

# More unwelcome delay or an extended opportunity to prepare?

Global IPO trends: Q3 2019

An increasing number of companies are waiting to go public, and they will be ready to move quickly when markets recover.



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## About this report

EY *Global IPO trends* report is released every quarter and looks at the IPO markets, trends and outlook for the Americas, Asia-Pacific, Japan and EMEA regions.

The report provides insights, facts and figures on the 2019 IPO market year-to-date and analyzes the implications for companies planning to go public in the short and medium term.

You will find this report at the [EY Global IPO website](#). You can also follow the report on [LinkedIn](#) or [Twitter](#).



All values are US\$ unless otherwise noted.



## Global IPO market

# A growing IPO backlog demonstrates ongoing appetite despite tepid Q3 activity

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A quiet Q3, combined with persistent geopolitical uncertainties, has led to tepid third-quarter results across global IPO markets. Although Q3 2019 IPO activity is down both in deal numbers and proceeds compared with this time last year, Shanghai's STAR Market was launched in July 2019 to much fanfare, raising investor sentiment in that region. Elsewhere around the world, the backlog of some larger IPO issuers waiting for the winds to change continues to grow. As we enter into the traditional peak season, we expect the global IPO activities to pick up in the last quarter and into 2020 when there is more clarity to US-China trade tensions and Brexit development.

**Paul Go**

EY Global IPO Leader



## Highlights from the market

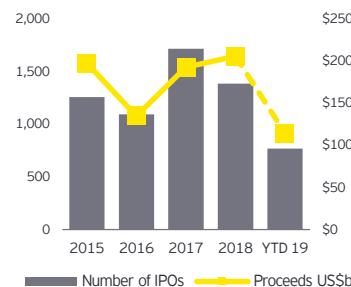
- **US-China-EU trade tensions, concerns about economic growth and other geopolitical issues (Brexit and social unrest in Hong Kong) exacerbated a typically quiet quarter for IPO activity in many markets.** Despite disappointing Q3 2019 activity across many markets, this decline may be temporary. **The backlog of high-quality IPOs continues to grow** as issuers wait for better market sentiments.
- Globally, the first nine months of 2019 (YTD 2019) saw a decline of 26% by deal numbers and a 25% drop in proceeds versus YTD 2018. Q3 2019 saw 256 IPOs, with proceeds of US \$40.2b, a decrease of 16% by deal numbers and 32% by proceeds compared with Q2 2019.
- While deal numbers are down, **first-day returns on the main markets globally are 27% on average, while average post-IPO performance is around 32%.** The strong debut of IPOs from China's Sci-Tech Innovation Board (STAR Market) on the Shanghai Stock Exchange pushed first-day pops and post-IPO performance well above Q2 2019 levels.
- **In Asia-Pacific, the rise on Shanghai's STAR Market offset more muted activity in Hong Kong and Japan in Q3 2019,** with a rise of 25% by deal numbers and 64% by proceeds compared with Q2 2019. YTD 2019, this region saw a 9% decline by deal numbers and a 27% decline by proceeds compared with YTD 2018. **Seven Asia-Pacific exchanges were among the top ten exchanges by deal volume and five by proceeds in Q3 2019.**
- **EMEIA continued to face geopolitical headwinds and a decline in investor sentiment in Q3 2019.** YTD 2019 deal volume was 52% lower, while proceeds dropped 41% compared with YTD 2018. Investor sentiment and appetite for IPOs could improve in Q4 2019 due to the low interest rate environment and supportive monetary policies.
- **In the Americas, volatility in the equity markets compounded the effects of a quiet third quarter.** Q3 2019 saw a drop of 30% by number of deals and 10% by proceeds from Q3 2018. The number of IPOs and proceeds year-to-date are behind compared with the same period in 2018 (22% and 9% lower, respectively).
- **Unsurprisingly, the technology sector continued to dominate in Q3 2019, representing 23% of global IPOs and 28% of proceeds.** By deal numbers, industrials (15%) and health care (14%) was active. By proceeds, consumer staples (15%) and health care (15%) performed well.
- **Cross-border activity levels fell in YTD 2019,** representing only 8% of global IPO activity. Most regions saw lower activity levels, except EMEIA.

## Markets

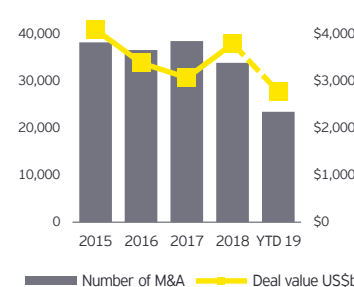
YTD 2019	Change on prior year	Q3 2019	Change on Q3 2018
<b>768</b> IPOs	▼ 26%	<b>256</b> IPOs	▼ 24%
<b>\$114.1b</b> proceeds	▼ 25%	<b>\$40.2b</b> proceeds	▼ 22%

All amounts in table are in US\$

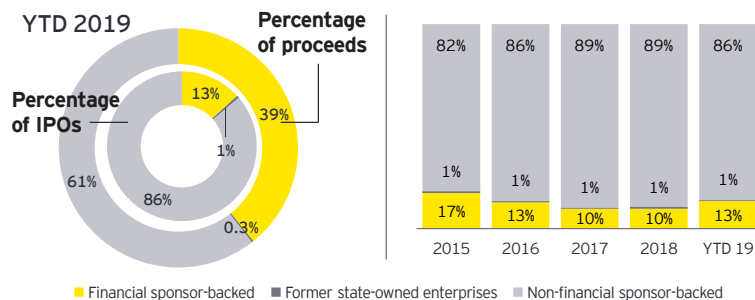
### IPO activity



### M&A activity



### Sources of IPOs



Figures may not total 100% due to rounding

## Activity Q3 2019

**Stock exchanges**  
by highest total proceeds

**Hong Kong (HKEx+GEM)\*\***  
\$7.8b  
24 IPOs

**Shanghai (SSE+STAR)\*\***  
\$7.8b  
47 IPOs

**NASDAQ**  
\$7.4b  
25 IPOs

**Sectors**  
by highest number of IPOs

**Technology**  
59 IPOs  
\$11.4b

**Industrials**  
39 IPOs  
\$2.7b

**Health care**  
36 IPOs  
\$6.0b

**IPOs**  
largest by proceeds

**Budweiser Brewing Co. APAC Ltd.\***  
\$5.3-5.9b  
Consumer staples  
Hong Kong  
Hong Kong (HKEx)

**CGN Power Co., Ltd.**  
\$1.8b  
Energy  
China  
Shenzhen (SZSE)

**TeamViewer GmbH\***  
\$1.6-1.8b  
Technology  
Germany  
Deutsche Börse

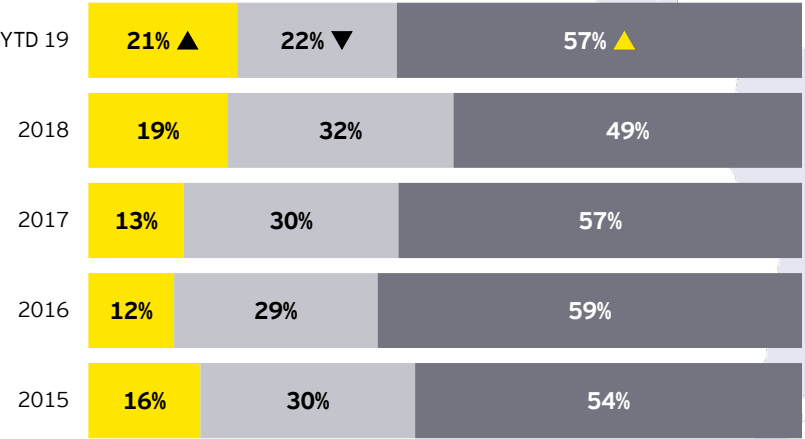
\*\* Hong Kong Stock Exchange saw proceeds of US\$7.81b while Shanghai Stock Exchange raised US\$7.75b.

All amounts in table are in US\$

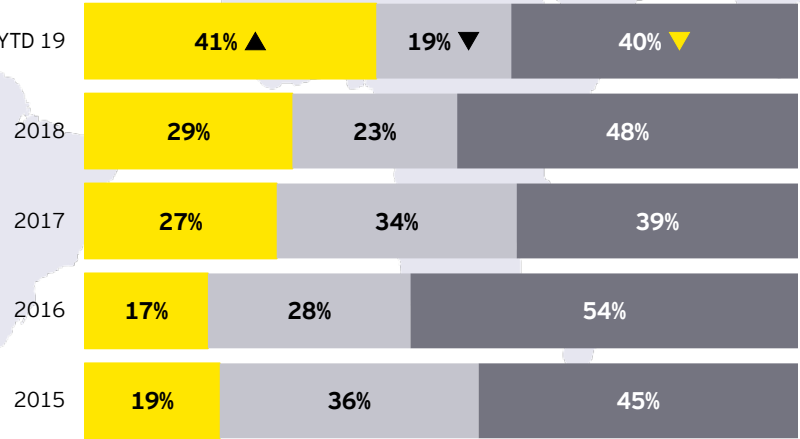
\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.

As the markets remain volatile and more IPO issuers wait for better market sentiments, the backlog of high-quality IPO candidates continues to grow. IPO candidates waiting for the tides to flow could face stiff competition from other issuers once the floodgates open. Therefore, it is more important than ever that IPO candidates prepare early and thoroughly, and remain flexible to catch the right transaction window when it opens.

Regional share by number of IPOs



Regional share by proceeds

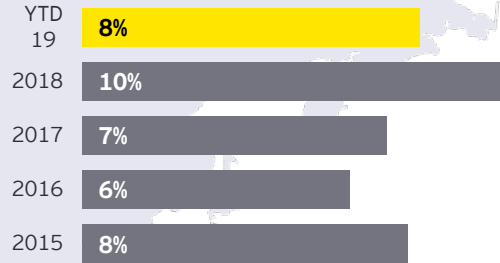


■ Americas ■ EMEA ■ Asia-Pacific exchanges

▲ or ▼ or – = increase or decrease or remain constant for the first nine months of 2019 (YTD 2019) compared with the full year of 2018. Figures may not total 100% due to rounding.

Cross-border IPOs

Percentage by number of IPOs globally



Top countries of origin YTD 2019

By number of IPOs outside home country

- Greater China (17)
- Singapore (9)
- Malaysia (6)
- US (5)
- Israel (5)

Top IPO destinations\* YTD 2019

By number of IPOs

- NASDAQ (25)
- Hong Kong (14)
- NYSE (10)
- Australia (4)
- Singapore (4)

\*IPO destinations refer to stock exchanges (main and junior markets).

## Outlook

- **The outlook for the global IPO activity is clouded due to the US-China-EU trade issues, Brexit and social unrest in Hong Kong, all of which are impacting global capital markets.** Once there is more clarity to these market uncertainties, we expect a flood of IPOs will come to the market. IPO candidates that are prepared and are determined to press ahead in Q4 2019 may have to accept lower valuations in line with recent stock market performance. We may also see some IPO candidates seek alternate fundraising routes that offer higher valuations. In either case, the outlook for Q4 2019 has a “wait-and-see” feel as IPO candidates assess which way the wind blows.
- **Asia-Pacific:** Positive first-day pops and rising investor sentiment, combined with a healthy pipeline of larger IPOs waiting for the right IPO window to open, suggests Asia-Pacific IPO activity will improve, perhaps in Q4 2019, but likely in the first half of 2020.
- **EMEIA:** Going into Q4 2019, many of the uncertainties that have tempered investor enthusiasm so far this year persist. However, the longer-than-expected low interest rate environment may create tailwinds that help to propel IPO activity upward in the most active quarter of the year (Q4 2019) and into 2020.
- **Americas:** Despite the third-quarter slowdown and volatility in the markets, momentum in the Americas IPO markets is expected to gain speed based on positive average post-IPO returns from recent deals. At the same time, a number of large unicorns are expected to launch their IPOs in the first half of 2020, ahead of the US elections in November 2020.
- **Sectors:** Given the ongoing volatility, we continue to see a balance between high growth potential and more traditional, less risky IPOs coming to the public markets. We anticipate more health care IPOs in the Americas market, while industrials will likely dominate in Asia-Pacific. In EMEIA, we expect to see IPOs from technology-related and traditional sectors.
- **Cross-border:** Cross-border IPOs could increase in Q4 2019 and 2020. US, Hong Kong and London exchanges continue to be the most active cross-border listing destinations.

