

ELITE Connect

IR Club Conference

Frankfurt - January 2017

**Are you leading the way
in innovative IR
Practices....?**

2017: A Year of Change

Key Drivers of Change in 2017

- Regulatory: MiFID II and its impact on current IR Practices
- Geopolitical: Uncertainty in the post Brexit & US election world
- Business: Environmental Social & Corporate Governance inclusion
- Science: Evolving Technology in the IR Space



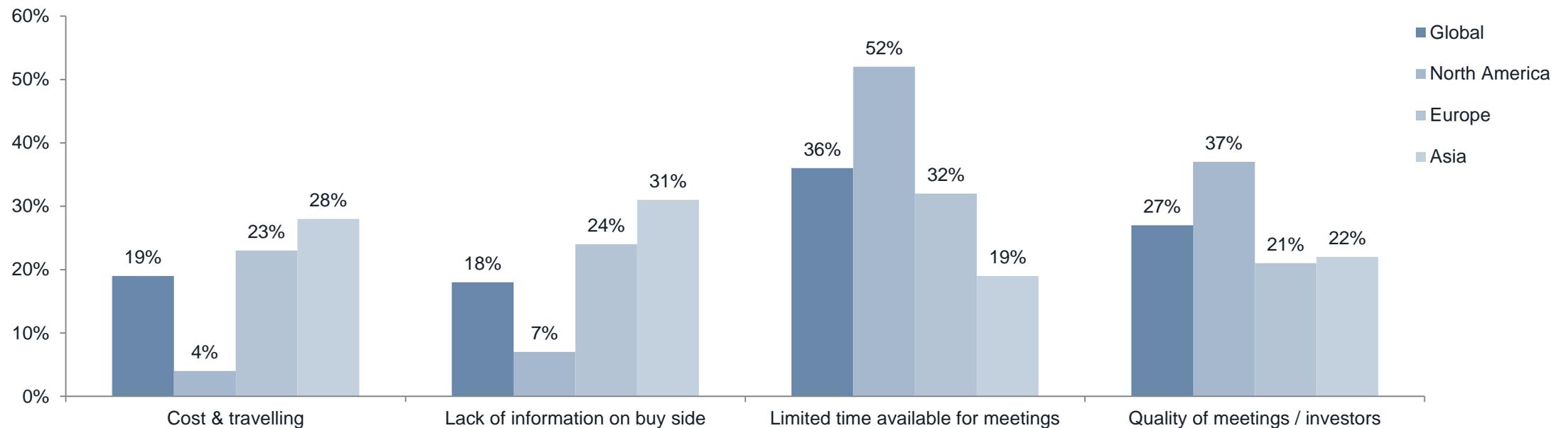
Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Why Innovate?

Main Issues Facing IR

Regionally, what key issues have been identified by IR professionals?

- Globally, 36% of IR see the limited time available for meetings as the main issue today in managing IR.
- In Europe and Asia, there is an even distribution amongst all four of the issues outlined below.

