



IPO MARKET FOLLOW UP

May 2020

Prepared By Listing Partners Group

Renaissance Capital wrote in their newsletter about the IPO markets recovery in the last week.

The 2020 IPO market recovery had another week of important milestones.

- Three companies went public, the most since mid-February, along with three SPACs.
- Non-biotechs have started to IPO. Kingsoft Cloud (Nasdaq: KC) raised \$510 million and popped +40.2%. It aims to be China's version of Amazon Web Services. Gambling software platform GAN (Nasdaq: GAN) rose +69.5% from its US IPO.
- Volatility is now back in the "safe" range for most IPOs, as the VIX closed below 30 for the first time since February.
- The Renaissance IPO Index surged +10.9% this week, and is now well into positive territory for the year. It closed Friday up +53.9% from its March low. The IPO ETF (NYSE: IPO) tracks the index.

All that adds up to a healthy recovery and a more active summer. Many companies still can't go (*Airbnb*). The others will have to adjust to virtual roadshows. But investors have cracked open the IPO window, and companies will be keen not to let the chance slip by.

And the last shall be first. After appearing at the bottom last week, plant protein maker Beyond Meat beat earnings and spiked +45.9%. Elanco Animal Health missed on revenue and earnings, slipping -17.5%.

The recovery is not limited to the US IPO market. The International IPO Index (tracked by NYSE: IPOS) is also now positive for the year, beating its ACWI ex-US benchmark by about 18 points.

In the Nordics has the IPO market also started to recover, this recovery is spearheaded by Nordics biggest tech IPO of Pexip in Norway. Which is a video conference company such as Zoom. Pexip is coming on a market valuation of 5 billion NOK (489 million USD) and a price earnings multiple of 420.

The IPO climate is settling down and improving as seen in recent offerings.

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