



When will the economy catch up with the capital markets?

Global IPO trends: Q3 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 nine months 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](#), and you can subscribe to receive it every quarter. You can also follow the report on social media: via [Twitter](#) and [LinkedIn](#) using [#IPOreport](#)



*The first nine months of 2020 cover listed IPOs from 1 January 2020 to 30 September 2020.

All values are US\$ unless otherwise noted.

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A dark blue world map is visible in the background of the slide, showing the continents in a lighter shade of blue.

Global IPO market

Liquidity fuels IPOs amidst global GDP contraction

“

Although the market sentiments can be fragile, the scene is set for a busy last quarter to end a turbulent 2020 that has seen some stellar IPO performance. The US presidential election, as well as the China-US relationship post-election, will be key considerations in future cross-border IPO activities among the world's leading stock exchanges. Despite the uncertainties, companies and sectors that have adapted and excelled in the 'new normal' should continue to attract IPO investors.

Paul Go

EY Global IPO Leader

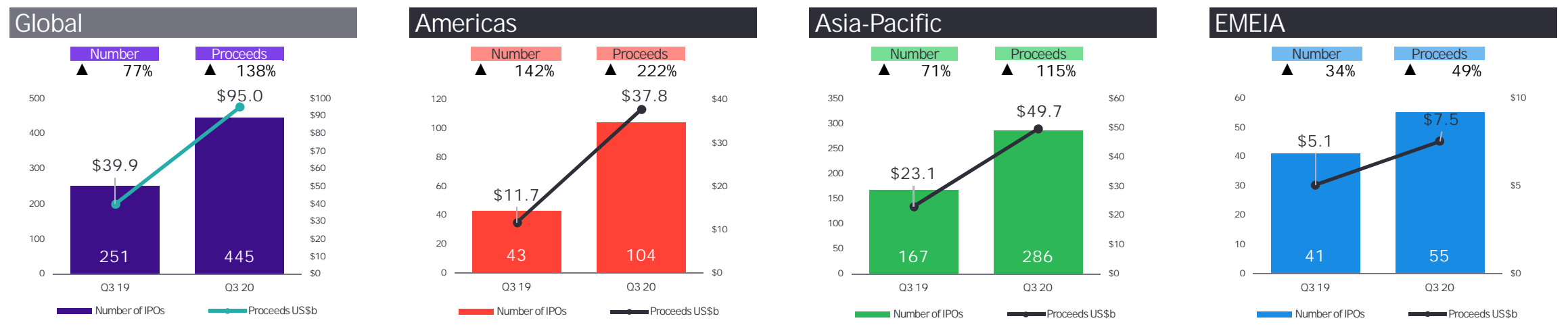
Global IPO market summary – Q3 2020

Key highlights

- Traditionally, the third quarter has been a slow period for IPOs. This year, with fewer people traveling, more working from home and markets awash in liquidity, the US stock markets have hit record highs and global IPO activities have rebounded sharply.
- Q3 2020 was the most active third quarter in last 20 years by proceeds and the second highest third quarter by deal numbers. Exchanges around the world posted 445 IPOs with proceeds totaling US\$95.0b, which were 77% and 138% higher than Q3 2019, respectively. The stellar record by proceeds can be attributed to the most active August and September for IPOs in the last 20 years.
- Q3 2020's largest IPOs by proceeds was Semiconductor Manufacturing International Corp., which raised US\$7.5b. This is also the largest IPO on the STAR Market by proceeds since its launch in July 2019.

- Other mega IPOs this quarter included Snowflake Inc., which raised US\$3.9b on the NYSE. Snowflake also became the largest company to double its price on a market debut. On the London Main Market, THG Holdings plc (aka The Hut Group) recorded US\$2.4b in proceeds and was the largest IPO by a British company since the listing of Royal Mail Group plc in 2013. KE Holdings Inc. raised US\$2.4b on the NYSE and was the largest Chinese company to go public on a US exchange since the IPO of iQiyi, Inc. in 2018. China's Yum China Holdings raised US\$2.2b on the Hong Kong Main Market. Yum China Holdings is one of eight US Foreign Private Issuers (FPI) completing its secondary listing in Hong Kong since Q4 2019, and five of these deals were completed in September.
- Shanghai, Shenzhen and NASDAQ exchanges led by deal numbers in Q3 2020, accounting for 54% of global IPOs. Shanghai dominated global exchanges by proceeds in Q3 2020, accounting for 25% of global IPO proceeds, while the NYSE and NASDAQ ranked second and third (each accounting for 17%), respectively. Technology, health care and industrials were the most active sectors on these four exchanges.

Q3 2020 comparison

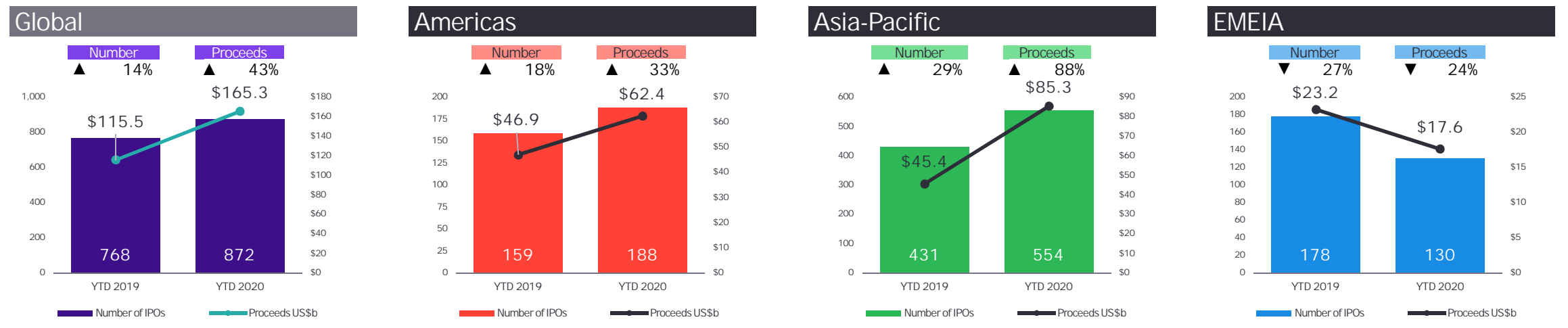


Global IPO market summary – Year-to-date (YTD 2020)

Key highlights

- With IPO markets roaring ahead in Q3 2020, YTD 2020 activities in the Americas and Asia-Pacific markets have exceeded YTD 2019 levels. In EMEIA, YTD 2020 numbers and proceeds continue to lag behind those posted in the 2019 corresponding period.
- Global IPO numbers were up 14%, while proceeds rose by 43% from 2019. Asia-Pacific saw a 29% increase by deal numbers and an 88% rise in proceeds. The Americas also saw an uptick, with YTD 2020 numbers and proceeds up 18% and 33%, respectively. In EMEIA, deal numbers were down 27%, while funds raised dropped 24% compared with 2019.
- Technology, industrials and health care sectors dominated global IPO activity in YTD 2020, accounting for 62% by deal numbers and 67% by proceeds.
- By proceeds, Shanghai Stock Exchange led in YTD 2020, followed by NASDAQ and Hong Kong stock exchanges. By deal numbers, Shanghai, NASDAQ and Shenzhen were the three most active stock exchanges.
- YTD 2020's largest listings included the listing of Semiconductor Manufacturing International Corp. (US\$7.5b) on the Shanghai STAR Market, JD.com Inc. (US\$4.5b) on the Hong Kong Stock Exchange and Beijing-Shanghai High-Speed Railway Co., Ltd. (US\$4.4b) on the Shanghai Stock Exchange.
- Despite the US-China tensions, Chinese companies from mainland still accounted for 23 of 46 cross-border IPOs inbound into the US, with total proceeds of US\$8.6b. This represents 50% of all cross-border IPO activity inbound into the US by deal numbers and exceeded the 47% recorded in 2019.
- Eight US FPIs from China have completed a secondary listing on the Hong Kong Stock Exchange since November 2019; of which two and five of these deals were completed within the last four months, in June and September 2020, respectively.

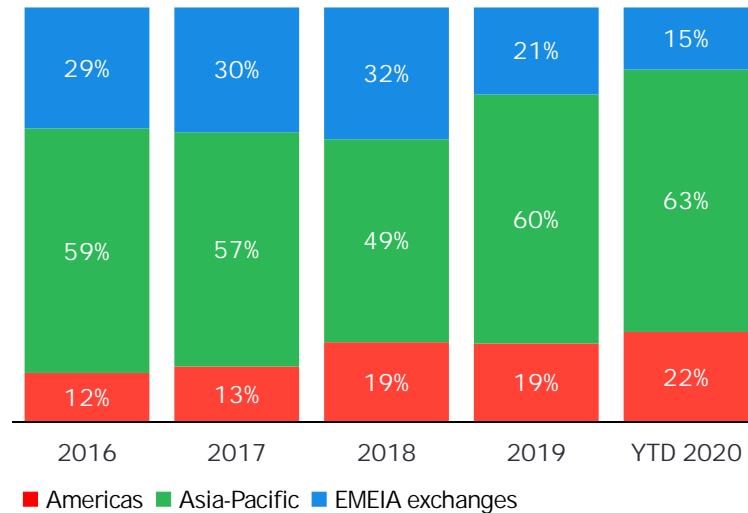
YTD comparison



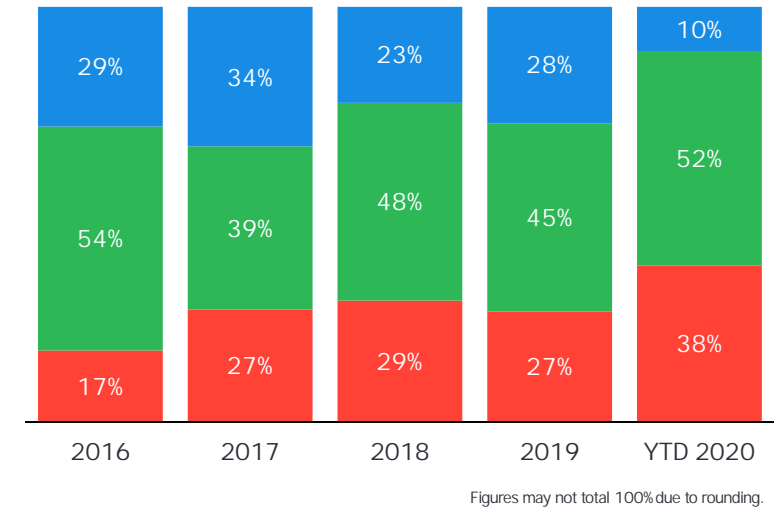
Americas and Asia-Pacific are leading the advance in IPO activity

- Americas IPO activity YTD 2020 surpassed YTD 2019 activity, with deal numbers increasing 18% and proceeds by 33% due to more robust activity in the US and Brazil markets.
- Asia-Pacific IPO activity increased 29% by volume and 88% by proceeds compared with 2019. Liquidity available from government stimulus policies, coupled with the US-China trade tensions, have caused more Chinese companies choosing to seek primary or secondary listings on the Greater China exchanges.
- In EMEIA, IPO markets continue to be impacted by the pandemic, as well as the US-China trade tensions, Brexit and US presidential election uncertainties. YTD 2020 numbers fell by 27% while proceeds declined by 24% compared with 2019.

