

OnMarket IPO Report Reveals Stellar Third Quarter

IT sector leads the way

10 October 2016: Australian Initial Public Offerings (IPOs) significantly outperformed the broader share market in the third quarter of 2016, with the average gain on the 24 companies which listed on the Australian Securities Exchange (ASX) striking 28.2%, an impressive outperformance over the S&P/ASX 200, which returned 3.9%, the [OnMarket Third Quarter IPO Report 2016](#) reveals.

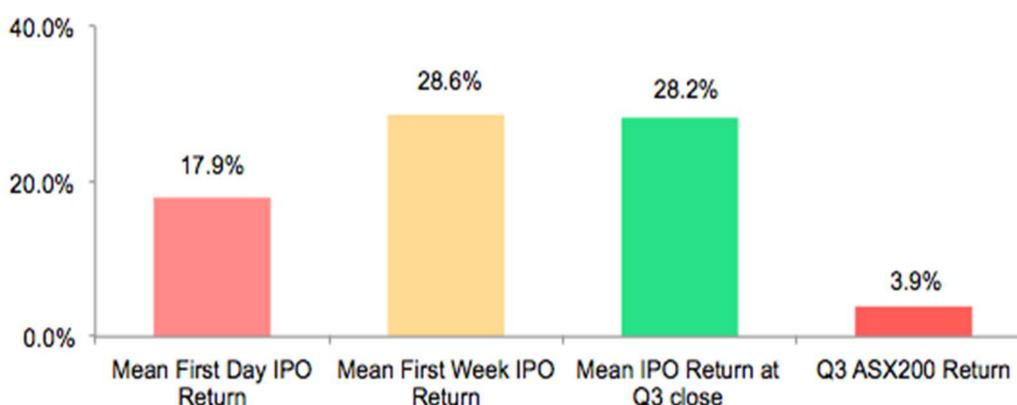
Over the year-to-date, the average return from the 58 companies which had listed on the ASX by September 30, 2016, was 27.2%, compared with a meagre 2.6% return for the S&P/ASX 200, highlights the report from OnMarket, which offers retail investors direct access to IPOs via its [OnMarket app and portal](#).

Ben Bucknell, chief executive of OnMarket BookBuilds (OMB), said 2016 has been a good year for IPOs, with the strong gains in the third quarter highlighting that IPOs can deliver impressive capital growth for investors.

“The [OnMarket Third Quarter IPO Report 2016](#) report shows IPOs have easily outperformed the overall stock market this year, a strong reason for investors to get exposure to this ‘asset class’, with a diverse range of robust companies floating on the ASX,” he said.

“The IT sector has dominated listings, with 16 from that sector, which accounted for 27% of all IPOs on the ASX over the year to date. This was well ahead of the next most active sector, financials, which has accounted for nine floats so far this year. The returns from IT floats has been extremely strong at 46.3% during that time,” said Bucknell.

Table 1: Third Quarter IPO Performance



The largest five listings in the third quarter and were Viva Energy REIT, Michael Hill International, Propertylink, Scottish Pacific and QANTM Intellectual Property. These five listings together raised \$1.9 billion, about 83% of the total funds raised over the third quarter.

“Disappointingly, there was no general public offer for any of these large IPOs; meaning the public was excluded from at least 83% of IPOs during the quarter by total funds raised,” said Bucknell.

Some of the stocks which underperformed were Kogan.com, Propertylink and CoAssets, an Australian software company focussed on online crowdfunding.

2016 YTD Performance

	No. of IPOs	Market Cap. (\$mn)	1 st Day Return	Return at 30 Sep
1 Jan to 30 Sep 2016	58	11,902.4	18.3%	27.2%
1 Jan to 30 Sep 2015	53	10,156.9	10.2%	20.7%

OnMarket’s Bucknell said it is important for investors to consider investing in a range of IPO investments in their portfolios to diversify investment risk and reap the sorts of strong average returns revealed by the OnMarket Third Quarter IPO Report 2016.

“Another important point is for investors to have access to as much information as possible. Our investment tool, OnMarket, brings to investors video interviews with management, company releases, third party research, and relevant press articles. Investors can then use the [OnMarket app and portal](#) to make bids on IPOs from as little as \$2,000, without paying commission or brokerage. All of this can be done on a desktop or a smart phone.

“Our member base is building strongly as Australians discover the advantage of including IPOs in their portfolios to build wealth. We’re delivering on our mission to give all Australians a fair chance to participate in IPOs and placements on the same terms as the institutions, using the very latest technology,” said Bucknell.

OnMarket is celebrating 12 months since the launch of the OnMarket app by Prime Minister Malcolm Turnbull.

“The platform in its first year has given the public access to 23 IPOs – that’s 24% of all IPOs in Australia in the corresponding period.

“The average return, 3 months after listing, of all OnMarket BookBuilds deals since the launch of its first service, the ASX BookBuild facility in October 2013, is a very healthy 22.4%,” said Bucknell.

MEDIA CONTACT

Nicki Bourlioufas
 E: nicki@onmarketbookbuilds.com
 M: +61 411 786 933

Tim Eisenhauer
 Managing Director, OnMarket BookBuilds
 E: tim.eisenhauer@onmarketbookbuilds.com
 M: +61 450 588 433

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

OnMarket BookBuilds’ mission is to empower investors and companies through innovation in financial technology. OMB believes that investors and companies benefit when capital raisings are conducted fairly, transparently, and efficiently. The company’s new [OnMarket app and bidding platform](#) is a wholly-owned and operated initiative of OMB. The OnMarket app and bidding platform is not a joint venture with ASX and is independent of OMB’s association with ASX in relation to the ASX BookBuild facility.