Destination IPO

Achieve the right combination of corporate and capital market strategy for your IPO or secondary listing
Companies can choose from more than 100 stock exchanges and listing options worldwide. There are three self-contained regions for companies wishing to go public – Europe/EMEIA, Asia and the Americas – each distinguished by its different time zones, currencies and economies.

But where is the stock exchange that is right for your company? This question can be approached from two perspectives - the national and the sectoral.

The national perspective: A company’s home market is often regarded as the country in which it is incorporated. This is where companies usually go public. And it is here that investors expect the listing, as the company is intimately linked to economic development in its particular country (the economy, culture, infrastructure, technology base, taxes) and also gives a commitment to the relevant capital market regulations.

The sectoral perspective: A company can also be said to be at home where people can best understand and evaluate its business model. As a result, the marketplace where many comparable companies (peers) are listed, which has sector-specific analyst expertise, and which attracts investors in the sector can also be regarded as a company’s home market.

You’ve decided to go public and now you need to map out all the necessary steps and tasks. But first you have to set down your goals in order to determine the specific requirements for your IPO or secondary listing. And that means determining which capital market or listing zone (the Americas, Europe/EMEIA, Asia), and which stock exchange and segment will actively support your company’s strategy.

Up to now, companies have as a rule chosen their home market as the location for their primary listing. But, as the saying goes, the exception proves the rule: Many high-profile examples of businesses have gone public abroad. What’s more, secondary listings are again on the rise - albeit with new motivations. And an additional stock exchange listing, particularly in emerging markets, is becoming increasingly important for strategic reasons.

Capital market, stock exchange and listing segment: leverage options worldwide

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Does it make sense to go public or to have your primary listing outside your company’s country of incorporation? How mobile is your company on the capital market?

Finding the answers to these questions can pose complex challenges - particularly if there are strategic benefits to listing your company far from its familiar national market. For example, you can expect a listing abroad to attract consumers’ attention to your company’s products and media presence, facilitate access to new markets and positively impact business operations.

These factors must be carefully examined and weighed up against each other. This involves a number of considerations from various perspectives:

➤ Strategic motivations and goals
➤ Considerations relevant for valuation purposes
➤ Access to and perceptions of investors
➤ Costs and regulations
➤ Other preferences

Other factors that motivate companies to go public outside their home market vary according to their country of incorporation and require in-depth knowledge of various specifics. These include the size requirements implied by the regulations that have to be fulfilled, uncertainties regarding the listing process, and waiting or processing times during the approval of the prospectus and the registration of the securities.
Achieve capital market capability

Selecting the right capital market, stock exchange and listing segment enable you to determine the regulatory requirements your company will have to meet. In the run-up to going public, the internal structures (legal, tax, organizational) and the various units (accounting, management, PR) of your company have to be correspondingly checked and prepared for the relevant requirements. This is essential in order to sustainably maintain the profile of a listed company and meet the requirements of investors and regulators.

The first key steps in this phase involve determining the appropriate capital market strategy and achieving internal capital market capability. Whether your listing is far from your company’s country of incorporation or closer to home, Ernst & Young’s seasoned professionals will be happy to provide you with on-site support.
Ernst & Young services

- Determination and analysis of the company’s motivations, objectives and mobility on the capital market
- Assistance with analysis and selection of the right listing location and stock exchange based on the strategic perspective of the company and its owners
- Comparison of respective regulatory requirements during the selection of the appropriate stock exchange segment, and comparison of internal structures and processes with initial and ongoing requirements of the chosen capital market
- Analysis of areas for action required to achieve capital market capability
- Support with project management from an international team of experienced professionals
Your contacts

We look forward to talking to you in person.

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We would also be happy to welcome you at one of our capital market events for entrepreneurs and shareholders.

Or feel free to visit our website.
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