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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 EMEIA 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

Unicorns and timing give IPO activity a lift in Q2 2019

“

Timing is everything. This is especially true in determining when to launch an IPO. Following the trend of increased unicorn IPO activity, Q2 2019 welcomed a number of much-anticipated, high-profile unicorns. The global IPO activity slowdown continued following an unusually quiet Q1 2019 as ongoing geopolitical tensions, trade issues among the US, China and the EU, Brexit and the outcome of European elections dampened IPO sentiment. The main way for issuers to navigate the shift from old to new realities in unpredictable markets is to remain flexible. So well-prepared companies, with the right equity story will find their windows of opportunity. As markets stabilize and tensions ease, we expect higher IPO activity in the second half of 2019.

Dr. Martin Steinbach

EY Global and EY EMEA IPO Leader

Highlights from the market

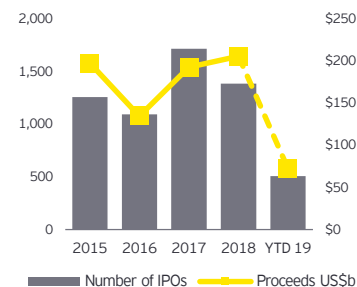
- ▶ In 2018, a record number of unicorn IPOs came to market, pushing their proceeds to historic heights. **Q2 2019 continued this trend**, despite geopolitical uncertainty, US-China trade tensions and Brexit. **Thirteen unicorns launched IPOs, helping to push the first half of 2019 (H1 2019) numbers to 507 IPOs, raising total proceeds of US\$71.9b.**
- ▶ While deal numbers are down 28% from H1 2018, **first-day returns on the main markets are up 15.4% on average and post-IPO performance has seen an increase of 28.4%**. Meanwhile, pipelines remain strong. Consistently positive first-day pops and current returns suggest there is still investor appetite for high-quality IPOs with the right story to tell. This bodes well for H2 2019.
- ▶ Due to the prevailing geopolitical uncertainty and trade tensions, Asia-Pacific region saw a decline of 12% by volume and 27% by proceeds in H1 2019 compared with H1 2018. However, **six Asia-Pacific exchanges were among the top ten exchanges by volume and three by proceeds.**
- ▶ Despite EMEIA seeing a decline of 53% by volume and 48% by proceeds in H1 2019 compared with H1 2018, **five EMEIA exchanges were among the top ten exchanges by proceeds and two by volume.** A still unclear path to Brexit, US trade and tariff tensions and post-election uncertainties in several European countries continued to have a direct impact on EMEIA IPO activity.
- ▶ **In the Americas, a number of high-profile unicorn IPOs came to the public markets, lifting Q2 2019 IPO activity levels.** Americas IPO markets had 87 IPOs that raised US\$28.1b in Q2 2019. This was an increase of 5% by number of deals and 50% in proceeds from Q2 2018. In H1 2019, the US accounted for 75% of Americas' IPOs and 96% by proceeds.
- ▶ **Technology, health care and industrials** saw the largest share of IPOs in H1 2019 by both volume (52%) and proceeds (66%). This suggests that investors continue to strike a balance between new innovation and sticking with the basics.
- ▶ **Cross-border activity levels were lower in H1 2019**, representing only 8% of global IPO activity, compared to H1 2018. Most region saw a decline with the exception of EMEIA, which saw an increase.

Markets

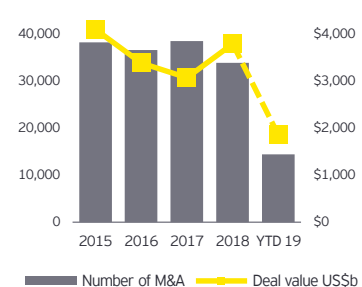
YTD 2019	Change on prior year	Q2 2019	Change on Q2 2018
507 IPOs	▼ 28%	302 IPOs	▼ 17%
\$71.9b proceeds	▼ 28%	\$56.8b proceeds	▲ 14%

All amounts in table are in US\$

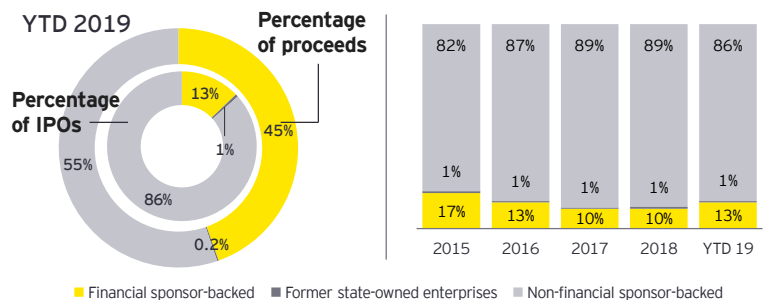
IPO activity



M&A activity



Sources of IPOs



Activity Q2 2019

Stock exchanges
by highest total proceeds

New York (NYSE)
\$17.0b
18 IPOs

NASDAQ
\$10.0b
48 IPOs

Hong Kong (HKEx+GEM)
\$6.2b
38 IPOs

Sectors
by highest number of IPOs

Technology
68 IPOs
\$24.9b

Health care
56 IPOs
\$9.2b

Industrials
36 IPOs
\$5.2b

IPOs
largest by proceeds

Uber Technologies, Inc.
\$8.1b
Technology
US
NYSE

Avantor, Inc.
\$3.3b
Health care
US
NYSE

Nexi SpA
\$2.3b
Technology
Italy
Borsa Italiana

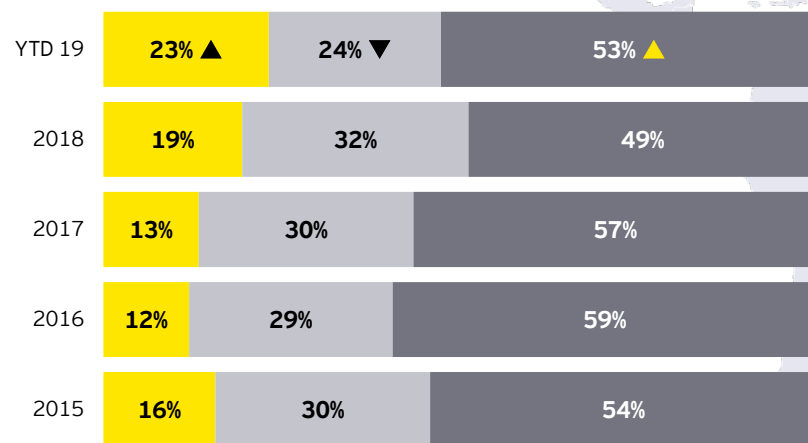
All amounts in table are in US\$

*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

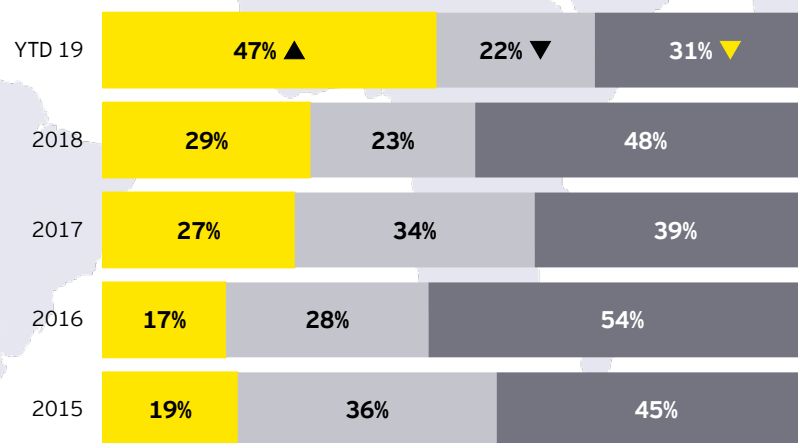
All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 20 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 20 June 2019 plus expected IPOs by end of June. Data as of 20 June 2019.

As capital markets become more unpredictable, preserving transaction optionality, early IPO readiness preparations and being flexible in IPO timing and pricing are ever-more crucial for IPO candidates. Companies wanting to take the IPO journey need to prepare early and thoroughly so that they can catch the right transaction window when it opens.

Regional share by number of IPOs



Regional share by proceeds

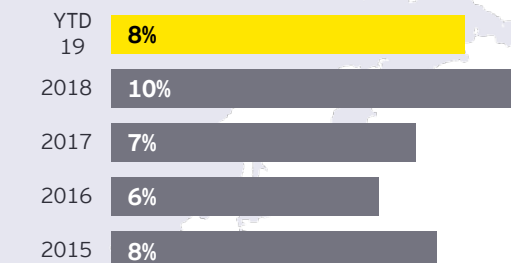


■ Americas ■ EMEIA ■ Asia-Pacific

▲ or ▼ or – = increase or decrease or remain constant for H1 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 (11)
- ▶ Singapore (6)
- ▶ Malaysia (5)
- ▶ Israel (4)
- ▶ US (3)

Top IPO destinations* YTD 2019

By number of IPOs

- ▶ NASDAQ (16)
- ▶ Hong Kong (10)
- ▶ NYSE (5)
- ▶ London (3)
- ▶ Singapore (3)

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

Outlook

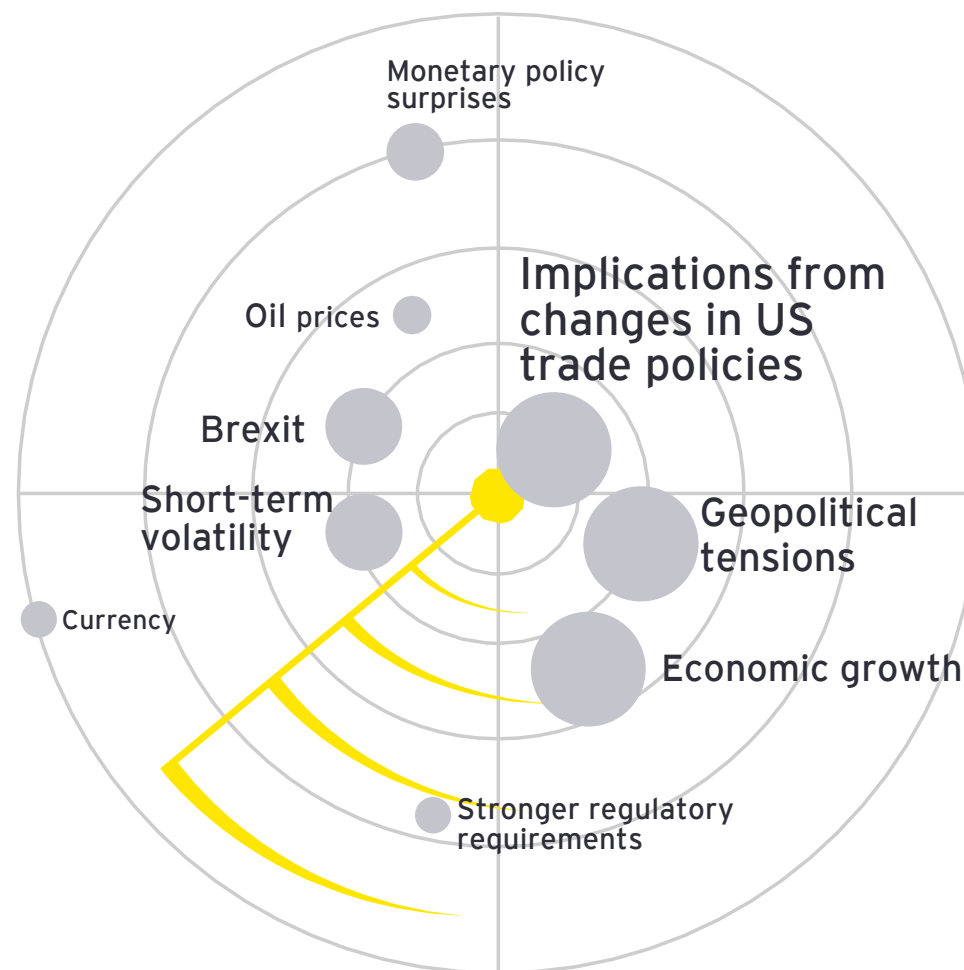
- ▶ **The number of unicorns that came to the public markets in Q2 2019 suggests IPO candidates are either finding an open IPO window – or choosing a window of their own making. There are several more mega IPOs and unicorns waiting in the wings, as well as a robust pipeline of small- and mid-cap IPOs across all regions.** As such, we expect IPO activity to pick up in the second half of 2019 (H2 2019), even as geopolitical uncertainties and trade issues continue.
- ▶ **Asia-Pacific:** Although volumes and proceeds were lower in H1 2019 compared with H1 2018, positive investor sentiment, a healthy pipeline and a number of large IPOs in the pipeline suggest that IPO activity in H2 2019 will increase.
- ▶ **EMEIA:** Geopolitical uncertainties continue to impact IPO activity. However, with interest rate levels projected to remain low, a potential monetary stimulus in the medium term and with strong fundamentals and investor confidence on their side, EMEIA IPO markets can gain momentum in H2 2019.
- ▶ **Americas:** While a few high-profile deals have garnered attention, small- and mid-cap issuers that represent the majority of IPOs have continued to outperform the equity markets despite volatility. We expect a more balanced IPO market going forward, with quality issuers coming to the public markets and investors continuing to see the potential for outperformance.
- ▶ **Sectors:** While technology and unicorn IPOs tend to get the largest share of media attentions, investors seem more interested in finding a balance between high growth potential and more traditional, less risky investments. We expect a number of health care companies to come to 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 activity is expected to increase in H2 2019, with the US, Hong Kong and London continuing to be the top destinations. However, the level of cross-border activity of Chinese companies on the US exchanges could be affected if proposed initiatives for stronger regulations for Chinese foreign private issuers come into effect.

