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**[The Impact of Football Events on IPO Performance: A Comparative
Analysis of France, the United Kingdom, Japan, and Australia]**

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Abstract

This study examines the impact of multiple football events on the first day and the first month returns of Initial Public Offerings (IPOs) in France, the United Kingdom, Japan, and Australia. Basic regressions were performed on the first day and first month returns without controls or fixed effects, followed by additional regression for both returns, including two control variables and year-fixed effects for robustness. The analysis revealed that IPOs listed during the World Cup in football, exhibit lower first-day abnormal returns of 2.3% in France, 2.9% in the United Kingdom, 31.6% in Japan, and 23.5% in Australia. Similarly, first-month returns for World Cup IPOs are also lower in France by 9.3%, Japan by 18.2%, and lower in Australia by 18.3%, while the United Kingdom shows a higher first-month return of 4.2%. The lower returns for World Cup listings are attributed to lower consumer sentiment as less focus will be on the IPOs due to the event taking place. Additionally, it was found for France and Japan more negative results were found for their respective continental cup, supporting the hypothesis. However, this result was inconsistent for the United Kingdom and Australia. Finally, it was concluded that hosting the World Cup tends to have a generally more positive impact on France's first day and first month for most regressions.

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1. Introduction

Major sporting events such as the World Cup are a global spectacle that many people from all around the world tune in to watch at the same time. The FIFA World Cup final in 2022 reached close to 1.5 billion viewers according to sources such as FIFA and Sports Pro Media underscoring the popularity and attraction of these events. Understanding how these massive spectacles affect the financial markets holds significant relevance in understanding the dynamics between real-life events and financial markets. It could offer insight into investment behavior and market sentiment during times of heightened global attention. The findings could inform market participants, policymakers, and corporate strategists about the implications of major sporting tournaments on capital market activities.

The literature on the impact of sporting events on financial markets is extensive. Kaplanski, and Levy (2010) delved into the area by examining the relationship between how the World Cup affects the U.S. stock market finding that the World Cup effect is larger, and long-lasting between 1960 and 2007, the average return on the U.S. stock market over the World Cups effect period is -2.58% compared to the 1.21% for all-days average returns over the same period length. More relevant to this study are Fjesme, and Shekhar (2023), who explore the relationship between the World Cup and its effect on the Initial public offering market in the U.S., for which they concluded that first-day returns, first-month returns, and adjustments are significantly smaller for IPOs listed during a World Cup compared to not listed during World Cup. This research aims to study the relationship between major football events such as the FIFA World Cup, the UEFA Euros Cup, and the AFC Asian Cup, and their impact on the IPO market. We will mainly look at how the IPOs perform on the first day and one month after listing, using adjusted returns calculated through market indexes to further isolate the effect of these events. This brings us to the main research question for this paper;

How are IPO returns impacted by global footballing events such as the World Cup?

The main focus of this paper will be the World Cup, given its global popularity and the research will cover France, the United Kingdom, Japan, and Australia. ¹

¹ The FIFA World Cup, UEFA European Championship (Euros), and AFC Asian Cup are international football tournaments organized by the Fédération Internationale de Football Association (FIFA), Union of European Football Associations (UEFA), and Asian Football Confederation (AFC), respectively. They are held every four years. The World Cup features the best national teams from around the world, while the Euros and Asian Cup only feature the best national teams from their respective continents (Europe and Asia).

Additionally, this study will examine the Euros for the United Kingdom and France, and the Asian Cup for Japan and Australia, to compare the impact of continental tournaments with the World Cup. Data will be sourced from different financial databases including Eikon Refinitiv and DataStream database.

This paper adds to existing literature in several ways. Firstly, it expands on the relevant literature regarding IPO first-day returns and first-month returns across four different countries, extending previous studies by Lee, et al. (1996) as well as Ritter and Welch (2002) over a more recent and extended period. Secondly, it broadens the research on the impact of footballing sporting events on the IPO market, building on the work of Fjesme, and Shekhar (2023) (which is the only research done thoroughly in this specific area) by including different countries and tournaments. It is expected that IPOs issued during a World Cup will exhibit lower first-day and first-month returns across the four countries compared to non-world cup listings. For France and the United Kingdom, where football is more popular, we expect more pronounced results. Finally, similar to research by Harjito, and Dewi (2021), it is expected that French IPOs listed during their hosting of the 1998 World Cup will perform better than the average IPOs issued during other World Cups.

The main results of this paper showed that IPOs listed during the World Cup in football compared to IPOs listed during a non-World Cup period, exhibit lower first day of 2.3% in France, 2.9% in the United Kingdom, 31.6% in Japan, 23.5% in Australia. First-month returns for IPOs listed during a World Cup, compared to IPOs listed during a non-World Cup period are also lower in France by 9.3%, Japan by 18.2%, and Australia by 18.3%, while the United Kingdom shows a higher first-month return for IPOs listed during a World Cup by 4.2%. The lower returns for World Cup listings are attributed to lower consumer sentiment as less focus will be on the IPOs due to the event taking place. France and Japan showed more negative results for their respective continental cup, supporting the hypothesis. However, this pattern was inconsistent for the United Kingdom and Australia. Finally, we concluded that hosting the World Cup tends to have a generally more positive impact on France's first day and first month for most regressions.

2. Theoretical Framework

2.1. Literature Review

In this section, relevant past literature will be discussed to understand and show how the work done in this paper fits into and builds upon what has already been researched.

2.1.2 Financial Performance and Sporting Events/Sentiment

Previous papers have explored various areas of research relating to the link between sporting events and financial performance, which is a crucial component of this paper. Fjesme and Shekhar (2023) investigate the impact of the World Cup on the U.S. IPO market using data from IPOs between 1985 and 2020. They find that World Cup IPOs, in comparison to non-World Cup IPOs, exhibit 3.37% lower first-day returns and 6.60% lower first-month returns, along with 3.41% lower price adjustments (changes made to the initial price range or final offer price of a company's share prior to being publicly traded), and higher long-run returns (for the 6-month they found a buy and hold excess return of 8.42% higher for World Cup IPOs, becoming more pronounced over 9 and 12 months). They additionally went through various robustness checks in order to ensure their results were not only driven by weather effects or due to a technology bubble but also because of sports sentiment. In their paper, they attributed the World Cup effect to the lower demand caused by foreign (non-US) sentiment investors. Edmans, García, and Norlim (2007) examined the effect of investor sentiment on asset prices from 1973 to 2004 in the World Cup and the main continental cups such as the European Championship, Copa America, and the Asian Cup. They find that losses in football matches have a significant negative effect on the losing country's stock market. This would mean that after a team gets eliminated from a major international football tournament, the national stock market index is 38 basis points lower than average (the effect is stronger for smaller stocks). The excess returns associated with football loss exceed 7%. The World Cup showed larger loss effects than the continental cup games for all three group

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Alex Edmans, Diego García, & Øyvind Norli. (2007) provide three explanations for this asymmetry: i) Many studies show a significant difference in the behavior of fans following wins and losses, where the impact in the latter case is much stronger. ii) If we assume that the reference point of soccer fans is that their team will win (which is usually the case due to fans' "allegiance bias") then, according to Kahneman and Tversky's (1979) prospect theory, the impact of a loss would be much stronger than the impact of a win. iii) There are completely different repercussions to a win than to a loss in the World Cup; a loss means that the team is no longer in the competition, whereas a win merely advances the team to the next step.

See Alex Edmans, Diego García, & Øyvind Norli. (2007) for further research on the effect of investor sentiment on asset prices for other sports (cricket, rugby, Ice hockey, and basketball)

games, and the loss effect is larger for elimination games compared to group games. The ³effect is more pronounced in countries where football is more important, for games in the World Cup. Moreover, they also find a loss effect after international cricket, rugby, and basketball games.

Kaplanski and Levy (2010) research exploitable predictable irrationality, providing research on the US market for the 2006 World Cup. They develop a practical method to exploit the asymmetric characteristics of the football sentiment effect. They find that the World Cup effect is larger, highly efficient, and long-lasting. Between 1960 and 2007, the average return on the U.S. stock market over the World Cup effect period is - 2.58% compared to the 1.21% for all-days average returns over the same period length. The impact of the England national football team's success on the London stock exchange performance is investigated by Ashton, Gerrard, & Hudson (2003). Their findings concluded that good performance is followed by good market returns (and vice versa for poor performance). More important games such as tournament matches have a larger influence over share price movements compared to less important games such as friendly matches. Harjito, Alam, and Dewi (2021) analyze the influence of hosting major international sporting competitions on the host countries' stock market performance, before and after the announcement of the events. They use the 18th Asia Games and 30th Southeast Asian Games hosted by Indonesia and the Philippines, respectively. Their findings concluded that only the Philippines Stock Exchange (PSE) experienced a significant positive cumulative average abnormal return (CAAR) for the event. Kaplanski and Levy (2010) in a different paper about sentiment and stock prices examine large-scale aviation disasters. They find that aviation disasters are followed by negative rates of stock market returns followed by a reversal effect two days later. Psychological studies showed that exposure to media coverage of aviation disasters could provoke bad moods, anxiety, and fear which may induce more pessimistic behavior in people, or not take risks or both. When anxiety subsides or when sophisticated investors exploit the effect, a reversal in the stock market takes place. Fedorova, Druchok, and Drogovoz (2022) find that news sentiment regarding certain topics (climate change, environmental policies, and the trade war between the US and China) has an influence on IPO underpricing if they appear in the media prior to the IPO day. The more negative the discussion of a company that is about to go public, the greater the underpricing of that company measured by initial return.

