afme/

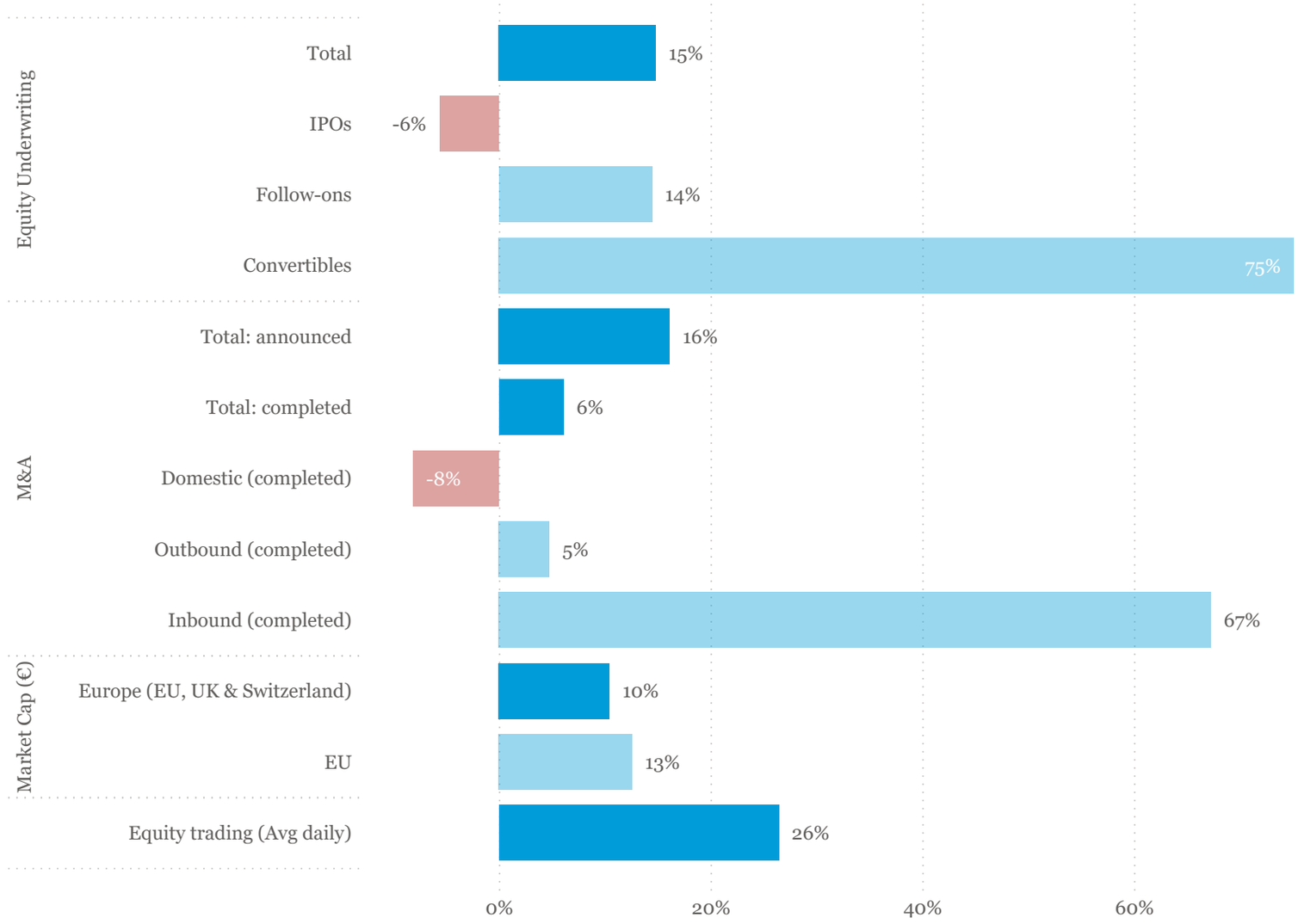
Q4 2025

Equity Primary Markets and Trading Report

European Market Data Update

afme/ Key Highlights

2025 FY Variation of European Equity Activity



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

European IPO activity continues to lag behind other major global markets

Equity underwriting on European exchanges in 2025 increased by 15% year-on-year (YoY), on the back of a considerate rise in secondary equity offerings (14% YoY) but a decline in IPOs (-6% YoY).

Initial Public Offerings (IPOs) on European exchanges accumulated €6.5bn in proceeds during Q4 2025, a significant increase from the €3.3bn issued in Q4 2024. However, cumulatively for the year, European IPOs continued to exhibit a decline of 6% YoY.

In Q4 2025, IPOs have shown momentum particularly by PE-backed companies raising capital on Stockholm and London exchanges. However, total 2025 issuance continued to lag behind the double-digit growth observed in other regions like the US, China, and Japan.

Mergers and Acquisitions (M&A) rose when measured as completed value (6%), and when measured as announced value (16%).

Average daily equity trading on European main markets and MTFs increased 26% YoY. Market liquidity, as measured by turnover ratio (turnover value/market cap) decreased to 116.17% in Q4 2025. However, this is a 10.13% YoY increase since Q4 2024.

Domestic market capitalisation of European listed shares stood at €18.7tn in Q4 2025, 10.5% above the value observed in Q4 2024.

Special Feature: Recent trading activity trends and Transition from DVC to SVC

Record trading volumes in 2025

European equity markets experienced a notable shift in 2025, with trading volumes rising to a record €22.24tn and turnover ratios reversing a 7-year declining trend.

Although the increase was in part driven by major volatility events, with the April US tariffs announcement as the most eventful, trading activity seems to have sustained at higher levels. As this box discusses, unlike previous periods (Covid-19 pandemic or geopolitical shocks), 2025 volumes have not reverted to pre-spike levels after the tariff announcement in April.

A new SVC cap for dark trading

Another eventful shift in 2025 relates to the entry into force of the new Single Volume Cap (SVC) system for dark trading.

On 14 October, the European market transitioned from the Double Volume Cap (DVC) regime to the newly implemented Single Volume Cap (SVC), marking a significant shift in the EU approach towards limiting the volume of trading activity exempted from pre-trade disclosure (i.e. *dark trading*).

The new SVC framework changes this structure by applying a single cap at the EU level of 7% of the total EU trading volume in the instrument over the preceding 12 months. If breached, the instrument is suspended from dark trading for a period of three months. Each month, ESMA will publish on its website the the list of instruments suspended from dark trading under the SVC regime.

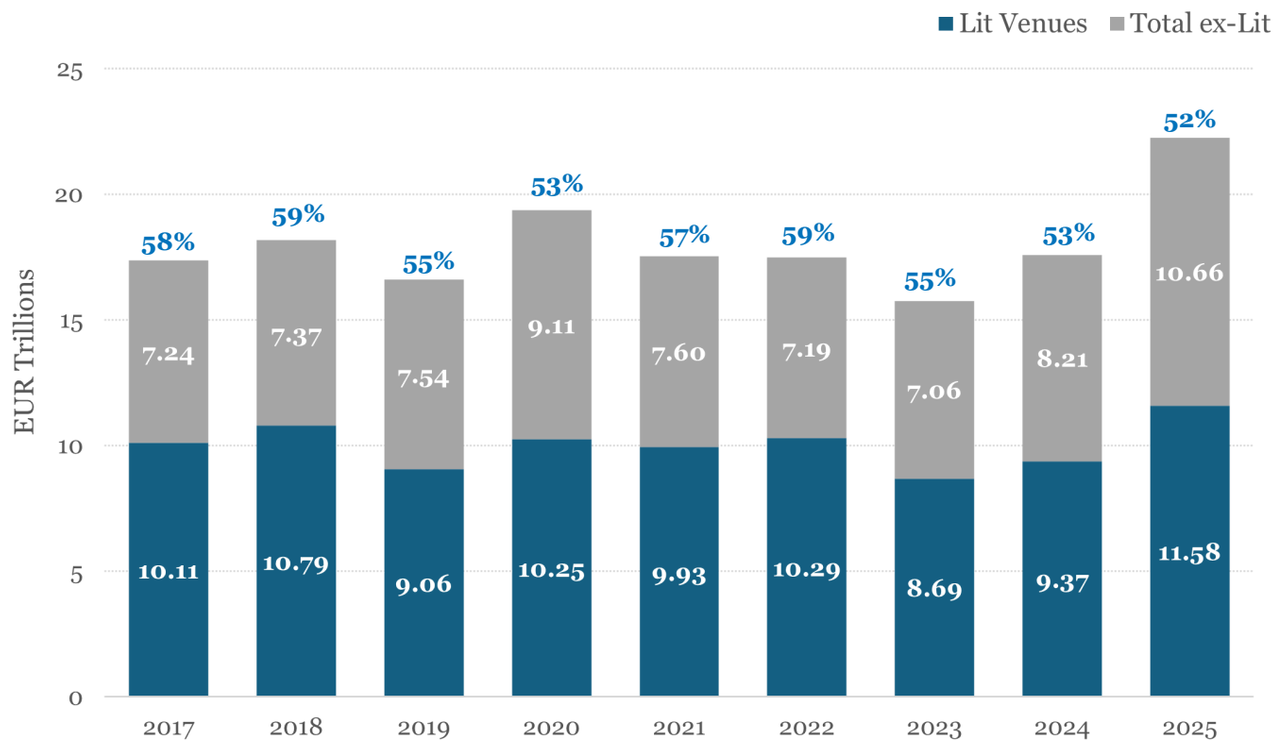
Early data following the implementation of the SVC indicates a decline in the proportion of dark trading across major EU indices. This decline has coincided with an increase in activity on pre-trade transparent trading mechanisms, most notably periodic auctions.

While these initial trends suggest a tightening of dark trading activity, it remains too early to draw definitive conclusions about the long-term impact of the SVC on market behaviour and liquidity.

afme/ Trading Venue Activity

Trading Volumes by Venue, 2017–2025

Percentages of trading occurring on lit venues compared to total trading activity.



Source: xyt

European equity trading volumes reach record high

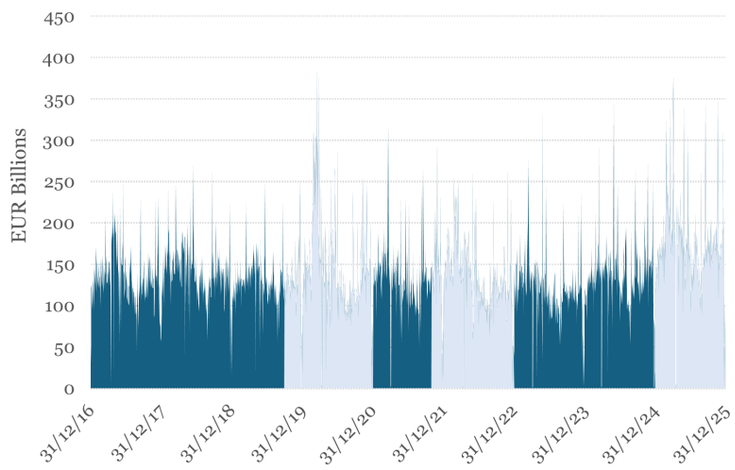
European equity trading activity totalled €22.24 trillion in 2025, marking a substantial increase from the €17.59tn in 2024. The scale and persistence of this increase suggests that the elevated volumes reflect deeper structural dynamics in the market rather than a result of short-term events.

Volumes traded on lit venues has remained broadly stable between 2017-2025, fluctuating within a relatively narrow band despite changes in overall market conditions.

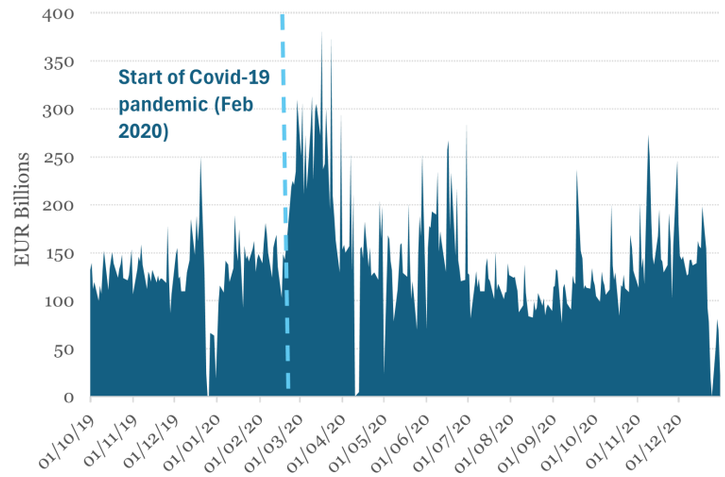
Lit Venue trading accounts for between 50-60% of total trading activity. The stability of lit volumes despite these shifts in market activity implies that growth in dark or alternative execution does not appear to come at the expense of lit trading in absolute terms.

afme/ Average Daily Trading Developments

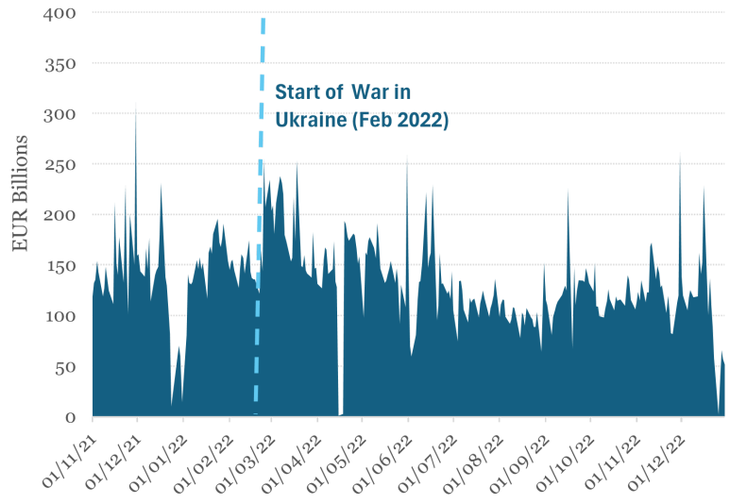
Average Daily Volume in European Equities, 2016–2025



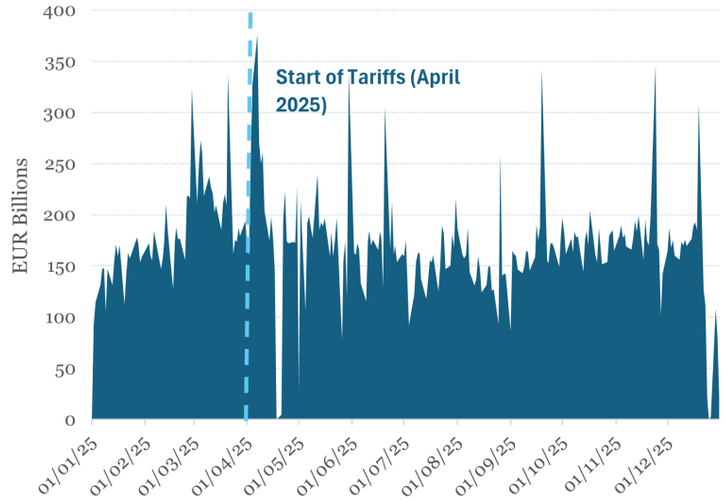
COVID-19 (Feb 2020)



War in Ukraine (Feb 2022)



Tariff Announcement (April 2025)



Source: xyt

Sustained Higher Trading Activity during 2025

While previous volatility events, such as the Covid-19 pandemic in 2020 and the start of the war in Ukraine in 2022, triggered sharp but temporary spikes in European equity trading volumes, activity quickly normalised once the initial shock had passed.

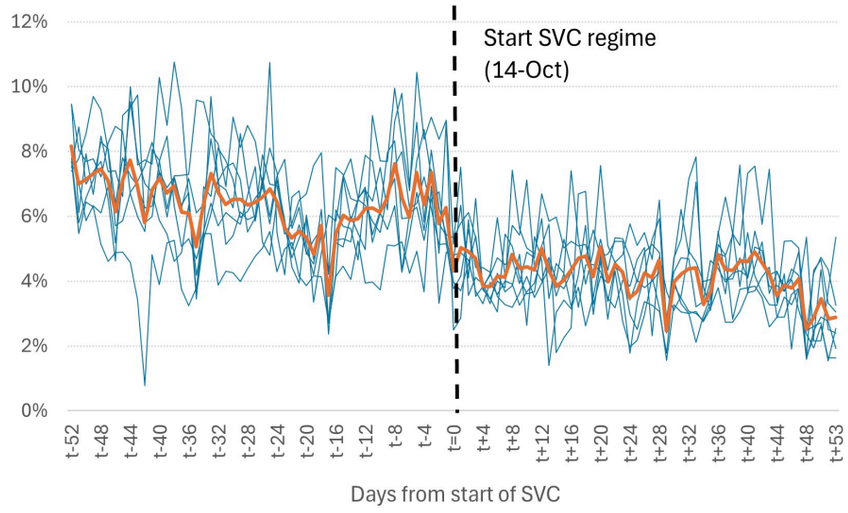
In contrast, the 2025 period displays a different pattern. Although the introduction of tariffs clearly produces an initial spike, volumes remain consistently elevated well after the event, maintaining a higher floor and repeated peaks.

The sustained strength in 2025 suggests that higher trading volumes are not driven solely by the tariff announcement. Instead, the pattern points to a broader or more structural shift in market behaviour that is keeping activity at elevated levels beyond what a once-off event would typically cause.

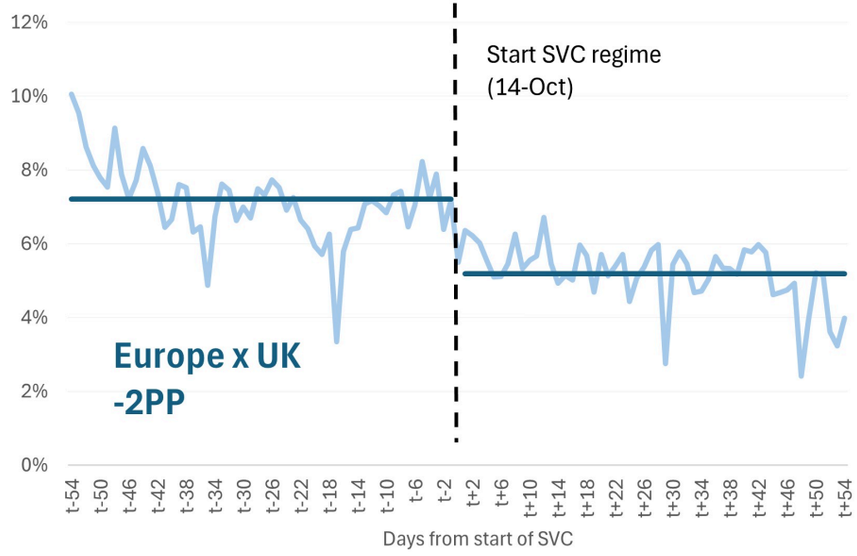
Transition from DVC to SVC

Percentage of Dark Trading for Main EU Stock Indices

Blue lines represent % dark traded for selected EU indices: CAC40, DAX40, NL30, IBEX, IT, SE, DE-Midcaps. Orange line represents the simple average of these indices



Percentage of Dark Trading for Europe (ex-UK) constituent shares



Source: xyt

Transition period between DVC and SVC

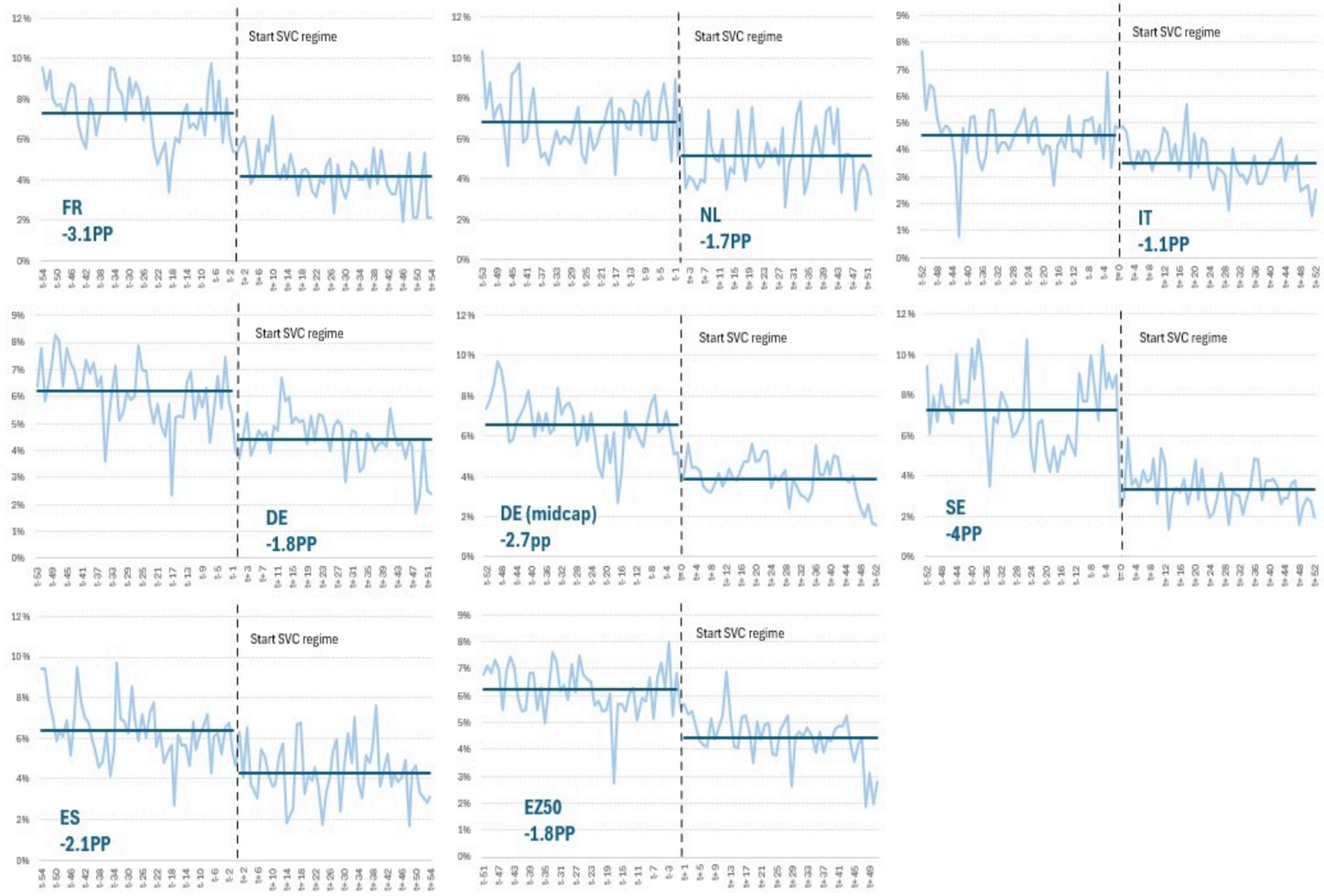
Following the entry into force of the SVC system, the proportion of dark trading in major EU equity indices dropped from levels fluctuating ~6% in early September to ~3% following the SVC's introduction on 14 October.

