EY Global IPO Trends

2016 4Q

Building a better working world

Funding accelerated growth in a year of unprecedented uncertainty

Against a backdrop of political and economic uncertainty, IPO activity in 2016 declined compared with the previous year. Asia-Pacific, led by Greater China, continued to dominate, increasing its share of global IPO activity followed by EMEIA and the Americas. Prospects are brighter, as the US is expected to lead a recovery in global IPO activity in 2017.

Despite a late pick up in activity in some regions, both deal numbers and proceeds raised finished the year markedly lower than in 2015. In total, there were 1,055 IPOs globally in 2016, which raised US$132.5b, compared with 1,258 IPOs raising US$197.1b in 2015 — a 16% decline by deal number and 33% by capital raised. Not only were there fewer deals, there were also fewer megadeals. In 2016, there were only 21 deals with IPO proceeds of more than US$1b, down from 35 the previous year.

From an area perspective, Asia-Pacific was the epicenter of global IPO activity, dominating in both volume and proceeds raised and the region continues to gain market share. In 2016, Asia-Pacific exchanges, driven by Greater China, accounted for 60% of the global number of IPOs and 54% of proceeds raised, a third successive year of global market share gains by deal number and second successive year by capital raised. EMEIA exchanges ranked second, accounting for 27% by global deal number and 28% by proceeds. EMEIA saw a slight drop in global market share by deal number in 2016 but a larger drop by proceeds compared with 2015. In contrast, the Americas, which is dominated by US activity, lost global IPO market share for the third year in a row and accounted for only 13% of total volume and 18% of capital raised.

Greater China's Hong Kong Stock Exchange (Main Market and Growth Enterprise Market (GEM)) and Mainland China Shenzhen and Shanghai exchanges were the three most active exchanges globally in 2016, with 115, 114 and 98 IPOs respectively. Given the marked pick up in activity in the region in the second half of the year, six of the top ten exchanges by deal numbers were from Asia-Pacific in 2016.

At the country level, only a few regions recorded an annual increase in activity. India was the standout performer, recording a 38% increase in deal volume and a 79% surge in proceeds raised, driven by stronger economic fundamentals and a pro-business political regime. India's Bombay Main Market and SME board are ranked seventh most active in terms of number of deals globally and IPO activity is at a six-year high. Australia and New Zealand exchanges recorded small increases in proceeds raised and deal numbers, while African exchanges saw a large increase in IPO proceeds even though deal numbers fell.

PE- and VC-backed IPO activity also declined in 2016, accounting for a lower proportion of global activity than the previous year. Financial sponsor (FS) participation dropped to 13% of global IPO volume from 18% in 2015 and to 25% of global proceeds from 34% in 2015. This reflects not just the lower levels of FS-backed IPO activity on EMEIA and US exchanges, but also the shift of IPO activity to Asia, where the level of FS market penetration is markedly less.

Political and economic uncertainty suppresses 2016 IPO activity

Rarely, if ever, has there been a year with quite so many complex, inter-related external factors for decision-makers to contend with.

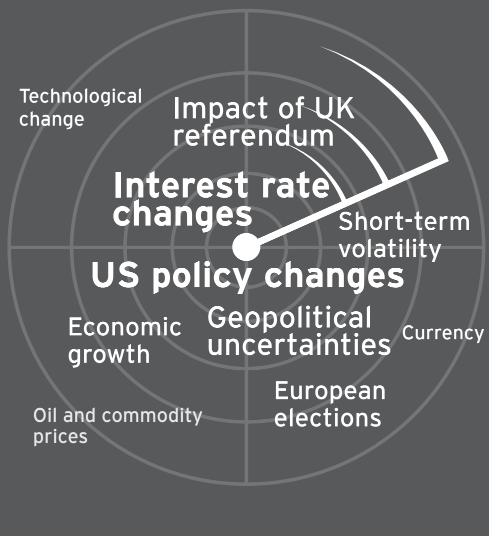
The tone for both business and investor sentiment was set early in the year. The political uncertainty of the US presidential election was compounded by a host of other geopolitical factors, including the UK's EU referendum and the Brexit result, Middle East tensions and the EU migrant crisis. From an economic and financial market perspective, dealmakers faced volatility in equity markets and oil prices, concerns of a slowdown in the growth rate in Mainland China and uncertainty over US monetary policy. Against this backdrop, unsurprisingly, many IPO candidates decided to be patient and prepare for 2017 instead of risk a listing amid such uncertainty.

Flexibility and optionality are key in strategies to accelerate growth

The ability to delay an IPO has been made easier by the growth in the private capital market. The availability of alternative sources of capital, in both equity and debt forms, has given private companies increased flexibility in how they fund their expansion and innovation.

IPO sentiment radar

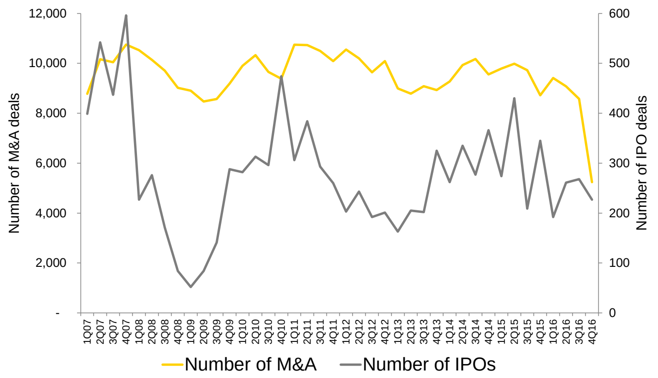
Our radar contains a variety of market factors that may impact investor sentiment for IPOs. Pre-IPO companies should be aware of how these factors may affect their business and ultimately the timing and value of their transaction.



Potential impact

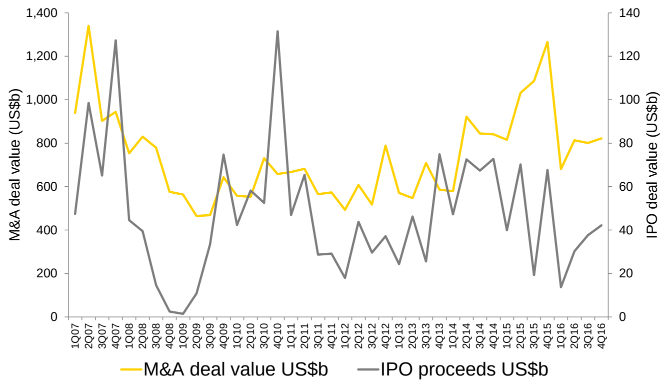
- Prepare for more narrow IPO windows
- Preserve optionality with early IPO readiness preparations
- Consider an array of exit alternatives
- Need for flexibility in timing and pricing

Global IPO and M&A by deal numbers



Note: 4Q16 M&A activity is based on announced M&A deals from October and November 2016, and 4Q16 IPO activity is based on priced IPOs from October and November 2016.

Global IPO and M&A by deal value



Note: 4Q16 M&A activity is based on announced M&A deals from October and November 2016, and 4Q16 IPO activity is based on priced IPOs from October and November 2016.

