

With the market in flux,
how can your IPO
journey stay the course?

EY Global IPO Trends 2023
ey.com/ipo/trends #IPOreport



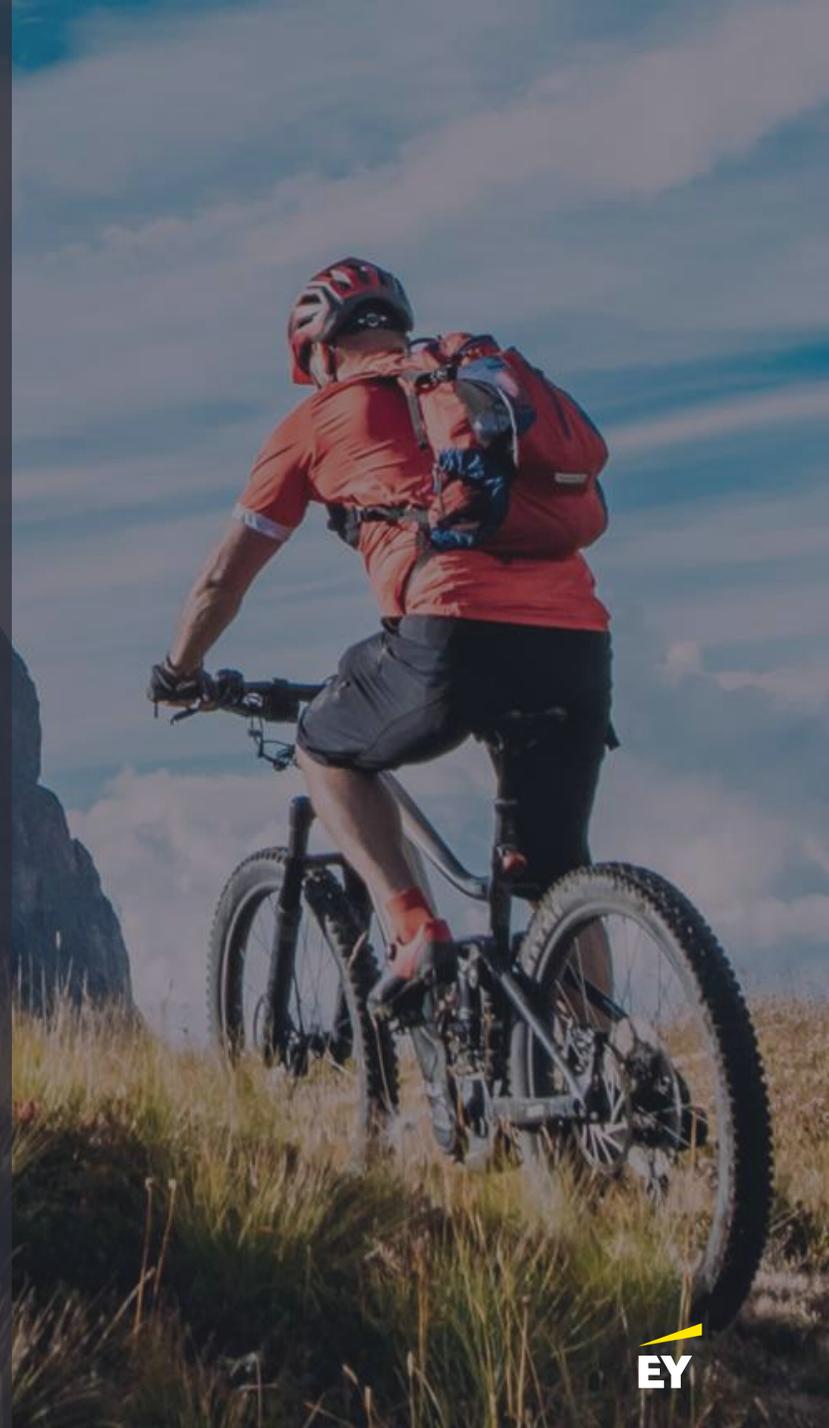
The better the question. The better the answer.
The better the world works.



Building a better
working world

Contents

Global	Q4 2023 and 2023 IPO activity	06
	IPO market review and outlook	07
	IPO market highlights	08
Area	Sectors	15
	Americas	21
	Asia-Pacific	26
Appendix	Europe, Middle East, India and Africa	33
	Advice to IPO candidates	40
	Regional facts and figures	42
	Stock exchanges	45



Highlights

1

IPO performance out of step with buoyant equity markets in 2023

2

New hotspot markets outpaced traditional IPO powerhouses

3

CEOs retain appetite for IPOs as they look to the window opening in 2024

4

Big debuts trailing returns in a fragile environment

5

Small cross-border listings outperforming larger offerings in after-market returns

6

Sector IPO trends reflect shifting global economic and supply chain dynamics

7

IPO backlogs mounting across growth sectors as pulled deals surging in China





Global



Global

IPO hopefuls navigating a market in flux; pockets of resurgence appear but pricing prudence remains vital

“

Enthusiasm for IPOs is high and smaller deals are emerging with improved after-market performance. While many governments are taking measures to boost IPOs, activity is particularly strong in high-growth economies. Before monetary policy eases and the geopolitical climate stabilizes, IPO candidates should keep their eyes on building fundamentals and managing price expectations to capitalize on the fleeting windows as 2024 progresses.



George Chan

EY Global IPO Leader

Q4 2023 IPO activity took a tumble

	Q4 2022		Q4 2023		% change	
	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)
Global	397	36.5	323	22.2	-19%	-39%
Americas	17	1.5	36	2.9	112%	91%
<i>% of global</i>	<i>4%</i>	<i>4%</i>	<i>11%</i>	<i>13%</i>		
Asia-Pacific	276	23.1	162	9.2	-41%	-60%
<i>% of global</i>	<i>70%</i>	<i>63%</i>	<i>50%</i>	<i>41%</i>		
EMEA	104	11.9	125	10.1	20%	-14%
<i>% of global</i>	<i>26%</i>	<i>33%</i>	<i>39%</i>	<i>46%</i>		

Q4 2023 covers completed IPOs from 1 October to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Q4 2022 covers completed IPOs from 1 October to 31 December 2022.
Source: Dealogic.

2023 full year Global IPO proceeds lagged 2022

	2022		2023		% change	
	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)
Global	1,415	184.3	1,298	123.2	-8%	-33%
Americas	133	8.9	153	22.7	15%	155%
<i>% of global</i>	<i>9%</i>	<i>5%</i>	<i>12%</i>	<i>18%</i>		
Asia-Pacific	897	124.4	732	69.4	-18%	-44%
<i>% of global</i>	<i>64%</i>	<i>67%</i>	<i>56%</i>	<i>57%</i>		
EMEA	385	51.0	413	31.1	7%	-39%
<i>% of global</i>	<i>27%</i>	<i>28%</i>	<i>32%</i>	<i>25%</i>		

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.
Source: Dealogic.

2023 review

The global IPO market in 2023 has experienced some noticeable shifts. Improved Western market sentiment was counterbalanced by China's cool-down, while a rise in developing market small-cap deals contrasted with lackluster performance of large offerings in developed nations.

Overall IPO proceeds in 2023 lag 2022's lukewarm pace by roughly a third, although deal volumes have picked up in both the Americas and EMEIA regions.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.

Source: Dealogic.

2024 outlook

Globally, moderating inflation and potential 2024 interest rate cuts could attract investors back to IPOs by improving liquidity and return outlooks. However, sustained geopolitical instability may undermine confidence.

Broadly, the year ahead hinges on improving macro backdrop for an IPO revival as companies eagerly await more favorable market conditions to widen the IPO windows.

IPO performance out of step with buoyant equity markets in 2023

Strong equity markets are typically associated with increased IPO activity, and when struggling markets occur, IPO activity slows down. This was not the case in 2023. Despite a strong market rally and low volatility index on the back of positive economic data, IPOs have remained muted in many developed markets, with the exception of a brief September window in the US:

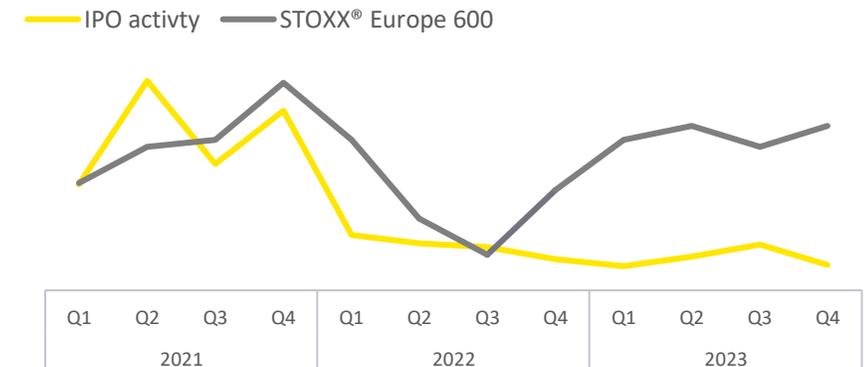
- ▶ The stock market's 2023 gains heavily concentrated in mega technology stocks, which buoyed index higher. However, the remaining index constituents were unable to match the mega-cap momentum. Such disproportionate outperformance attracted investor attention on the mega-caps over unproven new debutants in the face of uncertain macros backdrops.
- ▶ Aggressive tightening of monetary policies was another major factor affecting IPO activity, superseding the influence of overall stock market performance. Central banks' persistently high interest rates reduced liquidity and increased financing costs, deterring risk-averse equity investors and discouraging companies from going public.
- ▶ Underwhelming after-market performance reflects the ongoing mismatched valuation expectations between issuers and investors, as well as the growing range of investment alternatives with surging yields, attracting investors.
- ▶ Geopolitical tensions around the globe can rock global markets by upending investor moods. Investors grow cautious amid conflict, retreating from equities into safer investment options.

All of these factors can cool listing momentum and push IPO trends in a direction that goes against the prevailing stock market trends. While global inflation has eased substantially this year, the expectation of potential interest rate reductions could encourage investors by offering a more reliable return on investment in IPOs. Greater pricing alignments between issuers and investors, improved US-China relations, eased geopolitics and regional conflicts could also help headwinds abate as confidence rebounds and markets present opportunities for IPOs again.

US IPO activity vs. S&P 500®



European IPO activity vs. STOXX® Europe 600



2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.

Sources: EY analysis, Dealogic, S&P Capital IQ (Index data rebased to 100).

New hotspot markets outpaced traditional IPO powerhouses

If the Middle East and Mainland China proved to be the engines of the 2022 IPO market, this year's momentum for growth came from high-growth developing countries, each with their own unique economic backdrop.

High-growth developing markets shone in 2023 IPO surge:

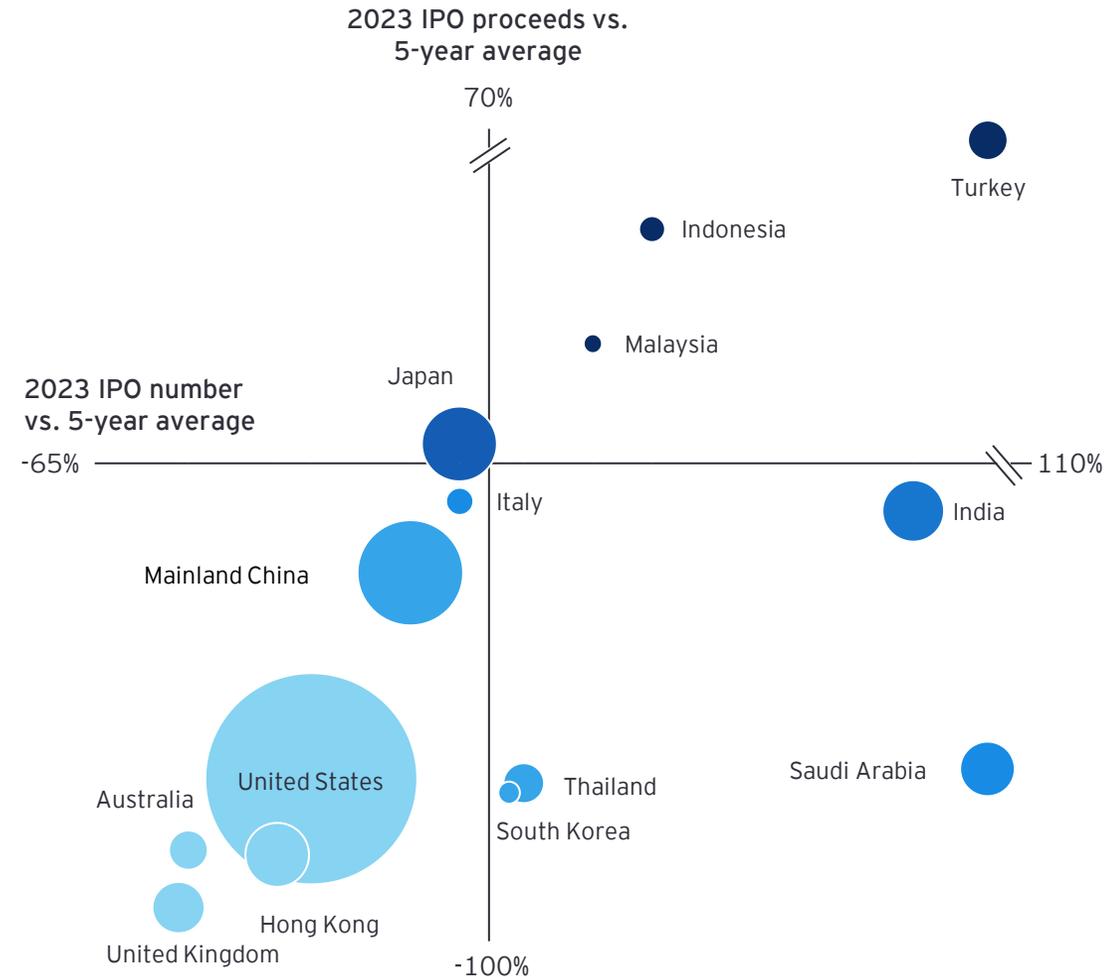
- ▶ Indonesia, Malaysia and Turkey showed increases in deal volume and proceeds by benchmarking against 5-year average IPO activity. Healthy IPO expansion in Indonesia has benefited from global demand for its rich mineral resources (that drive green energy production), its large population, fast-growing unicorns, and strategic privatization of state-owned enterprises. Turkey's IPO market is taking off, as companies with limited options for fresh financing seek to take advantage of retail investors' appetite for new issues.
- ▶ India, Saudi Arabia and Thailand recorded increases in the number of IPOs vs. 5-year average. India sustained robust IPO momentum, signaling economic growth despite smaller deal sizes denting proceeds. Similarly, listings in Saudi Arabia rose on strong post-IPO returns and business-friendly reforms.

