

# How do you steady the course of your IPO journey in a changing landscape?

EY Global IPO Trends Q1 2024

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# Global



A dark blue world map is visible in the background of the slide, showing the continents in a lighter shade of blue.

Global

## Capitalizing on fleeting windows amid heightened uncertainties

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As 2024 unfolds, participants in the IPO market are entering uncharted territory. IPO candidates are influenced by the recent pivot in investors' preference toward proven profitability in an altered interest rate landscape, and are doing this while facing the intricate dynamics of an intensified geopolitical climate and the buzz around AI. To succeed in this shifting environment, IPO prospects must remain flexible and prepared to seize the right moment for their public debuts.

**George Chan**

EY Global IPO Leader

## Q1 2024: Americas and EMEIA IPO markets recovering and Asia-Pacific market plunging

	Q1 2023		Q1 2024		% change	
	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)
<b>Global</b>	<b>307</b>	<b>22.1</b>	<b>287</b>	<b>23.7</b>	<b>-7%</b>	<b>7%</b>
<b>Americas</b>	<b>43</b>	<b>3.0</b>	<b>52</b>	<b>8.4</b>	<b>21%</b>	<b>178%</b>
<i>% of global</i>	<i>14%</i>	<i>14%</i>	<i>18%</i>	<i>36%</i>		
<b>Asia-Pacific</b>	<b>181</b>	<b>13.1</b>	<b>119</b>	<b>5.8</b>	<b>-34%</b>	<b>-56%</b>
<i>% of global</i>	<i>59%</i>	<i>59%</i>	<i>42%</i>	<i>24%</i>		
<b>EMEIA</b>	<b>83</b>	<b>6.0</b>	<b>116</b>	<b>9.5</b>	<b>40%</b>	<b>58%</b>
<i>% of global</i>	<i>27%</i>	<i>27%</i>	<i>40%</i>	<i>40%</i>		

Q1 2024 refers to the first quarter of 2024 and covers completed IPOs from 1 January to 18 March 2024, plus expected IPOs by 31 March 2024 (forecasted as of 18 March 2024). Q1 2023 refers to the first quarter of 2023 and covers completed IPOs from 1 January to 31 March 2023.

Sources: EY analysis, Dealogic.

The year began on a cautiously optimistic note, marked by a selective thaw following a period of dormancy. The Americas and EMEIA regions are off to a bright start in 2024, pushing global IPO proceeds up by 7%. However, the global IPO activity by number continued to display a 7% YOY decline, weighed down by the usually energetic Asia-Pacific region.

Market participants are navigating uncertainties stemming from recent economic fluctuations, heightened geopolitical tensions and a global election year, with the stock markets having already priced in rate cuts expectation in various major economies.

The Americas continued to exhibit strong performance in IPO activity compared with both the previous quarter and Q1 2023. EMEIA's IPO count surged, keeping pace with Asia-Pacific, a substantive leap from 27% in the preceding Q1 to 40% in this quarter, primarily driven by India's heightened activity. EMEIA also led in global IPO proceeds and generated all four global mega IPOs this quarter. Top 10 global IPOs originated from either the Americas or the EMEIA region.

Conversely, IPO markets across the Asia-Pacific region started the year on a weak note. Japan was a notable exception, reporting a robust number of deals. Mainland China and Hong Kong experienced a markedly pronounced slowdown in the first quarter, due to an unfavorable market condition resulting from low liquidity, increased capital outflow, a temporary halt of IPO activity in Mainland China and a high interest rate environment in Hong Kong.

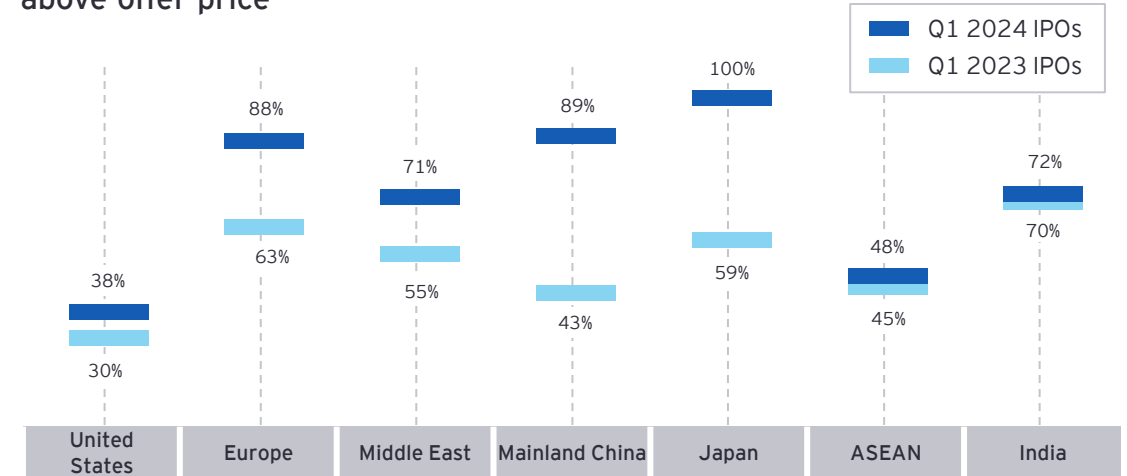
## More aligned valuation expectations between buyers and sellers

Over the years, the IPO landscape has witnessed a shift in valuation expectations between buyers and sellers. On the one hand, sellers have lowered their expectations toward valuations as they come to terms with the reality of the market's aptness to align value in a tight money environment. On the other hand, stock markets in some major economies are booming as investors are pricing in the potential reduction of interest rates. As the landscape evolves, there is an increasing hope for the valuation gap to narrow between buyers and sellers.

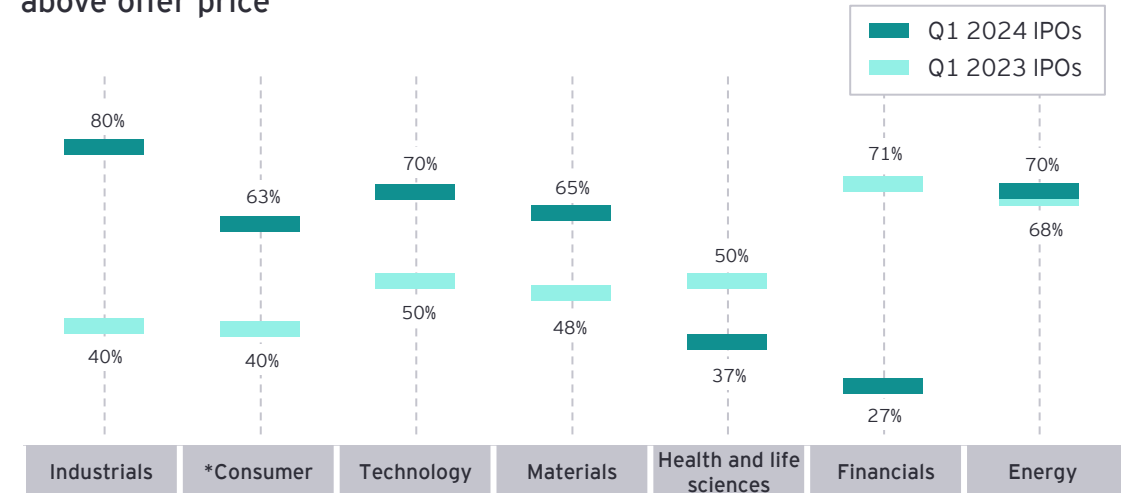
In Q1 2024, a majority of key IPO markets saw a significant number of newly listed companies' current stock prices exceeding their offer prices. This trend indicates an improvement in valuations and pricing levels, reflecting growing confidence among both issuers and investors. Japan, in particular, has seen a notable increase thanks to its stock market providing a more conducive environment for IPOs. Both Europe and the Middle East have also experienced enhanced IPO returns. Meanwhile, the US, ASEAN and India have maintained a stable trend compared to the same period last year.

