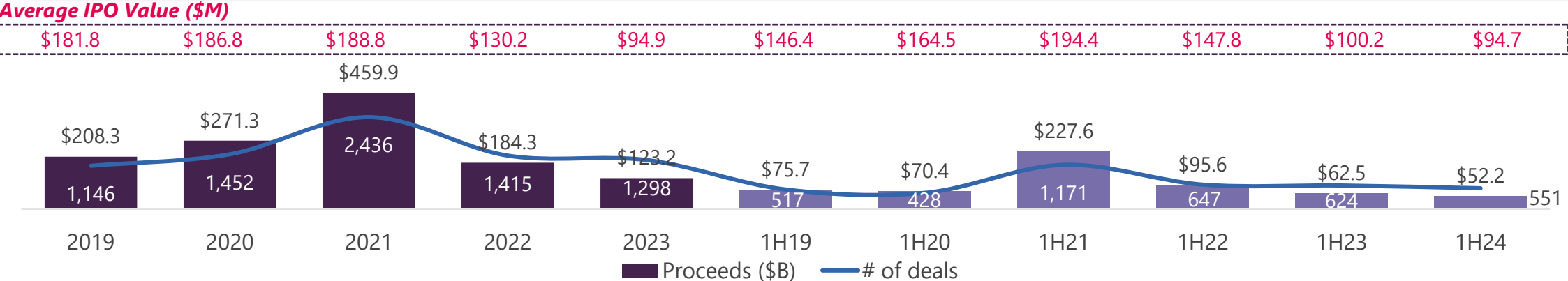


• Innovative Analytics Solutions

Resilience Amidst Uncertainty: Global IPO 1H24 Update

Evolving Global IPO Landscape: From Record Highs to Cautious Optimism

Global IPO Market Overview



- In recent years, Global IPO activity witnessed a drop after reaching at a record high of 1,171 IPOs in 1H21 to 551 IPOs in 1H24
- During 1H24, the Americas and EMEIA regions displayed strong appetite for equity offerings (in sharp contrast to Asia Pacific), supported by favorable stock market performance, improving IPO valuations and growing investor enthusiasm
 - Americas witnessed a remarkable 67% YoY increase in total proceeds generated
 - The EMEIA region returned to its 10-year average IPO value levels in 1H24, and achieved highest global share by number since the 2008 crisis
- Global IPO market further declined in 1H24 as compared to 1H23; in 1H24, there were total 551 IPOs raising \$52.2B proceeds with a drop of 12% in # of deals and 16% drop in terms of proceeds
- The recent fall in IPO market is attributable to the investor focus shifting towards financial sustainability and profitability of newly listed companies
 - The Asia-Pacific region faced market sentiment dampening by headwinds from geopolitical tensions, elections, economic slowdown (particularly in mainland China and Hong Kong), heightened interest rates and a market liquidity drought that has made investors cautious
 - The 2024 elections in major economies (which represent 60% of global GDP) are anticipated to reduce IPO activity

Themes / Factors Impacting 2024 Global IPO Market

Key Trends and Reasons for Muted IPO Activity

Trends

- The Americas and EMEIA regions experienced a surge in IPO activity, with both the economies recording a 67% and 89% YoY growth in IPO proceeds, respectively
- Huge leap in PE/VC backed IPOs with proportion of proceeds rising from just 9% in the 1H23 to 41% in H124 with Americas being the key region, where 74% of total proceeds were attributed to PE-/VC-backed companies
- IPO returns in 2023 and YTD 2024 have outperformed benchmark indices in most major global markets amid investor enthusiasm for robust market debuts and a shift toward financial sustainability and profitability of newly listed companies
- Family businesses are increasingly turning to IPOs to balance legacy and growth, with prominent examples in Europe, MENA, and Asia, though the transition requires careful preparation to maintain family values and influence within the new public company structure

Reasons for Muted IPO Activity

Dampened Investor Confidence in Asia-Pacific Region

- Asia-Pacific saw a drop in global share of proceeds, plummeting from 63% in 1H23 to 20% in 1H24
- The slowdown was driven by caution due to elections, economic slowdown, heightened interest rates and a market liquidity drought

Global elections amplifying uncertainty

- In 2024, the political calendar is marked by elections in more than 50% of the global population creating an exceptional level of uncertainty
- Policies include substantial fiscal outlays and targeted support to specific, strategically important sectors

Geopolitical dynamics shaping IPO markets

- Global political risk have surged especially since Ukraine-Russia war in 2022 and remain elevated
- The potential for regulatory and policy changes pressurizing companies to prepare for various geopolitical eventualities

