



# INVESTOR RELATIONS PROGRAMMES

## Measurement

IR performance measures must fit the company and be a mix of qualitative and quantitative factors. Some of the measures of success we monitor are:

- Meetings with ‘buy side’ and ‘sell side’ analysts and the number of opportunities to present at investor conferences
- Positive feedback in perception studies
- Increased sell side analyst coverage
- Financial media coverage
- Progress towards achieving a targeted shareholder mix on the register

## In-sourcing IR Support – it works

We work in partnership with the senior executive team to provide the experience and resources required to execute their IR Programme.

A US study of 184 firms that hired IR consultants to develop an IR strategy reported significant increases in their disclosure, institutional ownership, analyst coverage, trading activity, press coverage and market valuation. *(Bushee and Miller).*

In a survey in December 2009 of buy side analysts in the US, 75% viewed IR as having a real impact on valuation, with ‘good’ IR lifting the median valuation by 10% and ‘bad’ IR discounting it by 25%. Subsequent surveys in Australia and Canada have duplicated these findings. There is therefore a real cost to companies choosing to under-invest in their IR capability.



XYZ – JULY 2009  
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### IR Program: Market Engagement Opportunities

**RETAIL ADVISER BRIEFINGS**  
Retail investors comprise around 15% of XYZ's register and typically provide support for its security price. Additionally, XYZ's core investment metrics such as its distribution yield and security of cash flow take on greater importance to this investment group. Consequently, it is recommended that XYZ integrates a schedule of retail investor briefings into its annual programme, specifically targeting retail focused brokers and their advisors. These presentations have a greater focus on telling a company's investment story, rather than the financial and operational metrics. Presentations to retail brokers are less time critical than results road shows, so can occur at times more convenient to senior management.

**BROKER CONFERENCES**  
Broker sponsored conferences present an ideal opportunity to present to the broader institutional market, outside of key reporting dates. Often these broker conferences are sector or investment style based (eg infrastructure, mid-cap, etc). If invited, presentation by senior management to these conferences can therefore present the opportunity to discuss with potential new investors XYZ's investment thesis, in greater detail than would be available during the results reporting period.

**BROKER HOSTED LUNCHES WITH INSTITUTIONS**  
Broker analysts regularly offer their institutional clients the opportunity to informally meet with the CEO and CFO of companies they research. These are relatively low key events but provide potential investors or smaller institutional subscribers a forum in which hear management outline the company's strategy and to ask questions concerning the performance of the business. Such opportunities should continue to be taken up as offered.

**OFFSHORE INSTITUTIONAL ROADSHOW**  
XYZ's register is well represented by offshore institutional investors. Consequently, it is recommended that XYZ's senior management team schedule an offshore roadshow to these securityholders and potential investors annually. These offshore roadshows are typically co-ordinated and hosted by the brokers who maintain high levels of trading and research support for the stock.

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## Why FIRST Advisers?

For over the past two decades FIRST Advisers consultants have provided IR advice and support to more than 100 listed companies in Australia and New Zealand. This experience is backed by deep expertise in funds management, broking, investment banking and corporate affairs.

### How to find out more

Contact Ben Rebbeck or Victoria Geddes on +61 2 8011 0350 or email us at [info@firstadvisers.com.au](mailto:info@firstadvisers.com.au)

We'd be happy to discuss your company's particular needs and how an appropriately structured IR Programme can improve the effectiveness of your engagement with the market.

# FIRSTADVISERS

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Digital and Document Design  
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