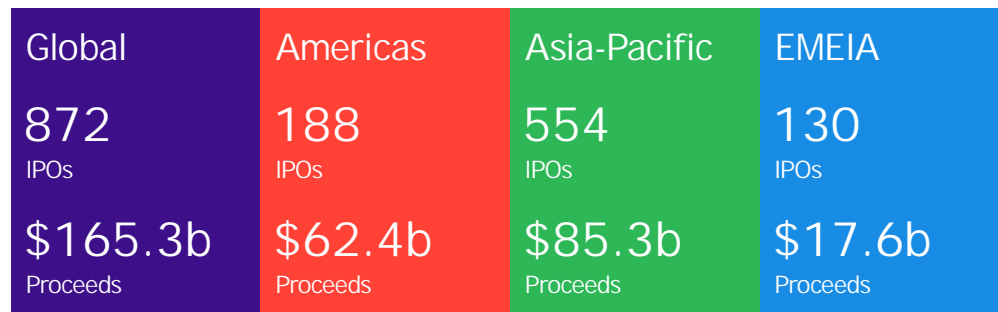
Regional share by number of IPOs



Regional share by IPO proceeds

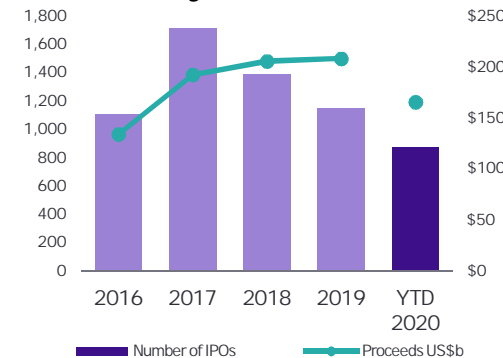


Markets YTD 2020

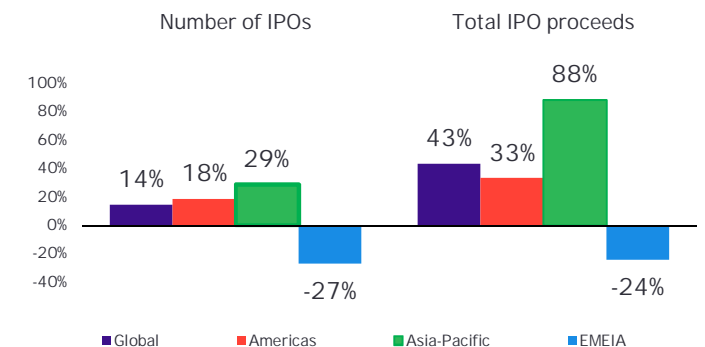


All amounts in table are in US\$

IPO activity



Year-on-year comparison

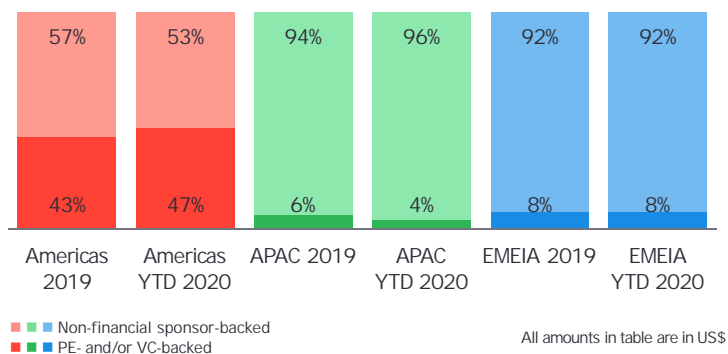


Cross-border capital flows have not been affected by the global trade tensions, while SPACs gain in popularity

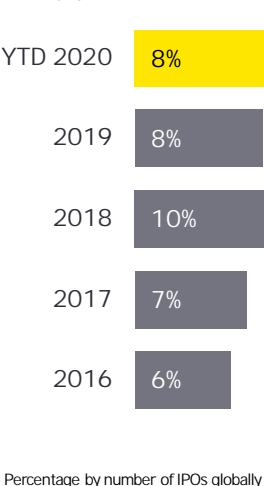
- Private equity- (PE) and venture capital- (VC) backed IPOs continued to account for a significant portion of IPOs (47% YTD 2020) in the Americas.
- Cross-border IPO activity levels have held steady by deal numbers and proceeds, accounting for 8% and 10% of global IPO activity, respectively. US exchanges followed by HKEx were the three most active in-bound exchanges. Greater China, Malaysia and Singapore continued to be the top three countries of origin for companies seeking to conduct overseas listings. Twenty-three Chinese IPOs listed on US exchanges, while six IPOs each from Malaysia and Singapore listed on HKEx.
- Merging with a Special Purpose Acquisition Corporation (SPAC) is becoming increasingly popular as an alternate route to access public markets.* YTD 2020, 122 SPACs globally have been created, totaling US\$44.1b. In Q3 2020 alone, proceeds from SPAC IPOs (US\$32.2b) exceeded the 2019 total proceeds (US\$15.8b) by more than 100%.
- Follow-on offerings saw a rise of 25% by deal numbers and 63% by proceeds in YTD 2020 (3,807 deals for US\$505b), compared with 2019. YTD 2020 proceeds already surpassed full year 2019 levels, signaling that companies are taking advantage of cheaper financing and ample liquidity to build up cash reserves and strengthen/repair the financial positions in anticipation of uncertainty of the economic recovery progress.

YTD 2020 activity

Sources of IPOs



Cross-border IPOs



Top countries/regions of origin

- By number of IPOs outside home country
- Greater China (26)
 - Malaysia (7)
 - Singapore (6)
 - United Kingdom (5)
 - Canada (5)

Top IPO destinations**

- By number of IPOs
- NASDAQ (38)
 - Hong Kong (12)
 - NYSE (8)
 - Australia (5)
 - Singapore (3)

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

Stock exchanges by total proceeds

Shanghai (Main Board and STAR Market)
\$39.3b
180 IPOs

US NASDAQ
\$34.1b
119 IPOs

Hong Kong (Main Board and GEM)
\$27.3b
99 IPOs

*Company is now dual-listed on US and Hong Kong exchanges.

Sectors by number of IPOs

Technology
210 IPOs
\$53.9b

Industrials
168 IPOs
\$23.3b

Health care
159 IPOs
\$33.3b

IPOs largest by proceeds

Semiconductor Manufacturing International Corp.
\$7.5b
Technology
STAR Market
July

JD.com, Inc.*
\$4.5b
Technology
Hong Kong Main Board
June

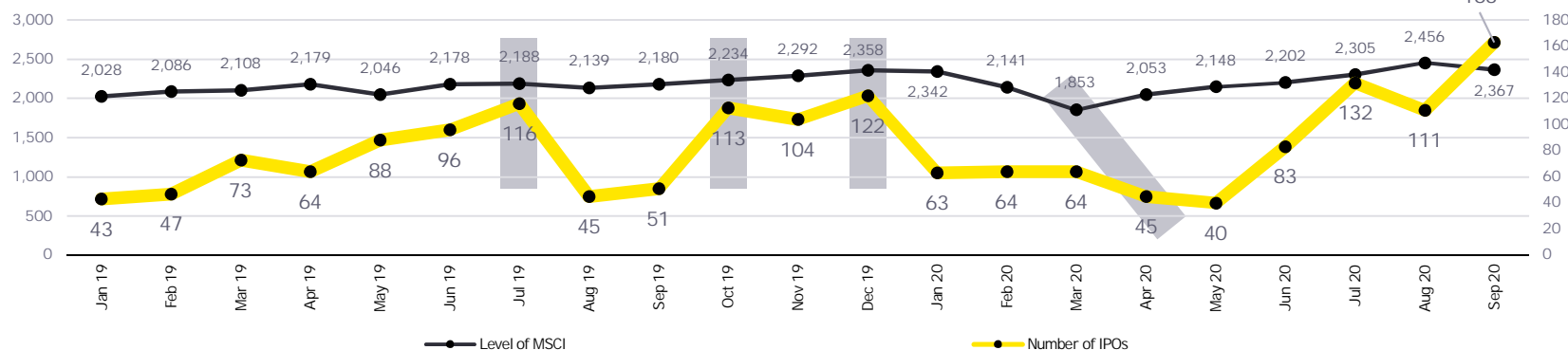
Beijing-Shanghai High-Speed Railway Co., Ltd.
\$4.4b
Industrials
Shanghai Main Board
January

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

Global IPO market outlook

- Expect the unexpected in Q4 2020: With ongoing uncertainties from the pandemic, China-US tensions, Brexit and the upcoming US presidential election, Q4 2020 will likely bring more volatility.
- Globally, a divergence between economic well-being and GDP, and stock market valuations, are causing anxiety among investors that there may be a bubble on the horizon (in particular, for stocks in certain sectors that have performed exceptionally well in last quarter). This phenomenon of an underlying economic (and global GDP) contraction and advancing stock market indices will be hard to sustain in the long run. At any sign of trouble, investors may look to lock in profits before they close off the year.
- While the Chinese Government continues to move ahead with reforms to create a favorable IPO environment for investors on Chinese exchanges, the US continues to pursue actions, primarily by way of regulatory changes and enforcement, which target Chinese companies listed on the US exchanges. In the short term, these actions appear to have had little impact on cross-border inbound IPO activity, as some of these companies had made the decision to list on the US exchanges before the current situation developed. Longer term, depending on the outcome of the US presidential election, we may see a slowdown in cross-border IPO activity from Chinese companies into the US.
- Americas: Optimism, with some fragility, in the Americas IPO markets is expected to continue through the end of the year. Despite the ongoing COVID-19 pandemic, and the economic impact it is having, stock market indices have reached record levels. We expect higher levels of IPO activity around US presidential election time than in previous elections due to the strong IPO pipeline built up during the lockdown.
- Asia-Pacific: IPO activity is on track to well-exceed 2019 volumes and proceeds on the back of some mega transactions completed and in progress. However, there is speculation of a slowdown ahead. Depending on the outcome, the US presidential election may have a negative impact on Asia-Pacific and global equity markets, which inevitably will affect IPO activity levels.
- EMEIA: Heading into Q4 2020, a spate of both unusual uncertainties (COVID-19 pandemic) and usual uncertainties (Brexit, US presidential election, US-China-EU trade tensions) are creating a level of unpredictability and potential volatility. However, there is a strong pipeline of companies looking to take advantage of the IPO transaction window in Q4 2020.
- Sector: Looking ahead, technology, health care and industrials will continue to be the more popular investor choices, along with companies that can demonstrate resilience and adaptation to the current environment, and those that have an opportunistic advantage in the new norm. Companies in sectors hard-hit by the pandemic may have to sit on the sidelines before a new window of opportunity opens for them.

IPO activity vs. MSCI World Index



Since 2019, the level of IPO activities has gradually increased on the back of a stable and advancing global stock market index.

*MSCI World Index is composed of more than 1,500 constituents listed on stock exchanges of various developed markets. The index includes companies from 24 developed markets such as Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The index constituents are weighted on the basis of free float market capitalization. MSCI World Index is reviewed on a quarterly basis and is managed by MSCI Inc. Number of IPOs shown on this chart excludes all deals with proceeds below US\$5m.

