Global IPO Watch
Q3 2023
First signs of thaw in the US and Europe, marked by a few successfully completed IPOs.

- The US IPO market is showing promising signs with a number of notable IPOs pricing this quarter, including a UK-based chip designer, Arm that made its debut on the Nasdaq stock exchange and was the largest IPO in the US this year.
- The European IPO market also saw several IPOs this quarter in Germany, France, Romania and the UK.

Mainland China has continued to lead the global IPO market with the highest IPO proceeds this quarter.

- IPO activity in China in Q3 was largely attributable to the STAR market that provides access to public funding for home-grown technology companies.
- Despite being the leading market this quarter, the effect of the slowdown in the Chinese economy has led to a decline in IPO proceeds by more than 50% in Q3 2023 ($12bn) compared to Q3 2022 ($25bn).

Developments in the macroeconomic environment continue to shape the performance of the global equity markets.

- The direction of travel of interest rates and inflation continue to drive equity markets. Despite the general market expectation that by the end of this quarter, central banks would be ending their respective interest rate hike campaigns, there is still uncertainty whether another interest rate hike will be required to control inflation amid labour market shortages and disruptions in the global supply chain.
- Major global equity indices continue to trade in positive territory this year as central banks are aiming for the soft landing of the US and Eurozone economies.

Technology remained the dominant sector for IPO issuance globally, with the renewable energy sector also gaining momentum.

- South Korea raised almost 70% of its IPO proceeds from semiconductor and technology companies. The US and Japanese stock exchanges have also seen a buzz around AI technology companies this quarter. The emergence of AI focused companies will give a further boost to tech sector IPOs.
- Some of the largest IPOs in Europe, including Romania, Germany, France and Turkey, were from the renewable energy sector.

The functioning secondary market in Europe points to investable cash being available for quality issuers.

- The secondary issuance market showed resilience during this quarter in most developed economies, with robust volumes and relatively tight discounts signaling continued investor appetite for quality names, which is also a good precursor to a recovery of the IPO market.
- The London Stock Exchange was the leading exchange for follow-on issuance in Europe in Q3 in terms of the number of transactions and proceeds raised.

Middle East IPO markets remained active this quarter, with a growing IPO pipeline for next year.

- Privatisation initiatives in the region and ongoing reforms to ease restrictions on foreign companies to dual list their securities on the Saudi Stock Exchange have contributed to a strong IPO pipeline in the Middle East, while also attracting foreign capital.
Macroeconomic and equity performance overview

The major global indices have reflected mixed performance in the year to date, with the S&P 500 outperforming the FTSE 100, Stoxx Europe 600 and Shanghai Stock Exchange Composite. However, this was largely due to the strong performance of a small number of artificial intelligence (AI) related equities. In the third quarter, however, only the FTSE 100 ended in positive territory due to rising oil prices, with other major indices declining during the quarter on renewed inflation concerns.

Volatility has continued to trend around normalised levels in Q3, supporting stronger liquidity in the secondary markets. Follow-on issuances gained momentum with several significant €1bn+ offerings pricing in Europe and the London Stock Exchange being the most active market by the number of transactions and proceeds raised.

Interest rates in the US, UK and Eurozone show some signs of having reached their peak, as inflation is beginning to fall across most major economies with economic performance starting to cool. Higher rates and economic uncertainty have resulted in record inflows into money market funds in the US in 2023.

Continued investor and market uncertainty has been reflected in the response to what would typically be viewed as good news, such as falling unemployment, being seen as raising the risk of further interest rate hikes to tame inflation. Investor concerns around the prospect of rates remaining elevated for longer within the US, UK and Eurozone has also been reflected in equity market performance.

Concerns have been growing regarding the strength of the Chinese economy, where consumer prices fell into negative territory for the first time in 2 years in July, before rebounding into positive territory again in August. This economic uncertainty in China has negatively affected the performance of the Chinese stock markets as reflected in the Shanghai Stock Exchange Composite.

The low level of inflation in China, however, did not (and is not expected to) lead to significant reductions in inflation in advanced economies due to the many other costs incurred after products are exported that are reflected in consumer product prices.
Equity issuance and outlook

Equity issuance update for Q3 2023

US equity issuance showed the first signs of life, after a prolonged period of muted IPO activity, reassuring the market about the prospects of the US equity market.

