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Global IPO market climbs to 10-year high in 2017

- ▶ **The number of initial public offerings rose 49% in 2017 to 1,624 – the highest since 2007**
- ▶ **The issue volume rose by 40% to USD 189 billion**
- ▶ **Landis & Gyr and Galenica among the top 10 largest IPOs in the world**

ZURICH, 20 DECEMBER 2017 – The world hasn't seen this many global IPOs in one year for a whole decade. The total number of IPOs in 2017 rose by 49% over the previous year to 1,624. The last time more IPOs were registered was in 2007, when 1,967 companies made the jump to the trading floor. Compared to 2016, the total issue volume rose by 40% to USD 189 billion.

This year saw gains in all of the major markets. In China, the most active IPO region, the number of transactions rose 68% to 582 and 36% of all IPOs worldwide took place in China. However, the issue volume in China rose by only 3% to USD 49 billion. In Europe there were a total of 250 initial public offerings – 30% over the year prior. The amount of capital raised increased by 44% to USD 46 billion. After a weak 2016, the US market was in much better form as well. The number of IPOs rose by 55% to 174, raising capital of USD 39 billion, representing growth of 84%.

The market also held its upward trend in the traditionally strong fourth quarter, although the growth numbers were slightly lower compared with the year overall. The number of IPOs rose worldwide by 11% to 409 between October and December 2017, with the total issue volume growing by 6% to USD 56 billion. Those are results from the current worldwide EY IPO Barometer for the fourth quarter of 2017.

Industry and technology sectors leading the way in initial public offerings

On international stock markets, 2017 was the year of the IPO for the industrial sector. After 181 transactions in the previous year, this year saw 306 industrial firms go public – a rise of 69%. The number of technology IPOs rose by 28% from 195 to 250, while the consumer goods

sector saw a jump of 73% to 199 IPOs. Significant growth was also seen among raw materials companies, where the number of IPOs rose by an impressive 88% to 184.

The world's largest IPOs in 2017 included those by Snap, the instant messaging service, with a volume of USD 3.9 billion, followed by Allied Irish Bank (USD 3.8 billion) and the Italian tyre manufacturer Pirelli (USD 2.8 billion). Switzerland chalked up two of the top 10 global IPOs with Landis & Gyr (USD 2.4 billion) and Galenica Santé (USD 1.9 billion).

IPOs to continue on the SIX in 2018

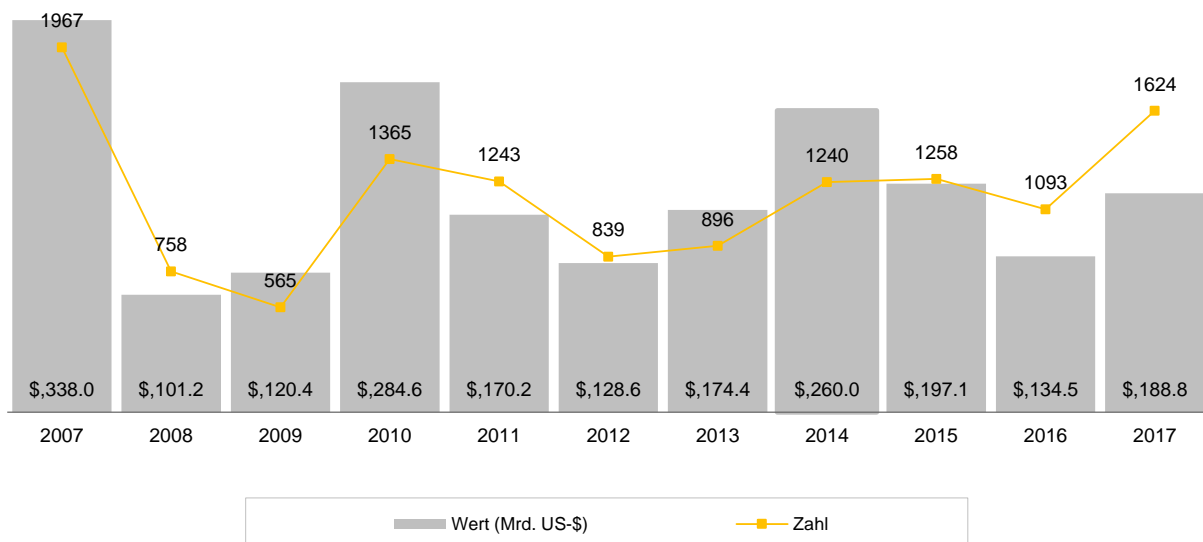
“2017 was an excellent IPO year and 2018 promises to be even better,” says Roger Müller, Partner and IPO Leader at EY Switzerland. “We see growth in all of the major markets, and this positive development should continue in the coming year. Volatility is low, a good many valuations on the stock markets are at record highs, economic growth is gaining strength and the pipeline is nicely filled with promising candidates.” In addition to Saudi Aramco, an oil giant planning an IPO for the second half of 2018 that could be the largest in the world, more than 630 companies are waiting to be listed in China and Hong Kong. “We’re also expecting a good few IPOs on the Swiss Stock Exchange SIX in 2018.”

There are of course still risks that could negatively affect the market, such as tensions with North Korea and in the Middle East, Brexit or even changes in US tax and trading policy, but Müller is confident in the end: “The IPO boom will continue in the coming years because there is still a lot of liquidity on the market, investor confidence is high and the economic risks are relatively limited.”

Global IPO market: an overview of the regions

Worldwide	2017	2016	% change
Issue volume (USD bn)	188.8	134.5	40%
Number of IPOs	1,624	1,093	49%
Europe			
Issue volume (USD bn)	46.1	32.0	44%
Number of IPOs	250	193	30%
China (incl. Hong Kong)			
Issue volume (USD bn)	49.0	47.8	3%
Number of IPOs	582	347	68%
USA			
Issue volume (USD bn)	39.5	21.5	84%
Number of IPOs	174	112	55%

Worldwide IPO market development since 2007 (number and value of all completed IPOs worldwide)



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