

Initial Public Offerings: Updated Long-run Statistics

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1,479 operating company IPOs from 2012-2021 are used, with returns calculated through the end of December 2024. IPOs are categorized by the underwriter listed in the top left of the managing underwriters on the first page of the IPO prospectus (S.E.C. Form 424). The 11 underwriters with the highest number of operating company IPOs are listed, with other underwriters grouped into two other categories. Others (regionals) include Wm. Blair, Piper-Jaffray, Raymond James, RBC Capital Markets, Wells Fargo and other underwriters not otherwise named below with an underwriter rank of 6.0 or higher on a 1-to-9 scale. Others (lower tier) include Aegis, Boustead, EF Hutton, Maxim Group and others with an underwriter rank of below 6.0. 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. Buy-and-hold returns are calculated from the first closing market price (not from the offer price) until the earlier of the three-year anniversary or the delisting date. 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. Specifically, the firm with the closest book-to-market ratio within the size decile of the IPO is used for the matching firm. For companies with dual-class shares, the post-issue book-to-market ratio is calculated using the post-issue total shares outstanding for all share classes. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue basic number of shares outstanding, a procedure that assumes that nontraded share classes would have the same price as traded shares, and that outstanding stock options have zero value. If a matching firm is delisted before the IPO, it is assumed that the proceeds of the delisted firm are then invested in the next-best matching firm at the time of the IPO. All returns include dividends and capital gains, including the index returns.

Underwriter	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Goldman Sachs	272	27.6%	6.7%	-25.6%	-22.8%
JP Morgan	224	25.7%	20.7%	-10.5%	0.5%
Morgan Stanley	218	26.9%	31.0%	-0.4%	6.5%
BOA-Merrill	133	24.5%	16.3%	-17.0%	-2.3%
Jefferies	91	24.3%	1.0%	-31.3%	-21.5%
UBS/Credit-Suisse	89	10.9%	16.9%	-17.5%	-16.3%
Citigroup	82	8.0%	-24.0%	-9.1%	-29.9%
Barclays	46	16.7%	28.6%	-0.5%	9.7%
Cowen	29	26.1%	-42.3%	-74.6%	-54.3%
Deutsche Bank	19	11.7%	44.4%	12.7%	-1.8%
Stifel	18	12.3%	46.6%	12.1%	34.2%
Others (regionals)	118	11.1%	10.0%	-25.0%	-13.3%
Others (lower tier)	140	38.2%	-44.7%	-74.2%	-37.0%
2012-2021	1,479	23.6%	10.6%	-21.6%	-12.3%

Table 11b (May 22, 2025)**First-day and Long-run Returns on VC-backed IPOs by Lead-left Underwriter, 2012-2021**

909 venture capital-backed operating company IPOs from 2012-2021 are used, with returns calculated through the end of December 2024. IPOs are categorized by the underwriter listed in the top left of the managing underwriters on the first page of the IPO prospectus (S.E.C. Form 424). The 11 underwriters with the highest number of operating company IPOs (both VC-backed and other IPOs) are listed, with other underwriters grouped into two other categories. Others (regionals) include Wm. Blair, Piper-Jaffray, Raymond James, RBC Capital Markets, Wells Fargo and other underwriters not otherwise named below with an underwriter rank of 6.0 or higher on a 1-to-9 scale. Others (lower tier) include Aegis, Boustead, EF Hutton, Maxim Group and others with an underwriter rank of below 6.0. 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. Buy-and-hold returns are calculated from the first closing market price (not from the offer price) until the earlier of the three-year anniversary or the delisting date. 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. Specifically, the firm with the closest book-to-market ratio within the size decile of the IPO is used for the matching firm. For companies with dual-class shares, the post-issue book-to-market ratio is calculated using the post-issue total shares outstanding for all share classes. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue basic number of shares outstanding, a procedure that assumes that nontraded share classes would have the same price as traded shares, and that outstanding stock options have zero value. If a matching firm is delisted before the IPO, it is assumed that the proceeds of the delisted firm are then invested in the next-best matching firm at the time of the IPO. All returns include dividends and capital gains, including the index returns.

Underwriter	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Goldman Sachs	179	33.3%	10.9%	-21.7%	-14.0%
JP Morgan	156	29.5%	12.7%	-18.9%	-7.1%
Morgan Stanley	162	31.5%	36.5%	4.9%	7.0%
BOA-Merrill	78	30.1%	16.5%	-16.9%	-12.7%
Jefferies	71	26.4%	1.7%	-29.0%	-11.3%
UBS/Credit-Suisse	41	10.6%	32.1%	-2.4%	12.7%
Citigroup	47	9.0%	28.9%	-6.6%	-24.9%
Barclays	23	16.0%	9.6%	-20.7%	-25.5%
Cowen	23	30.4%	-33.5%	-66.2%	-47.4%
Deutsche Bank	8	16.0%	52.4%	20.1%	20.4%
Stifel	13	12.7%	54.6%	19.2%	46.5%
Others (regionals)	72	10.2%	9.5%	-25.7%	-23.5%
Others (lower tier)	36	7.1%	-19.1%	-47.2%	-31.5%
Top 5 above	646	30.8%	17.4%	-14.6%	-6.6%
Others except lower tier	227	13.0%	17.3%	-16.9%	-14.3%
Lower tier	36	7.1%	-19.1%	-47.2%	-31.5%
2012-2021	909	25.4%	15.9%	-16.5%	-9.5%

Table 13b (updated April 28, 2025)

Long-run Returns on Auction IPOs and Direct Listings

23 IPOs using auctions from 1999-2008, including one bank offering (B of I Holdings), are used, along with 12 direct listings from 2018-2021, with returns calculated through December 31, 2024. The companies are listed in Tables 13 (auctions) and 13a (direct listings). The five IPOs during 2020-2022 that used bookbuilding with limit orders, listed in Table 13 as auctions, are not included. There have also been seven direct listings of small companies during 2022-2025, all of which displayed high first-day volatility. For the direct listings, the first-day return is computed from the opening price to the closing price, whereas for the auction IPOs, the offer price is used to calculate the first-day return. Buy-and-hold returns are calculated from the first closing market price until the earlier of the three-year or five-year anniversary or the delisting date, or December 31, 2024. 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. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue number of shares outstanding.

Panel A: 3-year Returns on Auction IPOs and Direct Listings from 1999-2021

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Auction IPOs	23	12.7%	87.5%	79.2%	10.2%
Direct Listings	12	2.1%	-3.6%	-36.4%	-40.7%
Other IPOs 1999-2021	3,404	30.2%	-3.4%	-17.5%	-23.0%

6 of the 23 auction IPOs had 3-year buy-and-hold returns of at least 150%. The style-adjusted return for the auction IPOs is much lower than the market-adjusted return because two of the matching firms had 3-year buy-and-hold returns of over 700%.

