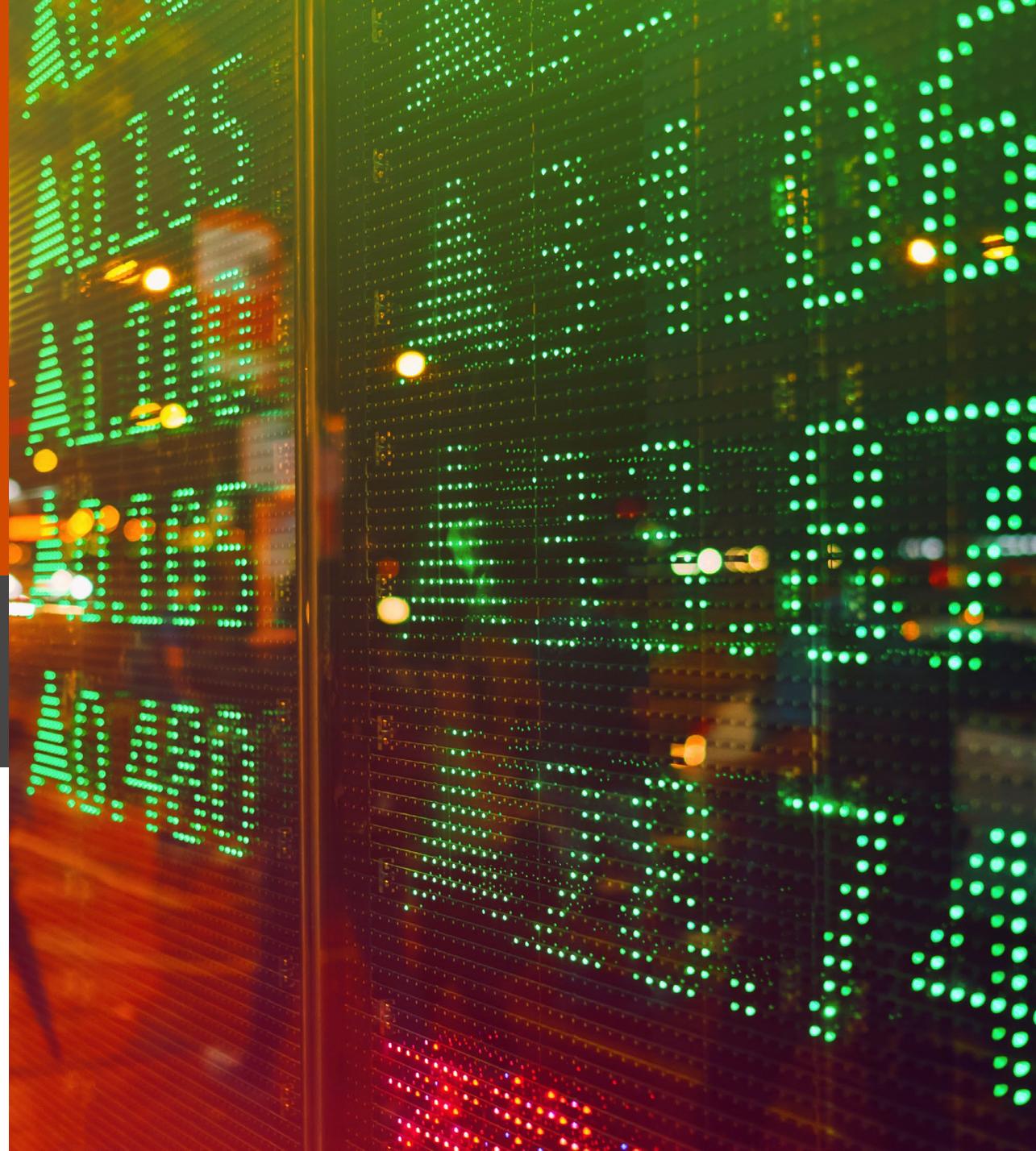


# Global IPO Watch Q2 2020

A PwC Global IPO Centre publication



# Q2 2020 overview and outlook for the remainder of the year

## Q2 2020 overview

- Global equity markets have seen a strong bounce back from the low points seen in March 2020. Whilst market volatility has reduced from the height of the global pandemic, it remains elevated as the global economy continues to grapple with the effects of COVID-19.



- IPO and FO activity followed the trajectory of global equity markets as the quarter developed. June was the strongest month of issuance with 53% and 43% of the Q2 2020 IPO and FO proceeds raised respectively in the month.
- Q2 2020 saw the highest levels of global FO activity in terms of number and money raised since Q4 2009 (\$263.6bn). A total of 1,060 transactions raised \$240.5bn in the quarter (Q2 2019: 788 / \$119.8bn). FO activity was heightened across all regions as all developed markets felt the impact of COVID-19.
  - The Financials sector accounted for 22% (\$51.8bn) of FO proceeds in the quarter, as institutions took action to strengthen their capital positions as the impact of COVID continues to affect the global economy.
  - Consumer Services and Health Care sector FOs each accounted for a further 18% of FO proceeds in the quarter - \$42.6bn and \$44.1bn respectively.

- Global IPO activity remained subdued, however, a resurgence in the US IPO market towards the end of the quarter contributed to 186 IPOs raising \$42.3bn (Q2 2019: 290 / \$66.1bn) – the Americas accounted for 61% (\$25.6bn) of global IPO proceeds in the quarter.
  - Health Care IPOs dominated the quarter with 45 deals raising \$11.0bn.
  - In contrast, there were three Oil & Gas IPOs in the quarter raising just \$0.5bn. The sector faces continued challenges including depressed commodity prices and the ongoing trend towards ESG investing.
- Challenging times also create opportunities and it is interesting to note twenty four US “blank check” or special purpose acquisition companies (SPACs) raised \$7.9bn in Q2 2020.

## Looking forwards

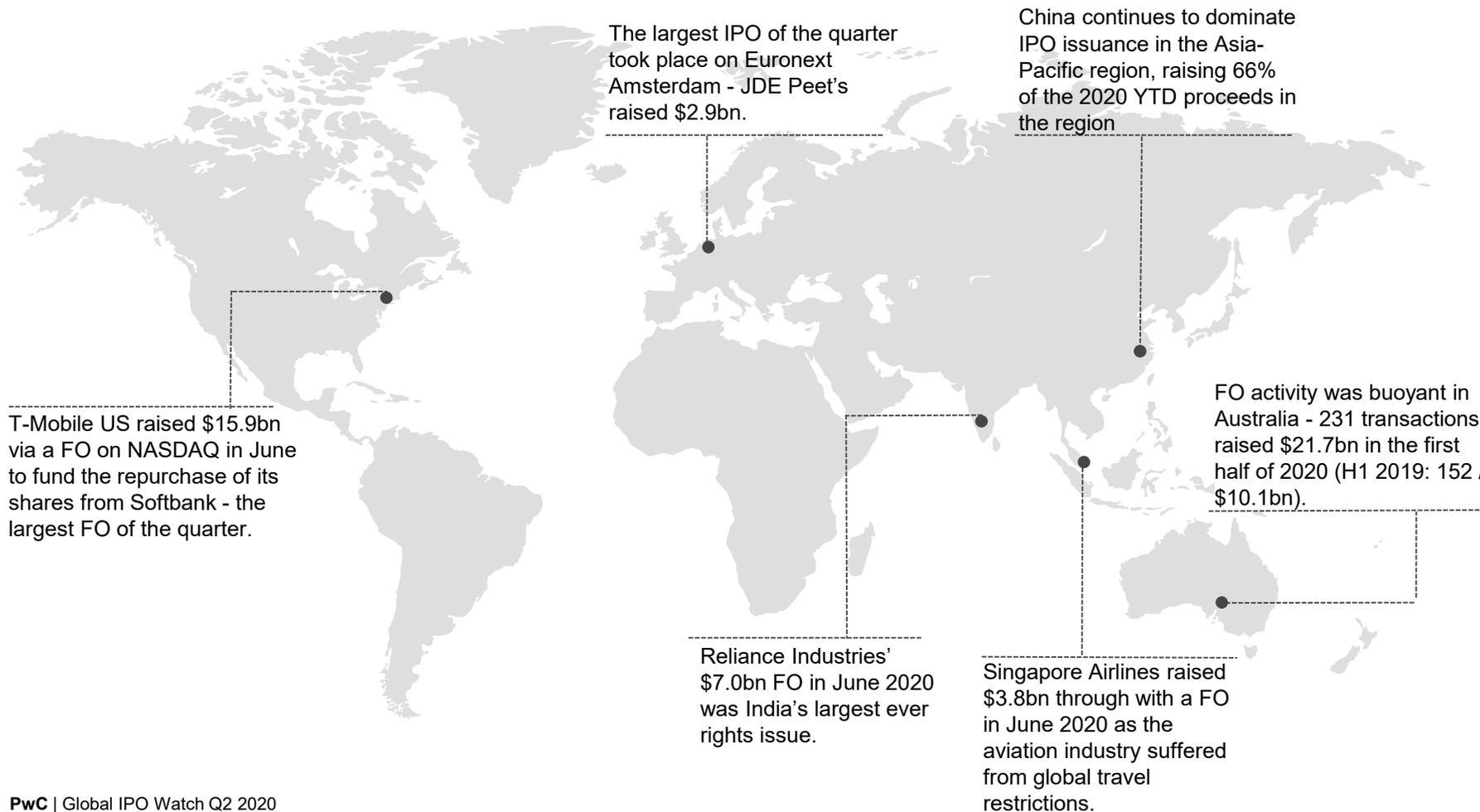
- The outlook for the remainder of 2020 remains highly uncertain as the markets assess the trajectories for the exit from lockdown and the sustained effects of the COVID-19 virus. Ongoing volatility can be expected as the markets respond to newsflow.
- In the second half of the year, we expect to see further offerings, either in anticipation of acquisitions or as companies rebuild their balance sheets, and growing support for IPOs, particularly in favoured sectors where companies are able to demonstrate their ability to prosper during and after the pandemic.
- With the US presidential election in November, and the Brexit transition period ending in December, IPO candidates may be looking to issue earlier in H2. However, a disappointing reporting season for H1 2020 earnings could cause a re-evaluation of recession risks with respect to stock valuations which may dampen the IPO market.

**Ross Hunter**  
PwC IPO Centre Leader  
PwC United Kingdom

**Nadja Picard**  
PwC Europe Capital Markets Leader  
PwC Germany

# IPO and Further Offer (FO) Q2 2020 highlights

## Q2 2020 highlights



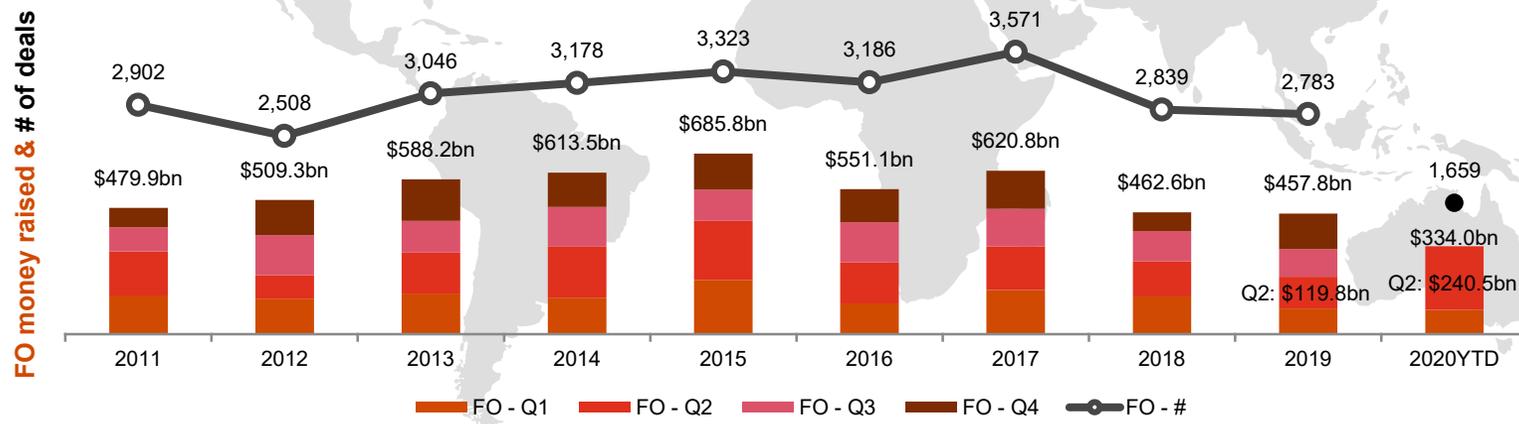
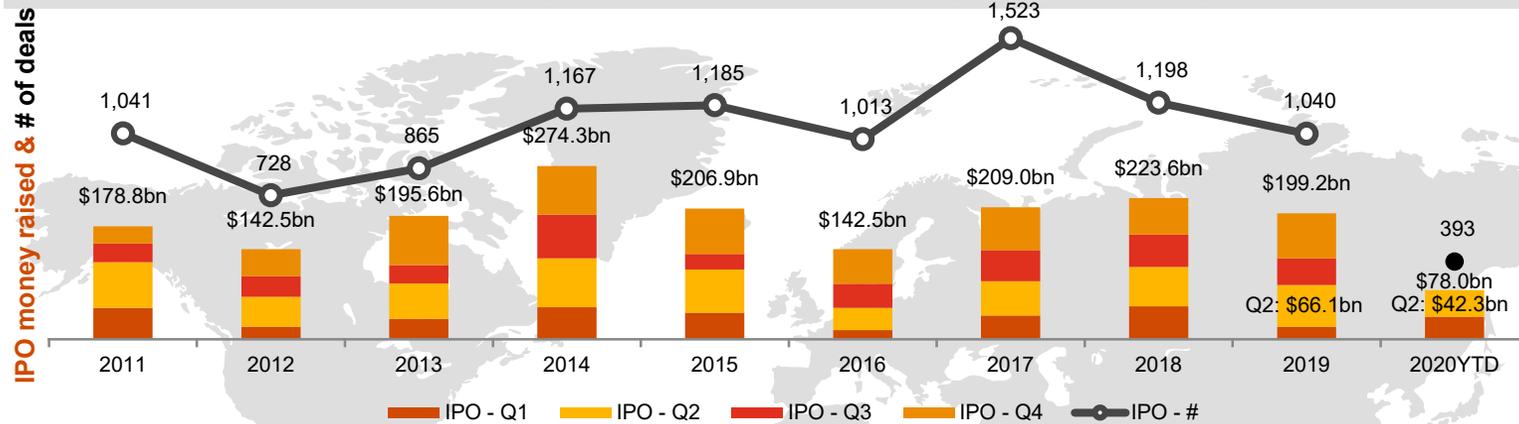
## Q2 2020 highlights

- There were 186 IPOs in Q2 2020, raising a total of \$42.3bn, a modest increase from Q1 2020 (\$35.7bn), but significantly lower than Q2 2019.
- Q2 2020 saw the highest levels of global FO activity in terms of number and money raised since Q4 2009 – 1,060 FOs raised \$240.5bn in the quarter, over double Q1 2020 FO proceeds (\$93.6bn).
- Despite subdued IPO activity in the region, EMEA saw the largest IPO of the quarter with pure play coffee and tea company JDE Peet's listing in Amsterdam.
- There were no financial sponsor backed IPOs in either EMEA or Asia Pacific during this quarter – in the US, a fifth of IPOs were sponsor backed.
- Twenty four US “blank check” or special purpose acquisition companies (SPACs) raised \$7.9bn in Q2 2020.

