

A photograph of a sailboat on the ocean, viewed from the deck. The white sails are partially visible, and the blue water is churning. A yellow text box is overlaid on the right side of the image.

Global IPO trends: Q4 2017

A busy 2017 with more mega-IPOs on the horizon



Building a better
working world



Contents

Global IPO market	3
Americas	7
Asia-Pacific	11
Europe, Middle East, India and Africa	21
Appendix	30

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

Everything is in place for an exceptional 2018

“2017 will close with more IPOs than any year since 2007. With this great momentum IPO candidates are lining up for 2018. The outlook appears bright, driven by lower volatility across regions, high valuation levels and a renewed appetite for cross-border IPOs, particularly in the US, Hong Kong and London. A healthy global pipeline across a broad range of sectors and markets suggests IPO activity levels will be up and with more megadeals increasing the global proceeds in 2018.”

Dr. Martin Steinbach

EY Global and EMEA IPO Leader

Highlights from the markets

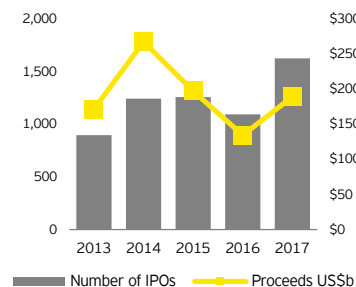
- ▶ **Global IPO activity for 2017 is the most active year since 2007** by deal number (1,974 IPOs, which raised US\$338.4b).
- ▶ Global IPO activity surged by number of deals and proceeds in 2017 with 1,624 IPOs raising US\$188.8b, compared with 1,093 deals raising US\$134.5b in 2016.
- ▶ **Q4 2017 global activity levels would have been stronger but stalled due to weaker-than-expected activity levels on Asia-Pacific exchanges.** This was partly due to uncertainty around China's National People's Congress, changes in Hong Kong listing rules and the trend for smaller deals.
- ▶ **Asia-Pacific still dominated global activity both by number of deals and proceeds in 2017**, accounting for more than half (58%) of deal number and more than a third (39%) by proceeds.
- ▶ **EMEIA exchanges saw the number of deals rise by 50% and capital raised was up 67%.** Megadeals (with proceeds of more than US\$1b) were up on 2016, increasing average deal sizes by 45% on the main markets.
- ▶ **America's share of global IPOs improved in 2017 by number of deals and proceeds.** The region recorded eight megadeals and 28 IPOs with proceeds of more than US\$500m, with cross-border deals accounting for 24% of US IPO activity, reflecting the resurgence of investor confidence, particularly in US exchanges.
- ▶ **Greater China, US, India, Australia, Japan and UK exchanges all turned in strong performances.** Greater China contributed to 36% of global deal numbers.
- ▶ **IPO activity was broadly based**, indicating investor appetite for IPOs as a class. **Industrials and technology were the most active sectors by deal number**, with a strong showing from consumer products. Whereas **financial services led by proceeds, followed by technology and industrials.**
- ▶ **Financial sponsor-backed IPOs in 2017 saw a decline** in terms of the proportion of global deal number.
- ▶ The **proportion of cross-border IPOs increased in 2017** by deal number and proceeds, compared with 2016.

Markets

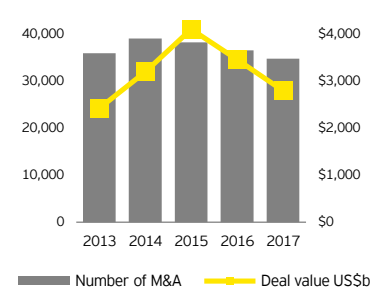
2017	Change on prior year	Q4 2017	Change on prior year quarter
1,624 IPOs globally	▲ 49%	409 IPOs globally	▲ 11%
\$188.8b proceeds	▲ 40%	\$56.0b proceeds	▲ 6%

All amounts in table are in US\$

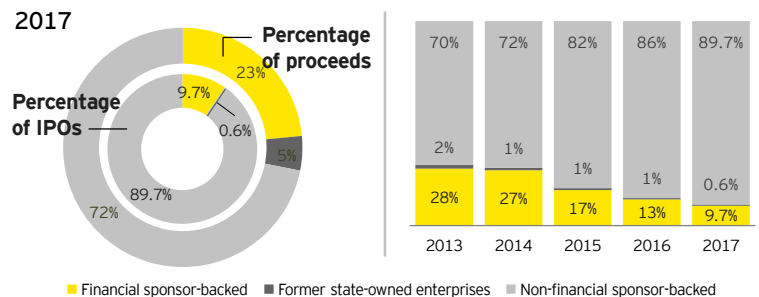
IPO activity



M&A activity



Sources of IPOs



Activity Q4 2017

Stock exchanges
by highest total proceeds

New York (NYSE)
\$7.7b
18 IPOs

Bombay (BSE) and SME
\$5.5b
17 IPOs

Shanghai (SSE)
\$4.9b
39 IPOs

Sectors
by highest number of IPOs

Industrials
78 IPOs
\$6.2b

Technology
70 IPOs
\$9.7b

Consumer products
51 IPOs
\$2.6b

IPOs
largest by proceeds

BAWAG Group AG
\$2.0b
Financials
Austria
Wiener Börse (Vienna)

General Insurance Corp of India Ltd. \$1.7b
Financials
India
Bombay (BSE)

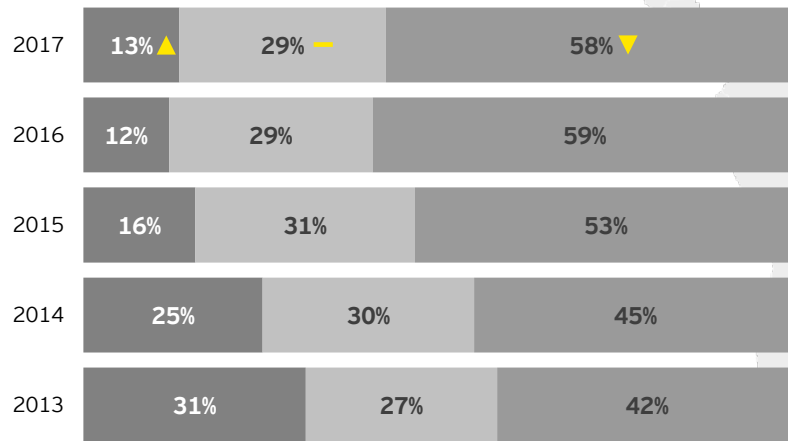
Petrobras Distribuidora SA
\$1.6b
Energy
Brazil
Sao Paulo (B3)

All amounts in table are in US\$

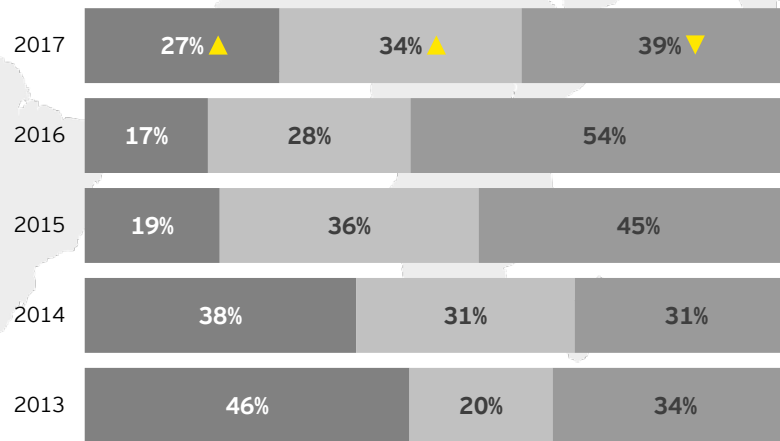
Regional performance and trends

The stronger-than-expected turnaround in economic activity in the Eurozone has boosted expectations for global economic growth. With China and the US remaining positive, all the major engines of growth in the global economy are now synchronized in an upward trajectory for the first time since the end of the global financial crisis.

Regional share by number of IPOs



Regional share by proceeds

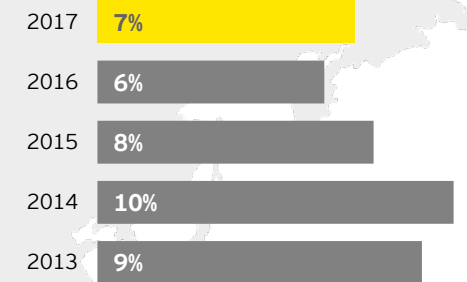


▲ or ▼ = increase or decrease for YTD 2017 compared with the full year of 2016
 Figures may not total 100% due to rounding.

■ Americas ■ EMEIA ■ Asia-Pacific

Cross-border IPOs

Percentage by number of IPOs globally



Top IPO issuers 2017

by number of IPOs outside home country

- ▶ Mainland China (25)
- ▶ Singapore (20)
- ▶ Malaysia (8)
- ▶ US (8)
- ▶ Israel (7)

Top IPO destinations* 2017

by number of IPOs

- ▶ Hong Kong (24)
- ▶ NASDAQ (22)
- ▶ London (19)
- ▶ NYSE (19)
- ▶ Australia (14)

*IPO destinations refer to stock exchanges.

Outlook

- ▶ **The outlook for 2018 is positive.** Lower volatility across regions, equity indices still hitting all-time highs and steady investor confidence are encouraging a healthy pipeline of market-ready companies to build up across sectors and markets. On the downside, geopolitical risks in many regions remain visible points on the radar.
- ▶ 2018 is also exciting as the world's largest oil company, Saudi Aramco, is expected to be one of the largest IPOs in history with more state-owned enterprise (SOE) IPOs expected to follow across the **Middle East and North Africa**.
- ▶ **Mainland China** exchanges should continue to lead the way in 2018, supported by a strong pipeline of IPO-ready companies and rising stock markets. Hong Kong is expected to see an increase in technology listings owing to strong performance of recently listed companies and government encouragement of the sector.
- ▶ The outlook for IPO activity in **Europe** is positive, backed by strong economic development in important markets. Although predictions for **the UK** are mixed as the economy remains vulnerable amid heightened uncertainty due to Brexit.
- ▶ **India's** IPO market looks good for 2018. The combination of primary market growth and overall economic growth is set to make India a highly attractive emerging market for investments for the coming months.
- ▶ A healthy IPO pipeline continues to build in **the Americas**, despite potential headwinds from uncertainty surrounding the impact of US tax reform and policy changes and of elections in Brazil and Mexico in 2018.
- ▶ **Cross-border deals** look set to remain a feature of the global IPO market in 2018 with exchanges in US, Greater China and London.