For larger, well-established companies facing disruptive technological change, adopting a multitrack strategy that facilitates the acquisition of innovative disruptors is a proven strategy for protecting or adapting the business model, building innovation and accelerating growth. It also keeps options open for a later, larger IPO.

For technology companies with no time to lose, keeping multiple options open is essential to fund innovative growth effectively. These businesses may announce plans to list while simultaneously entertaining approaches from financial sponsors and retaining the flexibility to pursue a trade sale or acquisition.

Preference for IPOs remains strong in a multitrack world

With so many funding and exit options in play, the balance has shifted in favor of a new kind of IPO, in which bigger, more stable businesses come to the public markets later in their life cycle. However, while the IPO runway may have lengthened, there are several reasons why a public listing remains attractive for many companies.

Later-stage companies considering IPOs are often driven less by funding needs, but more by the need to secure a higher brand profile and the opportunity to access new markets via cross-border listing opportunities. IPOs are much more than a one-time opportunity to raise capital; they provide repeat opportunities to raise additional capital from investors via follow-on listings. Importantly, a listed company's stock also gives companies a liquid currency that can be used to fund acquisitions as they look to further accelerate growth through inorganic expansion.

Public companies also offer investors greater liquidity and are often seen as being more open, and therefore, a safer home for investors' funds. Public companies are also able to attract leading talent and their better reputation helps when bidding for contracts. All these factors help explain why investors are prepared to pay a premium in the public markets.

2017 IPO outlook remains optimistic despite ongoing uncertainty in a period of transition

Equity markets have risen to new highs toward the end of this year. Volatility, as shown by measures such as the CBOE Volatility Index (VIX®), EURO STOXX 50® Volatility, FTSE 100 Volatility Index and HSI Volatility Index, has fallen and trailing P/E ratios are trending upward.

Despite these uncertainties, the prospects for IPO activity in 2017 look better than for 2016. In Greater China, currently the engine room of global IPO activity, the China Securities Regulatory Commission (CSRC) started to speed up the approval of IPOs in November 2016. With more stable equity markets in Mainland China, we expect there will be a higher number of IPOs approved in 2017 than in the previous year. In Hong Kong, we anticipate the number of entrepreneurial IPOs will be stable, but that average deal size will fall as there are currently less state-owned enterprise (SOE) IPOs in the pipeline.

In Europe, the mix of supportive economic fundamentals along with ongoing political uncertainty makes the outlook slightly more cautious, but we expect that, at a minimum, 2017 IPO activity will surpass 2016 levels.

The outlook for 2017 IPO activity is bright in the US, where we expect a rebound from what has been the slowest year for IPOs since 2009. As the IPO pipeline continues to fill, we anticipate that deal activity in 2017 will exceed the level of this year. Particularly encouraging is the news that one of the largest unicorns has filed for an IPO now that the US presidential election is over. A deal of very significant size could provide the stimulus the market needs, re-igniting interest in IPOs.

Global IPO highlights

4Q16 YTD
(January–December 2016)[1]

Volume and value

1,055
deals globally
(16% decrease on 4Q15 YTD)

US$132.5b
in capital raised
(33% decrease on 4Q15 YTD)

Commentary

"Geopolitical risks are constantly evolving, and form a challenge for companies: they are hard to predict and their results can cascade into a range of other business risks. The interplay between geopolitical and economic challenges makes it even more difficult for companies to manage their global value chain and to fund their growth strategies. With recent political developments like Brexit and the US elections, we are in a period of transition, which underlines the importance of understanding and monitoring geopolitical risks to better prepare for an IPO."

Dr. Martin Steinbach
EY Global and EMEIA IPO Leader

Rapid growth vs. developed

Rapid growth markets represent 60% of global IPO volume in 4Q16 YTD

Financial sponsor activity was constant in 4Q16 compared with 3Q16

In 4Q16 YTD, PE and VC accounted for 13% of global IPOs (138 deals)

26% by proceeds (US$34.9b)

Three sectors trending

Technology	Industrials	Health care
185 deals	**171 deals**	**132 deals**
(US$12.7b)	(US$18.4b)	(US$13.5b)

Equity markets saw higher volatility in 4Q16 compared with 3Q16

VIX®

The VIX® rose to 22.5% at the start of November, but fell to 14% at the start of December, signaling lower volatility and higher investor confidence.

There were 33 withdrawn or postponed deals in 4Q16, which was lower than the 49 deals in 4Q15.

4Q16 IPO activity continued to be affected by market volatility and political uncertainty in the US and the UK.

Ninety-three percent of 4Q16 IPOs priced within or above expectations.[2]

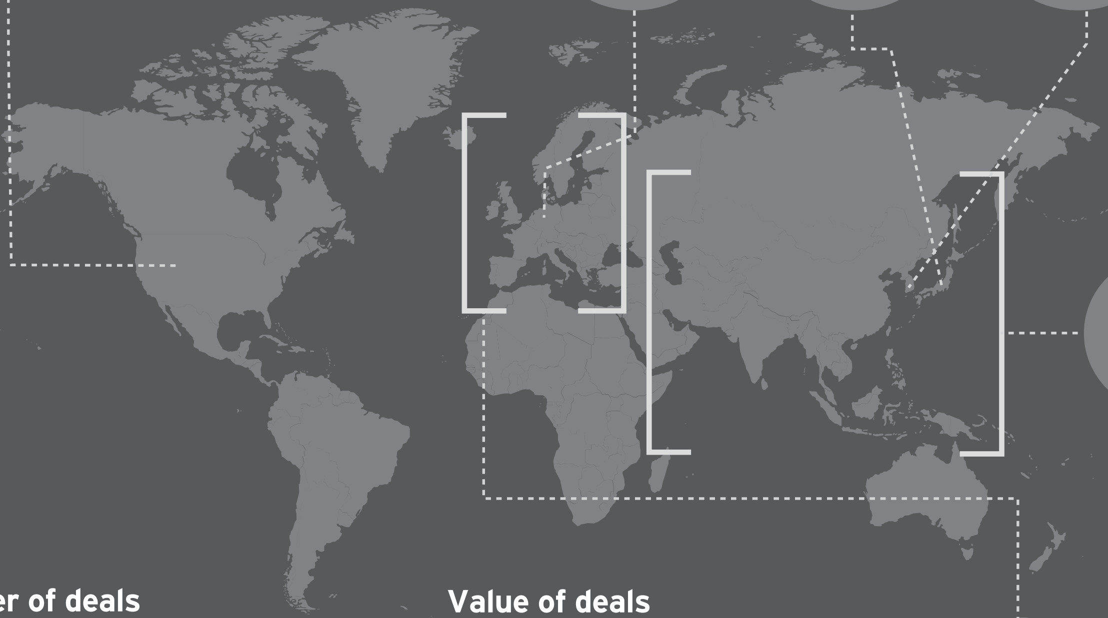
Asia-Pacific tops the leaderboard in 4Q16 YTD

US 16%

US exchanges ranked third by global funds raised

Top three deals in 4Q16

Germany	Japan	South Korea
US$5.2b	US$4.0b	US$2.0b
Innogy SE	JR Kyushu Railway Company	Samsung Biologics Co. Ltd.



