

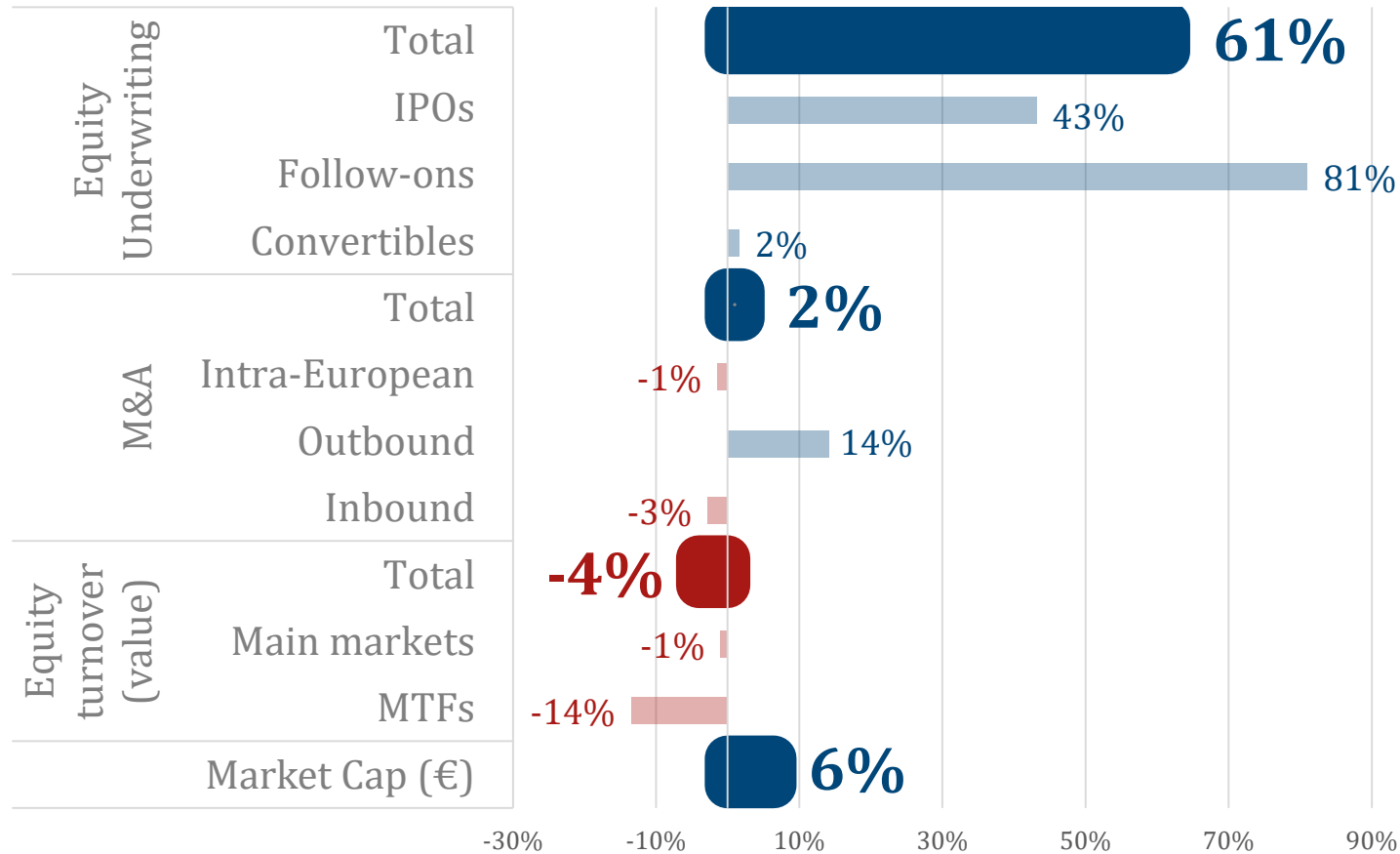
3Q 2017

Equity Primary Markets and Trading Report

European market data
update



Year-to-date variation of European Equity activity (EU28 member countries and Switzerland)



Equity underwriting on European exchanges accumulated a total of €172.2 bn in proceeds in the first three quarters of 2017, a 61% increase from the value originated in 2016 YtD (€106.7 bn).

Completed Mergers and Acquisitions (M&A) of European companies totalled €743.7 bn in 2017 YtD, An increase of 2% from 2016 YtD (€ 729.4 bn).

Equity trading activity on European main markets and MTFs generated a total of € 8.6 tn in turnover value in 2017 YtD, a decrease of 4% from 2016 YtD (€ 9.0 tn)

Domestic market capitalisation of European listed shares stood at € 13.0 tn at the end of 3Q 2017, an increase of 6% from the market value at the end of 2016 (€12.2 tn)

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Issuance

Equity Issuance on European exchanges (EUR bn, YtD)

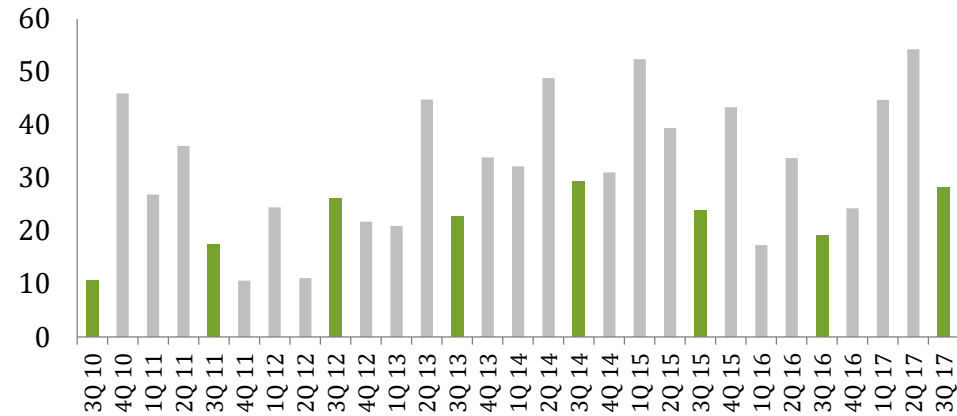


Source: Dealogic

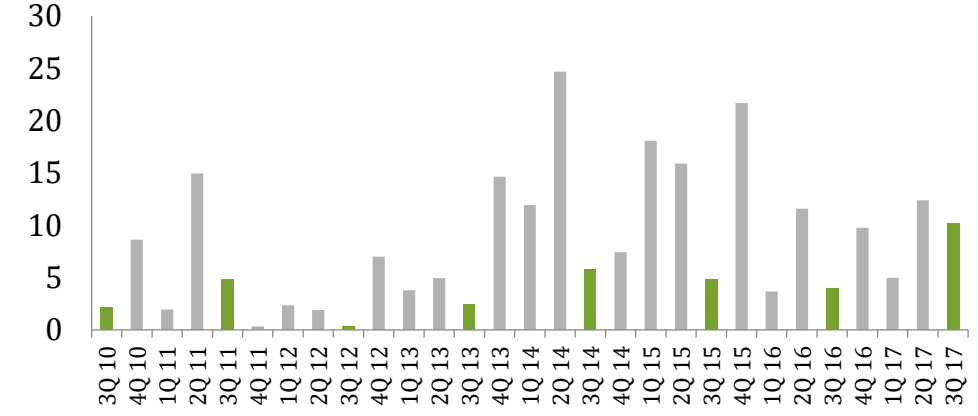
The 61% YtD increase in equity issuance was largely driven by a 81% YtD growth in follow on offerings

IPO proceeds increased 43% YtD, although below the value issued during the same period of 2015

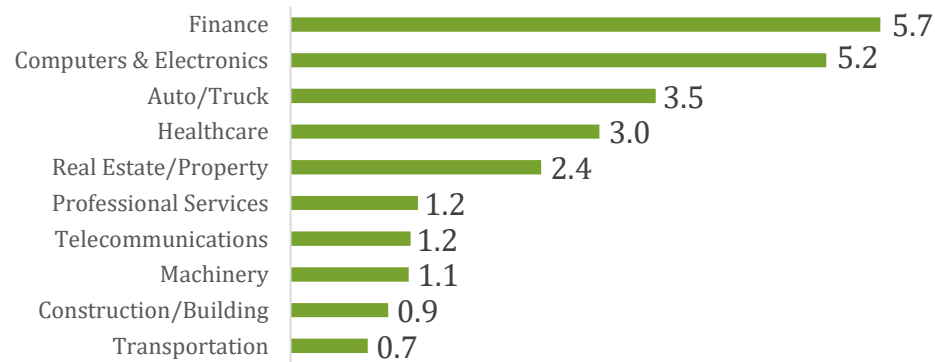
Follow-on offerings (EUR bn)



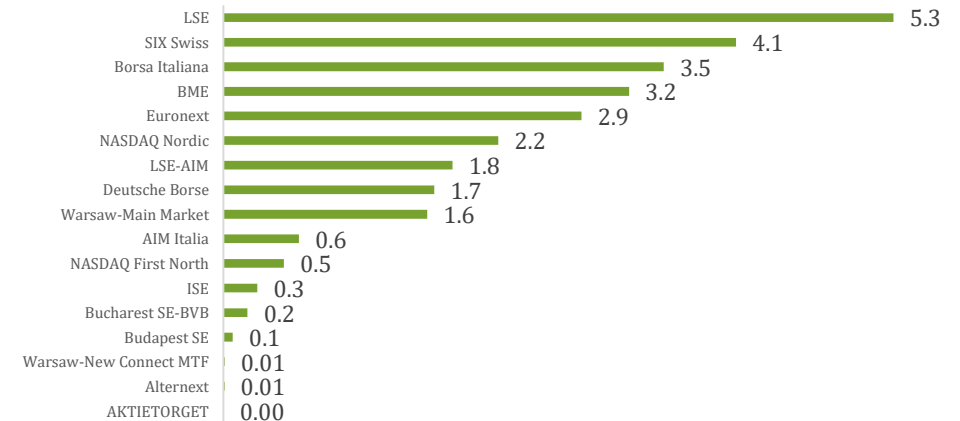
IPO proceeds (EUR bn)



