



Equity market update and IPO compass

Capital Markets Team

—

September 2025



Executive summary

“With sentiment improving and volatility at supportive levels, European IPO markets are approaching a long-anticipated issuance window, which could unlock Germany’s robust pipeline and drive meaningful deal activity, assuming momentum persists.”



Ralf Pfennig
Partner
Head of Deal & Capital
Markets Services



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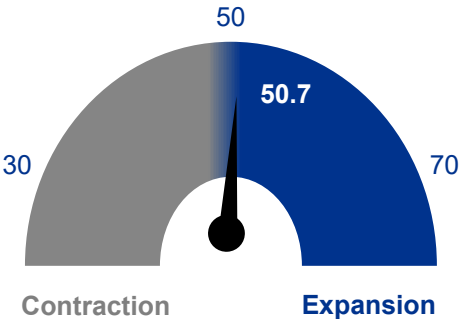
As of 29 August 2025, the volatility index VIX closed at 15.4, a level considered favorable for equity capital market activity.

Source: FactSet.



Source: FactSet.

HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI)¹



Source: S&P Global.



Fed signals potential policy shift

Having kept rates unchanged in July, the Fed now appears to be cautiously signaling a potential shift in its policy stance. Markets are now pricing in a rate cut in September, with further easing expected before year-end.

Source: FactSet.

Index	L1M	L6M	LTM
DAX	(0.7%)	6.0%	26.4%
STOXX 600	0.7%	(1.3%)	4.9%
S&P 500	1.9%	8.5%	15.5%

European equities outperformed in H1 2025, but softened post-EU-US tariff deal. August gains in the S&P 500 and Nasdaq might point to ongoing rebalancing versus the STOXX Europe 600.

Source: FactSet.



Swiss Marketplace Group releases intention to float (ITF) on SIX Swiss Exchange

With a full pipeline of IPOs awaiting the end of the summer break, Swiss Marketplace Group has officially kicked off the European post summer IPO season, releasing its ITF on 2 September.

Source: Dealogic.

Initial Public Offering (IPO)

Assess whether your business is ready to go public.



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Initial Public Offering (IPO) | KPMG Atlas

Note: 1) See slide 7 for index definitions.

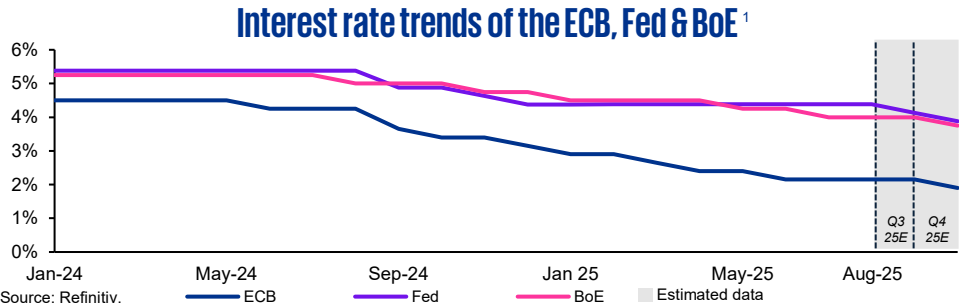
Macro environment and outlook

August is traditionally a quiet month for monetary policy, with no formal monetary policy meetings held by either the ECB or the Fed. Still, investors closely followed the annual Jackson Hole meeting, where central bankers share their views on the economy. In his speech, Fed Chair Jerome Powell acknowledged persistent inflation, partly due to trade tariffs, but placed more focus on signs that the job market is starting to weaken. Having kept rates unchanged in July, the Fed now appears to be cautiously signaling a potential shift in its policy stance. Markets are now pricing in a rate cut in September, with further easing expected before year-end.

Meanwhile, the ECB has remained inactive on policy action but not quiet. In recent weeks, officials have reportedly expressed growing confidence that rates could remain unchanged in September, as inflation and growth largely track the central bank's earlier projections. Adding to this sentiment, the HCOB Eurozone Manufacturing PMI rose to 50.7 in August, its highest reading in over three years and slightly above the 50.0 threshold that signals economic expansion.

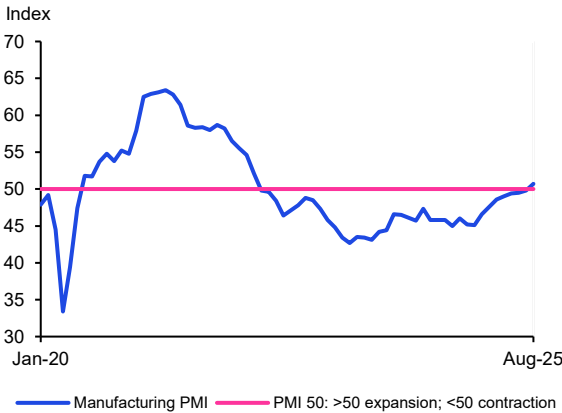
While the recent EU-US trade tariff agreement has helped ease some uncertainty, global trade policy uncertainty remains elevated, with tensions resurfacing over US threats in response to the EU's tech regulation framework.