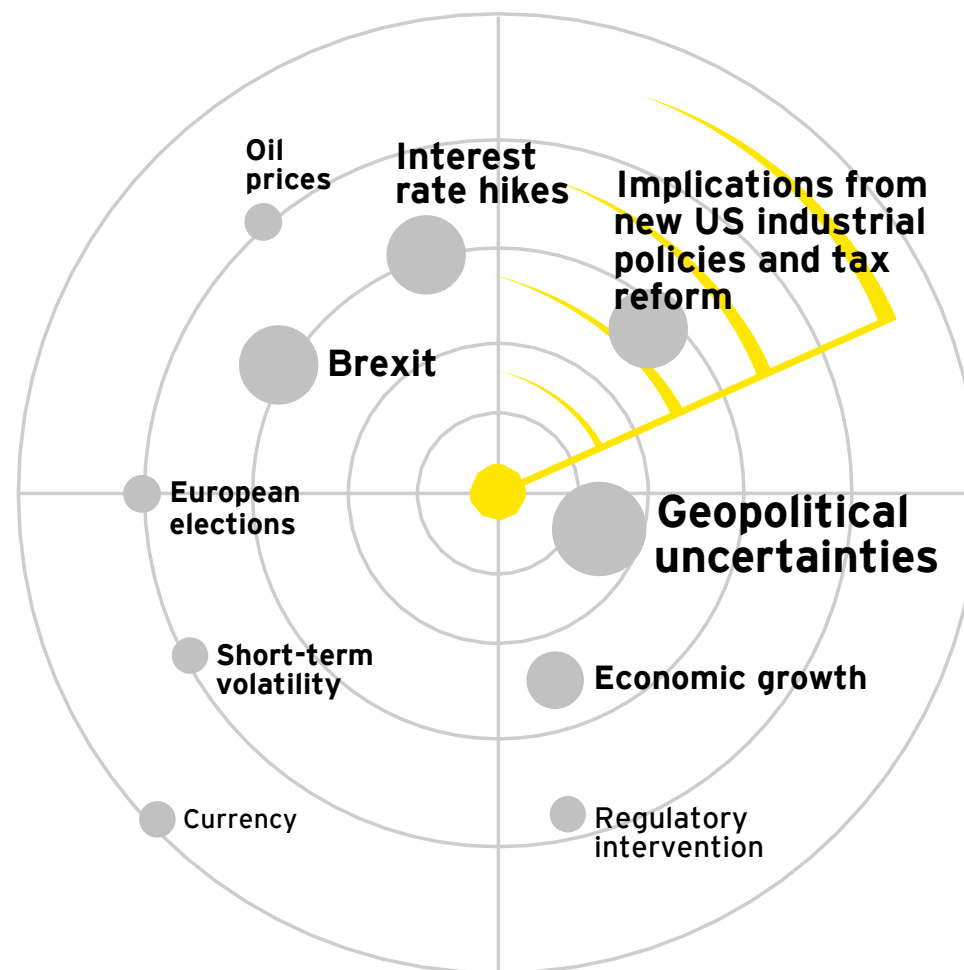
EY IPO sentiment radar

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

Americas IPO volume up 68% as equity markets and investor demand climb

“Americas IPO activity ends the year on a high, driven by strong equity markets performance married with increased investor demand. In particular, a boost in cross-border listings on US exchanges fueled this activity. As Brazil emerges from recession, issuers rushed to tap the market in the second half of 2017, while Canada experienced a rebound with nearly four times as many offerings this year compared with 2016. Overall, the Americas markets continue to exhibit strong market fundamentals and are expected to remain an attractive destination for companies looking to raise capital in 2018.”

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the markets

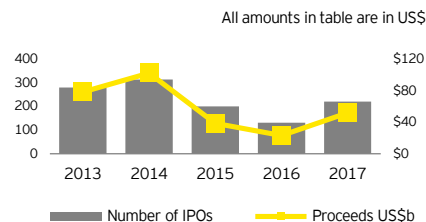
- ▶ There were 220 IPOs in the Americas in 2017 raising US\$51.6b, an increase of 122% by proceeds and 68% by volume compared with prior year. This accounted for 13% of global deals and 27% of proceeds.
- ▶ There were 67 IPOs in the Americas during Q4 2017 raising US\$16.1b, an increase of 80% in terms of proceeds and 76% by volume compared with Q4 2016.
- ▶ Brazil's B3 featured two deals in the 2017 top five deals in the Americas totaling \$3.0b. Argentina had the seventh largest deal with US\$1.1b on the NYSE and the Bolsa de Comercio de Buenos Aires.
- ▶ **Toronto Stock Exchange had the sixth largest deal in the Americas in 2017**, raising US\$1.3b. Toronto Stock Exchange and Venture Exchange continued their strong year with a combined total of 18 IPOs in 2017 compared with 5 IPOs in 2016.
- ▶ **Technology represented 24% of Americas IPOs by proceeds** in 2017, followed by energy with 18%. **Health care led by number of deals**, with 21% of Americas deals, followed by technology taking 18%.
- ▶ **Three of the top ten Americas IPOs were cross-border deals on NYSE** that raised US\$3.1b in total.

Markets 2017

220 IPOs
\$51.6b proceeds
\$115.9m median deal size

Change on prior year

▲ **68%**
 ▲ **122%**
 ▲ **26%**



Activity Q4 2017

Stock exchanges by highest total proceeds

NYSE
\$7.7b | 18 IPOs US

NASDAQ
\$4.0b | 37 IPOs US

B3
US\$3.1b | 4 IPOs Brazil

Sectors by highest number of IPOs

Technology
19 IPOs | \$5.1b

Health care
16 IPOs | \$1.7b

Materials
8 IPOs | \$2.0b

IPOs largest by proceeds

Petrobras Distribuidora SA
\$1.6b Energy, B3, Brazil

Loma Negra CIASA
\$1.1b Materials, NYSE, Argentina

Qudian Inc.
\$1.0b Technology, NYSE, China

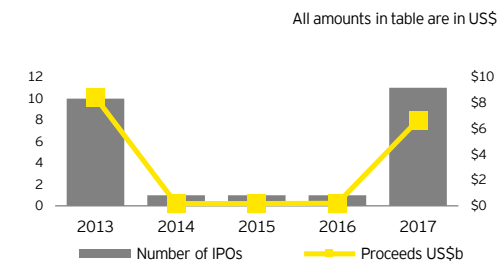
All amounts in table are in US\$

Brazil's B3 2017

11 IPOs
\$6.7b proceeds
\$427.1m median deal size

Change on prior year

▲ **1,000%**
 ▲ **2,983%**
 ▲ **98%**

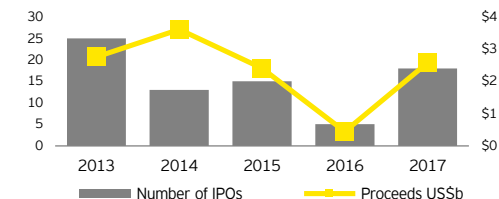


Canada's Toronto Stock Exchange and TSX Venture Exchange 2017

18 IPOs
\$2.6b proceeds
\$74.5 median deal size

Change on prior year

▲ **260%**
 ▲ **482%**
 ▲ **78%**

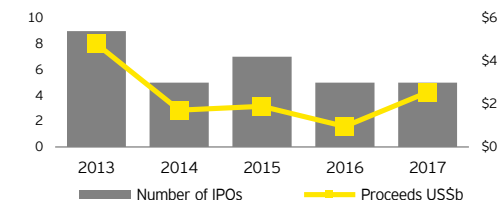


Mexico's Mexican Stock Exchange 2017

5 IPOs
\$2.5b proceeds
\$481.9m median deal size

Change on prior year

▲ **0%**
 ▲ **165%**
 ▲ **400%**



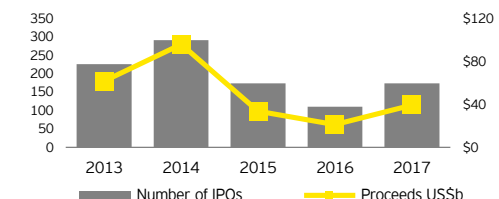
US's NASDAQ and NYSE 2017

174 IPOs
\$39.5b proceeds
\$118.6m median deal size

Change on prior year

▲ **55%**
 ▲ **84%**
 ▲ **18%**

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



A photograph of a white sailboat on the water, viewed from the side. The boat is moving, creating a wake. The sky is blue with some clouds. The text is overlaid on the left side of the image.

Americas – US IPO market insight

Strong end to 2017 points to more IPOs in 2018

“US IPO activity increased in 2017 both by number of deals and proceeds. US exchanges remain the top destination for foreign companies with 24% of the US IPOs coming from around the world. A healthy pipeline continues to build, led by health care and technology companies. The result is a strong close to the year and great momentum heading into 2018.”

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the market

- ▶ There were 174 IPOs in the US in 2017 raising US\$39.5b, a rise of 84% in terms of proceeds and 55% by volume compared with 2016. This accounted for 11% of global deals and 21% of IPO proceeds.
- ▶ There were 55 IPOs in the US during Q4 2017 raising US\$11.7b, an increase of 57% by proceeds and 83% by volume against Q4 2016.
- ▶ **2Three US deals were featured in the global top ten deals** of the year, which accounted for 31% by proceeds.
- ▶ **2017 saw the highest proportion of cross-border IPOs since 2010**, accounting for 24% of US IPOs and 25% by proceeds. Five of the top ten deals on US exchanges in Q4 2017 were cross-border.
- ▶ **41% of the domestic companies on the US exchanges were financial sponsor-backed**, and accounted for 70% by proceeds.
- ▶ **Technology accounted for 30% of US IPOs by proceeds, while health care represented 24% by number of deals.**

Markets 2017

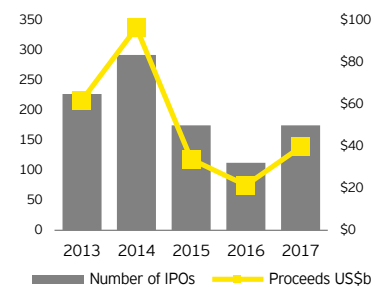
174 IPOs

\$39.5b proceeds

37% of IPOs are financial sponsor-backed

Change on prior year

▲	55%
▲	84%
▼	34%



Q4 2017

NASDAQ
\$4.0b
37 IPOs

NYSE
\$7.7b
18 IPOs

IPO activity in 2016 includes one IPO on BATS exchange.

All amounts in table are in US\$

Activity Q4 2017

All amounts in table are in US\$

Sectors

by highest number of IPOs

Technology
19 IPOs | \$5.1b

Health care
15 IPOs | \$1.7b

Financials
6 IPOs | \$0.8b

Consumer products
5 IPOs | \$0.5b

Materials
3 IPOs | \$1.7b

IPOs

largest by proceeds

Loma Negra CIASA
\$1.1b Materials, NYSE, Argentina

Qudian Inc.
\$1.0b Technology, NYSE, China

Sea Ltd.
\$1.0b Technology, NYSE, Singapore

BP Midstream Partners LP
\$0.9b Energy, NYSE, US

Switch Inc.
\$0.6b Technology, NYSE, US

Performance 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

+12.4%

Share price development since IPO (aka current average return)

+20.2%

First-day and current average returns are mean returns of issuers who started trading by 1 December.

Equity indices

DJIA
+22.6%
US

S&P 500
+18.0%
US

Volatility index

CBOE VIX®
-18.6% | 11.43 index level
YTD

- indicates a decrease in volatility as of 1 December 2017 compared with 30 December 2016 for year-to-date (YTD).

