

Strategic Steps to IPO Readiness: Building Your Blueprint

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June 27, 2024



The Association of
Accountants and
Financial Professionals
in Business



Featured Presenter

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Accounting Workflow Automation

Purpose built by accountants for accountants

We help **accounting teams** achieve **operational excellence**



FloQast was founded in

2013



~70%

of Front Line FloQaster's are Accountants



2,600+
Customers



Offices in

US and UK

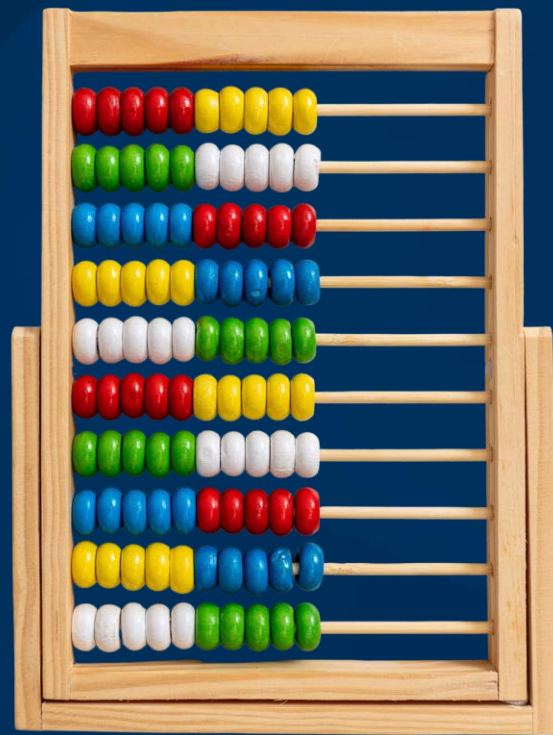
G2: Highest rated of all financial Close software



98% of Customers Achieve Target Business Value or Higher*

Learning Objectives

1. Gain insights into market trends
2. Review a practical path to IPO readiness to plot your course
3. Discover the people, processes, and technology investments companies should make in preparation for their next step
4. Learn how to nurture an agile accounting and finance team in preparation for an exit, using technology as an enabler



Poll Question 1:

Have you gone through an IPO journey before?

- a. Yes**
- b. No**

Poll Question 1 Results: (Placeholder)

State of the Industry

What's happening in the IPO Market

IPO Headlines

IPO Headlines

MarketWatch

"The U.S. market for initial public offerings is expected to stage a recovery in 2024 from the drought of the last two years, buoyed by expectations the Federal Reserve will switch to a rate-cutting cycle and boost market conditions."

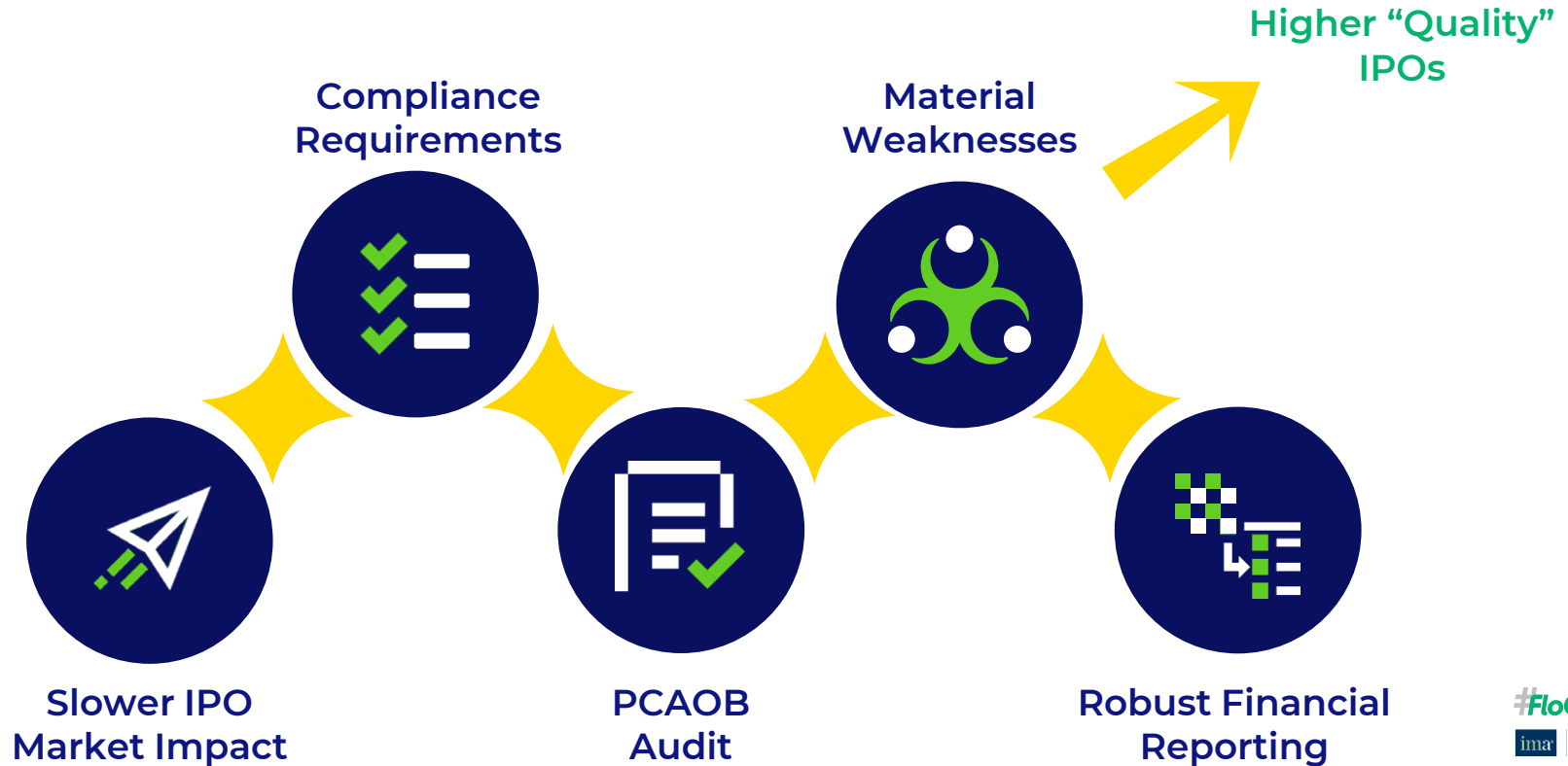
Angelo Bochanis [Renaissance]

