

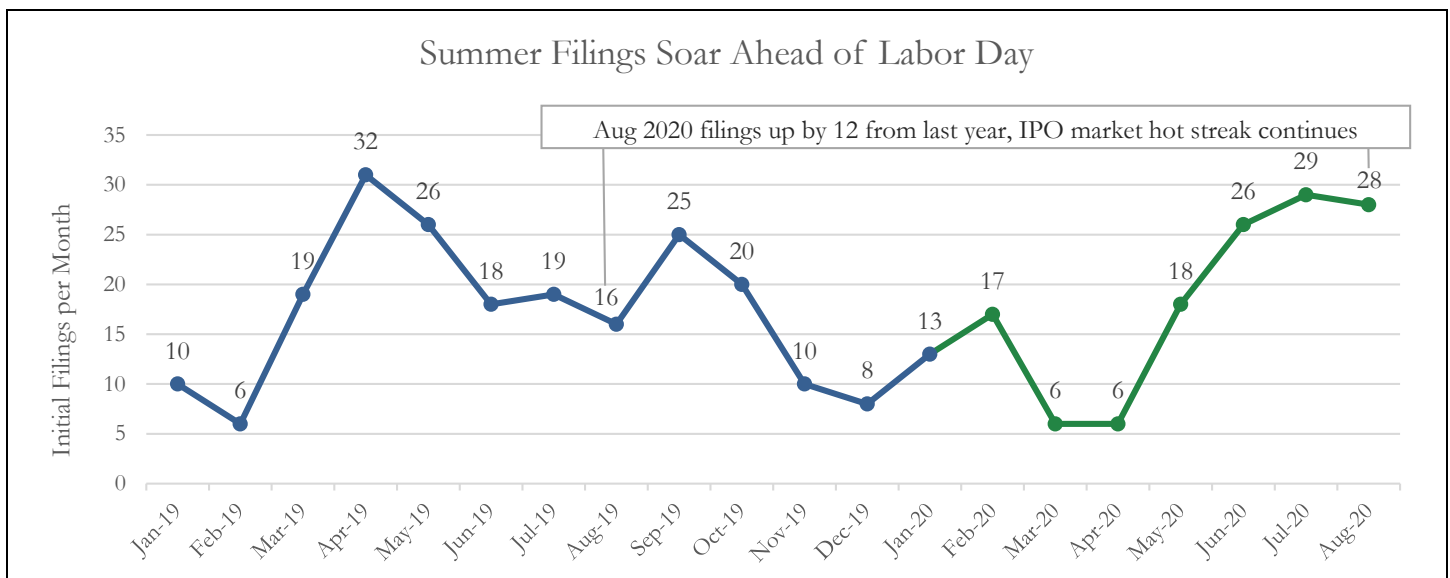
September 4, 2020

### Fall 2020 IPO Market: Tech Unicorns Leap Through the IPO Window

The US IPO market roared back to life this summer, and recent filings signal a very active fall. 2020 is now on track to surpass last year by deal count and proceeds, with the biggest IPO market by capital raised since 2014. The IPO window is wide open, as tech multiples near historic highs and recent offerings boast strong returns. 2020 IPOs average a 36% first-day pop, and the Renaissance IPO Index has returned more than 50% year-to-date. September and October look to be especially active, as companies attempt to go public ahead of the upcoming US election. As of September 4, there were [84 US IPOs publicly on file](#), 54 of which have submitted a new or updated filing since June 1. New filings hit a more than 10-year record for July and August combined. Although Palantir and Asana have both filed for direct listings, the rest are pursuing traditional IPOs. On our Private Company Watchlist, we highlight 24 candidates have filed confidentially, selected banks, or indicated near-term IPO plans. Based on historical trends and both public and confidential IPO filings, we believe that 50-70 US listings could raise over \$15 billion between now and year end assuming no dramatic drop in the broader indices. We enter Fall 2020 with a strong backlog of tech unicorns, biotechs, and PE-backed companies publicly on file, with even more privately moving toward an IPO, along with large Chinese issuers. But the real show-stealers will be multi-billion dollar unicorns like Airbnb, Palantir, Snowflake, and DoorDash.

#### Key Takeaways:

- 2020 IPO Market To Reach Six-Year High in Proceeds, with 50-70 More IPOs Expected by Year-End
- Summer Filings Up 50% from Last Year as Companies Race to Tap Hot IPO Market
- Recent Filings Include Tech Unicorns Palantir, Snowflake, and Unity
- Renaissance Capital’s Shadow Backlog Further Supports an Active Fall Featuring Airbnb, DoorDash, and Wish
- 2020 On Track to Beat Last Year with About 170 IPOs Raising \$50 Billion



Source: Renaissance Capital.

Note: Monthly filings include all initial S-1s, F-1s or S-11s from companies that lack significant public trading, raising at least \$5 million. Excludes SPACs. Includes direct listings.

### Software Unicorns Finally File for US Listings

Silicon Valley has not produced a single tech IPO in 2020, but six are now in the pipeline. Sky-high valuation multiples and strong returns from recent software IPOs, even those with steep losses, have prompted tech unicorns to finally rush for the IPO window. Data warehousing provider Snowflake is one of the largest, pairing extreme growth with extreme losses. Israel-based JFrog is a rarity with both fast growth and positive EBITDA. After raising hundreds of millions privately this year, highly unprofitable tech unicorns Palantir and Asana both plan direct listings floated by insiders. Many other tech unicorns have indicated likely 2020 listings but have not yet filed publicly (see more on page 6).

#### Featured Technology IPOs

File Date	Company	Business	Top Shareholders	Deal Size* (\$mm)	LTM Sales (\$mm)	GAAP EBIT%	Sales Growth†
08/24/20	Snowflake	Cloud data warehousing.	Sutter Hill, Altimeter	\$2,000	\$403	-86.8%	173.9%
08/24/20	Unity Software	Video game dev tools.	Sequoia, Silver Lake	\$1,000	\$640	-22.3%	42.3%
08/21/20	Bentley Systems	Infrastructure software.	Founders, Siemens	\$800	\$768	22.7%	6.5%
08/24/20	JFrog	App dev software.	Gemini Israel, Scale VP	\$100	\$128	-3.5%	64.8%
08/24/20	Sumo Logic	Cloud log management.	Greylock, Sapphire, Accel	\$100	\$170	-59.6%	49.6%
08/21/20	Corsair Gaming	Sells gaming PCs.	EagleTree Capital	\$100	\$1,300	5.8%	17.0%
09/04/20	VIA optronics	Advanced optical displays.	Integrated Micro-electronics	\$100	\$156	-5.9%	-20.1%
08/25/20	Palantir	Data analytics platform.	Peter Thiel, Founders	<i>Direct Listing</i>	\$901	-51.2%	24.7%
08/24/20	Asana	Task management software.	Founders, Benchmark	<i>Direct Listing</i>	\$162	-82.1%	85.8%

Source: RenaissanceCapital.com \*Deal size from SEC filing or RC estimate. †Latest FY y/y growth.

**Snowflake:** With its cloud-native architecture, Snowflake provides an enterprise platform for unifying and querying structured and semi-structured data from multiple sources...

Pages 2-11 are exclusive to IPO Pro subscribers.

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