

## Table 4

### Median Age and Fraction of IPOs with VC and Buyout Backing, 1980-2009

There are 7,456 IPOs after excluding those with an offer price below \$5.00 per share, unit offers, ADRs, closed-end funds, partnerships, acquisition companies, REITs, bank and S&L IPOs, and firms not listed on CRSP. Missing numbers are supplemented by direct inspection of prospectuses on EDGAR, information from Dealogic for IPOs after 1991, Howard and Co.'s *Going Public: The IPO Reporter* from 1980-1985, and the Graeme Howard-Todd Huxster collection of IPO prospectuses for 1975-2006. Tech stocks are defined as internet-related stocks plus other technology stocks, not including biotech. Loughran and Ritter (2004) list the SIC codes in their appendix 3 and sources of founding dates in appendix 1. Age is defined as the year of the IPO minus the year of founding. For buyout-backed IPOs, the founding date of the predecessor company is used. VC-backed firms exclude private equity firms that are mainly buyout firms. Private equity (PE) or buyout-backed IPOs were restricted to "reverse LBOs" in the 1980s and 1990s. Jerry Cao has provided information on which IPOs are buyout-backed.

(table on the next page)

Year	Number of IPOs	IPOs w/ Missing Age	Median Age	VC-backed		Buyout-backed		Technology IPOs	
				No.	%	No.	%	No.	% VC-backed
1980	73	0	6	24	33%	n.a.	n.a.	23	61%
1981	197	0	8	56	28%	n.a.	n.a.	73	40%
1982	80	0	5	21	26%	n.a.	n.a.	42	36%
1983	449	1	7	115	26%	n.a.	n.a.	172	38%
1984	178	2	7.5	45	25%	n.a.	n.a.	51	51%
1985	185	0	8	38	21%	15	8%	35	46%
1986	397	3	7	78	20%	42	11%	74	42%
1987	291	7	6	69	24%	39	13%	59	66%
1988	102	0	7.5	33	32%	8	8%	26	62%
1989	113	2	7	40	35%	10	9%	34	65%
1990	110	4	8	44	40%	13	12%	30	77%
1991	287	3	9	111	39%	77	27%	70	63%
1992	412	3	9	139	34%	97	24%	111	60%
1993	509	8	8	172	34%	79	16%	123	70%
1994	404	1	8	132	33%	21	5%	114	56%
1995	458	0	7	183	40%	29	6%	195	57%
1996	675	0	7	259	38%	35	5%	264	56%
1997	474	1	8	126	27%	33	7%	169	42%
1998	284	0	7	73	26%	33	12%	112	47%
1999	477	0	4	267	56%	35	7%	368	65%
2000	381	0	6	239	63%	31	8%	261	68%
2001	79	0	12	29	37%	25	32%	23	70%
2002	66	0	14.5	14	21%	28	42%	20	45%
2003	62	0	11	24	39%	21	34%	17	59%
2004	174	0	8	78	45%	44	25%	61	66%
2005	160	0	11	45	28%	67	42%	45	49%
2006	157	0	13	53	34%	69	44%	46	52%
2007	160	0	9	65	41%	33	21%	72	61%
2008	21	0	14	9	43%	3	14%	5	80%
2009	41	0	15	12	29%	18	44%	11	55%
1980-1989	2,065	15	7	519	25%	n.a.	n.a.	589	46%
1990-1994	1,722	20	8	598	35%	287	17%	448	63%
1995-1998	1,891	0	7	641	34%	130	7%	740	52%
1999-2000	858	0	5	506	59%	66	8%	629	66%
2001-2009	920	0	10	329	36%	308	33%	300	58%
<b>1980-2009</b>	<b>7,456</b>	<b>35</b>	<b>8</b>	<b>2,593</b>	<b>35%</b>	<b>905</b>	<b>14%</b>	<b>2,706</b>	<b>57%</b>

**Table 17****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 2005 purchasing power using the Consumer Price Index. IPOs from 1980-2008 are used, with returns calculated through the end of December, 2009. In Panel A, the sample size is 7,314 firms for which sales data is available. IPOs with an offer price below \$5.00 per share, unit offers, ADRs, REITs, closed end funds, partnerships, banks and S&Ls, and IPOs not listed on CRSP within six months of the offer date are excluded. In Panel B, two additional screens are implemented, reducing the sample size. These two additional screens are that the last twelve months (LTM) sales of the issuing firm is at least \$50 million (2005 purchasing power) and that the IPO occurred in 1985-2008, since I do not have information on buyout-backed IPOs from 1980-1984. Buy-and-hold returns are calculated until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2009 for IPOs from 2007 and 2008). 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. All returns include dividends and capital gains, including the index returns. Jerry Cao of Singapore Management University has assisted in providing data on the classification of IPOs as buyout-backed.

**Panel A: IPOs from 1980-2008 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	2,569	28.1%	22.9%	-13.0%	1.6%
NonVC-backed	4,745	12.7%	19.6%	-23.5%	-11.9%
NonVC and nonBuyout	3,847	13.6%	16.5%	-30.1%	-14.6%
All	7,314	18.1%	20.8%	-19.8%	-7.1%

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

**Panel B: IPOs with at least \$50 million in LTM sales (2005 purchasing power) from 1985-2008 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	782	8.6%	35.0%	6.7%	2.5%
NonBuyout-backed	2,307	13.9%	38.5%	-4.4%	2.2%
All	3,089	12.6%	37.7%	-1.6%	2.3%

**Table 18****Long-run Returns on IPOs Categorized by VC-backing, by Subperiod**

IPOs from 1980-2008 are used, with returns calculated through the end of December, 2009. In Panel A, the sample size is 7,328 firms. (Unlike Table 16, information on sales is not required for this table, which adds 14 IPOs.) IPOs with an offer price below \$5.00 per share, unit offers, ADRs, REITs, closed end funds, SPACs, most 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 until the earlier of the three-year anniversary or the delisting date (Dec. 31 of 2009 for IPOs from 2007 and 2008). 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. All returns include dividends and capital gains, including the index returns. Only IPOs for which the post-issue book value of equity information is available are included.

**Panel A: IPOs from 1980-2008 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	2,569	28.1%	22.9%	-13.0%	1.6%
NonVC-backed	4,759	12.7%	19.6%	-23.6%	-12.0%
All	7,328	18.1%	20.7%	-19.9%	-6.2%

**Panel B: 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	8.5%	32.1%	-13.6%	15.2%
NonVC-backed	1,506	6.8%	18.8%	-26.1%	-2.4%
All	2,019	7.2%	22.2%	-22.9%	2.1%

**Panel C: 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	1,236	17.5%	59.8%	-2.2%	25.9%
NonVC-backed	2,345	13.4%	28.7%	-31.0%	-14.3%
All	3,581	14.8%	39.4%	-21.1%	-0.4%

**Panel D: 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	503	82.5%	-63.3%	-41.4%	-62.7%
NonVC-backed	348	38.2%	-37.2%	-16.4%	-52.8%
All	851	64.4%	-52.6%	-31.2%	-58.7%

**Panel E: 2001-2008**

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	317	15.2%	1.1%	-9.7%	-12.7%
NonVC-backed	560	10.1%	18.6%	9.8%	-2.9%
All	877	11.9%	12.2%	2.8%	-6.5%