



# Q1'09 Global IPO update

April 2009

# Q1'09 key highlights

---

- ▶ Global IPO activity, in terms of number of IPOs, was lower in Q1'09 (50 deals) compared with Q4'08 (78 deals) and dropped significantly compared with Q1'08 (251 deals).
  - ▶ 36% fewer IPOs than the fourth quarter of 2008.
  - ▶ 80% fewer than the first quarter of 2008.
  - ▶ Number of IPO in Q1'09 was the lowest since Q1'03.
- ▶ Total capital raised in Q1'09 was lower (US\$1.4 billion) than Q4'08 (US\$2.6 billion) and significantly lower than Q1'08 (US\$41.2 billion).
  - ▶ 47% less capital raised than in the fourth quarter of 2008.
  - ▶ 97% less capital raised than in the first quarter of 2008.
  - ▶ Amount of capital raised in Q1'09 was the lowest since Q1'03.
  - ▶ The US IPO, Mead Johnson Nutrition Co, constituted 60% of global capital raised in Q1'09.
  - ▶ Capital raised in Q1'08 includes the Visa IPO which raised US\$19.7 billion, the largest US IPO in history.
- ▶ The global financial crisis has had a deep impact on the IPO market, as shown by the Q1'09 results. The timeframe for recovery in the IPO market may be longer than initially estimated one year ago.
- ▶ The recovery of the IPO market will require at least two or three quarters of macroeconomic and capital markets stability and for investor confidence to be re-built.
- ▶ While it is difficult to predict when IPO activity will recover, many companies are using the current market conditions to fully prepare their companies for their IPO journey, so that they are ready to go public when markets recover.

# Q1'09 key highlights

---

- ▶ Although facing a decline in IPOs, both in deals and capital raised, emerging markets continued to drive activity in the IPO market.
- ▶ Developing countries made up 68% of the number of deals globally, whereas developed countries made up 32%. Developing countries raised 33% of the total global capital raised compared to 67% from the developed economies.
  - ▶ The developed economies' share of capital raised was mainly due to the Mead Johnson Nutrition Co IPO which constituted 60% of global capital raised in Q1'09.
- ▶ Six of the top ten IPOs and 12 of the top 20 IPOs by capital raised were from emerging markets.
- ▶ BRIC (Brazil, Russia, India and China) countries together raised US\$158 million (11% of total) in 6 deals (12% of total).
- ▶ In the first quarter of 2009, there were 50 deals globally which raised a total of US\$1.4 billion, compared with 251 deals which raised a total of US\$41.2 billion in the first quarter of 2008.

## Geographical analysis:

- ▶ By number of IPOs:
  - ▶ Asia-Pacific was the leading region with 72% market share. EMEA and North America had 20% and 8% market share respectively.
    - ▶ Far East area (South Korea, Japan, China/HK, Thailand, Singapore and Vietnam) accounted for 31 IPOs. This pattern was also reflected in the top 20 listings. 15 of the top 20 IPOs by value are domiciled in the Far East, predominantly China, Japan and South Korea.
    - ▶ China/HK and South Korea were market share leaders with 9 and 8 IPOs respectively.
- ▶ By capital raised:
  - ▶ North America was the market share leader with 60% in Q1'09. Asia-Pacific and EMEA were ranked second and third with 29% and 11% market share respectively.
  - ▶ US, China/HK and Saudi Arabia were market share leaders in Q1'09 with 60% (US\$828 million), 15% (US\$211 million) and 6% (US\$80 million) respectively.

# Q1'09 key highlights

---

## Industry analysis:

- ▶ Leading industries (by number of deals) include industrials, technology and materials.
- ▶ Leading industries (by capital raised) include consumer staples, materials and telecommunications.

## Exchange analysis:

- ▶ By number of IPOs:
  - ▶ South Korea's KOSDAQ, Hong Kong's HKEx and Australia's ASX were the top three exchanges respectively in Q1'09.
- ▶ By capital raised:
  - ▶ US's NYSE, Hong Kong's HKEx and Saudi Arabia's Tadawul were the top three exchanges respectively in Q1'09.
- ▶ Although only 4% of the total number of IPOs in Q1'09 were listed on NYSE, NYSE attracted 60% of capital raised this quarter (#1 rank), mainly due to hosting this quarter's largest IPO of Mead Johnson Nutrition Co.

