

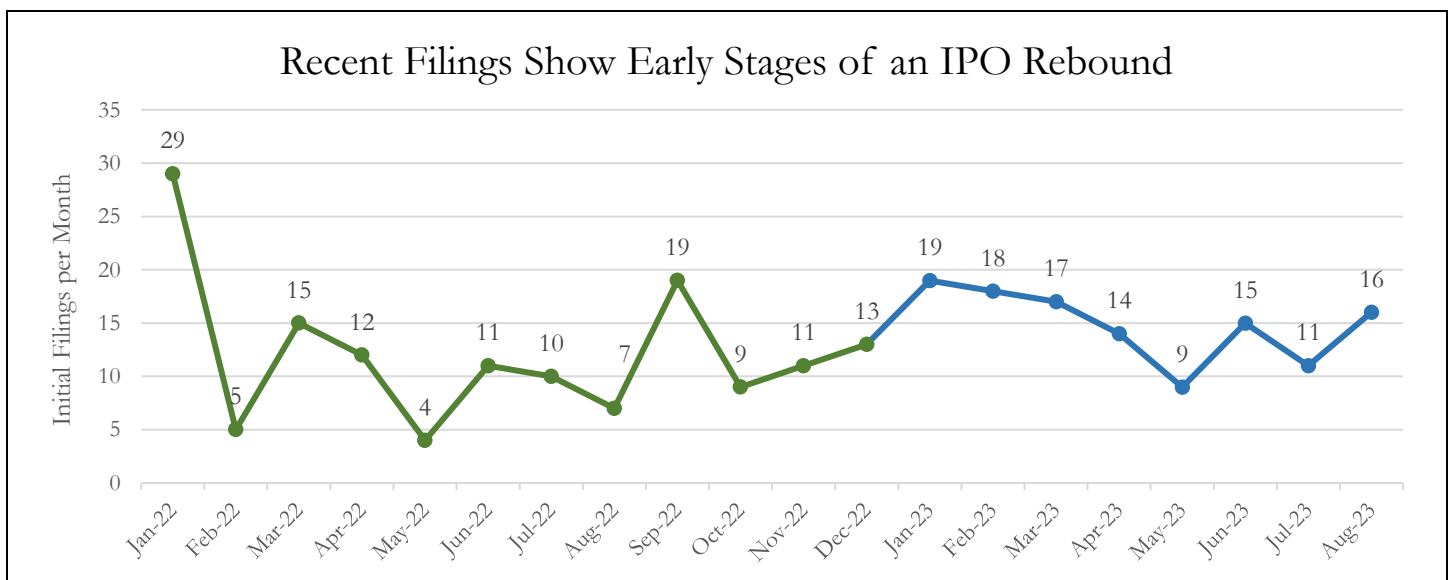
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## Fall 2023 IPO Market: The Tech Logjam Finally Breaks

After about 18 months of historically low activity, the US IPO market is finally poised to accelerate heading into the fall. Growth stocks have staged a strong rally in 2023, thanks to easing inflation and excitement over advances in AI. A leading indicator of IPO conditions, the [Renaissance IPO Index \(IPOUSA\)](#) has outperformed the Nasdaq year-to-date. The year's largest IPOs have been well-received, including both defensive plays and high-growth consumer names. 16 companies submitted initial filings in August, and while that number includes numerous micro-caps and is still below the 10-year average of 22 filings, there are clear signs that the IPO market's logjam is starting to break. Semiconductor giant Arm filed for what should be one of largest tech IPOs in the past 20 years, while Instacart and Klaviyo became the first tech unicorns to file since 2021. A number of themes from earlier in 2023 should carry forward into the fall, including IPOs from biotechs, consumer brands, energy companies, and China-based issuers. Micro-cap listings should continue as well: Of the 96 companies that have submitted new or updated IPO filings in the past 90 days, only 14 are on file to raise at least \$50 million. In addition to the companies publicly on file, we have reviewed the roughly 235 names on our Private Company Watchlist (PCW) and identified 16 promising candidates for fall listings, and 20 more that could go public by 2024. Based on historical trends and both public and confidential IPO filings, we believe that as long as returns hold up, 30 to 50 US IPOs could raise over \$10 billion between now and year-end.

### Key Takeaways:

- 2023 IPO Market Set to Pick Up, With 30-50 More IPOs Expected by Year-End
- Filings Below Average But Set to Build Momentum Heading Into 2024
- Recent Filings Include Arm, Instacart, Klaviyo, and Biotechs
- Renaissance Capital's Shadow Backlog Features Possible Fall IPOs from Birkenstock, Waystar, and SeatGeek
- 2023 On Track to Reach Roughly 110 IPOs Raising \$22 Billion in Proceeds



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.

### Technology Primed to Rebound with Large Names in the Pipeline

After nearly two years of silence, highly anticipated tech names have started to file ahead of fall listings. The headliner of the group is Arm, whose long-awaited IPO could raise \$6 billion in the largest offering in two years, and the first major tech listing of 2023. Leading grocery delivery unicorn Instacart, which could raise \$1 billion, tossed its hat into the ring just days after Arm's initial filing, boasting fast growth as it turned profitable. Marketing automation unicorn Klaviyo, which also turned profitable recently, aims to break the long hiatus of enterprise software IPOs with a large listing in September. On file for over a year, car sharing platform Turo appears more ready than ever.

#### Featured Tech IPOs

File Date	Company	Business	Top Shareholders	Deal Size* (\$mm)	LTM Sales (\$mm)	GAAP EBIT%	Sales Growth†
08/21/23	Arm Holdings	UK-based chip designer.	SoftBank	\$6,000	\$2,662	18.3%	-0.9%
08/25/23	Instacart	Operates a grocery delivery platform.	Sequoia Capital	\$1,000	\$2,900	13.9%	39.1%
08/25/23	Klaviyo	Software to automate digital marketing.	Mgmt.	\$750	\$585	-3.7%	62.7%
01/10/22	Turo	Peer-to-peer car sharing platform.	IAC	\$300	\$790	2.3%	59.2%
08/23/23	VNG	Diversified Vietnamese gaming platform.	Tencent	\$100	\$317	-23.4%	2.0%
02/26/21	Intermedia Cloud	Business communication platform.	Madison Dearborn	\$100	\$310	-4.2%	13.6%

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

**Arm:** Listed from 1998 until it was taken private by SoftBank in 2016, UK-based Arm is a leading chip designer that licenses the architecture used in central processing units (CPUs), offering energy-efficient and cost-effective performance. The company states that its chips have a market share of...

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