



# Global IPO trends: Q2 2017

Investor confidence  
is growing



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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 2017 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 Center](#), where you can also subscribe for future editions.

**All values are US\$ unless otherwise noted.**





Global IPO market

# Global IPO market defies political uncertainties

“Economic fundamentals are improving in the major developed economies and IPO pipelines are building. Activity is underpinned by rallies in many bull markets reaching all-time highs, while investor sentiment has brightened and global outlook is positive. With the positive momentum of the first half, 2017 is poised to surpass 2016 global IPO levels by both number and proceeds.”

Dr. Martin Steinbach

*EY Global and EMEA IPO Leader*

## Highlights from the markets

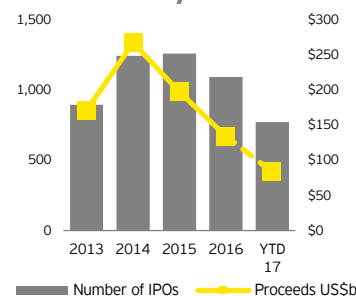
- ▶ **2017 global IPO activity is set to outpace 2016.** 2017 has seen a strong start for IPOs globally with equity indices trending upward and low volatility enabling transaction windows to remain open. Liquidity is ample and economic fundamentals are improving in most developed markets.
- ▶ **The first half of 2017 (H1 2017) saw a rise of 90% by proceeds and 70% by number of deals,** compared with the first half of 2016 (H1 2016). H1 2017 was the most active first half of year by global number of IPOs since H1 2007 (which saw 941 IPOs raising \$146.0b).
- ▶ **Asia-Pacific accounted for 61% of global IPOs and 44% of global proceeds in H1 2017.** These are the highest IPO numbers in 15 years, when we look at activity levels in the first half of year period.
- ▶ **China's Shenzhen and Shanghai exchanges led by number of IPOs, accounting for 17% and 16% of all IPOs worldwide respectively.** The increase in IPO activity level was partly a result of the effort by the regulator, China Securities Regulatory Commission (CSRC) to speed up the approval process.
- ▶ **Globally, financial sponsor-backed IPOs fell as a proportion of all deals (11% in H1 2017 versus 15% in H1 2016).** PE funds still have large cash reserves, and in some cases M&A offers them higher returns during the dual-tracking process.
- ▶ **Technology, industrials and consumer products are the sectors that dominated global IPO activity in Q2 2017.** Other sectors dominated in local areas: health care in EMEA, energy and financials in Greater China.

## Markets

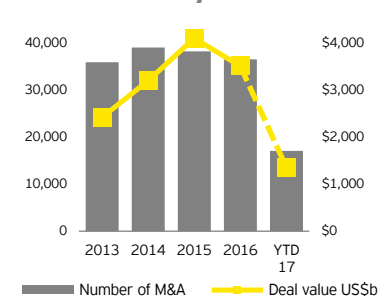
YTD 2017	Change on prior year	Q2 2017	Change on prior year quarter
<b>772</b> IPOs globally	<b>▲ 70%</b>	<b>392</b> IPOs globally	<b>▲ 50%</b>
<b>\$83.4b</b> proceeds	<b>▲ 90%</b>	<b>\$50.1b</b> proceeds	<b>▲ 65%</b>

All amounts in table are in US\$

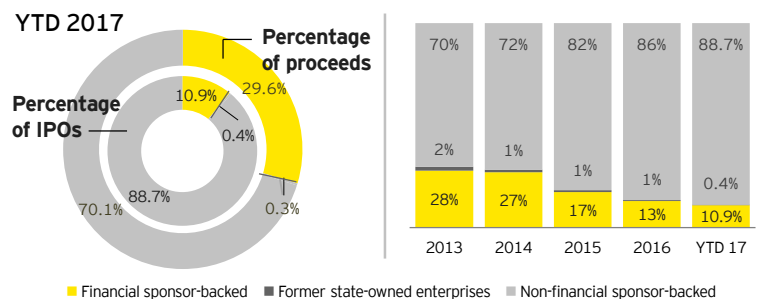
### IPO activity



### M&A activity



### Sources of IPOs



Figures may not total 100% due to rounding

## Activity Q2 2017

### Stock exchanges

by highest total proceeds

**New York (NYSE)**  
\$9.1b  
29 IPOs

**Hong Kong (HKEx)**  
\$5.4b  
28 IPOs

**Shanghai (SSE)**  
\$4.9b  
56 IPOs

### Sectors

by highest number of IPOs

**Technology**  
70 IPOs  
\$7.1b

**Industrials**  
63 IPOs  
\$8.2b

**Consumer products**  
45 IPOs  
\$2.8b

### IPOs

largest by proceeds

**Netmarble Games Corp.**  
\$2.3b  
Technology  
South Korea  
Korea (KRX)

**Guotai Junan Securities Co. Ltd.**  
\$2.2b  
Financials  
China  
Hong Kong (HKEx)

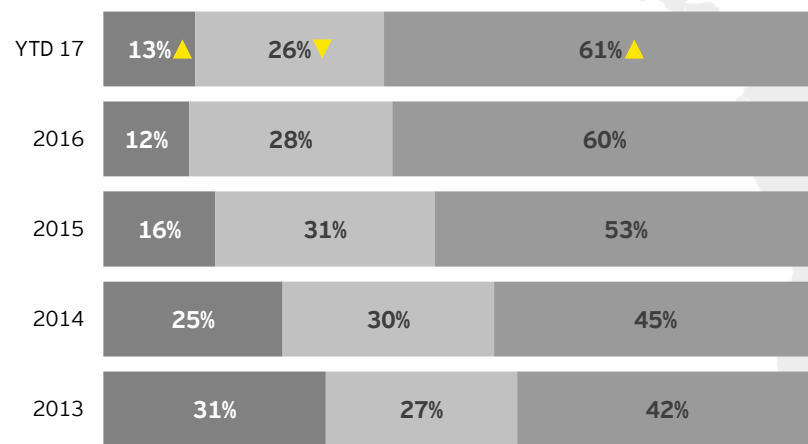
**Galenica Santé AG**  
\$1.9b  
Health care  
Switzerland  
SIX Swiss Exchange

All amounts in table are in US\$

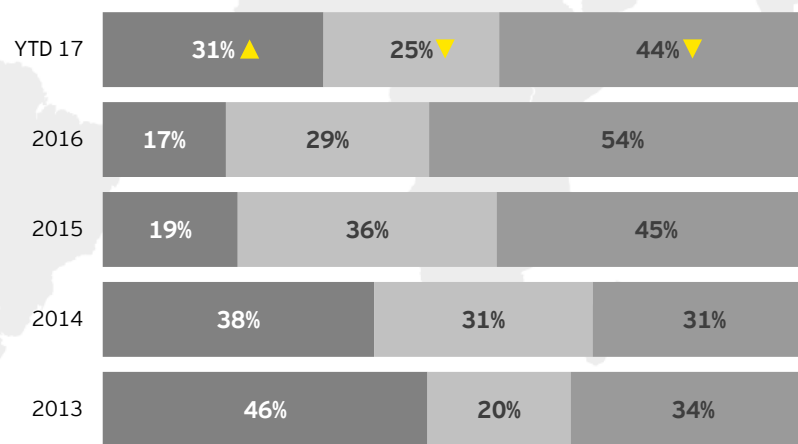
## Regional performance and trends

With 61% of all IPOs in the first half of 2017 taking place in Asia-Pacific, the trend is clear – the region is set to dominate global IPO activity in 2017. We also expect more cross-border IPOs this year than in 2016, as a number of IPOs are due to come to the market in the coming months.

### Regional share by number of IPOs



### Regional share by proceeds

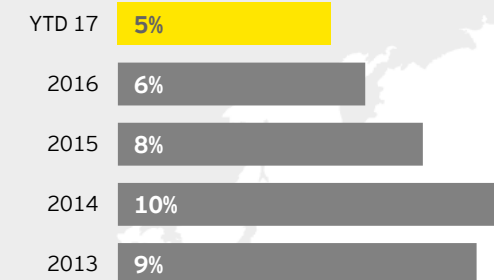


▲ or ▼ = increase or decrease for Q1 2017 compared to the full year of 2016  
 Figures may not total 100% due to rounding

■ Americas ■ EMEIA ■ Asia-Pacific

### Cross-border IPOs

Percentage by number of IPOs globally



### Top IPO issuers YTD 2017

by number of IPOs outside home country

- ▶ China (6)
- ▶ Israel (6)
- ▶ Canada (4)
- ▶ US (4)
- ▶ Singapore (4)

### Top IPO destinations\* YTD 2017

by number of IPOs

- ▶ London (9)
- ▶ Australia (9)
- ▶ NYSE (7)
- ▶ NASDAQ (6)
- ▶ Hong Kong (5)

\*IPO destinations refer to stock exchanges.

## Outlook

- ▶ **The outlook for the second half of 2017 is robust** as equities continue to trade at all-time highs and markets stabilize.
- ▶ On the upside, with ample liquidity in emerging and developed markets, we are seeing a **growing pipeline** of candidates planning to list on **major exchanges around the world, from a broad range of sectors.**
- ▶ As elections across the **UK and Europe** are decided, political uncertainty is diminishing, strengthening investor sentiment. This should lead to a pick-up in IPO activity across EMEIA, led by India and the Nordic markets.
- ▶ Momentum will also continue to build in the **Americas**, driven by expectations of lower market volatility, rising indices and a healthy pipeline. However, uncertainty regarding the impact of President Trump's international trade policy may make investors cautious.
- ▶ Cementing the trend since May 2016, **Asia-Pacific** will continue to dominate global IPO activity, led by Greater China, South Korea and Australia with several big IPOs expected to hit the market later this year.
- ▶ Across markets, **technology and energy** are expected to be two of the most active sectors through the remainder of 2017, especially in the US and China. In particular, we anticipate that the successful IPO earlier this year of Snap Inc. will encourage more unicorns to come to the public markets, keen to capitalize on strong investor appetite.

