

IPOs to Watch in 2024

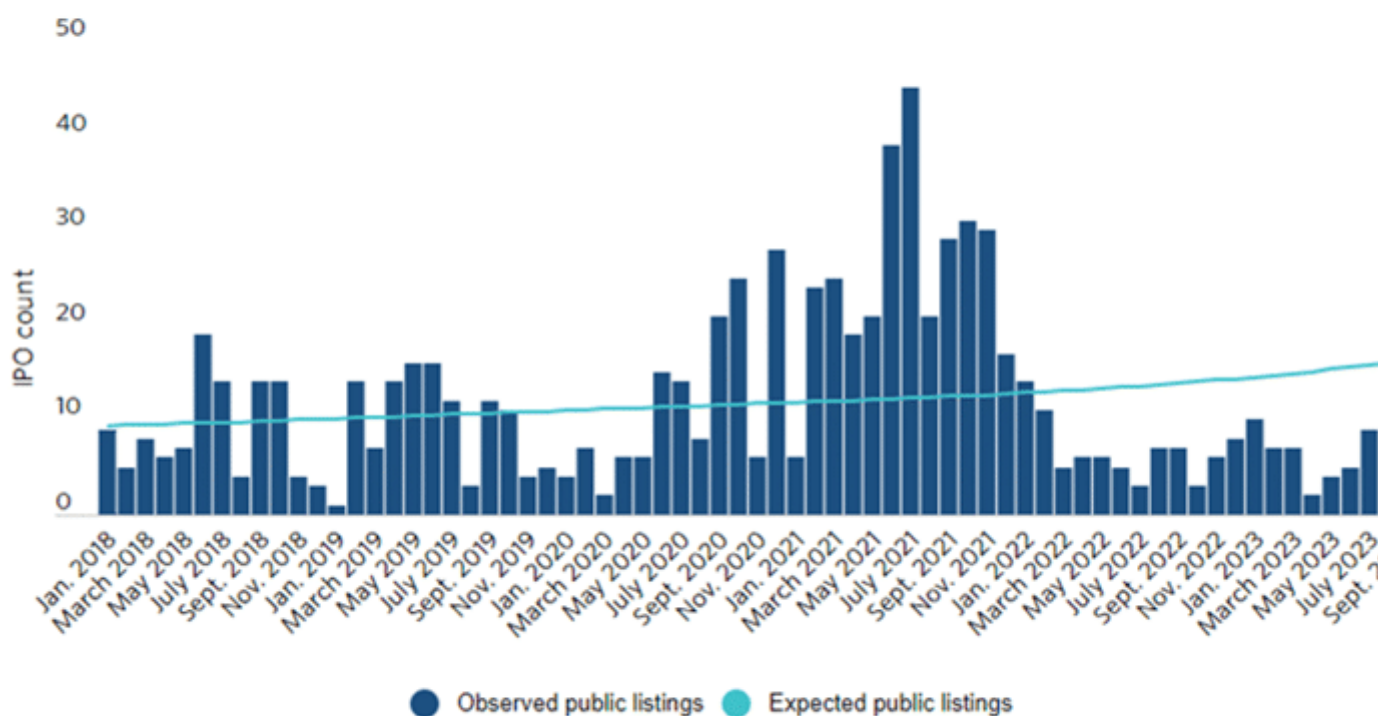
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In May 2019, the inaugural edition of our now-annual “IPOs to Watch” series highlighted a selection of Initial Public Offerings (IPOs) for investors to watch. At the time, we titled the article “Chasing Unicorns,” reflecting the unprecedented surge of unicorn companies – private entities valued at over a billion dollars – emerging in private markets. Subsequent to the Covid-19 pandemic and the Federal Reserve's QE campaign, many of these companies evolved into high-value targets, opting for traditional IPOs or entering public markets via once red-hot Special Purpose Acquisition Companies (SPAC).

As depicted in the chart below, between July 2020 and January 2022, actual public listings consistently surpassed expected listings, often by a significant margin. However, since February 2022, the IPO market has experienced a considerable cooldown, with the actual number of public listings consistently falling below expectations for 22 consecutive months.

