KPMG

Equity market update and IPO compass

Capital Markets Team

—

August 2025

Executive summary

"Despite broader indicators suggesting a rebound in IPO activity, only the US is seeing tangible momentum. In Europe, investor caution persists, though easing trade tensions could unlock a more active post-summer IPO window."

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Head of Deal & Capital Markets Services

15% US tariffs on EU imported goods

On 27 July, the EU and US announced an agreement following months of trade negotiations, resulting in a 15% baseline tariff on the majority of EU imports – half the 30% initially proposed by the US.

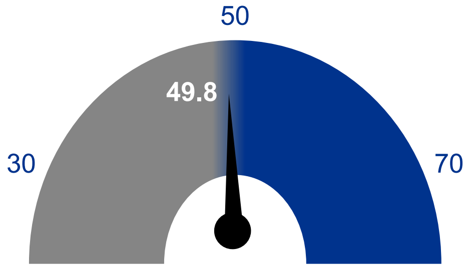
Source: FactSet.

2.0%

Eurozone CPI inflation 2025E

Source: FactSet.

HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI)[1]



Contraction **Expansion**

Source: S&P Global.

ECB keeps key rates unchanged

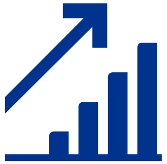
After a year of policy easing accompanied by seven consecutive rate cuts of 175bps total, the ECB kept the deposit rate unchanged at 2.00% following its monetary policy meeting on 24 July.

Source: FactSet.

Index	L1M	L6M	LTM
DAX	0.7%	10.7%	30.0%
STOXX 600	0.9%	1.2%	5.4%
S&P 500	2.2%	4.9%	14.8%

While European equities outperformed their US counterparts in H1 2025, performance has softened following the announcement of the EU-US trade tariff agreement.

Source: FactSet.



+102.2%

Pfisterer's stock has increased 102.2% since its IPO, making it a standout in what has been a quiet year for new listings so far.

Source: Dealogic.

Check whether your business is ready to go public at:
Initial Public Offering (IPO) | KPMG Atlas

Note: 1) See slide 7 for index definitions.

Macro environment and outlook

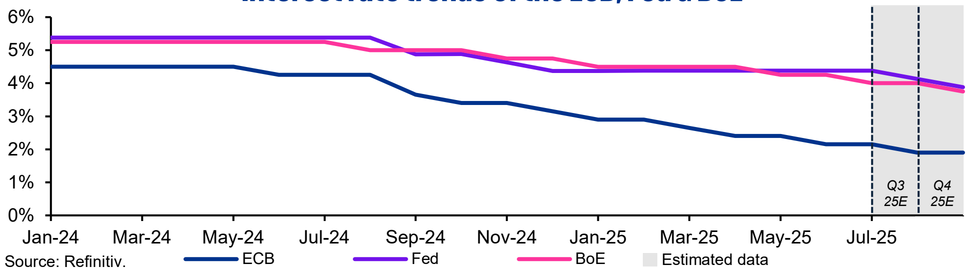
After a year of policy easing, the ECB kept the deposit rate unchanged at 2.00% following its monetary policy meeting on 24 July. This decision was based on inflation returning to the central bank's 2% medium-term target and a resilient economy despite a volatile global trade policy environment. The ECB reaffirmed its commitment to the inflation target and will adjust policy as needed, sticking to its wait-and-see approach guided by incoming data and economic conditions.

Meanwhile, the Fed also kept interest rates unchanged following its meeting on 30 July. Despite facing domestic political pressure to lower borrowing costs, the central bank has decided to hold off on changes while it monitors how US tariff policy affects inflation and employment. Markets are pricing in a rate cut in September, with a further reduction anticipated by the end of 2025.

On 27 July, the EU and US announced an agreement following months of trade negotiations, resulting in a 15% baseline tariff on the majority of EU imports – half the 30% initially proposed by the US. While the agreement provides some clarity and may reduce risk of further tariff escalations, both sides are yet to release a joint statement on the deal's implementation and specifics.

