
Equity Capital Markets Update

London Stock Exchange

H1 2019



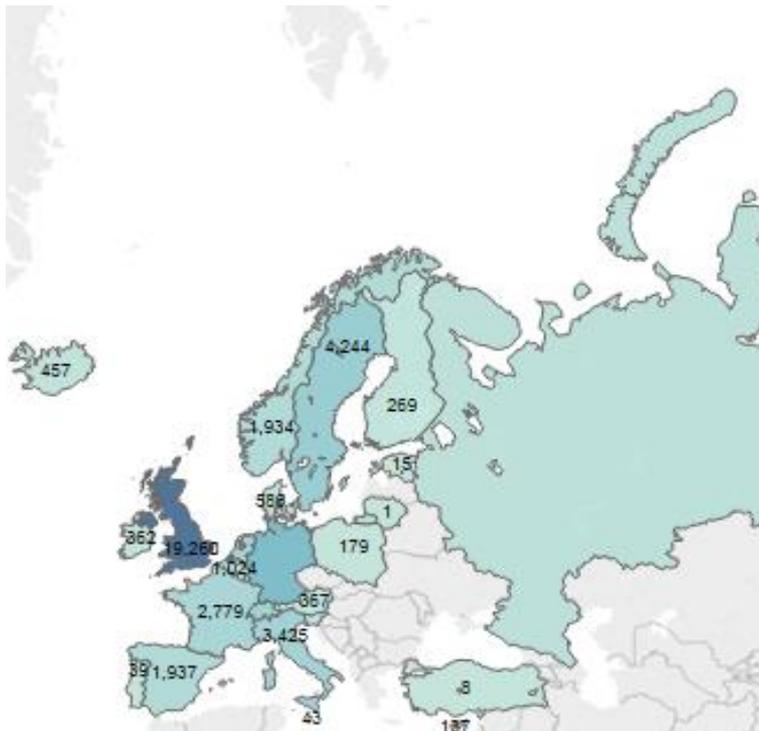
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Equity Capital Markets in H1 2019

37% of total European proceeds were raised in London

Equity Capital Raised in Europe, H1 2019



- Compared to H1 2018, global IPO activity slowed following an unusually quiet Q1 as geopolitical tensions, trade wars and European Parliament elections dampened IPO sentiment
- Global IPO volumes fell by 24% YoY, from £88.34bn to £67.36bn, meanwhile European IPO volumes (ex. UK) fell 54% YoY
- Against this difficult market backdrop London Stock Exchange saw a notable increase in Q2 IPO activity which contributed to a 35% rise in IPO capital raised versus H1 2018
- £19.2bn of equity capital was raised on London Stock Exchange in H1, almost 3 times more than on the next largest European exchange
- Globally, a number of high profile IPOs and New Listings occurred in H1 2019:
 - Huatai Securities became the inaugural Shanghai-London Stock Connect issuer raising £1.3bn
 - Uber Technologies listed on New York Stock Exchange raising £6.2bn
 - Nexi raised £1.8bn on the Italian Stock Exchange in the largest European IPO of the year