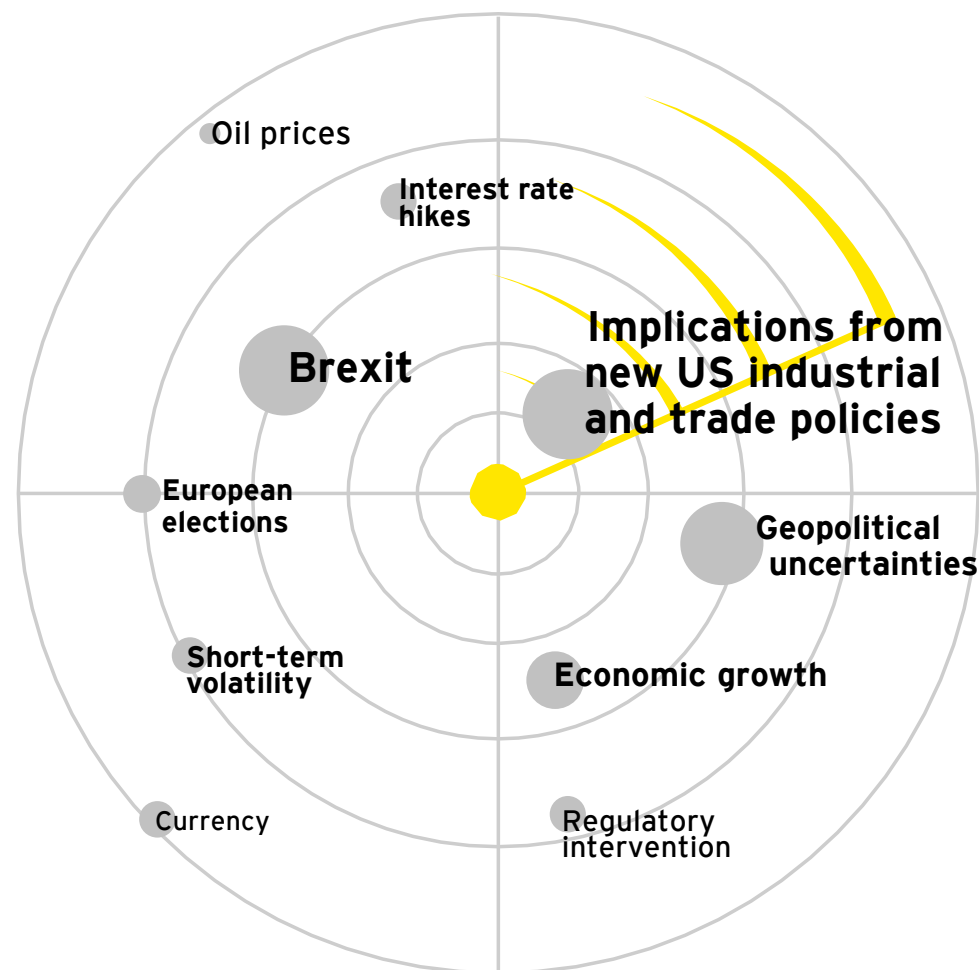
## EY IPO sentiment radar

Our 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 ultimately their 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**
- ▶ **Preserve optionality with early IPO readiness preparations**
- ▶ **Prepare early to complete your IPO quickly in narrow IPO windows**
- ▶ **Be flexible in timing and pricing**







Americas

## Surge in activity heralds healthy market ahead

“The first half of 2017 has seen the Americas IPO market rebound strongly in activity both in terms of deal number and proceeds. Americas stock exchanges gain momentum with 8 of the top 20 global deals featured on Canadian, Mexican and US exchanges so far this year.”

Jackie Kelley

*EY Americas IPO Markets Leader*

## Highlights from the markets

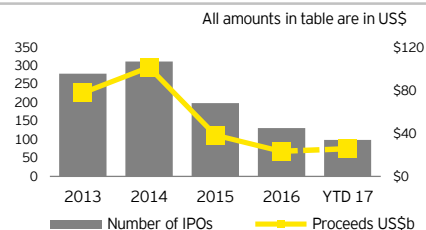
- ▶ In the Americas there were 99 IPOs in H1 2017 raising US\$25.8b, an increase of 259% in terms of proceeds and 83% by volume compared with H1 2016. There were 65 IPOs in Q2 2017 raising US\$13.2b, an increase of 107% by proceeds and 63% by volume compared with Q2 2016.
- ▶ US exchanges had two of the top ten global IPOs in Q2 2017 and eight of the top ten deals in the Americas.
- ▶ A **Brazil issuer** had the fifth largest Americas IPO in Q2 2017 and the **largest cross-border IPO globally**, raising \$643.2m on NYSE.
- ▶ **Toronto Stock Exchange** had the **seventh largest IPO globally in Q2 2017** and the second largest IPO in the Americas that raised US\$1.3b. **Deal volume in Canada has increased significantly** compared with prior year, with 11 IPOs year to date, compared to 5 IPOs during 2016.
- ▶ **Mexican Stock Exchange** had the **seventh largest Americas IPO in Q2 2017** that raised US\$419m.

### Markets YTD 2017

**99** IPOs  
**\$25.8b** proceeds  
**\$117.1m** median deal size

Change on prior year

▲ **83%**  
 ▲ **259%**  
 ▲ **78%**



### Activity Q2 2017

All amounts in table are in US\$

#### Stock exchanges by highest total proceeds

**NYSE**  
\$9.1b | 29 IPOs US

**NASDAQ**  
\$1.9b | 26 IPOs US

**Toronto (TSX)**  
US\$1.7b | 5 IPOs Canada

#### Sectors by highest number of IPOs

**Health care**  
14 IPOs | \$1.0b

**Technology**  
11 IPOs | \$1.4b

**Industrials**  
8 IPOs | \$2.5b

#### IPOs largest by proceeds

**Altice USA Inc.**  
\$1.5b Media and Entertainment,  
NYSE, US

**Kinder Morgan Canada Ltd.**  
\$1.3b Energy, Toronto (TSX),  
Canada

**Gardner Denver Holdings Inc.**  
\$950m Industrials, NYSE, US

### Brazil's BOVESPA YTD 2017

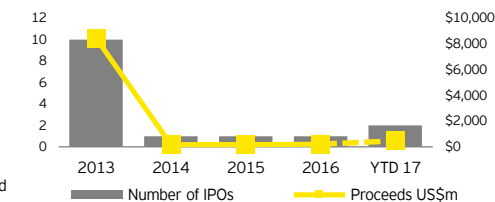
All amounts in table are in US\$

**2** IPOs  
**\$474m** proceeds  
**\$236.9m** median deal size

Change on prior year

NA\*  
 NA\*  
 NA\*

\*In H1 2016, BOVESPA saw no IPOs. Hence comparison of H1 2017 vs. H1 2016 is undefined

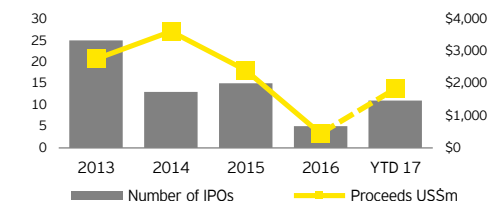


### Canada's Toronto Stock Exchange and TSX Venture Exchange YTD 2017

**11** IPOs  
**\$1.8b** proceeds  
**\$74.2** median deal size

Change on prior year

▲ **1,000%**  
 ▲ **426,321%**  
 ▲ **17,407%**

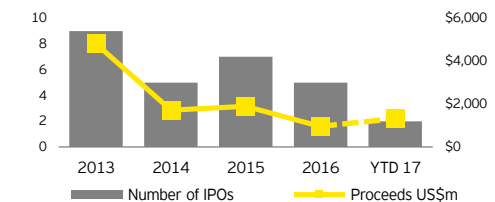


### Mexico's Mexican Stock Exchange YTD 2017

**2** IPOs  
**\$1.3b** proceeds  
**\$661.5m** median deal size

Change on prior year

0%  
 ▲ **572%**  
 ▲ **572%**



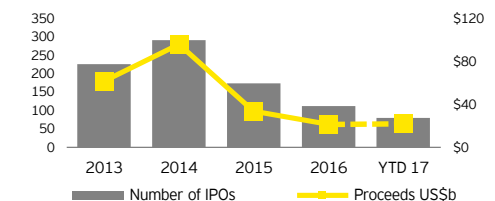
### US's NASDAQ and NYSE YTD 2017

**80** IPOs  
**\$22.0b** proceeds  
**\$127.6m** median deal size

Change on prior year

▲ **82%**  
 ▲ **216%**  
 ▲ **55%**

IPO activity in H1 2016 includes one IPO on BATS exchange.







Americas – US IPO market insight

## **A positive outlook and robust pipeline**

“The sentiment is strong for the second half of 2017. More marquee company names have entered the filing process and first-day performances remain steady. This combination has been the catalyst for building a solid pipeline for the remainder of the year. While fiscal and policy regulation remains uncertain, the markets have been insulated to this and continue to experience low volatility. Market conditions remain ideal for companies looking to list and we expect they will in 2017.”

Jackie Kelley

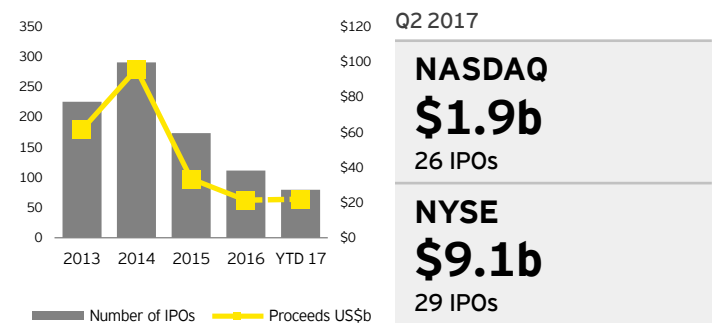
*EY Americas IPO Markets Leader*

## Highlights from the market

- ▶ **The US market returned to form. US exchanges saw 80 IPOs in H1 2017 raising US\$22.0b, an increase of 216% in terms of proceeds and 82% by volume** compared with H1 2016. The US saw 55 IPOs in Q2 2017 raising US\$11.1b, an increase of 77% in terms of proceeds and 53% by volume.
- ▶ **All top 10 deals on US exchanges were listed on NYSE in Q2 2017.** US accounted for two of the global top ten IPOs.
- ▶ **46% of US IPOs were financial sponsored-backed in H1 2017,** accounting for 71% by proceeds.
- ▶ **Industrials saw 22% of US IPOs by proceeds in Q2 2017,** while **health care** led by number of deals with 25% share.

## Markets YTD 2017

<b>80</b> IPOs	▲ 82%
<b>\$22.0b</b> proceeds	▲ 216%
<b>46%</b> of IPOs are financial sponsor-backed	▼ 25%



IPO activity in H1 2016 includes one IPO on BATS exchange.

All amounts in table are in US\$

## Activity Q2 2017

All amounts in table are in US\$

### Sectors

by highest number of IPOs

**Health care**  
14 IPOs | \$1.0b

**Technology**  
10 IPOs | \$1.3b

**Industrials**  
8 IPOs | \$2.5b

**Real estate**  
6 IPOs | \$1.2b

**Financials**  
5 IPOs | \$575m

### IPOs

largest by proceeds

**Altice USA Inc.**  
\$1.5b Media & entertainment, NYSE

**Gardner Denver Holdings Inc.**  
\$950m Industrials, NYSE

**Antero Midstream GP LP**  
\$875m Energy, NYSE

**Azul SA**  
\$643m Industrials, NYSE

**Schneider National Inc**  
\$613m Industrials, NYSE

## Performance YTD 2017

All amounts in table are in US\$

### IPO pricing and performance

#### US markets

+ or - indicates change compared to offer price at IPO

First-day average return

**+16.1%**

Share price development since IPO

**+12.1%**

### Equity indices

**DJIA**  
+8.2%  
US

**S&P 500**  
+8.7%  
US

### Volatility index

**CBOE VIX®**  
-26.1% | 10.38 index level  
YTD

- indicates a decrease in volatility as of 16 June 2017 compared to 30 December 2016 for year-to-date (YTD).

