

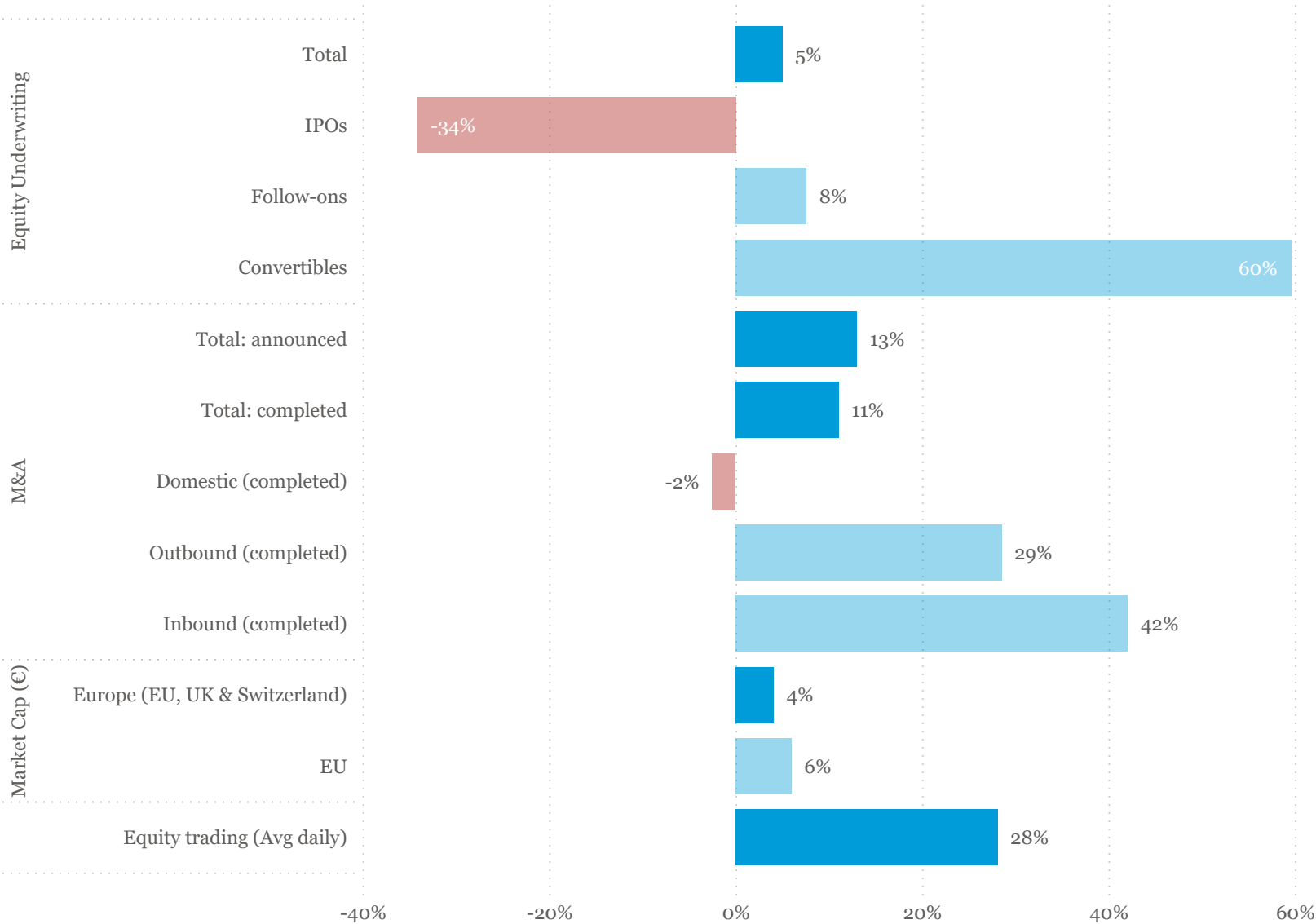
Q3 2025

Equity Primary Markets and Trading Report

European Market Data Update

afme/ Key Highlights

2025 Q3 YtD Variation of European Equity Activity



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

European IPOs continue to lag behind wider Equity capital raising recovery

Equity underwriting on European exchanges in the first three quarters of 2025 increased by 5% year-to-date (YtD) on the back of a moderate rise in secondary equity offerings (8%YtD) but a strong decline in IPOs (-34%YtD).

Initial Public Offerings (IPOs) on European exchanges accumulated €3.1bn in proceeds during Q3 2025, a large increase from the €0.1bn issued in Q3 2024. However, for the cumulative amount of the first three quarters, European IPOs continued to exhibit a large decline of 34% YtD.

Most recently, in the first months of Q4 2025, IPOs have shown momentum particularly in London and Sweden. However, total issuance continues to lag behind the double-digit growth observed in other regions like the US, China, and India.

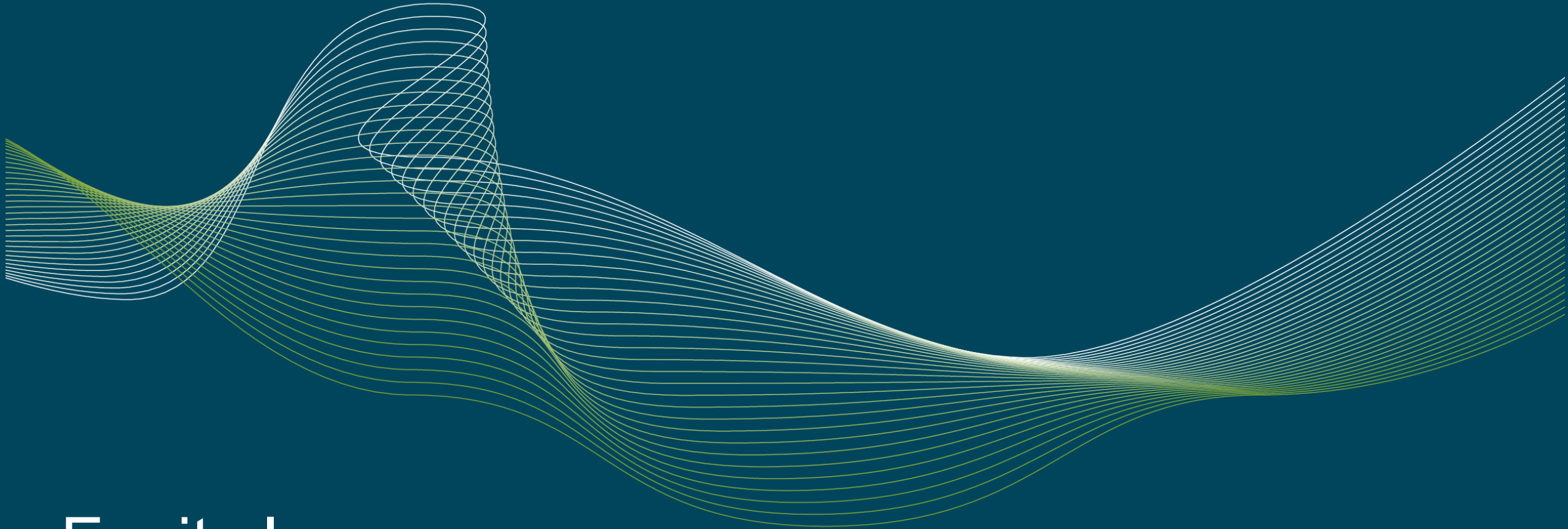
Mergers and Acquisitions (M&A) rose when measured as completed value (11%), and when measured as announced value (13%).

Average daily equity trading on European main markets and MTFs increased 21.19% YtD. Market liquidity, as measured by turnover ratio (turnover value/market cap) decreased to 116.64% in Q3 2025. However, this is a 19.25% YtD increase since Q3 2024.

Domestic market capitalisation of European listed shares stood at €17.8tn in Q3 2025, 4.8% above the value observed in Q3 2024.

afme / Contents

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Equity Issuance

afme / Equity Issuance

Equity capital raised on European exchanges totaled €27.8bn in Q3 2025, representing a 91.72% YoY increase from the €14.5bn issued in Q3 2024.

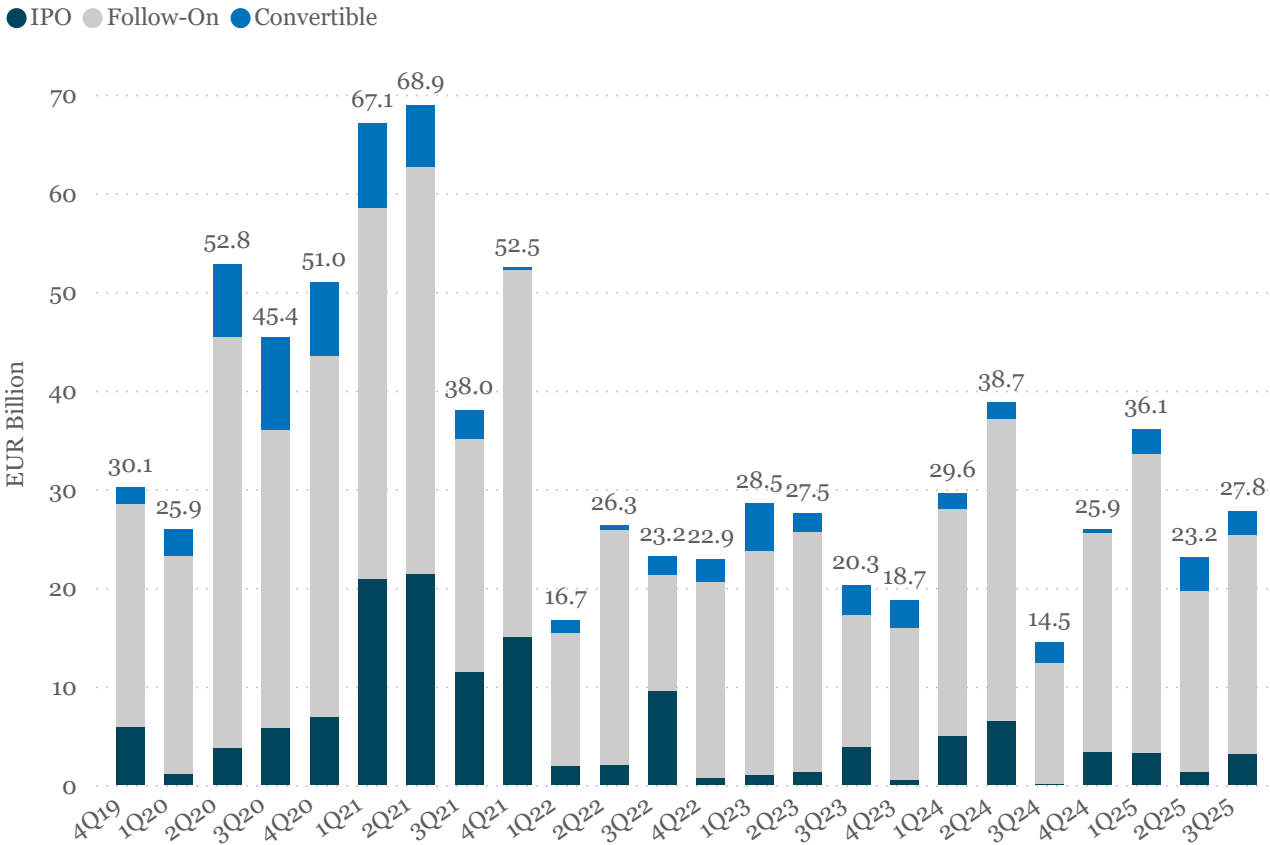
Secondary offerings were the largest contributor to the total capital raised with €22.3bn issued in Q3 2025, an 81.3% annual increase from Q3 2024 (€12.3bn). Initial Public Offerings (IPOs) reached €3.1bn in Q3 2025, marking a substantial YoY rise from €0.1bn in Q3 2024. Issuance of convertibles totaled €2.4bn during Q3 2025, up 20% from the €2bn raised in Q3 2024.

Equity issuance on Junior exchanges amounted to €1bn in Q3 2025, a modest increase from €0.9bn in Q3 2024. Junior exchanges are venues with less onerous listing requirements which facilitates equity capital raising for small and medium-sized enterprises and younger companies.

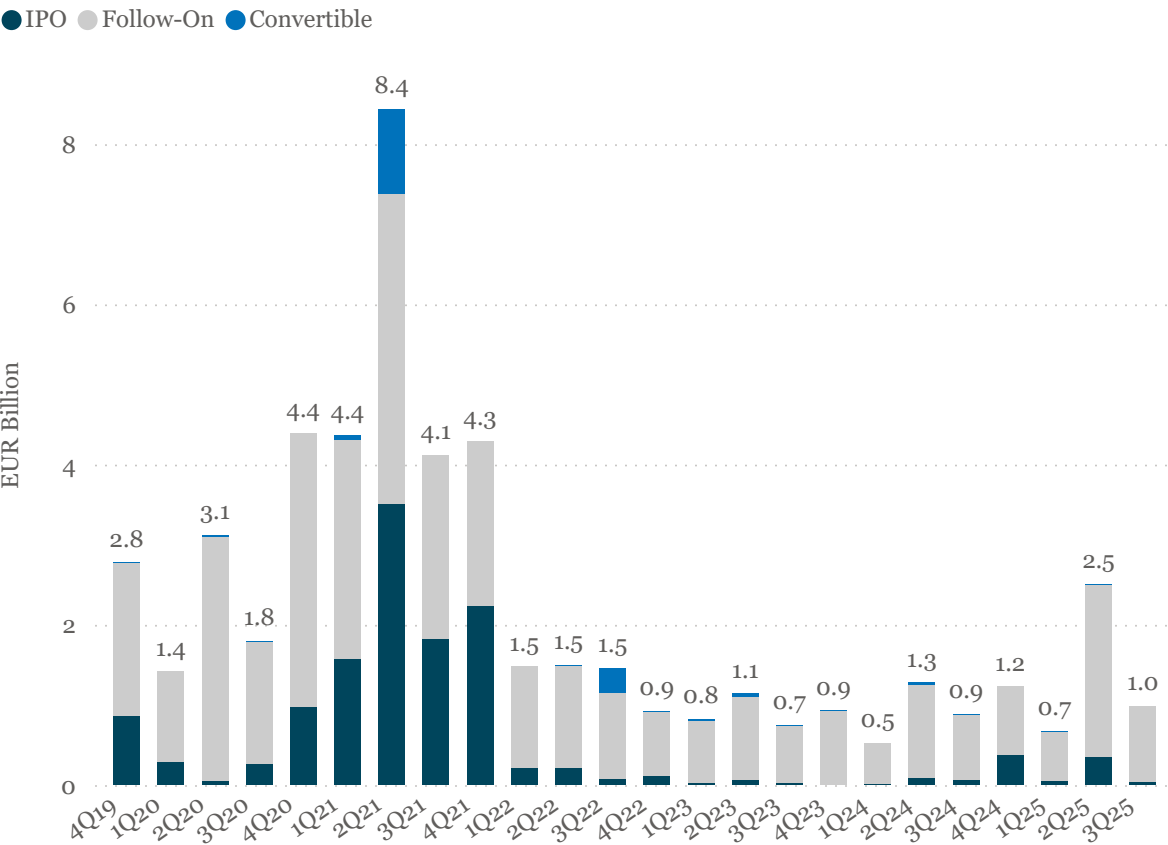
Equity Underwriting on European Exchanges

The SIX Swiss Exchange led European equity underwriting in Q3 2025, with a total of €12.8 bn raised. It was followed by the London Stock Exchange and Paris, each recording €9.5 and €9.4 billion respectively in total equity issuance.

