January 2, 2018

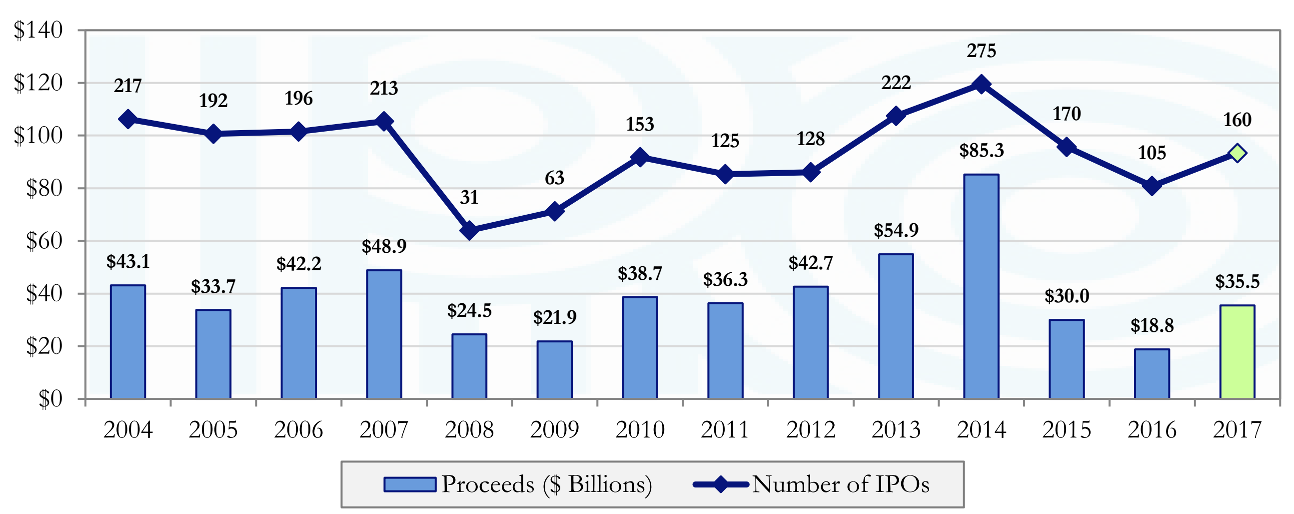
2017 IPO Market: Good, But Not Great

The 2017 IPO market delivered 160 deals, 50% more IPOs than 2016, with proceeds nearly doubling to $35 billion. Driving activity were biotechs, technology and the return of Chinese issuers. However, given the underlying strength in the broader stock market, the activity level should have been higher. Holding back issuance, we believe, was the availability of private capital, uncertainties over the massive tax overhaul and the disappointing debuts of technology unicorns Snap and Blue Apron. The average IPO returned 26%, above broader market indexes. The main contributors to IPO performance were biotech and technology, some with spectacular returns, such as AnaptysBio, Argenx and Roku, partly offset by a large number of conspicuous underperformers, such as Blue Apron, Qudian, and Altice USA, all of which had company-specific fundamental issues. The activity level, investor discrimination and evidence of an improved US economy point to continued momentum in 2018, perhaps led by the debuts of long-anticipated unicorns such as Lyft and Airbnb.

Key Takeaways:

- US IPO Activity Rises 50% to 160 Deals, Proceeds Nearly Double
- IPOs Average a 26% Return, Led by Industrials, Biotechs and US Tech
- IPO Index Gains 36%, Best Year Since 2013
- Largest IPOs Underperform
- Health Care and Tech Continue to Drive Issuance
- Outlook 2018: Increase in Technology, Potentially Led by Lyft, Dropbox, Airbnb

US IPO Activity



Data set includes IPOs with a market cap above $50 million, and excludes closed-end funds, unit offerings and SPACs. Proceeds totals do not include the exercise of underwriter over-allotments. Source: Renaissance Capital.

US IPO Count Rises 50% to 160 Deals, Proceeds Nearly Double

Key US IPO Statistics – Activity									
IPO Volume	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Deals	63	154	124	128	222	275	170	105	160
Proceeds Raised (US$ in bil)	$21.9	$38.7	$35.5	$42.6	$54.9	$85.3	$30.0	$18.8	$35.5
Median Deal Size (US$ in mil)	$155	$108	$160	$124	$126	$100	$94	$95	$120
PE-Backed Deals	22	38	35	45	68	71	39	30	46
PE-Backed Proceeds (US$ in bil)	$6.5	$9.6	$20.4	$10.3	$24.5	$25.0	$11.3	$8.8	$13.4
VC-Backed Deals	12	61	51	46	82	126	85	42	61
VC-Backed Proceeds (US$ in bil)	$1.3	$6.0	$7.9	$20.7	$9.7	$35.3	$8.9	$3.5	$11.3

Source: Renaissance Capital.

US IPOs raised $35 billion, up 89% from 2016 and a three-year high. Following the slowest IPO market since the financial crisis, 2017 was a much more active year across almost every sector. That said, annual activity came in below the historical norm of about 180-200 for the third year in a row, due to the availability of large amounts of private capital and perhaps some uncertainty over tax legislation.

