بورصة الكويت
BOURSA KUWAIT

IR

INVESTOR RELATIONS
BEST PRACTICE GUIDE

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URSA KUWAIT

Foreword

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CEO, Boursa Kuwait

Since its establishment, **Boursa Kuwait** has worked diligently to improve and enhance the Kuwaiti capital market, guided by a progressive strategy to develop a more transparent and solvent market and raise its profile locally, regionally, and worldwide.

As part of that strategy, the company identified four key tenets to reach its goals and contribute to the country's "New Kuwait" vision and the National Development Plan, including the 1) creation of an attractive issuer base through the segmentation of the market and the creation and refinement of new listing rules, 2) adopting best-in-class international standards and practices to increase the investor base, 3) implementing new products and services that aim to offer investors more opportunities to make a profit, and 4) developing an improved infrastructure and world-class working environment by implementing new listing procedures and streamlining the relationship with all market participants, as well as creating increased transparency by enhancing disclosure procedures and refining obligations for listed companies, specifically those that are already listed or want to be promoted to the flagship "Premier" Market.

These obligations, which are comprised of, but are not limited to, bilingual disclosures in Arabic and English, holding quarterly analyst conferences, and maintaining an average daily traded value greater than or equal to the liquidity level set by the exchange also include the establishment of an investor relations unit or department that is responsible for engaging with shareholders.

This is to ensure that companies are transparent with current and prospective investors, who are demanding more timely and accurate information as well as direct engagement with companies on issues as diverse as financial performance and Environmental, Social, and Governance (ESG) reporting and implementation.

In addition to interacting with investors, the department should be in constant communication with the Board of Directors and the Executive Management, serving as strategic advisors, addressing the changing needs of key stakeholders, and contributing significantly to the long-term success of these companies.

Boursa Kuwait's Investor Relations Best Practice Guide serves as a resource for market participants, providing them with the knowledge and tools necessary to navigate the dynamic world of investor relations effectively. By staying abreast of evolving standards and practices, **Boursa Kuwait** empowers its market participants to enhance their investor relations capabilities, further solidifying the reputation and strength of the Kuwaiti capital market and paving the way for a more sustainable and prosperous financial landscape.

Contributing Partner

The Middle East Investor Relations Association (MEIRA) is an independent, non-profit regional professional body dedicated to promoting Best Practices in Investor Relations (IR). MEIRA achieves this by collaborating closely with Issuers, Policymakers, Regulators, and Stock Exchanges, including those in Kuwait. In this way, MEIRA acts to ensure that issuers understand their roles and obligations in public capital markets, not least to their investors, among other important stakeholders. Ultimately, MEIRA aims to facilitate capital market development from the ground up, recognizing that best practice IR develops organically among its network of IR practitioners, while benchmarking our region's IR practices against international practices.

Boursa Kuwait expresses its sincere appreciation to the Middle East Investor Relations Association (MEIRA) for its steadfast dedication, expertise, and invaluable contributions to the development of this IR Best Practice Guide.

As a key partner in this important initiative, MEIRA has been instrumental in shaping a comprehensive resource that promotes best-in-class Investor Relations practices across the region, including within the Kuwaiti capital market.

We deeply value MEIRA's ongoing collaboration and look forward to continuing our joint efforts to advance excellence in Investor Relations, benefiting the broader investment community. **Boursa Kuwait** extends its heartfelt thanks to MEIRA for its significant role in this initiative and for the positive impact it continues to make in the field of Investor Relations.

Strategic IR

Guiding Principles of IR

Given the context of operating in a regulated marketplace, the variety of sectors, and company business models for investors to choose from, it is important for companies to focus on the guiding principles of effective IR. Through the lens of the 'Cs' of IR, we can consider what is required to build up investor confidence and trust, ultimately translating IR into a tool for creating and sustaining shareholder value over time.

Commitment

Support and commitment from the Board of Directors and the Executive Management are essential to establish credibility with the market and instill the 'right' culture or tone from the top throughout the business.

Consistency

Avoid gloss and spin by being prepared to communicate in bad times as well as in good times. There also needs to be consistency of messaging in order to optimize effectiveness and reinforce credibility over time.

Credibility

In order to act as an authoritative spokesperson for a company, IR needs to be properly resourced and possess credibility both externally - with the market - and internally - with the Board of Directors, the Executive Management, and across all supporting functions and business lines.

Clarity

It is important to ensure that IR's messages to shareholders are precise, clear, concise, and understandable to target audiences.

Conduit

Effective IR acts as the conduit between the issuer and the financial markets on an ongoing basis by encouraging two-way communication and valuable feedback. Therefore, it serves to minimize any information disconnect between what the business is doing, and what the market sees.

What is Investor Relations (IR)?

Investor Relations (IR) is the effective two-way communication of the relevant and necessary information required between an issuer, and the financial markets. It enables the investment community to consistently make informed judgements about the fair value of an issuer's shares and/or securities. The aim of an IR team is to communicate and provide the financial markets with accurate, sufficient, and timely information about the issuer's objectives, strategy, activities, operating environment, financial situation, and other information deemed relevant and necessary, in a manner that provides the most accurate snapshot of the issuer as an investment target.

IR is not Public Relations (PR). IR combines finance, communication, and marketing to effectively control the flow of information between an issuer, its investors, and its other stakeholders. Investors play a major and vital role in the success and growth of a business. Hence, it is important for issuers to maintain a strong and transparent relationship with current, and prospective investors. This is where the IR department of an issuer comes into play to make a difference as a competitive advantage in the competition for capital.

Value of IR

Under the guidance of the Board of Directors, the Executive Management of a listed company is collectively responsible to its shareholders, as owners of the company, for the issuer's activities. Although shareholders do not usually play an active role in the day-to-day management of a company, they have the right to understand how the company is performing. These rights are expressed in the regulatory obligations imposed upon listed companies. The wider aim of an IR program should be to provide investors, and other stakeholder audiences with a clear, transparent, and accurate picture of the issuer's past performance and its prospects for the future.

IR does not act in isolation. Effective IR should draw on broader company's functions and resources, in that it is a strategic function that should continually inform the Board of Directors' and the Executive Management's strategic thinking and direction, given the IR continuous engagement with the market and the gathering of market intelligence. An important feature of markets is their dynamism. Many factors can influence an issuer and its share price. Accordingly, the role of IR is to ensure that the Board of Directors and the Executive Management know what is happening in the market, and investors' perception of the business compared to other issuers. After all, investors have choices.

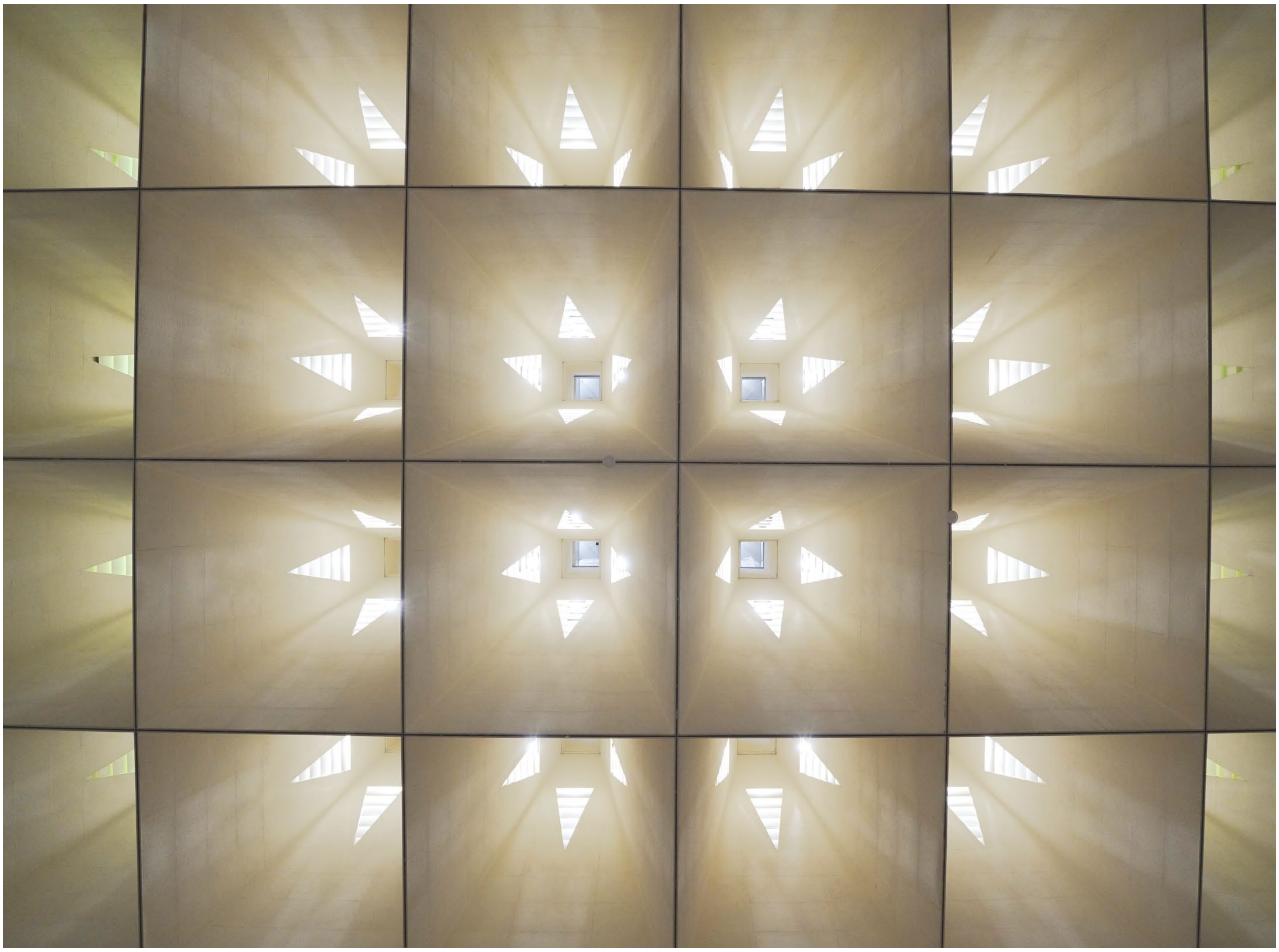
It is vital that IR keeps abreast, and ensures that there is a regular feedback loop in place, with proper flow of information supported by ongoing engagement. When used wisely, this intelligence can provide invaluable input to the Board of Directors' strategic decision-making. Given the importance of IR, it should be seen as an investment as opposed to a cost center. Indeed, there are studies that demonstrate the premium accorded to effective IR, while the opposite is true in that poor, or an absence of IR can result in a relatively lower share price. We can consider Key Performance Indicators (KPIs), both financial, and non-financial metrics, as well as other useful IR indicators of value.

Measuring IR

- Company's objectives
- Financial and extra-financial KPIs
- Incentivising IR team

KPI

COMPANY	IR TEAM	IRO
• Return on Equity (ROE) • Total Shareholders Return • Total Assets • Debt:Equity ratio • Capital efficiency • Market capitalisation • Dividend yield • Free float • Stakeholders engagement • Reputation	• Share register analysis • Perception studies/Market feedback • Number of analysts covering the stock • Number of meetings per year • Awards/Accolades • Share price vs. Peers/Market • IR plan and strategy	• Press release (factual and accurate) • Knows stakeholder groups and able to manage • Understands company's business model and operations • Market feedback • Board of Directors/ Management feedback • Credibility • Saving management's time