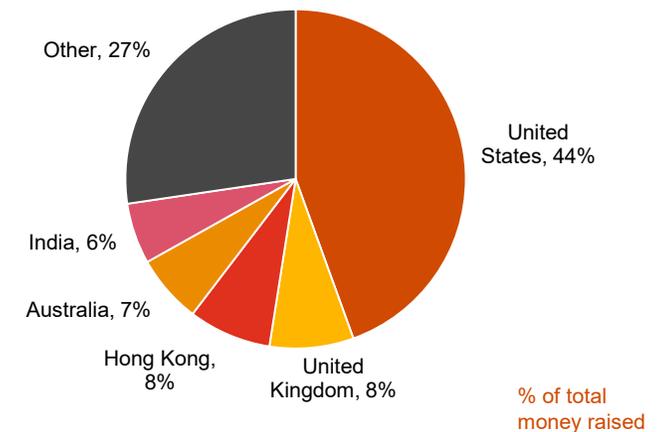
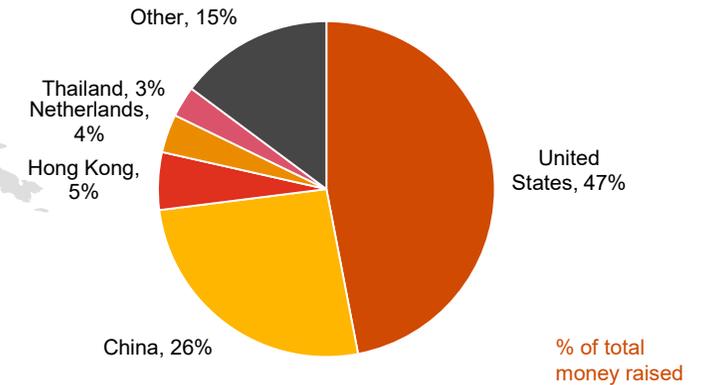
# Global money raised via IPOs and FOs

The US saw the highest levels of IPO and FO activity in the first half of 2020. The China IPO market continues to prove resilient to challenging global economic conditions. UK IPO activity remains subdued, whereas FO activity is notably higher.

Global money raised via IPOs and FOs (10-year overview)



Top countries 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD. Source: Dealogic as of 30 June 2020.

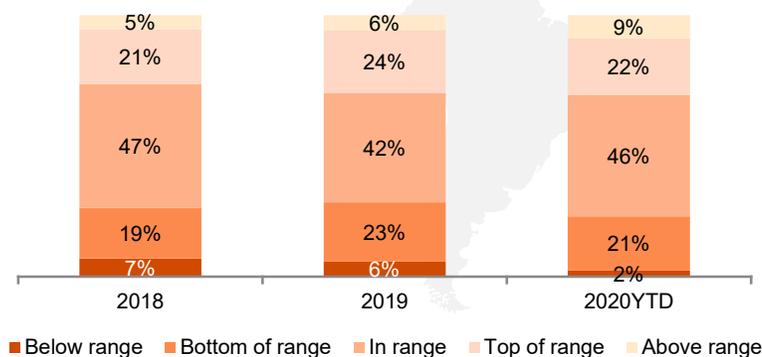
# Overview of global IPO and FO activity

IPO and FO activity followed the trajectory of global equity markets as the quarter developed - June was the strongest month of issuance with 53% and 43% of the Q2 2020 IPO and FO proceeds raised respectively.

## Global IPO and FO activity

	2018	2019	Q2 2018	Q2 2019	Apr 20	May 20	Jun 20	Q2 2020
<b>IPO activity</b>								
1 Number of IPOs	1,198	1,040	325	290	53	49	84	186
% sponsor-backed	8.1%	6.6%	11.1%	10.7%	0.0%	6.1%	11.9%	7.0%
Money raised	\$223.6bn	\$199.2bn	\$62.2bn	\$66.1bn	\$8.3bn	\$11.7bn	\$22.3bn	\$42.3bn
% sponsor-backed	15.5%	18.2%	22.1%	26.4%	0.0%	7.6%	38.8%	22.5%
<b>Advanced metrics</b>								
Free float %	32.4%	31.1%	32.4%	32.6%	29.9%	34.5%	30.2%	31.3%
Overallotment exercised (%) <sup>1</sup>	32.7%	32.0%	36.6%	38.7%	17.3%	28.6%	32.5%	27.2%
% secondary shares	13.6%	12.3%	16.8%	14.7%	1.1%	7.4%	9.5%	6.6%
<b>FO activity</b>								
Number of FOs	2,839	2,783	814	788	255	365	440	1,060
2 Money raised	\$462.6bn	\$457.8bn	\$133.5bn	\$119.8bn	\$40.6bn	\$95.2bn	\$104.6bn	\$240.5bn

### 3 IPO pricing dynamics



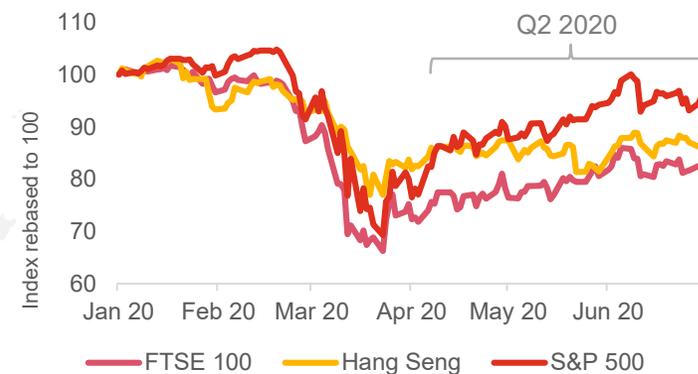
1) Overallotment exercised (%) presents the percentage of IPOs in which the overallotment option has been exercised (either fully or partially).

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

- 1 Q2 2020 saw a lower number of IPOs as compared to Q1 2020 (#207), however, proceeds of \$42.3bn were up 18% from the first quarter. IPO activity was significantly lower than Q2 2019.
- 2 1,060 FOs raised \$240.5bn in Q2 2020, this was over double Q1 2020 (\$93.6bn) and Q2 2019 proceeds (\$119.8bn).
- 3 Despite heightened levels of volatility and uncertainty caused by COVID-19, IPOs priced relatively favourably as compared to 2019.
- 4 After the sell-off experienced in March 2020, global equity markets have risen in Q2 2020, but are facing unfavourable economic data including record levels of unemployment in some developed nations.

### 4 Global indices



# Leading transactions 2020YTD

Even with the uncertain global economic outlook due to COVID-19, the first half of 2020 has seen a steady stream of well priced +\$1bn IPOs, seven of which took place in North America. Q2 2020 saw a number of large scale FOs from issuers in multiple regions across a range of sectors.

## Top 10 largest IPOs 2020YTD

Pricing date	Issuer name	Issuer country	Sector	Exchange	Pricing	Money raised	Performance (% change)		
							1-day	1-month	Current
3-Jan-20	Beijing-Shanghai High Speed Railway Co Ltd		Consumer Services	Shanghai SE	N/A	\$4.4bn	38.73	49.59	41.39
29-May-20	JDE Peet's BV		Consumer Goods	Euronext Amsterdam	In range	\$2.9bn	13.78	12.35	23.87
15-Jun-20	Royalty Pharma plc		Health Care	NASDAQ	Top of range	\$2.5bn	58.93	53.57	57.36
5-Feb-20	Central Retail Corp pcl - CRC		Consumer Services	Thailand SE	In range	\$2.3bn	-0.60	-44.05	-28.57
28-Jan-20	BlackRock Health Sciences Trust II		Financials	NYSE	In range	\$2.3bn	0.20	0.00	10.85
3-Jun-20	Warner Music Group Corp		Consumer Services	NASDAQ	In range	\$1.9bn	20.48	17.40	20.36
5-Feb-20	PPD Inc		Health Care	NASDAQ	Top of range	\$1.9bn	11.11	7.44	4.15
30-Jun-20	Dun & Bradstreet Holdings Inc		Technology	NYSE	Above range	\$1.7bn	15.23	N/A	15.82
3-Mar-20	GFL Environmental Inc		Industrials	TMX	Below range	\$1.4bn	-11.58	-30.84	-0.95
30-Jan-20	Reynolds Consumer Products Inc		Consumer Goods	NASDAQ	In range	\$1.4bn	9.81	10.96	28.15

## Top 10 largest FOs 2020YTD

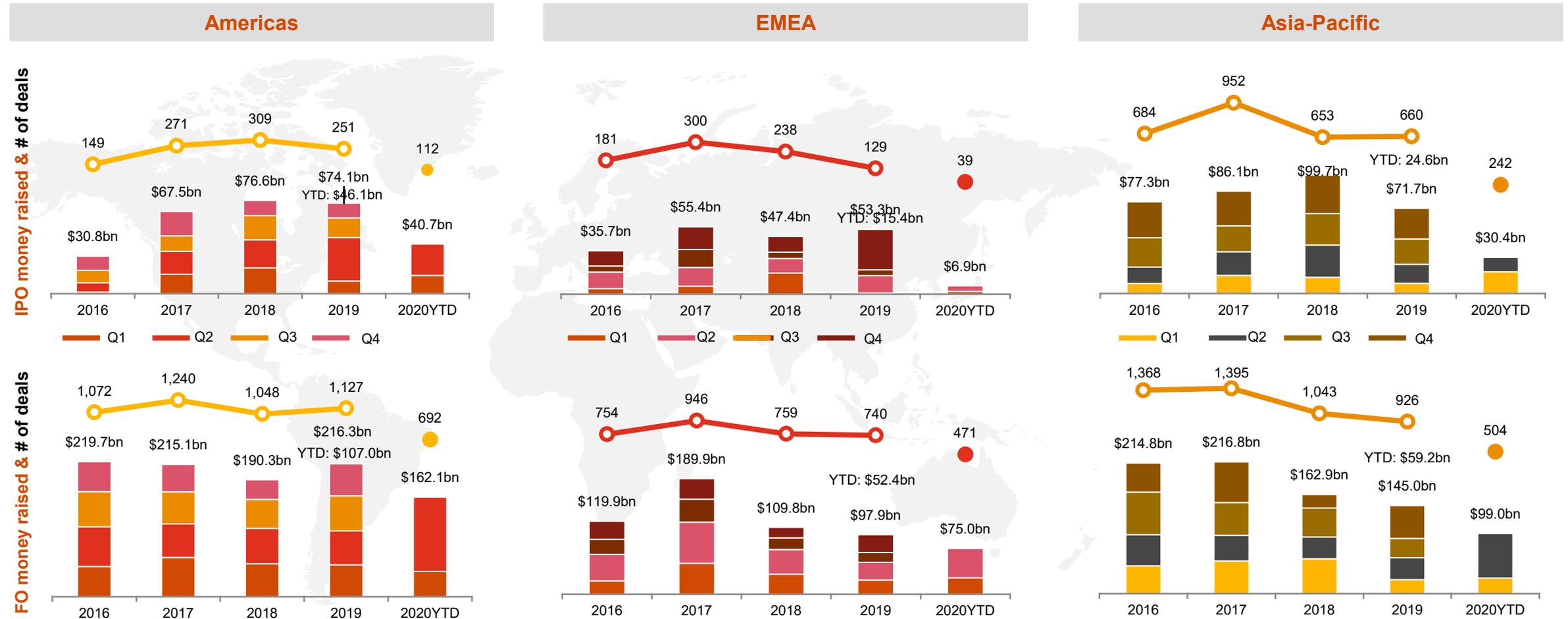
Pricing date	Issuer name	Issuer country	Sector	Exchange	Deal type	Money raised	Performance (% change)		
							1-day	1-month	Current
24-Jun-20	T-Mobile US Inc		Telecommunications	NASDAQ	FO - Accelerated Bookbuild	\$15.9bn	5.27	N/A	1.48
12-May-20	BlackRock Inc		Financials	NYSE	FO - Accelerated Bookbuild	\$13.3bn	15.67	25.49	31.56
11-Jun-20	Reliance Industries Ltd		Oil & Gas	BSE; NSE	FO - Rights Offer	\$7.0bn	22.32	49.44	52.51
26-May-20	Sanofi S.A.		Health Care	NASDAQ	FO - Accelerated Bookbuild	\$6.7bn	5.63	18.71	19.59
5-Feb-20	Petrobras		Oil & Gas	BM&FBOVESPA	FO - Fully Marketed	\$5.2bn	3.29	-17.12	-39.85
26-Jun-20	PG&E Corp		Utilities	NYSE	FO - Fully Marketed	\$4.0bn	-3.89	N/A	-4.63
11-Jun-20	JD.com Inc		Consumer Services	HKEX	FO - Fully Marketed	\$3.9bn	3.54	N/A	6.99
2-Jun-20	Singapore Airlines Ltd		Consumer Services	Singapore SE	FO - Rights Offer	\$3.8bn	43.67	28.33	24.00
7-May-20	Hindustan Unilever Ltd		Consumer Goods	BSE; NSE	FO - Accelerated Bookbuild	\$3.4bn	9.80	9.74	17.49
5-Jun-20	NetEase Inc		Technology	HKEX	FO - Fully Marketed	\$3.1bn	5.69	23.98	19.51

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

# IPO and FO activity per region

EMEA IPO activity remained subdued with one listing accounting for 42% of 2020 YTD proceeds in the region. In contrast EMEA FO activity was buoyant, 2020 YTD issuance was \$22.6bn higher than H1 2019. Asia-Pacific saw a slow down in Q2 2020 IPO activity as compared to Q1 2020, whereas the Americas saw a resurgence.

