



In these uncertain times,
how do you know the
right time to go public?

Global IPO trends: Q1 2019

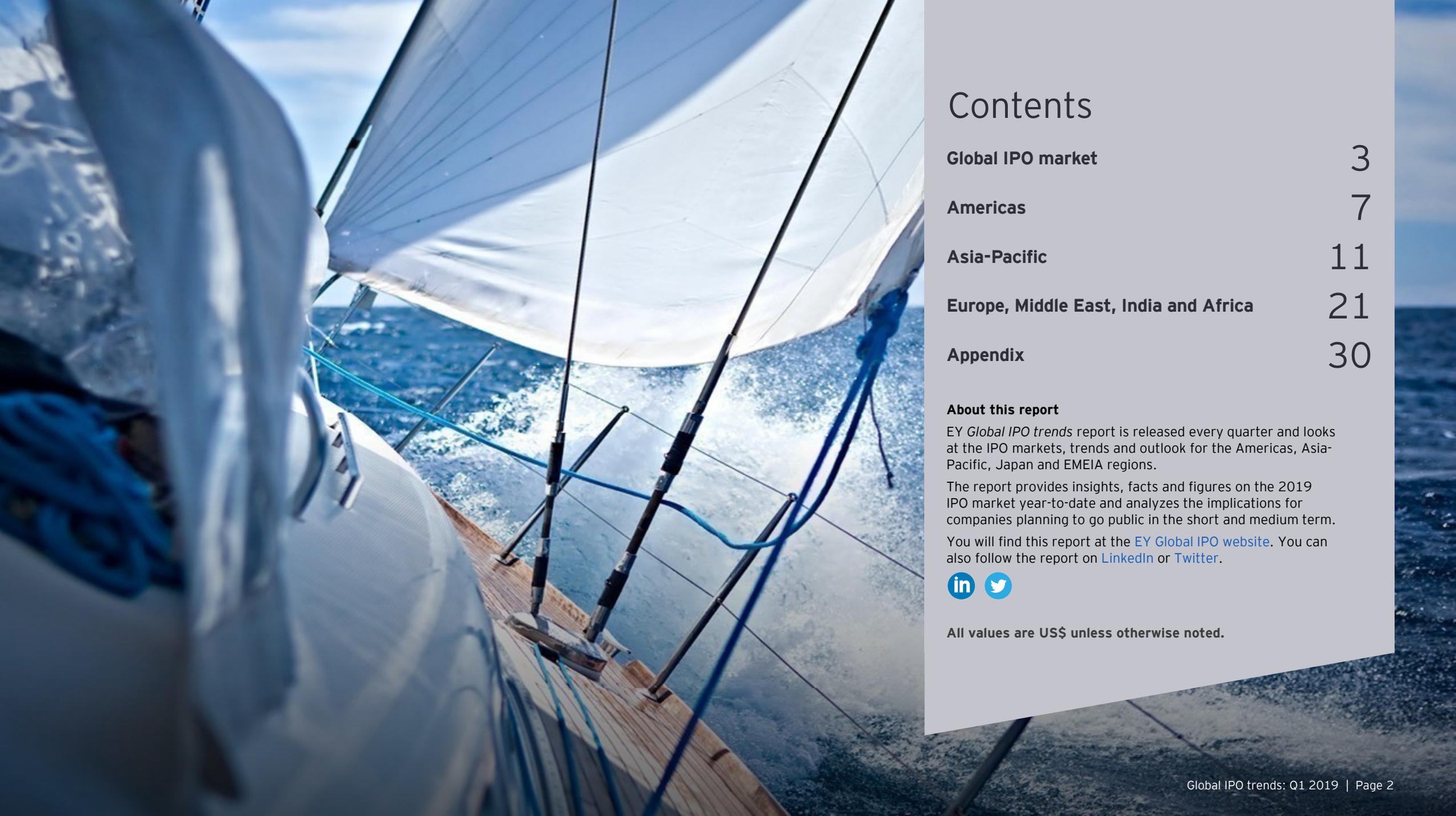
Markets are waiting for geopolitical
uncertainty to be resolved, resulting
in a quieter first quarter than normal.



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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

Global IPO momentum slows but Q2 2019 set to rebound

“

While Q1 is usually a quiet IPO quarter, in 2019 we've seen IPO markets sent into a cautious wait-and-see mode as a number of factors collide. The dense fog of geopolitical tensions, trade issues among the US, China and Europe, as well as uncertainty as to how the UK will leave the EU, slowed down IPO activity in all regions. As we look to Q2 2019, we only need a successful mega IPO or unicorn from the robust IPO pipeline for the fog of uncertainty to clear and global IPO markets to spring into bloom.

Dr. Martin Steinbach

EY Global and EY EMEA IPO Leader

Highlights from the market

- Historically, Q1 is a quiet quarter across IPO markets. However, **Q1 2019 has been unusually quiet**. Year-over-year volumes are down 41%, while year-over-year proceeds are down 74%. In Q1 2019, 199 companies launched IPOs, raising US\$13.1b. **Although IPO activity was slower across all regions, pipelines remain strong with unicorns and mega deals.**
- Asia-Pacific continued to dominate global IPO activity by deal numbers in Q1 2019**, despite the prevailing geopolitical uncertainty and trade tensions. This region's share of global IPO activity stood at 63% by deal numbers and 64% by proceeds. However, this region saw its IPO activity decline of 24% by deal number and 30% by proceeds in Q1 2019 compared with Q1 2018.
- EMEIA exchanges saw 65% drop in deal volume and 93% decline by proceeds in Q1 2019 compared with Q1 2018.** A still unclear path to Brexit, US trade and tariff uncertainties, risks of slower economic growth and economic challenges in three of Europe's largest economies continued to have a direct impact on EMEIA and European IPO activity.
- Americas saw a 44% decline by deal number and 83% decline by proceeds in Q1 2019 compared with Q1 2018.** The longest US Government shutdown in the country's history effectively sent the US IPO markets into near hibernation for the first two months of 2019. The US accounted for 65% of Americas' IPOs and 92% by proceeds.
- Technology, health care and industrials** saw the largest share of IPOs in Q1 2019, while technology, health care and financials led by proceeds. This indicates that investors continue to strike a balance between growth and value investments.
- Cross-border activity levels were lower in Q1 2019**, representing only 7% of global IPO activity. The one exception was EMEIA, which remained constant compared to 2018. Cross-border IPOs accounted for 9% of EMEIA companies' IPO activity in Q1 2019.
- Non-financial sponsored companies** represented 94% of global IPOs in Q1 2019. Ongoing uncertainties and volatility in global equity markets has an increasing number of financial sponsors considering M&A as a preferred exit route. However, M&A numbers are also off to a slower start in 2019.

Markets

Q1 2019

Change on Q1 2018

199
IPOs globally

▼ 41%

\$13.1b
proceeds

Change on Q1 2018

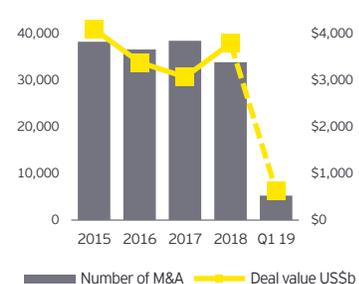
▼ 74%

All amounts in table are in US\$

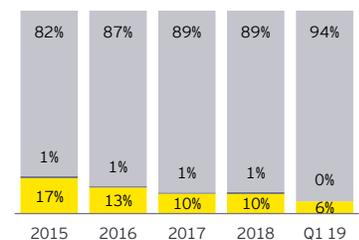
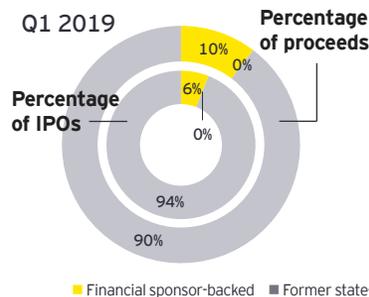
IPO activity



M&A activity



Sources of IPOs



Figures may not total 100% due to rounding

Activity Q1 2019

Stock exchanges
by highest total proceeds

Hong Kong (Main and GEM)
\$2.7b
35 IPOs

NASDAQ
\$2.5b
19 IPOs

Shenzhen (SZSE and Chinext)
\$2.2b
18 IPOs

Sectors
by highest number of IPOs

Technology
45 IPOs
\$2.1b

Health care
32 IPOs
\$2.1b

Industrials
24 IPOs
\$1.2b

IPOs
largest by proceeds

Alight Inc.*
\$753m
Technology
US
NASDAQ

Embassy Office Park REIT*
\$659m
Real estate
India
National (NSE)

Levi Strauss & Co.*
\$550m
Consumer staples
US
NYSE

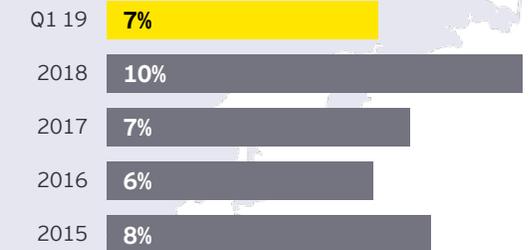
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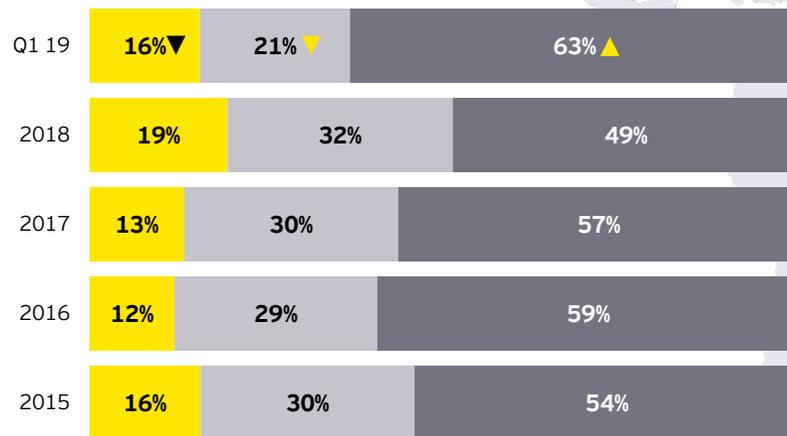
Despite the uncharacteristically slow IPO activity in Q1 2019, pipelines remain strong and investors stand in the wings waiting for the right IPO opportunity to arise. With first-day returns and post-IPO performance continuing to show positive results, we expect IPO activity to improve as geopolitical issues settle and the year progresses.

