

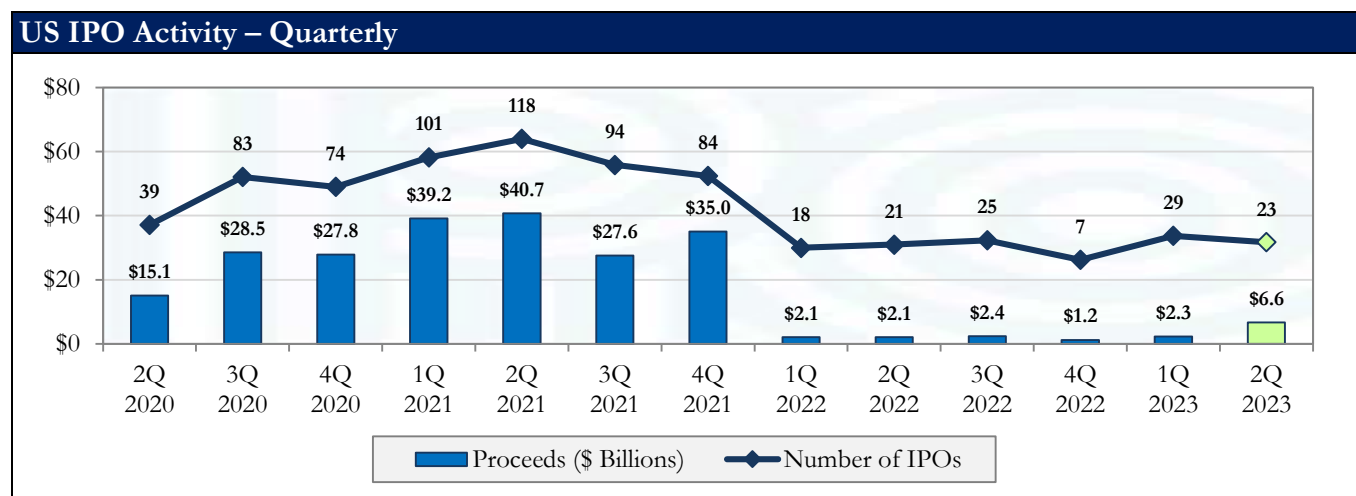
July 3, 2023

US IPO Market Gains Momentum in the 2Q

In the second quarter of 2023, 23 IPOs raised a combined \$6.6 billion. While deal count held steady from the prior-year period, quarterly proceeds were the highest in six quarters, even without J&J spin-off Kenvue’s \$3.8 billion IPO. Nine IPOs raised \$100 million or more, with a slight pickup in June, sparked by rising valuations, falling volatility, the Fed’s decision to pause rate hikes, and restaurant chain CAVA’s impressive performance. Early issuance was dominated by small names, so despite the rise in sizable offerings, median deal size remained low at just \$19 million. The quarter’s IPOs averaged a modest 3% loss, weighed down by several poor-performing micro-caps, though the \$100+ million deals delivered a strong 20% return from offer. The Renaissance IPO Index saw some volatility but finished the quarter up 12%, outperforming the S&P 500 which rose 9%. New blank check issuance fell to its lowest level since 2017, with just six blank check IPOs, and only 10 companies listed via SPAC merger, the fewest to do so in nearly three years. Still, 45 companies made merger announcements, so despite continued terminations and liquidations, the backlog of over 150 pending mergers at quarter-end should keep the SPAC market afloat in the near term. Looking ahead, we believe the summer IPO market is poised to capitalize on several positive developments from the past quarter: The pause in rate hikes, the pickup in larger deals at quarter end, and improving returns, with the IPO Index up 32% year-to-date. The backlog appears brimming with solid IPO candidates, and we expect a steady rise in listings in the second half.

Key Takeaways:

- Deal Count Remains Low but Proceeds Jump as 23 IPOs Raise \$7 Billion
- 9 IPOs Raise More Than \$100 Million, Led by Kenvue’s Billion-Dollar Deal
- IPOs Average a Loss, but the Larger Deals Deliver a Strong 20% Gain
- SPAC Market Limp Along with Just 6 Blank Check IPOs and 10 Merger Completions
- Renaissance IPO Index Continues to Outperform the S&P 500
- June Activity Points to an IPO Pickup in the Second Half



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 2Q23 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.