This decline is echoed in the Europe (ex-UK) series in the lower panel, where the percentage of dark-trading declined by ~2%, moving from a pre-SVC level of ~7% to a post-SVC level ~5%.

However, dark trading volumes are sensitive to market conditions, and further data is needed to draw robust conclusions.

afme/ Transition from DVC to SVC

Percentage of Dark Trading for Main EU Stock Indices



Source: xyt

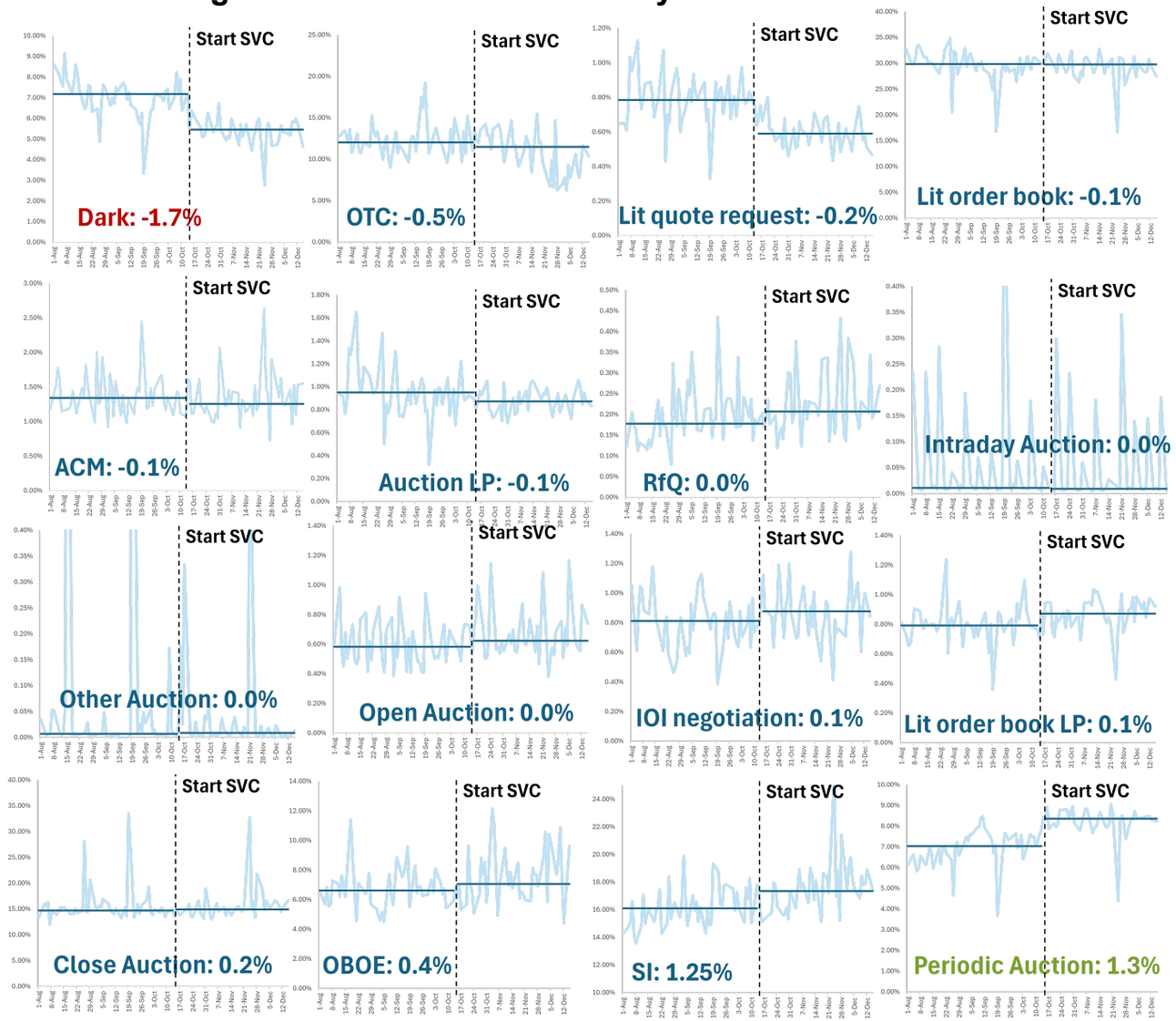
Dark trading by indices

The decline in the proportion of dark trading following the implementation of the SVC varied across European indices.

The largest decline was observed in Sweden (-4%), followed by France (-3.1%) and Germany (-2.7%). By contrast, Italian stocks exhibited the smallest decline (-1.1%).

afme/ Transition from DVC to SVC

Evolution of trading mechanisms after SVC entry into force



Source: xyt

Dark trading appears to have shifted to periodic auctions

The proportion of periodic auctions may have partially absorbed the decline in dark, increasing by approximately 1.3pp in the months following the entry into force of the SVC mechanism.

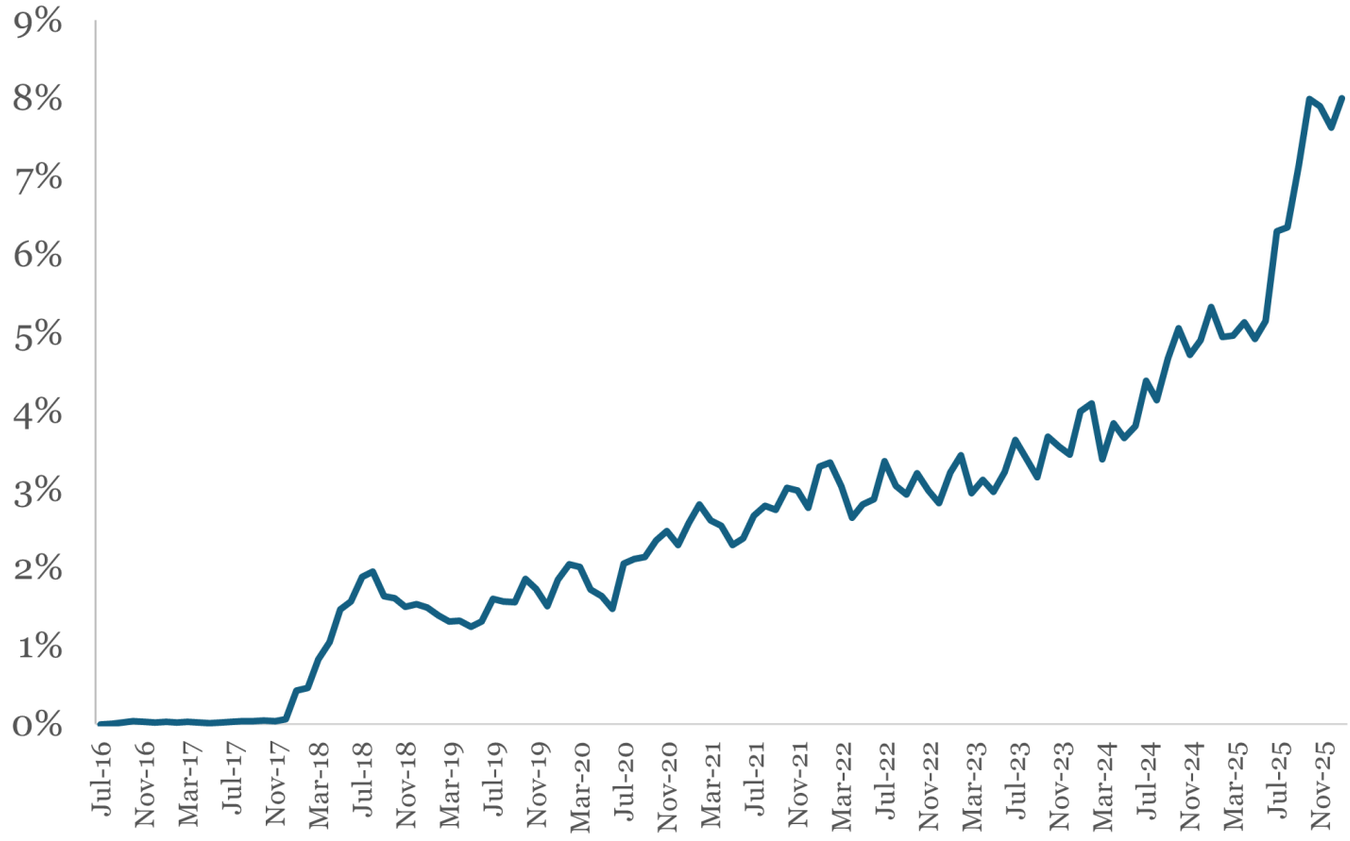
The proportion of SI trading increased in the last part of 2025. However, the variation does not seem to closely coincide with the migration to the SVC regime.

Other trading mechanisms have shown negligible changes compared to their shares prior to the introduction of the SVC system.

Data providers such as XYT and BMLL, and news outlets like *The Trade*, have also reported a decline in dark trading and a corresponding increase in periodic auctions coinciding with the start of SVC.

Transition from DVC to SVC

Periodic Auctions trading activity (%total)
EU all companies (EUAC) constituent shares



Source: xyt

Rise in periodic auctions pre-dates the SVC's entry into force

The share of periodic auctions in total trading of EU shares has gradually increased over the past decade, rising from a negligible level in 2016 to c9% of total trading of EU shares in 2026.

While this upward trend began before the SVC entered into force, the pace of growth accelerated notably in 2025. Periodic auctions accounted for roughly 5% of total trading at the start of the year, rising to around 8% by year end.

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Equity Issuance

Equity Issuance

Equity capital raised on European exchanges totalled €37.9bn in Q4 2025, representing a 46.33% YoY increase from the €25.9bn issued in Q4 2024. This strong Q4 performance was mirrored at the annual level as total issuance increased to €125bn in 2025 FY, a 15% YoY rise from €108.7bn in 2024 full year (FY).

Secondary offerings were the largest contributor to the total capital raised with €30bn issued in Q4 2025, a 35.1% YoY increase from €22.2bn in Q4 2024 and a 14.6% rise compared with FY 2024 levels.

Initial Public Offerings (IPOs) reached €6.5bn in Q4 2025, marking a substantial YoY rise from €3.3bn in Q4 2024. However, despite the strong Q4 rebound, FY IPO proceeds declined by 6% between 2025 and 2024. Issuance of convertibles totalled €1.4bn during Q4 2025, up 250% from the €0.4bn raised in Q4 2024, contributing to a 75.27% annual increase relative to 2024.

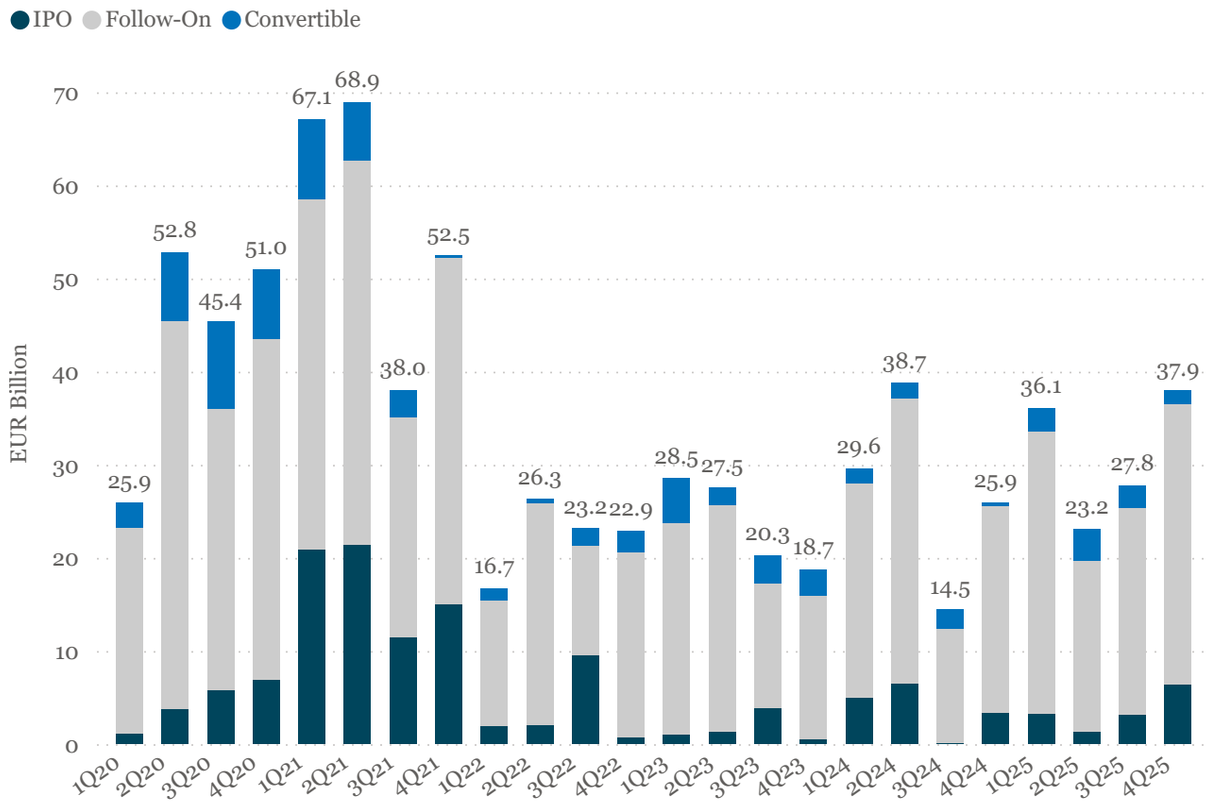
Equity issuance on Junior exchanges amounted to €0.9bn in Q4 2025, a modest decrease from €1.2bn in Q4 2024. Overall, the FY 2025 recorded €5.1bn in equity issuance on junior exchanges, representing a 31% annual expansion from the €3.9bn raised in 2024. Junior exchanges are venues with less onerous listing requirements which facilitates equity capital raising for small and medium-sized enterprises and younger companies.

Equity Underwriting on European Exchanges

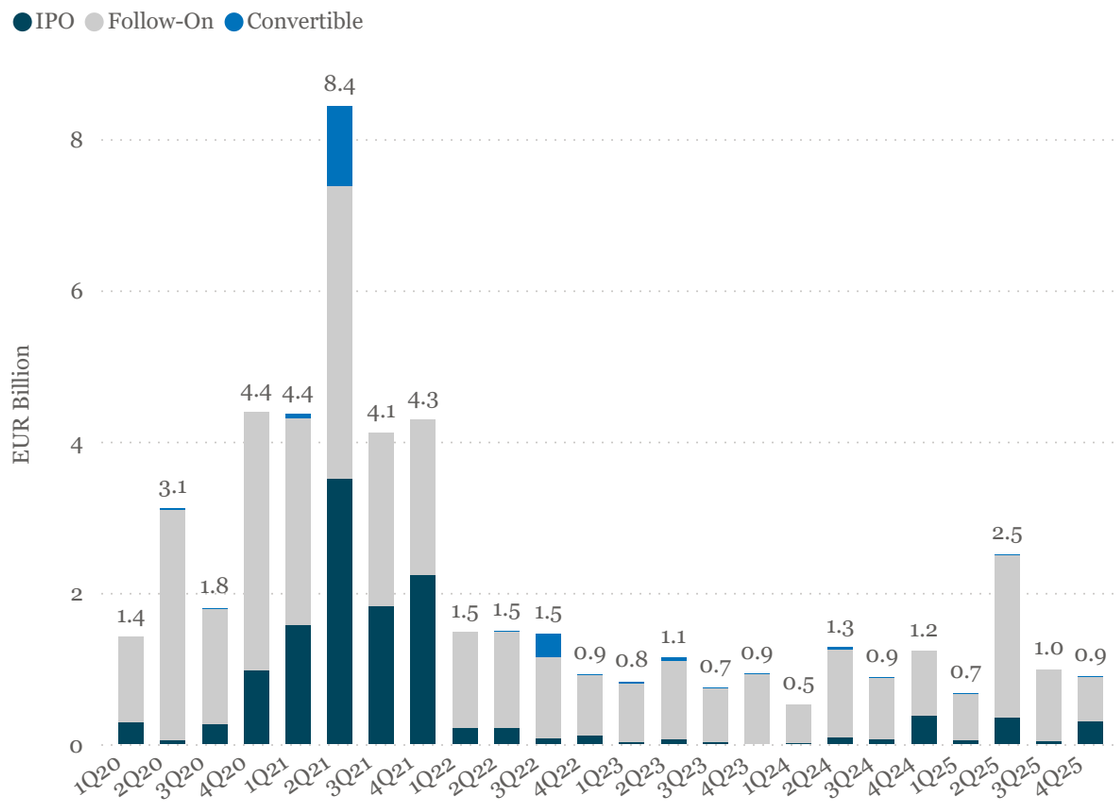
The SIX Swiss Exchange led European equity underwriting in Q4 2025, with a total of €16.4bn raised. It was followed by the London Stock Exchange and Madrid Stock Exchange, each recording €15.4 and €12.0 billion respectively in total equity issuance.

Equity Issuance

Equity Issuance on European Exchanges



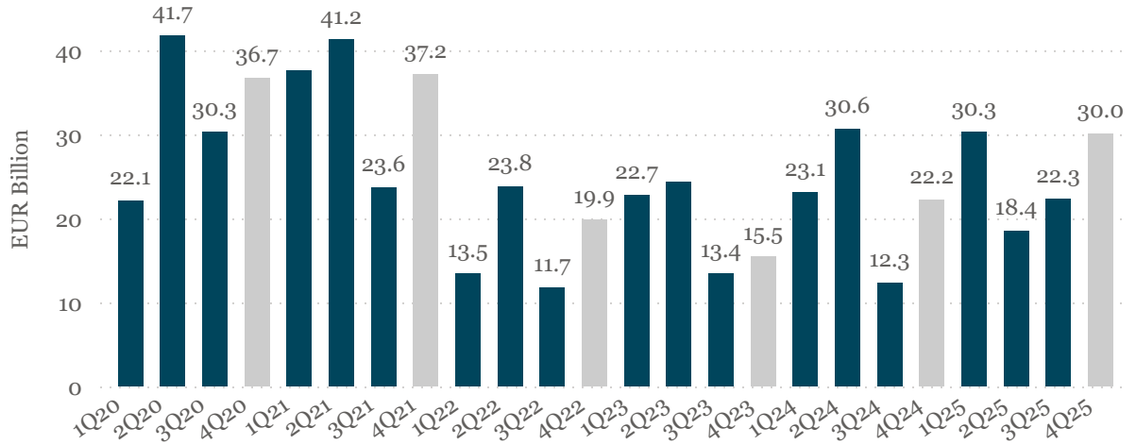
Equity Issuance on European Junior Markets