Cross-border IPOs

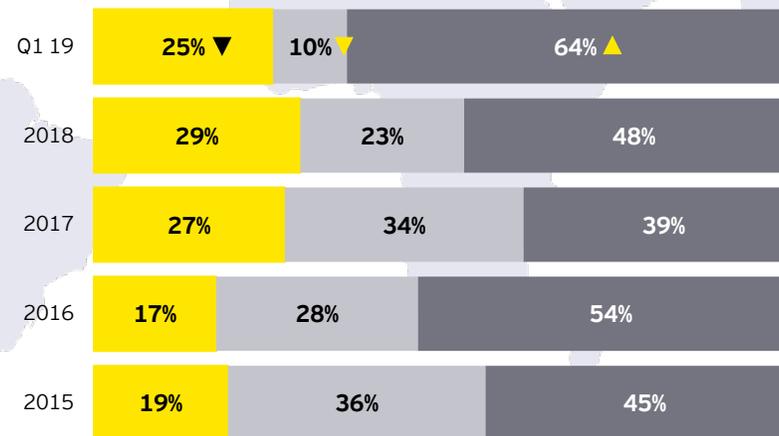
Percentage by number of IPOs globally



Regional share by number of IPOs



Regional share by proceeds



■ Americas ■ EMEIA ■ Asia-Pacific

▲ or ▼ or – = increase or decrease or remain constant for Q1 2019 compared with the full year of 2018
Figures may not total 100% due to rounding.

Top countries of origin Q1 2019

By number of IPOs outside home country

- ▶ Singapore (4)
- ▶ Greater China (2)
- ▶ Malaysia (2)
- ▶ UK (2)
- ▶ France (1)
- ▶ Israel (1)
- ▶ Denmark (1)

Top IPO destinations* Q1 2019

By number of IPOs

- ▶ Hong Kong (5)
- ▶ NASDAQ (4)
- ▶ Sweden (2)
- ▶ Singapore (1)
- ▶ Austria (1)

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

Outlook

- ▶ **The cautious signals we saw in Q4 2018 for Q1 2019 have become reality.** However, it may only take a successful mega IPO or unicorn from the robust pipeline for the fog of uncertainty to clear and global IPO markets to bloom once more. With **several mega IPOs and unicorns waiting for the right time, as well as robust pipelines of mid- and small-cap IPOs across all regions**, we could expect to see a rebound of IPO activity in the second half of 2019 as geopolitical uncertainties and trade issues show positive signs of stability and resolution.
- ▶ **Asia-Pacific:** Improving trade relations between China and the US, and a turnaround in economic fundamentals should lead to higher IPO activity in Q2 2019. However, we may have to wait until the second half of the year for more sustained improvement in IPO activity.
- ▶ **EMEIA:** US-China-EU trade issues, Brexit and uncertainty with respect to the stability of some European country economies will likely continue to quell enthusiasm for IPO activity in Q2 2019. However, with strong fundamentals and investor confidence and low levels of volatility, EMEIA will remain the second largest IPO market globally in 2019.
- ▶ **Americas:** Despite the IPO near hibernation caused by the US Government shutdown, many companies are still preparing to list during the first half of 2019, once the dust begins to settle. Given the pipeline of unicorns that are looking to take their companies public in 2019, Americas IPO activity is expected to substantially improve in the second half of 2019.
- ▶ **Sectors:** Investors continue to find the balance between high-performing potential and more traditional, less risky investments. We anticipate a number of health care companies to come to the Americas market, and look for industrials to dominate in Asia-Pacific. In EMEIA, we expect to see IPOs from technology-related and traditional sectors.
- ▶ **Cross-border:** We envision that cross-border activity will improve as 2019 progresses, with the US, Hong Kong and London continuing to be the top destinations.

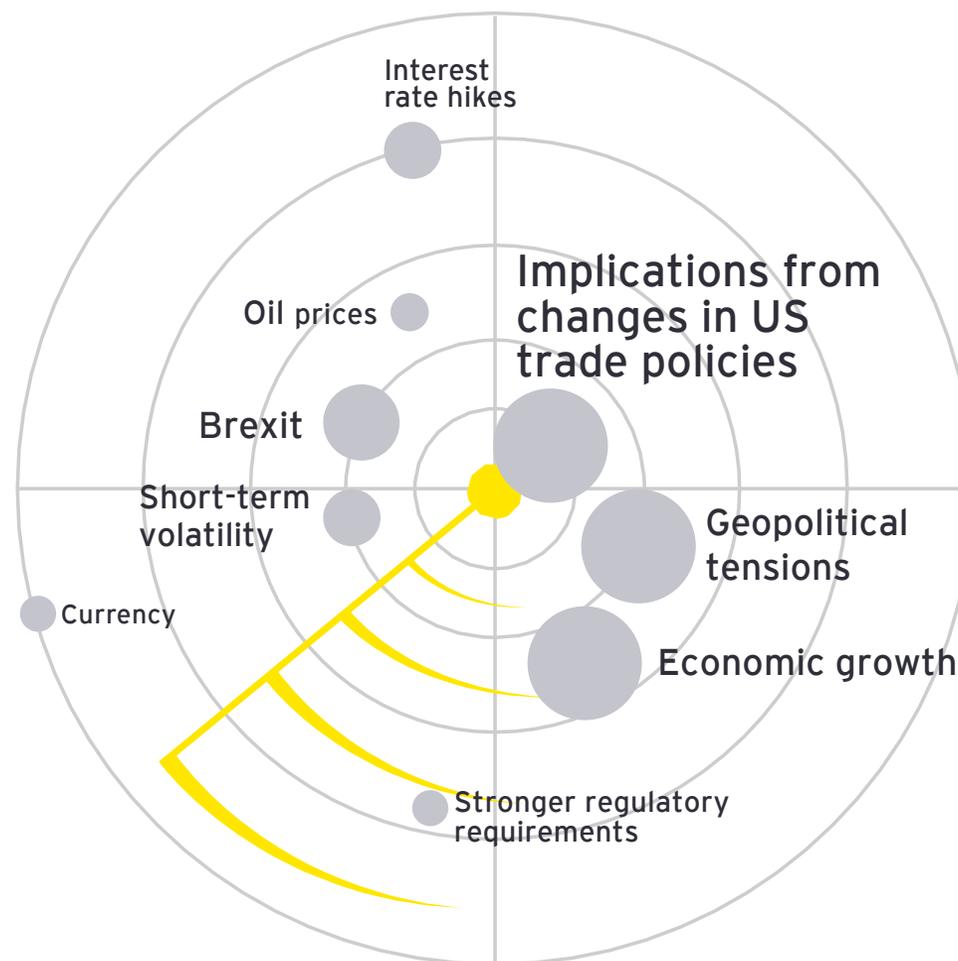
EY IPO sentiment radar

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

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

Potential impact

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



Americas

Americas IPO markets quiet in Q1 2019

“

It was a quiet quarter across the Americas, partly because of the US Government shutdown, where the lion's share of Americas IPO activity occurs, and partly as a result of different geopolitical uncertainties affecting other markets. However, as the dust begins to settle following a quarter of uncertainties, we expect IPO activity to return to more normal levels in Q2 2019.”

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the markets

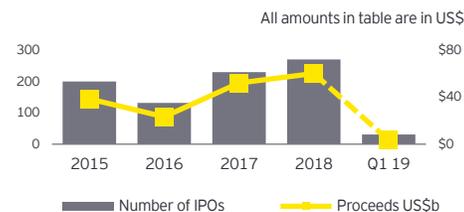
- ▶ **The US Government shutdown, geopolitical uncertainty and trade issues played a key role in the slowdown of the Americas IPO markets** in Q1 2019. Americas exchanges saw 31 IPOs, which raised \$3.3b in total in Q1 2019, a drop of 44% and 83% from Q1 2018, respectively.
- ▶ **US exchanges** saw 20 IPOs in Q1 2019, raising US\$3.0b, **accounting for 65% of Americas' deals** and 92% by proceeds.
- ▶ Besides the US, **Canada's Toronto Main Market and Venture Exchange** saw five IPOs, which raised US\$188m in Q1 2019, and **Chile** raised \$69m via a real estate IPO.
- ▶ **Health care dominated in number of deals and proceeds in Q1 2019**, accounting for 55% and 37% respectively. Other active sectors included materials that took 16% of the deals, and technology contributed 29% in proceeds.

Markets q1 2019

31 IPOs
\$3.3b proceeds
\$69m median deal size

Change on Q1 2018

▼ **44%**
 ▼ **83%**
 ▼ **51%**



Activity q1 2019

All amounts in table are in US\$

Stock exchanges by highest total proceeds

NASDAQ
 \$2.5b | 19 IPOs US

NYSE
 \$550m | 1 IPO US

Toronto TSX and Venture
 \$188m | 5 IPOs Canada

Sectors by highest number of IPOs

Health care
 17 IPOs | \$1.2b

Materials
 5 IPOs | \$2.3m

Technology
 4 IPOs | \$1.0b

IPOs largest by proceeds

Alight Inc.*
 \$753m Technology, NASDAQ, US

Levi Strauss & Co.*
 \$550m Consumer staples, NYSE, US

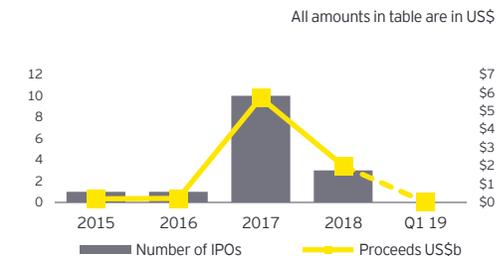
New Fortress Energy LLC
 \$322m Energy, NASDAQ, US

Brazil's B3 Q1 2019

0 IPOs
\$0b proceeds
\$0m median deal size

Change on prior year

—
 —
 —



Canada's Toronto Stock Exchange and TSX Venture Exchange Q1 2019

5 IPOs
\$188m proceeds
\$1m median deal size

Change on prior year

▲ **25%**
 ▲ **30%**
 ▼ **33%**

IPO activity of Canadian Securities Exchange is excluded.

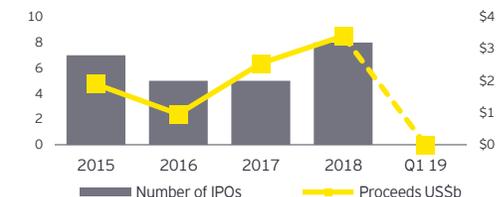


Mexico's Mexican Stock Exchange Q1 2019

0 IPOs
\$0b proceeds
\$0m median deal size

Change on prior year

—
 —
 —



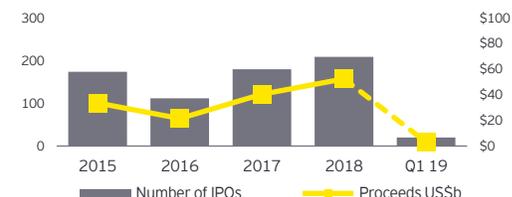
US' NASDAQ and NYSE Q1 2019

20 IPOs
\$3.0b proceeds
\$83m median deal size

Change on prior year

▼ **57%**
 ▼ **82%**
 ▼ **43%**

IPO activity in 2016 includes one IPO on BATS exchange.