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 activity rebounds across the Americas

“

IPO activity accelerated significantly across the Americas during the second quarter. While the majority of IPOs were concentrated in the US, Canada saw a number of small issuers come to the public market and two sizeable IPOs occurred in Brazil. We expect IPO activity to normalize in the second half of 2019.

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the markets

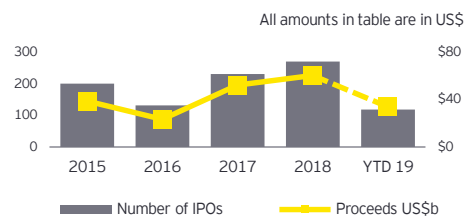
- ▶ **Americas IPO markets had 87 IPOs that raised US\$28.1b in Q2 2019, representing an increase of 5% by deal numbers and 50% in proceeds from Q2 2018.** Despite the jump in IPO activity for the quarter, both number of IPOs and proceeds year-to-date still fell behind compared with the same period in 2018.
- ▶ US exchanges continue to lead the charge, with the **NYSE and NASDAQ ranked first and second by proceeds globally in H1 2019. US exchanges accounted for 75% of Americas IPOs by number of deals and 96% by proceeds in H1 2019,** driven by several high-profile technology unicorns that went public during Q2 2019.
- ▶ Besides the US, **Brazil** raised US\$999m via two IPOs in Q2 2019, while **Canada's Toronto Main Market and Venture Exchange** saw six IPOs, which raised US\$9m.
- ▶ **Technology, health care and materials sectors** saw the highest level of IPO activity in Q2 2019, accounting for 78% of Americas number of deals altogether. Technology dominated in proceeds, contributing 62%, while health care represented 21% of Americas' proceeds in Q2 2019.

Markets YTD 2019

118 IPOs
\$33.6b proceeds
\$89m median deal size

Change on prior year

▼ **14%**
 ▼ **12%**
 ▼ **28%**



Activity Q2 2019

All amounts in table are in US\$

Stock exchanges by highest total proceeds

NYSE
 \$17.0b | 18 IPOs US

NASDAQ
 \$10.0b | 48 IPOs US

Sao Paulo (BM&F BOVESPA)
 \$1b | 2 IPOs Brazil

Sectors by highest number of IPOs

Technology
 26 IPOs | \$17.4b

Health care
 26 IPOs | \$5.9b

Materials
 16 IPOs | \$7m

IPOs largest by proceeds

Uber Technologies, Inc.
 \$8.1b Technology, NYSE, US

Avantor, Inc.
 \$3.3b Health care, NYSE, US

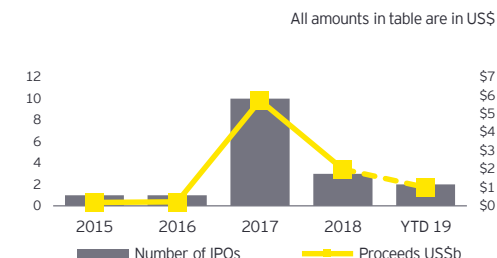
Pinterest, Inc.
 \$1.6b Technology, NYSE, US

Brazil's B3 YTD 2019

2 IPOs
\$999m proceeds
\$500m median deal size

Change on prior year

▼ **33%**
 ▼ **50%**
 ▼ **38%**



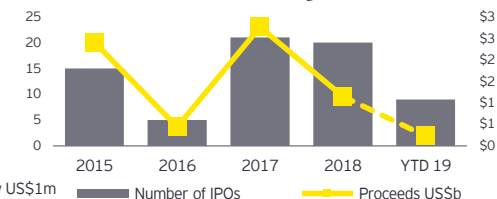
Canada's Toronto Stock Exchange and TSX Venture Exchange YTD 2019

9 IPOs
\$221m proceeds
\$1m median deal size*

Change on prior year

▼ **10%**
 ▼ **75%**
 ▼ **99%**

IPO activity of Canadian Securities Exchange is excluded. *5 of the 9 IPOs had deal size below US\$1m

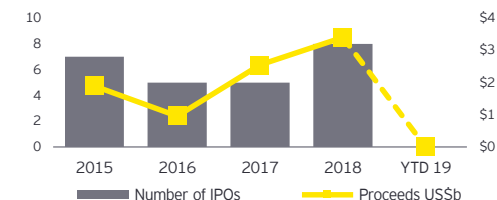


Mexico's Mexican Stock Exchange YTD 2019

0 IPOs
\$0m proceeds
NA median deal size

Change on prior year

▼ **100%**
 ▼ **100%**
 -



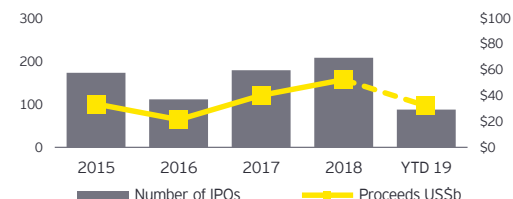
US' NASDAQ and NYSE YTD 2019

88 IPOs
\$32.2b proceeds
\$122m median deal size

Change on prior year

▼ **20%**
 ▲ **0.2%**
 ▼ **3%**

IPO activity in 2016 includes one IPO on BATS exchange.





Americas – US IPO market insight

Unicorns help to reawaken IPO markets in Q2 2019

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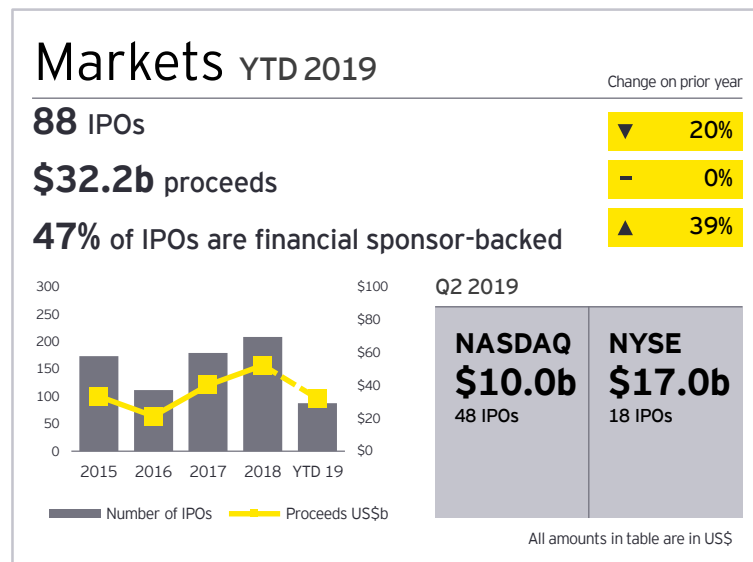
Finally a wave of much-anticipated, household name unicorns entered the US IPO market, reigniting IPO activity and sparking an increase in constructive investor sentiment. The majority of IPOs delivered positive post-IPO returns in the quarter, especially high growth companies, which sets the stage for continued momentum in IPO activity.

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the market

- ▶ There were 66 US IPOs in Q2 2019 raising a total of US\$27.0b. **With activity from larger unicorn companies, Q2 2019 proceeds raised increased by 79%** compared to Q2 2018.
- ▶ **Led by four of the five IPOs with deal size above US\$1b, technology accounted for a dominant 64% of proceeds in Q2 2019.**
- ▶ With strong activity in May, **health care accounted for 39% of US deal numbers in Q2 2019, which is a higher percentage than typical.**
- ▶ Though activity picked up in Q2 2019 over Q1 2019, **the number of US IPOs for H1 2019 significantly trails H1 2018**, and historical averages, creating elevated interest in those coming to market.
- ▶ Despite press attention for a handful of IPOs that underperformed in initial trading, the **average IPO has delivered impressive returns initially and continued to trend higher.**
- ▶ **NYSE and NASDAQ are top IPO destinations by proceeds in Q2 2019**, with 16 cross-border IPOs, in comparison to 11 in Q2 2018. Eight of the cross-border IPOs were from China, followed by three from Israel.



Activity Q2 2019

All amounts in table are in US\$

Sectors by highest number of IPOs	IPOs largest by proceeds
Health care 26 IPOs \$5.9b	Uber Technologies, Inc. \$8.1b Technology, NYSE, US
Technology 25 IPOs \$17.4b	Avantor, Inc. \$3.3b Health care, NYSE, US
Financials 4 IPOs \$238m	Pinterest, Inc. \$1.6b Technology, NYSE, US
Energy 2 IPOs \$1.1b	Tradeweb Markets, Inc. \$1.2b Technology, NASDAQ, US
Industrials 2 IPOs \$684m	Chewy, Inc. \$1.0b Technology, NYSE, US

Performance YTD 2019

All amounts in table are in US\$

IPO pricing and performance		
US markets	First-day average return	Share price performance since IPO (aka offer-to-current)
	+20.1%	+32.6%
+ or - indicates change compared with offer price at IPO. First-day and current average returns are mean returns of issuers who started trading by 19 June.		
Equity indices		Volatility index
DJIA +14.9% US	S&P 500 +17.7% US	CBOE VIX® 14.3 current 15.8 YTD average 17.4 10-year average
+ or - indicates change since 28 December 2018		Current index level is for 19 June 2019

Trends

	YTD 2019	Change on prior year
Median deal size	\$122m	▼ 3%
Median post-IPO market cap	\$563m	▲ 5%

Median post-IPO market cap is calculated for IPOs that were priced by 14 March.

