

Inside The Buy-side®

---

# Planning an Effective Investor Day

**CORBIN**

**PERCEPTION**

*Making Insight Actionable®*

## PLANNING AN EFFECTIVE INVESTOR DAY



### Constituency

• Buy Side	65%
• Sell Side	35%



### Market-cap Coverage

• Mega	12%
• Large	26%
• Mid	30%
• Small	23%
• Micro	6%
• Nano	3%



### Geography

• North America	64%
• South America	1%
• Europe	35%

### A How-to Guide

Given the highly competitive environment for investment capital, regular and effective contact with investors and analysts is central to securing maximum mindshare and driving value creation.

Investor days remain a vital tool to broadly and deeply communicate key information to the financial community and we firmly believe these events are a fundamental element in a successful IR program.

To be sure, they serve as the ideal means to educate investors and analysts on your company's investment thesis by providing updates on the business, strategic direction, new

products or markets entered, as well as showcasing the quality and depth of your management team. Furthermore, they offer the opportunity to address any misperceptions that may exist in the marketplace.

If successfully executed, these meetings will result in attendees leaving with a better understanding and more compelling view of your company as an investment.

To help you more easily navigate the process and maximize your ROI, Corbin Perception surveyed 254 global financial professionals on the topic of investor days. In this special issue of Inside The Buy-side®, we provide the financial community's views on the when, where, what and why as well as provide insightful tips and tactics on hosting a successful investor day.

### Why Host an Investor Day?

- Provide an update, broadly educate the financial community
- Differentiate your company from other investments
- Communicate new strategic direction, changes
- Showcase bench strength, introduce new management
- Address misperceptions

### Why Not?

- Nothing new/compelling to present
- Credibility issues without evidence of execution track record
- Insufficient time to plan effectively, "rush job"
- Expense

*"They are relevant for getting to know specific divisions and especially the management team outside of CEO/CFO/IR that normally are not visible to investors. I like seeing how things are managed and the quality of personnel. Analyst days are a waste of time if management just gives annual guidance and chews through annual numbers or dubious targets."*

*"All companies should have meetings once a year with slides. It is important that investors understand the baseline strategy by which they manage their business."*

*"It is significantly more useful when middle management is accessible at an investor day or if there is a potential site visit for the company and you can go out and kick the tires."*

## GOOD USE OF INVESTOR TIME

Nearly 90% of surveyed professionals affirm that investor days are a valuable use of their time. These events are “a good way to be engaged with the company and understand the management team”, they assert. As well, they provide an opportunity to hear “what other investors are asking and what they are interested in”.

The investment community continually seeks new information, stressing that these events are useful “when there is something important going on with the company, whether it be an acquisition, change in strategy or change in management”. When management is merely providing an update and there is nothing novel or compelling to present to investors, “it is not a good use of time”.

“Not hearing anything new” is a shared criticism against investor days, making it imperative for IR managers to plan and prepare for these events well in advance and ensure the information presented is fresh, insightful and compelling. Importantly, management’s early buy-in and continued involvement throughout the process is a critical success element.

When thinking about whether to host an event, keep this in mind: our company-specific research reveals gaps in investors’ level of understanding. Often, significant holders have a solid grasp of the investment story while

# 89%

View investor days as a valuable use of their time

underweight and prospective investors are typically less knowledgeable about the company and not as familiar with the management team – two qualitative investment factors that top the list for the vast majority of interviewed buy-siders. Notably, these investors have the ability to significantly add to or initiate a position. From our perspective, the adage, “You don’t know what you don’t know” rings true in the context of investors’ sometimes-myopic thinking. Indeed, there are always strategy updates to address, key messages to reiterate and deeper dives to provide. Said more plainly, there is always something “new” to communicate.

# 86%

Assert ability to interact with management is one of the most important elements of an investor day

Continuing, surveyed professionals see the ability to interact with operational management as well as senior executives as a leading draw to attend. Familiarity with a strong team gleaned from hearing leaders present and how they handle Q&A can serve to enhance the attractiveness of a company.

