



Equity market update and IPO compass

Capital Markets Team

—
February 2026



Executive summary

“January set a positive tone for the European IPO market, with both priced offerings posting double-digit aftermarket gains. Their robust performance could provide a supportive backdrop for the strong pipeline of European candidates preparing to list this year.”



Ralf Pfennig
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Market volatility ticked up mid-January on renewed geopolitical tensions before easing, with the VIX ending the month at 17.4.

Source: FactSet.



Both the Fed and ECB opened 2026 by holding rates steady and signaling a cautious wait-and-see approach, with markets currently expecting no near-term policy shifts.

Source: FactSet.

Note: 1) See slide 7 for index definitions.
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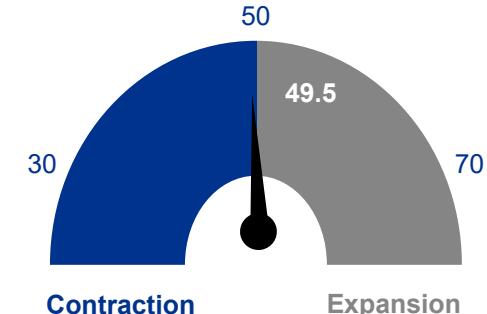


Robust European IPO pipeline for 2026, reflecting key thematic drivers

European IPO momentum continues to build, as a robust pipeline of companies is preparing to go public in 2026. Key themes among potential issuers include defense, private equity exits, and companies revisiting IPO plans following prior unsuccessful attempts.

Source: Dealogic.

HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI)¹



Source: S&P Global.

Index	L1M	L6M	LTM
STOXX 600	2.5%	11.0%	13.4%
DAX	(0.0%)	1.1%	12.9%
S&P 500	1.2%	9.1%	14.3%
NASDAQ	1.0%	11.0%	19.2%

European January IPOs setting a constructive tone for 2026



European equities started 2026 strongly while US gains were more moderate, with sentiment supported by solid data and earnings but tempered by geopolitical, trade, and political risks.

Source: FactSet.

Both European IPOs in January, Prague-based Czechoslovak Group (CSG) and Austrian ASTA Energy Solutions, have been delivering strong aftermarket performances of 22.2% and 35.8%, respectively.

Source: Dealogic.

Initial Public Offering (IPO)

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Macro environment and outlook

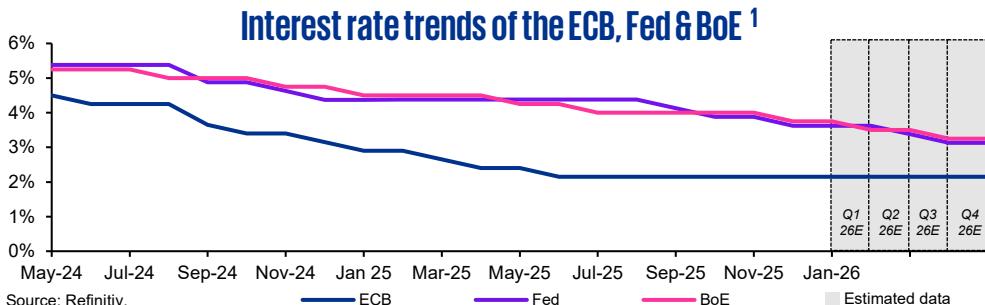
The European Central Bank (ECB) and the Federal Reserve (Fed) have now completed their first policy meetings of 2026, with both institutions opting for a cautious, wait-and-see stance.

In the United States, the Fed held the federal funds target range at 3.50%–3.75% at its 28 January meeting, following three rate cuts in late 2025. Policymakers signaled patience, and markets now anticipate the next adjustment later in the year.

In Europe, the ECB likewise kept its deposit rate unchanged at 2.00% at the 5 February meeting, marking its fifth consecutive hold. Markets expect the central bank to keep rates steady all year. Meanwhile, recent data point to only modest momentum: the HCOB Eurozone Manufacturing PMI rose to 49.5 in January from 48.8, yet remained below the 50.0 threshold that separates contraction from expansion.

Against this backdrop, Germany's real GDP is expected to grow 1.0% in 2026, even though the recovery appears later than expected due to a weaker rebound in late 2025 and slower progress on major public investment programs in infrastructure, climate initiatives, and defense.

Source: KPMG, Germany, 2026.



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.