Panel B: 5-year Returns on Auction IPOs and Direct Listings from 1999-2021

Sector	Number of IPOs	Average First-day Return	Average 5-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Auction IPOs	23	12.7%	89.2%	71.5%	3.5%
Direct Listings	12	2.1%	41.8%	-8.0%	-5.0%
Other IPOs 1999-2021	3,404	30.2%	9.4%	-20.5%	-30.7%

Table 15c (March 18, 2025)
Post-merger Returns on deSPACs, 2012-2022

This table is an updated version of Table 4 in “SPACs” by Minmo Gahng, Jay R. Ritter, and Donghang Zhang, published in the Sept. 2023 *Review of Financial Studies*. The table reports average equally weighted deSPAC period common share percentage returns based on a buy-and-hold strategy (Equation (3)) in which an investor purchases common shares of a merged company at the close of the first day of trading as a new entity (the deSPAC) and holds them for 1 or 3 years. The year column represents the year of the merger. The sample consists of 447 business combinations consummated between January 2010 and December 2022, after excluding a few deSPACs that were listed OTC rather than on Nasdaq or the NYSE. Returns include dividend yields and capital gains. When the full 1- or 3-year data are not available, we calculate the returns based on available data. For example, if a merged company started to trade in March 2020 and delisted in August 2020, we report the buy-and-hold returns from March 2020 to August 2020 for both one-year and three-year returns (not annualized). Returns end on December 29, 2023, a Friday. The CRSP return is the total return on the CRSP value-weighted market index, matched to each investment period. The main source for deSPAC information is SPACResearch.com.

For 2021 and 2022, the 3-year returns are for less than 3 years. In 2021, GNRS is not included because this deSPAC was traded OTC. (The returns are reported for 63 of the 64 deSPACs.) It should be noted that if there is a high redemption rate, the public float after the deSPAC can be quite low until shares that were locked up become available for trading. For 2023, returns are measured from an assumed \$10 price to the Dec. 29, 2023 split-adjusted close. For two deSPACs in 2023, the market price is multiplied by 1.4 due to bonus shares given to non-redeeming shareholders. The return for a deSPAC on Dec. 29, 2023 is not included. For 2024, returns are measured through Dec. 31, 2024, from an assumed \$10 price, for 71 of 73 deSPACs, excluding one that merged on Dec. 31, 2024 and one that never listed.

The equally weighted average deSPAC return would be similar if a purchase price of \$10 was used, since the average first closing deSPAC price is close to \$10. The average deSPAC return would be higher, however, if a public cash-weighted return was reported, because it tends to be the case that deSPACs with high redemption rates (low public cash) have worse subsequent returns. Also, some deSPACs involve side payments to non-redeeming shareholders, for instance giving 0.5 sponsor shares to each non-redeeming shareholder. For these shareholders, the effective purchase price is thus approximately \$6.67 rather than \$10.00, so their returns would be higher if the deSPAC return accounted for the side payment. If these shares were sold on the first day of deSPAC trading, however, the computations would not be affected. Guilherme Junqueira assisted in the update of this table.

Year	Number	Average 1-year Return			Average 3-year Buy-and-hold Return		
		deSPACs	Market	Mkt-adjusted	deSPACs	Market	Mkt-adjusted
2012	1	-53.2%	20.4%	-73.6%	-98.1%	37.2%	-135.3%
2013	5	-30.1%	17.9%	-48.0%	-41.1%	28.0%	-69.1%
2014	4	-51.6%	5.7%	-57.3%	-89.6%	26.7%	-116.2%
2015	9	-19.5%	0.7%	-20.2%	87.7%	33.1%	54.6%
2016	9	-5.2%	19.0%	-24.2%	-35.1%	40.3%	-75.3%
2017	13	-11.0%	11.7%	-22.6%	-44.5%	30.3%	-74.7%
2018	23	-35.0%	8.8%	-43.8%	-8.1%	51.7%	-59.8%
2019	25	2.0%	8.8%	-6.8%	-25.0%	10.1%	-35.1%
2020	64	-3.0%	32.6%	-35.6%	-56.0%	28.6%	-84.6%
2021	198	-64.2%	-10.3%	-53.9%	-73.0%	7.0%	-80.0%
2022	102	-63.8%	5.0%	-68.8%	-63.8%	16.9%	-80.7%
2023	98	-59.1%					
2024	73	-62.0%					
2012-2022	451	-46.3%	3.1%	-49.4%	-57.7%	17.0%	-74.7%

Table 16 (updated March 31, 2025)**Long-run Returns on IPOs Categorized by the Pre-issue Sales of the Firm, 1980-2023**

All Last Twelve Months (LTM) sales figures for the firms going public have been converted into dollars of January 2024 purchasing power using the Consumer Price Index. 9,181 IPOs from 1980-2023 are used, with returns calculated through the end of December 2024. 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. 31 of 2024 for IPOs from 2022 and 2023). 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. Specifically, the firm with the closest book-to-market ratio within the size decile of the IPO is used for the matching firm. 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. If a matching firm is delisted before the IPO, it is assumed that the proceeds of the delisted firm are then invested in the next-best matching firm at the time of the IPO. All returns include dividends and capital gains, including the index returns.

Sales (in 2024\$)	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
0-9.999 mm	1,743	23.8%	-15.7%	-51.7%	-34.1%
10-19.999 mm	645	28.5%	-1.0%	-36.5%	-19.4%
20-49.999 mm	1,392	24.5%	14.6%	-28.2%	-10.8%
50-99.999 mm	1,388	19.1%	27.1%	-15.4%	-3.0%
100-499.999 mm	2,562	15.0%	40.0%	-1.7%	6.4%
500 mm and up	1,451	10.4%	31.3%	-4.7%	-3.9%
0-99.999 mm	5,168	23.3%	5.8%	-33.7%	-17.6%
100 mm and up	4,013	13.4%	36.9%	-2.8%	2.7%
1980-2023	9,181	18.9%	19.4%	-20.2%	-8.8%

Table 16a (updated March 31, 2025)

Long-run Returns on IPOs Categorized by the Pre-issue Sales of the Firm, 1980-2023

The caption to Table 16 describes the return calculations in more detail. The average 3-year buy-and-hold returns are calculated starting at the closing market price on the first day of trading.

Sales (in 2024\$)	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Less than \$1 billion	8,346	19.9%	18.1%	-22.0%	-9.6%
\$1 billion and up	835	9.6%	32.2%	-1.8%	0.1%
1980-2023	9,181	18.9%	19.4%	-20.2%	-8.8%

Note: For example, a -20.2% 3-year market-adjusted buy-and-hold return for all IPOs corresponds to an annualized market-adjusted return of -5.4% per year, with an average holding period of 2.8 years, because $1.194/1.396=0.855$ (which is the wealth relative, or public market equivalent), and $0.855^{0.357}=0.946$. The 39.6% buy-and-hold market return is 20.2% above the 19.4% average buy-and-hold return, and 0.357 is equal to $1/2.8$. Alternatively stated, underperformance of 5.4% per year for 2.8 years results in a wealth relative of 0.855.

