

Risk Capital Issuance in Europe Equity and High-Yield Markets in Selected Countries

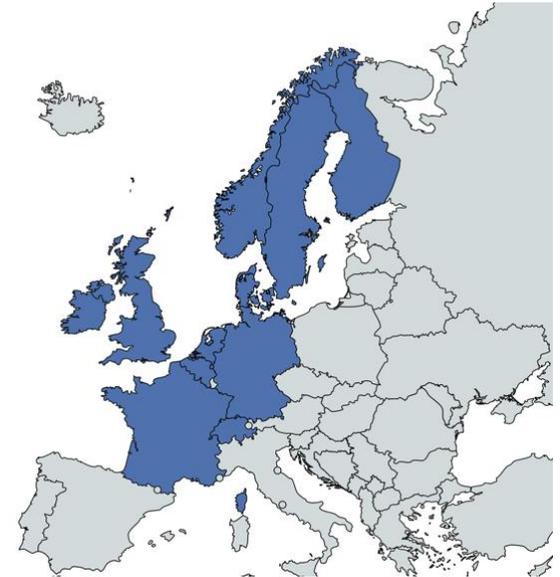
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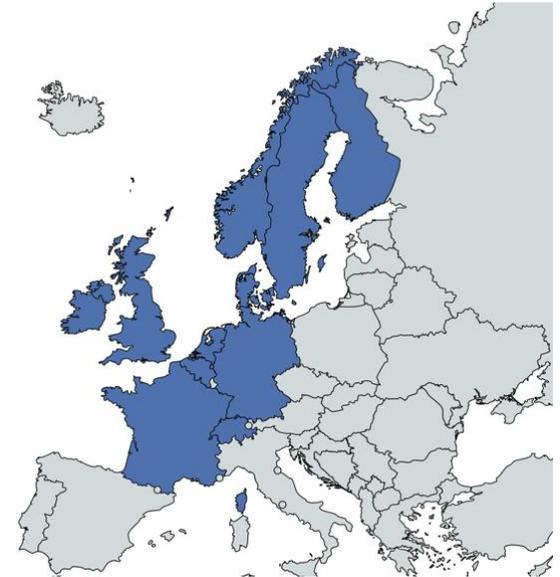
An overview of ECM and HY-DCM issues in selected European countries

1. Europe's capital markets vary significantly in their ability to provide risk capital.
2. The best way to measure market vitality is **primary issuance activity**.
3. Data across key European markets shows a **striking outperformance of Nordic markets**, particularly Sweden and Norway.
4. This is not accidental – it reflects **structural features of the ecosystem**.
5. The strength of these ecosystems depends on **constructive policy and tax frameworks for investors and corporates**



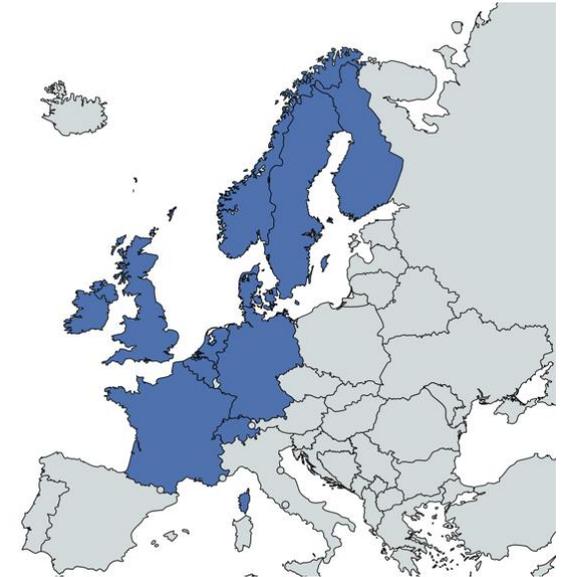
Why Risk Capital Markets Matter

- Efficient capital markets are essential for innovation, growth and industrial renewal.
- Deep primary markets allow companies to raise capital quickly and efficiently.
- Europe shows large structural differences in capital market depth.
- Understanding these differences is important for policy design and market development.



An overview of ECM and HY-DCM issues in selected European countries

- This study analyses historical issuance activity in equity (ECM) and high-yield debt (HY-DCM) across selected European markets.
- The dataset includes approximately **24,000 equity transactions** and **3,100 high-yield bond issues** across exchanges in: France, Germany, the UK, Switzerland, Belgium, Ireland and the Nordic countries.
- These markets are generally regarded as the **most developed risk-capital markets in Europe**.
- The dataset has been **cleaned and harmonised** to ensure comparability across national exchanges.



