



IHS Markit®

Optimizing Investor Day Engagement

How to drive in-person Investor Day attendance



Increasing Investor Day Attendance

IHS Markit's Perception Analytics and Corporate Advisory teams maintain constant communication with C-suite executives, Investor Relations professionals, buy-side institutional investment managers, and sell-side research analysts, surveying them regularly on topics of interest. For the purposes of this white paper, we collected responses from over 300 IR professionals, 45 buy-side firms (representing over \$4.0T in EAUM) and 20 sell-side firms around the globe to better understand the factors that go into hosting and attending Investor Days.

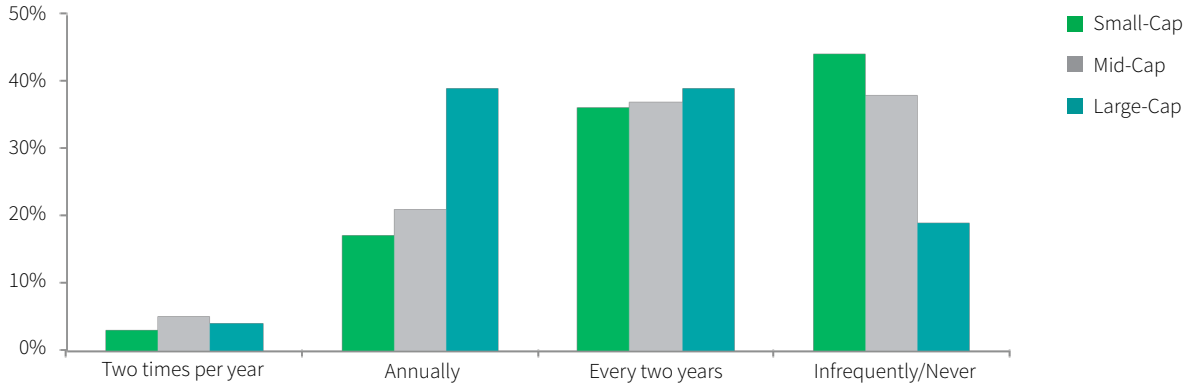
Key findings

- Nearly half of the companies surveyed host an Investor Day at least every other year.
- Most companies that host an Investor Day allocate a unique and significant budget for the event.
- The factors most likely to drive in-person attendance from investors and analysts are management accessibility (54%), convenient location (49%), presentation of new information (36%), size/importance of position (36%), time/resources (34%), product demonstrations (20%), cadence of events (18%), and site visits (16%).
- The factors most likely to lead investors and analysts to skip an Investor Day include a lack of incremental information (38%), inconvenient location (21%), lack of management access (16%), poor timing (16%), lack of stock ownership (15%), and short presentations (13%).

Detailed findings: Hosting Investor Days

Given the increasing importance of direct interactions between investors and management teams as well as the potential for MiFID II disruption of sell-side corporate access, we present below insight from global IR professionals on the cadence and budget allocated toward the planning and execution of Investor Days.

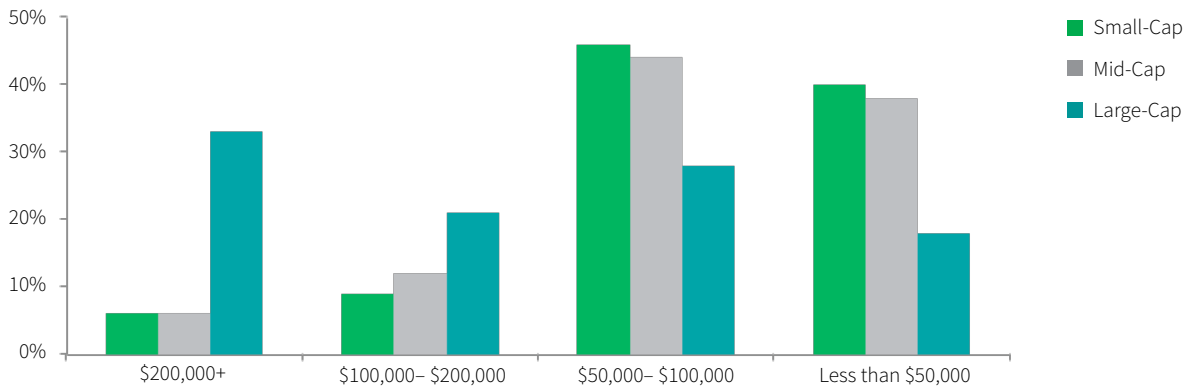
Investor Day frequency



Source: Ipreo 2018 Corporate Access Survey

- Nearly half of all corporate respondents host an Investor Day on a regular basis (at least every other year). Large-cap issuers are nearly twice as likely to host an Investor Day on at least an annual basis than are mid- and small-cap issuers.

