



IPO market poised to return—prepare now to go public



The US IPO market is anticipated to gain momentum in the remaining months of 2024, driven by expectations of improving inflation, anticipated Fed rate cuts, and improved market enthusiasm. However, given the lingering economic uncertainty, a major surge in IPO activity may not come until 2025. Uncertainty is why private companies should prepare now to go public when the time is right.

It's why we held a KPMG Fireside Chat with KPMG LLP (KPMG) and two leaders of private companies with ambitions of going public in the next few years. We asked them to weigh in on the current IPO market and share what they think companies should focus on now to get ready to go public when the time is right.

Focus on IPO readiness

The IPO market has been slowed by high interest rates, inflation, and geopolitical risk. It's only recently started to turn around.

"There's been a smattering of IPO activity in 2024," said Shari Mager, a partner and US national leader of the Capital Markets Readiness practice at KPMG. "I think that's been led by interest rate stability."

With a good pipeline and a good runway for the IPO market, it could be an opportune time for private companies to go public. For any company with IPO aspirations, the focus should be on readiness. The healthier a company is at its foundation, the more it sets the company up for success during and after an IPO. Also, while a track record of growth over at least a couple of quarters is expected for companies going public, investors are really looking for growth over time.

Growth aside, Kyle Schlumpf, an Audit managing director at KPMG and the fireside chat moderator, stressed being adequately prepared and cited data as an issue.



We see a lot of technology companies that require relevant, reliable data. It's as fundamental to IPO readiness as process controls.

Kyle Schlumpf, Audit Managing Director, KPMG LLP



The role of systems and people

Tomorrow's public companies are today's fast-growing private companies. It often means an entrepreneurial flare with homegrown billing systems. As a company assesses their readiness to go public, officers need controls and ultimately Sarbanes-Oxley reporting once public, among other requirements, that can be daunting and not something that can be produced overnight.

For Sohela Lalvani, chief accounting officer at Guild, a privately held company, what's key is being able to generate accurate forecasts.



A private company can have the likeness of a public company by having predictability in the business. If you know your operating metrics, you can go to investors with numbers that are reliable and repeatable in a forecast.

Sohela Lalvani, Chief Accounting Officer, Guild

For any company contemplating going public, having the right people and team makes the difference. That can change what a company looks for in terms of talent.



We've staffed our team to be a well-run private company. As we get closer to an IPO, our hiring specs will also evolve with the IPO possibly serving as a carrot for recruiting.

David Friend, Chief Financial Officer, Quantum Metric

For Lalvani, an accountant who loves governance and compliance, it's important to not overburden the business until the timeline requires it and resource needs change.

"You need the right people and to ensure that you're spending the time on creating an operating mentality while not over indexing on governance and compliance."

Systems and people are critically important for companies going public. But what if the timeline gets pushed another 12 months? Schlumpf gets the last word on this topic.

"We're not overburdening with an IPO call for readiness, just making sure we have the right structure in place for when the window opens up, so that the business can jump on going public."



Managing investor expectations and relationships

Our IPO subject matter professionals and private company leaders had a lot to say about the investor community. For a company going public, playing the investor card right is critical, like building relationships with the investor community in dozens of test-the-water meetings.

Lalvani shared her view on instilling investor confidence, which she notes should be a key consideration well before an IPO is on the table.

“For me, it’s really knowing the company, being able to build the relationship with investors well before IPO conversations occur and sharing the mission and growth story in metrics and KPIs. It’s about giving the investor confidence without overpromising.”

IPOs should strive to build a model that meets and raises expectations. Like any good salesperson, it’s about under promising and over delivering every quarter.

There is also a practical side of guidance that relates to people, process, and technology that come together to meet investor expectations. As the US national leader of the KPMG Capital Markets Readiness practice, Mager looks at both the big picture and the detail view.



We evaluate where the company is today and what things they need to focus on to be ready for the IPO and, more importantly, act as a successful public company. That encompasses details, including accounting, reporting, tax management, and corporate governance.

Shari Mager, Partner and US National Leader, Capital Markets Readiness, KPMG LLP

Ahead to Q4 and beyond, there are positive trends. To capitalize on this emerging opportunity, companies should focus on IPO readiness, ensuring a strong foundation and sustainable growth. Adequate preparation, including reliable data and process controls, is crucial for success. Additionally, having the right systems and people in place, as well as managing investor expectations and relationships, can make a significant difference when going public.

KPMG. Make the difference.

Understanding the key trends and investor expectations is critical to preparing for an IPO. Investment narratives matter. They cut through the deluge of data and analysis, and help companies sift real windows of opportunity from market noise. And the most compelling deal stories come from insights into a company’s unique mix of valuation drivers: sector, markets, customers, portfolio mix, and capital structure.

Our KPMG professionals understand what it takes for you to be successful at each stage of your business and are focused on helping private companies—like yours—start, grow, strengthen, and transition in today’s challenging market environment. Working with KPMG, you gain access to trusted advisers who share your entrepreneurial mindset. And we can help you understand and improve the factors that drive maximum deal value for your offering.

For KPMG insights on every stage of the IPO process, visit [Capital Markets Readiness](#).

Contact us



Kyle Schlumpf
Audit Managing Director,
KPMG LLP
kschlumpf@kpmg.com
+1 415 963 5585



Shari Mager
Partner and US National Leader,
Capital Markets Readiness,
KPMG LLP
smager@kpmg.com
+1 408 367 7661

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:  | [kpmg.com](https://www.kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS008185-1A