

A Delay in Exit Plans

Article By:

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There was much hope going into 2025 that we would see a rebound in the IPO market after a bit of a drought over the past few years. We left the uncertainty of the election behind us, and good news on the inflation and interest rate fronts were fueling a sense of hope that 2025 was going to be a great year for the IPO market. However, at almost three months into the new year, it is looking like that rebound might be delayed a little longer.

The [Wall Street Journal](#) reports that the market volatility we are currently seeing is going to make IPO pricing a “monumental challenge,” and the IPO recovery that venture investors have been waiting on is on hold. The market is reacting to the threats of tariffs and a trade war, as well as recent talks of a recession, and the WSJ says this is keeping some companies on the sidelines as they delay their exit plans.

[Yahoo! Finance](#) cites data from Dealogic indicating that the total value of US IPOs is up 62%, coming in at \$10 billion as of March 11 – almost double the number of deals compared to the same period in 2024. However, this is still well lower than the kinds of numbers we were seeing in the boom of 2021.

There are some companies who have already gone public this year, with six venture backed IPO's as of mid-March. And there are still some on track, at least as of now, for the second quarter. Klarna and CoreWeave both filed an IPO prospectus this month, but those plans could be derailed if the market continues its roller coaster ride. Others have already put their plans on hold.

And it is not just IPOs that are delayed – mergers & acquisitions (M&A) are also off to an extremely slow start this year despite expectations that there would be more robust activity this year. [PitchBook](#) data show that “US M&A volumes in January were the lowest they've been in 10 years, and February wasn't rosy either.” They point to antitrust policy, market turmoil, and “price mismatches” as contributing factors here. The leadership at the DOJ and FTC also remains critical of Big Tech, so many of those players are sitting on the sidelines which has slowed down dealmaking considerably.

Only time will tell how the back and forth on tariffs will play out, but they are certainly having an impact on the market now and could have longer term impacts that further delay exit plans. A recent article in [Forbes](#) notes that the “market's long-term response to tariffs depends largely on adaptability—how quickly companies can adjust supply chains, pass costs to consumers, or find alternative markets.” But how quickly companies can pivot remains to be seen, and timing will be

critical for market stability and for transactions to resume.

There is certainly still hope that successful trade negotiations could end this tariff battle, but there are still fears about the current state of the economy and the potential for a recession. The world is watching closely to see how all of this shakes out, as is everyone sitting on the sidelines planning their next move.

Given that the pre-IPO planning process can be lengthy, and we know that better planning leads to better performance (and that lack of planning leads to poor results), companies and financial sponsors should be getting their ducks in a row for an anticipated IPO market window opening soon, perhaps as early as May 2025.

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