



With you today



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Capital Markets and Economic Update

Overview of the IPO Timeline

Developing an Equity Story

Essential Strategies



Course objectives



Explain current market conditions and their potential impact on IPO strategies



Describe the critical aspects of the IPO process, from technical requirements to strategic considerations, by following a comprehensive timeline and checklist tailored to ensure a smooth and successful journey to going public

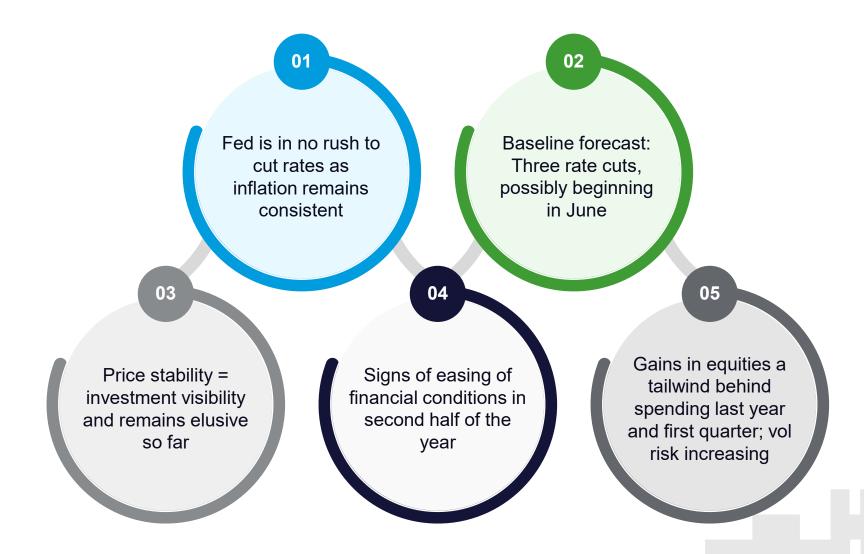


Articulate a company's value proposition to potential investors, enhancing the ability to attract investment and navigate the equity story aspect of the IPO process with confidence





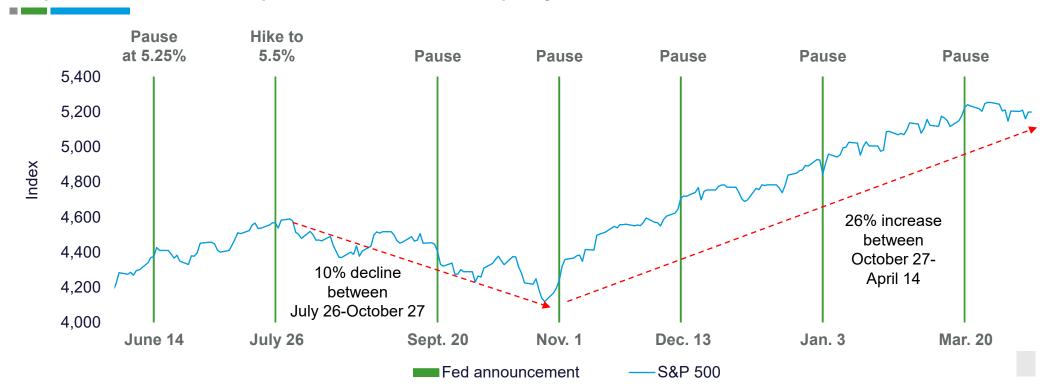
Financial conditions and M&A/IPO outlook





The equity market anticipated strong recovery and profits; higher for longer remains a headwind

