

Is the beginning
of the decade the
end of the bull?

Global IPO trends: Q1 2020

ey.com/ipo/trends #IPOreport



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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 and EMEIA regions.

The current report provides insights, facts and figures on the IPO market **for the first quarter of 2020*** 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 social media: via [Twitter](#) and [LinkedIn](#) using [#IPOreport](#)



*The first quarter of 2020 covers priced IPOs from 1 January 2020 to 18 March 2020 plus expected IPOs by the end of March.

All values are US\$ unless otherwise noted.

Global IPO market

COVID-19 is changing everything

“

Riding on the momentum from Q4 2019, global IPO markets continued to perform well in the first two months of 2020. The unexpected and novel events surrounding COVID-19 took a toll on the global health of equity markets and, together with other global market factors, have caused market turmoil not seen since the global financial crisis. This extreme market volatility makes any ambitions to go public highly uncertain. IPO candidates facing funding and liquidity challenges should also consider alternative funding mechanism as well as preparing to be ready when the next IPO window opens again.

Paul Go

EY Global IPO Leader

Global IPO market summary

Key highlights

- ▶ **The developing outbreak of the coronavirus disease (COVID-19) has superseded all other geopolitical and trade issues that affected IPO activity in 2019.** IPO markets rode on the momentum carried from Q4 2019 into the first two months of 2020. However, activity slowed dramatically in March 2020 as a result of market turmoil not seen since the global financial crisis in 2008.
- ▶ **Americas:** Vibrant stock markets in the Americas supported steady IPO activity in the first two months of Q1 2020. However, there was a notable drop in IPO activity in March 2020.
- ▶ **Asia-Pacific:** IPO activity remained robust through the first two months of 2020. In Q1 2020, IPOs rose 28% by deal volumes and 110% by proceeds compared with Q1 2019.
- ▶ **EMEIA:** IPO markets showed mixed results in Q1 2020. IPO activity got off to a slow start in January, picking up the pace in February and then falling off in March. IPO numbers fell 31% compared with Q1 2019, while proceeds rose 133%.

Outlook

- ▶ **COVID-19 and other global factors, such as dramatic fluctuations in oil prices, have had a pervasive impact on the IPO ecosystem, from financial markets to the real underlying economic fundamentals in Q1 2020.** We see the impact on market volatility, equity indices and valuations continuing for the foreseeable future, with a recovery not practical until COVID-19 is under control. However, the medium-to-long term IPO pipeline will continue to grow in major markets.
- ▶ **Americas:** The IPO pipeline continues to build, but activity this year will largely depend on COVID-19 perception, market conditions and tone of the US presidential election.
- ▶ **Asia-Pacific:** COVID-19 has supplanted geopolitical and trade tensions, and the US presidential election as the top issue affecting IPO activity in 2020. We expect to see a balance between more traditional sectors and high tech as various 5G, pharmaceutical and property management companies continue with their plans to go public in 2020.
- ▶ **EMEIA:** Economic activity remains vulnerable to increasing disruptions for the remainder of the first half of 2020. As such, we don't expect IPO activity to improve until the second half of 2020 at the earliest.

Global activity Q1 2020

Q1 2020	Change on Q1 2019	Q1 2019
235 IPOs	▲ 11%	211 IPOs
\$28.5b proceeds	▲ 89%	\$15.1b proceeds

All amounts in table are in US\$

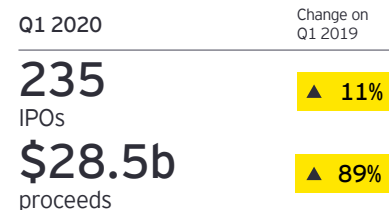
Markets Q1 2020

Americas			Asia-Pacific			EMEIA		
Q1 2020	Change on Q1 2019	Q1 2019	Q1 2020	Change on Q1 2019	Q1 2019	Q1 2020	Change on Q1 2019	Q1 2019
40 IPOs	▲ 14%	35 IPOs	160 IPOs	▲ 28%	125 IPOs	35 IPOs	▼ 31%	51 IPOs
\$8.2b proceeds	▲ 47%	\$5.6b proceeds	\$16.8b proceeds	▲ 110%	\$8.0b proceeds	\$3.5b Proceeds	▲ 133%	\$1.5b proceeds

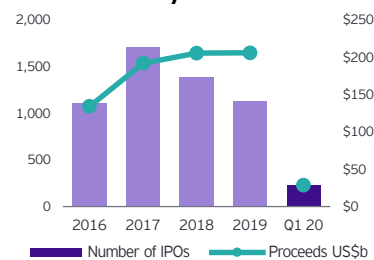
Global IPO market highlights

- ▶ **Global IPO activity in the first two months of 2020 was 29% higher by deal numbers and 242% higher by proceeds compared with the same time period in 2019**, largely carried by Asia-Pacific and US exchanges.
- ▶ With the sudden drop in equity indices across many markets, the **global equity markets have been thrown into turmoil**. Governments have responded by introducing policies and economic stimulus packages to inject liquidity into the financial system and provide aid to industries that are most vulnerable. Meanwhile, central banks are cutting interest rates and implementing supportive monetary policies.
- ▶ In the US, the CBOE Volatility Index (VIX®) rose to all-time high of 82.69 on 16 March 2020, the highest level the index has reached since November 2008 when it hovered in a similar area. In EMEIA, volatility indices for EURO STOXX and Germany's VDAX both saw their highest levels since the global financial crisis. As a result, we expect **high market volatility and uncertainty to impact IPO activity in March and into Q2 2020**.
- ▶ COVID-19 notwithstanding, **investors remain cautious about valuations of unicorns and technology IPOs** based on the lackluster performance of high-profile IPOs that have underperformed post-IPO.
- ▶ **By proceeds, the Shanghai Main Board and STAR market led in Q1 2020, followed by NASDAQ and Thailand exchanges**. By deal numbers, Hong Kong, Shanghai and Tokyo markets led the way.
- ▶ **Industrials, technology and health care** were the most active sectors in Q1 2020 by deal volumes and proceeds.
- ▶ **Private equity- (PE) and venture capital- (VC) backed IPOs** accounted for a notably higher proportion of IPOs in the Americas, compared with APAC and EMEIA. They represented 25% of Americas IPO deals in Q1 2020.

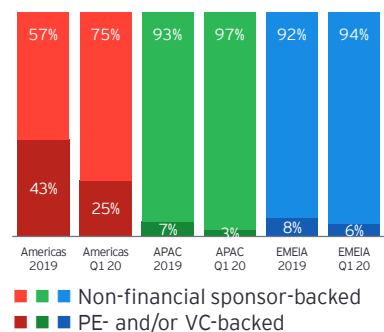
Q1 2020 activity



IPO activity



Sources of IPOs



All amounts in table are in US\$

Stock exchanges by total proceeds

Shanghai (SSE and STAR)
\$9.8b
34 IPOs

NASDAQ
\$5.4b
18 IPOs

Thailand (SET and MAI)
\$2.3b
2 IPOs

Sectors by number of IPOs

Industrials
45 IPOs
\$6.3b

Technology
40 IPOs
\$3.7b

Health care
30 IPOs
\$5.6b

IPOs largest by proceeds

Beijing-Shanghai High Speed Railway Co., Ltd.
\$4.4b
Industrials
Shanghai (SSE)