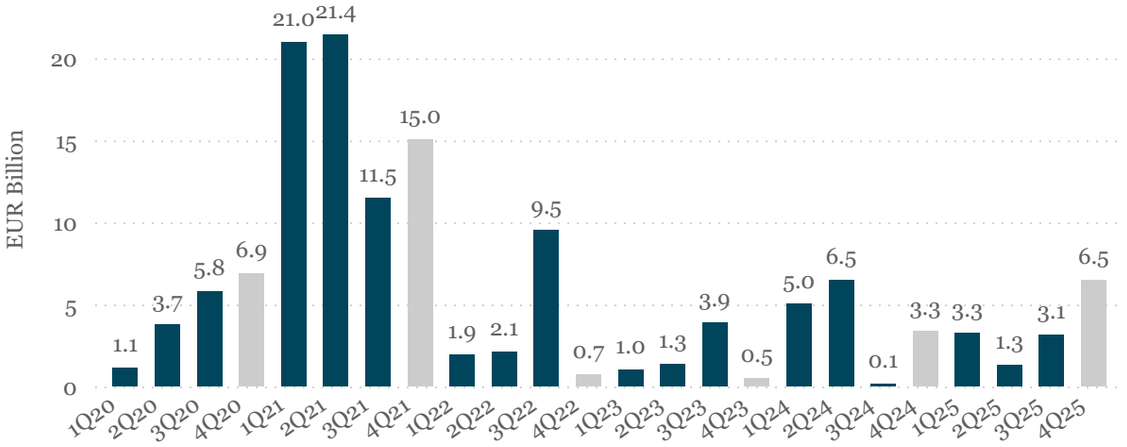
Source: Dealogic

Equity Issuance by Deal Type

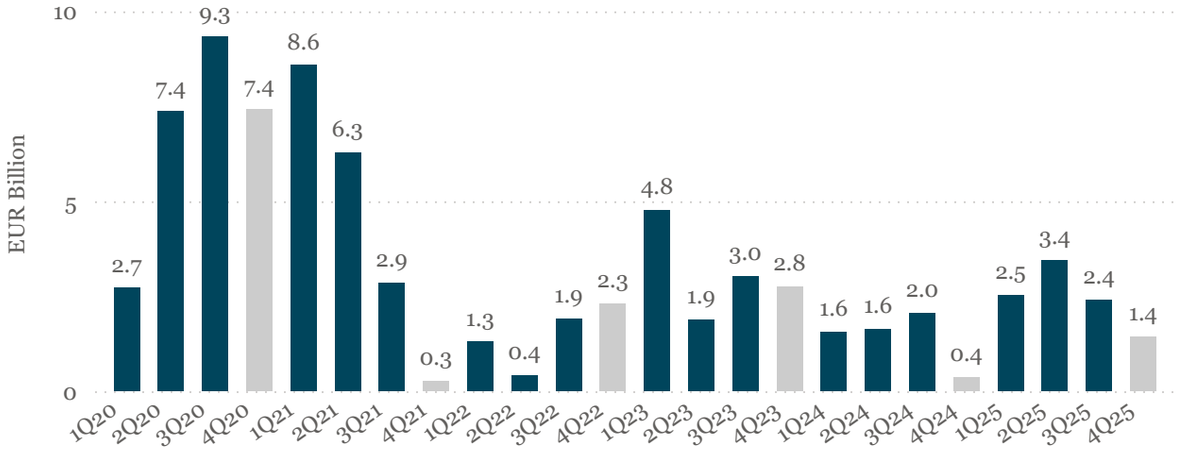
Follow-on Offerings



IPO Proceeds



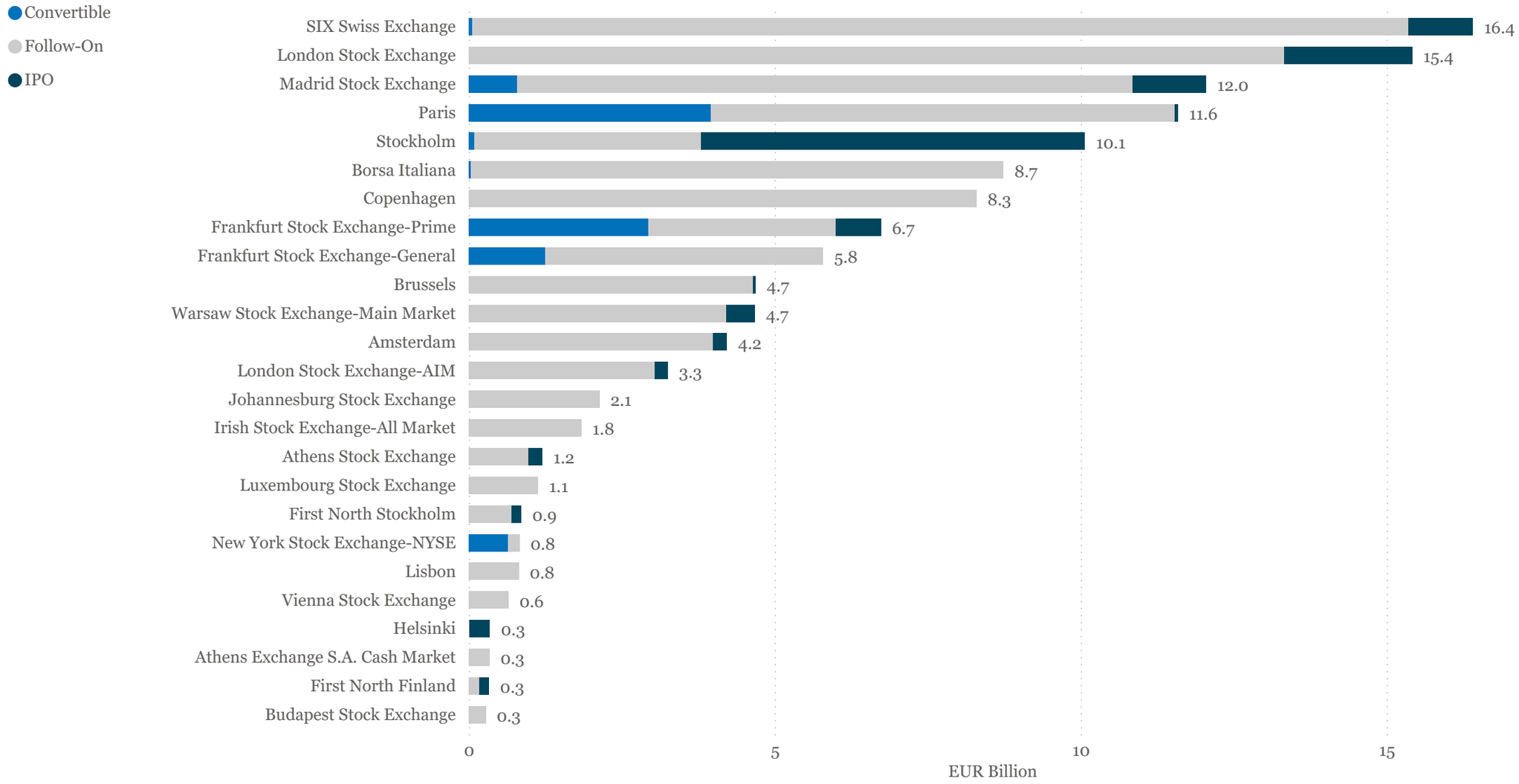
Convertibles



Source: Dealogic

Equity Issuance by Exchanges

Equity Underwriting on European Exchanges: IPO, Follow-ons and Convertibles (2025 FY)



Source: Dealogic. Nasdaq US denotes apportioned amounts of European deals

IPO and Listings Tracker

IPO and Listing Tracker

Initial Public Offerings (IPOs) on European exchanges accumulated €6.5bn in proceeds during Q4 2025. This represents a 96.9% increase YoY from the amount recorded in Q4 2024 (€3.3bn). For the full year, IPO proceeds reached €14.2bn in 2025, below the €14.9bn recorded in 2024 despite the strong Q4 rebound.

European IPO momentum heading into 2026 remains strong, with a growing number of companies preparing to go public. Whether this pace can be sustained will become clearer in the coming months, but the large IPO of €3.8bn issued on Euronext Amsterdam by CSG BV in early January provides grounds for cautious optimism about the outlook for European markets.

PE-backed IPOs issuances originated €4.4bn in proceeds during Q4 2025, a significant increase compared to Q4 2024 where there was €2.1bn in proceeds recorded. Despite the strong Q4 uplift, FY PE-backed IPO proceeds amounted to €8.9bn in 2025, only marginally above the €8.8bn raised in 2024.

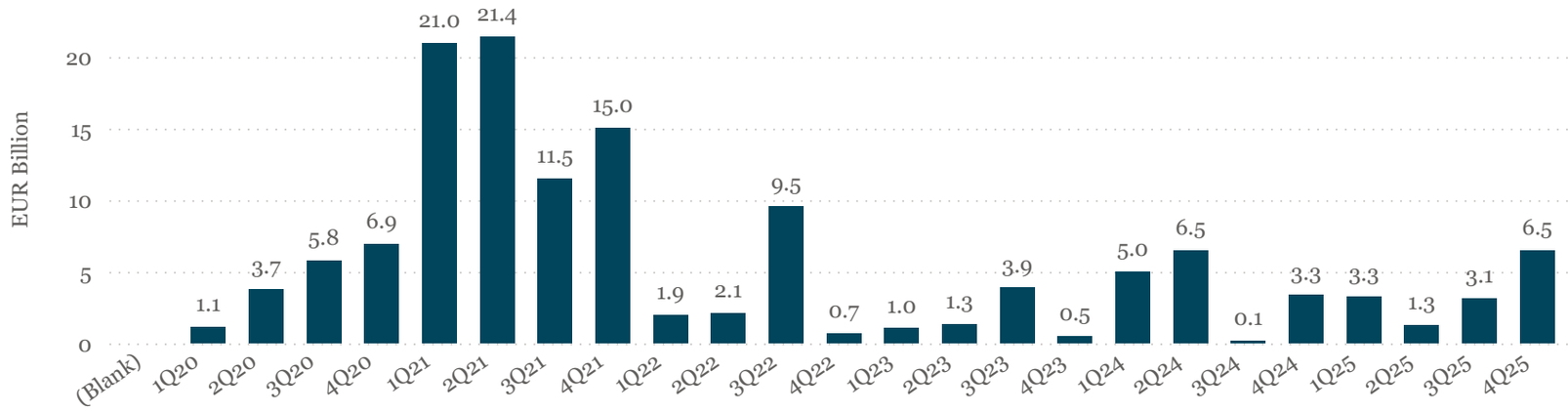
IPO activity on US exchanges raised €19.4bn in Q4 2025, a 126% YoY growth. IPO activity on the Japanese exchange increased considerably during Q4 2025, collecting €3.4bn. The Australian exchange increased slightly to €0.4bn during Q4 2025. The Chinese exchanges originated €9.8bn in IPOs, marking a 238% growth compared to Q4 2024.

A total of 6,571 domestic companies were listed on European exchanges (EU, UK and Switzerland) as of Q4 2025. This represented a 2.7% decrease from 6,756 companies listed in December 2024.

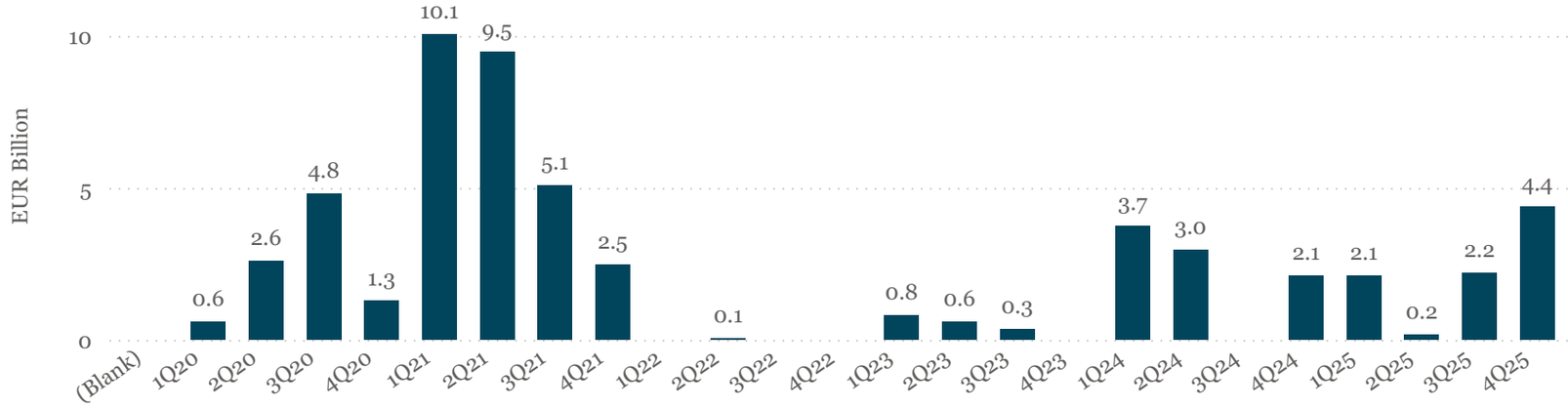
As of December 2025, the FTSE Renaissance IPO Index Series shows a negative cumulative price return of recently listed companies in EMEA of 32% since 2020. This remains well below the price performance observed for major indices over the same period: the German DAX is up 77%, the French CAC up 46%, and the FTSE 100 up 52%. The price return is in line with the observed for recently listed companies in the US (-32%) but above that for HK/China (-50%) recently listed companies.

IPO Issuance

IPO Issuance on European Exchanges



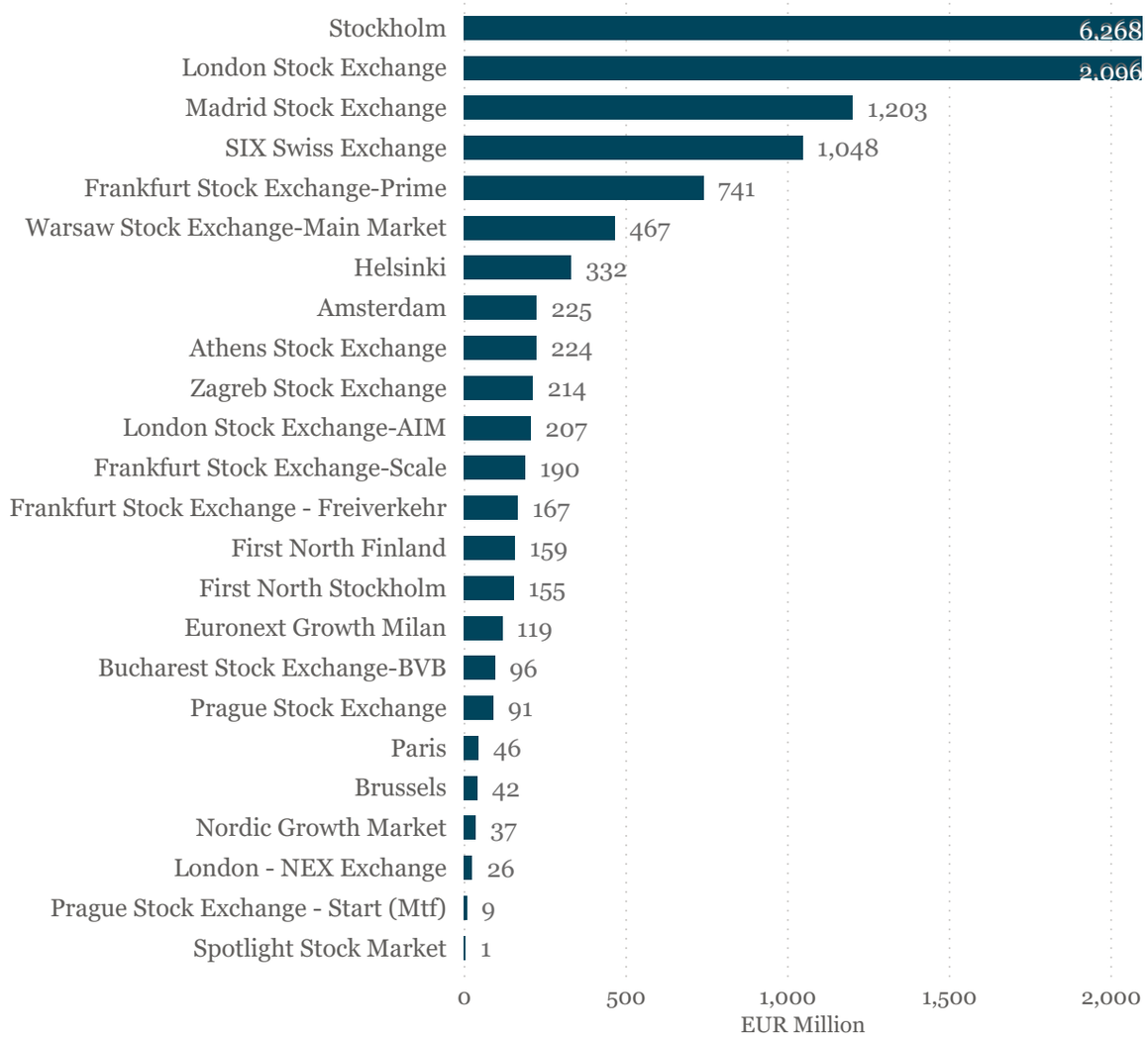
PE-backed IPO Proceeds



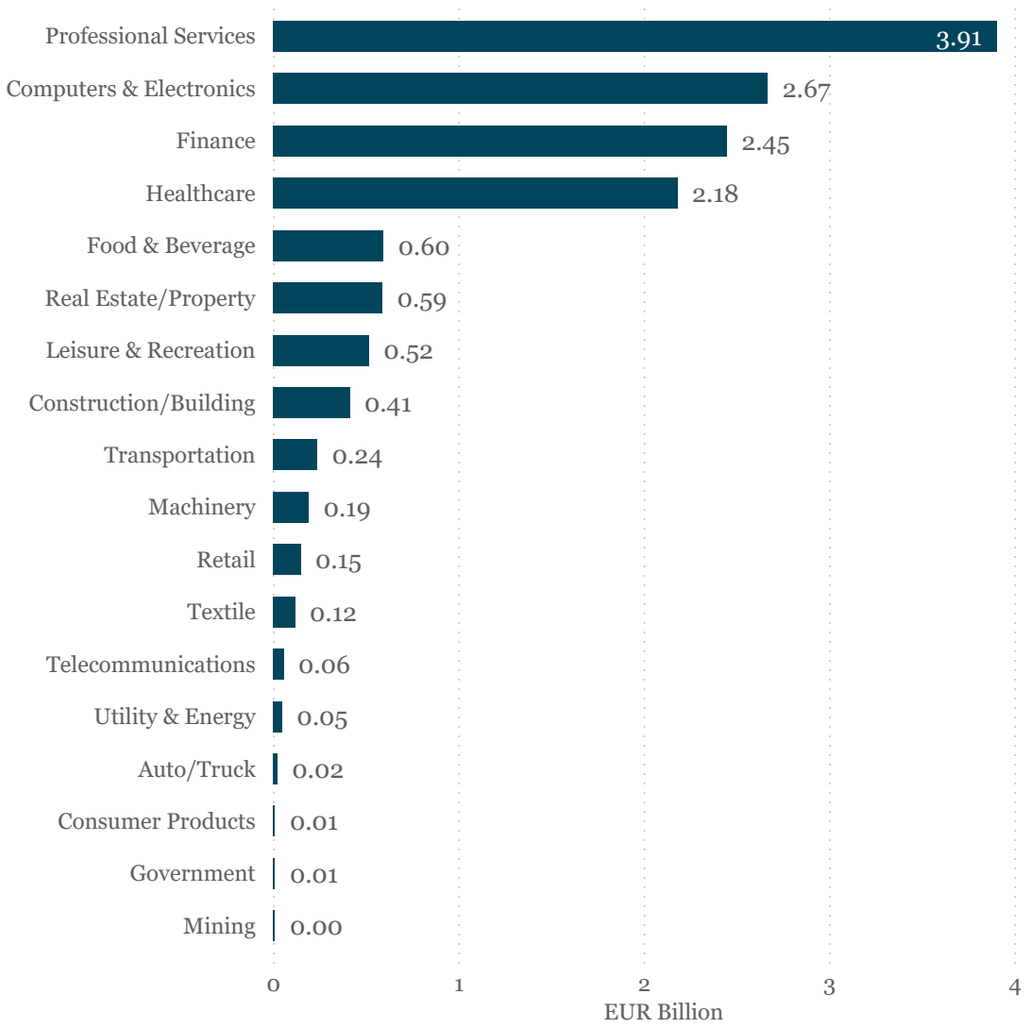
Source: Dealogic

IPO by Listing Market

IPO Proceeds by Listing Market (2025 FY)



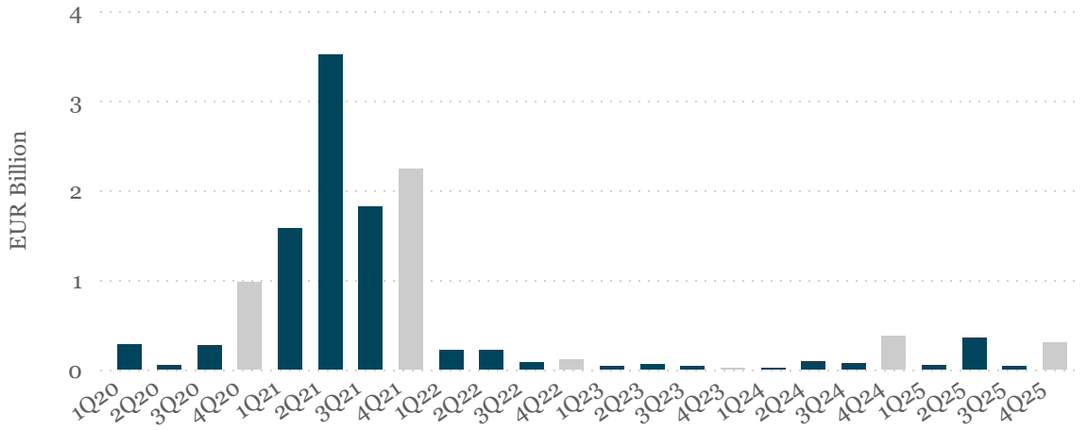
IPO Proceeds by Industry (2025 FY)



