

How can you shape your IPO with confidence?

EY Global IPO Trends Q3 2024
ey.com/ipo/trends #IPO



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The better the answer.
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Shape the future
with confidence

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For this document, unless otherwise noted, Q3 2024 refers to the third quarter of 2024 and covers completed IPOs from 1 July to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). Q1-Q3 2024 refers to the first nine months of 2024 and covers completed IPOs from 1 January 2024 to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). Q1-Q3 2023 refers to the first nine months of 2023 and covers completed IPOs from 1 January 2023 to 30 September 2023. YTD 2024 IPOs reflect completed listings from 1 January to 16 September 2024. 2023 annual IPOs encompass completed IPOs listed from 1 January to 31 December in 2023.

Executive summary

Entering the last quarter of 2024, market participants find themselves standing at a pivotal juncture. The start of monetary easing, in response to subsiding inflation, suggests a new phase in the financial climate, yet the full extent of its impact remains to be seen. Amid this transition, the specter of economic deceleration, the forthcoming US presidential election, geopolitical frictions and regulatory shifts cast a shadow of uncertainty over the investment realm, posing potential challenges to the IPO market.

In Q3 2024 overall, the global IPO market experienced a mild slowdown, with market participants adopting a cautious approach in the face of escalating uncertainties. Encouragingly, IPO activity in the Asia-Pacific region picked up over the last quarter, contributing to the stabilization of global IPO figures. In the year's first three quarters, the Americas and EMEA have also showcased commendable growth, both in deal numbers and value.

As central banks increasingly pivot from inflation to growth, markets continue to interpret economic indicators, anticipate the timing and magnitude of future rate cuts and process election outcomes. This climate of uncertainty underscores the importance of focusing on quality, timing and being selective when it comes to taking a company public.

Nevertheless, optimism remains high. The global IPO market is poised to show tenacity through the remainder of 2024, buoyed by softening global interest rates and the alleviation of inflationary pressures. These changes are creating favorable conditions for new listings. Healthy IPO returns, which have consistently met or outperformed benchmark indices, add to the positive outlook. Strong capital markets in key regions, such as the US, Europe and India, are further bolstering positive sentiment.

Additionally, as the cost of borrowing decreases, there is a broadening of IPO activity across IPO sectors, including sectors traditionally sensitive to interest rates, such as health and life sciences, financials, and real estate. The rapid growth and investment in artificial intelligence (AI) technologies have fueled IPO participation across tech and infrastructure sectors, further diversifying the market.

Cross-border listings are expected to sustain their momentum, as market participants recalibrate their strategies in pursuit of optimal locations and returns, facilitated by more accommodating listing regulations.

The persistently lower private equity- (PE) and venture capital- (VC) exit activity over recent years has created a growing backlog of portfolio companies poised for monetization. A resurgence in PE-backed mega IPOs and VC-backed unicorns is taking shape, as current valuation levels become more favorable for launching mature, high-value portfolio companies into the public market. Additionally, sizeable entities resulting from spin-offs and carve-outs are gearing up to go public at opportune moments.

Markets and businesses are preparing for what's to come, anticipating the next chapter in the evolving economic, political and geopolitical landscape – and positioning themselves for when the right opportunity presents itself.



Despite turbulent waters, the global IPO market maintains an optimistic outlook for the remainder of 2024.

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Investors are gearing up for a more volatile second half of 2024. As inflation and interest rates recede, other emerging factors are taking precedence in influencing IPO decisions.

In this environment of heightened uncertainty, well-timed market entries and compelling equity narratives are crucial for businesses looking to capitalize on IPO opportunities.



George Chan
EY Global IPO Leader

IPO activity review

Q3 2024

Despite a slow IPO quarter overall, the US and India were among the few markets that continued to witness heightened listing activity.

India launched more than 100 IPOs in the third quarter of 2024, marking its highest level of public offerings in a single quarter over two decades.

	Number			Proceeds (US\$b)		
	Q3 2023	Q3 2024	% change	Q3 2023	Q3 2024	% change
Global	359	310	-14%	38.3	24.9	-35%
Americas	41	57	39%	9.2	8.4	-8%
<i>% of global</i>	<i>11%</i>	<i>18%</i>		<i>24%</i>	<i>34%</i>	
Asia-Pacific	198	109	-45%	20.9	9.6	-54%
<i>% of global</i>	<i>55%</i>	<i>35%</i>		<i>54%</i>	<i>38%</i>	
EMEIA	120	144	20%	8.2	6.9	-16%
<i>% of global</i>	<i>34%</i>	<i>47%</i>		<i>22%</i>	<i>28%</i>	

EMEIA refers to Europe, the Middle East, India and Africa.
Source: Dealogic.

Q1-Q3 2024

Year-over-year (YOY), the Americas and EMEIA regions recorded double-digit growth in IPO activity.

EMEIA experienced particularly robust growth, with proceeds increasing by

45%

	Number			Proceeds (US\$b)		
	Q1-Q3'23	Q1-Q3'24	% change	Q1-Q3'23	Q1-Q3'24	% change
Global	983	870	-11%	100.8	77.6	-23%
Americas	118	146	24%	19.9	27.3	37%
<i>% of global</i>	<i>12%</i>	<i>17%</i>		<i>20%</i>	<i>35%</i>	
Asia-Pacific	575	330	-43%	60.0	20.0	-67%
<i>% of global</i>	<i>58%</i>	<i>38%</i>		<i>60%</i>	<i>26%</i>	
EMEIA	290	394	36%	20.9	30.3	45%
<i>% of global</i>	<i>30%</i>	<i>45%</i>		<i>20%</i>	<i>39%</i>	

Source: Dealogic.

Highlights

1

Q3 2024 global IPO activity defied a downturn over the last quarter amid elevated uncertainty and market volatility

2

Dynamics shift in the global IPO market as the influence of interest rates recedes and new factors emerge

3

US-China market value gap reaches record high with the US attracting the most mega and unicorn IPOs

4

Cross-border listing momentum heightened as US market hits new heights and reforms attract global companies

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A gradual broadening of IPO sectors opens doors to more diverse investor opportunities

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IPO pipelines signal sustained AI enthusiasm and emerging regional strength with diverse offerings from EMEA

For this document, unless otherwise noted, Q3 2024 refers to the third quarter of 2024 and covers completed IPOs from 1 July to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). Q1-Q3 2024 refers to the first nine months of 2024 and covers completed IPOs from 1 January 2024 to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). Q1-Q3 2023 refers to the first nine months of 2023 and covers completed IPOs from 1 January 2023 to 30 September 2023. YTD 2024 IPOs reflect completed listings from 1 January to 16 September 2024. 2023 annual IPOs encompass completed IPOs listed from 1 January to 31 December in 2023.

Q3 2024 global IPO activity defied a downturn over the last quarter amid elevated uncertainty and market volatility

In the traditionally quieter third quarter of 2024, global IPO activity demonstrated remarkable resilience in equity offerings, launching 11% more IPOs than the previous quarter, despite a YOY decline. This resilience emerged against a backdrop of heightened uncertainty, driven by weaker economic data, increased market volatility, the impending US presidential election and ongoing geopolitical tensions.

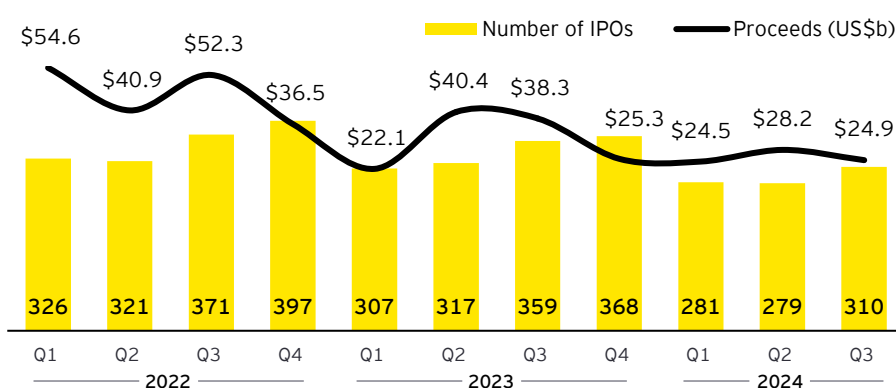
The Asia-Pacific region, which experienced an IPO slump in the first half of the year, showed signs of stabilization in Q3. Renewed activity in mainland China and Hong Kong played a pivotal role in halting the decline, thereby steadying global IPO activity.