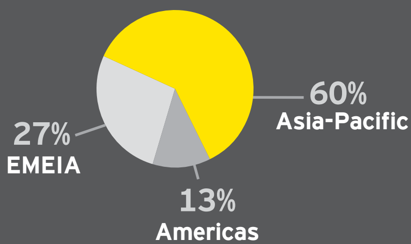
Asia-Pacific 54%

Asia-Pacific led by global funds raised

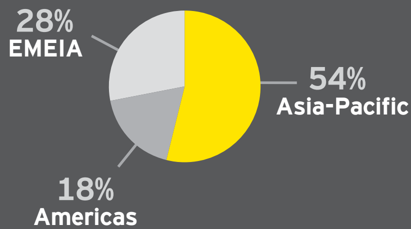
Europe 24%

European exchanges ranked second by global funds raised

Number of deals



Value of deals



Top six exchanges by funds raised

HKEx	SSE	NYSE	TSE	NASDAQ OMX	NASDAQ
Main and GEM	Shanghai	New York	Tokyo[3]	NASDAQ OMX and First North[4]	NASDAQ
US$25.2b	US$14.2b	US$13.6b	US$9.3b	US$9.2b	US$7.4b
(115 deals)	(98 deals)	(34 deals)	(87 deals)	(49 deals)	(77 deals)

Home and away

Cross-border listings were 6% of global IPOs during 4Q16 YTD as compared with 8% during 4Q15 YTD.

Top six countries/regions by deal volume[5]

1. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
2. Focus on open-price IPOs with deal value above US$50m.
3. Tokyo Stock Exchange include IPOs from the Main Board, MOTHERS and JASDAQ.
4. NASDAQ OMX and First North include IPOs on the Copenhagen, Helsinki, Iceland and Stockholm markets.
5. Based on the listed company domicile nation.
6. Greater China includes Mainland China, Hong Kong, Macau and Taiwan.

US market poised for strong growth

2016 has been a quiet year for strategic transactions in the US, with a decline not just in IPOs but also in M&A activity across the board. Businesses proceeded with caution, faced with a year full of headwinds from global macroeconomic issues, market volatility and political and monetary policy uncertainty both in the US and globally. However, with volatility stabilizing and markets reaching new highs, we are much more optimistic about the climate for dealmaking as we move into 2017.

- There were 112 IPOs in the US in 2016 raising US$21.3b, a decline of 37% in terms of capital raised and 36% in terms of number of IPOs, making this the slowest year for IPO activity by both deal number and proceeds since the global financial crisis in 2009.
- For the first year since 2000, the US did not feature in the global top 10 deals of the year. The two largest US deals in 2016 were cross-border listings — China's ZTO Express, which raised US$1.4b, and Japan's LINE Corp, which raised US$1.3b.
- New York Stock Exchange saw 34 IPOs in 2016, which raised US$13.6b, accounting for 10% of IPO proceeds worldwide, but only 3% of global deal number.
- Despite weaker activity, NASDAQ was the world's sixth most active exchange by both deal numbers and proceeds. There were 77 deals raising US$7.4b, accounting for 7% of global IPOs and 6% of proceeds.

Financial sponsors active in private and public markets
Sponsor-backed IPOs continue to drive the IPO market, representing 56% of US IPOs and 64% of IPO proceeds in 2016. PE and VC investors remain equally active behind the scenes; the abundance of private capital from both PE and VC investors have prolonged the time to IPO for companies that would have otherwise been IPO-bound sooner. As a result, we will see more mature companies going public than before.

We expect that sponsor-backed IPOs will remain a key driver of activity in 2017, as rising equity indices support more attractive valuations. From an aftermarket performance perspective, this year's US IPOs are currently trading on average 17.6% above their debut prices, with technology IPOs currently trading roughly around 40% above debut price. Overall, 67% of IPOs priced in or above their anticipated filing range, the proportion rising to 77% for technology IPOs. However, the need for transaction speed and flexibility will ensure that multitracking remains baked into the corporate development of private companies and financial sponsors' exit strategies.

Time for tech again?
There was a dearth of technology IPOs during the first half of 2016, and at 23 new listings raising US$3.8b, IPO activity for the year remain low compared with the historic annual average of 30 IPOs raising US$8.7b. However, we note an encouraging upswing in the middle to later part of 2016, with 17 technology IPOs raising US$3.0b between July to December. Moreover, the pipeline of the big names in technology is building and we expect others to follow and test the public markets in 2017.

Looking at sectors more broadly, the health care and technology sectors led US IPO activity in 2016, representing 36% and 21% of deal numbers respectively. The technology and energy sectors led by IPO proceeds, accounting for 18% and 16% of capital raised respectively.

Cautiously optimistic on prospects for 2017
Supported by the S&P 500's post-election rally, the VIX® index is currently around 14%, and 2016 IPOs are outperforming major market indices. There is now a pipeline of more than 130 companies ready to list, excluding those that have filed their IPO registrations confidentially. We anticipate that there may be a brief surge of IPO activity in the final weeks of the year.

Although uncertainty remains over what President-elect Donald Trump's policies will mean for companies, investors, markets and the US economy, early market signals are positive. Rising equity indices and the increasing backlog of companies that have delayed their listing in 2016, suggest there will be considerable appetite for companies to go public when uncertainty settles, and politics and economics align, enabling IPO market windows to open.

We anticipate that financial sponsors will remain active players in the IPO markets, consistent with historical trends. Estimates from Preqin suggest there is more than US$305b of dry powder sitting in the funds of VC and PE firms. Their exits from their portfolio companies will continue to be a key source of IPO candidates. We anticipate that 2017 will surpass the number of IPOs in 2016 and that the trend toward lower deal sizes may persist.

US IPO highlights

4Q16 YTD

(January–December 2016)[7]

Volume and value

112 deals

(36% decrease on 4Q15 YTD)

US$21.3b

(37% decrease on 4Q15 YTD)

Key trends

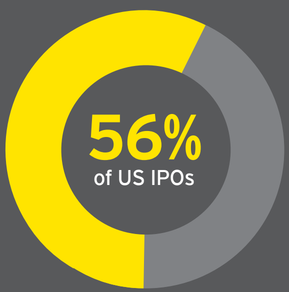
- 2016 IPOs are currently trading on average 17.6% above their debut prices, with health care and technology IPOs performing particularly strongly. The track record of IPO outperformance is set to ensure investor interest remains strong in these sectors going into 2017.
- US IPO activity will rally in 2017 as domestic businesses seek to optimize open windows and more Asian and European tech businesses look to access sophisticated US investors with their deep understanding of tech business models.
- Private capital will remain a key feature of the US market as more companies look to build flexibility into their strategic growth planning going forward.

Commentary

"There are a number of positive signs for 2017. Private equity continues to provide a robust pipeline of strong deals. The backlog of tech companies is starting to make a debut. Unicorns are beginning to find a successful place in the public markets. This momentum, when matched with the stable, post-election markets, should lead to strong performance for IPOs next year."

