



Equity Capital Markets Update

May 2026

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Key U.S. Macro Themes

Geopolitics and Global Trade

- U.S. – Iran standoff persisted in an uneasy equilibrium for most of May, with sporadic flare-ups failing to derail expectations of an eventual settlement between both parties
 - Near month-end, both nations approached an MoU framework for a 60-day ceasefire extension and deeper negotiations
 - Tensions continue to remain high with the U.S. striking Iranian radar and command-and-control sites over the last weekend and Iran targeting a U.S. air base amidst the ongoing talks
- WTI crude ended the month down 16.9%, back below \$90/barrel, on the back of the current deescalation discussions, and the December WTI contract ended the month below \$79/barrel

Monetary Policy, Inflation, and Employment

- Markets are looking ahead to Warsh’s first meeting as Fed Chair in June, as April CPI came in at 3.8% (up from 3.3% in March and the highest print in nearly three years), complicating the easing debate
- Nonfarm payrolls rose by 115,000 in April, beating the consensus forecast of 55,000, but down from 185,000 in March
 - Healthcare sector led the gains at 37,000
- U.S. labor force participation rate fell to 61.8% (lowest level since 2021)

U.S. Equities Overview

	May	YTD	LTM	2Y	5Y
SPX	▲ +5.2%	▲ +10.8%	▲ +28.7%	▲ +42.9%	▲ +80.3%
DJIA	▲ +2.8%	▲ +6.2%	▲ +21.2%	▲ +31.4%	▲ +47.8%
NASDAQ	▲ +8.4%	▲ +16.1%	▲ +41.2%	▲ +58.5%	▲ +96.2%
R2000	▲ +4.3%	▲ +17.6%	▲ +41.2%	▲ +41.3%	▲ +28.7%

Public Equity Markets

- U.S. equities continued with strong momentum in May, with the major indices finishing at fresh records – semiconductors and memory outperformed, and software names broadly began to recover

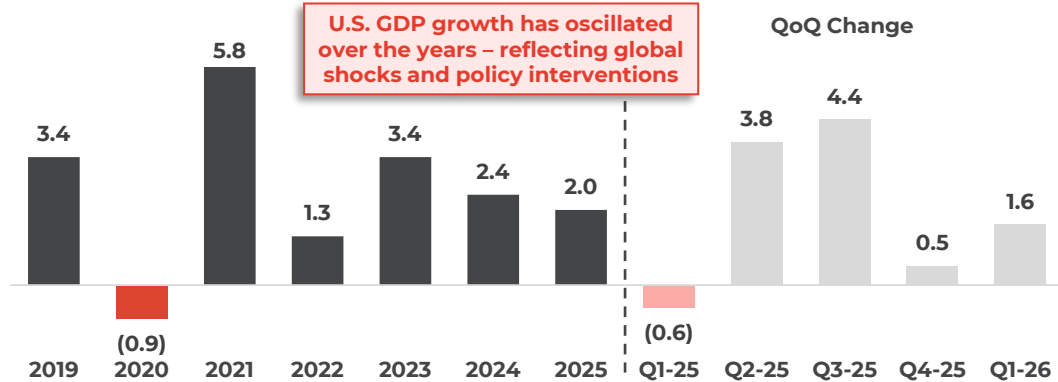
Equity Capital Markets

- 15 IPOs (~\$12.1BN) and 51 Follow-Ons (~\$19.4BN) priced in May
- Notable transactions:
 - Lincoln International – \$484mm IPO – ▲ +14.1% offer-to-current
 - Cerebras Systems – \$6,383mm IPO – ▲ +28.1% offer-to-current
 - Fervo Energy – \$2,174mm IPO – ▲ +35.8% offer-to-current
 - Hawkeye 360 – \$478mm IPO – ▲ +27.0% offer-to-current