The IPO market was generally receptive to new issuers throughout the year. Biotechs continued to pour in. The tech sector kept a moderate pace in 2017 after last year's slump. Foreign companies provided a sizable boost to US activity with 36 offerings, double 2016, with the biggest increase coming from China. Median deal size increased to $120 million, the highest since 2013. Sectors known for large IPOs like energy, telecom and materials all reappeared in 2017. Venture capital's IPO proceeds more than tripled compared to last year, driven by Snap and other unicorns coming to market. Biotechs also raised about $100 million on average, a 50% increase over last year.

IPOs Average a 26% Return, Led by Industrials, Biotechs and US Tech

Key US IPO Statistics - Performance

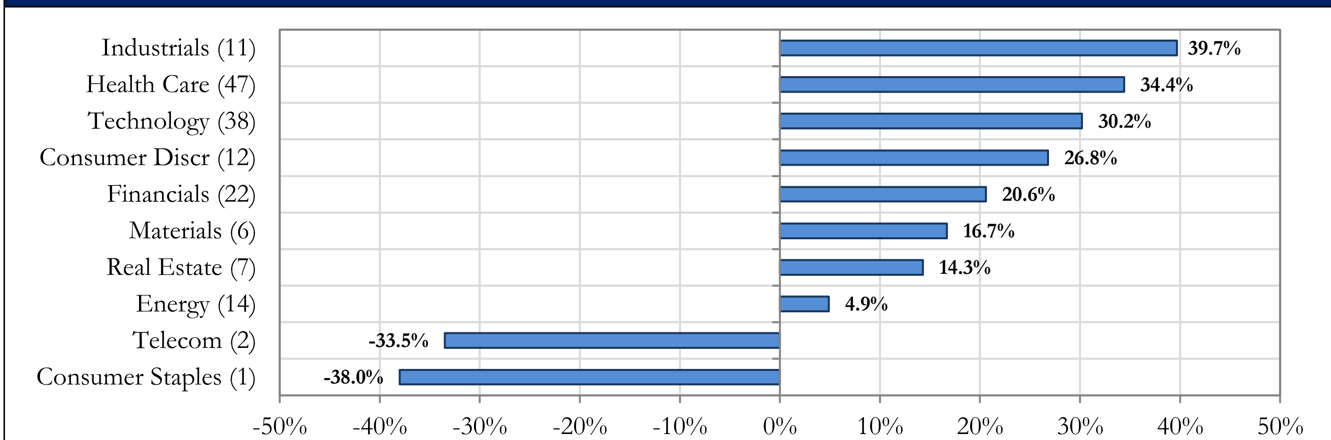
	2013	2014	2015	2016	2017
Avg. Total Return	40.8%	21.0%	-2.1%	25.5%	25.9%
Avg. First-Day Return	17.3%	13.5%	14.3%	11.4%	11.8%
Avg. Aftermarket Return*	20.3%	7.2%	-13.5%	13.8%	12.0%
Renaissance IPO Index	56.1%	8.0%	-7.5%	-0.5%	36.5%
S&P 500	30.9%	11.4%	-0.7%	9.5%	21.8%
Russell 3000	33.6%	13.7%	-0.5%	12.7%	21.1%
% Trading **Above** Issue at Year-End	78.4%	59.3%	42.9%	69.5%	63.8%
% Deals with **Negative** First-Day Return	26.6%	27.3%	27.1%	25.7%	23.8%
% Deals Priced **Below** the Range	28.8%	40.0%	32.9%	32.4%	25.6%

*Return from the first-day close to year-end. Data through 12/29/17. Source: Renaissance Capital.

IPOs traded up 26% in 2017, above the five-year average. Very few postponed, only 26% priced below the range (the lowest in over 10 years) and three-quarters traded up on day one. The average first-day pop remained modestly below the long-term average of roughly 13%. IPO investors did better than the S&P 500, which had its best year since 2013 due to roaring tech stocks. The Renaissance IPO Index, which holds the largest, most liquid IPOs of the past two years, did even better, up 36% for the year. In addition to pockets of weakness in energy and China, the relatively low number of IPOs from US tech companies translated to lower returns for the 2017 IPO class.

The IPO market's best-performing sector was Industrials, which featured profitable market leaders benefitting from a humming US economy. The most active sector, Health Care, averaged a gain of 34%. High-flying biotechs drove returns, many of which were too early-stage to fail trials. Tech averaged 30%, weighed down by China and a few micro-caps; for US tech companies raising over $25 million, the average return was 52%, with 88% trading above issue. Energy underperformed for the third year in a row, though returns swung positive heading into year-end. Both telecoms struggled under high leverage and intense competition.

US IPO Returns by Sector



Data through 12/29/17. Source: Renaissance Capital.

Health Care and Tech Continue to Drive Issuance

Every major sector saw more IPOs than 2016. Health care, technology, financials and energy all rebounded from multi-year lows. Health care topped IPO activity for the fifth year in a row, again driven by biotechs. Following a seven-year low, technology had the biggest increase with 17 more deals than last year and over triple the proceeds. Except for Snap, however, the largest VC-backed tech names stayed private, and dozens of smaller IPO-ready companies stayed on the sidelines. Financials picked up due to five mortgage REITs, up from none in 2016, and several more regional banks and consumer lenders. Energy started strong early in the year but then petered out as oil prices softened. Consumer discretionary featured a few retailers, but the increase was driven by five education companies, mostly from China. The US's fourth-largest and sixth-largest cable companies represented the telecom sector.