Jackie Kelley
EY Americas IPO Markets Leader

Financial sponsors continue to drive US IPO market



PE and VC account for 56% of US IPOs (63 deals)

64% by proceeds (US$13.6b)

Three sectors trending

Health care	Technology	Energy
40 deals	**23 deals**	**11 deals**
(US$3.3b)	(US$3.8b)	(US$3.4b)

IPO pricing and performance[8]

+12.3% first-day average return

+17.6% increase in offer price vs. 2 December 2016

US$386.6m median post-IPO market cap

US$100.2m median deal size

Equity indices[9]

DJIA	+8.9% ▲
S&P 500	+6.2% ▲

Volatility index and postponed IPOs

VIX®	-18.3% ▼

Postponed and withdrawn IPOs

- 59 deals, -17% ▼

IPO activity

	NYSE	NASDAQ
4Q16 YTD[10]	34 deals (US$13.6b)	77 deals (US$7.4b)
4Q15 YTD	55 deals (US$19.6b)	119 deals (US$14.0b)

Cross-border activity in 4Q16 YTD from

China **8 deals** (US$2,152m)

Europe **5 deals** (US$935m)

Japan **1 deal** (US$1,321m)

21 deals[11] → **US**

New registrations

4Q16: **25 deals**, US$2.4b

4Q15: **51 deals**, US$6.4b

7. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
8. Pricing and performance is based on 105 IPOs on NYSE, NASDAQ and Bats exchanges that have started trading by 2 December.
9. Year-to-date returns of equity indices as of 2 December.
10. In 4Q16 YTD, there was also one IPO on the Bats Exchange that raised US$290m, besides IPOs on NYSE and NASDAQ.
11. 4Q16 YTD saw 21 cross-border deals raising US$6.5b in total. There were three deals from Bermuda (US$1,652m), two deals from Israel (US$34m) and one each from Argentina (US$323m) and India (US$61m).

Asia-Pacific maintains leading position in global IPOs

For the ninth consecutive year, Asia-Pacific was the world's leading region in terms of IPO activity. In 2016 there were 638 IPOs raising US$71.5b in proceeds, a global share of 60% and 54% respectively. Although IPO numbers and proceeds were down on the totals for 2015 — US$90.8b in proceeds from 681 IPOs — the region was much less affected by the downward pressure exerted by the geopolitical uncertainty that affected the Americas and EMEIA.

- Six of the world's ten largest IPOs in 2016 were on Asia-Pacific stock exchanges — three in Hong Kong and one each on the South Korea, Tokyo and Shanghai stock exchanges.
- Six of the world's ten most active stock exchanges in terms of IPO volume were from Asia-Pacific; five by capital raised.
- Financials and industrials were the region's leading sectors by proceeds; while industrials and technology led IPO activity by volume.

Australia sees slight rise in deal number

In a year where virtually every market worldwide bar India saw a drop in IPO activity, Australian Securities Exchange (ASX) and Sydney Stock Exchange together saw 84 new listings — just 1.2% up on 2015 — while proceeds were flat at US$4.7b. ASX ranked fifth in the global list of stock exchanges by volume of deals, behind the Hong Kong, Shenzhen, Shanghai (SSE) and Tokyo stock exchanges. By proceeds, ASX ranked 11th.

Technology, materials, real estate and health care were the most active sectors by volume in 2016, and are expected to continue to attract investor attention in the coming year. Cross-border deals will continue to come to market as we see steady inquiries from foreign small to medium-sized companies looking to list on the ASX, especially in the technology and health care sectors.

The number of financial sponsor-backed listings did not reach the highs of last year, with the majority of private equity (PE) and venture capital (VC) firms in Australia now in their investment phase of the cycle. As a result, we expect the volume of PE- and VC-backed IPOs to start picking up again toward the end of 2017.

Ongoing geopolitical instability and the resulting volatility is driving the market to become more selective on IPO pricing; a number of deals were repriced toward the end of the year. This is likely to continue into 2017, but with a strong pipeline of IPO-ready companies prepared to come to the public markets when the time is right, we expect 2017 to be another positive year for new listings.

Japan finishes the year on a high

Japan saw a steady flow of IPOs in every quarter throughout the year, resulting in an annual total of 87 IPOs on Tokyo's Main Board, MOTHERS and JASDAQ altogether, slightly down on the 2015 total of 98. Annual proceeds reached US$9.3b[12], down from US$15.7b last year. IPO activity was boosted by a strong fourth quarter, which included the US$4.0b IPO in October on the Tokyo Stock Exchange of JR Kyushu Railway Company, the state-run railway, property and bullet train operator. Globally, this was the second largest deal in 4Q16 and the third largest this year. Following the Japan Post Holdings Co. Ltd. and Japan Post Bank Co. Ltd. IPOs last year, this was the latest step in the drive by the Abe administration to convince aging Japanese households to transfer some of their bank deposits into the equity market.

The other standout deal of 2016 involving a Japanese company was the dual listing in July of LINE, known as the Asian rival to WhatsApp, which floated in Tokyo and New York, raising US$1.3b. In a year when proceeds from technology IPOs worldwide has dropped, this was the second largest in the sector, behind Danish payments company Nets A/S, which raised US$2.4b on NASDAQ OMX Copenhagen in September.

In Japan, the technology and consumer products and services sectors — supported by the recovery in consumption — have remained popular with investors, a trend that is expected to continue in 2017. This will be supported in the longer term by the Japanese Government's innovation plan, which was launched in June 2016 and is designed to stimulate funding into cutting-edge sectors such as artificial intelligence (AI), robotics, big data and biotechnology. This has resulted in a surge in corporate investment into these technologies.

Overall, lower stock market volatility has strengthened investor confidence; the Nikkei Stock Average has been relatively stable and made steady gains through the second half of 2016. Against this backdrop, we expect the first two quarters of 2017 to see growing IPO activity as the combined effect of monetary and fiscal easing is expected to give a further major boost to economic growth.

Activity in ASEAN remains lackluster

IPO activity in Southeast Asia has been start-stop for much of 2016. The year began slowly with investors in a "wait-and-see" mode. Caution was heightened by a number of factors including uneven global economic data, lower corporate earnings, commodity price volatility, the uncertainty over Brexit and the US elections, as well as divergent interest rate policies. IPO activity picked up in the second quarter but dropped back again in the third quarter due to a combination of political and economic factors, notably the concerns about possible slowdown in China's growth rate, which continued to affect ASEAN business confidence and GDP growth, which in turn served as a brake on IPOs.

A small flurry of deals in the fourth quarter pushed ASEAN's IPO total for the year to 71, down from 80 in 2015, while proceeds dropped to US$5.5b from US$6.6b a year ago. Throughout 2016 there have been IPOs in Thailand, Singapore, Indonesia, Malaysia and, to a lesser extent, the Philippines and Vietnam. We expect this breadth of activity to continue in 2017 although IPO sentiment in the region could be dampened by geopolitical developments, slow trade numbers and uncertainty over the direction of the Trump administration in the US, especially the derailment of the Trans-Pacific Partnership, which looks increasingly certain.

Against this backdrop, some investors will continue to favor debt offerings, especially in the face of potential interest rate rises. Real estate investment trusts (REITs) and business trusts will also remain popular strategies due to their liquidity and steady yields.