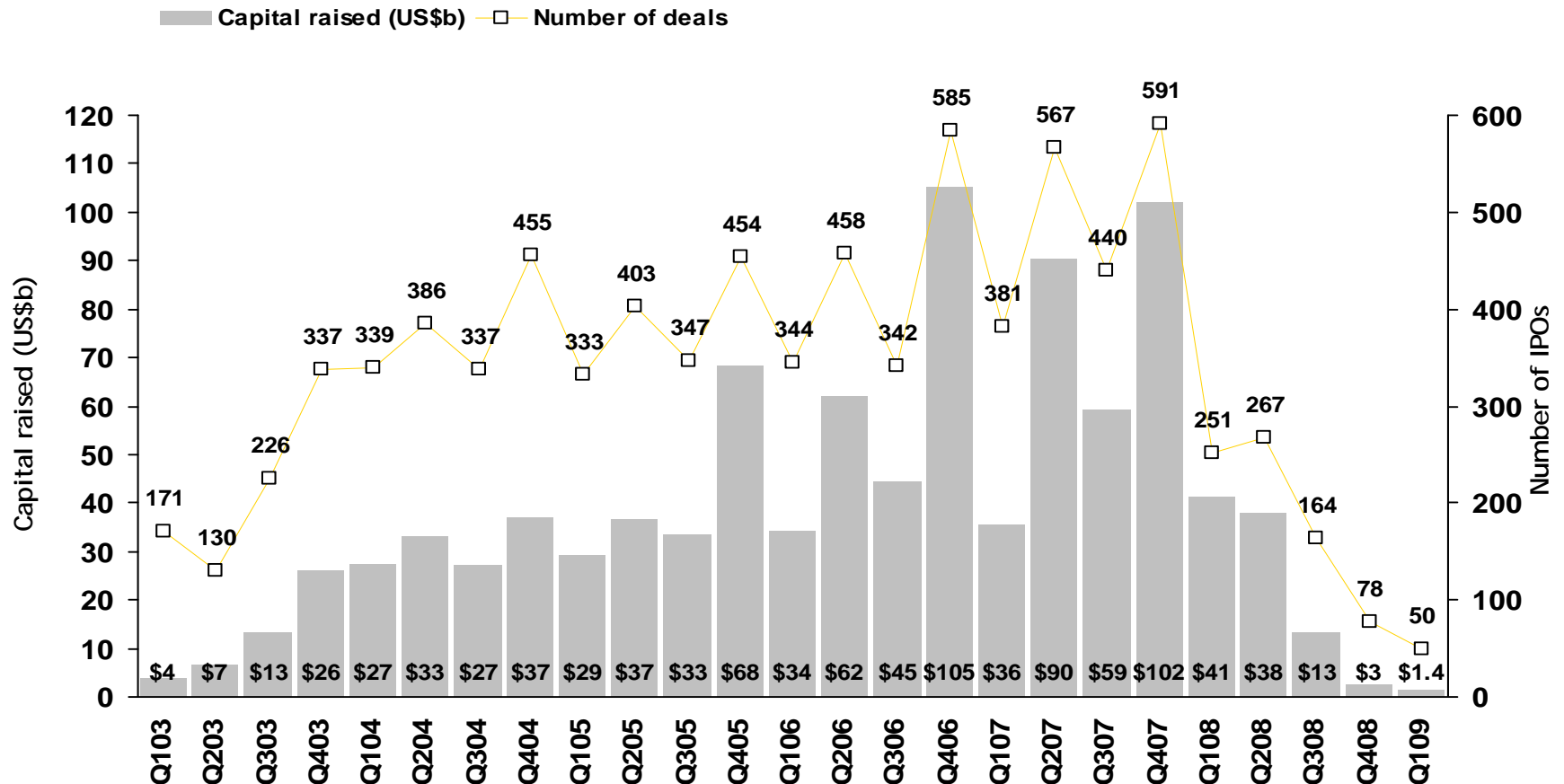
# Q1'09 key highlights

---

## The Top 20 Club (top 20 IPOs by capital raised)

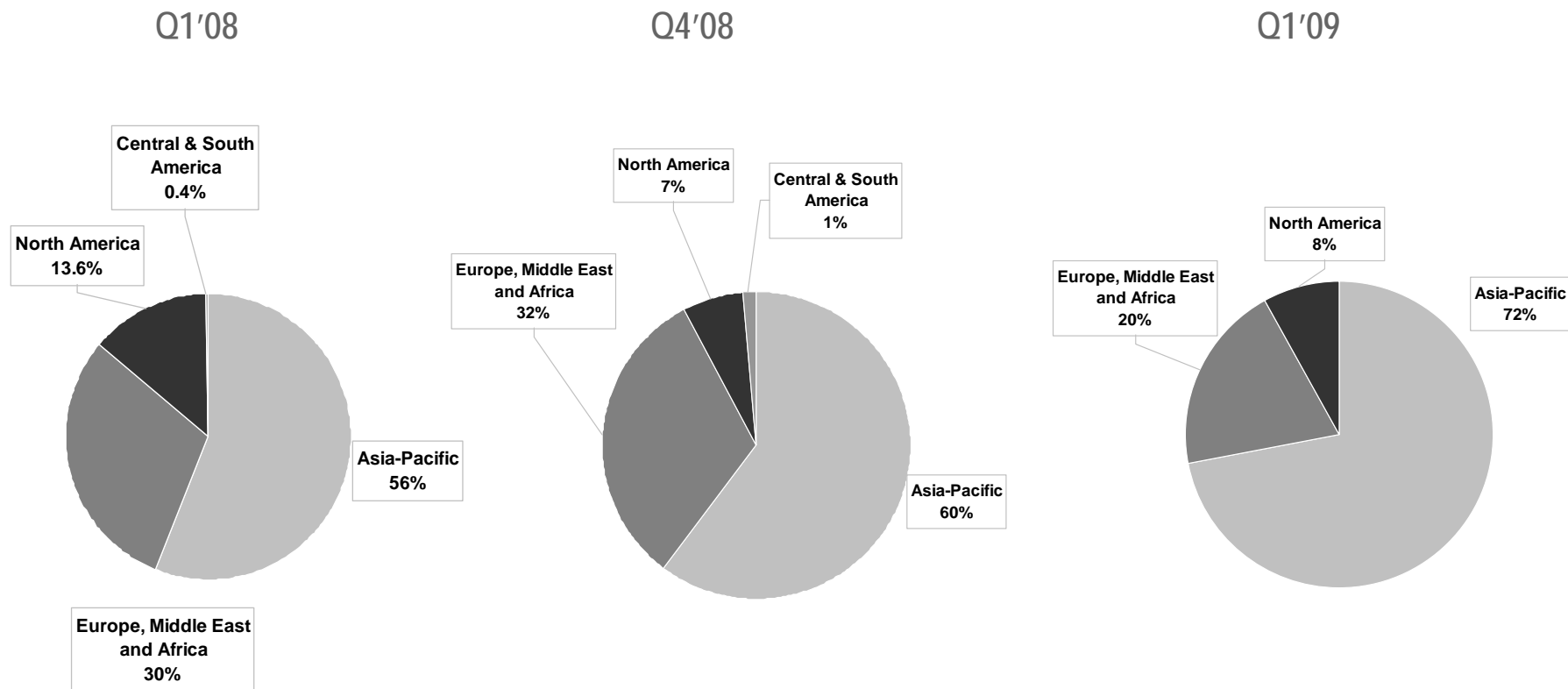
- ▶ Asia-Pacific accounts for 85% of the Top 20 Club (17 IPOs out of 20). This included five deals each from China/HK and Japan, three from South Korea, two from Australia and one deal each from Thailand and Vietnam.
- ▶ Europe, Middle East and Africa account for 10% of the Top 20 Club (two IPOs out of 20).
- ▶ The US accounts for 5% of the Top 20 Club (one IPO out of 20).
- ▶ 19 of the Top 20 Club listed on their home exchange (as their primary exchange).
- ▶ The Top 20 Club IPOs raised US\$1.3 billion which represents about 94% of global funds raised in Q1'09.
- ▶ Emerging markets represent six of the top ten IPOs and 12 of the top 20 IPOs.
- ▶ The minimum deal value to join the Top 20 Club at Q1'09 has fallen to US\$6.8 million, compared to US\$126.9 million in Q1'08.
- ▶ The minimum deal value to join the Top 10 Club at Q1'09 has fallen significantly to US\$10.1 million, compared to US\$416.5 million in Q1'08.
- ▶ Healthcare and materials industries generated four and three of the top 20 IPOs respectively, while consumer products, consumer staples, technology, industrial and telecommunications each accounted for two of the top 20 IPOs.

