

VAALCO Energy Inc

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London's IPOs had quietest quarter in a decade, says EY

The London Stock Exchange new listings market had the quietest quarter since 2009, when the UK was taking the first steps out of recession.

Only four initial public offerings (IPOs) took place between July and September, according to an analysis by business consultant EY, due to continued uncertainty and geopolitical tensions.

READ: IPO Roundup: A \$1B German biotech and an Illinois-based bank set to go public this week

Two companies were listed on the Main Market and two on AIM, raising a total of £329m; in the previous quarter there were 15 listing.

Among the few to list in the third quarter was independent energy company VAALCO Energy (LON:EGY, NYSE:EGY) - a company that already had a New York listing.

While the third quarter is normally the least busy, EY's analysts say this year's exceptionally low numbers are due to companies having focused on the second quarter, as the Brexit deadline looms, or companies waiting for a more stable time to float.

Only on Monday fintech group Kaspi.kz postponed its London IPO, initially scheduled for 23 September, "in light of currently unfavourable and uncertain market conditions".

Meanwhile, the likes of Shore Capital are delisting; the company said the costs of being listed on AIM are "disproportionate" to the related benefits - and as a stockbroker, it should know.

In the first nine months of 2019 only 24 companies floated in the UK, a 55% decline compared to the same period in 2018, but EY said there is still "strong" appetite to float.

Outside of the UK performance was also fairly underwhelming, with global IPOs in the third quarter dipping 26% year-on-year, with 249 new entries raising £31.9bn (US\$39.1bn).

In the first nine months of 2019, performance in the Americas was down by almost a third, while numbers in Europe, Middle East, India and Africa halved, due to geopolitical volatility.

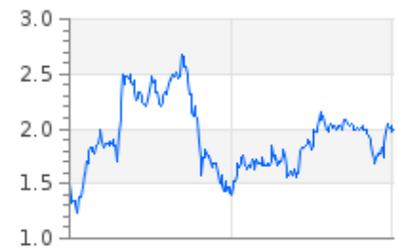
We Company, the parent organisation of office space-sharing company WeWork, was one of the most awaited IPOs, but had to postpone due to questions about its corporate governance and valuation.

Asia Pacific's new floats were down just 9% year-on-year, offset by the launch of the much-anticipated Shanghai's STAR Market in July, which elevated activity.

Price: 2

Market Cap: \$116.78 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: EGY

Listing: NYSE

52 week	High	Low
	2.74	1.23

Sector: Oil & Gas

Website: www.vaalco.com

Company Synopsis:

VAALCO Energy, Inc. is a Houston, Texas-based independent energy company principally engaged in the acquisition, development, and production of crude oil. VAALCO's strategy is to increase reserves and production through the development and exploitation of international oil and natural gas properties. The Company's properties are located primarily in Gabon and Equatorial Guinea in West Africa.

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"We expect global IPO activity to pick up in the last three months of 2019 and into 2020, particularly when there is more clarity to US-China trade tensions and developments around Brexit," said Scott McCubbin, EY's UK IPO Leader, in a statement.

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