IPO proceeds by industry (Top 10, EUR bn, YtD)



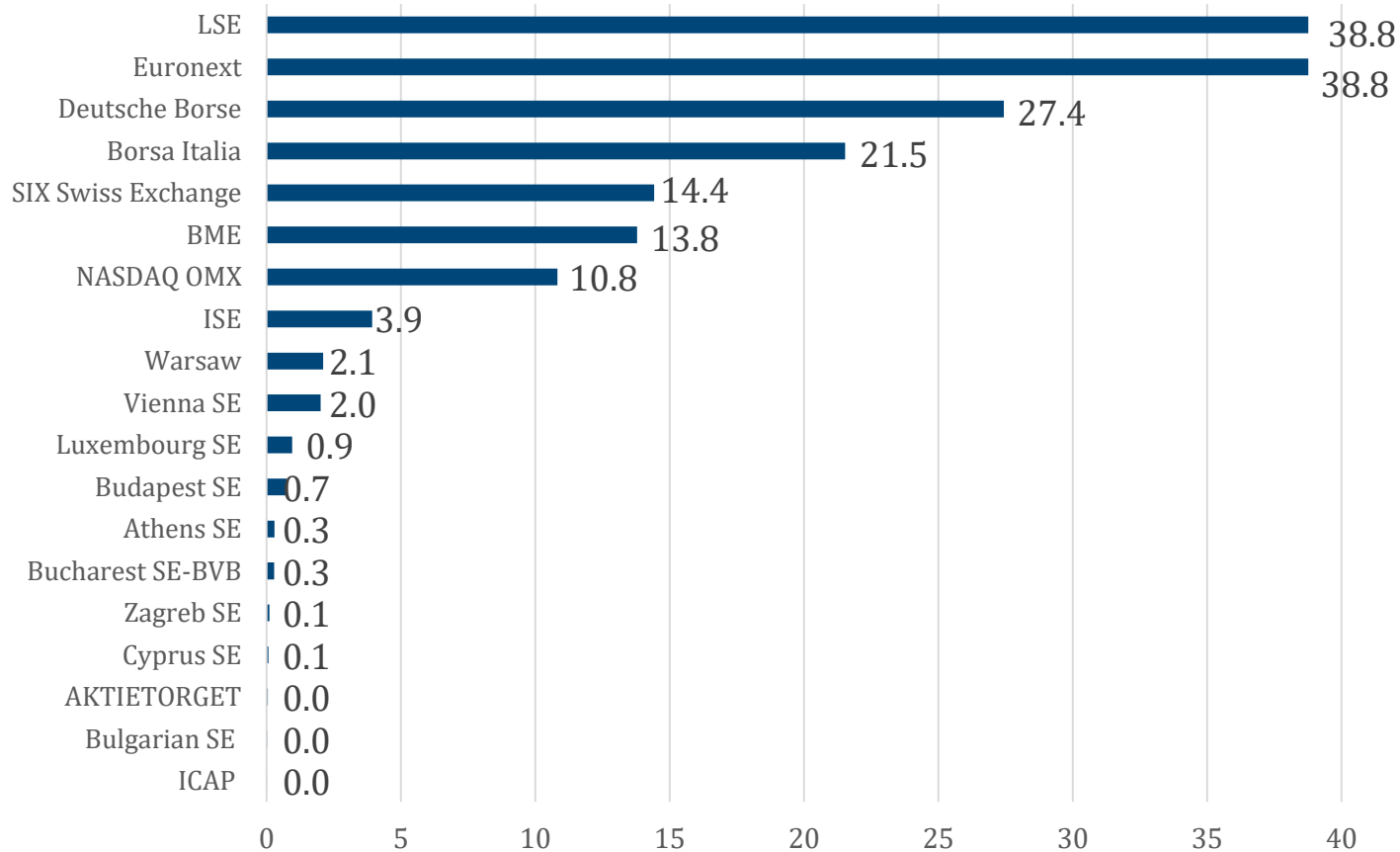
IPO proceeds by listing market (EUR bn, YtD)



Source: Dealogic

Equity issuance by exchange

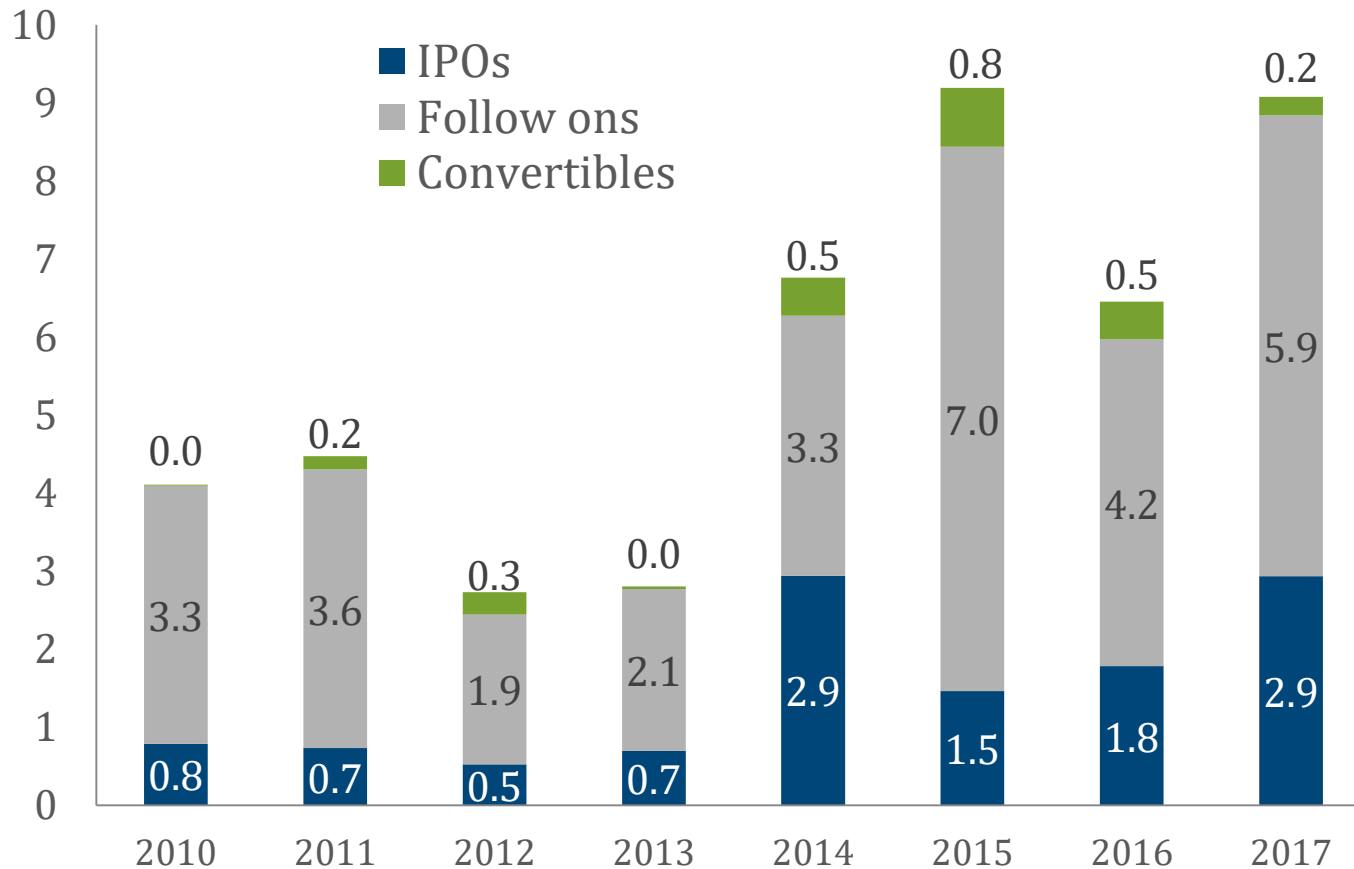
Equity issuance on European exchanges: IPO, follow-ons and convertibles (EUR bn YtD)



By exchanges, the LSE (main market and AIM) led by total equity issuance with €38.8 bn in underwriting activity, closely followed by Euronext exchanges

Equity issuance on Junior markets

Equity issuance on Junior European markets (EUR bn YtD)

