

# VietJet closes \$167m IPO

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VietJet Air has closed Vietnam's biggest initial public offering (IPO), *GlobalCapital* reports.

The sister publication of *Airfinance Journal* said the airline sold 44.8 million shares at 84,600 Vietnamese Dong (\$3.69) a piece, 61% down the indicative range of 75,900-98,400 Dong. The float is 14% of its enlarged share capital.

The price tag gives VietJet a market capitalisation of \$1.2 billion. The firm priced at 5.6 times its 2017 EV/Ebitdar, according to bankers close to the deal.

BNP Paribas, Deutsche Bank, JP Morgan and Viet Capital Securities began taking orders on December 2 and wrapped up on 12 December.

VietJet marketed to investors in London, Singapore and Hong Kong, as well as closer to home in Bangkok.

The listing is scheduled for 20 February, forcing investors to take two months of market risk. The long settlement period was why hedge funds stayed away, said bankers. That did not stop about 30 accounts from coming in, comprising mainly long-only funds and corporates. The trade was highly concentrated, with the top five accounts taking 75% of the shares.

The Reg S format allowed shares to be well distributed among global and domestic investors. "This was one of the few liquidity events in Vietnam and offered rare exposure to a blue chip name, so funds were happy to buy shares despite the settlement risk," said the banker.

There was some price sensitivity at the bottom of the range but the leads were able to move some investors up, and crossed out the rest. The book was reasonably well covered.

The low cost airline's 3.79 trillion Dong IPO makes it the biggest in Vietnam, more than twice Vietnam Insurance Corp's 1.8 trillion listing in May 2007, according to Dealogic.

The base offer was split equally between primary and secondary stock. VietJet chief executive and vice-chairwoman Nguyen Thi Phuong Thao supplied the secondary shares.

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