Table 16b (updated April 4, 2025)**Long-run Returns on IPOs Categorized by the Profitability of the Firm, 1980-2023**

All Last Twelve Months (LTM) sales figures for the firms going public have been converted into dollars of January 2024 purchasing power using the Consumer Price Index. 9,181 IPOs (including the 2016 IPO of BATS Global Markets, which listed on BATS) from 1980-2023 are used, with returns calculated through December 31, 2024. 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. 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. 31 of 2024 for IPOs from 2022 and 2023). 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. Earnings per share (EPS) is for the pre-IPO last twelve months (LTM). All returns include dividends and capital gains, including the index returns.

Trailing LTM EPS	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Unprofitable	3,874	26.6%	-0.6%	-30.5%	-23.5%
Profitable	5,307	13.3%	34.0%	-12.7%	2.0%
Sales less than \$100 million (\$2024)					
Unprofitable	2,863	29.5%	-10.2%	-40.5%	-29.7%
Profitable	2,305	15.5%	25.7%	-25.3%	-2.6%
All less than \$100m	5,168	23.3%	5.8%	-33.7%	-17.6%
Sales more than \$100 million (\$2024)					
Unprofitable	1,011	18.5%	26.6%	-2.3%	-5.8%
Profitable	3,002	11.6%	40.3%	-3.0%	5.6%
All more than \$100m	4,013	13.4%	36.9%	-2.8%	2.7%
1980-2023	9,181	18.9%	19.4%	-20.2%	-8.8%

Table 16c (updated April 4, 2025)
Long-run Returns Measured from the Offer Price on Tech and non-Tech Stock IPOs
Excluding the Internet Bubble, 1980-2023

Panel A: IPOs from 1980-2023, excluding 1999-2000, categorized by industry

Industry	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	2,689	19.8%	73.3%	25.8%	46.0%
Non-Tech	5,636	11.6%	30.3%	-14.7%	-1.6%
All	8,325	14.2%	44.2%	-1.6%	13.8%

Panel B: Categorized by sales and industry (sales in \$2024)

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Sales < \$100 million					
Tech	1,726	20.0%	68.2%	16.2%	41.7%
Non-Tech	2,788	13.7%	13.3%	-32.8%	-13.6%
Sales > \$100 million					
Tech	963	19.6%	82.5%	43.1%	53.8%
Non-Tech	2,848	9.5%	47.0%	2.9%	10.1%

Panel C: Profitable issuers, categorized by sales and industry

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Sales < \$100 million					
Tech	937	17.6%	72.1%	16.4%	44.3%
Non-Tech	1,289	12.0%	27.0%	-24.9%	-1.6%
Sales > \$100 million					
Tech	546	16.5%	90.7%	44.2%	59.5%
Non-Tech	2,347	9.4%	49.0%	3.6%	12.5%

Panel D: Unprofitable issuers, categorized by sales and industry

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Sales < \$100 million					
Tech	789	22.8%	63.4%	15.8%	38.6%
Non-Tech	1,499	15.1%	1.5%	-39.6%	-23.8%
Sales > \$100 million					
Tech	417	23.7%	71.8%	41.7%	46.3%
Non-Tech	501	10.4%	37.3%	-0.2%	-1.4%

Table 16d (updated April 4, 2025)
**Long-run Returns Measured from the First Closing Market Price on Tech and non-Tech
Stock IPOs Excluding the Internet Bubble, 1980-2023**

Panel A: IPOs from 1980-2023, excluding 1999-2000, categorized by industry

Industry	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market- adjusted	Style- adjusted
Tech	2,689	19.8%	42.3%	-5.1%	15.1%
Non-Tech	5,636	11.6%	19.4%	-25.6%	-12.5%
All	8,325	14.2%	26.8%	-19.0%	-3.6%

Panel B: Categorized by sales and industry (sales in \$2024)

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market- adjusted	Style- adjusted
Sales < \$100 million					
Tech	1,726	20.0%	36.4%	-15.6%	9.9%
Non-Tech	2,788	13.7%	3.5%	-42.6%	-23.4%
Sales > \$100 million					
Tech	963	19.6%	53.1%	13.7%	24.4%
Non-Tech	2,848	9.5%	35.0%	-9.0%	-1.9%

Panel C: Profitable issuers, categorized by sales and industry

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market- adjusted	Style- adjusted
Sales < \$100 million					
Tech	937	17.6%	43.0%	-12.7%	15.3%
Non-Tech	1,289	12.0%	16.5%	-35.4%	-12.1%
Sales > \$100 million					
Tech	546	16.5%	62.2%	15.6%	30.9%
Non-Tech	2,347	9.4%	36.9%	-8.5%	0.4%

Panel D: Unprofitable issuers, categorized by sales and industry

LTM Sales	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market- adjusted	Style- adjusted
Sales < \$100 million					
Tech	789	22.8%	28.4%	-19.2%	3.6%
Non-Tech	1,499	15.1%	-7.7%	-48.8%	-33.1%
Sales > \$100 million					
Tech	417	23.7%	41.2%	11.1%	15.7%
Non-Tech	501	10.4%	26.1%	-11.4%	-12.6%

Table 16e (April 26, 2024)**Distribution of 3-year and 5-year Buy-and-Hold Returns on IPOs, 1975-2020**

8,883 IPOs from 1975-2020 are used, with buy-and-hold returns calculated until the earlier of the 3-year or 5-year anniversary or the delisting date. All returns include dividends and capital gains. IPOs with an offer price below \$5.00 per share, unit offers, ADRs, REITs, closed end funds, SPACs, 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. The average first-day return in Panel A is 18.2%, with an average 3-year buy-and-hold return (BHR) of 23.7%, measured from the first close, and 41.3%, measured from the offer price. In Panel B, the average first-day return is 12.9%, with a subsequent average 3-year buy-and-hold return of 41.7%, measured from the first close, and 58.4%, measured from the offer price. Sales is inflation-adjusted sales for the last twelve months (LTM) prior to the IPO, in dollars of January 2024 purchasing power using the CPI.

