

Equity Primary Markets and Trading Report

European market data update

Q2: 2016

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Highlights

Updated statistics on equity primary markets and trading in Europe (EU 28 member countries and Switzerland)

Main findings:

- **Equity underwriting** on European exchanges accumulated in 2Q 2016 a total of € 50.7 bn in proceeds, an increase of 76% from the value originated in 1Q 2016 (€ 28.7 bn) and a decrease of 18% from the value of 2Q 2015 (€62.1 bn). Equity underwriting encompasses Initial Public Offerings (IPOs), convertible securities and follow-on offerings.
- **Mergers and Acquisitions (M&A) between European companies¹** totalled € 51.8 bn in 2Q 2016, a decrease of 68% from the value observed in 1Q 2016 (€ 164.7 bn) and a decrease of 50.1% from the volume of 2Q 2015 (€ 103.9 bn).
- **Equity trading activity** on European main markets and MTFs accumulated in 2Q 2016 a total of € 3.0 tn in turnover value, a decrease of 8.9% from the value traded in 1Q 2016 (€ 3.33 tn) and a decrease of 9.1% from the value traded in 2Q 2015 (€ 3.33 tn)².
- **Market capitalisation** of European shares stood at € 11.2 tn at the end of 2Q 2016, a decrease of 1.8% from the value observed in March 2016 (€ 11.4 tn) and a cumulative decrease of 10.2% from the market capitalisation in June 2015 (€ 12.4 tn).

European Equity activity (EU 28 member countries and Switzerland)

	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015 FY	% Change 2Q16 YtD	% Change 2Q16 QoQ
Equity underwriting (€ bn)	28.7	50.7	75.8	62.1	31.1	70.1	239.2	-42.4%	76.7%
IPOs	3.7	11.4	18.1	15.9	4.8	21.7	60.5	-55.4%	210.9%
Follow-on offerings	17.4	33.6	52.4	39.4	23.7	43.3	158.8	-44.5%	93.5%
Convertible securities	7.7	5.7	5.4	6.8	2.6	5.1	19.9	9.6%	-25.7%
Mergers and Acquisitions (€ bn)	277.6	210.9	210.4	225.9	183.4	210.0	829.7	11.9%	-24.0%
European firms acquiring non-European firms	51.5	92.3	27.0	59.1	19.6	68.4	174.1	67.0%	79.4%
Non-European firms acquiring European firms	61.4	66.8	63.1	63.0	58.5	59.0	243.5	1.7%	8.7%
Intra European deals	164.7	51.8	120.3	103.9	105.3	82.6	412.0	-3.4%	-68.5%
Equity turnover value (€ tn)	3.3	3.0	3.4	3.3	3.3	3.0	13.1	-6.2%	-8.9%
Main Markets	1.65	1.51	1.80	1.74	1.70	1.52	6.8	-10.8%	-8.6%
MTFs	1.68	1.52	1.64	1.60	1.58	1.49	6.3	-1.1%	-9.3%
Market Capitalisation of domestic listed shares (€ tn)									
European (EU28 and Switzerland)	11.4	11.2	12.8	12.4	11.4	12.1	12.1	-10.2%	-1.8%
EU 28	10.1	9.9	11.3	11.0	10.1	10.8	10.8	-10.4%	-2.3%
Euro Zone	6.4	6.3	7.1	6.9	6.3	6.7	6.7	-9.0%	-2.6%

Source: Dealogic, Bats Chi-X, FESE, World Federation of Exchanges, LSEG, ECB, NASDAQ Nordic, Bucharest Stock Exchange and CESEEG - Prague

Underwriting and M&A data retrieved for this report on 13 July 2016

¹ Completed M&A between European firms as acquiring and target companies

² Percentage changes differ due to rounding.

Detailed findings and commentary

Detailed findings

Issuance: equity underwriting and IPOs

Equity underwriting on European exchanges recovered in 2Q 2016, after the temporary market volatility in 1Q 2016 which may have contributed to the slowdown in last quarter's origination. Equity issuance grew in 2Q 2016 by 76.7% quarter-on-quarter (QoQ), accumulating, however, a year-to-date (YtD) decrease of 42.4% compared to the first half of 2015.

2Q16 equity underwriting was led by follow-on offerings with €33.6 bn in capital raising, followed by IPOs (€11.4 bn) and convertible securities (€ 5.7 bn).

By exchanges, IPO activity in 2Q 2016 was led by listings on NASDAQ OMX – Copenhagen, although with only one deal of a large-cap company³ raising a total of €2.6 bn. London exchanges⁴ led by number of new listings with 21 deals, followed by NASDAQ OMX- Stockholm⁵ (19 deals) and Euronext-Paris⁶ (8 deals).

By industries, Utility & Energy companies led IPO activity in 2Q 2016, with €2.6 bn in proceeds during the quarter (2 deals). Finance companies stood second in IPO activity with €1.9 bn in proceeds (12 deals). Computers & Electronics and Finance industries led by number of deals, with 12 new listed companies in both sectors.

“In 2Q 2016, equity underwriting on European exchanges accumulated a total of € 50.7 bn, an increase of 76.7% from the value originated in 1Q 2016 (€ 28.7 bn).”

Mergers and Acquisitions (M&A) in Europe

In 2Q 2016, a total of 2,373 M&A deals were completed where either the target *or* the acquiring company were located in Europe. The volume represented a total of €211 bn in deal value⁷, a decrease of 24% from a quarter ago (€277.6 bn) but an increase of 11.9% YtD.

Intra-European M&A activity

Completed M&A deals between European firms (as target *and* acquiring companies) accumulated €51.8 bn in deal value in 2Q 2016, a significant decrease from the deal volume in 1Q 2016 (€164.7 bn).

The decrease was particularly marked in high-value deals (deal value above €500 m), from 36 completed deals in 1Q 2016 to 20 deals in 2Q 2016.

A total of € 100.2 bn of new M&A deals between European firms were announced in 2Q 2016, an increase of 21% from the value announced during 1Q 2016 (€ 82.6 bn), accumulating, however, a 28% YtD decrease from the value announced in 1H 2015.

³ Utility & Energy company *Dong Energy A/S*. The value includes the exercise of the over-allotment option.

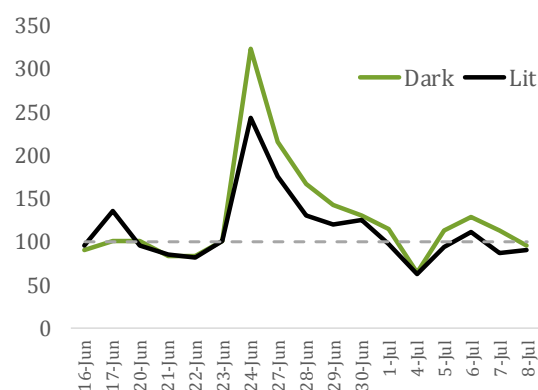
⁴ LSE main market and AIM. See further detail in table 1.19.

⁵ Includes main market and First North. See further detail in table 1.19.

⁶ Main market and Alternext. See further detail in table 1.19.

⁷ Including debt.

Equity trading on European venues in the run-up and aftermath of the UK referendum (Index: 23-Jul = 100)



Source: BATS Chi-X

“Daily equity turnover on European venues increased by 2.5 times in the immediate aftermath of the UK referendum result”

European equity trading

Daily equity turnover on European venues increased by 2.5 times in the immediate aftermath of the UK referendum result.

A total of €128 bn in equity shares were traded on European venues during 24 June, comparable with €51 bn in 23 June. By type of order book, dark trading increased by 3.2 times, compared with a 2.4 times increase in Lit trading (see chart in the left panel).

Notwithstanding the temporary increase in equity trading activity in the immediate aftermath of the UK referendum, total 2Q 2016 turnover volume on European venues decreased by 8.9% QoQ from €3.3 tn in 1Q 2016 to €3.0 tn in 2Q 2016.

Valuations

Most of equity valuations of companies listed on European exchanges fell during 2Q 2016.

CAC 40 French shares index accumulated losses of 3.4% QoQ during 2Q 2016; the Spanish composite IBEX 35 dropped 6.4% QoQ; DAX 30 fell 2.9% QoQ; while the FTSE 100 reported a quarterly increase of 5.3%.

Major upcoming regulatory, legislative and policy initiatives

There several regulatory initiatives that are currently being considered at the European and national level with expected impact on the equities trading and capital markets performance. Some of the key initiatives currently being developed are:

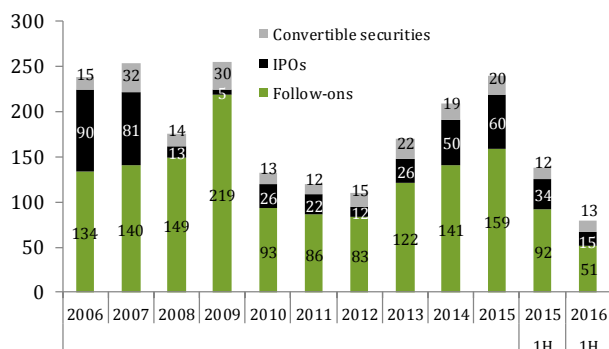
- MiFID II/R
- Market Abuse Directive/Regulation (MAD/MAR)
- FCA’s Wholesale competition review
- Basel III
- CSDR
- Prospectus Regulation

AFME and its members are actively contributing on all of these and other initiatives.

