

IPO Boot Camp

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IPO MARKETING

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■ Testing the Waters

- “Testing the waters,” or meeting with sophisticated investors prior to the roadshow, or even prior to the filing of the S-1 registration statement, has been around for almost four years now, since the JOBS Act
- Available for EGCs only

■ Cornerstone Investors

- In the last few years, we have increasingly seen IPO companies – both EGCs and non-EGCs – court “cornerstone” investors for their IPO, both in order to gauge demand for the offering as well as to provide a signaling function to other investors

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- Directed Share Programs

- In a DSP, the IPO company “reserves” some percentage of shares to be offered to ‘friends and family’ – typically employees, business partners, sometimes even customers

- The Quiet Period

- It still exists!

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- Prospectus vs. Roadshow

- SEC rules prescribe a set of disclosures that have to be in the prospectus, such as:
 - Summary
 - Risk factors
 - MD&A
 - Financials
 - Governance
- But contents of the roadshow are largely left to the judgment of the IPO company and the underwriters

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- Bookbuilding

- Bookbuilding is the process of discovering the price for your IPO
- The range on the cover of your prospectus is not a backstop – you find the price through the bookbuilding process which takes place during the roadshow