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

21 IPOs	Greater China 11 IPOs (\$1.6b)
	Israel 4 IPOs (\$313m)
	Europe 3 IPOs (\$473m)
	3 other countries 3 IPOs (\$613m)

All amounts in table are in US\$

Outlook

- ▶ The **strong post-IPO returns** experienced with recent deals create a **positive environment for continued IPO activity** despite trade and macroeconomic uncertainty.
- ▶ The **IPO market is set to be balanced going forward**, with quality issuers having access to the market and investors continuing to see the potential for outperformance.
- ▶ As issuance picked up in May, **sector activity has been diversified to include more transactions in sectors such as consumer products and industrials**. The strong reception for these deals indicates broader investor demand and could drive issuance in these sectors.
- ▶ With **several more large unicorns rumored to be preparing for eventual public listings**, activity from that set of issuers will play an integral role in the level of total proceeds raised for the year.

*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 20 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 20 June 2019 plus expected IPOs by end of June. Data as of 20 June 2019.

Asia-Pacific

Asia-Pacific companies accelerate IPO plans to get ahead of economic headwinds

“

While ongoing trade issues between the US and China continued to have an effect on investor sentiment across Asia-Pacific, the prospect of a potential economic downturn had many companies accelerating their IPO plans. As IPO candidates race to get ahead of economic headwinds, and as average post-IPO performance remains positive, we expect Asia-Pacific IPO activity levels to rise in the second half of 2019.

Ringo Choi

EY Asia-Pacific IPO Leader

Highlights from the market

- ▶ Ongoing trade tensions between China and the US continued to impact IPO activity in H1 2019, inhibiting a return to 2018 levels. **H1 2019 IPOs across the Asia-Pacific region were down 12% by volume and 27% by proceeds compared with H1 2018.**
- ▶ While these numbers are not ideal, **IPOs on Asia-Pacific's main markets experienced average first-day returns of around 19% and average current returns of 33%.**
- ▶ Meanwhile, **Asia-Pacific continued to dominate global IPO activity year-to-date 2019 by volumes, representing six of the top ten exchanges.** By proceeds, the region accounted for three of the top ten exchanges.
- ▶ **In Greater China, investors remained cautious, as H1 2019 volumes and proceeds were down 14% and 16%, respectively, relative to H1 2018.** Greater China saw a modest increase in deal numbers (16% rise) in Q2 2019 over Q2 2018 but saw a small fall in proceeds (4% fall), suggesting that **Greater China IPO markets remain resilient despite geopolitical tensions.**
- ▶ **Japan's IPO markets remained stable through the end of the first half of 2019,** with H1 2019 posting 5% more IPO deals than H1 2018, but proceeds fell due to lower average deal size.
- ▶ **In H1 2019, Australia saw a decline of 43% by volume and 73% by proceeds compared with H1 2018,** with small-cap listings in technology, materials and health care dominating.
- ▶ Geopolitical uncertainties, trade tensions and macroeconomic conditions in the **Southeast Asia region** continued to **weaken IPO activity in H1 2019** as deal volumes declined 8%, while funds raised dropped 55% compared with H1 2018.
- ▶ **Health care, technology and financials posted the highest proceeds on Asia-Pacific exchanges in H1 2019.** By deal numbers, technology, industrials and health care top the list.
- ▶ **Median deal size on Asia-Pacific's main markets rose to US\$53m in H1 2019,** up 20% from H1 2018, while median IPO market cap increased 32% to US\$227.5m.

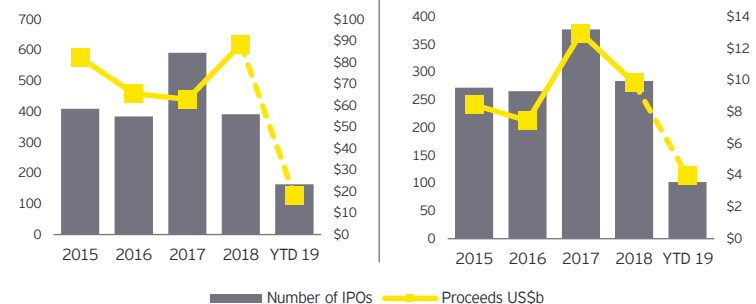
Markets

YTD 2019	Change on prior year	Q2 2019	Change on Q2 2018
266 IPOs	▼ 12%	141 IPOs	▲ 4%
\$22.3b proceeds	▼ 27%	\$14.3b proceeds	▼ 22%

All amounts in table are in US\$

Main markets

Q2 2019	Change on Q2 2018	Q2 2019	Change on Q2 2018
88 IPOs	▲ 10%	53 IPOs	▼ 4%
\$11.9b proceeds	▼ 21%	\$2.3b proceeds	▼ 30%



All amounts in table are in US\$

Activity Q2 2019

Stock exchanges
by highest total proceeds

Hong Kong (Main and GEM)
\$6.2b
38 IPOs
Hong Kong

Shanghai (SSE)
\$3.3b
15 IPOs
China

Shenzhen (Main and Chinext)
\$1.8b
18 IPOs
China

Sectors
by highest number of IPOs

Technology
25 IPOs
\$1.6b

Industrials
24 IPOs
\$1.0b

Consumer products
16 IPOs
\$2.4b

IPOs
largest by proceeds

Ningxia Baofeng Energy Group Co., Ltd.
\$1.2b
Materials
China
Shanghai (SSE)

Shenwan Hongyuan Group Co., Ltd.
\$1.2b
Financials
China
Hong Kong (HKEx)

Hansoh Pharmaceutical Group Co., Ltd.
\$1.0b
Health care
China
Hong Kong (HKEx)

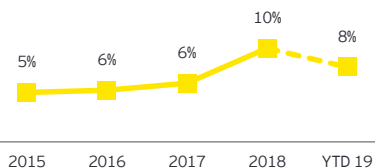
All amounts in table are in US\$

Trends

Cross-border activity YTD 2019

Asia-Pacific issuers' cross-border activity

Percentage of all Asia-Pacific issuers



Cross-border

4.0% of all Asia-Pacific issuers* listed abroad but within the Asia-Pacific region



YTD 2019

Outbound

4.0% of all Asia-Pacific issuers* listed outside Asia-Pacific



Inbound

7.1% of cross-border IPOs globally** listed in Asia-Pacific but came from outside the region



*There were 274 IPOs by Asia-Pacific issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

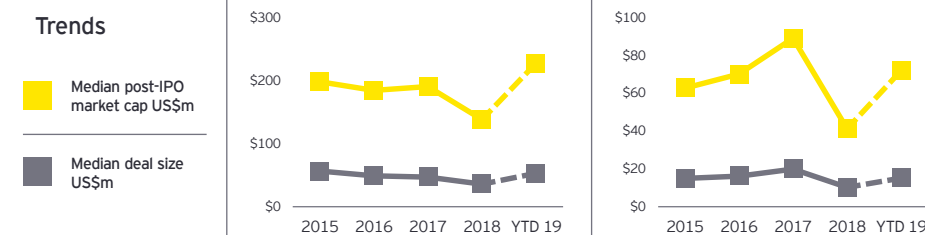
** There were 42 cross-border IPOs globally in YTD 2019.

Although IPO activity was down in H1 2019 across the Asia-Pacific region, positive average first-day pops and average post-IPO performance continue to elevate IPO investor sentiment.

Transaction sizes

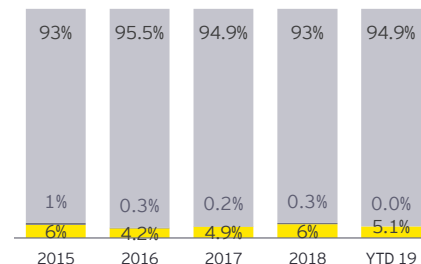
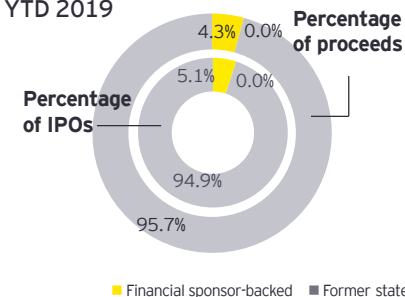
	Main markets		Junior markets	
	YTD 2019	Change on prior year	YTD 2019	Change on prior year
Median post-IPO market cap	\$227.5m	▲ 32%	\$72.0m	▲ 94%
Median deal size	\$53.0m	▲ 20%	\$15.0m	▲ 65%

Trends



Sources of IPOs

YTD 2019



■ 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 2019

	First-day average return	Share price performance since IPO
Main markets	+18.7%	+33.8%
Junior markets	+38.2%	+119.5%

+ or - indicates change compared with offer price at IPO

Equity indices YTD 2019

Hang Seng
+10.6%
Hong Kong

Nikkei 225
+6.6%
Japan

ASX 200
+17.6%
Australia

Shanghai Composite
+17.0%
Mainland China

FTSE Straits Times
+6.1%
Singapore

KOSPI
+4.1%
South Korea

+ or - indicates change since 28 December 2018

Volatility index

Hang Seng Volatility

17.8 index level
-34.6%
YTD

+20.6%
Q1 2019

+ indicates an increase in volatility as at 19 June 2019 compared with 28 December 2018 for year-to-date (YTD) and 29 March 2019 for end of Q1 2019. Whereas - indicates a decrease in volatility over the same time period.

Outlook

- ▶ Volumes and proceeds may be lower in H1 2019 compared with H1 2018, but **positive investor sentiment, a healthy pipeline and a number of large IPOs waiting in the wings suggest that Asia-Pacific IPO activity will pick up in H2 2019.**
- ▶ Several sectors are expected to remain active. **Technology and media and entertainment** companies will continue to drive IPO markets in Asia-Pacific in 2019. At the other end of the spectrum, **traditional sectors such as industrials and natural resources may be looking to increase their IPO presence** until trade issues with the US find more solid footing.
- ▶ **In Mainland China**, pipelines remain strong and market sentiment is more positive. We expect IPO activity to increase in H2 2019 now that **the Sci-Tech innovation board (STAR Market) on the Shanghai Stock Exchange (SSE) has launched**; the pace of IPO issuance by the CSRC has picked up and there appears to be a higher pass rate of IPO applications than in 2018.
- ▶ **SSE's new STAR market is expected to attract startups and new economy companies looking to raise capital.** Regulators have set flexible rules for companies seeking to list on the new board, including allowing unprofitable businesses such as pre-revenue biotech startups.
- ▶ **In Hong Kong**, if mega IPOs, such as Alibaba Group Holding Ltd., succeed in listing on the Hong Kong Main Market, the HKEx will maintain its status among the top three global exchanges by proceeds in H2 2019.
- ▶ **Japan's Tokyo Stock Exchange is expected to launch around 90 to 100 IPOs during 2019 – an equivalent number to 2018.** However, no mega IPOs and unicorn IPOs are on the horizon. As a result, small- and mid-size companies will comprise the bulk of IPO activity in H2 2019. Moreover, there could be more cross-border IPOs on the horizon.
- ▶ Despite a quiet start, **Australian IPO activity is likely to improve in the second half of 2019**, with a focus on smaller-cap issuers in the materials (mining and metal) and technology sectors.
- ▶ **Southeast Asia** will continue to remain relatively quiet into the second half of 2019 unless geopolitical and trade uncertainties stabilize globally. IPO activity will continue to be dominated by entrepreneurial companies coming to the public markets.
- ▶ **Regulatory changes in Greater China exchanges could intensify competition for listings among Asia-Pacific exchanges**, such as Singapore and Malaysia.
- ▶ **Across the Asia-Pacific region, investor appetite may continue to trend toward more traditional IPOs as investors look to limit their risk, at least in the short-term.** Investors will remain focused on valuations and post-IPO performance.



