SO YOU WANT TO TAKE THE IPO ROAD?

CAPITAL MARKETS GROUP
January 2018
The **IPO** process can be confusing and complex
At KPMG, we know that the IPO process can be confusing and complex for first-time travelers. That is why we have brought together a global network of our sharpest and most experienced IPO and Capital Market professionals to help guide you along the way. And having successfully steered hundreds of private companies down the path to IPO and beyond, we believe that we understand how to plan the right roadmap to make your journey a success.

ENVISIONING THE JOURNEY
This guide – and those that will follow – will lay out some of the key considerations, challenges and opportunities that must be considered by any executive preparing for a journey to an IPO. Within these pages, we provide actionable advice; valuable tips and practical insights to help all types of private companies make their journey a success.

We’ll share our experience and pull back the curtains on some of the common pitfalls and misconceptions about planning and executing an IPO. We’ll also share industry best practices and tips that we have learned along the way.

DEVELOPING A PRACTICAL TRAVEL PLAN
We hope that this guide helps potential IPO candidates to form a clearer picture of the journey that lies ahead of them. And while there are certainly a number of complexities that must be considered, we are confident that – with the right guidance and support – travelers can avoid many of the hazards on the road.

But a simple guide cannot cover all of the technicalities and complexities that are found on the road to an IPO, and so we strongly encourage potential travelers to bring along an experienced IPO professional who can turn insight into a tailored and comprehensive roadmap.

Given our depth of experience throughout our network of member firms in more than 150 countries, we encourage you to contact KPMG to find out how our professionals can help your company cut through the complexities of an IPO and layout a safe travel plan to help you reach your ultimate destination.
**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Page</th>
<th>Section Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Is it time for an IPO?</td>
</tr>
<tr>
<td>04</td>
<td>Getting in shape for the journey</td>
</tr>
<tr>
<td>08</td>
<td>Hazards you should avoid</td>
</tr>
<tr>
<td>10</td>
<td>How long will your trip take?</td>
</tr>
<tr>
<td>12</td>
<td>Choosing your travelling companions</td>
</tr>
<tr>
<td>15</td>
<td>Ten steps to a hazard-free pre-IPO journey</td>
</tr>
</tbody>
</table>
The simple truth is that going public may not be the right strategy for every company. The choice of destination will fully depend on the objective you are trying to reach and your reasons for heading out on the journey in the first place.

Depending on your company’s objectives and maturity, there might be a number of why an IPO could be the right step for your company. For example, IPOs can enable private companies to:

- **Access new funding:** companies seeking to grow organically or through M&A may consider going public to access new sources of long-term capital that can be reinvested into the business.
- **Deliver value to existing investors:** by listing your company’s equity on the public market, existing stakeholders are able to “monetize” their investment and create a viable exit strategy.
- **Build market awareness:** many companies pursue an IPO in order to build their reputation and visibility in local and foreign markets, particularly in cases where the company’s main focus of operations lies outside of major markets and the developed economies.

- **Incentivize employees:** corporate stock option programs are a strong vehicle for driving employee engagement and tying compensation to the financial performance of the company.
- **Broaden the governance structure:** while there are a number of ways to strengthen a company’s governance, IPOs provide a strong catalyst and proven framework for revitalizing the governance structure.

And while these are some of the most common reasons to set out on an IPO journey, there may be a number of other side benefits that can be attained through the process. For example, companies operating in politically unstable jurisdictions – or ones with opaque regulatory protection – may find that listing on a foreign exchange provides a level of protection for their existing investors. In other cases, an IPO may constitute a step towards securing lucrative contracts that are reserved for public companies.