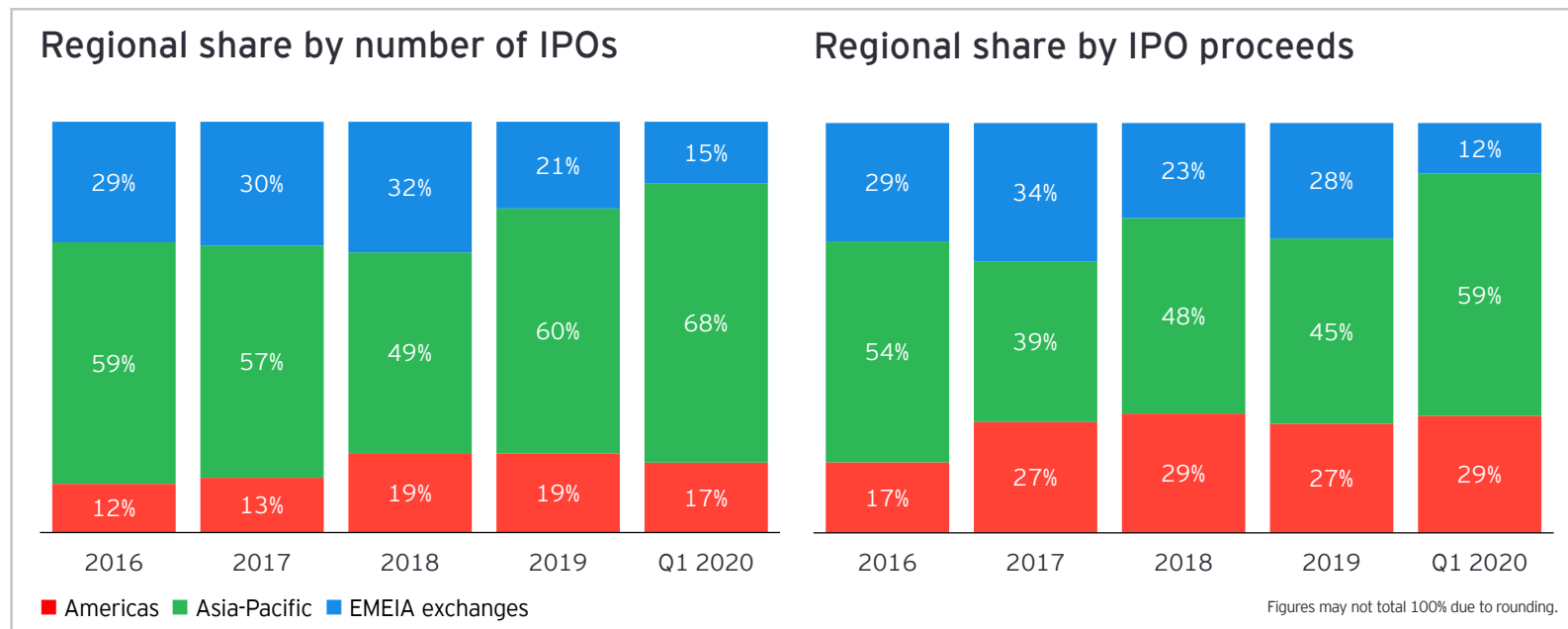
Central Retail Corp.
\$2.3b
Retail
Thailand (SET)

PPD Inc.
\$1.9b
Health care
NASDAQ

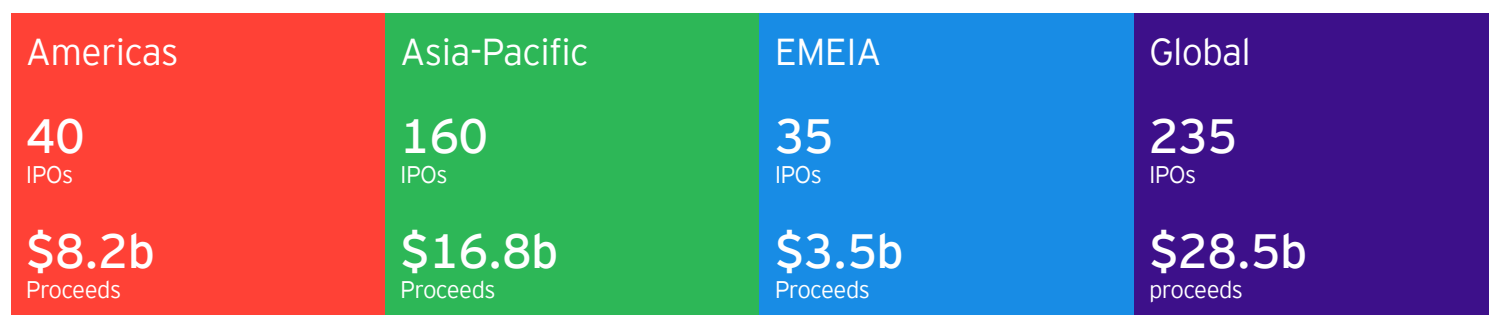
Figures may not total 100% due to rounding.

Global IPO market highlights

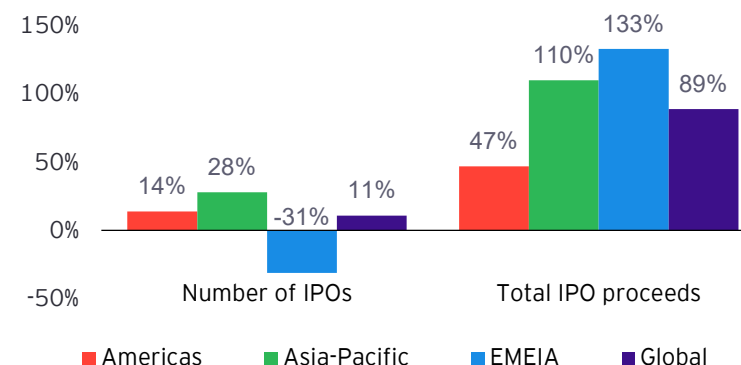
- ▶ **Americas IPO activity in Q1 2020 saw a rise compared with the same period in 2019.** Deal numbers increased by 14% compared with Q1 2019, while proceeds rose 47%, with US IPOs accounting for the majority of IPO activity.
- ▶ **Asia-Pacific IPO activity rose 28% by deal numbers and 110% by proceeds** compared with Q1 2019, despite the impact COVID-19 had on equity markets and economies in the region. The downturn in activity since March was partly offset by the STAR market, which was launched in July 2019.
- ▶ **In EMEIA, the IPO markets showed mixed results,** with IPO numbers falling 31% compared with Q1 2019. However, proceeds rose 133% in the same time frame.



Markets Q1 2020



Year-on-year comparison



Implications for IPO candidates

IPO candidates looking to go public in 2020 face capital market volatility, risk on business growth and serious supply chain disruptions. IPO candidates considering an IPO will need to:

- ▶ Be prepared to complete the IPO quicker in narrower, and may be short-notice transaction windows
- ▶ Think about digital options for remote roadshows
- ▶ Demonstrate resilience to the supply shock and demand shock
- ▶ Prepare well with an IPO readiness assessment
- ▶ Adjust to more cautious IPO valuations as investors re-appraise their overall asset allocation
- ▶ Consider other alternative funding or exit options (e.g., debt, private capital, M&A)

Major factors affecting the capital market*

There are a variety of market factors that may impact investor sentiment for IPOs. Pre-IPO companies should analyze how these factors may affect their business, timing and valuations.

Recovery of underlying economic activities

Equity market volatility

COVID-19

Oil price war

US presidential election

Brexit negotiation

Ongoing global trade tensions

*Factors are presented in no special order of priority.



Americas and US IPO market insights

IPO pipeline continues to grow despite the market turbulence

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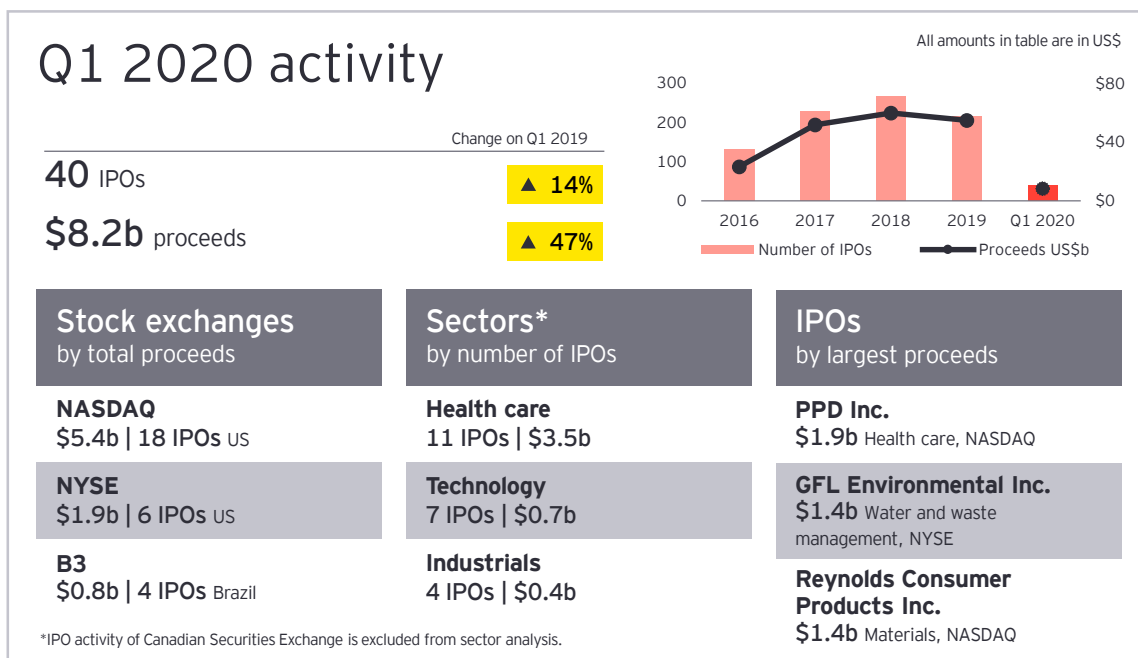
IPO activity across the Americas saw a rise in Q1 2020 by volumes and proceeds compared with Q1 2019. While COVID-19 and oil tensions have largely dried up IPO activity for now, IPO preparation continues and the IPO pipeline is growing, as issuers look for opportunities to be prepared for calmer and more conducive markets.

