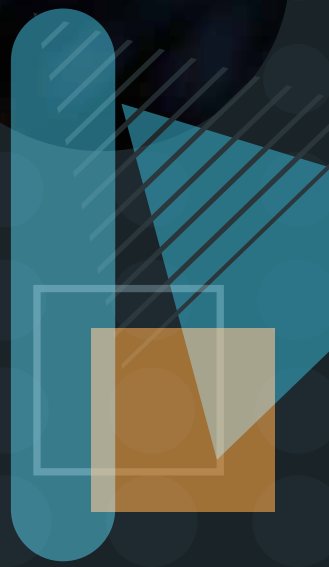




Delivering excellence in Investor Relations:

The Lumi Global guide



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The expanding role of Investor Relations

In an unpredictable market, strong relationships between stakeholders and businesses are more important than ever. IR professionals are central to forging these solid relationships.

At its core, Investor Relations isn't just about following a set of protocols; it's about cultivating a vital lifeline between a company and its stakeholders. It's the strategic orchestrator of financial finesse, communication savvy, market intuition, legal acumen and sustainability consciousness, all rolled into one.

Think of IR as the company's storyteller, weaving narratives that resonate with investors, analysts, and the broader community. It's not merely about disseminating facts and figures; it's about crafting compelling narratives that reflect the company's vision, performance, and values.

An effective IR professional is therefore an important strategic conduit for two-way communications and information gathering. They're responsible for collecting the investment community's views about the company, its competitors and its industry, and

relaying shareholder and analyst perceptions, issues and concerns to management and the Board of Directors for consideration in strategic decision-making.

The role of the IRO is expansive and far-reaching. As Quentin Weber, Director of Investor Relations at WSP puts it – "IROs are no longer just engaging with investment analysts, but with stewardship teams and ESG analysts. The role is growing and evolving for the better, but this also adds an additional layer of commitment and pressure to the jobs of IR professionals."

With so many competing priorities to consider, what are the crucial elements of the IR function, and how can IR professionals excel in the field? One thing's for sure, the future is bright for Investor Relations.

Read our guide to discover insights, best practices and advice from IR experts and professionals, on building your Investor Relations strategy as well as tips for holding effective IR meetings and accurate reporting.

Underscoring the importance of Investor Relations

Why does the Investor Relations function matter?

The role of investor relations is growing. According to research by The London Stock Exchange, **76% say** that IR has increased in strategic importance over the last two years.

With **two-thirds of IROs** saying that the IR function has been elevated within their organization, all of the signs point towards a future where IR is a crucial piece of the overall investment picture.

The IR function is becoming integral to organizations for five reasons:

1. IROs are the custodians of stakeholder communication

The task of effectively communicating financial performance sits with IR professionals. With the help of financial reports, earnings calls and **investor days**, IROs have become the guardians of the financial story, enabling them to communicate the financial and strategic elements of the business to stakeholders.

“The IRO should be the best-placed person in the organization to understand the company and voice it to the market.”

Quentin Weber

Director of Investor Relations, WSP

2. IR teams help maintain stakeholder confidence

During times of market volatility, or when companies are faced with reputational risk, providing timely and accurate information to stakeholders can help reinforce relationships. IROs facilitate transparent communication between parties which can help mitigate concerns and reassure stakeholders about the company's long-term prospects.

76%

say that IR has increased in strategic importance

3. IROs are responsible for attracting and retaining investors


Effective communication of the company's growth strategy and financial performance can help attract investors. IROs that build relationships with existing investors through regular communication and engagement can encourage them to maintain or increase their investment in the company.

4. IR professionals are experts in navigating regulatory requirements

From regulatory requirements related to financial reporting, disclosure, and communication with stakeholders, IR professionals are the go-to for ensuring that their company complies with these regulations and communicates effectively with regulatory authorities.

5. IROs manage relationships with analysts and financial institutions

Investor relations professionals play a crucial role in managing relationships with financial analysts, institutional investors and other key stakeholders in the financial community. By providing these groups with insights into the company's operations, performance, and strategy, IR teams can help shape analysts' perceptions and influence investment decisions.