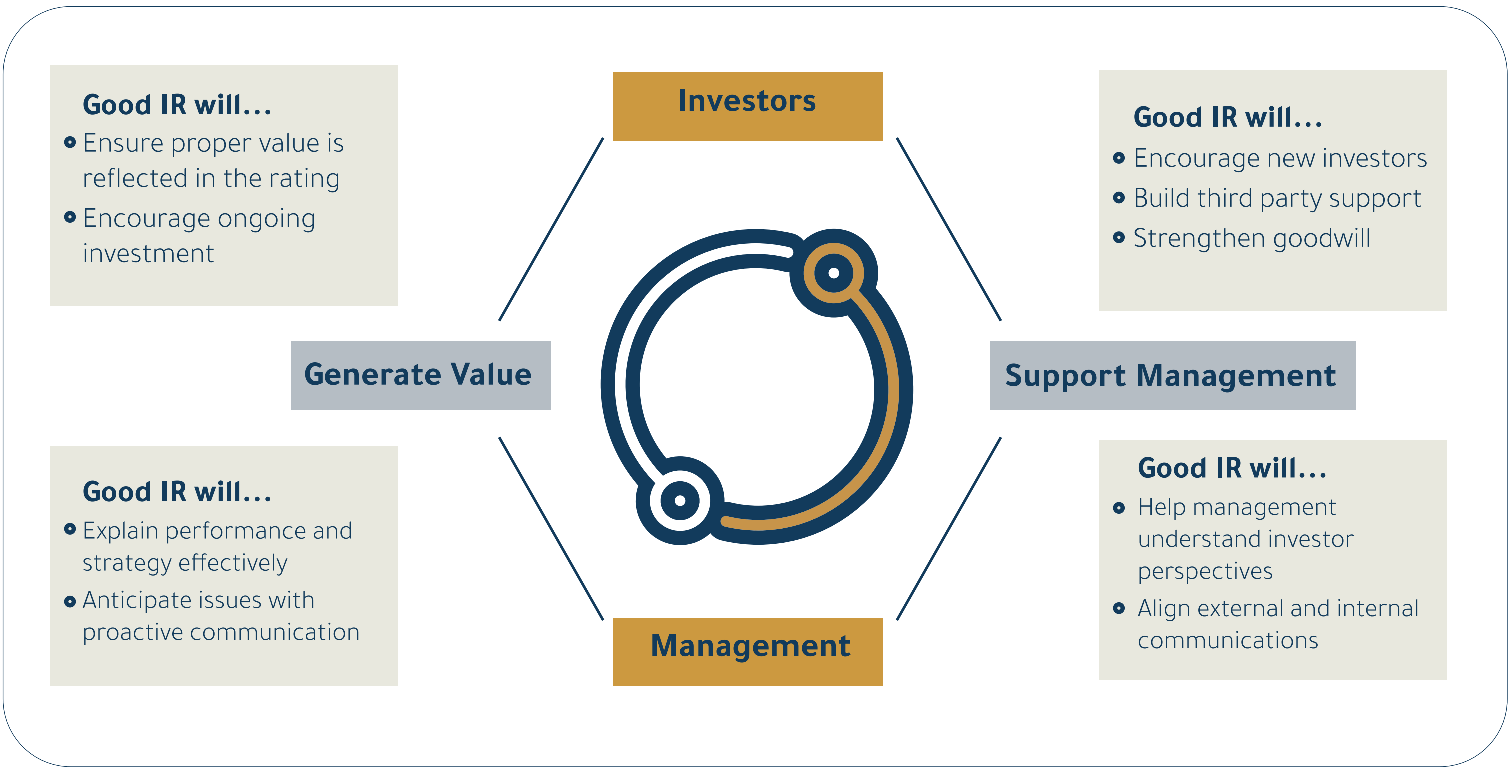


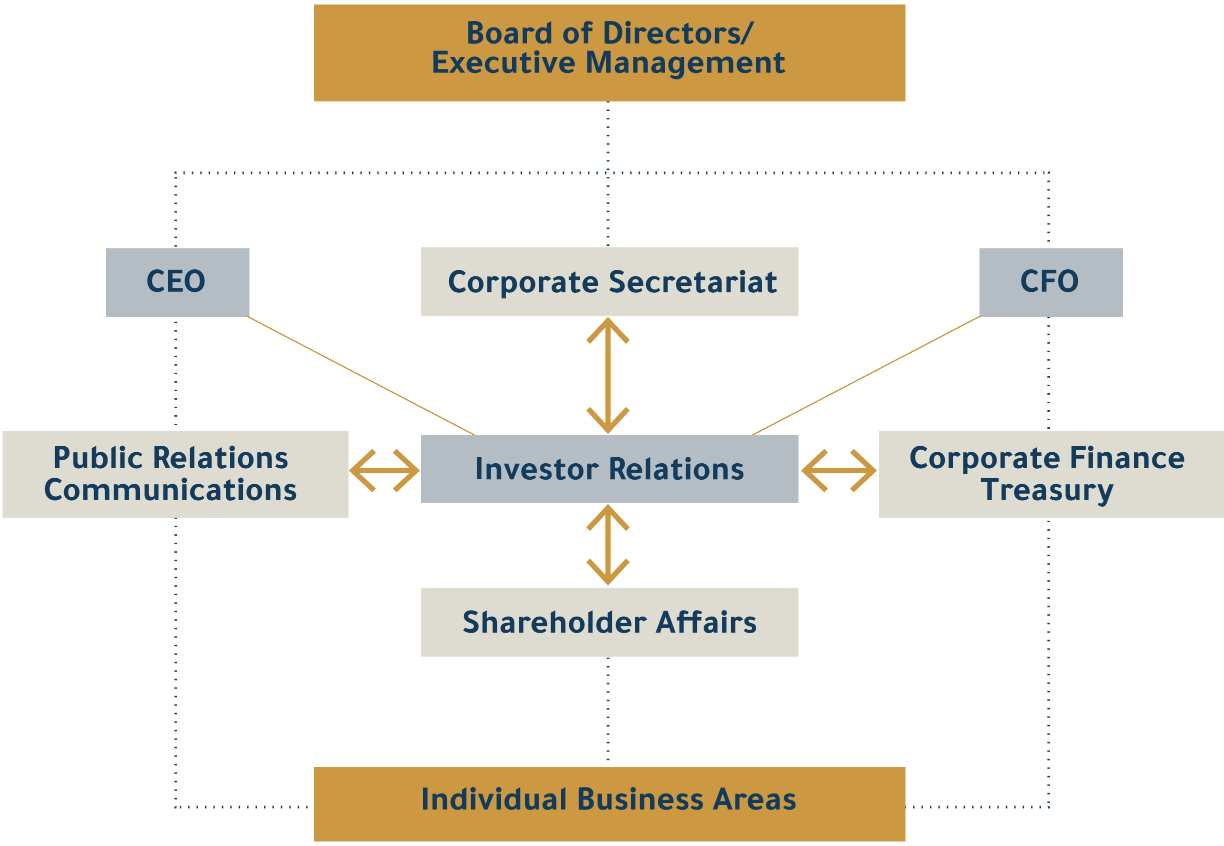
Results of Effective IR

Managing IR can be extremely time-consuming for many mid- to large-cap issuers with large, and diverse shareholder registers. A dedicated Investor Relations Officer (IRO) can make a highly significant difference, acting as a proxy for the time-constrained Chief Executive Officer (CEO) and Chief Financial Officer (CFO), facilitating, and informing dialogue between the Board of Directors and the investment community. An IRO is essentially the company's day-to-day interface with institutional and retail shareholders, bondholders, credit and equity analysts, the financial media, the exchange, **Boursa Kuwait**, and the regulator, the Capital Markets Authority (CMA).

The principal role of IR is to manage the interests and/or expectations from these audiences. To do this, IR must establish a framework of communications activities to ensure the investment community is fully informed about the performance of the business, as well as identifying potential issues that may influence the issuer's reputation. Further, IR serves to emphasize the quality of the relationship between the issuer, and its stakeholders through credibility, and trust. Together, these activities improve the understanding of the issuer's investment proposition. In turn, over time, this can increase the valuation of the issuer's equity by attracting capital, reducing share price volatility, and potentially lowering funding costs.

The value of good IR





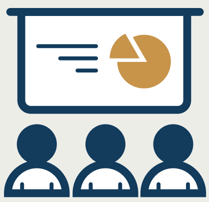
Coordination in communicating strategy and messages

Direct reporting line

Indirect reporting line

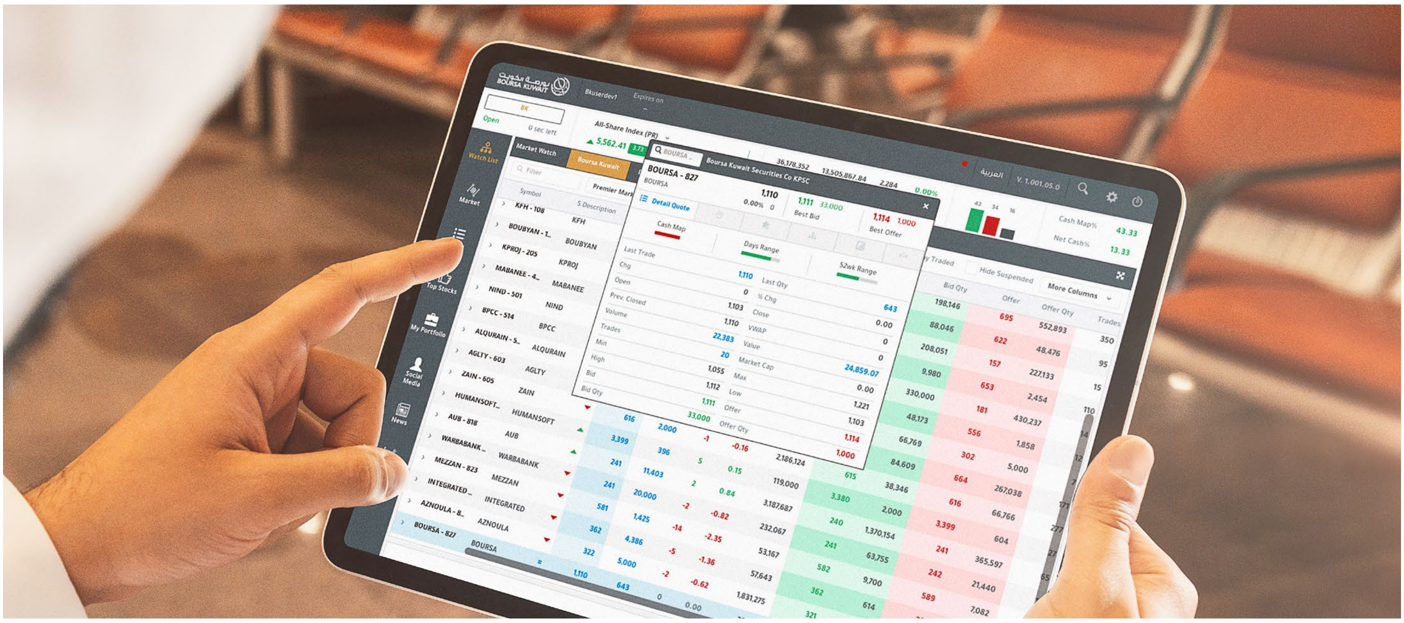
Some of the specific tasks an IRO undertakes include:

Shareholder targeting to increase investor base



Development of quarterly trading statements and presentations

Drafting the Annual Report and integrating ESG factors



Over time, a full, and fair market valuation of an issuer should be the principal objective of effective IR. This is achieved by minimizing the perceived cost of capital. Lowering the cost of capital should make it easier to raise capital through equity, and debt markets in the future, or to undertake an acquisition using an issuer's shares as currency.

IR can bring stability to the share price, minimizing volatility, and providing greater predictability of an issuer's valuation, which is crucial for strategic planning, particularly in challenging market conditions. IR can also support stability in the shareholder base, meaning that the issuer's strategy will be supported by a loyal group of core investors through good, and difficult times.

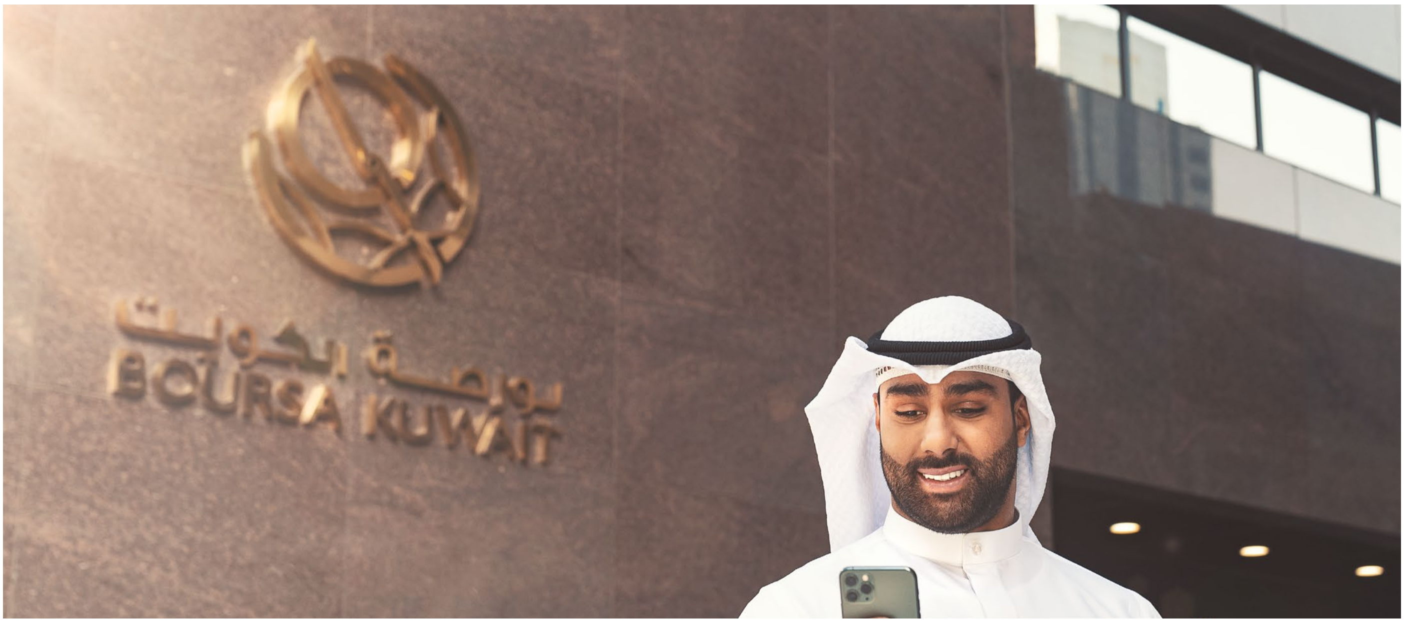
Effective IR can create a virtuous circle of effects. A compelling, positive, and evolving investor proposition will lead to enhanced levels of liquidity in the stock, which will help to support a full, and fair market valuation over time. Ultimately, successful IR can provide an issuer with easier, and cheaper access to capital, thereby reinforcing the investor proposition, and broadening, and solidifying the support of its core shareholders.

A Strategic Function: IR Planning, Resources, and KPIs

Building an IR strategy	Best practise IR toolkit
• Develop a process, and policy for dealing with information flow • Determine what you want to achieve, how you will set about achieving that goal, specific activities you will undertake, and how you measure progress, and success • Many activities are governed by your financial calendar but each should build towards your goals, which in turn, support the corporate goals • Co-ordinate activities across cross-functional areas: business lines; finance; planning; strategy; marketing; legal/company secretariat; HR; corporate communications • Ensure consistent messages to internal and external audiences - who's responsible? • Utilise technology, and keep up-to-date with best practice - add digital IR capability	• Database of shareholders, analysts contacts etc. • Database of industry info: competitors, trends • Database of capital markets info: share price, volumes • Database of internal contacts info: portfolio companies • Shareholder value/financial analysis model/strategic business plans • IR policy, and crisis manual • IR Board of Directors report template • Independent audit of IR: market sentiment, and feedback on materials, website, reporting, etc.

When issuers think of IR, they do not necessarily think of the competition for capital in which they participate as public listed companies operating in public capital markets. To compete successfully, issuers need to take a strategic view of their business. In this, IR can play a defining role that positions IR as a competitive advantage.

Ideally, IR begins with the Executive Management fully considering what it means to be a public company, what it means to have public shareholders, and what responsibilities must be fulfilled. It makes sense to ask the question 'Why go public?', beginning with establishing business objectives, and a plan to achieve them over time. IR is part of this thinking, and can make a big difference in addressing not just shareholders, but also other stakeholders who have an interest in the success of the business.



It is no coincidence that Kuwait's Companies Law highlights the importance of the role of the Board of Directors in pursuing success for all stakeholders. Given a license to operate, this includes employees, customers, suppliers, the investment community, and the public at large. This role of governance has become more important, and visible in a connected world that increasingly recognizes that business owes its success to a broader group of stakeholders, be it in considering environmental, social, or indeed governance factors that make up a successful business in today's operating environment.

As a strategic function, IR is essential to this approach, and should play a strategic role in the thinking, and planning of the issuer's Board of Directors and the Executive Management. Accordingly, IR can be seen, and should be positioned, as an integral part of corporate responsibility to ensure the success of the business for all stakeholders.

How do we achieve success, and what is IR's role in this important business process? Planning requires clear goals, clear roles, and clear lines of sight over time, coupled with the resources to achieve success. Ideally, once the corporate objectives are established, IR KPIs can follow this thinking, and IR can develop measures that the Board of Directors and the Executive Management can use to gauge progress over time to meet the business objectives.

An annual IR budget is an important component of any successful IR program. Any budget should address the company's statutory reporting requirements, including Annual Report production and the Annual General Meeting, to name the two most important IR-related activities. An IR budget should also consider how to get the best out of the IR team, including delivering the IR story to the market. In summary, IR KPIs can fit the issuer at any point in its lifecycle and can be developed over time, just as the issuer's objectives develop over time.