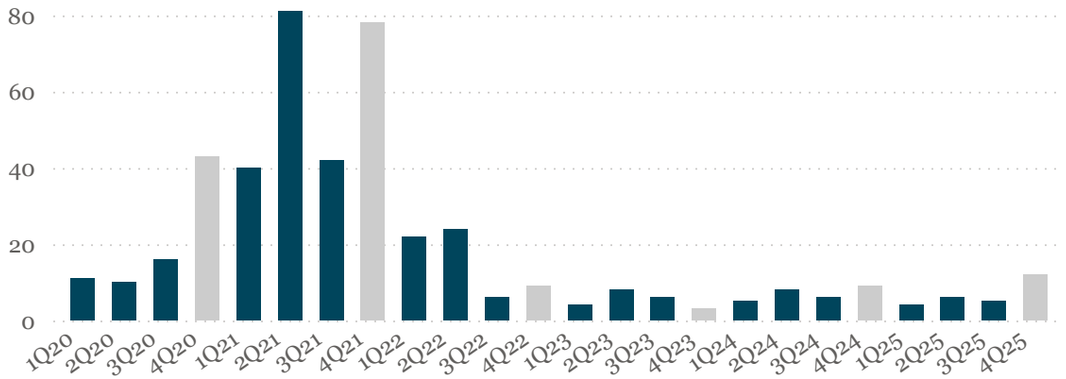
Source: Dealogic

IPO on Junior Exchanges

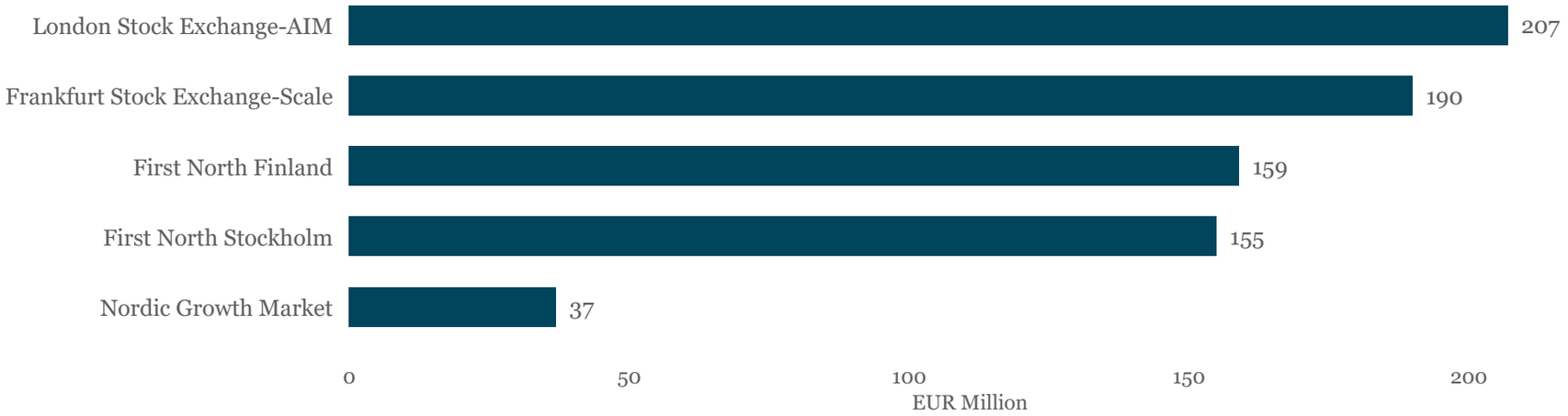
IPO Proceeds on European Jr Markets



Numbers of IPOs on European Jr Markets



IPO Proceeds on Jr Markets by Exchange (2025 FY)

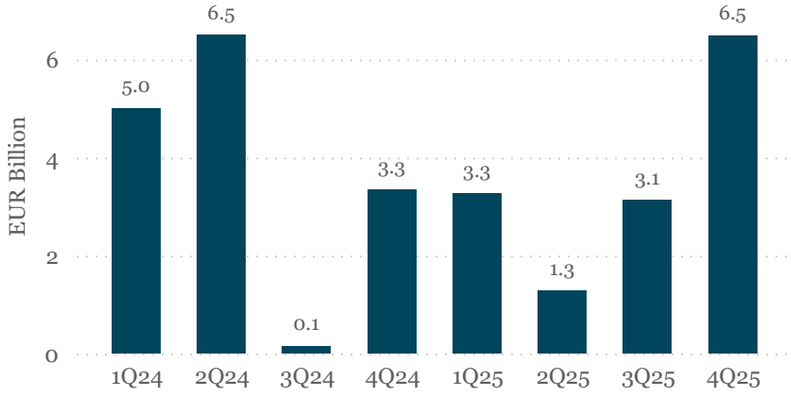


Source: Dealogic

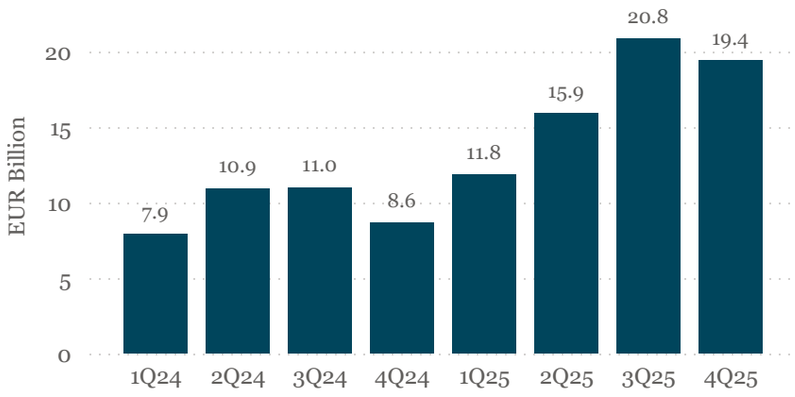
afme/ IPO Global Tracker

IPO Issuance by Location of Exchange

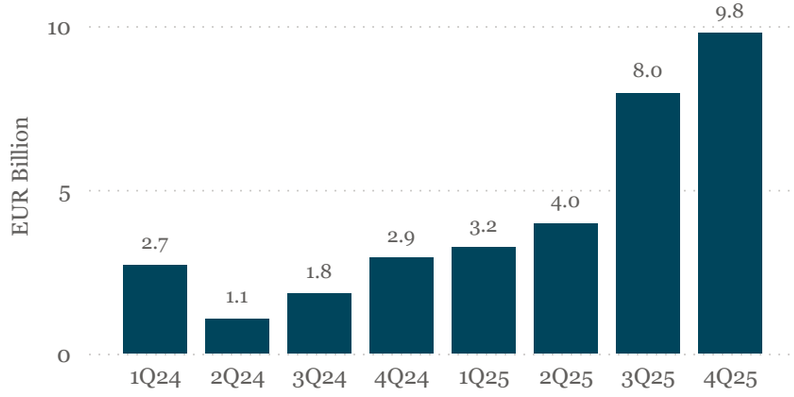
Europe



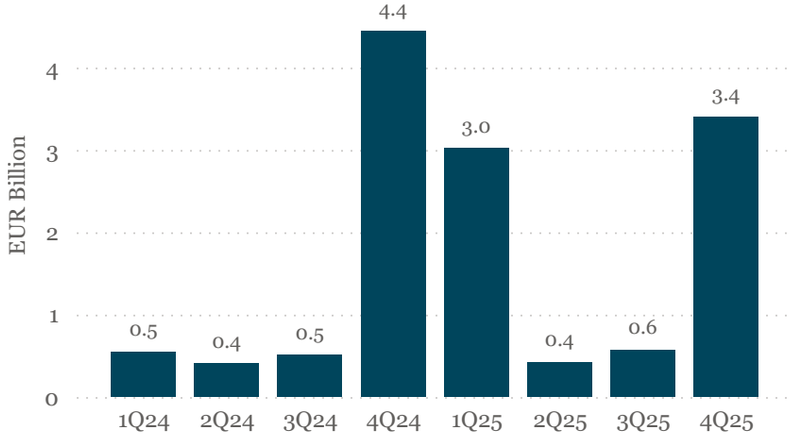
United States



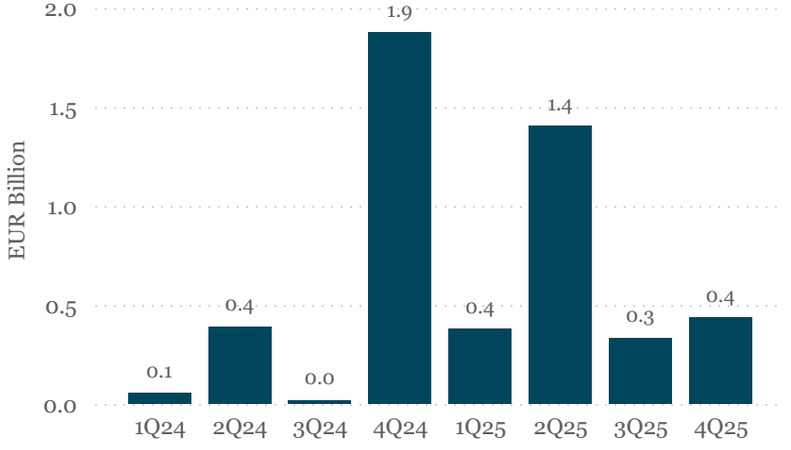
China



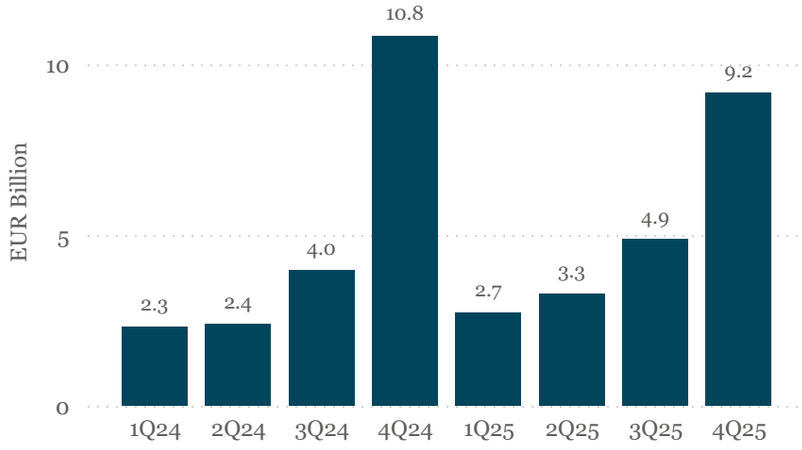
Japan



Australia



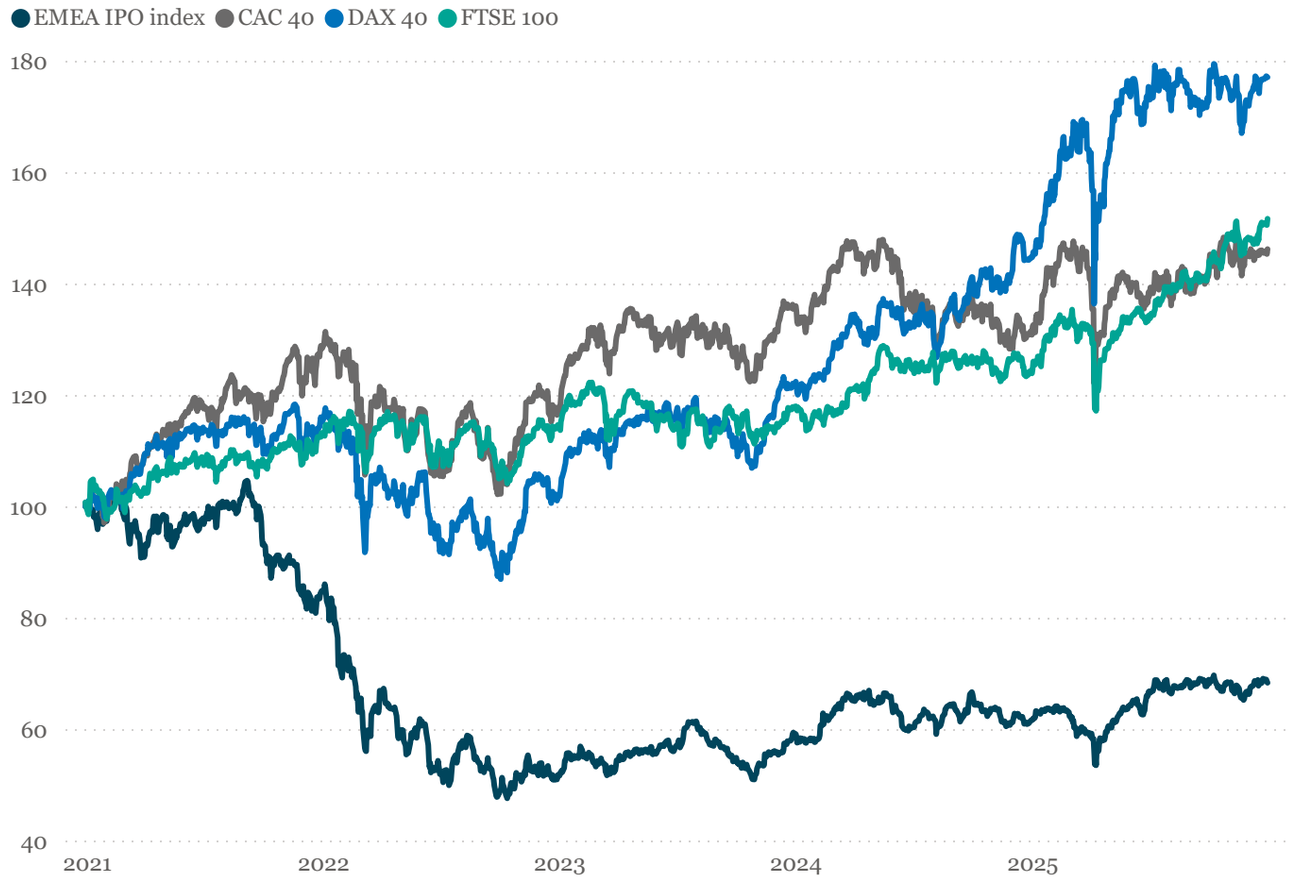
India



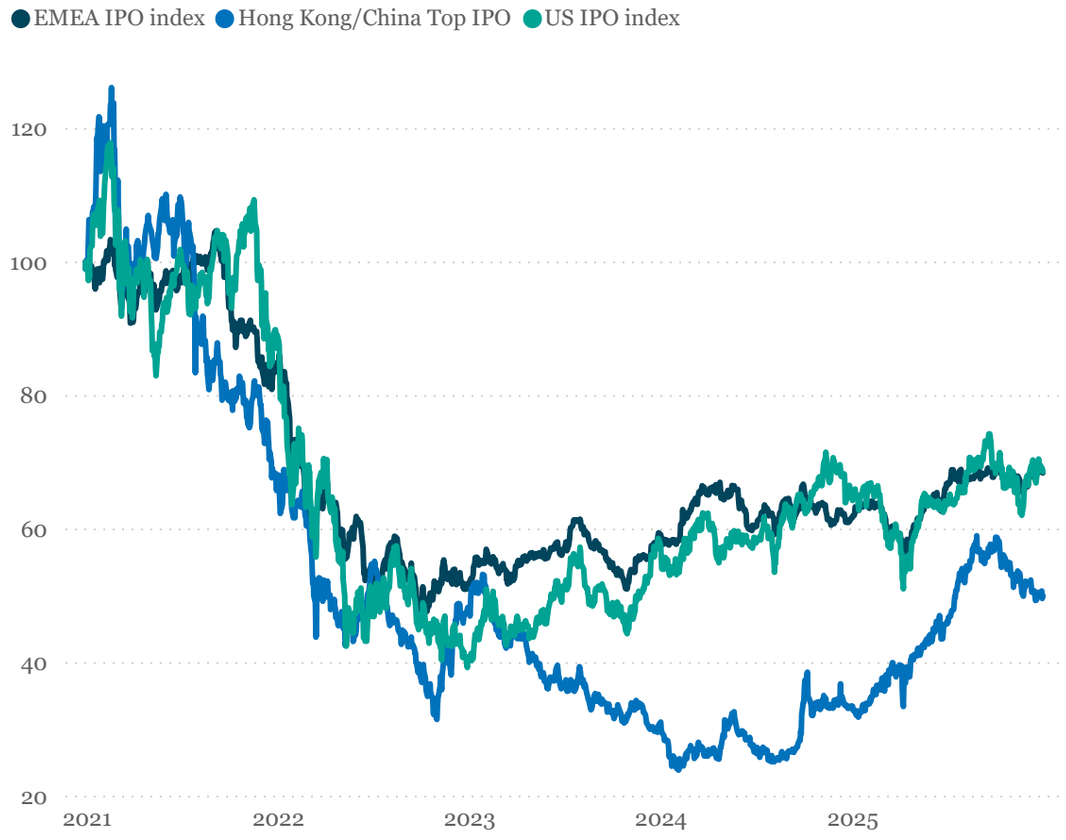
Source: Dealogic

Price Performance of Recent IPO Companies

Price Performance of Selected Stock Indices (31 Dec 2020 = 100)



Price Performance of Selected FTSE Renaissance IPO Stock Indices (31 Dec 2020 = 100)

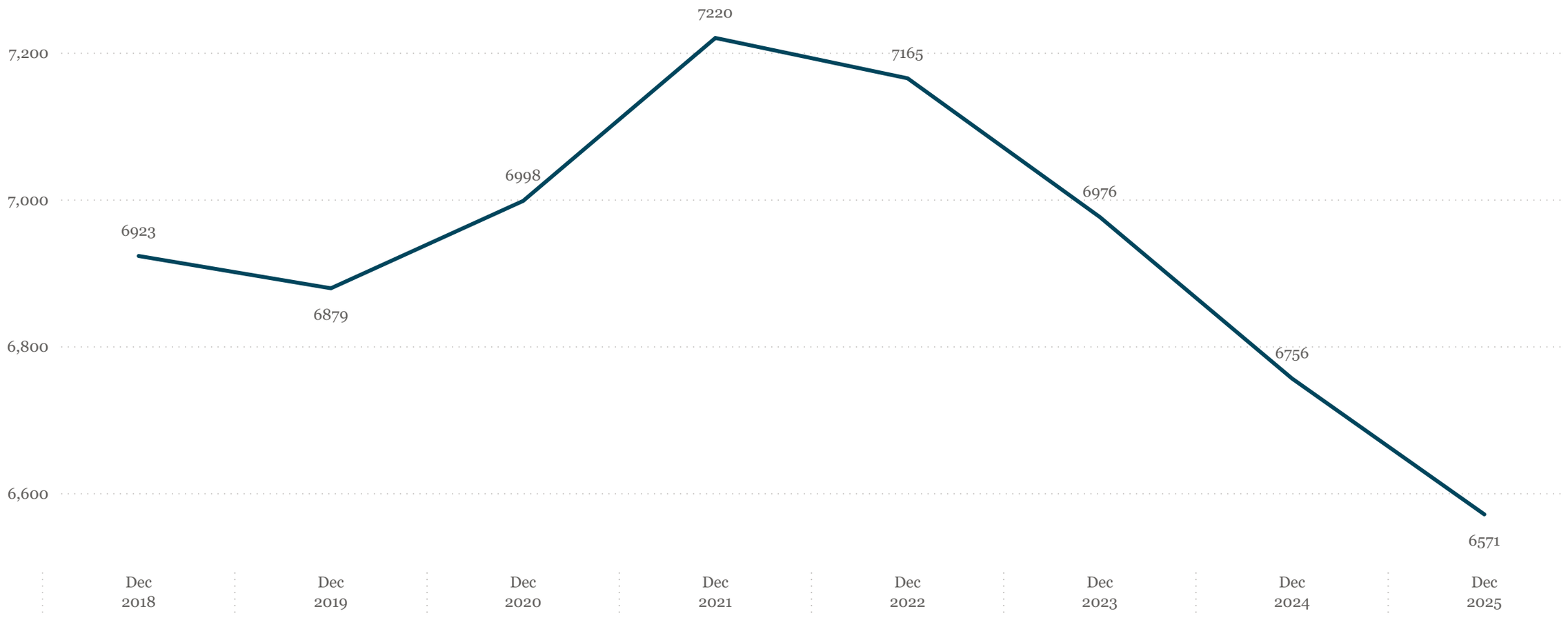


The FTSE Renaissance IPO Index Series tracks the price performance of IPOs in EMEA, the United States and the Asia Pacific region. Qualified IPOs are added to the indexes on a quarterly basis and removed c. 3Y after their first trading day.

Source: Eikon

Number of Domestic Listed Companies

Number of listed companies on European exchanges*

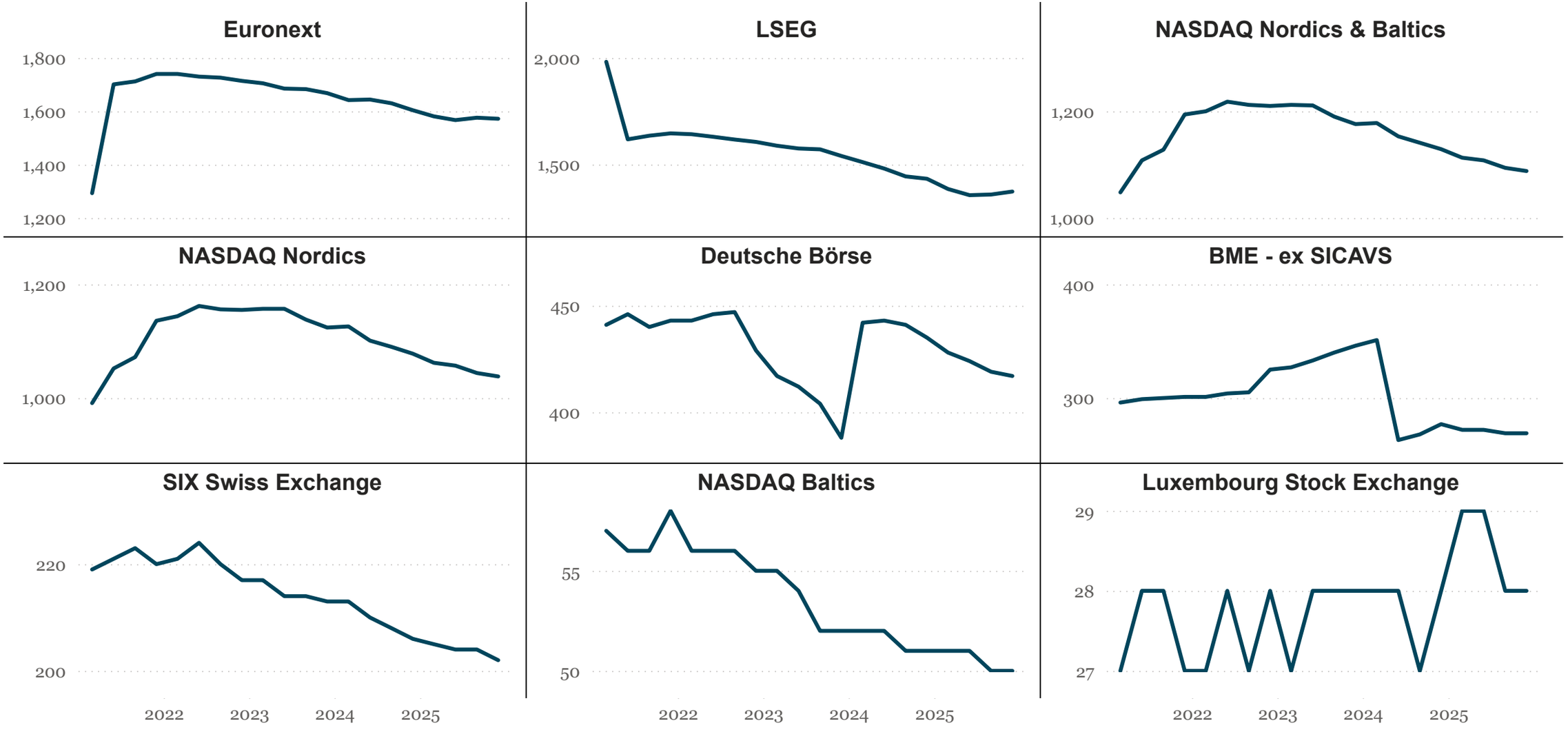


* EU, UK, Swiss exchanges

Source: AFME with FESE, WFE, LSE, and national exchanges.