Source: FactSet, KPMG, Germany, 2025.

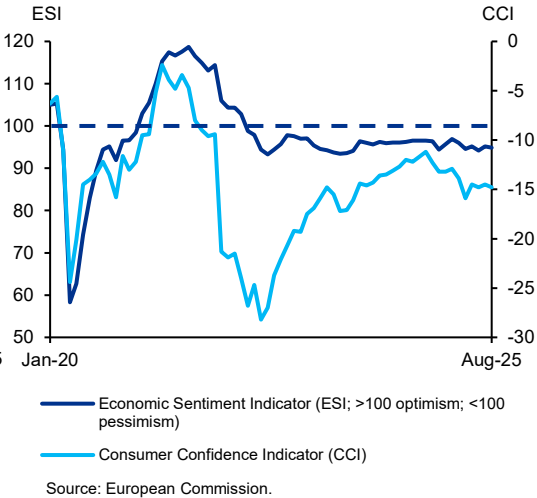


Notes: 1) ECB: refinancing rate, Fed: funds rate, BoE: bank rate; 2) See slide 7 for index definitions; 3) GDP growth: annual percentage growth rate of gross domestic products (GDP) at market prices based on constant local currency; 4) The CPI inflation measures the year-over-year change in prices paid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

HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI) ²



EU Economic Sentiment & Consumer Confidence ²



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	1.1	1.1
Eurozone	0.9	1.0	1.2
China	5.0	4.6	4.2
Japan	0.1	0.9	0.8

Source: FactSet. Closing prices as of 29 August 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	2.1	1.9
China	0.2	0.2	1.0
Japan	2.7	2.9	1.8

Source: FactSet. Closing prices as of 29 August 2025.

Equity market overview

In August, US equities further extended their upward trend, with the S&P 500 and Nasdaq hitting new record highs, while European markets were mixed.

The S&P 500 rose 1.9% while Nasdaq gained 1.6% in August, marking the fourth and fifth consecutive month of gains, respectively. This momentum was fueled by optimism around potential Fed rate cuts, continued consumer spending, strong Q2 earnings, and signs of progress in trade negotiations.

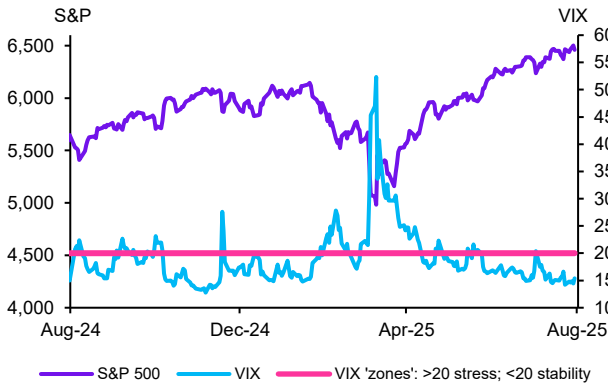
The STOXX Europe 600 reached a five-month high and closed with a 0.7% gain on a month-to-month basis. The FTSE 100 reached a new all-time high, while Germany's DAX and MDAX traded down in August. Markets found support from the publication of a joint EU-US framework agreement, dovish signals from the Fed, and resilient macro data across major European economies. Positive sentiment from US markets further helped lift risk appetite. However, gains were limited by weaker corporate earnings compared to the US, cautious forward guidance, ongoing inflation concerns, and prevailing headline risk around the EU-US trade tariff agreement.

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. In August, S&P 500 and Nasdaq performance suggests an ongoing rebalancing relative to the STOXX Europe 600.

While some minor upticks could be observed, volatility remained mainly subdued throughout August, with the VIX trending down to an equity capital market activity friendly level of 15.4 by month-end – well below the 20-point threshold typically seen as the dividing line between stable and stressed market conditions.

Source: FactSet. KPMG, Germany, 2025.