³ Underpricing and first day returns are calculated the same way. There are two main ways to calculate them. The most commonly used way is the one used in this paper, using the offer price. The other method replaces the offer price with the opening price of the IPO on the first trading day. Important to note different studies obtain different underpricing results due to distinct sample sizes, and years, and outlier treatment.

4.2.1.3. IPO performances (First day/month returns, Long-run averages, trends)

Ritter and Welch (2002) investigated IPOs in the U.S. between 1980 and 2001, finding that the average first-day return is 18.8%. Around 70% of IPOs end the first trading day at a closing price greater than the offer price and about 16% have a first-day return of 0%. The IPO return for investors buying shares at the first-day closing price and holding for three years is 22.6%. The three-year average market-adjusted return on IPOs is -23.4%. They find that IPOs have high levels of systemic risk and tend to act like risky stocks. Ritter (1991) additionally documents also using U.S. IPOs between 1975 and 1984 that IPOs produce, an average initial return estimated at 16.4%, and in the long run IPOs appear to be overpriced. The average holding period return was 34.47% in the 3 years after going public, and a control sample of listed stocks, matched by industry and market value showed results of an average return of 61.86% over the same 3-year holding period. This shows a clear underperformance. Research on UK IPOs between 1980 and 1988 written by Levis (2011) finds that average first-day returns are 14.3%, while first partial. Month returns are 14.75%. They also conclude that similar to the U.S. market there was long-run underperformance of IPOs in the UK market. Brown (1999) researched IPOs between 1990 and 1995 and found that on average first-day returns are 8.70%, and over 36 months IPOs delivered a negative abnormal performance of 13.88%.⁵Goergen, Khurshed, and Mudambi (2007) studied the periods 1991 to 1995. They find that the percentage of equity issued and the degree of multinationality of a firm are the key predictors of its performance after the IPO. The degree of multinationality has a positive influence on its long-term stock return. The size of a firm has a positive impact on the long-run performance of the firm in the post-IPO period. And the greater the extent of dilution of the original shareholders' ownership at the time of the offering, the worse the long-term performance. Lee, et al. (1996) investigated Australian IPOs between 1976 and 1989, finding the average raw underpricing was 16.4% with the market-adjusted return lowering estimated underpricing noticeably, while the equally weighty cumulative abnormal return at month 36 showed poor performance at -51.26%. Izan and Monroe (1995) find that Australian IPOs (1980-1990) have a raw underpricing of 19.74% and when adjusted from market movements it is 8.72%. Additionally, they find that firms with more information available about them are on average less underpriced. Perera and Kulendran. (2016) found that IPOs between 2006 and 2011 were underpriced by 25.47% based on abnormal returns and 26.43% raw returns on the first-day primary market. Bird and Yeung (2010) find for IPOs between 1995 and 2004 the average initial return was 37.35% and IPOs with high institutional ownership outperformed the lower institutional ownership IPOs by over 53%. Da Silva

⁴ The holding period return is measured from the closing market price on the first day of public trading to the market price on the 3-year anniversary. See Ritter, J., & Welch, I. (2002) for further research on reasons for going public, the pricing and allocation of shares, and long-run performance.

⁵ The primary market refers to where new securities are issued/sold for the first time. The sale of securities goes directly to the issuer. The secondary market refers to the market where already issued securities are being bought and sold by investors who have no involvement with the issuing companies/entities.

Rosa, et al. (2003) conclude that non-venture capital (VC) backed IPOs in Australia have an average underpricing of 24.49% and VC-backed IPOs have an average underpricing of 33.07%. Dimovski and Brooks (2004) who investigated Australian IPOs between 1994 and 1999 found an underpricing of 25.6% and a first-month excess return of -1.6%. It was also found that the stronger the market sentiment during the period of float the higher the underpricing return. Gong and Shekhar (2001) find that privatized Australian IPOs are underpriced about 11%. Derrien and Womack (2003) find an average underpricing of 13.23% for French IPOs between 1992 and 1998 and also find that market return which is a proxy for overall market price momentum in the 3 months before an offering is a significant ex-ante predictor in the level underpricing in French IPOs. Chahine (2008) finds that for IPOs in France (1997-2000) the first-day returns are equal to 22.7% on average, and there is an existence of a large number of less prestigious underwriters in the French market (according to the average rank for French IPOs) Isobe, et al. (1998) find that Japanese IPOs (between 1975 and 1989) have raw mean initial returns of 41% and the adjusted initial returns are almost identical, while Walter, et al. (1950) report mean initial returns of 32.24% (between 1981 and 1991). Kirkulak (2008) found that Japanese IPOs (between 1998 and 2001) have an average initial return of 50%, and VC-backed IPOs have a higher underpricing (52.15%) than non-VC-backed IPOs (41.49%), however, their t-statistic showed no significant difference. Ikeda (2023) observes that the mean level of optimism and divergence of investors' opinions cause overvaluation of the aftermarket price, while only the level of investor's optimism has a statistically significant power in explaining post-IPO performance for Japanese IPOs (1993-1997). The findings suggest that underperformance is primarily due to post-IPO correction of the mean level of optimism and the value of resale options depends mainly on the mean level of optimism. ⁶Aggarwal, et al. (1993) explore the IPO performances for Brazil (198-1990), Chile (1982-1990), and Mexico (1987-1990). The initial one-day returns for Brazil, Chile, and Mexico are found to be 78.5%, 16.7%, and 2.8%, respectively. While the long-run mean adjusted returns are -47% for Brazil after three years and -23.7% for Chile. The one-year mean excess return is -19.6% for Mexico. Minardi, et al. (2013) investigated the performance of Brazilian IPOs between 2004 and 2006, providing tests for how PE-backed IPOs perform. PE-backed IPOs are found to perform better in the long term. Moreover, Amorim, et al. (2021) find that economic activity and uncertainty have long-run effects on both the proceeds and the number of IPOs, and interest rates have a long-run relationship with the IPO proceeds (research on Brazilian IPOs). Elston and Yang (2010) found for German IPOs (1996-2001) that venture capital does not have much of a significant impact on underpricing in Germany, and Ljungqvist (1997) found that the average IPO underpricing is 9.2% in Germany, with a loss of 12.1% after three years. Beatty and Ritter (1986) find there is a positive relation between ex-ante uncertainty and an IPO value and its expected return. Aggarwal, et al. (2002) concluded that information momentum is

⁶ To see further results on the performance of PE-backed and non-PE backed IPOs in Brazil see Minardi, A. M. A. F., Ferrari, G. L., & AraújoTavares, P. C. (2013)

created by underpricing shifting a firm's stock demand curve outwards, generating higher prices at lockup expiration, when managers have their first opportunity to sell shares. Managers accept substantial underpricing in order to maximize personal wealth. Moreover, managerial shareholdings were found to be positively correlated with first-day underpricing. Brav and Gompers (1997) studied the differences in VC-backed and non-VC-backed IPOs (1972-1992) and found that VC-backed IPOs outperformed non-VC-backed IPOs using equal weighting returns. Value weighting significantly reduces performance differences, substantially reducing underperformance for non-VC-backed IPOs.

2.1.4. Most Relevant Literature

In this section, the most important pieces of literature relevant to the main research question will be reviewed.

Fjesme and Shekhar (2023) found that the U.S. World Cup IPOs compared to non-World Cup IPOs, exhibit 3.37% lower first-day returns and 6.60% lower first-month IPOs. The World Cup effect was attributed to the lower demand caused by foreign (non-US) sentiment investors. Edmans, García, and Norlim (2007), find that losses in football matches have a significant negative effect on the losing country's stock market, with larger loss effects during the World Cup compared to continental Cups. Kaplanski and Levi (2010), found the average return on the U.S. stock market during the World Cup period is -2.58% compared to the 1.21% for all-days average returns over the same period length. Ashton, Gerrard, and Hudson (2003), find that good performance in tournaments leads to good market returns, with larger impacts from tournament matches compared to friendlies. Harjiuto, Alam, and Dewi (2021), concluded the Philippines Stock Exchange (PSE) experienced significant positive cumulate average abnormal returns (CAAR) for the 30th Southeast Asian Games.

