

## A D A S T R A

**IPO digest | Week 35 | 28-3 September 2023**

According to PitchBook data, the landscape of IPOs has experienced significant fluctuations in valuation metrics over the past few years. In 2019, VC-backed companies entering the public market boasted an enterprise value of approximately 5 times their revenue. However, by the midpoint of 2021, this metric had surged to an astonishing 22x, only to retreat to around 5x in recent quarters. The implications for forthcoming IPOs are profound, as they serve as a pivotal price discovery mechanism. To enhance their chances of success, these companies are strategically courting substantial investors well in advance and opting to offer a modest portion of the company, typically not exceeding 10%, to the public.

## NEW IPOs

On August 29, **Inspire Veterinary Partners**, a US veterinary hospitals network, priced at the low end of the price range and raised \$6.4 mn on **NASDAQ**.

As last week, there is much more in the pipeline to watch.

## NEW FILINGS AND DISCLOSURES

**ARM | \$50+ bn MCAP | \$5+ bn raising | NASDAQ**

While Arm is preparing the deal on September 13, the expected price range would translate into a valuation for Arm of roughly between

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\$50 bn and \$54 bn, and an offering of \$5 bn to \$5.4 bn which represents a climb-down from the \$64 bn valuation at which SoftBank acquired the 25% stake in the company last month. The valuation is not final yet and strong demand on the upcoming roadshow can push the price higher. Arm has already signed up many of its major clients as investors in its IPO: Apple, Nvidia, Alphabet, Advanced Micro Devices, Intel, Samsung Electronics, Cadence Design Systems, and Synopsys. These strategic investors have agreed to invest between \$25 mn and \$100 mn each according to Reuters. Arm and SoftBank have set aside 10% of the shares to be sold in the IPO for its clients.

**RICHTECH ROBOTICS | \$326 mn MCAP | \$15 mn raising | NASDAQ**

On September 1, Richtech Robotics set terms for a \$15 mn IPO. The IPO float is planned for just 4.6% of the basic shares outstanding. Richtech Robotics designs, manufactures, and sells Autonomous Mobile Robots for the hospitality sector, and its current customer base includes hotels, restaurants, senior care facilities, and casino management companies. Richtech envisions becoming the first robotics "Super-operator" where thousands of its robots are deployed out in the field and managed by Richtech's AI Cloud Platform.

**TURBO ENERGY | \$286 mn MCAP | \$5.5 mn raising | NASDAQ**

On August 28, Turbo Energy filed an F-1/A in which it named Titan Partners as a joint book-runner to work with Boustead Securities. Turbo Energy is issuing ADS to raise \$5.5 mn. Spanish developer of AI-powered equipment for the generation, management, and

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storage of photovoltaic energy considers reducing electricity bills and protecting the installation from power outages as its key advantages.

**LINKAGE GLOBAL | \$108 mn MCAP | \$7.5 mn raising | NASDAQ**

On September 1, Linkage Global, a Japanese online retailer and provider of cross-border e-commerce services, filed an F-1 and set terms for a US IPO. Its customers are mainly comprised of sellers on various e-commerce platforms, such as Amazon, Lazada, Shopee, Wish, Coupang, Yahoo, and others.

Singaporean **Ryde Group** filed its F-1 without disclosing the price. It is expected to raise \$17 mn on **NYSE**. Ryde operates a ride-hailing app and aims to become a “Super mobility app” where multiple mobility tools can be accessed and function seamlessly. Its core businesses are carpooling, ride-hailing, and parcel delivery services.

**Global Engine Group Holding**, a Hong Kong-based information communication technologies provider, increased its IPO size by 50% to raise \$13.5 mn on **NASDAQ**.

Listed on the **Australian Securities Exchange**, **CardieX** disclosed terms for its **NASDAQ** uplisting in which it plans to raise \$10 mn through the offering of ADS. CardieX is a commercial-stage digital healthcare company developing medical devices to redefine the way hypertension and major vascular diseases are clinically diagnosed and managed.

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OTC-traded US healthcare clinic operator **Mitesco** has withdrawn its \$22 mn **NASDAQ** uplisting.

## IPO PLANS AND RUMORS

The CEO of French automaker **Renault** announced on Monday that the company is planning to conduct an IPO of its electric vehicle subsidiary, **Ampere**, in the spring of 2024. De Meo revealed that Renault's goal is to complete the separation of the unit from the rest of the company by November 1 of this year, as part of the preliminary preparations for the IPO. Ampere division could get a valuation of up to €10 bn.

Cloud and data security startup **Rubrik**, backed by Microsoft, is planning to launch its IPO later this year, with the investor roadshow potentially commencing as early as October. The IPO is expected to raise between \$500 mn and \$700 mn, although these figures may change depending on market conditions, and the IPO timeline could extend into the next year. Rubrik recently held a meeting with research analysts to provide insights into its operations and growth prospects. Microsoft invested in Rubrik in 2021, valuing the company at \$4 bn.

**Zilch**, a fintech company based in London, is considering the possibility of an IPO in either the UK or the US. Belamant emphasized the importance of making the best decision for Zilch's stakeholders, weighing the advantages of listing in the US versus the UK. Zilch, which also operates in the US market with a Miami-based

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headquarters, has been on a path towards profitability due to its favorable unit economics and substantial gross profit margins. While initially categorized as "BNPL 2.0" for its no-interest, no-late-fee approach and cashback rewards, Zilch now identifies itself as an "ad-subsidized payments platform." Zilch has achieved over 3.5 mn registered customers since its launch in 2020.

*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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