1 Issuance

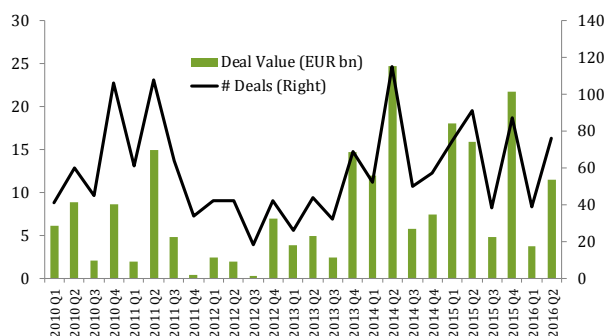
Equity instruments issuance on European exchanges

1.1 Equity underwriting (€bn)



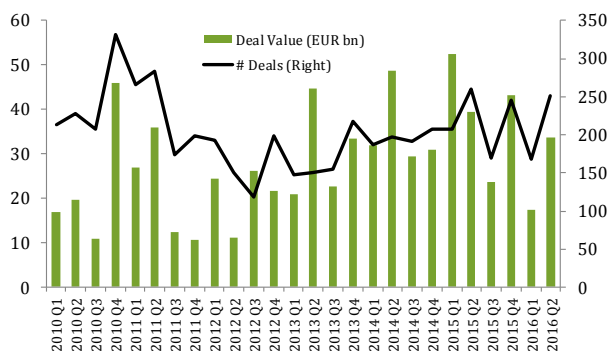
Source: Dealogic

1.2 IPOs (€bn)⁸



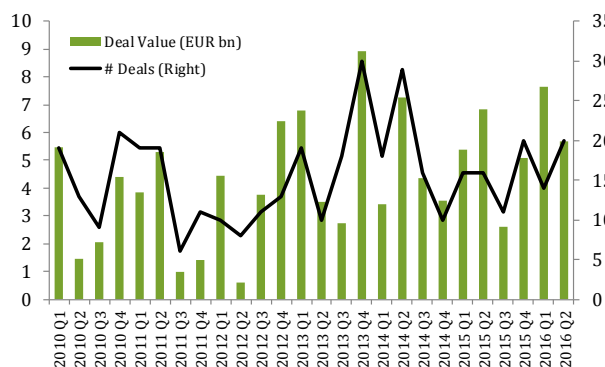
Source: Dealogic

1.3 Follow-on offerings (€bn)



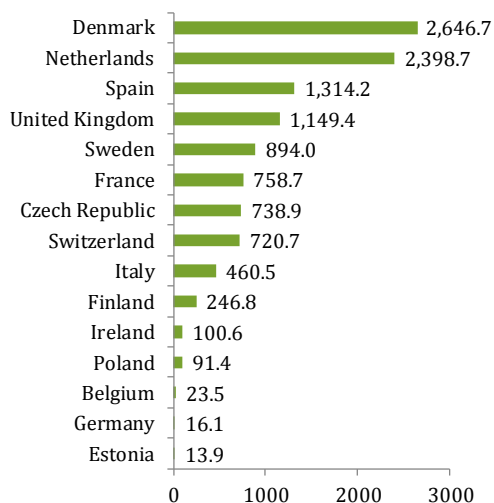
Source: Dealogic

1.4 Convertible securities (€bn)



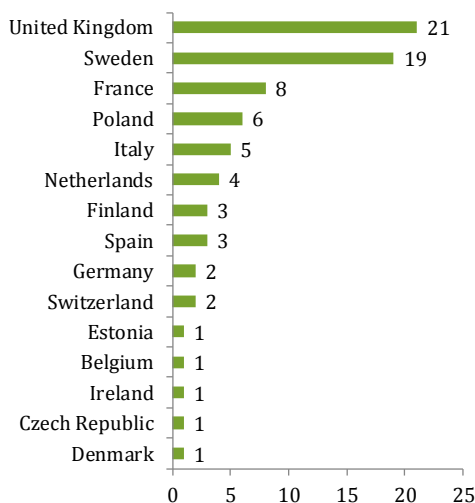
Source: Dealogic

1.5 IPO proceeds by country of exchange: 2Q16 (€mn)⁹



Source: Dealogic

1.6 Number of IPOs by country of exchange: 2Q16¹⁰



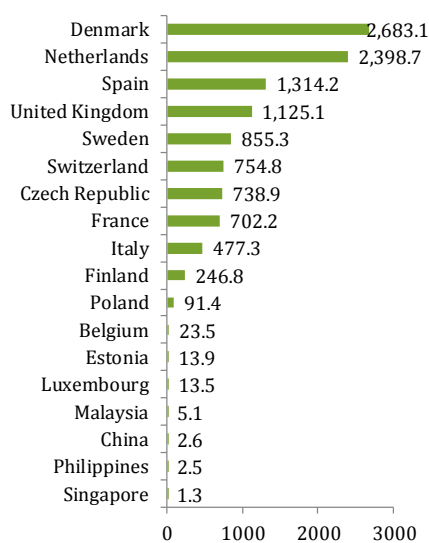
Source: Dealogic

⁸ Excludes introductions and re-admissions.

⁹ Multiple exchanges relate to dual listings

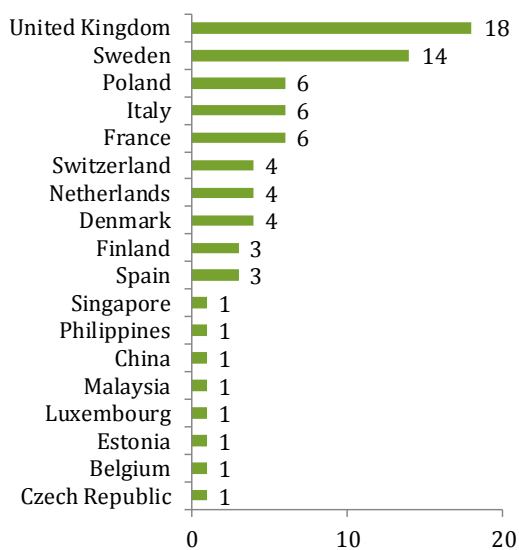
¹⁰ Multiple exchanges relate to dual listings