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Americas – US IPO market insight

US Government shutdown sends IPO market into near hibernation in Q1 2019

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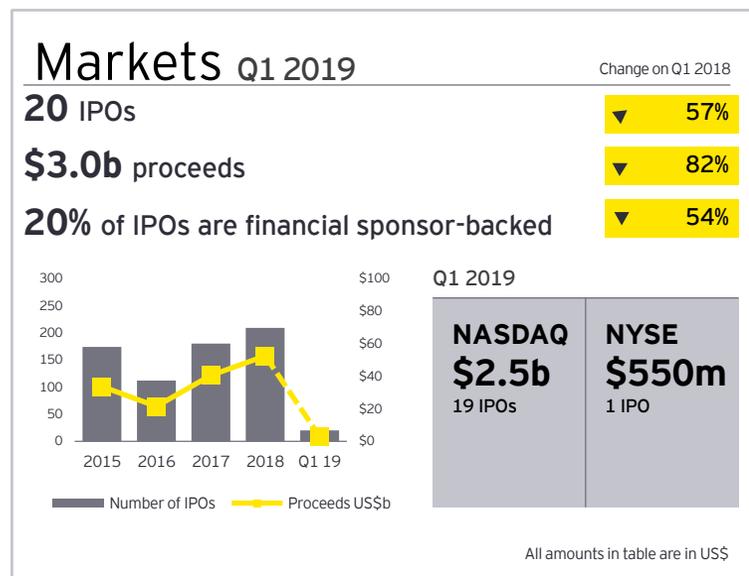
The US Government shutdown from the latter part of December 2018 until the near end of January — the longest one in US history — sent the US IPO markets into hibernation in the first two months of 2019. While IPO activity is recovering quickly in March, Q1 2019 activity is still notably down from Q1 2018 levels. With a healthy pipeline of IPO candidates, including a number of unicorns rumored to be ready to go public, we expect IPO activity to pick up speed in the second quarter.

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the market

- ▶ Due to the longest US Government shutdown in the country's history, US IPO activity declined 57% by deal number and 82% by proceeds, to 20 IPOs raising a total of US\$3.0b in Q1 2019 compared with Q1 2018.
- ▶ Unlike other sectors, health care issuers who had an early start, were able to price their IPOs in early February and thus accounted for 70% of US IPOs and 40% by proceeds in Q1 2019. Technology and consumer staples account for 26% and 18% of US proceeds in Q1 2019.
- ▶ Market volatility caused foreign issuers to choose to postpone their listings. Only 4 cross-border IPOs listed in the US in Q1 2019, in comparison with 15 companies in Q1 2018.
- ▶ Activity from sponsor-backed issuers declined at a greater rate than the overall market. However, we do not expect this trend to persist as issuance returns to normal levels.



Activity q1 2019

All amounts in table are in US\$

Sectors by highest number of IPOs	IPOs largest by proceeds
Health care 14 IPOs \$1.2b	Alight Inc.* \$753m Technology, NASDAQ, US
Technology 2 IPOs \$778m	Levi Strauss & Co.* \$550m Consumer staples, NYSE, US
Financials 2 IPOs \$168m	New Fortress Energy LLC \$322m Energy, NASDAQ, US
Consumer staples 1 IPO \$550m	Gossamer Bio, Inc. \$317m Health care, NASDAQ, US
Energy 1 IPO \$322m	Alector Inc. \$185m Health care, NASDAQ, US

Performance q1 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)
	+5.1%	+1.0%
+ or - indicates change compared with offer price at IPO First-day and current average returns are mean returns of issuers who started trading by 14 March.		
Equity indices		Volatility index
DJIA +11.5% US	S&P 500 +13.0% US	CBOE VIX® -52.4% 13.5 index level YTD 17.9 10-year average
+ indicates a increase in expected volatility as of 14 March 2019 compared with 29 December 2018 for year-to-date (YTD).		
+ or - indicates change since 28 December 2018		

Trends

	Q1 2019	Change on Q1 2018
Median deal size	\$83m	▼ 42%
Median post-IPO market cap	\$350m	▼ 39%

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

Cross-border IPOs: top countries/regions of origin Q1 2019



Outlook

- ▶ Although there is limited visibility into the IPO pipeline due to confidential filings, there continues to be **rumblings of significant IPO activity set to take place during the Q2 2019 and the second half of 2019.**
- ▶ Companies continued their IPO preparations despite the SEC closure during the US government shutdown, and are poised to access the market in the coming months.
- ▶ Significant attention is focused on the class of technology unicorns expected to complete IPOs, but **conditions are ripe for issuers of all sizes and there is potential for significant activity in Q2 2019 and beyond.**



Asia-Pacific

As Asia-Pacific exchanges show signs of recovery, IPO markets will likely follow

“

Ongoing trade issues between the US and China continue to have an effect on IPO market sentiment across Asia-Pacific but with exchanges across the region recovering from equity market corrections in Q4 2018, there are signs of a recovery in IPO activity ahead. Post-IPO performance levels is another key factor to watch in determining the recovery speed of IPO activity levels in 2019.

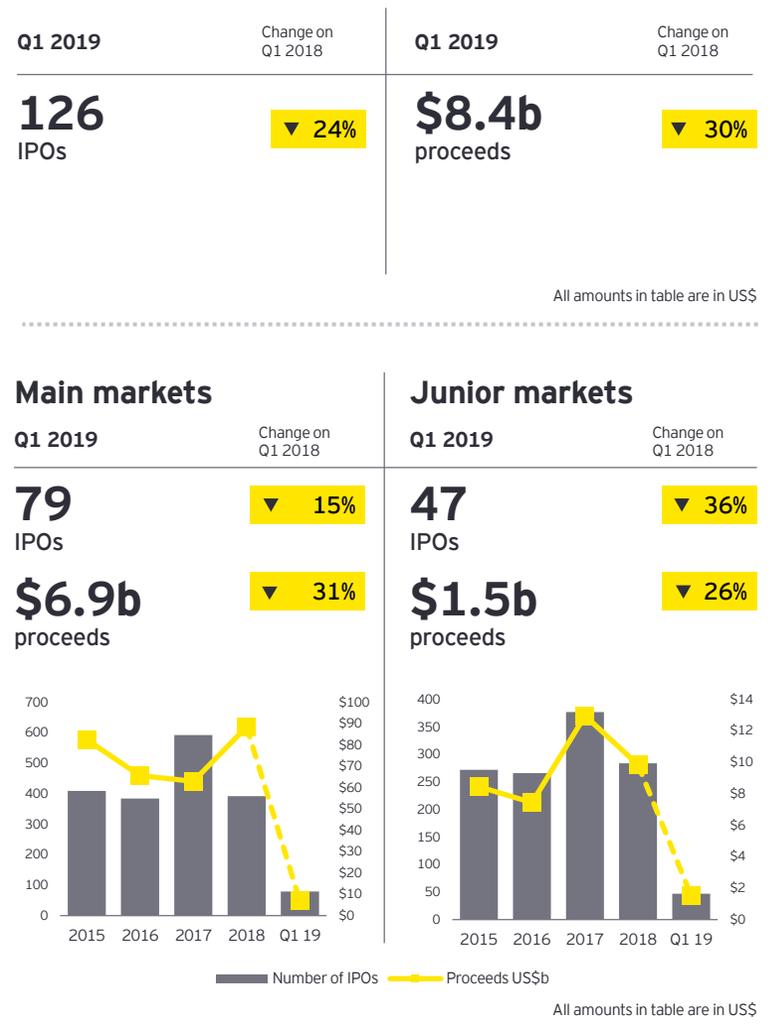
Ringo Choi

EY Asia-Pacific IPO Leader

Highlights from the market

- ▶ Similar to other regions, a lull in IPO activity spread across the **Asia-Pacific region in Q1 2019** as global economic uncertainty and geopolitical volatility prevailed. Ongoing trade tensions between China and the US in particular were weighing heavily on market sentiment. This region saw a decline of 24% by deal numbers and 30% by proceeds versus Q1 2018.
- ▶ **Asia-Pacific continued to dominate global IPO activity in Q1 2019, with 63% of global IPOs and 64% by proceeds.** This region accounted for eight of the top ten exchanges globally by deal number and six of the top ten exchanges by proceeds.
- ▶ **Greater China IPO markets were unusually quiet, even for a first quarter.** Q1 2019 saw a decline of 34% and 32% when compared with Q1 2018 by deal numbers and proceeds, respectively. In Mainland China, however, higher numbers when compared with Q4 2018 suggest signs of a recovery in its IPO market. Despite the slowdown, **the Hong Kong Stock Exchange ranked first by both volume and proceeds respectively, among the top 10 global exchanges.**
- ▶ **Japan continues to demonstrate strength in its IPO markets** with Q1 2019 numbers exceeding that of Q1 2018. Further, Japan's exchanges (Tokyo, MOTHERS and JASDAQ) ranked number two among the top 10 exchanges by volume.
- ▶ **Australia saw lower IPO activity as compared with Q1 2018,** with small-cap listings (with proceeds of below US\$10m) in materials, technology and health care dominating.
- ▶ In **Southeast Asia**, geopolitical uncertainties, trade tensions and macroeconomic conditions in the region continued to affect IPO activity in Q1 2019. While volume remained constant in Q1 2019, total proceeds fell by 17% compared with Q1 2018.
- ▶ **Financials, industrials and technology posted the highest proceeds** on Asia-Pacific exchanges in Q1 2019. **By deal numbers, technology, industrials and health care** top the list.
- ▶ **Median deal size on Asia-Pacific's main markets rose slightly** to US\$48.0m in Q1 2019, up from US\$35.6m in 2018. **But there were notably fewer mega IPOs**, with one deal that raised more US\$500m in Q1 2019, compared with six in Q1 2018.