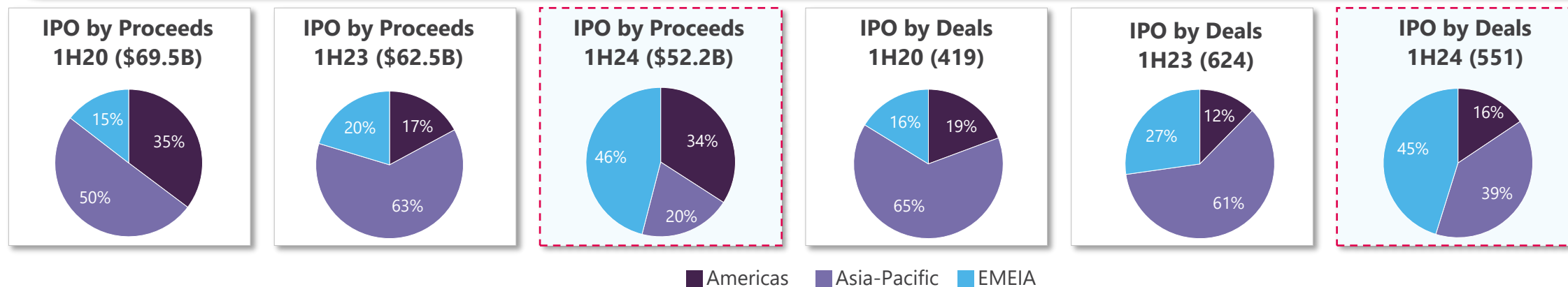
Expert Views on Slow Down Justification

“A confluence of economic and geopolitical headwinds has significantly dampened IPO activity in the first half of 2024, continuing the struggles faced by the Asia-Pacific region over the past year. Halfway through 2024, signs of optimism are emerging. Positive economic trends, regulatory changes, and evolving geopolitical dynamics are carving new paths for capital flows and boosting market confidence, along with greater clarity around election outcomes.”

Ringo Choi, EY Asia-Pacific IPO Leader

EMEIA Overtakes Asia-Pacific as Global IPO Leader

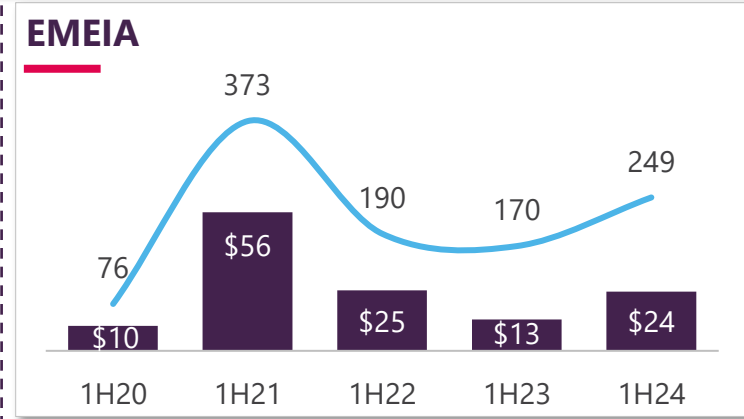
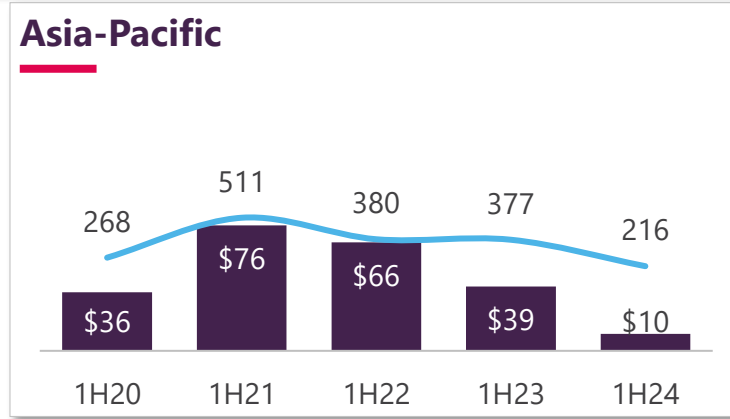
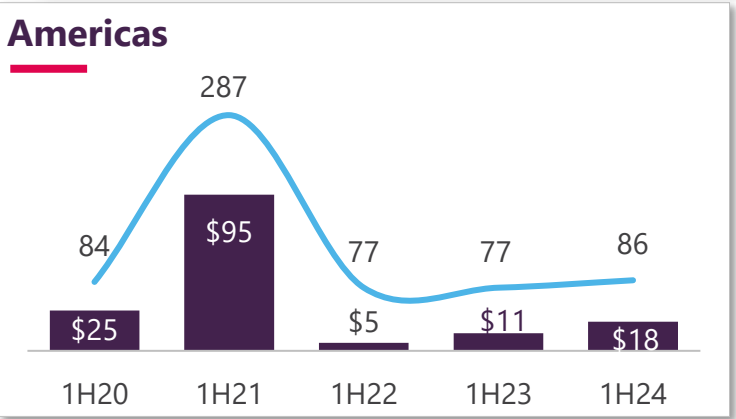
Shift of IPO Markets Regionally Over the Last 5 Years



