

# Taking a Company Public: Key Legal and Business Considerations

 Wilson Sonsini Goodrich & Rosati  
PROFESSIONAL CORPORATION

May 27, 2016

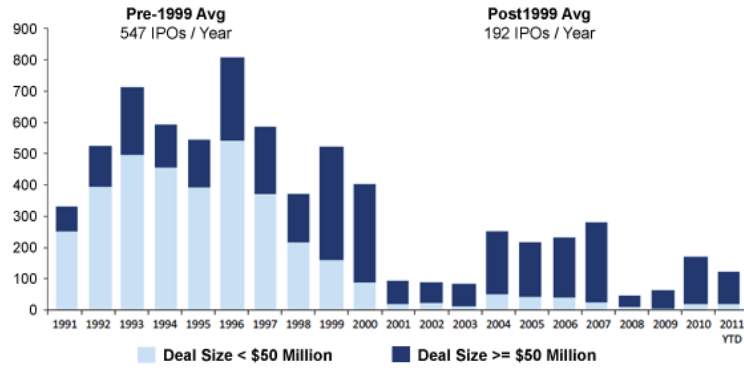
 Wilson Sonsini Goodrich & Rosati  
PROFESSIONAL CORPORATION

## Agenda

- IPO Market Outlook
- Key JOBS Act Reforms
- Typical IPO Timeline
- Decision to Go Public
- Due Diligence/Other Offering Considerations
- Employee Compensation

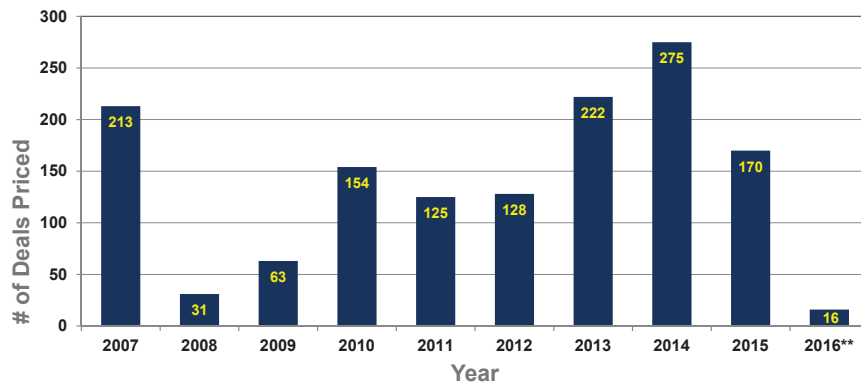
## Background on JOBS Act

Number of Initial Public Offerings | IPOs are Down...Particularly Smaller IPOs



3

## IPO Market Outlook U.S. IPO Pricing Activity 2007 to 2016\*



\* Source: Renaissance Capital LLC

\*\* Through May 3, 2016

4

## Key JOBS Act Reforms

- Regulatory on ramp for emerging growth companies (EGC)
  - Up to 5 year transition for certain public company rules
- Reduced disclosure burdens
  - Cost savings and ease of process
- Liberalized IPO communications process
  - Previewing investor interest (“testing the waters”)
- A la carte approach
  - Case-by-case analysis taking into account marketing, issuer specific and materiality considerations
- Market practices still evolving

## Definition of Emerging Growth Company

- An EGC has less than \$1 billion in annual gross revenue during its most recent fiscal year and will be an EGC until the earlier of:
  - The last day of the fiscal year during which its annual gross revenues exceed \$1 billion;
  - The last day of the fiscal year following the fifth anniversary of its IPO;
  - The date on which it will have issued more than \$1 billion in non-convertible debt in the last three-year period; and
  - The date it becomes a "large accelerated filer" (non-affiliated market cap >\$700 million with at least one Form 10-K filed)
- Nearly all technology IPOs are for EGCs

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

## Title search: Taking a Company Public: Key Legal and Business Considerations

Also available as part of the eCourse

[2016 Technology Law eConference](#)

First appeared as part of the conference materials for the  
29<sup>th</sup> Annual Technology Law Conference session

"Taking a Company Public: Key Legal and Business Considerations"