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# Mastering the IPO Process – 2025

## OPPORTUNITIES AND CHALLENGES

Michael J. Blankenship  
J. Eric Johnson

# Agenda

2025 IPO Market

IPO Timeline

Critical Pre-IPO Items

# 2025 IPO Market





# Is 2025 Primed for IPOs?

- '24 IPO Market: Recovery Continues
- Q1 '25 IPOs: Started Strong
- Trade Policy Volatility: Wait it Out?
- More Interest Rate Cuts
- Favorable Regulatory Environment
- Robust Company Pipeline
- Investor Demand

# '24 and Q1 '25 – Trending Up

- 2024 – Strong Foundation
  - # of IPOs up
  - Proceeds raised up
  - Finished very strong in Q4 vs Q4 2023
- 2025 – Momentum Continues (through March 15)
  - 64 Pricings (up 93.5%)
  - Total proceeds up vs. 2024
- But Post-IPO Performance Uninspiring so far...





# The Trump Effect – Thumbs Up . . . Soon



## TRADE POLICY CHAOS CHILLS BIG EXPECTATIONS

- Bankers/Companies pumping the brakes?
- Uncertainty/Volatility = difficult to price an IPO

## MONETARY EASING

- Recession fears? Inflation tamed?
- More Fed Rate Cuts

## REGULATORY EASING

- More Certainty Post-First 100 Days
- EOs, SEC

# Supply and Demand

- Strong IPO Pipeline
  - 170+ companies in IPO Pipeline\*
  - 100+ in “Active Pipeline” (have filed or updated within past 90 days)
  - Who’s next and when?
- Investors are Hungry, but Picky
  - Profitable, Innovative, High Growth, Competitive Advantage
  - Highest demand in Tech, AI, Cyber

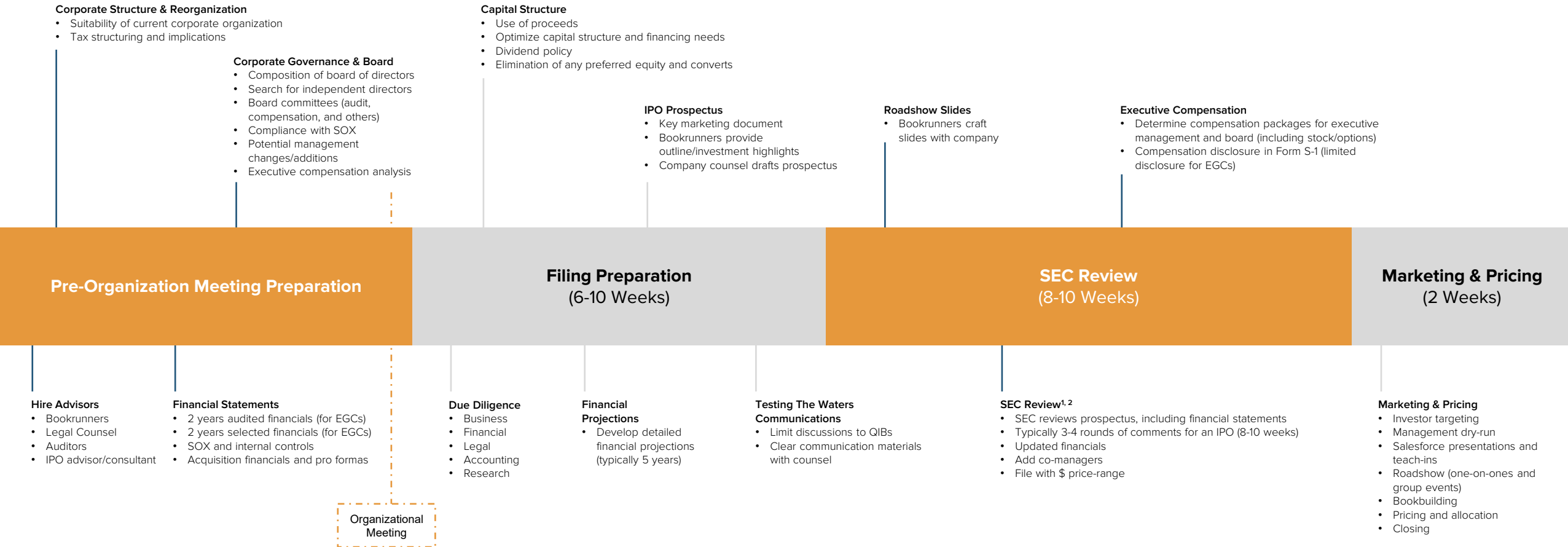
\*Per Renaissance Capital



# IPO Timeline



# IPO Critical Tasks And Timeline Overview



1. SEC Review can take significantly longer.  
2. IPO issuers can file confidentially and respond to SEC comments without making a public filing. Public filing is required 15 days before roadshow launch.

