

## **Money Left on the Table in IPOs by Firm**

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The flurry of internet offerings that rocketed in price on their first day of trading during 199-2000 dramatically changed the ranking of which IPOs left the most amount of money on the table. The amount of money left on the table is defined as the difference between the closing price on the first day and the offer price, multiplied by the number of shares sold. In other words, this is the first-day profit received by investors who were allocated shares at the offer price. It represents a wealth transfer from the shareholders of the issuing firm to these investors.

Before the late 1990s, IPOs that left a lot of money on the table were primarily very large offerings with moderate underpricing. For example, the Allstate insurance company offering of June 1993 had a U.S. offering of 68,500,000 shares at \$27.00 per share. The price rose 8.8% on the first day, closing at \$29.375. The \$2.375 capital gain, multiplied by 68,500,000 shares, meant that \$163 million was left on the table.

173 deals are listed in order to see where Netscape ranks. However, ADR issues have been excluded from the list of IPOs.

Of the top 173 deals in terms of the amount of money left on the table, approximately 144 are technology offerings, all but four of which displayed huge underpricing while selling at most 10,000,000 shares. Almost all of the other IPOs making the list sold at least 15 million shares and went up by less than 60%. In 2001, there were only six additions to the list. In 2002, there was only one addition. None were technology companies. In 2003, no firms were added to the list. In 2004, Google left \$300,545,000 on the table. In 2005, four firms were added to the list, and one has been added in 2006.

## Money Left on the Table

The following is a listing of the most amount of money “left on the table” in IPOs. The money left on the table is defined as the difference between the closing price on the first day of trading and the offer price, multiplied by the number of shares sold. The number of shares sold in the initial public offering excludes overallotment options, which typically would add another 15% to the number of shares sold. (Goldman Sachs had no overallotment option. Because they were so confident about excess demand, they pre-exercised it and increased the deal size by 15%. Goldman had an international tranche of 13,800,000 shares, which increases the total amount of money left on the table in its IPO to \$1.199 billion.) The number of shares sold includes all shares sold in the offering by both the company and by selling shareholders, but includes only the domestic (U.S. and Canada) portion. In other words, any international tranche is not counted. Some offerings, especially those with proceeds of over \$200 million, have an international tranche. Priceline.com didn’t, and is also unusual in having no overallotment option. Equant, a Dutch firm, had a global offering of 26,100,000 shares, giving money left on the table of \$438 million. NTT’s 1987 offering in Japan (with no U.S. tranche) left billions of dollars on the table, and undoubtedly still ranks as the world-wide leader for the amount of money left on the table.

The listing of the top 172 deals, ranked by money on the table, includes only deals after January 1985. A spot check of candidates from earlier years, such as the 1980 Genentech offering, finds that they don’t come close to making the list. This mainly reflects the fact that the level of the stock market is more than ten times higher today than in the 1970s and early 1980s.

IPOs marked with an \* also had international tranches. UPS sold 109.4 million shares on a worldwide basis, and Goldman Sachs sold 69.0 million shares on a worldwide basis, for instance. Goldman Sachs and Sycamore Networks “pre-exercised” their overallotment options.