- Overall, the global IPOs saw a decline in IPO activities in 1H24 as compared to 1H23 both in terms of # of IPOs and total proceeds generated
- In last few years, **Americas** has witnessed a fluctuation in # of deals and proceeds with 6% increase and 27% decrease, respectively between 1H20 to 1H24
 - Americas witnessed a YoY rise in IPO deals and proceeds generated in 1H24, an increase of 12% and 67% respectively
 - Recent developments in AI and its potential for broader applications acted as tailwinds for the Americas to significantly increase its share in global deals
- Over the last 5 years, the share of **Asia-Pacific** region has decreased significantly from 65% 1H20 to 39% 1H24 in IPOs by # of deals and 50% in 1H20 to 20% in 1H24 in IPO by proceeds
 - The region witnessed a prolonged slowdown in 1H24 with only 216 IPOs listed generating total proceeds of \$10.4B
 - Decline in Greater China's IPO activity due to tightening regulations of mainland China and continued dampened liquidity and investor confidence issues in Hong Kong impacted the region's performance the most
- **EMEIA's** share in IPO proceeds increased from 15% in 1H20 to 46% in 1H24 and its share in IPO deals increased from 16% in 1H20 to 45% in 1H24
 - In 1H24, inflation levels, reducing interest rates, rallying stock market and low volatility pushed EMEIA IPO market to launch 249 deals generating \$24B
 - EMEIA replaced Asia-Pacific region in global IPO market to hold the highest share, with India being the key driver behind the deal volumes

Global IPO Market by Geography – Gross Proceeds and Deal Volume

Regional IPO Performance 1H24



■ Proceeds (\$B) — Deal Volume

- The Americas IPO market in 1H24 saw an uptick in # of IPO deals and proceeds, driven by seven large deals in Q2 worth \$500M+ each
- US led the region with 80 IPOs generating \$17.8B proceeds
- Canada experienced drought in IPOs with only 6 IPOs (50% fall YoY) and Brazil IPO market is closed since late 2021, however, issuers are hopeful that Brazil IPO will rise in early 2025
- Health and Life Sciences led the market with 20 IPOs (\$3.9B proceeds), followed by Technology

- In 1H24 APAC market witnessed a huge drop of 43% in # of deals and 73% in proceeds with 216 deals generating \$10.4B proceeds
- The ASEAN IPO market saw a decline in new IPO deals due to governmental and infrastructural changes
- The Japanese market experienced a modest decline in due to lack of sizable IPOs, while Technology sector remained resilient
- Technology led the market with 54 IPOs (\$3.3B proceeds), followed by Industrials and Consumer sectors

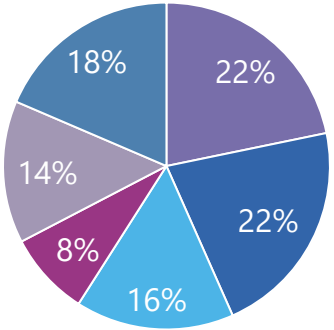
- 1H24 EMEIA IPO saw a robust first half with 249 listings and \$24.0B proceeds, increasing 46% and 89% YoY, respectively
- The drive was supported by PE-backed IPOs, economic stabilization and recent interest rate cuts by ECB
- India led the deal volume with 152 companies and Europe led the transaction value by generating \$15.2B proceeds in first six months
- Industrials led the market with 56 IPOs (\$3.5B proceeds), followed by Technology & Materials

Source: EY, PwC, Press

Global IPO Activity by Sector – Gross Proceeds

Technology and Biotechnology Sectors Driving IPO Proceeds

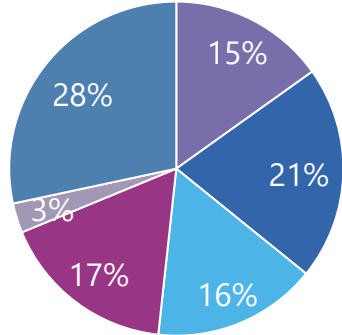
1H23 IPO Proceeds (\$62.5B)