1.7 IPOs by nationality of issuer: 2Q16 (€mn)



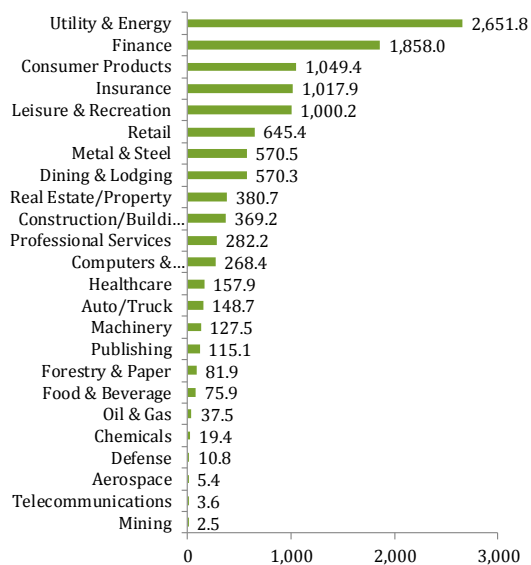
Source: Dealogic

1.8 Number of IPOs by nationality of issuer: 2Q16



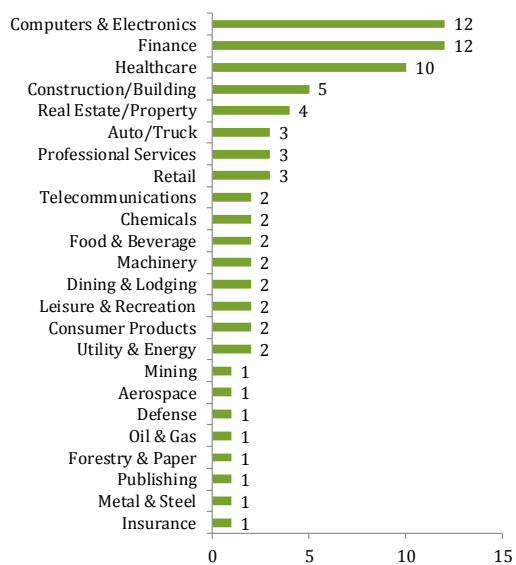
Source: Dealogic

1.9 IPOs by industry of issuer: 2Q16 (€mn)



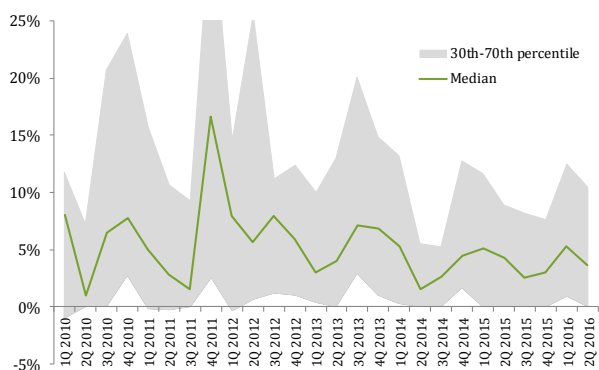
Source: Dealogic

1.10 Number of IPOs by industry: 2Q16



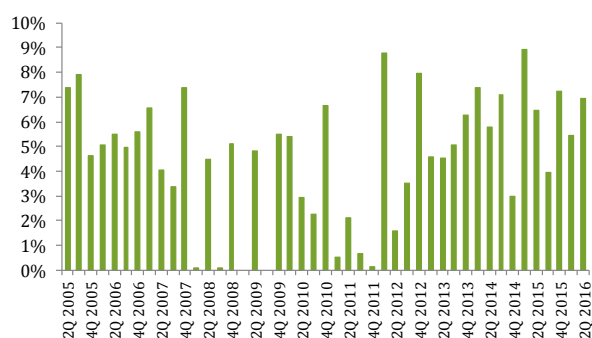
Source: Dealogic

1.11 Median difference between offer price and 1-Day closing price of IPOs (%)



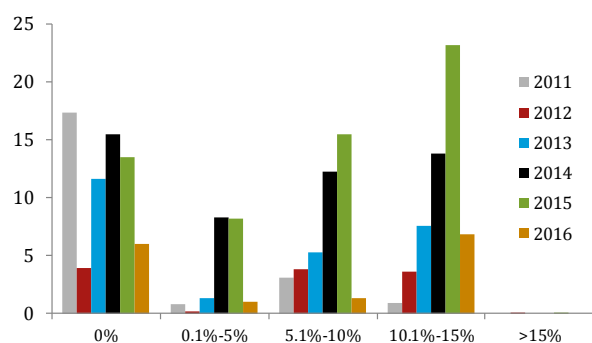
Source: Dealogic

1.12 Overallotment as proportion of quarterly IPO proceeds



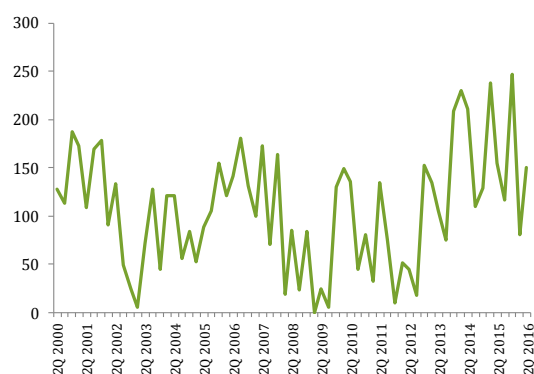
Source: Dealogic

1.13 IPOs by proportion of exercised overallotment (€ bn)



Source: Dealogic

1.14 Average proceeds per IPO (€mn)



Source: Dealogic

1.15 IPOs by value of proceeds

	Value of Proceeds (€ bn)		Value of Proceeds (€ bn)					
	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015 FY	2014 FY
<10m	0.6	0.1	0.2	1.8	0.4	0.3	2.8	1.0
≥ € 10m, <€100m	0.4	1.0	0.7	1.3	0.5	0.7	3.2	3.1
≥ € 100m, <€1bn	2.8	6.7	7.4	9.6	1.7	7.2	25.9	30.9
≥ € 1bn	0.0	3.7	9.8	3.2	2.2	13.5	28.6	14.9
Total	3.7	11.4	18.1	15.9	4.8	21.7	60.5	49.9

	Number of Deals		Number of Deals					
	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015 FY	2014 FY
<10m	17	25	26	30	14	42	112	87
≥ € 10m, <€100m	13	26	20	30	16	17	83	91
≥ € 100m, <€1bn	9	23	25	29	6	23	83	86
≥ € 1bn	0	2	4	2	2	5	13	10
Total	39	76	75	91	38	87	291	274

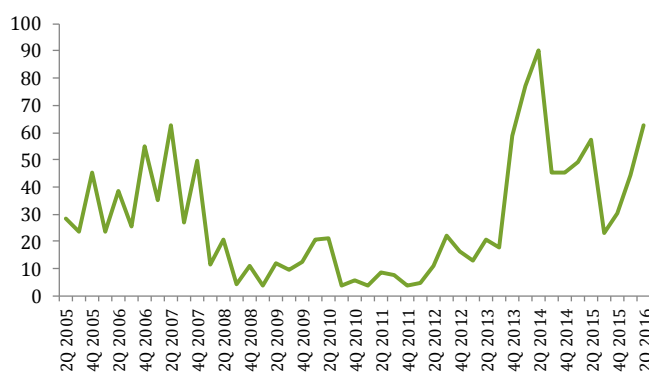
Source: Dealogic

1.16 Number of IPOs by market value of issuing firm (pre-deal market value)

	Number of Deals		Number of Deals					
	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015 FY	2014 FY
<200m	29	55	50	59	31	62	202	189
≥ € 200m, <€1bn	5	15	18	23	4	15	60	51
≥ € 1bn	5	6	6	8	3	10	27	30
Undisclosed	0	0	1	1	0	0	2	4
Total	39	76	75	91	38	87	291	274

Source: Dealogic

1.17 Median market value of IPO issuing firms (€ mn, pre-deal market value)



Source: Dealogic

1.18 IPOs by listing venue (€ mn)¹¹

Venue	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015	2014
Athens Stock Exchange	0	0	0	0	0	0	0	35
BME: Barcelona, Bilbao, Madrid & Valencia	0	0	0	0	0	0	0	411
BME: Madrid	0	1,314	4,709	3,628	0	0	8,337	4,329
BME: Mercado Alternativo Bursatil (MaB)	3	0	0	99	14	9	122	6
Borsa Italiana (AIM Italia)	28	59	23	72	76	110	280	209
Borsa Italiana (Main Market)	0	402	500	1,171	370	3,150	5,191	2,610
Borse Munchen	0	0	0	0	0	1	1	0
Bucharest Stock Exchange & LSE	0	0	0	0	0	0	0	444
Budapest Stock Exchange	0	0	0	0	0	0	0	3
Bulgarian Stock Exchange	0	0	0	0	0	6	6	0
Deutsche Borse (Frankfurt Entry)	0	0	0	0	0	9	9	1,405
Deutsche Borse (Frankfurt General)	0	16	0	0	0	0	0	0
Deutsche Borse (Frankfurt General) & Warsaw Stock Exchange	0	0	0	0	0	0	0	1
Deutsche Borse (Frankfurt Prime & Hamburg)	0	0	0	0	0	265	265	0
Deutsche Borse (Frankfurt Prime)	288	0	621	802	2,635	2,698	6,756	1,822
Deutsche Borse (Frankfurt Prime) & Luxembourg	0	0	0	0	0	0	0	430
Euronext Alternext Brussels & Paris	0	0	0	0	0	7	7	0
Euronext Alternext Paris	3	35	52	18	19	20	109	55
Euronext Amsterdam	0	2,399	1,826	0	599	4,329	6,755	5,992
Euronext Amsterdam & Brussels	0	0	0	0	35	44	79	0
Euronext Amsterdam, Brussels & Paris	0	0	0	0	0	0	0	845
Euronext Brussels	0	0	0	304	0	88	392	638
Euronext Brussels & Paris	0	23	37	0	0	0	37	40
Euronext Lisbon	0	0	0	0	0	0	0	141
Euronext Paris	0	700	965	2,109	45	1,898	5,017	3,555
ICAP Securities & Derivatives Exchange Ltd	0	5	0	0	0	0	0	0
Irish Stock Exchange (ISE)	0	0	302	0	0	0	302	200
Irish Stock Exchange (ISE) & Euronext Paris	0	0	0	0	0	0	0	19
London AIM	301	647	178	342	64	152	736	3,134
London AIM & Irish Stock Exchange (ISE)	0	101	0	92	0	0	92	265
LSE	2,179	397	5,157	4,280	686	6,601	16,724	15,618
LSE & Cairo	0	0	0	247	0	0	247	0
LSE & Johannesburg	0	0	0	0	0	153	153	0
LSE & Moscow Interbank Currency Exchange (MICEX)	0	0	0	0	0	0	0	712
LSE & Nigerian Stock Exchange	0	0	0	0	0	0	0	391
Nasdaq OMX - Copenhagen	480	2,647	193	0	0	0	193	1,681
Nasdaq OMX - Helsinki	0	242	195	80	26	53	353	0
Nasdaq OMX - Stockholm	132	746	907	2,149	0	1,935	4,992	2,908
NASDAQ OMX First North - Finland	17	5	40	64	0	5	108	66
NASDAQ OMX First North - Finland & Stockholm	0	0	4	0	0	0	4	15
NASDAQ OMX First North - Stockholm	230	148	172	114	20	72	377	102
NASDAQ OMX Tallinn	0	14	0	0	0	0	0	0
Prague Stock Exchange	0	739	0	0	0	0	0	0
Prague Stock Exchange & Warsaw Stock Exchange	0	0	0	0	0	28	28	0
Prague Stock Exchange & Wiener Borse	0	0	0	0	0	0	0	13
SIX Swiss Exchange	0	721	2,148	0	169	0	2,317	1,247
Stockholm - Aktie Torget	5	0	2	14	7	5	27	18
Warsaw Stock Exchange	17	90	11	315	43	58	427	294
Warsaw Stock Exchange - NewConnect	1	1	1	0	0	1	3	4
Wiener Borse	0	0	0	0	0	0	0	194
Zagreb Stock Exchange	0	0	26	0	0	0	26	12
Grand Total	3,683	11,450	18,069	15,899	4,805	21,699	60,473	49,865

