

Your IPO Readiness Roadmap

FERF/Workiva

January 24, 2017

AGENDA

- CPE Guidelines
- Today's Panelists
- Discussion of IPO readiness issues
- Your questions

CPE Guidelines

- Today's webcast – 1 CPE credit
- Answer 3/4 polling questions
- Participate for 50 minutes
- Download certificate after webcast closes
 - Certification widget in lower right corner

Today's Panelists



- Managing Director in Technology Investment Banking at Morgan Stanley



- Joe Howell, Cofounder & EVP, Workiva

What Happened In 2016?

- What were key takeaways?
- What worked?
- What proved to be most challenging?

What Implications for 2017?

- Industry / sectors
- Business models
- Revenue size and growth
- Growth vs. profitability and free cash flow

Liquidity Issues

- Aging of equity grants to key employees
- Credibility
- Distraction
- Cost
- “Being public” vs. “going public”

What Questions Should Every Company Ask?

- Private money alternatives
- M&A
- Liquidity issues

What Liquidity Issues?

- Aging of equity grants
- Credibility
- Distraction
- Cost
- “Being public” vs. “going public”

Issues 12 Months Before?

- Board of directors, committee structure, qualifications
- Legal due diligence
 - ✓ Secure electronic files
 - ✓ HR, invention assignment, other agreements
 - ✓ Capitalization records
- Stock option “cadence” – 409A, timing
- Audit transition – AICPA to PCAOB
- Operational Maturity

Operational Maturity

- Governance, HR, tax, systems, legal, investor relations
- Financial planning & analysis
- Accounting & reporting
- ICFR

Realistic Calendar?

- Support of Board and management
- Target “Trading Day”
- Availability of financial statements, plan & projections
- Milestones

Milestones?

- ✓ Underwriter RFP
- ✓ Bake-off
- ✓ Organizational meeting
- ✓ Drafting sessions
- ✓ Initial S-1 submission
- ✓ SEC review & comment
- ✓ Preliminary price range to SEC
- ✓ Road show
- ✓ Trading Day

What Impact of Legislation?

- JOBS Act (April 2012)
- FAST Act (December 2015)

SEC “Hot Button” Issues?

- New revenue and lease accounting standards
- MD&A
- Segments
- Cheap stock
- Non-GAAP

Impact of Technology

- Video
- Gather, organize & manage supporting documents
- S-1 document management

Selecting Your Underwriter?

- Deal considerations
- Follow-on support
- Long-term

Your Questions

Closing Comments