Jackie Kelley

EY Americas IPO Leader

Americas IPO market highlights

- ▶ Despite current market conditions, **overall Americas IPO activity in Q1 2020 was 14% higher by deal numbers and 47% rise by proceeds compared with Q1 2019.**
- ▶ **US exchanges accounted for the majority of IPOs in the Americas;** 60% by deal numbers and 89% by proceeds in Q1 2020. This included two unicorn IPOs.
- ▶ **Toronto and TSX Venture exchanges saw three IPOs in Q1 2020.**
- ▶ **In South America, Brazil posted four IPOs in Q1 2020,** with proceeds of US\$785m.
- ▶ **Health care saw the highest level of IPO activity in Q1 2020,** accounting for 28% by number of deals, followed by technology and materials (18% each). **Health care also dominated in proceeds,** contributing 43%, while energy and materials sectors represented 17% each.



Brazil's B3 Q1 2020

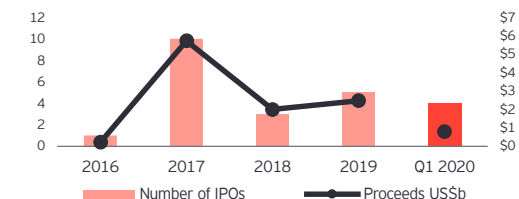
4 IPOs

\$785m proceeds

Change on Q1 2019

NA*

NA*



Canada's Toronto Stock Exchange and TSX Venture Exchange Q1 2020

3 IPOs

\$7m proceeds

Change on Q1 2019

0%

▼ 97%



Mexico's Mexican Stock Exchange Q1 2020

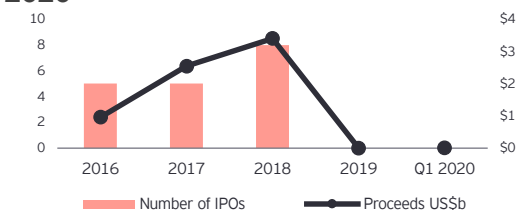
0 IPO

\$0m proceeds

Change on Q1 2019

NA**

NA**



NASDAQ and NYSE Q1 2020

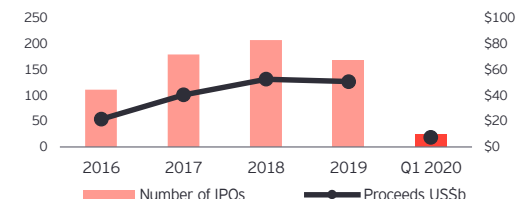
24 IPOs

\$7.3b proceeds

Change on Q1 2019

0%

▲ 39%

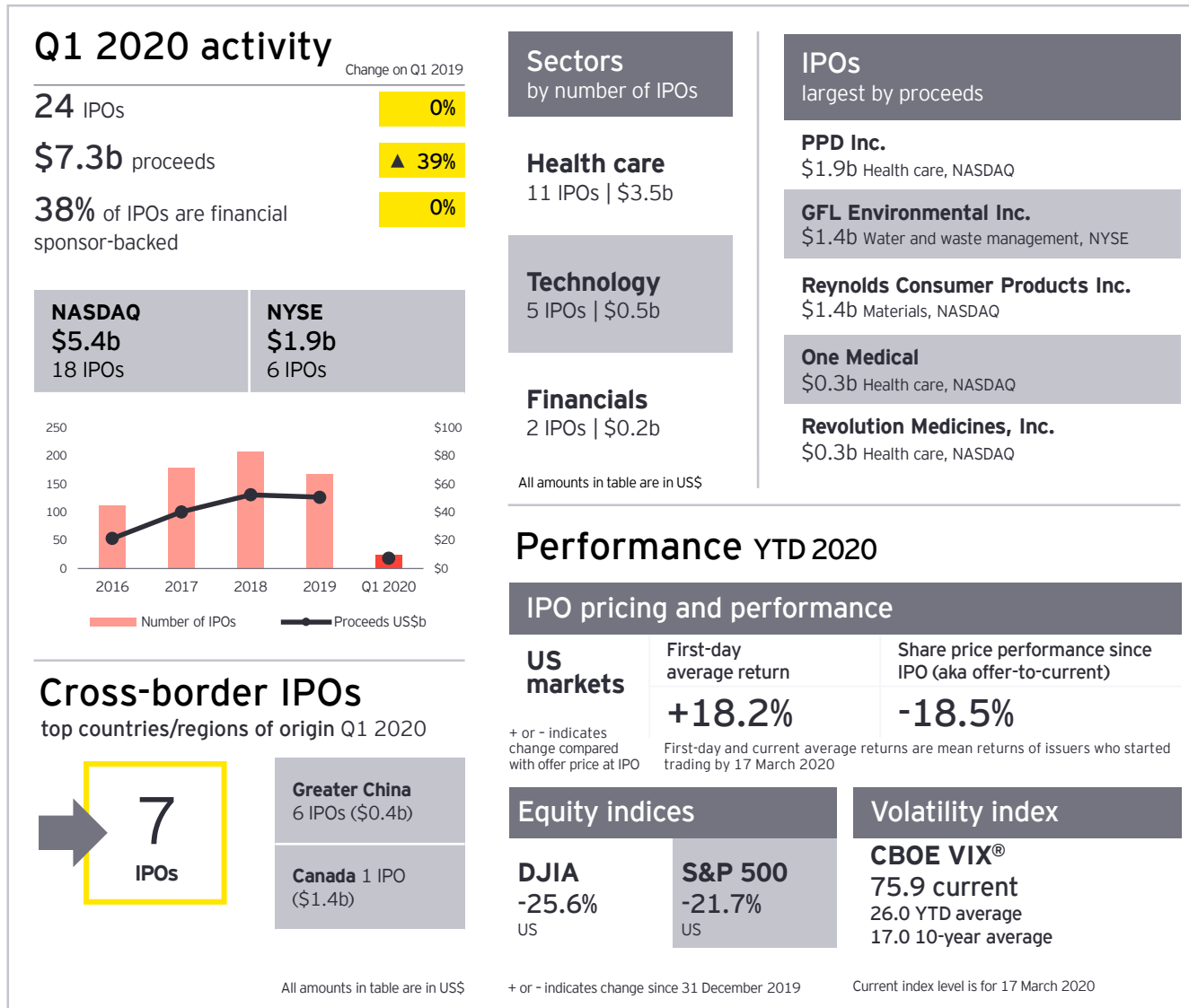


Americas – US IPO market highlights

- ▶ **US IPO deal activity in Q1 2020 was on par with the same period in 2019 and up 39% by proceeds.**
- ▶ **Health care dominated by number of deals and proceeds**, accounting for 46% and 48%, respectively. Technology followed with 21% of US activity, and energy and materials made up 20% and 19%, respectively, of US proceeds.
- ▶ **The US continues to be the top IPO destination.** There were seven cross-border IPOs in Q1 2020, where China was the top country of origin for these transactions with six of the deals.
- ▶ **Sponsor-backed IPOs represented 38% of Q1 2020 and raised 79% of proceeds**, demonstrating the US IPO market's dependence on strong capital investment from across the capital markets ecosystem.

Outlook

- ▶ When current market volatility and risk aversion driven by COVID-19 dissipates, investors will re-focus on **the market fundamentals**.
- ▶ **The impact from slumping oil prices should not be underestimated** with respect to current impact and implications on a potential recovery.
- ▶ **We expect Q2 2020 IPO activity to be significantly limited; the next IPO window would likely be after the Q2 2020 earnings, in late July and first half of August.**
- ▶ **The US presidential election in November 2020 may also impact market conditions and IPO windows**, though this macro consideration has moved to the backburner for now given broader market and risk headlines.
- ▶ Private companies continue to evaluate **direct listings and special purpose acquisition corporations (SPACs)** as an alternative to a traditional IPO.
- ▶ **Despite numerous headwinds, companies have not slowed down their IPO preparations behind the scenes**, signaling a continued appetite for IPOs.



*Indicates transactions that are expected to be completed prior to 31 March 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 17 March 2020). For stock exchanges ranking, expected proceeds are based on the mid-point of the proposed price range. All values are US\$ unless otherwise noted. Q1 2020 and Q1 20 refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of 31 March 2020. Data as of COB 17 March 2020.

A dark, stylized map of the Asia-Pacific region, including parts of East Asia, Southeast Asia, and Australia, serves as the background for the slide.

Asia-Pacific

IPO activity expected to rebound later in 2020

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Although COVID-19 has had some impact on IPO activity in the short term, with government policies and economic stimulus packages in place, IPO markets should see some improvement in the quarters to come.