“The IRO not only acts as the voice of the organization to the financial community, but they are also responsible for taking that feedback back to the organization.”

Sylvie Harton

Chief Business Strategy Officer,
Lumi Global



say that the IR function has been elevated within their organization

Thinking about Investor Relations strategically

How to create a successful IR program

In 2023, 71% of IROs reported seeing an increase in their responsibilities. As the role of the IRO continues to evolve into more of a strategic partner and trusted advisor position, understanding how to build an IR program is key.

Here are four tips on how to build a fruitful IR program, with advice from Quentin Weber, the Director of Investor Relations at WSP:

“Curiosity is key. As the role of IR evolves, make sure that your practices are evolving with it. Keep pushing to become better.”

Quentin Weber

Director of Investor Relations, WSP

1. Don't be afraid to challenge the status quo

Great IR is all about being proactive. As an IRO, your job is to provide to the market with the facts and information they need to know about your organization.

Experimentation keeps things fresh, so rather than just doing what was being done before, try new tactics to engage your stakeholders. Adjust your messaging frequently and test what's working and what's not. Most importantly, listen and be willing to pivot your strategy when needed – success requires flexibility.


2. Prioritize building relationships

To build strong relationships with investors, try to engage with them at various points in the year. Don't just reach out when it's time to report your earnings, show them that you care by keeping the dialogue going and checking in year-round.

“IR professionals should look to move from a transactional relationship to a transformational relationship.”

Sylvie Harton

Chief Business Strategy Officer,
Lumi Global



“The IRO should be the best-placed person in the organization to understand the company and voice it to the market.”


Quentin Weber

Director of Investor Relations, WSP



3. Align yourself with your CFO and team

As an IR professional, your position sits between the organization and the investor base. Making sure the organization is growing in the same direction as the market is key, so involve yourself in as many important conversations both inside and outside of the business as you can. Most importantly, be the facilitator of the feedback loop.




4. Track your success with objectives and KPIs

As an IR professional, understanding how to measure success within your activities is key. Although tracking success will be dependent on the goal of the IRO at that moment, here are some useful objectives and metrics IROs could use to track to measure success:

Objectives:

- Improve disclosure practices
- Build analyst following
- Broaden the investor base
- Enhance the ESG story
- Increase foreign ownership
- Hold an investor day

KPIs:

- Share price performance
 - Shareholder base growth
 - Analyst coverage
 - Number of investor calls and meetings
 - Investor engagement and participation
- 

Mastering events in the Investor Relations calendar

How to conquer the capital markets meeting Q&A

At its core, the Q&A function of any capital markets meeting exists to achieve calibration and engagement with stakeholders.

Whether you're holding an investor's day or earnings call, the Q&A session is the portion of the event that can have a real lasting impact, helping to foster goodwill and long-term relationships, if handled correctly.

Here are some tips on how IROs can prepare and execute a faultless Q&A session, with advice from Daniel Weinerman, the Vice President of Elderman Smithfield:

1. Prepare your story and tell the why

Making sure that your equity story is clear and fully understood by capital markets event attendees is key to bringing them on side. And the Q&A is the perfect opportunity for the management team to demonstrate alignment and commitment to this story.

The foundation of this narrative is explaining what your company does and why it's impactful. This should be crystallized into a concise message and skillfully tied into any appropriate answers during the Q&A.

2. Demonstrate authenticity

Addressing difficult or sensitive questions can often be the most challenging part of capital markets meetings. And the reality is that dealing with thorny, performative or rhetorical questions is part of holding a Q&A during any event. But, in the face of difficult or sensitive questions, showing authenticity will give stakeholders confidence in your business.

Often, questions on topics like ESG or board remuneration come from an emotional place. So, IROs should encourage management teams to rise to the occasion with a level head by answering questions as honestly and concisely as they can.

“Clarity and transparency are the key building blocks to establishing trust with the investor community.”

Daniel Weinerman

Vice President, Elderman Smithfield

3. Hold a mock Q&A beforehand

Clarity and transparency of responses during the Q&A have a significant impact on investor perception at capital markets meetings. Therefore, rehearsal and strategic preparation are vital tools for running a successful Q&A. The best way to prepare the management team for the event is to carry out a full run-through leading up to it.