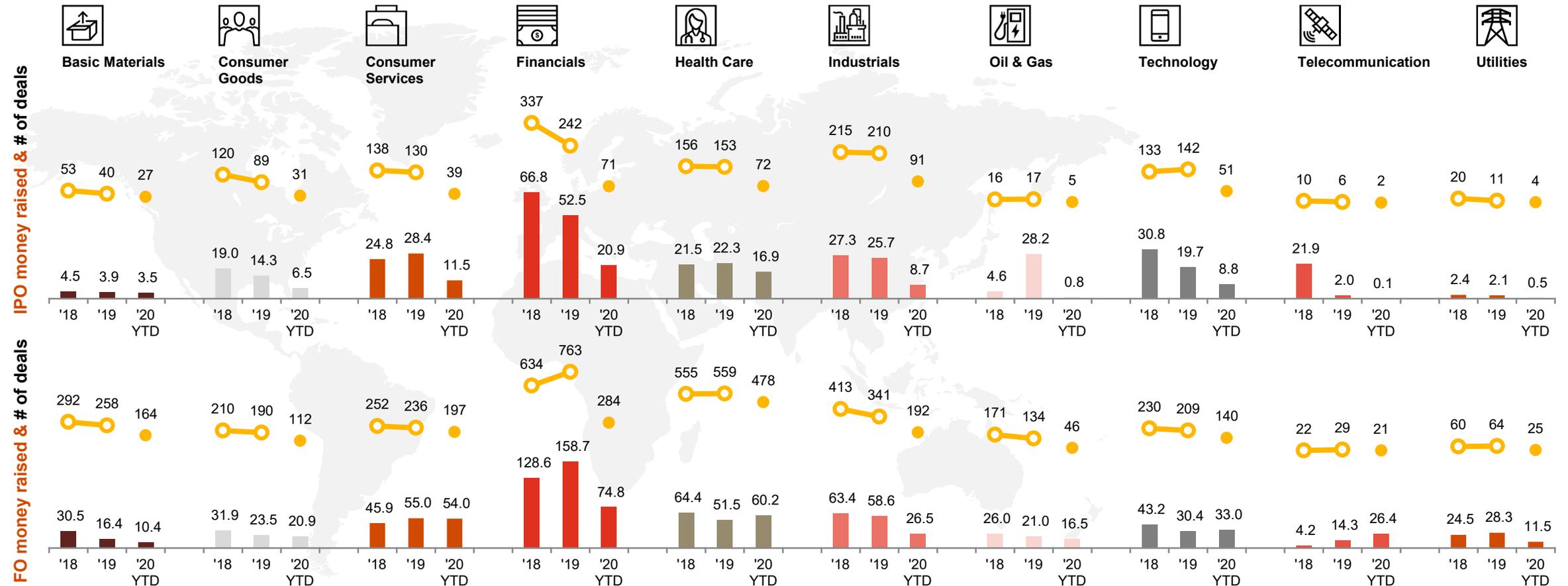


Source: Dealogic, Bloomberg as of 30 June 2020.

# Global IPO and FO activity per sector

Financials dominated IPO and FO issuance in the first half of 2020. \$11.7bn of the \$20.9bn IPO proceeds were in connection with “blank check” or special purpose acquisition companies (SPACs), \$7.9bn of which was in Q2 2020 from 24 deals.

Money raised and number of IPOs and FOs per sector 2018-2020YTD

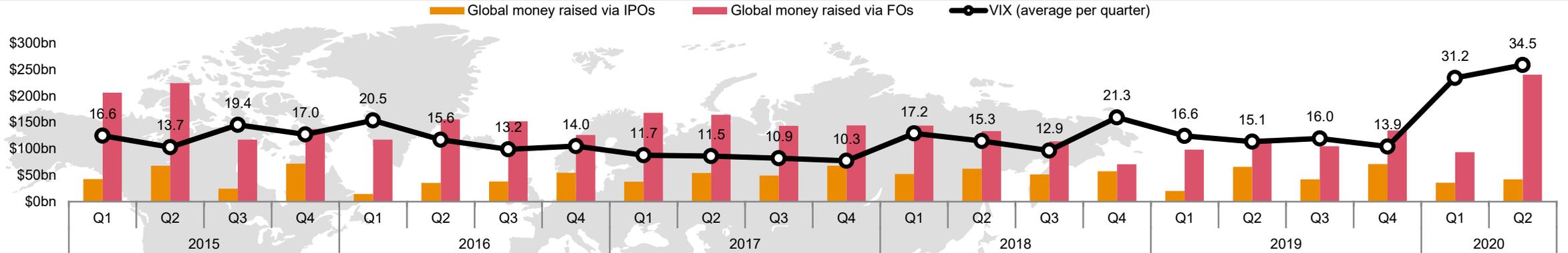


Note: Financials include Closed-End Funds and Real Estate.  
Source: Dealogic as of 30 June 2020.

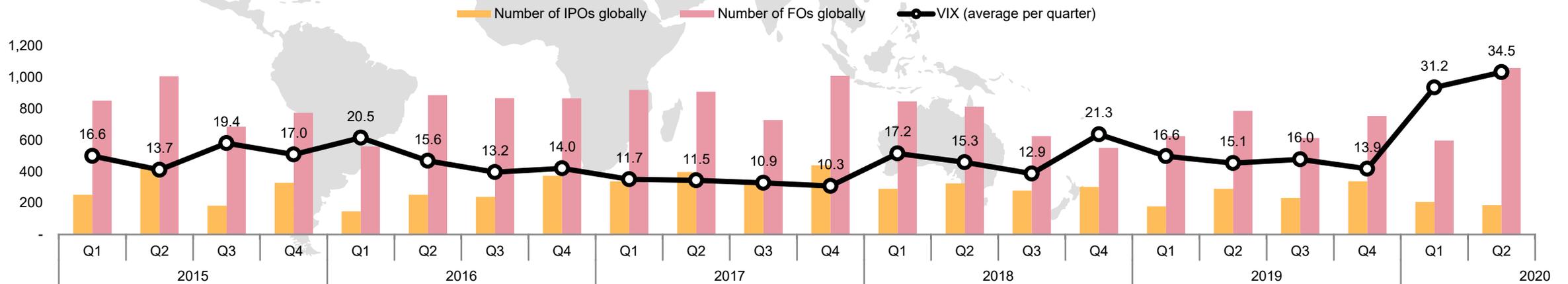
# Volatility versus IPO and FO activity

Market volatility remains elevated as the global pandemic continues to develop or resurface in all regions. Notwithstanding elevated volatility levels throughout the quarter, the IPO market began to see signs of recovery in June.

### Money raised via IPOs and FOs versus volatility



### Number of IPOs and FOs versus volatility



Source: Dealogic, Bloomberg as of 30 June 2020.



## Americas

*The US IPO market continues to benefit from the broader market rebound in Q2 that has priced in a "V" shaped economic recovery. The re-opening of the IPO window unleashed a torrent of biotech and technology IPOs, as well as SPACs.*

*However, it is anticipated that PE backed companies from a broader cross section of the economy will expand the H2 pipeline given the strong pricing environment. Many companies will be attempting to price in advance of the November US presidential elections.*

### **Alan Jones**

IPO Services Co-Leader  
PwC US

### **David Ethridge**

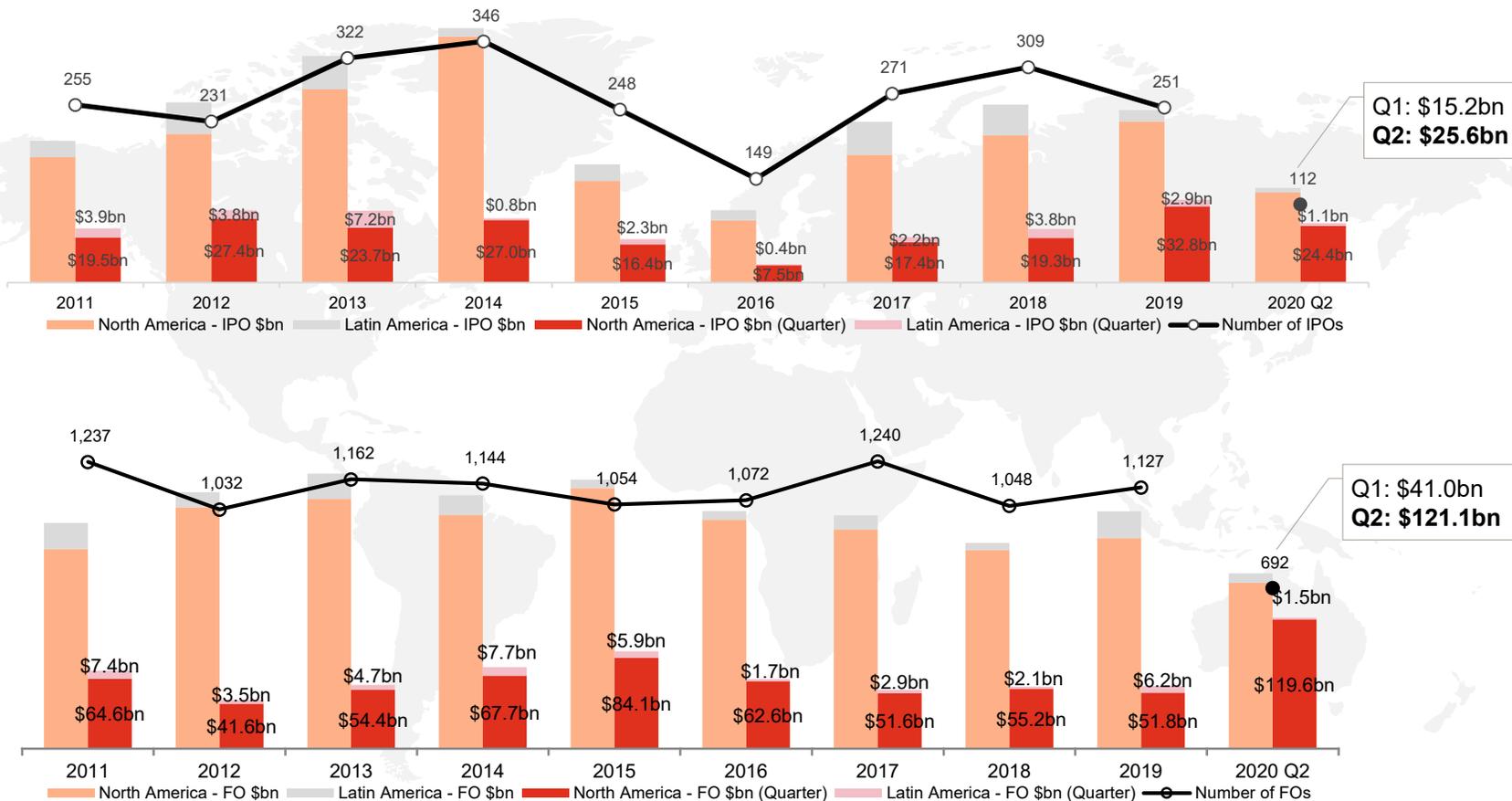
IPO Services Co-Leader  
PwC US



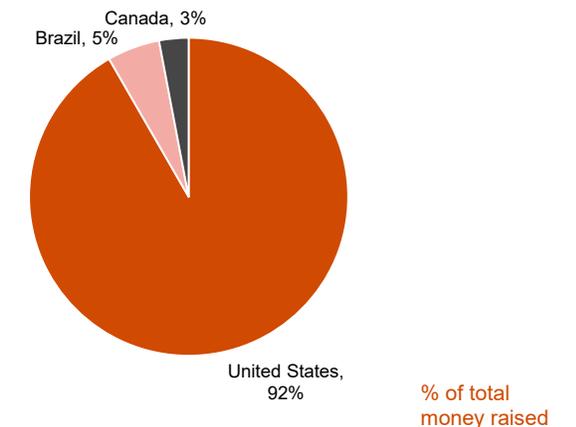
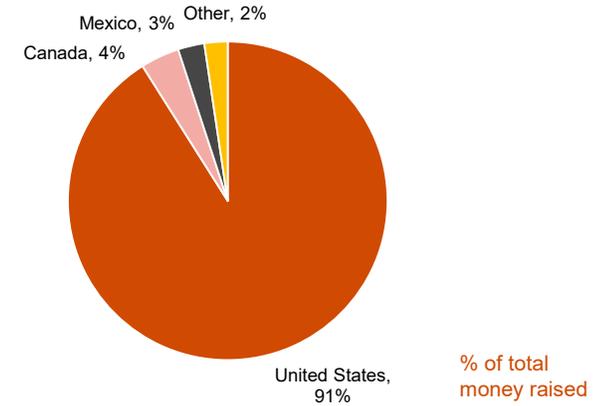
# Money raised via IPOs and FOs in the Americas

Q2 2020 saw the Mexican stock exchange's first +\$1bn IPO since Q3 2018 with infrastructure fund Fibra E - Promotora del Desarrollo de America Latina raising \$1.1bn, one of only two Latin American IPOs in the quarter.

Money raised via IPOs and FOs in the Americas (10-year overview)



Top countries 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD.  
Source: Dealogic as of 30 June 2020.

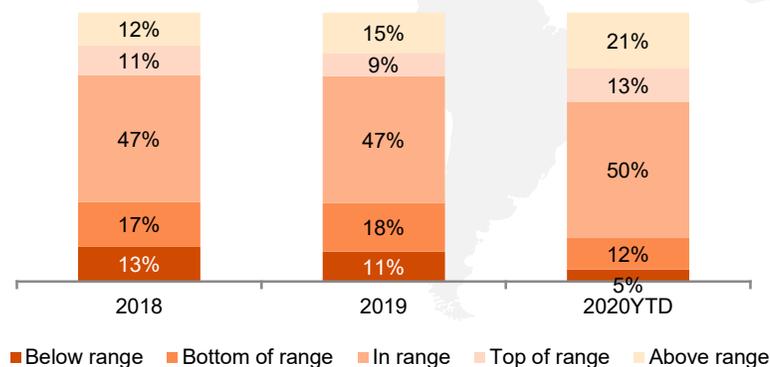
# Overview of IPO and FO activity in the Americas

Even with uncertainty caused by the development of COVID-19 in the US, a resurgence in the US IPO market towards the end of the quarter contributed to 66 IPOs raising \$25.6bn in Q2 2020.