Equity Issuance on European Exchanges

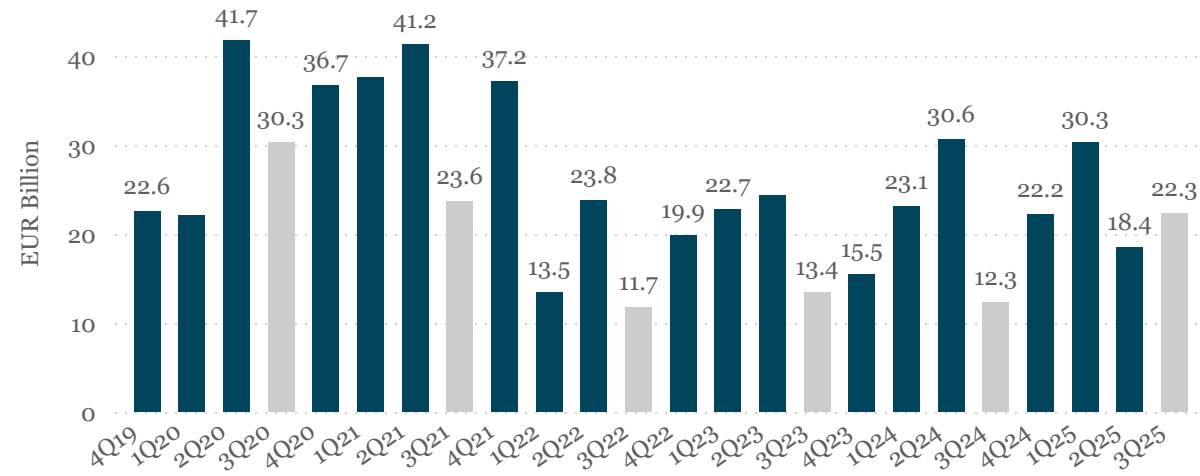


Equity Issuance on European Junior Markets

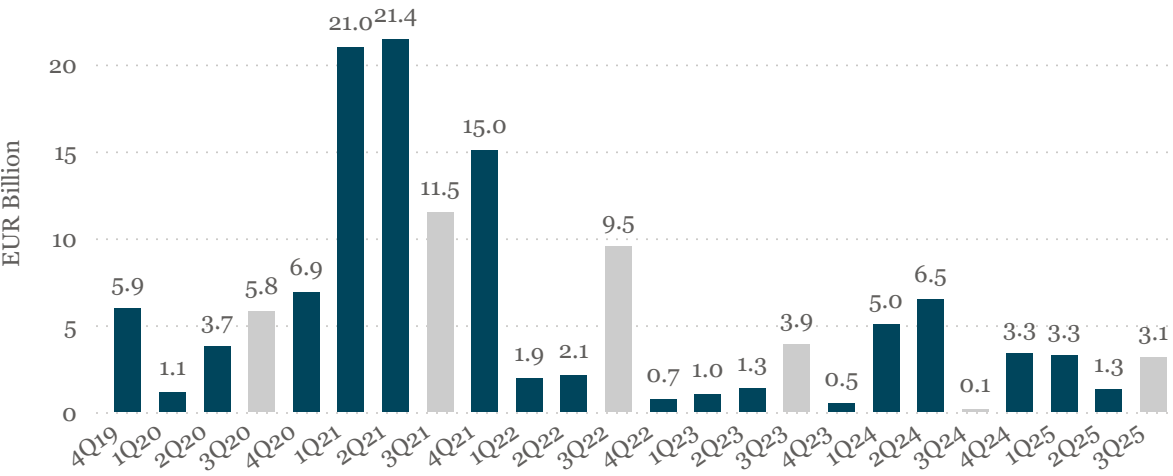


afme/ Equity Issuance by Deal Type

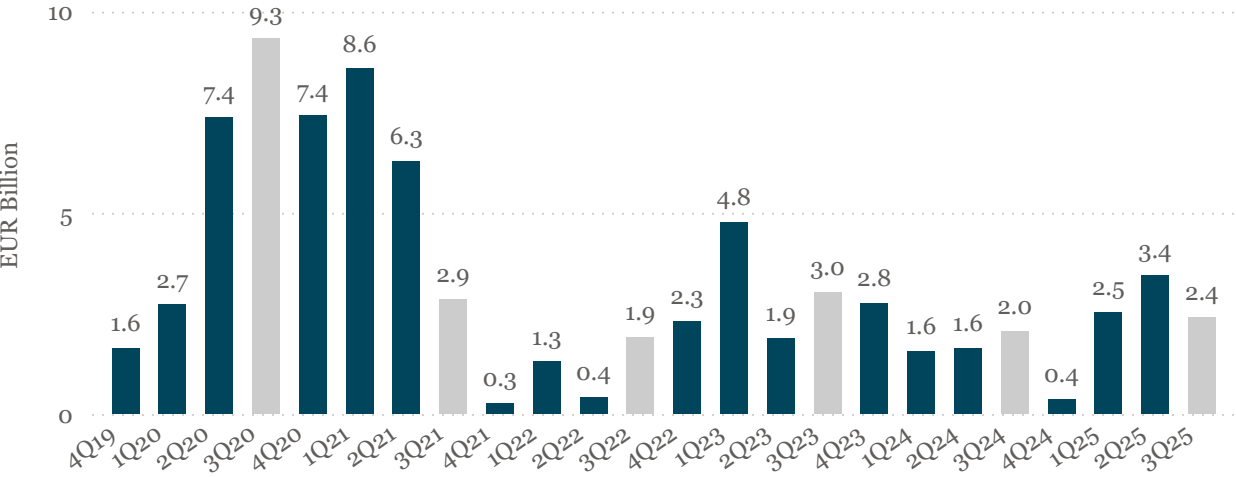
Follow-on Offerings



IPO Proceeds

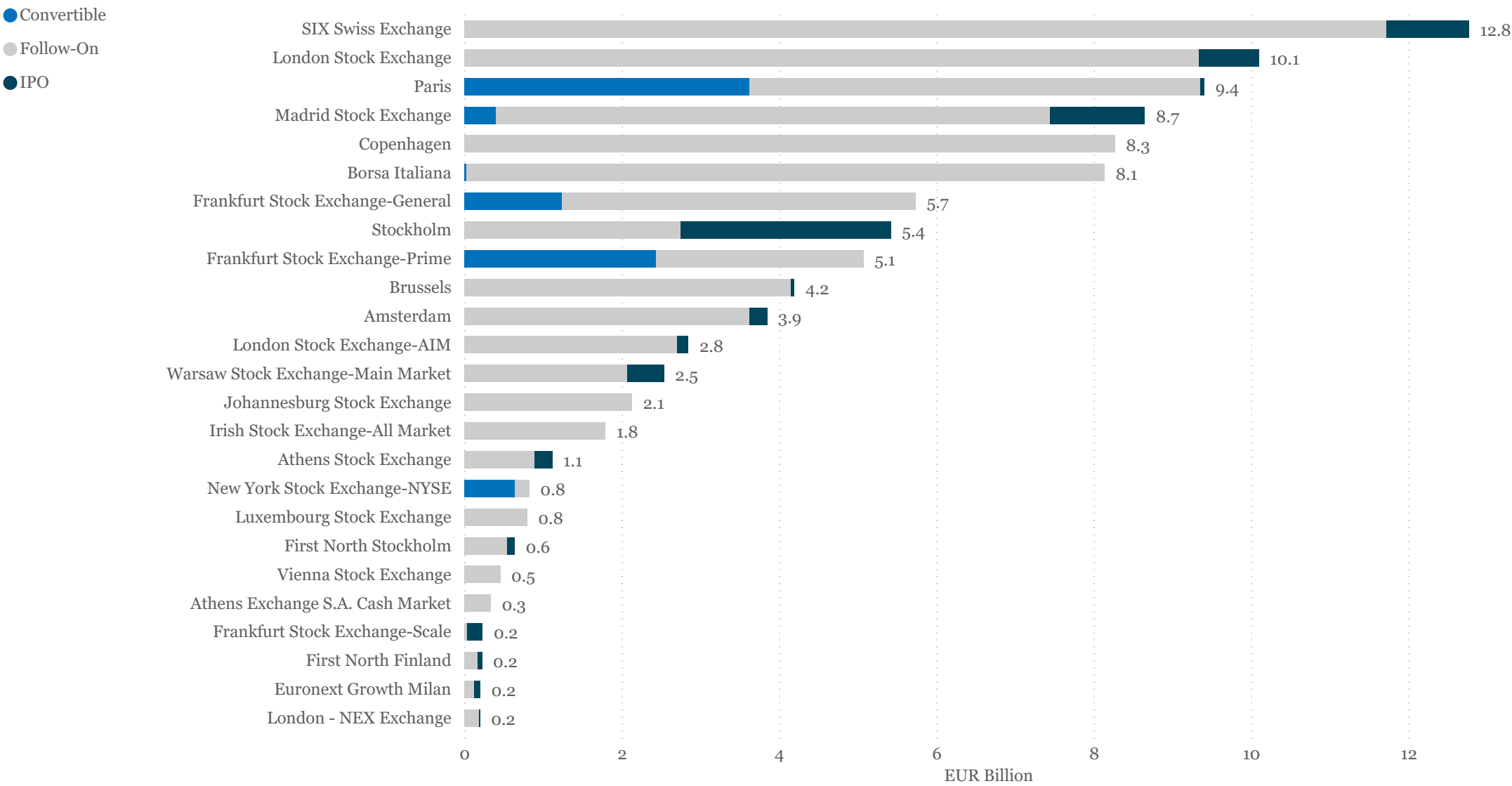


Convertibles



afme/ Equity Issuance by Exchanges

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



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

IPO and Listings Tracker

afme / IPO and Listing Tracker

Initial Public Offerings (IPOs) on European exchanges accumulated €3.1bn in proceeds during Q3 2025 YtD. The 3,000% increase observed in Q3 is largely driven by the exceptionally low base a year ago, when IPO activity was nearly stagnant.

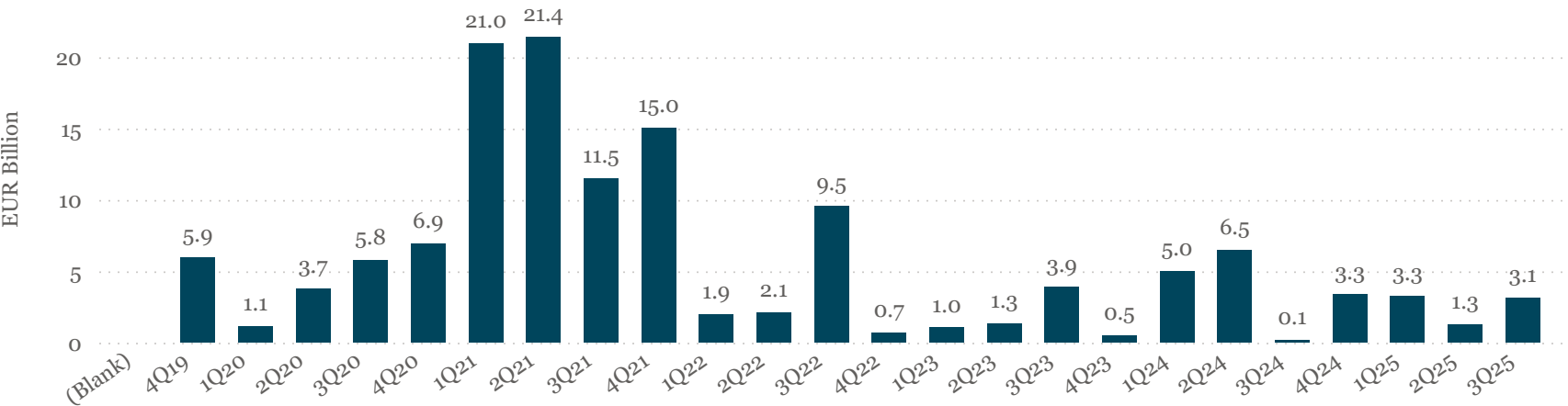
PE-backed IPOs issuances originated €2.2bn in proceeds during Q3 2025, a significant increase compared to Q3 2024 when there were no sponsored-backed IPOs recorded.

IPO activity on US exchanges raised €20.7bn in Q3 2025, a 88% YoY growth. IPO activity on the Japanese exchange increased slightly during Q3 2025, collecting €0.5bn. In contrast, the Australian exchange decreased to €0.2bn during Q3 2025. The Chinese exchanges originated €4.4bn in IPOs, marking a 144% growth compared to Q3 2024, though still below historic averages.

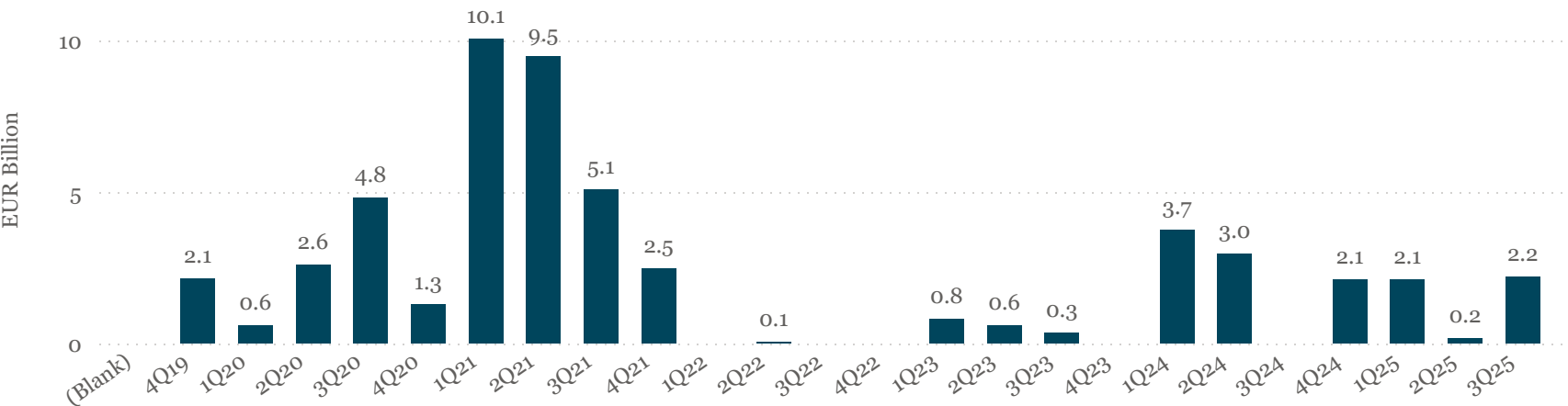
A total of 6,571 domestic companies were listed on European exchanges (EU, UK and Switzerland) as of Q3 2025. This represented a 3.5% decrease from 6,875 companies listed in September 2024.

As of September 2025, the FTSE Renaissance IPO Index Series shows a negative cumulative price return of recently listed companies in EMEA of 31% since 2020. This remains well below the price performance observed for major indices over the same period: the German DAX is up 73%, the French CAC up 41%, and the FTSE 100 up 42%. The price return is in line with the observed for recently listed companies in the US (-31%) but above that for HK/China (-43%) recently listed companies.

IPO Issuance on European Exchanges

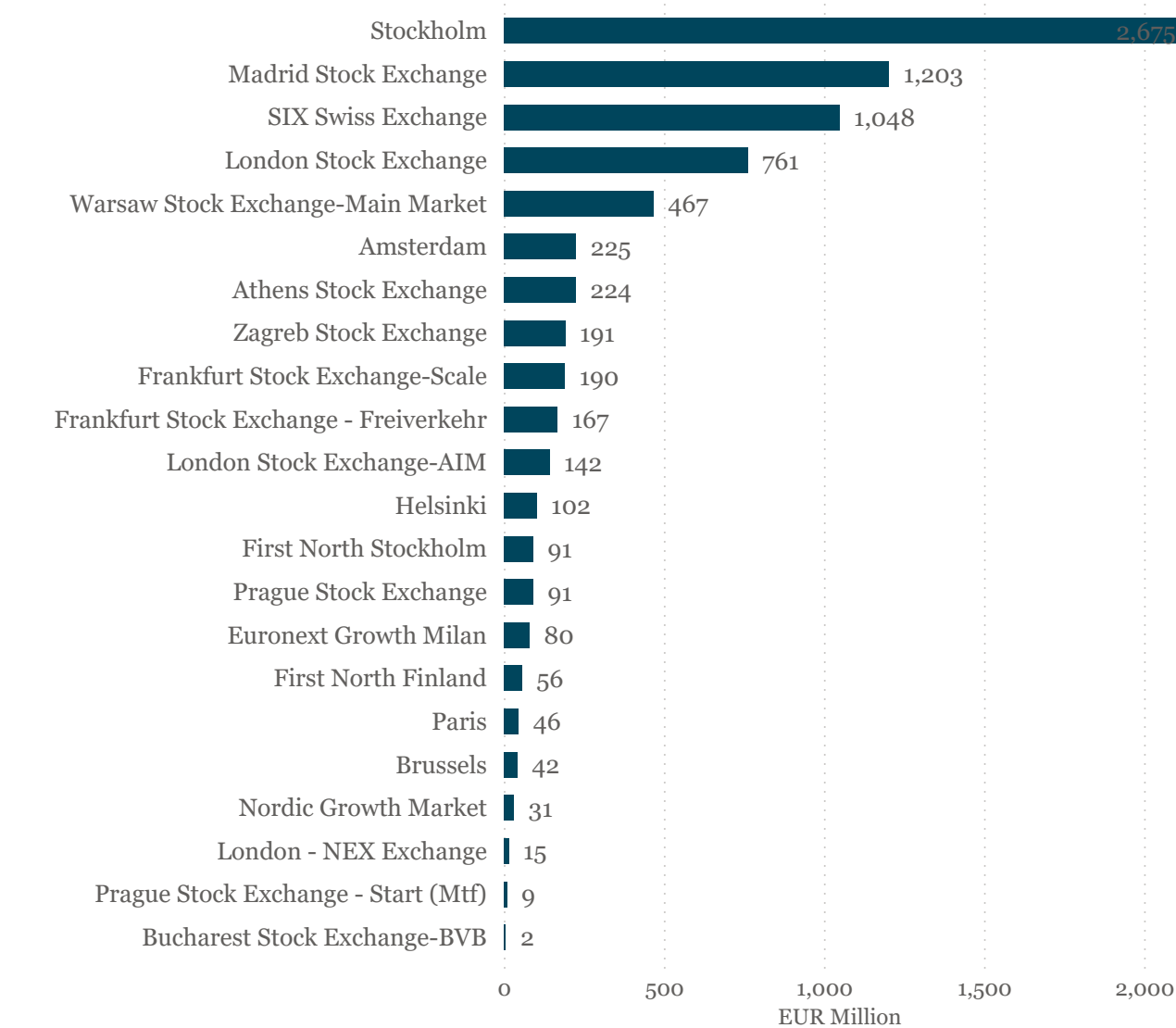


PE-backed IPO Proceeds

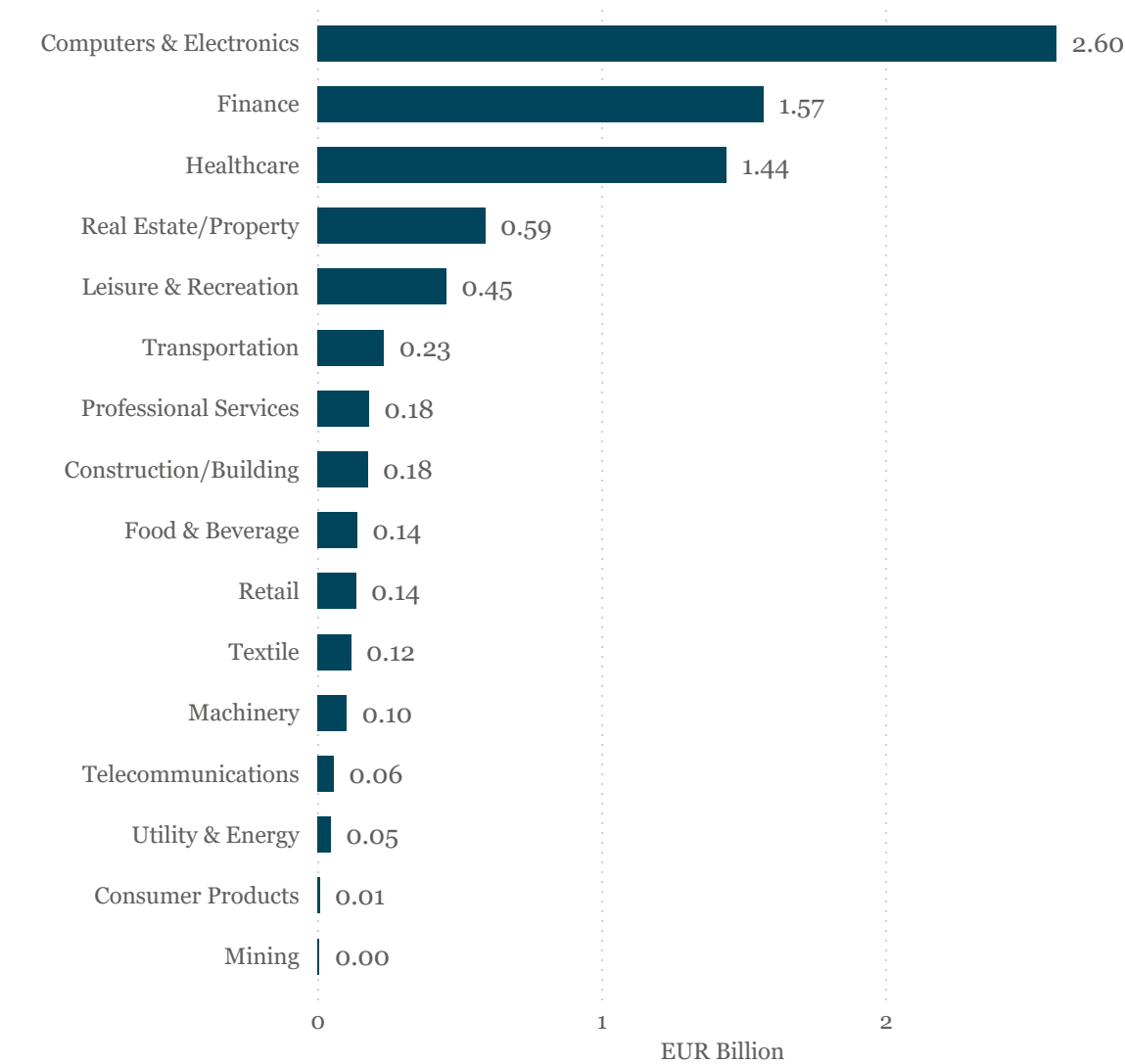


afme/ IPO by Listing Market

IPO Proceeds by Listing Market (2025 YtD)