[12]Capital raised on Japanese exchanges in 2016 was US$9.3b, this excluded the US$1.3b dual-listing of LINE Corp. in July on NYSE and Tokyo Stock Exchange because the majority of IPO proceeds were raised on NYSE via American Depositary Receipts.

Asia-Pacific IPO highlights

4Q16 YTD
(January–December 2016)[13]

Volume and value

638 deals
(6% decrease on 4Q15 YTD)

US$71.5b
(21% decrease on 4Q15 YTD)

Key trends

IPO markets

- Although Australia saw a slight rise in deal numbers in 2016 compared with 2015, increased pressure on pricing will continue in the coming year.
- Japan is experiencing a surge in investment in innovations such as artificial intelligence (AI), robotics and big data, indicating technology will be the sector to watch in 2017.
- Investor caution in ASEAN is likely to remain in the first two quarters of 2017, acting as brake on IPOs.

Commentary

"Despite fears of rising interest rates and the continuous contraction in both the size and number of IPOs around the world in 2016, Asia-Pacific led the way in terms of deal volume and capital raised, largely driven by strong activity on Hong Kong and Mainland China exchanges. The IPO markets in Japan, Australia and South Korea were also active, buoyed by a number of blockbuster deals. The outlook for 2017 is positive but having a lot of uncertainties due to various new government policies in promoting the local economy. We expect Asia-Pacific to hold on to the top spot, driven by a number of large IPOs from financial services, fintech and natural resources companies."

Ringo Choi
EY Asia-Pacific IPO Leader

Top six exchanges by funds raised

HKEx	SSE	TSE	SZSE	KRX	ASX
Main and GEM	Shanghai	Tokyo[14]	Shenzhen[15]	Main and KOSDAQ	Australia
US$25.2b	US$14.2b	US$9.3b	US$6.7b	US$5.4b	US$4.7b
(115 deals)	(98 deals)	(87 deals)	(114 deals)	(60 deals)	(83 deals)

Six sectors trending

Industrials	Technology	Consumer products	Materials	Health care	Financials
125 deals	122 deals	79 deals	61 deals	52 deals	38 deals
(US$12.3b)	(US$4.7b)	(US$5.4b)	(US$2.9b)	(US$6.5b)	(US$21.4b)

IPO pricing and performance[16]

+22.7%	first-day average returns
+86.1%	increase in offer price vs. 2 December 2016
US$132.5m	median post-IPO market cap
US$33.4m	median deal size

Equity indices[17]

HANG SENG	+3.1% ▲	FTSE STRAITS TIMES	+1.2% ▲
SHANGHAI COMP	-9.2% ▼		
NIKKEI 225	-3.2% ▼	ASX 200	+2.3% ▲

Cross-border IPOs

Greater China issuers had 20 cross-border deals with six deals each on NASDAQ and KOSDAQ, two deals each on NYSE, SGX and ASX, and one deal each on Deutsche Börse and Sydney Stock Exchange.

Singapore issuers had five deals on the Hong Kong Main Market and GEM, which raised US$67m, and one deal that raised US$1.4m on NASDAQ OMX First North in Stockholm.

Hong Kong Main Market and GEM saw five deals from Singapore, two deals from Malaysia and one deal each from Japan and South Korea.

13. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
14. Tokyo Stock Exchange includes IPO listings from the Main Board, MOTHERS and JASDAQ.
15. Shenzhen Stock Exchange includes IPO listings from the Main Board, SME Board and ChiNext.
16. Pricing and performance is based on 560 IPOs of exchanges that have started trading by 2 December. Data as of 3 December.
17. Year-to-date returns of equity indices as of 2 December.

Greater China goes from strength to strength

After a period of uncertainty in the latter part of 2015, confidence and stability have returned to the Greater China IPO market, with the number of deals steadily increasing quarter-by-quarter throughout the year. In total, there were 331 IPOs on Greater China exchanges[18] in 2016 raising US$46.2b in capital, down 6% and 23% respectively on 2015, which had been driven by a standout first six months.

- In 2016, Hong Kong — Main Market (HKEx) and Growth Enterprise Market (GEM) — was the world's leading exchange by capital raised with 19% of the global total, ahead of Shanghai (SSE) with 11%.
- By volume, HKEx and GEM also ranked first with 115 IPOs (11% of the global total), slightly ahead of Shenzhen (SZSE and Chinext), which ranked second with 114 IPOs (11%), ahead of Shanghai Stock Exchange in third place with 98 (9%).
- Greater China exchanges hosted four of the ten largest IPOs globally by proceeds in 2016, including the largest deal of the year of Postal Savings Bank of China Co. Ltd., which raised US$7.6b on HKEx in September.

Mainland China IPO activity accelerates

After a steady start to the year on Mainland China exchanges, in which the China Securities Regulatory Commission (CSRC) sought to quell market volatility by keeping a close hold on the pace of new listings, IPO activity has steadily quickened in the second half of 2016. The stabilization of the Chinese economy and stock markets in the second half of 2016 has helped the performance of newly listed companies.

For the year as a whole, there was a total of 212 IPOs on Mainland exchanges, raising US$20.9b in proceeds. Compared with 2015, this represented decreases of 4% and 19% respectively. However, the fourth quarter can be seen as a turning point as the CSRC has moved to accelerate the pace of IPOs. There were 86 new listings in 4Q16, up from 65 IPOs in the prior quarter, while proceeds rose to US$9.2b from US$7.3b in 3Q16.

As a result, the number of companies on the CSRC IPO waiting list dropped to around 740, from a high of more than 850 earlier in the year. Meanwhile, investor appetite for A-share IPOs remains overwhelming. In 4Q16, first-day returns for every company that went public reached 44%, the maximum permitted by the CSRC.

Hong Kong maintains a stable course

The Hong Kong Main Market and GEM IPO saw a steady end to the year with 47 IPOs raising a total of US$7.7b in 4Q16. This was an increase of 57% by volume but a fall of 36% by proceeds respectively on 3Q16. Compared with 4Q15, deal numbers were down 8% in the fourth quarter and proceeds by 44%. For the full year, there were 115 IPOs — down from 121 in 2015 (a decline of 5%) — and US$25.2b in capital raised, a 26% decline (US$33.9b).

Market sentiment remains strong with the proportion of oversubscribed IPOs in 4Q16 on the Main Board at 78%, up from 65% in the third quarter. However, investors are becoming more discerning with regard to valuations — the proportion of IPOs pricing in the upper range dropped to 24% from 43% in 3Q16.

This year the Hong Kong Main Market and GEM as a whole has also seen a trend toward small deals. The average deal size in 4Q16 dropped to US$163m from US$397m in 3Q16 and US$270m in 4Q15. This trend is underlined by continued robust activity on the GEM board — funds raised increased 240% and 183% compared with 3Q16 and 4Q15, respectively.

Financials and health care were the two most active sectors by capital raised in the fourth quarter, raising US$2.5b and US$2.2b respectively, accounting for 33% and 29% of the quarter's total. The latter was due principally to the US$1.9b listing of China Resources Pharmaceutical Group on the HKEx in October, which was the second largest deal in Hong Kong this year. Consumer products and services and industrials were the two most active sector by volume in 4Q16, accounting for 23% and 19% respectively of this quarter's IPOs on the Hong Kong Main Market and GEM.

