

USA IPO INSIGHTS

OUR QUARTERLY NEWSLETTER

In this Edition

Domestic & Foreign
Companies Trends

Proportion of underwriting &
other expenses for an IPO

Proposed use of proceeds
(Jan to September 2025)



FOREWORD: IPO MARKET AND CAPITAL ACTIVITY OVERVIEW

The period from July to September 2025 marked a significant phase for the United States economy and capital markets, characterized by resilience, steady growth, and cautious optimism. Despite persistent inflation and global uncertainties, official data reflected strong consumer demand, firm private investment, and stable foreign capital inflows. Real GDP growth remained robust, while the Federal Reserve's measured rate cuts helped balance employment and price stability. Inflation moderated but remained above target, driven primarily by increases in housing, food, and energy costs.

Capital markets mirrored this strength, with U.S. equity indices reaching record highs and investor confidence remaining firm. IPO activity accelerated notably, with 260 issuers raising USD 47.11 billion across the NASDAQ and NYSE. NASDAQ continued to lead in both capital raised and the number of listings, supported by its strong technology and growth company pipeline. SPAC activity surged, while primary issuances continued to dominate fundraising despite a rise in Offer-for-Sale participation mid-year.

However, IPO performance remained mixed. While a few standout issuers recorded exceptional gains, most listings delivered modest returns, underscoring the selective nature of investor sentiment and the importance of strong fundamentals and credible growth stories.

The regulatory environment also evolved, with the U.S. Securities and Exchange Commission intensifying its focus on transparency, AI-related disclosures, and corporate governance. This shift highlighted the market's increasing emphasis on accountability and investor protection.

Overall, the July to September 2025 quarter reflected a stable yet transitioning landscape. Supported by sound macroeconomic fundamentals, disciplined policy adjustments, and growing capital market depth, the U.S. maintained its position as a resilient and adaptive investment environment.



Sandip Khetan

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of Accounting & Reporting
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Raghuram K

*Partner, Accounting &
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U.S. ECONOMIC LANDSCAPE

The U.S. economic and capital markets landscape from July to September 2025 demonstrated resilience and moderate growth, with macroeconomic indicators revealing a complex yet stable environment for Initial Public Offering (IPO) and investment activity. The data cited here is exclusively from official U.S. government agencies for utmost reliability.

Economic Growth

The Federal Reserve initiated a series of rate cuts during the period to address softening labor markets. In September, the Fed reduced its policy rate by 25 basis points to a target range of 4.00%–4.25%, followed by another cut in October to 3.75%–4.00%. These measures aimed to balance the dual mandate of full employment and price stability, positioning monetary policy in a more neutral stance as the economic outlook softened and inflation pressures persisted.[4][5][6]

Interest Rates

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Inflation

Inflation remained above the Fed's 2% target, registering a yearly increase of 3.0% in the Consumer Price Index (CPI) for September 2025. The CPI for All Urban Consumers (CPI-U) rose 0.3% month-over-month in September, following a 0.4% increase in August. Key contributors were rising food, housing, and energy prices, particularly gasoline, which saw a 4.1% monthly spike. This persistence indicates "sticky" inflation in the US economy, presenting continued challenges for monetary policy as price stability remains elusive.[7][8][9]

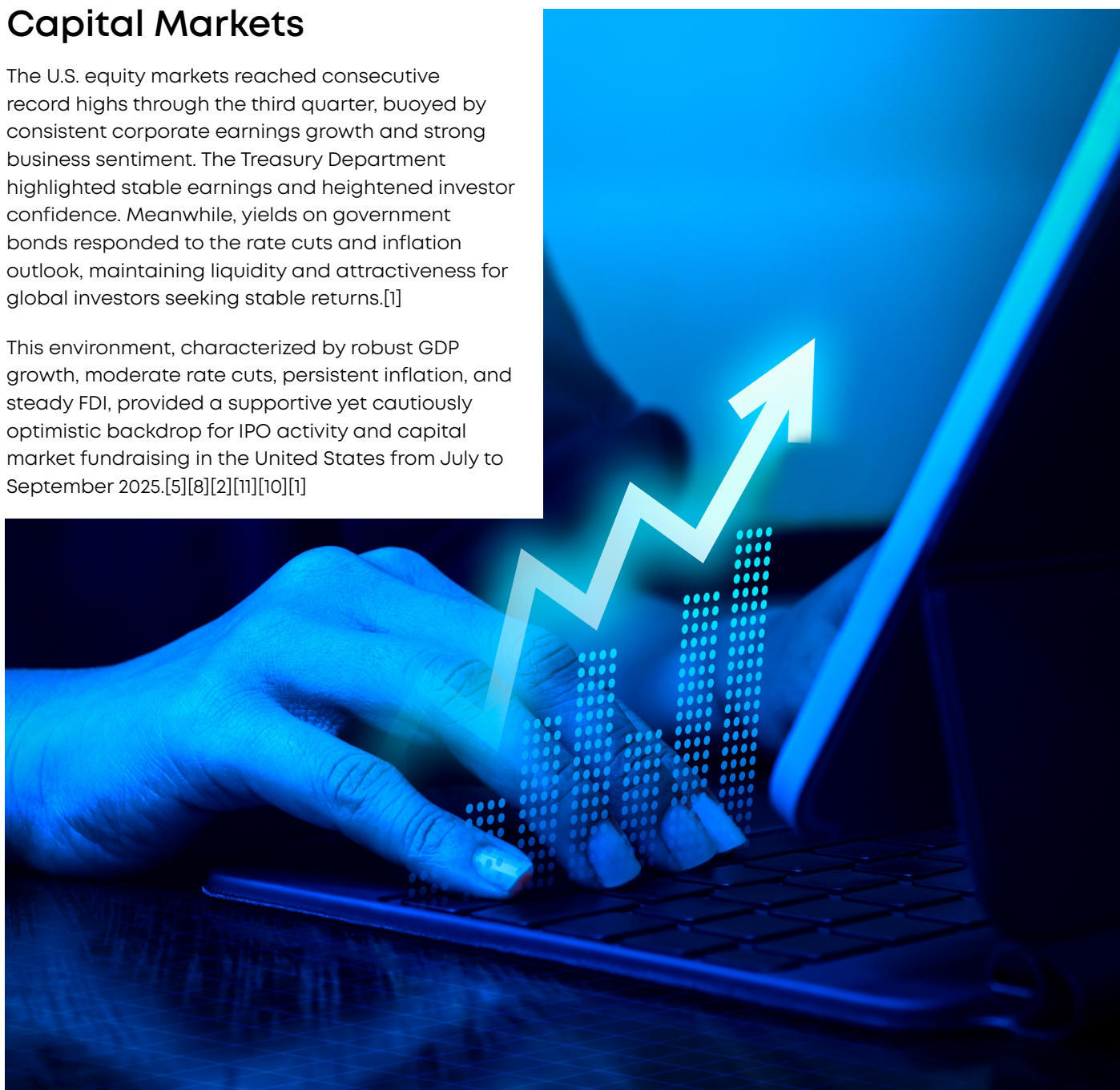
Foreign Direct Investment (FDI)

