

Is your equity story
adapting to the new
norm?

Global IPO trends: Q2 2020

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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 half 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 half of 2020 covers priced IPOs from 1 January 2020 to 23 June 2020 plus expected IPOs by the end of June.

All values are US\$ unless otherwise noted.

Global IPO market

Abundance of liquidity drove IPO activities as business adjusted to the new norm

“

Although IPO activity declined in April and May 2020 because of the economy lockdown in most markets, we began to see a strong rebound in June. Well-prepared companies, in the right sectors and business models that can successfully adjust during the pandemic, will find the right window of opportunity amid turbulent capital markets for the rest of 2020.

Paul Go

EY Global IPO Leader

Global IPO market summary

Key highlights

- ▶ Due to the impact of COVID-19, global IPO activities slowed dramatically on both the Americas and EMEIA exchanges between April and May 2020, compared with 2019, while Asia-Pacific recorded a slight decline. As volatility levels subsided and sentiments stabilized, we saw a **rebound in IPO activity across all three regions in June**.
- ▶ Despite a late flurry of deals in June, **Q2 2020 saw a decline from Q2 2019 activities** for all regions by deal numbers and for Americas and EMEIA by proceeds. This **dragged down 1H 2020 regional activities** compared with 1H 2019, with the exception of Asia-Pacific, which benefited from some US Foreign Private Issuers (FPIs) completing their secondary listing in Hong Kong, together with strong performance from the Shanghai stock exchanges and Thailand recorded its largest IPO ever in 2020.
- ▶ **Americas:** The pandemic had a negative impact on IPO activity at the start of Q2 2020. However, following a very strong rebound in IPO activity in June, the US NASDAQ is ranked global number 1 by proceeds in YTD 2020.
- ▶ **Asia-Pacific:** Although year-on-year activity rose by deal number and proceeds, Q2 2020 saw a decline of 18% compared with Q2 2019 by deal number, while proceeds rose by 28%. Asia-Pacific accounted for four of the top five exchanges by deal number and three of top five by proceeds in YTD 2020.
- ▶ **EMEIA:** Unprecedented market volatility, especially toward the end of Q1 2020, slowed EMEIA IPO activity considerably in Q2 2020, with IPO volumes and proceeds down 66% and 60%, respectively, compared with Q2 2019. EMEIA accounted for two of the top ten exchanges by deal number and three of top ten by proceeds in YTD 2020.

Outlook

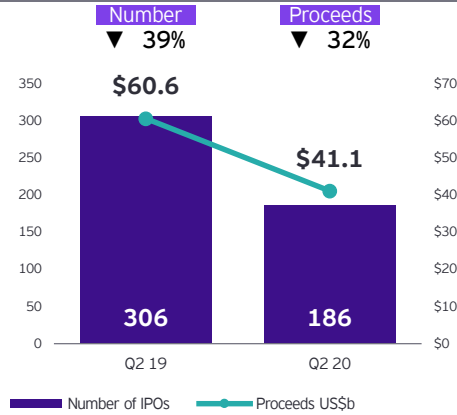
- ▶ In the short to medium term, **governments will continue to implement policies and stimulate the economies against rising unemployment**. Central banks will inject more liquidity into the financial systems. Both bode well for the equity and IPO markets.
- ▶ COVID-19 resulted in delays and IPO pipelines continue to grow in major markets. **A further rebound of IPO activity is expected in 2H 2020**, on the back of strong June IPO performance. However, **uncertainties continue to exist**. A possible second wave of COVID-19, US-China tension, Brexit negotiations, the US election and low oil prices could derail some of the positive momentum we began to see in June.
- ▶ **Americas:** Despite economic and fundamental business headwinds, stock prices and valuations are rebounding and the volatility index (VIX[®]) receding. This should create a more receptive IPO environment in 2H 2020.
- ▶ **Asia-Pacific:** Higher activity is expected in 2H 2020, led by more US FPIs seeking secondary listings outside of the US. US-China tension will continue to cause market volatility and add uncertainty to the IPO activity in 2H 2020.
- ▶ **EMEIA:** We anticipate less volatility in 2H 2020, which should give a boost to IPO activity. However, if there is a resurgence of the pandemic in Q3 2020, which would cause volatility indices to rise, EMEIA IPO markets could continue to remain at low activity level.

Companies should expect the unexpected for their IPO preparation in the months ahead.

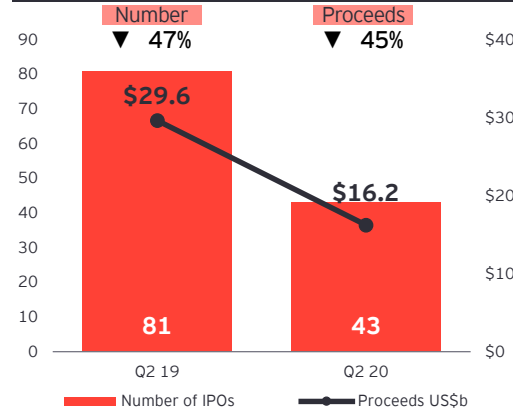
Global and individual area performance

Q2 2020 comparison

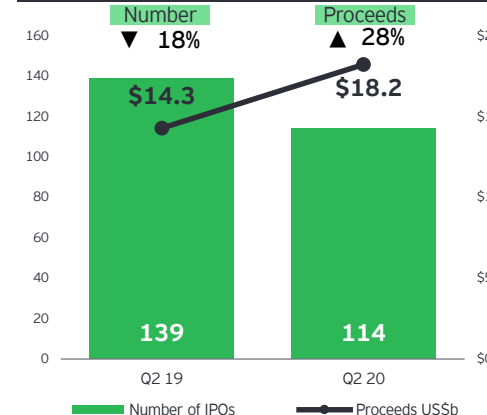
Global



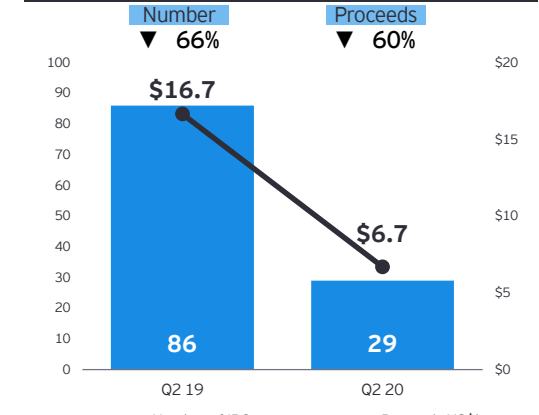
Americas



Asia-Pacific

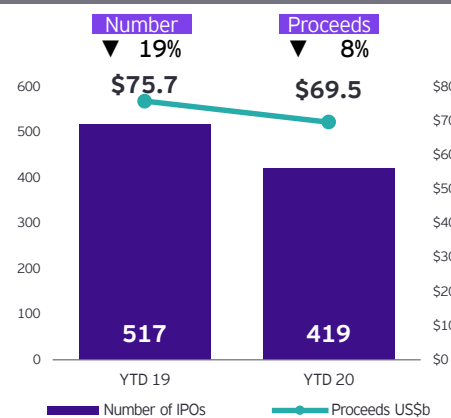


EMEA

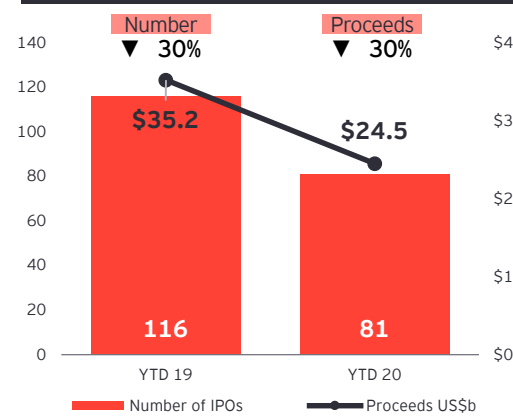


YTD comparison

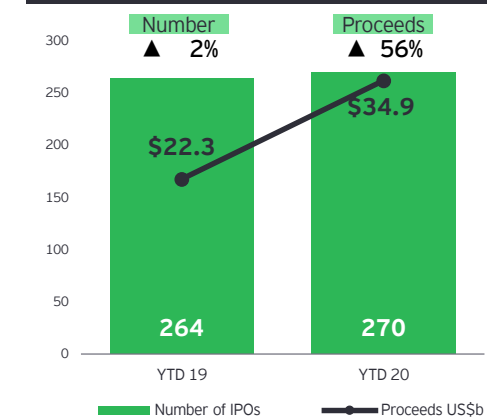
Global



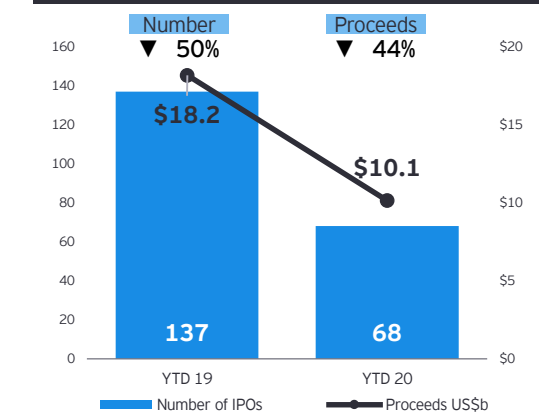
Americas



Asia-Pacific



EMEA

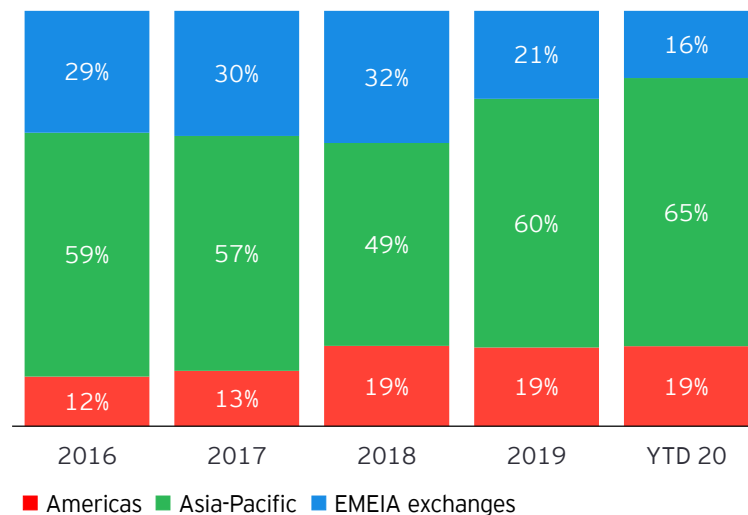


All values are US\$ unless otherwise noted. | YTD 2020 and YTD 20 refers to the first six months of 2020 and cover priced IPOs from 1 January 2020 to 23 June 2020 plus expected IPOs by the end of June. Q2 2020 and Q2 20 refer to the second quarter of 2020 and cover priced IPOs from 1 April 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