Greater China will continue to lead the way in 2017

The outlook for the IPO market in the Greater China region in the coming year is positive. In Hong Kong, the State Administration of Foreign Exchange has opened up a green channel for domestic enterprises to list, which should promote new listings. Furthermore, the loose monetary environment is expected to continue for some time and there is an expectation that a depreciation of the Chinese renminbi (RMB) may lead to capital flows into the Hong Kong market from Mainland China. On the flip side, Hong Kong may lose out on some potential listings as the acceleration of the A-share IPO approval process by CSRC and the subsequent reduction in waiting time may persuade some Mainland companies to pursue a domestic listing.

On Mainland China exchanges, IPO activity will continue to build in the first half of 2017, supported by key structural reforms. With greater emphasis being put on information disclosure in the review of IPO candidates, the current listing process is moving closer to a registration-based system. Meanwhile, the second review of the Securities Law in December's legislative plan of the Standing Committee of the National People's Congress will provide a legal basis for the building of a multilevel capital system. In the nearer term, the launch of the Shenzhen-Hong Kong Stock Connect program in early December could be a further boost to market sentiment and could encourage greater participation by foreign institutional investors.

Although some uncertainty remains, notably around the outlook for the global economy following the change of the US political administration and upcoming elections in a number of major European countries, our expectation is that the Greater China IPO market will continue to be the world's most active in the coming year.

18. During 4Q16 YTD, the total IPO activity on Greater China exchanges consisted of IPOs on Hong Kong Main Market (71 IPOs, US$24.6b); Hong Kong Growth Enterprise Market (44 IPOs, US$587.6m); Shanghai Stock Exchange (98 IPOs, US$14.2b); Shenzhen Stock Exchange — the Mainboard, the SME board and ChiNext (114 IPOs, US$6.7b); and Taiwan Stock Exchange (4 IPOs, US$74.2m).

Greater China IPO highlights

4Q16 YTD

(January–December 2016)[19]

Volume and value

Hong Kong Main Market
71 deals
(18% decrease on 4Q15 YTD)

Shanghai
98 deals
(10% increase on 4Q15 YTD)

Shenzhen
114 deals[20]
(13% decrease on 4Q15 YTD)

Hong Kong Main Market
US$24.6b
(27% decrease on 4Q15 YTD)

Shanghai
US$14.2b
(19% decrease on 4Q15 YTD)

Shenzhen
US$6.7b[20]
(18% decrease on 4Q15 YTD)

Key trends

- A surge of new listings is expected in 2017 in which small- and medium-sized enterprises are expected to dominate the pipeline and there are fewer listings of state-owned enterprises.
- Regulators will continue to support orderly market development in both Hong Kong and Mainland China, further boosting market sentiment and encouraging greater participation by foreign institutional investors.
- Cross-border activity will likely increase as more Chinese technology companies look to list on US exchanges.

Commentary

"The capital markets in Greater China returned to stability this year with its stock exchanges topping the global exchanges leaderboard in terms of both IPO volume and capital raised. The Mainland regulator has started to accelerate the IPO approval process and we expect this trend to continue in the coming months. Moreover, the launch of the Shenzhen-Hong Kong Connect program would be a further boost to market sentiment and is expected to encourage greater participation by foreign institutional investors. With a strong pipeline of companies ready to list and investor sentiment unaffected by political shockwaves elsewhere in the world, we expect Greater China exchanges to remain the world's most active markets for IPOs in 2017."

Terence Ho
EY Greater China IPO Leader

Six sectors trending

Industrials	89 deals	(US$5.6b)
Technology	58 deals	(US$3.6b)
Consumer products	36 deals	(US$4.0b)
Materials	31 deals	(US$1.4b)
Financials	22 deals	(US$21.0b)
Health care	22 deals	(US$3.9b)

IPO pricing and performance[21]

Hong Kong Main Market

- **+3.5%** first-day average return
- **+1.7%** increase in offer price vs. 2 December 2016
- **US$160.5m** median post-IPO market cap
- **US$38.8m** median deal size

Shanghai and Shenzhen

- **+43.4%** first-day average return
- **+215.6%** increase in offer price vs. 2 December 2016
- **US$208.1m** median post-IPO market cap
- **US$51.7m** median deal size

Equity indices[22]

HANG SENG	+3.1% ▲
SHANGHAI COMP	-9.2% ▼
SHENZHEN COMP	-11.3% ▼
HANG SENG VOLATILITY	-9.6% ▼

Mainland China's IPO pipeline

More than 740
companies are in the China Securities Regulatory Commission (CSRC) pipeline.

More than half (55%) of the companies
are planning to list on the Shenzhen Stock Exchange.

Around 34%
are expected to be PE- or VC-backed.

CSRC IPO pipeline

19. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
20. Shenzhen Stock Exchange includes IPO listings from the Main Board, SME Board and ChiNext.
21. Pricing and performance is based on 66 IPOs on Hong Kong Main Market and 182 IPOs on Shanghai and Shenzhen stock exchanges that have started trading by 2 December. Data as of 3 December.
22. Year-to-date returns of equity indices as of 2 December.

EMEIA cautiously optimistic amid uncertainty

As predicted, in 2016 the EMEIA region performed strongly, with the region ranking second globally in terms of capital raised and number of IPOs, with a strong divergence in market activity across the region. While exchanges in Europe and the Middle East experienced notable declines in IPO activity levels, India and Africa performed strongly.

A combination of political and economic factors weighed heavily on European markets in 2016. Despite a remarkable 4Q16 rally that saw proceeds leap 145% on 86% more deals than the preceding quarter, IPO activity for the year (174 IPOs raising US$31.7b) was down 36% by number of deals and 49% down by capital raised. Middle East exchanges experienced a similar deterioration with proceeds down 51% and the number of IPOs down 42% (11 IPOs raising US$1.3b in 2016).

India's exchanges by contrast made the biggest gains of any territory globally, recording a 79% uptick in proceeds on a 38% increase in deal numbers (83 IPOs raising US$3.8b in 2016). African exchanges were not far behind with capital raised leaping 81%, albeit on the back of a reduced number of deals (9 IPOs raising US$0.8b).

- Despite a relatively strong fourth quarter that saw a dramatic 96% jump in capital raised compared with the third quarter, EMEIA exchanges raised only US$37.7b from 285 IPOs during 2016, a decline of 44% by proceeds and 25% by volume of deals compared with 2015.
- India's Bombay Main Market and SME board and UK's Main Market and AIM featured strongly among the global top 10 exchanges in 2016, ranking seventh and ninth respectively by number of deals, while NASDAQ OMX and its junior market together ranked tenth. By capital raised, NASDAQ OMX ranked fifth globally in 2016, with the UK's exchanges in seventh position and Germany's Deutsche Börse in ninth place.
- In terms of megadeals, Deutsche Börse was the star performer in 4Q16, hosting the Innogy SE listing that raised US$5.2b – the largest deal globally in the quarter and the second largest IPO of the year overall. NASDAQ OMX Copenhagen and London Main Market also featured strongly in the 2016 global top ten with two deals and one deal respectively.