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



Source: Dealogic, Thomson Financial, Ernst & Young

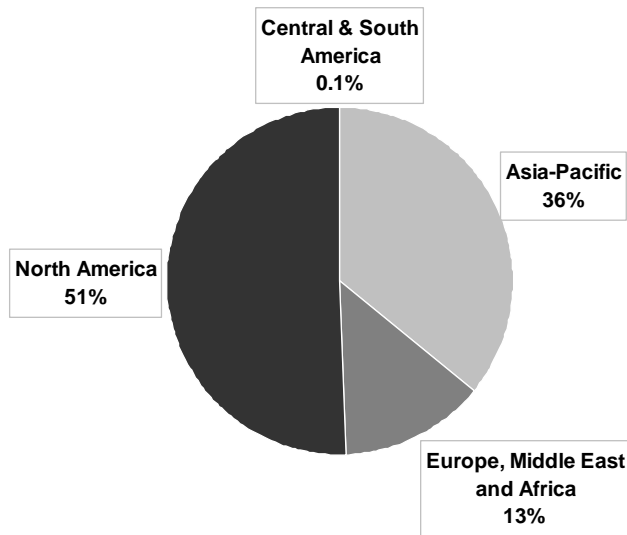
# Global IPO activity: distribution of IPOs by world region (by number of deals)



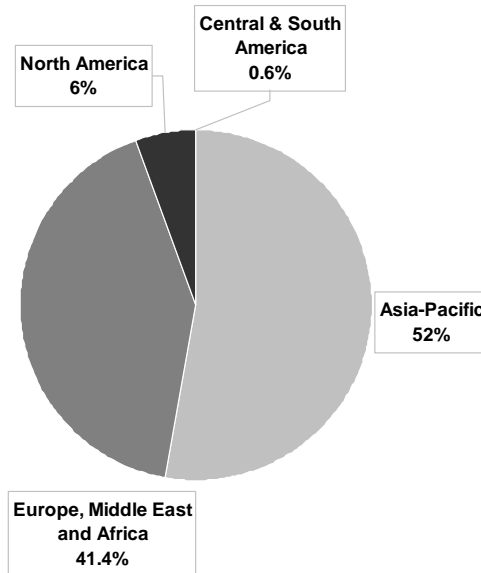
Source: Dealogic, Thomson Financial, Ernst & Young