Year-to-date (YTD) in 2024, the Americas and EMEA regions have exhibited impressive double-digit growth compared with the same period last year, despite a slowdown in global public offerings partially due to the earlier pause in Asia-Pacific IPO activity.

IPO returns YTD have consistently met or exceeded benchmark index returns across most major IPO markets, reflecting robust investor confidence amid heightened market uncertainty.

PE and VC's influence on the IPO market has grown, with PE- or VC-backed IPOs comprising six of the top 10 global IPOs and representing about one-third of all global IPO proceeds. In the Americas, these IPOs accounted for 52% of the total proceeds, underscoring a greater willingness among PE or VC firms to exit in the current IPO landscape.

2022-Q3 2024 global IPO activity by quarter



YTD IPO returns vs. benchmark index returns

Country/region	Index	YTD index return	YTD IPO return
US	S&P 500, Nasdaq Composite, Dow Jones	10.4% - 18.1%	23.9%
Europe	STOXX Europe 600	7.5%	16.5%
Mainland China	Shanghai Composite	-9.1%	26.4%
Hong Kong	Hang Seng Index (HSI)	2.2%	8.8%
Japan	Nikkei 225	9.3%	35.6%
India	BSE Sensex	14.9%	65.3%

IPO and index returns as of 16 September 2024 close; IPO return represents YTD change in common share pricing of newly listed companies, weighted by market capitalization, compared to their offer prices at the time of listings.

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

Q3 2024

With Asia-Pacific halting its decline in Q3 2024, global IPO number rose by

11%

compared with the previous quarter, though proceeds were still down by 12%.

Q3 2024

Disinflation and lower interest rates may ease capital costs and spur investment. However, new developments in economic growth, elections and geopolitical uncertainties could complicate IPO decisions and strategies across sectors and regions.

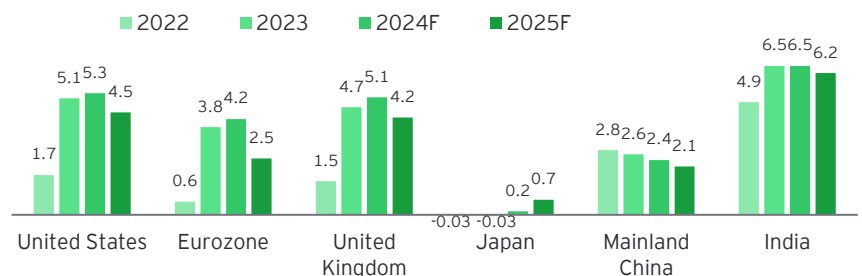
Dynamics shift in the global IPO market as the influence of interest rates recedes and new factors emerge

Elevated interest rates have significantly influenced IPO activity during the recent phase of high inflation and monetary tightening. As inflationary pressures diminish and the need to bolster economic growth becomes a priority, a global interest rate easing cycle has commenced, with advanced economies at the forefront. Lower interest rates and the easing of inflationary pressures could offer some relief to companies looking to go public by reducing the cost of capital and encouraging investment in new ventures. With increased clarity around interest rate policies, their direct influence on the IPO market trajectory may start to fade, allowing other factors to play more pivotal roles in shaping the IPO landscape. Economic headwinds and geopolitical risks might temper enthusiasm for public offerings in certain sectors and across continents, while policies from the election super cycle could add layers of complexity to the IPO decision-making process.

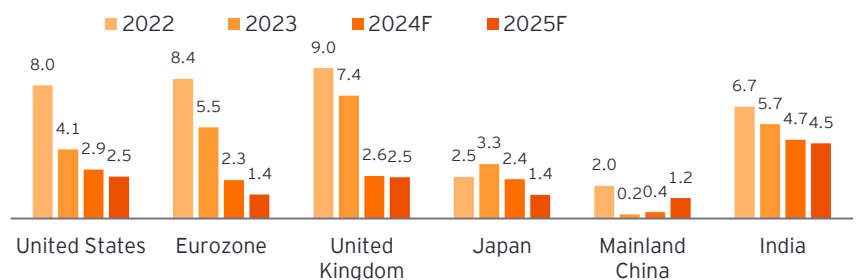
In August 2024, the Cboe Volatility Index (VIX), commonly known as the "fear index," surged to its highest level in more than four years. This spike was driven by a confluence of unsettling market forces, including weakening job reports and economic indicators, escalating geopolitical tensions, volatility in technology stocks and an increasingly contentious US presidential race. Additionally, the interest rate hike by the Bank of Japan disrupted the yen carry trade, amplifying volatility and further unsettling global markets. These challenges triggered a significant jolt to investor anxiety and market volatility.

Sellers and buyers must adapt to shifting market conditions while staying vigilant. They will need to balance their strategies between caution and the pursuit of growth opportunities amid market volatility and uncertainty.

Interest rate - actual and forecasted (%)



Inflation or CPI rate - actual and forecasted (%)



Sources: EY analysis, [Global economic outlook, September 2024](#) by EY-Parthenon, Dealogic, Oxford Economics.

US-China market value gap reaches record high with the US attracting the most mega and unicorn IPOs

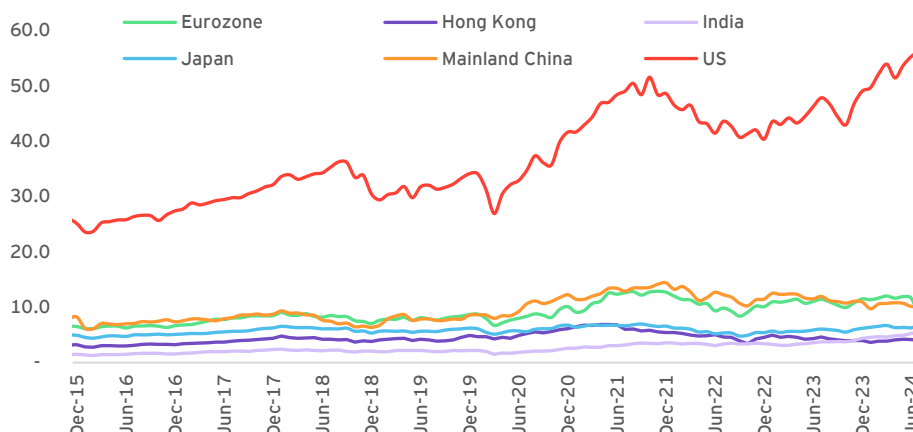
A pivot in monetary policy has investors diverting capital from cash and low-yield bonds to more appealing asset classes, such as equities. Geographically, investors have been shifting capital away from slowing economies, such as China, or geopolitically unstable countries, to more promising markets, including the US and India.

Despite looming recession concerns, the US market remains the more stable and attractive option for global investors. In YTD 2024, the market capitalization disparity between the US and China has reached an unprecedented high. The US market continues to outperform global peers, even with strong growth in countries like India and Japan in recent years. Elevated liquidity and valuation multiples, particularly in recent quarters, have strengthened investor confidence in high-profile transactions, including mega IPOs.

So far this year, mega IPOs showed a clear trend toward recovery compared with the previous year, along with a consistent resurgence of PE-backed exits via IPOs. Americas led in the listings of mega deals, driven by substantial foreign listings and also by significant domestic offerings, including the standout IPO (US\$5.1b) from Lineage, Inc. This could reflect more willingness for large businesses to enter the market while investors continue to focus on high-quality deals.

During the first three quarters of 2024, the number of unicorn IPOs decreased from 13 last year to eight this year, with tighter liquidity and higher capital costs playing a key role in the decline. Ahead of the US Federal Reserve's (Fed's) first major rate cut in late September in more than four years, investors remained cautious, favoring companies with strong fundamentals. They have also grown more prudent in the wake of underwhelming post-IPO returns from several high-profile unicorn debuts in 2023. This has led some unicorns to pause before going public until market conditions improve. Interestingly, the one area of acceleration is VC-backed exits through unicorn IPOs, with five unicorns raising a total of US\$3.7b, compared with just two in the same period last year, which raised US\$1.3b.

Market cap by major IPO markets (US\$t)



Market cap data as of July 2024. The US data represents the aggregate market capitalization of both the NYSE and NASDAQ, while Mainland China's data is the combined market capitalization of the Shenzhen and Shanghai stock exchanges.