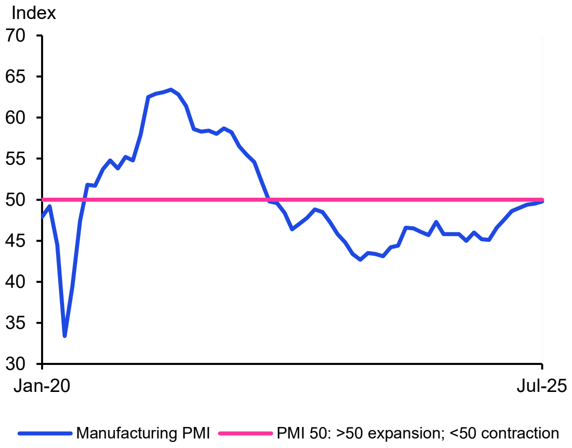
Source: FactSet, KPMG, Germany, 2025.

Interest rate trends of the ECB, Fed & BoE [1]



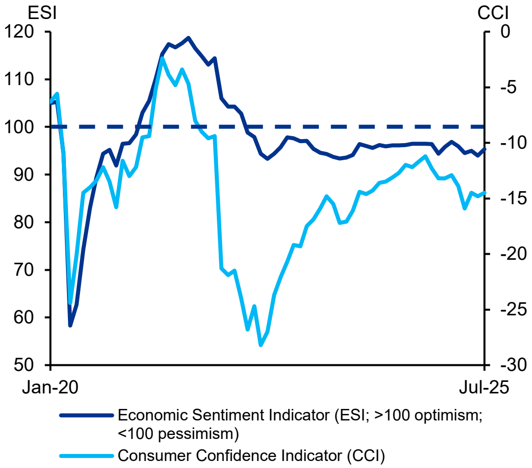
Source: Refinitiv.

HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI) [2]



Source: S&P Global.

EU Economic Sentiment & Consumer Confidence [2]



Source: European Commission.

Real GDP growth in percent [3]

%	2024	2025E	2026E
United States	2.8	1.5	1.6
Germany	(0.5)	0.2	1.2
United Kingdom	1.1	1.0	1.4
Eurozone	0.9	1.0	1.2
China	5.0	4.5	4.2
Japan	0.2	0.9	0.8

Source: FactSet. Closing prices as of 31 July 2025.

CPI inflation in percent [4]

%	2024	2025E	2026E
United States	3.0	3.0	2.8
Germany	2.3	2.1	2.0
United Kingdom	2.5	3.2	2.4
Eurozone	2.4	2.0	1.9
China	0.2	0.2	1.0
Japan	2.7	2.9	1.8

Source: FactSet. Closing prices as of 31 July 2025.

Notes: 1) ECB: refinancing rate, Fed: funds rate, BoE: bank rate; 2) See slide 7 for index definitions; 3) GDP growth: annual percentage growth rate of gross domestic products (GDP) at market prices based on constant local currency; 4) The CPI inflation measures the year-over-year change in prices paid by consumers and is calculated as a weighted average of prices for a basket of goods and services representative of aggregate consumer spending.

Equity market overview

In July, US equities extended their upward trend, with the S&P 500 and Nasdaq hitting new record highs, while European markets posted only modest gains.

The S&P 500 rose 2.2% while Nasdaq gained 3.7%, marking the third and fourth consecutive month of gains, respectively, driven by strong tech earnings, better-than-expected corporate earnings and macro tailwinds. The announcement of the EU-US trade tariff agreement as well as further agreements with the UK and other trading partners ahead of the 1 August deadline additionally supported the positive development.

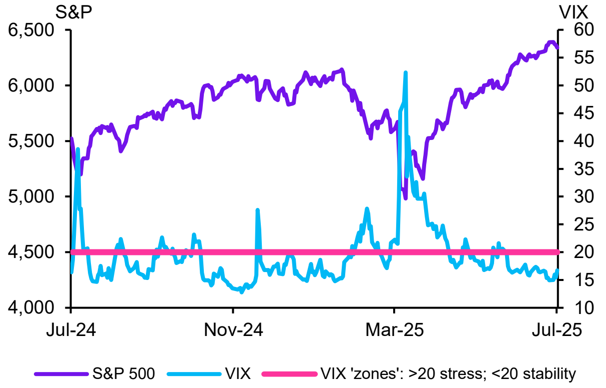
The STOXX Europe 600 saw only moderate growth of 0.9% in July, supported by easing trade tensions, a more positive macro environment and the performance of names less affected by trade tariffs. While the announcement of the EU-US trade tariff agreement provided initial relief, investors are currently weighing its implications for the EU. A series of disappointing earnings releases and weakness in the export heavy industries were further weighing on investor sentiment.

