IR PRACTICE NOTE

The Investor Day

5 BEST PRACTICE CONSIDERATIONS

INTRODUCTION

An Investor Day, also known as an “Analyst Day” or “Management Day,” is a public event for C-suite executive leaders to update institutional investors, sell-side analysts and other stakeholders on the forward-looking strategic direction and the financial position of the company. Additionally, this event provides a forum for a company to hear directly from key stakeholders, showcase its leadership team and provide the longer-term strategy of the company.

There is no rule for when or how frequently to host an Investor Day. Consider timing the event to showcase progress on key initiatives, long-term strategy, key performance indicator (“KPI”) momentum and avoid timing conflicts with earnings cycles, major conferences and holidays. When planning, work to align availability of senior leaders with that of the chosen venue, and be sure to allow sufficient time for internal and external coordination.

A successfully executed Investor Day is both informative and engaging. Here are five best practices to consider when preparing for an Investor Day.

Best Practice #1

CONTENT AND PRESENTATION

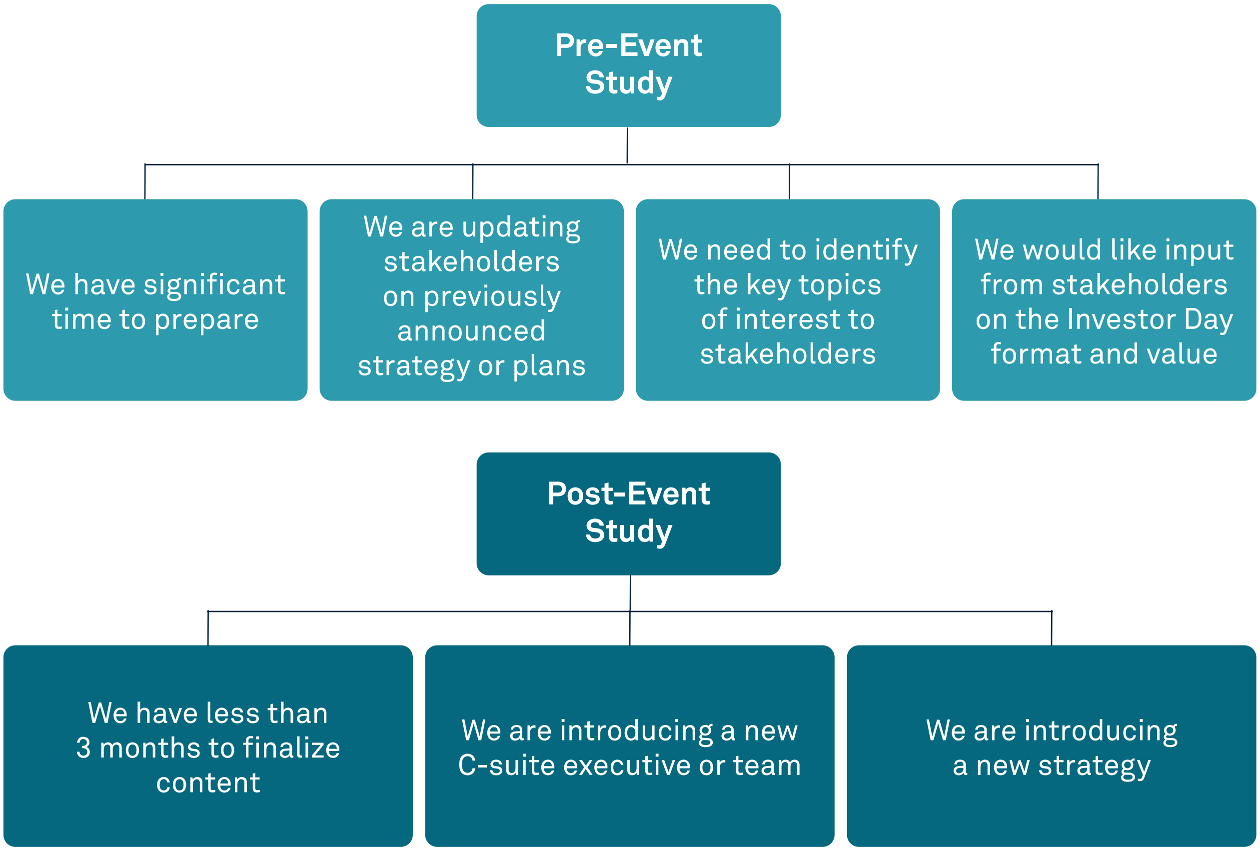
The primary goal for an Investor Day is to provide a comprehensive update on a company's strategic direction, including any shifting priorities in response to market conditions, the competitive landscape or internal transformation. Make sure to develop a clear narrative that conveys core messages, values and milestones to be achieved, along with corresponding timelines. Develop three to five key themes aligned to the broader strategy and weave these throughout speaker segments to demonstrate progress across business lines and collaboration in reaching overarching goals. The different strategic initiatives that should be covered in an Investor Day include: long-term strategy and targets, financial metrics, capital allocation priorities, business segment updates, management and key risks. Changes in senior leadership should be addressed, along with details regarding any potential strategic shift. Consider whether a perception study would be useful to inform the narrative.

