



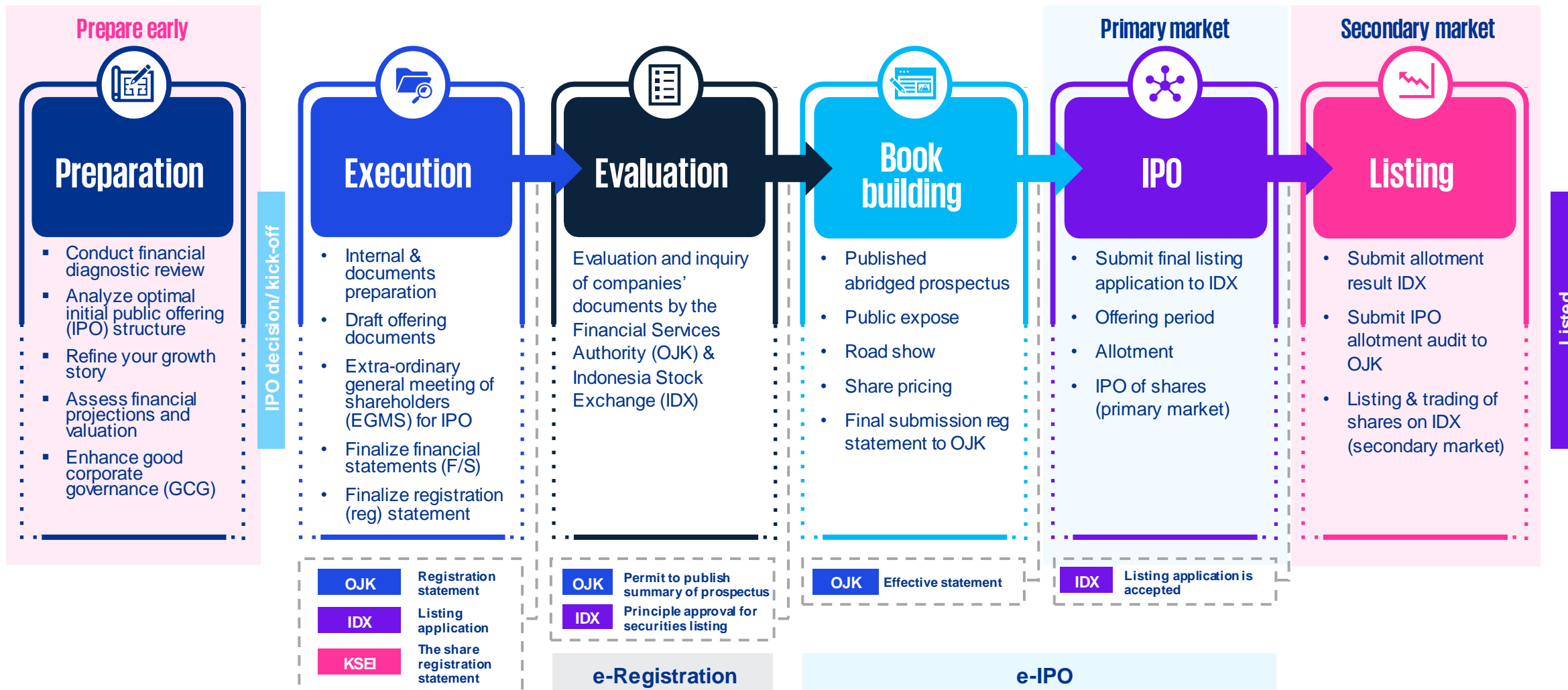
Maximizing your Pre-IPO preparation journey