**THE WISDOM OF LOOKING BEFORE YOU LEAP**

There are, however, a number of important draw-backs to going public that may not always be obvious before starting the journey. Companies considering the IPO process should be aware that their organization may meet a number of significant challenges along the way, such as:

- **Time and resource requirements:** being a public company takes a lot of hard work, not only to ensure a successful IPO, but also to maintain your listing and uphold your stock price. In particular, most executives find they are challenged to devote the necessary time to successfully manage both the IPO process and simultaneously serve their core business.
- **Transparency and reporting:** public companies are obliged to report their financial statements and future strategy to investors and analysts, which is not only time consuming, but may provide competitors with valuable insight into proprietary business plans and strategies.
- **Regulation and compliance:** publicly traded companies face an exponential increase in the level of regulatory scrutiny and compliance that must be met, and – if found non-compliant – they may face stiff penalties or suffer from depressed share prices as a result.

With the proper planning and guidance, most of these issues can be mitigated.
There may be a number of viable alternatives to an IPO

– **Cost:** private companies will invariably need to invest in their company in order to create the right environment within which to go public. In many cases, significant investments may be required to create and formalize processes to ensure compliance with IFRS and other financial reporting requirements.

**Definition: IFRS**
The International Financial Reporting Standards (IFRS) are a set of accounting standards that apply to publicly traded companies in most major markets (with the notable exception of the United States).

With the proper planning and guidance, each of these issues can be mitigated. But for many executives – particularly entrepreneurs – the requirements, rigor and obligations of performing as a public company are often underestimated. The reality is that public companies are very different from private ones, and some executives may quickly find that the effort and risk may not always outweigh the benefits.

**IF NOT AN IPO, THEN WHAT?**

It is entirely possible that an IPO may not be the right path for your company in the near future. There may be a number of viable alternatives that can be explored to achieve similar objectives. These include:

– **Accessing bond markets:** bond markets provide an avenue for private companies to sell their debt on public markets, but without many of the rigors or regulation that come with an IPO.

– **Bank borrowing:** companies may also gain new financing through traditional loan and debt vehicles raised through commercial banks. But given the tight credit market that followed the recent economic recession, bank financing may not always be available and can be comparatively expensive for many companies.

– **Mergers and acquisitions:** an alternative method for monetizing existing investors is to either sell the company or merge with a competitor, effectively ‘buying out’ the existing shareholders. However, this often results in a loss of control.

– **Joint ventures:** expansion into new markets can also be accomplished through joint ventures with other companies that can provide access to funding, technology or key markets.

**Definition: Leveraged Buy-Out (LBO)**
An LBO (a.k.a. ‘bootstrap’) occurs when an investor takes a controlling stake in a company by using the assets of the acquired company as collateral. LBOs are extremely risky for investors and the acquired company.

– **Private Equity:** securing an investment from a Private Equity firm is a common method for raising funds while simultaneously maintaining the confidentiality of the business. However, this route does not always provide a clear exit strategy for existing investors and may reduce the overall visibility of the company in the market. The highly leveraged structure typical in a PE deal also brings increased risks.

**Definition: Private Equity Firm (PE)**
Private Equity firms are investment managers who invest in companies through a variety of investment strategies. Private Equity firms often provide extensive business experience and best practices to their network of companies.

Often, joint ventures are founded between equals who then work together to pool their resources and achieve a shared goal.

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Clearly, the first step for any executive considering an IPO is to define their destination, motivation and approach which, in turn, will form the basis of their corporate strategy going forward. And if an IPO turns out to be the best solution, executives who have completed this important first step will be better placed to move ahead with a clear understanding of their opportunities, goals and challenges. Many companies find that the detailed planning necessary from an IPO also brings benefits if plans change and an M&A deal is contemplated.
GETTING IN SHAPE FOR THE JOURNEY

It’s going to be an exhausting and exhilarating trip. And you’ll never be the same again.

The journey to an IPO is not a weekend pleasure trip. It takes a lot of hard work, planning and a substantial investment of time and money before you can start down the road.

Indeed, any company considering an IPO would be well advised to make sure they are in proper shape to take the journey. This involves conducting a thorough pre-IPO readiness assessment that compares critical processes and controls to the standards required of a listed company. And much like a visit to the doctor’s office, you may not always like what you find out.

