

Best Practice in Investor Relations

equitory

Connecting
companies
and investors

www.equitory.com





Introductions

A little about Equitory

Equitory is a specialist IR consultancy focused on small and mid-cap companies

Clara Melia, Founder

- 6 years experience in IR
- Previously Head of IR at ITV plc
- Former Corporate Broker and Chartered Accountant

Some of our clients



boohoo.com



GallifordTry

FOOTASYLUM 

JIMMY CHOO



RBC Capital Markets

Will Smith

- Currently Director in Equity Capital Markets at RBC Capital Markets
- Previously
 - Director of Investor Relations, Jimmy Choo plc
 - Head of Corporate Development and IR at IMIC plc
 - Corporate Broking at BAML and ABN AMRO

IR experience



JIMMY CHOO



What is investor relations?

Communication



With many audiences...

Investors

(buy-side)

**Institutional fund
managers inc. VCs**

**Management
shareholders**

Retail investors

Bond holders

Investment banks

(sell-side)

Analysts

Brokers

Equity sales

Other advisers

Investor Relations vs Public Relations

Investor Meetings

Financial Reporting

Corporate Reporting

Investor Relations

Public Relations

Private conversations

Documents of record

Brand building



Jail



Embarrassment



What is **good** investor relations?

It starts with good organisation

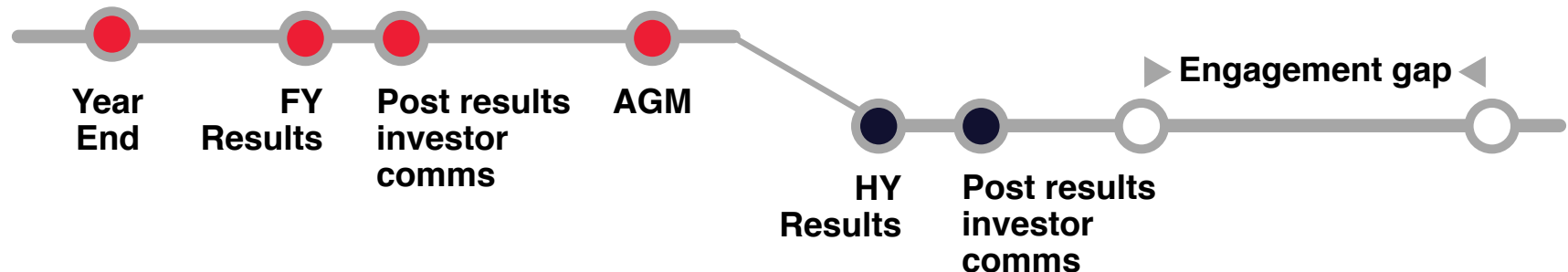
Step 1: Build your financial calendar

Step 2: Plan for your results

Step 3: Schedule investor communication after results

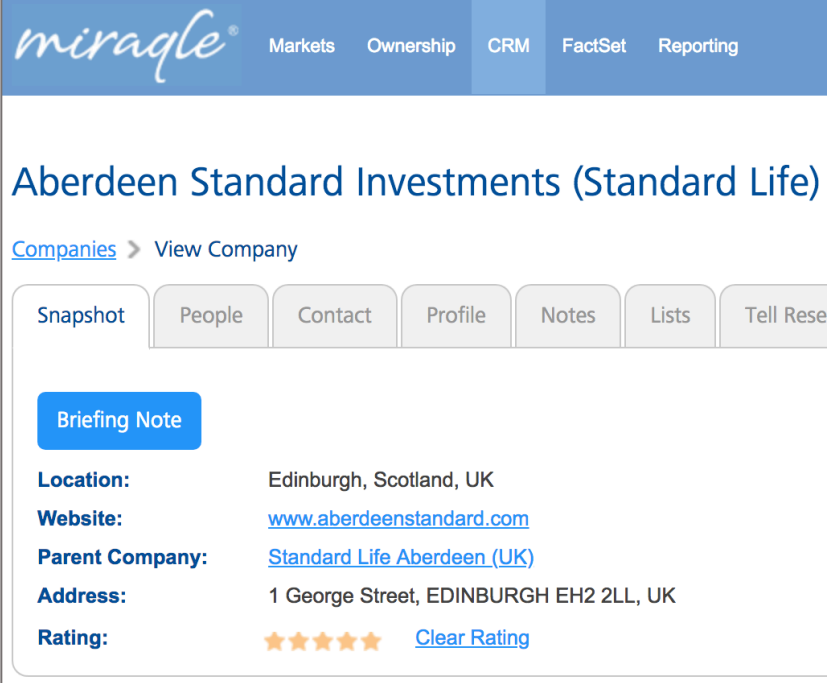
Step 4: Identify gaps in engagement

IR Calendar



Know your investors

- Record meeting notes
- Request feedback
- Monitor investor changes
- Maintain a dialogue with target non-holders