While European equities outperformed their US counterparts in the first half of 2025, performance softened following the announcement of the EU-US trade tariff agreement amid concerns over the economic outlook and corporate earnings momentum. In July, S&P 500 (+2.2%) and Nasdaq performance (+3.7%) suggests a rebalancing relative to the STOXX Europe 600 (+0.9%).

Volatility remained subdued in July, with the VIX trending down to 16.7 by month-end – well below the 20-point threshold typically seen as the dividing line between stable and stressed market conditions. Current levels reflect improved risk appetite and perceived market stability, creating a more favorable backdrop for equity issuances as investors appear increasingly accustomed to the ongoing uncertainty and shifting headlines around global tariffs.

Source: FactSet. KPMG, Germany, 2025.

S&P & VIX: market trends and volatility LTM



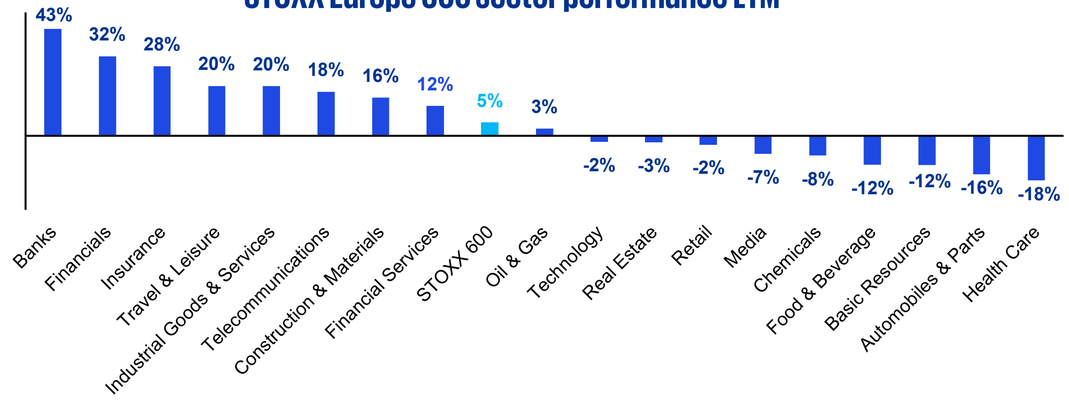
Source: FactSet. Closing prices as of 31 July 2025.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	24,065	0.7%	10.7%	30.0%
MDAX	31,004	1.7%	16.0%	22.2%
ATX	4,521	2.1%	17.0%	22.2%
SMI	11,836	(0.7%)	(6.0%)	(3.9%)
STOXX 600	546	0.9%	1.2%	5.4%
FTSE 100	9,133	4.2%	5.3%	9.1%
NASDAQ	21,122	3.7%	7.6%	20.0%
S&P 500	6,339	2.2%	4.9%	14.8%

Source: FactSet. Closing prices as of 31 July 2025.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 31 July 2025.

Issuance activity

Ongoing geopolitical tensions continued to weigh on European IPO activity, with only one sizeable IPO priced in July. By contrast, the US IPO market showed strong activity, marking the busiest month of the year and the second-busiest month since the end of the 2021 IPO boom by total transaction count.