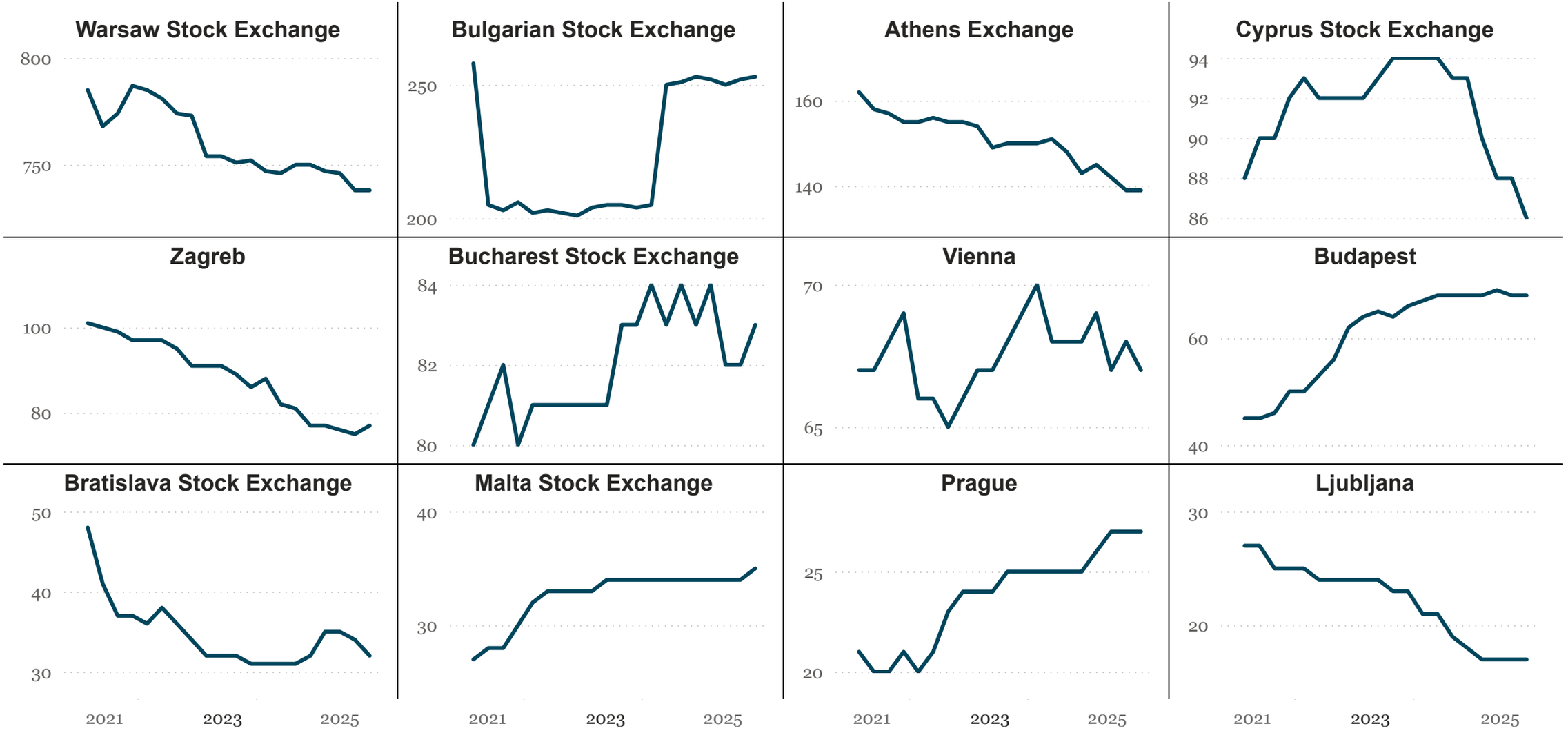
Number of Domestic Listed Companies

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)

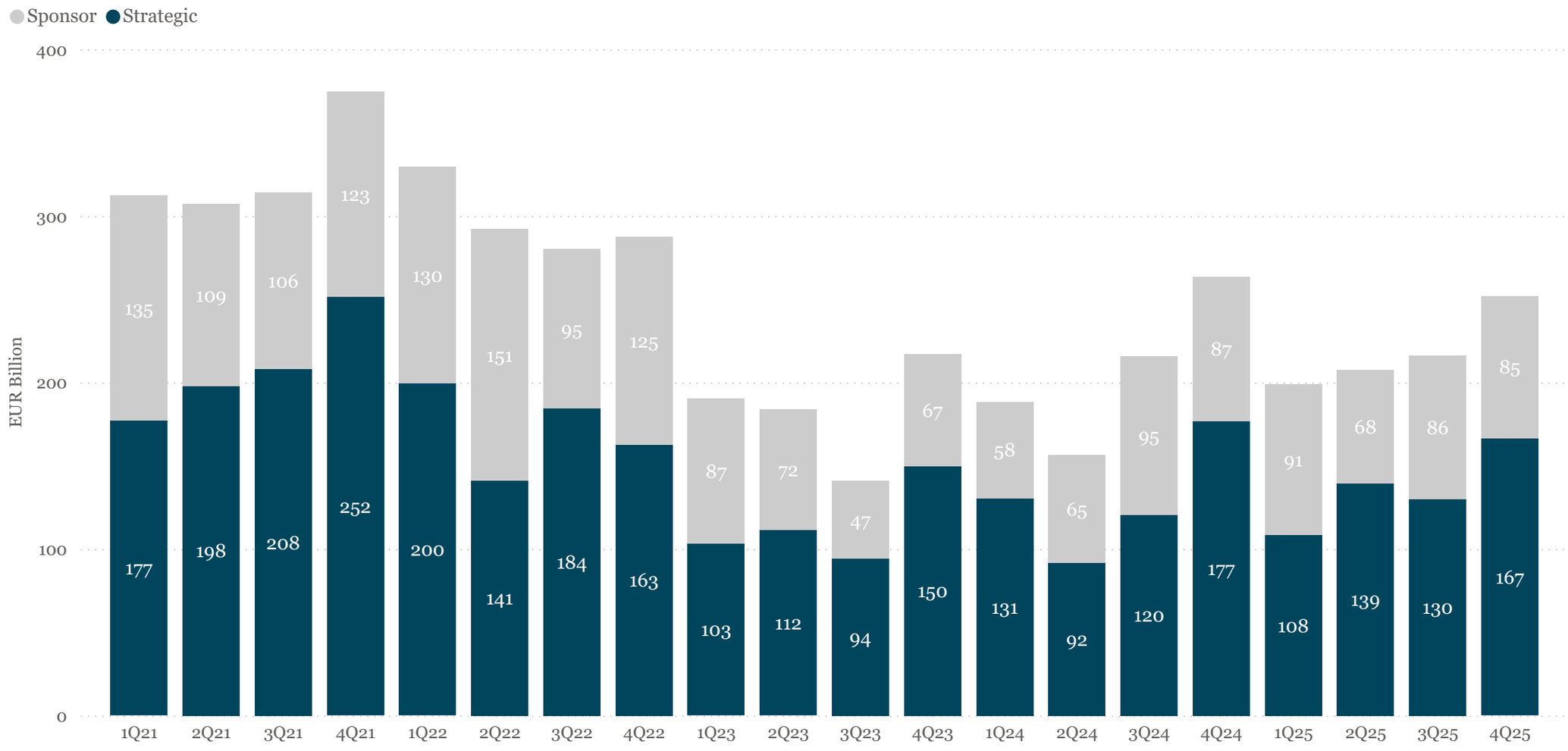
European completed M&A totalled €252bn in deal value in Q4 2025, a 4.5% decrease from the amount reported in Q4 2024 (€264bn). At the annual level, completed M&A activity amounted to €874bn in 2025 compared with €825bn in 2024, highlighting that full-year momentum remained positive.

PE-backed sponsor deals accumulated €85bn in Q4 2025 (33.7% of the total), a 2.3% decrease compared to the €87bn issued in Q4 2024 (33% of the total). Overall in 2025, PE-backed sponsor deals totalled €330bn (37.7% of the total) while in 2024 they accounted for €305bn (36.9% of the total).

Announced M&A deals totalled €326bn in Q4 2025, a 22% increase from €267bn accumulated in Q4 2024. For the FY 2025 announced M&A deals totalled €1,077bn, a 16% increase from the €927bn raised in 2024 FY.

M&A by Deal Type

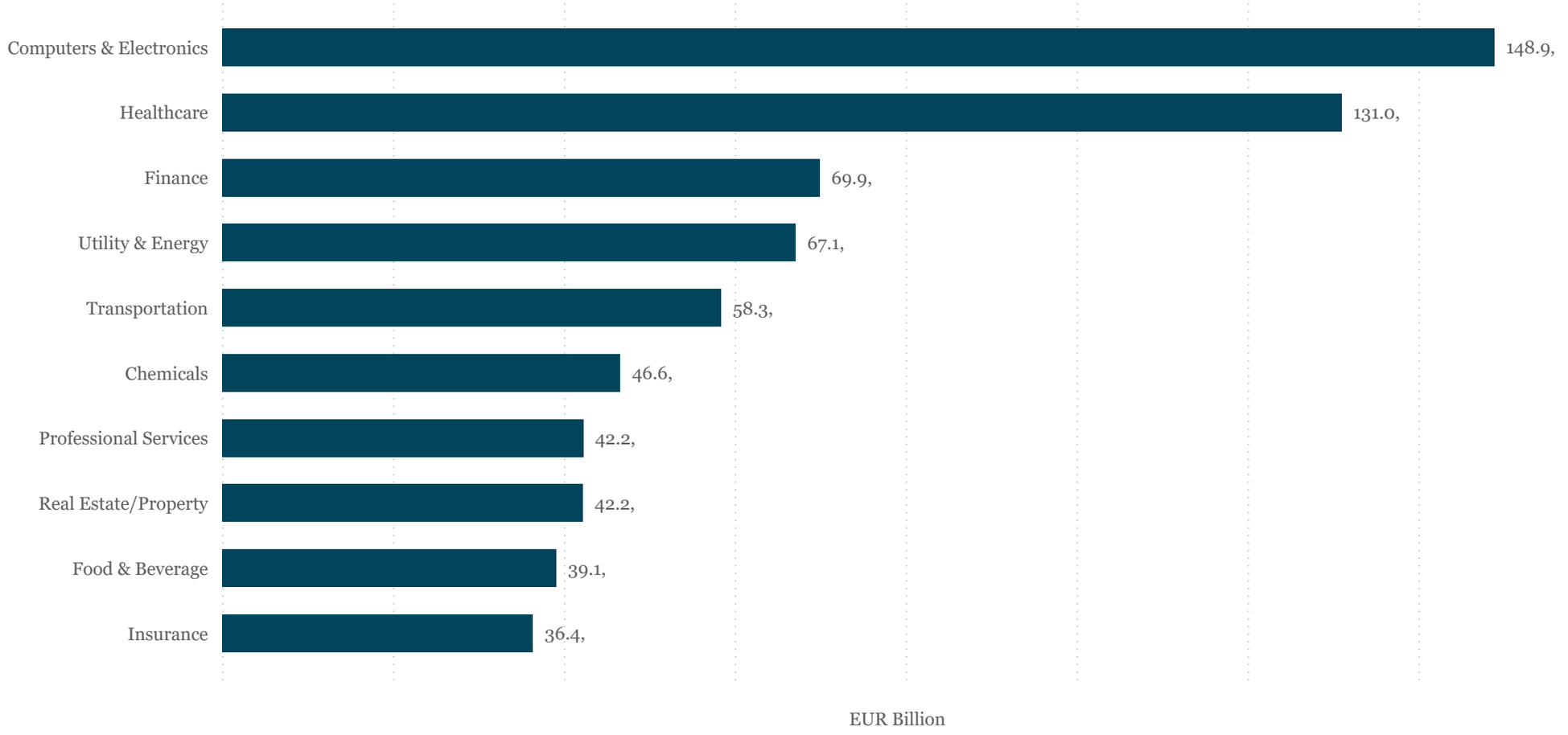
Completed M&A by Type of Deal



Source: Dealogic

Completed M&A by Industry

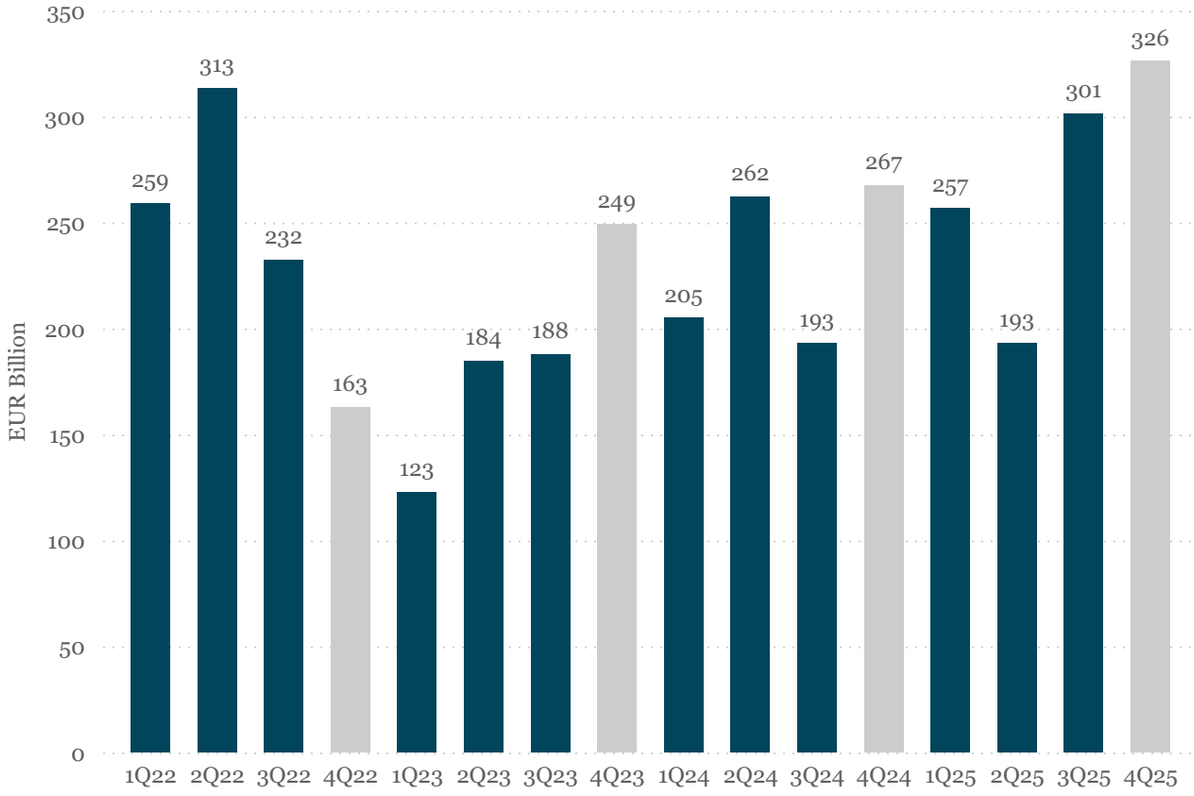
Top 10 Industries for Completed M&A (2025 FY)



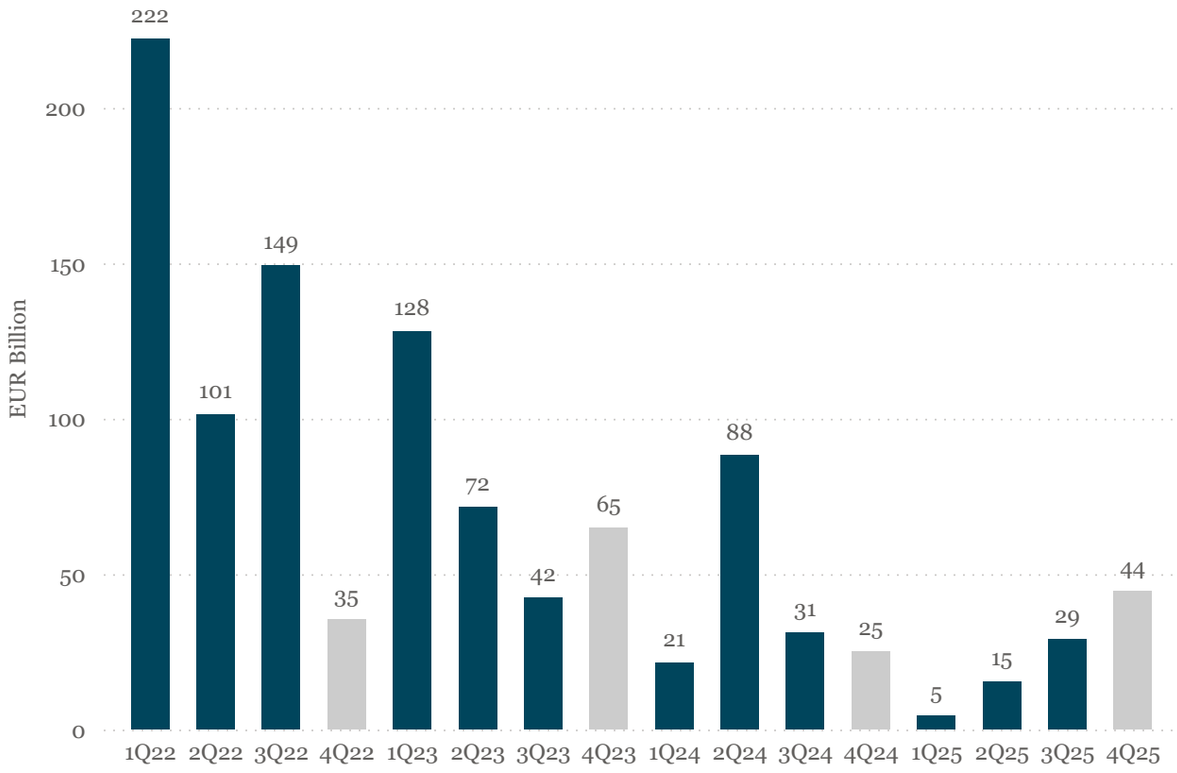
Source: Dealogic

Announced and Withdrawn M&A

Announced M&A



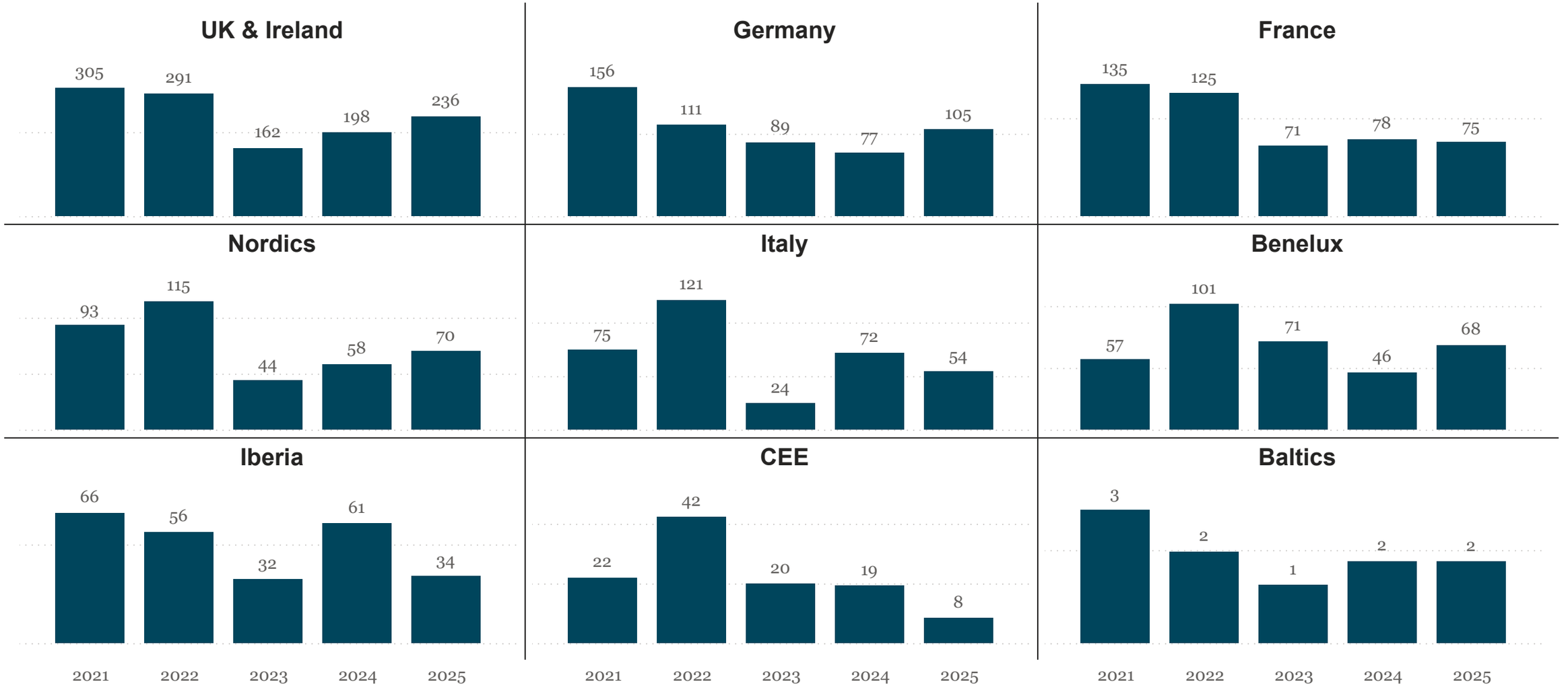
Withdrawn M&A



Source: Dealogic

M&A Regional Growth

Regional M&A Trends: Completed Deal Value (2025 FY, EUR bn)



Source: Dealogic

Secondary Markets

Secondary Markets

In Q4 2025, turnover value of equity products traded in Europe increased 14.7% YoY. This includes addressable trading on all venues, systematic internalisers and OTC.