## IPO and FO activity in the Americas

	2018	2019	Q2 2018	Q2 2019	Apr 2020	May 2020	Jun 2020	Q2 2020
<b>IPO activity</b>								
1 Number of IPOs	309	251	89	89	12	16	38	66
% sponsor-backed	17.8%	15.1%	22.5%	19.1%	0.0%	18.8%	26.3%	19.7%
Money raised	\$76.6bn	\$74.1bn	\$23.0bn	\$35.6bn	\$3.8bn	\$4.9bn	\$16.8bn	\$25.6bn
2 % sponsor-backed	27.2%	24.8%	31.1%	28.1%	0.0%	17.9%	51.5%	37.3%
<b>Advanced metrics</b>								
Free float %	36.8%	40.0%	35.5%	35.3%	64.7%	55.0%	38.9%	47.1%
Overallotment exercised (%) <sup>1</sup>	73.0%	74.8%	78.8%	80.0%	72.7%	43.8%	64.9%	60.9%
% secondary shares	5.9%	4.9%	7.5%	6.3%	0.0%	2.3%	6.0%	4.0%
<b>FO activity</b>								
Number of FOs	1,048	1,127	291	320	72	175	186	433
3 Money raised	\$190.3bn	\$216.3bn	\$57.3bn	\$54.9bn	\$11.0bn	\$56.1bn	\$53.9bn	\$121.1bn

### 4 IPO pricing dynamics



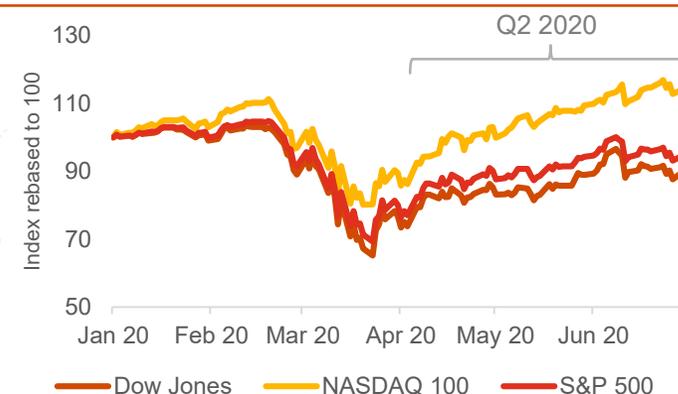
1) Overallotment exercised (%) presents the percentage of IPOs in which the overallotment option has been exercised (either fully or partially).

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'

Source: Dealogic, Bloomberg as of 30 June 2020.

- 1 Despite a slow start to the quarter, the IPO market gained momentum as the quarter progressed – 58% of IPOs took place in June 2020.
- 2 Q2 2020 saw a continuation of sponsor-backed IPO activity, in marked contrast to EMEA and Asia-Pacific where there were no sponsor-backed IPOs.
- 3 Money raised from FOs in Q2 2020 was more than double Q2 2019, an increase of \$66.2bn. The number of transactions was up 35% as companies turned to equity markets for support.
- 4 The proportion of IPOs pricing below the bottom of range has seen a notable reduction in 2020 YTD as compared to 2019 - IPOs pricing at the top of or above range has increased.

### Indices



# Leading transactions 2020YTD in the Americas

Pharmaceutical royalties company, Royalty Pharma, priced at the top of range and traded up c.60% on its first day of trading – raising \$2.5bn, this was the largest IPO in the Americas in 2020 YTD. T-Mobile undertook a \$15.9bn FO in June, using the proceeds to repurchase stock from Softbank.

## Top 10 largest IPOs 2020YTD in the Americas

Pricing date	Issuer name	Issuer country	Sector	Exchange	Pricing	Money raised	Performance (% change)		
							1-day	1-month	Current
15-Jun-20	Royalty Pharma plc		Health Care	NASDAQ	Top of range	\$2.5bn	58.93	53.57	57.36
28-Jan-20	BlackRock Health Sciences Trust II		Financials	NYSE	In range	\$2.3bn	0.20	0.00	10.85
3-Jun-20	Warner Music Group Corp		Consumer Services	NASDAQ	In range	\$1.9bn	20.48	17.40	20.36
5-Feb-20	PPD Inc		Health Care	NASDAQ	Top of range	\$1.9bn	11.11	7.44	4.15
30-Jun-20	Dun & Bradstreet Holdings Inc		Technology	NYSE	Above range	\$1.7bn	15.23	N/A	15.82
3-Mar-20	GFL Environmental Inc		Industrials	TMX	Below range	\$1.4bn	-11.58	-30.84	-0.95
30-Jan-20	Reynolds Consumer Products Inc		Consumer Goods	NASDAQ	In range	\$1.4bn	9.81	10.96	28.15
20-Apr-20	Fibra E - Promotora del Desarrollo de America Latina		Financials	Mexican SE	N/A	\$1.1bn	0.00	0.00	0.00
3-Jun-20	ZoomInfo Technologies Inc		Technology	NASDAQ	Above range	\$1.1bn	61.90	114.52	92.05
26-May-20	Foley Trasimene Acquisition Corp		Financials	NYSE	In range	\$1.0bn	1.80	5.60	6.00

## Top 10 largest FOs 2020YTD in the Americas

Pricing date	Issuer name	Issuer country	Sector	Exchange	Deal type	Money raised	Performance (% change)		
							1-day	1-month	Current
24-Jun-20	T-Mobile US Inc		Telecommunications	NASDAQ	FO - Accelerated Bookbuild	\$15.9bn	5.27	N/A	1.48
12-May-20	BlackRock Inc		Financials	NYSE	FO - Accelerated Bookbuild	\$13.3bn	15.67	25.49	31.56
26-May-20	Sanofi S.A.		Health Care	NASDAQ	FO - Accelerated Bookbuild	\$6.7bn	5.63	18.71	19.59
5-Feb-20	Petrobras		Oil & Gas	BM&FBOVESPA	FO - Fully Marketed	\$5.2bn	3.29	-17.12	-39.85
26-Jun-20	PG&E Corp		Utilities	NYSE	FO - Fully Marketed	\$4.0bn	-3.89	N/A	-4.63
14-Feb-20	Tesla Inc		Consumer Goods	NASDAQ	FO - Accelerated Bookbuild	\$2.3bn	4.31	-28.73	95.18
28-Apr-20	Southwest Airlines Co		Consumer Services	NYSE	FO - Accelerated Bookbuild	\$2.3bn	8.67	14.21	14.53
18-Jun-20	DraftKings Inc		Consumer Services	NASDAQ	FO - Accelerated Bookbuild	\$1.8bn	5.00	N/A	-26.25
7-May-20	Danaher		Health Care	NYSE	FO - Accelerated Bookbuild	\$1.8bn	-0.96	6.28	11.91
20-May-20	CoStar Group Inc		Financials	NASDAQ	FO - Accelerated Bookbuild	\$1.7bn	-1.74	8.50	4.44

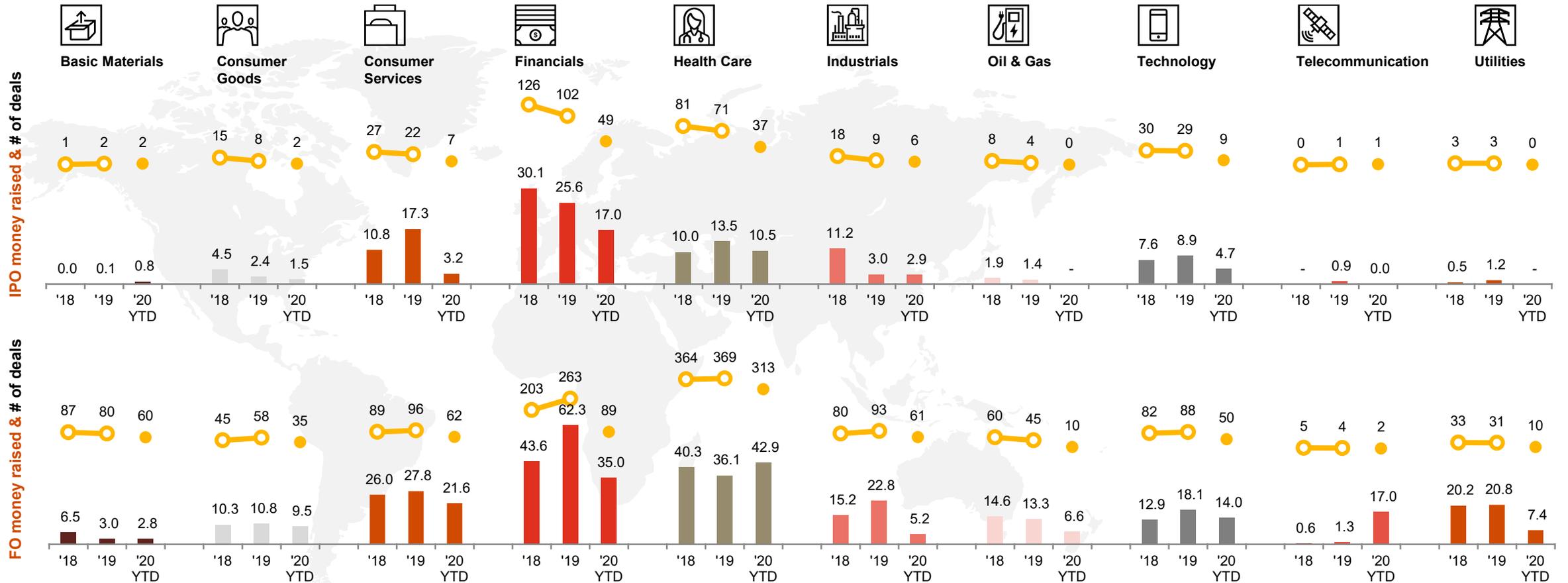
Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

# IPO and FO activity per sector in the Americas

The Health Care sector has been prominent in both IPO and FO activity in the first half of the year, reflecting its defensive properties amidst the negative economic outlook.

Money raised and number of IPOs and FOs per sector 2018 – 2020YTD

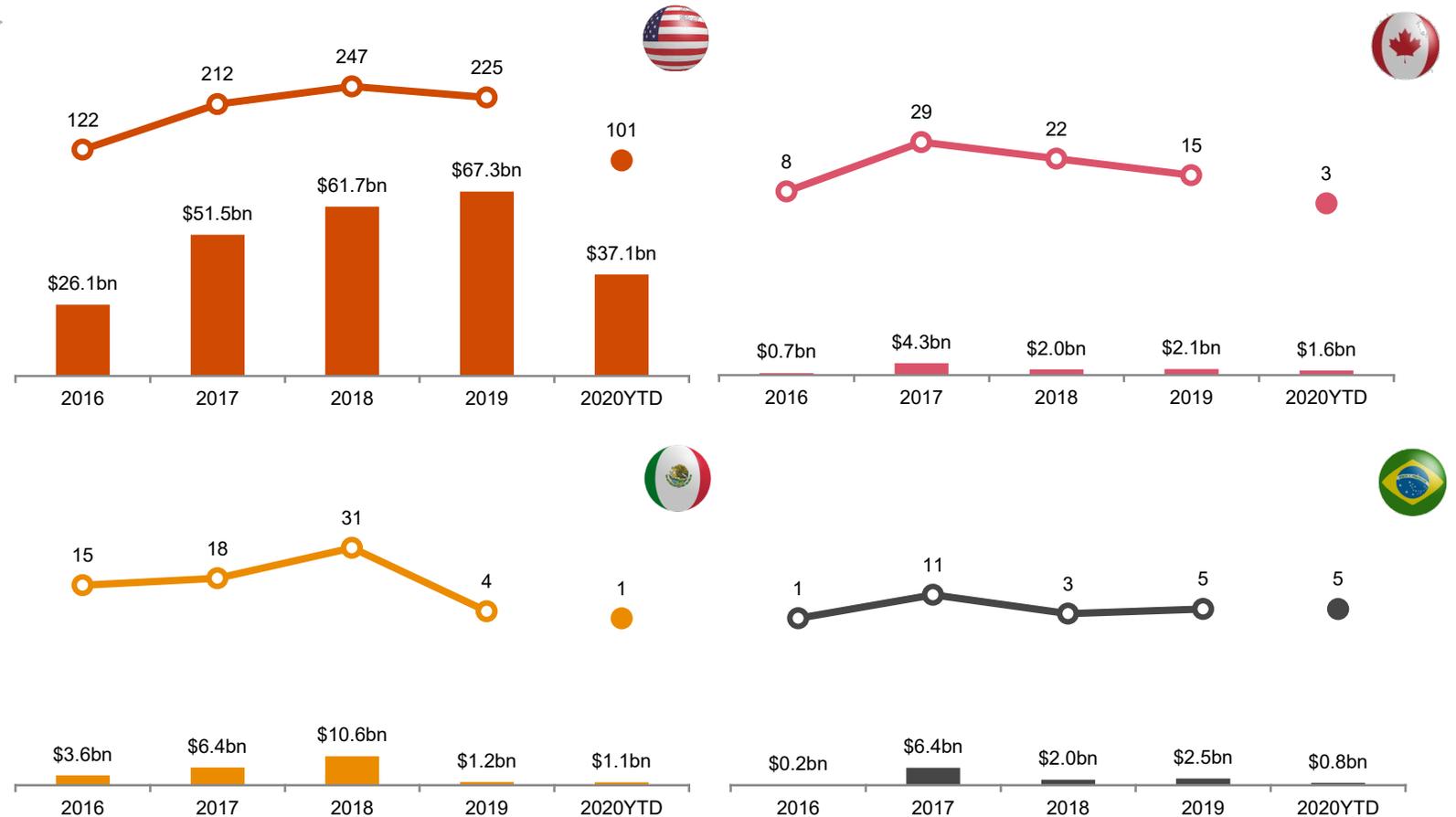


Note: Financials include Closed-End Funds and Real Estate.  
Source: Dealogic as of 30 June 2020.

# Top countries in terms of IPO activity in the Americas

There has been IPO activity across the Americas in the first half of 2020, albeit activity in Canada and Mexico was limited - the US continues to dominate the region.