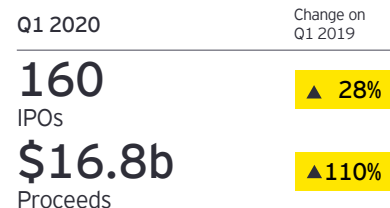
Ringo Choi

EY Asia-Pacific IPO Leader

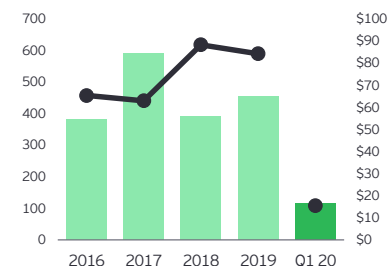
Asia-Pacific IPO market highlights

- ▶ Before the COVID-19 outbreak, Asia-Pacific IPO markets were riding a wave of momentum from Q4 2019, with many of those IPOs posting positive returns after listing. **The positive sentiment continued and IPOs launched in the first two months of 2020 performed well.**
- ▶ **Overall, Asia-Pacific IPO activity improved in Q1 2020, with deal volumes increasing 28% and proceeds up 110% over Q1 2019.** This region posted 160 IPOs raising US\$16.8b in Q1 2020. Of these, 54 IPOs took place in January, which raised US\$7.2b in total; 43 IPOs launched in February, with totals of US\$6.4b; while March saw 63 IPOs with total proceeds of US\$3.2b.
- ▶ **Asia-Pacific accounted for 7 of the top 10 exchanges by deal numbers** and 4 of the top 10 exchanges by proceeds in Q1 2020.
- ▶ **In Greater China,** IPO activity in Hong Kong was more negatively impacted than Mainland China exchanges. Combined, Greater China deal numbers increased 34% while proceeds increased by 104%.
- ▶ **In Japan,** IPO activity increased 22% in volume in Q1 2020 compared with Q1 2019. However, proceeds dropped by 21% from the same time period in 2019.
- ▶ **In Australia,** after a record year in 2019, Australian Securities Exchange (ASX) indices followed global equity indices as capital markets reacted to COVID-19. Notwithstanding, ASX saw IPO numbers increased 43% over Q1 2019, while proceeds increased 27%.
- ▶ **In ASEAN,** IPO activity continued Q4 2019's momentum in Q1 2020, with IPO volumes increasing 63% compared with Q1 2019, and proceeds rose 885% above Q1 2019 level. The significant jump in proceeds is mainly due to the listing of Central Retail Corp., which was the largest IPO ever on the Stock Exchange of Thailand.
- ▶ **Industrials, technology and consumer products posted the highest deal numbers** in Q1 2020, while industrials, retail and technology dominated the proceeds.

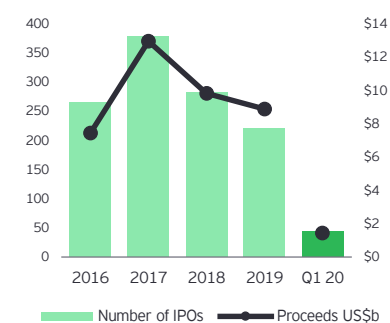
Q1 2020 activity



Main markets



Junior markets



Stock exchanges
by total proceeds

Shanghai (SSE and STAR)
\$9.8b
34 IPOs

Thailand (SET and MAI)
\$2.3b
2 IPOs

Hong Kong (HKEx and GEM)
\$1.8b
38 IPOs

Sectors
by number of IPOs

Industrials
37 IPOs
\$5.9b

Technology
27 IPOs
\$2.9b

Consumer products
19 IPOs
\$0.7b

IPOs
largest by proceeds

Beijing-Shanghai High Speed Railway Co., Ltd.
\$4.4b
Industrials
Shanghai (SSE)

Central Retail Corp.
\$2.3b
Retail
Thailand (SET)

Beijing Roborock Technology Co., Ltd.
\$0.6b
Consumer staples
STAR Market

All amounts in table are in US\$

*Indicates transactions that are expected to be completed prior to 31 March 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 17 March 2020). For stock exchanges ranking, expected proceeds are based on the mid-point of the proposed price range. All values are US\$ unless otherwise noted. Q1 2020 and Q1 20 refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of March 2020. Data as of COB 17 March 2020.

Asia-Pacific IPO market outlook

- ▶ COVID-19 has had a pervasive impact on the IPO ecosystem, from financial markets to the real underlying economic activities. It will take time for everyone in the ecosystem to adapt to the changing environment. However, as IPO numbers in March 2020 can attest, **Asia-Pacific companies appear prepared to lead the way in an IPO rebound later in 2020**. Various 5G, pharmaceutical and property management companies are continuing their IPO journey, with plans to go public in 2020.
- ▶ **In Mainland China**, a strong IPO pipeline and supportive IPO policies will sustain IPO activity in the Shanghai, STAR and Shenzhen markets.
- ▶ **In Hong Kong**, IPO candidates unaffected by the current volatility will continue to prepare for an IPO launch in 2020, using webcasts for roadshows and adapting pre-launch activities to reflect the current environment. In the meantime, the Hong Kong Stock Exchange (HKEx) has issued a consultation paper on corporate weighted voting rights (WVR) beneficiaries. If this policy is approved and implemented, we expect some mega IPOs with a corporate WVR structure will come to market in the second half of 2020.
- ▶ **In Japan**, while we expect total IPO volumes to be on par with last year, they will be lower than in previous years given the stricter examination of IPO applications by the Tokyo Stock Exchange (TSE). However, we anticipate more unicorns to come to the public markets in the next few years, based on a solid investment environment that has supported the growth of these companies. We expect the market sentiment will improve if Tokyo can continue to host the 2020 Olympics games as planned.
- ▶ **In Australia**, given the uncertainty in local and global markets, investors may take a wait-and-see approach. While small-cap IPO activity will likely remain strong, particularly for mining, health care and technology companies, larger IPO companies that were planning to list in 2020 may defer their plans based on current market conditions.
- ▶ **Across Southeast Asia**, while IPO activity is expected to be dominated by entrepreneurial activity, there could be one or two mega IPOs to come to the Southeast Asia exchanges in the second half of 2020, as we have seen in Central Retail Corporation which is the largest IPO in Thailand's history. In Singapore, the SGX's effort to promote their market has already borne fruit in Q1 2020 and will continue in remaining quarters of 2020.
- ▶ **Across Asia-Pacific**, IPO activity in 2020 is expected to retain a balance between the more traditional and well-understood sectors that are less affected by the current environment, with high-growth opportunities that health care, technology and other sectors may seize as a result of the COVID-19 outbreak.

C-suite executives continuing their plans for IPO readiness will need to prepare for a narrower IPO window and potential valuation adjustments.

Asia-Pacific – Mainland China and Hong Kong IPO market insight

The impact of COVID-19 on IPO markets in Q1 2020 is expected to be temporary

“

Despite the impact COVID-19 has had on Greater China IPO markets in Q1 2020, we are cautiously optimistic about the economic and IPO outlook for the rest of 2020. The Chinese Government has already rolled out timely policies to help companies, with more economic stimulus on the way. These efforts should help the economy and IPO markets recover more quickly when the outbreak is controlled.

Terence Ho

EY Greater China IPO Leader

Asia-Pacific – Mainland China and Hong Kong IPO market highlights

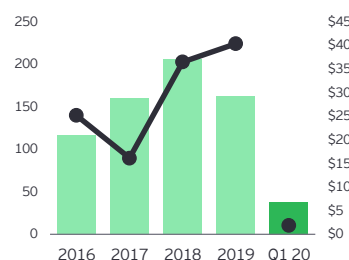
- ▶ **The outbreak of COVID-19 impacted mainland China and Hong Kong stock markets in Q1 2020.** To deal with the short-term volatility in the capital markets, the Chinese Government introduced a series of measures to stabilize capital markets and maintain liquidity during the outbreak.
- ▶ **In Hong Kong,** IPO activity on the HKEx declined significantly in Q1 2020 from Q4 2019. Year-on-year, Q1 2020 saw a modest rise (6%) in deal numbers compared with Q1 2019, while proceeds declined 32%. There was no IPO from the Mainland China companies on the HKEx in February. Some IPO candidates have chosen to postpone their IPO plans.
- ▶ **In Mainland China,** IPO activity remained stable in Q1 2020. In fact, more IPOs came to market in February (21 IPOs) than January (16 IPOs), with smaller average deal size. The STAR market continued to play an important role, accounting for 44% of Mainland China deal numbers and 36% by proceeds in Q1 2020.
- ▶ **Industrials and technology** were notably the two most active sectors in Greater China exchanges by deal numbers in Q1 2020. By proceeds, industrials led the way because of one mega IPO which was the global largest in Q1 2020, followed by technology and health care.

