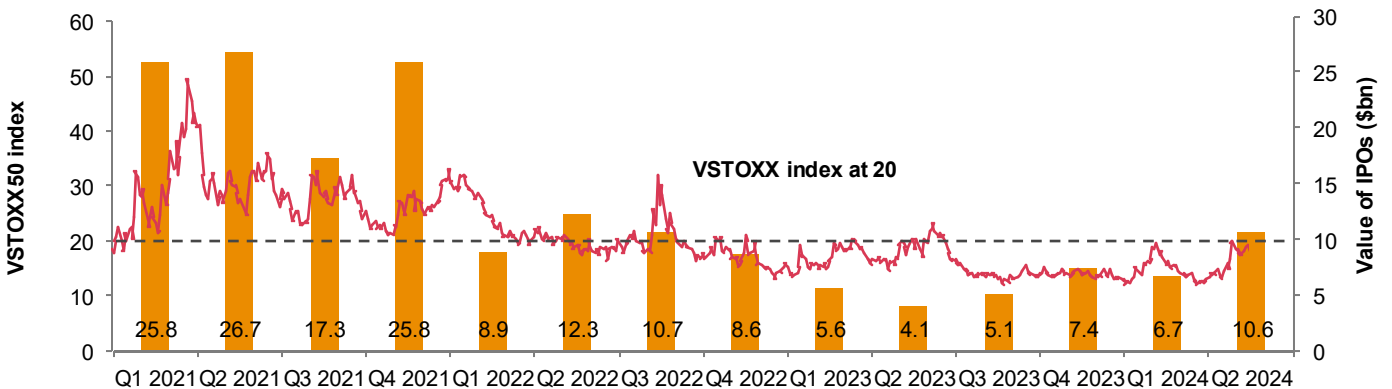
Inflation is easing across advanced economies in EMEA, with inflation in the UK and Europe expected to fall from 7.3% and 6.3% in 2023 to 2.5% and 3.4% by the end of 2024 respectively according to IMF data. While inflation in the Middle East has begun to fall from 12.5% in 2023 to 10.7% in 2024, inflation in Africa is expected to increase in 2024 to 18.4% from 18.2% in 2023 based on IMF data. The sharp reduction in inflation in 2024 suggests that interest rates may be cut in the UK and Europe in H2 2024, creating a more positive environment for IPOs.

GDP is expected to grow across all regions in EMEA with the UK, Europe, Middle East and Africa expected to increase from 0.1%, 1.0%, 1.4% and 3.2% in 2023 to 0.5%, 1.4%, 2.5% and 3.5% respectively. Volatility, as measured by the VSTOXX index, has consistently held below 20 in H1 2024.

Positive macroeconomic conditions have supported the strong equity market performance in developed EMEA markets with the S&P, DAX, Stoxx and FTSE increasing by 14%, 9%, 7% and 6% respectively. The JSE initially had a strong start to Q1 but fell sharply due to uncertainty around the outcome of the general election, it has however returned to positive territory, ending H1 2024 4% higher. The TASI, falling by 2% in H1 2024, has been negatively impacted by a fall in oil prices as crude oil has dropped from above \$84 per barrel to under \$75 in Q2 based on IMF data.

The remainder of 2024 is likely to be a pivotal year for London. In July new listing rules were published by the FCA as part of the overall package of planned reforms aimed at reinvigorating the IPO market in London.

