



Equity market update and IPO compass

Capital Markets Team

—

April 2026



Executive summary

“Energy-led inflation concerns linked to the Iran conflict weighed on equities, yet Vincorion’s IPO confirmed that issuances remain possible for well-prepared companies where sector fundamentals provide clear investor support.”



Ralf Pfennig
Partner
Head of Deal & Capital
Markets Services



Volatility remained elevated in March, with the VIX averaging 25.6 and staying above the 20-stress threshold amid Iran-related uncertainty.

Source: FactSet.



Q1-2026 was skewed towards new defense issuances in Europe

Q1 2026 brought three European defense IPOs, anchored by Czechoslovak Group’s (CSG) record-breaking sector listing, with German suppliers Gabler Group and Vincorion also coming to market amid intensifying geopolitical tensions.

Source: Dealogic.

IPO Live Event
29. April 2026

1:00 - 6:00pm

Event location:
Deutsche Börse,
X-Lounge

Börsenplatz 4,
60313 Frankfurt (Main)

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The Iran conflict pushed energy prices higher in March, reviving inflation risks and clouding the growth outlook, which kept central banks cautious on easing in both the US and EU despite still-data-dependent policy paths.

Source: FactSet.

Index	L1M	L6M	LTM
STOXX 600	(8.0%)	4.5%	9.2%
DAX	(10.3%)	(5.0%)	2.3%
S&P 500	(5.1%)	(2.4%)	16.3%
NASDAQ	(4.8%)	(4.7%)	24.8%

Equity markets fell sharply in March, with STOXX 600 down 8.0% and the S&P 500 5.1%, as the Iran conflict and energy shock drove a broad risk-off move and kept volatility elevated despite tentative late-month de-escalation signals.

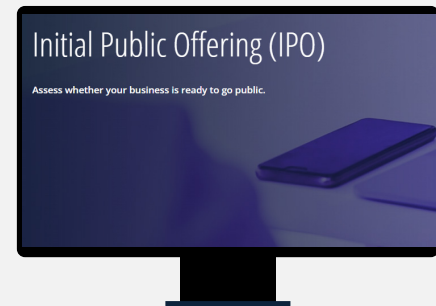
Source: FactSet.

European defense IPO trend could continue



Europe’s IPO pipeline remains active, supported by private equity and defense candidates such as KNDS and WB Electronics, though geopolitical risk, volatility and elevated energy prices may increase execution uncertainty.

Source: Dealogic.



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

Note: See slide 8 for index definitions.



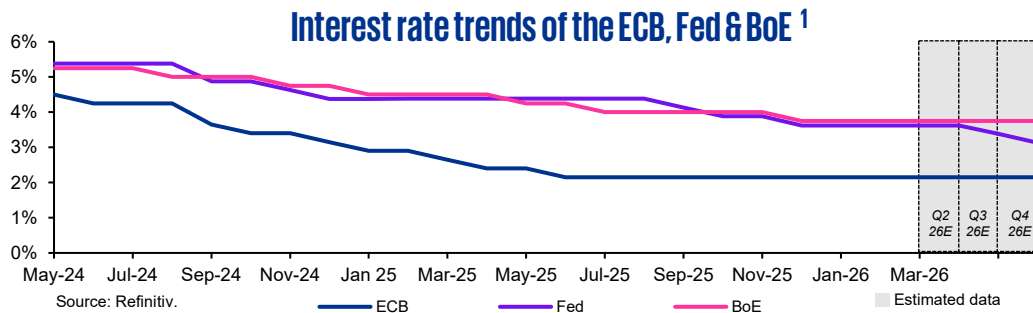
Macro environment and outlook

In March, the Iran conflict and the near-shutdown of the Strait of Hormuz hit markets with an uncomfortable mix of higher energy prices, renewed inflation pressure and a softer growth outlook.

In the US, that oil-driven inflation risk blurred the disinflation story and pushed investors to scale back expectations for near-term Fed easing, which the Fed reinforced by holding the funds rate at 3.50%–3.75% on 18 March. Even so, the interest rate outlook depends on incoming data. Rate markets are currently leaning toward no Fed cuts until 2027. However, as of 31 March, some forecasts still estimate that two to three cuts could still happen this year if the labor market weakens materially, especially if unemployment rises above the Fed’s steady 4.4% projection for 2026.

