



Engaging Shareholders & Targeting New Investors Amidst COVID-19 Travel Disruption

Best Practices for a Proactive Approach

The spread of coronavirus continues to pose both daily headline risk and tangible business impact for global corporations. Moreover, analysis from IHS Markit's Global Markets Intelligence group illustrates not only short-term quant and ETF based outflows driving the market downturn, but heavy long-only institutional pressure to the downside across global indices. Working off historic highs, many are choosing to be safe rather than sorry, and take profits off the top.

Against this backdrop, many of IHS Markit's clients are coming off their Q4 and Full-Year results with a packed schedule of industry conferences, roadshows and investor meetings. In recent weeks, we've seen the cancellations of these investor events snowball, removing critical touchpoints for IR teams to maintain relationships and instill confidence in uncertain times, while also engaging investors who may be looking to buy in to stories during near-term pullbacks.

The following items represent best practices to consider from the IHS Markit Corporate Advisory teams and our corporate client partners:

- **Proactively reserve time with leadership for top shareholders**
 - > Through the course of your general IR schedule, many of these investors would typically receive important quarterly touchpoints following full-year results. Even if you're not heading to your Tier 1 metros or the top industry conference due to cancellation, reserve a full or half day dedicated to shareholder maintenance via conference calls or virtual meetings. Proactively reaching out and offering this time will pay dividends.
- **Conduct an event-driven prioritization pivot for 2H**
 - > Undoubtedly, key NDRs and investor meetings have been disrupted and IR teams will likely have to do more with less during CY 2020. If travel will be paused for at least the next quarter, it's an apt time to reprioritize the second half of the year (where possible) to ensure top priorities are executed on, and travel to at-risk regions is pushed towards the back end of the year or into 2021.
- **Check-in with targets who may see current events as an entry point**

- > Repeatedly, we hear of targeted investors that love the story, but can't buy at current valuations and are waiting for a pullback. This is the time to bring up that short-list and engage on your competitive differentiation and company strategies to emerge from current macro conditions. Best practice on the CRM side is to identify these targets in BD Corporate via *ADFs* (Activity Defined Fields) during meetings, with indications such as "valuation". Users can then assign goals for interaction in our *Goal Tracker* for quick reference. For teams looking to implement such practices, our teams stand ready to assist in quantitatively isolating key targets and optimizing your CRM strategy.
- **Appreciate true risks that may be present for your capital allocation strategy and investment story**
- > As companies have reported broken supply chains, disrupted manufacturing and closed stores, businesses with a high percentage of revenue produced in China or other at-risk regions face the very real prospect of having to alter their dividend, share repurchase or debt payment plans, which can materially impact shareholder composition and, in turn, share price and valuation. Our Situational Analytics team is working across corporates, who are proactively seeking to understand the risk and impact of any Coronavirus-forced change to capital allocation policies.
- **Start thinking outside the box for technology that can facilitate your IR events**
- > In addition to sell-side hosted events, many corporate teams are weighing options for upcoming investor days, site tours or HQ visits. As in-person events are currently cancelling at a high rate, companies are strategically engaging in-house event teams or third-party services to ensure the team can get key messaging out and expose investors to company leadership and go forward strategies. Moreover, from an IR budget perspective, event spaces face near-term headwinds, and may be looking to lock in future events, which might lessen or displace the blow of present cancellations. Teams are being creative during these unprecedented times. There are a number of reputable virtual roadshow providers able to step in and fill the need, and many local brokers also have state of the art virtual conference facilities for teams that do not have these capabilities in-house.
- **Arm yourself with not only company talking points, but a broader understanding of the macro picture on COVID-19 and global impact**
- > IHS Markit's Economics & Country Risk teams are leading the charge on providing intelligence across the globe on the impact COVID-19 is having on specific regions, countries and business lines. The most recent COVID-19 Outbreak Impact Update from 3/3/20 can be found here ([COVID-19 Outbreak Impact Update](#)). Your IHS Markit associates will be sending out thought leadership and webinar invitations to all current clients and we encourage you to take advantage of these valuable events and resources.

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