"We are anticipating a significant rebound in the U.S. IPO market,"
"Investors may be encouraged by the prospect of rate cuts, plus the [Renaissance] IPO ETF gained 52% in 2023 and outpaced other benchmarks."

Angelo Bochanis [Renaissance]

There will be 120 to 170 deals in 2024 that will raise between \$20 billion and \$45 billion, per Renaissance expectations.

Hot Trends IPO Readiness




Traditional IPO Process Review



Your Path to Public

Traditional IPO



Organizational Preparation

Collaboration

Timing

Recommended: 36 months
Shortest: 12 months pre-IPO

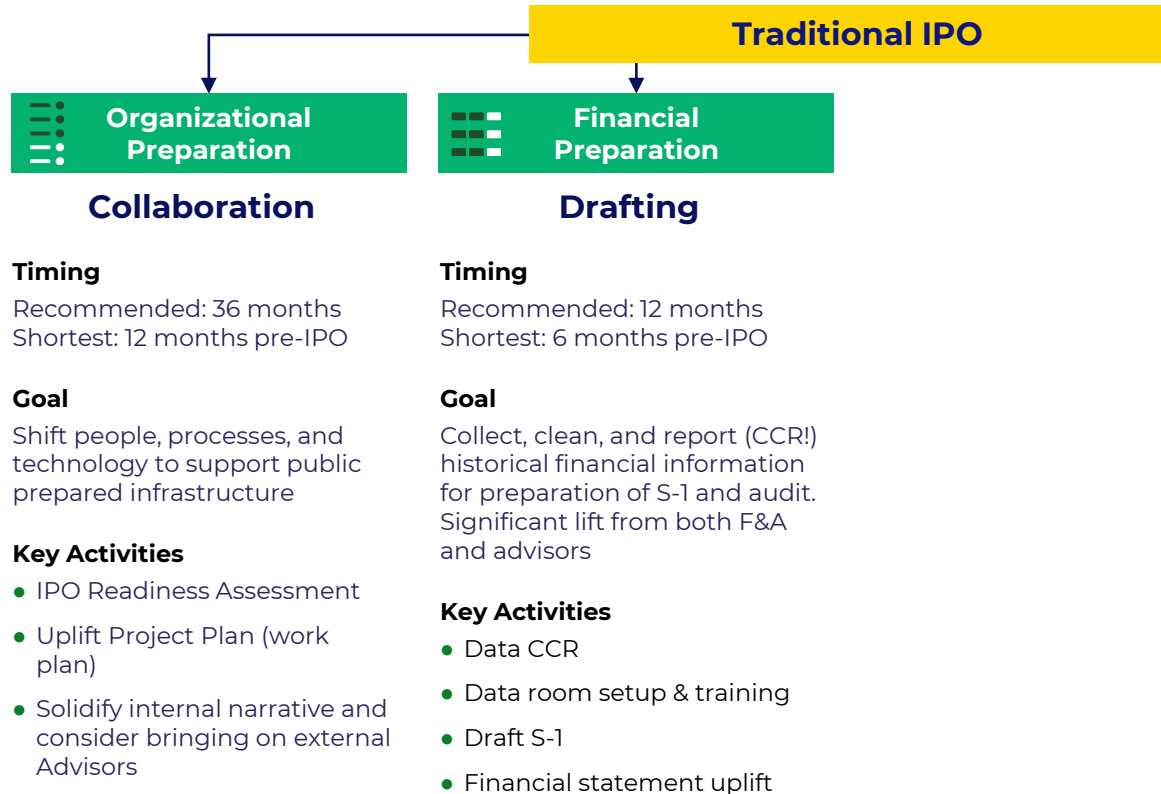
Goal

Shift people, processes, and technology to support public prepared infrastructure

