

Chip designer Arm targets \$52 bn valuation in year's largest IPO

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British chip designer Arm is targeting a valuation of more than \$52 billion for its initial public offering (IPO) on the Nasdaq exchange on

Thursday, according to a company press release.

Arm, whose semiconductor design is integrated into the vast majority of smartphones worldwide, has priced its shares at \$51, the firm announced Wednesday, ahead of the largest IPO New York has seen for almost two years.

The [company](#), which is a world leader in smartphone chip design and is owned by the Japanese tech investor SoftBank, has announced it will list on the tech-rich Nasdaq stock exchange under the "ARM" ticker.

At \$51 per [share](#), Arm's IPO valuation is at the top end of its target range, underscoring the enthusiasm among investors amid an explosion of interest in artificial intelligence.

Traders are looking at Arm's IPO as a barometer for other tech IPOs, which have stalled in recent years as the COVID-19 pandemic, the war in Ukraine and higher interest rates lowered the appetite for riskier investments.

If Arm's IPO does well, other companies may consider going public to raise funds, fueling fresh deal-making in the months ahead.

A number of tech giants including Apple, Google and Nvidia said recently they would be interested in purchasing Arm shares at the [share price](#) it has listed.

The listing of around 10 percent of the company is expected to raise roughly \$5 billion for its owner, SoftBank.

SoftBank, which has had mixed success with its investments in recent years, will retain ownership over the remaining 90 percent or so of the company's shares.

Among its most high-profile recent failures was the dramatic collapse of the coworking company WeWork amid concerns over corporate governance.

Once valued at \$47 billion, WeWork is now worth hundreds of millions of dollars.

SoftBank clearly hopes that this time around, things will be different.

Arm's announcement Wednesday values the UK-based company at considerably more than the \$32 billion SoftBank spent to buy it in July 2016.

However, the figure is far less than the \$60 billion to \$70 billion valuation it was reportedly hoping for as recently as a few weeks ago.

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