Week in Review IPOs

Corporate week in review, September 15

Apple unveils new phone; Alibaba, JPMorgan, Big Four and Geely also in the news



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A round up of some of the week's most significant corporate events and news stories.

Apple hopes its iPhone pricing bet will pay off

Feedback



An iPhone XR on display during Apple's launch event in Cupertino, California. Pricier phones have allowed Apple to boost revenues amid flat unit sales © AFP

Apple this week unveiled a trio of new smartphones, alongside a new, higher-priced Watch with additional medical features, as it sought to continue revenue growth from its flagship products.

Among the new smartphones is the $1,099 iPhone XS Max, Apple's largest and most expensive smartphone yet, with a 6.5-in display.

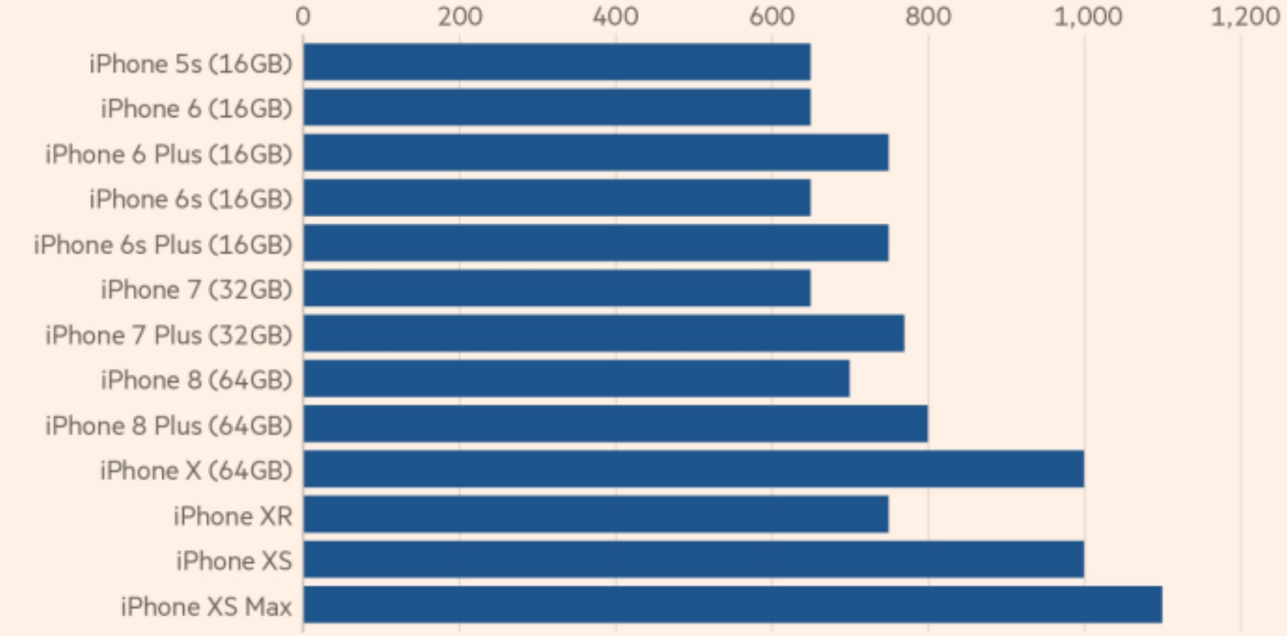
Gene Munster from Loup Ventures said he expects the iPhone's average selling price, which was $606 a year ago, to increase to $791.

He added: "Apple, once again, has shown their mastery of pricing tiers, which will extract more revenue per customer."

Feedback

How Apple raised the price of the iPhone

Base price of unlocked iPhone 5s to iPhone XS Max (US$)



Sources: company, VentureBeat

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Dimon hands over more responsibilities at top



From left, JPMorgan Chase's chief executive Jamie Dimon, and his co-presidents, Gordon Smith and Daniel Pinto

Feedback

Jamie Dimon is handing over more of the day-to-day running of **JPMorgan Chase** to his two most senior executives, in the clearest sign yet that he intends to step down when his contract ends in five years.

Asked if he was leaving more of the bank's management to the two co-presidents, Daniel Pinto and Gordon Smith, Mr Dimon, now 62 and Wall Street's longest-serving bank chief executive, told the Financial Times: "When you have Tom Bradys on the field, you let them be the quarterback and you can be the coach."

Trade war fears scupper Volvo Cars IPO



The Swedish carmaker has plants in China and Europe as well as a newly built facility in the US © Qilai Shen/Bloomberg

Geely is to delay its initial public offering of Volvo Cars because of concerns over the Swedish company's valuation in light of the global trade war.

Although Geely believed it had the backing secured for a flotation at the end of the year valuing Volvo at $30bn, it was worried that investors — many of which were due to be Swedish pension funds — would see the stock slip after the float.

Hakan Samuelsson, Volvo's chief executive, said businesses needed "stable market conditions" to list shares.

EY rebuffs calls to break up Big Four auditors

Feedback



EY's audit practice accounted for 36 per cent of global revenues in the financial year ending in June © Charlie Bibby/FT

The global chief executive of **EY** hit back at calls for the Big Four accounting firms to be broken up in response to mounting criticism of the severe lack of competition in the audit market.

Mark Weinberger said EY needed to draw on expertise from across its business in order to act for multinational clients.

He added: "We audit Google, Amazon, Facebook, Salesforce and Oracle — you could not serve those clients without a multidisciplinary group."

In the US, the Big Four audit 99 per cent of members of the S&P 500 index.

Pharma chief defends 400% drug price rise

Feedback



Nirmal Mulye: 'This is a capitalist economy and if you can't make money you can't stay in business'

A pharma executive has defended his decision to raise the price of an antibiotic used to treat bladder infections to more than $2,000 a bottle, arguing there was a "moral requirement to sell the product at the highest price".

Nostrum Laboratories, a small Missouri-based drugmaker, more than quadrupled the price of a bottle of nitrofurantoin from $474.75 to $2,392.

Nirmal Mulye, Nostrum chief executive, compared his decision to increase the price to an art dealer that sells "a painting for half a billion dollars" and said he was in "this business to make money".

Alibaba's Jack Ma to hand over to Daniel Zhang

Feedback



Jack Ma (left) and Daniel Zhang (right). The succession is the first generational change in China's private tech sector © AP/Reuters

Daniel Zhang will replace founder Jack Ma as chairman of **Alibaba** in a year, adding the role to his job as chief executive of China's most valuable company.

Mr Ma, a former teacher who founded the group 19 years ago and built it into a business with a stock market valuation of $420bn, said he would instead focus his efforts on philanthropy and education.

"I still have lots of dreams to pursue," said Mr Ma in a letter on Monday.

Compiled by Colm Fulton

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