Investor Day budget



Source: Ipreo 2018 Corporate Access Survey

- Most public companies that host an Investor Day allocate a specific budget to the event, and nearly 1-in-3 large-cap companies have Investor Day budgets exceeding \$200K.
- In North America, 35% of companies budgeted more than \$100k for their Investor Day, 42% budgeted between \$50k and \$100k, and 23% budgeted less than \$50k.

“We expect changes in the investment community to require additional outreach efforts primarily driven by our company, such as through more frequent Investor Days.”

North American mid-cap utility company

“We anticipate increased attendance at our next Investor Day as the need for information after MiFID II is higher.”

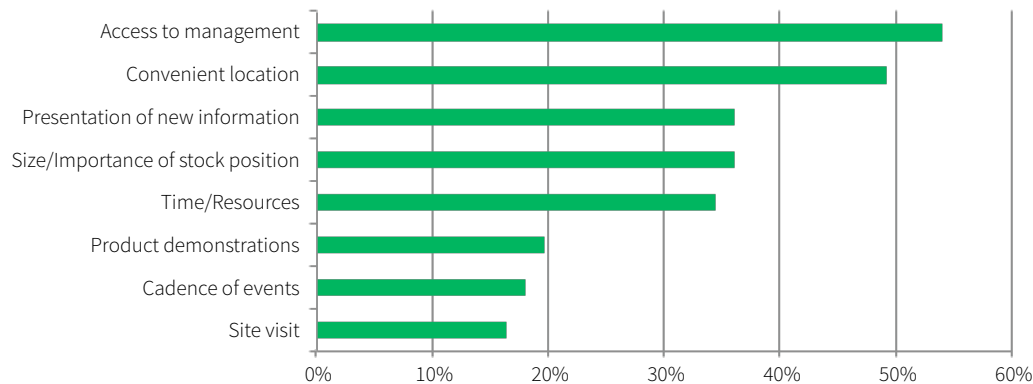
European mid-cap industrial company



Detailed findings: Attending Investor Days

With an understanding of the significance of the time and resources that corporates dedicate toward Investor Days, below we present the key factors that investors and analysts evaluate when deciding whether to attend an event in-person, rely on an online webcast, or skip an Investor Day entirely.

Factors for attending an Investor Day in person



Notes: Participants had the option of providing multiple responses.
Source: IHS Markit

- The opportunity to interact with C-suite executives and other business leaders in intimate, private settings in order to gain a holistic view of the company and ask asset- and division-specific questions to the people executing the strategy and managing operations is the most valuable factor that would require investors and analysts to attend an Investor Day in person.
- These interactions should include formal Q&A after presentations, as well as informal interactions such as roundtable discussions, breakfast and lunch settings, product breakout sessions, and facility field trips.
- Investors and analysts note that site visits that allow them to better appreciate operations and product demos and asset reviews that highlight the differentiated use case and value-add of a company's products and services to clients are other factors that would drive them to attend an event in-person.
- Another factor within a company's control that will drive attendance at an Investor Day is the depth of the presentation and inclusion of new and incremental information on the long-term business plan, key growth drivers, and competitive landscape (compared to what is readily available in previous presentations, earnings calls, disclosures, and on the company website).
- Factors that are less within a company's control that impact in-person attendance include the convenience of the location, proximity of the event to others (to allow for coordination and cost management), frequency of events (scarcity drives more interest in attendance), and size and materiality of the investment position.

“If I have access to content or people by attending in person that I would otherwise not have access to, then I would attend in person. If going to the event means you get to attend small group or one-on-one meetings with C-suite executives or senior leadership, or if there is going to be a product showcase, then that is a compelling factor for attending. If the company says that it is launching a particular product that is going to solve pain points, you may trust in the management team that they are telling the truth, but actually seeing that product in person or being able to drive the demo, you will now know through firsthand experience why this product could potentially be what the management team claims it can be.”