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

Q1-Q3 2024

From zero in the first nine months of 2023 to

6

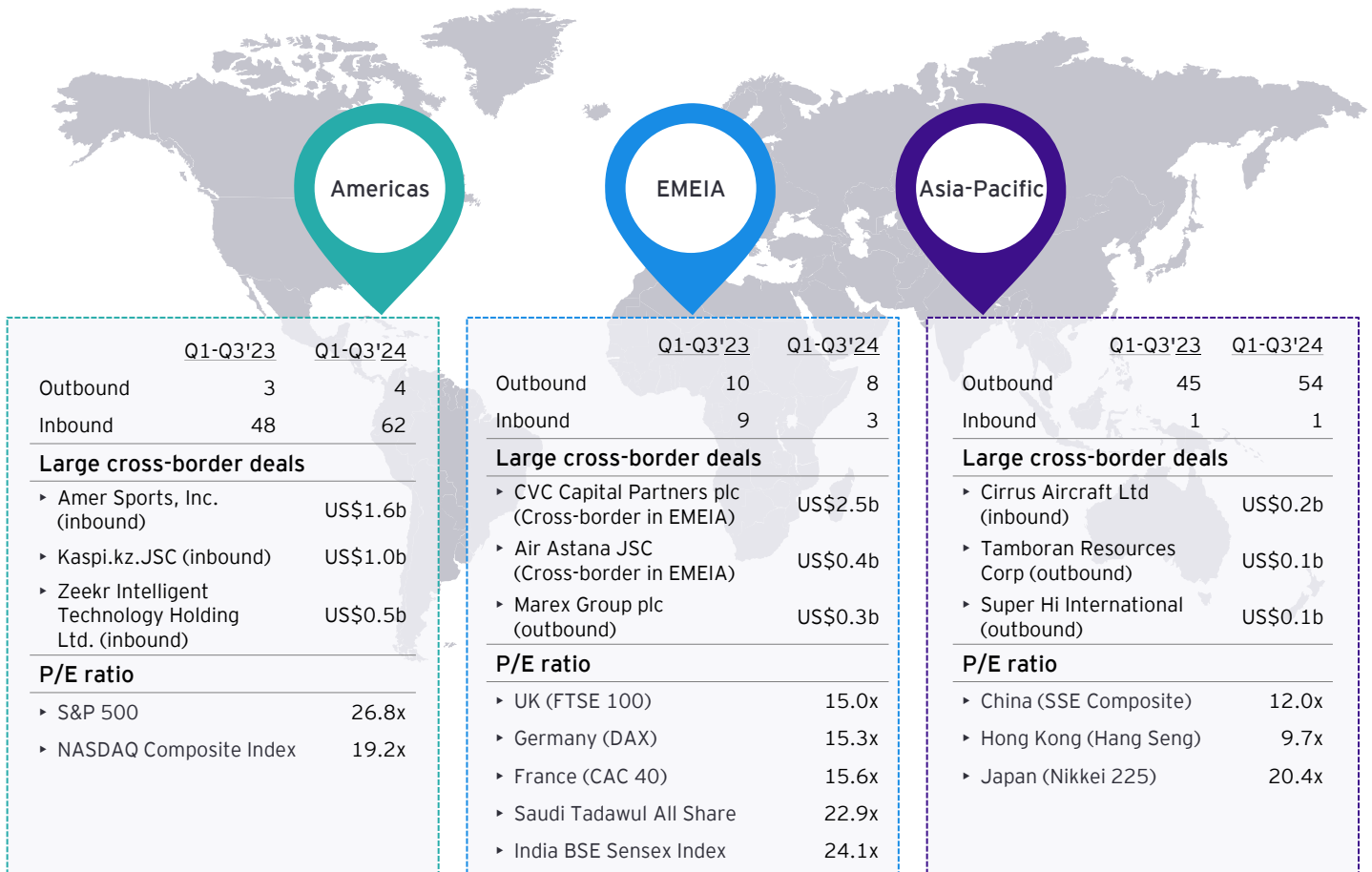
so far this year, PE-backed mega IPOs are showing recovery.

However, after last year's poor post-IPO performance of some high-profile unicorns, investors remain cautious.

Cross-border listing momentum heightened as US market soars and reforms attract global companies

The floodgates for cross-border listings have swung open. In the first three quarters of this year, 77 companies chose to list overseas—which included cross-border deals within the Americas, Asia-Pacific, and EMEIA regions—an increase from 64 during the same period last year. This represented a 20% YOY increase and accounted for 9% of global IPOs this year. Since 2023, approximately 52% of IPOs on US exchanges have been from foreign-domiciled issuers, hitting a 20-year high. While this percentage is partially caused by the generally low volume of IPOs in the last two years, it highlights a growing trend of international companies choosing US markets for their listings. In 2024, the robust US market attracted more listings from Mainland China, Hong Kong, Singapore and Australia-based businesses compared with last year, though deal sizes were smaller. As US-China audit agreements eased delisting fears, Chinese firms stopped pursuing Swiss listings this year, preferring the US for its liquidity and more advantageous valuations. Large cross-border deals, however, were dominated by Europe, with two mega transactions listed in the US and one in the Netherlands.

Cross-border listings (Q1-Q3 2024)



In 2024, the UK implemented its most significant listing reforms in decades, aiming to make London more competitive with markets such as New York. Effective from September 2024, the Hong Kong Exchange (HKEX) also eased listing requirements to encourage IPOs of specialist technology firms and de-SPAC transactions.

Stock exchanges are tailoring their listing regimes with varying degrees of changes to accommodate the evolving business landscape, where traditional financial metrics may not fully capture a company's value or potential. By adjusting listing barriers, exchanges are not only looking to attract new listings and bolster their competitiveness but also to provide investors with more opportunities to participate in the growth of a wider array of companies.

Valuation metrics like price-earnings (P/E) ratios play a critical role when companies choose their listing destinations. A higher P/E ratio signals stronger investor interest and can indicate a market's optimism about future growth. This can make certain exchanges more attractive depending on the industry and prevailing market conditions. P/E ratios are relatively high in the US, India and the Middle East, making them favored destinations for IPO candidates and investors.

During the first three quarters of 2024, the consumer sector saw a

9%

increase in global IPO share compared with the year prior, followed by health and life sciences, and real estate.

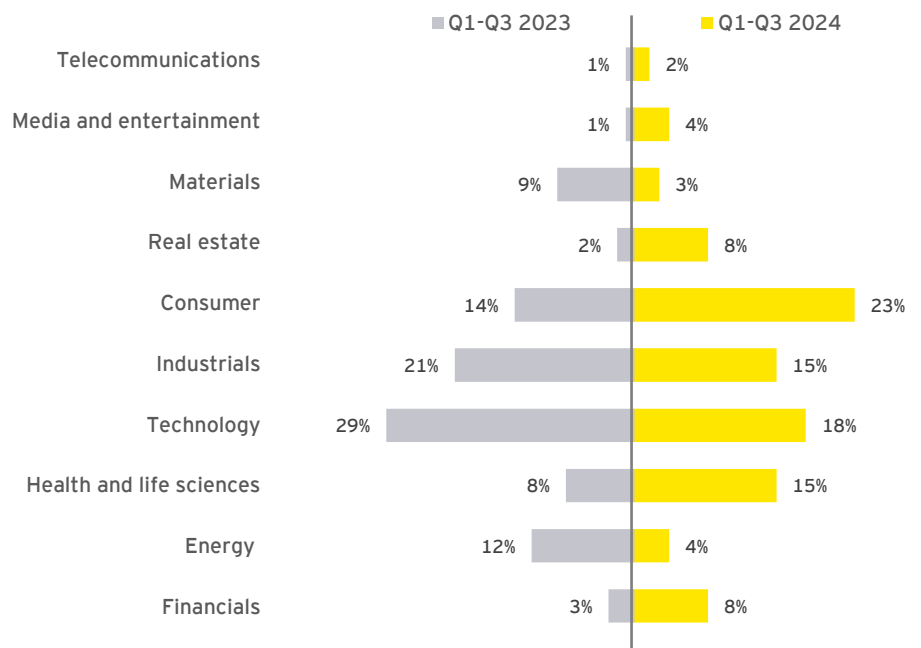
A gradual broadening of IPO sectors opens doors to more diverse investor opportunities

Monetary policy shifts can have a profound impact on IPO activity across various sectors. During the period of monetary tightening from early 2022 to the first half of this year, marked by higher interest rates, sectors less impacted by rate fluctuations, such as industrials, materials and energy, demonstrated resilience in public listings.