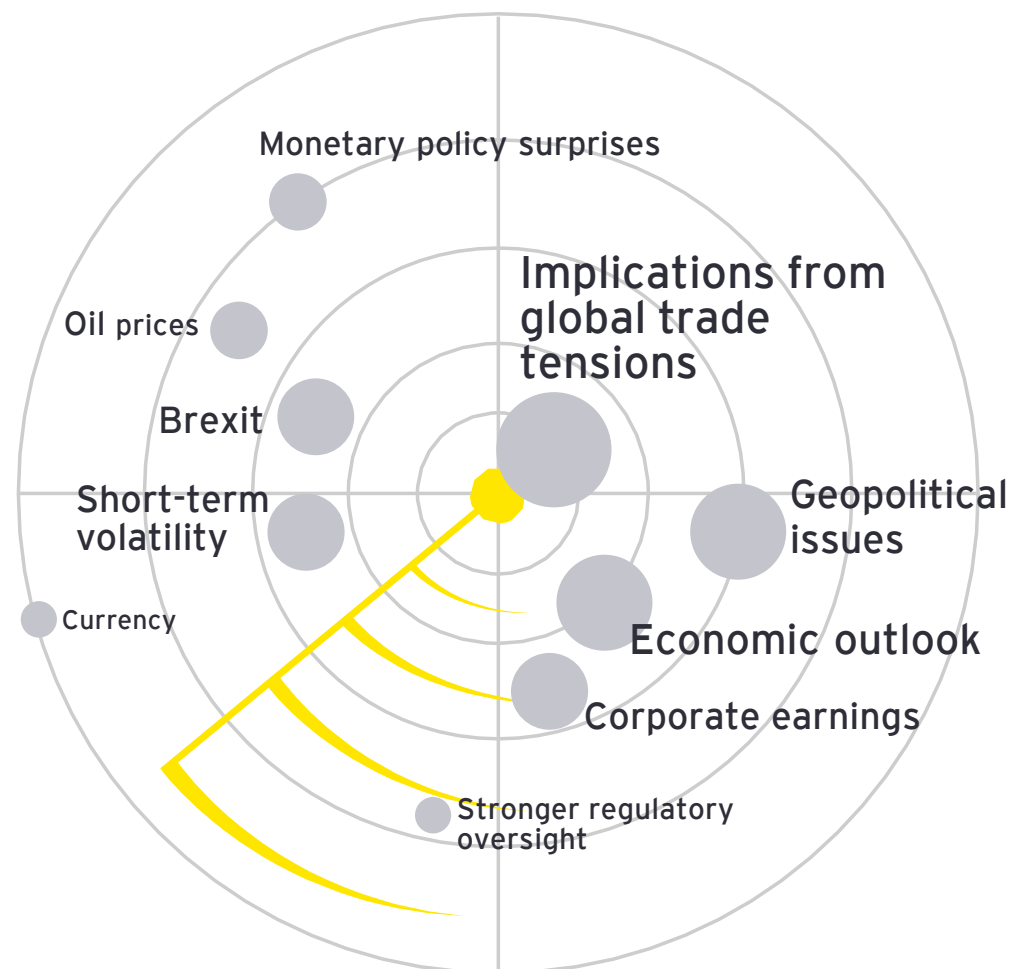
## EY IPO sentiment radar

The radar contains a variety of market factors that may impact investor sentiment for IPOs.

Pre-IPO companies should analyze how these factors may affect their business and valuations. These factors can ultimately have an impact on the timing and value of their transaction in view of their chosen IPO destination.

### Potential impact

- **Consider a number of alternative funding or exit options (multitrack)**
- **Preserve optionality with early IPO readiness preparations**
- **Be prepared to complete your IPO quickly in narrow IPO windows**
- **Be flexible in timing and pricing**







## Americas

# IPO momentum continues, despite quiet Q3 activity

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Historically, the first two months of Q3 can be quiet from an issuance perspective, and that has been the case in 2019. However, the momentum we saw in Q2 2019 endures, and we see activity re-accelerating headed into Q4 2019. Geopolitical uncertainty continues to play a role but we anticipate any disruptions from volatility will be temporary.

**Jackie Kelley**

EY Americas IPO Markets Leader

## Highlights from the markets

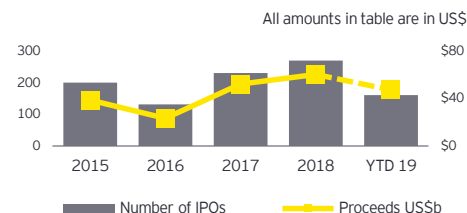
- Q3 2019 was a quiet quarter in the Americas relative to 2018, partly due to equity market volatility. 47 IPOs were completed across the Americas raising \$11.9b, a drop of 30% by number of deals and 10% by proceeds from Q3 2018.** Both the number of IPOs and proceeds year-to-date fall behind compared with the same period in 2018 (decline of 22% by deal number and 9% by proceeds).
- US exchanges accounted for the majority of IPOs in the Americas, 79% by number of deals and 95% by proceeds YTD in 2019.** This was driven by several high-profile technology unicorns that went public. There have been 22 unicorn IPOs on US exchanges YTD 2019, including 8 unicorn IPOs in Q3 2019.
- Besides the US, Canada saw eight IPOs in Q3 2019:** there were two IPOs each on TSX and TSX Venture Exchange. There were also four IPOs on the Canadian Securities Exchange.
- Technology, health care and materials sectors saw the highest level of IPO activity in Q3 2019,** accounting for 70% in number of deals. Technology and health care both dominated in proceeds, contributing 37% and 33%, respectively, while consumer products represented 12%.

### Markets YTD 2019

**160** IPOs  
**\$47.0b** proceeds  
**\$104m** median deal size

Change on prior year

▼ **22%**  
 ▼ **9%**  
 ▼ **4%**



### Activity Q3 2019

All amounts in table are in US\$

#### Stock exchanges by highest total proceeds

**NASDAQ**  
 \$7.4b | 25 IPOs US

**New York (NYSE)**  
 \$4.5b | 14 IPOs US

**Toronto (TSX+TSX-V)**  
 \$3m | 4 IPOs Canada

#### Sectors by highest number of IPOs

**Technology**  
 13 IPOs | \$4.4b

**Health care**  
 13 IPOs | \$3.9b

**Materials**  
 7 IPOs | \$3m

#### IPOs largest by proceeds

**SmileDirectClub Inc.**  
 \$1.3b Health care, NASDAQ, US

**Peloton Interactive, Inc.\***  
 \$1.0-1.2b Consumer products, NASDAQ, US

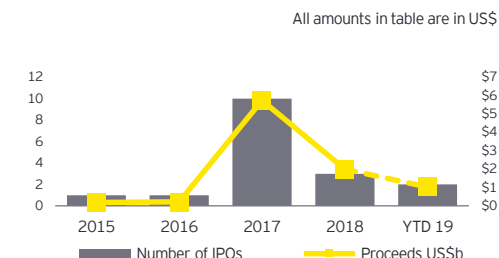
**DouYu International Holdings Ltd.**  
 \$775m Technology, NASDAQ, China

### Brazil's B3 YTD 2019

**2** IPOs  
**\$1.0b** proceeds  
**\$512m** median deal size

Change on prior year

▼ **33%**  
 ▼ **49%**  
 ▼ **36%**



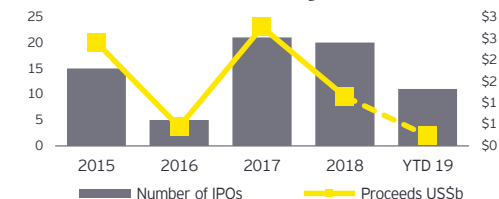
### Canada's Toronto Stock Exchange and TSX Venture Exchange YTD 2019

**11** IPOs  
**\$223m** proceeds  
**\$7m** median deal size\*

Change on prior year

▼ **8%**  
 ▼ **75%**  
 ▼ **88%**

IPO activity of Canadian Securities Exchange is excluded. \*Eight of eleven IPOs had deal size below US\$5m, these deals are excluded from the calculation of median deal size.

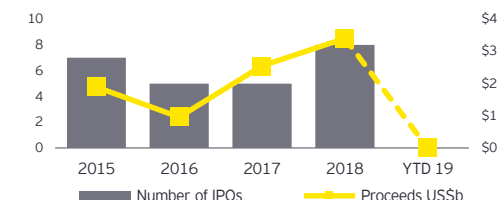


### Mexico's Mexican Stock Exchange YTD 2019

**0** IPOs  
**\$0m** proceeds  
**NA** median deal size

Change on prior year

▼ **100%**  
 ▼ **100%**  
 —



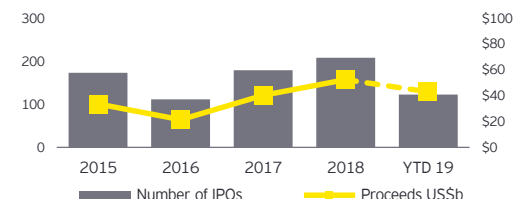
### US' NASDAQ and NYSE YTD 2019

**127** IPOs  
**\$44.5b** proceeds  
**\$125m** median deal size

Change on prior year

▼ **23%**  
 ▼ **1%**  
 ▲ **8%**

IPO activity in 2016 includes one IPO on BATS exchange.







Americas – US IPO market insight

## Deal performance kept investors engaged even in a slower Q3 IPO environment

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The class of 2019 IPOs is delivering strong performance as a group, which is creating strong investor interest. Issuance volume and activity for the quarter appears soft on the surface, but the underlying fundamentals point to continued momentum in IPO activity going into Q4 2019 and 2020.

**Jackie Kelley**

EY Americas IPO Markets Leader

## Highlights from the market

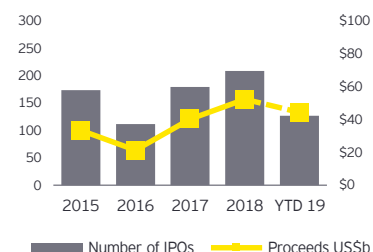
- ▶ **US saw 39 IPOs that raised a total of US\$11.9b in Q3 2019, down 30% by number of deals and 6% by proceeds compared with Q3 2018.** However, YTD 2019 activity will exceed that of each of the last 5 years except for 2018, reflecting a relatively positive environment.
- ▶ **Health care and technology IPOs continue to dominate**, accounting for 64% in number of IPOs and 70% in proceeds in Q3 2019. Financials and energy followed in the number of IPOs, accounting for 15% and 8%, and consumer products contributed 12% in proceeds.
- ▶ **The US continues to be one of the top IPO destinations** with 12 cross-border IPOs in Q3 2019. Despite uncertainty around trade between the two nations, Greater China was most active origin with five deals.
- ▶ **Sponsor-backed IPOs represented 54% of Q3 2019 IPOs**, which is a normalized level after several quarters of abnormally low activity.
- ▶ **The average offer-to-current performance of 13.8% is positive**, despite some IPOs that have traded below issue price.

## Markets YTD 2019

127 IPOs

\$44.5b proceeds

52% of IPOs are financial sponsor-backed



Q3 2019

**NASDAQ**  
**\$7.4b**  
 25 IPOs

**NYSE**  
**\$4.5b**  
 14 IPOs

All amounts in table are in US\$

## Activity Q3 2019

All amounts in table are in US\$

### Sectors

by highest number of IPOs

**Health care**  
 13 IPOs | \$3.9b

**Technology**  
 12 IPOs | \$4.4b

**Financials**  
 6 IPOs | \$1.1b

**Energy**  
 3 IPOs | \$322m

**Consumer products**  
 2 IPOs | \$1.4b

### IPOs

largest by proceeds

**SmileDirectClub Inc.**  
**\$1.3b** Health care, NASDAQ, US

**Peloton Interactive, Inc.\***  
**\$1.0-1.2b** Consumer products, NASDAQ, US

**DouYu International Holdings Ltd.**  
**\$775m** Technology, NASDAQ, China

**Dynatrace Inc.**  
**\$655m** Technology, NYSE, US

**Datadog Inc.**  
**\$648m** Technology, NASDAQ, US

## Performance YTD 2019

All amounts in table are in US\$

### IPO pricing and performance

#### US markets

First-day average return

**+19.0%**

Share price performance since IPO (aka offer-to-current)

**+13.9%**

+ or - indicates change compared with offer price at IPO

First-day and current average returns are mean returns of issuers who started trading by 18 September.

### Equity indices

**DJIA**  
**+17.7%**  
 US

**S&P 500**  
**+21.0%**  
 US

+ or - indicates change since 28 December 2018

### Volatility index

**CBOE VIX®**  
**14.0 current**  
 17.0 YTD average  
 17.1 10-year average

Current index level is for 18 September 2019

## Trends

YTD 2019

Change on prior year

Median deal size

**\$125m**

▲ 8%

Median post-IPO market cap

**\$708m**

▲ 34%

Median post-IPO market cap is calculated for IPOs that were priced by 12 September.

### Cross-border IPOs: top countries/regions of origin YTD 2019

**35**  
 IPOs

Greater China 17 IPOs (\$2.9b)

Europe 5 IPOs (\$1.1b)

Israel 5 IPOs (\$390m)

6 other countries 8 IPOs (\$1.7b)

All amounts in table are in US\$

## Outlook

- ▶ Volatility experienced in the middle of Q3 2019 has receded and market indices are near all-time highs, creating a strong fundamental backdrop for issuance.
- ▶ Additionally, **positive post-IPO returns from 2019 deals creates momentum for continued strength in the US IPO market.**
- ▶ **Activity is accelerating** in late September, and there are several additional large issuers publicly on file that could approach the markets over the remainder of 2019.
- ▶ With uncertain geopolitical environment and the potential for bouts of volatility, many issuers are preparing for IPOs in the first half of 2020, ahead of the US elections in early November 2020.