Source: Dealogic

¹¹ Multiple exchanges relate to dual listings

1.19 Number of IPOs by listing venue¹²

	1Q 16	2Q 16	1Q 15	2Q 15	3Q 15	4Q 15	2015	2014
Athens Stock Exchange								1
BME: Barcelona, Bilbao, Madrid & Valencia								1
BME: Madrid		3	3	4			7	6
BME: Mercado Alternativo Bursatil (MaB)	2			2	3	3	8	1
Borsa Italiana (AIM Italia)	2	3	4	5	4	5	18	21
Borsa Italiana (Main Market)		2	2	3	2	2	9	5
Borse Muehen						1	1	
Bucharest Stock Exchange & LSE								1
Budapest Stock Exchange								1
Bulgarian Stock Exchange						1	1	
Deutsche Borse (Frankfurt Entry)						1	1	2
Deutsche Borse (Frankfurt General)		2						
Deutsche Borse (Frankfurt General) & Warsaw Stock Exchange								2
Deutsche Borse (Frankfurt Prime & Hamburg)						1	1	
Deutsche Borse (Frankfurt Prime)	2		2	3	4	5	14	6
Deutsche Borse (Frankfurt Prime) & Luxembourg								1
Euronext Alternext Brussels & Paris						1	1	
Euronext Alternext Paris	1	3	4	2	2	3	11	7
Euronext Amsterdam		4	3		1	2	6	5
Euronext Amsterdam & Brussels					1	1	2	
Euronext Amsterdam, Brussels & Paris								1
Euronext Brussels				3		1	4	2
Euronext Brussels & Paris		1	1				1	1
Euronext Lisbon								1
Euronext Paris		4	5	5	2	2	14	17
ICAP Securities & Derivatives Exchange Ltd		1						
Irish Stock Exchange (ISE)			1				1	1
Irish Stock Exchange (ISE) & Euronext Paris								1
London AIM	9	13	11	9	4	6	30	74
London AIM & Irish Stock Exchange (ISE)		1		1			1	1
LSE	9	6	18	14	5	20	57	49
LSE & Cairo				1			1	
LSE & Johannesburg						1	1	
LSE & Moscow Interbank Currency Exchange (MICEX)								1
LSE & Nigerian Stock Exchange								1
Nasdaq OMX - Copenhagen	1	1	1				1	2
Nasdaq OMX - Helsinki		2	1	1	1	2	5	
Nasdaq OMX - Stockholm	2	5	4	8		6	18	12
NASDAQ OMX First North - Finland	1	1	2	3		1	6	2
NASDAQ OMX First North - Finland & Stockholm			1				1	1
NASDAQ OMX First North - Stockholm	4	14	5	11	2	11	29	7
NASDAQ OMX Tallinn		1						
Prague Stock Exchange		1						
Prague Stock Exchange & Warsaw Stock Exchange						1	1	
Prague Stock Exchange & Wiener Borse								1
SIX Swiss Exchange		2	1		1		2	6
Stockholm - Aktie Torget	4		2	11	3	4	20	13
Warsaw Stock Exchange	1	5	1	5	2	5	13	11
Warsaw Stock Exchange - NewConnect	1	1	2		1	1	4	7
Wiener Borse								1
Zagreb Stock Exchange			1				1	1
Grand Total	39	76	75	91	38	87	291	274

Source: Dealogic

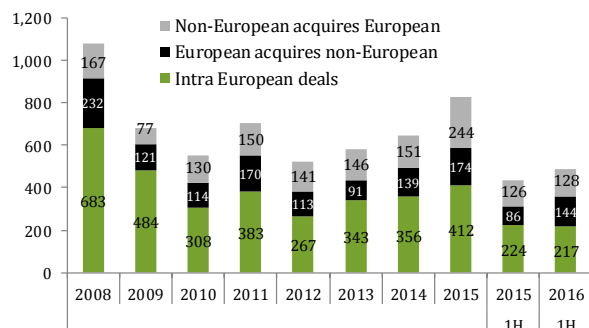
¹² Multiple exchanges relate to dual listings

2 Mergers and Acquisitions

Deals where the target or the acquiring company is located in Europe

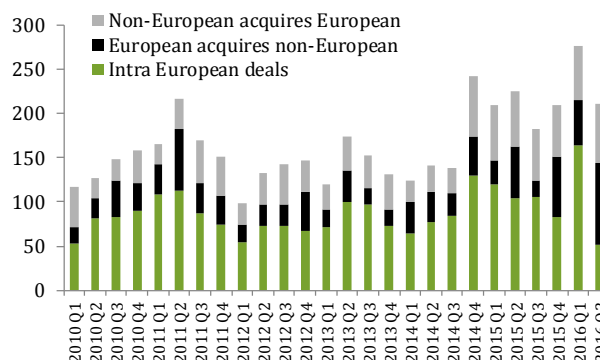
€ BILLIONS

2.1 Completed M&A by acquiring party: full-year and 1H¹³



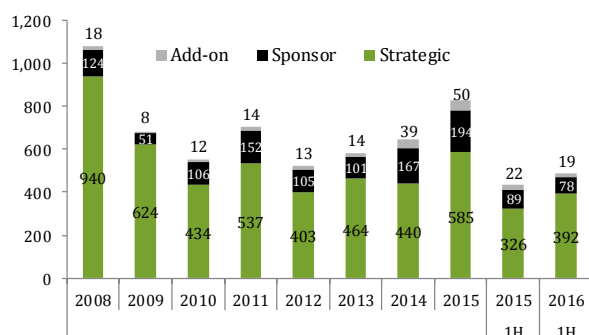
Source: Dealogic

2.2 Completed M&A by acquiring party: quarterly



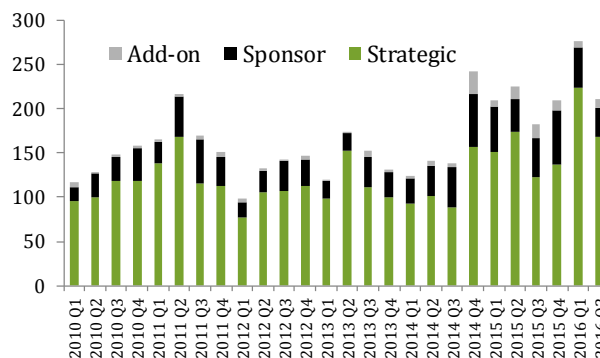
Source: Dealogic

2.3 Completed M&A by type of deal: full-year and 1H¹⁴



Source: Dealogic

2.4 Completed M&A by acquiring party: quarterly



Source: Dealogic

2.5 Deal value of completed European M&A deals (€ bn)

	Q1 2016	Q2 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	QoQ growth (%)	YTD growth (%)
Strategic	224.1	168.2	151.9	173.8	122.1	137.6	585.4	439.9	-25.0%	20.5%
Sponsor	45.1	32.5	50.7	38.1	44.8	60.8	194.4	167.2	-28.0%	-12.6%
Add-on	8.4	10.2	7.8	14.1	16.4	11.6	49.9	39.3	21.1%	-15.2%
TOTAL	277.6	210.9	210.4	225.9	183.4	210.0	829.7	646.4	-24.0%	11.9%
European firms acquiring non-European firms	51.5	92.3	27.0	59.1	19.6	68.4	174.1	138.9	79.4%	67.0%
Non-European firms acquiring European firms	61.4	66.8	63.1	63.0	58.5	59.0	243.5	151.3	8.7%	1.7%
Intra Europe deals	164.7	51.8	120.3	103.9	105.3	82.6	412.0	356.1	-68.5%	-3.4%
TOTAL	277.6	210.9	210.4	225.9	183.4	210.0	829.7	646.4	-24.0%	11.9%

Source: Dealogic

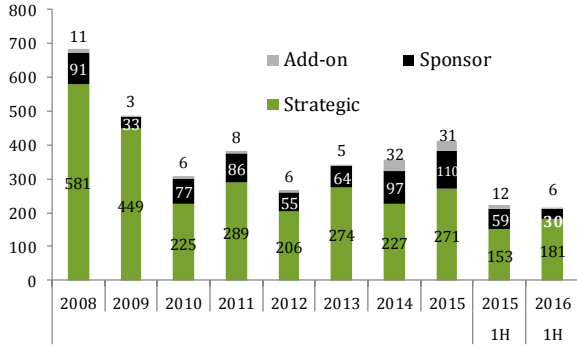
¹³ Sponsor deals refer to M&A deals where the acquirer or the seller company is a private equity firm. Add-on transactions are deals where acquirer or the seller company is a portfolio company of a private equity firm. Strategic deals are between two non private equity firms.

¹⁴ Intra-European deals refer to completed deals where both the acquiring and target companies are located in Europe. "Non-European acquires European" are deals where a company located outside Europe acquires a company located in Europe. "European acquires non-European firm" are M&A completed transactions where the acquiring party is European and the target company is located outside Europe

Intra-European deals (target and acquiring companies located in Europe)

