

Initial Public Offerings: Sales Statistics Through 2017

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Table 16a: Long-run Returns on IPOs Categorized by \$1 Billion Sales of the Firm, 1980-2015

Table 2 (updated Jan. 17, 2018)**Mean First-day Returns, Categorized by Sales, for IPOs from 1980-2017**

Sales, measured in millions, are for the last twelve months prior to going public. All sales have been converted into dollars of **2003 purchasing power**, using the Consumers Price Index. From 2003 to 2017, the CPI has increased by 33.6%, so \$10 million in 2003 is equivalent to \$13.36 million in 2017. There are 8,360 IPOs, after excluding IPOs with an offer price of less than \$5.00 per share, units, REITs, SPACs, ADRs, closed-end funds, banks and S&Ls, small best efforts offers, firms not listed on CRSP within six months of the offering, and natural resource limited partnerships. Sales are from Thomson Financial's SDC, Dealogic, EDGAR, and the Graeme Howard-Todd Huxster collection of pre-EDGAR prospectuses. The average first-day return is 17.8%.

	1980-1989		1990-1998		1999-2000		2001-2017	
	Return	N	Return	N	Return	N	Return	N
0≤sales<\$10m	10.3%	425	17.2%	741	68.9%	331	9.6%	372
\$10m≤sales<\$20m	8.6%	242	18.5%	393	81.4%	138	13.6%	82
\$20m≤sales<\$50m	7.8%	501	18.8%	789	75.5%	154	14.8%	217
\$50m≤sales<\$100m	6.3%	356	12.8%	590	62.2%	86	20.5%	284
\$100m≤sales<\$200m	5.1%	234	11.8%	454	35.8%	56	17.9%	241
\$200m≤sales	3.4%	290	8.7%	646	25.0%	91	11.8%	647
All	7.2%	2,048	14.8%	3,613	64.6%	856	13.9%	1,843

Table 12 (Dec. 30, 2017)**Number of IPOs Categorized by the LTM Sales (in 2005 \$), 1980-2017**

LTM is last twelve months. MV is the post-issue market value valued at the offer price. PSR is the price-to-sales ratio, and is the median ratio, not the ratio of medians. There has been 24% inflation since 2005.

Year	Number of IPOs LTM Sales \$2005		Percentage of IPOs LTM Sales \$2005		Medians, \$2005		
	<\$50 mm	>\$50 mm	<\$50 mm	>\$50mm	Sales	MV	PSR
1980	38	33	54%	46%	44	74	2.2
1981	141	52	73%	27%	28	72	2.9
1982	54	23	70%	30%	21	65	3.0
1983	286	165	63%	37%	28	86	2.8
1984	99	72	58%	42%	39	53	1.6
1985	95	91	51%	49%	46	68	1.3
1986	199	194	51%	49%	49	77	1.5
1987	137	148	48%	52%	53	96	1.5
1988	44	61	42%	58%	83	116	1.5
1989	49	67	42%	58%	60	111	2.0
1990	44	66	40%	60%	56	124	2.0
1991	118	168	41%	59%	69	127	1.6
1992	191	221	46%	54%	58	119	1.8
1993	230	280	45%	55%	61	115	1.9
1994	214	188	53%	47%	47	92	1.8
1995	257	204	56%	44%	39	134	3.0
1996	411	266	61%	39%	32	137	3.9
1997	273	201	58%	42%	41	133	3.0
1998	146	135	52%	48%	47	194	3.4
1999	341	135	72%	28%	19	361	18.3
2000	279	101	73%	27%	14	460	30.1
2001	25	54	32%	68%	146	479	2.4
2002	16	50	24%	76%	263	517	2.1
2003	15	48	24%	76%	173	370	2.7
2004	70	103	40%	60%	87	298	3.8
2005	46	113	29%	71%	133	360	2.6
2006	54	103	34%	66%	105	325	3.8
2007	59	101	37%	63%	81	373	6.1
2008	4	17	19%	81%	172	375	4.0
2009	4	37	10%	90%	239	517	1.8
2010	22	69	24%	76%	132	355	2.7
2011	24	57	30%	70%	131	614	4.9
2012	19	74	20%	80%	126	377	3.4
2013	58	99	37%	63%	93	438	5.0
2014	98	108	48%	52%	60	286	7.2
2015	60	55	52%	48%	43	402	10.5
2016	34	40	46%	54%	59	399	5.2
2017	48	60	44%	56%	90	465	6.5
1980-2017	4,302	4,058	51%	49%	\$47	\$164	3.0

Table 12a**Number of IPOs Categorized by the LTM Sales (in 2005 \$), 1980-2017**

MV is the post-issue market value valued at the **first closing price**. Sales and MV are in millions. PSR is the price-to-sales ratio. There has been 24% inflation since 2005.