U.S. Macroeconomic Backdrop

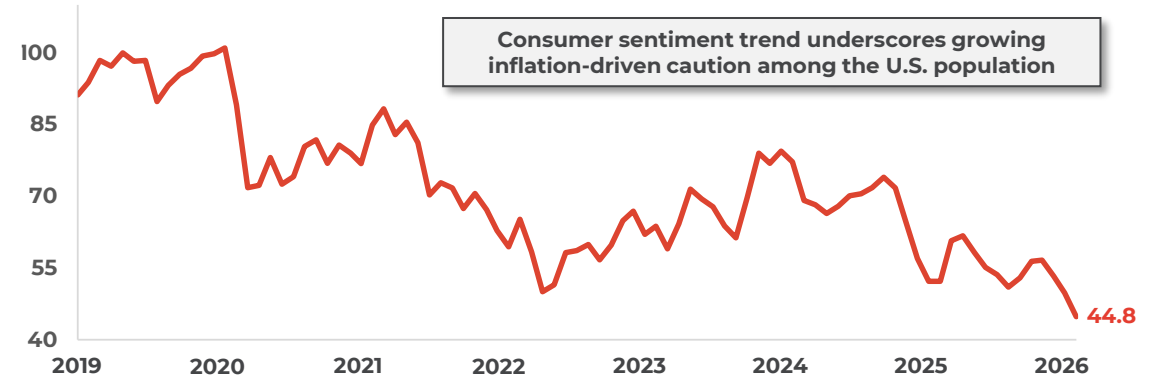
U.S. GDP Growth Moderating from Post-Pandemic Levels...

YoY and QoQ Change in Real U.S. GDP on a Percentage Basis



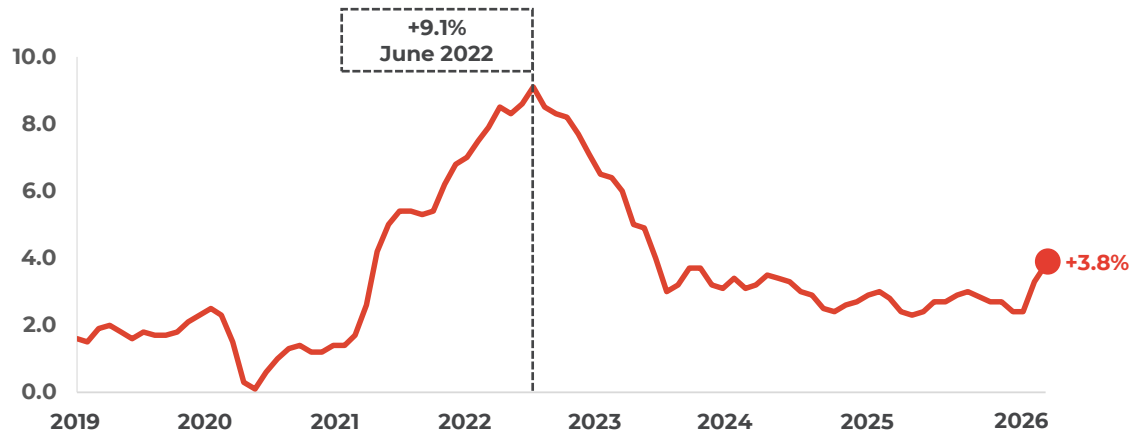
...and U.S. Consumer Sentiment Lags Pre-Pandemic Highs