+ or - indicates change since 31 December 2016

Trends

	2017	Change on prior year
Median deal size	\$118.6m	▲ 18%
Median post-IPO market cap	\$486.6m	▲ 26%
New public IPO registration filings	Q4 2017 46 IPOs	Q4 2016 35 IPOs

Cross-border IPOs: top IPO issuers 2017

41 IPOs	China 19 IPOs (\$3.6b)
	Europe 10 IPOs (\$1.8b)
	Brazil 3 IPOs (\$1.4b)
	Canada 3 IPOs (\$492m)
	Argentina 2 IPOs (\$1.5b)
	Israel 2 IPOs (\$81m)
	Singapore 1 IPO (\$989m)
	Australia 1 IPO (\$6m)

All amounts in table are in US\$

Outlook

- ▶ **Prospects for 2018 look positive due to increasing volume of interest by local and foreign companies**, and the environment for issuers and investors remains strong. The underlying fundamentals of the IPO market continue to be attractive.
- ▶ **Financial sponsors continue to provide a robust pipeline** of strong deals as they look to exit.
- ▶ While the **technology and healthcare industries are expected to be key drivers of IPO activity**, the markets are open for all industries. We might truly see a boost in US IPO activity, if some of the remaining high-profile unicorns come to market in 2018 and trade well.



Asia-Pacific

Asia-Pacific is the world's standout region for IPOs in 2017

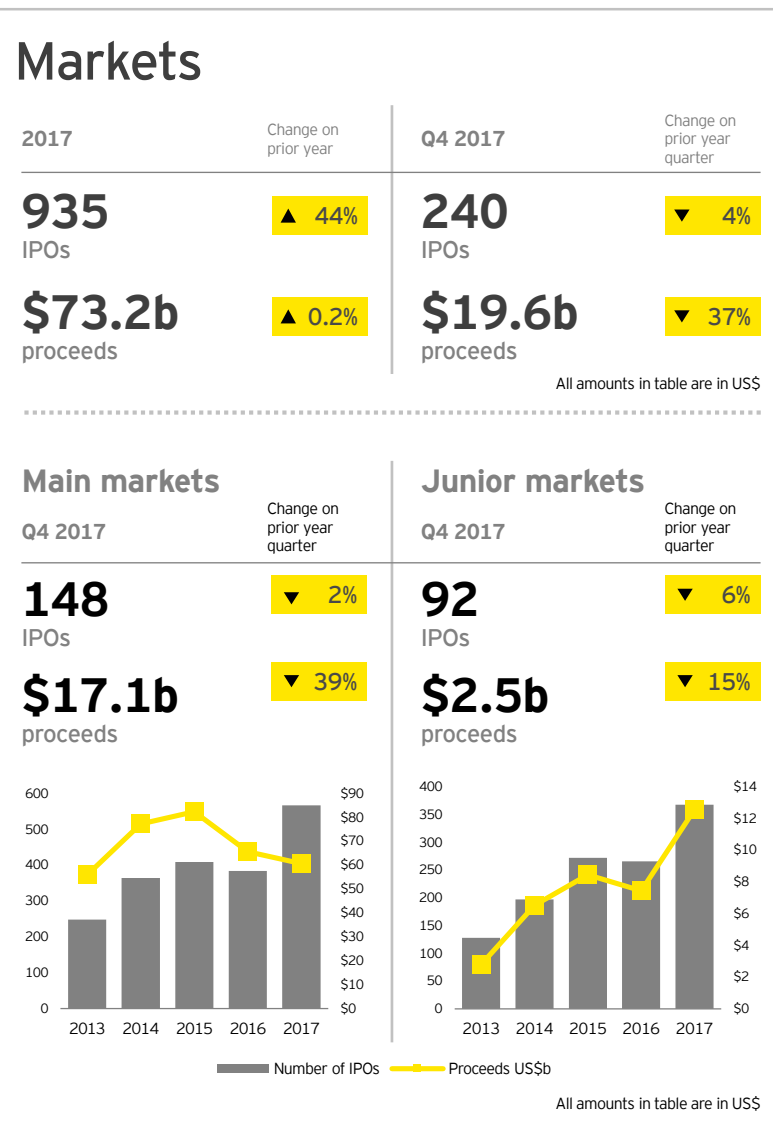
"Asia-Pacific saw rapid growth in IPO numbers in 2017 and cemented the region's position as the world's most active for new listings. While there were noticeably fewer mega-IPOs this year, smaller deals kept the market on the move. There was a thriving market in small-cap IPOs as far afield as mainland China, Japan and Australia. We expect to see this trend continue in 2018, with IPOs also expected to rise in Hong Kong, Japan and the ASEAN region."

Ringo Choi

EY Asia-Pacific IPO Leader

Highlights from the markets

- ▶ **There were 935 IPOs on Asia-Pacific exchanges in 2017 – a surge of 44% compared with 2016.** This was driven by an exceptionally strong first half of the year, although the pace of listings slowed in Q4 2017, with 240 deals – a 4% drop on Q4 2016. However, **proceeds were relatively constant** across the four quarters in 2017. Total proceeds for 2017 was US\$73.2b, a 0.2% increase on 2016.
- ▶ **Asia-Pacific exchanges took the top three spots globally by number of deals in 2017 and five of the top ten spots:** Shenzhen Stock Exchange led with a 13.4% share of global IPOs, ahead of Shanghai (13.1%) and the Hong Kong Main Market and Growth Enterprise Market (9.2%). The Australian Securities Exchange and Tokyo Stock Exchange ranked fifth and sixth, accounting for 6.2% and 5.7%, respectively.
- ▶ The year-on-year increase in **IPO volume was powered by exchanges in Greater China**, with 582 new listings in 2017 – a 68% increase on 2016.
- ▶ **Japan saw a 8% rise in deal numbers to 95 IPOs in 2017**, while the number of new listings in Australia rose from 79 to 101, powered by a strong stream of listings in the materials sector.
- ▶ **ASEAN saw a strong performance in 2017, driven by activity on Thailand, Indonesia and Singapore exchanges**, which pushed activity from 77 IPOs in 2016 to 104 in 2017.
- ▶ Median deal size on Asia-Pacific's main markets slightly declined to US\$47.2m in 2017, down from US\$48.7m in 2016.
- ▶ Despite the frenzied pace of IPO activity in Asia-Pacific, there were just seven deals in 2017 that raised more than US\$1b, compared to 12 megadeals in 2016.
- ▶ **Industrial companies accounted for 23% of Asia-Pacific IPOs**, while **industrials, technology and financials were the leading sectors by proceeds**, accounting for 17%, 16% and 15% respectively.



Activity Q4 2017

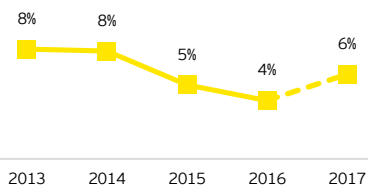


Trends

Cross-border activity 2017

Asia-Pacific issuers' cross-border activity

Percentage of all Asia-Pacific issuers



Cross-border

3.8% of all Asia-Pacific issuers* listed abroad but within the Asia-Pacific region



Outbound

2.5% of all Asia-Pacific issuers* listed outside Asia-Pacific



Inbound

8.5% of cross-border IPOs globally** listed in Asia-Pacific but came from outside the region



*There were 949 IPOs by Asia-Pacific issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

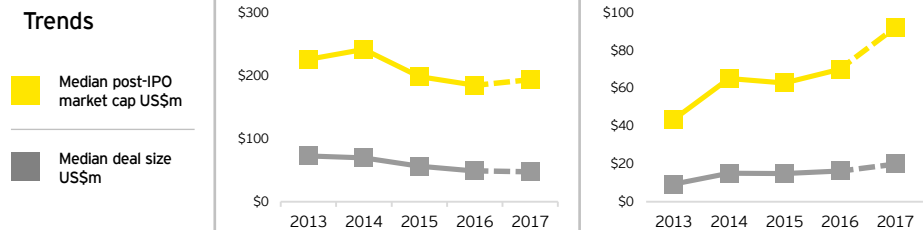
** There were 118 cross-border IPOs globally in YTD 2017.

Issuers from Greater China and Singapore led the way in cross-border IPO activity globally in 2017 with the highest numbers of companies listing overseas. Meanwhile, Hong Kong was the second most active cross-border IPO destination globally, behind the US, with 21 out of its 24 cross-border IPOs coming from ASEAN companies.

Transaction sizes

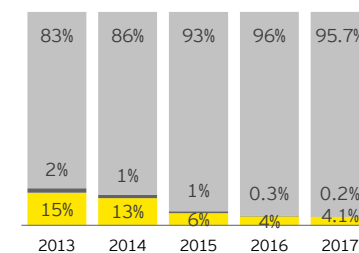
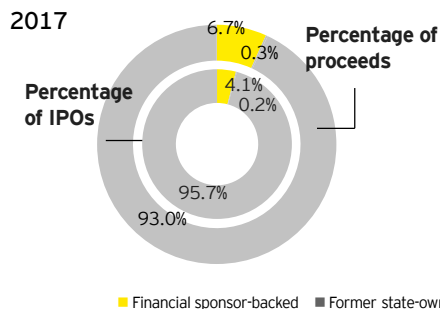
	Main markets		Junior markets	
	2017	Change on prior year	2017	Change on prior year
Median post-IPO market cap	\$193.4m	▲ 5%	\$92.1m	▲ 31%
Median deal size	\$47.2m	▼ 3%	\$19.8m	▲ 23%

Trends



Sources of IPOs

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 2017

	First-day average return	Share price development since IPO
Main markets	+24.7%	+65.4%
Junior markets	+37.2%	+168.5%

+ or - indicates change compared to offer price at IPO

Equity indices 2017

Hang Seng +32.2% Hong Kong	Nikkei 225 +19.4% Japan	ASX 200 +5.7% Australia
Shanghai Composite +6.9% Mainland China	FTSE Straits Times +19.7% Singapore	KOSPI +22.2% South Korea

+ or - indicates change since 31 December 2016


Volatility index

Hang Seng Volatility 16.71 index level -1.1% YTD
+19.3% Q3 2017

- indicates a decrease in volatility as at 1 December 2017 compared to 31 December 2016 for year-to-date (YTD) and 29 September 2017 for end of Q3 2017. Whereas + indicates an increase in volatility over the same time period.

Outlook

- ▶ **Asia-Pacific will remain the world's most active region for new listings next year.** We expect a rise in the number of IPOs in 2018, supported by strong economic growth in a number of countries, buoyant investor confidence, rising equity markets and a robust pipeline of companies ready to list.
- ▶ **In Mainland China, the number of IPOs is expected to be similar to the high levels of 2017,** with many companies eager to list but facing a more rigorous regulatory approval process.
- ▶ **Hong Kong's IPO market is likely to grow by number of deals and proceeds, boosted by smaller companies from "new economy" sectors.**
- ▶ We expect an increase in activity on Japanese exchanges from 95 IPOs in 2017 to around 100 IPOs in 2018, with the economy and stock market both boosted by preparations for the 2019 Rugby World Cup and 2020 Tokyo Summer Olympic Games.
- ▶ **In Australia, strong appetite for small-cap IPOs is likely to continue into 2018,** but investors will stay selective in their attitude to large-cap listings.
- ▶ **IPOs by ASEAN companies look set to increase once more in 2018,** with strong opportunities in particular in real estate, consumer industries and technology.
- ▶ **Singapore will remain a hub for IPO activity by ASEAN companies, but we also expect Hong Kong to attract an increasing number of cross-border IPOs from ASEAN countries, South Korea and Japan.**
- ▶ Overall, **average IPO size will remain relatively low in 2018 compared with the historical average,** with an increasing number of **entrepreneurial businesses, particularly in the technology sector,** coming to the public markets to raise funds.
- ▶ In terms of downside risk, fears over North Korea should do little to damage IPO activity in 2018 unless the crisis worsens considerably. Interest rate rises in the UK and the US will not likely be sufficient to lead to any increased pressure on capital outflow.



