

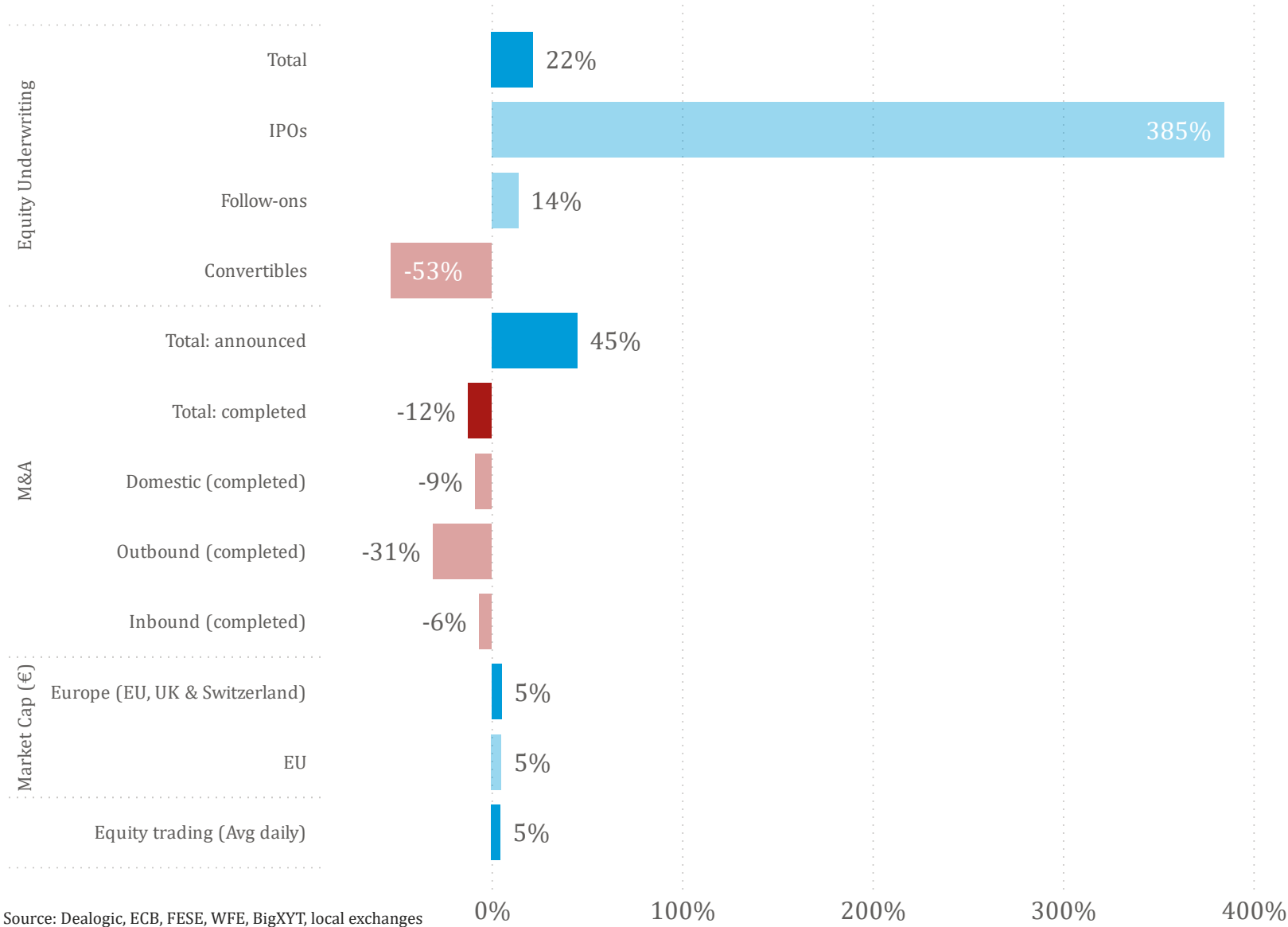
Q2 2024

Equity Primary Markets and Trading Report

European market data
update



2024 H1 YoY variation of European Equity activity



Source: Dealogic, ECB, FESE, WFE, BigXYT, local exchanges

European capital raising increased in H1 2024

Equity underwriting on European exchanges rose 22% YoY in H1 2024 on the back of a moderate increase in secondary equity offerings (14%) and a large annual increase in IPOs.

Initial Public Offerings (IPOs) saw a large percentage increase of 385% YoY which, however, represented a small amount of only €11.5bn raised in H1 2024, below the H1 average of €16bn observed since 2010.

Mergers and Acquisitions (M&A) declined when measured as completed value (-12%) but rose when measured as announced value (45%), which may anticipate a robust outlook for European M&A.

Average daily equity trading on European main markets and MTFs rose 5% YoY. Recent trends show a deterioration in market liquidity as measured by turnover ratio (turnover value/market cap), with a decline from c150% in 2018 to 125% in 2024.

Domestic market capitalisation of European listed shares stood at €17tn from Q2 2024.

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Equity issuance

Equity capital raising

Equity capital raising on European exchanges totaled €68.2bn in H1 2024, a 22% YoY increase from €56.1bn issued in H1 2023.

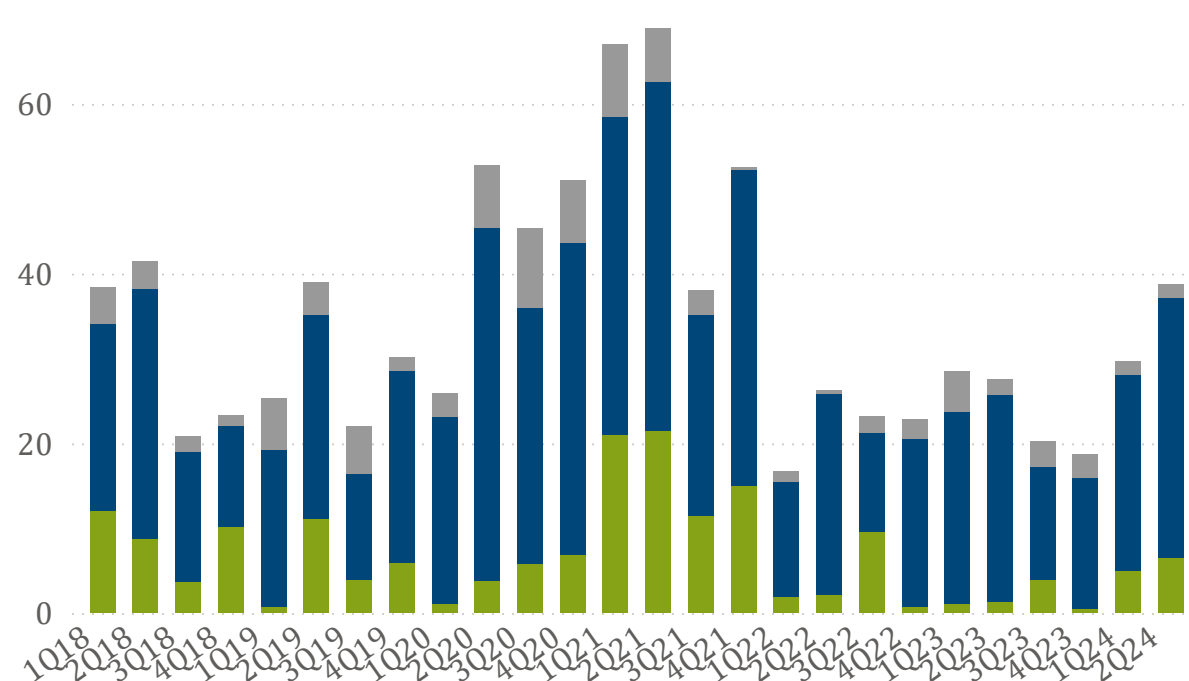
Secondary offerings were the largest contributor to total capital raised, with €53.6bn issued in H1 2024 although exhibiting a moderate annual increase from €47bn in H1 2023. Initial Public Offerings (IPOs) saw a large percentage increase of 385% YoY which, however, represented a small amount of only €11.5bn raised in H1 2024 which compares with a half-year average of €16bn since 2010.

Equity issuance on Junior exchanges accumulated a total of €1.8bn in capital issued during H1 2024, the lowest amount since H1 2009. Junior exchanges are venues with less onerous listing requirements which facilitates equity capital raising by small and medium enterprises and younger companies.

The LSE main market led in total equity underwriting by accumulating a total of €20.7bn during the first half of the year, followed by Frankfurt Prime (€7.4) and Euronext Paris (€7.1bn).

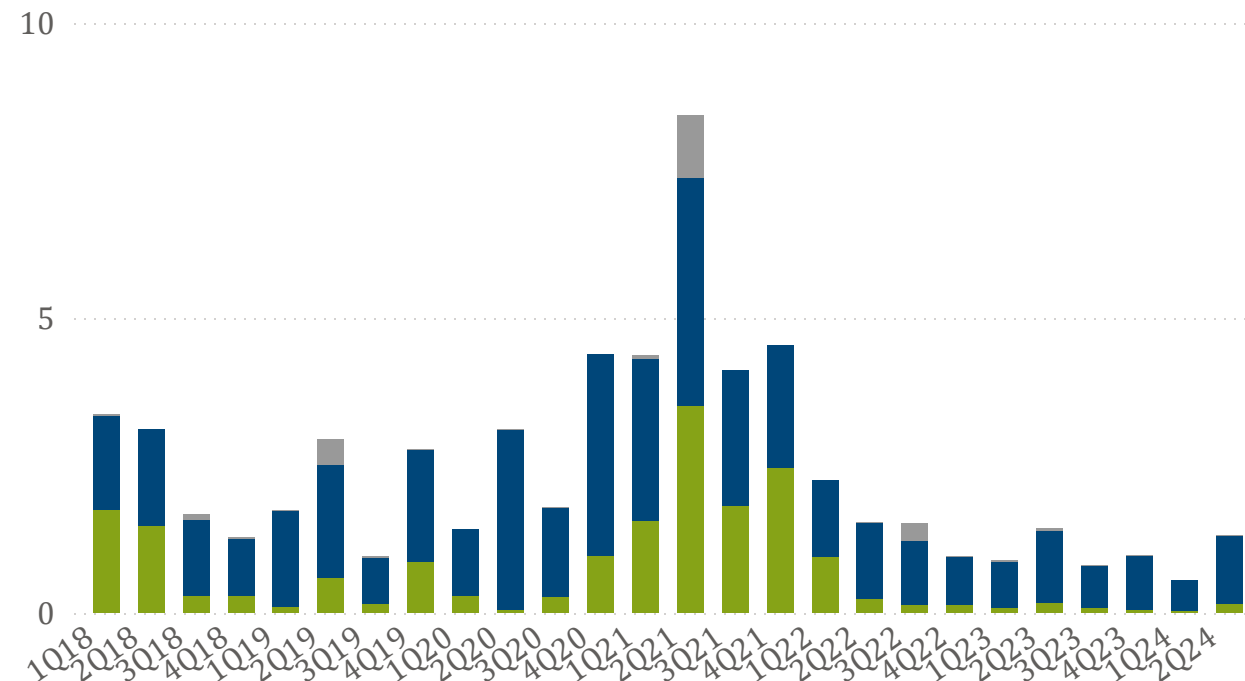
Equity Issuance on European exchanges (EUR bn)

● IPO ● Follow-On ● Convertible



Equity issuance on European Junior markets (EUR bn)

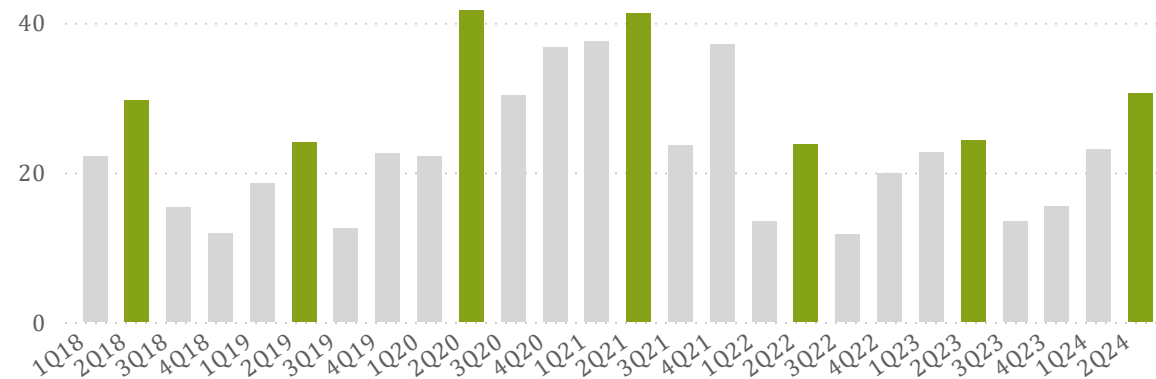
● IPO ● Follow-On ● Convertible



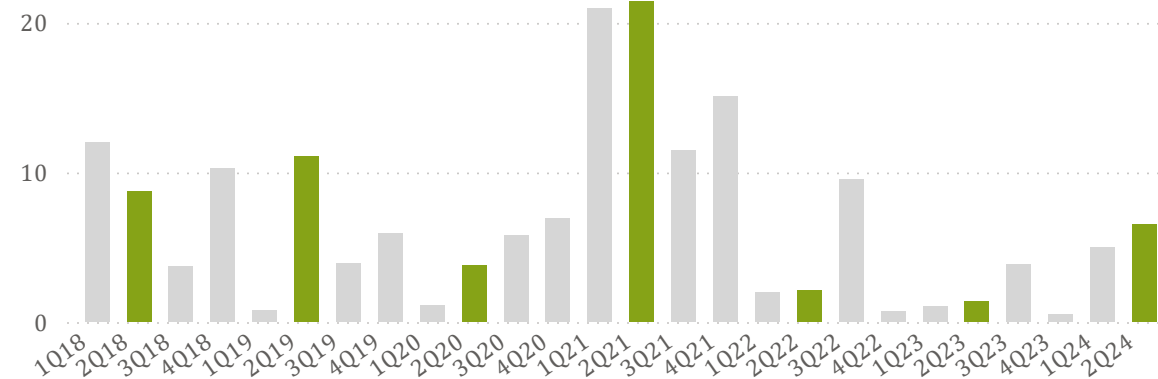
afme / IPOs subdued below historic averages

Finance for Europe

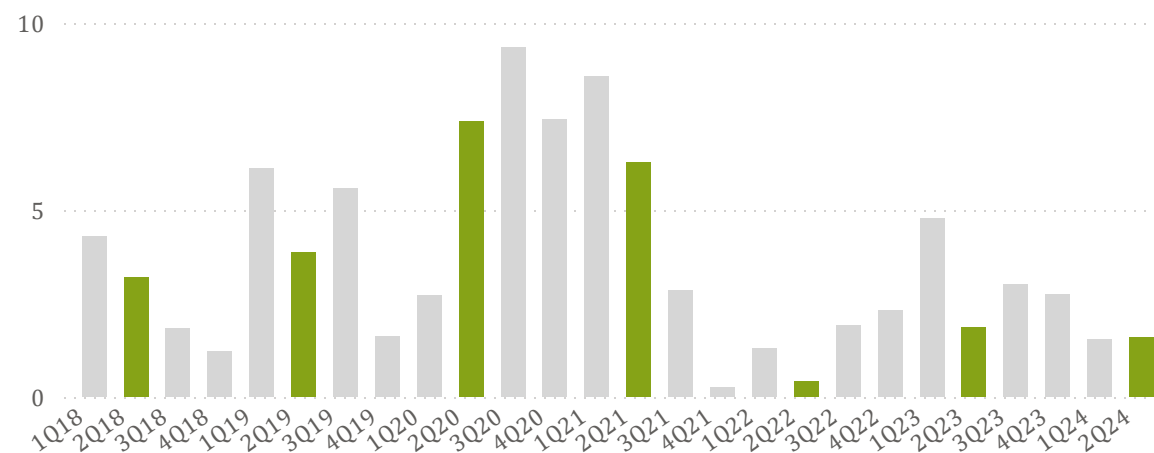
Follow-on offerings (EUR bn)



IPO proceeds (EUR bn)



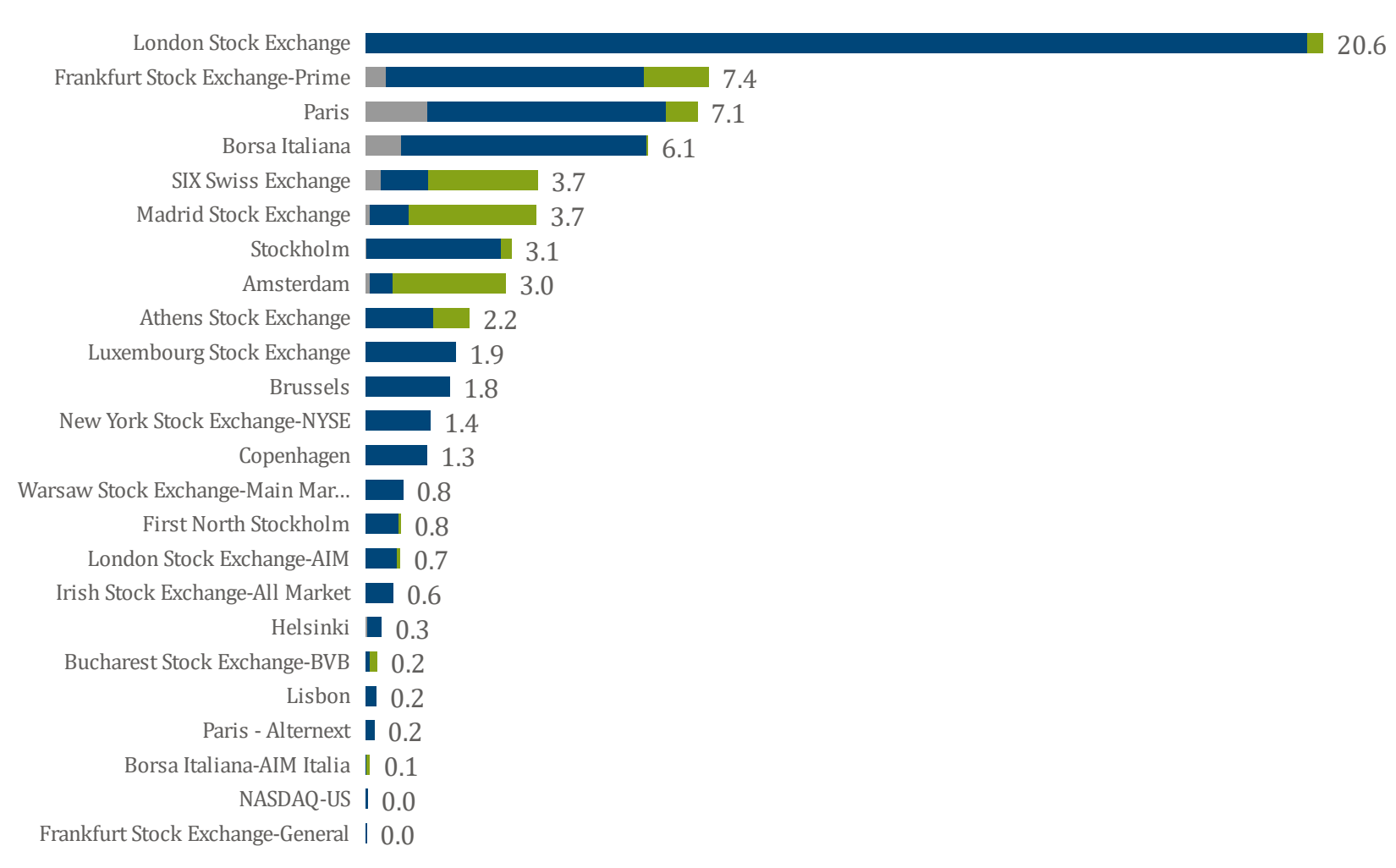
Convertibles (EUR bn)



Equity capital raising

Equity underwriting on European exchanges: IPO, follow-ons and convertibles (2024 YtD, EUR bn)

● Convertible ● Follow-On ● IPO



IPO and listings tracker

Initial Public Offerings (IPOs) on European exchanges accumulated €11.5bn in proceeds on 25 deals, an increase from €2.3bn issued in H1 2023. The value issued, however, is far distant from the average half-year issued amount 2021 of €20-40bn.

