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Quicken Loans looks to raise as much as \$3.8 billion from IPO

By Susan Tompor and JC Reindl (excerpt)
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Quicken Loans is looking to raise as much as \$3.8 billion from its initial public offering.

The Detroit-based mortgage giant, which is rebranding itself as Rocket Companies, disclosed Tuesday that it is offering 172 million shares at \$20 to 22 each, according to a Securities and Exchange Commission filing.

The company has yet to announce a date for the IPO.

Founder and Chairman Dan Gilbert would maintain significant control of the company following the IPO through his holding company, Rock Holdings, which would have 79% of the combined voting power of Rocket Companies' common stock.

The company anticipates its likely net proceeds from the IPO will be about \$3.1 billion, based on a \$21 per-share price, which would be the midpoint of the offering price range. The stock will trade under the ticker symbol RKT. ...

... It's possible, for example, the IPO price could end up at \$23 or \$24 a share. ...

... David Kudla, CEO of Mainstay Capital Management, said the latest stock market rally and the Federal Reserve's efforts to stimulate the economy via low interest rates reset the stage for a strong IPO season.

"Quicken has a robust business model and significant footprint in the mortgage business," Kudla said.

The mortgage business is booming right now, he said, as the low interest rate environment has created a refinancing boom and existing home sales just set the best record in June since 1968.

"It's a great time for them to move on this IPO," Kudla said.

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