While contributors note that investor days are not a driving factor in their investment thesis, they remain a “key part of the research and fact-finding process”, with the vast majority con-

firmed the content communicated has led them to make a buy/sell decision or rating change.

# 84%

Reveal that the content presented has led to a buy/sell decision, rating change

*“If we hear something that we did not know before then it could certainly change our recommendation.”*

*“We have some names in our portfolio that have been there since we started four years ago so we know the company quite well but an investor day is a good way to refresh on what the company does.”*

*“I usually attend investor days when we hold the stock or are considering a purchase. Depending upon the investor day and what happens there, we would consider buying more or building a position.”*

*“If I own it, the investor day either validates my premise of being in it or I would say, ‘Hey, this is fully valued; I am going to walk away!’”*

## LOGISTICS

### Location

The buy side is split between their ideal investor day location with on site and NYC (specifically midtown venues) garnering the most votes. Conversely, the sell side reveals a distinct preference for meetings at corporate headquarters or related sites, especially if there is something to showcase and travel is not too inconvenient (i.e., multi-leg flights).

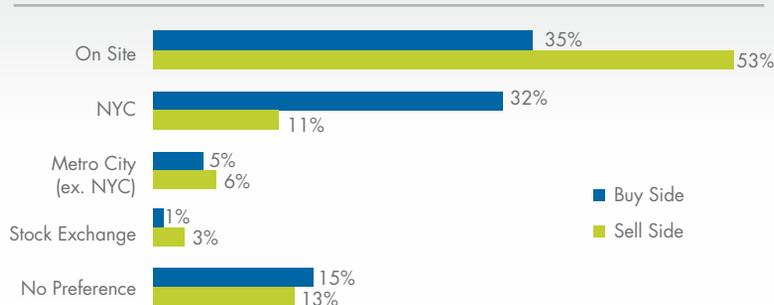
While HQ-based meetings benefit busy corporate executives and support staff by shortening or eliminating travel time, attendance may be impacted given the “hassle factor”.

Continuing, despite being gratis for listed companies and offering a potential PR opportunity (i.e., opening/

### Budget Considerations

- Venue
  - Metropolitan hotel
  - Company facility
- Travel and accommodations for company representatives, guest speakers
- Catering
- WiFi
- AV
- Webcasting
- Printed materials
- Giveaways
- Video (avoid marketing-centric materials)
- Product demonstrations
- Site, property tours
- External services

What is Your Preferred Location?



closing bell), surveyed professionals report exchanges are the least preferred location citing high security levels and inconvenient locations.

When selecting a venue, it is important to note that our research finds that classroom is preferred to theatre style seating 3:1. Of note, 59% of buy side and 54% of sell side participants report they do not use a laptop and prefer taking notes the old-fashioned way. Still, 55% maintain that WiFi access is an important consideration.

*“I prefer NYC. Logistically, it is easier and gets the most people in attendance.”*

*“It depends; if it is some crazy little town out in the middle of nowhere, I would probably prefer to have a more central location that enables more people to attend.”*

*“It is easier to get to if it is in New York but you get a better sense of things if you go to the headquarters. I would like to say definitely the headquarters but sometimes it is harder for me to get out there. There are pros to both.”*

### Scheduling

When scheduling an investor day, always take into consideration your company’s business calendar, as well as peer and industry events. Conducting research on the target date and speaking with fellow colleagues about potential conflicts is a best practice. Smaller and lesser-known companies, however, can garner more attendees by piggybacking these goings-on (i.e., host the investor day before or after and nearby).

Meanwhile, if you plan to host an event at a NYC venue, it is recommended to book 6 to 9 months in advance.

According to polled professionals, March, May, June and November are considered ideal months to host an event. Meanwhile, Tuesday through Thursday are the preferred days.