This practice session can be a chance for you to coach the management team on any pain points in preparation for the event, construct answers for any questions that are likely to be asked during the session and reach a consensus on any issues that could be raised.

4. Use a reliable technology partner

Using a technology partner to help facilitate the Q&A gives IROs full control and confidence, as well as allows for greater connectivity between stakeholders and the management team.

With Lumi, IR professionals can control the outcome of the Q&A seamlessly with the help of question moderation and queue management as well as the ability to submit verbal and written questions. Being able to assign topics to questions and coordinate which participants can ask a question allows for a structured and successful Q&A session.



“Credibility is won by answering direct questions.”

Daniel Weinerman
Vice President,
Elderman Smithfield



How to bring innovation to your earnings calls

Earnings calls are an all-important touchpoint for management to engage and communicate with investors. They provide the opportunity to share news on performance and help investors build stronger relationships with management.

The aim should be to increase engagement and participation. With the rise in retail investors making the investor base more diverse, delivering exceptional meeting experiences that promote accessibility and transparency are what's expected by the global investment community.

Here are our tips for building innovation into your event, along with insights from industry voices Alyssa Barry and Caroline Sawamoto, who are both Principals & Co-Founders of irlabs:

“Being able to see the engagement your business received and who attended your meeting is key for IR professionals.”

Alyssa Barry

Principal & Co-Founder of irlabs

1. Choose technology over tradition

Technology can help you open up your earnings calls, so don't be afraid to implement it where you can. IROs can save time in the run-up to the event by calling on AI tools such as ChatGPT to help speed up the script writing and question prep. Predictive analytics can also help with forecasting in preparation for the event.

Additionally, using a meeting technology partner that allows you to play pre-recorded videos during the presentation, conduct polls and hold an interactive Q&A session is a valuable way to increase attendee engagement.

2. Pick an accessible meeting format

Each earnings call should be an exercise in making your business more accessible to potential and current investors. So, consider which meeting format will enable the largest number of investors to attend. Would a virtual, hybrid or in-room event work best for the number of attendees you're expecting?

Holding a solely in-room event could exclude those investors who aren't able to attend in person. Similarly, holding a virtual-only event may alienate those who wish to attend in person. Therefore, choosing a hybrid format for your event may lead to better engagement, particularly with features like the **virtual microphone**, which allows virtual participants to ask questions at the meeting in real-time, wherever they are.

“Investors are everywhere, and you want to be catering to them and giving them access to management.”

Caroline Sawamoto
Principal & Co-Founder of irlabs

3. Leverage social media

The investor community is more tech-savvy than ever, so IROs can leverage social media to create excitement for their earnings calls in advance. Sharing posts about which members of the management team will be in attendance, as well as repurposing the meeting content into polls and quotes after the event are all great ways to practice transparency and promote your brand story and connect with your investors at all stages of the event.

4. Innovate but remain compliant

Whether you're looking to level up your earnings calls with the use of technology, incorporate multimedia elements such as video and live demonstrations or share meeting updates on social media at each stage of your event, always make sure that what you're doing is compliant with the corporate bylaws of your business.

When planning the event, consider if there are there any regulatory or compliance considerations to be made, for example, the rules around holding hybrid and virtual event. And if you choose a technology partner to help you organize the event, make sure that they're approved.

“Having a technology partner that understands the regulatory requirements in different countries is so important.”

Sylvie Harton
Chief business strategy officer at Lumi Global

Striving for excellence in ESG reporting

How to unlock the power of ESG reporting

In a recent PWC investor survey, **nearly 80% of investors** said that ESG was a crucial factor in their investment decision-making. So, with an investor base that is increasingly using ESG to influence and justify their choice of investments, accurate reporting from businesses is more important than ever.

But how can organizations harness the power of ESG reporting to enhance shareholder value and improve their company's reputation? Here's our advice, as well as insights from DWF Law's Tracey Groves.