US FDI flows in the July to September quarter were modest, according to the Treasury International Capital (TIC) system. In July 2025, net foreign inflows totaled USD 2.1 billion, comprising USD 22.6 billion from private foreign investors and USD 20.5 billion in outflows from official institutions. The Bureau of Economic Analysis (BEA) latest annualized figures indicate that overall FDI expenditures by foreign direct investors totaled USD 151 billion in 2024, setting a stable precedent for capital inflows through much of 2025. No extraordinary shifts in FDI were reported in this period, underscoring a steady investment climate.[10][11]

Capital Markets

The U.S. equity markets reached consecutive record highs through the third quarter, buoyed by consistent corporate earnings growth and strong business sentiment. The Treasury Department highlighted stable earnings and heightened investor confidence. Meanwhile, yields on government bonds responded to the rate cuts and inflation outlook, maintaining liquidity and attractiveness for global investors seeking stable returns.^[1]

This environment, characterized by robust GDP growth, moderate rate cuts, persistent inflation, and steady FDI, provided a supportive yet cautiously optimistic backdrop for IPO activity and capital market fundraising in the United States from July to September 2025.^{[5][8][2][11][10][1]}



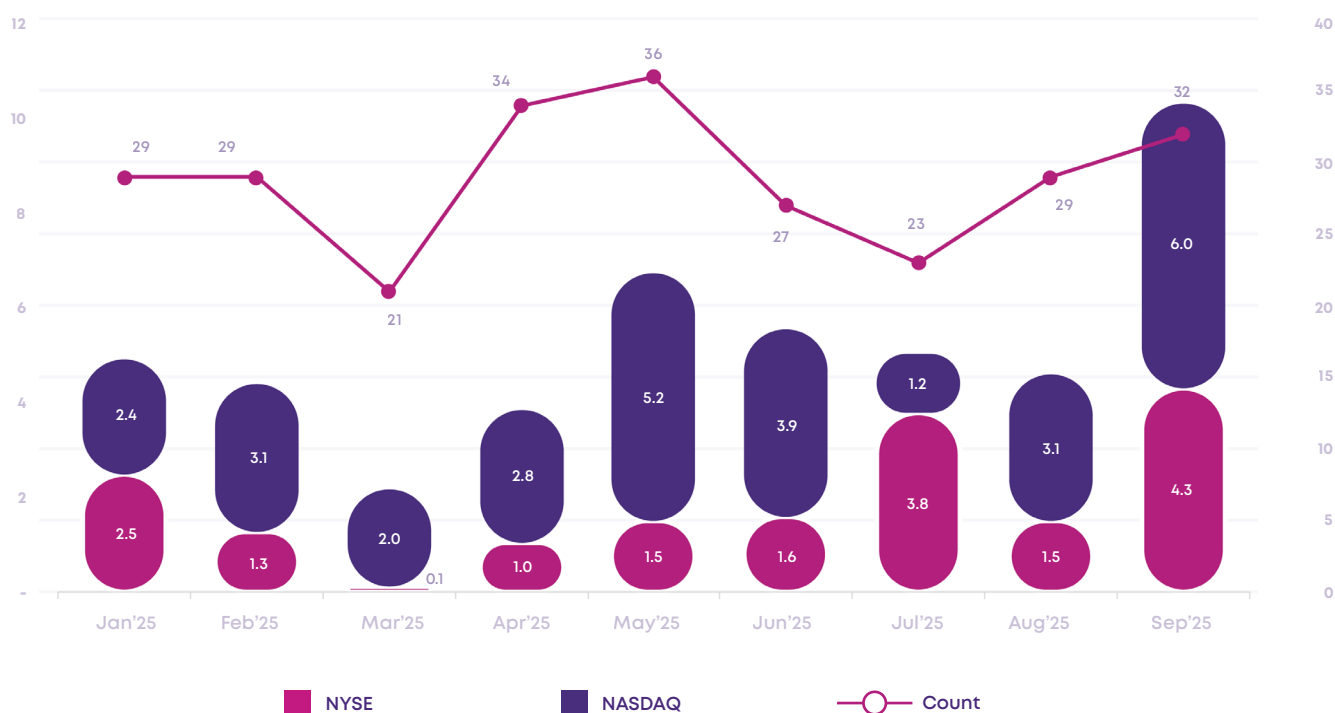
1. <https://home.treasury.gov/news/press-releases/sb0301>
2. <https://www.bea.gov/data/gdp/gross-domestic-product>
3. <https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-third-estimate-gdp-industry-corporate-profits>
4. <https://tradingeconomics.com/united-states/interest-rate>
5. <https://www.cnbc.com/2025/09/17/fed-rate-decision-september-2025.html>
6. <https://www.federalreserve.gov/monetarypolicy/fomccalendars.html>
7. <https://www.cnbc.com/2025/10/24/inflation-breakdown-september-2025-cpi-chart.html>
8. <https://www.bls.gov/news.release/pdf/cpi.pdf>
9. <https://www.nahb.org/blog/2025/10/inflation-picks-up-in-september>
10. <https://home.treasury.gov/news/press-releases/sb0253>
11. <https://www.bea.gov/data/intl-trade-investment/new-foreign-direct-investment-united-states>