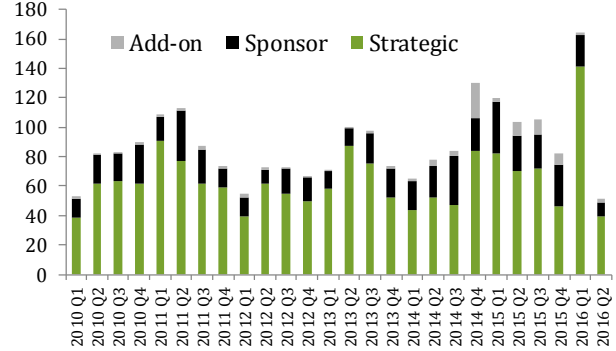
€ BILLIONS

2.6 Completed M&A by type of deal: annual and selected quarters¹⁵



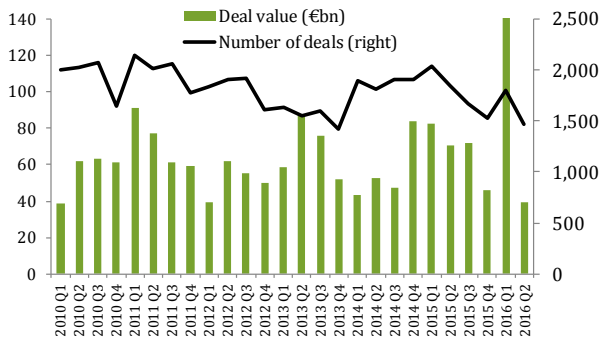
Source: Dealogic

2.7 Completed M&A by type of deal: quarterly¹⁶



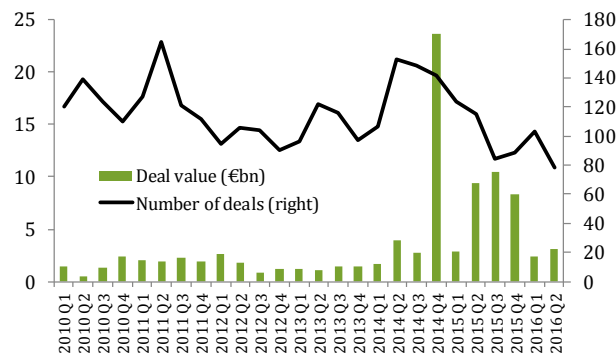
Source: Dealogic

2.8 Completed strategic M&A



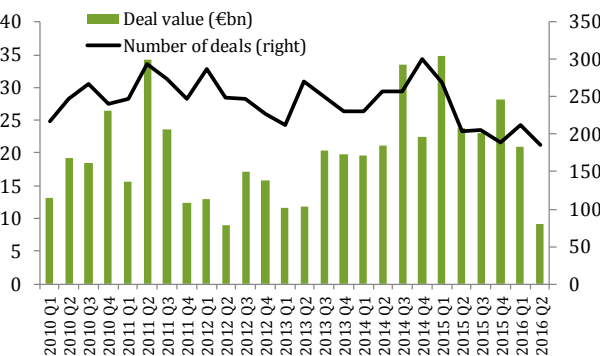
Source: Dealogic

2.9 Completed add-on M&A



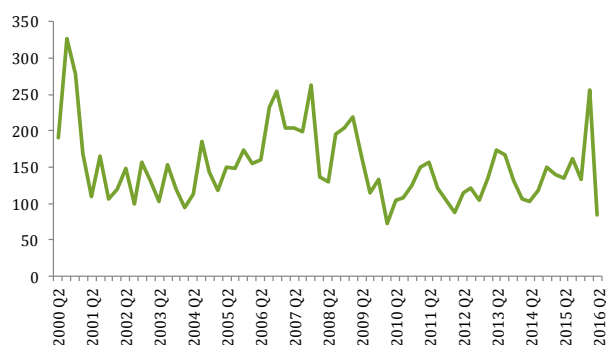
Source: Dealogic

2.10 Sponsor M&A



Source: Dealogic

2.11 Average value of completed M&A



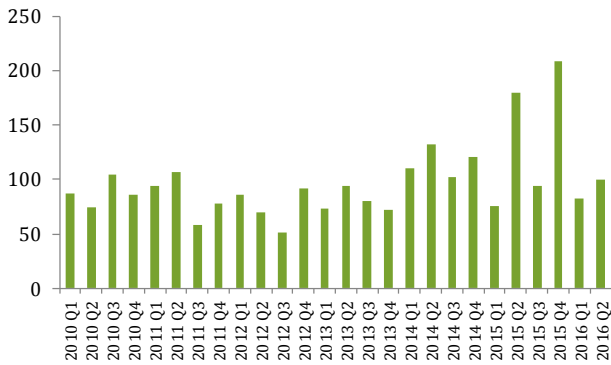
Source: Dealogic

¹⁵ Sponsor deals refer to M&A deals where the acquirer or the seller company is a private equity firm. Add-on transactions are deals where acquirer or the seller company is a portfolio company of a private equity firm. Strategic deals are between two non private equity firms.

¹⁶ Sponsor deals refer to M&A deals where the acquirer or the seller company is a private equity firm. Add-on transactions are deals where acquirer or the seller company is a portfolio company of a private equity firm. Strategic deals are between two non private equity firms.

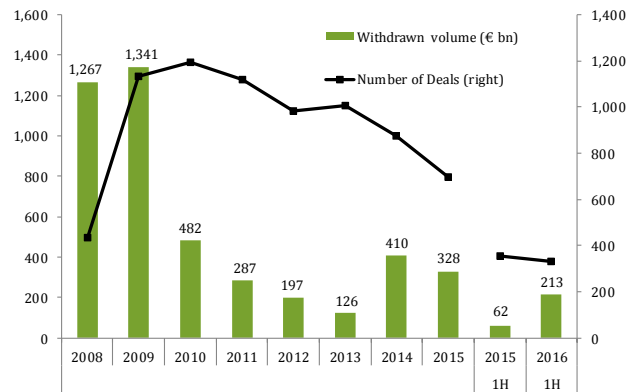
€ BILLIONS

2.12 Announced M&A¹⁷



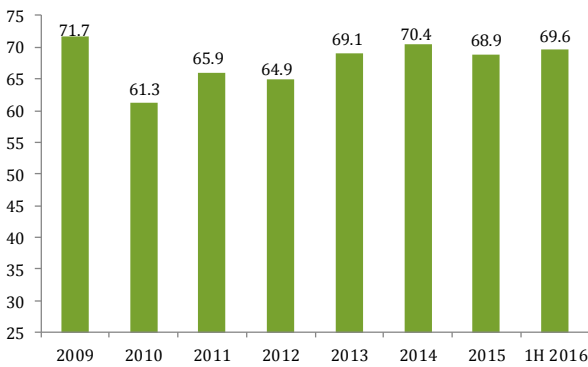
Source: Dealogic

2.13 Withdrawn M&A¹⁸



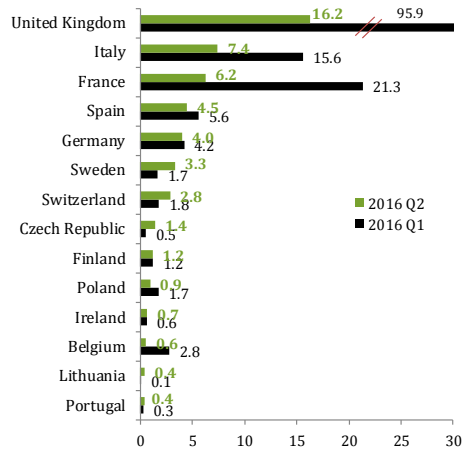
Source: Dealogic

2.14 Average days to complete



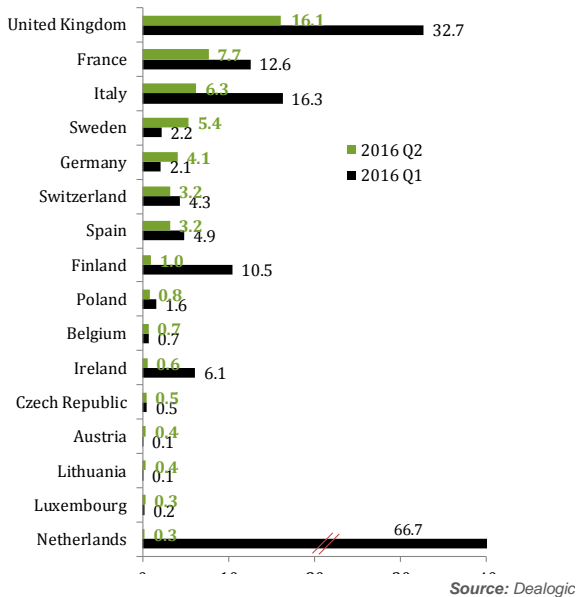
Source: Dealogic

2.15 Completed M&A by nationality of target firm (selected countries)



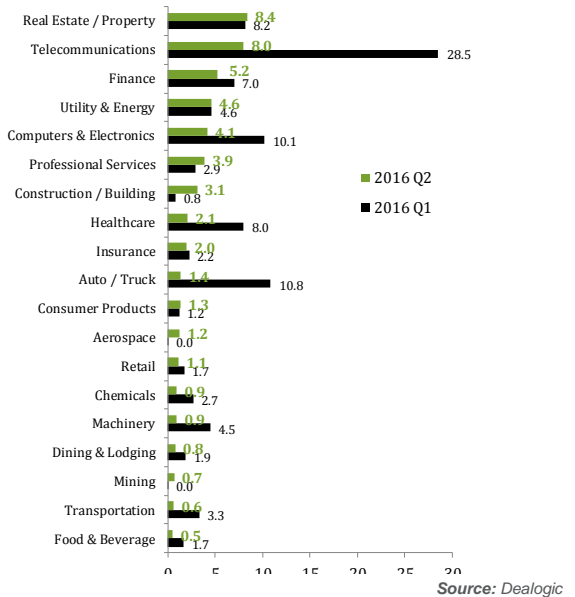
Source: Dealogic

2.16 Completed M&A by nationality of acquirer (selected countries)



Source: Dealogic

2.17 Completed M&A by industry of target firm



Source: Dealogic

¹⁷ Announced deals include completed, pending completion or partially completed transactions. Values are presented at date of announcement.
¹⁸ Bids which were officially announced and subsequently withdrawn, not pursued, rejected or expired.

