



ASX IPO workshop Singapore

23 February 2017

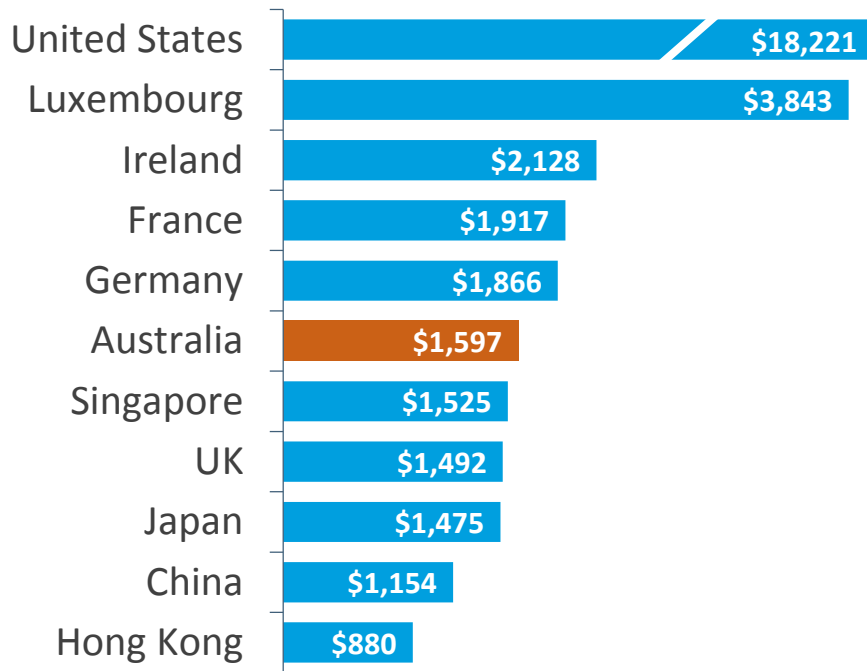


Agenda

1. **Welcome and introduction**
2. **ASX market overview** – James Posnett, Senior Manager, Listings Business Development, ASX
3. **Pre-IPO financing** – Steve Torso, Co-Founder and Managing Director, Wholesale Investor
4. **IPO capital raising and marketing** – Davide Bosio, Managing Director, DJ Carmichael
5. **Listing requirements and process** – Toby Hicks, Partner, Steinepreis Paganin
6. **ASX listing rules and guidance for Asian-based companies** – James Rowe, Manager, Listings Compliance, ASX
7. **Q&A and open discussion**
8. **Networking**

Why Australia?

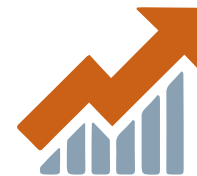
Investment Fund Assets (US\$b)



Source: Investment Company Institute, Austrade, Q2 2016



Australia has
Asia's largest
pool of investable funds

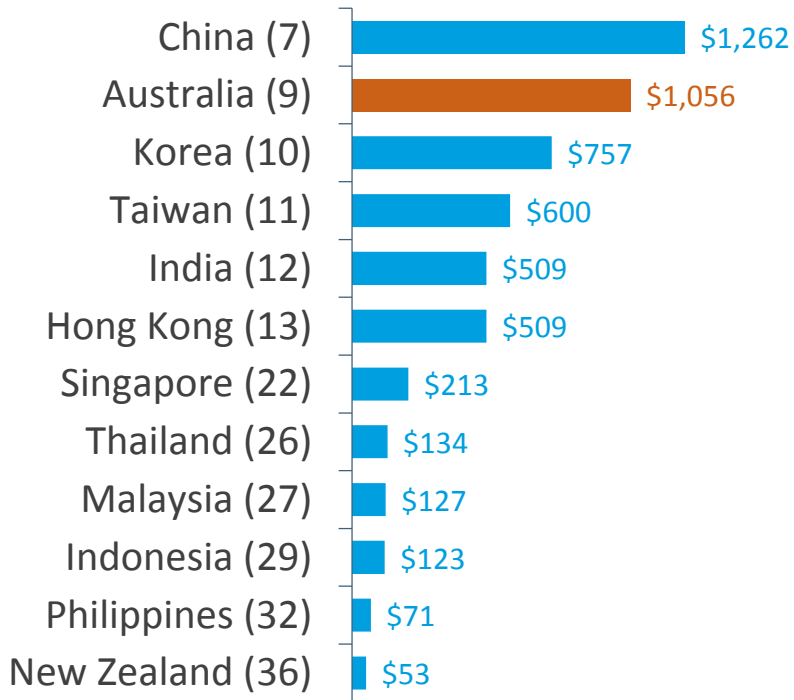


To grow to
\$6 trillion by 2030

Source: Deloitte

ASX is a globally recognised market

Size of stock markets in Asia-Pacific region (ex-Japan, US\$b)