However, some developed markets grappled with IPO deceleration:

- ▶ Hong Kong's IPO market experienced a 20-year low in proceeds this year, due to a lack of liquidity, muted investor sentiment, interest rate hikes, and challenging China-US relations.
- ▶ Meanwhile, persistent inflationary pressures and elevated interest rates also precipitated sharp declines in UK deal-making momentum. There is however hope that the UK regulator's attempts to simplify listings could stimulate activity in the coming year.

2023 IPO markets compared with 5-year average

Bubble size: 2023 combined stock exchange market cap by country



Visualization depicts select markets with combined exchanges of over 30 IPOs and aggregate proceeds above US\$500m for each market in 2023. Proportional bubble size represents the market cap of combined stock exchange for each market as of October 2023.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.

Sources: EY analysis, Dealogic, The World Federation of Exchanges (WFE).

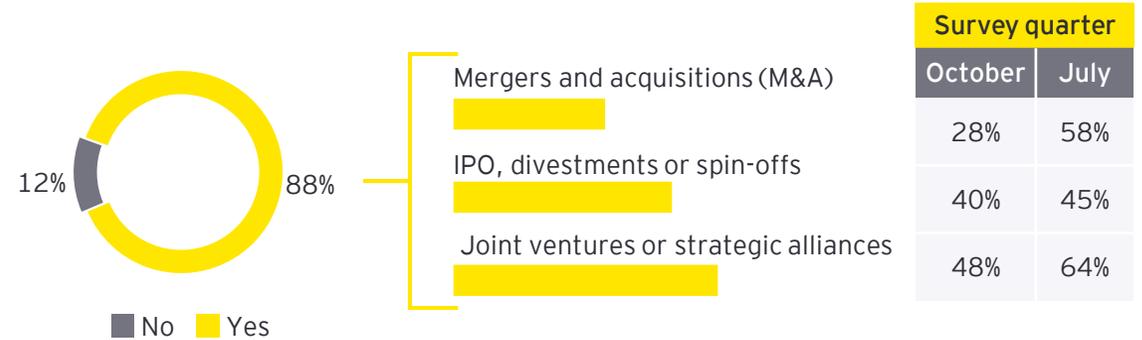
CEOs retain appetite for IPOs as they look to the window opening in 2024

Before pursuing public listings, prospective companies often tap private capital, a market which is now facing increased costs to many investors amid mounting regulatory scrutiny and a focus on greater disclosure requirements. In contrast, most governments globally are relaxing public listing rules to boost IPO volumes given strong equity market hopes. After two years of muted listings, IPO issuers and investors are becoming more enthusiastic, with issuers keen to take advantage of market upswings.

The October 2023 EY CEO Outlook Pulse Survey showed that 40% of private company CEOs that have transactions in sight over the next 12 months are exploring IPOs, divestments and spin-offs, to reassess their portfolios and seize the IPO window that could reopen in 2024. While appetite for M&A and joint ventures/strategic alliances fell substantially from the July survey, interest in pursuing IPOs held steady with only a slight dip. Meanwhile, in a separate Q4 2023 EY Private Equity (PE) Pulse survey, PE professionals foresee IPO activity picking up in the coming year from 2023 levels.

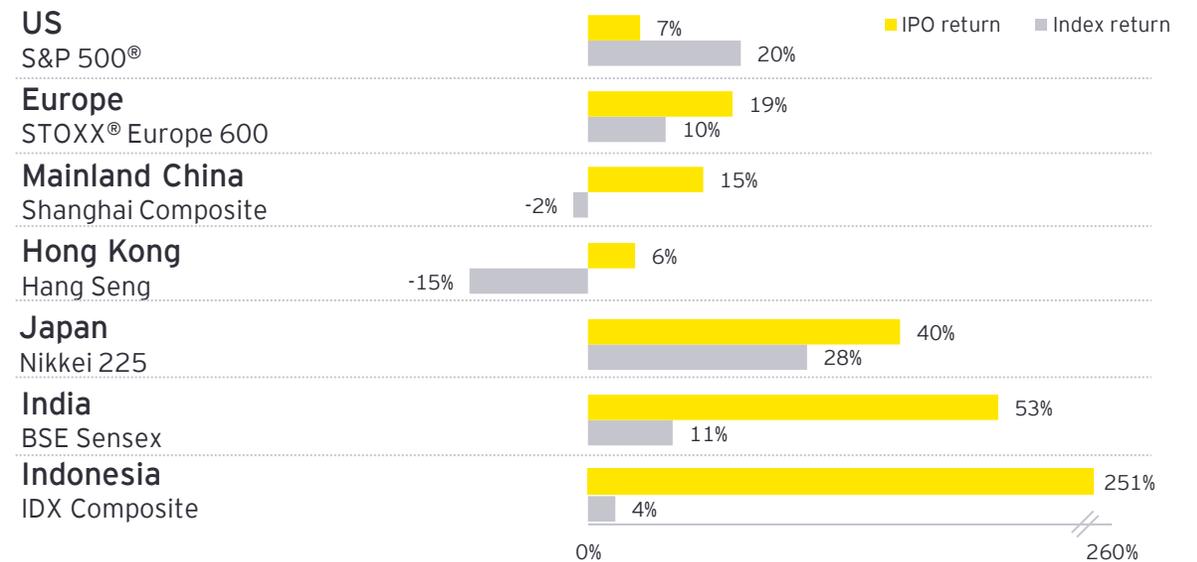
Reflecting these upbeat projections, the cohort of 2023 IPOs have yielded higher returns than benchmark indexes in major Asian hubs, including Indonesia, India and Japan, backed by their strong economic growth, booming capital markets and resilient post-IPO share prices. These upticks suggest that investors in these markets expect future share price appreciation from recent IPOs.

Transaction ambitions of private companies over the next 12 months (September 2023-August 2024)



Results of [The EY CEO Outlook Pulse Survey](#) published in October 2023 were based on the responses of 297 CEOs from privately held organizations, of which 54% reported annual revenues at or above US\$1b in the last fiscal year. The respondents were allowed to select multiple responses for the three types of future transaction options shown above.

YTD 2023 IPO returns vs. benchmark index returns



YTD 2023: IPO and index returns as of 4 December 2023 close; IPO return represents change in YTD common share pricing of newly listed companies vs. offer prices at time of listing. Sources: EY analysis, Dealogic, S&P Capital IQ, [The EY CEO Outlook Pulse Survey](#) October 2023, The EY Private Equity Pulse Survey Q4 2023.

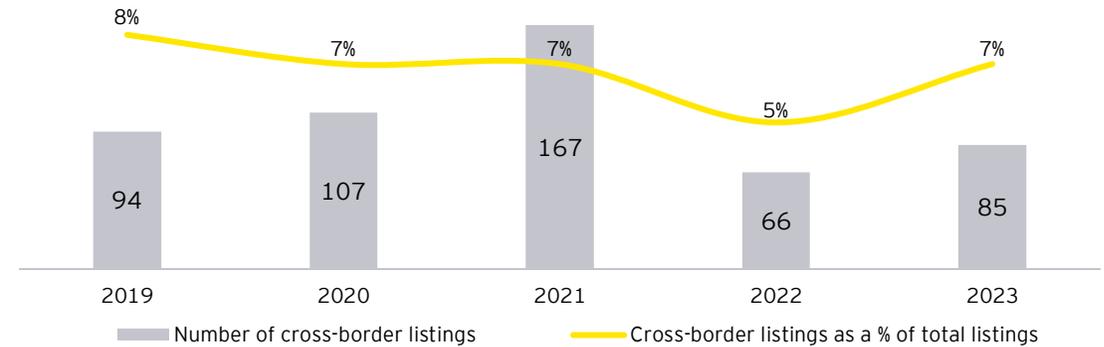
Small cross-border listings outperforming larger offerings in after-market returns

The competition to capture cross-border listings has become increasingly intense. Stock exchanges worldwide are ramping up their efforts to secure the next generation of high-growth, innovative companies to list on their exchanges by offering relaxed regulations, advanced trading tools, and broader and deeper investor pools to appeal to potential issuers and increase liquidity. The January 2023 EY CEO Outlook Pulse survey found that 70% of private company CEOs are willing to explore new markets that share strong geopolitical and economic ties with their home countries.

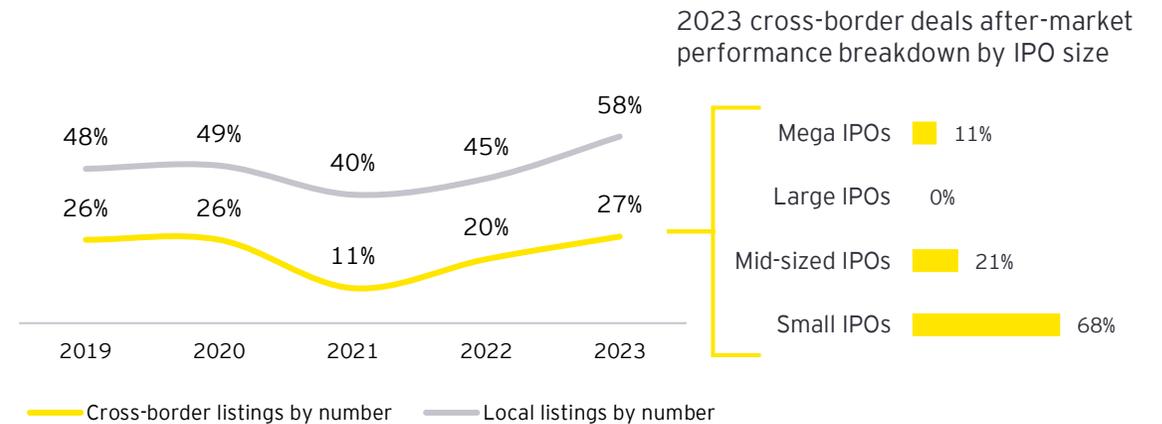
However, their intent to facilitate and pursue cross-border deals may be dampened by concerns about after-market performance. Over the past five years, cross-border listings lagged returns at home, with overseas IPOs trailing domestic peers by more than 20% in post-IPO returns, with only the small deals outperforming local offerings. In 2023, although cross-border listings, as a percentage of total IPOs, have remained steady at approximately 7%, deal value halved since the 2021 high. In particular, the average deal size from Mainland China to the US has fallen to its lowest level in 20 years, with a 93% drop from its 2021 levels.

Pursuing cross-border exchanges expands a business's reach, but also a deal's intricacies. Beyond formal listing requirements, cultural fluency and localized transparency are key. Standards grow overseas, but those with compelling plans and a deep understanding of the overseas market can still reap returns abroad.

Cross-border listings



% of IPOs with current prices above their offer prices



Categorization thresholds denote "Mega IPOs" as proceeds exceeding US\$1b; "Large IPOs" between US\$500m and US\$1b; "Mid-sized IPOs" between US\$250m and US\$500m; and "Small IPOs" raising less than US\$250m. 2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Current price above offer price denotes the percentage of tracked IPOs whose current share prices above offer prices at the closing of 4 December 2023 trading.

Sources: EY analysis, [The EY CEO Outlook Pulse survey](#) January 2023, Dealogic.

Big debuts trailing returns in a fragile environment

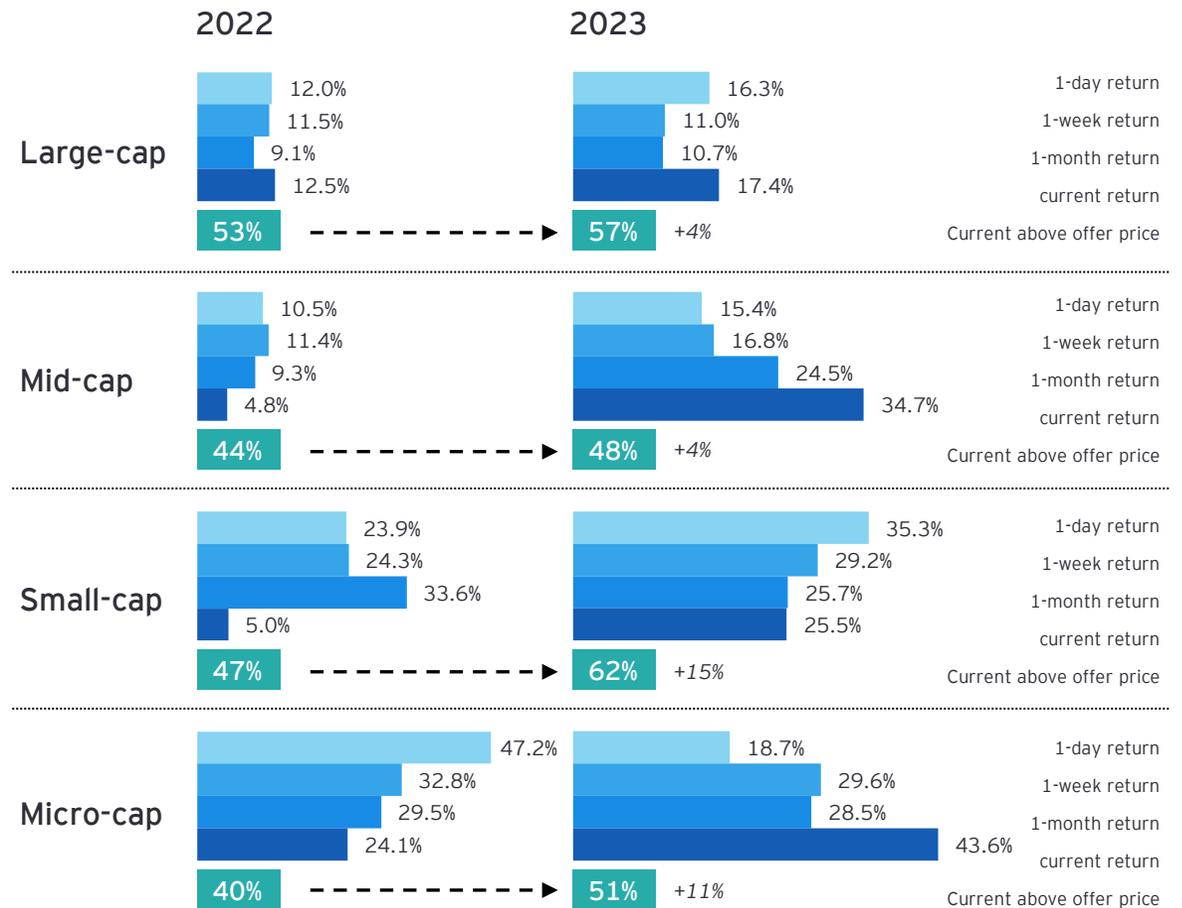
The tumbling share prices of September listings have prompted some IPO candidates to consider delaying their plans. Companies are further discouraged by uncertainty over interest rate patterns and geopolitical events. Even those choosing to go public are proceeding with care, scrutinizing market signals and potentially postponing their offering.