2.2. Hypothesis Development

Edmans, et al. (2007) analyzed the effects of investor sentiment on asset prices using different football events across countries in their research. They concluded that countries, where football is more popular, presented stronger effects (negative and positive), therefore suggesting the degree of football's popularity influences market reactions. Building on their findings, this paper will examine IPO returns rather than stock returns in four different countries. This will give insight as to how geographic location could affect the variation in results for the IPO market across countries and continents. More specifically, the countries that will be investigated include France, the United Kingdom in Europe, Japan in Asia, and Australia. Based on the findings of Edmans, et al. (2007) the following hypothesis is proposed:

H1: In countries for which football is more popular, the World Cup Listing variable will have a larger impact on IPO first-day and first-month returns.

To define where football is most popular, we look at Richter (2024), a Statista chart showing the share of sports fans who follow football. For the four countries, the ranking places the United Kingdom as the most popular at 81% closely followed by France at 72%, leaving Japan and Australia behind them at 42%, and 37% respectively.

For the second hypothesis, we revisit the research done by Edmans, et al. (2007). They find that losses in football events lead to significant negative effects on the losing countries' stock market performance, with the World Cup showing larger loss effects than the continental cups (like the Euros and the Asian Cup). This prompts the question of whether IPOs will experience first-day and first-month returns depending on whether the event is the World Cup or a continental cup, leading to the following hypothesis:

H2: The World Cup will produce larger (more negative/more positive) effects on the performance of IPOs both for the first-day returns and first-month returns compared to continental cups.

The third and final hypothesis looks at the paper by Harjito, et al. (2021). They concluded that being a host nation in a major sporting event has significant effects on the country's stock exchange (their paper covered the Philippines stock exchange). However, this paper will focus on the effects of the French World Cup in 1998 on the IPOs issued during that period to see how it compares to the average effect a World Cup would have, prompting the final hypothesis:

H3: Hosting the 1998 World Cup will lead to larger IPO returns both for the initial first-day returns and first-month returns for French IPOs issued during that period compared to the average performance for IPOs issued during World Cups.⁷

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Alex Edmans, Diego García, & Øyvind Norli. (2007) provide three explanations for this asymmetry: i) Many studies show a significant difference in the behavior of fans following wins and losses, where the impact in the latter case is much stronger. ii) If we assume that the reference point of soccer fans is that their team will win (which is usually the case due to fans' "allegiance bias") then, according to Kahneman and Tversky's (1979) prospect theory, the impact of a loss would be much stronger than the impact of a win. iii) There are completely different repercussions to a win than to a loss in the World Cup; a loss means that the team is no longer in the competition, whereas a win merely advances the team to the next step.

See Alex Edmans, Diego García, & Øyvind Norli. (2007) for further research on the effect of investor sentiment on asset prices for other sports (cricket, rugby, Ice hockey, and basketball)

3. Data

3.1. Sample and Data Collection

Data for this research was taken from the Refinitiv Eikon database to identify IPOs from France, the United Kingdom, Japan, and Australia using all the IPOs available (periods are between, 1984-2023, 1982-2023, 1991-2023, and 1978-2023, respectively). The main reason the data wasn't specifically taken from 1983 (when the first cycle started for the Euro/Asian Cup) was to get as much data for the average first-day returns and first-month returns for the IPOs. The final sample consists of 498 IPOs from France, 1,491 from the United Kingdom, 1,913 from Japan, and 2,139 from Australia. Concluding a total of 6041 IPOs across the four countries (this can also be seen in Table 4). The computation for Japan was slightly different due to a currency error occurring in Eikon Refinitiv. The full explanation for this can be found in Appendix A. Moreover, the DataStream database was used to find information on the indexes from France, the United Kingdom, Japan, and Australia.

Data for the dates of the FIFA World Cup are obtained from the FIFA website, the dates for the UEFA Euros are obtained from the UEFA website, and finally, the dates for the AFC Asian Cup are obtained from the AFC website.

Table 1 shows the sample summary. The sample is split into four-year World Cup cycles shown in column 1. Column 2 shows the total number of IPOs per cycle, while column 3 shows the number of IPOs when the World Cup is not taking place and column 4 shows the number of IPOs issued when the world cup is taking place between 1985 and 2024. Furthermore, columns 3 and 4, are split into 4 sub-columns indicating the specific country and their respective IPO listings. The number of IPOs during the World Cup has a range from as high as 46 IPOs during the 2006 World Cup in Germany to as low as 0 IPOs taking place in a World Cup. Columns 5, 6, and 7, provide information on the World Cup host countries, start day and end day, respectively. The World Cup for 9 of the 10 took place during the spring/summer months in the northern hemisphere, except for the World Cup hosted in Qatar which took place during the winter months in the northern hemisphere. Furthermore, similar Tables A2 and A3 are found in the appendix which share similar information but rather than on the World Cup it is on the UEFA Euros Cup and the AFC Asian Cup with the respective countries.

Table 1

FIFA World Cups in Football

(1) Period	(2) Number of IPOs	(3) Number of IPOs with World Cup Listing = 0				(4) Number of IPOs with World Cup Listing = 1				(5) World Cup Host Countries	(6) World Cup Start Day	(7) World Cup End Day
		France	United Kingdom	Japan	Australia	France	United Kingdom	Japan	Australia			
1985-1988	11	1	9	0	1	0	0	0	0	Mexico	31-May-86	29-Jun-86
1989-1992	62	0	3	28	30	0	0	0	1	Italy	08-Jun-90	08-Jul-90
1993-1996	491	23	45	224	189	1	2	3	4	USA	17-Jun-94	17-Jul-94
1997-2000	330	25	45	120	112	16	1	3	8	France	10-Jun-98	12-Jul-98
2001-2004	846	39	301	237	262	0	2	5	0	South Korea and Japan	31-May-02	30-Jun-02
2005-2008	1466	168	371	305	576	10	17	10	9	Germany	09-Jun-06	09-Jul-06
2009-2012	440	54	96	95	187	1	4	2	1	South Africa	11-Jun-10	11-Jul-10
2013-2016	910	61	242	302	261	7	18	8	11	Brazil	12-Jun-14	13-Jul-14
2017-2020	861	43	180	357	241	5	18	11	6	Russia	14-Jun-18	15-Jul-18
2021-2024	615	43	129	189	231	0	1	14	8	Qatar	20-Nov-22	18-Dec-22
Total	6032	457	1421	1857	2090	40	63	56	48			

This table shows sample periods 1985 to 2024, in four-year World Cup cycles (column 1), the total number of IPOs per cycle (column 2), the number of IPOs per cycle during a non-World Cup period (column 3), the number of IPOs per cycle during a World Cup period (column 4), the World Cup host countries (column 5), the starting day of each World Cup (column 6), the ending day of each World Cup (column 7).

3.2. Descriptive Statistics

Table 4 provides descriptive statistics for the full sample of IPOs across the four countries. The definitions for the individual variables can be found in Table A5 in the appendix. Firstly, we look at the first-day returns and first-month returns. We only look at the adjusted returns (especially since the results are very similar for raw and adjusted returns), which are the returns after accounting for the performance of a relevant market index. Section 4.2. shows the calculation for the returns. The mean (median) for the adjusted first-day returns is 3.1% (0.70%), 27.2% (7.10%), 60.2% (24.60%), and 34.9% (6.90%) while the mean (median) for the adjusted first month returns are 9.8% (4.0%), 25.2% (7.90%), 56.6% (21.80%), and 31.1% (4.10%) for France, United Kingdom, Japan and Australia respectively.

Table 4

Descriptive Statistics

Variable	Observations	Mean	Standard Deviation	25%	50%	75%
France						
Raw First Day Returns	498	0.031	0.182	-0.009	0.005	0.062
Raw First Month Returns	498	0.098	0.337	-0.041	0.042	0.155
Adjusted First Day Returns	498	0.030	0.182	-0.016	0.007	0.064
Adjusted First Month Returns	498	0.098	0.337	-0.043	0.040	0.154
Proceeds	498	192.950	526.943	4.608	16.196	55.403
Venture Capital Backed	498	0.239	0.427	0.000	0.000	0.000
United Kingdom						
Raw First Day Returns	1491	0.272	3.027	0.015	0.071	0.172
Raw First Month Returns	1491	0.252	1.543	-0.0004	0.078	0.231
Adjusted First Day Returns	1491	0.272	3.027	0.015	0.071	0.170
Adjusted First Month Returns	1491	0.252	1.543	-0.003	0.079	0.233
Proceeds	1491	168.047	486.053	6.080	25.722	124.252
Venture Capital Backed	1490	0.073	0.260	0.000	0.000	0.000
Japan						
Raw First Day Returns	1913	0.602	0.940	0.030	0.250	0.852
Raw First Month Returns	1913	0.566	1.125	-0.038	0.220	0.749
Adjusted First Day Returns	1913	0.602	0.939	0.029	0.246	0.853
Adjusted First Month Returns	1913	0.566	1.125	-0.039	0.218	0.750
Proceeds	1913	105.900	716.711	6.836	13.455	33.998
Venture Capital Backed	776	0.907	0.290	1.000	1.000	1.000
Australia						
Raw First Day Returns	2139	0.349	3.987	-0.027	0.068	0.254
Raw First Month Returns	2139	0.311	3.226	-0.098	0.038	0.320
Adjusted First Day Returns	2139	0.349	3.987	-0.028	0.069	0.255
Adjusted First Month Returns	2139	0.311	3.226	-0.099	0.041	0.319
Proceeds	2139	68.168	396.350	3.544	6.376	24.760
Venture Capital Backed	2139	0.025	0.155	0.000	0.000	0.000

This table provides descriptive statistics for the different variables used. The sample consists of 498 IPOs in France, 1491 in the United Kingdom, 1913 in Japan, and 2139 in Australia.

