



Global IPO trends: Q3 2017

Global IPOs on course for
the busiest year since 2007



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

All set for a bumper 2017

"At the nine-month point of the year, the global IPO market has continued to build strong momentum. Given the strengthening IPO sentiment with relative low volatility and valuations at high levels, we expect a year-end rally in the fourth quarter, traditionally the busiest IPO quarter of the year. Final numbers for 2017 could fall in the range of 1,600 to 1,700 IPOs and US\$190b to US\$200b in capital raised and this would mark 2017 as the best year for global IPO performance since 2007."

Dr. Martin Steinbach

EY Global and EMEA IPO Leader

Highlights from the markets

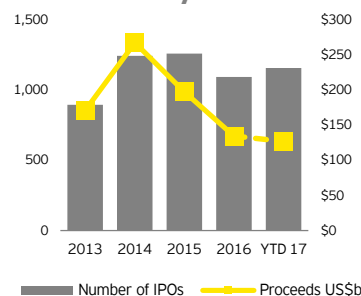
- ▶ 2017 is proving much better than 2016 for IPOs globally, **IPO volume in the first nine months of 2017 (YTD 2017) has already exceeded the full-year totals for 2016**. This period saw 1,156 deals raising US\$126.9b in the first nine months of 2017, a healthy increase of 59% by number of IPOs and 55% by proceeds compared with the first nine months of 2016.
- ▶ **Megadeals were back with a bang this quarter and from all parts of the globe**. Q3 2017 saw 10 US\$1b+ deals pushing stock exchanges in Brazil, Singapore, Switzerland and India into the list of the world's top 10 by capital raised, behind Shanghai and Hong Kong.
- ▶ **Asia-Pacific continues to dominate IPO activity both by number of deals and proceeds**, accounting for 60% of IPOs and 42% of capital raised worldwide so far in 2017.
- ▶ **Both EMEA and the Americas exchanges have been more active in the first nine months of 2017** compared with 2016. In EMEA, the number of IPOs has increased by 38% and proceeds by 47% compared to the first nine months of 2016, while deal number in the Americas is 57% higher and capital raised rose by a significant 151%.
- ▶ **US IPO activity in 2017 appears as a spike because 2016 was an unusually slow year**, due to uncertainties surrounding the US election and interest rate hikes, and narrower transaction windows.
- ▶ **Industrials has been the most active sector in Q3 2017** with 70 IPOs, followed by technology with 52 IPOs and consumer products with 39 IPOs. Technology leads by proceeds with US\$5.9b raised.
- ▶ **The proportion of cross-border deals has increased each quarter this year** by deal number and capital raised, surpassing full-year 2016 levels.

Markets

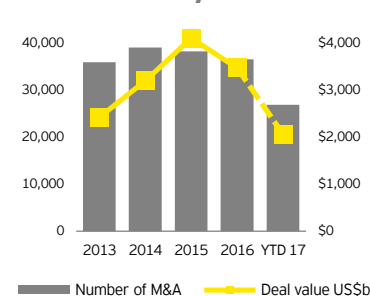
YTD 2017	Change on prior year	Q3 2017	Change on prior year quarter
1,156 IPOs globally	▲ 59%	330 IPOs globally	▲ 21%
\$126.9b proceeds	▲ 55%	\$37.6b proceeds	▼ 0.2%

All amounts in table are in US\$

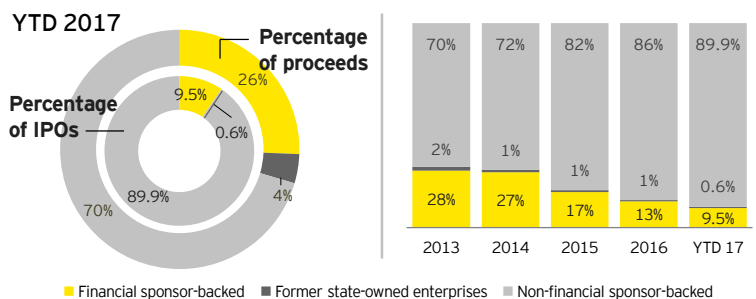
IPO activity



M&A activity



Sources of IPOs



Figures may not total 100% due to rounding

Activity Q3 2017

Stock exchanges
by highest total proceeds

Shanghai (SSE)
\$4.0b
56 IPOs

Hong Kong (HKEx)+GEM
\$3.9b
36 IPOs

Sao Paulo (B3)
\$3.6b
6 IPOs

Sectors
by highest number of IPOs

Industrials
70 IPOs
\$4.9b

Technology
52 IPOs
\$5.9b

Consumer products
39 IPOs
\$2.5b

IPOs
largest by proceeds

Landis+Gyr Holding AG
\$2.4b
Technology
Switzerland
Swiss (SIX)

NetLink NBN Trust
\$1.7b
Telecom
Singapore
Singapore (SGX)

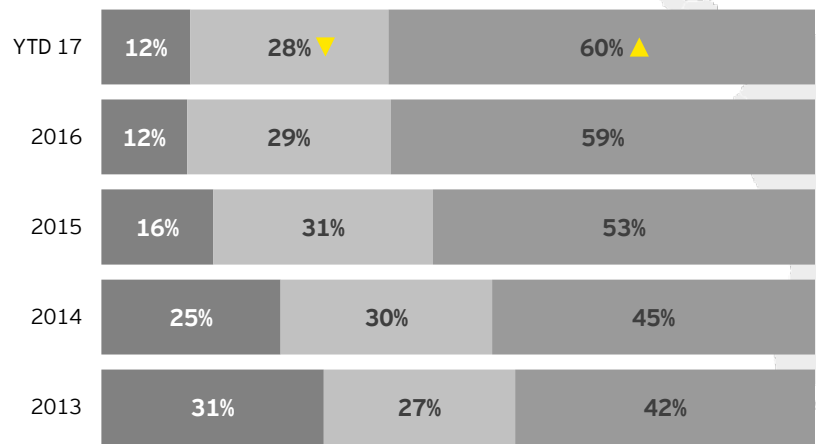
ZhongAn Online P&C Insurance Co., Ltd.
\$1.5b
Financials
China
Hong Kong (HKEx)

All amounts in table are in US\$

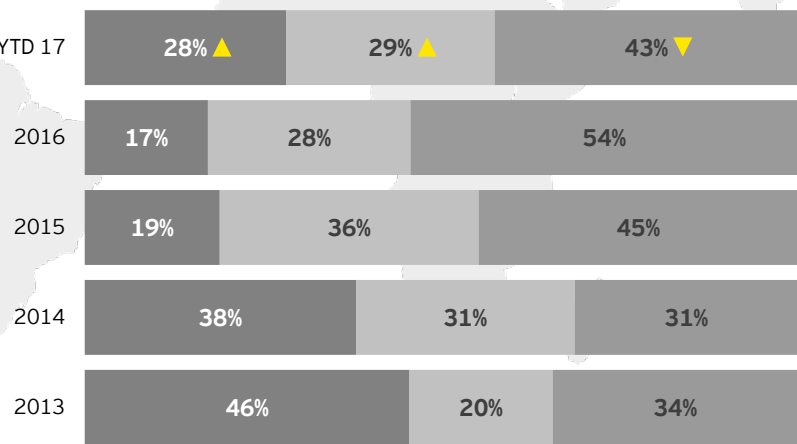
Regional performance and trends

Globally, financial sponsor-backed IPOs continue to fall as a proportion of all deals (10% in the first nine months of 2017 compared with 14% in the prior year). We are seeing start-ups looking at alternative ways of raising capital, such as initial coin offerings. In response we are noticing a growing worldwide trend of relaxation of IPO regulations making it easier for IPO candidates to go public.

Regional share by number of IPOs



Regional share by proceeds

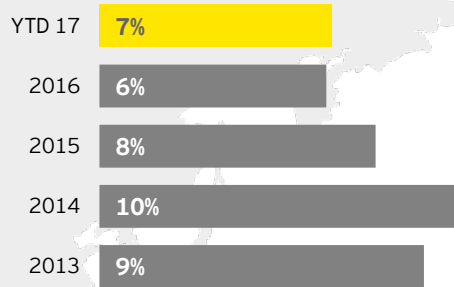


▲ or ▼ = increase or decrease for YTD 2017 compared with the full year of 2016
Figures may not total 100% due to rounding.

■ Americas ■ EMEIA ■ Asia-Pacific

Cross-border IPOs

Percentage by number of IPOs globally



Top IPO issuers YTD 2017

by number of IPOs outside home country

- ▶ China (14)
- ▶ Singapore (8)
- ▶ Malaysia (7)
- ▶ Israel (7)
- ▶ US (6)

Top IPO destinations* YTD 2017

by number of IPOs

- ▶ Hong Kong (14)
- ▶ NASDAQ (13)
- ▶ London (12)
- ▶ NYSE (11)
- ▶ Australia (11)

*IPO destinations refer to stock exchanges.

Outlook

- ▶ **Global IPO activity for 2017 is on course to be the busiest year since 2007 with 1,600 to 1,700 IPOs raising US\$190b to US\$200b.** This is due to rallying markets, low volatility, strengthening investor sentiment and a healthy pipeline, absent any concerns emanating from the Korean Peninsula.
- ▶ **Asia-Pacific** is expected to continue to see robust IPO activity for the rest of 2017. **China** is expected to remain dominant due to massive demand for technology IPOs while the **Australian** IPO market is expected to continue to be strong, led by exceptional post-IPO performance and the return of resources companies.
- ▶ After a quiet summer, **US** IPO market activity is accelerating as equity indices are near all-time highs and volatility remains low.
- ▶ Elsewhere in the Americas, strong activity levels in **Brazil** are expected to continue to the end of 2017.
- ▶ **EMEIA** should finish the year on a high, with positive momentum fueled by solid economic fundamentals. Activity in Europe should also remain strong going into Q4 2017. However, investors remain selective and appetite for new stocks may be impacted if the European Central Bank (ECB) decides to reduce its asset purchases at the beginning of 2018. Meanwhile, the fluctuating value of the euro presents another source of uncertainty.
- ▶ In **the UK**, the pipeline is looking strong for the Alternative Investment Market (AIM) and smaller London Main Market listings while IPO activity in India is headed for a record year. More activity from the Middle East is expected.