Q1 2020 activity

Hong Kong (HKEx)

Q1 2020 Change on Q1 2019

38 IPOs ▲ 6%
\$1.8b Proceeds ▼ 32%



Sectors
by number of IPOs

Industrials
11 IPOs | \$0.2b

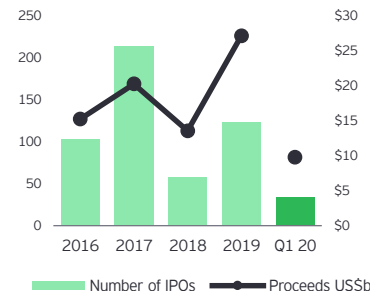
Real estate
4 IPOs | \$0.3b

Consumer products
4 IPOs | \$0.2b

Shanghai and STAR

Q1 2020 Change on Q1 2019

34 IPOs ▲ 183%
\$9.8b proceeds ▲ 547%



Sectors
by number of IPOs

Technology
15 IPOs | \$2.6b

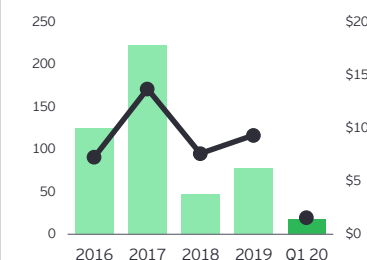
Industrials
6 IPOs | \$5.0b

Health care
5 IPOs | \$0.9b

Shenzhen (SZSE)

Q1 2020 Change on Q1 2019

18 IPOs ▼ 5%
\$1.5b proceeds ▼ 32%



Sectors
by number of IPOs

Industrials
11 IPOs | \$0.7b

Energy
2 IPOs | \$0.4b

Materials
2 IPOs | \$0.2m

Hong Kong includes both listings on the Mainboard and Growth Enterprise Market (GEM).
 Shenzhen includes listings on the Mainboard, Small and Medium Enterprise board and ChiNext.
 All amounts in table are in US\$.

Q1 20 top 5 IPOs

IPOs
largest by proceeds

Beijing-Shanghai High Speed Railway Co., Ltd.
\$4.4b
 Industrials
 Shanghai (SSE)

Beijing Roborock Technology Co., Ltd.
\$0.6b
 Consumer staples
 STAR Market

China Resources Microelectronics Ltd.
\$0.5b
 Technology
 STAR Market

Gongniu Group Co., Ltd.
\$0.5b
 Technology
 Shanghai (SSE)

Jiumaojiu International Holdings Ltd.
\$0.3b
 Retail
 Hong Kong (HKEx)

All amounts in table are in US\$

*Indicates transactions that are expected to be completed prior to 31 March 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 17 March 2020). For stock exchanges ranking, expected proceeds are based on the mid-point of the proposed price range. All values are US\$ unless otherwise noted. Q1 2020 and Q1 20 refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of March 2020. Data as of COB 17 March 2020.

Asia-Pacific – Mainland China and Hong Kong IPO market outlook

- ▶ **We expect that IPO activity will return to normal in the latter part of Q2 or Q3 2020 once the outbreak of COVID-19 is under control.**
- ▶ **In Hong Kong**, the HKEx has issued a consultation paper on corporate weighted voting rights (WVR) beneficiaries. If the WVR policy is approved and implemented, some mega IPOs with a corporate WVR structure could list on the HKEx as early as the second half of 2020. Additionally, the valuation of the HKEx remains relatively low compared to the other major markets. This may drive an increase in investor demand, which would bode well for IPO activity in Hong Kong.
- ▶ **In Mainland China**, a strong IPO pipeline and supportive IPO policies will sustain IPO activity in the Shanghai, STAR and Shenzhen markets in the coming months. This includes the new securities law that came into force on 1 March 2020, which will see the gradual rollout of the registration system to individual stock exchanges. Once this system is launched, IPO candidates can start submitting the listing applications to their target stock exchanges for approval.
- ▶ While COVID-19 has impacted all companies, some sectors have been hit harder than others. **IPO candidates looking to go public in Greater China will need to take into account profit and/or market capitalization listing requirements of their target stock exchange.** On the flip side, COVID-19 has created business opportunities that are likely to continue once the outbreak is under control, particularly in the health care sector. IPO companies that can take advantage of these opportunities will likely attract strong market interest.

IPO pipeline

More than
419 companies are in the China Securities Regulatory Commission (CSRC) pipeline

More than
101 companies have submitted public filings with HKEx

90 companies on the STAR pipeline

COVID-19 has impacted mainland China and Hong Kong stock markets in Q1 2020. However, policies that the Chinese Government has already rolled out, along with additional economic stimulus plans that will soon be made available, should help capital markets to bounce back and IPO activities return to normal in the subsequent quarters of 2020.



Asia-Pacific – Japan IPO market insight

Deal volumes were up in Q1 2020.
2020 volumes are expected to be
on par with 2019.

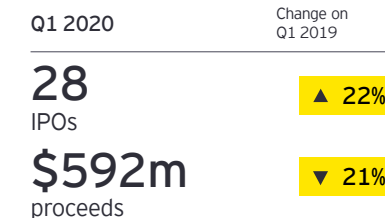
Asia-Pacific – Japan IPO market highlights

- ▶ **IPO activity on Japan exchanges increased 22% in volume in Q1 2020 compared with Q1 2019.** However, proceeds dropped by 21% from the same time period in 2019.
- ▶ Tokyo Stock Exchange (TSE), which consists of the Main Market, JASDAQ and MOTHERS, **ranked third among the top 10 global exchanges by deal numbers for Q1 2020.**
- ▶ **COVID-19 will continue to have a negative impact on economic conditions and equity market valuations.** We expect tourism and consumer-related business to be particularly hard-hit, and focus is on whether the 2020 Tokyo Olympics Games can proceed as planned.
- ▶ **Consumer products companies dominated in both IPO volumes and proceeds.** Other active sectors by deal numbers included technology and industrials.

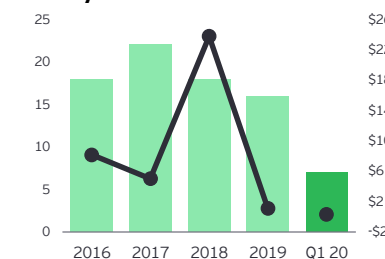
Outlook

- ▶ Looking ahead in 2020, we expect total IPO deal numbers to be on par with last year. However, this could be lower than for previous years given the stricter examination of IPO applications by the TSE.
- ▶ The number of unicorns in Japan is growing due to a solid investment environment. **We anticipate some of these unicorns will go public in the coming years.**
- ▶ **Although the 2020 Tokyo Olympics and Paralympic Games are expected to boost Japan's economy, COVID-19 may have a negative impact on attendance numbers and follow-on tourism activities.** This could have a considerable impact on Japan's economy, creating less than favorable conditions for IPO activity.
- ▶ The TSE continues to contemplate integrating its four markets (namely, Division 1, Division 2, JASDAQ and MOTHERS) into three markets over the course of the next few years. However, this integration would likely have minimal impact on Japan IPO activity.
- ▶ **Given the ongoing market volatility and uncertainty surrounding COVID-19, IPO candidates looking to go public in Japan need to be well-prepared to catch the right IPO window.** They should start preparing early to help ensure that they can be properly supported by professionals in addressing the tightened TSE rules.

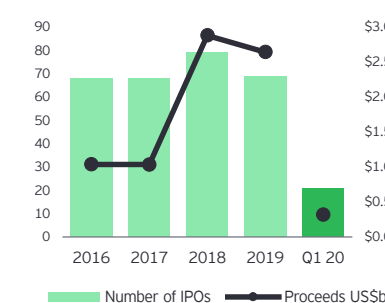
Q1 2020 activity



Tokyo Main Market



JASDAQ and MOTHERS



Sectors
by number of IPOs

Consumer products
11 IPOs
\$275m

Technology
5 IPOs
\$63m

Industrials
4 IPOs
\$39m

IPOs
largest by proceeds

Forum Engineering Inc.
\$117m
Consumer products
Tokyo (TSE)

Japan Infrastructure Fund Investment Corp.
\$61m
Energy
Tokyo (TSE)