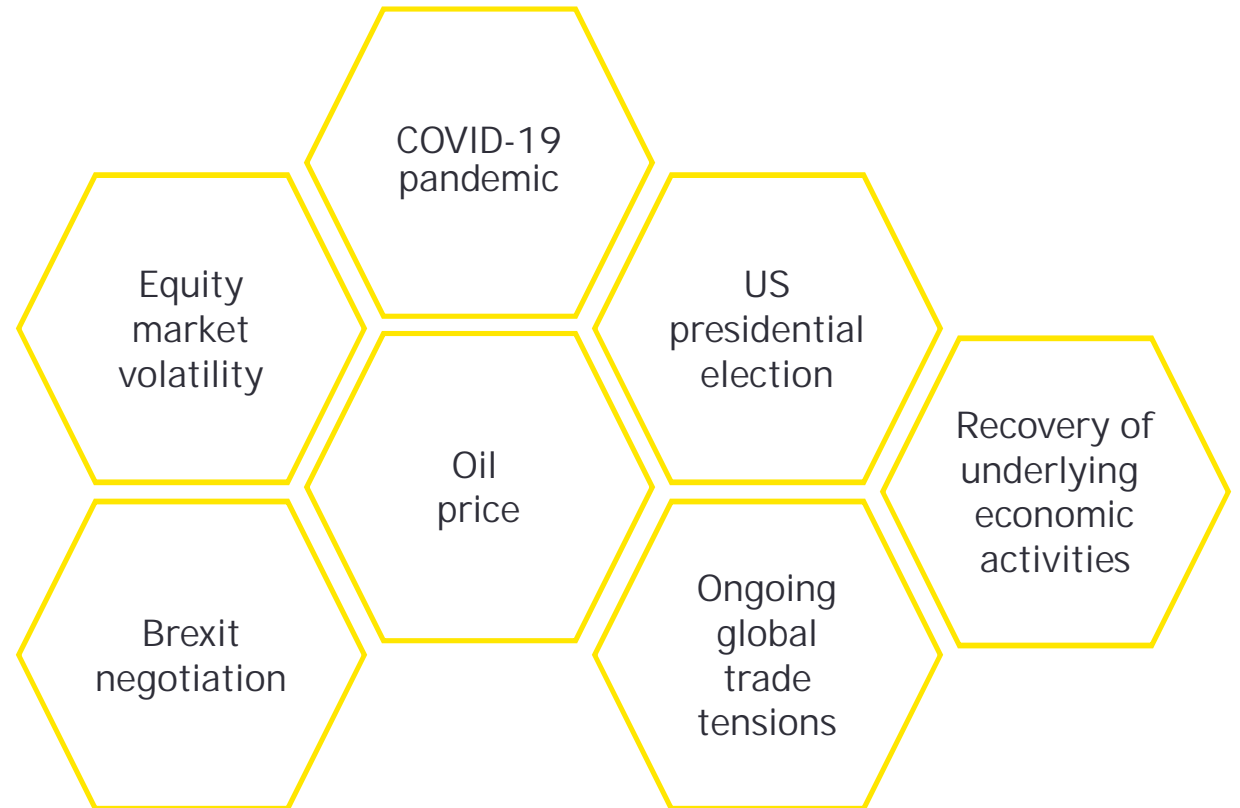
Factors to consider in an IPO preparation

Implications for IPO candidates

IPO candidates looking to go public face uncertainties caused by the continuing pandemic, 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
- Demonstrate resilience with battle-tested business models and prepare for a tough business environment in a period of global GDP contraction
- Conduct extensive pre-marketing via virtual investor meetings to obtain real-time feedback and shorten the roadshow durations
- Prepare well with an IPO readiness assessment
- Adjust to more cautious IPO valuations as investors re-appraise their overall asset allocation
- Consider Plan B either by way of an alternative IPO process (e.g., direct listing, merger with SPAC) or alternative financing method (e.g., private capital, debt or trade sale)

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 specific order of priority.

Americas and US IPO market insights

Americas IPO activity gained momentum in Q3 2020

“

Americas IPO activity accelerated since June; proceeds through Q3 2020 have exceeded full year IPO proceeds not seen since 2014. September was a record-breaking month for technology IPOs on US exchanges, with the highest number of IPOs observed in a single month in almost two decades. The IPO pipeline continues to build as companies plan for a public offering amidst optimism in the markets. While the US continued to account for the majority of IPOs, we are also seeing strong volume from Brazil's IPO market.

Rachel Gerring

EY Americas IPO Leader

Americas IPO market highlights

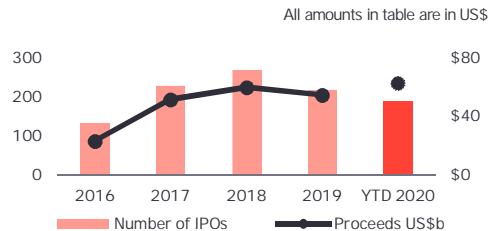
- IPO activity in the Americas gained momentum through Q3 2020. Both the volume and proceeds were well ahead of Q3 2019.
- US exchanges once again accounted for the majority of IPOs, with 82% by number of deals and 87% by proceeds through Q3 2020.
- In other parts of the Americas, the Brazil IPO market picked up as low interest rates led investors to the stock market, with 13 IPOs through Q3 2020, compared with no IPOs during Q3 2019, putting 2020 on track to be the most active year since 2007.
- Technology led by both number of IPOs and proceeds during Q3 2020, representing 35% and 46%, respectively. Health care followed, taking 34% and 17% by number of IPOs and proceeds respectively through Q3 2020.

YTD 2020 activity

188 IPOs
\$62.4b proceeds

Change on YTD 2019

▲ 18%
▲ 33%



Stock exchanges by total proceeds

US NASDAQ
\$34.1b | 119 IPOs United States

New York (NYSE)
\$21.4b | 31 IPOs United States

Brazil B3
\$4.2b | 18 IPOs Brazil

Sectors* by number of IPOs

Health care
71 IPOs | \$16.9b

Technology
55 IPOs | \$22.3b

Industrials
14 IPOs | \$6.4b

IPOs by largest proceeds

Snowflake Inc. September
\$3.9b Technology, New York (NYSE)

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

KE Holdings Inc. August
\$2.4b Real estate, New York (NYSE)

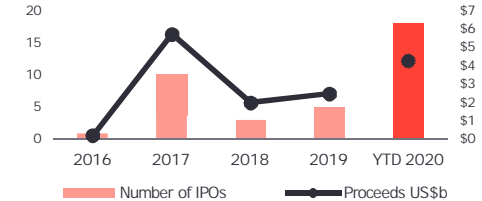
*IPO activity of Canadian Securities Exchange is excluded from sector analysis.

B3 YTD 2020

18 IPOs
\$4.2b proceeds

Change on YTD 2019

▲ 800%
▲ 269%

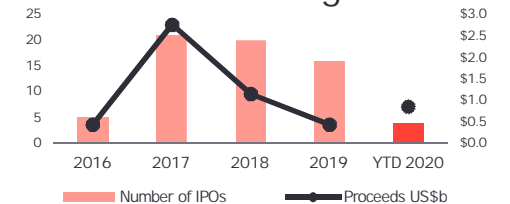


Toronto Stock Exchange (TSX) and TSX Venture Exchange

4 IPOs
\$851m proceeds

Change on YTD 2019

▼ 56%
▲ 284%



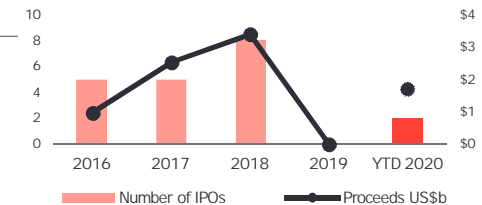
IPO activity of Canadian Securities Exchange is excluded.

Mexican Stock Exchange

2 IPOs
\$1.7b proceeds

Change on YTD 2019

NA*
NA*



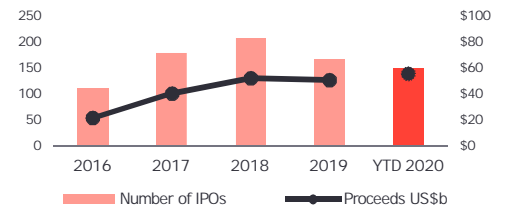
*There was no IPO activity on Mexican Stock Exchange in first nine months of 2019.

NASDAQ and NYSE

150 IPOs
\$55.5b proceeds

Change on YTD 2019

▲ 18%
▲ 25%



All amounts in table are in US\$

Americas – US IPO market highlights

- US IPO activity has been rapidly rising since June. Q3 2020 has significantly topped Q3 2019 by 124% in number of IPOs and by 182% in proceeds.
- Health care companies continued to dominate in Q3 2020, accounting for 41% of the IPOs, or 35 IPOs. However, technology companies still represented the most in proceeds, raising \$16.4b, which accounted for 50% of total proceeds in Q3 2020.
- US exchanges remained desirable to foreign companies, attracting 22 cross-border IPOs in Q3 2020. Despite US-China trade tensions, 36% of these cross-border IPOs originated from China, representing 78% of cross-border IPO proceeds.
- There have been 18 unicorn IPOs (companies valued at above US\$1b in private markets) in YTD 2020, 12 of which launched in Q3 2020.

Outlook

- Optimism in the US IPO market continues. Despite the ongoing COVID-19 pandemic, the S&P 500 Index reached record highs during Q3 2020, coupled with very strong first-day returns. YTD 2020 proceeds have already reached highs of full year levels not seen since 2014.
- Although IPO activity in US presidential election years has historically tended to concentrate toward the first half of the year and away from the election, market volatility earlier in 2020 has led to more deals through Q3 2020. Additionally, we can expect more IPO activity around election time than in previous years due to the strong pipeline built up during the lockdown.
- SPAC activity has been quite robust in YTD 2020, with larger deals and higher-profile sponsors involved. As a result, many more issuers are now considering transactions with SPACs, and not necessarily as a “Plan B” option, which was largely the case in the past.
- Direct listings have also become an attractive path to the public market, with two listings at the end of September 2020.

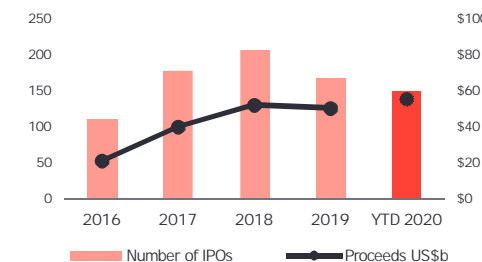
YTD 2020 activity

150 IPOs ▲ 18%

\$55.5b proceeds ▲ 25%

55% of IPOs are financial sponsor-backed

| | |
|----------------------------------|---------------------------------------|
| US NASDAQ \$34.1b 119 IPOs | New York (NYSE) \$21.4b 31 IPOs |
|----------------------------------|---------------------------------------|



Cross-border IPOs

top countries/regions of origin YTD 2020

| | |
|-------------------|-----------------------------------|
| 46 IPOs | Greater China 24 IPOs (\$8.6b) |
| | Canada 5 IPOs (\$1.9b) |

All amounts in table are in US\$

Sectors by number of IPOs

Health care
71 IPOs | \$16.9b

Technology
51 IPOs | \$21.1b

Financials
6 IPOs | \$3.1b

All amounts in table are in US\$

IPOs largest by proceeds

Snowflake Inc. NYSE
\$3.9b Technology September

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

KE Holdings Inc. NYSE
\$2.4b Real estate August

Warner Music Group Corp. US NASDAQ
\$2.2b Media and entertainment June

Rocket Companies Inc. NYSE
\$2.1b Financials August

Performance YTD 2020

IPO pricing and performance

| US markets | First-day average return | Share price performance since IPO (aka offer-to-current) |
|---|--------------------------|--|
| | +32.2% | +35.9% |
| <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 30 September 2020</small> | | |

Equity indices

DJIA
-2.7%
US

S&P 500
+4.1%
US

+ or - indicates change since 31 December 2019

Volatility index

CBOE VIX®
26.4 current
30.5 YTD average
17.4 10-year average

Current index level is for 30 September 2020

A dark blue world map is visible in the background of the slide, showing the continents in a lighter shade of blue.

