

December 16, 2015

Global IPO Issuance Falters in 2015

Weighed down by volatile equity returns, global IPO issuance failed to deliver a repeat of 2014's blockbuster year. Global IPOs raised only \$156.2 billion in 2015, down 35% from 2014's seven-year highs but still slightly ahead of the ten-year median (\$148.4 billion). Following two years in the shadow of North American issuance, Asia Pacific returned to dominance with 44.6% share of all proceeds raised despite the on-again, off-again China A-share market, thanks in large part to the \$12 billion triple listing of Japan Post's bank, insurance and holding companies in October. Europe ran a close second, representing 35.4% of global proceeds raised, thanks to large privatizations such as Spanish airport Aena (\$4.8 billion deal), Dutch bank ABN Amro (\$3.6 billion) and Italian post office Poste Italiane (\$3.4 billion). For the fourth straight year, the financial sector was the most active, accounting for 35.6% of proceeds raised. Bolstered by high-flying A-share listings, the average Asia Pacific IPO generated a 72.4% total return (vs. 19.4% in 2014), significantly skewing global performance metrics (32.2% average return vs. 6.6% ex-China average return).

Key Takeaways:

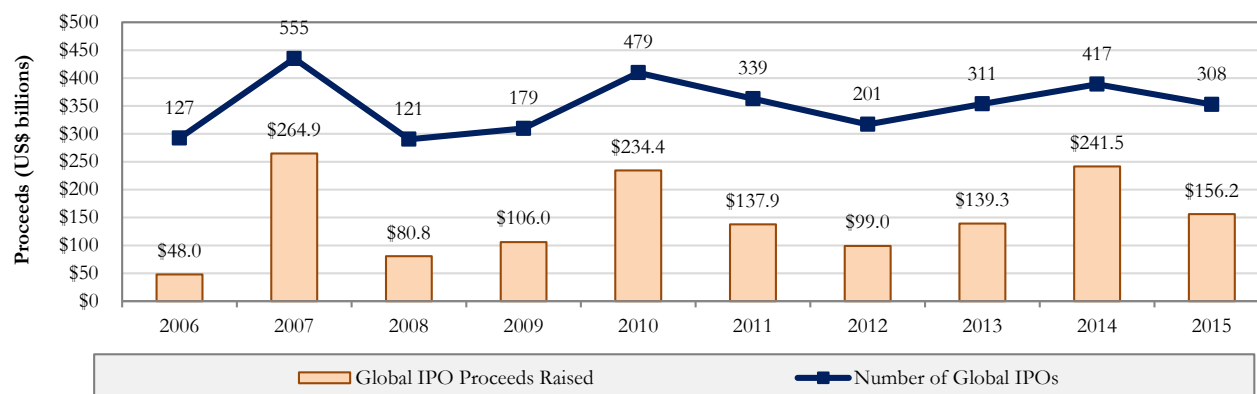
- Global IPO activity reaches lowest levels since 2012
- Asia Pacific leads in market share, bolstered by Japan Post's triple listing
- Financial IPOs dominate sector issuance
- Global IPOs produce solid 32% average return thanks to soaring A-share offerings
- Materials and Health Care leads 2015 sector returns
- Global IPO pipeline has doubled from last year's levels

Global IPO Activity - Annual

	2011	2012	2013	2014	2015	ΔYoY
Proceeds Raised (US\$)	\$137.9b	\$99.0b	\$139.3b	\$241.5b	\$156.2b	-35.3%
Number of Deals	339	201	311	417	308	-26.1%
Median Deal Size (US\$)	\$209.7m	\$215.3m	\$255.2m	\$233.1m	\$236.1m	12.6%

Source: Renaissance Capital. Global statistics include IPOs with a deal size of at least \$100 million and exclude closed-end funds and SPACs. Data as of Dec. 16, 2015.

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