Fast Fitness Japan Inc.
\$51m
Media and entertainment
MOTHERS

All amounts in table are in US\$

Europe, Middle East, India and Africa

COVID-19 slows momentum in Q1 2020

“

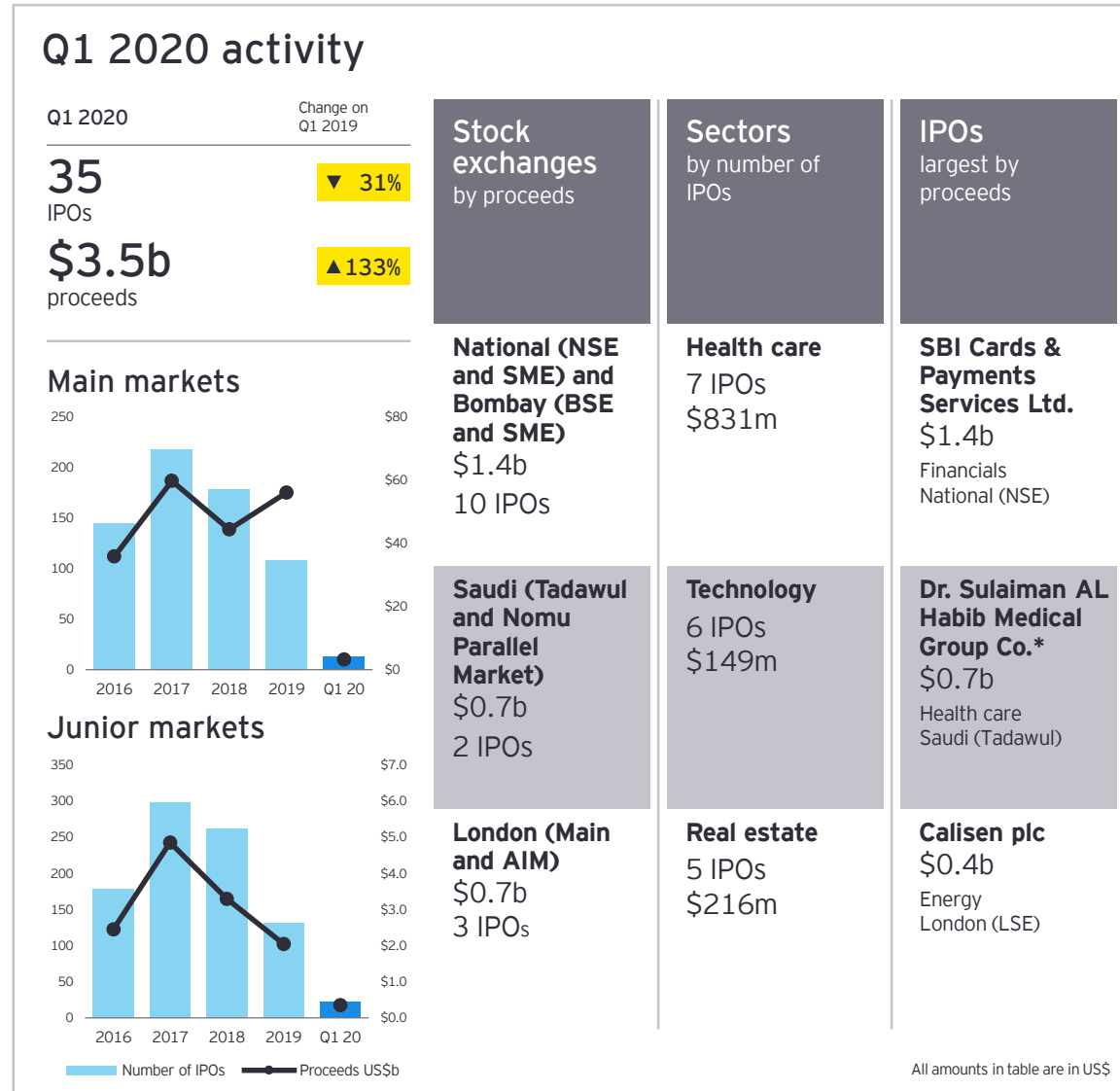
In a historically slow first quarter, COVID-19 has impacted capital markets sentiment, as EMEIA is more exposed to any impacts to cross-border supply chains. Combined with record levels of market volatility, IPOs were postponed which lowered IPO activity in Q1 2020. We see IPO candidates even more challenged to determine the right timing and pursue the right de-risking IPO strategies that provide access to funding for further growth. With central banks and governments in a “whatever it takes” mode, we expect IPO activity to pick up in H2 2020.

Dr. Martin Steinbach

EY EMEIA IPO Leader

Europe, Middle East, India and Africa IPO market highlights

- ▶ **Market volatility in EMEIA rose substantially to record levels, based on the VDAX, VFTSE and VSTOXX during March 2020 as the COVID-19 outbreak raised fears of an economic downturn in this region.**
- ▶ **With indices and valuation levels falling and market risks rising with volatile markets, many IPO-bound companies have postponed their plans to go public.**
- ▶ As an importing and exporting region, EMEIA is more exposed to any impacts to cross-border supply chains. With many of China's factories shut in February, which slowed supply, and with the spread of COVID-19 throughout Europe slowing demand and supply, **EMEIA is feeling the economic impact as countries work to contain the impact of COVID-19.** As a consequence, **IPO activity in EMEIA was subdued in Q1 2020.**
- ▶ **Sectors have been differentially impacted by COVID-19.** While technology, health care and industrials remain largely unaffected, consumer staples, consumer products (such as travel), retail sectors are feeling the downward effects.
- ▶ **In Europe,** with selected countries in quarantine and others trying to stem the spread of COVID-19, Q1 2020 European deal numbers fell 25% below Q1 2019 numbers, which were much lower than Q1 2018. However, by proceeds, Europe saw a 225% increase over Q1 2019 due to notably higher average deal size this quarter.
- ▶ **In the UK,** IPO deals began to flow, albeit more slowly than expected, following the exit of the UK from the European Union (EU). The UK posted 25% fewer number of deals in Q1 2020 compared with Q1 2019, but proceeds were up 329%.
- ▶ **The Middle East and Africa regions rode the momentum from Q4 2019,** launching seven IPOs raising US\$929m in total in Q1 2020, an increase of 75% in deal numbers and 620% in proceeds over Q1 2019.
- ▶ **In India,** as the decline in economic growth continues, Q1 2020 deal numbers are down 50% over Q1 2019, while proceeds are up 43% over the same time last year.



*Indicates transactions that are expected to be completed prior to 31 March 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 17 March 2020. For stock exchanges ranking, expected proceeds are based on the mid-point of the proposed price range. All values are US\$ unless otherwise noted. Q1 2020 and Q1 20 refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of March 2020. Data as of COB 17 March 2020.

Europe, Middle East, India and Africa IPO market outlook

- ▶ **Economic activity in EMEIA remains vulnerable to disruptions linked to COVID-19 for the remainder of the first half of 2020. However, the region will benefit from lower geopolitical uncertainty** following phase one of the US-China trade deal, the UK's orderly exit from the EU and reasoned negotiations for future trade between the UK and EU.
- ▶ **Because of COVID-19, we expect further monetary easing and government economic stimulus.** Many governments and the European Central Bank have switched into "whatever it takes" mode with different programs and activities to support the real economy.
- ▶ **In Europe**, with selected countries in quarantine and borders being closed, there is a risk of a temporary near-term recession, which may keep IPO candidates on the sidelines until the second half of 2020.
- ▶ **In the UK**, although the UK election and orderly Brexit had brought stability to UK markets, COVID-19 and oil prices have sent them roiling again. Until the volatility subsides, we expect to see limited IPO activity.
- ▶ **For the Middle East and Africa regions**, the recent spread of COVID-19 and the fluctuation in oil prices are impacting the region. Businesses and investors are likely to proceed with caution in the coming months.
- ▶ **In India**, COVID-19 has not had as big an impact as in other parts of the world. However, as India's economy is closely tied to China's, auto, pharmaceutical, textiles and airline industries could be negatively impacted. As a result, IPO activity is expected to slow as investors take a wait-and-see approach.

Amid ongoing market volatility, IPO-bound companies will need to take extra care with de-risking mechanisms, particularly related to transaction type, investor appetite and IPO fitness.

Europe IPO snapshot

Markets

Q1 2020	Change on Q1 2019	Q1 2020	Change on Q1 2019
18 IPOs	▼ 25%	\$1.2b proceeds	▲ 225%
11% of IPOs are financial sponsor-backed		54% of IPOs are financial sponsor-backed	

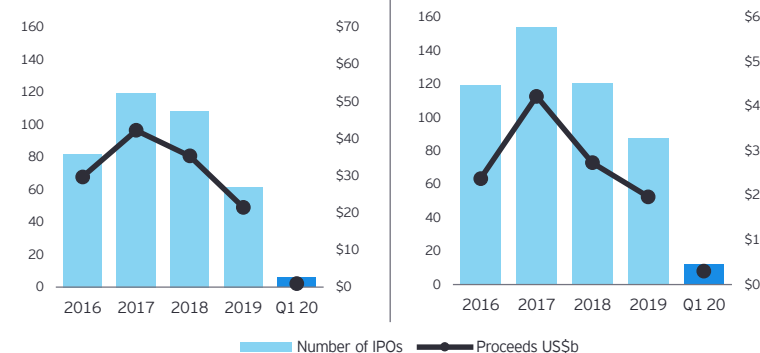
All amounts in table are in US\$

Main markets

Q1 2020	Change on Q1 2019
6 IPOs	▼ 40%
\$0.9b proceeds	▲ 220%

Junior markets

Q1 2020	Change on Q1 2019
12 IPOs	▼ 14%
\$0.3b proceeds	▲ 241%



Activity Q1 2020

Sectors

by number of IPOs

Technology
5 IPOs | \$148m

Health care
4 IPOs | \$131m

Energy
2 IPOs | \$560m

IPOs

largest by proceeds

Calisen plc
\$436m Energy, London (LSE)

Musti Group Oyj
\$198m Retail, NASDAQ OMX Helsinki

BW Energy Ltd.
\$124m Energy, Oslo Bors

Stock exchanges

by total proceeds

London (Main and AIM)
\$661m | 3 IPOs UK

NASDAQ OMX and First North
\$244m | 6 IPOs Nordics

Euronext and Alternext
\$137m | 3 IPOs France

All amounts in table are in US\$



EMEA – UK IPO market insight

Just as UK IPO candidates saw the IPO window opening after the UK election, COVID-19 and oil prices have become the new threat to IPO activity.

