

# Q2'13 Global IPO update

June 2013



Building a better  
working world

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## Section 1: Q2'13 highlights

# Global IPO activity by deal volume and value

**151 IPOs** worldwide in Q2'13 compared to 242 in Q2'12 and 156 in Q1'13

**38%** fewer IPOs in Q2'13 than Q2'12

**3%** fewer IPOs in Q2'13 than Q1'13

An additional **47 IPOs** are scheduled before the quarter's end and will raise an additional **US\$12.5b** – if successful, capital raised will increase by nearly **92%** over Q1'13.

**US\$33.9b** in capital raised in Q2'13 compared to US\$43.8b in Q2'12 and \$US24.3b in Q1'13

**23%** less capital raised in Q2'13 than Q2'12

**40%** more capital raised in Q2'13 than Q1'13

**US\$58.2b** raised in **307 IPOs** during first half of 2013 vs US\$61.8b raised in 446 deals in first six months of 2012

**31%** fewer deals in first six months of 2013 than same time period in 2012

**6%** less capital raised in first six months of 2013 than same time period in 2012

Note: The Q2'13 Global IPO update covers global IPO activity from 1 January to 17 June 2013.

# Factors driving Q2'13 activity

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- ▶ Global IPO activity steadied in Q2 2013, with projected Q2 2013 IPO activity to achieve approximately 195 deals with IPO proceeds of around US\$46.4b. So far this quarter, there have been 151 IPO deals which raised US\$34b. An additional 47 deals are scheduled before Q2's end which should raise an additional US\$12.5b if successful.
  - ▶ Based on the projected Q2 2013 totals, global IPO activity is expected to be up 92% in terms of deal value and increase by 27% in terms of deal numbers, compared to Q1 2013 (156 IPOs, US\$24.3b).
  - ▶ For the first half of 2013(1H2013), around 354 IPO listings are expected to raise US\$70.7b (14% rise compared to US\$61.8b in 2012 but a 21% drop (446 deals) by deal number, compared to FH2012).
- ▶ Region-by-region, there were some important differences in activity.
  - ▶ The US IPO market continue to record solid performance, at more than one-third of total deal values due to improving market conditions and investor confidence.
  - ▶ Activity remained slow in Europe but we expect more large brands companies offering smaller IPOs, particularly in the more mature markets in second half of 2013.
  - ▶ Asian IPO activity have recovered but not fully bounced back, reflecting a standstill in activity in China, due to regulatory factors. However, large deals in Hong Kong, Thailand, Tokyo and Singapore boosted total deal activity for the region.
  - ▶ Emerging markets such as Thailand, Indonesia, Turkey and Mexico emerged as key players for IPOs.
- ▶ From a sector standpoint, financials was dominant in Q2'13. It accounted for just under a third of total funds raised, with insurance IPOs a major driver. Industrials and real estate were also prominent.
- ▶ During Q2'13, 89% of IPOs were priced within or above their indicative price range. After-market performance has been improving. Several very large deals also completed successfully. These indicators of improving momentum in Q2'13 should carry into Q3'13.

Note: The Q2'13 Global IPO update covers global IPO activity from 1 January to 16 June 2013

# Q3'13 outlook

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- ▶ Global IPO activity should sustain solid momentum in Q3'13. Deal volume will continue to rise in Q3'13, with higher median deal sizes. Overall proceeds are expected to exceed the Q3 average levels of 2011-12, at US\$35-45 billion via 225-275 deals.
- ▶ The key drivers for Q3'13 activity are:
  - ▶ US IPOs will remain firmly in the lead – due to positive market sentiment and post-IPO performance
  - ▶ Recovery continues in Asia – China IPO market expected to reopen in SH2013 and more activity from Hong Kong, Japan, Thailand, Singapore, Malaysia and Indonesia
  - ▶ European IPO recovery is deepening
  - ▶ Positive momentum in financial sponsor-backed exits – on rising valuation and liquidity needs
- ▶ Industries to watch continue to include financials, real estate and diversified industrials
- ▶ Stronger investor confidence, supported by better economic fundamentals and supportive global monetary conditions suggests more offerings should come to market in second half of the year.
- ▶ The windows for completing IPO deals look increasingly open. Companies need to prepare earlier and be ready to move fast once a viable market window opens.

" We expect no single sector will clearly dominate IPO activity globally for the rest of 2013. Sector diversity is a sign that performance is improving across the board and a broader economic recovery is under way. But pricing will be key — 91% of investors cite attractive pricing as a critical factor influencing IPO success."

**Maria Pinelli, Global Strategic Growth Markets Leader**

Note: The Q2'13 Global IPO update covers global IPO activity from 1 January to 17 June 2013

# Q2'13 biggest IPOs

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## The top three IPOs accounted for 26.4% of Q2'13 global capital raised:

### 1. **BB Seguridade Participacoes SA** Brazil; financials – provider of insurance and pension products

- ▶ Raised US\$5.0b on Sao Paulo Exchange in April; constituted 14.9% of global capital raised in Q2'13.
- ▶ World's biggest IPO so far this year.
- ▶ Biggest IPO in Brazil since July 2009 when Banco Santander Brasil SA raised US\$7.5 b.

### 2. **BTS Rail Mass Transit Growth Infrastructure Fund** Thailand; industrials – transportation and infrastructure

- ▶ Raised US\$2.1b on the Stock Exchange of Thailand in April; constituted 6.3% of global capital raised in Q2'13.
- ▶ Third biggest IPO globally so far this year.
- ▶ Biggest IPO in Thailand on record.

### 3. **Sinopec Engineering (Group) Co Ltd** China; industrials – building/construction and engineering

- ▶ Raised US\$1.8b on Hong Kong Exchange in May; constituted 5.3% of global capital raised in Q2'13.
- ▶ This is the fourth largest IPO globally so far this year.

## Top 20 IPOs accounted for 67.7% of the global capital raised in Q2'13:

- ▶ Nine deals with capital raised above US\$1b in Q2'13, compared to five deals in Q2'12 and six deals in Q1'13.

Note: The Q2'13 Global IPO update covers global IPO activity from 1 January to 16 June 2013  
Source: Dealogic, Ernst & Young

# Q2'13 activity by geography, industry and exchange

## Geographical analysis

### By number of IPOs:

- ▶ Asia Pacific issuers maintained their dominance in deal volume, accounting for 38%, followed by North America, which accounted for 30%.
- ▶ The market shares of EMEA, and Central and South America were 27% and 5% respectively.
- ▶ By country, the US, Greater China\* and the UK led the pack with 39, 13 and 10 deals respectively.

### By capital raised:

- ▶ Asia Pacific was also at the top in terms of capital raised, accounting for 37% of the global total.
- ▶ North America, and Central and South America were ranked second and third with 32% and 21% respectively, while EMEA accounted for 10%.
- ▶ By country, the US, Brazil and Greater China\* were top three countries in Q2'13 with 30% (US\$10.2b), 18% (US\$6.3b) and 14% (US\$4.9b) respectively.

## Industry analysis

### By number of IPOs:

- ▶ The top three sectors accounted for 43% of total deal numbers. The leading sectors by number of deals were industrials (25), health care (20) and Financials (20).

### By capital raised:

- ▶ The top three sectors accounted for 61% of total deal value; financials (US\$10.1b), industrials (US\$6.9b) and real estate (US\$3.7b)
- ▶ Average deal size globally during this quarter stood at US\$225m. Financials sector had an average deal size of US\$503m – highest among all sectors.

## Exchange analysis

### By number of IPOs:

- ▶ NYSE was the most active exchange, with 28 IPOs followed by NASDAQ with 20 IPOs. The two accounted for 32% of the total number of deals.
- ▶ Among stock exchanges from Asia Pacific, the Australian Securities Exchange was the most active, accounting for nine IPOs.

### By capital raised:

- ▶ The two exchanges in the US — NYSE and NASDAQ — accounted for 35% of the capital raised globally.
- ▶ NYSE was the top grosser of Q2'13 raising US\$10.0b (29% of the total capital raised globally).
- ▶ BM&F BOVESPA (US\$6.3b) and Hong Kong Stock Exchange (US\$3.8b) were on second and third spots respectively accounting for 18% and 11% share.

\*Greater China includes Mainland China (6 deals raising US\$3.4b), Hong Kong (6 deals, US\$0.7b) and Taiwan(1, US\$0.8b) issuers. Based on the listed company domicile. Data up to 17 June 2013



# Q2'13 highlights

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## **Emerging markets<sup>1</sup> made up 45% of the global number of deals and 48% of capital raised in Q2'13:**

- ▶ BRIC markets raised US\$10b (30% of total) through 15 (10%) deals in Q2'13 as compared to US\$10.9b (25%) through 82 (34%) deals in Q2'12 and US\$1.7b (7%) through 21(14%) deals in Q1'13.
- ▶ Thailand, Poland and Indonesia were some of the other active emerging markets during this quarter.

## **Pricing:**

- ▶ 89% of global IPOs priced within or above their initial filing range in Q2'13.
- ▶ Majority of IPOs (85%) priced within their initial filing range compared to a historical 10-year average of 74%. Four per cent of IPOs priced above their initial filing range, only 11% of IPOs were priced below.

## **Withdrawals and postponements:**

- ▶ There were 35 postponed or withdrawn IPOs in Q2'13, compared to 23 in Q1'13 and 92 in Q2'12.

## **State-owned enterprises (SOEs):**

- ▶ There were two IPOs from SOE privatization in Q2'13 – New Zealand's power company Might River Private Limited, raising US\$1.4b, and Chinese brokerage company China Galaxy Securities Co Ltd, raising US\$1.1b.

## **Follow-on offerings:**

- ▶ There were 738 global follow-on offerings, raising US\$123.5b in Q2'13 as compared to 863 deals raising US\$154.0b in Q1'13 and 712 deals raising US\$89.2b in Q2'12.
- ▶ Follow-on offerings constituted 74% of global equity capital markets activity 2013 YTD by capital raised, while IPOs represented 15%. Convertibles accounted for 11%.

<sup>1</sup>Please see the Appendix for the definition of emerging markets . Based on the listed company domicile.  
Data up to 17 June 2013. Source: Dealogic, Ernst & Young

# Q2'13 PE- and VC-backed IPO deals

## PE-backed and VC-backed IPOs continue their presence:

- ▶ PE and/or VC-backed IPOs in Q2'13 accounted for 24% of global IPO activity by deal numbers and 29% by capital raised.
- ▶ In the first six months of 2013, the US contributed around 35% of all PE-backed IPOs, but this proportion rises to 70% for the larger deals (deals with proceeds above US\$500m).
- ▶ Rising valuation, solid recent performance, with many PE-backed deals coming to market in Q2'13, sets a favourable precedent for the second half of 2013, as financial sponsors seek to realize value from their investments.

## Private Equity:

PE-backed IPOs worldwide	Q2'13	Q1'13	% change – Q2'13 vs Q1'13	Q2'12	% change – Q2'13 vs Q2'12
Number of deals	27 (17.9% of global total)	33 (21.2% of global total)	-18.2%	26 (10.7% of global total)	3.8%
Capital raised	US\$8.9b (26.3%)	US\$8.0b (32.9%)	11.7%	US\$4.0b (9.0%)	125.0%

## Venture Capital:

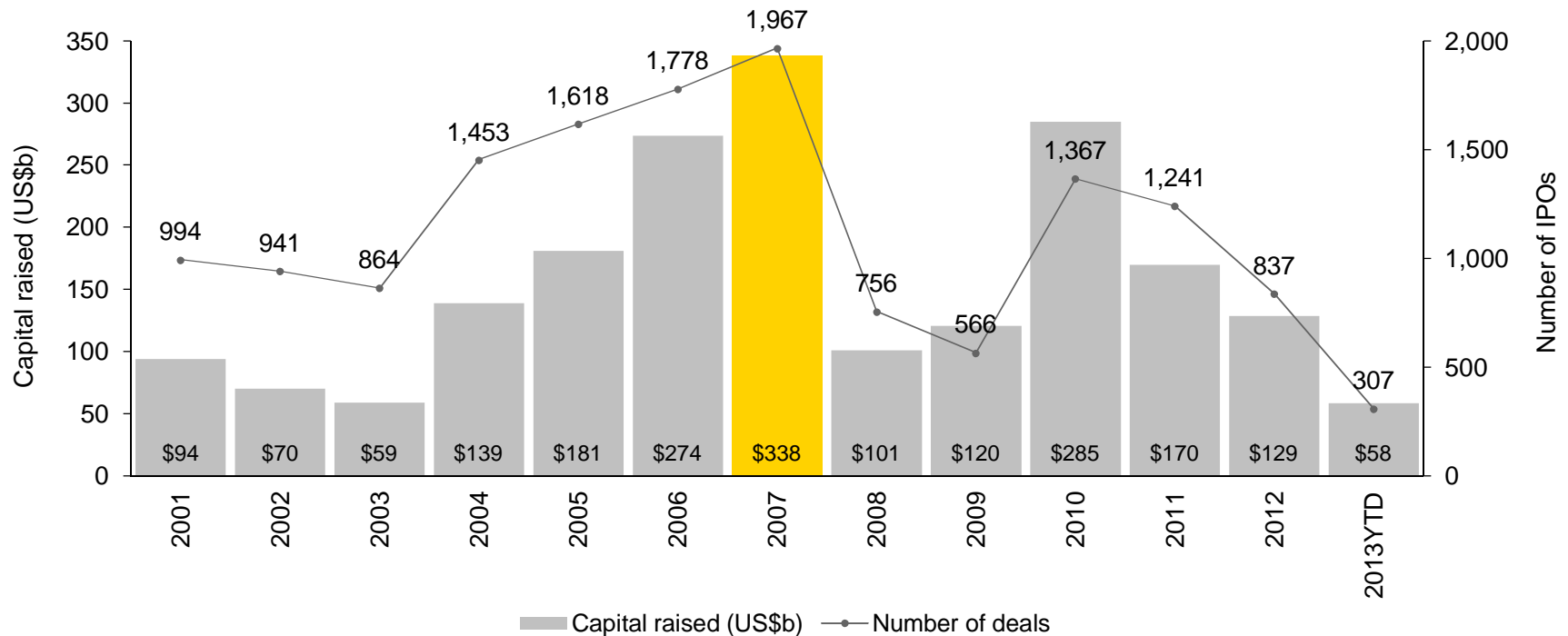
VC-backed IPOs worldwide	Q2'13	Q1'13	% change – Q2'13 vs Q1'13	Q2'12	% change – Q2'13 vs Q2'12
Number of deals	13 (8.6% of global total)	15 (9.6% of global total)	-13.3%	23 (9.5% of global total)	-43.5%
Capital raised	US\$1.3b (3.8%)	US\$1.1b (4.5%)	20.6%	US\$17.6b (40.2%)	-92.6%