The screenshot displays the Miracle CRM interface. The top navigation bar includes the 'miracle' logo and tabs for Markets, Ownership, CRM (selected), FactSet, and Reporting. The main content area shows the profile for 'Aberdeen Standard Investments (Standard Life)'. Below the title is a breadcrumb trail: 'Companies > View Company'. A row of tabs includes 'Snapshot' (selected), 'People', 'Contact', 'Profile', 'Notes', 'Lists', and 'Tell Rese'. A blue 'Briefing Note' button is visible. The profile details are as follows:

Location:	Edinburgh, Scotland, UK
Website:	www.aberdeenstandard.com
Parent Company:	Standard Life Aberdeen (UK)
Address:	1 George Street, EDINBURGH EH2 2LL, UK
Rating:	★★★★★ Clear Rating

Create your equity story

The elements of a strong stand-alone investment case



How you Generate Revenue

- Customer proposition/relationship
- Client need
- Competitive advantage
- Market dynamics



The “Machinery” to turn Revenue into Returns

- Cost position / operational gearing
- Operational excellence
- Cash flow generation
- Tax efficiency



Managing for Long Term Returns & Growth

- Board governance overlay
- Capital allocation (dividends, organic investment, M&A)
- Growth strategy (investment, geographies, business lines)
- Balance sheet

Keep it clear and simple

Do

- ✓ Use simple terminology
- ✓ Be consistent
- ✓ Be open and honest
- ✓ Approach difficult messages from the perspective of the equity story

Do not

- ✗ Assume your audience knows your sector
- ✗ Provide inconsistent financial disclosure
- ✗ Only disclose adjusted metrics
- ✗ Comment on competitors
- ✗ Talk directly about your problems

Make IR part of your corporate agenda

- Discuss IR at Board meetings
 - Share price performance
 - Investor changes and feedback
- Educate employees
 - Life as a listed company
 - Disclosure obligations
- Decide who has authority to speak about the business

“Tweet lands online estate agent **Purplebricks** in a heap of trouble as price-sensitive information causes shares to jump 7%”





Building an IR programme in line with best practice

Case Study: Jimmy Choo plc

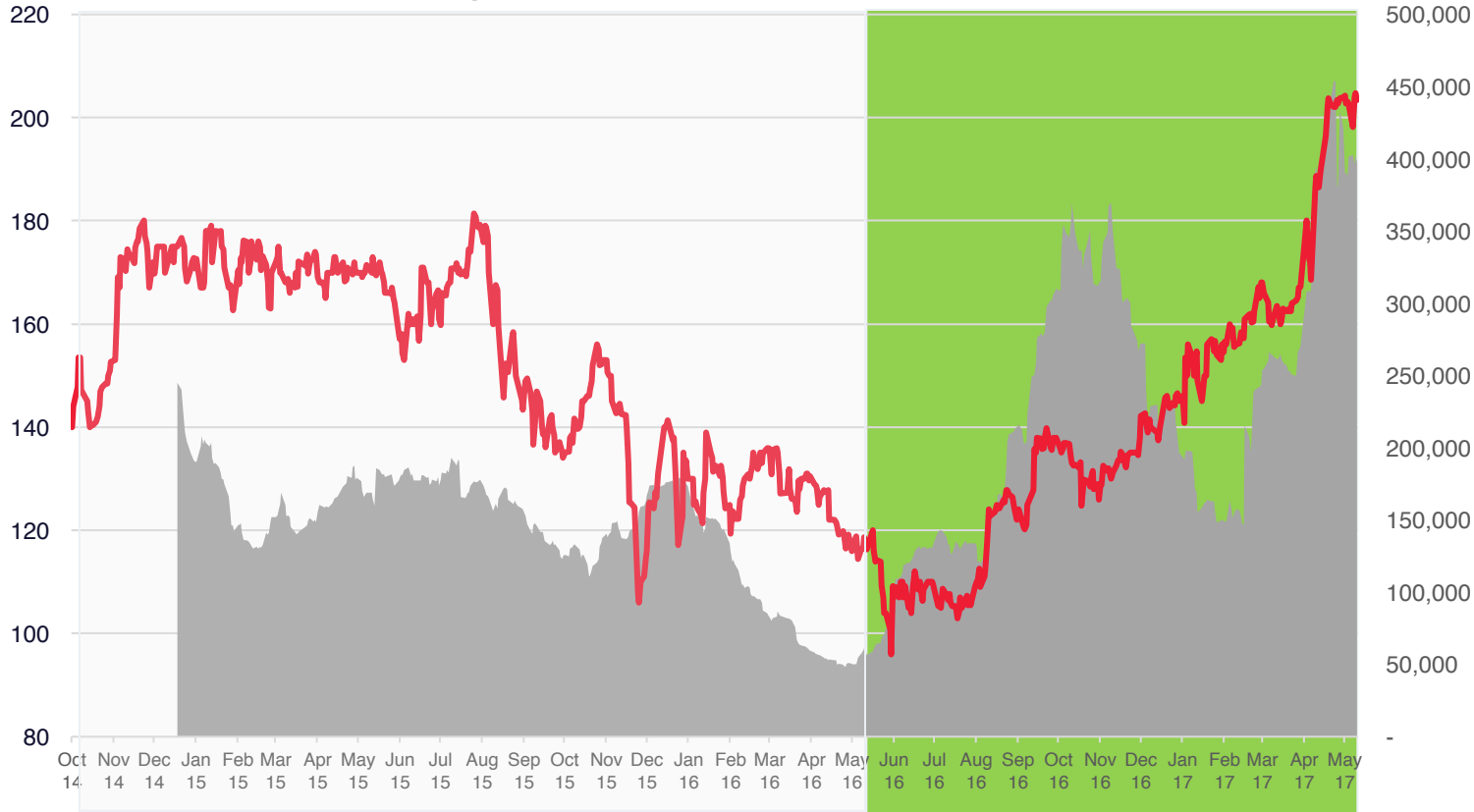
Share price (p)