Figure 5: Volatility tracked against EMEA IPO values



Source: S&P Global Market Intelligence LLC 30 June 2024

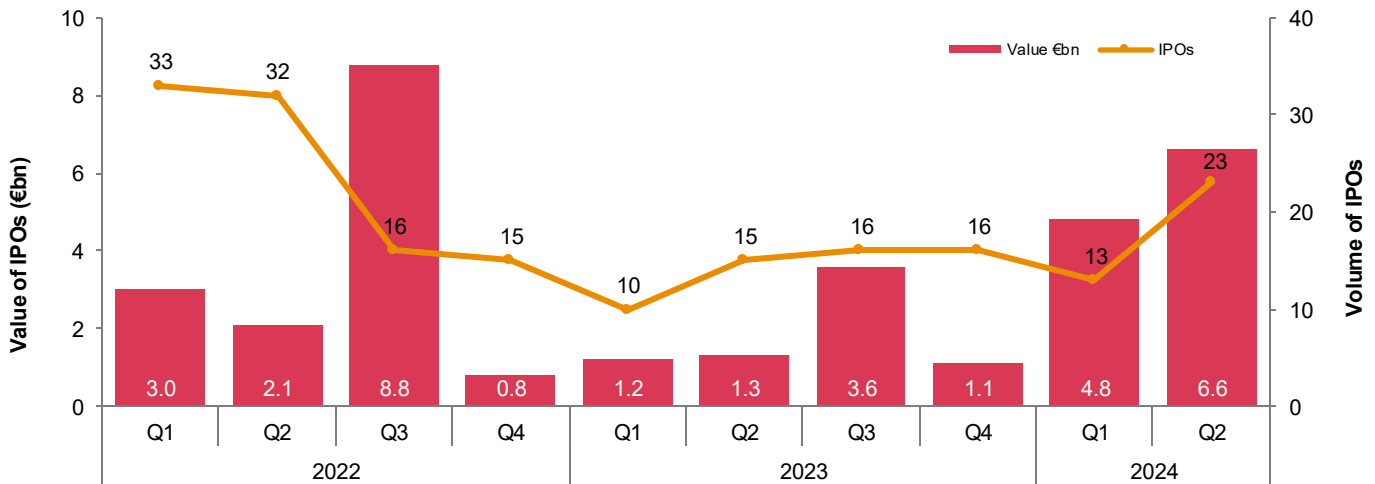
European IPO trends



After a two-year pause, the European IPO market has seen a resurgence in the first half of 2024. With over half of the top 10 IPOs being Private equity-backed they have played a prominent role in this recovery. In terms of sectors, the consumer and luxury segments have stood out in the first half of 2024, however the pipeline remains diversified. The IPO pipeline appears healthy well into 2025, indicating a sustained recovery may be underway. Companies are preparing early so they can take advantage of favourable listing conditions once the uncertainties presented by the 2024 elections across the globe are settled.”

Vhernie Manickavasagar
Partner, UK Capital Markets

Figure 6: Europe IPO activity chart since 2022



Source: S&P Global Market Intelligence LLC

Q2 2024 European and UK IPO activity

The positive trajectory of European IPO markets in Q2 2024 has continued with €6.6bn raised from 23 IPOs. European markets hosted two of the largest IPOs globally in H1 2024: Puig Brands on BME and CVC Capital on Euronext Amsterdam. Overall H1 2024 issuance also reflects more normalised IPO activity approaching a 5-year average of €13.0bn pre-COVID between 2016 and 2020. Notably over half of the top 10 IPOs in H1 were private equity-backed.

Aftermarket performance of the largest IPOs has been broadly positive. CVC's positive aftermarket performance (+22%) can be accredited to two key attributes: strong track record of profitability and conservative pricing at the €14 midpoint despite overwhelming demand.

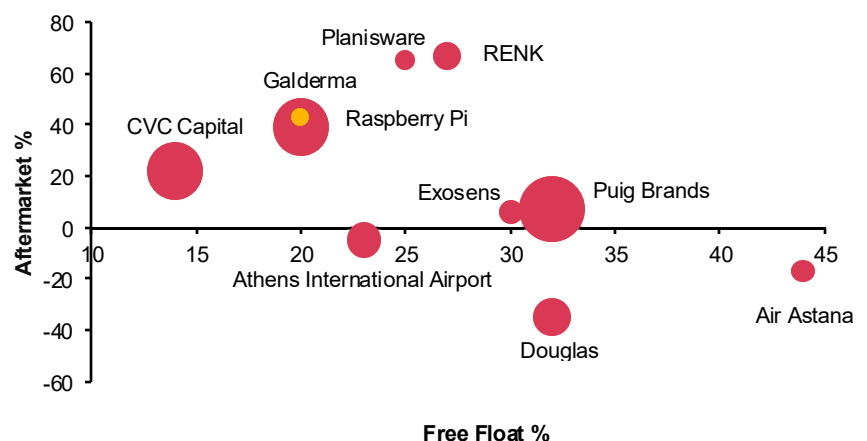
The LSE saw its first IPO in Q2 with Raspberry Pi (€197m). Arm and Lansdowne acted as cornerstone investors to Raspberry Pi. Following the IPO, Raspberry Pi has delivered a strong aftermarket performance with share price increasing 43%, demonstrating strong investor support.

London has also seen positive signals from notable AIM to Main Market move-ups, including Alpha Group International and Atalya Mining.