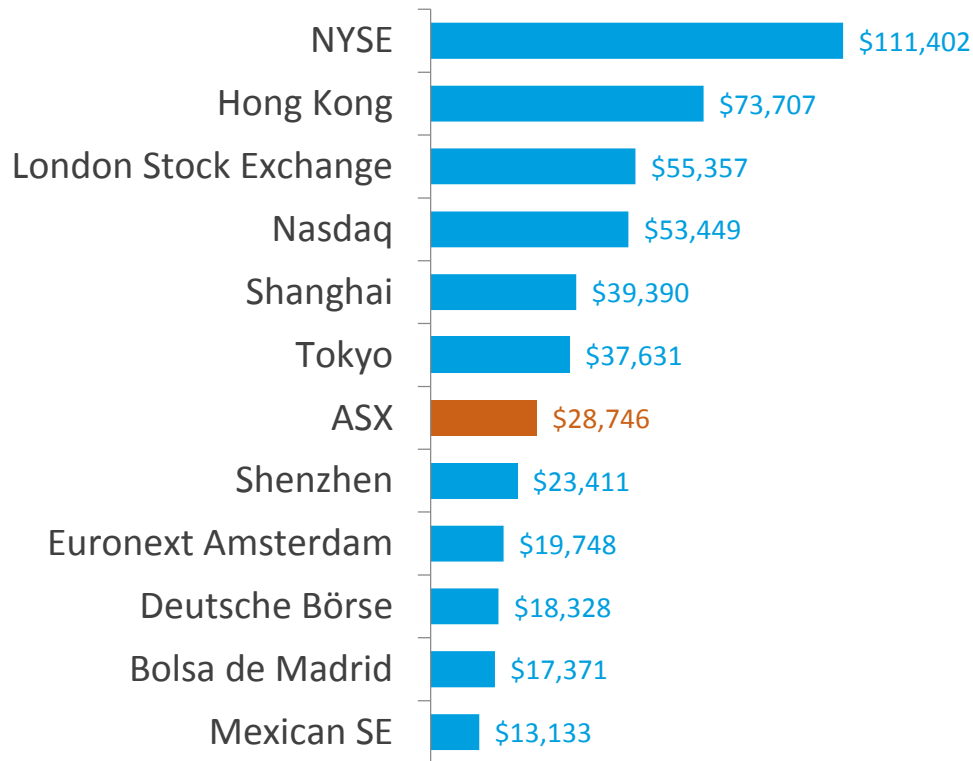
By free-float market capitalisation, ASX ranks

3rd in Asia

9th in the world

An active capital raising platform

IPO Capital Raised by Exchange 2014-16 (US\$m)



Consistently ranked
in the world's top
equity markets for capital raising



2016: 129 new listings
(2015: 126, 2014: 104)

Resurgence of the ASX Tech sector

- The number of Tech listings on ASX has grown from 140 in 2013 to **220+** in 2017
- Over 60 ASX Tech IPOs in the past 3 years





WHOLESALE
INVESTOR™

Keys to a Successful Capital Raising

Connecting active Investors...

