

IPOs

Electric vehicle battery group raises \$2bn in Korea's biggest IPO in 4 years

SK IE Technology to use proceeds to expand manufacturing capacity in Poland and China



Demand for SK IE Technology shares outweighed the number on offer by 1,883 times © Bloomberg

Song Jung-a in Seoul 5 HOURS AGO

SK IE Technology, a unit of South Korean electric vehicle battery maker SK Innovation, raised Won2.25tn (\$2bn) in the country's biggest initial public offering in four years.

The company priced the offering at Won105,000 per share or the top of a marketed range, according to a stock exchange statement on Monday. Demand for shares outweighed the number on offer by 1,883 times as institutional investors bet on growth in the global electric vehicle market.

The IPO will be South Korea's largest since mobile games maker Netmarble raised \$2.4bn in 2017. The shares are expected to start trading on May 11.

The offering comes after SK Innovation agreed to pay \$1.8bn in a [settlement with LG Energy Solution](#) in the US earlier this month over the former's illegal acquisition of sensitive technology from the world's largest electric vehicle battery maker.

SK IE Technology plans to use the IPO proceeds to expand its manufacturing capacity in Poland and China as demand for electric vehicle batteries rises. The company last month announced a Won1.1tn plan to build factories in Poland as it seeks to more than double its capacity by 2024.

SK Innovation, a latecomer to the electric vehicle battery market, spun off SK IE Technology in April 2019. The unit makes battery separators that improve the stability of lithium-ion batteries. It is the biggest producer of so-called wet-type separators, controlling more than a quarter of the global market, according to SNE Research. The company reported Won125bn in operating profit last year on sales of Won468bn.

South Korea is on track for a [record year for IPOs](#) this year as retail investors flock to first-time share sales with the benchmark Kospi index trading near record highs, buoyed by ultra-low interest rates. Analysts predict that proceeds from IPOs in the Asian country could more than quadruple to Won20tn in 2021.

Coupang, the South Korean ecommerce group backed by SoftBank, raised \$3.5bn in its New York stock debut in March. Among those looking to go public include digital lender Kakao Bank and its payments platform Kakao Pay, which is valued at up to Won18tn. Krafton, the gaming company behind global hit *PlayerUnknown's Battlegrounds*, and LG Energy Solution, which was spun off from LG Chem, are also planning to list later this year.

[Copyright](#) The Financial Times Limited 2021. All rights reserved.