



Southeast Asia Mid-Year IPO Snapshot 2023

5 July 2023



2023 H1 IPO performance in Southeast Asia

In the first half of 2023, the Southeast Asia¹ IPO capital market achieved **85** IPOs in 2023 H1, with **US\$3.3 billion** in IPO proceeds raised and an IPO market capitalisation of **US\$20.1 billion** as compared to 2022 H1 with 73 IPOs, US\$3.1 billion in IPO proceeds and IPO market capitalisation of US\$35.4 billion.

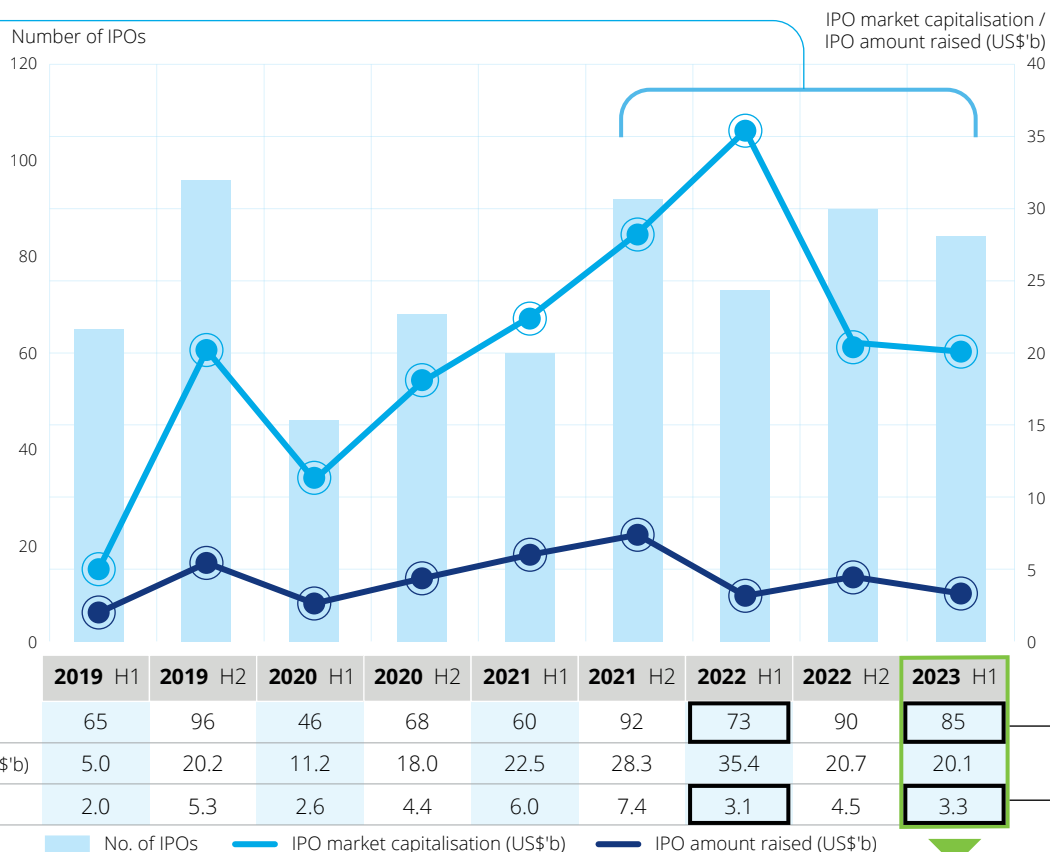
Over the course of the past couple of years, the Southeast Asian region has been inadvertently impacted by global issues, including the COVID-19 pandemic, the Russian-Ukraine situation, geo-political instability, and rising inflation and interest rates.



Despite headwinds, the International Monetary Fund (IMF) expects Southeast Asia to be the world's fastest growing region, with the five largest economies – Indonesia, Malaysia, Philippines, Singapore and Thailand – expected to expand at the rate of at **4.5%** in 2023 and **4.6%** in 2024².