Dollar amount left on the table	Company	IPO date	Offer Price	First closing market price	Number of shares offered	Ticker symbol
\$1,597,240,000	United Parcel Service*	991110	\$50.00	\$68.25	87,520,000	UPS
\$1,539,512,500	Corvis	000728	\$36.00	\$84.71875	31,600,000	CORV
\$1,312,437,500	Palm	000302	\$38.00	\$95.0625	23,000,000	PALM
\$1,096,956,250	Sycamore Networks	991022	\$38.00	\$184.75	7,475,000	SCMR
\$1,072,687,500	Akamai Technologies	991029	\$26.00	\$145.1875	9,000,000	AKAM
\$969,850,000	Aligent Technologies	991118	\$30.00	\$44.875	65,200,000	A
\$959,100,000	Goldman Sachs*	990504	\$53.00	\$70.375	55,200,000	GS
\$948,600,000	AT&T Wireless	000427	\$29.50	\$32.60	306,000,000	AWE
\$920,700,000	VA Linux	991209	\$30.00	\$239.25	4,400,000	LNUX
\$835,200,000	Free Markets	991210	\$48.00	\$280.00	3,600,000	FMKT
\$816,000,000	Avanex Corporation	000204	\$36.00	\$172.00	6,000,000	AVNX
\$797,897,600	Carrier International SA	000224	\$17.48	\$34.50	46,880,000	CONE
\$728,242,000	Webmethods	000211	\$35.00	\$212.62	4,100,000	WEBM
\$719,531,250	McData Corp.	000809	\$28.00	\$85.5625	12,500,000	MCDT
\$656,250,000	Foundry Networks	990928	\$25.00	\$156.25	5,000,000	FDRY
\$616,401,360	KPMG Consulting Inc	010208	\$18.00	\$23.48	112,482,000	KCIN
\$600,000,000	Genentech	990720	\$97.00	\$127.00	20,000,000	DNA
\$580,000,000	Intersil Holding	000225	\$25.00	\$54.00	20,000,000	ISIL
\$569,250,000	Storage Networks	000630	\$27.00	\$90.25	9,000,000	STOR
\$553,932,000	Terra Networks	991117	\$13.41	\$38.25	22,300,000	TRRA
\$553,181,250	Finisar	991112	\$19.00	\$86.875	8,150,000	FNSR
\$541,875,000	Charter Communications*	991109	\$19.00	\$22.75	144,500,000	CHTR
\$538,630,000	Gigamedia	000218	\$27.00	\$88.00	8,830,000	GIGM
\$530,625,000	Cobalt Networks	991105	\$22.00	\$128.125	5,000,000	COBT
\$530,000,000	Priceline.com	990330	\$16.00	\$69.00	10,000,000	PCLN
\$511,875,000	Cacheflow	991119	\$24.00	\$126.3750	5,000,000	CFLO
\$501,250,000	Utstarcom	000303	\$18.00	\$57.25	5,000,000	UTSI
\$470,579,200	eToys	990520	\$20.00	\$76.5625	8,320,000	bankrupt
\$460,500,000	ONI Systems	000601	\$25.00	\$82.5625	8,000,000	ONIS
\$460,250,000	Avici Systems	000728	\$31.00	\$96.75	7,000,000	AVCI