Of the 10 largest European IPOs in H1, seven have had positive aftermarket performance. For example, Planisware, a cloud-based technology company, is up 65% and RENK, a manufacturer of engines and hybrid drive systems, is up 67%- both of which were private equity-backed.

The secondary market in London has continued to be strong in H1 2024, including some of the largest transactions globally. National Grid plc conducted a 7 for 24 rights issue raising £7.0bn, the new shares commenced trading on the LSE in June.

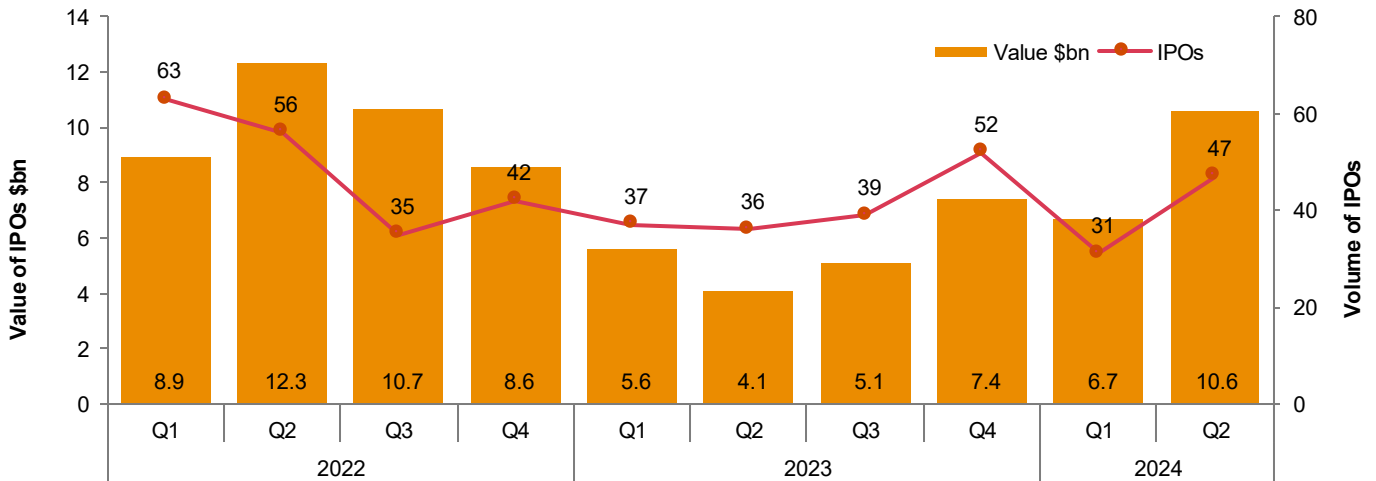
Figure 7: Top 10 largest European IPOs aftermarket performance



EMEA IPO trends

\$10.6bn of IPO proceeds have been raised by 47 IPOs in EMEA in Q2 2024. Together with Q1, this brings the total IPO proceeds raised in H1 to \$17.3bn. Continuing momentum in European IPO markets has led to the strongest H1 since the IPO frenzy of 2021. Outside of Europe, the first IPO of the year in Africa has completed with the listing of WeBuyCars on the JSE and the KSA has continued to perform strongly, with \$1.6bn IPO proceeds raised in Q2 2024.

Figure 8: EMEA IPO activity (Q1 2022 to Q2 2024)



Source: S&P Global Market Intelligence LLC

Middle East and Africa IPO activity in H1 2024

The majority of key market indices in the Middle East have trended down in 2024 to date, with TASI down 2%. Despite this, several significant IPOs, particularly in the KSA, have priced this quarter. The IPO of Dr. Soliman Fakeeh Hospital generated proceeds of \$763m, making it the largest IPO in the Middle East in 2024 to date. Dr. Soliman Fakeeh Hospital is a family-owned business, and the second major IPO of a healthcare company in the Middle East this year, following Avalon Pharma (\$131m) in January.