KPMG Indonesia

28 August 2024



End-to-end IPO journey

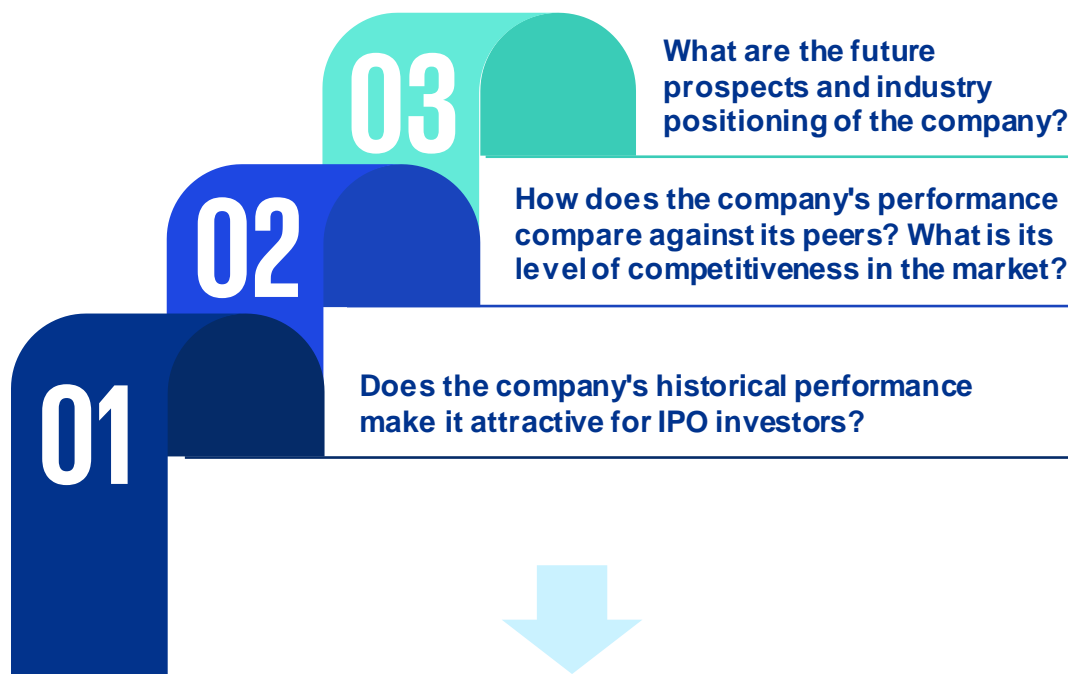


Thorough process of pre-IPO preparation



Conduct financial diagnostic review

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



IPO investors will benchmark into other similar peer companies in Indonesia or in the region

Illustration for benchmarking

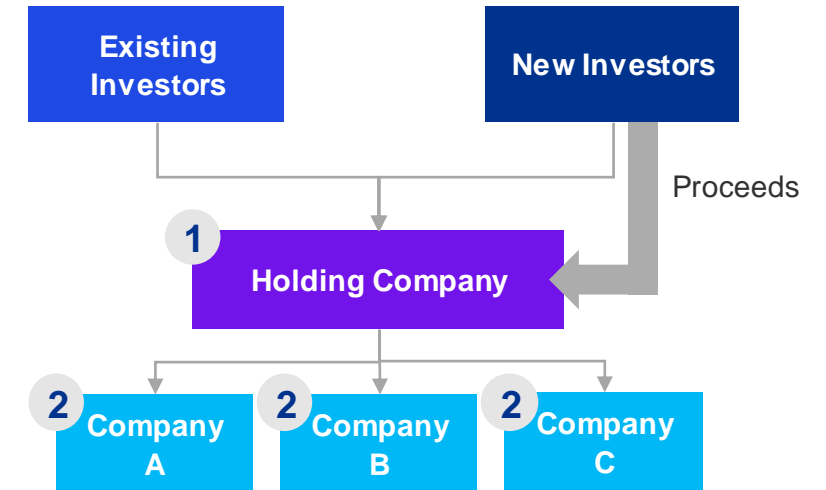
Financial performance	Your company	Benchmark average	
Revenue growth	(4.5%)	5.0%	→ Enhance performance
Gross margin	12.8%	16.9%] Cost efficiency
EBITDA margin	7.7%	11.1%	
Net profit margin	4.9%	8.1%	
Inventory days	70.2	35.1] Working capital management?
A/R days	60.8	51.2	
A/P days	22.2	31.7	
Debt to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