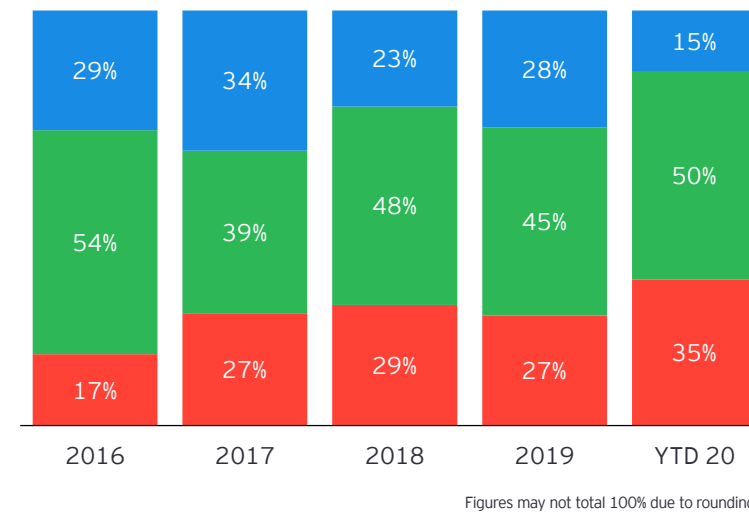
Asia-Pacific area maintains higher level of IPO activity

- ▶ **Americas IPO activity in YTD 2020 saw a decline compared with YTD 2019.** Deal numbers and proceeds both fell by 30%. US IPOs accounted for the majority of IPO activity.
- ▶ **Asia-Pacific IPO activity rose 2% by deal numbers and 56% by proceeds compared with YTD 2019,** as some countries started to recover from the impact of COVID-19 and re-opened their economies earlier. Strong activity on STAR Market and more mega IPOs on HKEx helped to propel the rise.
- ▶ **In EMEIA, the IPO markets remain affected by COVID-19 and market volatility.** IPO numbers and proceeds fell 50% and 44%, respectively, compared with YTD 2019. There are signs of recovery, as a small number of large IPOs came to the markets from the end of May into June.

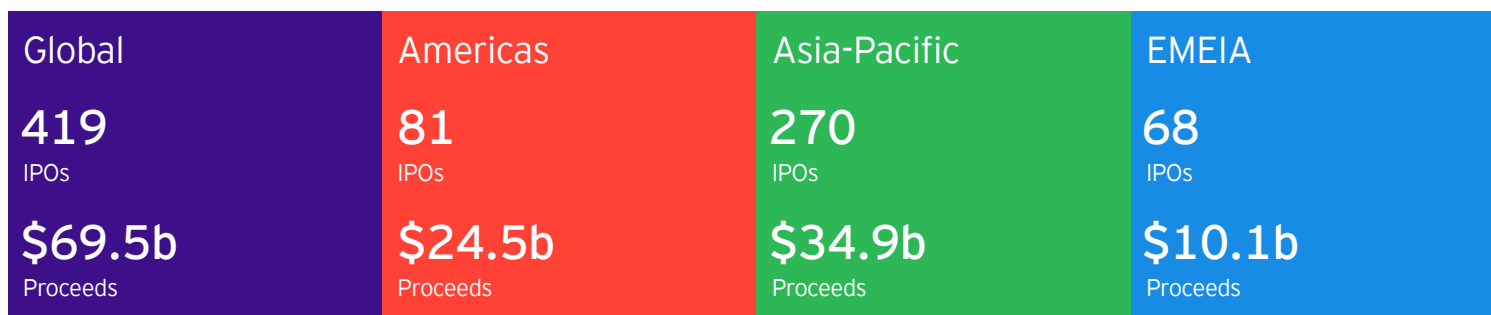
Regional share by number of IPOs



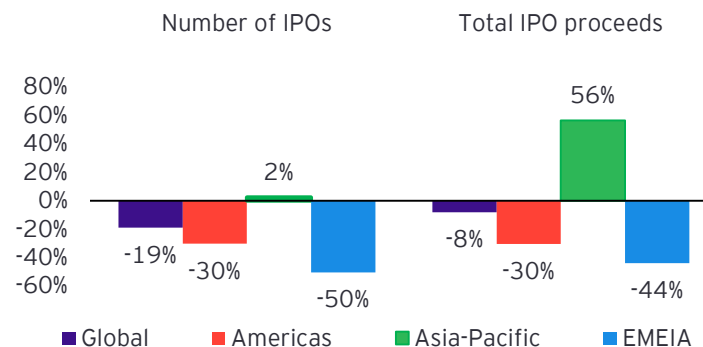
Regional share by IPO proceeds



Markets YTD 2020

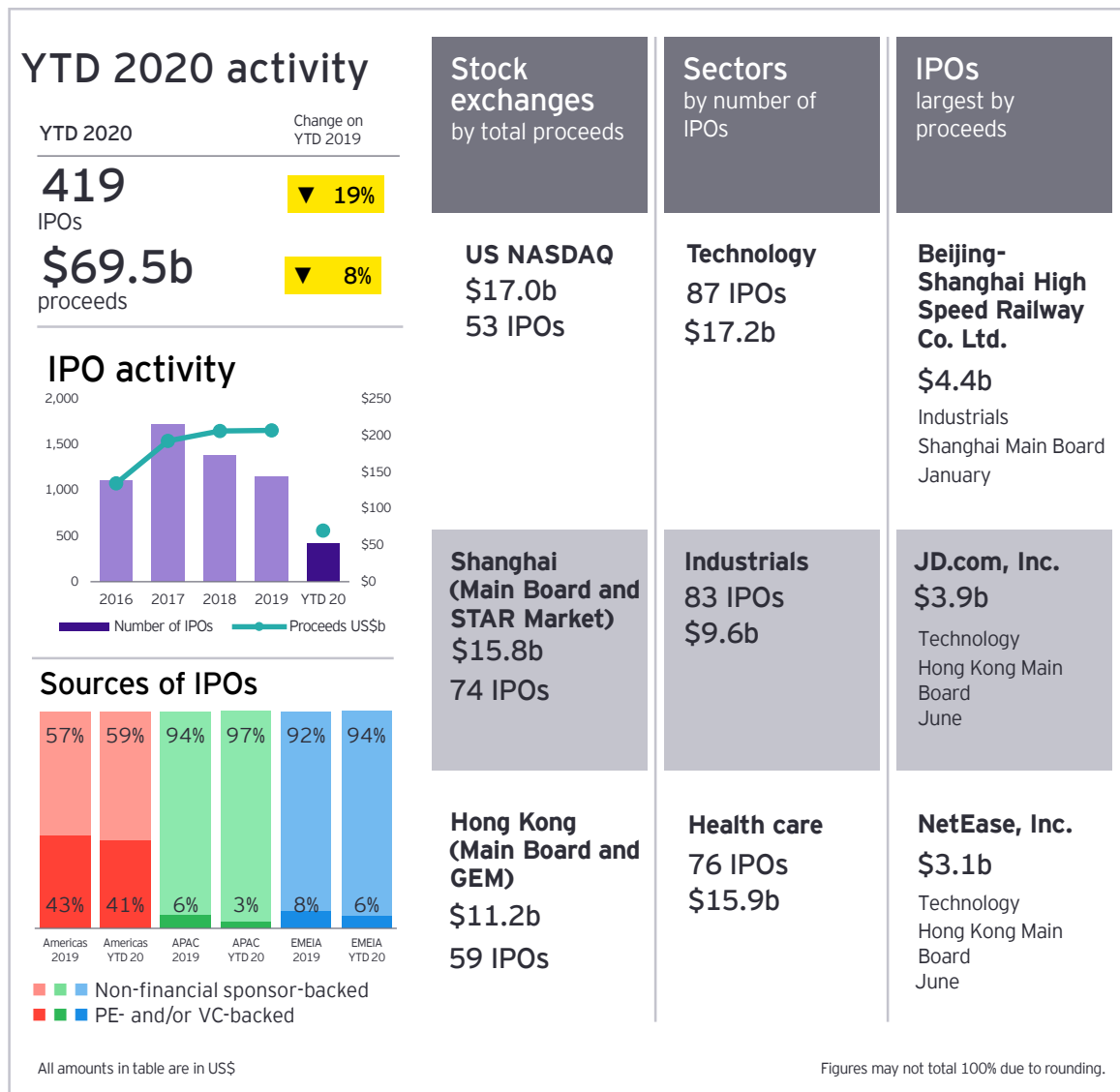


Year-on-year comparison



COVID-19 led to decline in IPO activity in 1H 2020

- ▶ Although stock indices rebounded sharply from the market turmoil in March, **global IPO activities in April to May 2020 were down 48% and 67% compared with 2019 by deal number and proceeds, respectively.** YTD 2020, IPO numbers and proceeds were down 19% and 8%, respectively, from YTD 2019.
- ▶ However, **after-market performance for those IPOs launched on main markets (i.e., average current returns) are up around 43% in YTD 2020, indicating strong investor appetite.** We have also seen a rise in Special Purpose Acquisition Company (SPAC) IPOs mainly on the US exchanges*.
- ▶ **Pick up of IPO activity in June should give good momentum for 2H 2020.** Sector activity are still mainly centered in **technology, industrials and health care.**
- ▶ **By proceeds, NASDAQ led in 2020, followed by the Shanghai Stock Exchange and Hong Kong Stock Exchange.** By deal number, Shanghai, Hong Kong and NASDAQ markets also led the way.
- ▶ **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 41% of the Americas IPO deals in 2020.
- ▶ **Cross-border IPO activity level maintained in 2020 despite lockdown in most markets,** accounting for 10% of global IPO activity in 2020 (2019: 8%). US exchanges (NASDAQ and NYSE), followed by HKEx were the three most active inbound exchanges. The top three countries of origin were China, Malaysia and Singapore. 14 Chinese company IPOs were listed on US exchanges and one listed on London Main Market. While five Malaysia IPOs and five Singapore IPOs were all listed on HKEx.
- ▶ **Investors remain receptive to companies in sectors that have experienced growth during COVID-19,** and businesses that have adjusted their business models and demonstrated agility and resilience.



