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IPO digest | October 2023

The robust IPO momentum seen in September faded in October with the high-profile Birkenstock IPO falling short of expectations despite significant cornerstone investments. The majority of the new issues from September IPOs have struggled, with the grocery retailer Maison Solutions along with the earlier food industry entrant Cava being the exceptions. This has added to the growing belief that the IPO window may remain closed for most companies until 2024, exemplified by the recent delay of CVC Capital Partners' IPO targeting a valuation of over \$12 bn.

Pitchbook data indicates a backlog of approximately 75 companies waiting for a more favorable economic environment before going public. All things considered, we anticipate that profitable companies with stakeholders willing to offload shares will be the first to make their moves, while growth-oriented firms may postpone their offerings until better conditions with lower interest rates emerge.

NEW IPOs

BIRKENSTOCK | \$8.6 bn MCAP | \$1.5 bn raised | NYSE

L Catterton-backed German footwear firm Birkenstock Holding priced its IPO just below the midpoint of its range on October 10. Its shares have crashed by 12% on the same day and by 15% by November, in one of the worst after-market performances for a jumbo float.

The Norwegian sovereign wealth fund, Bernard Arnault's holding company, and Durable Capital Partners committed to purchasing up to \$625 m as cornerstone investors.

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In 2022 Birkenstock generated revenues of €1.2 bn with a gross profit margin of 60% and net profit of €187 m.

Existing shareholders sold two-thirds of the deal with the proceeds being used largely to pay down Birkenstock's debt.

MACH NATURAL RESOURCES | \$1.7 bn MCAP | \$190 m raised | NYSE

On October 24, oil and gas producer Mach Natural Resources priced at the bottom of the price range. Focused on the acquisition, development, and production of oil and natural gas, the company uses horizontal wells to tap into previously inaccessible reserves in the USA.

ABIVAX | \$820 m MCAP | \$217 m raised | NASDAQ + EURONEXT

Although this is an uplisting, we have included this largest-ever NASDAQ listing for a French Biotech.

On October 19, Abivax S.A. priced its ADS public offering raising \$217 m and \$19 m more in concurrent European private placement of ordinary shares.

Abivax is a clinical-stage biotechnology company focused on developing therapeutics that harness the body's natural regulatory mechanisms to modulate the immune response in patients with chronic inflammatory diseases.

RUSTA | €585 m MCAP | €203 m raised | NASDAQ Stockholm

The first large Swedish IPO in more than a year took place on October 19.

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In this secondary offering, the selling shareholders, board of directors, and members of group management have committed to a lock-up period of 360 days from the first day of trading.

Rusta is a leading company in the Nordic variety hard discount market. Rusta's product assortment includes products for the home, day-to-day necessities, seasonal products, and products for an active lifestyle.

WEBUY GLOBAL | \$206 m MCAP | \$15 m raised | NASDAQ

On October 18, WeBuy Global completed its upsized IPO at the lower end of the price range.

WeBuy is an emerging Southeast Asian community-oriented e-commerce platform, or a "buying club", with a focus on grocery and travel. WeBuy is incorporated in the Cayman Islands, currently operates in Singapore and Indonesia, and has served over 269 thousand customers. WeBuy Global booked \$45 m in revenue in 2022.

PRIMECH HOLDINGS | \$160 m MCAP | \$12 m raised | NASDAQ

Primech Holdings priced its IPO on October 9 at the low end of its price range.

The company is a technology-driven facilities services provider in the public and private sectors operating mainly in Singapore, with a small portion of operations in Malaysia. Primech provides facilities services, stewarding services, cleaning services to offices, cleaning services to homes, and cleaning supplies.

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MAISON SOLUTIONS | \$76 m MCAP | \$10 m raised | NASDAQ

Maison Solutions is a specialty grocery retailer offering traditional Asian food and merchandise to US consumers. It raised \$10 m on October 4, and its market capitalization grew to \$120 m as of the end of November 1.

The company provides Asian fresh produce, meat, seafood, and other daily necessities in a manner that caters to traditional Asian-American family values and cultural norms, while also accounting for the new and faster-paced lifestyle of younger generations. To achieve this, the company is developing a center-satellite stores network. This multi-pronged approach allows Maison Solutions to provide customers with multiple shopping channels, including integrated online and offline operations.

Three more IPOs took place on **NASDAQ** in October.

Alpha Technology Group, the holding company of cloud-based IT solution service providers in Hong Kong, successfully raised \$7 m, representing an 11.7% ownership stake in the company. Concurrently, existing shareholders registered an additional 13.3% of ordinary shares for sale following the completion of the offering through a separate resale prospectus.

Global Mofy Metaverse, a technology solutions provider engaged in virtual content production, digital marketing, and digital assets development for the metaverse industry, raised \$6 m.

US real estate company **La Rosa Holdings** raised \$5 m.

Northann specializing in 3D-printed vinyl flooring solutions raised \$6 m on **NYSE**.

