

2018 A Year in Review and Outlook

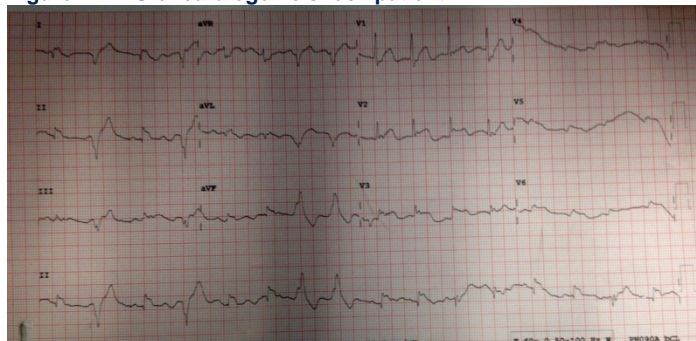
Reviewing 2018 IR and Planning for Improvement in 2019 – JANUARY 2019

Indubitably, 2018 was a year of challenges for Latin America; from Brazil's corruption scandals and election uncertainty, challenging economic conditions in the Andean region, to the highly controversial presidential election outcome in Mexico, collectively, Latin America has experienced more upheaval during 2018 than it has in prior decades. For global investors, the volatility of the Dow Jones looks less like the healthy economic movement of the top industrial average index in the world and more like the EKG¹ of a cardiogenic shock patient flailing hopelessly between the boundaries of life and death. As the New Year begins, there is hope that with proper planning, strategic vision and a little luck, things can improve.

Figure 1: DJIA 2018 YTD



Figure 2: EKG of cardiogenic shock patient



What can issuers do, in terms of IR, to reduce volatility in 2019?

i-advize considers that any point during the year is just as good as any for a fresh start. The beginning of the year traditionally signals hope for new beginnings, and not just in terms of personal goals, but also in the manner in which companies conduct business. With budget planning come internal changes all aimed at being more effective and more efficient. In terms of investor relations, this is no different. Now is a good time to “take stock” by reviewing current activity levels and making the necessary modifications to ensure that investor relations goals are met for the upcoming year.

Making changes now can benefit the company in more ways than just meeting the IR goals. In certain instances, reviewing the manner in which things are being handled sheds light on underutilized areas or personnel. For example, say one of your goals is to be **more active on social media platforms** --- a discussion with your internal team or your IR agency provider can result in the discovery that you already possess the skills you need with your existing team. That is, someone who already works with the program may have the experience to make this goal a reality. Another benefit could be savings in time and/or costs; perhaps there are products you don't need or use. Consider making way for new ideas by analyzing how you can use what you have in a more productive manner.

Getting management involved is essential. Their strategic vision for the company will directly affect your IR program and the market's perception of the company. Therefore, from the beginning, the IR group should set up meetings with management to assess the weaknesses and strengths of the program, and then together, make decisions on how to address the weaknesses while at the same time using the strengths in order to present a more complete and inviting picture of your company to the market. Being able to craft a message together and then support that message with a clear plan of action will be the difference between the “wish list” and the “to do” list.

¹ An EKG is a paper or digital recording of the electrical signals in the heart. It is also called an electrocardiogram or an ECG; determines heart rate, heart rhythm and other information regarding the heart's condition.



I. Take Stock of the Current Program

The hardest part of taking stock is being honest with the current situation. Oftentimes, internal IR programs are stunted due to budgetary constraints, small IR teams and old habits that are difficult to shake. Taking stock, however, is the most crucial part of the planning, thus it must be addressed head on.

First, get the entire team on board. Ensuring that everyone is part of the process will reduce setbacks later. The last thing you want is for someone to have really good input later in the process when it is too late to incorporate their ideas!

The team includes everyone involved in IR at the company, and that includes management and the financial markets. Therefore, use the first weeks of the New Year to gather valuable market feedback in the form of **IR surveys and/or customized Perception Reports**. The internal goals and the external needs should be aligned when deciding your communications strategy for the upcoming year.

Everyone's contribution is necessary and vital; more importantly, everyone's participation will generate the best results.

Second, break up the program into areas and discuss the problems you have experienced in each. i-advize created this table on the right as an example of the areas of focus, as well as some of the questions to get the analysis going.