Panel A: All 8,883 IPOs

3-year buy-and-hold return	From the first close		From the offer price	
	Number of IPOs	Percentage	Number of IPOs	Percentage
BHR<-50%	3,329	37.5%	3,028	34.1%
-50%<BHR≤0%	1,919	21.6%	1,866	21.0%
0%<BHR≤50%	1,309	14.7%	1,323	14.9%
50%<BHR≤100%	864	9.7%	903	10.2%
100%<BHR≤200%	751	8.5%	869	9.8%
200%<BHR≤500%	550	6.2%	674	7.6%
500%<BHR≤1,000%	122	1.4%	158	1.8%
1,000%<BHR≤2,000%	27	0.3%	45	0.5%
2,000%<BHR≤3,000%	6	0.1%	10	0.1%
3,000%<BHR	6	0.1%	7	0.1%
1975-2020	8,883	100.0%	8,883	100.0%

Panel B: 3,876 IPOs with LTM Sales of \$100 million or more (\$2024)

3-year buy-and-hold return	From the first close		From the offer price	
	Number of IPOs	Percentage	Number of IPOs	Percentage
BHR<-50%	949	24.5%	838	21.6%
-50%<BHR≤0%	875	22.6%	822	21.2%
0%<BHR≤50%	744	19.2%	729	18.8%
50%<BHR≤100%	522	13.5%	530	13.7%
100%<BHR≤200%	441	11.4%	519	13.4%
200%<BHR≤500%	285	7.3%	358	9.2%
500%<BHR≤1,000%	50	1.3%	61	1.6%
1,000%<BHR≤2,000%	8	0.2%	14	0.4%
2,000%<BHR≤3,000%	1	0.0%	4	0.1%
3,000%<BHR	1	0.0%	1	0.0%
1975-2020	3,876	100.0%	3,876	100.0%

Table 16e (continued)

The average first-day return in Panel C is 18.2%, with an average 5-year buy-and-hold return (BHR) of 39.6%, measured from the first close, and 59.3%, measured from the offer price. In Panel D, the average first-day return is 12.9%, with a subsequent average 5-year buy-and-hold return of 60.2%, measured from the first close, and 79.1%, measured from the offer price. Sales is inflation-adjusted sales for the last twelve months (LTM) prior to the IPO, in dollars of January 2024 purchasing power using the CPI. For the 2019 and 2020 cohorts, returns are calculated through Friday, Dec. 29, 2023 unless an IPO was delisted earlier. Columns may not add to 100% due to rounding.

Panel C: All 8,883 IPOs from 1975-2020

5-year buy-and-hold return	From the first close		From the offer price	
	Number of IPOs	Percentage	Number of IPOs	Percentage
BHR<-50%	3,710	41.8%	3,447	38.8%
-50%<BHR≤0%	1,598	18.0%	1,549	17.4%
0%<BHR≤50%	1,103	12.4%	1,108	12.5%
50%<BHR≤100%	740	8.3%	783	8.8%
100%<BHR≤200%	809	9.1%	870	9.8%
200%<BHR≤500%	642	7.2%	776	8.7%
500%<BHR≤1,000%	185	2.1%	224	2.5%
1,000%<BHR≤2,000%	73	0.8%	88	1.0%
2,000%<BHR≤3,000%	13	0.1%	25	0.3%
3,000%<BHR	10	0.1%	13	0.1%
1975-2020	8,883	100.0%	8,883	100.0%

Panel D: 3,876 IPOs with LTM Sales of \$100 million or more (\$2024)

5-year buy-and-hold return	From the first close		From the offer price	
	Number of IPOs	Percentage	Number of IPOs	Percentage
BHR<-50%	1,105	28.5%	1,001	25.8%
-50%<BHR≤0%	759	19.6%	734	18.9%
0%<BHR≤50%	605	15.6%	586	15.1%
50%<BHR≤100%	447	11.5%	458	11.8%
100%<BHR≤200%	484	12.5%	507	13.1%
200%<BHR≤500%	352	9.1%	434	11.2%
500%<BHR≤1,000%	85	2.2%	104	2.7%
1,000%<BHR≤2,000%	34	0.9%	41	1.1%
2,000%<BHR≤3,000%	4	0.1%	9	0.2%
3,000%<BHR	1	0.0%	2	0.1%
1975-2020	3,876	100.0%	3,876	100.0%

Table 16f (updated April 4, 2025)**Aftermarket Returns with and without Including the First-day Return**

9,181 operating company IPOs from 1980-2023 are used, with returns calculated through December 31, 2024. IPOs with an offer price below \$5.00 per share, unit offers, SPACs, 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. 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. 31 of 2024 for IPOs from 2022 and 2023). 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. Further details are reported in the captions to Tables 16a and 16b. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue number of shares outstanding.

Tables 16c and 16d report similar numbers, but those tables exclude IPOs from the internet bubble years of 1999-2000.

Panel A:**Long-run Returns Measured from the Offer Price on Tech and non-Tech IPOs, 1980-2023**

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	3,320	31.2%	50.1%	15.6%	28.0%
Non-Tech	5,861	12.0%	28.9%	-13.6%	-2.7%
All	9,181	18.9%	36.5%	-.03%	8.4%

Panel B:**Long-run Returns Measured from the First Close on Tech and non-Tech IPOs, 1980-2023**

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	3,320	31.2%	21.8%	-12.6%	-0.2%
Non-Tech	5,861	12.0%	18.0%	-24.5%	-13.6%
All	9,181	18.9%	19.4%	-20.2%	-8.8%

Table 17 (updated May 27, 2025)

Long-run Returns on IPOs Categorized by VC-backing or Buyout Fund-backing

All Last Twelve Months (LTM) sales figures for the firms going public have been converted into dollars of January 2024 purchasing power using the Consumer Price Index. IPOs from 1980-2023 are used, with returns calculated through the end of December 2024. In Panel A, the sample size is 9,181 firms. Growth capital-backed IPOs are included in the VC-backed category. 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, banks and S&Ls, and IPOs not listed on CRSP within six months of the offer date are excluded. In Panel B, one additional screen is implemented, reducing the sample size. This additional screen is that the last twelve months (LTM) sales of the issuing firm is at least \$100 million (2024 purchasing power). Buy-and-hold returns are calculated from the first close until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2024 for IPOs from 2022 and 2023). 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. Jerry Cao of the Hang Seng University of Hong Kong has assisted in providing data on the classification of IPOs as buyout-backed. Growth capital-backed IPOs are classified as VC-backed.

Panel A: IPOs from 1980-2023 categorized by venture capital backing

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	3,696	27.0%	21.8%	-13.2%	-2.7%
NonVC-backed	5,485	13.5%	17.7%	-24.9%	-12.8%
NonVC and nonBuyout	4,248	14.7%	14.3%	-31.8%	-16.3%
1980-2023	9,181	18.9%	19.4%	-20.2%	-8.8%

Note: The nonVC- and nonBuyout-backed IPOs do not include a minimum sales screen, unlike in Panel B.