Large-cap IPOs consistently trailed smaller deals across post-IPO windows from one day to one month as well as trailing current returns. In a bid to bolster confidence, some large-caps are opting for 'cornerstone strategies' – having anchor investors buy big blocks of shares – although this approach can also reduce liquidity. Still, some 2022 large-cap IPOs dropped on their debut while small and micro listings enjoyed notable day-one IPO pops. As smaller businesses stay open to IPO plans, a few big-ticket success examples need to surface, to restore investor confidence before large volume of IPOs return.

Compared with the Americas and Asia-Pacific regions, EMEIA saw the highest IPO returns with its 2023 IPO cohort: about 70% of EMEIA IPOs exceeded their offer prices. 100% of newly public companies in Turkey enjoyed positive returns, with UAE and India not far behind at 80% and 75%, respectively. These results have made them some of EMEIA's best performing IPO markets.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022. Sources: EY analysis, Dealogic.

Weighted average IPO returns vs. offer prices by market cap



Market cap thresholds denote "Large-cap" as market cap of more than US\$10b; "Mid-cap" as market cap between US\$2b and US\$10b; "Small-cap" as market cap between US\$250m and \$2b; and "Micro-cap" as market cap of less than \$250m.

All returns represent weighted average post-listing share price performance of completed IPOs by market cap at the closing of first day, first week, first month and current day (4 December 2023) trading from their offer prices. Current above offer price denotes the percentage of tracked IPOs whose current share prices above offer prices at the closing of 4 December 2023 trading.

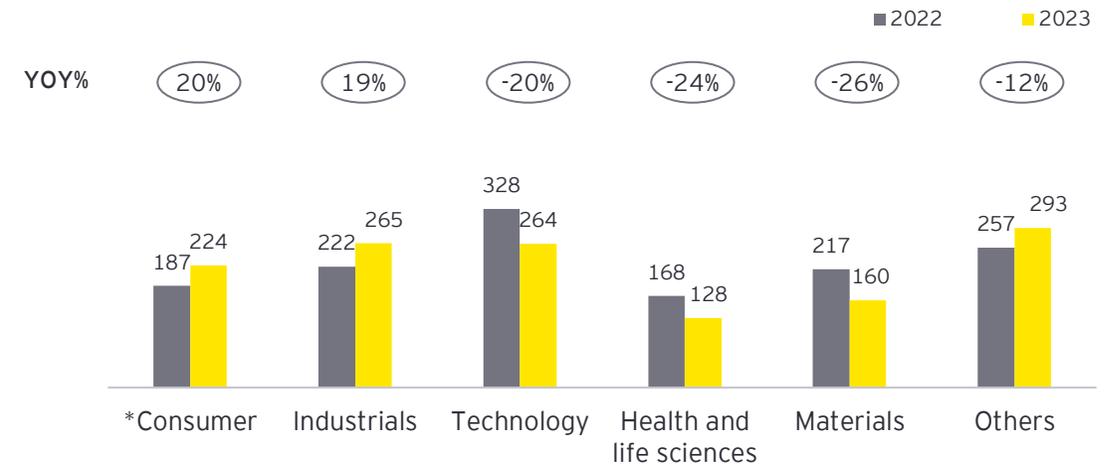
Sector IPO trends reflect shifting global economic and supply chain dynamics

Expansion of IPOs in the consumer and industrials sectors has been driven by buoyant economic growth and global trading. This is happening as global supply chains reduce their reliance on traditional markets and shift to new geographies. India, Indonesia and Japan hosted many of these listings alongside Mainland China, which traditionally draws major consumer and manufacturing IPOs.

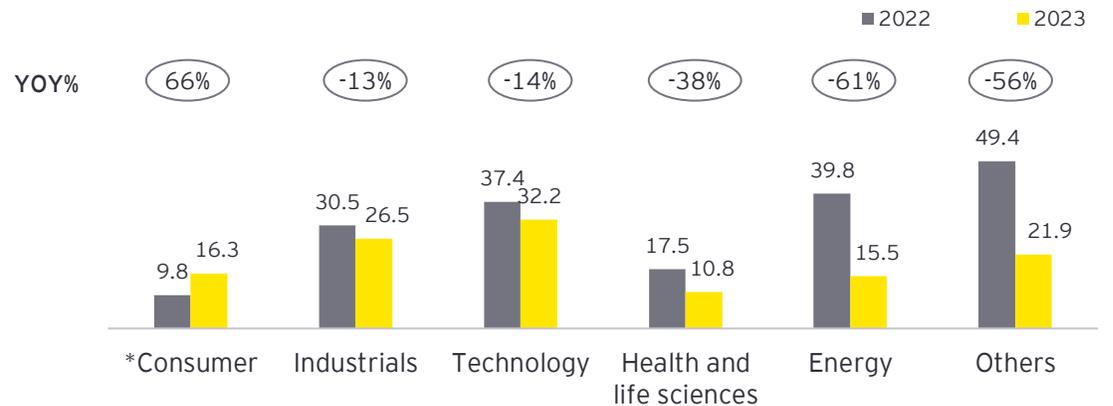
Despite eye-catching technology listings such as ARM Holdings, Instacart, and Klaviyo, and significant venture capital investments in generative AI (GenAI) startups, the technology sector continued to experience a decline in IPO numbers, valuations, and after-market performance in 2023. There has also been a significant downturn in IPO volume and proceeds within the health and life sciences sector, particularly in Mainland China and the US. IPO volumes for PE- and venture capital (VC-) backed companies in the two sectors plunged 78% since 2021. These sectors rode pandemic-era 'easy money' policies to heightened valuations and now face a valuation repricing, as interest rates climb from rock-bottom and cheap capital dissipates.

Amid volatile oil prices, the energy sector has experienced a sharp decrease in both deal numbers and value, accompanied by a notable rise in the number of IPOs where the offer prices fell below the initial filing range. Similarly, the materials sector's retreat from Mainland China, Canada and Australia are not sufficient to offset outliers like Indonesia's three large listings. Yet, the pullback also spotlights shifting economic and supply chain dynamics which bring new winners and losers across sectors - although strong fundamentals still win out overall.

Number of IPOs



IPO proceeds (US\$b)



*Consumer includes the combination of "Consumer staples" and "Consumer products and services" sectors. 2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022. Sources: EY analysis, Dealogic.

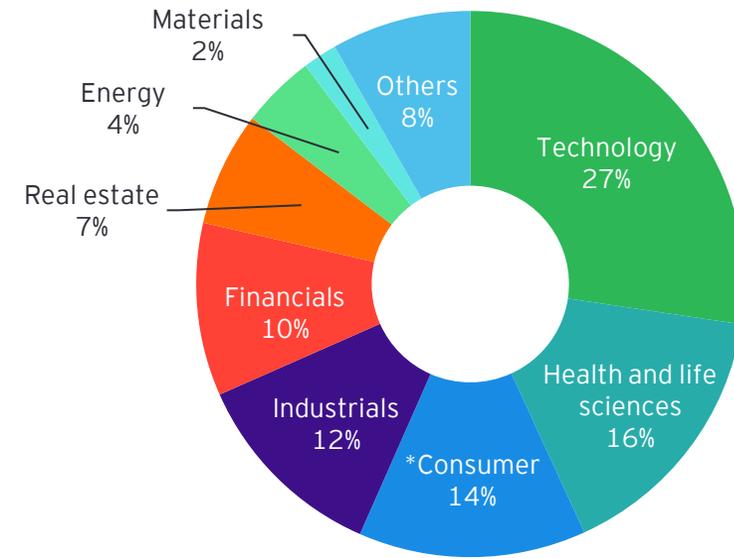
IPO backlogs mounting across growth sectors as pulled deals surging in China

The technology and health and life sciences sectors are leading the pipeline as they continue to attract the most VC backing, although valuations have dropped significantly in the past two years and companies are waiting on the sidelines. While VC-backed companies face pressures that are shortening private runways, listings require companies to navigate lower valuations, volatile markets, geopolitics and interest rate impacts – beyond just reduced private funding pace.

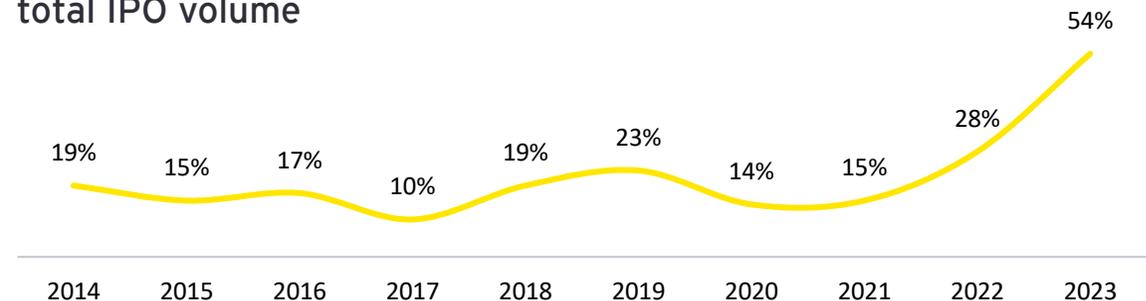
Global IPO withdrawals and postponements skyrocketed in 2023, with about 800 deals accounting for half of total IPO volumes. This is a dramatic increase on the 2014-2021 average of 16.5% dropped listings. Fueling the surge, Mainland China's termination and suspensions have snowballed – jumping ninefold since July between sputtering economic engines, a valuation reckoning and narrowed IPO windows.

With unstable capital markets squeezing valuations, viable companies need to remain alert and responsive to market changes. They should continue to build fundamentals and tap flexible financing to fuel strategic growth, while communicating a positive story for investors, to raise their future IPO potential and optimize their IPO prices should there be a delay in listing. The imperative is to pace pipelines to optimize (vs. maximize) the timing and execution of going public to align with business needs. Eventually, listings are poised to rebound out of necessity as businesses need funding. When technology and inventions progress faster than ever within this disruptive era, equities remain crucial to support commercialization at scale to meet unrelenting modernization pace.

IPO pipeline breakdown by sector



Postponed and withdrawn IPOs as a % of total IPO volume



*Consumer includes the combination of “Consumer staples” and “Consumer products and services” sectors. 2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022. IPO pipeline data as of 4 December 2023. Sources: EY analysis, Dealogic, Mergermarket, Wind.

Selected sector insights

Technology

- ▶ Overall, 2023 proved to be another challenging year for technology IPOs with total deals declining 20% (to 264) and proceeds down 14% (to US\$32.2b). That said, Q3 saw the first burst of significant Western market IPOs in nearly two years with the well-publicized listings of ARM Holdings, Instacart and Klaviyo in September, followed by the first large Chinese tech firm to go public outside the Mainland – Will Semiconductor's Switzerland IPO in November.
- ▶ By geography, Mainland China once again dominated, accounting for 54% of IPO proceeds, followed by US (25%) and Europe (5%). Contrast this to 2022, when Europe and the US combined had less than 8% of global share.
- ▶ Semiconductor firms once again dominated 2023 with 58% of proceeds, up an impressive 30% YOY. While ARM Holdings' IPO captured headlines, Mainland China chip producers, primarily listing in Shanghai, again set the overall pace by grabbing 42% of global technology industry proceeds as part of Mainland China's quest to become self-sufficient in semiconductors.
- ▶ China's wider push for self-reliance in technology was also apparent with companies focused on cloud software, cyber security, IoT, AI and cross-industry convergence technologies together achieving nearly US\$5b in IPO value in 2023 – 15% of the total technology industry proceeds. Globally, internet and social commerce software and cross-industry convergence software and technologies were bright spots, with listings gaining momentum in the second half of 2023.
- ▶ AI is still in the VC stage with VC firms investing US\$21.4b through Q3 – up from US\$5.1b in 2022. Interestingly, there were no significant listings on Western exchanges, but four Chinese AI companies were in the top 50 technology IPOs for 2023. In addition, some of the largest technology companies – including Amazon, Baidu, IBM, Qualcomm and Salesforce – are setting up their own AI investment funds to deploy capital at a time when many are reviewing their ecosystem strategies, rather than making outright acquisitions of emerging GenAI startups.
- ▶ As we look to 2024, for VC-backed companies, private investors are unlikely to resume the pace of capital deployment seen in recent years, which kept companies private for longer than usual. However, that alone probably won't immediately push companies to the public markets. They have to deal with valuation issues brought about by the excesses of venture capital in past years, as well as economic headwinds that have shaped public markets, such as volatility, economic uncertainty, geopolitical events and interest rates. In the right situations, VCs should be enthusiastic about an IPO vs. another private round for their portfolio companies, as they need to return capital to their limited partners.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).
Sources: EY analysis, Dealogic, PitchBook.

