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2024 Going Public: US IPO Report

Securities and Capital Markets Fiscal Year 2024

Understanding the 2024 IPO Market and What to Expect in 2025[1]

Executing a successful IPO in today's environment requires an in-depth understanding of the trends shaping the market. In the *2024 Going Public: U.S. IPO Report*, we examine the trends of IPOs that priced in 2024 to provide insight for prospective issuers, sponsors, investment banks and investors to keep in mind for the year ahead.

Our review encompasses the most significant traditional IPOs, representing over 80% of the total gross proceeds raised throughout 2024, which enables us to provide an in-depth look at the state of the IPO market during 2025. Before diving into the 2024 IPO trends, this report contextualizes its commentary with an overview of the 2024 IPO market as a whole.[2]

[1] The percentages in this report have been rounded to the nearest whole number. Estimates of gross proceeds do not include overallotment shares.

[2] Source: Deal Point Data for IPO statistics related to all IPOs on U.S. exchanges in a given year, regardless of size.

2024 IPO Market Overview and Historic Trends

There was a steady stream of IPOs throughout 2024.The predictable market lull in August and a market slowdown in November due to the potential uncertainty following the election were contrasted with busy periods in April, September and October. In the longer context, putting aside 2020 and 2021, the 2024 IPO market returned to historically normal levels on a deal-count basis, but continued to lag behind on a proceeds-raised basis due to a larger number of smaller IPOs during 2024. While the overall strength of the IPO market in 2025 will be influenced by macroeconomic and geopolitical conditions, it is possible that pent up demand from 2023 and 2024 may lead to a steady IPO market in 2025, with the potential for growth in 2026.

Throughout 2024, there were 170 traditional IPOs, raising over $29.4 billion in gross proceeds. Eighty-nine issuers that went public during 2024 raised gross proceeds of $10 million or less, representing over half of deal flow, which is comparable to the percentage of small IPOs during 2023. On the other hand, there was meaningful year-over-year growth in the number of IPO issuers that raised at least $75 million, increasing from only 34 issuers in 2023 to 64 issuers in 2024. There was also significant year-over-year growth in larger IPOs, with eight issuers raising over $750 million in 2024 compared to only three in 2023.

These high-profile IPOs spanned various industry sectors, with real estate investment trust (REIT) Lineage, Inc., leading the market with its $4.4 billion IPO, and high-end cruise company Viking Holdings Ltd., U.S. aircraft maintenance provider StandardAero, Inc., sports and outdoor brand company Amer Sports, Inc. and mobile fintech app provider Joint Stock Company Kaspi.kz each raising over $1 billion in gross proceeds. Nasdaq and the NYSE continue to vie for IPO listings, with the percentage of issuers selecting one exchange over another in line with the percentage over the past ten years.

Industry Trends. With nearly 22% of IPOs, regardless of size, the healthcare sector continued to account for the largest percentage of overall deal count, although this figure lags behind the historic 10-year average percentage of approximately 35%. In 2024, the business services sector had the second largest number of deals, accounting for over 17% of issuers. The technology and consumer goods sectors both had strong showings, representing approximately 14% of issuers and 12% of issuers, respectively. After a lull in REIT IPOs during 2022 and 2023, REITs had an uptick in 2024 with three IPOs.

Foreign Private Issuers. Over the past ten years, 29% of IPO issuers were foreign private issuers. Starting in 2022, there has been an upward trend in the percentage of foreign private issuers in the IPO market as a whole, reaching over half of issuers in 2024 qualifying as foreign private issuers. In 2024, foreign private issuers also led the market in size, with three out of five of 2024's largest deals being completed by foreign private issuers. Despite their representation in the top five, not all foreign private issuer IPOs were as large. In fact, over 89% of such deals raised less than $75 million, many of which were sub-$10 million offerings, which is similar to the percentage of similarly sized foreign private issuer IPOs coming out of the IPO boom, but much higher than historic trends.

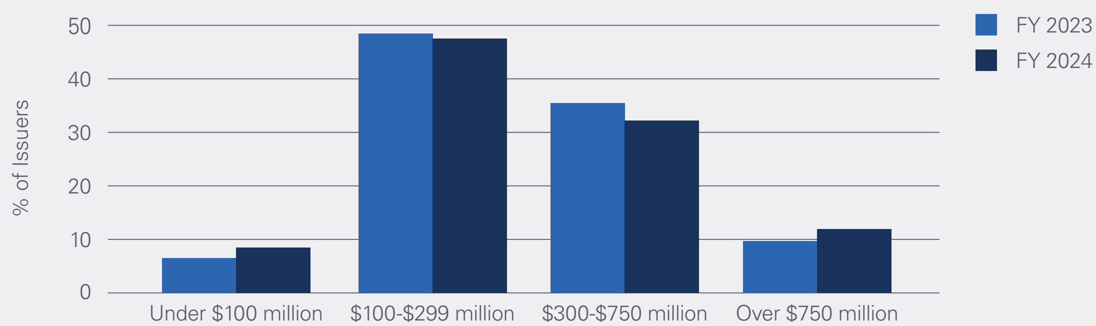
Private Equity Sponsor-Backed IPOs. Recent years saw a sharp drop in PE sponsor-backed deals. This resulted from a combination of significant PE sponsor IPOs in 2020 and 2021, and the overall IPO market chill of 2022 and 2023. In 2024, there was a small year-over-year uptick in the percentage of PE sponsor-backed IPOs, but this has yet to return to historic levels seen over the past ten years. PE sponsor-backed issuers in 2024 represented a cross section of all industries, with financial services as the dominant industry, and ranged in size from Lineage's $4.4 billion IPO to Brazil Potash Corp.'s $30 million IPO.

