



# WOMEN GAIN STEAM ON IPO BOARDS

## An Annual Review of Women's Status on the Top 25 IPO Company Boards, Ranked by Market Cap.

While 2020 presented many challenges for Women in the Workplace<sup>1</sup>, women's advancement onto IPO boards, and all public company boards, continues to increase.

In 2020, women held 24% of the board seats of the 25 largest IPOs, outpacing the national percentage of seats held in Russell 3000 Index companies, 22.6%<sup>2</sup>. Just one company in the IPO class of 2020 went public without women directors, Dun & Bradstreet (DNB NYSE), which relisted on July 1.

### Among the Top 25 IPOs Key Findings Include:

- Women hold 24.0% of the board seats, compared with 21% in 2019.
- Just one company had zero women directors, six companies had just one.
- Similar to 2019, two companies on the 2020 list are gender-balanced, Rocket Company Inc., and Reynolds Consumer. The two gender-balanced companies on the 2019 list were Pager Duty Inc. and AssetMark Financial Holdings, Inc.
- Ten companies on the 2020 IPO list had three or more women directors.

<sup>1</sup> [https://wiw-report.s3.amazonaws.com/Women\\_in\\_the\\_Workplace\\_2020.pdf](https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf)

<sup>2</sup> <https://5050wob.com/wp-content/uploads/2020/10/2020-GDI-FINAL.pdf>



The uptick in women directors from 2019 to 2020 may be attributed to institutional investors' additional requirements that call on companies to diversify their boards.

In 2017 and 2018, State Street Global Advisors and BlackRock spearheaded these requirements with voting proxy guidelines for companies to have at least one to two women directors. Last year, Goldman Sachs followed suit, announcing that it would not take a company public without at least one diverse board member. With an emphasis on women, they reviewed the performance of IPO's in the U.S. over four years, concluding that companies with at least one female director on their boards performed significantly better<sup>3</sup> compared to those without.

In December 2020, Nasdaq filed a proposal with the Securities and Exchange Commission (SEC) to adopt new listing rules<sup>4</sup> regarding boardroom diversity and disclosure. If approved, within four years, all companies listed on Nasdaq's U.S. exchange will be required to have, or explain why it does not have, at least two diverse directors – one who self-identifies as female and one who self-identifies as either an underrepresented minority or LGBTQ+.

In our 2019 analysis of IPOs from 2014 – 2018, we noticed that companies with little or no gender diversity on their boards at the time of IPO added women directors, overtime<sup>5</sup>. This was also true of the 2019 IPO companies. Of the top 25 companies that went public in 2019, by the end of 2020, they had added 12 women and five men for a percentage of 25.6% women on these companies' boards. LYFT and Uber Technologies became gender-balanced while AssetMark Financial no longer had that distinction.

More transparency, stricter investment rules, heightened shareholder expectations, and research by business thought leaders, reconfirming that companies with women directors outperform companies without, help drive gender diversity. The business community is taking notice, with the possible exception of 181-year-old Dunn & Bradstreet. Its lack of women directors makes us wonder. Can you teach an old dog new tricks?

It's likely that the investment community will continue to flex its muscle about boardroom diversity. It's also likely that venture capital funds and other early-stage investors abandon their practice of stacking boardrooms with their friends and look for other, more diverse candidates.

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<sup>3</sup> <https://www.cnn.com/2020/01/23/investing/goldman-sachs-ipo-diversity/index.html>

<sup>4</sup> <https://www.nasdaq.com/press-release/nasdaq-to-advance-diversity-through-new-proposed-listing-requirements-2020-12-01>

<sup>5</sup> <http://5050wob.com/wp-content/uploads/2020/02/2019-IPO-Report-FINAL-2.22.20.pdf>

## TOP 25 IPOs 2020

	IPO	Number of Directors	Number of Women
1	Air BnB	9	3
2	Snowflake Inc.	10	3
<b>3</b>	<b>Rocket Companies, Inc.</b>	<b>7</b>	<b>3</b>
4	Royalty Pharma	10	3
5	GoodRX Holdings	10	3
6	Unity Software Inc	9	3
7	Warner Music Group	11	2
8	ZoomInfo Technologies	9	1
9	Wish	7	2
10	PPD	9	1
11	Dun & Bradstreet Holdings, Inc	9	0
12	Oak Street Health, Inc	12	4
13	Bentley Systems	7	1
14	Ncino	8	1
15	McAfee Corp	7	2
16	Maravai Life Sciences	11	3
17	Sotera Health Co.	9	2
18	Root Inc.	11	2
19	GoHealth Inc.	9	3
20	Certara Inc.	8	1
<b>21</b>	<b>Reynolds Consumer Products Inc.</b>	<b>7</b>	<b>3</b>
22	Jfrog LTD	9	2
23	Vroom Inc.	7	2
24	American Well Corp	10	1
25	Legend Biotech	6	2

*Methodology: Data obtained from The World Federation of Exchanges Ltd. (WFE) 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. 50/50 Women on Boards is committed to accelerating gender balance and diversity on corporate boards. We define "Gender Balance" as women holding half, or one more or one less, than half of the board seats.*