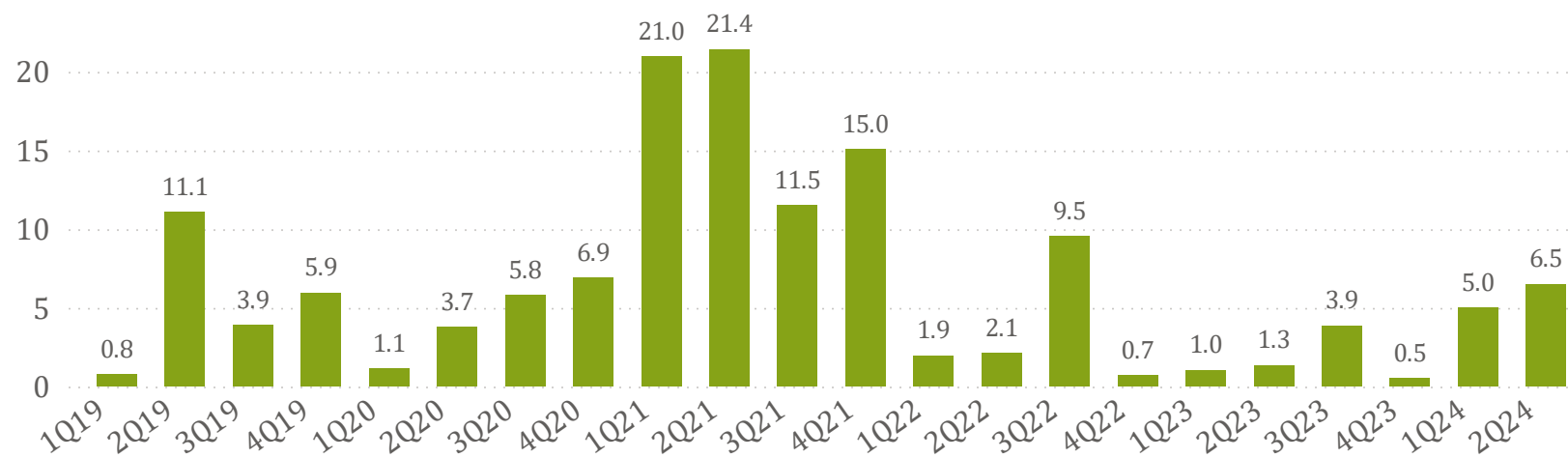
Following a series of quarters with a minimal issued amount, PE-backed IPOs have returned to the market over the year, accumulating €6.4bn in proceeds in the first half of the year.

IPO activity also increased on US exchanges, with a total of €18.7bn raised in H1 2024 from €5.2bn in H1 2023 but continues below historic averages. IPO activity on Chinese and Japanese exchanges also stood below historic averages, with a sharp decline in Chinese IPOs raising €3.6bn in H1 2024 (€22.5bn in H1 2023).

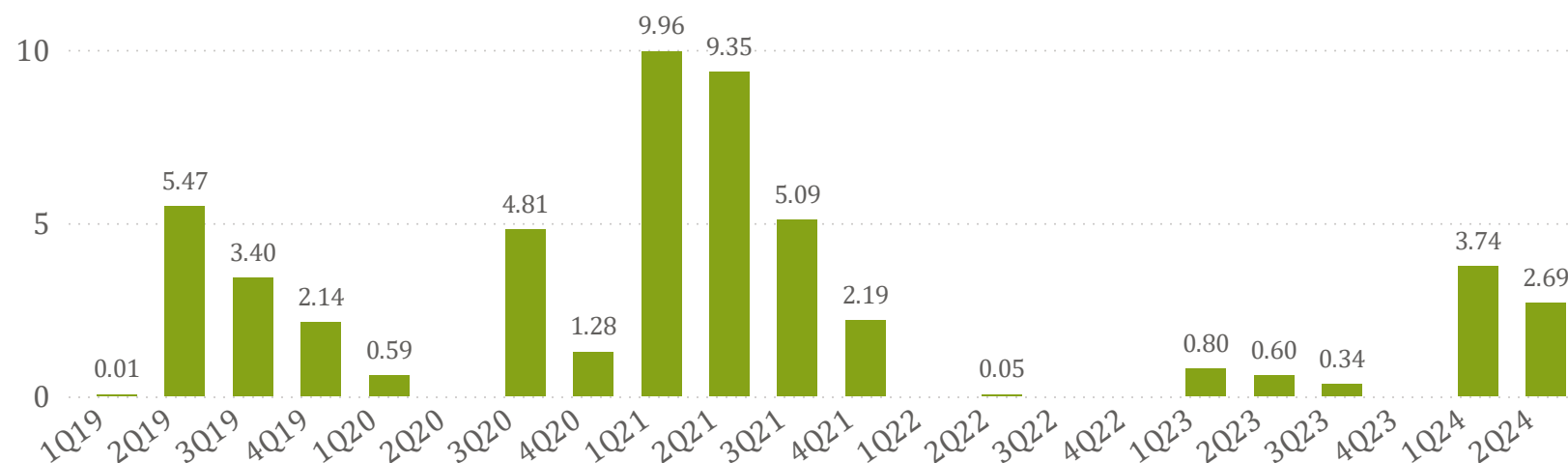
As of Q2 2024, a total of 6,875 domestic companies were listed on European exchanges (EU, UK and Switzerland). This represents a decline from 7,077 companies listed in June 2023 and 7,225 in June 2022.

According to the FTSE Renaissance IPO Index Series, recently listed companies in EMEA have exhibited a negative price return of c9% since 2020. This is below the price performance of the German DAX (37%), French CAC (25%), and FTSE 100 (8%) indices over the same period. The price return is also below the observed for recently listed companies in the US (+16%) but above HK/China (-52%) recently listed companies.

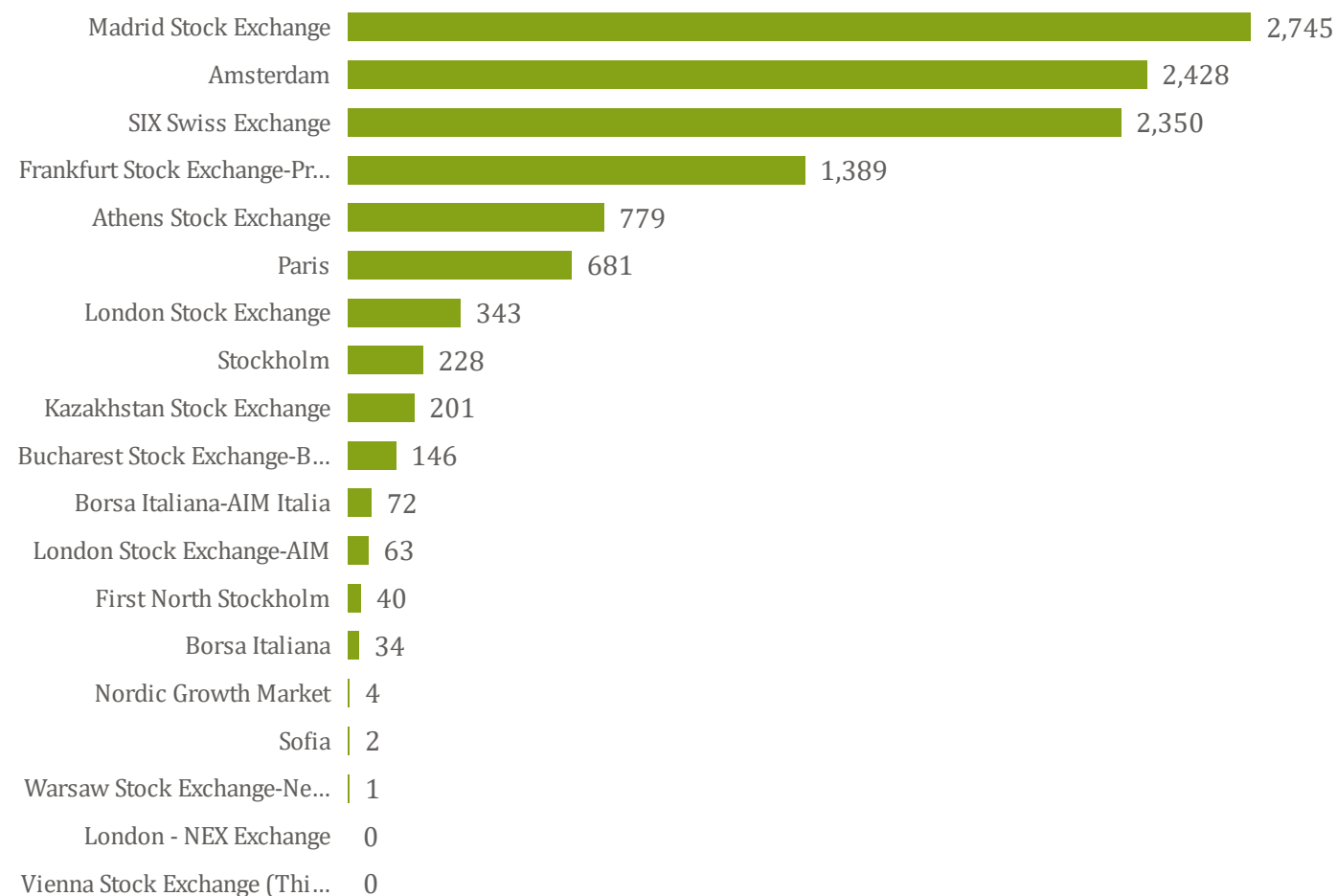
IPO Issuance on European exchanges (EUR bn)



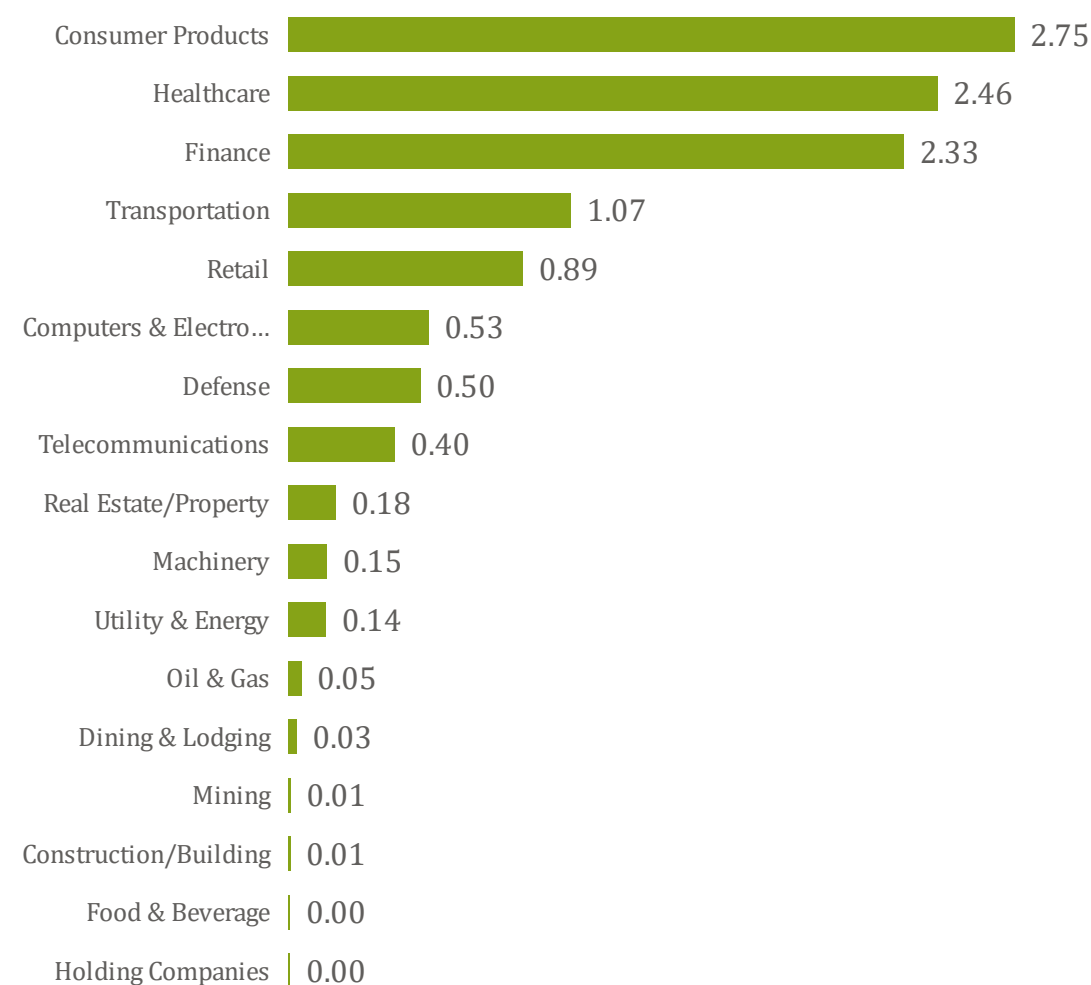
PE-backed IPO proceeds (EUR bn)



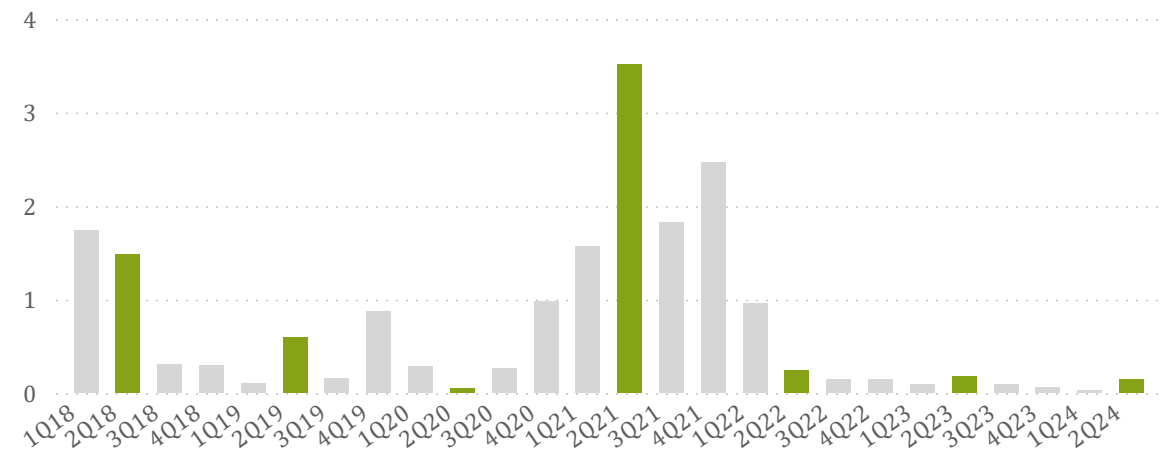
IPO proceeds by listing market (2024 YtD, EURmm)



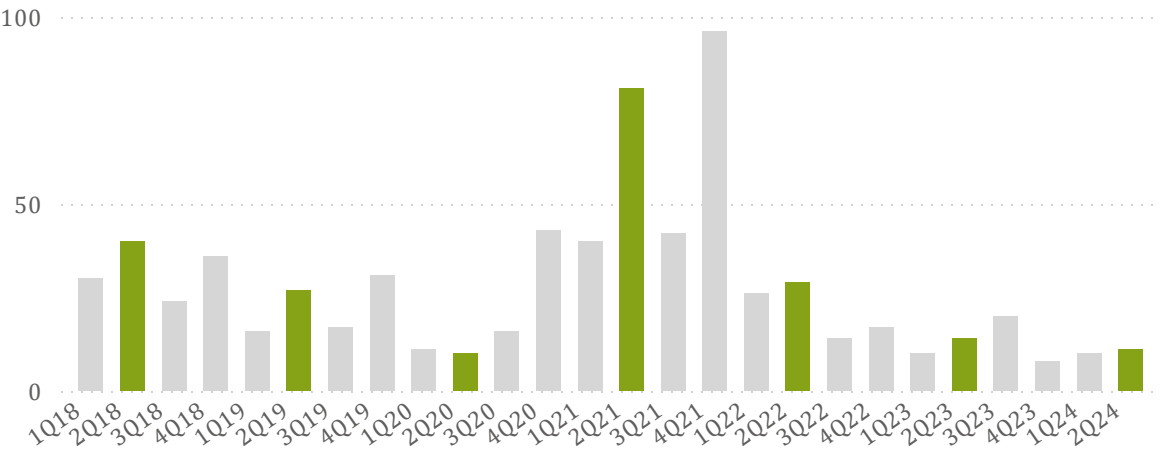
IPO proceeds by industry (2024 YtD, EURbn)



