



## **WOMEN: NOT PRESENT ON IPO COMPANY BOARDS**

For years we have heard that men largely populate the boards of IPO companies. We decided to test that precept. 2020 Women on Boards looked at the gender composition of the boards of directors for the 25 largest IPOs<sup>1</sup> over the past three years and the results are worse than expected. It is widely accepted that IPO company boards are populated by venture capital appointees who are mostly white men, but we hoped that at the point of going public, companies would recognize that board diversity is essential to success. Not so. Of the 75 largest IPOs from 2014 to 2016, nearly half, or 37 companies, went public with no women on their boards. Another 25%, or 19 companies, had only one woman. In other words, between 2014-2016, three fourths of companies with the largest IPOs went public with one or no women on their boards.

The optimists among us might assume that these companies would correct this judgement error in the first year or two of operating in the public eye—and in fact, several of them did. The number of Zero 'Z' Companies with no women on their boards dropped from 37 to 22, or 30%, and the number of Token 'T' Companies with one (token) woman rose from 19 to 27, or 37%, as 'Z' companies added a woman. Additionally, two all-male IPO companies that failed to diversify were no longer trading by May 2017. Nevertheless, even after a year or two of being public, two thirds of the companies still had one or no female directors.

Every year 2020 Women on Boards publishes the Gender Diversity Index (GDI). In 2016, the percentage of women on the boards of GDI companies rose to 19.7% and the percentage of women on the 2016 *Fortune 1000* list was 18.8%. When we compare this progress to the recent IPOs where the percentage of women on these boards is 9.4%, we see how far we need to go.

What is encouraging, however, is that the boards of these companies are relatively small, with an average of 8 directors per board at the time of the IPO and 8.5 directors per board in May 2017, meaning there is room to grow and diversify. Established companies tend to have nine to twelve board members, so these newer public companies can safely expand the size of their boards to include more women. So far, since going public the companies in this study have added a total of 30 women and 24 men to their boards. While we applaud this improvement, it is imperative that we take action to ensure that progress for women directors does not stop here.



How might we correct this huge oversight of women directors by so many companies going public? The 2020 Women on Boards campaign has adopted a three-point plan of action. First, publicize the list of IPO companies with zero- or one-woman director and educate them about the value of a diverse board. Second, encourage the underwriters of the IPOs to make sure companies go public with diverse boards. (See the Underwriter Scorecard below.) Finally, we should encourage investors to stop supporting IPOs that have all-male boards. By holding these companies accountable and showing them that investors and consumers pay attention to gender composition on corporate boards, we can accelerate progress for women.

The following chart shows the track record of major underwriters for the 75 largest IPOs (measured by market cap on the first day of trading) for 2014 - 2016.

<b>Underwriters</b>	<b>#IPO Companies</b>	<b>% of Companies with No Women at IPO</b>	<b>% of Companies with 1 Woman at IPO</b>
<b>Barclays</b>	21	62%	14%
<b>Citigroup</b>	23	48%	17%
<b>Credit Suisse</b>	16	56%	25%
<b>Deutsche Bank</b>	10	70%	30%
<b>Goldman Sachs</b>	42	55%	26%
<b>J P Morgan</b>	30	43%	33%
<b>Merrill Lynch</b>	23	52%	35%
<b>Morgan Stanley</b>	33	33%	33%



**LARGEST IPO COMPANIES FROM 2014 - 2016  
WITH NO WOMEN ON THEIR BOARDS AS OF MAY 2017**

Acacia Communications Inc.	NantHealth Inc
Antero Midstream Partners LP	NantKwest, Inc.
Catalent, Inc.	Parsley Energy, Inc.
Eclipse Resources Corp.	Red Rock Resorts Inc
Enable Midstream Partners, LP	Seres Therapeutics Inc
EP Energy Corporation	Tallgrass Energy GP, LP
Extraction Oil & Gas Inc	TerraForm Global, Inc.
First Hawaiian Inc	US Foods Holding Corp.
Forterra Inc	Virtu Financial, Inc.
GMS Inc.	WildHorse Resource Development Corp
Medpace Holdings Inc	

**LARGEST IPO COMPANIES FROM 2014 – 2016  
WITH ONE WOMAN ON THEIR BOARDS AS OF MAY 2017**

Acushnet Holdings Corp.	Juno Therapeutics Inc.
Aduro BioTech, Inc.	LendingClub Corp
Advanced Disposal Services, Inc.	MGM Growth Properties LLC
AdvancePierre Foods Holdings, Inc.	Party City Holdco Inc.
American Renal Associates Holdings, Inc.	Performance Food Group Co.
Atkore International Group Inc.	Pure Storage, Inc.
Box, Inc.	Rice Energy Inc.
Camping World Holdings, Inc.	Santander Consumer USA Holdings Inc.
Coupa Software Inc	SiteOne Landscape Supply, Inc.
Editas Medicine Inc	TransUnion
EQT GP Holdings, LP	Univar Inc.
GoDaddy Inc.	Valvoline Inc.
GoPro Inc.	VWR Corp.
Inovalon Holdings, Inc.	

\*2020 Women on Boards uses the following nomenclature to describe the percentage of women on company boards of directors:

- Winning (W) Companies = 20 percent or more women directors
- Very Close (V) Companies = 11 – 19 percent women directors
- Transition (T) Companies = 1 woman
- Zero (Z) Companies = No women directors

*Note: Data obtained from WFE - The World Federation of Exchanges Ltd. and based on market cap on the first day of trading on the NASDAQ US and NYSE exchanges. Board diversity data is based on Form S-1 filed by the companies with the Securities Exchange Commission, and updated with information from the companies' websites.*