Special Purpose Acquisition Companies (SPACs). After the SPAC boom of the early 2020s and the precipitous decline in SPAC IPOs that followed, levels of SPAC IPOs are returning to preboom levels, although they still remain a more popular vehicle than they were ten years ago. Throughout 2024, 57 SPAC IPOs raised over $8.6 billion in gross proceeds, representing a nearly 84% year-over-year increase in the number of SPAC IPOs. Although there was a year-over-year increase in average gross proceeds for SPAC issuers, average gross proceeds for SPAC IPOs remain muted compared to annual average gross proceeds during the five-year period ended 2021. 2024 saw experienced sponsor teams return to market and an increase in deals with anchor investors as traditional SPAC investors were more willing to invest based off sponsors' track records.

Key Takeaways From 2024 IPO Market

Our team reviewed the deal terms of approximately 273 IPOs that priced between 2020 and 2024 with base deal sizes over $75 million, excluding SPACs, direct listings, real estate investment trusts (REITs) and business development companies (BDCs). Unless noted, the below analysis pertains to deals included in our study.[3]

IPO Market by Base Deal Size



- **During 2024, the IPO market experienced significant year-over-year growth.** In 2024, there was significant year-over-year growth in the number of IPOs that went to market, representing a 90% increase in deal volume from 2023 and a 247% increase from 2022. The majority of IPOs came to market in the first half of 2024, followed by a relative lull in the fourth quarter as market participants prepared for potential uncertainty following the U.S. election. The year ended on a strong note with cloud-based software company ServiceTitan, Inc. pricing its IPO well above the midpoint and raising $624.8 in gross proceeds.

- **There was a significant increase in large IPOs, while the number of small IPOs remained steady.** The number of large IPOs raising over $750 million increased by 133% year-over-year in 2024, and there was a corresponding increase of 25% in total gross proceeds raised.[4] However, the number of small IPOs remained relatively steady year-over-year, with 56% of IPOs in our study raising less than $300 million compared with 55% in 2023. Issuers in the healthcare sector accounted for the majority of small IPOs in 2024, while the larger IPOs spanned industry sectors, from technology issuers to consumer & retail and industrial issuers. However, despite the number of small healthcare sector IPOs in 2024, taking into account the whole IPO market, healthcare sector issuers have been raising more in proceeds in the last three years compared with prior periods. This upward trend is attributable to the increasing number of life sciences companies conducting larger IPOs at a later stage of growth, with more mature pipelines leading to higher valuations and larger sized offerings.

- **There was an uptick in health care and technology deals and a decline in consumer & retail deals.** Accounting for approximately 42% of deals in our study, IPOs in the health care sector represented a significant portion of IPOs during 2024. While health care IPOs increased their market share from 2023 levels, they still fell short of the levels seen in 2022, when approximately 59% of deals were in the healthcare sector. The technology sector also saw a significant increase in deal volume in 2024, accounting for approximately 20% of IPOs compared to only 6% in 2023. Conversely, 2024 saw a decrease in deals in the consumer & retail sector, declining from 23% of deals in 2023 to 12% in 2024. The vast majority of healthcare IPO issuers in 2024 were clinical-stage life science companies, whose pre-revenue capital intensive business models generally limit IPO size, making it no surprise that issuers in the healthcare sector raised less in average gross proceeds than most other sectors in 2024. Indeed, in 2024, only 28% of healthcare sector IPOs raised more than $300 million in gross proceeds while 67% and 57% of issuers in the technology and consumer & retail sectors raised over $300 million, respectively.

[3] Our review is supplemented by data collected by Deal Point Data.

[4] Data does not include the Lineage, Inc. IPO, which raised $4.4 billion in gross proceeds. As a REIT issuer, Lineage, Inc. was not included in our study.

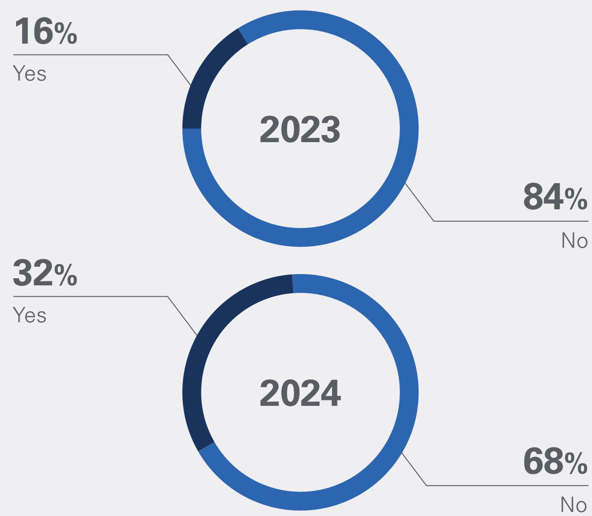
- **The upward trend in private equity sponsor-backed IPOs continued in 2024.** During 2022, private equity sponsor-backed deals fell dramatically to under 6% of IPOs. In 2023, there was a sizeable year-over-year increase in the percentage of sponsor-backed deals, with 16% of IPOs coming from issuers with sponsor investment. In 2024, the upward trend continued, with sponsor-backed IPOs accounting for nearly one-third of the deals in our study, representing significant growth from 2023. Sponsor-backed issuers tended to raise more in their IPOs in 2024, with sponsor-backed deals accounting for four out of the five IPOs that raised over $1 billion in gross proceeds.[5] However, in 2024 there was also a significant decrease in post-IPO governance rights for sponsors, with sponsors receiving post-IPO board rights and veto rights in the governing documents of only 47% and 11% of sponsor-backed issuers, respectively, compared with 60% and 40% of issuers in 2023.