Panel B: IPOs with at least \$100 million in LTM sales (2024 purchasing power) from 1980-2023 categorized by private equity (buyout fund) backing

Buyout-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Buyout-backed	1,100	9.1%	30.4%	-0.5%	0.8%
NonBuyout-backed	2,913	14.9%	39.3%	-3.7%	3.4%
All	4,013	13.4%	36.9%	-2.8%	2.7%

Table 17a (updated April 2, 2025)**Long-run Returns on IPOs Categorized by VC-, Growth Capital-, or Buyout Fund-backing**

9,181 IPOs from 1980-2023 are used, with returns calculated through the end of December 2023. Buy-and-hold returns are calculated from the first closing price until the earlier of the three-year anniversary or the delisting date (Friday, Dec. 31 of 2024 for IPOs from 2022 and 2023). Market-adjusted returns use the CRSP value-weighted index. All returns include dividends and capital gains. 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. This table is an updated version of Table 3 of my “Growth Capital-backed IPOs” published in the 2015 *Financial Review*. Growth capital-backed IPOs are defined to be IPOs with a financial sponsor that is financing investments in tangible assets and/or acquisitions are a major part of its growth strategy. Buyouts involve the financial sponsor taking control by buying out prior shareholders. Corporate venture capital and angel investors are not included as financial sponsors.

	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market- adjusted	Style- adjusted
VC-backed	3,229	28.8%	18.8%	-15.1%	-3.9%
Growth capital-backed	467	14.6%	43.0%	-0.4%	5.8%
Buyout-backed	1,237	9.5%	29.4%	-1.4%	-1.0%
Financial Sponsored	4,933	22.6%	23.7%	-10.3%	-2.3%
Non-Financial Sponsored	4,248	14.7%	14.3%	-31.8%	-16.3%
All	9,181	18.9%	19.4%	-20.2%	-8.8%

Note: The high average 3-year buy-and-hold return for growth capital-backed IPOs is partly attributable, in a mechanical sense, to the six IPOs with the highest buy-and-hold returns in this subsample: The May 10, 1984 IPO of restaurant chain This Can't Be Yogurt (4,076.6%); the April 10, 1997 IPO of middleware software developer and distributor BEA Systems (2,562.2%); the November 15, 1989 IPO of original equipment manufacturer Solelectron (944.0%); the April 24, 1996 IPO of outdoor advertising (billboards) operator Outdoor Systems (935.1%); the February 9, 1983 IPO of health care provider United States Health Care (636.6%); and the September 19, 1989 IPO of health care provider Vencor (635.8%).

Table 18 (updated April 2, 2025)

Long-run Returns on IPOs Categorized by VC-backing, by Subperiod

The sample is composed of 9,181 IPOs from 1980-2023, with returns calculated through the end of December 2024. Growth capital-backed IPOs are classified as venture capital (VC)-backed in all panels. IPOs with an offer price below \$5.00 per share, unit offers, small best efforts offerings, ADRs, REITs, closed end funds, SPACs, natural resource limited partnerships, 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 closing market price until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2024 for IPOs from 2022 and 2023). Market-adjusted returns use the CRSP value-weighted index. All returns include dividends and capital gains. 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. Market capitalization (size) is calculated using the first closing market price after the IPO. All returns include dividends and capital gains, including the index returns.

Panel A: IPOs from 1980-2023 categorized by venture capital backing

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	3,696	27.0%	21.8%	-13.2%	-2.7%
NonVC-backed	5,485	13.5%	17.7%	-24.9%	-12.8%
All	9,181	18.9%	19.4%	-20.2%	-8.8%

Panel B: IPOs from 1980-1989

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	513	8.6%	31.9%	-14.0%	14.0%
NonVC-backed	1,534	6.8%	19.3%	-25.5%	-1.8%
All	2,047	7.2%	22.5%	-22.6%	2.2%

Panel C: IPOs from 1990-1998

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	1,266	17.3%	60.7%	-1.1%	27.0%
NonVC-backed	2,350	13.5%	28.4%	-31.7%	-14.8%
All	3,616	14.8%	39.7%	-21.0%	-0.1%

Panel D: IPOs from 1999-2000

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	525	80.9%	-62.3%	-40.5%	-62.5%
NonVC-backed	331	38.7%	-38.6%	-17.9%	-53.3%
All	856	64.6%	-53.1%	-31.8%	-58.9%

Panel E: IPOs from 2001-2023

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	1,392	22.4%	14.5%	-13.7%	-13.3%
NonVC-backed	1,270	15.0%	10.6%	-13.4%	-12.2%
All	2,662	18.9%	12.6%	-13.6%	-12.7%

Table 18a (updated April 4, 2025)**Long-run Returns on IPOs Categorized by VC-backing and Real Sales**

The sample is composed of 9,181 IPOs from 1980-2023, with returns calculated through the end of December 2024. IPOs with an offer price below \$5.00 per share, unit offers, small best efforts offerings, ADRs, REITs, closed end funds, SPACs, natural resource limited partnerships, 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 closing market price in Panels A and B, and from the offer price in Panels C and D, until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2024 for IPOs from 2022 and 2023). 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. Sales are the trailing twelve month revenues listed in the IPO prospectus, measured in terms of dollars of January 2024 purchasing power using the CPI. The highest 3-year buy-and-hold return from the offer price is that of Yahoo!, an April 12, 1996 VC-backed IPO with low trailing sales that jumped 153.8% on the first day and then went up another 3,589.8% during the next three years.

Panel A: IPOs with Sales<\$100 million from 1980-2023 categorized by VC-backing

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	2,667	28.7%	10.7%	-23.1%	-9.3%
NonVC-backed	2,501	17.5%	0.5%	-45.1%	-26.5%
All	5,168	23.3%	5.8%	-33.7%	-17.6%

Panel B: IPOs with Sales>\$100 million from 1980-2023 categorized by VC-backing

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	1,029	22.7%	50.7%	12.2%	14.5%
NonVC-backed	2,984	10.1%	32.1%	-8.0%	-1.4%
All	4,013	13.4%	36.9%	-2.8%	2.7%

Panel C: IPOs with Sales<\$100 million, with returns measured from the offer price

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	2,667	28.7%	33.1%	-0.7%	13.1%
NonVC-backed	2,501	17.5%	13.3%	-32.3%	-13.7%
All	5,168	23.3%	23.5%	-16.0%	0.1%

Panel D: IPOs with Sales>\$100 million, with returns measured from the offer price

VC-backed or not	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
VC-backed	1,029	22.7%	81.0%	42.6%	44.9%
NonVC-backed	2,984	10.1%	43.8%	3.7%	10.3%
All	4,013	13.4%	53.3%	13.6%	19.1%

Table 18b (updated April 2, 2025)

Long-run Returns on VC-backed and other IPOs Segmented by Industry, 1980-2023

An earlier version of this table appears as Table 7 in “Going Public with IPOs and SPAC Mergers” by Rongbing Huang, Jay R. Ritter, and Donghang Zhang, forthcoming in *Research Handbook on the Structure of Private Equity and Venture Capital*. 9,181 IPOs from 1980-2023 are used, with returns calculated through December 31, 2024. IPOs with an offer price below \$5.00 per share, unit offers, SPACs, 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. 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. of 2024 for IPOs from 2022 and 2023). The captions to Tables 2 and 6 provide industry classification details. 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. Market capitalization (size) is calculated using the first closing market price after the IPO and the post-issue number of shares outstanding.