Markets



Activity Q1 2019



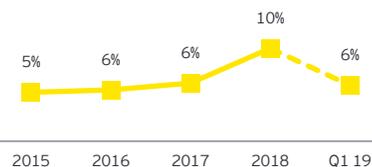
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Trends

Cross-border activity Q1 2019

Asia-Pacific issuers' cross-border activity

Percentage of all Asia-Pacific issuers



Cross-border

4.7% of all Asia-Pacific issuers* listed abroad but within the Asia-Pacific region



Q1 2019

Outbound

1.6% of all Asia-Pacific issuers* listed outside Asia-Pacific



Inbound

0% of cross-border IPOs globally** listed in Asia-Pacific but came from outside the region



*There were 128 IPOs by Asia-Pacific issuers in Q1 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

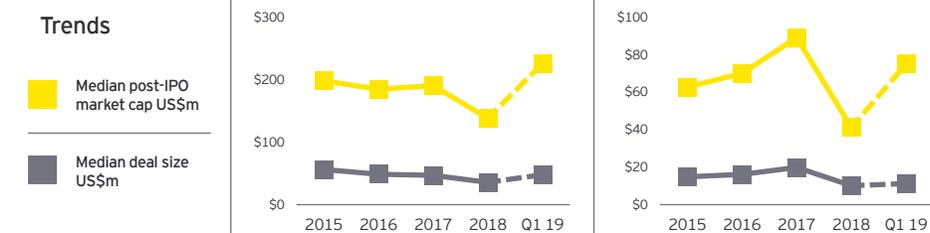
** There were 13 cross-border IPOs globally in Q1 2019.

Although almost all exchanges globally experienced an unusually quiet quarter in IPO activity, Asia-Pacific exchanges were most active, representing eight of the top ten exchanges by deal numbers in Q1 2019.

Transaction sizes

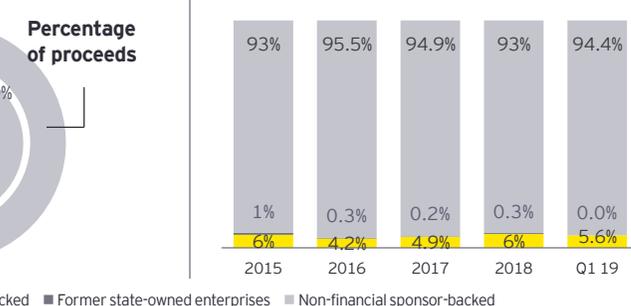
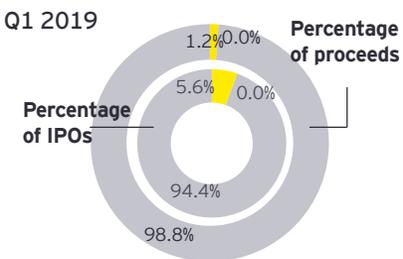
	Main markets		Junior markets	
	Q1 2019	Change on Q1 2018	Q1 2019	Change on Q1 2018
Median post-IPO market cap	\$226.0m	▲ 59%	\$75.0m	▲ 97%
Median deal size	\$48.0m	▲ 12%	\$11.2m	▲ 16%

Trends



Sources of IPOs

Q1 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 Q1 2019

	First-day average return	Share price performance since IPO
Main markets	+29.1%	+105.0%
Junior markets	+40.4%	+143.2%

+ or - indicates change compared with offer price at IPO

Equity indices Q1 2019

Hang Seng
+13.1%
Hong Kong

Nikkei 225
+6.4%
Japan

ASX 200
+9.3%
Australia

Shanghai Composite
+19.9%
Mainland China

FTSE Straits Times
+4.7
Singapore

KOSPI
+5.6%
South Korea

+ or - indicates change since 28 December 2018

Volatility index

Hang Seng Volatility
16.45 index level
-39.5%
YTD

+ indicates an increase in volatility as at 14 March 2019 compared with 28 December 2018 for year-to-date (YTD). Whereas - indicates a decrease in volatility over the same time period.

Outlook

- ▶ Although Q1 2019 was unusually quiet, **improving trade relations between China and the US, and a turnaround in economic fundamentals should lead to higher IPO activity in Q2 2019.** However, we may have to wait until the second half of the year for more sustained improvement in IPO activity.
- ▶ 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 consider increasing their IPO presence** until trade issues with the US find more solid footing.
- ▶ **In Mainland China** pipelines remain strong and market sentiment appears to be recovering. Further, with the announcement of the launch of the **science and technology innovation board to come in the first half of 2019** and the experimentation with the registration system for listed companies, we expect IPO activity to improve in the quarters ahead.
- ▶ **In Hong Kong, companies remain optimistic in their desire to go public**, with more than 192 companies having issued Application Proofs. However, Hong Kong may face new challenges as competition with other global exchanges increases, including from Shanghai's new technology board, for mega new listings in 2019.
- ▶ **Japan expects IPO activity to remain at 2018 levels through 2019.** However, without any mega IPOs or unicorns on the horizon, more small- and mid-size companies will likely drive activity throughout the year.
- ▶ 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 metals) and technology sectors.
- ▶ **Southeast Asia** will remain relatively quiet in the first half of 2019. If geopolitical and trade uncertainties stabilize globally, Southeast Asia may see an uptick in IPO activity in the second half of 2019. Thailand may see higher levels of IPO activity during 2019, while other emerging markets continue to be affected by volatility in equity markets. Strong growth in Q4 2018 and a proactive approach by the Thai Government to boost investment has improved sentiment among the investors.
- ▶ **Across the Asia-Pacific region, investor appetite may 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

Higher level of IPO activity to come in second half of 2019

“

Market sentiment should improve following the positive development of the Sino-US trade negotiations, which will uplift IPO activity levels for the rest of the year, but this came a little late to improve IPO activity in Q1. Since the announcement of the new science and technology innovation board in January, the regulator is working most diligently to have the new board up and running in the first half of 2019. Accordingly, we expect to see a strong second half of the year in Greater China.

Terence Ho

EY Greater China IPO Leader

Highlights from the markets

- Historically considered a slow quarter, Q1 2019 was no exception, with **IPO activity declining in both Mainland China and Hong Kong, when compared to Q1 2018 by both deal numbers and proceeds.**
- Mainland China saw 30 IPOs raising US\$3.7b in Q1 2019. Although these numbers are lower when compared with Q1 2018, they are notably up from Q4 2018, suggesting the **Mainland China IPO market may be showing signs of recovery.**
- Activity is also expected to pick up with China's recent announcement that **its science and technology innovation board at the Shanghai Stock Exchange will launch during first half of 2019.** This should speed up IPO approvals and improve IPO activity in the second half of the year for Mainland China.
- Meanwhile, the **Hong Kong Main Market saw slight increase in IPO activity in Q1 2019 compared with Q1 2018.** After a strong IPO year in 2018, the first three months of 2019 have been quiet as a number of companies already went public toward the 2018 year-end. Additionally, new restrictions on "back door" listings has limited IPO activity on the junior market GEM to only four IPOs raising a total of US\$37m in Q1 2019, compared with 33 IPOs that raised US\$286m in Q1 2018.
- While Hong Kong experienced a remarkably strong 2018, 2019 is expected to be comparatively slower with smaller IPO sizes and fewer mega deals. **Despite the negative impact of the US-China trade tensions, Hong Kong continues to be an important market for technology IPOs.** New-economy firms like pharmaceuticals and pre-revenue biotech and education companies will also continue to attract market attention.
- By proceeds, financials, industrials and health care were the most active sectors in Greater China in Q1 2019.** In terms of deal numbers, industrials continued to dominate, followed by technology and financials sectors.



Activity Q1 2019

Hong Kong Main Market

Sectors
by highest number of IPOs

Industrials
7 IPOs | \$263m

Consumer products
5 IPOs | \$375m

Real estate
4 IPOs | \$443m

IPOs
largest by proceeds

Shanghai Dongzheng Automotive Finance Co. Ltd.* \$358m Financials

CStone Pharmaceuticals
\$285m Health care

Maoyan Entertainment
\$250m Technology

Shanghai and Shenzhen

Sectors
by highest number of IPOs

Industrials
6 IPOs | \$782m

Financials
5 IPOs | \$1,240m

Health care
4 IPOs | \$423m

IPOs
largest by proceeds

Qingdao Rural Commercial Bank Corp.* \$327m Financials, Shenzhen

Bank of Xi'an Co. Ltd. \$311m Financials, Shanghai

Qingdao Port International Co. Ltd. \$306m Industrials, Shanghai

All amounts in table are in US\$

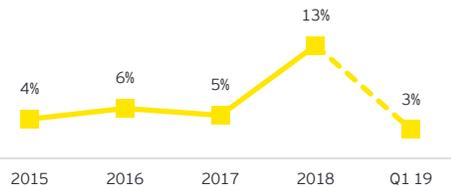
*Indicates transactions that are expected to be completed prior to 31 March 2019. Transaction size are estimated using mid-point of proposed price range.
All values are US\$ unless otherwise noted. | Q1 2019 and Q1 19 refer to the first quarter of 2019 and include IPOs completed or with expected pricing dates prior to 31 March. Data as of 15 March 2019.

Trends

Cross-border activity Q1 2019

Greater China issuers' cross-border activity

Percentage of all China issuers



To which destination?

Q1 2019

2 IPOs to NASDAQ

Q1 2019

Leaving Greater China

Outbound

3.2% of Greater China issuers* listed abroad

2
IPO

Coming to Greater China

Inbound

38.4% of cross-border IPOs globally** were listed on HKEx and GEM

5
IPOs

*There were 62 IPOs by Greater China issuers in Q1 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

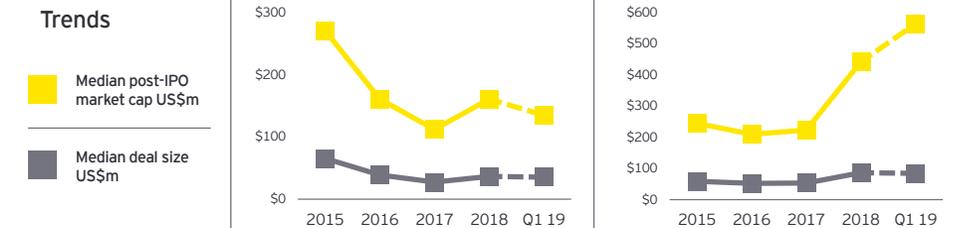
** There were 13 cross-border IPOs globally in Q1 2019.

Many Chinese companies have opted to list on US exchanges over the past 10 years. However, China's announcement that its science and technology innovation board at the Shanghai Stock Exchange will launch in the first half of 2019 could encourage more IPO candidates to list at home.