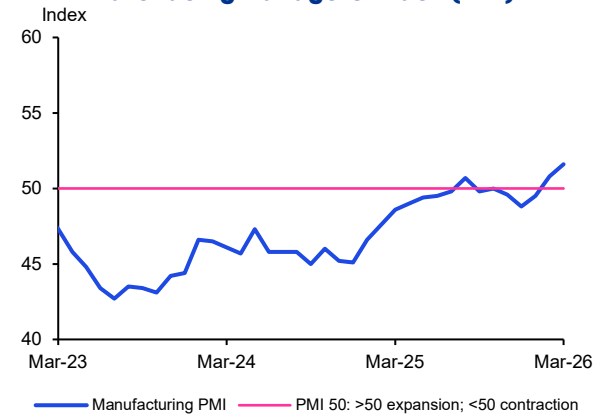
In the EU, the picture is mixed as well. Monthly preliminary headline Eurozone inflation rose to about 2.5% in March from 1.9% in February, largely reflecting a swing in energy prices, which shifted from dampening inflation to exerting upward pressure. The ECB kept the deposit rate at 2.0% on 19 March and repeated its data-dependent stance, but officials also revised the inflation outlook higher and signaled that a rate hike might be discussed as soon as April if energy prices stay elevated.

Source: KPMG, Germany, 2026.



Notes: 1) ECB: refinancing rate, Fed: funds rate, BoE: bank rate; 2) See slide 8 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.

S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI)²



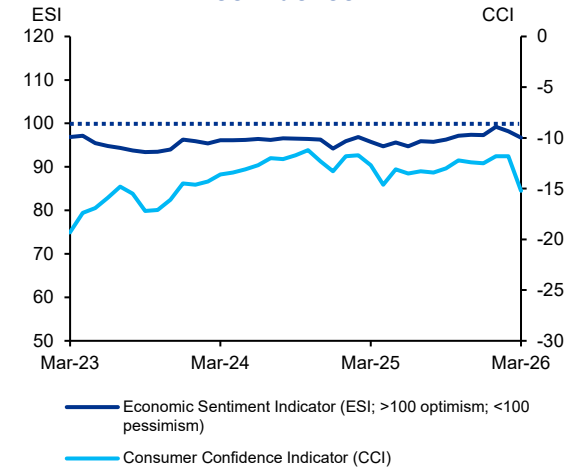
Source: S&P Global.

Real GDP growth in percent³

%	2025	2026E	2027E
United States	2.1	2.4	2.0
Germany	0.4	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	0.8	0.8

Source: FactSet. Closing prices as of 31 March 2026.

EU Economic Sentiment & Consumer Confidence²



Source: European Commission.

CPI inflation in percent⁴

%	2025	2026E	2027E
United States	2.7	2.8	2.5
Germany	2.2	2.1	2.0
United Kingdom	3.4	2.6	2.1
Eurozone	2.1	1.9	2.0
China	0.1	0.7	1.0
Japan	3.2	1.9	2.0

Source: FactSet. Closing prices as of 31 March 2026.

Equity market overview

Major equity markets weakened significantly in March, with the escalation of the Iran conflict and the associated surge in oil prices undermining risk appetite. US stocks posted broad declines, while European equities also turned sharply lower as the geopolitical shock prompted a wider reassessment of risk across asset classes.

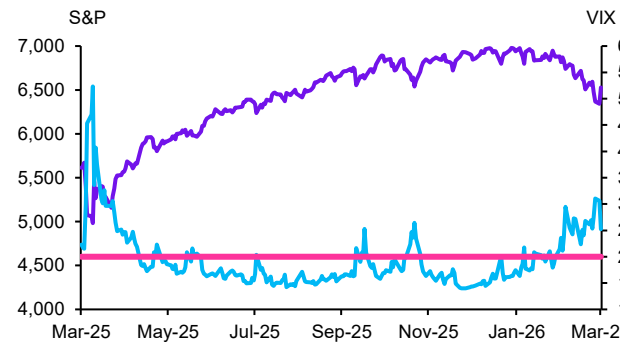
The STOXX Europe 600 fell 8.0% over the month, making it the index's largest monthly decline since 2022 and its second-largest since the Covid shock in 2020. What initially looked like a temporary energy price spike increasingly came to be seen as a more persistent disruption, reinforcing concerns about inflation and weaker growth. As the month progressed, equity funds flows turned negative and sentiment deteriorated, reflecting rising interest policy uncertainty and a broad reassessment of the macro outlook.