Asia-Pacific – Greater China market insight

Greater China exchanges see solid IPO activity, buoyed by reform

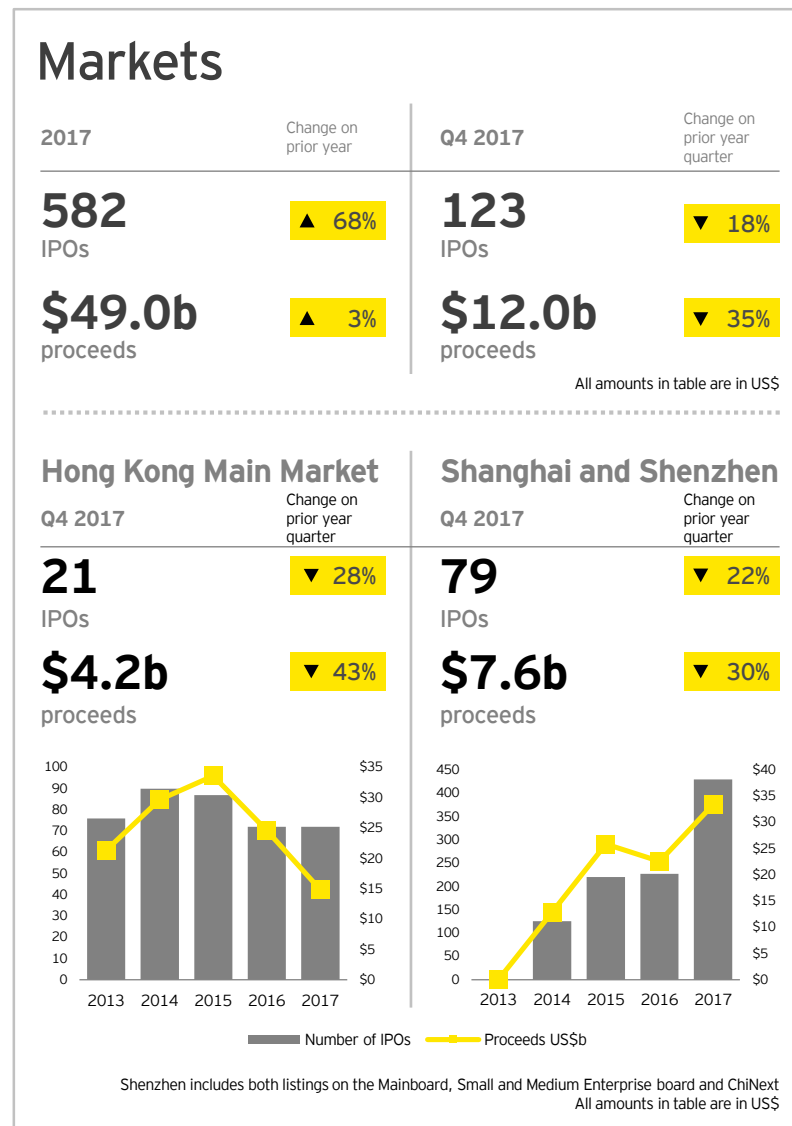
“Greater China delivered another strong quarter for listings in Q4 2017, sustained by stock market strength and positive post-IPO performance. This is set to continue with the quality of Greater China markets supported for the long-term by important initiatives. These included a milestone in Hong Kong, where HKEx closed its consultation on reforms that could cement its role as one of the world’s leading financial hubs. In Mainland China, the IPO market will continue to find support from the Government, which is determined to reduce the backlog of companies waiting to list.”

Terence Ho

EY Greater China IPO Leader

Highlights from the markets

- ▶ **2017 saw 582 IPOs on Greater China exchanges**, up 68% on 2016. This represented a 36% share of global number of IPOs.
- ▶ **Shenzhen Stock Exchange** (the Main Board and ChiNext) **was the busiest exchange globally** in 2017 with 217 IPOs (13.4% of global deal numbers) while **Shanghai Stock Exchange ranked second** with 212 IPOs (13.1%). **In third place, the Hong Kong Main Market (HKEx) and Growth Enterprise Market (GEM)** saw 149 IPOs, which accounted for 9.2% of global IPOs.
- ▶ Total proceeds for 2017 rose by a more modest 3% to US\$49.0b – 25.9% of global total – due to smaller average deal size in 2017 than 2016.
- ▶ Greater China's strong performance for 2017 as a whole came despite **a weak Q4 2017**: which saw only 123 IPOs, compared with 150 in Q4 2016. This was partly because many companies had managed to list earlier in the year, and partly because of the slower pace of regulatory approval.
- ▶ **Six of the ten largest IPOs in Greater China in 2017 were financial companies**, including April's US\$2.2b listing of Guotai Junan Securities Co., Ltd. on HKEx – the sixth largest IPO by proceeds globally.
- ▶ **IPO activity on the HKEx remained flat** at 72 IPOs for both 2016 and 2017, but proceeds fell to US\$14.8b in 2017, a decline of 40% compared with 2016 (US\$24.6b). **GEM saw a higher level of activity** with 77 IPOs raising US\$738m, an increase of 75% and 27%, respectively compared with 2016.
- ▶ **Hong Kong continues to attract interest from overseas**, hosting 24 IPOs by foreign companies in 2017, its **highest ever annual proportion of cross-border IPOs**. There were 16 IPOs from Singapore companies, 5 IPOs from Malaysia and 1 IPO each from Israel, Canada and Japan companies.



Activity Q4 2017

All amounts in table are in US\$

Hong Kong Main Market

Sectors
by highest number of IPOs

Industrials
6 IPOs | \$115m

Technology
4 IPOs | \$2,644m

Consumer staples
2 IPOs | \$648m

IPOs
largest by proceeds

China Literature Ltd.
\$1,227m
Technology

Yixin Group Ltd.
\$867m
Technology

Razer Inc.
\$529m
Technology

Shanghai and Shenzhen

Sectors
by highest number of IPOs

Industrials
24 IPOs | \$1,975m

Materials
17 IPOs | \$1,219m

Technology
9 IPOs | \$791m

IPOs
largest by proceeds

Caitong Securities Co., Ltd.
\$620m
Financials, Shanghai

Huaneng Lancang River Hydropower Co., Ltd.
\$589m
Power, Shanghai

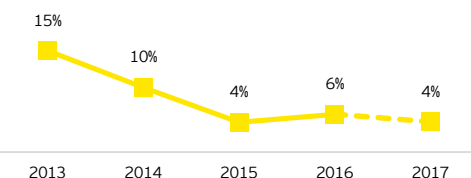
Shandong Publishing & Media Co., Ltd.
\$409m
Media and entertainment, Shanghai

Trends

Cross-border activity 2017

Greater China issuers' cross-border activity

Percentage of all China issuers



To which destination?

2017

1 IPO to UK exchange

6 IPOs to Asia-Pacific exchanges

19 IPOs to US exchanges

YTD 2017

Leaving Greater China

Outbound

4.5% of Greater China issuers* listed abroad

26
IPOs

Coming to Greater China

Inbound

21.2% of cross-border IPOs globally** were listed on HKEx and Taiwan Stock Exchange

25
IPOs

*There were 583 IPOs by Greater China issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 118 cross-border IPOs globally in YTD 2017.

A combination of strong stock market performance and declining volatility risk is strengthening investor confidence and leading to impressive IPO returns. In turn, this is feeding the pipeline, with an increasing number of small- and medium-sized companies preparing to go public.

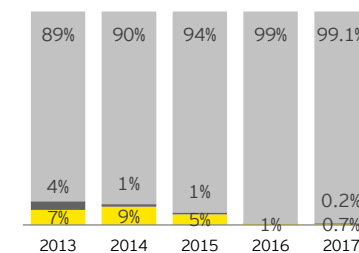
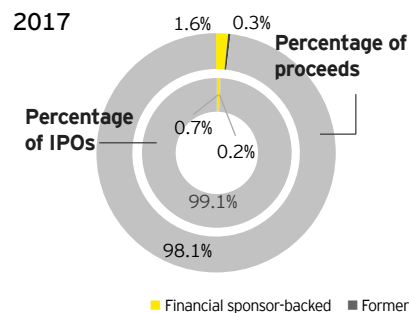
Transaction sizes

	Hong Kong Main Market		Shanghai and Shenzhen	
	2017	Change on prior year	2017	Change on prior year
Median post-IPO market cap	\$121.6m	▼ 24%	\$222.6m	▲ 6%
Median deal size	\$27.9m	▼ 28%	\$53.7m	▲ 3%

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

Sources of IPOs

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 2017

	First-day average return	Share price development since IPO
Hong Kong Main Market	+12.7%	+21.0%
Shanghai and Shenzhen	+39.7%	+130.6%

+ or - indicates change compared to offer price at IPO

Equity indices 2017 Mainland China

Shanghai Composite +6.9%	Shenzhen Composite -2.7%	Shenzhen SME +18.1%
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Equity indices 2017 Hong Kong

Hang Seng +32.2%	Hang Seng China Enterprises +21.9%	Hang Seng China Affiliated Corporations +19.9%
----------------------------	--	--

+ or - indicates change since 31 December 2016

Volatility index

Hang Seng Volatility 16.71 index level -1.1% YTD +19.3% Q3 2017

- indicates a decrease in volatility as at 1 December 2017 compared to 31 December 2016 for year-to-date (YTD) and 29 September 2017 for end of Q3 2017.

IPO pipeline

More than

530 **104**

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

companies have submitted public filings with HKEx.

Outlook

- ▶ **Rising stock markets in Mainland China and Hong Kong should provide an encouraging backdrop for IPO activity in Q1 2018.**
- ▶ **The pace of IPO activity on Mainland China exchanges is expected to remain stable in 2018**, with strong demand for new listings tempered by greater regulatory scrutiny of IPO applications.
- ▶ There are **more than 530 companies waiting to list in Mainland China**, with many companies trading on the NEEQ, China's over-the-counter trading system for listed companies, eager to embark on IPOs in the A-shares market.
- ▶ **IPOs in Mainland China may take longer to prepare because the new regulator**, the Issuance Examination Committee (IEC), may adopt a stricter stance when assessing IPO candidates' prospects for sustainable growth.
- ▶ Plans by the index provider MSCI to **include A-shares into the MSCI Emerging Market Index in 2018 may boost IPO activity** by increasing investor inflows into the domestic equity market.
- ▶ **Hong Kong's IPO market is expected to see more IPOs and higher proceeds in 2018.** There are more than 100 companies in the HKEx pipeline waiting to go public and have submitted their public filings.
- ▶ **HKEx has made strong progress in attracting more small- and medium-sized companies**, a trend that is set to continue. In particular, it is showing success in turning itself into **a listing hub for technology and other "new economy" firms** such as Razer Inc., the Singaporean gaming company, which raised US\$529m in November.
- ▶ **An increasing number of foreign companies is likely to seek IPOs in Hong Kong**, because of high valuations and the enhanced opportunity for companies listed in Greater China to draw strength from the region's strong economic growth. Most of these companies will be from Asian-Pacific countries, including the ASEAN bloc, South Korea and Japan.
- ▶ However, risks to the Chinese economy, such as the possible drag on economic growth exerted by financial deleveraging, could reduce the pace of listings if they become more pronounced.