Bank of America
Merrill Lynch



RBC Capital Markets
LIBERUM

Average daily volume
(45 days)



Successful IPO followed by lack of attention
Lack of liquidity & halving of share price

41% shift in independent holdings
Doubling of share price



Challenges of small cap IR

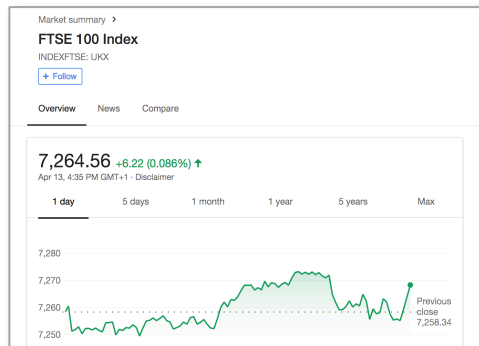
**1 Low
budget**

**2 Limited
resources**

**3 Investor
targeting
with a small
freefloat**

I Make the most of free resources

Google Finance



Regulated adviser



IR best practice



Google Drive

Stock Tracking

File Edit View Insert Format Data Tools Add-ons Help All

$=GOOGLEFINANCE("F", "price", DATE(2017,1,1), DATE(2017,2,11), "D"$

	A	B	C	D	E
1	Date	Close			
2	Date	Close			
2	1/3/2017 16:00:00	12.59			
3	1/4/2017 16:00:00	13.17			
4	1/5/2017 16:00:00	12.77			
5	1/6/2017 16:00:00	12.76			
6	1/9/2017 16:00:00	12.63			
7	1/10/2017 16:00:00	12.85			
8	1/11/2017 16:00:00	12.67			
9	1/12/2017 16:00:00	12.59			
10	1/13/2017 16:00:00	12.63			
11	1/17/2017 16:00:00	12.61			

