

Engagement priorities in Investor Relations - How to get most out of investors' events

INSIGHTS FROM THE RIVEL INTELLIGENCE COUNCIL

CLAIRE LAVERY

EXECUTIVE DIRECTOR, EUROPE & ASIA

RIVEL RESEARCH GROUP



- Established in 1991 with a unique specialty – investment community perception research

- We help public companies mitigate risk and improve valuation ...
 - Custom investor perception research – 150+ projects annually
 - IR best practices: Intelligence Council (200+ member companies)
 - Corporate Governance division
 - Board Evaluation service
 - 10,000 telephone interviews with investors globally each year
 - Clients include half of the Global Fortune 100 and the S&P 500



75%

**Of the Global Buy-side
Believe Good IR Affects a
Company's Valuation**

VALUE OF SUPERB IR

(Among the global buy-side)

+10%
Superb IR premium

The Valuation Delta

-20%
Poor IR discount

Challenge

% of Companies
with Superb IR

31%

VERY PERSUASIVE INFORMATION RESOURCES



MANAGEMENT ACCESS *(In Addition to Quarterly Earnings Calls)*

Who:

- Top Shareholders – 2-3 meetings/year
- Important Targets – 2-3 meetings/year
- Secondary Shareholders – up to you
- Governance and ESG issues (passive investors)

**Possibly more than 200 interactions with
investors per year for management**

MANAGEMENT ACCESS

Average Number of One-on-Ones/Small Group Meetings Executives
Conduct Annually (As reported by IROs globally)

CEO: 60

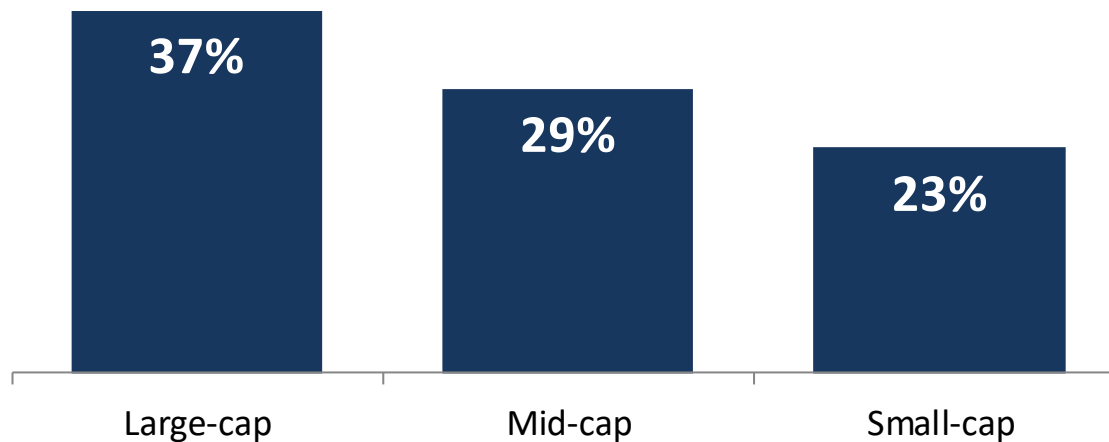
CFO: 75

IRO: 135

MANAGEMENT ACCESS

Percent of One-on-Ones/Small Group Meetings Held by IR on a Solo Basis
(Without Senior Management Present)