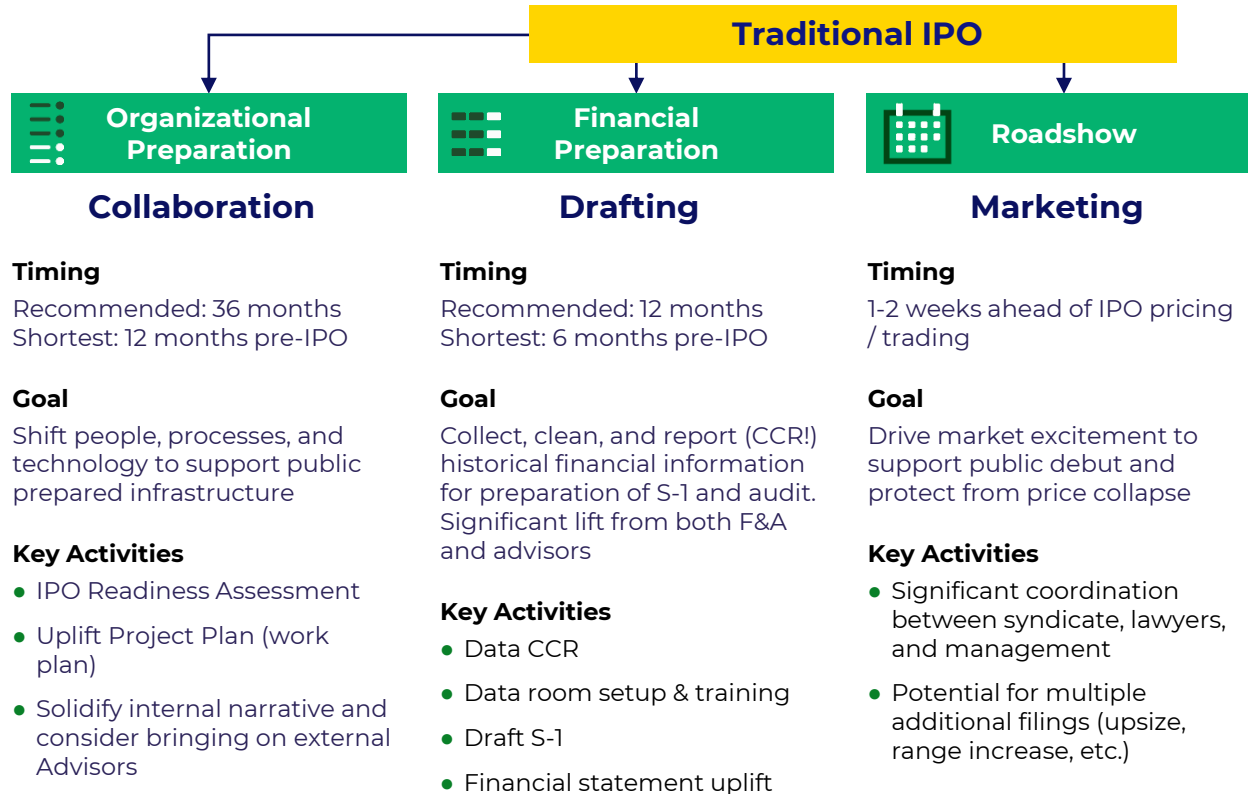
Key Activities

- IPO Readiness Assessment
- Uplift Project Plan (work plan)
- Solidify internal narrative and consider bringing on external Advisors

Your Path to Public



Your Path to Public



Your Path to Public



Organization Preparation

3 Key Assessments

- IPO Readiness Assessment
 - Work plan
- Assess financial statements
- Assess internal teams and personnel resources
 - Projects & Post IPO
 - Accounting, FP&A, Legal, IT/IS, HR, *and* Executive team & Board)

3 Key Decisions

- Evaluate audit firm
 - PCOAB back-audit
- Evaluate 3rd party advisors
- Structural
 - Corporate, tax, compensation

3 Key Results

- More sophisticated reporting environment
- New financial reporting
- New compliance environment

3 Key Results

3 Key Decisions

3 Key Assessments

Org. Preparation - Tips & Tricks

Know when to lease versus buy assets (consultants versus internal support)

Know when (and who) to ask for help.



Whether evaluating technology and 3rd party advisors (consultants, bankers, etc.) partnership **alignment** is critical to long-term success.

Alignment is critical to long-term success.



Performance is driven by practice and capabilities. Don't underestimate the importance of the right people, processes, technology, and culture.

Performance drives success.



The longer you give yourself to prepare and to operate as a public company, the better your muscle memory is, the better your execution in your new post-public

Post IPO, muscle memory is the key to success.



The longer the lever (timeline) the easier the lift and cheaper the cost. The shorter the lever the harder the lift and higher the cost.

Time is a lever.



Poll Question 2:

Has your organization started the IPO readiness process?

- a. Yes**
- b. No**
- c. N/A - Mind Your Own Business**

Poll Question 2 Results: (Placeholder)

Financial Preparation

Key activities in order of operations:

1. Compile & clean historical data.
2. Setup Data Room.
3. Drafting support, which includes:
 - Financial models
 - Valuation | equity story | investment thesis
 - Historical financial statements & MD&A
 - Risk factors | legal
4. Compile and draft S-1.



Drafting

Tips & Tricks



Drafting is Data & Workload Mgmt

Compiling and cleaning can be a significant lift.



Data Validation

Data validation during compiling process will save in errors, questions, & audits.



Version Control & Gated Access

Version effort and update is significant - technology is KEY!