Asia-Pacific – Greater China market insight

More IPOs by new-economy companies to come in H2 2019

“

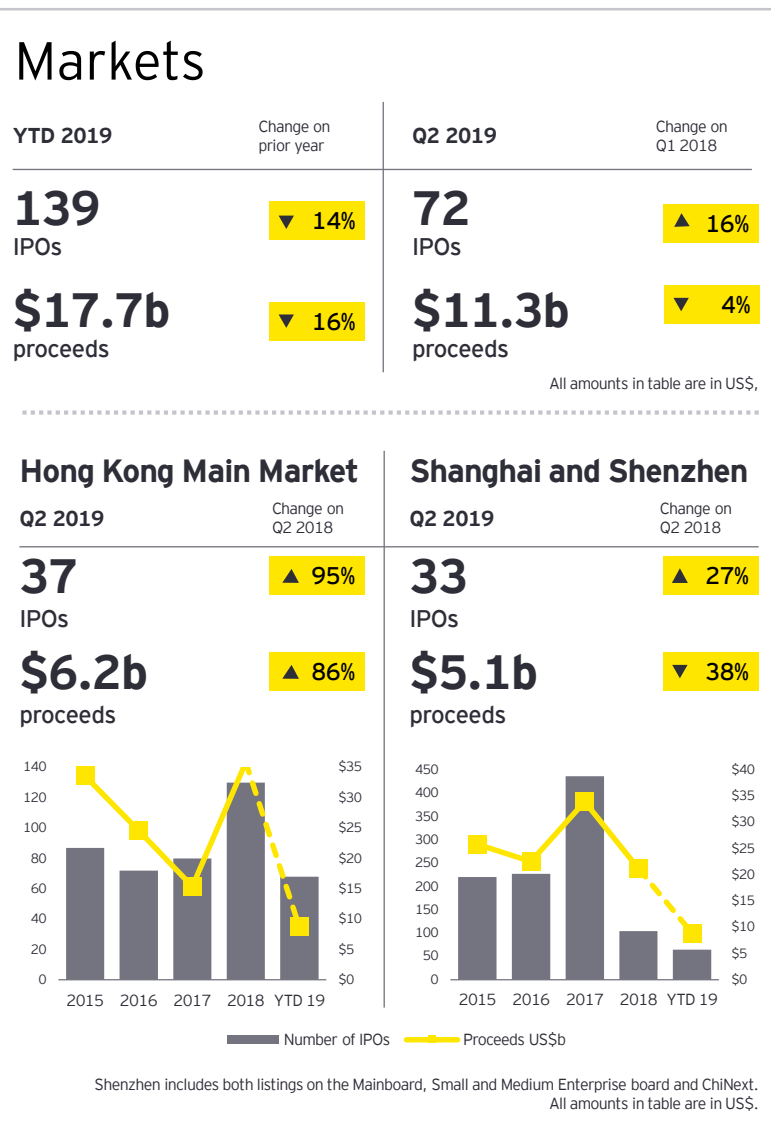
A strong IPO pipeline powered IPO activity in Greater China in Q2 2019, despite ongoing trade negotiations between China and the US. Hong Kong remained among the top three exchanges globally in both deal volumes and funds raised this quarter. In Mainland China, the launch of the new science and technology innovation board took place in mid-June. We expect interest from technology and new-economy companies will boost IPO activities in Greater China in the second half of the year.

Terence Ho

EY Greater China IPO Leader

Highlights from the markets

- Investors remained cautious about new share listings in Q2 2019 as they wait to see the progress in the US-China trade negotiations and Brexit. As a result, **H1 2019 deal volumes and proceeds were down 14% and 16%, respectively, relative to H1 2018.**
- Greater China saw a small increase in deal numbers (16% rise) in Q2 2019 over Q2 2018, but a small fall in proceeds (4% fall), suggesting that the **Greater China IPO markets remain resilient despite geopolitical tensions.**
- Although the major indices in Mainland China fell from its last-12-month peak during May and June, market sentiment remained optimistic in H1 2019, largely because of relatively low equity valuations and available market liquidity. **Mainland China exchanges saw 27% more IPOs in Q2 2019** compared with Q2 2018, but a 38% decline in funds raised due to a lack of mega IPOs.
- Mainland China IPO activity is expected to improve during H2 2019 after the **launch of the Sci-Tech innovation board (STAR Market) on the Shanghai Stock Exchange in mid-June.** At the same time, the China Securities and Regulatory Commission (CSRC) has accelerated the pace of IPO issuance by speeding up its approvals and there is higher pass rate of listing applications.
- Hong Kong Main Market saw a 19% increase in deal volumes but 134% rise in proceeds in Q2 2019 as compared with Q1 2019.** There were three IPOs with proceeds above US\$500m in Q2 2019 compared to none in Q1 2019. Recently imposed restrictions on “back door” listings has limited IPO activity on the junior market, Growth Enterprise Market (GEM), with only one GEM IPO in Q2 2019. However, the Hong Kong IPO market remains strong, demonstrating a continued willingness to go public in Hong Kong.
- By proceeds, health care and financials were the most active sectors in Greater China in H1 2019.** In terms of deal numbers, industrials continued to dominate, followed by technology, health care and materials sectors.
- There were **10 cross-border IPOs in H1 2019**, from Singapore (6 IPOs), Malaysia (2) and the US (2) – all 10 were listed on the Hong Kong Main Market. This compares with 12 cross-border IPOs in H1 2018, with six deals listing on the Main Market and six on GEM.



Activity Q2 2019

Hong Kong Main Market

Sectors
by highest number of IPOs

Consumer products
7 IPOs | \$1.4b

Industrials
7 IPOs | \$252m

Health care
6 IPOs | \$2.0b

IPOs
largest by proceeds

Shenwan Hongyuan Group Co., Ltd.
\$1.2b Financials

Hansoh Pharmaceutical Group Co., Ltd.
\$1.0b Health care

China East Education Holdings Ltd.
\$625m Consumer products

Shanghai and Shenzhen

Sectors
by highest number of IPOs

Materials
8 IPOs | \$1.8b

Industrials
7 IPOs | \$658m

Technology
6 IPOs | \$849m

IPOs
largest by proceeds

Ningxia Baofeng Energy Group Co., Ltd.
\$1.2b Materials, Shanghai

CNOOC Energy Technology & Services Ltd.
\$550m Consumer products, Shanghai

Zhejiang Sanmei Chemical Industry Co., Ltd.
\$289m Health care, Shanghai

All amounts in table are in US\$.

*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

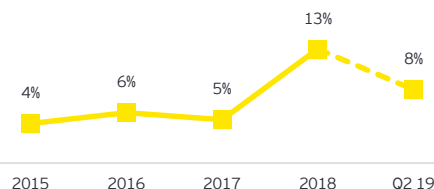
All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 20 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 20 June 2019 plus expected IPOs by end of June. Data as of 20 June 2019.

Trends

Cross-border activity YTD 2019

Greater China issuers' cross-border activity

Percentage of all China issuers



To which destination?

YTD 2019

10 IPOs to NASDAQ

1 IPO to NYSE

YTD 2019

Leaving Greater China

Outbound

7.9% of Greater China issuers* listed abroad

11
IPO

Coming to Greater China

Inbound

23.8% of cross-border IPOs globally** were listed on HKEX

10
IPOs

*There were 140 IPOs by Greater China issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

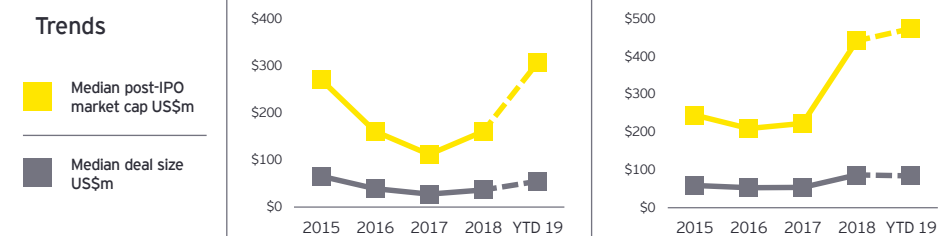
** There were 42 cross-border IPOs globally in YTD 2019.

With the launch of the Shanghai Stock Exchange's new STAR Market, we expect to see a substantial increase in the number of unicorns and new economy companies to list domestically, rather than searching for capital abroad.

Transaction sizes

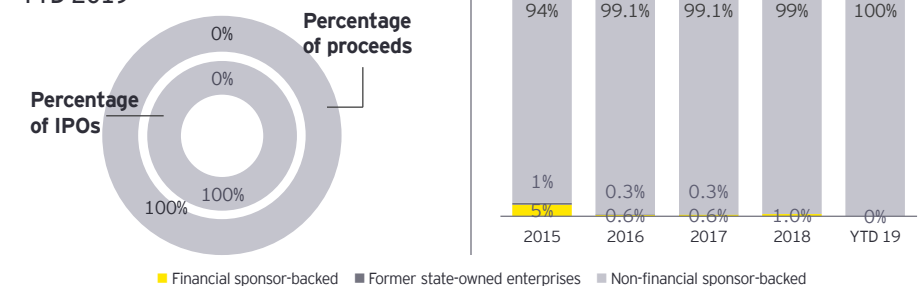
	Hong Kong Main Market	Shanghai and Shenzhen
	YTD 2019	YTD 2019
	Change on prior year	Change on prior year
Median post-IPO market cap	\$306.0m ▲ 257%	\$473.5m ▼ 12%
Median deal size	\$54.5m ▲ 179%	\$84.0m ▼ 18%

Trends



Sources of IPOs

YTD 2019



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 Market	-1.8%	-2.0%
Shanghai and Shenzhen	+41.7%	+92.4%

Equity indices YTD 2019 Mainland China

Shanghai Composite	+17.0%	Shenzhen Composite	+20.4%	Shenzhen SME	+17.3%
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Equity indices YTD 2019 Hong Kong

Hang Seng	+10.6%	Hang Seng China Enterprises	+7.7%	Hang Seng China Affiliated Corporations	+6.1%
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Volatility index

Hang Seng Volatility	17.8 index level
	-34.6% YTD
	+20.6% Q1 2019

+ or - indicates change compared with offer price at IPO

+ or - indicates change since 29 December 2018

+ indicates an increase in volatility as at 13 June 2019 compared with 28 December 2018 for year-to-date (YTD) and 29 March 2019 for end of Q1 2019. Whereas - indicates a decrease in volatility over the same time period.

IPO pipeline

More than

372

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

More than

201

companies have submitted public filings with HKEx.

Outlook

- Investors will continue to keep a watchful eye on trade negotiations between the US and China. **If the two countries can make progress on the trade issues in the short run, this is one of the drivers for increasing IPO activity levels in Greater China in H2 2019.**
- More importantly, Mainland China** IPO activity is likely to increase in H2 2019 due to **the launch of the Sci-Tech innovation board (STAR Market) on the Shanghai Stock Exchange (SSE) on 13 June 2019**, the faster pace of IPO issuance by the CSRC and their higher pass rate of IPO applications than in 2018.
- The new STAR Market is expected to attract startups and new economy companies looking to raise capital.** Its listing requirements is more flexible, allowing unprofitable businesses such as pre-revenue biotech startups to list.
- Hong Kong will maintain its importance as a listing destination for Mainland China issuers.** Moreover, if mega IPOs, such as Alibaba Group

Holding Ltd., succeed in listing on the Hong Kong Stock Exchange (HKEx), it will maintain its status among the top three global exchanges by proceeds in H2 2019. Overall, HKEx regulatory reforms will continue to play a positive role in attracting IPO candidates.