Conduct financial diagnostic review



Optimum the company's structure

Illustration only

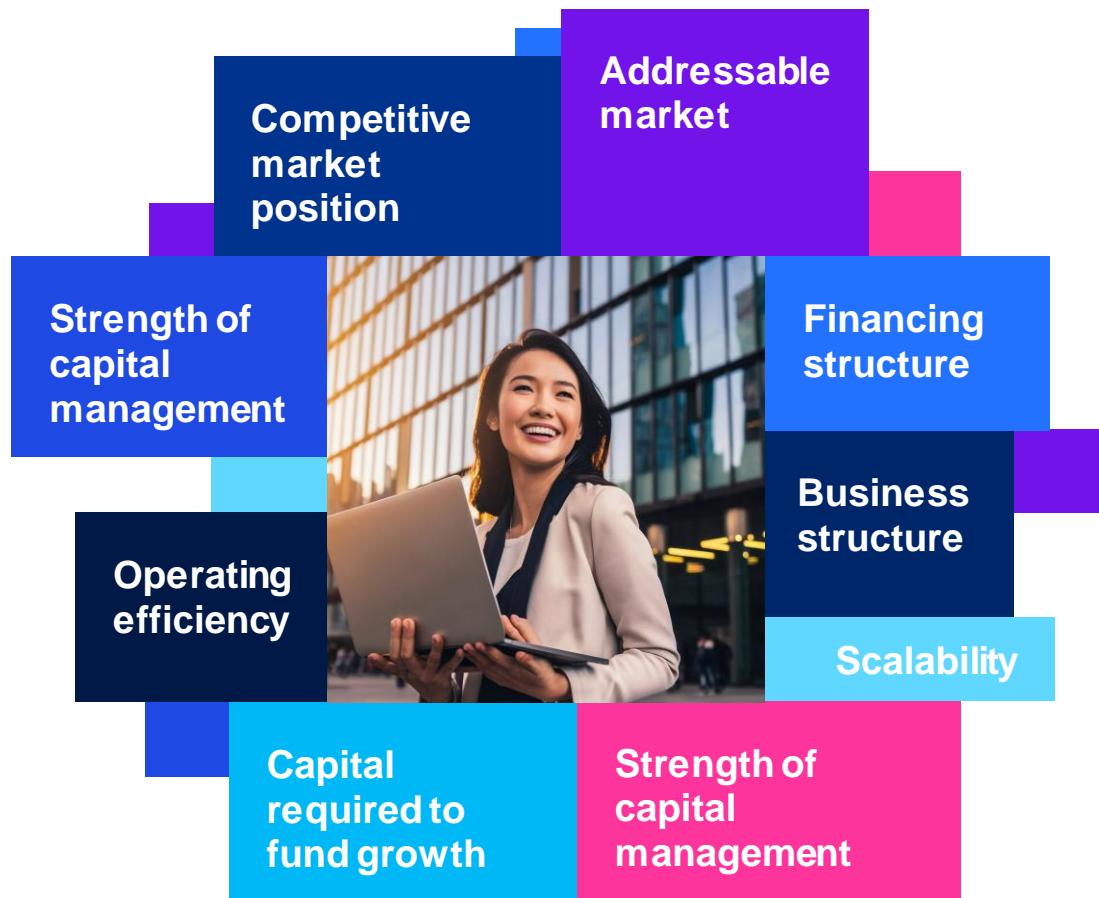


IPO at Holding vs Subsidiary Level

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



Establishing a framework for the equity narrative to attain supported and enduring top-line growth.

Building a strong foundation



Derive from financial and operating track record

The equity narrative should highlight businesses in the same segment as current management, ensuring cohesion with financial reporting segments.



Market dynamics and competitive environment

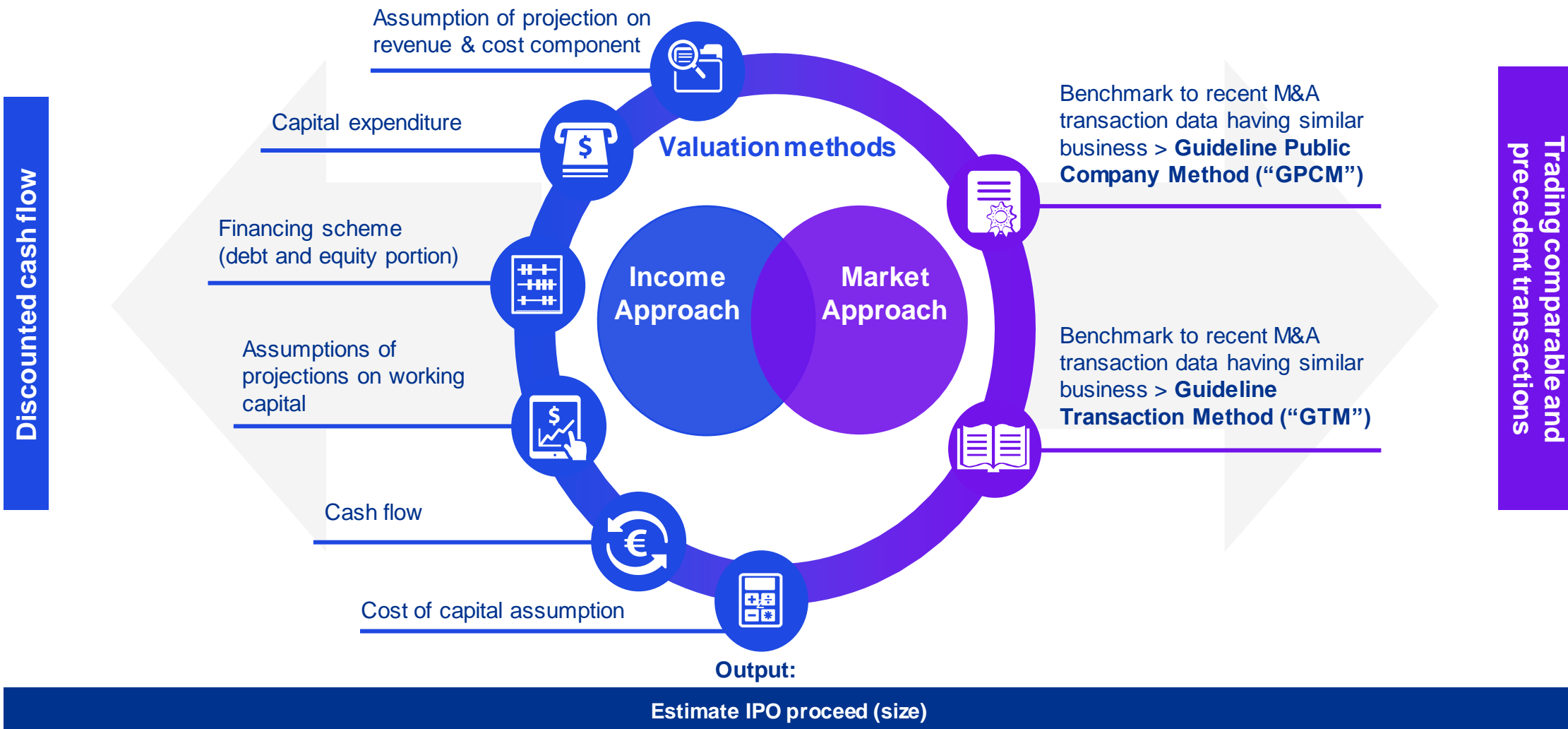
Your equity story should highlight your company's strength and positioning in the market, differentiating capabilities that demonstrate your competitive advantage