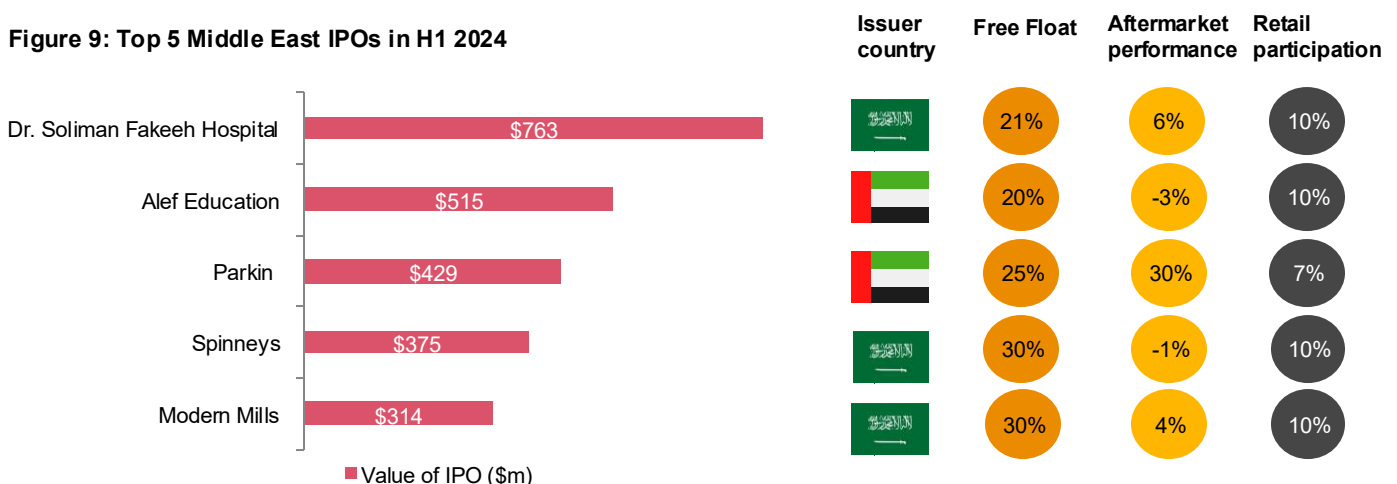
The IPO of Spinneys, a grocery retailer in the UAE, saw strong demand and over-subscription ahead of the IPO. The proceeds raised of \$375m make Spinneys the sixth largest IPO seen in EMEA in the quarter.

The IPO of WeBuyCars in April marked the first IPO on the JSE since Q2 2023 and is a promising signal for future IPO prospects in South Africa. Improved political stability following the recent election, expected interest rate cuts and an improvement in rolling electricity blackouts support cautious optimism for further successful IPOs in H2 2024.

Turkey has seen a relatively high volume of smaller IPOs during H1 2024, with 19 IPOs raising combined proceeds of \$1.3bn. Soaring inflation in Turkey has bolstered the appeal of equities as a means for locals to protect their savings, fuelling the recent trend in IPOs seen in the region, while foreign investors continue to retreat due to the macroeconomic and geopolitical environment.

Figure 9 below illustrates mixed aftermarket performance of the five largest IPOs in the Middle East in the year to date, against a backdrop of all major indices in the region trending down in the year to date.

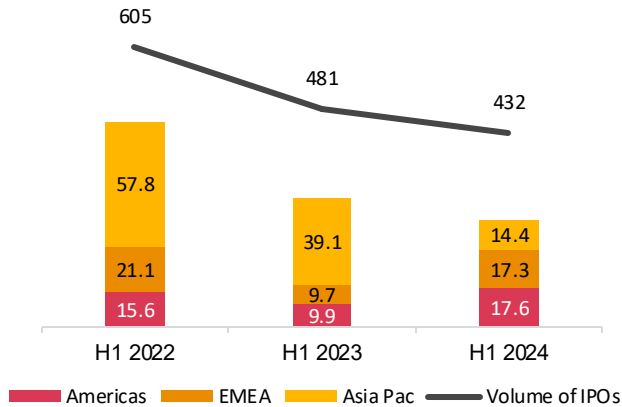
Figure 9: Top 5 Middle East IPOs in H1 2024



Global perspective

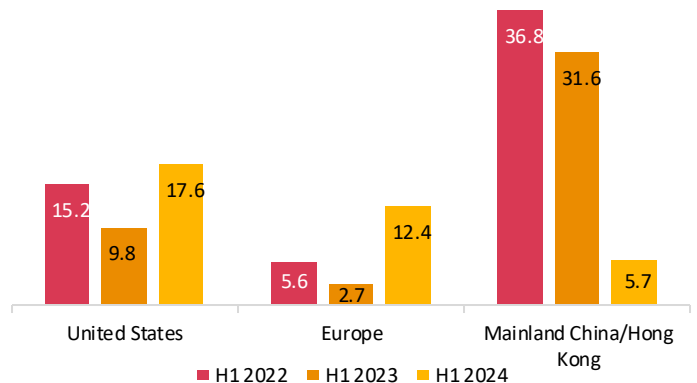
European H1 IPO proceeds raised have more than quadrupled compared to H1 2023. In stark contrast, Asia Pacific IPO markets have seen a significant reduction in proceeds raised in H1 2024 compared with H1 2023, driven primarily by the performance of Chinese markets.