WORLDWIDE
INVESTOR

16,800 Subscribers

Active High Net Worth Investors

CEO's / Entrepreneurs

Family Offices

C – Suite Executives

Institutional & Professional Investors

International Investors

Private Equity / Venture Capital

Brokers / Industry Participants / Lawyers / Accountants

...with opportunities



Pre-IPO / IPO

Small Cap Listed companies

Innovative Private Companies

Unique Property & Fund Offerings



Wholesale Investor Survey Results

Southeast Asia

86% of investors would consider investing in Southeast Asian Company

Features investors are looking for from a Southeast Asian Company

#1

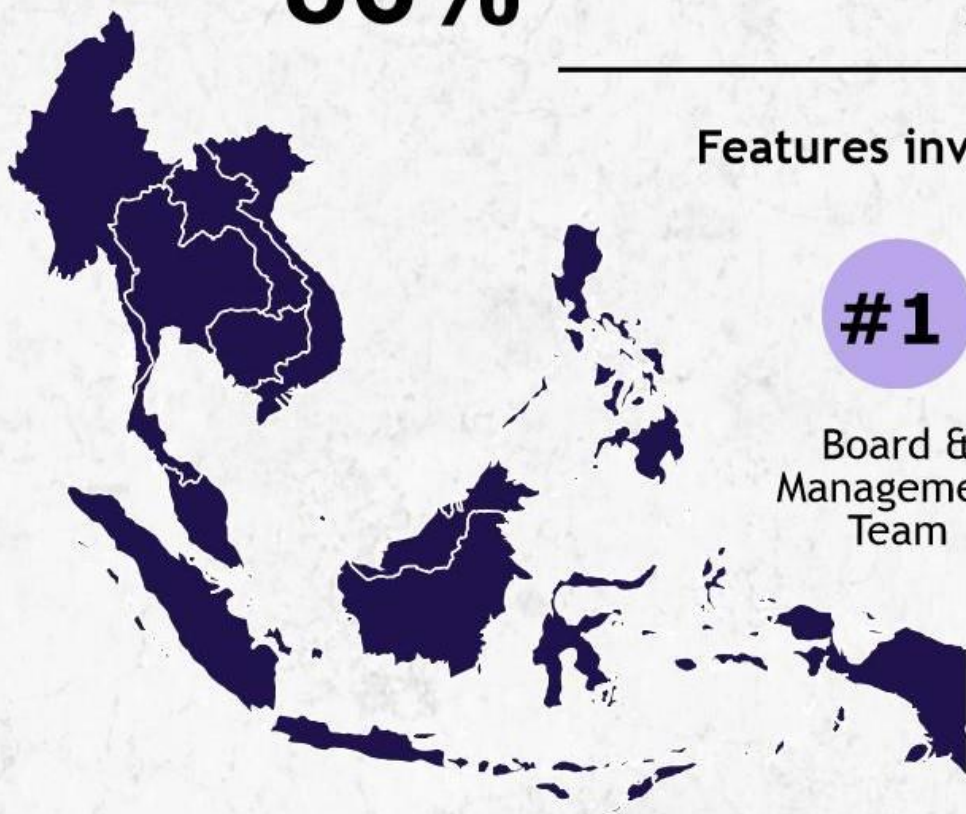
Board &
Management
Team

#2

Business Model

#3

Financials



Healthcare
is the sector where most
investors perceive to be the
most growth in the coming
years

Attributes Investors seek in Small Caps

WORLDWIDE
INVESTOR

Top attributes investors look for when assessing a small cap listed company



#1

Unique
competitive
advantage



#2

Strong board
and
management



#3

Disruptive
innovation



#4

Perceived or
existing value
disconnect



DJ Carmichael

DJ Carmichael Pty Limited
New Issues in Australia

EXPERIENCE | KNOWLEDGE | STRATEGY | TRUST | **SUCCESS**

FEBRUARY 2017

DJ Carmichael Pty Limited

DJ Carmichael has been servicing Australian and international clients since 1896, commencing operations during the 'Gold Rush' in Kalgoorlie, Western Australia.

OUR BUSINESS

120+
YEARS IN
OPERATION

100%
Privately Owned



40
Staff in Perth
& Regional WA



Funds under management:
\$609.0 million

Trading accounts:
circa 20,000

CORPORATE



\$90.5 million
raised since January 2015



\$48.7 million
raised since January 2016

Transactions lead or
joint lead managed / underwritten

38
Since
January
2015

\$2.4m
average transaction
1.6 per month average

21
Since
January
2016

\$2.3m
average transaction
1.8 per month average

How the ASX has driven New Issues

2016 was a year of continued improvement for IPOs and RTOs

- **94 New IPOs in 2016** (compared to 5 year average of 72 listings per year)
- 64 of these new issues have a market capitalisation of < \$100m AUD

TECHNOLOGY REPRESENTED 31% of New Issues

- Software and Services = 21 new issues
- Pharma and Biotech = 6 new issues
- Tech Hardware and Equip = 2 new issues

MATERIALS (RESOURCES) = 14% of New Issues

Secondary market performance

- Average increase of 16% across all new IPOs
- Average increase of 22% within the small cap sector

Source HLB Mann Judd IPO Watch Australia 2016

The role of your ASX Broker

Now that you have made the decision to list, do you need a Broker? What does your Broker do?

Pre-listing strategy

- Advise on offer structure and pricing
- Observe due diligence committee meetings
- Assist with marketing and the roadshow process
- Coordinate the capital raising process:
 - Procuring best endeavours demand
 - Liaising with other advisers and regulators
 - Settlement of the capital raise

Secondary market strategy

- Assistance with ASX announcements
- Marketing roadshows to promote the Company post listing

Listing process

Stages of an IPO

1) Pre IPO

- Timetable considerations
- Board size and composition
- Offer size and sell down
- Financials
- Consider appropriate corporate structure
- Determine optimal capital structure
- Corporate governance
- Building profile with investors

2) Offer preparation

- Due diligence
- Pre-IPO marketing
- Gauge institutional views and conduct retail market research
- Offer structure recommendation
- Distribution policy recommendation
- Valuation and price setting
- Prospectus preparation
- Liaison with regulators (ASX, ASIC)
- Logistics coordination (printing, design, registry)