Response of the S&P 500 to pauses in Federal Reserve policy rate hikes

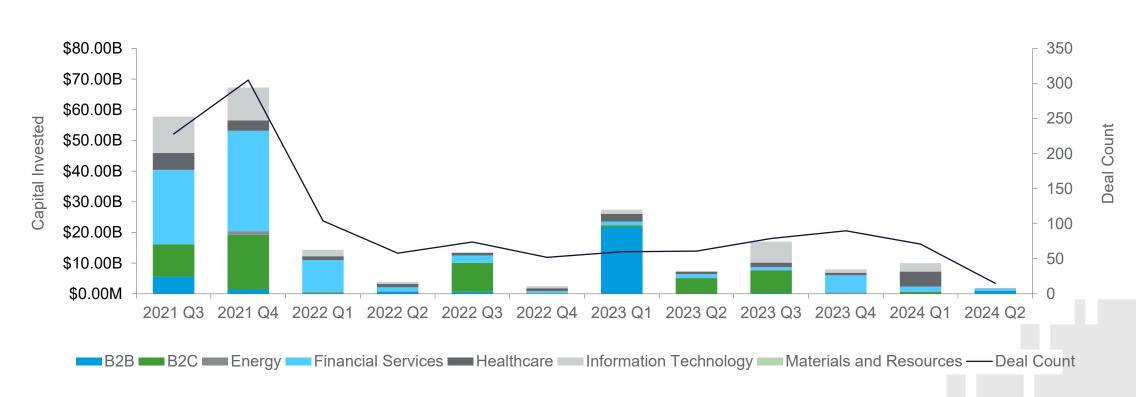


Source: Bloomberg; RSM US LLP



IPO environment remains challenged

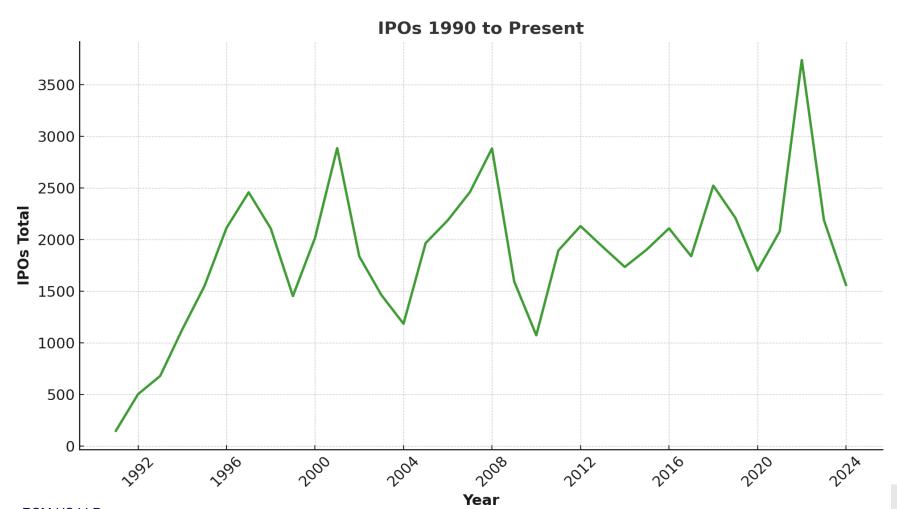
Past three year US IPO market by sector



Source: Bloomberg; RSM US LLP



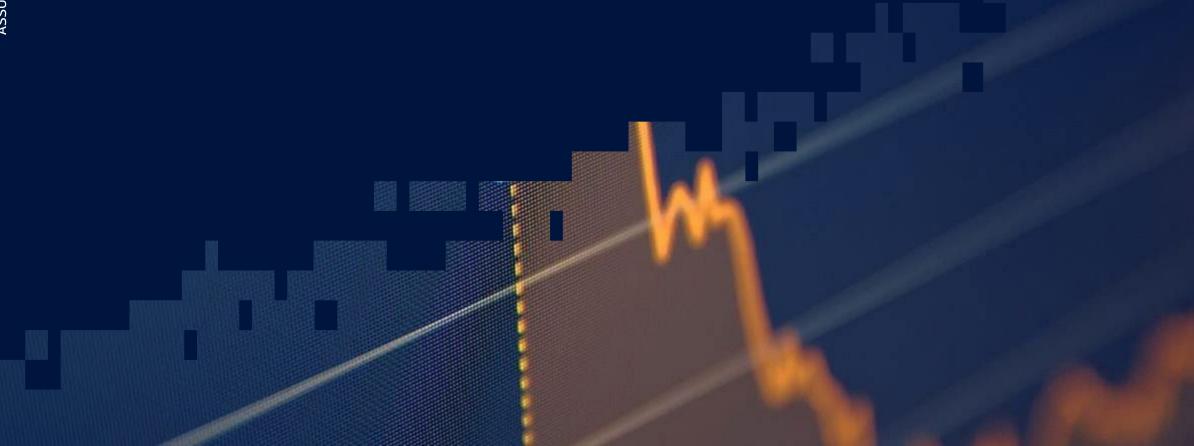
IPO activity cyclicality over time



Source: Bloomberg; RSM US LLP

Overview of the IPO timeline







The typical IPO timeline – key activities

All hands organizational meeting

"Testing the waters"

Research analyst due diligence

Final valuation/ price range

Planning (6-18 months)

Hire advisors

- IPO advisor
- Auditors
- Banks
- Company counsel

Financial statements

- Two or three years audited financials
- Interim financial statements
- SOX/internal financial controls

Corporate structure and re-organization

- Suitability of current corporate organization vs. reorganization
- Tax structuring and implications
- Domicile determination

Corporate governance/board

- Composition of board
- Search for independent directors
- Board committees (audit, nominating and compensation)
- Determination of executive compensation
- Management changes/additions

Filing preparation (4-8 weeks)

Due diligence

- Bankers and their counsel
- Auditors
- Company's counsel

Financial projections

- Develop detailed financial projections (5 years)
- Develop quarterly financial projections