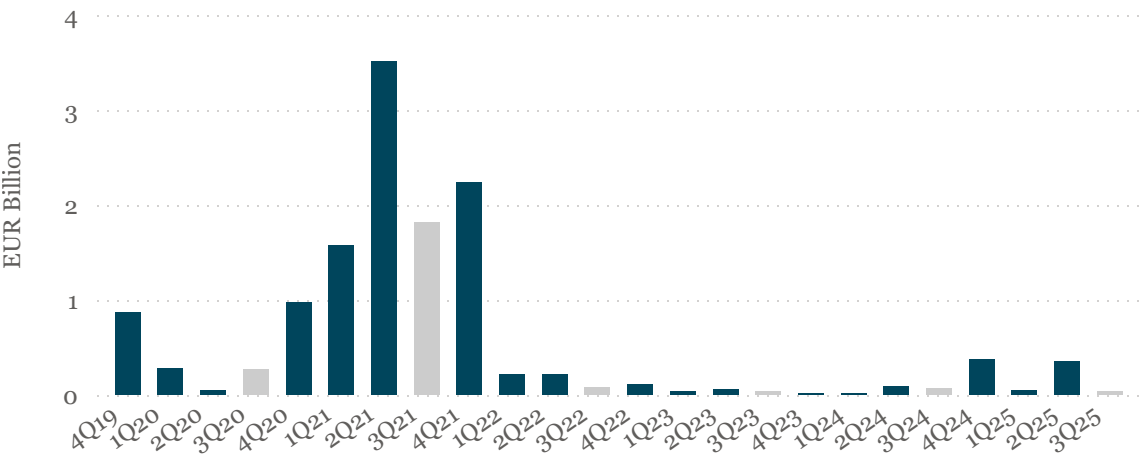
IPO Proceeds by Industry (2025 YtD)



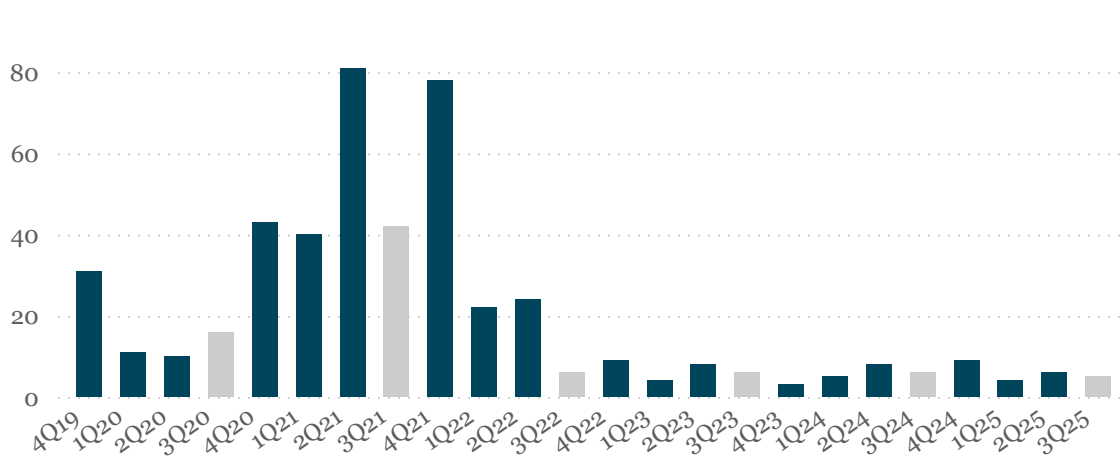
Source: Dealogic

afme/ IPO on Junior Exchanges

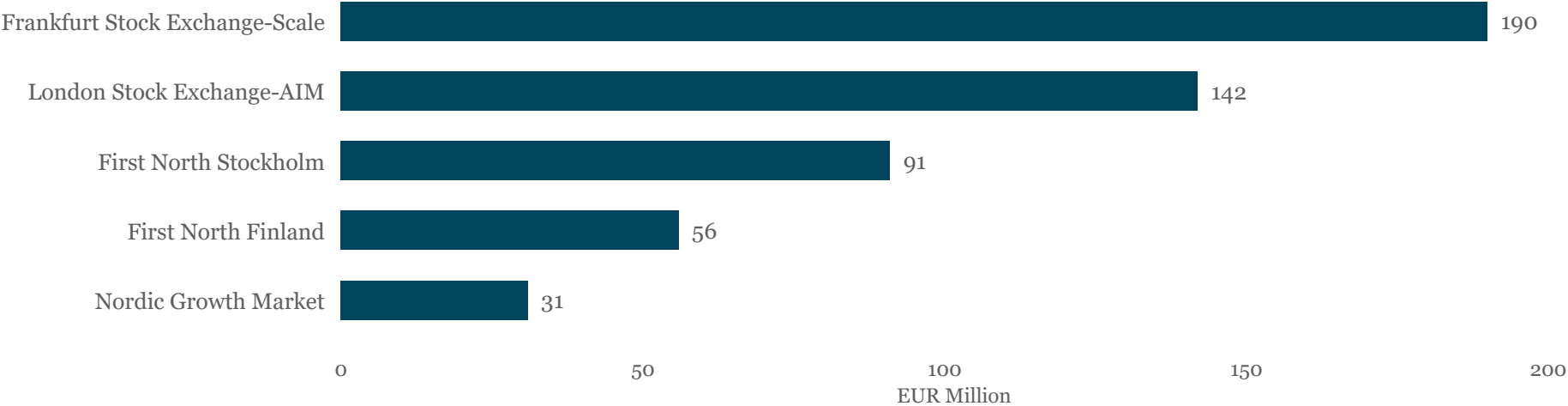
IPO Proceeds on European Jr Markets



Numbers of IPOs on European Jr Markets

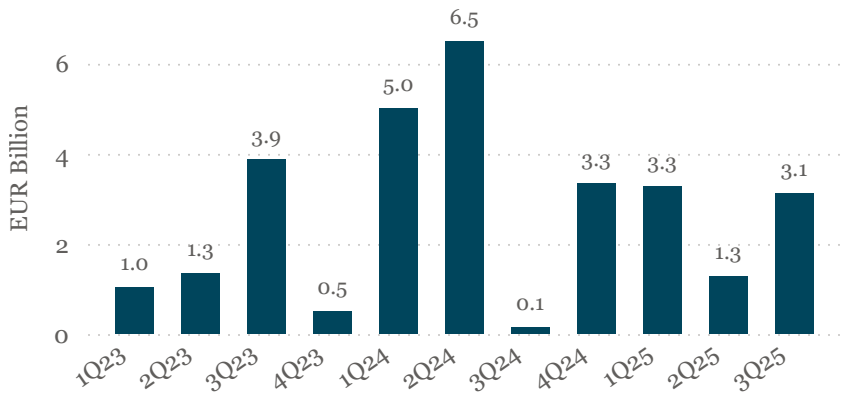


IPO Proceeds on Jr Markets by Exchange (2025 YtD)

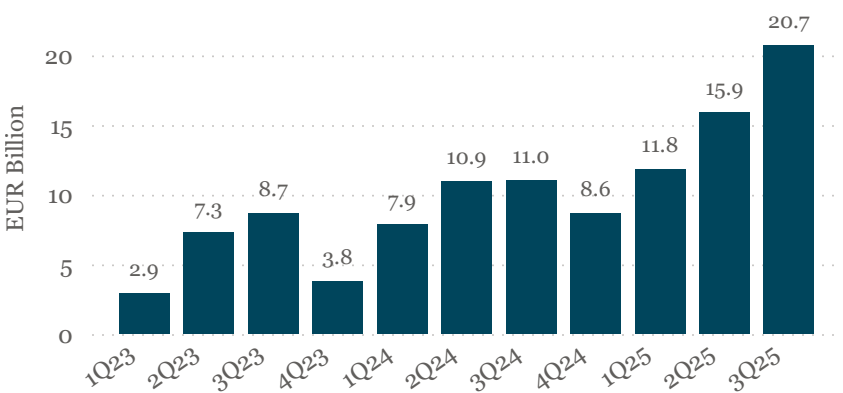


IPO Issuance by Location of Exchange

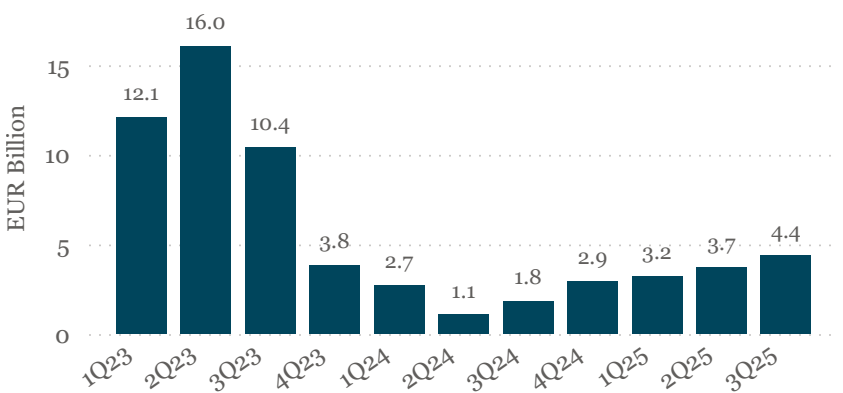
Europe



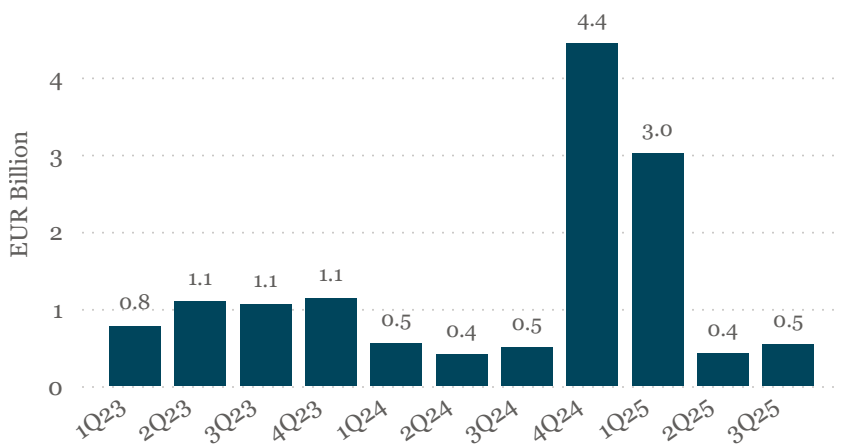
United States



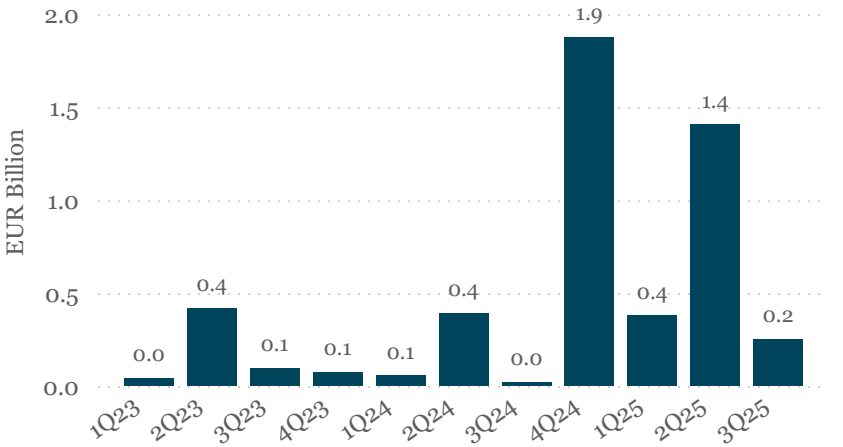
China



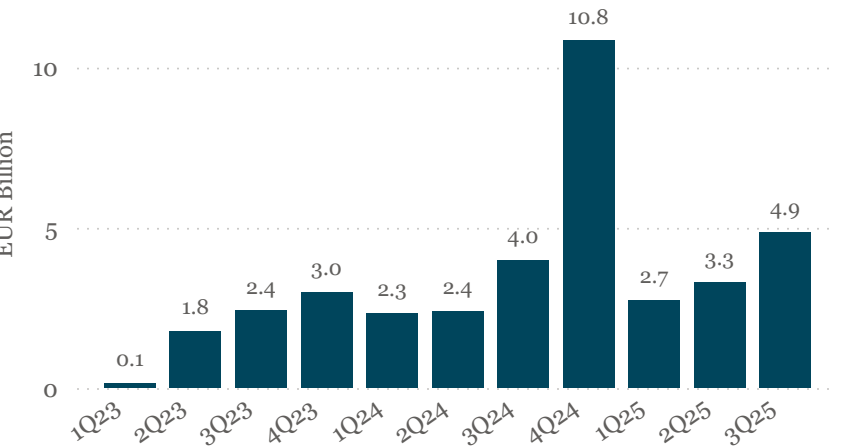
Japan



Australia



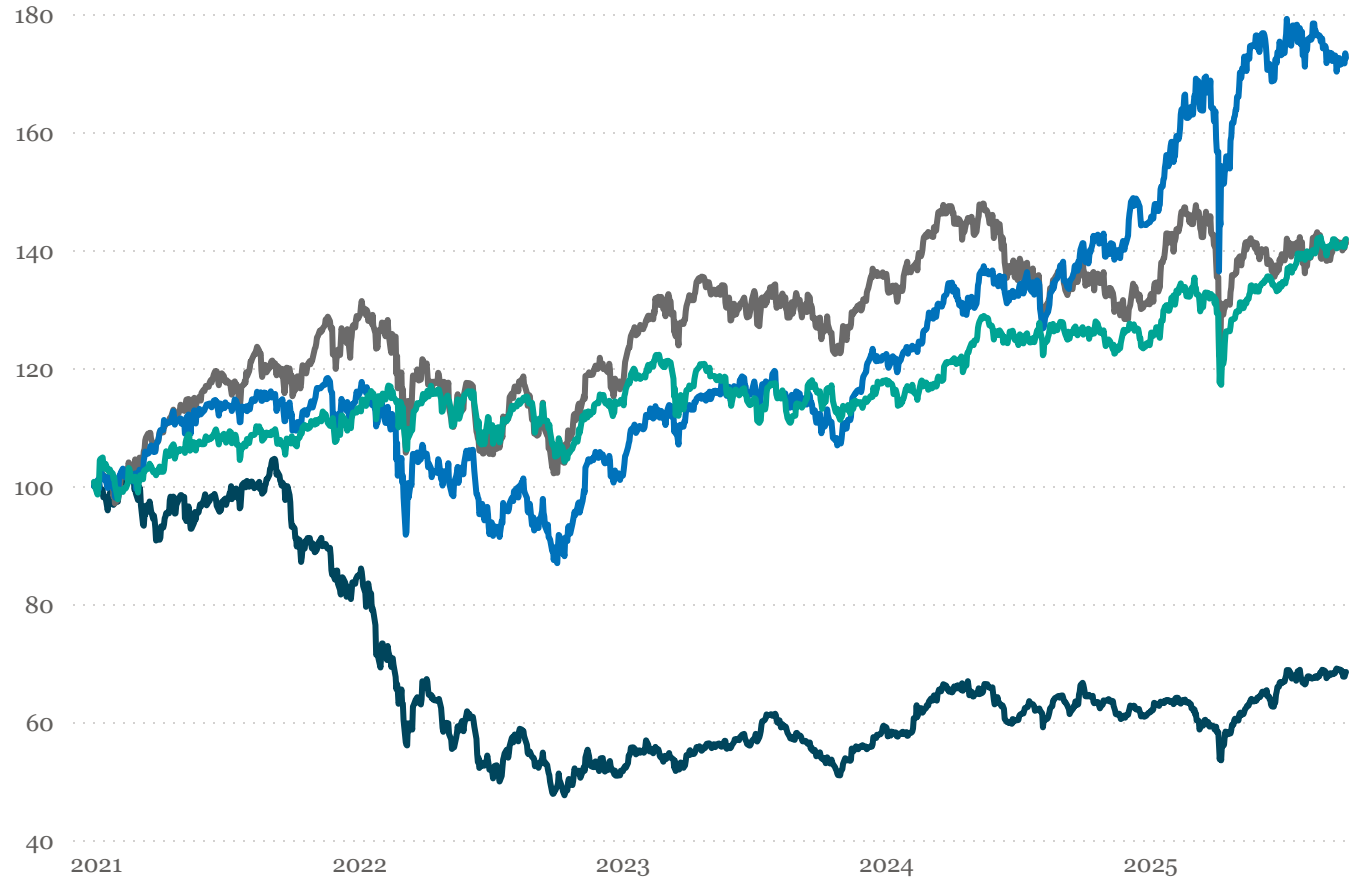
India



afme/ Price Performance of Recent IPO Companies

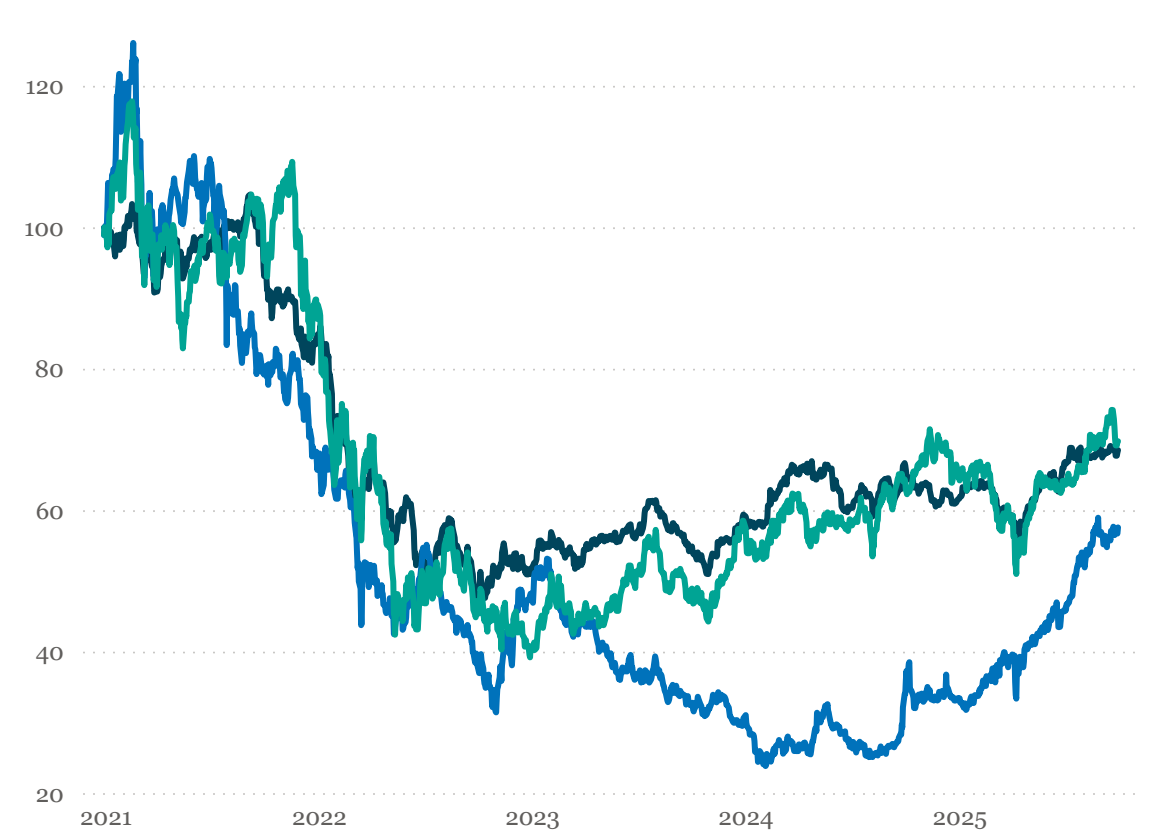
Price Performance of Selected Stock Indices (31 Dec 2020 = 100)