3) Offer period

- Finalise pricing
- Lodge prospectus
- Intermediaries roadshow
- Institutional roadshow
- Retail offer
- Allocation of shares
- Publish research
- Coordination of settlement

4) Aftermarket

- Create and maintain liquid aftermarket
- Implement investor relations program
- Publish and distribute research
- Ongoing investor education and news release

Roadshows and investor presentations

POST LISTING STRATEGIES

- Newsflow considerations
- Catalysts for announcements
- Research coverage – paid vs. independent
- Roadshows
- Digital marketing
- Investor Relations consultants
- Investor events and seminars
- Trade shows and global industry events
- Traditional media and press
- Product releases
- Quarterly, half yearly and annual reporting

CORPORATE

Cities visited on roadshows



51 roadshows since
January 2015

average **2.1**
per month



30 roadshows since
January 2016

average **2.5**
per month

Listing process – IPO

Indicative timetable

Task	Week
Appoint underwriter / lead manager and other advisers	0
Finalise IPO timetable	1
Due diligence / commercial analysis by underwriter / lead manager	1 – 3
Preparatory determination of pricing and structure of offer	4
Determine marketing themes / strategy	4
Draft prospectus	1 – 6
Formal due diligence and verification process	2 – 6
Pre-marketing roadshow	5 – 6
Bookbuild	6
Sign underwriting agreement (if applicable)	6
Lodge prospectus with ASIC and ASX	6
Prospectus exposure period	7 – 8
Offer period	8 – 12
Receipt of funds and allotment of units	12 – 14
Commence trading units on ASX	14 - 16