IPO and capital structure

- Primary/secondary
- Use of proceeds
- Optimize capital structure and financing needs
- Dividend policy
- Eliminate preferred equity, converts

IPO prospectus

- Key marketing documents; foundation to equity story
- Outline/investment highlights in advance
- Company counsel drafts prospectus

SEC review (10-12 weeks)

Research analyst model

- Receive company model
- Analysts develop own model/"haircut"
- Discussions with company to refine
- Bankers triangulate

SEC review

- SEC reviews prospectus, including financial statements
- Typically 3-4 rounds of comments for an IPO, requiring 10-12 weeks
- Update financials
- Public filing
- Add co-managers
- File with price range

Research analyst diligence meeting

- Business overview
- Senior executives present
- Company projection model

Roadshow (2 weeks)

Marketing and pricing

- Investor targeting
- Management dry-run
- Salesforce presentation and teach-ins
- Roadshow (1x1s and group events)
- Bookbuilding
- Pricing and allocation

Roadshow presentation

- Equity story
- Investment thesis to guide presentation
- Available online to retail and institutional investors (NetRoadshow)

Going public (4-6 months)



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Filing preparation (4-8 weeks)

Due diligence

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Going public (4-6 months)



Critical infrastructure to support public reporting



SEC and financial reporting

- SEC reporting, disclosures
- MD&A preparation
- Segment reporting and EPS
- Document accounting position papers
- Establish policies and estimates



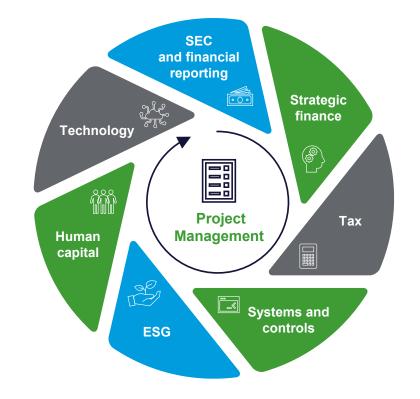
Technology

- ERP, CRM & BI selection/implementation
- Network infrastructure and storage
- Application integration/development
- Strategic business process outsourcing
- Financial close services (Blackline certified)



Human capital

- Executive compensation
- Talent management and development
- HR IT operations and integration
- Employee experience/onboarding and recruiting





Strategic finance

- Develop equity story
- Evaluate budget and projections
- Align strategy and projections
- Business model and KPI identification
- Establish FP&A team



Tax

- Define legal entity tax structure
- State and local tax planning
- Considerations of tax assets, NOL



Systems and controls

- Establish internal audit and SOX program
- Build controls and compliance program
- Document policies and procedures



Environmental, social and governance

- Strategy advisory
- Systems implementation for ESG reporting
- ESG risk advisory, including climate advisory
- Federal and state credits and incentives



Project management

- Coordination of project scope and deliverables
- Communicate plan alignment and cadence
- Active alignment of stakeholder expectations



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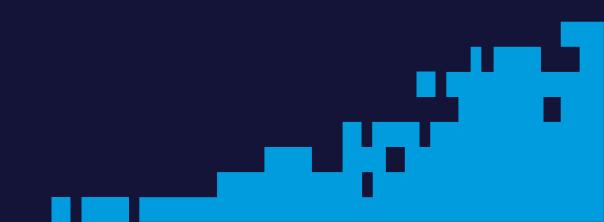
Developing an equity story







Why is an equity story important?

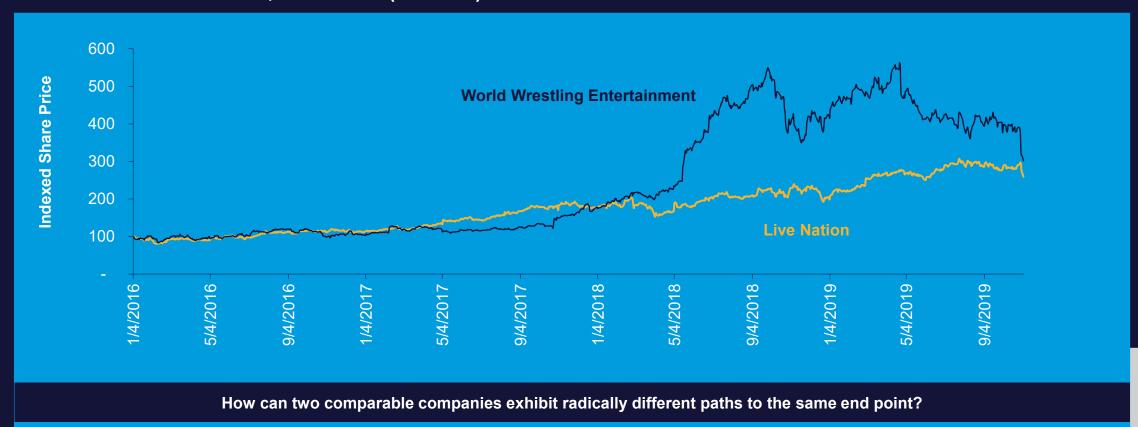




Equity story: A case study

Share Price Performance, 2016-2019 (Indexed)