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HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI)²



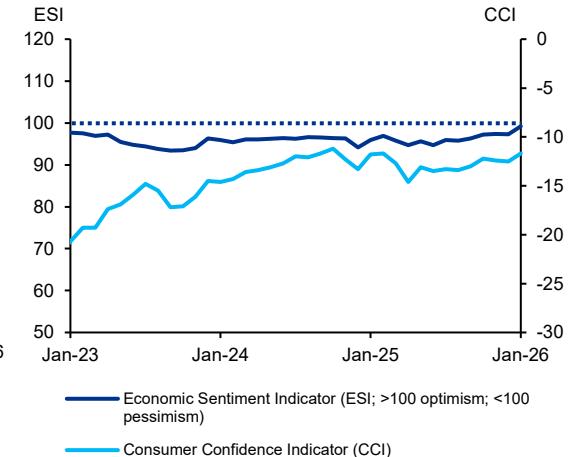
Source: S&P Global.

Real GDP growth in percent³

%	2025E	2026E	2027E
United States	2.0	2.0	2.0
Germany	0.3	1.0	1.5
United Kingdom	1.4	1.0	1.4
Eurozone	1.5	1.2	1.4
China	5.0	4.5	4.4
Japan	1.2	0.7	0.8

Source: FactSet. Closing prices as of 30 January 2026.

EU Economic Sentiment & Consumer Confidence²



Source: European Commission.

CPI inflation in percent⁴

%	2025E	2026E	2027E
United States	2.7	2.8	2.4
Germany	2.2	2.0	2.0
United Kingdom	3.4	2.5	2.1
Eurozone	2.1	1.8	2.0
China	0.1	0.7	1.1
Japan	3.2	1.9	2.0

Source: FactSet. Closing prices as of 30 January 2026.

Equity market overview

Although equity markets experienced an uptick in volatility in January, both European and US equities began the year on solid footing as investor risk appetite improved.

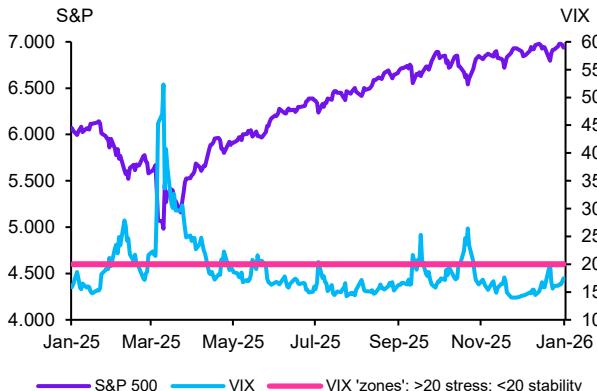
European equities entered 2026 with momentum. The STOXX Europe 600 rose 2.5% and the FTSE 100 advanced 2.7% in January, extending their winning streaks to seven consecutive months – the longest since 2021 and 2013, respectively. Germany's DAX finished the month broadly unchanged after reaching a new record high, while the MDAX gained 0.6%. European markets were supported by positive investor sentiment, record fund inflows, resilient Eurozone macroeconomic data, and mixed but broadly supportive corporate earnings. Nevertheless, geopolitical- and trade-related risks remain elevated and, alongside ongoing political uncertainty – particularly in France – continue to pose meaningful headwinds.

In the US, equity gains were more subdued. The S&P 500 ended January up 1.2% after reaching new record highs during the month, while the Nasdaq gained 1.0% following two consecutive months of declines. Solid corporate earnings and resilient economic data underpinned performance, but enthusiasm was tempered by geopolitical and tariff uncertainties, as well as the risk of another US government shutdown. In addition, investors rotated away from large-cap US stocks, including AI-related names, which delivered mixed results following earnings announcements.

Market volatility was initially subdued at the start of the year but rose mid-month as geopolitical tensions surrounding Greenland reignited trade-related concerns. Volatility subsequently eased, with the VIX retracing lower and closing the month at 17.4, above December's 14.3 and but still below the 20-point level typically associated with stressed market conditions.

Source: FactSet, KPMG, Germany, 2026.

S&P & VIX: market trends and volatility LTM



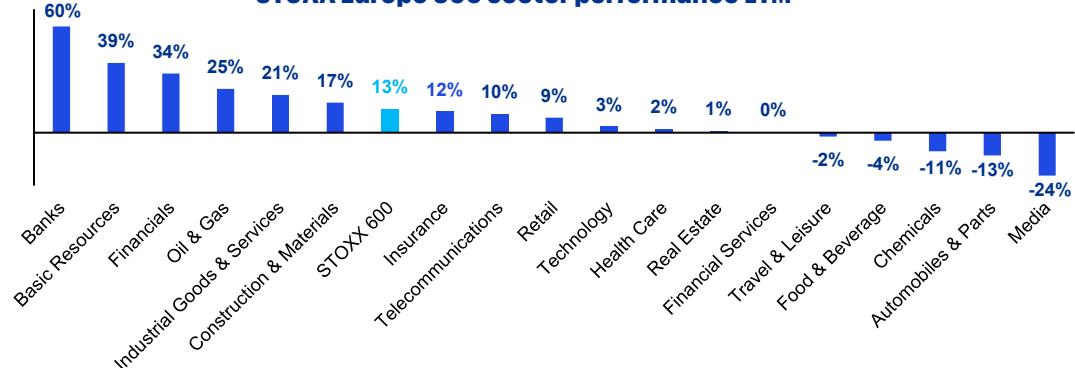
Source: FactSet. Closing prices as of 30 January 2026.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	23,837	(0.0%)	1.1%	12.9%
MDAX	29,937	0.6%	0.7%	16.6%
ATX	5,010	4.7%	22.3%	45.5%
SMI	12,834	(0.6%)	10.5%	4.6%
STOXX 600	576	2.5%	11.0%	13.4%
FTSE 100	9,721	2.7%	11.9%	18.2%
NASDAQ	23,366	1.0%	11.0%	19.2%
S&P 500	6,849	1.2%	9.1%	14.3%