Special Purpose Acquisition Companies (SPACs) – IPO market insight

SPACs increase in popularity as an alternate investment option

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SPACs continue to grow in prominence and acceptance, proving to be a viable capital markets avenue for investors looking to deploy capital and companies seeking liquidity.

Karim Amani

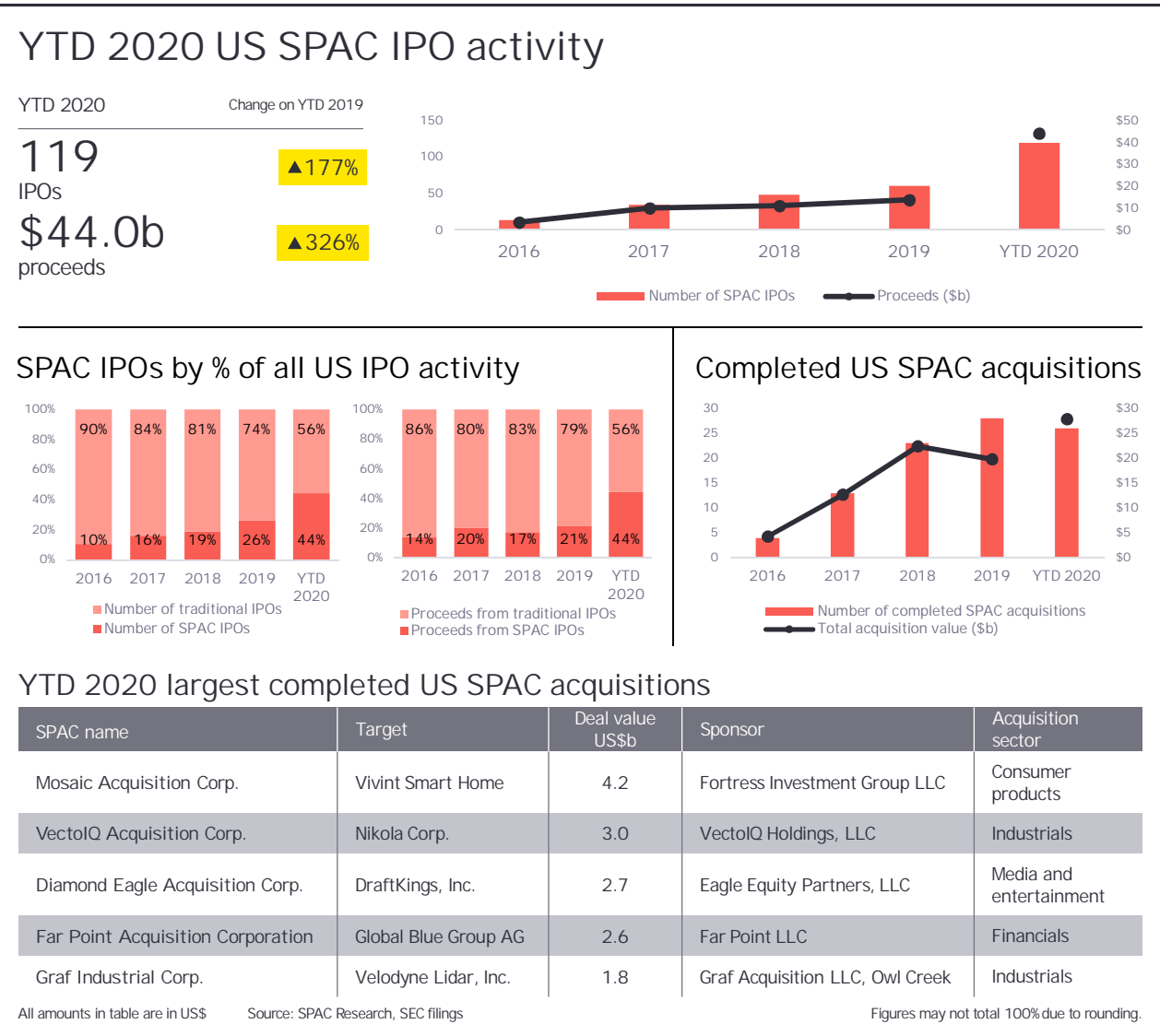
EY Americas Financial Accounting Advisory Services Transactions Leader; EY Americas SPAC Leader

US SPAC highlights

- SPAC IPOs achieved record levels with 119 SPAC IPOs raising \$44.0b during the first three quarters of 2020.
- The importance of SPAC IPOs on US exchanges rose during 2020. They accounted for 49% of US IPOs in Q3 2020, compared with 37% for Q2 2020. By proceeds, SPAC IPOs were almost on par with traditional IPOs in Q3 2020, accounting for 49% of US IPO proceeds, compared with 35% for Q2 2020.
- Twenty-six SPAC acquisitions were completed during YTD 2020, with a total acquisition value of \$27.8b, compared with 17 deals valued at \$12.9b during the same period last year.
- More high-profile PE sponsors and executives from well-known companies are launching SPACs, providing more credibility to SPACs.
- Recent SPACs are larger than in the past, enabling larger private companies to explore the SPAC path to the public markets.
- SPACs can be an effective tool for private companies to go public and access significant capital quickly and efficiently.

Outlook

- Momentum continues with more SPAC IPO filings building the pipeline. There were 129 new IPO filings by SPACs during Q3 2020, compared with 10 filed SPACs during Q3 2019.
- There are 185 active SPACs, with nearly US\$60b in trust, seeking acquisitions as of the end of September 2020.



Asia-Pacific

Recent IPOs with strong performance open the window for others

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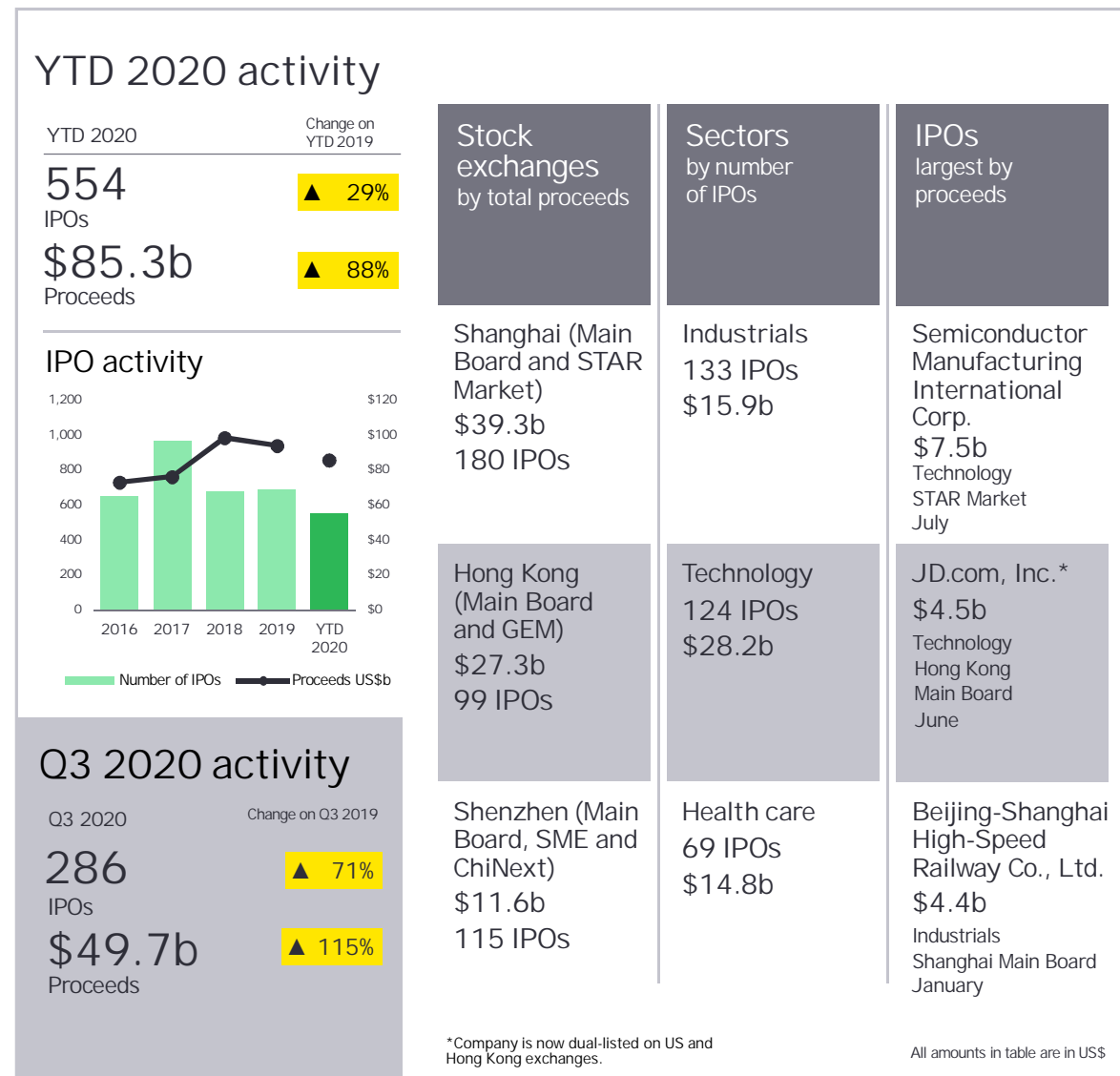
Robust IPO activity in Q3 2020 suggests that Asia-Pacific companies are choosing to protect their value through capital markets in preparation for a worst-case scenario. IPO candidates are seizing opportunities to go public to shore up their capital base for future investments and remain resilient against a potential next wave of the pandemic. Strong valuations and recently listed “new economy” companies, in particular companies that may not be impacted by COVID-19 pandemic, are leading the way for other IPO-bound companies in the quarters ahead.

Ringo Choi

EY Asia-Pacific IPO Leader

Asia-Pacific IPO market highlights

- Asia-Pacific IPO activity YTD 2020 topped YTD 2019 activity by volume (29%) and proceeds (88%). Q3 2020 IPO activity also has well-surpassed deal numbers (71%) and proceeds (115%) compared with Q3 2019, opening a prime window of opportunity for IPO candidates to go public on Asia-Pacific exchanges. Some of the rise in activity can be attributed to COVID-19-related government stimulus policies.
- Due to the US-China trade tensions, and uncertainty on possible regulatory changes, some Chinese companies already listed on US exchanges chose to be dual-listed on Greater China exchanges to tap into the Chinese equities market.
- In Greater China, Q3 2020 deal numbers and proceeds are up 152% and 139%, respectively, over Q3 2019. Greater China is on pace to reach historic highs in deal activity not seen since the financial crisis in 2008.
- In Japan, Q3 2020 IPO activity has risen significantly from Q3 2019. It has exceeded Q3 2019 in terms of numbers (67%), and surpassed Q3 2019 proceeds (40%).
- In Australia and New Zealand, IPO activity picked up in Q3 2020 as listings deferred in the first half of 2020 came to the public markets. As such, Q3 2020 IPO numbers surpassed deal numbers for the same period last year.
- In ASEAN, Q3 2020 is 15% lower by deal numbers and 44% lower by proceeds compared with Q3 2019. Year-over-year deal numbers were 13% lower, while proceeds were 12% higher.
- South Korea saw its largest IPOs in Q3 2020 since 2017. SK Biopharmaceuticals Co., Ltd. raised US\$792m in July 2020. More sizeable IPOs in the pipeline put expected 2020 proceeds on track to reach the last peak of 2017.
- Technology and industrials continued to perform well in Q3 2020 by deal numbers and proceeds. While health care saw a smaller number of deals, the sector continued to increase its presence in proceeds raised from the capital markets.



