

**The Daily Check-In With Goldman Sachs  
Hosted by Global Head of Brand and Content  
Strategy Liz Bowyer  
With Jane Dunlevie  
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**LIZ BOWYER:** Hi Jane.

**JANE DUNLEVIE:** Hi Liz.

**LIZ BOWYER:** You've been Goldman Sachs' lead banker on a number of IPOs this year, including Airbnb and DoorDash. We'll talk about this recent surge in IPOs. But it was only fairly recently that the mantra for many companies was to stay private for longer. Give us a sense of that evolution.

**JANE DUNLEVIE:** Liz, you're right. Five years ago we were talking about companies staying private longer. And many of the largest tech companies in the world were largely financing their businesses in private markets. For our IPO business, this meant that we were doing one or two very large IPOs every year. This is really from 2000 to 2016.

And then starting in 2018 we had a real turning point. And every year since then we've done more than a dozen IPOs that are greater than a billion dollars. We think of this IPO super cycle really as the new normal. These deals, the very large transactions, are comprised of both US businesses and international businesses, enterprise businesses, as well as consumer. And the scale and impact of the companies that we're taking public is really incredible. To give you a sense, the average valuation at IPO of these deals is almost 20 billion dollars.

**LIZ BOWYER:** So, what's driving this wave of activity?

**JANE DUNLEVIE:** Yeah, look, it's two things. First, tech companies have really never been more important to consumers and businesses around the world. This year we've seen in a period of really incredible disruption, we've seen tech companies step up and move quickly to address evolving consumer and business needs. Think of food or grocery delivery, of video conferencing, of messaging systems, every sort of digital gaming business or online commerce. And we've seen so much of tech catapulted forward that we have investors who can pick winners and want to invest in that growth.

Public markets have also rewarded that growth. And so, when we look at the IPO classes of businesses that went public in 2018 and '19, on average these businesses have more than doubled their value in public markets. Public markets are rewarding growth and chasing tech.

**LIZ BOWYER:** So, even given all this activity throughout the year, there seems to be a lot of IPO activity right now at the end of the year. Is that typical?

**JANE DUNLEVIE:** This volume of large IPOs in December is actually incredibly atypical. We've seen in an average year maybe one December IPO, usually none of this scale. And this year we're going to see four. It's because of a few unique things that happened this year. You know, first, when COVID hit we saw most companies that we were working with pause their IPO preparedness. They turned inward and focused on their businesses.

But as markets rebranded really quickly this summer, companies that we were working with restarted their preparation and many other companies started afresh in the late summer

or early fall. And you're seeing these companies come public in December. It's also worth saying that this year was an election year. And so we had no real issuance window prior to Thanksgiving. And instead, we have a December that's been filled with mega IPOs.

**LIZ BOWYER:** And even beyond the volume of IPO activity, there also seems to be a lot of attention on the innovation behind bringing companies public right now. Talk about that.

**JANE DUNLEVIE:** It's an incredible moment of creativity and innovation in capital markets. You know, prior to this year most of us had never done an IPO not in person. And that's something that feels more and more standard and efficient. It's also innovation around how companies are getting public. And one of the things that we're so excited about is that there have really never been more paths to the public market that are viable to companies. And you know, if we think about the various ways to get public, they really appeal to different companies' objectives. And you'll continue to see more and more innovation on this front next year, whether it's through a direct listing or through a SPAC or through the work we're doing in IPO processes to give companies more data and insight when they're making decisions about where to price their IPO and who their investors will be.

**LIZ BOWYER:** And what are some specific examples of the intersection between a company's objectives and capital markets innovation?

**JANE DUNLEVIE:** I think the companies that are very focused on minimizing dilution, who don't want to raise primary capital, this type of company has been a great candidate for a direct listing. Then think of a

company that's very focused on picking each of its investors in the IPO. These are companies that have traditionally done IPOs. Think of a company with an objective set around providing employees liquidity in an IPO. We're working with companies on more and more creative lockup structures to help give employees liquidity early.

**LIZ BOWYER:** And what about investors? What are they most focused on?

**JANE DUNLEVIE:** Look, there's been a persistent focus on what happens after COVID and all of the transactions that we've led this year. When we think about 2021 and 2022, investors are hyper focused on how businesses will normalize. Their desire to put capital behind those businesses who have created real durable competitive advantage is incredibly interesting.

You know, when we think about investor focus it also is really diverse. Think of businesses that have grown dramatically this year and investors that are trying to think about how those businesses may normalize. Versus businesses who were challenged and reset this year who are now significantly accelerating as the world reopens.

**LIZ BOWYER:** So Jane, looking into 2021, where do you think the IPO markets go from here?

**JANE DUNLEVIE:** Look, we're incredibly excited about the continued innovation in this market. And we think we'll see more of it next year. You know, we talked about seeing volumes of more than a dozen billion dollar plus IPOs last year and this year. And we're on pace to see similar volumes in 2021.

**LIZ BOWYER:** Well, one question for investors is always around valuations and where we are in the cycle. What's your

perspective on that right now?

**JANE DUNLEVIE:** We're certainly in a top decile valuation environment. But we really believe that the pace of innovation, the scale of businesses that are continuing to take share in tech in this market, paired with a low interest rate environment, we think that these factors will continue to drive focus and real value creation over the long-term in tech.

**LIZ BOWYER:** Thanks Jane.

**JANE DUNLEVIE:** Thank you, Liz.

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