A FINANCIAL HEALTH-CHECK

For many private companies, the process of going public will necessitate a fundamental shift in financial reporting and planning. For one, IPO candidates will need to comply with the local regulatory requirements for their respective exchange. In the EU and a number of other jurisdictions, this often requires companies to become IFRS compliant, and in the US this means compliance with both the federal Sarbanes-Oxley Act, and local US GAAP accounting practices.

But investors will also want to see a history of strong financial reporting. So many companies will need to retroactively re-analyze their past financial results to bring them into compliance with the relevant accounting framework. Needless to say, this can be a lengthy and resource intensive initiative and may be difficult to manage in parallel to the ongoing responsibilities of the finance department.

The finance department itself will also require a fundamental transformation as the company prepares to go public. Financial reporting requires companies to create and maintain strong processes and controls that stand up to the rigors of compliance. It is also strongly advised that the finance department be staffed by professionals with experience reporting to capital markets.

Definition: Sarbanes-Oxley Act (SOX)
The Act sets a federal standard for all US public company boards, management and public accounting firms and covers issues such as auditor independence, corporate governance, internal control assessment, and enhanced financial disclosure.

The market will also expect to see a strong and detailed financial plan for the company, as well as robust forecasting and budgeting capabilities. Forecasting, in particular, will be critical to the management team in the future as they work to deliver reliable earnings guidance as a public company.

Definition: GAAP
The Generally Accepted Accounting Principles (GAAP) refers to a standard framework of guidelines for financial accounting that includes standards, conventions and rules that accountants must follow in the preparation of financial statements. However, the term "GAAP" refers only to locally accepted rules, and so the category could include IFRS or other local GAAP rules.
<table>
<thead>
<tr>
<th><strong>AN IPO FITNESS TEST: KEY DIAGNOSTIC QUESTIONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Will we attract investors?</strong></td>
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<tr>
<td>- Can we prepare an attractive equity story with supporting evidence?</td>
</tr>
<tr>
<td>- Do we have clear and credible growth opportunities?</td>
</tr>
<tr>
<td>- Do we have well-defined Key Performance Indicators?</td>
</tr>
<tr>
<td><strong>Will we meet the requirements?</strong></td>
</tr>
<tr>
<td>- Is there an appropriate tax structure?</td>
</tr>
<tr>
<td>- Are we ready for the due diligence challenge?</td>
</tr>
<tr>
<td>- Do we have a robust, stand-alone financial track record produced under IFRS or equivalent standards?</td>
</tr>
<tr>
<td><strong>Can we produce high-quality financial information on a timely basis?</strong></td>
</tr>
<tr>
<td>- Are we able to comply with the rules for ongoing disclosure and transparency?</td>
</tr>
<tr>
<td>- Can we produce accurate and comprehensive information for the board?</td>
</tr>
<tr>
<td>- Are we ready for the additional scrutiny from a new set of stakeholders?</td>
</tr>
<tr>
<td><strong>How do we measure up on corporate governance?</strong></td>
</tr>
<tr>
<td>- Do we have robust systems and internal controls?</td>
</tr>
<tr>
<td>- Are our risk management processes sufficient?</td>
</tr>
<tr>
<td>- Have we thought about corporate social responsibility?</td>
</tr>
<tr>
<td>- Is there an alignment of staff remuneration to performance?</td>
</tr>
<tr>
<td>- Is there clear and timely communication with key stakeholders?</td>
</tr>
<tr>
<td>- Can we establish an appropriate board structure?</td>
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KEEPPING THE EXECUTIVE TEAM FIT

For the management team, the process of going – and remaining – public will create new and often overwhelming demands on their time. On its own, the IPO process is massively time consuming and key executives often find they neglect the day-to-day needs of the business as a result.

In fact, in a recent survey 81 percent of financial directors and 62 percent of chief executives who had recently gone through an IPO admitted that they had spent more than half of their time focused on the IPO process (at a time when, arguably, they needed to be more involved in the business than ever).

And following the IPO, key executives will continue to find themselves facing new pressures and challenges. Analyst road-shows, investor briefings, Annual General Meetings (AMGs) and shareholder information requests don’t only take up a significant amount of time for these executives; they also force them into the limelight. Indeed, many executives of privately-held companies may not be fully prepared for the level of scrutiny that comes with going public.