US equities followed a similar pattern, with March marking a clear deterioration in risk sentiment. Major indices moved sharply lower as the Iran conflict and the associated energy shock weighed on markets, leaving the S&P 500 down (-5.1% in March) for the third time in four months and the NASDAQ posting its weakest month since March 2025 with losses of 4.8%. Selling pressure was broad-based, with the equal-weight S&P 500 falling 6.4% and underperforming the cap-weighted index, highlighting broad-based selling and a market preference for larger, more defensive exposures.

Volatility remained elevated after rising through March to an average of 25.6, with the VIX holding above the 20-stress line as markets reacted to Iran-related headlines. As of 31 March, it has eased from a peak of 31.1 to 25.3 amid early de-escalation signals and reports of exploratory peace talks, though the situation with Iran remains unresolved.

Source: FactSet. KPMG, Germany, 2026.

S&P & VIX: market trends and volatility LTM



— S&P 500 — VIX — VIX 'zones': >20 stress; <20 stability

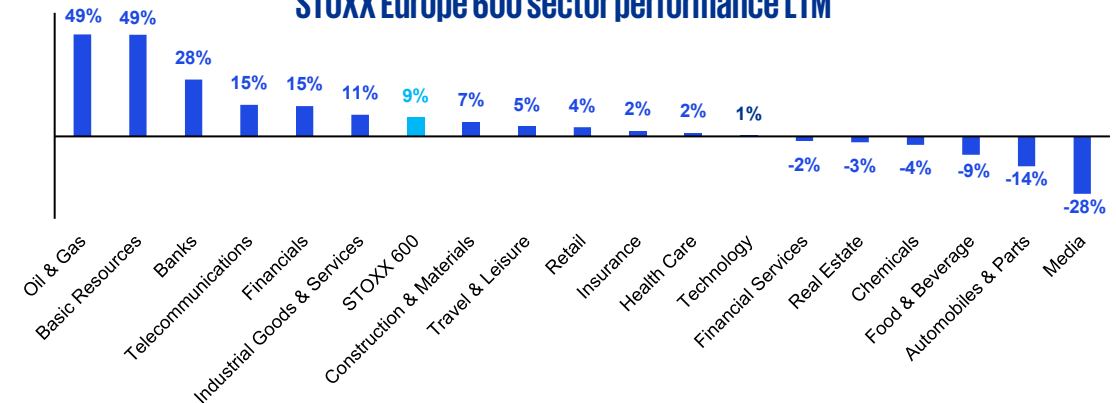
Source: FactSet. Closing prices as of 31 March 2026.

Performance of selected indices

	Value	L1M	L6M	LTM
DAX	22,680	(10.3%)	(5.0%)	2.3%
MDAX	28,151	(10.8%)	(7.0%)	2.8%
ATX	5,343	(6.3%)	15.3%	31.1%
SMI	12,777	(8.8%)	5.5%	1.4%
STOXX 600	583	(8.0%)	4.5%	9.2%
FTSE 100	10,176	(6.7%)	8.8%	18.6%
NASDAQ	21,591	(4.8%)	(4.7%)	24.8%
S&P 500	6,529	(5.1%)	(2.4%)	16.3%

Source: FactSet. Closing prices as of 31 March 2026.

STOXX Europe 600 sector performance LTM



Source: FactSet. Closing prices as of 31 March 2026.



Issuance activity

March saw continued momentum in new European defense issuances, following January's Amsterdam IPO of Czechoslovak Group (CSG) and February's IPO announcement of Gabler Group.