Strong levels of equity issuance in H1

£19.2bn was raised in London through IPOs & FOs

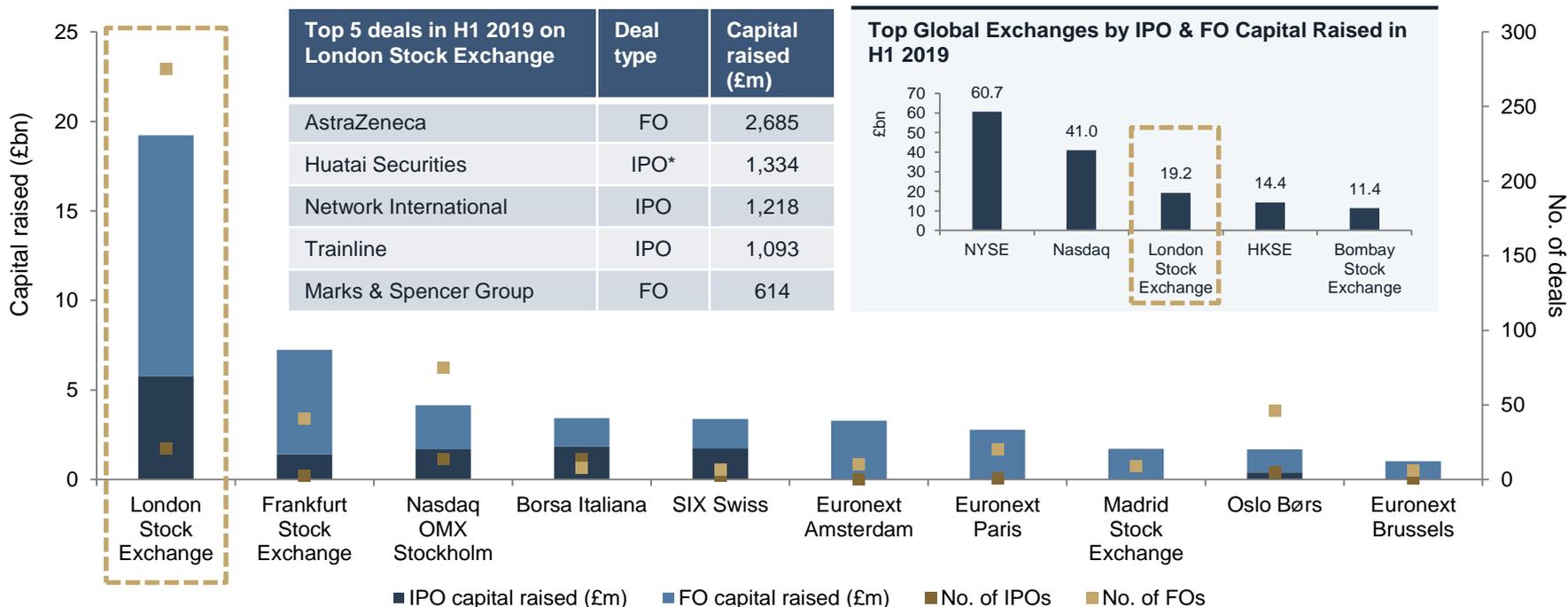


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London was the most active equity market in Europe in H1 2019, with:

- 3.3x more transactions (296 IPOs & FOs) than the next most active exchange, Nasdaq OMX Stockholm (89 IPOs & FOs)
- 2.7x more in IPO and FO proceeds (£19.2bn) than the next exchange, Frankfurt Stock Exchange (£7.2bn)

Top 10 European Exchanges by IPO & FO Capital Raised in H1 2019



Source: Dealogic, July 2019

All calculations are based on a deal pricing date

*A new listing as a part of Shanghai-London Stock Connect

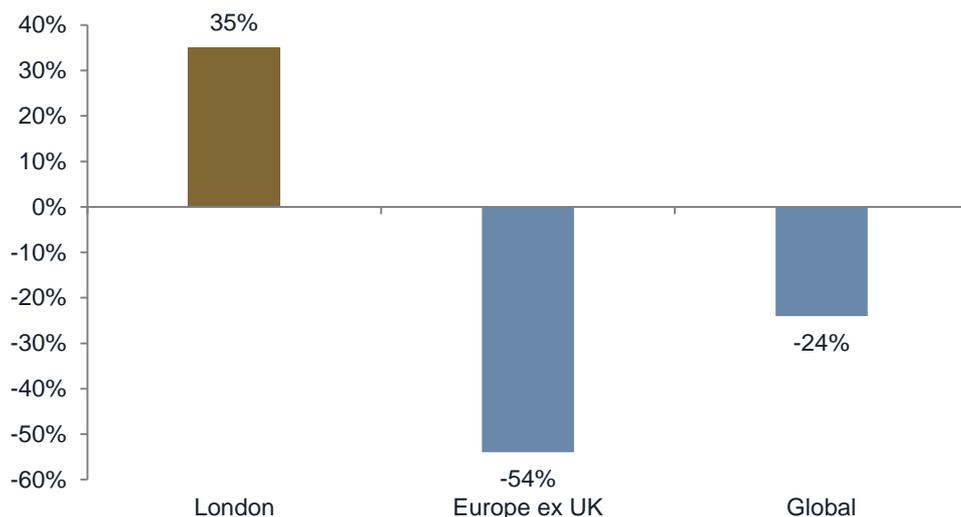
London IPO Volumes Increase 35% YoY



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Against difficult backdrop with European and Global IPO volumes declining

IPO volume changes in H1 2019 vs H1 2018*



- **London IPO volumes have risen by 35%, from £4.27bn to £5.78bn year-on-year**
- Europe IPO volumes (ex. UK) declined by 54%, from £16.18bn to £7.51bn
- Global IPO volumes, including UK and Europe, have fallen by 24%, from £88.34bn to £67.36bn

Largest 10 European IPOs in H1 2019

Company	Exchange	Capital raised (£m)
Nexi SpA	Borsa Italiana	1,771
Huatai Securities	LSE	1,334
Network International	LSE	1,218
Traton	Frankfurt, Stockholm	1,210
Stadler Rail AG	SIX Swiss	1,166
Trainline plc	LSE	1,093
Airtel Africa plc	LSE	541
Medacta Group SA	SIX Swiss	449
Schiehallion Fund	LSE	363
Finalbr	LSE	306

Source: Dealogic, July 2019

All calculations are based on a deal pricing date

*Percent is generated using GBP values



The Global Offshore Financing Centre

47% of cross-border IPOs globally occurred in London

Global Cross-Border IPO deal value 43% above 5y average*



- London has established itself as the number one venue for cross-border IPOs and new listings, accounting for 47% (£3.5bn) of global value
- This is c.£2bn more than the next largest exchange for cross-border IPOs, Nasdaq
- London has welcomed companies from North America, Africa, United Arab Emirates and China in H1 2019

3 of the top 5 IPOs and new listings on LSE in 2019 H1 were international

Company	Huatai	Company	Network International	Company	Airtel Africa
Company Nationality	China	Company Nationality	UAE	Company Nationality	Pan-African
Capital Raised (£m)	1,334	Capital Raised (£m)	1,218	Capital Raised (£m)	541
Market Cap at Listing (£m)	19,952	Market Cap at Listing (£m)	2,175	Market Cap at Listing (£m)	3,007
Primary / Secondary	100 / 0	Primary / Secondary	0 / 100	Primary / Secondary	100 / 0