Contact details

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EXPERIENCE | KNOWLEDGE | STRATEGY | TRUST | **SUCCESS**

Australian Securities Exchange: IPO Workshop Singapore February 2017

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STEINPREIS PAGANIN

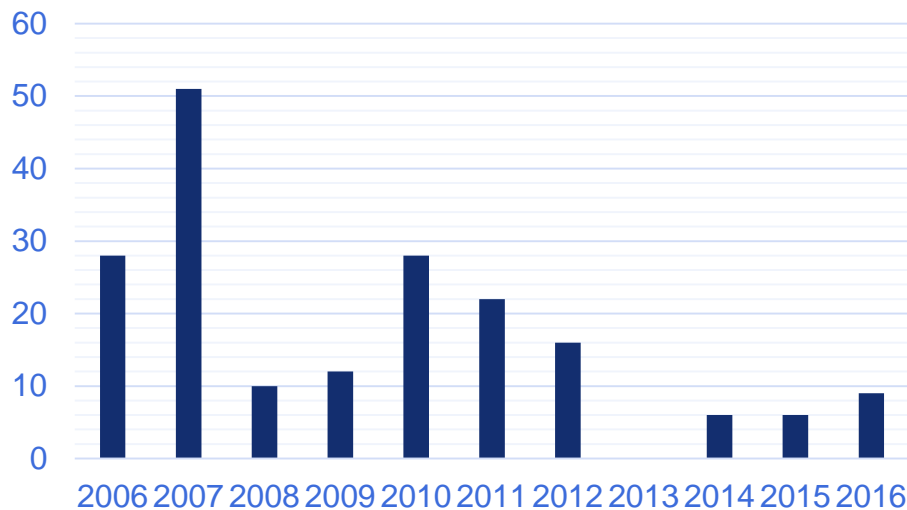
Lawyers & Consultants



Steinepreis Paganin

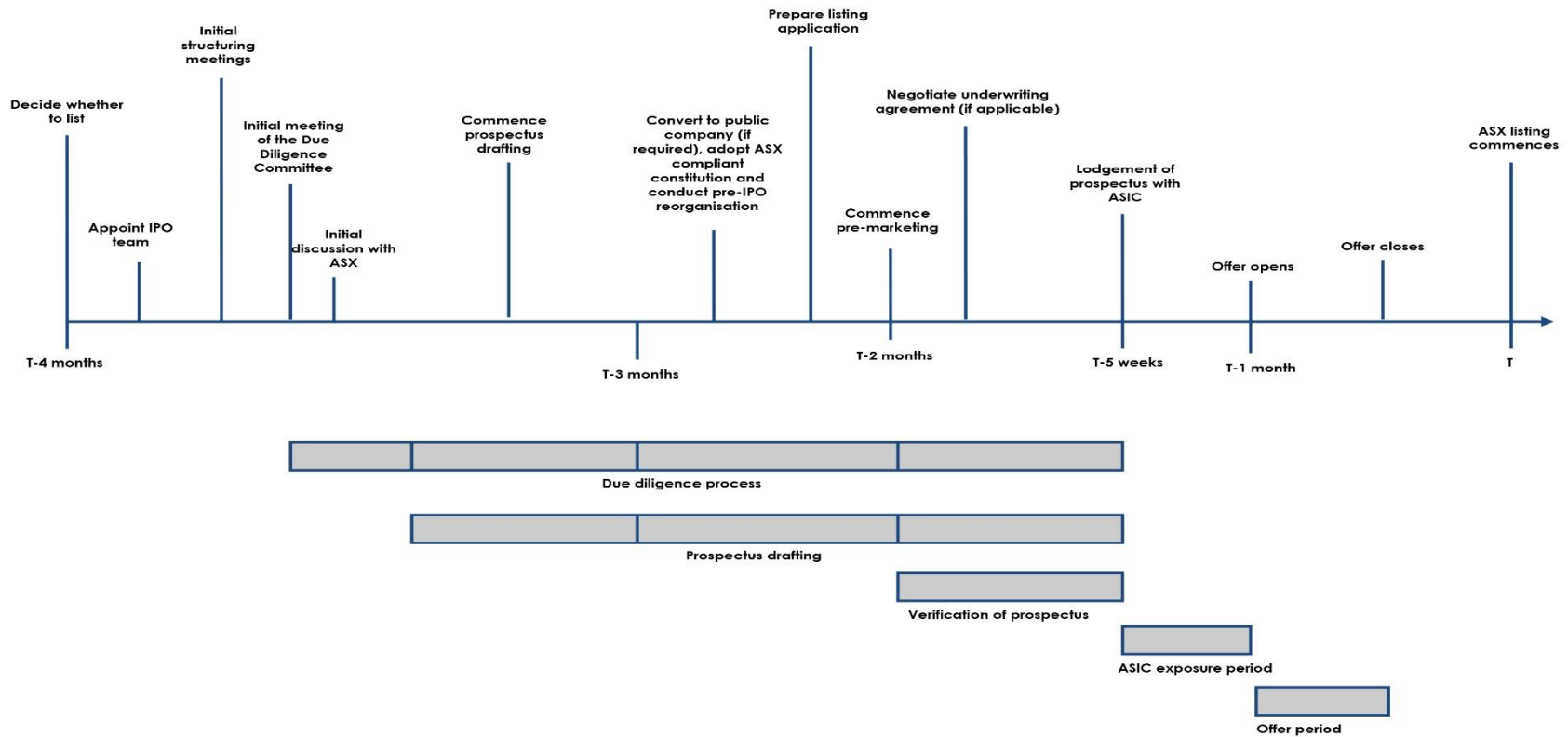
- Independent law firm located in Perth, Western Australia
- 7 Partners, 27 legal staff – largest corporate law practice in Western Australia
- Celebrating 20th anniversary 2017
- Most active adviser in IPO market in Australia – working on approximately 15% of all IPOs in Australia in last 10 years