\*Data up to 17 June 2013

## Section 2: Global IPO activity trends

# Global IPO activity: number of deals and capital raised by year

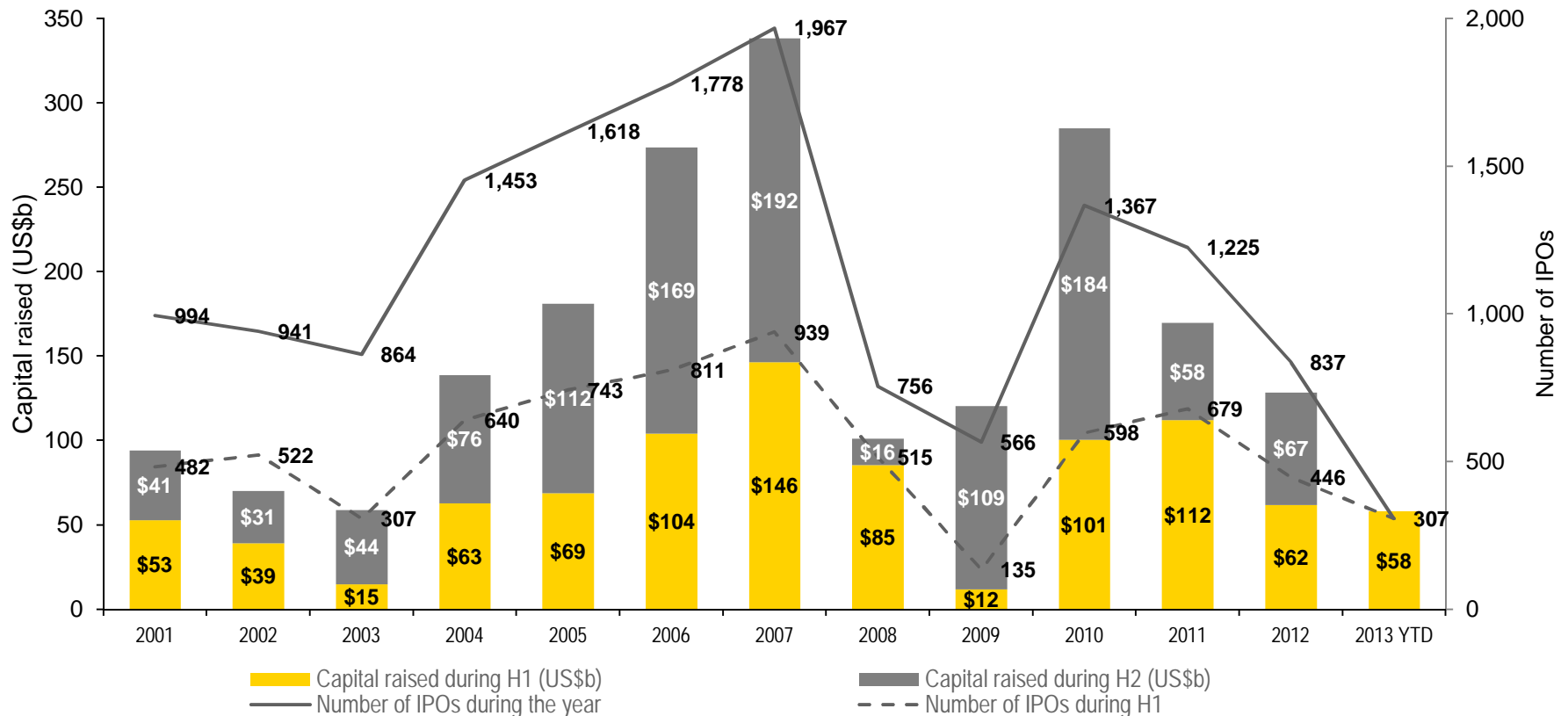
Rising equity market, increasing investor appetite for risk and a wave of recent mega-deals, which is having an ice-breaker impact on the market, are supporting a strong registration pipeline. This suggest a strong second half for the year.



\*Data up to end of 17 June 2013  
Source: Dealogic, Ernst & Young

# Global IPO activity: number of deals and capital raised by half-year

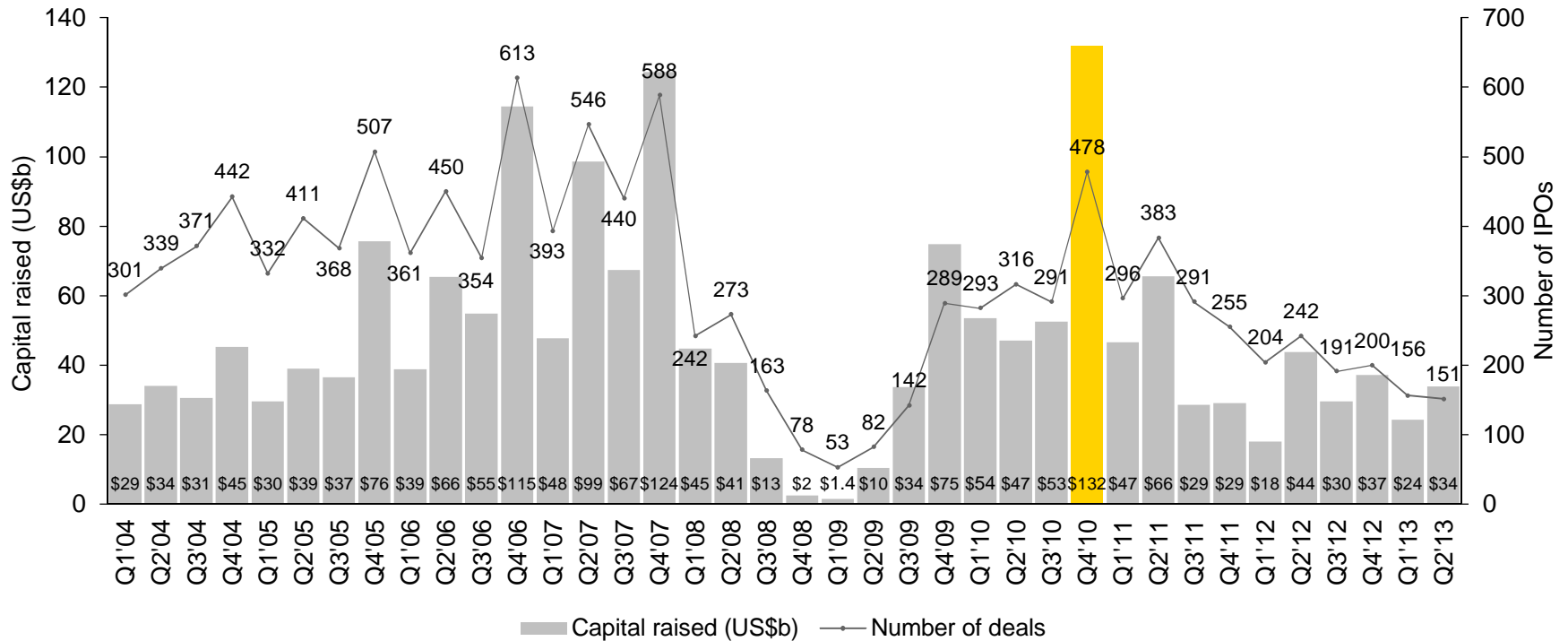
For 2013-to-date, the number of IPOs and capital raised have decreased by 31% and 6% respectively, as compared to the first six months of 2012. We expect an additional 47 deals scheduled before the quarter's end which could raise an further US\$12.5b if successful.



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Global IPO activity: number of deals and capital raised by quarter

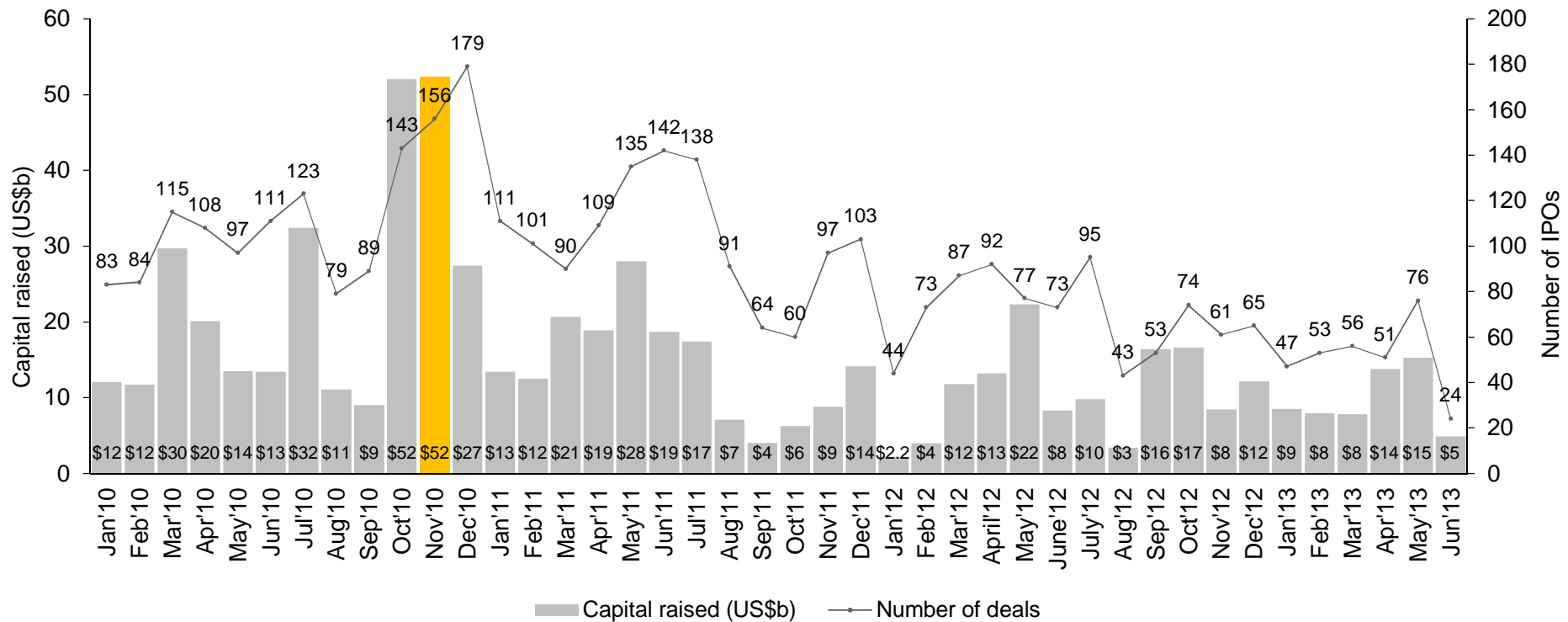
In Q2'13, there have been 9 IPOs raising more than US\$1b. These include: BB Seguridade Participacoes SA (US\$5.0b), BTS Rail Mass Transit Growth Infrastructure Fund (US\$2.1b), Sinopec Engineering (Group) Co Ltd (US\$1.8b), Nomura Real Estate Master Fund Inc (US\$1.7b) and ING US Inc (US\$1.5b).



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Global IPO activity: number of deals and capital raised by month

June 2013 has, so far, witnessed 24 IPO listings which has raised US\$4.9b. 38 more deals are expected to raise around US\$13b by the end of the month.