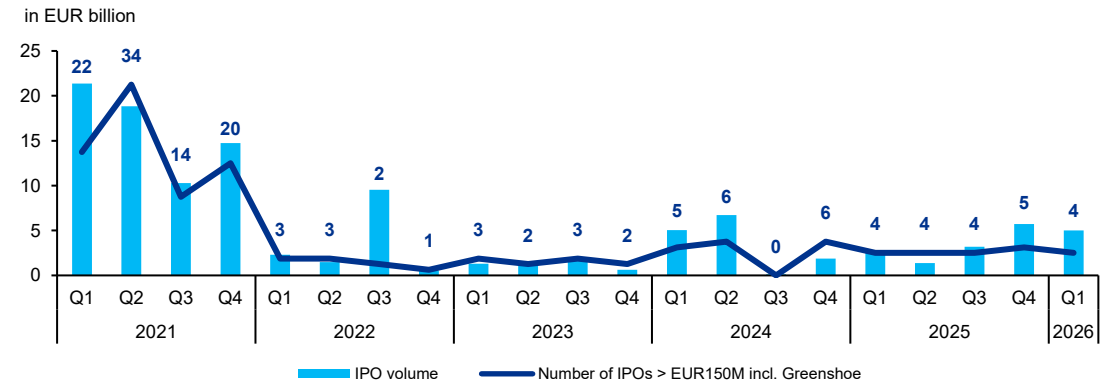
German naval supplier Gabler Group, owned by industrial holding Possehl Mittelstandsbeteiligungen, successfully priced its IPO on 4 March after publishing its "intention-to-float" in mid-February. With a deal size of approx. EUR 133m at an implied market capitalization of approx. EUR 266m, the company commenced trading on the Scale segment of the Frankfurt Stock Exchange.

Two weeks later, German defense-focused power systems supplier Vincorion, backed by private equity firm STAR Capital, followed with its IPO. The offering consisted solely of secondary shares sold by STAR Capital, amounting to approx. EUR 300m, at an implied market capitalization of approx. EUR 850m. Ahead of the transaction, Vincorion secured cornerstone commitments of approx. EUR 105m, roughly one third of the total deal size, from investors Fidelity International, Invesco and T. Rowe Price. Against a backdrop of elevated market volatility driven largely by Iran-related geopolitical tensions, the transaction was executed at a fixed price and within a compressed subscription window, similar to CSG's IPO in Amsterdam earlier this year. Fixed price IPOs remain rather uncommon in Germany, with Vincorion being only the fourth sizeable German IPO in the past decade to adopt this structure. Following pricing on 19 March, the company commenced trading on the Prime Standard segment of the Frankfurt Stock Exchange.

Vincorion represents the third defense-related listing in Europe this year, adding to a small but active group of transactions in the sector that have come to market against a broadly supportive backdrop for defense assets.

Source: Dealogic, KPMG, Germany, 2026.

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



Note: 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: 1) European = Transactions on exchanges in Western Europe, Benelux & Nordics.
Source: Dealogic.

IPO compass and outlook

Selected European IPO emission activity YTD ¹

Pricing	Issuer	Exchange country	Dealogic Sector	Market Cap. (€m) ²	Deal Value (€m) ³	Aftermarket perform.	
						First day ⁴	Current ⁴
Mar-26	Vincorion SE	DE	Defense	850	300	10.0%	(4.5%)
Feb-26	Capital Tankers Corp	NO	Transportation	1,562	370	(9.7%)	(7.1%)
Jan-26	ASTA Energy Solutions AG	DE	Metal & Steel	420	166	35.6%	32.2%
Jan-26	CSG BV	NL	Defense	25,000	3,800	31.4%	(6.6%)

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 31 March 2026. Source: Dealogic.