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IPO PLANS AND RUMORS

Swedish battery maker **Northvolt** is considering a stock market listing in Stockholm, one of the largest European flotations in recent years, with a potential valuation of around \$20 bn according to FT and Reuters. The company is currently in discussions with investment banks for roles in the IPO, while Rothschild & Co. is providing advice. Northvolt could go public as early as next year, but plans are still tentative due to market volatility. The company is seeking significant funding to support the construction of battery recycling facilities in Europe and North America. Northvolt is backed by investors like Goldman Sachs Asset Management, BlackRock, Volkswagen, BMW, and Siemens. Confirming a report from the FT, the company is set to announce over \$5 bn in debt financing in the upcoming weeks, solidifying its position as the European start-up that has raised the highest amount of capital.

Plaid, an open banking provider, has appointed its first CFO, Eric Hart, former CFO of Expedia, amid growing speculation of the company preparing for an IPO, although the exact timing remains uncertain in the current market landscape. In 2020-21, Plaid faced an acquisition attempt by Visa, which fell through under scrutiny from the US Justice Department. After the failed acquisition, Plaid raised \$425 m in a Series D funding round, valuing the company at \$13.4 bn.

According to Reuters, Spanish cosmetics group **Puig** has hired investment banks Goldman Sachs and JPMorgan as advisers for a potential stock market listing. Puig, a family-owned company known

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for brands like Carolina Herrera and Paco Rabane, is estimated to be worth up to €8 bn. Puig's sales surged 40% to €3.6 bn last year, with plans to reach €4.5 bn by 2025.

FT reported **UL Solutions**, a Chicago-based safety testing and certification group, is moving forward with plans for a significant IPO on the NYSE, aiming to raise up to \$1 bn and valuing the company at over \$5-10 bn. The company disclosed that it had submitted a confidential preliminary prospectus to regulators in October. The IPO could take place as early as November but is subject to potential changes in timing and valuation. UL Solutions is considered a relatively less risky IPO candidate due to its long history of profitability and investment-grade credit rating. Its annual revenue is estimated to be more than \$2.5 bn, with EBITDA of around \$500 m. JPMorgan Chase and Goldman Sachs are the lead underwriters for the deal.

Vinted, Europe's largest online marketplace for used clothes is considering a share listing worth over €200 m as it aims to take a leading position in the sustainable fashion trend. This Lithuania-based startup, valued at €3.5 bn in May 2021, is reportedly working with Morgan Stanley to evaluate its capital structure ahead of a potential IPO. As stated by Proactive Investors, options include selling new and existing shares or maintaining its current capital structure. A secondary share sale could potentially value the company higher than its previous valuation and provide liquidity for early investors. The growing market for used clothing, driven by sustainability concerns and changing consumer preferences, may

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outpace fast fashion, with the global second-hand apparel market expected to double by 2027. The company's revenues in 2022 increased by 51%, reaching €370 m, and pre-tax losses decreased to €47 m.

Footwear brand **Golden Goose**, which was acquired by private equity firm Permira for €1.3 bn in 2020, is considering an IPO in the first half of 2024. According to Yahoo!Finance, Permira has hired Lazard as a financial adviser for the proposal. If the IPO proceeds, Golden Goose would join a wave of footwear brands seeking public market listings. Golden Goose reported a 30% YoY revenue increase in 2022 to €501 m, driven by strong direct-to-consumer channels in the Americas and EMEA.

Reuters reported the Capital Markets Board of Turkey has approved an IPO by food services company **TAB Gida**, marking the largest dollar-denominated IPO in Turkey since 2018. TAB Gida, the franchise holder for brands like Burger King and Popeyes, aims to raise appr. \$247 m by offering about 20% of its shares. The proceeds from the listing will be used for expanding new restaurants, establishing a solar plant, and reducing financial debts. This approval follows a surge in public offerings in Turkey, driven by increased interest from domestic retail investors.

Papara, Turkey's leading “challenger” bank, recently acquired Spain's Rebellion neobank, achieving a unicorn status with a valuation exceeding \$1 bn. Papara plans to make another acquisition in the coming weeks, further expanding its presence in Europe. The company, with over 17 m users in Turkey, is looking to grow its reach

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in the EMEA. The company also has plans to go public, with an IPO expected within 2 to 4 years, potentially on exchanges like NASDAQ, the LSE, or Bursa Istanbul. The company's focus on profitability and resilience sets it apart from fintechs in Western markets that often rely on extensive venture capital funding.

Raspberry Pi, a beginner-friendly coding computer manufacturer, is considering a UK IPO, which could value the company at over £409 m. Originally planned for 2021, the IPO was postponed due to poor listing conditions and global chip shortages. However, CEO, Eben Upton, believes the company is now ready for the IPO, with investments from Lansdowne Partners, Ezra Charitable Trust, and Sony's semiconductor division.

This digest covers key IPO deals on European and US exchanges.

Our main focus is on companies exceeding \$100 mn in market capitalization.

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