



HAVE A BIG IMPACT ON THE AUSTRALIAN ECONOMY

Stockbrokers and investment advisers contribute to the Australian economy by assisting businesses to raise capital to achieve their goals.

They do this by connecting their clients, the investors, to established and emerging businesses who are selling their shares to investors to provide it with capital for future growth, repayment of debt or even for working capital. Businesses thrive if they are able to effectively source capital. Investors have the chance to make a profit if the company does well.

Stockbrokers and investment advisers evaluate securities offered for listing or trading and identify the investment opportunities they present for investors. They conduct research and analysis on companies listed on the stock exchange so that they can determine which companies clients should invest in and which they should avoid.

You can make a big impact on the Australian economy by [becoming a stockbroker or investment adviser](#).

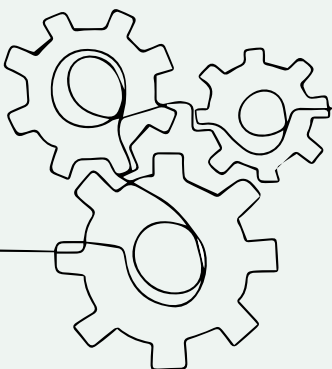
IPOs

Companies list on a stock exchange, such as the Australian Securities Exchange (ASX). There are more than 2,000 companies listed on ASX. When a company first lists, it is called an initial public offering (IPO). If an investor participates and buys shares in an IPO, they become a shareholder of the company. As a shareholder, they can enjoy profits from the sale of their shares on the stock exchange, or they can receive dividends offered by the company on the shares they hold.

Other new issuances

In addition to IPOs, there are other types of equity new issue offerings for companies with shares that are already publicly traded, including:

- ✓ Follow-on Offering: An issuance of additional shares of shares by a company that is already publicly traded, which a company can raise any number of times
- ✓ Rights Issue: When a company makes an offer to raise capital from its existing shareholders.





Stockbrokers and Investment Advisers Association

Serving the interests of investors



Role in capital formation and impact

The contribution in 2022 from eight firms where stockbrokers and investment advisers work directly with private investors shows how a career in investment advice makes a big contribution to the Australian economy through raising capital for emerging and established businesses.

\$262 billion

Value of capital raised for IPOs

\$2.15 billion

Value of other new issuances

77

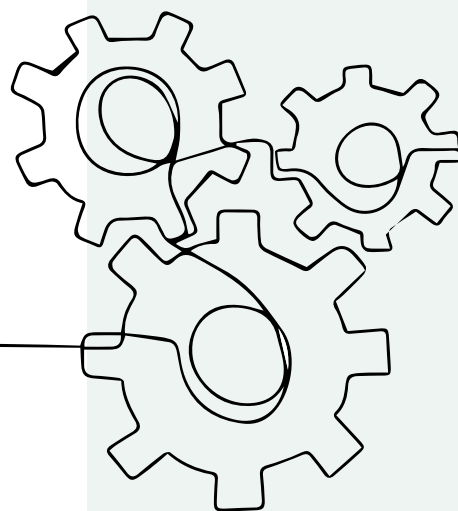
Number of transactions — IPOs

402

Number of transactions — other new issuances

Why do companies raise capital?

- ✓ Raising capital for acquisition either allows companies to apply funds to enhance the value of an existing asset, or to acquire an external asset with benefit to the existing business.
- ✓ Companies may also choose to raise capital to rebalance their capital mix. This is common for companies with outstanding liabilities who choose to use raise proceeds to pay off debt.
- ✓ Companies may also require additional capital to grow operations and/or for working capital. This is common for companies undertaking projects with large upfront costs and long execution timelines.



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