Source: Dealogic, FactSet, July 2019

Cross-Border IPO defined as an IPO listing where the exchange nationality differs to the company nationality

*only H1 cross-border IPOs are considered

Note: companies from Greater China listing on HKSE have not been classified as cross-border



International Trends

International issuers continue to access the London market

— In the last 3 years, the majority of the largest IPOs on LSE have been international issuers. This trend has continued in 2019

9 of the top 10 2017 IPOs were International

Company	Nationality	Capital raised at IPO (£m)
Allied Irish Banks	Ireland	2,991
EN+ Group	Russian Federation	1,148
J2 Acquisition	United States	912
Sherborne Investors	United States	700
Polyus OAO	Russian Federation	663
BioPharma Credit	United States	606
Glenveagh Properties	Ireland	553
ContourGlobal	United States	441
TI Fluid Systems	United States	407
Eddie Stobart Logistics	United Kingdom	393

3 of the top 5 2018 IPOs were international

Company	Nationality	Capital raised at IPO (£m)
Aston Martin Lagonda	United Kingdom	1,083
Smithson Investment Trust	United Kingdom	823
Vivo Energy	Pan-African	603
Avast	Czech Republic	602
Nova Ljubljanska Banka	Slovenia	583

3 of the top 5 H1 2019 IPOs were international

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Huatai Securities	China	1,334
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Trainline	United Kingdom	1,093
Airtel Africa	Pan-African	541
Schiehallion Fund	United Kingdom	363

Source: Dealogic, July 2019

Note: international nature determined by main country of operation

 = international issuer



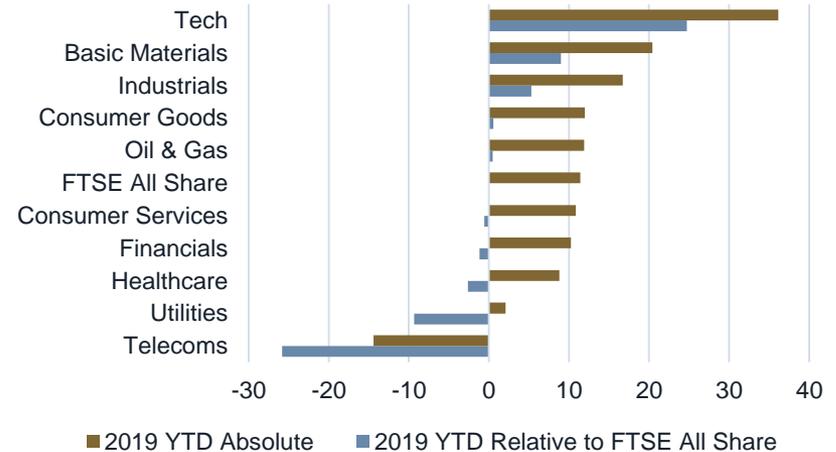
IPO Aftermarket Performance

73% of Main Market IPOs have traded up

Aftermarket Performance, LSE IPOs 2019 YTD



Relative performance of FTSE ICB Industries, 2019 YTD



London Best Performing IPOs, 2019 YTD

Company	Distribution Finance Capital
Market	AIM
Market cap at IPO	£96.0m
Current market cap	£141m
% price change	↑ 47%

Company	Network International
Market	Main Market
Market cap at IPO	£2,175m
Current market cap	£2,950m
% price change	↑ 36%

Company	essensys
Market	AIM
Market cap at IPO	£72.6m
Current market cap	£92.4m
% price change	↑ 27%

Source: Dealogic, FactSet, July 2019

Note: IPOs with a market capitalisation of below £20m excluded from best performing IPOs