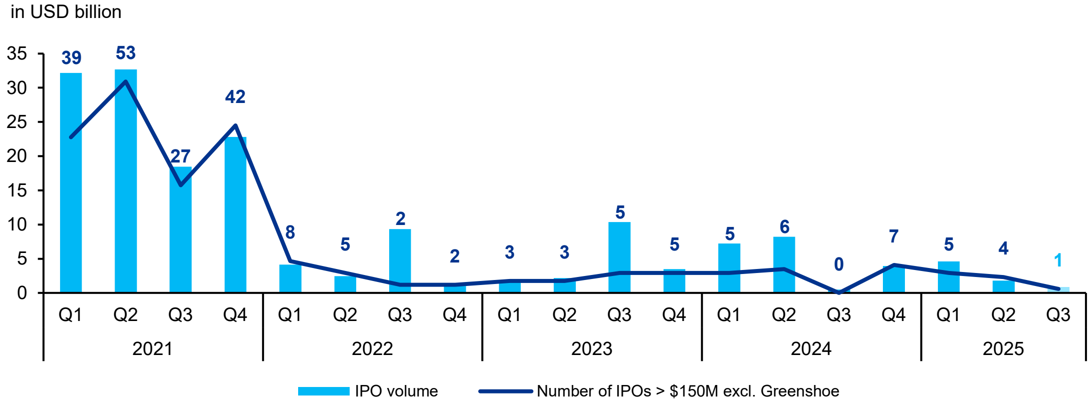
In Europe, Spanish Cirsa Enterprises SA, a multinational casino and gambling-machine operator, was the only sizeable IPO in July, which has since traded down -5% after its debut on 7 July. While the volatile global trade policy environment is still weighing on investor sentiment towards new listings, appetite towards follow-on transactions appears to hold up, highlighting an investor focus on familiarity and reduced perceived risk. Not only has July seen an increase in follow-up transaction activity year-over-year, but it has also already generated a higher issuance volume than the entire third quarter of 2024, while being only the first month of the quarter.

In the US, design software vendor Figma Inc. debuted on 31 July, with its shares surging 250% (vs issue price) on the first day of trading, highlighting continued momentum for tech IPOs after similar performances by the IPOs of Circle Internet Group Inc. (+492% since IPO, vs issue price) and Chime Financial Inc. (+27% since IPO, vs issue price) in June. Although aftermarket performances are mixed, 36 IPOs were priced in the US this month, a number only reached once before since the end of the 2021 IPO wave.

While the US IPO environment is further improving, the anticipated recovery in European IPO activity has yet to materialise. Aside from a few small- and mid-sized listings, pan-European markets remained subdued throughout the first seven months of the year as the volatile global trade policy environment continues to weigh on sentiment – limiting the impact of otherwise supportive monetary conditions.

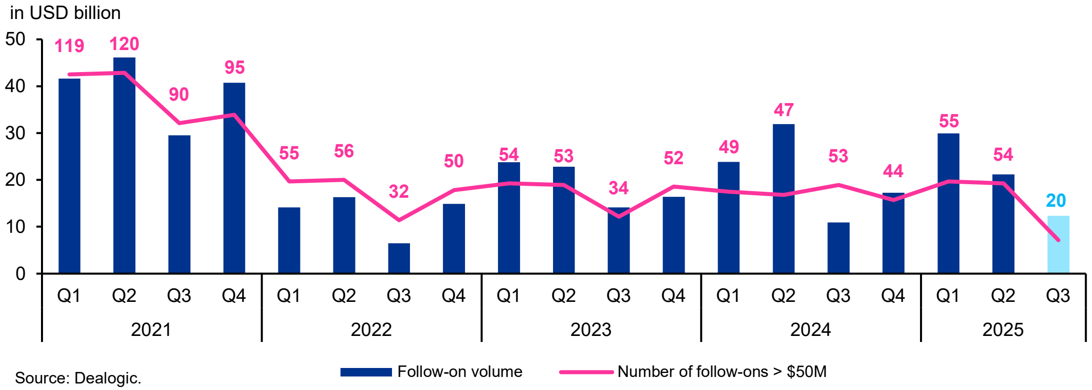
Source: Dealogic, KPMG, Germany, 2025.

European IPO emission volume (in USD billion) and no. of offerings per quarter



Source: Dealogic.

European follow-on emission volume (in USD billion) and no. of offerings per quarter



Source: Dealogic.

IPO compass and outlook

European IPO emission activity YTD[1]

Amid ongoing geopolitical uncertainties, investor caution continues to weigh heavily on IPO activity in Europe. In Germany, this trend is particularly pronounced: only two companies have gone public so far in 2025, both within the Scale segment – Germany's Open Market segment for small- and mid-sized companies. The lack of larger IPOs underscores the prevailing hesitancy among issuers and investors alike.