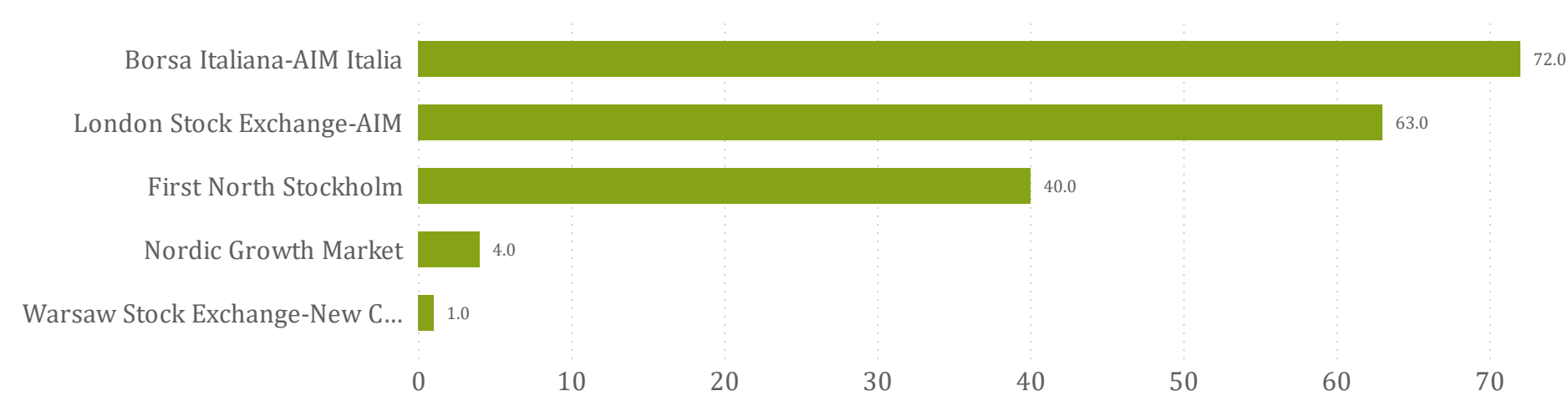
IPO proceeds on European Jr markets (EUR bn)



Numbers of IPOs on European Jr markets

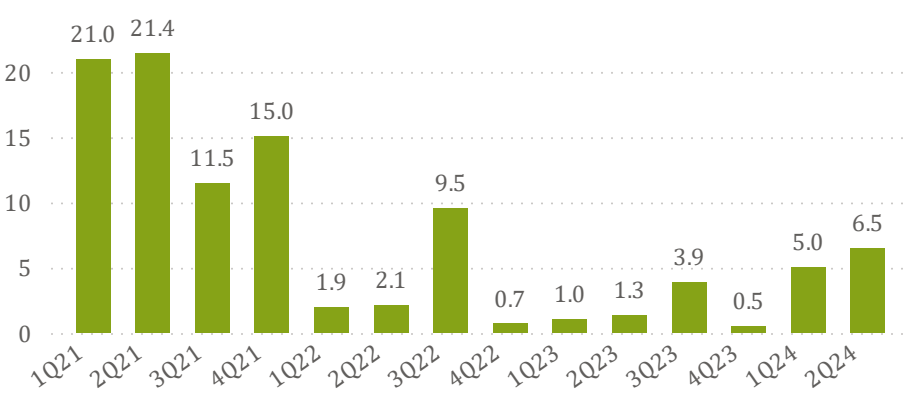


IPO proceeds on Jr markets by exchange (2024 YtD, Eur mm)

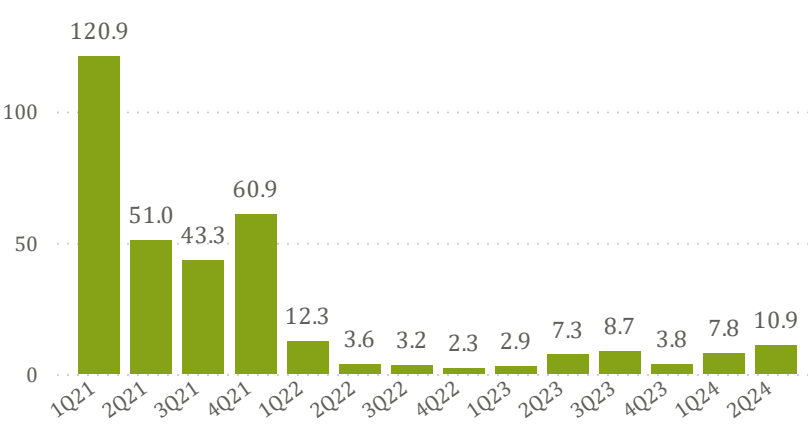


IPO issuance by location of exchange (EUR bn)

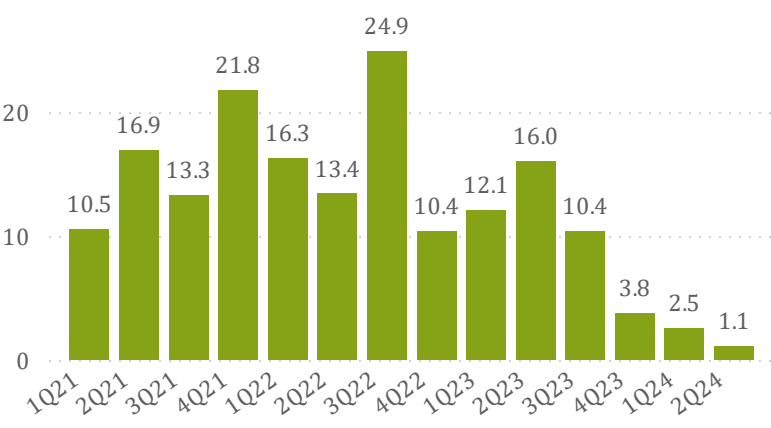
Europe



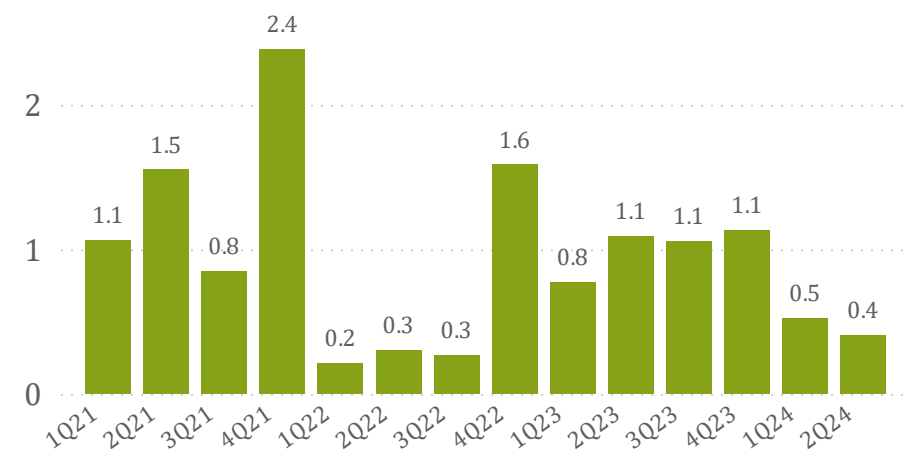
United States



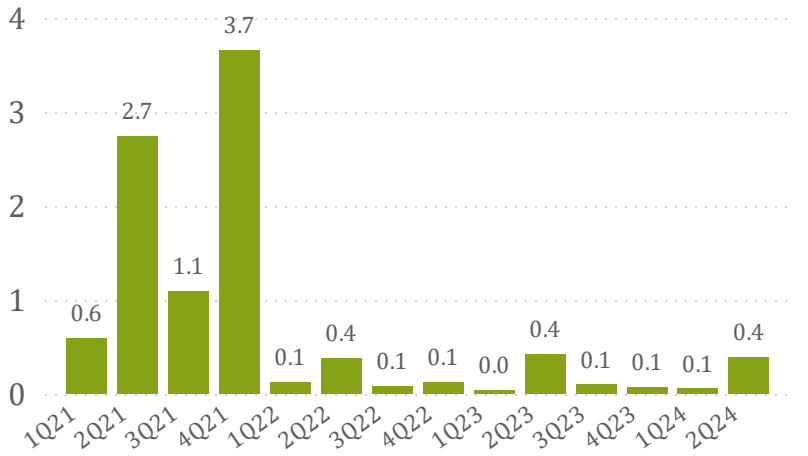
China



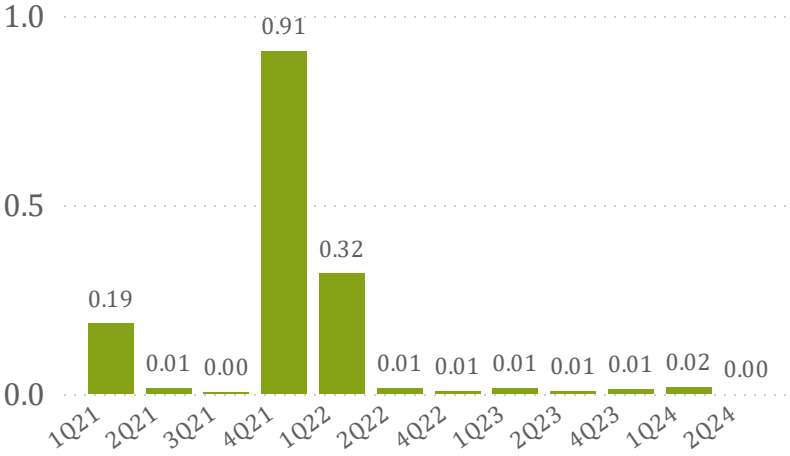
Japan



Australia

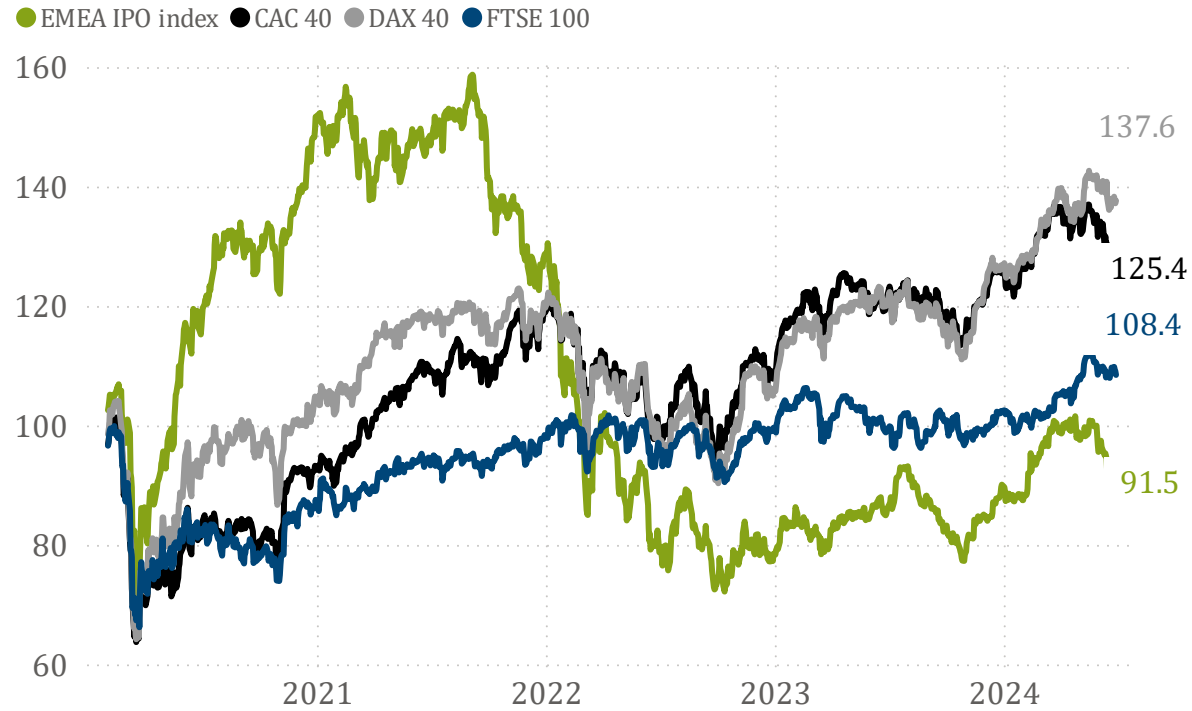


Singapore



Price performance of recent IPO companies

Price performance of selected stock indices (31 Dec 2023 = 100)



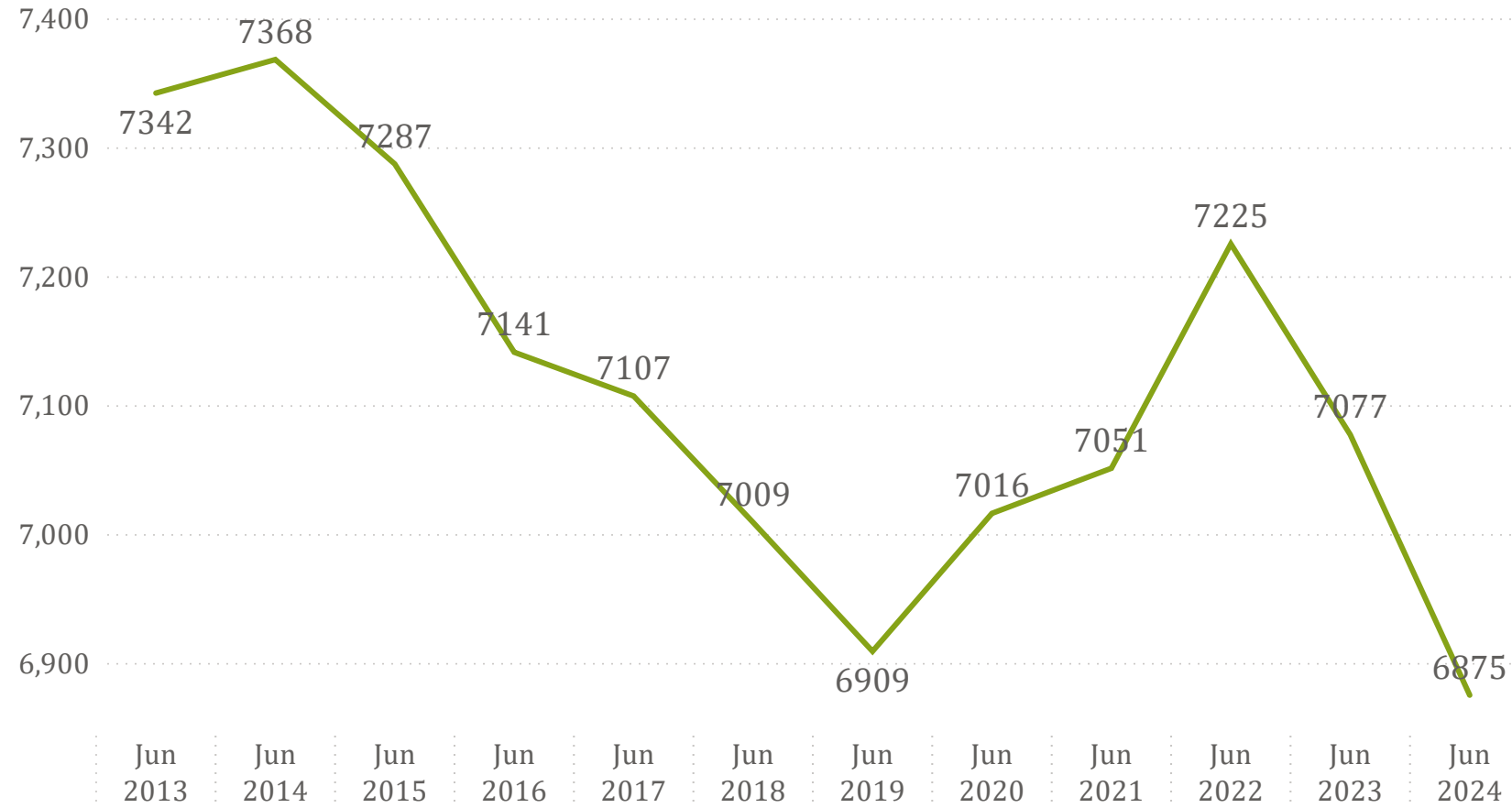
Price performance of selected FTSE Renaissance IPO stock indices (31 Dec 2019 = 100)



The FTSE Renaissance IPO Index Series tracks the price performance of IPOs in EMEA, the United States and the Asia Pacific region. Qualified IPOs are added to the indexes on a quarterly basis and removed c. 3Y after their first trading day.