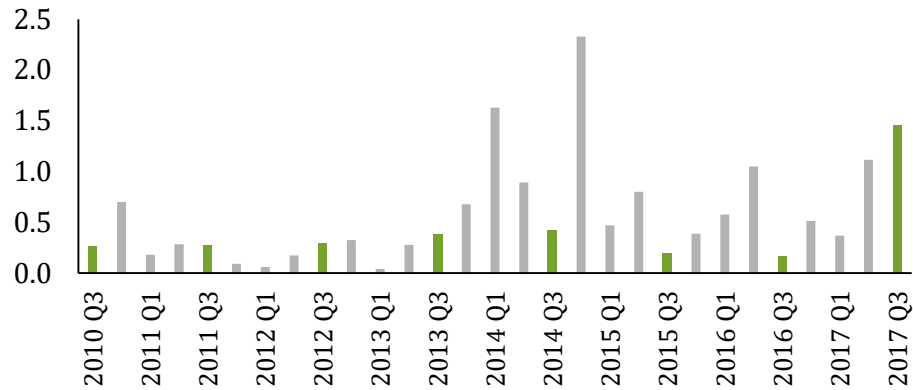


Source: Dealogic

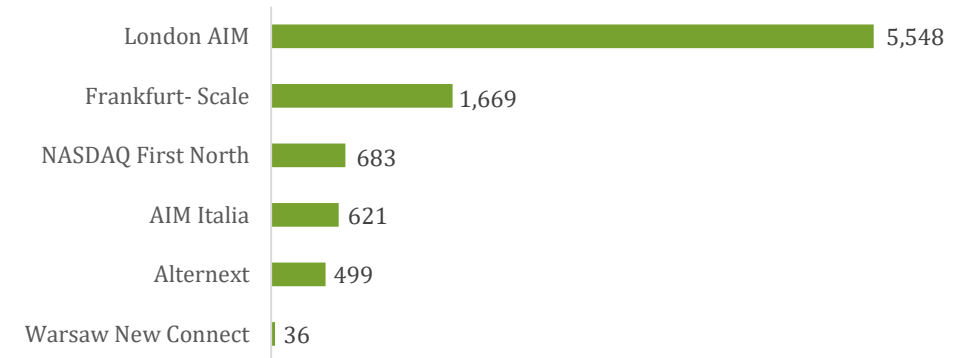
SMEs have also increased their equity raising throughout the year

IPOs on Junior markets totalled €2.9 bn in proceeds during the first three quarters of the year, the largest YtD amount since 2014

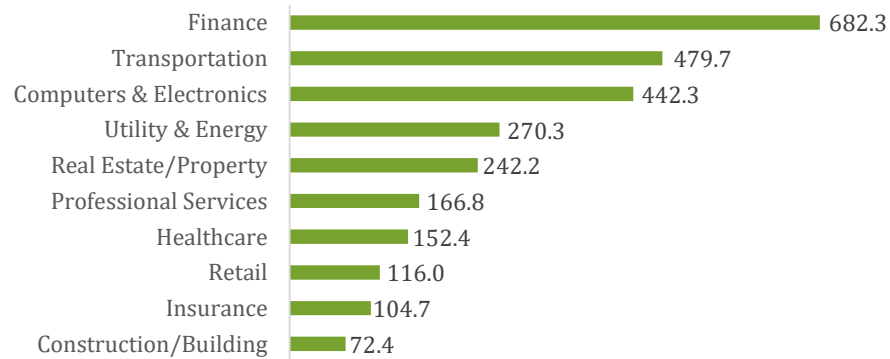
IPO proceeds on Jr European markets (EUR bn)



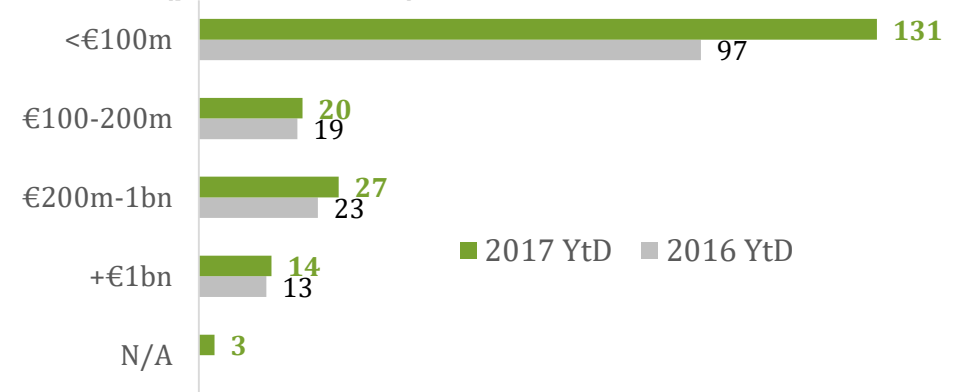
IPO proceeds on Jr markets by exchange (EUR bn, YtD)



IPO proceeds on Jr markets by industry (Top 10, EUR bn, YtD)



Number of IPOs on European exchanges by market value of issuer (pre-deal value)

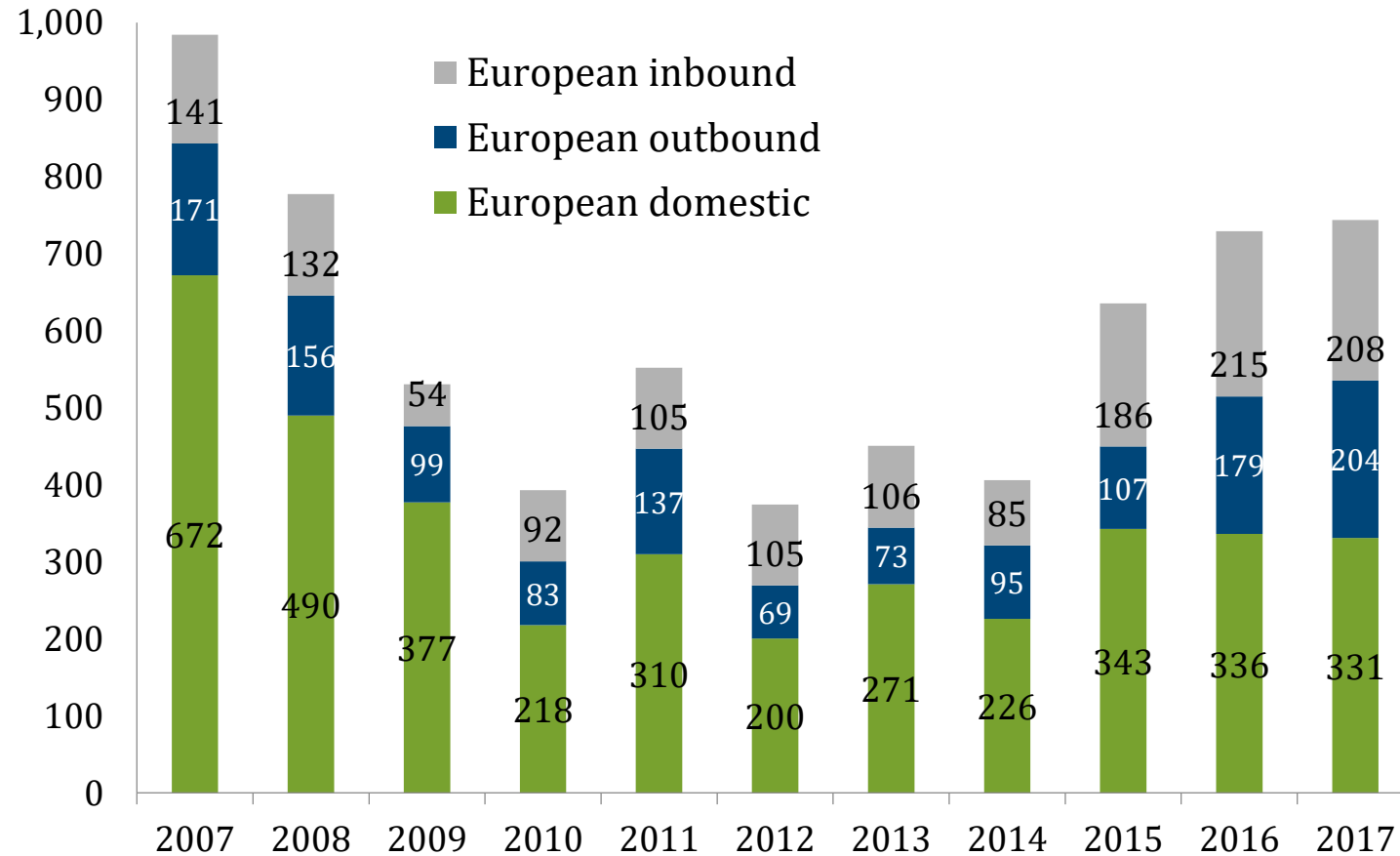


Source: Dealogic

Mergers and Acquisitions (M&A)

