

Corporate Department

Initial Public Offering (IPO)

Give it some thought

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The Irish Stock Exchange (ISE) launched an IPO support programme in January 2015 to equip potential IPO companies to come to the market with essential skills in capital raising, investor relations and business management.

Why list?

The primary reasons to list include to raise capital to grow a company or to pay back debt, to provide a liquid market for a company's securities and to enhance a company's profile and provide a currency for attracting employees.

A company's suitability for a stock market listing

A company needs to consider its stage of development, its growth prospects and earnings and its market positioning.

A company also needs to consider cost factors (fees and the company's management time) and the increased regulatory burden that accompanies a listing. The regulatory burden includes ongoing listing rule obligations together with relevant ongoing legislative obligations (prospectus law, market abuse law and transparency law requirements).

Which market?

The two markets of the Irish Stock Exchange are the Main Securities Market (more suited to larger companies, needs to place a minimum of 25% of its shares in public hands and normally requires a three year trading record) and the Enterprise Securities Market (suits companies in earlier stages of development, no minimum level of shares must be made available to the public and a three year trading record is not required). The ISE also facilitates dual listing with other markets.

Appointment of advisers

A company needs to appoint a team of advisers at an early stage. Advisers include the company's dedicated IPO management team, any selling shareholders, investment bank (typically assumes role of sponsor, underwriter, financial adviser and corporate broker), solicitors and public relations consultants.

Corporate structure

Only a public limited company can list and offer its shares to the public (therefore a private limited company will require to re-register as a plc). Pre-offering tax, financial and legal due diligence must be undertaken in respect of the company seeking a listing.

The above sets out a summary of headline matters only. For comprehensive and detailed advices please contact us further.

For further information on this topic please contact:
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