University of Michigan Consumer Sentiment Index Since 2019



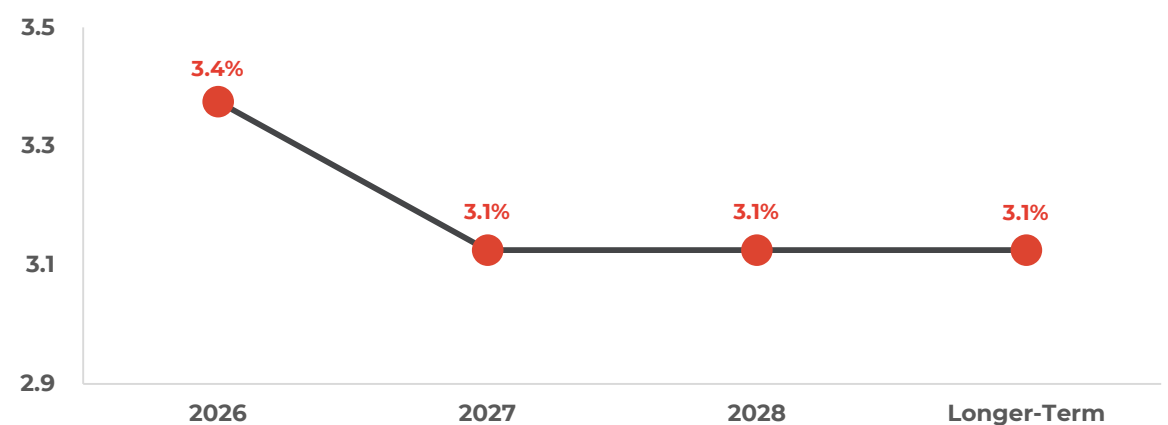
Inflation Remains Elevated Above Fed's 2% Target...

YoY Change in Consumer Price Index Since 2019



...Fed Outlook Indicates Future Cuts to Benchmark Rates

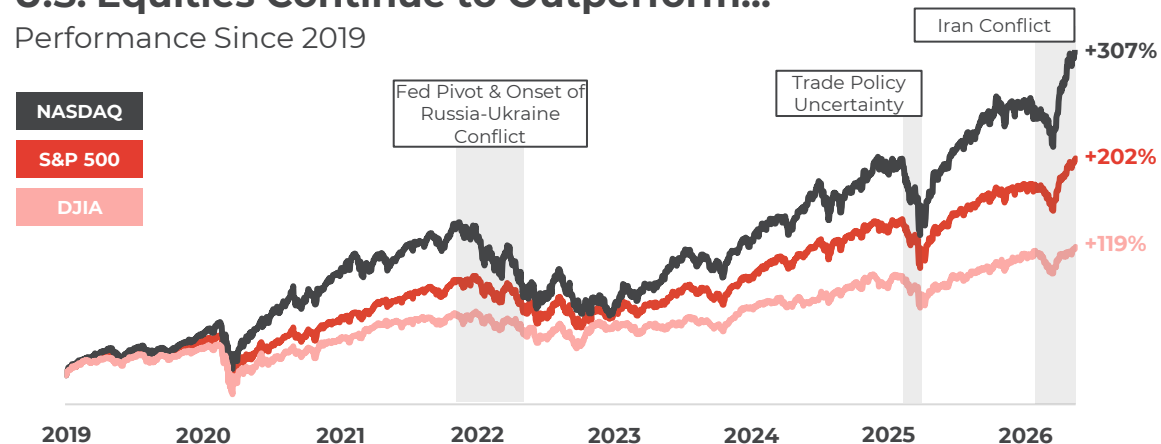
Median Federal Funds Rate Projections as of March 2026



U.S. Equity Capital Markets Activity

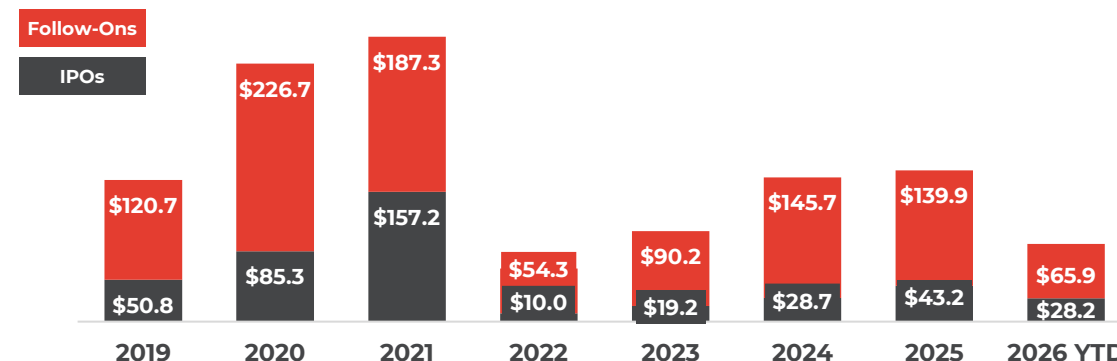
U.S. Equities Continue to Outperform...