Asia-Pacific

# China's STAR Market debut raises IPO activity and investor sentiment

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The much anticipated debut of China's STAR Market in Q3 2019 did not disappoint as initial activity on the new exchange overshadowed more muted performance in Hong Kong, Japan and Australia, this elevated Asia-Pacific IPO activity above Q2 2019 results. This was also boosted by the rebound of activity on Southeast Asia exchanges during Q3 2019. Going forward, the China-US trade tensions may continue to raise uncertainty among investors in some parts of the region. The Asia-Pacific IPO market will soon recover if mega IPOs can complete their listings promptly during the last quarter of the year.

**Ringo Choi**

EY Asia-Pacific IPO Leader

## Highlights from the market

- ▶ Ongoing trade tensions between China and the US are having a persistent impact on IPO activity across parts of Asia-Pacific. As a result, **YTD 2019 IPO volumes are down 9% and proceeds decreased by 27% compared with YTD 2018.**
- ▶ Deal number rose by 25% while proceeds increased by 64% in Q3 2019 compared with Q2 2019, as the rise of IPO activity on Shanghai's STAR Market and Southeast Asia offset more muted activity in Hong Kong, Japan and Australia.
- ▶ **Asia-Pacific continued to dominate global IPO activity in Q3 2019**, representing seven of the top ten exchanges by volumes and five of the top ten exchanges by proceeds.
- ▶ **IPOs on Asia-Pacific's main markets continue to experience positive average first-day returns**, rising to 51%, while average current returns soared to 71%, predominantly because of mainland China's STAR Market activity.
- ▶ **In Greater China**, Q3 2019 IPO activity rebounded notably from Q2 2019. STAR Market accounted for 38% of Greater China IPO activity this quarter by volume and 35% by proceeds. In Hong Kong, a sluggish investment environment slowed IPO activity considerably as IPO candidates decided to take a wait-and-see approach.
- ▶ **In Japan**, Q3 2019 was a quiet quarter, with 33% fewer IPOs and proceeds were 16% lower versus Q2 2019.
- ▶ **In Australia**, Q3 2019 was a continuation of the lower activity in IPOs that we saw in Q2 2019. Deal numbers were down 36%, while funds raised decreased 45% as compared with Q2 2019. Small-cap listings (of less than US\$10m) in technology and resources will continue to dominate activity.
- ▶ **In Southeast Asia**, activity rebounded considerably with 40 IPOs with total proceeds of US\$2.9b. Q3 2019 deal volumes are up 33%, while funds raised are 70% higher than in Q2 2019, making YTD 2019 saw 13% higher by deal numbers and 1% rise by proceeds compared with YTD 2018.
- ▶ **Technology and industrials posted the highest deal numbers. Consumer staples and technology saw the highest proceeds on Asia-Pacific exchanges in Q3 2019.**

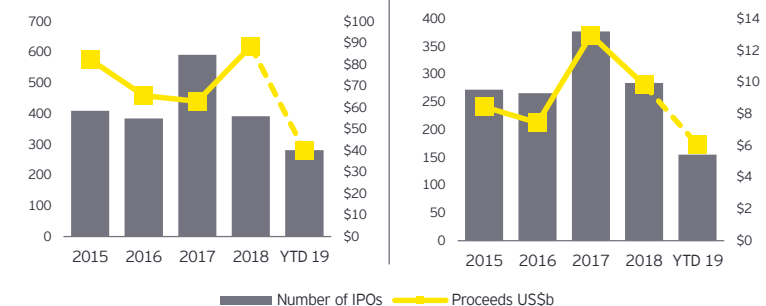
## Markets

YTD 2019	Change on prior year	Q3 2019	Change on Q3 2018
<b>436</b> IPOs	▼ 9%	<b>173</b> IPOs	▼ 2%
<b>\$46.1b</b> proceeds	▼ 27%	<b>\$23.7b</b> Proceeds	▼ 29%

All amounts in table are in US\$

### Main markets

Q3 2019	Change on Q3 2018	Q3 2019	Change on Q3 2018
<b>117</b> IPOs	▲ 5%	<b>56</b> IPOs	▼ 14%
<b>\$21.4b</b> proceeds	▼ 32%	<b>\$2.3b</b> proceeds	▲ 27%



All amounts in table are in US\$

## Activity Q3 2019

### Stock exchanges by highest total proceeds

**Hong Kong (HKEx and GEM)\*\***  
\$7.8b  
24 IPOs  
Hong Kong

**Shanghai (SSE and STAR)\*\***  
\$7.8b  
47 IPOs  
China

**Shenzhen (SZSE and Chinext)**  
\$3.4b  
16 IPOs  
China

### Sectors by highest number of IPOs

**Technology**  
42 IPOs  
\$5.1b

**Industrials**  
33 IPOs  
\$2.3b

**Materials**  
21 IPOs  
\$1.3b

### IPOs largest by proceeds

**Budweiser Brewing Co APAC Ltd\***  
\$5.3-5.9b  
Consumer staples  
Hong Kong  
Hong Kong (HKEx)

**CGN Power Co., Ltd.**  
\$1.8b  
Energy  
China  
Shenzhen (SZSE)

**China Railway Signal & Communication Corp. Ltd.**  
\$1.5b  
Technology  
China  
Shanghai STAR

\*\* Hong Kong Stock Exchange saw proceeds of US\$7.81b while Shanghai Stock Exchange raised US\$7.75b.

All amounts in table are in US\$

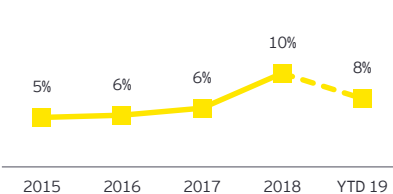
\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.



Trends

Cross-border activity YTD 2019

Asia-Pacific issuers' cross-border activity  
Percentage of all Asia-Pacific issuers



Unicorn companies in the Asia-Pacific region are under little pressure to go public, giving them time to wait for the right IPO window or better valuation levels.

**Cross-border** **16** IPOs

4% of all Asia-Pacific issuers\* listed abroad but within the Asia-Pacific region

**Outbound** **18** IPOs

4% of all Asia-Pacific issuers\* listed outside Asia-Pacific

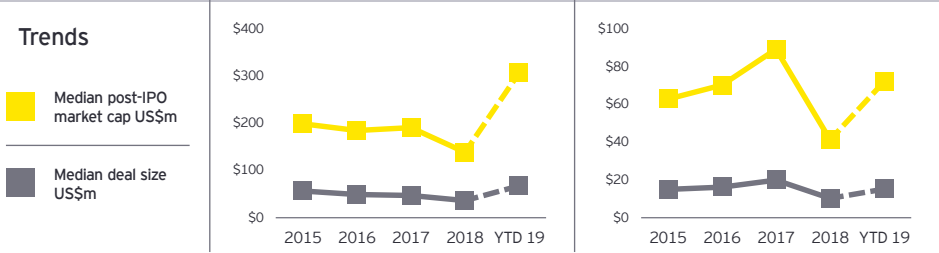
**Inbound** **6** IPOs

10% of cross-border IPOs globally\*\* listed in Asia-Pacific but came from outside the region

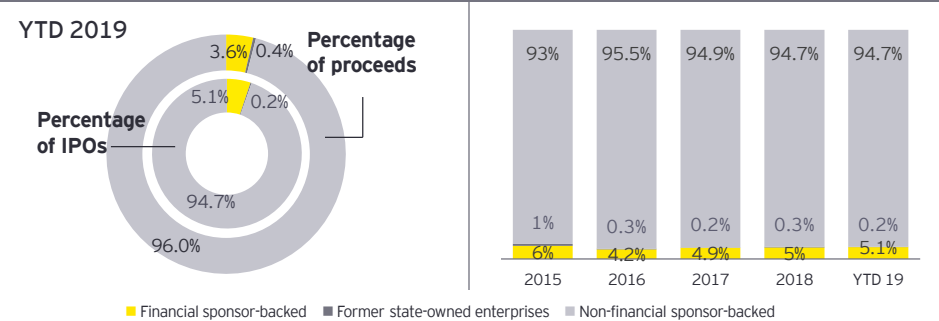
\*There were 448 IPOs by Asia-Pacific issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
\*\* There were 63 cross-border IPOs globally in YTD 2019.

Transaction sizes

	Main markets		Junior markets	
	YTD 2019	Change on prior year	YTD 2019	Change on prior year
Median post-IPO market cap	\$306m	▲ 77%	\$72m	▲ 86%
Median deal size	\$67m	▲ 42%	\$15m	▲ 55%



Sources of IPOs



All amounts in table are in US\$. Figures may not total 100% due to rounding.

## Performance

### IPO pricing and performance YTD 2019

	First-day average return	Share price performance since IPO
Main markets	<b>+51.3%</b>	<b>+70.8%</b>
Junior markets	<b>+32.5%</b>	<b>+128.7%</b>

+ or - indicates change compared with offer price at IPO

### Equity indices YTD 2019

**Hang Seng**  
**+4.9%**  
Hong Kong

**Nikkei 225**  
**+9.7%**  
Japan

**ASX 200**  
**+18.2%**  
Australia

**Shanghai Composite**  
**+19.7%**  
Mainland China

**FTSE Straits Times**  
**+3.7%**  
Singapore

**KOSPI**  
**+1.5%**  
South Korea

+ or - indicates change since 28 December 2018

### Volatility index

**Hang Seng Volatility**  
**19.1** index level  
**-29.9%**  
YTD

**+9.0%**  
Q2 2019

+ indicates an increase in volatility as at 18 September 2019 compared with 28 December 2018 for year-to-date (YTD) and 28 June 2019 for end of Q2 2019. Whereas - indicates a decrease in volatility over the same time period.

## Outlook

- ▶ Riding a wave of positive first-day pops and investor sentiment, combined with a healthy pipeline of unicorns and mega IPOs waiting for the right IPO window to open, **we expect Asia-Pacific IPO activity to improve, perhaps in Q4 2019, but more likely in the first half of 2020.**
- ▶ We anticipate IPO activity in Asia-Pacific to retain **a balance between high-growth opportunities in the technology sector and the more traditional sectors** such as natural resources and industrials.
- ▶ **In Mainland China**, we expect the momentum gained with the launch of the STAR Market in July 2019 to remain as high-quality IPO issuers continue to come to this new market. IPO pipelines across the Mainland China exchanges remain strong and market sentiment is positive. As such, we expect IPO activity to increase in Q4 2019.

- ▶ **In Hong Kong**, if mega IPOs of high-profile companies succeed in listing on the Main Market, then HKEx performance will improve in Q4 2019 and may spark a wave of IPO activity into 2020.
- ▶ **Japan continues to anticipate the launch of 90 to 100 IPOs during the whole of 2019** – an equivalent number to 2018. However, no mega IPOs and unicorn IPOs are on the horizon. Small- and mid-size companies will continue to make up the majority of IPO activity in Q4 2019.
- ▶ **In Australia**, IPO issuers that have been patiently waiting for the US-China trade tensions and Brexit to reach resolution will feel more urgency to launch their IPOs in Q4 2019 without waiting for more geopolitical certainty. Focus will remain on smaller-cap issuers in the materials (mining and metal) and technology sectors.

- ▶ **We expect the surge in activity in Southeast Asia in Q3 2019 to spill into Q4 2019 as IPO activity in the region heats up.** At the same time, we will keep a watchful eye on the financial pressure many ASEAN countries face from interest cycle pressures and currency devaluations. IPO activity will continue to be dominated by entrepreneurial countries coming to the public markets.
- ▶ Regulatory changes in Greater China exchanges have increased competition among other Asia-Pacific exchanges, such as Singapore and Malaysia. However, this region will continue to see higher IPO activity as we close out 2019 and head into 2020.
- ▶ Across Asia-Pacific, **investors will remain focused on valuations and post-IPO performance.**



An aerial photograph of a large number of sailboats with white sails on a deep blue sea. The boats are scattered across the frame, with some in the foreground and others further away. The water has a textured, wavy appearance.

Asia-Pacific – Greater China market insight

# STAR Market launch drives robust IPO activity in Q3 2019

“

Recent social unrest in Hong Kong has significantly dampened IPO activity in Q3 2019. Many potential issuers have postponed their IPO launch as they wait and see how the development in Hong Kong unfolds. In Mainland China, IPOs reached their year-to-date high in Q3 2019, following the launch of the STAR Market, a marketplace for technology, health science and new economy companies, which are some of the investors' favorites. The A-share IPO market is expected to finish the year strongly and will continue into 2020.