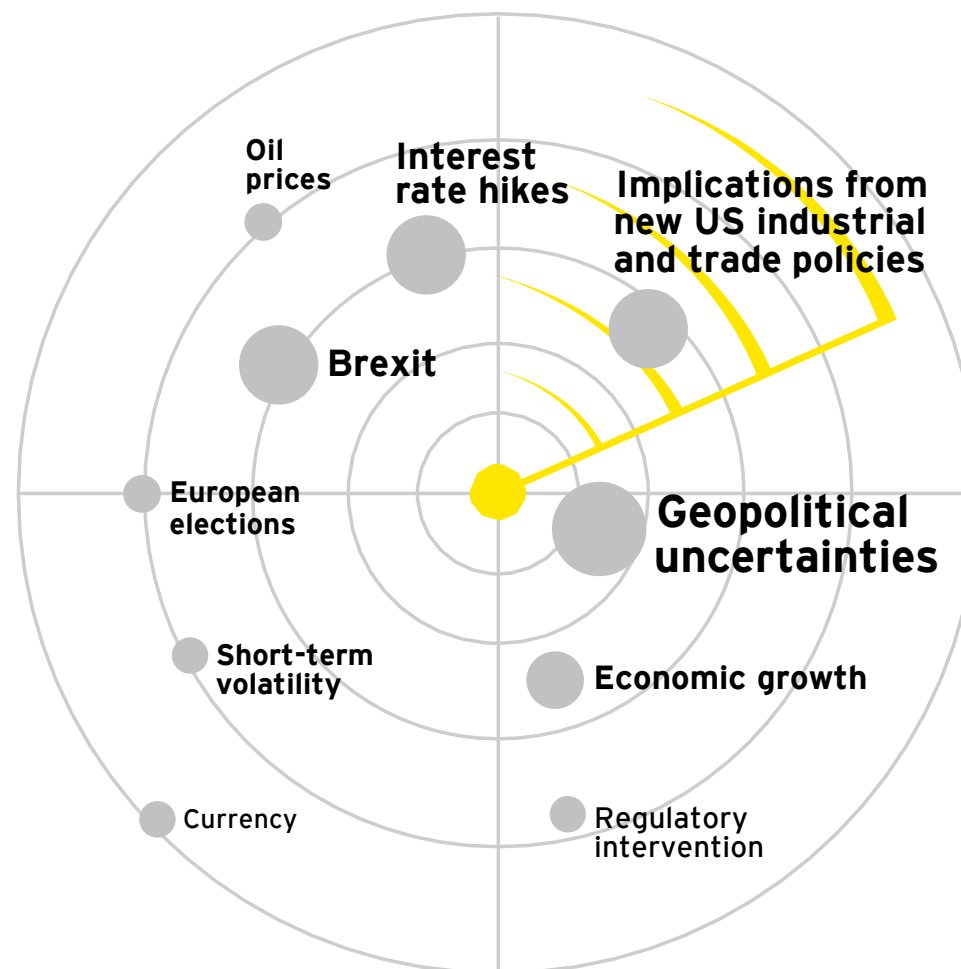
EY IPO sentiment radar

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**



A photograph of a sailboat's deck and rigging, viewed from a low angle looking out over the ocean. The sea is dark blue with white foam from the boat's wake. The sky is overcast and grey. The text is overlaid on the left side of the image.

Americas **Positive momentum continues**

“Uptick in Americas IPO activity in the first half of 2017 continues this quarter, as South America gains momentum with Brazilian and Mexican exchanges featured on the global top 10 deals. IPO pipeline continues to build with the number of deals and proceeds in the first nine months of 2017 already topping all of 2016.”

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the markets

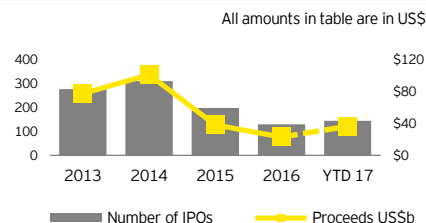
- ▶ There were 146 IPOs in the Americas in the first nine months of 2017 raising US\$35.9b, an increase of 151% in terms of proceeds and 57% by volume compared with prior year. There were 43 IPOs during Q3 2017 raising US\$8.9b, an increase of 25% by proceeds and 10% by volume compared to Q3 2016.
- ▶ US exchanges saw 27 IPOs in Q3 2017, which raised US\$3.5b, accounting for 63% of Americas deals and 39% of IPO proceeds.
- ▶ Brazil's **B3** saw the highest quarterly number of IPOs since Q4 2013 with 6 IPOs raising US\$3.6b this quarter. The exchange saw 4 of the top 20 IPOs globally in Q3 2017.
- ▶ **South America represented 7 of the top 10 deals on Americas exchanges** that raised a total of \$4.8b between B3 and Mexican Stock Exchange.
- ▶ **3 of the top 10 IPOs in the Americas were cross-border deals on NYSE** that raised a total of US\$1.4b.
- ▶ **Canada's TSX and TSX-V remain active**, with 5 IPOs in Q3 2017 alone, compared to 5 IPOs in 2016.

Markets YTD 2017

146 IPOs
\$35.9b proceeds
\$115.9m median deal size

Change on prior year

▲ 57%
 ▲ 151%
 ▲ 50%



Activity Q3 2017

Stock exchanges by highest total proceeds

B3
 \$3.6b | 6 IPOs Brazil

NYSE
 \$2.0b | 7 IPOs US

NASDAQ
 US\$1.5b | 20 IPOs US

Sectors by highest number of IPOs

Health care
 12 IPOs | \$1.5b

Materials
 7 IPOs | \$0.1b

Technology
 4 IPOs | \$1.1b

IPOs largest by proceeds

Atacadão SA
 \$1.4b Retail, B3, Brazil

Sigma Alimentos SA de CV
 \$1.0b Consumer staples, Mexican (BMV), Mexico

Tivit Terceirizacao de Tecnologia e Servicos SA
 \$0.6b Technology, B3, Brazil

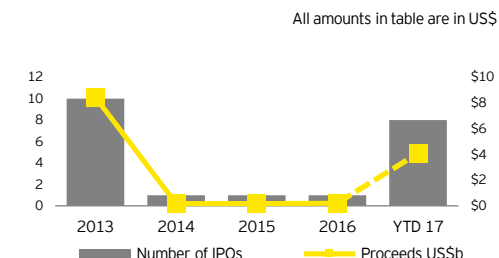
Brazil's B3 YTD 2017

8 IPOs
\$4.1b proceeds
\$426.2m median deal size

Change on prior year

NA*
 NA*
 NA*

*In the first nine months of 2016, BOVESPA saw no IPOs. Hence, comparison of YTD 2017 vs. YTD 2016 is undefined.

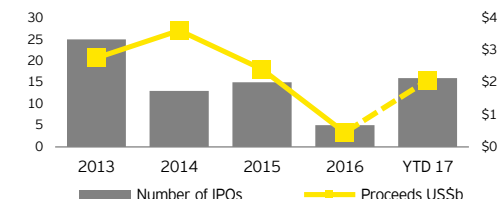


Canada's Toronto Stock Exchange and TSX Venture Exchange YTD 2017

16 IPOs
\$2.1b proceeds
\$13.8 median deal size

Change on prior year

▲ 1,500%
 ▲ 479,982%
 ▲ 3,165%

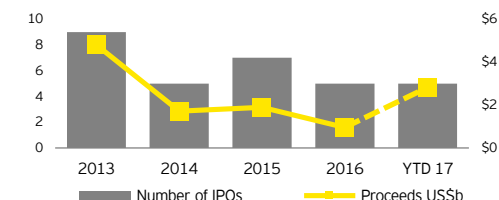


Mexico's Mexican Stock Exchange YTD 2017

5 IPOs
\$2.8b proceeds
\$481.9m median deal size

Change on prior year

67%
 ▲ 1,026%
 ▲ 400%



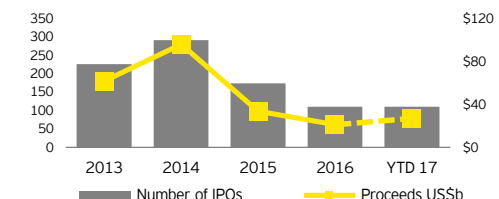
US's NASDAQ and NYSE YTD 2017

111 IPOs
\$26.5b proceeds
\$116.7m median deal size

Change on prior year

▲ 35%
 ▲ 89%
 ▲ 28%

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





Americas – US IPO market insight

Healthy pipeline builds over a quiet summer

“US market activity has accelerated in September setting the stage for continued strength through year-end. With equity indices near all-time highs and constrained volatility, the pipeline continues to build across sectors, led by health care and technology. We see companies ramping up their public company readiness activities in anticipation of filings in Q4 2017 or early 2018.”

Jackie Kelley

EY Americas IPO Markets Leader

Highlights from the market

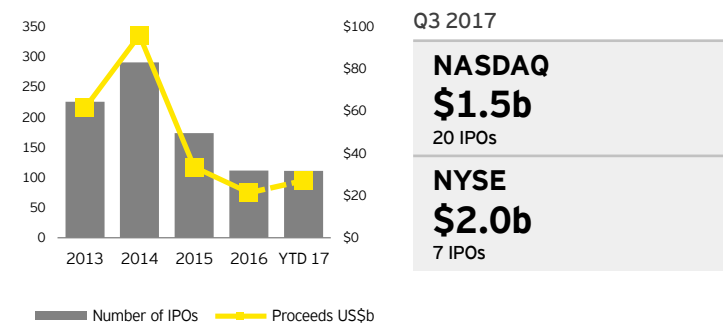
- There were 111 IPOs in the US in the first nine months of 2017 raising US\$26.5b, an increase of 89% in terms of proceeds and 35% by volume compared with prior year to date.
- There were 27 IPOs in the US during Q3 2017 raising US\$3.5b, a decrease of 51% by proceeds and 29% by volume against Q3 2016.
- 11 of the 27 IPOs in the US were cross-border IPOs during Q3 2017**, with 6 of them listed in the top 10.
- Forty percent of the companies listed on the US exchanges were financial sponsor-backed in the first nine months of 2017**, accounting for 70% by proceeds.
- Health care was the most active sector in Q3 2017** by deal number and proceeds, accounting for 37% and 25% respectively. **Energy was the second most active sector** by volume and value.

Markets YTD 2017

111 IPOs

\$26.5b proceeds

40% of IPOs are financial sponsor-backed



IPO activity in 2016 includes one IPO on BATS exchange.

All amounts in table are in US\$

Activity Q3 2017

All amounts in table are in US\$

Sectors

by highest number of IPOs

Health care
10 IPOs | \$0.9b

Energy
3 IPOs | \$0.8b

Technology
3 IPOs | \$0.5b

Real estate
3 IPOs | \$0.5b

Industrials
2 IPOs | \$0.5b

IPOs

largest by proceeds

Venator Materials plc
\$522m Energy, NYSE, UK

BEST Inc.
\$450m Industrials, NYSE, China

Despegar.com, Corp.
\$382m Technology, NYSE, Argentina

TPG RE Finance Trust Inc.
\$220m Real estate, NYSE, US

Oasis Midstream Partners LP
\$181m Energy, NYSE, US

Performance YTD 2017

All amounts in table are in US\$

IPO pricing and performance

US markets

+ or - indicates change compared to offer price at IPO

First-day average return

+14.2%

Share price development since IPO

+10.5%

Equity indices

DJIA
+12.4%
US

S&P 500
+11.5%
US

+ or - indicates change since 31 December 2016

Volatility index

CBOE VIX®
-25.6% | 10.44 index level
YTD

- indicates a decrease in volatility as of 14 September 2017 compared to 30 December 2016 for year-to-date (YTD).