S&P & VIX: market trends and volatility LTM



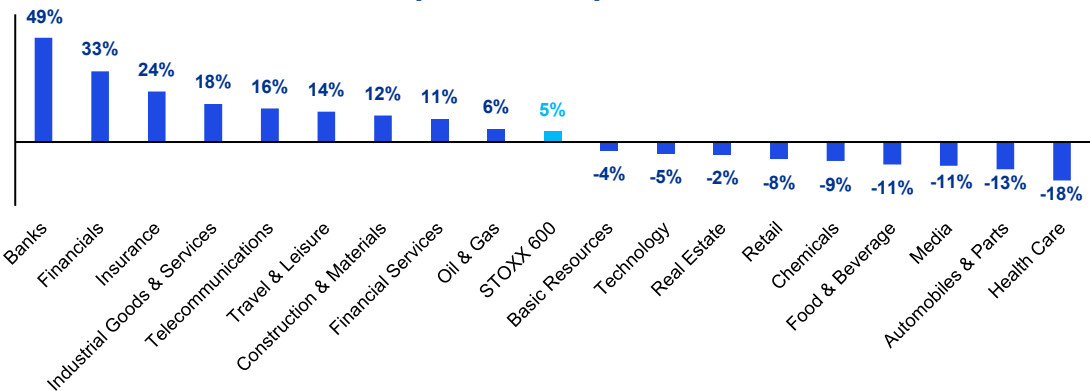
Source: FactSet. Closing prices as of 29 August 2025.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	23,902	(0.7%)	6.0%	26.4%
MDAX	30,287	(2.3%)	7.0%	18.7%
ATX	4,614	2.1%	11.2%	24.5%
SMI	12,188	3.0%	(6.3%)	(1.9%)
STOXX 600	550	0.7%	(1.3%)	4.9%
FTSE 100	9,187	0.6%	4.3%	9.6%
NASDAQ	21,456	1.6%	13.8%	22.5%
S&P 500	6,460	1.9%	8.5%	15.5%

Source: FactSet. Closing prices as of 29 August 2025.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 29 August 2025.

Issuance activity

August is traditionally a quiet month for equity capital markets, as the summer break typically leads to subdued issuance activity. This year was no exception in Europe, where no sizeable IPOs and only a few follow-on transactions were priced during the month. However, the US market defied seasonal expectations, maintaining unusually high IPO activity throughout August.

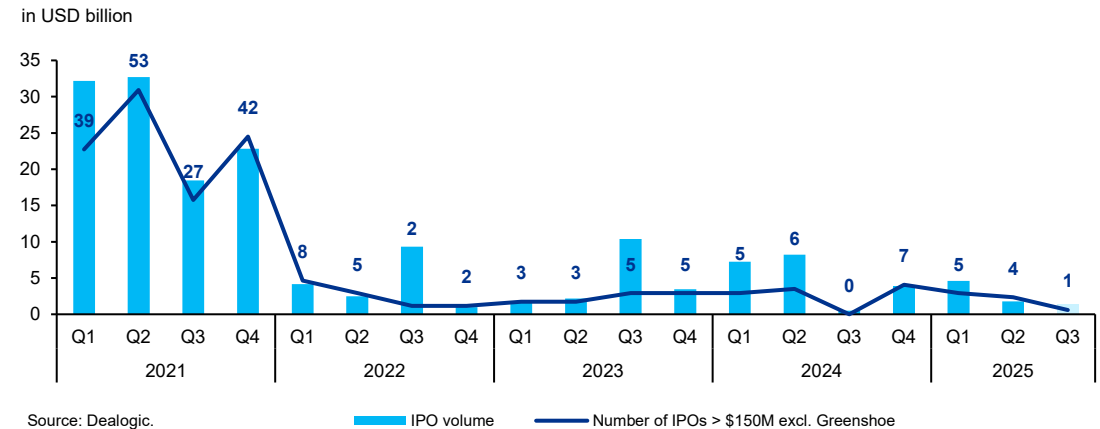
In Europe, while no IPOs were priced, follow-on activity remained visible. Five European companies raised a total of €986m through capital increases (considering transactions above €50m). Additionally, five sell-downs (above €50m) by private equity firms and other shareholders, amounting to €713m, were successfully placed, notably so with a majority of these transactions involving Nordic assets.

In contrast, the US saw four sizeable IPOs priced in August, marking the first new sizeable August issuances since the 2021 IPO wave. Remarkably, both the number of IPOs and aggregate deal volume surpassed August of 2021. Firefly Aerospace Inc., a space and defense technology company, debuted on 6 August with shares rising 34% (vs issue price) on the first day of trading. The following day, medtech firm Heartflow Inc. surged 51% (vs issue price) on debut. Digital asset platform Bullish and global exchange group Miami International Holdings Inc. followed a week later, posting first-day gains of 84% (vs issue price) and 34% (vs issue price), respectively. Except for Firefly, which is now trading flat, all US IPOs have maintained significantly positive aftermarket performance, highlighting continued momentum and improved investor sentiment toward new listings in the US.