**Terence Ho**

EY Greater China IPO Leader



## Highlights from the markets

- ▶ Although YTD deal numbers are down 7% and proceeds are 24% lower than YTD 2018, **Q3 2019 IPO activity on Greater China exchanges rebounded considerably from Q2 2019, as volume increased 24% and proceeds rose by 65% over the previous quarter.** In Q3 2019, Greater China posted 88 IPOs, with total proceeds of US\$19b.
- ▶ The uptick in activity is largely a result of mainland China's new STAR Market on the Shanghai Stock Exchange. **Riding a wave of positive investor sentiment, STAR IPOs accounted for 38% of Greater China's IPO activity during Q3 2019 by deal numbers and 35% by proceeds.**
- ▶ At the same time, three mega IPOs (deals with proceeds above US\$1b) were launched in Q3 2019, pushing proceeds even higher. **Overall, Q3 2019 IPO deal numbers in Mainland China increased 91% over Q2 2019, while proceeds increased a staggering 118%.**
- ▶ **On the Hong Kong Main Board**, investor sentiment was more tempered. A poor investment environment slowed Q3 2019 IPO activity considerably as IPO candidates decided to take a wait-and-see approach. While YTD 2019 deal numbers only dropped 1% over YTD 2018 due to a very active Q2 2019, proceeds declined by 44% due to fewer mega IPOs.
- ▶ **Q3 2019 deal numbers on the Hong Kong Main Board fell by 39% compared with Q2 2019, with proceeds rising 22% due to one mega IPO in September.** Yet, despite a sluggish quarter, YTD 2019, Hong Kong is still ranked first among global exchanges in deal numbers and ranked third by proceeds.
- ▶ **Technology and industrials were the most active sectors in Greater China by deal numbers in Q3 2019. While consumer staples and technology led by proceeds.**
- ▶ **Hong Kong Main Board saw four cross-border IPOs in Q3 2019** with two from Singapore and one each from Malaysia and Thailand. **Greater China issuers conducted five cross-border IPOs on the US exchanges** (three were on NASDAQ and two on NYSE).

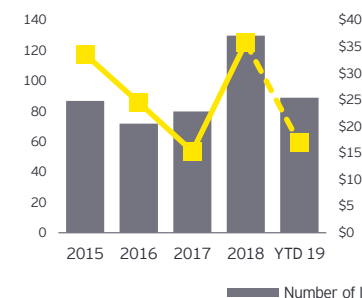
## Markets

YTD 2019	Change on prior year	Q3 2019	Change on Q3 2018
<b>226</b> IPOs	▼ 7%	<b>88</b> IPOs	▲ 6%
<b>\$37.0b</b> proceeds	▼ 24%	<b>\$19.0b</b> proceeds	▼ 32%

All amounts in table are in US\$.

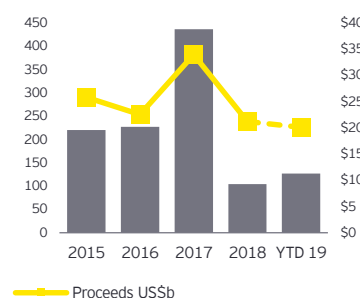
### Hong Kong Main Board

Q3 2019	Change on Q3 2018
<b>22</b> IPOs	▼ 45%
<b>\$7.8b</b> Proceeds	▼ 68%



### Shanghai and Shenzhen

Q3 2019	Change on Q3 2018
<b>63</b> IPOs	▲ 163%
<b>\$11.2b</b> proceeds	▲ 229%



Shenzhen includes both listings on the Mainboard, Small and Medium Enterprise board and ChiNext.  
All amounts in table are in US\$.

## Activity Q3 2019

### Hong Kong Main Board

**Sectors**  
by highest number of IPOs

**Industrials**  
6 IPOs | \$338m

**Financials**  
4 IPOs | \$520m

**Health care**  
3 IPOs | \$593m

**IPOs**  
largest by proceeds

**Budweiser Brewing Co., APAC Ltd.\***  
\$5.3-5.9b Consumer staples

**Jinshang Bank Co., Ltd.**  
\$474m Financials

**Shanghai Henlius Biotech Co., Ltd.\***  
\$446m Health care

### Shanghai and Shenzhen

**Sectors**  
by highest number of IPOs

**Technology**  
22 IPOs | \$4.4b

**Industrials**  
15 IPOs | \$1.6b

**Materials**  
9 IPOs | \$1.1b

**IPOs**  
largest by proceeds

**CGN Power Co., Ltd.**  
\$1.8b Energy, Shenzhen (SZSE)

**China Railway Signal & Communication Corp. Ltd.**  
\$1.5b Technology, Shanghai STAR

**Montage Technology Co., Ltd.**  
\$407m Technology, Shanghai STAR

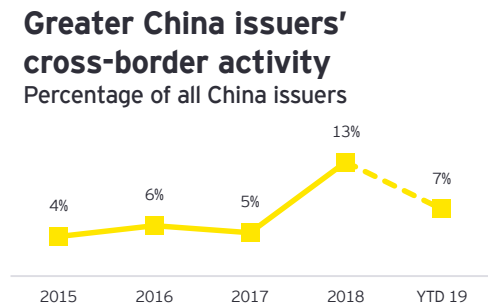
All amounts in table are in US\$

\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.

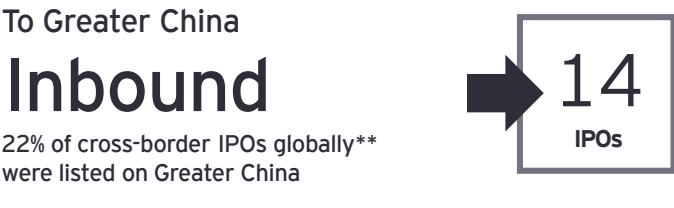
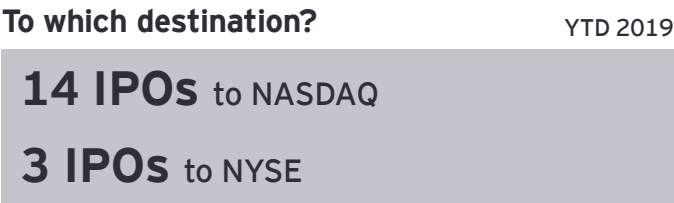


Trends

Cross-border activity YTD 2019



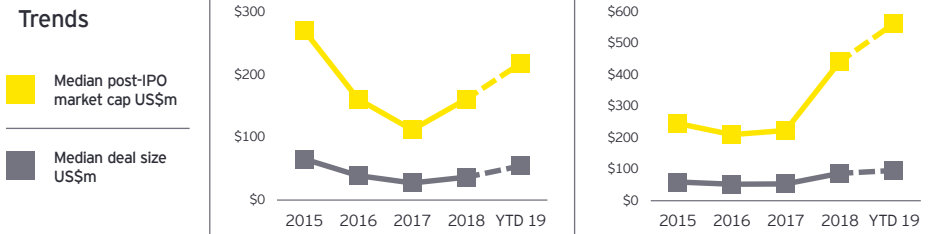
In a boost to investor confidence in Mainland China, almost all first-day IPO returns on the A-share market reached the maximum increase of 44%. On Shanghai's STAR Market, where there is no increase limitation, IPO first-day returns ranged from a low of more than 80% to highs of 400%.



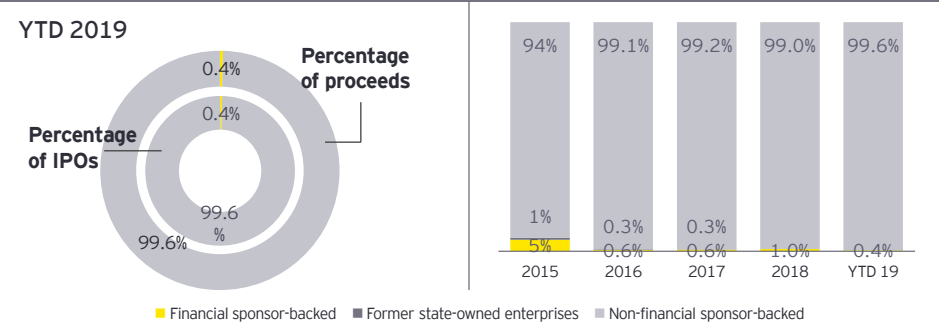
\*There were 229 IPOs by Greater China issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
\*\* There were 63 cross-border IPOs globally in YTD 2019.

Transaction sizes

	Hong Kong Main Board		Shanghai and Shenzhen	
	YTD 2019	Change on prior year	YTD 2019	Change on prior year
Median post-IPO market cap	\$217m	▲ 70%	\$562m	▲ 12%
Median deal size	\$54m	▲ 70%	\$96m	▲ 5%



Sources of IPOs



All amounts in table are in US\$. Figures may not total 100% due to rounding.

## Performance

### IPO pricing and performance YTD 2019

	First-day average return	Share price performance since IPO
Hong Kong Main Board	<b>+5.4%</b>	<b>+8.9%</b>
Shanghai and Shenzhen	<b>+74.7%</b>	<b>+118.9%</b>

### Equity indices YTD 2019 Mainland China

<b>Shanghai Composite</b> <b>+19.7%</b>	<b>Shenzhen Composite</b> <b>+30.6%</b>	<b>Shenzhen SME</b> <b>+31.1%</b>
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### Equity indices YTD 2019 Hong Kong

<b>Hang Seng</b> <b>+4.9%</b>	<b>Hang Seng China Enterprises</b> <b>+4.9%</b>	<b>Hang Seng China Affiliated Corporations</b> <b>+4.7%</b>	<b>Volatility index</b> <b>Hang Seng Volatility</b> 19.1 index level -29.9% YTD +9.0% Q2 2019
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+ or - indicates change compared with offer price at IPO

+ or - indicates change since 29 December 2018

+ indicates an increase in volatility as at 18 September 2019 compared with 28 December 2018 for year-to-date (YTD) and 28 June 2019 for end of Q2 2019. Whereas - indicates a decrease in volatility over the same time period.

## IPO pipeline

More than

**456**

companies are in the China Securities Regulatory Commission (CSRC) pipeline.

More than

**220**

companies have submitted public filings with HKEx.

## Outlook

- ▶ Trade negotiations between the US and China continue to create volatility in Greater China IPO markets. **If the two countries can make progress on the trade issues during Q4 2019**, we expect this will have a favorable impact on Greater China IPO activity in Q1 2020.
- ▶ **In Mainland China**, stimulating capital market policies and policies to spur consumption by the Government should have a positive effect on the A-share market, and particularly the STAR Market, going forward.
- ▶ In addition, after the successful launch of the STAR Market, the pace of A-share IPO activity should gain speed into the final quarter of

2019. To date, 456 companies are in the CSRC pipeline; of which, 151 companies have submitted IPO applications to list on the STAR Market.

- ▶ **In Hong Kong**, China-US trade issues and social unrest, combined with lower valuation levels, may continue to dampen investor enthusiasm going into Q4 2019. As a result, we expect IPO candidates to retain their wait-and-see attitude through the end of 2019.
- ▶ That said, if mega IPOs of high-profile companies succeed in listing on the Hong Kong Main Market during Q4 2019, the HKEx could be on track to maintain its status among the top three global exchanges

by proceeds at year-end 2019. Overall, we anticipate that HKEx regulatory reforms will continue to play a positive role in attracting IPO activity. Furthermore, the IPO pipelines remain strong, with more than 220 companies having submitted their IPO A1 filings documents. As such, we expect IPO activity level to improve by the end of 2019 and into Q1 2020.

- ▶ For both Mainland China and Hong Kong markets, **we anticipate more unicorn IPOs to list in Q4 2019**, primarily from the high technology sector (particularly around artificial intelligence), as well as health care.



An aerial photograph of a large number of sailboats with white sails on a deep blue sea. The boats are scattered across the frame, with some in the foreground and others further away. The water has a textured, wavy appearance.

Asia-Pacific – Japan market insight

## IPO markets in Japan remain steady amid a quiet quarter

“

IPO activity in the third quarter of each year is typically quiet and Q3 2019 was no exception. Although IPO activity year-to-date is down compared with the same period in 2018, the Japanese IPO markets remain steady. Meanwhile, investments from venture capital and corporate venture capital funds continue to grow, increasing the strength of the Japanese IPO markets. With interest from financial sponsors and an uptick in foreign companies looking to list on the JASDAQ and MOTHERS, we expect to see an increase in IPO activity in Q4 2019.