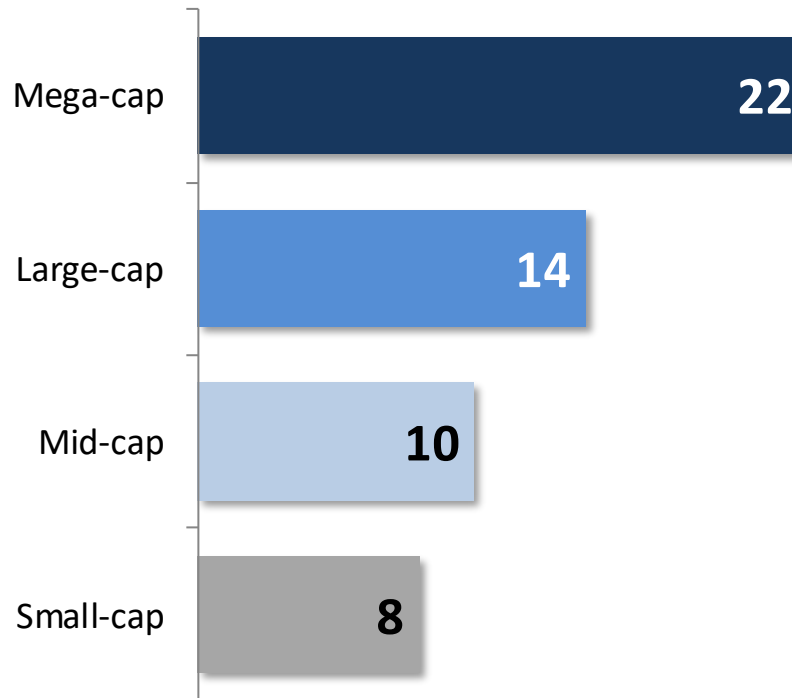
MARKET CAP



Note: Among global IRO's, n=441

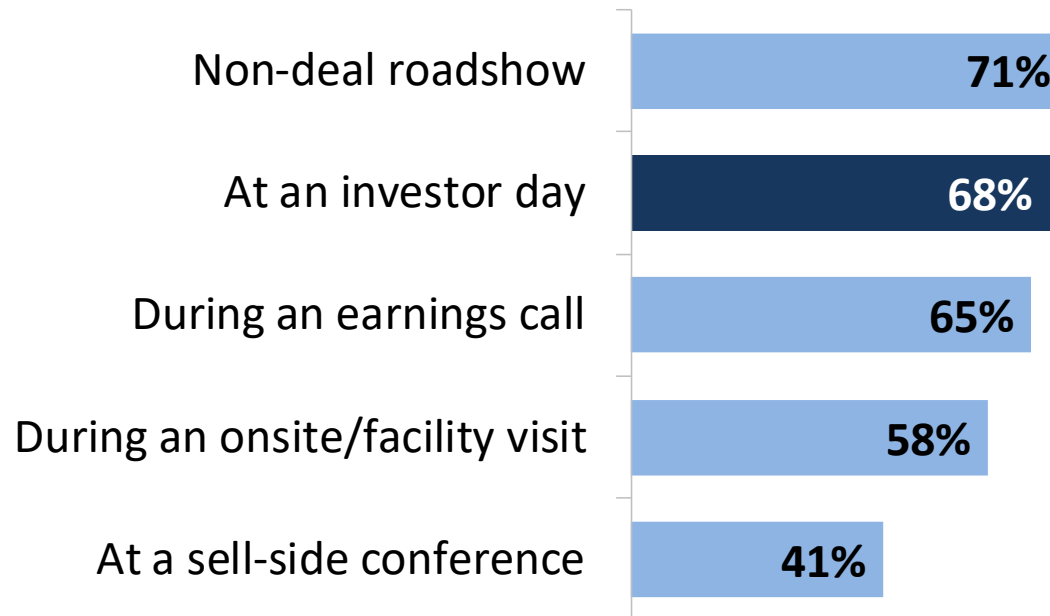
AVERAGE NUMBER OF NON-DEAL ROADSHOW DAYS CONDUCTED ANNUALLY (among IROs globally)

MARKET CAP



THE CASE FOR INVESTOR DAYS

Where Does the Global Buy-side Prefer to Hear Management Speak?



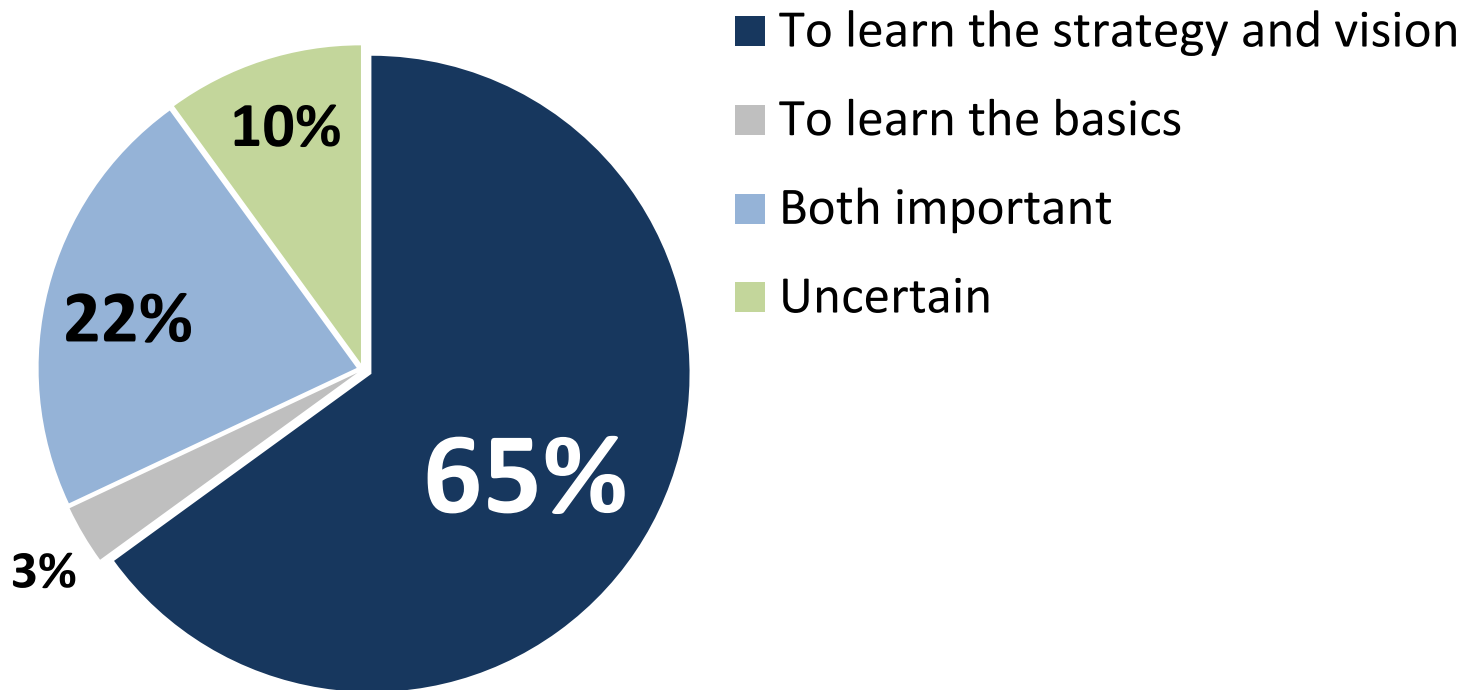
INVESTOR DAYS MISMATCH

28% of companies hold investor days at least once a year

73% of the global buy-side thinks investor days should be held at least once a year