Conversely, capital-intensive sectors that are more affected by the cost of borrowing, such as health and life sciences, real estate, and financial services, experienced a notable decline in their global shares. As interest rates decrease, most of these sectors are seeing a resurgence in IPO activity in recent quarters. Notable IPOs contributing to this resurgence include Lineage, Inc. in real estate, raising US\$5.1b; Galderma Group AG in health and life sciences, securing US\$2.6b; and CVC Capital Partners plc in financial services with a US\$2.5b proceeds. These marquee IPOs signaled renewed investor confidence across these sectors.

Lower rates reduce the cost of capital, making it more appealing for companies in these sectors to raise funds. As the easing cycle begins and other factors take precedence, we are witnessing a gradual broadening across sectors, leaving room for more diversified investment opportunities for buyers. Despite the broader trends, IPO candidates and investors are both adopting diverse and nuanced selling and buying strategies, as they navigate a complex interplay between interest rates, regulations, new regional market dynamics and sector-specific trends in the global IPO landscape.

Sector global share by proceeds (%)



Consumer sector includes the combination of "Consumer staples", "Consumer products and services" and "Retail" sectors.

Sources: EY analysis, Dealogic.

IPO pipelines signal sustained AI enthusiasm and emerging regional strength with diverse offerings from EMEIA

In the past two years, more than 60 AI companies have gone public annually, with about half turning a profit. Despite similar revenue sizes, those listed in the last 12 months have achieved nearly double the market capitalization of companies listed the previous year. Approximately 50 AI companies are currently in IPO registration with about one-third being profitable. This trend reflects sustained investor interest in AI-driven innovations, despite challenges around profitability.

The global IPO pipeline reveals distinct sector strength across different regions in upcoming public offerings. The Americas are expected to lead in technology, health and life sciences, and financials sector IPOs, showcasing the region's strength in innovative and service-oriented industries. Meanwhile, the Asia-Pacific region is poised to dominate the IPOs in the industrial and materials sectors, reflecting its robust manufacturing base and resource-rich economies. In contrast, the EMEIA region is anticipated to present a more diverse IPO landscape, with public offerings expected across a variety of sectors.

Large carve-outs and spin-off listings are expected to continue to emerge, particularly in Europe. Although India has predominantly contributed smaller deals, it is anticipated that larger transactions will occur, originating either from domestic companies or foreign subsidiaries within the country.

YTD IPO pipeline by sector and by area

Number of IPO pipeline as a percentage of global total

	<30%	30%-39%	40%-50%
Sector	Americas	Asia-Pacific	EMEIA
Technology	45%	28%	27%
Other	45%	26%	29%
Health and life sciences	44%	27%	29%
Financials	41%	19%	40%
Industrials	19%	45%	36%
Materials	25%	41%	35%
Telecommunications	20%	30%	50%
Real estate	30%	23%	47%
Energy	31%	25%	44%
Media and entertainment	33%	25%	42%
Consumer	31%	27%	42%
Total	36%	29%	35%

Consumer industries include the combination of "Consumer staples", "Consumer products and services" and "Retail" sectors.

IPO pipeline data as of 16 September 2024.

Sources: EY analysis, Dealogic, Mergermarket, PitchBook.

Upcoming IPOs

More than

40%

of technology, health and life sciences and financials IPOs are coming from the Americas.

Area





Cautious investors showing preference for scaled companies with strong track record.

“

Today's selective IPO market continues to favor well-established, profitable companies. Those not yet operating at scale are facing hurdles in attracting investor interest.

IPO aspirants must prioritize operating leverage and profitable growth to approach the IPO process with confidence.



Rachel Gerring
EY Americas IPO Leader

Selected area and regional insights

Americas Q1-Q3 2024

YOY, Americas IPO
proceeds in Q1-Q3 2024
increased by

37%

Review

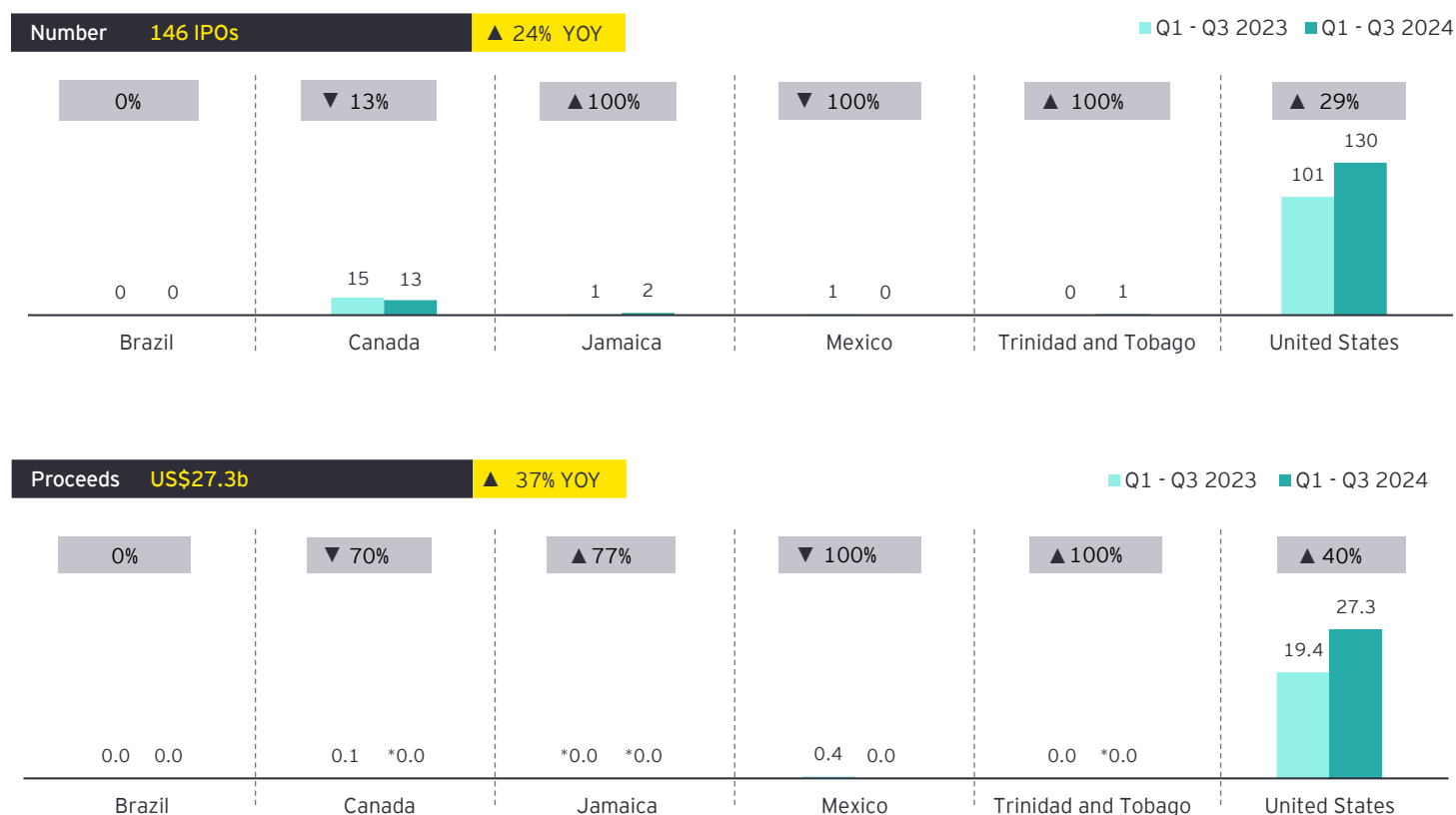
- ▶ IPO proceeds in the Americas YTD have seen a 37% increase versus the same period in 2023, driven primarily by several large deals across multiple sectors. Seventeen deals have raised more than US\$500m this year, more than doubling the full-year total of seven in 2023. Q3 2024 saw three such deals, including the largest IPO of the year to date globally, which raised US\$5.1b and accounted for 19% of YTD IPO proceeds in the Americas.
- ▶ In total, 146 IPOs in the Americas have raised US\$27.3b YTD 2024, accounting for 17% of IPOs globally and 35% of global IPO proceeds raised, a significant increase from 12% and 20% respectively in YTD 2023. The large majority of the Americas' IPOs and proceeds raised YTD were on US exchanges.
- ▶ The health and life sciences and technology sectors continue to lead IPO activity by number of deals and total proceeds. Despite the IPO market's continued preference for more established companies with a track record of performance, many larger technology companies have opted to delay their IPOs, instead relying on private funding while awaiting better conditions in the public markets.
- ▶ Several of this year's top deals on US exchanges are from non-US companies, and significant IPO readiness efforts are underway by companies around the world planning to seek US listings in the coming years.
- ▶ In Q3 2024, Canada's Toronto Stock Exchange (TSX) continued to experience an IPO drought, while Canada's TSX-V and CSE saw several micro-cap deals, mostly in the mining sector. Amid this sluggish exit market, some shareholders are looking to private equity and secondary markets to generate liquidity.

