

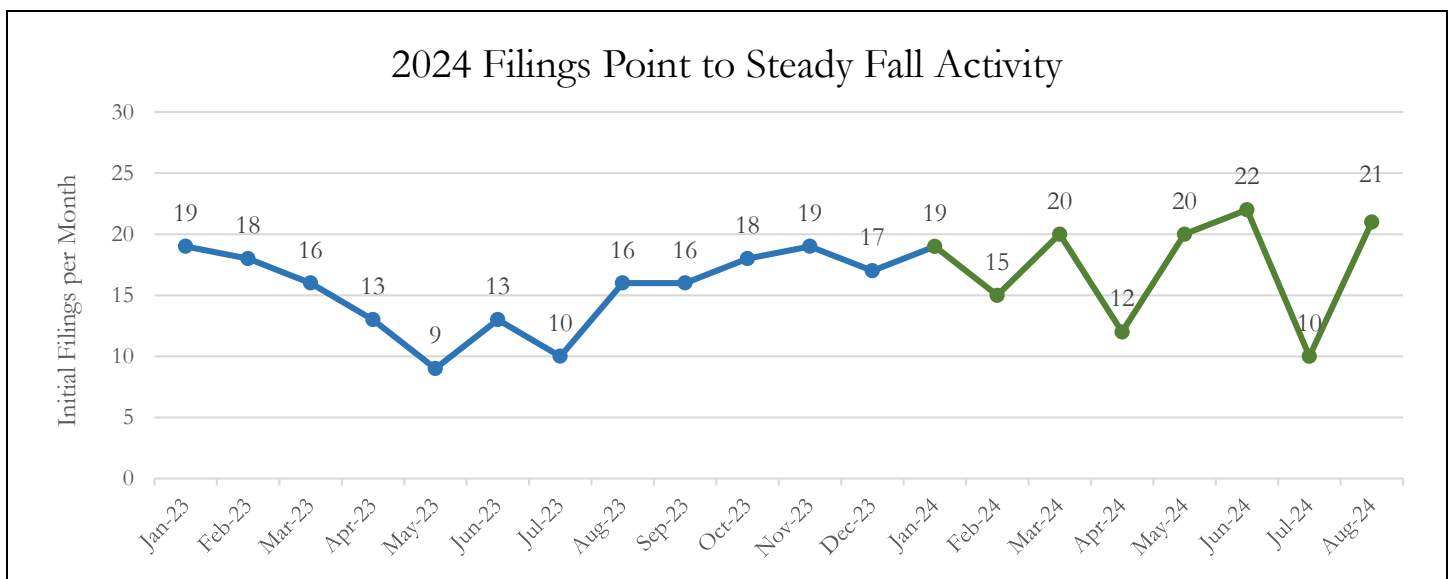
August 29, 2024

Fall 2024 IPO Market: Steady Flow of Deals to Close Out the Year

After two quiet years, the US IPO market has slowly rebounded in 2024, though activity remains below the 10-year average. Broader markets have rallied amid an encouraging macro picture, a strong tech sector, and the prospect of rate cuts, which have coaxed more big names into going public. Recent listings have performed well, and the Renaissance IPO Index (IPOUSA) is up a respectable 9.6% year-to-date. Heading into the fall season we expect moderate activity, as the annual post-Labor Day pickup will likely be held back this year by companies shifting IPO plans to 2025, due to recent market jitters, the upcoming US presidential election, and stubbornly high interest rates. But if deal volume disappoints, deal quality should not, and we expect fundamentally strong companies offering a combination of growth, profitability, and compelling valuations. Of the 21 new filers in August, only 6 filed to raise at least \$50 million, in line with last year, and below the 10-year average (15). As of August 29, there were 119 US IPOs on file with new or updated public filings in the past three months, including 16 looking to raise at least \$50 million, such as auto business software provider Solera and Mexican airline Grupo Aeroméxico. Based on historical trends and both public and confidential IPO filings, we believe that 30 to 50 US IPOs could raise roughly \$10 billion between now and year-end. Noting that many private companies are sitting on the fence and waiting to file publicly, we have reviewed the roughly 250 names on our Private Company Watchlist (PCW) and found 15 candidates that appear likely to IPO in the fall, and 19 more that have made significant progress towards 2025 listings.

Key Takeaways:

- 2024 IPO Market Could See 30-50 More IPOs by Year-End, for a Total of 130 IPOs Raising \$35 Billion
- Visible Pipeline Includes Tech, Biotech, Energy, and More
- Renaissance Capital's Watchlist Features Possible 4Q IPOs StubHub, Cerebras, and Specialty Building Products
- IPO Rebound Set to Continue in 2025 with Leaders Like Databricks, Chime, and CoreWeave



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 Sector Takes a Wait-and-See Approach to Fall IPO Issuance

The dearth of technology IPOs has been a key driver of the IPO market’s historic slowdown since 2022, but the recovery is well underway. Year-to-date tech IPO activity is already double that of last year, and most deals have traded well. That said, the 2024 tech sector still lags its historical average, both in terms of number and proportion of deals. VC-backed tech unicorns are staying private due to a combination of possible factors, such as not needing capital, wishing to avoid a valuation down-round, or struggling to maintain growth or approach profitability. The visible active pipeline contains just three notable tech IPOs, and instead the majority of upcoming high-profile tech deals may be found on our PCW ([page 6](#) and [page 8](#)). The largest tech filer, Solera, is set to return to public markets after a 2016 LBO, in an offering that could raise \$1.5 billion and be among the year’s largest IPOs. Online peer-to-peer car sharing platform Turo has kept its papers updated for a listing that could raise \$300 million. After regulatory hiccups stalled its IPO attempt in August, Chinese autonomous driving firm WeRide may re-launch an offering in the fall. These recent filers are accompanied by a wealth of micro-cap IPO hopefuls.

Featured Tech IPOs

File Date	Company	Business	Top Shareholders	Deal Size* (\$mm)	LTM Sales (\$mm)	GAAP EBIT% [†]	Sales Growth [†]
06/28/24	Solera	Provides auto business software.	Vista Equity Partners	\$1,500	\$2,453	25.9%	3.5%
01/10/22	Turo	Peer-to-peer car sharing platform.	IAC	\$300	\$924	-0.3%	17.8%
07/26/24	WeRide	Autonomous vehicle systems in China.	Zhengzhou Yutong	\$110	\$52	-467.7%	-23.8%

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

Solera: Solera provides a comprehensive platform of software and services to the automotive industry, leveraging proprietary data sets and AI/ML to help automate critical workflows for insurers, vehicle repairers, manufacturers, auto dealers, and fleet operators. Its business spans vehicle claims management and processing, software and services for dealerships, vehicle repair information services, and fleet safety and monitoring. As of November 2023, it had over 280,000 customers in 120+ countries, with 60% of revenue from...

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