Steady valuations and lower volatility prove European market resilience

Lack of predictability in terms of electoral events suggests the world of capital markets has become a more uncertain place. While this has clearly had a deterrent effect on the listing ambitions of European companies, European equity markets have proved remarkably resilient, with valuations recovering quickly after the shock of the UK's Brexit vote and appearing barely to register the impact of the US vote result. Valuation levels, as demonstrated by trailing P/E of major equity indices, have also held steady or are trending upward, indicating strong analyst and investor confidence, boding well for future market performance.

Volatility, always a key concern for companies considering IPO, has also subsided markedly in the aftermath of both events suggesting IPO windows are principally open as we move into 2017.

Political risks remain …

As we look ahead to 2017, the key risks for EMEIA IPOs remain political in nature. Concerns abound over the impact of new US policies on global trade patterns and their potential to disrupt the economic growth of European countries. We also see uncertainty regarding Federal Reserve's interest rate policy and the potential knock-on effect for the European Central Bank's mid-term policy, which may increase caution in terms of IPO planning.

… But pipelines are building

If nothing else, the key learning from 2016 is that capital markets are resilient, despite uncertainty and that varying levels of confidence will perpetuate an uneven IPO market performance across the EMEIA region in 2017.

In Europe, with volatility down, valuations up and monetary policy supportive, it is no surprise that pipelines are continuing to rebuild. Demand is strong with investors searching for growth and keen to lock in returns from rising equity values.

The key question of course is whether European issuers will be prepared to weather the political risk and uncertainties and go ahead with their IPO transaction, placing their business and leadership in the full glow of public scrutiny, or whether they stick with more conservative strategic options. Our view is that while 2017 IPO activity levels are likely to improve on 2016, 2017 is not likely to see a significant recovery in activity level. Companies will want to keep their options open, stay flexible and pick the optimal strategy to accelerate growth when the time is right.

In the Middle East, by contrast, we anticipate that activity levels will remain depressed because of ongoing significant regional political and economic instability.

Looking beyond Europe and the Middle East, India is likely to remain the jewel in the crown of IPO activity in EMEIA in 2017. With a supportive political backdrop, upbeat economic sentiment, improved business confidence, easing inflationary pressure and stable foreign direct investment inflows, the pipeline is looking solid for 2017. Likewise, we are hopeful that the strong entrepreneurial spirit in developing markets in Africa will continue to translate into a solid pipeline of IPOs.

EMEIA IPO highlights

4Q16 YTD

(January-December 2016)[23]

285 IPOs with US$37.7b proceeds

Main markets:	▼ 131 IPOs (40% decrease on 4Q15 YTD)	▼ Proceeds US$35.3b (46% decrease on 4Q15 YTD)
Junior markets:	▼ 154 deals (3% decrease on 4Q15 YTD)	▲ Proceeds US$2.4b (26% increase on 4Q15 YTD)

Key trends

Investor confidence

- We anticipate an uptick in IPO activity as we move into 2017 while market windows are staying narrow, opening and closing quickly.
- In the medium term, political and economic uncertainties over trading relationships and EU stability may influence issuers' appetite to complete an IPO during the transitional period ahead.
- In India, IPO activity looks set to remain strong driven by a combination of high investor confidence and regulatory reforms.

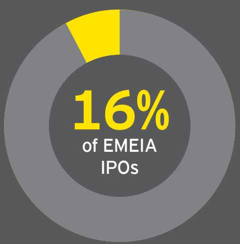
Commentary

"2016 has been a start-stop year for IPOs in EMEIA. What happens in the UK and US matters to companies' growth prospects in EMEIA, even though equity markets have proved remarkably resilient so far. As we look ahead to 2017, political uncertainty in the form of US policy and EU stability remains firmly at the center of our radar, with economic risks not far behind. Pipelines are building, but when the future is uncertain, preserving transaction optionality with a multitrack funding strategy is key for companies looking to accelerate growth."

Dr. Martin Steinbach
EY Global and EMEIA IPO Leader

Top five exchanges by funds raised

NASDAQ OMX	LSE	Deutsche Börse	BSE	Euronext
NASDAQ OMX and First North[24]	Main Market and AIM	Deutsche Börse	Bombay and SME	Euronext and Alternext
US$9.2b	US$7.2b	US$5.8b	US$3.8b	US$3.8b
(49 deals)	(55 deals)	(7 deals)	(66 deals)	(18 deals)



Financial sponsor activity fell by 36% in 4Q16YTD compared with 4Q15YTD

PE/VC accounted for 16% of EMEIA IPOs (46 deals)

46% by proceeds (US$17.3b)

Three sectors trending

Industrials	Technology	Health care
40 deals	40 deals	39 deals
(US$5.1b)	(US$4.2b)	(US$3.4b)

IPO pricing and performance

Main markets[25]

- +4.6% first-day average return
- +3.9% increase in offer price vs. 2 December 2016
- US$298.0m median post-IPO market cap
- US$92.9m average deal size

Junior markets[25]

- +11.7% first-day average return
- +29.7% increase in offer price vs. 2 December 2016
- US$14.6m median post-IPO market cap
- US$2.8m median deal size

Equity indices[26]

FTSE 100	+7.3% ▲	BSE SENS	+1.0% ▲
DAX	-2.1% ▼	JSE All share	-3.0% ▼
CAC 40	-3.2% ▼	MICEX	+20.9% ▲

Volatility indices

VSTOXX®	+2.0% ▲	VDAX®	-8.7% ▼

Postponed and withdrawn IPOs

▸ 39 deals -29% ▼

Cross-border IPOs

- 21 (7%) EMEIA issuers conducted cross-border listings, consisting of:
  - 13 IPOs to exchanges within the EMEIA region
  - Eight IPOs to exchanges outside the EMEIA region
- Four Asian companies and two US company conducted cross-border listings on EMEIA exchanges

23. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
24. NASDAQ OMX and First North include IPOs on the Copenhagen, Helsinki, Iceland and Stockholm markets.
25. Pricing and performance is based on 125 IPOs on main markets and 148 IPOs on junior markets that have started trading by 2 December. Data as of 3 December.
26. Year-to-date returns of equity indices as of 2 December.

UK set for a quiet year

Uncertainty around the EU referendum and the subsequent decision to exit the EU had a significant impact on the UK IPO market in 2016. The year got off to a slow start as the first half saw some companies delaying their plans ahead of the June 23 referendum. The unexpected vote to leave the EU ensured that this uncertainty carried on into the second half of the year, with a marked further reduction in the number of deals and particularly in the level of capital raised, making this the slowest year for UK IPOs since 2012.

- Overall there were 55 IPOs on the UK Main Market and Alternative Investment Market (AIM) during 2016; a decline of 11% compared with 2015, with 60% of IPO activity concentrated in the first half of the year.
- Proceeds raised fell by 52% to US$7.2b in 2016 from US$14.9b in the previous year. The fourth quarter was particularly weak – with 57% fewer funds raised than in the same period last year.
- London's Main Market and AIM slipped from fifth position in 2015 to seventh in 2016 among the world's most active exchanges by capital raised and from eighth to ninth position in terms of deal volumes.