Transaction sizes

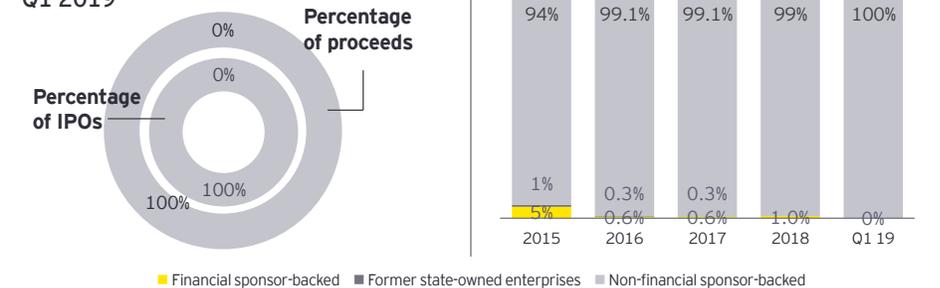
	Hong Kong Main Market		Shanghai and Shenzhen	
	Q1 2019	Change on Q1 2018	Q1 2019	Change on Q1 2018
Median post-IPO market cap	\$134.5m	▲ 69%	\$563.0m	▲ 56%
Median deal size	\$35.1m	▲ 84%	\$84.1m	▲ 5%

Trends



Sources of IPOs

Q1 2019



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

Performance

IPO pricing and performance Q1 2019

	First-day average return	Share price performance since IPO
Hong Kong Main Market	+2.4%	+15.8%
Shanghai and Shenzhen	+44.0%	+162.8%

Equity indices Q1 2019 Mainland China

Shanghai Composite	Shenzhen Composite	Shenzhen SME
+19.9%	+27.6%	+30.0%

Equity indices Q1 2019 Hong Kong

Hang Seng	Hang Seng China Enterprises	Hang Seng China Affiliated Corporations	Volatility index
+13.1%	+14.6%	+9.7%	16.45 index level -39.5% YTD

+ or - indicates change compared with offer price at IPO

+ or - indicates change since 29 December 2018

+ indicates an increase in volatility as at 14 March 2019 compared with 28 December 2018 for year-to-date (YTD). Whereas - indicates a decrease in volatility.

IPO pipeline

More than

260

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

More than

192

companies have submitted public filings with HKEx.

Outlook

- ▶ While the extent and duration of the geopolitical uncertainty and trade tensions **have created headwinds for Greater China IPO activity in Q1 2019**, there is optimism stemming from the current trade negotiations between the US and China that may ease market pessimism. If the two countries can make progress on the trade issues, we expect an uptick in IPO activity in the quarters ahead.
- ▶ **In Mainland China**, we expect IPO activity to increase with the **launch of the science and technology innovation board** and the experimentation with the registration system for listed companies, **especially for advanced manufacturing and high-tech companies**.
- ▶ **In Hong Kong**, we believe good companies will continue to find the **right windows to issue IPOs** even as investors deal with stricter

requirements on a company's quality and valuation. Overall, we anticipate that HKEx regulatory reform will continue to play a positive role in attracting IPO activity.

- ▶ **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 capital markets, and by extension, investor sentiment for IPOs.
- ▶ **Companies remain optimistic in their desire to go public on HKEx**, with more than 192 companies having issued Application Proofs. We anticipate that telecommunications, media and entertainment, technology and consumer products would be the most active sectors in the Hong Kong IPO market.

- ▶ However, **Hong Kong may face new challenges as competition for mega listings in 2019 against other global exchanges increases**, including from Shanghai's new technology board. That said, this type of competition can help markets in Hong Kong and Shanghai improve.
- ▶ In Mainland China and Hong Kong markets, **we anticipate more unicorn IPOs to list in 2019**, primarily from technology, media and entertainment and telecommunications, education, consumer products and health care sectors.



Asia-Pacific – Japan market insight

Smooth sailing for Japan's IPO market in Q1 2019

“

Japan's IPO market saw smooth sailing in Q1 2019, with IPO deal numbers surpassing those in Q1 2018. These numbers already put Japan on track to complete 90 to 100 IPOs in 2019. With few, if any, mega IPOs or unicorns on the horizon, we expect small- to mid-size deals to dominate the 2019 IPO market.

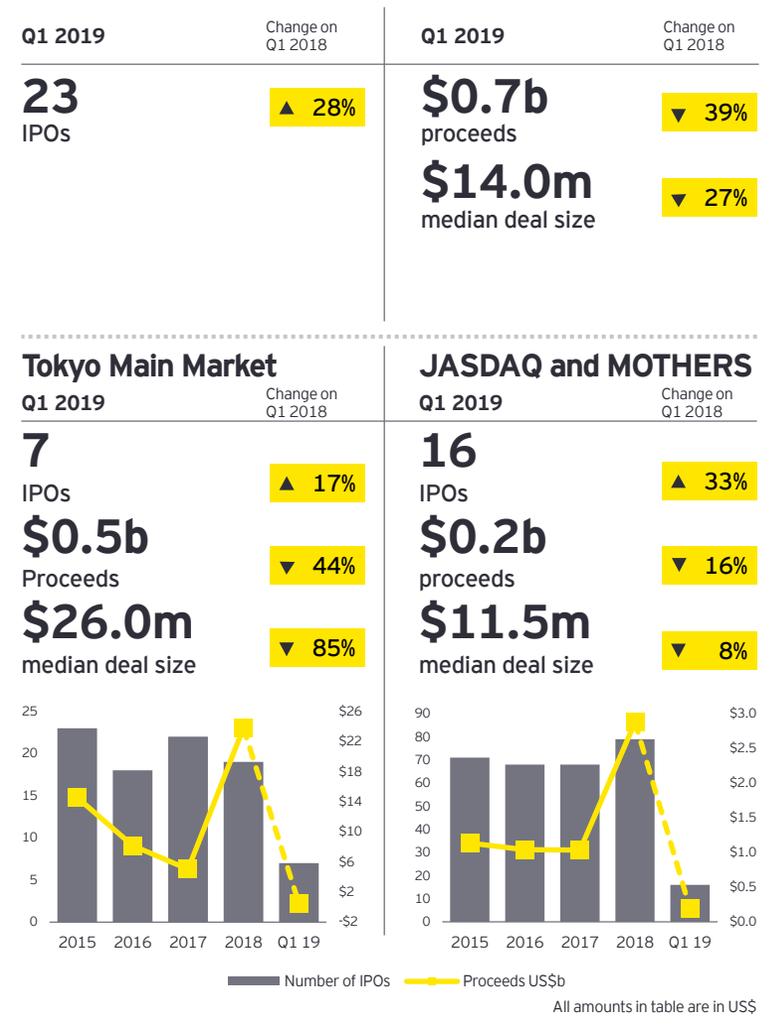
Shinichiro Suzuki

EY Japan IPO Leader

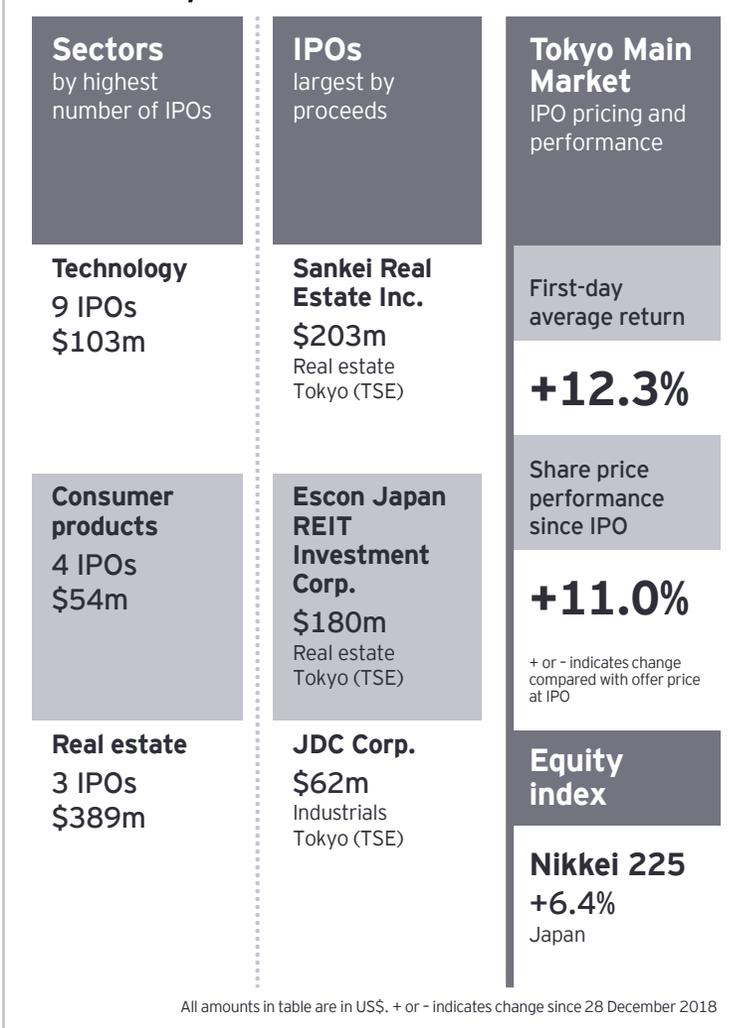
Highlights from the market

- ▶ **Japan continues to demonstrate strength in its IPO markets with Q1 2019 numbers exceeding that of Q1 2018.** There were 23 IPOs in Q1 2019 versus 18 IPOs in Q1 2018, but proceeds (US\$689m) were lower than Q1 2018 (US\$1.1b). Moreover, **Tokyo Stock Exchange ranked number two among the top 10 exchanges by deal number in Q1 2019.**
- ▶ The top three sectors in Q1 2019 by deal numbers were technology, consumer products and real estate
- ▶ **Japan's large corporations continue to demonstrate strong and steady performance, allowing the Nikkei 225 Index to remain stable.** Strong Abenomics reform policies and Japan's hosting of the Rugby World Cup in 2019 and the Olympics in 2020 are contributing to Japan's strong economy. These combined factors create a favorable IPO market in Japan.
- ▶ The Tokyo Stock Exchange (TSE) currently has four markets: Main Market Section 1, Main Market Section 2, JASDAQ and MOTHERS. Of the 3,650 companies currently listed on the TSE, 2,131 are listed on the Main Market Section 1, with companies ranging in size from large corporations, to mid- and small-size companies. **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). These changes will impact where and how IPO candidates list their companies in the future.
- ▶ Another issue for IPO candidates to consider is **Japan's increasing attention toward corporate governance.** In response, IPO candidates should strengthen their internal controls as part of their IPO preparations.
- ▶ Looking ahead to the remainder 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 like the December 2018 listing of SoftBank Corp., nor are any unicorns on the horizon. Rather, we anticipate more small- and mid-size companies coming to market throughout the year.