In Europe, the IPO of Hidroelectrica, a Romanian renewable energy producer, was the largest listing in the history of the Bucharest Stock Exchange, securing $2bn of IPO proceeds. Other companies from a renewable energy sector also priced their IPOs this quarter in Germany, France and Turkey.

Mainland China’s 2023 YTD IPO proceeds were reduced by 25% to $43bn, compared to IPO proceeds of the respective period in 2022 ($57bn), reflecting the slowdown of the Chinese economy. India has so far demonstrated consistent growth this year across the primary and secondary public equity markets.

While the IPO market is slowly recovering in the US and Europe, the secondary issuance market kept its momentum in the third quarter. Overall, FO issuance so far this year has been ahead of the FO proceeds in the respective quarters of the previous year.

Outlook

While uncertainties over the macroeconomic environment and geopolitics across regions continue to impact equity market sentiment, some stability in equity markets and signs of interest rates peaking are paving the way for the reopening of IPO markets in the US, followed by Europe. However, as central banks continue to fine-tune the economic slowdown, which will help stabilise economic growth and moderate inflation, further interest rate hikes can not be ruled out.

Pricing of recent IPOs points to the fact that private equity valuations may require adjustment to align with pricing in the public equity market. A solid equity story, supported by a more established business model, financial track record and strong marketing programme, combined with a price range balanced to achieve investor demand, were key to the success of recent IPOs. Going forward, investors will continue to look for a balance between growth and profitability at a reasonable price.

Looking ahead, IPO market activity will be heavily dependent on the stability of the macroeconomic environment as well as a positive track record of recent post-IPO performance. Continued stabilisation of economic circumstances will support an increased optimism of renewed IPO markets through 2024. However, with the remaining uncertainties, this is more likely to be measured and perhaps weighted more towards later in 2024.
IPO and FO proceeds - by geography

IPO proceeds by region ($bn)

- Americas
- Asia Pacific
- EMEA

Q3 2023 IPO proceeds by country

- China
- United States
- India
- Romania
- Saudi Arabia
- Germany
- Japan
- Hong Kong (SAR)
- South Korea
- Turkey
- Others

Source: Dealogic with PwC analysis

FO proceeds by region ($bn)

- Americas
- Asia Pacific
- EMEA

Q3 2023 FO proceeds by country

- United States
- China
- India
- United Kingdom
- Japan
- Australia
- Brazil
- Denmark
- Hong Kong (SAR)
- Belgium
- Others

Source: Dealogic with PwC analysis
The Computer & Electronics sector IPO proceeds were dominated by the $5.2bn IPO of Arm, which accounted for more than the next 25 IPOs in this sector combined. The other notable category of IPOs in this sector in Q3 is Chinese tech manufacturers which account for a further $2.6bn of proceeds. Hidroelectrica, the Romanian electricity producer, accounted for the vast majority ($2bn) of the Utility & Energy IPO proceeds this quarter.

The Computers & Electronics sector largest FO proceeds were from the accelerated bookbuilds of Hua Hong Semiconductor ($2.9bn) and Socionext ($1.3bn), which manufacture chips and develop system-on-chip products respectively. AerCap Holdings and London Stock Exchange Group accelerated bookbuild FOs account for a combined $5.3bn of the Finance sectors proceeds. The AmerisourceBergen Corp FO of $2bn was the largest in the Healthcare sector this quarter.
IPO and FO activity per region

**Americas**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$216.3bn</td>
<td>$190.1bn</td>
<td>$330.5bn</td>
<td>$140.7bn</td>
</tr>
<tr>
<td>2020</td>
<td>$1,684</td>
<td>$1,066</td>
<td>800</td>
<td>732</td>
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<tr>
<td>2021</td>
<td>1,197</td>
<td>$337.7bn</td>
<td>1,006</td>
<td>800</td>
</tr>
<tr>
<td>2022</td>
<td>740</td>
<td>975</td>
<td>1,019</td>
<td>630</td>
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<tr>
<td>2023</td>
<td>480</td>
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**EMEA**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>$53.2bn</td>
<td>$28.1bn</td>
<td>$39.9bn</td>
<td>$16.2bn</td>
</tr>
<tr>
<td>2020</td>
<td>129</td>
<td>167</td>
<td>459</td>
<td>163</td>
</tr>
<tr>
<td>2021</td>
<td>109</td>
<td>53.4bn</td>
<td>163</td>
<td>119</td>
</tr>
<tr>
<td>2022</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>109</td>
<td></td>
<td></td>
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**Asia-Pacific**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$71.7bn</td>
<td>$113.1bn</td>
<td>$107.7bn</td>
<td>$60.6bn</td>
</tr>
<tr>
<td>2020</td>
<td>650</td>
<td>735</td>
<td>1,108</td>
<td>880</td>
</tr>
<tr>
<td>2021</td>
<td>800</td>
<td>$162.3bn</td>
<td>$107.7bn</td>
<td>$60.6bn</td>
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<tr>
<td>2022</td>
<td>550</td>
<td>800</td>
<td>1,457</td>
<td></td>
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<tr>
<td>2023</td>
<td>768</td>
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</tr>
</tbody>
</table>