IPO activity of top countries in the Americas 2016 – 2020YTD

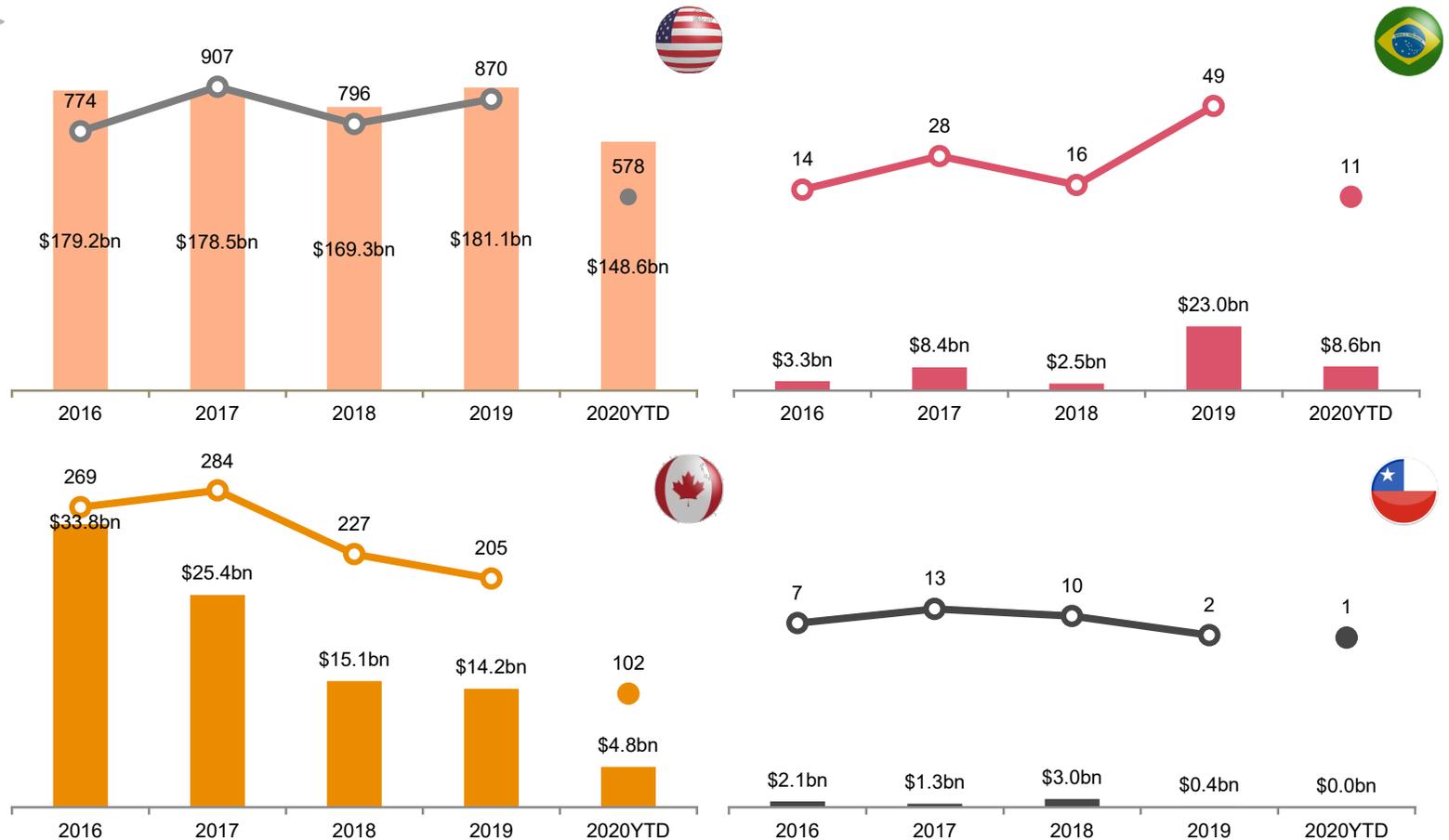


Note: Top countries have been selected based on money raised in 2020YTD.  
Source: Dealogic as of 30 June 2020.

# Top countries in terms of FO activity in the Americas

Brazilian companies raised \$8.6bn from 11 FOs in 2020 YTD, four of which raised +\$500m. In contrast, Canadian companies raised \$4.8bn from 102 FOs, equivalent to average transaction value of \$50m.

FO activity of top countries in the Americas 2016 – 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD.  
Source: Dealogic as of 30 June 2020.



## EMEA

*Demand for EMEA equity deals has been exceptionally strong in Q2 as investors were looking to increase their exposure in a V-shaped turnaround from market lows in mid-March. Issuance activity was dominated by private placings through accelerated bookbuilds and reached levels last seen in 2017.*

*For the remainder of the year we expect to see an increase in rights issues in EMEA as more companies will seek to repair their balance sheets or in anticipation of acquisitions. Market conditions, however, are likely to become more challenging as the year progresses. Uncertainties faced in the second half of the year include the course of the pandemic and the speed of economic recovery, geopolitical tensions, the US presidential elections and the end of the Brexit transition period in December 2020.*

### **Mark Hughes**

Partner, Capital Markets  
PwC United Kingdom

### **Carsten Stäcker**

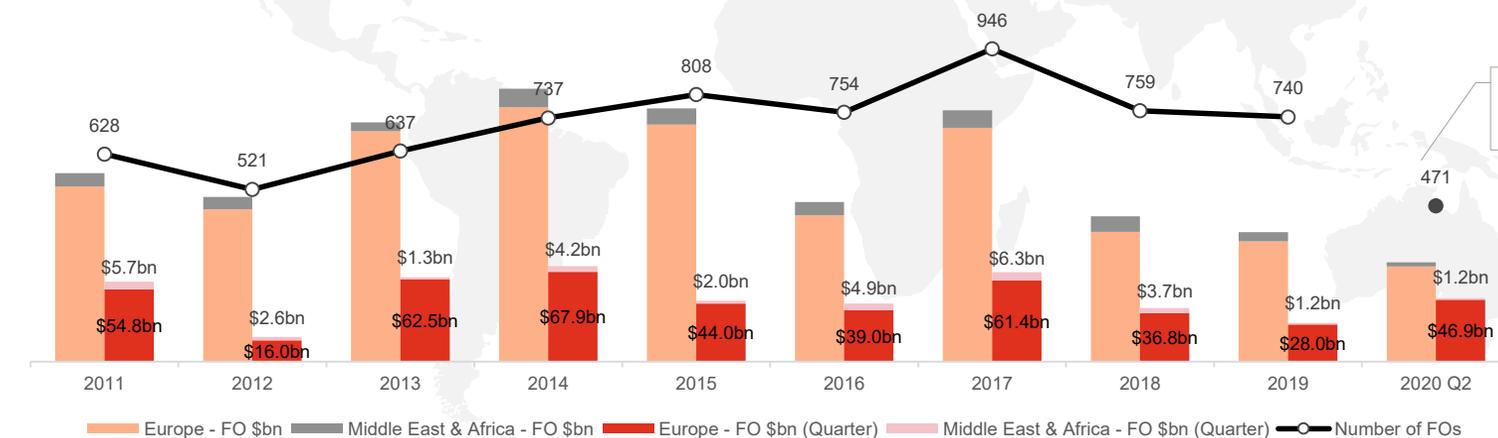
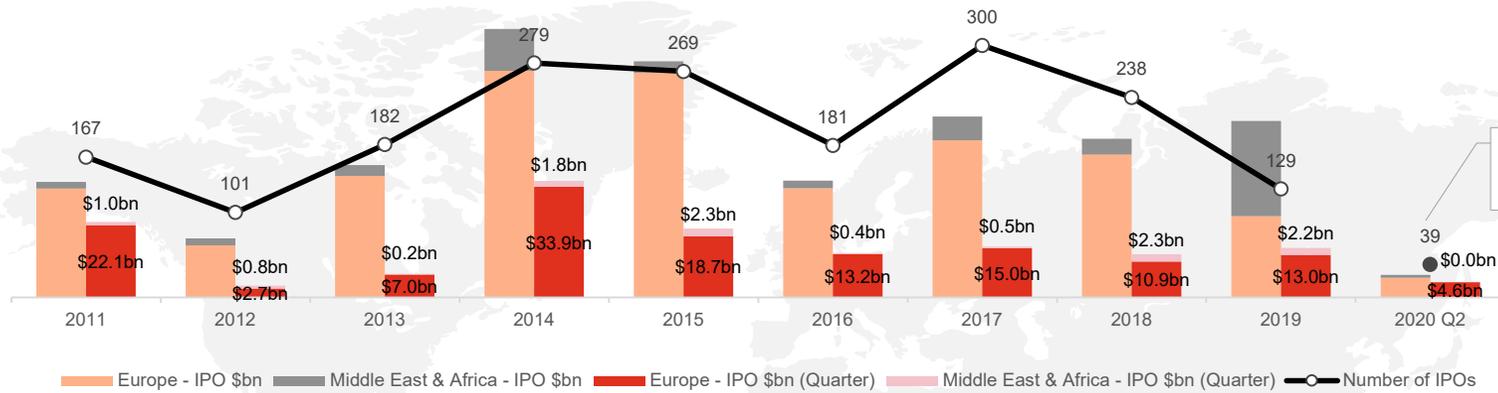
Partner, Equity Advisory  
PwC Germany



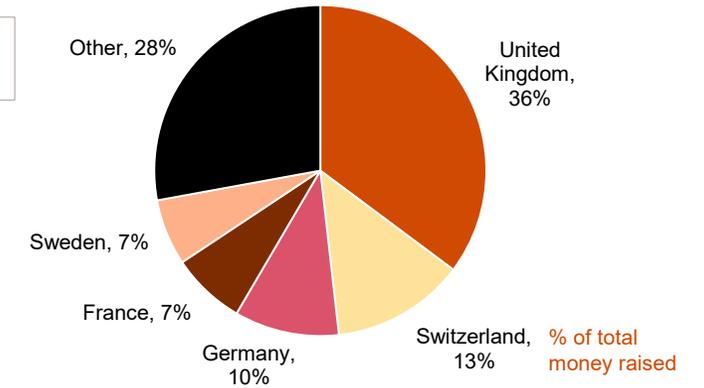
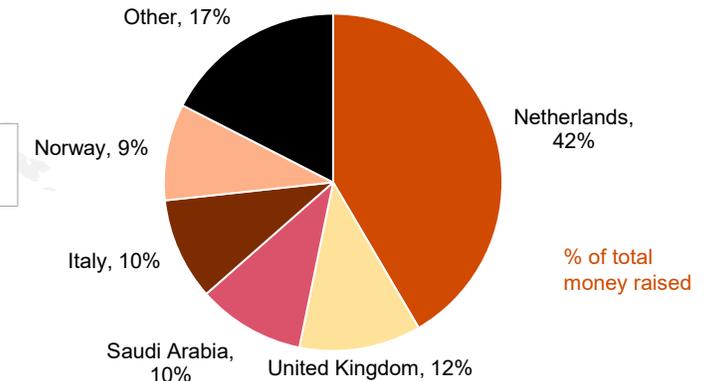
# Money raised via IPOs and FOs in EMEA

In EMEA, the \$2.9bn JDE Peet's IPO saw the Netherlands secure first position in terms of 2020 YTD IPO proceeds. FO's in H1 2020 rose significantly from the prior year, as companies responded to the pandemic.

Money raised via IPOs and FOs in EMEA (10-year overview)



Top countries 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD.  
Source: Dealogic as of 30 June 2020.

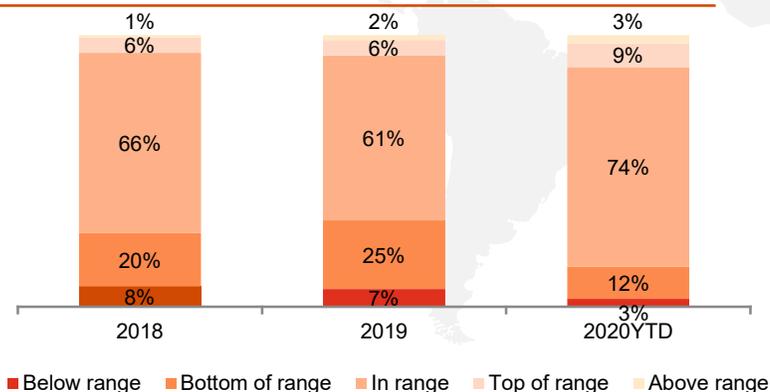
# Overview of IPO and FO activity in EMEA

EMEA IPO activity remains scarce in Q2 2020 with just 16 companies able to execute an IPO in the quarter. The number of companies undertaking FOs was up on both Q2 2019 and Q1 2020.

## IPO and FO activity in EMEA

	2018	2019	Q2 2018	Q2 2019	Apr 2020	May 2020	Jun 2020	Q2 2020
<b>IPO activity</b>								
1 Number of IPOs	238	129	83	47	0	6	10	16
% sponsor-backed	10.9%	14.7%	10.8%	19.1%	0.0%	0.0%	0.0%	0.0%
Money raised	\$47.4bn	\$53.3bn	\$12.1bn	\$14.5bn	\$0.0bn	\$3.2bn	\$1.4bn	\$4.6bn
2 % sponsor-backed	20.5%	23.9%	37.6%	44.1%	0.0%	0.0%	0.0%	0.0%
<b>Advanced metrics</b>								
Free float %	41.2%	38.1%	42.2%	41.3%	0.0%	23.5%	29.4%	27.1%
Overallotment exercised (%) <sup>1</sup>	25.7%	25.8%	28.4%	33.3%	0.0%	50.0%	20.0%	31.3%
% secondary shares	29.5%	34.3%	30.9%	42.3%	0.0%	46.5%	34.2%	38.8%
<b>FO activity</b>								
3 Number of FOs	759	740	235	220	81	89	120	290
Money raised	\$109.8bn	\$97.9bn	\$40.4bn	\$29.2bn	\$10.5bn	\$20.2bn	\$17.4bn	\$48.1bn

### 4 IPO pricing dynamics



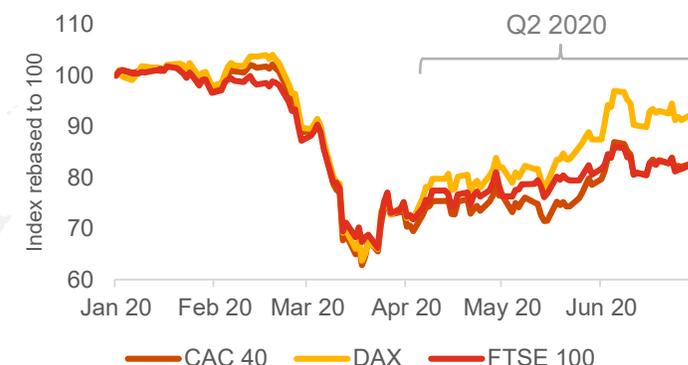
1) Overallotment exercised (%) presents the percentage of IPOs in which the overallotment option has been exercised (either fully or partially).

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

- Q2 2020 IPO proceeds were more than double Q1 2020, however, proceeds were 68% lower than Q2 2019 reflective of just 16 companies coming to market in the quarter.
- There were no sponsor-backed IPOs in the quarter.
- There was a steady flow of FO activity throughout the quarter. FO proceeds were up 65% as compared to Q2 2019 and 70% compared to the first quarter of the year.
- The majority of companies that were able to execute an IPO in the quarter priced in range.
- The DAX has bounced back more strongly than the FTSE100 (UK) and CAC 40 (France) since the low point in March 2020.

### 5 Indices



# Leading transactions 2020YTD in EMEA

Filter and component manufacturer GVS S.P.A.s \$0.6bn IPO priced at the top of range in June 2020. GVS has a diverse customer base with over 50% of revenue derived from the healthcare and lifesciences industry.