Steinepreis Paganin IPOs

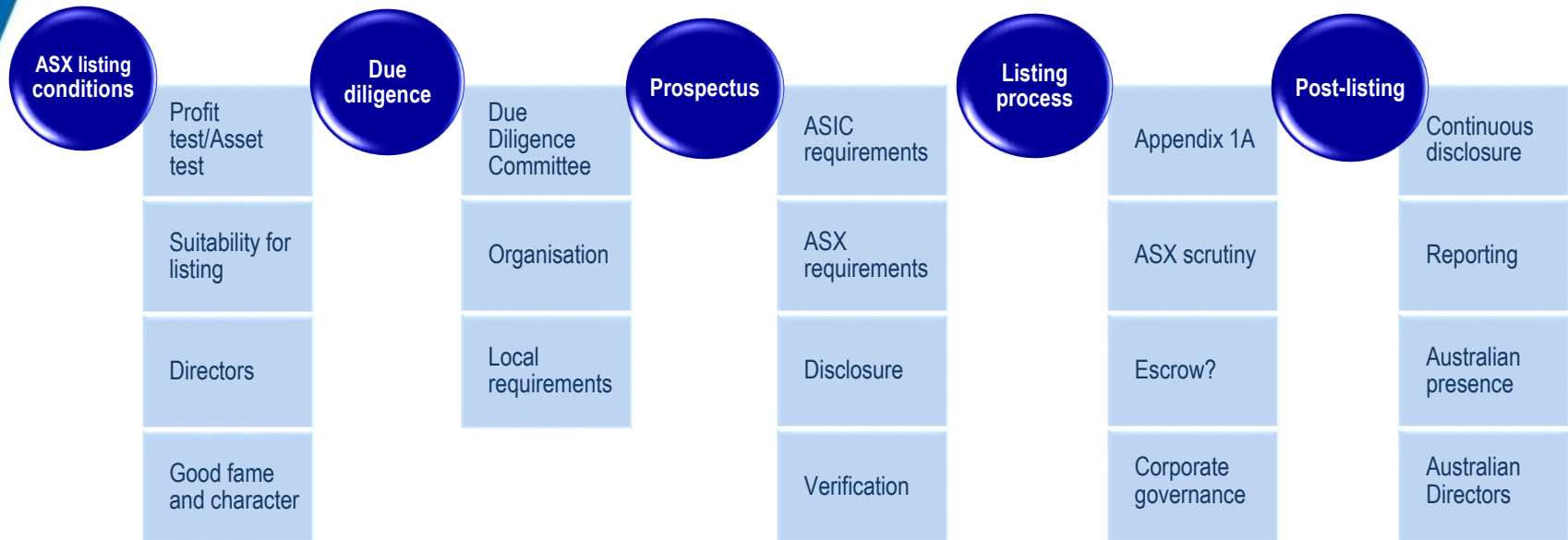


Source: Connect4

IPO – Indicative timeline

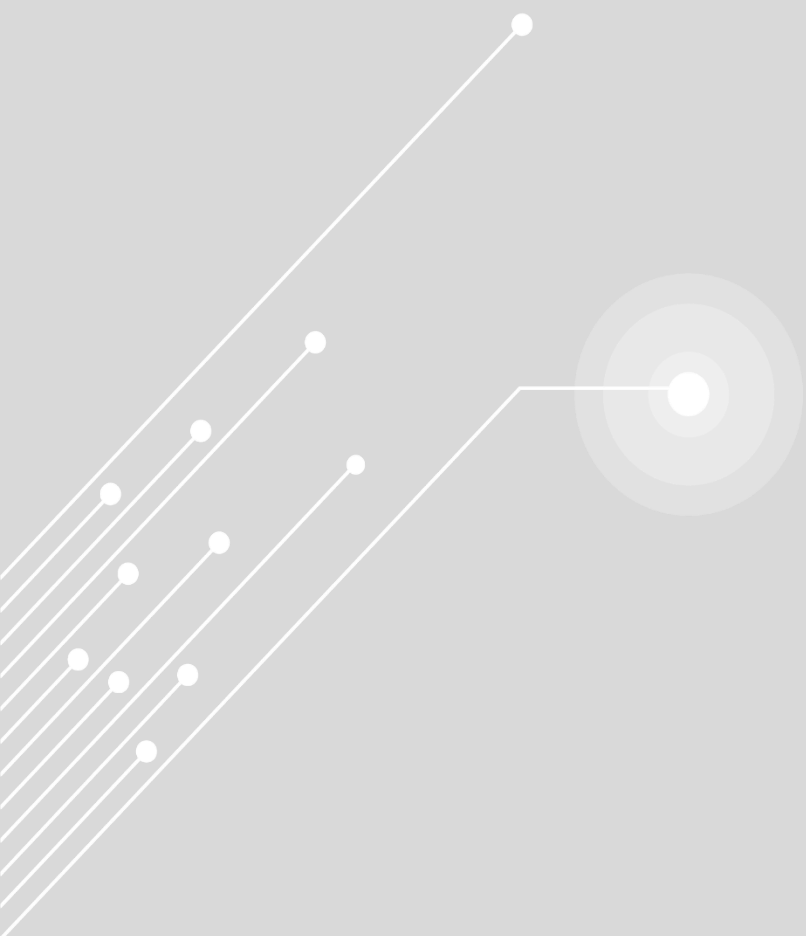


Key legal issues



5 tips for undertaking an IPO

1. Appoint your advisers early.
2. Get your company in order before commencing the process (business plan, accounts etc).
3. Speak to ASX.
4. Be patient.
5. Consider post listing requirements.





