

Most Active IPO Market in Three Years

2Q18 Quarterly Review
Date through 2Q18

June 28, 2018

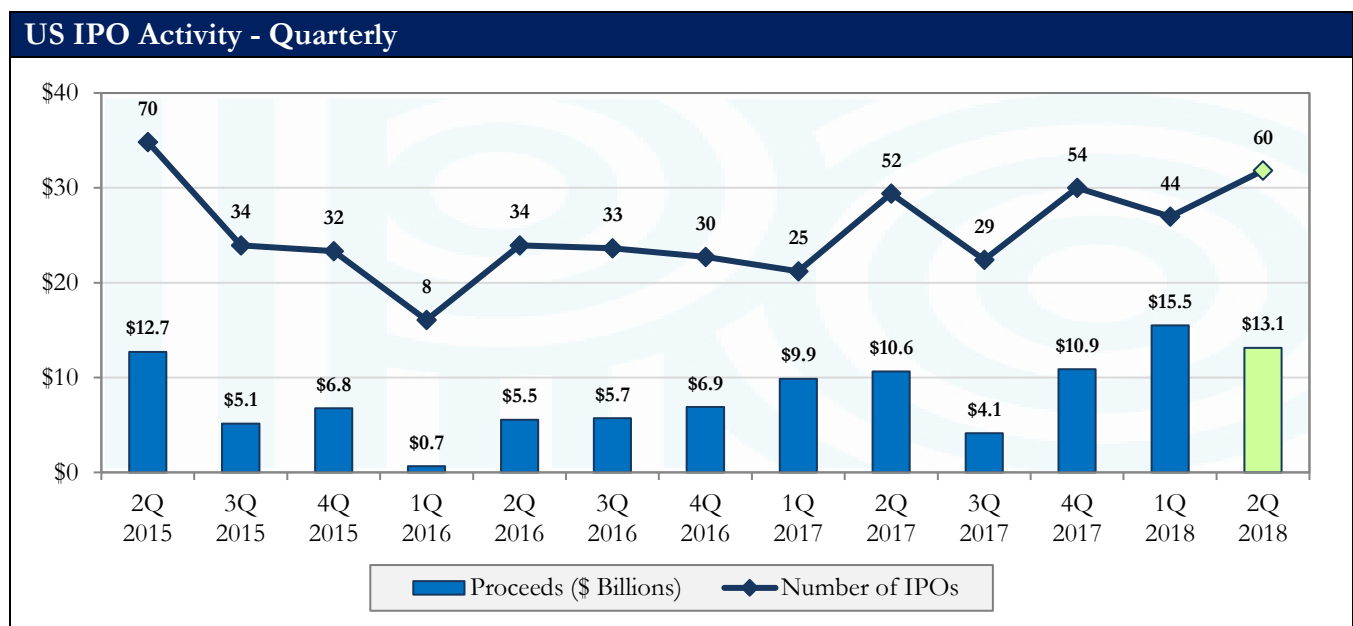
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More companies went public in the 2Q18 than any quarter in three years, with 60 IPOs raising \$13.1 billion. Quarterly proceeds exceeded every quarter during 2015-2017. Small-cap health care companies, mostly biotechs, made up over 40% of all IPOs. Technology stole the show, averaging a stellar 61% average return, and boosting the quarterly average gain to 29%. Spotify's successful direct listing in April paved the way for a stampede of unicorns, but there were no indications that its untraditional listing process was going to find imitators. Venture capital-backed growth names like DocuSign and Pluralsight were joined by several large tech companies with private equity backing. By far the quarter's largest IPO came from insurance spin-off AXA Equitable, which raised \$2.7 billion. The 2Q18 finished especially strong: June 2018 was the busiest month in three years. Halfway through 2018, the IPO market is outpacing last year by about 40% in terms of both deal count and proceeds. With quarterly filing activity also hitting a three-year high, that momentum should continue into the third quarter, particularly for tech and biotech IPOs.

Key Takeaways:

- 60 IPOs Raise \$13.1 Billion, Highest Deal Flow in Three Years
- Average IPO Return Jumps to 29%, Driven by a Hot Tech Sector
- One-Third of IPOs Are Biotechs; Tech IPOs Again Raise the Most Proceeds
- Spotify, AXA Equitable and a Handful of LBOs Complete Quarter's Largest Listings
- More Tech and Biotech Geared Up for an Active Third Quarter

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