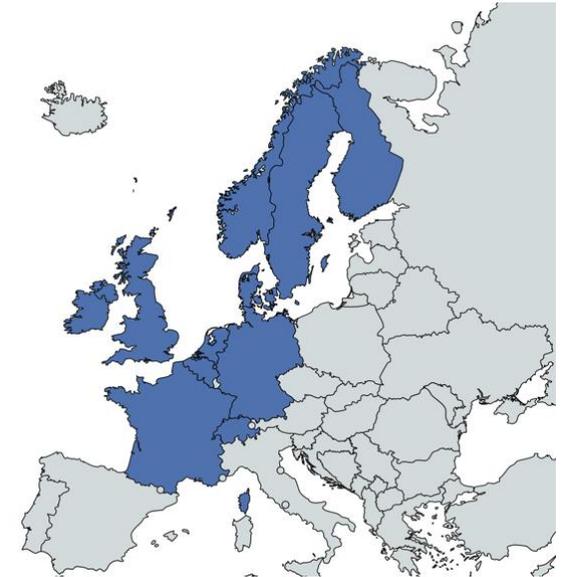
A note on metrics and data

Metrics and Data Sources

- The number of **primary market transactions** is used as the main indicator of a market's ability to provide risk capital.
- Active primary markets reflect a capital market's ability to **efficiently allocate capital to companies and sectors**.
- Markets with consistently high issuance frequency can therefore be regarded as **deep and vibrant risk-capital ecosystems**.

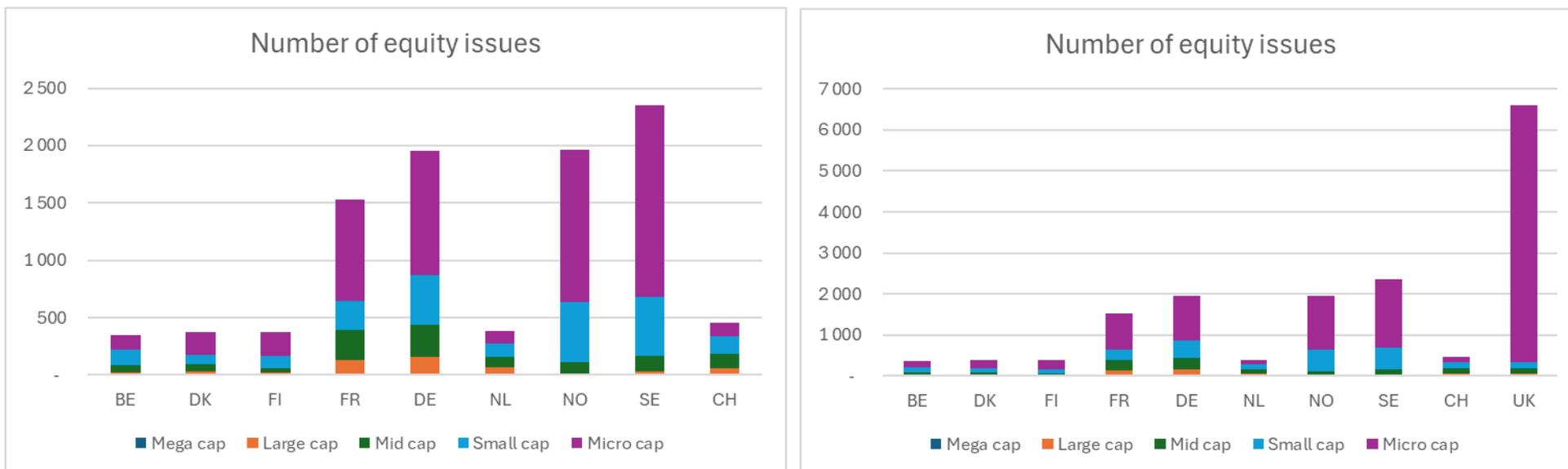
Data sources

- Equity issuance: Dealogic (see separate ECM report)
- High-yield bonds:
 - Dealogic for European markets
 - Stamdata for the Nordic markets
- Nordic high-yield markets include a large share of **unrated bonds**, which are better captured by Stamdata.
- The data approach has been **validated independently by both providers**.



