



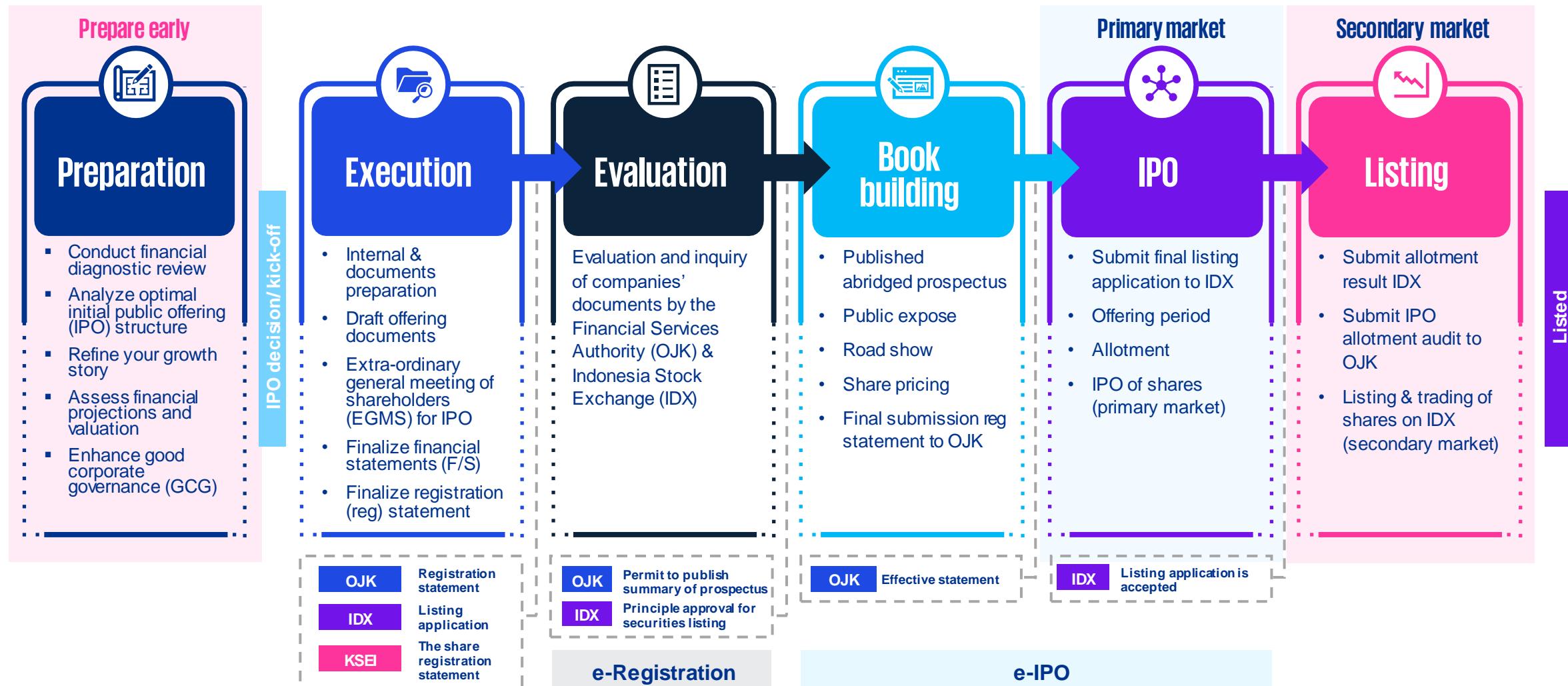
Maximizing your Pre-IPO preparation journey

KPMG Indonesia

28 August 2024



End-to-end IPO journey



Thorough process of pre-IPO preparation



Conduct financial diagnostic review

Evaluate the financial performance of the company to gain a comprehensive understanding of each business unit:

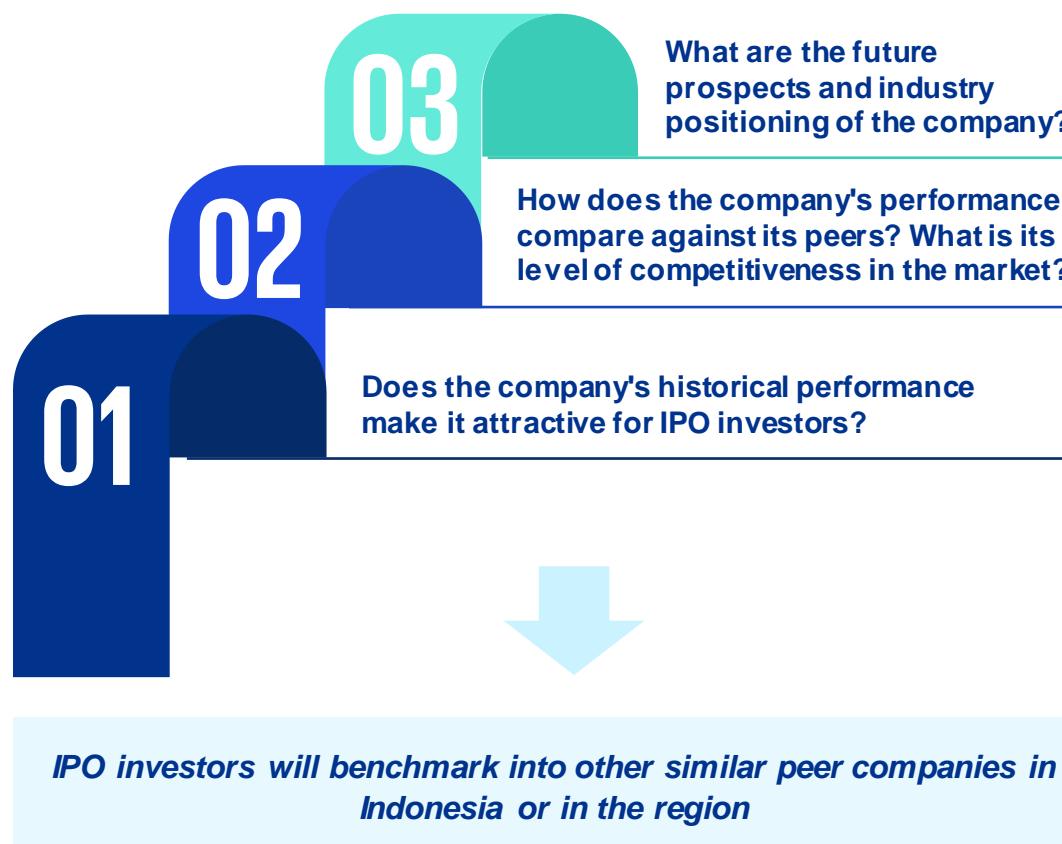


Illustration for benchmarking

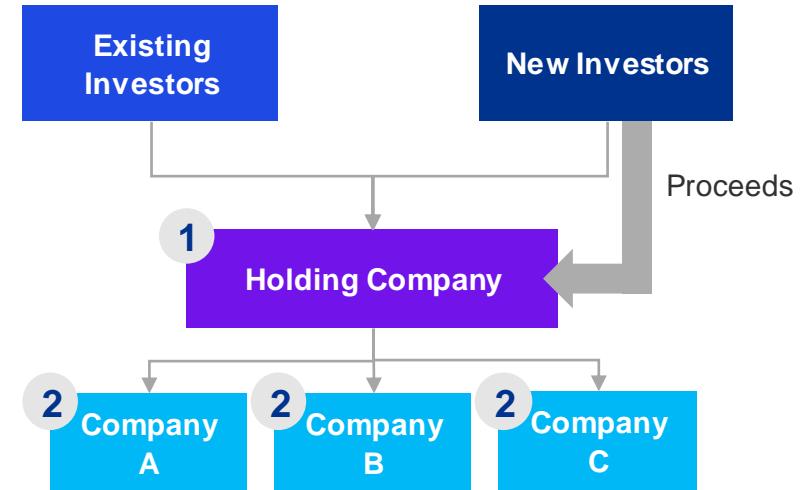
| Financial performance | Your company | Benchmark average | |
|-----------------------|--------------|-------------------|-----------------------------|
| Revenue growth | (4.5%) | 5.0% | → Enhance performance |
| Gross margin | 12.8% | 16.9% | Cost efficiency |
| EBITDA margin | 7.7% | 11.1% | |
| Net profit margin | 4.9% | 8.1% | |
| Inventory days | 70.2 | 35.1 | Working capital management? |
| A/R days | 60.8 | 51.2 | |
| A/P days | 22.2 | 31.7 | |
| Debt to equity ratio | 15.0% | 50.5% | → Effective leverage level |

