

Initial Public Offerings: Dual Class Structure of IPOs Through 2023

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Table 23: Dual Class IPOs, by Tech and Non-tech, 1980-2023

Table 24: Long-run Returns for Dual Class and Single Class IPOs, 1980-2021

Table 23 (updated January 12, 2024)**Dual Class IPOs**

This table lists the number of IPOs each year that have dual class shares among tech IPOs and among non-tech IPOs. The sample is IPOs with an offer price of at least \$5.00, excluding ADRs, unit offers, closed-end funds, REITs, natural resource limited partnerships, small best efforts offers, banks and S&Ls, and stocks not listed on CRSP (CRSP includes Amex, NYSE, and NASDAQ stocks).

	Tech IPOs			Non-tech IPOs			All IPOs		
	Dual	Total	%	Dual	Total	%	Dual	Total	%
1980	0	22	0%	1	49	2.0%	1	71	1.4%
1981	2	72	2.8%	4	120	3.3%	6	192	3.1%
1982	0	42	0%	0	35	0.0%	0	77	0.0%
1983	3	173	1.7%	4	278	1.4%	7	451	1.6%
1984	2	50	4.0%	5	121	4.1%	7	171	4.1%
1985	1	37	2.7%	6	149	4.0%	7	186	3.8%
1986	3	77	3.9%	21	316	6.6%	24	393	6.1%
1987	1	59	1.7%	23	226	10.2%	24	285	8.4%
1988	4	28	14.3%	8	77	10.4%	12	105	11.4%
1989	1	35	2.9%	5	81	6.2%	6	116	5.2%
1990	0	32	0%	9	78	11.5%	9	110	8.2%
1991	6	71	8.5%	18	215	8.4%	24	286	8.4%
1992	4	115	3.5%	18	297	6.1%	22	412	5.3%
1993	3	127	2.4%	30	383	7.8%	33	510	6.5%
1994	7	115	6.1%	26	287	9.1%	33	402	8.2%
1995	8	205	3.9%	23	257	8.9%	31	462	6.7%
1996	14	276	5.1%	45	401	11.2%	59	677	8.7%
1997	10	174	5.7%	40	300	13.3%	50	474	10.5%
1998	8	113	7.1%	21	170	12.4%	29	283	10.2%
1999	22	370	5.9%	19	106	17.9%	41	476	8.6%
2000	18	261	6.9%	7	119	5.9%	25	380	6.6%
2001	2	24	8.3%	6	56	10.7%	8	80	10.0%
2002	1	20	5.0%	11	46	23.9%	12	66	18.2%
2003	1	18	5.6%	5	45	11.1%	6	63	9.5%
2004	3	61	4.9%	9	112	8.0%	12	173	6.9%
2005	9	45	20.0%	13	114	11.4%	22	159	13.8%
2006	1	48	2.1%	10	109	9.2%	11	157	7.0%
2007	5	76	6.6%	13	83	15.7%	18	159	11.3%
2008	0	6	0%	3	15	20.0%	3	21	14.3%
2009	2	14	14.3%	3	27	11.1%	5	41	12.2%
2010	2	33	6.1%	8	58	13.8%	10	91	11.0%
2011	5	36	13.9%	9	45	20.0%	14	81	17.3%
2012	6	40	15.0%	9	53	17.0%	15	93	16.1%
2013	5	45	11.1%	23	113	20.4%	28	158	17.7%
2014	3	53	5.7%	18	153	11.8%	21	206	10.2%
2015	14	38	36.8%	8	80	10.0%	22	118	18.6%
2016	5	21	23.8%	4	54	7.4%	9	75	12.0%
2017	13	30	43.3%	17	76	22.4%	30	106	28.3%
2018	14	39	35.9%	13	95	13.7%	27	134	20.1%
2019	13	37	35.1%	13	76	17.1%	26	113	23.0%
2020	19	46	41.3%	14	119	11.8%	33	165	20.0%
2021	55	121	45.5%	46	190	24.2%	101	311	32.5%
2022	3	6	50.0%	5	32	15.6%	8	38	21.1%
2023	4	9	44.4%	10	45	22.2%	14	54	25.9%
1980-23	302	3,320	9.1%	603	5,861	10.3%	905	9,181	9.9%

Table 24 (April 24, 2023)**Long-run Returns on IPOs Categorized by Dual Class Status**

9,089 IPOs from 1980-2021 are used, with returns calculated through the end of December 2022. IPOs with an offer price below \$5.00 per share, unit offers, small best efforts offerings, ADRs, REITs, closed-end funds, natural resource limited partnerships (all of which have dual class structures), banks and S&Ls, and IPOs not listed on CRSP within six months of the offer date are excluded. Buy-and-hold returns are calculated from the first close until the earlier of the three-year anniversary or the delisting date (the end December of 2022 for IPOs from 2020 and 2021). 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. All returns include dividends and capital gains, including the index returns. Firms with three or more classes of shares are classified as dual class. Firms with pre-IPO convertible preferred that converted into common at the time of the IPO are classified based on the *pro forma* (post-conversion) share structure.

Panel A: IPOs from 1980-2021 categorized by dual class status

Dual class or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Dual class	879	20.3%	29.7%	-1.7%	-0.8%
Single class	8,210	18.7%	18.5%	-20.5%	-8.9%
1980-2020	9,089	18.9%	19.6%	-18.7%	-8.1%

Panel B: IPOs from 1980-2021 categorized by dual class and tech status

Buyout-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech stocks					
Dual class	295	34.1%	41.0%	20.0%	19.4%
Single class	3,009	31.0%	19.6%	-14.6%	-2.1%
All tech stocks	3,304	31.3%	21.5%	-11.5%	-0.1%
Non-tech stocks					
Dual class	584	13.3%	24.1%	-12.7%	-11.0%
Single class	5,201	11.6%	17.9%	-23.9%	-12.9%
All non-tech stocks	5,785	11.8%	18.5%	-22.8%	-12.7%