Outlook

- ▶ In the US, with market indices at or near all-time highs, a relatively healthy consumer base, tempering inflation and the fruition of long-anticipated Fed rate cuts (including a 50-basis point cut at the September meeting), we expect IPO activity to continue to progress. Caution remains in the market around the remainder of 2024 given the US presidential election in November and other uncertainties, but optimism is building for a stronger IPO market next year.
- ▶ The future of Brazil's IPO market is uncertain, with the possibility of more interest rate hikes by the Central Bank in response to inflation concerns. This situation casts doubt on the market's ability to rebound before year end in 2024. In the interim, companies are opting for private debt instruments to raise capital, while keeping an eye on the stock market for any potential opportunities ahead.

Sources: EY analysis, Dealogic.

Q1-Q3 2024: Double-digit YOY growth in IPO activity and the resurgence of health and life sciences IPOs



*Less than US\$100m in proceeds.

All amounts in US\$

Stock exchanges by proceeds	US (Nasdaq) 93 IPOs \$14.9b United States		US (NYSE) 36 IPOs \$12.4b United States		Canadian Securities Exchange (CSE) 9 IPOs \$0.03b Canada
Sectors by number of IPOs	Health and life sciences 35 IPOs \$5.9b		Technology 25 IPOs \$6.3b		Industrials 21 IPOs \$1.7b
IPOs by largest proceeds	Lineage, Inc. \$5.1b Real estate NASDAQ July		Viking Holdings Ltd. \$1.8b Media and entertainment NYSE May		Amer Sports Inc. \$1.6b Consumer products NYSE February
Equity indices	Dow Jones Industrial Average +10.4% United States	S&P 500 +18.1% United States	Nasdaq Composite +17.2% United States	Ibovespa +0.7% Brazil	S&P/TSX Composite +13.1% Canada
Volatility index	Chicago Board Options Exchange's Cboe Volatility Index (VIX) ► Current: 17.14 ► YTD average: 14.86 ► 10-year average: 18.21				

Index level as of 16 September 2024. + or - indicates change since 31 December 2023.
Sources: EY analysis, Dealogic, S&P Capital IQ.



IPO prospects should be prepared for fleeting windows amid returned liquidity. They must craft compelling equity stories that appeal to investors.

“

The third quarter brought a fresh breeze of optimism to the Asia-Pacific IPO market, with increased activity over the last quarter, reflecting a resurgence of investor confidence amid economic challenges.

Major listings have the potential to reshape the IPO landscape, yet the broader market outlook remains subject to a complex interplay of economic and geopolitical forces as well as regulatory dynamics.



Ringo Choi
EY Asia-Pacific IPO Leader

Selected area and regional insights

Asia-Pacific Q3 2024

Q3 proceeds in the Asia-Pacific region were

106%

higher than the previous quarter.

Review

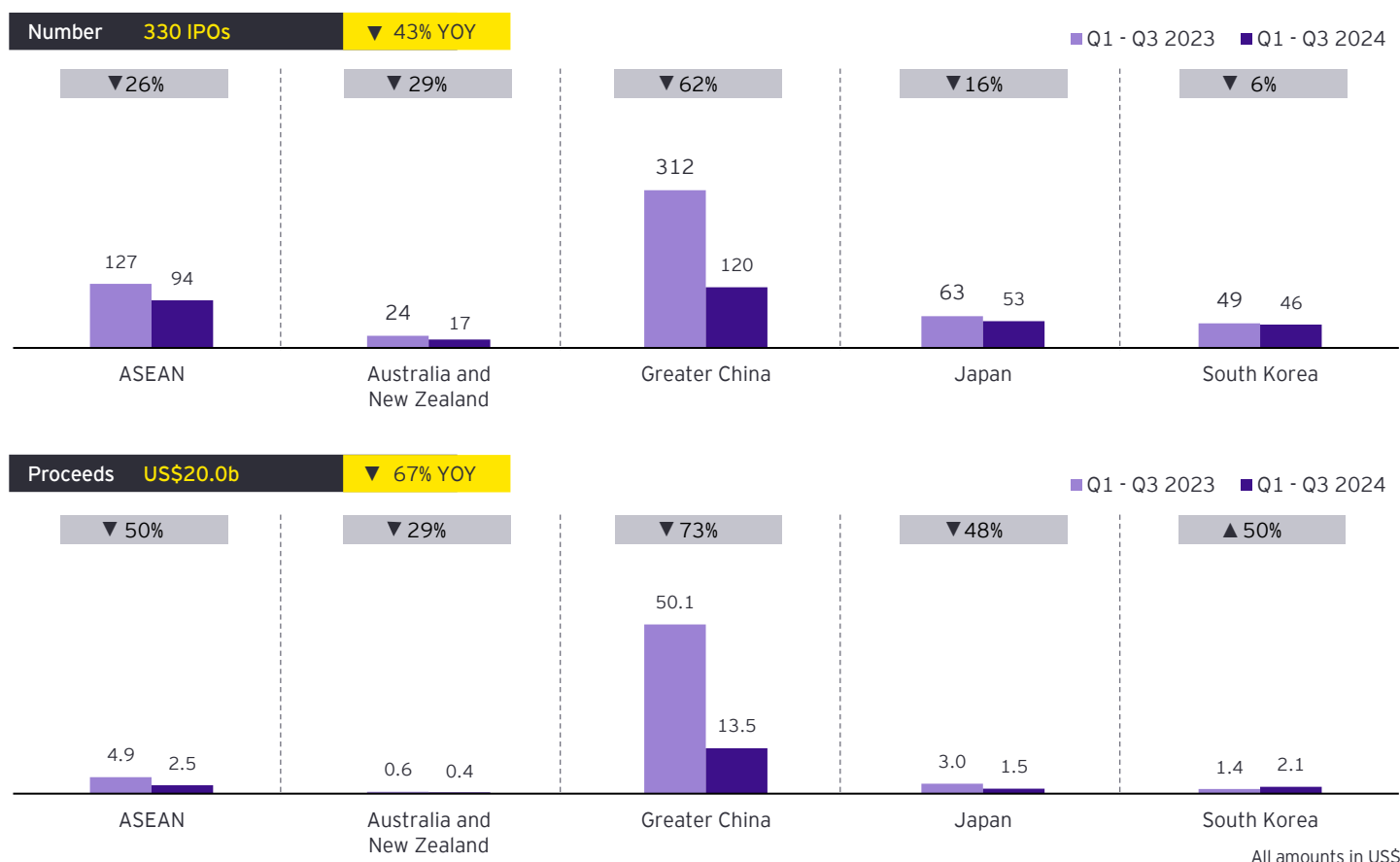
- ▶ Even with elevated interest rates, geopolitical tensions, and economic and regulatory challenges, there was a glimmer of hope for the Asia-Pacific IPO market as the region experienced a slight uptick in IPO activity in Q3, with 109 IPOs raising US\$9.6b. This represented a 6% improvement by volume and an 106% improvement by proceeds compared with Q2. However, YOY, IPO numbers and proceeds were down by 43% and 67%, respectively. Technology, industrials and consumer products and retail were the leading IPO sectors in the region in the first nine months of the year.
- ▶ In mainland China and Hong Kong, economic slowdowns, combined with a liquidity crunch, dampened the momentum of new listings in the first half of the year. Strict vetting standards and heightened market uncertainty led to an increase in the number of companies voluntarily withdrawing their IPO applications in mainland China. However, the activity increased in Greater China in Q3 as IPOs surged 24% by volume and 184% by proceeds compared with Q2. The leap in proceeds was led by the US\$4.0b listing of Midea Group Co. Ltd in Hong Kong, the second-largest IPO globally in YTD 2024. At a time when market valuations and liquidity in Hong Kong are languishing, this landmark debut could substantially alter the dynamics of Hong Kong's IPO market. A robust international placement and strong first-day performance, with the stock priced at the upper end of its range, signaled renewed investor interest.
- ▶ ASEAN launched 28 IPOs in Q3 with proceeds totaling US\$1.1b, representing a surge in proceeds of 100% from the previous quarter. This was primarily driven by the prominent listing of 99 Speed Mart Retail Holdings Bhd. from Malaysia, which stood as the second-largest IPO in the region in YTD 2024. South Korea and Japan's IPO activity held steady by number and proceeds in Q3 relative to the previous quarter. Oceania's IPO number in Q3 was on par with Q2, but smaller deal sizes led to a sharp decline in funds raised.
- ▶ During Q1-Q3 2024, 54 Asia-Pacific companies have listed abroad. Greater China led with 38 companies, including 18 from Hong Kong on the US Nasdaq exchange. Singapore has had 13 cross-border IPOs YTD, while Australia has launched three overseas.