Industrials, consumer and technology sectors were the top three IPO sectors by number and demonstrated the most significant improvement in after-market performance compared with Q1 2023. On the other hand, the financial sector witnessed a substantial decrease in the number of well-performing IPOs, primarily due to the lacklustre performance of small-scale offerings from countries that experienced either stagnant or deteriorating post-IPO market conditions.

After-market performance by region - percentage of current share price above offer price



After-market performance by sectors - percentage of current share price above offer price



\*Consumer includes the combination of "Consumer staples" and "Consumer products and services" sectors. Q1 2024 covers completed IPOs from 1 January to 18 March 2024. Q1 2023 covers completed IPOs from 1 January to 31 March 2023. "Current share price above offer price" denotes the percentage of tracked IPOs whose current share prices were above their offer prices at the closing of 18 March 2024. Sources: EY analysis, Dealogic.

## Significant shifts in global IPO market share in the past five years

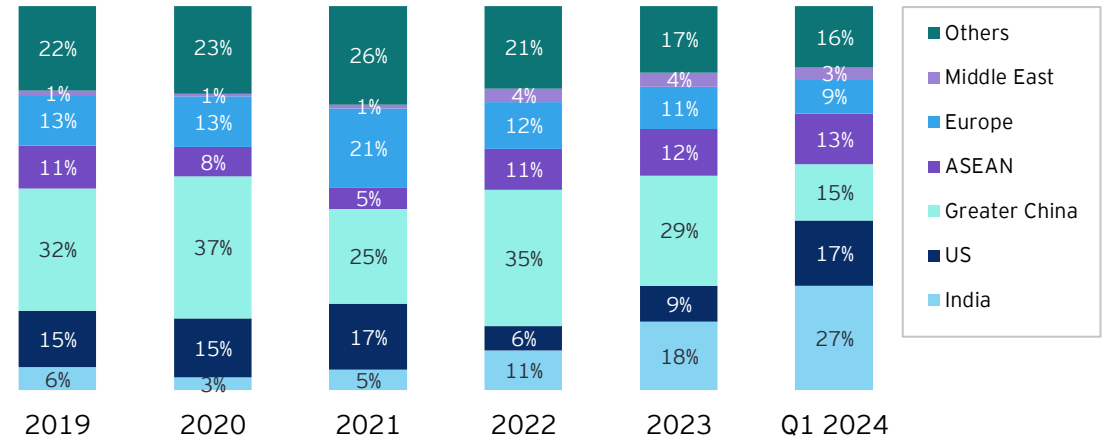
The global IPO market has experienced significant shifts in geographical composition, driven by ongoing macroeconomic and geopolitical dynamics. After experiencing a 20-year low in proceeds in 2022, the US has finally witnessed a noticeable uptick in the first quarter of 2024, riding on the wave of the market rally from last year. The risk appetite of equity investors has rebounded in the early months of the year, attracting more IPOs from growth sectors, e.g., Reddit from technology and BrightSpring Health Services from health and life sciences.

Europe’s IPO market is also experiencing a recovery, although at a more cautious pace. Investors in Europe continue to place greater emphasis on companies with solid fundamentals and a path to profitability. Since late 2023, larger and even mega European deals have begun to emerge, although some opted for US listings.

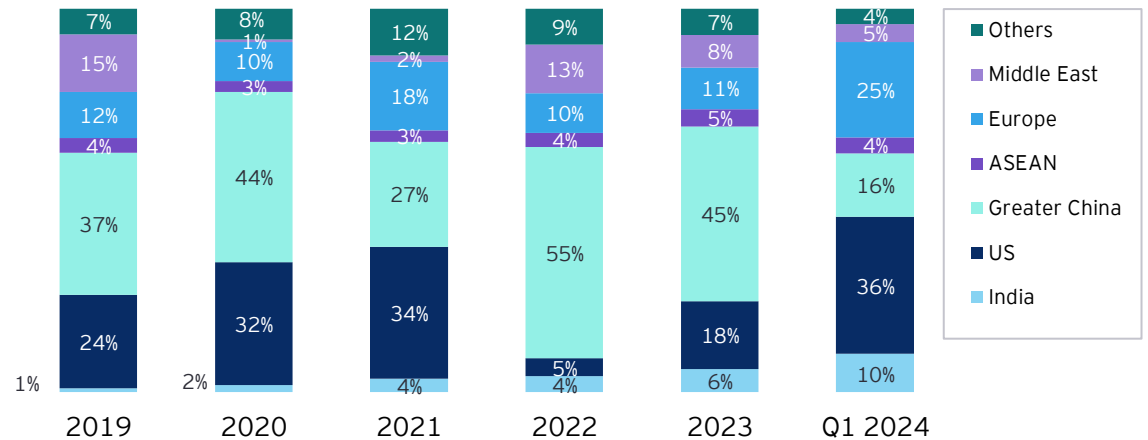
While China’s market has significantly slowed, India has emerged as a standout performer. Since 2019, India has rapidly gained distinction, particularly in the number of IPOs. The country’s share of global IPO activity has surged from a mere 6% in 2019 to an impressive 27% in the first quarter of 2024, propelling it to the position of the world’s leading IPO market by deal volume.

Meanwhile, ASEAN and the Middle East have shown mixed results, with some countries witnessing robust listing activity, such as Indonesia and Saudi Arabia, while others are experiencing a slower pace.

Global IPO number by region (2019 - Q1 2024)



Global IPO proceeds by region (2019 - Q1 2024)



Q1 2024 refers to the first quarter of 2024 and covers completed IPOs from 1 January to 18 March 2024, plus expected IPOs by 31 March 2024 (forecasted as of 18 March 2024).  
 2019 to 2023 IPOs refer to completed IPOs listed from 1 January to 31 December in each respective year.  
 Sources: EY analysis, Dealogic.