Equity issuance in selected European countries, 2005-2025

(Pre issue market cap > 10 MSD)

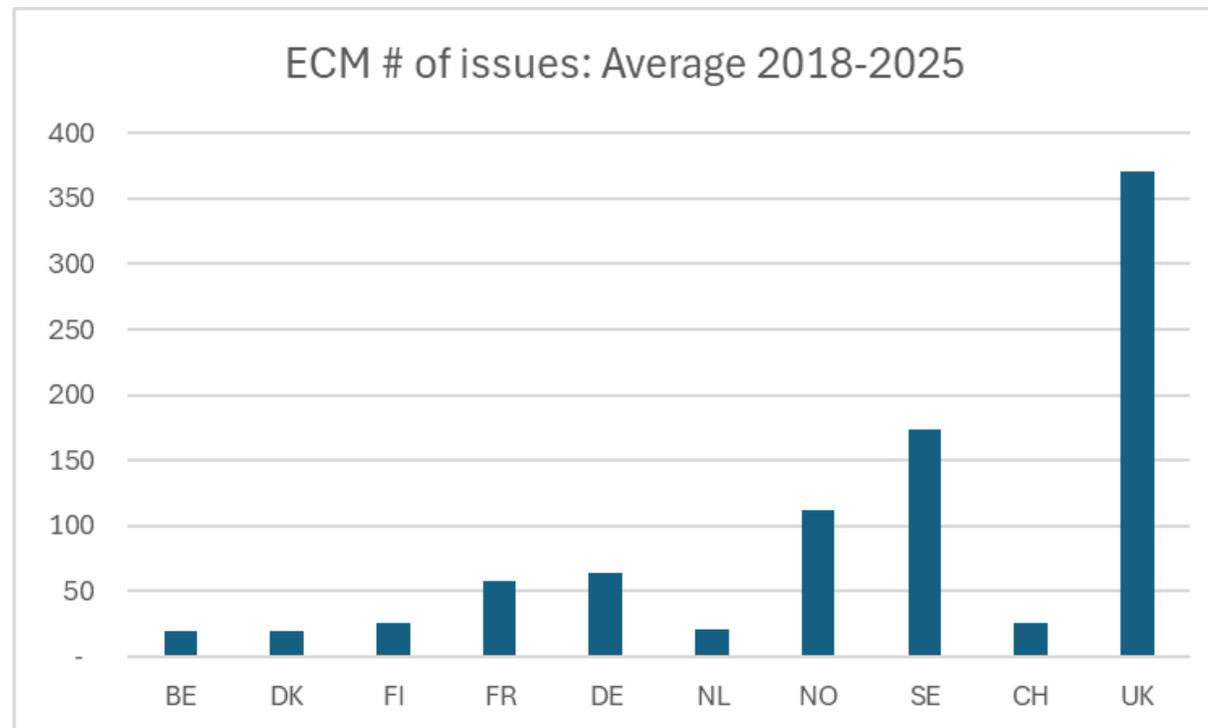


- Equity issuance activity varies significantly across European markets.
- The UK is by far the largest market in absolute terms.
- Among continental European markets, **Sweden and Norway stand out with unusually high issuance volumes**, particularly in small- and mid-cap segments.