"The most effective way for a company to communicate any strategic shifts or changes to investors [is with an] Investor Day event. These gatherings allow all investors to be present, enabling them to ask questions and engage in discussions. It is important for the company to explain the rationale behind any changes. If they have made mistakes, it is important to acknowledge those missteps and clarify why a pivot is necessary, as well as what opportunities lie ahead."

- Anonymous Investor

Perception Study Considerations

Perception Studies require an 8–10-week period for completion.



As investors focus on financial health and potential growth, an Investor Day should highlight financial goals and performance metrics that align expectations and build confidence. It's important for investors to understand the strategic vision of key decision makers within a defined time period using specific KPIs to benchmark progress. If providing an update to an existing strategy in progress, highlight achievements and explain missed targets with corresponding data points.

When preparing content to present, consider the audience. Who is attending? Will the audience include stakeholders beyond investors and analysts? If the audience will include prospective investors and analysts, consider selecting them based on:

- Previous engagement: meetings, earnings calls, conferences, non-deal roadshows ("NDRs")
- Financial data: holdings, assets under management
- Strategic fit: long-term investors
- Institutional relevance: active investors or top institutional holders

Determine what other stakeholders should be included, such as strategic partners or financial journalists. If inviting the media, consider working with a public relations firm to define a clear engagement strategy, targeting a mix of television and print interviews to amplify the Investor Day messages. If hosting the event at an exchange, work with their media representative to coordinate interviews with in-house media outlets. Consider whether journalists should be seated in a separate section for easy identification, and whether the question and answer segment for this group should be separated from the investors and analysts, as these two groups may have different questions for the leadership team. Conduct media training to ensure that C-suite executives are equipped with soundbites to reinforce the company's narrative.

Defining the messages, speakers and audience will help determine whether the format should be a mix of direct addresses, panel discussions, pre-recorded videos, supply chain illustrations, product/brand experiences or other types of content. If there are several speakers covering multiple topics, decide whether messages can be delivered in slightly different formats. For instance, have the CEO address the audience directly, followed by a panel discussion with various business heads.

Before the event, all presentations and materials must be made publicly available to the entire market simultaneously, as per Reg FD (Regulation Fair Disclosure)[1]. All files should be uploaded to the company website, as well as any communications channels normally used to disclose market information.

Although there is a heavy focus on external stakeholder messaging for an Investor Day, it is equally important to create tailored messages highlighting key points for employees. As important internal stakeholders, employees execute the strategy and need a full understanding of the company's strategic direction to ensure that they focus their attention accordingly and deploy appropriate resources to deliver stated goals. The Investor Day should also be promoted internally with an invitation to view the webcast replay. Consider inviting some employees to participate in the live event.

[1] Regulation FD - Part 243. General rule regarding selective disclosure.

(a) Whenever an issuer, or any person acting on its behalf, discloses any material nonpublic information regarding that issuer or its securities to any person described in paragraph (b)(1) of this section, the issuer shall make public disclosure of that information as provided in § 243.101(e):

(1) Simultaneously, in the case of an intentional disclosure; and
(2) Promptly, in the case of a non-intentional disclosure.

Best Practice #2

SPEAKER PREPARATION

Speaker preparation should begin at least three months prior to the event to define core messaging, strategic themes and ensure alignment. Investor Day speakers should include both C-suite executives and senior managers responsible for key areas of the business. If including representatives who may not be familiar with speaking publicly, consider speaker training in advance. Ensure that they are fully versed in the "Do's and Don'ts" of verbal and non-verbal cues in investor conversations, with particular emphasis on Reg FD (Regulation Fair Disclosure)[2] compliance. Convey the importance of body language (for example, don't drop hints when speaking) and advise them not to speculate or engage in hypothetical conjecture.

Develop a master narrative document to cross reference key messages for all speakers and how the content fits into the overall story. Like preparing for an earnings call, Investor Day question and answer ("Q&A") preparation is an essential part of the event and should examine messages to be conveyed against the context of current industry, competitor and company trends. Host an extensive Q&A dry run with all speakers to allow for any message refinement and to ensure consistency in strategic framing. If working with leaders who may be new to this format, provide feedback on clarity and delivery. The day prior to the event, host a rehearsal, preferably at the venue with full audio/visual ("A/V") technology, to allow speakers to become familiar with the set-up and cameras, if any.

> "The structure [of an Investor Day] should start by clearly articulating the thesis of why this company is compelling. It should highlight the specific factors that contribute to its growth potential. Additionally, it is important to articulate the competitive advantage of the company. This will help make a strong case for why it will grow and why that growth will be profitable."
>
> - Anonymous Investor

[2] Regulation FD - Part 243. General rule regarding selective disclosure.

Best Practice #3

TECHNOLOGY AND PRODUCTION

Technology needs for an Investor Day are determined by event format, attendee experience and budget. If unveiling a new product, a live demo may be required. This could include pre-recorded video production to illustrate the customer experience, while also showcasing the underlying technology. Consider leveraging multimedia to highlight accomplishments, product demonstrations, key initiatives and other relevant information.

