

The background of the slide is a detailed, light green architectural line drawing. It depicts a large bridge with multiple spans and railings, crossing over a body of water. The drawing includes intricate details of the bridge's structure, including supports, beams, and railings. The overall style is technical and precise, typical of an engineering or architectural sketch. The drawing is oriented horizontally, with the bridge extending from the left towards the right side of the frame.

# ICONIQ

March 2025

Path to IPO Series

## Navigating a Successful Public Offering in Today's Market

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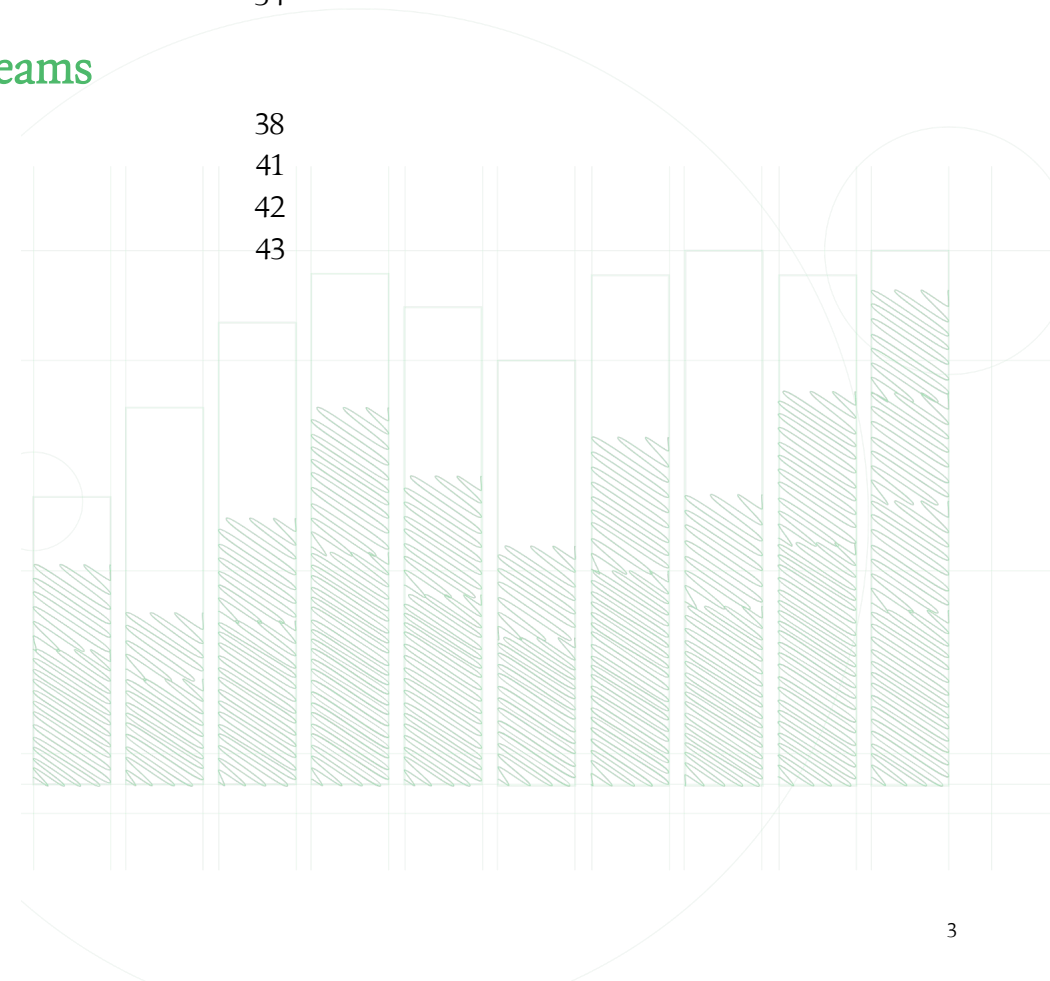
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## IPO Ready Leadership Teams

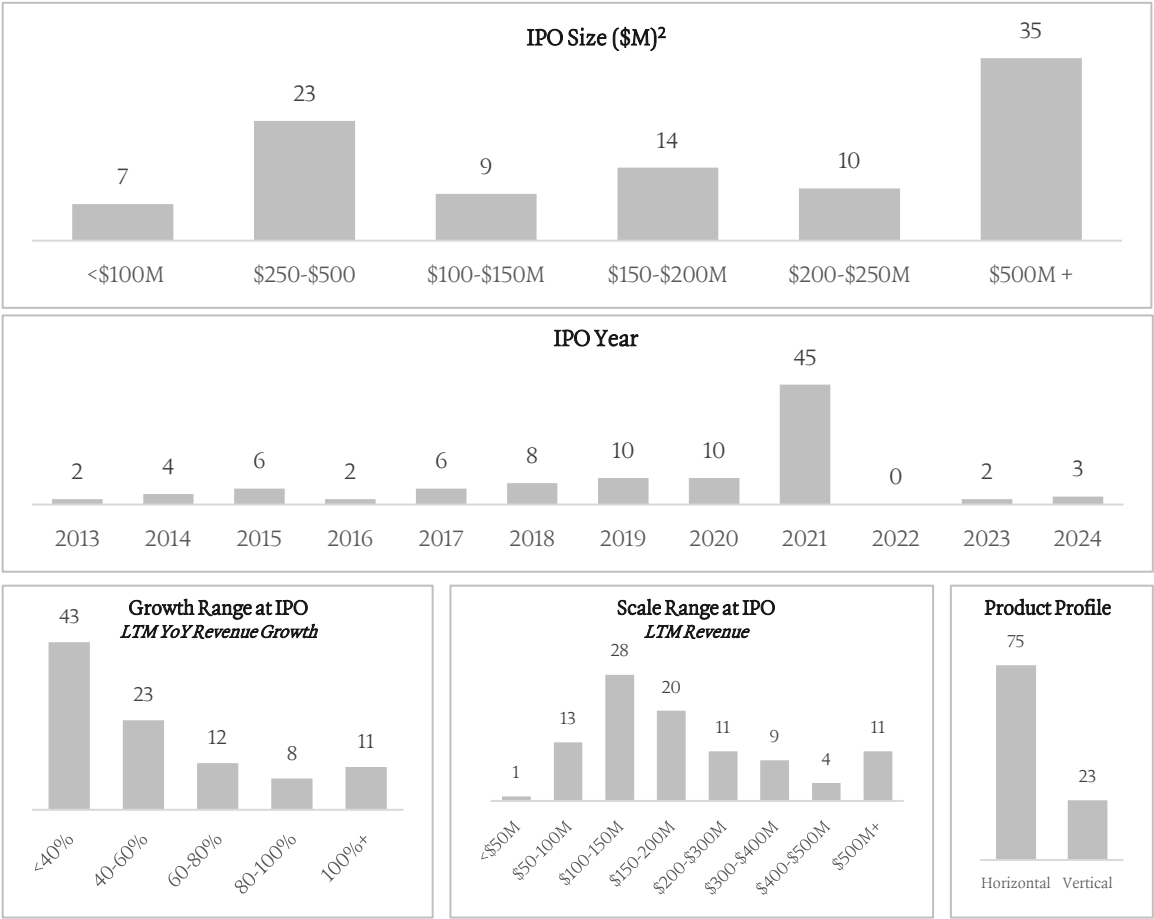
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Enterprise SaaS IPOs Included<sup>1</sup>: Major Software IPOs 2H2013 - 2024



Make-Up of Enterprise SaaS Companies Included in Analysis



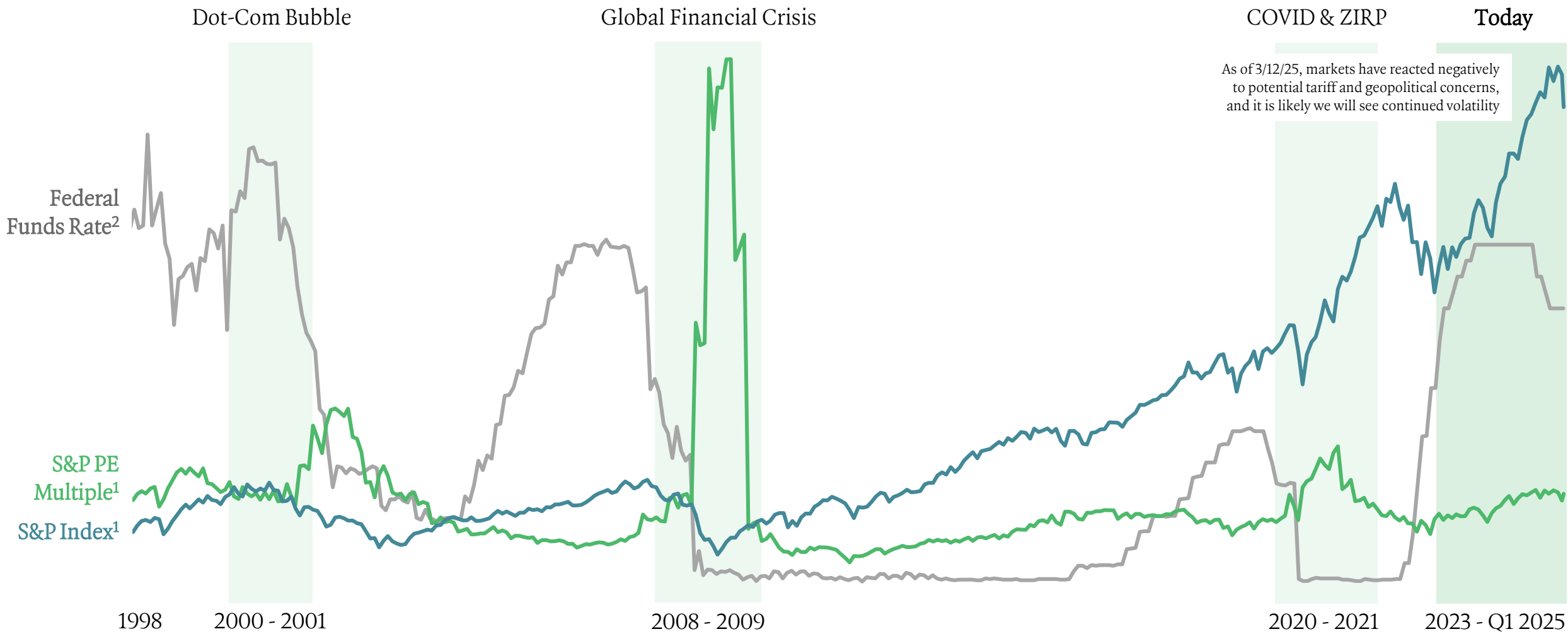
<sup>1</sup> Includes all software IPOs across all ICONIQ Growth portfolio including co-investments as of the time period indicated above. IPOs that have since been acquired are excluded from this report.  
Major Software IPOs includes all Enterprise SaaS IPOs from 2H2013-2024  
<sup>2</sup> IPO Size reflective of 424B4 filing and does not include greenshoe  
<sup>3</sup> Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ  
<sup>4</sup> See page 49 for a full list of portfolio companies  
Source: Public Filings for Software IPOs June 2013 to December 2024

# Macro Backdrop

The past and present state of public software markets

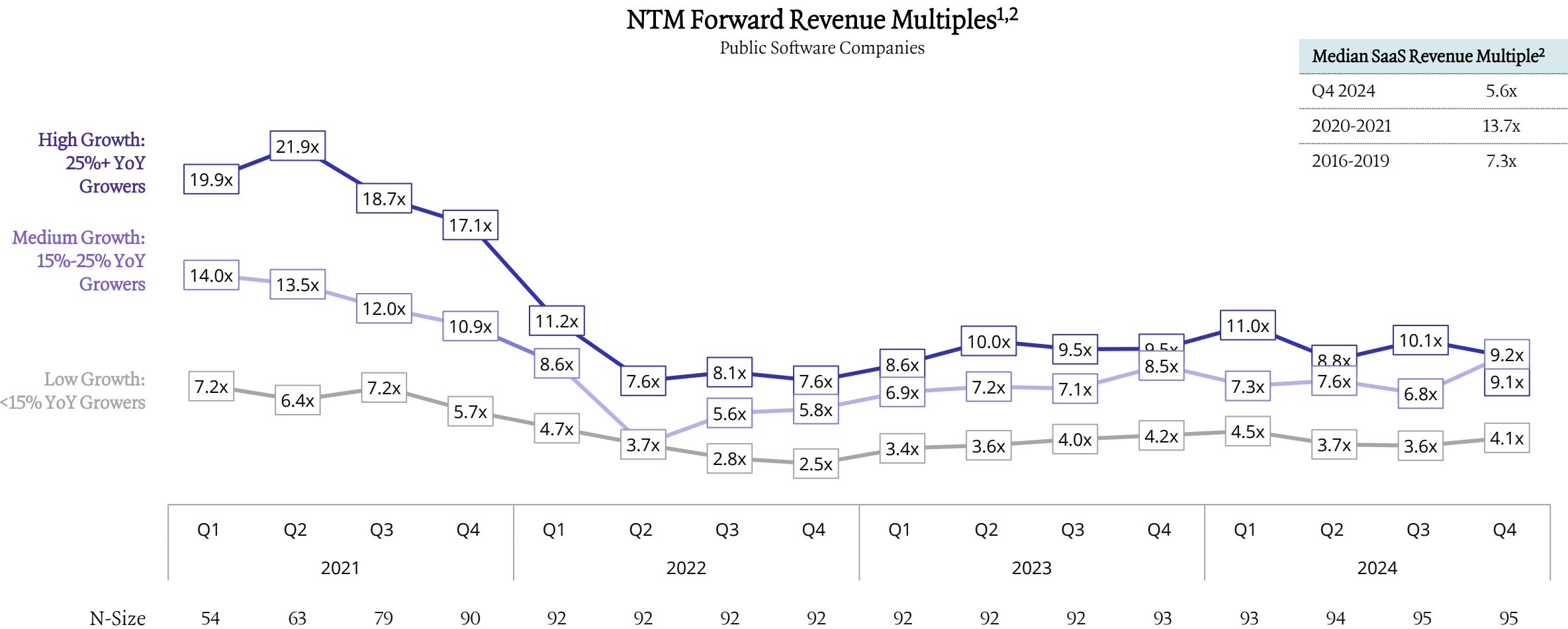


Equity multiples and performance are highly correlated with interest rates, and there has been significant volatility in the last two years as a result of macroeconomic and policy factors