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

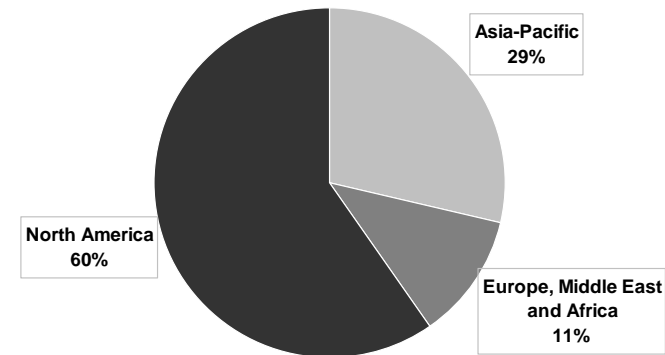
Q1'08



Q4'08



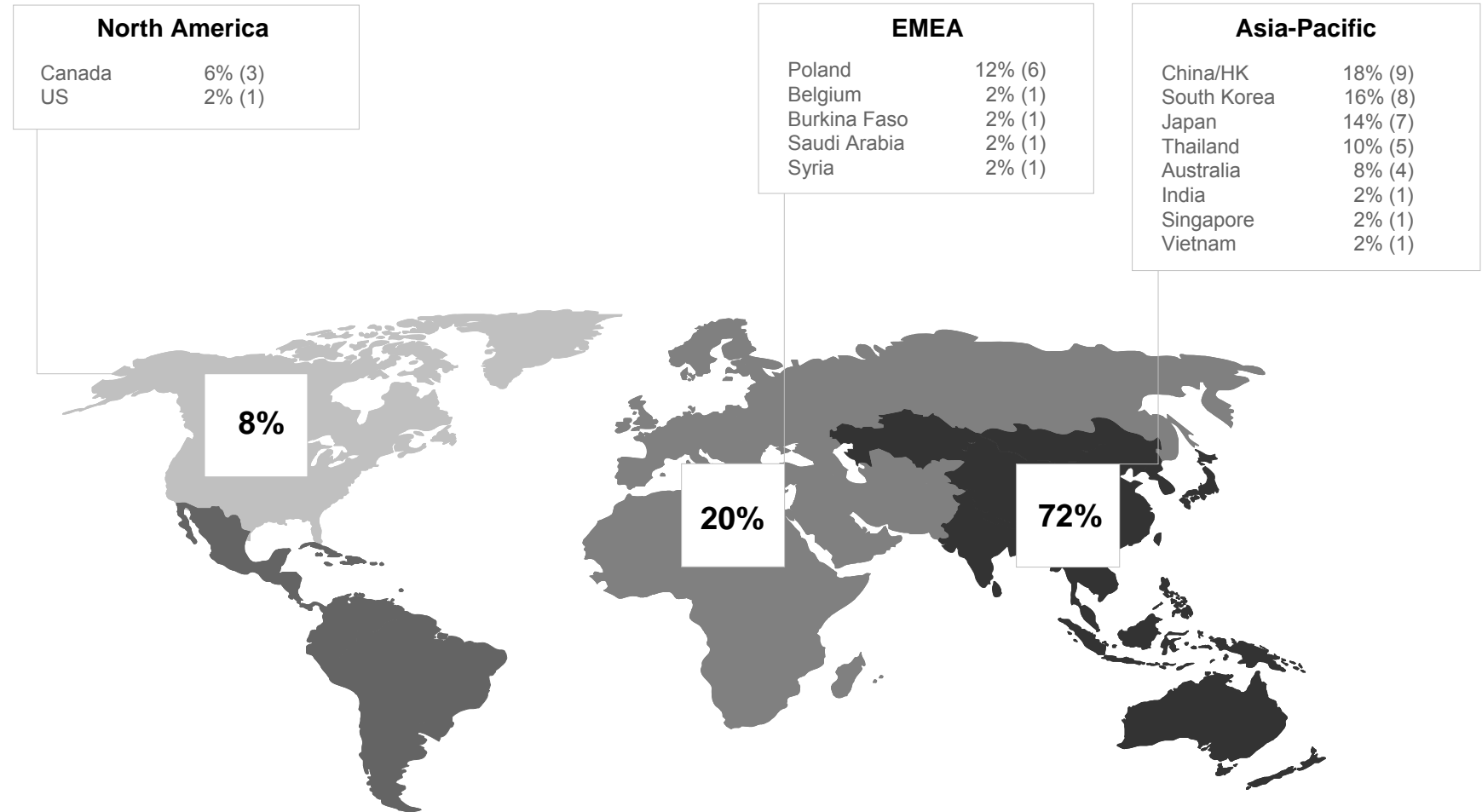
Q1'09



Source: Dealogic, Thomson Financial, Ernst & Young

# Q1'09 Global IPO activity: by region and number of deals

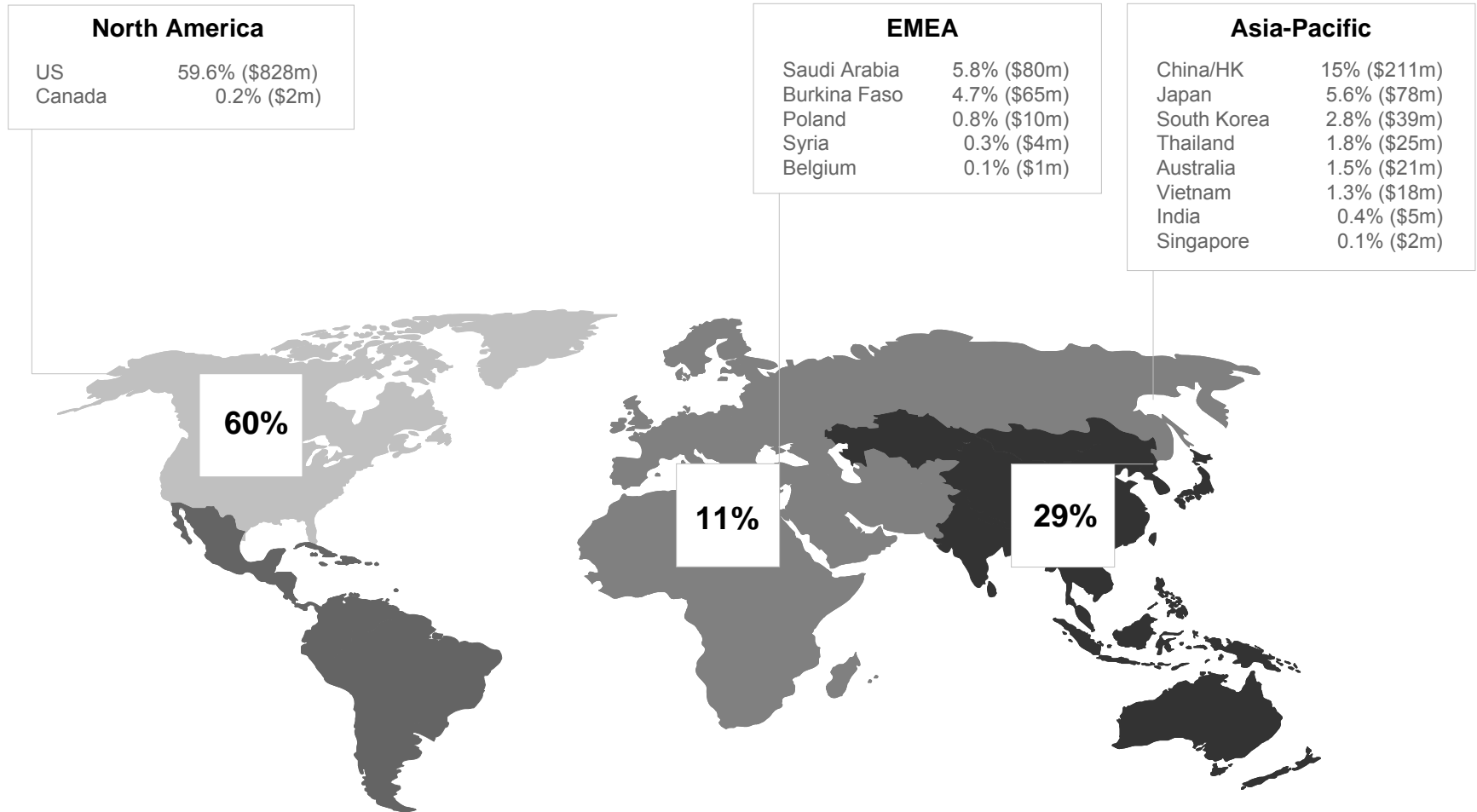
China/HK and South Korea lead by number of deals, followed by Japan