# IPO Readiness The Critical Lead Time Items

# Key Pre-IPO Considerations

## CORPORATE STRUCTURE/CAPITAL STACK



## ACCOUNTING/REPORTING/ FP&A



## SARBANES-OXLEY/CORPORATE GOVERNANCE/COMPLIANCE



## COMPENSATION AND HR



## INFORMATION TECHNOLOGY AND CYBERSECURITY



## TAX





# Corporate Structure and Capital Stack

## GOAL

- Keep it Simple



## JURISDICTION AND STRUCTURE: DELAWARE C CORP

- LLC, UP-C
- Other Jurisdictions (Texas, Nevada, etc.); Reincorporate?
- Simplify Organizational Structure Chart (subsidiaries, other affiliates, intercompany transactions)

## SIMPLIFYING AND MANAGING THE CAPITAL STACK

- Preferred Stock or other securities that do not convert at IPO?
- Other rights (registration rights, anti-dilution rights, governance rights, ROFRs, etc.)?
- Existing lock-ups, if any, and appetite for 180-day lock-up in IPO

## AMENDMENTS TO ORGANIZATIONAL DOCUMENTS

- Sufficient Authorized Shares?
- Stock Split – to get your stock trading in the ideal range
- Anti-Takeover provisions (staggered board, supermajority voting, etc.)



# Accounting/Reporting/FP&A

- External Auditor Independence (PCAOB)
- Financial Statements
  - Annual (Audited)
  - Quarterly (Reviewed)
  - Additional Audited Financial Statements (e.g., business acquisitions, equity method investments, affiliates who collateralize registered debt)
- Accounting Policy Harmonization
- Finance Team Ready for Public Company Reporting
  - Staff and Systems
  - Accelerated Close Cycle – control, speed, first time accuracy
- FP&A – accurate budgeting and forecasting

# Sarbanes-Oxley



- Preparing for SOX Compliance
- Internal Control over Financial Reporting (ICFR)
  - Item 404(a) – The company must establish and maintain effective ICFR environment
  - Item 404(b) – The company's external auditor must audit and opine on the adequacy of the internal control environment
  - Item 302 – CEO/CFO Certifications (and underlying structures to support)
    - Timing/EGCs
    - Material weakness disclosure
- Internal Audit Function
- Outsourcing?



# Corporate Governance/Compliance



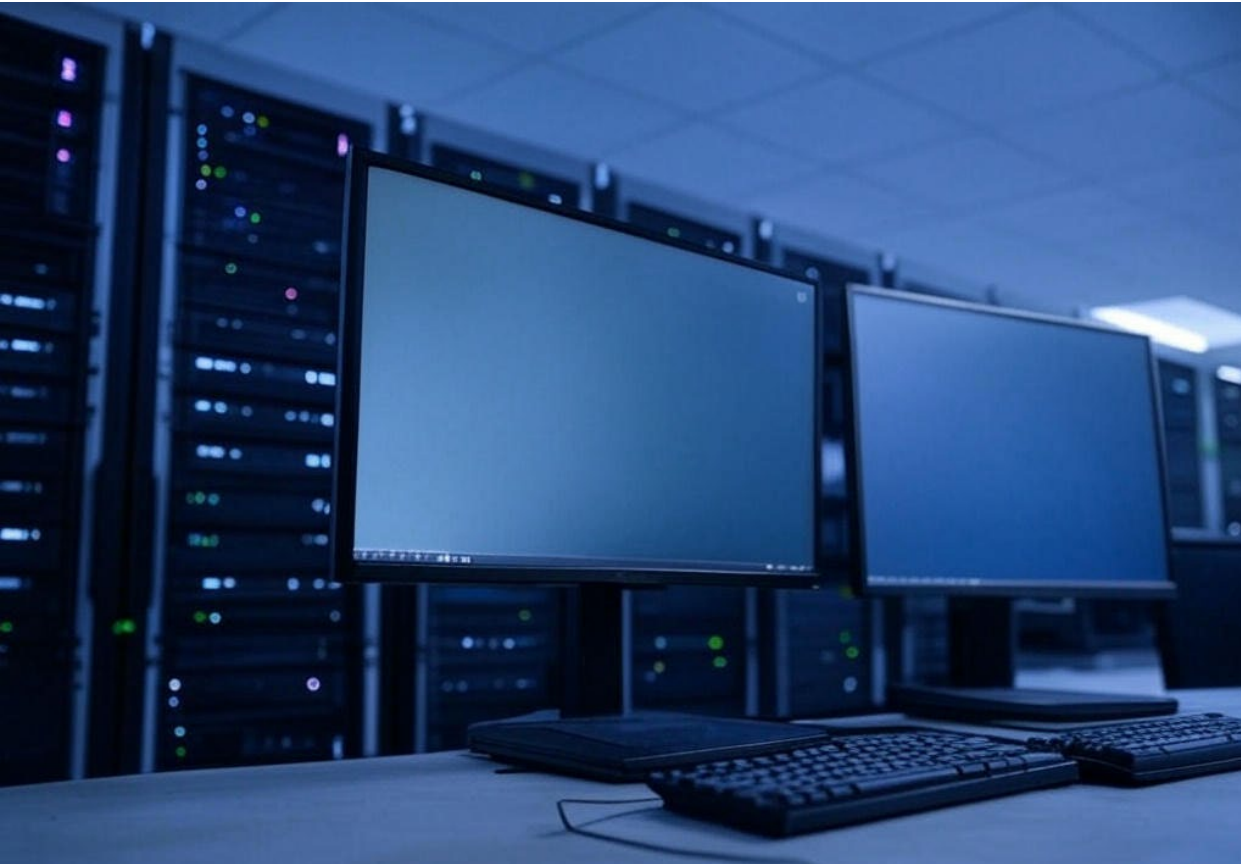
- Independence
  - Board and Committees
  - IPO Transition Rules
  - PE Designees Beware
  - “Controlled Company” Exemptions
- Committee Charters
- Governance Policies
- Legal and Compliance Programs
  - General Counsel/Chief Compliance Officer