Third, make a list of goals for each area. Perhaps the web site is outdated and lacks certain crucial elements of information, or perhaps you are subscribed to certain information sources that you don't even use. Consider this a good time to make changes that are value-added and set goals for the upcoming year in the form of...

Areas	Questions to Ask
1. Company Strategy for Upcoming Year	<ul style="list-style-type: none">What are management's plans for the next 5 years in terms of the direction of the company?How can IR be better prepared to handle upcoming strategic activity?What are the upcoming transactions, acquisitions, mergers, etc. that are in the works? (Discussion with management)Does the company have a crisis communications plan?
2. Team Size; hiring/firing	<ul style="list-style-type: none">Is the current staff sufficient to meet market demands?Are there team members who are being underutilized or who should be reviewed for effectiveness?Can other areas be used to make IR activities more value added (i.e. accounting, public relations)?
3. Information Flow	<ul style="list-style-type: none">Is information easily accessible internally? What can be improved?Is IR providing information quickly and accurately to the market? Why or why not?
4. Materials	<ul style="list-style-type: none">Is the market satisfied with IR materials?What information needs to be added/removed and how can the materials be improved?
5. Web Site	<ul style="list-style-type: none">When was the last time the IR web site was updated?Who is in charge of updating the web site on a daily basis?Is all the information on the IR web site relevant and accurate?
6. Event Participation	<ul style="list-style-type: none">What conferences or events did the company participate in this year?What conferences or events do we want to be invited to in 2019?What events are not positive for the company and can be eliminated from the calendar next year?
7. Meetings, Roadshows and NDRs	<ul style="list-style-type: none">Should the company conduct meetings in a particular region of the world?What banks will the company conduct roadshows with in the upcoming year?Given MiFid II, how will the company meet investors who are not paying clients of certain banks?
8. Distributions	<ul style="list-style-type: none">How are we distributing information?Are our distribution lists up to date?Can we do the above more efficiently? (research pricing and new vendors)
9. Information Tools / Sources	<ul style="list-style-type: none">Do we use current sources of information (i.e. Bloomberg, IPREO, Nasdaq IR)?Should we schedule a training session to gain more insight as to how to use the information sources more effectively?If there are tools we don't use, should the company consider suspending or changing providers?
10. IR Agency Support	<ul style="list-style-type: none">Are my goals clear with my IR agency? Are they aware of the team's goals and objectives?Will the IR agency be able to support the company with these goals and objectives?Is the IR agency being underutilized? Can they assist the company in additional ways?



II. ...an IR Calendar Aimed at Meeting Objectives

Now that the hard part is over, take your ideas for change and plot them into a 12-month calendar that represents how and *when* you will go about making changes to your program. It is important to create a set of objectives for the upcoming year for your investor relations team. Underscoring these objectives is the goal of creating durable shareholder value. But every company is different. For some, these objectives hinge on increasing analyst coverage and raising visibility; others may be focused on changing perception or messaging around strategy. Regardless of the goal, establishing long-term objectives with short-term deliverable targets is an important step for planning the year's IR activities. Make sure you include all the important dates into your calendar, such as dates for activities you already have planned and national (as well as international) holidays that may get in the way of executing some of these goals. Below is a sample calendar that can be used to plot ideas for the New Year.

Activities for the calendar include:

- Dates for quarterly earnings
- Conference call dates and times
- Annual shareholder meetings
- Annual report
- Broker conferences
- Planned NDRs
- Analyst Day
- Planned or potential market transactions
- Local regulator deadlines
- Vacations
- National and international Holidays