Reporting Line

Working with the Board of Directors

- Board of Directors` commitment to IR is essential
- Reporting line to the CEO or CFO
- Close working relationship with Company Secretary/Corporate Communications team
- Regular provision of market information, investor perception, and Board of Directors reports
- Incorporate Chairman, and relevant Non-Executive Directors in IR programme
- Arrange formal presentation to the Board of Directors, Sell-side/Brokers, and other IR advisers as approriate, at least annually
- Advise, and inform strategic thinking of the Board of Directors and the Executive Management

The reporting line for any role is important, and can make a difference to its success. For IR, it very much depends on where the company is in its lifecycle and what the company objectives are as far as its stakeholders are concerned. When an issuer begins its life as a public company, for example, the objective may be, simply, to begin with a dedicated IR resource who can learn on the job and start to fulfil IR's role of addressing important stakeholders, including the investment community. Accordingly, it makes sense to have a senior reporting line that knows the business and what is required, including from IR.

MEIRA IR surveys suggest that the most common reporting line is to the CFO, IR often being regarded primarily as a financial function. Other reporting lines exist and can be developed over time depending on the need. In any case, it is most important to have a reporting line that also considers regular updates to the Board of Directors, given its role in governance and oversight of the business.

In-house IR Team

Where do companies begin? Understanding financial statements is generally considered an appropriate starting point, while recognizing that financial analysis is only the beginning of any investment story. The most effective IR takes the financials, builds a story, and continues to develop the IR story as the business develops over time. This takes time, and it is useful to begin with some clear objectives, both financial, and non-financial, against which to measure progress.

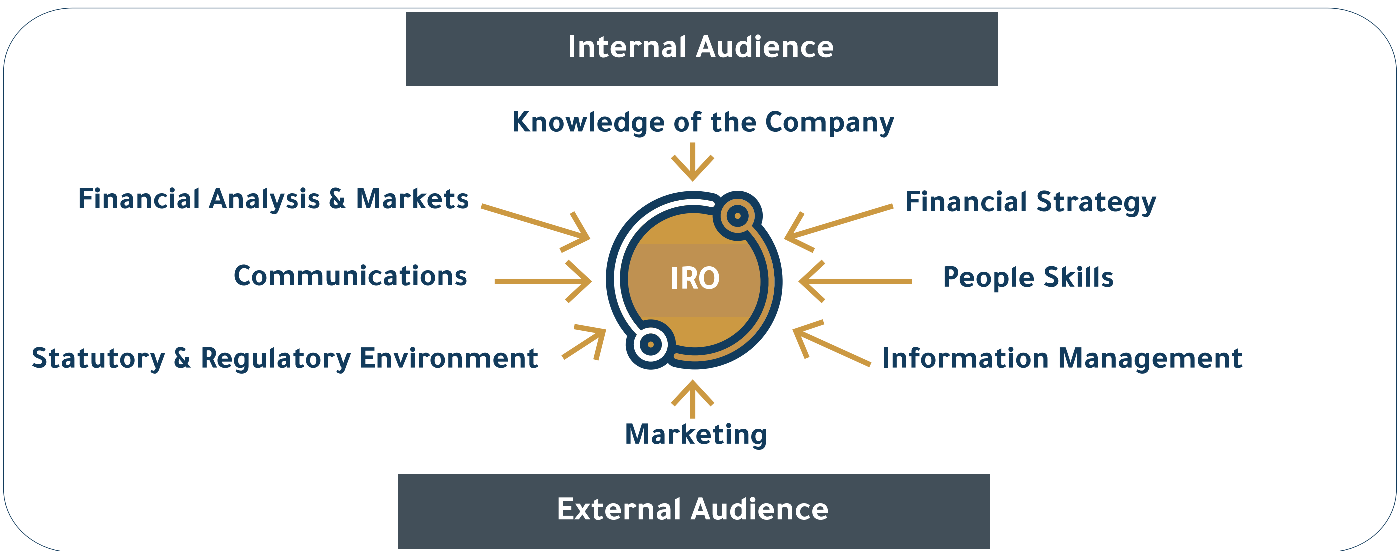
Importantly, no matter how good the financials or how compelling the story appears, if it does not reach the target audience, and is not believed, and consistently supported over time, it counts for little. Issuers are in a perpetual competition for attention, if not capital. This means that the company's presentation of the investment story, the distillation of the key material, and the most important parts of the story need to be drawn out, presented clearly and consistently, and continually developed in response to market feedback. The best IR teams have a broad skillset that combines the strengths needed to execute the IR plan, in accordance with the strategic direction of the Board of Directors and the Executive Management.

The essential competencies required for IR include business knowledge; data management; financial analysis; communications; market and regulatory knowledge; presentation skills; relationship management; and strategic thinking.

The skillset required for an effective IRO is influenced by various considerations, including: How much exposure the CEO and CFO have had to an IR program in a public listed company; Diversification of the share register - the target shareholders you do not want to lose; The work the IRO will do; and The sector in which the company operates.

There is a general requirement across the market for greater levels of financial literacy in IR candidates, and companies will often look for a financial qualification to support this. While more highly regulated industries or complex sectors tend to prefer candidates with specific sector experience (e.g. financial services, insurance, or pharmaceuticals), most companies are sector-agnostic.

An understanding of where the global pools of capital are, and a network of key fund managers in international markets can also be extremely beneficial. Above all, IROs need to be great with people, not just the reporting line but also in engaging all the relevant teams who furnish company information, as well as all external target audiences.



IR Internal Audience

The essence of IR is centered around credibility. It starts with winning over your internal audiences, from the business lines to the Board of Directors. If you have no perceived value to these important internal audiences, your IR will quickly fall short. You need them and they need you.

Once institutionalized, IR should be seen as a strategic role, and its value can be demonstrated over time in accordance with KPIs that track progress. This should include regular reports to the Board of Directors that update the decision-makers on, among other matters: who owns the company; what changes are taking place in the share register and why; market feedback, including research coverage and share price performance relative to the market and peers; and regular perception studies of how the company's messaging is coming across and what, if anything, may need to be reconsidered, if not tweaked, in terms of the business strategy, and its delivery. This is all part, and parcel of strategic IR, and the feedback mechanism between the issuer, and the market is essential.

Introduction

The leading IR teams would recommend institutionalizing the IR function as a strategic role that supports the Board of Directors and the Executive Management. Implementing a standard operating procedure (SOP) should lead to consistency through the standardization of the way IR activities are executed on an ongoing basis.

The purpose of a SOP is to define robust foundations, and guidance for all employees through communicating clear policies, and procedures that will serve as references to all employees, including the Executive Management. This, in turn, ensures all IR-related processes, and activities are being applied in an effective, and consistent manner.

Objectives

Depending on the business model, the key objectives of IR can include:

- To build lasting professional relationships with capital market participants. This includes existing, and prospective shareholders by communicating, and coordinating proactively to ensure equal access to public information on the business.

- To create consistent, and credible communication practices that comply with all applicable regulations, including those of the CMA and Kuwait's Companies Law.

- To act as communication link, connecting the Executive Management with stakeholders, including the investment community. This means disseminating reportable information, and channeling feedback to the management. This two-way communication approach is aimed at enhancing the credibility of the management running the business, and providing avenues for shareholders, mainly to voice their views for consideration.

- To provide the Board of Directors, the Executive Management, shareholders, analysts, and other stakeholders with accurate and timely financial, and non-financial information related to the business.

- To promote the business to the investment community based on established strategic objectives of the company, such as attracting long-term and/or strategic shareholders, while diversifying the investors base with a focus on long-term institutional investors (both local and foreign) or any other agreed strategies.

Roles and Responsibilities

IR's key responsibilities can include:

- Develop, implement, and manage IR programs in coordination with other business functions.
- Advise the Board of Directors and the CEO on effective management of relationships with the company's stakeholders.
- Establish, and maintain professional relationships with the Board of Directors, shareholders, potential investors, analysts, media, and other relevant stakeholders.
- Review the Annual Report, and other documents to ensure that all disclosable information is made available to relevant external parties in a timely, and accurate manner.
- Organize and/or participate in conferences, and roadshows, and coordinate the preparations of presentation, and marketing materials to further enhance the image of the company to existing and potential investors.
- Provide structured responses to queries raised through relevant communication channels in a timely, and accurate manner.
- Ensure all information published on the IR platform, including the website, is consistent and up to-date.
- Ensure compliance with applicable deadlines in delivering selected deliverables, including analyst conferences, the Annual Report, announcements, and others as required by regulatory bodies.

IR Success Factors

To enable IR to perform an effective role, and succeed, IR should be provided with adequate resources to build strong relationships with shareholders, investors, and analysts. IR should play the role of a two-way communicator by acting as the voice of the following:

- The company to the investment community; and
- The investment community to the Board of Directors and the Executive Management.

IR, in coordination with the CEO or CFO, should develop, and implement an effective plan, and supporting activities that can focus on the following, for example:

- Develop a comprehensive schedule of plans, and activities aimed at delivering agreed objectives and targets.
- Ensure optimal coordination of all supporting teams, and management to meet, and address the investment community's requirements, and needs.
- Produce reports in a timely, and accurate manner and ensure compliance with relevant regulatory requirements.
- Establish a plan to target groups of investors that meet the right profile, and attract their interest to invest in the business based on target criteria.
- Retain long-term and/or strategic shareholders by meeting their needs, and keeping them informed about key disclosable events that occur, and maintain engagement.
- Cross-functional coordination is vital to good organization of IR practices. For example, cooperation with other departments in, and outside the finance function is essential.

To demonstrate value to the business, IR should:

- Work on attracting new long-term and/or strategic shareholders.
- Bring discipline and structure to save the CEO's or CFO's time, while prioritizing relevant platforms such as roadshows.
- Provide continuous feedback to the Executive Management from investors and analysts.
- Present relevant analyses on the shareholders through periodic monitoring of the share register, including the movements of geographical composition, type of investors, and respective shareholdings.

Key topics that can be presented as market and investor feedback include:

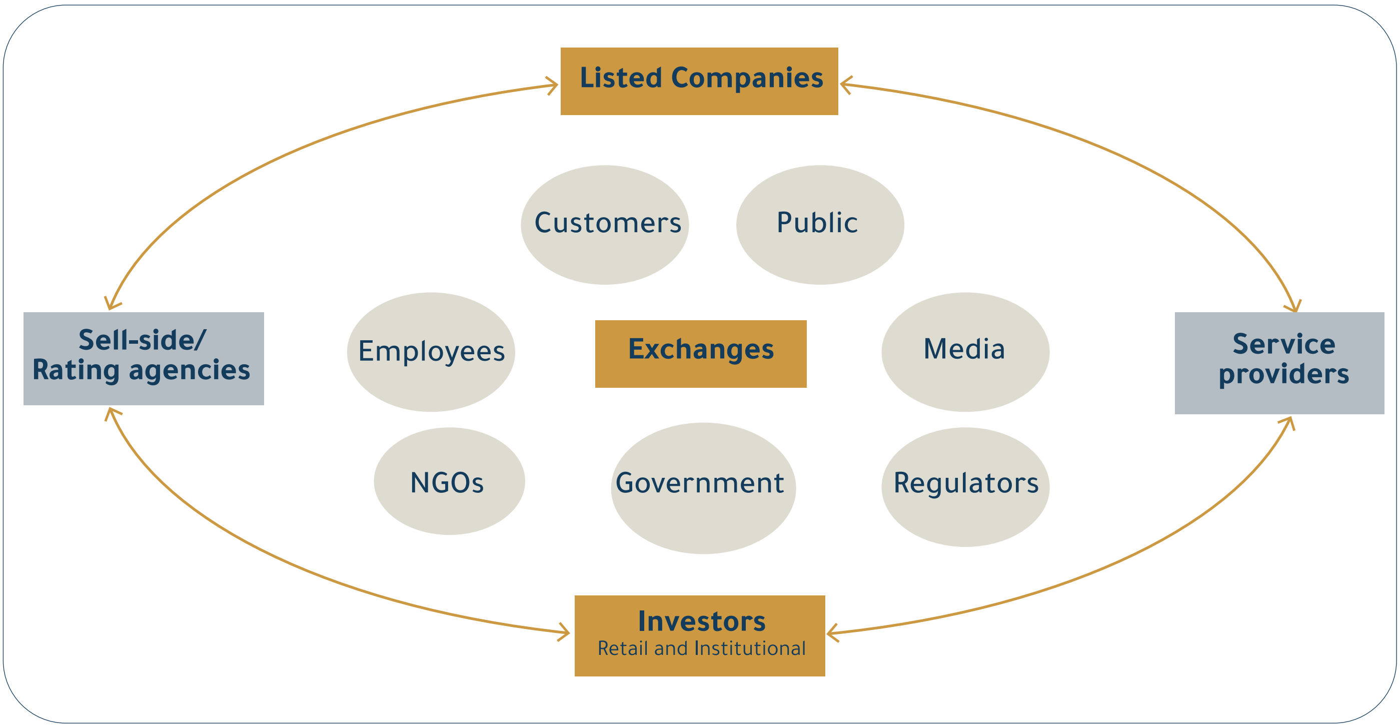
- Advice on investor movements, activities, and Frequently Asked Questions (FAQs).
- Liquidity of share trading.
- Shareholder engagement, including proxy advisory firms.
- Recent regulatory changes and impact on IR.

IR External Audience

Generally, IR is considered to be an external facing role. As far as the investment community is concerned, IR plays a crucial role, but it cannot do its job effectively unless the internal audience is fully on board, understands, and supports its strategic role.

The investment community as any other complex ecosystem, is broad, and potentially challenging to navigate, and IR cannot do this alone. Over and beyond supporting the Board of Directors and the Executive Management, IR needs to understand the whole make-up of the market, the primary target audience, and all the supporting intermediaries, and other players that comprise a dynamic operating, and regulatory environment. This is, after all, what attracts people to IR, and makes IR such a challenging role to effectively play every day. It is often said that no day is the same in the world of IR, given the way markets react to external factors, and how IR must respond to try, and make sense of all this on behalf of the Board of Directors and the Executive Management.

Market ecosystem: IR stakeholders



Institutional investors play a pivotal role in most developed countries' capital markets. Institutional investors can be in the form of pension funds, mutual funds, insurance companies, and sovereign wealth funds. Generally, pension funds, and sovereign wealth funds are the largest investment vehicles in the GCC markets, followed by mutual funds, and insurance funds. The remaining types of funds comprise of private wealth funds or family offices, as well as a variety of alternative asset managers, such as hedge funds, and private equity.

There is a fundamental division in investment styles between active, and passive investors. Active investors make investment decisions based on analysis and judgement. They look to outperform the market by being under/overweight in sectors, and stocks. Passive investors (also known as index or tracker investors) seek to match the performance of an equity index, whilst keeping trading costs to a minimum. This can be accomplished by holding a portfolio of the stocks that comprise the index in the same proportion as the index weighting. Passive investing, especially in the form of exchange traded funds (ETFs), is increasing in popularity as they appear simpler to investors and fees for active managers are generally higher.

For IR, the investor base is potentially big, broad, and needs to be understood. Institutional investors make up most of this base by value, and are the money managers that act on behalf of other institutions, and other investors. Institutional investors generally comprise the big investors who manage our money, including pensions, other savings, and insurance premia, for example. The trend of consolidation in the fund management industry has been perpetuated in the past two decades by the move away from active investment to increasing use of index funds, and other passive investment vehicles, which have, effectively, concentrated investments in institutional hands, including on behalf of retail investors.