Analysts and shareholders will also expect executives to have some prior experience operating in capital markets. At the same time, the act of going public requires a behavioral change on the part of executives. Openness and transparency are key aspects of dealing with shareholders, and many of the more entrepreneurial executives may have to re-adjust to the idea of having their plans scrutinized by the investing public.

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THE EXECUTIVE FITNESS TEST: KEY DIAGNOSTIC QUESTIONS

Do you have the necessary time?
- Can you properly fulfill the pre-IPO requirements and simultaneously maintain business operations?
- Will you be able to spend up to 20% of your time on investor relations after the IPO?
- How will you prioritize IPO and day-to-day operations?

Are you up to the scrutiny?
- Are you comfortable with your compensation and other sensitive information being disclosed?
- Can you respond appropriately to shareholder and investor demands?
- Are you prepared to be transparent and clear in everything you divulge to the market?
PLOTTING YOUR ROADMAP

To be sure, there are a number of massive complexities facing companies undertaking the IPO process. The good news, however, is that with proper planning and a clear roadmap, companies can cut through the complexity to a relatively straightforward IPO path.

But it is not to be taken lightly. Having conducted a pre-IPO readiness test, many companies will find that they face many months of hard work before they can start the formal process in earnest. The simple truth is that there are no shortcuts through the IPO process; and executives should be wary of anyone offering one.

And since the level of detail and rigor that goes into the pre-IPO preparation will have a direct impact on the eventual valuation of your company, it is critical that executives take the time to create a clear and reasonable roadmap.

Central to this process will be the development of a clear equity story that enhances the IPO candidate’s negotiating position with investment banks and a clear understanding of the depth and type of comparative financial statements that may be needed to support that. And for companies with complex financial histories (for example, resulting from diverse geographical scope or a history of mergers and acquisitions), additional documentation may be required, such as pro-forma or carve-out financials.

To achieve this, executives will need to rely on trusted advisors and partners; people who have traveled the road before and are aware of the hazards that can get in the way. They will need to adjust their perception of the IPO process to create realistic expectations about the level of effort, time and experience that might be required. And they will need to do some very heavy lifting to make sure they properly execute their plan, even while the business rapidly changes around them.

Definition: Carve-out financial statements
Carve-out statements are used to separate the financial statements of a particular division or business unit to assist in the valuation process. Carve-out statements are also used in situations where only a part of the organization is being listed on capital markets.
HAZARDS YOU SHOULD AVOID

Now that you are formally heading down the path to an IPO, expectations internally will be high. And why not? After all, your employees know first-hand what a strong future lays ahead for your company. But there are a number of areas where expectations can often get ahead of reality.

For instance, many executives enter the IPO process with high expectations for their initial valuation which are often not met. That is because – for investors – valuation will be based on a number of critical factors, including some that are outside of the company’s control (such as sudden fluctuations in the economy, disappointing earnings from peers, or negative reviews from analysts).

And since your company will be a comparatively ‘unknown entity’ to the market, you may also expect to see a discount added to their eventual valuation to offset the perceived risk.

Valuation can also depend on the quality of your advisors. Those with strong experience and international networks, for example, may be able to attract a wider scope of investors or be more aware of existing investor biases. Those without, however, may only accentuate the problem by citing high valuations at the start of the process and then continuously downgrading their expectations as the day of IPO approaches.

Of course, the price that a company can fetch for its shares is ultimately constrained by the amount of money available in the market. During the financial crisis, for example, a massive amount of liquidity was removed from most of the major markets around the world, seriously affecting the valuations of the few companies that conducted an IPO during that period. And while investors are once again starting to put money back into the market, there is only a finite appetite for IPOs among the investor community, which may also affect the initial valuation.

Travelers should note that keeping momentum and employee engagement through the IPO and post-IPO period is key, and management will need to make extra efforts to set and maintain appropriate expectations within their organization.