Performance Since 2019



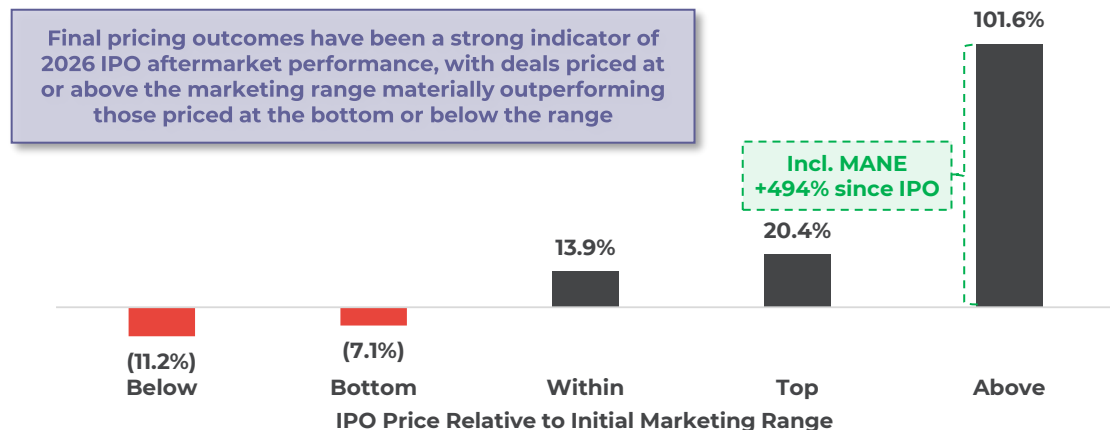
...as Primary Equity Issuance Begins to Rebound from Lows

(\$BN)



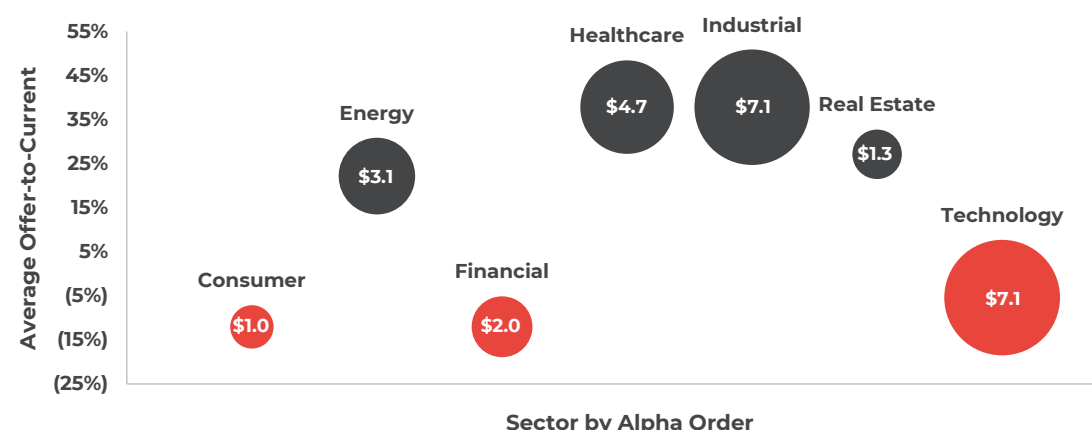
IPO Aftermarket Mixed Based on Pricing Buckets...