IPOs and Proceeds by Sector (US$ Billion)

	2013			2014			2015			2016			2017		
Sector	#	$	% of IPOs	#	$	% of IPOs	#	$	% of IPOs	#	$	% of IPOs	#	$	% of IPOs
Health Care	55	$8.7	25%	102	$8.7	37%	78	$6.7	46%	42	$3.4	40%	47	$4.2	29%
Technology	48	$8.8	22%	56	$32.9	20%	29	$7.9	17%	21	$2.9	20%	38	$10.0	24%
Financials	26	$4.5	12%	29	$15.0	11%	16	$1.3	9%	11	$2.8	10%	22	$3.2	14%
Energy	24	$10.7	11%	29	$11.6	11%	10	$4.4	6%	4	$1.4	4%	14	$4.4	9%
Consumer Discr	19	$7.5	9%	21	$4.6	8%	13	$3.1	8%	5	$1.5	5%	12	$2.2	8%
Industrials	14	$3.9	6%	14	$4.2	5%	7	$1.5	4%	10	$3.5	10%	11	$4.1	7%
Real Estate	21	$6.0	9%	9	$3.3	3%	5	$1.1	3%	4	$1.5	4%	7	$2.6	4%
Materials	8	$1.6	4%	7	$2.3	3%	5	$1.5	3%	2	$0.1	2%	6	$2.6	4%
Telecom	1	$0.3	0%	1	$0.4	0%	1	$0.1	1%	0	$0.0	0%	2	$2.2	1%
Consumer Staples	4	$2.1	2%	1	$0.2	0%	3	$1.2	2%	4	$1.6	4%	1	$0.0	1%
Utilities	2	$0.8	1%	6	$2.1	2%	3	$1.3	2%	2	$0.1	2%	0	$0.0	0%

Data through 12/29/17. Source: Renaissance Capital.

Largest IPOs Underperform

The year's 10 largest offerings raised $12.5 billion, 35% of total proceeds and a significant improvement over 2015 and 2016. Three IPOs raised over $1 billion, down from four last year, as a number of potentially large offerings delayed. The year's biggest IPOs hailed from a variety of sectors. The average first-day gain was 9%, but by year-end they averaged a -1% return with six trading below issue, unusually bad trading for a year's largest offerings.

Snap's long-awaited IPO raised $3.4 billion, the most for a US tech company since Facebook in 2012. It gained 44% on day one, by far the best on this list, and had the highest pop for a $2+ billion IPO since 2000. However, those returns vanished after intense competition with Facebook led to disappointing first quarter results. Like Snap, Asia-based Qudian and Sea were young companies that were afforded high valuations before quickly falling. Altice USA raised $1.9 billion in the year's second-largest IPO, but high leverage and intense competition caused it to underperform. Invitation Homes hovered near its IPO price until its proposed merger with competitor Starwood Waypoint sent shares up. Two midstream MLPs were spun out of large publicly-traded energy companies, but were impacted by a pullback in oil prices. The sole LBO on the list, Gardner Denver, priced below its range but delivered the strongest trading.

Largest US IPOs

Company	Ticker	Offer Date	Deal Size ($mm)	Sector	First-Day Pop	Return from IPO
Snap	SNAP	1-Mar	$3,400	Technology	44.0%	-14.1%
Altice USA	ATUS	21-Jun	$1,918	Telecom	9.0%	-29.2%
Invitation Homes	INVH	31-Jan	$1,540	Real Estate	0.0%	17.9%
Qudian	QD	17-Oct	$900	Financials	21.6%	-47.8%
Sea	SE	19-Oct	$884	Technology	8.4%	-11.1%
Antero Midstream GP LP	AMGP	3-May	$875	Energy	-6.4%	-16.1%
Loma Negra	LOMA	31-Oct	$840	Materials	12.4%	21.3%
Gardner Denver Holdings	GDI	11-May	$826	Industrials	5.5%	69.7%
BP Midstream Partners LP	BPMP	25-Oct	$765	Energy	-4.2%	14.3%
Sogou	SOGO	8-Nov	$585	Technology	3.8%	-11.0%

Data through 12/29/17. Source: Renaissance Capital.

Biotechs Top List of Best-Performing IPOs

Biotechs led the best-performing IPOs of 2017, making up four of the top six. However, none of these had enough initial demand to price above the midpoint. Early-stage inflammation biotech AnaptysBio was propelled to the #1 spot by positive trial results, and its 571% gain makes it the best-performing IPO for any year going back at least a decade. On average, the top 10 priced 3% below the midpoint, popped 29% on day one and proceeded to skyrocket 160% in the aftermarket.

Best-Performing US IPOs

Company	Ticker	Offer Date	Deal Size ($mm)	Sector	First-Day Pop	Return from IPO
AnaptysBio	ANAB	25-Jan	$75	Health Care	13.3%	571.5%
Argenx	ARGX	17-May	$100	Health Care	35.3%	271.4%
Roku	ROKU	27-Sep	$219	Technology	67.9%	269.9%
SMART Global Holdings	SGH	23-May	$58	Technology	22.3%	206.4%
UroGen Pharma	URGN	3-May	$58	Health Care	7.5%	186.2%
Calyxt	CLXT	19-Jul	$56	Health Care	40.6%	175.4%
Appian	APPN	24-May	$75	Technology	25.1%	162.3%
Canada Goose Holdings	GOOS	15-Mar	$253	Consumer Discr	27.3%	149.9%
Boston Omaha Corp.	BOMN	15-Jun	$85	Financials	1.5%	149.2%
Floor & Decor Holdings	FND	26-Apr	$185	Consumer Discr	52.6%	131.8%

Data through 12/29/17. Source: Renaissance Capital.