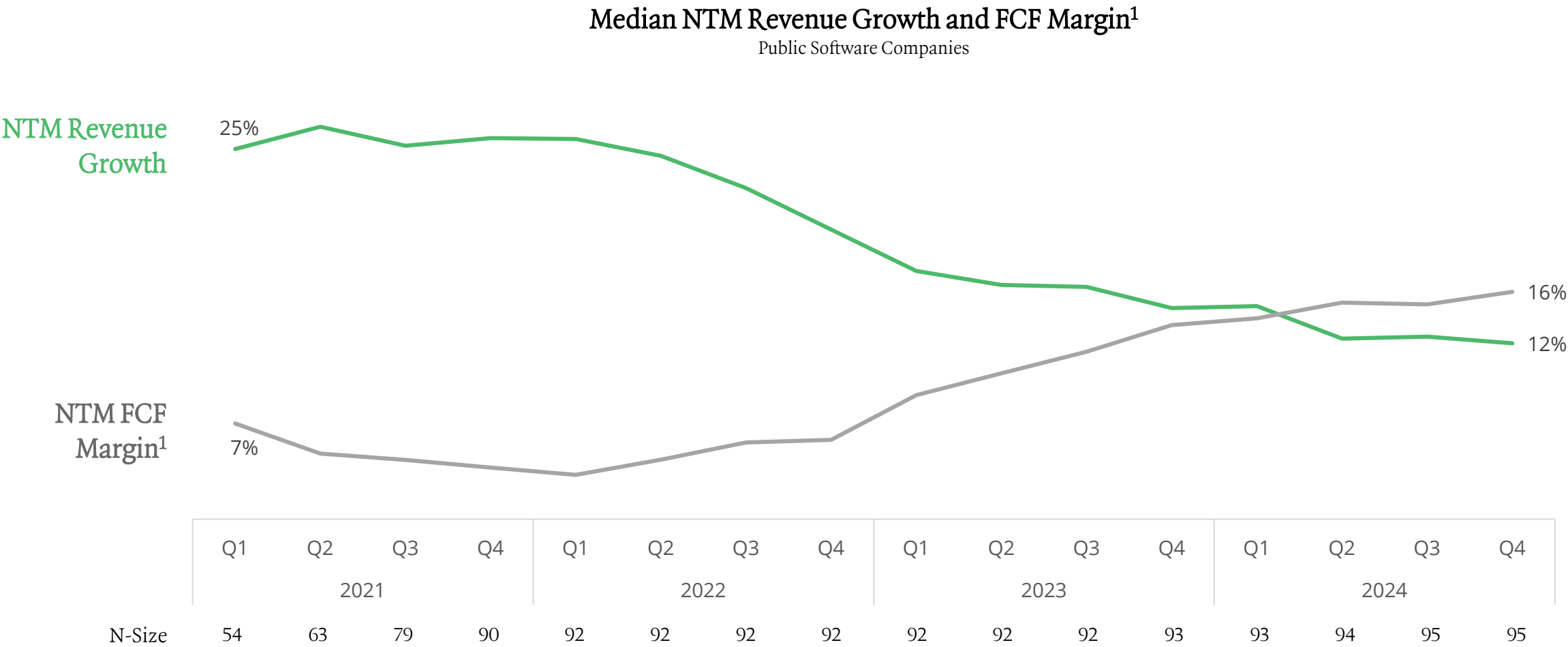
1 S&P data from CapIQ as of 3/12/25  
2 Federal Reserve Economic Data

Revenue multiples for SaaS companies have plateaued, with the Q4 2024 median multiple now sitting at 5.6x (below pre-ZIRP era medians of 7.3x)



1 Public company 424B4 filings, CapIQ as of 12/31/24  
2 NTM Forward Revenue Multiple calculated as EV/NTM Revenue

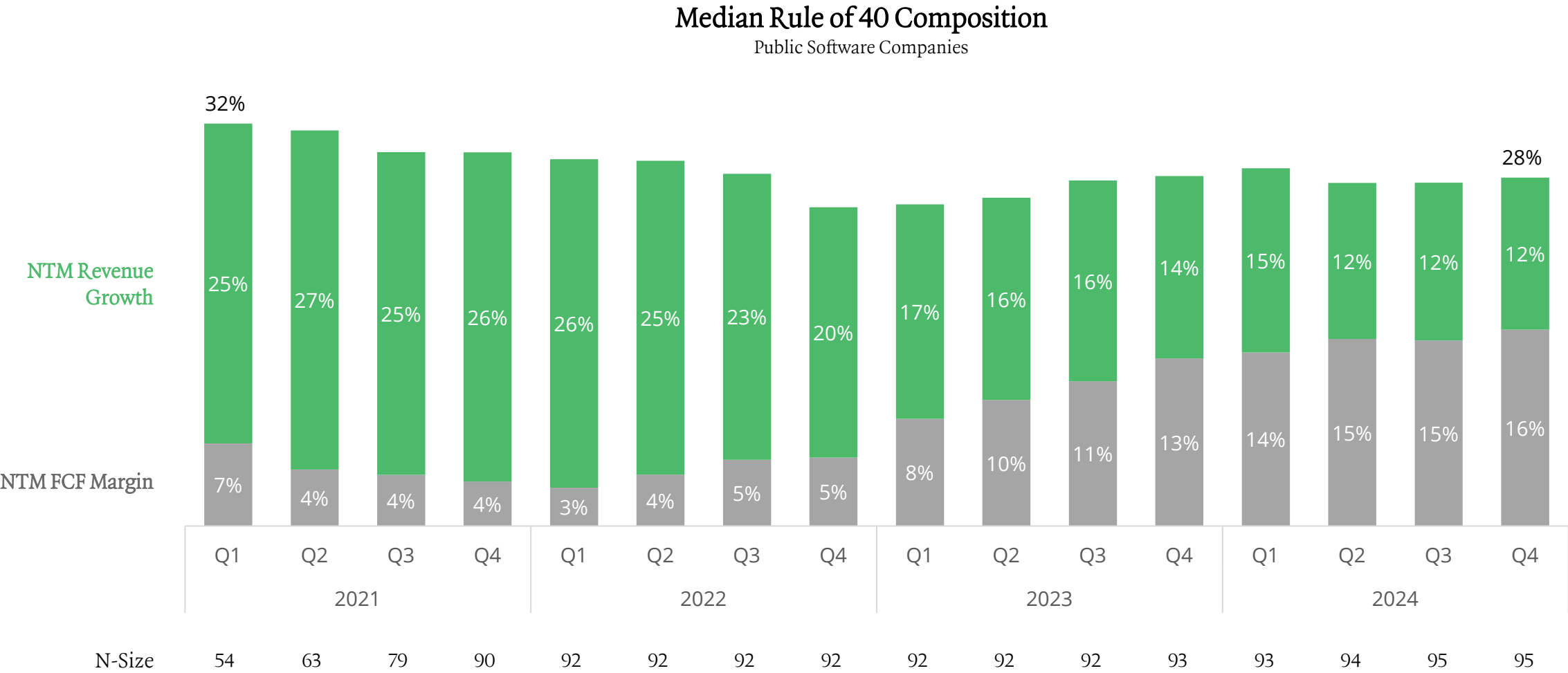
As revenue growth rates have fallen, many software companies appear to be prioritizing efficiency with median free cash flow margins at the highest rate over the past 4 years



Notes: (1) NTM FCF / Revenue  
Source: Public company 424B4 filings, CapIQ as of 12/31/24



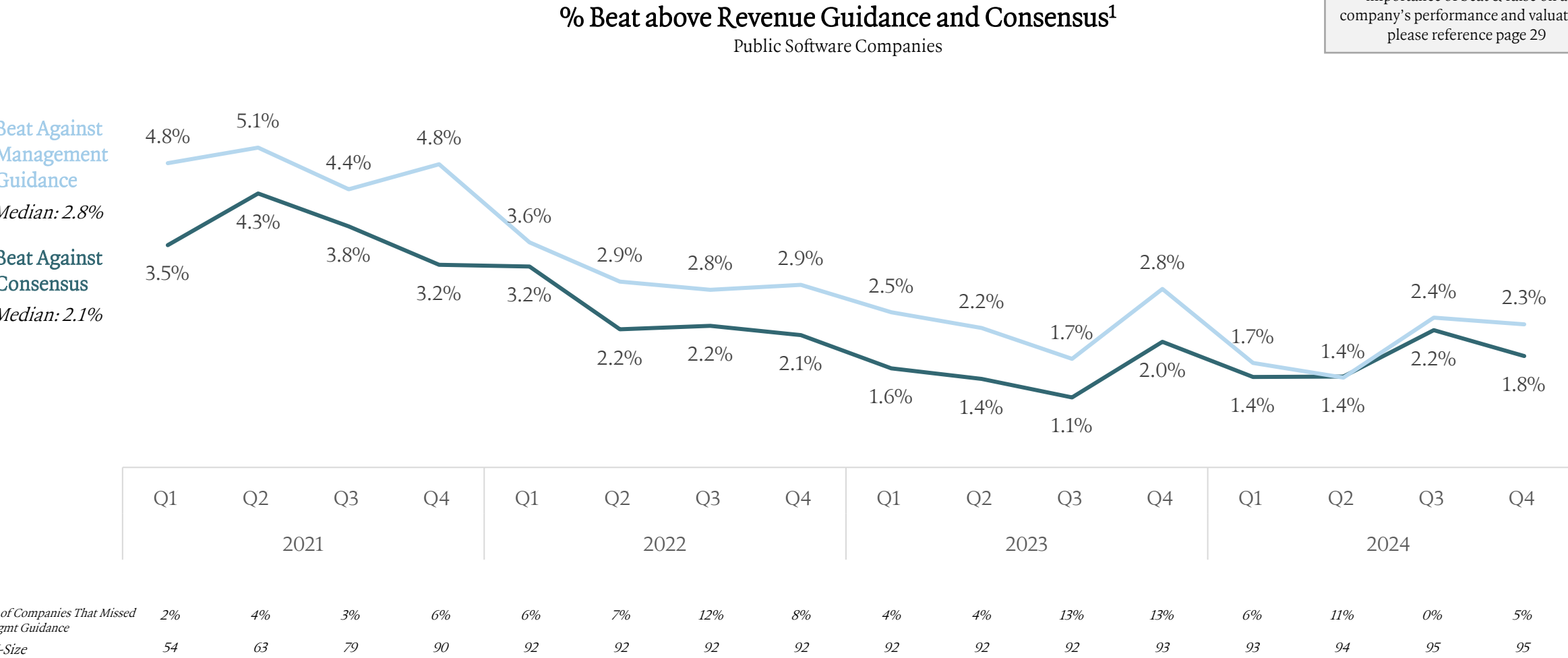
This has resulted in the composition of Rule of 40<sup>1</sup> changing in what we believe to be a meaningful way, even as median Rule of 40 has stayed relatively flat



Notes: (1) Rule of 40 defined as NTM Revenue Growth + NTM FCF Margin  
Source: Public company 424B4 filings, CapIQ as of 12/31/24

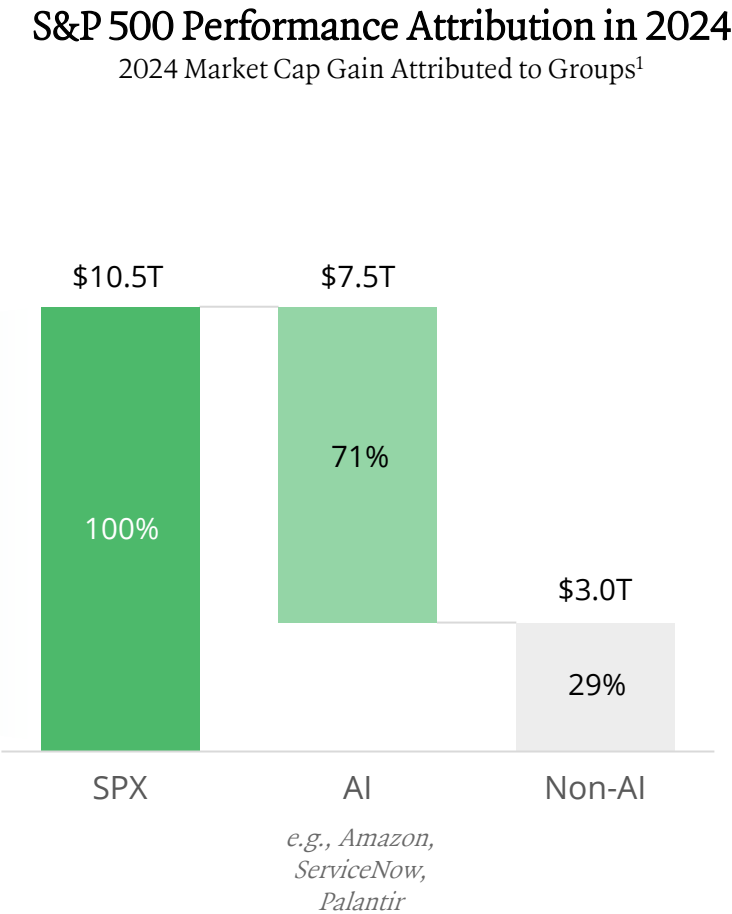
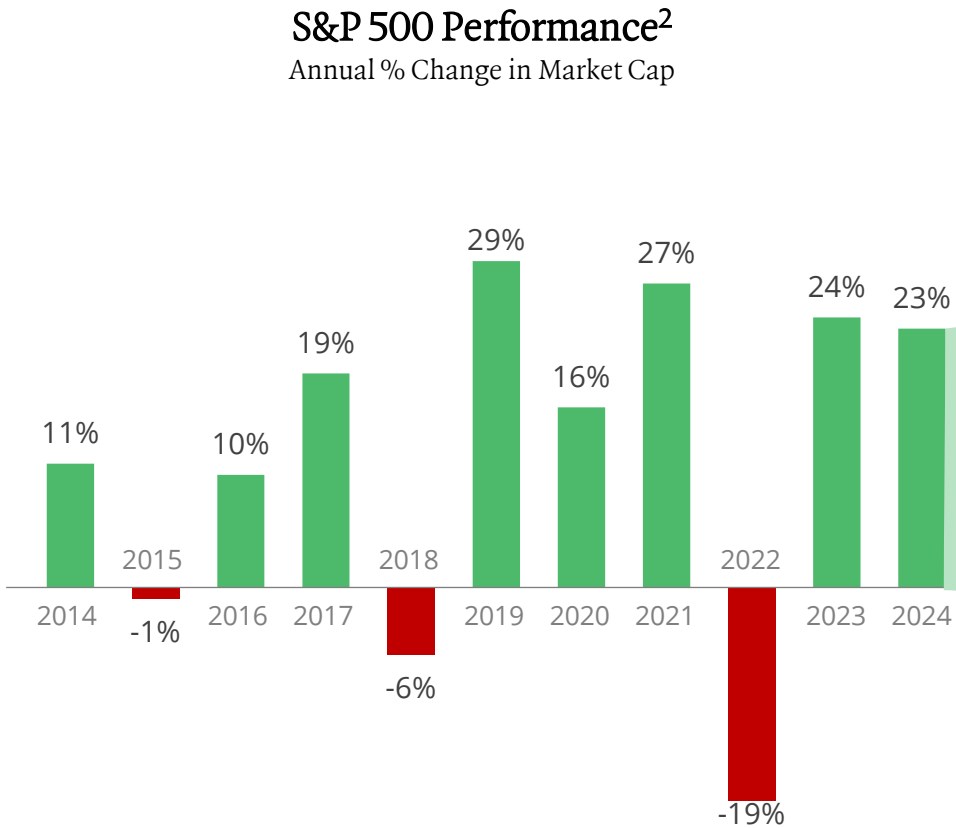
We have also seen impact to performance vs guidance, with median beat on management guidance and consensus plateauing to 1-2% in the last two years

