

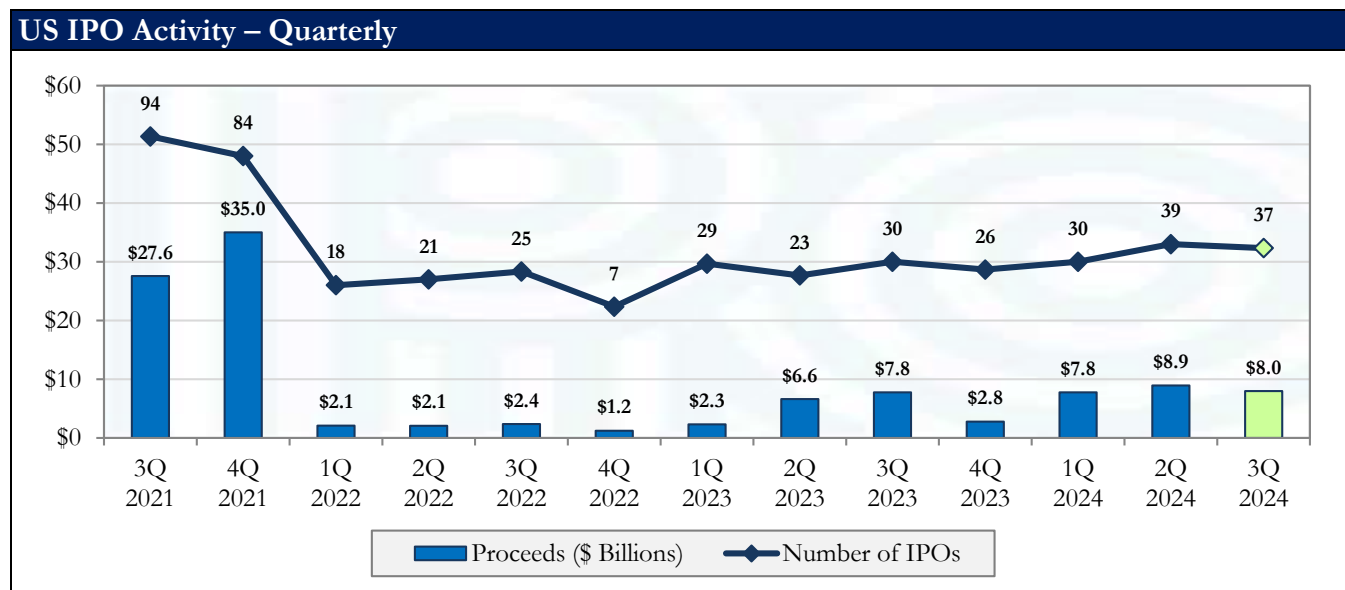
October 1, 2024

US IPO Market’s Slow Rebound Continues as Focus Shifts to 2025

While the IPO market’s annual fall pickup was more muted than anticipated, the third quarter still saw a fair amount of activity, with 37 IPOs raising a combined \$8.0 billion. Markets stumbled in early August when signs of economic weakness flared up, and while stocks staged a swift recovery as investors digested cooling inflation and impending rate cuts, the volatility still weighed on post-Labor Day issuance. Thirteen IPOs raised \$100 million or more in the 3Q, led by cold storage REIT Lineage, which raised \$4.4 billion in the year’s largest deal to date. However, due in part to the annual August slowdown, most activity came from micro-caps. Volatile trading from these small issuers skewed overall performance, but the group of \$100+ million IPOs averaged a strong 25% return from offer. The Renaissance IPO Index ended the quarter with a 6% gain after rebounding from its August low, narrowly outpacing the S&P 500. Blank check issuance continued to pick up, and SPAC merger activity recovered somewhat from the prior quarter. A handful of larger names joined the IPO pipeline (pg. 10), but the slower pace of additions clouds deal visibility heading into the 4Q, meaning a number of IPOs will likely come from companies that have not yet filed publicly (pg. 11). Based on movement in the backlog, we expect to see some large deals before year end, though private company news points to more robust issuance in 2025 as the IPO market fully normalizes.

Key Takeaways:

- 37 IPOs Raise \$8 Billion, as Active July is Partially Offset by Muted September
- Lineage Completes Blockbuster IPO as 13 Deals Raise \$100 Million or More
- Larger IPOs Average a 25% Return, Though Volatile Micro-Caps Skew Overall Performance
- IPO Index Outperforms S&P 500 After Rebounding from August Low
- Signs from the Backlog Point to a Fully Normalized IPO Market in 2025



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 3Q24 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

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 ETE](#) (NYSE symbol: IPOS). For more information, visit www.renaissancecapital.com.