*SPAC IPOs are excluded in the compilation of all statistics included in this report

**Indicates transactions that are expected to be completed prior to 30 June 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 23 June 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. Q2 2020 and Q2 20 refer to the second quarter of 2020 and cover priced IPOs from 1 April 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

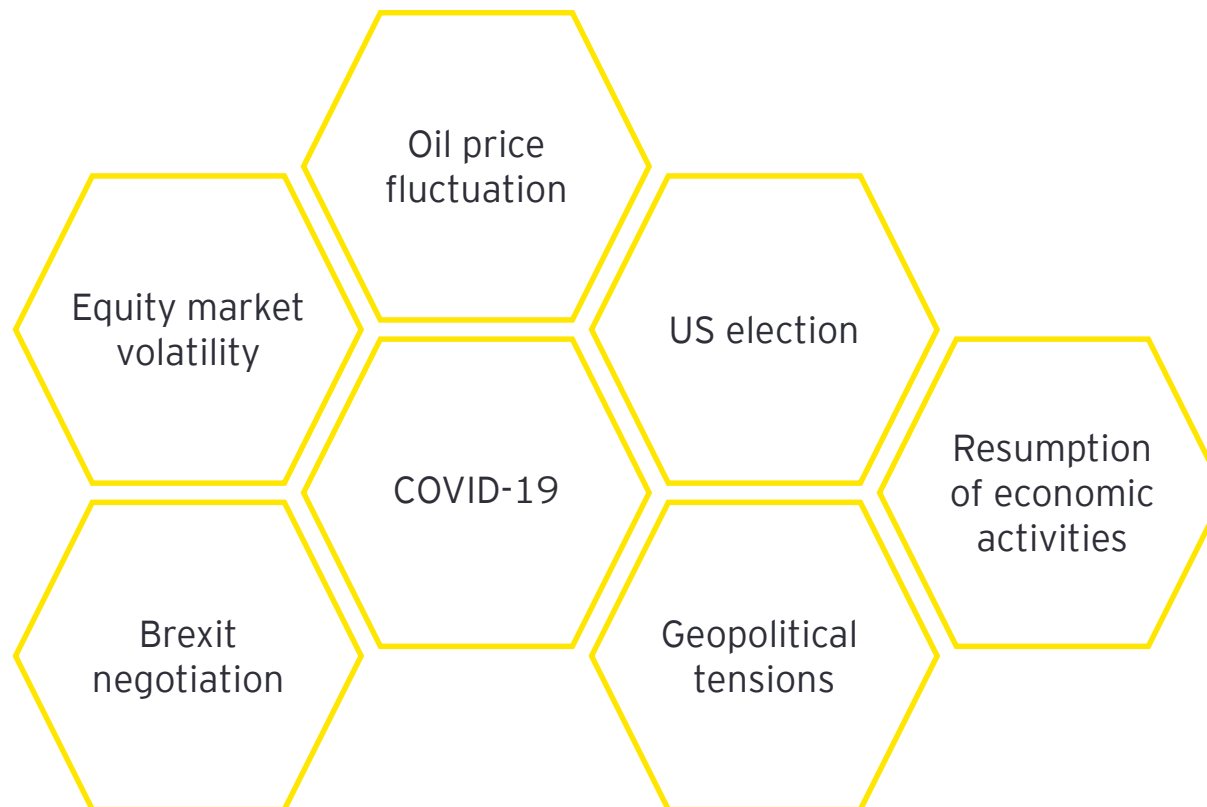
Major factors affecting the IPO market

Implications for IPO candidates

IPO candidates looking to go public in 2020 have to face uncertainties caused by the continuing pandemic disturbance, underlying economic contraction and financial market volatility. IPO candidates considering an IPO will need to:

- ▶ Be prepared to complete the IPO quicker in narrower, and potentially shorter-notice transaction windows
- ▶ Have battle-tested business models that could withstand further supply and demand shocks
- ▶ Conduct extensive pre-marketing via virtual investor meetings to obtain real-time feedback and shorten roadshow durations
- ▶ 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)

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.



*Factors are presented in no special order of priority.



Americas and US IPO market insights

Stock markets rebound and signs of IPO market recovery appear

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With stock prices rebounding and market sentiment improving, we are seeing signs of recovery in the IPO market. Over a third of the IPOs in the first half of 2020 occurred in June. The IPO pipeline continues to build as issuers look to go public in the second half of 2020 or early 2021.

Jackie Kelley

EY Americas IPO Leader

Americas IPO market highlights

- ▶ As expected, **overall Americas IPO activity for the first half of 2020 dropped by 30% compared with the same period in 2019, while IPO proceeds also declined by 30%.**
- ▶ **US exchanges still accounted for the majority of IPOs in the Americas in the first half of 2020**, with 79% by number of deals and 91% by proceeds.
- ▶ Mexico posted one IPO valued at US\$1.1b, making it the **eighth largest IPO globally in Q2 2020.**
- ▶ Brazil also posted one IPO in May. While **several Brazilian IPO candidates** had to initially delay their offerings due to market conditions, they are **now lining up to go public during the second half of 2020.**
- ▶ **Health care and technology sectors continued to have the highest number of deals in Q2 2020**, representing 56% and 26% by deal number, respectively. Health care also dominated in proceeds, contributing 41%, followed by technology with 25%.

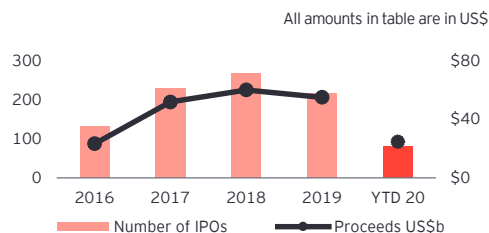
YTD 2020 activity

81 IPOs
\$24.5b proceeds

Change on YTD 2019

▼ 30%

▼ 30%



Stock exchanges by total proceeds

NASDAQ
\$17.0b | 53 IPOs United States

NYSE
\$5.3b | 11 IPOs United States

Mexican (BMV)
\$1.1b | 1 IPO Mexico

Sectors* by number of IPOs

Health care
35 IPOs | \$10.2b

Technology
18 IPOs | \$4.8b

Industrials
5 IPOs | \$1.5b

IPOs by largest proceeds

Royalty Pharma plc
\$2.5b Health care, NASDAQ, June

Warner Music Group Corp.
\$1.9b Media and entertainment, NASDAQ, June

PPD Inc.
\$1.9b Health care, NASDAQ, February

*IPO activity of Canadian Securities Exchange is excluded from sector analysis.

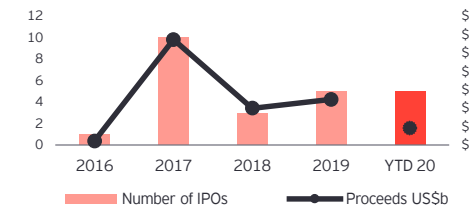
Brazil's B3 YTD 2020

5 IPOs
\$912m proceeds

Change on YTD 2019

▲ 150%

▼ 21%



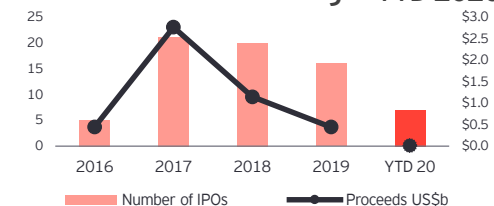
Canada's Toronto Stock Exchange and TSX Venture Exchange YTD 2020

7 IPOs
\$9m proceeds

Change on YTD 2019

▼ 13%

▼ 96%



IPO activity of Canadian Securities Exchange is excluded.

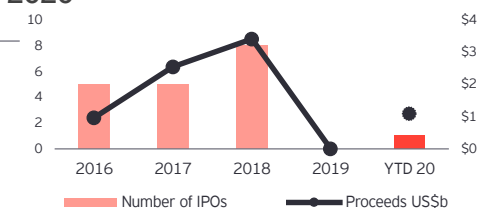
Mexico's Mexican Stock Exchange YTD 2020

1 IPO
\$1.1b proceeds

Change on YTD 2019

NA*

NA*



*There was no IPO activity on Mexican Stock Exchange in first half of 2019.

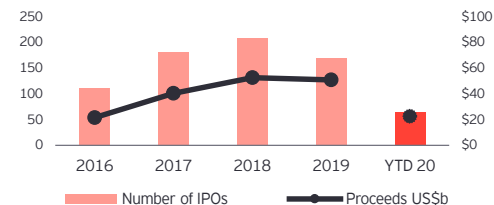
US's NASDAQ and NYSE YTD 2020

64 IPOs
\$22.3b proceeds

Change on YTD 2019

▼ 28%

▼ 31%



All amounts in table are in US\$

Americas – US IPO market highlights

- ▶ While COVID-19 affected US IPO activity from March through May in 2020, it began to pick up in June. YTD 2020 IPO numbers were down 28% compared with the same period in 2019, while IPO proceeds declined by 31%. This included five unicorn IPOs.
- ▶ **Health care companies continued to function well throughout this period of market volatility**, accounting for 60% of the IPOs and 45% by proceeds in Q2 2020 (24 IPOs raising US\$6.7b). Technology ranked second by deal number and proceeds, with 11 IPOs raising US\$4.0b, which represented 28% and 27%, respectively in Q2 2020.
- ▶ Despite market volatility, there were **17 cross-border IPOs** in Q2 2020, with a total of nine originating from Mainland China and Hong Kong.