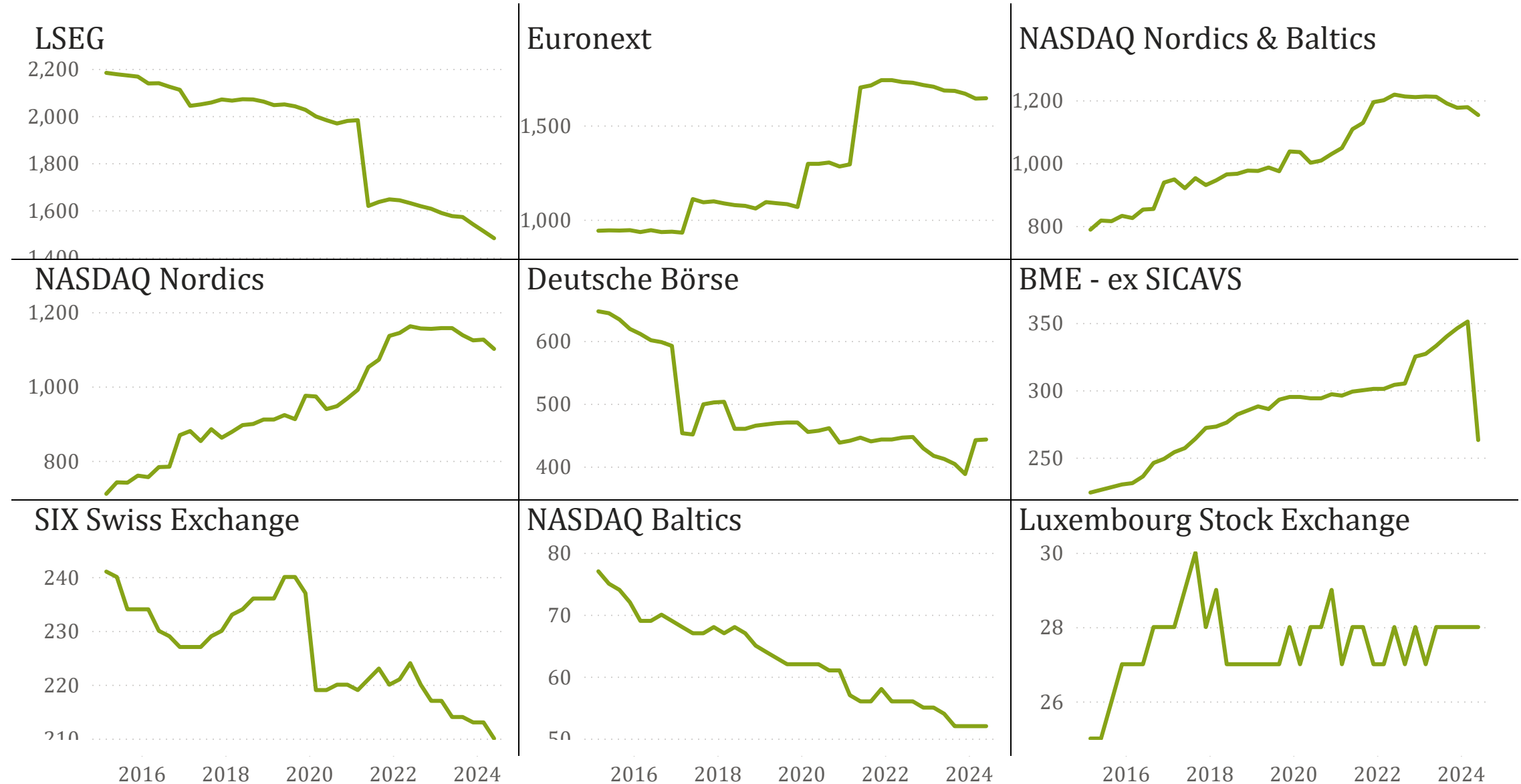
Number of domestic listed companies

Number of listed companies on European exchanges*



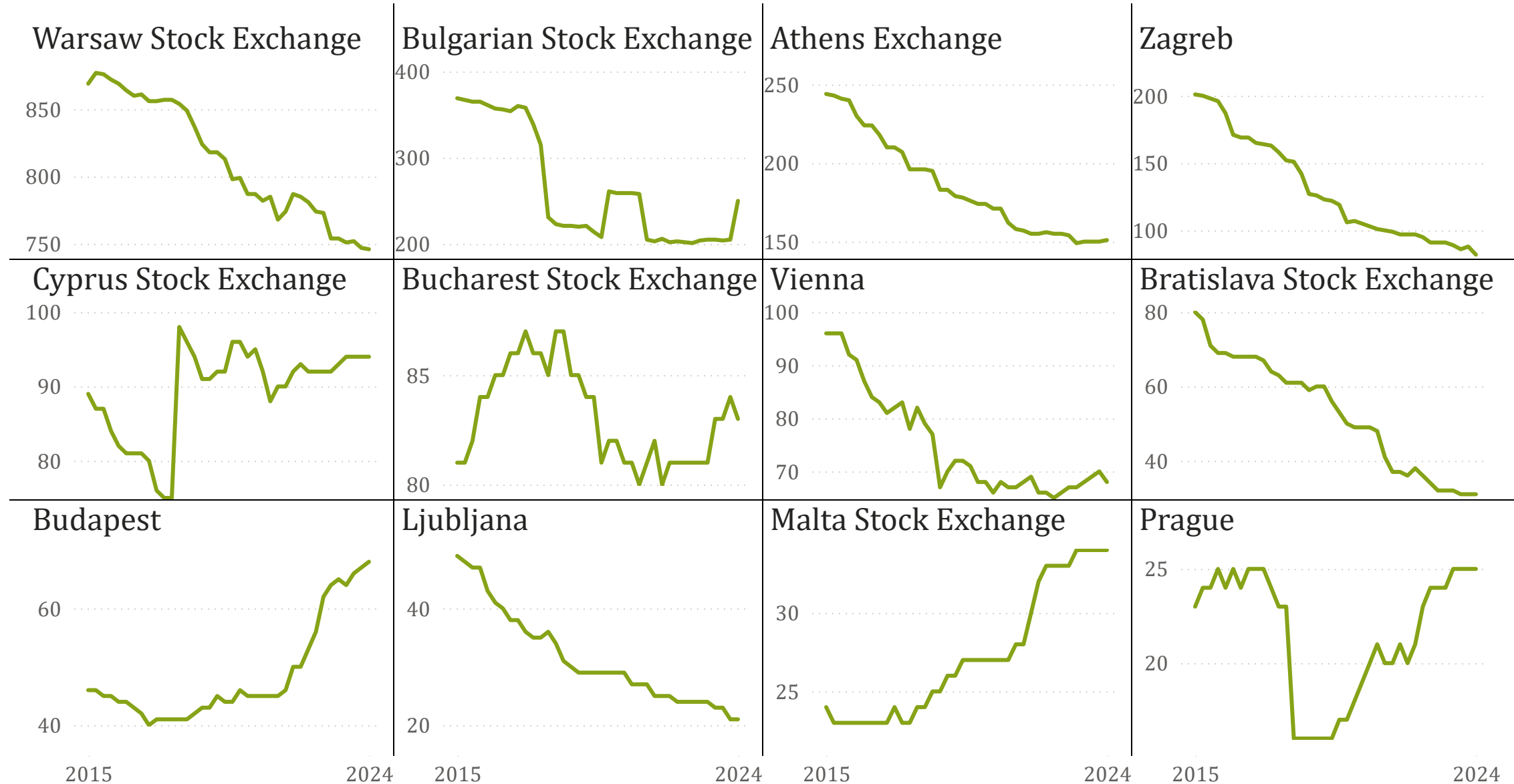
Number of domestic listed companies

Number of listed companies on European exchanges



Number of domestic listed companies

Number of listed companies on European exchanges



Mergers and Acquisitions (M&A)

Mergers and Acquisitions (M&A)

European completed M&A totaled €327bn during H1 2024, a 12% decline from the deal value of H1 2023 (€372bn).

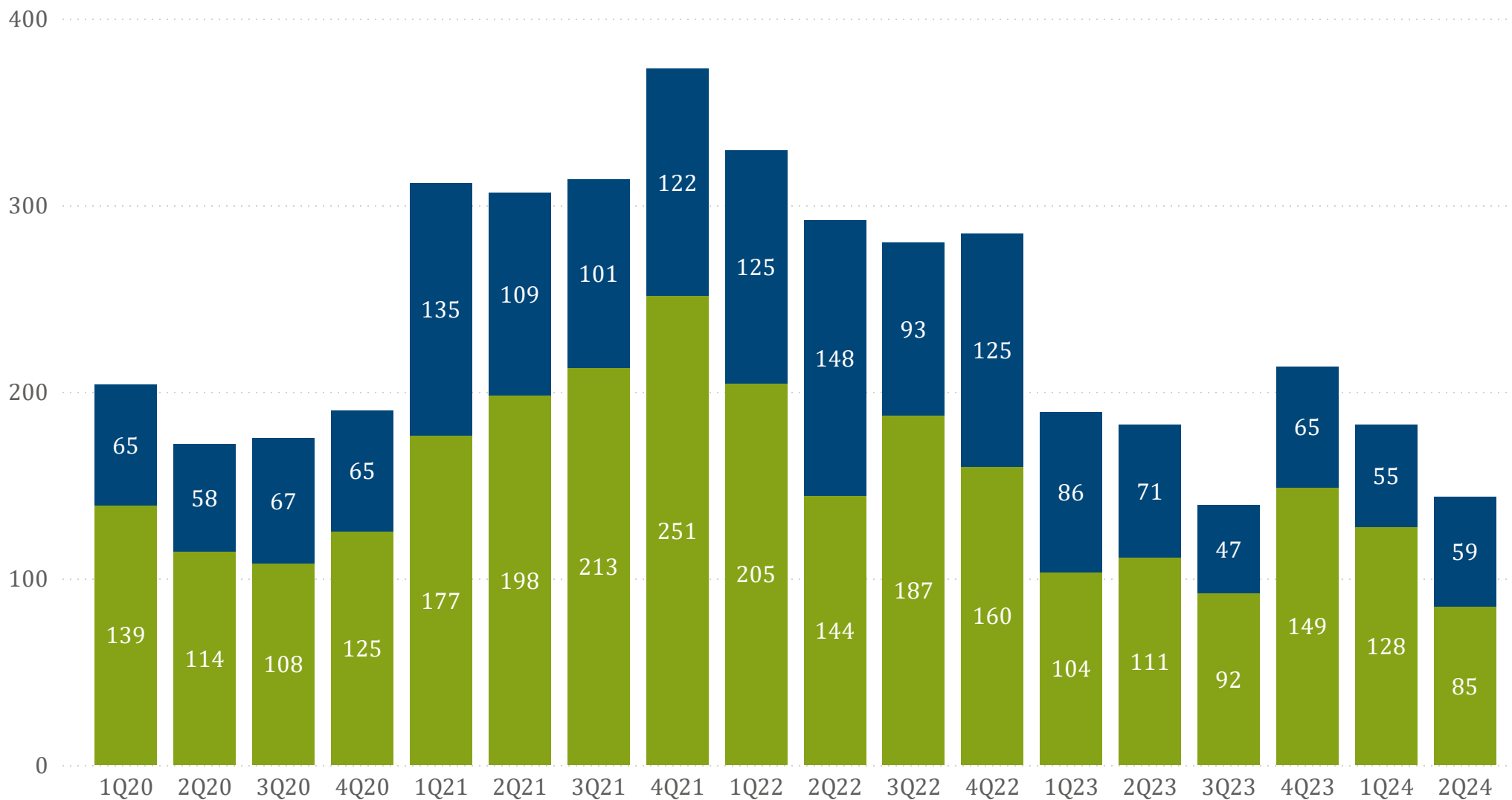
The subdued deal value continues the recent evolution of European M&A observed since Q1 2023, as quarterly completed activity has not surpassed the €200bn mark since then.

PE-backed sponsor deals accumulated €114bn in deal value (or 34% of the total), a 27% decline from €157bn in H1 2023 (42% of the total).

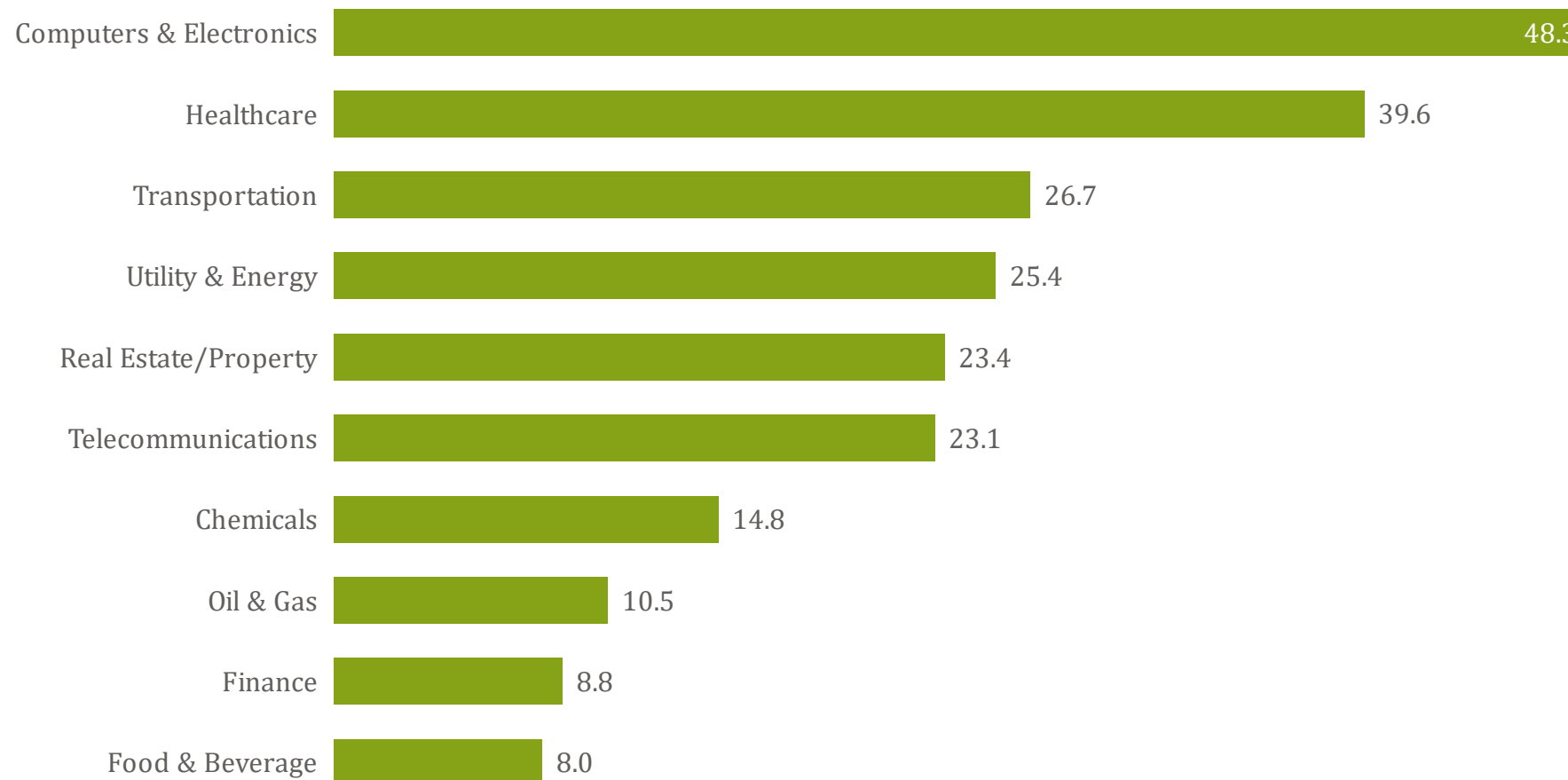
Notwithstanding the decline in completed deal value, the amount of announced M&A deals in H1 2024 rose 57% from a year ago, which may anticipate an upcoming recovery in European M&A activity.