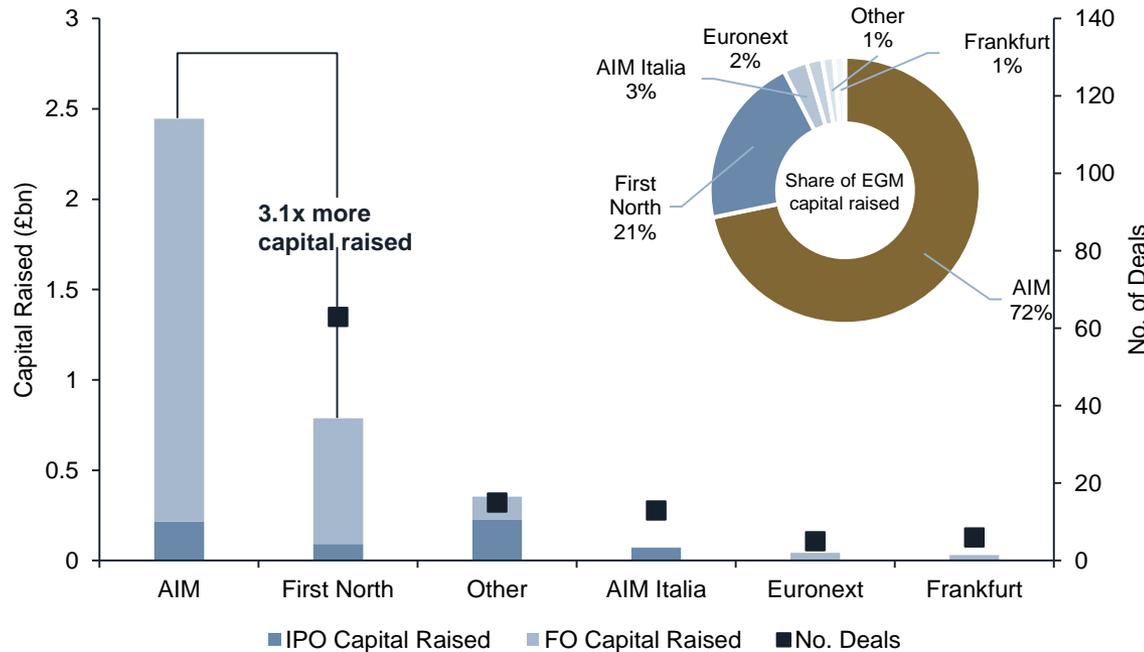


Europe's Growth Market Engine

65% of H1 European growth market capital was raised in London

- In 2019 H1, AIM continued to drive growth market capital in Europe, accounting for 65% of all IPO and FO capital raised and 3.1x more than the next European Growth Market (First North)
- In total, there were 196 deals, raising £215m through IPOs and £2.2bn in FO
- 8 of the top 10 European growth market deals during H1 took place on AIM, yet again dominating follow-ons

2019 H1 capital raised across European Growth Markets



Top 5 2019 H1 European Growth Market IPOs

Company	EGM	Proceeds (£m)
Millenium Hotels	Madrid	224
Loungers	AIM	83
Argentex	AIM	46
Mentice	Stockholm	35
essensys	AIM	28

Top 5 2019 Q1 European Growth Market FOs

Company	EGM	Proceeds (£m)
Globalworth	AIM	300
THQ Nordic	Stockholm	173
GB Group	AIM	160
Hipgnosis Song Fund	AIM	142
Greencoat Renewables	AIM	126

Source: Dealogic, July 2019

First North classification includes: FN Stockholm, FN Denmark, FN Finland, FN Latvia, FN Lithuania

Euronext classification includes: Euronext Paris, Euronext Amsterdam, Euronext Brussels

Other includes: Oslo Axxess, MAB, Nordic Growth Market, NEX and Warsaw New Connect

Shanghai-London Stock Connect

Launched June 2019



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Shanghai-London Stock Connect

A historic milestone in China's opening up

What is Shanghai-London Stock Connect?

- A two-way depositary receipt mechanism delivering a UK-China ecosystem with global and Chinese financial intermediaries partnering on primary and secondary markets
- For the first time, foreign companies can list in mainland China; also for the first time, securities fully fungible with Chinese A-shares can be traded outside China
- Stock Connect has been developed jointly by Shanghai Stock Exchange and London Stock Exchange Group, with the full support of the UK and Chinese Governments and regulatory authorities

Why list CDRs in China?

- A unique opportunity to step up expansion in terms of customer base and brand recognition in one of the world's fastest growing and largest markets
- Dedicated rules for London's CDRs provides accelerated listing timetables and maximum compatibility with UK rules
- Tap the fastest growing asset management geography globally and access Chinese investors of the highest quality

London Stock Exchange listed corporates issue
CDRs listed on Shanghai Stock Exchange



Why list GDRs in London?

- The ability to raise capital in the world's most international market and an unrivalled GDR ecosystem
- An efficient mechanism to expand investor base – London has the most diverse investor base of any major global exchange, allowing issuers to build internationally facing business models
- LSE shares are the most universally accepted acquisition currency globally – LSE acquirers have used listed shares to acquire targets in 54 countries globally



Inaugural issuer to list via the Shanghai-London Stock Connect

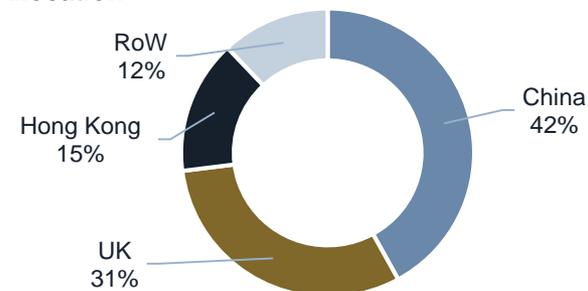
Company name	Huatai Securities Co. Ltd.
LSE market	Main Market
FTSE ICB sector	Financial Services
Main countries of operation	China
Admission date	17 June 2019
Money raised at admission	\$1,692 million
Market cap at admission	\$25,516 million
Underlying to GDR ratio	10:1
Bookrunner	JP Morgan, Huatai HK, Morgan Stanley, Credit Suisse, HSBC



“Shanghai-London Stock Connect is the first of its kind to directly link the Chinese and European markets and a strategic component of China’s capital markets opening up. The programme offers us access to one of the deepest and most influential capital markets in the world and provides fungibility between the GDRs and the A Shares. The offering will improve our core competitiveness by supporting the growth of our international business, further expanding our overseas footprint, and strengthening our capital position. We are pleased to be the first issuer to tap this new market of enormous potential and unprecedented opportunity.”

Zhou Yi, Chairman & President

Estimated Allocation



Listing Story

Huatai Securities is a leading integrated securities group in China, with the largest securities brokerage business and leading e-platform in the industry. The company has maintained A-share and H-share listings since 2010 and 2015 respectively.

