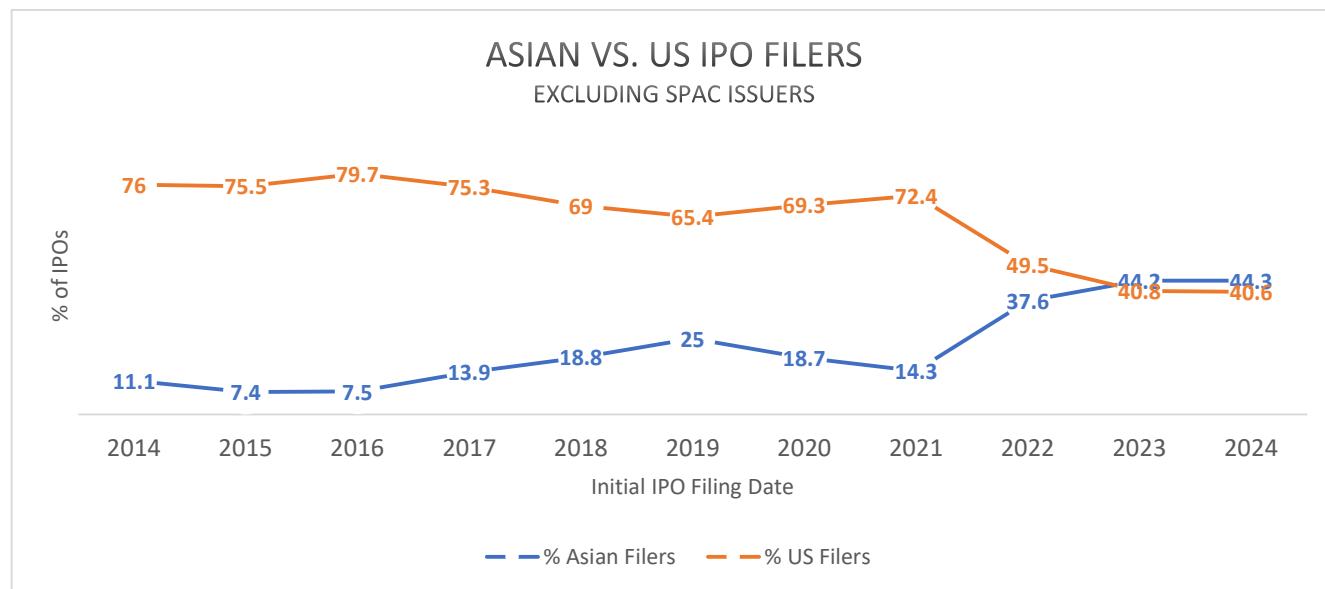


The Dramatic Rise in Asian IPO Filers

June 18, 2024

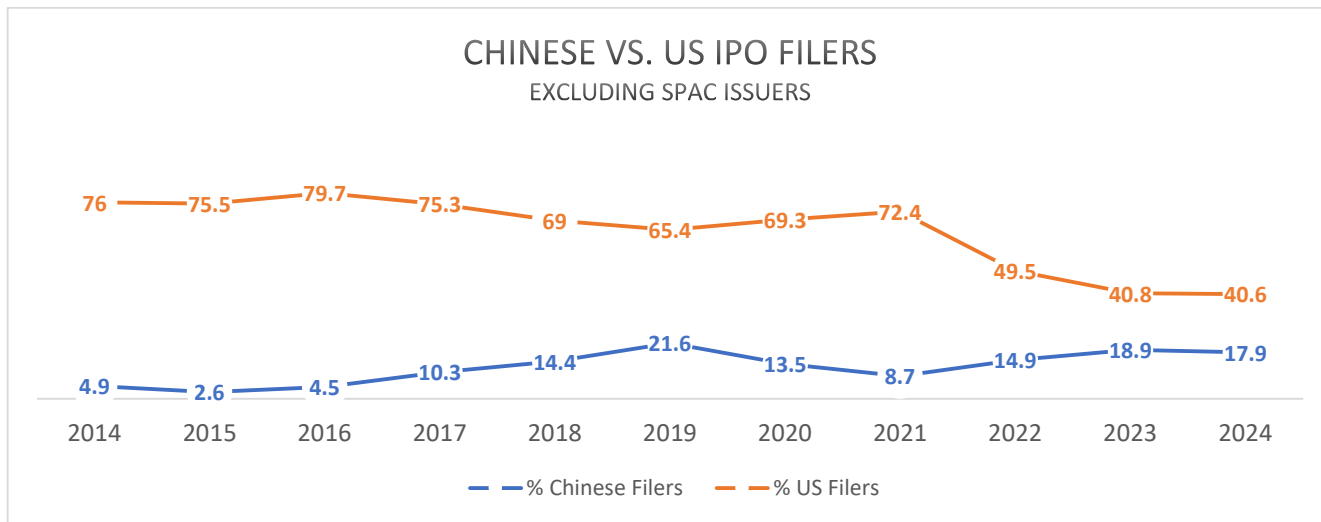
We have observed a marked increase in IPO filers headquartered in Asia so we took the opportunity to look back ten years to see how things have changed relative to IPO filers headquartered in the US and the change is dramatic. We have excluded SPAC issuers from the data.

As the chart below indicates, IPO filers headquartered in the US have historically accounted for an overwhelming majority of all filers who filed publicly to list in the US. This was true up through 2021, when US headquartered filers represented 72% of all new IPOs filed with issuers headquartered in Asia representing just over 14% of all new IPOs filed. However, in 2022 a significant shift began to emerge. In 2022, the percentage of new IPOs filed by Asian headquartered issuers jumped to nearly 38% with US headquartered filers falling to 49.5%. By 2023, Asian headquartered issuers account for a higher percentage of new IPO filers than US headquartered filers, with Asian issuers representing over 44% of new IPOs filed and US filers representing nearly 41%. The trend has continued year to date, with the relative percentages of US and Asian headquartered filers about the same as 2023.



Interestingly, as the percentage of Asian headquartered filers noticeably increased in 2022 and 2023, the median deal size by Asian issuers who initially filed to go public in those years began to decrease. In 2021, the median deal size for Asian headquartered filers was over \$71 mil. In 2022, that number dropped to just under \$12 mil. In 2023, the median deal size continued to decrease to only \$8 mil. Of those Asian headquartered filers who initially filed to go public in 2024, only three have priced their IPO as of this writing, so the data is not significantly relevant. Given the way the data is trending though we would anticipate that the median deal size for Asian headquartered filers will continue to remain quite small as the number of Asian headquartered filers continues to increase.