Primary Reason for Attending an Investor Day

(Among Global Buy-side)



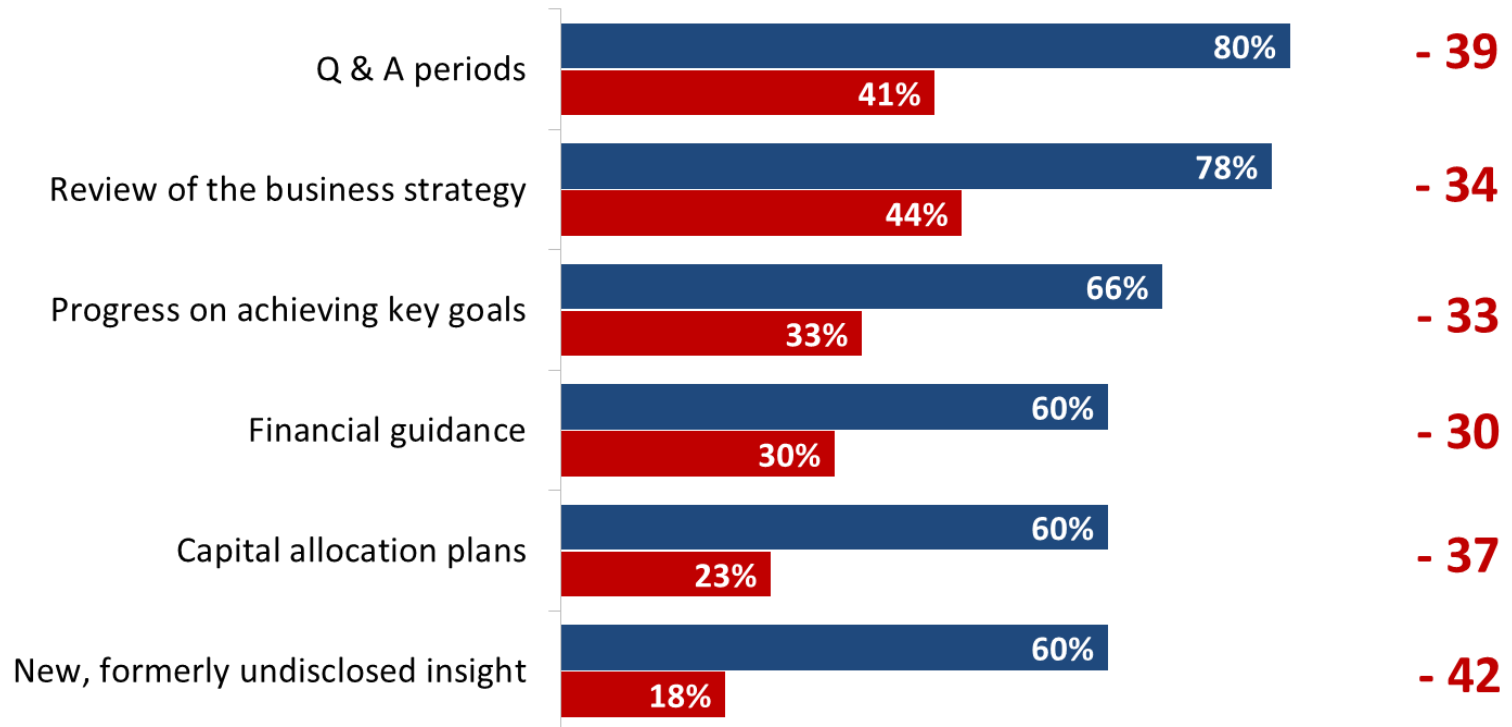
WHY INVESTOR DAYS ARE IMPORTANT ...

- **A singular opportunity to:**
 - Explain strategy
 - Foster credibility (setting and meeting goals)
 - Provide management access
 - Showcase bench strength
 - Differentiate from peers
 - Communicate competitive advantages

Investor Day Gaps: What Investors Want Versus How Well Companies Provide It (Among Total Global Buy-side)

Mind the gaps!