Marketing teams can also create Investor Day visual assets to be leveraged throughout the event on digital display boards. Determine whether you will implement an Investor Day website to house logistical information, agenda, speaker information and topics of discussion.

Webcasts are commonly used for Investor Days as they allow for expanded audiences with virtual attendees, on demand recording access post event and viewership metrics.

High-grade TV-style productions, including A/V teams, multiple cameras, and producers, are used by some companies to enhance the experience. Examples where firms may consider the use of production-style elements include:

- New company structure or corporate rebranding
- New product or business launch
- Speakers in multiple locations

Evaluate your target audience and speakers to determine whether simultaneous translation is needed for the live event, or whether the recorded session can be translated afterward for local markets. Providing translated materials signals transparency for both local and international market participants and enables journalists in all locations to accurately report on the event and amplify key messages.

Other technological considerations include transcripts, which are a convenient companion to the recording for website visitors, as transcripts allow for key messages to be read and/or searched. While some technologies or systems automatically generate transcripts from webcasts or recordings, the IR team should review and produce an accurate, official version. Transcript translations should also be available for local and international investors.

Incorporating extensive Q&A and/or polling into the agenda allows participants to share their perspectives during the live event. An Investor Relations Officer (IRO) may prefer using a text-based Q&A option to field questions from virtual attendees along with in-person questions. Live polling is another great way to ask participants for their opinions and keep them engaged. For example, you may ask investors about their macroeconomic expectations for the upcoming year to understand how this aligns with your own forecasts. These features are normally available from a webcast provider and should be confirmed for inclusion in the event proposal.

Best Practice #4

VENUE SELECTION

Consider the number of speakers, anticipated set-up, technology needs and budget when evaluating venue choices. If your event date is not flexible, identify several options months in advance.

When distributing save the date notices and event invitations, for safety and contingency reasons you should consider including only the venue city and note that additional details will be provided upon registration. Ensure the venue has professional security staff and controlled access points to confirm all attendees are verified before entry.

The location should be accessible to a broad group of attendees and can vary from corporate offices and exchanges such as the NYSE or Nasdaq (for listed companies) to hotels and other professional event venues:

Headquarters

Issuers may decide to host an event onsite to showcase their operations or technology directly. Considerations include staffing and security for a large group of external attendees, as well as catering and A/V options, which may be more limited.

Exchanges

Listed companies can typically reserve meeting space at their respective exchanges with advanced notice. Event space typically includes built-in technology and standard setup. Planning and expenses related to meals or other items, such as photography, will still need to be considered.

Hotels

Hotels are a viable option that requires coordination with both hotel event staff and in-house A/V provider. If the hotel's event team has not previously hosted similar corporate events, they may not be able to anticipate your Investor Day needs.

Conference Centers

Conference Centers contain stand-alone spaces built to host corporate events and typically offer built in A/V technology along with an in-house production team.

Best Practice #5

POST-EVENT FOLLOW-UP

Following up after the event is essential to maximize impact and maintain momentum. It's an opportunity to reiterate strategic themes and provide additional context where needed, as well as to collect feedback while it is still fresh in the minds of attendees.

Surveys can provide valuable insights into how the event was perceived, determine whether messages were clearly understood and help the IR team plan for future events. Providing the option to be named or anonymous in a follow-up survey, as well as limiting the number of questions, will encourage responses. When constructing survey questions, decide which format works best for the intended outcome. For instance, if evaluating the effectiveness of messaging or speakers, it may be useful to ask attendees to rank each topic as opposed to requesting general feedback, which is best structured with a free form response.

Send follow up emails to participants, direct recipients to all post-event content for reference, and include contact information. Finally, continue to reference Investor Day content in future communications to reinforce key messages and ensure continuity.

Consider creating a highlight video of all content, along with shorter edits focused on specific topics or speakers. As a best practice, include closed captioning for the recordings and provide transcripts for ease of searching. Investor Day collateral can also be leveraged with employees. For example, a short video of the CEO discussing key strategic initiatives can be shared with all employees on a corporate digital display.

Sharing results internally is also critical. Ways to do this include:

- Debrief the leadership team on what resonated well and what questions were the most frequent, or the most challenging to answer.
- Compile investor and attendee feedback from direct interactions, analyst notes, media coverage and surveys.
- Create a post-event summary outlining attendee perception, investor sentiment and recommendations for the future.

FINAL THOUGHT

IR teams should leverage Investor Days when long-term strategic updates need to be shared with the market. Hosting this type of event for key stakeholders deepens their understanding of the company, provides an opportunity to reinforce strategy and outline financial targets by creating visibility and driving engagement. It's important to begin the process early and stay organized. Determine core messaging with senior leadership and outline event goals, identify the appropriate mix of stakeholders to invite, prepare any speakers who may not have experience with external engagement and choose technology and venue options that best meet your needs. Finally, follow up with participants to collect feedback and direct them to Investor Day materials post-event. Using best practice advice ensures a well-executed event by aligning strategic messages, logistics and stakeholder engagement to build confidence in the strategic narrative being presented.

FOR MORE INFORMATION

To speak with a specialist, please contact marketinsightsandinitiatives@bny.com.