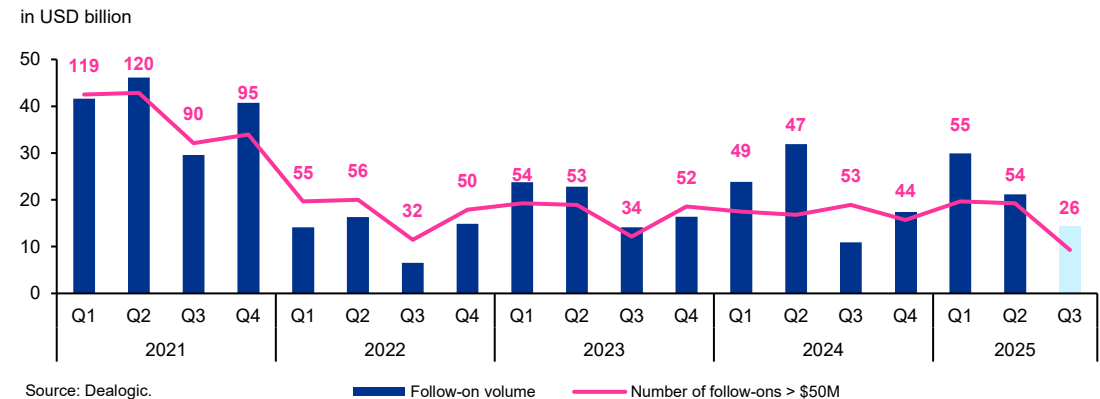
While the US IPO environment continues to strengthen, the anticipated recovery in European IPO activity has yet to materialize. However, a full pipeline and a pickup in activity right at the end of the summer break suggest that an improvement in European markets could be just around the corner.

Source: Dealogic, KPMG, Germany, 2025.

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



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



IPO compass and outlook

European IPO emission activity YTD¹

With the summer break coming to an end, online marketplace operator Swiss Marketplace Group (SMG) has officially opened the post summer IPO window, having released its intention to float on the SIX Swiss Exchange on 2 September. This could mark the beginning of a busy IPO season, following a rather subdued new issuance activity before summer, when investor sentiment was weighing heavily on IPO activity in Europe amid ongoing geopolitical uncertainties.

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%	1.7%
Jun-25	Hacksaw AB	SE	Computers & Electronics	2,012	303	(2.6)%	(14.7)%
Jun-25	Enity Holding AB	SE	Finance	300	152	30.7%	52.2%
May-25	innoscripta SE	DE	Computers & Electronics	1,200	190	(9.0)%	4.2%
May-25	PFISTERER Holding SE	DE	Computers & Electronics	489	167	11.1%	130.4%
Mar-25	Asker Healthcare Group AB	SE	Healthcare	2,347	945	19.6%	35.7%
Mar-25	Roko AB	SE	Finance	2,773	482	5.3%	7.2%
Feb-25	Ferrari Group plc	NL	Transportation	785	225	4.7%	1.7%
Feb-25	HBX Group	ES	Computers & Electronics	2,844	750	(4.3)%	(34.2)%
Jan-25	Diagnostyka SA	PL	Healthcare	842	403	23.8%	93.1%

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

Europe could see an active IPO window ahead, with Germany dominating the pipeline. Verisure is reportedly preparing for a Stockholm listing, while German contenders include Ottobock and Deutsche Boerse's ISS Stoxx, which also could pursue a minority investor buy-out instead. Other German candidates include the spin-offs of Continental's Aumovio and Thyssen-Krupp's Marine Systems division, alongside names such as Vincorion, Flender and the German operations of TenneT, with the latter two pursuing a dual track process.

Factors influencing IPO market activity

Eurozone GDP growth

Current trend: ➡ IPO impact: 🟡🟢🟢

Trailing indicator for economic development

Eurozone inflation

Current trend: ➡ IPO impact: 🟡🟢🟢

Indicator for monetary policy responses

Stock indices

Current trend: ➡ IPO impact: 🟡🟢🟢

Indicator for general capital market sentiment

Geopolitical risks

Current trend: ➡ IPO impact: 🟡🟢🟢

Crises & conflicts dampen investors' risk appetite

Eurozone Manufacturing PMI

Current trend: ⬆ IPO impact: 🟢🟢🟢

Leading indicator for economic development

ECB interest rates

Current trend: ➡ IPO impact: 🟡🟢🟢

Indicator for financing conditions & capital market attractiveness

Volatility indices

Current trend: ⬇ IPO impact: 🟢🟢🟢

Indicator for market risk perception & investor confidence

Note: ⬆ ➡ ⬇: Increase/ flat/ decrease in indicating factor; 🟡🟢🟢: positive/ neutral/ 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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