

# IPO Readiness

## Is your company prepared to go public?

Taking your company public is a significant milestone along the journey of your business that can help unlock new markets and significant growth. With preparation and the right guidance you can have confidence in a smooth and efficient IPO process.



## Are you considering going public?

Embarking on the initial public offering (IPO) journey and completing it successfully calls for strategic planning, sound advice, and understanding and addressing the potential risks.

A public offering is a significant event in the life cycle of a company. An IPO can improve your company's financial strength and opportunities for growth, but the IPO process can introduce a number of management, financial, and process-related challenges.

## Is your company ready?

Preparing early, before you face undue time pressures from the offering process, will help you to be well-prepared, reduce your risks and avoid significant surprises.

Answering the following questions may provide you an indication of your fitness for the IPO journey:

### Will we attract investors?

- Can we prepare an attractive equity story with supporting evidence with a proven track record?
- Do we have a strategic vision and business plan for the future?
- Can we demonstrate the strength of our competitive positioning – now and in the future?
- Do we have clear and credible growth opportunities?
- Is our core business solid and capable of sustaining shareholder value in the future?
- Do we have well-defined Key Performance Indicators?
- Are our processes aligned with our direction?
- Are we willing and able to exist in the public spotlight?

### Will we meet the requirements?

- Is there an appropriate tax structure?
- Are we ready for the due diligence challenge?
- Do we have a robust, stand-alone financial track record produced under IFRS or equivalent standards?

### Can we produce high-quality financial information on a timely basis?

- Are we able to comply with the rules for ongoing disclosure and transparency?
- Have we started building the internal financial reporting team necessary to close the company's books each financial period and prepare interim and annual financial statements to be filed within the reporting deadlines?
- Do we have the appropriate infrastructure to provide relevant, timely and reliable information about our performance?
- Do we have a financial planning and analysis team that can prepare forward-looking financial models and identify KPIs to analyze and manage the business?
- Have we started to test your company's ability to forecast, project and achieve its quarterly and annual KPI targets?
- Have we begun the process of designing, documenting and testing the company's internal controls over financial reporting and other corporate governance policies and processes?
- Are we ready for the additional scrutiny from a new set of stakeholders?

### Do we have the right team?

- Is our management team strong, well-rounded and experienced in applying and supporting the company's goals and objectives?
- Do we have an experienced board in place?
- Do we have an experienced audit committee?
- Does our board and audit committee meet the regulatory independence requirements?
- Are the board members well informed and willing to assume the responsibilities and personal liabilities taken on by directors of a public company?
- Are we ready to commit significant time – probably more than you anticipate – to the process of going public and compliance thereafter?
- Have we identified an internal working group that is building a process for the IPO?
- Have we identified an experienced, reputable underwriter that has a track record of successful IPOs in your industry?
- Have we started to think about other potential external advisors (e.g. external legal counsel, independent auditors, investor relations consultants, compensation consultants)?

### How do we measure up on corporate governance?

- Do we have robust systems and internal controls?

- Are our risk management processes sufficient?
- Have we thought about corporate social responsibility?
- Is there an alignment of staff remuneration to performance?
- Is there clear and timely communication with key stakeholders?
- Can we establish an appropriate board structure?
- Do we have an experienced audit committee?

### Are the markets ready for us?

- Have we considered alternatives for an IPO?
  - Have we considered the economic factors and market conditions that will impact the pricing of our IPO?
  - Has research been done on the capital markets for our industry sector?
- Have we evaluated the different stock exchanges where our stock could be traded?
- Have we and our financial advisors conducted preliminary investigations into the pricing range for our offering?
- Have we considered the number of shares to be issued?
  - Have we considered the timing for the IPO?



### How KPMG can help

KPMG Capital Markets provides a full range of services to assist with your public offering or alternative strategies. We provide assistance in all aspects of IPO readiness including financial reporting, human resources, IT readiness, internal controls, governance and tax.

We perform a comprehensive IPO readiness assessment to identify your needs and any gaps, and provide actionable recommendations to support the IPO process efficiently and cost effectively.

We can help you address the cross-functional implications of structural changes that may arise from the registration process, and new requirements for internal controls, corporate governance, tax, and financial reporting.

We will guide you throughout the offering process to implement the necessary requirements to build a sustainable approach to meet the needs of a public company.

KPMG is well-positioned to serve companies globally and brings a wealth of experience preparing businesses like yours to go public. KPMG member firms can serve companies across borders, and work comprehensively to help them prepare for public offerings, and can also assist firms interested in listing on international exchanges.

**To learn more about how we can help you on your IPO journey, contact one of our KPMG Capital Markets professionals.**

Contact us

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