Panel A: Long-run Returns on VC-backed IPOs, by Industry, 1980-2023

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	1,996	37.2%	26.5%	-4.8%	6.5%
Life science	800	15.6%	9.0%	-24.3%	-17.8%
Other	900	14.6%	22.8%	-22.1%	-9.7%
All	3,696	27.0%	21.8%	-13.2%	-2.7%

Panel B: Long-run Returns on nonVC-backed IPOs, by Industry, 1980-2023

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	1,324	22.1%	14.7%	-24.4%	-10.4%
Life science	201	17.4%	33.9%	-2.1%	23.8%
Other	3,960	10.4%	17.9%	-26.2%	-15.5%
All	5,485	13.5%	17.7%	-24.9%	-12.8%

Note: The high life science 3-year buy-and-hold return for the 199 nonVC-backed IPOs in Panel B is partly driven by the 2,444.8% return on the June 1980 IPO of Enzo Biochem and the 1,606.1% return on the August 2003 IPO of New River Pharmaceutical, which used a WR Hambrecht + Co auction to go public. Of the 971 life science IPOs during 1980-2021, these are two of the three top long-run performers, with the VC-backed July 1998 IPO of Abgenix being the third, with a 2,071.1% return. Moderna, a December 2018 VC-backed IPO, produced the fifth-highest return.

Table 18c (updated April 4, 2025)**Long-run Returns on VC-backed and other IPOs Segmented by Industry, 1999-2023**

An earlier version of this table appears as Table 8 in “Going Public with IPOs and SPAC Mergers” by Rongbing Huang, Jay R. Ritter, and Donghang Zhang, forthcoming in *Research Handbook on the Structure of Private Equity and Venture Capital*, edited by Brian Broughman and Elisabeth de Fontenay.

3,518 IPOs from 1999-2023 are used, with returns calculated through December 31, 2024. See the captions to Tables 2 and 6 in the book chapter above for a description of the sample and industry definitions.

Panel A: Long-run Returns on VC-backed IPOs, by Industry, 1999-2023

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	1,034	54.1%	-13.4%	-19.7%	-26.4%
Life science	591	18.4%	2.2%	-23.1%	-23.2%
Other	292	23.1%	-0.3%	-21.8%	-35.1%
All	1,917	38.4%	-6.6%	-21.0%	-26.7%

Panel B: Long-run Returns on nonVC-backed IPOs, by Industry, 1999-2023

Sector	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Tech	463	32.4%	-22.2%	-25.8%	-38.2%
Life science	115	21.4%	0.9%	-20.4%	-13.9%
Other	1,023	14.1%	10.6%	-8.5%	-13.5%
All	1,601	19.9%	0.5%	-14.3%	-20.7%

Table 19: Updated Table I of Ritter and Welch 2002 *Journal of Finance* article

Number of IPOs, First-day Returns, and Long Run Performance, IPOs from 1980-2023
(Updated March 28, 2025)

The equally weighted (EW) average first-day return is measured from the offer price to the first CRSP-listed closing price. EW average three-year buy-and-hold percentage returns (capital gains plus dividends) are calculated from the first closing market price to the earlier of the three-year anniversary price, the delisting price, or December 29, 2023 (a Friday). Buy-and-hold returns for initial public offerings (IPOs) occurring after Dec. 31, 2022 are not calculated. Market-adjusted returns are calculated as the buy-and-hold return on an IPO minus the compounded daily return on the CRSP value-weighted index of Amex, Nasdaq, and NYSE firms. Style-adjusted buy-and-hold returns are calculated as the difference between the return on an IPO and a style-matched firm. For each IPO, a non-IPO matching firm that has been CRSP-listed for at least five years with the closest market capitalization (size) and book-to-market ratio as the IPO is used. Market capitalization is calculated using the first closing market price after the IPO. If this stock is delisted prior to the IPO return's ending date, or if it conducts a follow-on stock offering, a replacement matching firm is spliced in on a point-forward basis. IPOs with an offer price below \$5.00 per share, unit offers, small best efforts offers, natural resource limited partnerships, REITs, closed-end funds, banks and S&Ls, ADRs, and IPOs not listed on CRSP within six months of issuing have been excluded. Data is from Thomson Financial Securities Data, with supplements from Dealogic and other sources, and corrections by the authors. The number of IPOs per year is much lower for the early 1980s than in the 1995 *Journal of Finance* article "The New Issues Puzzle" by Loughran and Ritter because that paper used a \$1.00 offer price screen. The number is larger than in the 2002 *Journal of Finance* article "A Review of IPO Activity, Pricing, and Allocations" due to various data corrections and the back-filling of Nasdaq-listed foreign issuers by CRSP.

Year	Number of IPOs	Average First-day Return	Average One-year Return	Average 3-year Buy-and-hold Return		
				IPOs	Market-adjusted	Style-adjusted
1980	71	14.3%	28.7%	89.8%	37.0%	18.5%
1981	192	5.9%	-10.5%	12.3%	-27.0%	11.0%
1982	77	11.0%	101.8%	37.5%	-31.5%	-12.0%
1983	451	9.9%	-19.2%	15.9%	-37.7%	-4.4%
1984	171	3.7%	20.0%	50.2%	-28.5%	29.0%
1985	186	6.4%	23.6%	5.6%	-41.3%	-12.3%
1986	393	6.2%	9.5%	16.9%	-22.6%	-1.3%
1987	285	5.6%	-21.5%	-2.6%	-19.1%	-11.2%
1988	105	5.5%	28.7%	58.0%	9.7%	38.7%
1989	116	8.0%	-5.5%	48.1%	13.2%	7.2%
1990	110	10.8%	4.0%	9.7%	-35.9%	-38.4%
1991	286	11.9%	10.5%	31.2%	-1.8%	5.8%
1992	412	10.3%	20.5%	37.4%	-0.2%	11.1%
1993	510	12.7%	3.0%	44.1%	-8.7%	-9.5%
1994	402	9.6%	27.8%	78.0%	-5.7%	-0.9%
1995	462	21.4%	26.5%	28.6%	-58.0%	-24.7%
1996	677	17.2%	7.1%	25.2%	-56.8%	7.0%
1997	474	14.0%	8.0%	58.3%	-2.0%	22.0%
1998	283	21.8%	18.4%	22.9%	5.1%	-4.9%
1999	476	71.2%	22.1%	-47.6%	-32.5%	-60.6%
2000	380	56.4%	-52.9%	-60.1%	-30.9%	-56.9%
2001	80	14.0%	-14.3%	18.0%	14.6%	-27.8%
2002	66	9.1%	3.1%	68.6%	39.0%	-0.4%
2003	63	11.7%	25.7%	34.0%	-7.7%	-11.2%
2004	173	12.3%	17.8%	51.4%	6.9%	-7.0%
2005	159	10.3%	19.0%	14.6%	3.1%	-2.5%
2006	157	12.1%	21.4%	-28.8%	-11.1%	-4.5%
2007	159	14.0%	-28.4%	-16.5%	-0.4%	0.5%
2008	21	5.7%	-34.4%	11.4%	8.1%	5.1%
2009	41	9.8%	11.5%	37.0%	-5.1%	-18.3%
2010	91	9.4%	15.7%	36.4%	-9.6%	-18.5%
2011	81	13.9%	-12.2%	38.6%	-8.7%	-11.6%
2012	93	17.7%	35.7%	81.9%	31.8%	33.4%
2013	158	20.9%	12.8%	12.1%	-14.1%	-16.1%
2014	206	15.5%	20.1%	17.1%	-9.7%	-12.5%
2015	118	19.2%	-23.8%	24.5%	-9.9%	-27.3%
2016	75	14.5%	23.3%	70.5%	29.5%	27.0%
2017	106	12.9%	32.4%	52.8%	22.6%	35.6%
2018	134	18.6%	-6.8%	79.1%	23.4%	55.8%
2019	113	23.5%	33.0%	12.5%	-25.1%	-8.8%
2020	165	41.6%	9.9%	-48.1%	-78.6%	-75.5%
2021	311	32.1%	-49.1%	-49.1%	-68.6%	-40.9%
2022	38	48.9%	-27.8%	-23.8%	-61.4%	-70.5%
2023	54	11.9%	-11.5%	-27.4%	-62.7%	-84.3%
1980-1989	2,047	7.2%	3.4%	22.5%	-22.6%	2.2%
1990-1998	3,616	14.8%	14.0%	39.7%	-21.0%	-0.2%
1999-2000	856	64.6%	-11.2%	-53.1%	-31.8%	-58.9%
2001-2010	1,010	11.6%	6.7%	17.1%	2.2%	-7.6%
2011-2023	1,652	23.3%	-1.0%	9.9%	-23.2%	-15.9%
1980-2023	9,181	18.9%	5.9%	19.4%	-20.2%	-8.8%

