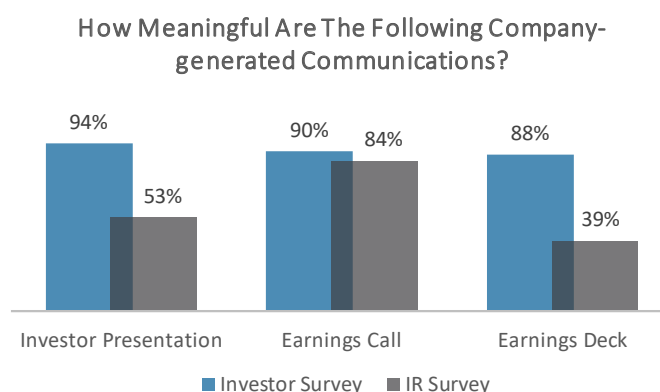


Elevate Your Earnings Call

Actionable Insights And Strategies To Positively Differentiate Your Company

The quarterly earnings call is one of the most powerful communication tools a public company has within its control to broadly and clearly disseminate essential information to the financial community. Four times a year, management can demonstrate its execution track record, reinforce strategy and set expectations. In the event operating performance falls short, the call is the ideal platform to address key issues and concerns, ultimately serving as the first step in rebuilding credibility.

Are the earnings materials you are developing – including the press release, prepared remarks and presentation deck – having maximum impact?



Our research, based on surveys¹ administered to public company IR professionals and institutional investors, identified both alignment, as well as major disconnects between what companies view as meaningful versus that of investors. Read on to affirm your approach is best practice or identify areas to further enhance the impact of your earnings materials.

¹ Please see back page for methodology

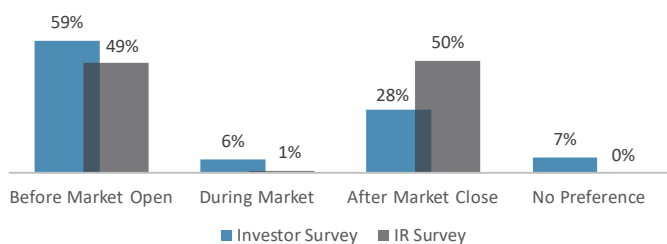
The Press Release

The earnings press release, a traditionally rote communication, should not be underappreciated or underutilized. Why? Because it is read immediately by the vast majority of investors and analysts. Within a short period after posting, they have read, absorbed and formed an opinion of the company's quarterly performance.

89%
Investors
who report
reading the
release
immediately

Best-in-class companies develop content-rich releases, utilizing this channel to provide in-depth color and a clear narrative versus waiting until the conference call. By doing so, they leverage the opportunity to educate the investor and analyst about the quarter and broader investment story, while mitigating the potential for misinterpretation.

What Is Your Timing Preference For/When Do You Issue The Press Release?



“Discussion of outlook, end market demand, etc., helps to add context to the reported numbers.” Sell Side

► BEST PRACTICES

- Develop bullets that communicate performance on key metrics and also provide the drivers behind the change; list GAAP metrics first and provide clear reconciliation tables
- Develop financial tables that communicate information and trends; consider infographics for quick information uptake
- Incorporate sections with clear titles and provide crisp, detailed overviews on corporate and segment-level performance (as appropriate); additional sections could be “Strategy Update”, “Capital Allocation”, and “Guidance and Outlook”, which focus the reader on the bigger picture and tell your story more effectively
- Weave in rich content on performance, highlighting execution against strategy and incorporate a supporting quote from the CEO and CFO (as appropriate)
- If referencing a development previously communicated by press release (e.g., recent acquisition), embed a hyperlink to original press release to provide easy access to information
- Remain consistent in quarter-over-quarter presentations

The Conference Call

Recently, the prepared remarks portion of the call has drawn a lot of commentary from the sell side community, who often suggest that companies shorten the script and dedicate more time to their questions. We couldn't disagree more. This opinion largely stems from the fact that many companies do not employ earnings call best practices and instead regurgitate the press release. The answer, in our view, is not shortening the prepared remarks so much as it is developing a more robust script that incorporates insightful quarterly commentary, as well as rich strategic content and forward-looking color. Going one step further, we believe companies can do a better job utilizing this time to educate the audience, such as spending time on a notable growth driver (e.g., breakthrough innovation) or providing greater detail on a segment (e.g., business model, end market exposure, drivers).