- In the meantime, **Hong Kong investors continue to be cautious of new share listings**, as they wait and see how geopolitical uncertainty, trade issues and a likely increase in interest rates could impact the equity capital markets, and by extension, investor sentiment for IPOs. However, **Hong Kong pipelines remain strong with diverse sectors**, with 201 companies having issued Application Proofs in Q2 2019.
- Hong Kong may face new challenges for mega listings in H2 2019 and 2020 as competition against other global exchanges increases**, including the newly launched SSE's science and technology innovation board. That said, this type of competition can help markets in Hong Kong and Shanghai to improve.

- We anticipate more unicorn IPOs to list on Greater China exchanges in H2 2019**, primarily from technology, media and entertainment and telecommunications, education, consumer products and health care sectors.
- The **London-Shanghai Stock Connect program was launched on 17 June**. This program will provide Chinese and UK companies a wider investor base. Shanghai-listed companies could raise capital on London Stock Exchange via the sale of Global Depository Receipts (GDRs) or admit their GDR for trading.
- Trade tensions between the US and China, the launch of the London-Shanghai Stock Connect program and the science and technology innovation board, which encourage mega IPOs to list domestically, may **impact cross-border activity levels by Greater China companies in H2 2019 and beyond.**

An aerial photograph of a regatta on a deep blue sea. Numerous sailboats with white sails are scattered across the water, some closer to the foreground and others further away. The water shows gentle ripples and waves. The sky is not visible, focusing the viewer's attention on the boats and the sea.

Asia-Pacific – Japan market insight

Japan IPO activity continues its steady pace

“

Japan's IPO market remained stable in the first half of 2019, with IPO deal numbers slightly increasing compared with the same period in 2018. Although there are few mega IPOs on the horizon, one unicorn company launched its IPO in Q2 2019. Overall, however, we expect small- to mid-size deals to dominate the 2019 IPO market. As the Tokyo Stock Exchange migrates from four market segments into three, all eyes will be on the startup market, where listed companies would have higher average growth rates post-IPO.

Shinichiro Suzuki

EY Japan IPO Leader

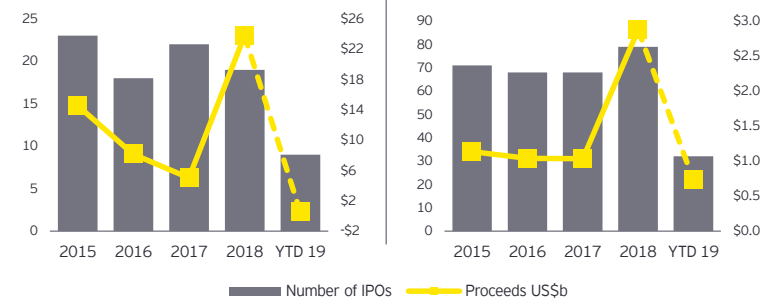
Highlights from the market

- ▶ **Japan's IPO markets remained stable in H1 2019, posting a slight increase in deal numbers than H1 2018.** There were 41 IPOs in H1 2019 versus 39 IPOs in H1 2018. However, proceeds (US\$1.3b) were notably lower than H1 2018 (US\$2.8b). The **Tokyo Stock Exchange (TSE) ranked third among the top 10 exchanges by deal volumes in H1 2019.**
- ▶ With the support of the Japanese Government and Japan exchanges, **technology dominated sector IPO activity in H1 2019.** Additionally, in Q2 2019, technology company Sansan, Inc. was the third Japanese unicorn that went public ever.
- ▶ **Japan's Nikkei 225 Index surpassed the 22,300 mark at one point during Q2 2019 and currency rates between the Japanese yen and the US dollar remain strong.** These conditions create a favorable market for IPO activity. Further, unlike other parts of the world, Japan has remained relatively unaffected by 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. These segments are complicated 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 on the startup market.
- ▶ A stable economy and high liquidity of **the MOTHERS market are attracting foreign issuers, with interest coming from as far as Southeast Asia and Africa,** looking for higher valuation at IPO.
- ▶ Looking ahead to the second half of 2019, **we expect Japan to launch around 90 to 100 IPOs during 2019 – an equivalent number to 2018.** During 2019, we do not expect any mega IPOs or any other unicorn IPOs. As a result, listings from small- and mid-size companies will comprise the bulk of IPO activity in H2 2019.

Markets

YTD 2019	Change on prior year	Q2 2019	Change on Q2 2018
41 IPOs	▲ 5%	18 IPOs	▼ 14%
\$1.3b proceeds	▼ 55%	\$0.5b proceeds	▼ 70%
\$11.0m median deal size	▼ 3%	\$8.5m median deal size	▲ 2%

Tokyo Main Market	Change on Q2 2018	JASDAQ and MOTHERS	Change on Q2 2018
3 IPOs	0%	13 IPOs	▼ 28%
\$26m Proceeds	▼ 85%	\$479m proceeds	▼ 68%
\$9.0m median deal size	▼ 64%	\$11.0m median deal size	▲ 38%



Activity Q2 2019

Sectors by highest number of IPOs Technology 8 IPOs \$374m	IPOs largest by proceeds SANSAN, Inc. \$312m Technology MOTHERS	Tokyo Main Market IPO pricing and performance First-day average return +11.8% Share price performance since IPO +4.2% <small>+ or - indicates change compared with offer price at IPO</small>
Consumer products 2 IPOs \$79m	Shin Nihon Seiyaku Co., Ltd. \$66m Consumer products MOTHERS	Equity index Nikkei 225 +6.6% Japan
Industrials 2 IPOs \$23m	Tobila Systems, Inc. \$19m Technology MOTHERS	

All amounts in table are in US\$. + or - indicates change since 28 December 2018



Europe, Middle East, India and Africa

IPO candidates proceed cautiously despite persistent geopolitical uncertainties

“

EMEIA is a region that is more dependent than others on global trade, and therefore, more sensitive to persistent geopolitical uncertainties. Given that the largest trades flows globally are between the US and China with the European Union (EU), EMEIA serves as a bellwether in determining global economic health. If the US and China can resolve their trade and tariff issues, and if the UK and the EU can agree on terms for an orderly Brexit, we can expect IPO activity to rebound in the second half of 2019. In the meantime, EMEIA IPO candidates continue to prepare so they are ready to leap when the timing is right.

Dr. Martin Steinbach

EY Global and EY EMEIA IPO Leader

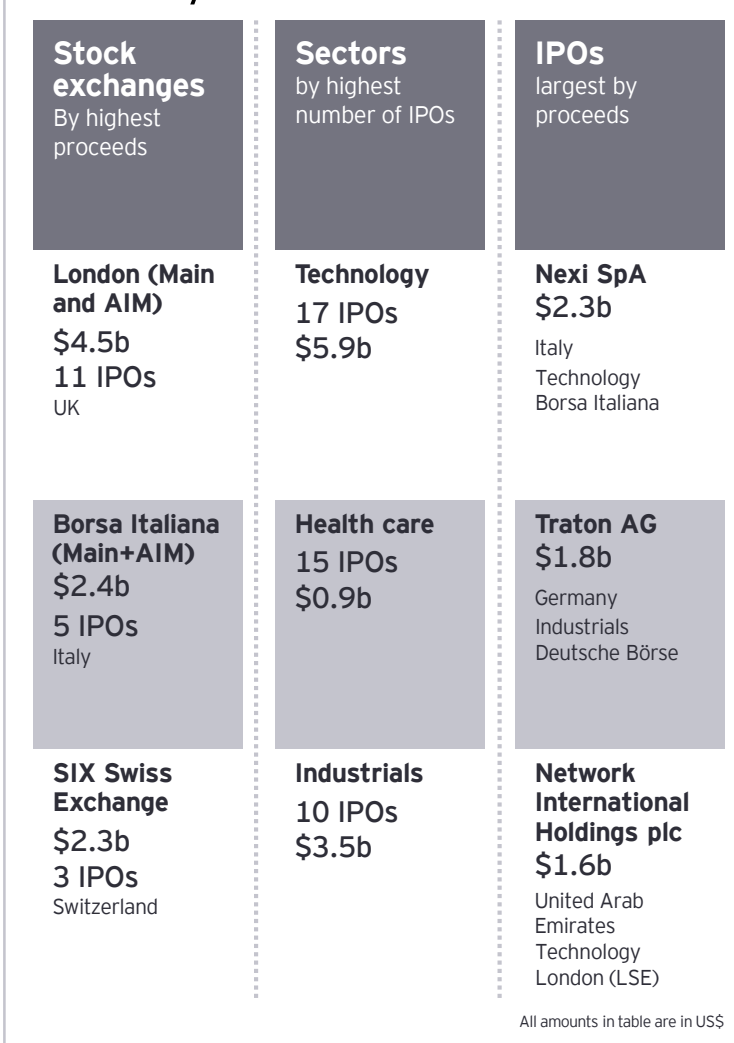
Highlights from the markets

- ▶ **EMEIA was strongly impacted by a confluence of geopolitical headwinds in H1 2019.** As a region more dependent than most on imports and exports, EMEIA has experienced a more pronounced impact from ongoing US-China-EU trade tensions, the as-yet unresolved Brexit issue and the political shift following elections in a number of EU countries. It is unsurprising that EMEIA IPO activity declined 53% by deal volume and 48% by funds raised in H1 2019 compared with H1 2018.
- ▶ Despite these challenges, **EMEIA accounted for five of the top ten exchanges globally by proceeds and two by deal numbers.**
- ▶ **Europe** experienced a notable increase in IPO activity in Q2 2019, with volumes up 100% and proceeds up a significant 3,338% from Q1 2019. However, Europe IPO activity in H1 2019 fell by 44% by deal number and 48% by proceeds compared with H1 2018. In H1 2019, Europe accounted for 59% (72) of EMEIA's IPOs and 81% (US\$12.9b) of funds raised.
- ▶ In **the UK**, markets seem to have adjusted to the Brexit uncertainty. Both domestic and cross-border activity gained steam in Q2 2019 as 11 companies went public, representing US\$4.5b. In more good news, UK pipelines remain robust.
- ▶ In **India**, national elections across the country had investors and issuers taking a wait-and-see approach in Q2 2019. As a result, Q2 2019 volumes dropped 11% from Q1 2019 (from 18 to 16), while proceeds declined 50% (from US\$983m to US\$489m). In H1 2019, India saw a 68% decline in IPOs and a 66% drop in funds raised compared with H1 2018.
- ▶ In the **Middle East and North Africa (MENA)**, market instability in the region and volatility in global equity markets have caused investors in MENA IPO markets to remain cautious. Still, Q2 2019 numbers improved over Q1 2019 as seven IPOs came to MENA exchanges with proceeds of US\$1.5b, a sizeable jump from US\$129m in proceeds via four IPOs in Q1 2019.
- ▶ **Technology and health care posted the highest number of IPOs in Q2 2019.** Technology and industrials led by proceeds.
- ▶ **Cross-border IPO activity rose in YTD 2019**, accounting for 11% of EMEIA companies' IPO activity, up from 9% in 2018.