- **While the percentage of foreign private issuer IPOs overall has increased, the percentage of foreign private issuers raising over $75 million in gross proceeds has decreased.** Foreign private issuers are afforded a number of exemptions from the registration and disclosure requirements applicable to domestic issuers, removing some of the pain points of public company life for these issuers. These accommodations, alongside macroeconomic trends, have resulted in a steady year-over-year increase in the percentage of IPOs undertaken by foreign private issuers across the market, irrespective of deal size, and in 2024, foreign private issuers accounted for 52% of the year's IPOs. However, the vast majority of these IPOs were micro-IPOs raising less than $10 million. While in 2023 foreign private issuer IPOs accounted for 26% of deals raising over $75 million in gross proceeds, in 2024 only 17% of IPOs raising over $75 million were undertaken by foreign private issuers. At the same time, while there were fewer foreign private issuers that raised at least $75 million in gross proceeds, three foreign private issuers, Viking Holdings, Ltd., Amer Sports, Inc. and Joint Stock Company Kaspi.kz, raised over $750 million, accounting for some of the largest IPOs in 2024.

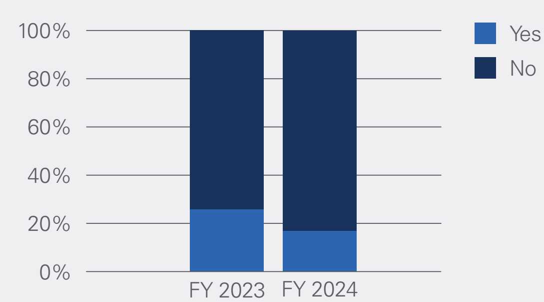
  Additionally, foreign private issuers in our study were slightly more likely to use International Financial Reporting Standards (IFRS) rather than U.S. Generally Accepted Accounting Principles (GAAP) in their financial statements in 2024, with nearly 60% of such issuers opting for IFRS in 2024 compared with 50% in 2023.

[5] Including the Lineage, Inc. IPO.

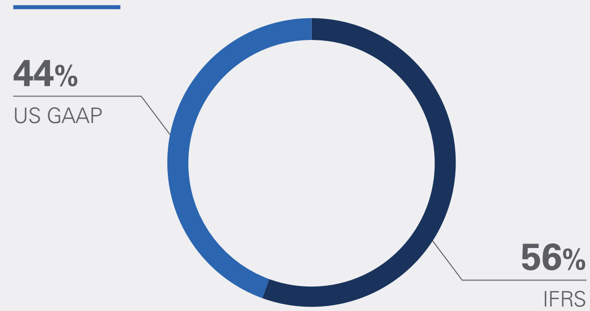
Percentage of Deals With Sponsors



Percentage of US IPOs by FPIs in Our Study

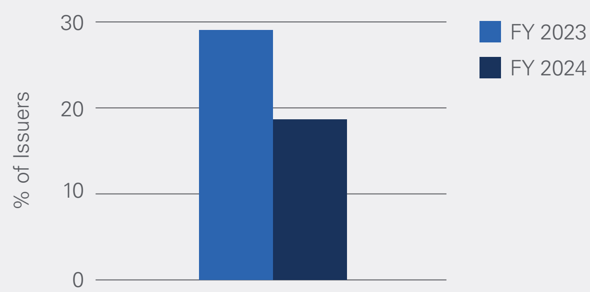


FPIs Presenting in US GAAP v. IFRS



- **The percentage of pre-revenue issuers continues to decline in 2024.** The percentage of deals involving pre-revenue issuers declined in 2024, continuing a downward trend from 2022. In 2024, less than 20% of deals involved pre-revenue issuers, compared with 29% in 2023 and over 47% in 2022. All but one pre-revenue issuer was in the healthcare sector, and 82% of pre-revenue issuers raised less than $300 million in gross proceeds.

Percentage of Issuers at "Pre-Revenue"



Pricings continue to improve, including an increase in pricings above the midpoint.