Huatai’s landmark transaction was the first ever listing on the newly-created Shanghai Segment of the London Stock Exchange. The Company successfully raised \$1.69bn (including over-allotment facility) making it the largest UK GDR offering since 2012.

This marks the first time that international investors have had access to the Chinese A-share market with a fully fungible instrument using international trading and settlement practices

Huatai has seen strong trading since IPO with an average \$13.4m traded daily through LSE’s International Order Book, and 100% of block trades have been made through Turquoise, adding 18% more liquidity. Huatai has been LSE’s most traded Asian stock on some days.

London's Fintech Surge Continues



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London's Fintech Surge

2019 attracts international payments companies

2017

Fintech Surge Begins

In 2017, London Stock Exchange welcomed three Fintech companies. This included Boku Inc., a provider of online mobile payments.

2018

Fintech Surge Builds

2018 was a record year for Fintech companies at London Stock Exchange. 7 new joiners ranged from payment solutions providers to online lending platforms.

2019

Fintech Surge Goes International

In H1 2019, 2 Fintech companies joined London Stock Exchange. Both companies operate as payments solutions providers in Middle East.



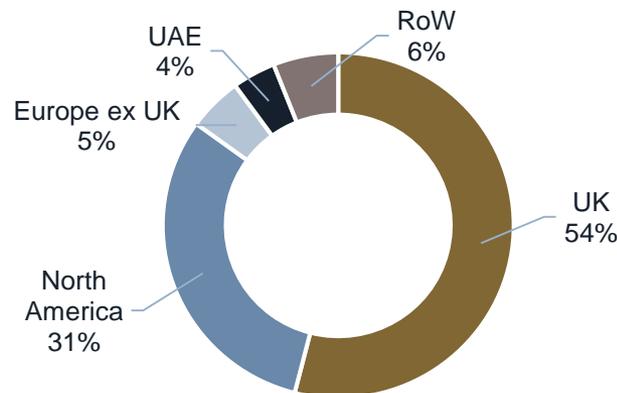
Case Study

Network International

Largest ever MEA IPO on London Stock Exchange



Company name	Network International Holdings
LSE market	Main Market – Premium
Sector	Payments / Fintech
Main countries of operation	UAE
Admission date	10 April 2019
Capital Raised	£1,218 million
Market cap at admission	£2,175 million
Bookrunners	JP Morgan, Citi, Morgan Stanley, Barclays, Emirates NBD, Goldman Sachs, Liberum



Implied multiples*

	EV/EBITDA	P/E
2019E	21.7x	32.9x
2020E	19.3x	27.7x

Implied EV/EBITDA multiple is a premium to Worldpay pre FIS acquisition announcement

Selling shareholders	Stake pre-IPO	Stake post-IPO
Emirates NBD	51%	22.4%
Warburg Pincus / General Atlantic	49%	21.6%

Listing Story

Dubai-based with operations in the UAE, Egypt, Jordan, South Africa and Nigeria, Network International is the leading enabler of digital payments in the Middle East, the world's most under-penetrated payments market.

As well as being the largest ever MEA IPO on LSE, Network International's offering makes up the largest MEA tech IPO globally and the largest public offering from the region since 2014.

A \$300m cornerstone investment by Mastercard was announced on 26 March (giving a 9.99% holding). Under the partnership, both parties will work on joint development projects to drive card penetration, usage and acceptance in the region.

The deal allowed long-standing shareholders to monetise their positions in the fast-growing company. Shares in the company rose 17% on debut with 25m traded in the first 2 hours.

