

Initial Public Offerings 2022

Contributing editors
Joshua Ford Bonnie and Kevin P Kennedy
Simpson Thacher & Bartlett LLP





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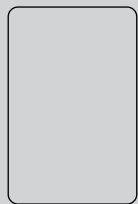
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Lexology Getting The Deal Through is delighted to publish the seventh edition of *Initial Public Offerings*, which is available in print and online at www.lexology.com/gtdt.

Lexology Getting The Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes a new chapters on New Zealand and Turkey.

Lexology Getting The Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.lexology.com/gtdt.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Lexology Getting The Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editors, Joshua Ford Bonnie and Kevin P Kennedy of Simpson Thacher & Bartlett LLP, for their continued assistance with this volume.



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Global overview

Joshua Ford Bonnie, Kevin P Kennedy and Jonathan H Pacheco

Simpson Thacher & Bartlett LLP

According to a study by Ernst & Young LLP, despite acute market volatility in the first half of the year and the ongoing global covid-19 pandemic, the global 2020 IPO market saw increases in both the number of IPOs and the aggregate amount of IPO proceeds raised globally – an increase of 19 per cent to 1,363 IPOs and 29 per cent to US\$268.0 billion proceeds. These figures exclude the 255 special purpose acquisition companies (SPACs) that went public raising an aggregate of US\$81.5 billion IPO proceeds during 2020. Though SPAC IPOs, and the subsequent merger with an operating company, have been around for decades, they have become more mainstream in recent years. With the rise in popularity of SPAC IPOs, stock exchanges in other countries are exploring ways to accommodate this non-traditional IPO process, which has to date largely been a US phenomenon. The momentum from 2020 continued into 2021 with the IPO market seeing the best first quarter in two decades. Compared to the comparable period in 2019, the number of IPOs increased 85 per cent to 430 IPOs, with aggregate proceeds increasing a whopping 271 per cent to US\$105.6 billion. And again, such figures exclude the SPAC IPOs that also experienced an extraordinary first quarter – 307 SPAC IPOs that raised aggregate proceeds of US\$95.2 billion, although the market environment for SPACs has more recently been challenged.

In the United States, the IPO market in 2020 had a stellar year. The number of companies completing IPOs was up 33 per cent to 224, resulting in US\$86.2 billion in aggregate proceeds or an increase of 70 per cent year-over-year, according to Ernst & Young LLP. The US IPO market continued to attract non-US companies, with 63 cross-border IPOs in the US in 2020 compared to 60 in 2019. In addition, Nasdaq and the New York Stock Exchange were two of the top four most sought-after exchanges by proceeds in 2020. Similar to the global IPO markets, the US IPO market in the first quarter of 2021 saw its best quarter in 20 years with aggregate proceeds increasing 463 per cent to US\$41.1 billion and the number of IPOs increasing 313 per cent to 99 IPOs compared to the same period in the prior year. As mentioned above, such figures exclude SPAC IPOs, which raised US\$95.2 billion in aggregate proceeds in 307 SPAC IPOs in the first quarter of 2021 in the US.

According to Ernst & Young LLP, the 2020 IPO market in Asia-Pacific increased 20 per cent year-over-year with 822 IPOs, raising aggregate

proceeds of US\$136.2 billion or an increase of 45 per cent. By number of IPOs, three of the top five exchanges globally were in Greater China (Shanghai, Shenzhen and Hong Kong) in 2020. Mainland China had an impressive year, seeing both the number of IPOs and proceeds surge to 392 and US\$67.9 billion, respectively. In Japan, there were 93 IPOs, a 4 per cent increase year-over-year, raising US\$3.3 billion in aggregate proceeds, which was a decrease of 13 per cent. In Australia and New Zealand 2020 IPO activity increased 49 per cent by IPO numbers and 50 per cent by aggregate proceeds.

The IPO market in Europe, the Middle East, India and Africa saw a 7 per cent increase in IPOs with 259 IPOs completed, raising US\$33.9 billion in aggregate proceeds or a 43 per cent decrease. The decline is partly due to Saudi Aramco's IPO in 2019, the largest IPO on record with US\$25.6 billion in proceeds. Excluding that deal from the comparison, 2020 saw an increase of 12 per cent in IPO proceeds compared to 2019. This region accounted for four of the top 12 exchanges by deal numbers in 2020. In Europe, IPO activity increased 23 per cent by deal numbers and 9 per cent by IPO proceeds. In the UK, IPO activity rose 30 per cent by deal numbers and 56 per cent by IPO proceeds. Europe and the UK saw six mega IPOs in 2020, each raising more than US\$1.0 billion in IPO proceeds. The Middle East and North Africa raised US\$2.3 billion in total proceeds, a decrease of 93 per cent, from 27 IPOs, or an increase of 59 per cent. India exchanges saw 44 IPOs, a 38 per cent decrease, raising US\$4.1 billion in IPO proceeds, an increase of 58 per cent.

In Latin America, Brazil had a record year with 28 IPOs, an increase of 460 per cent, raising US\$8.5 billion of aggregate proceeds, an increase of 242 per cent. That was the most active year Brazil has seen since 2007. Such momentum continued into 2021, with 15 IPOs completed in the first quarter resulting in US\$3.5 billion of aggregate proceeds, an increase of 275 per cent and 303 per cent, respectively, over the comparable period in 2019. Mexico's IPO market saw two IPOs raising US\$1.6 billion of aggregate proceeds, which was a welcome reprieve since the prior year did not produce any IPO activity.

The editors are pleased to be associated with some of the finest legal counsel in each of the countries covered in this volume and hope that you find the chapters relevant and useful.



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