ASX listing rules and guidance for Asian-based companies

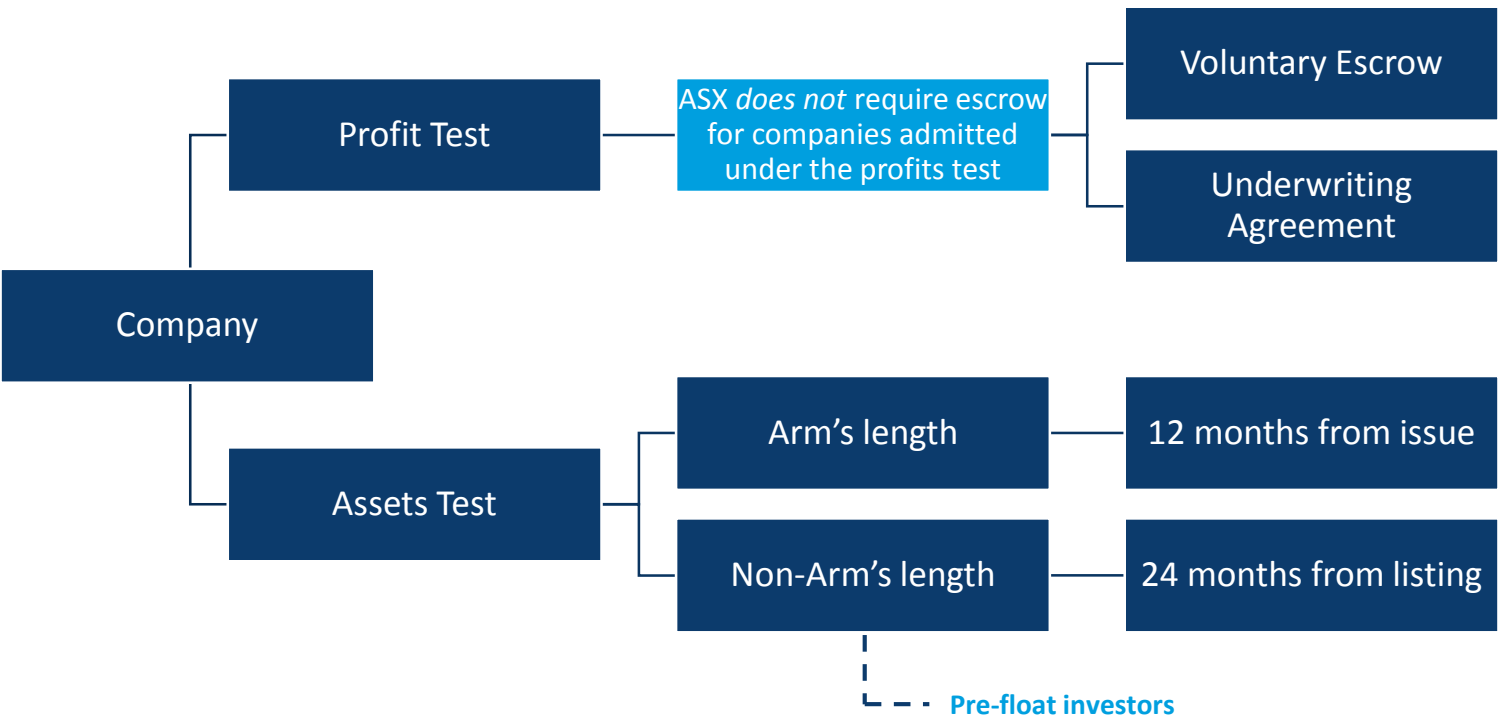
James Rowe, Manager, Listings Compliance, ASX

Initial listing requirements

Tailored to growth companies

Admission Criteria		Minimum Requirement		
Number of shareholders		 Investors 300	 Amount \$2000	
Company Size	Profit Test	\$1 million aggregated profit over past 3 years	+	\$500,000 consolidated profit over last 12 months
	OR Assets Test	\$4 million Net Tangible Assets		OR
Free Float		20%		