For more information on the importance of beat & raise on a company's performance and valuation, please reference page 29



Source: Company S1s and Quarterly Earnings, Includes software companies with an IPO date of 2H2013 or later  
1 Calculated as % above management revenue guidance for the quarter

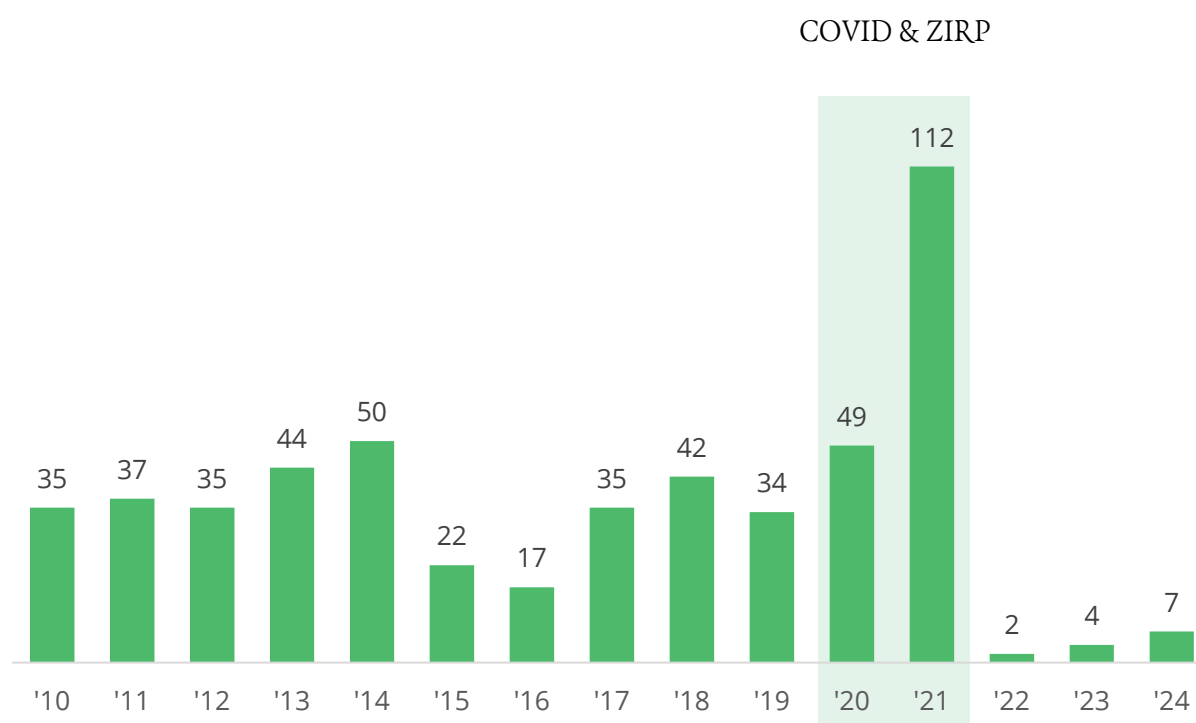
At the same time, we have seen AI start to fuel various growth tailwinds in both the private and public markets, with AI companies<sup>1</sup> being the dominant driver of returns in the S&P 500 in 2024



<sup>1</sup> Categorization based on Goldman Sachs TMT - AI Basket; includes AI enablers, hyperscalers, as well as empowered users of AI  
<sup>2</sup> S&P data from CapIQ as of 12/31/24

While the tech IPO market has been dormant post COVID, several highly anticipated IPOs are expected for 2025

### US Tech IPOs by Year



### Why do we believe has the SaaS IPO market been slow?

1

High interest rates and economic uncertainty make riskier assets like tech companies less attractive to institutional investors

2

Many tech IPOs from recent years have performed poorly since IPO, trading below their listing price

3

Increase in abundance of private capital allows for performing private companies to stay private for longer despite reaching what we believe to be 'IPO ready' scale

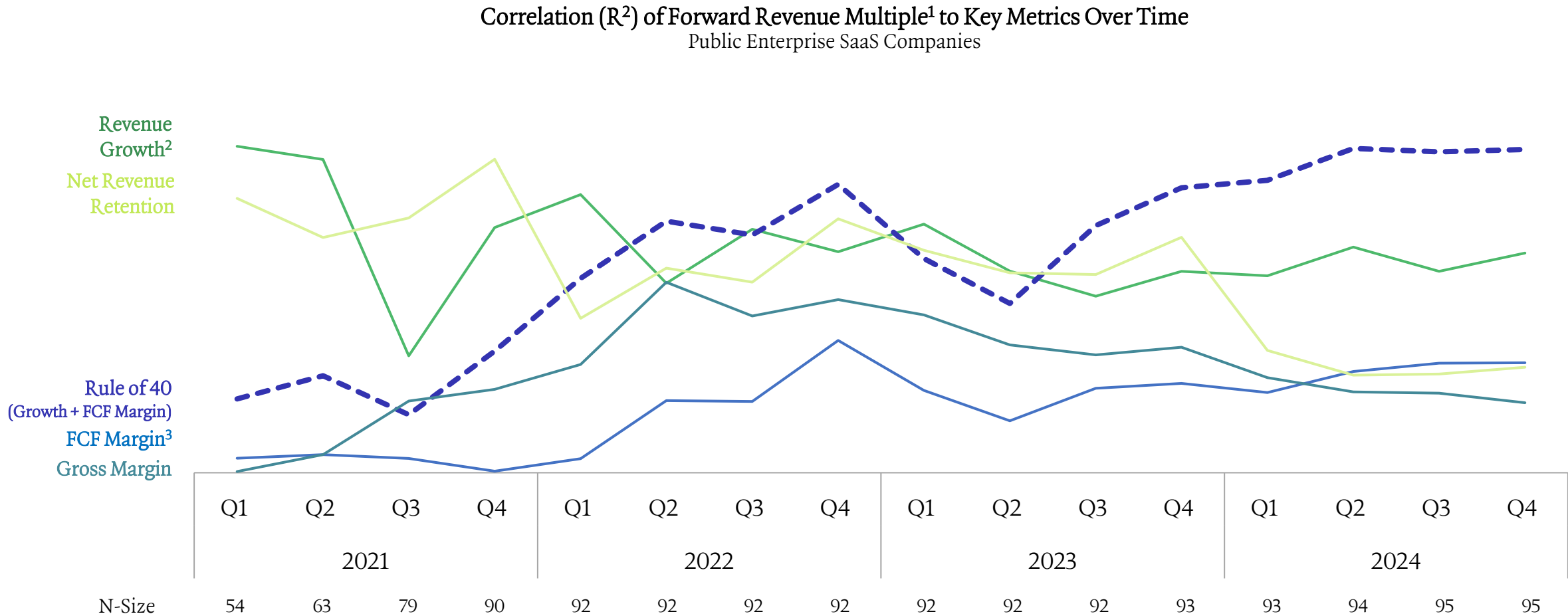
4

Private valuations may still be higher than those in public markets, which creates hesitation among 'IPO-ready' companies to accept potential valuation drops upon going public

# Valuation Drivers

A deep dive into the metrics that dictate valuation in the current environment

Rule of 40 has become an increasingly important driver of valuations in the last few years as profitability has become more critical amidst a challenged growth environment



Source: Company financials from CapIQ as of 12/31/24  
Notes: (1) Enterprise Value / NTM Revenue, (2) NTM Revenue / LTM Revenue - 1, (3) NTM FCF / Revenue



# Introducing | The Growth Multiplier

As a driver of valuations, founders often believe free cash flow (FCF) margins are just as important as growth and that the tradeoff is 1:1. Many gravitate towards the Rule of 40 for its clarity and simplicity, but we believe that **assigning equal weighting to growth and profitability for late-stage businesses does not result in the optimal equation.**

At ICONIQ Growth, we've analyzed what that tradeoff should be, how it changes over time, and its drivers. For those curious about the math, if we assume there is a variable coefficient in front of both Revenue Growth and FCF Margin in the standard Rule of 40 formula (i.e.  $a * \text{Growth Rate} + b * \text{FCF Margin}$ ), we can run an optimization analysis to find the **maximum coefficients out of all potential regressions** in each time period that **results in the highest correlation to forward revenue multiple.**

Our data shows that in today's market environment, **growth is valued ~2-3x more than FCF margin**, which means that growth needs to remain the primary priority for businesses. In light of this, we believe a **growth multiplier should be applied in the standard Rule of 40 equation to appropriately capture how valuations are determined today.**

The Growth  
Multiplier

=

Growth  
Coefficient

×

NTM Growth

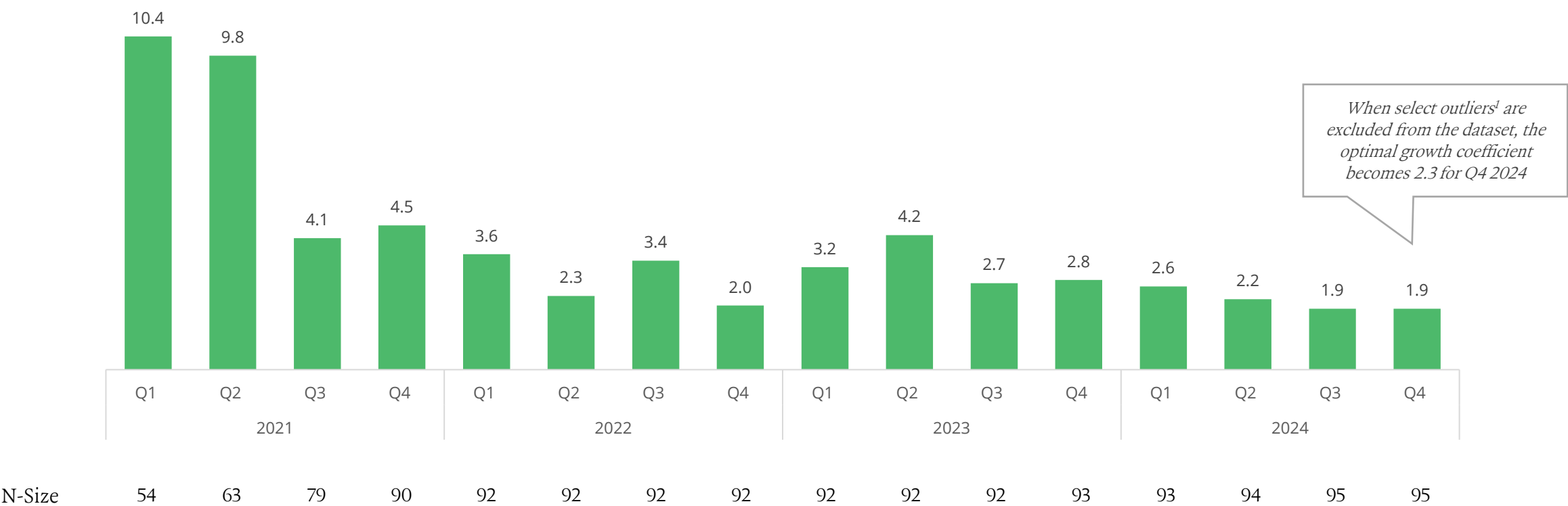
+

NTM FCF  
Margin

\* Growth Coefficient = The coefficient corresponding to the highest correlation in the Valuation Equation

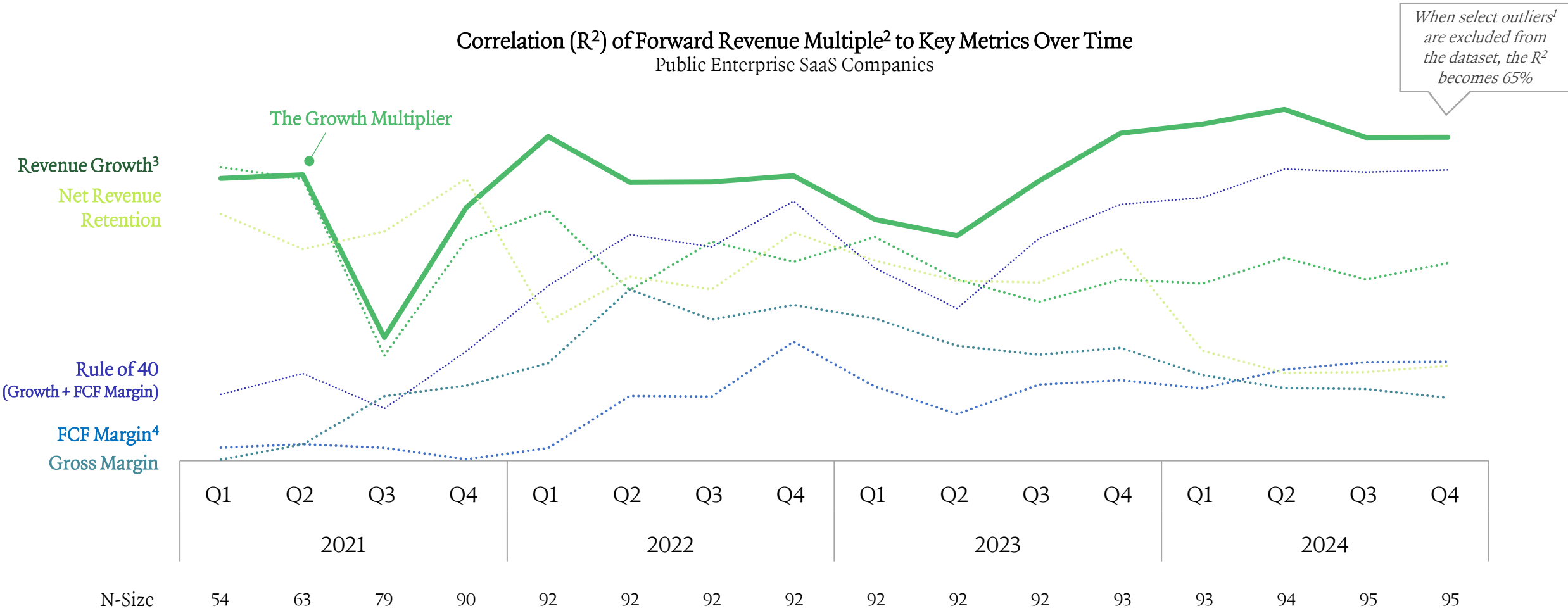
While the Growth Coefficient fluctuates quarter over quarter, it settles in the ~2-3x range – implying that a 1% increase in growth has the same impact on multiple as a 2-3% increase in FCF margin