Turnover ratio, calculated as annualised turnover value relative to market capitalisation, decreased slightly to 116.17% in Q4 2025. However, this is a 10.13% YoY increase since Q4 2024.

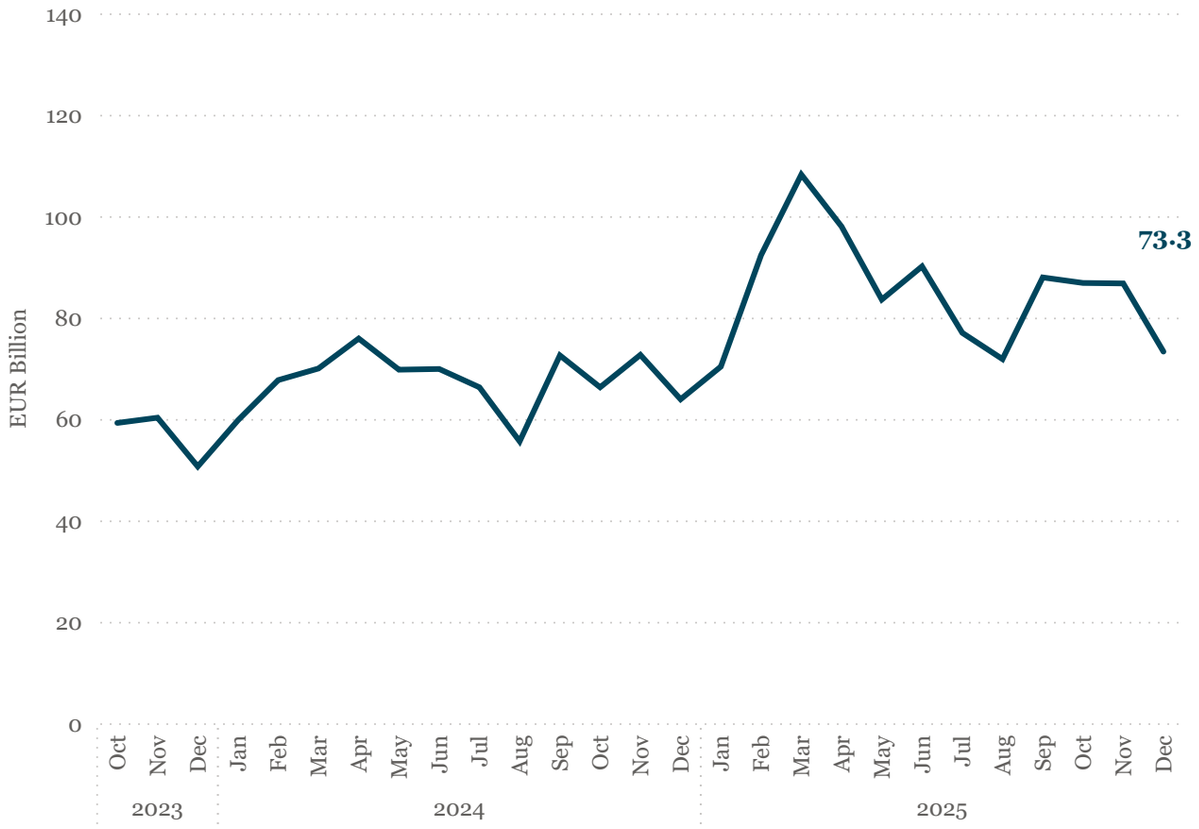
Bid-ask spreads for selected European equity indices, including CAC40 and DAX40 constituent companies, peaked in April before tightening by the end of Q4 2025. Notably, the FTSE100 bid-ask spreads stabilised at 5.79bps in December after the peak of 6.38bps reached in April, primarily driven by market reactions to the introduction of tariffs announced by the U.S. Government.

The market capitalisation of European listed shares (EU, UK and Switzerland) experienced a minor increase standing at €18.7tn by the end of Q4 2025, representing a 10.5% increase YoY from Q4 2024.

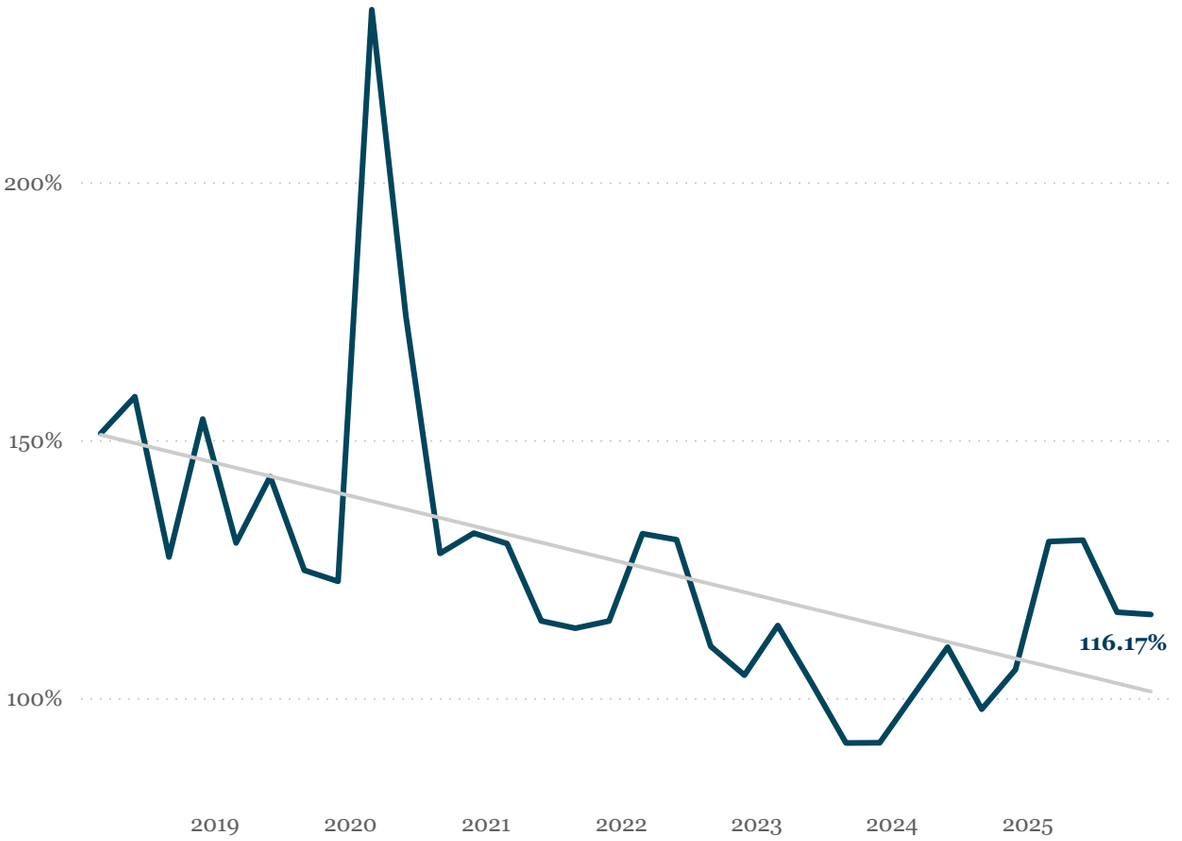
Following methodology adjustments introduced by the data provider in Q2 2025 to the calculation of addressable liquidity, figures related to average daily turnover value and turnover ratio have been revised in this edition.

European Turnover Ratio

Average Daily Equity Turnover Value on European Exchanges and MTFs



Turnover Ratio (annualised turnover value/ market cap)

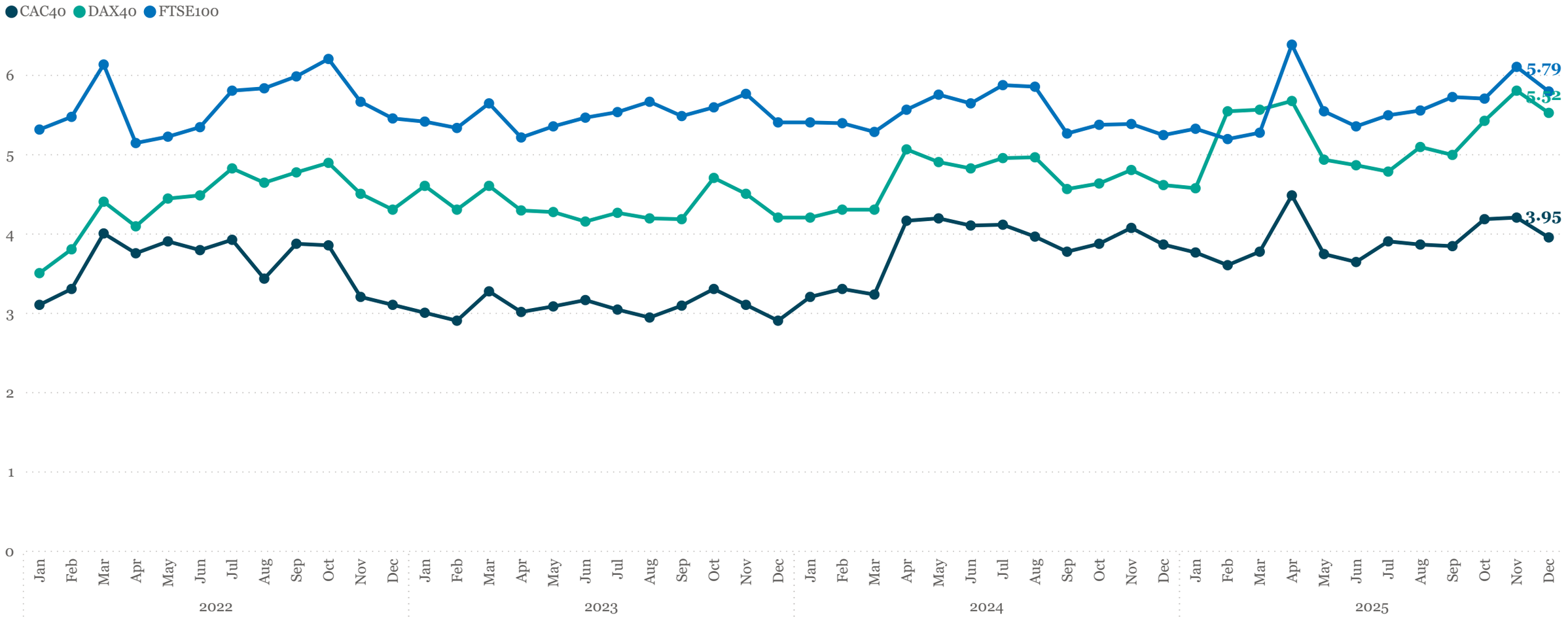


Figures may vary from the previous edition of the report due to a methodology change in reported data.

Source: xyt, FESE, LSE, and national exchanges

Bid-Ask Spread for Selected European Indices

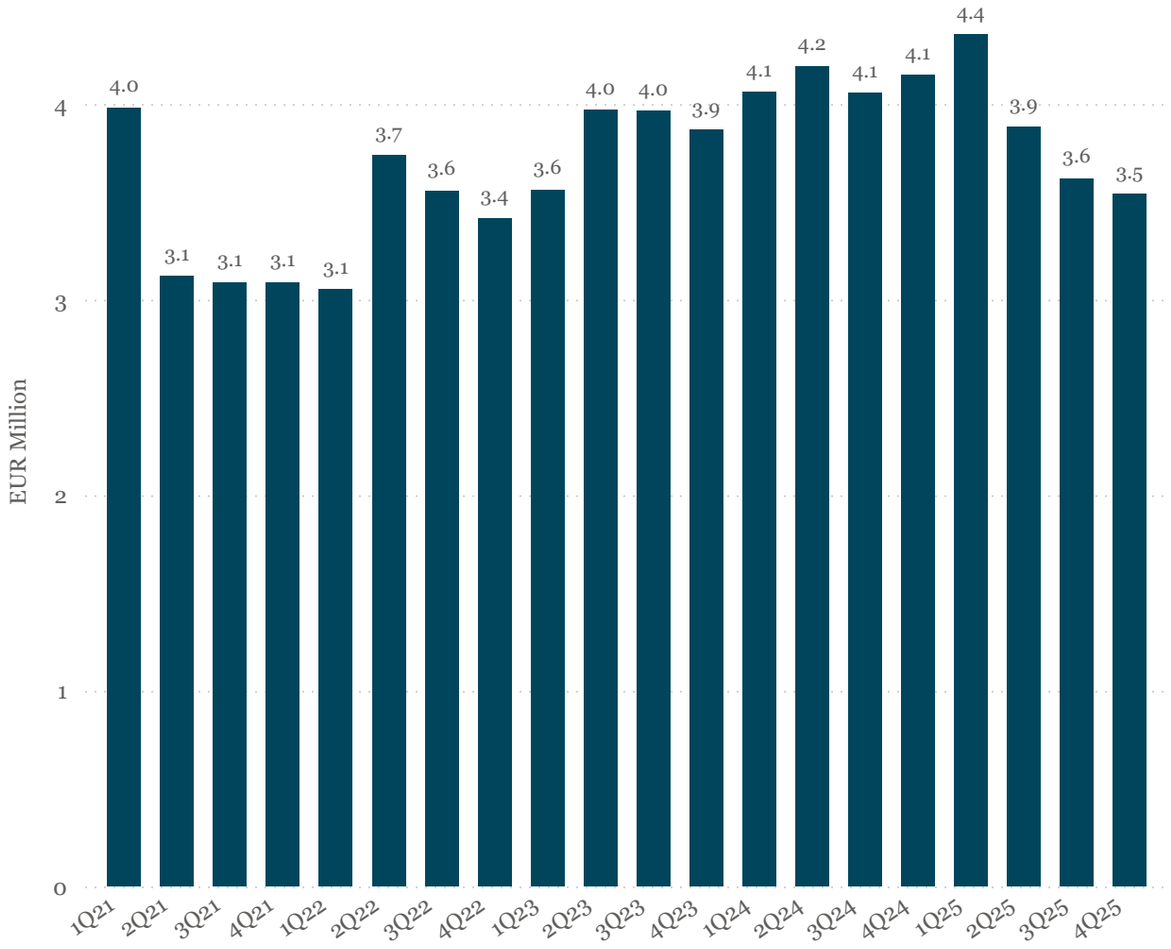
Market Spreads in Basis Point for Selected Equity Indices (primary venue, value weighted average spread, €5K)



