

New-age cos look to reassess IPO timing

After Good Run In 2024, Startups May Temper Valuation Next Year Amid Choppy Markets

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Mumbai: New-age companies headed for public markets next year may have to temper their valuation expectations and reassess the timing of their IPOs as geopolitical uncertainties and other external factors risk weighing on broader investor sentiment.

Zepto, PhysicsWallah and OfBusiness are among startups eyeing a public debut in 2025. Besides, public issues of companies like Ather Energy — which has already filed draft IPO papers with Sebi — are also queued up.

“Recent shifts such as choppy Indian markets and the benefits over China narrowing underscore valuation concerns. Donald Trump’s election win has also introduced uncertainties with anticipated pro-growth policies in the US, prompting global asset allocators to evaluate emerging market investments cautiously,” Neha Agarwal, MD & head of equity capital markets at JM Financial Institutional Securities, told TOI, adding that global headwinds could influence IPO timing and companies’ strategies. There may be adjustments in the valuations of IPOs due to external factors, Abhinav Bharti, MD (head of equity capital markets) at JP Morgan India, said even as (overall) IPO activity is expected to persist on the back of strong domestic fundamentals.

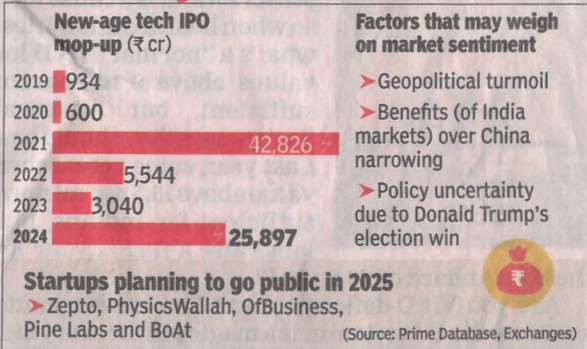
Startups had a good run in the IPO market this year with several big players like Ola Electric, FirstCry and Swiggy getting listed on the bourses. While choppy markets nudged Swiggy to temper its valuation to \$11.3 billion from

its initially targeted valuation of \$13 billion, the company’s Rs 11,327 crore IPO was the second-largest public issue to hit the market this year after Hyundai Motor India’s Rs 27,870 crore IPO. It was also

companies alongside firms operating in the consumer and financial services spaces are likely to dominate public listings next year, investment bankers said.

“New-age companies will

Raise Nearly ₹26k Cr So Far In '24



the second-biggest startup IPO after Paytm’s Rs 18,300 crore IPO in 2021.

New-age companies have raised more than Rs 25,000 crore through IPOs so far in 2024, logging their best IPO fundraising year since 2021. The success of Swiggy and FirstCry’s IPOs has nudged more companies in the space to speed up their listing plans. “Many companies are actively assessing their readiness for the public markets... there is also a growing trend of companies re-domiciling to India... this shift is particularly appealing to new-age companies that see value in being listed on Indian exchanges,” Bharti added.

Even as companies will have to gear up to navigate global headwinds, IPOs by new-age companies are largely expected to sail through, helped by the depth of the domestic market. In fact, IPOs from technology com-

panies continue to be a strong force in the 2025 IPO landscape as public markets become an increasingly attractive option for them to raise funds and provide lucrative exits for early investors. As these companies grow larger, public markets offer them access to substantial growth capital that private markets may not be able to provide,” Gaurav Sood, MD and head of equity capital markets at Aventus Capital, said. New-age companies are expected to make up about 15-20% of the \$10-15 billion estimated to be raised through IPOs in the coming few months.

Sudarshan Ramakrishnan, co-head of India investment banking at Goldman Sachs, expects India’s overall equity issuance in 2025 to surpass that of 2024 as robust economic growth, the burgeoning middle class and digital transformation continue to attract domestic and global investors.