Selected sector insights (Cont'd)

Consumer

- ▶ Consumer was the only sector to increase both IPO volume and proceeds YOY, with a total of 224 deals in 2023. This achievement is testament to transformative improvements in customer-centricity and innovation, in the face of post-pandemic challenges of changed consumer behaviour, disrupted supply chains, rising costs, margin pressures, high interest rates and further macroeconomic and geopolitical upheaval.
- ▶ Consumer products such as professional, educational, employment and travel services all saw YOY upticks in the number of IPOs. However, consumer staples (including food and beverage, and household and personal products) either remained flat or declined vs. 2022. Textiles and apparel, and agriculture and livestock enjoyed a rise in both number and value.
- ▶ The growth in agriculture IPOs reflects the rapid spread of innovative agricultural technologies such as hydroponics and vertical farming, which are boosting crop production with higher precision and yields. An increasing awareness of healthier diets is also driving innovation, while environmentally conscious consumers are putting pressure on companies to build more sustainable food systems.
- ▶ E-commerce has continued its upward trajectory as consumers seek convenience – as well as better offers, deals and promotions - to ease the effects of inflation. November saw the much-awaited IPO of an omnichannel retailer – the parent company of beauty and personal care brands and the first direct-to-consumer (D2C) company to go public in India.
- ▶ Compared with other large IPO sectors in the second quarter, the consumer products sector performed well in their US IPO returns. A thrift store chain company opened at 38% above its IPO price, while shares in a Mediterranean restaurant chain soared to 117% of its original price. Johnson & Johnson's consumer-health spinoff Kenvue was valued at US\$41b, with its IPO priced at US\$22 per share, making it one of the largest US IPOs in more than a year.
- ▶ IPOs in the consumer staples sector experienced a decline in Mainland China in 2023, as authorities looked to moderate listing pace to balance its primary and secondary markets. Due to lower valuations, a shift is expected from IPOs to M&A exits, creating a long IPO backlog and making it difficult for firms to consider domestic or overseas listings. Investors are still concerned about political and economic uncertainties and continue to look for investments outside of Mainland China to diversify their risks, resulting in less capital deployment in 2023.

*Consumer includes the combination of "Consumer staples" and "Consumer products and services" sectors. 2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Sources: EY analysis, Dealogic.

Selected sector insights (Cont'd)

Energy

- ▶ The Asia-Pacific region has seen several prominent IPOs from renewable energy, battery commodities and eMobility companies. Some of the top deals in India, Indonesia, Philippines and Mainland China focused on renewable energy generation, lithium and nickel production, reflecting increasing global demand for electric vehicle (EV) batteries and clean energy.
- ▶ Of the top five deals in Indonesia, four involve eMobility and renewable energy generation, notably in nickel and geothermal energy. This trend is influenced by Indonesia's decision to sign the "Just Energy Transition Partnership" last year, a move aimed at mobilizing US\$20b to aid the country's energy transition.
- ▶ As global demand for EV batteries rises, Oceania region witnessed several IPOs for businesses involved in rare earth metal and lithium exploration. The Australia-United States Climate, Critical Minerals, and Clean Energy Transformation Compact ("the Compact") should further boost investment in critical minerals and clean energy products in Australia.
- ▶ The North America region continues to prioritize oil and gas exploration, logistics and equipment as well as mineral exploration.
- ▶ More mineral exploration companies are expected to enter the market after the announcement of the Canadian Critical Minerals Strategy in December 2022, to increase the supply of responsibly sourced critical minerals to support domestic and global value chains for green energy.
- ▶ Since the implementation of the Inflation Reduction Act (IRA) in 2022, the US has seen a surge in IPOs in the energy sector, with five major deals.
- ▶ There were two major IPOs in the power and utilities sector in 2023, for hydroelectric and thermal power generation respectively. More renewable energy companies are expected to enter the market as countries look to reduce their carbon footprints. The largest deals in the oil and gas sector included upstream activities, drilling services, logistics and equipment services, accounting for two of the four major energy sector IPOs in 2023.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Sources: EY analysis, Dealogic.

Selected sector insights (Cont'd)

Industrials

- ▶ Industrial IPO volumes grew in 2023, surpassing technology as the top IPO sector, fueled by Mainland China momentum as the key driver within this sector. Although global proceeds from industrial listings decreased 13% at roughly the same rate YOY, the total figures were distorted by Porsche's listing last year.
- ▶ Suppliers to China's automotive, aerospace and electronics manufacturers are benefiting from rising demand for locally sourced components and technologies. Growth in segments such as EVs, defense and renewable energy are increasing the need for a larger pool of suppliers in all markets, leading to notable 2023 IPO activity in Germany and Japan.
- ▶ Among transportation IPOs, a combination of rising oil prices and heightened demand for cost-effective supply chains have increased the need for logistics and shipping services in many regions, especially MENA. New solutions to urban mobility challenges are attracting investor capital in the US.

Health and life sciences

- ▶ While the IPO market for life sciences companies was almost completely shut in 2022, it has warmed slightly as 2023 progressed, with an uptick of offerings in the third quarter. Despite the slight thaw, few, if any, IPOs are expected for the first part of 2024.
- ▶ Investor expectations for IPOs have shifted back to more traditional metrics, with investors looking for well-known management teams, strong clinical data and healthy fundamentals before investing in companies to go public.
- ▶ Biotech and small- to mid-sized pharmaceutical companies struggling to tap into traditional means of financing are looking for alternative funding routes, including debt financing and reverse mergers.
- ▶ For hospitals and healthcare providers, IPO activity in 2023 was concentrated in Asia, with the largest deals and proceeds seen among operators of specialty health services. Little activity was noted in the digital health space, where many see the future of health headed.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic, Cobalt

Selected sector insights (Cont'd)

Private equity

- ▶ IPO exits have been muted for PE-backed companies over the past 18 months as the IPO window has been mostly closed. Other exit options have also been challenging.
- ▶ However, funds that entered the downturn of the M&A and IPO market are well-positioned after high seller activity in 2021-early 2022, allowing them to wait for better IPO valuations. But as the downturn drags on, pressure builds for PE firms to realize returns. As of mid-year, general partners (GPs) were on track to return 9% of invested capital back to their limited partners (LPs). That's vs. an average of 15% last year, and about 20%-25% in an average year.
- ▶ As a result, firms are pursuing innovative strategies like secondaries and fund-level facilities (net asset value loans) to double down on existing portfolio companies, and in some cases, facilitate distributions.
- ▶ More PE-backed companies are taking a dual-/multi-track approach to pursue potential IPOs alongside other funding and exit options. This helps to ensure alternatives are available should IPO plans shift.
- ▶ If public market volatility and falling valuations persist, PE-backed companies that can afford to wait will likely hold potential IPO plans until conditions improve. Pursuing flexible financing strategies is key.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic, Cobalt

A person wearing a purple long-sleeved shirt, blue shorts, a white helmet, and a black backpack is riding a mountain bike on a dirt trail. The rider is seen from behind, looking out over a vast, green valley with rolling hills and distant mountain ranges under a blue sky with scattered white clouds. A yellow horizontal line is positioned above the word "Area".

Area



Americas

Despite a few marquee deals, IPO market did not break out as hoped. Ample preparation continues to be key

“

Although the after-market performance of recent deals may impact future IPOs, it is crucial for IPO aspirants to build trust and confidence among key stakeholders: have the right management team in place, demonstrate a track record of performance, and show a predictable path for growth and profitability. Companies need flexibility to capitalize on fleeting market windows, and proper preparation facilitates strategic optionality.



Rachel Gerring

EY Americas IPO Leader

Americas IPO market

All amounts in US\$ unless otherwise stated

Americas

- ▶ While the number of Americas' IPOs in 2023 was up 15% compared with 2022, 2023 proceeds were nearly three times 2022 levels due to several high-profile deals. There were seven deals that raised more than US\$500m in 2023 vs. just four in 2022.
- ▶ In total, 153 IPOs in the Americas raised US\$22.7b in 2023, with over 86% of them listing on US exchanges. The Americas accounted for 12% of IPOs globally and 18% of global IPO proceeds raised in 2023 (vs. 9% and 5% respectively in 2022).
- ▶ Technology and healthcare continued to lead the IPO deal count in the Americas. However, investor preferences have continued to migrate toward companies with greater scale and profitability.
- ▶ Weak IPO trading performance, rising interest rates and geopolitical concerns have contributed to challenging capital raising conditions for companies seeking to access the public markets for the past two years. Looking ahead, absent unforeseen shocks, we remain constructive for a recovery in IPO activity based on an improving backdrop that includes more buoyant valuations, suppressed volatility and the prospect of a “soft landing” for the economy.
- ▶ IPO aspirants will need to navigate the upcoming US Presidential election among many other factors, so ample preparation will be key to maintaining optionality to capitalize on market windows when they open.

US

- ▶ Smaller IPOs continued to dominate IPO activity on US exchanges in 2023. Nearly 70% of US IPOs raised less than US\$25m in 2023 (which is roughly in line with 2022), compared to an average of approximately 10% in the preceding decade.
- ▶ A number of prominent transactions in 2023 saw significant oversubscription levels, and largely priced within or above their offering ranges, but after-market trading has disappointed investors and could lead to greater pricing conservatism when the market returns.

Canada

- ▶ In 2023, Canadian exchanges* had 19 IPOs, a decrease from 42 IPOs in 2022. Notably, Toronto Stock Exchange (TSX) displayed minimal activity, featuring only one IPO each in 2023 and 2022. This level of IPO activity is unprecedented on the TSX over the last two decades.
- ▶ In addition, the poor performance of the pandemic IPOs has resulted in many of them being taken private at values lower than their IPO price, which is influencing companies' IPO plans.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Sources: EY analysis, Dealogic.

* Including Toronto Main and Venture Exchange as well as Canadian Securities Exchange (CSE).

Americas IPO market (Cont'd)

All amounts in US\$ unless otherwise stated

Brazil

- ▶ Brazil's IPO market surpassed a two-year absence of listings amid global instabilities, marking the most prolonged drought in more than two decades. Issuers may consider returning to market in mid- to late-2024, contingent upon the stabilization of interest rates and a reduction in geopolitical volatility.
- ▶ Despite a continued drought in IPOs, follow-on offerings built a good momentum in 2023. Most of the transactions were completed by companies that went public in 2020 and 2021.
- ▶ Power and utilities and technology segments continue to be the focus for upcoming IPO transactions.

US SPAC

- ▶ Special purpose acquisition companies (SPACs) continued to retreat in 2023. 29 SPAC IPOs raised US\$3.7b in 2023, vs. 86 SPAC IPOs raising US\$13.4b in 2022.
- ▶ There are currently more than 140 active SPACs seeking a merger partner, with 132 SPACs announcing mergers in 2023.

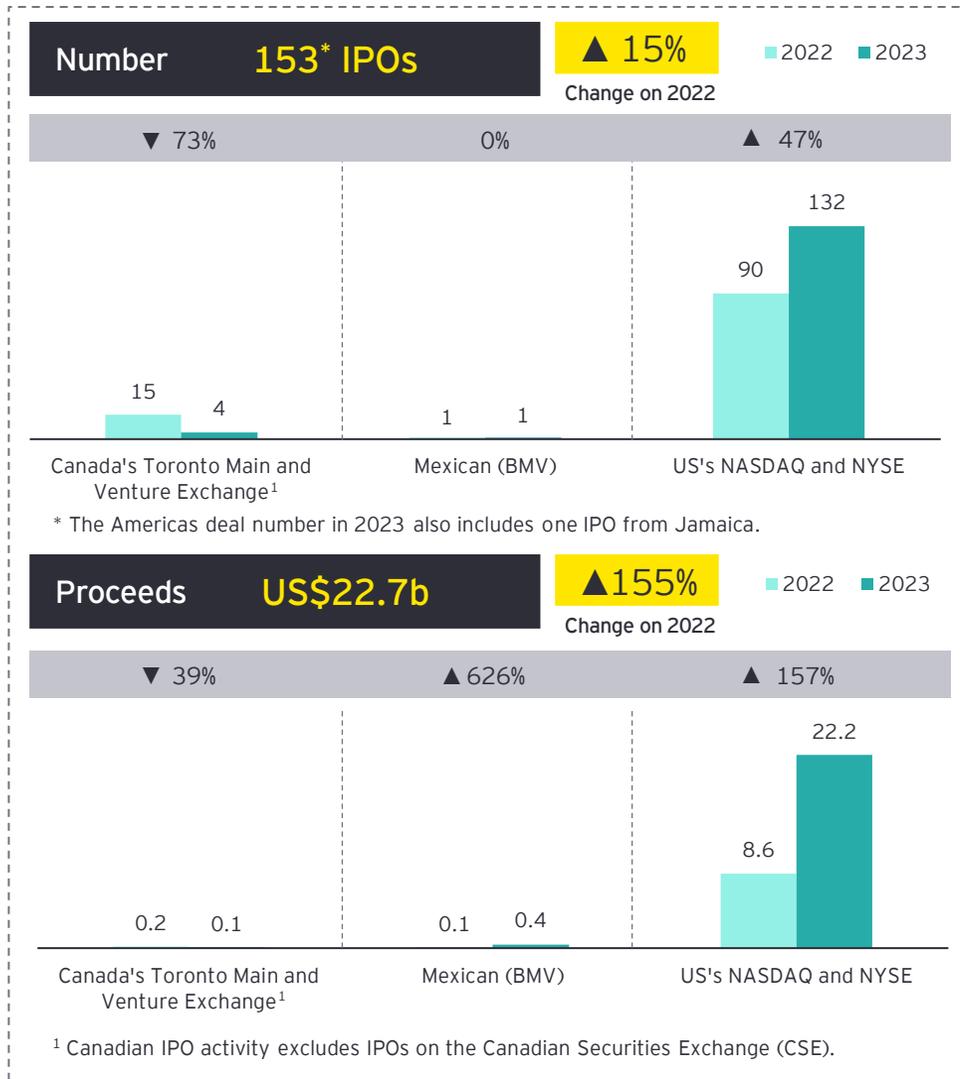
2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). SPAC IPO covers completed SPAC IPOs from 1 January 2023 to 4 December 2023.