Outlook

- ▶ Across the Asia-Pacific region, a confluence of factors from economics to geopolitics to policy and regulation continue to influence IPO activity. The US Fed's 50-basis-point rate cut in late September could benefit the Asia-Pacific IPO market by improving investment sentiment, lowering borrowing costs, and enhancing equity valuations. This should help to counter some of the prevailing headwinds blowing through the region recently.

Sources: EY analysis, Dealogic.

Q1-Q3 2024: Despite the general YOY decline, South Korea stood out with an uptick in proceeds



Stock exchanges by proceeds	Hong Kong (Main Board and GEM) 45 IPOs \$6.5b Hong Kong		Shanghai (SSE and STAR) 24 IPOs \$3.7b Mainland China		Shenzhen (SZSE and Chinext) 31 POs \$2.6b Mainland China
Sectors by number of IPOs	Technology 80 IPOs \$4.6b		Industrials 70 IPOs \$4.1b		Materials 35 IPOs \$1.3b
IPOs by largest proceeds	Midea Group Co. Ltd. \$4.0b Consumer products Hong Kong (Main Board) September		99 Speed Mart Retail Holdings Bhd. \$0.5b Retail Malaysia (KLSE) September		HD Hyundai Marine Solution Co. Ltd. \$0.5b Industrials South Korea (KOSDAQ) May
Equity indices	Hang Seng +2.2% Hong Kong	Shanghai Composite -9.1% Mainland China	Nikkei +9.3% Japan	ASX +7.0% Australia	KOSPI -3.0% South Korea
Volatility index	The HSI Volatility Index (VHSI) Current: 18.20 YTD average: 22.22 10-year average: 21.59				

Index level as of 16 September 2024. + or - indicates change since 31 December 2023.
 Sources: EY analysis, Dealogic, S&P Capital IQ.

Europe, Middle East, India and Africa (EMEIA)



The EMEIA resurgence continues, as the region dominates the global IPO share.

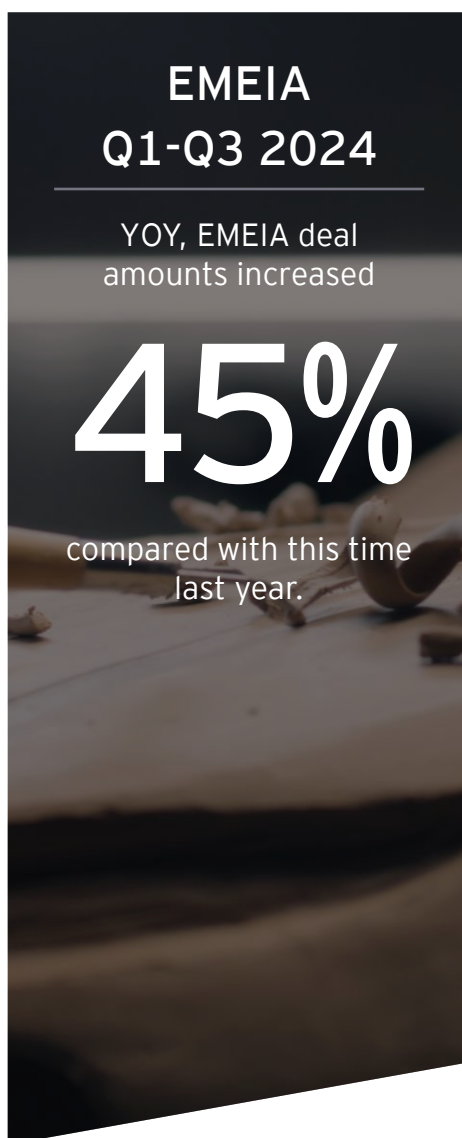
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A clear timing narrative and a compelling value creation strategy will drive investor interest of successful IPOs in open markets across EMEIA.



Martin Steinbach
EY EMEIA IPO Leader

Selected area and regional insights



EMEIA

- ▶ After an early August spike in the volatility index, European markets saw a welcome return to stability. With lower economic growth anticipated and inflation returning to target levels, the European Central Bank (ECB) cut interest rates in September for the second time this year.
- ▶ Despite ongoing geopolitical tensions in three EMEIA hotspot areas - Eastern Europe, Gaza and the Red Sea - IPO markets continue to provide open access. Overall, in the first three quarters of 2024, the region saw 394 IPOs, raising US\$30.3b, an increase of 36% by volume and 45% by amount YOY. Compared with previous quarters, Q3 IPO deal activity reflects a cautiously optimistic sentiment in an historically slow quarter. There were 144 IPOs raising US\$6.9b with the largest from UAE (US\$0.9b).
- ▶ During the first three quarters of 2024, Europe drove growth in deal value with larger deals hitting the market, launching 94 IPOs, which raised 15.4b, a YOY 12% decrease by number and 42% increase by proceeds. Issuers from EMEIA contributed five of the global top 10 largest IPOs. In addition to listing on their domestic exchanges, European companies also launched 11 IPOs in foreign markets, raising a total of US\$6.0b. India continued to drive deal volume in EMEIA, with 260 companies going public - a 73% increase from the year prior. The MENA region remained active this year, with IPO activity expanding beyond the traditional energy sector.
- ▶ A diverse set of sectors in the region have experienced varying degrees of growth so far this year. Industrials, materials, technology and consumer sectors led in terms of deal volume. By proceeds, industrials, financials, and health and life sciences were the frontrunners. IPOs have become a higher priority for PE houses seeking a profitable exit this year. PE-backed IPOs may only account for 3% of EMEIA's IPO volume in YTD, but 28% by amount YTD.

Outlook

- ▶ Across EMEIA, timing and pricing will continue to be the two factors determining whether and when companies currently sitting on the sidelines decide to step forward. When IPO candidates make a move, they'll need to have a clear timing narrative, a strong equity story and the ability to demonstrate value creation for investors.
- ▶ The pipeline is brimming with mature, sizeable companies looking to go public in the coming quarters - PE-exits, spin-offs, carve-outs and a few established unicorns are all looking for the right moment. The scope of sectors represented in IPO candidates is also broadening.
- ▶ Apart from the US, European stock markets like the UK could attract more inter-regional cross-border listings as the market experiences an increase in the backlog of demand for listings and new regime changes provide more lenient listing criteria.
- ▶ With a robust stock market, resilient economic fundamentals and declining inflation, India is poised to grow into a prime destination for larger deals. India subsidiaries of several foreign conglomerates are expected to list on the local exchanges in Q4 2024 or H1 2025, capitalizing on the favorable market conditions.

Sources: EY analysis, Dealogic.

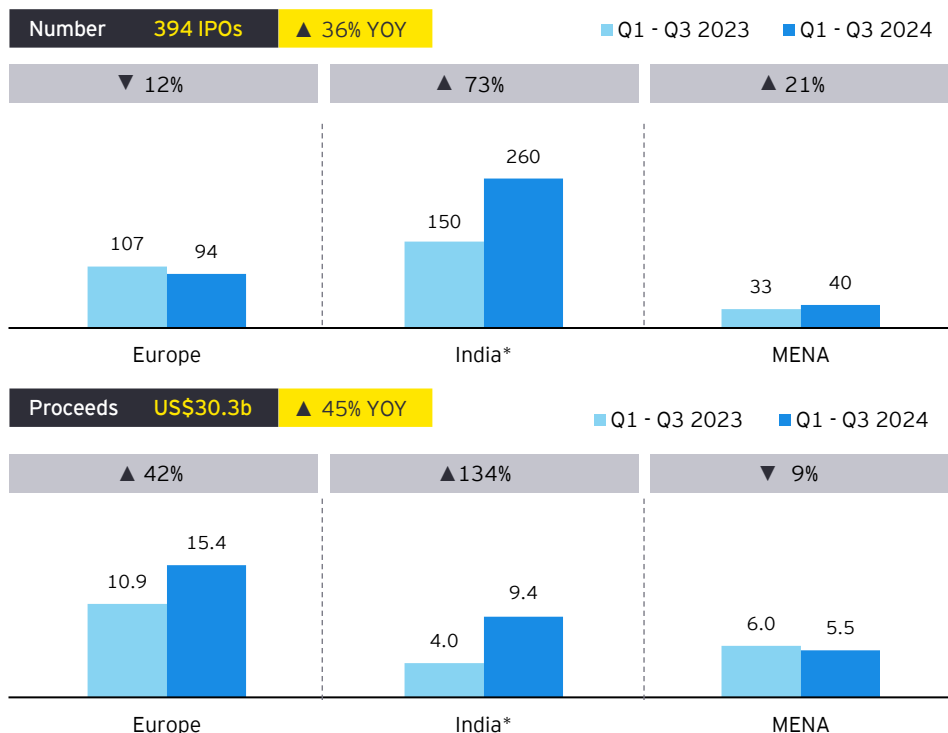
EMEIA region dominates the global IPO market with 45% of the global share by number and 39% by proceeds

Q1-Q3 2024

European IPO proceeds surged by

42%

in the first three quarters of 2024.