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Key global IPO statistics

	2010	2011	2012	2013 Jan-Jun
Number of deals	1367 (▲142% <sup>1</sup> )	1241 (▼9% <sup>2</sup> )	837 (▼33% <sup>3</sup> )	307
Capital raised (US\$)	\$284.9b (▲136% <sup>1</sup> )	\$169.9b (▼40% <sup>2</sup> )	\$128.6b (▼24% <sup>3</sup> )	\$58.2b
Average deal size (US\$)	\$208.3m	\$136.9m	\$153.6m	\$189.6m
PE-backed IPOs	155 deals, \$35.0b	119 deals, \$38.3b	107 deals, \$19.4b	60 deals, \$16.9b
VC-backed IPOs	129 deals, \$13.7b	142 deals, \$17.3b	92 deals, \$23.2b	28 deals, \$2.4b
Top 5 sectors (number of deals)	Materials (307) Industrials (236) Technology (180) Consumer staples (113) Energy (94)	Materials (268) Industrials (199) Technology (149) Consumer product <sup>4</sup> (124) Energy (110)	Materials (140) Industrials (125) Technology (122) Energy (69) Consumer staples (58)	Industrials (47) Real estate (40) Financials (35) Health care (34) Technology (34)
Top 5 sectors (capital raised)	Financials (\$80.0b) Industrials (\$57.6b) Materials (\$38.5b) Energy (\$23.2b) Technology (\$20.7b)	Materials (\$29.2b) Industrials (\$26.4b) Energy (\$21.3b) Financials (\$15.9b) Technology (\$14.7b)	Technology (\$23.5b) Financials (\$19.4b) Industrials (\$19.0b) Energy (\$13.1b) Materials (\$12.4b)	Financials (\$12.5b) Real estate (\$11.7b) Industrials (\$9.0b) Health care (\$5.5b) Energy (\$4.6b)
Top 5 exchanges (number of deals)	Shenzhen – SME (205) Shenzhen – ChiNext (116) Australian (92) Hong Kong (87) New York (82)	Shenzhen – ChiNext (128) Warsaw – New Connect (123) Shenzhen – SME (115) Australian (101) Hong Kong (68)	New York (78) Shenzhen – ChiNext (74) Warsaw - New Connect (62) Shenzhen (55) NASDAQ (54)	New York (44) NASDAQ (36) Australian (19) Warsaw - New Connect (16) Hong Kong and London AIM (14 each)
Top 5 exchanges (capital raised)	Hong Kong (\$57.4b) New York (\$34.7b) Shenzhen – SME (\$30.2b) Shanghai (\$27.9b) Tokyo (\$14.3b)	New York (\$30.5b) Hong Kong (\$25.3b) Shenzhen – SME (\$15.7b) Shanghai (\$15.1b) London (\$13.9b)	New York (\$24.0b) NASDAQ (\$22.6b) Tokyo (\$12.2b) Hong Kong (\$11.5b) Kuala Lumpur (\$7.6b)	New York (\$16.5b) Sao Paulo (\$6.6b) Hong Kong (\$4.9b) NASDAQ (\$3.9b) Tokyo (\$3.6b)

\*Data up to 17 June 2013

<sup>1</sup>Percentage change from 2009 to 2010

<sup>2</sup>Percentage change from 2010 to 2011

<sup>3</sup>Percentage change from 2011 to 2012

<sup>4</sup>Consumer products includes consumer services

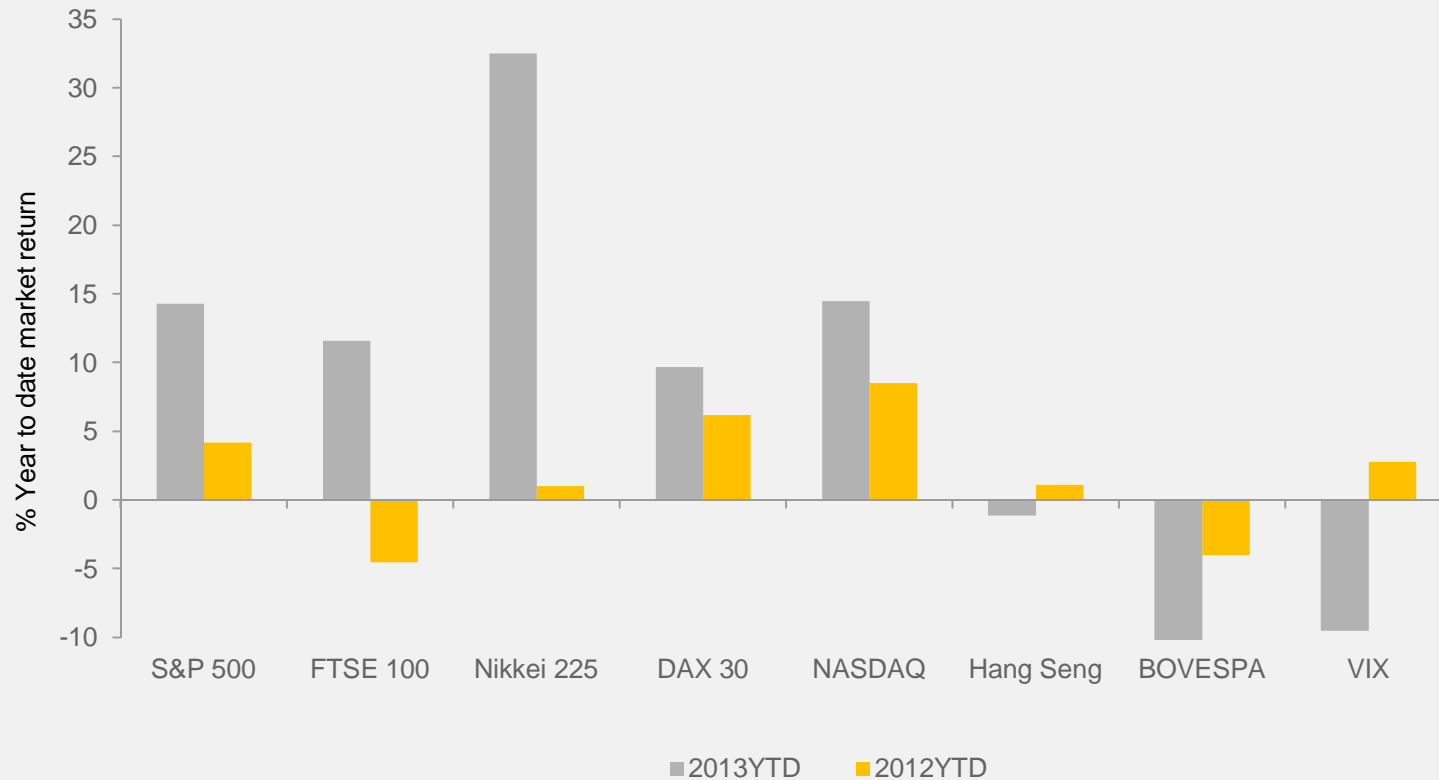
Please see Appendix for the list of stock exchanges

Source for all charts and tables shown: Dealogic, Thomson Financial, Ernst & Young



# Market confidence is improving

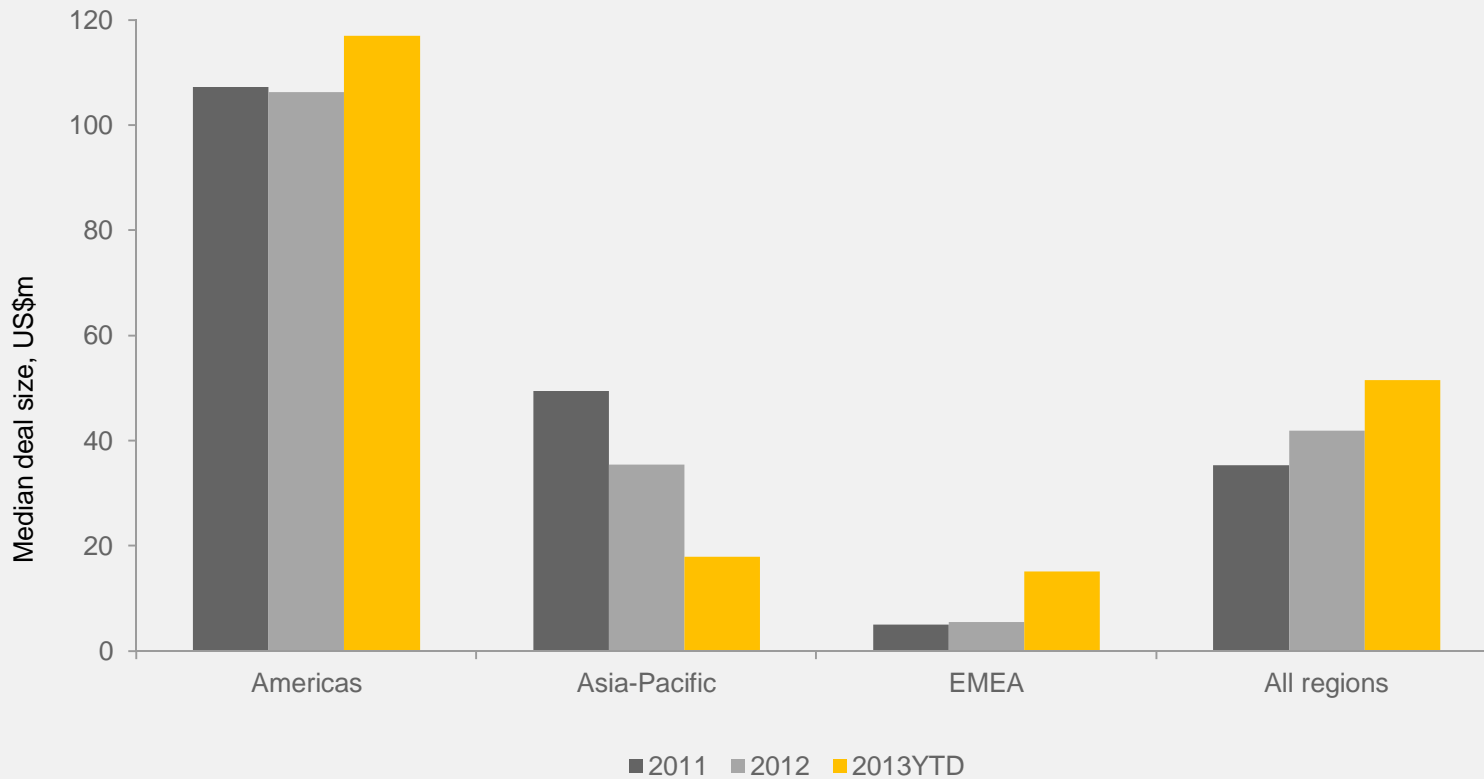
Global equity markets gains accelerated in Q2'13. Stronger performance in the major developed markets, particularly Japan and US, drove gains, with emerging markets soft in comparison.



Data updated as on 8 June 2013  
Source: Datastream

# Median deal value by regions

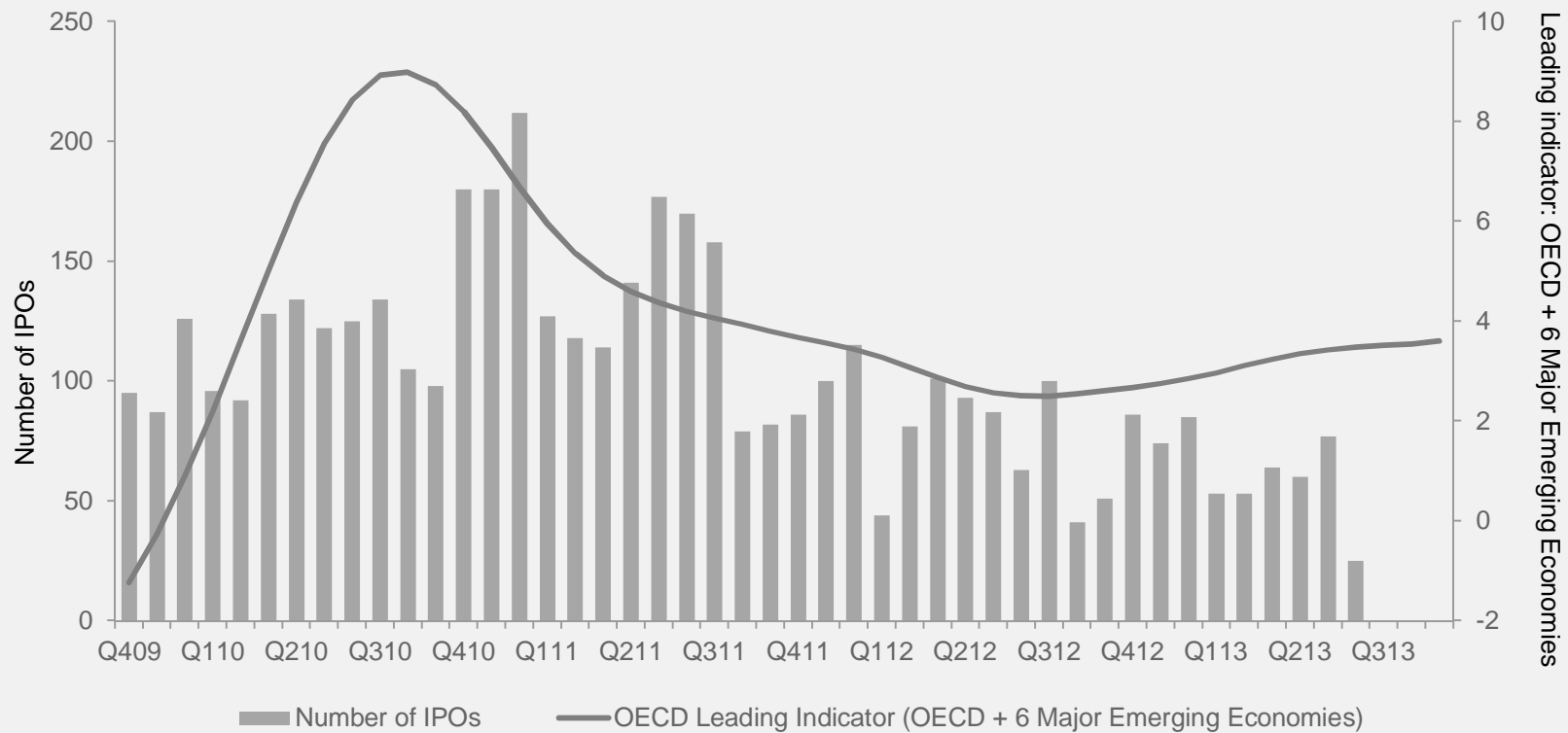
Median deal values rose in Q2'13, reflecting an increasing volume of larger-value IPOs in US and Asia. For second half of 2013, median values are likely to push gradually higher while market confidence continues to build.



\*Data updated as on 8 June 2013  
Source: Dealogic

# Steadying global economic conditions are supportive for IPOs

Steadying global economic conditions suggests macro concerns are diminishing for IPOs in 2013. Deal values and volumes are expected to increase in the second half of the year.