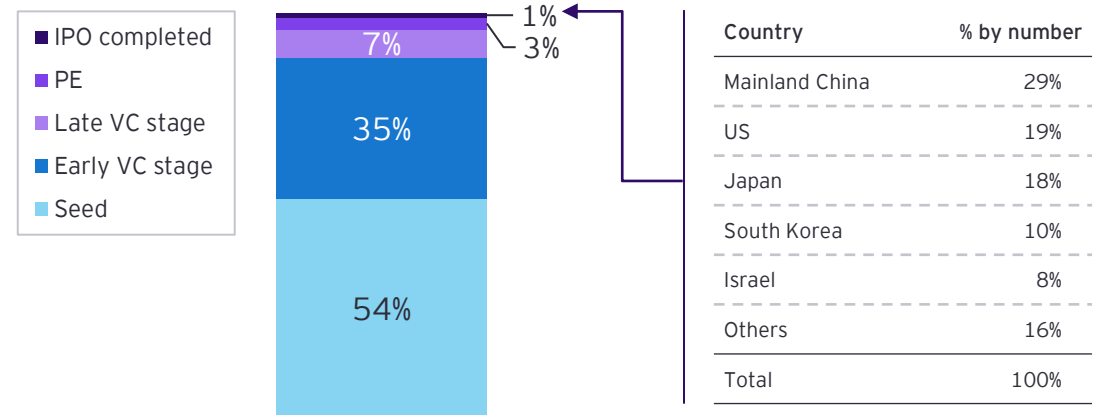


## AI and AI-influenced firms maturing at private domain before public debut

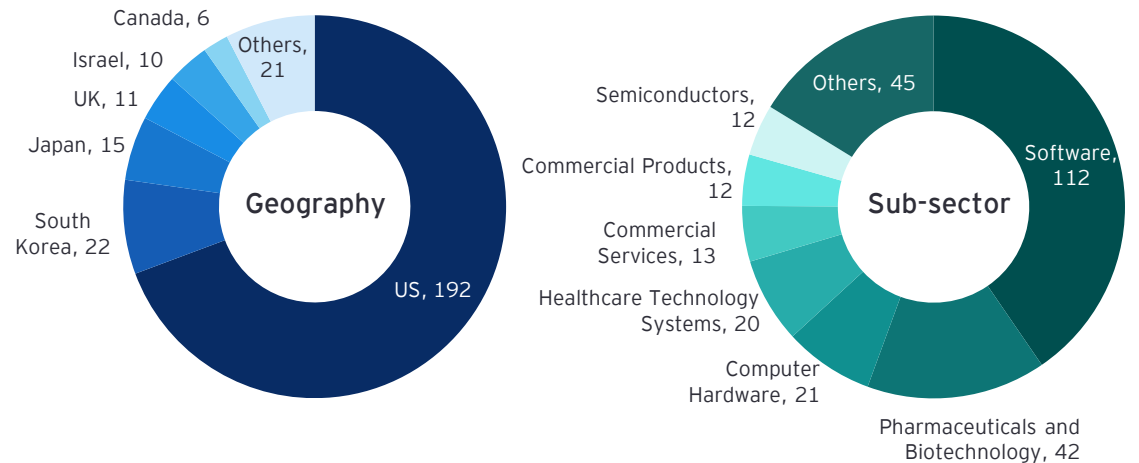
The promise and reach of artificial intelligence (AI) is experiencing significant growth within the private realm, with the majority of AI and AI-associated businesses still in the seed or early stage of venture capital (VC) rounds. These companies, mostly from the US, cover a broad spectrum of areas, not limited to technology but encompassing health and life sciences, consumer products, and other sectors. The quantity of these companies in seed or early-stage VC rounds vastly exceeds those in the late stage of VC rounds or private equity (PE) phase, which exemplifies where AI and AI-related firms are developing within the private runways. It suggests potential for a wave of IPOs in future years as these companies reach maturity and seek to leverage public markets for further growth.

Early AI market entrants hold investor interest as they offer significant insights on how public investors perceive AI startups. Different from the much-anticipated Reddit IPO this quarter, Astera Labs, a company specializing in connectivity hardware for cloud computing data centers, enjoyed a 72% jump in its March trading debut at an increased valuation supported by its financial growth. It indicates the possibility for AI companies to simultaneously foster growth and generate revenue. As companies transition from VC backing to public listings, they are expected to enhance their revenue base to meet valuation metrics. Should Astera maintain robust market interest following its IPO, this momentum may pave the way for an increase in AI-related public offerings.

## AI and AI-related companies in the VC and PE funding rounds



## Number of VC- or PE-backed AI companies likely to exit via IPO



AI companies refer to companies engaged in artificial intelligence (AI), machine learning (ML), AL/ML semiconductors, AI automation platforms, autonomous vehicles, computer vision, foundation models, intelligent robotics and natural language technology (NLP).

Country distribution in completed IPOs is based on number of companies listed from 1 January 2019 through 18 March 2024.

Sources: EY analysis, Dealogic, Pitchbook.

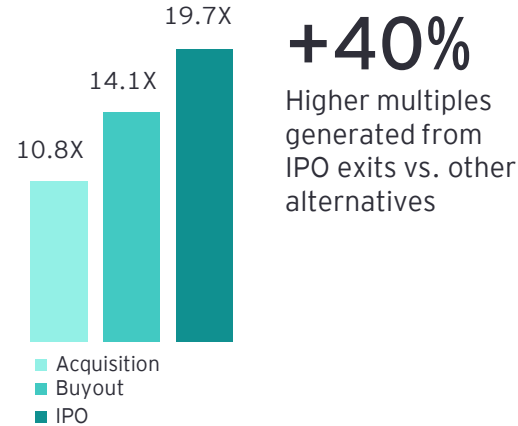
## Momentum builds for PE-backed IPO exit in 2024

An IPO is one of the pinnacles of achievement for PE firms, serving as a public showcase of their acumen and a defining milestone in their growth journey.

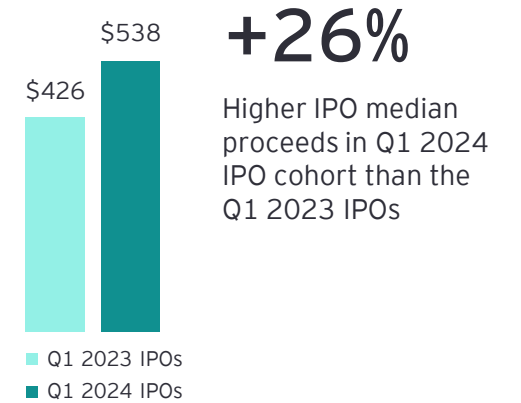
Despite a downturn in IPO exits over the past two years as dealmakers retreated from IPO transactions due to various macroeconomic and geopolitical factors, global IPOs have garnered on average more than 40% higher EV/EBITDA multiples on IPO exits than strategic acquisitions or sponsor sales. With global inflation continuing to fall and central banks' pivot toward interest rate reductions, the IPO exit climate for 2024 seems poised to stabilize with two-thirds of the PE firms predicting a rise in IPO-exit activity this year.

In Q1 2024, approximately 10 PE-backed IPOs came to the market, five of which were among the top 10 global IPOs, a testament to their significant market presence. This prestigious group included Germany's Douglas AG and BrightSpring Health Services from the United States. The median deal size of PE-backed IPOs in Q1 2024 surpassed those listed in same time last year by 26%. Meanwhile, the median post-IPO valuation for PE-backed IPOs outpaces the valuations of both VC-backed and non-financial-backed IPOs by a substantial 2.5 times and a staggering 31 times, respectively. This outperformance, coupled with a projected rise of IPO exit activity by PE firms, indicates that the momentum for PE firms to capitalize on the IPO market is rapidly gaining traction in the early months of 2024.

2022 - Q1 2024 average EV/EBITDA multiples by deal type

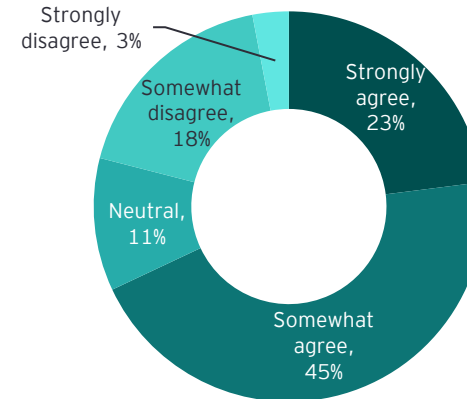


Median deal size by IPO proceeds of PE-backed IPOs (US\$m)

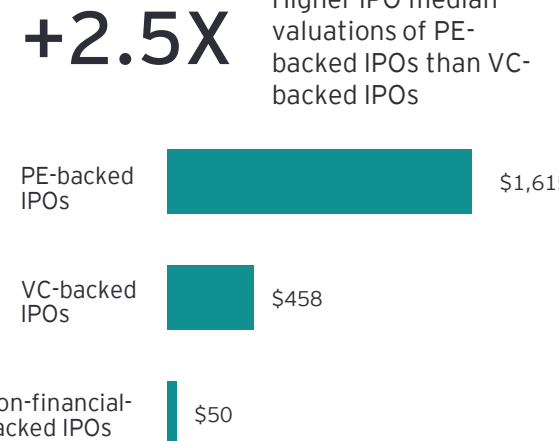


### Two-thirds of PE firms anticipate a rise in IPO-exit in 2024: Survey findings

Looking into 2024, to what extent do you agree or disagree: IPO activity will contribute to a significant rise in exits



### Q1 2024 median valuations of PE-/VC-backed and non-financial-backed IPOs (US\$m)



EV/EBITDA refers to a company's Enterprise Value (EV) to its Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA). EV/EBITDA multiple data for Q1 2024 is as of 29 February, 2024.