**Masato Saito**

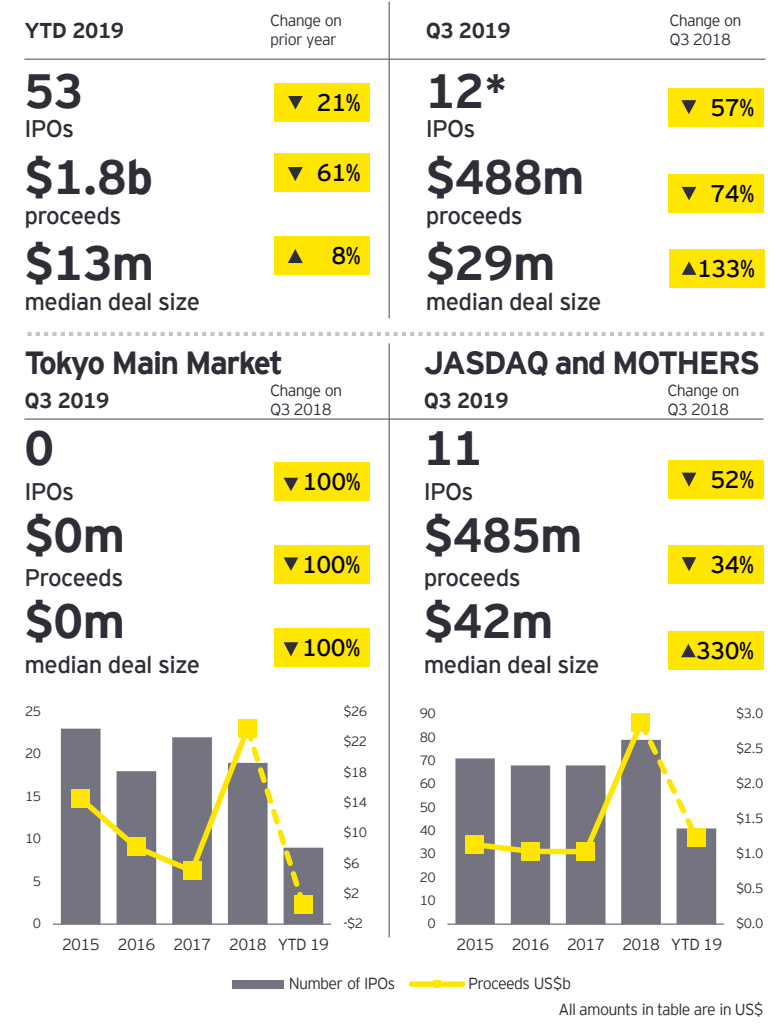
EY Japan IPO Leader



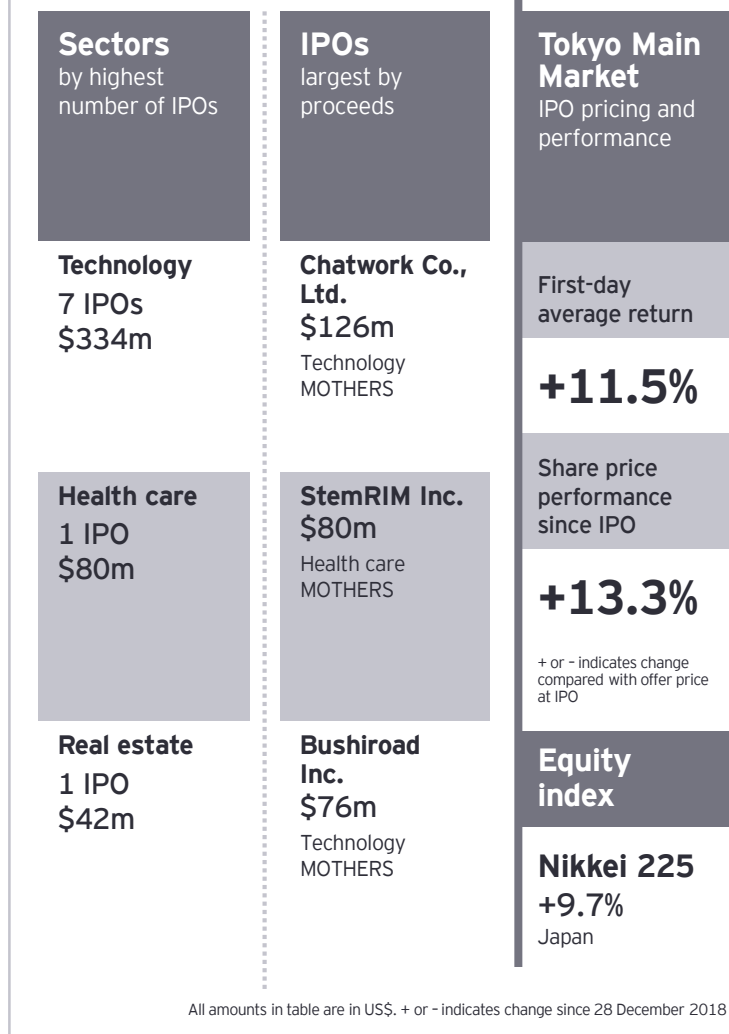
## Highlights from the market

- Q3 2019 was a quiet quarter for IPO activity in Japan, as deal volume declined by 33%, and proceeds dropped 16% versus Q2 2019.** Tokyo Main Market saw no IPO in Q3 2019, this is the first time since Q1 2012. **The Tokyo Stock Exchange (TSE), which consist of the Tokyo Main Market, JASDAQ and MOTHERS, ranked eighth among the top ten exchanges by deal numbers in Q3 2019.** YTD 2019, Japanese exchanges saw 21% fewer IPOs and 61% lower by proceeds compared with YTD 2018.
- During Q3 2019, we saw a **sizeable increase in venture capital (VC) and corporate venture capital (CVC) investment into IPO-bound startups.** Financial sponsor-backed IPOs accounted for 58% of Japan IPOs by deal numbers and 76% by proceeds in Q3 2019, compared with 22% and 64%, respectively, in Q2 2019.
- Japan's Nikkei 225 and MOTHERS indices continued to perform well in Q3 2019 and exchange rates between the Japanese yen and the US dollar remain strong.** These conditions continue to sustain a favorable market for IPO activity. Furthermore, unlike other parts of the world, Japan remained relatively unaffected by the US-China-EU trade tensions or Brexit.
- The TSE continues its migration from four market segments into three. It currently has the Main Market Section 1, Main Market Section 2, JASDAQ and MOTHERS. Making it less complex for investors, **the TSE is looking to reorganize into three markets: one for major companies, one for mid-size companies and a third for startups** (similar to the current MOTHERS). Japan is hoping these changes will encourage more post-IPO growth for issuers listed on the startup market.
- Technology remains the most active sector for Japan in Q3 2019, both by deal numbers and proceeds.**
- Looking ahead to Q4 2019, **we expect Japan to launch around 90 to 100 IPOs during 2019 – an equivalent level to 2018.**
- IPO candidates are encouraged to keep track of equity indices as valuation indicators over the coming months and time their IPO accordingly. They may also consider the impact of the VAT increase from 8% to 10% as of October 2019, which may weaken investor sentiment.

## Markets



## Activity Q3 2019



\*During Q3 2019, there was no IPO on Tokyo Main Market, 11 IPOs on JASDAQ and MOTHERS and 1 IPO on Fukuoka Stock Exchange's Quotation Board which raised US\$3m. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.



A background image of a sailboat on the ocean. The boat's white sails are partially visible against a clear blue sky. The water is a deep blue, and the boat's rigging and ropes are visible in the foreground. The overall scene is bright and clear, suggesting a sunny day.

Europe, Middle East, India and Africa

# IPO issuers face headwinds and tailwinds in Q3 2019

“

EMEIA is caught in the eye of a perfect storm. In Q3 2019, the region continued to face headwinds in the form of ongoing US-China-EU trade issues and Brexit uncertainty. IPO activity is expected to pick up after a quiet Q3 as we are heading into the most active IPO season of the year. The region is riding the tailwind from a longer-than-expected low interest rate environment, especially in Europe, which is pushing investors to look for high-return assets. Moreover, investors are getting more selective, with an appetite for larger and high-quality equity stories and growth investments, especially in technology sectors. As we move into the final quarter of 2019, we will likely see EMEIA IPO issuers accelerate their IPO plans to get ahead of potential slower economic growth.

**Dr. Martin Steinbach**

EY EMEIA IPO Leader

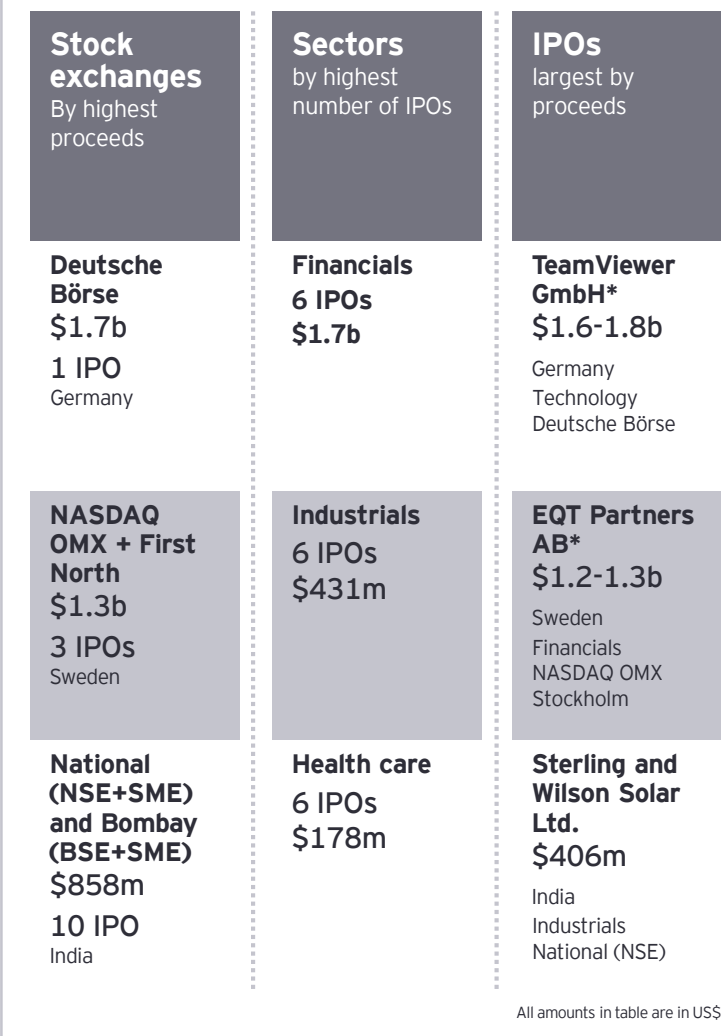
## Highlights from the markets

- ▶ **EMEIA continued to face geopolitical headwinds and a decline in investor sentiment in Q3 2019.** Ongoing US-EU-China trade tensions have slowed economic growth in EMEIA, as well as dampened market sentiment and economic outlook. At the same time, with no deal in sight, Europe and UK are having to brace for the risk of a hard Brexit in Q4 2019. These issues have caused volatility to increase substantially during Q3 2019, weakened investor confidence and resulted in a spike in gold prices.
- ▶ Being in the midst of a perfect storm, EMEIA saw a decline of 58% in volume and 69% by proceeds in Q3 2019 compared with Q2 2019.
- ▶ Among the darkening clouds, there is a silver lining due to the longer-than-expected low interest rate environment. Moreover, **EMEIA continued to account for three of the top ten exchanges globally by proceeds in Q3 2019:** Deutsche Börse ranked sixth with total proceeds of US\$1.7b via one IPO, NASDAQ OMX ranked eighth (US\$1.3b via 3 IPOs). While India's National and Bombay exchanges ranked tenth by proceeds and ranked eighth by deal number (US\$858m via 10 IPOs).
- ▶ **In Europe,** following a significant uptick in proceeds in Q2 2019 over Q1 2019, both volume and proceeds dropped notably in Q3 2019. YTD 2019, both deal numbers and proceeds are down 40% over YTD 2018. On a positive note, three of the largest IPOs on European exchanges in YTD 2019 are technology issuers.
- ▶ **In India,** national elections across the country had investors taking a wait-and-see approach in Q2 2019. Even after the election, Indian IPO activity remained muted in Q3 2019 as volume dropped 52% from Q2 2019. However, due to higher average deal size, Q3 2019 proceeds rose 53% compared with Q2 2019.
- ▶ In the **Middle East and North Africa (MENA),** although Q2 2019 witnessed a sizeable improvement in IPO activity, both in volume and value, investors returned to a more cautious posture in Q3 2019 as MENA exchanges recorded three deals with total proceeds of US\$256m.
- ▶ **Financials, industrials and health care posted the highest number of IPOs in Q3 2019.** Technology, financials and industrials continued to dominate in terms of proceeds.

## Markets



## Activity Q3 2019



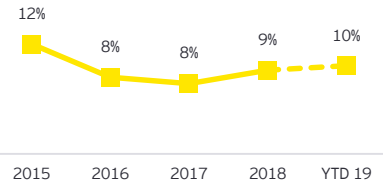
\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.



Trends

Cross-border activity YTD 2019

EMEIA issuers' cross-border activity  
Percentage of all EMEIA issuers



Despite tempered IPO activity in Q3 2019, cross-border IPO activity slightly increased to 10% in YTD 2019 from 9% in 2018.

YTD 2019

Cross-border

10% of all EMEIA issuers\* listed abroad

18 IPOs

Outbound

7% of all EMEIA issuers\* listed outside EMEIA

12 IPOs

Inbound

0% of cross-border IPOs globally\*\* listed on EMEIA exchanges but came from outside the region

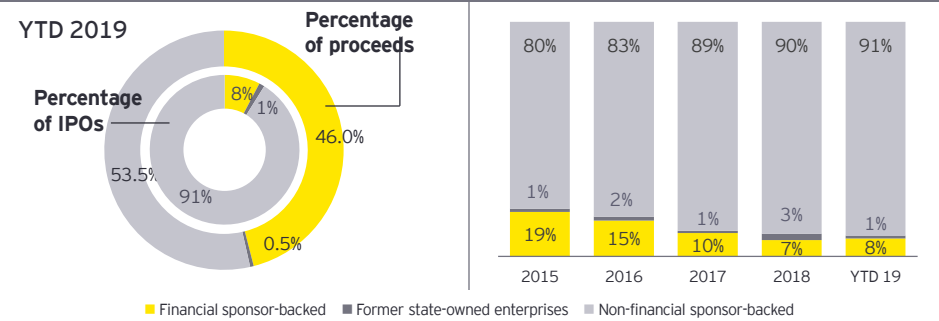
0 IPO

\*There were 184 IPOs by EMEIA issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
\*\* There were 63 cross-border IPOs globally in YTD 2019.