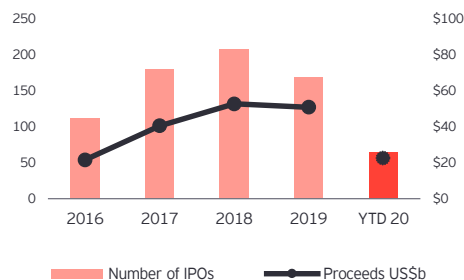
Outlook

- ▶ **There are positive signs for the broader IPO market.** Stock prices and valuations are recovering, reflecting improved investor sentiment and risk appetite. The volatility index (VIX®) has receded considerably from its high in March, approaching levels more receptive for companies to go public.
- ▶ Several technology companies that navigated the market in Q2 2020 have priced and traded well. Additionally, some large high-growth companies have filed publicly and entered the IPO pipeline recently, **signalling a continued appetite for IPOs.**
- ▶ Although IPO activity in US presidential election years has historically tended to skew toward the first half of the year, **recent market volatility could lead to more deals around the election than in years past.**
- ▶ Despite the market crisis, **SPAC offerings are on pace to meet or exceed the record set in 2019.** These deals are larger and sponsors are higher-profile than we've seen. This should enhance the future viability of the SPAC path to the public markets for a broader swath of issuers.

YTD 2020 activity

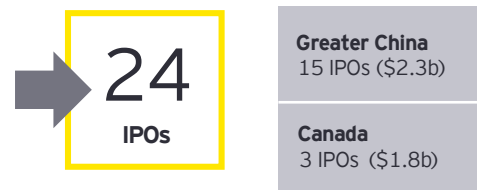
64 IPOs ▼ 28%
 \$22.3b proceeds ▼ 31%
 48% of IPOs are financial sponsor-backed ▼ 20%

NASDAQ \$17.0b 53 IPOs	NYSE \$5.3b 11 IPOs
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Cross-border IPOs

top countries/regions of origin YTD 2020



All amounts in table are in US\$

Sectors by number of IPOs

Health care
35 IPOs | \$10.2b

Technology
16 IPOs | \$4.5b

Consumer products
3 IPOs | \$1.5b

All amounts in table are in US\$

IPOs largest by proceeds

Royalty Pharma plc
\$2.5b Health care, NASDAQ, June

Warner Music Group Corp.
\$1.9b Media and entertainment, NASDAQ, June

PPD Inc.
\$1.9b Health care, NASDAQ, February

GFL Environmental Inc.
\$1.4b Energy, NYSE, March

Reynolds Consumer Products Inc.
\$1.4b Consumer products, NASDAQ, January

Performance YTD 2020

IPO pricing and performance

US markets	First-day average return	Share price performance since IPO (aka offer-to-current)
	+28.8%	+53.7%
<small>+ or - indicates change compared with offer price at IPO</small>		
<small>First-day and current average returns are mean returns of issuers who started trading by 23 June 2020</small>		

Equity indices

DJIA
-8.3%
US

S&P 500
-3.1%
US

+ or - indicates change since 31 December 2019

Volatility index

CBOE VIX®
31.4 current
32.9 YTD average
17.3 10-year average

Current index level is for 23 June 2020

*Indicates transactions that are expected to be completed prior to 30 June 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 23 June 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. Q2 2020 and Q2 20 refer to the second quarter of 2020 and cover priced IPOs from 1 April 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

Asia-Pacific

Asia-Pacific finds healthy IPO activity in some countries, but not all

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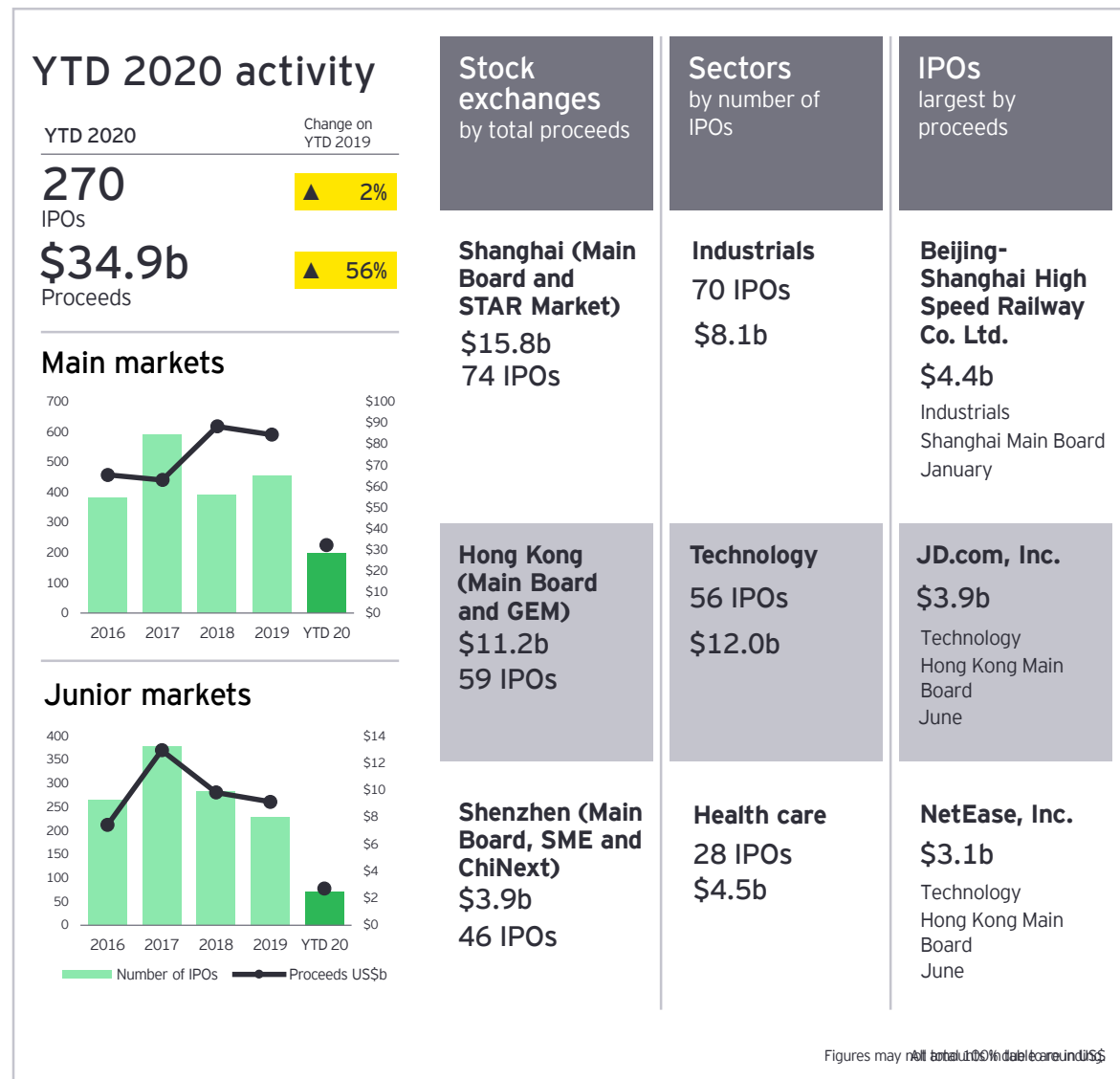
Although the Asia-Pacific region was impacted by COVID-19, IPO activity levels remained stable and investor appetite continued to be healthy for some markets. With the increasing consensus of maintaining high liquidity, IPO activity outlook in the second half of 2020 should continue to be positive.

Ringo Choi

EY Asia-Pacific IPO Leader

Asia-Pacific saw a rise of 2% and 56% by deal number and proceeds in 2020

- ▶ Despite the impact COVID-19 had on equity markets and economies, there was a notable rise by proceeds in YTD 2020, which can be attributed to the **strong activity on the STAR Market** (launched in July 2019) and **more mega IPOs on HKEx from returning US FPIs**.
- ▶ Moreover, there are positive macroeconomic factors supporting the capital markets. Many central banks are providing liquidity to the capital markets and funding for IPO investments. Investors' expectations of a low interest rate environment for a longer period of time **will increase the holding power of IPO stocks**.
- ▶ Looking only at Q2 2020, **Asia-Pacific saw a decline of 18% by deal numbers compared with Q2 2019**, reflecting COVID-19's impact on selected markets. However, higher-than-average deal sizes in June pushed IPO proceeds up 28%.
- ▶ Asia-Pacific accounted for six of the top ten exchanges by number and four of the top ten by proceeds in YTD 2020.
- ▶ **In Greater China**, IPO deal numbers in Hong Kong were more negatively impacted by market volatility in Q2 2020 than Mainland China exchanges. Combined, Greater China deal numbers increased 29% in YTD 2020 compared with 2019, while proceeds increased by 72%.
- ▶ **In Japan**, IPO numbers declined 17% YTD 2020, while proceeds dropped by 53%. This is primarily due to the slowdown in Q2 2020 (7 IPOs, US\$79m) - the slowest Q2 since Q2 2011 (6 IPOs, US\$89m), and Tokyo decided to postpone the 2020 Olympics which was disrupted by COVID-19.
- ▶ **Australia and New Zealand** IPO activity fell 41% by volume and 82% by proceeds compared with YTD 2019. There has been a notable increase in follow-on equity offerings by public companies.
- ▶ **In ASEAN**, IPO activity saw a significant decline in Q2 2020 compared with Q2 2019 (63% decline by deal number and 89% decline by proceeds). Year-on-year, ASEAN saw 12% lower by deal number but a rise of 72% by proceeds on the back of a strong Q1 2020 which also saw the largest IPO in Thailand's history.
- ▶ **Industrials, technology and health care contributed the highest IPO deal numbers and proceeds** in YTD 2020.



*Indicates transactions that are expected to be completed prior to 30 June 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 23 June 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. Q2 2020 and Q2 20 refer to the second quarter of 2020 and cover priced IPOs from 1 April 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

Asia-Pacific IPO market outlook

- ▶ **US-China tension may negatively impact US investment in Chinese IPO stocks.** On the flip side, potential changes to US listing regulations for Chinese companies may increase IPO activity on both Mainland China and Hong Kong stock exchanges.
- ▶ Overall, we are optimistic. However, we expect that **COVID-19 will continue to affect Asia-Pacific markets in 2H 2020.** We also anticipate that some economic data and company financial results may be worse than expected. Lower valuations of IPO candidates based on these factors will create uncertainty.
- ▶ **In Greater China,** economies are recovering quickly. Given vibrancy of the IPO markets, particularly the secondary listing of China Concept Stocks and other mega deals in the pipeline, calendar year 2020 proceeds should be sizeable.
- ▶ **In Japan,** COVID-19 had a significant impact on the Main Market, JASDAQ and MOTHERS, with 18 companies postponing their IPOs between March and April 2020. 2020 full year IPO activity is anticipated to be slightly lower than in 2019, with more smaller and medium sized deals in the pipeline.
- ▶ **In Australia and New Zealand,** IPOs will remain challenging for the remainder of 2020 although companies that demonstrated resilient business models during COVID-19 and those exhibiting a strong growth story will have much better chance to complete their IPO.
- ▶ **Across Southeast Asia,** while entrepreneurial companies are expected to dominate IPO activity, there could be one or two mega IPOs to come to the Southeast Asia exchanges in the second half of 2020.
- ▶ Activity in other Asia-Pacific countries will depend on local economic conditions and government stimulus programs.