*“Several days after quarterly earnings would be fine. Sell side analysts feel more comfortable with results and writing previews and reviews in the office and not in the airport.”*

*“Early Monday morning and Friday are not good for meetings outside of NYC.”*

## Timing and Length

Over half of those surveyed, or 57%, favor an “early morning” start, giving them time to either return to the office or travel home that day.

Continuing, 44% express a preference for a half-day meeting because “people start losing interest after a certain period of time”. Still, content should determine the length with an investor asserting, “I am okay if it is an all-day event but it really depends on what the company has to say”.

As previously noted, a big draw for investors is the opportunity to interact with management. When asked about the ideal timing of a meet-and-greet reception where attendees can “kick the tires”, slightly more prefer to socialize with executives and operators directly following the meeting than the evening prior.

## Times To Avoid

- Around Earnings
- Around Major Holidays
- December, January, July, August
- Monday, Friday

*“Traditional business overviews should be done in NYC in a half day. Special in-depth reviews where the actual facility is important to see should be done on site in the time required. If the company is going to make me travel, they should intend to fill the day.”*

*“I like half days with lunch with the various members of the management team as it gives sufficient time*

*to hear a presentation, get through Q&A and then meet with the business unit leaders I am interested in.”*

*“Do it in the morning because once you get in your office it is hard to leave. There are always things that come up. You would get a better attendance in the morning.”*

*“I prefer late morning if it allows me to fly in the morning versus the night before; otherwise, I like an early start.”*

## Giveaways

The majority of contributors, or 68%, maintain that giveaways are “nice but not necessary” while 21% suggest companies should not waste the money. Logoed items, including apparel, notebooks, pens and totes as well as technology-related items are well received. Be mindful of gifts that cannot be taken on planes.

*“Giveaways are fine if they are low-value and have a connection to the company or event. Anything of relevant value is a compliance issue. Do not waste money on backpacks or other similar items; donate to charity.”*

*“It’s shareholders capital they are wasting; no giveaways!”*



### What is Your Preferred Start Time?

• Early Morning	57%
• Late Morning	26%
• Afternoon	8%
• It Depends	9%



### What is the Ideal Length?

• Half Day	44%
• Full Day	28%
• 1 to 3 Hours	14%
• It Depends	14%



### What is Your Preference Regarding a Management Reception?

• Night Before	31%
• Directly Following	41%
• No Preference	28%

## WHOM TO INVITE

In addition to appropriate company personnel, key attendees include:

- Current shareholders (significant and underweight)
- Prospective investors
- Sell side analysts (covering and coveted non-covering)
- Fixed income stakeholders
- Key customers, franchisees and partners
- Investment bankers
- Prominent financial or industry-specific journalists/thought leaders (if appropriate)
- Select members of the Board of Directors (e.g., Chairperson)

Individual investors are not typically invited to investor days but are encouraged to listen to the webcast. Determine your strategy on inviting financial and business media as well. When asked whether the presence of journalists prevents them from asking questions, 68% and 74% of buy and sell side participants, respectively said, “No, it does not”.

A rule of thumb for planning purposes is that 10% of those who indicate they will attend turn out to be no-shows, while an equal number, who either never responded or were not invited, will turn up unexpectedly. A best practice is to follow-up with invitees to build attendance. Contact out-of-towners in advance given that travel arrangements need to be made and plan to conduct a round of calls during the two weeks preceding the event. This proactive outreach by IR is viewed positively by investors and analysts and can serve to increase awareness of the company, as well as strengthen relationships.

## WHAT THEY WANT TO HEAR

The financial community has specific interests and agendas regarding the content communicated at investor days. Conducting a perception study ahead of the event and leveraging the findings to address knowledge gaps and misperceptions identified, as well as help develop compelling messaging around your investment thesis is a best practice.

Investor days are seen by both the buy and sell side as an opportunity to learn more about the company than they might otherwise glean from their own research or via earnings calls and industry conferences. Therefore, management and IR teams should consider these events as educational in nature and seek to provide a deeper dive into the company, including strategy, business model, markets served, growth platforms and, importantly, sustainable competitive advantages. As well, providing milestones and/or longer-term financial guidance offers investors and analysts a clear understanding of the company’s trajectory.