IPO INSIGHTS

Year 2025 - Key Highlights

- Total capital raised by **260 Issuers** across NASDAQ and NYSE - **USD 47.11 billion**, with NASDAQ listings dominating in terms of total capital raised (**USD 29.69 billion**) and number of IPOs (**213 Issuers**)
- The top 17 issuers accounted for more than 38% of the total capital raised till Sep'25, amounting to USD 18.18 billion

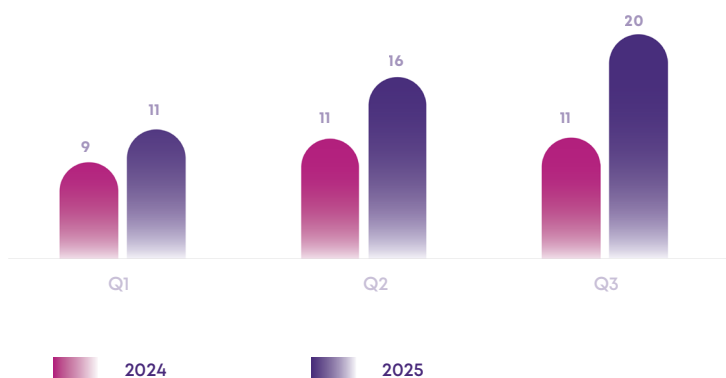
2025 at a glance



Between January and September, the U.S. IPO market displayed a noticeable shift in dynamics between 2024 and 2025. NASDAQ consistently outperformed the NYSE in 2025, with significant gains in Q2 (**USD 11.9 vs USD 4.1**). Overall listing counts rose sharply, from a range of **45–60** in 2024 to **79–97** in 2025, indicating increased market activity and a clear preference for NASDAQ among companies. Total capital raised across both exchanges was significantly higher in 2025 (**USD 47.11 billion**) compared to 2024 (**USD 29.80 billion**). The combined average issue size, across both exchanges, declined by approximately 7% on a period-on-period basis, from USD 192 million in 2024 to USD 179 million in 2025.

Money Inflow

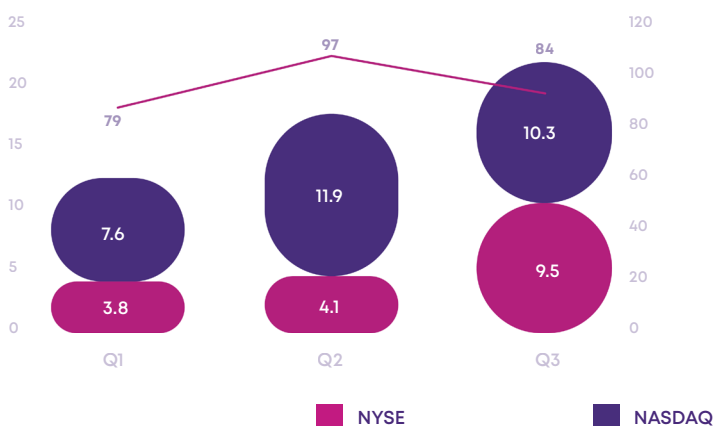
Money raised – 2024 vs 2025 (in USD billion)



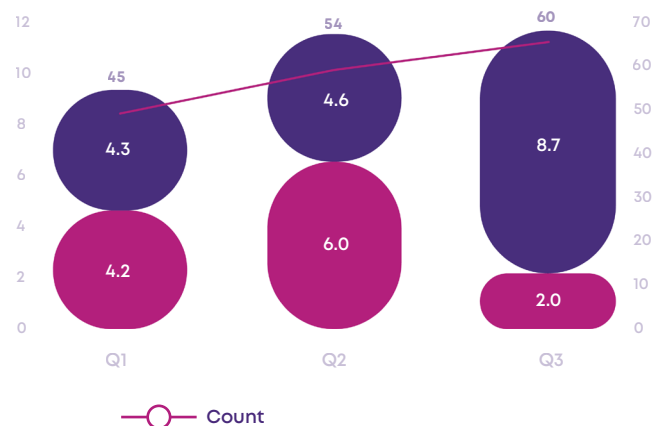
Key Highlights:

- **NASDAQ: USD 29.69 billion** raised in **2025** vs **USD 17.57 billion** in **2024**; issuers rose from 118 to 213
- **NYSE: USD 17.42 billion** raised in 2025 vs USD 12.23 billion in 2024; issuers slightly increased from 41 to 47
- Overall average issue size declined by **6.7%** primarily due to a decline in average issue size in **NASDAQ from USD 263 million (2024) to USD 187 million (2025)**, whereas for **NYSE it increased from USD 344 million (2024) to USD 423 million (2025)**
- Market trend favors NASDAQ's tech and growth company pipeline