M&A by acquiring party

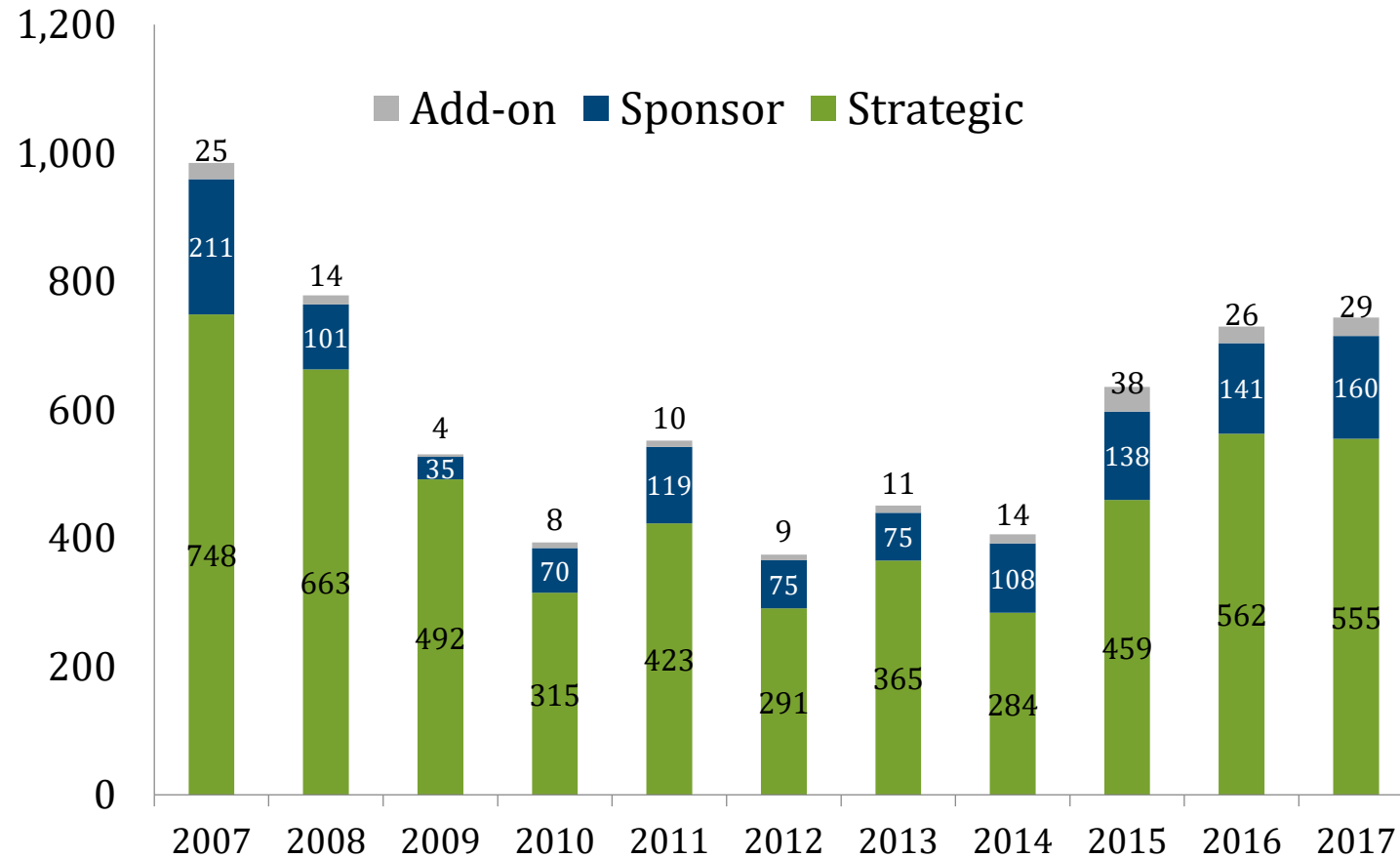
Completed M&A by acquiring party (EUR bn, YtD)



European M&A activity increased 2% YtD driven by an increase of 14% YtD in outbound deals partially offset by a decrease of 3% in inbound M&A

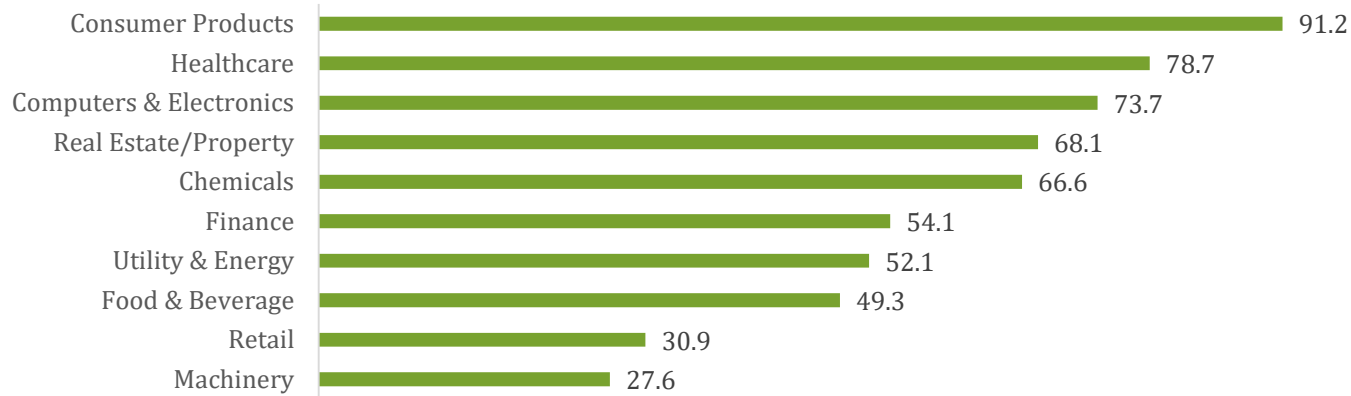
M&A by type of deal

Completed M&A by type of deal (EUR bn, YtD)

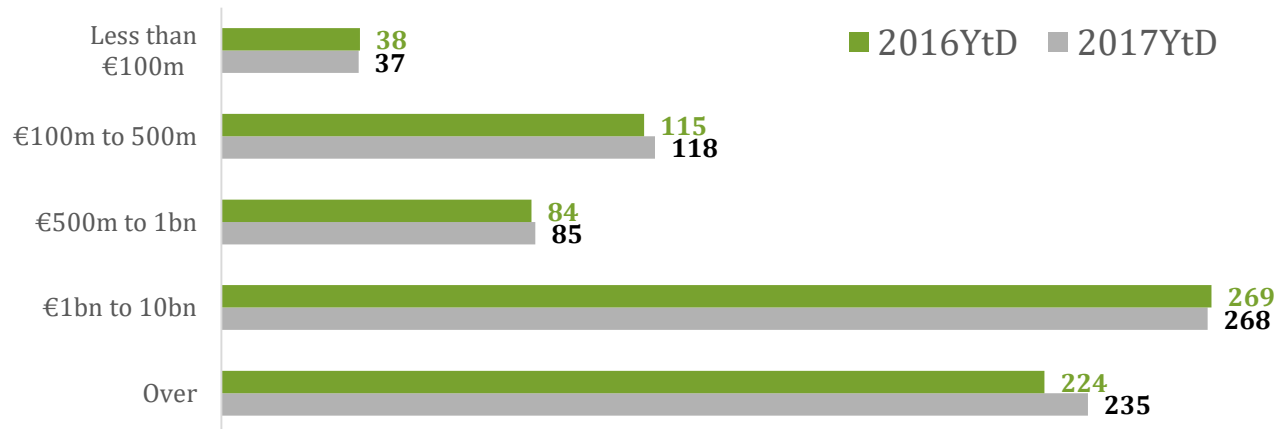


Growing participation of private equity-backed M&A activity (“Sponsor” deals), with the largest YtD deal value since 2007

Top 10 industries for M&A (EUR bn, YtD)



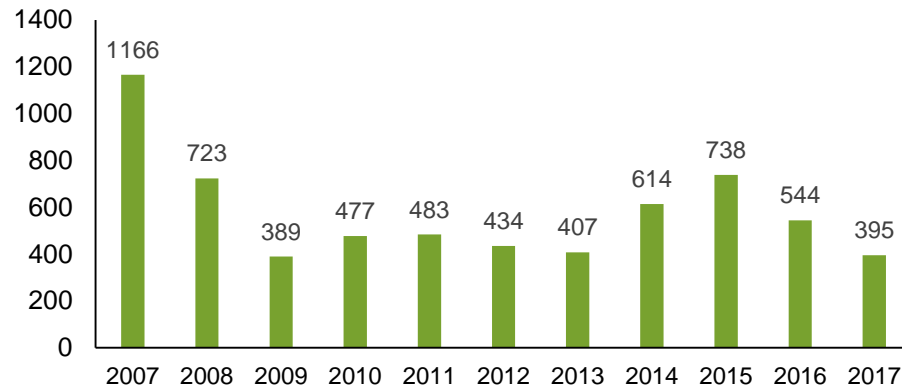
Number of M&A transactions by deal value



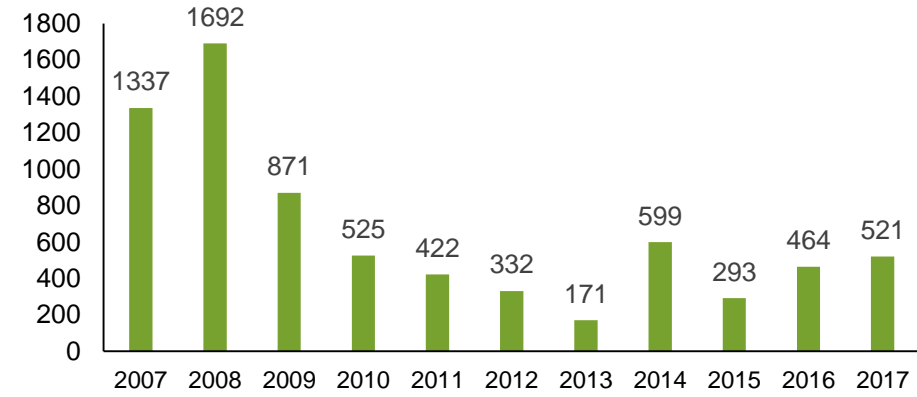
Source: Dealogic

M&A “megadeals” (deal value above €1bn) have continued to lead M&A activity volume

Announced M&A (EUR bn, YtD)



Withdrawn M&A (EUR bn, YtD)



Inbound M&A by acquiring region (EUR bn, YtD)



Outbound M&A by target region (EUR bn, YtD)



Source: Dealogic

M&A deal activity between European companies

Intra European M&A activity (EUR bn, YtD)