+ or - indicates change since 31 December 2016

## Trends

<b>Median deal size</b>	YTD 2017	<b>\$127.6m</b>	▲ 55%
	Change on prior year		
<b>Median post-IPO market cap</b>	YTD 2017	<b>\$598.8m</b>	▲ 83%
	Change on prior year		
<b>New public IPO registration filings</b>	Q2 2017	<b>53 IPOs</b>	
	Q2 2016	<b>44 IPOs</b>	

### Cross-border IPOs: top IPO issuers YTD 2017

<b>13</b> IPOs	<b>Europe</b> 4 IPOs (\$653m)
	<b>Brazil</b> 2 IPOs (\$792m)
	<b>Canada</b> 2 IPOs (\$354m)
	<b>China</b> 2 IPOs (\$227m)
	<b>Israel</b> 2 IPOs (\$81m)
	<b>Australia</b> 1 IPO (\$6m)

All amounts in table are in US\$

## Outlook

- ▶ With a strong IPO appetite in H1 2017, the rest of the year looks promising and 2017 is expected to surpass the number of IPOs from the prior year.
- ▶ Six unicorns have gone public in the US so far this year and more are expected to come to market, but it will not be a strong stampede.
- ▶ Optimism continues into the second half of the year, but there is unpredictability around legislative and fiscal policy that could have an impact on the equity markets.





Asia-Pacific

## Asia-Pacific sees best first six months of activity since 2002

"Asia-Pacific's position as the leading center of IPO activity will remain unchallenged through the remainder of 2017. While Greater China continues to lead the way, other markets are seeing considerable activity. Australia ranked fourth among global stock exchanges by deal volume, while Korea made a significant contribution to total proceeds in H1 2017 with mega-IPOs from the technology and financial sectors."

Ringo Choi

*EY Asia-Pacific IPO Leader*

## Highlights from the markets

- ▶ **Asia-Pacific accounted for a 61% share of global IPOs and 44% share of global IPO proceeds.** This was Asia-Pacific's best half-year of activity since 2002, ahead of both the Americas and EMEIA. Five of the world's ten most active stock exchanges by number of IPOs and by proceeds in H1 2017 were in Asia-Pacific.
- ▶ **Greater China exchanges were the busiest** in H1 2017 with 317 IPOs, ahead of Southeast Asia (48), Australia and New Zealand (45), Japan (38) and South Korea (20).
- ▶ **Australian Securities Exchange ranked 4<sup>th</sup>** among global stock exchanges by deal numbers.
- ▶ **Korea Exchange (KRX) (the main market) and its junior market, KOSDAQ,** ranked 5<sup>th</sup> among global exchanges by proceeds and 12<sup>th</sup> by number of IPOs. They saw 20 IPOs, which raised US\$4.2b altogether in H1 2017, with 4 IPOs on the KRX while 16 were on KOSDAQ. Q2 2017 saw the IPO of Netmarble Games Corp., which was the largest IPO on KRX since 2010, as well as the US\$1.0b listing of ING Life Insurance Korea, Ltd.
- ▶ **Asia-Pacific hosted two of the world's three largest IPOs in H1 2017:** the US\$2.3b IPO of technology company Netmarble Games Corp. on the KRX in May, and US\$2.2b IPO of financial services company Guotai Junan Securities Co. Ltd. on Hong Kong (HKEX) in April.
- ▶ **Industrials and technology were the leading sectors by number of IPOs,** with 21% and 16% of the region's total, respectively, while **financials and technology led by capital raised** with 18% and 15%, respectively.

## Markets

YTD 2017	Change on prior year	Q2 2017	Change on prior year quarter
<b>468</b> IPOs	▲ 102%	<b>218</b> IPOs	▲ 74%
<b>\$37.0b</b> proceeds	▲ 107%	<b>\$21.7b</b> proceeds	▲ 113%

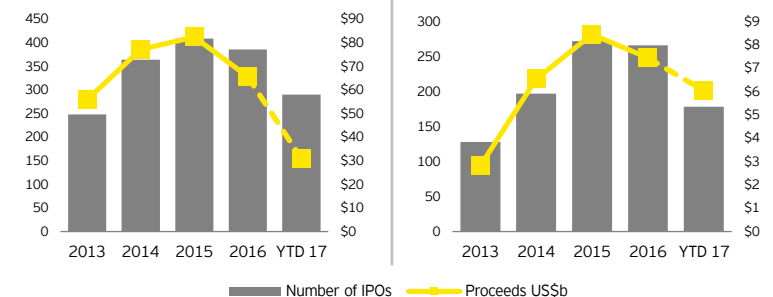
All amounts in table are in US\$

### Main markets

Q2 2017	Change on prior year quarter
<b>145</b> IPOs	▲ 88%
<b>\$19.1b</b> proceeds	▲ 118%

### Junior markets

Q2 2017	Change on prior year quarter
<b>73</b> IPOs	▲ 52%
<b>\$2.5b</b> proceeds	▲ 85%



All amounts in table are in US\$

## Activity Q2 2017

### Stock exchanges

by highest total proceeds

**Hong Kong (HKEx) and GEM**

**\$5.4b**  
28 IPOs  
Hong Kong

**Shanghai (SSE)**

**\$4.9b**  
56 IPOs  
Mainland China

**South Korea (KRX and KOSDAQ)**

**\$3.9b**  
8 IPOs  
South Korea

### Sectors

by highest number of IPOs

**Technology**  
43 IPOs  
**\$4.0b**

**Industrials**  
38 IPOs  
**\$1.7b**

**Consumer products**  
32 IPOs  
**\$1.9b**

### IPOs

largest by proceeds

**Netmarble Games Corp.**  
**\$2.3b**  
Technology  
South Korea  
Korea (KRX)

**Guotai Junan Securities Co. Ltd.**

**\$2.2b**  
Financials  
China  
Hong Kong (HKEx)

**Lotte Chemical Titan Holding Sdn Bhd**  
**\$1.3b**

Energy  
Malaysia  
Bursa Malaysia

All amounts in table are in US\$

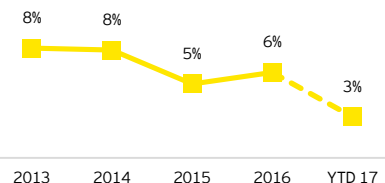


## Trends

### Cross-border activity YTD 2017

#### Asia-Pacific issuers' cross-border activity

Percentage of all Asia-Pacific issuers



**Cross-border** **10** IPOs

2% of all Asia-Pacific issuers\* listed abroad but within the Asia-Pacific region

**Outbound** **4** IPOs

1% of all Asia-Pacific issuers\* listed outside Asia-Pacific

**Inbound** **6** IPOs

14% of cross-border IPOs globally\*\* listed in Asia-Pacific but came from outside the region

\*There were 466 IPOs by Asia-Pacific issuers in H1 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

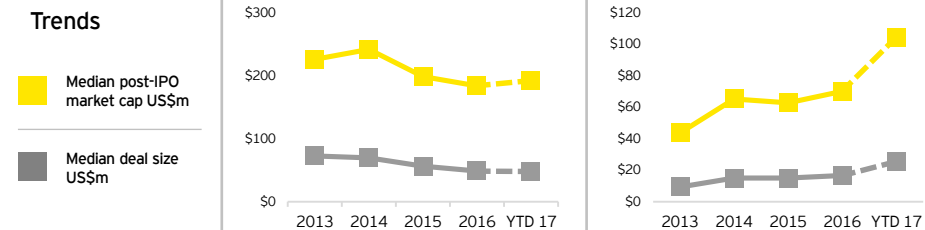
\*\* There were 42 cross-border IPOs globally in H1 2017.

A combination of regulatory support, a healthy pipeline of companies looking to list, ample liquidity in emerging markets and strengthening investor sentiment on the back of reduced volatility and steady stock market gains are driving Asia-Pacific IPO activity to heights not seen for 15 years.

### Transaction sizes

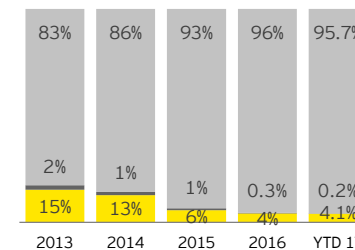
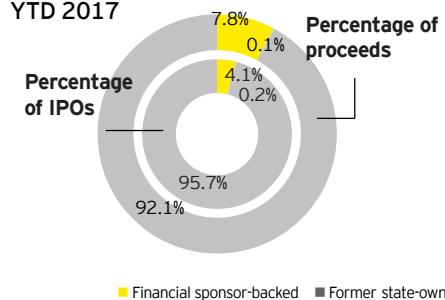
	Main markets		Junior markets	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	<b>\$191.8m</b>	▲ 16%	<b>\$104.3m</b>	▲ 103%
Median deal size	<b>\$47.5m</b>	▲ 17%	<b>\$25.4m</b>	▲ 143%

#### Trends



### Sources of IPOs

YTD 2017



■ Financial sponsor-backed ■ Former state-owned enterprises ■ Non-financial sponsor-backed

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

## Performance

### IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
Main markets	<b>+22.3%</b>	<b>+73.3%</b>
Junior markets	<b>+49.1%</b>	<b>+171.9%</b>

+ or - indicates change compared to offer price at IPO

### Equity indices YTD 2017

<b>HANG SENG</b> <b>+16.5%</b> Hong Kong	<b>Nikkei 225</b> <b>+4.3%</b> Japan	<b>ASX 200</b> <b>+1.9%</b> Australia
<b>Shanghai Composite</b> <b>+0.6%</b> Mainland China	<b>FTSE Straits Times</b> <b>+12.2%</b> Singapore	<b>KOSPI</b> <b>+16.5%</b> South Korea

+ or - indicates change since 31 December 2016

### Volatility index

<b>Hang Seng Volatility</b> <b>12.23</b> index level <b>-27.6%</b> YTD
<b>-2.6%</b> Q1 2017

- indicates a decrease in volatility as at 16 June compared to 31 December 2016 for year-to-date (YTD) and 31 March 2017 for end of Q1 2017.

## Outlook

- ▶ We expect **robust activity in Mainland China** even though the regulator may continue to slow the pace of IPO approvals if the pressure on the stock market remains.
- ▶ The **Hong Kong Stock Exchange** is likely to see **greater diversity of IPO candidates** in terms of geography and sectors, as companies from other Asian countries eye opportunities for a cross-border listing.
- ▶ **Korea exchange and KOSDAQ** will build on their strong first half of the year. The IPO window has been open since the Korean presidential election in May, which has brought more political certainty to the market. A strengthening pipeline indicates that **IPO volume and proceeds will exceed 2016 levels.**
- ▶ **Australia remains on course** for the full year to be in line with 2016, with a continued trend toward listings by small- and medium-sized issuers. For larger companies and PE-backed companies, we expect to see more dual-track exit processes in 2017 as vendors seek to preserve optionality to offset market volatility, while also seeking to capitalize on strong demand from alternate sources of capital.
- ▶ **Investor confidence is strengthening in Southeast Asia** due to the growth of both the global and ASEAN economies in particular, where we are seeing growth rates of around 2% to 6%. IPO activity is expected to remain steady in the second half of 2017, with entrepreneurial companies still looking to come to the public markets despite expectations of lower valuations.
- ▶ **The IPO pipeline in ASEAN is likely to be led by Singapore, Indonesia, Thailand and the Philippines.** A hive of activity among technology and FinTech start-ups bodes well for future IPOs in the medium term, as these companies still need time to establish and scale.
- ▶ **Japan will also see more technology IPOs** in the future as the Government continues to introduce measures to stimulate the industry. In the meantime, we expect the IPO activity levels for the full year of 2017 to be broadly level with 2016, while the trend toward smaller cap listings will continue.