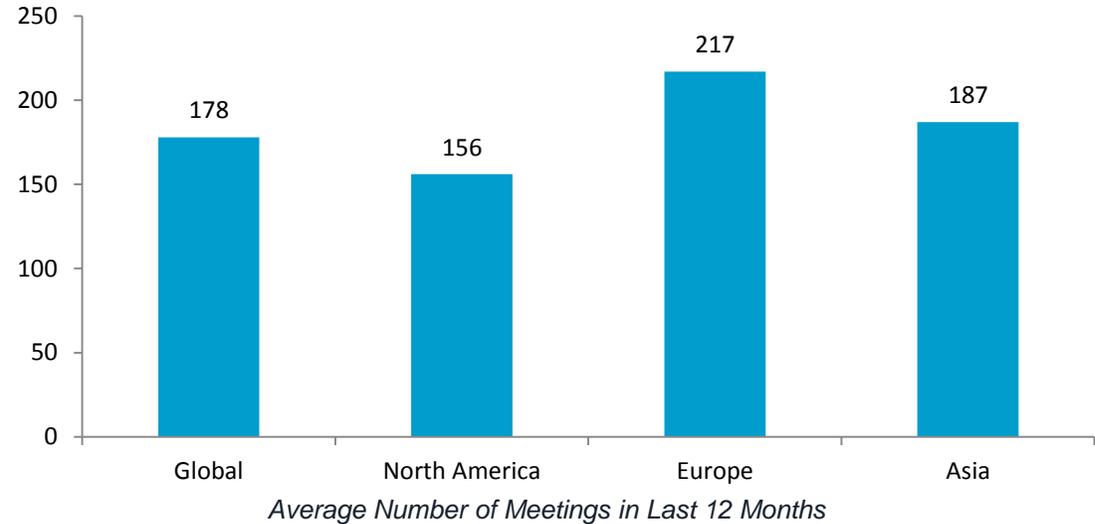


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Key Findings & Research

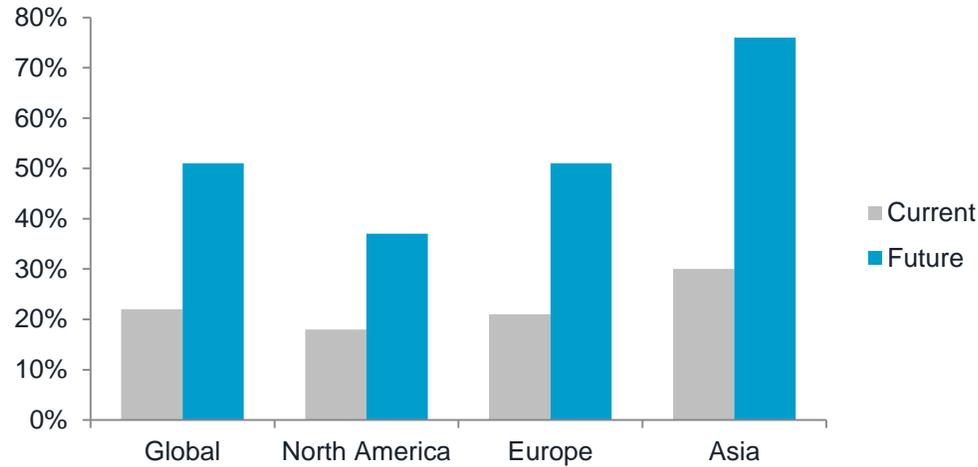
Meeting Statistics:

- Average number of investor meetings per year is approx. 178
- European companies hold 217 meetings per year
- Globally, 27% of IR budgets is allocated to travelling to meet investors.
- 95% of companies met investors through roadshows, conferences, ad hoc meetings and conference calls organised by brokers
- 40% of companies said internal meeting generation was increasing
- Companies and the buy-side are uniformly interested in conducting video meetings with their contacts in alternate geographies
- 50% of funds expect noticeable changes to their broking relationships in the future
- Small and Mid-Cap companies are particularly positive towards technology



Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Key Findings & Research



Current and Future Use of Digital/Online Technology for Arranging Meetings



Online Technology Statistics

- Globally, companies allocate:
 - 29% of use of an online platform to company presentations and announcements
 - 25% to information
 - 23% to targeting
 - 19% to video
- 90% of companies are using a CRM platform
- 50% of companies had, or intend to, purchase a Bloomberg terminal
- 22% of companies currently use digital/online technologies to manage investors meetings
- Small cap companies are most interested in using platforms for information while large cap companies allocate most usage to company presentations and announcements

Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Key Findings & Research

Social Media

- Direct tweets from CEO's can help build trust
- Investors tend to discount the negative news as a one-time event when seen on social media
- Investors exhibit higher levels of trust when a firm's CEO communicates negative financial news via digital/social media channels
- Investors are more willing to invest in companies who are messaging through social media channels like Twitter than when negative news is disclosed through other traditional channels
- Tweets from CEO's and the company website are more impactful than from a firm's IR Twitter handle



Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Procrastination or Innovation?

Respond to inevitable change, NOW!

Environment, Social and Corporate Governance

- ESG is more mainstream thinking among many long-term investors, especially in Europe
- Ensure you have an ESG structure built into your business model
- Sustainability should be an integral part of each companies business strategy
- Communicate your ESG practices to the investor community and be in ALL mainstream communications.

TIPS

- Review the UN's Sustainable Development Goals, and translates into your top 50 specific company ESG targets



Identify the best service provider for you in 2017

- Financial Reporting
- Targeting & Financial Analytics
- Communicating with Investors
- Event Management
- Brokers

TIPS

- Identify the main issues you are facing
- Research the players in this space
- Ensure you prioritise this into your IR budget, it doesn't have to be expensive.
- Recognise Quality over Quantity

Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Respond to inevitable change, NOW!

Adopt Social Media into IR Practice

- Investors are seeking answers through platforms such as Twitter, LinkedIn, search engines and blogs.
- Social Media is fast and effective communication method which measures response
- Social Media enhances relationship & personal Interaction and your online visibility can help build trust
- Ensure senior management are more visible
- Be current and be communicative

TIPS

- Set Up internal procedures around Social Media posts and Tweets
- Have your CEO establish their own #CEO Twitter account and simply Tweet already scripted information from a press release or link to a press release
- Do not allow CEO/CFO to disclose anything through his or her personal account.'



Embrace digital technology

- Using videoconferencing and virtual meetings when dealing with a wide geographical spread of investors.
- Communicate more frequently with the investor community
- Moving to an online reporting systems, reporting your quarterly's online, making them interactive and transparent

TIPS

- Be creative around your communication
- Online AGM into the digital age (Jimmy Choo)
- Webcast your firms Quarterly and Annual results to reach broader investor audience in a single event
- Offer Investors the opportunity for a live Q&A session with senior management

Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Don't be left in the Dark Ages, be in the Digital Age

- Digital content hubs: include videos, infographics, educational modules and executive blog posts
- Targeted digital promotion and search engine marketing campaigns
- LinkedIn, Facebook, Twitter and online banner advertisements offer strong targeting options
- Identifying KPIs such as page views, email signups and visits from key geographies
- Companies should use KPIs as baselines to measure how messages reach and resonate with key stakeholders
- The process for obtaining these insights includes evaluating web analytics, social metrics and paid amplification campaign results.
- Real-time targeting and simplified storytelling through digital engagement



Sources: RD:IR survey conducted in August 2016, IR Magazine survey conducted in December 2015 and Research from the University of Illinois

Ensuring a Successful Webcast/Digital Meeting

Pre Event Preparation: Always ensure your provider tests and re-test until everyone is comfortable with the event

Presenter Positioning: Ensure the speaker is front and centre of the camera

Focused Communication: Ensure you have 3 or 4 key messages/bullets that you want the investors to take away from the call

Water at the Ready: Obvious but not always the priority

Focal Point: Don't look at yourself on the screen look at who you are addressing it helps to have an eye catching object next to the camera

Relax: Be the best version of yourself and enjoy building relationships with the buy-side



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