



# The US IPO market progressed in Q1, but uncertainty has emerged

EY US IPO Trends 2025 – Q1 Report



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# IPO preparedness will be critical in 2025 amid heightened volatility concerns.

## In brief

- 01 Deal activity rose in the US IPO market in Q1 2025 compared with the same period in 2024, though total proceeds were flat.
- 02 Five deals each raised over US\$500m across multiple sectors, indicating broad market participation.
- 03 With the recent spike in volatility, IPO hopefuls should prepare now so they can take advantage of windows of opportunity when they arise.

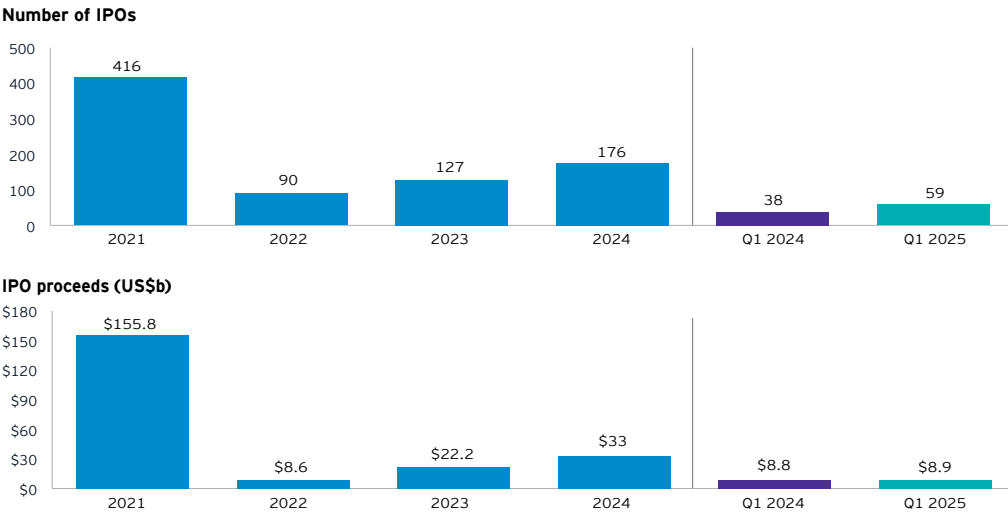
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Driven by favorable economic conditions in the new year that enticed many issuers to the market, US initial public offering (IPO) deal activity continued its upward trajectory in Q1 2025. However, the recent volatility fueled by trade policy uncertainties and recessionary fears could impact momentum and highlight the need for adaptability among market participants.

## IPO market activity continued early in Q1, but caution has emerged

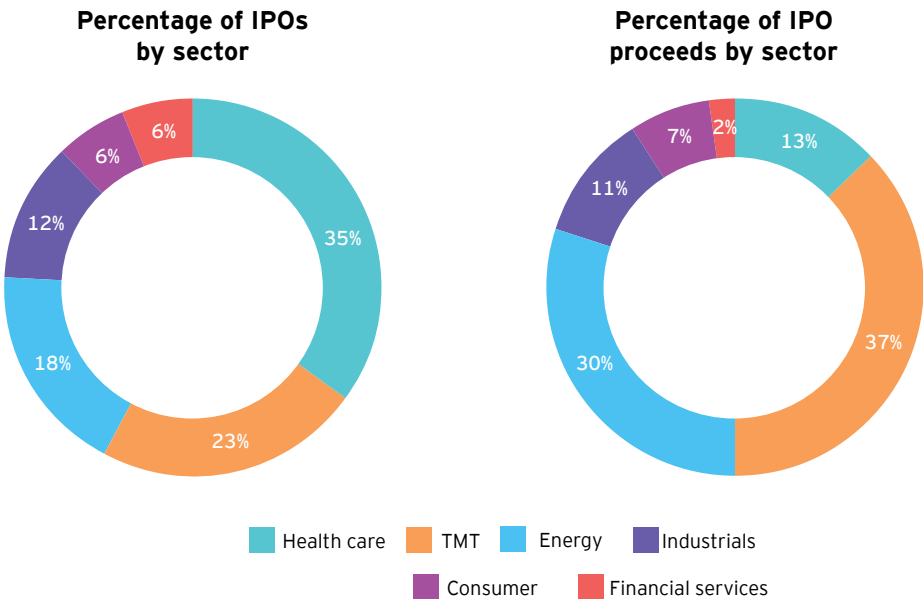


**Chart description**  
In Q1 2025, the number of deals increased 55% year-over-year while total proceeds rose modestly.  
Sources: EY analysis, Dealogic; data as of March 31, 2025

## The US IPO market: first quarter of 2025 in review

The Q1 2025 IPO market experienced a 55% increase in the number of deals compared with Q1 2024, with 59 IPOs raising US\$8.9b. Despite the year-over-year rise in the number of deals, total proceeds rose modestly. This was largely due to seven deals in Q1 2024 that each raised over US\$500m, compared with just five in Q1 2025.