Initial S-1 Submission

- Confidential submission of S-1 (DRS) and SEC review (typically 12-14 weeks)
- Teach-in with syndicate analysis
- Prepare roadshow presentation
- Publicly file S-1 at least 15 days prior to launch of roadshow
- Finalize IPO documentation
 - Organizational & governance documents
 - Listing applications
 - Underwriting agreement

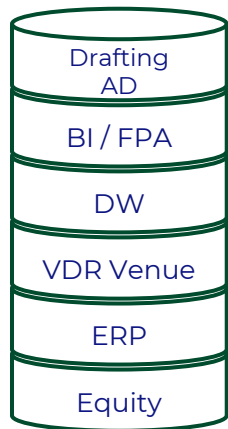


S-1 Overview

People



Tech



Data



Roadshow

- Finalize preliminary prospectus with indicative **price range**.
- Launch roadshow: typically, **7-10** trading days.
- Continued communication with Finance Team: ensure **SEC Compliance** based on post-transaction timing.
- Prepare for Ownership filings: **SEC 16** → Forms 3 & 4.

2 Weeks



Tips & Tricks



Virtual Reach

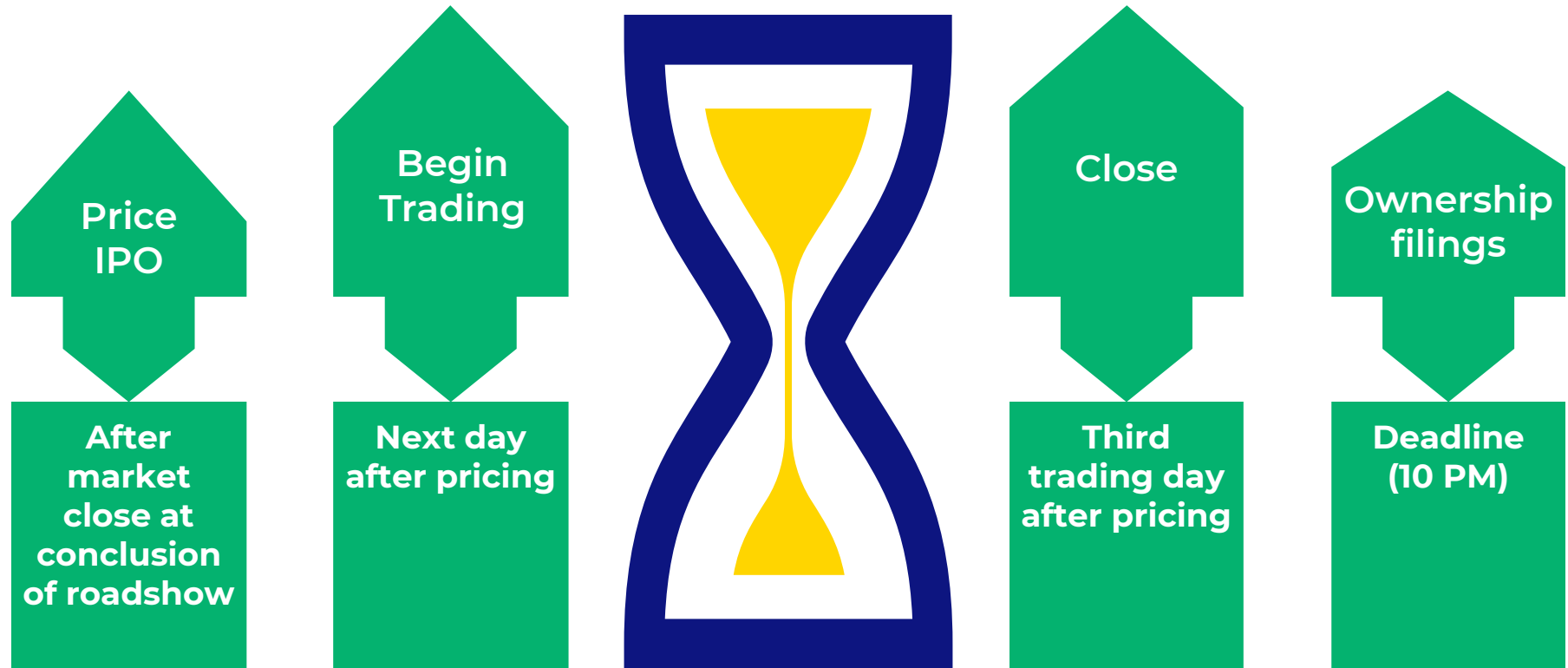
Virtual vs. In-person for a wider reach in a shortened timespan.



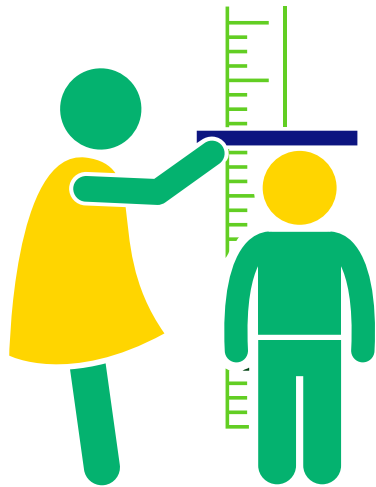
Pricing

Insight into Pricing.

IPO Pricing / Trading



Life Post-IPO



Extensive Quarterly Reporting



SOX Compliance In Play



Annual Reporting & Recent Events



Proxy Statement & Annual Meeting



Life Post-IPO

Tips & Tricks



Reporting

Requires more effort & coordination. Infrastructure and partnership are key to efficiency and ultimate success.