Asia-Pacific IPO market outlook

- With some mega IPOs on the horizon, and several smaller IPOs expected to launch in Q4 2020, technology is expected to continue to be the hot sector in Q4 2020.
- There is speculation of an economic slowdown ahead, as the impact of the pandemic has not been fully felt in the economy. The US-China relations post-election may also affect the sentiment on Asia-Pacific equity and IPO markets in 2021.
- In Greater China, positive government policies and strong IPO pipelines, including a number of highly anticipated mega IPOs, will sustain record-level IPO activity through the rest of 2020.
- Strong first-day returns in selected IPOs continued to attract retail investors' interests despite market volatility.
- In Japan, the rebound in IPO activity is expected to continue through Q4 2020 and into the first half of 2021. However, due to slower activity earlier in the year, 2020 deal numbers and proceeds may be lower than 2019.
- In Australia and New Zealand, IPOs will remain challenging for the remainder of 2020. Companies that demonstrated resilient business models during the COVID-19 pandemic, such as health and e-commerce sectors exhibiting a strong growth story and a reason for listing, are likely to be successful in becoming listed.
- In ASEAN, while Malaysia saw steady improvement in overall activity, in Indonesia and Thailand the economic impact of the COVID-19 pandemic has been significant. As a result, the region may take an extended time to recover. That said, Indonesia has one IPO in the pipeline that could raise US\$500m before the end of the year, and Thailand has several sizeable IPOs in the pipeline that could go public in Q4 2020.

IPO candidates in the next six months may take advantage of the open IPO window to replenish their capital base and work to ensure they have capital on hand for the economic slowdown ahead. Even if valuations are not optimal, it is important for IPO companies to secure their funding when the opportunity arises.



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

Strong IPO activity and mega IPOs put Greater China on course for a record year

“

IPO activities in Greater China remained robust in Q3 2020 due primarily to supportive government policies and the pandemic situation under better control in China. With a strong IPO pipeline and the prospect of some mega IPOs landing in the mainland and Hong Kong stock exchanges, 2020 is set to be another record year for the Greater China issuers.

Terence Ho

EY Greater China IPO Leader

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

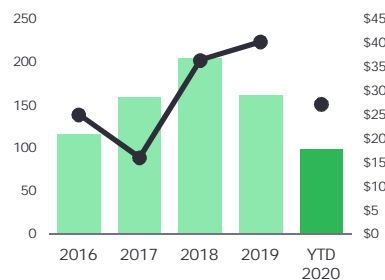
- Larger deals dominated the Hong Kong markets, as evidenced by the 60% increase in proceeds over 2019. Mainland China IPO activities recorded the highest nine-month proceeds in the last 20 years and the second highest by deal numbers, boosted by the launch of STAR Market since July 2019.
- Greater China accounted for three of the top five exchanges globally by deal numbers and proceeds in Q3 2020. By sector, industrials dominated by deal numbers (28%) in Q3 2020, technology led by proceeds (32%).
- In Hong Kong, following reforms for companies with Weighted Voting Rights (WVR) in April 2018, the trend of US-listed Chinese companies conducting secondary listings on the HKEx has continued. Hong Kong also saw eight mega IPOs during YTD 2020.
- In Mainland China, YTD 2020 deal numbers have already exceeded 2019 totals. YTD 2020 proceeds were US\$50.9b, and is within reach of the 20-year annual high set in 2010 (US\$61.5b). Record IPO activity in Q3 2020 can be attributed to the introduction of the registration system for a more streamlined listing process on the ChiNext Board. Meanwhile, the STAR Market also saw the largest global IPO to date in 2020.
- CRSC approval rates for IPOs on the Shanghai and Shenzhen exchanges reached 97% in Q3 2020 versus 89% in Q3 2019. Expansionary monetary policy and further roll-out of the registration-based system to other exchanges will likely promote IPO activity in the coming months.

YTD 2020 activity

Hong Kong (Main Board and GEM)

YTD 2020 Change on YTD 2019

99 IPOs ▲ 3%
\$27.3b proceeds ▲ 60%



Sectors by number of IPOs

Industrials
22 IPOs | \$1.4b

Technology
14 IPOs | \$9.9b

Health care
12 IPOs | \$5.4b

Shanghai (Main Board and STAR Market)

YTD 2020 Change on YTD 2019

180 IPOs ▲ 143%
\$39.3b proceeds ▲ 205%



Sectors by number of IPOs

Technology
50 IPOs | \$15.9b

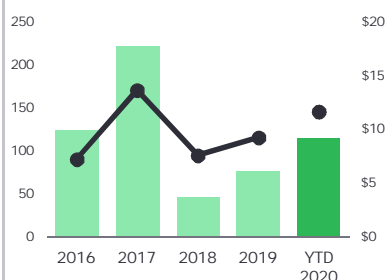
Industrials
47 IPOs | \$9.9b

Health care
34 IPOs | \$6.0b

Shenzhen (Main Board, SME and ChiNext)

YTD 2020 Change on YTD 2019

115 IPOs ▲ 117%
\$11.6b proceeds ▲ 55%



Sectors by number of IPOs

Industrials
46 IPOs | \$4.5b

Technology
21 IPOs | \$1.6b

Materials
17 IPOs | \$1.1b

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

YTD 2020 top 5 IPOs

IPOs largest by proceeds

Semiconductor Manufacturing International Corp.
\$7.5b
Technology
STAR Market
July

JD.com, Inc.*
\$4.5b
Technology
Hong Kong Main Board
June

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

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

Yum China Holdings Inc.*
\$2.2b
Retail
Hong Kong Main Board
September

*Company is now dual-listed on US and Hong Kong exchanges. All amounts in table are in US\$

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

- In Hong Kong, with US-listed Chinese companies returning to list on the Hong Kong Stock Exchange and a number of mega IPOs in the pipeline, we expect the positive IPO activity to continue through the rest of 2020.
- Since the listing reforms in 2018, Hong Kong has and will continue to attract IPO activity among technology and new economy companies. This should spur more Chinese innovative companies to list in Hong Kong in order to expand their funding options amid global uncertainties. We expect to see a number of listings in medical technology, FinTech, supply chain, logistics, education and sustainable development.
- In Mainland China, strong pipelines and supportive government policies will sustain robust IPO activity through the rest of 2020.
- As the impact of the COVID-19 pandemic has become more contained and economic conditions are stabilizing, the Chinese Government will look to accelerate capital market reforms. Investors consider these reforms, and the promotion of Shenzhen's ChiNext Board, to be positive factors for increased IPO activity in Mainland China. These actions are expected to increase investments and diversity on Mainland China exchanges and, together with the available liquidity, should attract more IPO activity.
- Market reforms and active government policies have opened an optimal transaction window for IPO candidates. Chinese companies looking to go public in the next 6 to 12 months should understand and take full advantage of these policies. IPO-bound companies will also want to have the right governance culture in place to promote transparency and accurate disclosures. The new IPO system places a high priority on these attributes and companies should be well prepared to avoid any last-minute setback.

| IPO pipeline | | vs. June 2020 |
|--------------|---|---------------|
| 214 | companies are in the China Securities Regulatory Commission (CSRC) pipeline | 438 |
| 147 | companies have submitted public filings with HKEx | 138 |
| 226 | companies in the STAR pipeline* and | 194 |
| 354 | companies in the ChiNext pipeline** | N/A |

*The STAR Market was launched in July 2019 and the pipeline is registration-based.

**Starting end of July 2020, the ChiNext's IPO pipeline moved from approval-based to registration-based.



Asia-Pacific – Japan IPO market insight

IPO markets rebound in Q3 2020

“

In Q3 2020, Japan rebounded from the negative impact that the COVID-19 pandemic had on the IPO markets in Q2 2020. With Japan's new prime minister indicating he will continue with Abenomics, and with the new administration signaling its intent to create a new digital agency in 2021, we expect IPO activity to continue its resurgence through the end of the year and into the first half of 2021.

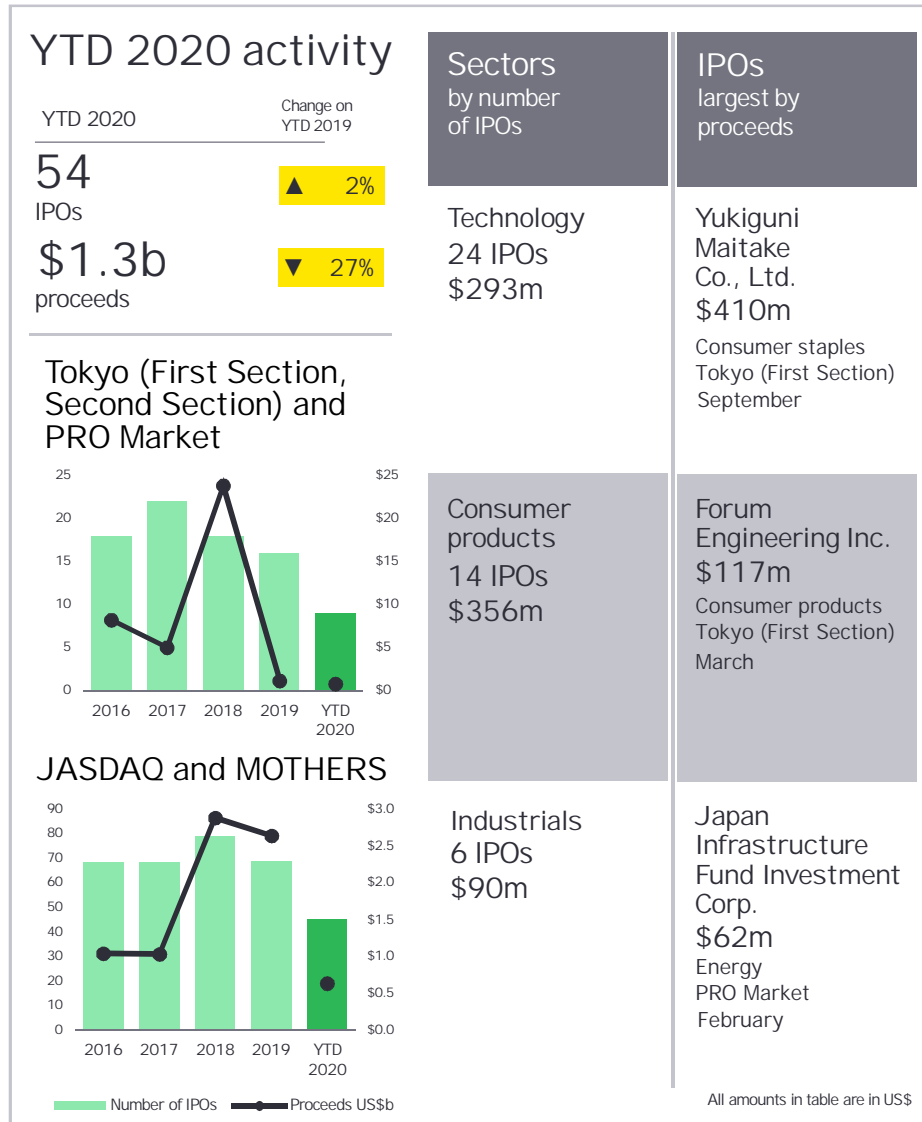
Masato Saito
EY Japan IPO Leader

Asia-Pacific – Japan IPO market highlights

- The Japanese Government's fiscal policies have raised liquidity levels. At the same time, Japan's startup ecosystem is driving growth and activating IPO markets. While the COVID-19 pandemic had a negative impact on many sectors, including retail and consumer products, technology startups were able to seize the upside opportunities.
- IPO activity in Japan rebounded in Q3 2020 following the negative impacts of the COVID-19 pandemic earlier in the year. Japan exchanges saw 20 IPOs that raised US\$706m in Q3 2020, a rise of 67% by deal numbers and 40% by proceeds compared with Q3 2019. However, while YOY performance climbed 2% by numbers, proceeds declined by 27%.
- Japan exchanges ranked 5th among the top 12 global exchanges by deal numbers in YTD 2020.
- In August 2020, Japan's Prime Minister, Shinzo Abe, resigned for health reasons. His successor, Yoshihide Suga, has indicated he will continue to follow Abenomics, which should maintain economic stability. The new administration has also announced that it will create a new digital agency in 2021 that will increasingly focus on digitalization.
- At the same time, the Tokyo Stock Exchange continues its course to integrate its five markets into three markets (Prime, Standard and Growth).