Median IPO proceeds and median valuations of Q1 2024 IPOs are based on IPOs listed between 1 January and 18 March, 2024.

Sources: EY analysis, Dealogic, Pitchbook, EY analysis of "The EY CEO Outlook Pulse survey" January 2024.





Area



Americas

## Robust preparation crucial in dynamic markets

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While IPO markets are trending positive, IPO aspirants need to be prepared for the challenges of fleeting market windows and navigating valuation resets. Post-IPO performance will be a litmus test for others in deciding if they should come to market. Robust IPO preparation is vital. In addition to having a well-thought-out and disciplined IPO strategy, it has never been more critical for companies to start operating as a public company well before their transaction.

**Rachel Gerring**

EY Americas IPO Leader

# Americas IPO market

## Review

- ▶ While the number of Americas IPOs in Q1 2024 was up just over 20% compared with Q1 2023, proceeds more than doubled on the back of significantly larger deals. Each of the top seven deals in Q1 2024 raised over US\$500m vs. just one in Q1 2023.
- ▶ In total, 52 IPOs in the Americas raised US\$8.4b in Q1 2024, accounting for 18% of IPOs globally and 36% of global IPO proceeds raised (vs. 14% and 14% in Q1 2023, respectively). All but three of the Americas deals in Q1 2024 were on US exchanges, and the two largest IPOs were cross-border deals by foreign issuers listing in the US.
- ▶ The Healthcare and technology sectors continue to represent the majority of activity by number of IPOs. Biotechnology activity has been particularly robust, with nine deals raising US\$1.5b in Q1 2024.
- ▶ AI-related products and services and AI-advantaged themes continue to dominate today's narrative, but investors are beginning to ask for tangible proof of their potential impact.
- ▶ Equity markets have rallied to record highs in 2024, with the S&P 500 already hitting 18 all-time highs. This sharply contrasts with the market doldrums of 2022 and 2023, where we saw only one S&P 500 record high, following more than 100 new highs in 2020 and 2021. With valuations rising, so is optimism about an IPO market rebound.

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Sources: EY analysis, Dealogic.

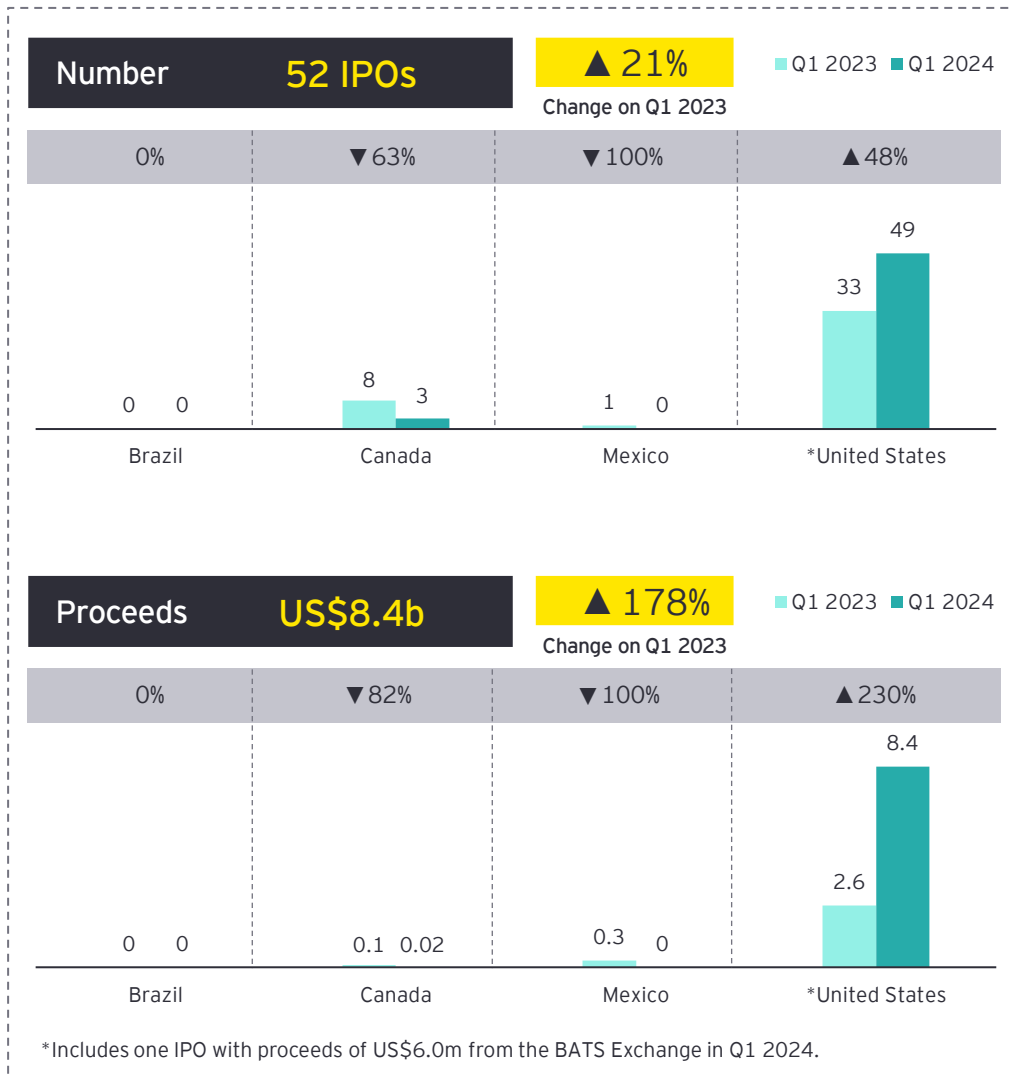
## Outlook

- ▶ As always, the after-market performance of recent IPOs will serve as a key barometer for the health of the IPO market. In order to assess the timing and velocity of a rebound in IPO activity, market participants will be watching for a broadening of the equity rally beyond mega caps, continued macroeconomic strength, and the depth and breadth of the publicly filed IPO backlog.
- ▶ Despite the US presidential election grabbing headlines and media attention, IPO volumes have generally not notably deviated from historical averages in election years. Still, companies that are considering going public in the near term should be prepared to access available market windows should the election or other exogenous events impact investor sentiment.
- ▶ Brazil's IPO market is showing signs of optimism, signaling a potential end to its two-year dry spell, possibly by the latter half of 2024. The IPO backlog is growing across various sectors, but the companies likely to debut in 2024 are expected to be scaled, profitable companies from traditional sectors. However, this hinges on an improving market backdrop, including the prospect of single-digit interest rates, among other factors.
- ▶ The Toronto Stock Exchange (TSX) in Canada has experienced an IPO drought of over a year. Despite this, there has been a shift in sentiment as companies across sectors are beginning to contemplate future public listings. If IPO activity in larger markets like the US continue to improve, the IPO market in Canada may begin to see some activity in late 2024 or 2025.