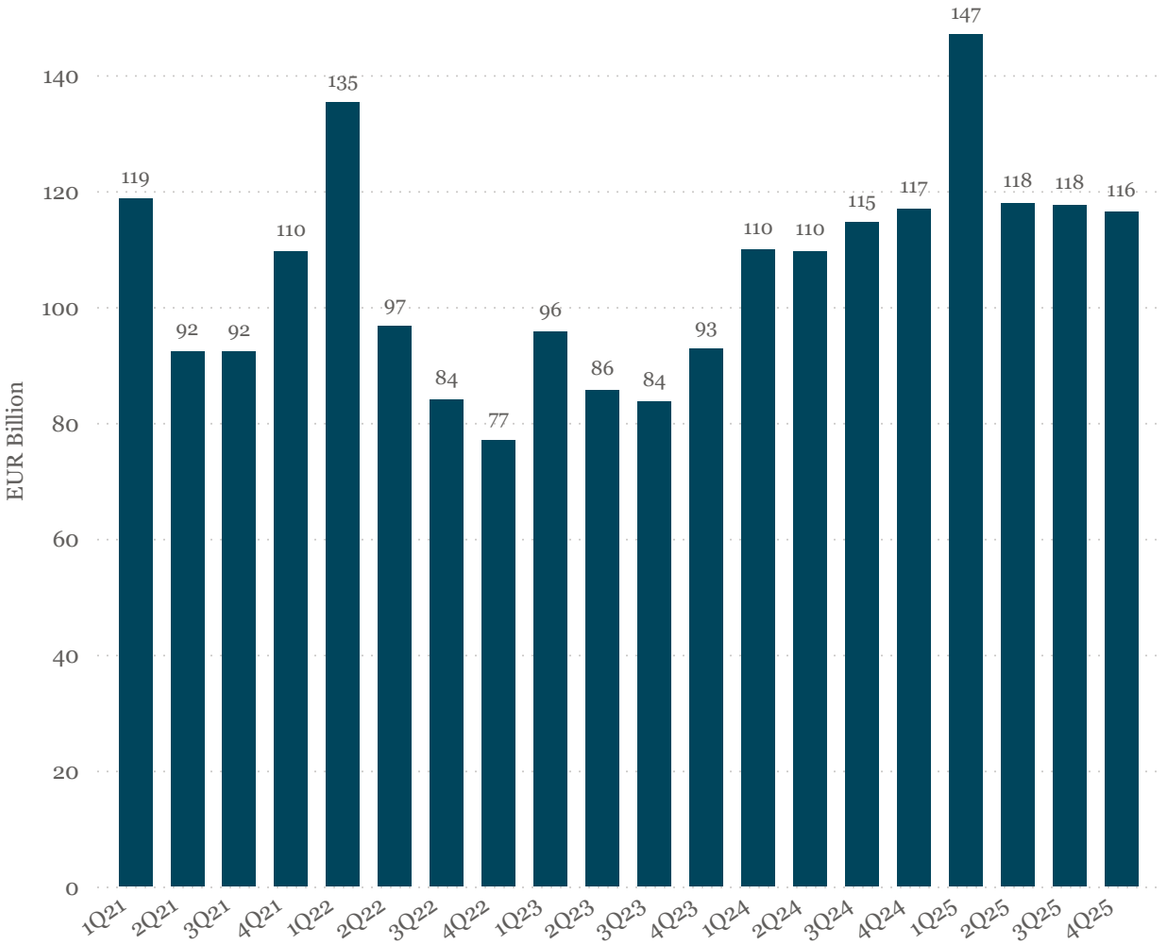
Source: xyt

Block Trades

Block Trades: Average Value per Trade



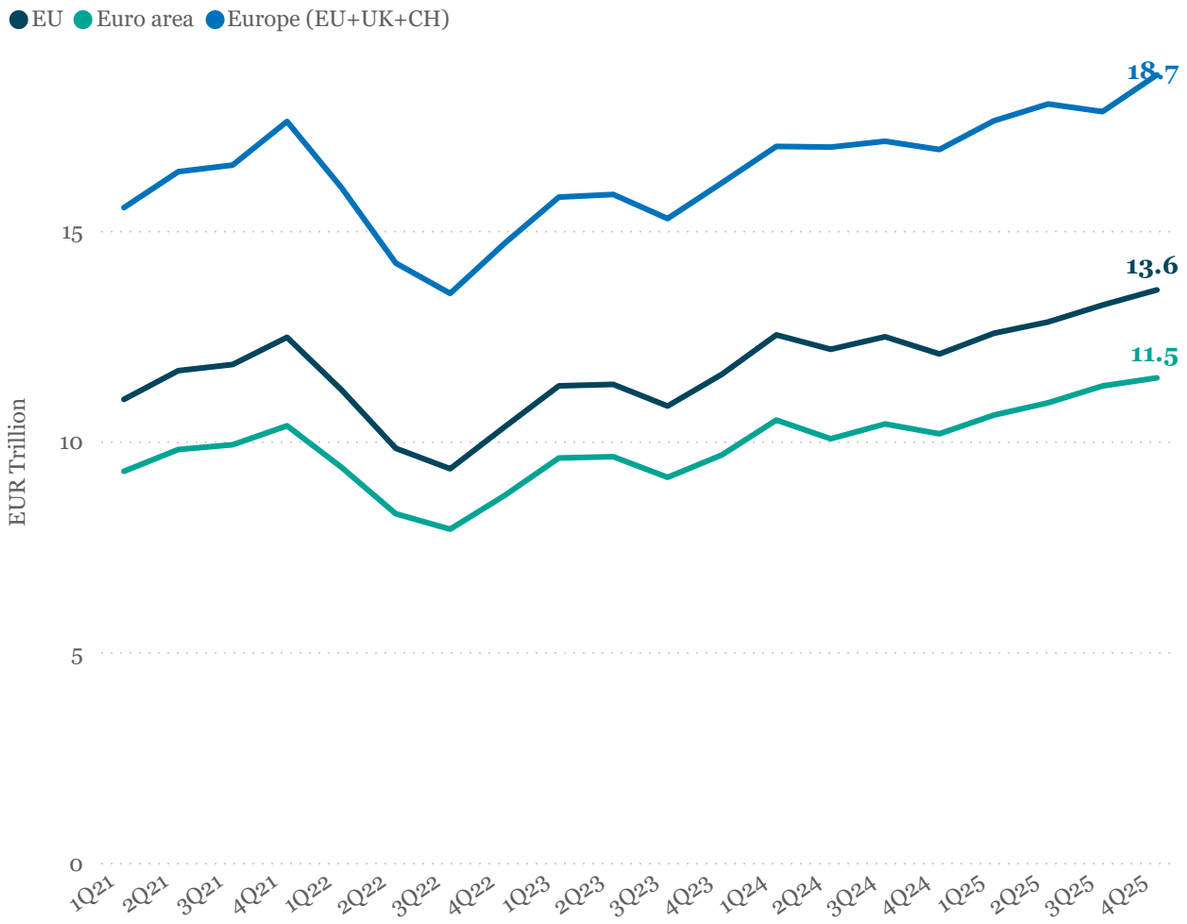
Block Trades: Value Traded > LIS



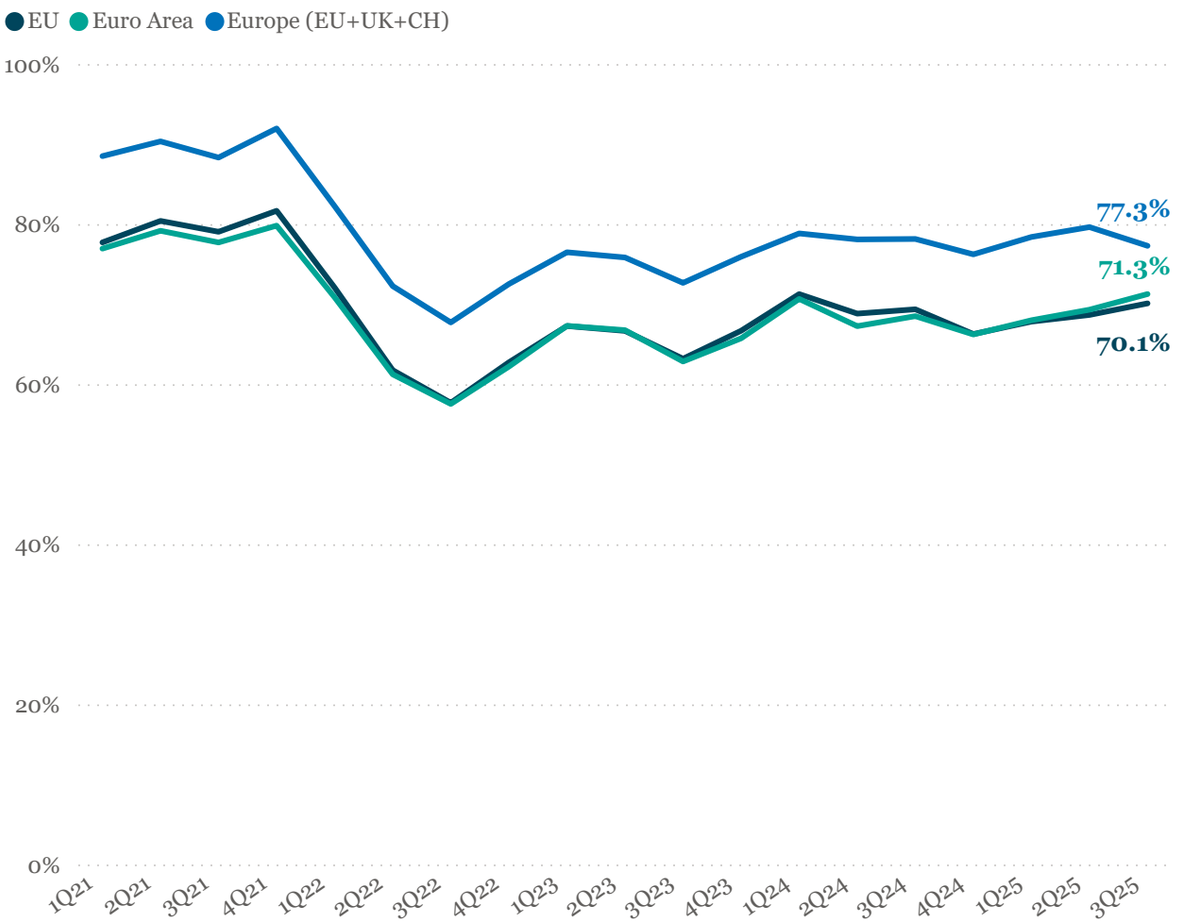
Source: xyt

Market Capitalisation of Domestic Listed Shares

Market Capitalisation (EUR tn)



Market Capitalisation as % GDP



Source: FESE, WFE, ECB, Eurostat and national exchanges

Equity Trading Market Structure

Equity Trading Market Structure

According to xyt data, on-venue trading represented 62% of the total addressable liquidity in Q4 2025. Volume traded off-venues on systematic internalisers and pure OTC represented the remaining 38% of the total addressable liquidity.

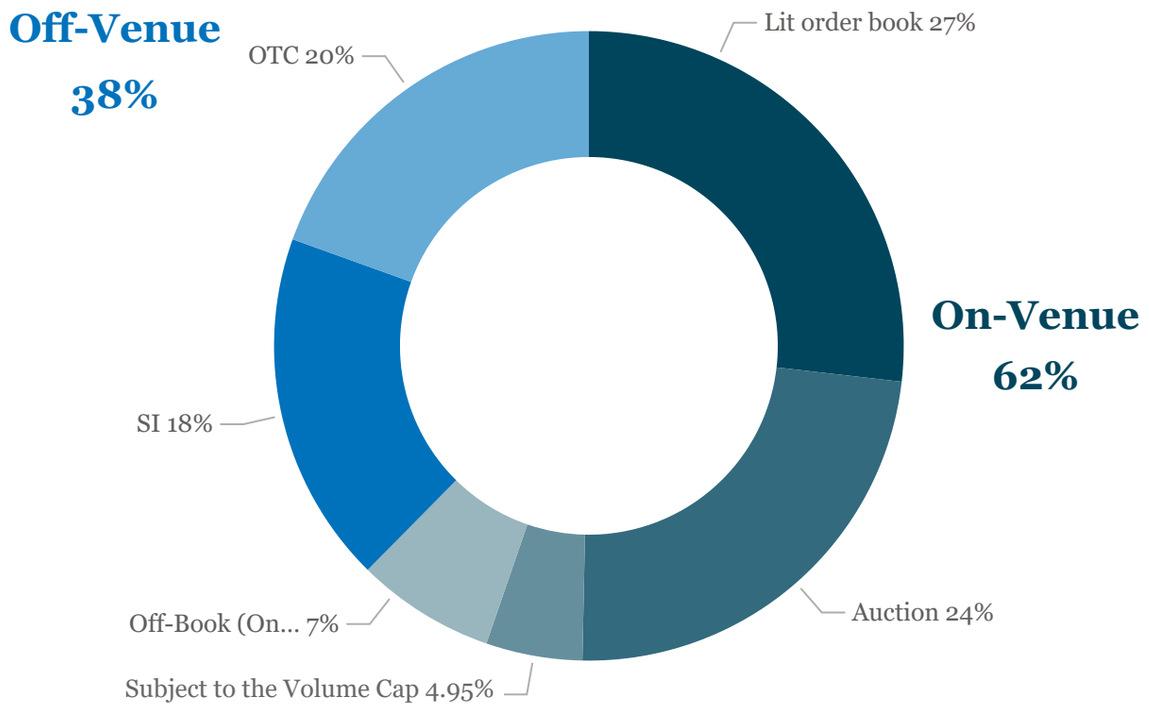
Transition from DVC to SVC

On 14 October, the European market transitioned from the DVC regime to the newly implemented single volume cap (SVC), marking a significant shift in the regulation of dark trading. While the DVC applied separate thresholds at both the EU and trading venue levels, the SVC consolidates these into a single, harmonised cap at the EU level. This change aims to simplify the framework, enhance transparency, and improve consistency across markets. Early data suggests notable impacts on the number of suspended instruments and the proportion of dark trading, though further observation is needed to assess the full implications of the new regime.

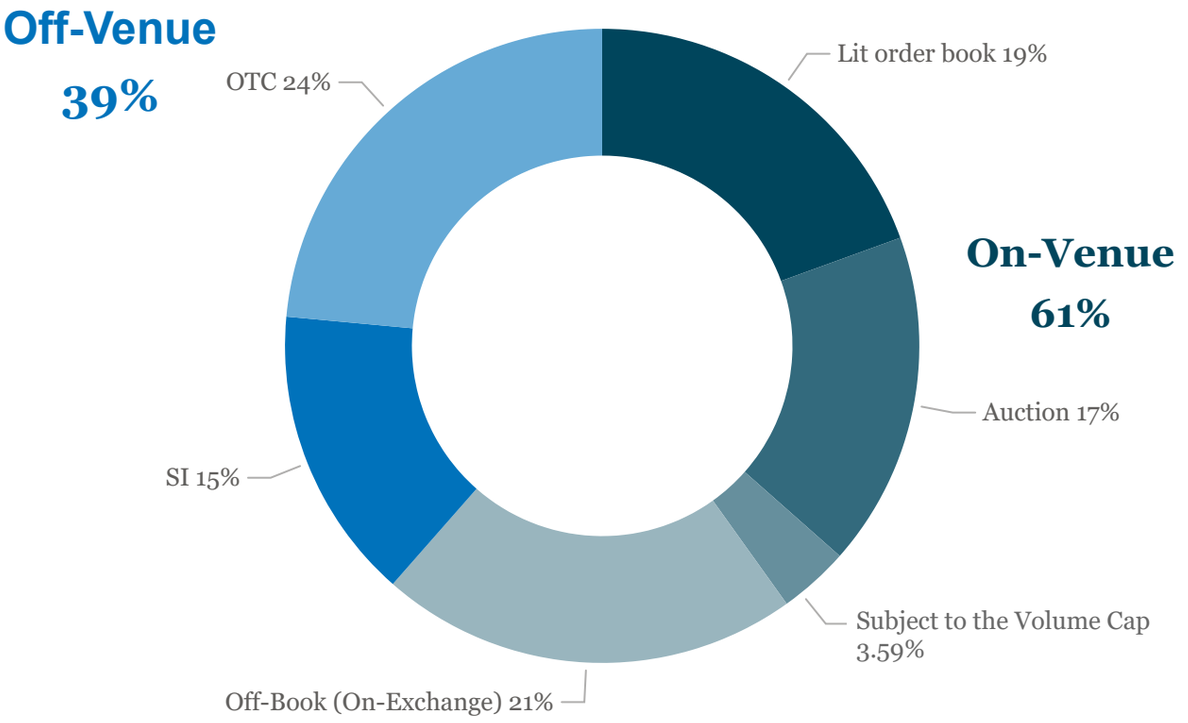
Under the SVC, the number of instruments suspended at the EU level decreased from 355 in October to 217 at the end of December 2025.

Share of Pan-European Trading Value by Trading Mechanism

Adjusted for transactions not contributing to price formation



Unadjusted

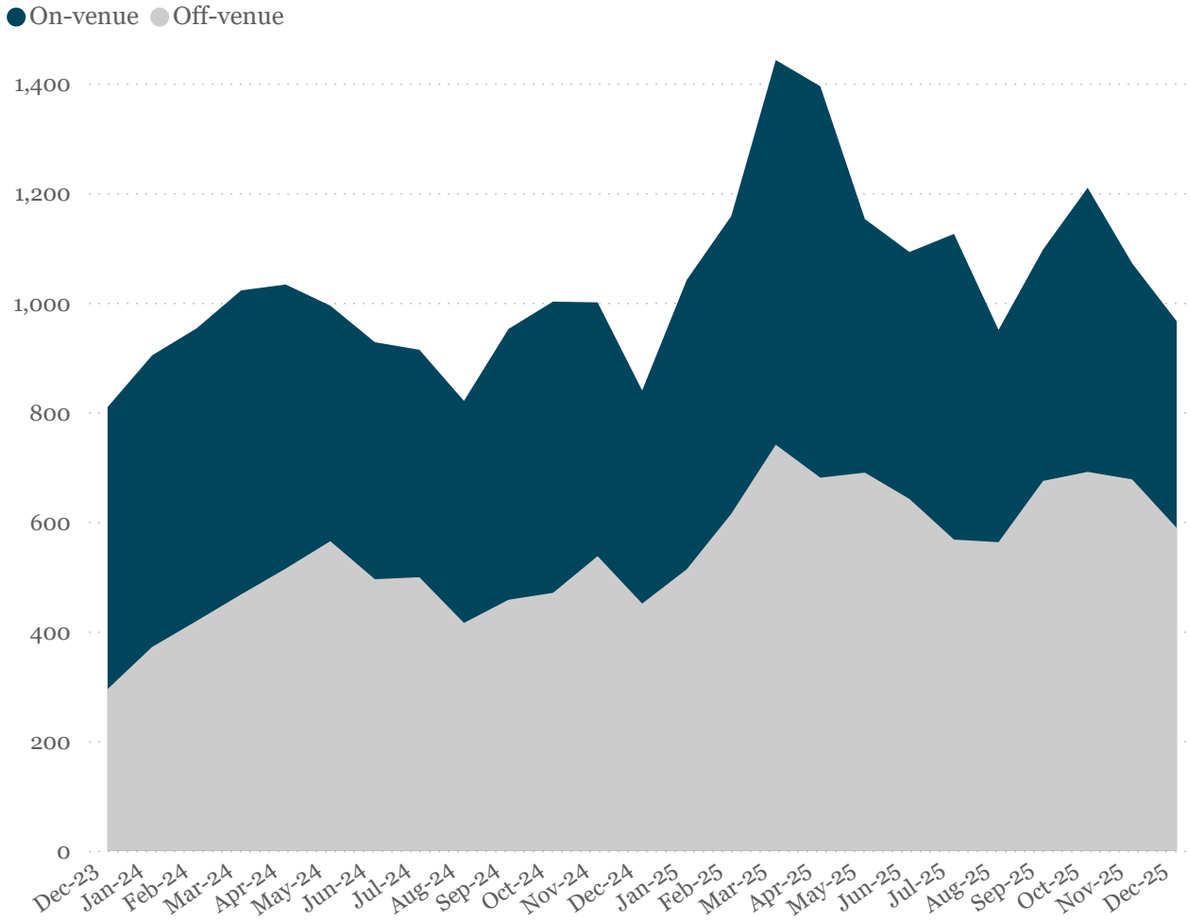


Figures may not sum precisely to the total due to rounding.
Figures may vary from the previous edition of the report due to a methodology change in reported data.
Figures shown under the former DVC regime (concluded October 2025)

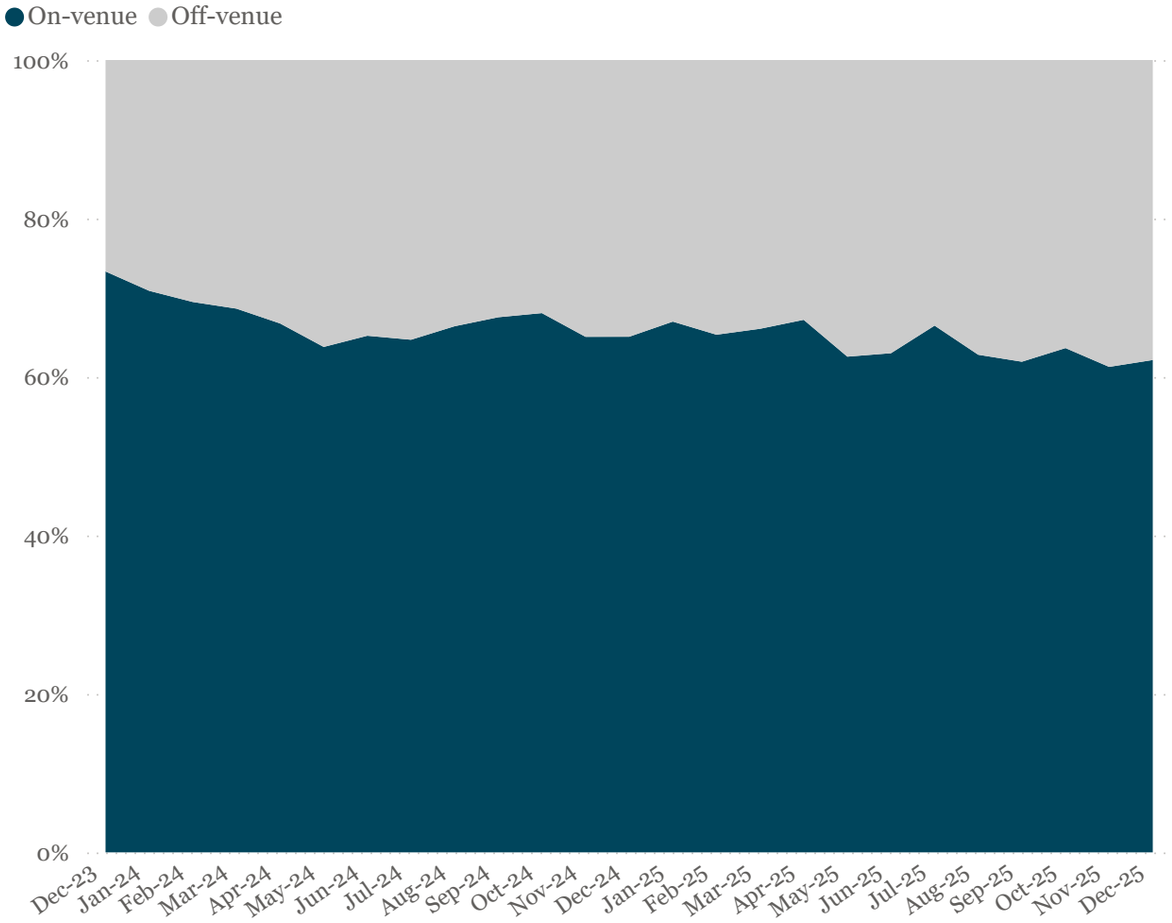
Source: xyt

Share of Pan-European Trading Value by Trading Mechanism

EUR bn per month



% per month

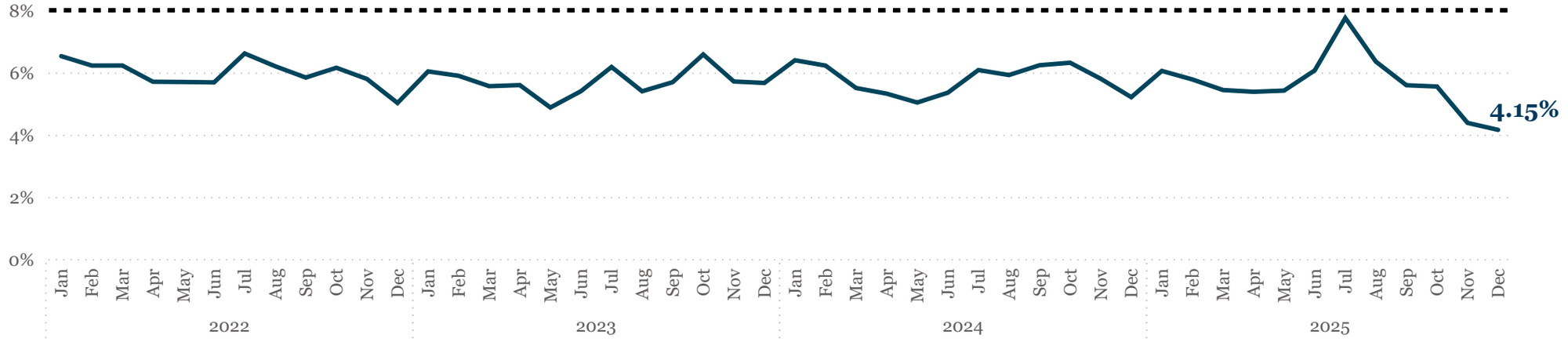


Figures may vary from the previous edition of the report due to a methodology change in reported data.