Data updated as on 8 June 2013  
Source: OECD, Dealogic

## Section 3: Regional analysis

# Asia Pacific

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- ▶ **In Q2'13, Asian exchanges accounted for 29% of global IPO activity in terms of number of deals and 31% in terms of capital raised:**
  - ▶ The region witnessed 44 deals, raising a total of US\$10.5b in Q2'13.
  - ▶ Capital raised in Q2'13 was 94% higher but 34% lower by number of deals than Q1'13 (US\$5.4b via 67 deals).
  - ▶ Capital raised in Q2'13 was 31% lower in value and 61% lower by deal number than in Q2'12 (US\$15.3b in 112 deals).
- ▶ **In Q2'13 Greater Chinese\* exchanges raised US\$4.0b through 10 deals accounting for approximately 40% of capital proceeds raised in the Asian region.**
  - ▶ Hong Kong Stock Exchange (HKEx) was ranked third by global capital raised (US\$3.8b via 5 deals) in Q2'13.
- ▶ **In Q2'13, Thailand emerged as one of the key countries in Asia with nine deals raising a total of US\$2.6b (accounted for 25% of proceeds raised in the region).**
  - ▶ The IPO of BTS Rail Mass Transit Growth Infrastructure Fund raised US\$2.1b on Thailand (SET); the second largest deal of the quarter.
- ▶ **During the quarter, Japan accounted for 6% of global fundraising in Q2'13.**
  - ▶ Japan witnessed 4 deals raising US\$1.7b. The IPO listing of Nomura Real Estate Master Fund Inc raised US\$1.6b – this is the fourth largest IPO this quarter.
- ▶ **In Q2'13, the Australian Securities Exchange saw nine deals raising US\$696m while the New Zealand Exchange (NZX) had the sixth largest IPOs of the year: the Mighty River Power Limited IPO raised US\$1.4b, this is one of the largest IPO on NZX on record.**

\*Greater China includes Mainland China and Hong Kong (10 deals raising US \$4.0b) issuers.  
Source: Dealogic, Ernst & Young

# Americas

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- ▶ **The US exchanges raised 35% of global proceeds; with 52% of deals and 65% of proceeds backed by PE and/or VC firms:**
  - ▶ US exchanges (NYSE, NASDAQ and AMEX) raised US\$11.9b in 48 deals in Q2'13, accounting for 35% of global proceeds and 32% of the number of IPOs.
  - ▶ There was an increase of 45% in the number of deals and 38% in capital raised during this quarter compared to Q1'13 (33 deals raising US\$8.6b). On a Y-o-Y basis, there was a 45% increase in the number of deals and a 49% decrease in capital raised during Q2'12 (33 deals raising US\$23.2b).
  - ▶ With US\$10.0b raised in 28 deals, the New York Stock Exchange was the highest grossing exchange in Q2'13 globally.
  - ▶ PE and/or VC sponsored deals made up 52% of the deal count and 65% of the capital raised on US exchanges. Nine out of the top ten IPOs (by capital raised) in the US market were PE-backed.
  - ▶ Health care (11 IPOs raising US\$1.8b) and financials (8 IPOs raising US\$2.5b) were the two most active sectors in the US markets.
  
- ▶ **Central and South American exchanges, led by Sao Paulo, raised 19% of capital globally:**
  - ▶ Central and South American exchanges, though accounting for only 4% of the global deal count, raised 19% of the capital with an average deal size of more than US\$1b – driven by Brazil.
  - ▶ In April, the BM&F BOVESPA listed the world's biggest IPO so far in 2013 raising US\$5b by BB Seguridade Participacoes SA—a financial services company that provide insurance and pension products. The Brazil IPO market showed signs of recovery with 4 IPOs which raised US\$6.3b.
  - ▶ Mexico conducted one IPO which raised US\$197.8m in Q2'13.

\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

▶ **European exchanges, led by the UK, raised 6% of global proceeds:**

- ▶ European exchanges saw 27 IPOs raising a total of US\$1.9b in Q2'13 (17.9% of global number of deals); a decrease of 4% in the number of deals and 63% in the capital raised compared to Q1'13 (28 deals raising US\$5.1b).
- ▶ European exchanges were majorly driven by London Main Market by capital raised and was ranked 10<sup>th</sup> globally in fundraising with US\$850m raised in two IPO offerings.
- ▶ London Alternative Investment Market (AIM) had the highest number of IPOs within European exchanges and ranked fourth globally by number of deals (8) raising US\$107.8m.

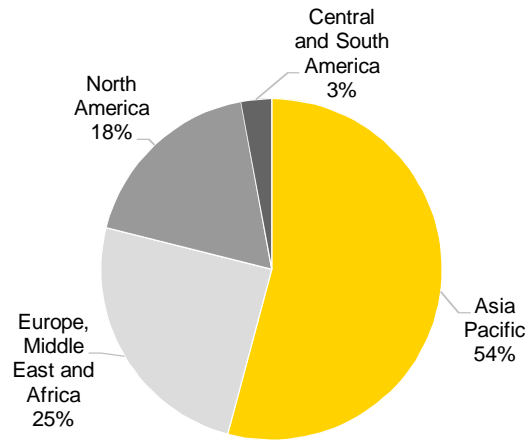
▶ **The Middle East and Africa IPO market remained relatively quiet in Q2'13:**

- ▶ Middle East exchanges raised US\$48m in three IPOs during this quarter compared to US\$1.6b in three IPOs in Q1'13.
- ▶ African exchanges raised US\$85m in four IPOs during this quarter compared to US\$9.2m in two IPOs in Q1'13.

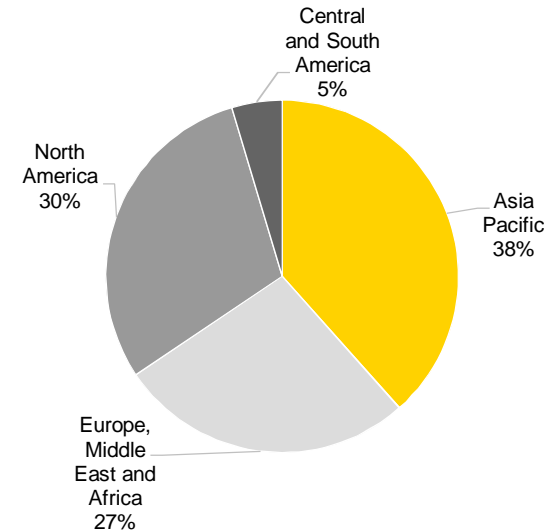
\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Global IPO activity: distribution of IPOs by world region (by number of deals)

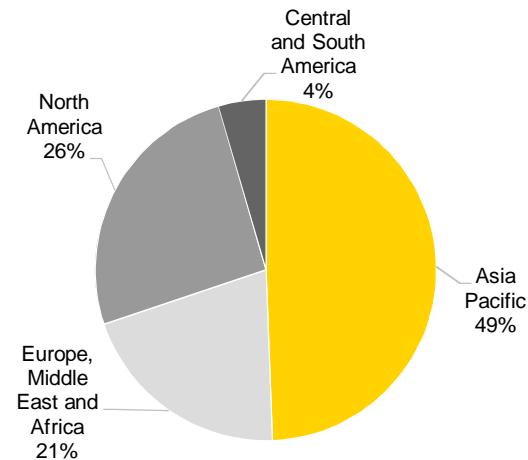
Q2'12



Q2'13



Q1'13

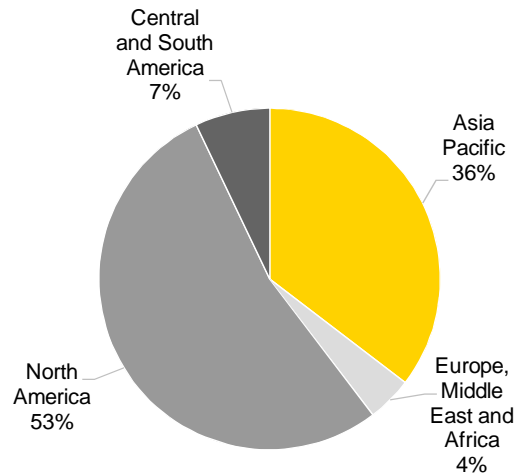


\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

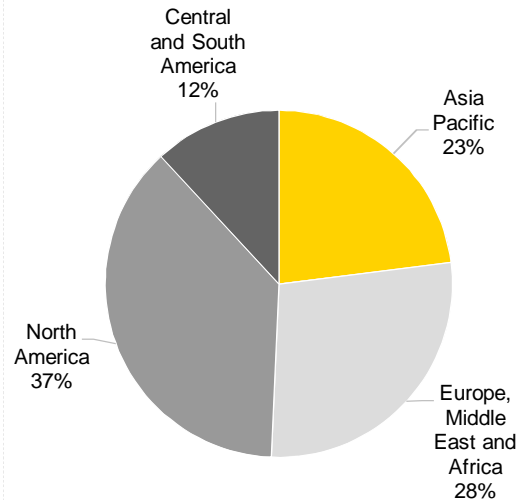
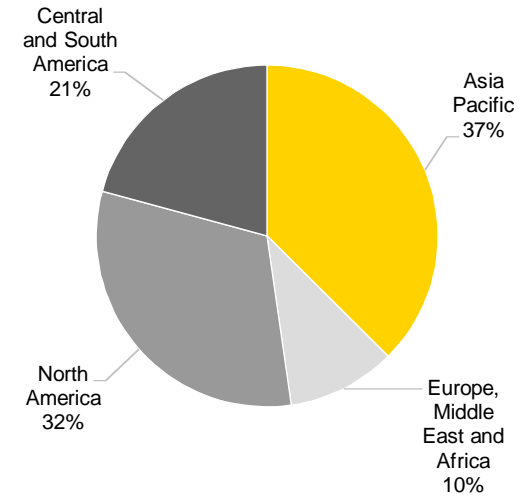


# Global IPO activity: distribution of IPOs by world region (capital raised)

Q2'12



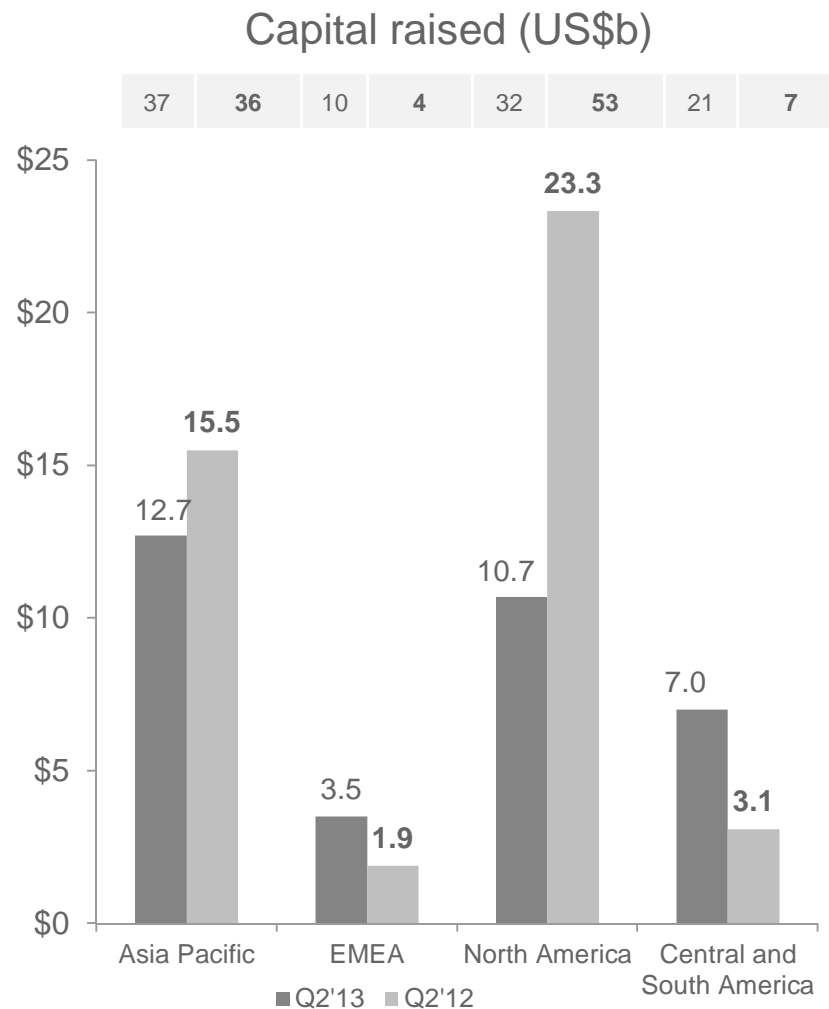
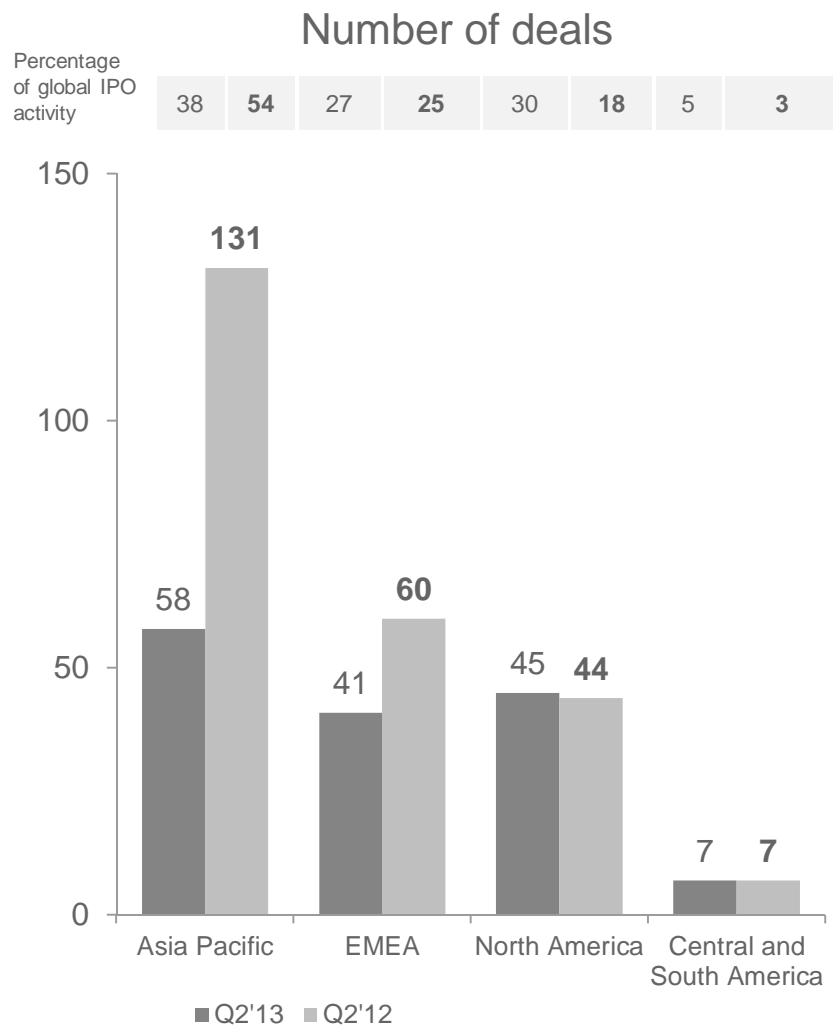
Q2'13