2025



2024



Listing in Pipeline with SEC

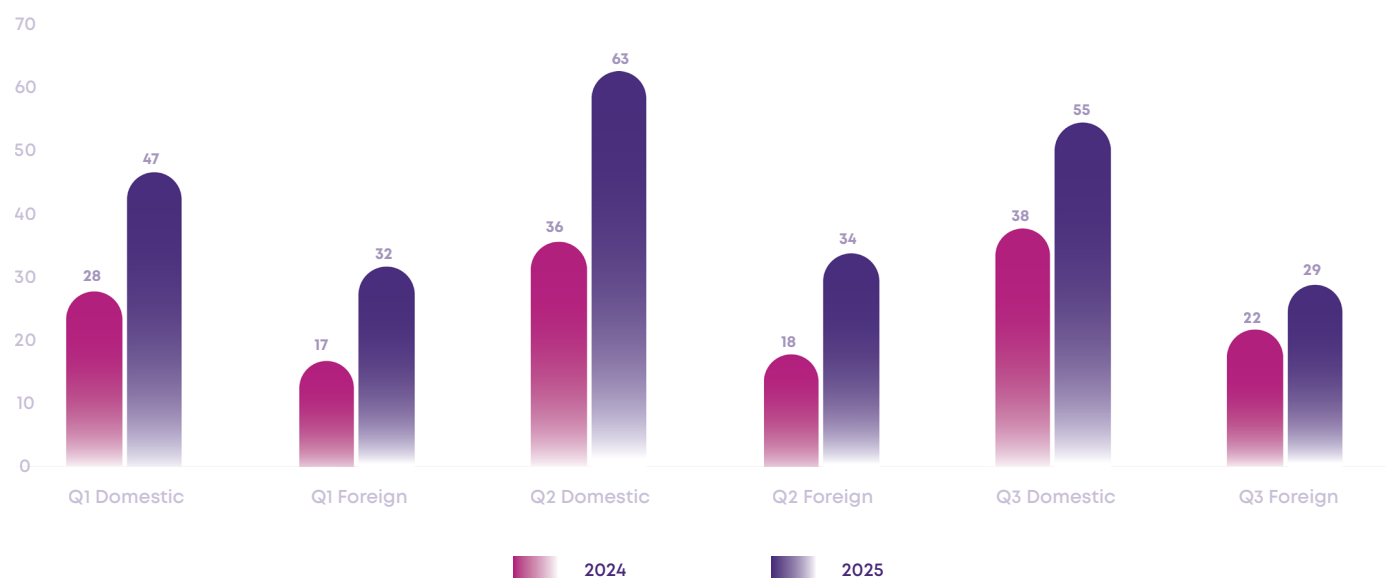
As of date, nearly 300 companies, collectively valued at USD 17 billion, are in the IPO pipeline after filing S-1 forms. These companies are expected to enter the market soon.

IPO withdrawals

Despite growth in the IPO pipeline, 43 companies have withdrawn their IPO plans in 2025 so far after filing S-1s. This may be attributable to market volatility, regulatory hurdles, and valuation compression.

Domestic & Foreign Companies trend

Domestic vs Foreign Listings



- Domestic companies outnumber foreign companies in terms of quarterly listings. In the first three quarters of 2024, there were **57 foreign** listings compared with **102 domestic listings**
- In 2025, the number of foreign listings **increased from 57 to 95**, while **domestic listings rose from 102 to 165**, both reflecting an increase of more than 60% year-on-year
- These figures include **SPAC listings**, which account for a significant share of domestic activity. The number of SPAC listings surged from 30 in the first three quarters of 2024 to 93 in 2025, representing a growth of over 200%
- SPACs constituted over **35% of all listings in 2025**

Primary & OFS component in IPO

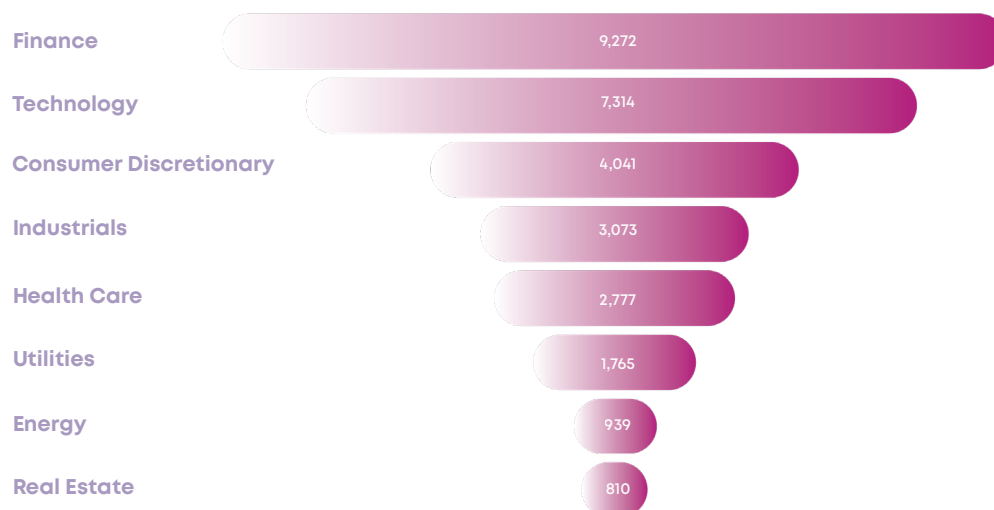
Primary issuances dominate throughout the period, consistently accounting for the majority of capital raised

Starting in May, a noticeable shift was observed in OFS participation, which rose significantly compared to previous periods, reaching 20% in May, 19% in June, and peaking at 22% in July. This trend suggests increased secondary market activity mid-year, possibly driven by promoter exits or liquidity needs.

Despite this rise, primary continues to hold a strong position, even during high OFS months, maintaining 78–81% share. Overall, the pattern indicates that while OFS plays a role in certain months, primary issuances remain the dominant fundraising route throughout the year.

Industry trends

Money inflow from each industry (in USD millions)



The above analysis pertains to the traditional listings from January 2025 to September 2025 and excludes SPACs, as they relate only to finance at the time of listing.

