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Gradual IPO Rebound Continues in 2025 Despite Volatility

After building a solid base in the prior year, the US IPO market continued its gradual recovery in 2025, though hopes for a full rebound were dashed by volatility from tariffs, an extended government shutdown, and a 4Q pullback in AI stocks. Still, new issuance reached a four-year high, with 202 IPOs raising a combined \$44.0 billion. Activity was more in line with historical standards, but deal flow was once again boosted by foreign micro-caps, while proceeds were elevated by a few very large offerings. Sizable issuers made a more robust comeback compared to recent years, with 71 IPOs raising \$100 million or more, but still fell below historical averages as many large VC-backed names continued to push back listing plans. Medical supplies giant Medline led the year's deals, raising \$6.3 billion in the largest offering since 2021, though the roster also featured several high-profile unicorns and a mix of tech, fintech, and aerospace amid a renewed appetite for growth stocks. The uptick in demand peaked during the summer, resulting in the biggest pop for a billion-dollar IPO ever (Figma), but cooler heads prevailed in the fall, with more modest receptions for highly-anticipated names like Klarna and StubHub. The group of \$100+ million IPOs averaged a 21% return from offer, outpacing the 1% return from the year's IPOs overall. The SPAC market ramped up its recovery in 2025, with new issuance more than doubling from 2024, a positive sign for the IPO alternative amid dwindling merger activity. The Renaissance IPO Index seesawed but ended with a 5% return, underperforming the S&P 500 (+18%). With a volatile year in the rearview and more stable ground underfoot, we're optimistic that the IPO market will resume its long-awaited pickup in 2026.

Key Takeaways:

- 202 IPOs Raise \$44 Billion, Even Though Pickup Stumbles
- High-Profile Unicorns Like Klarna and Figma Drive IPO Proceeds
- CoreWeave, Circle, and Others Take Advantage of Growing Demand for AI and Digital Assets
- Larger IPOs Average a Strong 21% Return, Driven by First-Day Pops
- IPO Index Ends Volatile Year with a 5% Gain, Underperforming the S&P 500
- Long-Awaited IPO Pickup Primed to Resume in 2026



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.

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