Trends

	YTD 2017	Change on prior year
Median deal size	\$116.7m	▲ 28%
Median post-IPO market cap	\$450.9m	▲ 28%
New public IPO registration filings	Q3 2017 35 IPOs	Q3 2016 39 IPOs

Cross-border IPOs: top IPO issuers YTD 2017

24 IPOs	China 9 IPOs (\$1.1b)
	Europe 6 IPOs (\$1.3b)
	Canada 3 IPOs (\$492m)
	Brazil 2 IPOs (\$792m)
	Israel 2 IPOs (\$81m)
	Argentina 1 IPO (\$382m)
	Australia 1 IPO (\$6m)

Outlook

- The IPO markets will continue to be driven by exits of financial sponsors.
- The technology sector continues to regain strength as unicorns assess when they will go public. Timing is based on when the parties can agree on valuation.
- Biotech, health care and energy companies are eager to access the public markets as many companies have ramped up their internal public company readiness activities in anticipation of filings in Q4 2017 and early 2018.



Asia-Pacific

Asia-Pacific tightens grip on global IPO market, ahead of peak season

"Asia-Pacific continued its dominance on the global IPO market in the third quarter and the outlook for the fourth quarter, historically the year's busiest for new listings, is even more upbeat. Hong Kong remains the preferred hub for cross-border listings in Asia-Pacific while other exchanges in the region are underpinned by their strong domestic listings. In the longer term, solid economic fundamentals, plus government action to support markets and economies in countries like China, Singapore, Australia and Japan, should keep listings strong. However, tensions in the Korean Peninsula could create bumps in the IPO road ahead."

Ringo Choi

EY Asia-Pacific IPO Leader

Highlights from the markets

- ▶ **Asia-Pacific continued to dominate the global IPO markets in Q3 2017, accounting for 65% of IPOs globally and 49% of global capital raised.** However, the pace of listings in the region in Q3 2017 failed to match the previous quarter, with a 4% drop in the total number of deals.
- ▶ Overall, for the first nine months of 2017, Asia-Pacific has seen a total of 690 IPOs raising US\$53.9b, confirming its position as the world's most active region for new listings.
- ▶ Five of the world's ten most active stock exchanges by number of IPOs and four by proceeds in YTD 2017 were located in Asia-Pacific.
- ▶ **Mainland China exchanges were the most active** in the region, hosting 353 IPOs in the first nine months of 2017, ahead of stock exchanges in Hong Kong (105), Australia (61), Japan (57) and South Korea (42).
- ▶ **Asia-Pacific was also strong in terms of megadeals in Q3 2017:** with 4 of the top 10 listings by proceeds and 8 of the top 20. This includes this quarter's second largest IPO: telecommunications company NetLink NBN Trust, which raised US\$1.7b on the Singapore Exchange.
- ▶ The **industrials sector was the most active for IPOs** in the first three quarters of 2017, accounting for 22% of the total number of deals, **ahead of technology** with 17% and **consumer products** with 13%. While the **financials, industrials and technology sectors led by capital raised** with 18%, 15% and 14%, respectively.

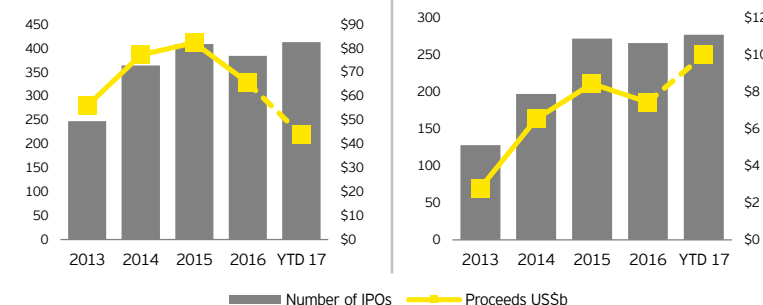
Markets

YTD 2017	Change on prior year	Q3 2017	Change on prior year quarter
690 IPOs	▲ 72%	213 IPOs	▲ 26%
\$53.9b proceeds	▲ 28%	\$18.3b proceeds	▼ 24%

All amounts in table are in US\$

Main markets

Q3 2017	Change on prior year quarter	Q3 2017	Change on prior year quarter
119 IPOs	▲ 21%	94 IPOs	▲ 32%
\$14.2b proceeds	▼ 35%	\$4.1b proceeds	▲ 85%



Activity Q3 2017

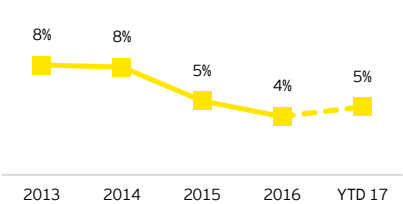
Stock exchanges by highest total proceeds	Sectors by highest number of IPOs	IPOs largest by proceeds
Shanghai (SSE) \$4.0b 56 IPOs Mainland China	Industrials 54 IPOs \$3.2b	NetLink NBN Trust \$1.7b Telecom Singapore Singapore (SGX)
Hong Kong (Main board and GEM) \$3.9b 37 IPOs Hong Kong	Technology 40 IPOs \$2.0b	ZhongAn Online P&C Insurance Co., Ltd. \$1.5b Financials China Hong Kong (HKEx)
Shenzhen (SZSE and Chinext) \$3.2b 51 IPOs Mainland China	Consumer products 28 IPOs \$1.9b	Zhongyuan Bank Co., Ltd. \$1.2b Financials China Hong Kong (HKEx)

All amounts in table are in US\$

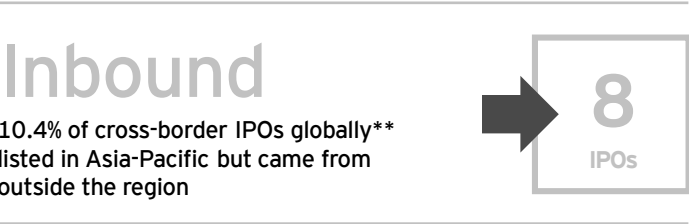
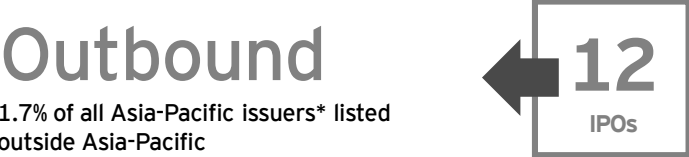
Trends

Cross-border activity YTD 2017

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



A powerful combination of stable economic growth, supportive government policy and strong equity markets generated another strong quarter for Asia-Pacific IPOs. But median deal size, at US\$47.5m, remains lower than the global average.

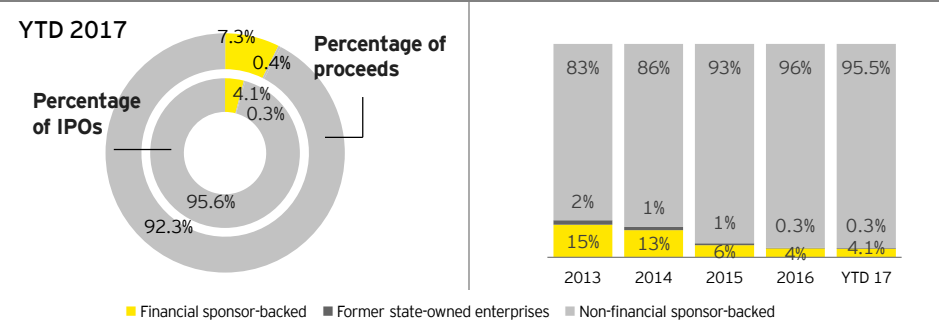


*There were 695 IPOs by Asia-Pacific issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 77 cross-border IPOs globally in YTD 2017.

Transaction sizes

	Main markets		Junior markets	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	\$190.1m	▲ 14%	\$102.0m	▲ 63%
Median deal size	\$47.5m	▲ 14%	\$22.9m	▲ 62%
Trends				

Sources of IPOs



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

Performance

IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
Main markets	+25.2%	+86.5%
Junior markets	+41.0%	+176.1%

+ or - indicates change compared to offer price at IPO

Equity indices YTD 2017

Hang Seng
+26.3%
Hong Kong

Nikkei 225
+3.6%
Japan

ASX 200
+1.3%
Australia

Shanghai Composite
+8.6%
Mainland China

FTSE Straits Times
+11.8%
Singapore

KOSPI
+17.3%
South Korea

+ or - indicates change since 31 December 2016

Volatility index


Hang Seng Volatility
14.69 index level
-13.0%
YTD

+4.9%
Q2 2017

- indicates a decrease in volatility as at 15 September 2017 compared to 31 December 2016 for year-to-date (YTD) and 30 June 2017 for end of Q2 2017. Whereas + indicates an increase in volatility over the same time period.

Outlook

- ▶ We expect **IPO activity in Asia-Pacific to rise again in Q4 2017** – historically a strong quarter for the region – after the traditionally slow Q3 2017.
- ▶ Activity should be **supported by the continuing recovery of the global economy**. IPO markets should also gain from the relative **weakness of the US dollar**, which would **stimulate the flow of capital** into Asia-Pacific's emerging markets.
- ▶ **Mainland China and Hong Kong exchanges should continue to lead** the way, supported by a strong pipeline of IPO-ready companies and rising stock markets: the Shanghai Composite Index reached its highest point in 20 months in September, while Hong Kong's Hang Seng Index was also up in Q3 2017.
- ▶ **Hong Kong Main Market and GEM should continue to see higher level of cross-border listings** in Q4 2017 and into 2018.
- ▶ We expect **Japan's IPO volume and proceeds to end the year slightly below the 2016 levels**. But the economic boost generated by the 2020 Tokyo Summer Olympics is keeping the medium-term outlook positive, with government support for innovation also likely to boost technology IPOs.
- ▶ **IPO activity in Australia should remain strong**. But investors will stay selective about which larger IPOs they support, and this will restrict the number of large listings.
- ▶ The **Singapore Exchange has enjoyed growing success in attracting IPOs by ASEAN companies outside the island state**, including property developer Aspen (Group) Holdings Ltd. and shopper360 Ltd., a Malaysian provider of shopper marketing services that listed in June. We think this cross-border listing trend will continue.
- ▶ However, a **worsening of the political situation in the Korean Peninsula presents a risk to Asia-Pacific's IPO markets**, particularly in South Korea itself.