84%
Surveyed
corporations
that do not
pre-record
prepared
remarks

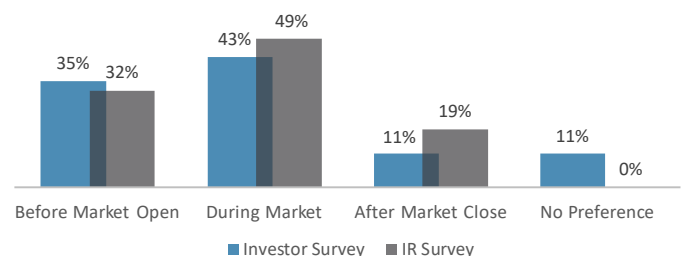
While the sell side is typically the only active non-company participant on the call, it is important to recognize how widely consumed earnings materials are and that the buy side is listening to and reading the content you provide. Some have followed the company for years while others are getting up to speed on the story. Bottom-line, they possess varying levels of knowledge and the earnings call presents one of the best opportunities to educate them on the company and investment story. Take the time to tell it. By controlling the narrative and developing content-rich and transparent prepared remarks, you will not only head-off questions but will also find that the Q&A portion of the call will be a higher-quality dialogue.

“I want any general color on what's driving trends and what management is seeing in the market as headwinds or tailwinds in their respective business lines.” Sell Side

Timing

Financial and IR professionals are aligned on conference call timing, with both groups in favor of hosting it during market hours, closely followed by pre-market. Few prefer an after-market call, regardless of when the press release is issued.

What Is Your Preference/Practice Regarding Conference Call Timing?



Call Participants and Prepared Remarks

Our research finds that call participants is an area where corporate practices diverge from investor preferences. In addition to the CEO and CFO, 55% of surveyed investors are keen on hearing from segment business leaders while just 15% of participating companies employ this approach. The COO, when applicable, is also seen as a valued contributor.

Q&A

The Q&A portion of the call can have a significant influence on investor and analyst sentiment and can serve to positively differentiate a management team. Heading into the call, management should be prepped on external perceptions and concerns and, as much as possible, these should be addressed in prepared remarks. Ample time should be given to preparing for Q&A and thought given to the message you want to convey rather than just the answer.

Management can elevate their brand and secure maximum mindshare by showcasing a strong command of the numbers and influential business drivers, employing a balanced, welcoming and non-defensive tone, as well as providing clear and crisp responses that highlight strategy and telegraph strengths and points of differentiation.

► BEST PRACTICES

- Allocate 20 – 25 minutes to robust prepared remarks; reiterate strategy elements on every call
 - Include senior leadership other than the C-suite, particularly segment presidents, who can provide additional granularity and answer more targeted questions; this practice serves to further educate the financial community and increases bench strength awareness, a leading investment differentiator
- Be cognizant of management sentiment and tone when preparing the script; incorporate words that accurately reflect the tenor of the quarter and outlook
- Develop the script as an outline and recognize it is absorbed aurally as well as visually; for each presenter, incorporate a lead-in that communicates what they will address and utilize strong transitions to delineate points
- Wrap up the call with a crisp CEO-delivered summary; reemphasize key investment highlights
- During the Q&A portion of the call, be mindful of management response time; being relevant and concise allows for more audience participation and limits potential for analysts to feel slighted due to time constraints

The Earnings Deck

One of the most important findings our research uncovered is the level of importance investors place on the earnings slide deck.

These company-generated “guides” are second in importance only to the presentation developed for an investor day, another best practice.

Regarding the earnings presentation, there are generally two approaches: decks that provide supplemental information and those that serve as the framework for management’s prepared remarks.

We are proponents of utilizing the framework approach as it more actively engages the participant – as they listen to the call, the deck serves to visually reinforce the key takeaways. Of note, 60% of companies recognized as having best-in-class earnings decks use it as the outline for prepared remarks.

