

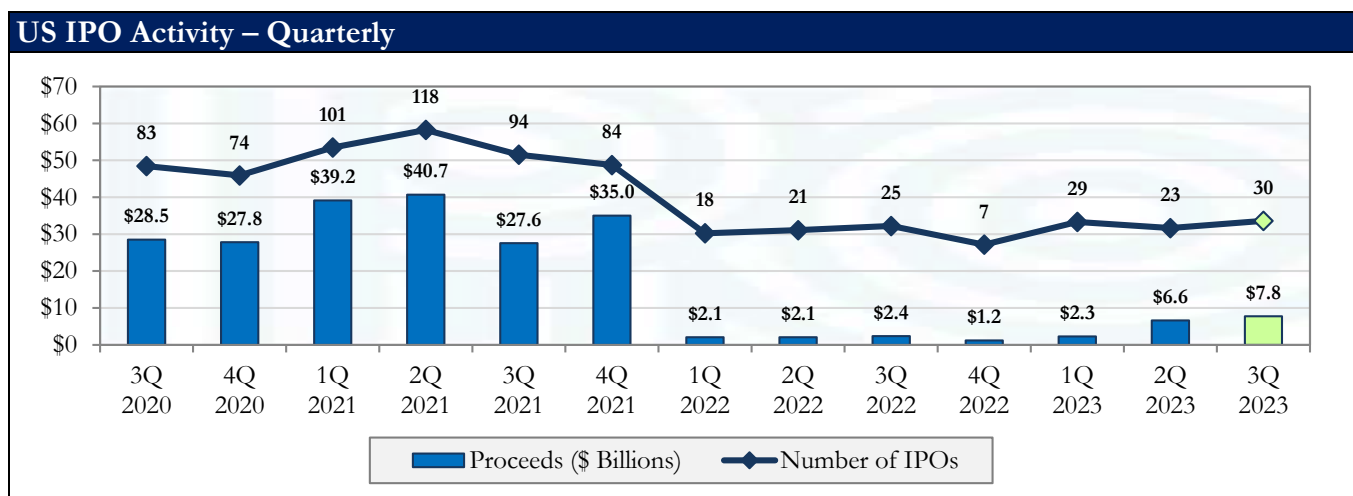
October 2, 2023

## Large Tech IPOs Stage a Comeback in a Volatile 3Q

The third quarter of 2023 produced 30 IPOs that raised a combined \$7.8 billion, more than the proceeds raised in the full-year 2022 despite no significant increase in deal count from previous quarters. Chip giant Arm led activity, raising \$4.9 billion in the largest tech IPO since 2019, or 63% of quarterly proceeds. Grocery delivery platform Instacart and marketing software firm Klaviyo followed closely behind, generating buzz as the IPO market's first US-based tech unicorns in nearly two years. The healthcare and consumer sectors also produced a few large offerings, and in total, just seven IPOs raised \$100 million or more. Small issuers continued to dominate activity, keeping the median deal size at a record-low \$10 million and weighing on performance. The quarter's IPOs averaged a weak -32% return from offer; the \$100+ million names fared better, trading up 5% on average, as solid first-day gains were offset by weaker aftermarket returns. After a bout of volatility, the Renaissance IPO Index slid -3%, narrowly outperforming the S&P 500. Blank check issuance slowed to a six-year low, while de-SPAC activity held a brisk pace, as 27 companies listed via SPAC, including large EV maker VinFast Auto. New IPO filings trickled in during the quarter, with sandal maker Birkenstock slated for a 4Q listing. While muted filing activity and market turbulence at quarter-end give us pause, we are still encouraged by the return of large tech IPOs, and remain cautiously optimistic about IPO activity gradually accelerating through the rest of 2023 and into 2024.

### Key Takeaways:

- 30 IPOs Raise \$8 Billion as Big Offerings Boost Proceeds Despite Muted Deal Flow
- 7 IPOs Raise \$100 Million or More, Led by Arm's \$5 Billion Deal
- Small IPOs Weigh Down Returns, But Large Names Fare Better
- VC-Backed Instacart and Klaviyo Grab Headlines as Big Tech IPOs Return
- Renaissance IPO Index Narrowly Outperforms the S&P 500 After a Volatile Quarter
- IPO Performance and Pipeline Activity Dampen Enthusiasm Heading into the 4Q



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

To read the full 3Q23 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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