Finance leads the pack with 22 IPOs and more than USD 9 billion raised, underscoring its continued appeal to investors. Within the finance sector, consumer services dominate in value, raising over USD 5 billion from seven listings. Meanwhile, insurers and investment banking services raised approximately USD 1.8 billion and USD 1.5 billion, respectively, from 11 companies that have listed so far this year.

On the other hand, SPAC listings, which fall under the finance category, raised close to USD 17 billion from over 90 listings in the year.

Technology ranked second in terms of capital raised, with more than USD 7 billion raised across 30 issuers, indicating broad participation. Within the software sector, pre-packaged software accounted for USD 5.7 billion of the USD 7.3 billion raised, representing nearly 80% of the total issue size.

Other sectors

Consumer Discretionary tops the list with 50 issues, but raised just USD 3.49 billion, suggesting smaller average deal sizes in this sector.

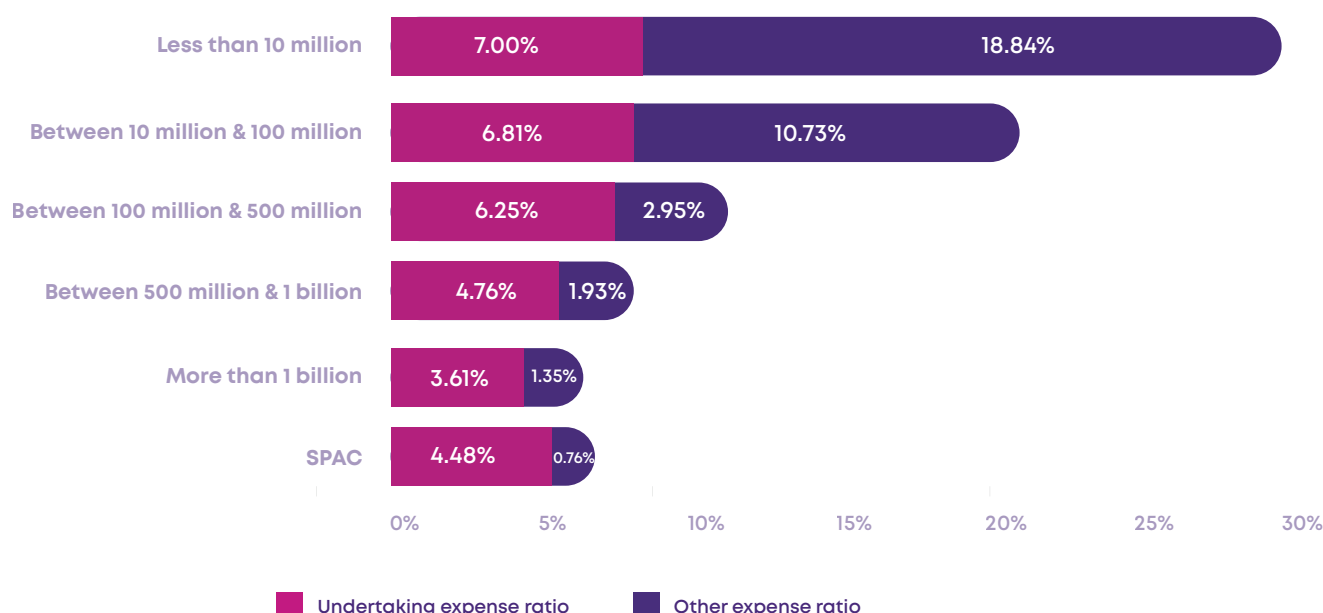
Healthcare and industrials show balanced activity with 27 and 24 issuers, respectively. Meanwhile, Utilities demonstrate the impact of blockbuster deals despite only two issues raising USD 1.76 billion, respectively, out of which USD 1.75 billion was raised by one issue.

Issue expenses & Underwriting expenses in IPO

Expenses incurred in connection with an IPO are categorized as issue expenses. These typically include payments for underwriting expenses, legal counsel charges, advertising costs, statutory audit fees, regulatory fees, listing fees to exchanges, and other associated expenditures. On average, companies allocate approximately **7.5% of the total issue proceeds** toward these expenses and **5.75% for underwriting charges**. These expenses incurred in relation to the company's initial public offering add up to approximately 13.25% of the issue proceeds.