Table 19a (updated March 28, 2025)**Long-run Returns on IPOs Categorized by Sales, by Subperiod**

The sample is composed of 9,181 IPOs from 1980-2023, with returns calculated through the end of December 2024. Sales are the trailing twelve months reported in the IPO prospectus, converted to dollars of January \$2024 purchasing power using the CPI. IPOs with an offer price below \$5.00 per share, unit offers, small best efforts offerings, ADRs, REITs, closed end funds, SPACs, natural resource limited partnerships, 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 closing market price until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2024 for IPOs from 2022 and 2023). 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. Market capitalization (size) is calculated using the first closing market price after the IPO. All returns include dividends and capital gains, including the index returns.

Panel A: IPOs from 1980-1995 categorized by annual sales (\$2024)

Small or large sales?	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
\$50 million or less	1,666	13.8%	15.0%	-38.7%	-10.9%
Greater than \$50 mm	2,563	8.2%	44.3%	-7.7%	3.2%
All	4,229	10.4%	32.8%	-19.9%	-2.3%

Panel B: IPOs from 1996-2023 categorized by annual sales (\$2024)

Small or large sales?	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
\$50 million or less	2,114	33.6%	-15.5%	-41.8%	-32.5%
Greater than \$50 mm	2,838	20.8%	25.4%	-4.5%	-0.6%
All	4,952	26.3%	7.9%	-20.4%	-14.3%

Table 19b (May 14, 2025)
Long-run Returns on IPOs Categorized by Whether the Midpoint of the Original File Price Range Was Less than \$8 or Not, including Penny Stocks, IPOs from 2001-2023

The sample is composed of 2,767 IPOs from 2001-2023, with returns calculated through the end of December 2024. IPOs with an offer price below \$5.00 per share are included. Unit offers, small best efforts offerings, ADRs, REITs, closed end funds, SPACs, natural resource limited partnerships, 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 closing market price until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2024 for IPOs from 2022 and 2023). Market-adjusted returns use the CRSP value-weighted index. All returns include dividends and capital gains. 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. Market capitalization (size) is calculated using the first closing market price after the IPO. All returns include dividends and capital gains, including the index returns.

Of the 250 IPOs with a file price range of below \$8, 105 had an offer price below \$5. These 105 IPOs had average first-day returns that are even higher, and 3-year buy-and-hold returns that are even worse, than those IPOs priced at \$5 or \$6, although by only a modest amount (average first-day return of 113.0% and subsequent 3-year buy-and-hold return of -64.8% from the first close).

Penny stock IPOs were rare in 2001-2020, but there have been many in 2021-2024 (and 2025), as shown in Table 15.

Panel A: IPOs from 2001-2023 categorized by file price range midpoint

File price range midpoint	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Less than \$8.00	250	70.3%	-60.2%	-90.6%	-82.4%
\$8.00 or more	2,517	17.7%	16.6%	-9.5%	-9.2%
All	2,767	22.4%	9.7%	-16.8%	-15.8%

Panel B: Low file price midpoint IPOs from 2001-2023 categorized by profitability

Profitable or not?	Number of IPOs	Average First-day Return	Average 3-year Buy-and-hold Return		
			IPOs	Market-adjusted	Style-adjusted
Last 12 months EPS<0	154	45.3%	-54.2%	-84.5%	-71.7%
Last 12 months EPS>0	96	110.4%	-69.9%	-100.5%	-99.4%
All	250	70.3%	-60.2%	-90.6%	-82.4%

Table 20 (updated April 25, 2025)**Returns on IPOs during the five years after issuing, for IPOs from 1980-2023**

These tables show that IPOs have underperformed other firms of the same size (market cap) by an average of 3.6% per year during the five years after issuing, not including the first-day return. The underperformance relative to other firms of the same size and book-to-market ratio has averaged 2.1% per year on an equally weighted basis. Returns are through Dec. 31, 2024.

Table 20-1**Percentage returns on IPOs from 1980-2023 during the first five years after issuing**

	First six months	Second six months	First Year	Second year	Third year	Fourth year	Fifth Year	Geometric Mean years 1-5
IPO firms	5.1%	-0.1%	5.8%	5.9%	12.0%	18.5%	10.2%	10.4%
Size-matched	5.4%	5.5%	11.4%	13.8%	15.6%	16.8%	12.6%	14.0%
Difference	-0.3%	-5.6%	-5.6%	-7.9%	-3.4%	1.7%	-2.4%	-3.6%
IPO firms	5.1%	-0.1%	5.8%	5.9%	12.0%	18.5%	10.2%	10.4%
Size & BM- Matched	4.2%	4.0%	8.3%	12.3%	12.5%	17.3%	12.5%	12.5%
Difference	1.0%	-4.1%	-2.5%	-6.4%	-0.5%	1.2%	-2.3%	-2.1%
No. of IPOs	9,181	9,157	9,181	8,976	8,239	7,089	6,191	