Target Nationality

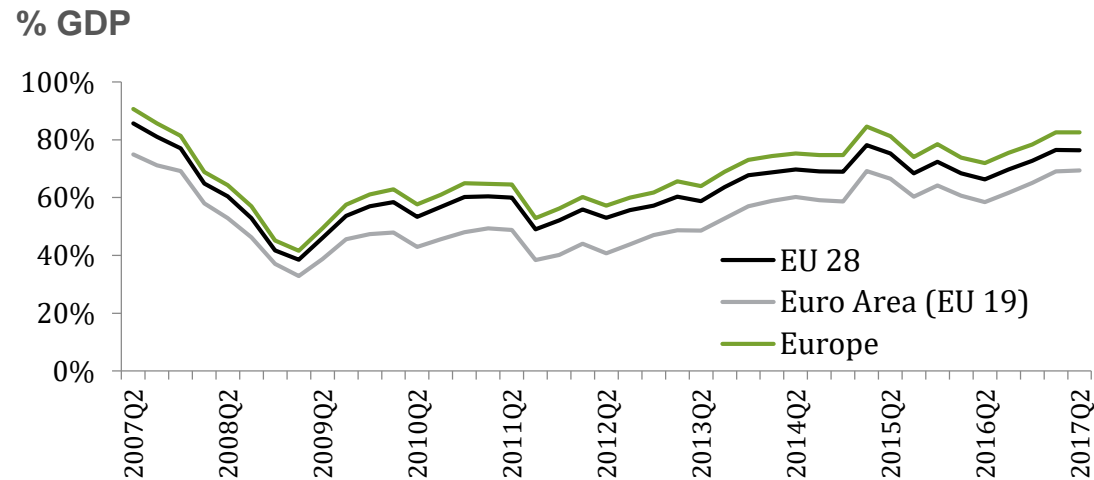
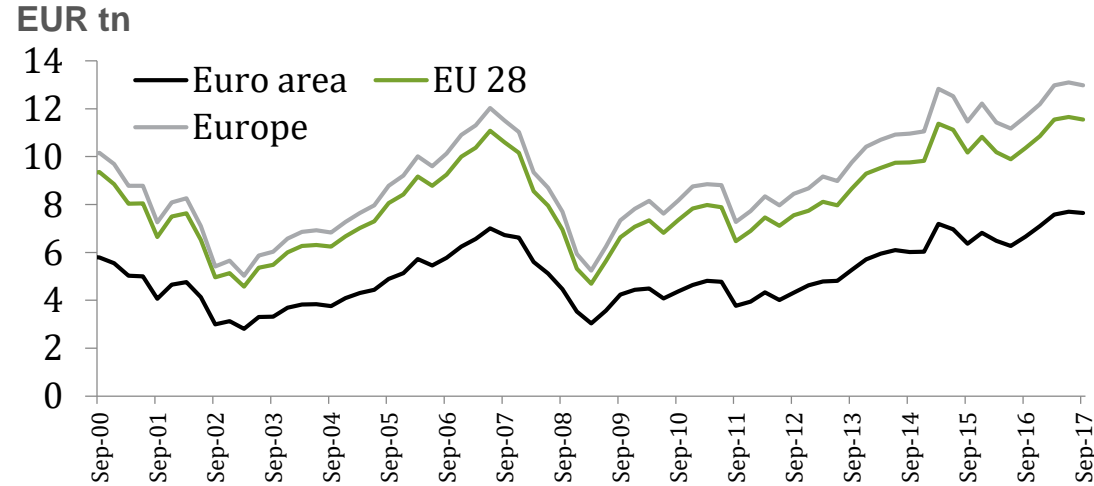
Acquirer Nationality

	AT	BE	BG	HR	CY	CZ	DK	EE	FI	FR	DE	HE	HU	IE	IT	LV	LT	LU	MT	NL	PL	PT	RO	SK	SI	ES	SE	CHE	UK	Total
Austria	485	0	0	0		0	0		0	0	379		26		56					0	382		0		0	9	0	0	1,337	
Belgium	0	2,052	722	0			0			893	237				515					211	93			0	208		0	309	5,241	
Bulgaria			15			0					0				0								0					0	15	
Croatia				80																					0				80	
Cyprus					0		0				0	40									0		0			0			40	
Czech Republic	0	0	0		21	6,543					0			135							11		15	0				361	7,086	
Denmark							1,279	0	14	0	188				35	0					0						9	836	0	2,360
Estonia								16	3							0													19	
Finland								151	4,379	0	0		0		0					2							69	0	50	4,651
France	0	13				0	30		20	48,044	3,332		110	82	4,803	0		12		574	0	3	0	0	1,639	0	213	5,035	63,908	
Germany	484	520		7		382	64		0	116	43,397	2,150	650	0	1,213	0	0	0		13	0	99	252	0	5,868	189	17	3,095	58,515	
Greece			10		10					0	0	1,353																0	1,373	
Hungary		0		425		0							622			0					8								1,054	
Ireland							0			107	630			1,368	0					181		0					8	0	217	2,510
Italy		0	0		0		0			0	51	45			10,107			0		5	4	16	401			229	0	27	384	11,269
Latvia							0		0		0					18					1						0	0	0	19
Lithuania								0	5		2					0	4				0								11	
Luxembourg		0				0				13	344				11			169		220						115		398	0	1,269
Malta										0	6								0								0	30	36	
Netherlands		20	0				0		75	986	44				300	47	0	0		8,467	167	0	0			25	0	0	714	10,845
Poland				11		0				0	0		21				0				8,462		0	0		0	0	0	8,494	
Portugal			1							29												1,049				501		0	1,581	
Romania			207							0			275											893					1,376	
Slovak Republic				44		0							11								0			0				0	55	
Slovenia				0																					110	0		0	110	
Spain										3,078	788	0		3	219					133	37	670				25,460	459	96	30,943	
Sweden	7	45	0			65	573	0	948	129	3,031			99	57				200	2	0	0	13		3	28,342	0	581	34,094	
Switzerland	1,876	1					0	0	0	103	66		0	48	0			0		768	0	0	0	0		85	0	3,189	396	6,531
United Kingdom	0	100		0	301	2	1,183	0		123	2,637	33	57	260	51			0	0	1,492	6	2	10	26		1,314	1,158	224	67,566	76,545
Total	2,852	2,751	956	567	331	6,991	3,129	167	5,444	53,620	55,131	3,621	1,772	1,995	17,368	65	4	180	200	12,068	9,170	1,840	1,585	26	110	35,448	29,783	5,362	78,833	331,368

Source: Dealogic. Cross-national activity above 1bn highlighted in dark green

Secondary markets

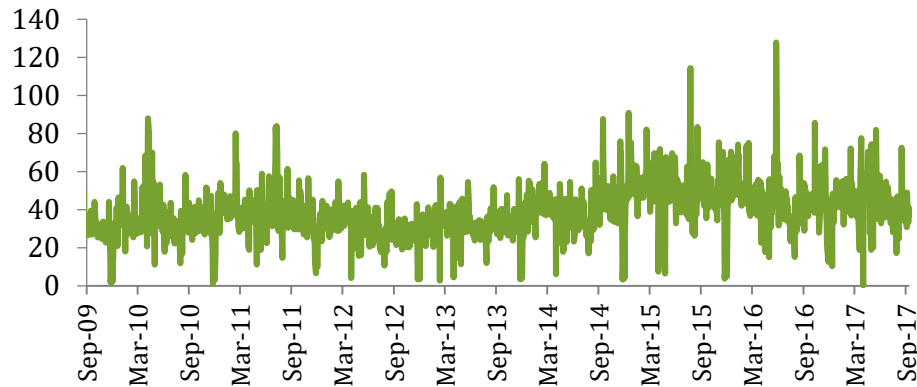
Market capitalisation of listed shares



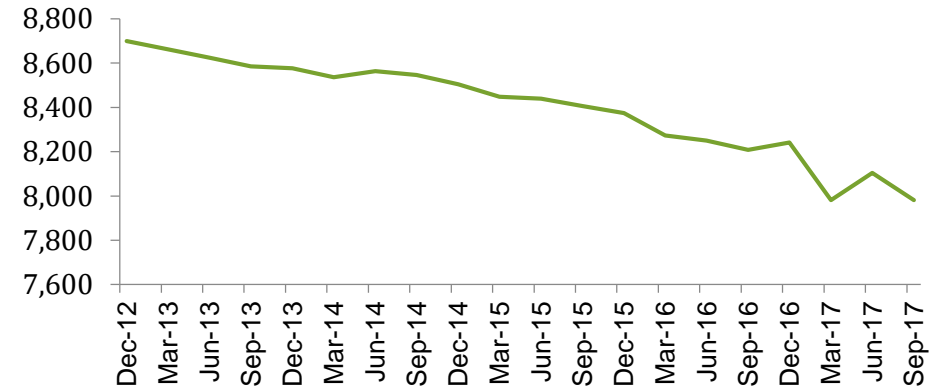
Source: ECB, Datastream, FESE, NASDAQ OMX, LSEG, WFE, FESE, CEESEG, Bucharest SE, WSE

Notwithstanding the annual increase in equity valuations, the domestic market capitalisation of European listed shares continues below pre-crisis levels relative to GDP (83% vs. 91% in 2007)

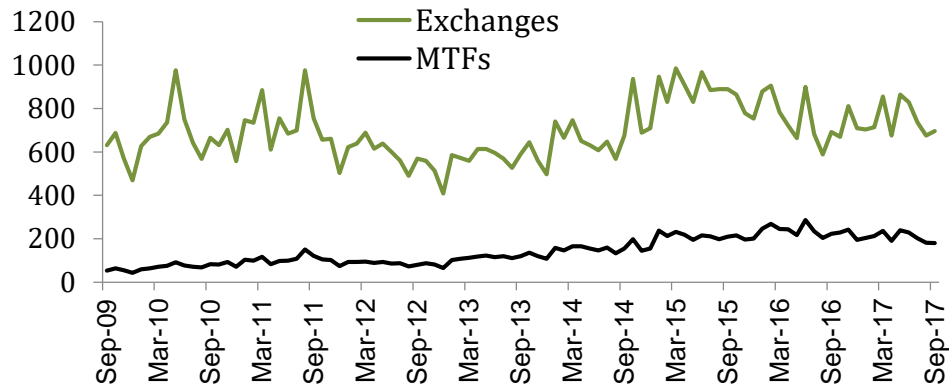
Daily turnover value on European exchanges and MTFs (EUR bn)