Markets



Activity Q2 2019



*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

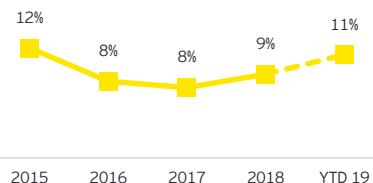
All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 20 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 20 June 2019 plus expected IPOs by end of June. Data as of 20 June 2019.

Trends

Cross-border activity YTD 2019

EMEIA issuers' cross-border activity

Percentage of all EMEIA issuers



Cross-border

11.5% of all EMEIA issuers* listed abroad



YTD 2019

Outbound

6.1% of all EMEIA issuers* listed outside EMEIA



Inbound

0.0% of cross-border IPOs globally** listed on EMEIA exchanges but came from outside the region



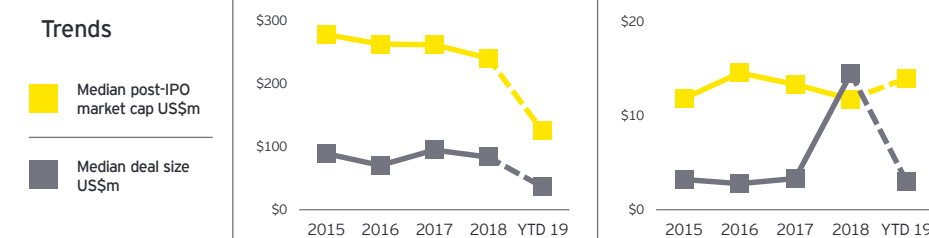
*There were 131 IPOs by EMEIA issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.
 ** There were 42 cross-border IPOs globally in YTD 2019.

H1 2019 IPO activity may be down from H1 2018 numbers, but first-day pop and post-IPO performance remain positive, giving investors a lift as we head into the second half of 2019.

Transaction sizes YTD 2019

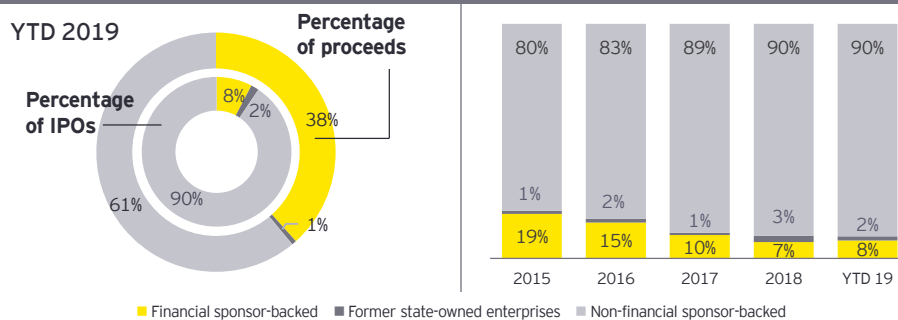
	Main markets		Junior markets	
	YTD 2019	Change on prior year	YTD 2019	Change on prior year
Median post-IPO market cap	\$125.0m	▼ 60%	\$14.0m	▲ 14%
Median deal size	\$36.0m	▼ 63%	\$3.0m	▼ 4%

Trends



Sources of IPOs

YTD 2019



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	BSE SENSEX +8.4% India	CAC 40 +17.9% France	DAX 30 +16.7% Germany	Euro STOXX 50 +14.7% Europe	VSTOXX® 13.66 index level -42.8% YTD	VDAX® 14.33 index level -38.7% YTD	VFTSE 100 11.07 index level -50.7% YTD
Main markets	+5.4%	+14.4%	FTSE 100 +9.9% UK	JSE All Share +11.7% South Africa	MICEX +17.0% Russian Federation	Tadawul All Share +14.4% Saudi Arabia	-10.6% Q1 2019	-8.6% Q1 2019	-13.9% Q1 2019
Junior markets	+12.7%	+18.6%	+ or - indicates change since 28 December 2018						

+ indicates a increase in volatility as at 13 June 2019 compared with 28 December 2018 for year-to-date (YTD) and 29 March 2019 for end of Q1 2019. Whereas - indicates a decrease in volatility over the same time period.

Outlook

- ▶ **As we head into the second half of 2019, the uncertainties that have dampened IPO activity in H1 2019 remain:** the US-China-EU trade tensions, Brexit and post-election uncertainty in some European countries. The good news is that interest rate levels are likely to remain the same, or decline in the medium term, which may give EMEIA markets a bit of momentum in H2 2019. In more positive news, volatility levels in many EMEIA capital markets remain within an acceptable range.
- ▶ Overall, **due to strong first-day returns, year-to-date IPO performance and investor confidence, EMEIA IPO markets are expected to gain momentum in the second half of 2019.**
- ▶ **In Europe,** election results in select European countries have created a new wave of uncertainty. However, the momentum that European IPO markets gained in Q2 2019 will accelerate in the second half of 2019.

With valuations up and the volatility indexes holding steady, **investors may feel more confident in pursuing IPO investments that arise.**

- ▶ **In the UK,** Brexit will find resolution, one way or another, later in 2019. Markets have already adjusted. The rebound in activity in Q2 2019 will likely continue into the second half of 2019. Positive investor sentiment, significant amounts of pent-up capital and a steady rise in inbound IPO activity suggest brighter days ahead for UK IPO markets in the second half of 2019.
- ▶ **In India,** now that national elections are over and favorable results secured, IPO activity is expected to gain momentum in H2 2019. Companies that had filed their offer documents with the Indian stock markets regulator during H2 2018 and Q1 2019 may finally come to market in the months ahead.

- ▶ Across **MENA,** although pipelines are strong, IPO candidates continue to proceed cautiously in H2 2019, based on market conditions in the region. However, **there are positive opportunities ahead for MENA IPO activity.** As part of efforts to promote the dual listing of stocks in the Saudi and UAE financial markets, Abu Dhabi Securities Exchange (ADX) signed an Memorandum of Understanding (MoU) with the Securities Depository Center Company (Edaa) in the Kingdom of Saudi Arabia (KSA). This development of cross-listing regulations will allow companies from other GCC countries to list on Saudi Arabia's stock market. Meanwhile, Egypt still has its sights set on raising around US\$448m from the government IPO program in FY2019-20.
- ▶ Given the ongoing political and economic instability in many key African markets, we continue to anticipate that **African IPO activity will remain quiet** for the second half of 2019.

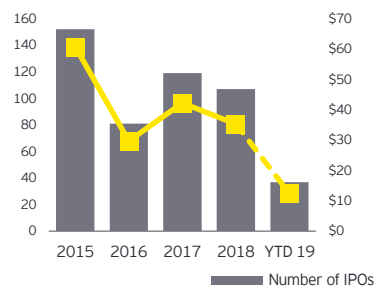
Markets

YTD 2019	Change on prior year	Q2 2019	Change on Q2 2018
72 IPOs	▼ 44%	48 IPOs	▼ 41%
\$12.9b Proceeds	▼ 48%	\$12.5b proceeds	▲ 27%
13% of IPOs are financial sponsor-backed		17% of IPOs are financial sponsor-backed	

All amounts in table are in US\$

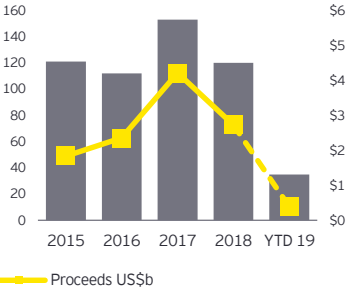
Main markets

Q2 2019	Change on Q2 2018
27 IPOs	▼ 33%
\$12.2b Proceeds	▲ 44%



Junior markets

Q2 2019	Change on Q2 2018
21 IPOs	▼ 50%
\$0.3b proceeds	▼ 78%



All amounts in table are in US\$

Activity Q2 2019

Sectors

by highest number of IPOs

Technology
14 IPOs | \$5.7b

Health care
8 IPOs | \$0.7b

Industrials
7 IPOs | \$3.4b

IPOs

largest by proceeds

Nexi SpA
\$2.3b Technology, Borsa Italiana

Traton AG*
\$1.8b Industrials, Deutsche Börse

Network International Holdings plc \$1.6b Technology, London (LSE)

Stock exchanges
by highest total proceeds

London (Main and AIM)
\$4.5b | 11 IPOs UK

Borsa Italiana (Main and AIM)
\$2.4b | 5 IPOs Italy

SIX Swiss Exchange
\$2.3b | 3 IPOs Switzerland

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	\$150.5m	▼ 53%	\$22.5m	▼ 40%
Median deal size	\$54.0m	▼ 61%	\$5.0m	▼ 37%

Cross-border IPOs: top IPO issuers

Cross-border
9.7% of all Europe issuers* listed abroad



Outbound
4.2% of all Europe issuers* listed outside Europe



Inbound
7.1% of cross-border IPOs globally** listed on European exchanges but came from outside Europe



*There were 72 IPOs by European issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 42 cross-border IPOs globally in YTD 2019.

Performance YTD 2019

Equity indices

CAC 40
+17.9%
France

DAX 30
+16.6%
Germany

Euro STOXX 50
+14.7%
Europe

FTSE 100
+9.9%
UK

Volatility index

VSTOXX®
-42.8% | 13.7 index level
YTD

VFTSE 100
-50.7% | 11.1 index level
YTD

IPO pricing and performance

First-day average return

Main markets **+5.7%**

Junior markets **+14.5%**

Share price performance since IPO

Main markets **+15.8%**

Junior markets **+21.2%**

+ indicates a increase in volatility as at 13 June 2019 compared with 28 December 2018 for year-to-date (YTD).

+ or - indicates change since 29 December 2018

+ or - indicates change compared with offer price at IPO

*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 14 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 14 June 2019 plus expected IPOs by end of June. Data as of 14 June 2019.

EMEA – UK IPO market insight

Q2 2019 sees an uptick in IPO activity, despite ongoing Brexit uncertainty

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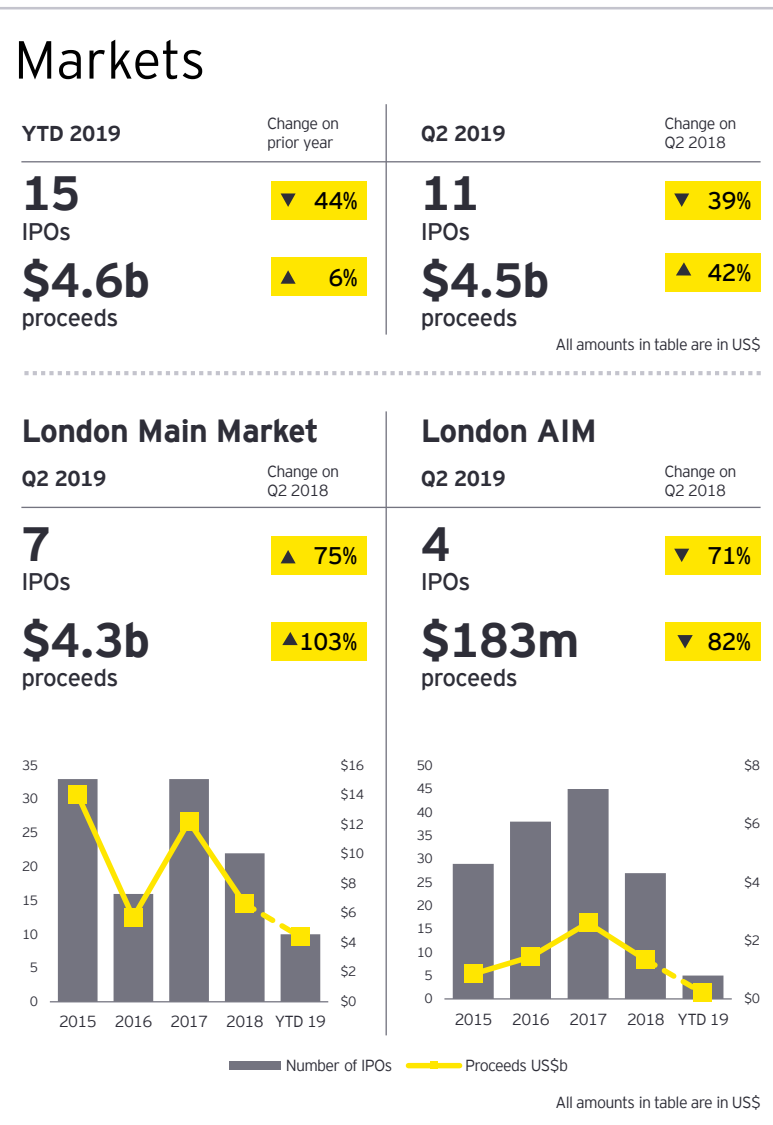
After a quiet Q1 2019, there was an uptick in both domestic and cross-border IPO activity in the UK in Q2 2019. Although we expect investors to remain discerning, healthy IPO pipelines suggest this uptick will continue into Q3 2019. London also further enhanced its international credential with the introduction of the Shanghai-London Stock Connect program.