Proportion of underwriting & other expenses for an IPO

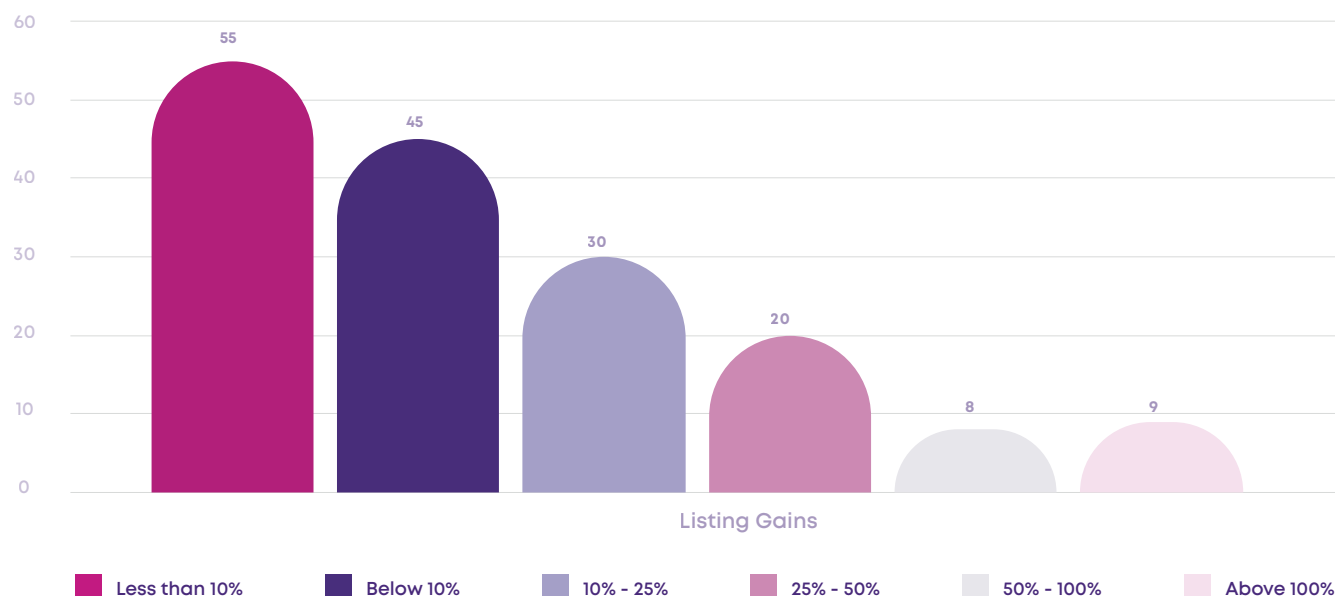
IPO Expense ratio



- Upon analyzing the trend of the issue expenses based on the offer size, we have noted that **underwriting expenses** consistently range between **3.5% to 7%** across various sizes of IPO, while the expenses ratio (excluding underwriting) is inversely proportional to the amount raised by the company.
- This is supported by the fact that issues raising less than **USD 10 million spend 18.84%** of the issue size on other expenses, whereas issues raising more than **USD 1 billion spend only 1.35%** on such costs.
- In general, companies raising **less than USD 10 million** spend around **26% of the IPO size** on expenses. In contrast, companies raising **more than USD 1 billion** spend **less than 5%** of the issue size on costs, of which approximately 75% is attributable to underwriting charges.
- **SPAC** records the lowest expense ratio (excluding underwriting fees), primarily due to the nature of the transaction, which requires minimal additional work from other parties in the form of fewer operational and due diligence requirements compared to traditional IPOs.

Distribution of gains by number of issuers

Listing Gains*



* excludes SPAC listings in the analysis, as the gains/ losses are expected only after identification of a target company

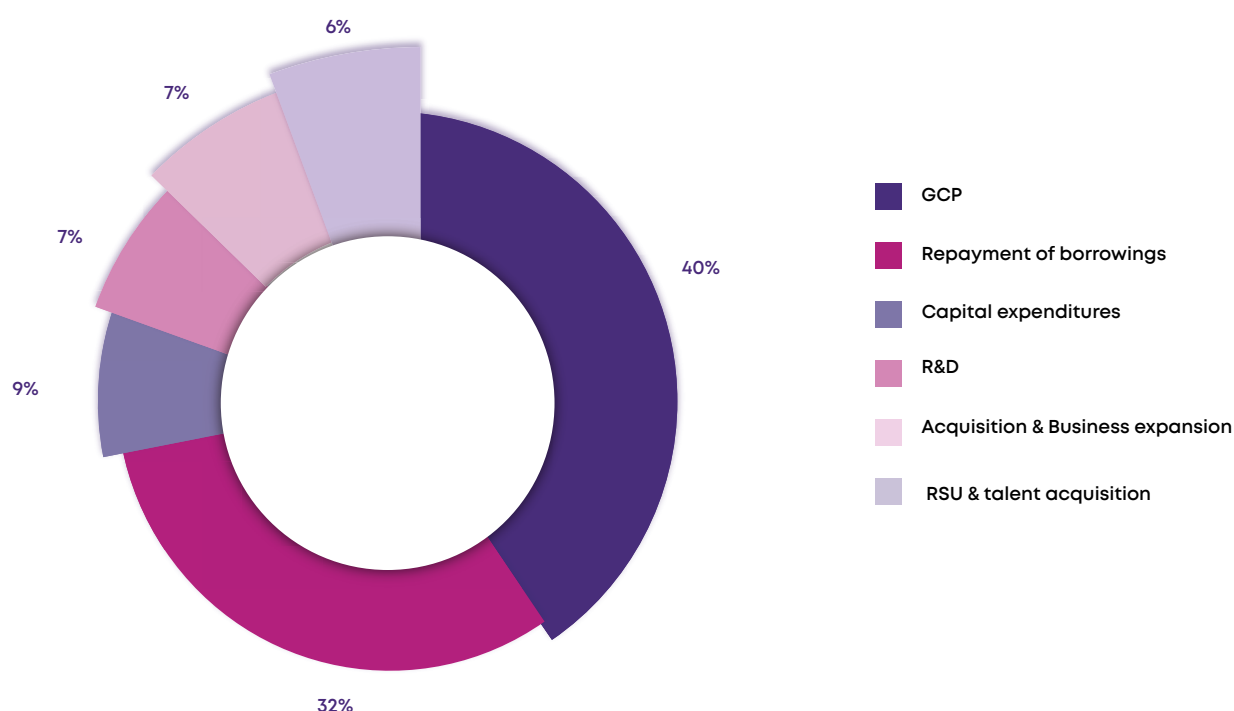
Between January and September 2025, the U.S. IPO market has delivered muted returns, with 100 companies (nearly 60%) listing at gains below 10% or even at a loss. While the overall average return for all IPOs during this period stands at nearly 21%, this figure is heavily skewed by the exceptional performance of just seventeen companies, each of which recorded listing day gains exceeding 50%. When these outliers are excluded, the average return for the remaining 149 companies drops sharply to less than 4%.

This underscores a critical reality: market enthusiasm is not evenly distributed, and performance remains concentrated in a handful of standout listings. For most issuers, investor reception has been cautious, reflecting the need for differentiated fundamentals, compelling narratives, and sustained post-listing performance to attract and retain market interest.