2019								
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1 Tu <small>New Year's Day</small>	1 Fr	1 Fr	1 Mo	1 We	1 Sa	1 Mo	1 Th	1 Su
2 We	2 Sa	2 Sa	2 Tu	2 Th	2 Su	2 Tu	2 Fr	2 Mo <small>Labor Day</small>
3 Th	3 Su	3 Su	3 We	3 Fr	3 Mo	3 We	3 Sa	3 Tu
4 Fr	4 Mo	4 Mo	4 Th	4 Sa	4 Tu	4 Th <small>Independence Day</small>	4 Su	4 We
5 Sa	5 Tu	5 Tu	5 Fr	5 Su	5 We	5 Fr	5 Mo	5 Th
6 Su	6 We	6 We	6 Sa	6 Mo	6 Th	6 Sa	6 Tu	6 Fr
7 Mo	7 Th	7 Th	7 Su	7 Tu	7 Fr	7 Su	7 We	7 Sa
8 Tu	8 Fr	8 Fr	8 Mo	8 We	8 Sa	8 Mo	8 Th	8 Su
9 We	9 Sa	9 Sa	9 Tu	9 Th	9 Su	9 Tu	9 Fr	9 Mo
10 Th	10 Su	10 Su	10 We	10 Fr	10 Mo	10 We	10 Sa	10 Tu
11 Fr	11 Mo	11 Mo	11 Th	11 Sa	11 Tu	11 Th	11 Su	11 We
12 Sa	12 Tu	12 Tu	12 Fr	12 Su	12 We	12 Fr	12 Mo	12 Th
13 Su	13 We	13 We	13 Sa	13 Mo	13 Th	13 Sa	13 Tu	13 Fr
14 Mo	14 Th	14 Th	14 Su	14 Tu	14 Fr	14 Su	14 We	14 Sa
15 Tu	15 Fr	15 Fr	15 Mo	15 We	15 Sa	15 Mo	15 Th	15 Su
16 We	16 Sa	16 Sa	16 Tu	16 Th	16 Su	16 Tu	16 Fr	16 Mo
17 Th	17 Su	17 Su	17 We	17 Fr	17 Mo	17 We	17 Sa	17 Tu
18 Fr	18 Mo <small>President's Day</small>	18 Mo	18 Th	18 Sa	18 Tu	18 Th	18 Su	18 We
19 Sa	19 Tu	19 Tu	19 Fr	19 Su	19 We	19 Fr	19 Mo	19 Th
20 Su	20 We	20 We	20 Sa	20 Mo	20 Th	20 Sa	20 Tu	20 Fr
21 Mo <small>Marlin L. King Day</small>	21 Th	21 Th	21 Su	21 Tu	21 Fr	21 Su	21 We	21 Sa
22 Tu	22 Fr	22 Fr	22 Mo	22 We	22 Sa	22 Mo	22 Th	22 Su
23 We	23 Sa	23 Sa	23 Tu	23 Th	23 Su	23 Tu	23 Fr	23 Mo
24 Th	24 Su	24 Su	24 We	24 Fr	24 Mo	24 We	24 Sa	24 Tu
25 Fr	25 Mo	25 Mo	25 Th	25 Sa	25 Tu	25 Th	25 Su	25 We
26 Sa	26 Tu	26 Tu	26 Fr	26 Su	26 We	26 Fr	26 Mo	26 Th
27 Su	27 We	27 We	27 Sa	27 Mo <small>Memorial Day</small>	27 Th	27 Sa	27 Tu	27 Fr
28 Mo	28 Th	28 Th	28 Su	28 Tu	28 Fr	28 Su	28 We	28 Sa
29 Tu		29 Fr	29 Mo	29 We	29 Sa	29 Mo	29 Th	29 Su
30 We		30 Sa	30 Tu	30 Th	30 Su	30 Tu	30 Fr	30 Mo
31 Th		31 Su		31 Fr		31 We	31 Sa	

Sample Calendar

Data provided "as is" without warranty



III. Measure your Success: Periodically Refer Back to the Original Objectives

Even the best-laid plans suffer setbacks. These could be in the form of unexpected market activity or internal changes that alter the company's initiatives or plans. Ensure that the calendar is a "living document", meaning that it must be continuously updated in order to keep it current. And although, oftentimes, IR efforts are not considered to be quantifiable and can be difficult to measure, the following metrics can help track you the stock's performance and program goals:

- a) Daily trading activity
- b) Inclusion in local stock indexes
- c) Analyst coverage
- d) Investor profiles:
 - a. Geographic diversification
 - b. By type of fund
 - c. By size of portfolio
- e) Event activity (conferences, presentations, roadshows, etc.)
- f) IR investor surveys (e.g. Institutional Investor)

On the **qualitative** side, review the following:

- a) Stronger IR performance against peers
- b) Better quality research / IR intelligence
- c) Higher quality of information about the company that is available to the market
- d) Positive feedback from the investment community

More importantly, circulate the calendar with your team so that everyone is on board to carry out activities throughout the year. For more information and support on planning your strategic objectives for the coming year, contact i-advize Corporate Communications:



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