GAP

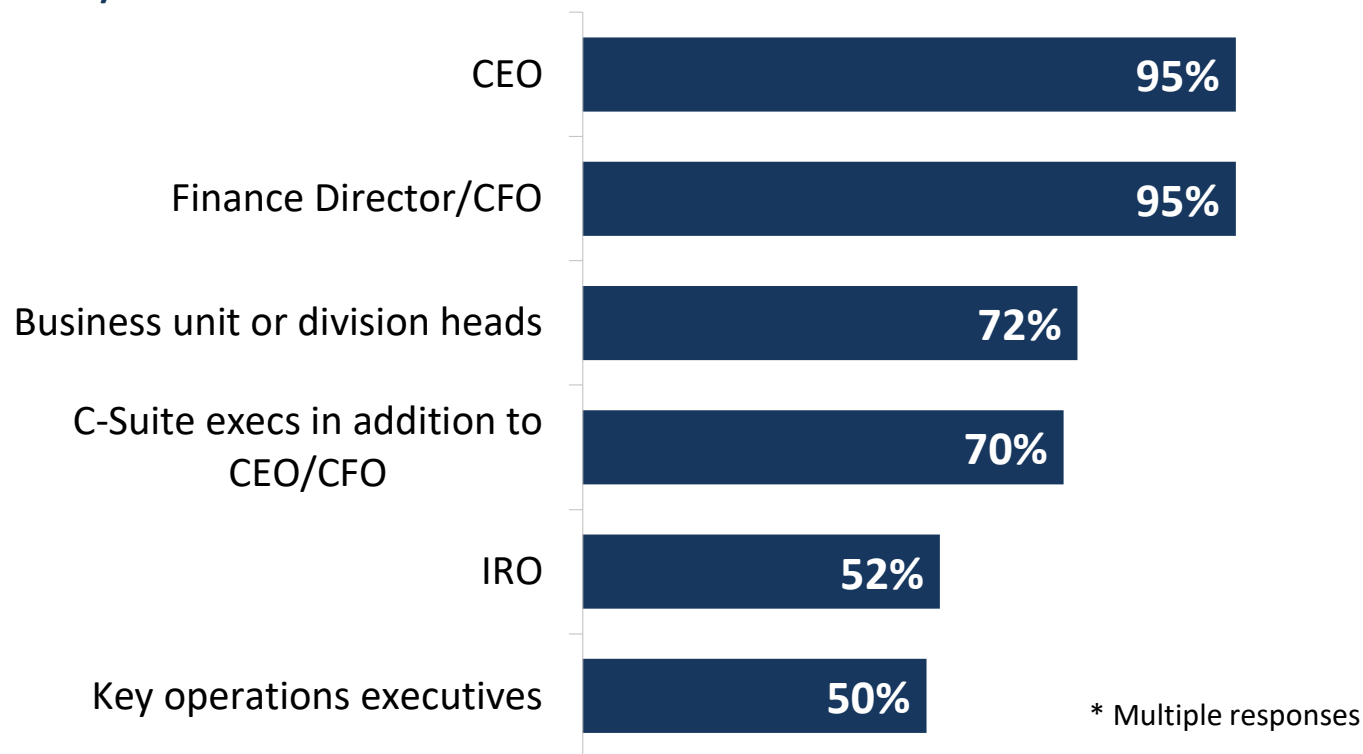


■ % Investors considering topic highly important for an investor day

■ % Companies seen as doing a good job during an investor day

INVESTOR DAYS SHOULD SHOWCASE BENCH STRENGTH

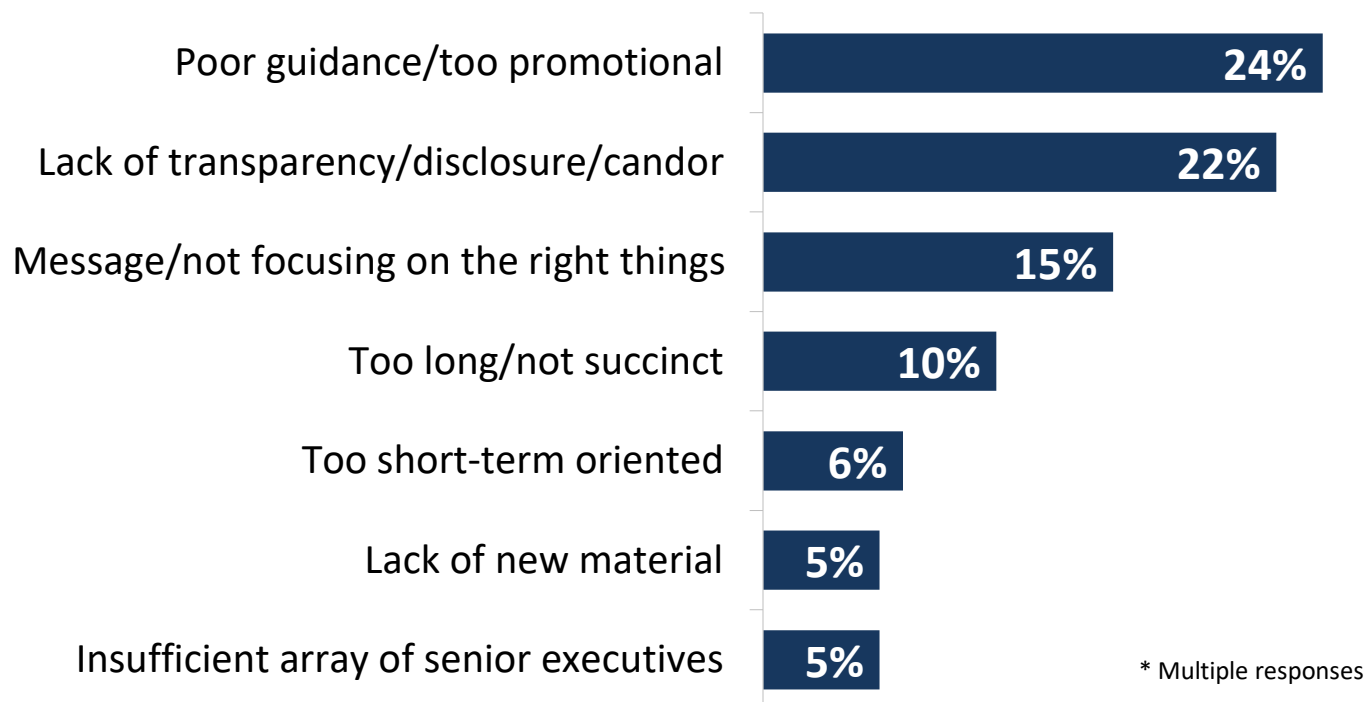
Executives Important to Have Attend an Investor Day* (Aided)



