

WELCOME to POSTGRADUATE PROGRAMME

The London School of Public Relations – Jakarta

The Leading Graduate School of Communication

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Jakarta
GRADUATE SCHOOL of COMMUNICATION

MASTER OF ARTS IN COMMUNICATION : MARKETING COMMUNICATION

E-learning Programme

SUBJECT/LECTURER : INVESTOR RELATIONS / Bambang Sumaryanto, MBA, M.Si

1^{1th} SESSION

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Building Relationship

Chapter 22 –Maximize Equity Valuation -

Building Relationship

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- Long-term commitment to Transparancy and consistency
- Investors -→ Analist → Management → Investors
- Depend on building mutual trust

MUTUAL RESPECT & TRUST

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- IR respect the interaction with Analyst
- Trust that Analyst maintains relationship both with Investors & Management
- Protect relationship by educating analyst through honest and frequent communication
- Ensure Market is UPDATED more frequent than quarterly report/announcement
- Ensure CEO top produce solid earnings vs expectation to counter negative opinion

MAINTAINING RELATIONSHIP SELL SIDE

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- Establish policies to be more forthcoming and transparent
- Regulary scheduled pre-announcements at the end of quarter but before the earning release
- IR & Management should work together effectively to understand the analyst's concerns
- IR must constantly educate the analyst in adavance for a problem to reach out → analyst can move quickly with recomendation

MAINTAINING RELATIONSHIP BUY SIDE

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- Similar with Sell Side, but more guesswork and longer list
- Need to regularlu adjusted and updated investor list by quarter
- Segmented into multiple categories
- IR ensure Investors receive a steady stream of company information

HANDLING & PRIORITIZING NEW INQUIRIES

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- Need to have structured process – to avoid waste management time
- Need to have tools to identify callers to prevent spending time with wrong investors
    - Need to understand their motives

SHORT SELLERS

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- Short Seller just focus short-term
- Important to identify short seller and counsel management on the best course of action
- IR shpuld staying close and find out their argument → confront issues head on in conference calls
- Short Seller will buy the stock back → can be “squeezed” upward
- Avoid management to promise a higher earnings growth rate to scare the short away

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Thank You