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

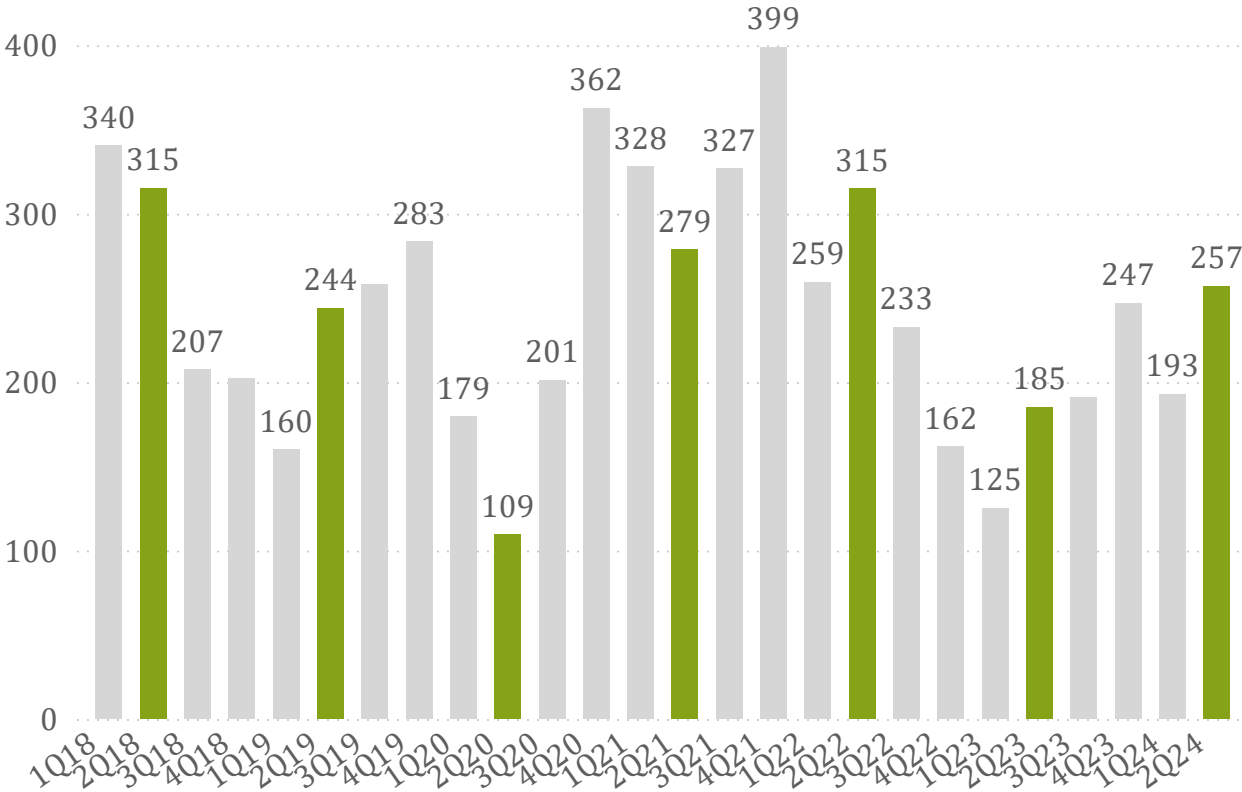
● Sponsor ● Strategic



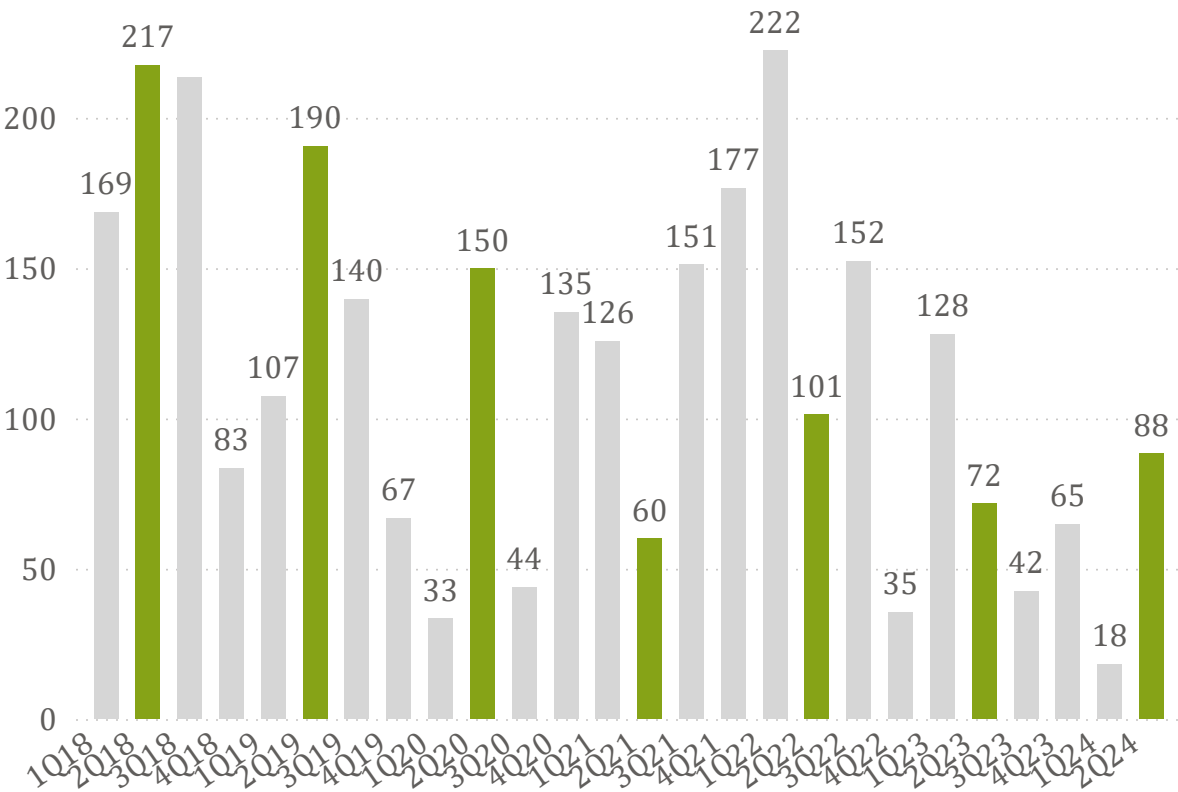
Top 10 industries for completed M&A (2024 YtD, EUR bn)



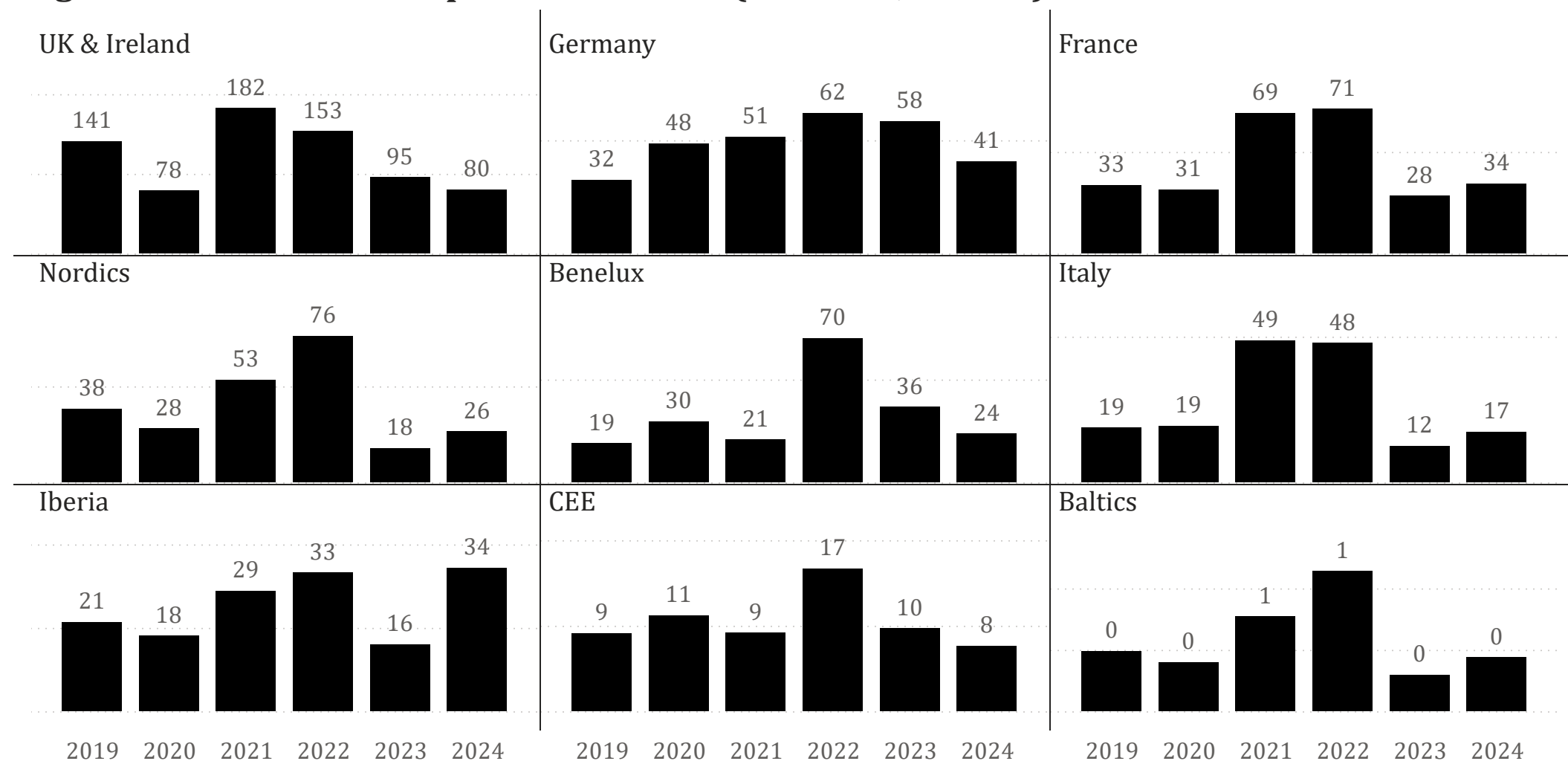
Announced M&A (EUR bn)



Withdrawn M&A (EUR bn)



Regional M&A trends: completed deal value (2024 YtD, EUR bn)



Secondary markets

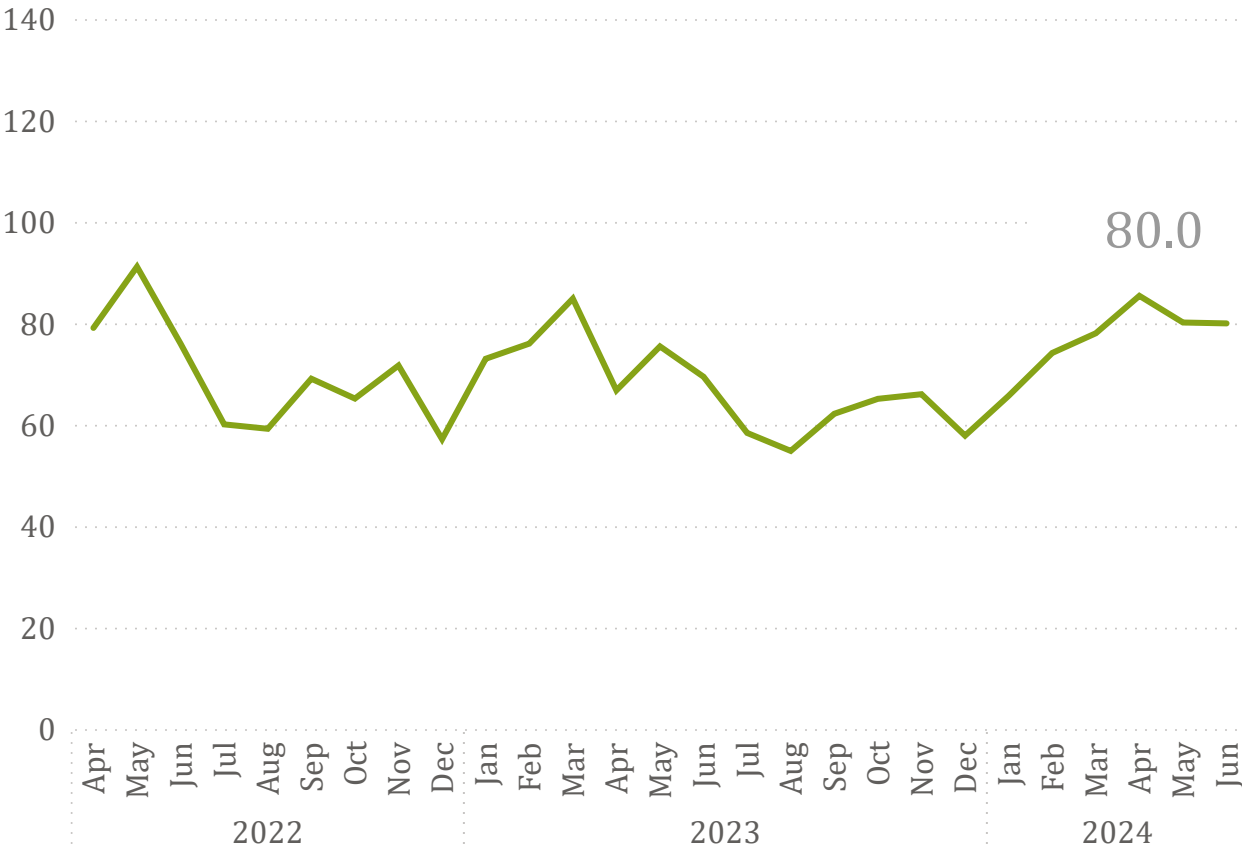
In H1 2024, turnover value of equity products traded in Europe has increased 5% YoY. This includes addressable trading on all venues, systematic internalisers and OTC.

Turnover ratio, calculated as annualised turnover value relative to market capitalisation, increased to 125% in Q2 2024 after a record low of 100% observed in the second half of 2023. For the long term trend, market data shows a pronounced deterioration in market liquidity as measured by turnover ratio with a decline from c150% in 2018 to 100-120% observed over the last 12 months.

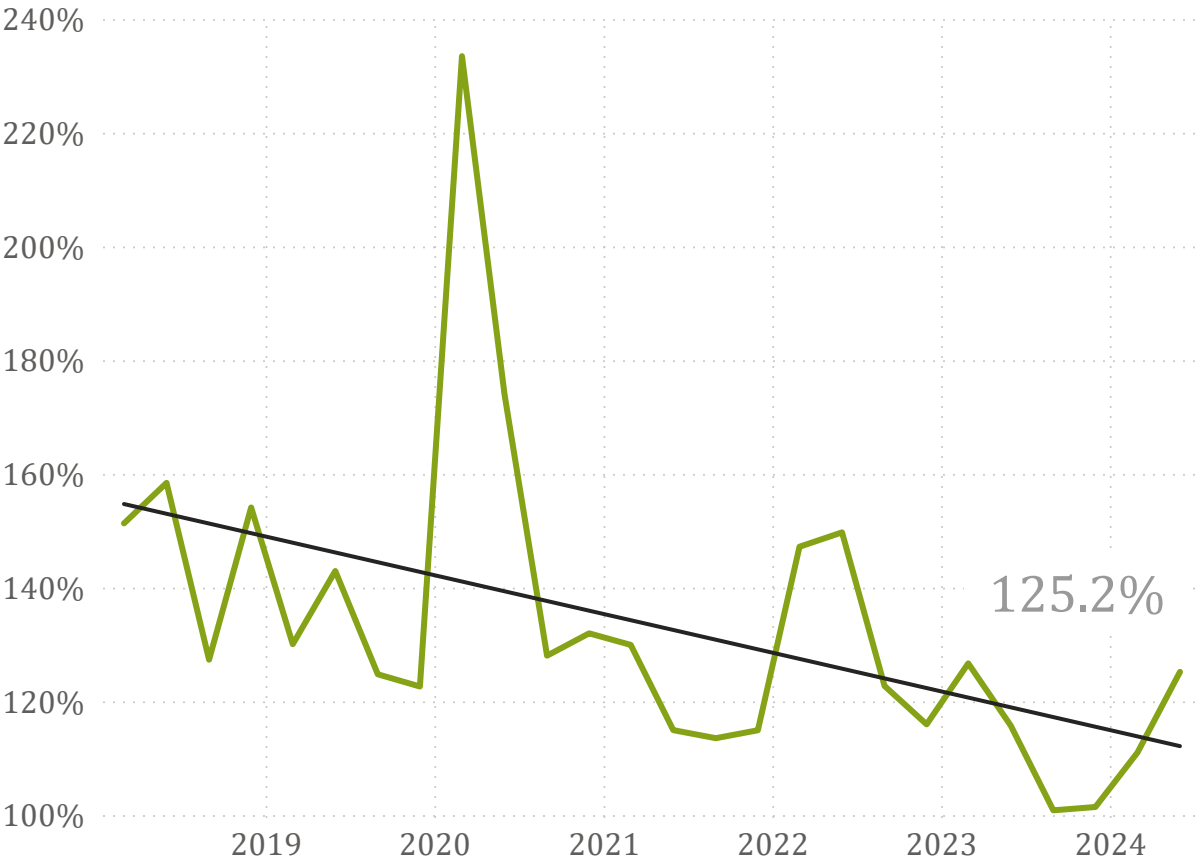
Bid-ask spreads for selected European equity indices slightly increased for CAC40 and DAX40 constituent companies.

Market capitalisation of European listed shares (EU, UK and Switzerland) stood relatively unchanged in Q2 2024 finalising the quarter at €17tn.

Average daily equity turnover value on European exchanges and MTFs (EUR bn)