Myth: A history of solid growth is the most important factor for attracting investors
Fact: Your past history of growth is important for setting precedent, but investors want to know that the company has more growth opportunities ahead. A critical part of the pre-IPO process is writing your equity story to demonstrate your company’s growth potential and plans for the future.

Myth: All investors love an IPO
Fact: Only a certain segment of the investing audience is willing to take on the heightened risk of investing in a company with no public track record. True, IPOs tend to gain the most attention and generate the most press coverage, but this is not indicative of the market’s appetite for IPOs.

Myth: Dual listings net higher valuations
Fact: Listing on two exchanges offers a number of opportunities to public companies such as access to a broader range of investors, enhanced public awareness, tax benefits and even access to new markets. However, dual listings do not generally impact the valuation in any direct way.

READY TO START THE JOURNEY? WATCH OUT FOR SOME COMMON HAZARDS.

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SETTING A MANAGEABLE PACE

The journey to a successful IPO is a marathon, not a sprint. Far too often, executives rush out of the gate towards an IPO believing that – by sheer will of spirit – they can speed up the process. But the IPO process takes time and patience. It is a stepwise program that makes incremental advances over a period of time to safely and successfully achieve a goal.

So instead of setting a date for an IPO and then rushing headlong towards it, executives would be better served to set a timetable for achieving steps in the process instead, and then be prepared to ‘pull the trigger’ when all of the work streams are completed. In this way, managers can sharpen their focus on achieving the project plan rather than fixating on the looming horizon.

Setting an appropriate pace will also be important for helping executives balance the demands of the IPO process against the needs of the organization. Preparing for an IPO can be a significant change process, and employees may need sufficient time to acclimatize to the behavioral change that will be required. For instance, the implementation of a new forecasting and budgeting processes may impact a number of internal divisions such as sales, IT and distribution, all of whom will need to be trained on new systems before the IPO.

Indeed, there are two major pot-holes that can trip up companies in the immediate aftermath of an IPO: missing their first earnings guidance to the market and missing their first financial reporting deadline. Both are symptoms of excessive speed in the pre-IPO process. On closer inspection, one often finds that most companies that stumble in this regard have rushed through the IPO process and either do not have the proper systems and controls in place, or their staff is too inexperienced or unprepared to meet the heightened expectations of the market.

So while taking a measured pace may be frustrating for many organizations eager to debut on the public markets, travelers on the IPO road will ultimately find that their pace is directly related to their ability to smoothly transition through the IPO process and into public life.

Myth: The most important step for US listings is compliance with Sarbanes-Oxley Act
Fact: Sarbanes-Oxley compliance is certainly important for any company seeking a listing on US markets. But there are a number of other issues that are equally important and complicated to achieve. Appropriate financial reporting capabilities, for example, or reliable systems and controls.

Myth: Listing on a foreign exchange won’t change my management structure
Fact: Taking a company public will almost certainly cause widespread change within the organization in general and the management structure in particular. And if foreign markets are selected, management may even need to relocate to that country in order to maintain close proximity to the investor and analyst community.
ARE WE THERE YET? IT ALL DEPENDS ON YOU.

As we’ve discussed in previous chapters, setting and maintaining a sustainable pace is critical to IPO success. But nobody likes heading out onto the open road without knowing when the journey may end.

Of course, the answer fully depends on the amount of work that is identified through the pre-IPO readiness check. Developing appropriate controls and eliciting the right behavioral changes can be complicated and time consuming. In some cases, companies may have very little work to accomplish over a matter of months. This may be particularly true for some PE backed companies that have access to experienced capital market professionals and rigorous accounting platforms by virtue of their ownership structure. Others, however, may need to spend a year or more on these critical tasks, particularly where companies evolved from an owner-operator model.

IPO candidates may also need to consider other timing factors. For instance, an IPO prospectus must contain up to date financial information, which means that the IPO may need to occur shortly after the company’s year end. There are also earnings ‘seasons’ on many markets, where certain sectors tend to announce their earnings within the same timeframe. And there are even times of the year when companies would be ill-advised to launch an IPO: late December and early January, for example, or over July and August when many markets tend to see much lower trading volumes.

