

## **Abstract**

This thesis investigates the performance of private equity backed IPOs. We have examined the European market in the period between 2000 and 2017 when the IPO activity experienced enormous growth. The main task was to assess whether the PE-backed IPOs evince superior performance when compared to their non-sponsored peers and the market. Further, we have examined the effect of the so-called valuation drivers on the IPOs' performance. To assess the IPOs' performance, we used the buy-and-hold abnormal returns with bootstrapped skewness adjusted t-statistics. In case of the valuation drivers' effect, OLS regression was applied. The main findings were that the PE-backed IPOs in Europe overperform the market, mainly due to IPOs in the UK and Western Europe. The PE-sponsored IPOs also overperform their non-sponsored peers, mainly due to IPOs in the UK, Western and Northern Europe. In case of the valuation drivers, we observed several significant correlations, however, their explanation power was negligible.