Transaction sizes YTD 2019

	Main markets		Junior markets	
	YTD 2019	Change on prior year	YTD 2019	Change on prior year
Median post-IPO market cap	\$182m	▼ 30%	\$14m	▲ 24%
Median deal size	\$57m	▼ 35%	\$3m	▲ 2%
Trends				
	Median post-IPO market cap US\$m		Median deal size US\$m	

Sources of IPOs



All amounts in table are in US\$. Figures may not total 100% due to rounding.

## Performance

IPO pricing and performance YTD 2019			Equity indices YTD 2019				Volatility indices	
	First-day average return	Share price performance since IPO						
Main markets	+2.7%	+10.0%	<b>BSE SENSEX</b> +1.4% India	<b>CAC 40</b> +20.1% France	<b>DAX 30</b> +17.3% Germany	<b>Euro STOXX 50</b> +16.7% Europe	<b>VSTOXX®</b> 15.2 index level -36.3% YTD	<b>VDAX®</b> 15.7 index level -33.0% YTD
Junior markets	+12.5%	+13.4%	<b>FTSE 100</b> +8.6% UK	<b>JSE All Share</b> +7.2% South Africa	<b>MICEX</b> +19.5% Russian Federation	<b>Tadawul All Share</b> -0.6% Saudi Arabia	+10.7% Q2 2019	+6.8% Q2 2019

+ or - indicates change compared with offer price at IPO

+ or - indicates change since 28 December 2018

+ indicates a increase in volatility as at 18 September 2019 compared with 28 December 2018 for year-to-date (YTD) and 28 June 2019 for end of Q2 2019. Whereas - indicates a decrease in volatility over the same time period.

## Outlook

- **Going into Q4 2019, many of the uncertainties that have tempered IPO investor enthusiasm in EMEIA so far this year remain, while new storm clouds begin to brew on the horizon.** Persistent headwinds include the US-China-EU trade tensions, Brexit and post-election uncertainty with respect to some European countries. On the other hand, interest rates are creating tailwinds as investors look for growth investments and compelling equity stories. Other tailwinds may come from the resolution of trade tensions, ahead of the US 2020 elections. These tailwinds could propel IPO activity upward in Q4 2019 and into 2020.
- Regardless of uncertainties, **high-quality IPO candidates with the right team and most compelling equity stories will create IPO activity** in the last quarter of the year.
- **In Europe**, election results in some European countries have created a new wave of uncertainty, while negative outcomes on the US-EU trade discussions or a hard Brexit could push Europe into a mild recession. If

the winds blow in Europe's favor, we expect an increase in European IPO activity heading into the end of 2019 and the first half of 2020.

- **In the UK**, with Brexit still in play, and a potential UK election on the horizon, it is challenging to predict how robust IPO activity will be over Q4 2019. However, we expect inbound IPO listings will continue as the UK capital markets remain an attractive option for companies looking for large amounts of available capital.
- **In India**, slow economic growth, weak investment and consumption demand, the depreciation of the rupee and a liquidity crunch have negatively impacted the equity and IPO markets. However, the Indian Government is in active discussions with many industries to strengthen the prevailing business environment. At the same time, approximately 50 companies have filed their offer documents with the regulator and are awaiting approval for clearance. Due to these conditions and the proposed minimum public shareholding limit on the horizon, we expect a flurry of IPO activity before the end of 2019.

- **Across MENA**, IPO activity is expected to progress cautiously, with an optimistic outlook due to events and themes such as the MSCI and FTSE inclusions, privatization drives and government initiatives. As part of Vision 2030, the Saudi Government has planned privatization deals worth US\$533m (SAR 2b) to be carried out by the end of 2019. In the UAE, the Securities and Commodities Authority (SCA) has recently published the proposed amendments to facilitate the onshore listing of UAE free zone companies. Meanwhile, with MSCI's announcement of upgrading Kuwaiti equities to its main Emerging Markets Index in 2020, it has been reported that Kuwait's capital market will attract around US\$10b of additional investor flows from passive funds.
- Given the ongoing political and economic instability in many key African markets, we expect **African IPO activity** to end on a quiet note in the last quarter of 2019.



# Europe IPO snapshot

## Markets

YTD 2019

Change on prior year

**100**  
IPOs

▼ 40%

**\$16.7b**  
proceeds

▼ 40%

**12%** of IPOs are financial sponsor-backed

Q3 2019

Change on Q3 2018

**22**  
IPOs

▼ 42%

**\$3.5b**  
proceeds

▼ 1%

**14%** of IPOs are financial sponsor-backed

All amounts in table are in US\$

### Main markets

Q3 2019

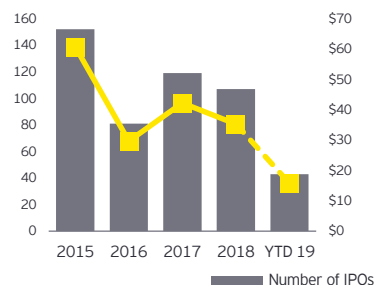
Change on Q3 2018

**7**  
IPOs

▼ 56%

**\$3.3b**  
proceeds

▲ 3%



### Junior markets

Q3 2019

Change on Q3 2018

**15**  
IPOs

▼ 32%

**\$157m**  
proceeds

▼ 44%



All amounts in table are in US\$

## Activity Q3 2019

### Sectors

by highest number of IPOs

**Health care**  
5 IPOs | \$178m

**Financials**  
4 IPOs | \$1.4b

**Industrials**  
3 IPOs | \$21m

### IPOs

largest by proceeds

**TeamViewer GmbH\***  
\$1.7b Technology, Deutsche Börse

**EQT Partners AB**  
\$1.3b Financials, NASDAQ OMX Stockholm

**Addiko Bank AG**  
\$176m Financials, Wiener Börse (Vienna)

**Stock exchanges**  
by highest total proceeds

**Deutsche Börse**  
\$1.7b | 1 IPO Germany

**NASDAQ OMX + First North**  
\$1.3b | 3 IPOs Nordics

**Wiener Börse (Vienna)**  
\$176m | 1 IPO Austria

All amounts in table are in US\$

## Trends YTD 2019

### Transaction sizes

	Main markets	Change on prior year	Junior markets	Change on prior year
Median post-IPO market cap	\$172.0m	▼ 27%	\$23.0m	▼ 33%
Median deal size	\$58.0m	▼ 36%	\$5.0m	▼ 37%

### Cross-border IPOs: top IPO issuers

\*There were 104 IPOs by European issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

\*\* There were 63 cross-border IPOs globally in YTD 2019.

### Cross-border

10% of all Europe issuers\* listed abroad

10 IPOs

### Outbound

6% of all Europe issuers\* listed outside Europe

6 IPOs

### Inbound

3% of cross-border IPOs globally\*\* listed on European exchanges but came from outside Europe

2 IPOs

## Performance YTD 2019

### Equity indices

**CAC 40**  
+20.1%  
France

**DAX 30**  
+17.3%  
Germany

**Euro STOXX 50**  
+16.7%  
Europe

**FTSE 100**  
+8.6%  
UK

### Volatility index

**VSTOXX®**  
-36.3% | 15.2 index level  
YTD

**VDAX®**  
-33.0% | 15.7 index level  
YTD

+ indicates a increase in volatility as at 18 September 2019 compared with 28 December 2018 for year-to-date (YTD).

+ or - indicates change since 29 December 2018

### IPO pricing and performance

#### First-day average return

Main markets **+2.0%**

Junior markets **+13.5%**

#### Share price performance since IPO

Main markets **+7.9%**

Junior markets **+15.7%**

+ or - indicates change compared with offer price at IPO

\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.

## EMEIA – UK IPO market insight

# Waters were calm on the surface in Q3 2019, but activity churned beneath

“

A historically quiet quarter was rendered virtually silent in Q3 2019 as IPO issuers and investors alike await more certainty around Brexit. That said, there is clear evidence of activity in the pipeline as IPO candidates prepare and position themselves to take advantage of any window of timing that opens. We also expect cross-border IPO activity to continue as foreign issuers look to access the deep pool of capital available in the London markets.

**Scott McCubbin**

EY UK and Ireland IPO Leader



Highlights from the markets

- ▶ In the third quarter of any given year, the listing window in the UK typically only opens in September. As a result, Q3 is usually one of the quieter quarters of the year. **In Q3 2019, IPO activity was particularly quiet.** The last time that the London Main Market saw no IPOs was in Q3 2012.
- ▶ **Activity across EMEIA has been weak as a result of geopolitical issues.** The UK's protracted Brexit negotiations and potential general election in the near future have compounded these issues, which have impacted markets. In Q3 2019, UK exchanges saw one IPO with proceeds of US\$69m. YTD 2019, IPO numbers are down 55%, however, proceeds are down only 10% compared with YTD 2018, demonstrating the depth of capital still available on the London markets.
- ▶ Although only one IPO has come to market in Q3 2019, there is **clear evidence of activity in the pipeline, with a number of issuers having filed their registration documents during September.**
- ▶ **UK IPO pipelines do however remain robust** and there is a significant amount of capital in the London markets waiting for the right IPOs to come along once the Brexit dust settles.
- ▶ In the meantime, while we may not be seeing IPOs, we are seeing **an uplift in demerger activity, which is potentially creating new listed companies.**
- ▶ Additionally, **the London markets continue to be a significant source of capital for existing issues,** with approximately US\$5b raised by existing issuers in Q3 2019 to-date and US\$24b raised during YTD 2019.

Markets

YTD 2019	Change on prior year	Q3 2019	Change on Q3 2018
17 IPOs	▼ 55%	1 IPO	▼ 91%
\$5.2b proceeds	▼ 10%	\$69m proceeds	▼ 95%

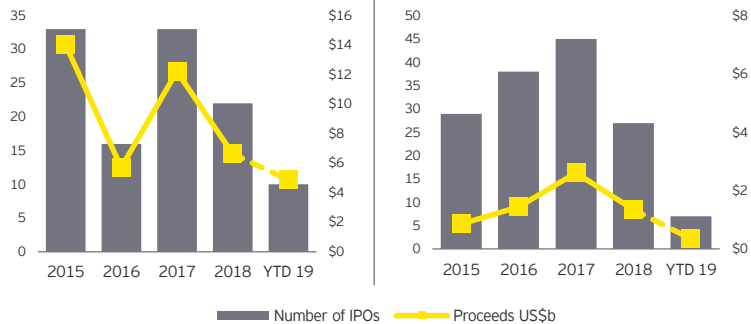
All amounts in table are in US\$

London Main Market

Q3 2019	Change on Q3 2018
0 IPOs	▼100%
\$0.0b proceeds	▼100%

London AIM

Q3 2019	Change on Q3 2018
1 IPO	▼ 75%
\$69m proceeds	▼ 49%



All amounts in table are in US\$

Activity Q3 2019

Sectors by highest number of IPOs	IPOs on Main Market largest by proceeds	IPOs on AIM largest by proceeds
Materials 1 IPO \$69m		Brickability Group plc \$69m Materials UK

There was only one IPO on UK exchanges in Q3 2019  
All amounts in table are in US\$



\*Indicates transactions that are expected to be completed prior to 30 September 2019. Transaction size is estimated using low and high point of proposed price range (as at 19 September). For stock exchanges ranking, expected proceeds is based on mid-point of proposed price range. All values are US\$ unless otherwise noted. Q3 2019 and Q3 19 refer to the third quarter of 2019 and cover priced IPOs from 1 July 2019 to 18 September 2019 plus expected IPOs by the end of September. YTD 2019 refers to the first nine months of 2019 and cover priced IPOs from 1 January 2019 to 18 September 2019 plus expected IPOs by the end of September. Data as of 19 September 2019.

Trends

Cross-border activity YTD 2019

**Main market**  
**Top countries of origin**  
► United Arab Emirates (2 IPOs | \$2.0b)

From the UK

**Outbound**

12% of UK issuers\* listed abroad

2

IPOs

To the UK

**Inbound**

3% of cross-border IPOs globally\*\* were listed on UK exchanges

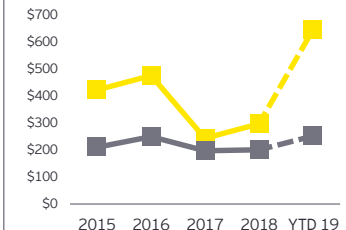
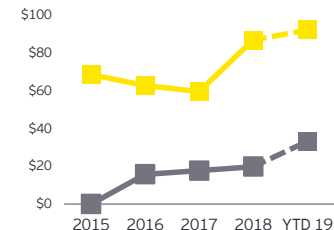
2

IPOs

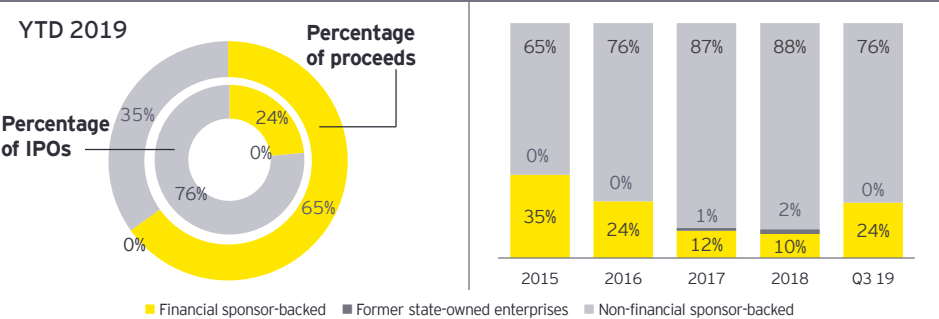
\*There were 17 IPOs by UK issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
\*\* There were 63 cross-border IPOs globally in YTD 2019.