Source: FactSet. Closing prices as of 30 January 2026.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 30 January 2026.

Issuance activity

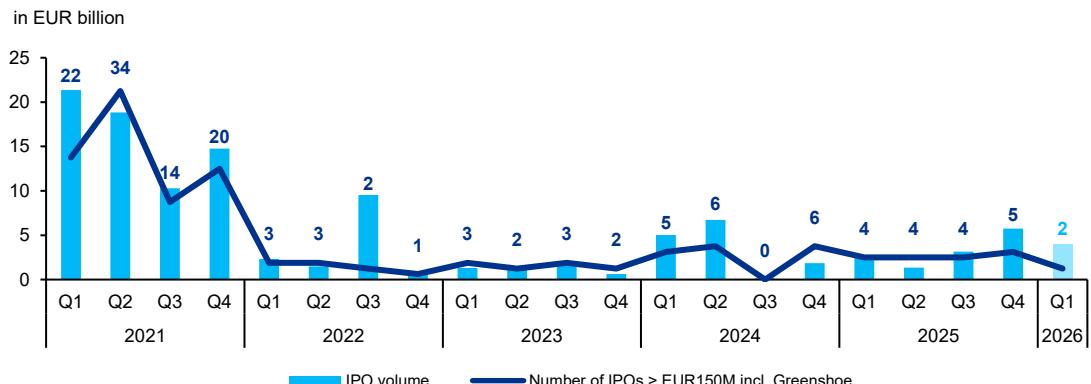
Europe kicked off the 2026 IPO season with a landmark listing: Prague-based Czechoslovak Group (CSG) raised EUR 3.8 billion at an implied market capitalization of EUR 25 billion at its debut on Euronext Amsterdam. Priced on 23 January, the deal represents Europe's largest IPO since 2022 and the largest defense-sector IPO ever globally. The offering was supported by cornerstone commitments totaling EUR 900 million. Investor demand remained strong in the aftermarket, with the shares closing their first trading day up 31.4% and still trading 22.2% above the offer price, supported by continued investor rotation into defense amid persistent geopolitical tensions.

A week later, Austrian energy infrastructure specialist ASTA Energy Solutions followed with Germany's first IPO of 2026. The company raised approximately EUR 166 million at an implied market capitalization of EUR 420 million at its listing on the Frankfurt Stock Exchange. ASTA Energy Solutions secured cornerstone commitments of EUR 55 million ahead of the transaction, including from Siemens Energy. The stock closed its first day of trading on 30 January up 35.6% above offer price, benefiting from its exposure to energy-infrastructure and accelerating data-center power demand.

In the US, momentum from December carried into the new year, with January maintaining a strong pace of sizeable IPO activity after the busiest December for large issuances since 2020. Six sizeable IPOs were priced during January, although aftermarket performance was mixed, with an average decline of around -2.0% at month-end. Looking ahead, at least nine additional sizeable US issuances are scheduled for February. Beyond the near term, several high-profile companies are reportedly preparing for potential listings in 2026, including prominent AI-driven firms such as OpenAI and Anthropic, as well as European companies considering US listings, notably Revolut.

Note: Aftermarket performance data based on IPO price and share price at month-end unless stated otherwise.
Source: Dealogic, KPMG, Germany, 2026.

European¹ IPO emission volume (in EUR billion) and no. of offerings per quarter



Note: = Current status for Q1-2026 as of 31 January 2026; 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

European¹ follow-on emission volume (in EUR billion) and no. of offerings per quarter



Note: = Current status for Q1-2026 as of 31 January 2026; 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

IPO compass and outlook

Selected European IPO emission activity YTD¹

Pricing	Issuer	Exchange country	Dealogic Sector	Market Cap. (€m) ²	Deal Value (€m) ³	Aftermarket perform.	
						First day ⁴	Current ⁴
Jan-26	ASTA Energy Solutions AG	DE	Metal & Steel	420	166	35.6%	35.6%
Jan-26	CSG BV	NL	Defense	25,000	3,800	31.4%	22.2%

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 as of 30 January 2026. Source: Dealogic.