C-suite executives continuing their IPO readiness will need to ensure their business models are battle-tested and their companies are ready to complete their transaction within a shorter IPO window and accept potential valuation adjustments.

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

Greater China IPO activity returns to pre-COVID-19 levels

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With the pandemic under control in many regions, and a number of mega IPOs in both Mainland and Hong Kong, IPO activity in Greater China returned to pre-COVID-19 levels in the second quarter. The Chinese Government continues to roll out economic stimulus and the People's Bank of China continues to provide liquidity to the market. These efforts should help speed up the economic recovery and boost the IPO market outlook for the rest of 2020.

Terence Ho

EY Greater China IPO Leader

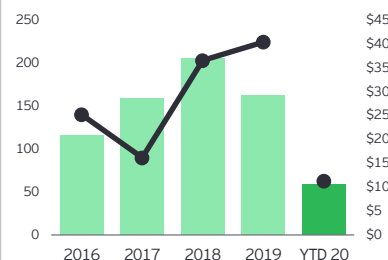
Asia-Pacific – Mainland China and Hong Kong IPO market highlights

- ▶ **COVID-19 has had a more notable shorter-term impact than expected on Hong Kong IPO activity and valuations for most of Q2 2020.** We saw a sizeable uptick in IPO activity in June as US-listed Chinese companies conducted secondary listings on the HKEx.
- ▶ In more good news, 96% of the IPOs were oversubscribed in 2020 versus 78% during the same time last year, which indicates that investor sentiment is recovering.
- ▶ The most active sectors in Hong Kong were industrials, technology and health care by deal number. By proceeds, technology, health care and real estate were the leading sectors.
- ▶ Mainland China IPO activity was relatively unaffected by COVID-19 and investor sentiment remained high, with **all IPOs on the main markets (excluding STAR) reaching the maximum 44% first-day cap.**
- ▶ **The STAR Market was also unaffected.** IPO activity maintained the strong pace set from its launch in July 2019 and investors continue to demonstrate interest and confidence.
- ▶ **Industrials, technology and health care** outpaced other sectors by both IPO deal number and proceeds.
- ▶ **CRSC approval** for IPOs on the Shanghai and Shenzhen Stock Exchanges was business as usual during the pandemic, as the regulator used online tools to facilitate the vetting process. YTD in 2020, the **approval rate was 91% versus 88% YTD in 2019.**

YTD 2020 activity

Hong Kong (Main Board and GEM)
YTD 2020 Change on YTD 2019

59 IPOs ▼ 20%
\$11.2b proceeds ▲ 23%



Sectors
by number of IPOs

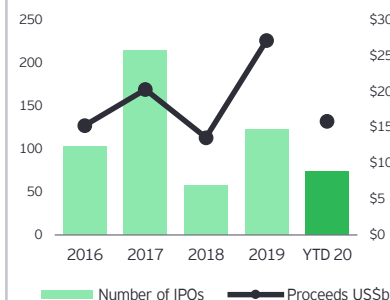
Industrials
17 IPOs | \$0.3b

Technology
7 IPOs | \$7.4b

Health care
6 IPOs | \$2.0b

Shanghai (Main Board and STAR Market)
YTD 2020 Change on YTD 2019

74 IPOs ▲ 174%
\$15.8b proceeds ▲ 225%



Sectors
by number of IPOs

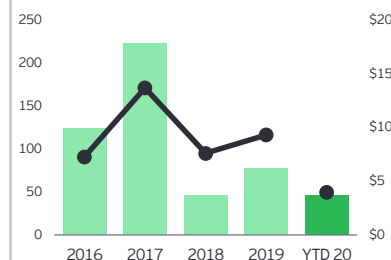
Technology
23 IPOs | \$3.9b

Industrials
16 IPOs | \$5.9b

Health care
13 IPOs | \$2.1b

Shenzhen (Main Board, SME and ChiNext)
YTD 2020 Change on YTD 2019

46 IPOs ▲ 24%
\$3.9b proceeds ▼ 2%



Sectors
by number of IPOs

Industrials
23 IPOs | \$1.8b

Technology
8 IPOs | \$0.5b

Materials
5 IPOs | \$0.4b

All amounts in table are in US\$.

All amounts in table are in US\$

YTD 20 top 5 IPOs

IPOs
largest by proceeds

Beijing-Shanghai High Speed Railway Co. Ltd.
\$4.4b
Industrials
Shanghai Main Board
January

JD.com, Inc.
\$3.9b
Technology
Hong Kong Main Board
June

NetEase, Inc.
\$3.1b
Technology
Hong Kong Main Board
June

Beijing Roborock Technology Co. Ltd.
\$0.6b
Consumer staple
STAR Market
February

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


Healthy pipeline continues to grow

- ▶ **In Hong Kong, the IPO pipeline continues to grow.** More than 138 companies have submitted public filings, indicating that companies have a strong desire to go public when the right IPO window opens.
- ▶ **In Mainland China,** with a strong pipeline and the Government's economic stimulus policies, it is anticipated that 2H 2020 will remain active.
- ▶ **The number of technology companies going public** will continue to lead the trend, as technology will continue to play a key driver of the Chinese economy development. With a faster pace of innovation, ChiNext and STAR markets will see increased levels of activity.
- ▶ **Smaller and medium-size companies should also see higher IPO activity, especially those in the innovation and technology sectors.**

COVID-19 had some impact on Hong Kong stock market and a smaller impact on Mainland exchanges in Q2 2020. The number of companies in the IPO pipeline continues to grow.

IPO pipeline		vs. March 2020
More than 438	companies are in the China Securities Regulatory Commission (CSRC) pipeline	More than 419
More than 138	companies have submitted public filings with HKEx	More than 101
194	companies in the STAR pipeline*	90

*The STAR Market was launched in July 2019.



Asia-Pacific – Japan IPO market insight

IPO markets to recover in Q3 2020

“

COVID-19 had a negative impact on Japanese IPO markets in March and April. As the force of COVID-19 recedes, the IPO markets will recover in Q3 2020 with technology and health care IPO candidates in the pipeline.

Masato Saito

EY Japan IPO Leader

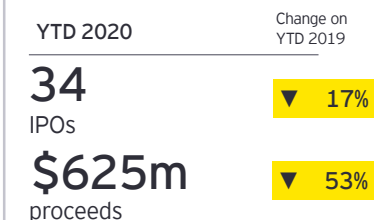
Asia-Pacific – Japan IPO market highlights

- ▶ COVID-19 had a significant impact on the Tokyo Stock Exchange (TSE) in Q2 2020. TSE consists of the Main Market (1st section, 2nd section), PRO Market, as well as junior markets, JASDAQ and MOTHERS.
- ▶ **Japanese exchanges saw seven IPOs which raised US\$79m in total in Q2 2020**, a decline of 61% by deal number and 86% by proceeds from Q2 2019. **Q2 2020 was the slowest Q2 since Q2 2011** (6 IPOs, US\$89m).
- ▶ Between March and April 2020, 18 companies postponed their IPOs. During Q2 2020, one and six IPOs came to the Japanese public markets in April and June, respectively.
- ▶ **Despite a lackluster Q2, a strong Q1 performance helped TSE to remain fifth among the top ten global exchanges by deal numbers in YTD 2020.**
- ▶ During YTD 2020, **consumer products, technology and industrials were the most active sectors by deal number and proceeds.**

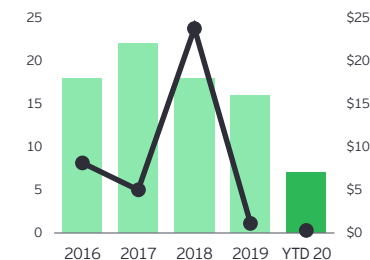
Outlook

- ▶ Looking ahead, we anticipate that the Japanese IPO markets will recover gradually in Q3 2020.
- ▶ Full-year 2020 total IPO deal numbers will likely be lower than 2019. We anticipate **mainly small to medium-sized companies to come** to the public markets in 2H 2020.
- ▶ Companies in the **technology and health care sectors that are experiencing a positive impact from COVID-19** are enjoying strong revenues and higher stock prices. This could reflect well on potential IPO candidates from these sectors, in terms of their valuations and investor sentiment.
- ▶ Given the ongoing market volatility and uncertainty surrounding COVID-19, IPO candidates looking to go public in Japan need to **maintain strong corporate governance practice in order to increase the likelihood of transaction success**. TSE is increasing its review of IPO candidates' governance structure and behaviour.
- ▶ For recently listed companies, senior management are recommended to clearly communicate their business strategy that was adjusted from COVID-19, in order to keep stock price and investor interest high.