- Industrials
- Consumer
- Energy
- Technology
- Health and Life Sciences
- Others



1H24 IPO Proceeds (\$52.2B)



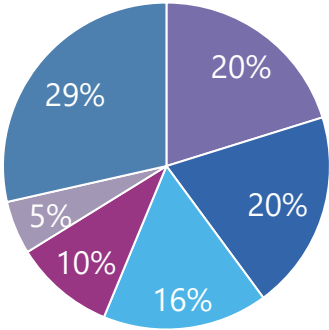
- **Technology** sector led the global IPO share and experienced a rebound in total proceeds of \$10.8B with an average deal size of \$105.9M
 - After a spree of Chinese semiconductor deals in 2023, the global technology IPOs focused on software/SaaS deals with \$7.1B proceeds in 1H24
 - The technology IPO market rebalancing was accompanied by listings in India, South Korea and the Middle East
- **Consumer** sector IPOs saw a decline of 15% proceeds YoY as result of investors’ uncertainty towards the consumer market. In EMEIA region, the total proceeds for Consumer sector grew by 198%, while Americas and Asia-Pacific saw a decline of 40% and 79% respectively
- **Industrials** sector proceeds declined in 1H24 primarily due to notable fall in Mainland China’s IPO activities in the first half
 - IPO proceeds for majority of industrials sub-sectors were down except for building, construction & engineering and aerospace & defense IPOs which saw a surge of 65% and 17% proceeds, respectively
 - The outlook for industrials market IPO remain mixed because growth in Europe may be outweighed by an ongoing manufacturing slowdown in China
- Overall, **Health and Life Sciences** sector witnessed a 69% increase in IPO proceeds generated majorly driven by splurge in biotechnology IPOs



Global IPO Activity by Sector – Deal Volume

Technology Led Deal Volume in 1H22, with Industrial Gaining Momentum

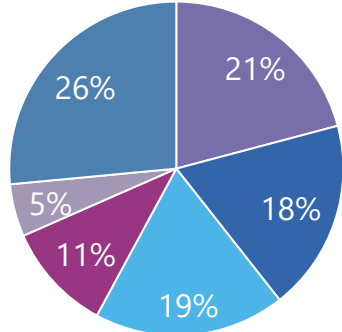
1H23 IPO Volume (#624)



- Industrials
- Technology
- Consumer
- Health and Life Sciences
- Energy
- Others



1H24 IPO Volume (#551)



- **Industrials** sector accounted for the highest share (21%) in global IPO deal volume in 1H24 driven by high EV demand and participation from key economies such as South Korea, which saw many new market entrants in automotive, chemicals and industrial components
 - The # of IPOs in South Korea, India and Malaysia grew by triple digits (450%, 193% and 200%, respectively) in 1H24 YoY
- **Consumer** sector’s share grew by 3% YoY with # of deals being stagnant as compared to 1H23. Despite the global economic slowdown in 2023, the consumer sector experienced comparatively stable YOY IPO performance in 1Q24
- **The Technology sector** witnessed a rebound in # of deals in the Americas and EMEIA regions driven by increased funding in AI focused and SaaS companies. However, # of IPOs in technology sector dropped by 17% YoY and Asia-Pacific region saw a major decline of 38% technology IPOs
- **Health and Life Sciences** sector deal volume revived after two years of decreased activity. In 1H24, the health care providers/services and hospitals sub-sectors saw a significant increase in IPO activity and fundraising compared to the same period in 2023
 - Health care providers/services IPOs experienced a staggering 9,710% YoY surge and hospital IPOs saw a robust increase of 359% YoY

Top 10 Largest IPOs 1H24 (Global)

Priced Date	Issuer Name	Issuer Country	Sector	Exchange	Proceeds (\$M)
30-Apr-24	Puig Brands SA	Spain	Consumer	Madrid (BME)	2,935.8
21-Mar-24	Galderma Group AG	Switzerland	Health and Life Sciences	Zurich (SIX)	2,561.1
26-Apr-24	CVC Capital Partners plc	The Netherlands	Financials	Amsterdam (AEX)	2,451.0
30-Apr-24	Viking Holdings Ltd	US	Industrials	US (NYSE)	1,767.5
31-Jan-24	Amer Sports Inc	US	Consumer	US (NYSE)	1,569.8
11-Apr-24	UL Solutions Inc	US	Industrials	US (NYSE)	1,088.4
06-Jun-24	Waystar Holding Corp	US	Health and Life Sciences	US (NASDAQ)	967.5
19-Mar-24	Douglas AG	Germany	Consumer	Frankfurt (FRA)	965.6
24-Apr-24	Rubrik Inc	US	Technology	US (NYSE)	863.1
20-Mar-24	Reddit Inc	US	Technology	US (NYSE)	860.2