## Top 10 largest IPOs 2020YTD in EMEA

Pricing date	Issuer name	Issuer country	Sector	Exchange	Pricing	Money raised	Performance (% change)		
							1-day	1-month	Current
29-May-20	JDE Peet's BV		Consumer Goods	Euronext Amsterdam	In range	\$2.9bn	13.78	12.35	23.87
9-Mar-20	Dr Sulaiman Al Habib Medical Group Co		Health Care	Saudi SE	Top of range	\$0.7bn	10.00	9.00	76.20
16-Jun-20	GVS SpA		Basic Materials	Borsa Italiana	Top of range	\$0.6bn	21.72	N/A	32.02
7-Feb-20	Calisen plc		Industrials	LSE	In range	\$0.4bn	0.00	-13.13	-25.69
12-May-20	Pexip Holding ASA		Technology	Euronext Oslo	In range	\$0.2bn	38.89	39.33	35.40
25-Jun-20	Aker BioMarine AS		Consumer Goods	Euronext Oslo	In range	\$0.2bn	-13.68	N/A	-11.70
12-Feb-20	Musti Group Oyj		Consumer Services	NASDAQ Helsinki	Top of range	\$0.2bn	24.57	-14.29	89.71
18-Jun-20	PharmaSGP Holding SE		Health Care	Deutsche Börse	Bottom of range	\$0.1bn	9.52	N/A	-3.49
19-Feb-20	Nippon Active Value Fund plc		Financials	LSE	In range	\$0.1bn	2.00	-1.50	-1.50
17-Feb-20	BW Energy Ltd		Oil & Gas	Euronext Oslo	Below range	\$0.1bn	-1.02	-64.55	-25.16

## Top 10 largest FOs 2020YTD in EMEA

Pricing date	Issuer name	Issuer country	Sector	Exchange	Deal type	Money raised	Performance (% change)		
							1-day	1-month	Current
27-May-20	Sika AG		Industrials	SIX Swiss Exchange	FO - Accelerated Bookbuild	\$2.6bn	-1.19	8.07	14.88
19-May-20	Compass Group plc		Consumer Services	LSE	FO - Accelerated Bookbuild	\$2.4bn	11.37	15.02	7.46
3-Feb-20	SGS SA		Industrials	SIX Swiss Exchange	FO - Accelerated Bookbuild	\$2.4bn	7.34	1.69	-2.19
31-Mar-20	Ams AG		Technology	SIX Swiss Exchange	FO - Accelerated Bookbuild, Rights Offer	\$1.8bn	-5.76	36.63	77.77
16-Jun-20	China Pacific Insurance (Group) Co Ltd		Financials	LSE	FO - Fully Marketed	\$1.8bn	1.14	N/A	15.34
22-Jan-20	Prosus NV		Technology	Euronext Amsterdam	FO - Accelerated Bookbuild	\$1.6bn	2.18	5.45	30.40
4-Feb-20	Worldline SA		Industrials	Euronext Paris	FO - Accelerated Bookbuild	\$1.6bn	3.41	15.93	26.50
27-Jan-20	Iliad SA		Telecommunications	Euronext Paris	FO - Guaranteed Preferential Allocation	\$1.5bn	-3.88	11.63	46.83
10-Jun-20	Whitbread plc		Consumer Services	LSE	FO - Accelerated Bookbuild, Rights Offer	\$1.4bn	66.73	44.27	49.73
16-Apr-20	Informa plc		Consumer Services	LSE	FO - Accelerated Bookbuild	\$1.3bn	12.35	3.50	5.60

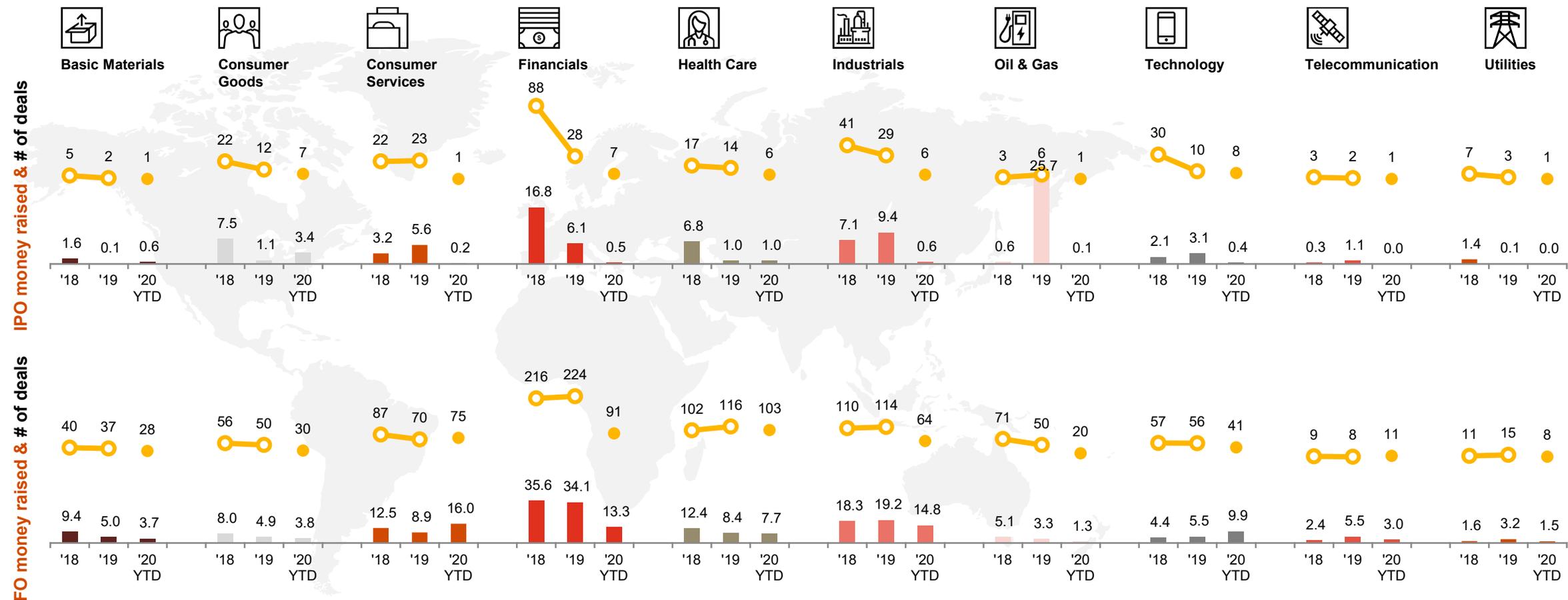
Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

# IPO and FO activity per sector in EMEA

Heightened levels of FO activity in Consumer Services has continued in Q2 2020 as widespread lockdowns eroded company balance sheets - within the sector, hospitality businesses have raised over \$5.0bn in 2020 YTD.

Money raised and number of IPOs and FOs per sector 2018 – 2020YTD

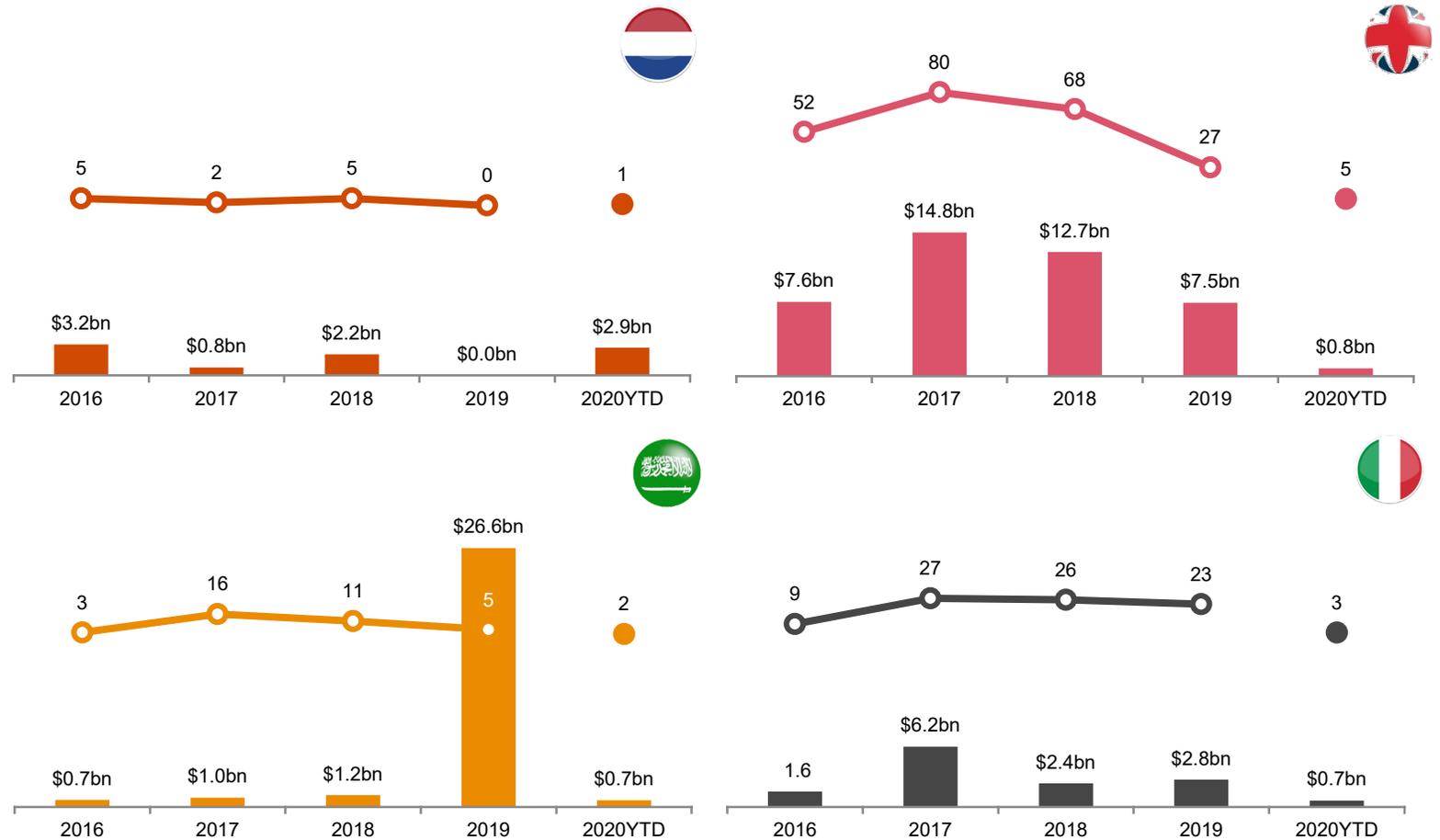
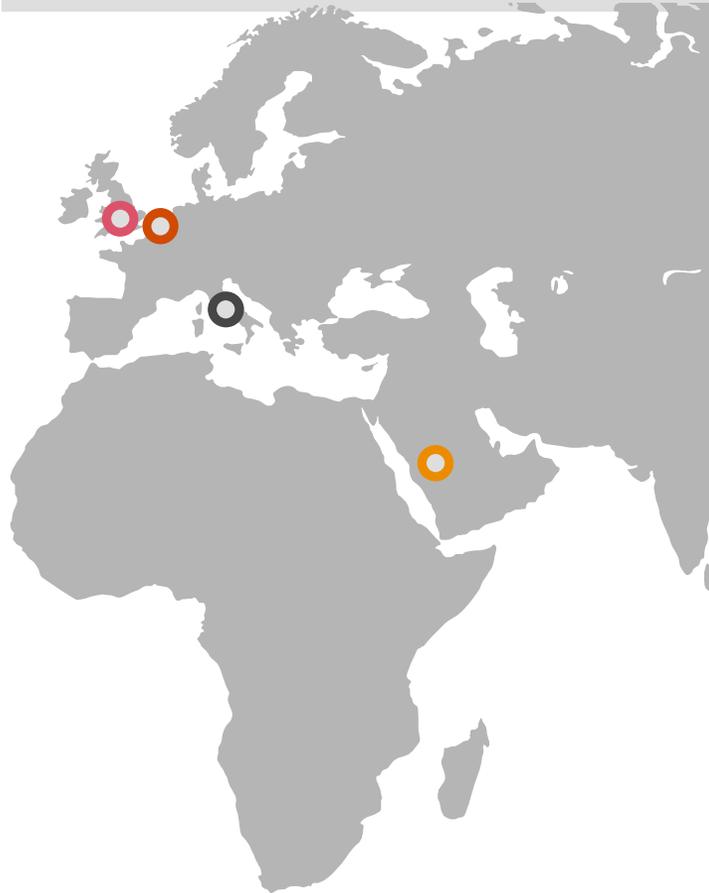


Note: Financials include Closed-End Funds and Real Estate.  
Source: Dealogic as of 30 June 2020.

# Top countries in terms of IPO activity in EMEA

Whilst there were five IPOs in 2020 YTD in the UK, the Netherlands leads in terms of IPO proceeds following the JDE Peet's mega IPO.

IPO activity of top countries in EMEA 2016 – 2020YTD

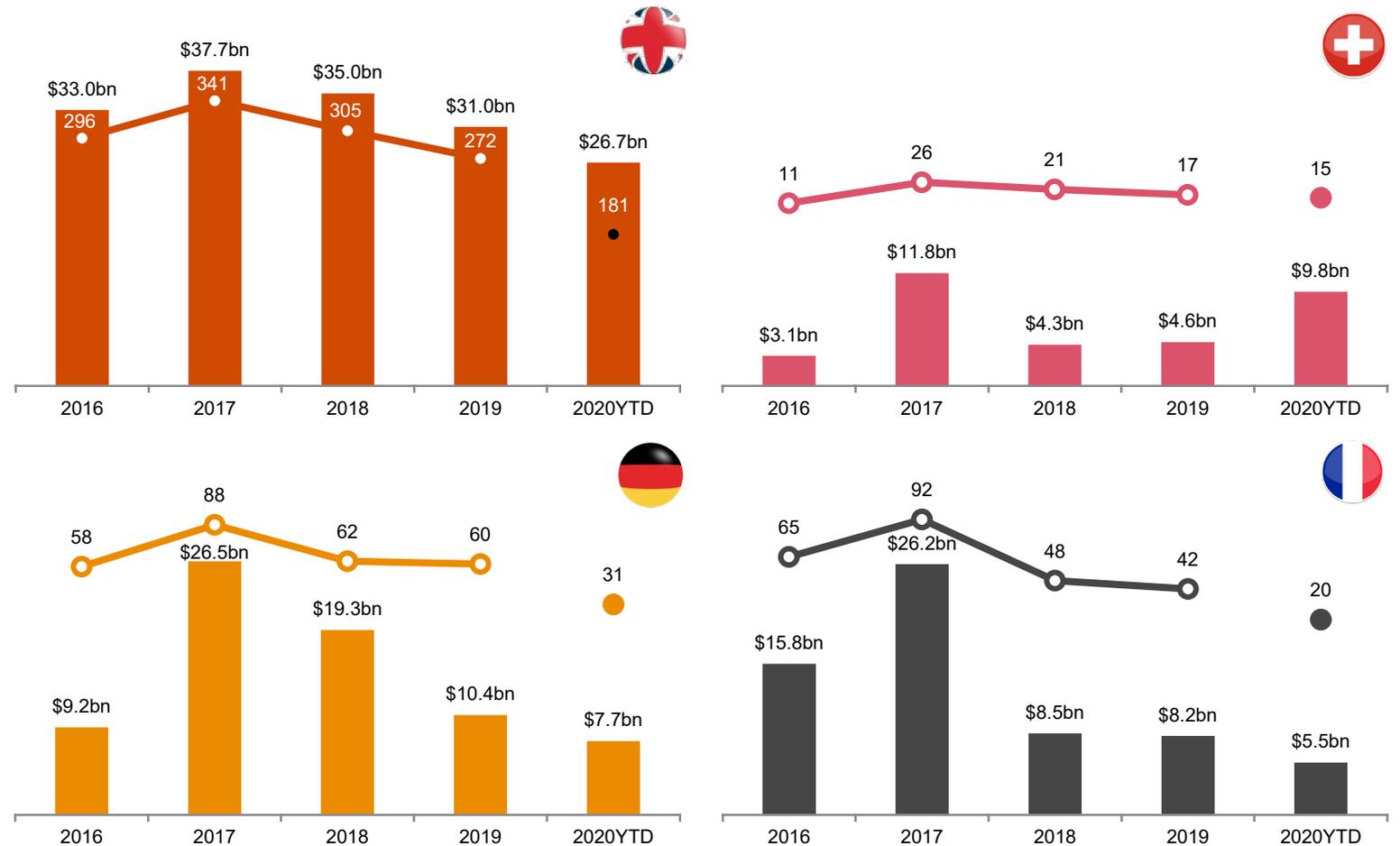


Note: Top countries have been selected based on money raised in 2020YTD. Source: Dealogic as of 30 June 2020.