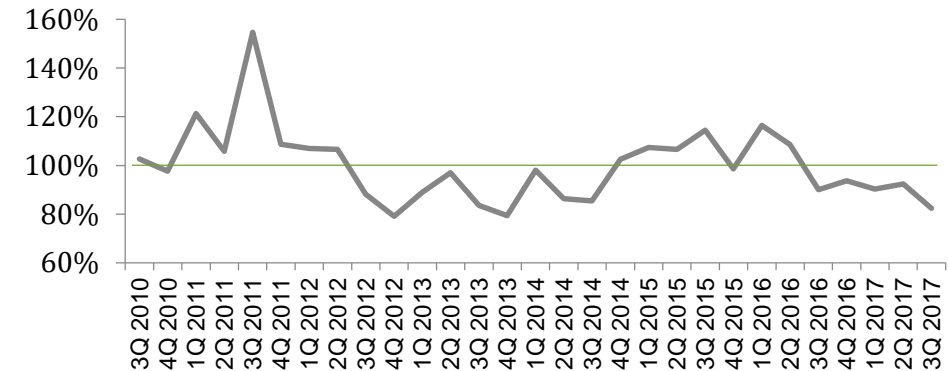
Number of listed companies on European exchanges



Monthly turnover value on exchanges and MTFs (EUR bn)

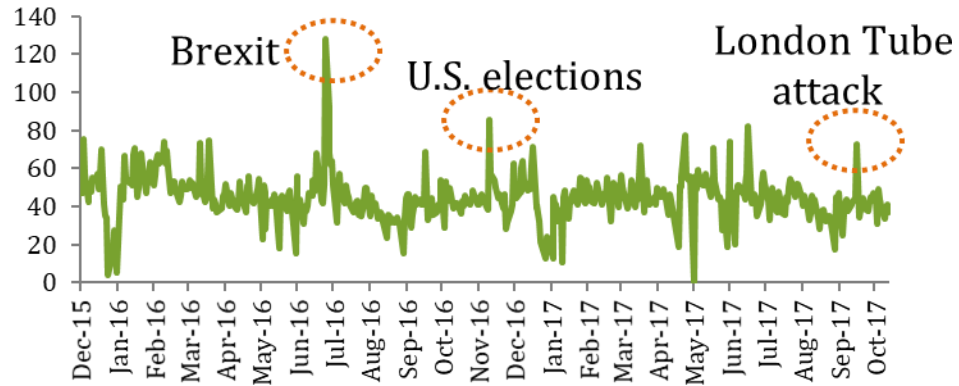


Turnover ratio (annualised turnover value/ market cap)

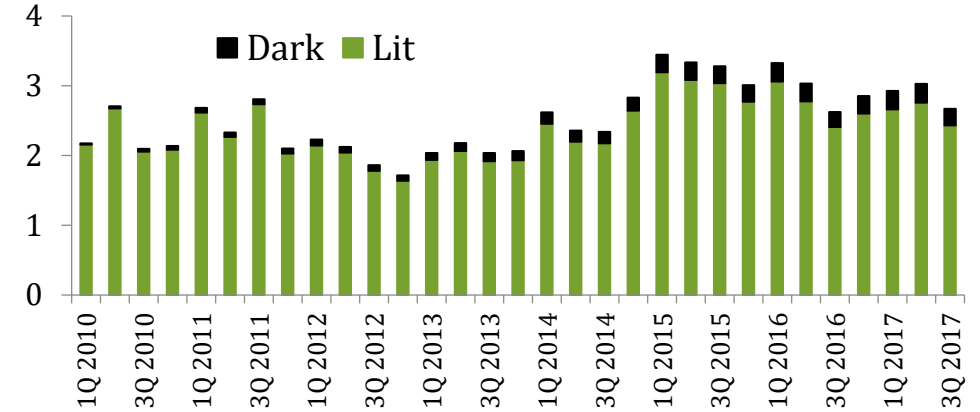


Source: BATS Global markets, FESE, WFE, ECB and local exchanges. Listed companies excludes Vienna's global segment and Spanish SICAVs

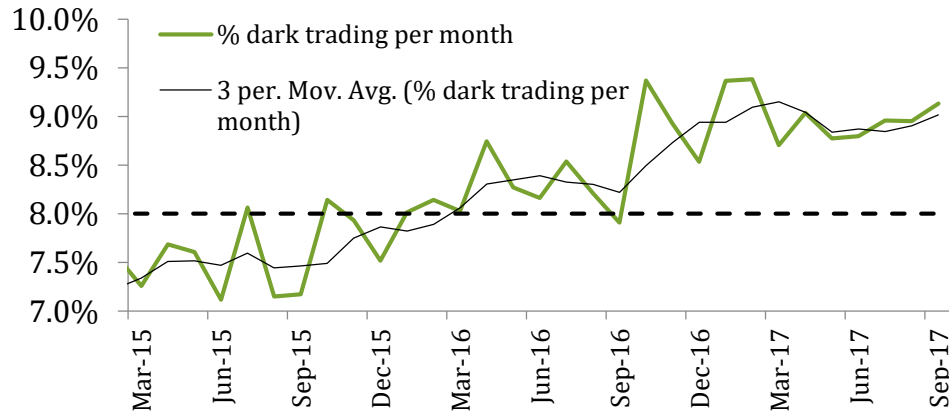
Daily turnover on European exchanges and MTFs (EUR bn)



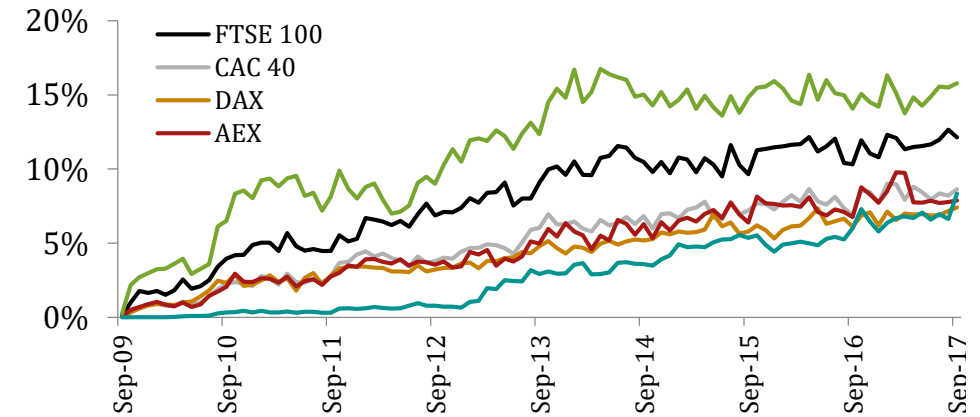
Quarterly turnover on European exchanges and MTFs (EURtn)



