



Nexia
Australia

Initial Public Offerings

Australian Mid-market Activity
Q4, 2023 Financial Year



Introduction

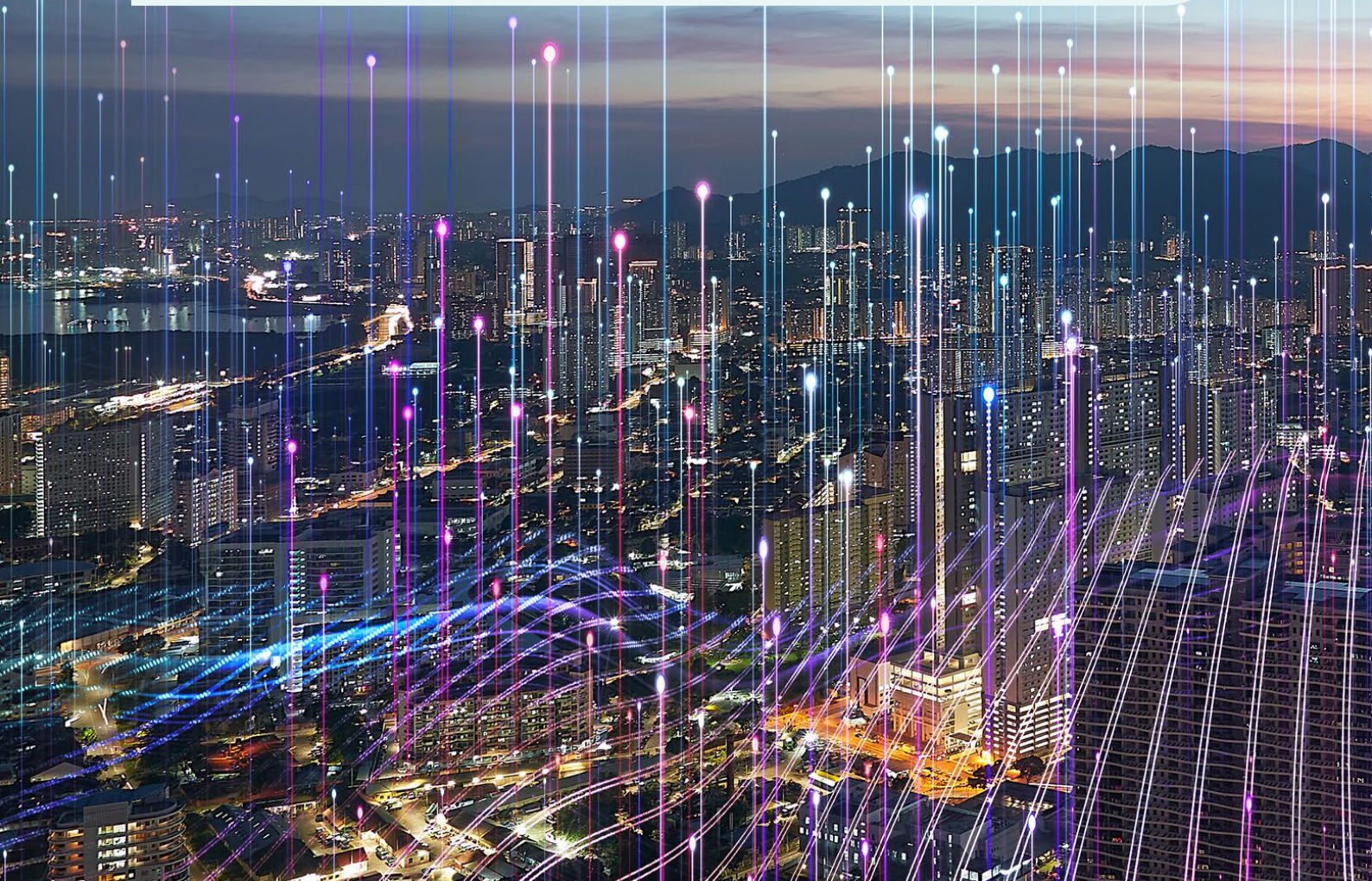
We are happy to present our quarterly review of the mid-market IPOs on the ASX.

We are happy to present our quarterly review of the mid-market Initial Public Offerings ("IPOs") on the Australian Securities Exchange ("ASX"). The focus of the analysis is on the current quarter and the immediately preceding 12 months with the aim of providing you with an overview of the current mid-market IPO activity.

In our analysis, we have looked at IPOs with an enterprise value of less than \$200m at the time of listing. We have also provided some further detail on the cost of IPOs broken down by market capitalisation, and the performance of IPOs occurring in the last 12 months by significant sectors.