## Asia-Pacific – Greater China market insight

# Greater China set to dominate, despite anticipated slowdown

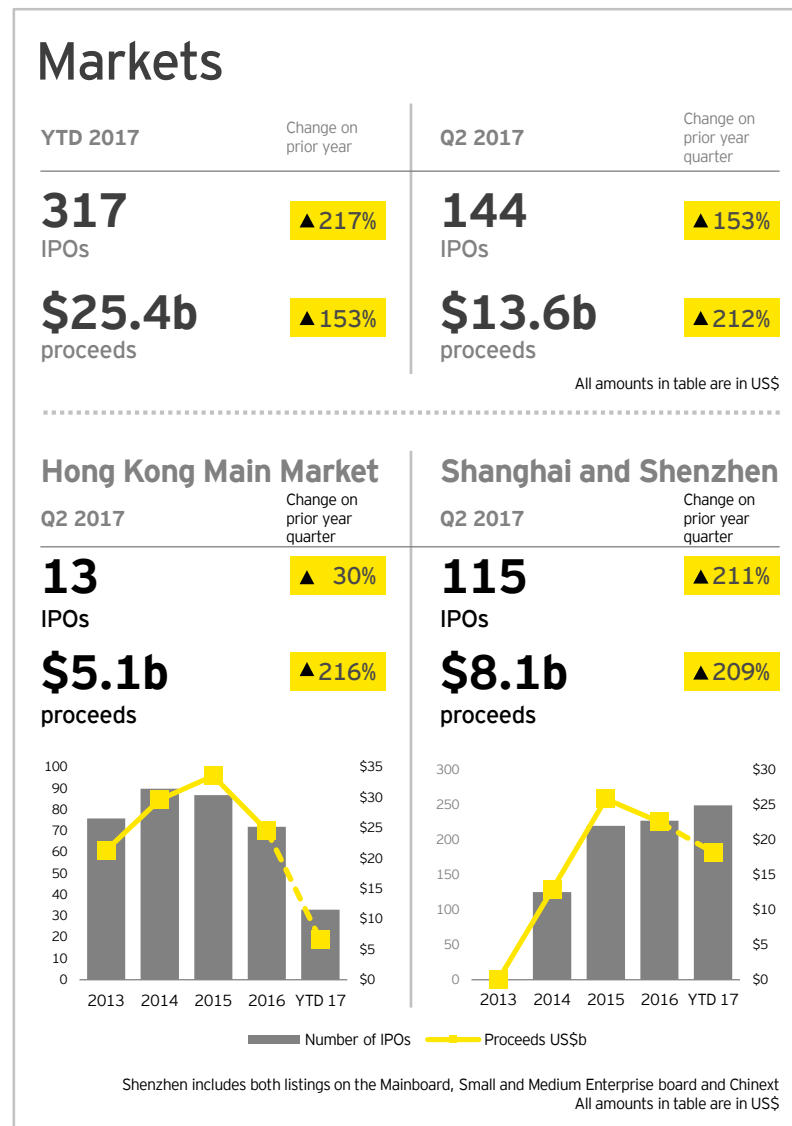
“Greater China was the world’s standout market in the first half of 2017 and this lead is expected to continue in the second half of 2017. The positive outlook is supported by a healthy pipeline of IPO-ready companies and an evolving regulatory landscape designed to attract new listings. However, activity level on Mainland exchanges may be affected if the Chinese regulator continues to slow the rate of approval of new listings in the coming months in a bid to alleviate stock market pressure.”

Terence Ho

*EY Greater China IPO Leader*

## Highlights from the markets

- ▶ **Asia-Pacific dominated global IPOs in H1 2017.** Greater China was the world's most active exchanges in H1 2017 with Shenzhen (the Main board and ChiNext market), Shanghai (SSE) and Hong Kong Main Market (HKEx) and GEM ranking first, second and third respectively, accounting for 17%, 16% and 9% of global IPOs respectively.
- ▶ **Hong Kong Main Market** saw a surge in capital raised in Q2 2017, mainly due to the \$2.2b IPO of financial services company Guotai Junan Securities, which accounted for 44% of HKEx's proceeds this quarter.
- ▶ **Smaller deals continued to appeal to investors** with listings on Hong Kong's GEM outpacing the Main Market; accounting for 54% of Hong Kong IPOs in Q2 2017.
- ▶ As a result, **financials** was the most active sector in Hong Kong in Q2 2017 by deal number and proceeds, while **technology and industrials** led in Mainland China by deal number and proceeds.
- ▶ IPO activity on **Mainland China** exchanges continued brightly at the start of Q2 2017 but the number of listings may ease in the second half of the year if the regulator continues to slow the pace of approval of new listings if the stock markets remain weak.



## Activity Q2 2017

All amounts in table are in US\$

### Hong Kong Main Market

**Sectors**  
by highest number of IPOs

**Financials**  
3 IPOs | \$3.5b

**Industrials**  
3 IPOs | \$251m

**Energy**  
2 IPOs | \$606m

**IPOs**  
largest by proceeds

**Guotai Junan Securities Co. Ltd.**  
**\$2.2b**  
Financials

**Guangzhou Rural Commercial Bank Co. Ltd.**  
**\$1.0b**  
Financials

**WuXi Biologics (Cayman) Inc.**  
**\$587m**  
Health care

### Shanghai and Shenzhen

**Sectors**  
by highest number of IPOs

**Technology**  
24 IPOs | \$1.4b

**Industrials**  
22 IPOs | \$1.1b

**Consumer products**  
16 IPOs | \$754m

**IPOs**  
largest by proceeds

**Zheshang Securities Co. Ltd.**  
**\$409m**  
Financials, Shanghai

**Jiangsu Provincial Agricultural Reclamation and Development Co. Ltd.**  
**\$351m**  
Consumer staples, Shanghai

**Xinfengming Group Co. Ltd.**  
**\$299m**  
Consumer staples, Shanghai

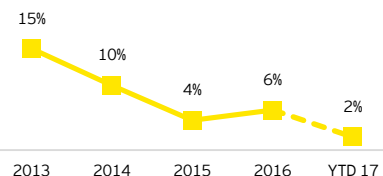


## Trends

### Cross-border activity YTD 2017

#### Greater China issuers' cross-border activity

Percentage of all China issuers



#### To which destination?

YTD 2017

- 1 IPO** to UK exchange
- 2 IPOs** to US exchanges
- 3 IPOs** to Asia-Pacific exchanges

YTD 2017

#### Leaving Greater China

# Outbound

1.9% of Greater China issuers\* listed abroad

# 6

IPOs

#### Coming to Greater China

# Inbound

12% of cross-border IPOs globally\*\* were listed on HKEX

# 5

IPOs

\*There were 317 IPOs by Greater China issuers in H1 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

\*\* There were 42 cross-border IPOs globally in H1 2017.

Investors in Greater China are bullish. In Hong Kong in Q2 2017, 97% of IPOs on the Main Market was oversubscribed while on Mainland China exchanges every new listing delivered first-day returns at the maximum permitted level of 44%.

### Transaction sizes

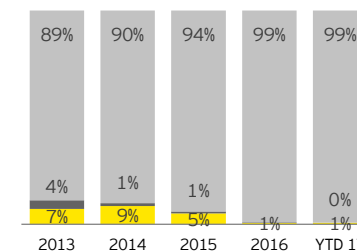
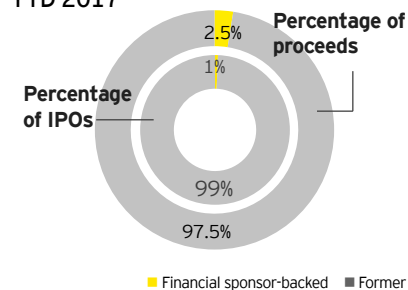
	Hong Kong Main Market		Shanghai and Shenzhen	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	<b>\$172.8m</b>	▼ 4%	<b>\$205.8m</b>	▼ 7%
Median deal size	<b>\$47.1m</b>	▲ 4%	<b>\$49.4m</b>	▼ 11%

Trends	Hong Kong Main Market	Shanghai and Shenzhen
Median post-IPO market cap US\$m		
Median deal size US\$m		

### Sources of IPOs

YTD 2017



■ Financial sponsor-backed ■ Former state-owned enterprises ■ Non-financial sponsor-backed

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

## Performance

### IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
Hong Kong Main Market	<b>+4.6%</b>	<b>+4.4%</b>
Shanghai and Shenzhen	<b>+38.9%</b>	<b>+146.1%</b>

+ or - indicates change compared to offer price at IPO

### Equity indices YTD 2017 Mainland China

<b>Shanghai Composite</b> +0.6%	<b>Shenzhen Composite</b> -5.2%	<b>Shenzhen SME</b> +3.6%
------------------------------------	------------------------------------	------------------------------

### Equity indices YTD 2017 Hong Kong

<b>Hang Seng</b> +16.5%	<b>Hang Seng China Enterprises</b> +11.5%	<b>Hang Seng China Affiliated Corporations</b> +12.3%
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+ or - indicates change since 31 December 2016

### Volatility index

<b>Hang Seng Volatility</b> 12.23 index level -27.6% YTD -2.6% Q1 2017
---

- indicates a decrease in volatility as at 16 June 2017 compared to 31 December 2016 for year-to-date (YTD) and 31 March 2017 for end of Q1 2017.

## IPO pipeline

More than

**580** **65**

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

companies have submitted public filings with HKEx.

## Outlook

- ▶ With more than 580 companies in the **Mainland Chinese** IPO pipeline, IPO activity levels are expected to remain high compared to other markets. However, activity levels may decline slightly in H2 2017 if the regulator continues to slow the pace of new listings in an attempt to ease ongoing stock market pressures.
- ▶ **Hong Kong** IPO activity is expected to continue at a steady rate, with investor confidence strong on the back of stock-market gains and high valuations.
- ▶ Although **there may be fewer mega-IPOs this year on HKEx**, we expect IPO deal numbers to remain high as more small and

medium-sized companies come to the public markets.

- ▶ Hong Kong has seen an influx of capital in the first half of the year resulting from the **Hong Kong-Shenzhen Stock Connect program** and this is expected to continue in H2 2017.
- ▶ The Hong Kong IPO market will also benefit from **China's "One belt, one road" program**, which aims to boost annual trade between China and 65 countries in Asia, Europe and Africa to US\$2.5 trillion within a decade. The Hong Kong Securities and Futures Commission has been encouraging "Belt-and-Road" companies to list on HKEx, which has increased filings from businesses in the construction, telecommunications and other

associated sectors; a trend that looks set to continue.