2.18 Completed intra-European M&A transactions by size of deal (€ bn)

Value of deals (€bn)

	Q1 2016	Q2 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
> €1bn	124.4	16.9	70.0	50.0	64.2	28.5	212.7
€ 500m to € 1bn	15.2	9.1	16.2	16.5	15.2	22.6	70.5
€ 250m to € 500m	9.0	9.3	12.5	16.1	6.0	13.8	48.4
€ 100m to € 250m	8.9	8.4	12.5	12.2	10.7	9.3	44.6
€ 50m to € 100m	2.8	3.3	3.5	3.8	4.4	3.5	15.1
€ 25m to € 50m	1.9	2.2	3.0	2.6	2.1	2.3	10.0
€ 10m to €25m	1.5	1.7	1.4	1.8	1.6	1.8	6.6
< € 10m	1.1	0.9	1.3	1.0	1.0	0.8	4.1
Undisclosed	-	-	-	-	-	-	-
Total	164.7	51.8	120.3	103.9	105.3	82.6	412.0

Number of deals

Q1 2016	Q2 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
15	7	18	21	15	15	69
21	13	24	24	23	33	104
24	27	36	46	18	40	140
61	58	76	78	66	60	280
40	46	50	51	64	51	216
56	64	85	73	62	65	285
96	103	92	111	101	110	414
330	296	480	367	300	251	1,398
1,478	1,122	1,577	1,400	1,310	1,184	5,471
2,121	1,736	2,438	2,171	1,959	1,809	8,377

Source: Dealogic

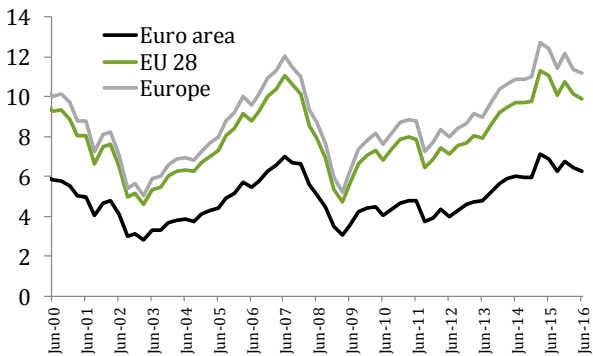
2.19 Completed intra-European M&A transactions by location of acquiring and target company (2Q16, € mn)

Acquirer Nationality	Target Nationality																											Total		
	AT	BE	BG	CR	CY	CZ	DK	EE	FI	FR	DE	HU	IE	IT	LV	LI	LU	MT	NL	PL	PT	RO	SK	SL	ES	SW	CH		UK	
Austria	34.2									35.0	210.7																	136.9	416.7	
Belgium		377.3																			197.5				52.4			72.0	699.2	
Bulgaria			21.0																										21.0	
Croatia				0.1																									0.1	
Cyprus					17.8																								17.8	
Czech Republic						56.4					20.0												375.0						451.4	
Denmark							4.3																						4.3	
Estonia								28.7																					28.7	
Finland									519.8	255.4									7.3							126.6		102.9	1,011.9	
France		174.3				71.3				5,621.3	176.0			758.0							42.0				630.5			211.2	7,684.6	
Germany				30.8		27.0	1.7			19.8	2,974.9														906.9		38.8	134.4	4,134.3	
Hungary												20.4																175.3	195.8	
Ireland													547.1	20.0												1.2			21.5	589.8
Italy				48.0						0.2	36.6									103.1					24.9		31.1		6,277.1	
Latvia														14.0															14.0	
Lithuania								0.7						4.6	401.0														406.3	
Luxembourg			330.0								17.8							0.0											347.8	
Malta																		0.0											0.0	
Netherlands	0.8			54.3			89.4				75.5								30.8	3.7				5.4	25.0			284.8		
Poland																				807.8				2.5					810.3	
Portugal																													0.0	
Romania						82.6																	103.5						186.1	
Slovak Republic				8.2																									8.2	
Slovenia																									251.3				251.3	
Spain											335.0		20.0									161.0				2,686.2			3,202.2	
Sweden						1,163.8	27.5		654.6	5.5	15.0															3,181.9		358.7	5,407.0	
Switzerland										13.2	151.0			276.0													2,601.2	171.7	3,213.1	
United Kingdom					2.0	16.4					271.1	4.7	110.0	310.0			16.0		210.1	0.8					153.6	8.6		15,037.8	16,141.2	
Total	35.0	551.6	351.0	141.3	19.8	1,417.6	123.0	29.4	1,174.3	6,221.5	4,017.1	20.4	657.1	7,417.2	18.6	401.0	16.0	0.0	240.9	922.8	400.5	103.5	375.0	259.2	4,480.8	3,317.1	2,846.4	16,247.0	51,805.0	

Source: Dealogic

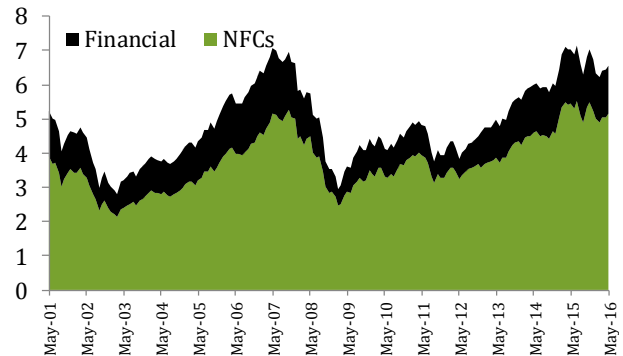
3 Outstanding and trading

3.1 Domestic market capitalisation of listed shares (€ Tn)



Source: ECB, Datastream, FESE, NASDAQ Nordic, LSEG, World Federation of Exchanges, Bucharest Stock Exchange and CEESEG – Prague

3.2 Value of euro-denominated listed shares issued by euro area residents (€ Tn)



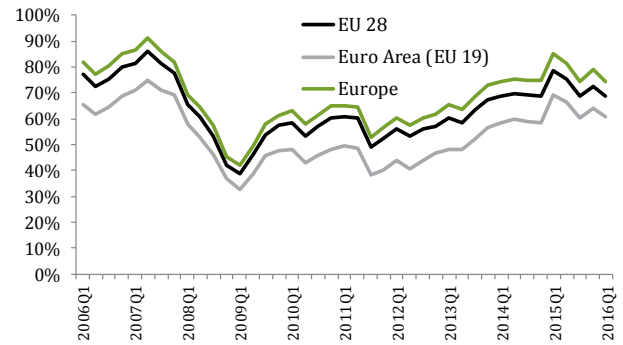
Source: ECB

3.3 Number of listed companies in Europe



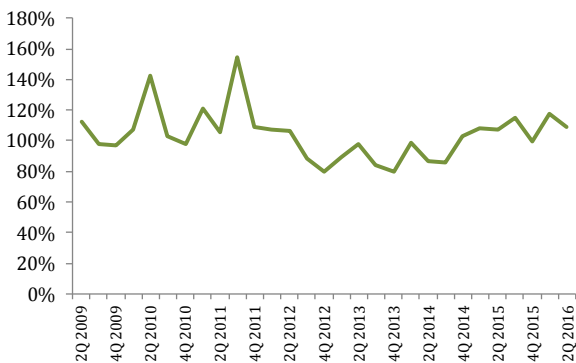
Source: ECB, Datastream, FESE, NASDAQ Nordic, LSEG, WFE, Bucharest Stock Exchange and CEESEG – Prague

3.4 Domestic market capitalisation of listed shares relative to GDP (%)¹⁹



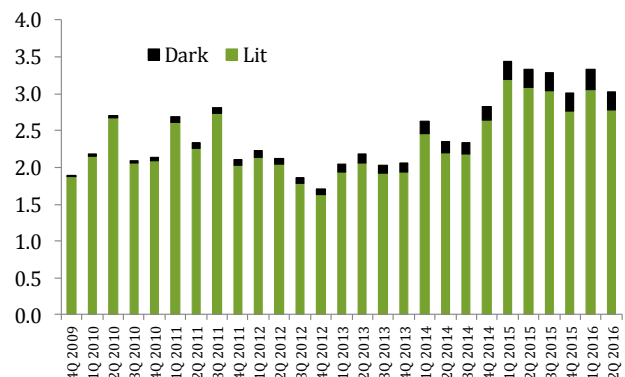
Source: ECB, Datastream, FESE, NASDAQ Nordic, LSEG, WFE, Bucharest Stock Exchange, CEESEG – Prague, Swiss Federal Statistical Office and Eurostat

3.5 Turnover ratio of European shares: Dark and Lit (Annualised turnover value/Market capitalisation)



Source: BATS CHI-X, ECB, Datastream, FESE, NASDAQ Nordic, LSEG, WFE, Bucharest Stock Exchange and CEESEG - Prague

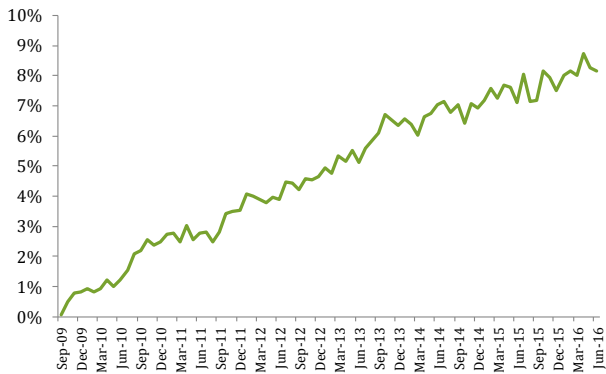
3.6 Quarterly turnover on European Exchanges and MTFs (€ tn)



Source: BATS CHI-X

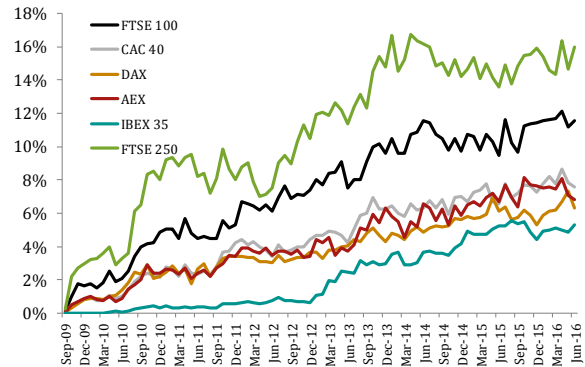
¹⁹ GDP available only as of 1Q16. Europe refers to EU28 member states and Switzerland.