Source: Dealogic with PwC analysis
## Top 10 largest IPOs - 2023 YTD

Note: current price is at 29 September 2023

<table>
<thead>
<tr>
<th>Pricing date</th>
<th>Issuer name</th>
<th>Issuer Country</th>
<th>Sector</th>
<th>Exchange</th>
<th>Money raised</th>
<th>Aftermarket performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-Sep-23</td>
<td>Arm Holdings plc</td>
<td>United Kingdom</td>
<td>Computers &amp; Electronics</td>
<td>NASDAQ-US</td>
<td>$5.2bn</td>
<td>1-day: 25%</td>
</tr>
<tr>
<td>3-May-23</td>
<td>Kenvue Inc</td>
<td>United States</td>
<td>Consumer Products</td>
<td>New York Stock Exchange-NYSE</td>
<td>$4.4bn</td>
<td>1-day: 22%</td>
</tr>
<tr>
<td>3-Mar-23</td>
<td>ADNOC Gas PLC</td>
<td>United Arab Emirates</td>
<td>Oil &amp; Gas</td>
<td>Abu Dhabi Securities Exchange</td>
<td>$2.5bn</td>
<td>1-day: 19%</td>
</tr>
<tr>
<td>5-Jul-23</td>
<td>Hidroelectrica SA</td>
<td>Romania</td>
<td>Utility &amp; Energy</td>
<td>Bucharest Stock Exchange-BVB</td>
<td>$2.0bn</td>
<td>1-day: 6%</td>
</tr>
<tr>
<td>19-Apr-23</td>
<td>Nexchip Semiconductor Corp</td>
<td>China</td>
<td>Computers &amp; Electronics</td>
<td>Sci-Tech Innovation Board (STAR Market)</td>
<td>$1.9bn</td>
<td>1-day: 0%</td>
</tr>
<tr>
<td>25-Apr-23</td>
<td>SMEC</td>
<td>China</td>
<td>Computers &amp; Electronics</td>
<td>Sci-Tech Innovation Board (STAR Market)</td>
<td>$1.8bn</td>
<td>1-day: 11%</td>
</tr>
<tr>
<td>20-Sep-23</td>
<td>Ades Holding Co</td>
<td>Saudi Arabia</td>
<td>Oil &amp; Gas</td>
<td>Saudi Stock Exchange</td>
<td>$1.2bn</td>
<td>1-day: N/A</td>
</tr>
<tr>
<td>28-Mar-23</td>
<td>Shaanxi Energy Investment Co Ltd</td>
<td>China</td>
<td>Utility &amp; Energy</td>
<td>Shenzhen Stock Exchange</td>
<td>$1.0bn</td>
<td>1-day: 48%</td>
</tr>
<tr>
<td>7-Jul-23</td>
<td>Baitec Material Co Ltd</td>
<td>China</td>
<td>Aerospace</td>
<td>Sci-Tech Innovation Board (STAR Market)</td>
<td>$1.0bn</td>
<td>1-day: -19%</td>
</tr>
<tr>
<td>30-May-23</td>
<td>CSI Solar Co Ltd</td>
<td>China</td>
<td>Computers &amp; Electronics</td>
<td>Sci-Tech Innovation Board (STAR Market)</td>
<td>$1.0bn</td>
<td>1-day: 18%</td>
</tr>
</tbody>
</table>

Source: Capital IQ and Dealogic with PwC analysis as of 29 September 2023
# Top 10 largest FOs - 2023 YTD