# Top countries in terms of FO activity in EMEA

The UK leads FO issuance in 2020 YTD - 181 FOs raised \$26.7bn, \$21.2bn of which was in Q2 2020. Switzerland has seen the second highest FO proceeds in 2020 YTD, 15 large scale offerings raised \$9.8bn.

FO activity of top countries in EMEA 2016 – 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD. Source: Dealogic as of 30 June 2020.



## Asia-Pacific

*Asia-Pacific IPO activities launched a strong comeback with the China market dominating the bounce back accounting for 66% of total Asia-Pacific funds raised in the first half of 2020, on the back of strong economic recovery from COVID-19.*

*Activity for the remainder of the year is expected to accelerate with more US listed Chinese issuers seeking secondary listing in Hong Kong and registration based IPO market reform in the China A-share market.*

*In July 2020 Ant Group announced its long-awaited public offering with a dual listing in Shanghai and Hong Kong – this is expected to be one the largest IPOs of the year.*

### **Kennedy Liu**

Head of Capital Markets  
PwC Mainland China and Hong Kong

### **Geoffrey Tang**

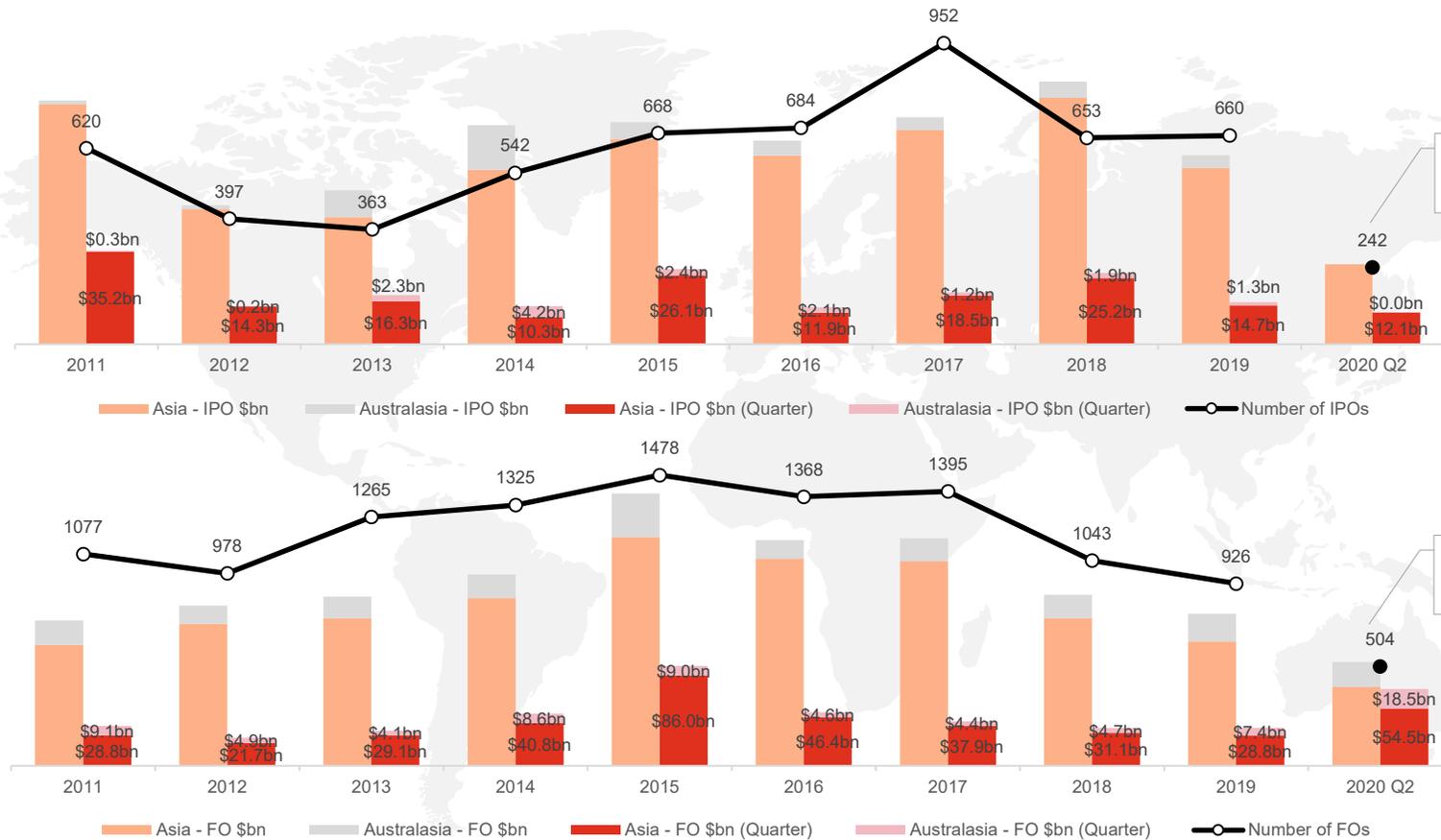
Director, Capital Markets  
PwC Hong Kong



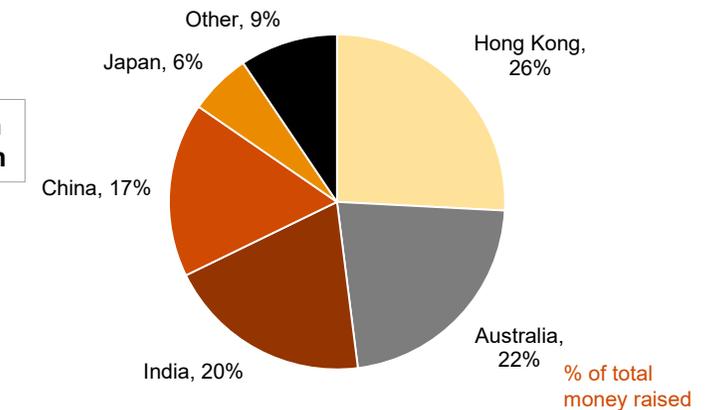
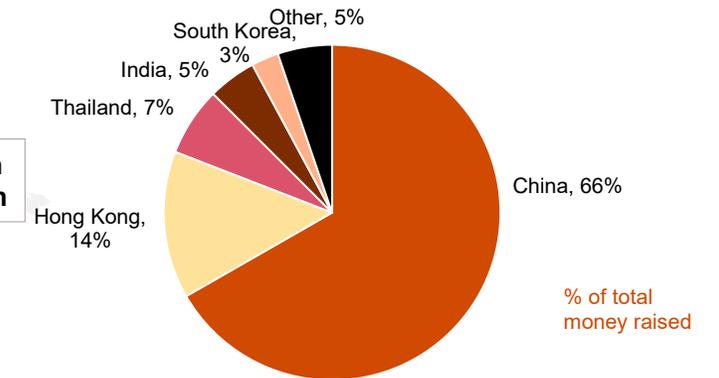
# Money raised via IPOs and FOs in Asia-Pacific

China continued a strong start to the year with 73 IPOs raising \$8.6bn in Q2 2020 (Q1 2020: 52 / \$11.5bn). 231 Australia FOs raised \$21.7bn in the first half of 2020; in contrast, there were 8 IPOs on the Australian exchange.

Money raised via IPOs and FOs in Asia-Pacific (10-year overview)



Top countries 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD. Source: Dealogic as of 30 June 2020.

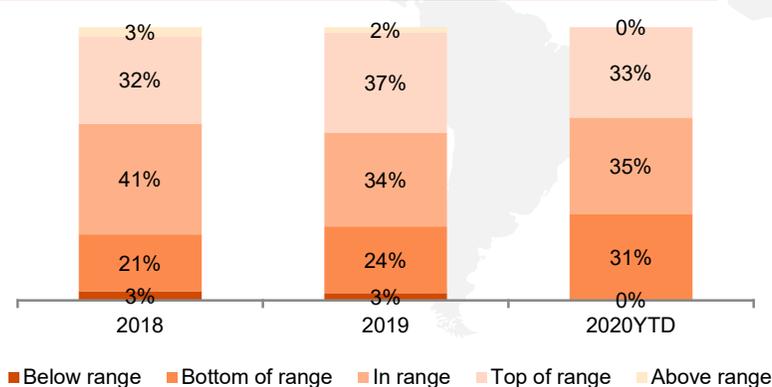
# Overview of IPO and FO activity in Asia-Pacific

Whilst Asia-Pacific IPO activity levels and proceeds were lower than Q1 2020, the IPO market remained open with 104 IPOs raising \$12.1bn in Q2 2020.

## IPO and FO activity in Asia-Pacific

	2018	2019	Q2 2018	Q2 2019	Apr 2020	May 2020	Jun 2020	Q2 2020
<b>IPO activity</b>								
1 Number of IPOs	653	660	153	154	41	27	36	104
% sponsor-backed	2.5%	1.8%	4.6%	3.2%	0.0%	0.0%	0.0%	0.0%
Money raised	\$99.7bn	\$71.7bn	\$27.1bn	\$16.0bn	\$4.5bn	\$3.5bn	\$4.1bn	\$12.1bn
% sponsor-backed	4.1%	7.1%	7.5%	6.6%	0.0%	0.0%	0.0%	0.0%
<b>Advanced metrics</b>								
Free float %	27.5%	26.6%	25.3%	28.5%	21.4%	24.8%	21.4%	22.3%
2 Overallotment exercised (%) <sup>1</sup>	18.4%	18.0%	18.2%	18.1%	2.4%	14.8%	2.8%	5.8%
% secondary shares	11.5%	10.8%	14.4%	11.2%	1.5%	1.7%	6.4%	3.2%
<b>FO activity</b>								
3 Number of FOs	1,043	926	291	251	102	103	135	340
Money raised	\$162.9bn	\$145.0bn	\$35.8bn	\$36.2bn	\$19.1bn	\$20.6bn	\$33.4bn	\$73.0bn

## IPO pricing dynamics



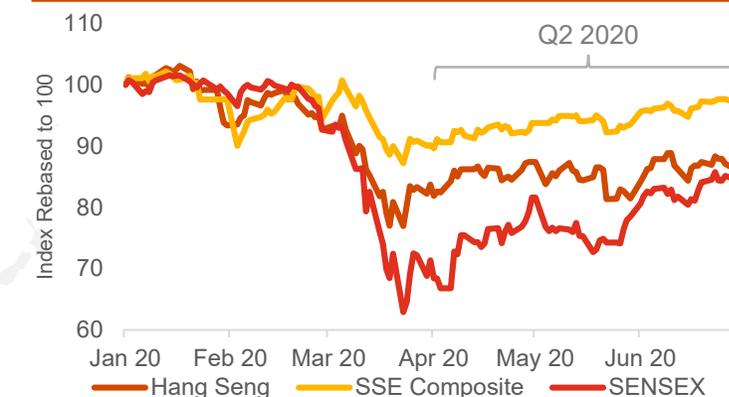
1) Overallotment exercised (%) presents the percentage of IPOs in which the overallotment option has been exercised (either fully or partially).

Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

- 1 IPO activity continued throughout the quarter, however, the number of IPOs was 32% lower than Q2 2019 - proceeds were down 24%.
- 2 The overallotment exercised in Q2 2020 was considerably lower than previous quarters – on average 5.8% were exercised.
- 3 FO proceeds of \$73.0bn was more than double Q2 2019, as 340 companies listed in Asia-Pacific undertook FOs in the quarter – an 26% increase on Q2 2019.
- 4 The SSE Composite Index (China) has recovered relatively well compared to the Hang Seng (Hong Kong) and SENSEX (India) since the March low point.

## 4 Indices



# Leading transactions 2020YTD in Asia-Pacific

The largest IPO of Q2 2020 was SK Biopharmaceuticals Co Ltd raising \$0.8bn on the Korea Stock Exchange. Reliance Industries' \$7.0bn FO in June 2020 was India's largest ever rights issue.