The year's worst-performing IPOs generally had precarious business models, a high cash burn and expensive valuations. Down 60% from its offer price, Blue Apron hit operational challenges immediately after the IPO, and fell short of revenue and margin targets. It joined Brazilian e-commerce play Netshoes in the bottom 10, along with two consumer IPOs, yoga studio YogaWorks and toymaker Funko, which dropped 41% in the worst first-day trading for an IPO since 2000. Coal producer Ramaco Resources struggled against industry headwinds, while Chinese lenders Qudian and PPDAI were slammed by regulatory action.

Worst-Performing US IPOs

Company	Ticker	Offer Date	Deal Size ($mm)	Sector	First-Day Pop	Return from IPO
Valeritas Holdings	VLRX	22-Mar	$53	Health Care	-28.8%	-71.5%
Blue Apron Holdings	APRN	28-Jun	$300	Technology	0.0%	-59.7%
Netshoes	NETS	11-Apr	$149	Technology	-10.6%	-56.1%
Co-Diagnostics	CODX	12-Jul	$7	Health Care	-3.2%	-56.0%
Ramaco Resources	METC	2-Feb	$81	Energy	0.4%	-49.0%
YogaWorks	YOGA	10-Aug	$40	Consumer Discr	-11.8%	-48.5%
Qudian	QD	17-Oct	$900	Financials	21.6%	-47.8%
PPDAI Group	PPDF	9-Nov	$221	Technology	0.6%	-45.3%
Funko	FNKO	1-Nov	$125	Consumer Discr	-41.1%	-44.6%
Zymeworks	ZYME	27-Apr	$59	Health Care	0.0%	-41.6%

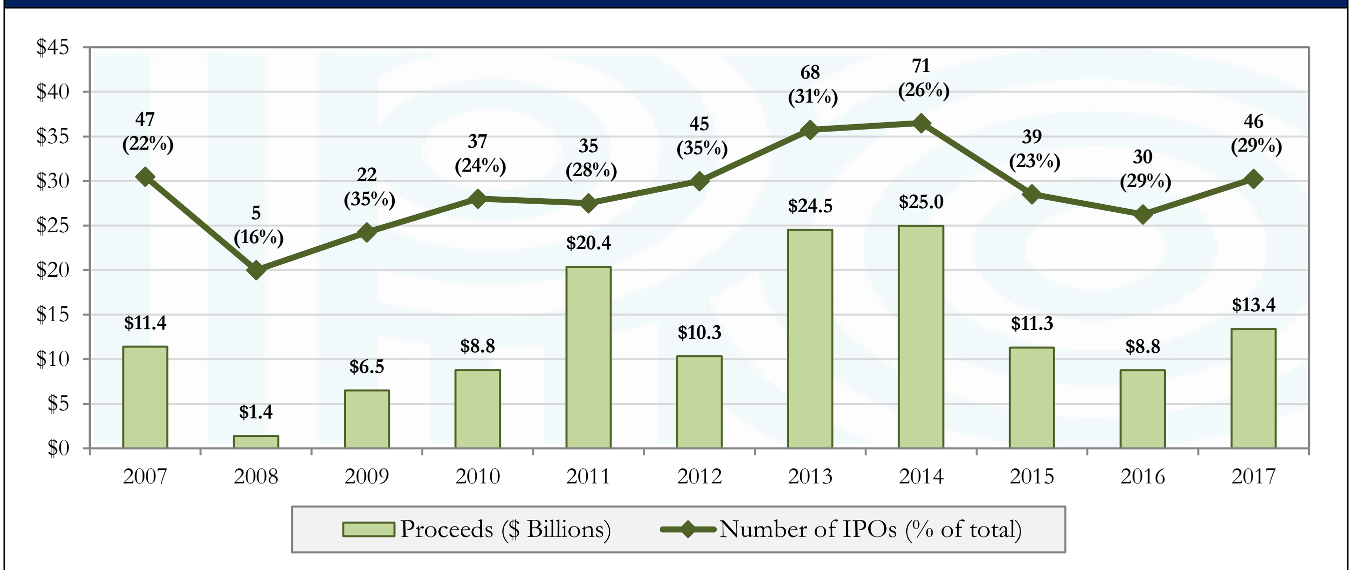
Data through 12/29/17. Source: Renaissance Capital.

Private Equity IPOs Climb to a Three-Year High

Private equity was behind 46 IPOs raising $13.4 billion. The group included 17 LBOs and 29 backed by growth or other private equity. Deal flow would have been higher if energy had not dropped off in the 2H17. The group averaged a gain of 19%. A number of large industrial companies traded well, while energy and telecom dragged down returns.

PE brought two billion-dollar IPOs, BC Partners-backed Altice USA and Blackstone's Invitation Homes. Silver Lake-backed chip maker SMART Global was the top performer, followed by Bain Capital-backed parka maker Canada Goose. Amazon-proof retail concepts also outperformed, namely Ares Management-backed Floor & Decor and KKR-backed National Vision. KKR was the most active PE firm as the lead investor on four IPO exits.