Scott McCubbin

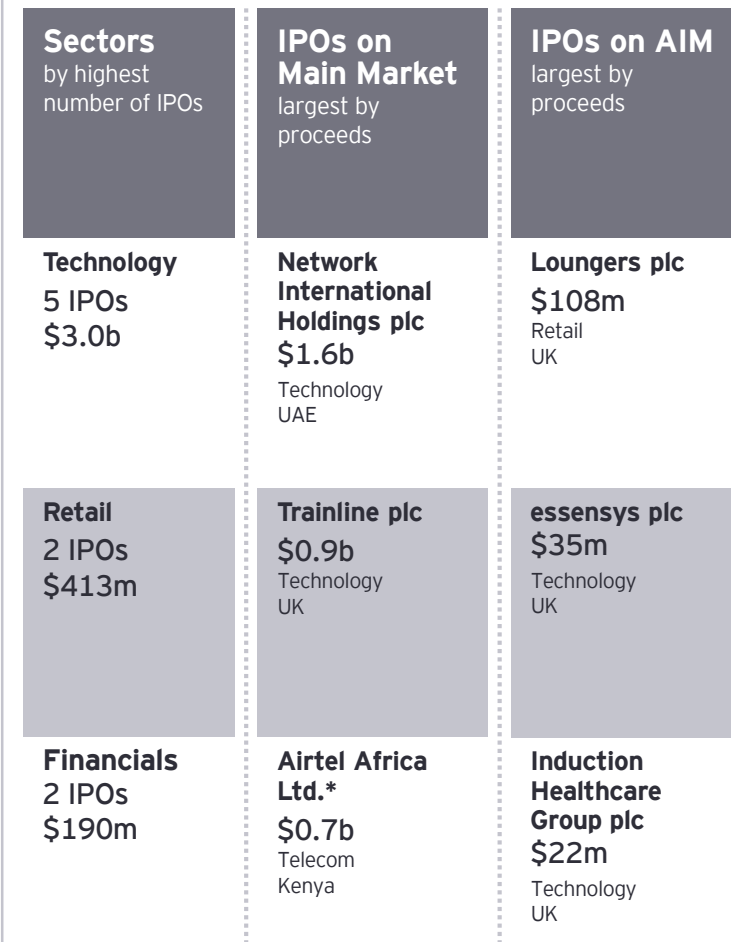
EY UK and Ireland IPO Leader

Highlights from the markets

- ▶ Following a quiet Q1 2019, **both domestic and cross-border activity gained steam in Q2 2019** as 11 companies went public, which raised a total of US\$4.5b. Unfortunately, this increase was unable to boost H1 2019 deal numbers to H1 2018 levels, but overall proceeds rose slightly. H1 2019 was 44% lower in volume but 6% higher in proceeds compared with H1 2018.
- ▶ The good news is that **UK IPO pipelines remain robust** and there is a significant amount of pent-up capital in the London markets waiting for the right IPOs to come along.
- ▶ **Private equity (PE) made a return to the UK IPO market in Q2 2019**, with PE-backed IPOs representing 4 of the 15 UK IPOs in H1 2019.
- ▶ **Cross-border listings also made a return** to the UK IPO market in Q2 2019. There were three cross-border IPOs with total proceeds of US\$2.7b, of which two were from the Middle East and one was from the Africa region. We're seeing a pattern of Middle Eastern businesses coming to the UK to tap into the wealth of available capital. It's a trend we expect will continue in H2 2019 and 2020.
- ▶ **Technology, retail and financial services represented the three most active sectors by deal numbers in Q2 2019.** There were also two IPOs from the retail sector: one in hospitality (Loungers Plc) and one in the luxury goods sub-sectors (Watches of Switzerland Group plc).
- ▶ **In the current IPO market, traditional businesses with strong equity stories** and limited exposure to a downturn in domestic markets have the best chance of success. **Investors with capital are willing to invest in the right company at the right valuation.**



Activity Q2 2019



*This IPO is expected to be priced on 27 June and will begin trading on London Main Market on 28 June. All amounts in table are in US\$

*Indicates transactions that are expected to be completed prior to 30 June 2019. Transaction size is estimated using mid-point of proposed price range.

All values are US\$ unless otherwise noted. Q2 2019 and Q2 19 refer to the second quarter of 2019 and cover priced IPOs from 1 April 2019 to 14 June 2019 plus expected IPOs by end of June. YTD 2019 and H1 2019 refer to the first six months of 2019 and cover priced IPOs from 1 January 2019 to 14 June 2019 plus expected IPOs by end of June. Data as of 14 June 2019.

Trends

Cross-border activity YTD 2019

Main market

Top countries of origin

- ▶ United Arab Emirates (2 IPOs | \$2.0b)
- ▶ Kenya (1 IPO | \$685m)

Leaving UK

Outbound

14.3% of UK issuers* listed abroad

2
IPOs

Coming to UK

Inbound

7.0% of cross-border IPOs globally** were listed on UK exchanges

3
IPOs

*There were 14 IPOs by UK issuers in YTD 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 42 cross-border IPOs globally in YTD 2019.

Q2 2019 continued a demonstrated track record of overseas businesses coming to the UK in search of funding. With significant amounts of capital on-hand, we expect steady cross-border activity in the quarters to come.

Transaction sizes

London Main Market

YTD 2019 Change on prior year

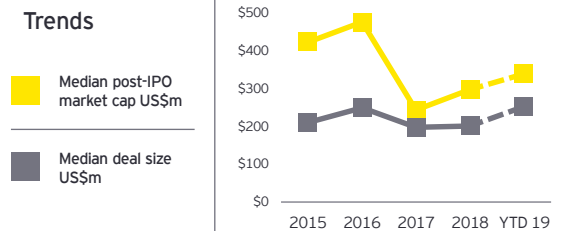
Median post-IPO market cap

\$339.0m ▼ 63%

Median deal size

\$252.5m ▼ 25%

Trends

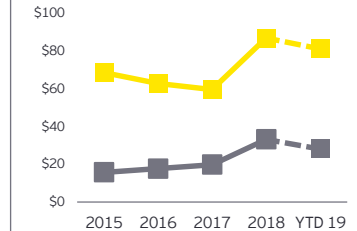


London AIM

YTD 2019 Change on prior year

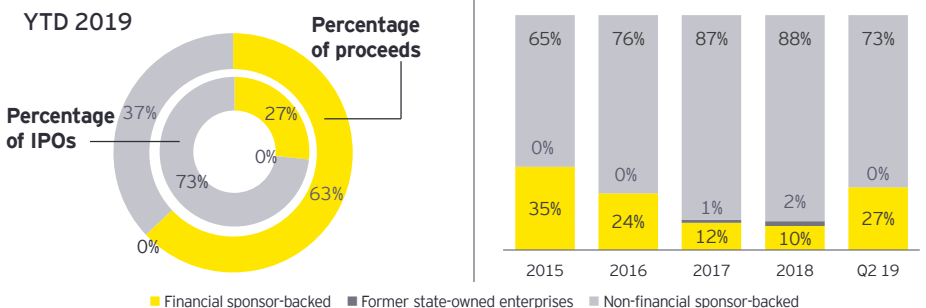
\$81.0m ▼ 12%

\$28.0m ▼ 26%



Sources of IPOs

YTD 2019



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
London Main Market	+7.6%	+13.2%
London AIM	+12.0%	+14.2%

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

Equity indices YTD 2019

FTSE 100
+9.9%
UK

FTSE 350
+10.0%
UK

FTSE AIM All-Share
+9.6%
UK

+ or - indicates change since 28 December 2018

Volatility indices

FTSE 100 VIX (VFTSE 100)
11.1 index level
-50.7%
YTD
-13.9%
Q1 2019

+ indicates a increase in volatility as at 13 June 2019 compared with 28 December 2018 for year-to-date (YTD) and 29 March 2019 for end of Q1 2019. Whereas - indicates a decrease in volatility over the same time period.

Outlook

- ▶ With the delay to Brexit, **domestic IPO candidates have pressed ahead with their listing plans.** The **steady stream of cross-border IPOs** also signals that UK capital markets remain an attractive option for companies looking for high amounts of available capital.
- ▶ In H2 2019, **we anticipate the uptick of IPO activity in the UK to continue** and IPO candidates that have been sitting on the sidelines take advantage of pent-up investor funds.
- ▶ There is **an update to the EU prospectus directive**, which will come into effect on 21 July 2019 and replace the previous prospectus regime. The principal changes which are designed **to lighten the regulatory burden** include: small and medium-sized enterprises (SME) being able to issue a shorter “Growth Prospectus” when listing on non-regulated exchanges; going forward, secondary offerings will

be able to be made using a simpler prospectus; and more frequent issuers will be able to issue a universal registration document allowing for fast track approval of prospectuses.

- ▶ In terms of which sectors will dominate in the second half of 2019, we'll have to wait and see how Brexit plays out. **Technology and fintech IPOs should see a higher volume of activity later in 2019.** However, in a post-Brexit world, **investors may initially look to sectors with a strong track record**, which would mean that we may see more traditional sector IPOs rather than technology companies and unicorns in the second half of 2019 and in 2020.
- ▶ London's place as an international financial hub is further boosted by the **launch of the Shanghai-London Stock Connect program on 17 June.** Under this program, companies that are premium listed on the

London Stock Exchange (LSE) would be able to issue China Depository Receipts (CDR) on Shanghai Stock Exchange, which would provide UK-listed companies a wider investor base. At the same time, Shanghai-listed companies could raise capital on the LSE via the sale of Global Depository Receipts (GDRs) or admit their GDR for trading on the LSE.

- ▶ One of China's largest brokerages firm, Huatai Securities Co., Ltd. became the first Shanghai-listed company to raise funds by listing its GDR on the LSE under this new program. The company raised US\$1.5b via this follow-on offering, with trading on London markets starting on 17 June. This was the largest listing by proceeds of a Chinese company on the LSE since the dual listing of China Petroleum & Chemical Corp. (SINOPEC) on Hong Kong, London and US markets at October 2000, which raised US\$3.5b altogether.