Conduct financial diagnostic review



Optimize the company's structure

Illustration only

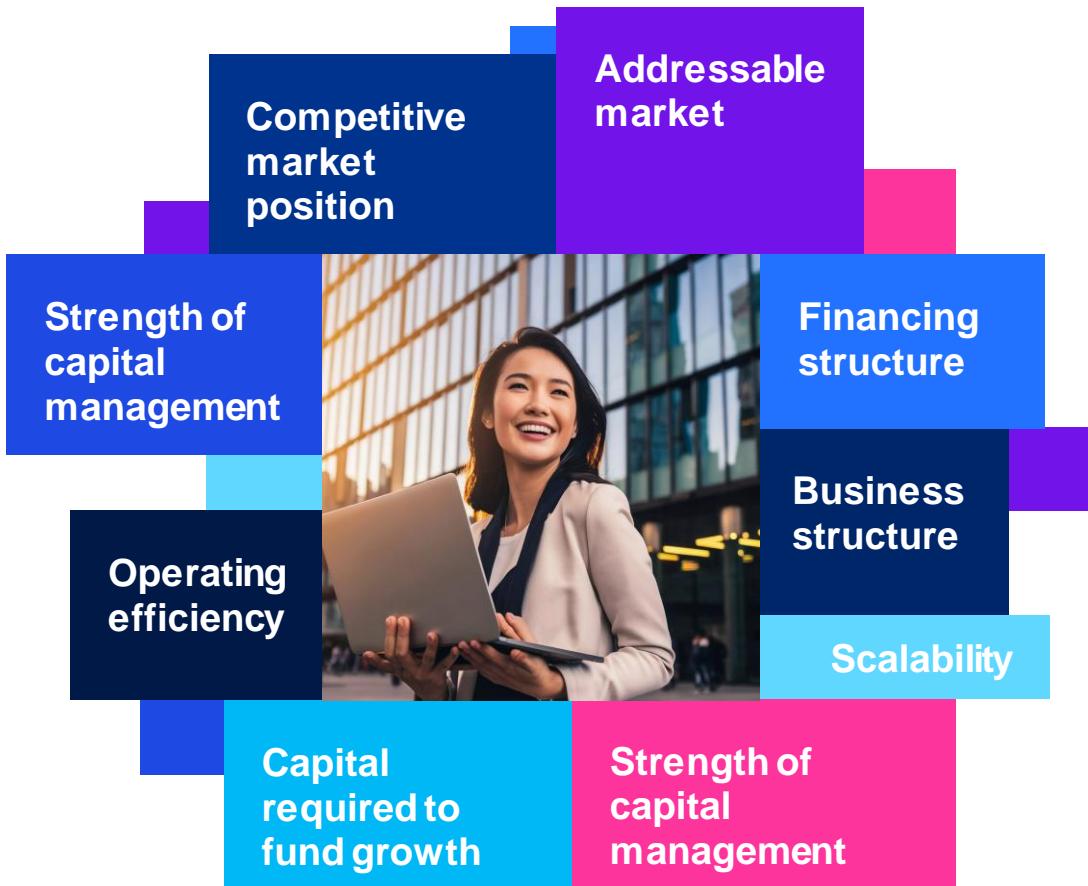


IPO at Holding vs Subsidiary Level

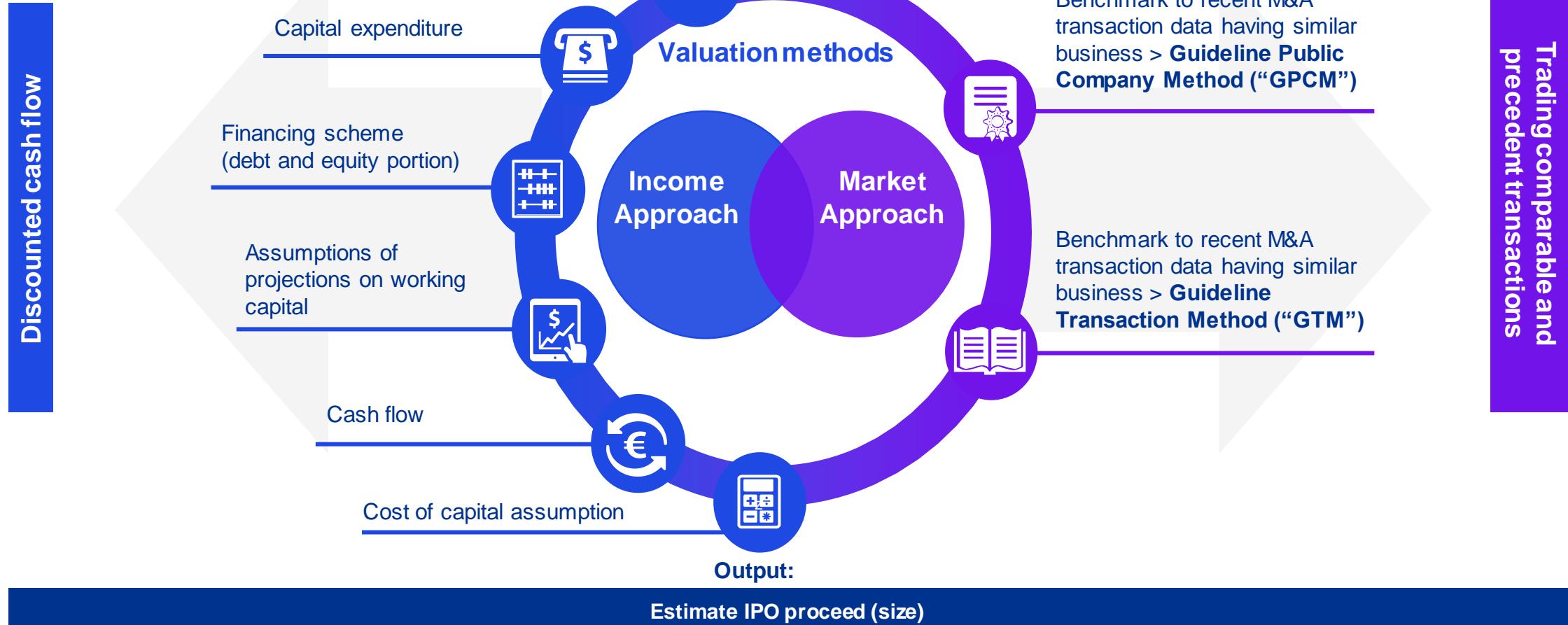
Description:

- 1 Establish a holding company to become a holding company for IPO
Preparing operating subsidiaries under new holding entity according to its business unit

Refine your growth story



Assess financial projection and valuation



Enhance good corporate governance



Business process procedures

Implementing robust business process procedures in Pre-IPO ensures transparency, & accountability, enhancing investor confidence and organizational integrity.

Information technology governance

Strengthens data security, IT regulatory compliance, and IT operational transparency, thereby improving investor trust and the company's readiness for public listing.

Organization readiness

Defined roles and responsibilities, a strong board of directors with independent members, transparent reporting lines, and robust internal controls

ERP/POS/Accounting software

Ensures accurate financial reporting, compliance with regulatory standards, and enhanced internal controls, thereby fostering investor confidence and operational integrity.

Role of public accountants in an IPO journey



Financial statements disclosure compliance

- Reviewing compliance to additional financial statement disclosure requirements set by OJK under OJK Checklist VIII.G.7 for public companies, and sign on the checklist alongside the management as part of the registration statement requirement for accounting aspect.
- Independent auditors report is to be issued under comparative approach with key audit matters.
- Financial information of 3 latest financial year and latest interim (if any).
- Potential re-issuance of financial statement to accommodate OJK's comments.