Dark trading relative to total turnover

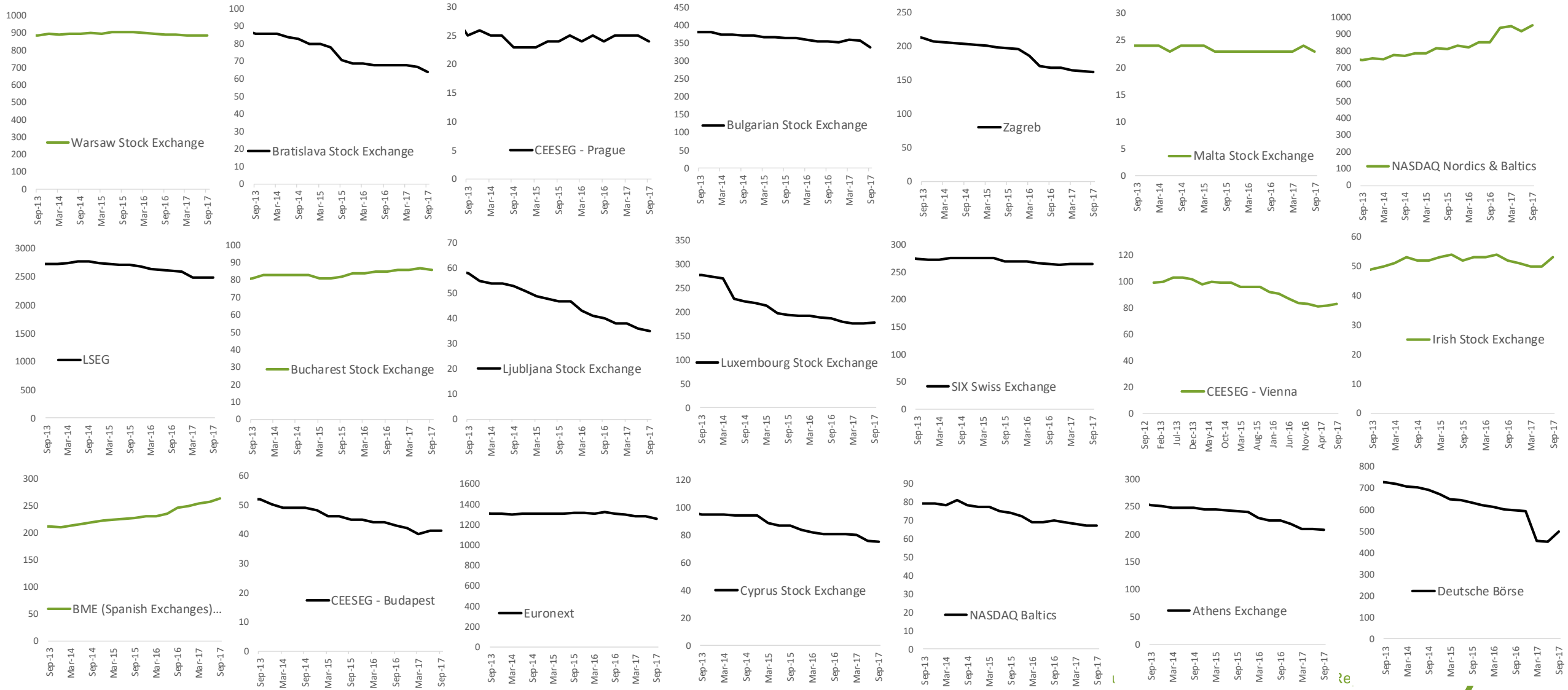


% of dark trading by indices

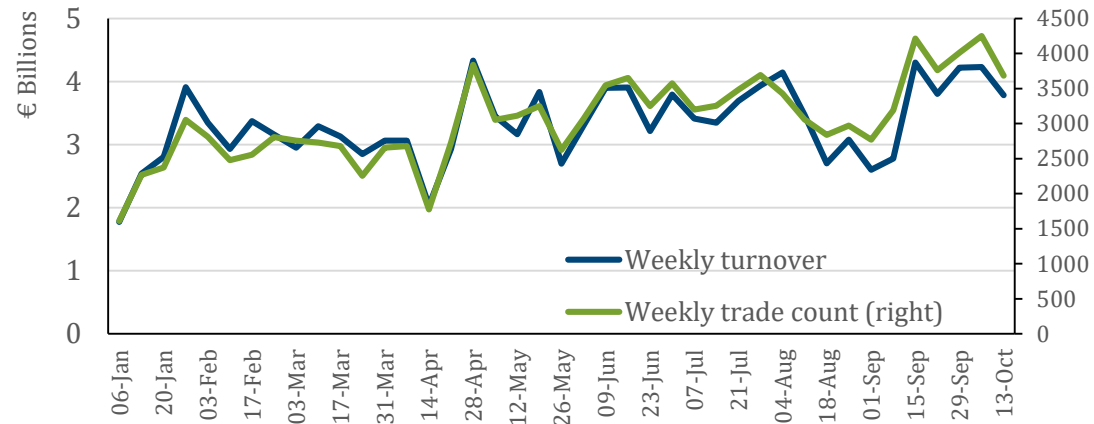


Source: BATS Global Markets

Number of listed companies on European exchanges

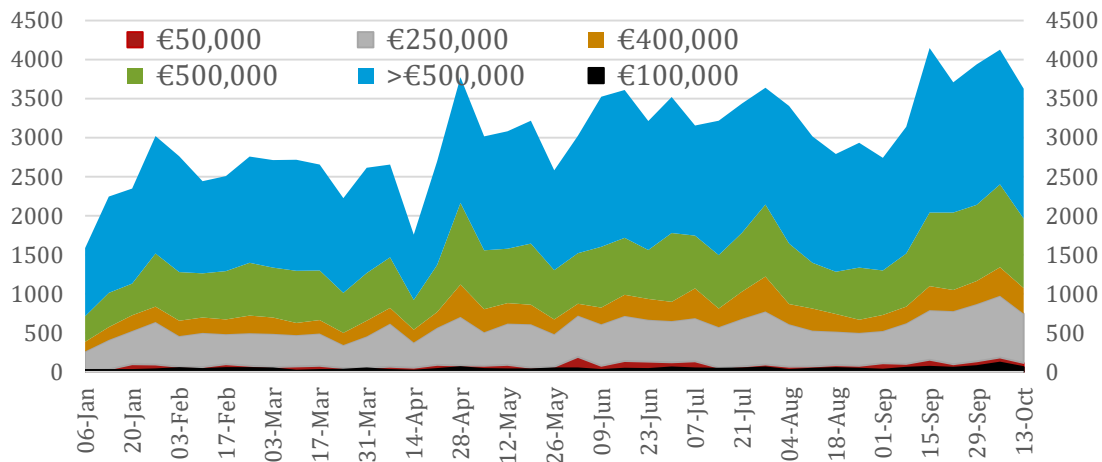


Block trades: weekly turnover and trade count on European selected venues



The average weekly turnover of block trades in selected European venues has increased from €3.0 bn in 1Q17 to €3.5 bn in 3Q17

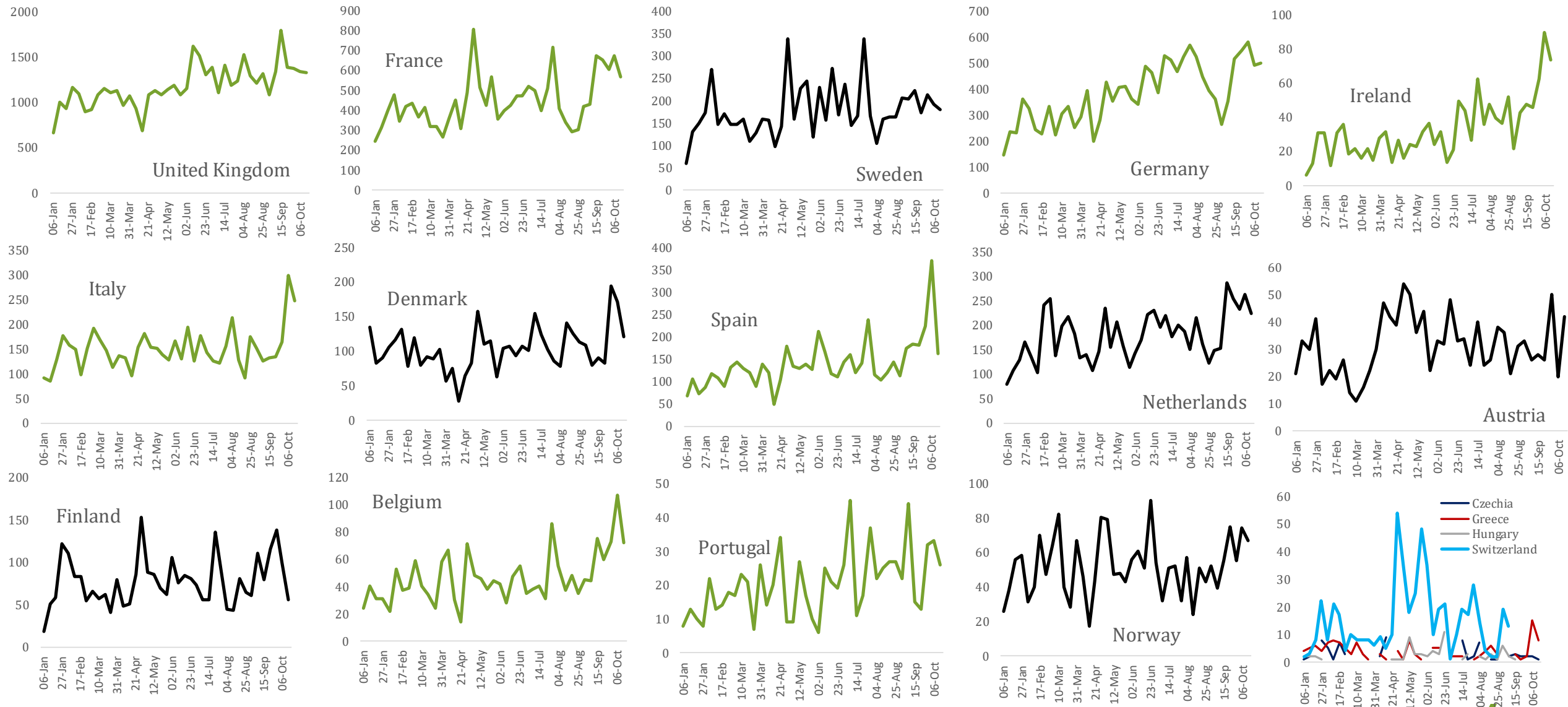
Block trades: weekly trade count by LIS limit



Weekly trade count has increased during the year from 2,540 on average in 1Q17 to 3,374 in 3Q17

Source: Fidessa. Venues include Bats dark, BATS LIS, Liquidnet, Posit, Turquoise and UBS MTF

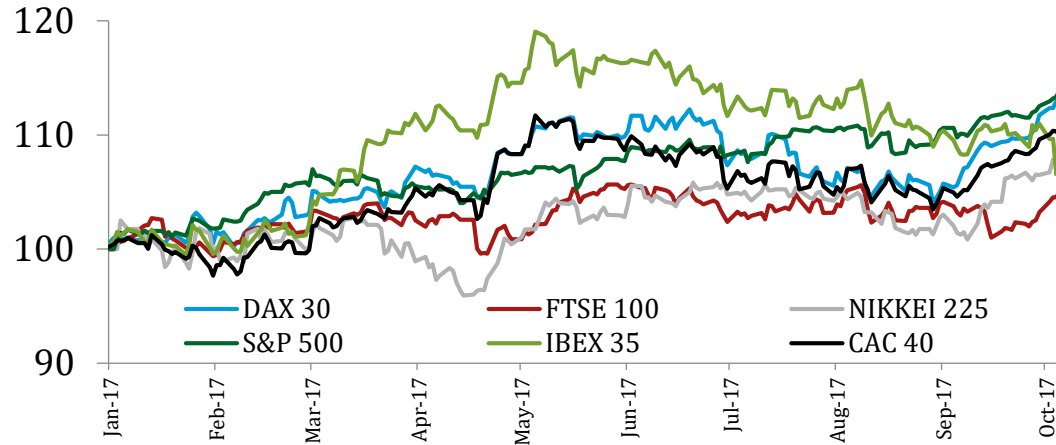
Block trades: weekly trade count by listing market