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1
No. of IPOs	65	96	46	68	60	92	73	90	85
IPO market capitalisation (US\$b)	5.0	20.2	11.2	18.0	22.5	28.3	35.4	20.7	20.1
IPO amount raised (US\$b)	2.0	5.3	2.6	4.4	6.0	7.4	3.1	4.5	3.3



As compared to 2022 H1, 2023 H1 saw a **16%** increase in the number of new IPOs and a **5%** increase in IPO

amount raised in Southeast Asia. This was largely due to the three sizable IPOs in Indonesia that had each raised more than US\$500 million in 2023 H1, as compared to only one blockbuster IPO that had raised US\$1 billion in 2022 H1 (i.e. PT GoTo Gojek Tokopedia Tbk, also in Indonesia).

However, there was a sharp decrease of **43%** in market capitalisation due to PT GoTo Gojek Tokopedia having an exceptionally large market capitalisation of US\$27.5 billion in 2022 H1.



2023 H1 IPOs in Southeast Asia	Indonesia	Thailand	Malaysia	Singapore	Philippines	Vietnam	Total
Number of IPOs	44	18	16	3	2	2	85
IPO Market Capitalisation (US\$m)	15,666	1,979	2,091	101	228	10	20,075
IPO amount raised (US\$m)	2,283	517	369	21	59	2	3,251

¹ Southeast Asia countries include Indonesia, Thailand, Malaysia, Singapore, Philippines and Vietnam.

² Source: International Monetary Fund, Regional Economic Outlook, May 2023

Top 10 listings in Southeast Asia in 2023 H1

These top 10 largest IPOs (by IPO amount raised) contributed **US\$2.4 billion** or **73%** out of the total **US\$3.3 billion** from **85** IPOs.