- ▶ HKEx issued consultation papers in June 2017 regarding its plans to set up a new board in 2018 for "**new economy companies.**" This proposed third board has the aim of attracting more cross-border interest from ASEAN "Belt-and-Road" companies, as well as start-ups and technology firms with a dual-share structure.
- ▶ Despite this upbeat outlook, some downside risks remain, which could impact the IPO market later in the year. These include the recent **interest rate rise in the US** and the risk of further **slowdown in China's economic growth rate.**





Asia-Pacific – Japan market insight

## Sun is rising on Japanese IPO market

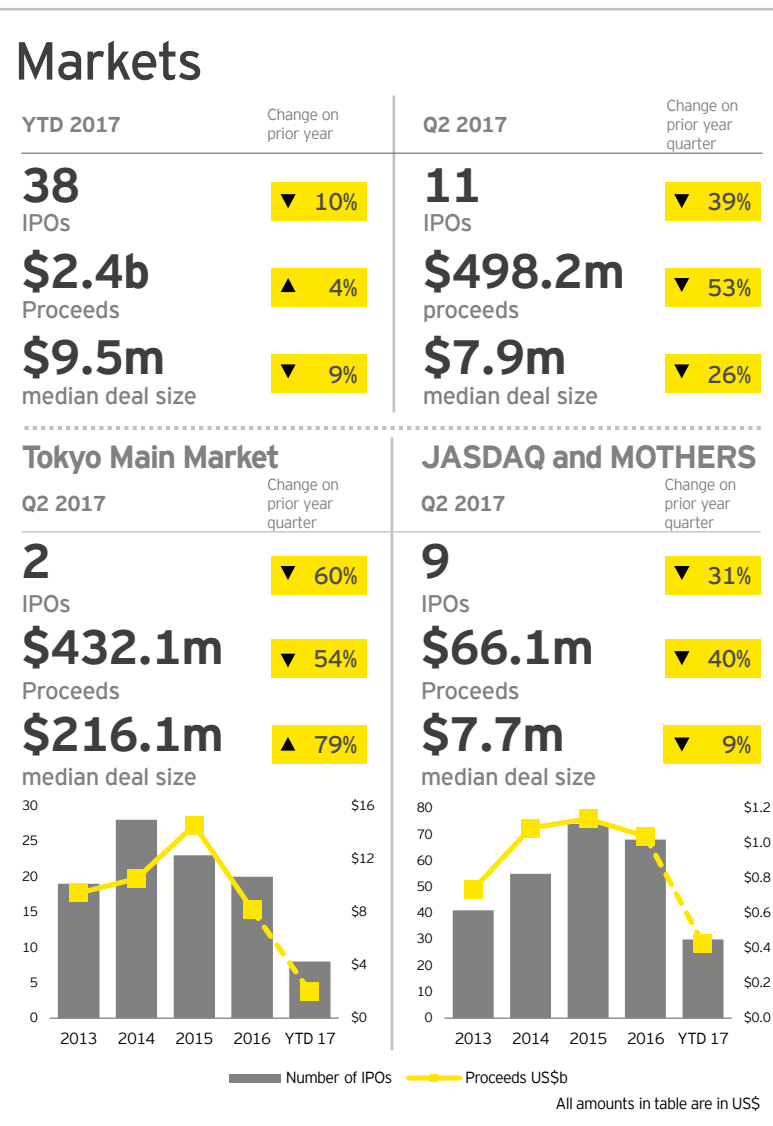
“Positive macroeconomic fundamentals are helping to keep Japanese investor sentiment buoyant, underpinned by anticipated policy changes under the Trump administration in the US and a sense of optimism around the upcoming Tokyo Olympics in 2020. As equity markets trade higher and the Japanese Government introduces more measures to stimulate technology investment, we expect a growing number of companies in this sector to come to the public markets to raise capital.”

Shinichiro Suzuki

*EY Japan IPO Leader*

## Highlights from the market

- ▶ **Investor sentiment remains healthy** in Japan as equity indices continue to trend upward. Despite a slight dip in the first half of April, the Nikkei Stock Average recovered to reach a 12-month high in June.
- ▶ There were 11 IPOs on Japanese exchanges in Q2 2017, raising a combined total of US\$498m in proceeds. This pushed the total for H1 2017 to 38 IPOs with capital raised at US\$2.4b. This compares to proceeds of US\$2.3b through 42 IPOs in H1 2016.
- ▶ The **tendency for smaller companies to come to market** continues – there have been eight IPOs on the Tokyo Main Market this year, compared with a combined 30 IPOs on JASDAQ and Tokyo MOTHERS in H1 2017.
- ▶ **Companies transferring from the junior markets to be listed on the Tokyo Main Market was active** in the first five months of 2017, with 12 transfers to the Tokyo Main Market. This compares with 57 transfers during 2016, which saw 68 IPOs on JASDAQ and Tokyo MOTHERS.
- ▶ The largest IPO of the year-to-date remains the US\$616m listing of PE-backed sushi chain Sushiro Global Holdings Ltd. in March, but technology, media and retail sectors remain the most active.
- ▶ **Technology companies were given a boost** mid-way through the second quarter when the Japanese Government announced its new strategy to encourage growth in key industries, which includes measures to spur innovation around cutting-edge technologies such as the Internet of Things (IoT) and artificial intelligence.
- ▶ With a pipeline of around 180 companies ready to list, we expect the total number of IPOs in the **whole of 2017 to surpass 2016 when there was 88 IPOs.**



## Activity Q2 2017

**Sectors**  
by highest number of IPOs

**Technology**  
7 IPOs  
\$53m

**Consumer products**  
2 IPOs  
\$13m

**Retail**  
1 IPO  
\$393m

**IPOs**  
largest by proceeds

**LIXIL VIVA Corp.**  
\$393m  
Retail  
Main Market

**Wavelock Holdings Co. Ltd.**  
\$39m  
Materials  
Main Market

**GameWith Inc.**  
\$12m  
Technology  
Tokyo MOTHERS

**Tokyo Main Market**  
IPO pricing and performance

First-day average return

**-1.8%**

Share price development since IPO

**+5.4%**

+ or - indicates change compared to offer price at IPO

**Equity index**

**Nikkei 225**  
**+4.3%**  
Japan

All amounts in table are in US\$. + or - indicates change since 31 December 2016





# Europe, Middle East, India and Africa **Prospects are brightening but uncertainty remains**

“Despite geopolitical uncertainties in the first half of the year, activity in EMEIA is increasing, representing the second most active IPO market globally. Based on a very solid reporting season and momentum from the first half, prospects are brightening in many economies buoyed by accommodative monetary policy, soaring equity indices and low volatility, all of which encourage positive investor sentiment.”

Dr. Martin Steinbach

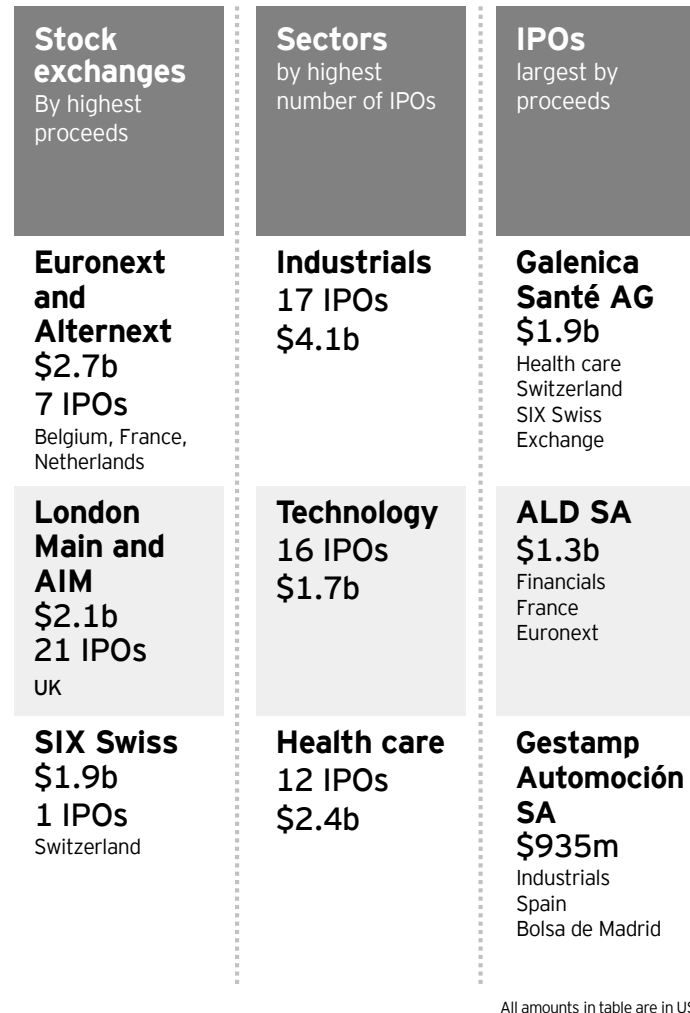
*EY Global and EMEIA IPO Leader*

## Highlights from the markets

- ▶ **IPOs held steady in EMEIA.** The region ranked second behind Asia-Pacific by number of IPOs in H1 2017, accounting for 26% of global IPOs. EMEIA ranked third behind Asia-Pacific and the Americas, accounting for 25% of global proceeds.
- ▶ **EMEIA exchanges accounted for 2 of the top 10 global IPOs** in H1 2017 and 7 of the top 20 deals. European exchanges saw 18 of the top 20 deals within EMEIA.
- ▶ Rising activity level on junior markets means their level are now on par with main markets by deal number.
- ▶ **India has been particularly strong.** Bombay and National stock exchanges and their SME markets as a whole led EMEIA by deal number. Indian exchanges saw 57 IPOs raising US\$2.3b in H1 2017, a rise of 50% and 91% respectively compared with H1 2016. The year kick-started with two landmark IPOs: Bombay Stock Exchange became the first-ever Indian exchange to list while Housing and Urban Development Corporation was hugely oversubscribed, making it one of the most demanded IPOs in more than a decade.
- ▶ **NASDAQ OMX and First North in the Nordics** was the second most active IPO market by deal number in H1 2017 with 44 IPOs, which raised US\$2.2b. This is followed by London Main Market and AIM, which hosted 33 IPOs raising US\$3.2b in H1 2017.
- ▶ **Middle East** exchanges saw 21 IPOs raising US\$0.7b, an increase of 110% by number of IPOs compared with H1 2016, but a decline of 32% by proceeds. Saudi Arabia was active with 3 IPOs on Saudi Stock Exchange (Tadawul) and 8 IPOs on Nomu-Parallel Market.



## Activity Q2 2017

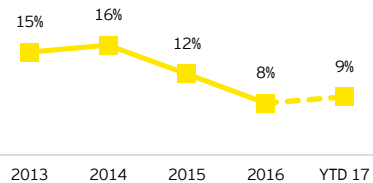


## Trends

### Cross-border activity YTD 2017

#### EMEIA issuers' cross-border activity

Percentage of all EMEIA issuers



Cross-border activity picked up again to 9% of all EMEIA issuers. Most IPOs abroad were listed within the region. Size of recent IPO issuers fall suggesting that smaller companies are joining the main and junior markets in 2017. IPOs on the main markets are outperforming main indexes, which is supporting positive investor sentiment.

### Cross-border

9% of all EMEIA issuers\* listed abroad



### Outbound

4.3% of all EMEIA issuers\* listed outside EMEIA



### Inbound

9.5% of cross-border IPOs globally\*\* listed on EMEIA exchanges but came from outside the region



\*There were 210 IPOs by EMEIA issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
 \*\* There were 42 cross-border IPOs globally in YTD 2017.