*Includes listings on Indian (National and Bombay) and Bangladesh stock exchanges.

All amounts in US\$

Stock exchanges by proceeds	India (National and Bombay) 258 IPOs \$9.3b India			Euronext and Alternext 4 IPOs \$3.3b France, The Netherlands		Bolsa de Madrid and Mercado Alternativo Bursatil 1 IPO \$2.9b Spain	
Sectors by number of IPOs	Industrials 94 IPOs \$5.9b			Materials 60 IPOs \$0.9b		Technology 48 IPOs \$3.0b	
IPOs by largest proceeds	Puig Brands, S.A. \$2.9b Consumer products Bolsa de Madrid (BME) May			Galderma Group AG \$2.6b Health and life sciences Switzerland (SIX) March		CVC Capital Partners plc \$2.5b Financials Euronext (Amsterdam) April	
Equity indices	BSE SENSEX +14.9% India	CAC 40 -1.2% France	DAX 40 +11.2% Germany	EURO STOXX 50 +5.8% Europe	FTSE 100 +7.1% UK	JSE All Share +6.7% South Africa	Tadawul All Share -0.5% Saudi Arabia
Volatility indices	EURO STOXX 50 Volatility (VSTOXX) ► Current: 17.12 ► YTD average: 15.61 ► 10-year average: 20.44				VDAX-NEW EUR ► Current: 15.27 ► YTD average: 14.48 ► 10-year average: 20.53		

Index level as of 16 September 2024. + or - indicates change since 31 December 2023.
Sources: EY analysis, Dealogic, S&P Capital IQ.

Appendix



Key factors to consider for IPO candidates

Inflation
and interest
rates

Geopolitics and
global elections

Economic
outlook

Government
policies and
regulations

Environmental,
social and
governance
(ESG) agenda

Global
supply chains

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.

As global monetary policies reverse course, companies considering public offerings must adopt more agile financial strategies and robust risk management practices to navigate the shifting economic landscape.

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

IPO candidates should consider the impact of geopolitical risks, wars 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.

IPO activity by number of IPOs

Region/country	Q1-Q3 2023 Number of IPOs	Q1-Q3 2024 Number of IPOs	Change YOY%
United States	101	130	29%
Canada	15	13	-13%
Brazil	0	0	NA
Mexico	1	0	-100%
Jamaica	1	2	100%
Chile	0	0	NA
Trinidad and Tobago	0	1	100%
Americas	118	146	24%

IPO activity by proceeds (US\$b)

Region/country	Q1-Q3 2023 Proceeds (US\$b)	Q1-Q3 2024 Proceeds (US\$b)	Change YOY%
United States	19.4	27.3	40%
Canada	0.1	0.0*	-70%
Brazil	0.0	0.0	NA
Mexico	0.4	0.0	-100%
Jamaica	0.0*	0.0*	77%
Chile	0.0	0.0	NA
Trinidad and Tobago	0.0	0.0*	100%
Americas	19.9	27.3	34%

*Less than US\$100m in proceeds.
Source: Dealogic.

IPO activity by number of IPOs

Region/country	Q1-Q3 2023 Number of IPOs	Q1-Q3 2024 Number of IPOs	Change YOY%
Indonesia	66	34	-48%
Thailand	26	22	-15%
Singapore	3	1	-67%
Malaysia	25	33	32%
Myanmar	0	0	NA
Philippines	3	3	0%
Maldives	0	0	NA
Cambodia	2	0	-100%
Vietnam	0	0	NA
Sri Lanka	2	1	-50%
ASEAN	127	94	-26%
Mainland China	266	70	-74%
Hong Kong	42	45	7%
Taiwan	4	5	25%
Greater China	312	120	-62%
Australia	24	17	-29%
New Zealand	0	0	NA
Oceania	24	17	-29%
Japan	63	53	-16%
South Korea	49	46	-6%
Asia-Pacific	575	330	-43%

IPO activity by proceeds (US\$b)

Region/country	Q1-Q3 2023 proceeds (US\$b)	Q1-Q3 2024 proceeds (US\$b)	Change YOY%
Indonesia	3.3	0.3	-90%
Thailand	0.8	0.6	-31%
Singapore	0.0*	0.0*	-8%
Malaysia	0.7	1.4	92%
Myanmar	0.0	0.0	NA
Philippines	0.1	0.2	164%
Maldives	0.0	0.0	NA
Cambodia	0.0*	0.0	-100%
Vietnam	0.0	0.0	NA
Sri Lanka	0.0*	0.0*	-38%
ASEAN	4.9	2.5	-50%
Mainland China	46.9	6.8	-86%
Hong Kong	3.2	6.5	106%
Taiwan	0.1	0.2	292%
Greater China	50.1	13.5	-73%
Australia	0.6	0.4	-29%
New Zealand	0.0	0.0	NA
Oceania	0.6	0.4	-29%
Japan	3.0	1.5	-48%
South Korea	1.4	2.1	50%
Asia-Pacific	60.0	20.0	-67%

*Less than US\$100m in proceeds.

Source: Dealogic.