CLOSER LOOK: USE OF PROCEEDS

Proposed use of proceeds (Jan to September 2025)



** excludes SPAC listings in the analysis, as the proceeds will be utilized for acquisition or merger*

The analysis shows that the majority of capital raised from January to September 2025 was allocated toward the repayment of borrowings and general corporate purposes, which together accounted for over 70% of the total funds raised.

An interesting trend this year is the increase in fundraising specifically for talent-related expenses, primarily to meet RSU-linked tax obligations. Many companies are now bearing the tax payable on employee RSUs, and the capital raised for this purpose alone exceeded USD 1 billion in 2025.

Meanwhile, capital expenditures, acquisitions, and business expansion collectively accounted for over 15% of the total amount raised, while R&D-related spending accounted for approximately 7%.

KNOWLEDGE CORNER

Key SEC Comments

We have considered some of the biggest issues of the current year, analyzed the volume of comments for each segment, and explored key captions where SEC comments are concentrated. The below excludes the comments highlighted in our previous publications.

A) Risk factors

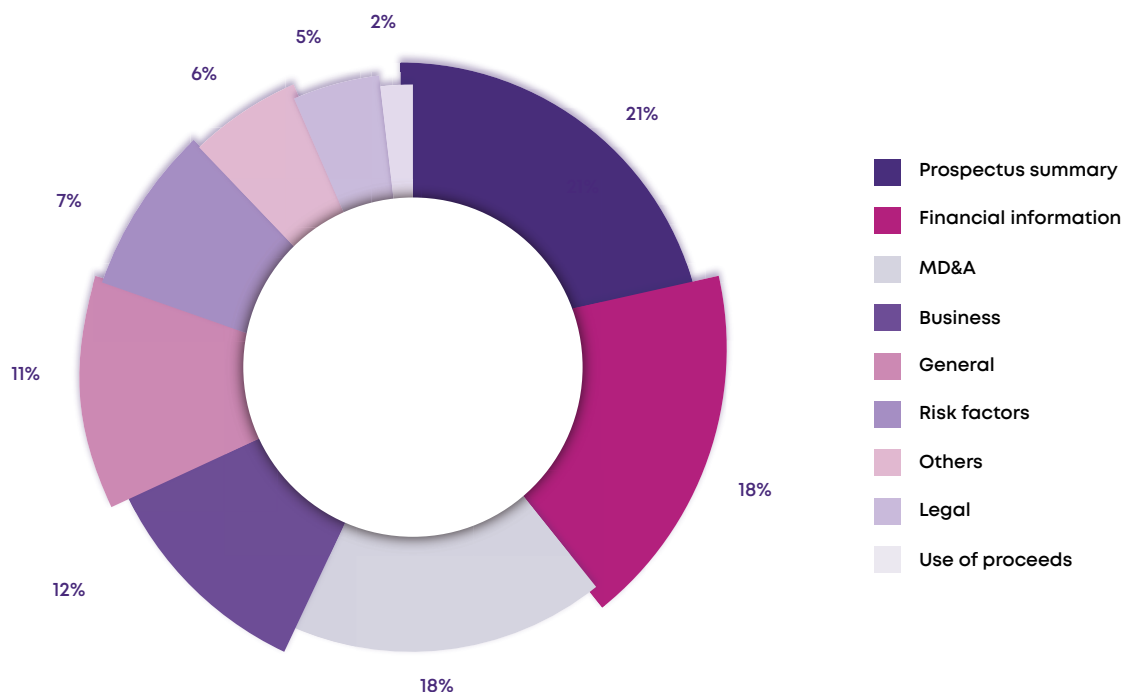
- **Litigation** – Provide the background, scope of the investigations conducted, and compliance with the order issued
- **Limitations** – Disclosures about the limitations/ conditions imposed on the Company
- **Supplier-based** – Disclosure of the name and quantification of payables towards purchases from a concentration supplier, along with the material terms of their agreement
- **Conflict of interest** – Disclosure about the risk to the investors due to the conflict of interest of the banker being the related party of the lender of the company
- **Artificial intelligence** – Disclosure about the form of artificial intelligence integrated in the product development stage and the development stage of the technology used
- **Transition** - Disclosure about the transition of the Company to a new technology intermediary, including the details about the license and material agreements of the contract, if the company is reliant on the new technology intermediary
- **Disclosure of specific purpose for raising money** – Instead of stating “general corporate purposes,” the issuer is expected to disclose a specific purpose that aligns with the overall theme of the document
- **Utilization of loan** - Disclosure of interest rate and maturity of the term loan facility

B) Our Business

- **Expansion** – Include information about the expansion strategy undertaken, the associated costs, the qualitative results, and the status of the plan
- **Details of studies conducted**-Where the Company has included details about any studies/testing performed, the following additional disclosures are to be included
 - 1 Time/location of the study
 - 2 No. Of the participants in the study
 - 3 Assumptions used
 - 4 External organisation involved in conducting the study, if any
 - 5 Methods used to measure the results
- **Timelines for future plans** – Where the Company has plans of launching a new product/service line or entering into a strategic partnership, disclosures regarding the expected timelines for the launch/ partnership should be included
- **Intellectual property** – Clarification regarding the protection provided by the intellectual property owned/licensed by the Company and the duration for which Patents and trademarks have been granted

SEC Comment Letter Trends

Proportion of comments across various segment for the largest issues during the year:



C) Financial information

- **Borrowing limit** – Disclosure of the maximum borrowing limit granted to the Company and the limit remaining unutilized as at the reporting date
- **Geographical information** – Present details of revenue generated, and assets held across different geographic regions
- **Revenue recognition** – For contracts extending over multiple years based on performance obligations, the company should disclose the revenue expected to be recognized in each respective year
- **Business combination** – Disclosure of the following details regarding the business combination:

01 Material terms of the acquisition agreement

02 The nature of the intangibles acquired as part of the acquisition, along with the expected useful life of those assets

