

Taking a Company Public

Case Study #13

Scenario

By all accounts, the timing, valuation, and public listing of ABC Ride Hailing Co (ABC Co) in 2021 was a roaring success for Christian businessman, Joseph, age 45, given the following:

1. Wall Street is awash with a tidal wave of cash hungry for places to invest and willing to pay extraordinary valuation on “platform” business, chasing after the next Facebook and Alibaba.
2. **ABC Co has incurred hundreds of millions of accumulated losses** and only be EBITA neutral at earliest 2025, and no foreseeable certainty when Co will generate a net profit.
3. The car-hailing & food delivery business is competitive & vulnerable to new competitors with low entry barriers.
4. ABC Co needs to cut hundreds of millions of costs each year to achieve profitability. The expense cut will come primarily from cutting hundreds of jobs.
5. Able to raise new US\$2B funding to finance more cash burn to grow the business.
6. **Joseph holds 55% of the voting power of the public ABC Co while holding only about 4% shares** worth over US\$200M.
7. As a vote-controlling shareholder, **Joseph can now chart the future of ABC Co and can potentially become a multi-billionaire.** He is a rising star in Asia. From whatever angle we look at it, Joseph is gifted, strategic, financially savvy, hugely successful and is highly acclaimed.

Colossians 3:23 and Micah 6:8 resonate to this case study by emphasizing integrity and ethical stewardship. **As a Christian businessman, Joseph is called to act justly, love mercy, and walk humbly with God** (Micah 6:8), and **work heartily for the Lord** (Colossians 3:23), prioritizing ethics over profit and ensuring responsible business practices despite challenges and opportunities for personal gain.



WHAT DO WE DO?

How does the business world define success? How does God define success?



MICAH 6:8

And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God.