IPO activity by number of IPOs

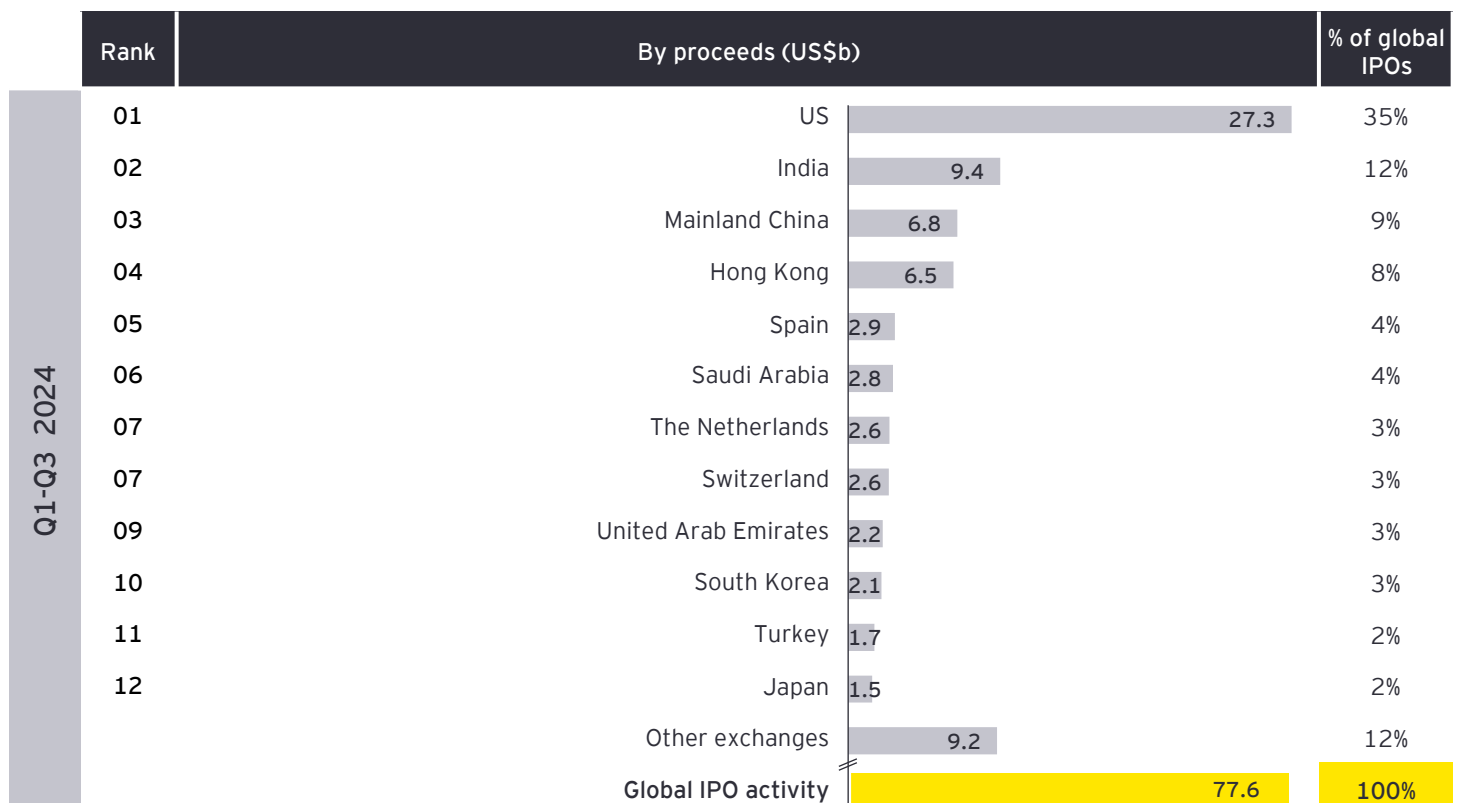
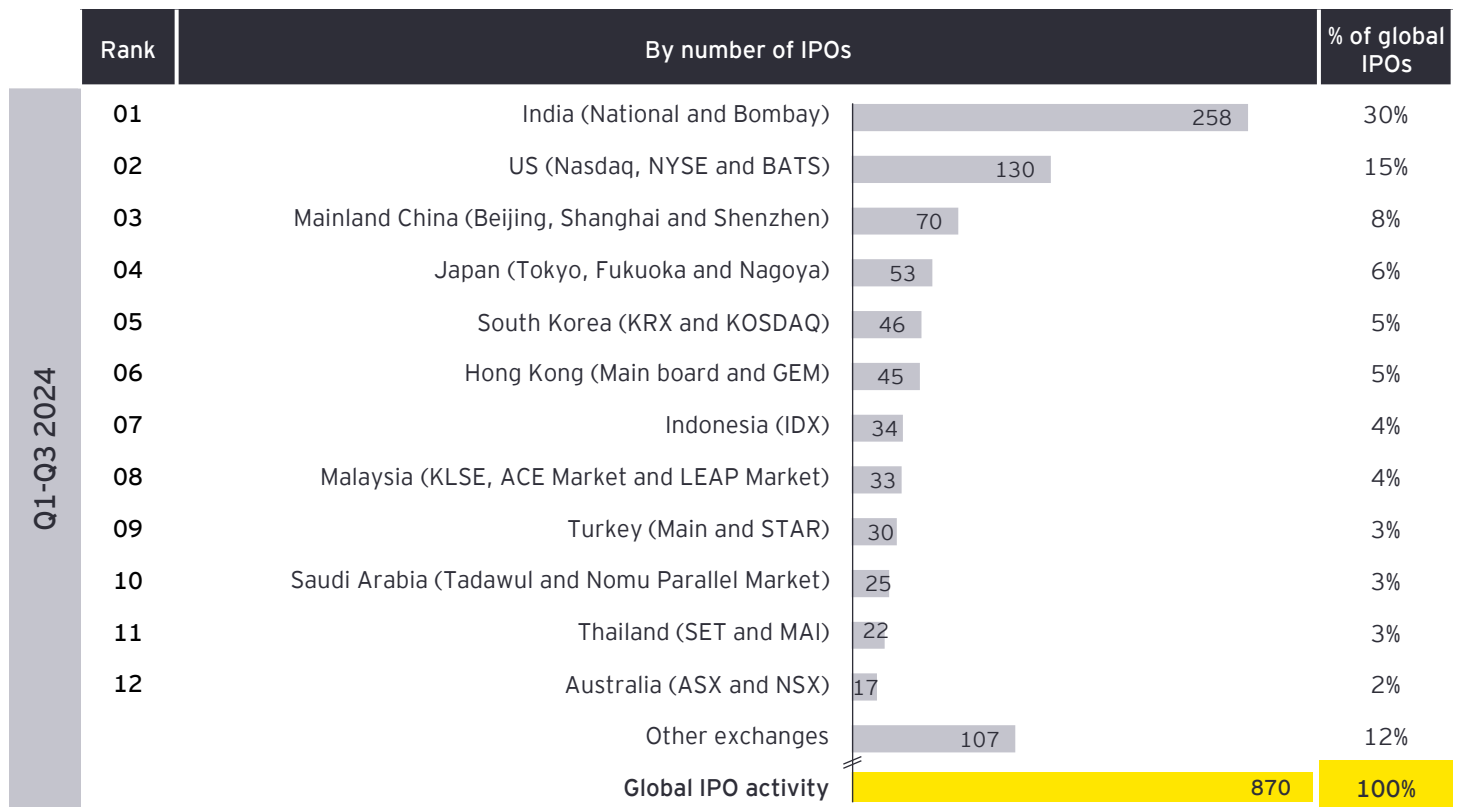
Region/country	Q1-Q3 2023 Number of IPOs	Q1-Q3 2024 Number of IPOs	Change YOY%
Nordics (Denmark, Norway, Sweden and Finland)	5	11	120%
Central and Southern Europe (CESA)	45	50	11%
Germany, Switzerland and Austria (GSA)	9	4	-56%
Mediterranean (Italy and Spain)	30	18	-40%
WEM (Western Europe)	5	4	-20%
Continental Europe	94	87	-7%
UK and Ireland	13	7	-46%
Europe	107	94	-12%
Africa and WEM (Maghreb)	0	0	NA
India	150	260	73%
Middle East and North Africa	33	40	21%
EMEIA	290	394	36%

IPO activity by proceeds (US\$b)

Region/country	Q1-Q3 2023 proceeds (US\$b)	Q1-Q3 2024 proceeds (US\$b)	Change YOY%
Nordics (Denmark, Norway, Sweden and Finland)	0.4	0.7	85%
Central and Southern Europe (CESA)	4.3	3.5	-20%
Germany, Switzerland and Austria (GSA)	3.9	4.1	6%
Mediterranean (Italy and Spain)	1.6	3.1	89%
WEM (Western Europe)	0.1	3.3	>1,000%
Continental Europe	10.3	14.7	43%
UK and Ireland	0.6	0.7	24%
Europe	10.9	15.4	41%
Africa and WEM (Maghreb)	0.0	0.0	NA
India	4.0	9.4	134%
Middle East and North Africa	6.0	5.5	-9%
EMEIA	20.9	30.3	45%

Source: Dealogic.

India's IPO momentum surges, US rebounds, while Asia dominates top 12 rankings by number



Source: Dealogic.

Definitions

Methodology

- ▶ The data presented in the *EY Global IPO Trends Q3 2024* and press release are sourced from Dealogic, S&P Capital IQ, Mergermarket, Oxford Economics, Refinitiv, Pitchbook 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. Special purpose acquisition companies (SPAC) data are excluded from all data in this report, except where indicated.
- ▶ Traditional IPOs: **Q3 2024** refers to the third quarter of 2024 and covers completed IPOs from 1 July to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). **Q3 2023** refers to the third quarter of 2023 and covers completed IPOs from 1 July to 30 September 2023. **Q1-Q3 2024** refers to the first nine months of 2024 and covers completed IPOs from 1 January 2024 to 16 September 2024, plus expected IPOs by 30 September 2024 (forecasted as of 16 September 2024). **Q1-Q3 2023** refers to the first nine months of 2023 and covers completed IPOs from 1 January 2023 to 30 September 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 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).
- ▶ In rare instances where the principal business sector disclosed in an IPO company's annual report differs from the industry classification assigned by Thomson general industries, the company's industry classification could be adjusted to align with the primary business activities as shown in the annual report.

Glossary

- ▶ Financial sponsor-backed IPOs refer to IPOs that have private equity, venture capital investors or both.
- ▶ Proceeds refer 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.

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 industries include the combination of "Consumer staples", "Consumer products and services" and "Retail" 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, travel services, 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.
- ▶ 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.
- ▶ 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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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



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