

An IPO Highlighting the Differences

Situation Analysis: A pre-IPO telecom company chose LHA to drive its IR program. The company had recently completed a merger of two operating units, joining key management members from the two entities. While some managers had public company experience, the integrated team had clearly not begun to function as a single public company unit. Management was acutely aware that following the IPO, investment bank advice would be limited at best.

LHA's Solution: LHA devised a comprehensive IR program to help the client transition to its new life as a public company. Our activities included:

- Conducting training on Reg. FD and public company employee behavior
- Shaping and rehearsing the developing IPO presentation
- Rehearsing Q&A for the IPO road show
- Devising a set of financial and non-financial metrics based on current company measures, peers' reporting and investors' needs
- Determining the client's guidance policy based on analysis of the pros and cons of providing guidance and the review of peer practices.
- Establishing an IR infrastructure that optimized management's time and ensured quick investor inquiry management
- Providing recommendations regarding the IR and corporate governance sections of the website
- Building and implementing a media program for the day of the IPO
- Preparing management for its first earnings conference call and managing communications and outreach programs post-IPO.

Results: Through LHA's efforts, the company secured four sell-side analysts within a year of the IPO, only two of whom were from the banking syndicate. During that period, the stock price increased more than 20% and institutional ownership reached 61%, with essentially all of the remainder of the stock held by insiders.