

A D A S T R A

IPO digest | 4-30 September 2023

Over the past few weeks, Arm, Instacart, and Klaviyo have priced their IPOs, the first significant offerings within the technology sector in the last 18 months. Increased capital costs, volatility in the private financing sector, and a reduced willingness among investors to take on risk have collectively incentivized companies to implement cost-saving strategies and emphasize profitability. While the newly public companies encountered their share of trading fluctuations, Arm and Klaviyo notably managed to secure prices at levels exceeding the upper limits of their initial price ranges. Additionally, the recent wave of pharmaceutical IPOs in both Europe and the US serves as a promising indicator of sector momentum, underlining the diverse opportunities that await businesses looking to go public.

NEW IPOs

ARM | \$50+ bn MCAP | \$4.9 bn raised | NASDAQ

Long awaited Arm IPO took place on September 13 and went successfully. We have written a lot about the planned offering in the August issues. Arm's IPO was purely secondary and allowed its sole shareholder, SoftBank, to sell 10% of its shares. Although SoftBank remained subject to a 180-day lock-up with respect to other equity, the IPOed asset gives SoftBank a leveraged purchasing power on the venture market.

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IPO digest | 4-30 September 2023**SCHOTT PHARMA | €4.1 bn MCAP | €935 m raised | FWB**

On September 27, parent company Schott AG offered a 23% stake in the largest Germany's IPO on Deutsche Börse so far this year. Qatar Investment Authority became a cornerstone investor having agreed to buy €200 m worth of shares sold in the offering.

Schott Pharma focuses on the growing market for injectable drugs. The portfolio comprises drug containment solutions and delivery systems for injectable drugs ranging from prefillable glass and polymer syringes to cartridges, vials, and ampoules. It generated €670 m in sales and €187 m in EBITDA in the first 9 months of 2023. Vial manufacturers profited during the COVID-19 pandemic when vaccine makers scrambled for equipment as governments worldwide sought to inoculate citizens against the coronavirus.

The company operates 16 manufacturing sites in Europe, Americas, and Asia. With over 1,000 patents and technologies developed in-house, and a state-of-the-art R&D center in Switzerland, the company is focused on developing innovations for the future.

INSTACART | \$8+ bn MCAP | \$660 m raised | NASDAQ

Online grocery Instacart (Maplebear Inc.) priced its IPO at the top of its price range to raise \$660 m on September 18. PepsiCo agreed to purchase \$175 m of Instacart's Series A preferred stock in a private placement concurrent with Instacart's IPO, which notably is senior to its common stock upon liquidation and incorporates a minimum 5% return that compounds annually.

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Worth mentioning is that Instacart would be using the main part of the proceeds from its IPO to settle costs associated with restricted stock units (RSU) vesting offered to employees, according to FT. Instacart's lock-up allows current employees to sell up to 35% of their stock as early as November, so long as the stock is trading up at least 20% from the IPO price.

KLAVIYO | \$7.6 bn MCAP | \$576 m raised | NYSE

Klaviyo priced its IPO above the high end of the price range and raised \$576 m on September 19. Klaviyo is a digital marketing software platform known for automating marketing campaigns. Klaviyo's software utilizes proprietary data and AI to optimize marketing messages across various channels, such as email, SMS, and push notifications.

Klaviyo is going to use up to 10% of the proceeds of its IPO to settle outstanding RSUs. Klaviyo's lock-up structure allows current employees, former employees, and certain non-affiliate stockholders to sell up to 20% of their stock as early as November, so long as the stock is up at least 30% from the IPO price.

COTY | €10 bn MCAP | €339 m raised | Dual Listing Euronext

On September 28, Coty, one of the world's largest beauty companies with a portfolio of iconic brands across fragrance, color cosmetics, skin, and body care, completed its listing on Euronext Paris. The company is among the top 3 globally for both fragrance and color cosmetics. Listed on the **NYSE** in 2013, the business quickly expanded to become a leading player in the global beauty industry.

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Having delivered three years of growth ahead of expectations, Coty dual-listed in Europe. It is claimed to be the first US company to successfully raise capital via a simultaneous EUR and USD offering on the occasion of a European listing.

RAYZEBIO | \$940 m MCAP | \$311 m raised | NASDAQ

On September 14, RayzeBio priced its 20% upsized IPO at the top of its price range to raise \$311 m. RayzeBio is a Phase 3 biotech specializing in radiopharmaceutical therapies for cancer. Its leading candidate uses a potent alpha particle radioisotope to target tumors with high expression of certain genes. This radiopharmaceutical therapeutic aims to provide greater efficacy compared to existing beta particle therapies.

NEUMORA Therapeutics | \$2.6 bn MCAP | \$250 m raised | NASDAQ

On September 14, Neumora Therapeutics priced its IPO at the mid-point of its price range and raised \$250 m. Biopharmaceutical company's lead drug candidate, navacaprant, is a potential oral treatment for major depressive disorder, and the company expects results from the first of its late-stage trials in 2H 2024.

ADLAI NORTYE | \$760 m MCAP | \$57.5 m raised | NASDAQ

US-China Biotech incorporated in the Cayman Islands, Adlai Nortye priced its IPO of ADS on September 28. Adlai Nortye is a global clinical-stage biotechnology company focused on the discovery and development of innovative cancer therapies for patients across the

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spectrum of tumor types. A pipeline of seven drug candidates is currently undergoing clinical trials, and in many cases, in collaboration with multinational pharmaceutical companies to fully realize their commercialization potential on a global scale.

NASDAQ IPOs of companies with a market capitalization of less than \$100 m or those raised less than \$10 m.

VS MEDIA a Hong Kong-based marketing services provider managing a global network of digital Creators, raised \$10m

A Singaporean developer of a proprietary ecosystem solution that automates workflow and the workforce in areas such as building maintenance, security surveillance, and janitorial services, **SIMPLE** raised \$8.4 m.

Chinese investor-focused, versatile securities brokerage company in Hong Kong, **Solowin Holdings** raised \$8 m.

Japanese developer of luxury residential properties **Lead Real Estate** Co. raised \$8m

Gamer Pakistan, creating and promoting college, inter-university, and professional e-sports events for men's and women's teams in Pakistan, raised \$6.8.

Nature Wood Group, a global vertically integrated forestry company headquartered in Macau, raised \$6.8 m.

Syra Health, a US-based healthcare services company, raised \$6 m.

Spanish developer of AI-powered equipment for the generation, management, and storage of photovoltaic energy **Turbo Energy** raised \$5 m.

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Singaporean agricultural commodity trading company specializing in trading sugar, rice, and oil and fat products, **Davis Commodities** raised \$4.4 m.

Euronext Growth Milan saw four IPOs:

Construction company **Edil San Felice** raised €11 m.

Elsa Solutions, focused on motion control and special purpose batteries raised €4.2 m.

Emma Villas leading Italian operator in the tourist rental of villas and prestigious residences raised €3.2 m.

Marketing technology company with a focus on the tourism and food and wine segments, **Valica Group** raised €1.8 m.

Tribe Technology, a disruptive developer and manufacturer of autonomous mining equipment, raised £4.4 m on **AIM (LSE)**.

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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We are excited to keep you posted with news and insights on the European and US public equity capital markets. Please share with us your feedback and let us know if you would like to hear more from us about some particular subjects of your interest.

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