Key highlights are:

- There were 4 mid-market IPOs in the quarter, a decrease on last quarter and on the same period last year.
- The mining-related sectors were again the most active sectors in the quarter with all 4 IPOs.
- Mid-market companies aggregately raised \$31.6 million on the ASX in the quarter.
- The average IPO fundraising was \$7.9 million, which is a 24.0% decrease on the previous quarter, and a 15.7% decrease on the 12-month average.
- On average, transaction costs (excluding brokerage fees) increased by 7.4% to \$0.21 million when compared to the prior year.



Overview

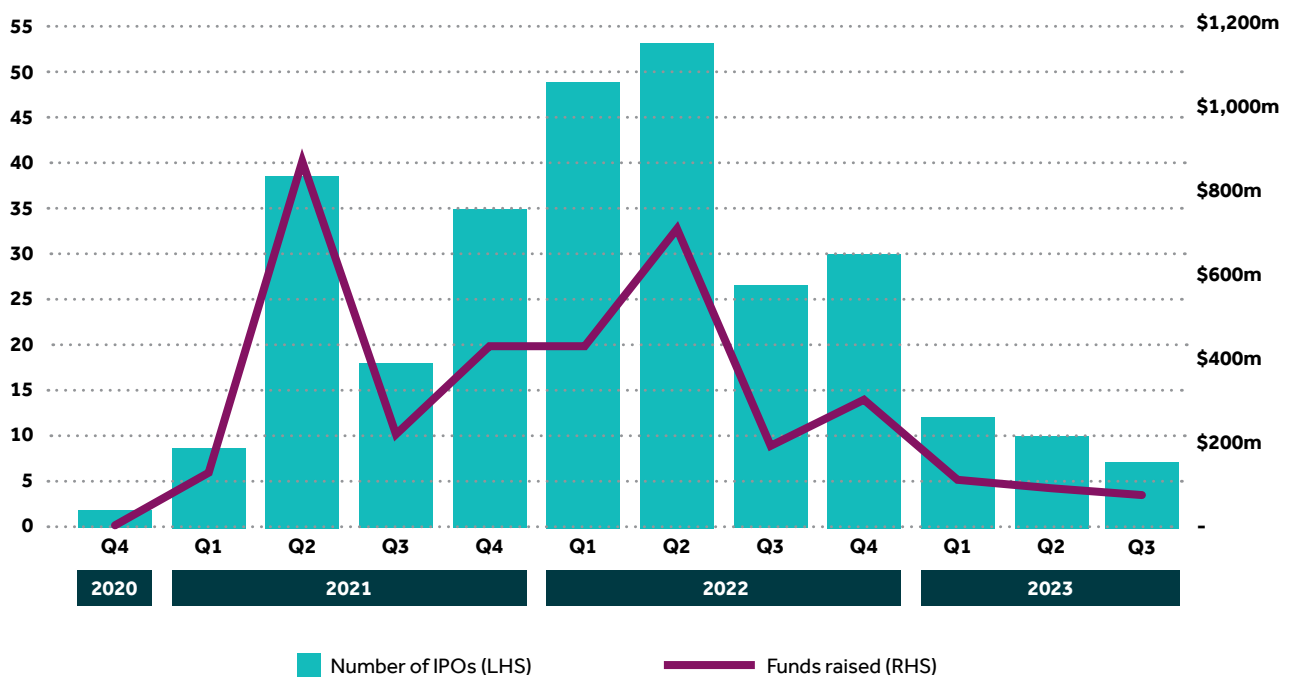
There were 4 IPOs in the mid-market this quarter, a decrease from 7 last quarter and a further fall compared to the same quarter last year (Q4 2022) which had 30.

Total funds raised in the quarter was \$31.6 million, a 56.6% decrease from last quarter, and a 89.6% decrease compared to the same quarter last year. The average funds raised per transaction this quarter was down by 24.0% from \$10.4 million last quarter to \$7.9 million, and a 22.4% decrease compared to the same quarter last year.

This quarter has seen the 12-month average funds raised per transaction decrease by 5.2%.

The average enterprise value at IPO in the quarter was \$24.5 million, which was down 22.6% from last quarter and 13.3% from the same quarter last year.

Number of IPOs and funds raised by quarter



Source: S&P Capital IQ and Nexia analysis





Quarterly Activity

All 4 IPOs were within mining related sectors.