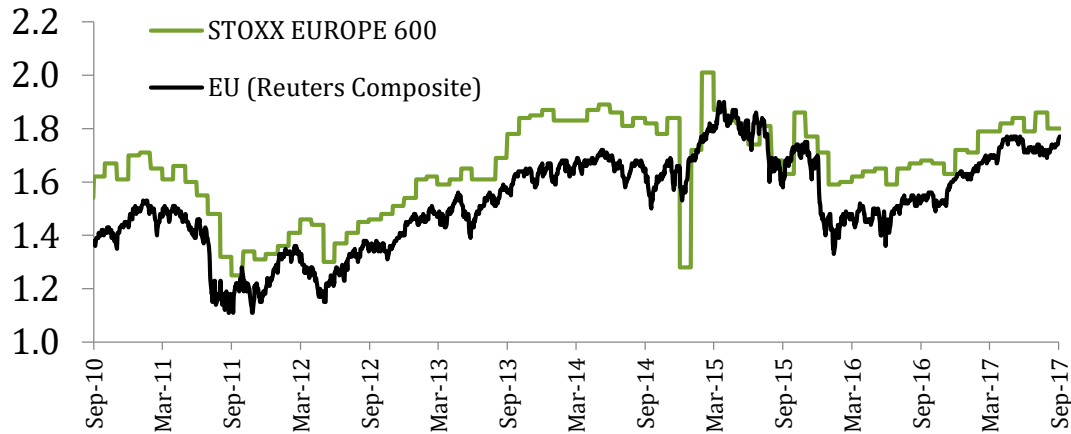
Valuations

Price indices and valuation multiples

Price indices of selected stock exchanges (Dec 2016 = 100)



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



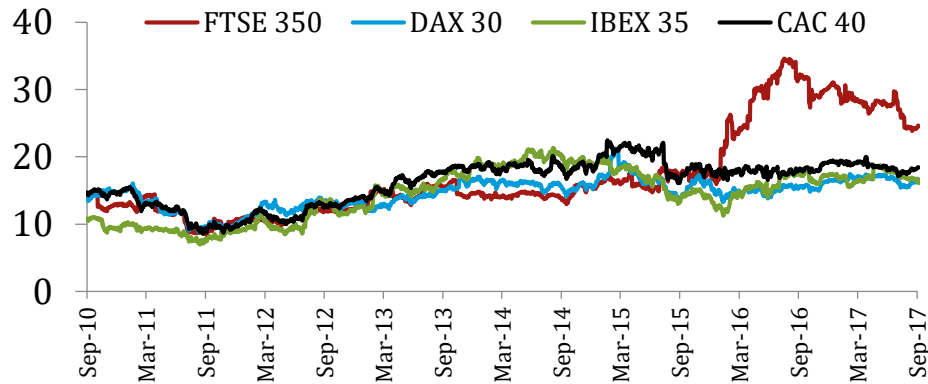
Source: Datastream

Price indices of selected European stock exchanges have gained between 5.7% YtD (FTSE 100) and 13.3% YtD (DAX)

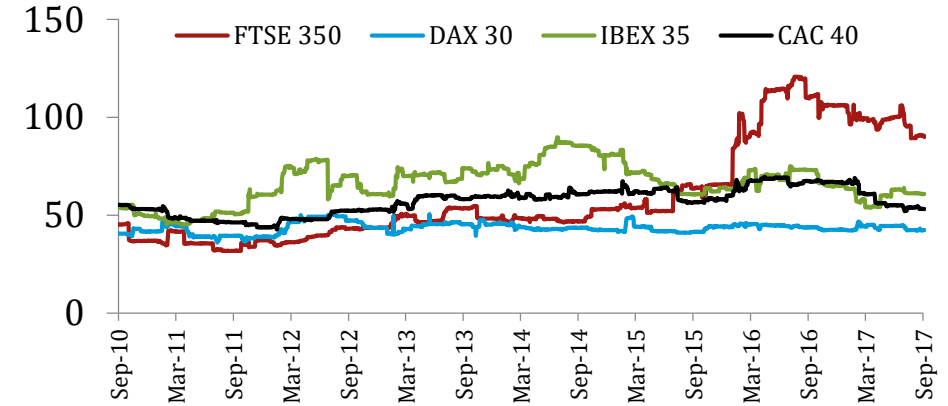
European price-to-book ratio at 1.8x although below the levels observed in the first half of 2015 (2.0x)

Valuation ratios and implied volatility

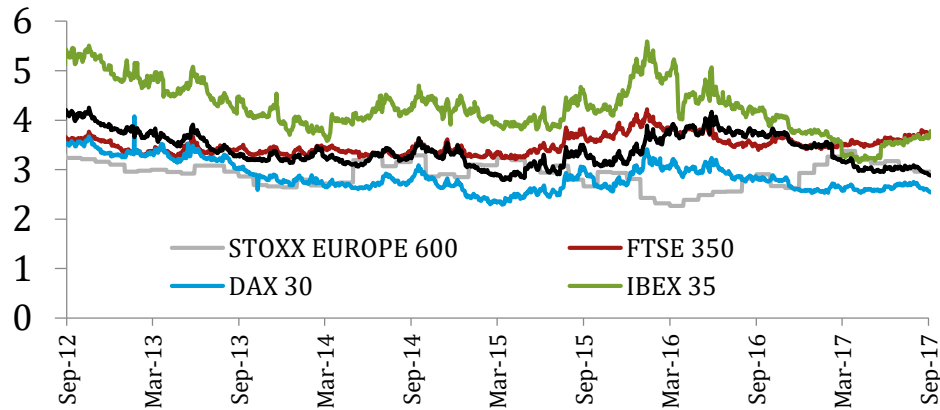
PE ratio



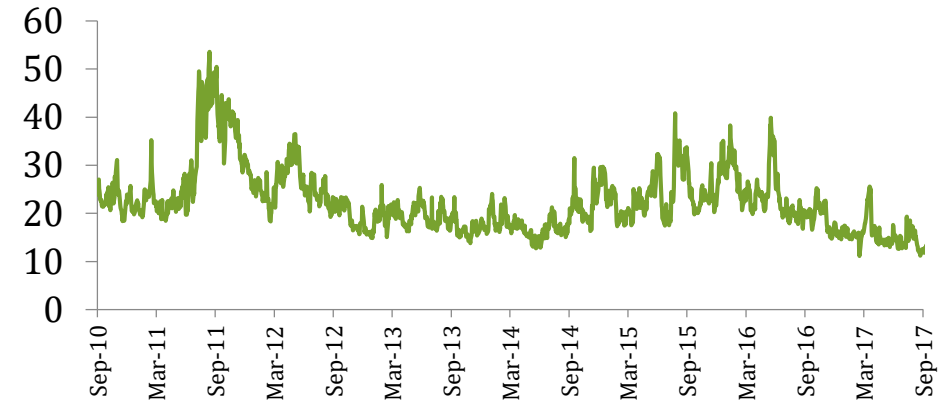
Dividend payout ratio (Dividends/ Earnings per share)



Dividend yield ratio (Dividend/Price)



Implied volatility of Euro Stoxx 50 constituent shares (VSTOXX)



Source: Datastream and Stoxx

	1Q 17	2Q 17	3Q 17	4Q 17	2017 YtD	1Q 16	2Q 16	3Q 16	4Q 16	2016 FY	%Change YoY	%Change YtD
Equity underwriting (€ bn)	57.1	71.9	43.2		172.2	28.7	51.0	27.0	40.4	147.0	60%	61%
IPOs	5.0	12.4	10.2		27.6	3.7	11.6	4.0	9.8	29.0	154%	43%
Follow-on offerings	44.7	54.3	28.2		127.2	17.3	33.7	19.2	24.3	94.5	47%	81%
Convertible securities	7.4	5.2	4.8		17.4	7.7	5.7	3.8	6.3	23.5	27%	2%
Mergers and Acquisitions (€ bn)	216.0	276.0	251.8		743.7	287.5	237.6	204.3	309.6	1,038.9	23%	2%
European outbound	40.1	63.7	100.5		204.2	52.9	94.7	31.3	34.4	213.2	221%	14%
European inbound	67.2	104.3	37.0		208.4	64.4	70.1	80.0	62.4	276.9	-54%	-3%
Intra European	108.7	108.0	114.3		331.1	170.2	72.7	93.1	212.8	548.8	23%	-1%
Equity turnover value (€ tn)	2.93	3.03	2.67		8.6	3.3	3.0	2.6	2.85	11.8	2%	-4%
Main Markets	2.27	2.37	2.11		6.7	2.57	2.29	1.96	2.19	9.0	7%	-1%
MTFs	0.65	0.66	0.56		1.9	0.76	0.75	0.66	0.66	2.8	-15%	-14%
Market Capitalisation of domestic listed shares (€ tn)												
European (EU28 and Switzerland)	13.0	13.1	13.0		13.0	11.4	11.2	11.7	12.2	12.2	11%	6%
EU 28	11.5	11.7	11.5		11.5	10.2	9.9	10.4	10.9	10.9	12%	6%
Euro Zone	7.6	7.7	7.6		7.6	6.5	6.3	6.7	7.1	7.1	15%	8%

Source: Dealogic, ECB, FESE, WFE, Bats Global markets and local exchanges

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