

Presenting in a coronavirus world

The COVID-19 experience should precipitate a rejig in how companies present themselves to investors.

John Robertson*



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Ironically, given bans on face-to-face meetings between investors and company executives, corporate access to capital has never been easier as central banks underwrite an unprecedented flood of liquidity.

Meanwhile, unable to move far from their living rooms, individuals have embraced the online world for shopping, entertainment and exercise. One form of the online entertainment experience, it turns out, is punting on the stock market.

A heady cocktail of cheap money, unsupervised work practices, low fee trading platforms and government-funded incomes has altered the functioning of equity markets.

The operational resilience of the mining industry has enabled the most capital hungry parts of the industry to benefit from the flow of speculative dollars.

The same monetary conditions supporting the flow of funds into the sector have also lifted commodity prices, adding to the appeal.

The ready availability of work from home technologies has, at the same time, allowed executives of early stage mining companies to address prospective investors in unprecedented numbers. COVID-19 has changed the nature of the traditional management-investor interaction.

Video streaming was readily available before 2020 but conventional wisdom had placed a heavy weight on personal interaction to get investors across the line. Investor relations advisors were reluctant to depart from business models to which

they had become accustomed.

Substituting a one-hour webinar for lunchtime meetings in Sydney and Melbourne over two days is clearly a more efficient use of executive time.

The new approaches also open international horizons as investors in Perth or Sydney tap into market conversations occurring in Toronto or London. Promoting global benchmarks for project quality and management expertise should lead to better investment outcomes and more efficient markets.

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On the downside, due diligence is harder. On-site inspections for professional money managers or investment intermediaries or face-to-face conversations with management for individuals contemplating a financial commitment are less easily arranged.

Speculative over exuberance is more likely among smaller companies leveraged to even minor changes in sentiment when hundreds of potential buyers, all a click or two away from placing a stock order, can be addressed simultaneously. Volatility could

increase.

The jury is still out on whether the more technologically dominant forms of communication will remain preferable to the more intimate conversations investors might have had over a drink at the bar or in an exhibition booth.

Age may affect judgements about which way works best. The youngest investor relations advisors tend to think of technological aids to communication as the permanent way of the future. Older practitioners talk longingly about getting back to normal "as soon as this is over".

The range of alternative virtual meeting formats poses another question: which is the most effective presentation medium?

Any company can host its own webinar whether linked to a financial or operating result or simply to keep in touch with the existing base of interested investors.

Investor relations firms now routinely host regular events for their clients using the size of their contact lists as the lure for participating companies.

Mini conferences bringing together 3-5 companies, sometimes used to promote a particular theme, are now common.

Large-scale virtual conferences with 20 or 30 or more presenting companies, stretching over two or three days, offer another meeting format. This format has typically arisen from event convenors trying to protect existing franchises while travel restrictions are in place. That model may yet prove to have outlived its usefulness.

At the other extreme in the available range of formats is the one-on-one conversational approach. Critical to the success of this format is a skilled interviewer with an understanding of the business being presented drawing out the main features of the investment proposition. The format eschews the distraction of the PowerPoint slides to highlight the qualities and insights of the person being interviewed.

Although potentially the most effective communication format, the impact is lost when inexperienced interviewers or generalist investor relations advisers throw up overly obsequious or irrelevant questions. An example of this infrequently used format done well is the Asiamet Resources discussion moderated by Mining Journal head of research Chris Cann.

Format should be secondary to content. Unfortunately, content shortcomings had already left the industry struggling to connect with the investors who might be willing to fund early stage ventures.

Explorers and biotechnology ventures are fighting for the attention of an overlapping investment population with contradictory approaches. Miners are prone to focus on the past while biotech pioneers are more forward looking in their pitches.

The standard explorers' presentations may take 20 pages to say, "we've been ever so busy". The biotech at an equivalent stage of development will say, "this is how much we will spend for this anticipated result". The latter contains a value proposition which the former lacks.

Beyond the vital importance of content is a needed recognition of basic format differences. The presentation prepared for a 10-foot-tall screen may not suit a 10-inch tablet.

Presenters noticeably flounder as they try to verbally guide viewers to the point of their talks either without the familiar laser pointer or with a barely visible cursor to help guide the discussion.

Anyone wanting an insight into how a simple everyday technology can be used to enhance a presentation should tap Vimy Resources chief executive Mike Young. During a recent webinar, Young drew on the screen with a red marker to highlight content and, in doing so, changed what might have been a lookalike presentation, disconnected from the person talking, into active communication. Creating a point of difference matters in a competitive market.

With remote meetings becoming a permanent feature of the communication process, companies will have to think more intently about which format best suits their aims, how they can tailor their content to the participating investors and, importantly, whether they have adapted their content to the selected format through which they are attempting to communicate.

**John Robertson is the chief investment strategist for PortfolioDirect, an Australia-based equity research and resource stock rating group. He has worked as a policy economist, business strategist and investment professional for nearly 30 years, after starting his career as a federal treasury economist in Canberra, Australia*