Sources: EY analysis, Dealogic, SPACInsider.

Americas: Signs of revival sparked by bullish equities sentiment, expanding volume and marquee listings

2023

All amounts in US\$



Stock exchanges by proceeds	US (NASDAQ) 105 IPOs \$11.5b United States	US (NYSE) 27 IPOs \$10.7b United States	Mexican (BMV) 1 IPO \$0.4b Mexico		
Sectors by number of IPOs	Technology 34 IPOs \$8.1b	Health and life sciences 28 IPOs \$3.0b	Industrials 18 IPOs \$1.4b		
IPOs by largest proceeds	Arm Holdings plc. \$5.2b Technology NASDAQ September	Kenvue Inc. \$4.4b Consumer products NYSE May	Birkenstock Holding plc. \$1.5b Consumer staples NYSE October		
Equity indexes	Dow Jones Industrial Average +9.3% United States	S&P 500 +19.7% United States	NASDAQ Composite +36.7% United States	Ibovespa +16.8% Brazil	S&P/TSX Composite +5.5% Canada
Volatility indexes	Chicago Board Options Exchange's CBOE Volatility Index (VIX®) ▶ Current: 13.08 ▶ YTD average: 17.13 ▶ 10-year average: 18.13				

Index level is as of 4 December 2023. + or - indicates change since 31 December 2022.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

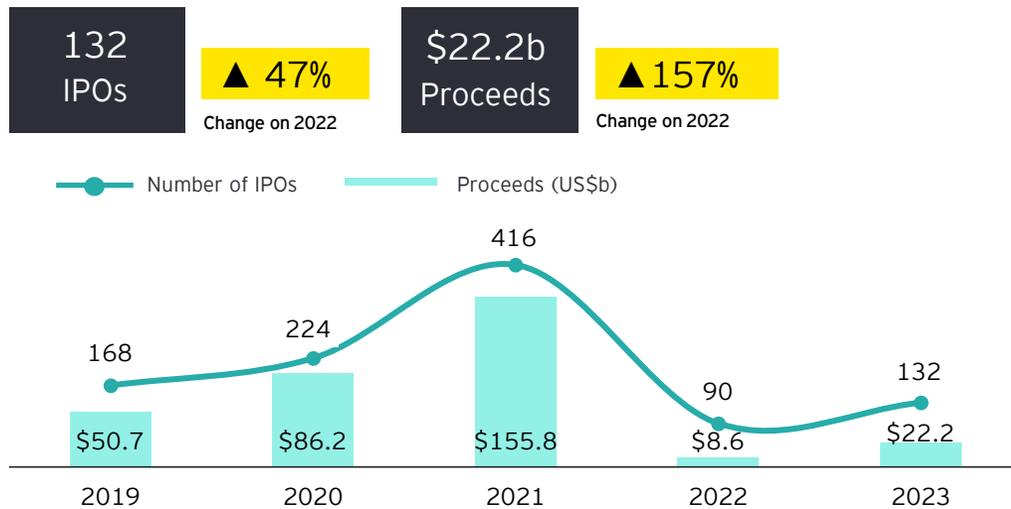
Sources: EY analysis, Dealogic, S&P Capital IQ.

US IPO market exhibits growing vitality – increased listings and proceeds, improved after-market performance, and more cross-border deals

2023

All amounts in US\$

US's NASDAQ and NYSE



US performance

First-day average return	+9.7%
Share price performance since IPO (a.k.a. offer-to-current)	+1.4%

+ or – indicates change compared with offer price at IPO

First-day and current average returns are mean returns of issuers that started trading by 4 December 2023 and raised more than US\$30m.

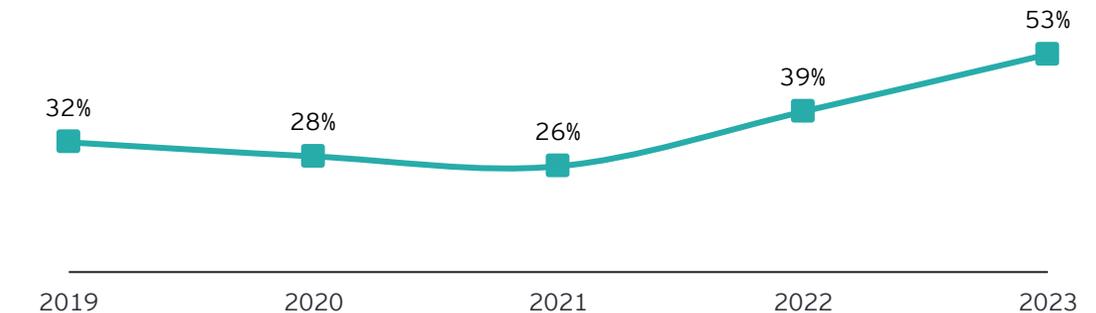
Cross-border IPO listings on the US exchanges

Top countries / regions of origin

Country	Number of IPOs	Proceeds (US\$m)
Greater China	30	\$595
Singapore	8	\$97
Japan	6	\$61
Others	26	\$9,422
2023 total	70	\$10,175

Cross-border IPO listings on the US exchanges as a percentage of total US IPOs

Percentage of all US issuers



2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Sources: EY analysis, Dealogic.



Asia-Pacific

IPO candidates should promptly respond to various market signals and new government policies

“

In the face of economic and geopolitical headwinds, 2023 has proven a challenging year for IPOs in the Asia-Pacific region. Some countries, however, have demonstrated resilience with the growing number of their domestic IPOs, benefiting from robust domestic capital market sentiment and relocation of supply chains from China to these countries. Though regional market uncertainty persists, the right confluence of supportive policymaking and improved macro conditions may open the IPO floodgate in the coming years.



Ringo Choi
EY Asia-Pacific IPO Leader

Asia-Pacific IPO market

All amounts in US\$ unless otherwise stated

Asia-Pacific

- ▶ 2023 has been challenging in Asia-Pacific's IPO market, with the two powerhouses of Mainland China and Hong Kong continuing to decline in volume and value. In 2023, 732 companies went public in Asia-Pacific raising US\$69.4b, a YOY fall of 18% and 44% respectively.
- ▶ China's slow post-pandemic recovery and strained relationship with the US, along with Hong Kong's lofty interest rates, have squeezed liquidity while denting investor risk appetite for new share issuance. A quiet year for IPOs in Hong Kong saw a dearth of mega deals and poor post-listing performance. Favorable regulatory changes, along with China's economic recovery, should boost activity in the latter half of 2024.
- ▶ In ASEAN, IPOs have increased by volume, although proceeds are modest with activity highly concentrated in Indonesia, Thailand and Malaysia.
- ▶ Japan's star is rising, with increasing deal numbers, on the back of a sky-high stock market and an accommodating monetary and regulatory environment. The momentum is anticipated to continue, fueling further expansion of public offerings in 2024.
- ▶ Looking ahead, IPO activity is expected to gather pace as the year progresses so long as there is an alignment of conducive monetary policymaking, China's economic recovery and eased geopolitics. Well-capitalized companies in the environment, social and governance (ESG) and technology spaces have the capital to wait out until valuations improves. Realistic pricing and post-IPO performance may encourage some of these companies to list, but only if they are prepared for IPO with strong governance and a good equity story. The performance of such companies post-IPO will be monitored closely, and if positive, may encourage new listings.

ASEAN

- ▶ ASEAN's IPO market presents a mixed picture. While the number of completed deals has risen slightly YOY, most of these come from Indonesia, Thailand and Malaysia, which together accounted for 148 of the total of 157. Indonesia alone hosted 50% of deals and 64% of proceeds, followed by Thailand with 24% and 19% by volume and value, respectively, and Malaysia with 20% of total transactions.
- ▶ In 2023, Indonesia's IPO volume soared to a historical high. Momentum for public listings is booming as minerals and technology unicorns mature and tap the public capital market for growth opportunities.
- ▶ IPO volume in Thailand has held up as companies rushed to complete deals before 1 January 2024 regulatory changes - which impose additional reporting requirements.
- ▶ Inflation and elevated interest rates have reduced IPO activity in Singapore, with candidates deterred by low pricing and weak post-listing performance. There is some hope that companies in new growth sectors of ESG and technology may boost the market by going public – as long as healthy trading prices can be maintained.
- ▶ In a region characterized by developing economies, IPO proceeds are typically smaller, as they tend to involve growing companies eager to access funds for expansion.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic.

Asia-Pacific IPO market (Cont'd)

All amounts in US\$ unless otherwise stated

South Korea

- ▶ While the number of companies seeking IPOs increased, the market has seen fewer large deals compared with last year. Several major companies, including health and entertainment companies as well as a PE-backed LG Group technology subsidiary, were eyeing listings in the second half of this year, but delayed their plans due to poor market conditions dampening proceeds. Tentative issuers waiting for supportive momentum are expected to advance their IPO plans in 2024 if conditions improve.
- ▶ In an effort to safeguard investors from potential losses, authorities have widened the range of IPO offer prices from 90%-200% to 60%-400%, to prevent stock prices from being manipulated on the listing day before dropping drastically on the following day. The assumption is that stock prices are unlikely to reach 400% on the first day, thereby providing greater protection.

Australia

- ▶ Inflation, geopolitical instability and interest rate rises continued to plague the IPO market in 2023 resulting in fewer listings and M&A – a trend expected to prevail in the short-to-medium term.
- ▶ Regulators are scrutinizing companies' climate related disclosures, especially in the mining and energy sectors, putting pressure on potential IPOs to provide clear evidence of their ESG credentials and avoid 'greenwashing'.
- ▶ It's a similar story with AI, where issuers involved in AI-based products or services are seeking capital from retail investors. Offer documents should disclose sufficient and clear information about the company's AI technology and its importance to the business model. Design and distribution obligations and cybersecurity risks are also under the regulatory spotlight.
- ▶ As in 2022, the “buy-now-pay-later” sector has consistently underperformed, while higher interest rates have dampened activity in real estate related transactions. Mining and metals IPOs, on the other hand, have benefited from global demand and strong commodity prices, including significant foreign acquisitions of listed Australian gold and lithium companies. This sector should remain active in 2024.
- ▶ With the exception of commodities, the uncertain economic conditions are likely to restrict IPO activity in the next year. Given such volatility, companies need to be IPO ready to seize IPO windows that can close just as quickly as they open - as we have seen in 2023.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).
Sources: EY analysis, Dealogic.

Asia-Pacific IPO market (Cont'd)

All amounts in US\$ unless otherwise stated

Mainland China

- ▶ Mainland China remains a vital source of IPO funding, contributing more than 41% of global proceeds in 2023. However, its domestic IPO engine has stalled somewhat amid mounting headwinds such as capital market fluctuations, slower-than-expected post-pandemic recovery, chain reactions from the debt default of real estate, and continued geopolitical tensions.
- ▶ In 2023, more than 300 companies went public on the A-share market, raising more than US\$50.4b. This activity reflects a noticeable wind-down from the last two years' breakout pace. The average fundraising amount is also expected to decrease by 20% YOY, sliding to around US\$167.
- ▶ As mainland exchanges see listings volumes contract, China's Beijing Stock Exchange (BSE) has rapidly gained traction since its 2018 launch. The proportion of government-backed 'specialized and sophisticated enterprise' IPOs on BSE hit 24% in 2023, up 4% from last year.
- ▶ In 2023, industrials, technology and materials together account for 73% of IPOs by volume and 76% by proceeds. Activity in health and life sciences, on the other hand, fell to a three-year low.
- ▶ Looking to 2024, most external headwinds could persist including short-term economic pressure and continued trade protectionism. The government is restoring investor confidence and policymakers are encouraging capital market development by attracting medium- and long-term funding sources.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic.

Hong Kong

- ▶ Hong Kong's stock market continues to grapple with limited liquidity, lingering market pessimism from high interest rates, and geopolitical tensions including frosty US-China relations.
- ▶ In 2023, Hong Kong recorded 63 IPOs with total proceeds of US\$5.6b – a YOY decline of 16% and 56%, respectively. There has been a distinct lack of large IPOs, with no mega deal compared to three in 2022. At just US\$88.5m, the average IPO value has also reached its lowest point in the last two decades. Of the top 10 listings, 60% of the IPOs are currently trading below the offer price, which is comparatively lower than the 90% of IPOs in 2022 that traded below their offer price.
- ▶ In 2023, Mainland Chinese enterprises continue to take the lead in the Hong Kong IPO market, accounting for 92% of volume and 97% of value.
- ▶ The consumer, technology, health and life sciences and industrials, are the leading sectors by number of IPOs and funds raised.
- ▶ In 2024, Hong Kong should benefit from China's improving economy, as well as multiple regulatory changes to improve market liquidity, such as lowering stamp duty costs, new policies launched through the "liquidity groups" and fresh listings of Mainland Chinese companies. The upcoming Growth Enterprise Market Board (GEM) reform is expected to offer viable Hong Kong listing opportunities to smaller but high-growth enterprises from local, Mainland China and overseas.

