

Study of Initial Public Offerings

Performance of private equity backed Swedish IPOs,
2013-2022

SVCA

Swedish Private Equity &
Venture Capital Association

Summary

Background: This study was done to evaluate the performance of Swedish private equity (PE) backed initial public offerings (IPOs) in comparison to the market as a whole (SAX) and compared to their respective sectors. Listed companies that prior to the listing were owned or partly owned by private equity investors fall under the term PE backed IPOs.

Methodology: The study used financial data from the 10th of December 2013 until the 6th of July 2022. A total of 60 PE backed IPOs occurred during this period and have been analyzed. To fairly evaluate the performance of the IPOs, total return indices have been used. This assumes that net dividends are re-invested in each company. This was also applied to the market index and the respective sector indices.

The sectors in which the analyzed companies operated were “Automobiles and Parts”, “Basic Resources”, “Construction and Materials”, “Consumer Products and Services”, “Energy”, “Financial Services”, “Food, Beverage and Tobacco”, “Health Care”, “Industrial Goods and Services”, “Retail”, “Technology”, “Telecommunication”, and “Travel and Leisure”.

Conclusion: While analyzing the *excess median return* it can be concluded that the PE IPOs perform in line with the overall market and sector indices over the five-year interval and since listing, while overperforming them by over 20% over the one- and three-year intervals. While analyzing the *excess average return* the PE IPOs overperforms the market and sector indices over all time periods by about 50% (average of excess average return).

Swedish PE IPOs from 2013-2022

IPO	Sector	First Day Of Trading	IPO	Sector	First Day Of Trading	IPO	Sector	First Day Of Trading
Sanitec Oyj	Industrial Goods and Services	10-12-2013	Scandic Hotels Group AB	Travel and Leisure	02-12-2015	Handicare Group AB	Health Care	10-10-2017
Bufab Holding AB	Industrial Goods and Services	21-02-2014	Humana AB	Health Care	22-03-2016	Bygghemma Group First AB	Retail	27-03-2018
Com Hem Holding AB	Telecommunication	17-06-2014	Resurs Holding AB	Financial Services	29-04-2016	Calliditas Therapeutics AB	Health Care	29-06-2018
Scandi Standard AB	Food, Beverage and Tobacco	27-06-2014	Wilson Therapeutics AB	Health Care	12-05-2016	Lime Technologies	Technology	06-12-2018
Inwido AB	Construction and Materials	26-09-2014	Nordic Waterproofing Holding A/S	Construction and Materials	10-06-2016	Ascelia Pharma AB	Health Care	13-03-2019
Thule Group AB	Consumer Products and Services	26-11-2014	Nordic Waterproofing Holding AB	Construction and Materials	30-11-2020	Karnov Group AB	Consumer Products and Services	11-04-2019
Eltel AB	Industrial Goods and Services	06-02-2015	AcadeMedia AB	Consumer Products and Services	15-06-2016	EQT AB	Financial Services	24-09-2019
Dustin Group AB	Retail	13-02-2015	Internationella Engelska Skolan i Sverige Holdings II AB	Consumer Products and Services	29-09-2016	Readly International AB	Technology	17-09-2020
Hoist Finance AB	Financial Services	25-03-2015	Ahlsell AB	Industrial Goods and Services	28-10-2016	Nordnet AB	Financial Services	25-11-2020
Troax Group AB	Basic Resources	27-03-2015	Alligator Bioscience AB	Health Care	23-11-2016	Cint Group AB	Technology	19-02-2021
Tobii AB	Technology	24-04-2015	Edgeware AB	Technology	09-12-2016	Pierce Group AB	Retail	26-03-2021
Coor Service Management Holding AB	Industrial Goods and Services	16-06-2015	Oncopeptides AB (publ)	Health Care	22-02-2017	Hemnet Group AB	Technology	27-04-2021
Nordax Group AB	Financial Services	17-06-2015	MIPS AB (publ)	Consumer Products and Services	23-03-2017	RVRC Holding AB	Retail	16-06-2021
Alimak Group AB	Industrial Goods and Services	17-06-2015	Ambea AB (publ)	Health Care	31-03-2017	Cary Group Holding AB	Automobiles and Parts	23-09-2021
Nobina AB	Industrial Goods and Services	18-06-2015	Actic Group AB (publ)	Travel and Leisure	07-04-2017	CTEK AB	Industrial Goods and Services	24-09-2021
Capio AB	Health Care	30-06-2015	Instalco Intressenter AB	Industrial Goods and Services	11-05-2017	Truecaller AB	Technology	08-10-2021
CLX Communications AB	Technology	08-10-2015	Munters Group AB (publ)	Construction and Materials	19-05-2017	Netel Holding AB	Construction and Materials	15-10-2021
Bravida Holding AB	Construction and Materials	16-10-2015	Boozt AB (publ)	Retail	31-05-2017	Byggfakta Group Nordic HoldCo AB	Technology	15-10-2021
Dometic Group AB	Consumer Products and Services	25-11-2015	BONESUPPORT HOLDING AB	Health Care	21-06-2017	Synsam AB	Consumer Products and Services	29-10-2021
Attendo AB	Health Care	30-11-2015	Balco Group AB	Construction and Materials	06-10-2017	Norva 24 Group AB	Industrial Goods and Services	09-12-2021