Comfort letter provision

- Issued to a requesting party (e.g. OJK and underwriters) to provide comfort over financial information contained in the prospectus as part of the registration statement.
- Subject to the specified procedures in accordance with *Standar Jasa Lain 7500 (2023)* issued by the Indonesian Institute of Certified Public Accountants.



Review management's accounting representation letter to OJK

- Reviewing the completeness and accuracy of accounting representation letter prepared by management to OJK as part of the registration statement requirement for accounting aspect.



Coordination with underwriters and other supporting institutions

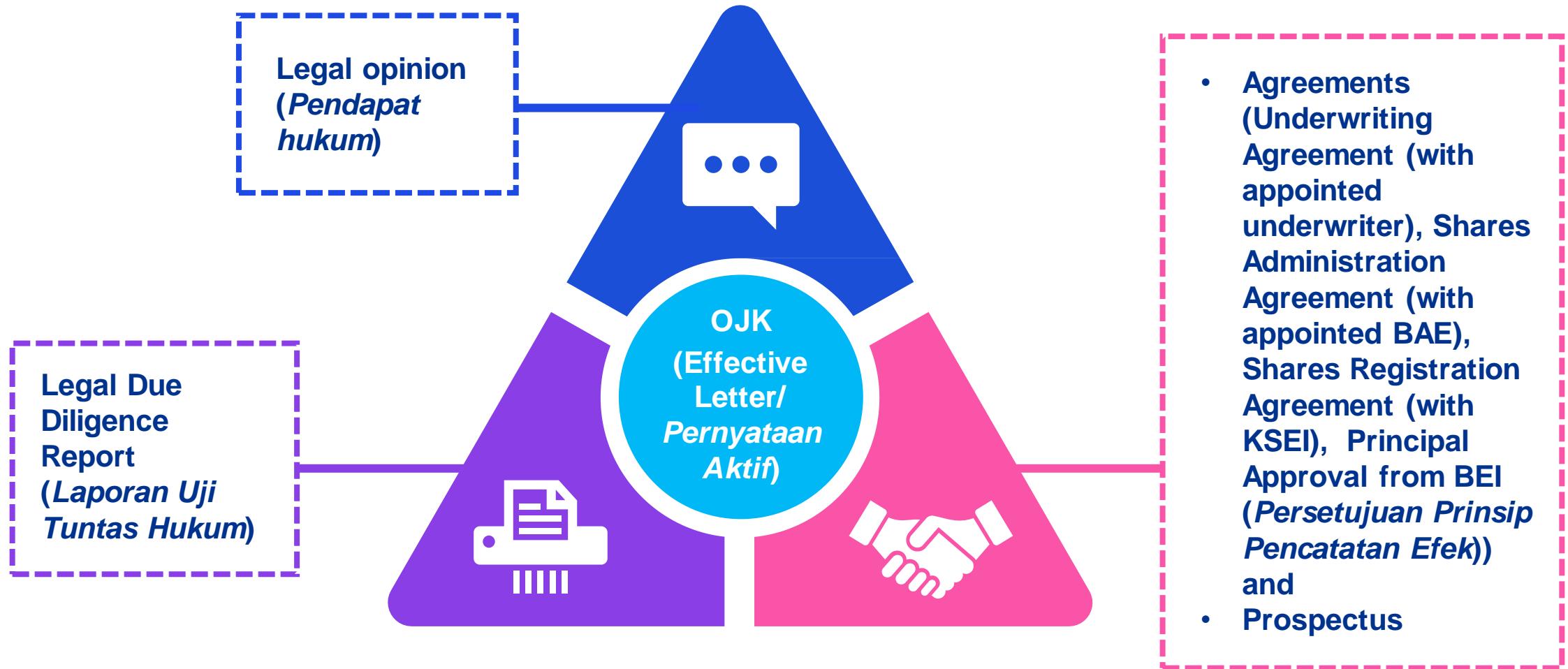
- Participating in meetings and discussions with the management, the underwriters, and other supporting institutions appointed by the management.
- Providing verbal responses to the questions raised by them in connections with their due diligence regarding the IPO and the prospectus.