YTD 2017

### Transaction sizes YTD 2017

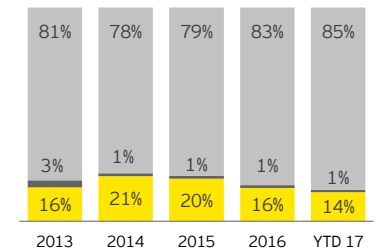
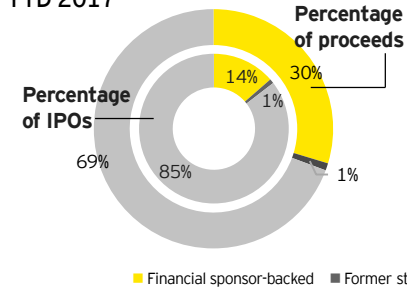
	Main markets		Junior markets	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	<b>\$237.1m</b>	▼ 13%	<b>\$15.3m</b>	▼ 24%
Median deal size	<b>\$105.0m</b>	▲ 58%	<b>\$3.6m</b>	▼ 12%

Trends	2013	2014	2015	2016	YTD 17
Median post-IPO market cap US\$m	~150	~250	~280	~270	~240
Median deal size US\$m	~50	~80	~90	~70	~100

### Sources of IPOs

YTD 2017



Legend: Financial sponsor-backed (yellow), Former state-owned enterprises (grey), Non-financial sponsor-backed (white)

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



## Performance

IPO pricing and performance YTD 2017			Equity indices YTD 2017				Volatility indices		
	First-day average return	Share price development since IPO	<b>BSE SENSEX</b> +16.6% India	<b>CAC 40</b> +8.2% France	<b>DAX 30</b> +11.1% Germany	<b>Euro STOXX 50</b> +10.0% Europe	<b>VSTOXX®</b> 13.7 index level -24.2% YTD	<b>VDAX®</b> 13.17 index level -26.2% YTD	<b>VFTSE 100</b> 9.96 index level -13.9% YTD
Main markets	<b>+12.2%</b>	<b>+20.5%</b>							
Junior markets	<b>+3.9%</b>	<b>+3.2%</b>	<b>FTSE 100</b> +4.5% UK	<b>JSE All Share</b> +0.4% South Africa	<b>MICEX</b> -18.4% Russian Federation	<b>Tadawul All Share</b> -4.0% Saudi Arabia	-16.8% Q1 2017	-11.9% Q1 2017	-15.7% Q1 2017

+ or - indicates change compared to offer price at IPO

+ or - indicates change since 31 December 2016

- indicates a decrease in volatility as at 16 June 2017 compared to 31 December 2016 for year-to-date (YTD) and 31 March 2017 for end of Q1 2017. Whereas + indicates an increase in volatility over the same time period.

## Outlook

- ▶ **Positive momentum** fueled by solid economic fundamentals suggests a **better second half of 2017**.
- ▶ **In a low-interest-rate, low-return, low-volatility environment, stock market valuations - a proxy for IPO pricing - continue to trend upward** on all major indices, driving positive equity sentiment among retail and institutional investors alike.
- ▶ **Despite the prevailing mood of cautious optimism, key risks remain political in nature** however, with particular concerns around US trade policy changes, and ongoing geopolitical worries in the Middle East and Turkey.
- ▶ While Brexit and the recent election result that generated a hung UK parliament may continue to deter IPO activity on

London exchanges, this may not have a strong impact on the financial markets and **European IPO activity** level.

- ▶ In **India**, IPO appetite for small and medium enterprises in particular continues to grow due to strong valuations and positive returns, with the SME Board on the Bombay and National stock exchanges being one of the fastest growing stock exchanges globally. Indian exchanges expect the second half of 2017 to be particularly strong with the Government expected to raise close to US\$3b via former SOE IPOs.
- ▶ In the **Middle East and North Africa** region, strong IPO activity is likely to come from UAE, Saudi Arabia and Egypt in the second half of 2017. Geopolitical risks will be key, as markets in this region are significantly influenced by global

political events.

- ▶ **Egyptian authorities are also eyeing IPOs of former SOEs** as a revenue stream. Their listing plans would broaden the ownership of companies and, as a result, bolster Egypt's capital markets and help the Government raise revenue. However, the MENA region overall is subject to considerable ongoing economic and political uncertainty that may affect investor sentiment and IPO activity.
- ▶ **Countries in the Gulf Cooperation Council** are reportedly planning to offer shares in a group of six oil-producing units following a drop in crude prices. Saudi Aramco and Oman Oil are the prime contenders to list in 2018.

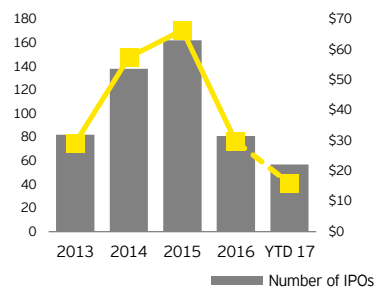
## Markets

YTD 2017	Change on prior year	Q2 2017	Change on prior year quarter
<b>120</b> IPOs	▲ 8%	<b>78</b> IPOs	▲ 10%
<b>\$17.5b</b> proceeds	▲ 5%	<b>\$13.3b</b> proceeds	▲ 6%
<b>21%</b> of IPOs are financial sponsor-backed	▼ 11%	<b>23%</b> of IPOs are financial sponsor-backed	▼ 18%

All amounts in table are in US\$

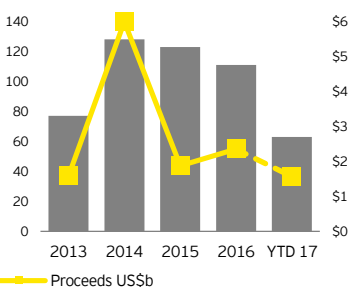
### Main markets

Q2 2017	Change on prior year quarter
<b>40</b> IPOs	▲ 11%
<b>\$12.2b</b> proceeds	▲ 7%



### Junior markets

Q2 2017	Change on prior year quarter
<b>38</b> IPOs	▲ 9%
<b>\$1.0b</b> proceeds	▲ 3%



All amounts in table are in US\$

## Activity Q2 2017

### Sectors by highest number of IPOs

**Technology**  
13 IPOs | \$1.5b

**Industrials**  
12 IPOs | \$3.2b

**Health care**  
11 IPOs | \$2.3b

### IPOs largest by proceeds

**Galenica Santé AG**  
\$1.9b Health care, SIX Swiss Exchange

**ALD SA**  
\$1.3b Financials, Euronext (Paris)

**Gestamp Automocion SA**  
\$935m Industrials, Bolsa de Madrid

### Stock exchanges by highest total proceeds

**Euronext and Alternext**  
\$2.7b | 7 IPOs Belgium, France, Netherlands

**London Main and AIM**  
US\$2.1b | 21 IPOs UK

**SIX Swiss**  
US\$1.9b | 1 IPOs Switzerland

All amounts in table are in US\$

## Trends YTD 2017

### Transaction sizes

	Main markets	Change on prior year	Junior markets	Change on prior year
Median post-IPO market cap	<b>\$286.2m</b>	▼ 29%	<b>\$24.8m</b>	▼ 31%
Median deal size	<b>\$184.7m</b>	▲ 40%	<b>\$6.6m</b>	▼ 45%

### Cross-border IPOs: top IPO issuers

\*There were 118 IPOs by European issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.  
\*\* There were 42 cross-border IPOs globally in YTD 2017.

#### Cross-border

10% of all Europe issuers\* listed abroad



#### Outbound

3.3% of all Europe issuers\* listed outside Europe



#### Inbound

14.3% of cross-border IPOs globally\*\* listed on European exchanges but came from outside Europe



## Performance YTD 2017

### Equity indices

**CAC 40**  
+8.2%  
France

**DAX 30**  
+11.1%  
Germany

**Euro STOXX 50**  
+10.0%  
Europe

**FTSE 100**  
+4.5%  
UK

### Volatility index

**VSTOXX®**  
-24.2% | 13.7 index level  
YTD

**VFTSE 100**  
-13.9% | 9.96 index level  
YTD

+ or - indicates change since 31 December 2016

- indicates a decrease in volatility as at 16 June 2017 compared to 30 December 2016 for year-to-date (YTD).

### IPO pricing and performance

#### First-day average return

Main markets **+4.4%**

Junior markets **+4.7%**

#### Share price development since IPO

Main markets **+10.8%**

Junior markets **+8.6%**

+ or - indicates change compared to offer price at IPO



EMEIA – UK IPO market insight

## **Fragile investor confidence set back by surprise election result**

“In the second quarter, we started to see increased investor confidence and a rise in the volume of IPOs, largely driven by expectations that the UK general election in June would enhance political stability and confirm the country’s Brexit strategy. The surprise result instead delivered a hung parliament, causing the pound to drop and diminishing investor confidence. Unless a majority government can be formed that can deliver clarity over the proposed EU exit strategy, continued political uncertainty is likely to dampen the appetite for larger deals, with the focus remaining on small to mid-cap listings.”