Figure 10: IPO proceeds(\$bn) by region (H1 2022 to H1 2024)



Source: S&P Global Market Intelligence LLC

Figure 11: IPO proceeds(\$bn) by country (H1 2022 to H1 2024)



Source: S&P Global Market Intelligence LLC

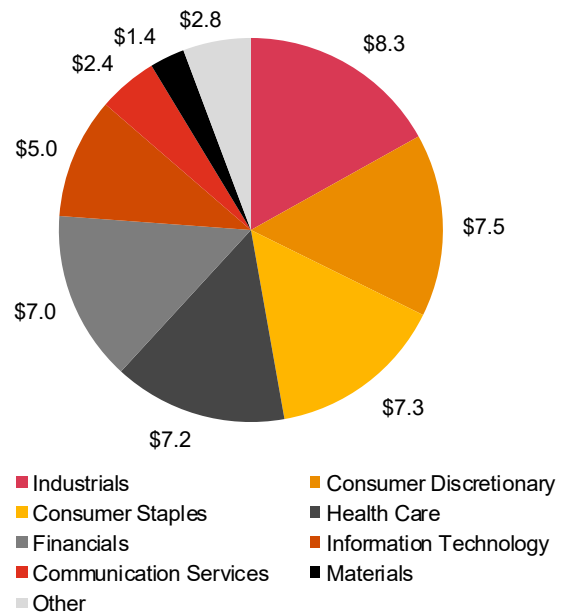
Global H1 2024 IPO activity overview

H1 2024 IPO proceeds are down 16% globally compared to last year, with a sharp divide between the performance of Western markets, where European IPO proceeds globally have more than quadrupled and the US IPO proceeds almost doubled, whilst Asia Pacific markets saw a significant decline in activity. Recent and impending elections across the globe - in the UK, US, France India, South Africa and more - are shaping local IPO market landscapes and informing the decision-making and timing around prospective IPOs in the pipeline, with election outcomes expected to bring stability.

Some key themes to note:

- EMEA as a region raised 35% of total H1 2024 IPO proceeds globally, narrowly behind the Americas which constituted 36%.
- H1 2024 proceeds raised on China's Shanghai and Shenzhen exchanges are down over 80%, driven by significant macroeconomic headwinds, uncertainty in the region and foreign investors pulling funds out of China.
- India's stock markets have performed very well in H1 2024, with IPO volumes and values more than doubling compared to the same period in 2023.
- There is a solid pipeline of companies waiting to go public. Continued positive performance of some of the notable IPOs will be one key to driving market momentum.
- Companies will need to be ready for when IPO windows open. These are likely to be tight in H2 2024 due to the US election and those with an eye on 2025 would be wise to start preparing now.

Figure 12: H1 2024 Global IPO proceeds by sector (\$bn)



Source: S&P Global Market Intelligence LLC

Top 5 Global IPOs in Q2 2024 (in \$m)

Puig Brands Consumer Staples \$2,791m BME	CVC Capital Financials \$2,158m Euronext Amsterdam	Viking Holdings Industrials \$1,537m New York Stock Exchange	Waystar Holdings Health Care \$968m Nasdaq	UL Solutions Industrials \$946m New York Stock Exchange
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About IPO Watch EMEA

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.

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About IPO Watch EMEA

IPO Watch EMEA reports on all new primary market equity IPOs on EMEA principal stock markets and market segments using the Capital IQ list of exchanges mapping, on a quarterly basis. Movements between markets on the same exchange are excluded.

The data in this report is based on data extracted from Capital IQ on 1 July 2024 and based on their offering date between 1 January 2024 and 30 June 2024 and excludes greenshoe.

Only transactions with a minimum of \$5 million money raised have been included, the data excludes Closed-End Funds and Business Development companies 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 Capital IQ Primary sectors.

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