

WELCOME



Fundamentals of Investor Relations

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Investor Targeting and Outreach

(IR Competency Framework Domain 4)

David K. Erickson
NIRI Fellow

Discussion Items

- Targeting
- Relationship building
- Enhancing the effectiveness of your communications
- Feedback
- Tools and resources

Effective Investor Outreach

- Identifies potential investors
- Requires diligent research and an honest assessment of your company
- Utilizes your skill as a communicator, both internally and externally

Why Target?

- Focuses your management's time and your resources
- Builds a desired book of investors
- Aligns interests and expectations
- Results in a more satisfied "customer"
- Helps support a fair valuation; Economics 101

Getting Started

- Know your current investors
 - Why are they invested in you?
 - Investment style
 - Investment strategy; average holding period
 - Buy and sell triggers
 - Decision-making process; fund level visibility
 - Importance of ESG factors

Getting Started (cont.)

- Know yourself
 - Start with an honest assessment
 - Company fundamentals, business drivers
 - Identify value drivers, strategic priorities
 - Industry fundamentals, competitive position
 - Trading profile (e.g., market cap, trading volume, insider holdings)

The Next Step

- Develop investment story
 - Clear, concise and measurable
 - Provide mosaic of industry perspectives and the competitive landscape
 - Maintain balance
 - Education versus promotion
 - Protect credibility

Finding New Shareholders

- Identify potential investors
 - Match your investment profile with similarly-minded prospects
 - An investor for every investment
 - A living process
- Leverage existing relationships
- Understand path to the decision maker

Making Contact

- Emails and phone calls
- In-person meetings
 - Conferences and 1x1s
 - Roadshows
 - HQ meetings
- Prep documents incl. firm & analyst background, Q&A
- Are they ready for you?

Keeping Score

- Changes in ownership levels and shareholder mix
 - Existing shareholders adding
 - New shareholders entering
 - Reduced share concentration
 - Results won't be immediate
- Quality of meetings (presence of key decision makers, their preparedness)
- Direct investor feedback (anecdotal and formal)

Relationship Building

Objective:

To become the trusted source for information about your company and the industry.

- Accurate
- Timely
- Balanced
- Accessible
- Facilitator



Be indispensable!

Build Your Support Team

- Accounting/Finance
- Legal/Securities attorney
- Business unit leaders
- Communications/Public Affairs
- Marketing
- C-Suite

Determine Your Action Plan

- Homework (if needed)
- Initial discussion
- Bring in the C-Suite if/when appropriate
 - Aggressively manage their time; be flexible
- Appropriate channel (i.e., phone vs. in-person)
- Post event follow-up
- Frequency of future contact

Venues - Quality vs. Quantity

- Sell-side conferences incl. 1x1s
- NDRs
- Industry conferences/trade shows
- HQ visits/bus tours
- Analyst days

Maintain control of the meeting requests!

Care and Feeding of the Sell-Side

- Spoon feed them – make information easy to access and digest
- Review reports for accuracy
- Scrub earnings models for any errors
- Touch base intra-quarter
- Maintain relationships with all, even those with a negative opinion
- Understand influences resulting from MiFID II

And For the Buy-Side

- Not created equal – know who you're talking to
- Be available
- Understand their knowledge level
- Preferred frequency of contact including C-Suite access
- Proactivity scores points!!
- MiFID II will result in more direct engagement

External Feedback

- Provides critical guidance with which to refine messaging and ensure alignment
- Important insight to management and Board on how company is perceived

Formal vs. Informal

Perception Studies

- External vendor
- Comprehensive
- Unbiased and credible
- Can provide comparative metrics
- Infrequent
- Costly

Ad Hoc Collection

- Typically self conducted
- Targeted and fast
- Might be filtered
- Can be routine
- Inexpensive

Collect From All Constituencies

- Shareholders (current, former & prospective)
- Analysts
- Financial and trade media
- Rating agencies
- Compare with perceptions of management and Board

Tools and Resources

- Follow-up email
- Contact management system
- Consensus modeling tool
- Ownership tracking
- Survey Monkey
- Management feedback

Thank you!

David K. Erickson

949.394.7381 (mobile)

daviderickson1119@gmail.com