

Which companies are going public in 2022? Almost none so far

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The cadence of initial public offerings has slowed considerably in 2022 following a record 2021 that saw the arrival of Robinhood and others.

As the first quarter of 2022 winds down, the IPO parade is ending with a whimper— there were no initial public offerings this week and just one

last week.

After a banner 2021 for [initial public offerings](#), the pace of new Wall Street arrivals has slowed considerably in an environment marred by [market](#) volatility, geopolitical turbulence and tightening [monetary policy](#).

"The US IPO market remains on [life support](#)," said Bill Smith, chief executive of Renaissance Capital.

There have been just 18 IPOs in all this year, raising a median amount of only \$27 million, the weakest market for new floatations in more than 20 years.

Chief among the factors for the stagnation has been unease generated by the war in Ukraine.

"Whenever there are international tensions you see a big drag on Wall Street offerings," said Franck Sebag, a partner at EY in France.

"It's very difficult to think about going public when the market is so volatile," said Gregori Volokhine, of Meeschaert Financial Services.

One sign of the churn: the tech-focused Nasdaq has already seen in 2022 eight of its 20 biggest-ever single-session losses.

"Everyone gets more cautious, including the companies who are considering IPOs and investors who normally gravitate to such ventures," Volokhine said.

"Imagine if you go public on a day when there is really bad news in Ukraine," Volokhine said. "Nobody wants to take that chance," he said, adding that companies would rather hold off than risk a bad market

debut that stains the [company's](#) standing with investors.

Higher interest rates

The decline also reflects disappointment at how the most recent new market entrants have fared, according to Kennedy of Renaissance Capital.

The 2021 IPO market was the richest in history, with 2,682 companies raising \$608 billion, according to PricewaterhouseCoopers.

But several of the most eagerly awaited companies have tanked, including electric vehicle maker Rivian, which has lost more than 70 percent of its valuation since its peak.

Others to see dramatic tumbles include trading platform Robinhood, down 84 percent since July, and entertainment company Roblox, down 66 percent.

Kennedy cites the Federal Reserve policy shift as a drag. The US [central bank](#) earlier this month announced its first interest rate hike since 2018.

"One of the main drivers in underperformance of growth stock is the move from a near-zero interest rates to a more normalized environments," he said.

The Fed's shift punishes younger companies that need hefty amounts of debt to fund their growth. Higher interest rates mean they must pay more for capital.

"I think that we would have seen a few more IPOs in March if not for the invasion of Ukraine, but it absolutely would have been relatively low compared to last year or even an average year," Kennedy said.

Still, a handful of companies are still proceeding.

Allego, which installs electric vehicle charging stations in Europe, made its premiere on March 17 on the New York Stock Exchange.

The company's path to public markets was through a merger with a special purpose acquisition company (SPAC), a mechanism that is streamlined compared with a traditional IPO.

"We knew we had a chance now with the SPAC," said Allego Chief Executive Mathieu Bonnet.

"Who knows what the future landscape will be? Maybe the window of opportunity will close completely in a few months."

US securities regulators have moved to tighten regulations on SPACs, which have been criticized for skimping on investor protections. The Securities and Exchange Commission unveiled new proposed rules targeting the investment vehicles on Wednesday.

The cloudy landscape could delay offerings from well-known companies such as autonomous driving company Mobileye, social media company Reddit and yogurt company Chobani.

Kennedy is hopeful the IPO market will "normalize" later in 2022.

"If the window reopens I think we'll see a rush of companies, maybe not right away, but there are at least over 100 companies that are IPO-ready as soon as investors are ready for them," he said.

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