Asia-Pacific IPO market (Cont'd)

All amounts in US\$ unless otherwise stated

Japan

- ▶ Japan has proved an IPO hotspot in 2023, with a 2% rise in volume, driven by a 30-year-high Nikkei 225, loose monetary policy and favorable deregulatory reforms that ease the process of going public.
- ▶ In a bid to encourage activity, the Tokyo Stock Exchange (TSE) has enabled greater flexibility in setting pricing and terms, to shorten the period between approval and listing. In the new year, the authorities are set to abolish quarterly review disclosure, as well as review procedures by accounting firms, reducing the time and resources needed to prepare documents.
- ▶ Historically, Japan lacked a thriving technology IPO ecosystem due to structural and other impediments. However, venture capital funding pools earmarked for startups markedly expanded, with 2022 fund sizes for early-stage firms ballooning 6.6 times over 2014 levels. Several 'unicorns' have emerged amid government's 'Five-Year Plan' aiming to further stimulate the growth of startups and unicorns.
- ▶ In light of these various positive factors, the number of IPOs is expected to exceed 100 in 2024.

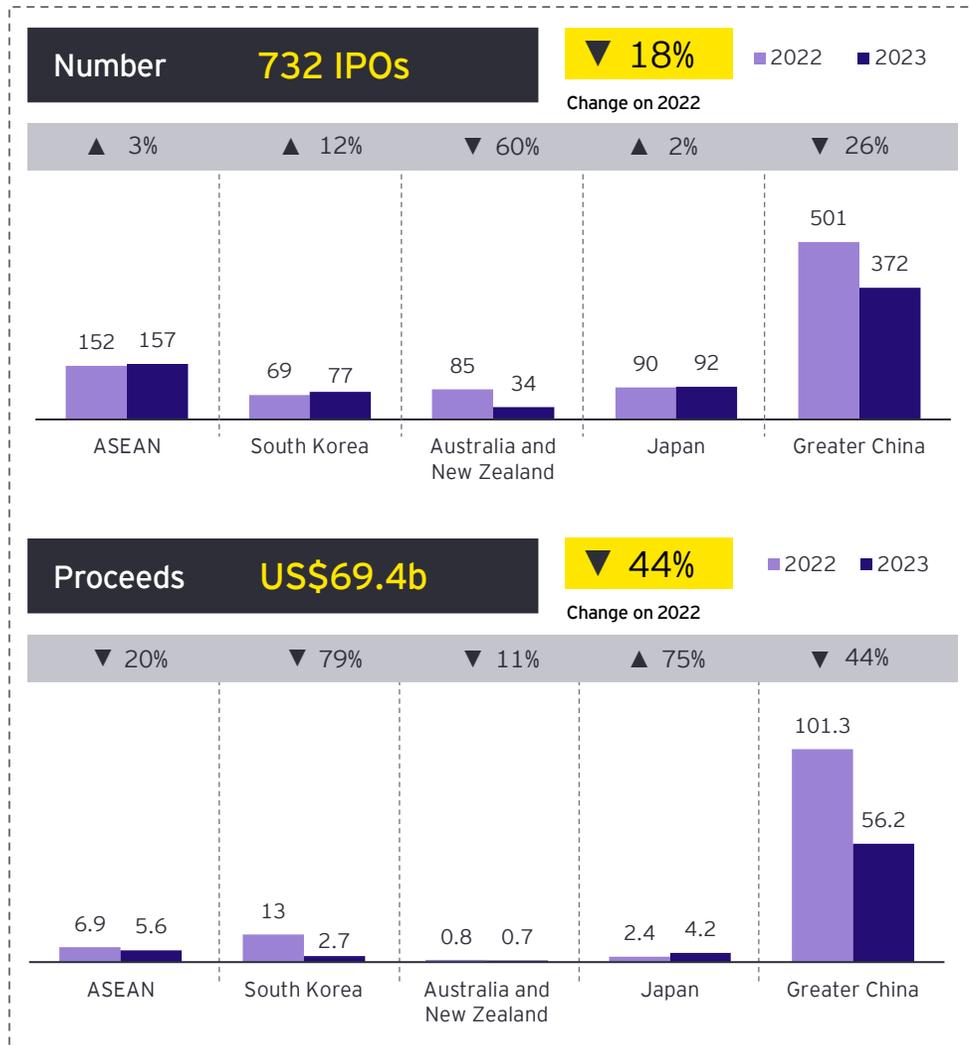
2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic.

Asia-Pacific: a mixed regional momentum with Indonesia and Japan leading the growth

2023

All amounts in US\$



Stock exchanges by proceeds	Shanghai (SSE and STAR) 101 IPOs \$28.0b Mainland China	Shenzhen (SZSE and Chinext) 129 IPOs \$20.4b Mainland China	Hong Kong (Main Board and GEM) 63 IPOs \$5.6b Hong Kong	
Sectors by number of IPOs	Industrials 176 IPOs \$18.1b	Technology 172 IPOs \$20.5b	Materials 90 IPOs \$8.6b	
IPOs by proceeds	Hua Hong Semiconductor Ltd. \$2.9b Technology Shanghai August	Nexchip Semiconductor Corp. \$1.9b Technology Shanghai May	Semiconductor Manufacturing Electronics (Shaoxing) Corporation (SMEC) \$1.8b Technology Shanghai May	
Equity indexes	Hang Seng -15.2% Hong Kong	Shanghai Composite -1.9% Mainland China	Nikkei +28.1%xx Japan	ASX +1.2% Australia
			KOSPI +12.0% South Korea	
Volatility indexes	The HSI Volatility Index (VHSI) <ul style="list-style-type: none"> ▶ Current: 24.65 ▶ YTD average: 24.57 ▶ 10-year average: 21.05 			

Index level is as of 4 December 2023. + or - indicates change since 31 December 2022.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

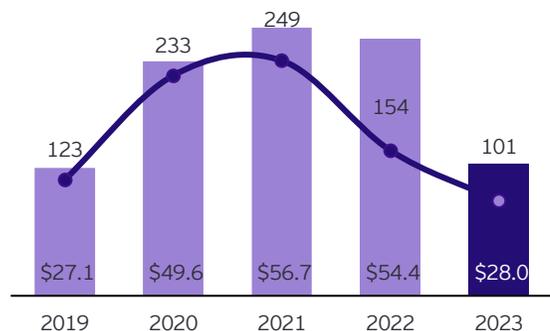
Sources: EY analysis, Dealogic, S&P Capital IQ.

Mainland China and Hong Kong IPO market highlights

2023

All amounts in US\$

Shanghai Stock Exchange



Shanghai (Main Board and STAR Market)

Top sectors by number of IPOs

Industrials
35 IPOs | \$7.2b

Technology
32 IPOs | \$13.5b

Materials
13 IPOs | \$3.0b

Shenzhen Stock Exchange



Shenzhen (Main Board, SME and ChiNext)

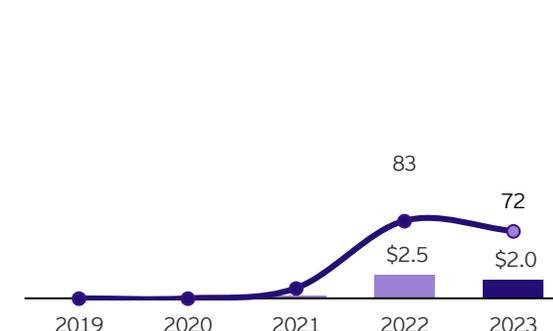
Top sectors by number of IPOs

Industrials
46 IPOs | \$7.3b

Technology
25 IPOs | \$3.7b

Materials
15 IPOs | \$2.0b

Beijing Stock Exchange*



*Beijing Stock Exchange was launched in November 2021

Top sectors by number of IPOs

Industrials
30 IPOs | \$0.8b

Materials
12 IPOs | \$0.4b

Technology
11 IPOs | \$0.3b

Hong Kong Stock Exchange



Hong Kong (Main Board and GEM)

Top sectors by number of IPOs

Industrials
13 IPOs | \$0.9b

Technology
12 IPOs | \$0.8b

Consumer products
8 IPOs | \$1.1b

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Source: Dealogic.



Europe, Middle East, India and Africa

The IPO market is stabilizing, setting the stage for a 2024 pipeline release as investors seek sustainability, quality stories and value creation

“

After a rocky road in the previous year — 2023 saw a transition to a more stable environment offering signs of an IPO market thaw. With a significant backlog waiting on the sidelines, it remains a matter of when and not if activity will get back into full swing, which should make 2024 a busy year.



Martin Steinbach

EY EMEA IPO Leader

EMEIA IPO market

EMEIA

- ▶ The EMEIA IPO market is on a path to recovery, with a 7% rise in volume on the back of large deals from MENA, heightened activity in India and CESA, as well as a few high-profile cross-border IPOs to the US. Even though five of the world's largest 10 deals were from EMEIA, the region features more smaller IPOs than large ones compared with last year, hence a fall in total proceeds by 39%. Nevertheless, with 32% of all global IPOs, EMEIA increased its share and is second only to Asia-Pacific.
- ▶ Market fundamentals are robust and equity market risk levels are also healthy, with both the VSTOX[®] and VDAX[®] indexes floating at volatility levels around 13, well below the 'IPO-critical' 20-level benchmark (above which indicates a higher risk for investment). And a year-end rally since early October has seen higher valuation levels including Eurostoxx[®], DAX and NASDAQ.
- ▶ However, uncertainty persists around worldwide economic forecasts amid ongoing wars and simmering geopolitical friction. Although it's hoped the interest rate hike cycle has ended as inflation has fallen significantly with 2% target in sight, the current situation is higher rates in Europe and US, weaker Chinese growth and an uncertain US economic outlook. Higher rates also offer higher returns from debt, creating competition and additional investment options outside of the equity market.
- ▶ Despite sparks of an IPO revival, post-float performance of some large cross-border listings has often been disappointing. VC-backed companies are likely to hibernate in the private market until valuations improve. However, companies grow into their valuations, and if late-stage VCs accept losses, they may push some portfolio companies to break the ice and go public.
- ▶ The outlook for 2024 is optimistic but cautious, given an unpredictable market environment. Companies are ready to execute IPOs, while previously postponed deals may also re-emerge. Investors are looking for high-quality equity stories, with a clear path to profitability, and solid ESG credentials, to give confidence in revenue growth and favorable post-listing prices. In various countries, governments and regulators are taking steps to stimulate capital markets to boost investment in disruptive innovation.

All amounts in US\$ unless otherwise stated

UK&I

- ▶ In the UK, challenging market conditions, compounded by high inflation and elevated interest rates have muted IPO activity, with just 14 listings in 2023, raising US\$0.6b.
- ▶ However, there is cause for optimism, with several companies getting 'IPO ready', having put earlier plans on hold while waiting for headwinds to ease.
- ▶ One welcome step is the Financial Conduct Authority's (FCA) review into simplifying the listings regime, which should help make London a more appealing destination for a wider range of companies.
- ▶ As always, regulators are striving to strike a balance between reducing 'red tape' and protecting the interest of investors and other stakeholders.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic.

EMEIA IPO market (Cont'd)

All amounts in US\$ unless otherwise stated

India

- ▶ As inflation starts to fall, India is expected to experience an annual GDP growth of 8% between 2023 and 2030, driven by strong increases in private consumption, government investment and foreign direct investment (FDI). In 2023, India's IPO activity increased by 48% YOY to 220 deals raising US\$6.9b. The country has consistently grown its share of global IPO volume, rising from 6% in 2021 to 11% in 2022, and rising further to 17% in 2023.
- ▶ The industrial, materials, and technology sectors have experienced strong demand, even though the market is predominantly driven by small-cap IPOs. India now has more than 80 unicorns, many of whom attract global VC and PE funds from marquee investors.
- ▶ India could potentially benefit from greater flexibility in market entry and exit, to drive international investment in IPOs. One initiative to encourage businesses to go public is the Securities and Exchange Board of India's (SEBI) recent proposal to shorten to three days the time to list shares on stock exchanges from the closing of IPOs. Direct listing of Indian incorporated companies on global exchanges remains under discussion and could lead to more activity. Other avenues, such as an increase in infrastructure investment trusts (InvITs) and real estate investment trusts (REITs) continue to attract global investors.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).
Sources: EY analysis, Dealogic.