US IPO Activity – Private Equity-Backed IPOs



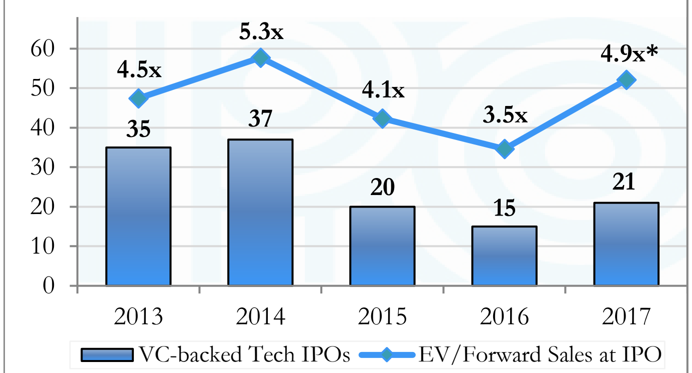
Source: Renaissance Capital.

Venture Capital Picks Up as Tech Begins Comeback

VC-backed IPOs totaled 61, 38% of the year's total. Activity grew in line with the broader IPO market, driven by a still-active biotech industry and a pickup in technology. VC-backed IPO proceeds more than tripled to $11 billion, driven by Snap and several other tech unicorns. Venture outperformed, up 34% on average and boosted by several home-runs in biotech. However, the five largest VC-backed IPOs ended the year below issue, including US-based Snap and Blue Apron and China-based Qudian and Best.

While high-profile disappointments likely pushed back IPO timelines for some tech unicorns, valuations increased, with the average forward sales multiple for tech IPOs returning to 2013-2014 levels. US software IPOs outperformed, even those with heavy losses, and double-digit gains were achieved by Alteryx, Appian, Okta, MuleSoft, and ForeScout. For slower-growing companies, profitability was key, with online apparel service Stitch Fix doing well. The year's best-performing tech IPO, TV streaming platform Roku, combined fast growth with a high-margin streaming business.

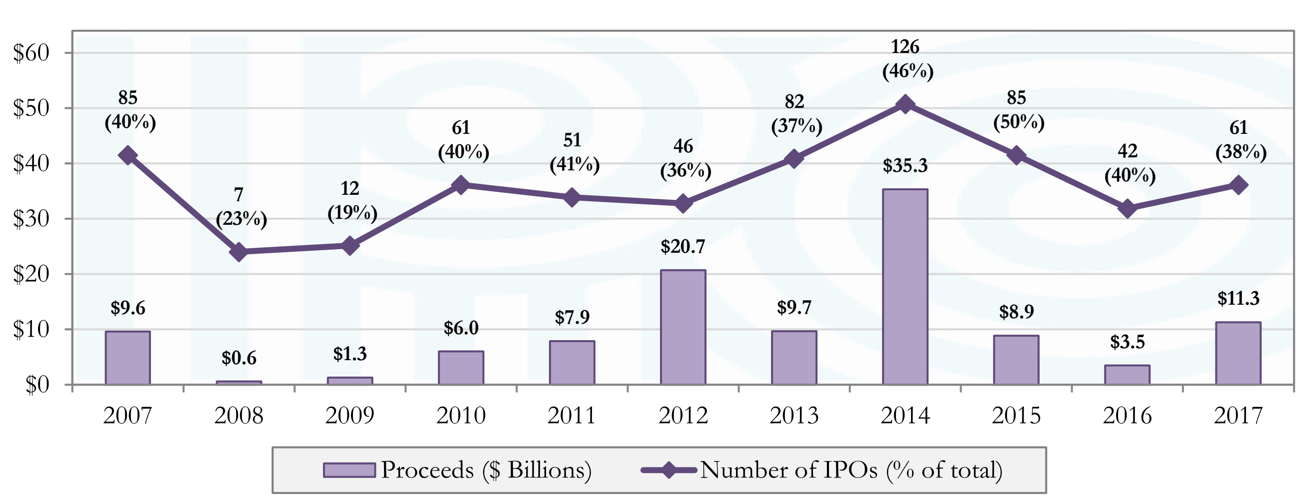
2017 VC Tech Rises with IPO Valuations



*4.0x excluding SNAP

The majority of venture capital IPOs were health care, mostly biotechs. Health care activity increased due to 10 foreign biotechs listing in the US, up from four in 2016. Over one-third of biotech IPOs had a cancer angle, including several top-performers. The average VC-backed health care deal gained 40%; however, biotechs' outsized gains were attributable to AnaptysBio's 571% gain. Like last year, existing shareholders participated on nearly every deal: 25 of the 27 biotechs (93%) had some insider buying, and the average deal was 34% covered by insiders entering the IPO.