2023 saw significant year-over-year improvement in IPO pricing terms, with 65% of deals pricing at or above the midpoint of the range compared to a lackluster 2022. The upward trajectory continued in 2024, with 66% of deals pricing either at or above the midpoint of the range and 49% of deals pricing above the midpoint, compared to only 45% pricing above the midpoint in 2023. Additionally, in 2024, issuers that priced above the range saw a higher average price increase compared to 2023, including stand-out performers Bowhead Specialty Holdings Inc. and TWFG, Inc., whose prices at pricing each increased over 13% from the midpoint. For those issuers in 2024 that priced below the range, the price at pricing decreased by an average of 11% from the midpoint, which is a slight improvement from the average deviation from the midpoint in 2023. Additional observations regarding trends in pricings during 2024 are:

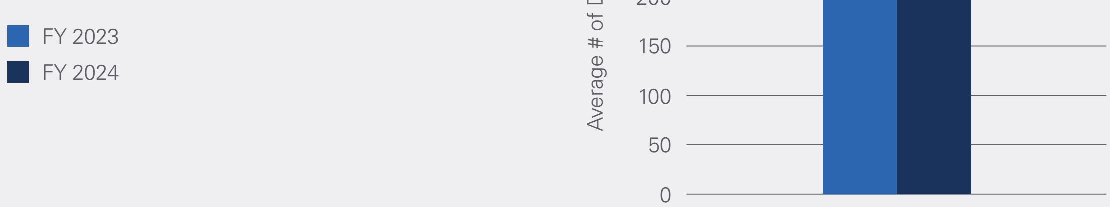
- Deals with gross proceeds between $75 million and $100 million all priced below the midpoint, which included issuers in the health care, energy and industrial industry sectors.
- Of IPOs between $100 million and $299 million, 32% of deals priced below the midpoint, 29% of deals priced at the midpoint and 39% of deals priced above the midpoint.
- Deals with gross proceeds over $300 million were more likely to perform well, with approximately 69% of such deals pricing above the midpoint and only 23% pricing below the midpoint.
- 60% of deals that priced below the midpoint were priced more than 6% below the midpoint, which is a decrease compared to 73% in 2023.
- Emerging growth company issuers in 2024 achieved strong pricing terms. During 2024, emerging growth company issuers were more likely than not to price above the midpoint of the range whereas only 40% of nonemerging growth companies priced above the midpoint. Furthermore, 70% of emerging growth company issuers priced at or above the midpoint compared to 53% of non-emerging growth company issuers.

- **Slight increase in SEC comments, but the median time to complete an IPO has declined dramatically compared with 2023.** The average number of SEC comment letters received by issuers has stayed relatively constant over the last couple of years, but there has been a continued year-over-year uptick in the average number of comments in issuers' first and second comment letters. The average time-to-market also remained steady in 2024, with only a modest increase in the average number of days between an issuer's first registration statement submission and pricing, rising from 287 days in 2023 to 289 days in 2024. However, despite the number of comment letters and the average time-to-market remaining largely consistent year-over-year, the median time-to-market dropped significantly in 2024, falling by over six weeks compared with 2023 and nine weeks compared with 2022. The discrepancy between the median and average time-to-market is attributable to a handful of issuers that priced in 2024 taking two years or longer to go public.

  The decrease in median time-to-market during 2024 is likely driven less by the SEC process and more by a general uptick in capital markets following a period of relative uncertainty and volatility caused by geopolitical events, rising inflation and high interest rates in 2023 and 2022. The slow easing of interest rates and a lower inflation rate compared to the historically high levels seen in 2023 drove more issuers to the market in 2024, with some of the momentum driven by issuers who chose to push their IPOs to avoid uncertain markets. We had the following additional observations regarding the SEC comment letter process:

  - Throughout 2024, issuers with IPOs in the $750 million to $1 billion range received on average the most comment letters, but the lowest number of comments by their second letter. Issuers with IPOs over $1 billion were among issuers receiving the fewest comment letters, and also received the lowest number of comments in their first letter, averaging nearly 10 fewer comments in their first letter compared to issuers with IPOs in the $75 million to $100 million range.
  - Issuers with IPOs in the $750 million to $1 billion range had the longest median time to market in 2024, followed by issuers with IPOs under $300 million, while issuers with IPOs over $1 billion got to the market fastest.

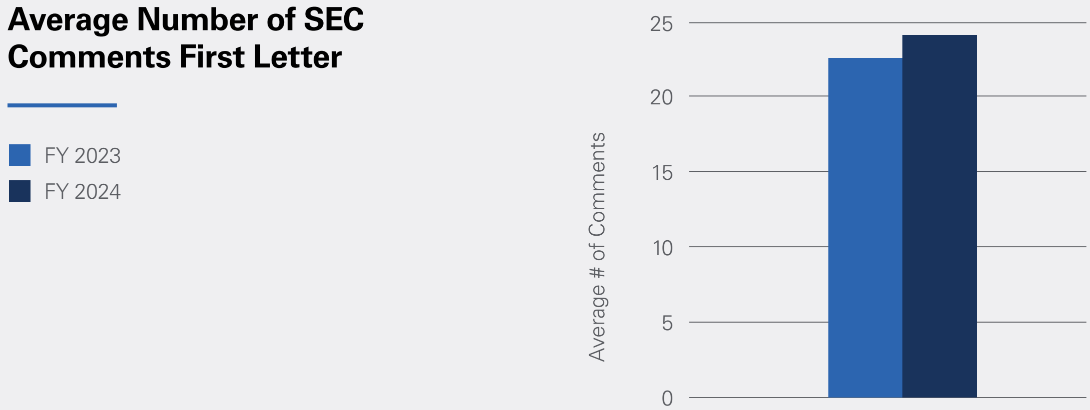
Average Days Between Submission and Pricing