\$451,171,875	Rhythms NetConnections	990407	\$21.00	\$69.125	9,375,000	RTHM
\$444,937,600	Selectica	000310	\$30.00	\$141.2344	4,000,000	SLTC
\$422,422,000	Arrowpoint Communic.	000331	\$34.00	\$118.4844	5,000,000	ARPT
\$420,091,313	Jazztel Plc	991209	\$17.44	\$58.9375	10,125,000	JAZZ
\$411,983,000	Via Networks	000211	\$21.00	\$49.81	14,300,000	VNWI
\$400,600,000	Cosine Communications	000926	\$23.00	\$63.06	10,000,000	COSN
\$398,750,000	Southern Energy	000927	\$22.00	\$28.875	58,000,000	SOE
\$391,250,000	Firepond	000204	\$22.00	\$100.25	5,000,000	FIRE
\$377,812,500	Asiainfo Holdings	000303	\$24.00	\$99.5625	5,000,000	ASIA
\$369,750,000	Diversa	000214	\$24.00	\$75.00	7,250,000	DVSA
\$360,000,000	Niku	000229	\$24.00	\$69.00	8,000,000	NIKU
\$355,384,125	Lucent Technologies*	960403	\$27.00	\$30.625	98,037,000	LU
\$335,000,000	Ariba	990623	\$23.00	\$90.00	5,000,000	ARBA
\$327,462,500	Associates First Capital	960507	\$29.00	\$34.75	56,950,000	AFS
\$324,000,000	Onvia.com	000301	\$21.00	\$61.50	8,000,000	ONVI
\$323,082,720	Conoco*	981021	\$23.00	\$24.875	172,310,784	COC
\$320,625,000	Open TV Corp	991123	\$20.00	\$62.75	7,500,000	OPTV
\$317,812,250	MP3.com	990721	\$28.00	\$63.3125	9,000,000	MPPP
\$315,250,000	Transmeta Corp	001107	\$21.00	\$45.25	13,000,000	TMTA
\$313,351,563	InterNAP Network Services	990929	\$20.00	\$52.984375	9,500,000	INAP
\$311,400,000	Juniper Networks	990625	\$34.00	\$98.875	4,800,000	JNPR
\$304,937,500	Infinity Broadcasting*	981209	\$20.50	\$23.0625	119,000,000	INF
\$300,545,000	Google	040819	\$85.00	\$100.33	19,605,052	GOOG
\$295,000,000	Agency.com	991208	\$26.00	\$76.00	5,900,000	ACOM
\$291,057,813	Capstone Turbine	000629	\$16.00	\$47.984375	9,100,000	CPST
\$286,000,000	Active Power	000808	\$17.00	\$52.75	8,000,000	ACPW
\$279,562,500	Sequenom	000201	\$26.00	\$79.25	5,250,000	SQNM
\$275,625,000	Neoforma.com	000124	\$13.00	\$52.375	7,000,000	NEOF
\$274,860,000	724 Solutions Inc	000128	\$26.00	\$71.81	6,000,000	SVNX
\$268,625,000	Extreme Networks	990409	\$17.00	\$55.375	7,000,000	EXTR
\$264,687,500	Versata	000303	\$24.00	\$92.75	3,850,000	VATA
\$261,375,000	Next Level Communication	991110	\$20.00	\$50.75	8,500,000	NXTV
\$260,859,375	Blue Martini	000725	\$20.00	\$54.78125	7,500,000	BLUE
\$258,000,000	Emerge Interactive	000204	\$15.00	\$47.25	8,000,000	EMRG
\$256,411,500	Infonet Services	991216	\$21.00	\$26.00	51,282,300	IN
\$253,000,000	Universal Access	000317	\$14.00	\$37.00	11,000,000	UAXS
\$252,000,000	Avenue A	000229	\$24.00	\$72.00	5,250,000	AVEA
\$249,750,000	Marvel Technology Group	000627	\$15.00	\$56.625	6,000,000	MRVL
\$246,875,000	Webvan	991105	\$15.00	\$24.875	25,000,000	bankrupt
\$244,050,000	Matrixone	000301	\$25.00	\$73.81	5,000,000	MONE
\$243,750,000	Northpoint Communications	990505	\$24.00	\$40.25	15,000,000	NPNT
\$238,450,000	Preview Systems	991208	\$21.00	\$83.75	3,800,000	PRVW
\$237,820,000	Nextel Partners	000223	\$20.00	\$30.12	23,500,000	NXTP
\$236,437,500	Intertrust Technologies	991027	\$18.00	\$54.375	6,500,000	ITRU
\$235,500,000	Paradyne	990716	\$17.00	\$56.25	6,000,000	PYDN
\$235,200,000	Anthem Insurance Cos.	011030	\$36.00	\$40.90	48,000,000	ATH
\$232,925,000	Inrange Technologies	000922	\$16.00	\$46.25	7,700,000	INRG
\$231,375,000	360 Networks	000420	\$14.00	\$19.00	46,275,000	TSIX
\$228,375,000	Redhat	990811	\$14.00	\$52.0625	6,000,000	RHAT
\$227,695,500	Crossroads Systems	991020	\$18.00	\$78.7188	3,750,000	CRDS
\$225,500,000	TheStreet.com	990511	\$19.00	\$60.00	5,500,000	TSCM
\$223,750,000	Alteon Websystems	990924	\$19.00	\$74.9375	4,000,000	ATON
\$222,600,000	Travelers Prop. Casualty A	020321	\$18.50	\$19.56	210,000,000	TAPA
\$222,250,000	Vicinity Corp	000209	\$17.00	\$48.75	7,000,000	VCNT
\$221,375,000	Marketwatch.com	990115	\$17.00	\$97.50	2,750,000	MKTW
\$219,000,000	U.S. Internetworking	990409	\$21.00	\$57.50	6,000,000	USIX
\$213,994,000	Open Link Communications	001004	\$18.00	\$33.62	13,700,000	OPLK