Q1'13

\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

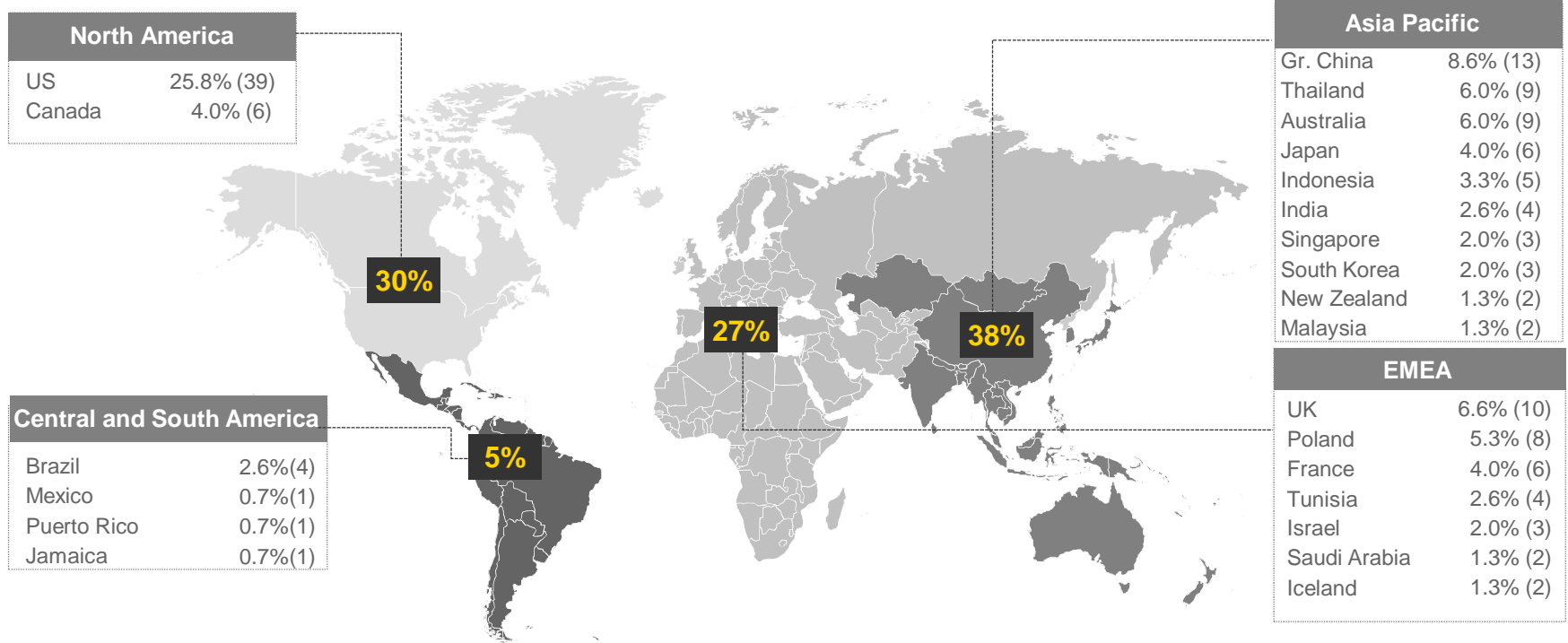
# Q2'13 versus Q2'12 global IPOs by region



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Q2'13 global IPO activity (by region and number of deals)

The US led in the number of deals, followed by Greater China\* and the UK.

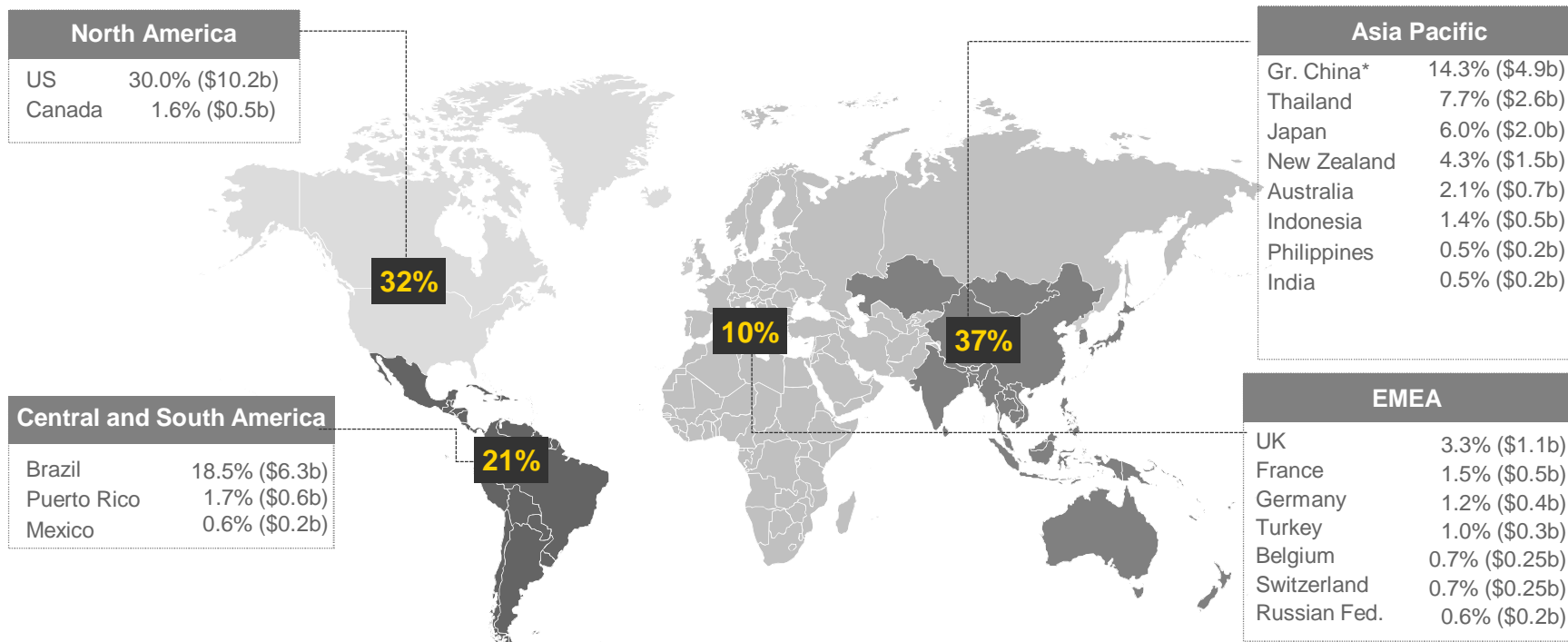


Developing countries accounted for 45% of the number of deals globally and 48% of the total global capital raised. BRICs together raised US\$10b (30% of total capital raised) in 15 deals (10% of total deal numbers).

\*Greater China includes Mainland China (6 deals), Hong Kong (6) and Taiwan(1) issuers. Based on the listed company domicile. Data up to end of 17 June 2013. Source: Dealogic, Ernst & Young

# Q2'13 global IPO activity (by region and capital raised)

The US led by total capital raised (US\$10.2b), followed by Brazil and Greater China\*

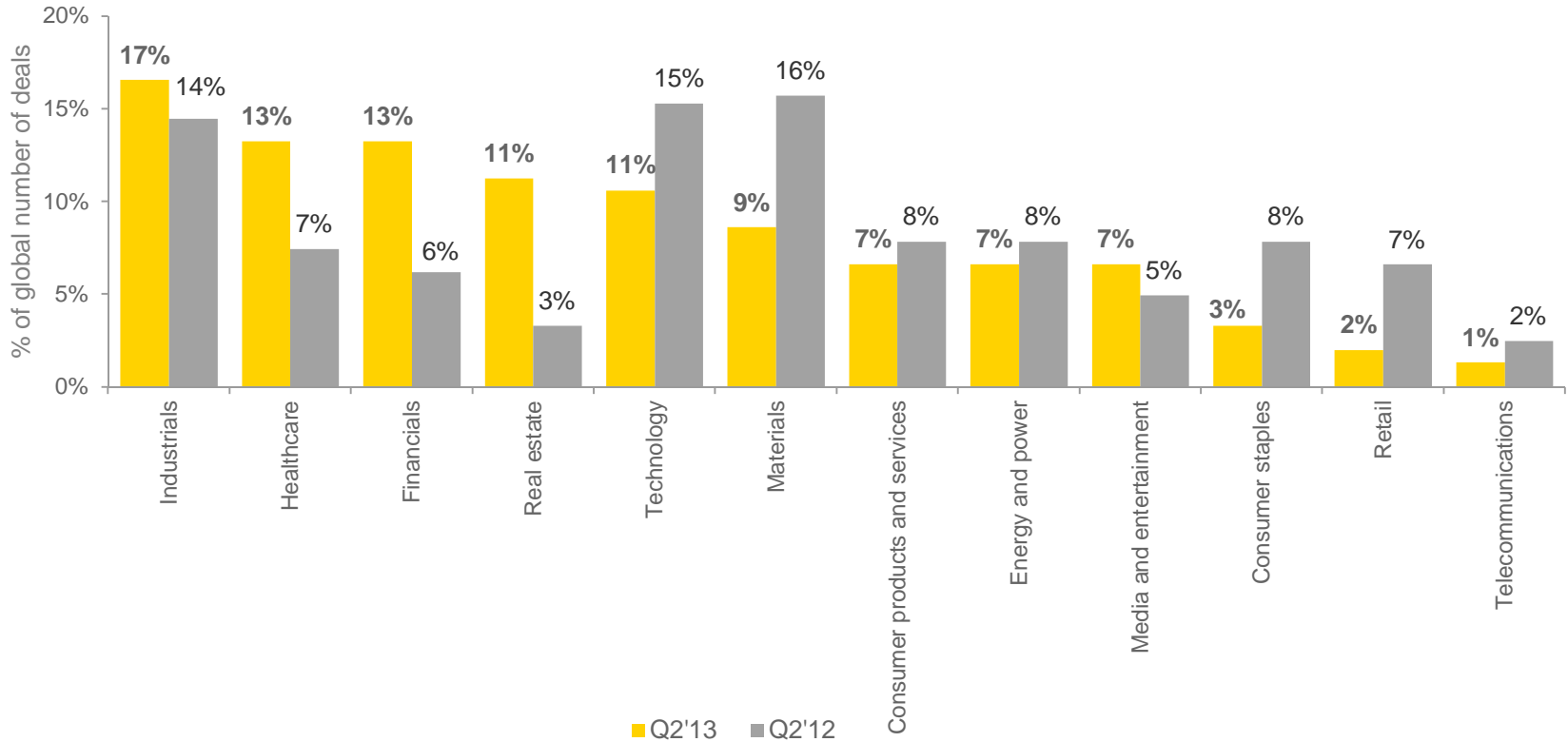


There were nine deals with capital raised above US\$1b. The top three IPOs, accounting for 26.4% of the capital raised globally, were from emerging markets including two from BRIC nations.

\*Greater China includes Mainland China (US\$3.4b), Hong Kong (US\$0.7b) and Taiwan (US\$0.8b) issuers. Based on the listed company domicile. Capital raised for this slide is based on US\$. Data up to end of 17 June 2013. Source: Dealogic, Ernst & Young

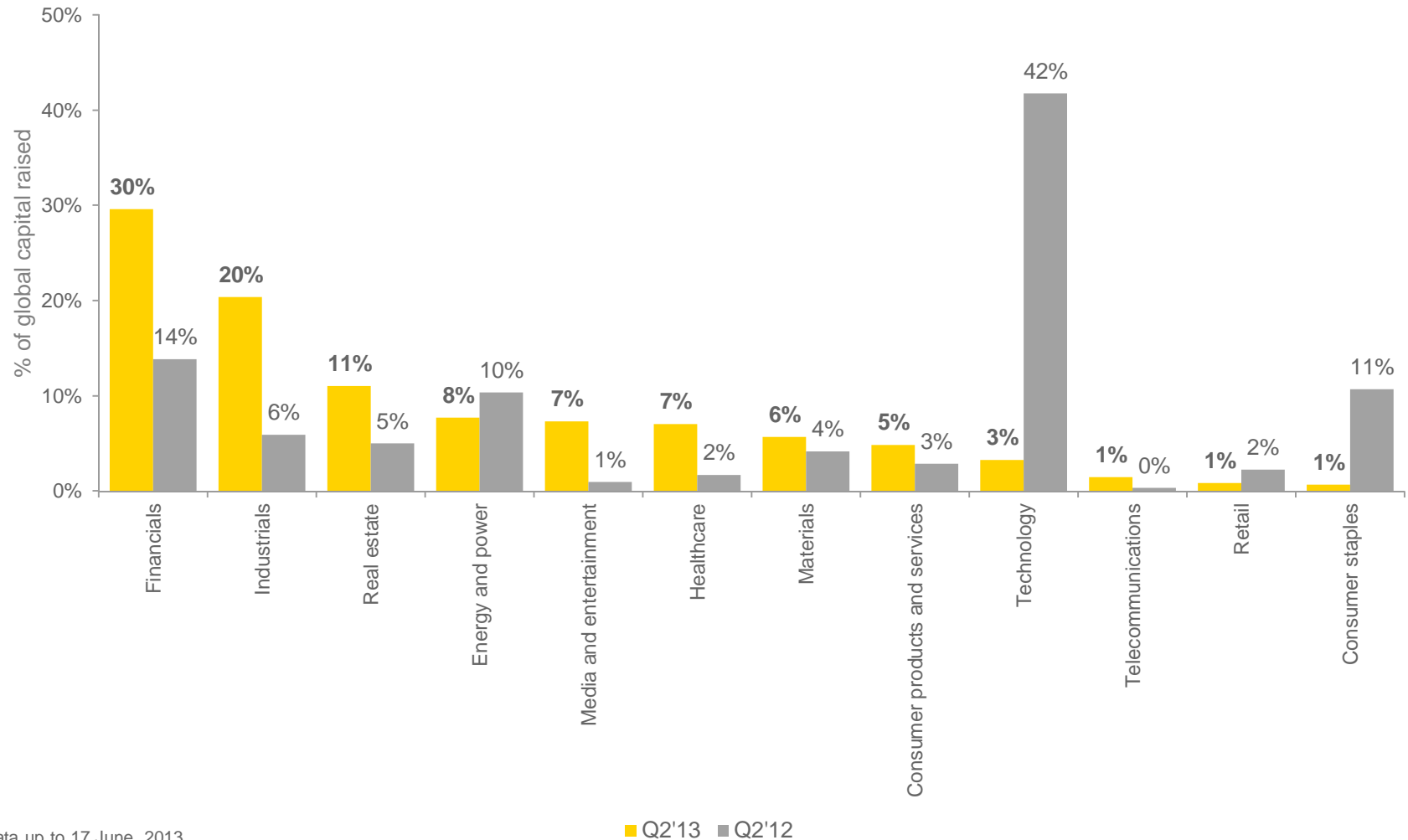
## Section 4: Industry analysis

# Global IPO activity: by industry and percentage of global number of deals



Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Global IPO activity: by industry and percentage of global capital raised



Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

## Section 5: Stock exchange analysis



# Q2'13 Global IPO activity: by stock exchanges\*

## Top 12 by number of deals

Exchange	No. of deals	Percentage of global total
New York (NYSE)	28	18.5%
NASDAQ	20	13.2%
Australian Securities Exchange (ASX)	9	6.0%
London Alternative Investment Market (AIM)	8	5.3%
Warsaw NewConnect	7	4.6%
Thailand (SET)	6	4.0%
Toronto (TSX)	6	4.0%
Hong Kong (HKEx)	5	3.3%
Indonesia (IDX)	5	3.3%
Hong Kong Growth Enterprise Market (GEM)	5	3.3%
Sao Paulo (BM&F BOVESPA)	4	2.6%
Singapore (SGX)	4	2.6%
<i>All other exchanges</i>	44	29.1%
<b>Global total</b>	<b>151</b>	<b>100%</b>

## Top 12 by capital raised

Exchange	Capital raised (US\$m)	Percentage of global total
New York Stock Exchange (NYSE)	\$10,004	29.5%
Sao Paulo (BM&F BOVESPA)	\$6,269	18.5%
Hong Kong (HKEx)	\$3,837	11.3%
Thailand (SET)	\$2,513	7.4%
NASDAQ	\$1,868	5.5%
Tokyo (TSE)	\$1,656	4.9%
New Zealand (NZX)	\$1,454	4.3%
Singapore (SGX)	\$1,203	3.5%
Toronto (TSX)	\$883	2.6%
London Main Market (LSE)	\$850	2.5%
Australian (ASX)	\$696	2.1%
Indonesia (IDX)	\$461	1.4%
<i>All other exchanges</i>	\$2,229	6.6%
<b>Global total</b>	<b>\$33,923</b>	<b>100%</b>

\*Data based on domicile of the exchange, regardless of the listed company domicile. Data up to end of 17 June 2013.

\*\*Shenzhen Stock Exchange includes listings on Mainboard (SME) and ChiNext

Source: Dealogic, Ernst & Young

# Q2'12 Global IPO activity: by stock exchanges\*

## Top 12 by number of deals

Exchange	No. of deals	Percentage of global total
Shenzhen Stock Exchange (SZE)**	44	18.2%
Warsaw NewConnect	26	10.7%
New York (NYSE)	18	7.4%
Australian (ASX)	14	5.8%
NASDAQ	14	5.8%
Shanghai (SSE)	11	4.5%
London Alternative Investment Market (AIM)	11	4.5%
Hong Kong (HKEx)	10	4.1%
Toronto Venture (TSX-V)	9	3.7%
Istanbul (ISE)	7	2.9%
Japan JASDAQ	6	2.5%
Deutsche Borse	5	2.1%
All other exchanges	67	27.8%
<b>Global total</b>	<b>242</b>	<b>100.0%</b>

## Top 12 by capital raised

Exchange	Capital raised (US\$m)	Percentage of global total
NASDAQ	\$17,671	40.2%
New York (NYSE)	\$5,506	12.5%
Shenzhen Stock Exchange (SZE)**	\$3,602	8.2%
Bursa Malaysia (KLSE)	\$3,530	8.0%
Hong Kong (HKEx)	\$2,632	6.0%
Shanghai (SSE)	\$2,321	5.3%
Sao Paulo (BM&F BOVESPA)	\$2,099	4.8%
Tokyo (TSE)	\$1,374	3.1%
Mexican (BMV)	\$792	1.8%
Philippines (PSE)	\$633	1.4%
Saudi (Tadawul)	\$591	1.3%
Singapore (SGX)	\$349	0.8%
All other exchanges	\$2,702	6.6%
<b>Global total</b>	<b>\$43,803</b>	<b>100%</b>

\*Data based on domicile of the exchange, regardless of the listed company domicile

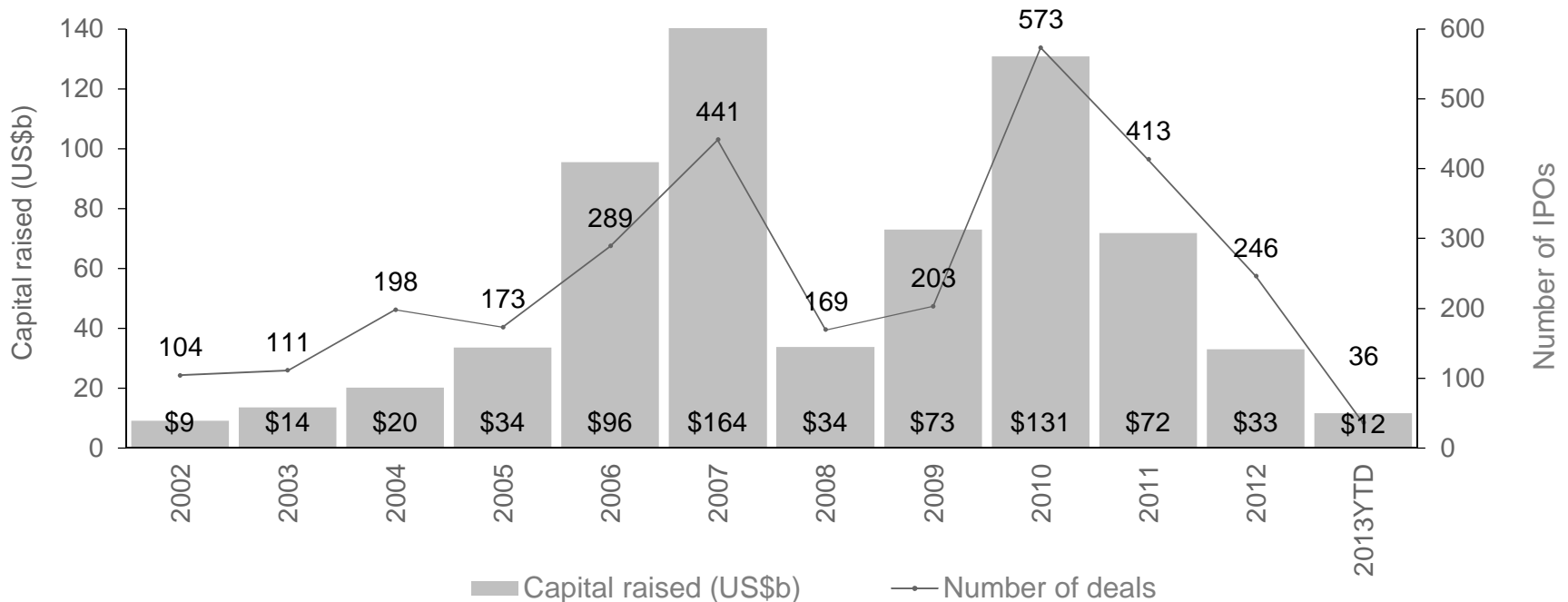
\*\*Shenzhen Stock Exchange includes listings on Mainboard (SME) and ChiNext

Source: Dealogic, Ernst & Young

## Section 6: Emerging markets

# Emerging markets: IPO activity by year in the BRIC countries

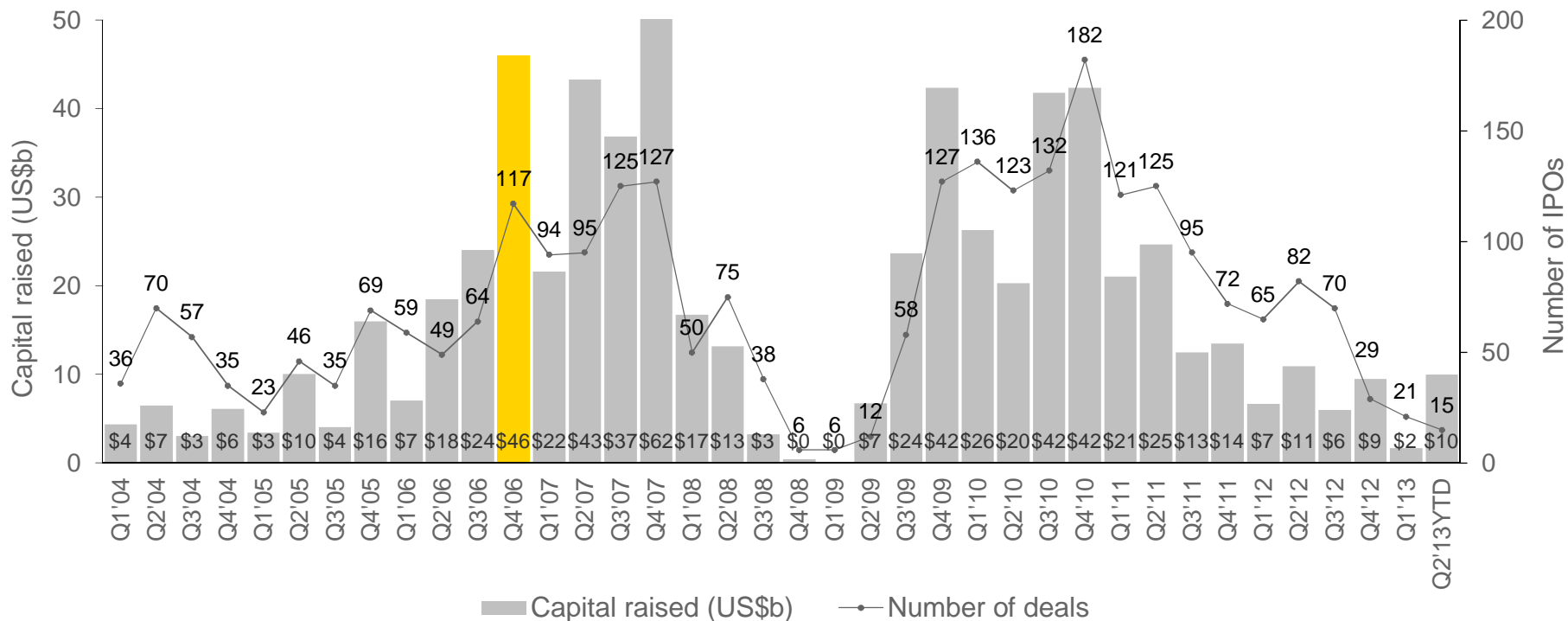
Emerging markets have continued to see significant IPO activity in 2013 (47% of global deals and 43% of global capital raised). Emerging markets issuers have raised US\$25.0b from 145 IPOs. BRIC issuers through 36 IPOs, have raised US\$11.7b.



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Emerging markets: IPO activity by quarter in the BRIC countries

In Q2'13, there were nine deals with capital raised above US\$1b, of which four were from the emerging markets. Of the top 10 IPOs (by capital raised), five were from emerging markets. Of the top 20 IPOs, nine deals were from emerging markets.



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

## Section 7: Top 20 IPOs

# Q2'13 top 20 IPOs by capital raised

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- ▶ Emerging markets represent five of the top 10 IPOs and nine of the top 20 IPOs. Five out of top 20 IPO deals were from BRIC nations
  - ▶ Nine of the top 20 deals were private equity-backed IPOs.
- ▶ 18 of the top 20 listed on their home exchange (as their primary exchange).
- ▶ The three largest deals (by capital raised) were:
  - ▶ Brazil's insurance and pension products provider, BB Seguridade Participacoes SA, which listed on BM&F BOVESPA.
  - ▶ Thailand's BTS Rail Mass Transit Growth Infrastructure Fund, which listed on the Thailand Stock Exchange.
  - ▶ China's engineering and construction company, Sinopec Engineering (Group) Co Ltd, which listed on HKEx.
- ▶ The top 10 IPOs together raised US\$17.5b, which represents 52% of global proceeds. The top 20 IPOs together raised US\$23.0b, which represents 68% of global proceeds.
- ▶ Eight of the top 20 IPO deals listed in the US (NYSE), with Hong Kong and Brazil being the source of three deals each.
  - ▶ The six other IPOs in the top 20 were from New Zealand, Germany, Japan, Singapore, Thailand and the UK.
- ▶ The minimum deal value required to make the "top 20 club" was US\$369m in Q2'13, compared to the US\$343m for Q1'13 and the US\$327m for Q2'12. The minimum deal value to join the global "top 10 club" was US\$824m compared to US\$667m in Q1'13 and the US\$504m for Q2'12.
- ▶ The financials and the industrials sectors generated four IPOs each, whereas the media and entertainment sector generated three IPOs. The consumer products and services, the energy and power and the materials sectors generated two deals each.