● EMEA IPO index ● CAC 40 ● DAX 40 ● FTSE 100



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

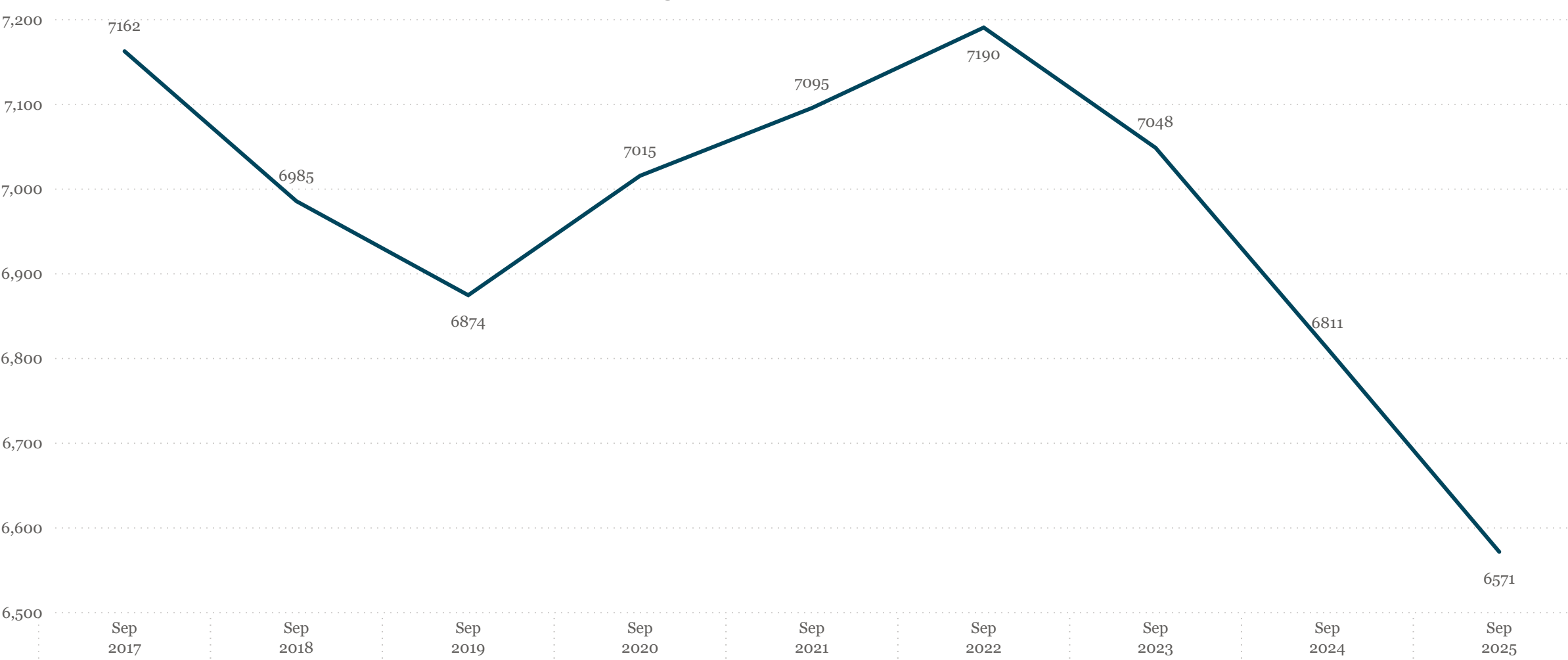
● EMEA IPO index ● Hong Kong/China Top IPO ● US IPO index



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.

afme/ Number of Domestic Listed Companies

Number of listed companies on European exchanges*

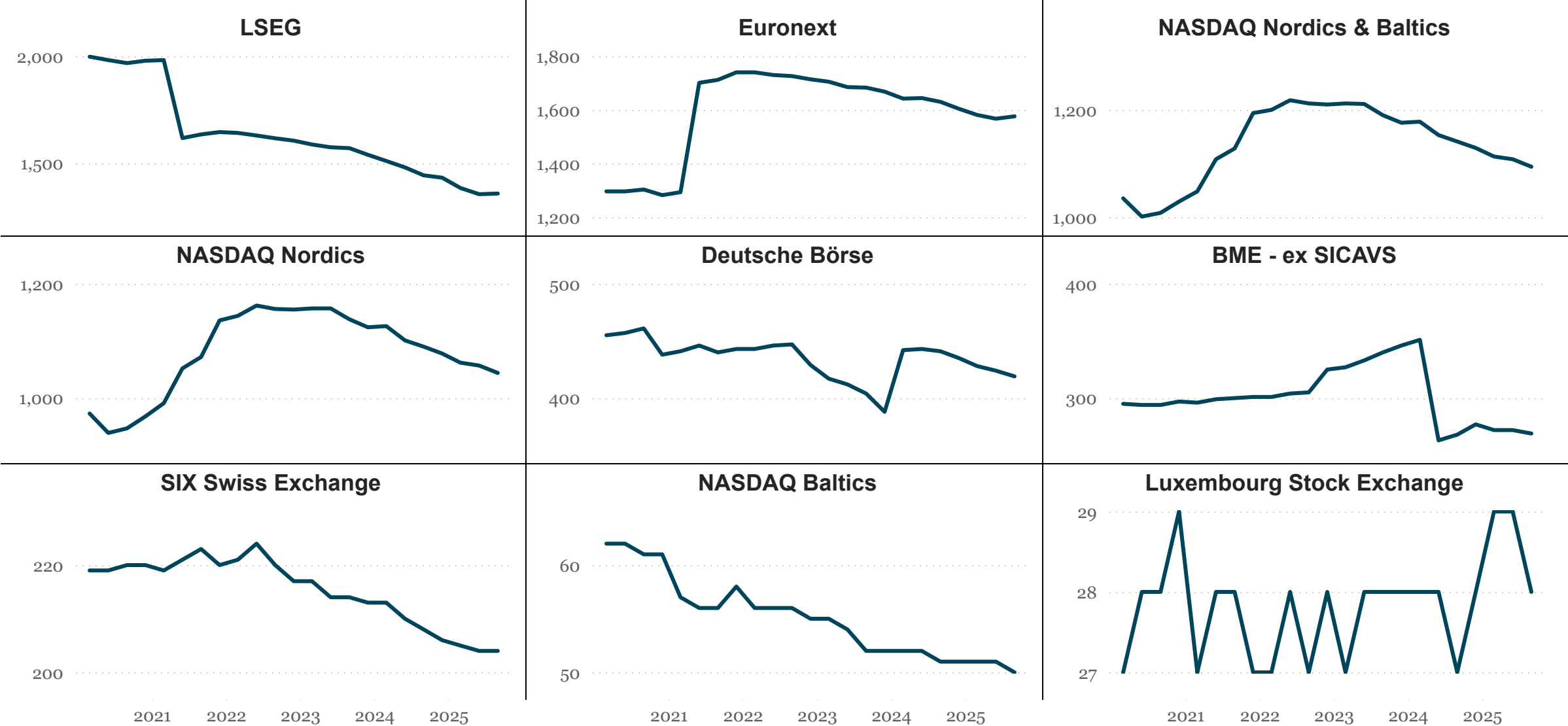


* EU, UK, Swiss exchanges

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

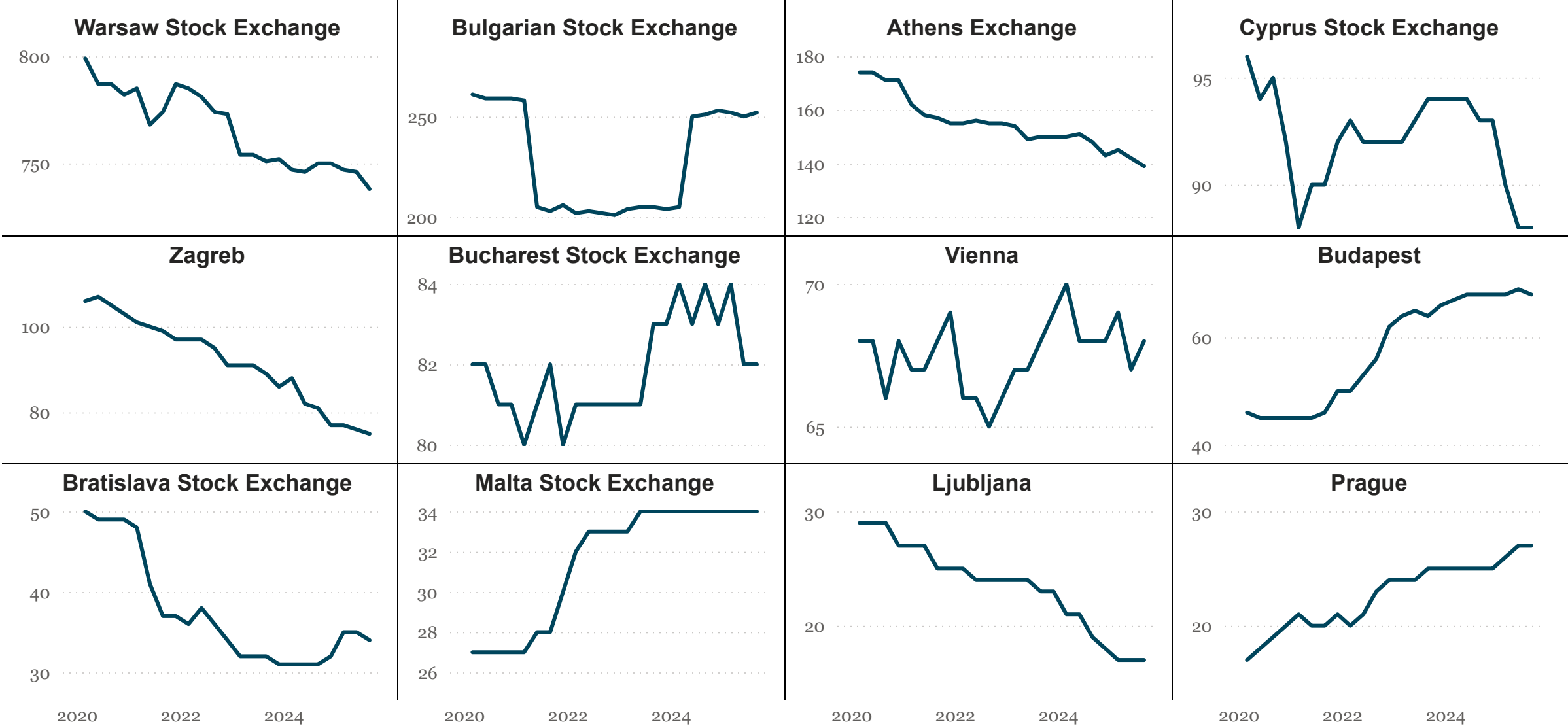
afme/ Number of Domestic Listed Companies

Number of Listed Companies on European Exchanges



afme/ Number of Domestic Listed Companies

Number of Listed Companies on European Exchanges



Mergers and Acquisitions (M&A)

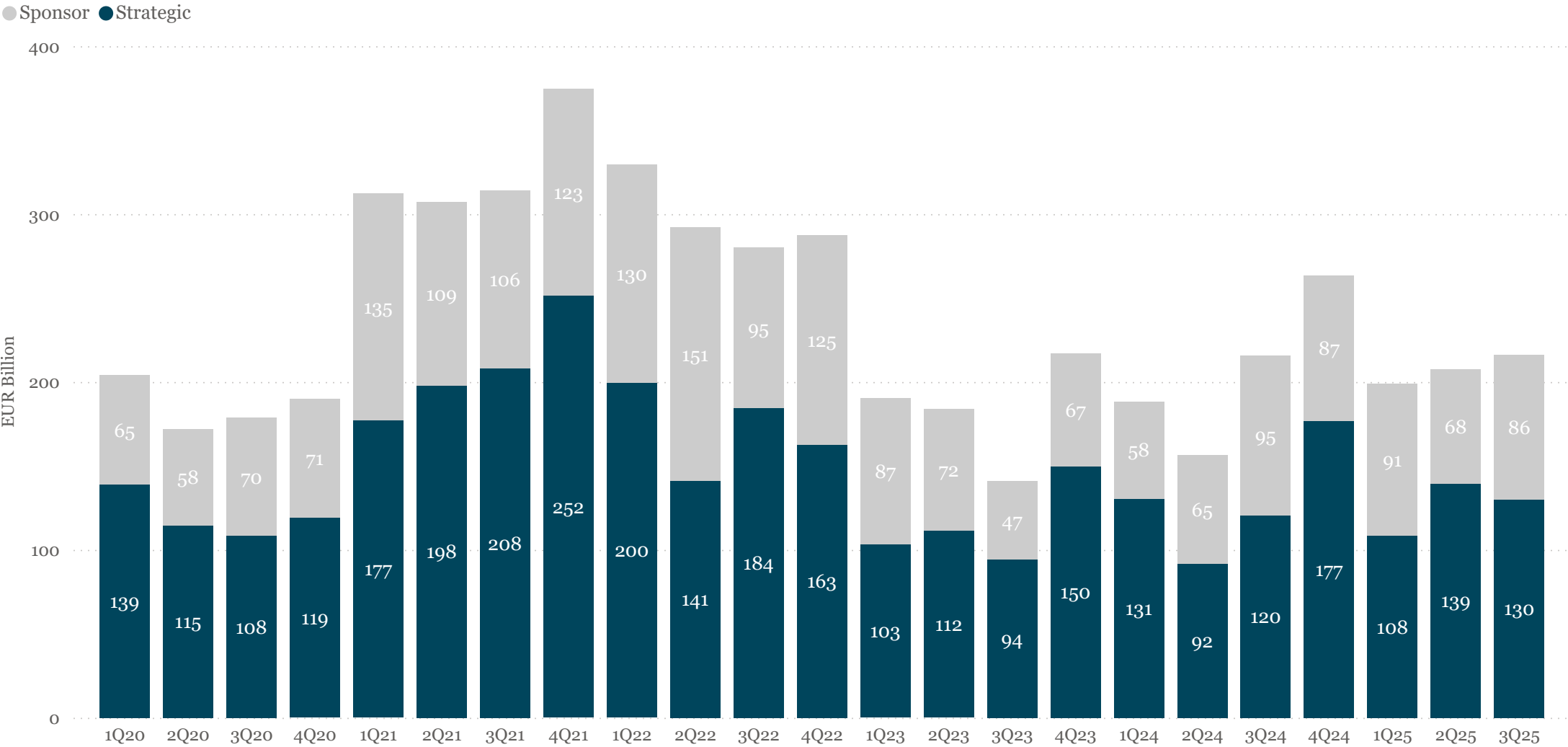
afme / Mergers and Acquisitions (M&A)

European completed M&A totaled €216bn in deal value in Q3 2025, a minor increase from the amount reported in Q3 2024 (€215bn).

PE-backed sponsor deals accumulated €86bn in Q3 2025 (66% of the total), a 9.47% decrease compared to the €95bn issued in Q3 2024 (79% of the total).

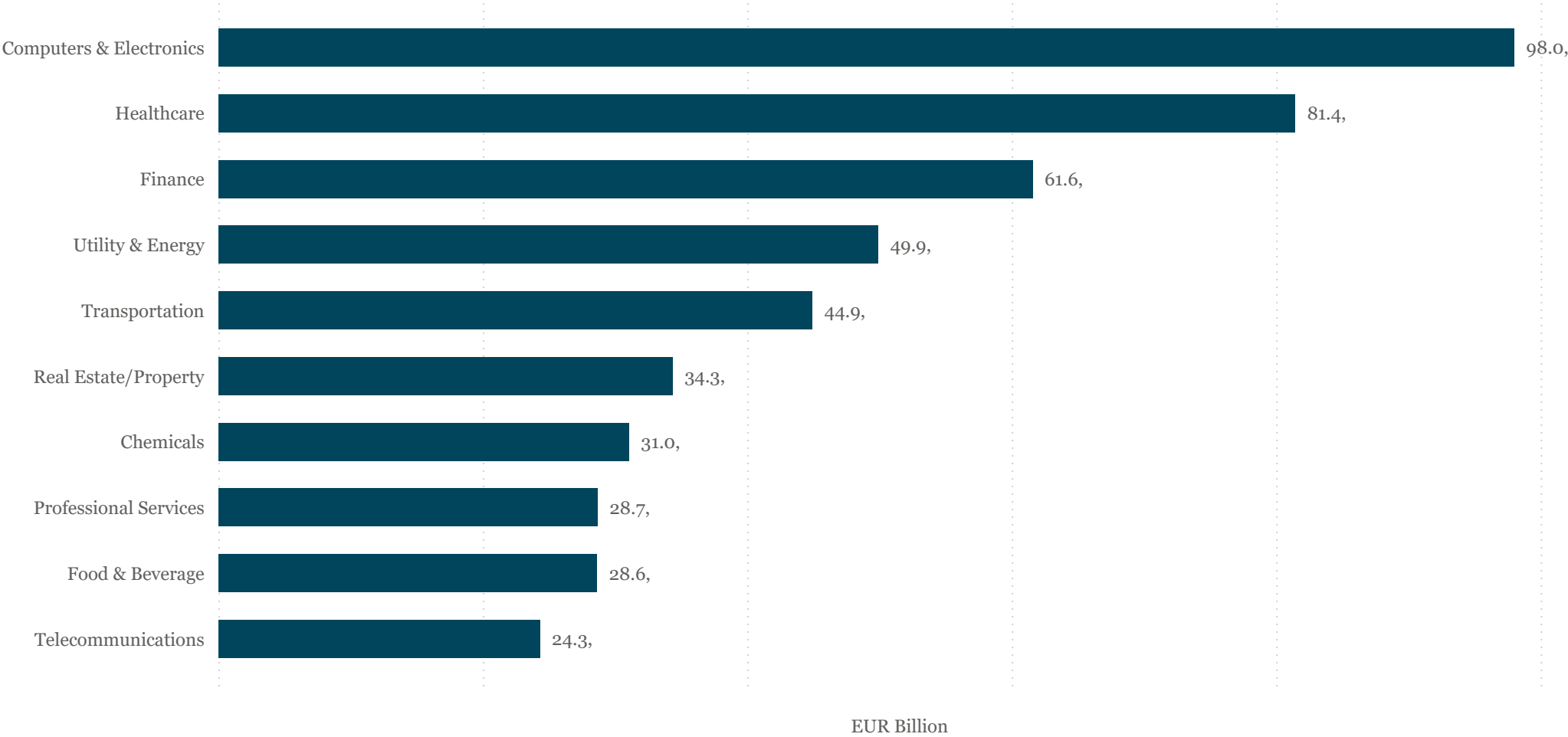
Announced M&A deals totaled €293bn in Q3 2025, a 51.8% increase from €193bn accumulated in Q3 2024.