Company Name	Industry Sector	Industry	Gross Proceeds (\$m)	EV IPO USE (\$m)
Augustus Minerals Ltd	Materials	Metals and Mining	10.00	27.20
Evergreen Lithium Limited	Materials	Metals and Mining	7.00	45.22
Ittani Resources Limited	Materials	Metals and Mining	5.00	8.31
NGX Limited	Materials	Metals and Mining	9.56	17.29

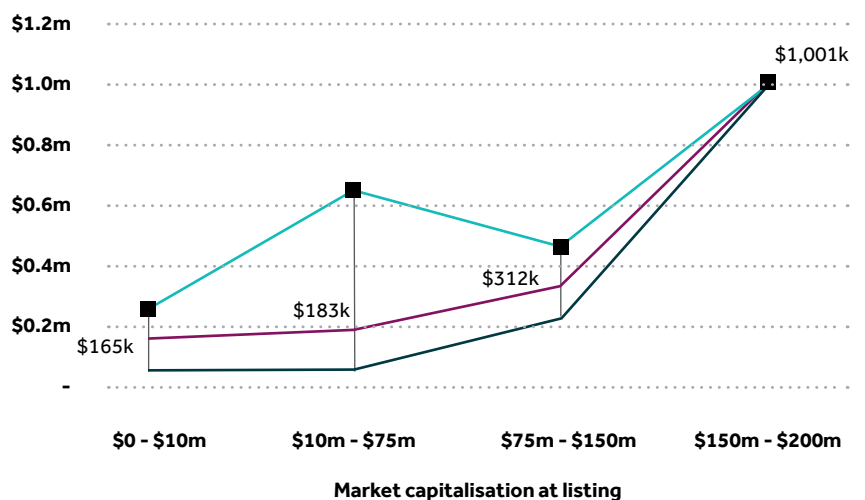
Source: S&P Capital IQ and Nexia analysis

Transaction Costs

Certain costs in undertaking an IPO, being accounting and legal costs, are typically fixed regardless of the outcome. Fundraising costs, on the other hand, are generally paid on successful completion of the IPO and represent a percentage of proceeds raised. Accordingly, fundraising costs have been excluded from our analysis.

A number of factors will impact the costs incurred, including how prepared the company is for the IPO, the complexity of its business and whether there are any related transactions. Average fixed costs per IPO were higher in the last twelve months compared to the previous year, increasing from \$199,138 to \$213,881.

Transaction costs by market capital size



Methodology

This analysis has been prepared based on data sourced from S&P Capital IQ. Data analysed is for completed IPOs on the ASX, from 1 April 2023 to 30 June 2023, with an implied enterprise value of less than \$200m. If no implied enterprise value was disclosed at the IPO filing date, transactions were adjusted to reflect the first enterprise value disclosed within the preceding 90 days.

Of the 4 transactions analysed for transaction costs there was sufficient data for all of the transactions to calculate the average accounting fees per transaction and there was sufficient data for all of the transactions to calculate the average legal fees per transaction.



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Contact us

Learn how Nexia Australia can help set you and your organisation up for success. Contact your local Nexia Advisor below to get started.

Australia

Adelaide Office

Hugh McPharlin

Level 3, 153 Flinders Street Adelaide SA 5000
GPO Box 2163, Adelaide SA 5001
p +61 8 8139 1111, f +61 8 8139 1100
hmcpharlin@nexiaem.com.au
www.nexiaem.com.au

Brisbane Office

Ken Robertson

Level 28, 10 Eagle Street Brisbane QLD 4000
GPO Box 1189 Brisbane QLD 4001
p +61 7 3229 2022, f +61 7 3229 3277
krobertson@nexiabrisbane.com.au
www.nexia.com.au

Canberra Office

Dino Vido

Level 5, 17 Moore Street, Canberra ACT 2601
GPO Box 500, Canberra ACT 2601
p +61 2 6279 5400, f +61 2 6279 5444
dvido@nxiacanberra.com.au
www.nexia.com.au

Darwin Office

Noel Clifford

Level 2, 80 Mitchell Street Darwin NT 0800
GPO Box 3770, Darwin NT 0801
p +61 8 8981 5585, f +61 8 8981 5586
nclifford@nexiaem.com.au
www.nexiaemnt.com.au

Melbourne Office

Vito Interlandi

Level 35, 600 Bourke Street
Melbourne VIC 3000
p +61 3 8613 8888, f +61 3 8613 8800
vinterlandi@nexiamelbourne.com.au
www.nexia.com.au

Perth Office

Evelyn Tan

Level 3, 88 William Street, Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463, f +61 8 9463 2499
evelyn.tan@nxiaperth.com.au
www.nexia.com.au

Sydney Office

Brent Goldman

Level 22, 2 Market Street, Sydney NSW 2000
PO Box H195, Australia Square, NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
bgoldman@nexasydneym.com.au
www.nexia.com.au

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