Source: LSE, company website, bookrunners, July 2019

Note: includes both cornerstone investment and greenshoe

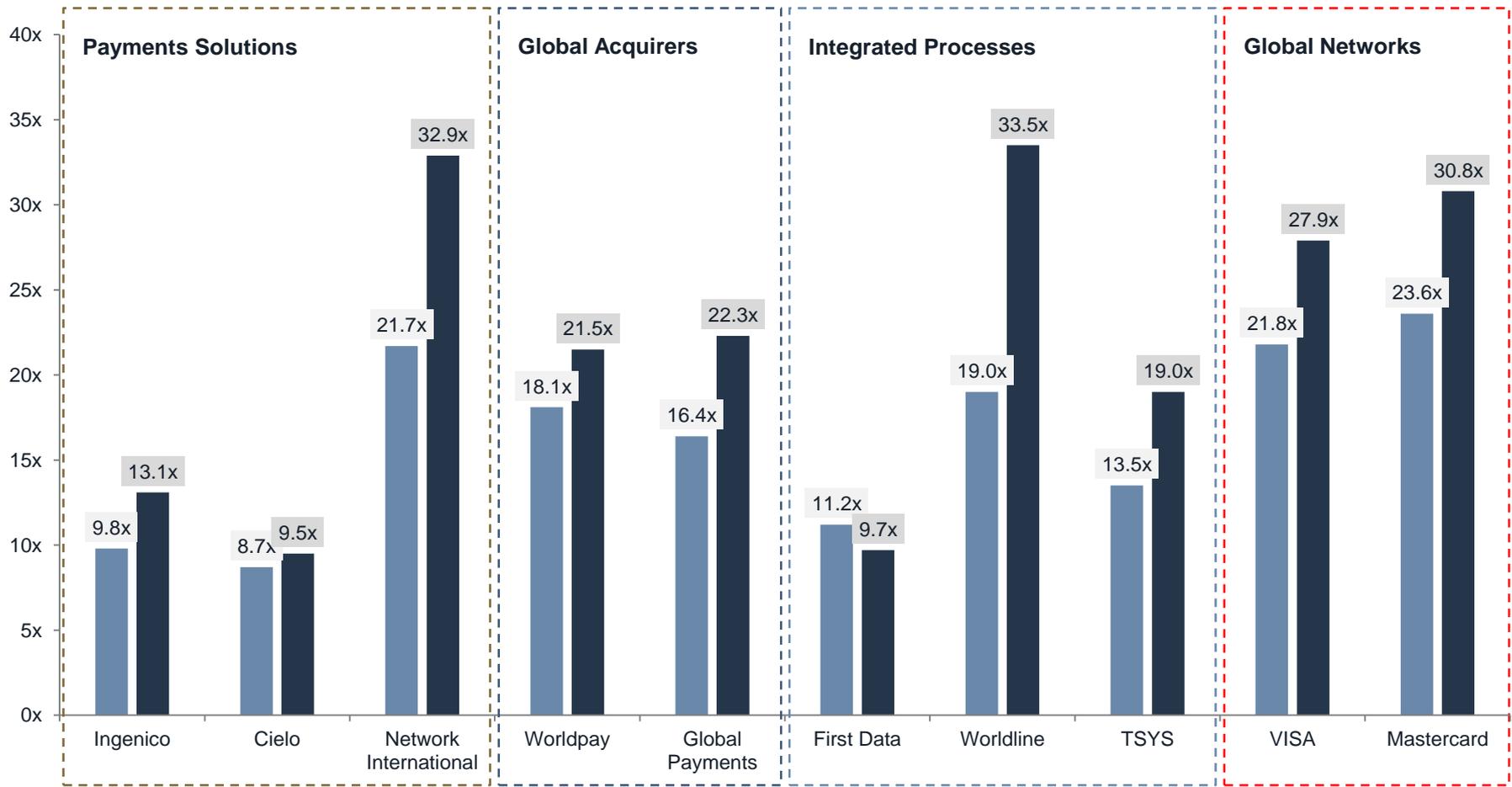
*Based on the market cap at the end of the first trading day, \$3.422bn

Network International Valuations at IPO



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Strong valuations against global peer group



Source: Bloomberg, bookrunners, as at 10th April 2019

■ NTM EV/EBITDA
■ NTM Price/Earnings

Focus: Funds



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Investment Fund Launches in Q2 2019

International fund managers choose London



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US Solar Fund

First renewable fund dedicated to US renewable assets to list in London



Investment Manager/Adviser
New Energy Solar

Capital Raised
£153m

Premium to NAV
5%

"Probably the best educated, most sophisticated renewables investors are located here in London. And its largely because you have the renewable investment trusts here. There's a large institutional investment community."

John Martin, CEO, New Energy Solar

Riverstone Credit Opportunities Income

Investing exclusively in global energy industry senior secured loans



Investment Manager/Adviser
Riverstone Investment Group

Capital Raised
£79m

Premium to NAV
3%

"The energy sector is large with substantial financing needs which are not being met by traditional lenders. We see this as a very attractive opportunity to make senior secured loans to well capitalized mid-sized energy companies that generate compelling risk adjusted returns."

Christopher Abbate and Jamie Brodsky, Co-Heads of Riverstone Credit Team

Aquila European Renewables Income Fund

First renewable fund dedicated to continental Europe to list in London



Investment Manager/Adviser
Aquila Capital

Capital Raised
£136m

Premium to NAV
5%

"We are offering investors an opportunity that is diversified by geography, technology and revenue source. We are excited to float our fund in London which has established itself as the home of investment trust listings in Europe including a number of renewable funds."

Ian Nolan, Chair, Aquila European Renewables Income Fund

Investment Funds Continue to Upscale



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Alternative funds lead secondary issuance