All returns are equally weighted average returns for all IPOs that are traded on Nasdaq, the Amex (now NYSE MKT), or the NYSE at the start of a period. For the first and third columns, the returns are measured from the closing market price on the first day of CRSP-reported trading until the sixth-month or one-year anniversary. For years 2-5, each year the portfolios are rebalanced to equal weights. If an issuing firm is delisted within a year, its return for that year is calculated by compounding the CRSP value-weighted market index for the rest of the year. For the size-matched returns, each IPO is matched with the nonissuing firm having the same or next higher market capitalization (using the closing market price on the first day of trading for the IPO, and the market capitalization at the end of the previous month for the matching firms). For the size & BM-matched returns, each IPO with a book-to-market ratio higher than zero is matched with a nonissuing firm in the same size decile (using NYSE firms only for determining the decile breakpoints) having the closest book-to-market ratio. Each IPO with a zero or smaller book-to-market ratio is matched with a nonissuing firm of a book-to-market ratio of zero or smaller having the closest market capitalization. For the IPOs, book-to-market ratios are calculated using the first recorded post-issue book value and the post-issue market cap calculated using the closing market price on the first CRSP-listed day of trading. For nonissuing firms, the Compustat-listed book value of equity for the most recent fiscal year ending at least four months prior to the IPO date is used, along with the market cap at the close of trading at month-end prior to the month of the IPO with which it is matched. Nonissuing firms are those that have been listed on the Amex-Nasdaq-NYSE for at least five years, without issuing equity for cash during that time. If a nonissuer subsequently issues equity, it is still used as the matching firm. If a nonissuer gets delisted prior to the delisting (or the fifth anniversary), the second-closest matching firm on the original IPO date is substituted, on a point-forward basis. For firms with multiple classes of stock outstanding, market cap is calculated using the offer price and the total number of shares outstanding across all classes of stock as reported in Compustat. Firms with multiple classes of stock are excluded as potential matching candidates. The sample size is 9,127 IPOs from 1980-2022, excluding IPOs with an offer price of less than \$5.00, ADRs, REITs, acquisition funds, closed-end funds, banks and S&Ls, unit offers, small best efforts deals, and oil & gas limited partnerships. IPOs that are not listed on CRSP within six months of the IPO are excluded. For IPOs from 1980 and later, if book value numbers are missing so that no style-matched firm is available as a benchmark, the value-weighted market return is used for the matching firm return. Returns are measured through December 31, 2024. For partial event-years that end on this date, the last partial year is deleted from the computations. For example, for an IPO on March 15, 2023, its first-year return is included, but not the second-year return.

Table 20-2**Percentage returns on IPOs from 1980-1989 during the first five years after issuing**

	First six months	Second six months	First year	Second year	Third Year	Fourth year	Fifth year	Geometric mean years 1-5
IPO firms	3.6%	-0.8%	3.4%	9.6%	12.1%	2.3%	8.1%	7.1%
Size-matched	3.7%	3.4%	7.0%	16.6%	16.7%	7.3%	10.1%	11.5%
Difference	-0.1%	-4.2%	-3.6%	-7.0%	-4.6%	-5.0%	-2.0%	-4.4%
IPO firms	3.6%	-0.8%	3.4%	9.6%	12.1%	2.3%	8.1%	7.1%
Size & BM- Matched	-0.1%	1.5%	0.9%	14.6%	9.4%	4.4%	11.1%	7.9%
Difference	3.7%	-2.3%	2.5%	-5.0%	2.7%	-2.1%	-3.0%	-0.8%
No. of IPOs	2,047	2,041	2,047	2,013	1,868	1,706	1,558	

Table 20-3**Percentage returns on IPOs from 1990-1999 during the first five years after issuing**

	First six months	Second six months	First year	Second year	Third Year	Fourth year	Fifth year	Geometric mean years 1-5
IPO firms	12.9%	3.6%	14.9%	7.8%	9.2%	25.5%	13.0%	13.9%
Size-matched	6.6%	8.6%	15.8%	17.8%	16.3%	20.3%	15.8%	17.2%
Difference	6.3%	-5.0%	-0.9%	-10.0%	-7.1%	5.2%	-2.8%	-3.3%
IPO firms	12.9%	3.6%	14.9%	7.8%	9.1%	25.5%	13.0%	13.9%
Size & BM- matched	7.1%	7.3%	14.9%	15.7%	12.2%	24.3%	13.6%	16.1%
Difference	5.8%	-3.7%	0.0%	-7.9%	-3.1%	1.2%	-0.6%	-2.2%
No. of IPOs	4,092	4,087	4,092	4,019	3,640	3,190	2,762	

Table 20-4**Percentage returns on IPOs from 2000-2023 during the first five years after issuing**

	First six months	Second six months	First year	Second year	Third year	Fourth year	Fifth year	Geometric mean years 1-5
IPO firms	-4.2%	-4.6%	-4.9%	0.7%	15.5%	20.8%	7.9%	7.6%
Size-matched	5.1%	2.8%	8.4%	6.5%	14.0%	19.0%	9.8%	11.5%
Difference	-9.3%	-7.4%	-13.3%	-5.8%	1.5%	1.8%	-1.9%	-3.9%
IPO firms	-4.2%	-4.6%	-4.9%	0.7%	15.5%	20.8%	7.9%	7.6%
Size & BM- matched	3.1%	1.1%	4.5%	6.2%	14.8%	17.1%	9.8%	10.4%
Difference	-7.3%	-5.7%	-9.4%	-5.5%	0.7%	3.7%	-1.9%	-2.8%
No. of IPOs	3,042	3,029	3,042	2,944	2,731	2,193	1,871	

Returns are through December 31, 2024. Thus, the fifth-year returns are only for those IPOs from 2000 to 2019, and the fourth-year returns are only for those IPOs from 2000 to 2020, etc. Note that the fifth-year returns are available only for those IPOs that survived for at least four years.

Table 24 (updated April 4, 2025)

Long-run Returns on IPOs Categorized by Dual Class Status

9,181 IPOs from 1980-2023 are used, with returns calculated through the end of December 2024. 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 2024 for IPOs from 2022 and 2023). 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 two 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. Laura Field and Michelle Lowry supplied classifications for many of the years.

Panel A: IPOs from 1980-2023 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	906	19.7%	29.9%	-6.1%	-2.2%
Single class	8,275	18.9%	18.2%	-21.8%	-9.4%
1980-2022	9,181	18.9%	19.4%	-20.2%	-8.8%

Panel B: IPOs from 1980-2023 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	302	33.4%	42.5%	14.1%	19.0%
Single class	3,018	31.0%	19.8%	-15.3%	-2.1%
All tech stocks	3,320	31.2%	21.8%	-12.6%	-0.2%
Non-tech stocks					
Dual class	604	12.8%	23.6%	-16.1%	-12.7%
Single class	5,257	11.9%	17.3%	-25.5%	-13.7%
All non-tech stocks	5,861	12.0%	18.0%	-24.5%	-13.6%