Growth Coefficient: Relative Importance of Growth vs. FCF Margin  
Growth Coefficient Corresponding with Highest Correlation in Valuation Equation, Public Enterprise SaaS Companies



Notes: (1) Outliers were excluded based on biggest deviation from standard regression line  
Source: Company financials from CapIQ as of 12/31/24

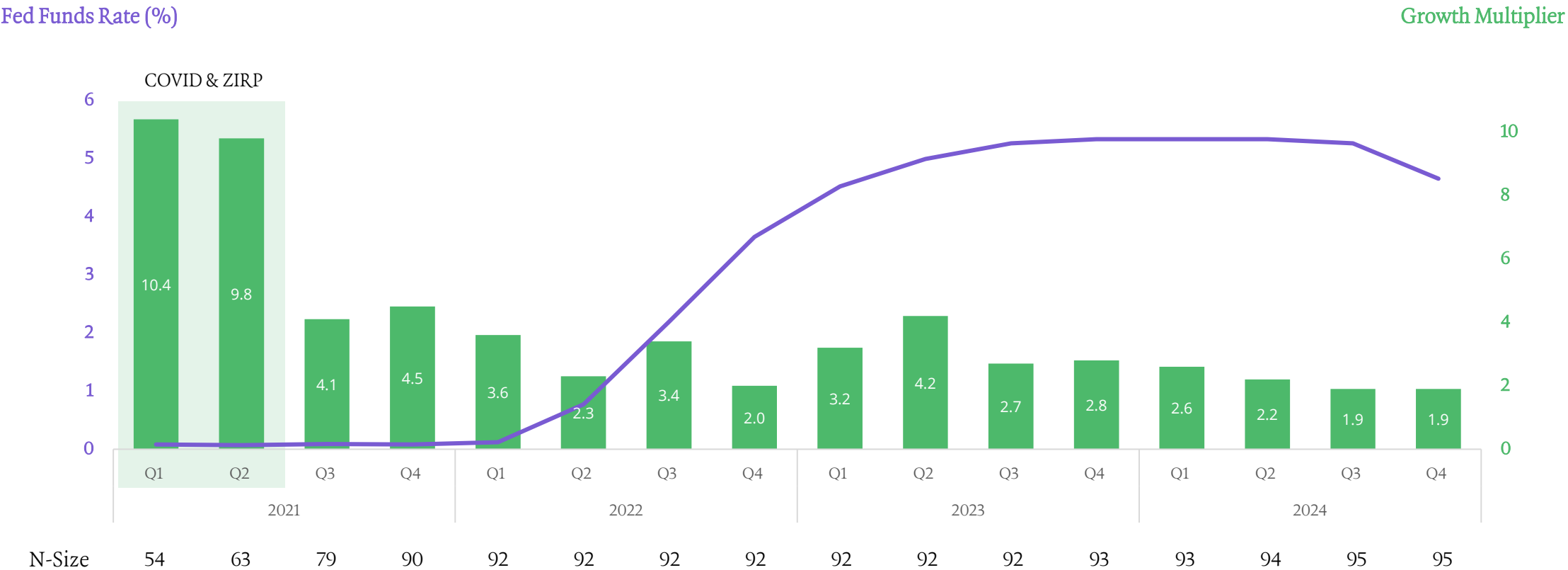
The Growth Multiplier reflects the valuation environment more accurately than metrics like revenue growth, net revenue retention, Rule of 40, or profitability



Source: Company financials from CapIQ as of 12/31/24  
Notes: (1) Outliers were excluded based on biggest deviation from standard regression line; (2) Enterprise Value / NTM Revenue, (3) NTM Revenue / LTM Revenue - 1, (4) NTM FCF / Revenue

The Growth Multiplier is typically inversely correlated with interest rates; as rates are lowered, the Growth Multiplier increases as evidenced by the COVID period

Growth Multiplier and Fed Funds Rate Over Time  
Public Enterprise SaaS Companies

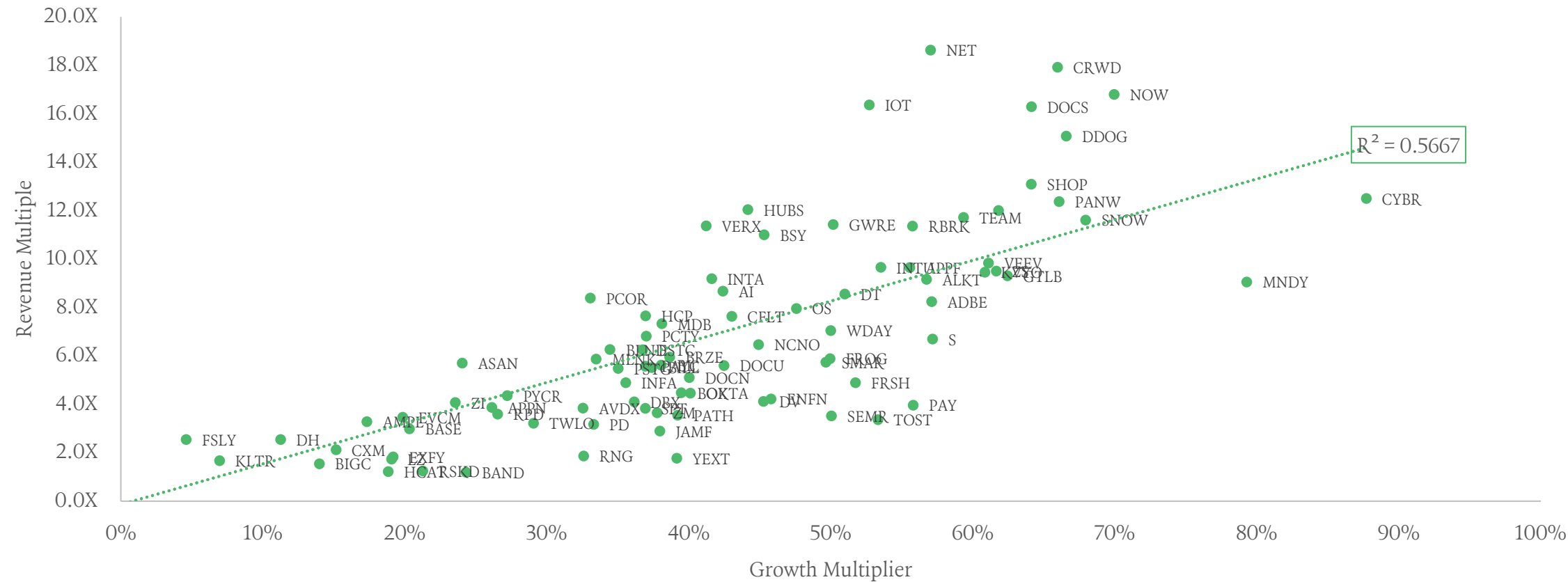


Source: Company financials from CapIQ as of 12/31/24 ; Federal Reserve Economic Data  
Notes: NTM Forward Revenue Multiple calculated as EV/NTM Revenue

Companies rewarded with a higher revenue multiple in today’s market typically have attained above average growth rates due to the Growth Multiplier effect, relative to companies that prioritize FCF Margin over growth

Regression Analysis: Revenue Multiple vs. Growth Multiplier

Public Enterprise SaaS Companies



As high growth is scarce in today’s market, we believe companies that are able to achieve 20%+ YoY growth will be able to capture a premium on revenue multiple

We believe companies that can achieve greater than 20%+ YoY growth in today’s market (only ~20% of public companies analyzed) will be able to capture outsized returns

A Rule of 40 company with 30% YoY growth and 10% FCF margin earns a 37% premium on revenue multiple (10.8x) relative to a Rule of 40 company with 10% YoY growth and 30% FCF margin (7.9x)

Composition Analysis: NTM Revenue Growth vs. FCF Margin  
% of Public Enterprise SaaS Companies

		NTM Revenue Growth			
		<10%	10-20%	20-30%	>30%
FCF Margin	<10%	12%	8%	11%	0%
	10-20%	8%	21%	5%	1%
	20-30%	10%	10%	4%	0%
	>30%	5%	3%	1%	0%

22% of companies analyzed

ICONIQ Valuation Equation: Illustrative Multiples  
Implied Multiple Using Regression Slope

		NTM Revenue Growth				
		10%	15%	20%	25%	30%
FCF Margin	10%	4.5X	6.1X	7.7X	9.3X	10.8X
	15%	5.4X	7.0X	8.5X	10.1X	11.7X
	20%	6.2X	7.8X	9.4X	10.9X	12.5X
	25%	7.0X	8.6X	10.2X	11.8X	13.3X
	30%	7.9X	9.4X	11.0X	12.6X	14.2X

Source: Company financials from CapIQ as of 12/31/24  
Notes: NTM Forward Revenue Multiple calculated as EV/NTM Revenue



# What Matters in Today's Market

A deep dive into what matters in today's IPO market to unlock sustained growth at scale

## The IPO landscape is evolving, with a selective market requiring strong investor education and expanded leadership involvement to drive successful outcomes



### IPO Market Outlook

- **Clinical 2024 IPO Market:** In 2024, investors stayed selective in IPO participation, meaning that successful IPOs needed to demonstrate durable growth and profitability
- **Scaled Category Leaders with Path to Profitability:** Companies who saw success were typically scaled companies with fast path to profitability, larger market caps than prior years, and firmly established market leadership
- **More Active 2025 IPO Market:** A number of highly anticipated IPOs are expected in 2025 following the 2024 cohort which showed strong investor appetite for scaled companies with durable growth; however, recent tariffs and geopolitical volatility may add uncertainty and push back IPO timelines



### Early Investor Education

- **Increased Need for Investor Education:** What used to require one round now takes 2-3 rounds of pre-roadshow meetings, emphasizing the need for earlier and more frequent investor engagement to identify anchor investors
- **Pre-Roadshow Feedback Loop:** Early investor education also helps refine disclosure packages, allowing companies to adjust their S-1s and strike the right balance of information sharing
- **Growth Durability & AI Capabilities:** Top-of-mind questions in recent roadshow meetings pertain to growth durability and AI capabilities

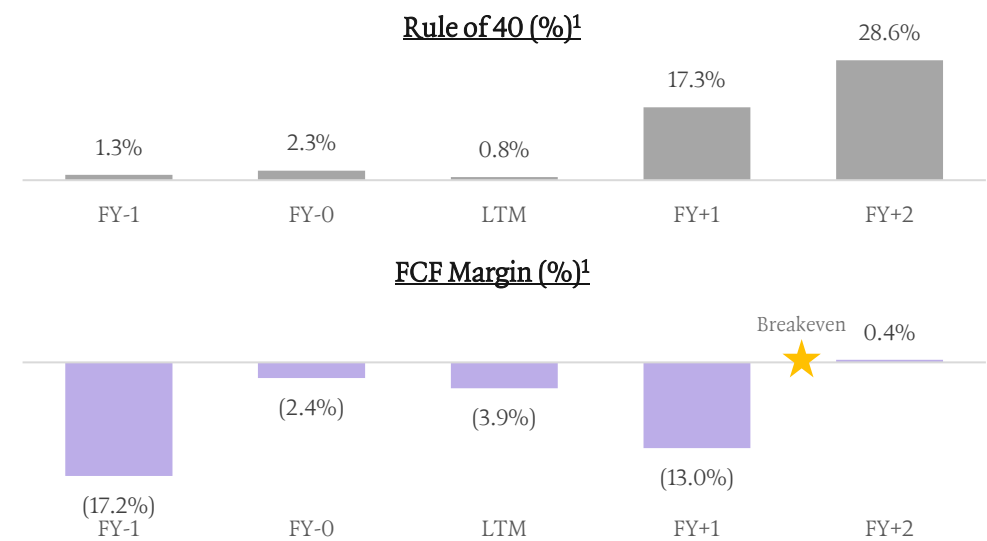


### Evolution of Leadership Teams

- **Importance of Public-Ready CFO:** While the CFO has always been a critical role, the dramatic investment in buy-side relationships necessitates exceptionally strong and public-ready CFOs who are able to articulate story and maintain a beat & raise motion (often for 6-8 quarters)
- **Expanded Executive Presence in Investor Meetings:** While CEOs and CFOs remain key, companies are increasingly involving Chief Product Officers, Chief Technology Officers, Chief Revenue Officers or other executives to articulate long-term vision and product strategy

Rubrik priced above their initial filing range in the first software IPO of 2024 as a scaled company with strong retention

IPO Structure		
	IPO Date	4/25/2024
	Initial Filing Range	\$28.00-\$31.00
	Price at IPO	\$32.00
	Current Price (as of 3/17/25)	\$70.84
	EV at Offer	\$6.4B
Financials <sup>1</sup>	Deal Size % of Market Cap	11%
	Day 1 Close (% from Offer)	+16%
	Multiple at IPO (EV / CY25 Rev)	6.1x
	Net Dollar Retention	133%
	LTM Revenue	\$628M
	LTM Revenue Growth	5% <small>Due to a business model transition, Rubrik's revenue growth was slower at time of IPO. FY24 ARR growth was 47%</small>
	LTM FCF Margin	-4%
	LTM Rule of 40	1%



**IPO Objective & Structure:** Rubrik took a thoughtful approach to IPO structure, focusing on maximizing primary proceeds while balancing dilution. The majority of primary proceeds were used to settle RSUs, offsetting gross dilution.

