

# States of the IPO Market

**Closed**

- Immediately after significant market trauma
- 9/11, Iraq Wars 1 & 2, Bank Failures, Covid Lockdown

**Pull Back** Open

- Recovery after market traumas
- Investors require material valuation concession to take risk on IPOs

**Timid & Methodical** Open

- Receptive to new IPOs at discount to public market multiples
- Careful diligence no business and financial models
- Less willingness to accept bull case

**Press Forward** Open

- Investor "FOMO"
- Fundamental diligence but with eye towards upside case and assuming success

**Bubble** Open

- No belief in upside case = no allocation
- Little fundamental diligence, relative valuation in place of fundamental valuations