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 Q3 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 a third trading platform, the New Board – one of a number of 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

- ▶ **Greater China accounted for 44% of global IPOs by deal number in Q3 2017. Shanghai Stock Exchange led global exchanges** with 56 IPOs (17% of the global deal number) while **Shenzhen** (the Main Board and ChiNext) **ranked second** with 51 IPOs (16%). In **third place, the Hong Kong Main Market (HKEx) and Growth Enterprise Market (GEM)** saw 37 IPOs, which accounted for 11% of global IPOs.
- ▶ There were 459 IPOs in Greater China in the first nine months of 2017, up 133% on the prior year, but the total proceeds was up a more modest 24% at US\$36.4b.
- ▶ Greater China saw a 48% increase by deal number in Q3 2017 compared to Q3 2016 but proceeds fell by 42% due to the decline in average deal size.
- ▶ The biggest IPO in Greater China in Q3 2017 was ZhongAn Online P&C Insurance Co., Ltd. with proceeds of US\$1.5b in mid-September – the third largest IPO globally by proceeds for Q3 2017.
- ▶ **In Hong Kong, listings by small and medium-sized companies remain active:** GEM saw 19 IPOs in Q3 2017, compared with 16 in Q2 2017. GEM IPOs accounted for 51% of Hong Kong IPOs in Q3 2017.
- ▶ **Industrials was the most active sector on the Hong Kong Main Market in Q3 2017 by deal number while the financials sector saw the highest proceeds.**
- ▶ **Industrials and technology led in Mainland China by deal number and proceeds.**
- ▶ **Hong Kong continues to attract cross-border listings** with 10 IPOs by foreign companies in Q3 2017: five IPOs from Malaysia, four IPOs from Singapore and one from Israel.

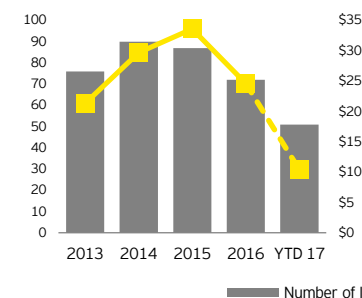
Markets

YTD 2017	Change on prior year	Q3 2017	Change on prior year quarter
459 IPOs	▲ 133%	144 IPOs	▲ 48%
\$36.4b proceeds	▲ 24%	\$11.1b proceeds	▼ 42%

All amounts in table are in US\$

Hong Kong Main Market

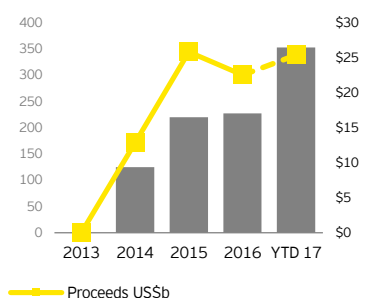
Q3 2017	Change on prior year quarter
17 IPOs	▼ 10%
\$3.7b proceeds	▼ 68%



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

Shanghai and Shenzhen

Q3 2017	Change on prior year quarter
107 IPOs	▲ 65%
\$7.2b proceeds	▼ 1%



Activity Q3 2017

All amounts in table are in US\$

Hong Kong Main Market

Sectors
by highest number of IPOs

Industrials
7 IPOs | \$342m

Consumer products
3 IPOs | \$58m

Financials
2 IPOs | \$2.7b

IPOs
largest by proceeds

ZhongAn Online P&C Insurance Co., Ltd.
\$1.5b
Financials

Zhongyuan Bank Co., Ltd.
\$1.2b
Financials

Foxconn Interconnect Technology Ltd.
\$397m
Technology

Shanghai and Shenzhen

Sectors
by highest number of IPOs

Industrials
33 IPOs | \$2.5b

Technology
19 IPOs | \$1.1b

Health care
17 IPOs | \$1.0b

IPOs
largest by proceeds

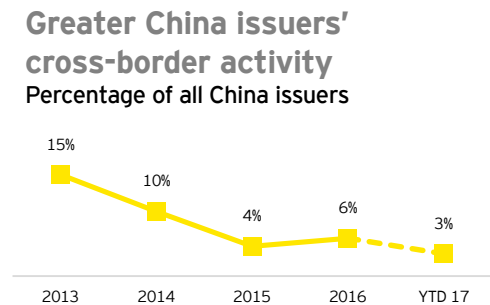
Electric Connector Technology Co., Ltd.
\$300m
Technology, Shenzhen-Chinext

Qinhuangdao Port Co., Ltd.
\$196m
Industrials, Shanghai

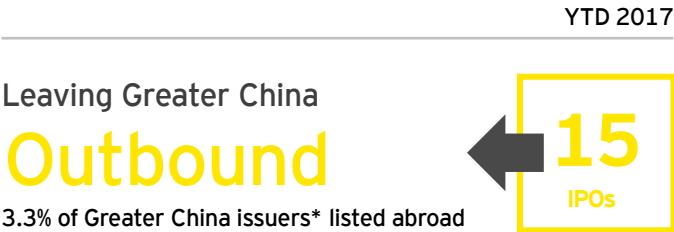
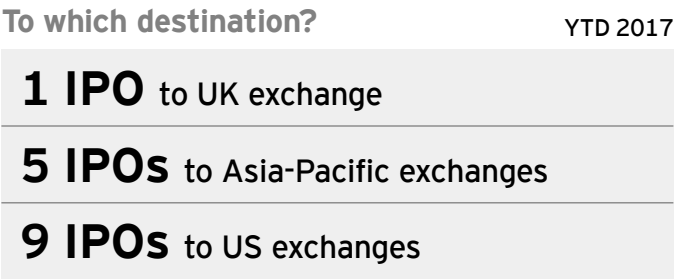
China Publishing & Media Holdings Co., Ltd.
\$181m
Media and entertainment, Shanghai

Trends

Cross-border activity YTD 2017

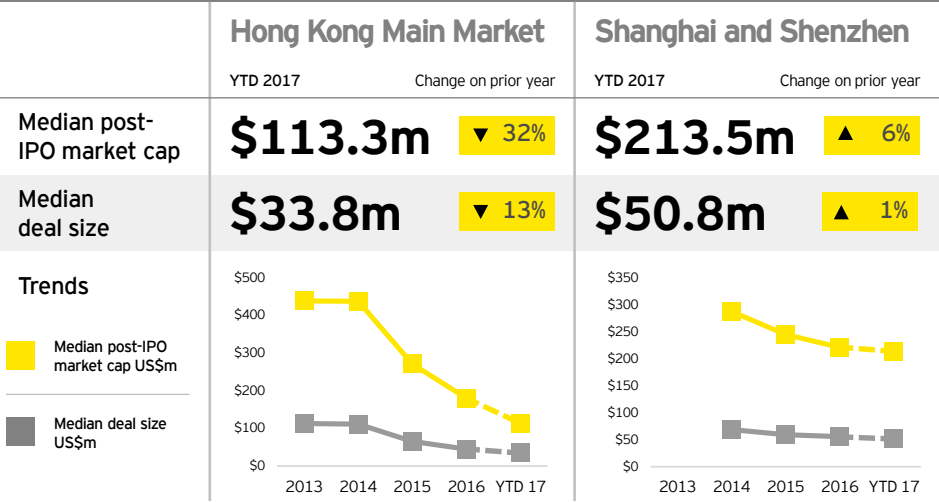


IPOs performed well in Greater China in Q3 2017. On the mainland, all IPOs in Q3 2017 rose by the maximum allowed 44% on their first day of trading. In Hong Kong, the proportion of oversubscribed IPOs on the Main Board reached 85%, compared to just 65% in Q3 2016.

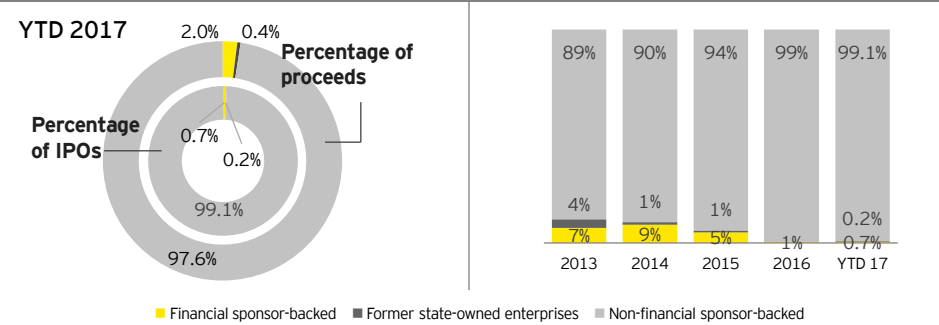


*There were 459 IPOs by Greater China issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 77 cross-border IPOs globally in YTD 2017.

Transaction sizes



Sources of IPOs



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

Performance

IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
Hong Kong Main Market	+5.2%	+19.1%
Shanghai and Shenzhen	+42.6%	+167.0%

+ or - indicates change compared to offer price at IPO

Equity indices YTD 2017 Mainland China

Shanghai Composite +8.6%	Shenzhen Composite +1.2%	Shenzhen SME +16.2%
---	---	--------------------------------------

Equity indices YTD 2017 Hong Kong

Hang Seng +26.3%	Hang Seng China Enterprises +19.2%	Hang Seng China Affiliated Corporations +22.2%
-----------------------------------	---	---

+ or - indicates change since 31 December 2016

Volatility index

Hang Seng Volatility 14.69 index level -13.0% YTD +4.9% Q2 2017
--

- indicates a decrease in volatility as at 15 September 2017 compared to 31 December 2016 for year-to-date (YTD) and 30 June 2017 for end of Q2 2017.

IPO pipeline

More than

580

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

101

companies have submitted public filings with HKEx.