Radium Development Berhad

Real estate

4

Main Board

31 May 2023

Amount raised: **US\$94 million**

Market cap: **US\$376 million**

Cape EMS Berhad

Industrial Products

9

Main Board

10 March 2023

Amount raised: **US\$53 million**

Market cap: **US\$188 million**



PT Trimegah Bangun Persada Tbk

Energy and Resources

1

Main Board

12 April 2023

Amount raised: **US\$683 million**

Market cap: **US\$5,390 million**

PT Merdeka Battery Materials Tbk

Energy and Resources

2

Development Board

18 April 2023

Amount raised: **US\$627 million**

Market cap: **US\$5,867 million**



Master Style Public Company Limited

Life Sciences and Health Care

5

mai

25 January 2023

Amount raised: **US\$91 million**

Market cap: **US\$337 million**

MEB Corporation Public Company Limited

Consumer Business

7

mai

14 February 2023

Amount raised: **US\$61 million**

Market cap: **US\$244 million**

Millennium Group Corporation (Asia) Public Company Limited

Consumer Business

6

SET

26 April 2023

Amount raised: **US\$65 million**

Market cap: **US\$261 million**

Chase Asia Public Company Limited

Financial Services

10

SET

21 February 2023

Amount raised: **US\$46 million**

Market cap: **US\$164 million**

PT Pertamina Geothermal Energy Tbk

Energy and Resources

3

Main Board

24 February 2023

Amount raised: **US\$594 million**

Market cap: **US\$2,377 million**

PT VKTR Teknologi Mobilitas Tbk

Consumer Business

8

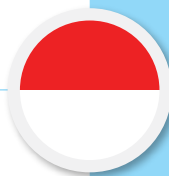
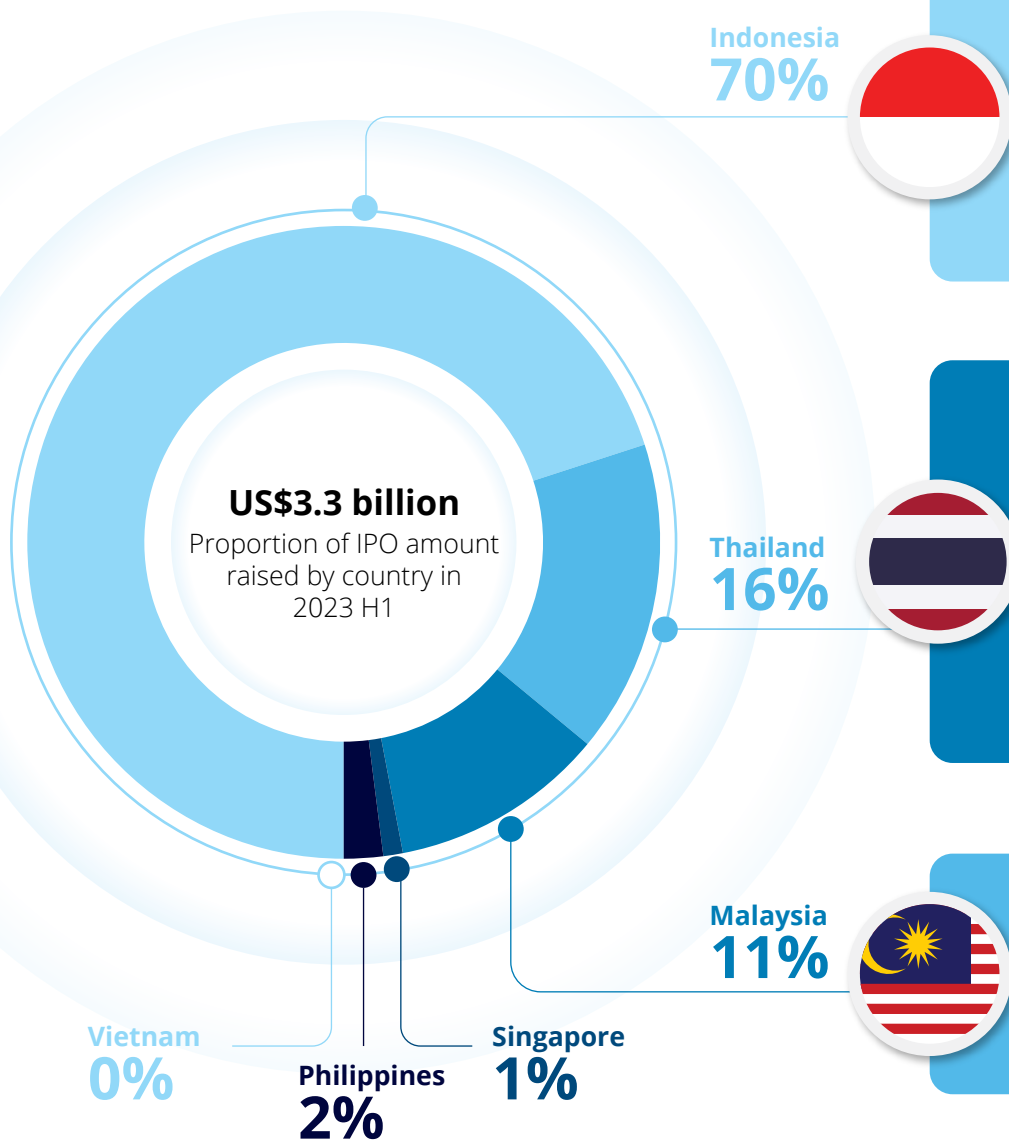
Development Board

19 June 2023

Amount raised: **US\$58 million**

Market cap: **US\$291 million**

The IPO Leaderboard in the Southeast Asia IPO capital market in 2023 H1



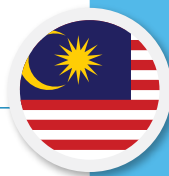
Indonesia, the world's fourth most populated country, looks set to have its best year ever in terms of listing proceeds with 44 IPOs in 2023 H1, including the listings of a nickel miner that raised approximately US\$683 million, an integrated electronic vehicle ("EV") battery materials company that raised approximately US\$627 million, a geothermal power plant operator that raised approximately US\$594 million, and an electric motor car wholesaler that raised approximately US\$58 million.

