



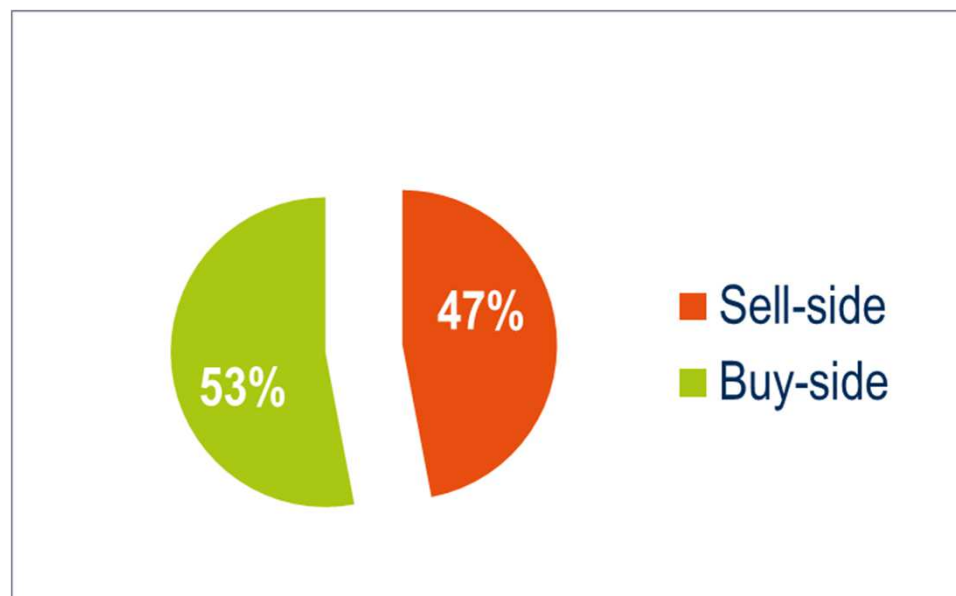
# HOW DOES IR IMPACT THE VALUATION OF A COMPANY?

A CLIFF'S SURVEY  
OF INTERNATIONAL SELL-SIDE AND BUY-SIDE  
IN SEPTEMBER, 2017



## A LARGE AND WELL-BALANCED PANEL

55 analysts and fund/portfolio managers





## A GOOD INVESTOR RELATIONS IS...

*Can you explain in a few words what you consider to be "good" investor relations (IR)?*

Honest      Clear       Reactive  
Transparent  
Knowledgeable  
Available      Didactic      Factual  
Close to/trusted by the management



A « BAD » INVESTOR RELATIONS IS « OPPOSITE OF PREVIOUS » AND...

*Can you explain in a few words what you consider to be "bad" IR?*

Confusing



Selective

Erratic

Inconsistent

Evasive

Superficial

Repetitive



## IR STRATEGY IMPACTS THE VALUATION (1/3)

■ 93% think that the IR strategy has any impact on the valuation (ie multiple) of a quoted company

✓ 89% think that the IR strategy can have a negative impact on its valuation



✓ 89% think that the IR Officer(s) of a quoted company can have a positive impact on its valuation