Median Days Between Submission and Pricing

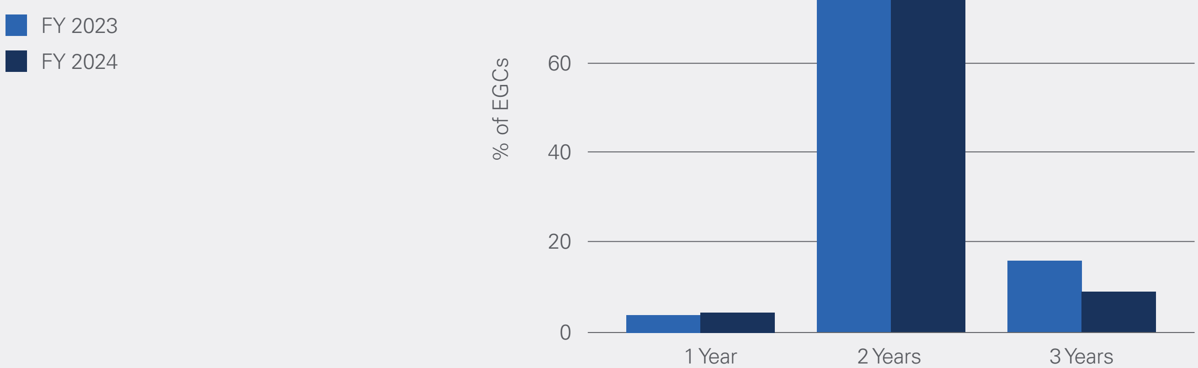
- Companies in the financial services sector received on average the most comments in both their first and second letters, but among the lowest average number of comment letters in total. Similarly, healthcare sector issuers also received on average more comments in their first and second letters than most other issuers, but the lowest average number of comment letters overall, with several issuers receiving only two or three letters, allowing a handful of healthcare issuers to get to market in less than three months. Overall, issuers in the healthcare sector got to the market the fastest, averaging 161 days, followed by issuers in the financial services sector with an average of 183 days and the business services sector with an average 331 days.
- Technology sector issuers received the most comment letters on average, driving issuers in that sector to the longest average time-to-market at 443 days.
- Accounting-related comments were common, with many issuers receiving comments related to the disclosure of non-GAAP financial information and revenue recognition. Comments related to executive compensation were also prevalent. Some issuers also received comments related to material ersecurity risks, an area of focus for the SEC following its adoption of the cybersecurity disclosure rules in 2023.

Average Number of SEC Comments First Letter



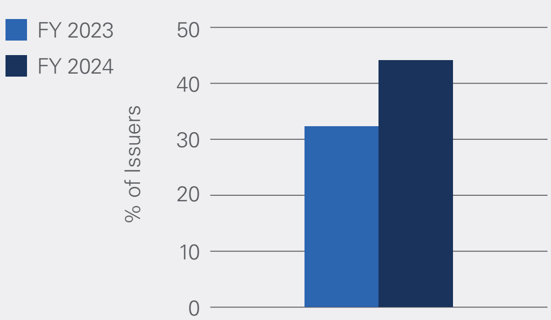
Average Number of SEC Comments in Second Letter

Historical Period of Audited Financials by EGCs

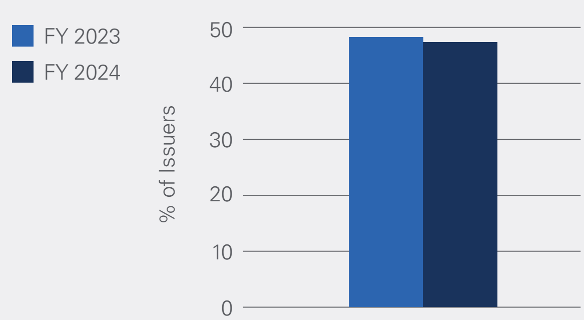


Percentage of IPOs With a Secondary Offering Component

Percentage of Issuers Disclosing a Material Weakness in Their Internal Controls Over Financial Reporting



Percentage of Issuers Presenting "Adjusted EBITDA" Financial Information



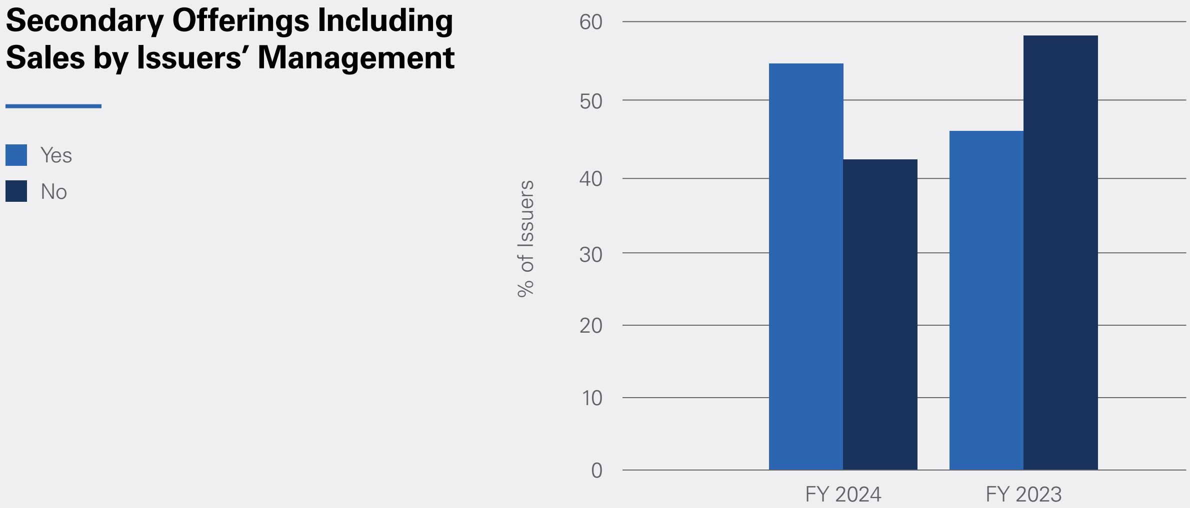
- **There was a slight year-over-year decline in the percentage of emerging growth company issuers.** There was an 8% year-over-year decrease in the percentage of emerging growth company issuers in 2024, moving from nearly 81% in 2023 to three-fourths of issuers in 2024. Over 91% of emerging growth companies in our study, across sectors, relied on JOBS Act accommodations to present only two years of audited financial statements (or one year if the company is only able to provide one year of audited financial statements since its inception), representing an 8% increase from 2023, but consistent with trends since fiscal year 2020. In 2024, 77% of emerging growth company issuers opted into the extended transition period for complying with new or revised accounting standards afforded to such issuers under the JOBS Act. Additionally, during 2024, 48% of emerging growth company issuers were in the healthcare industry, with over two-thirds of those issuers having a base deal size between $100 million and $299 million and over half of them upsizing their deals. These healthcare emerging growth company issuers clustered around open windows in late January/early February and in September and October, with two-thirds of all deals closing in those time periods.