3.7 Dark trading relative to total turnover on Exchanges and MTFs (%)



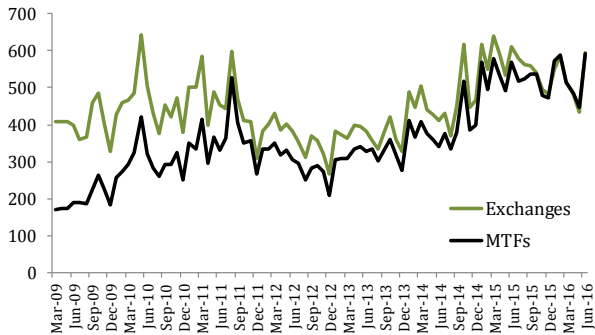
Source: BATS CHI-X

3.8 Dark trading of indexed shares as proportion of total turnover (dark and lit)- selected indices



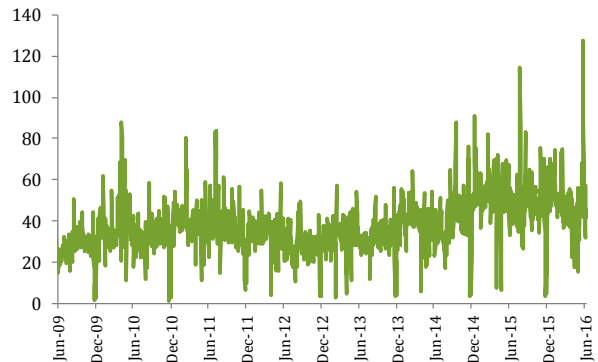
Source: BATS CHI-X

3.9 Monthly turnover value on European exchanges and MTFs (€ bn)²⁰



Source: BATS CHI-X

3.10 Daily turnover value on European exchanges and MTFs (€ bn)²¹



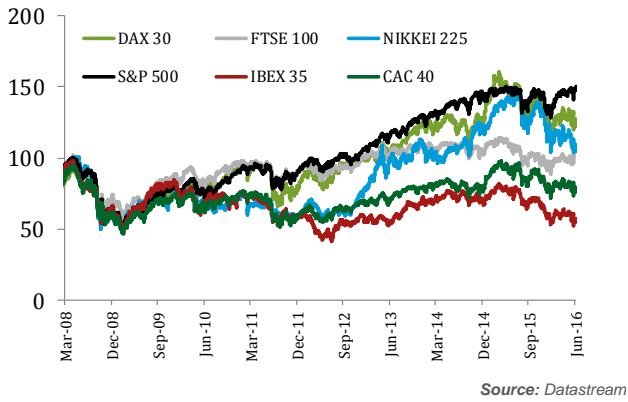
Source: BATS CHI-X

²⁰ Under MTFs, the following are aggregated: Aquis, BLINK MTF, Burgundy, BXE Book, CXE Book, Equiduct, ICAP BlockCross, Instinet Blockmatch, ITG Posit, Liquidnet, NEURO, Nomura NX, NYSE Arca, Pipeline, Quote MTF, SIGMA X MTF, SLS, Smartpool, TOM MTF, Turquoise, UBS MTF, Xetra, and Xetra International.

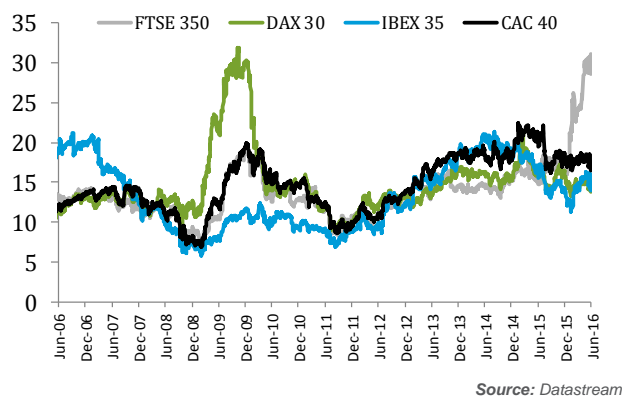
²¹ Under MTFs, the following are aggregated: Aquis, BLINK MTF, Burgundy, BXE Book, CXE Book, Equiduct, ICAP BlockCross, Instinet Blockmatch, ITG Posit, Liquidnet, NEURO, Nomura NX, NYSE Arca, Pipeline, Quote MTF, SIGMA X MTF, SLS, Smartpool, TOM MTF, Turquoise, UBS MTF, Xetra, and Xetra International.

4 Valuation indices and ratios

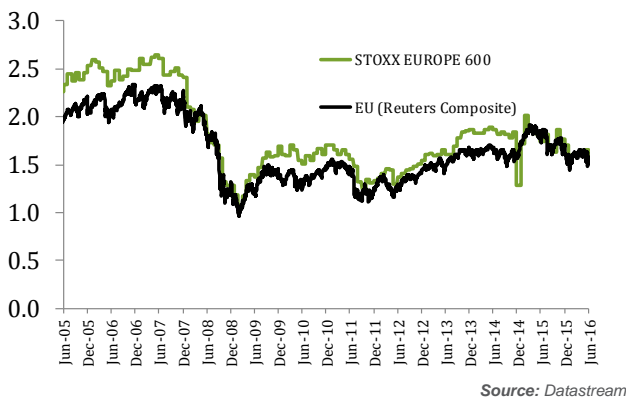
4.1 Price indices of selected stock exchanges (Sep 2007 = 100)



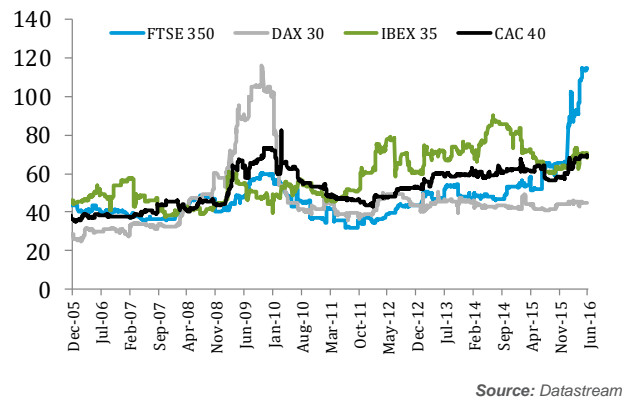
4.2 Price per earnings ratio (PE ratio) of shares listed on selected exchanges



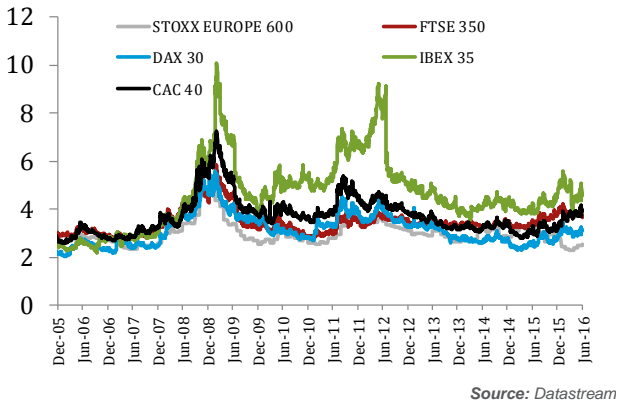
4.3 Price-to-book ratio of Stoxx 600 constituent shares and EU average



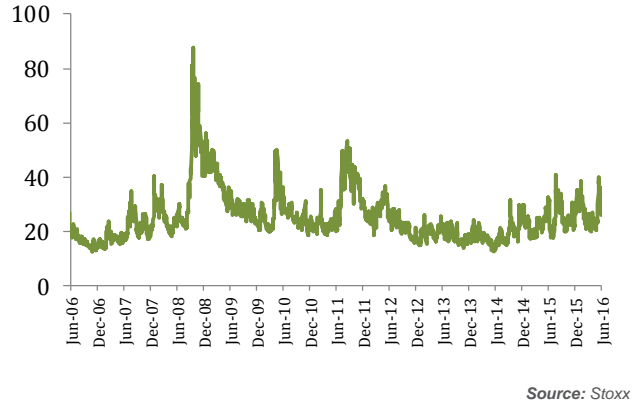
4.4 Dividend payout ratio of shares listed on selected exchanges (Dividends/Earnings per share)



4.5 Dividend yield ratio of shares listed on selected exchanges (Dividend/Price)



4.6 Implied volatility of Euro Stoxx 50 constituent shares (VSTOXX)



Summary of the Methodologies Adopted for this Report

1. Issuance

1.1 – 1.4. Equity underwriting

The graphs covering historical issuance in Europe are denominated in EUR billions.

Historical equity underwriting volumes are calculated by adding the proceeds from Initial Public Offerings (IPOs), Follow-On offerings and Convertible securities issued in exchanges located in the European Union (EU 28) + Switzerland.

The member countries of the European Union + Switzerland are maintained during the sample period. The group of countries include: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden the UK and Switzerland.

IPOs proceeds include overallotment proceeds (greenshoe), although the value of proceeds is disaggregated in the supporting data file.

IPOs exclude “introductions” (listings unaccompanied by a sale of securities) and re-admissions.

Value and volume data are sourced from Dealogic. All figures comply with Dealogic’s standards of rank eligibility.

1.5 – 1.10, 1-15 and 1.18-1.19 IPOs by exchange, nationality of the issuing company and industry of issuing company

Issuance values are denominated in nominal EUR billion. The figures illustrate the value of proceeds and number of deals of IPOs issued in European exchanges, aggregating by nationality of the exchange (charts 1.5-1.6 and 1.16), nationality of the issuing company (charts 1.7.-1.8.) and industry of the issuing company (charts 1.9- 1.10).

The aggregated values include overallotment proceeds (greenshoe).

Data are sourced from Dealogic comply with Dealogic’s standards of rank eligibility.

1.11. Difference between offer price and 1-day market price

The chart illustrates the quarterly median of the difference between offer price and closing price one day after the IPO was issued.

The deals taken into consideration are all the carried out in European exchanges during the quarter.