Fund manager updates

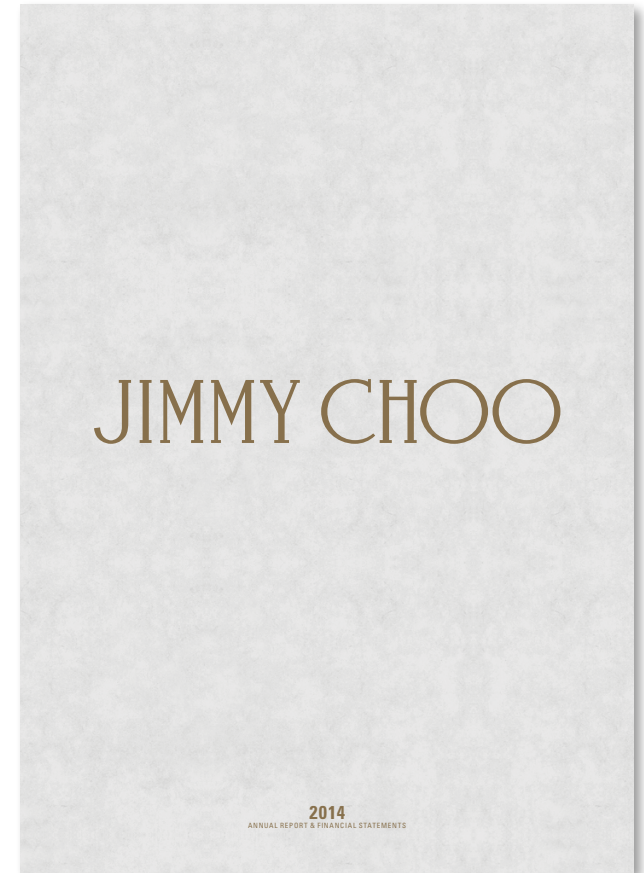


Other IR resources



IR website and annual report

- The IR website and annual report is a useful first introduction to your business for new investors and the press
 - Clear equity story up front:
 - Business description
 - Strategy
 - Strengths
 - Board oversight
 - Latest performance
 - The opportunity
- Consider other stakeholders including customers and employees



Investor targeting for small caps

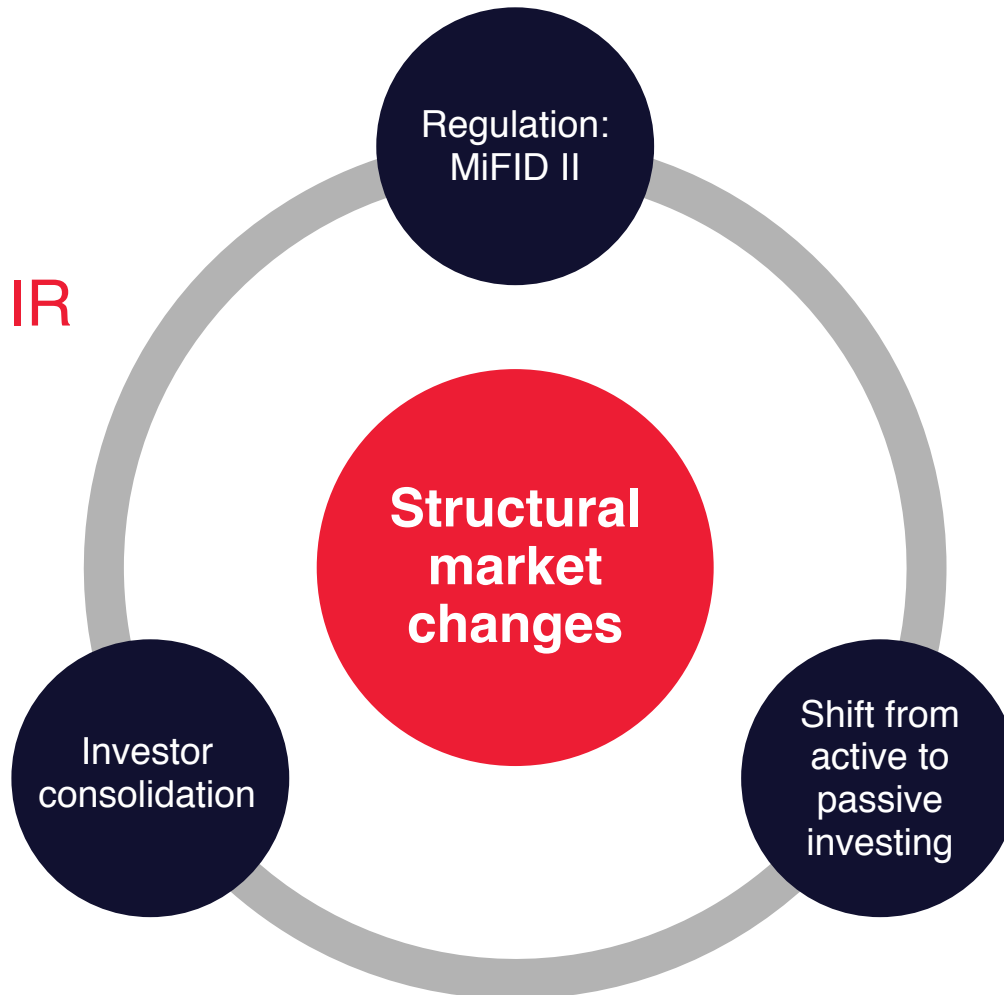
1. Company intelligence
 - Investor feedback
 - Meeting requests
 - Peer group analysis (via register analysis)
2. Regulated adviser
3. Equity research analysts
 - Investment banks
 - Paid-for research
4. PCB networks
 - Events
 - Roadshows



Summary

The changing IR landscape

Three drivers
increasing the
strategic
importance of IR



Summary

- It's never too early to start investing in your IR programme
- Communicate a clear and consistent equity story
- Prioritise areas of investment around investors' needs





Q&A

Thank You

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