# Americas: Bullish equities sentiment fuels continued US IPO resurgence, propelling mega listings

All amounts in US\$

Q1 2024



<b>Stock exchanges by proceeds</b>	<b>US (NYSE)</b> 12 IPOs   \$4.5b United States	<b>US (NASDAQ)</b> 36 IPOs   \$3.9b United States	<b>Canadian Securities Exchange (CSE)</b> 2 IPOs   \$0.02b Canada	
<b>Sectors by number of IPOs</b>	<b>Health and life sciences</b> 12 IPOs   \$2.6b	<b>Technology</b> 12 IPOs   \$2.3b	<b>Industrials</b> 8 IPOs   \$0.3b	
<b>IPOs by largest proceeds</b>	<b>Amer Sports Inc.</b> \$1.6b   Consumer products NYSE February	<b>Kaspi.kz JSC</b> \$1.0b   Technology NASDAQ January	<b>American Healthcare REIT Inc.</b> \$0.8b   Real estate NYSE February	
<b>Equity indexes</b>	<b>Dow Jones Industrial Average</b> +2.9% United States	<b>S&amp;P 500</b> +8.0% United States	<b>NASDAQ Composite</b> +7.3% United States	<b>Ibovespa</b> -5.4% Brazil
				<b>S&amp;P/TSX Composite</b> +4.2% Canada
<b>Volatility indexes</b>	<b>Chicago Board Options Exchange's CBOE Volatility Index (VIX®)</b> <ul style="list-style-type: none"> <li>▶ Current: 14.33</li> <li>▶ YTD average: 13.80</li> <li>▶ 10-year average: 18.09</li> </ul>			

Index level is as of 18 March 2024. + or - indicates change since 31 December 2023.

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Sources: Dealogic, S&P Capital IQ.

Asia-Pacific

## Slow public offerings in the opening of the year amid economic uncertainties

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The Asia-Pacific IPO markets have been maneuvering through a challenging environment marked by economic uncertainties, market volatility and the complexities of a global election year. While cautiously waiting for a more favorable window to emerge, companies on the sidelines should fine-tune their equity stories and examine their business models, AI implications, supply chain reform, financials and growth strategies as integral steps toward achieving successful listings.

**Ringo Choi**

EY Asia-Pacific IPO Leader

# Asia-Pacific IPO market

## Review

- ▶ Driven by a subdued IPO market sentiment across the region, Asia-Pacific IPO activity in Q1 recorded 119 deals and US\$5.8b in proceeds, down 34% and 56% YOY, respectively. This decline was especially sharp in Mainland China and Hong Kong, with the number of deals decreasing by more than half and deal size falling by nearly two-thirds. Technology, industrials, consumer products and materials were the top sectors in the region in Q1.
- ▶ Amid the concerns of a weak recovery in China and global economic uncertainties, ASEAN logged 38 IPOs, raising US\$1.0b, a fall of 27% by numbers and 31% by proceeds. Indonesia and Malaysia continued to be the main destinations and issuers in the region, despite a quiet market in the first quarter. Some IPO candidates in Indonesia delayed their IPO timing due to the February general election. The number of listings by Thai issuers decreased by 50% as companies need more time to meet the new listing regimes that require three years of audited financial statements.
- ▶ Despite a decline in IPO proceeds, Japan stood out as the only market in the region that witnessed a marginal increase by number of deals in the first quarter. The country saw 20 IPOs primarily led by the technology, consumer and retail sectors. Governance reforms, improved earnings and renewed interest by foreign investors have led to a resurgence in the Nikkei Index, which hit an all-time high in February.
- ▶ South Korea also experienced declines in both volume and value, raising US\$0.4b via 14 IPOs in this quarter. And Oceania registered a total of five IPOs, of which four are engaged in natural resources.

## Outlook

- ▶ It is likely that future listings in Mainland China will require more stringent vetting and prolonged registration procedures. To that end, pending blockbuster IPOs will likely postpone going public until conditions improve.
- ▶ In ASEAN, as inflationary pressures ease and expected interest rate cuts materialize to boost fiscal measures, more companies on the sidelines may consider IPOs in the second half of 2024 or the first half of 2025.
- ▶ Indonesia has been moving up the value chain, transitioning from exporting electric vehicle (EV) raw materials, such as nickel, to producing EV batteries and finished products like motorbikes. These sectors continue to be attractive for IPOs in the country. In early March, the Indonesia Stock Exchange (IDX) reported that IPO pipelines remained robust, with approximately two dozen confirmed listings on the horizon.
- ▶ In March 2024, the Bank of Japan (BOJ) has abandoned its negative interest rate policy and yield curve control (YCC) and started raising rates. This shift in monetary policy may lead some IPO candidates to adopt a more cautious “wait-and-see” approach until the implications of the change become clearer.
- ▶ Environmental, social and governance (ESG) continues to drive a number of new IPOs in Asia-Pacific, as more countries seek to reach net zero emissions. This is fueling investor interest in renewable energy and companies that produce EV products.

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Sources: EY analysis, Dealogic.



# Mainland China and Hong Kong IPO market

## Review

- ▶ The China A-share stock market exhibited high volatility in Q1 2024. The Shanghai SSE Composite Index hit a five-year low in February, sending market sentiment to a freezing point, before picking up thereafter. A recent decision by the Chinese policymakers to impose stricter rules for share offerings prompted many companies to pull back on their plans to go public. As a result, the A-share IPO activity slowed down significantly in the first quarter of the year, with only 30 IPOs issued, raising US\$3.4b. IPO number and proceeds plummeted to the lowest level since 2020. Meanwhile, IPO withdrawals climbed as applications declined.
- ▶ The Chinese government has implemented various measures aimed at improving market sentiment and enhancing the stability of the capital market. In a significant development in the first quarter of the year, all stock exchanges in China released draft guidelines on sustainability disclosure, signaling a heightened focus on ESG factors. Additionally, the Beijing Stock Exchange (BSE) introduced targeted initiatives to promote the listings and growth of high-quality enterprises, with a particular emphasis on companies engaged in specialized and sophisticated technologies.
- ▶ In Hong Kong, the Hang Seng Index (HSI) has been on a downward trajectory for four consecutive years, with persistently low market valuations, significant capital outflows and reduced market liquidity. This has caused many IPO candidates to delay their plans as valuations do not meet stakeholders' expectations. On the investor side, facing a market with low valuations has led to a lack of active investor participation and low trading volumes, making it challenging to accommodate larger-scale IPOs. So far this year, there have been only 10 IPOs, with two exceeding US\$100m in deal size, marking a historic low since 2010 by proceeds.
- ▶ In recent years, Hong Kong's IPO market has been dominated by Mainland Chinese companies, and Hong Kong is taking proactive steps to maintain this trend. To further solidify its position as the preferred listing destination for Chinese enterprises, Hong Kong is streamlining its approval process and actively promoting itself to Mainland companies as a preferred location for public offerings.