Include the following content in your earnings deck:

- Financial highlights
- Segment/product financials
- Company highlights
- Guidance (as appropriate)
- Geographical breakdown and color
- Examples of operational excellence
- Capital allocation
- Industry trends

“We just used slides for our earnings call for the first time and the positive feedback was overwhelming.” IRO

► BEST PRACTICES

- Develop 10 – 15 core slides; include an agenda
- Incorporate tables and charts illustrating financial performance and communicate the puts and takes
- Include a strategy slide to reiterate long-term focus
- Ensure information is easy to find and consumable; develop lead-ins and takeaways to reinforce key messages
- Ensure the presentation is visually appealing but emphasize content over graphics; the slides must stand on their own without the voiceover

88%

Investors who find the earnings deck valuable

Additional Considerations

With any earnings call, inevitably there are investors and analysts with conflicts who are unable to participate live. Our research uncovered two important themes related to earnings materials consumption:

- 96% almost always review the earnings deck, if available
- 84% of investors read the transcript with 34% reporting they do so consistently

► BEST PRACTICES

To fully leverage the call, reach a broader audience and maintain a high level of transparency:

- Maintain a pulse on investor sentiment, including concerns and questions, by reaching out to select contacts ahead of earnings or utilize a third-party to capture views; utilize insights to inform management script and Q&A preparation
- Post a pop-up alert on the IR website on the day of the announcement (typically handled by IT) enabling one-click access to the webcast log-in page; this thoughtful, proactive measure removes potential frustration associated with locating this critical information
- On the IR website, create a comprehensive “Earnings Materials” section, which includes the press release, webcast, earnings deck and call transcript (verified for accuracy) for each quarter
- Proactively develop and distribute an earnings communication email comprising bulleted key themes (“Takeaways from the Quarter”) and attach: 1) press release; 2) verified transcript; 3) earnings slide deck; 4) financial supplemental (if appropriate) and; 5) link to webcast; this goes a long way with investors and analysts who are contending with a hectic earnings calendar

Final Thought

We are passionate about the impact that best-in-class earnings communication has on investor sentiment. In the last decade, there has been a major shift in earnings call execution and consumption habits, including the move from pre-recorded to live prepared remarks and the proliferation of call transcripts. The stakes are higher and competition for investor capital is fiercer. In addition to consistent execution, compelling and transparent communication, as well as a straightforward approach serve to differentiate a company. We hope you found our research and insights on elevating your earnings call thought-provoking and, most importantly, actionable.

About Corbin Advisors

Our passion is creating value for public companies. We are a catalyst – an investor relations (IR) advisory firm that partners with IR and C-suite executives to drive long-term shareholder value. We bring third-party objectivity as well as deep best practice knowledge and collaborate with our clients to execute sound, effective investor communications and engagement strategies.

Our proven methodology, proprietary analytics database, trusted reputation and in-depth experience generate a foundation of unique insights. This marriage of research and rigor delivers comprehensive, actionable recommendations for internal and external value creation.

From research-based insights to actionable strategies that differentiate our clients, Corbin unlocks thoughtful, positive change. We start by asking the right questions and end with providing candid, well-founded counsel that drives results.

| **If it's CORBIN, it's ACTIONABLE.** |

Advisory Services

- Perception Studies
- Investor Presentations
- Investor Targeting & Marketing
- Investor Days
- Specialized Research
- Retainer & Event-driven Consulting

Our industry-leading research, *Inside The Buy-side®*, is covered by news affiliates globally and regularly featured on CNBC.

Contact us for more information:

(860) 321-7309
info@corbinadvisors.com
CorbinAdvisors.com
🐦 @CorbinResearch

Methodology

We undertook a multi-pronged, comprehensive approach in analyzing the earnings call process comprising:

- Survey of 165 investors and analysts, 72% buy side and 28% sell side
- Survey of 145 IR professionals across market-caps and sectors
- Analysis of 200 companies across market-caps and sectors; 40% are recognized as best-in-class by the broader financial community