European IPO outlook

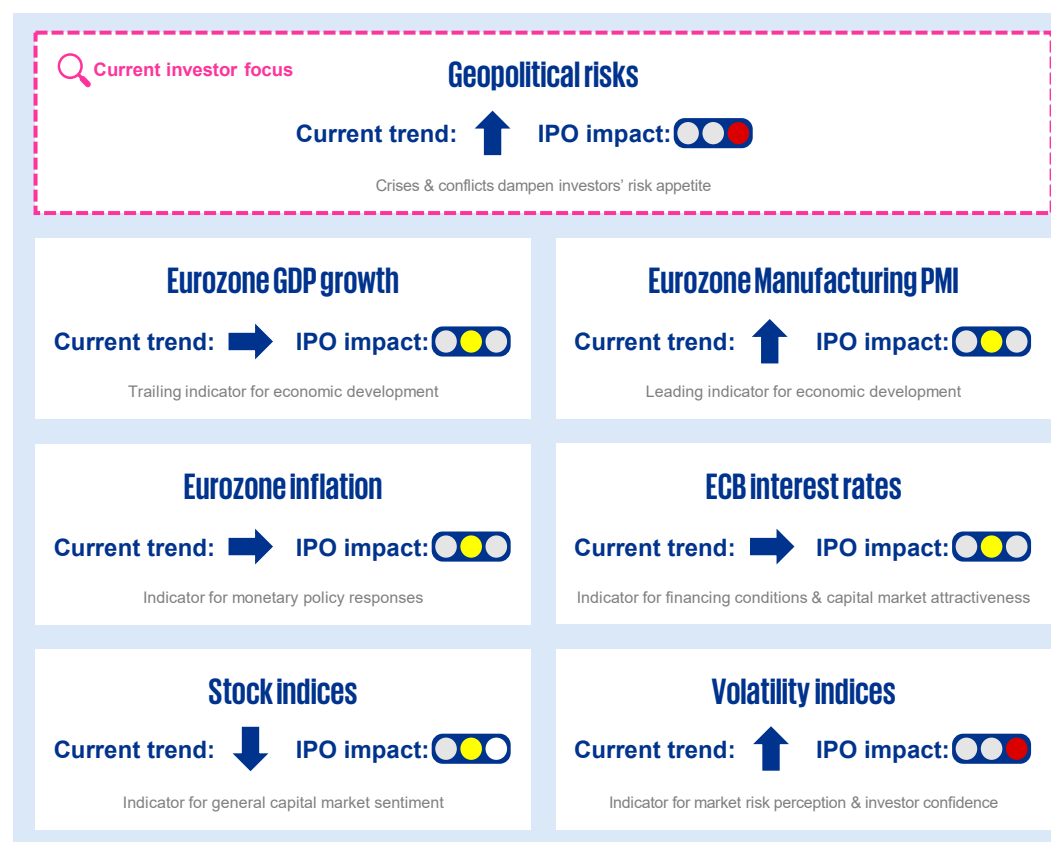
The European IPO pipeline remains solid, but further escalating geopolitical conflicts, elevated volatility and investor caution around the heightened energy prices may increase uncertainty.

Following recent defense sector listings in Q1 2026, Franco-German defense group KNDS, a manufacturer of land-based combat systems and munitions, is reportedly at an advanced stage of its listing preparations, while Poland-based WB Electronics, a provider of military drones, could consider an IPO as early as year-end.

Private equity sponsors continue to underpin IPO momentum, with several portfolio companies cited as potential candidates, including Visma (Hg Capital), IVC Evidensia (EQT), and Odido (Apax/Warburg Pincus), alongside further names such as Leo Pharma and Waterstones. Other candidates reportedly conducting a dual track process comprise mobile.de (Permira/Blackstone) and TK Elevator (Advent/Cinven).

Source: Dealogic, Mergermarket, KPMG, Germany, 2026

Factors influencing IPO market activity



Note: ↑ ➡ ↓: Increase/ flat/ decrease in indicating factor; 🟡🟢🔴: positive/ neutral/ negative impact on IPO activity.
 Source: Dealogic, S&P Global, FactSet, Refinitiv, KPMG, Germany, 2026.

KPMG x Hogan Lovells @ Deutsche Börse

Live Event

IPO insights:

Capital market strategies
at first hand

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Participation is free of charge.

Target group:

Cross-industry, C-Level, Head of Tax,
Finance, Legal, Corporate Development,
Private Equity Portfolio Companies.



Wednesday, 29 April 2026

1:00 – 6:00pm



Deutsche Börse, X-Lounge

Börsenplatz 4, 60313 Frankfurt (Main)



Agenda

- Panel discussion including:
 - Johannes Linden (PFISTERER)
 - Stefan Maassen (Deutsche Börse)
- Ottobock IPO success story
 - Dr. Arne Kreitz
- Overview of the current market environment & IPO timeline
- Required financial data for an IPO and corporate governance requirements
- Pre-IPO restructuring from a legal perspective
- Structural specifics including IPO implementation
- Being-public requirements
- Get-together

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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. The PMI in the Eurozone is based on questionnaires sent to survey panels of manufacturers in Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece, totaling around 3,000 private sector 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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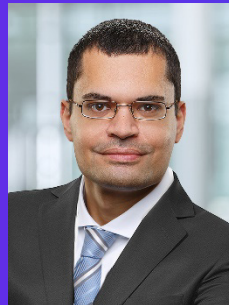
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