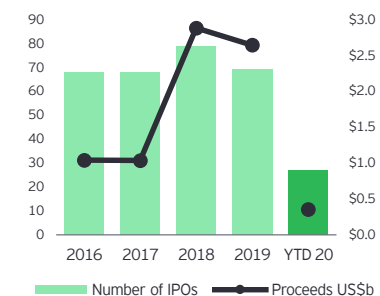
YTD 2020 activity



Tokyo (First Section, Second Section) and PRO Market



JASDAQ and MOTHERS



Sectors
by number of IPOs

Consumer products
12 IPOs
\$295m

Technology
10 IPOs
\$118m

Industrials
6 IPOs
\$90m

IPOs*
largest by proceeds

Forum Engineering Inc.
\$117m
Consumer products
First Section
March

Japan Infrastructure Fund Investment Corp.
\$62m
Technology
PRO Market
February

Rever Holdings Corp.
\$44m
Industrials
Second Section
March

Europe, Middle East, India and Africa

IPO activity affected by volatility levels in Q2 2020

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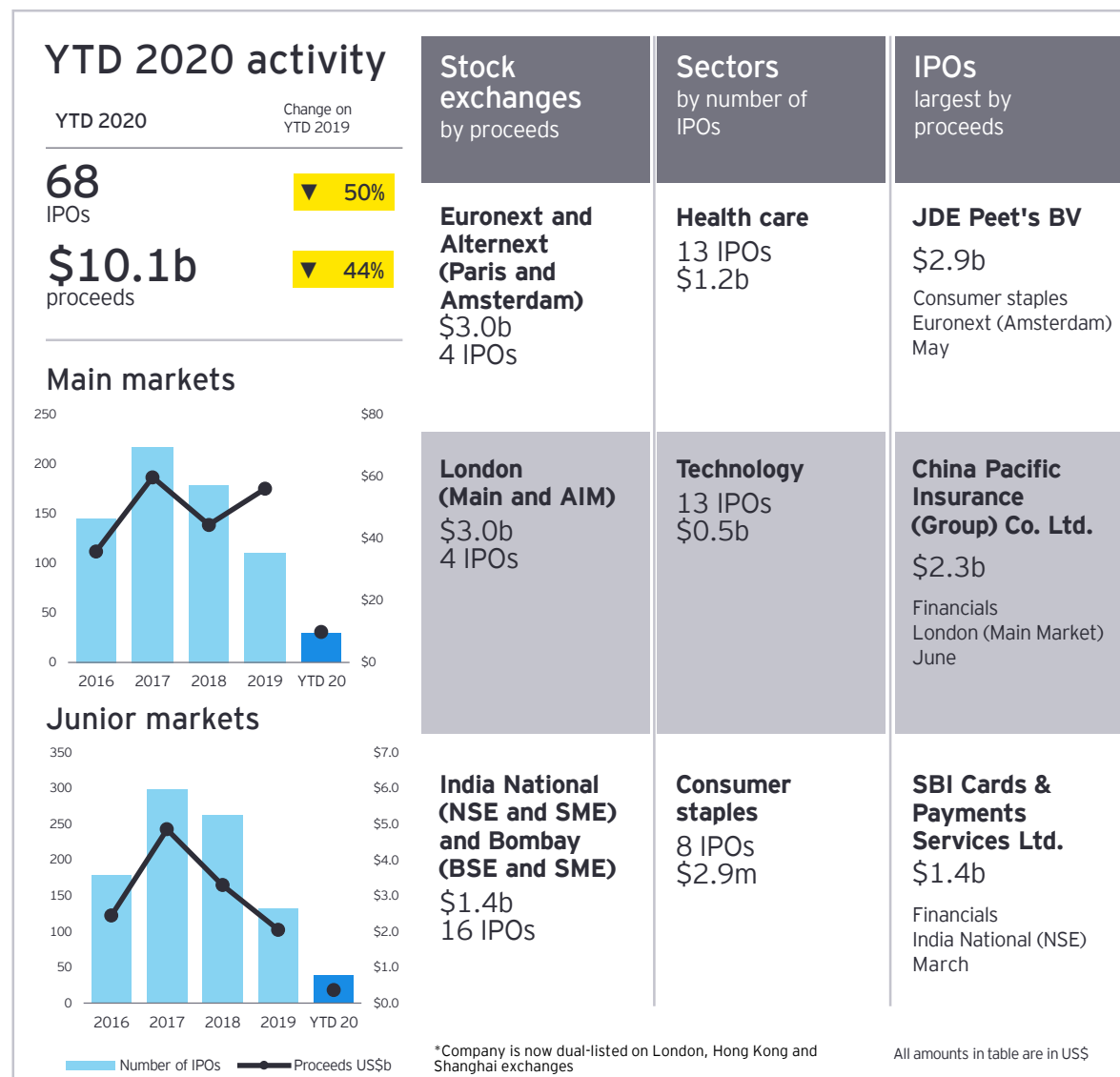
During the COVID-19 pandemic, we have seen a new remote IPO environment, with virtual investor meetings, real-time feedback and shortened roadshow periods to limit the short-term market risks. With volatility levels trending down and rebounds in main indices, markets are adaptable, resilient and supportive for IPO activity to pick up in the second half of 2020, especially in technology, pharmaceuticals and life science sectors.

Dr. Martin Steinbach

EY EMEA IPO Leader

Europe, Middle East, India and Africa IPO market highlights

- ▶ **Unprecedented market volatility**, especially toward the end of Q1 2020, **slowed EMEIA IPO activity in the first half of the year**.
- ▶ Yet, with volatility indices subsiding from levels not seen since the 2008 financial crisis, we saw the **first signs that our predictions of a rise in IPO activity in the second half of 2020** would come true. These signs included the **resurgence of equity valuations, which had almost returned to pre-crisis levels**. That said, economies continue to reel from the impact of COVID-19.
- ▶ EMEIA accounted for two of the top ten exchanges by deal number in YTD 2020: these were Indian exchanges and NASDAQ OMX. EMEIA saw three exchanges among the top ten by proceeds: Euronext, London and Indian exchanges.
- ▶ Active sectors within EMEIA during YTD 2020 by deal number were **health care, technology and consumer staples**. **These sectors saw growth during the COVID-19 pandemic**. By proceeds, financials and consumer staples led due to mega deals that took place during Q2 2020, with health care in third place.
- ▶ In **Europe**, after a strong start to 2020, YTD IPOs and proceeds declined 47% by volume and 48% by proceeds as the pandemic crisis significantly curtailed IPO activity from March through May.
- ▶ In **the UK**, IPO activity looked promising in early 2020, until the pandemic crisis emerged. Since March, IPO activity has ceased. Existing issuers sought follow-on deals to raise money. London accounts for 39% of capital raised via follow-on issuances in Europe between March to mid-June.
- ▶ In **the Middle East and North Africa (MENA)**, the year began with optimism. However, a drop in oil prices, a reduction in oil demand and the pandemic's adverse impact on corporate financial performance created market volatility and has reduced IPO activity 11% by volume and 43% by proceeds YTD in 2020.
- ▶ In **India**, the pandemic crisis silenced IPO activity on the main markets and reduced activity on the SME market to 4 IPOs in Q2 2020, down from 11 IPOs in Q1 2020.



*Indicates transactions that are expected to be completed prior to 30 June 2020. Transaction size is estimated using the mid-point of the proposed price range (for IPOs that had not been priced by end of 23 June 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. Q2 2020 and Q2 20 refer to the second quarter of 2020 and cover priced IPOs from 1 April 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

Europe, Middle East, India and Africa IPO market outlook

- ▶ **We expect to see a rebound in IPO activity** in the second half of 2020.
- ▶ The attention of policymakers and finance ministers is turning from rescue to recovery packages. Central banks are also sending strong signals of support: European Central Bank (ECB) has increased its Pandemic Emergency Purchase Program (PEPP) with the hope of GDP rebound and development of major markets.
- ▶ However, there is a risk of an increase in infection rates. If there is a resurgence of the pandemic in 2H 2020, expect greater volatility to put the brakes on EMEIA IPO markets.
- ▶ The IPO pipeline for 2H 2020 will likely include **technology, pharmaceutical and life sciences sectors**, which have experienced growth during the pandemic. Investors will review equity stories in light of potential COVID-19 impact. Issuers are encouraged to accelerate IPO preparation and time their plans to be flexible and to move quickly for narrower IPO windows.
- ▶ There may also be a number of **spinoffs and other transaction strategies that lower the risk of short-term volatility** in the critical placement phase.
- ▶ In **Europe**, if volatility levels continue to trend down and if major equity indices remain high, we expect IPO activity to improve in the second half of 2020.
- ▶ In **the UK**, IPOs that were expected to be postponed until 2021 are now more optimistic about listing in the second half of 2020. But they will be keeping an eye on the market volatility that may materialize in the lead up to the US elections in November 2020.
- ▶ In **MENA**, we expect investor sentiment to remain cautious in the second half of 2020 and IPO markets to take their time rebounding.
- ▶ In **India**, once capital markets rebound, we may see both PE exits and other IPOs that had planned to go public between March and December 2020 come back into play.
- ▶ Post-crisis, IPO candidates should expect the digital formats adopted during the pandemic (virtual investor meetings, real-time feedback and shortened roadshow periods) to remain. **Companies looking to go public will have to prioritize early investor education and hone their virtual marketing skills.**

As investors and IPO candidates alike learn that location is less important in a virtual, borderless world, we expect a potential shift in cross-border IPO activity.

Europe IPO snapshot

Markets

YTD 2020	Change on YTD 2019	YTD 2020	Change on YTD 2019
42 IPOs	▼ 47%	\$7.8b proceeds	▼ 48%
10% of IPO deals are financial sponsor-backed		10% of IPO deals are financial sponsor-backed	

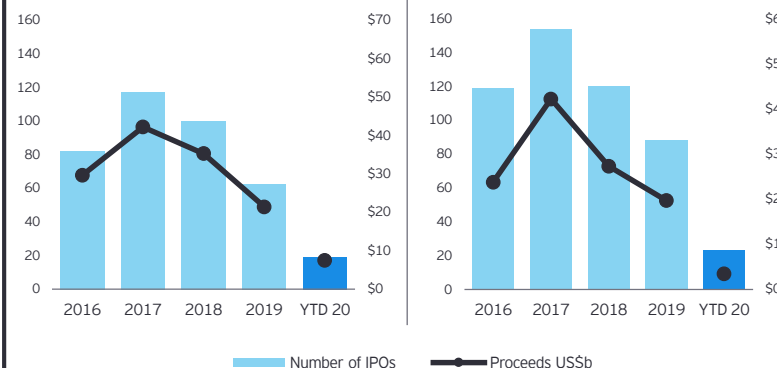
All amounts in table are in US\$

Main markets

YTD 2020	Change on YTD 2019
19 IPOs	▼ 49%
\$7.5b proceeds	▼ 48%

Junior markets

YTD 2020	Change on YTD 2019
23 IPOs	▼ 45%
\$0.3b proceeds	▼ 56%



*Company is now dual-listed on London, Hong Kong and Shanghai exchanges

Activity YTD 2020

Sectors

by number of IPOs

Technology

11 IPOs | \$0.5b

Health care

10 IPOs | \$0.5b

Consumer staples

5 IPOs | \$2.9b

IPOs

largest by proceeds

JDE Peet's BV

\$2.9b Consumer staples, Euronext (Amsterdam), May

China Pacific Insurance (Group) Co. Ltd.