Note: Among the global buy-side

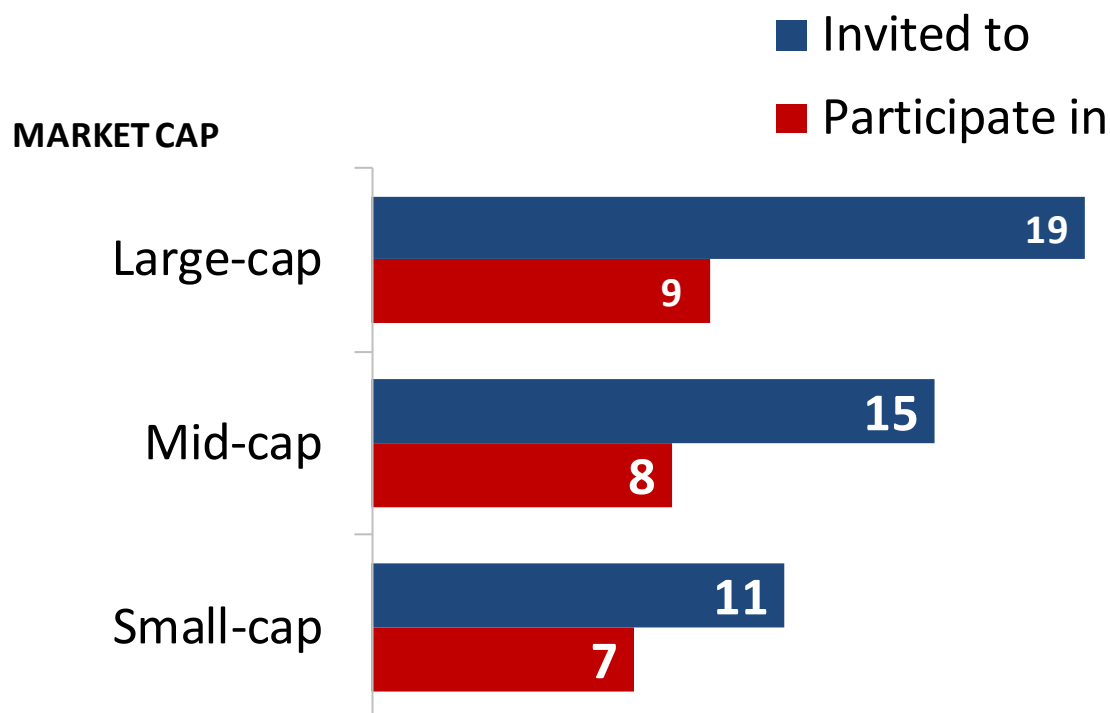
Biggest Mistakes Companies Make Conducting Investor Days*

(Among global buy-side)



