

The number of firms that list their shares on the Amsterdam stock exchange reached a record high in the early 1930s and has since fallen. The influx of new listings through Initial Public Offerings (IPOs) is insufficient to compensate for delistings due to takeovers, bankruptcies, mergers and privatizations. Such a decline is also observed in other countries, so that the trend in the Netherlands cannot simply be attributed to a changing role of its stock exchange in the international capital markets. In order to understand the decline in the number of listings, Wilco Legierse investigates in this dissertation which factors determine the influx of newcomers on the basis of Dutch and Belgian historical data. In addition, he investigates the causes of a persistent phenomenon with respect to the pricing of stock IPOs, so-called underpricing.

Wilco's dissertation demonstrates that a firm's capital need, the role of the Amsterdam stock exchange in the Dutch capital market and investors' sentiment were strong drivers for hot IPO-markets between 1876 and 2015 in the Netherlands. An analysis with Belgian data shows that stock IPOs between 1839 and 1935 were neither complementary nor substitute to bond IPOs and that an abrupt drastic relaxation of stock market regulations in 1873 did not immediately increase the number of both types of IPOs. With regard to pricing, Wilco provides evidence that Dutch stock IPOs were on average underpriced in the interwar period and that the level of underpricing fluctuated with the sentiment on the Amsterdam stock exchange, independent of the offering method.

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WILCO LEGIERSE

The Timing and Pricing of Initial Public Offerings

Evidence from the Low Countries