Global IPOs Bookrunner Ranking

Rank	Bookrunner	YTD 2024		Rank	YTD 2023	
		Value (\$B)	Number of Deals		Value (\$B)	Number of Deals
1	JP Morgan	\$2.90	28	9	\$1.76	16
2	Morgan Stanley	\$2.87	31	20	\$0.88	14
3	BofA Securities	\$2.87	23	15	\$1.21	12
4	Goldman Sachs	\$2.73	24	13	\$1.27	13
5	Citi	\$2.65	28	7	\$2.06	19
6	UBS	\$2.07	19	6	\$2.20	16
7	BNP Paribas	\$1.58	10	11	\$1.39	11
8	Jefferies LLC	\$1.57	19	17	\$1.05	12
9	Cantor Fitzgerald & Co	\$1.47	8	43	\$0.36	2
10	HSBC	\$1.33	12	14	\$1.26	9

Global IPO Outlook

Promising Outlook Driven by Macroeconomic Factors

- Expectations for remaining 2024 seem to be promising driven by robust markets, decreased volatility and falling inflation
- Global IPO volumes are mostly expected to be impacted by three pivotal themes: the central banks' interest rate cut schedules, escalating geopolitical conflicts; and an election super-cycle
- The central bank's easing cycle will be uneven, with some markets leading the way before a more hawkish Fed. When central banks lower rates, investors will seek higher returns, increasing liquidity in equities, emerging markets, tech, and healthcare

Uplift in Public Debuts of PE-backed Companies

- In 1H24, there is a 205% YoY increase in proceeds from PE-backed listings, driven by several US\$1b+ flotations
- Strong post-listing performance is expected to provide PE sellers with the necessary confidence to accelerate their plans to list portfolio companies in H2
- The outlook for PE-backed IPOs in 2024 appears promising, driven by strong market performance, reduced volatility, an improved inflation outlook and a substantial overhang of assets primed for monetization

Mixed Outlook for Industrials IPOs

- The outlook for industrial components in 2024 is mixed, as growth in Europe may be outweighed by an ongoing manufacturing slowdown in China
- Buyers of machinery are especially sensitive to interest rate environments, which continue to be challenged in many key markets such as the US
- The competitive environment for chemicals is expected to shift in 2024 as prices for oil & gas feedstocks fall from historic highs, and buyers emerge from a long period of destocking

EMEIA IPO Market is Set to Further Grow

- In 2024, EMEIA markets recovered from the continuous slump for the last 2 years
- The EMEIA region is at the forefront of energy IPO activity, with India experiencing a notable 600% YoY increase and Turkey and Italy maintaining the momentum
- Even though the London Stock Exchange is yet to host any major PE-backed listings this year, the emergence of green shoots in UK equity markets is expected to provide a second wave of momentum that will sustain activity across the region

Expert Views

"The global IPO market reflects the broader economic landscape, while seeking new balance amid the geopolitical and election complexities. As the pendulum of opportunity swings toward the developed Western economies, the Asia-Pacific region faces headwinds that test its tenacity. Companies contemplating IPOs need to show heightened adaptability and resilience to make well-informed strategic decisions amid the evolving IPO landscape.

- George Chan,
EY Global IPO Leader

"With interest rates expected to fall in the second half of the year, Hong Kong's capital markets are poised for a resurgence. The anticipated listing of Chinese concept stocks and technology companies, especially in the form of specialist technology companies, is expected to contribute to stability and confidence in the city's capital market. The first company under the Chapter 18C listing regime successfully listed in Hong Kong recently. It is anticipated to further promote the development of the entire technology industry ecosystem."

- Eddie Wong,
PwC Hong Kong Capital Market Leader

"Global IPO activities have been clouded by increased uncertainty, largely due to geopolitical conflicts and an unprecedented number of elections worldwide. Nonetheless, certain IPO markets are beginning to show signs of resurgence. This presents a window of opportunity for companies to revive their IPO plans and for investors to reconsider the weight of IPOs in their investment portfolio."

- Paul Lao,
Partner, Head of Capital Markets and Professional Practice, KPMG China

"Despite a positive growth outlook and increasing foreign direct investment in Southeast Asia, the prolonged geopolitical instability and high interest rates environment have been the significant factors affecting the market conditions and investor sentiments in Southeast Asia, leading to a lukewarm record of IPOs in 2024 H1. The ongoing inflation concerns and efforts to stabilise the global economy means that the high interest rate environment could continue to persist in 2024."

- Tay Hwee Ling,
Deloitte Southeast Asia and Singapore

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