Business sustainability through People and ESG

Your equity story should be backed-up by strong evidence of employee retention (especially key-operating people) and current involvement of ESG planning

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

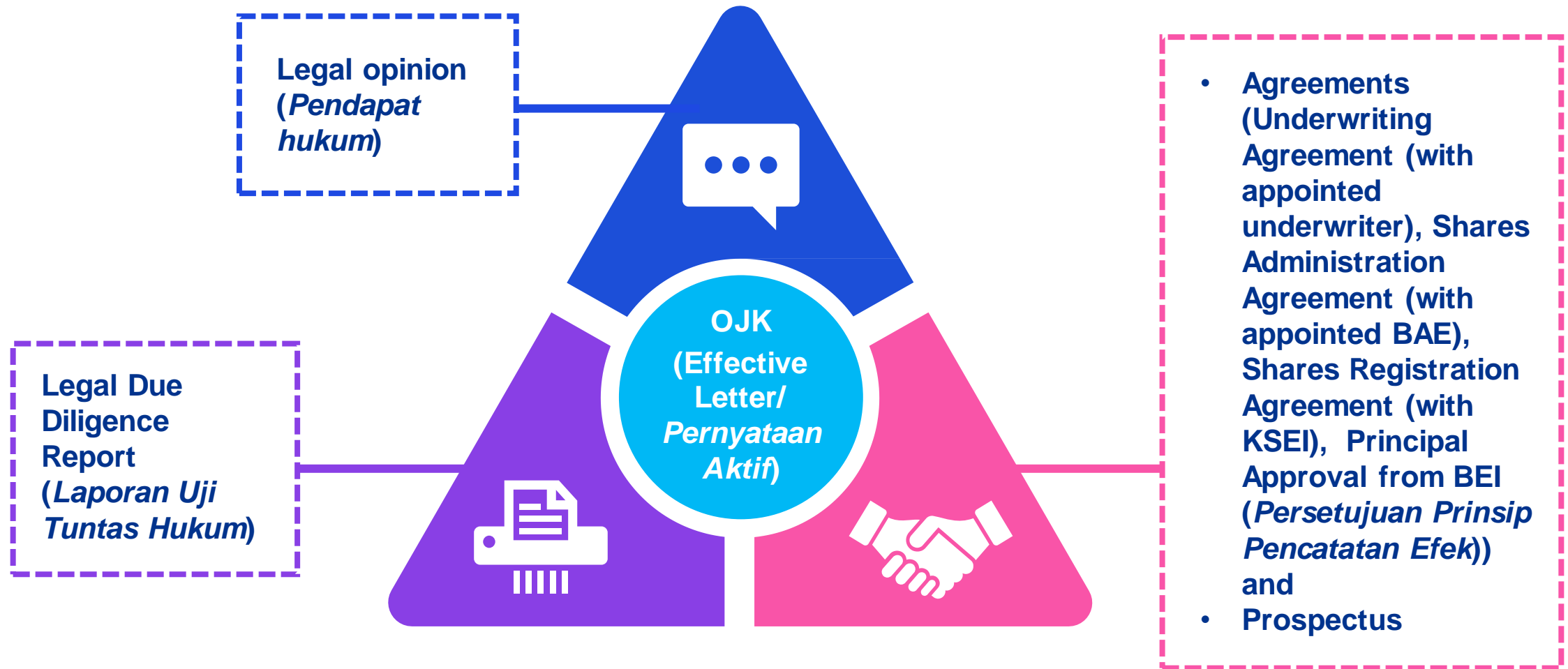
- Participating in meetings and discussions with the management, the underwriters, and other supporting institutions appointed by the management.
- Providing verbal responses to the questions raised by them in connections with their due diligence regarding the IPO and the prospectus.



