

October 3, 2022

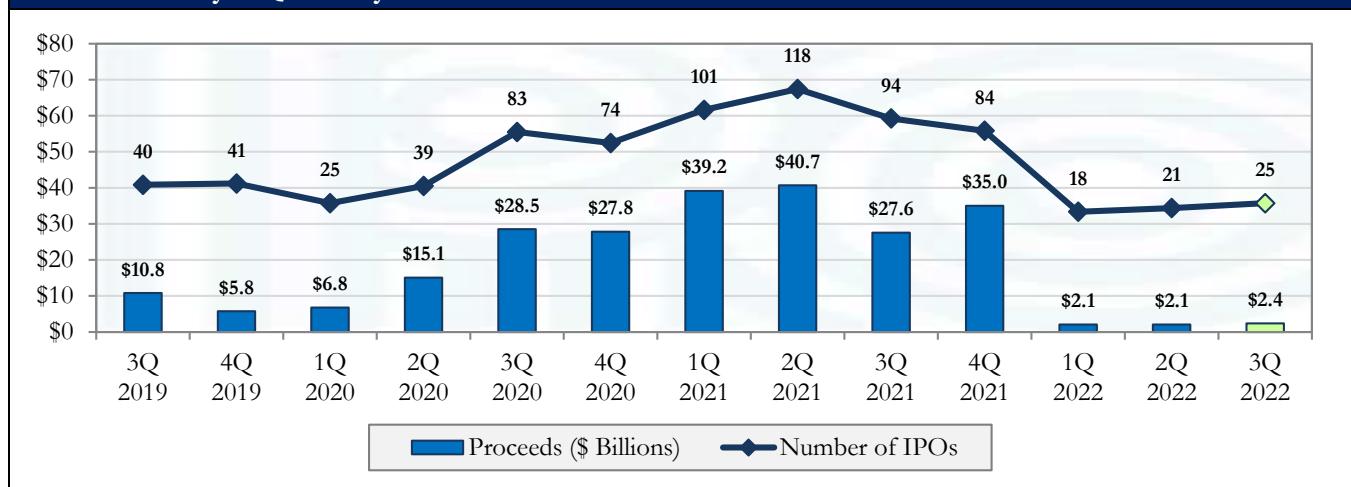
IPO Market Misfires in the Slowest 3Q in Over a Decade

It was the worst third quarter for new issuers in over a decade, with 25 IPOs raising \$2.4 billion as the 2022 US IPO market remains on track to raise the lowest proceeds of any year in our firm's 30+ year history. While issuance did pick up slightly from the previous quarter, small deals continued to account for a majority of activity, driving median deal size down to a new multi-decade low of \$15 million. Just three IPOs raised \$100 million or more, led by the September listing of AIG carve-out Corebridge Financial, which raised \$1.7 billion (71% of the quarter's proceeds) in the year's largest IPO to date. Returns were once again skewed by volatile pop-and-drop issuers, and only two IPOs (8%) finished above offer. After a short-lived rally, the Renaissance IPO Index ran out of steam and fell 6% in its fifth straight quarter of losses, narrowly underperforming the S&P 500's 5% decline. SPAC mergers kept pace with last quarter, as 26 companies completed listings, while blank check IPOs cratered to a five-year low with just eight offerings. A number of large IPO candidates in the pipeline refreshed their prospectuses in the 3Q, and Intel's Mobileye broke a dry streak in pipeline additions with its billion-dollar filing at quarter end. While there are some signs of life heading into the final stretch of 2022, we still don't expect IPO issuance to begin normalizing until 2023.

Key Takeaways:

- Battered IPO Market Sees a Meager Pickup in New Issuance as 25 IPOs Raise \$2 Billion
- Corebridge Accounts for 71% of Proceeds as Just Three IPOs Raise \$100+ Million
- The IPO Index Posts Another Loss While Only 8% of IPOs Finish Above Issue
- New SPACs Effectively Disappear as Liquidations, Merger Terminations Rise
- Pipeline Shows Some Signs of Life, but Companies Continue to Wait for Fairer Weather

US IPO Activity – Quarterly



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 3Q22 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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