Deals where the 1-day closing price or the offer prices are not available were not included in the calculation.

1.12. – 1.13 Overallotment proceeds

The graph illustrates the value of greenshoe investment in IPOs as proportion of aggregate proceeds in a given quarter. The proportion is aggregated on a weighted average basis.

All IPOs are taken into consideration for purposes of the chart, even the value of overallotment was not disclosed or if it was nil in a given deal.

Chart 1.13 aggregates IPO proceeds by proportion of exercised overallotment of each deal. Deals with undisclosed or nil overallotment are aggregated under 0% category.

1.14 Average proceeds per IPO

The graph shows the average amount of proceeds (including overallotment) per IPO during the quarter.

1.16 -1.17 IPO by market value of issuing firm

Graph 1.16 shows the number of IPO deals by the pre-deal market value of the issuing firm. In few instances the market value was not disclosed or was not available; these cases were classified as “undisclosed”.

Graph 1.17 shows the median pre-deal market value of IPO issuing firms.

Data are sourced from Dealogic.

2. Mergers and Acquisitions (M&A) and Private Equity

2.1-2.5 Deals where the target or acquiring companies are located in Europe

The charts aggregate deal values of M&A transactions where European companies are either target or acquiring parties in the transaction.

Charts 2.1-2.2 disaggregate deal values by type of deal: Sponsor, strategic and add-ons.

Sponsor deals represent M&A transactions where the acquisition or sale is carried out by a Private Equity (PE), but not by a portfolio company of a PE firm. Strategic mergers are deals where both the target and the acquired company are not PE firms. Add-on deals are transactions where either the acquirer or seller companies are portfolio companies of a PE firm. M&A include both financial and trade sales.

Charts 2.3-2.4 aggregate deal values by the location of the acquiring and target parties. Intra-European deals refer to completed deals where both the acquiring and target companies are located in Europe. “Non-European acquires European” aggregates M&A completed transactions where a company located outside Europe acquires a company located in Europe. “European acquires non-European firm” are M&A completed transactions where the acquiring party is European and the target company is located outside Europe.

Europe is defined as in section 1 (EU 28 + Switzerland).

2.5-2.10 and 2.19 Completed M&A deals between European companies

The charts show the quarterly deal values of completed Mergers and Acquisitions (including debt) where the target and acquiring companies are domiciled in Europe (EU 28 + Switzerland).

Deal values are denominated in EUR billions.

Sponsor, strategic and add-on deals are defined as explained in charts 2.1-2.5.

The figures are aggregated by quarter when the deals were completed.

Value and volume data are sourced from Dealogic and comply with Dealogic’s rank eligibility criteria.

2.11. Average deal value

This graph illustrates the average deal value of by quarter of completed M&A deals where the target and acquiring companies are located in Europe.

The average is calculated as the ratio of deal values in a quarter as proportion of number of deals that reported non-null deal values. Due to reporting limitations, the ratio is different from dividing total deal values by total number of deals given that several deals do not report deal value or the data are missing.

2.12. Announced M&A

This graph shows announced deal values (including debt) of completed, pending completion or partially completed deals, where the target company is located in Europe (EU 28 + Switzerland).

The announced values are aggregated by sponsor, add-on and strategic deals, as described in previous section.

Announced values are aggregated on the basis of the announcement date of deals.

2.13. Completed M&A by nationality and industry

This graph shows withdrawn volumes of M&A deals, defined as bids which were officially announced and subsequently withdrawn, not pursued, rejected or expired.

Withdrawn volumes are aggregated on the basis of the withdrawn date.

2.14. Average days to complete

Average days between date of announcement and completion date of intra-European deals.

Completed deals with zero days between dates are excluded.

2.15. - 2.17. Completed M&A by nationality and industry

The figures represent the most recent quarter’s value of completed M&A deals of European target firms, aggregating by nationality of target firm (charts 2.8.), nationality of acquiring firm (chart 2.9.) and industry of target firm (chart 2.10.).

Deal values are denominated in nominal EUR billion. Data are sourced from Dealogic and comply with rank eligibility criteria.

2.18. Completed M&A by deal size

The table aggregates the value and number of completed M&A deals by completed deal size (including debt) in nominal Euros. M&A deals where the target company is located in Europe are aggregated.

3. Outstanding

3.1. – 3.4. Market capitalisation

Graph 3.1 shows the EUR trillion amount of domestic market capitalisation of European (EU 28+ Switzerland), EU 28 and Euro zone (EU 19) exchanges. The composition of EU 28 and EU 19 countries remains constant throughout the sample period.

The domestic market capitalisation of euro zone exchanges is sourced from the ECB (“Listed shares issued by euro area residents”). The following non-eurozone exchanges were also aggregated: Zagreb Stock Exchange, Bucharest Stock Exchange, Bulgarian Stock Exchange, CEESEG – Budapest, CEESEG – Prague, NASDAQ Nordic – Copenhagen, NASDAQ Nordic – Stockholm, Warsaw Stock Exchange, London Stock Exchange and SIX Swiss Exchange.

Market capitalisation figures for non-eurozone countries are sourced from FESE, except for LSE,

and NASDAQ OMX which were sourced directly from the exchanges' websites, and for the Zagreb Stock Exchange which was sourced from Reuters Datastream.

Graph 3.4 shows the market capitalisation of listed shares on European, EU 28 and EU 19 exchanges as proportion of nominal GDP. GDP is sourced from Eurostat in its quarterly form. For purposes of this chart, the denominator is calculated as the sum of the past four quarters nominal seasonal adjusted GDP values.

3.2 Euro-denominated listed shares

This graph illustrates the outstanding amounts of euro-denominated quoted shares issued by euro area residents, by sector of issuer. The figures are denominated in EUR nominal trillions.

Quoted shares include all shares with prices quoted on a recognised stock exchange or other form of regulated market. Quoted shares comprise all financial assets which represent property rights in corporations or quasi-corporations. These financial assets generally entitle the holder to a share in the profits of the corporations or quasi-corporations and to a share in their net assets in the event of liquidation. Quoted shares are valued and reported at market values.

The data are sourced from the ECB.

3.3. Number of listed companies

This chart aggregates the number of listed companies in European exchanges by Domestic and Foreign firms. Data are sourced from FESE, the World Federation of Exchanges, and LSEG.

Data are aggregated by adding individual exchanges' reported figures.

3.5. Turnover ratio

The chart illustrates the quarterly turnover ratio of EU 28 stock exchanges and selected MTFs calculated as the ratio of four times the quarterly turnover value as proportion of the market capitalisation at the end of the quarter.

The following MTFs were selected as representative of the off-exchange market: Aquis, BLINK MTF, Burgundy, BXE Book, CXE Book, Equiduct, ICAP BlockCross, Instinet, Blockmatch, ITG Posit, Liquidnet, NEURO, Nomura NX, NYSE Arca, Pipeline, Quote MTF, SIGMA X MTF, SLS, Smartpool, TOM MTF, Turquoise, UBS MTF, Xetra, and Xetra International.

OTC transactions are not included due to potential double counting between TRFs.

3.6., 3.9 and 3.10 Quarterly, monthly and daily turnover on European Exchanges and MTFs

Average value of equity turnover by type of order book (3.6) and by type of venue (3.9). Data are sourced from BATS Chi-X for the following exchanges and MTFs:

Aquis, BLINK MTF, Burgundy, BXE Book, CXE Book, Equiduct, ICAP BlockCross, Instinet, Blockmatch, ITG Posit, Liquidnet, NEURO, Nomura NX, NYSE Arca, Pipeline, Quote MTF, SIGMA X MTF, SLS, Smartpool, TOM MTF, Turquoise, UBS MTF, Xetra, Xetra International, Euronext Amsterdam, Bolsa de Madrid, Euronext Brussels, NASDAQ OMX Copenhagen, NASDAQ OMX Helsinki, Euronext Lisbon, LSE, Borsa Italiana (Milan), Oslo Bors, Euronext Paris, SIX Swiss Exchange, NASDAQ OMX Stockholm and Wiener Borse.

3.6. - 3.7. Dark pools turnover

Chart 3.6 shows the monthly value traded in dark pools as proportion of turnover in Exchanges and MTFs (Dark and Lit). For dark pool trading, the same MTFs selected for chart 3.5 were taken into consideration.

Chart 3.7 illustrates the aggregate proportion of dark pool trading of the constituent shares of the selected indices.

Data are sourced from BATS Chi-X.

3.8. MTFs turnover

The chart illustrates the quarterly turnover in EUR value in selected MTFs where data was available: Aquis, BLINK MTF, Burgundy, BXE Book, CXE Book, Equiduct, ICAP BlockCross, Instinet, Blockmatch, ITG Posit, Liquidnet, NEURO, Nomura NX, NYSE Arca, Pipeline, Quote MTF, SIGMA X MTF, SLS, Smartpool, TOM MTF, Turquoise, UBS MTF, Xetra, and Xetra International.

4. Valuation

4.1. Price indices of listed shares

This graph represents price data for selected European exchanges selected as benchmarks in the respective jurisdictions. The price calculations are provided by Datastream, which for purposes of comparability are converted into a price index with January 2008 as base (Jan-08 = 100).

4.2. - 4.6. Valuation ratios

These graphs illustrate several valuation ratios of selected price indices of European shares.

PE ratios are calculated as the ratio of market prices as proportion of market-expected annual earnings. The ratios are sourced from Datastream.

Price-to-book ratio represents the average ratio of share market prices as proportion of book prices of Stoxx 600 listed companies and a PanEuropean index of European shares compiled by Thomson Reuters Datastream.

VSTOXX 50 index is the market-implied volatility of STOXX 50 listed shares, sourced from Stoxx.

Annex

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