Summing up general views, a buy side contributor notes, “I want management to go over their businesses and their competitive advantages and then explain how they create value”.

# 77%

Prefer Q&A take place after key sessions versus just at the end

## Key Elements to Include

- Long-term strategy
- Business model overview
- Customer value proposition
- Segment deep dives
- Market, industry overviews
- Operational improvements
- Sustainable competitive advantages
- Growth initiatives, platforms
- Capital allocation plans, including M&A strategy/integration updates
- Financials
- Forward-looking guidance

*“I like getting deeper into the company’s strategy and talking about some of the areas that I might not hear about on a quarterly reporting-type basis.”*

*“I want to hear an update on current trends and what the company will look like in the longer-term or three to four years out.”*

*“It is helpful to know how they decide issues like capital allocation and how they look at their cost of capital, opportunities, challenges and competitors.”*

*“A good practice is to frame whatever strategic objectives a company is/has been embarking upon and why it will lead to the generation of robust profitability going forward.”*

## AND FROM WHOM

Beyond the CEO and CFO, additional presenters and company representatives to typically include:

- Other C-suite executives (e.g., COO, CMO, CTO, etc.)
- Key business leaders, operational management
- Field managers, product/service specialists
- Customers/strategic partners

*“I like to see the different people on the management team which I normally do not see at conferences and one-on-one meetings.”*

*“I like to hear segment executives give us some discussion on how they think they are doing and where they are going.”*

## SPEAKER PREPARATION

Speakers should be properly prepped in advance of the investor presentation beyond the expectation that they be knowledgeable in their particular field. Pre-event coaching sessions should cover current investor perceptions and concerns and include Q&A practice sessions. Those surveyed consider speaking “off the cuff” or straying “off message” a worst practice, as it can lead to confusion. Moreover, presenters must be familiar with and understand the limitations placed on corporate communications by Reg FD, and an overview of those rules should be part of the pre-event onboarding.

Conducting presentation read-throughs in the weeks preceding the event coupled with a dress rehearsal the day prior is critical. As well, a technical dry-run testing screens, projectors, AV and webcast feeds is a must.

## PRESENTATION BEST PRACTICES

An effective presentation, which serves as the communication foundation, is critical. Best-in-class pitches do not just present information about the company; rather, they telegraph the investment thesis through clearly outlining the strategy, highlighting core competencies and competitive advantages as well as demonstrating management’s track record of creating value.

Of note, 88% of surveyed professionals report they frequently refer to investor presentations as a leading source of information. As such, the content should be robust enough so that an investor or analyst can easily follow the storyline without having to hear management’s commentary.

Selected best practices include:

- Develop critical messages and reiterate throughout the presentation
- Ensure strategy is a consistent theme throughout the pitch; address corporate (e.g., growth, expansion plans), business unit (e.g., product/service plans) and financial (e.g., capital structure and deployment) initiatives
- For each strategic initiative, provide a progress update, as well as details on the path forward and explain how your business model is going to support your goals

- Be sure to clearly outline sustainable competitive advantages and differentiators
- Investors are acutely focused on operational excellence; when communicating efficiency measures, tie back to financial metrics (e.g., improvement in working capital turns, higher free cash flow generation, customer satisfaction and wins)
- Include longer-term milestones and/or realistic financial targets by which the Street can measure your progress; highlight your execution track record
- When appropriate, address industry and macro trends; assist investors with understanding impact on business by walking them through “what if” scenarios
- Communicate a balanced message that highlights strengths as well as addresses challenges
- Incorporate lead-in and take-aways to sum up slide content and reiterate critical messages
- Ensure your slide deck is professional-looking and crisp; consistent formatting and alignment with brand guidelines is key

# 65%

Maintain presentation handouts are a “must have”