Outlook

- ▶ Rising stock markets should provide an encouraging backdrop for IPOs in Mainland China and Hong Kong in Q4 2017, with the Shanghai Composite Index reaching the highest point in 20 months in September, and Hong Kong's Hang Seng Index also up in Q3 2017.
- ▶ **China's stable economic growth should support its stock markets** but there is a **risk that the country's financial deleveraging could hit IPO activity**, both on the mainland and in Hong Kong, by reducing liquidity.
- ▶ **Political instability in the Korean Peninsula also presents a risk** to the Greater China's IPO markets by dampening global market sentiment.
- ▶ We expect the **number of IPOs in Hong Kong to increase in Q4 2017**, with more than 100 companies in the HKEx pipeline waiting to go public and have submitted their public filings. Meanwhile, there are **more than 580 companies ready to list in Mainland China**.
- ▶ **Cross-border IPOs in Hong Kong should continue to see higher level** in Q4 2017 and into 2018.
- ▶ HKEx's consultations on proposals for a third trading platform for start-up and growing companies, known as the New Board, have ended. In the longer term, we expect this initiative to attract new investors to the Hong Kong market.
- ▶ The IPO market on HKEx has also been fortified by the exchange's review of the listing rules of GEM and its Main Board, aimed at widening capital markets access by opening up to a more diverse range of issuers and improving the quality of the exchange's markets.
- ▶ There are also signs that **HKEx is exhibiting a stricter attitude toward listing**, such as looking at an issuer's ownership structure to ensure it is not highly concentrated. We also **expect stricter supervision of companies wishing to list in Mainland China** to strengthen the long-term development of the market.
- ▶ Market participants will closely watch the 19th National Congress of the Communist Party of China, to be held on 18 October 2017, which will impact capital markets by determining the future political and economic course of the country.



Asia-Pacific – Japan market insight

Strategic initiatives set to support healthy pipeline

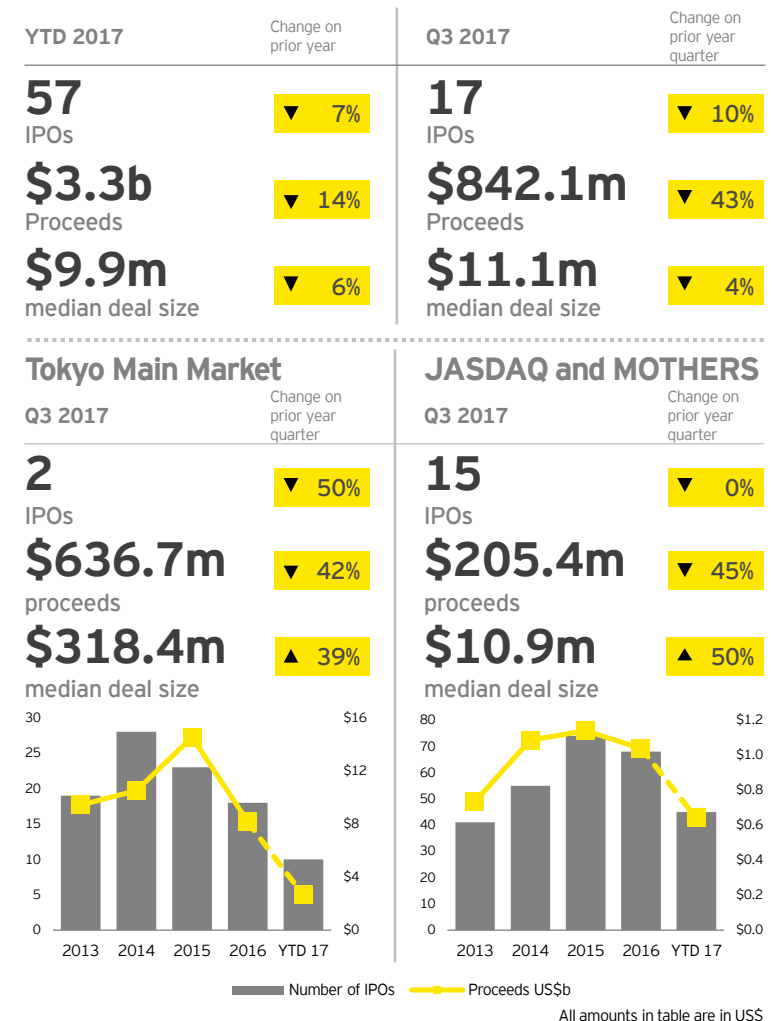
“Despite the current geopolitical volatility, Japanese investor sentiment remains positive, with IPO appetite buoyed to some extent by the lead up to the 2020 Tokyo Olympics. Deal volume and proceeds for the full year are expected to be slightly higher than 2016 levels. The medium-term outlook for IPOs is positive, especially in the technology sector where the Japanese Government has prioritized support for investment in innovation to help drive economic growth.”

Shinichiro Suzuki
EY Japan IPO Leader

Highlights from the market

- ▶ The **healthy investor sentiment seen in the first half of 2017 continues**. The Nikkei Stock Average remains stable and although it trended slightly higher during Q3 2017, this increase in market valuation has not dampened investor appetite.
- ▶ There were 17 IPOs on Japanese exchanges in Q3 2017, raising US\$842m in proceeds. This pushes the total for the first nine months of 2017 to 57 IPOs with capital raised at US\$3.3b. This compares to proceeds of US\$3.8b through 61 IPOs in the same period in 2016.
- ▶ **Small companies, particularly from the IT and service industries, have been dominating IPO activity in YTD 2017** with a combined 45 IPOs on JASDAQ and Tokyo MOTHERS, in contrast to 10 IPOs on the Tokyo Main Market.
- ▶ The largest IPO in Japan this quarter was the US\$471.8m listing of real estate investment trust Mitsubishi Estate Logistics REIT Investment Corp. on the Tokyo Main Market in September.
- ▶ Of the 17 IPOs in Q3 2017, **6 were financial sponsor-backed, accounting for 35% of deals by volume and 9% by proceeds**. Many of the PE- and VC-backed companies coming to market are relists following a management buyout, merger or acquisition, which may be impacted in the future by potential regulatory reform.
- ▶ With a pipeline of around 180 companies ready to list, we expect the total number of IPOs in the **whole of 2017 to reach 90, slightly above the 2016 total of 87**.

Markets



Activity Q3 2017

Sectors
by highest number of IPOs

Technology
8 IPOs
\$124m

Consumer products
4 IPOs
\$54m

Real estate
2 IPO
\$485m

IPOs
largest by proceeds

Mitsubishi Estate Logistics REIT Investment Corp.
\$472m
Real estate
Main Market

Nishimoto Co., Ltd.
\$165m
Retail
Main Market

PKSHA Technology Inc.
\$39m
Technology
Tokyo MOTHERS

Tokyo Main Market
IPO pricing and performance

First-day average return

-0.7%

Share price development since IPO

+8.9%

+ or - indicates change compared to offer price at IPO

Equity index

Nikkei 225
+3.6%
Japan

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

A high-angle, close-up shot of the wooden deck of a sailboat. The deck is made of polished wooden planks and is cluttered with various sailing equipment, including ropes, pulleys, and metal fittings. In the background, the dark, turbulent sea is visible, with white foam from the boat's wake churning. The sky is a pale, overcast blue. The overall mood is one of maritime adventure and resilience.

Europe, Middle East, India and Africa **Investor sentiment positive for fourth quarter**

“EMEIA remains the second-most active IPO market globally, showing consistent year-on-year growth. In what is traditionally a quiet quarter, we saw Switzerland, South Africa and Poland all with record-breaking deals. Reflecting rising confidence across the region, IPO candidates from India and the Gulf States are also lining up to take their turn before the end of the year. With soaring equity indices in many markets, lower volatility and positive investor sentiment, the last quarter is set to be the busiest one for IPOs.”

Dr. Martin Steinbach

EY Global and EMEIA IPO Leader

Highlights from the markets

- ▶ **IPO activity in EMEIA rose during Q3 2017.** The region ranked second behind Asia-Pacific by number of IPOs and proceeds in the first nine months of 2017, accounting for 28% of global IPOs and 29% by proceeds.
- ▶ **EMEIA exchanges hosted 3 of the top 10 global IPOs** in the first nine months of 2017 and 8 of the top 20 deals. European exchanges saw 17 of the region's top 20.
- ▶ **The region saw four US\$1b+ deals in Q3 2017 and eight in the first nine months of 2017.** These included Landis+Gyr Holding AG, which raised US\$2.4b on Swiss Exchange (SIX); SBI Life Insurance Co., Ltd., which raised US\$1.3b on Bombay and National stock exchanges; Steinhoff Africa Retail Ltd. which raised US \$1.2b on the Johannesburg Stock Exchange (their largest IPO ever); and Play Communications SA, Poland's biggest IPO since 2011, which raised US\$1.1b on Warsaw Stock Exchange.
- ▶ **Swiss Exchange (SIX) led the region by proceeds** in Q3 2017 as the Landis+Gyr IPO was the largest in EMEIA this quarter.
- ▶ **Bombay and London were the two busiest exchanges by deal numbers in Q3 2017.** Bombay (Main and SME) hosted 16 IPOs, raising US\$1.8b and London (Main and AIM) hosted 16 deals raising US\$1.7b.
- ▶ IPO activity in India decreased slightly in Q3 2017, largely due to market volatility resulting from the introduction of the Goods and Services Tax in July. However, the outlook remains strongly buoyant.
- ▶ **Financial sponsor-backed deals plunged**, accounting for just 5% of IPOs by deal number and 11% of proceeds during Q3 2017, compared with 11% and 52% respectively in Q3 2016.

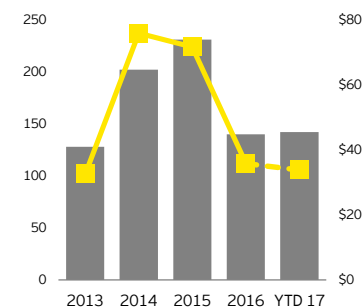
Markets

YTD 2017	Change on prior year	Q3 2017	Change on prior year quarter
320 IPOs	▲ 38%	74 IPOs	▲ 16%
\$37.1b proceeds	▲ 47%	\$10.3b proceeds	▲ 63%

All amounts in table are in US\$

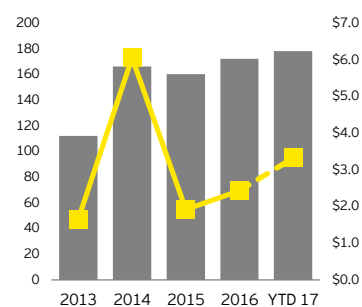
Main markets

Q3 2017	Change on prior year quarter
32 IPOs	▲ 45%
\$9.1b proceeds	▲ 50%



Junior markets

Q3 2017	Change on prior year quarter
42 IPOs	0%
\$1.2b proceeds	▲ 343%



All amounts in table are in US\$

Activity Q3 2017

Stock exchanges

By highest proceeds

Swiss (SIX)
\$2.7b
2 IPOs
Switzerland

Bombay (BSE and SME)
\$1.8b
16 IPOs
UK

London (Main and AIM)
\$1.7b
16 IPOs
UK

Sectors

by highest number of IPOs

Industrials
13 IPOs
\$0.9b

Consumer products
10 IPOs
\$0.5b

Technology
8 IPOs
\$2.7b

IPOs

largest by proceeds

Landis+Gyr Holding AG
\$2.4b
Technology
Switzerland
Swiss (SIX)