Markets



Activity Q1 2019



Europe, Middle East, India and Africa

EMEIA IPO activity delayed by Brexit and other uncertainties

“

Ongoing geopolitical tensions and trade issues, the risk of slower economic growth and uncertainties about Brexit delayed IPO activity in EMEIA in Q1 2019. IPO candidates have become more nervous, proceeding cautiously and taking a ‘wait-and-see’ approach. However, with a number of mega IPOs and unicorns in the pipeline, and a diverse group of candidates, including family businesses, carve-outs and high-growth companies, we anticipate IPO activity to spring into action in the second half of 2019.

Dr. Martin Steinbach

EY Global and EY EMEIA IPO Leader

Highlights from the markets

- ▶ **Geopolitical uncertainty abroad and at home continued to weigh heavily on EMEIA IPO activity in Q1 2019.** Indirectly, EU economies are reacting to US-China trade tensions. More directly, the risk of a hard Brexit, looming US-EU trade issues relating to the automotive sector, and slower growth and faltering economic conditions in the largest EU economies have dampened market sentiment. As such, **IPO candidates are proceeding cautiously "on sight," navigating their strategic options in a dense fog of uncertainties.** As a result, EMEIA exchanges posted only 42 IPOs raising a total of US\$1.4b in Q1 2019, significantly below Q1 2018 levels in both volume and proceeds.
- ▶ In **Europe**, Northern EU economies continue to be stable and interest rates remain low. However, with the three of the four largest EU countries struggling, and ongoing trade issues with the US, investor confidence is muted. Q1 2019 deal numbers were down 51%, while proceeds fell by 98% compared with Q1 2018.
- ▶ In **the UK**, the global slowdown compounded by ongoing uncertainty around Brexit continues to inhibit UK IPO markets. Q1 2019 saw only four IPOs, with total proceeds of US\$154m.
- ▶ In **India**, a liquidity crisis among non-bank lenders caused a correction in the Indian stock market in Q4 2018, which has continued to impact Q1 2019 IPO activity. 5 of the 14 IPOs in Q1 2019 were launched on the main board of National or Bombay stock exchanges. EMEIA's two largest IPOs in Q1 2019 were listed on National Stock Exchange, accounting for 94% of India's proceeds.
- ▶ In the **Middle East and North Africa (MENA)**, a drop in oil prices, coupled with geopolitical tensions in the region and volatility in global equity markets, have caused investors in MENA IPO markets to press pause. Only two IPOs came to market in Q1 2019 with total proceeds of US\$15m.
- ▶ **Technology and consumer products posted the highest number of IPOs in Q1 2019.** Real estate and media and entertainment dominated in terms of proceeds.
- ▶ **Cross-border IPO activity level remained constant in Q1 2019,** accounting for 9% of EMEIA companies' IPO activity in both Q1 2019 and in 2018.

Markets

Q1 2019	Change on Q1 2018	Q1 2019	Change on Q1 2018
42 IPOs	▼ 65%	\$1.4b proceeds	▼ 93%

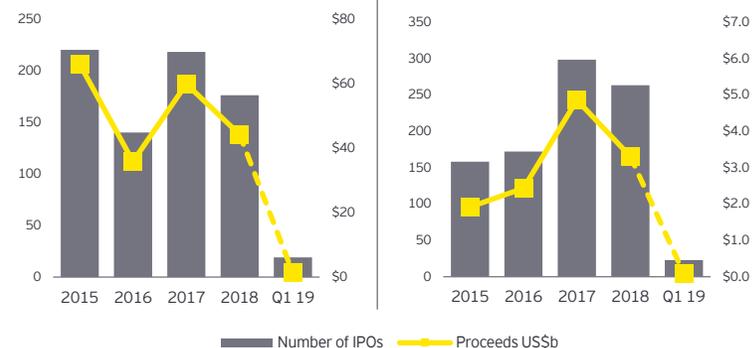
All amounts in table are in US\$

Main markets

Q1 2019	Change on prior year quarter
19 IPOs	▼ 62%
\$1.3b proceeds	▼ 93%

Junior markets

Q1 2019	Change on prior year quarter
23 IPOs	▼ 67%
\$0.1b proceeds	▼ 90%



All amounts in table are in US\$

Activity Q1 2019

Stock exchanges

By highest proceeds

National and Bombay Stock Exchange

\$941m
14 IPOs
India

London (Main and AIM)
\$154m
4 IPOs
UK

Malta
\$55m
1 IPO
Malta

Sectors

by highest number of IPOs

Technology
16 IPOs
\$138m

Consumer products
7 IPOs
\$163m

Materials
4 IPOs
\$7m

IPOs

largest by proceeds

Embassy Office Parks REIT*
\$659m

India
Real estate
National (NSE)

Chalet Hotels Ltd.
\$230m

India
Media and entertainment
National (NSE)

DWF Group plc*
\$124m

UK
Consumer products
London (LSE)

All amounts in table are in US\$

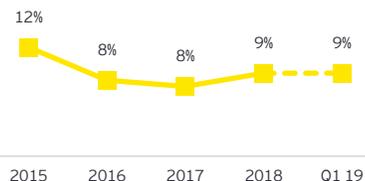
*Indicates transactions that are expected to be completed prior to 31 March. Transaction size are estimated using mid-point of proposed price range. All values are US\$ unless otherwise noted. | Q1 2019 and Q1 19 refer to the first quarter of 2019 and include IPOs completed or with expected pricing dates prior to 31 March. Data as of 15 March 2019.

Trends

Cross-border activity Q1 2019

EMEIA issuers' cross-border activity

Percentage of all EMEIA issuers



Cross-border

9.3% of all EMEIA issuers* listed abroad



Q1 2019

Outbound

2.3% 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



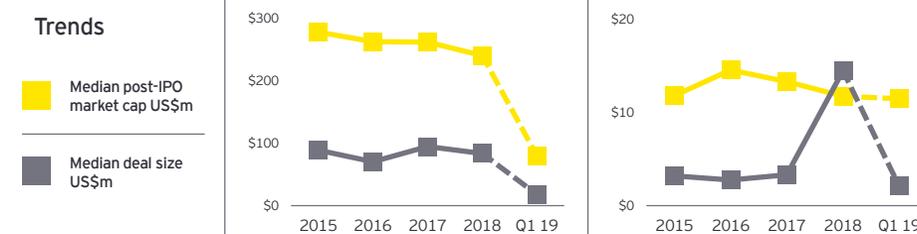
*There were 43 IPOs by EMEIA issuers in Q1 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.
 ** There were 13 cross-border IPOs globally in Q1 2019.

Although Q1 2019 was a remarkably slow quarter, those EMEIA IPOs that did come to the main markets experienced average first-day returns of around 4% and current returns of around 46%, giving IPO investor sentiment a bit of a boost.

Transaction sizes Q1 2019

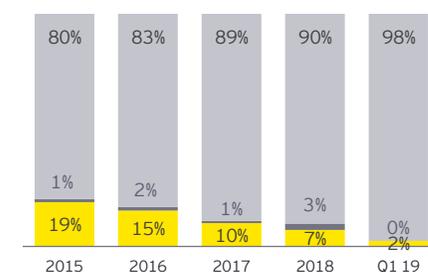
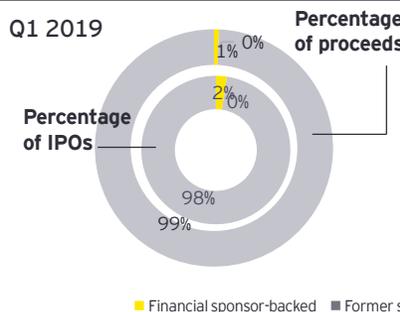
	Main markets		Junior markets	
	Q1 2019	Change on Q1 2018	Q1 2019	Change on Q1 2018
Median post-IPO market cap	\$80.0m	▼ 81%	\$11.5m	▼ 2%
Median deal size	\$18.0m	▼ 88%	\$2.1m	▼ 30%

Trends



Sources of IPOs

Q1 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 Q1 2019			Equity indices Q1 2019				Volatility indices		
	First-day average return	Share price performance since IPO	BSE SENSEX +4.7% India	CAC 40 +14.3% France	DAX 30 +9.7% Germany	Euro STOXX 50 +12.3% Europe	VSTOXX® 13.65 index level -42.8% YTD	VDAX® 14.53 index level -37.9% YTD	VFTSE 100 12.73 index level -43.2% YTD
Main markets	+3.8%	+46.1%	FTSE 100 +6.7% UK	JSE All Share +6.4% South Africa	MICEX +4.2% Russian Federation	Tadawul All Share +9.0% Saudi Arabia			
Junior markets	+6.7%	+11.4%							

+ or - indicates change compared with offer price at IPO

+ or - indicates change since 29 December 2017

+ indicates a increase in volatility as at 14 March 2019 compared with 28 December 2018 for year-to-date (YTD). Whereas - indicates an decrease in volatility over the same time period.

Outlook

- ▶ **Looking ahead to 2019, a number of uncertainties prevail:** US-China-EU trade tensions, Brexit and uncertainty with respect to the stability of some European country economies. At the same time, with interest rates likely to rise in the US in the medium term, it's only a matter of time before the European Central Bank feels the pressure to follow suit. These issues will likely continue to dampen IPO activity in the quarters to come. On the positive side, **many equity markets within EMEIA saw higher valuations and lower levels of volatility** during Q1 2019.
- ▶ Overall, **due to strong fundamentals and investor confidence, EMEIA IPO markets are expected to remain a dominant force globally in 2019.**
- ▶ **In Europe**, all eyes will be on the four largest economies. With the four largest economies (namely, Germany, UK, France and Italy) currently struggling with slower economic growth, it remains to be seen how markets will react. The good news for European markets is that despite the geopolitical tensions, many stock indices are up and market volatility is down, giving **reasons for investors to maintain confidence and pursue IPO investments that arise in the second half of 2019.**
 - ▶ From a regulatory standpoint, Europe is issuing guidance around initial coin offerings (ICOs), which may impact the capital raising activity of early-stage companies.
 - ▶ **In the UK**, Brexit will likely find resolution in Q2 2019. Once there is more clarity in terms of how the UK and the EU move forward (a hard or soft Brexit), we anticipate a sudden pickup of IPO activity, with cross-border IPOs leading the way in Q2 2019 and UK companies readying themselves for the second half of the year.
 - ▶ **In India**, the performance of equity markets may improve if the Reserve Bank of India (RBI) takes measures to ease liquidity restrictions. Equity markets may also receive a boost with an increase in election-related government spending or if Indian companies see an increase in corporate earnings. This, in turn, could boost IPO activity in the quarters ahead. Despite these favorable factors, markets may react negatively to growing tensions between India and Pakistan.
- ▶ Across **MENA**, although pipelines are strong, IPO candidates may continue to proceed cautiously in Q2 2019, in response to continued fluctuations in oil prices and geopolitical tensions in the region. But **there are positive opportunities ahead for MENA IPO activity:** Saudi Arabia is planning to privatize more than 20 companies in 2019, undertaking IPOs and other transactions for each company while maintaining minority interest. This, combined with NASDAQ Dubai introducing futures trading on the MSCI United Arab Emirates Index in 2019 and with Kuwait appearing on the Dow Jones Global Benchmark Indices with an emerging market classification, should lift MENA IPO activity levels for the rest of 2019.
- ▶ Given the ongoing political and economic instability in many key African markets, we continue to anticipate that **African IPO activity will remain slow** for the first half of 2019.