Asia-Pacific – Japan market insight

Strong fourth quarter pushes Japanese IPOs above 2016 levels

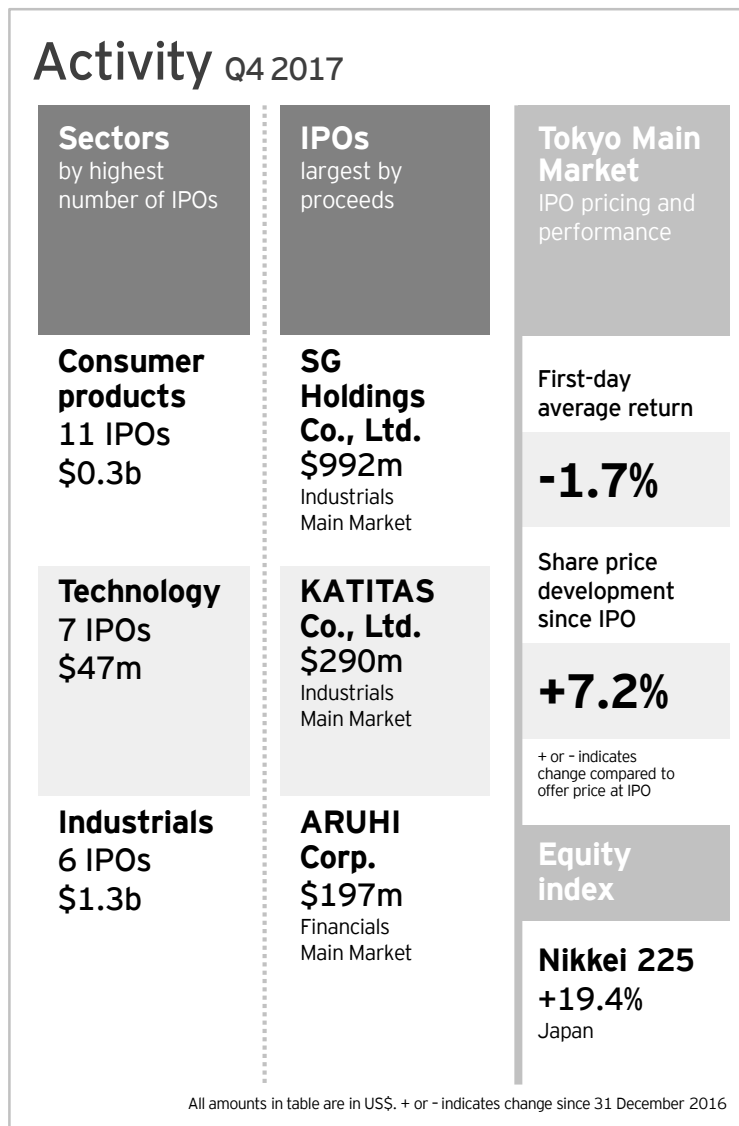
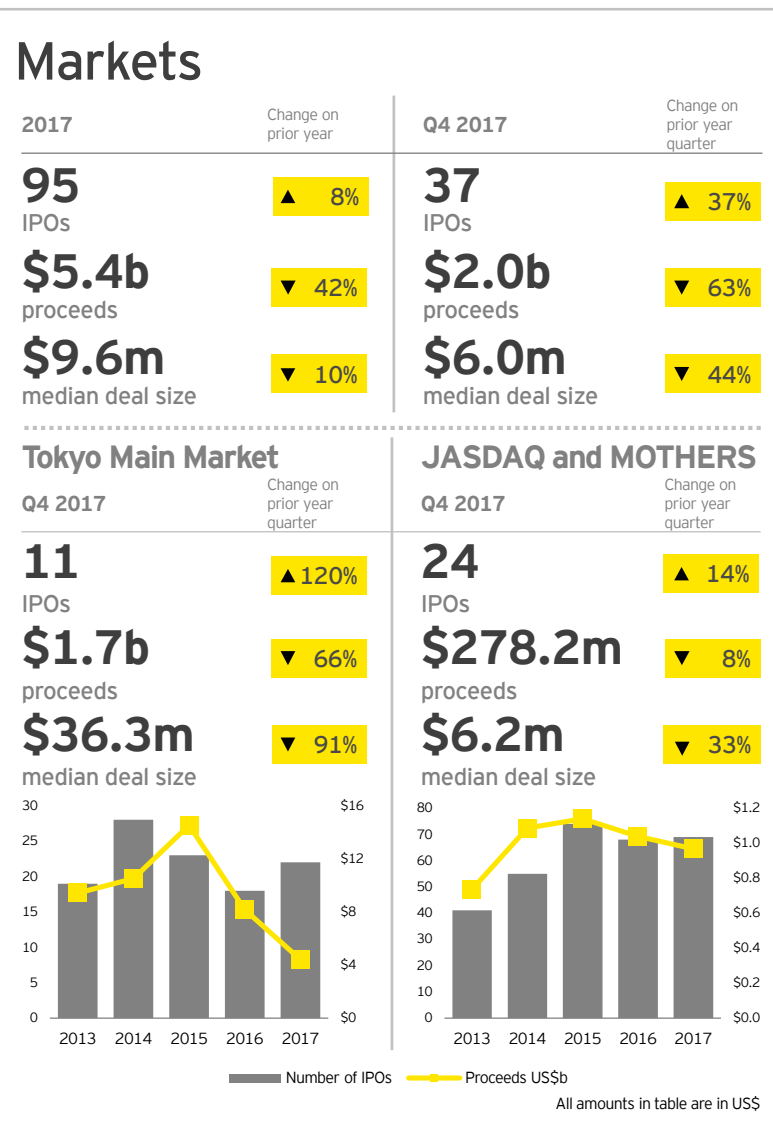
“Listings accelerated to a frenzied pace in Japan in the final quarter of 2017, driven by an increase in smaller deals – a trend that is set to continue. The stamp of approval granted in the October 2017 Parliamentary elections to Abenomics will give particular impetus to technology company listings, by boosting entrepreneurial activity in this sector. Japan’s IPO numbers could reach 100 in 2018, as the economy gathers pace.”

Shinichiro Suzuki

EY Japan IPO Leader

Highlights from the market

- ▶ **Japan saw a flurry of 37 deals in Q4 2017** – 10 more than in Q4 2016. However, total proceeds were US\$2.0b, down from US\$5.4b in Q4 2016, due to lower average deal size.
- ▶ This helped push the total number of IPOs on **Japanese exchanges to 95 in 2017**, up from 88 in 2016. But proceeds for 2017 fell by 42% to US\$5.4b, from US\$9.2b in 2016. This partly reflected the absence of any mega-IPOs (with proceeds of more than US\$1b).
- ▶ **Financial sponsor-backed IPOs accounted for 32% of Japan IPOs in 2017** by deal volume and 29% by proceeds.
- ▶ **Tokyo Stock Exchange**, which includes the Tokyo Main Market, the MOTHERS board and JASDAQ, **ranked fourth by IPO volume in Q4 2017**, with 37 deals (9% of the global total). For **2017, it was the sixth most active exchange globally** by deal numbers, with 6% of global IPOs.
- ▶ **Technology was the most active sector by deal numbers** with 28 IPOs in Japan in 2017. **Industrials was the most active sector by proceeds** with a total of US\$1.3b.
- ▶ **A larger number of IPOs from technology companies are expected in 2018**. This reflects the strong support given to this sector by the Japanese Government, which is encouraging investment in artificial intelligence, FinTech and robotics.
- ▶ **Further increase in IPO activity by deal numbers is expected in 2018 and 2019**, as more companies list in an economy strengthened by the upcoming 2019 Rugby World Cup, to be held in Japan, and the 2020 Tokyo Summer Olympic Games.
- ▶ Japan's IPO market should also gain support from the landslide election victory by incumbent Prime Minister Shinzo Abe in October 2017, which has strengthened his Government's ability to deliver the Abenomics economic reform program.
- ▶ Fears over North Korea are unlikely to dent business or consumer confidence or affect IPO activity levels, unless events escalate further.





Europe, Middle East, India and Africa

Positive climate signals strong 2018

“EMEIA IPO activity soared by both number of deals and proceeds in 2017, recording the highest number of deals since 2007. Looking to 2018, economic momentum remains robust. The Eurozone looks set to enjoy resilient growth and moderate inflation while both India and the Middle East are enjoying economic reforms and a positive investment climate. Against this backdrop, the pipeline for EMEIA looks promising with a significant number of planned cross-border listings reflecting strong confidence among issuers in the choices offered by EMEIA exchanges.”

Dr. Martin Steinbach

EY Global and EMEIA IPO Leader

Highlights from the markets

- ▶ **EMEIA** saw 469 deals raise US\$64.0b in 2017, making the region **second only to Asia-Pacific in terms of deal numbers and proceeds**. Deal numbers increased by 50% in 2017 compared with 2016, while proceeds rose by 67%.
- ▶ **Seventeen megadeals (with proceeds more than US\$1b)** raised US\$28.7b in 2017 (45% of EMEIA IPO proceeds) versus only five such deals raising US\$13.7 in 2016. The **average deal size on the main markets increased** by 45% to US\$102.0m in 2017, driven by the fact that a higher number of larger deals have been completed.
- ▶ **Demonstrating the strength of EMEIA's regional exchanges**, they accounted for 7 of the global top 10 deals in Q4 2017; 5 for 2017 as a whole.
- ▶ The **proportion of cross-border IPO activity on EMEIA exchanges fell slightly in 2017 from 6.7% to 6.4%**. But **cross-border activity by proceeds saw a huge increase, due to larger average deal size**, accounting for 14% of IPOs in 2017 compared with 2% in 2016.
- ▶ The **proportion of financial sponsor-backed deals on EMEIA exchanges fell in 2017**, accounting for 11% by number of deals and 24% by proceeds during 2017, compared with 16% and 46% respectively, in 2016, suggesting alternative exit strategies are holding their own against the public capital markets.
- ▶ Despite Brexit uncertainty, the **UK exchanges** saw 72 IPOs raising US\$14.8b in 2017, a **33% increase in deal numbers** and a massive **106% increase by proceeds** over 2016.
- ▶ **India's Bombay and National stock exchanges and junior markets** recorded a 74% increase in deal numbers in 2017 compared with 2016, with 153 IPOs raising US\$11.6b. 2017 **saw the highest deal numbers and proceeds on record**. This reflects the country's economic strength and rising investor appetite.
- ▶ The **Middle East** saw a **256% increase in proceeds and a 179% increase in deal numbers** over 2016 with Saudi Arabia continuing to lead the way. IPOs by former SOEs will continue to drive IPO activity.
- ▶ **Industrials** (74 deals raising US\$10.2b), **led by deal number in 2017 but financials led by proceeds** (US\$18.1b via 49 deals).

