“Can you give examples of companies with best in class investor relations program and why?”

Ipreo asked select buy-side analysts and portfolio managers, “Can you give examples of companies with best in class investor relations program and why?” While several companies were singled out, transparency was the most consistently mentioned quality that investors look for. One hedge fund analyst said that, “The most important part of being a best in class investor relations program is transparency. There are always going to be hiccups, but providing investors with as much information as possible about the hiccups is the most important.” Consistency was the second-most mentioned quality that attracts investors. 57% of respondents said that consistency, “creates stability and confidence, and then people can take bigger positions because they’re not worried about a 15% down day on a bad quarter. This is how you acquire the most sticky, attractive, and positive investor-base.” Lastly, proactivity was mentioned 29% of the time, “The best IR guys out there are very proactive, though there aren’t many people who do it.”

**Analyst at $424.0B (EAUM) GARP-Oriented Investment Manager**

*Sector Coverage: Automotive, Chemicals*

“Harley Davidson is very good. Their level of disclosure, responsiveness, and ability to manage expectations are all very good. They also know their brand very well.”

**Analyst at a $6.2B (EAUM) High Turnover Hedge Fund**

*Sector Coverage: Aerospace and Defense*

“Facebook is a great example. They are aware of Street expectations, they manage those expectations and that way they avoid earning/quarterly misses that introduce unnecessary volatility to the stock. To the extent they can help guide, reasonably but slightly on the conservative side and beat that guidance then offer a new guidance that is in line with the same behavior, you create stability, confidence, and then people can take bigger positions because they’re not worried about a 15% down day on a bad quarter. This is how you acquire the most sticky, attractive, and positive investor-base.”

**Portfolio Manager at a <$100.0M (EAUM) High Turnover Hedge Fund**

*Sector Coverage: Generalist*

“Considering it’s a small, not very well-followed company, Macquarie Infrastructure Corporation has a great IR department. They’re very proactive – if there’s something going on with the company, the IRO might even call me directly. The best IR guys out there are very proactive, though there aren’t many people who do it. Another common practice with companies that do a good job is having two events a year: one typical analyst day, as well as one which isn’t a formal analyst day but an update from top management with some questions that could take just an hour or so. I also really like what companies like Amazon and Netflix have been doing on earnings calls. Instead of wasting time on the transcript with all the sales numbers, etc., they go straight to the first question. Formal commentary is fine, but we’ve all seen the press release and numbers already.”
“Can you give examples of companies with best in class investor relations program and why?”

Analyst at a $1.6B (EAUM) High Turnover Hedge Fund

**Sector Coverage: Generalist**

“The most important part of being a best in class investor relations program is transparency. There are always going to be hiccups, but providing investors with as much information as possible about the hiccups is the most important.”

Analyst at a $300.0M (EAUM) Event-Driven Hedge Fund

**Sector Coverage: Basic Materials**

“One is Allergan. We have had fairly positive experiences with their IR department. Breadth of knowledge, accessibility, and really clear communication. That is my top pick.”

Portfolio Manager at a $5.4B (EAUM) Growth-Oriented Investment Manager

**Sector Coverage: Energy**

“Suncor Energy is certainly one of them! Steve Douglas and his IR team are without a question amongst some of the more intelligent teams out there, not to mention their highly valued management team. And when the pieces are all put together, their human capital is reflected in the company’s overall performance outside of all other factors in general. The IR guys are always prepared when speaking to their investors. They tend to ask the right questions, give articulated responses, and seem to understand their shareholder base.”

Analyst at $22.5B (EAUM) Value-Oriented Investment Manager

**Sector Coverage: Metals and Mining**

“It is ideal to have a polished IR team that can give the presentations as well as the management. They come regularly, they run trips, and do investor days. Overall, I really like proactive IR teams. Having an investor day, and walking through the assets while giving updates on a half or full day basis is the most helpful to really get to know the companies well.”

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