- **There was an increasing incidence of issuers reporting a material weakness.** Between 2020 through 2022, we saw a gradual year-over-year increase in issuers that reported identifying a material weakness in their internal control over financial reporting, rising to over half of issuers in 2022. This figure dropped to only 32% in 2023 and rebounded to 44% in 2024. Many of the material weaknesses identified related to issuers' lack of sufficient technical accounting and SEC reporting expertise within their accounting and financial reporting function or to issuers' deficiencies in the segregation of duties within their accounting and financial reporting function.

- **Fewer issuers had going concern qualifications in their audit reports.** In 2023, the number of issuers going public with going concerns in their audit report fell by 45% from 2022 to 13% of issuers. The decrease in going concern opinions held steady in 2024, rising slightly to 14% of issuers; however, unlike 2023 when all issuers with going concern qualifications in their audit reports were in the healthcare industry, in 2024 issuers in the consumer & retail and energy sectors also went public with a going concern qualification, though the vast majority of issuers remained in the healthcare industry.

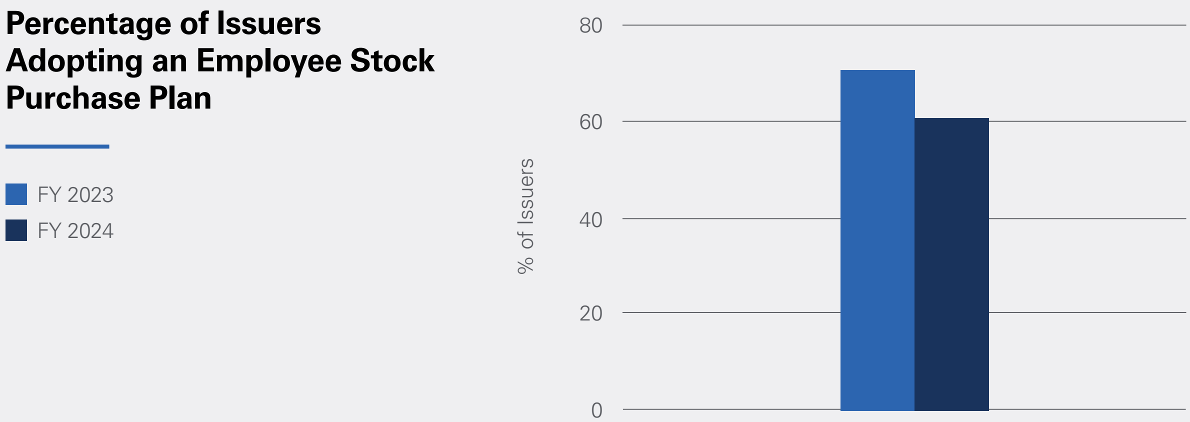
- **Secondary offerings were less popular in 2024 and the average secondary component decreased**. During 2024, only 20% of IPOs included a secondary component, decreasing from 35% in 2023. This decrease is likely due to the prevalence of healthcare IPOs during 2024, as life science and biotechnology companies are able to access the public markets at an early stage in their lifecycle when exits are less common at the time of IPO for founders and early-stage investors. Indeed, in 2024 offerings with secondary components were well-represented in the technology and business services sectors and no healthcare issuances in our study included a secondary component. Issuers raising less than $100 million or between $100 million and $299 million were not likely to have a secondary offering, with 83% of deals with secondary components raising over $300 million in gross proceeds and over one-third of these deals raising over $750 million in gross proceeds. The average size of secondary issuances pulled back from 55% of the base deal size in 2023 to 44% in 2024. However, one-third of deals with secondary components included significant secondary components of over 60% of the proceeds of the base deal, and two deals were structured solely as a secondary offering. In addition, 42% of secondary offerings included sales by issuers' management, which represents a decrease compared to 55% in 2023.