Regulation

Regulation is ever expanding resulting in the need for agile reporting and compliance.



404b

Often 404b comes later.

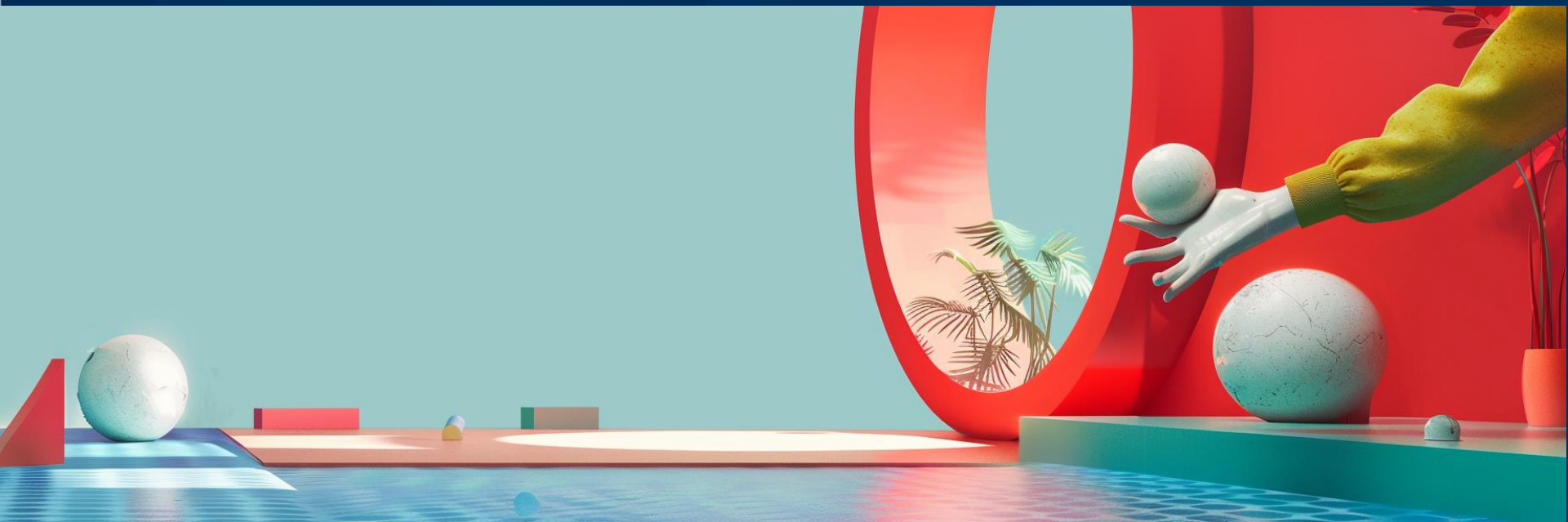
Poll Question 3:

How prepared is your organization for IPO?

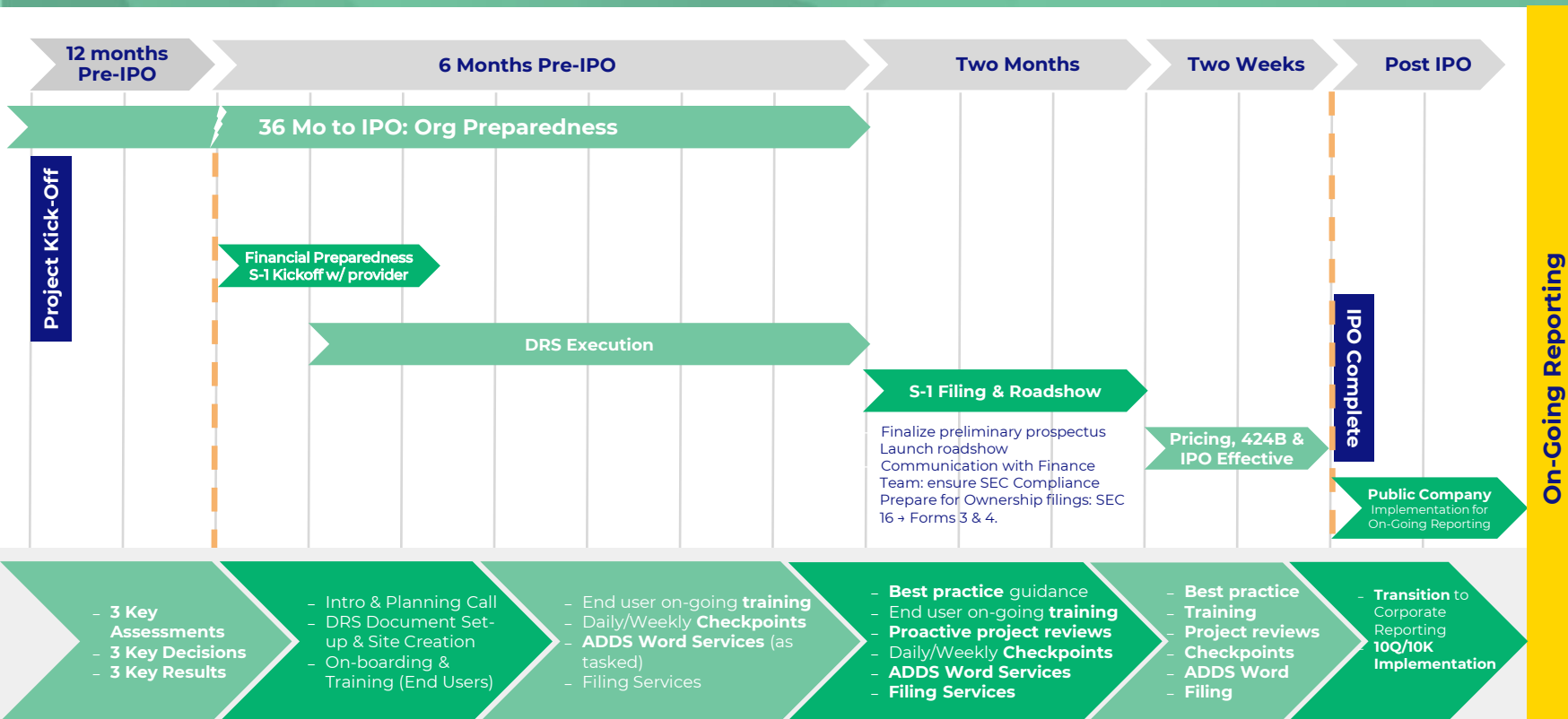
- a. Not at all**
- b. A little**
- c. Moderately prepared**