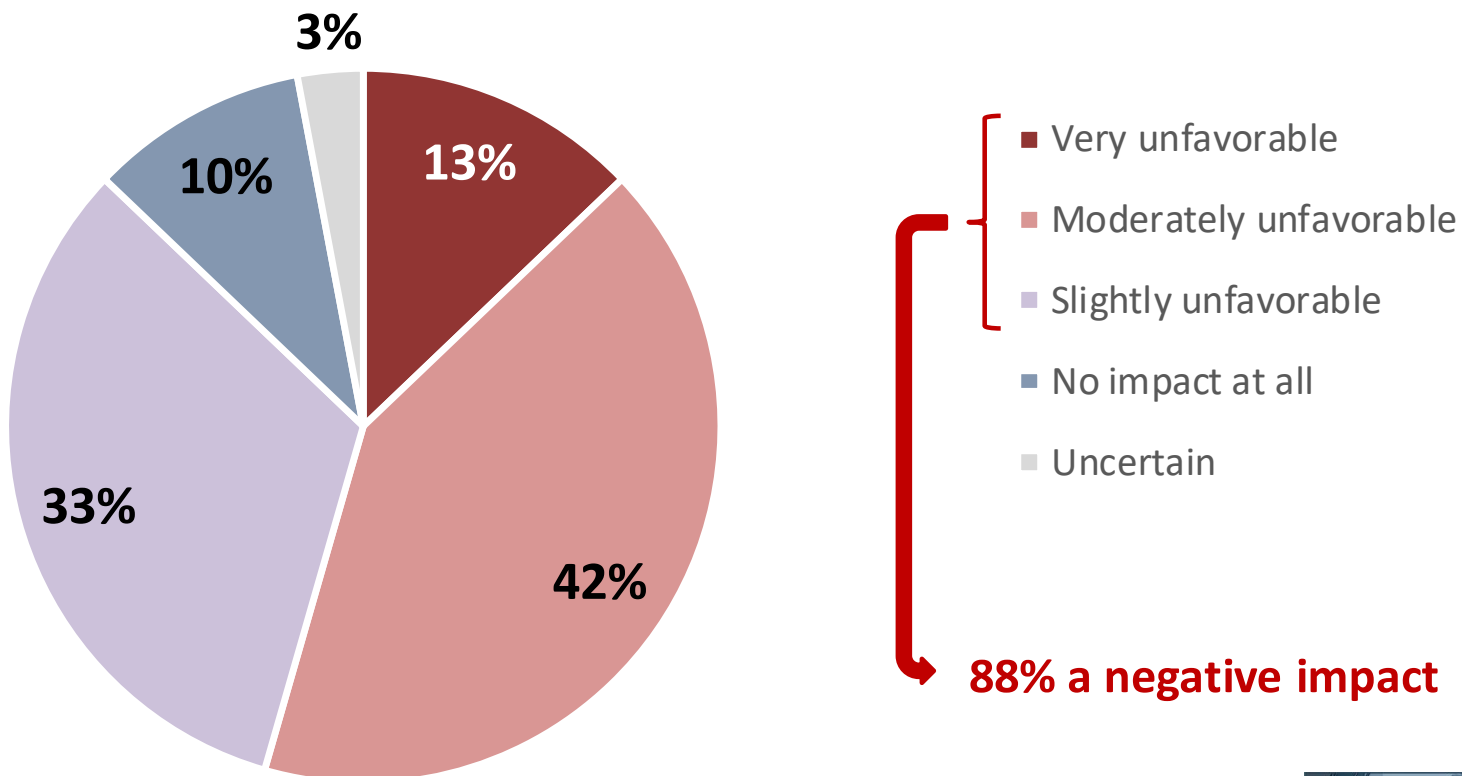
SECTOR CONFERENCES

Average Number of Broker-Sponsored Conferences Companies
Invited to/Participate In (among IROs globally)



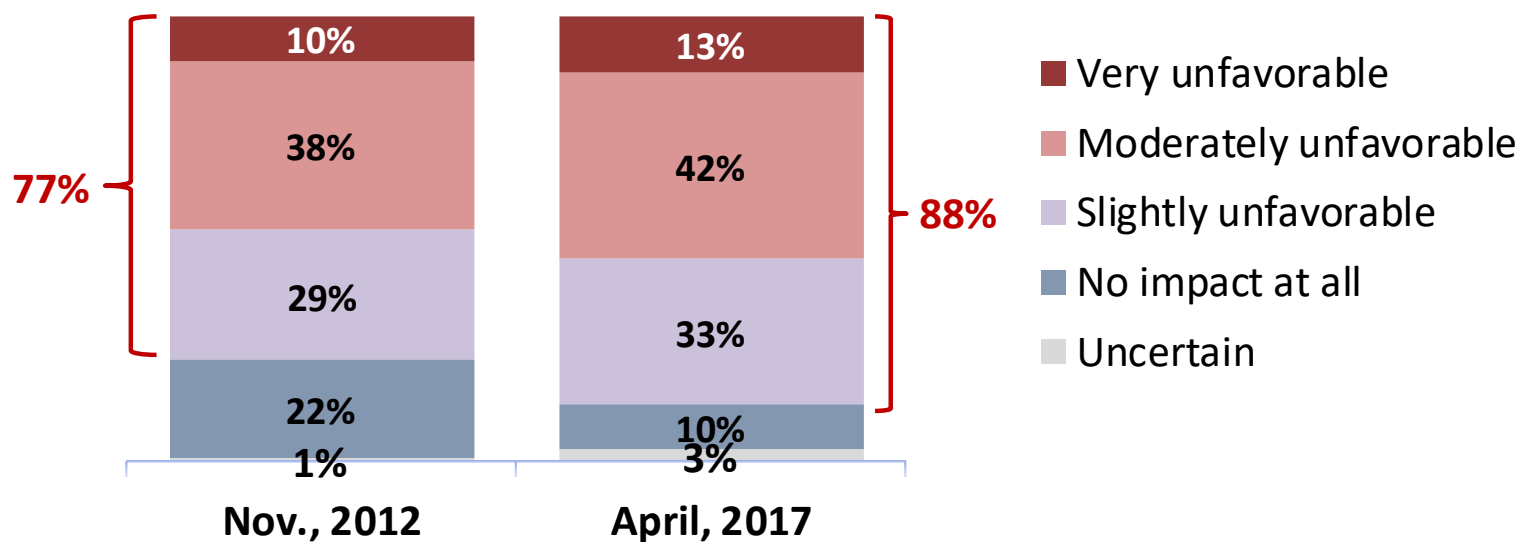
IR WEBSITES

What kind of impact on your investment interest does a poorly designed/incomplete website have? (Among the Buy-side Globally)