### Broad-based sector participation bolstered optimism



**Chart description**

Health care and technology combined account for 58% of all deals and 50% of the proceeds.  
Sources: EY analysis, Dealogic; data as of March 31, 2025. Includes IPOs with proceeds of US\$50m+.

The health care and technology sectors continued to permeate the IPO landscape, accounting for over half of all deals. However, the five deals that each raised over US\$500m spanned different sectors, pointing toward broad market participation across industries.

Private equity-backed IPOs represented 30% of the total deal proceeds on US exchanges. In recent years, private equity-backed IPOs have lagged historical norms, resulting in a buildup of longer than anticipated holding periods of portfolio investments that could drive IPO activity later this year and into the following year.




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Despite the recent market choppiness, potential issuers remain laser focused on IPO preparation in hopes of more accommodating market conditions as we look ahead. We were encouraged by the number of larger deals across various sectors early in the year, and we hope to see their aftermarket performance improve as the market improves. Although macro crosscurrents like trade policy and recessionary fears could continue to challenge the markets, the potential for a solid IPO rebound remains if markets can digest them. Market stability, not necessarily the repeated market highs we enjoyed over the last year or so, will be key for the 2025 IPO market to meet the lofty expectations set at the beginning of the year.

**Mark Schwartz**

EY Americas IPO and SPAC Advisory Leader



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## Q2 2025 outlook

Recent concerns around US trade policy and recession have led to elevated levels of volatility. The duration of the market’s reaction to ongoing volatility will play a crucial role in the recovery trajectory for IPO activity. Despite facing significant macroeconomic headwinds over the past three years, the IPO market has continued to improve. If the market can navigate through the current turbulence, there is potential for a pickup as 2025 progresses.

### Bull or bear: Will the 2025 IPO market live up to the expectations?

	Bull case	Bear case
Trade Policy	Tariff stance becomes clear, or market looks past rhetoric	Retaliation and escalation or lingering uncertainty
Market volatility	Market tunes out exogenous events	Market remains sensitive to political and other events
Inflation and interest rates	Growth continues and inflation remains in check, enabling further rate cuts	Inflation lingers or spikes, tying the Fed’s hands
Consumer health and labor markets	Consumer sentiment ticks up	The consumer retreats
Unknowns continue	Geopolitics and other unforeseen “shocks” could rapidly change the course of the broader markets and the IPO market recovery.	

**Chart description**  
Trade policy, market volatility, inflation and interest rates, consumer health and labor markets are factors impacting the cases for a bull or bear market in 2025.

### The path forward

Whether 2025 lives up to expectations will be influenced by multiple bull-and-bear-case factors, including trade policy, market volatility, inflation and the resilience of the consumer. Companies considering an IPO should begin their readiness efforts now, positioning themselves to act when a favorable market window opens. More scaled and profitable companies will likely be preferred by investors when the market reopens, especially if volatility persists. This could include larger private equity-backed companies that have grown in the private markets.

For momentum to build in the IPO market, investors will need to see high-quality assets that deliver a strong aftermarket performance. If the right balance between IPO valuations and aftermarket success can be achieved, a rebound of the IPO market could be on the horizon.



Amid the recent spike in volatility, companies continued to prioritize their IPO readiness efforts to enable them to move quickly when conditions stabilize. This focus on preparation will facilitate meaningful IPO activity later this year and into next year as windows of opportunity emerge.

**Rachel Gerring**  
EY Americas IPO Leader

### Top five things IPO aspirants should do now

- 01 Do what you do best: focus on near-term, actionable growth drivers.
- 02 Take the time to get your business and financial models right. They will be the foundations for success as a public company.
- 03 Approach funding decisions as if an IPO isn't in the cards. IPO markets can be fickle, and IPO windows can be fleeting.
- 04 Get to know your longer-term shareholder targets. Going public today is more about relationships than ever.
- 05 Be proactive about public company preparation. IPO readiness can open the door to a successful listing, while not being ready can have far-reaching consequences.



## Summary

In Q1 2025, the US IPO market saw a 55% uptick in the number of deals and a modest increase in total proceeds. The health care and technology sectors led the activity, while significant deals across various industries pointed to broader market interest. However, concerns over trade policy and recessionary fears could lead to a quiet spring and summer and may impact IPO momentum generally. IPO aspirants should be prepared to act quickly when windows of opportunity open.

### Global IPO market

Global IPO markets in the first quarter of 2025 have been marked by profound uncertainty, as two major market disruptions and a series of complex crosscurrents shape investor sentiment.

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Entering 2025, a flurry of emerging dynamics is heightening volatility and uncertainty across the IPO landscape.

As geopolitical tremors rewrite rulebooks, post-election policies redraw borders of opportunity, and technology disruption upends expectations, success will belong to those who anchor to unshakable fundamentals and steer through shifting terrain with preparation, agility and adaptability to seize the decisive moment.

**George Chan**  
EY Global IPO Leader

For an in-depth look at global trends, [read the full report](#).

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