Smaller deals across many sectors
From a sector perspective, health care and technology were the most active sectors in 2016, each accounting for 13% of deal volume, followed by financials (11%) and energy (11%). Health care dominated proceeds raised, accounting for 29% of capital raised in 2016, helped significantly by the large size of ConvaTec Group plc's IPO in a year otherwise dominated by smaller deals.

ConvaTec was the most significant IPO of 4Q16 and the largest UK listing of the year by a considerable margin. It was the UK's only megadeal (an IPO with proceeds of more than US$1b) during 2016, shrugging off negative market sentiment to raise gross proceeds of US$1.9b in October. ConvaTec, which focuses on products for managing chronic conditions and acute wound care, was floated by its private equity (PE) owners, who will both retain a stake in the business.

PE looks to take advantage of narrow IPO windows
Private equity was active toward the end of the year. Three out of the four Main Market listings in 4Q16 were PE-backed, raising 84% of the quarter's capital. This may reflect the fact that PE-backed businesses typically have the scale and expertise to launch their listings quickly when market windows open. Even so, pricing continues to be tight. For example, the pricing of PE-backed waste management group Biffa's IPO in October were lowered to help ensure the deal was successfully completed.

From a year-on-year perspective, however, PE- and VC-backed activity was lower in 2016 than in 2015. Financial sponsors' share of deal volume fell to 24% from 35% and their share of proceeds raised declined to 66% from 81% in the previous year.

Realistic pricing has helped post-float performance of IPOs in 4Q16. Newly listed stocks on the Main Market in 4Q16 are currently trading on average 4.4% above offer price, while IPOs on AIM in 4Q16 are currently trading at 5.6% above offer price. Only one of the four Main Market IPOs and two of the seven AIM IPOs in 4Q16 are currently trading below their list price, with the highest performer trading 29% above list price at the time of writing. For 2016 as a whole, UK IPOs exhibit positive outperformance compared to broader equity indices. IPOs on the London Main Market are currently trading on average at 19% above offer price, while listings on AIM are currently trading at 27% above price.

Poor pricing prompts IPO withdrawals
To attract the investors required in the post-Brexit market environment, many IPOs have had to be priced toward the lower end of their price range. This lower pricing has led to a number of potential IPOs being withdrawn from the market in the fourth quarter and has been a significant factor in the lower levels of IPO activity in the latter part of 2016. Misys, PureGym, TI Automotive and Mountain Warehouse were among the higher profile withdrawals, while O2 has delayed its listing until the markets are more supportive.

Many of the businesses that have put their listing plans on hold have not yet revised their IPO timetables. In part, this reflects difficulties in agreeing upon valuations amid a low IPO pricing environment, but currency fluctuations have also added to the difficulty of valuing revenue streams. The flipside is that the weaker pound will make UK IPOs more attractive to overseas investors, but it will require a more stable market environment before IPO candidates return to the market in force.

Cautious outlook for the start of 2017
In the wake of political events in both the UK and the US, investor confidence has been dented. Low pricing, the faltering of the post-Brexit equity market rally and ongoing uncertainty about what the UK economy will look like outside the EU have all contributed to a "wait-and-see" approach among many IPO candidates.

We believe a significant improvement in IPO activity is unlikely until uncertainty dissipates once the Presidential transition has taken place in the US and the UK has formalized its EU exit strategy.

UK IPO highlights

4Q16 YTD

(January-December 2016)[27]

Volume and value

London Main Market
16 deals
(52% decrease on 4Q15 YTD)

London AIM
39 deals
(34% increase on 4Q15 YTD)

London Main Market
US$5.7b
(59% decrease on 4Q15 YTD)

London AIM
US$1.5b
(72% increase on 4Q15 YTD)

Key trends

- The UK equity market recovery has stalled in the wake of the EU referendum, reflecting ongoing uncertainty over the shape of the Government's EU exit strategy, which in turn has dented investor confidence.
- Uncertainty and low confidence have prompted several IPO postponements and withdrawals, with no immediate revision of transaction timescales, suggesting 2017 will get off to a slower start.
- A weak pound will underpin US and Asian investor interest in UK IPOs, but a resolution of the political uncertainty is required before listing activity is likely to pick up significantly.

Commentary

"Volatility in the markets and currency fluctuations created in the wake of political events in both the UK and the US have caused a substantial drop in the value of the pound, which further contributed to difficulties in agreeing upon IPO valuations. All of this in turn led to a number of high-profile listings being withdrawn. We anticipate that any return to more 'normal' IPO activity levels is likely to be delayed until uncertainty has subsided after the Presidential transition has taken place in the US and the UK has formalized its EU exit strategy."

Scott McCubbin
EY UK and Ireland IPO Leader

Financial sponsors continue to drive UK IPO market

PE and VC accounted for 24% of UK IPOs (13 deals)

66% of proceeds (US$4.8b)

Three sectors trending

Health care	Technology	Financials
7 deals	**7 deals**	**6 deals**
(US$2.1b)	(US$0.4b)	(US$1.4b)

IPO pricing and performance

London Main Market[28]

+3.0%	first-day average return
+19.0%	increase in offer price vs. 2 December 2016
US$476.2m	median post-IPO market cap
US$249.4m	median deal size

Alternative Investment Market[28]

+9.7%	first-day average return
+27.0%	increase in offer price vs. 2 December 2016
US$63.9m	median post-IPO market cap
US$18.7m	median deal size

Equity indices[29]

FTSE 100	+7.3% ▲
FTSE 350	+5.9% ▲
FTSE AIM ALL SHARE	+10.7% ▲

Cross-border activity in 4Q16 YTD[30]

Italy and US had two deals each; Guernsey and Malaysia had one deal each, raising US$182.7m altogether on AIM.

Israel and Philippines had one deal each, raising US$8.1m altogether on London Main Market.

Top three IPOs in 4Q16 by capital raised

ConvaTec Group plc	Civitas Social Housing plc	Biffa plc
raised **US$1,939m** (Health care)	raised **US$431m** (Real estate)	raised **US$259m** (Consumer products and services)

27. 4Q16 YTD (January-December 2016) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December.
28. Pricing and performance is based on 16 IPOs on London Main Market and 35 IPOs on AIM that have started trading by 2 December. Data as of 3 December.
29. Year-to-date returns of equity indices as of 2 December.
30. There were eight cross-border IPOs on London Main and AIM in 4Q16 YTD.

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Contacts:

Dr. Martin Steinbach
EY Global and EMEIA IPO Leader
martin.steinbach@de.ey.com

Jacqueline Kelley
EY Americas IPO Leader
jacqueline.kelley@ey.com

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

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

Shinichiro Suzuki
EY Japan IPO Leader
suzuki-shnchr@shinnihon.or.jp

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

Find out more about future IPO prospects

For more information on global IPO performance by quarter and year, and how the IPO market looks set to develop in 2017, visit the EY Global IPO website:

ey.com/ipo

Note: Throughout this report, 2016 January to December (4Q16 YTD) IPO activity is based on priced IPOs as of 2 December and expected IPOs by end of December. Source of data: Dealogic and EY.