We then more specifically compared issuers headquartered in China to see how they compared to issuers headquartered in the US. Historically, issuers headquartered in China have accounted for a relatively small percentage of all issuers who have filed to go public in the US. Between 2014 and 2016 Chinese headquartered issuers accounted for less than 5% of all issuers who filed to go public in the US. In 2017 that number began to rise through 2019 when over 21% of all issuers who filed to go public in the US were headquartered in China. That number steadily dropped through 2020 and 2021 when issuers headquartered in China represented below 10% of all new filers. In 2022 that number again began to climb reaching nearly 19% in 2023. So far in 2024, the percentage of new filers headquartered in China is about the same as in 2023.



It is important to note that of the 300 Chinese headquartered issuers who have filed to go public in the US since the beginning of 2014, nearly all of them (98%) qualify as Foreign Private Issuers. The same is true for the 535 Asian headquartered issuers who have filed to go public in the US since 2014, with over 96% of them qualifying as Foreign Private Issuers. Foreign Private Issuers are exempt from several SEC reporting and governance obligations, including exemptions from most of the NYSE and Nasdaq corporate governance rules. This makes Asian IPO filers quite different from US headquarters filers, although Foreign Private Issuers can choose to be subject to some or all of the SEC and stock exchange requirements.

****All data is as of 6/17/2024****

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