Pent up IPO demand

Completed US VC-backed IPOs vs. expected IPOs



Source: Q3 2023 PitchBook-NVCA Venture Monitor
*As of Sept. 30, 2023

The question becomes whether we are entering a new period, where double-digit stock returns, a resilient economy, and the perception that the Fed has concluded its hiking campaign will

facilitate a turnaround for the IPO market in 2024, leaving behind the challenges of 2022 and 2023.

Since nobody has a crystal ball, a definitive answer is impossible. However, investors are eagerly anticipating several noteworthy IPOs in 2024, and success in these offerings could reignite an IPO market that has faced challenges for nearly two years. Here are four highly anticipated IPOs to watch in 2024:

Please note that this list is not an endorsement of these companies, but they are nevertheless worth monitoring.

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The logo for SKIMS is displayed in a large, bold, dark brown font. The letters are thick and rounded, with a slightly irregular, hand-drawn appearance. The 'S' is particularly large and stylized, followed by 'K', 'I', 'M', and 'S' in a similar but slightly smaller font.

Company: SKIMS

Primary Business Offering: Clothing and fashion

Year founded: 2019

Last Private Funding Round: \$270 million raised in July 2023 at a \$4 billion valuation

Headquarters: Los Angeles, California

Reason it's worth watching: The rise of influencer-founded businesses has taken off in recent years – and SKIMS might be the most compelling story in the space. In less than five years, Kim Kardashian's company has gone from zero sales to a reported \$750 million in sales and has most recently raised capital valuing the company at \$4 billion. It will be interesting to see how public markets digest this success and whether it will find the same level of interest in public markets that it has on social media and in private markets.

The logo for chime is displayed in a large, bold, green font. The letters are rounded and lowercase, with a clean, modern sans-serif style. The 'i' has a distinct dot, and the 'e' has a small loop at the bottom.

Company: Chime

Primary Business Offering: Financial technology providing mobile banking services.

Year founded: 2012

Last Private Funding Round: \$750 million raised in August 2021

Headquarters: San Francisco, California

Reason it's worth watching: Chime has been planning its march towards public markets over the last couple of years but has postponed its IPO plans due to market conditions. With a unique niche among millennials and a reported valuation of \$25 billion in 2021 (up from \$1.5 billion in 2019), it will be interesting to watch if Chime gets the \$35 billion to \$45 billion valuation range it was hoping for in 2022, before Fintech stocks were down nearly 40 percent.



Company: Reddit

Primary Business Offering: Online platform that enables users to submit links, create content, and discuss topics of interest (news, technology, business, politics, religion, movies, music, sports, etc).

Year founded: 2005

Last Private Funding Round: In August 2021, Fidelity invested \$410 million at a reported \$10 billion valuation.

Headquarters: San Francisco, California

Reason it's worth watching: The company originally filed for an initial public offering in late-2021, but postponed its 2022 public market debut due to market conditions. Reddit is reportedly seeking a \$15 billion valuation and began holding talks with potential investors in November. Reddit showed up on our list of IPOs to watch in 2022 so, after postponing its IPO for over two years, it will be interesting to see if management believes market conditions have improved enough to warrant a strategic pivot back towards public markets.



Company: Stripe

Primary Business Offering: Stripe is a developer-oriented commerce company helping small and large companies accept web and mobile payments.

Year founded: 2010

Last Private Funding Round: In March 2023, Stripe raised \$6.5 billion at a reported \$50 billion.

Headquarters: San Francisco, California

Reason it's worth watching: Similar to Reddit, Stripe showed up on our list of IPOs to watch in 2022. After a 2021 funding round that valued the company at \$95 billion, the company delayed its IPO plans due to market conditions and raised a subsequent round in 2023 that cut its valuation to \$50 billion. However, with a customer base that includes Amazon and DoorDash, and reported revenues of \$14.3 billion in 2022, interest in the company is still high and it will be interesting to see where the company trades if it enters public markets in 2024.

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