

The IPO Timeline

IPO Critical Tasks And Timeline Overview

Corporate Structure & Reorganization

- Suitability of current corporate organization
- Tax structuring and implications

Corporate Governance & Board

- Composition of board of directors
- Search for independent directors
- Board committees (audit, compensation, and others)
- Compliance with SOX
- Potential management changes/additions
- Executive compensation analysis

Capital Structure

- Use of proceeds
- Optimize capital structure and financing needs
- Dividend policy
- Elimination of any preferred equity and converts

IPO Prospectus

- Key marketing document
- Bookrunners provide outline/investment highlights
- Company counsel drafts prospectus

Roadshow Slides

- Bookrunners craft slides with company

Executive Compensation

- Determine compensation packages for executive management and board (including stock/options)
- Compensation disclosure in Form S-1 (limited disclosure for EGCs)

Pre-Organization Meeting Preparation

Filing Preparation (6-10 Weeks)

SEC Review (8-10 Weeks)

Marketing & Pricing (2 Weeks)

Hire Advisors

- Bookrunners
- Legal Counsel
- Auditors
- IPO advisor/consultant

Financial Statements

- 2 years audited financials (for EGCs)
- 2 years selected financials (for EGCs)
- SOX and internal controls
- Acquisition financials and pro formas

Organizational Meeting

Due Diligence

- Business
- Financial
- Legal
- Accounting
- Research

Financial Projections

- Develop detailed financial projections (typically 5 years)

Testing The Waters Communications

- Limit discussions to QIBs, IAs
- Clear communication materials with counsel

SEC Review^{1,2}

- SEC reviews prospectus, including financial statements
- Typically, 3-4 rounds of comments for an IPO (8-12 weeks)
- **Exchange Listing** review runs in parallel (conditional approval prior to pricing)
- **FINRA** review runs in parallel ("no objections" letter before effectiveness/pricing)
- Updated financials
- Add co-managers
- File with \$ price-range

Marketing & Pricing

- Investor targeting
- Management dry-run
- UW salesforce presentations and teach-ins
- Roadshow (one-on-ones and group events)
- Bookbuilding
- Pricing and allocation
- Closing

1. SEC Review can take longer. Varies significantly by industry, complexity, accounting issues, etc.
 2. IPO issuers can file confidentially and respond to SEC comments without making a public filing. Public filing is required at least 15 days before roadshow launch.

IPO Timing Risk Factors

- SEC accounting comments
- PCAOB uplift delays
- Market window volatility
- Financial statement staleness
- Exchange approval timing
- Concurrent M&A distraction (if dual track)

The Registration Process and Your Form Your Form S-1/F-1



Gearing Up for Due Diligence

- **What to Expect:** Underwriters and counsel drive a rigorous process to verify your S-1, protect against Section 11 liability, and ensure investor confidence.
- **Your Role:** Equip your finance and admin teams for:
 - Document production (contracts, IP, leases, insurance).
 - Interviews and follow-ups (management, key employees).
 - Evidence for claims: maintain support for market size, growth rates, TAM, clinical/technical claims, and competitive positioning; ensure third-party sources are credible, used with appropriate permissions/attribution, and disclosures are not misleading
- Redact sensitive terms in material contracts using redacted exhibit rules (Item 601(b)(10)(iv)); submit a confidential treatment request only when required or appropriate.
- **Action Plan:** Start early (12+ months pre-IPO). Organize a digital data room for efficiency. Prep for calls with customers, suppliers, and auditors.

WHY IT MATTERS: A smooth due diligence process builds trust, speeds SEC review, and sets the stage for a successful IPO. And Section 11 exposure extends to the issuer, directors, signing officers, underwriters and certain experts – diligence is a shared discipline.

Registration Statement: Typical Sections

PART I: PROSPECTUS (INVESTOR-FOCUSED DISCLOSURE)

- **Prospectus Summary:** High-level overview of the company, offering, and key risks/financials.
- **Risk Factors:** Detailed discussion of material risks to the business, operations, and investment.
- **Use of Proceeds:** How the IPO funds will be used (e.g., debt repayment, growth initiatives).
- **Dividend Policy:** Company's approach to dividends, if any.
- **Capitalization:** Snapshot of capital structure pre- and post-IPO.
- **Dilution:** Impact on existing shareholders from the offering.
- **Selected Financial Data:** Optional summary of key financial metrics to highlight trends (not a required Item 301 section)
- **Management's Discussion and Analysis (MD&A):** In-depth analysis of financial condition, results, and trends.
- **Business:** Description of operations, industry, products/services, strategy, and competitive landscape.
- **Management:** Bios of directors and officers, governance structure.
- **Executive Compensation:** Details on pay, incentives, and equity plans.
- **Certain Relationships and Related Transactions:** Disclosures of insider dealings.
- **Principal Stockholders:** Ownership breakdown pre- and post-IPO.
- **Description of Capital Stock:** Rights and preferences of shares.
- **Shares Eligible for Future Sale:** Lock-up agreements and resale restrictions.
- **Underwriting:** Terms of the offering and underwriter roles.
- **Legal Matters and Experts:** Opinions from counsel and auditors.
- **Index to Financial Statements:** Audited financials and notes.

Registration Statement: Typical Sections

PART II: INFORMATION NOT REQUIRED IN PROSPECTUS

- **Expenses of Issuance and Distribution:** Breakdown of offering costs.
- **Indemnification of Directors and Officers:** Liability protections.
- **Recent Sales of Unregistered Securities:** Past private placements.
- **Exhibits and Financial Statement Schedules:** Charter docs, material contracts, consents, and other docs.
- **Undertakings:** Commitments to future filings.

Confidential Submission: Strategic SEC Filing

- Many IPO issuers may submit a draft registration statement for nonpublic SEC review (EGCs under the JOBS Act and other issuers under SEC staff procedures), subject to required public filing timing.
- Defer filing fees until public submission.
- Address complex issues privately, maintaining discretion.
- Preserve flexibility for strategic alternatives, such as M&A or private placements.
- Publicly file the statement and all prior drafts at least 15 days before the roadshow.
- Draft should substantially mirror the public filing, typically omitting signatures and auditor consent until the public filing; include the required financial statements and audit report, with executed consents/signatures added for the public filing/effectiveness process.

The Roadshow: Launching Your IPO Story

Kick off marketing with a polished preliminary prospectus and roadshow presentation.

Executives and underwriters engage institutional investors in key cities or virtually.

Typical roadshow spans up to two weeks, building momentum.

Lead underwriter gathers indications of interest to form “the book.”

Orders remain non-binding, as shares cannot be sold at this stage.

Pricing and Closing: Sealing the Deal



- Post-roadshow, conduct a bring-down diligence call to confirm no material changes.
- Finalize offering terms with underwriters on a pricing call.
- Set public offering price and underwriters' spread.
- Execute Underwriting Agreement and deliver comfort letters.
- Finalize and print the Prospectus.
- File the final prospectus with the SEC within the required Rule 424(b) timeframe (commonly within two business days after pricing)
- Close the IPO one business day after pricing (T+1) (subject to limited exceptions and deal-specific mechanics)

Testing the Waters: Streamlined Path For Everyone

- Originally Available to EGCs.
- Rule 163B now available to all issuers regardless of size or reporting status.
- "Test the waters" by engaging QIBs and institutional accredited investors pre- or post-filing to gauge interest.
- Underwriters may join these discussions.
- Solicit non-binding indications of interest from investors.