US IPO Activity – Venture Capital-Backed IPOs

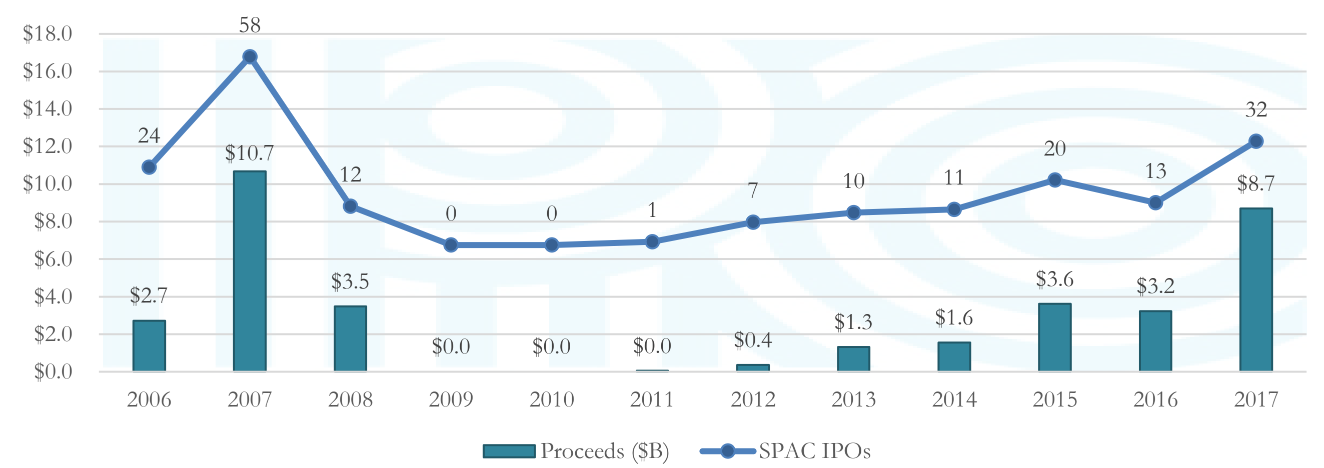


Source: Renaissance Capital.

Blank Check IPOs Hit a 10-Year High: 32 Deals Raise $8.7 Billion

32 blank check companies raised $8.7 billion in proceeds during 2017, the highest number since 2007 and more capital than the last three years combined. Driving SPAC issuance were large deals from high-profile management teams. Since SPACs began listing on major exchanges in 2005, only seven have raised $500 million or more, three of which were in 2017.

SPAC IPOs Have Biggest Year Since 2007



Includes blank check companies listing on the Nasdaq/NYSE/AmEx with a market value above $50 million. Source: Renaissance Capital.

Energy was the most targeted sector with eight SPACs raising $3.3 billion, including three of the five largest. Three tech-focused SPACs specifically cited low IPO volume in discussing acquisition opportunities, including Social Capital Hedosophia, which focused on tech unicorns. The average SPAC gained 1% on its first day, and year-end returns ranged from -1% to 9%.

2017's 10 Largest Blank Check IPOs

Company	Ticker	Target Sector	Sponsor	Offer Date	Deal Size ($mm)	Return from IPO
Silver Run Acquisition II	SRUNU	Energy	Riverstone	23-Mar	$900	4.6%
Social Capital Hedosophia Hldgs	IPOA.U	Tech	Social Capital	13-Sep	$600	6.0%
TPG Pace Energy Holdings	TPGE.U	Energy	TPG	4-May	$600	2.5%
Vantage Energy Acquisition	VEACU	Energy	Vantage exec	10-Apr	$480	1.9%
Federal Street Acquisition	FSACU	Health Care	THL Partners	18-Jul	$400	3.5%
TPG Pace Holdings	TPGH.U	TBA	TPG	27-Jun	$400	2.5%
Gores Holdings II	GSHTU	TBA	Gores Group	12-Jan	$375	3.6%
Capitol Investment Corp. IV	CIC.U	TBA	Mark Ein	15-Aug	$350	0.1%
Kayne Anderson Acquisition	KAACU	Energy	Kayne Anderson	29-Mar	$350	-0.4%
Regalwood Global Energy	RWGE.U	Energy	Carlyle	30-Nov	$300	-0.5%

Data through 12/29/17. List excludes five SPACs that also raised $300 million. Source: Renaissance Capital.

China IPO Activity More Than Doubles

16 Chinese firms raised a combined $3.4 billion on US exchanges, more than double the number from last year. Excluding two micro-caps that traded up, the Chinese listings finished the year down 1% on average, with nine trading below issue. Activity was driven by five online lenders and four education companies. In the fintech space, China Rapid Finance, Qudian, PPDAI Group and Jianpu Technology averaged a loss of 12%, falling heavily in late November after China increased regulations on microlending and short-term cash lenders. Bright Scholar Education returned 78% from its May IPO, but the three other education companies averaged a loss of 6%. Other notable deals out of China this year included Alibaba-backed logistics firm Best (-10%) and mobile search engine Sogou (-11%), backed by Tencent and Sohu.