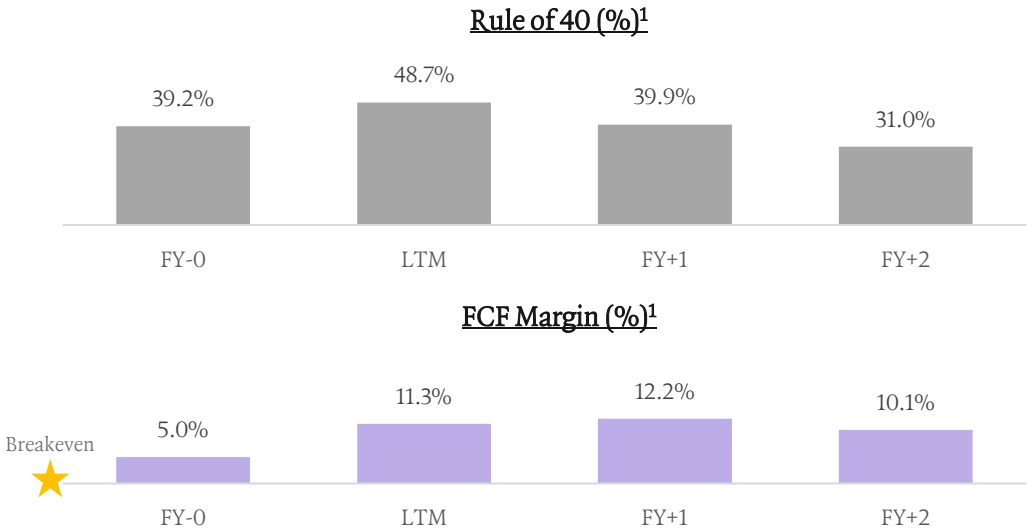
**Financial Profile:** Scale (>\$500M revenue) and durable YoY growth (47% FY24 YoY subscription ARR) positioned Rubrik as a strong company prior to IPO. While they are not yet profitable, they demonstrated a clear path to scaled margins, a focus area of their extensive investor education process prior to launch.

**Performance Since IPO:** After pricing above its initial filing range and upsizing transaction size, RBRK has continued to perform in the public market, remaining above its initial offer price since launch and signaling strong public market receptivity.

Source: Goldman Sachs, Company S1s, Day 1 Close and Financials from FactSet as of 4/25/24  
Note: Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ  
1 Rule of 40 – (Revenue YoY Growth + FCF Margin %); FCF Margin – (FCF / Revenue); Revenue Growth – (Revenue LTM / Revenue LTM-1yr)  
ICONIQ | Growth Private & Strictly Confidential

OneStream went public in Q3 2024 as a profitable company with what we believe to be a strong financial profile

IPO Structure	<div>OneStream</div>	
	IPO Date	7/24/2024
	Initial Filing Range	\$17.00-\$19.00
	Price at IPO	\$20.00
	Current Price (as of 3/17/25)	\$21.67
Financials <sup>1</sup>	EV at Offer	\$6.1B
	Deal Size % of Market Cap	11%
	Day 1 Close (% from Offer)	+34%
	Multiple at IPO (EV / CY25 Rev)	8.0x
	Net Dollar Retention	118%
	LTM Revenue	\$406M
	LTM Revenue Growth	37%
	LTM FCF Margin	11%
	LTM Rule of 40	49%



**IPO Objective & Structure:** Onestream invested years into building relationships with potential investors via quarterly “momentum” press releases and proactive meetings with anchor investors.

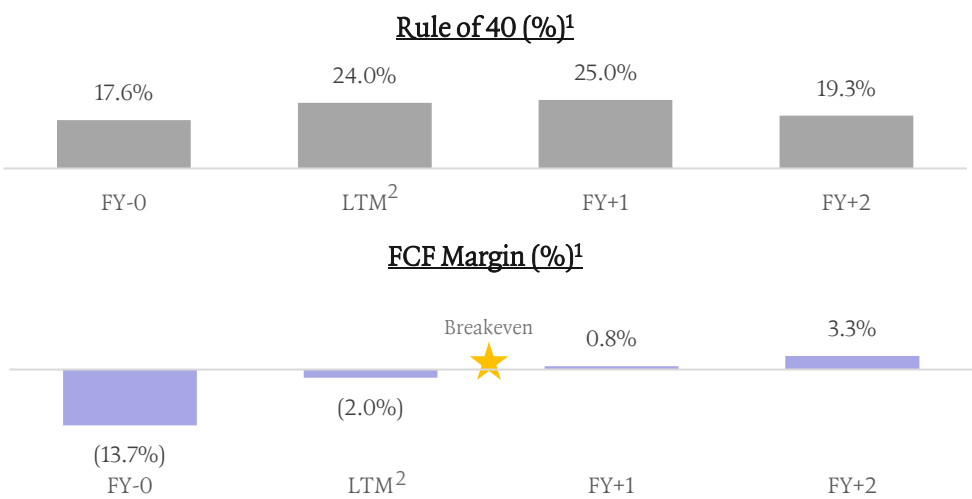
**Financial Profile:** OneStream went public on the smaller side of software IPOs in terms of ARR; however, the company exhibited strong financials via a 118% net dollar retention rate, 11% LTM operating margin, and 37% LTM revenue growth.

**Performance Since IPO:** After pricing above its filing range, OneStream commanded a notable day 1 pop of 34% despite going public amidst challenging IPO conditions. Since IPO, OneStream has traded down from its initial debut driven by more tepid management guidance regarding 2025 expectations.

Source: Company S1s, Day 1 Close and Financials from FactSet as of 7/24/2024  
Note: Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ  
<sup>1</sup> Rule of 40 – (Revenue YoY Growth + FCF Margin %); FCF Margin – (FCF / Revenue); Revenue Growth – (Revenue LTM / Revenue LTM-1yr)  
ICONIQ | Growth

ServiceTitan went public in Q4 2024 demonstrating strong category leadership and consistent improvements to its bottomline profile over time

IPO Structure	IPO Date	12/11/2024
	Initial Filing Range	\$52.00-\$57.00
	Price at IPO	\$71.00
	Current Price (as of 3/17/25)	\$98.00
	EV at Offer	\$6.9B
	Deal Size % of Market Cap	9%
Financials <sup>1</sup>	Day 1 Close (% from Offer)	+42%
	Multiple at IPO (EV / CY25 Rev)	7.9x
	Net Dollar Retention	110%
	LTM Revenue <sup>2</sup>	\$685M
	LTM Revenue Growth <sup>2</sup>	26%
	LTM FCF Margin <sup>2</sup>	-2%
	LTM Rule of 40 <sup>2</sup>	24%



**IPO Objective & Structure:** Extensive investor education process with over 60 meetings helped educate investors on the business and foster deep conviction from both new and existing investors leading to early orderbook momentum once the IPO launched.

**Financial Profile:** ServiceTitan went public as a scaled category leader showcasing strong durable growth, a net dollar retention of 110%+, and consistent improvement in both FCF and operating margins over the quarters leading up to IPO.

**Performance Since IPO:** ServiceTitan’s IPO was received with significant investor demand, leading to the company pricing above its initial filing range and commanding a day 1 close of 42%. Since IPO, the company has continued to trade close to its day 1 closing price.

Source: Goldman Sachs , Company S1s, Day 1 Close and Financials from FactSet as of 12/11/2024  
Note: Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services ofICONIQ  
(1) Rule of 40 – (Revenue YoY Growth + FCF Margin %); FCF Margin – (FCF / Revenue); Revenue Growth – (Revenue LTM / Revenue LTM-1yr); (2) LTM financials at IPO as of Q2 FY25

While a variety of factors dictate IPO performance, profitability, efficiency, and scale have become more important in the current environment

### Business Performance vs. IPO and 30-Day Price Performance<sup>1</sup>

Median by IPO Year

IPO Year	Number of IPOs	Market Cap at IPO (\$M)	LTM YoY Revenue Growth (%)	LTM Rule of 40 <sup>2</sup> (%)	LTM Net Retention <sup>3</sup> (%)	LTM Gross Margin (%)	Forward Revenue Multiple at IPO <sup>4</sup>	Day 1 Pop (%)	30 Day Price Change from Offering (%)
2024	3	\$5,630	26%	24%	118%	70%	7.9x	34%	43%
2023	2	\$8,787	48%	59%	60%	75%	10.9x	11%	-11%
2021	45	\$4,004	37%	34%	118%	71%	12.5x	24%	26%
2020	10	\$3,750	35%	37%	113%	73%	12.2x	57%	92%
2019	10	\$3,139	44%	30%	135%	74%	9.5x	50%	46%
2018	8	\$1,708	47%	33%	119%	68%	4.8x	16%	36%
2017	6	\$883	47%	33%	119%	68%	4.8x	16%	36%
2016	2	\$1,058	84%	78%	145%	65%	4.4x	66%	115%
2015	6	\$1,471	46%	46%	91%	66%	5.7x	31%	31%
Median		\$2,792	40%	38%	118%	71%	9.3x	33%	36%

- 1 The market has historically rewarded companies with strong growth and efficiency margins. However, with the tailwinds from COVID and the resulting zero interest rate policy and low cost of capital environment, we saw companies with relatively less efficient profiles go public from 2020-2021. The 2023 class of IPOs reversed this trend, with **median Rule of 40 and YoY revenue growth above 2018 levels** as sober IPO markets tend to require stronger financial profiles.
- 2 Pent-up demand for strong software companies drove strong momentum for 2024 IPOs, which we believe is a good indicator that for the right companies (e.g., scaled companies that exhibit durable growth), investors are ready to lean in.

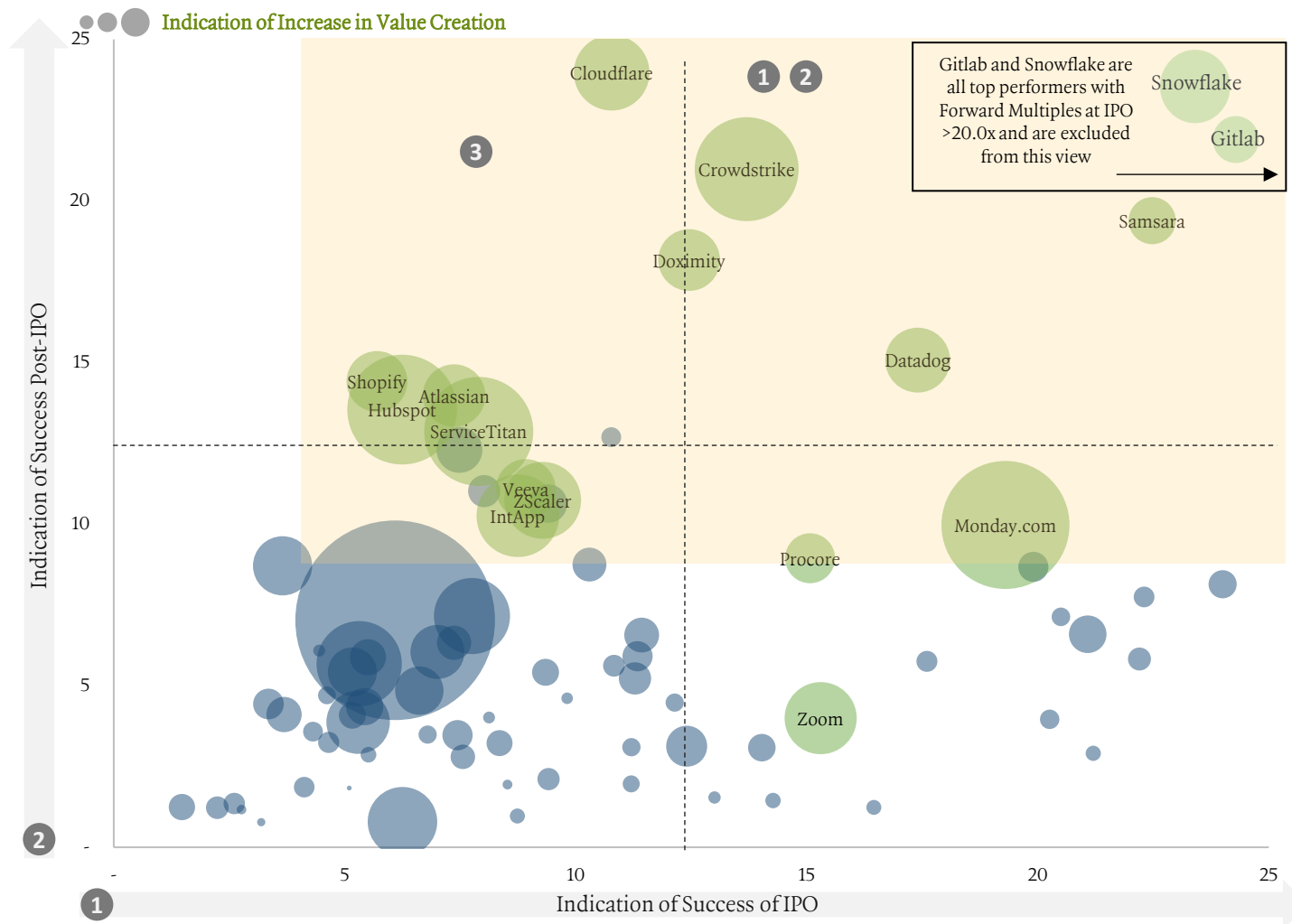
Source: Company S1s, FactSet as of 1/22/24; Includes all software companies with an IPO date of 2H2013 or later

Notes: (1) 2022 not included as there were no software IPOs; (2) Rule of 40 = (YoY Growth + FCF Margin); (3) Net Revenue Retention as publicly disclosed by companies in S-1s, calculations may differ; (4) Forward Revenue Multiple = EV/NTM Revenue



# Top performers demonstrate strong topline growth, profitability, and proven value creation for shareholders over time

## Assessing IPO Success: Forward Revenue Multiples at IPO vs. Today and Indexed Change in Stock Price



## Top Performers

This group of 17 companies have top results<sup>1</sup> across at least 2 of these 3 key dimensions:

- 1 Forward Multiple at IPO<sup>2</sup>
  - Indication of success of IPO
  - Representative of stage and health of business leading up to IPO: scale, growth, profitability, efficiency
- 2 Forward Multiple Today<sup>3</sup>
  - Indication of Success Post-IPO
  - Most reflective of business performance since IPO and whether company has been able to maintain or increase value
- 3 Value Creation for Shareholders<sup>4</sup>
  - Ratio of Change in Stock Price Since Day 1 Close vs. Market (S&P)
  - Includes various factors beyond pure business operations, e.g., initial pricing, ability to forecast and manage

1 Top 15% of data set of 96 public companies; 2 IPO multiples reflects basic shares outstanding for market cap as received from Investment Banking pricing materials; 3 Forward multiples based on NTM Revenue from FactSet; 4 % Change in stock price from IPO date to 1/31/2025 divided by the % change in S&P over same time period  
Source: CapIQ as of 1/31/25, Public Filings for Software IPO June 2013 to January 2025, data as of 1/31/2025

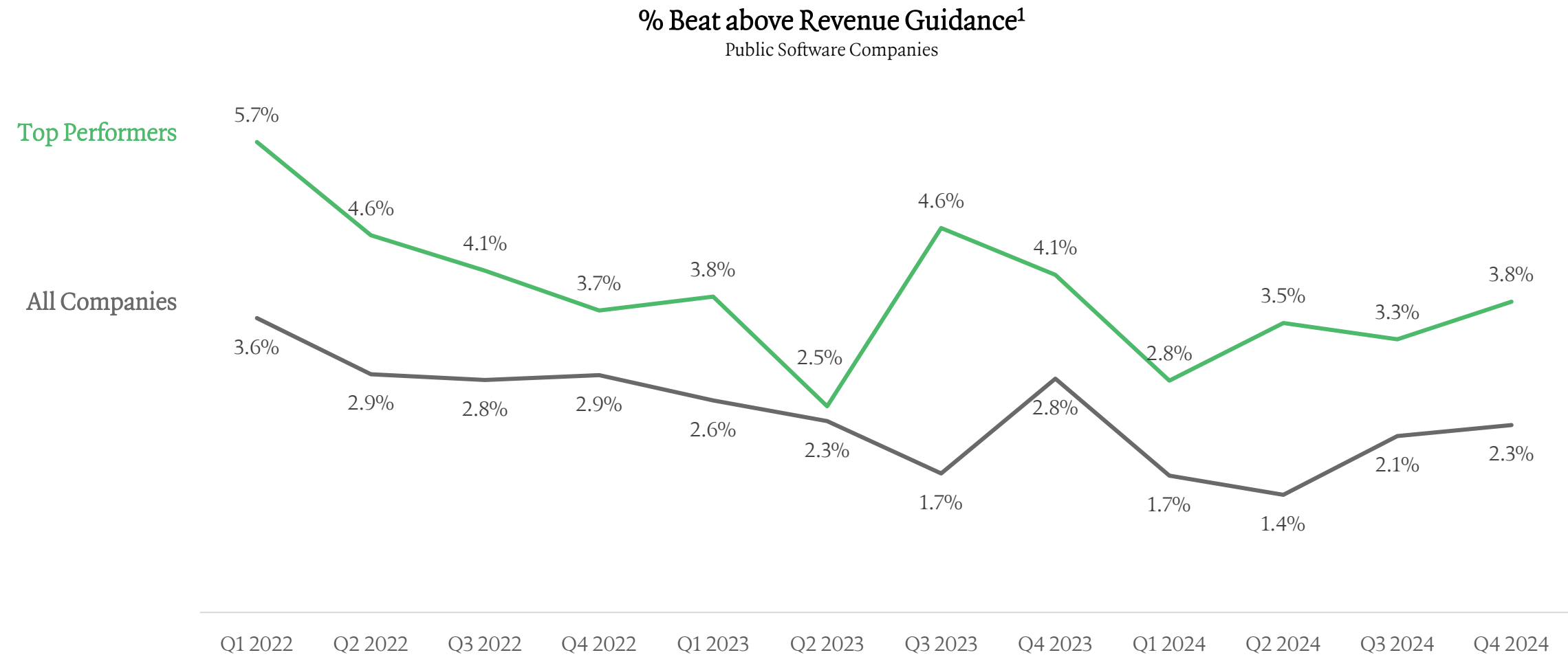
We can examine business performance leading up to IPO across five key metrics: scale, growth, FCF margin, Rule of 40, and net revenue retention. At IPO, top performers generally exhibit stronger YoY revenue growth, Rule of 40, and retention

Company Performance at IPO<sup>1</sup>

	Revenue <i>(\$M, LTM)</i>		Revenue Growth <i>(% YoY, LTM)</i>		FCF Margin <i>(% Revenue, LTM)</i>		Rule of 40 <i>(LTM Revenue YoY Growth + LTM FCF Margin, %)</i>		Net Revenue Retention <i>(%, LTM)</i>	
	Median	Range	Median	Range	Median	Range	Median	Range	Median	Range
Top Performers	~\$235	<div><div></div><div></div></div> \$94 - \$685	~65%	<div><div></div><div></div></div> 26% - 138%	~(12%)	<div><div></div><div></div></div> (45%) - 38%	~55%	<div><div></div><div></div></div> 7% - 119%	~122%	<div><div></div><div></div></div> 90% - 187%
Horizontal	~\$168	<div><div></div><div></div></div> \$74 - \$1,379	~41%	<div><div></div><div></div></div> 2% - 239%	~(7%)	<div><div></div><div></div></div> (133%) - 35%	~37%	<div><div></div><div></div></div> (88%) - 184%	~116%	<div><div></div><div></div></div> 89% - 181%
Vertical	~\$204	<div><div></div><div></div></div> \$54 - \$2,900	~40%	<div><div></div><div></div></div> 11% - 98%	9%	<div><div></div><div></div></div> (45%) - 58%	~40%	<div><div></div><div></div></div> 7% - 119%	~115%	<div><div></div><div></div></div> 100% - 187%

<sup>1</sup> Company S1s, FactSet; Recent software IPOs defined as all software companies with an IPO date of 2H2013 or later. N=98

In addition to financial metrics, top performers also exhibit stronger consistency in their beat and raise, typically beating revenue guidance each quarter by 3-5%



Source: Company S1s, Includes software companies with an IPO date of 2H2013 or later  
1 Calculated as % above management revenue guidance for the quarter

To achieve a successful IPO, public company leaders emphasize the importance of operating with public company discipline in advance, leveraging the IPO to build legitimacy and reinforce marketing, and implementing strong retention strategies

## 1 Operating as a Public Company Years in Advance



Consistency in delivering on promises is paramount. What you say, you must do, and this builds your reputation.

The best predictor of a successful IPO is having a predictable revenue motion for the next 4-6 quarters and a beat-and-raise model in place. Because we were already operating as a public company leading up to the IPO, this made our transition much seamless.

## 2 Building Legitimacy via an IPO



After we went public, we saw an incredible year in enterprise sales, with the IPO helping legitimize the company and attract interest from enterprise customers who would typically buy from more established incumbents.

We were also able to secure more favorable positioning in research analyst and Magic Quadrant reports.

## 3 Leveraging the IPO as a Key Marketing Event



The IPO should serve as a significant marketing event, which many companies underutilize.

The IPO process was also a crucial process to allow our company to create and internalize the company narrative. As part of the S-1 process, we capitalized on the opportunity to reconnect with key customers.

## 4 Post-IPO Talent Incentivization



After the IPO, full liquidity for employees becomes available, and many employees may choose to sell their shares after the lock-up period ends. This can lead to a slowdown in business and increase talent churn as headhunters target your top performers.

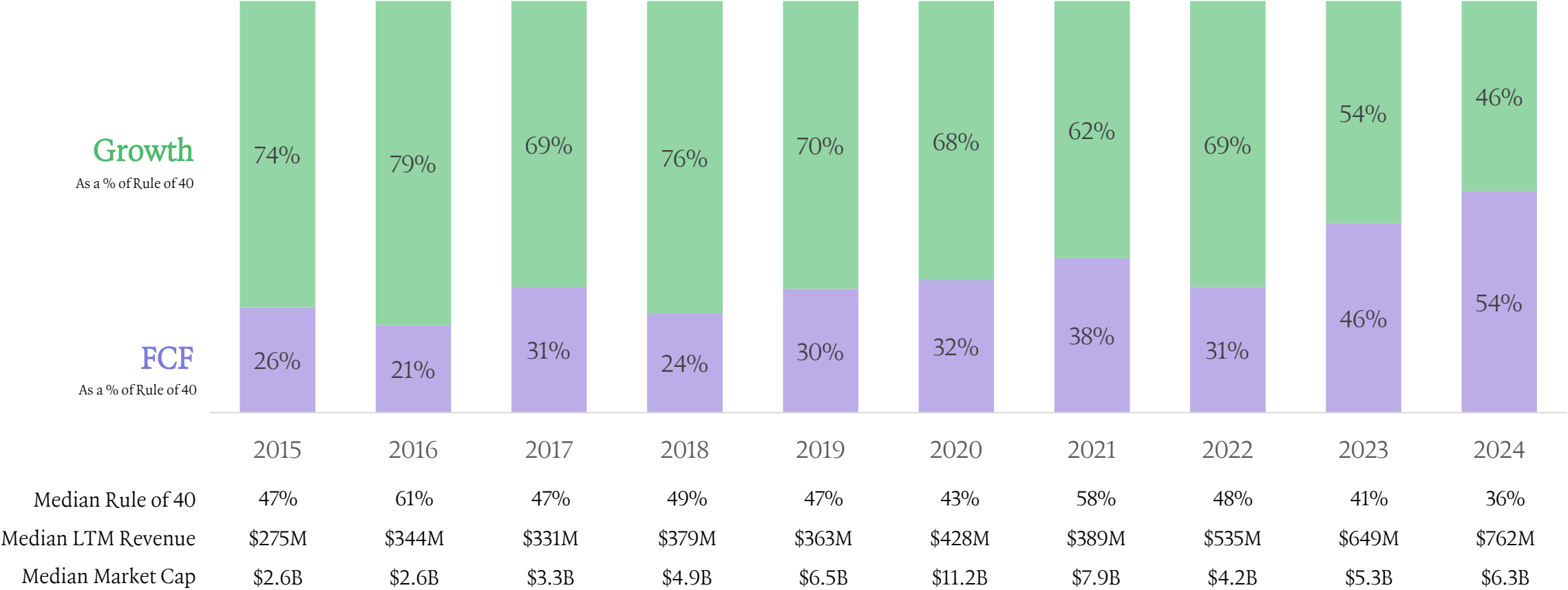
It's critical to have the right incentive structure in place post-lockup to retain and incentivize talent.

# Incremental Margin

Over the past 10 years, we believe the composition of Rule of 40 for public companies has meaningfully shifted toward profitability as market conditions have evolved and public companies have continued to scale revenue meaningfully

Growth Rate vs FCF Margin as a % of Rule of 40

Public Enterprise SaaS Companies



Source: Company financials from CapIQ as of 12/31/24



# Introducing | Incremental Margin

As companies scale, sustaining high growth rates generally becomes much harder to achieve. We believe this has been further exacerbated by today's market conditions which have compressed growth rates.

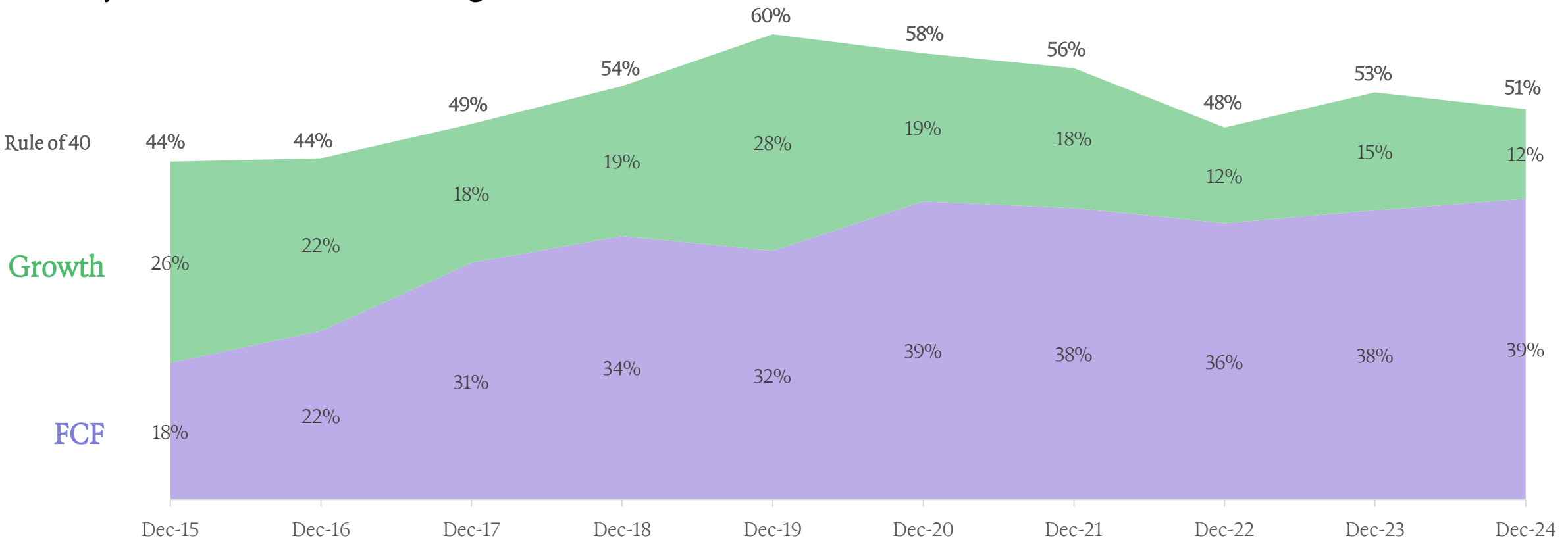
For scaled companies, this means that the best way to maintain Rule of 40 is by improving profitability. One important metric that we believe companies should look to as they approach IPO is incremental margin, which assesses the incremental dollar of net income that falls to each new dollar of revenue.