The foundation of President Joko Widodo's economic policies to spur the Indonesian industry can be explained in two-fold: transforming Indonesia to be a robust global EV supply chain hub and monetising state-owned commodity assets. Indonesia holds the world's largest nickel reserves and the recent IPO of Harita Nickel (PT Trimegah Bangun Persada Tbk) is good gauge of the interest of both local and international investors.



Thailand's IPO market kicks off 2023 with a slower start compared to 2022 H1, and includes four listings of a cosmetic surgery hospital that raised approximately US\$91 million, an automotive retail group that raised US\$65 million, e-book store operator that raised approximately US\$61 million, and a financial advisory company focused on managing non-performing assets that raised approximately US\$46 million.

In 2024, The Securities and Exchange Commission ("SEC") of Thailand will require companies applying for IPO filing to submit their annual financial statements for the last 3-years and the last quarterly financial statements. The financial statements have to be prepared in accordance with the financial reporting standards and audited or reviewed (in the case of quarterly financial statements) by a certified public accountant approved by the SEC. In light of this, there are 47 companies in the IPO pipeline on the SEC, of which 9 have received the approval for the filing application, as of the date of this report.



Malaysia has a target for 39 companies to launch their IPO in 2023. Among the top 10 performers in Southeast Asia, two companies, a property developer and an electronics manufacturer from Malaysia raised a combined total of US\$147 million.

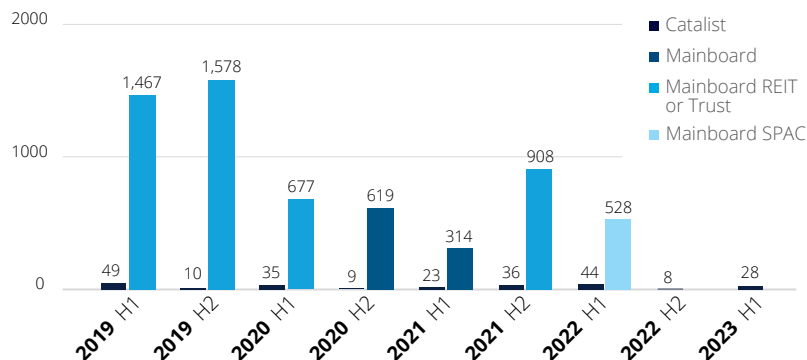
Malaysia is focusing on its on-going Public Listed Companies Transformation Programme to help create a more attractive market and support Malaysia's economic growth via streamlining the process for IPO, reducing the time-to-market and reduction of stamp duty charges from July 2023.

2023 H1 IPO performance in Singapore

Singapore saw **3** IPOs in 2023 H1, with **S\$28 million** in proceeds raised and an IPO market capitalisation of **S\$137 million**. This registered a **95%** decrease in proceeds raised from 2022 H1 which had 9 IPOs with S\$572 million in proceeds raised and an IPO market capitalisation of S\$790 million.

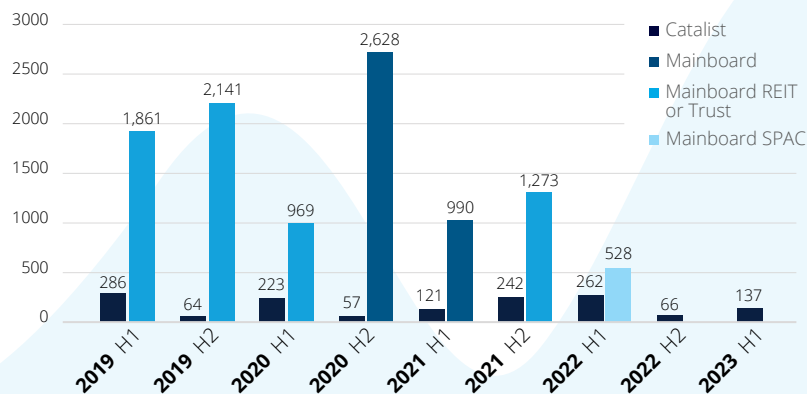
IPO Amount Raised (S\$m)