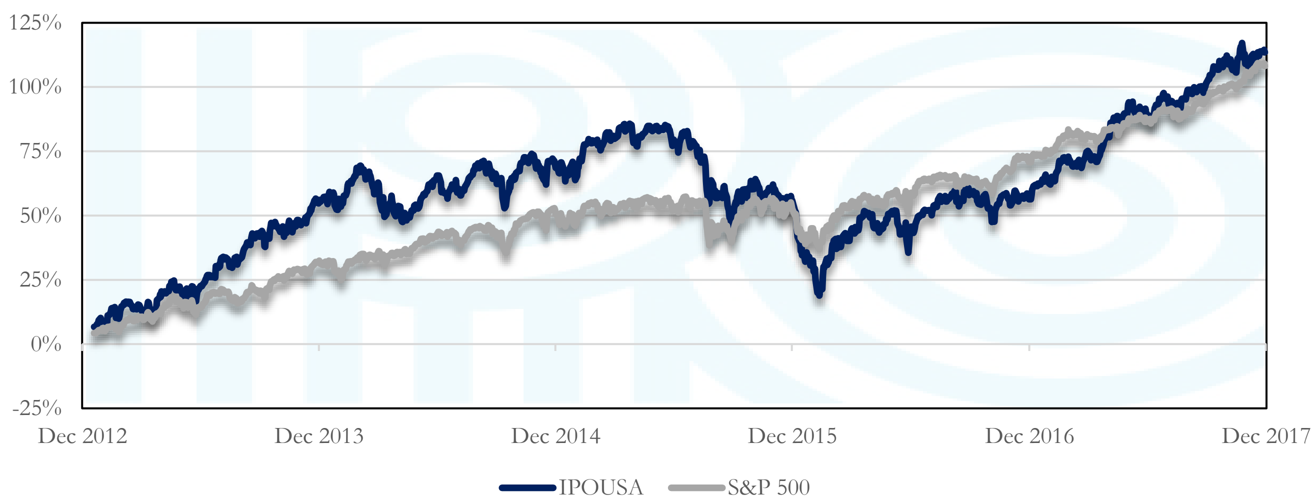
More Chinese Companies List in the US

Excludes SPACs, best-efforts IPOs, deals that raise less than $5mm or have a market cap below $50mm. Source: Renaissance Capital.

Renaissance IPO Index Outpaces Major Indexes

The Renaissance IPO Index (IPOUSA), the underlying index for the Renaissance IPO ETF (IPO), outperformed US equity benchmarks with a 36.5% return compared to the S&P 500's 21.8% return. Information Technology and Consumer Discretionary were the index's strongest sectors, while both the Energy and Utilities sectors lagged. Notable securities to contribute to index performance in 2017 included mobile payment service provider Square (SQ; +154%), Italian luxury sports car manufacturer Ferrari (RACE; +80%) and cloud-based e-commerce platform Shopify (SHOP; +136%). Partially offsetting the strong performances were cable provider Altice USA (ATUS; -29%), ephemeral messaging app Snap (SNAP; -14%) and optical networks provider Acacia Communications (ACIA; -41%).

US IPO Index Performance



	2013	2014	2015	2016	2017
Renaissance IPO Index	56.1%	8.0%	-7.5%	-0.5%	36.5%
S&P 500	30.9%	11.4%	-0.7%	9.5%	21.8%

Note: The Renaissance IPO Index Series represents a rolling two-year population of newly public companies weighted by float adjusted market cap. Data as of December 29, 2017.

Pipeline Contains Several Billion-Dollar IPOs

200 companies filed for IPOs this year, up 59% from 2016, and slightly below the 10-year average of 215 filings. There are 73 IPOs publicly on file looking to raise a combined $23 billion, up from 69 at year-end 2016, and 118 the year before that. Most companies now take advantage of confidential review, reducing our visibility into future IPO activity, and earlier this year the SEC opened the process to large filers. The pipeline's "active backlog" of companies that have submitted filings within the past 90 days stands at 38 deals targeting $14 billion, and is mostly split between health care and technology, followed by energy and industrials.

The table below highlights some of the largest deals in pipeline, including French insurance company AXA's US operations, which could raise $3 billion. Security services provider ADT filed for an IPO that should raise over $1 billion, following its 2016 LBO by Apollo Global. Fracker FTS International leads the energy sector with a potential billion-dollar IPO. Argentine airport operator América Airports could raise over $1 billion, while the company behind airport concession Hudson News is a more familiar name. The casino REIT owning Caesars Palace, VICI Properties, could also raise $1 billion in the 1Q18.

Notable IPOs on File

Company	Business	LTM Sales	LTM EBITDA	Est. Deal Size	Industry
AXA Equitable	US life insurance/asset management arm of AXA.	$10,750	-1.3%	$3,000	Financials
ADT	Apollo-backed security services provider.	$4,265	54.1%	$1,500	Industrials
América Airports	Argentina-based airport operator.	$1,543	28.9%	$1,500	Industrials
FTS International	Fracking services for oil and gas E&Ps.	$1,160	19.9%	$1,000	Energy
VICI Properties	Casino REIT spun out of Caesars Entertainment.	$768	89.0%	$1,000	Real Estate
Americold Realty Trust	Temperature-controlled storage REIT.	$1,536	16.1%	$500	Real Estate
Gates Industrial	Makes power transmission and fluid power products.	$2,928	22.0%	$500	Industrials
TFI TAB Food	Burger King/QSR franchisee in Turkey and China.	$964	9.8%	$400	Consumer Discr
Hudson	Operates airport concessions and duty-free shops.	$1,767	9.6%	$400	Consumer Discr
Camposol	Peruvian supplier of off-season produce and seafood.	$342	33.9%	$345	Consumer Stap

All $ in million. Source: Renaissance Capital.