## Outlook

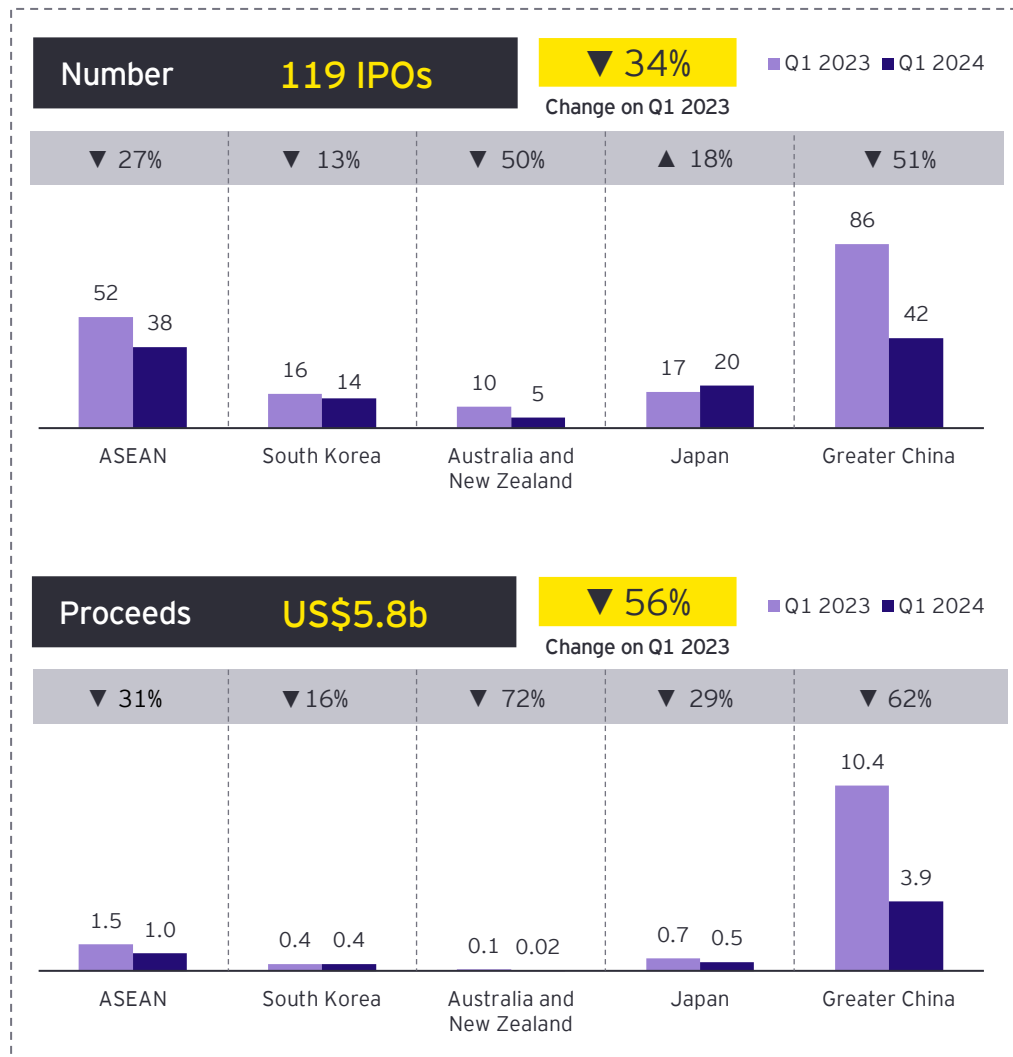
- ▶ The tightening of public offerings in the China A-share market is expected to persist for some time, with both the number of IPOs and proceeds anticipated to continue declining.
- ▶ However, there are still more than 600 companies in the backlog awaiting A-share listings, and first-day returns for newly listed firms have remained favorable.
- ▶ In Hong Kong, the recently announced Hong Kong Budget 2024-25 ushered in favorable policies for the stock market, bonds, property market and connectivity. The Hong Kong government has been making efforts to enhance market liquidity and continues to attract funds from Europe, America, and new sources like the Middle East.
- ▶ Two crucial factors could boost Hong Kong's IPO market: a potential interest rate cut and signs of economic recovery in Mainland China and Hong Kong. Regardless of the sluggish market, more than 70 local companies are currently in the pipeline, alongside more than 20 companies hailing from the Mainland.

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Sources: EY analysis, Dealogic.

# Asia-Pacific: a slow start of the year, with Japan seeing moderate growth by number of IPOs

All amounts in US\$

Q1 2024



<b>Stock exchanges by proceeds</b>	<b>Shanghai (SSE and STAR)</b> 11 IPOs   \$2.1b Mainland China	<b>Shenzhen (SZSE and Chinext)</b> 11 IPOs   \$1.0b Mainland China	<b>Tokyo (Prime, Growth, Standard, REIT, Pro Market)</b> 20 IPOs   \$0.5b Japan		
<b>Sectors by number of IPOs</b>	<b>Technology</b> 28 IPOs   \$1.9b	<b>Industrials</b> 25 IPOs   \$1.4b		<b>Consumer products</b> 16 IPOs   \$0.2b	
<b>IPOs by largest proceeds</b>	<b>Grandtop Yongxing Group Co., Ltd.</b> \$0.3b   Energy Shanghai January	<b>SolaX Power Network Technology (Zhejiang) Co., Ltd.</b> \$0.3b   Technology Shanghai January		<b>Trial Holdings Inc.</b> \$0.3b   Retail Tokyo March	
<b>Equity indexes</b>	<b>Hang Seng</b> -1.8% Hong Kong	<b>Shanghai Composite</b> +3.7% Mainland China	<b>Nikkei</b> +18.8% Japan	<b>ASX</b> +1.1% Australia	<b>KOSPI</b> +1.2% South Korea
<b>Volatility indexes</b>	<b>The HSI Volatility Index (VHSI)</b> <ul style="list-style-type: none"> <li>▶ Current: 22.60</li> <li>▶ YTD average: 24.91</li> <li>▶ 10-year average: 21.27</li> </ul>				

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Sources: Dealogic, S&P Capital IQ.

Europe, Middle East, India and Africa

## EMEIA held steady and moved into top spot in global IPO market share

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EMEIA saw a good start into the new year, with IPO activity increasing 40% by number and 58% by proceeds. IPOs are back in the headlines and in the spotlight of investors. Interest rates are set to recede and rallying markets are opening windows of opportunity for well-prepared companies to take action and test the waters.

**Dr. Martin Steinbach**

EY EMEIA IPO Leader

# EMEIA IPO market

## Review

- ▶ Amid the challenging backdrop of global economic uncertainty, a slowdown in China, ongoing geopolitical tensions and the implications of the US election outcome, the EMEIA IPO market has demonstrated remarkable resilience. Stock markets have rallied and equity volatility indexes have remained low, holding steady in the face of central banks' tightening measures.
- ▶ The region started the year with an impressive surge in IPO activity, launching 116 IPOs, primarily bolstered by India. In addition to the 40% YOY growth by number, the region also achieved a 58% growth in IPO proceeds, totaling US\$9.5b in the first quarter. The growth is attributed to larger average deal sizes from IPOs in Europe and India, which enabled EMEIA to maintain first place in global IPO market share by proceeds since Q4 2023.
- ▶ EMEIA's strong performance was underscored by its contribution to the top 10 global IPO transactions. Six of the top 10 listings were originated from EMEIA, with two companies opting for cross-border listings in the US: Finland's Amer Sports and Kazakhstan's Kaspi.kz JSC. Out of these six top deals, four stood out as mega IPOs, exclusively coming from the EMEIA region.
- ▶ India's IPO market has kept a strong upward trajectory. Alongside a notable YOY increase in number of deals, the market witnessed more listings of larger deals, accumulating a total of US\$2.4b raised through 79 IPOs.
- ▶ Hot on the heels of Birkenstock's US listing last year, this quarter Germany celebrated another major IPO event with PE-backed Douglas AG, a home country listing this time.
- ▶ In the Middle East, Saudi Arabia also maintained strong performance, with eight IPOs generating US\$0.7b.

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Sources: EY analysis, Dealogic.