## Top 10 largest IPOs 2020YTD in EMEA

Pricing date	Issuer name	Issuer country	Sector	Exchange	Pricing	Money raised	Performance (% change)		
							1-day	1-month	Current
3-Jan-20	Beijing-Shanghai High Speed Railway Co Ltd		Consumer Services	Shanghai SE	N/A	\$4.4bn	38.73	49.59	41.39
5-Feb-20	Central Retail Corp pcl - CRC		Consumer Services	Thailand SE	In range	\$2.3bn	-0.60	-44.05	-28.57
6-Mar-20	SBI Cards & Payments Services Ltd		Financials	BSE; NSE	Top of range	\$1.4bn	-9.51	-33.16	-8.43
19-Jun-20	SK Biopharmaceuticals Co Ltd		Health Care	Korea Exchange	Top of range	\$0.8bn	159.18	N/A	261.22
10-Feb-20	Beijing Roborock Technology Co Ltd		Consumer Goods	STAR Market	N/A	\$0.6bn	84.46	29.53	59.71
11-Feb-20	China Resources Microelectronics Ltd		Technology	STAR Market	N/A	\$0.5bn	228.20	176.95	396.17
15-Jan-20	Gongniu Group Co Ltd		Industrials	Shanghai SE	N/A	\$0.5bn	44.00	208.21	184.51
19-Jun-20	Kangji Medical Holdings Ltd		Health Care	HKEX	Top of range	\$0.5bn	98.85	N/A	131.99
28-Apr-20	Zhongtai Securities Co Ltd		Financials	Shanghai SE	N/A	\$0.4bn	44.06	225.34	379.00
17-Apr-20	Akeso Inc		Health Care	HKEX	Top of range	\$0.4bn	50.19	59.15	129.30

## Top 10 largest FOs 2020YTD in EMEA

Pricing date	Issuer name	Issuer country	Sector	Exchange	Deal type	Money raised	Performance (% change)		
							1-day	1-month	Current
11-Jun-20	Reliance Industries Ltd		Oil & Gas	BSE; NSE	FO - Rights Offer	\$7.0bn	22.32	49.44	52.51
11-Jun-20	JD.com Inc		Consumer Services	HKEX	FO - Fully Marketed	\$3.9bn	3.54	N/A	6.99
2-Jun-20	Singapore Airlines Ltd		Consumer Services	Singapore SE	FO - Rights Offer	\$3.8bn	43.67	28.33	24.00
7-May-20	Hindustan Unilever Ltd		Consumer Goods	BSE; NSE	FO - Accelerated Bookbuild	\$3.4bn	9.80	9.74	17.49
5-Jun-20	NetEase Inc		Technology	HKEX	FO - Fully Marketed	\$3.1bn	5.69	23.98	19.51
22-May-20	SoftBank Corp		Telecommunications	Tokyo SE	FO - Bought Deal	\$2.9bn	-0.08	4.39	7.20
9-Jan-20	Bharti Airtel Ltd		Telecommunications	BSE; NSE	FO - Accelerated Bookbuild	\$2.0bn	2.74	21.26	32.44
28-Apr-20	National Australia Bank		Financials	ASX	FO - Accelerated Bookbuild	\$1.9bn	8.27	26.29	27.92
23-Jan-20	ZTE Corp		Technology	Shenzhen SE	FO - Cash Placing	\$1.7bn	27.01	75.24	48.30
25-Apr-20	Bank of Nanjing Co Ltd		Financials	Shanghai SE	FO - Cash Placing	\$1.6bn	-1.57	0.52	5.77

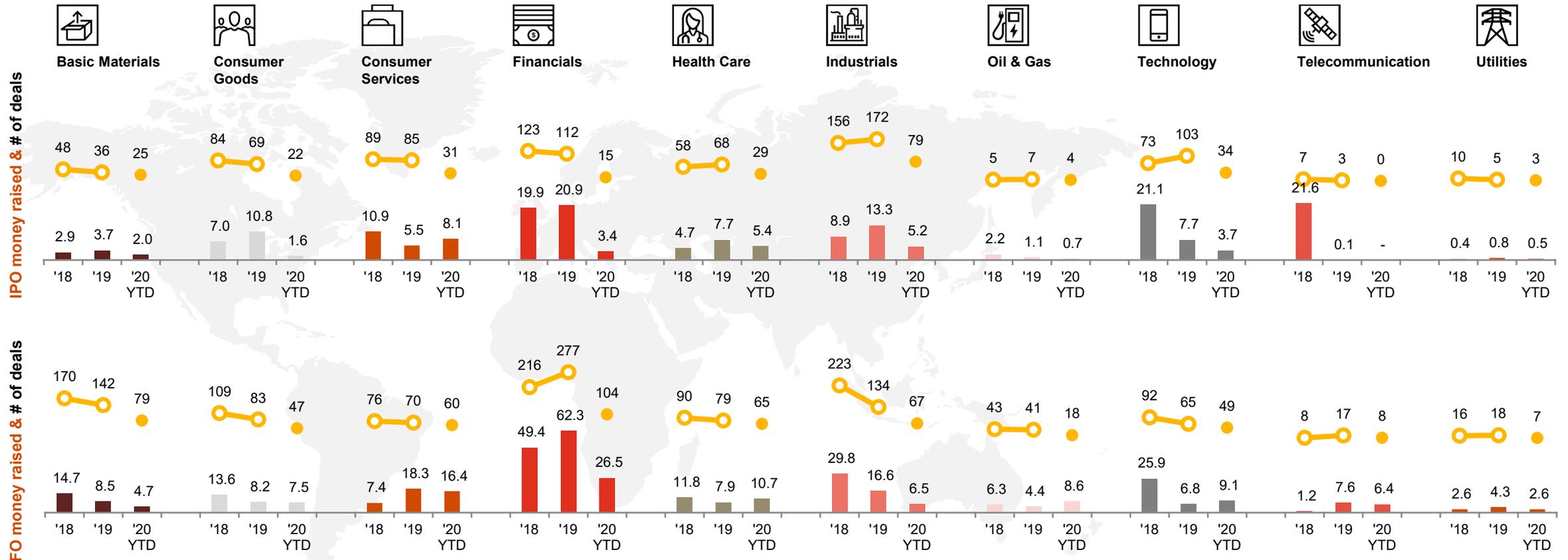
Note: IPOs are classified as 'In Range' if the IPO is priced in the middle 50% of the price range. The top and bottom 25% are classified as 'Top of Range' and 'Bottom of Range'.

Source: Dealogic, Bloomberg as of 30 June 2020.

# IPO and FO activity per sector in Asia-Pacific

Consumer Services 2020 YTD IPO proceeds exceed full year 2019, including \$6.7bn raised from two transactions. There has been a notable drop off in IPO and FO activity in the Financials sector in 2020 YTD.

Money raised and number of IPOs and FOs per sector 2018 – 2020YTD

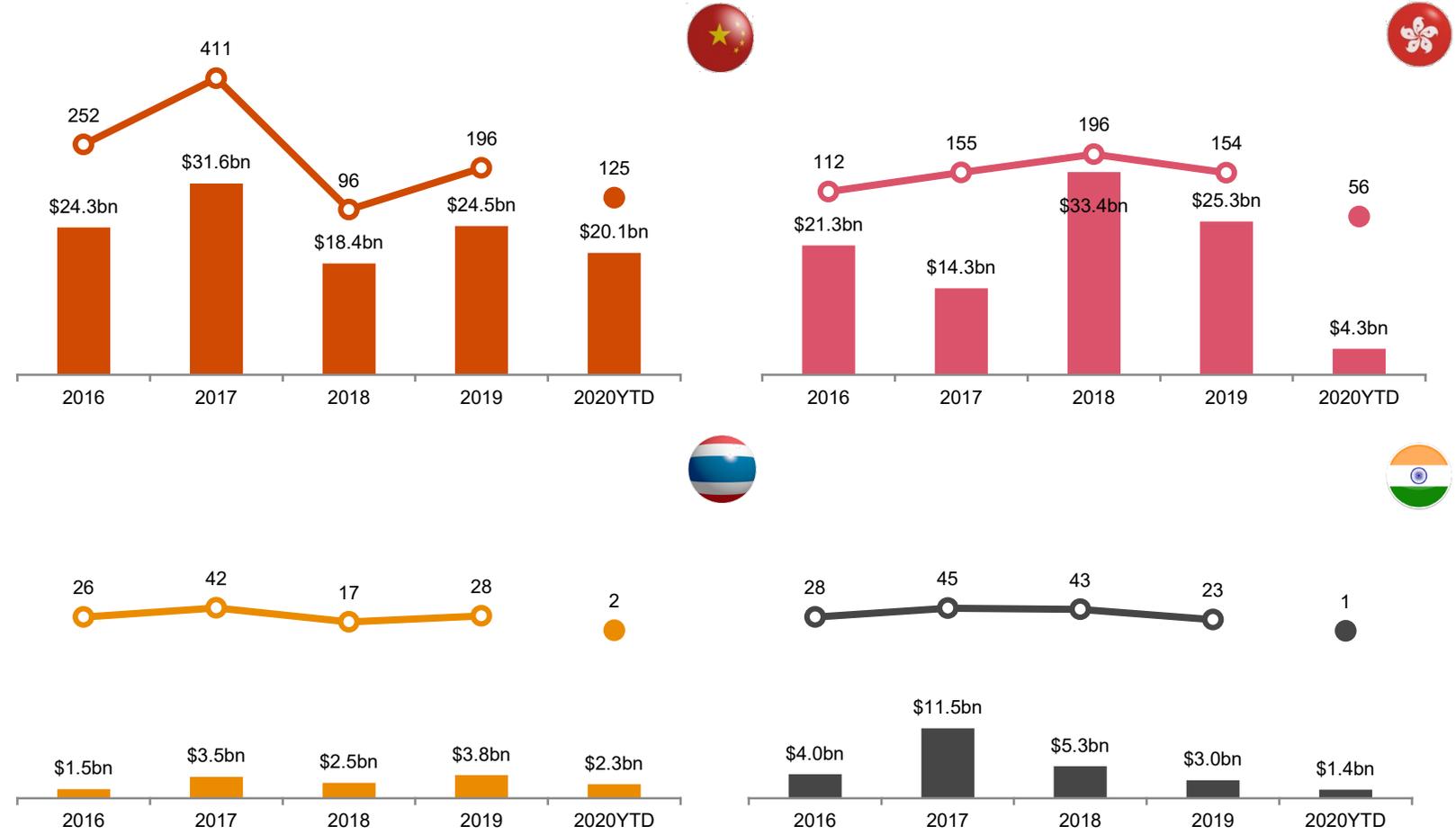


Note: Financials include Closed-End Funds and Real Estate.  
Source: Dealogic as of 30 June 2020.

# Top countries in terms of IPO activity in Asia-Pacific

Over 80% of full year 2019 IPO proceeds have been raised in China in the first half of 2020. In contrast, 2020 YTD Hong Kong IPO proceeds are less than 20% of full year 2019.

IPO activity of top countries in Asia-Pacific 2016 – 2020YTD

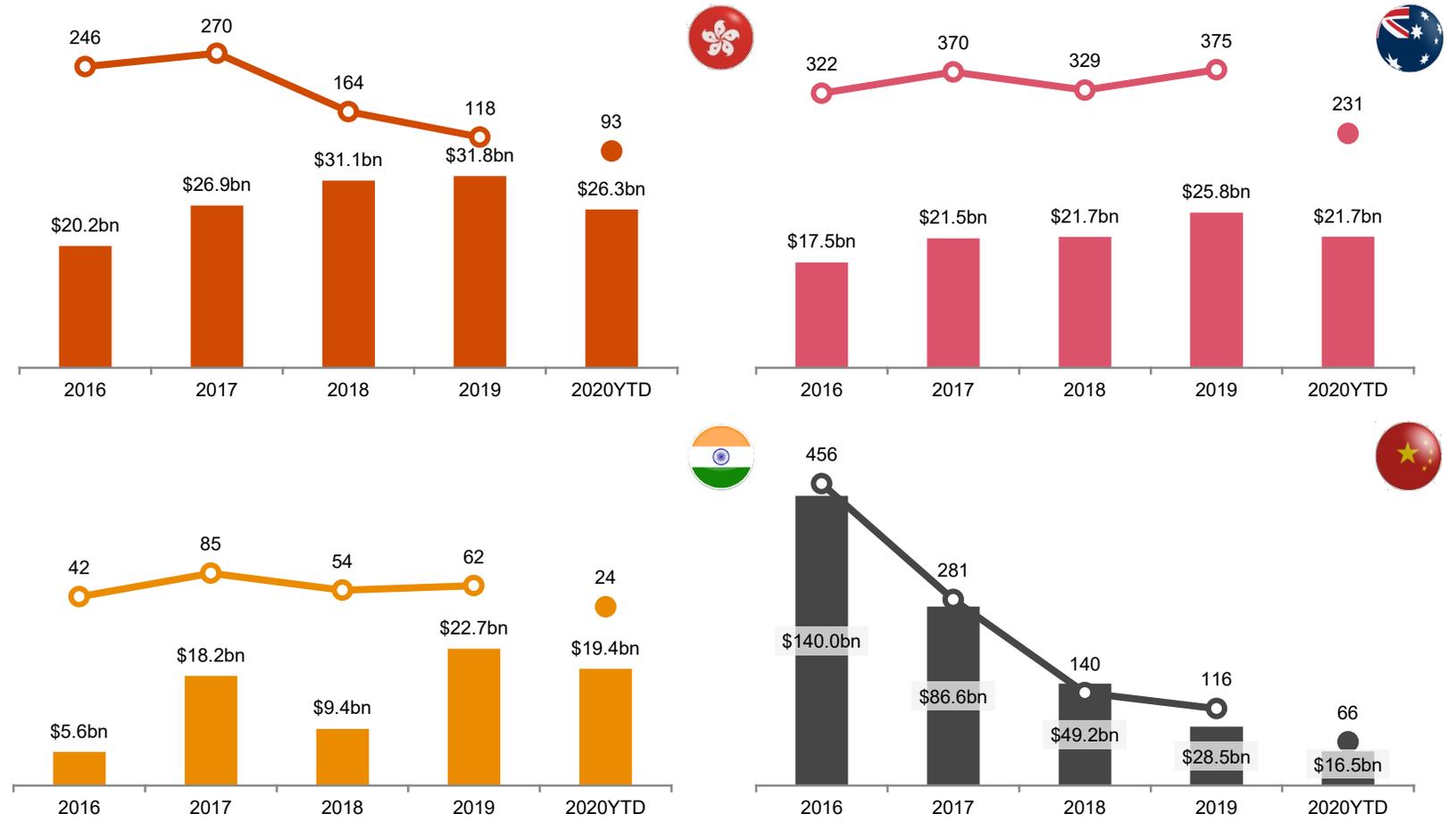


Note: Top countries have been selected based on money raised in 2020YTD. Source: Dealogic as of 30 June 2020.

# Top countries in terms of FO activity in Asia-Pacific

FO activity remains buoyant across the major economies in Asia-Pacific. 93 companies listed in Hong Kong undertook FOs in the first half of 2020 raising \$26.3bn, close to full year 2019 levels.

FO activity of top countries in Asia-Pacific 2016 – 2020YTD



Note: Top countries have been selected based on money raised in 2020YTD.  
Source: Dealogic as of 30 June 2020.

# Basis of preparation

- The **Global IPO** Watch analyses IPO and FO trends on a quarterly basis, both at a global and regional level.
- It is based on data extracted from Dealogic, whereby only transactions with a minimum of \$5 million money raised have been included.
- Transaction proceeds include the overallotment option (if exercised).
- The data excludes PIPOs and transactions on Over-The-Counter exchanges.
- In case IPOs or FOs take place on two or more exchanges, the full amount of money raised is attributed to all exchanges. The same applies to countries and regions. This does not apply to two exchanges within the same country or two countries within the same region.
- Country indicates the company's country of domicile.
- Industry classification is based on the FTSE Russell Industry Classification Benchmark.
- Index performance is based on pricing data extracted from Bloomberg.



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# Thank you

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