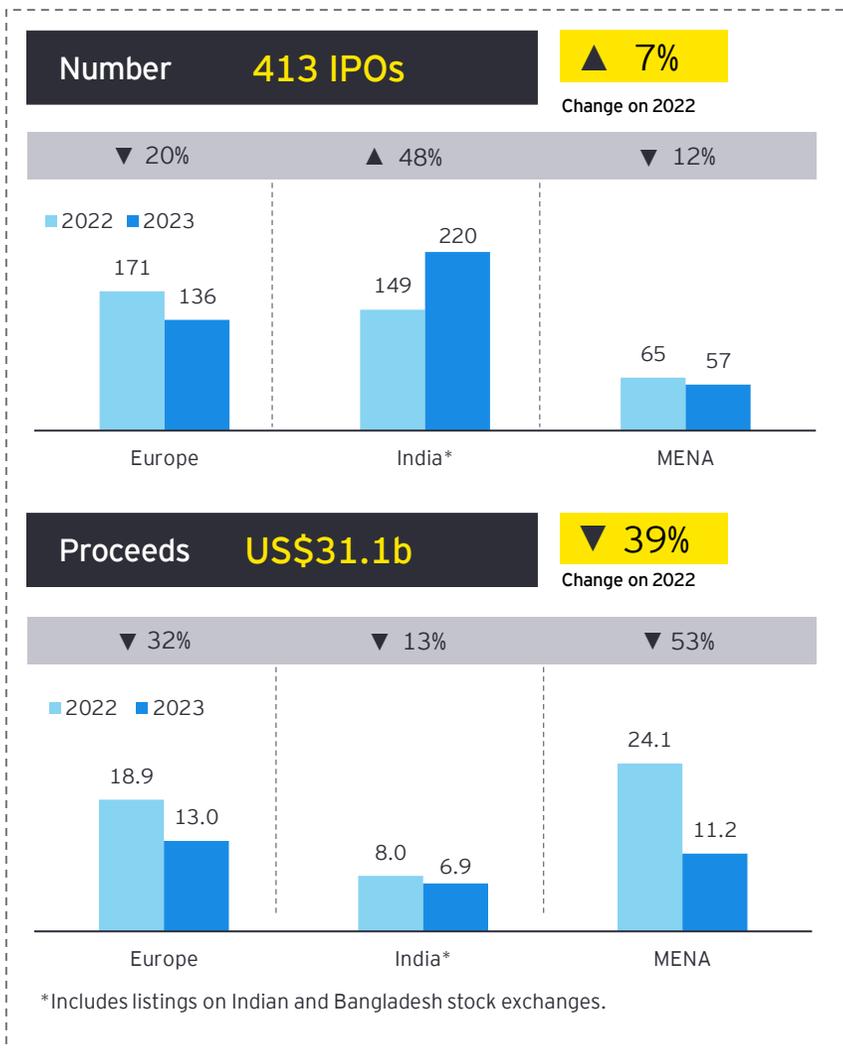
MENA

- ▶ MENA continues to dominate the top 10 EMEIA IPOs in 2023, with six of the largest IPOs from this geography. Investor confidence remains high in the region where over half of the IPOs listed this year increased their post-listing share price. Activity is still driven by the leading economies of Saudi Arabia and UAE, with an aim to boost local exchanges and attract foreign investment.
- ▶ As part of Saudi Arabia's Vision 2030, the kingdom is diversifying from oil, as evidenced by this year's IPOs coming from multiple sectors including consumer, industrials and health and life sciences, etc. There were 39 public listings in 2023, raising US\$3.6b. In addition, 27 Saudi companies have announced listing plans on the Tadawul.
- ▶ In the UAE, 8 IPOs raised over US\$6b in 2023 with a variety of sizeable government and private companies expected to go public in the coming year.
- ▶ The outlook for 2024 remains promising for MENA IPOs, with several prominent companies communicating their intention to list on MENA exchanges. However, there is a risk that investor sentiment will be adversely impacted by the recent and ongoing geopolitical challenges in the region.
- ▶ Against the backdrop of COP28 in Dubai, MENA stock exchanges are supporting ESG adoption and reporting. Some exchanges mandated listed companies to report on ESG performance, while others have also published guidance on ESG reporting.

Europe, Middle East, India and Africa: region strengthened its position as the second largest IPO market with 32% of all IPOs despite market uncertainties

2023

All amounts in US\$



Stock exchanges by proceeds	India (National and Bombay) 220 IPOs \$6.9b India	Abu Dhabi (ADX) 6 IPOs \$5.5b Abu Dhabi	Saudi (Tadawul and Nomu Parallel Market) 39 IPOs \$3.6b Saudi Arabia				
Sectors by number of IPOs	Industrials 71 IPOs \$7.0b	Technology 58 IPOs \$3.6b			Materials 53 IPOs \$1.4b		
IPOs By largest proceeds	ADNOC Gas PLC. \$2.5b Energy Abu Dhabi March	Hidroelectrica SA. \$2.0b Energy Bucharest July			Ades Holding Company \$1.2b Energy Saudi October		
Equity indexes	BSE SENSEX +10.9% India	CAC 40 +13.5% France	DAX 40 +17.8% Germany	EURO STOXX 50® +13.0% Europe	FTSE 100 +1.0% UK	JSE All Share +3.6% South Africa	Tadawul All Share +7.1% Saudi Arabia
Volatility indexes	EURO STOXX 50® Volatility (VSTOXX®) ▶ Current: 14.12 ▶ YTD average: 17.99 ▶ 10-year average: 20.61			VDAX-NEW® EUR ▶ Current: 13.68 ▶ YTD average: 17.45 ▶ 10-year average: 20.71			

Index level is as of 4 December 2023. + or - indicates change since 31 December 2022.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

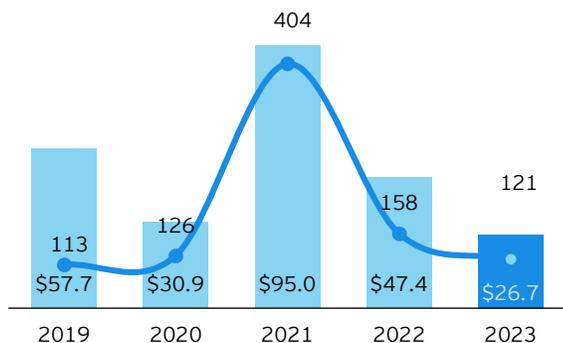
Sources: EY analysis, Dealogic, S&P Capital IQ.

Europe, Middle East, India and Africa IPO highlights: on average positive IPO performance in main and junior markets

2023

All amounts in US\$

Main markets



Junior markets



EMEIA issuers cross-border activity

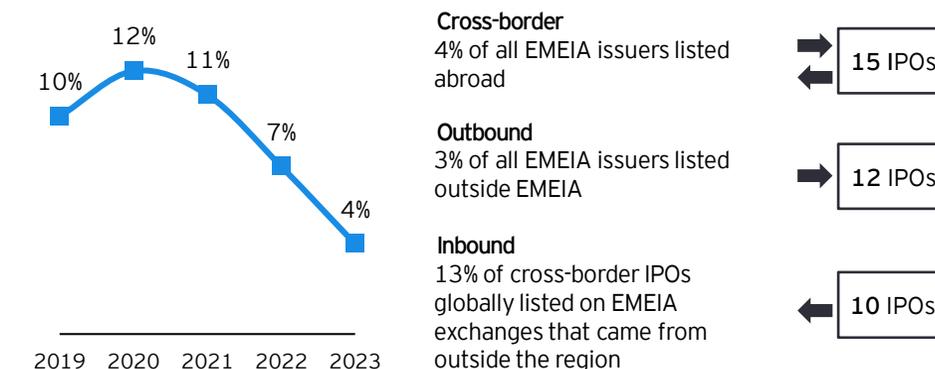
Top countries of origin

Country	Number of IPOs	Proceeds (US\$m)
Israel	4	\$792
United Kingdom	2	\$5,438
Netherlands	2	\$361
Spain	2	\$11
Others	5	\$2,226

Top IPO destinations

Country	Number of IPOs	Proceeds (US\$m)
United States	12	\$8,367
United Arab Emirates	1	\$451
Italy	1	\$6
Norway	1	\$4

Percentage of all EMEIA issuers



EMEIA IPO price performance 2023

First-day average return	+12.3%	+10.1%
Share price performance since IPO	+24.4%	+101.9%

First-day and current average returns are market value weighted mean returns of issuers that started trading by 4 December 2023

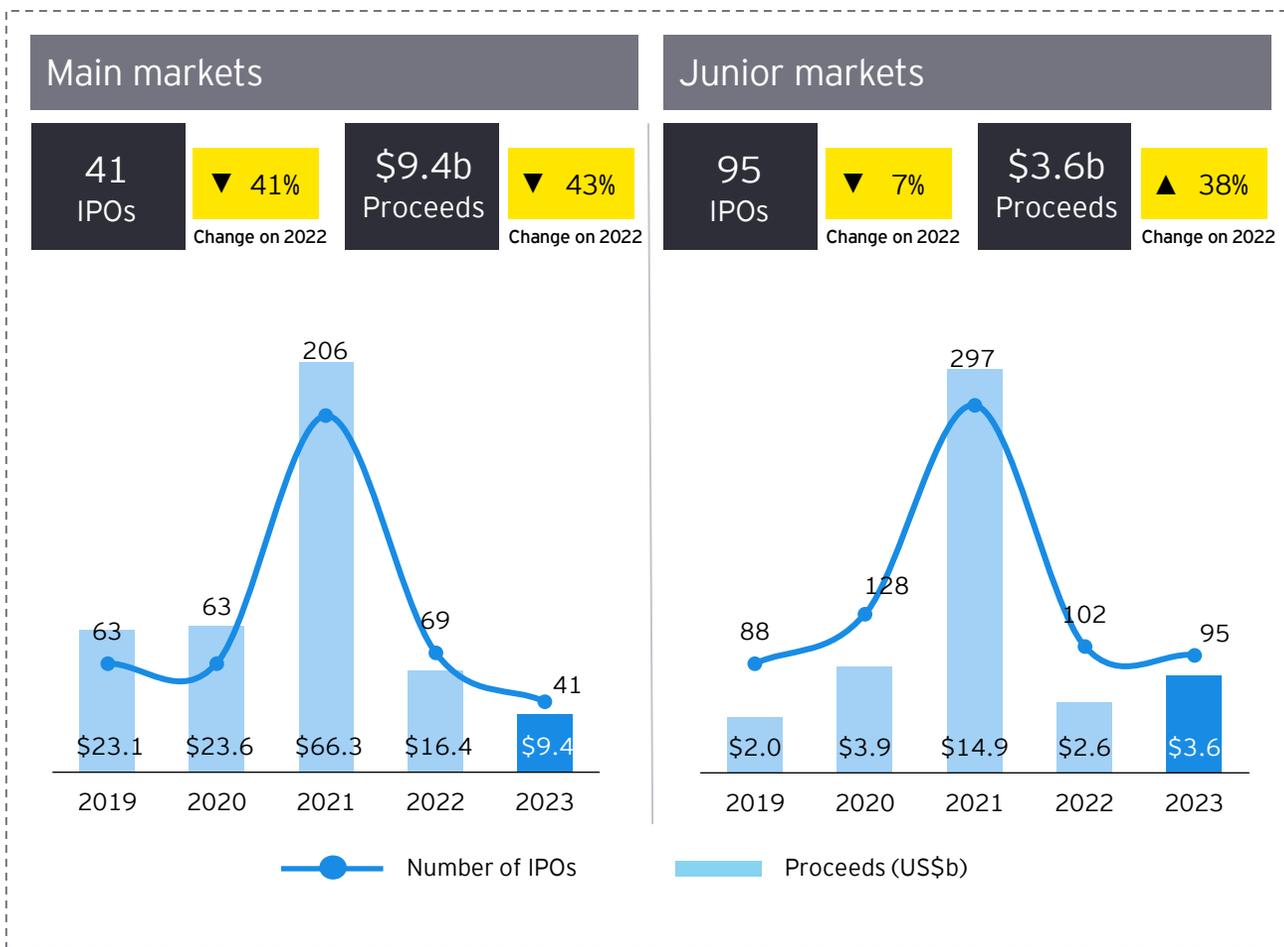
2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Sources: EY analysis, Dealogic.

European IPO highlights: another quiet year amid investor prudence – although regulators are seeking to stimulate activity

2023

All amounts in US\$



2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).
Source: Dealogic.

Stock exchanges by total proceeds	Sectors by number of IPOs	IPOs largest by proceeds
Turkey (Main and STAR) 52 IPOs \$2.9b Turkey	Industrials 27 IPOs \$3.3b	Hidroelectrica SA \$2.0b Energy Bucharest (BVB) July
Switzerland (SIX) 7 Secondary listings \$2.3b Switzerland	Technology 17 IPOs \$1.5b	SCHOTT Pharma AG & Co KGaA \$1.0b Industrials Deutsche Börse May
Deutsche Börse (Main and Scale) 3 IPOs \$2.1b Germany	Energy 16 IPOs \$3.5b	Lottomatica Group SpA \$0.7b Media & Entertainment Italy (Main market) May
		Thyssenkrupp Nucera AG & Co KGaA \$0.7b Industrials Deutsche Börse July
		IONOS Group SE \$0.4b Technology Deutsche Börse February





Appendix

Key factors to consider for IPO candidates

Volatility

Inflation and interest rates

Recovery of economic activities

ESG agenda

Government policies and regulations

Geopolitical tensions/ conflicts

Global supply chain

IPO candidates looking to go public will need to be well-prepared

Demonstrate resilience with innovative business models, agility in navigating supply chain constraints, macroeconomic challenges, strong working capital management and adapting to new ways of doing business post-pandemic.

Be realistic and flexible about a lower valuation, given the poor post-IPO share price performance and increasing interest rates, and be well-prepared to seize on the windows of opportunity when they open.

Conduct extensive pre-marketing and pre-IPO funding, complete with cornerstone investors, to mitigate uncertainty and improve pricing leverage.

Consider the impact of geopolitical risks (Russia-Ukraine war, trade sanctions and US-China tensions), macroeconomic factors (inflation and interest rates) and a changing regulatory environment (stock exchange reforms, securities regulations and ESG requirements).

Be able to clearly articulate an embedded ESG strategy and culture, from climate change mitigation initiatives to promoting board and management diversity.

Consider all options, from an alternative IPO process (direct listing or dual and secondary listings) to other financing methods (private capital, debt or trade sale).