Market turbulence and economic uncertainty can also affect the timing of an IPO. It would be extremely unwise for a company to launch an IPO in the midst of a contracting economy or loss of liquidity on the market. And while this may delay an IPO by an unspecified time, the upside is that once the markets start to recover, these companies can often benefit from a flood of new capital into the market. For the first batch of IPOs during a market recovery, pent-up demand and excess liquidity can often lift valuations above their initial market prices.

However, setting aside these timing considerations, and looking only at the formal pre-IPO process, most companies tend to require four to six months to complete the full process. But there is much to be done during this short time frame, including: regulatory paper work and reviews; the sourcing of appropriate underwriters, lawyers, accountants and auditors; pre-IPO analyst presentations and investor conferences; the creation of ‘comfort letters’ and other legal documents; as well as many other critical steps that we will discuss in more detail in future guides.

Myth: I can relax once the IPO is over
Fact: Extensive quarterly financial reporting requirements starting immediately after listing, monthly or quarterly briefing calls, annual reports, many executives underestimate the demands of the incessant pace of retaining the listing. Quarterly or semester briefing calls, annual reports and analyst road shows are just a few of the duties that executives of public companies must participate in, and may impact their ability to tend to their regular responsibilities.

Objective scoping Pre-IPO diagnostics Pre-IPO transformation Formal IPO process
Creating a Schedule: Key Timing Considerations

Is your company up to public market standards?
- What is the scale of change that must be accomplished?
- What resources are available to achieve your pre-IPO plan?
- Do you have a strong history of financial reports?

Is the economic environment right for an IPO?
- Is there liquidity in the equity markets?
- How have investors treated your competitors’ stocks over the past 12–18 months?
- Is the market on an upward or downward trajectory?

How long will the formal IPO process take?
- Are you listing on a single market or multiple?
- How experienced are your IPO advisors and suppliers?
- Can your executives devote proper attention to fulfilling the process?

Definition: Comfort letter
A comfort letter is a document prepared by an external auditor regarding the statutory audits, statements and reports included in a prospectus. Comfort letters are typically signed prior to the pricing decision for a public offering as a part of the due diligence process. Comfort letters are a requirement of the listing process for many European exchanges.
CHOOSING YOUR TRAVELLING COMPANIONS
WHO SHOULD YOU BRING ON YOUR ROAD-TRIP?

There are a lot of potential suppliers and partners in the market that claim to be IPO experts. But not all of them have the right experience for every situation. For example, a unique skill set is needed to support companies that are pursuing a foreign listing, and companies that are seeking a dual listing will need suppliers and partners that can operate effectively in both jurisdictions.

And across the board, a high level of experience dealing with your chosen market is a must. Regulators are becoming increasingly vigilant about mistakes or inconsistencies in filings and prospectus paperwork, which can cause unexpected delays and create a knock-on effect on investor confidence. What’s more, experienced IPO partners are often able to help their clients achieve a higher valuation by leveraging their experience and contacts to remove misconceptions and prepare their client for the rigors of the IPO process.

THE PARTNER TEST: KEY CONSIDERATIONS FOR SELECTING YOUR IPO PARTNERS AND SUPPLIERS

Do they have the right experience and reach?
- Have they helped similar companies conduct a successful IPO?
- Do they understand how they fit into the full IPO process?
- Do they have a significant presence in the locations where you are listing?
- Do they have a track record or reputation on the market on which you are listing?

Do they have the right culture?
- Are they collaborative in their approach?
- Do they share ideas and opportunities that might arise in the process?
- Can they provide a professional and high-quality service?