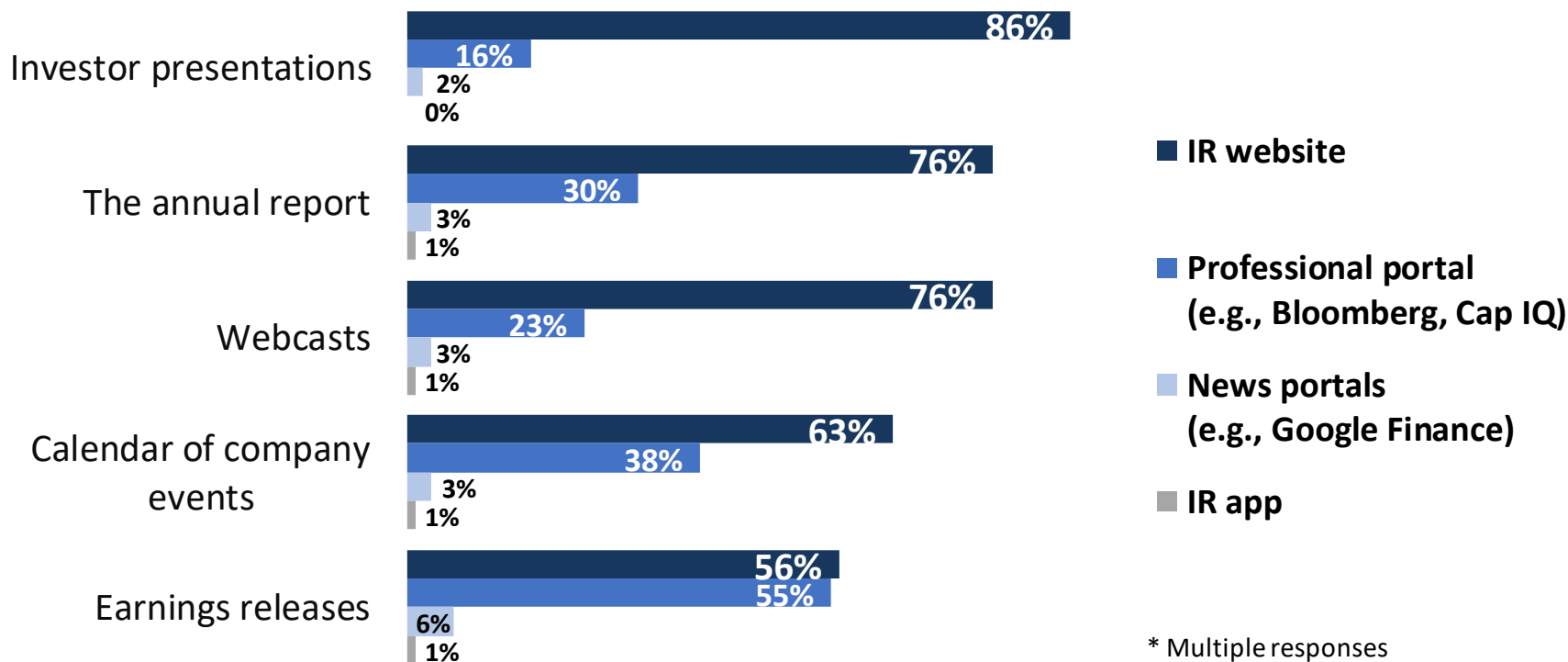
INCREASING RISK OF A POOR IR WEBSITE

Impact of a Poor IR Website on Investment Interest (Among Global Buy-side)



IR WEBSITES – A CHOICE OF FIRST RESORT

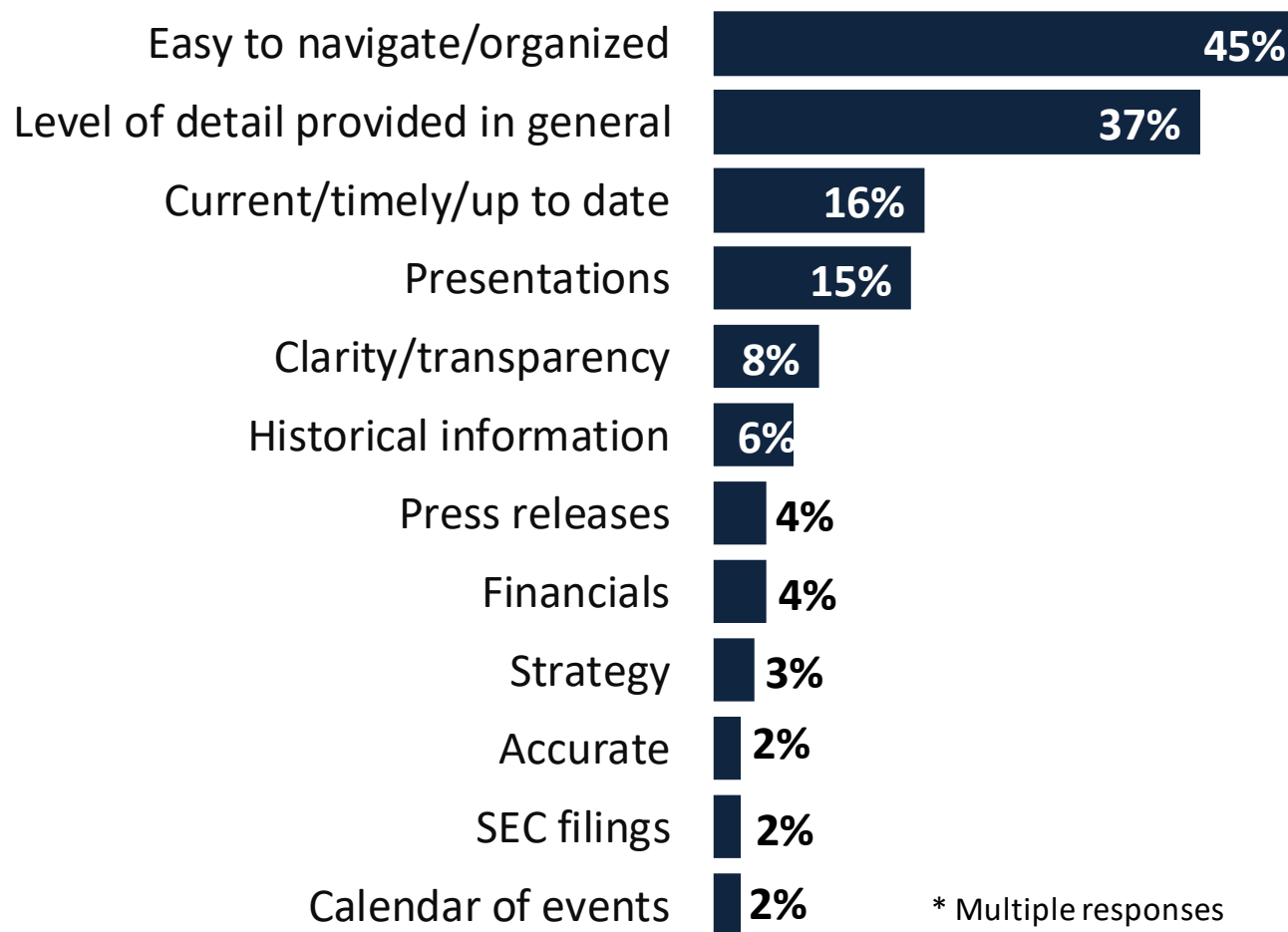
Where do you usually go to access each of the following pieces of information





