

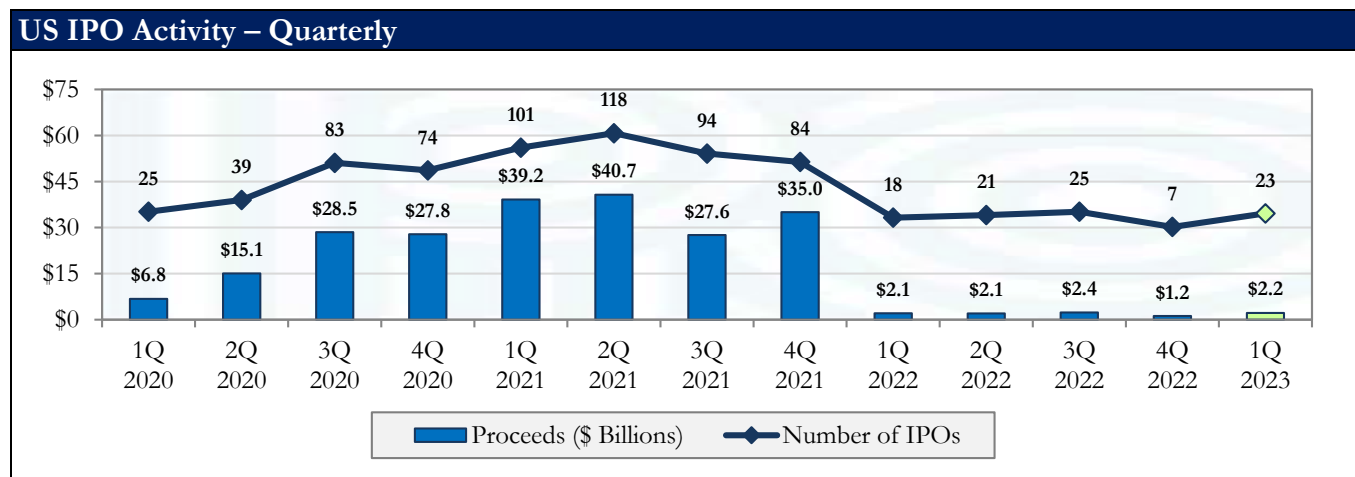
April 3, 2023

The IPO Pickup Gets Cut Short

Following the US IPO market's slowest year in decades, the first quarter of 2023 continued the trend with 29 IPOs raising just \$2.3 billion. Deal flow started at a decent pace but failed to pick back up after the February lull, as hawkish signals from the Fed, renewed recession fears, and turmoil within the banking industry caused a spike in volatility. The quarter's issuers were fairly diverse, although the three largest offerings were all from energy-related companies. Eight IPOs raised \$100 million or more, led by solar equipment maker Nextracker's \$638 million deal, but small issuers continued to account for a major portion of activity despite increased scrutiny from regulators. US IPOs averaged a 3% return from offer, though the \$100+ million deals delivered a stronger 17% gain. Coming out of its worst year since inception, the Renaissance IPO Index rallied 25% through early February, but seesawed from there; it finished up 18% for the quarter to outperform the S&P 500 (+7%). Eleven blank check IPOs raised \$797 million, and new blank check filings sank to a six-year low as withdrawals and liquidations continued to pour in. 28 companies listed via SPAC merger, and another 48 announced pending mergers in the 1Q, though high redemption rates and deal terminations remain headwinds. Several factors currently cloud our outlook into the second quarter, and the recent volatility will likely sway some companies to push back their offering plans. However, there are plenty of candidates in the pipeline and shadow backlog that are still targeting 2023 debuts, should market conditions improve.

Key Takeaways:

- 29 IPOs Raise Only \$2 Billion, Outpacing the 1Q22
- Average IPO Deliver Modest Gains, But Larger Deals Return a Solid 17%
- 8 IPOs Raise \$100+ Million, Led by Energy Plays Nextracker and Atlas
- 28 Companies List Via SPAC, But Just 11 Blank Checks Go Public as SPAC Pipeline Shrinks
- IPO Index Returns 18% to Outperform the S&P 500, Despite Volatility
- Packed Pipeline and Shadow Backlog Are Bright Spots in Cloudy Outlook



Source: Renaissance Capital. Data includes IPOs and direct listings with a market cap of at least \$50mm. 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.

To read the full 1Q23 IPO Market Review, sign up for a [free 7-day trial of IPO Pro](#), the platform that gives you the tools you need to track the IPO market

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.