\$2.3b Financials, London (Main Market), June

GVS SpA

\$0.6b Materials, Borsa Italiana (Main), June

Stock exchanges

by total proceeds

Euronext and Alternext

\$3.0b | 4 IPOs Netherlands, France

London (Main Market and AIM)

\$3.0b | 4 IPOs UK

Borsa Italiana (Main Market and AIM)

\$0.6b | 2 IPOs Italy

All amounts in table are in US\$



EMEA – UK IPO market insight

IPO candidates paused in Q2 2020, markets to recover in Q3 2020

“

COVID-19 packed a punch in Q2, forcing IPO candidates to pause their plans. The markets remain open for IPO candidates. The key is to be prepared, demonstrate business resilience and be able to market the offer in the new virtual world.

Scott McCubbin

EY UK and Ireland IPO Leader

EMEIA – UK IPO market highlights

- ▶ UK elections in the latter part of 2019 provided a clear mandate for Brexit. In response, IPO activity picked up in the early part of 2020 – until the pandemic crisis emerged. **Since March, IPO activity ceased as companies pivoted to focus on the safety of their people and maintaining liquidity.**
- ▶ **Instead, publicly listed companies are conducting follow-on deals to raise money.** Between March and 19 June, US\$17.9b was raised via 222 follow-on issuances. Of the capital raised in follow-on deals in Europe, London was the primary exchange, accounting for 39% (51% of deal numbers).
- ▶ In June 2020, China Pacific Insurance Group became the second **Chinese company to list on the London Main Market** under the Shanghai-London Connect program (which was launched in June 2019). This company is now listed on the Hong Kong, London and Shanghai stock exchanges. This demonstrated the diversity of issuers available to investors on the London Market.

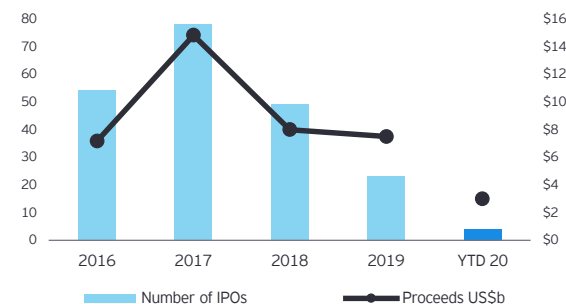
Outlook

- ▶ IPO candidates continue to prepare, but it remains a wait-and-see game.
- ▶ Although Q3 is usually a quiet quarter, given the pent-up demand, we **expect Q3 2020 to be active.**
- ▶ Equity markets are rebounding and IPOs that were expected to be postponed until 2021 are now **more optimistic about listing in the second half of 2020.**
- ▶ **Technology, consumer goods, and health and personal care** should see a rise in activity.
- ▶ However, we expect **more market volatility in the lead up to the US election** in November. And the window could close entirely if there is a second pandemic wave.
- ▶ The keys for success for IPO candidates are to **be prepared, be nimble, demonstrate financial resilience and be able to market to investors in a virtual world.**

YTD 2020 activity

4 IPOs Change on YTD 2019
▼ 76%
\$3.0b proceeds ▼ 56%
 50% of IPO deals are financial sponsor-backed

London Main Market \$2.8b 2 IPOs	London AIM \$225m 2 IPOs
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Sectors

by number of IPOs

Financials

1 IPO | \$2.3b

Energy

1 IPO | \$436m

Health care

1 IPO | \$122m

IPOs

largest by proceeds

China Pacific Insurance (Group) Co. Ltd.
 \$2.3b Financials, London Main Market, June

Calisen plc

\$436m Energy, London Main Market, February

Inspecs Group plc

\$122m Health care, London Main Market, February

All amounts in table are in US\$

During current market volatility, IPO candidates will need to demonstrate business resilience to increasingly discerning investors and ensure they understand your equity story in advance of roadshows.

ey.com/ipo

12

Is your business story ready for the public spotlight?

As advisors to the ambitious, we take more companies public than any other Big Four organization.

#AmbitionUnlocked #IPOreport



Top 12 stock exchanges

By number of IPOs

Ranking	Stock Exchange	Number of deals	% of global IPOs
1	Shanghai (Main Board and STAR Market)	74	17.7%
2	Hong Kong (Main Board and GEM)	59	14.1%
3	US NASDAQ	53	12.6%
4	Shenzhen (Main Board, SME and ChiNext)	46	11.0%
5	Tokyo (First Section, Second Section), MOTHERS and JASDAQ	34	8.1%
6	Indonesia (IDX)	27	6.4%
7	India National (NSE and SME) and Bombay (BSE and SME)	16	3.8%
8	NASDAQ OMX and First North	15	3.6%
9	Australia (ASX)	13	3.1%
10	New York (NYSE)	11	2.6%
11	Toronto Stock Exchange (TSX) and Toronto Venture Exchange (TSX-V)	7	1.7%
12	Malaysia (Main Market, ACE Market and LEAP Market)	7	1.7%
	All other exchanges (26)	57	13.6%
	Global IPO Activity	419	100.0%

2020 year-to-date

Ranking	Stock Exchange	Number of deals	% of global IPOs
1	Hong Kong	162	14.1%
2	US NASDAQ	130	11.3%
3	Shanghai	123	10.7%
4	Tokyo	85	7.4%
5	Shenzhen	77	6.7%
6	India	64	5.6%
7	Indonesia	55	4.8%
8	Korea (KRX) and KOSDAQ	53	4.6%
9	Australia	49	4.3%
10	New York	38	3.3%
11	NASDAQ OMX and First North	35	3.1%
12	Borsa Italiana (Main and AIM)	34	3.0%
	All other exchanges (40)	241	21.1%
	Global IPO Activity	1,146	100.0%

2019 full year

By proceeds

Ranking	Stock Exchange	Proceeds (US\$b)	% of global IPOs
1	US NASDAQ	17.0	24.5%
2	Shanghai	15.8	22.8%
3	Hong Kong	11.2	16.1%
4	New York	5.3	7.7%
5	Shenzhen	3.9	5.7%
6	Euronext and Alternext (Amsterdam, Brussels, Paris, Lisbon)	3.0	4.3%
7	London (Main Market and AIM)	3.0	4.3%
8	Thailand (SET and MAI)	2.3	3.3%
9	India	1.4	2.0%
10	Mexican (BMV)	1.1	1.6%
11	Brazil B3	0.9	1.3%
12	Saudi (Tadawul and Nomu Parallel Market)	0.7	1.0%
	All other exchanges (26)	3.9	5.4%
	Global IPO Activity	69.5	100.0%

Ranking	Stock Exchange	Proceeds (US\$b)	% of global IPOs
1	Hong Kong	40.3	19.4%
2	Saudi	30.5	14.6%
3	US NASDAQ	27.4	13.1%
4	Shanghai	27.1	13.0%
5	New York	23.3	11.2%
6	Shenzhen	9.3	4.5%
7	London	7.5	3.6%
8	Deutsche Börse (Main and Scale)	4.0	1.9%
9	Tokyo	3.8	1.8%
10	Thailand	3.7	1.8%
11	Euronext and Alternext	3.3	1.6%
12	Switzerland SIX Swiss	3.0	1.5%
	All other exchanges (40)	25.1	12.0%
	Global IPO Activity	208.3	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 half of 2020 and cover priced IPOs from 1 January 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

Regional IPO facts and figures: Americas

Year-to-date comparison

Quarterly comparison

Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q2 2020	Change QOQ% (vs. Q2 19)	Change previous quarter% (vs. Q1 20)	Proceeds US\$b current quarter: Q2 2020	Change QOQ% (vs. Q2 19)	Change previous quarter% (vs. Q1 20)
US	64	-28%	22.3	-31%	40	-38%	67%	15.1	-45%	107%
Canada¹	9	-57%	0.0	-96%	1	-92%	-88%	0.0	-98%	-98%
Brazil²	5	150%	0.9	-21%	1	-50%	-75%	0.0	-95%	-94%
Mexico³	1	NA	1.1	NA	1	NA	NA	1.1	NA	NA
Jamaica⁴	2	0%	0.2	181%	0	-100%	-100%	0.0	-100%	-100%
Chile⁵	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
Americas	81	-30%	24.5	-30%	43	-47%	13%	16.2	-45%	96%

¹ In YTD 2020, there were seven IPOs on Toronto Stock Exchange and TSX Venture Exchange that raised US\$9m. There were two IPOs on the Canadian Securities Exchange that raised US\$1m altogether – these listings were excluded on page 10. Whereas in Q2 2020, there were no IPOs on Toronto Stock Exchange and TSX Venture Exchange, while there was one IPO on Canadian Securities Exchange that raised US\$0.2m. In comparison, Q2 2019 saw five IPOs raising US\$9m on Toronto Stock Exchange and TSX Venture Exchange, while there were seven IPOs on Canadian Securities Exchange that raised US\$2m combined.

² In YTD 2020, there were five IPOs that raised US\$0.9b in total on Brazil's B3 exchange. Whereas, there was one IPO that raised US\$52m in Q2 2020, while there were two IPOs that raised US\$1.2b in total during Q2 2019.

³ In YTD 2020, there was one IPO on Mexican Stock Exchange that raised US\$1.1b. This IPO came in Q2 2020. There were no IPOs on Mexican Stock Exchange during 2019 full year.

⁴ In YTD 2020, there were two IPOs on Jamaica Stock Exchange, which raised US\$0.2b in total - both took place in Q1 2020. Whereas there were no IPOs in Q2 2020, while during Q2 2019, there was one IPO raising US\$41m.

⁵ In YTD 2020, there were no IPOs on Chile's Santiago Stock Exchange. Whereas, there were two IPOs that raised US\$1.1b during YTD 2019. This consisted of one IPO each on Q1 2019 and Q2 2019, which raised US\$69m and US\$1.1b, respectively.