Pricing	Issuer	Issuer country	Dealogic Sector	Market Cap. (€m)[2]	Deal Value (€m)[3]	Aftermarket perform.	
						First day[4]	Current[4]
Jul-25	Cirsa Enterprises SA	ES	Travel & Leisure	2,520	453	0.0%	(5.0%)
Jun-25	Hacksaw AB	SE	Computers & Electronics	2,012	303	(2.6)%	0.2%
Jun-25	Enity Holding AB	SE	Finance	300	152	30.7%	43.5%
May-25	innoscripta SE	DE	Computers & Electronics	1,200	190	(9.0)%	(10.8)%
May-25	PFISTERER Holding SE	DE	Computers & Electronics	489	167	11.1%	102.2%
Mar-25	Asker Healthcare Group AB	SE	Healthcare	2,347	945	19.6%	43.3%
Mar-25	Roko AB	SE	Finance	2,773	482	5.3%	29.2%
Feb-25	Ferrari Group plc	NL	Transportation	785	225	4.7%	11.5%
Feb-25	HBX Group	ES	Computers & Electronics	2,844	750	(4.3)%	(25.6)%
Jan-25	Diagnostyka SA	PL	Healthcare	842	403	23.8%	74.5%

Note: 1) Considering transactions with deal value >€150m excl. Greenshoe, excl. SPACs, 2) At IPO, 3) Excl. Greenshoe, 4) Compared to issue price at IPO; Source: Dealogic.

European IPO outlook

European equity capital markets could see potentially active IPO windows post summer, driven by a backlog of larger-cap candidates. PE-backed pharma company Stada is reportedly resuming IPO preparations while also in discussions with an interested private equity investor. Deutsche Boerse seeks to list its index and data analytics subsidiary ISS Stoxx but is also considering a minority investor buy-out. Other IPO candidates include security firm Verisure and online marketplace operator SMG Swiss Marketplace Group.

Factors influencing IPO market activity

Current investor focus

Geopolitical risks
Current trend: ↑ IPO impact:
Crises & conflicts dampen investors' risk appetite

GDP growth
Current trend: → IPO impact:
Trailing indicator for economic development

Eurozone Manufacturing PMI
Current trend: ↑ IPO impact:
Leading indicator for economic development

Inflation
Current trend: → IPO impact:
Indicator for monetary policy responses

ECB interest rates
Current trend: → IPO impact:
Indicator for financing conditions & capital market attractiveness

Stock indices
Current trend: ↑ IPO impact:
Indicator for general capital market sentiment

Volatility indices
Current trend: → IPO impact:
Indicator for market risk perception & investor confidence

Note: ↑ → ↓: Increase/ flat/ decrease in indicating factor; : positive/ negative impact on IPO activity
Source: Dealogic, S&P Global, FactSet, Refinitiv, KPMG, Germany, 2025.

Appendix - definitions

Definitions and methodologies of referenced survey data indices

Purchasing Managers' Index (PMI)

The PMI is an economic indicator that measures the health of the manufacturing and service sectors through surveys of purchasing managers, focusing on factors like new orders, production and employment. The PMI ranges from 0 to 100, with a value above 50 indicating expansion and below 50 indicating contraction. Hamburg Commercial Bank (HCOB) and S&P Global collaborated to calculate the PMI in the Eurozone (Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece). The PMI is based on a representative sample of around 5,000 industrial and service companies.

Economic Sentiment Indicator (ESI)

The ESI reflects overall economic confidence, particularly in the European Union, based on surveys of various sectors such as industry, services and consumers. Expressed as an index with a long-term mean of 100, an ESI above 100 indicates optimism and stronger confidence, while a value below 100 suggests pessimism and weaker confidence. The ESI helps gauge economic trends and outlooks.

Consumer Confidence Index (CCI)

The CCI is the arithmetic average of the balances (in percentage points) of the answers to the questions on the past and expected financial situation of households, the expected general economic situation and the intentions to make major purchases over the next 12 months. It is used as an economic indicator to gauge consumer spending behaviour. Values above zero percent (percentage points) indicate positive views of the economy, whereas values below zero percent (percentage points) indicate negative views, and a value of zero reflects an equal balance of positive and negative views.

Source: European Commission, S&P Global, MSCI.

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