Although Q3 2019 has been uncharacteristically quiet, we expect to see a steady stream of inbound listings in the coming quarters as overseas companies seek to raise funds in London to exploit its deep pools of capital.

Transaction sizes

	London Main Market	London AIM
	YTD 2019Change on prior year	YTD 2019Change on prior year
Median post-IPO market cap	\$647m▲ 118%	\$92m▼ 0.4%
Median deal size	\$253m▲ 17%	\$35m▼ 7%
Trends		

Sources of IPOs





## Performance

### IPO pricing and performance YTD 2019

	First-day average return	Share price performance since IPO
London Main Market	<b>+2.1%</b>	<b>+4.3%</b>
London AIM	<b>+14.5%</b>	<b>+13.3%</b>

+ or - indicates change compared with offer price at IPO.

### Equity indices YTD 2019

**FTSE 100**  
**+8.6%**  
UK

**FTSE 350**  
**+9.6%**  
UK

**FTSE AIM All-Share**  
**+4.0%**  
UK

+ or - indicates change since 28 December 2018

## Outlook

- Clearly, **with Brexit still in play, and a potential UK general election on the horizon, it is challenging to predict how robust IPO activity will be in the remainder of the year.**
- Despite the persistent Brexit uncertainty, **cross-border IPO listings on the London Main Markets and AIM will continue as the UK capital markets remain an attractive option for companies looking for large amounts of available capital.**
- **Domestically, IPO issuers have historically been reluctant to list during election periods, due to increased risk of market volatility.** If a UK election is held between now and the end of 2019, we expect IPO candidates originally looking to launch their IPO in Q4 2019 to likely shift their timetables into 2020.

- **IPO issuers that do list will likely come from more traditional sectors.**



# Appendix

Areas and regional IPO markets  
facts and figures

Definitions



# Top 12 stock exchanges

## By number of IPOs

2019 year-to-date

Ranking	Stock exchanges*	Number of IPOs	% of global IPOs
1	Hong Kong (HKEx) and GEM	97	12.6
2	NASDAQ	95	12.4
3	Shanghai (SSE and STAR)	74	9.6
4	Shenzhen (SZSE and Chinext)	53	6.9
5	National (NSE and SME) and Bombay (BSE and SME)	51	6.6
6	Tokyo (TSE), MOTHERS and JASDAQ	50	6.5
7	Indonesia (IDX)	38	4.9
8	Korea (KRX and KOSDAQ)	36	4.7
9	New York (NYSE)	32	4.2
10	Australia (ASX)	30	3.9
11	Borsa Italiana (Main and AIM)	23	3.0
12	NASDAQ OMX and First North	22	2.9
	Other stock exchanges (33)	167	21.7
	<b>Global IPO activity</b>	<b>768</b>	<b>100.0</b>

2018

Ranking	Stock exchanges*	Number of IPOs	% of global IPOs
1	Hong Kong (HKEx) and GEM	205	14.8
2	National (NSE and SME) and Bombay (BSE and SME)	165	11.9
3	NASDAQ	146	10.5
4	Tokyo (TSE), MOTHERS and JASDAQ	97	7.0
5	Australia (ASX)	81	5.9
6	New York (NYSE)	63	4.6
7	Korea (KRX and KOSDAQ)	62	4.5
8	Shanghai (SSE)	58	4.2
9	NASDAQ OMX and First North	55	4.0
10	Indonesia (IDX)	55	4.0
11	London (Main and AIM)	49	3.5
12	Shenzhen (SZSE and Chinext)	46	3.3
	Other stock exchanges (49 exchanges)	302	21.8
	<b>Global IPO activity</b>	<b>1,384</b>	<b>100.0</b>

## By proceeds

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	NASDAQ	22.3	19.5
2	New York (NYSE)	22.2	19.4
3	Hong Kong (HKEx) and GEM	16.9	14.8
4	Shanghai (SSE and STAR)	12.6	11.1
5	Shenzhen (SZSE and Chinext)	7.5	6.5
6	London (Main and AIM)	5.2	4.6
7	Deutsche Börse	3.5	3.1
8	Singapore (SGX and Catalist)	2.6	2.3
9	Borsa Italiana (Main and AIM)	2.5	2.2
10	National (NSE and SME) and Bombay (BSE and SME)	2.4	2.1
11	SIX Swiss Exchange	2.3	2.0
12	NASDAQ OMX and First North	1.9	1.7
	Other stock exchanges (33)	12.2	10.7
	<b>Global IPO activity</b>	<b>114.1</b>	<b>100.0</b>

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	Hong Kong (HKEx) and GEM	36.5	17.7%
2	New York (NYSE)	29.4	14.3%
3	Tokyo (TSE), MOTHERS and JASDAQ	26.7	13.0%
4	NASDAQ	23.1	11.3%
5	Deutsche Börse (Main and Scale)	13.6	6.6%
6	Shanghai (SSE)	13.6	6.6%
7	London (Main and AIM)	8.0	3.9%
8	Shenzhen (SZSE and Chinext)	7.6	3.7%
9	National (NSE and SME) and Bombay (BSE and SME)	5.5	2.7%
10	Australia (ASX)	4.7	2.3%
11	Euronext and Alternext	4.1	2.0%
12	NASDAQ OMX and First North	3.5	1.7%
	Other stock exchanges (49 exchanges)	29.4	14.3%
	<b>Global IPO activity</b>	<b>205.6</b>	<b>100.0</b>

\*Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Amsterdam, Paris, Brussels and Lisbon; Shenzhen (SZSE) includes the Main Board, SME Board and ChiNext.

# Regional IPO facts and figures: Americas

Year to date comparison					Quarterly comparison					
Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q3 2019	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)	Proceeds US\$b current quarter: Q3 2019	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)
<b>US</b>	127	-23%	44.5	-1%	39	-30%	-41%	11.9	-6%	-57%
<b>Canada<sup>1</sup></b>	28	22%	0.3	-71%	8	33%	-33%	0.0	-96%	-58%
<b>Brazil<sup>2</sup></b>	2	-33%	1.0	-49%	0	NA	-100%	0.0	NA	-100%
<b>Mexico<sup>3</sup></b>	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
<b>Jamaica<sup>4</sup></b>	1	-80%	0.0	-20%	0	-100%	-100%	0.0	-100%	-100%
<b>Chile<sup>5</sup></b>	2	0%	1.1	77%	0	-100%	-100%	0.0	-100%	-100%
<b>Trinidad &amp; Tobago<sup>6</sup></b>	0	NA	0.0	NA	0	NA	NA	0.0	NA	NA
<b>Americas</b>	<b>160</b>	<b>-22%</b>	<b>47.0</b>	<b>-9%</b>	<b>47</b>	<b>-30%</b>	<b>-43%</b>	<b>11.9</b>	<b>-10%</b>	<b>-60%</b>

1. In YTD 2019, there were 11 IPOs raising US\$223m in total on Toronto Stock Exchange and TSX Venture Exchange. There were also 17 IPOs on the Canadian Securities Exchange that raised US\$62m altogether – these listings were excluded on page 8. Whereas in Q3 2019, there were 4 IPOs raising US\$3m on Toronto Stock Exchange and TSX Venture Exchange, while there were 4 IPOs on Canadian Securities Exchange that raised US\$2m in total. In comparison, Q2 2019 saw 4 IPOs raising US\$8m on Toronto Stock Exchange and TSX Venture Exchange, while there were 8 IPOs on Canadian Securities Exchange that raised US\$2m combined.

2. In YTD 2019, there were 2 IPOs, which raised US\$1b in total on Brazil's B3 exchange, both of these were listed during Q2 2019. There were no IPO in Q1 2019 and Q3 2019. In YTD 2018, there were 3 IPOs, which raised US\$2b in total, both of which were listed on Q2 2018. There were no IPO in Q3 2018.

3. In YTD 2019, there were no IPO on the Mexican Stock Exchange. Whereas in YTD 2018, there were 6 IPOs, which raised a total of US\$3.2b and in Q3 2018, there was 1 IPO, which raised US\$14m.

4. In YTD 2019, there was 1 IPO on Jamaica Stock Exchange, which raised US\$41m, which took place in Q2 2019. There was no IPO in Q1 2019 and Q3 2019. In comparison, YTD 2018 saw 5 IPOs, which raised US\$52m in total. In Q3 2018, there were 3 IPOs, which raised a total of US\$41m.

5. In YTD 2019, there were 2 IPOs on Chile's Santiago Stock Exchange, which raised US\$1.1b in total, these took place in Q1 2019 and Q2 2019. Whereas in YTD 2018, there were 2 IPOs, which raised US\$635m. In Q3 2018, there was 1 IPO, which raised US\$527m.

6. In YTD 2019 and Q3 2019, there were no IPO on Trinidad & Tobago's stock exchange. Whereas, in Q4 2018, there was 1 IPO, which raised US\$2m. There were no IPO in the first nine months of 2018.



# Appendix

Year to date comparison					Quarterly comparison					
Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q3 19	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)	Proceeds US\$b current quarter: Q3 19	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)
<b>Indonesia</b>	38	9%	0.8	-22%	21	40%	110%	0.62	96%	608%
<b>Thailand</b>	15	50%	0.6	35%	5	67%	0%	0.30	1382%	272%
<b>Singapore</b>	11	-8%	2.6	390%	2	-50%	-60%	1.37	1703%	15%
<b>Malaysia</b>	22	47%	0.4	222%	9	125%	-10%	0.09	208%	-75%
<b>Myanmar</b>	0	-100%	0.0	-100%	0	NA	NA	0.00	-1%	NA
<b>Philippines</b>	3	200%	0.5	228%	3	NA	NA	0.51	NA	NA
<b>Sri Lanka</b>	0	NA	0.0	NA	0	NA	NA	0.00	NA	NA
<b>Cambodia</b>	0	NA	0.0	NA	0	NA	NA	0.00	NA	NA
<b>Vietnam</b>	0	-100%	0.0	-100%	0	-100%	NA	0.00	-100%	NA
<b>Asean<sup>1</sup></b>	<b>89</b>	<b>13%</b>	<b>4.9</b>	<b>1%</b>	<b>40</b>	<b>48%</b>	<b>33%</b>	<b>2.88</b>	<b>555%</b>	<b>70%</b>
<b>Mainland China</b>	127	48%	20.1	12%	63	163%	91%	11.20	229%	118%
<b>Hong Kong, China</b>	97	-37%	16.9	-45%	24	-58%	-35%	7.81	-68%	21%
<b>Taiwan, China</b>	2	-33%	0.02	-76%	1	-50%	0%	0.01	-73%	250%
<b>Greater China</b>	<b>226</b>	<b>-7%</b>	<b>37.0</b>	<b>-24%</b>	<b>88</b>	<b>6%</b>	<b>24%</b>	<b>19.02</b>	<b>-32%</b>	<b>64%</b>
<b>Japan</b>	<b>53</b>	<b>-21%</b>	<b>1.8</b>	<b>-61%</b>	<b>12</b>	<b>-57%</b>	<b>-33%</b>	<b>0.49</b>	<b>-74%</b>	<b>-16%</b>
<b>South Korea</b>	<b>36</b>	<b>29%</b>	<b>1.5</b>	<b>34%</b>	<b>23</b>	<b>64%</b>	<b>475%</b>	<b>0.91</b>	<b>45%</b>	<b>779%</b>
<b>Australia</b>	30	-49%	0.7	-82%	9	-63%	-36%	0.24	-90%	-45%
<b>New Zealand<sup>2</sup></b>	2	NA	0.2	NA	1	NA	0%	0.15	NA	2057%
<b>Oceania</b>	<b>32</b>	<b>-46%</b>	<b>0.9</b>	<b>-78%</b>	<b>10</b>	<b>-58%</b>	<b>-33%</b>	<b>0.39</b>	<b>-84%</b>	<b>-12%</b>
<b>Asia-Pacific</b>	<b>436</b>	<b>-9%</b>	<b>46.1</b>	<b>27%</b>	<b>173</b>	<b>-2%</b>	<b>25%</b>	<b>23.68</b>	<b>-29%</b>	<b>64%</b>

1. There were no IPOs on Myanmar, Philippines, Sri Lanka, Cambodia and Vietnam's stock exchanges during YTD 2019.

2. In YTD 2019, there were two IPOs on New Zealand Exchange, one IPO was listed on Q2 2019 and Q3 2019 each. Whereas in Q1 2019 and 2018, there was no IPOs on New Zealand Exchange.