Are they focused on what is best for your company?
- Do they explore alternatives to ensure you are approaching each challenge in the best way?
- Are they focused on helping you understand the process?
- Can they provide the best team to meet your company’s unique needs?
THE KEY PLAYERS

While the specific suppliers and partners that will be required are different from market to market and company to company, the following advisors are often called upon to support the pre-IPO process:

<table>
<thead>
<tr>
<th>PLAYER</th>
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<tbody>
<tr>
<td>IPO Advisors</td>
<td>To conduct a pre-IPO readiness test, IPO candidates will generally want to retain experienced IPO advisors with a robust understanding of the standards required for public companies and a holistic viewpoint that includes financial systems and reporting, governance structures, business processes and controls, human resources and change management.</td>
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<tr>
<td>Lawyers</td>
<td>Conducting an IPO will require a team of lawyers with experience developing prospectuses and structuring capital market contracts. In cases where the candidate’s in-house counsel has prior experience with capital markets, they will often lead the legal work stream. Throughout the process, other lawyers will also be involved on behalf of your underwriters, banks or auditors.</td>
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<td>Accountants</td>
<td>From the pre-IPO preparations through to the post-IPO period, accountants will be a key partner for the finance department. The restatement of past financial reports and the creation of controls and processes to ensure a strong reporting function will all flow from the company’s accounting firm, so it will be important to select a firm with experience in both accounting and system design.</td>
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<td>Auditors</td>
<td>All regulated capital markets require public companies to employ an independent auditing firm that can review and attest to the consistency of their financial records. While it is not necessarily a requirement, many IPO candidates choose to retain one of the Big Four audit firms as their reputation and independence is generally acknowledged around the world. However, in all markets, audit firms are forbidden to also perform accounting services for the same client.</td>
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<tr>
<td>Investment bankers/Underwriters</td>
<td>Underwriters perform a variety of different functions depending on the market and jurisdiction. In the UK, for example, the investment bank performs a formal roll called the ‘sponsor’. In all markets, the investment bank is responsible for disbursing the shares to the market, promoting the IPO and communicating with institutional investors.</td>
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<tr>
<td>Investor relations professionals</td>
<td>Part Public Relations professional, part capital markets guru, the IR professional manages the day to day shareholder communications and the regular investor and analyst requirements. All public companies will need to maintain an IR function, and this person or team of people should be brought into the pre-IPO process as early as possible.</td>
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<tr>
<td>Business Advisory and IT Integration</td>
<td>The pre-IPO readiness check will likely highlight a number of areas where companies will require the outside support of business analysts, strategists and integrators to create everything from a compelling go-to-market story through to back-end technology integrations.</td>
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FINDING THE RIGHT PARTNER

Identifying and retaining the right partners can be a challenge for many private companies. To start, IPO candidates should talk with their peers and existing advisors to identify an IPO Advisory team that fits their needs and culture. In our experience, it is also important to select an advisor with a global network, a multi-disciplinary team and a strong reputation for successfully advising IPO candidates. And of course, companies considering taking the journey to an IPO can always contact any of KPMG’s member firms across 150 countries and in every major market. With deep experience in every step of the IPO process, from pre-IPO readiness tests through to post-IPO strategies, KPMG professionals always deliver valuable and insightful advice that cuts through the complexity of the IPO process.
## 10 STEPS TO A HAZARD-FREE PRE-IPO JOURNEY

<table>
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<th>Step</th>
<th>Description</th>
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| 01   | Set Your Destination  
know whether an IPO is the right choice for your company at this time |
| 02   | Formulate Your ‘Equity Story’  
a strong equity story highlights the past success and future growth potential of an IPO candidate and helps achieve a higher valuation |
| 03   | Identify and Select an IPO Advisor  
make sure they have extensive experience and a holistic perspective |
| 04   | Choose the Right Exchange  
make sure you are listing on the most appropriate market for your company and strategy |
| 05   | Conduct a Pre-IPO Readiness Test  
find out what systems and processes must change before you can start the formal IPO process |
| 06   | Develop a Plan and Timeline  
set a reasonable pace and consider bringing in experienced external support to augment your team and ensure business continuity |
| 07   | Close the Gap  
create and execute a plan that brings systems and processes in line with market requirements and norms |
| 08   | Select Your Partners  
from lawyers to underwriters, these suppliers must be highly experienced with capital markets |
| 09   | Create an Investor Relations Function  
this will be your conduit to the investors and analysts |
| 10   | Prepare Your Financials  
you will need to go back three to four years to achieve the requirements for most markets |
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