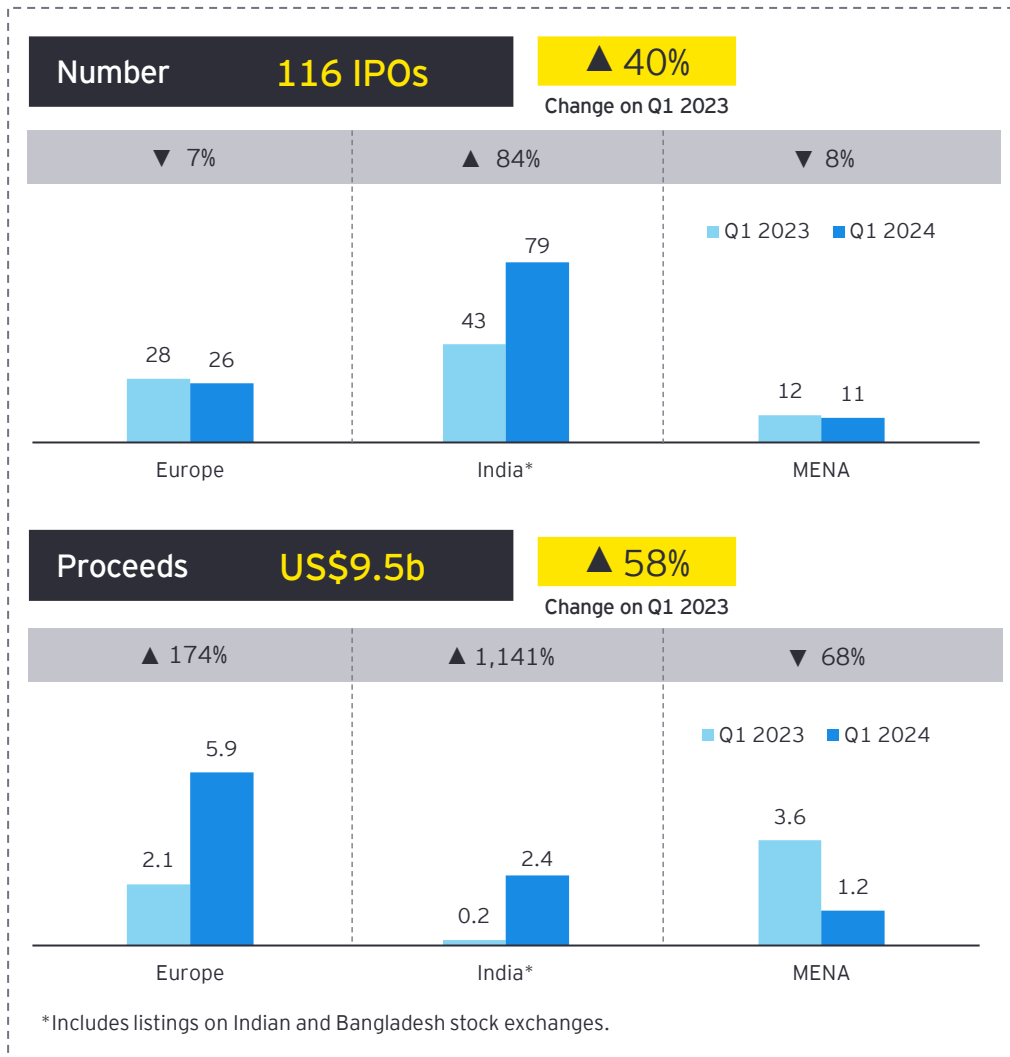
## Outlook

- ▶ Recovery across Europe is picking up, with higher expectations set for the second-half of 2024 as directions of monetary policy and regulatory reforms become more foreseeable for issuers and investors alike.
- ▶ Some "mature" and high-profile companies have signaled their intention to go public, which indicates a growing appetite for new listings and a potential wave of significant IPOs on the horizon. Included in this upturn are more public debuts of portfolio companies backed by PE firms. Nevertheless, some new market entrants in Europe could opt for smaller offering sizes, a strategic move aimed at mitigating market risks.
- ▶ The 2024 US presidential election holds significant potential to broadly impact equity markets because of the US's pivotal role in shaping the global economic, trade and geopolitical scenarios. The election outcome could alter US foreign policies and potentially recalibrate US-China relations and redefine regional conflicts, among other critical factors. Amid this heightened uncertainty, the US election stands to largely sway global investor sentiment and possibly influence companies' IPO strategies and timings.
- ▶ ESG-focused equity stories continue to gain momentum in the IPO market. Investors are showing stronger preference on companies that showcase ESG credentials, recognizing the long-term value creation potential of sustainable business practices.
- ▶ In addition to ESG considerations, investors are also seeking companies with profitable and sustainable business cases, high-quality equity stories and the potential for value creation post-IPO. This shift in investor preferences highlights the importance of companies presenting compelling growth narratives and demonstrating their ability to generate long-term shareholder value.

# Europe, Middle East, India and Africa: region showed resilience in market uncertainties and hit 40% of global share, dominating IPO proceeds

All amounts in US\$

Q1 2024



<b>Stock exchanges by proceeds</b>	<b>India (National and Bombay)</b> 79 IPOs   \$2.4b India	<b>Switzerland (SIX)</b> 1 IPO   \$2.4b Switzerland	<b>Deutsche Börse (Main and Scale)</b> 2 IPOs   \$1.6b Germany				
<b>Sectors by number of IPOs</b>	<b>Industrials</b> 26 IPOs   \$2.4b	<b>Consumer staples</b> 15 IPOs   \$0.7b	<b>Consumer products</b> 13 IPOs   \$0.6b				
<b>IPOs by largest proceeds</b>	<b>Galderma Group AG</b> \$2.4b   Health and life sciences Switzerland March	<b>Douglas AG</b> \$1.0b   Retail Germany March	<b>Athens International Airport</b> \$0.8b   Industrials Greece February				
<b>Equity indexes</b>	<b>BSE SENSEX</b> +0.7% India	<b>CAC 40</b> +8.0% France	<b>DAX 40</b> +7.1% Germany	<b>EURO STOXX 50®</b> +7.3% Europe	<b>FTSE 100</b> -0.1% UK	<b>JSE All Share</b> -5.8% South Africa	<b>Tadawul All Share</b> +7.0% Saudi Arabia
<b>Volatility indexes</b>	<b>EURO STOXX 50® Volatility (VSTOXX®)</b> ▶ Current: 13.44 ▶ YTD average: 14.01 ▶ 10-year average: 20.48		<b>VDAX-NEW® EUR</b> ▶ Current: 12.75 ▶ YTD average: 13.52 ▶ 10-year average: 20.61				

Index level is as of 18 March 2024. + or - indicates change since 31 December 2023.

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Sources: Dealogic, S&P Capital IQ.



# Appendix

# Key factors to consider for IPO candidates

## Volatility

Inflation and interest rates

Recovery of economic activities

ESG agenda

Global elections

Government policies and regulations

Geopolitical tensions/ conflicts

Global supply chain

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

IPO candidates will need to 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.

In a tight money climate with shifting investor preference toward fundamentals, companies considering public offerings must adopt a pragmatic and adaptable stance on lower valuations. Despite improvements in overall after-market performance, it is essential for companies to be well-prepared to seize on the windows of opportunity when they open.

Companies going public should conduct extensive pre-marketing and pre-IPO funding, complete with cornerstone investors, to mitigate uncertainty and improve pricing leverage.

IPO candidates should consider the impact of geopolitical risks and regional conflicts, macroeconomic factors (inflation and interest rates) and a changing regulatory environment (stock exchange reforms, securities regulations and ESG requirements).

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

Companies considering going public should weigh all options, from an alternative IPO process (direct listing or dual and secondary listings) to other financing methods (private capital, debt or trade sale).

IPO candidates should keep a close watch on election outcomes, attentively assess the potential impacts on equity stories, stakeholder interests, and if necessary, re-evaluate their IPO strategies and timings.



# Regional IPO facts and figures: Americas

Region/country	Q1 2023 Number of IPOs	Q1 2024 Number of IPOs	Change YOY%	Q1 2023 proceeds (US\$b)	Q1 2024 proceeds (US\$b)	Change YOY%
United States	33	49	48%	2.6	8.4	230%
Canada	8	3	-63%	0.1	0.0*	-82%
Brazil	0	0	NA	0.0	0.0	NA
Mexico	1	0	-100%	0.3	0.0	-100%
Jamaica	1	0	-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
<b>Americas</b>	<b>43</b>	<b>52</b>	<b>21%</b>	<b>3.0</b>	<b>8.4</b>	<b>178%</b>

\* Less than US\$0.1b proceeds.

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Source: Dealogic.