Secondary Offerings Including Sales by Issuers' Management



Percentage of Equity Plans With an Evergreen Provision

Percentage of Issuers Adopting an Employee Stock Purchase Plan

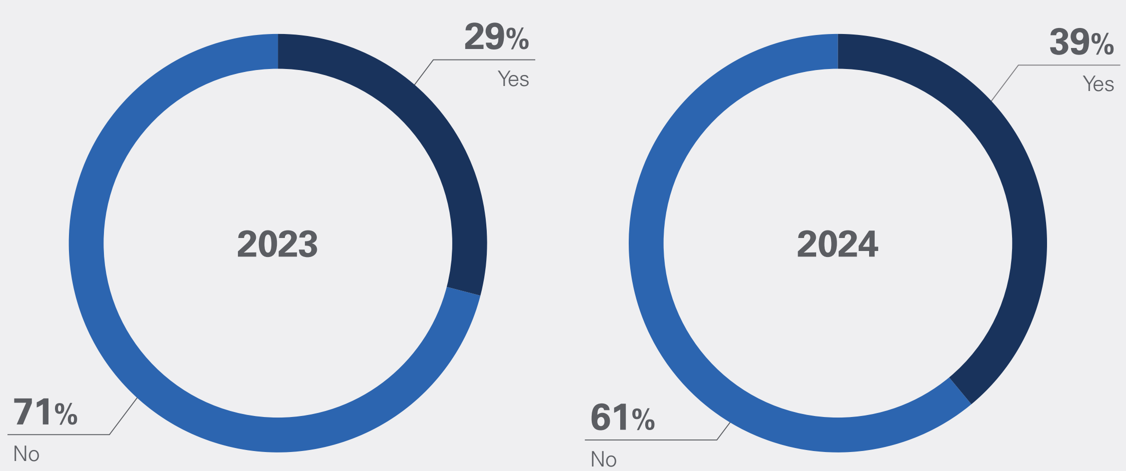


- **The popularity of directed share programs increased.** There was a steep decrease in the number of issuers that opted to reserve shares pursuant to a directed share program in 2023, down to 29% compared to nearly 59% in 2022. In 2024, directed share programs returned to favor with a 34% year-over-year increase in the incidence of such programs, though the overall prevalence of these programs did not return to 2022 levels.

- **Employee stock ownership programs are the norm, though year-over-year trends related to employee stock purchase plans and evergreen features continue to fluctuate.** Employers continue to use employee stock ownership programs like equity incentive plans and employee stock purchase plans as key components of their compensation programs and as a recruiting mechanism. Indeed, in 2024 all IPO issuers in our study had equity incentive plans. The average percentage of stock reserved for issuance at IPO also stabilized year-over-year to around 12% from a high of 15% in 2022. Over the past three years, the number of issuers including "evergreen" provisions, which provide for automatic yearly increases to the number of share reserves available pursuant to the plan without shareholder approval, has fluctuated, decreasing from 71% in 2022 to 63% in 2023 and reverting back to 72% in 2024. For those plans that include an evergreen feature, a 5% yearly increase continues to be the most common. On the other hand, there was a 14% decrease in the incidence of issuers offering employee stock purchase plans, which allow employees to purchase shares of the company through payroll deductions, typically at a discount to market prices, dropping from approximately 71% in 2023 to 61% in 2024. The decrease puts the percentage of employers offering employee stock purchase plans in line with trends in 2022, which saw 59% of employers offering such plans. For those issuers that had employee stock purchase plans, the plans tended to include evergreen provisions, typically increasing the share reserve in the plan by 1%.

- **It remains uncommon for a private placement to occur concurrently with an IPO.** During 2024, only approximately 14% of issuers conducted a private placement concurrently with their IPO, up slightly from 10% in 2023. In addition, 39% of companies had a private placement within a year prior to filing their IPO registration statement, with these issuers ranging in sector from healthcare to tech, media and telecom and from consumer & retail to industrials.

Percentage of IPOs Offering a Directed Share Program



Looking Ahead: A More Robust 2025 and 2026 Likely

Signs point to the possibility of a robust IPO market in 2025. The market has seen public filings of a handful of large IPOs that have yet to price. If successful, these offerings may signal a path for others to follow in Q2 and beyond. However, the volatility in the markets makes it hard to predict the success of these offerings, and it is possible that issuers and sponsors may push deals into 2026. We expect the following tends may occur in the market in 2025:

- **Steady IPO market in 2025-26 possible.** While the overall strength of the IPO market will hinge on macroeconomic and geopolitical conditions, there is pent up demand to support a steady IPO market. However, given market volatility, it is possible that issuers may wait for the second-half of 2025 or for 2026 to pursue an IPO. Despite a pipeline of IPO issuers, even if macroeconomic conditions are favorable, it is still unlikely that deal volume or gross proceeds in 2025 and 2026 will reach anywhere near 2021 levels. There is potential for continued IPO activity from healthcare issuers and foreign private issuers, alongside an increase in private equity sponsor-backed deals, particularly in the tech sector. There may also be an uptick in fintech issuers, including in the digital asset space.

- **Issuers will be expected to meet higher thresholds before an IPO.** In general, we expect that the market will continue to impose higher threshold requirements to undertake an IPO than in the past. Compared to 2020 and 2021, potential issuers will need a higher minimum level of proven top-line growth in addition to consistent year-over-year growth in order to be considered a viable IPO candidate — other than those in the healthcare sector, which are generally pre-revenue. In the tech sector, IPO candidates will generally need to show more than $200 million of revenue, and in some cases $250 million or more depending on the particular sector. In addition, sales efficiency as a key performance indicator has become more important to the market than earlier in the decade. As a result of these higher threshold requirements, as well as the current market volatility, issuers that have a longer runway will likely use 2025 to continue to grow their market share and position themselves to market off higher multiples in 2026, rather than rush to market during 2025.