Our data shows that healthy public companies are able to sustain positive incremental margins, and top performing<sup>1</sup> public companies are able to maintain incremental margins in the 20-30% range each year.

$$\text{Incremental Margin} = \frac{\text{Year 2 Net Income} - \text{Year 1 Net Income}}{\text{Year 2 Revenue} - \text{Year 1 Revenue}}$$

Notes: (1) Top Performer definition can be found on Page 28

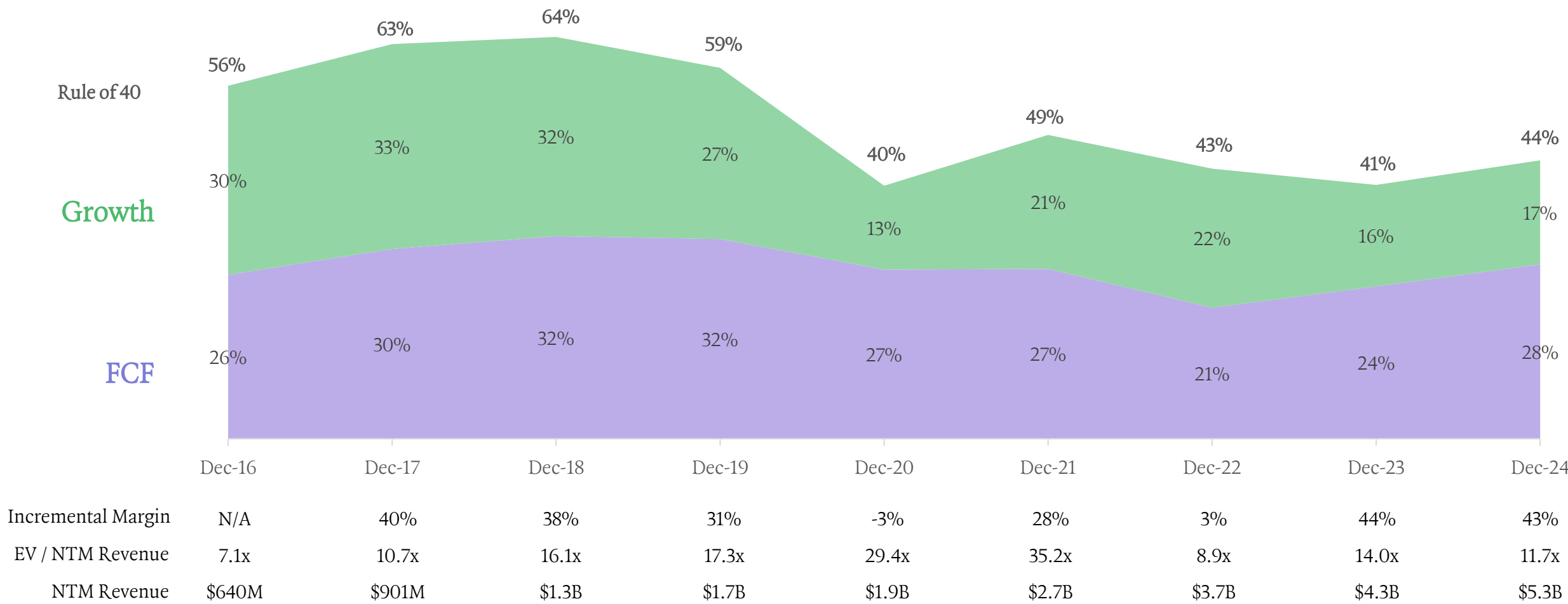
Veeva has maintained a ~Rule of 50 since IPO, with the mix shifting predominantly to profitability over the past few years driven by consistent incremental margins of ~50%



Incremental Margin	N/A	44%	49%	54%	60%	58%	56%	48%	53%	51%
EV / NTM Revenue	7.3x	8.2x	9.1x	12.2x	14.8x	24.1x	17.8x	9.5x	10.2x	9.8x
NTM Revenue	\$482M	\$622M	\$773M	\$975M	\$1.3B	\$1.6B	\$2.1B	\$2.4B	\$2.6B	\$3.0B

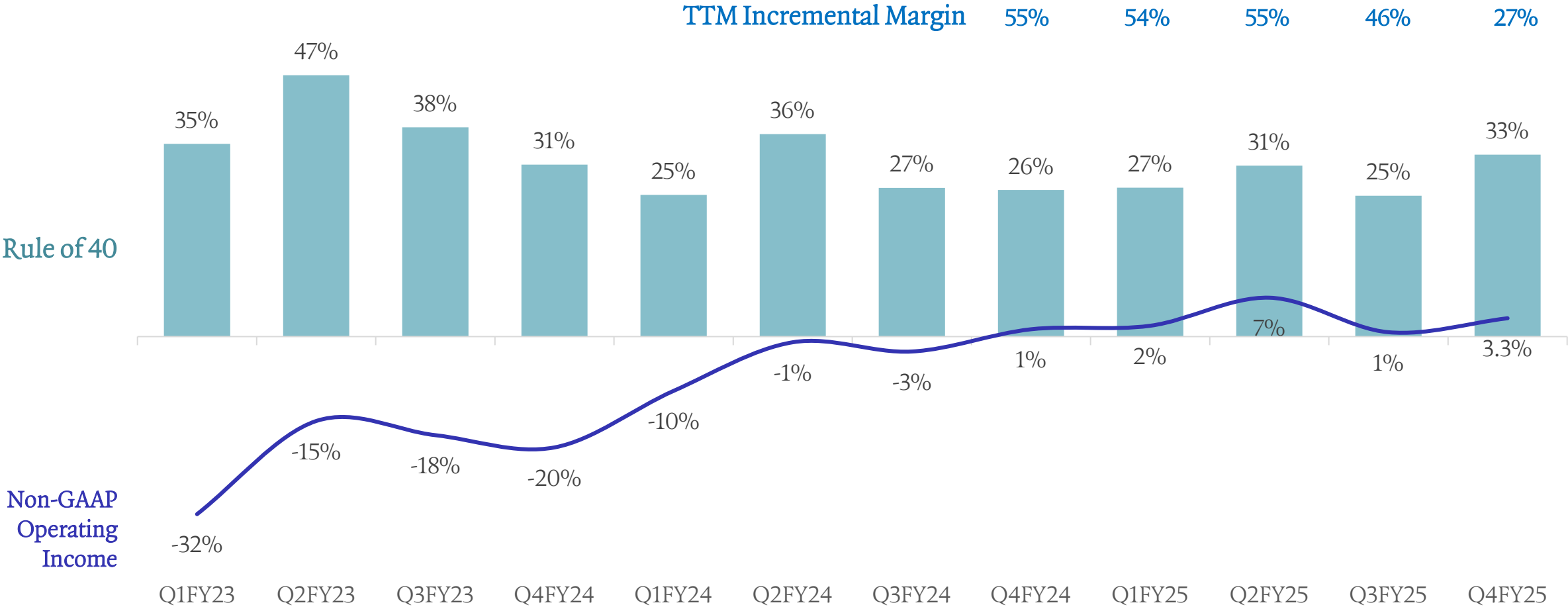
Source: Company financials from CapIQ as of 12/31/24  
Notes: Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ

Atlassian has consistently achieved Rule of 40+ since IPO, leading to a high revenue multiple; its Rule of 40 has also gradually shifted to favor profitability in recent years driven by improving incremental margins



Source: Company financials from CapIQ as of 12/31/24  
Notes: Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ

ServiceTitan has demonstrated consistent improvement in its operating income over the quarters leading up to IPO, contributing to strong investor reception<sup>1</sup> and one of the higher SaaS revenue multiples for recent SaaS IPOs



Notes: (1) More details on Page 26 (2) Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommend the services of ICONIQ  
Source: Company financials from Q4 FY'25 Earnings and 424B4

# IPO Ready Leadership Teams

A deep dive into the executives who help lead the journey  
from private to public

# Introducing | ICONIQ Growth IPO Leadership Analysis

Executive hiring is not a fault-tolerant activity—yet historically, there has been little data to guide CEOs as they make critical leadership decisions. To address this, ICONIQ Growth examined the IPO leadership teams of recent SaaS IPOs, amassing a proprietary dataset comprised of nearly 1,500 executives and over 50,000 datapoints.

Clear trends emerged across each of the core leadership roles, demonstrating a convergence of operational backgrounds and attributes among companies hiring executives in the years leading up to an IPO. The following slides will examine the roles that comprise an executive team at IPO, key operational backgrounds, and the specific role each executive plays in the IPO process.

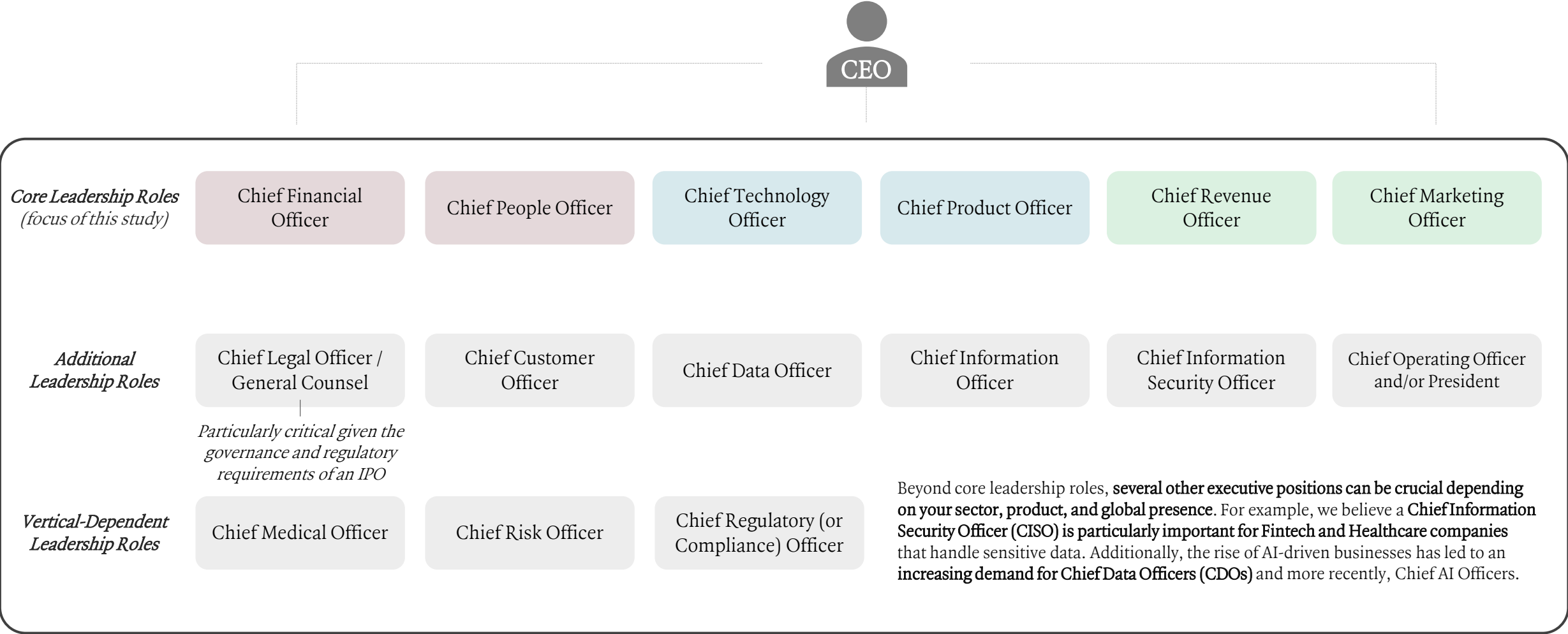
*Please visit our [website](#) for the full versions of each study that comprises our Executive Hiring Series.*



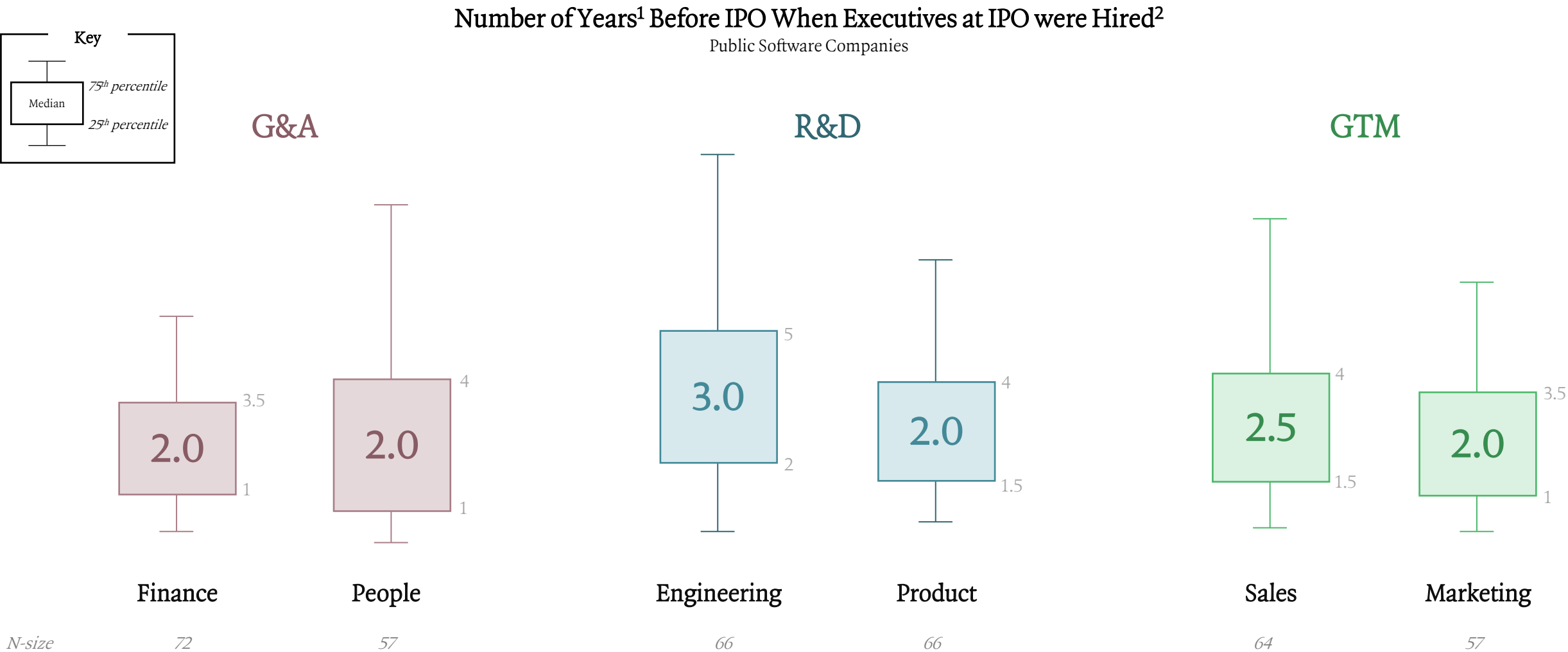
Notes: (1) Company inclusion in each study was subject to data availability, so not every company was included in every study; (2) Includes fully realized investments. Includes companies that have been de-listed. Please see full list of ICONIQ Growth Portfolio companies at the end of the presentation.