While the number of individual investors can be large, this retail element tends to be relatively small compared to the institutional portion of shareholdings. At the same time, retail investors can vary from very small individual shareholdings to private client monies that are managed by other institutions. Larger holdings for wealthier individuals are generally managed by private banks or family offices. The shareholdings of the latter may be considerable in size. It is certainly worth IR's time to see if these investors fit your investment story and determine how best to go about targeting them, including through intermediaries, such as private banks, and specialist brokers, who may know or represent them.

In emerging, and developing markets, the retail market is generally larger, and more active as a percentage of the total market volume. This is due to many factors, from prevailing ownership structures to an emerging equity culture in some markets, for example. At the same time, other initiatives, like privatization programs, have fostered a growing equity culture among the general public, which has resulted in broader equity ownership by retail investors in some markets.

From an IR perspective, it is important to appreciate the ownership structure of the issuer, to target the investors who best fit the investment story that you are promoting, while recognizing that all investors are entitled to the same information in public markets. There are pros and cons to both main types of investors, institutional and retail. This includes how you communicate with them. Today, with a new generation of tech-savvy investors, it is essential to use all the platforms, and channels available for your audience. Having determined the best investors for your share register, it is an important role of IR to build relationships with the shareholder base, and any other target investors.

Other Stakeholders

It goes without saying that the stock exchanges and regulators are important IR stakeholders. Exchanges generally have a useful point-of-contact for all issuers. Accordingly, it is important for IR to know who to call, if needed, and to maintain a good working relationship as far as disclosures and ongoing obligations of listed companies, which sometimes may need clarification as far as what is required in accordance with the Listing Rules.[1]

ESG (Environmental, Social, and Governance) Factors

Boursa Kuwait has published its own ESG Reporting Guide based on the United Nations' Sustainable Development Goals (SDGs).[2]

Sustainability will be unique to each company based on its own business model and sector. Listed issuers can usefully start with this guide, and explore comprehensive reporting frameworks or guidelines, such as the Global Reporting Initiative (GRI) or the Integrated Reporting framework.

1 For Boursa Kuwait, please refer to Issuers Development & Services: disclosure@boursakuwait.com.kw
2 https://www.boursakuwait.com.kw/api/documents/boursa/1701773114617.pdf

Environmental issues look at how a company mitigates the environmental impact of its business operations. Social issues look at how a company manages relationships with its employees, customers, suppliers, and the communities in which it operates. Governance deals with a company's leadership, audits and internal controls, shareholder rights, and executive remuneration.

Given the growing investor interest in ESG, IR will need to consider what is material, relevant, and should be included in the investment story of the company. Accordingly, it makes sense to work across other key functions in the business to develop a more integrated approach to ESG reporting.

Annual Report

Companies may integrate ESG issues into their Annual Reports, aiming to combine ESG disclosures with the company's financial information.

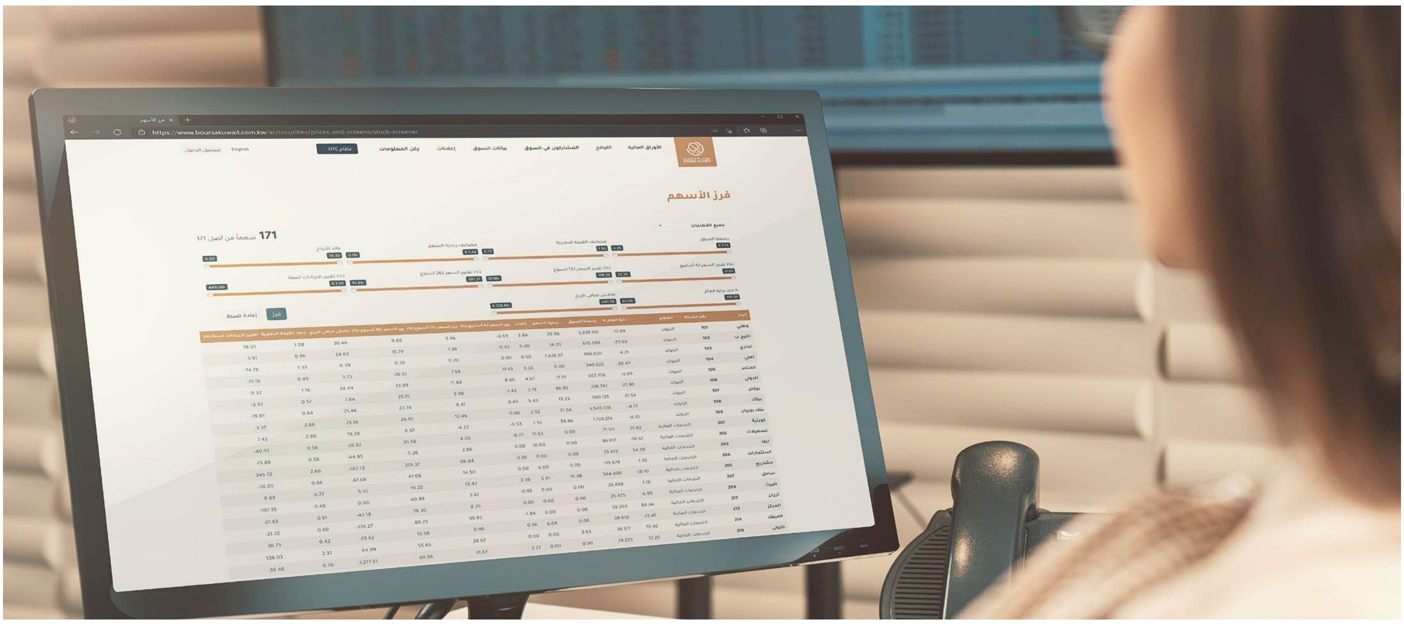
Sustainability Report

Increasingly favored by companies, the standalone Sustainability Report provides a company's consolidated ESG content in a single report, and addresses the relevant information needs of investors, among other stakeholders.

Integrated Report

An Integrated Report aims to provide insight into the resources, and relationships used, and affected by an organization. The primary purpose of an Integrated Report is to explain to providers of financial capital how an organization creates value over time. An Integrated Report may be prepared in response to existing compliance requirements, and may be a standalone report or be included as a distinguishable part of another report. It is a concise communication about how an organization's strategy, governance, performance, and prospects lead to the creation of value over the short, medium, and long term.

If the company chooses to prepare, and publish information about their sustainability in any of the reporting formats referred to above, it shall publish the report on the company's website in accordance with Article 1-17-1 of Module Twelve - Listing Rules of the CMA Executive Bylaws. The article states that the listed company may issue an annual Sustainability Report, and publish it on its website. The report shall determine the impact of the company's activities on the environment, society, and the economy, as well as the company's opportunities, and risks associated with those areas and how it manages them. The CMA shall be notified of the report, and it shall be published on the website of **Boursa Kuwait**.



IR Context: Operating and Regulatory Environment

Introduction

It is very important that issuers operating in public capital markets understand the context of the regulatory requirements in which they operate, while appreciating the responsibility that comes with being a public listed company. Complying with the CMA Executive Bylaws, **Boursa Kuwait's** Rulebook (including IR-related rules and regulations), and any other relevant regulatory environments in which public companies operate is essential for issuers seeking capital and investors seeking investments.

The overriding market principle is one of fairness, given that we are dealing with other people's money. This means that market conduct, and reporting to the market are critical to ensure that we all behave properly. Moreover, from an IR point of view, we need to be seen to keep the market informed at all times with timely disclosure, in accordance with statutory reporting requirements.

The regulatory environment can generally be divided into eight main categories, among others, encompassing:

- Companies Law
- Listing Rules
- Market Rules
- Market Conduct
- Offering of Securities and Ongoing Obligations
- Periodic Reporting
- Corporate Governance
- ESG Reporting

Capital market regulators, and stock exchanges, including the CMA, and **Boursa Kuwait**, play an important role in ensuring that the marketplace works for all market participants, including issuers, and investors. The underlying principles of public capital markets apply wherever investors seek investment opportunities, although there are always local rules, regulations, and practices to understand and respect.

With this in mind, it is fair to say that the overall objective of the regulatory environment is to ensure confidence in the financial markets. Without confidence in the financial markets, issuers and investors will not participate, given that all companies, and investors have a choice of where to do business. Accordingly, the most important task for regulators is to maintain the utmost confidence in their markets. This is increasingly important in times of market uncertainty, when issuers, and investors, as well as other stakeholders, look to public markets for signals about the well-being of the broader economy. Markets serve a useful purpose, among others, as price indicators for shares and other asset classes.

Role of the Regulator

In Kuwait, the CMA is the regulator of all listed companies in **Boursa Kuwait**, and licensed companies conducting securities activities covered under Article 1-2 of Module Five - Securities Activities and Registered Persons of the CMA Executive Bylaws.

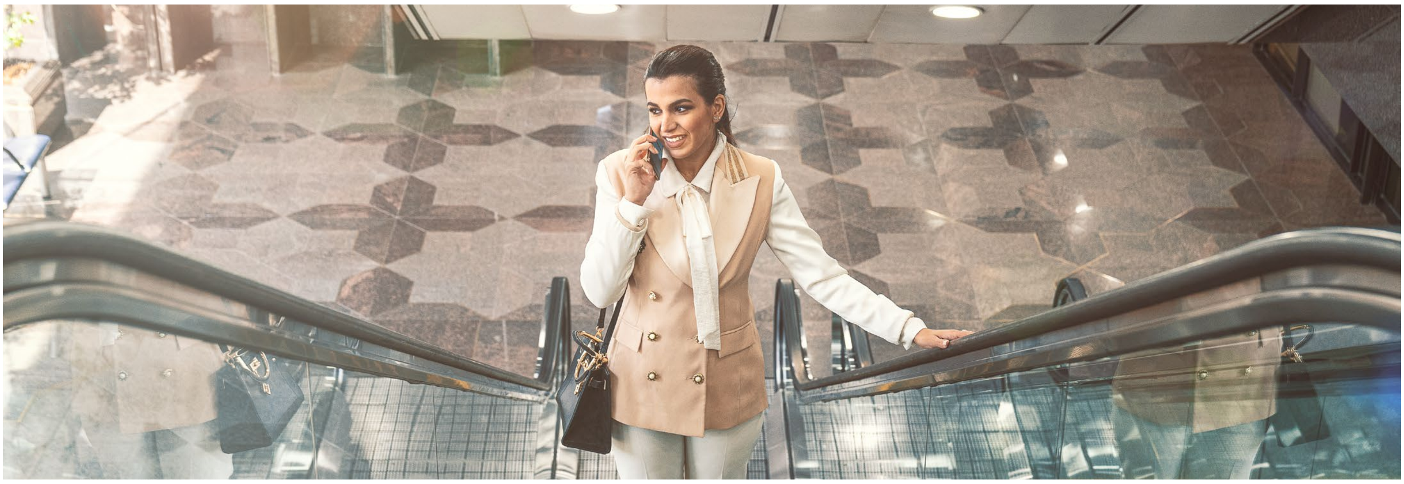
The CMA aims to achieve the following:

- Regulate Securities Activities in a fair, transparent and efficient manner
- Grow the capital markets, and diversify and develop investment instruments thereof in accordance with best international practice
- Enhance investor protection
- Reduce systemic risks arising from Securities Activities
- Impose requirements of full disclosure in order to achieve fairness, and transparency, and to prevent conflicts of interests, and the use of inside information
- Ensure compliance with the rules and regulations related to Securities Activities
- Enhance public awareness of Securities Activities, the benefits, risks, and obligations arising from investments in securities and encourage development of the activities

The main objectives of the exchange or the market operator are to promote:

- Ensure the existence of a fair, transparent, and efficient Securities Exchange.
- Fair access to market facilities, and information disclosed.
- The provision of timely, accessible, and relevant market data with an appropriate financial charge and appropriate timing.
- The efficient regulation of its members

IROs are required to familiarize themselves with the relevant laws, and regulations pertaining to the capital markets in Kuwait, as well as any other jurisdiction in which the company is cross-listed.



Listing Rules

Boursa Kuwait is responsible for ensuring all listed companies adhere to **Boursa Kuwait's** Rulebook, and the CMA Executive Bylaws. When a company goes public, it becomes subject to the Listing Rules covered under Chapter Seven of the Rulebook, and Module Twelve - Listing Rules of the CMA Executive Bylaws.

The main market principles include:

- A listed company must take reasonable steps to ensure its members of the Board of Directors, and other people to whom these Listing Rules are directed understand their responsibilities, and obligations as members of the Board of Directors under the principles of corporate governance.
- A listed company must take reasonable steps to establish, and maintain adequate procedures, systems, and controls to enable it to comply with its obligations.
- A listed company must act with integrity towards holders, and potential holders of its listed securities.
- A listed company must communicate information to holders, and potential holders of its listed securities in such a way as to avoid the creation or continuation of a false market in its listed securities.
- A listed company must ensure that it treats all holders of the same class of its listed securities that are in the same position equally, with respect to the rights attached to those securities.
- A listed company must respond to the regulator in an open and co-operative manner.

Market Conduct

Market Conduct Regulations

Market conduct regulations define the behavior expected of all market participants to ensure the proper functioning of the market.

Market participants must not engage independently or with others in any practices that create false or misleading activity in the market. Such practices involve, but are not limited to, spreading false information, collaboration between buyers, and sellers to influence stock prices, and engaging in manipulative orders.

It is essential that all IROs have a full understanding of the regulatory requirements, and are fully aware of the exact regulations, including but not limited to the governance of key persons trading (also known as 'insider trading'), and market manipulation in the markets in which the company's shares are traded. A key part of the IR role is to manage the process of making information public as part of the IR program.

Disclosure

Regulatory Disclosure

While it is the compliance function's responsibility for regulatory disclosure, it is essential for IR to understand, and use the companies information portal, the official **Boursa Kuwait** information dissemination channel, for disclosure. This is always the first priority for any announcements, disclosures, or other reporting by the company, because this is where the investing public and other stakeholders will go first for disclosed information.

Over and above that, there are, of course, other communication channels, and platforms that IR can use, including the social media. The golden rule for IR is that once information is officially, and properly shared through the companies information portal, including IR presentations, FAQs, or any other IR tools, they become public information. Accordingly, IR can then refer to it through other media, including through other channels or on other platforms.

Full and fair disclosure is a key market principle that lies at the heart of best IR practice. This approach is based on the premise that material price-sensitive information should not be released selectively at the expense of others, and that all information should be made public at the same time through the companies information portal. Material information needs to be disclosed immediately through **Boursa Kuwait** should it be available during **Boursa Kuwait's** working hours, or at least fifteen (15) minutes before the start of the next trading session should the information be available outside **Boursa Kuwait's** working hours. For more details on the list of information qualified as material, refer to Chapter Four - Disclosure of Material Information of Module Ten - Disclosure and Transparency of the CMA Executive Bylaws.

