News release

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**Q4 2013 Surge in Tech IPO Deal Value and Volume;**

**Stage Set for Strong 2014**

***4th Quarter 2013 Contributes Nearly Half of Total Year’s Proceeds***

**New York, 19 Feb 2014**‑‑Growing investor confidence and improving economic conditions, buoyed by strong capital markets, resulted in a healthy finish to 2013, reported PwC’s Global Technology IPO Review. The fourth quarter contributed nearly half (49%) of the total 2013 IPO proceeds, raising US$5.6 billion, four times the amount raised by technology IPOs in the fourth quarter of 2012.

Raman Chitkara, Global Technology Industry Leader, PwC, said:

“Momentum in the fourth quarter resulted in a strong end to 2013 and has set the stage for 2014 to be a promising year. Improved investor confidence, healthy capital markets, the reopening of the China IPO market and improved economic conditions should positively influence IPO activity throughout 2014.”

**Regional activity**

U.S. companies led technology IPOs in 2013 with 66% of total deal proceeds and 55% of total deals. This compares to 88% of total proceeds (primarily due to the Facebook IPO of US$16bn) and 46% of total deals in 2012. The top five technology IPOs of the year, including Twitter Inc., were brought to market in the U.S. An improved job market and the U.S. Federal Reserve Stimulus Program supported the U.S. IPO market.

A temporary halt of the Chinese IPO market by the Chinese Securities Regulatory Commission (CSRC) resulted in less local IPO activity, as Chinese companies went public on other exchanges. Eight Chinese technology companies went public in 2013, raising a total of US$1.03 billion as compared to 2012, when 33 Chinese companies raised US$2.44 billion. In January 2014, the CSRC reopened the Chinese IPO market. With over 700 Chinese companies lined up for IPO registration and approval, 2014 is anticipated to be very active year across all industries.

Companies from Japan, Singapore, the UK, Canada, France, Germany, Israel and Taiwan contributed US$1.3 billion (23% of proceeds) in the fourth quarter, indicating an expanding global technology IPO market.

**Subsector movement**

Internet Software & Services and Software contributed 66% of total deal volume and 64% of total proceeds in 2013—as a result of ongoing digital transformation and associated accelerating demand for innovative software and service solutions. Computer Storage & Peripherals completed eight deals raising US$1.7 billion in 2013. The decline in Chinese IPO activity was a major factor for the semiconductors sector, which experienced a sharp decline from 15 IPOs in 2012 to four IPOs in 2013. Based on historical data and the pipeline of IPOs in China, it is anticipated that semiconductor activity will rise with the reopening of the Chinese IPO market.

Mr. Chitkara added:

“As the world increasingly goes digital, the demand for software and services continues to rise. Investors are embracing this trend and their rising enthusiasm is contributing to a healthy IPO market for software and services companies.”

**Q4 results**

Twenty-five IPOs were priced in the fourth quarter 2013, compared to eight in the same quarter of 2012, with total proceeds of US$5.6bn, an increase of 213% in volume and 316% in dollar value. The month of October witnessed ten IPOs, November witnessed 11 IPOs, and the year ended with four technology IPOs issued in December.

The Internet Software & Services and Software subsectors contributed more than 68% of total deals and 75% of total proceeds in the fourth quarter with 17 IPOs raising US$4.2 billion compared to six IPOs in the fourth quarter of 2012 that contributed 30% of total proceeds.

**Notes:**

Further information is available for viewing and downloading from our Web site at [pwc.com/globaltechipo](http://www.pwc.com/globaltechipo)

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