Outlook

- We expect the rebound in IPO activity to continue through Q4 2020 and into the first half of 2021. However, we estimate that the number of IPOs will be lower than 2019 as a result of COVID-19.
- Japanese IPO candidates looking to complete their IPOs in the next 6 to 12 months would be wise to continue to grow revenues, strengthen compliance activities and demonstrate the ability to remain resilient and excel in the current economic environment.



Europe, Middle East, India and Africa

Investor sentiment improves as the IPO ecosystem adapts to unusual uncertainties

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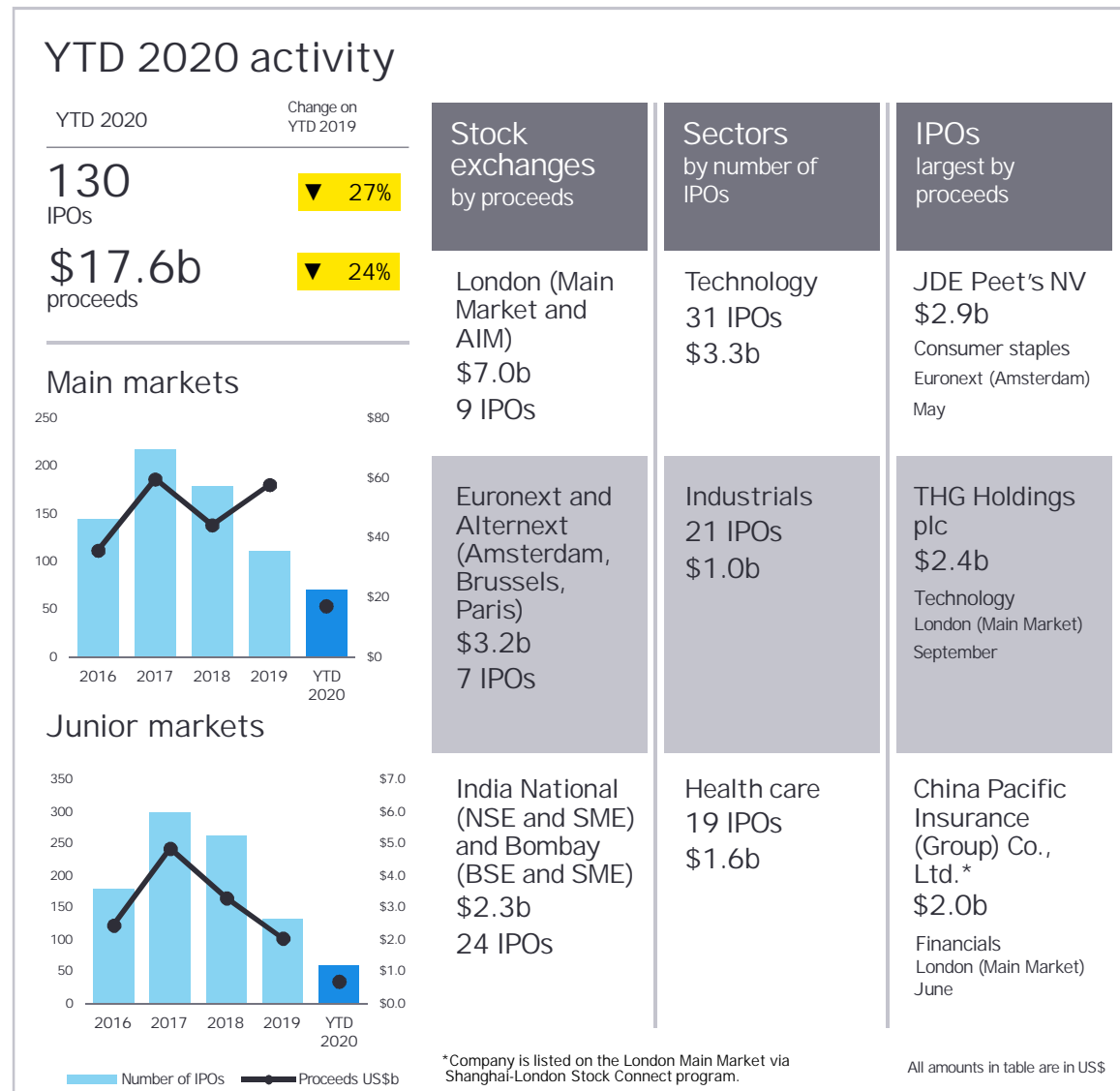
EMEIA IPO activity rebounded in Q3 and IPO markets are getting back on track. Investor sentiment is improving, supported by the IPO momentum in the technology and health care sectors, highly liquid markets with volatility back to normal, low-interest-rate environments and index valuation levels close to pre-crisis levels. The IPO ecosystem learned to live with the virus and remains impacted by the unusual uncertainties of the COVID-19 pandemic. We are expecting IPO activity to continue to rebound in the last quarter of the year.

Dr. Martin Steinbach

EY EMEIA IPO Leader

Europe, Middle East, India and Africa IPO market highlights

- EMEIA IPO activity gained significant momentum in Q3 2020, with volumes increasing 34% and proceeds rising 49% compared with Q3 2019, propelled by several sizeable IPOs. Improving investor sentiment and strong first-day returns suggest that IPO markets are getting back on track.
- The biggest winners YTD 2020 from an IPO perspective have been companies that were well-positioned to ride the rapidly accelerating wave of digitalization. Technology companies have dominated EMEIA IPO markets. Industrials and health care sectors have also been active by deal numbers. The top three sectors by proceeds were financials, technology and consumer staples issuers who took advantage of the open IPO window in Q3 2020.
- EMEIA accounted for two of the top ten exchanges by deal numbers in YTD 2020: Indian exchanges and NASDAQ OMX. EMEIA saw three exchanges among the top ten by proceeds: London, Euronext and Indian exchanges.
- In Europe, markets are beginning to rally, with IPO numbers up 48% and proceeds increasing 51% as compared with Q3 2019. Siemens Energy launched a spin-off IPO combined with a direct listing. Although there were no proceeds, this large-cap transaction set a tone of increasingly positive investor sentiment in the European market.
- In the UK, IPO activity roared back to life with the mega IPO of online retailer, THG Holdings plc (aka The Hut Group), which raised US\$2.4b. This listing demonstrates that there is a large amount of liquidity available and international investors are hungry for the right IPOs.
- In the Middle East and North Africa (MENA), the Saudi market posted one IPO which raised US\$116m in Q3 2020, with more in the pipeline. The Tel Aviv Stock Exchange saw six IPOs with total proceeds of US\$357m in Q3 2020.
- In India, there were eight IPOs on India's Bombay and National Stock Exchanges in Q3 2020, versus 12 IPOs at this time last year. Although IPO activity remains subdued, pipelines are strong and there has been a strong investment appetite for recent IPOs, reflected by their higher oversubscription levels by institutional and retail investors.



Europe, Middle East, India and Africa IPO market outlook

- Looking ahead, there are questions about whether there is a disconnect between the real economy and the stock markets. Even as stock markets rally to new highs, many companies continue to chart a course for resilience rather than resurgence.
- Unusual uncertainties relating to the COVID-19 pandemic – uneven economic recovery rates across countries and sectors, and the specter of a second wave of infections – create a level of unpredictability as we head into Q4 2020. However, cautiously positive sentiment suggests rebounding IPO activity levels over the next six months.
- Companies that have accelerated their digital transformation agenda and addressed supply chain issues and other disruptions stemming from the pandemic will continue to be the “investor darlings” of EMEA IPO markets. Traditional companies that are not ready for digitalization and are continuing to recover from the initial crisis may find themselves sitting on the sidelines.
- In Europe, improving investor sentiment and a healthy IPO pipeline, including a host of scale-up and unicorn companies that were able to raise notable amounts of new funds at the height of the pandemic, should help to propel a more active IPO market in Q4 2020 and into the first half of 2021. Uncertainties from Brexit, the US presidential election and US-China trade tensions will continue to influence investor sentiment and transaction timing of IPO-bound companies in Q4 2020.

Europe IPO snapshot

Markets

| YTD 2020 | Change on YTD 2019 | YTD 2020 | Change on YTD 2019 |
|--|--------------------|--|--------------------|
| 84 IPOs | ▼ 19% | \$13.8b proceeds | ▼ 28% |
| 11% of IPOs are financial sponsor-backed | | 27% of IPO proceeds are financial sponsor-backed | |

All amounts in table are in US\$

Main markets

| YTD 2020 | Change on YTD 2019 |
|------------------|--------------------|
| 44 IPOs | ▼ 6% |
| \$13.2b proceeds | ▼ 28% |

Junior markets

| YTD 2020 | Change on YTD 2019 |
|-----------------|--------------------|
| 40 IPOs | ▼ 30% |
| \$0.6b proceeds | ▼ 31% |



Activity YTD 2020

Sectors by number of IPOs

| | |
|-------------|------------------|
| Technology | 26 IPOs \$3.2b |
| Health care | 16 IPOs \$0.9b |
| Industrials | 12 IPOs \$0.9b |

IPOs largest by proceeds

| | |
|--|----------------------|
| JDE Peet's NV | Euronext (Amsterdam) |
| \$2.9b Consumer staples | May |
| THG Holdings plc | London (Main Market) |
| \$2.4b Technology | September |
| China Pacific Insurance (Group) Co., Ltd.* | London (Main Market) |
| \$2.0b Financials | June |

Stock exchanges by total proceeds

| | |
|---|------------------------------|
| London (Main Market and AIM) | UK |
| \$7.0b 9 IPOs | |
| Euronext and Alternext (Amsterdam, Paris, Brussels) | Netherlands, France, Belgium |
| \$3.2b 7 IPOs | |
| Oslo Bors and Axess | Norway |
| \$1.1b 16 IPOs | |

*Company is listed on the London Main Market via Shanghai-London Stock Connect program.

All amounts in table are in US\$

Europe, Middle East, India and Africa IPO market outlook

- In the UK, we expect to see more activity in October 2020 as IPO candidates try to complete their offering before the US presidential election in early November 2020. Overall, healthy pipelines suggest a more active Q4 2020 and 2021.
- In MENA, an increase of activity in Q3 2020 combined with more IPOs in the pipeline in Saudi Arabia, the United Arab Emirates (UAE) and Jordan indicate rebounding IPO activity for MENA companies in the months ahead.
- In India, successful IPOs since March 2020 have already brought a change in sentiment to the current IPO market. Despite ongoing uncertainties and volatility, well-prepared companies in the right sectors and with the right business models will find the right window of opportunity in Q4 2020.
- Overall, EMEIA IPO-bound companies that are well-prepared, have adapted their equity story for a virtual investor world and can demonstrate either opportunistic advantages or resilience in the current environment will benefit from a strong investor appetite for high-quality IPOs in a low-interest-rate, low-return environment.
- Nevertheless, IPO-bound companies should have their “Plan B” ready. A merger with a Special Purpose Acquisition Corporations (SPACs) and direct listings are two options that continue to gain momentum as companies considering an IPO weigh the advantages of alternative routes to the public market.

