

+

Related Dow Jones Intelligent Indexing™

 Listen to Article |  Translate Article |  Share

The West Australian



SE Business

HD Hits outweigh misses in IPO performance

AU [Sean Smith](#)

BY Sean Smith

WC 442 words

PD 26 April 2016

SN [The West Australian](#)

SC TWAU

ED First

PG 46

LA English

CY (c) 2016, West Australian Newspapers Limited

LP Australia's initial public offers over the past year have easily exceeded the broader market, despite disappointing high-profile misses such as realtor McGrath and WA's Wellard.

While the S&P-ASX 200 has lost nearly 12 per cent over the past 12 months, the 81 floats in the same period are trading at a weighted average premium of 11.4 per cent to their issue price, according to Bloomberg data.

TD The biggest raisers are among the best performers.

Share registry group Link Administration, mushroom grower [Costa Group](#), retirement developer Gateway Lifestyle and IDP Education, which account for one third of the \$7.1 billion of IPO proceeds since last April, are each up at least 24 per cent.

Floated by private equity, Link listed in October, after raising \$946 million at \$6.37 a share. It hit a record \$8.02 last week and finished Friday at \$7.88, capitalising the group at \$2.8 billion.

An unlikely duo, however, have proved the big winners.

Skincare company BWX, little known until a \$39 million IPO in October, has trebled its issue price of \$1.50, last trading at \$4.57 on Friday.

China-based citrus grower [Dongfang Modern Agriculture](#) also raised \$39.2 million, in May, for the biggest-ever listing on the Australia Securities Exchange of a company operating solely in China. Issued at \$1, its shares are up 145 per cent at \$2.45.

Agriculture has proved an attractive lure for investors.

Costa is at \$2.95, having raised its \$551 million cash at \$2.25, while smaller peer Beston Global Food has put on 24 per cent, from 35¢ to 43.5¢.

But there have been profits in a string of other medium-sized floats, including [QMS Media](#) (up 98 per cent), telco Superloop (90 per cent), car cooling system provider PWR Holdings (64 per cent) and baby products retailer [Baby Bunting](#) (71 per cent).

And clean technology minnow Hazer deserves mention, converting a 20¢ issue price into a last trade of 67¢.

There have also been plenty of disappointments, with 32 of the 81 IPOs listed by Bloomberg under water.

McGrath is a notable miss, losing 47 per cent after hitting up investors for \$129 million in the lead-up to Christmas.

Perth-based livestock exporter Wellard is down 44 per cent, crunched after a profit downgrade last month. Sold to incoming investors at \$1.39 a share in November, the stock is wallowing at 77.5¢.

Mortgage broker Australian Finance Group has also struggled for traction, with its shares down 14 per cent since listing.

CO cosghp : Costa Group Holdings Limited

IN i0 : Agriculture | i01001 : Farming | i01002 : Horticulture | i0100206 : Fruit Growing

NS c1711 : Initial Public Offerings | c14 : Stock Listings | c02 : Corporate Changes | c17 : Corporate Funding | c171 : Share Capital | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB West Australian Newspapers Limited

AN Document TWAU000020160425ec4q0003r