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While every executive team looks slightly different – in terms of size, composition, and titling conventions – at minimum, we believe companies preparing to IPO should ensure they have mature leaders in-seat across the six core functions



Companies preparing for an IPO typically build their leadership team 2–3 years in advance, allowing time to establish a strong operating rhythm and build credibility with investors



<sup>1</sup> Years rounded to the nearest .5  
<sup>2</sup> Includes all functional leads at time of IPO. Some companies did not have a leader for each function resulting in varying n-sizes.



Despite their markedly different focuses, we believe both the Chief Financial Officer and the Chief People Officer are critical to minimizing risk and ensuring the organization can continually meet its stated growth targets

Function	Summary
<div>Finance</div> <div>Click to read our full study</div>	<p><b>Role in the IPO Process:</b> The CFO is one of the leaders <b>most directly involved</b> in the IPO process. The role extends well beyond traditional financial management as the CFO acts as an <b>extension of the marketing team</b>, helping communicate the company’s <b>key metrics</b> in a way that resonates with investors.</p> <p><b>Key traits of a successful hire:</b> Among CFOs hired in preparation for an IPO, ~two-thirds have <b>prior public company CFO experience</b>, and a similar proportion have <b>prior IPO experience</b>—more than any other functional leader. This experience typically comes from within the <b>SaaS</b> industry, with CFOs being less likely than other executive role to come from other sectors or industries.</p> <p><b>Learnings from operators:</b> Once a metric is disclosed or reported, it is difficult to stop disclosing that metric. The CFO’s role extends beyond traditional financial oversight—ensuring audit-readiness and creating a culture of financial transparency and predictability—by helping <b>tell the company’s story through metrics</b> and ensuring the business can <b>consistently meet and exceed those metrics</b>. Additionally, as profitability has become increasingly important, the CFO is responsible for helping chart this path.</p>
<div>People</div> <div>Click to read our full study</div>	<p><b>Role in the IPO Process:</b> While the Chief People Officer is <b>less directly involved in the IPO process</b> itself, this role is important in ensuring that the organization is well-positioned to meet the <b>headcount growth targets</b> that will underpin the company’s continued revenue growth and ensuring there are <b>appropriate incentive structures in place for employees</b> ahead of a major liquidity event.</p> <p><b>Key traits of a successful hire:</b> Chief People Officers tend to be some of the most <b>seasoned leaders</b> on an executive team, with those hired in preparation for the IPO having over <b>21 years of HR experience</b> on average. Additionally, 83% of HR leaders at IPO had previously spent <b>5 or more years at a single organization</b>, underscoring the importance of experience shepherding a company through multiple transitions.</p> <p><b>Learnings from operators:</b> The Chief People Officer oversees <b>talent acquisition and retention</b> to help <b>sustain the company’s growth</b>, which necessitates strong messaging around the company’s values and employer value proposition. The CPO will also ensure that the organization is well-equipped for the <b>scrutiny</b> that comes with entering the public markets, <b>managing risk</b> from the systems level to the individual level. Additionally, the CPO partners with the <b>Compensation Committee</b> and may help create the <b>Employee Stock Purchase Plan (ESPP)</b>.</p>

While 9 out of 10 Chief Product and Chief Technology Officers have not previously participated in an IPO, we believe their roles are crucial to ensuring sound technological infrastructure and a long-term product vision that underpin public market success

Function	Summary
<div>Product</div> <div>Click to read our full study</div>	<p><b>Role in the IPO Process:</b> In the leadup to an IPO, a Chief Product Officer plays a crucial role in scaling a <b>multi-product strategy</b> and sustaining monetization.</p> <p><b>Key traits of a successful hire:</b> The ideal CPO has led large product organizations—either as a CPO at similar or larger companies or as a senior leader at major public tech firms (such as Google or Microsoft). However, <b>91% of Chief Product Officers we studied who were present at IPO had not been involved in this process before.</b> Having sector affinity is a plus, especially for companies with technical products and user bases.</p> <p><b>Learnings from operators:</b> Investors typically seek confidence in product differentiation and long-term growth through <b>multi-product expansion and global reach.</b> As competition intensifies with turnkey solutions, we think a strong CPO must enhance product stickiness and defend against emerging challengers (this is particularly relevant today as companies evolve their AI-enabled product suite). Ultimately, we believe the right CPO will drive <b>innovation, market expansion, and enterprise stability</b>, securing long-term shareholder value.</p>
<div>Engineering</div> <div>Click to read our full study</div>	<p><b>Role in the IPO Process:</b> As SaaS companies prepare to go public, we believe having the right Chief Technology Officer in place is critical to ensuring <b>technical scalability, operational discipline, and public market readiness.</b></p> <p><b>Key traits of a successful hire:</b> Our study shows CEOs should prioritize candidates with both private SaaS Head of Engineering experience and/or senior leadership roles (SVP, VP) in public companies. <b>Prior IPO experience isn't essential as 89% of Heads of Engineering at IPO were first-timers.</b> What appears to matter most is the ability to scale teams, optimize engineering processes, and navigate the complexities of becoming a public company.</p> <p><b>Learnings from operators:</b> With increasing cyber threats and stricter compliance requirements, CTOs are typically brought into IPO discussions to <b>mitigate concerns around technical architecture and regulatory scrutiny.</b> At the same time, we believe <b>staying on pace with AI advancements is crucial for maintaining competitive differentiation and driving innovation.</b> The right CTO will ensure <b>technical resilience</b> (a single outage can have a meaningful impact on stock price and investor trust) and support <b>AI-driven product evolution as well as internal implementation.</b></p>

Chief Marketing Officers are at the forefront of the IPO preparedness process, while Chief Revenue Officers are indirectly involved—ensuring the company has several different strategies in place for consistently beating each quarter post IPO

Function	Summary
<div><div>Sales</div><div>Click to read our full study</div></div>	<p><b>Role in the IPO Process:</b> We believe the Chief Revenue Officer must ensure that the company consistently meets or exceeds its quarterly revenue targets, beginning several quarters before the IPO. It is important to establish a “beat and raise” motion including clear and realistic pipeline visibility well in advance of the IPO.</p> <p><b>Key traits of a successful hire:</b> Our data shows that <b>scale is critical when hiring a Sales leader for an IPO</b>: 73% of CROs hired after \$100M ARR have overseen a <b>\$1B+ revenue number</b>. Additionally, sales experience at a public company tends to be key, with 58% of CRO hires made between \$50-\$100M, and 81% of CRO hires made after \$100M, demonstrating <b>public company CRO or CRO direct report experience</b>.</p> <p><b>Learnings from operators:</b> The CRO and CFO partner closely to <b>set quarterly revenue goals</b>, though the CRO is ultimately <b>accountable for hitting—if not exceeding--these targets</b>. This involves both attracting new customers—which may involve seeking out entirely new verticals or markets—and retaining and deepening relationships with existing customers. Given the financial consequences of a missed quarter, we believe the CRO must ensure the company has several paths to beating expectations each quarter.</p>
<div><div>Marketing</div><div>Click to read our full study</div></div>	<p><b>Role in the IPO Process:</b> An <b>IPO tends to be a major marketing event</b>. The Chief Marketing Officer helps ensure alignment and consistency around company messaging across all dimensions, from the roadshow to the S-1 to media interviews to social media.</p> <p><b>Key traits of a successful hire:</b> At this stage, our data suggests a CMO should ideally have <b>prior CMO experience at a public company</b> or, at minimum, senior-level (SVP/VP) public company experience to support IPO readiness. We think they should also <b>have broad marketing expertise across product, revenue, and corporate marketing, with a strong emphasis on product marketing</b>—especially for infrastructure companies. Notably, 79% of Heads of Marketing who led IPOs had no prior IPO experience, suggesting the learning curve is manageable for first-timers.</p> <p><b>Learnings from operators:</b> Our data shows that one critically important exercise is <b>partnering with marquee customers’ CMOs</b> to showcase specific <b>customer testimonials and use cases</b> in the S-1 and other investor-facing materials. In these cases, each company <b>leverages the other’s brand</b>—with the soon-to-be public company borrowing <b>credibility from blue-chip customers</b>, while the customers, in turn, benefit from the brand mentions and positioning as an innovative technology adopter.</p>

# ICONIQ | Growth

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# Analytics & Insights: Key Series



## Growth & Efficiency

Our annual exploration of the data behind building a B2B SaaS business and early indicators of long-term success, answering key questions on how these companies scale quickly and efficiently within the context of today's macroenvironment



## Go-to-Market

An ongoing exploration of the state of go-to-market, spanning topics across building go-to-market teams, compensation, and reporting best practices



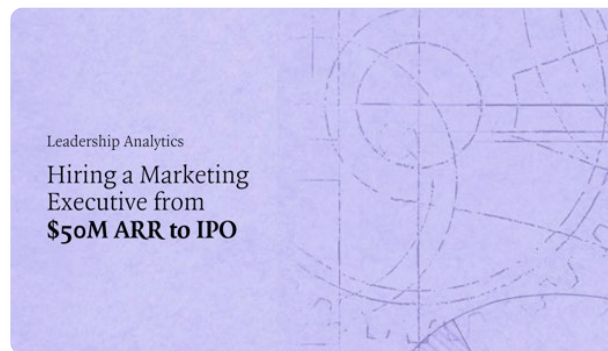
## Engineering

A series of detailed reports in collaboration with the ICONIQ Growth Technical Advisory Board unpacking the data behind high-functioning engineering organizations



## Path to IPO

Our annual IPO reports answer key questions across several major topics related to successfully planning for and executing an IPO, as well as drivers of valuation in the current environment



## Leadership Analytics

A suite of analyses of leadership hires between founding and IPO at high-caliber SaaS companies to create first-of-their-kind playbooks to help support hiring decision-making across the entire company lifecycle

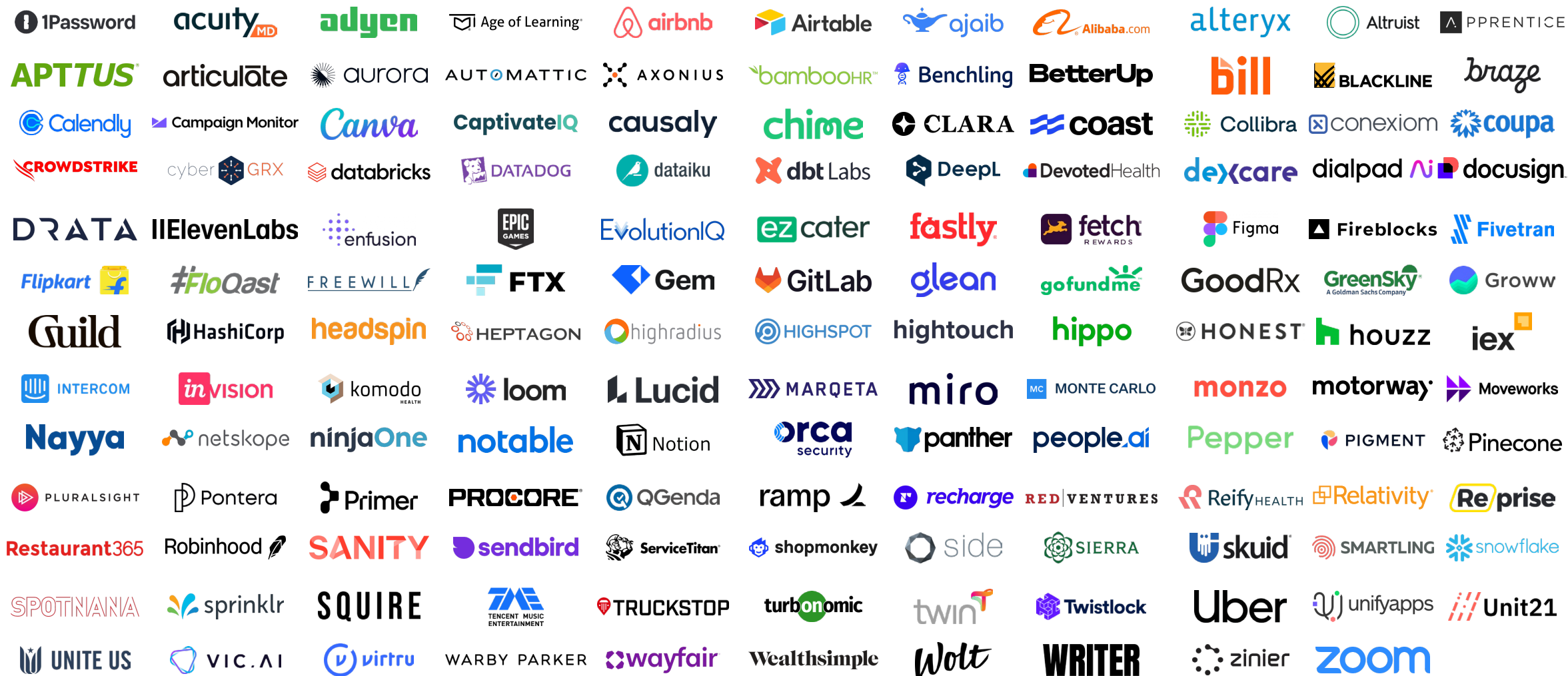


## Quarterly Recaps – Portfolio Only\*

Real-time insights into performance and attainment across top- and bottom-line forecasts, how key performance metrics have been impacted by the current market environment, and how companies are adjusting plan and strategy in response



# A global portfolio of category-defining businesses



These companies represent the full list of companies that ICONIQ Growth has invested in since inception through ICONIQ Strategic Partners funds as of the date these materials were published (except those subject to confidentiality obligations). Trademarks are the property of their respective owners. None of the companies illustrated have endorsed or recommended the services of ICONIQ.