Year	Number of IPOs LTM Sales \$2005		Percentage of IPOs LTM Sales \$2005		Medians, \$2005		
	<\$50 mm	>\$50 mm	<\$50 mm	>\$50mm	Sales	MV	PSR
1980	38	33	54%	46%	44	83	2.5
1981	141	52	73%	27%	28	77	3.0
1982	54	23	70%	30%	21	68	3.1
1983	286	165	63%	37%	28	93	3.2
1984	99	73	58%	42%	39	54	1.6
1985	95	92	51%	49%	46	69	1.5
1986	199	194	51%	49%	49	78	1.6
1987	137	148	48%	52%	53	99	1.6
1988	44	60	42%	58%	83	126	1.6
1989	49	67	42%	58%	60	122	2.4
1990	44	66	40%	60%	56	131	2.2
1991	118	168	41%	59%	69	144	1.8
1992	191	221	46%	54%	58	133	2.0
1993	230	280	45%	55%	61	124	2.1
1994	214	188	53%	47%	47	98	2.1
1995	257	204	56%	44%	39	161	3.5
1996	411	266	61%	39%	32	158	4.5
1997	273	201	58%	42%	41	149	3.3
1998	146	135	52%	48%	47	224	3.6
1999	341	135	72%	28%	19	551	30.2
2000	279	101	73%	27%	14	641	40.9
2001	25	54	32%	68%	146	507	2.9
2002	16	50	24%	76%	263	560	2.3
2003	15	48	24%	76%	173	392	2.7
2004	70	103	40%	60%	87	352	4.2
2005	46	113	29%	71%	133	347	2.7
2006	54	103	34%	66%	105	353	3.9
2007	59	100	37%	63%	83	457	6.7
2008	4	17	19%	81%	172	425	3.9
2009	4	37	10%	90%	239	622	2.0
2010	22	69	24%	76%	132	379	2.8
2011	24	57	30%	70%	131	747	5.6
2012	19	74	20%	80%	126	503	4.4
2013	58	99	37%	63%	93	551	5.4
2014	98	108	48%	52%	60	350	8.9
2015	60	55	52%	48%	43	428	12.5
2016	34	40	46%	54%	59	405	6.7
2017	48	60	44%	56%	90	509	7.6
1980-2017	4,302	4,058	51%	49%	\$47	\$182	3.4

Table 12b
Number of IPOs Categorized by the LTM Sales (in 2011 \$), 1980-2017

Year	Number of IPOs	Number of IPOs LTM Sales, \$2011		Percentage of IPOs LTM Sales, \$2011	
		<\$1 billion	>\$1 billion	<\$1 billion	>\$1 billion
1980	71	71	0	100%	0%
1981	193	191	2	99%	1%
1982	77	77	0	100%	0%
1983	451	440	11	98%	2%
1984	171	170	2	99%	1%
1985	186	182	4	98%	2%
1986	393	375	18	95%	5%
1987	285	267	18	94%	6%
1988	105	94	11	90%	10%
1989	116	108	8	93%	7%
1990	110	103	7	94%	6%
1991	286	270	16	94%	6%
1992	412	385	27	93%	7%
1993	509	481	29	94%	6%
1994	403	384	18	96%	4%
1995	461	436	25	95%	5%
1996	677	658	19	97%	3%
1997	474	450	24	95%	5%
1998	281	262	19	93%	7%
1999	476	455	21	96%	4%
2000	380	366	14	96%	4%
2001	79	60	19	76%	24%
2002	66	50	16	76%	24%
2003	63	58	5	92%	8%
2004	173	151	22	87%	13%
2005	159	139	20	87%	13%
2006	157	138	19	88%	12%
2007	159	141	18	89%	11%
2008	21	18	3	86%	14%
2009	41	30	11	73%	27%
2010	91	78	13	86%	14%
2011	81	67	14	83%	17%
2012	93	77	16	83%	17%
2013	157	128	29	82%	18%
2014	206	175	31	85%	15%
2015	115	104	11	90%	10%
2016	74	61	13	82%	18%
2017	108	92	16	85%	15%
1980-2017	8,360	7,791	569	93%	7%

Table 16 (updated April 25, 2018)**Long-run Returns on IPOs Categorized by the Pre-issue Sales of the Firm, 1980-2016**