\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Q2'13 top 20 IPOs by capital raised

Issue month	Issuer name	Domicile	Sector	Issuer business description	Capital raised (US\$m)	Exchange(s)	Type of IPO
April	BB Seguridade Participacoes SA	Brazil	Financials	Provider of insurance and pension products.	5,047	BM&F BOVESPA	
April	BTS Rail Mass Transit Growth Infrastructure Fund	Thailand	Industrials	Infrastructure fund with interests in net revenue of part of BTS SkyTrain mass transit business.	2,127	Thailand (SET)	
May	Sinopec Engineering (Group) Co Ltd	China	Industrials	Engaged in undertaking the engineering and construction projects.	1,797	Hong Kong (HKEx)	
June	Nomura Real Estate Master Fund Inc	Japan	Real estate	Real estate investment trust (REIT).	1,656	Tokyo (TSE)	
May	ING US Inc	United States	Financials	Provider of retirement funds management, annuity and life insurance products.	1,462	New York (NYSE)	
May	Mighty River Power Ltd	New Zealand	Energy and power	Power producer and retailer.	1,431	New Zealand (NZX)	
May	China Galaxy Securities Co Ltd	China	Financials	Provider of securities brokerage services.	1,097	Hong Kong (HKEx)	
May	Quintiles Transnational Holdings Inc	United States	Health care	Provider of biopharmaceutical development services and commercial outsourcing services.	1,090	New York (NYSE)	PE-backed IPO
June	Coty Inc	United States	Consumer products and services	Manufacturer of fragrances, color cosmetics, skin & body care.	1,000	New York (NYSE)	PE-backed IPO
May	Asian Pay Television Trust	Taiwan	Media and entertainment	Business Trust that has interests in cable television operators in Taiwan.	824	Singapore (SGX)	

Data up to end of 17 June 2013  
Source: Dealogic, Ernst & Young



# Q2'13 top 20 IPOs by capital raised (continued)

Issue month	Issuer name	Domicile	Sector	Issuer business description	Capital raised (US\$m)	Exchange(s)	Type of IPO
April	SeaWorld Entertainment Inc	United States	Media and entertainment	Theme park and entertainment company.	807	New York	PE-backed IPO
June	Partnership Assurance Group plc	United Kingdom	Financials	Holding company for specialist provider of annuities and life insurance products.	743	London	PE-backed IPO
April	Taylor Morrison Home Corp	United States	Industrials	Home builder.	723	New York	PE-backed IPO
April	EVERTEC Inc	Puerto Rico	Consumer products and services	Professional services provider.	576	New York	PE-backed IPO
May	Langham Hospitality Investments Ltd	Hong Kong	Media and entertainment	Engaged in the business of hotel management.	549	Hong Kong	
April	Smiles SA	Brazil	Industrials	Airline loyalty program.	498	Sao Paulo	
April	Intelsat SA	United States	Telecommunications	Provider of fixed satellite services.	400	New York	PE-backed IPO
April	Evonik Industries AG	Germany	Materials	Specialty chemical manufacturer serving the automotive, plastics, pharmaceutical, and other industries.	391	Deutsche Borse	PE-backed IPO
May	Ply Gem Holdings Inc	United States	Materials	Manufacturer of residential exterior building products.	381	New York	PE-backed IPO
April	Alupar Investimento SA	Brazil	Energy and power	Involved in the transmission and generation of electric energy.	369	Sao Paulo	

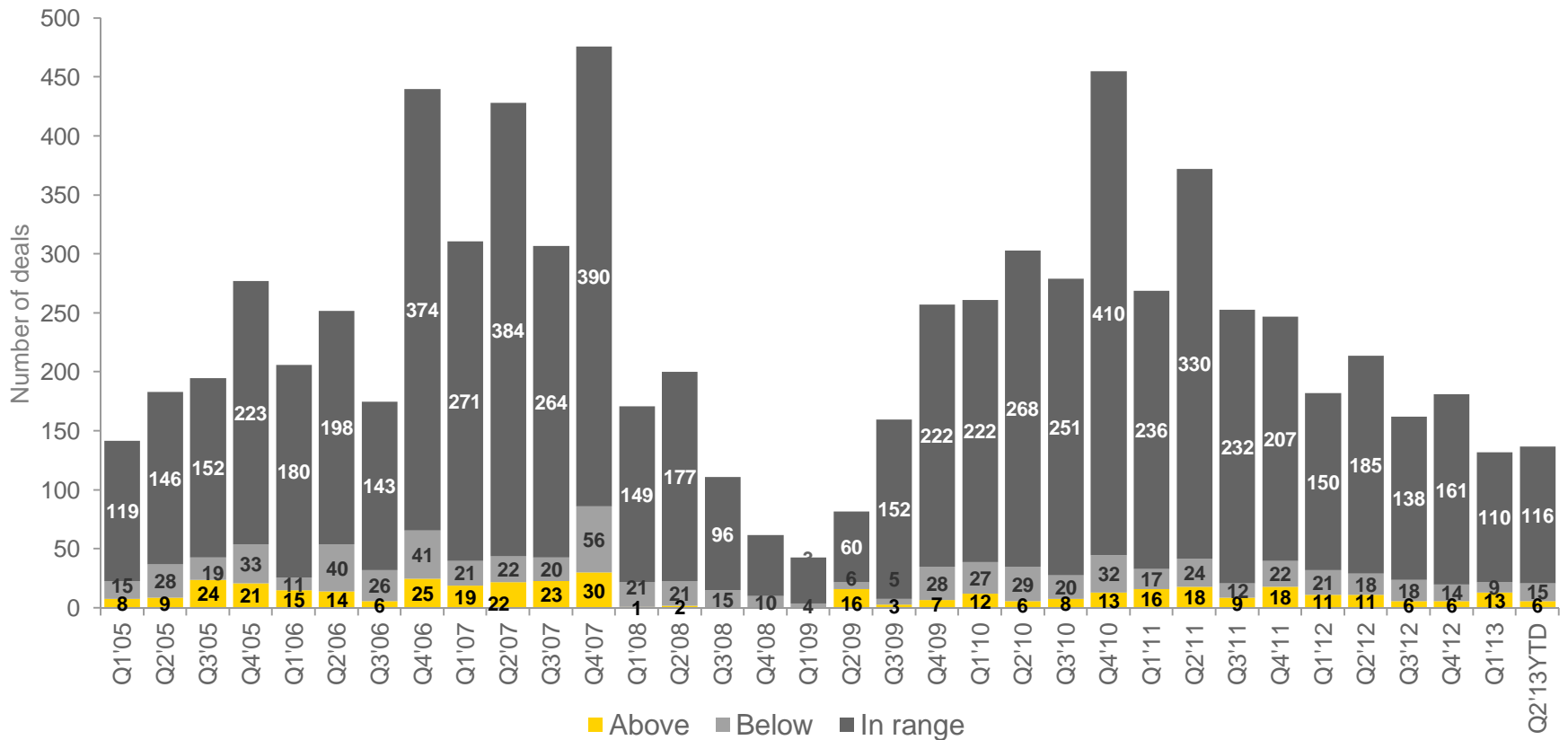
**Total capital raised by top 20 IPOs:** US\$23.0b  
**Total global capital raised in Q2'13 :** US\$33.9b  
**% of top 20:** 68%

\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

## Section 8: Pricing range

# Global number of IPOs by pricing range

84% of global IPOs\* in 1H2013 were priced within their initial filing range and 7% were priced above. Only 9% of IPOs were priced below their initial filing range.



\*For 3% of the IPOs, this range is not applicable. Data up to 17 June 2013. Source: Dealogic

## Section 9: Follow-on activity

# Follow-on offerings

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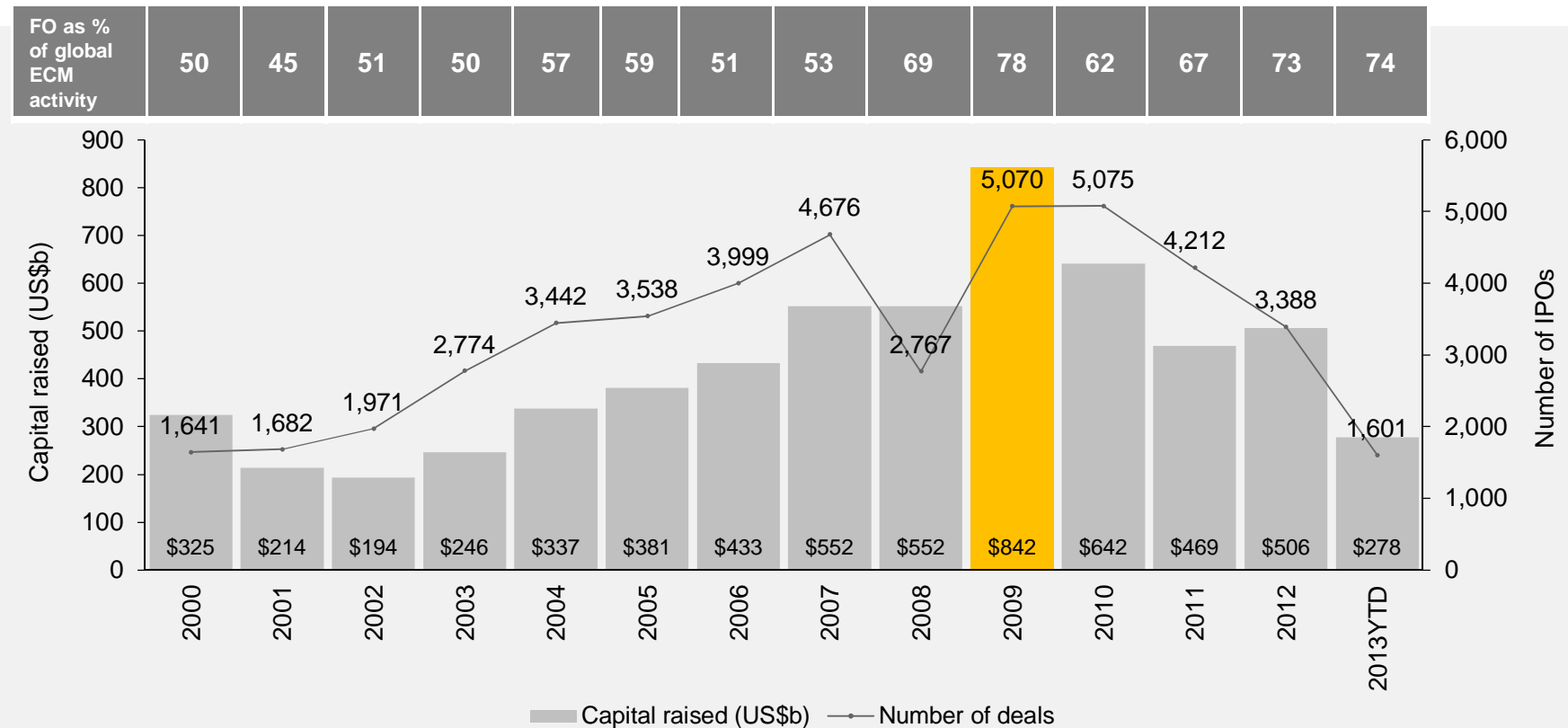
- ▶ 738 follow-on offerings globally raised US\$123.5b in Q2'13. This compares to 863 deals raising US\$154.0b in Q1'13 and 712 deals raising US\$89.2b in Q2'12.
- ▶ Follow-on offerings constituted 74% of global equity capital markets activity in Q2'13 by capital raised, while IPOs represented 15%.
- ▶ The four largest follow-on deals in Q2'13 were:
  - ▶ Netherlands telecom company Koninklijke KPN NV raising US\$4.0b on Amsterdam Stock Exchange in May.
  - ▶ Germany's, Deutsche Bank, completed its US\$3.9b offering on Frankfurt Prime in April.
  - ▶ Russian financial group, VTB Group, raised US\$3.3b on the Moscow exchange.
  - ▶ Another German bank, Commerzbank, raised US\$3.2b on Frankfurt Prime.
- ▶ In Q2'13, there were 20 deals with capital raised above US\$1b. 18 deals were from developed markets, two were from emerging markets. Seven of the 20 deals were priced in April, eleven deals were priced in May and two deals were priced in June.
- ▶ In Q2'13, emerging markets made up around 36% of the global number of follow-on deals and 25% of the amount of capital raised (US\$31.0b, 268 deals). Developed markets made up 64% of the number of deals and 75% of capital raised (US\$92.5b, 470 deals) via follow-on offerings globally.
- ▶ The top three stock exchanges by capital raised were New York (US\$34.3b via 84 deals), Frankfurt Prime (\$10.7b via 9 deals) and Paris (US\$10.2b via 8 deals).
- ▶ The top three industries by capital raised were financials (US\$19.7b via 50 follow-on deals), industrials (US\$18.2b via 98 deals) and energy and power (US\$18.1b via 90 deals).

\*Date up to 17 June 2013.

ECM = Equity Capital Markets, it includes IPO deals, follow-on deals and convertibles deals.