Completed M&A by Type of Deal



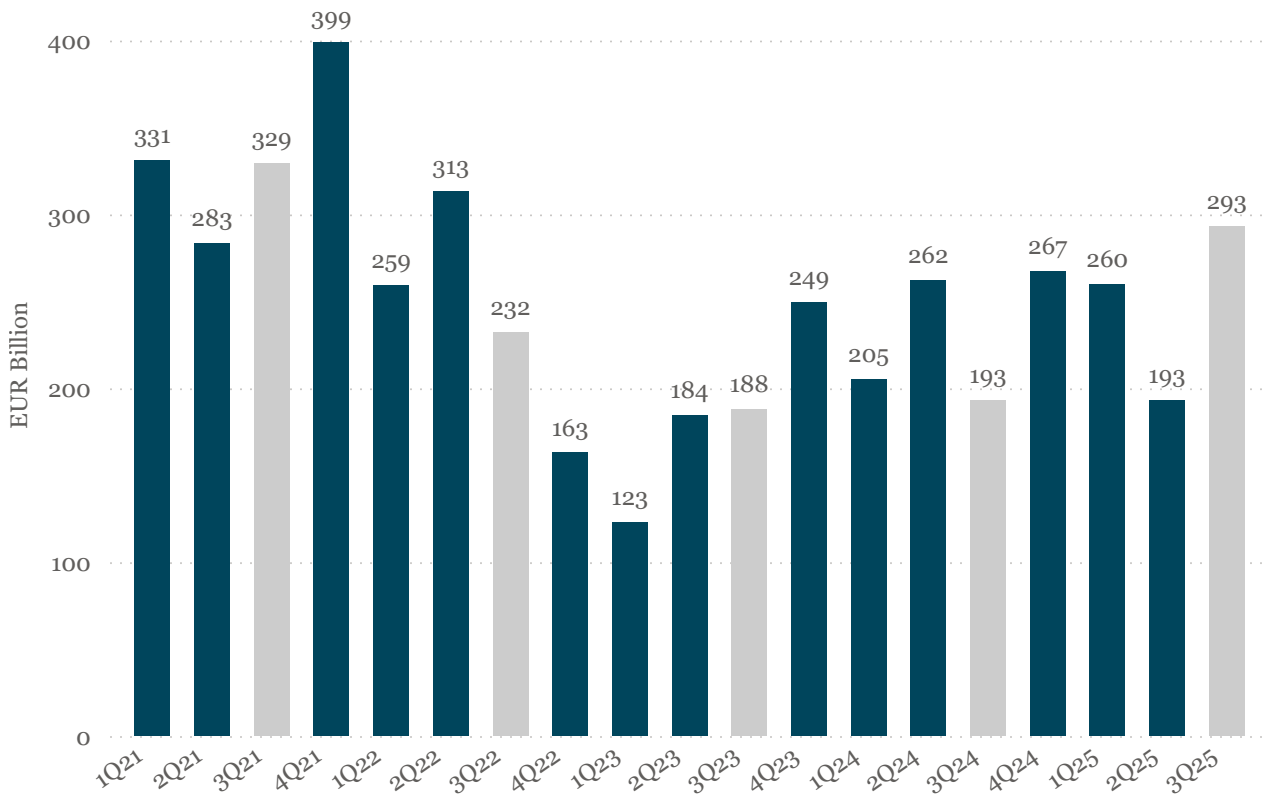
afme/ Completed M&A by Industry

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

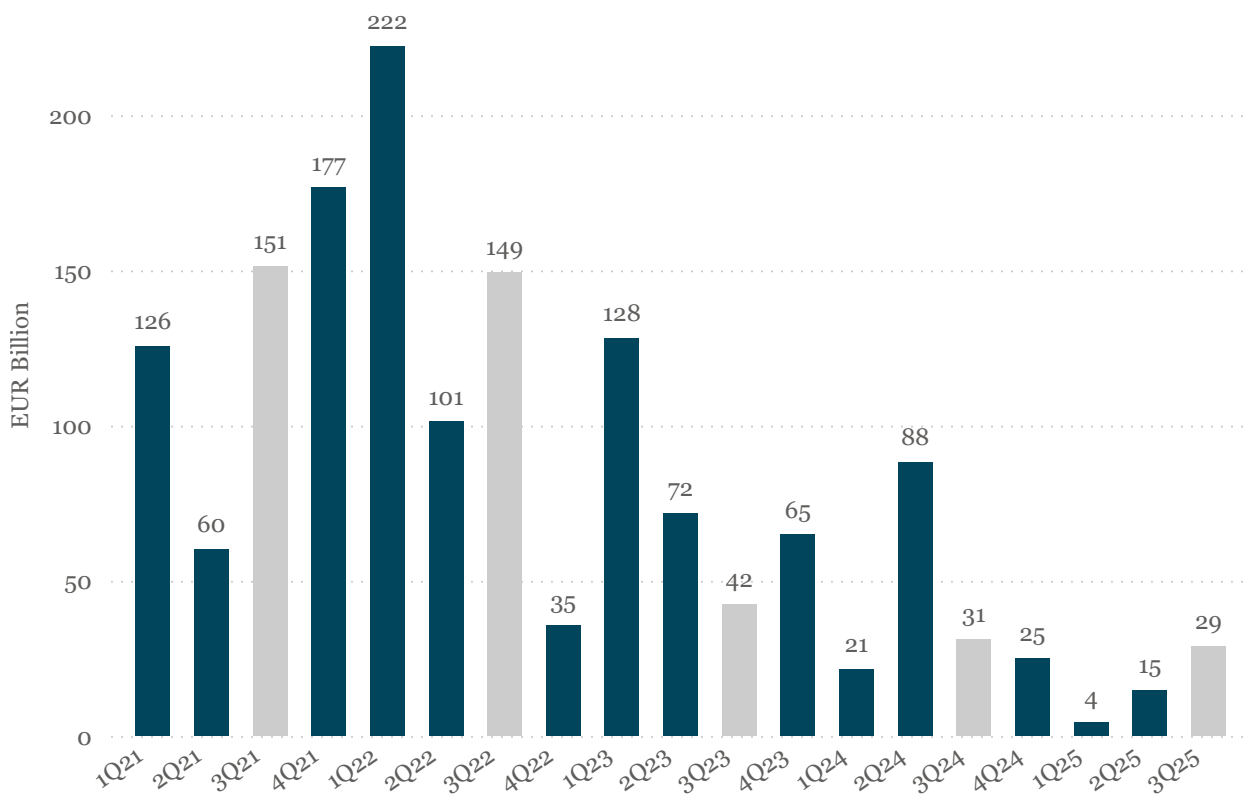


afme/ Announced and Withdrawn M&A

Announced M&A

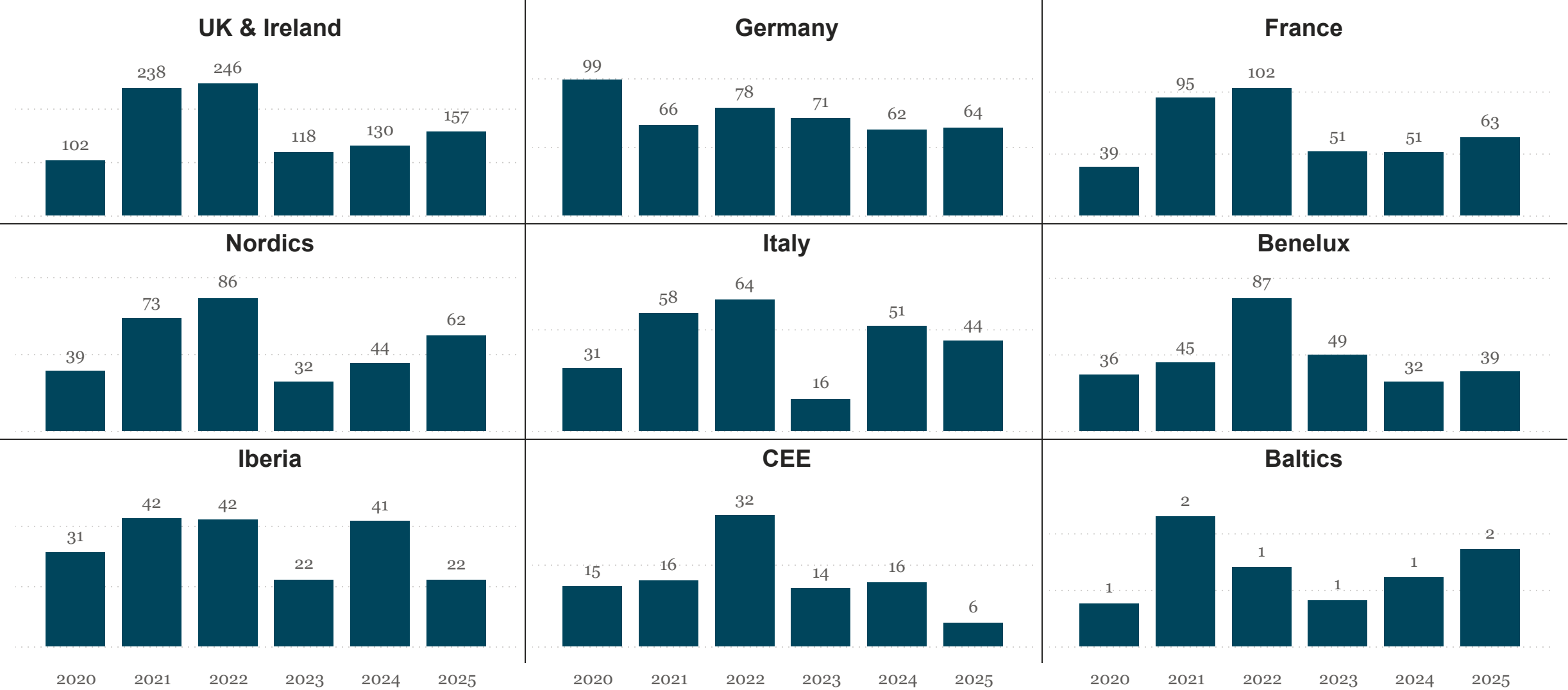


Withdrawn M&A



afme/ M&A Regional Growth

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



Source: Dealogic

Secondary Markets

afme / Secondary Markets

In Q3 2025, turnover value of equity products traded in Europe increased 21.19% YoY. This includes addressable trading on all venues, systematic internalisers and OTC.

Turnover ratio, calculated as annualised turnover value relative to market capitalisation, decreased to 116.64% in Q3 2025. However, this is a 19.25% YoY increase since Q3 2024.

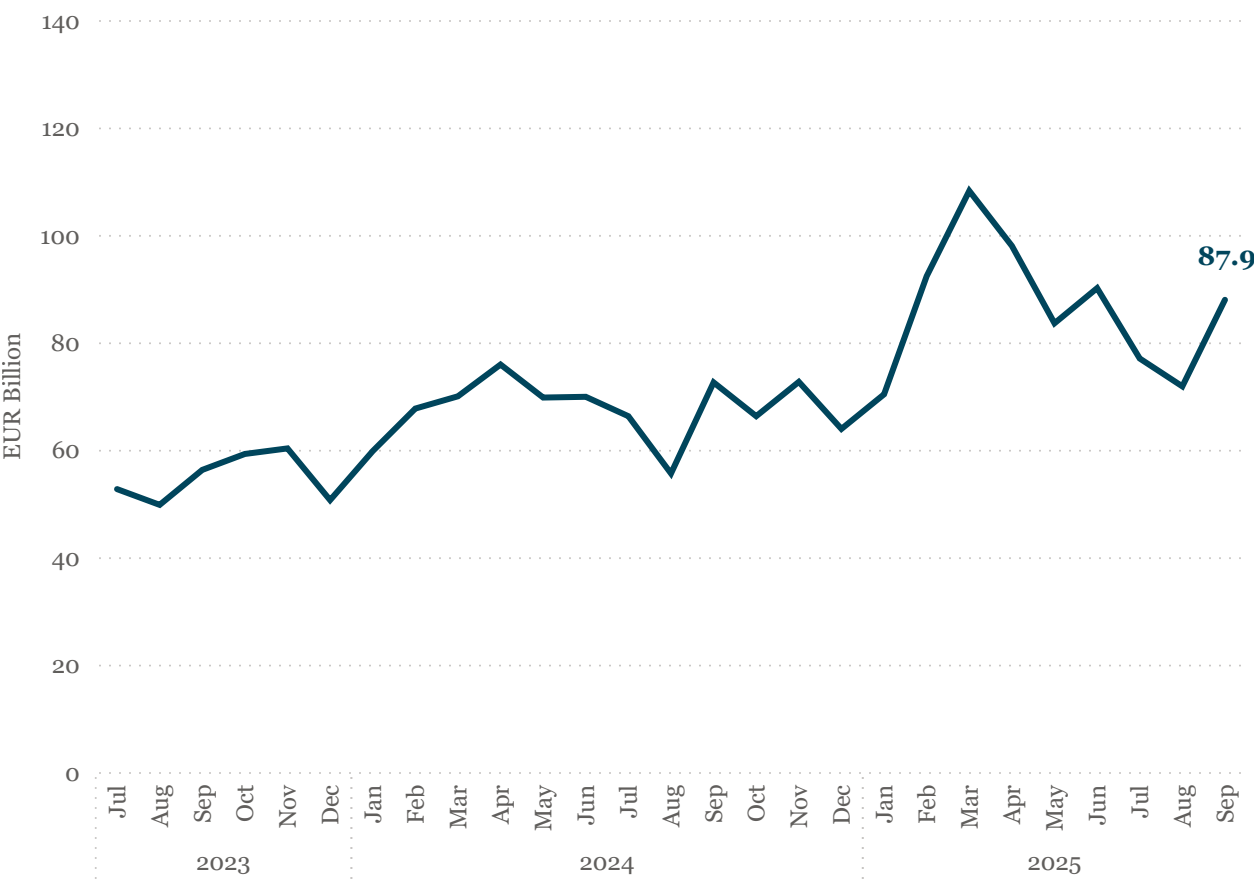
Bid-ask spreads for selected European equity indices, including CAC40 and DAX40 constituent companies, peaked in April before tightening by the end of Q3 2025. Notably, the FTSE100 bid-ask spreads stabilised at 5.72bps in September after the peak of 6.4bps reached in April, primarily driven by market 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 slight decline standing at €17.8tn by the end of Q3 2025, however this is a 4.8% increase from Q3 2024.

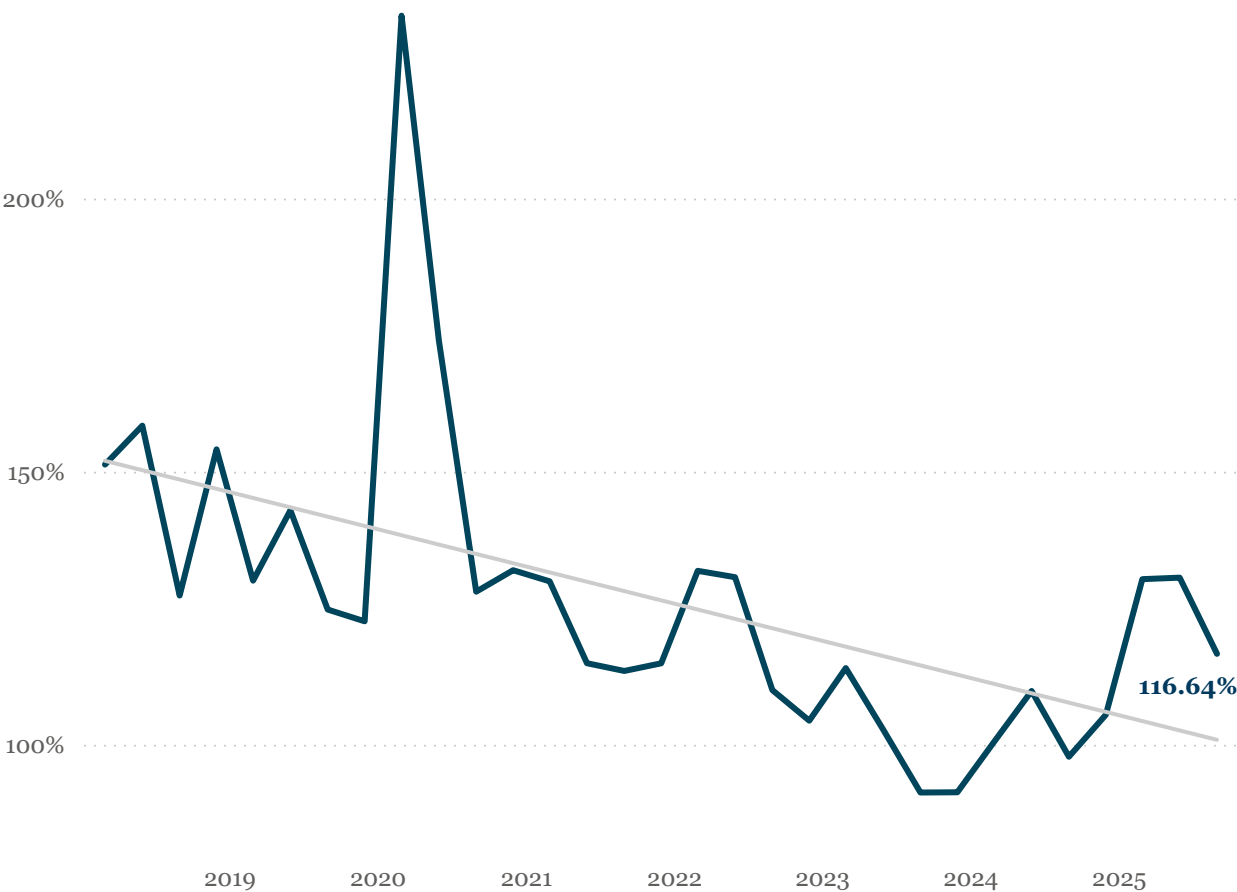
Following methodology adjustments introduced by the data provider in Q2 2025 to the calculation of addressable liquidity, figures related to average daily turnover value and turnover ratio have been revised in this edition.

afme/ European Turnover Ratio

Average Daily Equity Turnover Value on European Exchanges and MTFs



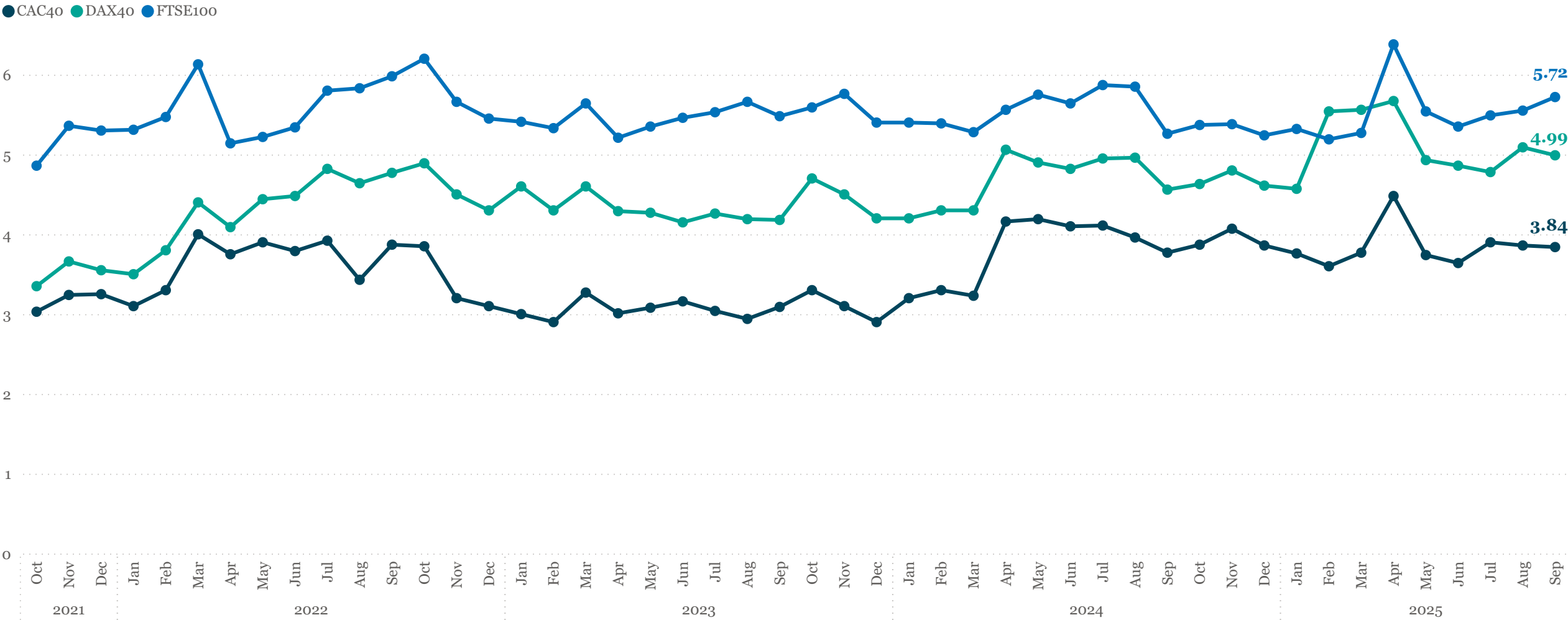
Turnover Ratio (annualised turnover value/ market cap)