Poll Question 3 Results: (Placeholder)

Guides to Create Your Plan



Example IPO Project Plan



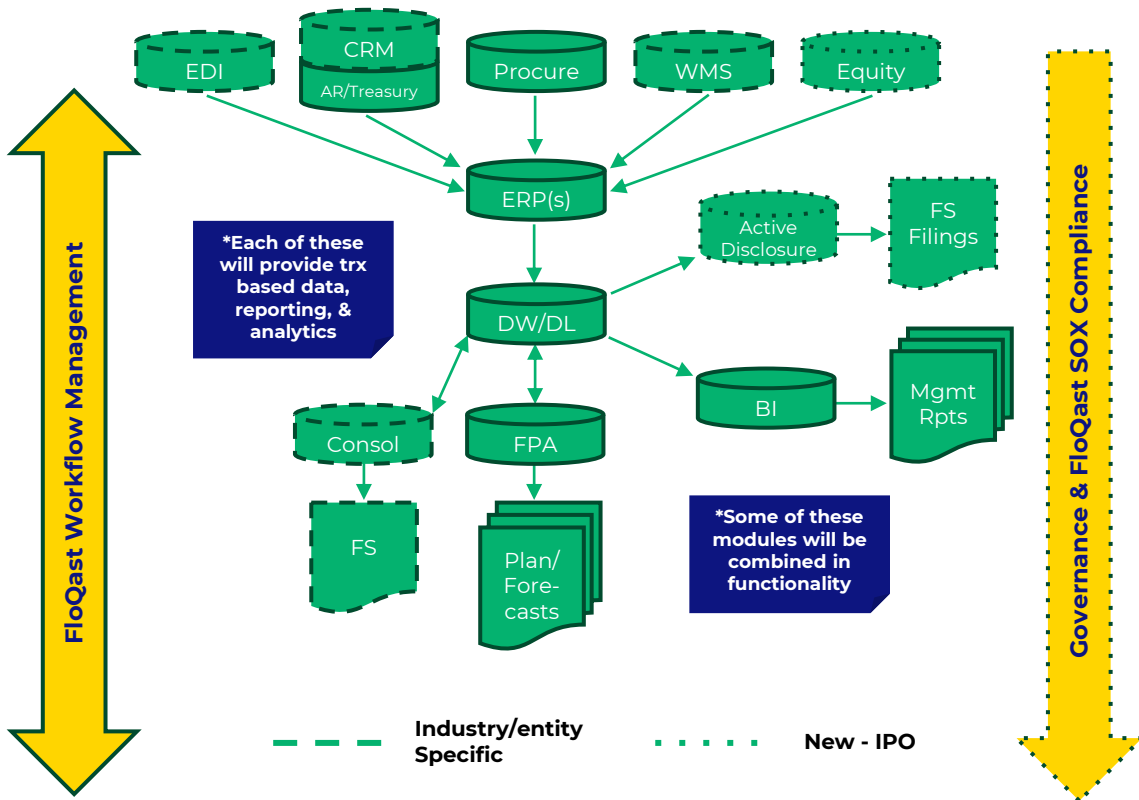
Tech Stack (Example)

Point Solutions

- Keep as **simply** as possible.
- Your ERP may **not** be the "center" of your organization.
- Many of these can be **combined**.*
- Each industry, vertical, and entity will have **its own nuance**.
- Customization is normal!