SBI Life Insurance Co., Ltd.
\$1.3b
Financials
India
Bombay (BSE)

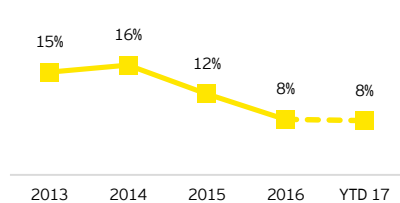
Steinhoff Africa Retail Ltd.
\$1.2b
Retail
South Africa
Johannesburg

All amounts in table are in US\$

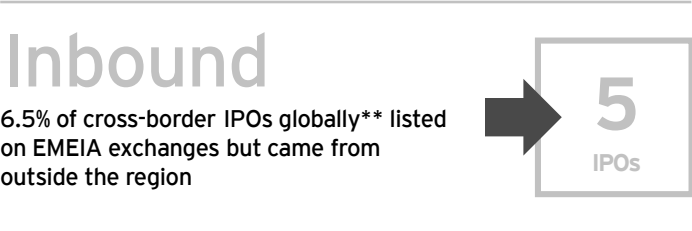
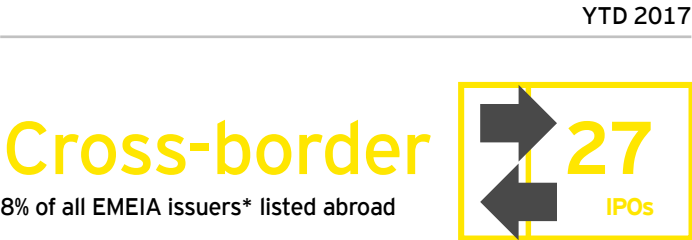
Trends

Cross-border activity YTD 2017

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

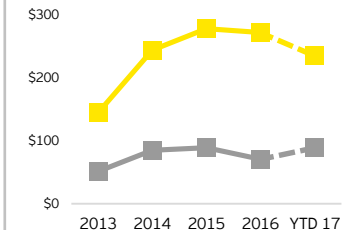
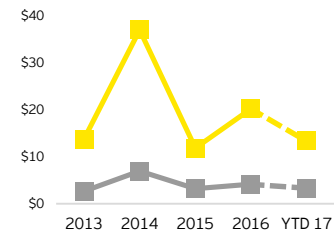


Q4 2017 and the first half of 2018 should see a number of megadeals across the region, but especially from the Middle East. The average size of recent IPO issuers has declined, suggesting that a higher number of smaller companies are joining the main and junior markets in 2017. IPOs on the main markets have outperformed the main indexes, which reflects positive investor sentiment.

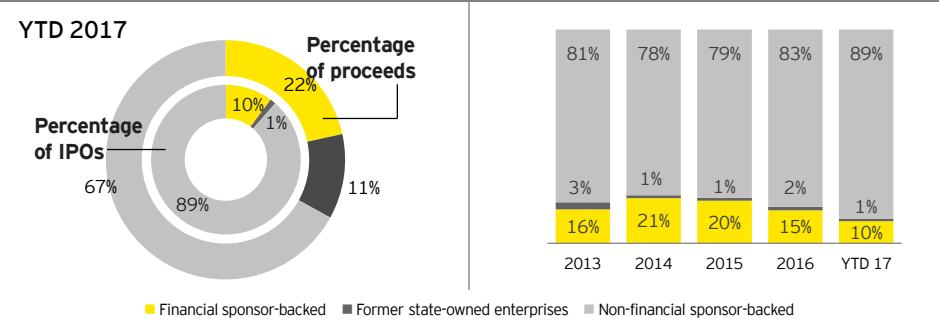


*There were 326 IPOs by EMEIA issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 77 cross-border IPOs globally in YTD 2017.

Transaction sizes YTD 2017

	Main markets		Junior markets	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	\$234.7m	▼ 16%	\$13.3m	▼ 1%
Median deal size	\$88.3m	▲ 27%	\$3.3m	▲ 36%
Trends				

Sources of IPOs



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

Performance

IPO pricing and performance YTD 2017			Equity indices YTD 2017				Volatility indices		
	First-day average return	Share price development since IPO	BSE SENSEX +21.1% India	CAC 40 +7.5% France	DAX 30 +9.2% Germany	Euro STOXX 50 +9.5% Europe	VSTOXX® 12.3 index level -32.3% YTD	VDAX® 15.29 index level -14.3% YTD	VFTSE 100 10.90 index level -5.7% YTD
Main markets	+10.0%	+21.0%							
Junior markets	+7.3%	+9.4%	FTSE 100 +2.1% UK	JSE All Share +10.3% South Africa	MICEX -8.1% Russian Federation	Tadawul All Shares +2.3% Saudi Arabia	-28.9% Q2 2017	+16.1% Q2 2017	-16.3% Q2 2017

+ or - indicates change compared to offer price at IPO

+ or - indicates change since 31 December 2016

- indicates a decrease in volatility as at 15 September 2017 compared to 31 December 2016 for year-to-date (YTD) and 30 June 2017 for end of Q2 2017. Whereas + indicates an increase in volatility over the same time period.

Outlook

- ▶ **EMEIA exchanges can expect a strong end to 2017**, with positive momentum fueled by solid economic fundamentals.
- ▶ **Strong pipelines are building in many markets** in spite of investor concerns that a strengthening euro may curtail the earnings recovery in Europe.
- ▶ The European markets are proving resilient in the face of the forthcoming Brexit negotiations. **Investors remain selective** but European IPO activity should be relatively strong going into the last quarter of the year.
- ▶ **UK IPO activity is likely to remain slow until the end of the year**, by which time prospective IPO candidates anticipate that political instability may have abated. However, the **pipeline is looking strong for the Alternative Investment Market (AIM) and smaller London Main Market listings**. Moreover, London continues to attract cross-border IPOs, which is a sign of confidence.
- ▶ **Countries in the Gulf Cooperation Council (GCC) will also see a number of IPOs in Q4 2017 and into 2018, from both state-owned and private sector companies** looking to capitalize on efforts within the region to make stock exchanges more liquid.
- ▶ **IPO activity in India is headed for a record year in 2017** as an increased number of issuers aim to take advantage of a rally in the stock market and increased investor demand. The re-emergence of larger listings in the pipeline could help India reach the expected target of US\$5b in proceeds for 2017. There has been particularly strong activity in the insurance sector due to regulatory changes and a number of major insurance companies are ready to IPO. The Indian Government also plans to list four of its public defense units.
- ▶ **IPO activity in Africa is likely to remain subdued for the rest of 2017**. This is largely due to political and economic instability in key markets across the continent, such as 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 local businesses that are foreign-owned.

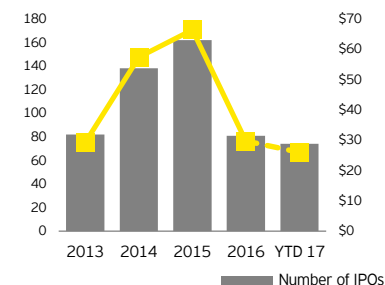
Markets

YTD 2017	Change on prior year	Q3 2017	Change on prior year quarter
168 IPOs	▲ 24%	34 IPOs	▲ 42%
\$29.0b proceeds	▲ 38%	\$6.4b proceeds	▲ 46%
18% of IPOs are financial sponsor-backed	▼ 6%	12% of IPOs are financial sponsor-backed	▼ 13%

All amounts in table are in US\$

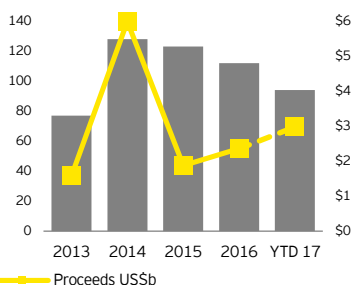
Main markets

Q3 2017	Change on prior year quarter
12 IPOs	▲ 71%
\$5.2b proceeds	▲ 26%



Junior markets

Q3 2017	Change on prior year quarter
22 IPOs	▲ 29%
\$1.2b proceeds	▲ 389%



All amounts in table are in US\$

Activity Q3 2017

Sectors

by highest number of IPOs

Technology
7 IPOs | \$2.7b

Consumer products
5 IPOs | \$0.3b

Real estate
4 IPOs | \$0.8b

IPOs

largest by proceeds

Landis+Gyr Holding AG
\$2.4b Technology, Swiss (SIX)

Play Communications SA
\$1.1b Telecom, Warsaw (WSE)

doBank SpA
\$392m Financials, Borsa Italiana

Stock exchanges

by highest total proceeds

Swiss (SIX)
\$2.7b | 2 IPOs Switzerland

London Main and AIM
US\$1.7b | 16 IPOs UK

Warsaw (Main and NewConnect)
US\$1.3b | 5 IPOs Poland

All amounts in table are in US\$

Trends YTD 2017

Transaction sizes

	Main markets	Change on prior year	Junior markets	Change on prior year
Median post-IPO market cap	\$313.2m	▼ 22%	\$30.8m	▼ 4%
Median deal size	\$191.2m	▲ 44%	\$7.9m	▼ 31%

Cross-border IPOs: top IPO issuers

*There were 168 IPOs by European issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.

** There were 77 cross-border IPOs globally in YTD 2017.

Cross-border

11% of all Europe issuers* listed abroad

19 IPOs

Outbound

4.1% of all Europe issuers* listed outside Europe

7 IPOs

Inbound

9.1% of cross-border IPOs globally** listed on European exchanges but came from outside Europe

7 IPOs

Performance YTD 2017

Equity indices

CAC 40
+7.5%
France

DAX 30
+9.2%
Germany

Euro STOXX 50
+9.5%
Europe

FTSE 100
+2.1%
UK

Volatility index

VSTOXX®
-32.3% | 12.3 index level
YTD

VFTSE 100
-5.7% | 10.9 index level
YTD

- indicates a decrease in volatility as at 15 September 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 **+5.0%**

Junior markets **+8.7%**

Share price development since IPO

Main markets **+12.1%**

Junior markets **+14.6%**

+ or - indicates change compared to offer price at IPO



EMEIA – UK IPO market insight

Steady IPO activity signals a cautious return of confidence

“The third quarter was very active with the financial services sector looking to take advantage of the regulatory stability currently available. There was also an increase in cross-border listings, indicating that the UK market’s attractiveness as a listing venue globally is on the rise. However, until we see the return of strong local main market listings, the UK IPO market’s full recovery is not assured.”