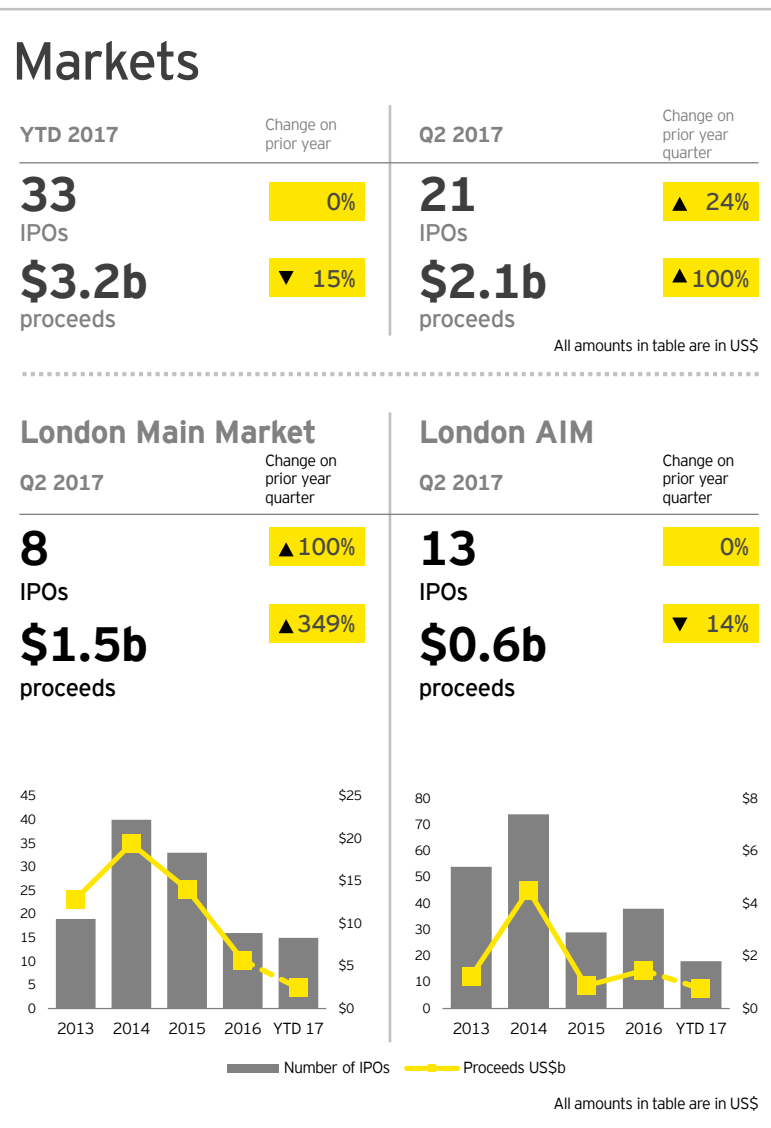
Scott McCubbin

*EY UK and Ireland IPO Leader*

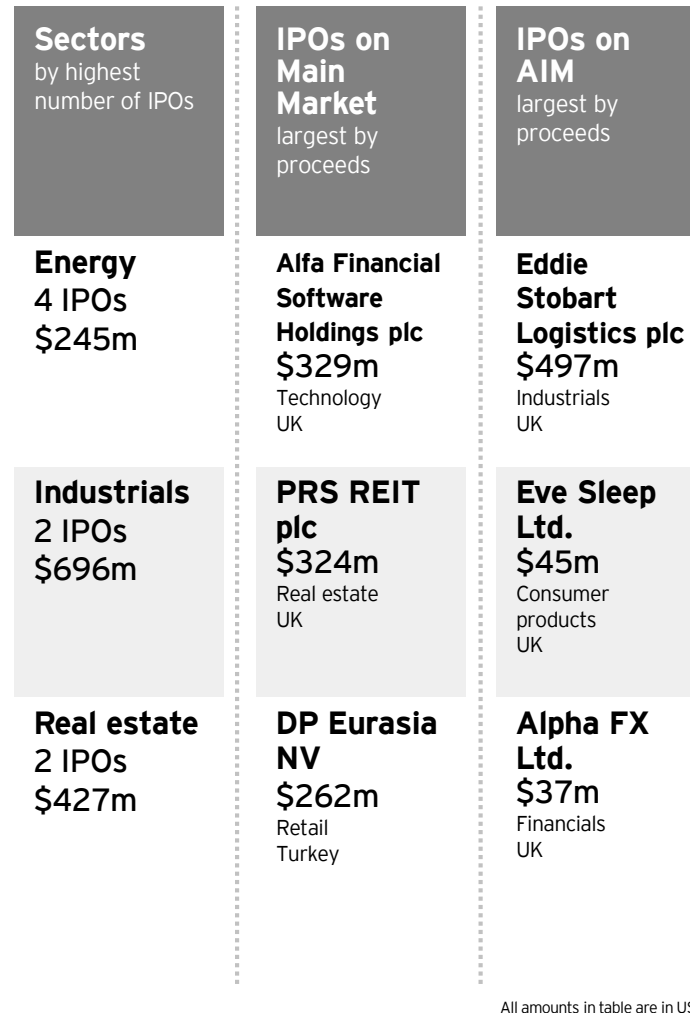


## Highlights from the markets

- ▶ With expectations that the general election would bring political stability, **significantly more IPOs took place in Q2 2017 compared with Q1 2017**. There were 21 new listings in the second quarter with 8 IPOs on the Main Market and 13 IPOs on AIM raising US\$2.1b altogether, this is a 24% rise in deal numbers and 100% increase in proceeds.
- ▶ With the **FTSE at record levels**, largely driven by the weakness of the pound, which made **UK investments attractive to international investors**, newly listed shares on the Main Market are currently trading on average 10% above offer price.
- ▶ The **energy sector** led UK IPO activity in Q2 2017, accounting for 4 of the 21 IPOs.
- ▶ The largest IPO on the Main Market was software company Alfa Financial Software Holdings plc, which raised US\$329m reflecting both London's position as a global financial center and ongoing investor interest in the technology sector.
- ▶ Only two IPOs in Q2 2017 were PE-backed, this includes the listings of Eddie Stobart Logistics plc and DP Eurasia NV, which represented 36% of proceeds on UK exchanges for Q2 2017. Overall **financial sponsor-backed IPOs** accounted for 31% by proceeds and 12% by number of deals in H1 2017 – a **significant decline on H1 2016** (24% by deal number and 56% by proceeds).
- ▶ Despite continued currency volatility, there were **six cross-border IPOs in Q2 2017** with listings by companies based in Turkey, UAE, Israel, China and Canada. Collectively, they raised a total of US\$712m, representing 33% of IPO proceeds in Q2 2017.



## Activity Q2 2017



## Trends

### Cross-border activity YTD 2017

#### Main market

##### Top IPO issuers

- ▶ Turkey (2 IPOs | \$461m)
- ▶ United Arab Emirates (1 IPO | \$243m)
- ▶ China (1 IPO | \$6m)

#### AIM

##### Top IPO issuers

- ▶ US (2 IPOs | \$90m)
- ▶ Israel (1 IPO | \$19m)
- ▶ Italy (1 IPO | \$3m)
- ▶ Canada (1 IPO | \$2m)

#### Leaving UK

**Outbound**

11% of UK issuers\* listed abroad



#### Coming to UK

**Inbound**

21% of cross-border IPOs globally\*\* were listed on UK exchanges



\*There were 27 IPOs by UK issuers in H1 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

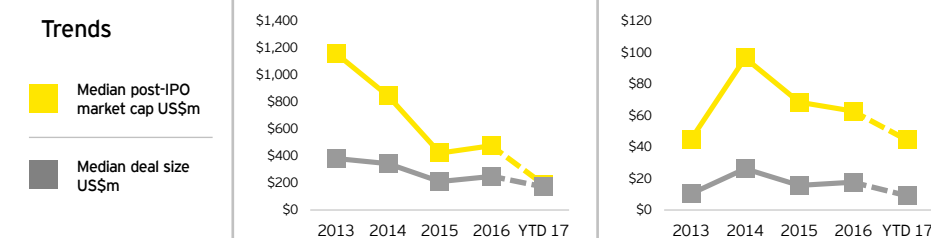
\*\* There were 42 cross-border IPOs globally in H1 2017.

Despite political uncertainty and exchange rate volatility in the first half of 2017, 9 out of 33 IPOs on the London Main Market and AIM were cross-border listings. Interest from overseas companies considering a London listing will continue to grow.

### Transaction sizes

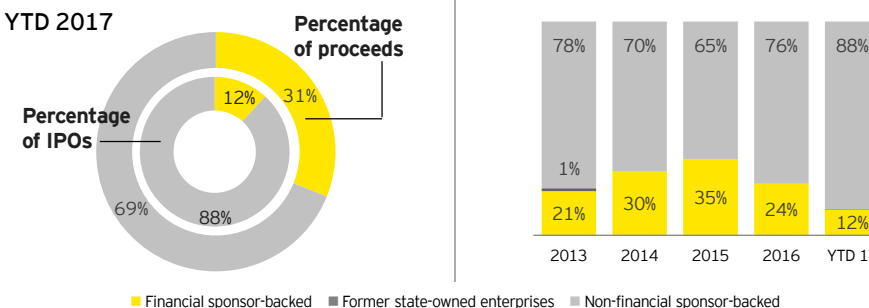
	London Main Market		London AIM	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	<b>\$190.4m</b>	▼ 63%	<b>\$44.5m</b>	▼ 36%
Median deal size	<b>\$172.3m</b>	▼ 6%	<b>\$9.0m</b>	▼ 52%

#### Trends



### Sources of IPOs

#### YTD 2017



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

## Performance

### IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
London Main Market	<b>+12.8%</b>	<b>+10.2%</b>
London AIM	<b>+3.4%</b>	<b>+10.7%</b>

+ or - indicates change compared to offer price at IPO

### Equity indices YTD 2017

**FTSE 100**  
**+4.5%**  
UK

**FTSE 350**  
**+5.3%**  
UK

**FTSE AIM All-Share**  
**+15.0%**  
UK

+ or - indicates change since 31 December 2016

### Volatility indices

**FTSE 100 VIX (VFTSE 100)**  
**9.96** index level  
**-13.9%**  
YTD  
**-15.7%**  
Q1 2017

- indicates a decrease in volatility as at 16 June 2017 compared to 31 December 2016 for year-to-date (YTD) and 31 March 2017 for end of Q1 2017.

## Outlook

- ▶ Although there was one withdrawn IPO this quarter, a number of companies have put listing plans back on hold due to **political instability**, which will impact IPO activity levels in the coming quarters. Concern about potential US policy shifts may also depress IPO activity in the near term.
- ▶ While the number of companies in the pipeline continues to build, UK IPO activity is likely to remain depressed until **Q4 2017 or even Q1 2018** by which time prospective IPO candidates anticipate that political instability may have abated. The pipeline is looking strong for **AIM and smaller main market listings**.
- ▶ In the coming months, there could be **more cross-border IPOs on the London Main Market and AIM**. This includes the proposed listing of En+ Group, the Russian energy and aluminium group, which plans to raise between US\$1.8b to US\$2b on the London Stock Exchange. The listing would be the largest Russian IPO since the 2012 and signal the return of Russian companies to the London market. There are also Middle East companies in the pipeline.
- ▶ Looking ahead, we expect to see a **small increase in the number of PE-backed IPOs** albeit not yet returning to the higher level of activity seen in previous years. With PE funds holding high levels of dry powder, they are unlikely to exit investments via IPO while valuations remain low.
- ▶ In a low-interest-rate environment, investor interest in equities remain strong. However, in real terms, **appetite for newly listed stocks is likely to remain low** while other opportunities for investment stand out, such as equities with an established dividend history.
- ▶ When the UK Government provides clearer guidance on the proposed EU exit strategy, this should likely boost business and investor confidence and help re-ignite the UK IPO market.
- ▶ Plans by the Financial Conduct Authority (FCA) to bring the UK IPO process more in line with US practices would support IPO activity in 2018.