Regional IPO facts and figures: Americas

Region/country	2022 Number of IPOs	2023 Number of IPOs	Change YOY%	2022 proceeds (US\$b)	2023 proceeds (US\$b)	Change YOY%
United States	90	132	47%	8.6	22.2	157%
Canada	42	19	-55%	0.2	0.1	-41%
Brazil	0	0	NA	0.0	0.0	NA
Mexico	1	1	0%	0.1	0.4	626%
Jamaica	0	1	100%	0.0	0.0*	100%
Chile	0	0	NA	0.0	0.0	NA
Trinidad and Tobago	0	0	NA	0.0	0.0	NA
Americas	133	153	15%	8.9	22.7	155%

* Less than US\$0.1b proceeds

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Source: Dealogic

Regional IPO facts and figures: Asia-Pacific

Region/country	2022 Number of IPOs	2023 Number of IPOs	Change YOY%	2022 proceeds (US\$b)	2023 proceeds (US\$b)	Change YOY%
Indonesia	60	79	32%	2.2	3.6	60%
Thailand	41	37	-10%	3.4	1.1	-69%
Singapore	8	6	-25%	0.0*	0.0*	-13%
Malaysia	33	32	-3%	0.9	0.8	-6%
Myanmar	0	0	NA	0.0	0.0	NA
Philippines	9	3	-67%	0.4	0.1	-81%
Maldives	0	0	NA	0.0	0.0	NA
Cambodia	1	0	-100%	0.0*	0.0	-100%
Vietnam	0	0	NA	0.0	0.0	NA
ASEAN	152	157	3%	6.9	5.6	-20%
Mainland China	424	302	-29%	88.6	50.4	-43%
Hong Kong	75	63	-16%	12.7	5.6	-56%
Taiwan	2	7	250%	0.0*	0.2	797%
Greater China	501	372	-26%	101.3	56.2	-44%
Australia	85	34	-60%	0.8	0.7	-11%
New Zealand	0	0	NA	0.0	0.0	NA
Oceania	85	34	-60%	0.8	0.7	-11%
Japan	90	92	2%	2.4	4.2	75%
South Korea	69	77	12%	13.0	2.7	-79%
Asia-Pacific	897	732	-18%	124.4	69.4	-44%

* Less than US\$0.1b proceeds

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Source: Dealogic

Regional IPO facts and figures: EMEIA

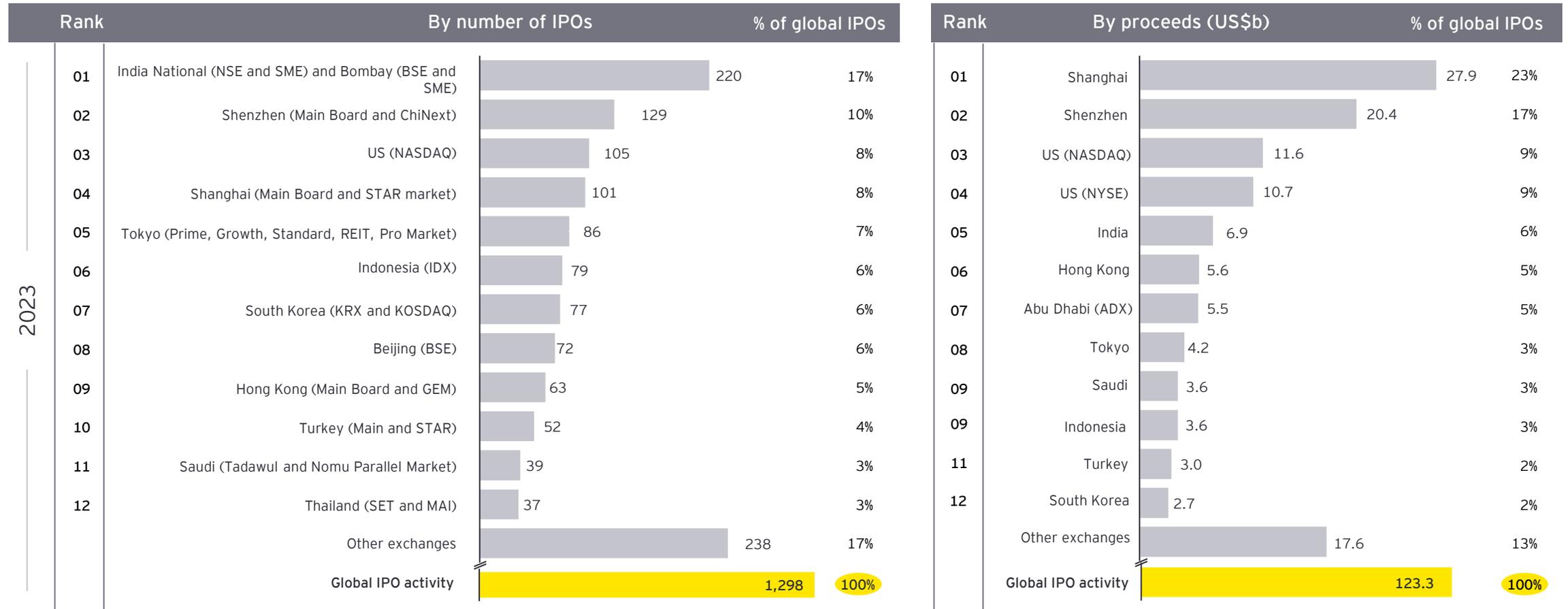
Region/country	2022 Number of IPOs	2023 Number of IPOs	Change YOY%	2022 proceeds (US\$b)	2023 proceeds (US\$b)	Change YOY%
Nordics (Denmark, Norway, Sweden and Finland)	52	10	-81%	2.3	0.8	-65%
Central and Southern Europe (CESA)	38	65	71%	1.1	5.5	408%
Germany, Switzerland and Austria (GSA)	13	10	-23%	12.1	4.4	-64%
Mediterranean (Italy and Spain)	33	32	-3%	1.8	1.7	-7%
WEM (Western Europe)	13	5	-62%	0.4	0.0*	-85%
Continental Europe	149	122	-18%	17.7	12.4	-30%
UK and Ireland	22	14	-36%	1.2	0.6	-52%
Europe	171	136	-20%	18.9	13.0	-32%
Africa and WEM (Maghreb)	0	0	NA	0.0	0.0	NA
India	149	220	48%	8.0	6.9	-13%
Middle East and North Africa	65	57	-12%	24.1	11.2	53%
EMEIA	385	413	7%	51.0	31.1	-39%

*Less than US\$0.1b proceeds.

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).

Source: Dealogic

Asian exchanges thrived on emerging growth engines, while the US recovered some lost ground on global share



2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023).
Source: Dealogic

Definitions

EY analyzed IPO data for 2023 (as of 4 December plus expected deals by 31 December 2023) to determine key IPO market trends and the outlook for 2024. The analysis utilized data provided by Dealogic and EY. SPAC data are excluded from all data in this report, except where indicated.

Methodology

- ▶ The data presented in the *EY Global IPO Trends 2023* and press release are sourced from Dealogic, Capital IQ, Wind and EY analysis unless otherwise noted. The Dealogic data in this report are under license by ION. ION retains and reserves all rights in such data. SPAC data are excluded from all data in this report, except where indicated.
- ▶ Traditional IPOs: **Q4 2023** covers completed IPOs from 1 October to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). **Q4 2022** covers completed IPOs from 1 October to 31 December 2022. **2023** refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). **2022** refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.
- ▶ SPAC IPOs: **YTD 2023** covers completed SPAC IPOs from 1 January 2023 to 4 December 2023.
- ▶ De-SPAC mergers: **YTD 2023** covers de-SPAC mergers announced from 1 January 2023 to 4 December 2023.
- ▶ In compilation of the IPO statistics, we focus only on IPOs of operating companies and define an IPO as a company's offering of equity to the public on a new stock exchange.
- ▶ **Special purpose acquisition company (SPAC):** an investment vehicle that is created with the purpose of raising capital through an initial public offering (IPO) to acquire a private company.
- ▶ **De-SPAC merger:** private companies go public by merging with special purpose acquisition companies (SPACs).
- ▶ To exclude non-operating company IPOs such as trusts, funds and special purpose acquisition companies (SPACs), companies with the following Standard Industrial Classification (SIC) codes are excluded from this report unless otherwise mentioned.
 - ▶ 6091: Financial companies that conduct trust, fiduciary and custody activities.
 - ▶ 6371: Asset management companies such as health and welfare funds, pension funds and their third-party administration as well as other financial vehicles.
 - ▶ 6722: Companies that are open-end investment funds.
 - ▶ 6726: Companies that are other financial vehicles.
 - ▶ 6732: Companies that are grant-making foundations.
 - ▶ 6733: Asset management companies that deal with trusts, estates and agency accounts.
 - ▶ 6799: Special purpose acquisition companies (SPACs)
- ▶ This report includes only those IPOs for which EY teams and Dealogic offer data regarding the first trade date (the first day on which the security starts trading on a stock exchange), and proceeds (funds raised, including any over-allotment sold). The first trade date determines which quarter a deal is attributed to. Postponed IPOs, or those that have not yet started first trading, are therefore excluded. Over-the-counter (OTC) listings are also excluded.
- ▶ In EY analysis, unless stated otherwise, IPOs are attributed to the domicile of the company undertaking an IPO. The primary exchange on which they are listed is as defined by EY analysis and Dealogic.
- ▶ A cross-border (or foreign) listing is where the stock exchange nation or market of the company is different from the company's domicile (i.e., issuer's nation or market).
- ▶ For all IPO listings globally, their issue dates are taken as their first trade dates (the first day on which the security starts trading on a stock exchange).

Glossary

- ▶ **Financial sponsor-backed IPOs** refer to IPOs that have private equity, venture capital investors or both.
- ▶ **Proceeds** refers to total funds raised by the issuer company and selling shareholders. This is the total deal size.
- ▶ **Mega IPOs** are defined as IPOs that raised proceeds of more than US\$1b on the stock exchange.
- ▶ A **unicorn** is a privately held company valued at US\$1b or above. Unicorn IPOs in this report refer to such companies going for IPO.

Geographic definitions

- ▶ **Africa** includes Algeria, Botswana, Egypt, Ghana, Kenya, Madagascar, Malawi, Morocco, Namibia, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.
- ▶ **Americas** includes North America and Argentina, Bermuda, Brazil, Canada Chile, Colombia, Ecuador, Jamaica, Mexico, Peru, Puerto Rico and the United States.
- ▶ **ASEAN** includes Brunei, Cambodia, Guam, Indonesia, Laos, Malaysia, Maldives, Myanmar, North Mariana Islands, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
- ▶ **Asia-Pacific** includes ASEAN (as stated above), Greater China (as stated below), Japan, South Korea, Australia, New Zealand, Fiji and Papua New Guinea.
- ▶ **EMEIA** includes Armenia, Austria, Bangladesh, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Kazakhstan, Luxembourg, Lithuania, the Netherlands, Norway, Pakistan, Poland, Portugal, Russian Federation, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom plus the Middle East and Africa countries listed below.
- ▶ **Eurozone** includes Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.
- ▶ **India region** includes IPO activity on Indian and Bangladesh stock exchanges.
- ▶ **Greater China** includes Mainland China, Hong Kong, Macau and Taiwan.
- ▶ **Middle East** includes Bahrain, Iran, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen.

Sector definitions

- ▶ Sectors are classified according to Thomson general industries using a company's Sector Industry Classification (SIC) code. There are 11 sectors, which are defined below with their specific industries.
- ▶ **Consumer** includes the combination of "Consumer staples" and "Consumer products and services" sectors. Its specific industries include agriculture and livestock, food and beverage, household and personal products, textiles and apparel, tobacco, educational services, employment services, home furnishings, legal services, other consumer products, professional services, as well as travel services.
- ▶ **Energy** industries include alternative energy sources, oil and gas, other energy and power, petrochemicals, pipelines, power, as well as water and waste management.
- ▶ **Financials** industries include asset management, banks, brokerage, credit institutions, diversified financials, government sponsored enterprises, insurance, as well as other financials.
- ▶ **Health and life sciences** industries include biotechnology, health care equipment and supplies, health care providers and services (HMOs), hospitals, as well as pharmaceuticals.
- ▶ **Industrials** industries include aerospace and defense, automobiles and components, building/construction and engineering, machinery, other industrials, transportation, as well as infrastructure.
- ▶ **Materials** industries include chemicals, construction materials, containers and packaging, metals and mining, other materials, as well as paper and forest products.
- ▶ **Media and entertainment** industries include advertising and marketing, broadcasting, cable, casino and gaming, hotels and lodging, motion pictures or audio visual, other media and entertainment, publishing, as well as recreation and leisure.
- ▶ **Real estate** industries include non-residential, other real estate, real estate management and development, as well as residential.
- ▶ **Retail** industries include apparel retailing, automotive retailing, computers and electronics retailing, discount and department store retailing, food and beverage retailing, home improvement retailing, internet and catalogue retailing, as well as other retailing.
- ▶ **Technology** industries include computers and peripherals, electronics, internet software and services, IT consulting and services, other high technology, semiconductors, as well as software.
- ▶ **Telecommunications** industries include other telecom, space and satellites, telecommunications equipment, telecommunications services, as well as wireless.

Contacts

George Chan

EY Global IPO Leader
george.chan@cn.ey.com

Rachel Gerring

EY Americas IPO Leader
rachel.gerring@ey.com

Ringo Choi

EY Asia-Pacific IPO Leader
ringo.choi@cn.ey.com

Dr. Martin Steinbach

EY EMEA IPO Leader
martin.steinbach@de.ey.com

Terence Ho

EY Greater China IPO Leader
terence.ho@cn.ey.com

Masato Saito

EY Japan IPO Leader
masato.saito@jp.ey.com

Scott McCubbin

EY UK&I IPO Co-leader
smccubbin@uk.ey.com

Find out more about future IPO prospects

For more information on global IPO performance by quarter and year, and how the IPO market looks set to develop for the next 12 months, visit the EY Global IPO website:

ey.com/ipo

Follow the report on social media: via [Twitter](#) and [LinkedIn](#) using [#IPO](#)



Subscribe to *EY Global IPO Trends* reports

Get the latest IPO analysis [direct to your inbox.](#)

EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY Private

As Advisors to the ambitious™, EY Private professionals possess the experience and passion to support private businesses and their owners in unlocking the full potential of their ambitions. EY Private teams offer distinct insights born from the long EY history of working with business owners and entrepreneurs. These teams support the full spectrum of private enterprises including private capital managers and investors and the portfolio businesses they fund, business owners, family businesses, family offices and entrepreneurs. Visit ey.com/private

About EY Initial Public Offering Services

Going public is a transformative milestone in an organization's journey. As the industry-leading advisor in initial public offering (IPO) services, EY teams advise ambitious organizations around the world and helps equip them for IPO success. EY teams serve as trusted business advisors guiding companies from start to completion, strategically positioning businesses to achieve their goals over short windows of opportunity and preparing companies for their next chapter in the public eye.

© 2023 EYGM Limited.

All Rights Reserved.

EYG no. 011637-23Gb1
BMC Agency GA 124130485
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice..

ey.com/ipo