Markets

2017	Change on prior year	Q4 2017	Change on prior year quarter
469 IPOs	▲ 50%	102 IPOs	▲ 28%
\$64.0b proceeds	▲ 67%	\$20.3b proceeds	▲ 56%

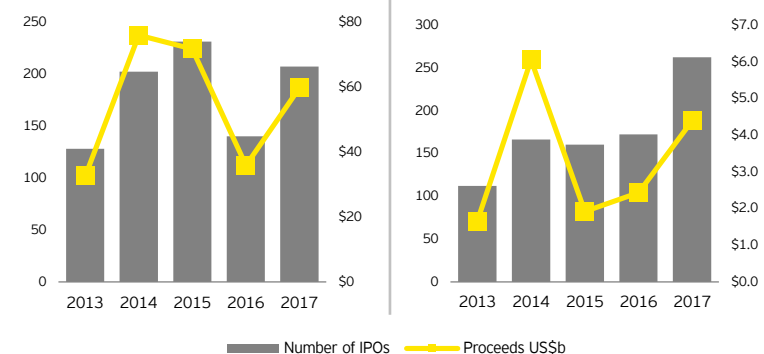
All amounts in table are in US\$

Main markets

Q4 2017	Change on prior year quarter
51 IPOs	▲ 38%
\$19.3b proceeds	▲ 54%

Junior markets

Q4 2017	Change on prior year quarter
51 IPOs	▲ 19%
\$1.0b proceeds	▲ 108%



All amounts in table are in US\$

Activity Q4 2017

Stock exchanges

By highest proceeds

Bombay (BSE and SME)
\$5.5b
17 IPOs
India

London (Main and AIM)
\$4.7b
19 IPOs
UK

Wiener Börse (Vienna)
\$2.0b
1 IPO
Austria

Sectors

by highest number of IPOs

Technology
17 IPOs
\$0.7b

Industrials
15 IPOs
\$1.1b

Financials
14 IPOs
\$7.5b

IPOs

largest by proceeds

BAWAG Group AG
\$2.0b
Financials
Austria
Wiener Börse

General Insurance Corp of India Ltd.
\$1.7b
Financials
India
Bombay (BSE)

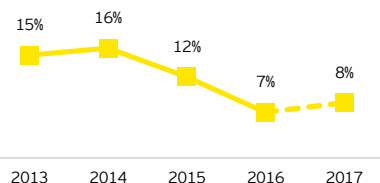
EN+ Group plc
\$1.5b
Energy
Russian Federation
London (LSE)

All amounts in table are in US\$

Trends

Cross-border activity 2017

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



Cross-border **39**
IPOs

8% of all EMEIA issuers* listed abroad

2017

Outbound **16**
IPOs

3.3% of all EMEIA issuers* listed outside EMEIA

Inbound **7**
IPOs

5.9% of cross-border IPOs globally** listed on EMEIA exchanges but came from outside the region

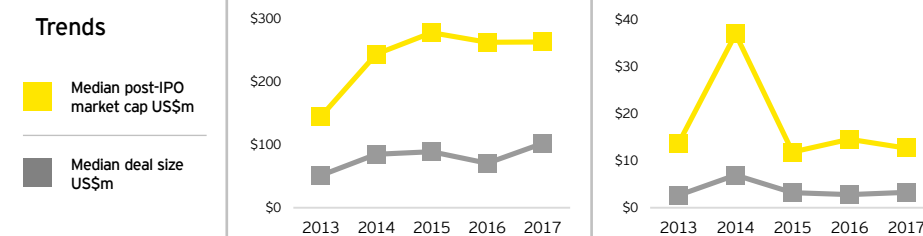
*There were 478 IPOs by EMEIA issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 118 cross-border IPOs globally in YTD 2017.

2018 could be shaping up with the perfect conditions for a bumper EMEIA IPO market. Economic fundamentals look good across the Eurozone with Germany looking strong; the UK continuing to see increased activity despite Brexit uncertainties; while India and the Middle East are also booming.

Transaction sizes 2017

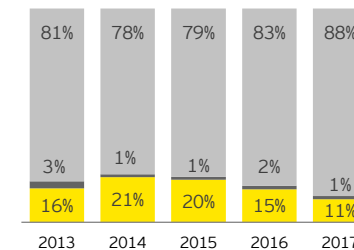
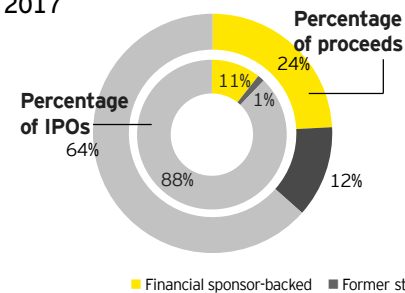
	Main markets		Junior markets	
	2017	Change on prior year	2017	Change on prior year
Median post-IPO market cap	\$262.9m	▲ 0.2%	\$12.7m	▼ 13%
Median deal size	\$102.0m	▲ 45%	\$3.3m	▲ 18%

Trends



Sources of IPOs

2017



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

Performance

IPO pricing and performance 2017			Equity indices 2017				Volatility indices		
	First-day average return	Share price development since IPO	BSE SENSEX +23.3% India	CAC 40 +9.3% France	DAX 30 +12.0% Germany	Euro STOXX 50 +10.1% Europe	VSTOXX® 16.01 index level -11.6% YTD	VDAX® 16.13 index level -9.6% YTD	VFTSE 100 12.23 index level +5.7% YTD
Main markets	+4.6%	+13.3%							
Junior markets	+8.0%	+10.8%	FTSE 100 +2.2% UK	JSE All Share +17.4% South Africa	MICEX -5.7% Russian Federation	Tadawul All Share -2.9% Saudi Arabia	+32.1% Q3 2017	+5.5% Q3 2017	+17.2% Q3 2017

+ or - indicates change compared to offer price at IPO

+ or - indicates change since 31 December 2016

- indicates a decrease in volatility as at 1 December 2017 compared to 31 December 2016 for year-to-date (YTD) and 29 September 2017 for end of Q3 2017. Whereas + indicates an increase in volatility over the same time period.

Outlook

- ▶ The **outlook for EMEIA IPO activity in 2018 is positive with increased activity anticipated across most of the region**, absent significant geopolitical shocks. However, **investors remain selective**, and appetite for new stocks will depend on market timing, the perceived strength of management and IPO pricing.
- ▶ Despite putting up strong numbers in 2017, the **outlook for 2018 is mixed in the UK** as the economy remains vulnerable amid heightened uncertainty surrounding Brexit. However, the Financial Conduct Authority's (FCA) efforts to help the UK capital markets should result in better IPO activity in the second half of 2018.
- ▶ The strong performance of the DAX and the economic boom in Germany should result in the **continuation of healthy level of IPO activity**.
- ▶ The **strong showing of the Nordics** should continue with listings in 2018 being **driven by smaller companies** with attractive growth prospects.
- ▶ **IPO activity in Africa is likely to remain subdued into 2018**, largely due to political and economic instability in key markets across the continent, including South Africa, Kenya and Nigeria. In Tanzania, there could be more IPOs in the coming months due to regulatory changes that now require the listing of foreign-owned local businesses.
- ▶ The **Indian IPO market looks good for 2018** after posting record numbers in 2017. The return of foreign institutional investors and strong investor sentiment creates a bullish investment climate.
- ▶ **In the Middle East, economic reforms, the continued stability of oil prices and the privatization plans of countries** such as Egypt and Saudi Arabia are likely to **drive a significant level of IPO activity**. Aside from government-linked activity, the IPO pipeline is also strong with companies looking to realize their funding and exit strategies.
- ▶ Based on this positive IPO sentiment, some PE or VC shareholders are considering reducing downside risk by speeding up their IPO readiness plans for 2018.

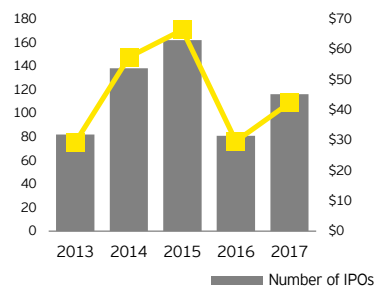
Markets

2017	Change on prior year	Q4 2017	Change on prior year quarter
250 IPOs	▲ 30%	71 IPOs	▲ 22%
\$46.1b Proceeds	▲ 44%	\$12.0b proceeds	▲ 8%
18% of IPOs are financial sponsor-backed	▼ 13%	21% of IPOs are financial sponsor-backed	▲ 53%

All amounts in table are in US\$

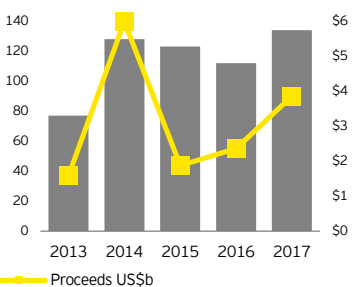
Main markets

Q4 2017	Change on prior year quarter
35 IPOs	▲ 46%
\$11.1b proceeds	▲ 5%



Junior markets

Q4 2017	Change on prior year quarter
36 IPOs	▲ 6%
\$0.8b proceeds	▲ 86%



All amounts in table are in US\$

Activity Q4 2017

Sectors by highest number of IPOs

Technology
15 IPOs | \$0.7b

Consumer products
9 IPOs | \$0.5b

Energy
7 IPOs | \$3.0b

IPOs largest by proceeds

BAWAG Group AG
\$2.0b Financials, Wiener Börse (Vienna)

EN+ Group plc
\$1.5b Energy, London (LSE)

Terveystalo Oyj
\$1.0b Health care, NASDAQ OMX Helsinki

Stock exchanges by highest total proceeds

London Main and AIM
\$4.7b | 19 IPOs UK

Wiener Börse (Vienna)
US\$2.0b | 1 IPO Austria

NASDAQ OMX and First North
US\$1.8b | 21 IPOs Nordics

All amounts in table are in US\$

Trends 2017

Transaction sizes

	Main markets	Change on prior year	Junior markets	Change on prior year
Median post-IPO market cap	\$307.9m	▲ 7%	\$32.4m	▲ 19%
Median deal size	\$175.3m	▲ 54%	\$7.9m	▲ 4%

Cross-border IPOs: top IPO issuers

Cross-border
12% of all Europe issuers* listed abroad

29 IPOs

Outbound
4.4% of all Europe issuers* listed outside Europe

11 IPOs

Inbound
8.5% of cross-border IPOs globally** listed on European exchanges but came from outside Europe

10 IPOs

*There were 250 IPOs by European issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 118 cross-border IPOs globally in YTD 2017.

Performance 2017

Equity indices

CAC 40
+9.3%
France

DAX 30
+12.0%
Germany

Euro STOXX 50
+10.1%
Europe

FTSE 100
+2.2%
UK

Volatility index

VSTOXX®
-11.6% | 16.0 index level
YTD

VFTSE 100
+5.7% | 12.2 index level
YTD

- indicates a decrease in volatility as at 1 December 2017 compared to 31 December 2016 for year-to-date (YTD).