Market Timing of the IPOs



PE IPO Returns

Average and median returns vs the market index and the sector indices

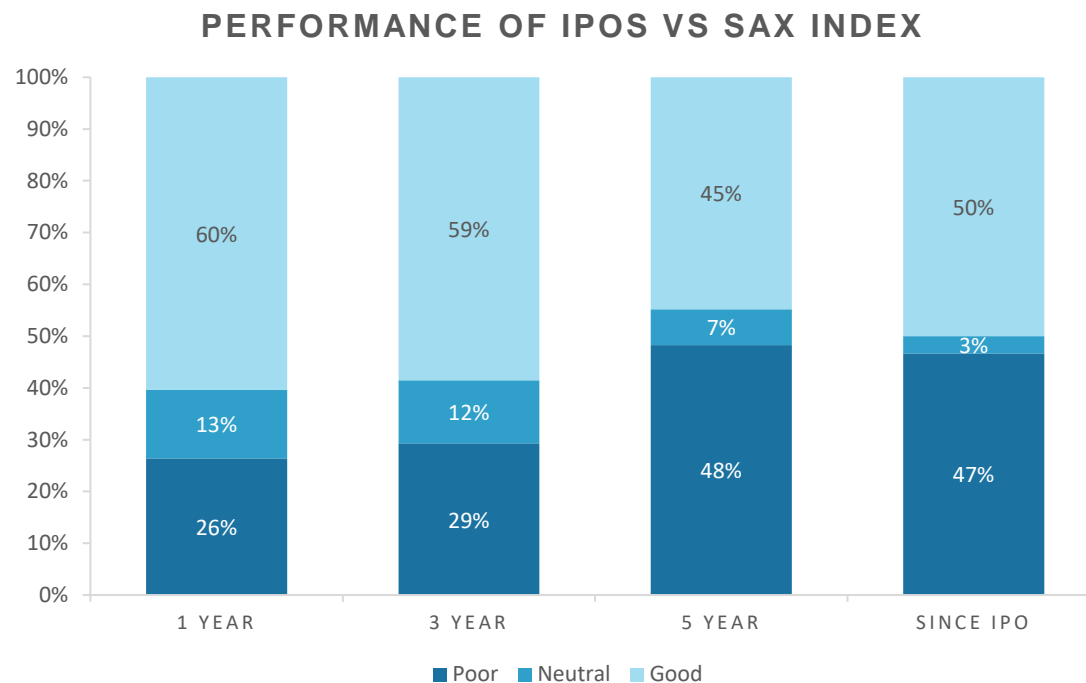
- Returns measured for the PE IPOs, the market index and the sector indices over 4 horizons. E.g., the 1-year column, in the table, represent the average and median return based on 1 year trading performance, starting from the IPO date (irrespective of when the IPO occurred).
- There is a positive average and median total return for the PE-backed IPOs over all time periods.
- PE-backed IPOs, on average outperform the market index and their respective sector indices over all time periods.
- The median performance against the market index is positive or neutral for all time periods while the median performance against the sector indices is positive or neutral except for after 5 years.
- **Conclusion:** PE-backed IPOs on average outperform the market index and their sector indices.