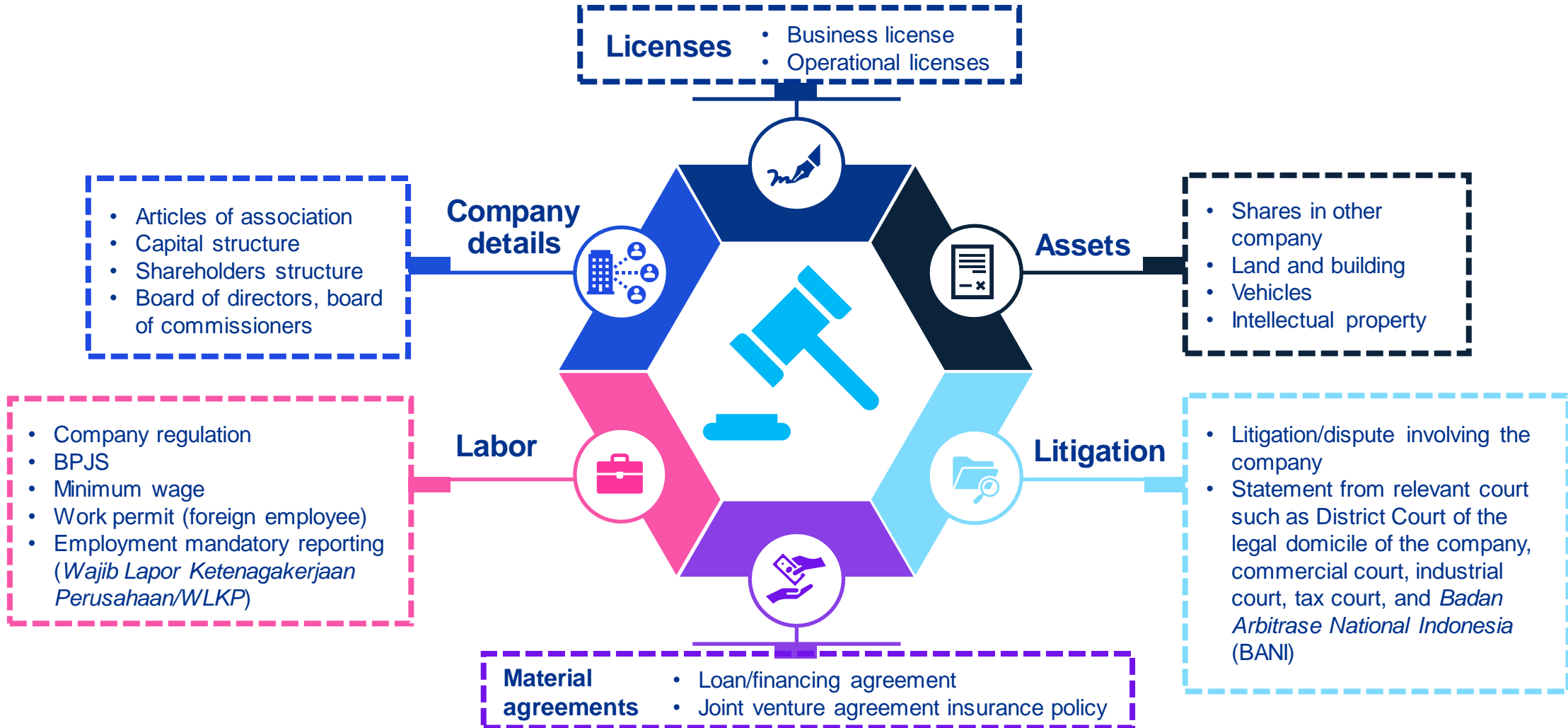
Coordination with OJK

- 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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