Escrow requirements

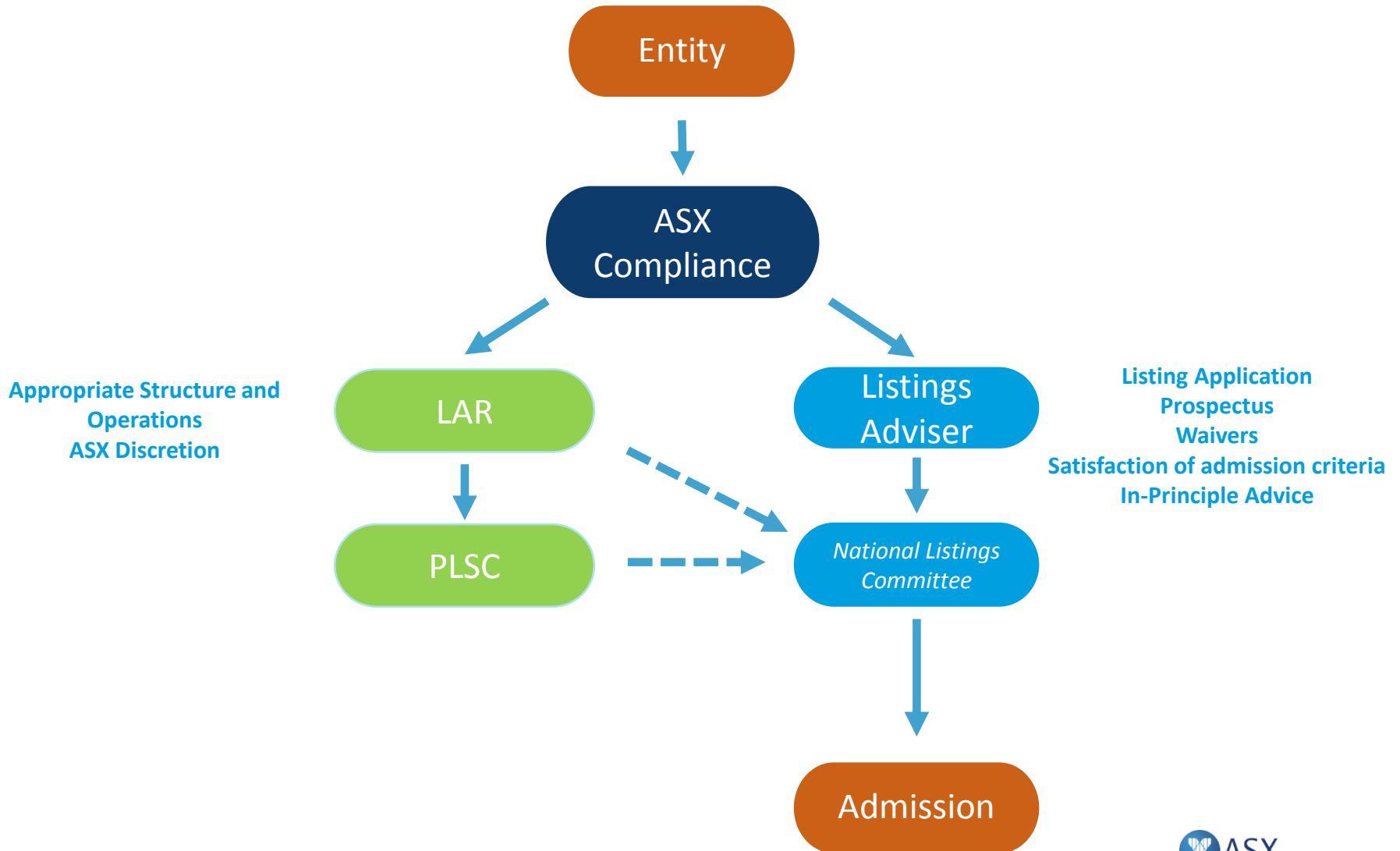


Escrow *may not* be applied to companies with a track record of **profitability**, or **revenue** acceptable to ASX, or companies with a substantial proportion of assets as **tangible assets**.

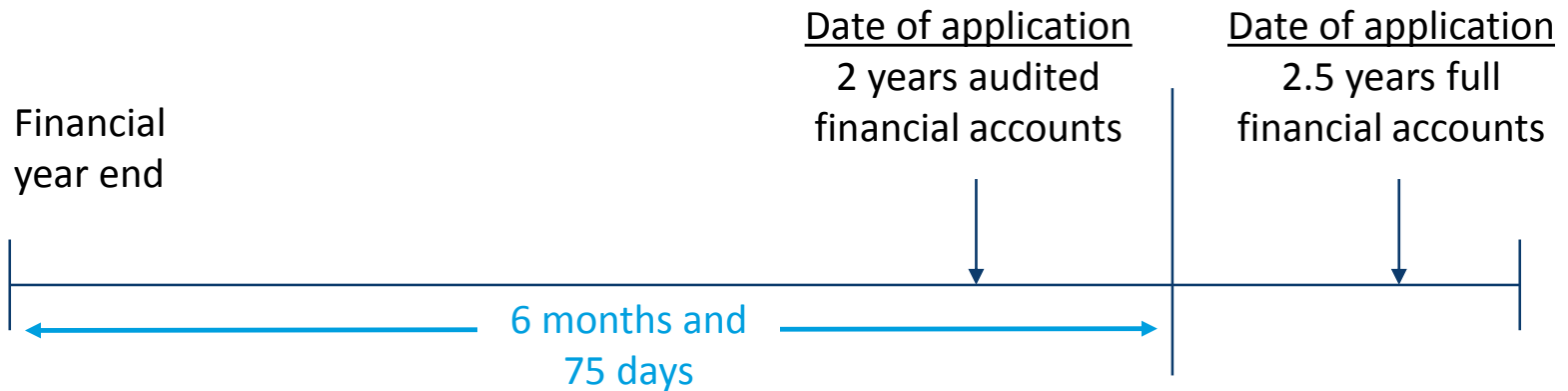
Pre-float investors

Recognition for cash or equivalent contribution of pre-float investors – allows proportion to be unrestricted that represents the cash component

ASX Listing Approval Process



Assets test – financial accounts



- 2/2.5 audited/reviewed accounts plus reviewed pro-forma statement
- Listed entity and (if applicable) significant acquisition entity
- Exceptions
 - Entity operating <1 year
 - Entity operating between 1 to 2 years
 - Major transformation

ASX Listing Rules – Listing rule 1.3.5; Guidance Note 1 section 3.9

Q&A

asx.com.au/listings