Tables 6, A7, and A8 (A7 and A8 shown in the appendix) compare two different sub-samples. Starting with Table 6 we see the comparison with the samples when the world cup binary variable takes value 1 compared to value 0. We can observe that the mean for adjusted first-day returns and first-month returns is smaller for IPO listings that occurred during the World Cup in France, the United Kingdom, and Australia. These results are consistent with the literature by Fjesme and Shekhar (2023). However, Japan differs as the results show that the mean for both adjusted returns are negative. We can then observe the summary statistics for the proceeds and venture capital-backed variables (columns 6 and 7 for each respective country). Having said this there are no significant differences between means other than the proceeds for France.

Table 6

Sample Differences for the World Cup

Variable	World Cup Listing = 0		World Cup Listing = 1		Difference	
	Observations	Mean	Observations	Mean	Mean	t-statistic
France						
Raw First Day Returns	458	0.031	40	0.031	0.0001	0.004
Raw First Month Returns	458	0.102	40	0.046	0.056	1.010
Adjusted First Day Returns	458	0.030	40	0.027	0.003	0.112
Adjusted First Month Returns	458	0.103	40	0.050	0.0052	0.939
Proceeds	458	180.104	40	340.031	-159.927	-1.745*
Venture Capital Backed	458	0.242	40	0.200	0.042	0.601
United Kingdom						
Raw First Day Returns	1428	0.280	63	0.095	0.184	0.473
Raw First Month Returns	1428	0.257	63	0.128	0.130	0.652
Adjusted First Day Returns	1428	0.280	63	0.096	0.184	0.472
Adjusted First Month Returns	1428	0.257	63	0.129	0.129	0.649
Proceeds	1428	158.125	63	392.942	-234.817	-3.769
Venture Capital Backed	1427	0.072	63	0.095	-0.023	-0.688
Japan						
Raw First Day Returns	1857	0.601	56	0.613	-0.011	-0.087
Raw First Month Returns	1857	0.566	56	0.565	0.001	0.007
Adjusted First Day Returns	1857	0.602	56	0.612	-0.011	-0.083
Adjusted First Month Returns	1857	0.566	56	0.566	-0.001	-0.005
Proceeds	1857	107.389	56	56.519	50.87	0.523
Venture Capital Backed	745	0.906	31	0.935	-0.029	-0.553
Australia						
Raw First Day Returns	2091	0.356	48	0.039	0.317	0.544
Raw First Month Returns	2091	0.317	48	0.042	0.275	0.583
Adjusted First Day Returns	2091	0.356	48	0.039	0.317	0.545
Adjusted First Month Returns	2091	0.317	48	0.042	0.275	0.585
Proceeds	2091	66.678	48	133.077	-66.399	-1.148
Venture Capital Backed	2091	0.025	48	0.021	0.004	0.178

This table provides mean sample differences and t-statistics for the samples when *World Cup Listings* = 0 and *World Cup Listings* = 1. The sample consists of 498 IPOs in France, 1491 in the United Kingdom, 1913 in Japan, and 2139 in Australia. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

Table A7 shows similar statistics but for the UEFA Euros Cup and AFC Asian Cup instead of the World Cup. Starting with the observations for France and the United Kingdom, we see IPOs issued during the Euro Cup have lower means for both adjusted returns (France having negative results). Only the raw first day and first month returns for France provide significance. Both Japan's' and Australia's' IPOs experience a lower mean for the first-day returns and first-month returns when listed during the Asian Cup. Only Japan has significant results for both adjusted returns.

Finally, looking at Table A8 where we compare the IPOs listed during the 1998 World Cup (when France was the host) against IPOs that were not issued during this time. We observe that the mean for both first-day returns and first-month returns are higher for the IPOs listed during the 1998 World Cup which contrasts the results for the average World Cup IPO listing. Only the variable capital backed shows significance.

4. Methodology

4.1. Data Creation

In order to obtain all the results necessary, the first step was to use Eikon Refinitiv for the data collection. Firstly, the screener app in Refinitiv was used which was filtered to only show IPOs. Next, a filter was set to only show IPOs that had data for the offer price, the closing price on the first trading day, and the closing price one month after the issue date (with an additional filter for the specific country). Furthermore, three more columns were added including an Issue flag giving the value true if the IPO was VC backed and false if it was not. Moreover, the proceeds of the IPO as well as the issue date of the IPOs. Thereafter, the daily prices of the four country indexes (France, United Kingdom, Japan, and Australia) were exported from the DataStream database onto the same Excel file.

Moving on to the calculations, firstly the market return for each index was calculated. Next, the raw first-day and first-month returns were calculated using the equations shown in section 4.2. Market returns are joined to the issue days of each IPO. The adjusted first-month returns were then calculated through the subtraction of the raw first-day returns and the market index return (on the issue date of the IPO). However, to calculate the adjusted first-month returns first a new column was created which would find the date one month (30 calendar days) after the issue of the IPO. Market returns for one month after the issue date of the IPO are joined to the market returns. The raw first-month return is then subtracted from this market return to obtain the adjusted first-month returns. Also, a column was created including the year the IPO was issued (and a column including the year of issue date one month after the listing). Finally, an ID column was created which would be different for the different IPOs. This column was included for two reasons. Firstly, some of the IPO deals were included twice (the same deal with one or two duplicates giving the exact same data and information), this column would enable the dropping of any duplicated deals making the results more reliable. Furthermore, this variable along with the year variable would later be used (using the xtset function on STATA) to obtain the year-fixed effects. The Excel file was then imported to STATAMP where all the results included in the tables were obtained. Moving on to the different dummy variables created. The first dummy variables created were for the World Cup cycles (the same was done for the Euros and Asian Cup) which would take a value of 1 if the IPO issue date took place during the specified time period and 0 otherwise (multiple dummies were created for the different cycle periods). The next dummies created would take values of 1 if the IPO was issued during a World Cup period (the same was done for the Euros and Asian Cup) and 0 otherwise. After the creation of the dummies, descriptive statistics for the different samples were obtained using t-tests and the summarize command. Finally, the regression was done for the multivariate

analysis. The fixed effects were done by using variables year of the issue date or the year of 1 month after the issue date and ID for the regression on first-day returns and first-month returns, respectively.

4.2. Equations

The initial first-day returns for the IPOs are calculated using the equation shown below:

$$RIFR_{i,t} = \frac{P_{i,1} - P_{i,0}}{P_{i,0}} \times 100,$$

where $RIFR_{i,t}$ is the raw initial first-day return on the first day of the IPO listing for the company i ; $P_{i,0}$ is the offer price of the company i , and $P_{i,1}$ is the closing price of the IPO on the first trading day.

The market returns for the country indexes are calculated as follows:

$$MIR_{i+1} = \frac{M_{i+1} - M_i}{M_i} \times 100,$$

where MIR_{i+1} is the market index return on day $i+1$; M_i is the price of the market index on day i , and M_{i+1} is the price of the market index on day $i+1$.

To calculate the adjusted initial first-day returns, the following formula was used:

$$MAIFR_{i,t} = RIFR_{i,t} - MIR_{i,1},$$

where $MAIFR_{i,t}$ is the market-adjusted first day return of company i ; $RIFR_{i,t}$ is the raw-initial first day return of company i and $MIR_{i,1}$ is the market index return on the first trading day of company i .

Moving on to how the first month returns were calculated. Firstly, the raw-first-month returns were calculated for all IPOs using the following calculation:

$$RFMR_{i,t} = \frac{P_{i,2} - P_{i,0}}{P_{i,0}} \times 100,$$

where $RFMR_{i,t}$ is the raw first month returns for company i ; $P_{i,0}$ the offer price of company i , and $P_{i,2}$ is the closing price of the IPO 1 month after the listing.

This is then used to calculate the adjusted first-month returns as follows:

$$MARFMR_{i,t} = RFMR_{i,t} - MIR_{i,2},$$

where $MARFMR_{i,t}$ is the market-adjusted first-month returns; $RFMR_{i,t}$ is the raw-first month returns for the company i , and $MIR_{i,2}$ is the market index return on the day 1 month after the IPO was listed.

There were four different market indexes used, which include France, the United Kingdom, Japan, and Australia to calculate their corresponding adjusted returns. The data for the market indexes was collected from the DataStream database using the daily prices as well as the maximum period to ensure the required dates for the IPOs are available for the relevant calculations.