Average annual ECM issuance, 2018-2025

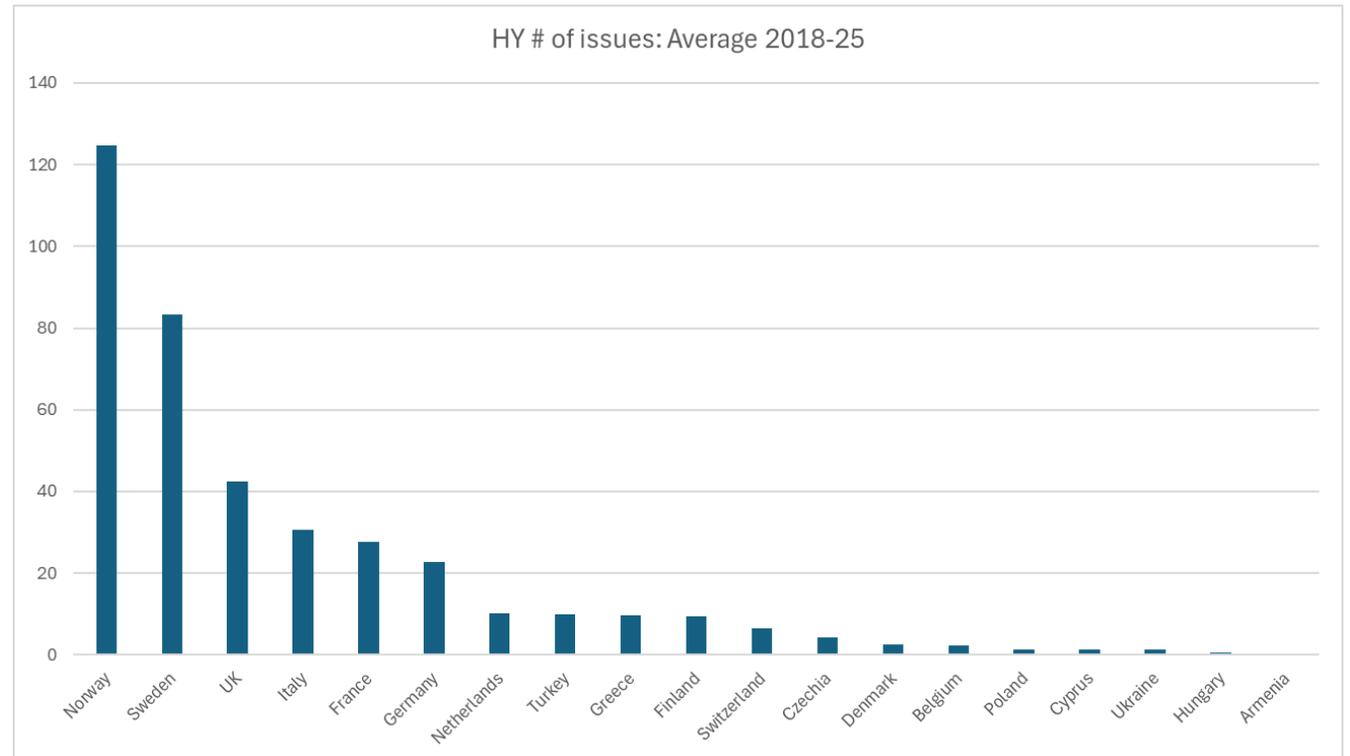
(Pre issue market cap > 10 MSD)

- Equity issuance activity varies widely across European markets.
- The UK remains the most active market, averaging roughly 370 equity transactions per year.
- Sweden and Norway punch significantly above their economic weight, with approximately:
 - 170 issues annually in Sweden
 - 110 issues annually in Norway
- In comparison, most other European markets average 20-60 transactions per year.



