

Taking a Company Public: Key Legal and Business Considerations

 Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

May 27, 2016

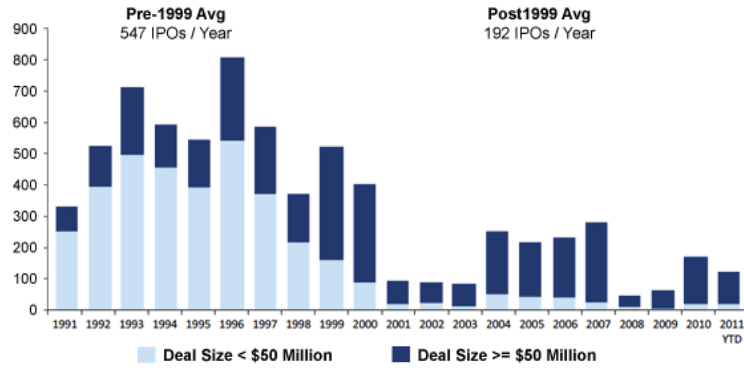
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Agenda

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

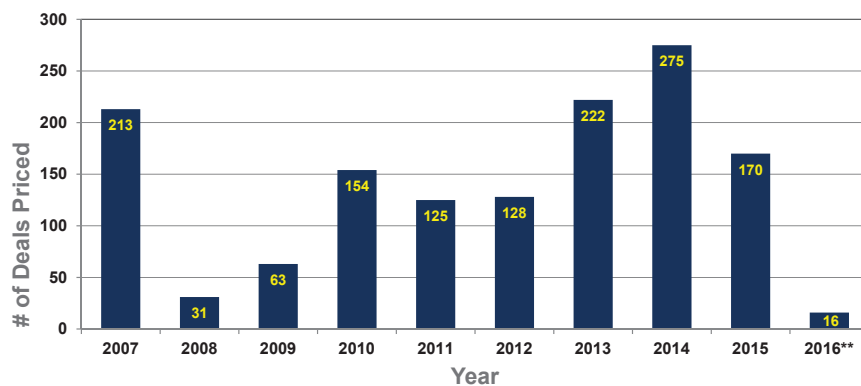
Background on JOBS Act

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



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



* Source: Renaissance Capital LLC

** Through May 3, 2016

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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

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