Best practice IR recommends that IR remains accessible and continues to take other inquiries throughout the year, regardless of where the company is in its reporting cycle. Part of this process is to manage investor inquiries, and meeting requests, all of which can and should continue, given that IR should know what can, and cannot be shared at all times.

Disclosure

To maintain fair and transparent markets, it is of fundamental importance that the company keeps investors regularly informed about the company, and its affairs. As such, IR shall ensure that items which constitute reportable information are properly defined, and understood by the company's employees.

IR shall ensure that the reportable information about the market, and the company is communicated to the public without undue delay using the appropriate communication channels, starting with **Boursa Kuwait**. For reporting of financial information, IR shall ensure that the communication is done in line with the approved corporate calendar, while in ad-hoc circumstances, such as a new development about the company, disclosure shall be made in a timely manner through **Boursa Kuwait**.

Analyst Calls

When listed in the "Premier" Market, a company shall disclose, prior to the trading session, the results of the analyst conference by attaching the presentation shared during the conference.

The company must hold an analyst conference on a quarterly basis within five (5) business days after the disclosure of interim and/or annual financial statements pursuant to the Board of Directors' approval. The disclosure of the financial statements shall include the date of the proposed analyst conference during which the relevant presentation shall be shared. The company must publish the bilingual transcripts in Arabic and English on the website within three (3) business days from the date of the conference as set forth in Item No. 3, Article 8-4-2, Chapter 8 of **Boursa Kuwait's** Rulebook.

At the completion of the analyst conference, the company must disclose whether material information was revealed during the analyst conference and attach the relevant presentation.

Quarterly Quiet Period

This refers to the period immediately beginning from the previous quarter end date to the end of current quarter. This period is referred to as a quarterly quiet period with no business discussions with analysts or investors to be undertaken by the Executive Management and employees who are involved in the preparation of the annual and interim financial statements. Any discussion shall be limited to the previous quarter's performance, which shall be undertaken in accordance with the relevant regulations pertaining to disclosure. Authorized executives will not meet with members of the investment community to discuss the company's financial and/or operational results. Fact-based questions may be answered by authorized spokespersons or IR personnel to analysts, and investors upon request. In parallel to this, many companies limit their IR activities during the same period, for example by not arranging individual talks with investors or conducting meeting at investor conferences, in order to ensure that all shareholders are treated equally and that no information of any kind on the forthcoming results leaks.

Postpone Disclosure

If disclosure of Material Information would damage the confidentiality of negotiations or preliminary procedures for a deal concerning a Listed Company or any other transaction, the Listed Company may delay disclosure until reaching a binding agreement with respect to such deal or transaction, subject to the following:

- The purpose of delaying disclosure is not to mislead with regard to the facts and circumstances that are necessary to evaluate the Listed Company's Securities.
- The Listed Company shall take all measures to ensure the confidentiality of Material Information until disclosure.
- After subsequent disclosure of the Material Information, the Listed Company shall provide, the justifications behind such delay of disclosure. If the Authority finds these justifications unacceptable, it may take disciplinary action against the Listed Company. The Listed Company may consult the Authority before delaying the disclosure to determine the validity of such delay.

Dealing with Rumors and News

Where there is speculation, news or information about a listed company appearing on any media or communication channel, or where there are rumors or information being circulated among traders, which is likely to have an impact on the price of or the investment decisions of traders concerning a security issued by a listed company, the listed company shall respond with immediate clarification, denial or confirmation in accordance with the timing set out in Article 4-2-1 of Module Ten - Disclosure and Transparency of the CMA Executive Bylaws, according to the validity of the information. In all cases, the CMA may give instructions to **Boursa Kuwait** to require any listed company to comment as set out in this article, and the CMA may also notify the listed company directly.

Insiders Watchlist

To ensure market conduct at the highest level of integrity, an issuer is required to ensure that it, and the people acting on its behalf, create and maintain an Insiders Watchlist. This list includes any person, in view of his/her position, who has access to information or data of material effect on a listed company that is not available to the public. For more details on the persons that should be added to the Insiders Watchlist, refer to Article 3-1-2 of Module Ten - Disclosure and Transparency of the CMA Executive Bylaws.

The Insiders Watchlist must contain:

- The identity of each Insider (Civil ID - Trading Number).; and
- The reason why such a person is on the Insiders Watchlist, and should this change.

Corporate Governance

Several corporate governance principles are set to improve the engagement between issuers, and their shareholders, which is an essential IR function. These include matters relating to the management of General Assembly meetings, in addition to the composition and function of the Board of Directors and its committees.

Corporate governance principles also regulate the formation of the Board of Directors, provide guidance on how it undertakes its activities, and focus on the importance of avoiding any potential conflict of interests. The Board of Directors is not only responsible for disclosing conflicts of interest, but it must also evaluate the extent of its member's independence annually and ensure that no situations may affect their independence.

Corporate governance outlines principles to lead and guide a company, including the mechanisms to regulate the various relationships between the Board of Directors, the Executive Management, shareholders, and other stakeholders, including employees, customers, and suppliers.

The aim of corporate governance is to facilitate the decision-making process, and add transparency and credibility to it, in order to protect the rights of shareholders, and stakeholders.

Role of Advisers

It is common for regulators to require listed companies to appoint or obtain advice from approved advisers - financial and legal, for example - particularly at the time of listing, to ensure that the issuer can comply with all requirements of the market. The responsibilities of the advisers include a duty to ensure the issuer understands, and meets its responsibilities under **Boursa Kuwait's** Rulebook, and to provide assurance to the regulator that these responsibilities have been met. Such advisers would generally be called upon for other corporate actions, such as the additional listing of securities, the publication of circulars to shareholders, or when there may be a possible breach of compliance with the Listing Rules. IR can again advise the Executive Management in this respect, as needed.

IR Calendar

IR should develop a corporate calendar that contains all the key activities of the company along with the corresponding dates. These key activities include, but are not limited to the following:

- Earnings publications.
- General Assembly meetings.
- Dividend payouts.
- Meetings with the investment community, including financial media.

Timely, clear, and consistent disclosure is at the heart of effective IR. Accordingly, it is most important that IROs fully understand the regulatory environment in which they operate.

A key value-add of the professional IR role is to be able to advise the Board of Directors and the Executive Management regarding all disclosure matters. To start with, essentially, the IR Calendar follows the company's quarterly reporting cycle. In turn, the IR program is very much built around these market statutory reporting requirements, including regular company results announcements. For example, assuming that a company has a financial year-end of 31 December, in accordance with international IR practice, its IR Calendar, and supporting IR program may look like this:

January	February	March
• Contents development for: year-end results; investor presentation; rolling FAQs; fact sheets; and website • Shareholder identification • Peer group benchmarking • Investor targeting • Set annual KPI • Collect data for reports (Annual and Sustainability) • Collect and analyse full-year financial results • Set dates for key activities such as roadshows, quarterly and annual results announcements • Prepare for General Assembly meeting	• Present reports to the Board of Directors on full-year financial results, strategic initiatives, risk management and other matters • Prepare press releases with relevant department • Hold a Board of Directors meeting • Finalise reports (Annual and Sustainability)	• Announce the quarterly (Q4) and annual financial results • Hold analyst conference/webcast/ conference call • Perform perception study on presentation • Update FAQs and fact sheets • Organise roadshows, annual conference and/or investor meetings (including with target investors) • Publish reports (Annual and Sustainability) • Hold a General Assembly meeting
April	**May**	**June**
• Distribute reports (Annual and Sustainability) to analysts and/or investors - IR outreach • Set date for quarterly (Q1) financial results announcement • Prepare press releases with relevant department • Hold a Board of Directors meeting	• Announce the quarterly (Q1) financial results • Hold analyst conference/webcast/ conference call • Perform perception study on presentation • Update FAQs and fact sheets	• Shareholder identification • Organise deal and/or non-deal roadshows, and Investor Days • Perform periodic housekeeping on website, IR documents, and other depositories of information
July	**August**	**September**
• Set date for quarterly (Q2) financial results announcement • Prepare press releases with relevant department • Hold a Board of Directors meeting	• Announce the quarterly (Q2) financial results • Hold analyst conference/webcast/ conference call • Perform perception study on presentation • Update FAQs and fact sheets	• Organise roadshows, annual conference and/or investor meetings (including with target investors) • Prepare annual IR budget and plans for the coming year(s)

October	November	December
• Set date for quarterly (Q3) financial results announcement • Prepare press releases with relevant department • Hold a Board of Directors meeting • Finalise annual IR budget and plans for the coming year(s) • Kick-off the planning and preparation of reports (Annual and Sustainability)	• Announce the quarterly (Q3) financial results • Hold analyst conference/webcast/ conference call • Perform perception study on presentation • Update FAQs and fact sheets	• Plan and prepare new IR program • Perform periodic housekeeping on website, IR documents, and other depositories of information

Quarterly Results

Each jurisdiction has its own statutory reporting requirements. In the Gulf Cooperation Council (GCC), quarterly reporting is the norm. With the advent of COVID-19 in 2020, the issue of corporate reporting was firmly in the spotlight. Notwithstanding regulators allowing issuers more flexibility to respond as fully as possible in unprecedented times, the adverse climate reinforced the overriding need for regular, timely, and consistent communications with the market.

Results day preparation example:

4 WEEKS	• Agree on the timetable including rehearsals and the running order of events on the day of results announcement • Send out "Save the date" invitations to analysts and investors for the analyst conference, and a reminder on the same day as the Board of Directors meeting • Update the IR Calendar on company website and/or the IR website • Gather analyst, and market sentiment through feedback surveys
3 WEEKS	• Develop key messages • Draft announcement and presentation, along with supporting script, and speakers' notes; review for tone, and content • Develop Q&A document • Confirm venue for analyst conference and/or arrangements with conference call or webcast providers • Start work on the investor meetings
2 WEEKS	• Approach domestic, and international media to arrange face-to-face meetings and/or telephone interviews on the day • Start collating analyst forecasts • Rehearse the presentation
1 WEEK	• Contact remaining journalists to set up interviews if needed • Contact investors to set up meetings • Final rehearsal on the presentation • Q&A session with advisers • Finalize press release, and the presentation • Procure sign-off on relevant documents • Upload results announcement (and press release, if applicable) to **Boursa Kuwait**, embargoed until the results day

Results day example:

Results Day (RD)
Results announced on **Boursa Kuwait** website

RD + 1 min
Results emailed to analysts, investors, and the media

Press release dissemination

RD + 30 mins
Documents uploaded on the company website

RD + Regulatory timeline
Analyst and investor conference (listed companies in the "Premier" Market have five (5) working days to conduct the analyst conference)

RD + 3 hrs
Telephone or face-to-face interviews

Presentation dissemination on company website

RD + 5 hrs
Financial press calls

Follow-up calls with financial press and analysts

Preparation for investor roadshow (actual/virtual), if needed

Annual Report

The Annual Report is perhaps the most important statutory reporting requirement for any company. It stands as a historic record of business performance and, in the case of public companies, the Annual Report takes on an even greater significance in that it is usually the first port of call for investors and other stakeholders.

It is also an opportunity to showcase what the business is all about, from how it makes money to the value it created for investors. This should include the KPIs that illustrate how the Board of Directors and the Executive Management run the business, while being on top of all possible risk factors and new opportunities.

It is important to remember that the Annual Report is a permanent record to which all stakeholders can refer. Accordingly, it has to be taken very seriously, with production resourced appropriately each year.

The Annual Report should address all material factors that make or potentially affect a business, including ESG factors, which investors increasingly expect to see integrated into financial reporting.

In many ways, the Annual Report is the starting point or reiteration of the investment case, and all its key messages. IR should use it as the essential historic base document from which all other communications originate.

It makes sense for IR to start the Annual Report process by collating all relevant information after each interim reporting period throughout the year. In this way, by the time the company reaches the final quarter, IR should be close to completing the draft outline document.

Telling a joined-up investment story

Drives sustainable long-term stakeholder value

Vision
What management wants to achieve

Strategy
How management intends to get there

Business Model
How the strategy is put into action

Risks
Factors that might impact implementation of strategy

KPIs
Measure the effectiveness of strategic implementation

Directors rem.
How management is rewarded for implementing the strategy

Annual General Meeting (AGM)

The AGM is another important statutory reporting requirement. Historically, it was the only opportunity for shareholders to see the Board of Directors and the Executive Management physically lay the company accounts before them.

Effectively, this is the time-honored moment to publicly hold the Board of Directors to account in managing the company on behalf of the shareholders. The shareholders shall decide on the resolutions presented during the meeting including any payment of dividends, and other company resolutions.

Today, with a variety of options available, AGMs have taken on other forms, including hybrid, and virtual meetings. In many ways, this should allow companies to reach a wider audience of shareholders, including smaller, individual (retail) investors. At the same time, technology enables everything from pre-registration and proxy voting to live online Q&A session. Whatever form the shareholder meetings take, it is essential to remember that the whole point of such statutory requirements is to properly address the needs of your audience. This means ensuring that they are an integral part of the discussion - they are, after all, owners of the business.

Other Considerations

There may also be general meetings outside of the AGM that IR needs to be on top of, given that they may relate to specific issues, such as an increase in share capital or other material developments that may require amendments to the articles of association. The recent need to turn physical AGMs into remote virtual events at short notice is a case in point. It serves as a timely reminder of the dynamic nature of markets. When potential issues are identified, they need to be addressed immediately.

A new generation of investors is more aware of issues such as the importance of sound governance, tackling climate change, and expecting climate action, while addressing social issues. Moreover, some people believe that the businesses they invest in should play their part, while investors often believe that they should influence how companies are run. Accordingly, companies are under growing pressure to listen more to their investors, and other stakeholders and take their views into account.

Issuers need to respond to these changes, and find ways to engage more with their investors. This means that annual shareholder meetings are more important than ever as a way for shareholders, the Board of Directors and the Executive Management to communicate with one another. New digital technology allows IR to do this more effectively, with virtual and hybrid meetings presenting one of the biggest opportunities in this area. In an era when meeting attendance has been in decline, the virtual or hybrid meeting can reignite enthusiasm among shareholders, as well as increase transparency and accountability.

IR Programme: Tactics

Investment Story

The foundation of effective IR program is a compelling investment case that resonates with the financial and investment community.

What is it and why is it important?

Your investment case sets out what your company does, how it makes money, and why it constitutes an attractive investment. It should clearly articulate how your business is differentiated from peers, and competing investment opportunities, and resonate with the financial, and investment community to help generate a full and fair valuation, and contribute to a strong corporate reputation for your business.

Key components

Your investment case should incorporate:

- The overall vision for the business, and merits of the business model
- The company's addressable market, and growth opportunities
- Competitive positioning in the market, and differentiation from peers
- A clearly articulated strategy encapsulating where the company is going, and how it will get there
- A clear roadmap to shareholder value creation
- Executive Management's strength, and track record
- Detailed information about key metrics, and goals for growth, profitability, and other valuation drivers

Ultimately, it should clearly communicate what's in it for investors, and other stakeholders.

