

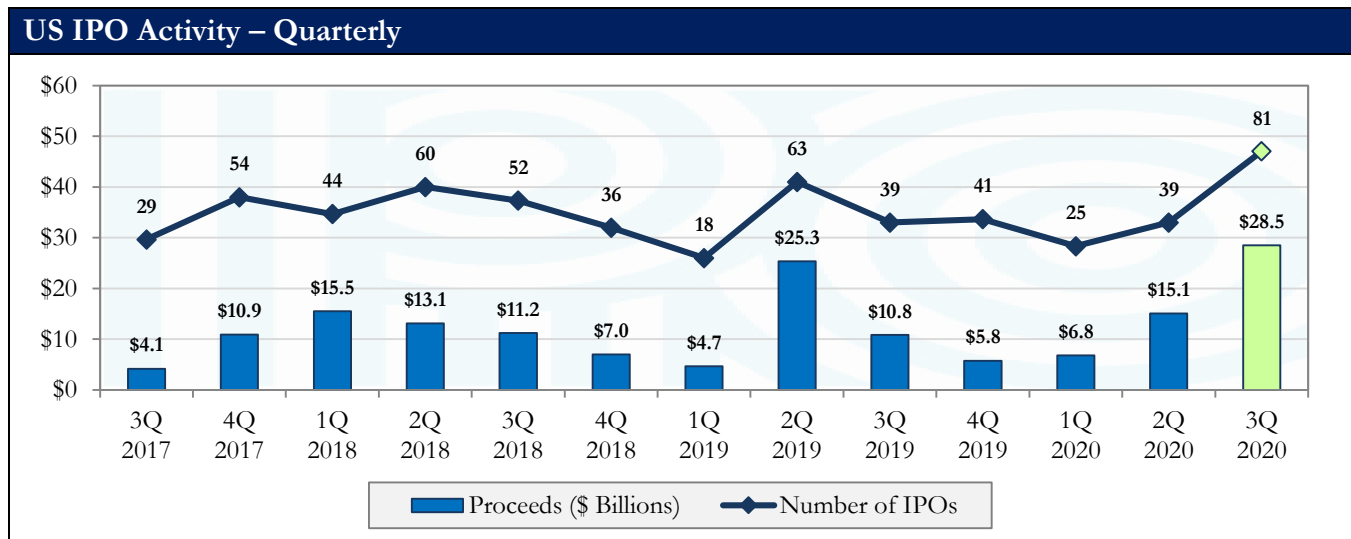
October 1, 2020

IPO Frenzy Drives Busiest Third Quarter Since 2000

The US IPO market had its busiest third quarter by deal count since the Dot-com era, with 81 IPOs raising \$28.5 billion. The high volume combined with several large deals resulted in the largest quarter by proceeds in six years. IPO performance remained strong, driven by a 37% average first-day pop, and the Renaissance IPO Index continued on its rapid ascent, gaining 20% compared to the S&P 500's 4%. After activity resumed following the slowdown earlier in the year, it remained at a brisk pace throughout the quarter, with IPO candidates eager to take advantage of skyrocketing multiples and IPO enthusiasm. Healthcare led deal flow, producing nearly half of the quarter's IPOs, and issuance broadened beyond biotechs to include larger health services companies. After a notable absence in the first half of the year, a wave of high-profile tech unicorns came to market, resulting in the sector netting the most quarterly proceeds. Snowflake led the stampede, completing the year's largest IPO to date and nabbing the title of largest software IPO ever. IPO alternatives continued to generate buzz, with a record-breaking 82 SPACs raising \$30 billion and direct listings from Asana and Palantir. The steady flow of deals has kept the pipeline moving, and while there are a few notable companies on file, the majority of likely IPOs sit in our shadow backlog.

Key Takeaways:

- 81 IPOs Raise \$28.5 Billion in the Busiest 3Q by Deal Count Since 2000
- Average IPO Gains 39% Driven by First-day Pop
- Healthcare Makes Up Almost Half of IPO Activity, Sector Broadens Beyond Biotechs
- Seven IPOs Raise \$1 billion, Featuring Snowflake, Rocket Mortgage, and a Surge of Big Tech
- IPO Alternatives Gain Footing as SPACs Shatter Records and Direct Listings Emerge
- Airbnb, DoorDash, and Others Poised to Keep the IPO Market Active in the 4Q



Source: Renaissance Capital. Data includes IPOs with a market cap of at least \$50mm and excludes direct listings, 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 3Q20 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.