EMEIA – UK IPO market highlights

- ▶ The UK general election and an orderly Brexit brought stability to UK markets at the start of 2020. **Just as the IPO window looked to be opening, COVID-19 and tension among competing oil nations have created higher levels of market volatility.**
- ▶ As a result, **IPO activity in Q1 2020 has been quieter than expected**, with the UK posting a lower number of deals compared with Q1 2019. For companies that listed before the window closed, there was some good news as proceeds rose 329% over Q1 2019 due to larger average deal size.
- ▶ A number of IPO candidates have been preparing for a long time to go public. This pent-up demand in the pipeline suggests that IPO activity will come back once market volatility subsides and the next IPO window opens.

Outlook

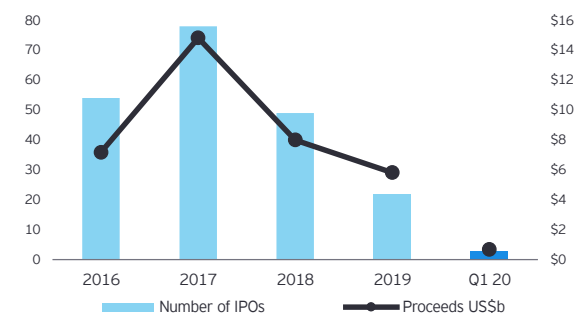
- ▶ The **UK Government is responding to COVID-19 and the resulting market volatility with stimulus programs to try to protect the economy, while the Bank of England has lowered interest rates.**
- ▶ COVID-19 has placed a spotlight on the global nature of supply and demand. Companies across the globe are having to rethink the fundamentals of their business. As such, **we anticipate another two quarters of sluggishness to negative economic growth in the UK before the real economy and equity markets adapt to this new environment.**
- ▶ Amid this new wave of market volatility, there are higher risks around deal execution and to business models alongside depressed economic activity. While IPO activity may be delayed for another quarter or two, **we expect activity to return to the market once the impact of COVID-19 has been further controlled.**

Q1 2020 activity

3 IPOs Change on Q1 2019
 ▼ 25%
 \$661m proceeds
 ▲ 329%
 33% of IPOs are financial sponsor-backed
 *NA

*There was no financial sponsor-backed IPO activity in Q1 2019.

London Main Market \$436m 1 IPO	London AIM \$225m 2 IPOs
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Sectors by number of IPOs

Energy
1 IPO | \$436m

Health care
1 IPO | \$122m

Consumer products
1 IPO | \$103m

IPOs largest by proceeds

Calisen plc
\$436m Energy, London Main

Inspects Group plc
\$122m Health care, London AIM

FRP Advisory Group plc
\$103m Consumer products, London AIM

All amounts in table are in US\$

The current COVID-19 outbreak demonstrates that, now more than ever, IPO candidates will need to demonstrate business resilience to increasingly discerning investors.

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Top 12 stock exchanges

By number of IPOs

2020 year-to-date

Ranking	Stock exchanges*	Number of IPOs	% of global IPOs
1	Hong Kong (HKEx and GEM)	38	16.2%
2	Shanghai (SSE and STAR)	34	14.4%
3	Tokyo, MOTHERS and JASDAQ	28	11.8%
4	NASDAQ	18	7.7%
5	Shenzhen (SZSE and Chinext)	18	7.7%
6	Indonesia (IDX)	18	7.7%
7	National (NSE and SME) and Bombay (BSE and SME)	10	4.3%
8	Australia (ASX)	10	4.3%
9	Canadian Securities Exchange (CNQ)	7	2.9%
10	Bursa Malaysia, ACE and LEAP	6	2.6%
11	New York (NYSE)	6	2.6%
12	NASDAQ OMX and First North	6	2.6%
	Other stock exchanges (17 exchanges)	36	15.3%
	Global IPO activity	235	100.0%

2019 full year

Ranking	Stock exchanges*	Number of IPOs	% of global IPOs
1	Hong Kong (HKEx) and GEM	162	14.3
2	NASDAQ	130	11.5
3	Shanghai (SSE and STAR)	123	10.9
4	Tokyo (TSE), MOTHERS and JASDAQ	85	7.5
5	Shenzhen (SZSE and Chinext)	77	6.8
6	National (NSE and SME) and Bombay (BSE and SME)	64	5.7
7	Indonesia (IDX)	55	4.9
8	Australia (ASX)	49	4.3
9	Korea (KRX and KOSDAQ)	42	3.7
10	New York (NYSE)	38	3.4
11	NASDAQ OMX and First North	35	3.1
12	Borsa Italiana (Main and AIM)	34	3.0
	Other stock exchanges (40 exchanges)	237	20.9
	Global IPO activity	1,131	100.0

By proceeds

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	Shanghai (SSE and STAR)	9.8	34.3%
2	NASDAQ	5.4	18.9%
3	Thailand (SET and MAI)	2.3	8.1%
4	New York (NYSE)	1.9	6.6%
5	Hong Kong (HKEx and GEM)	1.8	6.4%
6	Shenzhen (SZSE and Chinext)	1.5	5.4%
7	National (NSE and SME) and Bombay (BSE and SME)	1.4	4.9%
8	Sao Paulo (BM&F BOVESPA)	0.8	2.8%
9	Saudi (Tadawul and Nomu Parallel Market)	0.7	2.6%
10	London (Main and AIM)	0.7	2.3%
11	Tokyo, MOTHERS and JASDAQ	0.6	2.1%
12	Singapore (SGX and Catalist)	0.5	1.7%
	Other stock exchanges (17 exchanges)	1.1	3.9%
	Global IPO activity	28.5	100.0%

Ranking	Stock exchanges*	US\$b	% of global IPOs
1	Hong Kong (HKEx) and GEM	40.3	19.6%
2	Saudi (Tadawul and Nomu Parallel Market)	30.5	14.8%
3	NASDAQ	27.4	13.3%
4	Shanghai (SSE and STAR)	27.1	13.2%
5	New York (NYSE)	23.3	11.3%
6	Shenzhen (SZSE and Chinext)	9.3	4.5%
7	London (Main and AIM)	5.8	2.8%
8	Deutsche Börse (Main and Scale)	4.0	1.9%
9	Tokyo (TSE), MOTHERS and JASDAQ	3.8	1.8%
10	Thailand (SET and MAI)	3.7	1.8%
11	Euronext and Alternext	3.3	1.6%
12	SIX Swiss Exchange	3.0	1.5%
	Other stock exchanges (40 exchanges)	24.7	11.9%
	Global IPO activity	206.2	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. Figures may not total 100% due to rounding. 2020 year-to-date refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of March 2020. Data as of COB 17 March 2020.

Regional IPO facts and figures: Americas

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 2020	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)	Proceeds US\$b current quarter: Q1 2020	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)
US	24	0%	-41%	7.3	39%	13%
Canada¹	10	11%	-17%	0.0	-95%	-94%
Brazil²	4	NA	33%	0.8	NA	-41%
Mexico³	0	NA	NA	0.0	NA	NA
Jamaica⁴	2	100%	0%	0.1	9600%	1840%
Chile⁵	0	-100%	NA	0.0	-100%	NA
Americas	40	14%	-31%	8.2	47%	2%

1. In Q1 2020, there were three IPOs raising US\$7m in total on Toronto Stock Exchange and TSX Venture Exchange. There were also 7 IPOs on the Canadian Securities Exchange that raised US\$6m altogether – these listings were excluded on page 9. Whereas in Q1 2019, there were three IPOs raising US\$212m on Toronto Stock Exchange and TSX Venture Exchange, while there were 6 IPOs on Canadian Securities Exchange that raised US\$58m in total. In comparison, Q4 2019 saw 7 IPOs raising US\$223m on Toronto Stock Exchange and TSX Venture Exchange, while there were 5 IPOs on Canadian Securities Exchange that raised US\$3m combined.

2. In Q1 2020, there were 4 IPOs, which raised US\$0.8b in total on Brazil's B3 exchange. Whereas, there were no IPOs in Q1 2019, while there were three IPOs listed during Q4 2019, which raised US1.3b.

3. In Q1 2020, Q1 2019 and Q4 2019, there were no IPOs on the Mexican Stock Exchange. There were no IPOs on Mexican Stock Exchange during 2019 full year.

4. In Q1 2020, there were two IPOs on Jamaica Stock Exchange, which raised US\$97m. Whereas in Q1 2019, there was one IPO raised US1m, while during Q4 2019, there were two IPOs raising US\$5m.