+ or - indicates change since 31 December 2016

IPO pricing and performance

First-day average return

Main markets **+2.4%**

Junior markets **+9.4%**

Share price development since IPO

Main markets **+11.8%**

Junior markets **+13.1%**

+ or - indicates change compared to offer price at IPO



EMEIA – UK IPO market insight

Steady growth expected as firms capitalize on stable markets ahead of Brexit

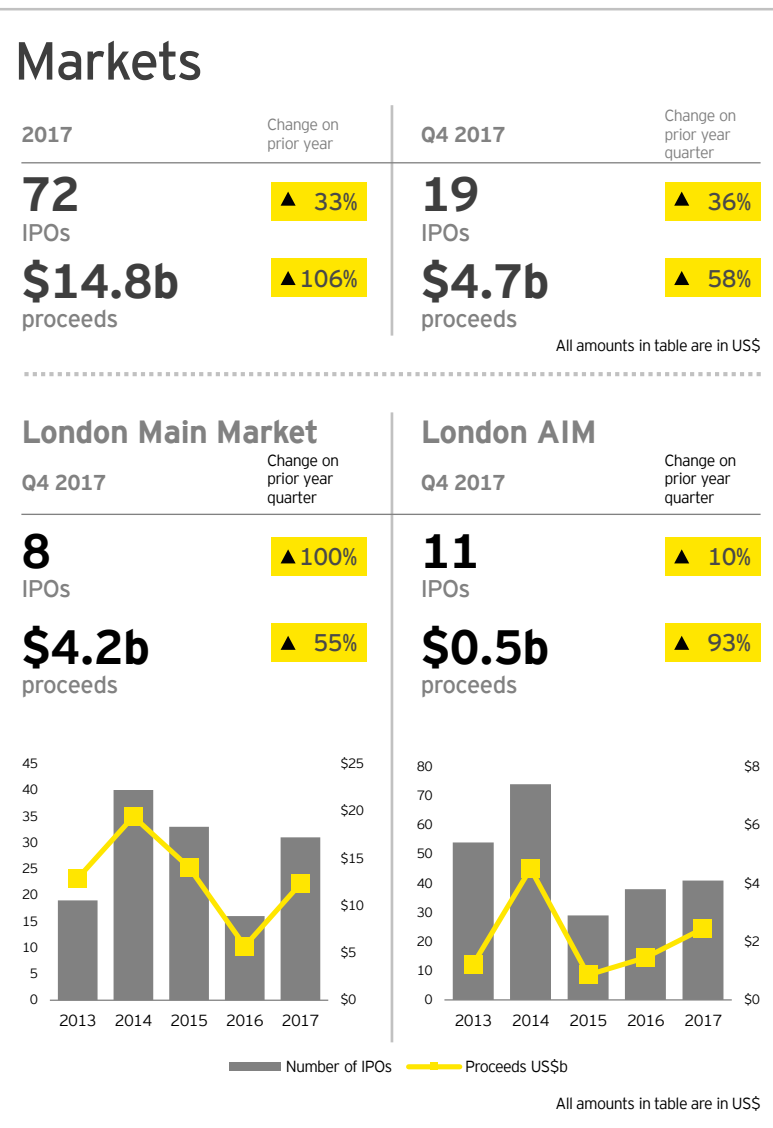
“A strong fourth quarter saw full-year IPO activity in the UK rise on 2016 levels. However, the lack of ‘exciting’ brand names or a strong pipeline of PE-backed IPOs are keeping IPO pricing at a lower level, leading to a continued number of postponed or withdrawn listings. We expect a relatively quiet Q1 2018 before activity picks up as cross-border issuers look to take advantage of regulatory stability ahead of the return of market uncertainty in 2019.”

Scott McCubbin

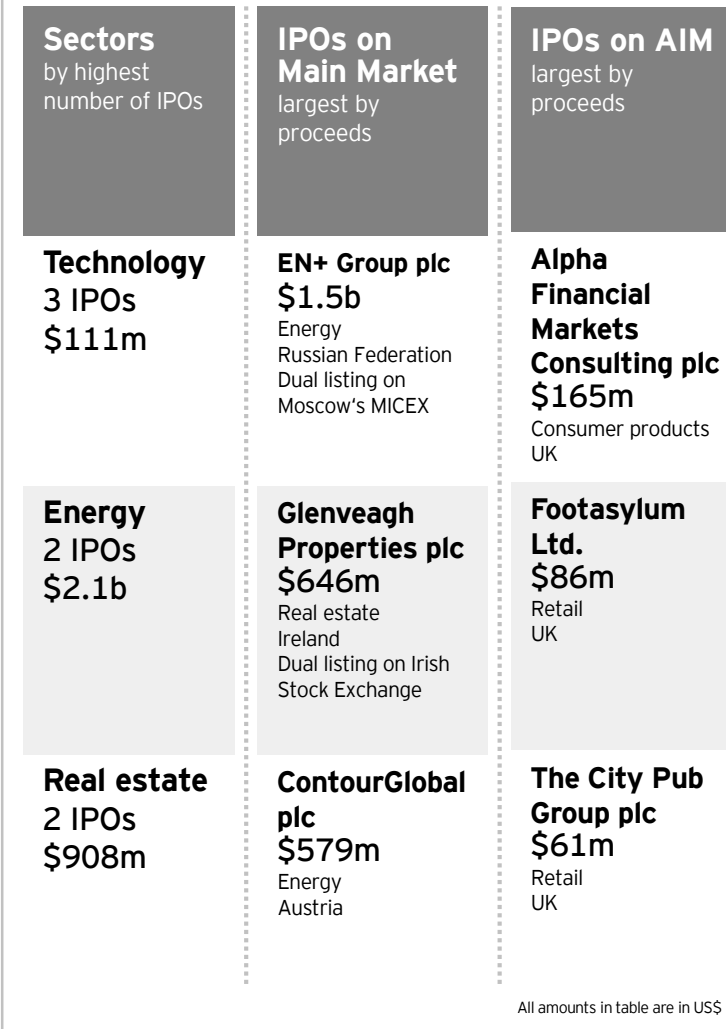
EY UK and Ireland IPO Leader

Highlights from the markets

- ▶ **London Stock Exchange (LSE) saw a busy end to the year in Q4 2017** with US\$4.7b in proceeds raised through 19 IPOs; there were 8 IPOs on the Main Market and 11 IPOs on the Alternative Investment Market (AIM).
- ▶ This pushed year-end figures to a total of 72 IPOs with proceeds of US\$14.8b – up 33% and 106% respectively on 2016 results.
- ▶ As a result, the LSE saw a 4.4% share of global IPOs by number of deals in 2017, down from 4.9% in 2016. **The LSE was ranked ninth among the top ten exchanges by deal number.**
- ▶ In contrast, the LSE accounted for 7.8% of global proceeds, up from 5.3% last year. This put **London Main Market and AIM in fourth place on the rankings of the top 10 exchanges by proceeds**, behind New York, Shanghai and Hong Kong – a reasonably large gain in a year dominated by political and economic uncertainty.
- ▶ **Real estate led the way by deal numbers in 2017** with a 15% share of UK IPOs, ahead of industrials (13%), financials (11%) and materials (11%). However, **financials was the leading sector by proceeds**, accounting for 32% of funds raised, ahead of energy (18%) and real estate (17%).
- ▶ Outside the financials sector, **IPO pricing pressure has been a notable feature of the Main Market in the first nine months of 2017. This continued in Q4 2017** with a number of withdrawals impacting the Main Market heavily. However, IPOs on AIM have been less affected by this “pricing effect.”
- ▶ Against a background of record FTSE levels, **post-IPO performance has been steady**, with first-day returns on Main Market stock on average just 1.1% above offer price, and 8 out of 29 stocks (that started trading by 1 December) are currently trading below their offer price.
- ▶ **Financial sponsor-backed IPOs on UK exchanges fell in 2017**, accounting for 12.5% of UK IPOs and 19.0% by proceeds, down from 24.1% and 66.4% respectively in 2016.



Activity Q4 2017



Trends

Cross-border activity 2017

Main market

Top IPO issuers

- ▶ Ireland (2 IPOs | \$4,479m)
- ▶ Russian Federation (2 IPOs | \$2,358m)
- ▶ Turkey (2 IPOs | \$400m)
- ▶ Austria (1 IPO | \$579m)
- ▶ United Arab Emirates (1 IPO | \$243m)
- ▶ China (1 IPO | \$6m)

AIM

Top IPO issuers

- ▶ US (4 IPOs | \$223m)
- ▶ Ireland (1 IPO | \$311m)
- ▶ Israel (1 IPO | \$19m)
- ▶ Mali (1 IPO | \$5m)

Leaving UK

Outbound

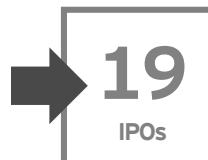
9% of UK issuers* listed abroad



Coming to UK

Inbound

16% of cross-border IPOs globally** were listed on UK exchanges



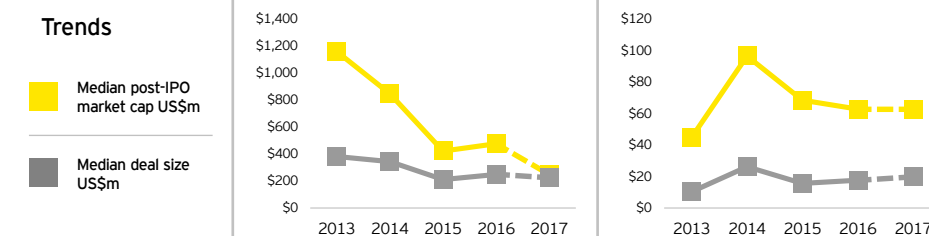
*There were 58 IPOs by UK issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 118 cross-border IPOs globally in YTD 2017.

Cross-border IPOs accounted for 26% of listings in the UK in 2017 and 58% of proceeds. The influx of cross-border IPOs is likely to continue in 2018, with businesses looking to take advantage of the period of expected calm ahead of Brexit in 2019.

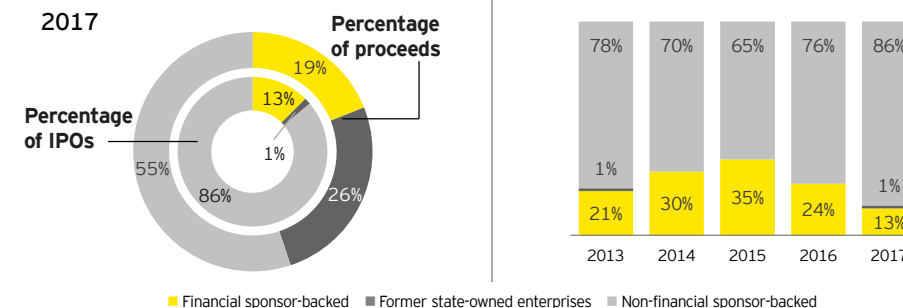
Transaction sizes

	London Main Market		London AIM	
	2017	Change on prior year	2017	Change on prior year
Median post-IPO market cap	\$248.7m	▼ 48%	\$62.7m	▼ 0.1%
Median deal size	\$224.6m	▼ 10%	\$19.8m	▲ 12%

Trends



Sources of IPOs



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

Performance

IPO pricing and performance 2017

	First-day average return	Share price development since IPO
London Main Market	+1.1%	+14.2%
London AIM	+8.9%	+12.0%

+ or - indicates change compared to offer price at IPO

Equity indices 2017

FTSE 100
+2.2%
UK

FTSE 350
+3.5%
UK

FTSE AIM All-Share
+21.0%
UK

+ or - indicates change since 31 December 2016

Volatility indices

FTSE 100 VIX (VFTSE 100)
12.23 index level
+5.7%
YTD
+17.23%
Q3 2017

- indicates a decrease in volatility as at 1 December 2017 compared to 31 December 2016 for year-to-date (YTD) and 29 September 2017 for end of Q3 2017.