2019 H1 to 2023 H1



IPO Market Capitalisation (S\$m)

2019 H1 to 2023 H1

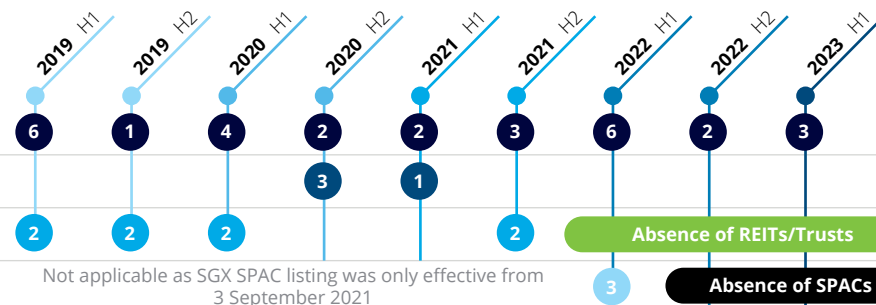


Catalist

Mainboard

REIT or Trust

SPAC



Not applicable as SGX SPAC listing was only effective from 3 September 2021

Absence of REITs/Trusts

Similar to the previous two periods, we observe an absence of Real Estate Investment Trust ("REITs") listings. In the current rising interest rates environment, REITs will need to offer higher dividend yields to attract investors.

Since March 2022, The Federal Reserve ("Fed") announced ten rate hikes from **0.25%** to **5.25%** in May 2023.

Recently, in June 2023, the Fed paused further rate hikes for the quarter but it is anticipated that there will be two hikes by end of the year.



As such, REIT aspirants would have to factor these increase borrowing costs which might postpone listing plans. We expect the REIT trend to come back once interest rates stabilises.

The most recent REIT listings included Daiwa House Logistics Trust and Digital Core REIT in 2021, as well as Elite Commercial REIT and United Hampshire US REIT in 2020. These listings took place prior to the announcement of the first interest rate hikes in March 2022.

Absence of SPACs

In comparison to 2022 H1, 2023 saw a **-67%** in the number of new IPOs, **-83%** in IPO market capitalisation and **-95%** in IPO amount raised.

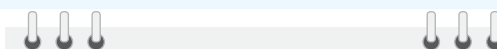
Subsequent to the listing of the three Special Purpose Acquisition Companies ("SPACs") in January 2022, SPAC listings in Singapore has since cooled.



While each of the 3 SPACs have been engaged in active discussions with potential targets, they have not yet entered into any written binding acquisition agreement in relation to a potential business combination, as of the date of this report. It is important to note that SPACs have a timeframe of up to 24 months, with the possibility of a 12-month extension upon meeting certain conditions, SPAC aspirants are likely adopting the wait-and-see approach before we can see more SPAC IPOs come on board.

2023 H1 IPOs on SGX

	Listing Platform	Date of Listing	IPO Amount Raised (S\$m)	IPO Market Capitalisation (S\$m)	Industry
YKGI Limited	Catalist	6-Feb-2023	19.80	85.00	Consumer Business
Ever Glory United Holdings Limited	Catalist	18-May-2023	3.08	18.63	Industrial Products
Pasture Holdings Ltd.	Catalist	9-Jun-2023	5.00	33.00	Life Sciences and Health Care
LYC Medicare Singapore Limited	Catalist	Lodged on 30-Jun-2023	N.A	N.A	Life Sciences and Health Care
Total (S\$m):			27.88	136.63	
Total (US\$m):			20.66	101.19	



Note



On 4 January 2023, Comba Telecom Systems Holdings Limited was listed via a secondary listing on SGX Mainboard by way of introduction.