European IPO outlook

European IPO momentum continues to build, as two January listings have been delivering strong aftermarket performances and setting a constructive tone for the 2026 IPO pipeline.

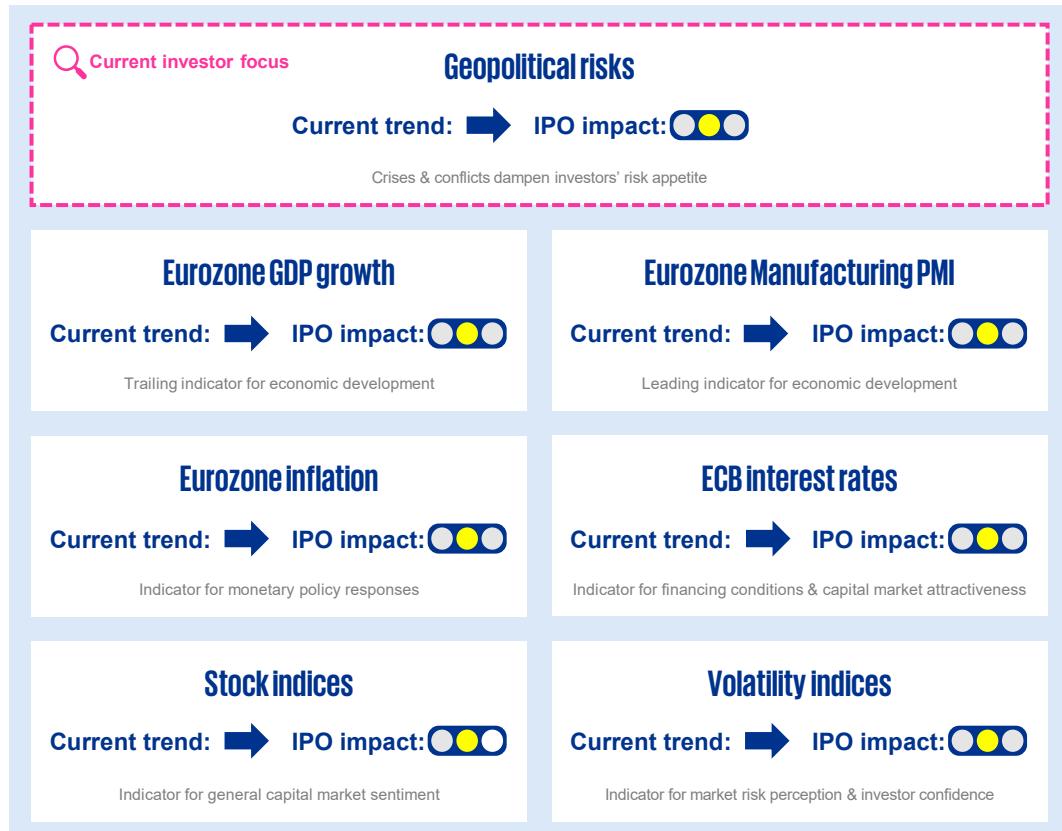
Czechoslovak Group's (CSG) strong debut could pave the way for further issuances in the defense sector. Germany's Vincorion, backed by Star Capital, is expected to pursue a Frankfurt IPO as early as March, while Franco-German defense group KNDS is reportedly preparing for a dual listing in Paris and Frankfurt later in the year.

Momentum is also being driven by private equity investors, which are preparing multiple portfolio companies for potential listings in 2026. Expected candidates include Hg Capital-owned Visma (NO), EQT's IVC Evidensia (UK), Advent- and Cinven-controlled TK Elevator (DE) as well as Odido (NL), which is backed by Apax and Warburg Pincus. Other assets, such as mobile.de (DE), owned by Permira and Blackstone, remain on a dual-track process.

Several other high-profile companies are also considered potential IPO candidates for 2026, including GetYourGuide (DE), reportedly targeting a US listing, and Bitpanda (AT), which is preparing for a Frankfurt IPO. In addition, some companies are expected to revisit IPO plans following prior unsuccessful attempts, including online auto-parts retailer Autodoc (DE).

Source: Dealogic, Mergermarket, KPMG, Germany, 2026

Factors influencing IPO market activity



Note: ↑ → ↓ : Increase/ flat/ decrease in indicating factor; (Red/Yellow/Green) : positive/ neutral/ negative impact on IPO activity.
Source: Dealogic, S&P Global, FactSet, Refinitiv, KPMG, Germany, 2026.

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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