£2bn

Further capital raised by London listed funds in Q2 2019

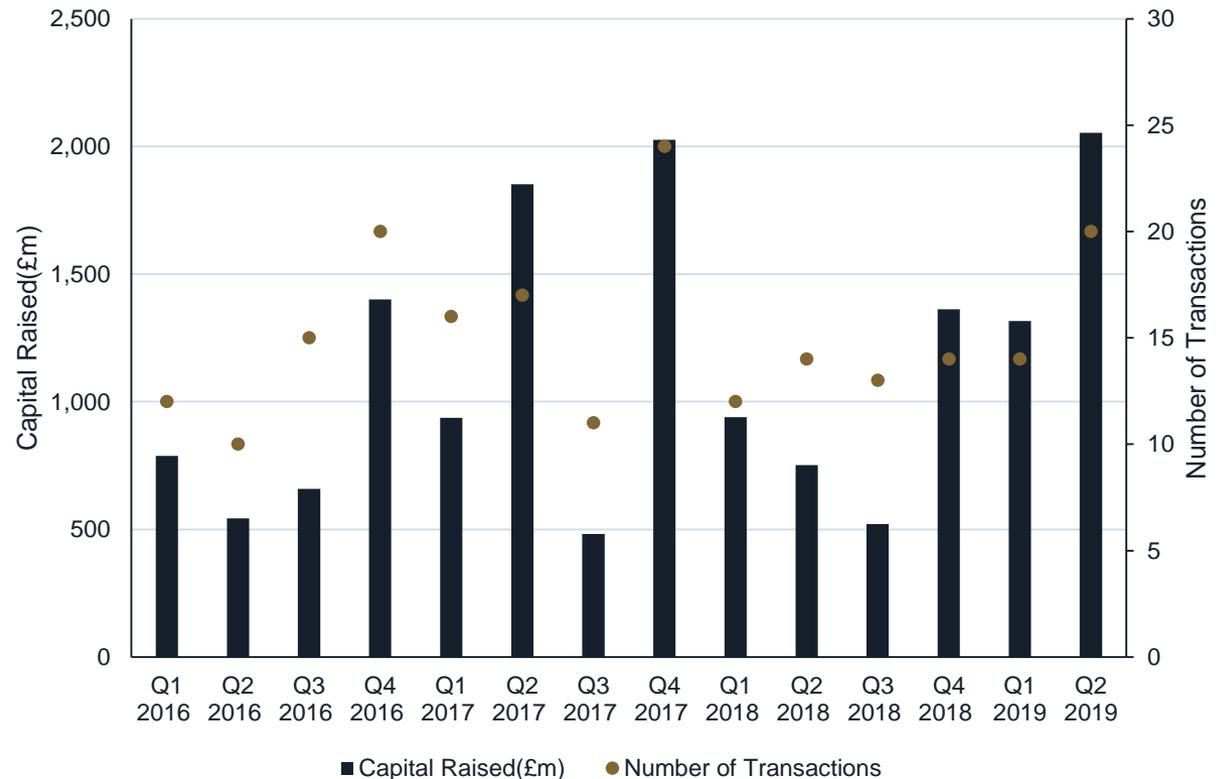
36%

Proportion of 2018 fund IPOs that raised further capital in Q2 2019

£724m

Capital raised by real estate focused funds in Q2 2019

Consistent Follow On Issuance





Issuer Services is Now Live



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Issuer Services

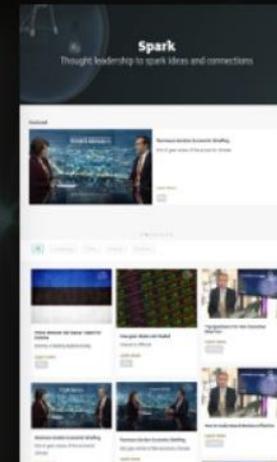
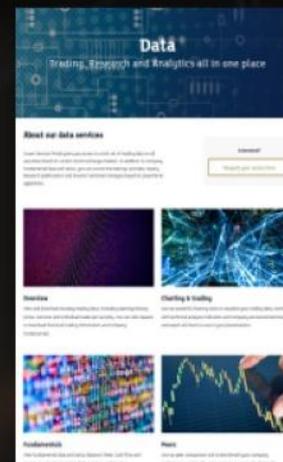
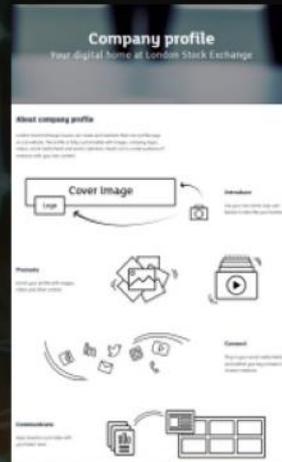


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Our Platform:

- A platform for our 2,000+ issuers.
- Providing issuers access to millions of investors.
- Offering issuers IR tools, data, content and services.
- Bringing our community together through premium events and content.



Issuer Services

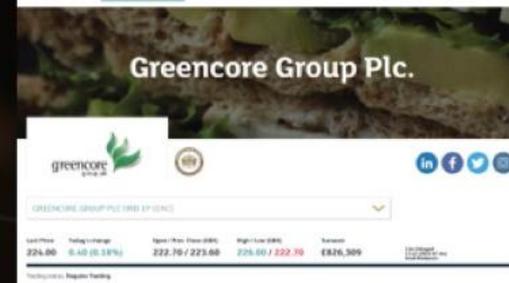


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- Images and videos
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- Upcoming events



Spark is the knowhow and thought leadership hub of Issuer Services focusing on:

- Live streaming of LSEG events and briefings
- Video on demand
- Global distribution
- Premium content from experts

Q1 & Q2 2019 Events

- REIT Lunch January 2019
- Mining Dinner February 2019
- [Communications Masterclass](#) March 2019
- [White & Case Briefing](#) April 2019
- 3 Portal Demonstration Breakfasts 2019
- [Cyber Security Roundtable](#) June 2019
- [Sparking Ideas with Matthew Walker](#) June 2019
- AIM Board Briefing June 2019



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Home Company profile Data LSEG Services Marketplace Spark

Sparking Ideas with Matthew Walker, Author of New York Times Bestseller 'Why We Sleep'

We thought diet, exercise and sleep were the three pillars of health. Wrong: the evidence is now irrefutable. Sleep comes first. Everything else follows.