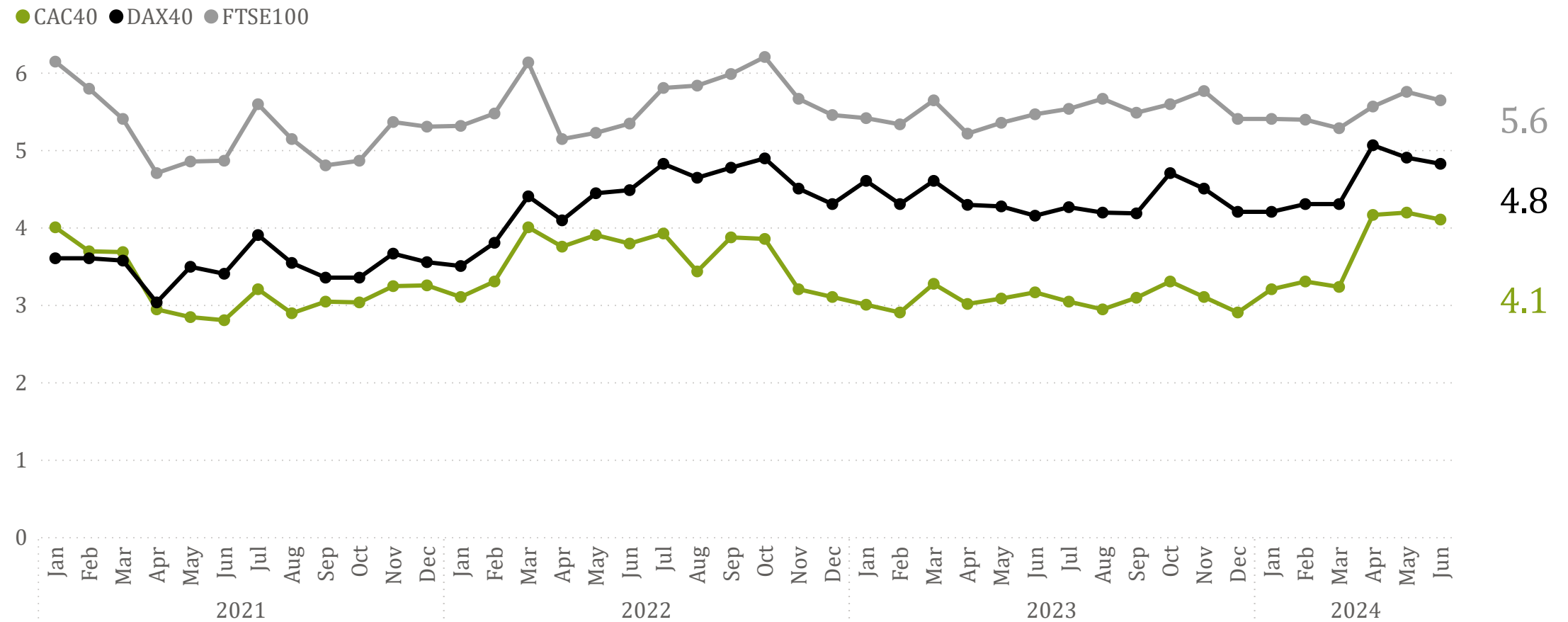


Turnover ratio (annualised turnover value/ market cap)**



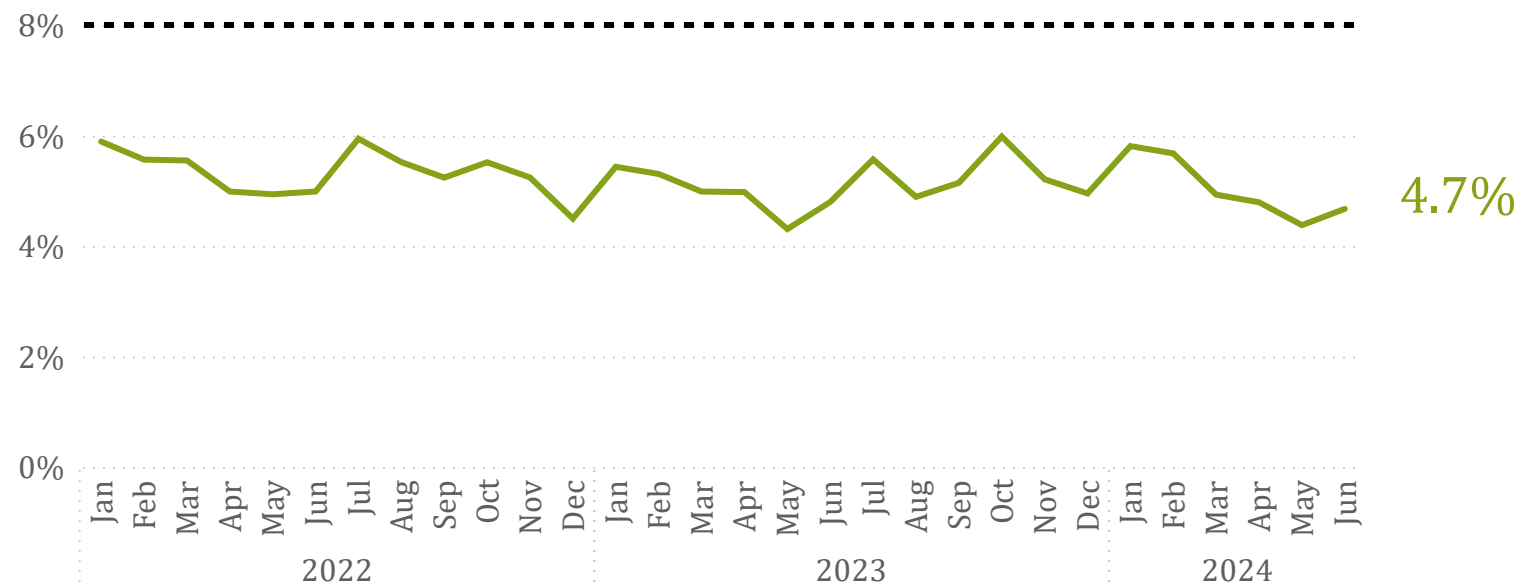
Bid-ask spreads for selected European indices

Market spreads in basis point for selected equity indices (Primary venue, value weighted average spread, €5K)

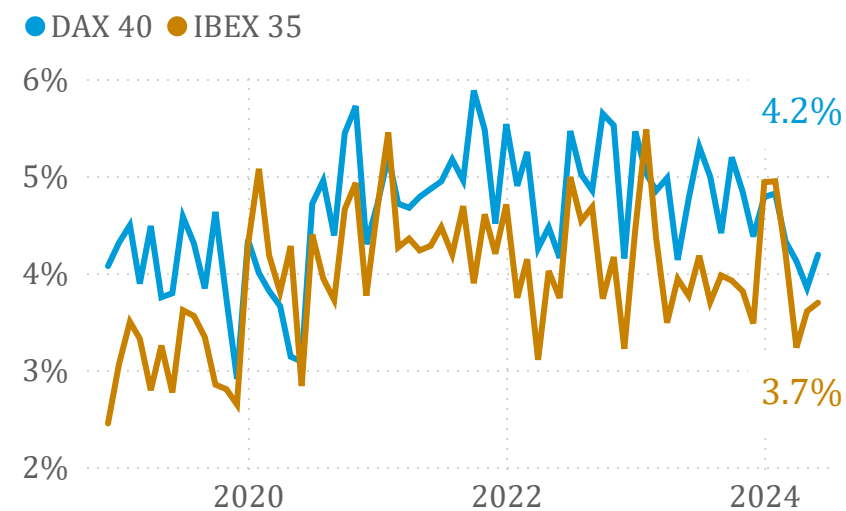
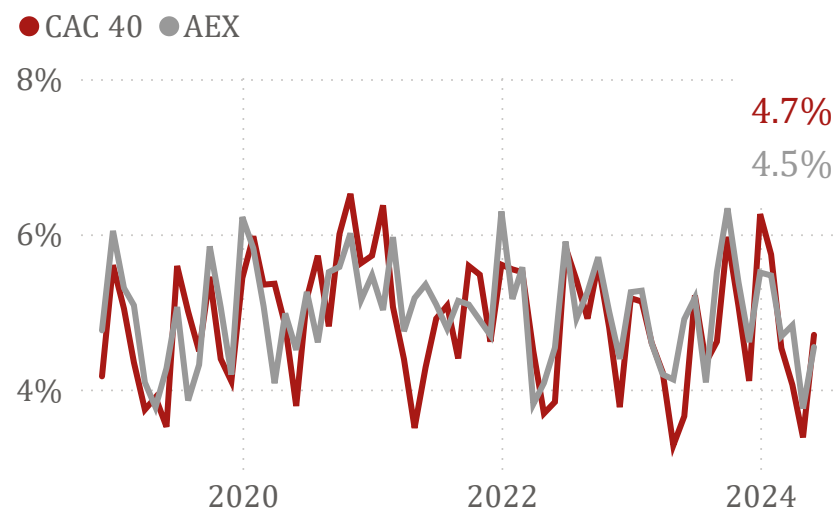
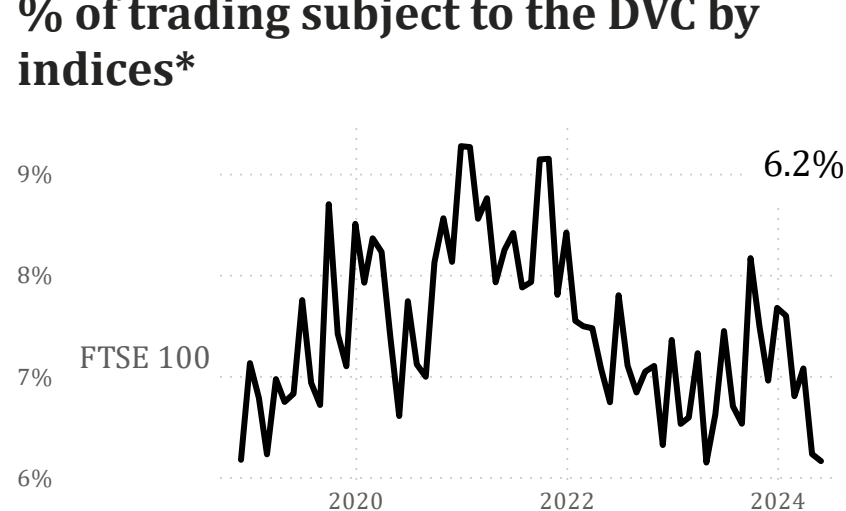


Proportion of trading subject to the DVC at 5%

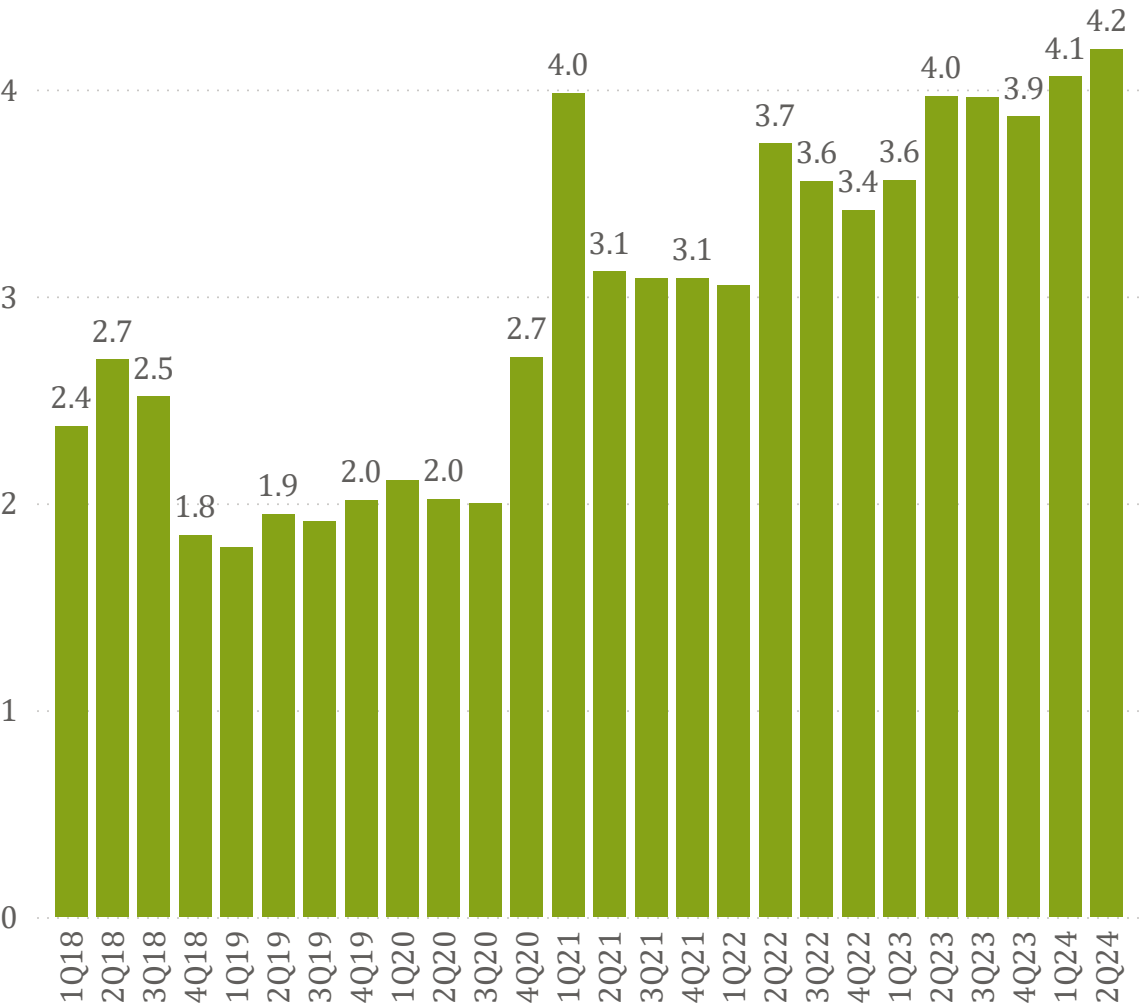
Trading subject to the DVC as % of total turnover*



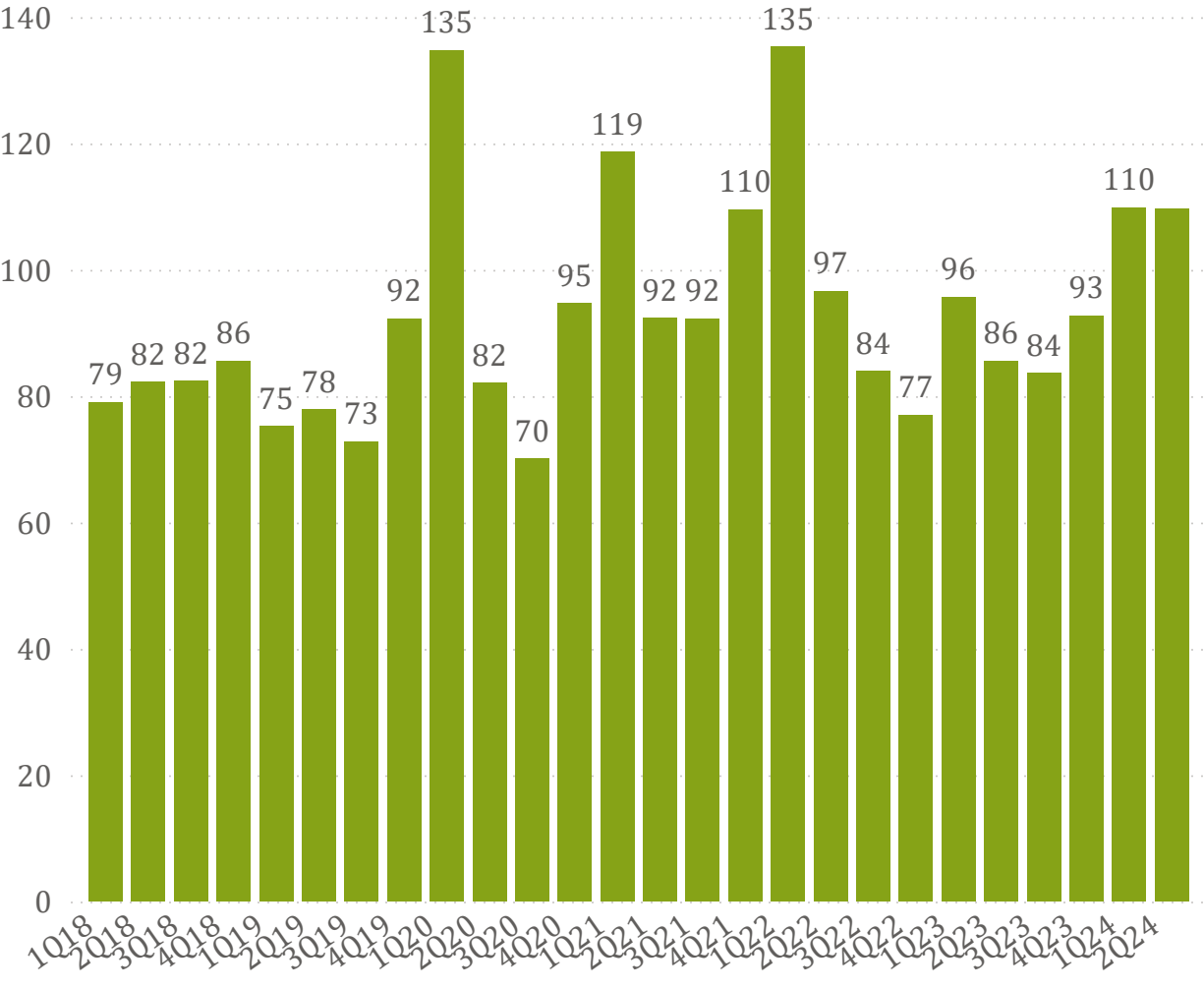
% of trading subject to the DVC by indices*



Block trades: Average value per trade (EUR mm)



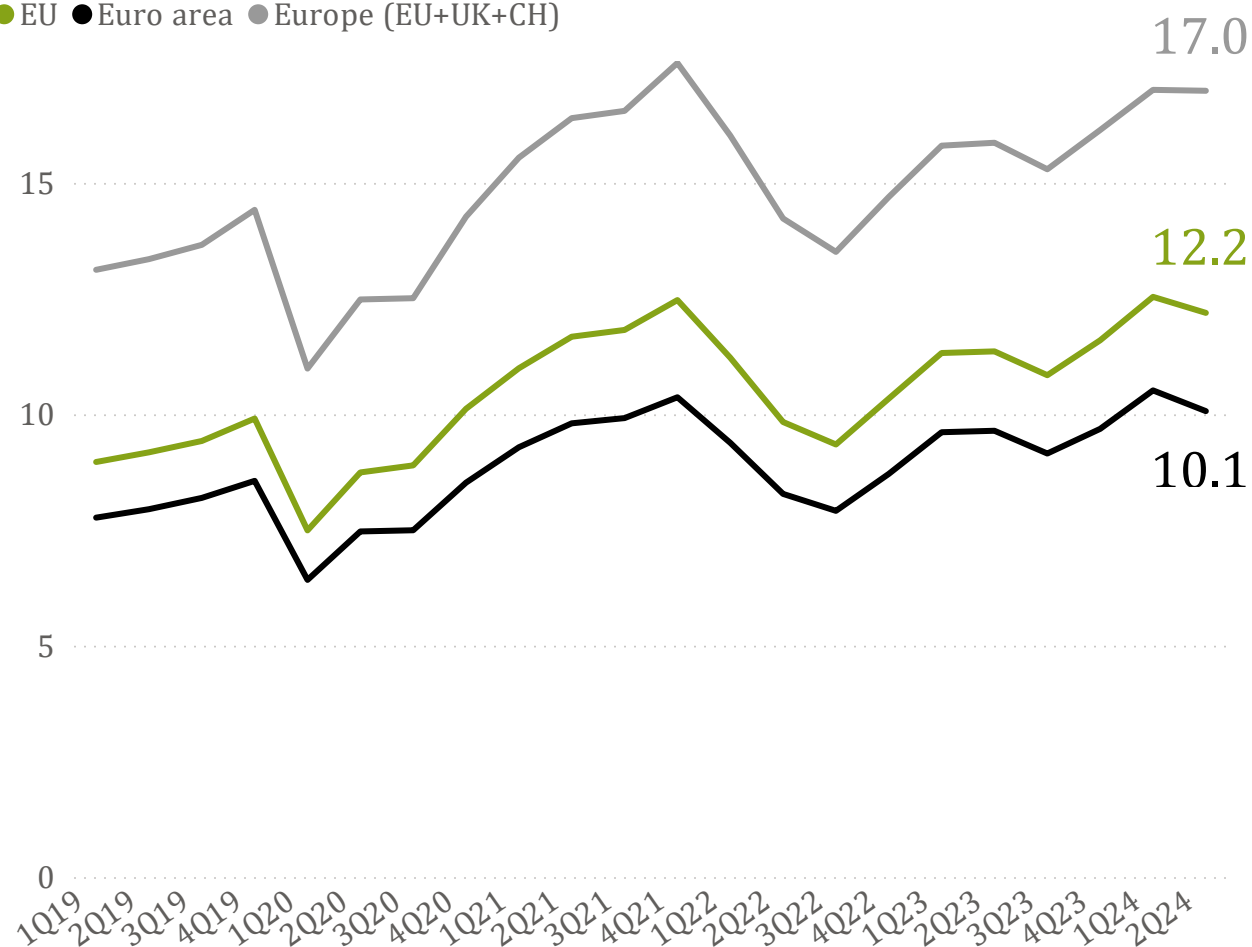
Block trades: value traded > LIS (EURBn)



