

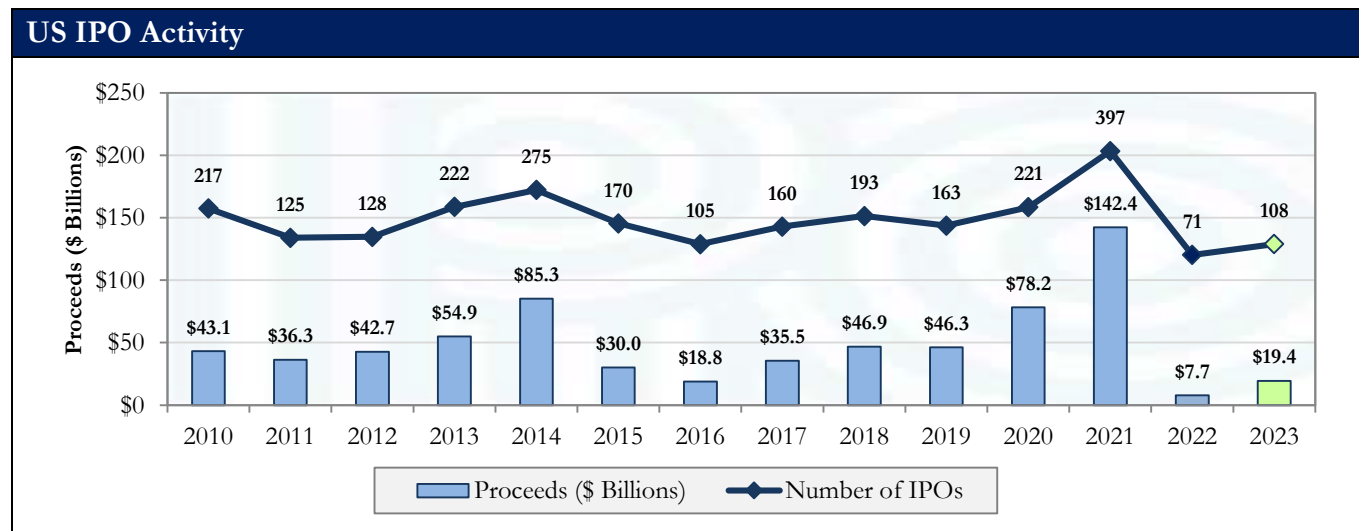
January 2, 2024

US IPO Market Slowly Rebuilds in 2023

After sinking to historic lows in the prior year, the US IPO market started to rebuild in 2023, laying the groundwork for the next upcycle. 108 IPOs raised a combined \$19.4 billion, a slow year by historical standards but a significant increase from 2022. Issuance was weighed down by rate hikes, bank failures, and geopolitical turmoil, but generally improving market conditions still brought large deals to market. While small issuers once again dominated activity, 30 IPOs raised \$100 million or more, led by three billion-dollar deals, chip giant Arm, consumer products carve-out Kenvue, and sandal maker Birkenstock. Arm also led the return of large tech IPOs, and after disappearing in 2022, VC-backed tech came back with unicorns Instacart and Klaviyo. The group of \$100+ million IPOs traded well overall, averaging a solid 27% return, though weak returns from small issuers brought the overall average down to a more modest 4%. The SPAC market crumbled further and new issuance continued to dry up, as just 31 blank checks went public. De-SPAC activity held a brisker pace, with 94 companies listing via SPAC merger, down slightly from the prior year. After posting its worst year since inception in 2022, the Renaissance IPO Index rebounded 52%, strongly outpacing the S&P 500 (+26%). While the IPO market's recovery is still somewhat tenuous, all signs point to a solid pickup in 2024.

Key Takeaways:

- Activity Improves but Remains Muted, with 108 IPOs Raising \$19 Billion
- Billion-Dollar Deals Arm, Kenvue, and Birkenstock Raise Over Half of Total IPO Proceeds
- VC-Backed Tech Unicorns Return with Instacart and Klaviyo
- Small Issuers Skew Returns, but Larger IPOs Average a Solid 27% Gain
- IPO Index Rallies 52% as Growth Stocks Recover
- SPAC Market Running on Fumes as New Issuance Continues to Dry Up
- All Signs Point to a Continued Pickup in 2024



Source: Renaissance Capital. Data includes IPOs and direct listings with a market cap of at least \$50mm and excludes closed-end funds 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 2023 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

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