Outlook

- ▶ **Q1 2018 will be relatively quiet on UK exchanges** but we expect **IPO activity to pick up considerably in Q2 2018** as local and foreign businesses look to benefit from the currently stable environment and the low value of the pound continues to make UK investments attractive to international investors.
- ▶ **UK IPO activity should also benefit from a number of approaching Financial Conduct Authority (FCA) rule changes**, which will clarify and enhance the listing process in ways that are beneficial to foreign companies seeking to list in the UK. The **most major FCA change relates to the timing of the IPO documentation**, which would be effective from 1 July 2018. The other changes, which include the clarification of existing rules, relaxation of reverse takeover rules and concessions for certain property companies, all become effective from 1 January 2018.
- ▶ However, **IPO pricing will remain under pressure in 2018 due to the continuing lack of attractive private equity-backed or VC-backed listings**. This will persist until we see some strong brand names or financial sponsor-backed companies with genuinely compelling equity stories come to the public markets.
- ▶ **Investors are wary of companies that have been through failed M&A processes, then turning to IPOs to get the deal “done.”** As a result, we should expect to see **more postponed or withdrawn IPOs in 2018**.
- ▶ **Brexit remains the largest “known unknown” factor.** As the UK Government works toward the March 2019 deadline, we expect constant changes to become the norm. Negotiations are likely to bring some turbulence to the IPO market as companies react to the ever-changing political landscape.



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)	217	13.4
2	Shanghai (SSE)	212	13.1
3	Hong Kong (HKEx) and GEM	149	9.2
4	NASDAQ	103	6.3
5	Australia (ASX)	101	6.2
6	Tokyo (TSE), MOTHERS and JASDAQ	93	5.7
7	Bombay (BSE) and SME	84	5.2
8	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden) and First North	78	4.8
9	London Main Market and AIM	72	4.4
10	New York (NYSE)	71	4.4
11	National (NSE) and SME	69	4.2
12	Korea (KRX) and KOSDAQ	54	3.3
	Other stock exchanges (48 exchanges)	321	19.8
	Global IPO activity	1,624	100.0

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
	Global IPO activity	1,093	100.0

By proceeds

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	New York (NYSE)	30.0	15.9
2	Shanghai (SSE)	20.2	10.7
3	Hong Kong (HKEx) and GEM	15.6	8.3
4	London Main Market and AIM	14.8	7.8
5	Shenzhen (SZSE and ChiNext)	13.1	6.9
6	Bombay (BSE) and SME	11.2	5.9
7	NASDAQ	9.4	5.0
8	Korea (KRX) and KOSDAQ	6.7	3.5
9	Sao Paulo (B3)	6.7	3.5
10	Tokyo (TSE), MOTHERS and JASDAQ	5.4	2.9
11	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden) and First North	4.8	2.5
12	SIX Swiss Exchange	4.6	2.4
	Other stock exchanges (48 exchanges)	46.3	24.5
	Global IPO activity	188.8	100.0

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) and 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
	Global IPO activity	134.5	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: Q4 2017	Change QOQ% (vs Q4 16)	Change previous quarter% (vs Q3 17)	Proceeds US\$b current quarter	Change QOQ% (vs Q4 16)	Change previous quarter% (vs Q3 17)
US	174	55%	39.47	84%	55	83%	57%	11.7	57%	146%
Canada¹	25	317%	2.58	5%	7	75%	40%	0.5	9%	81%
Brazil	11	1,000%	6.66	2,983%	4	300%	-20%	3.1	13%	1%
Mexico	5	0%	2.54	2%	1	-50%	-50%	0.9	22%	195%
Jamaica	3	-40%	0.006	-62%	–	NA	-100%	–	NA	-83%
Chile²	2	100%	0.34	124%	–	-100%	-100%	–	-100%	-100%
Argentina³	–	-100%	–	-100%	–	NA	NA	–	NA	NA
Americas	220	68%	51.60	122%	67	76%	34%	16.1	80%	89%

1. In 2017, there were 18 IPOs raising US\$2.6b on Toronto Stock Exchange and TSX Venture Exchange. There were also 7 IPOs on Canadian Securities Exchange that raised US\$4.5m altogether – these listings were excluded on page 8.

2. In 2017, there were 2 IPOs on Chile's Santiago Stock Exchange. In Q4 2017, there were no IPOs on this exchange.

3. In 2017, there were no IPOs on Argentina's Buneos Aires Stock Exchange. There were 2 IPOs by Argentinean companies: one of the IPOs were dual listed on New York Stock Exchange and Buneos Aires Stock Exchange, while the other IPO was listed on New York Stock Exchange.

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: Q4 2017	Change QOQ% (vs Q4 16)	Change previous quarter% (vs Q3 17)	Proceeds US\$b current quarter	Change QOQ%	Change previous quarter%
Indonesia	31	1	0.6	-41%	9	350%	125%	0.3	118%	534%
Thailand	35	35%	3.1	112%	14	27%	40%	1.3	55%	72%
Singapore	19	19%	3.3	102%	5	400%	25%	1.2	20,047%	0%
Malaysia	10	-23%	1.7	553%	1	-80%	0%	0.0	-1%	-1%
Philippines	4	0%	0.5	-55%	0	-100%	-100%	0.0	-100%	-100%
Sri Lanka	2	100%	0.01	18%	0	NA	NA	0.0	NA	NA
Cambodia	1	NA	0.03	NA	0	NA	NA	0.0	NA	NA
Vietnam	1	-50%	0.7	241%	0	-100%	NA	0.7	323%	NA
ASEAN	103	34%	9.9	76%	30	36%	50%	3.5	110%	-3%
Mainland China	429	89%	33.3	48%	79	-22%	-24%	7.6	-30%	1%
Hong Kong	149	28%	15.6	-38%	43	-10%	16%	4.3	-43%	4%
Taiwan	4	0%	0.05	-34%	43	0%	-50%	0.0	132%	42%
Greater China	582	68%	49.0	3%	123	-18%	-14%	12.0	-35%	2%
Japan	95	8%	5.4	-42%	37	37%	118%	2.0	-63%	124%
South Korea	54	-5%	6.7	24%	13	-48%	-38%	1.0	-73%	-33%
Australia	101	28%	2.3	-52%	37	48%	164%	1.2	-31%	409%
New Zealand¹	0	-100%	0.0	-100%	0	NA	NA	0.0	NA	NA
Oceania	101	25%	2.3	-56%	37	48%	164%	1.2	-31%	409%
Asia-Pacific	935	44%	73.2	0%	240	-4%	12%	19.6	-37%	9%

1. In 2017, there were no IPOs on New Zealand Exchange, this compares to 2 IPOs which raised US\$0.3b altogether in the first nine months of 2016.

*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: Q4 2017	Change QOQ% (vs Q4 16)	Change previous quarter% (vs Q3 17)	Proceeds US\$b current quarter	Change QOQ% (vs Q4 16)	Change previous quarter% (vs Q3 17)
Nordics (Denmark, Norway, Sweden and Finland)	88	33%	6.1	-37%	23	-4%	229%	2.0	7%	199%
Commonwealth of Independent States (CIS)	4	300%	0.5	1%	2	100%	NA	0.2	-67%	NA
Central and Southern Europe (CSE)	27	8%	2.6	93%	9	-18%	29%	0.1	-1%	-92%
Germany, Switzerland and Austria (GSA)	17	70%	9.7	45%	7	133%	133%	3.2	0%	11%
Mediterranean (Italy and Spain)	25	39%	8.7	197%	6	200%	0%	1.0	15,885%	-74%
WEM (Western Europe and Maghreb)	19	-14%	3.8	-6%	5	67%	400%	0.8	1,896%	10,888%
Continental Europe	180	27%	31.4	25%	52	18%	117%	7.2	-10%	-16%
UK	72	33%	14.8	106%	19	36%	0%	4.7	58%	63%
Europe	252	29%	46.1	43%	71	22%	65%	12.0	8%	4%
Africa	8	0%	1.6	1%	1	-80%	-67%	0.0	-99%	-99%
India	162	69%	11.6	183%	22	47%	-65%	5.5	412%	81%
Middle East and North Africa	47	292%	4.6	344%	8	3%	-33%	2.8	33%	254%
EMEIA Area	469	50%	64.0	67%	102	28%	-15%	20.3	56%	20%

*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 Q4 2017 (▲) and 2017 year-to-date (■)

Stock exchange regions	Industrials	Technology	Consumer products	Materials	Health care	Energy	Consumer staples	Financials	Real estate	Retail	Media and entertainment	Telecommunications
Americas		▲ ■		▲ ■	▲ ■							
▸ US		▲ ■	■		▲ ■			▲				
Asia-Pacific	▲ ■	▲ ■	▲ ■									
▸ Greater China	▲ ■	▲ ■		▲ ■								
▸ Japan	▲	▲ ■	▲ ■							■		
EMEA	▲ ■	▲ ■	■					▲				
▸ Europe ²	▲ ■	▲ ■	▲		▲ ■	▲						
▸ UK ³	▲ ■	▲	▲	▲ ■		▲			▲ ■	▲		
Global	▲ ■	▲ ■	▲ ■									
2017 year-to-date global IPO activity	306	250	199	184	155	105	91	90	77	75	58	34
Q4 2017 IPO activity	77	70	52	44	34	28	18	25	19	18	15	9

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 EY's regional classification.

2. For Q4 2017, European exchanges saw five leading sectors. Technology led the pack with 15 IPOs, followed by consumer products with 9 IPOs. The energy, health care and industrials sectors accounted for 7 IPOs each, they had proceeds of US\$3.0b, US\$1.4b and US\$0.8b respectively.

3. For Q4 2017, UK exchanges saw seven leading sectors. Technology led the pack with 3 IPOs. The energy, real estate, industrials, consumer products, retail and materials sectors all accounted for 2 IPOs each, they had proceeds of US\$2.1b, US\$0.9b, US\$0.6b, US\$0.2b, US\$0.1b and US\$0.01b respectively. For the full year of 2017, UK exchanges saw four leading sectors. Real estate led the pack with 11 IPOs, followed by industrials with 9 IPOs. The financials and materials sectors both accounted for 2 IPOs each, they had proceeds of US\$4.7b and US\$0.9b respectively.

Methodology

- ▶ The data presented in the *Global IPO trends: Q4 2017* report and press release is from Dealogic and EY. Q4 2017 (i.e., October-December) is based on priced IPOs as of 1 December 2017 and expected IPOs in December. YTD 2017 (January-December) is based on priced IPOs from 1 January to 1 December 2017 and expected IPOs in December. Data is up to 1 December 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 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.
- ▶ **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 Q4 2017 with Q4 2016 for this current report.
- ▶ **Share price development since IPO** is the market value weighted median current returns, which is the year-to-date returns as at 1 December 2017 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 full year of 2017 with the full year of 2016 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 1 December 2017 plus expected IPOs by the end of December.

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