# Regional IPO facts and figures: Asia-Pacific

Region/country	Q1 2023 Number of IPOs	Q1 2024 Number of IPOs	Change YOY%	Q1 2023 proceeds (US\$b)	Q1 2024 proceeds (US\$b)	Change YOY%
Indonesia	28	20	-29%	0.8	0.2	-73%
Thailand	12	6	-50%	0.4	0.3	-21%
Singapore	1	1	0%	0.0*	0.0*	29%
Malaysia	10	9	-10%	0.3	0.3	16%
Myanmar	0	0	NA	0.0	0.0	NA
Philippines	1	1	0%	0.0*	0.2	660%
Maldives	0	0	NA	0.0	0.0	NA
Cambodia	0	0	NA	0.0	0.0	NA
Vietnam	0	0	NA	0.0	0.0	NA
Sri Lanka	0	1	NA	0.0	0.0*	100%
<b>ASEAN</b>	<b>52</b>	<b>38</b>	<b>-27%</b>	<b>1.5</b>	<b>1.0</b>	<b>-31%</b>
Mainland China	68	30	-56%	9.5	3.4	-65%
Hong Kong	17	10	-41%	0.9	0.5	-42%
Taiwan	1	2	100%	0.0*	0.0*	99%
<b>Greater China</b>	<b>86</b>	<b>42</b>	<b>-51%</b>	<b>10.4</b>	<b>3.9</b>	<b>-62%</b>
Australia	10	5	-50%	0.1	0.0*	-72%
New Zealand	0	0	NA	0.0	0.0	NA
<b>Oceania</b>	<b>10</b>	<b>5</b>	<b>-50%</b>	<b>0.1</b>	<b>0.0*</b>	<b>-72%</b>
Japan	17	20	18%	0.7	0.5	-29%
South Korea	16	14	-13%	0.4	0.4	-16%
<b>Asia-Pacific</b>	<b>181</b>	<b>119</b>	<b>-34%</b>	<b>13.1</b>	<b>5.8</b>	<b>-56%</b>

\* Less than US\$0.1b proceeds.

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Source: Dealogic.

# Regional IPO facts and figures: EMEIA

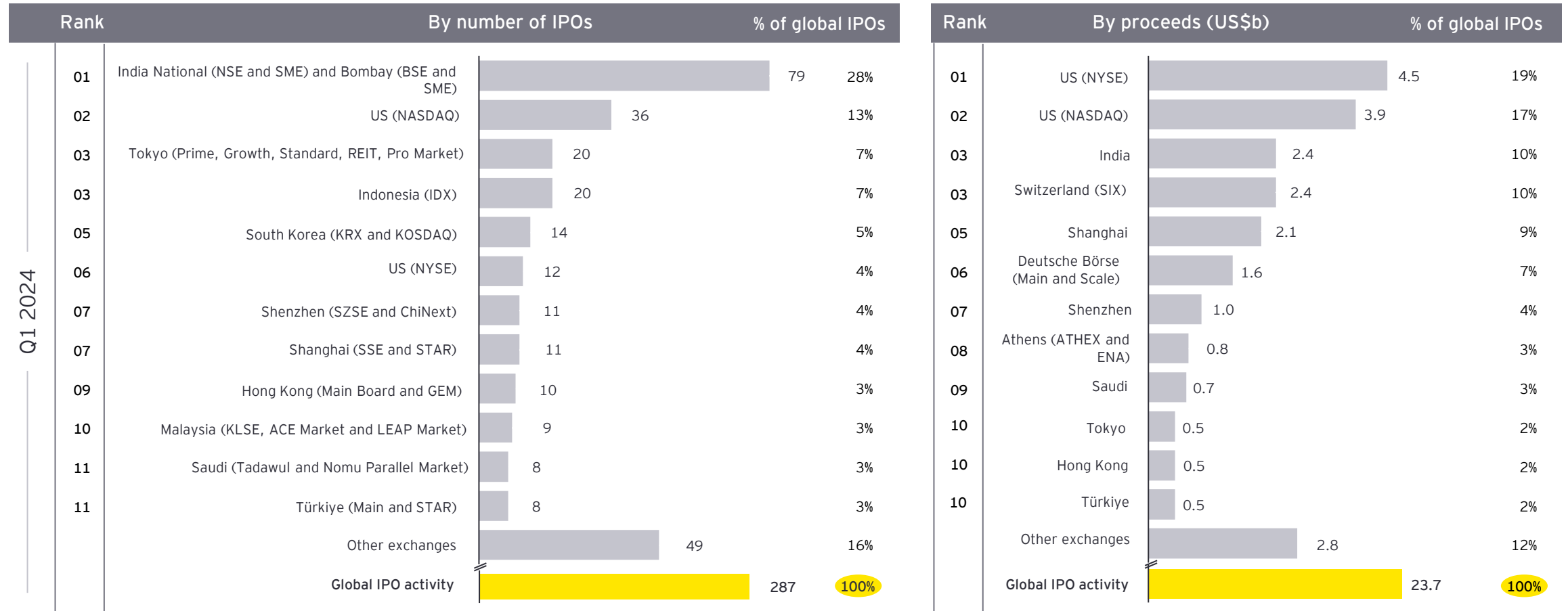
Region/country	Q1 2023 Number of IPOs	Q1 2024 Number of IPOs	Change YOY%	Q1 2023 proceeds (US\$b)	Q1 2024 proceeds (US\$b)	Change YOY%
Nordics (Denmark, Norway, Sweden and Finland)	2	1	-50%	0.2	0.0*	-97%
Central and Southern Europe (CESA)	12	14	17%	0.5	1.3	148%
Germany, Switzerland and Austria (GSA)	3	4	33%	0.8	4.0	411%
Mediterranean (Italy and Spain)	7	4	-43%	0.5	0.0*	-97%
WEM (Western Europe)	1	1	0%	0.0*	0.2	1,844%
<b>Continental Europe</b>	<b>25</b>	<b>24</b>	<b>-4%</b>	<b>2.0</b>	<b>5.5</b>	<b>175%</b>
UK and Ireland	3	2	-33%	0.1	0.4	357%
<b>Europe</b>	<b>28</b>	<b>26</b>	<b>-7%</b>	<b>2.1</b>	<b>5.9</b>	<b>174%</b>
Africa and WEM (Maghreb)	1	0	-100%	0.2	0.0	-100%
India	43	79	84%	0.2	2.4	1,141%
Middle East and North Africa	11	11	0%	3.5	1.2	-66%
<b>EMEIA</b>	<b>83</b>	<b>116</b>	<b>40%</b>	<b>6.0</b>	<b>9.5</b>	<b>58%</b>

\* Less than US\$0.1b proceeds.

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Source: Dealogic.

# US and India stock exchanges took the lead as China's exchanges slid down the rankings



Q1 2024 refers to the first quarter of 2024 and covers completed IPOs from 1 January to 18 March 2024, plus expected IPOs by 31 March 2024 (forecasted as of 18 March 2024).  
Source: Dealogic.

# Definitions

The EY organization analyzed IPO data for Q1 2024 (as of 18 March plus expected deals by 31 March 2024) to identify key IPO market trends and the outlook for the remainder of 2024. The analysis utilized data provided by Dealogic, PitchBook, S&P Capital IQ, Mergermarket and EY analysis. Special purpose acquisition company (SPAC) data are excluded from all data in this report, except where indicated.

## Methodology

- ▶ The data presented in the *EY Global IPO Trends Q1 2024* and press release are sourced from Dealogic, PitchBook, S&P Capital IQ, Mergermarket 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: **Q1 2024** covers completed IPOs from 1 January to 18 March 2024, plus expected IPOs by 31 March 2024 (forecasted as of 18 March 2024). **Q1 2023** covers completed IPOs from 1 January to 31 March 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**.
- ▶ 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, Türkiye, 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.
- ▶ **Middle East and North Africa (MENA)** includes GCC (KSA, UAE, Qatar, Kuwait and Bahrain and Oman) and Non-GCC (Egypt and others)

## 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.

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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:

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