Source: Dealogic, Thomson Financial, Ernst & Young

# Q1'09 Global IPO activity: by region and capital raised

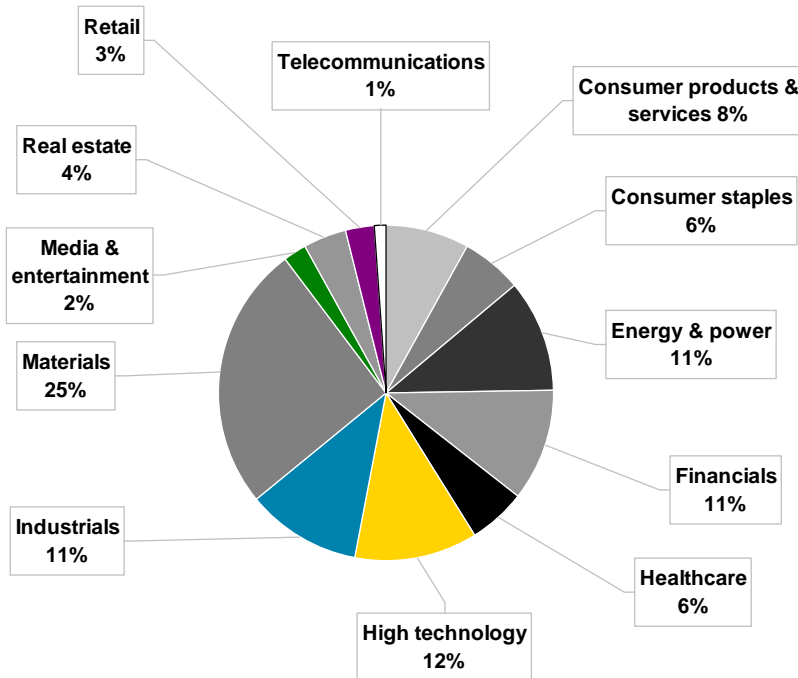
US lead by total capital raised (US\$), followed by China/HK and Saudi Arabia



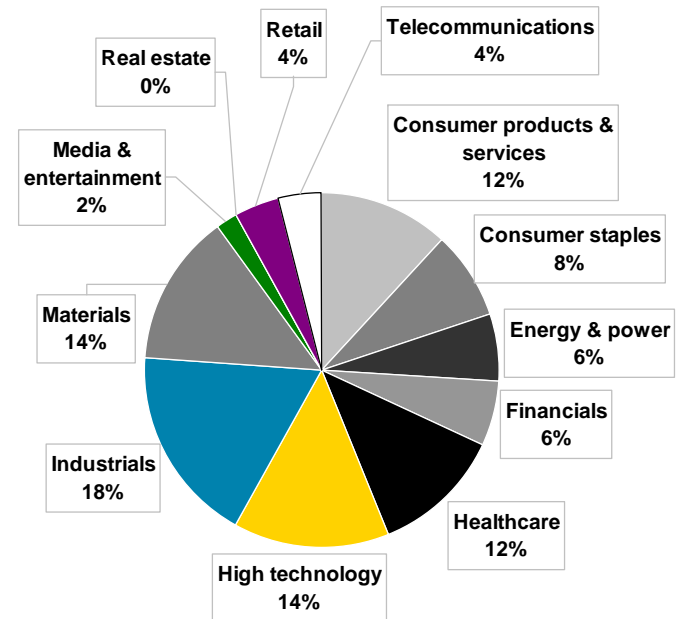
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: by industry and number of deals