All Last Twelve Months (LTM) sales figures for the firms going public have been converted into dollars of 2015 purchasing power using the Consumer Price Index. 8,252 IPOs from 1980-2016 are used, with returns calculated through the end of December, 2017. IPOs with an offer price below \$5.00 per share, unit offers, ADRs, REITs, closed end funds, natural resource partnerships, banks and S&Ls, small best efforts offers, and IPOs not listed on CRSP within six months of the offer date are excluded. Mm is millions of dollars. Buy-and-hold returns are calculated until the earlier of the three-year anniversary or the delisting date (no later than Dec. 29 of 2017 for IPOs from 2015 and 2016). Market-adjusted returns use the CRSP value-weighted index. Style adjustments use firms matched by market cap and book-to-market ratio with at least five years of CRSP listing and no follow-on equity issues in the prior five years. For post-issue book value of equity numbers, I use the post-issue common equity numbers from SDC with corrections by checking the prospectus, and for the remaining missing numbers I use the equity book values reported for the nearest quarter after the IPO on COMPUSTAT, and further missing numbers are calculated using the reported pre-IPO equity book values plus the amount of the proceeds (assuming that overallotment option shares and costs of issuing offset each other) times the fraction of the primary shares. For dual-class shares, the post-issue book-to-market ratio is calculated using the larger of the post-issue number of shares reported from SDC (with corrections to account for all share classes) and the total shares outstanding reported from CRSP at end of the IPO date. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue number of shares outstanding. All returns include dividends and capital gains, including the index returns.

Sales (in 2015\$)	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
0-9.999 mm	1,573	22.2%	-10.2%	-46.1%	-30.1%
10-19.999 mm	706	28.1%	8.4%	-31.3%	-8.8%
20-49.999 mm	1,493	22.5%	20.0%	-23.2%	-6.9%
50-99.999 mm	1,368	17.6%	30.1%	-12.7%	-4.3%
100-499.999 mm	2,081	12.4%	39.0%	-3.5%	3.6%
500 mm and up	1,031	9.4%	37.1%	1.7%	-0.9%
0-99.999 mm	5,140	21.9%	11.9%	-28.5%	-13.5%
100 mm and up	3,112	11.4%	38.4%	-1.8%	2.1%
1980-2016	8,252	17.9%	21.9%	-18.4%	-7.6%

Table 16a (updated April 25, 2018)**Long-run Returns on IPOs Categorized by the Pre-issue Sales of the Firm, 1980-2016**

All Last Twelve Months (LTM) sales figures for the firms going public have been converted into dollars of 2015 purchasing power using the Consumer Price Index. 8,252 IPOs from 1980-2016 are used, with returns calculated through the end of December, 29 2017. IPOs with an offer price below \$5.00 per share, unit offers, ADRs, REITs, closed end funds, natural resource partnerships, banks and S&Ls, small best efforts offers, and IPOs not listed on CRSP within six months of the offer date are excluded. Mm is millions of dollars. Buy-and-hold returns are calculated from the first closing market price until the earlier of the three-year anniversary or the delisting date (Dec. 29 of 2017 for IPOs from 2015 and 2016). Market-adjusted returns use the CRSP value-weighted index. Style adjustments use firms matched by market cap and book-to-market ratio with at least five years of CRSP listing and no follow-on equity issues in the prior five years. The market-adjusted and style-adjusted returns are the average buy-and-hold return on the IPOs minus the average compounded return on the benchmark. For post-issue book value of equity numbers, I use the post-issue common equity numbers from SDC with corrections by checking the prospectus, and for the remaining missing numbers I use the equity book values reported for the nearest quarter after the IPO on COMPUSTAT, and further missing numbers are calculated using the reported pre-IPO equity book values plus the amount of the proceeds (assuming that overallotment option shares and costs of issuing offset each other) times the fraction of the primary shares. For dual-class shares, the post-issue book-to-market ratio is calculated using the larger of the post-issue number of shares reported from SDC (with corrections to account for all share classes) and the total shares outstanding reported from CRSP at end of the IPO date. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue number of shares outstanding. All returns include dividends and capital gains, including the index returns.

Sales (in 2015\$)	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Less than \$1 billion	7,654	18.6%	20.2%	-20.6%	-8.9%
\$1 billion and up	598	8.6%	42.7%	9.0%	8.4%
1980-2016	8,252	17.9%	21.9%	-18.4%	-7.6%

Note: The 9.0% 3-year market-adjusted buy-and-hold return for large companies corresponds to an annualized market-adjusted return of 2.2% per year, with an average holding period of 2.9 years for the large companies, because $1.427/1.337=1.0666$, and $1.0666^{0.34}=1.022$. The 1.337 is 9.0% below the 42.7% average buy-and-hold return, and 0.34 is equal to $1/2.9$. The -20.6% 3-year market-adjusted buy-and-hold return for small companies, with an average holding period of 2.8 years, corresponds to an annualized market-adjusted return of -5.5% per year, since the wealth relative (public market equivalent) is $1.202/1.408=0.854$.