

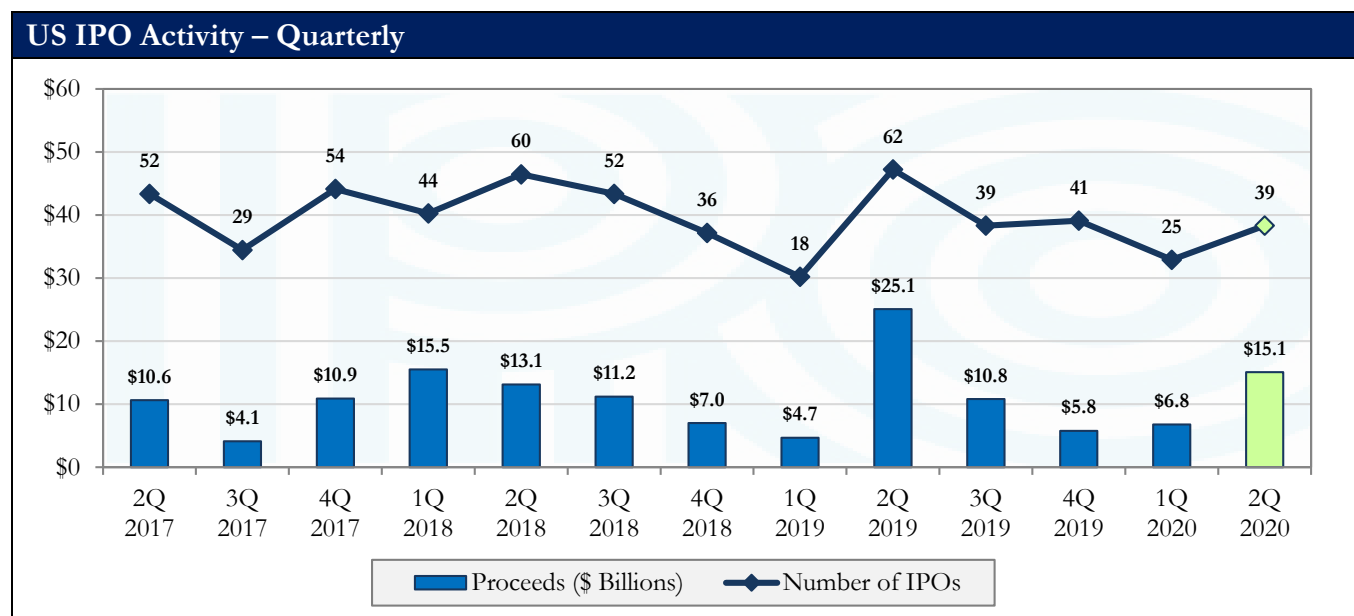
June 24, 2020

## The IPO Market Stages a Swift Recovery

The second quarter is expected to see 39 IPOs raise \$15 billion. After coronavirus volatility caused the slowest April and May since the Great Recession, IPO activity roared back in June, buoyed by stellar returns. During the quarter, nearly every IPO upsized or priced above the midpoint, and IPOs averaged a 39% first-day pop, and a 68% return from offer. The Renaissance IPO Index skyrocketed 57% during the quarter, outperforming the S&P 500 by more than 30 points. Healthcare made up two-thirds of activity, driven by high-flying biotechs, which are largely insulated from the pandemic. Seven Chinese issuers went public in the US, despite renewed calls for greater accounting oversight. Four private equity-backed IPOs raised over a billion dollars apiece, representing 44% of quarterly proceeds, including Warner Music Group and Albertsons. ZoomInfo and Vroom showed a demand for highly-valued growth IPOs, even unprofitable ones, though there was a notable absence of VC-backed tech. While certain industries are still barred from the IPO market, pent-up demand has filled the pipeline with large quarantine-friendly companies ready to go public in the third quarter.

### Key Takeaways:

- 39 IPOs Raise \$15 Billion as the IPO Window Springs Open in June
- Average IPO Returns 68%, while Renaissance IPO Index Soars 58%
- Biotechs Drive the Healthcare Sector to Make Up Almost Two-Thirds of IPO Activity
- Private Equity Completes Four Billion-Dollar IPOs Including Warner Music and Albertsons
- 2020 Regains Momentum as Numerous Private Companies Line up for 3Q Debuts



Source: Renaissance Capital. Data includes IPOs with a market cap of at least \$50mm and excludes direct listings, closed-end funds, and SPACs. The 2Q20 includes all companies that are expected to price by 6/30, with proceeds based on the midpoint of the range.

### 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](http://www.renaissancecapital.com).