Q1 '08



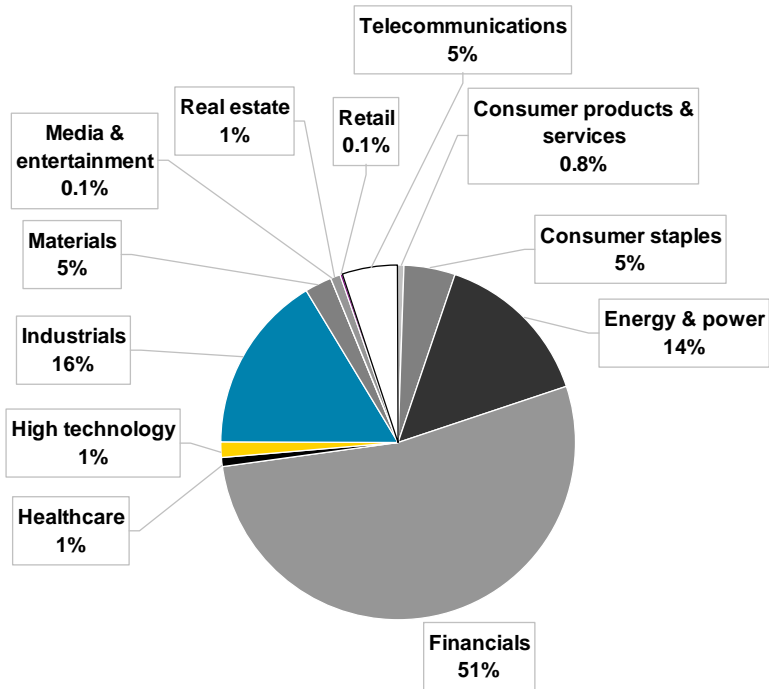
Q1 '09



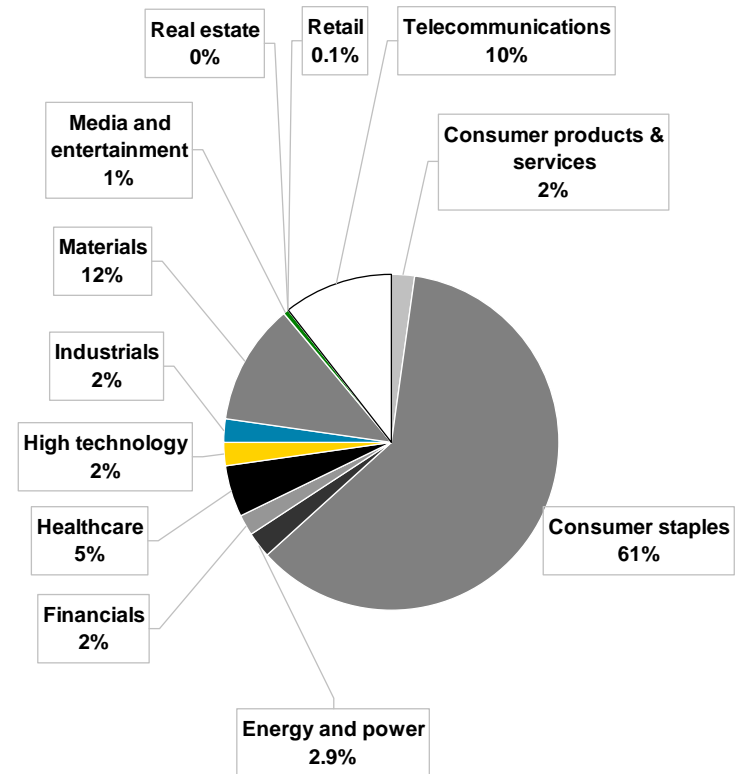
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: by industry and total capital raised

Q1 '08



Q1 '09



Source: Dealogic, Thomson Financial, Ernst & Young

# Q1'09 Global IPO activity: by stock exchanges\*

## Top 10 by number of deals

Primary exchange	No. of deals	%
KOSDAQ	9	18%
Hong Kong Exchanges & Clearing Ltd (HKEx)	6	12%
Australian Securities Exchange (ASX)	5	10%
Market for Alternative Investment (MAI)	4	8%
NewConnect - Warsaw	4	8%
JASDAQ	3	6%
TSX Venture Exchange	3	6%
New York Stock Exchange (NYSE)	2	4%
Tokyo Stock Exchange (TSE)	2	4%
Warsaw Stock Exchange (WSE)	2	4%

## Top 10 by total capital raised

Primary exchange	Funds raised US\$m	%
New York Stock Exchange (NYSE)	\$830	60%
Hong Kong Exchanges & Clearing Ltd (HKEx)	\$201	14.5%
Saudi Stock Exchange (Tadawul)	\$80	6%
Bourse Regionale des Valeurs Mobilieres (BRVM)	\$65	5%
KOSDAQ	\$45	3%
Tokyo Stock Exchange (TSE)	\$44	3%
Australian Securities Exchange (ASX)	\$26	2%
Ho Chi Minh Stock Exchange (HSX)	\$18	1%
JASDAQ	\$18	1%
Market for Alternative Investment (MAI)	\$15	1%

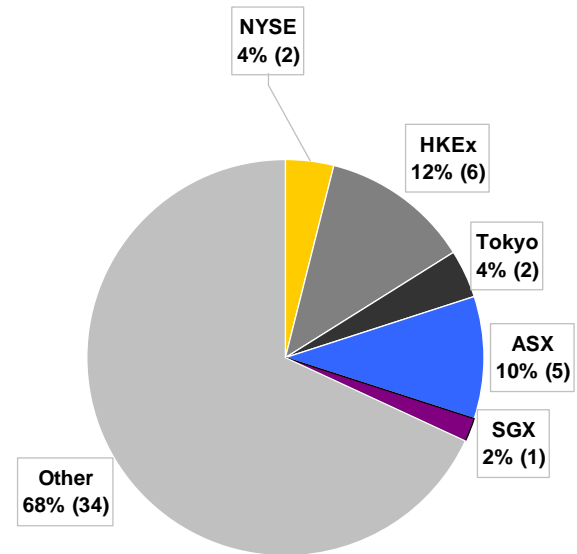
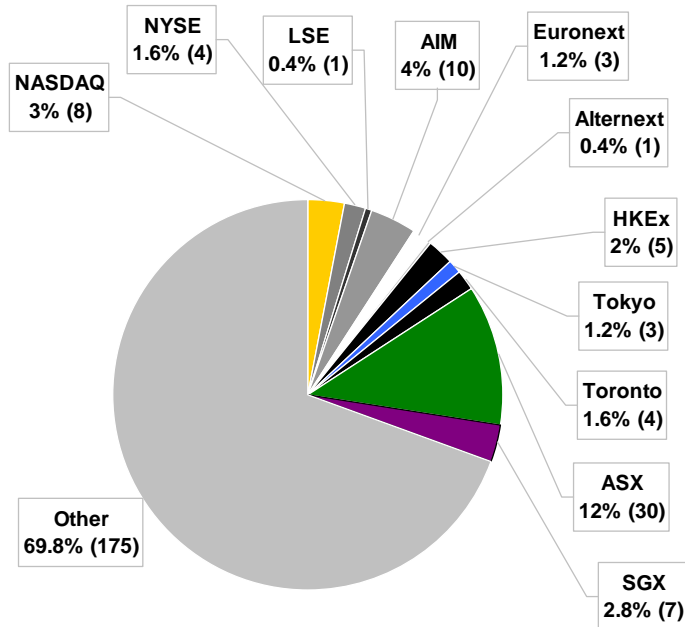
\*Data based on domicile of the exchange, regardless of the listed company domicile

Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: by stock exchange\* and number of deals