Large Private Company Backlog Supports a Strong Outlook for 2018

Our Private Company Watchlist (PCW) contains 259 companies, over 50 of which have selected banks or filed confidentially. In 2017, 49 companies from the PCW filed publicly for IPOs, including the five largest IPOs by deal size. Below we highlight some of the largest private companies that have signaled their intention to list and would likely headline IPO activity in the tech sector in 2018, including Spotify, which is expected to complete a direct listing on the NYSE early in the year; Lyft, which saw explosive growth in 2017 after several missteps by competitor Uber; and Dropbox, which turned EBITDA positive in 2017.

Along with the widely-anticipated large tech deals, numerous VC-backed and other IPO candidates across a variety of sectors and sponsor types appear set to move forward in 2018. We have highlighted a sampling of notable companies that we believe are on track for a 2018 IPO below, including payments processing platform Adyen, cloud-based WiFi platform provider Cambium Networks and enterprise security services company Zscaler.

Notable PCW Members Expected to IPO, Led by 6 Mega-Tech Deals

Company	Business Description	Funding	Est. Valuation
Airbnb	Provides a global network of accommodations offered by locals.	$3,100	$31,000
Meituan-Dianping	Chinese group buying and review platform for local businesses.	$9,400	$30,000
Spotify*	Subscription-based music streaming service.	$1,176	$19,000
Lyft	On-demand transportation app where customers can summon a driver.	$4,100	$11,500
Dropbox*	Web-based cloud storage provider.	$607	$10,000
iQiyi.com*	Chinese online television and movie portal owned by Baidu.	$350	$8,000

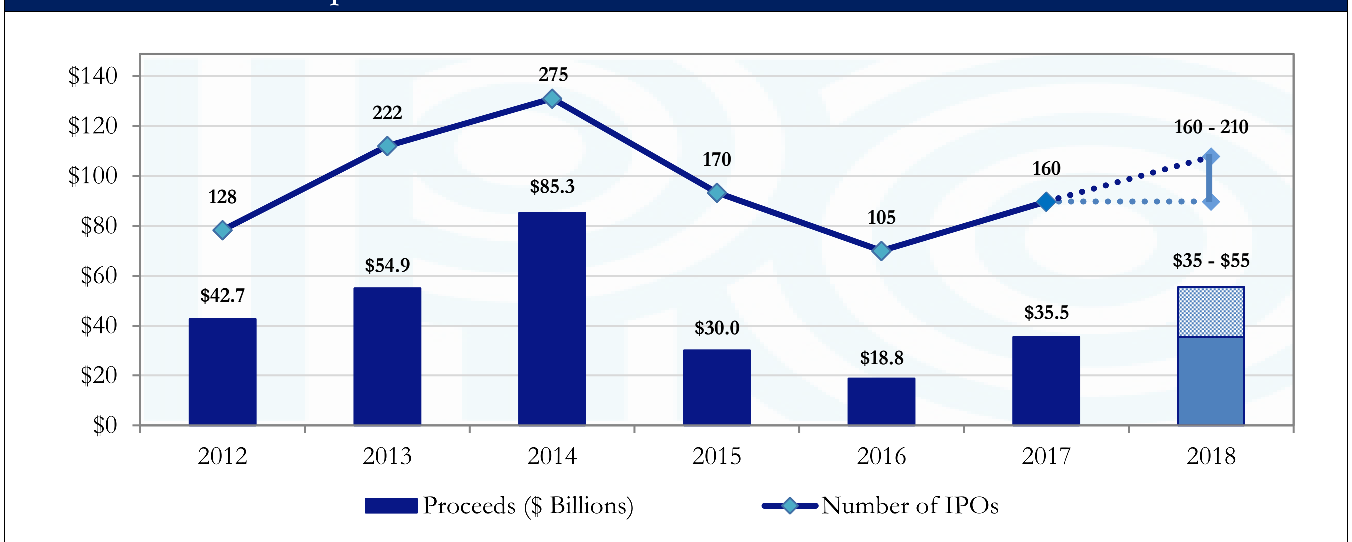
*Has filed confidentially or selected banks. All $ in million. Source: Renaissance Capital.

Outlook

We believe that 2018 could be a banner year for technology IPOs. A deep bench of tech unicorns has had years to prepare offerings. Volatility is low, corporate taxes are on their way down, and public market valuations are as good as they can hope for. Many tech firms will likely need capital, while employees and investors will seek much-needed liquidity. Lyft, Dropbox, Airbnb and dozens of other unicorns appear ready to flip the switch.

Outside of a much more active tech sector, biotechs should continue to come to market in 2018, driven by innovations in therapeutic approaches. A number of large issuers are already publicly on file, including five companies that could raise over $1 billion in the 1Q18. China's US offerings ended the year on a down note, but several more have lined up IPOs, and foreign issuers from elsewhere may also take advantage of strong US equity markets. The energy sector has readied IPOs for when energy prices recover, which could even prompt oil behemoth Saudi Aramco to price an IPO that's rumored to raise $100 billion globally. At the minimum, we expect 2018 to match this past year's activity, and would not be surprised to see as many as 200 IPOs raise $50 billion in a year that makes the IPO market "great" again.

2018 Poised for a Pickup



Source: Renaissance Capital.

About Renaissance Capital
Renaissance Capital provides pre-IPO institutional research and management of the Renaissance IPO ETF (NYSE symbol: IPO) and the Renaissance International IPO ETF (NYSE symbol: IPOS). For more information, visit www.renaissancecapital.com.