1. Remember that ESG reporting is not a checklist

Sustainable business practices should form a central part of how businesses operate. Sustainability shouldn't only be something that IROs look to demonstrate on certain days of the year, like on an investor day, market day or near a reporting deadline. ESG should be pivotal to who businesses are, what they do and why they do it.

IROs can harness the power of ESG reporting to enhance shareholder value and improve their reputation. To achieve this, identify meaningful and measurable metrics that align with your individual business goals.

As part of the ESG strategy, ESG KPIs should be aligned with your business goals. Whether you choose to look at diversity targets, remuneration incentives or the direct implications of your organization's carbon footprint, use accurate data and metrics to paint a unique and realistic picture of the impact your organization has.

“The sooner we can think about this as impact reporting rather than ESG reporting, the sooner we will unlock the real value and opportunity of what ESG should deliver for businesses.”

Tracey Groves

Head of Sustainable Business & ESG Advisory Practice, DWF Law

“Having the honesty to expose your baseline drives trust and authenticity in your relationship with stakeholders.”

Sylvie Harton

Chief Business Strategy Officer, Lumi Global



2. Aim for progression, not perfection

ESG reporting is more than just showcasing positive outcomes to investors. You must also identify where your organization may be falling short. Adjusting the course of action and communicating changes transparently to stakeholders is equally vital.

ESG reporting is a journey toward progression, not perfection. So, when setting ESG targets and KPIs, don't overpromise or over-commit. Third parties such as investors or regulators may become nervous when they see overly ambitious targets that aren't realistic. Instead, set out your ESG roadmap clearly, signposting your aspirations and being truthful about where you are right at that moment.

Although the roadmap may deviate from the initial plan, it is essential to adjust your direction and communicate the changes transparently to stakeholders.

3. Make trust and transparency your priority

ESG reports are often unregulated and don't form part of the audited financial statements that organizations are required to submit. This leaves room for unsubstantiated claims to be made and is at odds with audited financial reports, which are rooted in assured data and facts.

Ultimately, investors seek congruence and alignment in how you tell the company story. They want to see integrity around matters of ESG backed by verified data. This integrity is what creates trust.

Companies who have excelled in their ESG reporting, such as outdoor clothing brand **Patagonia**, have done so by integrating their ESG reporting into their ESG strategy and taking a holistic approach, placing their purpose, mission and values at the center of everything they do. Their ESG story is told with honesty and transparency and is driven by their values and beliefs.



“Trust is an asset. If what we've said doesn't manifest in what we do, the integrity gap appears.”

Tracey Groves

Head of Sustainable Business & ESG Advisory Practice,
DWF Law





Investor Relations best practices



Prioritize transparent communication

When communicating with investors, be clear and direct about the future outlook. Be available to answer inquiries and concerns and respond promptly to build credibility and trust.



Provide regular updates

Regularly update and educate your investors through various channels such as press releases, investor presentations, earnings calls and annual reports. Make documentation, disclosures and financial statements easily accessible.



Demonstrate a commitment to improvement

Frequently evaluate and update IR practices to adapt to changing market dynamics, regulatory requirements and investor preferences.



Focus on the long-term strategy

Emphasize the company's long-term strategy and value creation potential rather than short-term fluctuations in stock price. Be ready to pivot with the help of a crisis management plan.



Seek feedback

Collect feedback through surveys, meetings and other channels to understand investors' expectations and areas for improvement.

How Lumi Global can support your Investor Relations program

Lumi's Investor Relations platform is a one-stop solution that offers many features and benefits for IR professionals looking to run seamless capital markets events:

- **A flexible platform with white glove service**
- **Easy Q&A management with written, audio and video questions supported by low-latency broadcasting**
- **A registration page to access the meeting**
- **A single portal to manage the meetings that all relevant admins can access**
- **Live and post-meeting analytics**
- **Transcripts and on-demand playback after the meeting**
- **The ability to capture attendee data such as their company and role**
- **Post-meeting reporting which provides key information about meeting attendees**
- **Meetings with high production value**

For exceptional Investor Relations meetings, choose Lumi.

Find out more about how Lumi Global can help your business facilitate first-rate Investor Relations meetings [here](#), or [book a meeting today](#).



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