Q1 '08

Q1 '09

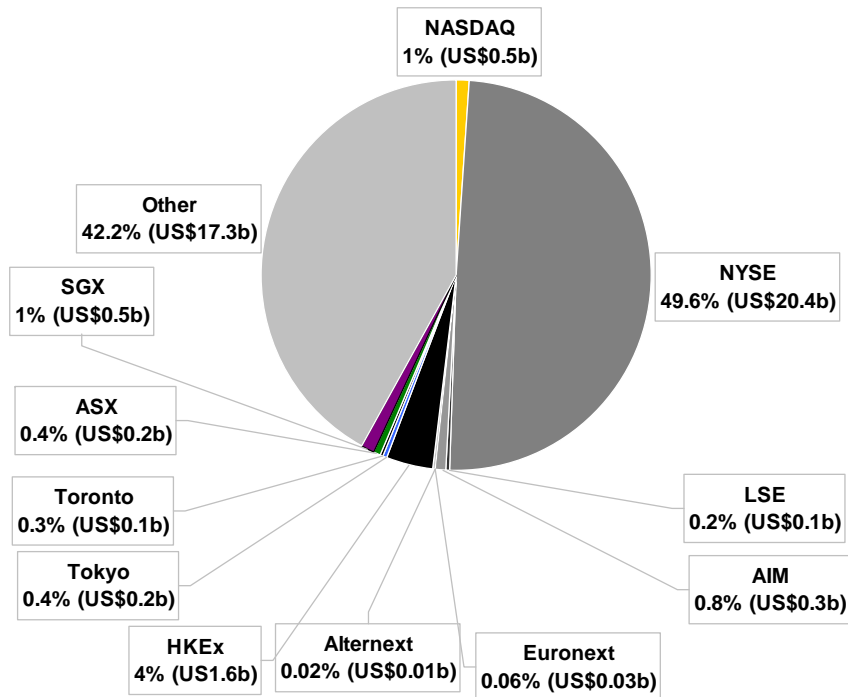


\* On this slide the data is based on the exchanges' domicile regardless of the listed company domicile

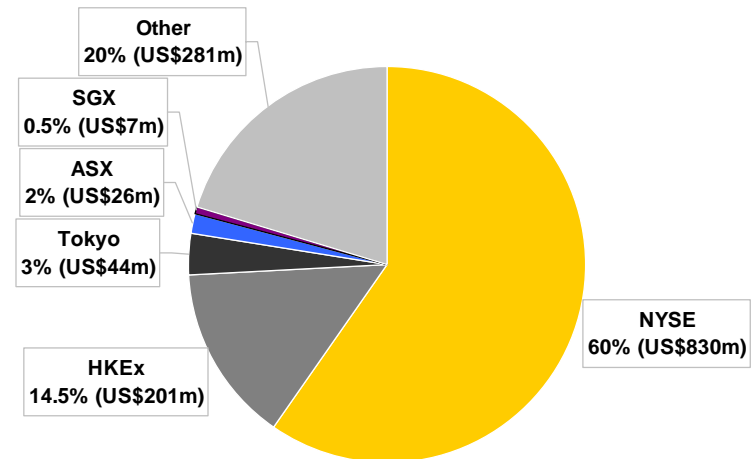
Source: Dealogic, Thomson Financial, Ernst & Young