# Appendix

Areas and regional IPO markets  
facts and figures

Definitions

## Top 12 stock exchanges

### By number of IPOs

2017 year-to-date

Ranking	Stock exchanges	Number of IPOs	% of global IPOs
1	Shenzhen (SZSE and Chinext)	128	16.6
2	Shanghai (SSE)	121	15.7
3	Hong Kong (HKEx) and GEM	67	8.7
4	Australia (ASX)	45	5.8
5	New York (NYSE)	44	5.7
6	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden) and First North	44	5.7
7	Tokyo (TSE), MOTHERS and JASDAQ	38	4.9
8	NASDAQ	36	4.7
9	London Main Market and AIM	33	4.3
10	Bombay (BSE) and SME	31	4.0
11	National (NSE) and SME	26	3.4
12	Korea (KRX) and KOSDAQ	20	2.6
	Other stock exchanges (38 exchanges)	139	18.0
	<b>Global IPO activity</b>	<b>772</b>	<b>100.0</b>

2016

Ranking	Stock exchanges	Number of IPOs	% of global IPOs
1	Shenzhen (SZSE and Chinext)	124	11.3
2	Hong Kong (HKEx) and GEM	116	10.6
3	Shanghai (SSE)	103	9.4
4	Tokyo (TSE), MOTHERS and JASDAQ	86	7.9
5	Australia (ASX)	78	7.1
6	NASDAQ	77	7.0
7	Bombay (BSE) and SME	68	6.2
8	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden) and First North	59	5.4
9	Korea (KRX) and KOSDAQ	57	5.2
10	London Main Market and AIM	54	4.9
11	New York (NYSE)	34	3.1
12	Thailand (SET) and MAI	26	2.4
	Other stock exchanges (51 exchanges)	211	19.5
	<b>Global IPO activity</b>	<b>1,093</b>	<b>100.0</b>

### By proceeds

Ranking	Stock exchanges	US\$b	% of global IPOs
1	New York (NYSE)	18.9	22.6
2	Shanghai (SSE)	11.0	13.1
3	Shenzhen (SZSE and Chinext)	7.2	8.7
4	Hong Kong (HKEx) and GEM	7.2	8.6
5	Korea (KRX) and KOSDAQ	4.2	5.0
6	Bolsa de Madrid and MAB	3.5	4.2
7	London Main Market and AIM	3.2	3.9
8	NASDAQ	3.1	3.8
9	Euronext + Alternext	2.9	3.5
10	Tokyo (TSE), MOTHERS and JASDAQ	2.4	2.9
11	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden) and First North	2.2	2.7
12	Bursa Malaysia (KLSE) and ACE	2.1	2.6
	Other stock exchanges (38 exchanges)	15.4	18.4
	<b>Global IPO activity</b>	<b>83.4</b>	<b>100.0</b>

Ranking	Stock exchanges	US\$b	% of global IPOs
1	Hong Kong (HKEx) and GEM	25.2	18.7
2	Shanghai (SSE)	15.3	11.3
3	New York (NYSE)	13.5	10.0
4	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden)+First North	9.4	7.0
5	Tokyo (TSE), MOTHERS and JASDAQ	9.2	6.8
6	NASDAQ	7.7	5.7
7	Shenzhen (SZSE and Chinext)	7.3	5.4
8	London Main Market and AIM	7.2	5.3
9	Deutsche Borse	5.8	4.3
10	Korea (KRX) and KOSDAQ	5.4	4.0
11	Australia (ASX)	4.7	3.5
12	Bombay (BSE) and SME	4.0	3.0
	Other stock exchanges (51 exchanges)	19.8	14.9
	<b>Global IPO activity</b>	<b>134.5</b>	<b>100.0</b>

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

## Regional IPO facts and figures: Americas

Regions/country	Year to date comparison				Quarterly comparison					
	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter Q2 2017	Change QOQ% (vs Q2 16)	Change previous quarter% (vs Q1 17)	Proceeds US\$b current quarter	Change QOQ%	Change previous quarter%
US	80	82%	22.00	216%	55	53%	120%	11.1	77%	1%
Canada	13*	550%	1.83	216,148%	9	800%	125%	1.7	405,714%	1139%
Mexico	2	0%	1.32	572%	1	0%	0%	0.4	335%	-54%
Brazil	2	NA	0.47	NA	-	NA	-100%	-	NA	-100%
Jamaica	1	-80%	0.001	-94%	-	-100%	-100%	-	-100%	-100%
Chile	1	NA	0.20	NA	-	NA	-100%	-	NA	-100%
Argentina	-	-100%*	-	-100%*	-	-100%*	NA	-	-100%*	NA
<b>Americas</b>	<b>99</b>	<b>83%</b>	<b>25.83</b>	<b>259%</b>	<b>65</b>	<b>63%</b>	<b>91%</b>	<b>13.2</b>	<b>107%</b>	<b>4%</b>

\*In H1 2017, there were 11 IPOs raising US\$1.8b on Toronto Stock Exchange and TSX Venture Exchange. There were also 2 IPOs on Canadian Securities Exchange which raised US\$0.7m altogether - these listings were excluded on page 8

\*\*In H1 2017, there were no IPOs on Argentina's Buneos Aires Stock Exchange. In Q2 2016, there was 1 IPO which raised US\$11.4m.



## Regional IPO facts and figures: Asia-Pacific

Regions/country	Year to date comparison				Quarterly comparison					
	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter Q2 2017	Change QOQ% (vs Q2 16)	Change previous quarter% (vs Q1 17)	Proceeds US\$b current quarter	Change QOQ%	Change previous quarter%
Indonesia	14	75%	0.2	-31%	13	160%	1200%	0.2	-36%	853%
Malaysia	8	33%	2.1	997%	4	33%	0%	1.4	2209%	76%
Philippines	4	100%	0.5	-9%	3	50%	200%	0.4	-34%	158%
Singapore	8	-11%	0.3	-73%	5	0%	67%	0.2	-84%	29%
Thailand	11	57%	1.0	236%	6	20%	20%	0.9	259%	1,306%
Sri Lanka	2	100%	0.01	18%	1	NA	0%	0.01	NA	158%
Cambodia	1	NA	0.03	NA	1	NA	NA	0.03	NA	NA
Vietnam	-	-100%	-	-100%	-	NA	NA	-	NA	NA
<b>ASEAN</b>	<b>48</b>	<b>41%</b>	<b>4.3</b>	<b>61%</b>	<b>33</b>	<b>65%</b>	<b>120%</b>	<b>3.1</b>	<b>31%</b>	<b>171%</b>
Mainland China	249	308%	18.2	312%	115	211%	-14%	8.1	209%	-19%
Hong Kong	67	76%	7.2	28%	28	47%	-28%	5.4	218%	215%
Taiwan	1	0%	0.01	-28%	1	0%	NA	0.01	-28%	NA
<b>Greater China</b>	<b>317</b>	<b>217%</b>	<b>25.4</b>	<b>153%</b>	<b>144</b>	<b>153%</b>	<b>-17%</b>	<b>13.6</b>	<b>211%</b>	<b>15%</b>
<b>Japan</b>	<b>38</b>	<b>-10%</b>	<b>2.4</b>	<b>4%</b>	<b>11</b>	<b>-39%</b>	<b>-59%</b>	<b>0.5</b>	<b>-53%</b>	<b>-74%</b>
<b>South Korea</b>	<b>20</b>	<b>5%</b>	<b>4.2</b>	<b>350%</b>	<b>8</b>	<b>-11%</b>	<b>-33%</b>	<b>3.9</b>	<b>538%</b>	<b>1,100%</b>
Australia	45	25%	0.8	-55%	22	10%	-4%	0.7	-58%	412%
New Zealand	-	-100%	-	-100%	-	-100%	NA	-	-100%	NA
<b>Oceania</b>	<b>45</b>	<b>22%</b>	<b>0.8</b>	<b>-60%</b>	<b>22</b>	<b>5%</b>	<b>-4%</b>	<b>0.7</b>	<b>-63%</b>	<b>412%</b>
<b>Asia-Pacific</b>	<b>468</b>	<b>102%</b>	<b>37.0</b>	<b>107%</b>	<b>218</b>	<b>74%</b>	<b>-13%</b>	<b>21.7</b>	<b>113%</b>	<b>41%</b>

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

## Regional IPO facts and figures: EMEIA

Regions/country	Year to date comparison				Quarterly comparison					
	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter Q2 2017	Change QOQ% (vs Q2 16)	Change previous quarter% (vs Q1 17)	Proceeds US\$b current quarter	Change QOQ%	Change previous quarter%
Belgium and Netherlands (BeNe)	3	-25%	1.0	-64%	2	-50%	100%	0.9	-68%	673%
France, Magreb and Luxembourg (FraMaLux)	10	11%	2.0	214%	5	-38%	0%	1.9	200%	1,844%
Commonwealth of Independent States (CIS)	1	NA	0.3	NA	-	NA	-100%	-	NA	-100%
Central and Southern Europe (CSE)	8	-38%	1.1	3%	7	0%	600%	1.1	4%	7,663%
Germany, Switzerland and Austria (GSA)	5	-17%	2.4	106%	3	-25%	50%	2.1	152%	622%
Mediterranean (Italy and Spain)	12	9%	3.9	99%	6	-14%	0%	2.1	9%	17%
Nordics (Denmark, Norway, Sweden and Finland)	49	29%	3.2	-40%	33	27%	106%	2.7	-38%	470%
<b>Continental Europe</b>	<b>89</b>	<b>11%</b>	<b>14.3</b>	<b>11%</b>	<b>57</b>	<b>2%</b>	<b>78%</b>	<b>11.1</b>	<b>-3%</b>	<b>256%</b>
UK	33	0%	3.2	-15%	21	24%	75%	2.1	100%	97%
<b>Europe</b>	<b>120</b>	<b>8%</b>	<b>17.5</b>	<b>5%</b>	<b>78</b>	<b>10%</b>	<b>86%</b>	<b>13.3</b>	<b>6%</b>	<b>216%</b>
Africa	5	25%	0.1	86%	1	-50%	-75%	0.0	-96%	-100%
India	57	50%	2.3	91%	21	40%	-42%	1.6	96%	133%
Middle East	21	110%	0.7	-32%	9	29%	-25%	0.4	-7%	10%
<b>EMEIA</b>	<b>205</b>	<b>22%</b>	<b>20.5</b>	<b>9%</b>	<b>109</b>	<b>12%</b>	<b>14%</b>	<b>15.2</b>	<b>11%</b>	<b>185%</b>

\*\*Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Euronext (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\* and sub-region\* for Q2 2017 (▲) and 2017 year-to-date (■)

Stock exchange regions	Industrials	Technology	Materials	Consumer products and services	Health care	Energy	Consumer staples	Retail	Financials	Real estate	Media and entertainment	Telecommunications
<b>Americas</b>	▲	▲ ■	■		▲ ■							
▸ US	▲ ■	▲ ■			▲ ■							
<b>Asia-Pacific*</b>	▲ ■	▲ ■	■	▲ ■								
▸ Greater China	▲ ■	▲ ■		▲ ■								
▸ Japan		▲ ■		▲				▲ ■			■	
<b>EMEA</b>	▲ ■	▲ ■			▲ ■							
▸ UK	▲				■	▲ ■				▲ ■		
<b>Global</b>	▲ ■	▲ ■	■	▲								
<b>2017 year-to-date global IPO activity</b>	134	114	93	91	81	52	45	41	39	35	33	14
<b>Q2 2017 IPO activity</b>	63	70	36	45	43	37	13	17	23	20	17	8

\*For 2017 year-to-date, Asia-Pacific exchanges saw four leading sectors. Industrials led the pack with 98 IPOs, followed by technology with 74 IPOs. Both the consumer products and services and the materials sectors accounted for 64 IPOs each, they had proceeds of US\$3.7b and 2.7b respectively.

\*\*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 EY's regional classification.



## Methodology

- ▶ The data presented in the *Global IPO Trends: Q2 2017* report and press release is from Dealogic and EY. Q2 2017 (i.e., April-June) is based on priced IPOs as of 16 June 2017 and expected IPOs in June. YTD 2017 or H1 2017 (January–June) is based on priced IPOs from 1 January to 16 June 2017 and expected IPOs in June. Data is up to 17 June 2017, 6 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 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; 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.
- ▶ **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 median 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.
- ▶ **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 Q2 2017 with Q2 2016 for this current report.
- ▶ **Share price development since IPO** is the median current returns, which is the year-to-date returns as at 16 June 2017 versus offer price. This should be compared with equity indices performance that is also measured YTD.
- ▶ **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 six months of 2017 with the first six months of 2016 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 16 June 2017 plus expected IPOs by end of June.

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ED None

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## Find out more about future IPO prospects

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