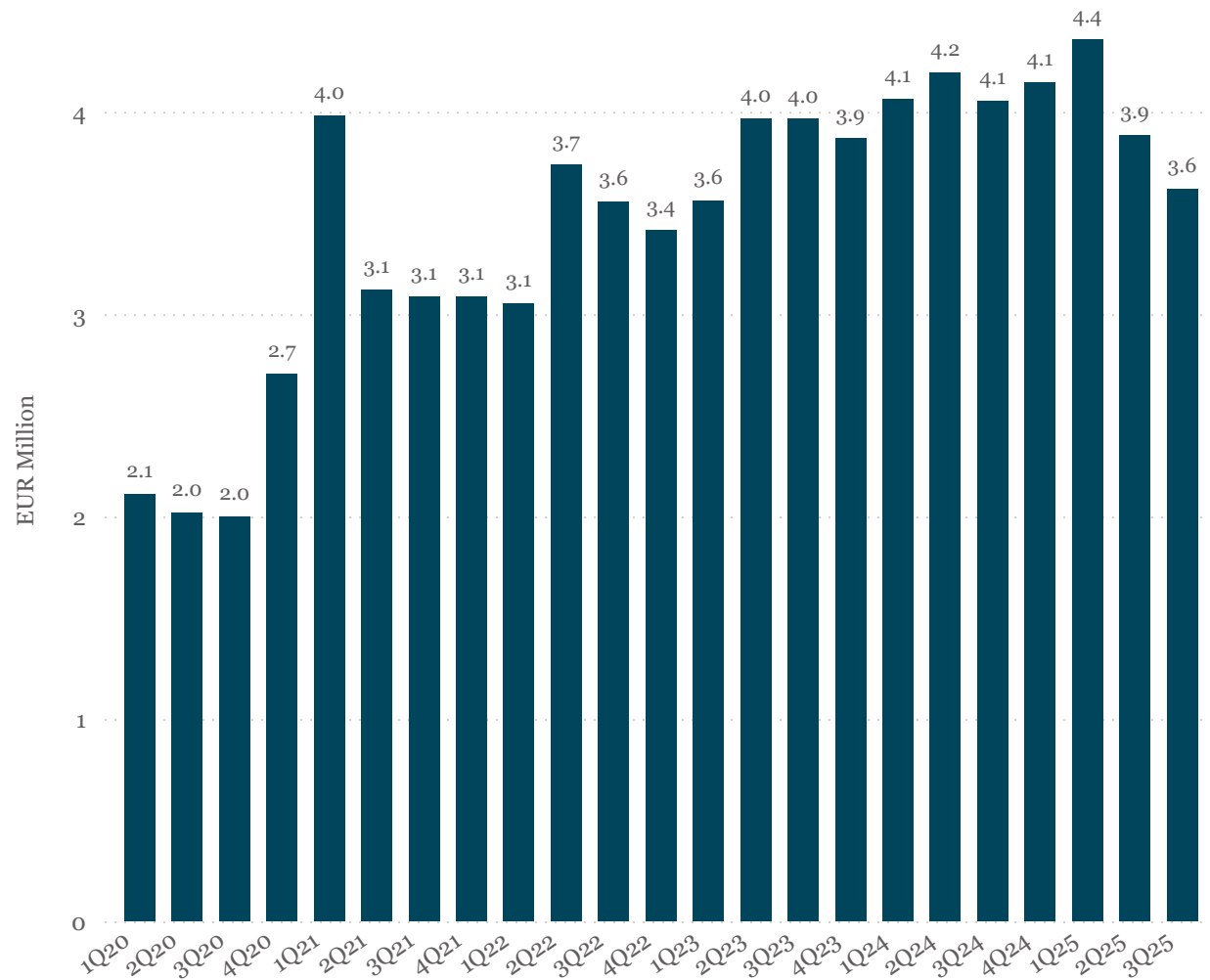
Figures may vary from the previous edition of the report due to a methodology change in reported data.

afme/ Bid-Ask Spread for Selected European Indices

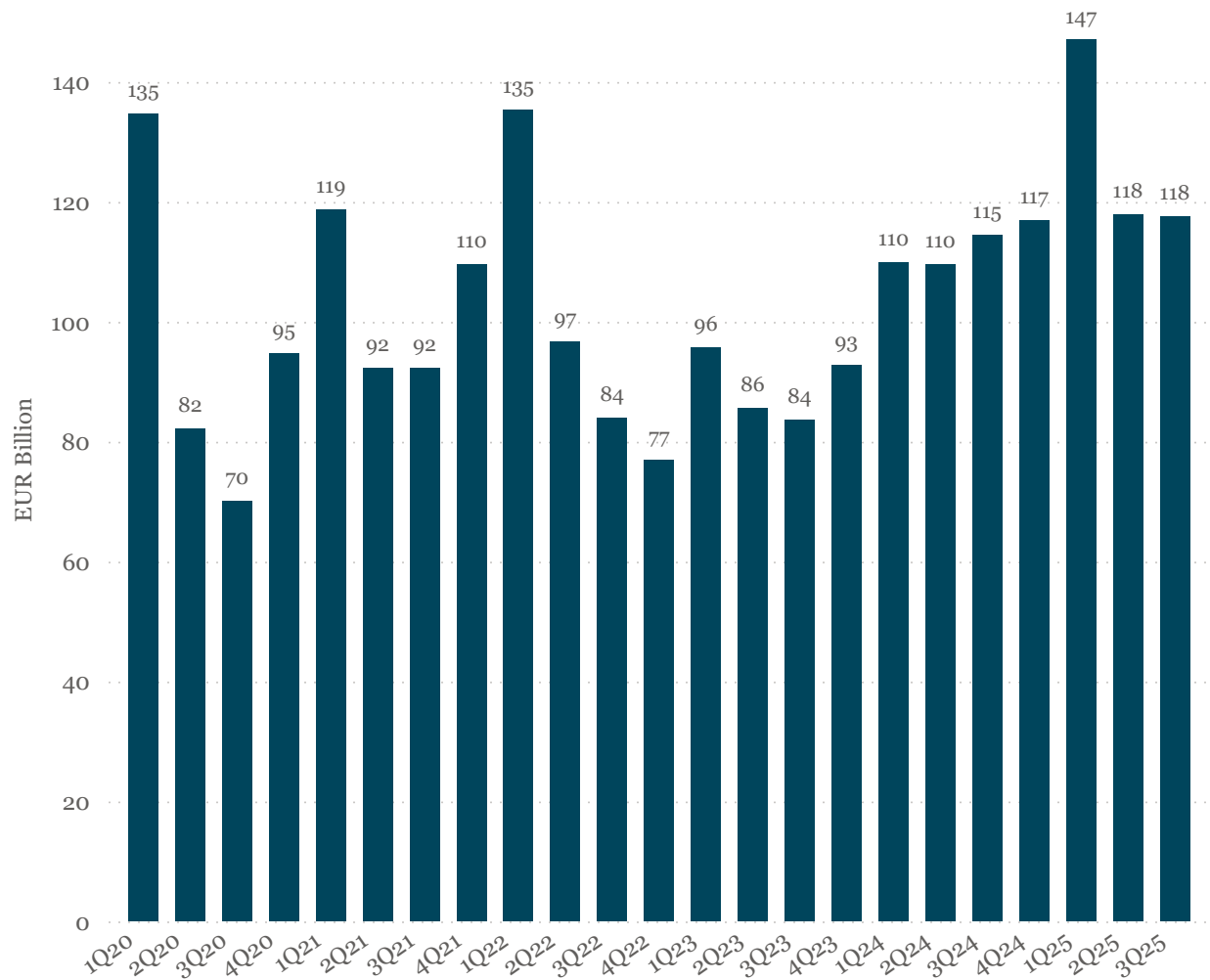
Market Spreads in Basis Point for Selected Equity Indices (primary venue, value weighted average spread, €5K)



Block Trades: Average Value per Trade

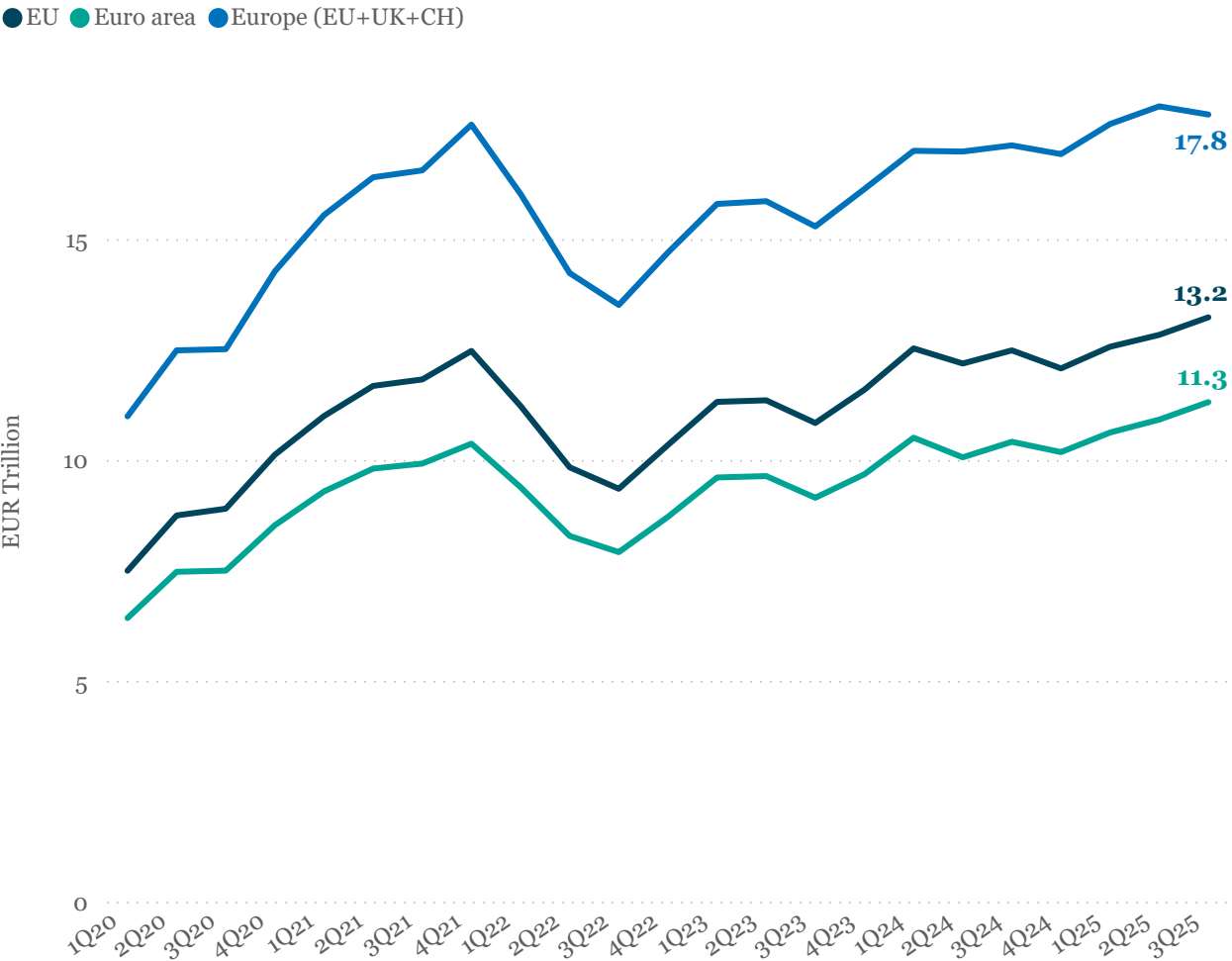


Block Trades: Value Traded > LIS

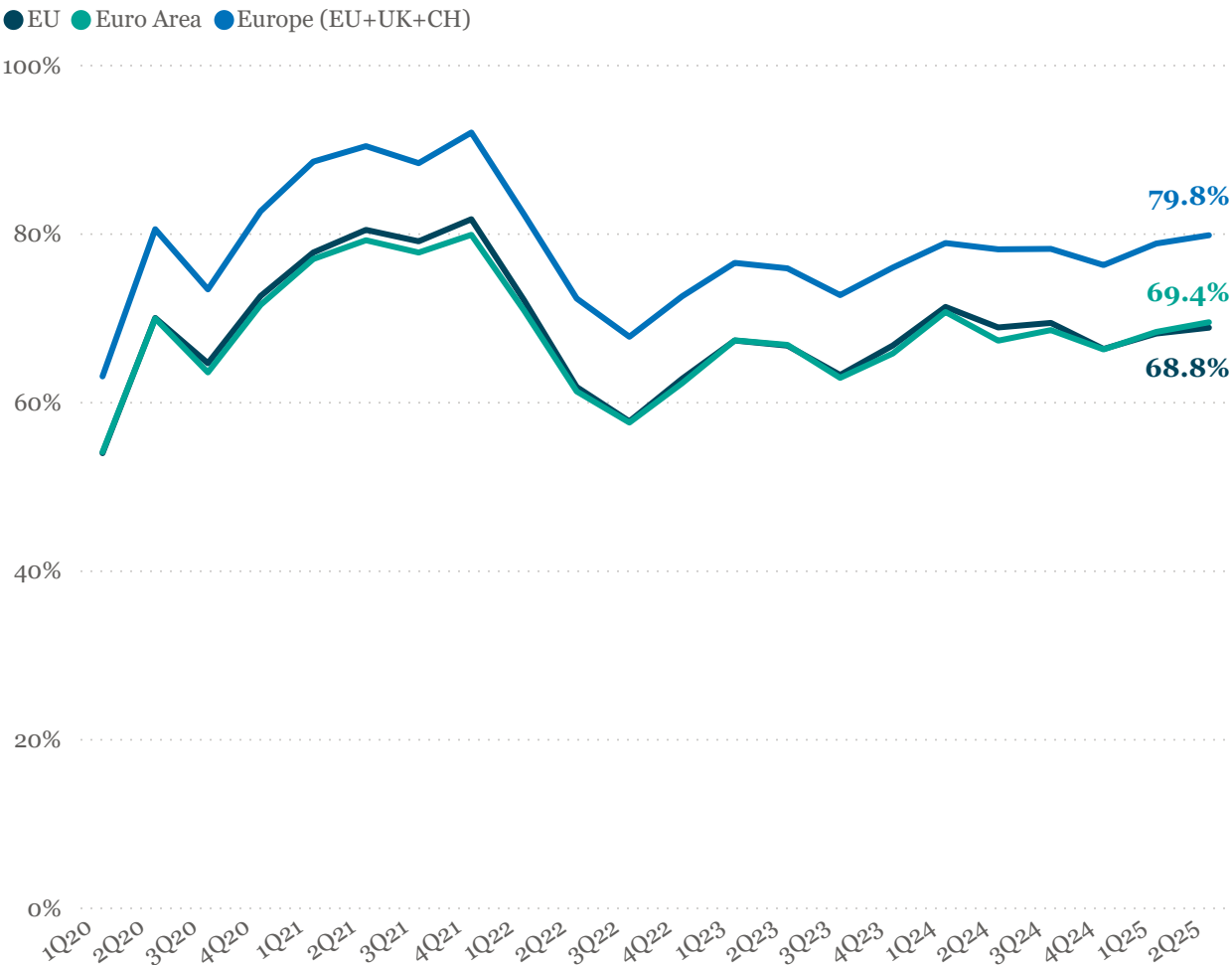


afme / Market Capitalisation of Domestic Listed Shares

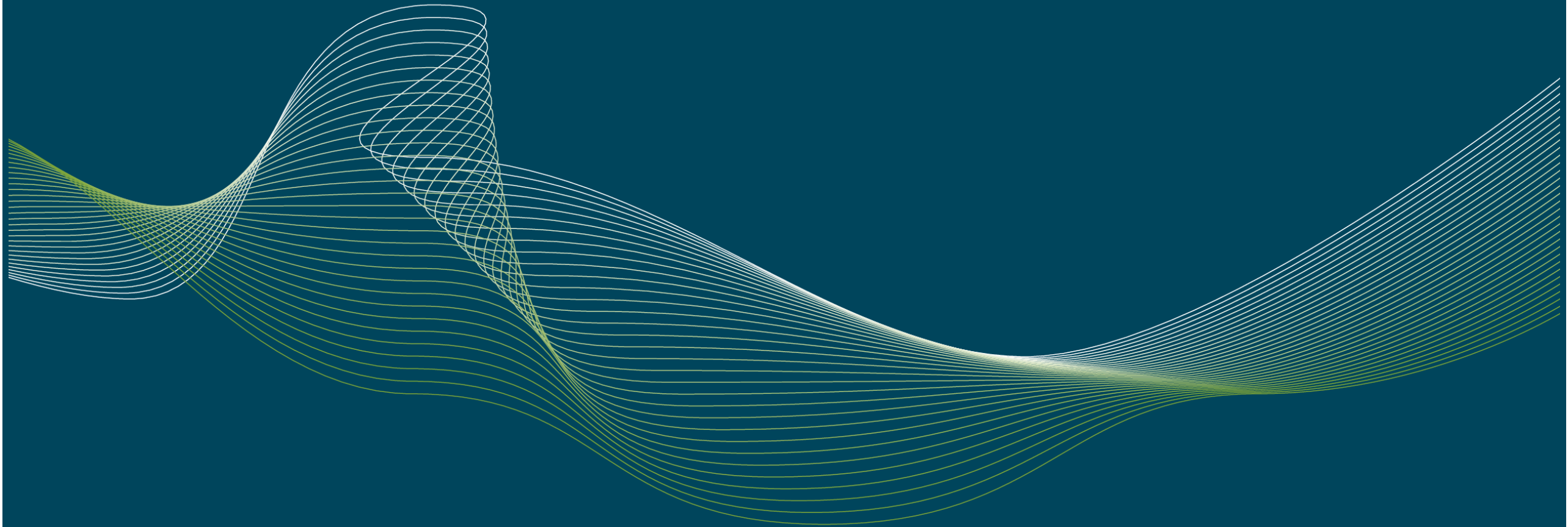
Market Capitalisation (EUR tn)



Market Capitalisation as % GDP



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



Equity Trading Market Structure

afme / Equity Trading Market Structure

According to *xyt* data, on-venue trading represented 64% of the total addressable liquidity in Q3 2025. Volume traded off-venues on systematic internalisers and pure OTC represented the remaining 36% of the total addressable liquidity.

DVC Update (Concluded October 2025)

The Double Volume Cap (DVC) mechanism seeks to limit equity trading under the reference price waiver and the negotiated transaction waiver on EU venues. As of September 2025, 290 instruments were suspended (233 at EU Level and 57 at TV level).