IPO-bound companies should evaluate IPO de-risking strategies, including alternative paths to public markets, to manage the unusual uncertainty and volatility ahead.

EMEA – UK IPO market insight

UK IPO markets recover, opening a window of opportunity for IPO candidates

“

With the largest IPO in more than three years coming to market in Q3 2020, UK IPO markets rebounded from the negative impacts of the COVID-19 pandemic earlier in the year. With renewed investor confidence, companies have a prime window of opportunity to go public. However, they will need to hurry if they want to beat the volatility that may accompany the US presidential election in November and a potential second wave of the COVID-19 pandemic.

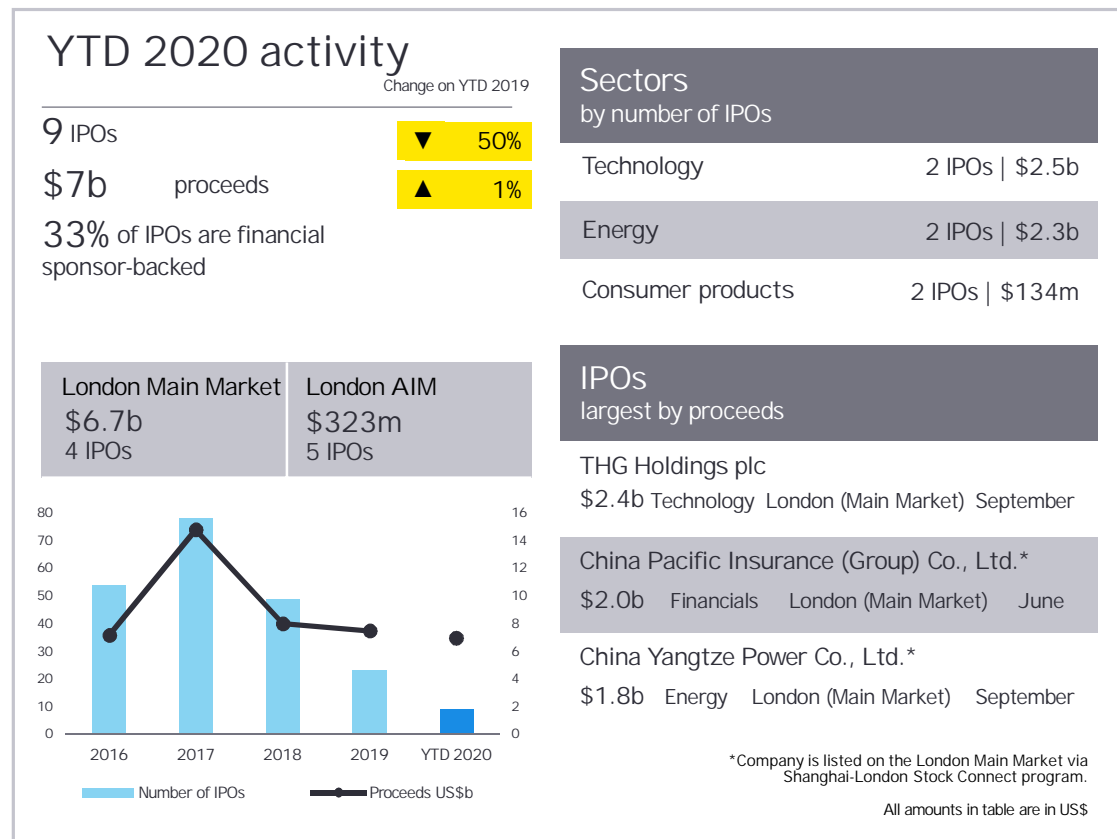
Scott McCubbin
EY UK & I IPO Leader

EMEIA – UK IPO market highlights

- UK IPO markets came back to life following a lackluster Q2 2020 with the mega IPO of online retailer THG Holdings plc in September 2020. THG Holdings plc, which raised US\$2.4b, was the largest IPO by proceeds since Allied Irish Banks plc (US\$3.8b) in June 2017. This is also the largest IPO by a British company since the Royal Mail plc listing in 2013 (US\$3.2b).
- The THG Holdings plc IPO demonstrates that there is a large amount of liquidity available and investors are hungry for the right IPOs. With a pipeline of pent-up demand from Q2 2020, we are beginning to see more IPOs coming to the public markets.
- Although uncertainty remains about COVID-19 and the possibility of a second wave of lockdowns, much of the volatility around the “Brexit effect” has been absorbed by the market. As such, investors and IPO-bound companies are ready to move forward.
- No one sector dominated in Q3 2020. Instead, the focus centered on opportunistic IPOs, such as THG Holdings plc, which has traded well through the pandemic as consumers sought to do more of their shopping online.

Outlook

- Looking ahead, the UK IPO market appears to be back in business. Healthy IPO pipelines suggest an active Q4 2020 and into the first half of 2021. In particular, we expect to see more activity in October 2020 as IPO candidates try to complete their transaction before the US presidential election in early November 2020 and the potential volatility that may create.
- Additional volatility may be expected from the UK-EU trade negotiations and a second wave of the pandemic. However, companies that are well-prepared and can demonstrate resilience will still find investors.
- IPO candidates should be well prepared, have a good equity story that highlights either the opportunistic advantage or the company's ability to weather whatever volatility lies ahead, and know how to tell their story to a virtual investor audience. Managing investor education is key. Investors will ask how robust the company's business model is in a worst-case scenario. IPO candidates must have a strong and transparent response.



Cross-border issuers from the Middle East and elsewhere remain interested in listing on UK exchanges.

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Top 12 stock exchanges

By number of IPOs

2020 year-to-date

| Ranking | Stock Exchange | Number of deals | % of global IPOs |
|---------|--|-----------------|------------------|
| 1 | Shanghai (Main Board and STAR Market) | 180 | 20.6% |
| 2 | US NASDAQ | 119 | 13.6% |
| 3 | Shenzhen (Main Board, SME and ChiNext) | 115 | 13.2% |
| 4 | Hong Kong (Main Board and GEM) | 99 | 11.4% |
| 5 | Tokyo (First Section, Second Section), MOTHERS, JASDAQ and PRO | 54 | 6.2% |
| 6 | Indonesia (IDX) | 45 | 5.2% |
| 7 | New York (NYSE) | 31 | 3.6% |
| 8 | Australia (ASX) | 25 | 2.9% |
| 9 | India National (NSE and SME) and Bombay (BSE and SME) | 24 | 2.8% |
| 10 | NASDAQ OMX and First North | 23 | 2.6% |
| 11 | Brazil B3 | 18 | 2.1% |
| 12 | Oslo Bors and Axess | 16 | 1.8% |
| | All other exchanges | 123 | 14.0% |
| | Global IPO activity | 872 | 100.0% |

2019 full year

| 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 | US NYSE | 38 | 3.3% |
| 11 | NASDAQ OMX and First North | 35 | 3.1% |
| 12 | Borsa Italiana (Main Market and AIM) | 34 | 3.0% |
| | All other exchanges | 241 | 21.1% |
| | Global IPO activity | 1,146 | 100.0% |

By proceeds

| Ranking | Stock Exchange | Proceeds (US\$b) | % of global IPOs |
|---------|---|------------------|------------------|
| 1 | Shanghai | 39.3 | 23.8% |
| 2 | US NASDAQ | 34.1 | 20.6% |
| 3 | Hong Kong | 27.3 | 16.5% |
| 4 | US NYSE | 21.4 | 12.9% |
| 5 | Shenzhen | 11.6 | 7.0% |
| 6 | London (Main Market and AIM) | 7.0 | 4.2% |
| 7 | Brazil B3 | 4.2 | 2.6% |
| 8 | Euronext and Alternext (Amsterdam, Brussels, Paris, Lisbon) | 3.2 | 1.9% |
| 9 | Thailand (SET and MAI) | 3.0 | 1.8% |
| 10 | India | 2.3 | 1.4% |
| 11 | Mexican (BMV) | 1.6 | 1.0% |
| 12 | Tokyo | 1.3 | 0.8% |
| | All other exchanges | 9.0 | 5.5% |
| | Global IPO activity | 165.3 | 100.0% |

| Ranking | Stock Exchange | Proceeds (US\$b) | % of global IPOs |
|---------|--|------------------|------------------|
| 1 | Hong Kong | 40.3 | 19.4% |
| 2 | Saudi (Tadawul and Nomu-Parallel Market) | 30.5 | 14.6% |
| 3 | US NASDAQ | 27.4 | 13.1% |
| 4 | Shanghai | 27.1 | 13.0% |
| 5 | US NYSE | 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 | 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 nine months of 2020 and cover listed IPOs from 1 January 2020 to 30 September 2020. Data as of COB 30 September 2020.

Regional IPO facts and figures: Americas

Quarterly comparison

| Regions/country* | IPOs YTD | Change YOY% | Proceeds US\$b YTD | Change YOY% | IPOs current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) | Proceeds US\$b current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) |
|----------------------|----------|-------------|--------------------|-------------|-------------------------------|---------------------------|---------------------------------------|---|---------------------------|---------------------------------------|
| US | 150 | 18% | 55.5 | 25% | 85 | 124% | 107% | 33.1 | 182% | 118% |
| Canada ¹ | 16 | -38% | 0.9 | 205% | 5 | 0% | 67% | 0.9 | >1,000% | >1,000% |
| Brazil ² | 18 | 800% | 4.2 | 269% | 13 | NA | >1,000% | 3.3 | NA | >1,000% |
| Mexico ³ | 2 | NA | 1.7 | NA | 1 | NA | 0% | 0.5 | NA | -50% |
| Jamaica ⁴ | 2 | 0% | 0.1 | 181% | 0 | NA | NA | 0.0 | NA | NA |
| Chile ⁵ | 0 | -100% | 0.0 | -100% | 0 | NA | NA | 0.0 | NA | NA |
| Americas | 188 | 18% | 62.4 | 33% | 104 | 142% | 126% | 37.8 | 222% | 132% |

1. In YTD 2020, there were two IPOs raising US\$850m in total on Toronto Stock Exchange and two IPOs raising US\$1m in total on TSX Venture Exchange. There were also 12 IPOs on the Canadian Securities Exchange that raised US\$13m altogether – these listings were excluded on page 11. Whereas in Q3 2020, there were two IPOs raising US\$850m on Toronto Stock Exchange, while there were three IPOs on Canadian Securities Exchange that raised US\$1m in total. In comparison, Q3 2019 saw one IPO raising US\$1m on TSX Venture Exchange, while there were four IPOs on Canadian Securities Exchange that raised US\$2m combined.

2. In YTD 2020, there were 18 IPOs, which raised US\$4.2b in total on Brazil's B3 exchange. While there were 13 IPOs in Q3 2020 that raised US\$3.3b, there were no IPOs in Q3 2019.

3. In YTD 2020, there were two IPOs on the Mexican Stock Exchange that raised US\$1.7b. While there was one IPO on the exchange in Q3 2020 that raised US\$0.5b, there were no IPOs on Mexican Stock Exchange during 2019 full year.

4. In YTD 2020, there were two IPOs on the Jamaica Stock Exchange, which raised US\$118m. There were no IPOs on the exchange during Q3 2020 or Q3 2019.

5. In YTD 2020, there were no IPOs on Chile's Santiago Stock Exchange, while there were two IPOs in YTD 2019 which raised US\$1.1b. There was one IPO in Q1 2019 that raised US\$69m and one IPO in Q2 2019, which raised US\$1.1b.