Developing your investment case example:

Insights Gathering	Development	Continuous Refinement
• Determine/review the company's vision, strategy, industry, and outlook. • Identify key areas of differentiation from peers. • Conduct a perception audit with key stakeholders to gather feedback and determine where knowledge gaps exist.	• Establish an investment case that tells a strong, credible story, and creates clear differentiation from peers (see key components above). • Identify robust supporting proof points to back up the investment case. • Benchmark the company's investment case, and supporting proof points against key peers, and update as appropriate. • Agree key elements of the investment case with relevant internal stakeholders (e.g. the Board of Directors and the Executive Management).	• Keep the investment case fresh, and relevant for successful investor engagement. • Regularly review the investment case to ensure alignment with the current state of the business, and key corporate developments. • Continually gather feedback from the investment community, and use findings to refine or redirect the investment case. • Highlight the key metrics that the Board of Directors and the Executive Management use so that investors can follow progress year-on-year.

Key attributes

Clear and concise - Keep your message short, and to the point.
Simple - Ensure your investment case is easily understood.
Consistent - Make sure that your investment case tells the same story over time.

Supporting messages

After establishing the investment case, it is important to develop a set of key messages that support it or update your existing key messages to align with it. These key messages underpin all IR activities, and should be used consistently in engagements with the investment, and financial communities. It is therefore critical that they are embedded in all relevant IR materials, including:

- Investor and results presentations.
- IR website.
- Press releases.
- Financial reports.
- Annual Report.
- Sustainability Report.
- Fact sheets and FAQs.
- Media interviews.
- Any other channels and platforms.

Investor Presentation

Investor presentations are a common way of conveying information to capital market audiences. They are often seen as merely another channel to disclose financials. However, with a little extra effort, they can be a highly effective way to build real rapport with current, and potential shareholders.

The following four success criteria will help you build an effective, and engaging investor presentation:

Find your narrative

A clear investment story is the "red thread" that guides the audience to the right information, while the absence of a convincing storyline can lead to missing pieces, and an incoherent presentation. In terms of disclosing financials, your story could be relaying successes, describing changes or new approaches, or mitigating bad or middling news.

To help define your narrative, write down a list of the key points in order of priority, and determine how much time you can afford to spend on each point. Look for repetition, and delete those points that are not essential to your core narrative.

Rethink content and structure from an audience perspective

Walking an audience through lengthy non-financial content first can lead to participants dropping out to review the income statement or balance sheet, or becoming impatient. A good starting point could be to begin the presentation with a dashboard highlighting the key financial metrics.

These will, of course, be expanded on in the presentation itself, but always with brevity and clarity in mind. To ensure a memorable presentation that goes beyond relaying numbers, conclude with the three or four key takeaways you want the audience to remember, such as a quantifiable outlook, a reiteration of successes, or new strategic goals.

Storyboard your narrative

Before working on the presentation, visualize how your narrative fits into the presentation by sketching a storyboard. This design-driven process is a great tool for breaking down your story into easily understood pieces. Look at each element in your story, and ask how this information can best be conveyed:

- If a chart or graph is needed, what type of chart works best with the data?
- Is a photograph or image going to help or hinder understanding? Or is it superfluous?
- How can you avoid cramming too much information on a single slide? Can visuals help?
- Which visual cues do you need to reinforce or explain the information on the slide?

Provide engagement opportunities

The closing Q&A session is an often neglected part of the investor presentation, but it is of crucial importance to many participants, and the best opportunity to engage with your most important audience. Ideally, you should allocate between 30 and 60 minutes for this. It is extremely important to be prepared: at least the same due diligence that goes into preparing the presentation should go into developing a solid Q&A for the management. Finally, it is important that all speakers who are expected to answer these questions receive regular investor engagement training to practice handling challenging questions.

Share Register Analysis and Investor Targeting

If you have identified your existing shareholder base, and considered that you are keen to evolve its composition, or attract new shareholders to create more value, then investor targeting is an effective method to find suitable candidates, and tailor your IR program accordingly.

Why do it?

The objective of a targeting project is to develop a prioritized list of institutional investors by identifying existing, and potential opportunities in key institutions with holdings in, and interest in your company, compared to a selection of global peers, whether direct competitors or companies of similar structure, and outlook. Ultimately, getting in front of investors in your sector, but who may not be familiar with your company, should be a key priority for the Executive Management and the IR team.

The methodology will vary from provider to provider but an investor targeting exercise will generally focus on a quantitative and/or qualitative approach.

The intelligence produced during this process can be used to assess, and reach out to potential new investors, plan roadshows, and maximize the Executive Management's time when engaging with investors, which should, in turn:

- Increase awareness of the equity proposition, specifically targeting new groups of investors;
- Lower the cost of capital, and increase the efficiency of management time, and IR activities;
- Achieve a fair market value for the stock, by reaching the largest possible worldwide audience of investors through the IR and the Executive Management teams; and
- Ultimately, provide a benchmark from which to measure future levels of IR success.

Quantitative targeting

This process provides a screening analysis of the existing shareholder base compared to a selection of peer companies (i.e. companies that are competing within the same space based on the best matches identified by industry, sector, and/or future goals).

Once a peer group list is agreed upon, investment portfolio data will be scrutinized to formulate a comprehensive view of available levels of investment. Generally, this will use a combination of bespoke analytical data, and public ownership information to create rankings based on a number of parameters, which may include:

- Equities under management.
- Investment style.
- Market value of holdings in your shares vs. holdings in peer companies.
- Adjusted average weighting vs. global peers.

Qualitative targeting

The creation of a long list of targets through quantitative targeting can be followed by an exercise to confirm the names of interested followers, identify, and canvass potential new investors, and then ascertain their level of appetite in the investment proposition.

The process will yield an enhanced 'short list' of target investors, including a list of individuals with confirmed, and current interest in meeting with the Executive Management and/or receiving further information. Ideally, this will be provided alongside key information, including investor profiles, and contact details, segmented by region.

Tracking activity

Most companies use this intelligence to track the activity of the identified shareholder base, and regularly review it, in order to understand the impact of their targeting efforts. In some cases, the findings can be used as a KPI measure for the IR team (especially when conducted on an annual basis).

Investor Meetings

Strategic engagement with investors strengthens relationships, reinforces your investment case and key messages, and increases understanding of an issuer's long-term value proposition.

In today's world, the options for virtual substitutes have multiplied, replacing what used to be regular roadshow dates in the IR team's calendar. The purpose is to meet existing shareholders, and target new investors. While existing shareholders are known to IR, to address new markets, the assistance of a corporate access team, be it buy- or sell-side, can make a big difference, and save time. Ultimately, the role of IR is to build relationships, and maintain these by addressing the needs of your IR audience.

Roadshows are an important part of the IR Calendar. Accordingly, IR should prioritize them, including those for regular maintenance of IR, capital raisings, and other corporate actions. Additionally, reverse roadshows are common, where investors organize their own initiatives to reach out to companies. There are also other useful meeting formats for IR to consider, including conferences, Investor Days, and site visits, for example.

What is it and why is it important?

Face-to-face interactions form a key part of a successful investor outreach program. They provide a critical opportunity to build strong relationships with the investment community, and enhance confidence in the company's business strategy and the Executive Management team, and ultimately help the company achieve fair valuation, and attract investor capital.

Developing your investor engagement program

It is important to develop an efficient, and effective investor engagement program that:

- Incorporates meetings with institutional investors (i.e. international and regional), and local investors (i.e. family offices, high net worth individuals (HNWIs) and retail investors).
- Captures key geographical investment centers, and regions with the highest concentration of shareholders, and target investors.
- Aligns with key announcements in the pipeline.
- Utilizes bench strength of the full Executive Management team, as appropriate.
- Leverages existing corporate events and the Executive Management's travel schedule.
- Focuses on events with the highest return on investment.

The program should be reviewed, and revised periodically, based on relevant company developments, and shareholder movements during the year.

Engagement approach

To support the development of this program, it is helpful to categorize investors in order to identify the most effective engagement approach for each type, and ensure efficient use of time. Below is an example; however, this should be tailored to your company's investor base, and specific requirements:

Investor type	Engagement Approach
Institutional	
Tier 1 • Top 15 current shareholders • Top 25 target investors	• Offer regular one-on-one meetings • Access to the Chairman, the Board of Directors, and the Executive Management, as appropriate
Tier 2 • Underweight investors • Smaller shareholders	• Offer regular one-on-one meetings to key underweight institutions • Offer group meetings to other underweight institutions, and smaller shareholders • Initial engagement driven by the IR team
Local	
Family Offices/HNWIs • Founding shareholders • Key local investors	• Offer one-on-one meetings once per year • Access to the Executive Management
Retail • Individuals investing in the capital markets	• Engagement driven through local brokers and sell-side, as well as social media

Company participants

Depending on the type of investor you are meeting, different company representatives may be better suited to engage with them.

Tier 1 investors often meet with the Executive Management to gain a high-level understanding of a company's strategy, and assess the Executive Management's ability, and commitment to delivering it. It is important for a company's CFO to be available for investor engagement at the time of financial results announcements, while the IR team typically manages engagement throughout the IR Calendar, including with smaller shareholders and retail investors.

Preparation

It is critical that the IR team is well-prepared for investor engagement to ensure meetings are as effective as possible. A strong set of materials that are regularly updated, and tailored to your audience will support engagement. These could include:

- Investor presentations
- Key messages
- FAQs/Q&A session
- Detailed supporting financial information

Ahead of investor meetings, the IR team should brief the Executive Management on the investor's background, and investment style, as well as matters discussed in previous meetings, where relevant. Company participants should also be reminded of key messages to ensure consistency in messaging across different spokespeople. The closing Q&A session of any IR meeting is a good opportunity to engage with a key IR audience. Take this opportunity to elevate the discussion according to what is important to your stakeholders.

Meetings are recommended to be recorded in Customer Relationship Management (CRM) systems with any relevant notes so that you have a detailed record to refer back to. This also allows for preparation ahead of future meetings, which is valued by investors, and demonstrates that the Executive Management takes investor engagement seriously.

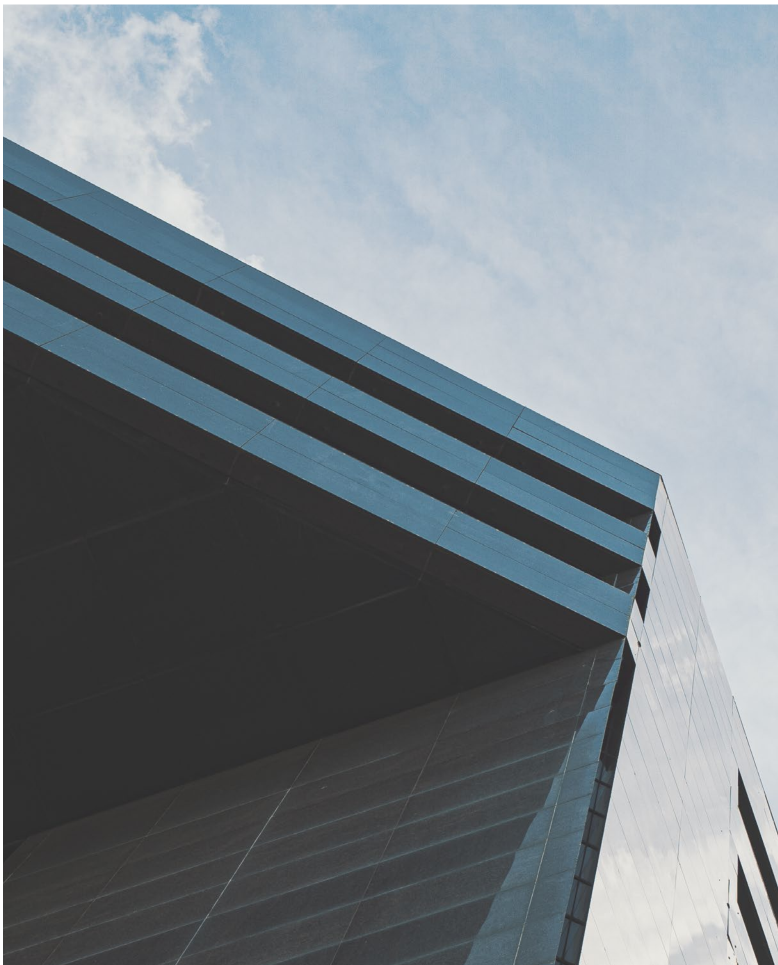
Measuring effectiveness

To ensure that a company is allocating its time, and resources to the right investors, and engagement platforms, it can be valuable to measure the effectiveness of investor meetings, in terms of both quality, and post-meeting buying/selling activity.

To measure the quality of investor meetings, the IR team can use a scorecard to evaluate the type of investor, and level of engagement during the meeting. This can be supplemented by investor perception studies to understand investor views, and whether these have changed following meetings. The insights from this analysis can be used to gauge the value of different investor engagement opportunities and to shape your engagement program.

Key opportunities for investor community engagement

Alongside ad hoc one-on-one investor meetings, the following are the key opportunities to engage with the investment community, strengthen your relationships with them, and ensure they have an in-depth understanding of your company's investment case.



Investor Roadshows

Investor Roadshows refer to a series of meetings between the Executive Management and investors, typically organized by investment banks and/or financial services companies, providing introductions to institutional investors. They can be hosted during high profile one-off events, such as an IPO or a fund raising (commonly referred to as 'deal' roadshows) or as regular post-results meetings (commonly referred to as 'non-deal' roadshows).

These roadshows are usually greatly appreciated by investors, and are a key tool to build and strengthen relationships. Non-deal roadshows also convey a clear message about a company's commitment to IR, as it actively seeks to engage with its shareholders. Roadshows can take the form of a series of presentations by individual companies, or a more generic discussion on a particular theme.

Investor Roadshows typically require the attendance of the CEO and/or CFO, along with the IR team. To maximize their effectiveness, roadshows are often conducted in conjunction with investor targeting.

Investor Roadshows preparation example:

6 weeks

Discuss roadshow objectives

Agree target investors and schedule

4 weeks

Invite target investors

3/2 weeks

Circulate draft schedule (including replies received/reasons for any declines)

1 week

Circulate final roadshow schedule, including investor profiles

Pre-roadshow briefing

Background on individual investors (if required)

Roadshow

Roadshow meetings as per schedule

Contact investors for their meeting feedback

Roadshow ends

Circulate investor feedback report to the Executive Management and hold de-brief call

Plan conference call with any major investor not met

Investor Conferences

Similarly, big conferences still exist, albeit in a variety of formats, including virtual offerings. The day will surely return when we can again experience the benefits of being physically present in distant markets, where it is important to meet person to person. We are, after all, social beings. The opportunity to look one another in the eye, and read all the other signs we need to make our decision remains critical.

In any case, conferences have other useful purposes for a busy Executive Management team, in that everyone is in the same place at the same time. Notwithstanding travel logistics, IR can always plan schedules in major financial centers around other business meetings. In this way, a combination of business and IR makes the most of any big conference.