- **Trump administration.** We expect the Trump administration to continue to have a broadly deregulatory approach, which would typically have a favorable impact on capital raising. However, the positive impact of deregulation may be offset by market volatility. The SEC under the Trump administration has issued guidance aimed at facilitating capital raising and will likely eliminate certain compliance and disclosure burdens on companies seeking to go public. The SEC under the Trump administration has also indicated that it will be significantly more welcoming to cryptocurrency and digital asset issuers through policies that allow for predictability in how the assets will be treated under the securities laws and a less cumbersome review process.

- **Possible increase in healthcare, fintech, and tech and private equity sponsor-backed IPOs.**
  - **Healthcare.** As life science companies continue to take advantage of developments in biotech and benefit from the widespread adoption of digital health, it is likely that they will continue to represent the largest group of issuers in the IPO market in 2025. We expect that life sciences issuers in 2025 will continue the 2024 trend of being more mature than their counterparts in 2020 and 2021, with most already through Phase 1 clinical trials. Since these issuers have a more mature pipeline and have generally established proof of concept in their clinical trials, we anticipate their valuations to be higher than the preclinical companies that went public in 2020 and 2021. However, given the capital-intensive nature of the industry, we also expect that there will continue to be a steady stream of smaller life sciences IPOs throughout the year.

- **Fintech.** In addition to momentum in raises for fintech issuers more broadly, a more crypto-friendly SEC under the Trump administration raises the possibility of exit-ready issuers in the digital assets sector accessing the public markets and causing others to consider future IPO plans. We anticipate that fintechs able to show profitability in addition to year-over-year growth are the most likely IPO candidates, whereas fintechs with a compelling growth story that are unable to demonstrate a path to profitability may continue to seek M&A exit opportunities. Over the past few years, issuers in the digital asset space seeking to access the public markets in SEC-registered transactions found themselves embroiled in a protracted review-and-comment process with the SEC. With the expectation that the SEC will take a more traditional approach to reviewing digital asset issuers under its new leadership, we expect that IPO exits will become more attractive to the backlog of digital asset issuers, particularly if they see successful performance from other digital asset issuers in the first half of the year.
- **Tech and private equity sponsor-backed.** There is a backlog of private equity sponsors seeking exit opportunities following the market lull of 2022-23. We expect this may drive an increase in the number of sponsor-backed issuers, subject to favorable market conditions. In particular, it is conceivable that there will be a number of large private equity companies in the tech sector that are well-positioned for IPOs in the second half of 2025 into the first half of 2026. Tech IPOs in the near term will not be limited to private equity sponsor-backed candidates. There are also likely to be non-private equity sponsor-backed IPOs in the tech space, including those with venture capital backing, although most believe that the number of tech IPOs in 2025 will be relatively limited compared to prior years.

- **Foreign private issuers will continue to execute IPOs in the U.S.** While macroeconomic and geopolitical concerns may drive fluctuations in the number of foreign private issuers looking to IPO in the near term, interest in the U.S. markets from abroad will likely persist.

- **There could be an uptick in REIT IPOs.** We anticipate a continued upward trend in REIT IPOs, although the trajectory will depend on macroeconomic conditions, including inflation and interest rates. The REIT industry is particularly sensitive to increases in the cost of capital, and if inflation rises significantly and interest rates increase, the conditions for REIT IPOs would become less favorable. The overall market opportunity for REITs also depends on the subsector in which the REIT's investments are concentrated. As the use of artificial intelligence continues to grow, there may be opportunities for growth in the data center REIT space, which could drive PE sponsor-backed REITs to seize the opportunity to free up capital. There may also be IPO activity from net lease REITs with solid management teams and strong balance sheets that could benefit from access to the public markets in order to fund future acquisitions.

- **SPAC IPOs will continue.** SPACs are likely to continue to play a role in providing companies that are unable to undertake a traditional IPO with an alternative path to access public capital. The market terms for SPACs will continue to evolve. In the near term, we believe that the continued rightsizing of targets' valuations and pent-up demand will contribute to a steady stream of IPOs throughout 2025.

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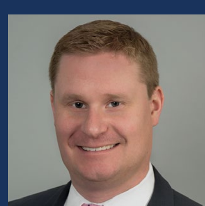

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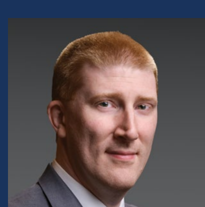

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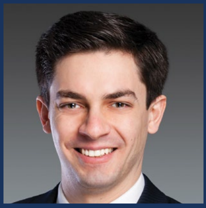

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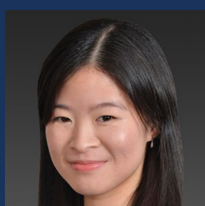

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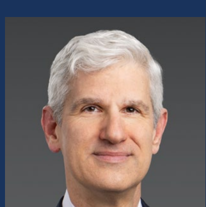

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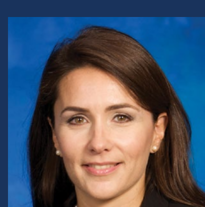

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