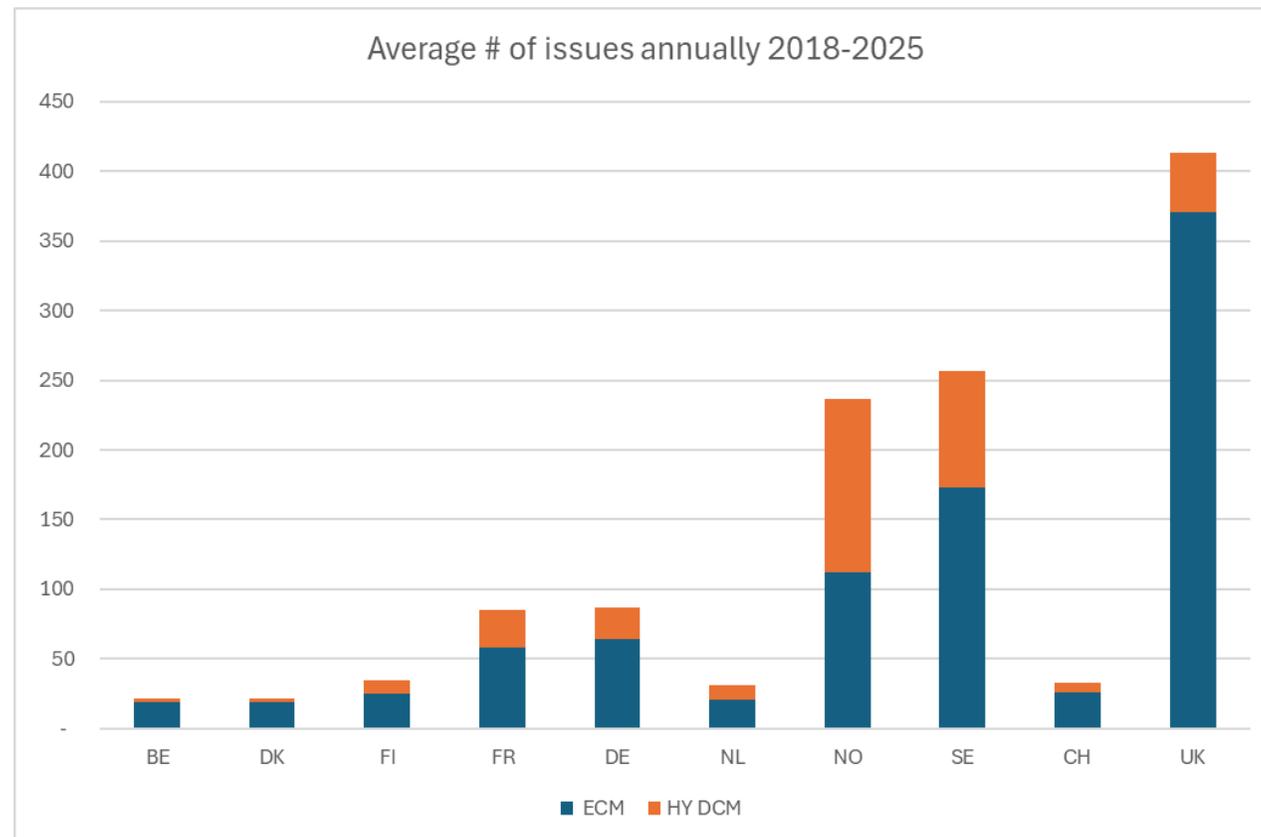
Average annual high-yield issuance, 2018-2025

- High-yield bond issuance shows a similar pattern.
- **Norway and Sweden are the most active markets in Europe.**
- Average annual issuance:
 - Norway: ~125 issues
 - Sweden: ~85 issues
- These levels are **significantly higher than in most other European markets.**
- The UK follows with approximately 40 issues annually.



Combined ECM and HY issuance, 2018-2025

- When combining equity and high-yield issuance, the UK remains the largest market, with more than 400 transactions annually.
- Sweden and Norway rank second, with roughly 250 issues per year.
- Most other European markets fall in the range of 20-80 issues annually.
- On a per-capita basis, the Nordic markets would rank clearly ahead of the rest of Europe.



Key conclusions

Key Findings

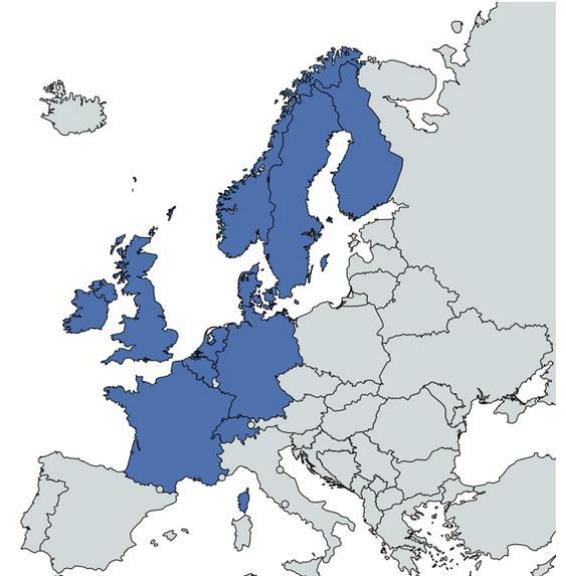
- Based on the data and methodology applied in this study, the **Swedish and Norwegian risk-capital markets stand out as particularly deep and active in a European context.**
- The development of these ecosystems reflects **different historical drivers.**

Norway

- Capital markets evolved around **asset-intensive industries** such as shipping, oil and offshore.
 - These sectors required large amounts of capital and helped build **specialised financing instruments and an international investor base.**

Sweden

- Long-standing **political support for active capital markets**, including favourable tax frameworks and the active role of pension capital.
- Large entrepreneurial successes and exits have helped **recycle capital into the domestic market.**
- However, **future development is not guaranteed.**
- The strength of local capital market ecosystems depends critically on **predictable regulatory and tax environments.**





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