# Global follow-on activity: number of deals and capital raised by year

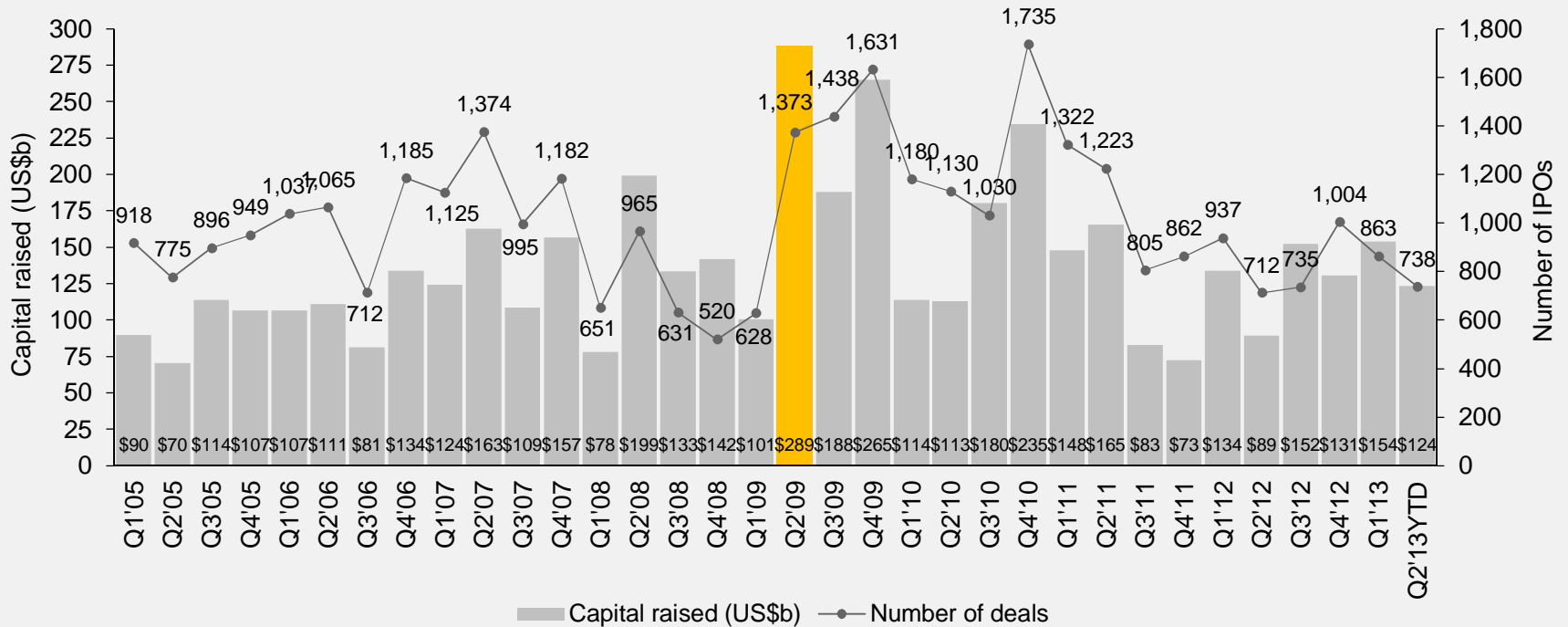
So far this year, there were 20 deals with capital raised above US\$1b, compared to 95 deals in 2012 – of which 18 deals are from developed markets and two are from emerging markets. Global follow-on activity reached record highs in 2009.



ECM = Equity Capital Markets, it includes IPO deals, Follow on (FO) deals and Convertibles deals  
 Source: Dealogic, Ernst & Young

# Global follow-on activity: number of deals and capital raised by quarter

In Q2'13, the top three stock exchanges by capital raised were New York (US\$34.3b via 84 deals), Frankfurt Prime (\$10.7b via 9 deals) and Euronext – Paris (US\$10.2b via 8 deals). 20 deals had capital raised of above US\$1b – 18 were from developed markets.



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

## Section 10: Withdrawals and postponements



# Withdrawals and postponements

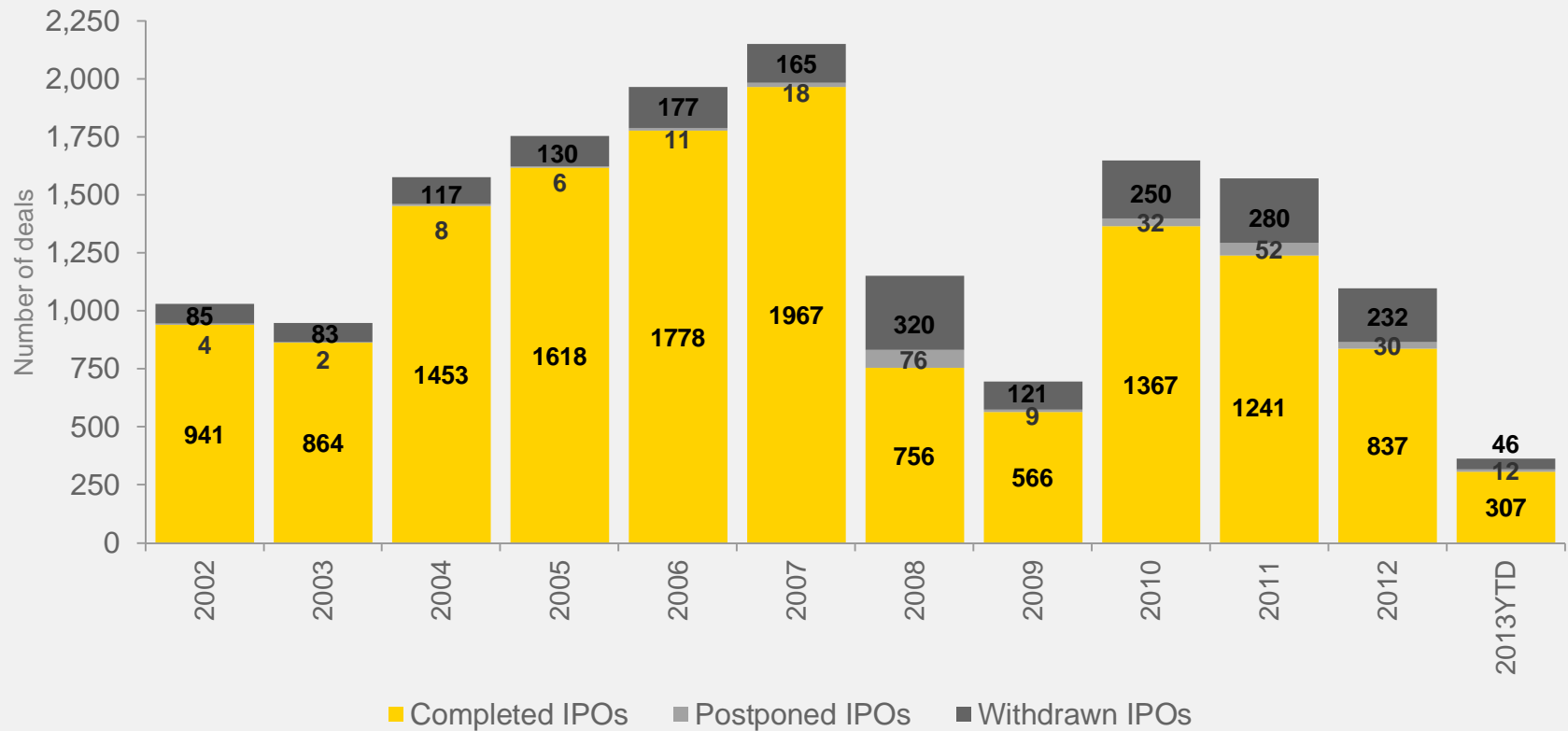
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- ▶ There were 7 postponed and 24 withdrawn IPOs in Q2'13.
- ▶ Of the 31 deals:
  - ▶ Fifteen were from the US, five from Australia and three from India.
  - ▶ Five PE-backed; two VC backed.
  - ▶ Six each from NASDAQ and New York Stock Exchange, five from the Australian Securities Exchange and three each from Bombay and Hong Kong exchanges.
  - ▶ Seven deals from energy issuers, 5 from health care, while four each were from industrials and real estate issuers.
- ▶ Many issuers cited market conditions as the reason for postponing the listing.
- ▶ By comparison, there were 21 postponed and two withdrawn IPOs in Q1'13. Q2'12 saw 15 postponed and 71 withdrawn IPOs.
- ▶ The proportion of postponed and withdrawn IPOs compared to completed IPO deals was highest (52%) in 2008, whereas the proportion was 31% in 2012 and 19% in the first five and a half months of 2013.
- ▶ On a quarterly basis, in Q1'13 and Q2'13, the ratio of postponed and withdrawn IPOs were 15% and 23% respectively, compared to 38% in Q2'12. This ratio was highest in Q4'08 at 131%.
- ▶ 2013-to-date, the CBOE Volatility S&P 500 Index (the VIX index ) was in the 11.30%–18.99% range, whereas during Q2'12, the VIX index was higher in the 15.64%–26.66% range. This reflects an improved environment for IPO candidates and investor confidence in the first 6 months of 2013.

\*Data up to 17 June 2013  
Source: Dealogic, Capital IQ

# Comparison of global completed IPOs with withdrawn and postponed IPOs

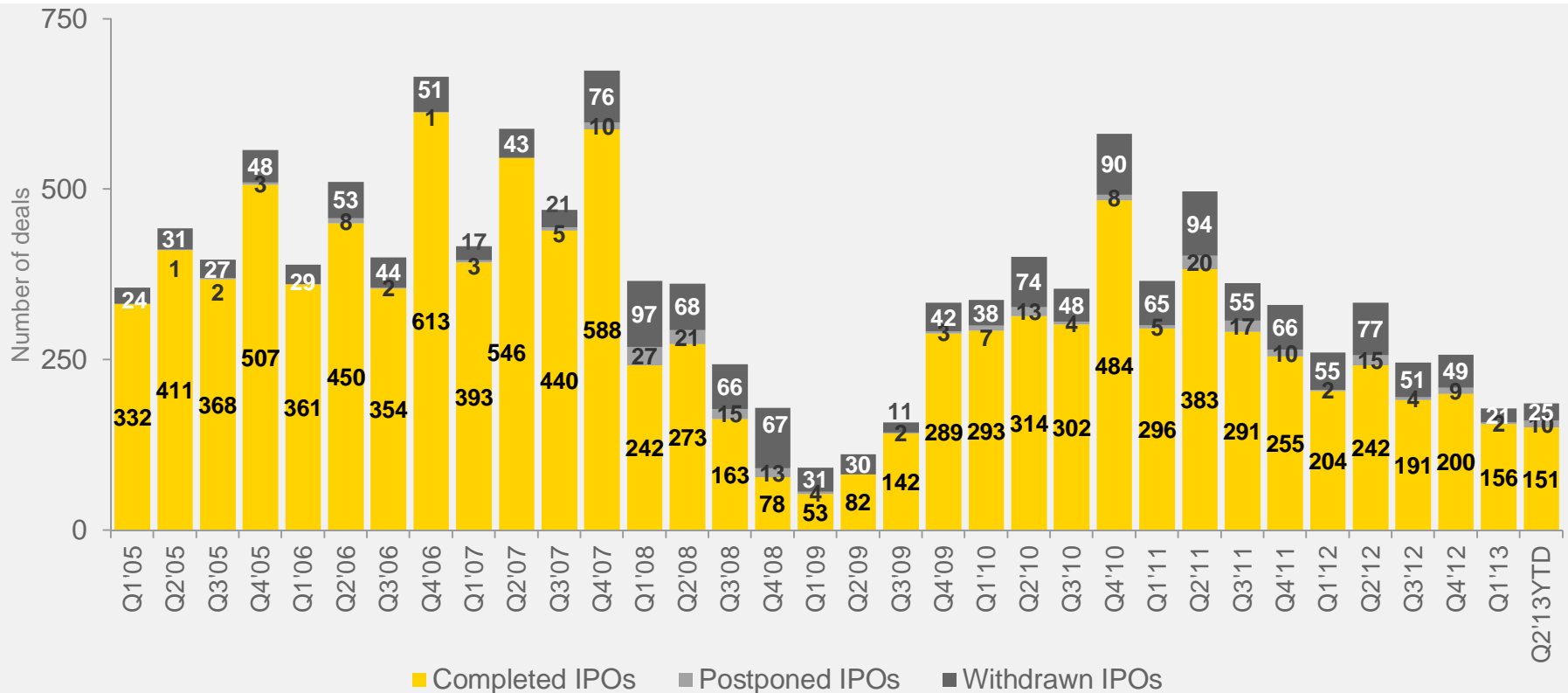
Withdrawn and postponed IPOs as % of completed IPOs	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013YTD
	9	10	9	8	11	9	52	23	21	27	31	19



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Comparison of global completed IPOs with withdrawn and postponed IPOs by quarter

Q1'13 and Q2'13 marked the lowest proportion of postponed and withdrawn IPOs compared to completed IPO deals since Q3'10 (15% and 23% respectively). The ratio was highest in Q4'08 (131%).



\*Data up to 17 June 2013  
Source: Dealogic, Ernst & Young

# Appendix

# Appendix: definitions

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- ▶ The data presented in the *Q2'13 Global IPO update* and press releases are from Dealogic and Ernst & Young. The *Q2'13 global IPO update* covers global IPO activity from January to 17<sup>th</sup> June 2013.
- ▶ 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 Ernst & Young offer data regarding the issue date (the day the offer is priced and allocations are subsequently made), trading date (the date on which the security first trades) and proceeds (funds raised, including any over-allotment sold). Postponed IPOs, or those which have not yet been priced, are therefore excluded. Over-the-counter (OTC) listings are also excluded.
- ▶ In an attempt to exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded:
  - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities
  - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third-party administration as well as other financial vehicles
  - ▶ 6722: Companies that are open-end investment funds
  - ▶ 6726: Companies that are other financial vehicles
  - ▶ 6732: Companies that are grant-making foundations
  - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts
  - ▶ 6799: Special Purpose Acquisition Companies (SPACs)
- ▶ We also applied the above SIC exclusion criteria for the follow on activity analysis.
- ▶ 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, Thomson Reuters and Ernst & Young research. A foreign listing is where the stock exchange nation of the company is different from the company's domicile (i.e., issuer's nation). For IPO listings on HKEx, SSE, SZE, WSE, NewConnect, TSX and TSX-V exchanges, we use their first trading date in place of issue date.

# Appendix: definitions

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## ▶ **Geographic definitions:**

- ▶ Asia includes Bangladesh, Greater China, India, Indonesia, Japan, Laos, Malaysia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand and Vietnam
  - ▶ Greater China includes Mainland China, Hong Kong, Macau and Taiwan only
  - ▶ 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
  - ▶ Europe includes Armenia, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Kazakhstan, Luxembourg, Lithuania, Netherlands, Norway, Poland, Portugal, Russian Federation, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom
  - ▶ Middle East includes Bahrain, Iran, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen
  - ▶ Africa includes Algeria, Botswana, Egypt, Ghana, Kenya, Madagascar, Malawi, Morocco, Namibia, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe
  - ▶ North America consists of the United States and Canada
- ▶ **Emerging 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, 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, United Kingdom and United States.
- ▶ **State-owned enterprise (SOE) privatizations** refers to former state-owned entities that have completed their IPO listings to become public companies.

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