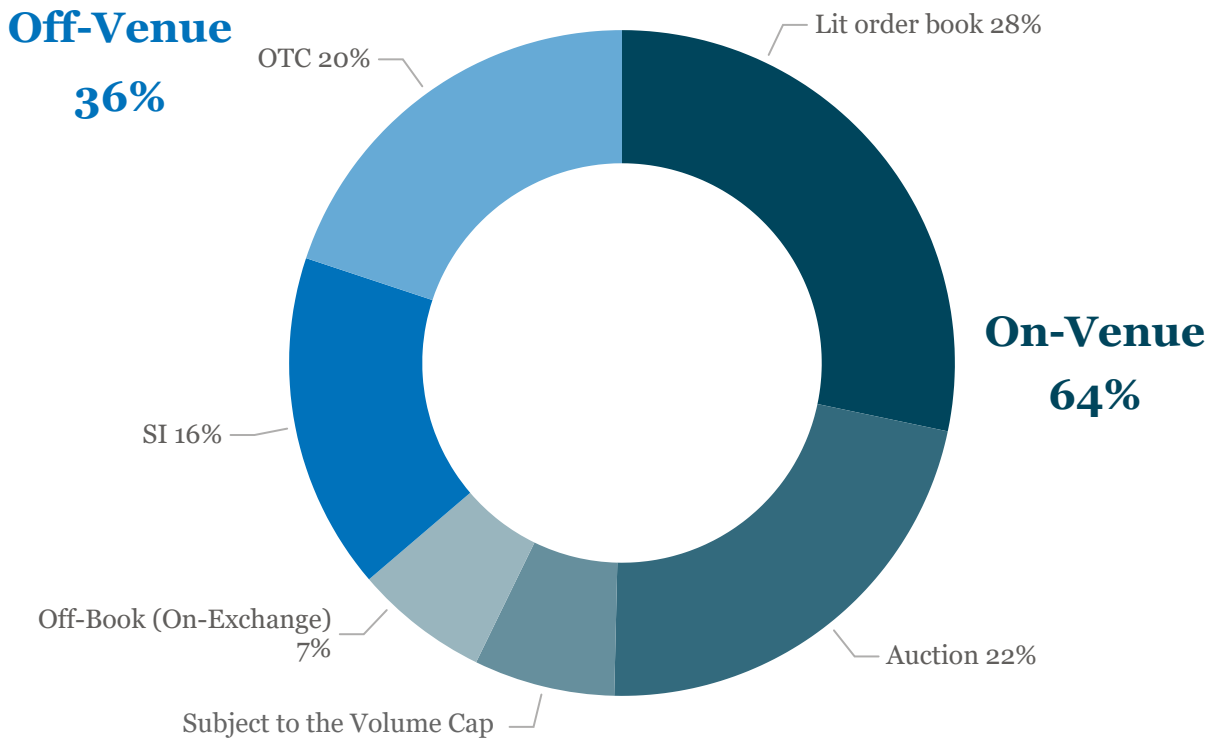
The 233 instruments currently suspended under the DVC at the EU or trading venue level represent 1.10% of the equity-like instruments on ESMA's DVC files.

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. 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.

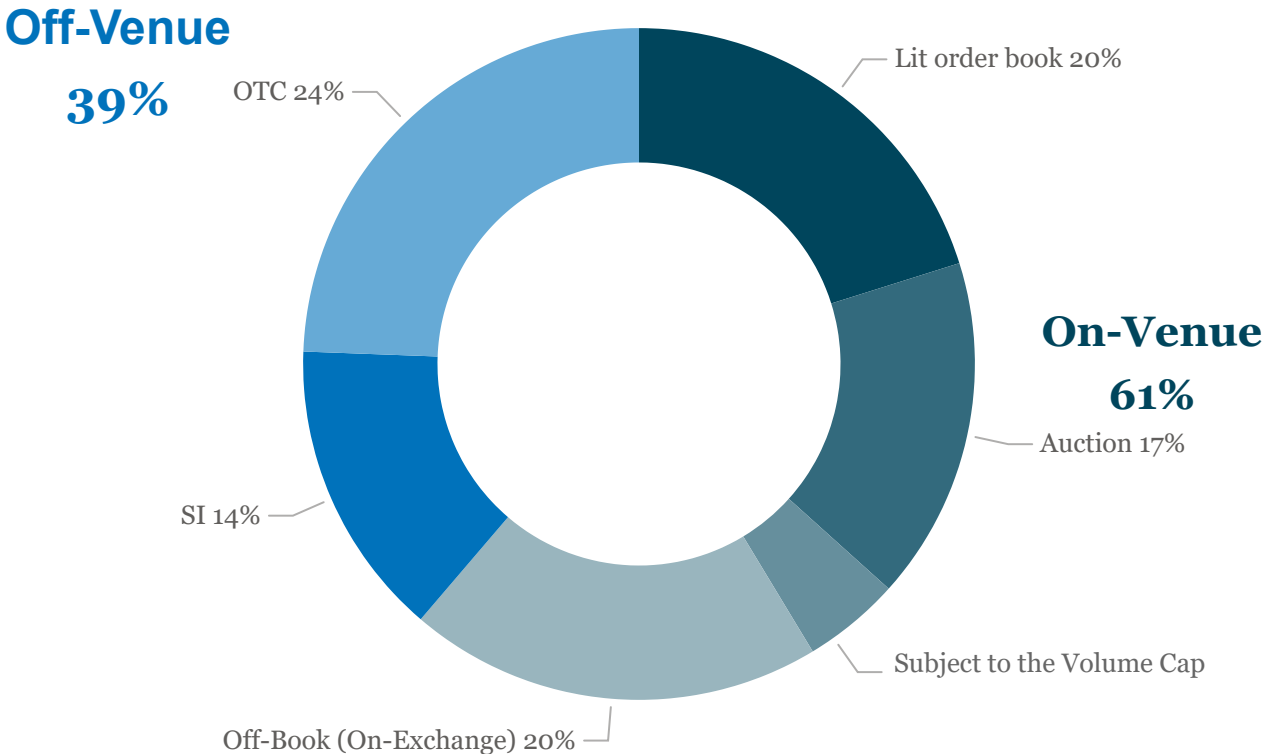
afme/

Share of Pan-European Trading Value by Trading Mechanism

Adjusted for transactions not contributing to price formation



Unadjusted

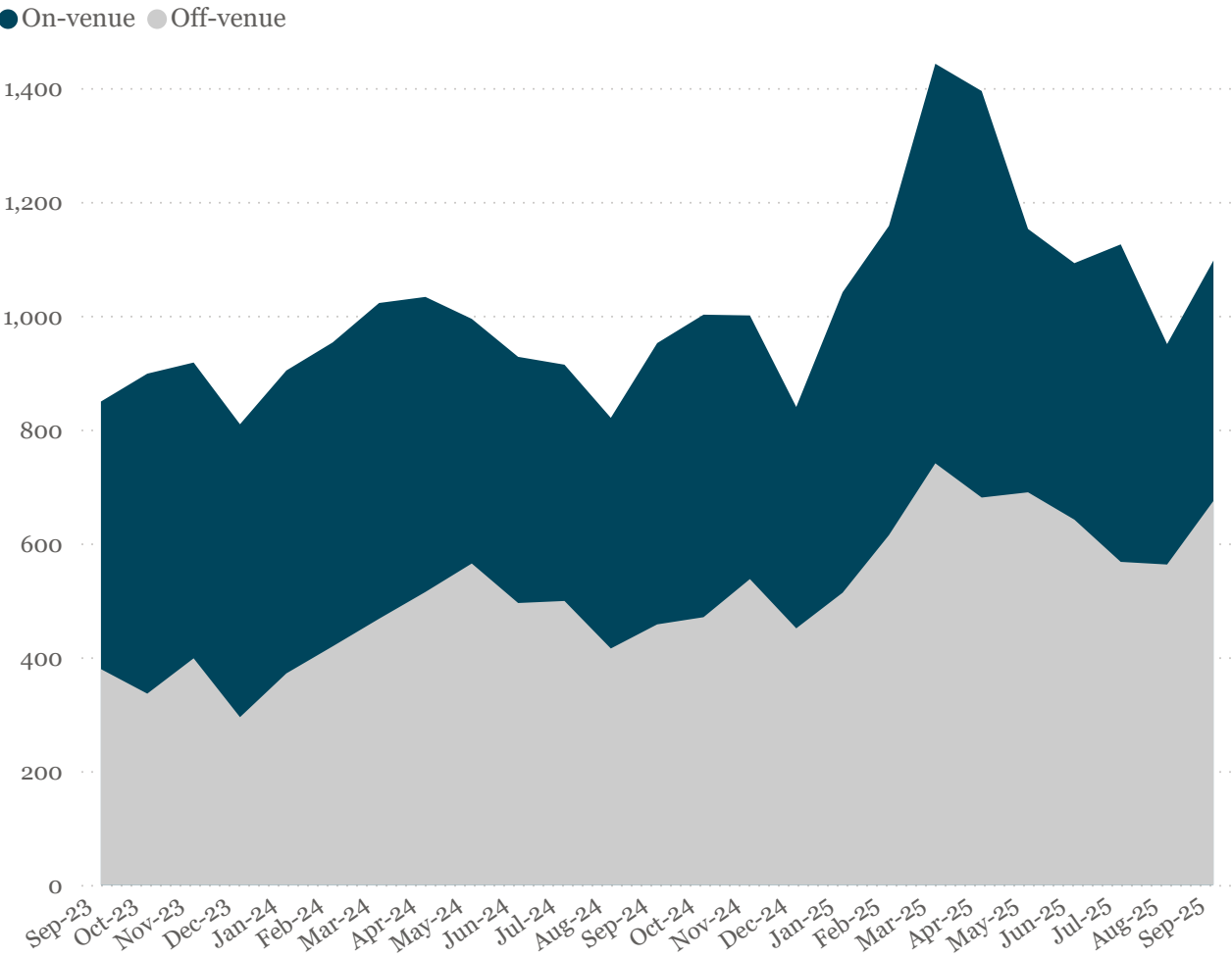


Figures may not sum precisely to the total due to rounding.
Figures may vary from the previous edition of the report due to a methodology change in reported data.
Figures shown under the former DVC regime (concluded October 2025)

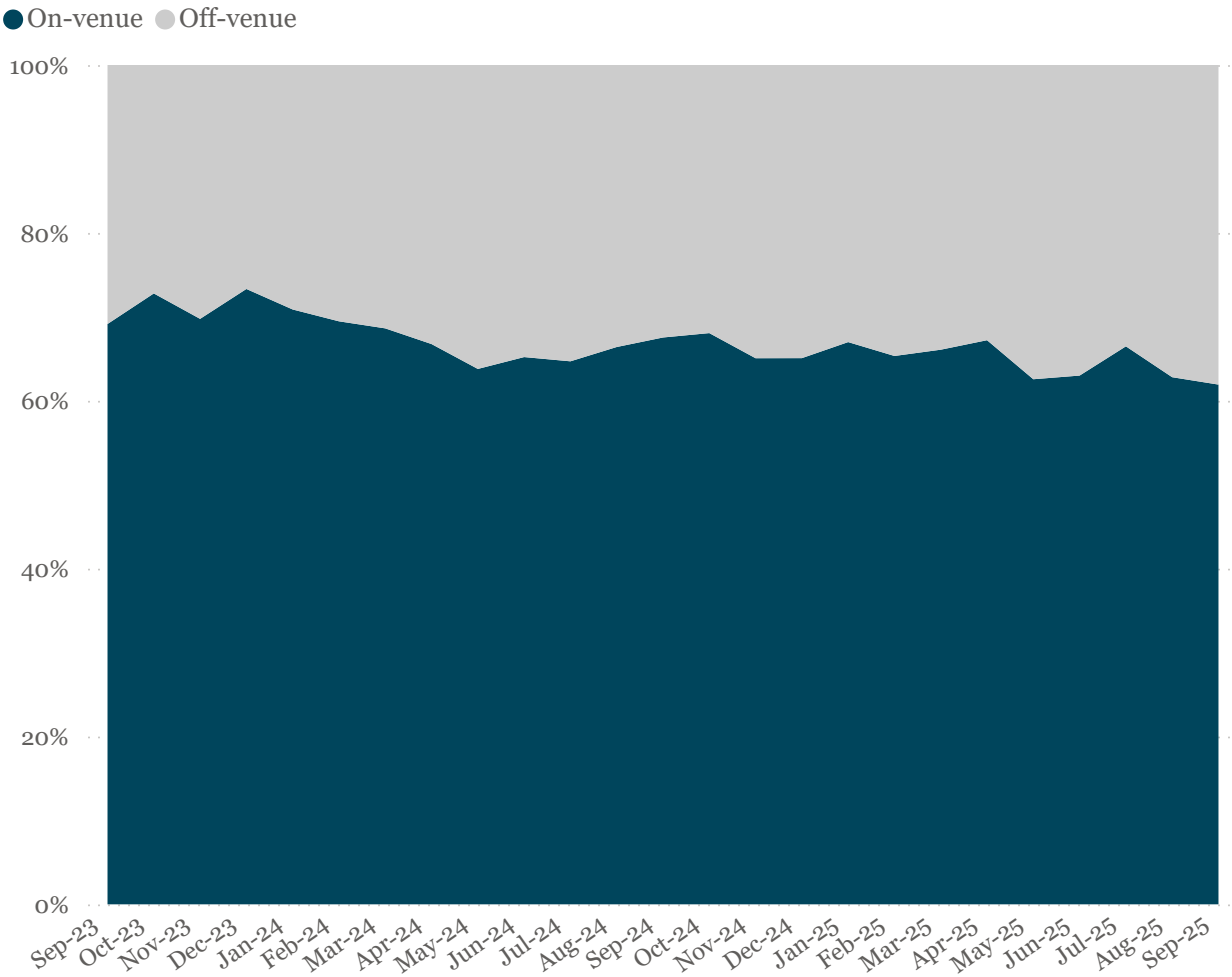
afme/

Share of Pan-European Trading Value by Trading Mechanism

EUR bn per month



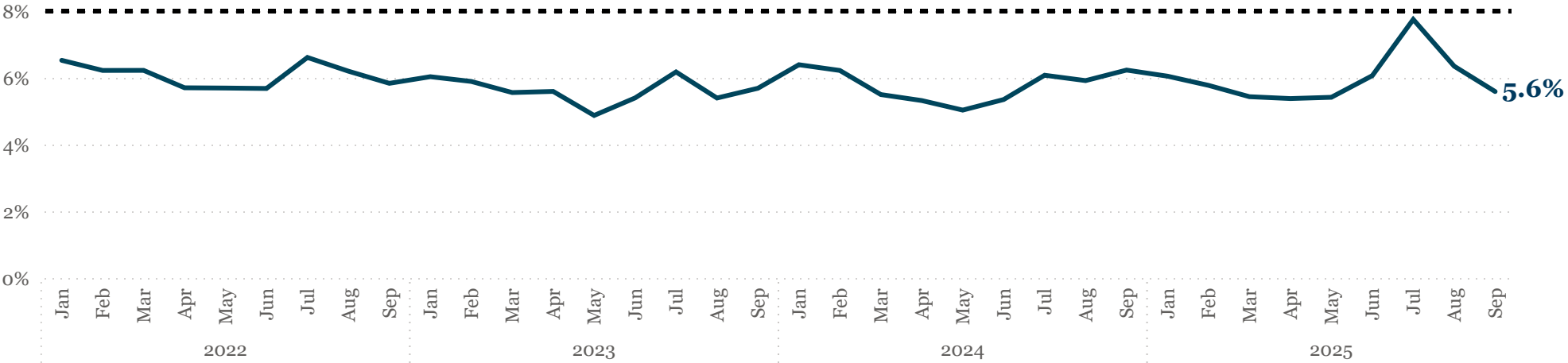
% per month



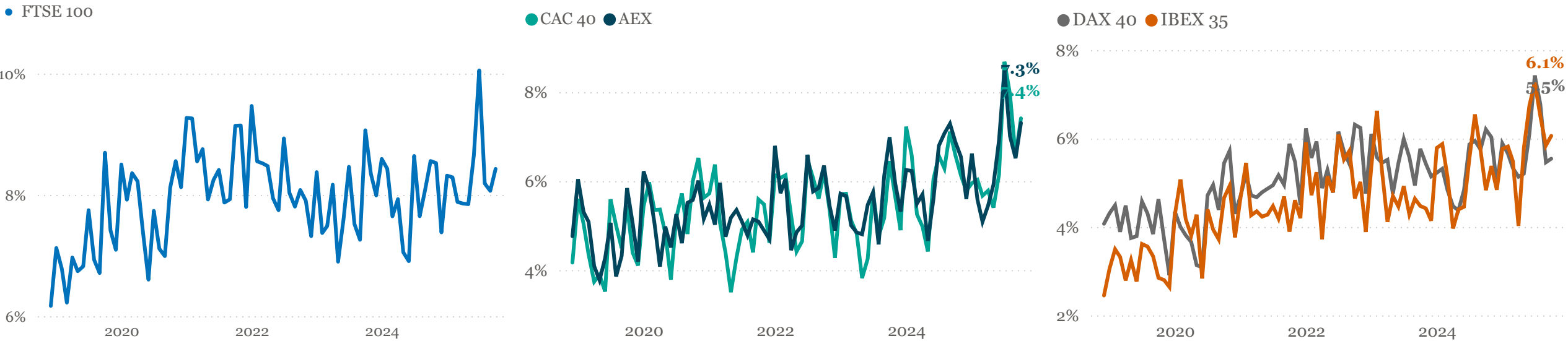
Figures may vary from the previous edition of the report due to a methodology change in reported data.
Source: xyt

afme/ Proportion of Trading Subject to the DVC at 5.6%

Trading subject to the DVC as % of total turnover



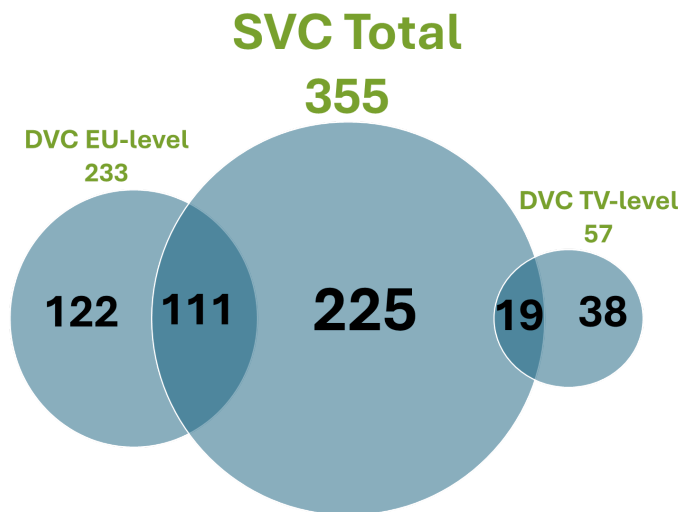
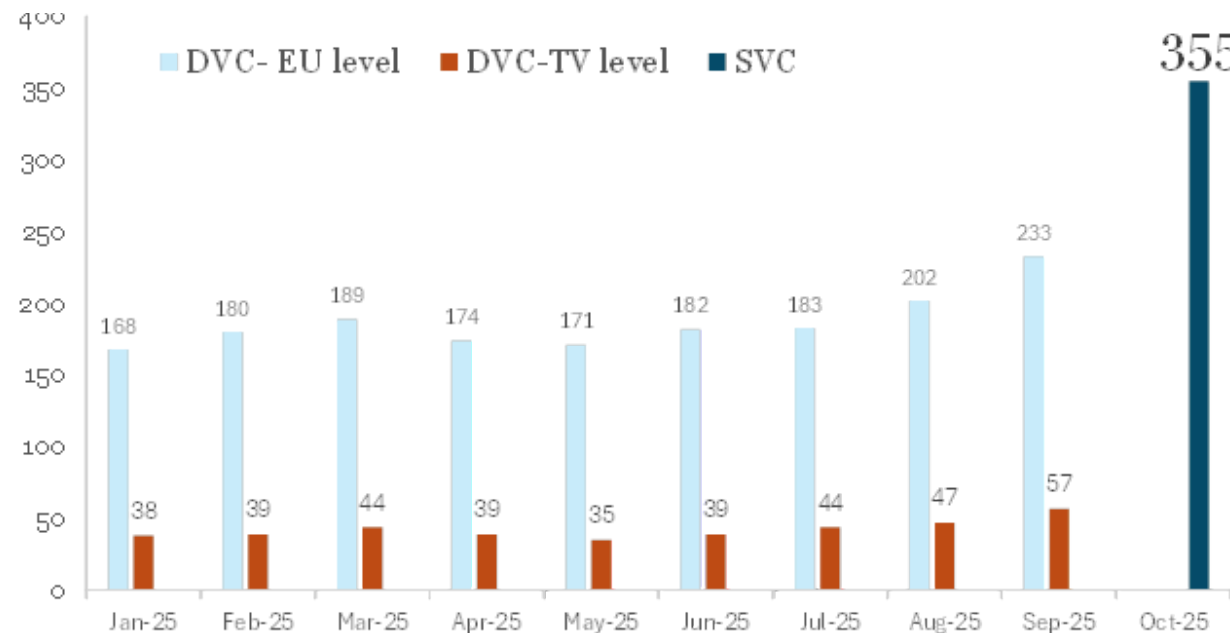
% of trading subject to the DVC by indices