## DO

- Provide new information, color on current state of business, industry and future outlook
- Expose investors to management bench
- Conduct Q&A periodically and at end; repeat questions before answering
- Provide sufficient breaks
- Present a balanced story
- Under promise and over deliver
- Showcase tangible assets (e.g., products/technology)
- Create slides with content not just images, so investors/analysts can easily follow story when accessing presentation on investor website post-event
- Use lead-ins and take-aways on slides to help tell the investment story
- Provide classroom seating
- Ensure there is access to WiFi and outlets
- Distribute printed copies of slides; if you decide to “go green”, provide attendees with access to presentation ahead of time so they can print if desired

## DO NOT

- Present stale information, unclear strategy
- Directly address share price/valuation
- Only address big picture, provide limited details
- Get too technical
- Concurrently announce quarterly results
- Pre-announce (negatively) or announce bad news
- Disparage competitors
- Speak “off the cuff”
- Be defensive when answering tough questions
- Start late and/or allow the meeting to run over by a significant amount of time
- Allow operators to hand out business cards
- Cut Q&A short
- Use a lot of industry jargon and/or acronyms without appropriate explanation
- Be overly optimistic, one-sided
- Make webcast difficult to access

## PLANNING CHECKLIST & SUGGESTED TIMELINE

Although no two investor days are identical, below is a general checklist for executing an effective investor day.

### 6 to 12 Months Prior

- Select date
- Conduct venue search and selection
- Conduct perception study to gauge sentiment
- Lock-in executive calendar

### Three to Six Months Prior

- Assess perception study findings, determine key concepts/objectives and critical messages
- Identify speakers
- Send Save-the-Date
- Prepare internal schedule and event agenda
- Invite non-presenting company reps
- Receive management sign-off on key messages and event goals
- Begin PowerPoint design/build-out
- Secure travel arrangements (hotel, transportation)
- Decide on giveaways
- Promote upcoming investor day on earnings call

### One to Two Months Prior

- Set-up registration website
- Send official invitation with agenda
- Issue press release announcing event
- Finalize/order giveaways if appropriate
- Begin scripting key speaker notes
- Determine AV needs, reserve equipment
- Complete first draft of presentation and start vetting with management
- Develop management Q&A

### Two Weeks Prior

- Review/refine presentation, discuss Q&A, align on financials
- Prepare company attendees on Reg FD
- Review RSVP; email and phone to build attendance

### One Week Prior

- Review presentation, incorporate final edits
- Receive legal, financial sign-off on all presentation materials
- Draft press release, finalize
- Provide briefing binder to speakers

### One to Three Days Prior

- Print materials, including name tags; save copy on laptop and flashdrive
- Conduct on-site rehearsal, management coaching, staging

### Day of

- Webcast
- Press release

### Following

- Archive webcast presentation slides and transcript on website for 12 months (no password)
- Send personal "Thank You" emails to key attendees
- Conduct a post-event survey to measure success and determine areas to clarify
- Debrief management/BoD on post-event feedback, attendee reaction

Download our Investor Day checklist:  
[www.corbinperception.com/checklist](http://www.corbinperception.com/checklist)

## PROVEN METHODOLOGY, PROVEN RESULTS

Corbin Perception is an IR research and advisory firm assisting public companies with driving long-term shareholder value.

We leverage our broad company and industry experience, ongoing research on the buy side and knowledge of IR best practices to achieve results.

We are passionate about what we do and develop relationships that are collaborative and long lasting.

Our client value proposition is based on:

- 1) insightful, research-driven counsel
- 2) a talented and experienced team
- 3) an in-depth understanding of best practices and the ability to apply that knowledge to unlock value
- 4) an unparalleled commitment to client service and satisfaction

### Our Advisory Services Include:

- Perception Studies
- Investor Days
- Investor Presentation Development
- Investor Targeting
- IR Diagnostic Reviews
- Retainer Consulting

Visit our website to learn more  
[www.corbinperception.com](http://www.corbinperception.com)