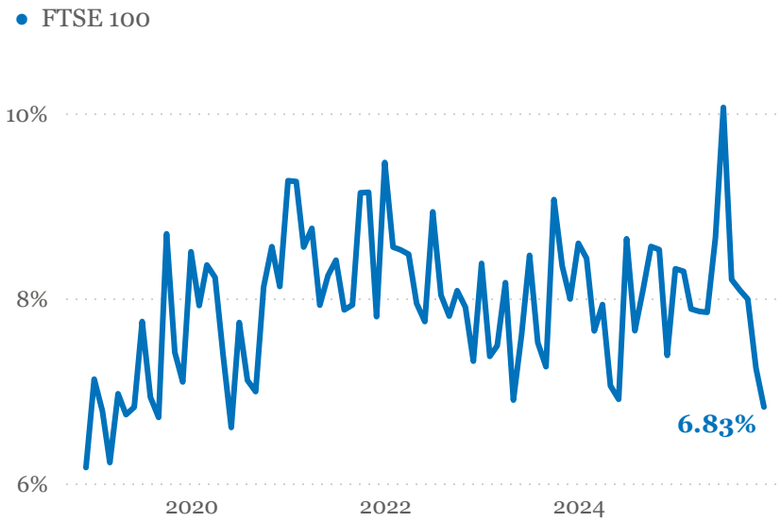
Source: xyt

Proportion of dark trading at 4.15%

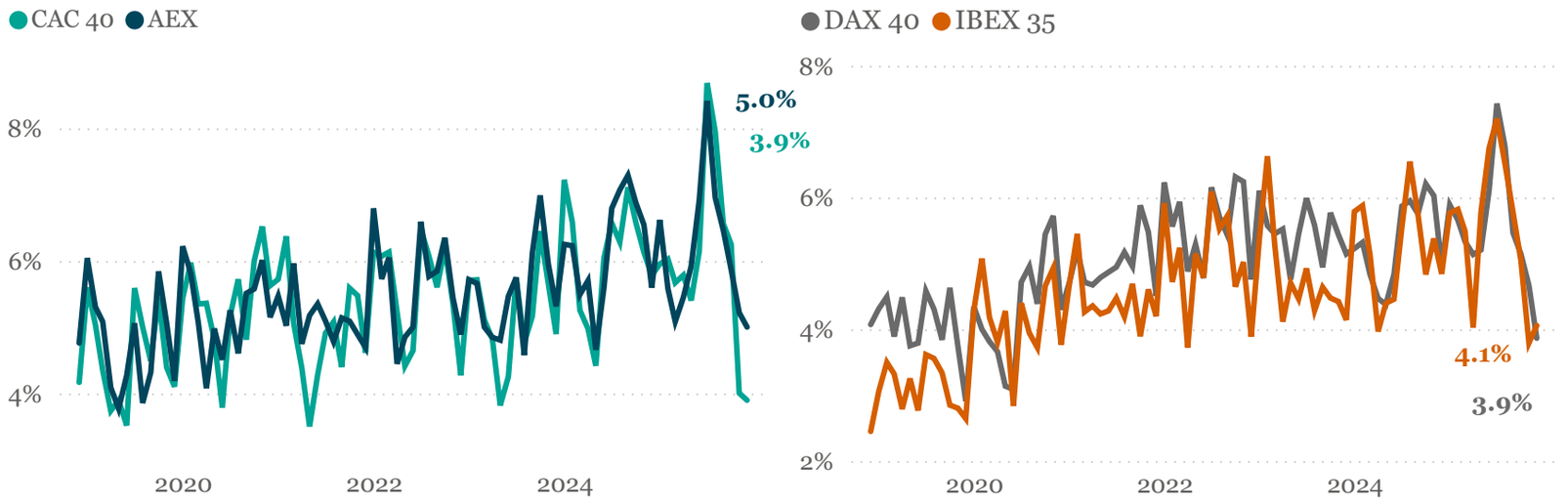
Dark trading as % of total turnover



% of dark trading



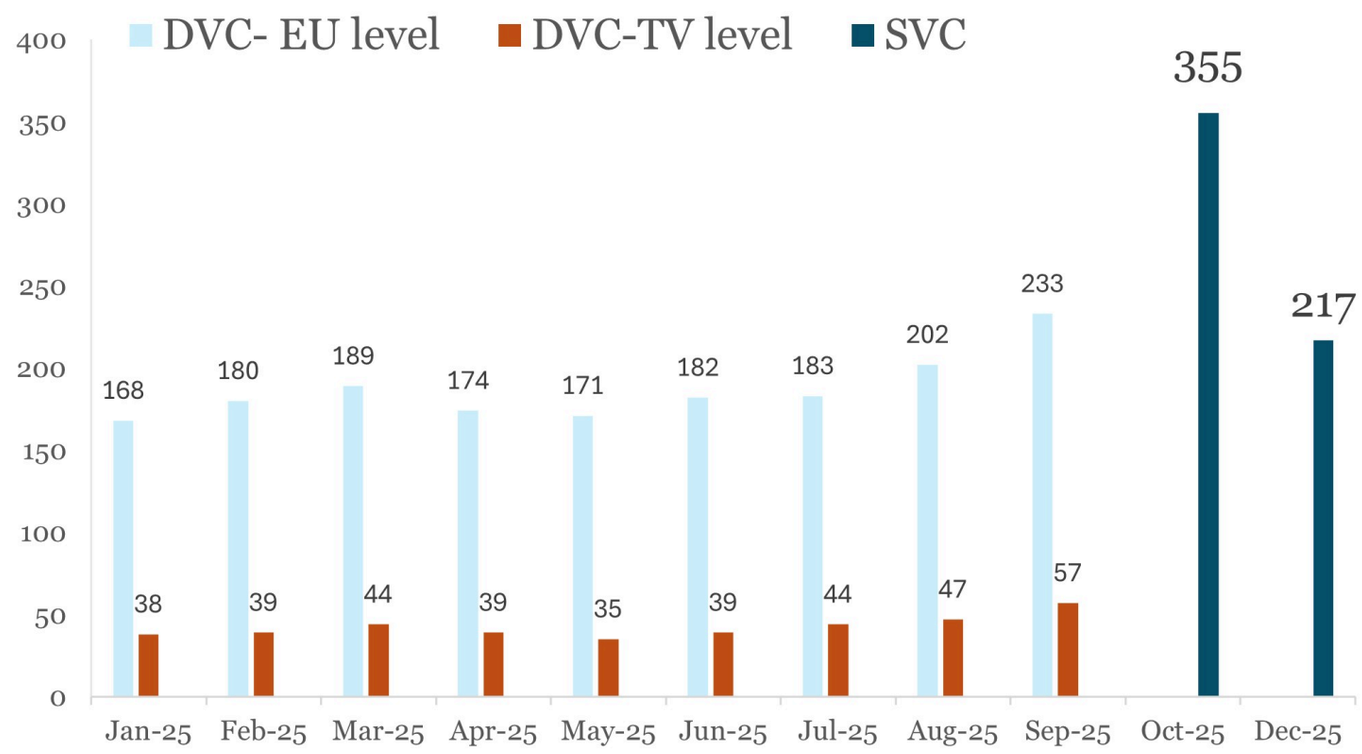
% of trading subject to the Volume Cap by indices



Source: xyt Figures shown under the former DVC regime (concluded October 2025)

Transition from DVC to SVC

Number of Suspended Instruments from Dark Trading Under DVC and SVC



Source: ESMA

Transition to SVC

On 14 October, the European market transitioned from the DVC regime to the newly implemented SVC, marking a significant shift in the regulation of dark trading. While the DVC applied separate thresholds at both the EU and trading venue levels, the SVC consolidates these into a single, harmonised cap at the EU level.

The number of instruments suspended at the EU level under the SVC decreased from 355 (October) to 217 (December).

Single Volume Cap (SVC)

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

December 2025

Country ISIN	Suspended EU level
AT	5
BE	9
CY	1
DE	26
DK	14
ES	6
FI	22
FR	24
IE	1
IT	4
LI	1
LU	5
NL	8
SE	84
Total EU	**210**
GB	0
RoW	7
Total	**217**

Source: ESMA

Valuations

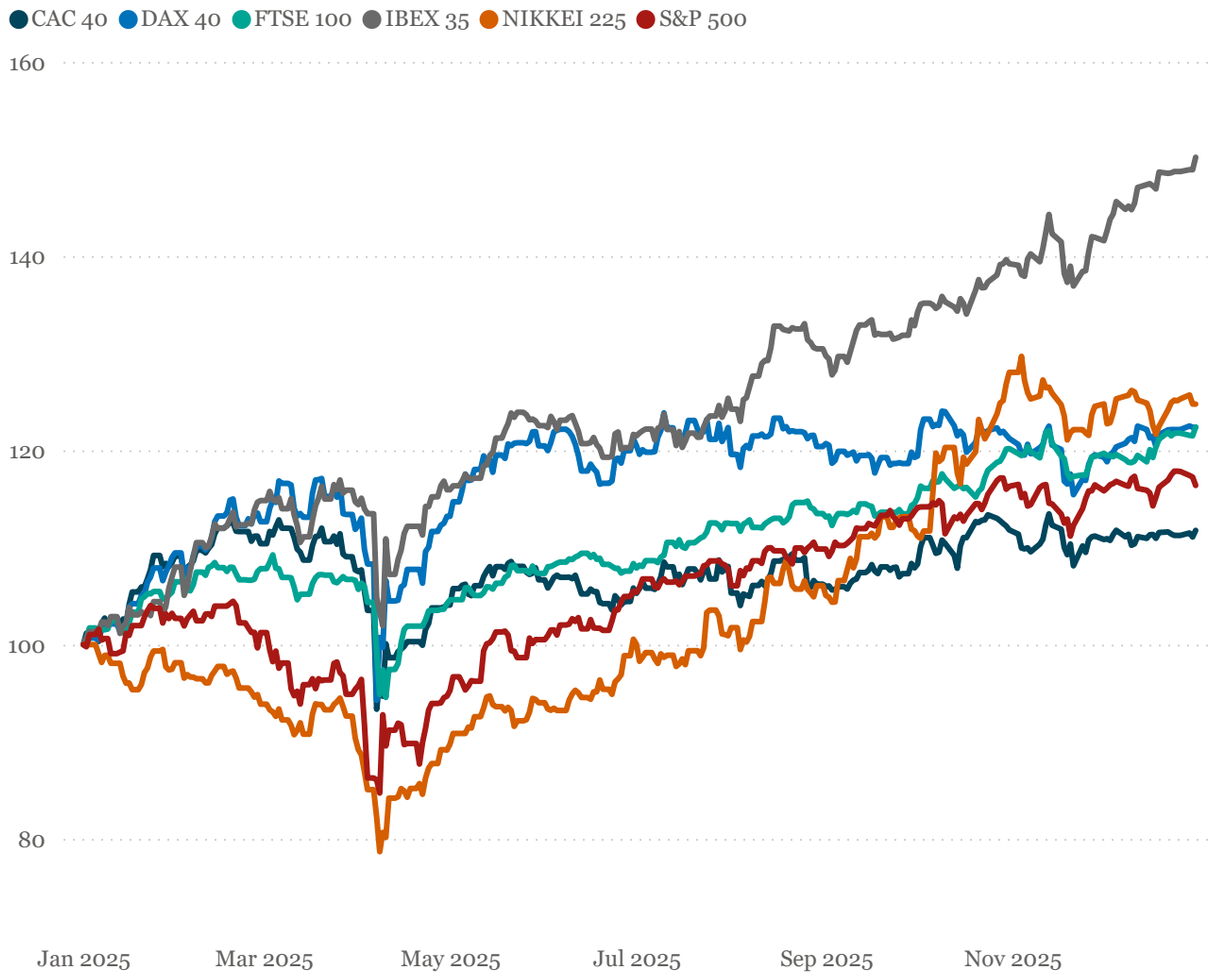
Market Valuations

European equity indices continued to rise during Q4 2025, extending their recovery from the April decline triggered by U.S. tariffs introduction. The IBEX35 remained the top performer, up 50% year-on-year, while the DAX40 advanced by 22%. The FTSE100 posted a solid 22% gain, outpacing the French CAC40, which rose by 12%. Outside Europe, the S&P500 climbed 16%, and Japanese equities (Nikkei 225) gained about 25%.

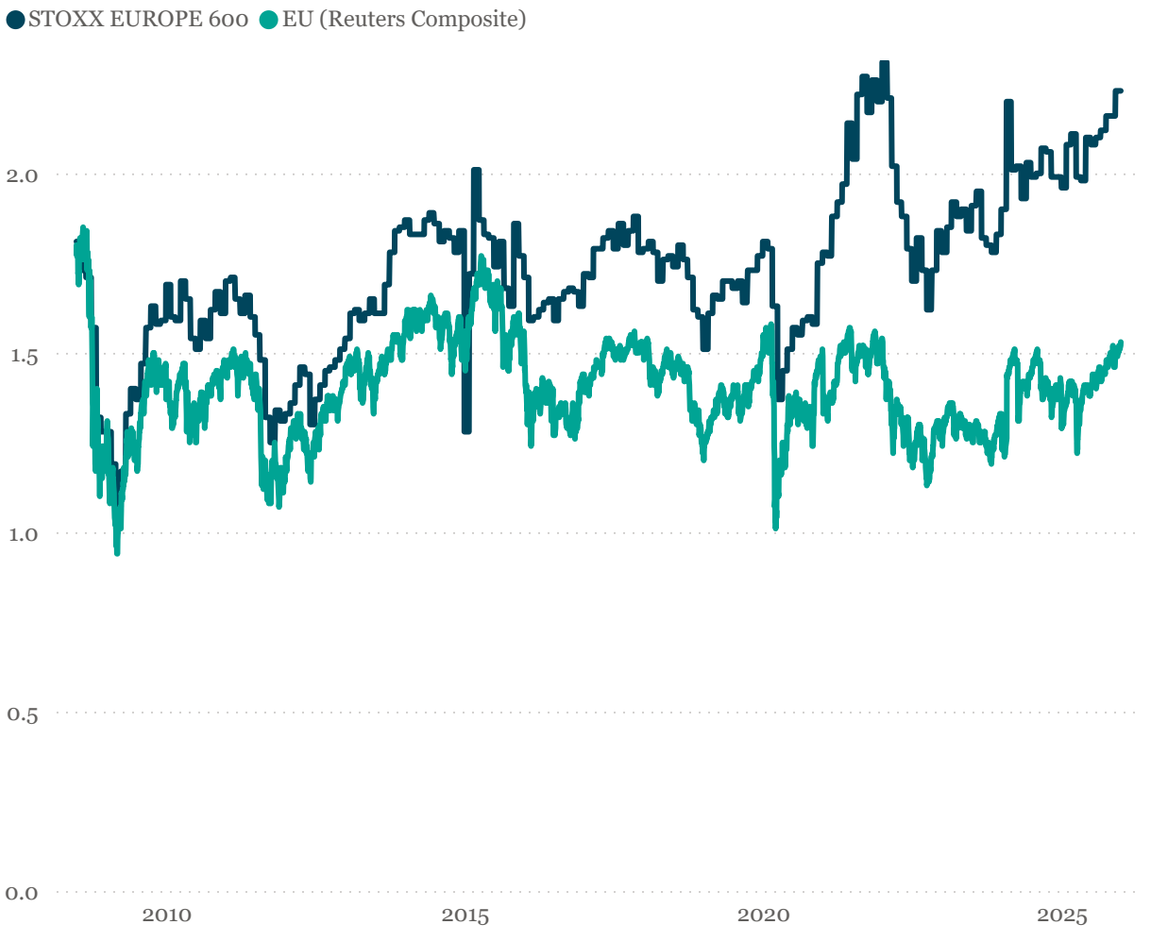
European stock prices volatility, as measured by VSTOXX, also peaked in April due to the announced tariffs by the U.S. Government (46.7bps). Since then, it has continued to decline ending Q4 2025 at 14.7bps.

Price Indices and Valuation Multiples

Price Performance of Selected Stock Indices (31 Dec 2024 = 100)



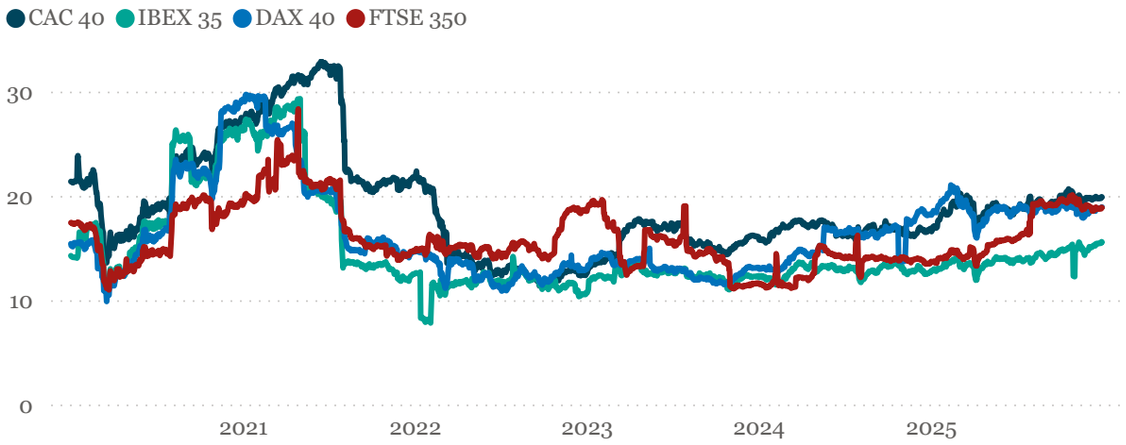
Price-to-book Ratio of Stoxx 600 Constituent Shares and EU Average



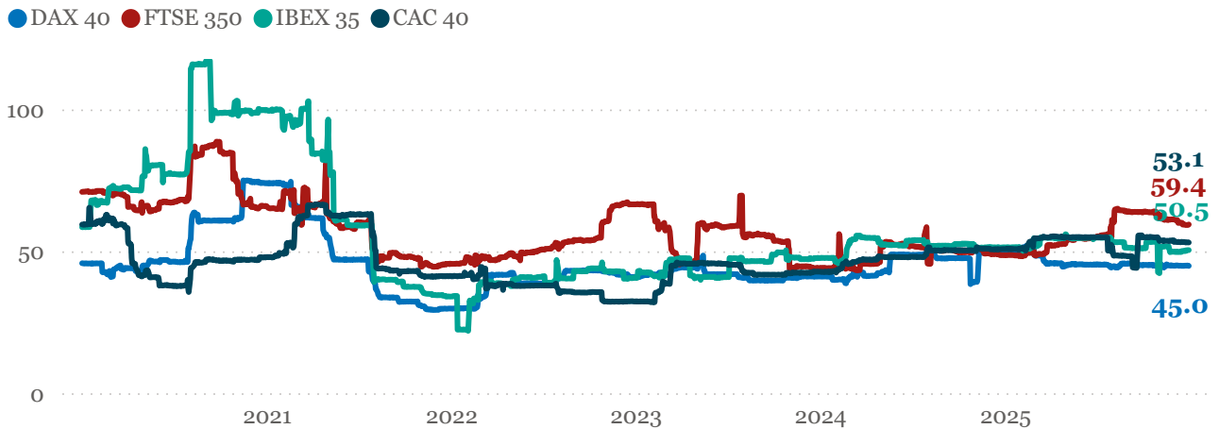
Source: Eikon

Valuation Ratios and Implied Volatility

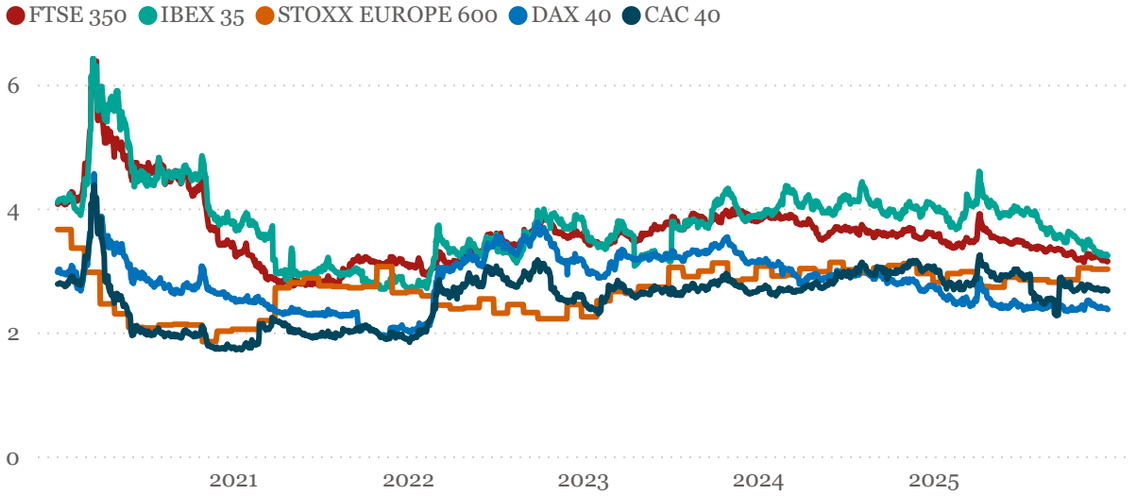
Price-to-earnings (PE) ratio



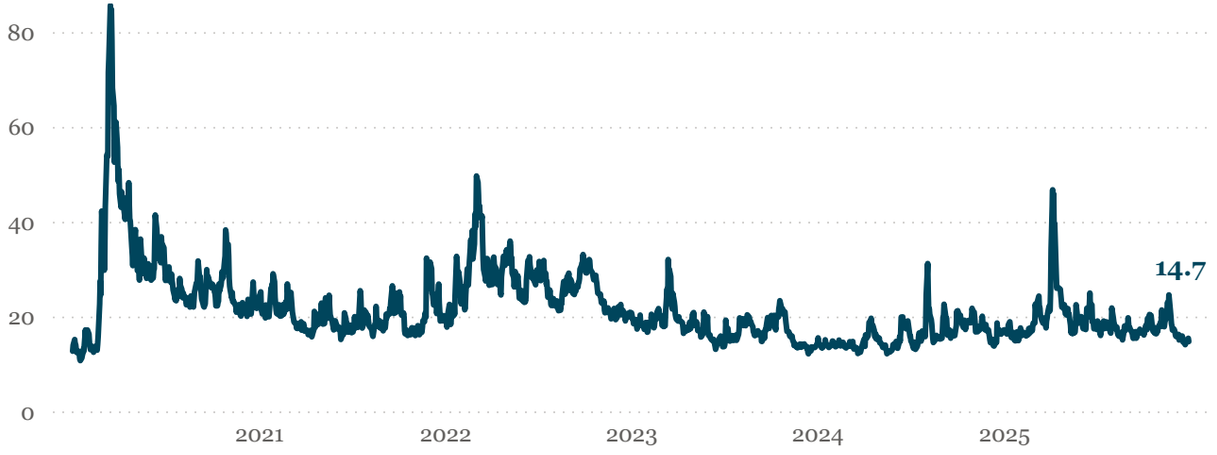
Dividend payout ratio (Dividends/Earnings per share)



Dividend yield ratio (Dividend/Price)



Implied volatility of Euro Stoxx 50 constituent shares (VSTOXX)



Source: Eikon and Eurex

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