
WilmerHale Clients Breaking the IPO Drought

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After a dismal 12 months that saw the IPO market plummet to historic lows, a recent uptick in IPO activity has heralded the welcome return of investor confidence and a new willingness among strong IPO candidates to venture into the public company arena. [WilmerHale Venture Group](#) (WHVG) clients LogMeIn and A123 Systems are among a select group positioned at the leading edge of the IPO market recovery. The IPOs of LogMeIn and A123 represent the only two initial public offerings to come out of Massachusetts to date in 2009, and are two of only 21 US IPOs completed by the end of the third quarter.

The IPO market turned in its worst performance in a generation in 2008, with only 31 IPOs¹—the lowest annual total since 1975—and gross proceeds of \$24.1 billion (of which \$17.9 billion came from a single offering), representing an 85% drop in deal volume and a 48% drop in gross proceeds from 2007.

In the first quarter of 2009, which saw only one IPO, the market hit rock bottom. And yet by Q2 the outlook had started to brighten as 10 companies went public, nine of these priced at or above the top of their ranges, including Woburn, Massachusetts-based LogMeIn, a provider of on-demand and remote-access desktop control software. The momentum continued into Q3, with 10 more IPOs, including the highly anticipated debut of cleantech lithium-ion battery-maker A123 Systems, one of five companies to begin trading in the final week of September. LogMeIn's shares rose 25% on the first day of trading, while A123's shares rose by more than 50% on the first day of trading.

The pace of new deals has continued to accelerate into Q4. Thirteen companies went public in October, followed by 11 more in November, and SEC data shows that company filings are on the rise, while IPO withdrawals are down significantly from their peak in December 2008, all of which bodes well for the balance of the year. Still, gains for the year are likely to be modest when compared with the annual average of 200 IPOs that prevailed between 2004 and 2007, or the 500 IPOs of 10 years ago.

Keeping pace with the IPO market recovery, in October WilmerHale and Practising Law Institute (PLI), the nation's leading provider of continuing legal education, announced the release of *Initial Public Offerings: A Practical Guide to Going Public*, the first comprehensive and practical guide to focus exclusively on the planning, procedures, opportunities and pitfalls involved in the IPO process.

Initial Public Offerings is written by Partner [David Westenberg](#) of the Corporate Practice Group at WilmerHale, and draws upon his and the firm's decades of IPO market experience. Click [here](#) to learn more.

This fall the firm also published its [2009 IPO Report](#), [2009 Venture Capital Report](#) and [2009 M&A Report](#), which offer insights into current market conditions and feature commentary, guidance and rankings of interest to venture-backed companies, public companies, executives, venture capitalists, investment bankers and accountants.

¹ WilmerHale compiled all data in this story based on SEC filings. Offerings by REITs, bank conversions, closed-end investment trusts and special purpose acquisition companies are excluded.