\$213,525,000	Covad Communications	990122	\$18.00	\$45.375	7,800,000	COVID
\$212,500,000	Principal Financial Group*	011023	\$18.50	\$21.00	85,000,000	PFG
\$212,160,000	Fox Entertainment Group*	981110	\$22.50	\$24.50	106,080,000	FOX
\$212,000,000	Intercontinental Exchange	051115	\$26.00	\$39.25	16,000,000	ICE
\$205,000,000	Extensity	990127	\$20.00	\$71.25	4,000,000	EXTN
\$204,856,250	iVillage	990319	\$24.00	\$80.125	3,650,000	IVIL
\$204,000,000	Turnstone Systems	000201	\$29.00	\$97.00	3,000,000	TSTN
\$202,980,000	Interwave Communic. Intl.	000128	\$13.00	\$36.88	8,500,000	IWAV
\$200,000,000	McAfee.com	991202	\$12.00	\$44.000	6,250,000	MCAF
\$197,437,500	Espeed	991210	\$22.00	\$43.9375	9,000,000	ESPD
\$195,825,000	China.com	990713	\$20.00	\$66.625	4,200,000	CHINA
\$194,625,000	Aether Systems	991021	\$16.00	\$48.4375	6,000,000	AETH
\$190,000,000	Triton PCS Holdings	991028	\$18.00	\$37.125	10,000,000	TPCS
\$189,750,000	Copper Mountain	990513	\$21.00	\$68.4375	4,000,000	CMTN
\$188,437,500	Critical Path	990329	\$24.00	\$65.875	4,500,000	CPTH
\$188,343,750	Gadzoox Networks	990720	\$21.00	\$74.813	3,500,000	ZOOX
\$188,000,000	Wireless Facilities	991105	\$15.00	\$62.00	4,000,000	WFII
\$185,937,500	OTG Software	000310	\$19.00	\$56.1875	5,000,000	OTGS
\$183,750,000	Ticketmaster Online-Citysr.	981202	\$14.00	\$40.25	7,000,000	TMCS
\$182,250,000	Digital Impact	991123	\$15.00	\$55.50	4,500,000	DIGI
\$181,500,000	Andover.net	991208	\$18.00	\$63.3750	4,000,000	acquired
\$180,000,000	Metasolv Software	991118	\$19.00	\$55.00	5,000,000	MSLV
\$178,125,000	SCG Holding	000428	\$16.00	\$21.9375	30,000,000	ONNN
\$177,031,250	Value America	990408	\$23.00	\$55.1875	5,500,000	bankrupt
\$175,692,186	Equant NV*	980720	\$27.00	\$43.81	10,451,647	ENT
\$174,562,500	Speedworks International	000801	\$20.00	\$56.75	4,750,000	SPWX
\$173,333,336	Chipotle Mexican Grill	060126	\$22.00	\$44.00	7,878,788	CMG
\$173,250,000	Dolby Laboratories	050206	\$18.00	\$24.30	27,500,000	DLB
\$171,500,000	Ondisplay	991217	\$28.00	\$77.0000	3,500,000	ONDS
\$169,680,000	Buy.com	000208	\$13.00	\$25.12	14,000,000	BUYX
\$168,950,000	theGlobe.com	981112	\$9.00	\$63.50	3,100,000	bankrupt
\$168,849,200	Spanish Broadcasting Syst.	991028	\$20.00	\$27.75	21,787,400	SBSA
\$168,300,000	Prudential Financial*	011213	\$27.50	\$29.30	93,500,000	PRU
\$168,000,000	Calico Commerce	991007	\$14.00	\$56.00	4,000,000	CLIC
\$166,500,000	Quintus Corporation	991116	\$18.00	\$55.00	4,500,000	QNTS
\$166,250,000	Register.com	000303	\$24.00	\$57.25	5,000,000	RCOM
\$164,942,500	Net Genesis	000229	\$18.00	\$56.81	4,250,000	NTGX
\$164,900,000	iBasis	991110	\$16.00	\$40.25	6,800,000	IBAS
\$164,060,000	Expedia*	991110	\$14.00	\$53.4375	4,160,000	EXPE
\$163,000,000	Marimba	990430	\$20.00	\$60.75	4,000,000	MRBA
\$162,687,500	Allstate	930602	\$27.00	\$29.375	68,500,000	ALL
\$162,500,000	Delano Technology Corp	000209	\$18.00	\$50.50	5,000,000	DTEC
\$161,250,000	Drugstore.com	990728	\$18.00	\$50.25	5,000,000	DSCM
\$160,000,000	DLJdirect	990526	\$20.00	\$30.00	16,000,000	DIR
\$157,500,000	Fair Market	000314	\$17.00	\$48.50	5,000,000	FAIM
\$156,375,000	Maxygen	991216	\$16.00	\$42.0625	6,000,000	MAXY
\$156,000,000	Engage Technologies	990720	\$15.00	\$41.00	6,000,000	ENGA
\$156,000,000	Reliant Resources	010501	\$30.00	\$33.00	52,000,000	RRI
\$155,000,000	New Focus	000518	\$20.00	\$51.00	5,000,000	NUFO
\$153,000,000	Therma Wave	000204	\$20.00	\$37.00	9,000,000	TWAV
\$152,812,500	Redback Networks	990518	\$23.00	\$84.125	2,500,000	RBAK
\$152,812,500	Ask Jeeves	990701	\$14.00	\$64.9375	3,000,000	ASKJ
\$152,146,000	JD Edwards*	970923	\$23.00	\$34.98	12,700,000	JDEC
\$151,830,000	Antigenics	000204	\$18.00	\$61.38	3,500,000	AGEN
\$150,660,000	Quantum Effect Devices	000201	\$16.00	\$56.50	3,720,000	QEDI
\$149,281,250	OneMain.com	990325	\$22.00	\$39.5625	8,500,000	ONEM