Market capitalisation of domestic listed shares

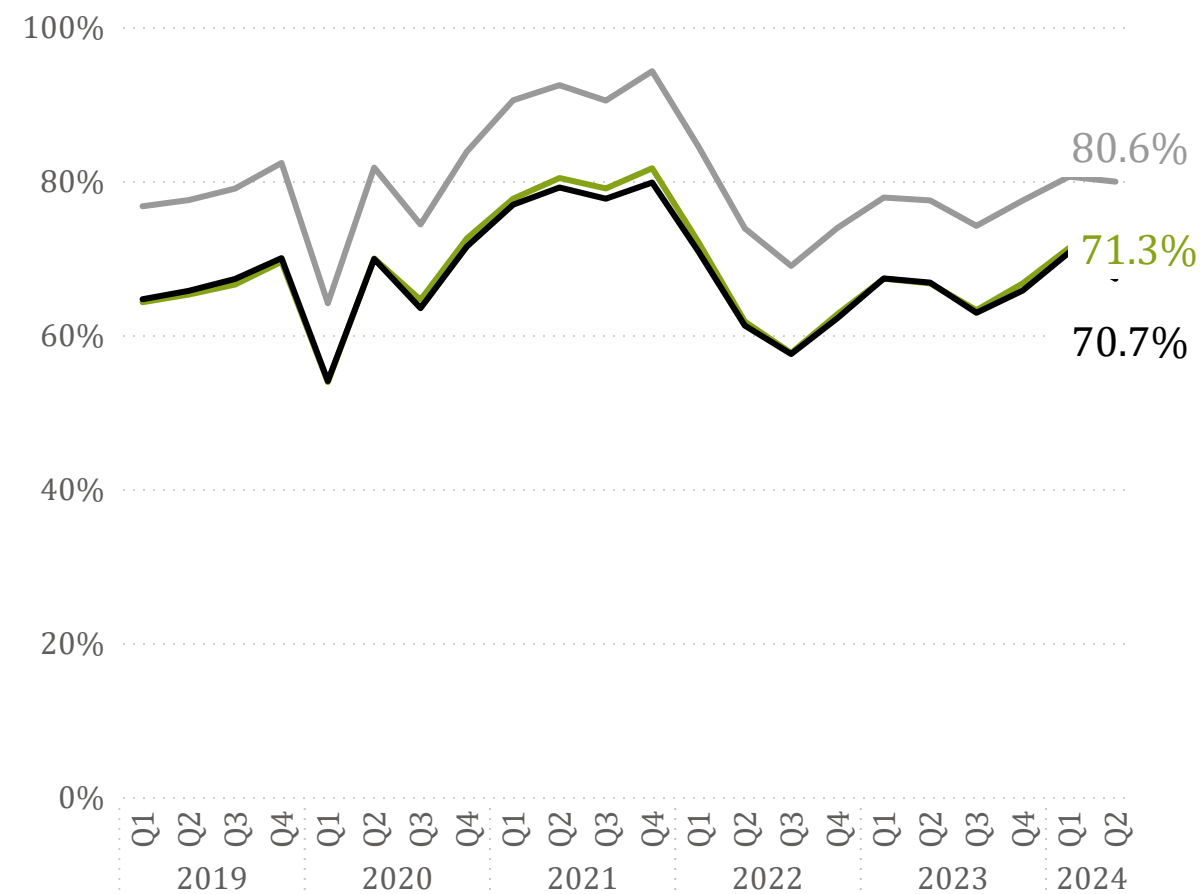
EUR tn

● EU ● Euro area ● Europe (EU+UK+CH)



% GDP

● EU ● Euro Area ● Europe (EU+UK+CH)



Equity trading market structure

Equity trading market structure

According to BigXYTdata, on-venue trading represented 74% of the total addressable liquidity in Q2 2024. Volume traded off-venues, on systematic internalisers and pure OTC, represent the remaining 26% of the volume of the total addressable liquidity.

The proportion of on-venue trading has fluctuated at around 70% relative total addressable liquidity since our records start in 2018.

DVC Update

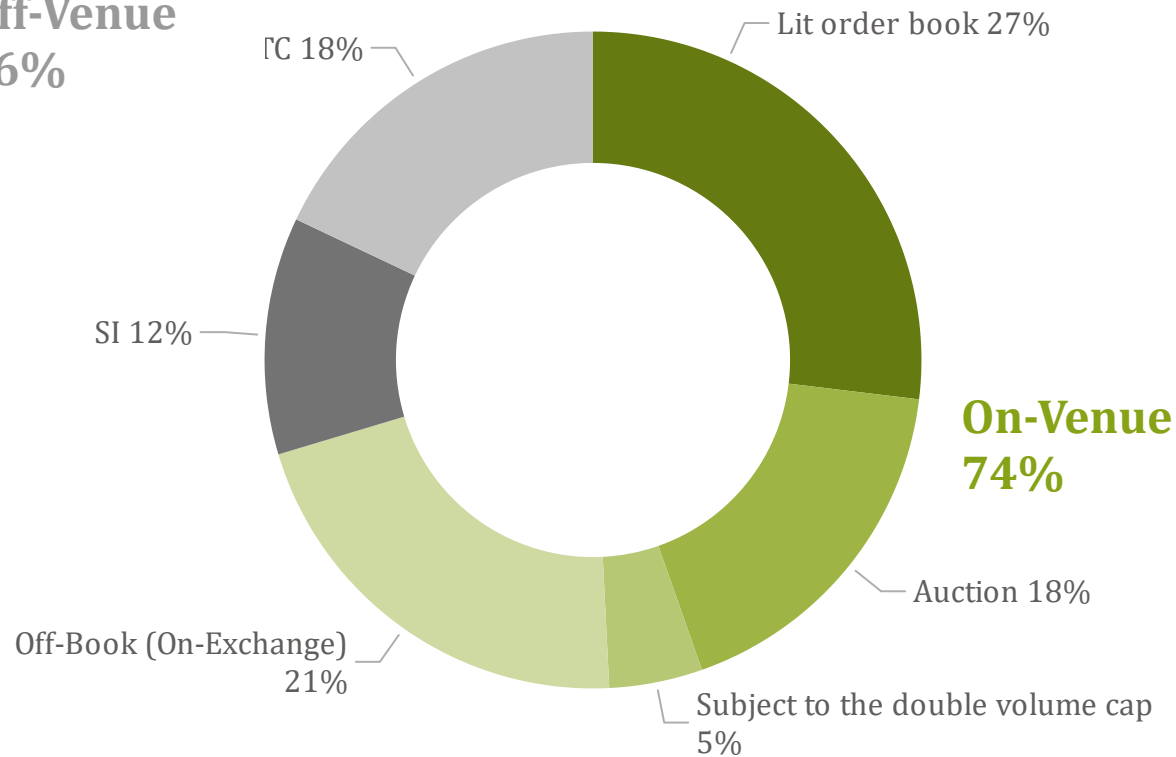
The Double Volume Cap (DVC) mechanism seeks to limit equity trading under the reference price waiver and the negotiated transaction waiver on EU venues. According to ESMA, the number of instruments suspended under the DVC has roughly stabilised since March 2023, with 216 suspended instruments (177 at EU Level and 39 at TV level) as of September 2024.

The 216 instruments currently suspended under the DVC at the EU or trading venue level represent 0.8% of the equity-like instruments on ESMA's September 2023 DVC files. 173 of the 216 suspended instruments have EU ISINs (or 80% of the total number of suspended instruments).

Share of Pan-European trading value by trading mechanism

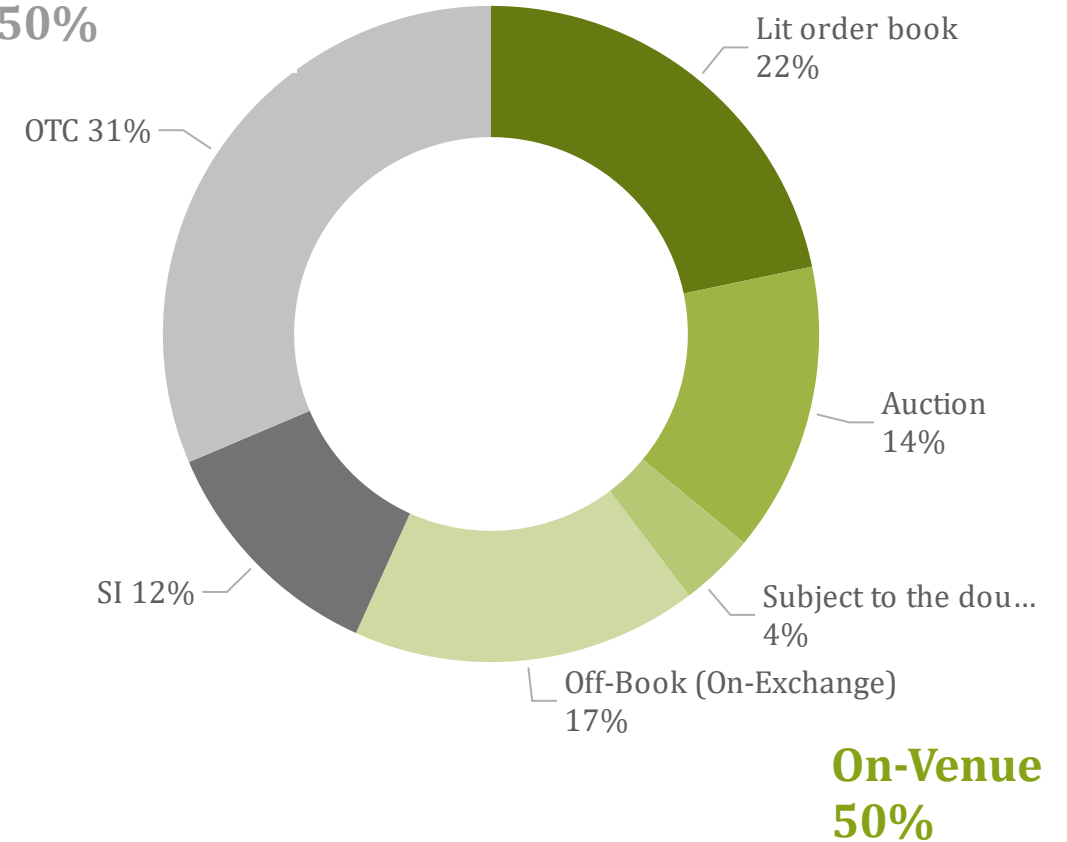
Adjusted for transactions not contributing to price formation