Note: current price is at 29 September 2023

<table>
<thead>
<tr>
<th>Pricing date</th>
<th>Issuer name</th>
<th>Issuer country</th>
<th>Sector</th>
<th>Exchange</th>
<th>Deal type</th>
<th>Money raised</th>
<th>Aftermarket performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-Mar-23</td>
<td>Japan Post Bank Co Ltd</td>
<td>Japan</td>
<td>Finance</td>
<td>TSE - Prime</td>
<td>FO - Fully Marketed</td>
<td>$9.0bn</td>
<td>N/A 16%</td>
</tr>
<tr>
<td>5-Sep-23</td>
<td>Enbridge Inc</td>
<td>Canada</td>
<td>Oil &amp; Gas</td>
<td>New York Stock Exchange-NYSE</td>
<td>FO - Bought Deal</td>
<td>$3.4bn</td>
<td>1% 1%</td>
</tr>
<tr>
<td>17-May-23</td>
<td>London Stock Exchange Group plc</td>
<td>United Kingdom</td>
<td>Finance</td>
<td>London Stock Exchange</td>
<td>FO - Accelerated Bookbuild</td>
<td>$3.3bn</td>
<td>2% 2%</td>
</tr>
<tr>
<td>24-Jul-23</td>
<td>Hua Hong Semiconductor Ltd</td>
<td>China</td>
<td>Computers &amp; Electronics</td>
<td>Sci-Tech Innovation Board (STAR Market)</td>
<td>FO - Fully Marketed</td>
<td>$2.9bn</td>
<td>2% -62%</td>
</tr>
<tr>
<td>31-May-23</td>
<td>Heineken NV</td>
<td>Netherlands</td>
<td>Food &amp; Beverage</td>
<td>Amsterdam</td>
<td>FO - Accelerated Bookbuild</td>
<td>$2.9bn</td>
<td>2% -10%</td>
</tr>
<tr>
<td>11-Sep-23</td>
<td>AerCap Holdings NV</td>
<td>Ireland</td>
<td>Finance</td>
<td>New York Stock Exchange-NYSE</td>
<td>FO - Accelerated Bookbuild</td>
<td>$2.7bn</td>
<td>2% 6%</td>
</tr>
<tr>
<td>7-Sep-23</td>
<td>London Stock Exchange Group plc</td>
<td>United Kingdom</td>
<td>Finance</td>
<td>London Stock Exchange</td>
<td>FO - Accelerated Bookbuild</td>
<td>$2.5bn</td>
<td>3% 4%</td>
</tr>
<tr>
<td>28-Mar-23</td>
<td>Link Real Estate Investment Trust</td>
<td>Hong Kong (China)</td>
<td>Real Estate/Property</td>
<td>Hong Kong Exchange-Main Board</td>
<td>FO - Rights Offer</td>
<td>$2.4bn</td>
<td>13% -13%</td>
</tr>
<tr>
<td>8-Mar-23</td>
<td>London Stock Exchange Group plc</td>
<td>United Kingdom</td>
<td>Finance</td>
<td>London Stock Exchange</td>
<td>FO - Accelerated Bookbuild</td>
<td>$2.4bn</td>
<td>4% 15%</td>
</tr>
<tr>
<td>13-Apr-23</td>
<td>China Yangtze Power Co Ltd</td>
<td>China</td>
<td>Utility &amp; Energy</td>
<td>Shanghai Stock Exchange</td>
<td>FO - Cash Placing</td>
<td>$2.3bn</td>
<td>6% 11%</td>
</tr>
</tbody>
</table>

Source: Capital IQ and Dealogic with PwC analysis as of 29 September 2023
Basis of preparation

- The **Global IPO Watch** analyses IPO and FO trends on a quarterly basis, both at a global and regional level.
- This document includes data derived from data provided under Licence by Dealogic. Dealogic retains and reserves all rights in such Licenced data.
- Only transactions with a minimum of $5 million money raised have been included.
- Transaction proceeds include the over allotment option (if exercised).
- The data excludes PIPOs and transactions on Over-The-Counter exchanges.
- In case IPOs or FOs take place on two or more exchanges, the full amount of money raised is attributed to all exchanges. The same applies to countries and regions. This does not apply to two exchanges within the same country or two countries within the same region.
- Country indicates the company's country of domicile.
- Industry classification is based on Dealogic classifications.
- Index performance is based on pricing data extracted from Capital IQ.
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