Scott McCubbin

EY UK and Ireland IPO Leader

Highlights from the markets

- ▶ Q3 2017 saw the **ongoing Brexit uncertainty prompt a number of businesses to bring their planned listing forward** in order to take advantage of the stable regulatory environment.
- ▶ There were 16 IPOs on the UK Main Market and AIM in Q3 2017, raising a combined total of US\$1.7b in proceeds, making this one of the busiest EMEIA exchanges for the quarter by number of deals.
- ▶ **The real estate sector continued to dominate this quarter.** Four of the 16 IPOs were REITs, confirming London's continued presence as a global financial hub. Along with the impetus to take advantage of the current regulatory stability, **investor interest is being driven by the quality of the FTSE performance against the low value of the pound**, making UK investments of particular interest to international investors.
- ▶ Outside the real estate and financial services sectors, businesses in the main market and, to a slightly lesser extent, AIM, are still finding it difficult to achieve their desired pricing.
- ▶ The largest listing outside the financial services sector was Russian gold producer, Polyus PJSC, which raised US\$799m in July, signaling the **return of Russian companies to the London market**.
- ▶ Only one IPO this quarter was PE backed, Strix Group plc, a kettle safety control company, which listed on AIM raising US\$250m. The low level of PE-backed activity is indicative of the weak performance of the main market listings outside financial services.

Markets



Activity Q3 2017

Sectors
by highest
number of IPOs

Real estate
4 IPOs
\$820m

Industrials
3 IPOs
\$298m

Consumer products and services
2 IPOs
\$85m

IPOs on Main Market
largest by
proceeds

Triple Point Social Housing REIT plc
\$264m
Real estate
UK

Residential Secure Income plc
\$233m
Real estate
UK

Supermarket Income REIT plc
\$131m
Real estate
UK

IPOs on AIM
largest by
proceeds

Greencoat Renewables plc
\$311m
Energy
Ireland

Strix Group plc
\$250m
Industrials
UK

Warehouse REIT plc
\$193m
Real estate
UK

All amounts in table are in US\$

Trends

Cross-border activity YTD 2017

Main market

Top IPO issuers

- ▶ Turkey (2 IPOs | \$400m)
- ▶ Ireland (1 IPO | \$3,833m)
- ▶ United Arab Emirates (1 IPO | \$243m)
- ▶ China (1 IPO | \$6m)
- ▶ Myanmar (1 IPO | \$0.4m)

AIM

Top IPO issuers

- ▶ US (3 IPOs | \$164m)
- ▶ Ireland (1 IPO | \$311m)
- ▶ Israel (1 IPO | \$19m)
- ▶ Italy (1 IPO | \$3m)

Leaving UK

Outbound

10% of UK issuers* listed abroad



Coming to UK

Inbound

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



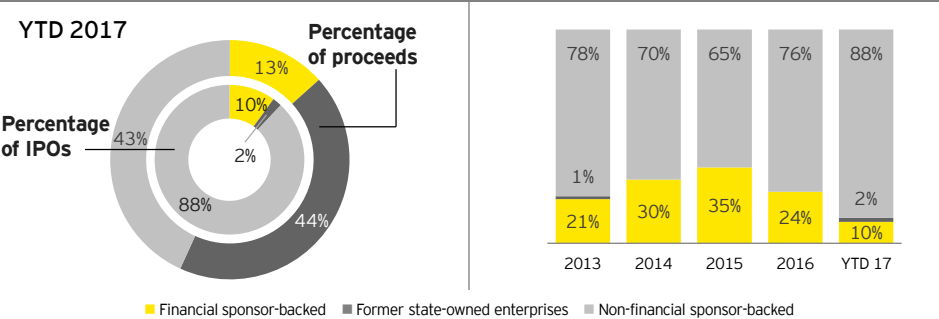
*There were 42 IPOs by UK issuers in YTD 2017. This analysis is based on the listed company domicile, regardless of the listed company exchange.
** There were 77 cross-border IPOs globally in YTD 2017.

There were 12 cross-border deals in the first nine months of 2017, which accounted for 24% of UK IPOs. Altogether they raised US\$5.0b, representing 56% of the total UK proceeds. This demonstrates the return of global confidence in the UK.

Transaction sizes

	London Main Market		London AIM	
	YTD 2017	Change on prior year	YTD 2017	Change on prior year
Median post-IPO market cap	\$197.8m	▼ 53%	\$55.8m	▼ 11%
Median deal size	\$172.3m	▼ 19%	\$19.8m	▲ 12%
Trends				
<p>The trends section contains two line charts. The left chart shows the Median post-IPO market cap in US\$m from 2013 to YTD 2017. The right chart shows the Median deal size in US\$m from 2013 to YTD 2017. Both charts show a general downward trend over the period.</p>				

Sources of IPOs



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

Performance

IPO pricing and performance YTD 2017

	First-day average return	Share price development since IPO
London Main Market	+8.0%	+12.7%
London AIM	+8.6%	+12.2%

+ or - indicates change compared to offer price at IPO

Equity indices YTD 2017

FTSE 100
+2.1%
UK

FTSE 350
+3.1%
UK

FTSE AIM All-Share
+18.5%
UK

+ or - indicates change since 31 December 2016

Volatility indices

FTSE 100 VIX (VFTSE 100)
10.90 index level
-5.7%
YTD
-16.34%
Q2 2017

- indicates a decrease in volatility as at 14 September 2017 compared to 31 December 2016 for year-to-date (YTD) and 30 June 2017 for end of Q2 2017.

Outlook

- ▶ **Rapidly changing market conditions have become the norm** over the last few years, but **businesses will still look for stability in the pound as a key indicator** on whether the time is right to launch an IPO.
- ▶ Although investor sentiment for IPOs is improving, we do not anticipate a marked uptick in activity while other opportunities for investment, such as equities with an established dividend history, continue to perform.
- ▶ The **number of PE-backed IPOs looks set to increase**. However, we do not expect a return to the levels of previous years. The high levels of cash reserves held by the PE market mean that many are likely to delay listing while valuations remain low.

- ▶ Proposed reforms by the Financial Conduct Authority (FCA), to make it easier for state-owned foreign companies to list their shares and to bring the UK IPO process more in line with US practices, are now to be reviewed by two separate parliamentary select committees: the Treasury Select Committee and the Business, Energy and Industrial Strategy Committee.
- ▶ The FCA's proposed reforms, if implemented, will support future IPO activity and will be instrumental in the pending decision by the world's largest oil company, Saudi Aramco, as to whether it lists in London or New York.
- ▶ Overall, we expect that **Q4 2017 will be the most active quarter of**

the year with the pipeline looking strong for AIM and small Main Market listings – areas that have been largely unaffected by events in the wider economy.

- ▶ We expect that until the pound stabilizes and there is greater certainty and clarity regarding the process and terms of the UK's withdrawal from the EU, we will not see a full recovery of the UK IPO market, particularly of local listings on the main market.



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)	177	15.3
2	Shanghai (SSE)	176	15.2
3	Hong Kong (HKEx) and GEM	105	9.1
4	Australia (ASX)	61	5.3
5	NASDAQ	59	5.1
6	NASDAQ OMX (Copenhagen, Helsinki, Iceland, Sweden)) and First North	56	4.8
7	Tokyo (TSE), MOTHERS and JASDAQ	55	4.8
8	Bombay (BSE) and SME	53	4.6
9	New York (NYSE)	52	4.5
10	London Main Market and AIM	50	4.3
11	National (NSE) and SME	44	3.8
12	Korea (KRX) and KOSDAQ	42	3.6
	Other stock exchanges (45 exchanges)	226	19.6
	Global IPO activity	1,156	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)	21.8	17.2
2	Shanghai (SSE)	15.1	11.9
3	Hong Kong (HKEx) and GEM	11.0	8.7
4	Shenzhen (SZSE and Chinext)	10.3	8.1
5	London Main Market and AIM	8.8	7.0
6	Korea (KRX) and KOSDAQ	5.7	4.5
7	NASDAQ	4.7	3.7
8	Swiss (SIX)	4.6	3.6
9	Bombay (BSE) and SME	4.5	3.5
10	Sao Paulo (B3)	4.1	3.2
11	Bolsa de Madrid and MAB	3.5	2.8
12	Tokyo (TSE), MOTHERS and JASDAQ	3.3	2.6
	Other stock exchanges (45 exchanges)	29.5	23.3
	Global IPO activity	126.9	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)+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 Euronext (Amsterdam, Paris, Brussels and Lisbon); Shenzhen (SZSE) includes the Main Board, SME Board and ChiNext.

Regional IPO facts and figures: Americas

Year to date comparison					Quarterly comparison					
Regions/country	IPOs YTD	Change YOY(%)	Proceeds US\$b YTD	Change YOY(%)	IPOs current quarter Q3 2017	Change QOQ(%) (vs. Q3 16)	Change previous quarter(%) (vs. Q2 17)	Proceeds US\$b current quarter	Change QOQ(%)	Change previous quarter(%)
US	111	35%	26.5	89%	27	-29%	-54%	3.5	-51%	-71%
Canada¹	18	800%	2.06	243,339%	5	NA*	-44%	0.2	NA*	-86%
Brazil	8	NA	4.10	NA	6	NA	NA	3.6	NA	NA
Mexico	5	67%	2.83	1026%	3	200%	200%	1.4	2,563%	199%
Jamaica	2	-60%	0.002	-88%	1	NA	NA	0.0	NA	NA
Chile²	2	NA	0.34	NA	1	NA	NA	0.1	NA	NA
Argentina³	–	-100%	–	-100%	–	NA	NA	–	NA	NA
Americas	146	57%	35.9	151%	43	10%	-38%	8.9	25%	-38%

¹In the first nine months of 2017, there were 16 IPOs raising US\$2.1b on Toronto Stock Exchange and TSX Venture Exchange. There were also 2 IPOs on Canadian Securities Exchange that raised US\$0.7m altogether – these listings were excluded on page 8. There was no IPOs on these exchanges in Q3 2016.

²In the first nine months of 2016, there were no IPOs on Chile's Santiago Stock Exchange. In Q2 2017, there were no IPOs on this exchange.

³In the first nine months of 2017, there were no IPOs on Argentina's Buenos Aires Stock Exchange. In the first nine months of 2016, specifically in Q2 2016, there was 1 IPO that raised US\$11.4m.