Investor Days/Capital Market Days

In the competition for capital, companies that offer greater transparency, deeper insights, and broader Executive Management engagement are more likely to attract investor capital. Investor Days offer an opportunity to provide these to the market.

At times, it may make sense for the IR team to consider organizing off-financial calendar meetings for the Board of Directors, including the Chairman and the lead Non-Executive Directors responsible for key areas of governance, succession planning, and remuneration. It is increasingly common to see such initiatives in the period after or sometimes leading into the annual shareholder meeting or when there are key changes in the business, such as shifts in direction or personnel.

What are they and why are they important?

Investor Days bring together investors, analysts, and occasionally financial media representatives, offering issuers an opportunity to provide a more detailed, and intimate overview of the business.

Impactful Investor Days serve as a forum for companies to showcase the depth and quality of their Executive Management, highlight business lines, address any knowledge gaps, and deliver a compelling narrative about the company and its vision. They are a vital tool for effectively communicating key information to the financial, and investment community, resulting in a better understanding, and more compelling view of your business as an investment.

Format

The typical format for an Investor Days is either a half-day or full-day event, featuring several presentations, possibly panel sessions, and a Q&A session with the Executive Management, followed by optional site visits, if relevant. Investor Days are usually held at company headquarters every 12 to 24 months, or when significant change occurs in the business.

With digital investor engagements on the rise, offering a webcast option for those unable to attend in person greatly extends the reach of the Investor Days. This is also relevant for corporates that have a diversified investor base across the globe, allowing them to follow the event live or access to it soon after through the IR section of the website.

Attendees

Key invitees should include:

- Sell-side analysts
- Current shareholders
- Prospective investors
- Debt investors, where applicable
- Investment banking advisers

Consideration should also be given to inviting select financial or industry-specific journalists. Retail investors do not typically attend Investor Days; however, it is important to effectively communicate key messages to this broader investor group through live updates around the event on social media platforms, such as LinkedIn.

To support the success of Investor Days participation, it is typical to anchor dates around key investor events, such as industry/investor conferences in the same location.

Company participants

Investor Days are an opportunity to showcase leadership strengths and for stakeholders to interact with the Executive Management team. It is therefore important to offer wider representation from the Executive Management than in other investor, and analyst engagements, which are commonly driven by the CEO, CFO, and the IR team.

Participants could include other C-suite executives such as Chief Operating Officer, Chief Marketing Officer, Chief Technology Officer, etc., key business leaders, operational management, product or service specialists, and ESG specialists, as qualified spokespeople on the key topics to be covered.

It is critical to secure key participants' buy-in early and ensure continued involvement, as you prepare for your Investor Days. Key elements of participant preparation should include:

- Presentation content preparation
- Presentation rehearsals
- Q&A preparation

Key topics

Conducting a perception study ahead of your Investor Days may provide valuable insights to help shape the agenda for the day, ensuring that you address any knowledge or understanding gaps, and misperceptions, while developing compelling messaging to reinforce throughout the event.

Communicating new information during the Investor Days is crucial for the market to see the value in the event. Key elements to cover include:

- Company strategy
- Business model overview
- Operational deep dive
- Financial and operational performance
- Growth plans and initiatives
- Capital allocation plans (e.g., M&A strategy)
- Risk management, and contingency plans
- Guidance (for some markets they need the approval from the regulator)
- Market/industry overview

After the Investor Days

Investor Days provide an opportunity for deep engagement with key stakeholders, offering the IR team valuable insights into their perceptions of your business. Following your Investor Days, use these insights to shape your IR strategy, and messaging, ensuring they address any information gaps or misconceptions in the market.

Conducting a follow-up perception study following an Investor Days can support the IR team measure the effectiveness of the event, and determine whether it has improved the market's understanding of the company, and its vision.

Recap - keys to successful Investor Days

- **Communicate new information**
- **Address gaps in knowledge and understanding**
- **Reinforce key messages**
- **Showcase depth, and quality of the Executive Management team**
- **Ensure early buy-in and continued involvement from company participants**

Site Visits

If your company has assets to showcase, for example production facilities, factories, etc., site visits can be a powerful way to convey your investment story. They provide investors, and analysts a deeper understanding of your business operations, as well as its performance, projects, and growth plans. Site visits also provide investors with the opportunity to engage with a broader group of company leaders, and gain a deeper understanding of the underlying assets.

Issuers with operating assets typically hold analyst site visits every couple of years, inviting all analysts covering their stock to visit their operations. In addition, buy-side site visits are arranged on an ad hoc basis, as requested by investors.

Site visits can be anchored around a company announcement, such as the opening of new facilities or the commissioning of a new project, to complement the announcement, and provide an opportunity for the investment community to see the new operations in action.

A typical site visit includes presentations from the Executive Management, and a Q&A session, followed by a field tour. It is common for technical, and operational managers, who can provide detailed information, and updates on business operations, to participate in, and interact with analysts, and investors during site visits. This provides an opportunity to showcase the quality of your business's operational teams, and allows the investment community to obtain first-hand, up-to-date information on operations and activities. Clearly, thorough preparation of all staff, particularly those expected to present, and interact with visitors, is key to success.

Developing an in-depth understanding of the business, and its operations through a site visit can help analysts make more accurate forecasts, and can support investors' investment decisions, therefore generating a full, and fair valuation for your business.

Market Intelligence and Consensus

Global data vendors excel at collecting real-time market data, analyzing it, and presenting it in ways that are useful to the market. This includes information for companies, and the investment community. Increasingly, data on new aspects of IR, such as ESG, can be obtained from a variety of market indices, analytics, and other market intelligence.

From an IR perspective, the data presented reflects not only your peers but also how your company is perceived by the market. It is IR's role to stay abreast of all this data. It is important to ensure that any material and useful information is shared with the Board of Directors and the Executive Management, as part of the strategic thinking process of the business.

In uncertain times, when markets can be more volatile, timely information is key, and IR should take on the role of collecting, and monitoring data. If we consider other aspects of data, including its values in the eyes of investors, we can better understand how it is being used. Today, there appear to be no limits to what we can do, from using artificial intelligence to analysing company information for a broader set of stakeholders.

Consensus management, which involves managing expectations based on the market's view of your company's forecasted earnings, is an important role for IR to master. This includes monitoring all external reports on the company, as well as forecast earnings estimates, and broker recommendations.

Best practice suggests that companies should share their view of what constitutes consensus. Sometimes, this may be driven by the company's own guidance. If not, at the very least, it should include a summary of the market view, and how it is derived, such as the number of analyst forecasts included, and the average, high, and low of these forecasts.

Ideally, this information should be posted in the IR section of the company website. It is important to keep the consensus figures updated for the benefit of the broader market, and to consistently use the same definition. Naturally, the Board of Directors and the Executive Management should be regularly apprised of the consensus numbers.

Perception Studies

Understanding where you are now is often crucial to deciding how to get to your ultimate destination. This is especially true for corporate, and financial communications, which need to be based on a clear understanding of the investment community's current perception of your business, strategy, and the Executive Management.

Although you may already receive regular feedback from investors, the confidential nature of the perception study interviews ensures that you will receive more direct feedback than what is typically provided in meetings or at roadshows.

What is it?

A well-constructed perception study has a number of advantages over day-to-day investor conversations, from the breadth, and number of people spoken to, to the depth, and timing of the discussions. A study will allow you to gather long-term views from the investor audience, whereas conversations around results, announcements, and conferences are, by their nature, more focused on short-term topics and themes. Such studies allow you to develop a long-term communications strategy, and assess if, firstly, your plans are resonating with the investor base and, secondly, if you are communicating them effectively.

There is a risk that your day-to-day conversations with groups of investors or interested parties give you an incomplete view of your stock. A good perception study moves outside of this group to speak to investors that should be interested but are currently not invested. It helps to find out why they are not currently holding, and hopefully engage them proactively in the future.

In addition, a comprehensive study will allow an IRO to provide quantitative analysis on key feedback, rather than dismissing certain feedback from investor meetings as 'one-off' comments. The process also provides an anonymous channel to the Executive Management for those interviewed, which is highly valued, and reflects positively on the company for actively seeking feedback from key target audiences.

What does it involve?

Typical studies will interview between 20 to 25 investors either via a phone interview or online survey. The themes covered can be varied, and may include a number of the following topics:

- Key issues surrounding your stock as an investment
- Triggers to invest/divest (upgrade/downgrade)
- Strengths-Weaknesses-Opportunities-Threats (SWOT)
- Views on the company's dividend policy
- Coherence and credibility of strategy
- Views on the Executive Management, and the IR team
- Sector views, perceived investment peers, and peer group comparisons
- Relative positives, and negatives of different investment propositions
- Views on disclosure, guidance, and corporate governance

The results of the study are designed to assist you in refining your IR strategy, and your approach to communicating with the market, in addition to shedding light on how these might impact an investor's holding.

In some cases, the findings can be used as measures to KPI of the IR team, particularly if conducted on a regular, if not annual, basis.

Are any new themes emerging?

Perhaps unsurprisingly, given its importance in IR, a recent trend has been the rise of ESG-specific perception studies. These studies help issuers understand the growing significance of ESG, and how it might impact investment decisions for both existing, and potential investors. Common questions in the study include:

- Does ESG feature in your investment screening?
- What is of particular importance in terms of ESG topics?
- How do you rate our focus on ESG?

IR perception studies enable companies to:

Identify the strenghts & challenges of your IR deparment

Receive direct feedback from investors and analysts to improve IR perfomance

Benchmark IR team perfomance against sectors peers

Proactively increase the quality of the company's IR program

Strategic Communications

IR and PR

Historically, the view of corporate communications was that it would suffice for all communications including IR. However, this has proven not to be the case as the difference in audiences, including a very demanding, and sophisticated investment community, means that IR offers an entirely different proposition from corporate communications, and public relations, and targets a completely different audience.

PR is usually part of a company's marketing program, and aims to present the company's products, and services in the most favorable light possible. IR, however, aims to provide a fair, and balanced understanding of business strategy, and prospects to potential, and actual investors among other stakeholders.

As such, IR needs to present a complete, and holistic view of the business, whereas PR tends to put a more positive outlook on the business, and what it offers customers, and other stakeholders.

Ultimately, a full, and fair market valuation for an issuer should be the principal objective of effective IR, which is achieved through minimizing the perceived cost of capital. Lowering the cost of capital should make it easier to raise capital through equity, and debt markets in the future, or undertake an acquisition using an issuer's shares as currency, one of the main benefits of going public in the first instance.

Regulatory changes, and new market forces, including social media platforms, are pushing issuers to rethink communication. Against the backdrop of volatile markets, increased pressure for transparency, and the rise of shareholder activism, the need for effective, and direct interaction with the investor community, and other stakeholders is paramount.

Best Practice Communications

Best practice starts with comparing, and contrasting what else is out there - determining who is doing the best job as far as the market is concerned. There is nothing wrong with taking the best ideas, and making them your own. However, you first have to put yourself in the position of your audience, work out what is required, and start developing the IR story internally with all the inputs you need.

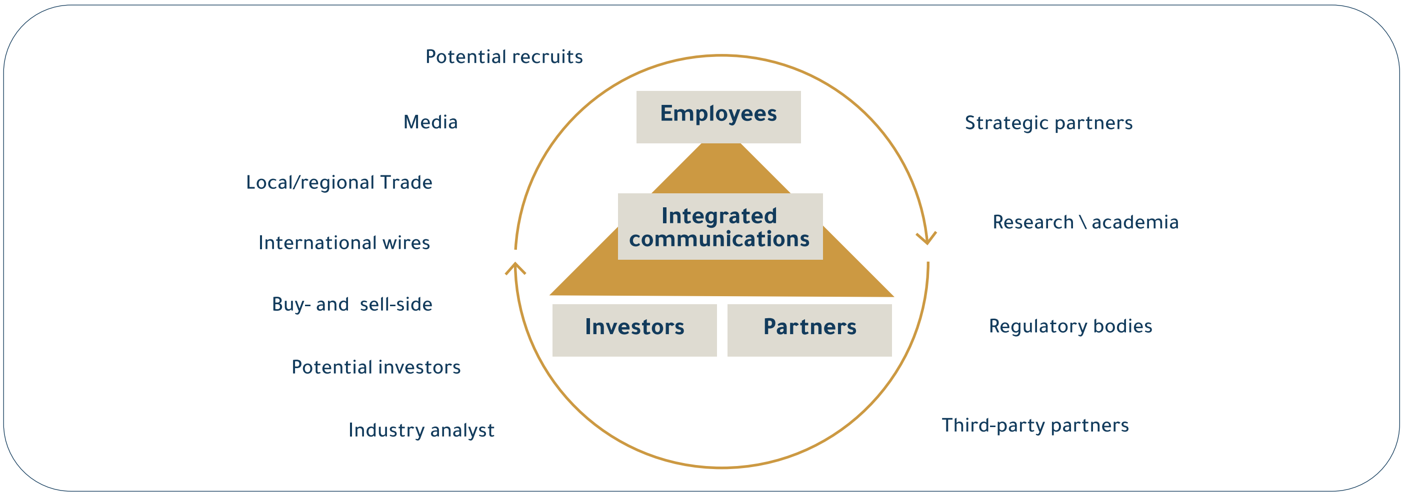
Here are some best practice principles to follow, starting broadly to reiterate what is at stake, and developing your own IR program to address your target audience:

- A compelling investment case: Deliver a clear, concise, complete, compelling, and consistent message
- Deliver on expectations: Establish, and manage the expectations of all stakeholders
- Improve relationships with buy- and sell-side audiences: Use proactive communications that optimize the use of the Executive Management's time
- Better visibility: Secure the best platforms for the Executive Management, and use financial media to your advantage
- Fair valuation and lower cost of capital: Create demand for your shares through investor targeting, peer group benchmarking, and analysis. Lower future cost of capital by developing strong ties with capital markets followers

What does a best practice IR program look like?

1. Identify and understand audiences:

- For an issuer to achieve its communications goals, it must identify and understand its most important audiences. Stakeholder audiences vary, from media, investors, and analysts to employees, industry bodies, customers, regulators, and more.
- Investor communication must be consistent, but the requirements, and interests of individual audiences need to be considered.



2. Establish an effective function:

- Map out roles, and responsibilities to meet obligations as a listed company
- Irrespective of the size, and structure of the issuer, the IR, and communications functions need to work in tandem with each other, understanding their responsibilities, and boundaries
- Workflows should be adapted to meet IR, and disclosure requirements, and in almost all cases a full-time IR specialist will need to be appointed

3. Integrate the communications calendar:

- A well-structured, rolling program is key to managing disclosure requirements, and ensuring proactive communications with stakeholders.
- The IR, and communications functions need to be aligned on their obligations, and priorities for the year, maximizing opportunities in between stops in the reporting cycle.