4.3. Regressions

There were multiple regressions done for this research. Regression for the World Cup, Euro Cup, and Asian Cup are all the same, except for the independent variable in which the type of listing used will be different depending on which competition the regression corresponds to. Additionally, regression for the first-day returns as well as first-month returns is done for all three football competitions, with the use of the same control variables. The first regression done was purely the dependent variable (first-day return/first-month return) on the dependent variable (the listings during the football competition). Furthermore, two control variables are added which are the proceeds for each individual IPO and whether or not the IPO was venture capital (VC) backed. Finally, year-fixed effects were also added to the regression to enhance the robustness of the regressions.

Tables 9-12 use four different regressions which are:

$$\text{Adjusted First Day Return} = \alpha_j + \beta_1(\text{Football Event Lisitng})_j + e_j \quad (1)$$

$$\text{Adjusted First Day Return} = \alpha_j + \beta_1(\text{Football Event Lisitng})_j + \beta_2(\text{Pr o ceeds})_j + \beta_3(\text{VC - Backed}) + \sum_{t=1}^{24} \text{Year Fixed Effects} + e_j \quad (2)$$

$$\text{Adjusted First Month Return} = \alpha_j + \beta_1(\text{Football Event Lisiting})_j + e_j \quad (3)$$

$$\text{Adjusted First Month Return} = \alpha_j + \beta_1(\text{Football Event Lisiting})_j + \beta_2(\text{Pr o ceeds})_j + \beta_3(\text{VC - Backed}) + \sum_{t=1}^{24} \text{Year Fixed Effects} + e_j \quad (4)$$

5. Results

For all regressions, OLS was used on STATAMP with the dependent variable being measured in percentages, in which case the coefficients of the independent/control variables would suggest % changes in the dependent variable.

5.1. Impact of World Cup Listings on IPO Performance

Table 9 provides the results for the regressions done for adjusted first-day returns and adjusted first-month returns (1 and 3 are the most basic, and 2 and 4 include the control variables and the fixed effects) for France, the United Kingdom, Japan, and Australia for the World Cup. We will look at the results individually for the four countries starting with France and proceeding with the rest in the respective order.

Table 9

The FIFA World Cup and First Day/Month Returns

Dependent Variable	Adjusted First Day Returns		Adjusted First Month Returns	
	(1)	(2)	(3)	(4)
France				
World Cup Listing	-0.003 ↑ (0.911)	-0.023 ↑ (0.481)	-0.052 ↑ (0.348)	-0.093 ↑ (0.147)
Proceeds		-0.00002 ↑ (0.155)		-0.00004 ↑ (0.158)
Venture Capital Backed		-0.046** ↑ (0.021)		-0.027 ↑ (0.480)
Constant	0.030*** ↑ (0.000)	-0.992*** ↑ (0.000)	0.103*** ↑ (0.000)	-1.005*** ↑ (0.002)
N	498	498	498	498
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.020%	17.580%	-0.200%	8.370%
United Kingdom				
World Cup Listing	-0.184 ↑ (0.637)	0.029 ↑ (0.946)	-0.129 ↑ (0.517)	0.042 ↑ (0.847)
Proceeds		-0.0001 ↑ (0.521)		-0.0001 ↑ (0.294)
Venture Capital Backed		-0.214 ↑ (0.487)		-0.202 ↑ (0.198)
Constant	0.280*** ↑ (0.000)	-0.994 ↑ (0.744)	0.257*** ↑ (0.000)	-0.997 ↑ (0.520)
N	1491	1490	1491	1490
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.005%	-1.18%	-0.04%	-0.56%
Japan				
World Cup Listing	0.011 ↑ (0.934)	-0.316 ↑ (0.109)	0.001 ↑ (0.996)	-0.182 ↑ (0.416)
Proceeds		-0.00004 ↑ (0.288)		-0.00003 ↑ (0.457)
Venture Capital Backed		0.497*** ↑ (0.001)		0.416** ↑ (0.012)
Constant	0.602*** ↑ (0.000)	-0.412 ↑ (0.679)	0.566*** ↑ (0.000)	-0.681 ↑ (0.552)
N	1913	776	1913	776
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.050%	7.350%	-0.050%	4.670%
Australia				
World Cup Listing	-0.317 ↑ (0.586)	-0.235 ↑ (0.702)	-0.275 ↑ (0.559)	-0.183 ↑ (0.713)
Proceeds		-0.0002 ↑ (0.376)		-0.0002 ↑ (0.257)
Venture Capital Backed		0.296 ↑ (0.597)		0.182 ↑ (0.687)
Constant	0.356*** ↑ (0.000)	-1.009 ↑ (0.799)	0.317*** ↑ (0.000)	-0.993 ↑ (0.756)
N	2139	2139	2139	2139
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.003%	0.940%	-0.003%	1.770%

This table provides the intercept coefficients as well as the p-values in parentheses for the standard OLS regressions of *Adjusted First Day Returns* and *Adjusted First Month Returns* on *World Cup Listings* and controls for the sample which consists of 498 IPOs in France, 1491 in the United Kingdom, 1913 in Japan, and 2139 in Australia. Columns 1 and 3 are simple linear regression results. Columns 2 and 4 control for *Proceeds* and *Venture Capital Backed*. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

5.1.1. France

We can observe that for France (with observation size N of 498) the World Cup listing variable shows a negative coefficient across all regressions. In the models that do not include controls or fixed effects (1 and 3), the World Cup listings are associated with a 0.30% decrease in first-day returns and a 5.2% decrease in first-month returns. When the controls and year fixed effects are included (2 and 4), the decreases become larger, with the World Cup listing variable exhibiting a decrease of 2.3% for first-day returns and a decrease of 9.3% for first-month returns. The proceeds variable has minimal negative coefficients. Venture capital-backed IPOs show a -4.6% change in first-day returns in regression 2) and -2.7% in first-month returns (regression 4). The constant term is positive for regressions 1 and 3 suggesting the base level of first-day returns and first-month returns is 3.9% and 10.3%, respectively, but turns negative when controls and fixed effects are added for regressions 2 and 4 (-99.2% and -105.5% respectively) effects, the big jump in the constant terms suggest that the fixed effects are capturing substantial positive baseline factors that previously were not being accounted for. We observe a negative r-squared for regressions 1 and 3 (suggesting -0.020% and -0.20% of the variance of the first day/month returns can be explained by the variables in the model), and positive for regressions 2 (17.580%) and 4 (8.370%). Moreover, the venture capital-backed variables present significant results for regression 2 and the constant term shows significance in all regressions. No other results show significance.

5.1.2. United Kingdom

In the United Kingdom (with observation size N of 1913), the regression without the control variables or the year-fixed effects have a negative coefficient, suggesting World Cup listings are associated with an 18.4% and 12.9% decrease in adjusted first-day returns and first-month returns respectively. However, when the control variables are added we observe positive coefficients suggesting World Cup listings exhibit a 2.9% and 4.2% increase in adjusted first-day returns and adjusted first-month returns. Looking at the proceeds coefficient we see again a very small negative result, and the venture capital-backed variable also has a negative coefficient (suggesting a 21.4% and 21.2% decrease in the dependent variable for regressions 2 and 4, respectively). The constant is positive for regressions 1 and 3 (base-level of first-day

returns is 28% and 25.7% for first-month returns), but negative for regressions 2 and 4 (base-level of first-day returns and first-month returns are -99.44% and -99.7%, respectively). A negative r-squared for all four regressions is shown. Only the constant coefficient for regressions 1 and 3 shows significance here.

5.1.3. Japan

Japan has an initial sample size N of 1913 for regressions 1 and 3 but drops to 776 for regressions 2 and 4 (this is due to missing data for venture capital backing).

World Cup listing is associated with an increase of 1.1% and 0.1% without controls or fixed effects in first-day returns and first-month returns, respectively. A negative coefficient is shown when adding the controls and fixed effects suggesting World Cup listings exhibit a decrease of 31.6% and 18.2% in first-day and first-month returns respectively. Proceeds have small negative coefficients, while the venture capital-backed IPOs show an increase of 49.7% for first-day returns and 41.6% for first-month returns.

The constant term indicates a base level of first-day returns of 60.2% (regression 1) and -41.2% (regression 2), while it shows a base level for first-month returns of 56.6% (regression 3) and -68.1% (regression 4). The r-squared is negative for regressions 1 and 3 and positive for regressions 2 and 4. The venture capital variable shows significance for both regressions it is present in, and the constant term also shows significance but only for regressions 1 and 3. No other significant results were obtained.

5.1.4. Australia

In Australia (with sample size N of 2139), World Cup listings suggest that first-day returns exhibit a decrease of 31.7% (no control variables or fixed effects) and 23.5% (with control variables and year fixed effects) for IPOs listed during a World Cup. The results for the first-month return show that World Cup listings exhibit a decrease of 23.5% without control variables or fixed effects and a decrease of 27.5% after adding the control variables and fixed effects. The proceeds variable once again shows a very small negative coefficient. VC-backed IPOs show a 29.6% increase in first-day returns and an 18.2% increase in first-month returns. The constant suggests a base-level of first-day returns of 35.6% (regression 1) and -100.9% (regression 2), while for first-month returns it suggests a base-level of first-month returns of 31.7% (regression 3) and -99.3% (regression 4). The r-squared is negative for regressions 1 and 3 and positive for 2 and 4. Only the constant term shows significance for regressions 1 and 3.