Appendix

**Areas and regional IPO markets
facts and figures**

Definitions

Top 12 stock exchanges

By number of IPOs

Ranking	Stock exchanges*	Number of IPOs	% of global IPOs
1	Hong Kong (HKEx) and GEM	74	14.6
2	NASDAQ	69	13.6
3	Tokyo (TSE), MOTHERS and JASDAQ	39	7.7
4	Shenzhen (SZSE and Chinext)	37	7.3
5	National (NSE and SME) and Bombay (BSE and SME)	34	6.7
6	Shanghai (SSE)	27	5.3
7	Australia (ASX)	20	3.9
8	New York (NYSE)	19	3.7
9	NASDAQ OMX and First North	19	3.7
10	Korea (KRX and KOSDAQ)	17	3.4
11	Indonesia (IDX)	17	3.4
12	Canadian Securities Exchange (CNQ)	17	3.4
	Other stock exchanges (29)	118	23.3
	Global IPO activity	507	100.0

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
	Global IPO activity	1,384	100.0

By proceeds

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	New York (NYSE)	17.7	24.7
2	NASDAQ	14.5	20.2
3	Hong Kong (HKEx) and GEM	8.9	12.3
4	Shanghai (SSE)	4.8	6.7
5	London (Main and AIM)	4.6	6.4
6	Shenzhen (SZSE and Chinext)	4.0	5.6
7	Borsa Italiana (Main and AIM)	2.4	3.3
8	SIX Swiss Exchange	2.3	3.2
9	Deutsche Börse (Main and Scale)	2.2	3.1
10	National (NSE and SME) and Bombay (BSE and SME)	1.5	2.0
11	Tokyo (TSE), MOTHERS and JASDAQ	1.3	1.7
12	Singapore (SGX and Catalist)	1.2	1.7
	Other stock exchanges (29)	6.5	9.0
	Global IPO activity	71.9	100.0

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%
	Global IPO activity	205.6	100.0

*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: Q2 2019	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)	Proceeds US\$b current quarter: Q2 2019	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)
US	88	-20%	32.2	0%	66	3%	200%	27.0	79%	419%
Canada¹	26	53%	0.3	-68%	18	50%	125%	0.0	-98%	-95%
Brazil²	2	-33%	1.0	-50%	2	-33%	NA	1.0	-50%	NA
Mexico³	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
Jamaica⁴	1	-50%	0.0	283%	1	0%	NA	0.0	328%	NA
Chile⁵	1	0%	0.1	-36%	0	NA	NA	0.0	NA	-100%
Trinidad & Tobago⁶	0	NA	0.0	NA	0	NA	NA	0.0	NA	NA
Americas	118	-14%	33.6	-12%	87	5%	181%	28.1	50%	406%

1. In YTD 2019, there were 9 IPOs raising US\$221m in total on Toronto Stock Exchange and TSX Venture Exchange. There were also 17 IPOs on Canadian Securities Exchange that raised US\$61m altogether – these listings were excluded on page 8. Whereas in Q2 2019, there were 6 IPOs raising US\$9m on Toronto Stock Exchange and TSX Venture Exchange, while there was 12 IPO on Canadian Securities Exchange that raised US\$4m in total. In comparison, Q1 2019 saw 3 IPOs raising US\$212m on Toronto Stock Exchange and TSX Venture Exchange, while there were 5 IPO on Canadian Securities Exchange that raised US\$57m combined.

2. In YTD 2019, there were 2 IPOs which raised US\$999m in total on Brazil's B3 exchange, both of these were listed during Q2 2019. There were no IPOs in Q1 2019.

3. In YTD 2019, there was no IPOs on Mexican Stock Exchange. Whereas in YTD 2018, there were 5 IPOs which raised a total of US\$3.1b and in Q2 2018, there were 3 IPOs which raised US\$801m combined.

4. In YTD 2019, there was 1 IPO on Jamaica Stock Exchange which raised US\$41m which took place in Q2 2019. In comparison, YTD 2018 saw 2 IPO which raised US\$11m in total. In Q2 2019, there were 1 IPO which raised a total of US\$10m.

5. In YTD 2019, there was one IPO on Chile's Santiago Stock Exchange which raised US\$69m which took place in Q2 2019. Whereas in YTD 2018, there was one IPO which raised US\$108m in Q1 2018. In Q2 2018, there were no IPOs on Santiago Stock Exchange.

6. In YTD 2019 and Q2 2018, there was no IPOs on Trinidad & Tobago's stock exchange. Whereas, in Q4 2018, there was 1 IPO which raised US\$2m.

*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: Asia-Pacific

Year to date comparison					Quarterly comparison					
Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q2 19	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)	Proceeds US\$b current quarter: Q2 19	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)
Indonesia	17	-0	0.2	-71%	10	-38%	43%	0.12	-82%	44%
Thailand	9	29%	0.3	-35%	4	300%	-20%	0.07	136%	-61%
Singapore	8	0%	1.2	168%	4	-20%	0%	1.18	922%	41%
Malaysia	14	27%	0.3	198%	11	120%	267%	0.30	4%	50%
Myanmar	0	NA	0.0	-100%	0	NA	NA	0.00	-1%	NA
Philippines	0	-100%	0.0	-100%	0	-100%	NA	0.00	-100%	NA
Sri Lanka	0	NA	0.00	NA	0	NA	NA	0.00	NA	NA
Cambodia	0	NA	0.00	NA	0	NA	NA	0.00	NA	NA
Vietnam	0	NA	0.0	NA	0	NA	NA	0.00	-100%	NA
Asean¹	48	-8%	2.0	-55%	29	-6%	53%	1.68	-51%	447%
Mainland China	64	3%	8.9	-39%	33	27%	6%	5.11	-38%	36%
Hong Kong	74	-24%	8.9	35%	38	6%	6%	6.17	79%	130%
Taiwan	1	0%	0.00	-83%	1	NA	NA	0.00	-83%	NA
Greater China	139	-14%	17.7	-16%	72	16%	7%	11.28	-4%	75%
Japan	41	5%	1.3	-55%	18	-14%	-22%	0.51	-70%	-32%
South Korea	17	21%	0.9	75%	8	60%	-11%	0.37	219%	-24%
Australia	20	-43%	0.5	-72%	13	-19%	86%	0.40	-73%	667%
New Zealand ²	1	NA	0.0	NA	1	NA	NA	0.01	NA	NA
Oceania	21	-40%	0.5	-72%	14	-13%	100%	0.41	-72%	680%
Asia-Pacific	266	-12%	22.3	-27%	141	4%	13%	14.25	-22%	77%

*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					Quarterly comparison					
Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q2 19	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)	Proceeds US\$b current quarter: Q2 19	Change QOQ% (vs Q2 18)	Change previous quarter% (vs Q1 19)
Nordics (Denmark, Norway, Sweden and Finland)	26	-42%	1.2	-72%	19	-34%	171%	1.1	-50%	1591%
Central, Eastern and Southeastern Europe (CSE)	10	-44%	0.1	-95%	6	-54%	50%	0.0	-1%	-73%
Germany, Switzerland and Austria (GSA)	8	-58%	4.5	-57%	6	-40%	200%	4.5	1%	17080%
Mediterranean (Italy and Spain)	10	67%	2.4	99%	5	67%	0%	2.4	516%	11176%
WEM (Western Europe and Maghreb)	3	-79%	0.1	-97%	1	-89%	-50%	0.0	-98%	-15%
Continental Europe	57	-44%	8.2	-59%	37	-42%	85%	8.0	20%	3734%
UK and Ireland¹	15	-46%	4.6	6%	11	-42%	175%	4.5	38%	2800%
Europe	72	-45%	12.9	-48%	48	-42%	100%	12.5	26%	3338%
Africa²	2	0%	0.0	-1%	1	-50%	0%	0.0	-99%	-85%
India³	40	-64%	1.5	-65%	19	-61%	-10%	0.5	-68%	-51%
Middle East and North Africa⁴	9	-55%	1.6	-8%	6	0%	100%	1.5	0.5%	1243%
EMEIA	123	-53%	16.0	-48%	74	-49%	51%	14.5	14%	858%

1. In YTD 2019, there were 10 IPOs on London Main Market which raised US\$4.4b in total, while there was 5 IPOs on AIM which raised US\$211m. There was no IPO activity on Dublin Stock Exchange in H1 2019. However, there was 1 IPO on Dublin Stock Exchange which raised US\$88m in H1 2018 and in Q2 2018.

2. In YTD 2019, there was 2 IPOs on African exchanges which raised US\$23m in total. Whereas, there was also 2 IPOs which raised US\$242m in YTD 2018, both of which took place in Q2 2018.

3. India includes India's National and Bombay Stock Exchange Main Market and SME (34 IPOs, US\$1.5b) in H1 2019. There was 6 IPOs raising a total of US\$42m on Bangladesh's Dhaka Stock Exchange in H1 2019.

4. Middle East and North Africa includes IPO activity on Israel's Stock Exchange (4 IPOs, US\$612m) in H1 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 region¹ and sub-region¹ for Q2 2019 (▲) and 2019 year-to-date (■)

Stock exchange regions	Technology	Health care	Industrials	Materials	Consumer products	Media and entertainment	Real estate	Consumer staples	Financials	Retail	Energy	Telecommunications
Americas	▲ ■	▲ ■		▲ ■								
▸ US	▲ ■	▲ ■							▲ ■			
Asia-Pacific²	▲ ■	■	▲ ■	▲	▲							
▸ Greater China ³	■	■	▲ ■	▲ ■	▲							
▸ Japan ⁴	▲ ■		▲		▲ ■		▲ ■			▲		
EMEA	▲ ■	▲ ■	▲ ■									
▸ Europe	▲ ■	▲ ■	▲ ■									
▸ UK ⁵	▲ ■				■				▲ ■	▲ ■		
Global	▲ ■	▲ ■	▲ ■									
2019 year-to-date global IPO activity	114	91	61	50	37	27	27	27	24	23	19	7
Q2 2019 IPO activity	68	56	36	35	22	16	14	12	13	12	12	6

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 Q2 2019, Asia-Pacific exchanges saw four active sectors. Technology led with 25 IPOs and Industrials saw 24 IPOs. Consumer products and materials accounted for 16 IPOs each with proceeds of US\$2.4b and US\$2.0b respectively.

3. For H1 2019, Greater China exchanges saw four active sectors. Industrials led with 28 IPOs and materials saw 18 IPOs. Health care and materials accounted for 16 IPOs each with proceeds of US\$3.5b and US\$2.2b, respectively.

4. For Q2 2019, Japanese exchanges saw five active sectors. Technology led with 8 IPOs while consumer products, industrials, real estate and retail accounted for two IPOs each, with proceeds of US\$79m, US\$23m, US\$15m and US\$7m, respectively.

5. For H1 2019, UK exchanges saw four active sectors. Technology accounted for 6 IPOs while consumer products saw 3 IPOs. Retail and financials accounted for two IPOs each, with proceeds of US\$413m and US\$190m, respectively.

Methodology

- ▶ The data presented in the *Global IPO trends: Q2 2019* report and press release is from Dealogic and EY. Q2 2019 (i.e., April–June) and YTD 2019 (January–June) is based on priced IPOs as of 20 June 2019 and expected IPOs in June. Data is up to 20 June 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; 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 by 19 June 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 Q2 2019 with Q2 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 19 June 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 six months of 2019 with the first six months of 2018 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 20 June 2019 plus expected IPOs by the end of June.

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