Matthew Walker is a renowned sleep scientist and researcher. His fascination with sleep has taken him from Nottingham University to Harvard and on to the University of California, Berkeley, where he is Professor of Neuroscience and Psychology and Director of the Center for Human Sleep Science. www.sleepdiplomats.com

Richard Glynn, Executive Chairman and founder of 87%. Prior to founding 87%, Richard was CEO of Ladbrokes, and CEO and then Chairman of Sporting Index. He used to serve as a Special Trustee of Great Ormond Street Hospital Children's Charity for 10 years.

"Routinely sleeping less than six or seven hours a night demolishes your immune system, more than doubling your risk of cancer."
Matthew Walker

Sparking Ideas with Matthew Walker, Author of New York Times Bestseller 'Why We Sleep'



DFIN London Stock Exchange Group

Cyber Security Roundtable

6 June 2019
London Stock Exchange

rydellfire DARKTRACE IBM



London Stock Exchange Group

Communications Masterclass

27 March 2019
London Stock Exchange

empower hyperion OpenExchange

Emerging Tech Masterclass

23 October 2019



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Focus on, AI, Data and Cyber Security:

- Giving guidance to issuers in relation to the tools that are available to them, exploring areas such as:
 - How to access data.
 - How all firms are now data companies.
 - How data can power your business?
 - How to use AI to bring efficiency to your business?
 - How is AI combining with Cyber threat?
 - Which firms are out there that can help you?
 - Contact issuerservices@lseg.com if you are interested in being a part of the Masterclass.



“Just like oil was a natural resource powering the last industrial revolution, data is going to be the natural resource for this industrial revolution. Data is the core asset, and the core lubricant, for not just the entire economic models built around every single industry vertical but also the socioeconomic models.” **Abhishek Mehta, CEO Tresata, 2013**

Marketplace

Online B2B Repository



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3rd party service providers curated and vetted by Issuer Services:

- 41 companies on the Marketplace.
- Contributors to Issuer Services Events:
 - Sentifi
 - MM&K
 - Reality Check
 - OpenExchange
 - Irithmics
 - Board Excellence
 - CyberHive
 - Sapphire
 - Reach X
 - Emperor
 - 87%
 - First Flight
 - Signal AI
- Transactions are increasing.
- Robust pipeline.

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It is our pleasure to introduce to you the Issuer Services Marketplace. Through this group of carefully curated companies you will find service providers that can help you operate as a public company and in many cases help improve productivity and profitably.

The companies are a diverse group offering you a great variety of solutions to your everyday requirements. We encourage you to view the Issuer Services Marketplace to find out more.

www.lsegissuerservices.com/marketplace

James Devon
Marketplace Director
jdevon@lseg.com

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Events & Initiatives



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Upcoming LSEG Events

10 Jul

LSEG Healthcare Investor Forum

London Stock Exchange will host its 5th Annual Future of Healthcare Investor Forum where we discuss the opportunities of investing in the healthcare sector. The event brings together leading public and private UK healthcare companies, members of the investor community and expert advisers, who all understand what it takes to fund and grow innovative healthcare companies.

08 Oct

LSEG Annual IPO & Capital Markets Forum, Dublin

The event is intended for management teams and shareholders of Irish companies considering accessing capital markets as part of their company's growth journey. This half-day forum provides the audience with an insight into the process and the opportunity to discuss with the speakers some of the most important aspects of IPO preparation.

11 Oct

LSEG Sustainable Finance Summit

London Stock Exchange Group will be hosting its inaugural Sustainable Finance & Investment Summit in London. Aimed at bringing together senior executives from global companies and leaders from the investment community, the Summit will examine their respective roles, focus areas and needs in support of the transition to a sustainable economy.

23 Oct

LSEG Annual China Conference

LSEG will host its 5th conference focussing on the Chinese capital markets and opportunities for Chinese businesses internationally. The conference covers all capital raising aspects for Chinese and UK companies in both markets.

25 Oct

LSEG Annual Israel Conference

LSEG will host its 4th annual conference aimed at an audiences of entrepreneurs, CEOs and investors and covering SMEs & Capital Markets as the Growth Engine of the Economy, valuation & liquidity for tech companies in London, IPO Preparation and opportunities to raise finance through global bond offering.

01 Nov

LSEG IPO Forum

The event is intended to assist management teams and shareholders of UK and international private companies considering a possible IPO on the London markets. The half-day forum provides an insight into preparing for an IPO, the IPO process and the opportunity to question the panel members on the most important aspects of the flotation process and being a public company.



Darko Hajdukovic
Head of Analytics, Fixed Income and Funds
+44 (0) 20 7797 3306
DHajdukovic@lseg.com



Hetal Patel
Manager
+44 (0) 207 797 1043
HPatel2@lseg.com



Adrian Jeganathan
Team Lead
+44 (0) 20 7797 1104
AJeganathan@lseg.com



Akhil Suresh
Funds Analyst
+44 (0) 207 797 3357
ASuresh@lseg.com



Chris McGahan
Analyst
+44 (0) 207 382 7693
CMcGahan@lseg.com



Rugiyya Gahramanli
Analyst
+44 (0) 207 797 4660
RGahramanli@lseg.com



Aaron Lena
Analyst
+44 (0) 207 797 4529
ALena@lseg.com





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London Stock Exchange plc
10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000
www.lseg.com