5.2. Impact of Football Popularity on IPO Performance

Looking at the results of section 5.1. and Table 9, we can compare the results of the different countries. It can be observed that for the adjusted first-day returns Australia's World Cup listing variable has the largest impact on the returns in regression 1. For regression 2 which includes the control variables and fixed effects, it is Japan followed by Australia. Looking at the adjusted first month returns, we see again Australia's World Cup listing variable has the biggest impact on the returns (regression 3), and in regression 4 it is again Australia and Japan. This leads to the understanding that the hypothesis is rejected as the United Kingdom and France retain more popularity for football, but their World Cup listing variable has weaker effects. However, due to the results having no significance we cannot confirm this hypothesis is rejected nor confirmed.

5.3. Impact of Continental Cups (UEFA Euros Cup and AFC Asian Cup) Listings on IPO Performance

5.3.1 UEFA Euros Cup

For the following section, we will look at Table 10, which shows the results for the UEFA Euros Cup.

Table 10

The UEFA Euros Cup and First Day/Month Returns

Dependent Variable	Adjusted First Day Returns		Adjusted First Month Returns	
	(1)	(2)	(3)	(4)
France				
Euro Cup Listing	-0.080 (0.105)	-0.013 (0.791)	-0.149 (0.103)	-0.118 (0.227)
Proceeds		-0.00002 (0.141)		-0.00004 (0.142)
Venture Capital Backed		-0.046** (0.020)		-0.029 (0.452)
Constant	0.032*** (0.000)	-0.979*** (0.000)	0.103*** (0.000)	-0.887*** (0.009)
N	498	498	498	498
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	0.330%	17.500%	0.330%	8.240%
United Kingdom				
Euro Cup Listing	-0.165 (0.779)	-0.185 (0.763)	-0.123 (0.682)	-0.214 (0.489)
Proceeds		-0.0001 (0.0524)		-0.0001 (0.298)
Venture Capital Backed		-0.208 (0.499)		-0.195 (0.215)
Constant	0.275*** (0.001)	-0.994 (0.744)	0.254*** (0.000)	-0.997 (0.520)
N	1491	1490	1491	1490
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.060%	-1.170%	-0.060%	-0.520%

This table provides the intercept coefficients as well as the p-values in parentheses for the standard OLS regressions of *Adjusted First Day Returns* and *Adjusted First Month Returns* on *Euro Cup Listings* and controls for the sample which consists of 498 IPOs in France, 1491 in the United Kingdom. Columns 1 and 3 are simple linear regression results. Columns 2 and 4 control for *Proceeds* and *Venture Capital Backed*. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

When looking at France, the coefficient for the Euro Cup listing is negative across all regressions. In the models without controls and fixed effects (1 and 3), the Euro Cup listings exhibit an 8.0% decrease in first-day returns and a 14.9% decrease in first-month returns. After adding controls and fixed effects (models 2 and 4), the decrease is 1.3% for first-day returns and 11.8% for first-month returns. Proceeds have minimal and negligible coefficients. Venture capital-backed IPOs show a 4.6% decrease in first-day returns (regression 2) and a 2.9% decrease in first-month returns (regression 4). The constant terms are positive in regressions 1 and 3 (3.2% and 10.3%, respectively), but negative after controls and fixed effects are added (-97.9% for regression 2 and -88.7% for regression 4). The adjusted r-squared values are positive for all four models. Venture capital-backed is significant for regression 2, and the constant coefficients are significant across all regressions. No further significant results.

Moving on to the United Kingdom. The Euro Cup listing variable shows a negative coefficient for all regressions. The models with no controls and fixed effects (regressions 1 and 3) exhibit a decrease of 16.5%

in first-day returns and 12.3% in first-month returns. When controls and fixed effects are added (regressions 2 and 4), Euro Cup listing is associated with a decrease of 18.5% for first-day returns and 21.4% for first-month returns. The proceeds variable has a small negative coefficient, and venture capital-backed IPOs show a –20.8% change in first-day returns (regression 2) and a –19.5% change in first-month returns (regression 4). The constant term is positive in regressions 1 and 3 (27.5% and 25.4%), and negative in 2 and 4 (-99.4% and -99.7%). The r-squared is negative for all regressions. The constant coefficients are significant for regressions 1 and 3, all other results are insignificant.

5.3.2. AFC Asian Cup

For the following section, we will look at Table 11 which shows the results for the AFC Asian Cup.

Table 11

The AFC Asian Cup and First Day/Month Returns

Dependent Variable	Adjusted First Day Returns		Adjusted First Month Returns	
	(1)	(2)	(3)	(4)
Japan				
Asian Cup Listing	-0.455** (0.031)	-0.266 (0.498)	-0.470* (0.063)	-0.359 (0.424)
Proceeds		-0.00004 (0.310)		-0.00003 (0.456)
Venture Capital Backed		0.499*** (0.001)		0.415** (0.012)
Constant	0.607*** (0.000)	-0.414 (0.678)	0.571*** (0.000)	-0.681 (0.552)
N	1913	776	1913	776
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	0.190%	7.090%	0.130%	4.660%
Australia				
Asian Cup Listing	-0.264 (0.728)	-0.131 (0.866)	-0.205 (0.738)	-0.511 (0.410)
Proceeds		-0.0002 (0.373)		-0.0002 (0.248)
Venture Capital Backed		0.290 (0.604)		0.172 (0.703)
Constant	0.352*** (0.000)	-1.009 (0.799)	0.313*** (0.000)	-0.993 (0.756)
N	2139	2139	2139	2139
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.040%	0.940%	-0.004%	1.800%

This table provides the intercept coefficients as well as the p-values in parentheses for the standard OLS regressions of *Adjusted First Day Returns* and *Adjusted First Month Returns* on *Asian Cup Listings* and controls for the sample which consists of 1913 IPOs in Japan and 2139 in Australia. Columns 1 and 3 are simple linear regression results. Columns 2 and 4 control for *Proceeds* and *Venture Capital Backed*. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

For Japan, the Asian Cup listings (without controls or fixed effects) are associated with a 45.5% decrease in the first-day returns (model 1), and a 47.0% decrease in first-month returns (model 3). After adding controls and fixed effects, the decreases are 26.6% for first-day returns (model 2) and 35.9% for first-month returns (model 4). The proceed variable has a very small negative coefficient, indicating a negligible impact. Venture capital-backed IPOs show a 49.9% (regression 2) increase in first-day returns and a 41.5% increase (regression 4) in first-month returns. The constants are positive for regressions 1 and 3 (60.7% and 57.1%), but negative after adding controls and fixed effects for regressions 3 and 4 (-41.4% and -68.1%). The adjusted r-squared values are positive for all regressions. The Asian Cup listing variable is significant in regressions 1 and 3, as well as the constant. While the venture-capital-backed variable is only significant in regressions 2 and 4. No other significant results are present.

Moving on to Australia. The Asian Cup listing variable with no controls or fixed effects is associated with a decrease of 26.4% in first-day returns (1), and 20.5% in first-month returns (3). With controls and fixed effects, the decreases are 13.1% for first-day returns (model 2) and 51.1% for first-month returns (model 4). Proceeds are small negative coefficients. Venture capital-backed IPOs show a 29.0% increase in first-day returns (regression 2) and a 17.2% increase in first-month returns (regression 4). The constant term is positive for regressions 1 (35.2%) and 3 (31.3%) but turns negative after adding controls and fixed effects (-100.9% for regression 2 and -99.3% for regression 4). Adjusted r-squared values are negative in regressions 1 and 3, but positive after adding controls and fixed effects (2 and 4). Only the constant terms in regressions 1 and 3 show significance.