**Off-Venue
26%**



Unadjusted

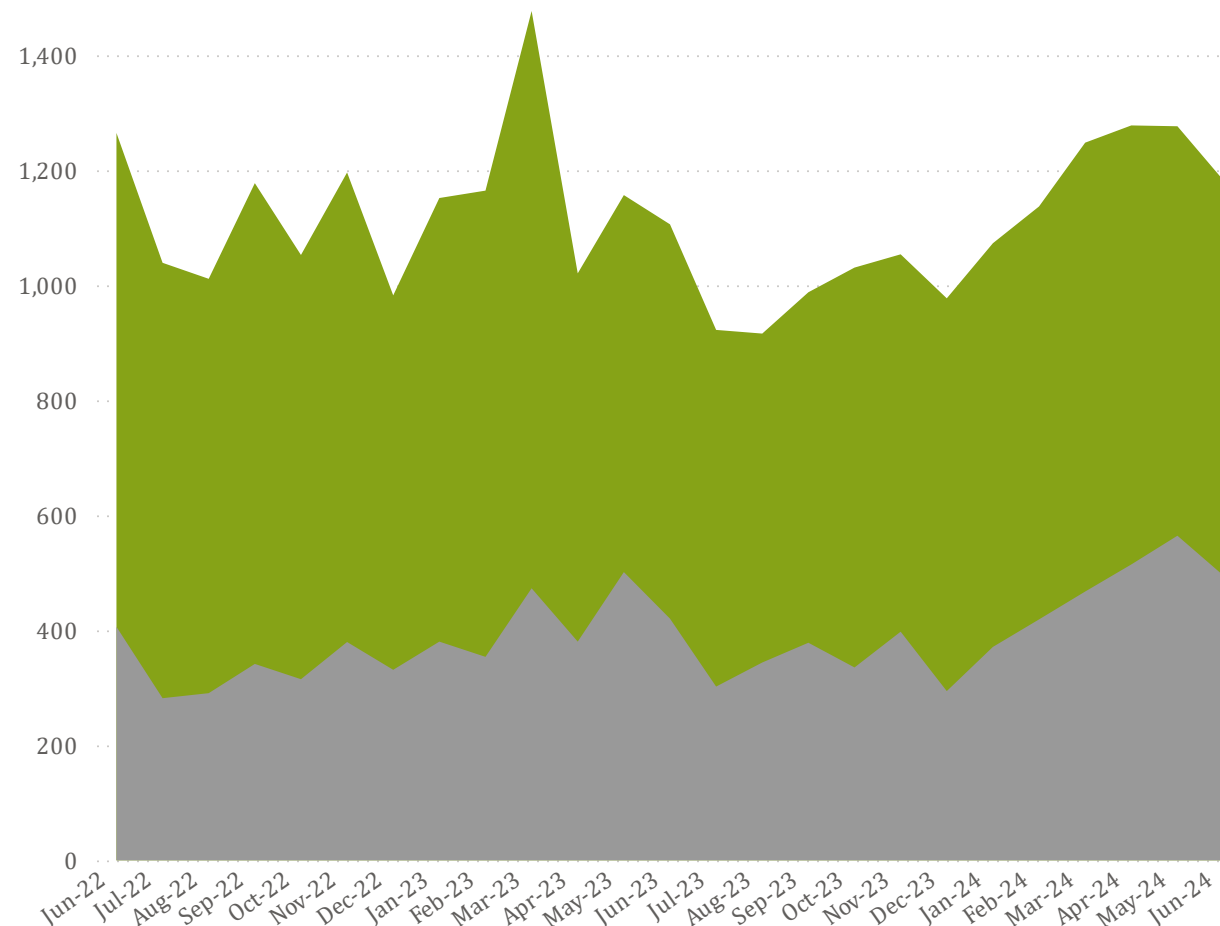
**Off-Venue
50%**



Share of Pan-European trading volume by trading mechanism

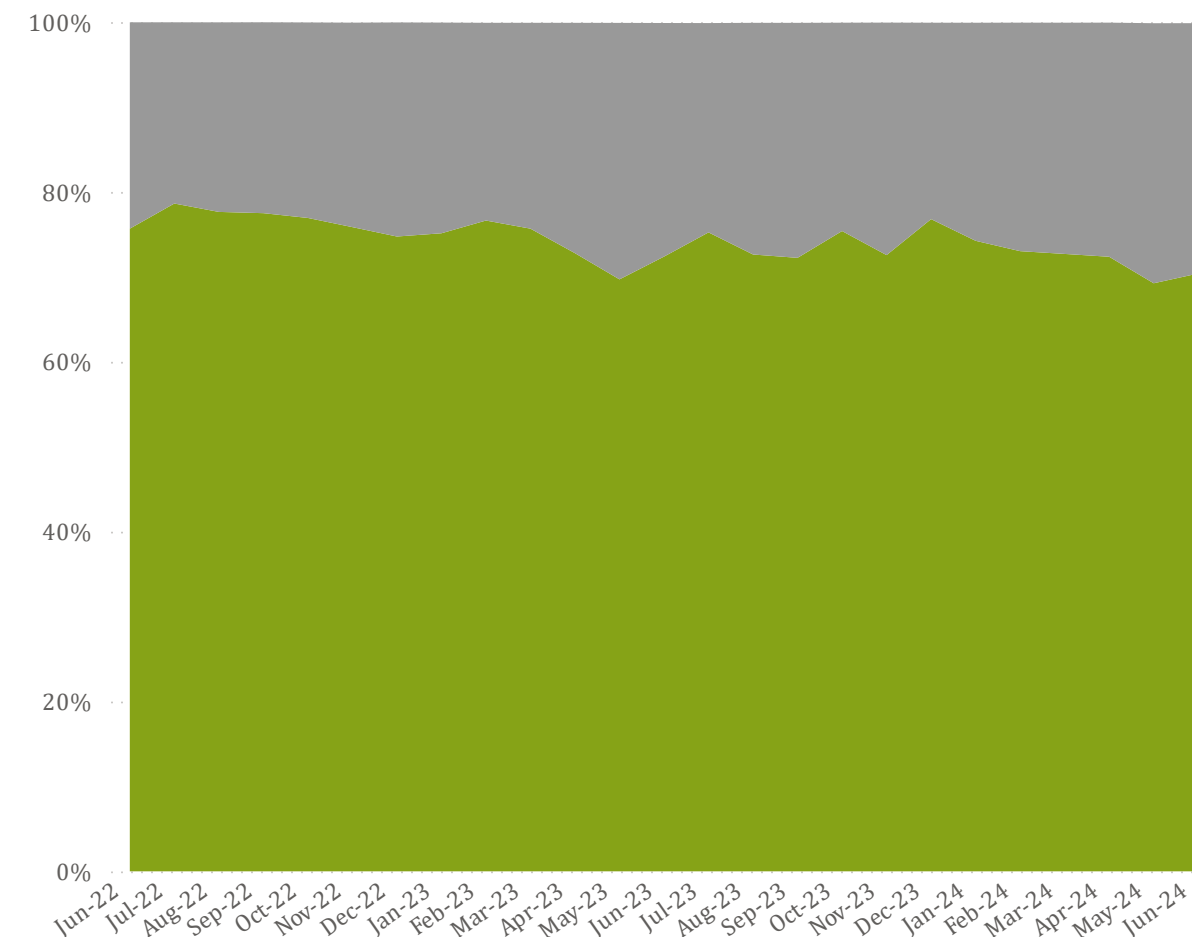
EURbn per month

On-venue Off-venue



% per month

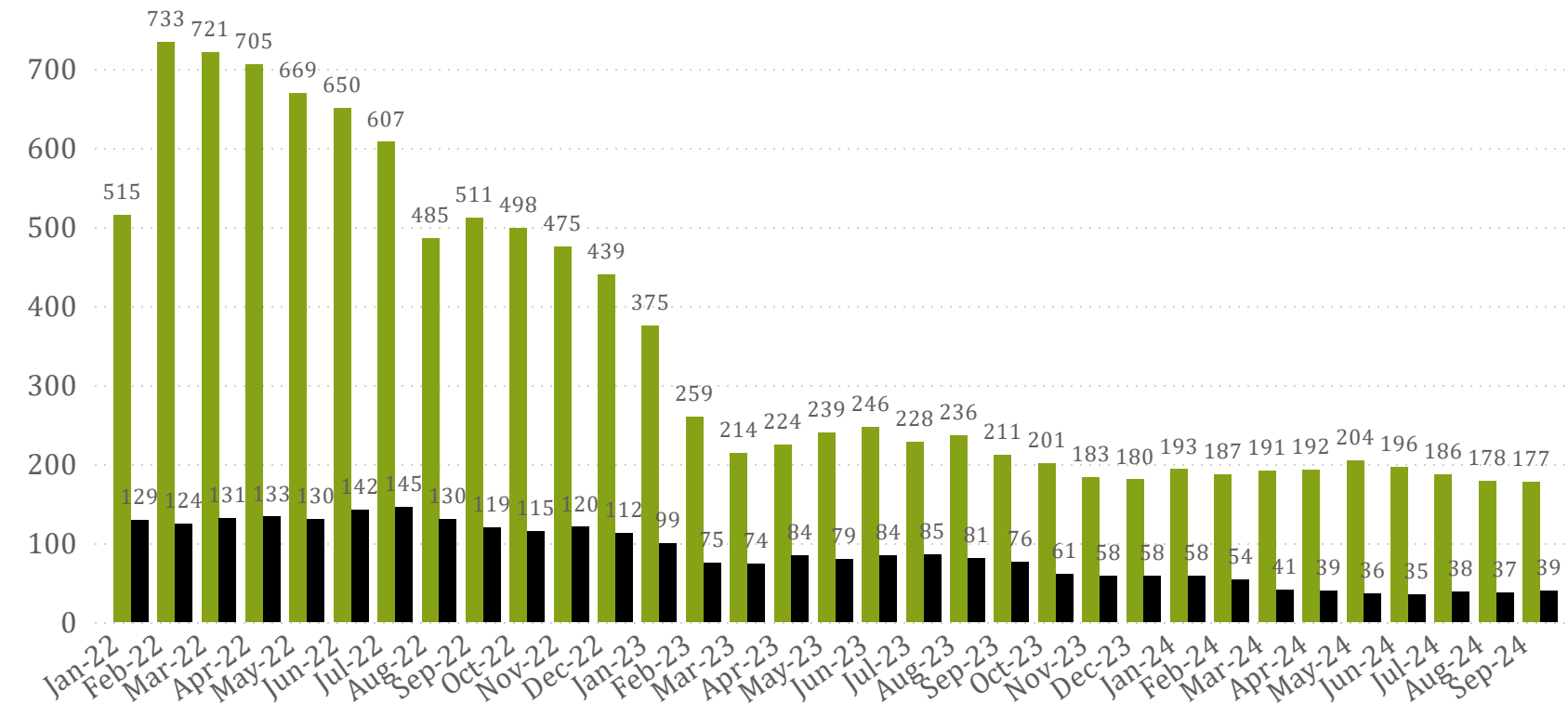
On-venue Off-venue



MiFID double volume cap (DVC)

Number of equity-like instruments suspended from trading subject to the DVC at the EU or trading venue level

● EU Level (8% cap) ● TV level (4% cap)



afme / MiFID double volume cap (DVC)

Finance for Europe

Number of equity-like instruments on ESMA
DVC files by ISIN location:

Sep-24

Country	ISIN	Universe	Suspended EU level	Suspended TV level	Suspended%
AT		80	1	0	1.25%
BE		230	5	0	2.17%
BG		248	0	0	0.00%
CY		66	2	0	3.03%
CZ		29	0	0	0.00%
DE		1004	18	0	1.79%
DK		689	10	7	2.47%
EE		42	0	0	0.00%
ES		362	2	0	0.55%
FI		222	14	5	8.56%
FR		933	11	9	2.14%
GR		178	0	0	0.00%
HR		102	0	0	0.00%
HU		74	0	0	0.00%
IE		2394	12	5	0.71%
IT		520	7	0	1.35%
LT		28	0	0	0.00%
LU		1231	2	0	0.16%
LV		14	0	0	0.00%
MT		45	0	0	0.00%
NL		256	2	3	1.95%
PL		735	0	0	0.00%
PT		53	0	0	0.00%
RO		352	0	0	0.00%
SE		1695	52	6	3.42%
SI		131	0	0	0.00%
SK		28	0	0	0.00%
Total EU		11741	138	35	1.47%
GB		1183	0	2	0.17%
RoW		14961	39	2	0.27%
Total		27885	177	39	0.77%

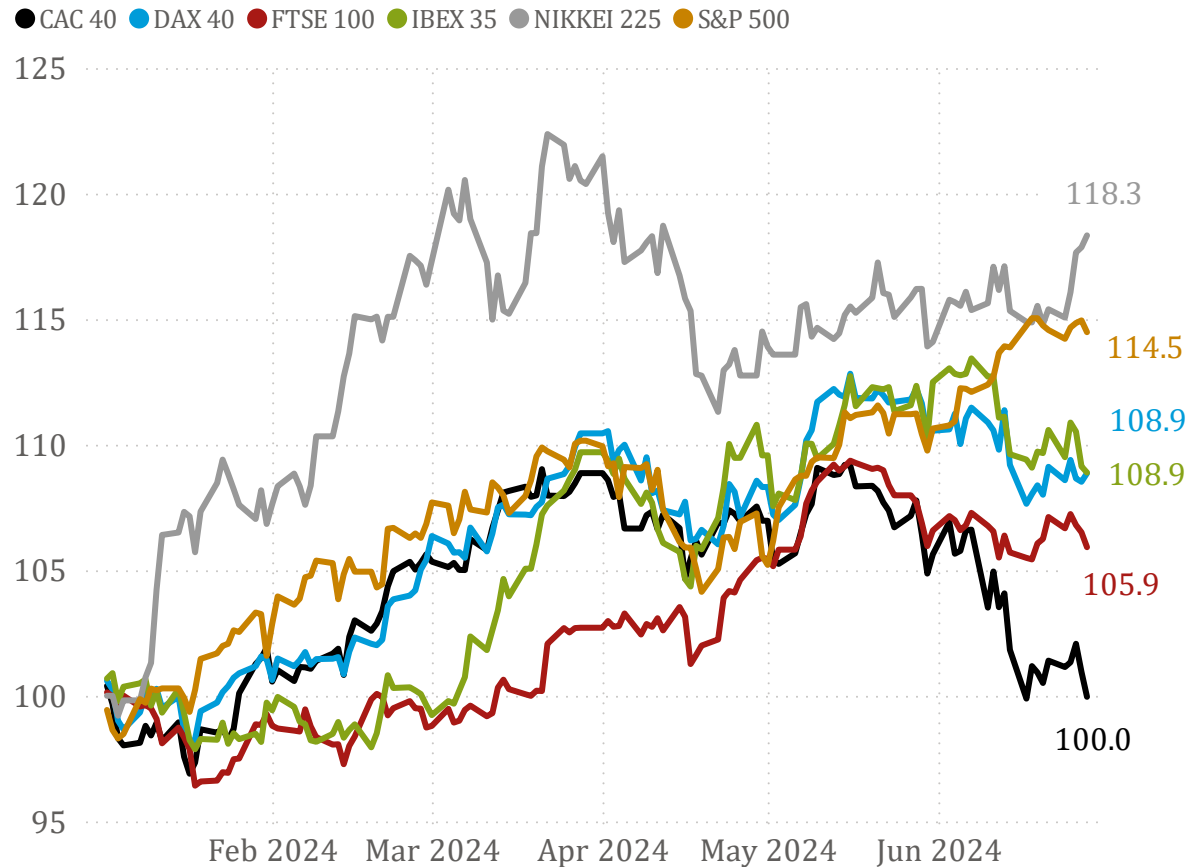
Valuations

EU equity prices have increased between 0% to 14% year-to-date (YTD, as of June) according to the DAX40, CAC40, IBEX35 price evolution. The FTSE100 gained 6% YtD, while Japanese share prices have led globally among the large markets with price returns of 18% YtD.

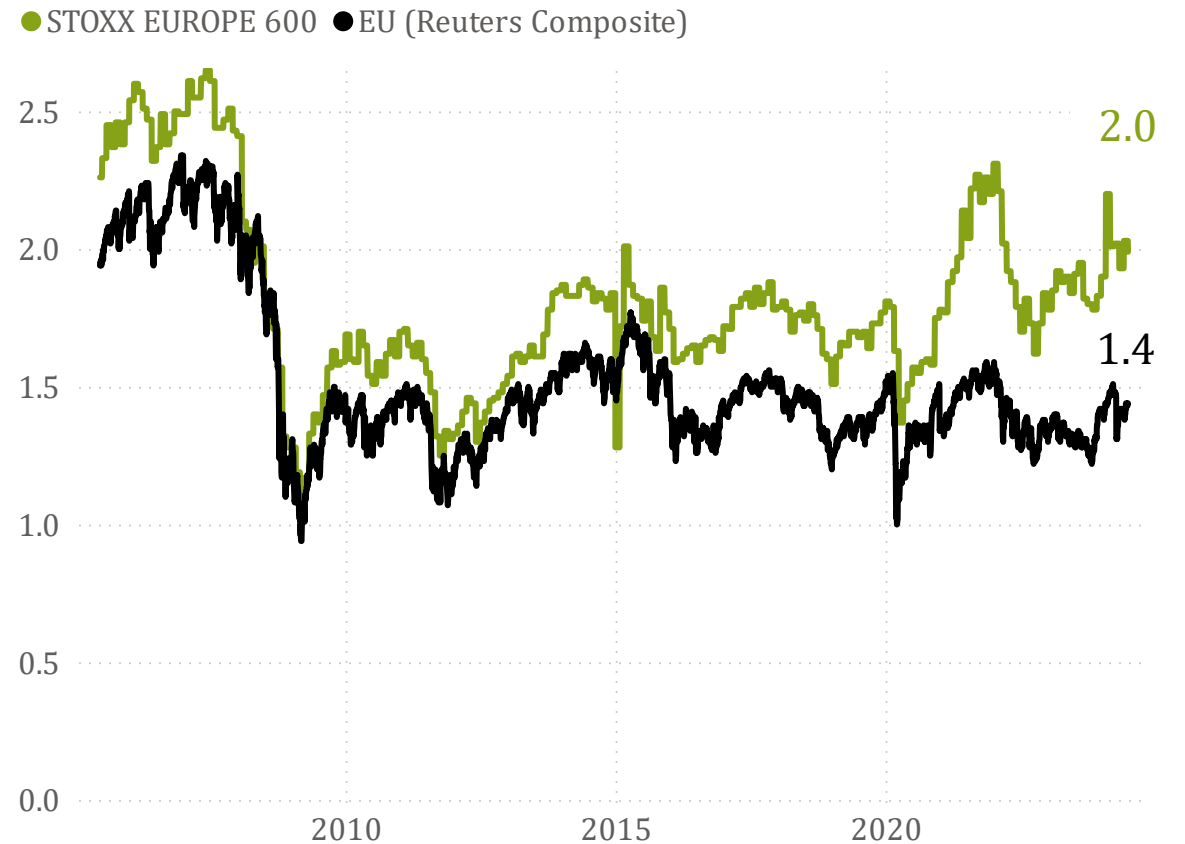
European stock prices volatility, as measured by VSTOXX, have stabilised at low levels between 13 and 20 bps.

Price indices and valuation multiples

Price performance of selected stock indices (31 Dec 2023 = 100)

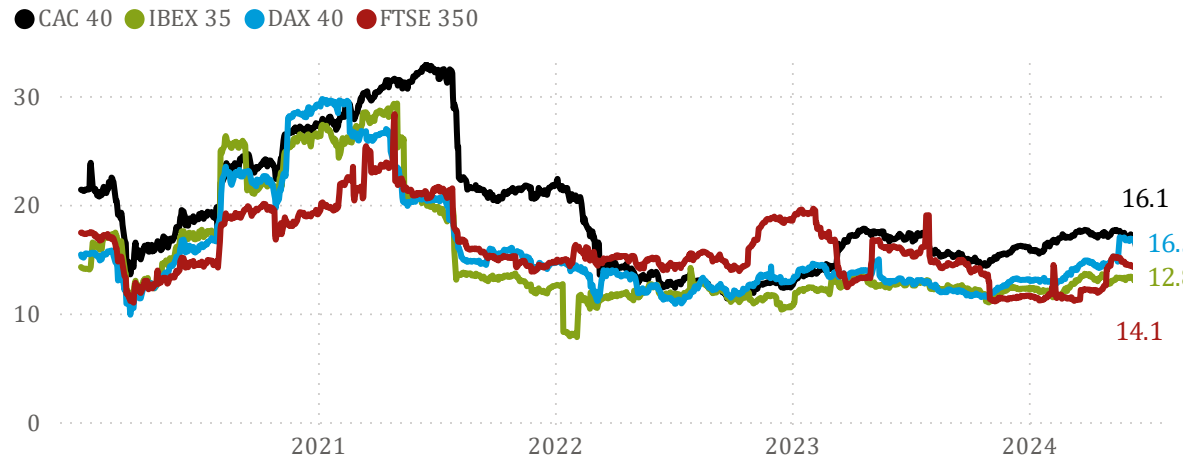


Price-to-book ratio of Stoxx 600 constituent shares and EU average

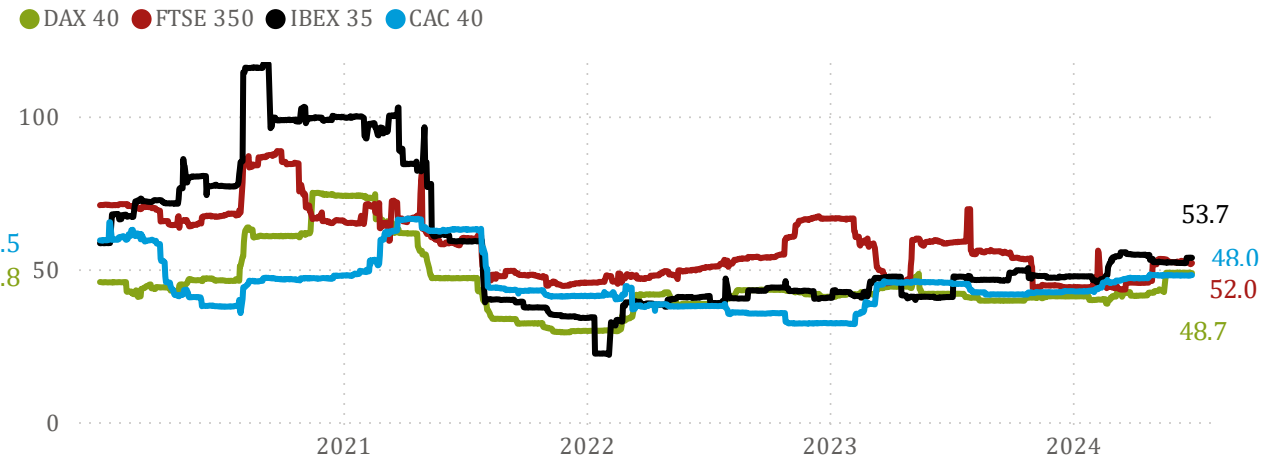


Valuation ratios and implied volatility

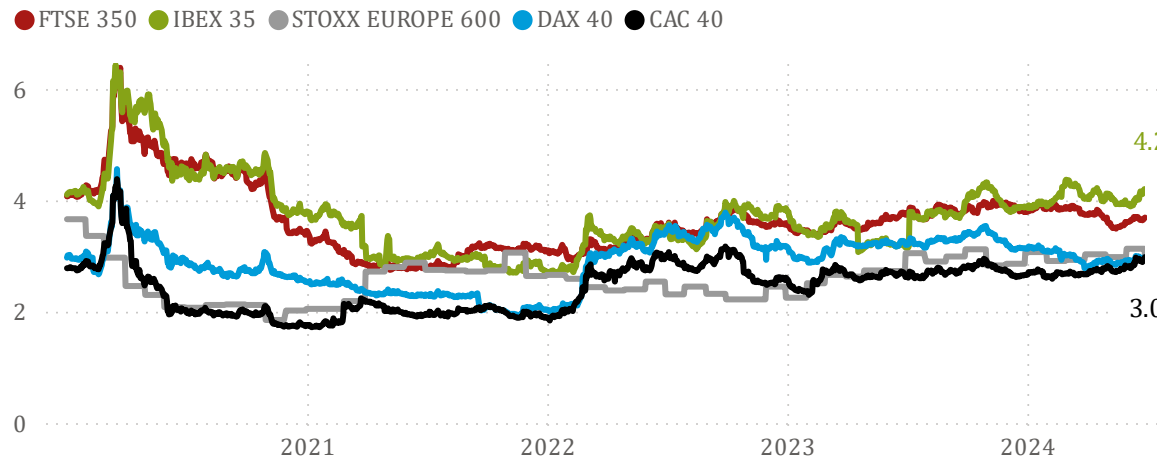
Price-to-earnings (PE) ratio



Dividend payout ratio (Dividends/Earnings per share)



Dividend yield ratio (Dividend/Price)



Implied volatility of Euro Stoxx 50 constituent shares (VSTOXX)



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