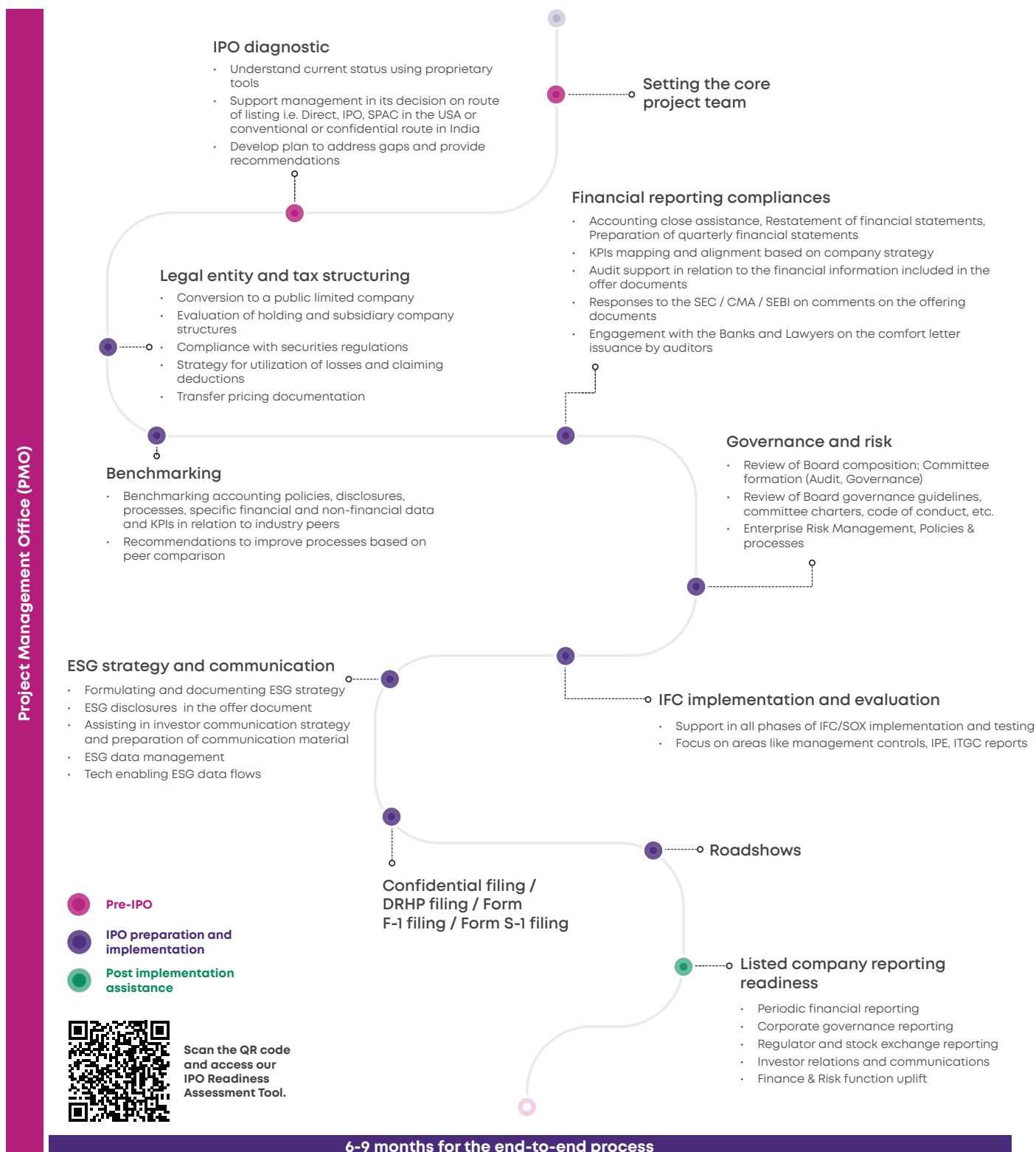
D) Pro forma financial statements *

- Inclusion of additional disclosures as footnotes to show the adjustments made in proforma financial statements
- **Non-recurring adjustments** - Disclose material non-recurring adjustments related to the business combination
- **Goodwill** - Provide additional disclosures regarding the apportionment of goodwill to each reportable segment
- **Share-based payment plan** - Provide detailed disclosures about the share-based payment plans

** The comments about pro forma financial information have been excluded from the above pie chart because such disclosures are not required in every company prospectus.*

IPO JOURNEY – A SYNOPSIS

IPO journey and how Uniquis can help



About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate, and Tech Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting. Abhijit Varma, a veteran technology specialist, leads Tech Consulting globally.

Uniquis has a global team of 600+ professionals led by 65+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 350 clients, including marquee names in each of the markets it operates in.

Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

About Our Accounting & Reporting Consulting (ARC) Services:

In today's dynamic business environment, organizations are continuously required to adapt to the dynamic shifts in accounting & reporting standards and regulations. Enhanced management reporting requirements and accelerated reporting timelines necessitate increased automation within the finance function. Special events, such as preparing for an IPO/capital market transaction or fulfilling the reporting requirements arising from an M&A transaction, introduce additional complexities and challenges for the finance function.

As a result, organizations need to transform their finance functions from time to time with a focus on people, processes, and technology. Our ARC practice is designed to partner with the finance function through these challenges. Our teams function as an extension of your finance teams to execute your plans seamlessly.

We bring the necessary technical expertise, skills, technology, and bandwidth, enabling you to navigate your plans in real time without adding additional manpower costs within the organization.

A Team That You Can Trust To Deliver



Jamil Khatri
Co-Founder & CEO



Sandip Khetan
Co-Founder, Global Head
of Accounting & Reporting
Consulting



Arda Kaya
Partner, Accounting &
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Ashish Gupta
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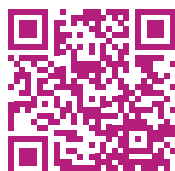


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