Markets Q1 2019

Q1 2019 Change on Q1 2018

23 IPOs ▼ 51%

6% of IPOs are financial sponsor-backed

Q1 2019 Change on Q1 2018

\$351m proceeds ▼ 98%

3% of IPOs are financial sponsor-backed

All amounts in table are in US\$

Main markets

Q1 2019 Change on Q1 2018

9 IPOs ▼ 67%

\$274m Proceeds ▼ 98%



Junior markets

Q1 2019 Change on Q1 2018

14 IPOs ▼ 30%

\$77m proceeds ▼ 90%



All amounts in table are in US\$

Activity Q1 2019

Sectors

by highest number of IPOs

Technology
12 IPOs | \$103m

Consumer products
4 IPOs | \$159m

Health care
3 IPOs | \$78m

IPOs

largest by proceeds

DWF Group plc*
\$124m Consumer products, London (LSE)

BMIT Technologies plc
\$55m Technology, Malta (MSE)

Sequana Medical NV
\$31m Health care, Euronext (Brussels)

Stock exchanges
by highest total proceeds

London (Main and AIM)
\$154m | 4 IPOs UK

Malta (MSE)
\$55m | 1 IPO Malta

Euronext and Alternext
\$40m | 2 IPOs France, Belgium, Netherlands, Portugal

All amounts in table are in US\$

Trends Q1 2019

Transaction sizes

	Main markets	Change on Q1 2018	Junior markets	Change on Q1 2018
Median post-IPO market cap	\$86.0m	▼ 85%	\$22.0m	▼ 47%
Median deal size	\$21.0m	▼ 94%	\$4.0m	▼ 35%

Cross-border IPOs: top IPO issuers

Cross-border
17% of all Europe issuers* listed abroad

4 IPOs

Outbound
4.2% of all Europe issuers* listed outside Europe

1 IPOs

Inbound
0% of cross-border IPOs globally** listed on European exchanges but came from outside Europe

0 IPOs

*There were 24 IPOs by European issuers in Q1 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 13 cross-border IPOs globally in 2018.

Performance Q1 2019

Equity indices

CAC 40
+14.3%
France

DAX 30
+9.4%
Germany

Euro STOXX 50
+12.3%
Europe

FTSE 100
+6.7%
UK

Volatility index

VSTOXX®
-42.8% | 13.6 index level
YTD

VFTSE 100
-43.3% | 12.7 index level
YTD

+ indicates a increase in volatility as at 14 March 2019 compared with 28 December 2018 for year-to-date (YTD).

+ or - indicates change since 29 December 2018

IPO pricing and performance

First-day average return

Main markets **+3.4%**

Junior markets **+7.8%**

Share price performance since IPO

Main markets **+93.0%**

Junior markets **+13.68%**

+ or - indicates change compared with offer price at IPO

EMEA – UK IPO market insight

Brexit and a global economic slowdown further dampen IPO activity in Q1 2019

“

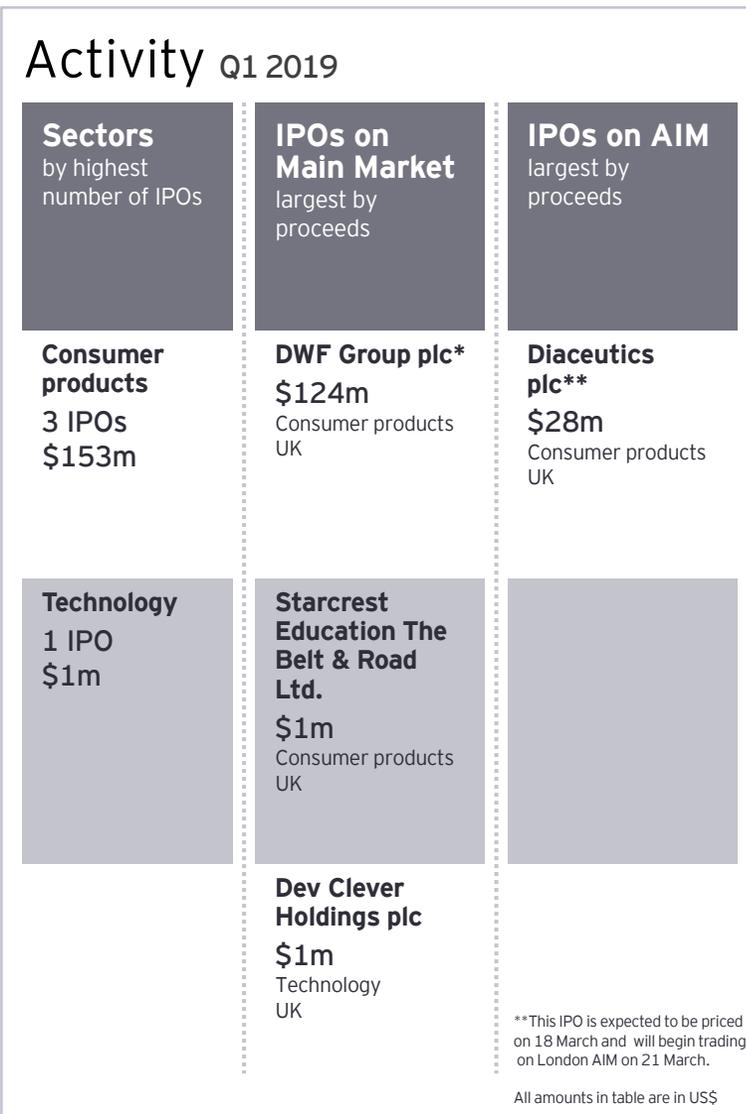
The slowdown in global economies compounded with the on-going impact of an unresolved Brexit has led to a quiet Q1 2019 for IPOs in London, mirroring the trends witnessed in other key markets. There is, however, a healthy pipeline of both domestic and international candidates intending to list in London this year and beyond, and even in these less certain times, a continued stream of follow-on fund raisings demonstrates the depth of market available in London which will be available to new market entrants once the dust settles on Brexit route and timing. London remains one of the pre-eminent markets to list on in Europe.

Scott McCubbin

EY UK and Ireland IPO Leader

Highlights from the markets

- ▶ Although Q1 is historically a quiet quarter, **the global slowdown compounded by ongoing uncertainty around Brexit continues to inhibit IPO markets in the UK.** Only four companies issued IPOs, with total proceeds of US\$154m – a drop of 56% by deal numbers and 87% in proceeds from Q1 2018.
- ▶ Q1 2019 is the slowest first quarter in terms deal numbers and proceeds since Q1 2013 (8 IPOs raising US\$354m in total).
- ▶ Despite the dearth of transactions, **UK IPO pipelines remain robust.** Additionally, as demonstrated by follow-on equity offerings of US\$3.5b raised through 111 transactions so far in 2019, deep pools of capital remain available in London which can be accessed when the IPO window reopens.
- ▶ As soon as there is clarity regarding the direction of Brexit, **we expect a resurgence of IPO activity and anticipate a higher percentage of cross-border IPOs coming to the London Main Market and AIM as early as Q2 2019.**
- ▶ **Traditional businesses with strong equity stories** and limited sensitivity to domestic markets are likely to have the best chance of success in the current market. **There are investors with capital to invest in the right company at the right valuation.**
- ▶ **IPO candidates should continue to take the pause in the UK IPO market to prepare for their listing** so that they are well-positioned to take advantage of the timing when the IPO transaction window reopens later in 2019.



*Indicates transactions that are expected to be completed prior to 31 March. Transaction size are estimated using mid-point of proposed price range.
 All values are US\$ unless otherwise noted. | Q1 2019 and Q1 19 refer to the first quarter of 2019 and include IPOs completed or with expected pricing dates prior to 31 March. Data as of 15 March 2019.

Trends

Cross-border activity Q1 2019

UK IPO activity may be sluggish in Q1 2019, but pipelines remain strong. Once Brexit negotiations are finalized, we anticipate a number of IPOs coming to the UK capital markets with cross-border deals in the vanguard.

Leaving UK

Outbound

33.3% of UK issuers* listed abroad

2
IPOs

Coming to UK

Inbound

0% of cross-border IPOs globally** were listed on UK exchanges

0
IPOs

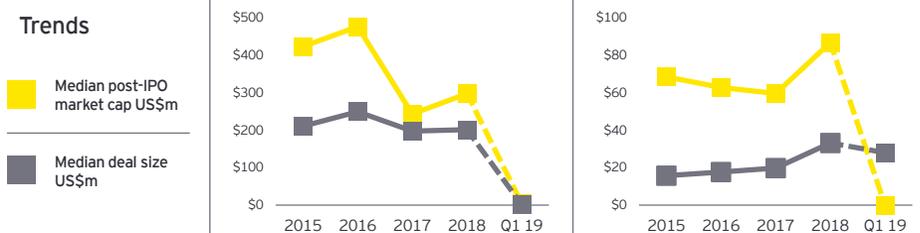
*There were 6 IPOs by UK issuers in Q1 2019. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 13 cross-border IPOs globally in Q1 2019.

Transaction sizes

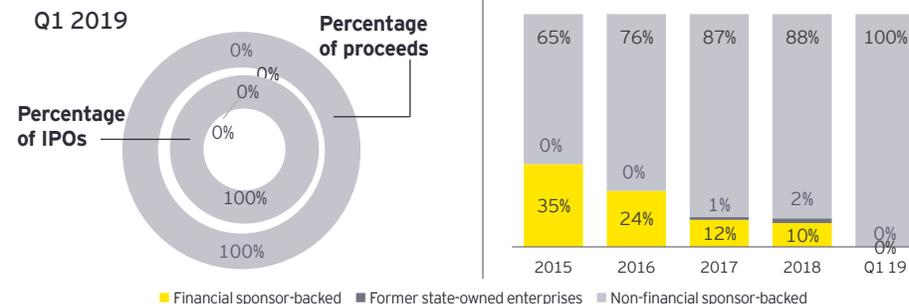
	London Main Market	London AIM
	Q1 2019	Q1 2019
	Change on Q1 2018	Change on Q1 2018
Median post-IPO market cap	\$5.5m ▼ 99%	\$0m* ▼ NA%
Median deal size	\$1.4m ▼ 99%	\$28m* ▼ 277%

Trends



*AIM saw 1 IPO which raised US\$28m in Q1 2019, with first trade date by the end of March.