# Compensation and HR

- Executive Compensation Programs
  - Quantitative and Qualitative Disclosure in Proxy (for top 3 execs of EGC)
  - Incentives aligned with strategy?
  - Compensation is competitive – both levels and mix?
  - Evaluate level of risk in incentive plans
  - HR Team, Compensation Committee and Consultants
  - Public Scrutiny, Say-on-Pay, ISS
- Establish Incentive Compensation Plans for management and employees



# Information Technology and Cybersecurity



- Existing IT systems often inadequate for new reporting and compliance responsibilities
  - Accounting Systems – timely closing the books each month
  - HR systems
  - CRM systems – to maximize growth drivers
  - Cybersecurity and privacy considerations
  - Data Centers
  - Network Services
- IT Remediation
  - Often a year plus to deploy necessary system additions and enhancements
  - Recruiting and Filling IT team skillset gaps



# Tax

- Existing tax structure most efficient?
- Understand existing tax attributes including the tax basis of the equity and assets of each legal entity
- NOL carryovers and IPO “ownership change”
- Evaluate risks and controls for state/local taxes, payroll taxes, etc.
- Evaluate tax impact of existing and new incentive compensation programs
- Staff and systems assessment



# Other Items

- Enterprise Risk Management
- Media and Investor Relations
  - Public Brand
  - Research Analysts, Financial and Industry Media, Trade Shows
  - PR Firms
  - ESG Profile and Reputation
- Treasury function

# Biggest Mistakes

## FAIL TO ASSEMBLE THE RIGHT TEAM

- Maximize IPO and PubCo experience
- Sufficient bandwidth to fully engage
- Project management office

## UNDERESTIMATE TIME AND EFFORT REQUIRED

- 12-18 months prior to going public
- Corporate housekeeping, Recruiting team/skillset needs, Systems enhancements, Process and procedure improvements (internal controls, financial close)

## FAIL TO FOCUS ON INFRASTRUCTURE AND PROCESSES

- Particularly financial reporting
- IT infrastructure to support reporting and compliance



# What's Next?

A close-up photograph of a brown leather football with white laces, resting on a green grass field with white yard lines. The background is slightly blurred, emphasizing the football in the foreground.

# IPO Training Camp: Anywhere, Anytime, Free of Charge

Winston's Capital Markets team is currently working on 15+ IPOs, across multiple sectors, representing both issuers and investment banks.

Let us share our wisdom and insights with you.



## MASTERING THE IPO PROCESS – 2025: OPPORTUNITIES AND CHALLENGES

# Questions?



**MIKE BLANKENSHIP**

PARTNER

Houston

+1 (713) 651-2678

[mblankenship@winston.com](mailto:mblankenship@winston.com)



**ERIC JOHNSON**

PARTNER

Houston

+1 (713) 651-2647

[jejohnson@winston.com](mailto:jejohnson@winston.com)

WINSTON  
& STRAWN  
LLP