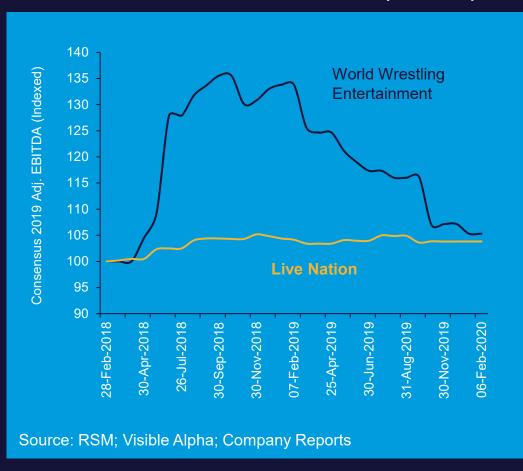
Source: RSM; Yahoo Finance





Equity story: A case study (cont'd.)

Share Price Performance, 2016-2019 (Indexed)

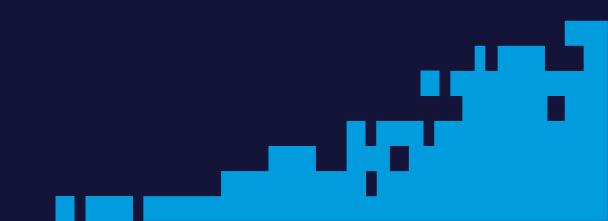


	2015	2016	2017	2018	2019
Live Nation					
Adjusted EBITDA (\$MM)	\$579	\$640	\$735	\$829	\$943
Memo: Y/Y Growth		11%	15%	13%	14%
World Wrestling Entertainment					
Adjusted EBITDA (\$MM)	\$81	\$80	\$112	\$179	\$180
Memo: Y/Y Growth		-1%	40%	60%	0%

By determining and consistently delivering on the key metric that matters to investors, companies can maximize equity value while minimizing volatility and other market-induced distractions.



Developing an equity story and IPO readiness



Characteristics of an equity story





Investor Appeal



Strategic Direction



Valuation Justification



Risk Mitigation



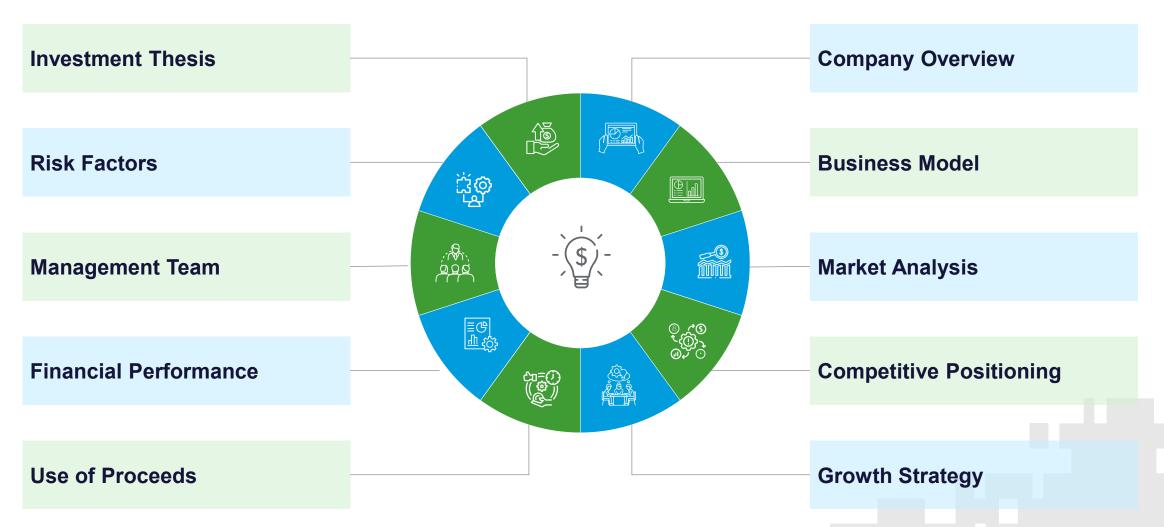
Image / Reputation / Brand Equity



Total Addressable Market and Competitive Strengths



Components of an equity story





Is developing an equity story a one-time IPO event?



Essential strategies



RSM

Essential strategies







Tone from the top

Consistency in all meetings



Project management

Workstream leaders

Accountability & milestones



Significant workstreams

PCAOB audits

Strategic finance



Operating as a public company

Two quarters

Complete filings

THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING RSM Closing



THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING



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