\$149,113,846	Under Armour	051117	\$13.00	\$25.30	12,124,000	UARM
\$148,843,750	Airnet Communications	991207	\$14.00	\$41.0625	5,500,000	ANCC
\$148,837,500	iTurf	990409	\$22.00	\$57.4375	4,200,000	TURF
\$148,255,000	Internet Capital Group	990805	\$12.00	\$24.4375	11,920,000	ICGE
\$146,500,000	Digimarc	991202	\$20.00	\$56.6250	4,000,000	DMRC
\$145,750,000	OfficeMax	941102	\$19.00	\$24.50	26,500,000	OMX
\$145,220,000	Refco	050810	\$22.00	\$27.48	26,500,000	RFX
\$145,200,000	Quest Software	990813	\$14.00	\$47.00	4,400,000	QSFT
\$144,500,000	Efficient Networks	990715	\$15.00	\$51.125	4,000,000	EFNT
\$144,375,000	Net 2000 Communications	000307	\$20.00	\$34.4375	10,000,000	NTKK
\$144,000,000	New Power Company	001005	\$21.00	\$27.00	24,000,000	NPW
\$143,000,000	Consolidated Rail	870326	\$28.00	\$30.75	52,000,000	acquired
\$143,000,000	Perot Systems	990202	\$16.00	\$43.50	5,200,000	PER
\$141,962,500	El Sitio	991210	\$16.00	\$33.3125	8,200,000	LCTO
\$140,156,250	Duracell International	910501	\$15.00	\$20.75	24,375,000	acquired
\$139,760,000	Lante Corp	000211	\$20.00	\$54.94	4,000,000	LNTE
\$139,031,400	Illumina	000728	\$16.00	\$39.1719	6,000,000	ILMN
\$138,239,474	Security Capital Group	970917	\$28.00	\$34.125	22,569,710	SCZ
\$138,125,000	Delphi Automotive*	990205	\$17.00	\$18.625	85,000,000	DPH
\$138,000,000	Impsat Fiber Networks	000201	\$17.00	\$29.00	11,500,000	IMPT
\$137,500,000	Sonus Networks	000525	\$23.00	\$50.50	5,000,000	SONS
\$136,562,500	Rad Vision Limited	000314	\$20.00	\$55.9375	3,800,000	RVSN
\$132,360,421	Annuity and Life RE	980408	\$15.00	\$22.75	17,078,764	ALRE
\$132,000,000	CommerceOne	990701	\$21.00	\$61.00	3,300,000	CMRC
\$132,000,000	Peabody Energy	010522	\$28.00	\$36.80	15,000,000	BTU
\$131,500,000	Accelerated Networks	000623	\$15.00	\$47.875	4,000,000	ACCL
\$131,250,000	NetZero	990924	\$16.00	\$29.125	10,000,000	NZRO
\$130,000,000	Autoweb	990323	\$14.00	\$40.00	5,000,000	AWEB
\$129,250,000	Polo Ralph Lauren*	970611	\$26.00	\$31.50	23,500,000	RL
\$128,562,500	Netscape Communications	950808	\$28.00	\$58.25	4,250,000	acquired

Source: Prof. Jay R. Ritter, University of Florida (352-846-2837 voice). Data come from Bloomberg, Securities Data Co., and the S.E.C.'s Edgar electronic database of 424B forms (final prospectuses).