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| <b>Project Title:</b> Mid-Year Review 2019 -<br>Sam Losada, ECM | <b>Date:</b> 08.08.2019                   |
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| Video   | Audio  |
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| On screen copy:<br>2019 Mid-Year Review<br>EMEA Equity Capital Markets  |  |
| On screen copy:<br>Sam Losada<br>Head of EMEA Equity Capital Markets  |  |
|   | <p>In terms of the IPO activity globally, H1 saw a slowdown in IPOs globally, driven by trade tensions, Brexit, EU elections, the US government shutdown, the market has been less active.</p> <p>The sector which stands out is really tech, driving 40% of the volume globally in terms of IPOs.</p> <p>The US in particular has been very active with just in June already seven IPOs jumping more than 50% in tech in the first day of trading.</p> <p>In Europe, clearly, H1 has been a tale of two sides with Q1 being very slow, only one IPO priced above €100 million.</p> <p>Q2, much more active, 14 IPOs above a hundred million pricing, raising over \$15 billion of equity.</p> |
| On screen graphic:<br>Tech Driving Global ECM Issuance...<br>...and EMEA ECM Issuance<br>Source: Dealogic 2019. |  |

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| <p>On screen copy:<br/>         What role is Bank of America Merrill Lynch playing in digitalizing Capital Markets?</p> |   |
|   | <p>In Europe in ECM, we have developed a new tool called Priam, which is a machine learning algorithm designed to predict investor participation in ECM transactions. It uses artificial intelligence to effectively analyze over a hundred million data points and see, out of these data points, which investors are more likely to come into equity transactions, for example, IPOs. The results are spectacular. Over 70% predictive rates, which means we can very much predict in most cases which investors will come in ECM transactions. It's all about bringing the right deal to the right investor at the right time.</p> |
| <p>On screen copy:<br/>         What were the key ECM themes for the first half of 2019?</p>                            |   |
|   | <p>Two trends have emerged in Europe, the first one is cornerstones. We have seen almost, in one out of two IPOs, the emergence of cornerstones underpinning their valuation and validating the IPO. The second trend we have seen in Europe in IPOs is the reduction in volatility leading to more IPOs making it to pricing. The ratio of pull to price IPOs has halved in the first half a year, which is very encouraging as we look at the pipeline for the second half.</p>   |
| <p>On screen copy:<br/>         What do you expect to see in ECM for the</p>  |   |

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| rest of the year?   |   |
|   | <p>In terms of the outlook for the rest of the year in Europe and in equity capital markets in particular, we see three key themes emerging. The first one is primary equity raises to fund M&amp;A transactions. This is a continuation of what we saw in H1. And really, the pipeline looks very strong as companies are looking to further acquire in particular in cross-border transactions.</p> <p>The second theme is tech. Tech will continue to drive the agenda, and we have a number of large tech IPOs scheduled to price in the second part of the year across various European countries.</p> <p>The third theme is really related to the UK. The UK has regained its top spot position in terms of listing venue for IPOs in Europe this year. We think this will continue in the second part of the year, maybe less related to domestic issuers given the Brexit related topics we will see in October, and more driven by emerging market stocks.</p> |
| <p>On screen graphic:<br/>Bank of America Merrill Lynch logo</p>  |   |
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