5.4. Impact of Hosting the World Cup on IPO Performance (France 1998 World Cup)

Table 12

The 1998 FIFA World Cup and First Day/Month Returns

Dependent Variable	Adjusted First Day Returns		Adjusted First Month Returns	
	(1)	(2)	(3)	(4)
France				
1998 World Cup Listing	0.041 ↑ (0.380)	-0.0008 ↑ (0.990)	0.022 ↑ (0.795)	-0.121 ↑ (0.317)
Proceeds		-0.00002 ↑ (0.137)		-0.00004 ↑ (0.142)
Venture Capital Backed		-0.046** ↑ (0.020)		-0.028 ↑ (0.469)
Constant	0.029*** ↑ (0.001)	-0.992*** ↑ (0.000)	0.098*** ↑ (0.000)	-1.005*** ↑ (0.002)
N	498	498	498	498
Issue Year Fixed Effects	No	Yes	No	Yes
Adjusted R2	-0.050%	17.490%	-0.190%	8.150%

This table provides the intercept coefficients as well as the p-values in parentheses for the standard OLS regressions of *Adjusted First Day Returns* and *Adjusted First Month Returns* on the *1998 World Cup Listings* and controls for the sample which consists of 498 IPOs in France. Columns 1 and 3 are simple linear regression results. Columns 2 and 4 control for *Proceeds* and *Venture Capital Backed*. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

Table 12 shows the results of the regressions for the 1998 France World Cup and how they affect the French IPO market. The coefficients for adjusted first-day returns suggest that World Cup listings exhibit 4.1% higher returns for the model without control variables or fixed effects, and after adding the control variables and fixed effects they exhibit 0.08% lower first-day returns. Adjusted first-month returns are associated with an increase of 2.2% when no control variables or fixed effects are present, and a decrease of 12.1% after including the control variables and fixed effects. Proceeds have small negative coefficients, while venture capital backing shows a 4.6% decrease in first-day returns and a 2.8% decrease in first-month returns. The constant term indicates a base level of first-day returns of 2.9% (regression 1) and -99.2% (regression 2), while it shows a base level for first-month returns of 9.8% (regression 3) and -100.5% (regression 4). The r-squared is negative for regressions 1 and 3 but turns positive after adding controls and fixed effects (regressions 2 and 4). The venture capital-backed variable is significant for regression 2 as well as all coefficients for the constant terms. No other significant terms are present.

6. Discussion

6.1. Results on the World Cup

The results in section 5.1 show a consistently negative impact of World Cup listings on both first-day and first-month returns, showing similarity to the results in the paper by Fjesme and Shekhar (2023). Specifically, this negative impact can be observed across all models for France and Australia. This could be due to the decreased investor attention during major sporting events. The sporting event creates a distraction, leading to lower trading volumes and lower demand for the newly listed stocks. However, for the United Kingdom only models 1 and 3 show a similar result, as well as Japan's second and fourth regression. This partial inconsistency for the United Kingdom and Japan could suggest that other market factors and or local investors' behavior may be influencing the outcomes during World Cup periods. The lower returns are attributed to periods of lower foreign demand, as less focus will be on IPOs and more on the event. Moving on to the proceeds variable, the results are also quite similar to those reported by Fjesme and Shekhar (2023), showing small negative values across all regressions in both their study and this one indicating larger IPOs may suffer more from investor distraction during the World cup. The results for venture capital-backed IPOs (for Australia and the United Kingdom) align with the literature from Fjesme and Shekhar (2023) and Da Silva Rosa, et al. (2003) where VC-backing has a positive impact on first-day and first-month returns for U.S. and Australian IPOs, respectively. This indicates that VC-backed companies may be better prepared or perceived as more credible. However, for France and Japan, it seems the opposite occurs (VC-backed IPOs cause negative returns), which could be due to differing market dynamics, which may reflect different market dynamics (such as a difference in the reputation of VCs/quality of the IPOs being backed).

6.2. Football Popularity and World Cup Listings' Impact on IPO Performance

In section 5.2. we observe that the World Cup listing variable does not exhibit stronger effects on returns in France and the United Kingdom, where football is more popular, compared to Japan and Australia. This contrasts with the results found by Edmans, et al. (2007) In the countries where football was more popular, the impact of the World Cup on stocks was "more pronounced". This could be attributed to cultural or economic factors that could lower the influence of football popularity on IPO performance during the World Cup. However, due to the lack of significance, we cannot make any conclusions on the hypothesis that stated

countries for which football is more popular, the World Cup Listing variable will have a larger impact on IPO first-day and first-month returns.

6.3. Continental Cups Compared to the World Cup

Section 5.3. indicates that both the UEFA Euros Cup and AFC Asian Cup listings variable negatively impact first-day and first-month returns across all regressions, in a more detailed comparison. France obtained more negative values for the Euros Cup listing variable than the World Cup listing variable in all but the third regression. The United Kingdom showed more negative returns for Euros listings in regressions 2 and 4 (but less negative in regressions 1 and 3 where no controls or fixed effects are present). Japan has more negative returns for Asian cup listings in all regressions other than the second one. Australia exhibits more negative values for the World Cup listings in all but the fourth regression. These results partially align with Edmans, et al. (2007), who found that the World Cup showed larger loss effects than continental cup games. The results also indicate that continental events can have similar distraction effects on investors as the World Cup. France and Japan tend to follow this conclusion while half of the United Kingdom regressions and only one of the regressions for Australia show the same outcome as previous literature. Due to the lack of significance, we cannot make any conclusions on the hypothesis, that stated the World Cup will produce larger (more negative/more positive) effects on the performance of IPOs both for the first-day returns and first-month returns compared to continental cups.

6.4. Impact of Hosting a World Cup

Harjito, et al. (2021) concluded in their paper, that hosting major international sporting competitions led to significant positive cumulative average abnormal returns (CAAR) in the Philippines Stock Exchange (PSE) when the Philippines hosted the 30th Southeast Asian Games. In this study, if we look at section 5.4., hosting the World Cup tends to have a generally more positive impact on France's first day and first-month return, especially in regressions 1 and 3 (which have positive values). Regression 2 had negative returns (but less negative than the average impact the World Cup listing variable has), while regression 4 is the only one that shows a less positive influence on returns when hosting. This may indicate that the possible benefits of hosting could be dependent on specific market conditions and investor sentiment at the time. Furthermore, the positive impact hosting the World Cup has on IPO returns in France, could suggest the increased media coverage, tourism, and economic activity that comes with hosting such an event, may boost market sentiment.

Due to the lack of significance, we cannot make any conclusions on the hypothesis, which stated that hosting the 1998 World Cup will lead to larger IPO returns both for the initial first-day returns and first-month returns for French IPOs issued during that period compared to the average performance for IPOs issued during World Cups.

6.5. Implications

These findings could suggest companies and underwriters to try avoiding scheduling IPOs during major events like the World Cup to maximize returns. However, as seen in section 6.4. it may favor companies to list them if they are in the country hosting the event, as it could boost returns. Overall, the results discussed in this section show the importance of undertaking further studies into the effects of major events on financial markets, taking into account the local market conditions as well as investor behavior.

7. Conclusion and Limitations

7.1. Conclusion

In this paper, the FIFA World Cups, UEFA Euros Cup, and the AFC Asian Cup affect the IPO markets of France, the United Kingdom, Japan, and Australia. Starting with the World Cup Listings, the findings concluded that there is a consistently negative impact on the first day and first month returns. This was shown across all models for France and Australia, but only partially shown for the United Kingdom and Japan. The findings show that first-day returns for World Cup IPOs are 2.3% (France), 2.9% (United Kingdom), 31.6% (Japan), and 23.5% (Australia), lower than non-world cup listings. First-month returns showed that World Cup listings exhibited 9.3% (France), 18.2% (Japan), and 18.3% (Australia) lower than non-world Cup listings, while the United Kingdom exhibited 4.2% higher first-month returns. The results were not significant; therefore, no true conclusions can be made from the results. However, it was suggested the lower returns for World Cup listings were due to lower consumer sentiment as less focus will be on the IPOs due to the event taking place.

Furthermore, it was observed that for France and the United Kingdom, where football is predominantly more popular than Japan and Australia, World Cup listings do not experience stronger effects, which we attributed to potential cultural or economic factors. Moreover, we saw France and Japan obtained more negative results for their respective continental cup (as suggested by the hypothesis), while this was only the case for half of the regressions on the United Kingdom and one on Australia. Finally, for our final hypothesis, we conclude that hosting the World Cup tends to have a generally more positive impact on France's first-day and first-month returns (all regressions except for the fourth), which was attributed to possible foreign attention coming to France due to the hosting in comparison the average world cup. There was a basic regression done for the first day and first month returns with no controls or fixed effect for all countries, as well as to add robustness an additional regression for both returns which included two controls as well as a year fixed effects.

7.2. Limitations

Firstly, data quality and availability present significant challenges. As mentioned in the data section, there were specific issues with the data from Japan, such as the data currency conversion errors, as well as the VC-backed variable having null observations for a large majority of the IPO listings.

Further studies could use further robust checks such as taking into account the technology bubble, industry fixed effects, as well as further control variables that could be relevant. Accounting for potential economic variations and potential market maturity could also be key, as these factors may influence IPO performance independently of the football events researched. Investor sentiment can also be widely different in different countries due to cultural differences along with potential media influence. Another potential improvement would be to make sure no other concurrent events were taking place during the periods of these sporting events. Controlling for this could isolate the effect the World Cup, Euros, and Asian Cup have. These findings may also not be generalizable to other sports/sporting events, which limits the possible applications of the results.