Regional IPO facts and figures: Asia-Pacific

Year-to-date comparison

Quarterly comparison

Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q2 2020	Change QOQ% (vs Q2 19)	Change previous quarter% (vs Q1 20)	Proceeds US\$b current quarter: Q2 2020	Change QOQ% (vs Q2 19)	Change previous quarter% (vs Q1 20)
Indonesia	27	59%	0.2	40%	9	-10%	-50%	0.1	-36%	-69%
Thailand	2	-80%	2.3	744%	0	-100%	-100%	0.0	-100%	-100%
Singapore	5	-44%	0.5	-54%	0	-100%	-100%	0.0	-100%	-100%
Malaysia	7	-46%	0.1	-86%	0	-100%	-100%	0.0	-100%	-100%
Philippines	1	NA	0.0	NA	1	NA	NA	0.0	NA	NA
Cambodia	1	NA	0.1	NA	1	NA	NA	0.0	NA	NA
Asean¹	43	-12%	3.2	72%	11	-63%	-66%	0.1	-89%	-94%
Mainland China	120	88%	19.7	122%	69	109%	35%	8.5	67%	-24%
Hong Kong	59	-20%	11.2	23%	22	-42%	-41%	9.4	45%	404%
Taiwan ²	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
Greater China³	179	29%	30.9	72%	91	28%	5%	17.9	55%	37%
Mongolia ³	1	NA	0.1	NA	1	NA	NA	0.1	NA	NA
Japan	34	-17%	0.6	-53%	7	-61%	-74%	0.1	-86%	-86%
South Korea ⁴	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
Australia	13	-38%	0.1	-81%	4	-71%	-56%	0.0	-93%	-50%
New Zealand ⁵	0	-100%	0.0	-100%	0	-100%	NA	0.0	-100%	NA
Oceania	13	-41%	0.1	-82%	4	-73%	-56%	0.0	-93%	-50%
Asia-Pacific	270	2%	34.9	56%	114	-18%	-27%	18.2	28%	9%

¹ There were no IPOs on Myanmar, Sri Lanka, Maldives and Vietnam's stock exchanges during YTD 2020. During Q2 2020, there were nine IPOs on Indonesia Stock Exchange US\$56m, while there was one IPO on Philippines Stock Exchange, which raised US\$31m, as well as one IPO on Cambodia Stock Exchange which raised US\$87m.

² In YTD 2020, there were no IPOs on Taiwan Stock Exchange. Whereas in Q2 2019, there was one IPO that raised US\$4m.

³ Greater China includes IPOs on Mainland China, Hong Kong, Taiwan and Mongolia. In Q2 2020, there was one IPO on Mongolian Stock Exchange that raised US\$2m. There were no IPOs on this exchange in 2019 or Q1 2020.

⁴ In YTD 2020, there were no IPOs on Korea Stock Exchange and KOSDAQ. Whereas, KOSDAQ saw four IPOs, which raised US\$103m in total in Q2 2019.

⁵ In YTD 2020, there were no IPOs on New Zealand Exchange. Whereas in Q2 2019, there was one IPO on New Zealand Exchange that raised US\$7m.

Regional IPO facts and figures: EMEIA

Year-to-date comparison

Quarterly comparison

Regions/country*	IPOs YTD	Change YOY%	Proceeds US\$b YTD	Change YOY%	IPOs current quarter: Q2 2020	Change QOQ% (vs Q2 19)	Change previous quarter% (vs Q1 20)	Proceeds US\$b current quarter: Q2 2020	Change QOQ% (vs Q2 19)	Change previous quarter% (vs Q1 20)
Nordics (Denmark, Norway, Sweden and Finland)	23	-12%	0.7	-35%	13	-32%	30%	0.4	-66%	-0%
Central and Southern Europe (CESA)	5	-55%	0.0	-72%	2	-71%	-33%	0.0	-51%	-13%
Germany, Switzerland and Austria (GSA)¹	4	-50%	0.5	-89%	4	-33%	NA	0.5	-89%	NA
Mediterranean (Italy and Spain)²	2	-87%	0.6	-79%	1	-90%	0%	0.6	-79%	9233%
WEM (Western Europe)²	4	100%	3.0	7,408%	1	NA	-67%	2.9	NA	1843%
Continental Europe	38	-39%	4.8	-41%	21	-50%	24%	4.4	-46%	682%
UK and Ireland³	4	-76%	3.0	-56%	1	-92%	-67%	2.3	-65%	251%
Europe	42	-47%	7.8	-48%	22	-60%	10%	6.7	-55%	446%
Africa and WEM (Maghreb)⁴	1	-50%	0.0	26%	0	-100%	-100%	0.0	-100%	-100%
India⁵	17	-64%	1.4	-11%	4	-83%	-69%	0.0	-100%	-100%
Middle East and North Africa⁶	8	-11%	0.9	-43%	3	-50%	-40%	0.0	-97%	-94%
EMEIA	68	-50%	10.1	-44%	29	-66%	-26%	6.7	-60%	90%

¹ In Q1 2020, there were no IPOs on Deutsche Börse, Swiss Exchange or Wiener Börse. In Q2 2020, there were two IPOs each on Deutsche Börse and Swiss Exchange, which raised US\$341m and US\$123m, respectively. In Q2 2019, there were three IPOs on Deutsche Börse, which raised a total of US\$1.8b, while there were three IPOs on Swiss Exchange, which raised US\$2.3b.

² In YTD 2020, there were four IPOs on Euronext and Alternext which raised US\$3b. In Q1 2020, there was one IPO, which raised US\$147m on Euronext and Alternext, while no IPOs in Q2 2019.

³ In YTD 2020, there were two IPOs on London Main Market, which raised US\$2.8b, while there were two IPOs on AIM, which raised US\$225m in total. There was no IPO activity on Dublin Stock Exchange in YTD 2020. Whereas, in Q2 2020 there was one IPO on the London Main Market, which raised US\$2.3b and no IPOs on AIM, while during Q2 2019, there were eight IPOs on the London Main Market, which raised US\$6.4b and five IPOs on AIM which raised US\$250m.

⁴ In YTD 2020, there was one IPO on African exchanges which raised US\$29m, which took place in Q1 2020. Whereas, there were no IPO activity on African exchanges in Q2 2020, there was one IPO raising US\$3m in Q2 2019.

⁵ In YTD 2020, India which includes India's National and Bombay Stock Exchange Main Market and SME (16 IPOs, US\$1.4b) and Bangladesh's Dhaka Stock Exchange (1 IPO, US\$7m) raised US\$1.4b via 17 IPOs. In Q2 2020, there were four IPOs raising US\$2m on India's National and Bombay Stock Exchange Main Market and SME and no IPOs on Bangladesh's Dhaka Stock Exchange. There were 21 IPOs raising US\$561m on India's National and Bombay Stock Exchange Main Market and SME and 3 IPOs raising a total of US\$8m on Bangladesh's Dhaka Stock Exchange during Q2 2019.

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\$707m in YTD 2020, of which one IPO raised US\$8m in Q2 2020 and two IPOs raising US\$866m in Q2 2019. Whereas Israel's Tel Aviv Stock Exchange saw three IPOs which raised US\$134m in YTD 2020, one IPO raised US\$7m in Q2 2020, and 3 IPOs raising US\$597m in Q2 2019. During YTD 2020, there was one IPO which raised US\$13m on Egyptian Exchange, one IPO which raised US\$13m on Muscat Stock Exchange and one IPO which raised US\$33m on Kuwait Stock Exchange.

Regions are as per the EY regional classification for EMEIA Area. This table may have different statistics for MENA and India compared with the EMEIA section in the report (page 18-19) and UK section (page 21).

*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 half of 2020 and cover priced IPOs from 1 January 2020 to 23 June 2020 plus expected IPOs by the end of June 2020.

Most active sectors around the world

Summary of the top three sectors by number of IPOs, by region* and sub-region* for Q2 2020 (▲) and YTD 2020 (■)

Stock exchange regions	Technology	Industrials	Health care	Materials	Consumer products	Consumer staples	Real estate	Energy	Retail	Financials	Media and entertainment	Telecommunications
Americas¹	▲■	■	▲■	■	▲						▲	
▶US ²	▲■		▲■		■				■		▲	
Asia-Pacific	▲■	▲■	▲■									
▶Greater China	▲■	▲■	▲■									
▶Japan	▲■	▲■			▲■							
EMEIA³	▲■	■	▲■			▲■						
▶Europe	▲■		▲■			▲■						
▶UK ⁴			■		■			■		▲■		
Global	▲■	▲■	▲■									
Q2 2020 IPO activity	46	34	46	13	7	10	5	8	6	5	6	0
YTD 2020 IPO activity	87	83	76	31	31	24	22	22	17	12	12	2

*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 IPO activity of Canadian Securities Exchange is excluded from Americas' sector analysis. For YTD 2020, Americas exchanges saw four active sectors. Health care led with 35 IPOs and technology saw 18 IPOs, while industrials and materials accounted for 5 IPOs each, with proceeds of US\$1.5b and US\$0.9b respectively. For Q2 2020, Americas exchanges saw four active sectors. Health care led with 24 IPOs and technology saw 11 IPOs. Media and entertainment and consumer products accounted for two IPOs each with proceeds of US\$2.2b and US\$60m respectively.

² For YTD 2020, US exchanges saw four active sectors. Health care led with 35 IPOs and technology saw 16 IPOs. Consumer products and retail accounted for three IPOs each with proceeds of US\$1.5b and US\$1.3b respectively.

³ For YTD 2020, EMEIA exchanges saw four active sectors. Health care and technology saw 13 IPOs each. Consumer staples and industrials accounted for eight IPOs each with proceeds of US\$2.9b and US\$29m respectively.

⁴ For YTD 2020, UK exchanges saw four active sectors with one IPO each in financials, energy, health care and consumer products with proceeds of US\$2.3b, US\$436m, US\$122m and US\$103, respectively. For Q2 2020, there was only one IPO, which came from the financials sector.

Methodology

- ▶ The data presented in the *Global IPO trends: Q1 2020* report and press release is from Dealogic and EY. Q2 2020 (i.e., April–June) and YTD 2020 (January–June) is based on priced IPOs as of 23 June 2020 and expected IPOs in June. Data is up to 23 June 2020, 2 p.m. UK time. All data contained in this document is sourced to Dealogic and EY unless otherwise noted.
- ▶ In compilation of the IPO statistics included in these reports and press releases, we focus only on **IPOs of operating companies** and define an IPO as a **company's offering of equity to the public on a new stock exchange**.
- ▶ 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 from this report:
 - ▶ 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 EY 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 11).
- ▶ **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 23 June 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 11).
- ▶ **State-owned enterprise (SOE) privatizations** refers to former state-owned entities that have completed their IPO listings to become public companies.
- ▶ **YOY** refers to year-on-year. This refers to the comparison of IPO activity for the first six months of 2020 with the first six months of 2019 for this current report.
- ▶ **YTD** stands for year-to-date. This refers to priced IPOs from 1 January to 23 June 2020 plus expected IPOs by the end of June 2020.

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