

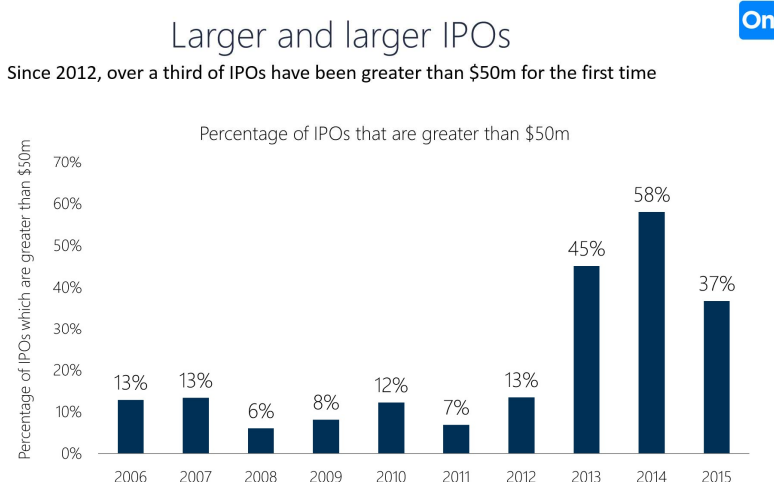
IPOs get larger as more foreign companies list

17 May, 2016: Initial public offerings (IPOs) are getting bigger as technology and finance companies account for more listings on the ASX while a record 20% of ASX listings were by foreign businesses in 2015 with more to come, Tim Eisenhauer, managing director of [OnMarket BookBuilds](#), has told an Australian Shareholders' Association (ASA) conference today.

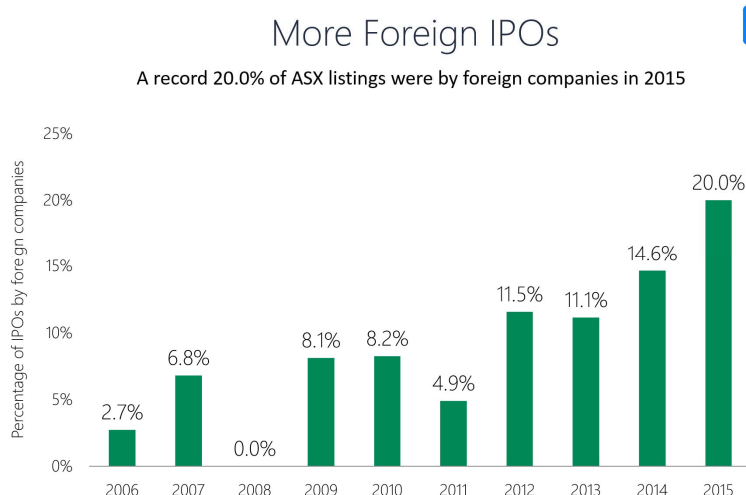
Eisenhauer said there has also been a big jump in the number of private-equity (PE) backed company floats on the ASX, representing 22% of all IPOs in 2014, well up from as low as 1% in 2006, and just 2% in 2010.

"We're seeing some clear trends in IPOs. First they are getting larger. Since 2013, 47% of IPOs have been valued at greater than \$50 million, well up from 13% of floats in 2012 that were valued at more than \$50 million and just 7% in 2011. This reflects a robust and healthy IPO market.

"We're also seeing more technology, finance and professional services companies list on the ASX while the number of resources companies, typically small in value, has dived. That contrasts to 2010, when energy and resources dominated the IPO market," Eisenhauer said.



"Another trend we're witnessing is for more foreign companies to list on the ASX, attracted by the very large and ready pool of Australian investors ready to invest in shares," said Eisenhauer, whose company has launched the [OnMarket](#) app, giving retail investors free and fair access to ASX IPOs.



Meanwhile, the average first-day return on all 1,015 ASX IPOs over the past 10 years is 14.7%, "which has represented a great investment opportunity and is a compelling reason to buy into IPOs.

Even more impressive, in 2014, the last full year of performance data indicates an average 1 year return of 42.6% on IPOs,” Eisenhauer said.

That compares to an average 1-year IPO return over the past 10 years of 9.1% per annum, still very attractive, he said.

Recent analysis by OnMarket BookBuilds indicates that IPOs could continue the trend of outperformance this year.

According to the *OnMarket First Quarter IPO Report*, of the 13 IPOs on the ASX during the first quarter of 2016, first-day returns averaged 9.2%, representing a good gain for investors. IPO returns struck 1.3% over the first quarter of 2016, representing a strong 6.7% outperformance of the S&P/ASX 200.

“The strong returns revealed by the *OnMarket First Quarter IPO Report* reflects the trend for the IPO ‘asset class’ to outperform the overall share market. These returns build on an impressive IPO performance in 2015, when the average return of the 93 companies that listed on the ASX that year was 23%. That compares well with the S&P/ASX 200, which lost 3% in the same period,” Eisenhauer said.

To make IPOs more accessible, OMB recently launched the [OnMarket](#) app, which is completely free to investors: it’s free to sign up, bid and invest. A defined and automated system ensures all OnMarket bidders are allocated IPO stock fairly, stock which has in the past often been available only to wealthier individuals or clients of particular brokers and institutional investors.

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[About On-Market BookBuilds \(OMB\)](#)

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