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Appendix A

Computation for Japan (Data Error):

The same method for the computations was used for Japan as the three other countries up until 2021. However, from 2022 to 2024, the offer price and the raw returns (both first day returns and first-month returns) were being given in different currencies, resulting in inaccurate results (more specifically it would give extremely high first day/month returns due to the difference in currency). To address this another Refinitiv Eikon option was used, which automatically calculates the percentage change from the offer price to the close price on the first trading day, as well as the first month after the IPO listing. This option was not used for the other countries as well as the periods in Japan from the beginning up until 2021 due to the numerous errors it was giving. Fortunately, between 2022 and 2024 for Japan, it worked well for the most part only having to correct a few errors.

Table A2

UEFA Euros Cup in Football

(1) Period	(2) Number of IPOs	(3) Number of IPOs with Euro Cup Listing = 0		(4) Number of IPOs with Euro Cup Listing = 1		(5) Euro Cup Host Countries	(6) Euro Cup Start Day	(7) Euro Cup End Day
		France	United Kingdom	France	United Kingdom			
1983-1986	13	1	11	1	0	France	12-Jun-84	27-Jun-84
1987-1990	4	0	4	0	0	Germany	10-Jun-88	25-Jun-88
1991-1994	28	9	19	0	0	Sweden	10-Jun-92	26-Jun-92
1995-1998	109	52	53	3	1	England	08-Jun-96	30-Jun-96
1999-2002	84	13	70	0	1	Belgium and Netherlands	10-Jun-00	02-Jul-00
2003-2006	654	116	522	4	12	Portugal	12-Jun-04	04-Jul-04
2007-2010	261	112	144	2	3	Austria and Switzerland	7-Jun-08	29-Jun-08
2011-2014	269	58	211	0	0	Poland and Ukraine	08-Jun-12	01-Jul-12
2015-2018	315	66	243	2	4	France	10-Jun-16	10-Jul-16
2019-2021	205	41	156	2	6	Various Across Europe (11)	11-Jun-21	11-Jul-21
Total	1942	468	1433	14	27			

This table shows sample periods 1983 to 2021, in four-year Euro Cup cycles (column 1), the total number of IPOs per cycle (column 2), the number of IPOs per cycle during a non-Euro Cup period (column 3), the number of IPOs per cycle during a Euro Cup period (column 4), the world cup host countries (column 5), the starting day of each Euro Cup (column 6), the ending day of each Euro cup (column 7).

Table A3

AFC Asian Cup in Football

(1)	(2)	(3)		(4)		(5)	(6)	(7)
Period	Number of IPOs	Number of IPOs with Asian Cup Listing = 0		Number of IPOs with Asian Cup Listing = 1		Asian Cup Host Countries	Asian Cup Start Day	Asian Cup End Day
		Japan	Australia	Japan	Australia			
1983-1986	1	0	1	0	0	Singapore	01-Dec-84	16-Dec-84
1987-1990	2	0	2	0	0	Qatar	02-Dec-88	18-Dec-88
1991-1994	261	107	152	1	1	Japan	29-Oct-92	08-Nov-92
1995-1998	423	256	159	3	5	United Arab Emirates	04-Dec-96	21-Dec-96
1999-2002	140	78	61	0	1	Lebanon	12-Oct-00	29-Oct-00
2003-2006	904	366	528	5	5	China	17-Jul-04	07-Aug-04
2007-2010	515	142	351	10	12	Various Across Asia (4)	07-Jul-07	29-Jul-07
2011-2014	411	187	223	0	1	Qatar	07-Jan-11	29-Jan-11
2015-2018	669	375	291	1	2	Australia	09-Jan-15	31-Jan-15
2019-2021	522	275	246	0	1	United Arab Emirates	05-Jan-19	01-Feb-19
2022-2025	203	107	96	0	0	Qatar	12-Jan-24	10-Feb-24
Total	4051	1893	2110	20	28			

This table shows sample periods 1983 to 2021, in four-year Asian Cup cycles (column 1), the total number of IPOs per cycle (column 2), the number of IPOs per cycle during a non-Asian Cup period (column 3), the number of IPOs per cycle during an Asian Cup period (column 4), the world cup host countries (column 5), the starting day of each Asian Cup (column 6), the ending day of each Asian Cup (column 7).

Table A5

Variable Definitions

Variables	Definition
Raw First Day Returns	Percentage change of the IPO offer price to the closing price on the first trading day
Raw First Month Returns	Percentage change of the IPO offer price to the closing price one month after the issue date
Adjusted First Day Returns	The difference between the Raw First Day Returns and the Market Index Return on the issue date
Adjusted First Month Returns	The difference between the Raw First Month Returns and the Market Index Return on the day one month after the issue date
Proceeds	The funds raised during the IPO
Venture Capital Backed	A binary variable that takes value of 1 if the IPO is venture capital backed (0 otherwise)
Issue Year Fixed Effects	A vector of binary variables which identify the issue years that from which the IPOs took place
Issue One Month Year Fixed Effects	A vector of binary variables which identify the issue years that from one month after which the IPOs took place
FIFA World Cup Listing	A binary variable that takes value of 1 if the IPO is listed during the period a FIFA World Cup is taking place (0 otherwise)
UEFA Euro Cup Listing	A binary variable that takes value of 1 if the IPO is listed during the period a UEFA Euro Cup is taking place (0 otherwise)
AFC Asian Cup Listing	A binary variable that takes value of 1 if the IPO is listed during the period a AFC Asian Cup is taking place (0 otherwise)
1998 World Cup Listing	A binary variable that takes value of 1 if the IPO is listed during the period of the 1998 FIFA World Cup (0 otherwise)
N	Refers to the total number of observations

Table A7

Sample Differences for the Euros Cup and Asian Cup

Panel A:	Euro Cup Listing = 0		Euro Cup Listing = 1		Difference	
	Observations	Mean	Observations	Mean	Mean	t-statistic
France						
Raw First Day Returns	484	0.034	14	-0.048	0.082	1.665*
Raw First Month Returns	484	0.102	14	-0.049	0.152	1.662*
Adjusted First Day Returns	484	0.032	14	-0.048	0.080	1.623
Adjusted First Month Returns	484	0.103	14	-0.046	0.149	1.632
Proceeds	484	187.721	14	373.697	-185.975	-1.232
Venture Capital Backed	484	0.242	14	0.143	0.100	0.854
United Kingdom						
Raw First Day Returns	1464	0.275	27	0.108	0.167	0.285
Raw First Month Returns	1464	0.254	27	0.134	0.120	0.401
Adjusted First Day Returns	1464	0.275	27	0.110	0.165	0.281
Adjusted First Month Returns	1464	0.254	27	0.131	0.123	0.410
Proceeds	1464	169.099	27	110.983	58.116	0.616
Venture Capital Backed	1464	0.071	27	0.185	-0.114	-2.259**
Panel B:						
	Asian Cup Listing = 0		Asian Cup Listing = 1		Difference	
	Observations	Mean	Observations	Mean	Mean	t-statistic
Japan						
Raw First Day Returns	1893	0.606	20	0.147	0.459	2.176**
Raw First Month Returns	1893	0.571	20	0.094	0.477	1.885*
Adjusted First Day Returns	1893	0.607	20	0.152	0.455	2.156**
Adjusted First Month Returns	1893	0.571	20	0.101	0.470	1.858*
Proceeds	1893	106.748	20	25.621	81.127	0.504
Venture Capital Backed	821	0.906	7	1.000	-0.094	-0.849
Australia						
Raw First Day Returns	2111	0.352	28	0.086	0.266	0.351
Raw First Month Returns	2111	0.314	28	0.109	0.204	0.333
Adjusted First Day Returns	2111	0.352	28	0.088	0.264	0.348
Adjusted First Month Returns	2111	0.313	28	0.108	0.205	0.335
Proceeds	2111	68.736	28	25.328	43.408	0.283
Venture Capital Backed	2111	0.025	28	0	0.025	0.849

This table provides mean sample differences and t-statistics for the samples when *Euro Cup Listings* = 0 and *Euro Cup Listings* = 1 (Panel A) and *Asian Cup Listings* = 0 and *Asian Cup Listings* = 1 (Panel B). The sample consists of 498 IPOs in France, 1491 in the United Kingdom, 1913 in Japan, and 2139 in Australia. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

Table A8

Sample Differences for the 1998 World Cup

Variable	1998 World Cup Listing = 0		1998 World Cup Listing = 1		Difference	
	Observations	Mean	Observations	Mean	Mean	t-statistic
France						
Raw First Day Returns	482	0.030	16	0.074	-0.044	-0.945
Raw First Month Returns	482	0.097	16	0.118	-0.021	-0.021
Adjusted First Day Returns	482	0.029	16	0.069	-0.041	-0.880
Adjusted First Month Returns	482	0.098	16	0.120	-0.022	-0.259
Proceeds	482	188.517	16	326.484	-137.967	-0.975
Venture Capital Backed	482	0.247	16	0.000	0.247	2.286**

This table provides mean sample differences and t-statistics for the samples when *World Cup Listings* = 0 and *World Cup Listings* = 1. The sample consists of 498 IPOs in France. Statistical significance at the 10%, 5% and 1% level is indicated by *, **, and ***, respectively.