Sources of IPOs



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

Performance

IPO pricing and performance Q1 2019

	First-day average return	Share price performance since IPO
London Main Market	—*	—*
London AIM	—**	—**

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

*Returns are not defined in Q1 2019 as only 2 of the 3 Main Market IPO was already trading by 14 March and the only IPO on AIM would only start trading by end of March 2019.

Equity indices Q1 2019

FTSE 100
+6.7%
UK

FTSE 350
+7.3%
UK

FTSE AIM All-Share
+7.4%
UK

+ or - indicates change since 28 December 2018

Volatility indices

FTSE 100 VIX (VFTSE 100)
12.73 index level
-43.3%
YTD

+ indicates a increase in volatility as at 14 March 2019 compared with 28 December 2018 for year-to-date (YTD) . Whereas - indicates an decrease in volatility over the same time period.

Outlook

- ▶ Once there is greater clarity in terms of how and when the UK will leave the EU, **we anticipate a rebound of activity in the UK IPO market.** IPO candidates that have been sitting on the sidelines continue to make preparations to access on pent-up investor funds once the IPO window reopens.
- ▶ We expect **the first flurry of deals to come to the market include a number of cross-border IPOs with a resurgence in local IPO candidates in the second half of the year,** once the dust has hopefully settled on Brexit.
- ▶ In terms of which sectors will have a breakout year in 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 first half of 2019.



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	35	17.6
2	Tokyo (TSE), MOTHERS and JASDAQ	23	11.6
3	NASDAQ	19	9.5
4	Shenzhen (SZSE and Chinext)	18	9.0
5	National (NSE and SME) and Bombay (BSE and SME)	14	7.0
6	Shanghai (SSE)	12	6.0
7	Korea (KRX and KOSDAQ)	9	4.5
8	Australia (ASX)	8	4.0
9	Bursa Malaysia + ACE Market + LEAP Market Indonesia (IDX)	7	3.5
10	Indonesia (IDX)	7	3.5
11	Toronto (Main and Venture)	5	2.5
12	NASDAQ OMX and First North	5	2.5
	Other stock exchanges (17)	37	18.6
	Global IPO activity	199	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	Hong Kong (HKEx) and GEM	2.7	20.5
2	NASDAQ	2.5	19.1
3	Shenzhen (SZSE and Chinext)	2.2	16.8
4	Shanghai (SSE)	1.5	11.6
5	National (NSE and SME) and Bombay (BSE and SME)	0.9	7.2
6	Tokyo (TSE), MOTHERS and JASDAQ	0.7	5.3
7	New York (NYSE)	0.6	4.2
8	Bursa Malaysia + ACE Market + LEAP Market	0.5	3.9
9	Korea (KRX and KOSDAQ)	0.5	3.6
10	Toronto (Main and Venture)	0.2	1.4
11	Thailand (SET and MAI)	0.2	1.4
12	London (Main and AIM)	0.2	1.2
	Other stock exchanges (17)	0.5	3.7
	Global IPO activity	13.1	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

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 2019	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)	Proceeds US\$b current quarter: Q1 2019	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)
US	20	-57%	-53%	3.0	-82%	-61%
Canada¹	10	100%	-38%	0.2	33%	-30%
Brazil²	0	NA	NA	0.0	NA	NA
Mexico³	0	-100%	-100%	0.0	-100%	-100%
Jamaica⁴	0	-100%	-100%	0.0	-100%	-100%
Chile⁵	1	0%	NA	0.1	-36%	NA
Trinidad & Tobago⁶	0	NA	-100%	0.0	NA	-100%
Americas	31	-44%	-52%	3.3	-83%	-60%

1. In Q1 2019, there were 5 IPOs raising US\$188m in total on Toronto Stock Exchange and TSX Venture Exchange. There were also 5 IPOs on Canadian Securities Exchange that raised US\$4m altogether – these listings were excluded on page 8. Whereas in Q1 2018, there were 4 IPOs raising US\$143m on Toronto Stock Exchange and TSX Venture Exchange, while there was only 1 IPO on Canadian Securities Exchange that raised US\$0.4m. In comparison, Q4 2018 saw 8 IPOs raising US\$252m on Toronto Stock Exchange and TSX Venture Exchange, while there were 8 IPO on Canadian Securities Exchange that raised US\$22m combined.

2. In Q1 2019, Q1 2018 and Q4 2018, there were no IPOs on Brazil's B3 exchange.

3. In Q1 2019, there was no IPOs on Mexican Stock Exchange. Whereas in Q1 2018, there were 2 IPOs that raised a combined US\$2.3n and in Q4 2018, there were 2 IPOs which raised a total of US\$252m.

4. In Q1 2019, there was no IPOs on Jamaica Stock Exchange. In comparison, Q1 2018 saw 1 IPO which raised US\$1.1m and in Q4 2018, there were 2 IPOs which raised a total of US\$15m.

5. In Q1 2019, there was one IPO on Chile's Santiago Stock Exchange which raised US\$69m whereas in Q1 2018, there was one IPO which raised US\$108m. In Q4 2018, there were no IPOs on Santiago Stock Exchange.

6. In Q1 2019 and Q1 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

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 19	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)	Proceeds US\$b current quarter: Q1 19	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)
Indonesia	7	75%	-65%	0.08	258%	-58%
Thailand	4	-33%	-67%	0.19	-50%	-91%
Singapore	3	0%	0%	0.02	-95%	0%
Malaysia	7	17%	0%	0.51	12%	18%
Myanmar	0	-100%	NA	0.00	-100%	NA
Philippines	0	NA	NA	0.00	NA	NA
Sri Lanka	0	NA	NA	0.00	NA	NA
Cambodia	0	NA	NA	0.00	NA	NA
Vietnam	0	-100%	NA	0.00	-100%	NA
Asean¹	21	0%	-50%	0.79	-17%	-67%
Mainland China	30	-17%	67%	3.71	-41%	14%
Hong Kong	35	-44%	-30%	2.68	-14%	-51%
Taiwan	0	-100%	-100%	0.00	-100%	-100%
Greater China	65	-34%	-7%	6.39	-32%	-27%
Japan	23	28%	-26%	0.69	-39%	-97%
South Korea	9	0%	-74%	0.47	25%	-42%
Australia	8	-58%	-64%	0.06	-68%	-92%
New Zealand ²	0	NA	NA	0.00	NA	NA
Oceania	8	-58%	-64%	0.06	-68%	-92%
Asia-Pacific	126	-24%	-37%	8.39	-30%	-76%

1. There were no IPOs on Myanmar, Philippines, Sri Lanka, Cambodia and Vietnam's stock exchanges during Q1 2019.

2. In Q1 2019 and 2018, there were no IPOs on New Zealand Exchange.

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

Regional IPO facts and figures: EMEIA

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 19	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)	Proceeds US\$b current quarter: Q1 19	Change QOQ% (vs Q1 18)	Change previous quarter% (vs Q4 18)
Nordics (Denmark, Norway, Sweden and Finland)	7	-56%	-72%	0.1	-97%	-82%
Commonwealth of Independent States (CIS)	0	NA	NA	0.0	NA	NA
Central and Southern Europe (CSE)	4	-20%	-50%	0.1	-1%	-92%
Germany, Switzerland and Austria (GSA)	2	-78%	-33%	0.0	-1%	-99%
Mediterranean (Italy and Spain)	4	33%	-56%	0.0	-98%	-97%
WEM (Western Europe and Maghreb)	2	-60%	-71%	0.0	-96%	-97%
Continental Europe	19	-50%	-63%	0.2	-99%	-97%
UK and Ireland¹	4	-56%	-64%	0.2	-87%	-93%
Europe	23	-51%	-63%	0.4	-98%	-96%
Africa²	1	NA	-50%	0.0	NA	-84%
India³	16	-74%	14%	1.0	-65%	210%
Middle East and North Africa⁴	2	-1%	-60%	0.0	-1.0%	-99%
EMEIA	42	-65%	-50%	1.4	-93%	-88%

1. In Q1 2019, there were 3 IPOs on London Main Market which raised US\$154m in total, while there was 1 IPO on AIM which raised US\$28m. There was no IPO activity on Dublin Stock Exchange.

2. In Q1 2019, there was 1 IPO on African exchanges which raised US\$0.02b. Whereas, there was no IPO activity on African exchanges in Q1 2018 and there was 2 IPOs which raised US\$0.13b in Q4 2018.

3. India includes India's National and Bombay Stock Exchange Main Market and SME (14 IPOs, US\$0.94b). There was 2 IPOs raising a total of US\$30m on Bangladesh's Dhaka Stock Exchange in Q1 2019.

4. Middle East and North Africa includes IPO activity on Israel's Stock Exchange (1 IPOs, US\$15m) in Q1 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 Q1 2019 (▲)

Stock exchange regions	Technology	Health care	Industrials	Consumer products	Materials	Real estate	Consumer staples	Media and entertainment	Financials	Energy	Retail	Telecommunications
Americas	▲	▲			▲							
▸ US	▲	▲							▲			
Asia-Pacific	▲	▲	▲									
▸ Greater China ²	▲		▲		▲				▲			
▸ Japan	▲			▲		▲						
EMEA	▲			▲	▲							
▸ Europe	▲	▲		▲								
▸ UK ³	▲			▲								
Global	▲	▲	▲									
Q1 2019 IPO activity	45	32	24	18	17	12	12	12	10	8	8	1

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 Q1 2019, Greater China exchanges saw four active sectors. Industrials led with 12 IPOs and technology saw 8 IPOs. Both financials and materials accounted for 6 IPOs each, with proceeds of US\$1.3b and US\$311m, respectively.

3. For Q1 2019, UK exchanges saw only two active sectors. Consumer products accounted for 3 IPOs while technology saw 1 IPO.

Methodology

- ▶ The data presented in the *Global IPO trends: Q1 2019* report and press release is from Dealogic and EY. Q1 2019 (i.e., January–March) and YTD 2019 (January–March) is based on priced IPOs as of 15 March 2019 and expected IPOs in March. Data is up to 15 March 2019, 12 p.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.
- ▶ **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 8 March 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 Q1 2019 with Q1 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 8 March 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 three months of 2019 with the first three months of 2018 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 11 March 2019 plus expected IPOs by the end of March.

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ED None

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