Return on PE IPOs	1 Year	3 Years	5 Years	Since IPO
Absolute average return IPO	23%	71%	180%	93%
Absolute average return market	8%	32%	72%	47%
<u>Excess average return vs market</u>	15%	40%	113%	46%
Absolute median return IPO	21%	42%	64%	21%
Absolute median return market	5%	34%	71%	54%
<u>Excess median return vs market</u>	20%	22%	-1%	4%
Absolute average return sectors	7%	40%	88%	57%
<u>Excess average return vs sectors</u>	16%	32%	97%	37%
Absolute median return sectors	8%	46%	91%	54%
<u>Excess median return vs sectors</u>	23%	24%	-28%	-1%
Sample size	53	41	29	60

IPO Performance (1/2)

Performance vs market index

- Returns measured for the PE IPOs against the market index.
- Performance criteria:
 - **Poor:** The excess return is <-5% vs the market.
 - **Neutral:** The excess return is between -5% and +5% vs the market.
 - **Good:** The excess return is >5% vs the market.
- **Conclusion:** The majority of PE-backed IPOs have a good or neutral performance compared to the market index for all time periods. The outperformance is especially good after 1-year and after 3-years.



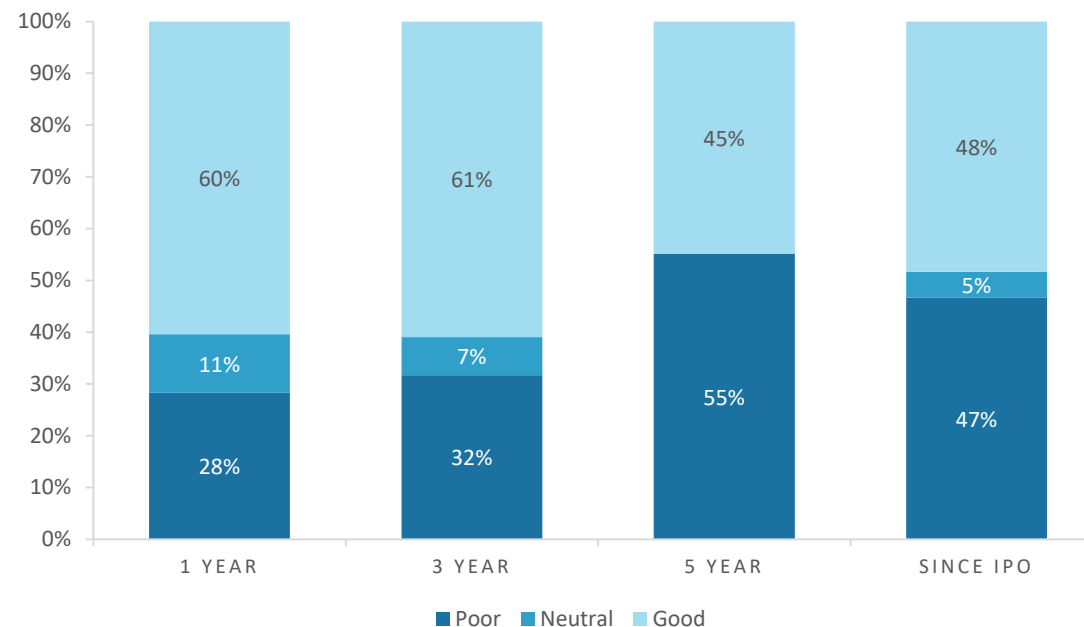
Performance versus the market				
	1 Year	3 Year	5 Year	Since IPO
Good	32	24	13	30
Neutral	7	5	2	2
Poor	14	12	14	28

IPO Performance (2/2)

Performance vs sector indices

- Returns measured for the PE IPOs against their sector indices.
- Performance criteria:
 - **Poor:** The excess return is <-5% vs the market.
 - **Neutral:** The excess return is between -5% and +5% vs the market-
 - **Good:** The excess return is >5% vs the market-
- **Conclusion:** The majority of PE-backed IPOs have a good or neutral performance compared to their respective sector indices for all time periods, except after 5-years. The outperformance is especially noted after 1-year and 3-years.

PERFORMANCE OF IPOs VS SECTOR INDICES



Performance versus the sector indices				
	1 Year	3 Year	5 Year	Since IPO
Good	32	25	13	29
Neutral	6	3	0	3
Poor	15	13	16	28

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