5. In Q1 2020, there were no IPOs on Chile's Santiago Stock Exchange. Whereas Q1 2019, saw one IPO raising US\$69m and there were no IPOs in Q4 2019.

Regional IPO facts and figures: Asia-Pacific

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 20	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)	Proceeds US\$b current quarter: Q1 20	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)
Indonesia	18	157%	6%	0.2	132%	-27%
Thailand	2	-60%	-88%	2.3	1102%	-26%
Singapore	5	25%	400%	0.5	1654%	-33%
Malaysia	6	100%	50%	0.0	667%	-18%
Philippines	0	NA	-100%	0.0	NA	-100%
Maldives	0	NA	-100%	0.0	NA	-100%
Vietnam	0	NA	NA	0.0	NA	NA
Asean¹	31	63%	-23%	3.0	885%	-28%
China Mainland	52	68%	-29%	11.3	201%	-30%
Hong Kong	38	6%	-42%	1.8	-32%	-92%
Taiwan²	0	NA	-100%	0.0	NA	-100%
Greater China	90	34%	-36%	13.1	103%	-67%
Japan	28	22%	-22%	0.6	-21%	-70%
South Korea³	0	-100%	-100%	0.0	-100%	-100%
Australia	10	43%	-50%	0.1	27%	-95%
New Zealand⁴	1	NA	NA	0.0	NA	NA
Oceania	11	57%	-45%	0.1	31%	-95%
Asia-Pacific	160	28%	-34%	16.8	109%	-65%

1. There were no IPOs on Myanmar, Philippines, Sri Lanka, Maldives, Cambodia and Vietnam's stock exchanges during Q1 2020. During Q4 2019, there was one IPO on Philippines Stock Exchange which raised US\$18m and one IPO on Maldives Stock Exchange which raised US\$16m.

2. In Q1 2020 and Q1 2019, there were no IPO on Taiwan Stock Exchange. Whereas in Q4 2019, there was one IPO which raised US\$20m.

3. In Q1 2020, there was no IPO on Korea Stock Exchange and KOSDAQ. Whereas, these main and junior market saw 9 IPOs which raised US\$488m in total in Q1 2019, while Q4 2019 saw 8 IPOs which raised a total of US\$881m.

4. In Q1 2020, there was one IPO on New Zealand Exchange which raised US\$2m. Whereas in Q1 2019 and Q4 2019, there were no IPOs on New Zealand Exchange.

Regional IPO facts and figures: EMEIA

Quarterly comparison

Regions/country*	IPOs current quarter: Q1 20	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)	Proceeds US\$b current quarter: Q1 20	Change QOQ% (vs. Q1 19)	Change previous quarter% (vs. Q4 19)
Nordics (Denmark, Norway, Sweden and Finland)	9	29%	-47%	0.4	474%	-63%
Central and Southern Europe (CESA)	3	-25%	-40%	0.0	-80%	-79%
Germany, Switzerland and Austria (GSA)¹	0	-100%	-100%	0.0	-100%	-100%
Mediterranean (Italy and Spain)²	0	-100%	-100%	0.0	-100%	-100%
WEM (Western Europe)	3	50%	-50%	0.1	243%	-96%
Continental Europe	15	-25%	-63%	0.5	149%	-90%
UK and Ireland³	3	-25%	-40%	0.7	329%	11%
Europe	18	-25%	-60%	1.2	225%	-80%
Africa and WEM (Maghreb)⁴	1	0%	0%	0.0	45%	-41%
India⁵	10	-57%	-9%	1.4	38%	310%
Middle East and North Africa⁶	6	100%	20%	0.9	726%	-97%
EMEIA	35	-31%	-44%	3.5	133%	-90%

1. In Q1 2020, there were no IPOs on Deutsche Börse, Swiss Exchange or Wiener Börse. Whereas, in Q1 2019, there were two IPOs on Wiener Börse, which raised a total of US\$26m, while there was one IPO Swiss Exchange which raised US\$757m in Q4 2019.

2. In Q1 2020, there were no IPOs on Borsa Italiana or Bolsa de Madrid. Whereas, in Q1 2019, there were 5 IPOs on Borsa Italiana's AIM, which raised a total of US\$21m. While in Q4 2019, there were 11 IPOs which raised US\$384m. This consist of two IPOs on Borsa Italiana which raised US\$285m altogether, eight IPOs which raised US\$54m in total on Borsa Italiana AIM and one IPO which raised US\$45m listed on Spain's Mercado Alternativo Bursatil (MAB).

3. In Q1 2020, there was one IPO on London Main Market which raised US\$436m, while there were two IPOs on AIM which raised US\$225m in total. There was no IPO activity on Dublin Stock Exchange in Q1 2020.

4. In Q1 2020, there was one IPO on African exchanges which raised US\$29m. Whereas, there was one IPO activity on African exchanges in Q1 2019 which raised US\$20m and there was one IPOs raising US\$49m in Q4 2019.

5. In Q1 2020, India includes India's National and Bombay Stock Exchange Main Market and SME (10 IPOs, US\$1.4b). In Q1 2019, there were 20 IPOs raising US\$986m and three IPOs raising a total of US\$34m on Bangladesh's Dhaka Stock Exchange. During Q4 2019, 11 IPOs (US\$343m) on India's National and Bombay Stock Exchange Main Market and SME. There were no IPOs on Dhaka Stock Exchange.

6. Middle East and North Africa includes IPO activity on Saudi (Tadawul and Nomu Parallel Market), there were two IPOs which raised a total of US\$747m in Q1 2020, one IPO which raised US\$58m in Q1 2019 and one IPO raising US\$29.4b in Q4 2019. Whereas Israel's Tel Aviv Stock Exchange saw two IPOs raised US\$127m in Q1 2020, one IPO raised US\$15m in Q1 2019, and one IPO raising US\$144m in Q4 2019. During Q1 2020, there was one IPO which raised US\$13m on Egyptian Exchange and one IPO which US\$13m on Muscat Stock Exchange.

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 19-21) and UK section (page 22-23).

*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. Figures may not total 100% due to rounding.

2020 year-to-date refer to the first quarter of 2020 and cover priced IPOs from 1 January 2020 to 17 March 2020 plus expected IPOs by the end of March 2020. Data as of COB 17 March 2020.

Most active sectors around the world

Summary of the top three sectors by number of IPOs, by region* and sub-region* for Q1 2020 (▲)

Stock exchange regions	Industrials	Technology	Health care	Consumer products	Materials	Real estate	Consumer staples	Energy	Retail	Media and entertainment	Financials	Telecommunications
Americas		▲	▲		▲							
▸ US		▲	▲								▲	
Asia-Pacific	▲	▲		▲								
▸ Greater China ¹	▲	▲		▲	▲							
▸ Japan	▲	▲		▲								
EMEA		▲	▲			▲						
▸ Europe ²		▲	▲	▲				▲	▲			
▸ UK			▲	▲				▲				
Global	▲	▲	▲									
Q1 2020 IPO activity	45	40	30	22	21	20	16	13	10	10	7	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.

1. For Q1 2020, Greater China exchanges saw four active sectors. Industrials led with 28 IPOs and technology saw 18 IPOs. Consumer products and materials accounted for seven IPOs each with proceeds of US\$414m and US\$442m respectively.

2. For Q1 2020, European exchanges saw five active sectors. Technology led with five IPOs and health care saw four IPOs. Energy, retail and consumer products accounted for two IPOs each with proceeds of US\$560m, US\$205m and US\$103m respectively.

Methodology

- ▶ The data presented in the *Global IPO trends: Q1 2020* report and press release is from Dealogic and EY. Q1 2020 (i.e., January–March) and YTD 2020 (January–March) is based on priced IPOs as of 17 March 2020 and expected IPOs in March. Data is up to 18 March 2020, 9 a.m. UK time. All data contained in this document is sourced to Dealogic and EY unless otherwise noted.
- ▶ For the purposes of these reports and press releases, we focus only on **IPOs of operating companies** and define an IPO as a **company's first offering of equity** to the public.
- ▶ This report includes only those IPOs for which Dealogic and EY teams offer data regarding the first trade date (the first day on which the security start trading on a stock exchange), and proceeds (funds raised, including any over-allotment sold). The first trade date determines which quarter a deal is attributed to. Postponed IPOs, or those that 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 all IPO listings globally, their issue date is taken as their first trade date (the first day on which the security starts trading on a stock exchange).

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 mean of issuers' offer price versus the closing price at their first trade date. This is shown in the US section (page 10).
- ▶ **Proceeds** refers to total fund raised by the issuer company and selling shareholders. This is the total deal size.
- ▶ **Share price performance since IPO** is the mean year-to-date returns (i.e., the mean current returns). This is calculated using stock price as at 17 March 2020 versus offer price. This should be compared with equity indices performance that is also measured YTD. This is only shown in the US section (page 10).
- ▶ **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 2020 with the first three months of 2019 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 17 March 2020 plus expected IPOs by the end of March 2020.

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