2026 YTD Average IPO Offer-to-Current % by Pricing vs. Initial Marketing Range



...as Healthcare and Industrials Drive Volume and Returns

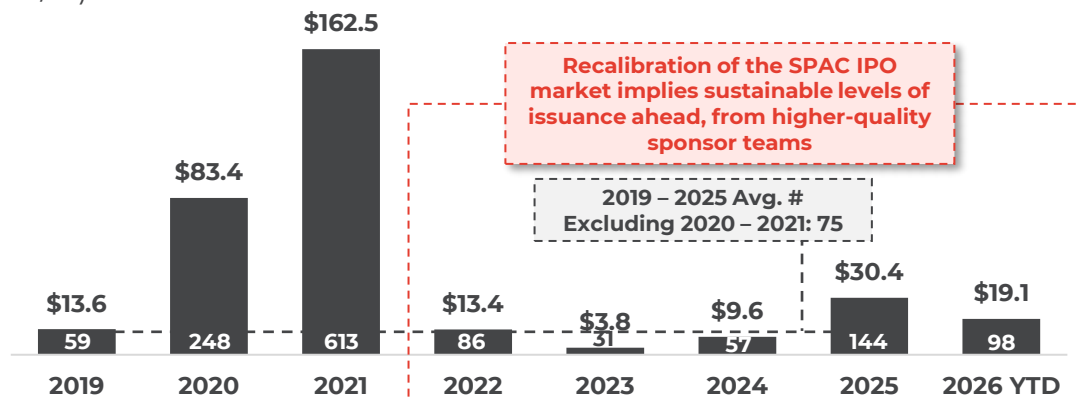
2026 YTD Average IPO Offer-to-Current % and Volume by Sector (% / \$BN)



U.S. SPAC Market Activity

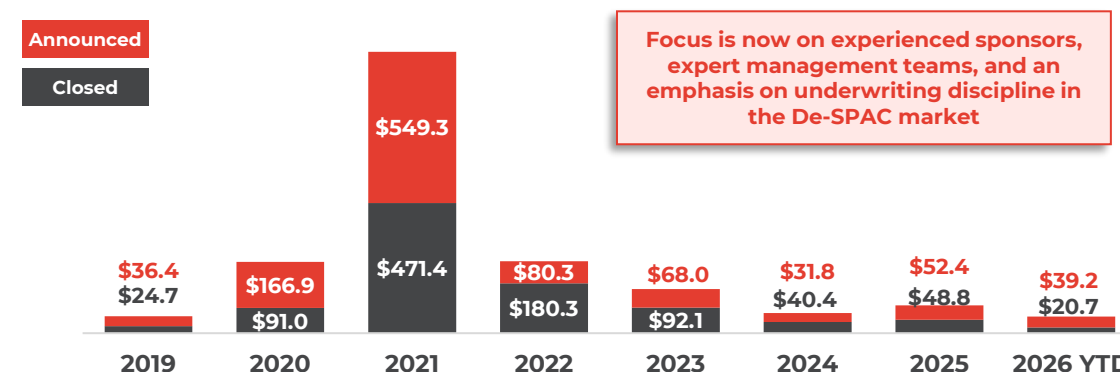
SPAC IPO Issuance Recovers from Post-2021 Freeze...

(\$BN / #)



