

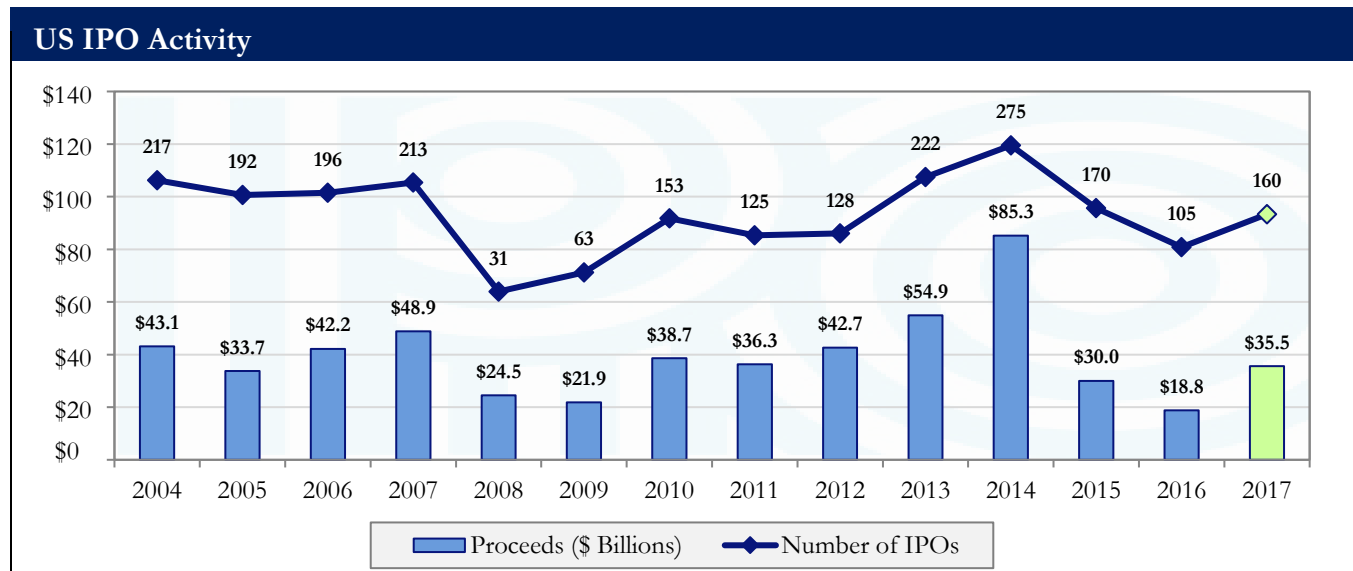
January 2, 2017

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, were uncertainties over the massive tax overhaul and the disappointing debuts of technology unicorns Snap and Blue Apron. The average IPO returned 26%, respectable by historic standards, but only in line with the 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



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.

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.

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