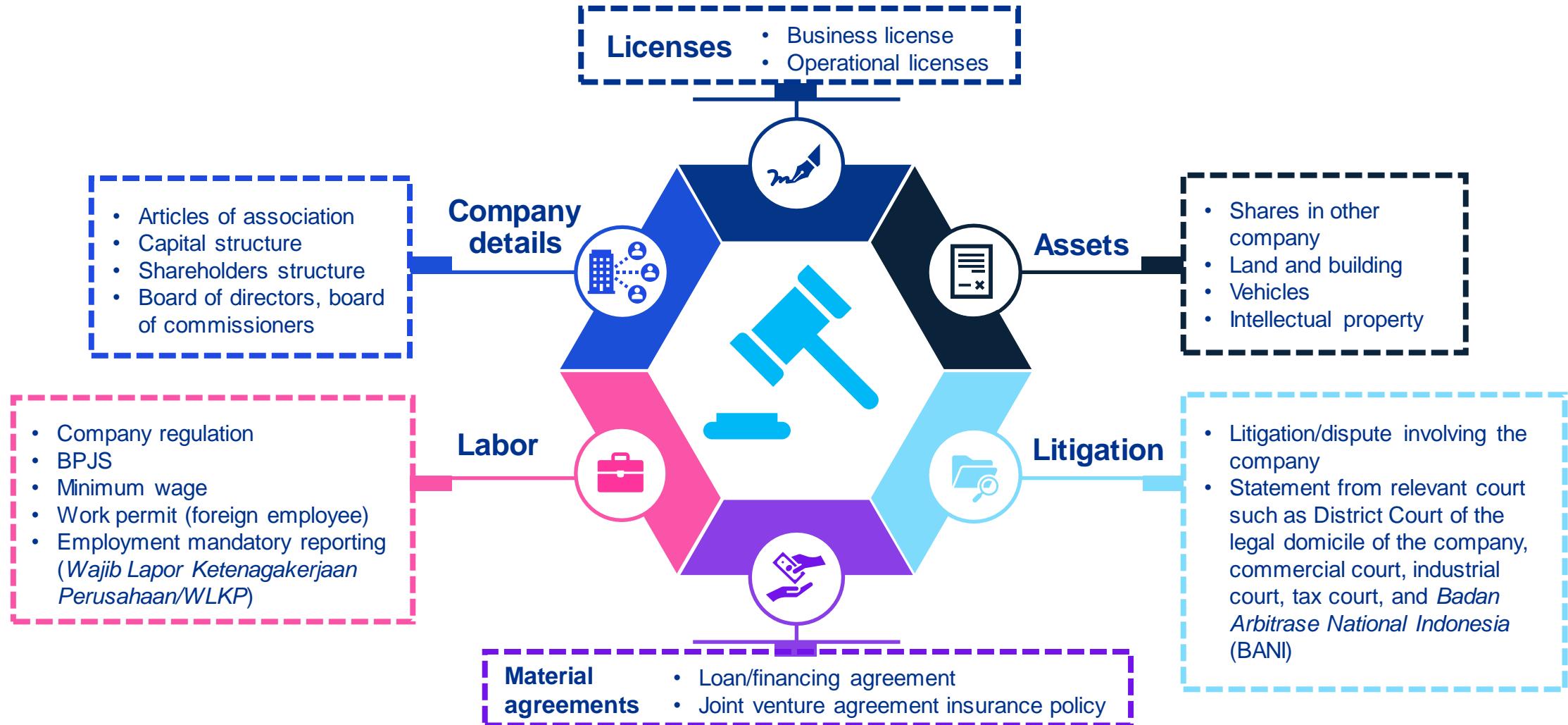
Coordination with OJK

- Participating in meetings with or responding to questions raised by the OJK in connections with the prospectus filed by the management as part of the registration statement.
- Reviewing management's written response to OJK in relation with accounting aspect or financial information related questions raised by OJK.

Scope of work - Legal



Scope of legal due diligence



Contact us

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