*****THIS ONLY MANAGES
TRANSACTIONAL DATA*****

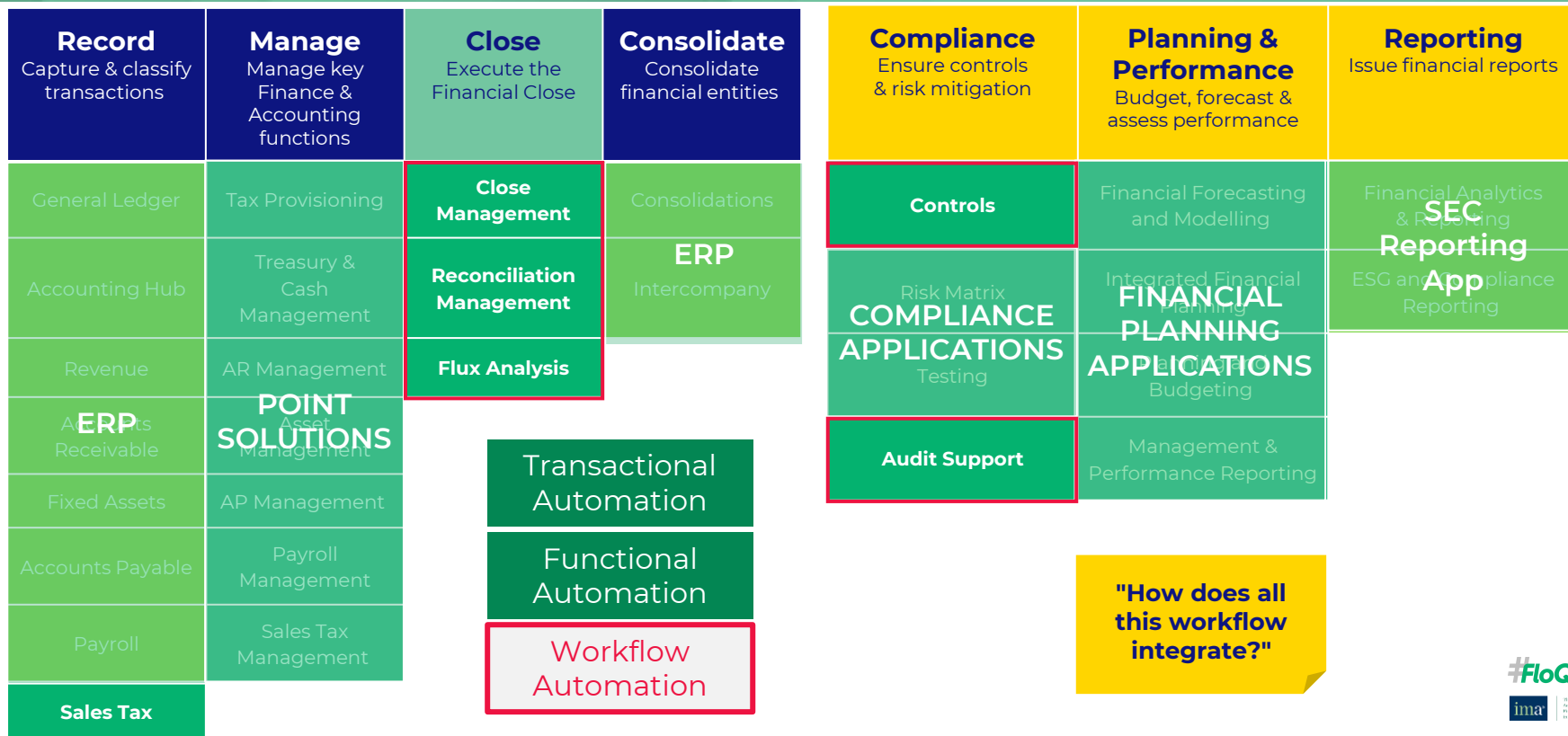
- Compliance, including newly required SOX, layers on top visually but integrated into processes.