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 Q3 2017	Change QOQ(%) (vs. Q3 16)	Change previous quarter(%) (vs. Q2 17)	Proceeds US\$b current quarter	Change QOQ(%)	Change previous quarter%
Indonesia	22	69%	0.3	-64%	4	-20%	-76%	0.0	-92%	-83%
Thailand	19	27%	1.7	173%	8	0%	33%	0.7	109%	-32%
Singapore	14	-7%	3.3	100%	4	-33%	-43%	2.9	566%	1,377%
Malaysia	9	13%	1.7	687%	1	-50%	-75%	0.9	4,426%	2,417%
Philippines	4	100%	0.5	-17%	1	NA	-50%	0.1	NA	-43%
Sri Lanka	2	100%	0.01	18%	–	NA	-100%	–	NA	NA
Cambodia	1	NA	0.03	NA	–	NA	-100%	–	NA	NA
Vietnam	–	-100%	–	-100%	–	NA	NA	–	NA	NA
ASEAN	71	29%	7.4	88%	18	-14%	-53%	4.6	251%	180%
Mainland China	353	180%	25.4	117%	107	65%	-4%	7.2	-1%	-11%
Hong Kong	105	54%	11.0	-37%	37	20%	20%	3.9	-67%	-27%
Taiwan	1	-67%	0.01	-78%	–	-100%	-100%	–	-100%	NA
Greater China	459	133%	36.4	24%	143	47%	0%	11.1	-42%	-18%
Japan	57	-7%	3.3	-14%	17	-11%	42%	0.8	-43%	65%
South Korea	42	31%	5.7	257%	22	69%	175%	1.5	130%	-60%
Australia	61	13%	1.1	-65%	12	-33%	-45%	0.2	-84%	-70%
New Zealand	–	-100%	–	-100%	–	-100%	NA	–	-100%	NA
Oceania	61	9%	1.1	-69%	12	-37%	-45%	0.2	-86%	-70%
Asia-Pacific	690	72%	53.9	28%	212	25%	-5%	18.3	-24%	-9%

¹In the first nine months of 2017, there were 0 IPOs on New Zealand Exchange, this compares to 2 IPOs which raised US\$0.3b altogether in the first nine months of 2016.

²In the first nine months of 2016, there were no IPOs on Chile's Santiago Stock Exchange. In Q2 2017, there were no IPOs on this exchange.

[illegible]

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 Q3 2017	Change QOQ(%) (vs. Q3 16)	Change previous quarter(%) (vs. Q2 17)	Proceeds US\$b current quarter	Change QOQ(%)	Change previous quarter%
Nordics (Denmark, Norway, Sweden and Finland)	63	50%	3.6	-54%	5	0%	-88%	1.9	-24%	-37%
Commonwealth of Independent States (CIS)	2	NA	0.3	NA	–	NA	-100%	–	NA	-100%
Central and Southern Europe (CSE)	16	14%	2.4	120%	5	400%	-50%	1.1	103,571%	-3%
Germany, Switzerland and Austria (GSA)	10	43%	6.5	416%	4	300%	0%	2.1	2,156%	-35%
Mediterranean (Italy and Spain)	16	0%	4.4	49%	3	-40%	-57%	2.5	165%	16%
WEM (Western Europe and Maghreb)	14	-26%	3.0	-24%	1	-83%	-86%	2.7	283%	-3%
Continental Europe	121	23%	20.2	18%	18	0%	-75%	10.3	144%	-16%
UK	50	25%	8.8	112%	16	129%	-24%	1.7	350%	-72%
Europe	168	24%	29.0	39%	34	42%	-63%	6.4	46%	-65%
Africa	6	100%	1.5	3,182%	2	NA	0%	0.0	NA	-99%
India	97	33%	4.8	63%	26	-26%	-24%	1.8	+0.4%	-25%
Middle East	38	280%	1.7	84%	11	1,000%	-8%	0.4	8,413%	-33%
EMEIA	320	38%	37.1	47%	74	16%	-48%	10.3	63%	-51%

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

Most active sectors around the world

Summary of the top three sectors by number of IPOs, by region¹ and sub-region¹ for Q3 2017 (▲) and 2017 year-to-date (■)

Stock exchange regions	Industrials	Technology	Materials	Consumer products	Health care	Energy	Consumer staples	Financials	Retail	Real estate	Media and entertainment	Telecommunications
Americas²		▲ ■	▲ ■		▲ ■	▲				▲		
▸ US ³	■	▲ ■			▲ ■	▲				▲ ■		
Asia-Pacific	▲ ■	▲ ■		▲ ■								
▸ Greater China	▲ ■	▲ ■		■	▲							
▸ Japan ⁴		▲ ■		▲ ■					■	▲	■	
EMEIA	▲ ■	▲ ■		▲ ■	■			■				
▸ UK	■ ▲			▲				■		▲ ■		
Global	▲ ■	▲ ■	■	▲								
2017 year-to-date global IPO activity	216	173	132	128	127	72	68	60	56	56	43	25
Q3 2017 IPO activity	70	52	34	39	37	21	18	12	11	17	12	6

¹Region 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.

²For Q3 2017, Americas exchanges saw five leading sectors. Health care led the pack with 12 IPOs, followed by materials with 7 IPOs. The technology, energy and real estate sectors accounted for 4 IPOs each, they had proceeds of US\$1.1b, US\$1.0b and US\$0.5b respectively.

³For YTD 2017, US exchanges saw four leading sectors. Health care led the pack with 33 IPOs, followed by technology with 18 IPOs. The industrials and real estate sectors accounted for 11 IPOs each, they had proceeds of US\$3.9b, US\$3.4b respectively. For Q3 2017, US exchanges saw four leading sectors. Health care led the pack with 10 IPOs, followed by the energy, technology and real estate sectors which accounted for 3 IPOs each, they had proceeds of US\$0.8b, US\$0.5b and US\$0.5b respectively.

⁴For YTD 2017, Japan exchanges saw four leading sectors. Technology led the pack with 21 IPOs, followed by consumer products with 10 IPOs. The retail and media and entertainment sectors accounted for 7 IPOs each, they had proceeds of US\$1.2b and US\$0.2b respectively.

⁵For YTD 2017, EMEIA exchanges saw five leading sectors. Industrials led the pack with 49 IPOs, followed by technology with 38 IPOs. The financials, health care and consumer products sectors accounted for 31 IPOs each, they had proceeds of US\$9.4b, US\$3.6b and US\$1.9b respectively.

Methodology

- ▶ The data presented in the *Global IPO Trends: Q3 2017* report and press release is from Dealogic and EY. Q3 2017 (i.e., July–September) is based on priced IPOs as of 15 September 2017 and expected IPOs in September. YTD 2017 (January–September) is based on priced IPOs from 1 January to 15 September 2017 and expected IPOs in September. Data is up to 15 September 2017, 6 a.m. UK time. All data contained in this document is sourced to Dealogic and EY unless otherwise noted.
- ▶ For the purposes of these reports and press releases, we focus only on **IPOs of operating companies** and define an IPO as a **company's first offering of equity** to the public.
- ▶ This report includes only those IPOs for which Dealogic and EY offer data regarding the issue date (the day the offer is priced and allocations are subsequently made), trading date (the date on which the security first trades) and proceeds (funds raised, including any over-allotment sold). Postponed IPOs, or those which have not yet been priced, are therefore excluded. Over-the-counter (OTC) listings are also excluded.
- ▶ In an attempt to exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded:
 - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities
 - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third-party administration as well as other financial vehicles
 - ▶ 6722: Companies that are open-end investment funds
 - ▶ 6726: Companies that are other financial vehicles
 - ▶ 6732: Companies that are grant-making foundations
 - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts
 - ▶ 6799: Special purpose acquisition companies (SPACs)
- ▶ In our analysis, unless stated otherwise, IPOs are attributed to the domicile of the company undertaking an IPO. The primary exchange on which they are listed is as defined by Dealogic and EY research.
- ▶ A cross-border (or foreign) listing is where the stock exchange nation of the company is different from the company's domicile (i.e., issuer's nation).
- ▶ For IPO listings on HKEx; SSE; SZE; Japan's Tokyo Stock Exchange (TSE); TSE MOTHERS; Korea's KRX and KOSDAQ; Thailand's SET and MAI; Indonesia IDX; WSE; NewConnect; TSX and TSX-V exchanges, we use their first trading date in place of issue date.

Markets definitions

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

Geographic definitions

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

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

Glossary

- ▶ **Financial sponsor-backed IPOs** refer to IPOs that have private equity, venture capital investors or both.
- ▶ **First-day average returns** is the median of issuers' offer price versus the closing price at their first trade date.
- ▶ **Median deal size** refers to the median IPO proceeds.
- ▶ **Post-IPO market cap** is the market value of the company after its IPO is completed.
- ▶ **Proceeds** refers to total fund raised by the issuer company and selling shareholders. This is the total deal size.
- ▶ **QOQ** refers to quarter-on-quarter. This refers to the comparison of IPO activity on Q3 2017 with Q3 2016 for this current report.
- ▶ **Share price development since IPO** is the median current returns, which is the year-to-date returns as at 14 September 2017 versus offer price. This should be compared with equity indices performance that is also measured YTD.
- ▶ **State-owned enterprise (SOE) privatizations** refers to former state-owned entities that have completed their IPO listings to become public companies.
- ▶ **YOY** refers to year-on-year. This refers to the comparison of IPO activity for the first nine months of 2017 with the first nine months of 2016 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 15 September 2017 plus expected IPOs by the end of September.

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

About EY's Growth Markets Network

EY's worldwide Growth Markets Network is dedicated to serving the changing needs of high-growth companies. For more than 30 years, we've helped many of the world's most dynamic and ambitious companies grow into market leaders. Whether working with international, mid-cap companies or early stage, venture backed businesses, our professionals draw upon their extensive experience, insight and global resources to help your business succeed.
ey.com/growthmarkets

About EY's Initial Public Offering Services

EY is a leader in helping companies go public worldwide. With decades of experience, our global network is dedicated to serving market leaders and helping businesses evaluate the pros and cons of an initial public offering (IPO). We demystify the process by offering IPO readiness assessments, IPO preparation, project management and execution services, all of which help prepare you for life in the public spotlight. Our Global IPO Center of Excellence is a virtual hub, which provides access to our IPO knowledge, tools, thought leadership and contacts from around the world in one easy-to-use source.
ey.com/ipocenter

© 2017 EYGM Limited.
All Rights Reserved.

1709-2409384

EYG no. 05460-173Gbl

ED None

This material has been prepared for general information purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

Contacts

Dr. Martin Steinbach

EY Global and EMEA IPO Leader
martin.steinbach@de.ey.com

Jackie Kelley

EY Americas IPO Markets Leader
jacqueline.kelley@ey.com

Ringo Choi

EY Asia-Pacific IPO Leader
ringo.choi@cn.ey.com

Terence Ho

EY Greater China IPO Leader
terence.ho@cn.ey.com

Shinichiro Suzuki

EY Japan IPO Leader
shinichiro.suzuki2@jp.ey.com

Scott McCubbin

EY UK and Ireland IPO Leader
smccubbin@uk.ey.com

Find out more about future IPO prospects

For more information on global IPO performance by quarter and year, and how the IPO market looks set to develop for the next 12 months, visit the EY Global IPO website:

ey.com/ipocenter