

Investor Relations Best Practices

Communications

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Topics



- Rules of the Road
- Key IR Communications
 - SEC Filings (10-K, proxy, annual report)
 - Quarterly Earnings (press release, transcripts, Q&A, sell-side, supporting data)
 - Internal Management/Board of Directors reporting
 - Web Site
 - Investor Meetings & Presentations (*covered elsewhere*)
- Other Items
 - Social Media, CSR, News Media
 - Tools & Help (NIRI, surveillance, perception studies, etc...)

Rules of the Road: SEC Requirements

Regulation Fair Disclosure (Reg FD)

- ❑ Forbids selective disclosure of material information
- ❑ Written policy, limited spokespersons, IRO role

Regulation G

- ❑ Governs reporting of non-GAAP measures
- ❑ Requires reconciliation to comparable GAAP figure
- ❑ Recent hot buttons: prominence, cash

SEC Filings (10-Q, 10-K, proxy, etc...)

- ❑ IRO should review, provide input and be familiar with all content
- ❑ Special attention to Management Discussion & Analysis (MD&A)



Disclosure Committee (including IRO, General Counsel and Controller) should meet at least quarterly to review documents, discuss potential controversial topics, and align on reporting approach

Quarterly Earnings

Quiet Period

- Mandated for IPOs, common practice (4 weeks) for others

Press release

- Timing: auditors, before/after market hours
- Content: headlines, business review (prior yr comps), CEO quote, financial tables, guidance

Earnings Call/Transcripts

- Timing: Following press release, weekday, sell-side considerations
- Content: pre-written, consistent with release, with added color and outlook
- Supporting data: slides often used during web cast, other business data

Q&A

- Draft expected questions/topics and practice the answers
- Sell-side: follow ups after call. Know key data disclosed in call to help them model

Pre-meet with CEO/CFO to align on key messages and content



Other Key IR Communications

Management/Board of Directors

- Frequency: Monthly, quarterly, post-earnings, ad hoc
- Content: Stock performance/valuation (vs. peers), ownership composition & changes, sell side commentary, investor feedback

Web Site:

- First Impression! Use help, swipe good ideas!
- Content: investment thesis/business summary, IR presentation, SEC filings, press releases, contact info

Other communications

- Annual Report/Letter to Shareholders
- Corporate marketing, sustainability reports, etc...

Other Items

Social Media

- Marketing vs. financial communications, shareholder base
- Caution. Clarity on who can post and what info (Reg FD). Understand publishing protocols and regulations.



News Media

- Deadline driven. Anticipate questions and prepare/control your message if you choose to respond.



Tools/Help

- NIRI web site, perception studies, vendors



Credibility counts!

Consistent, clear & comprehensive, proactive and accountable