# Global IPO activity: by stock exchange\* and total capital raised

Q1 '08



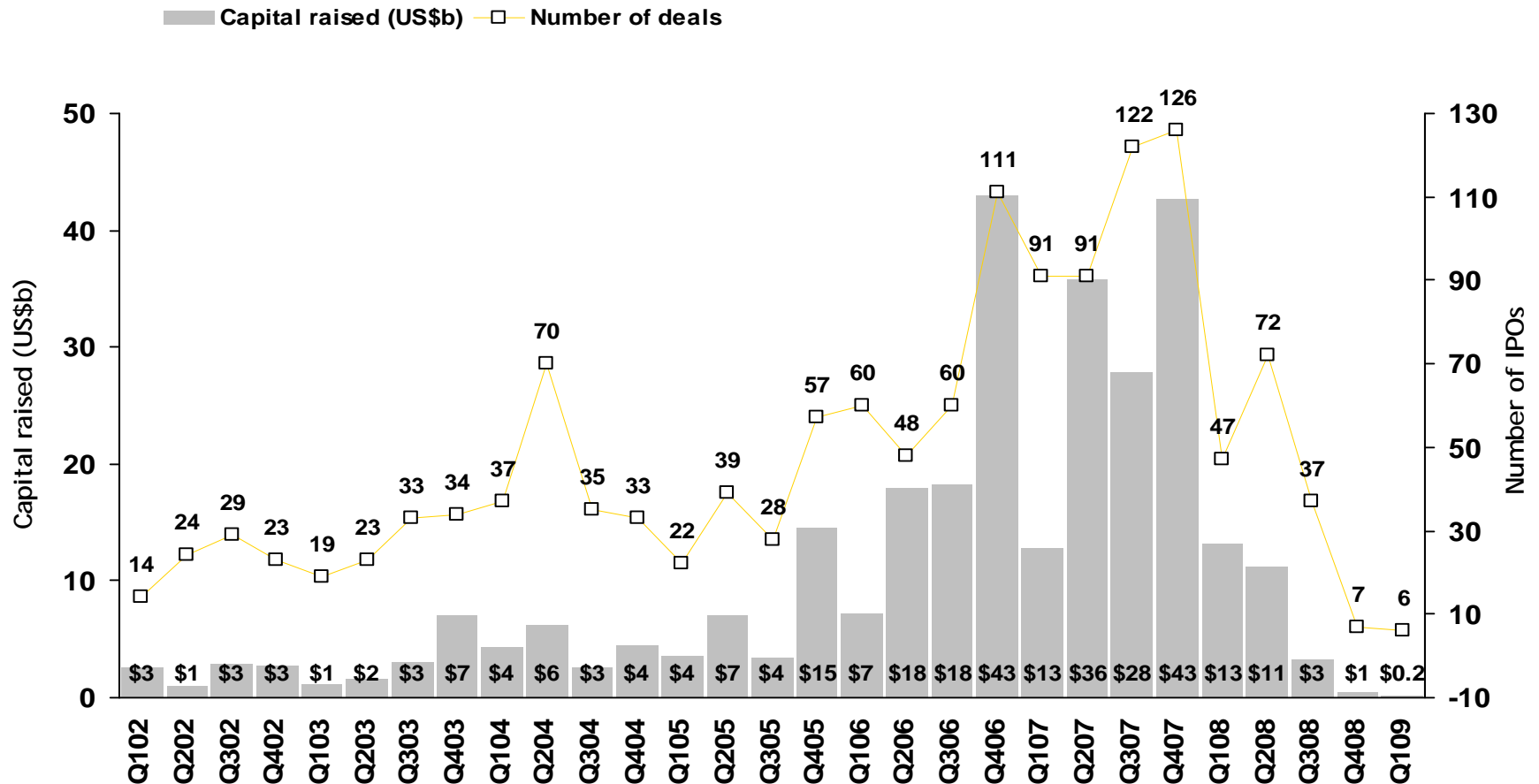
Q1 '09



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

Source: Dealogic, Thomson Financial, Ernst & Young

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



Source: Dealogic, Thomson Financial, Ernst & Young

# Q1'09: top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
10/2/09	Mead Johnson Nutrition Co	United States	Consumer staples	828	New York Stock Exchange (NYSE)
16/2/09	Real Gold Mining Ltd	China	Materials	133	Hong Kong Exchanges & Clearing Ltd (HKEx)
2/2/09	Etihad Atheeb Telecommunication Company	Saudi Arabia	Telecommunications	80	Saudi Stock Exchange (Tadawul)
19/3/09	Office National des Telecommunications du Burkina Faso - Onatel	Burkina Faso	Telecommunications	65	Bourse Regionale des Valeurs Mobilieres (BRVM)
9/1/09	Strong Petrochemical Holdings Ltd	Hong Kong	Energy and power	32	Hong Kong Exchanges & Clearing Ltd (HKEx)
9/3/09	Taiko Pharmaceuticals Co Ltd	Japan	Healthcare	29	Tokyo Stock Exchange (TSE)
6/1/09	Agribank Securities Co Ltd (Agriseco)	Vietnam	Financials	18	Ho Chi Minh Stock Exchange (HSX)
2/3/09	Daiken Medical Co Ltd	Japan	Healthcare	15	Tokyo Stock Exchange (TSE)
25/2/09	Come Sure Group (Holdings) Ltd	Hong Kong	Materials	10	Hong Kong Exchanges & Clearing (HKEx)
20/1/09	Cape Alumina Ltd	Australia	Materials	10	Australian Securities Exchange (ASX)

Source: Dealogic, Thomson Financial, Ernst & Young

# Q1'09: top 20 IPOs by capital raised

Issue date	Issuer name	Domicile nation	Industry description	Proceeds (US\$m)	Primary exchange
20/3/09	Kolon Life Science Ltd	South Korea	Healthcare	10	KOSDAQ
20/3/09	Asia Cassava Resources Holdings Ltd	Thailand	Consumer staples	10	Hong Kong Exchanges & Clearing Ltd (HKEx)
5/3/09	Odawara Auto machine Mfg Co Ltd	Japan	Industrials	9	JASDAQ
2/1/09	Treyo Leisure & Entertainment Ltd	Australia	Consumer products & services	9	Australian Securities Exchange (ASX)
6/3/09	JCL Bioassay Inc	Japan	Consumer products & services	9	Hercules - Nippon New Market
12/1/09	China Singyes Solar Technologies Holdings	China	Industrials	8	Hong Kong Exchanges & Clearing Ltd (HKEx)
27/3/09	CT Holdings (International) Ltd	Hong Kong	Media & entertainment	8	Hong Kong Exchanges & Clearing Ltd (HKEx)
23/3/09	Sockets Inc	Japan	High technology	8	Tokyo MOTHERS
31/3/09	Vieworks Co Ltd	South Korea	Healthcare	7	KOSDAQ
30/3/09	S&S Tech Corp	South Korea	High technology	7	KOSDAQ

Source: Dealogic, Thomson Financial, Ernst & Young

# Appendix: definitions

---

- ▶ The data presented in the Annual IPO survey is from Dealogic, Thomson Financial and Ernst & Young.
- ▶ For the purposes of the Quarterly and Year End IPO press release, we focus only on IPOs of operating companies and define an IPO as follows:
  - ▶ A company's first offering of equity to the public.
- ▶ This report includes only those IPOs for which Dealogic, Thomson Financial and Ernst & Young offer data regarding the issue date (the day the offer is priced and allocations are subsequently made), trading date (the date on which the security first trades) and proceeds (funds raised including any overallotment sold). Postponed IPOs or those which have not yet been priced are therefore excluded.
- ▶ In an attempt to exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded:
  - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities
  - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third party administration as well as other financial vehicles
  - ▶ 6722: Companies that are open-end investment funds
  - ▶ 6726: Companies that are other financial vehicles
  - ▶ 6732: Companies that are grant-making foundations
  - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts
  - ▶ 6798: Companies that are REITs
  - ▶ 6799: Special Purpose Acquisition Companies (SPACs)
- ▶ In our analysis, unless stated otherwise, IPOs are attributed to the domicile nation of the company undertaking an IPO. The primary exchange on which they are listed is as defined by Dealogic, Thomson Financial and Ernst & Young research. A foreign listing is where the stock exchange nation of the company is different from the company's domicile nation (ie, issuer's nation).

# Ernst & Young

Assurance | Tax | Transactions | Advisory

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 135,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit [www.ey.com](http://www.ey.com).

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

[www.ey.com](http://www.ey.com)

© 2008 EYGM Limited.  
All Rights Reserved.

EYG no. CY0051

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.