What Makes IR Websites "Best in Class"* (Unaided)

(Among the Buy-side Globally)

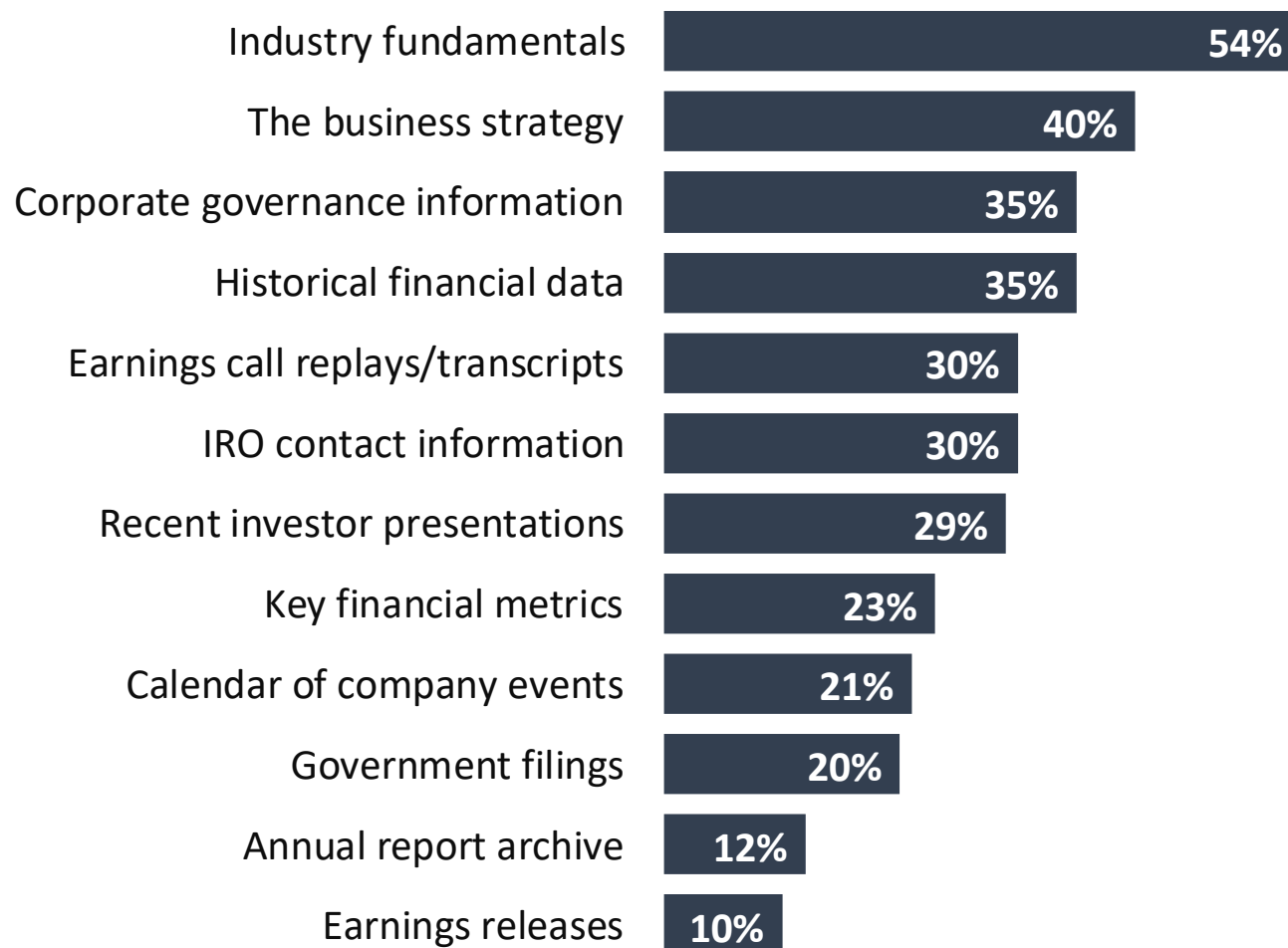


* Multiple responses



Things Investors Have the Most Difficulty Finding on IR Websites

(Among the Buy-side Globally)



INTANGIBLES ARE MOST CRITICAL

The Top 10

Management credibility (77%)

Sound capital deployment strategy (65%)

Effective business strategy (57%)

Strong balance sheet (56%)

Reliable cash flow (54%)

Sustainable margins (52%)

Good ROIC (51%)

Revenue growth potential (47%)

➡ **Attractive EPS growth (44%)**

➡ **Strong corporate governance (43%)**



WALK THE TALK

Note: Among the global buy-side

MESSAGING RULES OF THUMB

- Communicate the strategy and why it's unique
- Focus on a few key messages
- Show progress on previously articulated goals
- There is no substitute for candor
- Reinforce!

COMPETING VOICES

122

companies an investor/analyst typically owns/covers/follows

DIFFERENTIATION MATTERS

**Thankyou
Muṭumesc**