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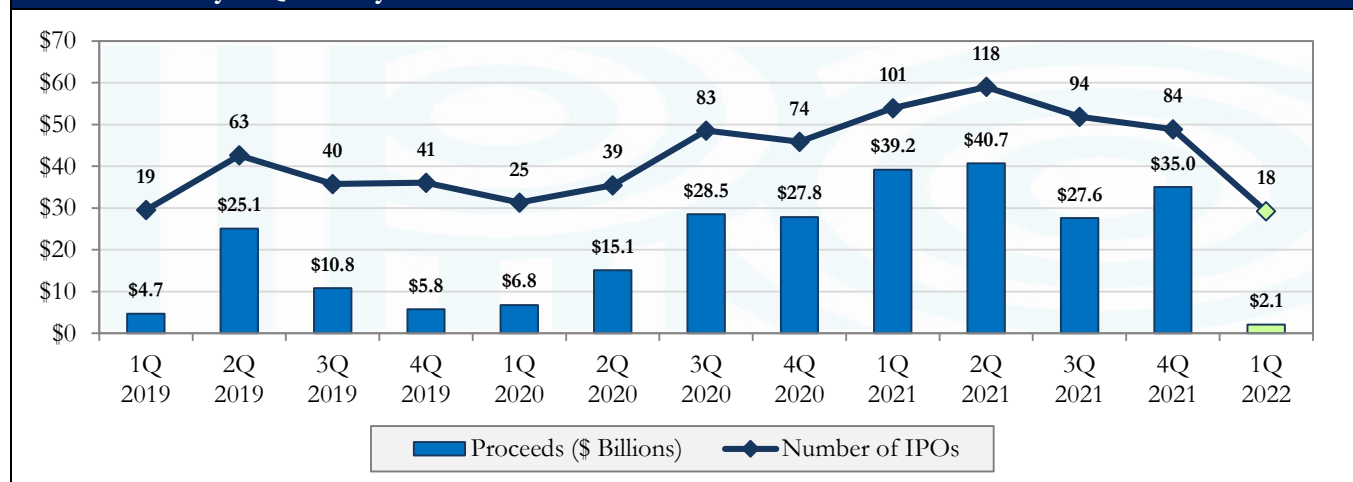
US IPO Market Grinds to a Halt

The US IPO market had its slowest first quarter in six years as just 18 IPOs raised \$2.1 billion. Plummeting returns at the end of 2021 effectively put an end to the past year's IPO boom, and coupled with the escalating war in Europe, issuance ground to a halt in late February. Only seven IPOs raised more than \$50 million, led by TPG's billion-dollar deal, which alone accounted for nearly half of proceeds. A majority of activity came from micro-caps, which caused the median deal size to fall to \$27 million, its lowest level in at least two decades. IPOs averaged a 28% return, driven by explosive first-day pops from volatile small issuers and decent returns from larger ones. The Renaissance IPO Index had its worst quarter since 2011 with a 24% drop, well below the S&P 500's loss. The SPAC market deflated, with a 66% drop in pricings from the 4Q21 and a rise in IPO withdrawals, redemption rates, and merger terminations. The near-term outlook for the IPO market is foggy heading into the second quarter, though one thing is clear: recent IPO returns and risk appetite will need to rebound before activity resumes. Still, many private companies are eyeing 2022 IPOs, and there are plenty of candidates in the pipeline ready to come to market once conditions improve.

Key Takeaways:

- 18 IPOs Raise Only \$2 Billion Amid Sell-Off in Growth Stocks and Ukraine Crisis
- Median Deal Size Drops to Multi-Decade Low as Micro-Caps Dominate Issuance
- Average IPO Gains 33% Despite Large Drop in IPO Index
- Just 7 IPOs Raise More Than \$50 Million Led by TPG's Billion-Dollar Deal
- 55 Blank Check IPOs Raise \$9.0 Billion, But Withdrawals and Terminations Rise
- Robust Backlog Ready for When the IPO Market Reopens

US IPO Activity – Quarterly



Source: Renaissance Capital. Data includes IPOs and direct listings with a market cap of at least \$50mm and excludes closed-end funds, unit offerings, and SPACs.

About Renaissance Capital

Renaissance Capital is a global IPO investment adviser providing 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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