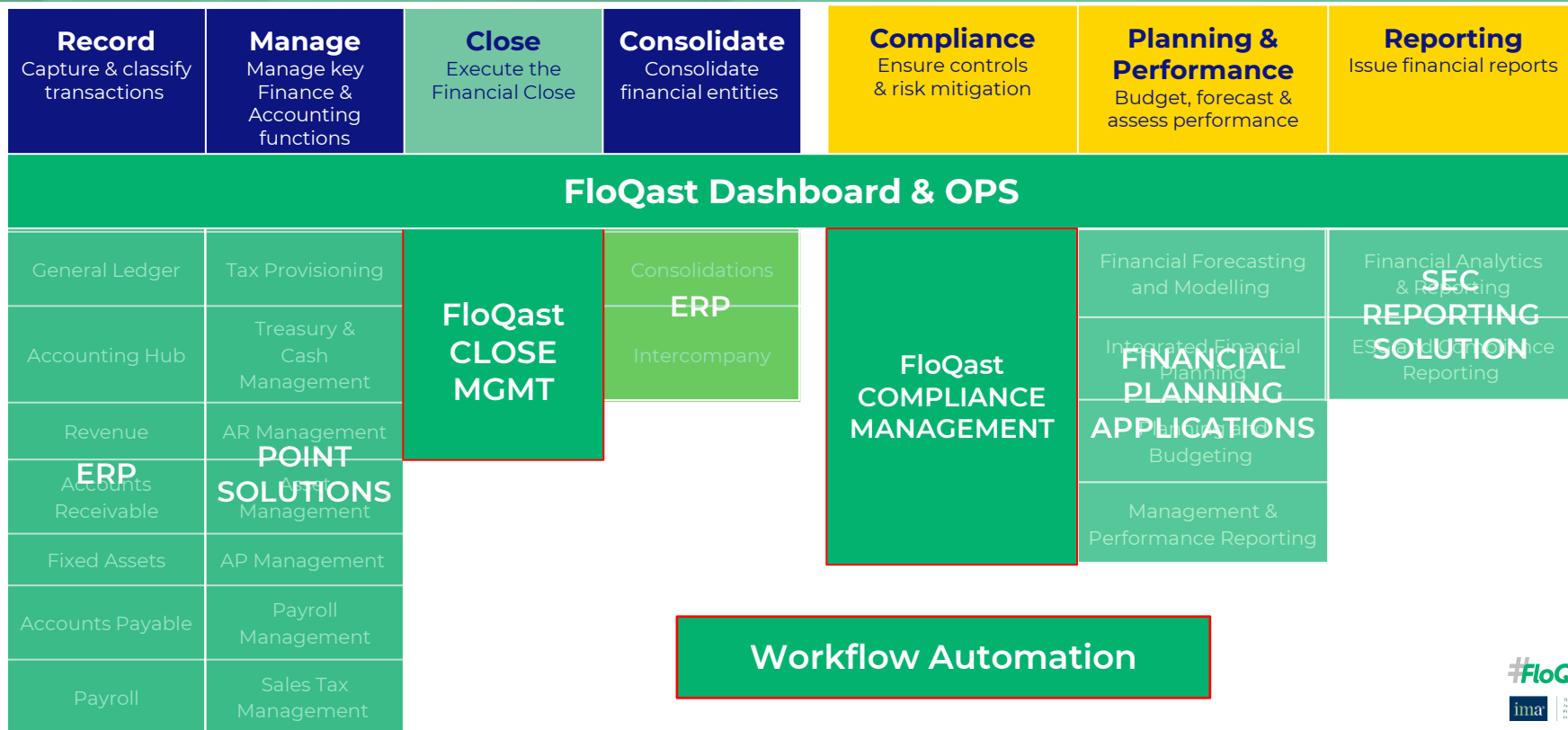
Innovating Record to Report Landscape

Record Capture & classify transactions	Manage Manage key Finance & Accounting functions	Close Execute the Financial Close	Consolidate Consolidate financial entities	Compliance Ensure controls & risk mitigation	Planning & Performance Budget, forecast & assess performance	Reporting Issue financial reports
General Ledger	Tax Provisioning	Close Management	Consolidations	Controls	Financial Forecasting and Modelling	Financial Analytics & Reporting
Accounting Hub	Treasury & Cash Management	Reconciliation Management	Intercompany	Risk Matrix	Integrated Financial Planning	ESG and Compliance Reporting
Revenue	AR Management	Flux Analysis		Testing	Planning and Budgeting	
Accounts Receivable	Asset Management			Audit Support	Management & Performance Reporting	
Fixed Assets	AP Management					
Accounts Payable	Payroll Management					
Payroll	Sales Tax Management					

Record to Report: Functional Automation

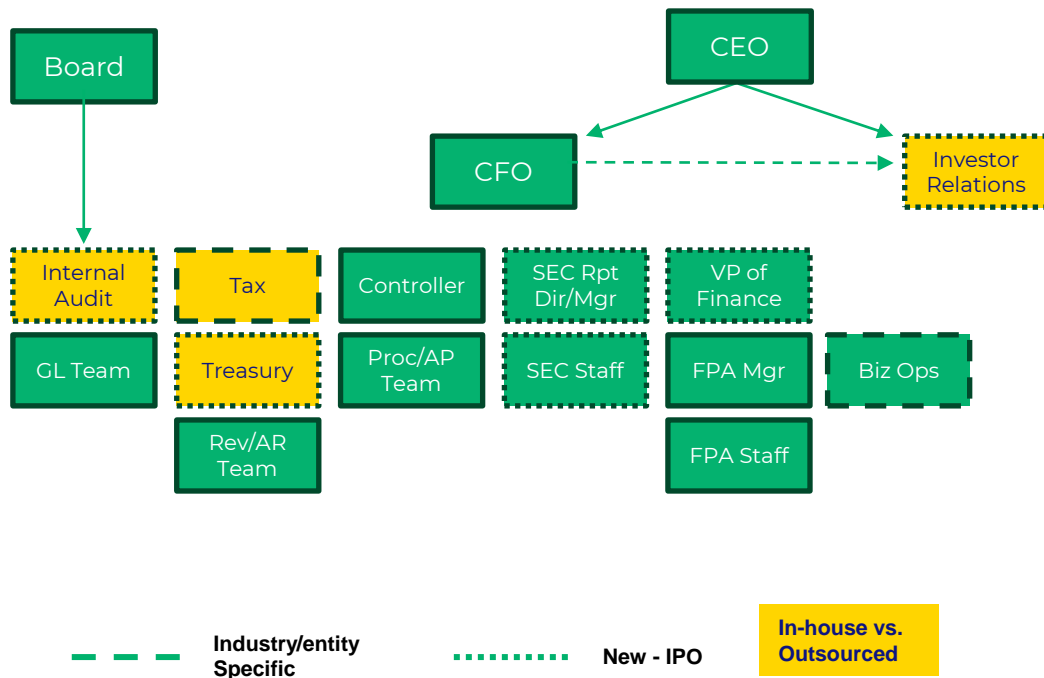


Record to Report: Workflow Automation



Example Org. Chart

- Again, keep it **simple**.
- Some of these roles **consolidate**.
- **Lease vs. Buy** assets (human capital).
- You want your team **comfortable** running in their roles before IPO.
- Whole **new** functional outputs:
 - Internal audit
 - Treasury (capital)
 - SEC Reporting
 - Investor relations



Questions and Answers

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Thank you!

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