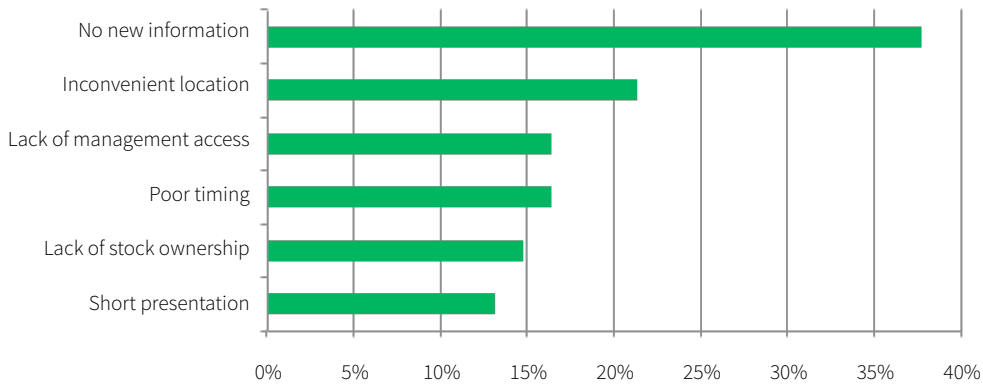
North American mutual fund (\$25B+ AUM)

“The first factor is always the location if I am going to attend in person. The closer to me, the better. So, if it is in New York, I am more likely to attend. I do not typically travel for an Investor Day. I also consider how recently I have met or been in contact with management. If I just met them and got an update and it was good, then I may not need to attend an event. I also think about the size of the holding. If it is a large part of our portfolio, we are more likely to want to attend the Investor Day. If something big is happening, if things are in flux, or if there is a big transformation, then I will attend.”

North American mutual fund (\$30B+ AUM)



Factors to skip an Investor Day



Notes: Participants had the option of providing multiple responses.
Source: IHS Markit

- The factor that would most incline investors and analysts to skip an Investor Day is the belief that the event will provide a general and redundant update with no meaningful insight into the company's growth prospects, strategic vision, or financial positioning.
- Investors and analysts indicate that a truncated, overly-broad, or overly-narrow presentation does not require in-person attendance and can instead be viewed through a webcast or skipped entirely.
- Another factor that can cause investors and analysts to skip an event is a lack of unique presenters and limited access and interactions with the breadth and depth of management.
- Other factors that will generate poor attendance include an inconvenient location (travel requirements), scheduling conflicts, or if the stock position is not a primary holding.



“You can ask about the Analyst Day and if it is going to be a basic event with not a lot of news and it is going to be 60 to 90 minutes, you will probably not attend in person. This is especially true if it will be foreshadowed by management saying it is similar to what they have done over the last few years. You have to figure out what is going to be a value add because everything is accessible online via webcast. We try to go to the key events where we think there is going to be a lot of value add as well as unique presenters.”

North American mutual fund (\$55B+ AUM)

“I would not attend an event in person if access to management was limited or if it is too crowded. Short and very general events based on past experiences are factors we consider. An event that is less than two or three hours will probably be too general. Events should be at least half a day. Having various Divisional Heads outside of the C-suite is also useful.”

European mutual fund (\$22B+ AUM)

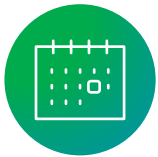


Key takeaways

There is ample evidence and anecdotal commentary to suggest that Investor Days are becoming an increasingly more vital tool for companies to improve their engagement with their investment communities. As companies recognize the increased importance of these events and dedicate more time and resources toward these endeavors, it is critical to understand the value that investors and analysts hope to gain from these events. In order to ensure healthy investor and analyst attendance at their Investor Days, companies should:



Consider the cadence in which they host Investor Days to provide the market with regular opportunities for a deep dive into the business while ensuring that the meetings will offer valuable incremental information that will spark interest in the stock.



Consider the implications of the timing and location of their event to avoid particularly busy seasons (earnings announcements) and same-day scheduling conflicts (other conferences, industry events, or Investor Days), and in hopes of allowing attendees to coordinate travel with other engagements (investor meetings, other Investor Days) in order to justify the time and resources of attending an event in-person.



Produce an agenda ahead of the event that details the expected speakers, critical topics of discussion (best uncovered through a pre-event perception analysis), as well as unique aspects of the event format that will maximize the value of the event for in-person attendees (facility tours and site visits, product demonstrations, asset- or segment-specific breakout sessions, Q&A opportunities, and management engagement).



Assess their shareholder list to determine investors with meaningful positions and significant purchasing power and proactively reach out to them to personalize the Investor Day invitation given their increased likelihood of attending in-person.



Facilitate management accessibility throughout the event by providing opportunities for formal Q&A after each presentation, rotating C-suite executives around the room for more intimate engagement, including lower-level executives and operational leaders in product demonstrations and breakout sessions, and hosting pre- and post-event get-togethers to allow for one-on-one interactions between executives and investors.



Follow up with investors and analysts after the event to gauge the impact on market sentiment of the corporate vision, strategy, and management capabilities.

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