\*Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Amsterdam, Paris, Brussels and Lisbon; Shenzhen (SZSE) includes the Main Board, SME Board and ChiNext.

## Regional IPO facts and figures: EMEIA

## Year to date comparison

Year to date comparison					Quarterly comparison					
Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q3 19	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)	Proceeds US\$b current quarter: Q3 19	Change QOQ% (vs Q3 18)	Change previous quarter% (vs Q2 19)
<b>Nordics (Denmark, Norway, Sweden and Finland)</b>	31	-38%	2.5	-43%	5	0%	-74%	1.3	1130%	16%
<b>Commonwealth of Independent States (CIS)</b>	0	NA	0.0	NA	0	NA	NA	0.0	NA	NA
<b>Central and Southern Europe (CESA)</b>	13	-38%	0.1	-95%	2	-33%	-71%	0.0	-1%	-71%
<b>Germany, Switzerland and Austria (GSA)</b>	11	-48%	6.0	-52%	3	50%	-50%	1.9	6%	-55%
<b>Mediterranean (Italy and Spain)</b>	24	33%	2.8	113%	9	-25%	-10%	0.1	-31%	-97%
<b>WEM (Western Europe and Maghreb)</b>	3	-85%	0.0	-98%	1	-83%	NA	0.0	94%	NA
<b>Continental Europe</b>	<b>82</b>	<b>-37%</b>	<b>11.4</b>	<b>-49%</b>	<b>20</b>	<b>-29%</b>	<b>-52%</b>	<b>3.2</b>	<b>55%</b>	<b>-59%</b>
<b>UK and Ireland<sup>1</sup></b>	18	-54%	5.4	-8%	2	-82%	-83%	0.2	-84%	-95%
<b>Europe</b>	<b>100</b>	<b>-40%</b>	<b>16.7</b>	<b>-40%</b>	<b>22</b>	<b>-42%</b>	<b>-59%</b>	<b>3.5</b>	<b>-1%</b>	<b>-73%</b>
<b>Africa<sup>2</sup></b>	2	-50%	0.0	-96%	0	-100%	-100%	0.0	-100%	-100%
<b>India<sup>3</sup></b>	58	-63%	2.5	-53%	11	-77%	-54%	0.9	-5%	54%
<b>Middle East and North Africa<sup>4</sup></b>	12	-50%	1.8	11%	3	-25%	-50%	0.3	26%	-83%
<b>EMEIA</b>	<b>172</b>	<b>-52%</b>	<b>21.1</b>	<b>-41%</b>	<b>36</b>	<b>-61%</b>	<b>-58%</b>	<b>4.6</b>	<b>-9%</b>	<b>-69%</b>

1. In YTD 2019, there were 10 IPOs on London Main Market, which raised US\$4.9b in total. There were 7 IPOs on AIM, which raised US\$347m. There was one IPO on Dublin Stock Exchange in Q3 2019 raised US\$158m. In comparison, there was 1 IPO on Dublin Stock Exchange which raised US\$88m in Q2 2018.

2. In YTD 2019, there were 2 IPOs on African exchanges, which raised US\$23m in total, there was one each in Q1 2019 and Q2 2019. In YTD 2018, there were 4 IPOs, which raised US\$526m, 2 of which took place in Q2 2018 and 2 in Q3 2018.

3. In YTD 2019, India includes India's National and Bombay Stock Exchange Main Market and SME (51 IPOs, US\$2.4b) and Bangladesh's Dhaka Stock Exchange saw 7 IPOs which raised US\$60m altogether.

4. Middle East and North Africa includes IPO activity on Israel's Stock Exchange (5 IPOs, US\$676m) in YTD 2019.

Regions are as per the EY regional classification for EMEIA Area. This table may have different statistics for MENA and India compared to the EMEIA section in the report (page 22-25) and UK section (page 26-29).

\*Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Amsterdam, Paris, Brussels and Lisbon; Shenzhen (SZSE) includes the Main Board, SME Board and ChiNext.



## Most active sectors around the world

Summary of the top three sectors by number of IPOs, by region<sup>1</sup> and sub-region<sup>1</sup> for Q3 2019 (▲) and 2019 year-to-date (■)

Stock exchange regions	Technology	Health care	Industrials	Materials	Consumer products	Financials	Consumer staples	Real estate	Media and entertainment	Retail	Energy	Telecommunications
<b>Americas</b>	▲ ■	▲ ■		▲ ■								
▸ US	▲ ■	▲ ■				▲ ■						
<b>Asia-Pacific</b>	▲ ■	■	▲ ■	▲								
▸ Greater China <sup>2</sup>	▲ ■	▲ ■	▲ ■	▲ ■								
▸ Japan <sup>3</sup>	▲ ■	▲		▲	▲ ■			▲ ■	▲			
<b>EMEA</b>	■	▲ ■	▲ ■			▲						
▸ Europe <sup>4</sup>	■	▲ ■	▲ ■		▲	▲						
▸ UK <sup>5</sup>	■			▲	■	■						
<b>Global</b>	▲ ■	▲ ■	▲ ■									
<b>2019 year-to-date global IPO activity</b>	<b>179</b>	<b>124</b>	<b>104</b>	<b>71</b>	<b>52</b>	<b>49</b>	<b>44</b>	<b>40</b>	<b>34</b>	<b>32</b>	<b>31</b>	<b>8</b>
<b>Q3 2019 IPO activity</b>	<b>59</b>	<b>36</b>	<b>39</b>	<b>30</b>	<b>17</b>	<b>24</b>	<b>15</b>	<b>11</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>1</b>

1. Region and sub-regions are classified according to the domicile of the exchange, regardless of the listed company domicile. Please refer to the appendix for the geographic definitions of the regions and sub-regions, which differs slightly from the EY regional classification.

2. For YTD 2019, Greater China exchanges saw four active sectors. Industrials led with 51 IPOs and technology saw 43 IPOs. Health care and materials accounted for 23 IPOs each with proceeds of US\$5.0b and US\$3.1b, respectively. For Q3 2019, this region also saw four active sectors. Technology led with 25 IPOs and industrials saw 22 IPOs. Health care and materials accounted for 9 IPOs each with proceeds of US\$1.5b and US\$1.1b, respectively.

3. For Q3 2019, Japanese exchanges saw six active sectors. Technology led with 7 IPOs while health care, real estate, consumer products, media and entertainment and materials accounted for one IPO each, with proceeds of US\$80m, US\$42m, US\$13m, US\$13m and US\$6m, respectively.

4. For Q3 2019, European exchanges saw four active sectors. Health care accounted for 5 IPOs and financials saw 4 IPOs. While industrials and consumer products saw 3 IPOs each with proceeds of US\$21m and US\$17m, respectively.

5. For Q3 2019, UK exchanges saw only one deal, from the materials sector which raised US\$69m.

## Methodology

- ▶ The data presented in the *Global IPO trends: Q3 2019* report and press release is from Dealogic and EY. Q2 2019 (i.e., July–September) and YTD 2019 (January–September) is based on priced IPOs as of 18 September 2019 and expected IPOs in September. Data is up to 19 September 2019, 9 a.m. UK time. All data contained in this document is sourced to Dealogic and EY unless otherwise noted.
- ▶ For the purposes of these reports and press releases, we focus only on **IPOs of operating companies** and define an IPO as a **company's first offering of equity** to the public.
- ▶ This report includes only those IPOs for which Dealogic and EY teams offer data regarding the issue date (the day the offer is priced and allocations are subsequently made), trading date (the date on which the security first trades) and proceeds (funds raised, including any over-allotment sold). Postponed IPOs, or those which have not yet been priced, are therefore excluded. Over-the-counter (OTC) listings are also excluded.
- ▶ In an attempt to exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded:
  - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities
  - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third-party administration as well as other financial vehicles
  - ▶ 6722: Companies that are open-end investment funds
  - ▶ 6726: Companies that are other financial vehicles
  - ▶ 6732: Companies that are grant-making foundations
  - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts
  - ▶ 6799: Special purpose acquisition companies (SPACs)
- ▶ In our analysis, unless stated otherwise, IPOs are attributed to the domicile of the company undertaking an IPO. The primary exchange on which they are listed is as defined by Dealogic and EY research.
- ▶ A cross-border (or foreign) listing is where the stock exchange nation of the company is different from the company's domicile (i.e., issuer's nation).
- ▶ For IPO listings on HKEx; SSE and STAR Market; SZE; Japan's Tokyo Stock Exchange (TSE); TSE MOTHERS; Korea's KRX and KOSDAQ; Thailand's SET and MAI; Indonesia IDX; WSE; NewConnect; TSX and TSX-V exchanges, we use their first trading date in place of issue date.

## Markets definitions

- ▶ Many stock exchanges have set up **main markets and junior markets**:
  - ▶ **Main markets** are where medium and large IPOs (by proceeds) are usually listed and traded. **Junior markets** are where small-cap companies or smaller IPOs are listed or traded. Stock exchanges without junior markets are classified as main markets.
  - ▶ **Junior markets** include **Americas**: Toronto Venture Exchange and Canadian National Stock Exchange; **Asia-Pacific**: Malaysia ACE Market, Bombay SME, Hong Kong Growth Enterprise Market, Japan JASDAQ, Japan MOTHERS, Korea KOSDAQ, Thailand's Market for Alternative Investment, National SME, Shenzhen ChiNext, Singapore Catalist, Tokyo Stock Exchange MOTHERS Index; **EMEIA**: Alternext, London Alternative Investment Market, Germany's Frankfurt SCALE (formerly Entry Standard), Spain's Mercado Alternativo Bursatil, NASDAQ OMX First North, Warsaw New Connect, Johannesburg Alternative Market, Nomu – Parallel Market.
- ▶ **Emerging markets or rapid-growth markets** include issuers from Argentina, Armenia, Bangladesh, Bolivia, Brazil, Bulgaria, Chile, Colombia, Croatia, Cyprus, Egypt, Ethiopia, Greater China, Hungary, India, Indonesia, Ireland, Israel, Kenya, Kuwait, Kazakhstan, Laos, Lithuania, Malaysia, Mauritius, Mexico, Namibia, Pakistan, Peru, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Sierra Leone, Singapore, Slovenia, South Africa, South Korea, Sri Lanka, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Vietnam and Zambia.
- ▶ **Developed markets** include issuers from Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Greece, Guernsey, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

## Geographic definitions

- ▶ **Africa** includes Algeria, Botswana, Egypt, Ghana, Kenya, Madagascar, Malawi, Morocco, Namibia, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.
- ▶ **Americas** includes North America and Argentina, Bermuda, Brazil, Chile, Colombia, Jamaica, Mexico and Peru.
- ▶ **Asean** includes Brunei, Cambodia, Guam, Indonesia, Laos, Malaysia, Maldives, Myanmar, North Mariana Islands, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
- ▶ **Asia** includes Bangladesh, Greater China, Indonesia, Japan, Laos, Malaysia, Philippines, Singapore, South Korea, Sri Lanka, Thailand and Vietnam.
- ▶ **Asia-Pacific** includes Asia (as stated above) plus Australia, New Zealand, Fiji and Papua New Guinea.

- ▶ **Central and South America** includes Argentina, Bermuda, Brazil, Chile, Colombia, Ecuador, Jamaica, Mexico, Peru and Puerto Rico.
- ▶ **EMEIA** includes Armenia, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Kazakhstan, Luxembourg, Lithuania, Netherlands, Norway, Pakistan, Poland, Portugal, Russian Federation, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom plus the Middle East and Africa countries listed below.
- ▶ **Greater China** includes Mainland China, Hong Kong, Macau and Taiwan.
- ▶ **Middle East** includes Bahrain, Iran, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen.
- ▶ **North America** consists of the United States and Canada.

## Glossary

- ▶ **Financial sponsor-backed IPOs** refer to IPOs that have private equity, venture capital investors or both.
- ▶ **First-day average returns** is the market value-weighted median of issuers' offer price versus the closing price at their first trade date, with the exception of the US section (page 10), where this is the mean of issuers' offer price versus the closing price at their first trade date.
- ▶ **Median deal size** refers to the median IPO proceeds.
- ▶ **Post-IPO market cap** is the market value of the company after its IPO is completed. **Median post-IPO market cap** is calculated for IPOs priced and trading by 18 September 2019.
- ▶ **Proceeds** refers to total fund raised by the issuer company and selling shareholders. This is the total deal size.
- ▶ **QOQ** refers to quarter-on-quarter. This refers to the comparison of IPO activity on Q3 2019 with Q3 2018 for this current report.
- ▶ **Share price performance since IPO** is the market value weighted median current returns, which is the year-to-date returns as at 18 September 2019 versus offer price. This should be compared with equity indices performance that is also measured YTD. For the US section (page 10), this is the mean current returns.
- ▶ **State-owned enterprise (SOE) privatizations** refers to former state-owned entities that have completed their IPO listings to become public companies.
- ▶ **YOY** refers to year-on-year. This refers to the comparison of IPO activity for the first nine months of 2019 with the first nine months of 2018 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 18 September 2019 plus expected IPOs by the end of September.

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