Regional IPO Outlook

Southeast Asia's positive growth outlook is making the region an investor favourite as there continues to be an influx of foreign direct investment due to the region reopening its doors, the restoration of the tourism industry, and the booming domestic demand. Together, these factors have contributed to the positive economic growth in the region despite the global economic uncertainties.



With each country's pro-growth policies, stable macroeconomics and healthy demographics of Southeast Asia, coupled with the growing impact of tech-enabled entrepreneurs on investment, and strong trading relationships with China, **there remains a sea of exciting opportunities in the regional capital markets and a healthy deal flow for investors to explore and tap on.**

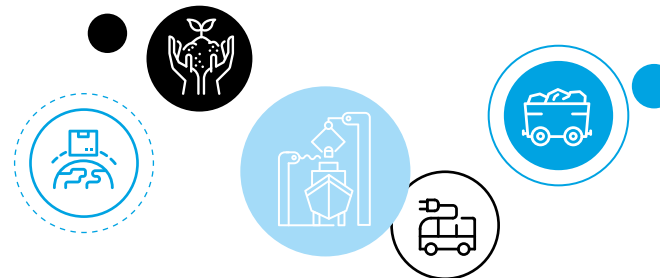
Southeast Asia as a region has large populations, large markets, significant economic capacity, and a highly skilled talent pool. The Southeast Asian countries are very much inter-connected, and each country is a trading partner to its neighbours, as much as they are competitors. A hot IPO market in any SEA country bodes well for the rest of the region. While the Indonesian IPO market will remain hot for the current term, it is sensitive to potential changes in the Indonesian government policies as investors may adopt a wait-and-see approach leading up to the elections.



After two years of lockdowns and border restrictions, tourism has returned to Southeast Asia. China has stepped back from their zero COVID-19 stance, removed COVID-19 restrictions and lockdowns, and has re-opened its borders to the world, which is benefitting the Southeast Asia region in tourism, trade and investments.

While waiting for more certainty around interest rates, inflation and the global geopolitical environment to whet investors' risk appetite, we can expect IPOs in several industries across Southeast Asia, including logistics, technology, mining, electric vehicles and renewable energy.

In the first half of 2023, there were a handful of IPOs on NASDAQ from Singapore and Malaysia, in the industries of real estate services, biotechnology and vessel refueling. **We expect this trend for Southeast Asia companies heading for U.S. IPOs to continue.**



While taking into account possible changes to global events, we remain cautiously optimistic about the region's prospects for the second half of 2023.

It still remains to be seen how Southeast Asia will ride out the storm in its economic recovery. The series of interest rate hikes has impacted Asian currencies and capital markets, and could lead to capital outflows and currency depreciations in some countries, as well as rising debt levels. Troubles in the banking sector, following the collapse of 3 banks in the U.S. and Credit Suisse Group has added distress. Inflation needs to be kept in check, particularly for food, services and energy prices. These could force central banks to raise interest rates to curb inflation quickly. A tight labour market gives rise to rising wages and consequently an increase in the price of services.

If the Russian-Ukraine conflict escalates, it would impact the fuel and commodities prices which remain high. Asian economies are vulnerable to fluctuations in oil prices. In the event of another wave of new variants of COVID-19, economic recovery may also be slowed down. The possibility of a global recession cannot be ruled out, and this will affect exports and growth in Southeast Asia.

Although the region has a heavy reliance on international trade and investment, we have witnessed strong domestic demand and capital activity within Southeast Asia. The tariffs and bans imposed on China by American companies have resulted in some labour-intensive businesses relocating from China to Southeast Asia, including Malaysia, Vietnam and Thailand. This bodes well for the region's labour market, capital inflows and economic activity, setting a robust environment for the capital market to flourish.



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