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

afme/ Transition from DVC to SVC

Number of Suspended Instruments from Dark Trading Under DVC and SVC



DVC Suspension Trends

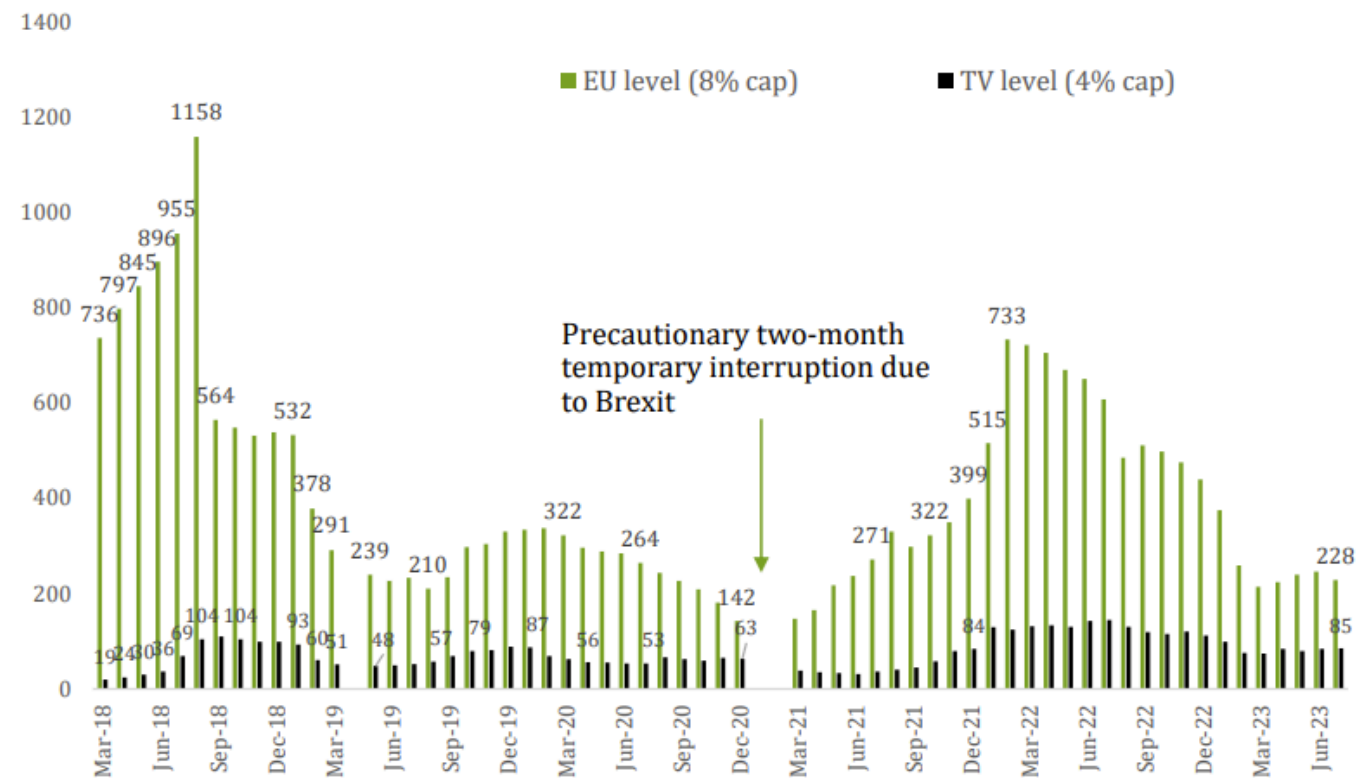
The number of instruments suspended at the EU level rose from 233 under the DVC (September) to 355 under the SVC, marking an increase of 122 instruments at the EU level.

Under the DVC, an additional 57 instruments were suspended at the trading venue (TV) level. Even when combined with the EU-level suspensions, the total of DVC suspended instruments (290) remains 65 instruments fewer than under the new SVC.

As shown on the bottom chart, not all instruments suspended under the DVC (as per ESMA’s September list) remain suspended under the SVC.

afme/ Transition from DVC to SVC

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



Dark trading suspension trends

The DVC regime showed a cyclical pattern over time. At the start of the regime in early 2018, the number of instruments suspended at the EU level was visibly large, exceeding 1,000 instruments at its peak.

Over time, however, the number of suspensions gradually declined and roughly stabilised within a range of 200-300 instruments in recent years, indicating that the market adapted to the DVC thresholds.

Valuations

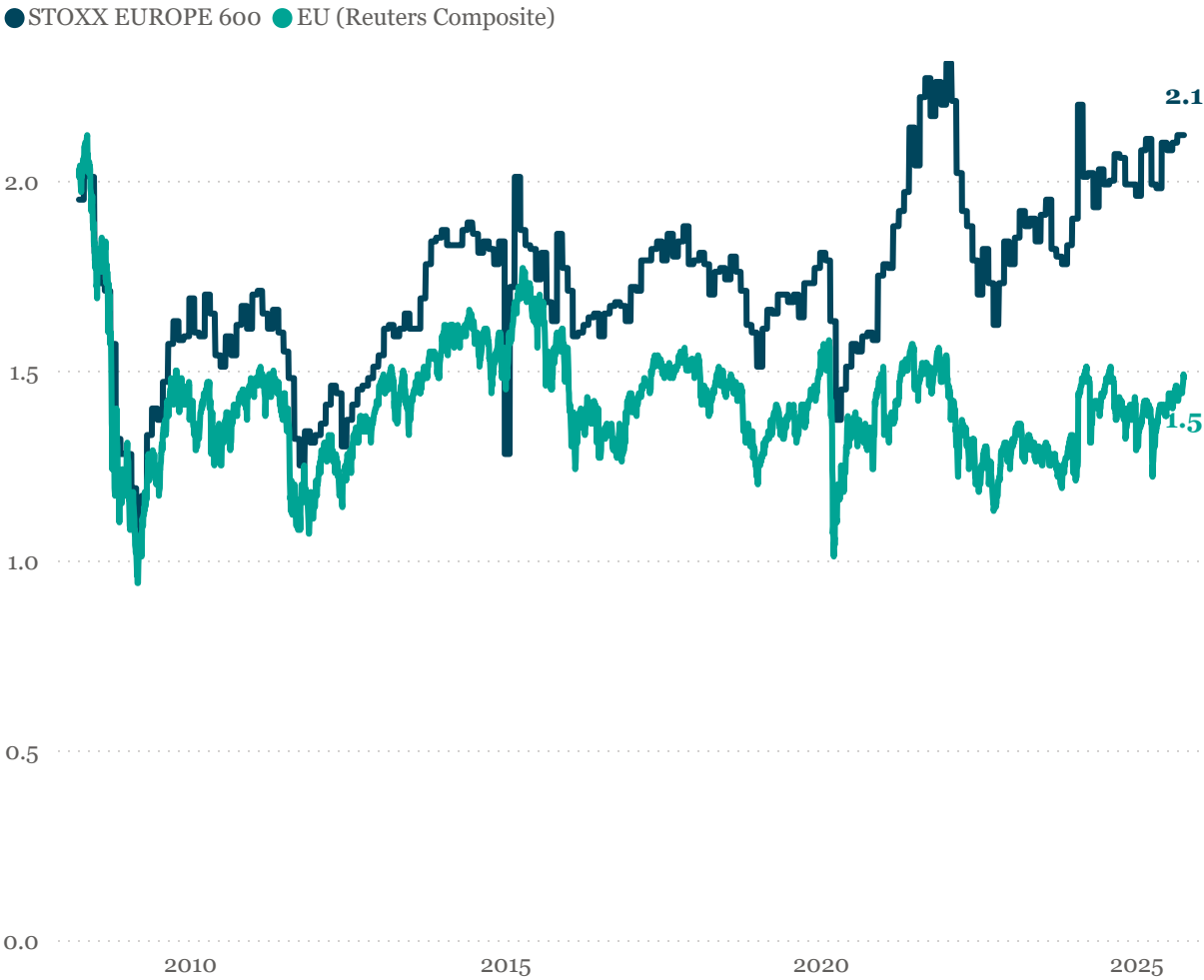
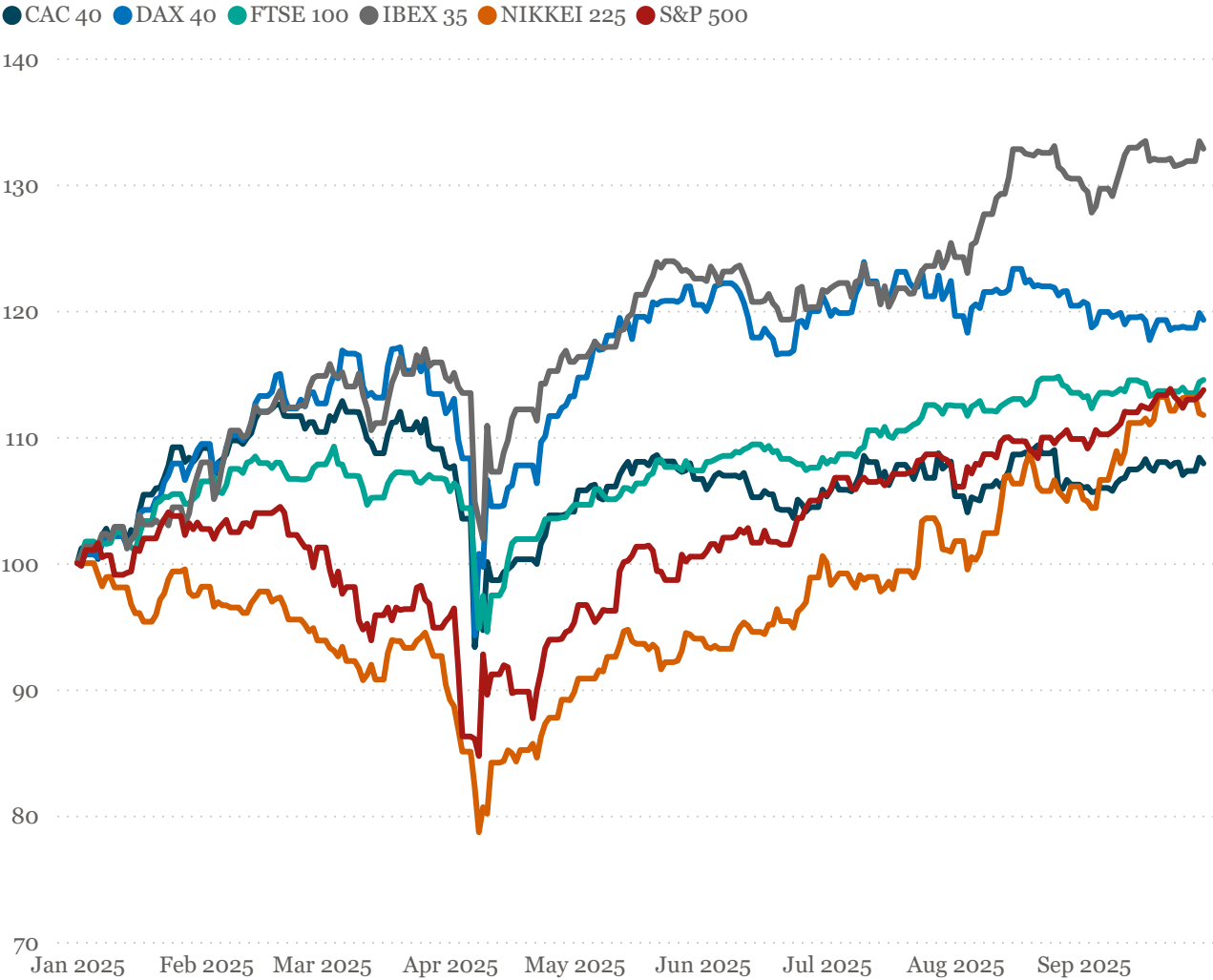
afme / Market Valuations

European equity indices continued to rise during Q3 2025, extending their recovery from the April decline triggered by U.S. tariffs introduction. The IBEX35 remained the top performer, up nearly 33% year-to-date, while the DAX40 advanced by 19%. The FTSE100 posted a solid 15% gain, outpacing the French CAC40, which rose by 8%. Outside Europe, the S&P500 climbed almost 14%, and Japanese equities (Nikkei 225) gained about 12%.

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 Q3 2025 at 16.7bps.

afme/ 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

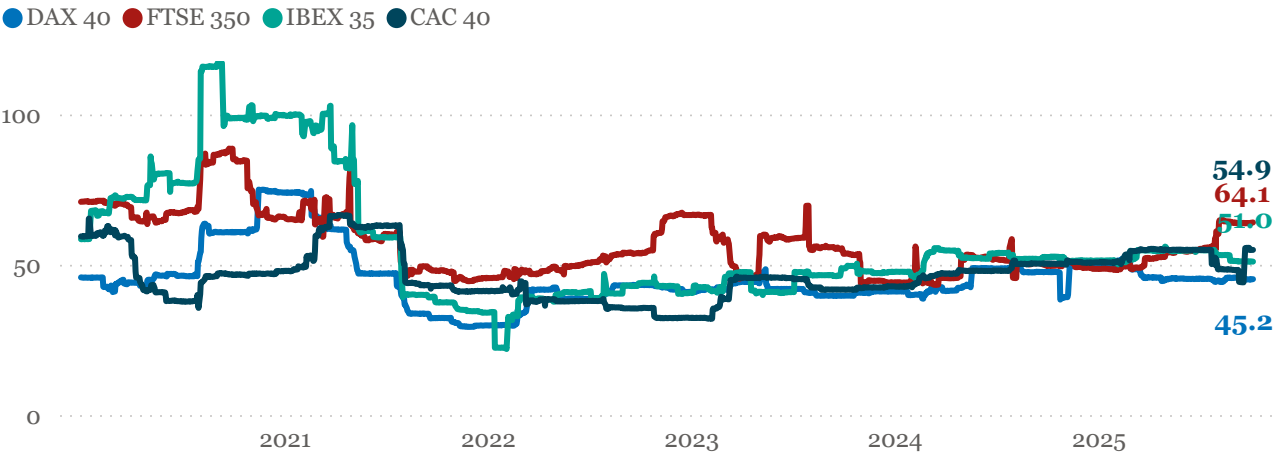


afme/ Valuation Ratios and Implied Volatility

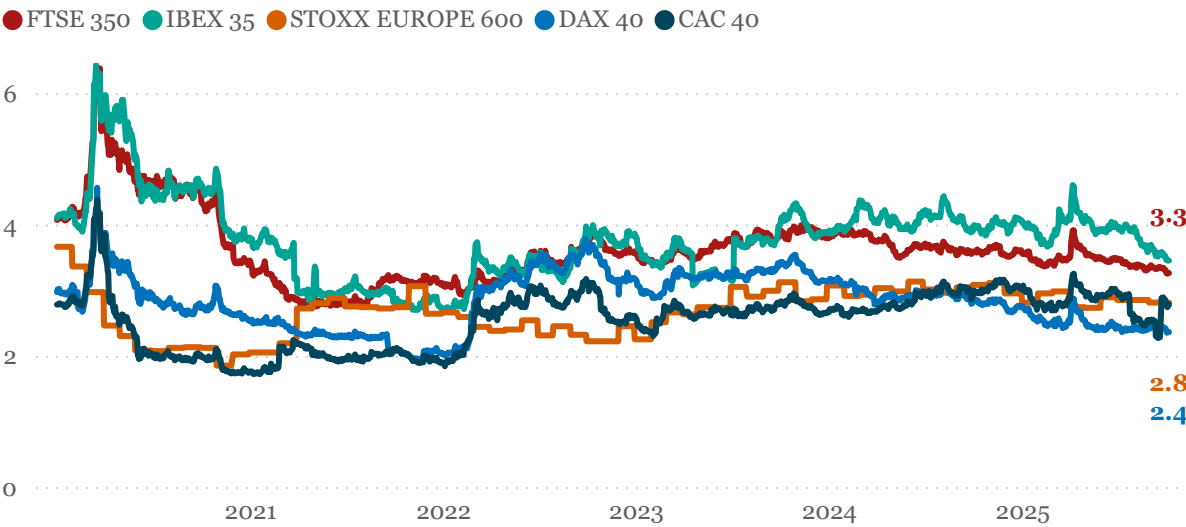
Price-to-earnings (PE) ratio



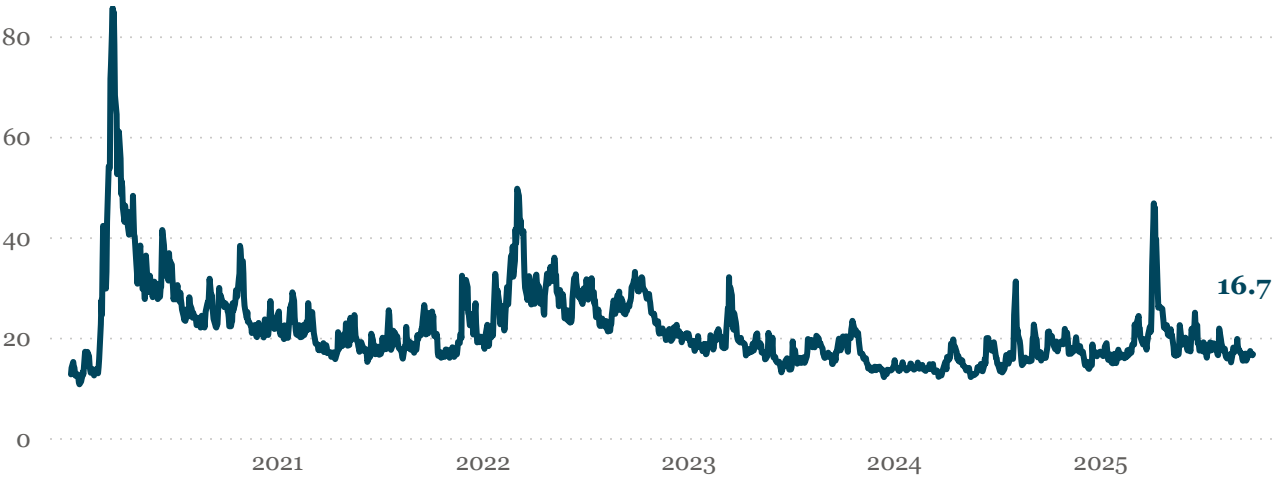
Dividend payout ratio (Dividends/Earnings per share)



Dividend yield ratio (Dividend/Price)



Implied volatility of Euro Stoxx 50 constituent shares (VSTOXX)



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