

## Difference Between Private Placement and Public Offering (IPO)

Differences between Private Placement and Public Offering (IPO) are explained in the below table,

Private Placement	Public Offering (IPO)
The company does not offer its stocks through a public offering (shares not available to the general public).	The company offers its stocks through a public offering.
Shares are privately owned or held by pre-selected investors.	Shares are available for the public to buy from the stock exchange.
Less regulated when compared to a public offering.	More regulated when compared to a private placement.
Securities and Exchange Commission's (SEC) enrolment is not required.	Securities and Exchange Commission's (SEC) enrolment is required.
Companies mostly choose this because the company forecasted an excellent opportunity for rapid growth, which demands extra capital.	Companies mostly choose because the company needs to attract a large investor pool.
Reason for the company to choose this is because the company is unable to attract a large number of institutional or retail investors.	Reason for the company to choose this is because the company can attract a large number of institutional or retail investors.