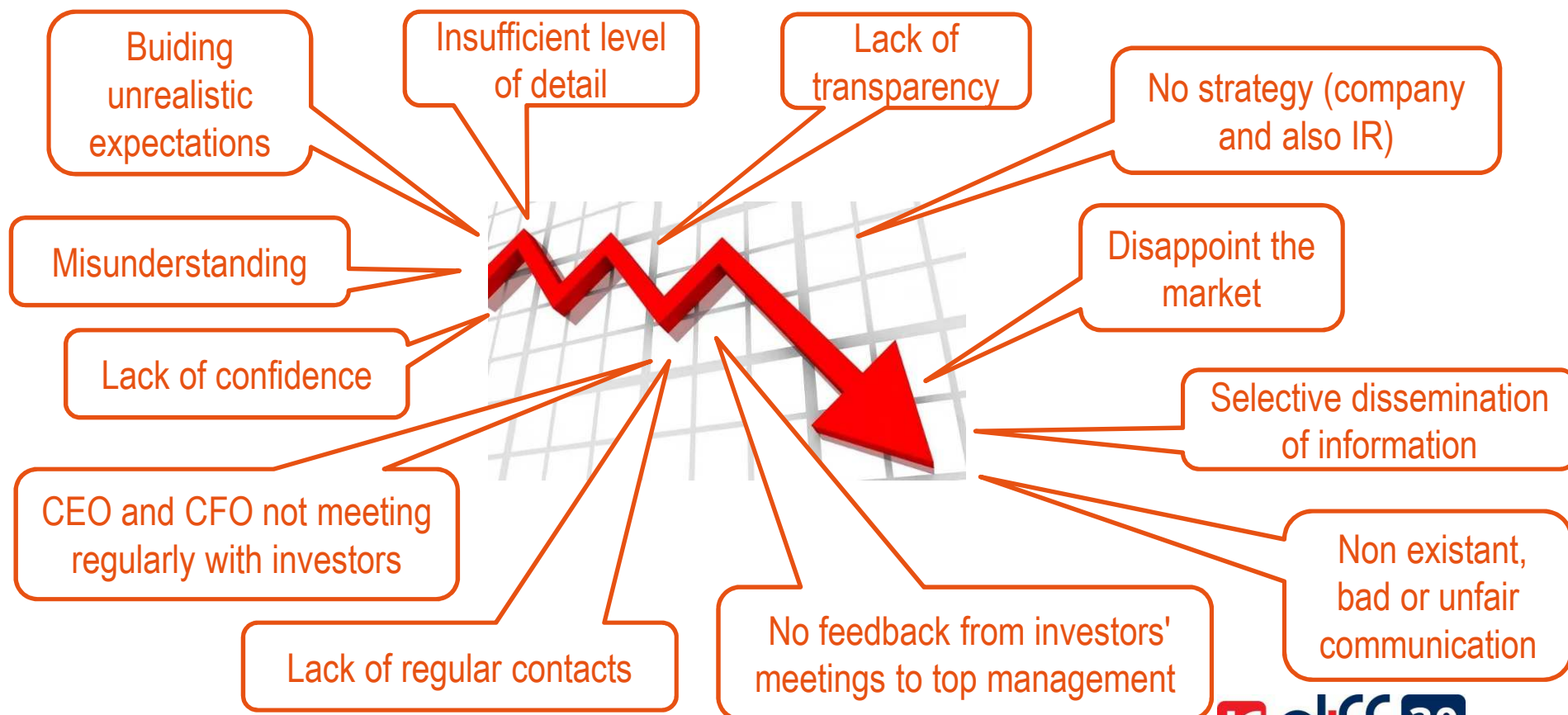


85% sell-side

93% buy-side



## EXAMPLES OF NEGATIVE IMPACT OF IR STRATEGY ON VALUATION (2/3)





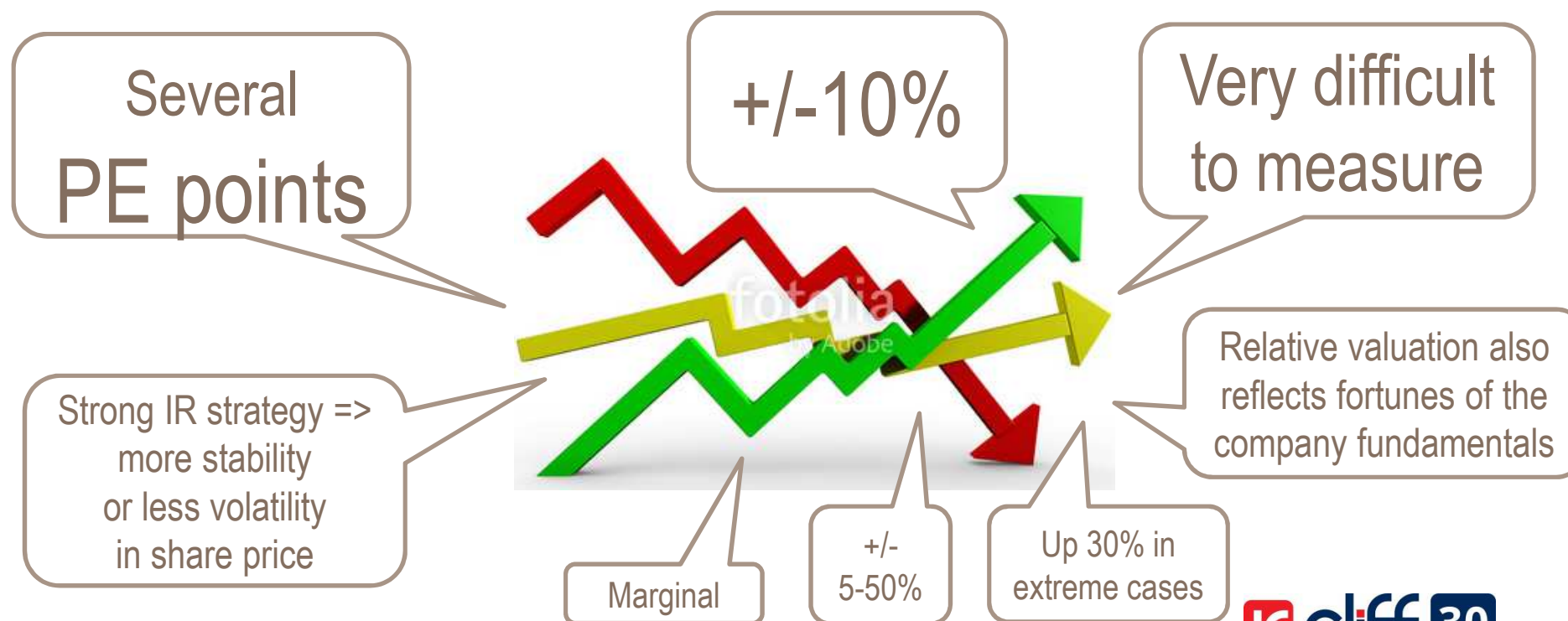
## EXAMPLES OF POSITIVE IMPACT OF IR OFFICER(S) ON VALUATION (3/3)





## MAGNITUDE OF THE IMPACT

*How could you assess the magnitude of the impact on the valuation?  
For example, compared to the average valuation of the peer group*

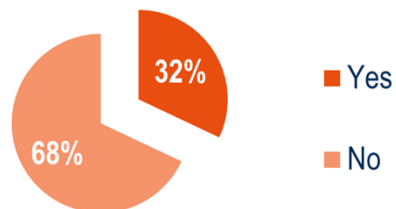




## DIFFERENCE BETWEEN SECTORS... AND OTHER MATTERS

*Is there a difference between sectors?*

### Sell-side



### Buy-side



- Less dependant on IR quality : cyclical sectors, companies with a lower beta, family owned companies
- Really need good IR: very international companies, sectors very hard to understand (Tech, Healthcare, Insurance, financials)

**... and good and bad IR professionals exist in all sectors !**



## TO KEEP IN MIND

- Opinions of sell-side and buy-side about IR impact are very similar
- Investors have a lot to say about IR and their impact on the valuation of the company !