*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 nine months of 2020 and cover listed IPOs from 1 January 2020 to 30 September 2020. Data as of COB 30 September 2020.

Regional IPO facts and figures: Asia-Pacific

Quarterly comparison

| Regions/country* | IPOs YTD | Change YOY% | Proceeds US\$b YTD | Change YOY% | IPOs current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) | Proceeds US\$b current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) |
|--------------------------|------------|-------------|--------------------|-------------|-------------------------------|---------------------------|---------------------------------------|---|---------------------------|---------------------------------------|
| Indonesia | 45 | 18% | 0.3 | -56% | 18 | -14% | 100% | 0.1 | -82% | 93% |
| Thailand ¹ | 9 | -40% | 3.0 | 425% | 7 | 40% | NA | 0.7 | 138% | NA |
| Singapore | 7 | -30% | 0.5 | -70% | 1 | 0% | 0% | 0.0 | -99% | -71% |
| Malaysia ¹ | 13 | -41% | 0.1 | -82% | 6 | -33% | NA | 0.0 | -66% | NA |
| Philippines | 2 | -33% | 0.3 | -21% | 1 | -67% | 0% | 0.3 | -30% | 726% |
| Cambodia ¹ | 1 | NA | 0.1 | NA | 0 | NA | -100% | 0.0 | NA | -100% |
| Asean¹ | 77 | -13% | 4.3 | 12% | 33 | -15% | 175% | 1.1 | -44% | 491% |
| Mainland China | 295 | 132% | 50.9 | 150% | 177 | 181% | 164% | 31.1 | 171% | 264% |
| Hong Kong | 99 | 3% | 27.3 | 60% | 40 | 82% | 82% | 15.3 | 93% | 51% |
| Taiwan ² | 0 | -100% | 0.0 | 100% | 0 | -100% | NA | 0.0 | -100% | NA |
| Greater China | 394 | 75% | 78.2 | 109% | 217 | 152% | 144% | 46.4 | 139% | 149% |
| Japan | 54 | 2% | 1.3 | -27% | 20 | 67% | 186% | 0.7 | 40% | 702% |
| South Korea ³ | 3 | -91% | 1.2 | -2% | 3 | -86% | NA | 1.2 | 97% | NA |
| Australia | 26 | -10% | 0.3 | -60% | 13 | 63% | 225% | 0.3 | -38% | 840% |
| New Zealand ⁴ | 0 | -100% | 0.0 | -100% | 0 | -100% | NA | 0.0 | -100% | NA |
| Oceania | 26 | -16% | 0.3 | -66% | 13 | 44% | 225% | 0.3 | -53% | 840% |
| Asia-Pacific | 554 | 29% | 85.3 | 88% | 286 | 71% | 155% | 49.7 | 115% | 162% |

1. There were no IPOs on Myanmar, Maldives, Sri Lanka and Vietnam's stock exchanges during YTD 2020. In Q2 2020, there were no IPOs on the main and junior markets on Thailand Stock Exchange or on Bursa Malaysia. There were no IPOs on Cambodia Stock Exchange during 2019, while there was one IPO that raised US\$87m in Q2 2020, but no IPOs in Q1 2020 and Q3 2020.

2. In YTD 2020 and Q3 2020, there were no IPOs on Taiwan Stock Exchange. Whereas in Q3 2019, there was one IPO that raised US\$14m.

3. In YTD 2020, there were three IPOs on Korea Stock Exchange and KOSDAQ, which raised US\$1.2b in total - all of which took place during Q3 2020. Whereas, there were 21 IPOs which raised US\$587m during Q3 2019.

4. In YTD 2020 and Q3 2020, there were no IPOs on New Zealand Exchange. Whereas in YTD 2019, there were two IPOs which raised US\$158m in total. During Q3 2019, there was one IPO on New Zealand Exchange that raised US\$151m.

*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 nine months of 2020 and cover listed IPOs from 1 January 2020 to 30 September 2020. Data as of COB 30 September 2020.

Regional IPO facts and figures: EMEIA

Quarterly comparison

| Regions/country* | IPOs YTD | Change YOY% | Proceeds US\$b YTD | Change YOY% | IPOs current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) | Proceeds US\$b current quarter: Q3 2020 | Change QOQ% (vs. Q3 2019) | Change previous quarter (vs. Q2 2020) |
|---|------------|-------------|--------------------|-------------|-------------------------------|---------------------------|---------------------------------------|---|---------------------------|---------------------------------------|
| Nordics (Denmark, Norway, Sweden and Finland) | 45 | 50% | 1.8 | -28% | 20 | 400% | 33% | 1.0 | -30% | 102% |
| Central and Southern Europe (CESA) | 8 | -50% | 0.0 | -66% | 3 | -40% | 50% | 0.0 | -44% | 20% |
| Germany, Switzerland and Austria (GSA) | 7 | -36% | 1.1 | -84% | 3 | 0% | -25% | 0.7 | -70% | 96% |
| Mediterranean (Italy and Spain) | 8 | -68% | 0.7 | -75% | 4 | -60% | 33% | 0.0 | -85% | -98% |
| WEM (Western Europe) | 7 | 133% | 3.2 | >1,000% | 2 | 100% | 0% | 0.1 | >1,000% | -96% |
| Continental Europe | 75 | -12% | 6.8 | -43% | 32 | 39% | 23% | 1.8 | -53% | -59% |
| UK and Ireland ¹ | 9 | -53% | 7.0 | -1% | 5 | 150% | 400% | 4.4 | >1,000% | 121% |
| Europe | 84 | -19% | 13.8 | -28% | 37 | 48% | 37% | 6.2 | 51% | -4% |
| Africa and WEM (Maghreb) ² | 2 | -33% | 0.0 | -37% | 1 | 0% | NA | 0.0 | -64% | NA |
| India ³ | 25 | -58% | 2.3 | 1% | 8 | -33% | 100% | 0.8 | 30% | >1,000% |
| Middle East and North Africa ⁴ | 19 | 58% | 1.5 | -20% | 9 | 200% | 80% | 0.5 | 89% | 286% |
| EMEIA | 130 | -27% | 17.6 | -24% | 55 | 34% | 53% | 7.5 | 49% | 15% |

1. In YTD 2020, there were four IPOs on London Main Market which raised US\$6.7b, while there were five IPOs on AIM that raised a total of US\$323m. There were no IPOs on Dublin Stock Exchange in YTD 2020. Q3 2019 saw one IPO raising US\$158m.
2. In YTD 2020, there were two IPOs on African exchange that raised US\$48m. There was one IPO each on African exchanges in Q3 2020 and Q3 2019 that raised US\$19m and US\$53m respectively. There were no IPOs in Q2 2020.
3. In YTD 2020, India includes India's National and Bombay Stock Exchange Main Market and SME (24 IPOs, US\$2.3b) and Bangladesh's Dhaka Stock Exchange (1 IPO, US\$7m). In Q3 2020, there were eight IPOs raising US\$850m on India's exchanges. During Q3 2019, there were 12 IPOs (US\$652m) on India's National and Bombay Stock Exchange Main Market and SME. There were no IPOs on the Dhaka Stock Exchange in Q3 2019 and in Q3 2020.
4. Middle East and North Africa includes IPO activity on Saudi (Tadawul and Nomu Parallel Market), Israel, Pakistan, Egypt, Kuwait and Oman exchanges. In YTD 2020, there were three IPOs that raised a total of US\$823m on Saudi, 11 IPOs raising US\$568m on Israel's Tel Aviv Stock Exchange, two IPOs on Pakistan that raised US\$10m and one each on Egypt, Kuwait and Oman that raised US\$13m, US\$33m, and US\$13m respectively. In Q3 2020, there was one IPO on Saudi Arabia that raised US\$116m while there were two IPOs on Pakistan exchange that raised US\$10m. Israel saw six IPOs raised US\$357m in Q3 2020. During Q3 2019, MENA saw one IPO each from Saudi Arabia, Egypt and Israel raising US\$93m, US\$99m and US\$64m respectively.
5. Regions are as per the EY regional classification for EMEIA Area. This table may have different statistics for MENA and India compared to the EMEIA section in the report (page 25-27) and UK section (page 28-29).

*Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Amsterdam, Paris, Brussels and Lisbon; Shenzhen (SZSE) includes the Main Board, SME Board and ChiNext. Figures may not total 100% due to rounding. 2020 year-to-date refer to the first nine months of 2020 and cover listed IPOs from 1 January 2020 to 30 September 2020. Data as of COB 30 September 2020.

Most active sectors around the world

Summary of the top three sectors by number of IPOs, by region* and sub-region* for Q3 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 |
|------------------------|------------|-------------|-------------|-----------|-------------------|------------------|-------------|--------|--------|------------|-------------------------|--------------------|
| Americas | ▲■ | ▲■ | ▲■ | | | | | | | | | |
| •US ¹ | ▲■ | ▲ | ▲■ | | | | ▲ | | | ▲■ | | |
| Asia-Pacific | ▲■ | ▲■ | ▲■ | | | | | | | | | |
| •Greater China | ▲■ | ▲■ | ▲■ | | | | | | | | | |
| •Japan ² | ▲■ | ■ | ▲ | | ▲■ | ▲ | | | | | | |
| EMEA | ▲■ | ▲■ | ■ | | | | | | | ▲ | | |
| •Europe | ▲■ | ▲■ | ▲■ | | | | | | | | | |
| •UK ³ | ▲■ | | | | ▲■ | | | ▲■ | ▲ | | | |
| Global | ▲■ | ▲■ | ▲■ | | | | | | | | | |
| Q3 2020 IPO activity | 122 | 83 | 81 | 37 | 21 | 27 | 20 | 18 | 12 | 14 | 6 | 4 |
| YTD 2020 IPO activity | 210 | 168 | 159 | 69 | 53 | 51 | 43 | 42 | 29 | 25 | 17 | 6 |

* Region and sub-regions are classified according to the domicile of the exchange, regardless of the listed company domicile. Please refer to the appendix for the geographic definitions of the regions and sub-regions, which differs slightly from the EY regional classification.

1. For Q3 2020, US exchanges saw five active sectors. Health care led with 35 IPOs and technology saw 34 IPOs. Real estate, industrials and financials accounted for four IPOs each with proceeds of US\$3.3b, US\$3.0b and US\$2.9b, respectively.

2. For Q3 2020, Japanese exchanges saw four active sectors. Technology led with 14 IPOs. Consumer staples, consumer products and health care accounted for two IPOs each with proceeds of US\$433m, US\$60m and US\$46m, respectively.

3. For Q3 2020, UK exchanges saw four active sectors. Technology led with two IPOs. Energy, retail and consumer products accounted for one IPO each with proceeds of US\$1.8b, US\$32m and US\$31m, respectively.

Methodology

- The data presented in the *Global IPO trends: Q3 2020* report and press release is from Dealogic and EY. Q3 2020 (i.e., January–September) and YTD 2020 (January–September) is based on listed IPOs as of 30 September 2020 (i.e., IPOs that has started trading by 30 September 2020). Data is up to 1 October 2020, 9 a.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 started first trading, 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, Hong Kong Growth Enterprise Market, Japan JASDAQ, Japan MOTHERS, Korea KOSDAQ, Thailand's Market for Alternative Investment, Shenzhen ChiNext, Singapore Catalist, Tokyo Stock Exchange MOTHERS; EMEIA: Alternext, London Alternative Investment Market, Germany's Frankfurt SCALE (formerly Entry Standard), India's Bombay SME and National SME, 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 30 September 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 nine months of 2020 with the first nine months of 2019 for this current report.
- YTD stands for year-to-date. This refers to listed IPOs from 1 January to 30 September 2020.

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