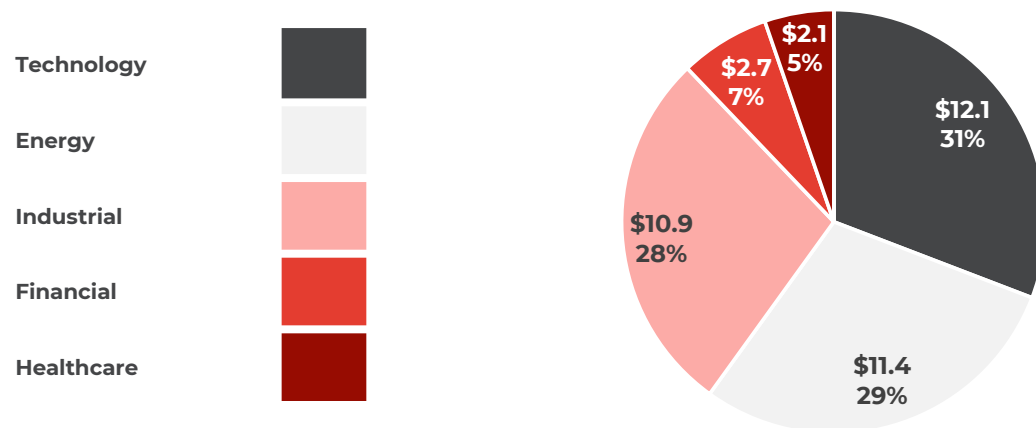
...and De-SPAC Activity Stabilizing to Pre-Pandemic Levels

(\$BN TEV)



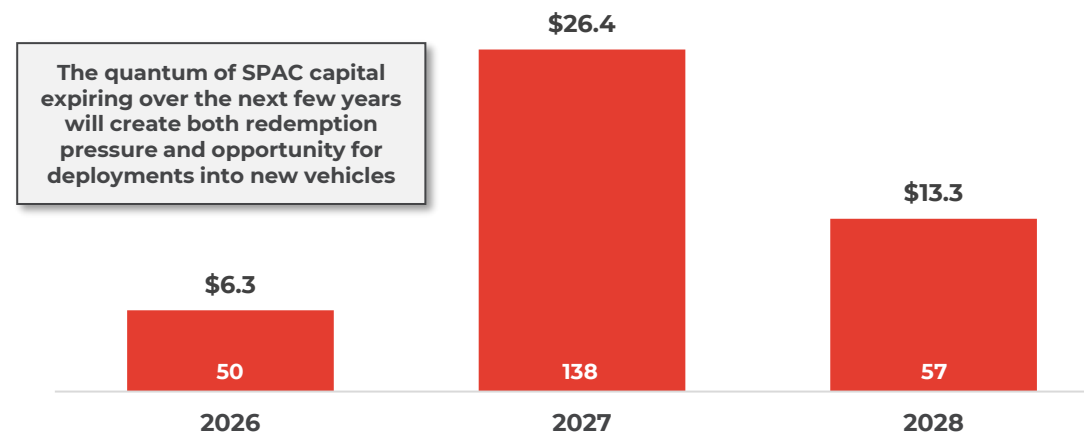
De-SPACs Are Occurring Across a Variety of Sectors...

Breakdown of Announced Deals YTD (\$BN TEV / %)



...while Billions in Fresh Capital Hunts for Transactions

SPAC Trust Capital Expiring by Year (\$BN / #)



ARC Securities' Experienced Capital Markets Team



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- Roger Salazar, Jr. is a Managing Director and Head of Global Capital Markets at ARC Securities
- Roger has proven expertise in cultivating strong relationships with financial sponsors, boards, and corporations spanning various sectors, with a primary focus on growth equity, particularly in the technology and healthcare industries
- Most recently, Roger was a Senior Managing Director and Head of SPACs at SVB Securities
- Prior to that he held roles at Citigroup, RBC, and Societe Generale
- He's raised over 125 (\$55BN+) SPACs and completed over 60 (\$180BN+ EV) mergers along with over 100 bookrun equity transitions, raising over \$50BN in proceeds
- B.Sc. in Finance and Economics from NYU Stern



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Senior Execution Leadership



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- Before Giga Carbon Neutrality, Ian served General Motors for 15+ years in an engineering leadership capacity, where he drove large, global teams to multiple successful vehicle launches
- B.S. in Mechanical Engineering and M.S. in Automotive & Manufacturing Engineering from University of Michigan



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