4. Share the toolbox:

Develop a comprehensive IR toolbox that can be updated on a quarterly, and yearly basis. IR, and the communications functions should work together in developing, and deploying the tools available to them, including:

- Messaging
- IR strategy
- Perception study
- Investor fact sheets, presentations, and earnings releases
- ESG messaging
- Corporate reporting
- IR website

A successful investor communications program is constantly evolving. Having established the IR function, and calendar, it is essential to sustain momentum through ongoing engagement, providing investors with what they need to know about the business. However, engagement is a two-way street. Meaningful interaction can be achieved through platforms, and channels, including Investor Days, AGMs, site visits, the Annual Report, and investor/market surveys to understand perceptions of the company.

IR Communication

Communication Channels:

IR should use various channels to communicate, stay connected, and in turn maintain relationships with various stakeholders of the investment community. These channels include, but are not limited to the following:

Meetings with investment community

One-on-one meetings are one of the most effective ways to communicate with the company's shareholders. Meetings can be used by the Executive Management to present or provide updates on the company's performance, future plans, and market announcements. Meetings enhance discussion, and address the concerns or queries of shareholders in a managed environment.

IR is responsible for ensuring that all meetings are properly planned, coordinated with all the stakeholders, and conducted in accordance with the company's bylaws and relevant regulations. Prior to meetings, IR should ensure that any management representing the company is properly briefed, and well-prepared to discuss the items on the agenda. IR should also ensure that meeting materials are properly prepared, and tailored to the participants.

Press releases and conferences

The company can also use press releases and conferences to communicate with the general investment community. A press release is a written or recorded communication directed at members of the news media to make an announcement to the public, while a press conference is a meeting organized to distribute information to the media, and answer questions from reporters.

In carrying out a press release or press conference, IR shall consider conducting background briefings to allow the press or media personnel to know more about the company. These initial briefings can also be used by the department to build good relationships with the media personnel, and position the Executive Management as experts in the market or sector.

IR will coordinate with other communications functions to issue press releases or organize press conferences. IR shall coordinate with the authorized spokesperson, who will represent the company in the press conference in making the statements, and delivering the messages for the purpose of PR, and attracting investors. Topics for investors can include:

- Strategy, and business plans for the coming period
- Results achieved/met/exceeded planned targets
- Improvements to the current governance of the company
- Improvements around operational effectiveness

In coordination with Corporate Communications, IR should manage the process to ensure that it all goes to plan, including getting across key messages through the relevant spokesperson of the company.

Participating in conferences

Regular conferences enable IR to connect with, and introduce the company and the Executive Management to the investment community. However, before attending any conference, IR should ensure that the agenda attracts the right target audience, and allows the company to effectively communicate its investment proposition. Preparation is key in making this happen.

Annual Report

The Annual Report is potentially the most comprehensive report on the business. It should outline in detail the company's activities throughout the preceding year, including the financial statements, the Executive Management's review of the results, plans, and future initiatives. Annual Reports are often the first port of call for enquiries of shareholders, and other stakeholders.

IR can work across other key functions in bringing together the Annual Report as a permanent, and important record of the business. In preparing the Annual Report, IR can consider the following:

- **Content**: IR shall ensure that the contents of the Annual Report are comprehensive, and at the same time clear, and can be easily understood by the target audience. IR should also ensure that the contents of the Annual Report meet the requirements of the relevant regulations, where applicable.

- **Design**: In consideration of communication principles, and protocols, IR can select a design that will enable the readers to intuitively navigate the contents of the report, and pay attention to key information. The design should also be consistent with the company's branding strategy, and corporate identity manual.

- **Distribution**: IR shall determine the form, and channels through which the Annual Report will be distributed, whether in print, and/or electronic, through courier, and/or on the website, depending on the requirements of the intended user as well as relevant regulations, where applicable.

- **Timeliness**: IR shall ensure that the Annual Report is prepared, and communicated or made available to the intended users in a timely manner.

- **Tone of Voice**: Review of the language, style, tone, and accessibility of the Annual Report are essential.

Media Strategy

A successful IR program needs to be complemented by an effective media strategy. When deployed properly, a media strategy can positively impact the perceptions of an issuer's investor base, key stakeholders, and the wider investment community. By effectively demonstrating the company's ability to consistently achieve shared goals, and find alignment with its stakeholders (such as business partners and customers), the company also makes its case for its ability to create long-term, sustainable value for investors.

Build your relationships with the media

We live in the era of the 24-hour news cycle. Corporate issues make headlines, and can potentially take damaging turns, as company responses are analyzed in minute detail. Therefore, you must engage with the editors, and reporters that matter most to your business. Most relevant are the essence, and purpose of the company's existence: ensure they have a clear understanding of your business, the role you play in the industry, and the contribution you bring to the sector and economy, as well as the overarching purpose that motivates and informs your company's actions. That kind of context will be invaluable when they put pen to paper in the event of breaking news on your company or the sector in which you operate.

Demonstrate accountability beyond financial results

An ever-growing number of global investors want to know what organizations are doing to influence social, and political issues, how they address broader societal challenges, or simply, what their stance is on relevant topics. They increasingly want to be associated with organizations that have broader motives than simply generating returns for shareholders.

It is therefore incumbent upon corporates to demonstrate their purpose to society beyond the narrow requirements of the increasingly outdated total shareholders return model. Your media strategy needs to communicate your company's purpose: your value to society, and the economies within which you operate.

Conclusion

The Board of Directors, the Executive Management, and IR professionals need to consider how best to protect a company's license to operate, and to generate long-term returns. Therefore, your media strategy needs to be underpinned by a strong understanding of the purpose, current investor base, and targeted investor base, as well as its broader stakeholders, and the key media outlets with which they engage.

Benefits of a media program

- It enables the development of relationships with the media, and allows for the education of journalists on the nuances of your business, and equity story.
- Your equity story is effectively communicated to the market through a third party, thus adding credibility to the message.
- During times of crisis or periods of negative news, the issuer's existing relationships with the media can be leveraged to help ensure that the company receives a fair share of voice in the news cycle.

Similar to how you engage with the investment community, in your communications with the media, aim to adhere to a few basic principles:

- Transparency
- Accuracy
- Timely responses
- Two-way dialogue

Social Media

Take control of your narrative on social media

As the media landscape evolves, and investors look to a broader range of sources for information, social media is increasingly important to disseminate information from issuers to investors. Owned channels are important for corporates wishing to actively engage with stakeholders, and while positive news is more likely to be communicated on social media than negative news, where negative news exists, posting on X can help minimize the impact of a negative price reaction. There is no doubting the importance of social media in communicating financial results for leading companies - it is now a major tool for reaching all stakeholders.

Our world is changing rapidly, and with it the financial structures that support it. Market shocks, such as the 2008 Global Financial Crisis and the COVID-19 pandemic, have reinforced the importance for capital market participants to access accurate, and reliable facts on which to base their decisions. If IR does not manage news, including via social media, the company risks losing control of its narrative.

Social media impacts investment sentiment and, coupled with a rise in artificial intelligence, information gathered from such platforms can increasingly influence both active, and passive investment decisions. Companies need to consider their social media assets as an additional channel to communicate with the investment community. Here are some important considerations for IR teams:

Have a clear social media policy

Create a guiding document setting out how to effectively use social media, while ensuring compliance, and disclosure obligations. The policy will define who is authorized to post content, and in what manner. IR should have a role in both its formulation, and its application.

Keep good company

Follow the right people, and companies. Contribute to discussions around environmental, social, economic, and governance issues that affect your business. The company you keep is a direct extension of your brand positioning.

Ensure compliance

You're under the microscope, and there is no room for compliance breaches. Sensitive information or misplaced opinions can be damaging, and may result in hefty fines. Social media posts carry similar obligations to any other public commentary.

Stay relevant

Post regularly (minimum twice a week). Investors, and analysts are more likely to follow you if you post what is relevant to them. Create a clear, and concise three-month content plan that includes deal, and non-deal content around the financial calendar, but also M&A, capex projects, major launches, Investor Days, site visits, conferences, leadership changes, and other relevant news.

Curate your content

Make your content easy to digest, engaging, and packaged appropriately. For example, thought leadership pieces are better for LinkedIn and time-sensitive news is best for X. Invest in rich content such as infographics, videos, pictures, thought leadership editorials from the Executive Management, and broadcast feeds for key events.

Pick your platforms

Depending on your sector, and capacity, X, LinkedIn, and YouTube are recommended choices for IR. Create $cash tags and #hashtags to increase discoverability, and help tracking. Respond to conversations promptly, especially on X. Be stakeholder specific on LinkedIn, and consider profiling executives as content from personal profiles is shared twice as much as content from company profiles. Use YouTube to publish all audio-visual content generated for conferences, awards, interviews, adverts, and educational material. Apply settings to make videos public or unlisted (visible only with a link). Other new platforms might also be considered, depending on your shareholders' geographies.

Manage your networks actively

Put in place the right infrastructure to monitor, regulate, and respond. Consider hiring a professional agency or assigning an internal specialist trained in the relevant regulations to manage, post, and react to conversations. Their effectiveness can influence a company's share price and reputation, and may provide feedback to inform future strategies.

Once the decision has been made to deploy social media assets in support of the IR function, the best approach to maximise benefits, and limit risks is to integrate it with a corporate communications plan. IR cannot operate in a silo when it comes to social media. More so than in traditional media, the wrong approach can damage your reputation immediately.

Deployed strategically, and with the right resources, social media assets can deliver exceptional returns on investment for the IR function and the company's investment case.

IR Website

The ongoing obligations of listed companies to provide timely disclosure of price-sensitive information, and ensure equal treatment of all shareholders have always been central to the regulatory regime. Today, the role of the company website goes far beyond merely meeting regulatory obligations. In many cases, websites are the primary communication channel between an investor, and a company. As standards have improved, so too have expectations, particularly regarding the quality of information communicated through the website. Every company should view its website as a key communications platform, and recognize its importance to investors, and other stakeholders.

Both pre- and post-IPO, issuers should invest considerable effort to ensure their company website effectively portrays key IR content, as driven by the needs, and expectations of investors, and other stakeholders. Websites are a critical part of the IR toolkit, providing the issuer with valuable opportunity to reach a broad investor audience, kick-off the engagement process with investors, and start building valuable relationships. The most important goal is to treat the website as an ongoing communications platform and, in today's digital age, there is simply no excuse for not maintaining a high-quality website.

The table below sets out a guideline framework for the recommended content, and typical structure of an IR website for a listed company. It should cover the seven key areas: About Us; Governance and Sustainability; News Releases & Events; Financial Results & Statistics; Stock Price Information; Shareholder Information; and Advisers and Contacts, including for the IR team.

Recommended IR Website Content and Structure

Menu Section	Recommended Pages	Recommended Content
About us	Business overview	The 'elevator pitch' of a company's core operation
	Strategy	Strategy brief and performance KPIs/targets
	Company history	Company's evolution and history
	Product or service information	Key products and services
	Information about markets	Drivers, dynamics, and trends
	Fact sheet	Key information at a glance

Menu Section	Recommended Pages	Recommended Content
Governance	Corporate Governance Policy	Policy
	Board of Directors	Photos, profiles, roles, and responsibilities
	Board Committees	Memberships and terms of reference
	Company structure	Organizational structure
	Executive Management	Profile of company's leadership
	Risk management	Key risk policies
Sustainability	Sustainability	Policies
	Press releases	All press releases
News Releases & Events	Regulatory announcements	Key regulatory announcements
	Financial calendar	Key announcement dates
Financial Results & Statistics	Recent/forthcoming results	Most recent financial results and historical archives
	Key financial data	Latest financials
	Annual Reports	PDFs of current and historical archives
	Presentations	Results, analyst visits, conferences, etc.
	Analyst calls	Transcripts of recent and previous analyst calls
Stock Price Information	Share price charts	Summary table, listing information, and charting tools allowing comparison with peers and indices

Menu Section	Recommended Pages	Recommended Content
Shareholder Information	AGM information	Latest AGMs, dates, minutes, and regulatory announcements
	Key shareholders	Holdings over 5%
	Share registrar	Contact details, forms, and links to share registrar website
	Dividends	Payment history and contact details of paying agent
	Shareholder documents	Prospectus
	Analyst information	Latest analyst report and analyst contact details
Advisers & Contacts	Table of key advisers	Market maker, financial adviser, auditors, lawyers, and marketing/communications agency
	Company contact details	IRO and Corporate Communications' contacts

Website

A company's website is a key communication platform that generally serves as a first touch-point between the company, and members of the investment community. The website serves as the online shop window for the corporate brand, values, and contents.

IR, in coordination with the communications functions, should ensure that the following content and structure are reflected on the IR pages of the website, at a minimum:

- Overview: Who's who in the business, business model, investment proposition and IR contact.
- IR Calendar: Dates of major IR events.
- Sustainability/ESG credentials: The company's responsibility, and commitment to sustainable development as well as the community in which it operates.
- Financial reports: Annual Reports, quarterly reports, analyst conferences, presentations, and transcripts.
- FAQs: Frequently asked questions about the company, which are reviewed, and updated at least on a semi-annual basis.

Conclusion

IR continues to evolve. A key success factor for a strategic IR function is to respond to market needs. In just the last few years, post-global pandemic, for example, IR has witnessed significant changes that have led to its role today being seen as more broadly ESG-related, as opposed to purely financial. Indeed, it is increasingly a time for more integrated reporting to capture important non-financial metrics that the investment community itself is using to assess potential investments in companies.

The future of IR will be driven as much by its delivery as by its content. In this, technology plays a big role, in that it offers cost-effective means to reach bigger audiences, as well as more bespoke channels, and platforms to deliver the IR story. With a new generation of tech-savvy investors with new needs, IR will again have to reinvent itself. To adapt, and thrive, IR will need to consider new offerings, such as AI for communication, and Augmented Reality, and Virtual Reality for product launches, and site visits, for example, if it is to access and engage broader audiences, and new investors.

IR will need to remain adept, and clever at giving the market what it needs to make its investment decisions. This will increasingly include the use of artificial intelligence, and other data-led responses, machine learning, and natural language processing. If not, what is to stop IR from being hijacked by other stories, and possible untruths in the cyberworld? At the same time, the adoption of hybrid meetings, virtual AGMs, and other channels, and platforms to address the ever-changing, and increasingly discerning needs of the market will continue to test IR as an essential strategic role for public companies.

Thinking of IR as a strategic function means putting sufficient resources into it, including a budget to professionalize IR, and implement key technology use cases. In this way, IR can harness the power of technology to efficiently reach target audiences, including international ones. What will the future IRO need? A key part of the answer lies in the ability to respond in the face of the needs of increasingly sophisticated investors. These stakeholders have more big data, analytics, and other ways to slice, and dice, if not analyze, IR stories.

Finally, tomorrow's statutory reporting requirements may remain essentially the same, given the need for tried-and-tested company reporting in a transparent manner. However, there are clearly new ways to deliver this information quicker, and more efficiently, if not productively. Reporting requirements will continue to drive the IR Calendar, around which IR programs are developed. Further, the need to stay up to date with guidelines, rules, and regulations, as well as new IR trends, means that investment in continuous professional development will remain essential. For IR professionals to stay competitive and, above all, be considered a strategic company asset in the competition for capital, the true value of IR must be evident every day.

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