



# DESAFÍOS EMPRESARIALES EN TIEMPOS DE COVID-19:

GESTIÓN DE RIESGOS Y OPORTUNIDADES ASG | AMBIENTALES · SOCIALES · GOBIERNO CORPORATIVO

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3<sup>rd</sup> April 2020

Diane Faulks, Investor Relations Society

# Agenda

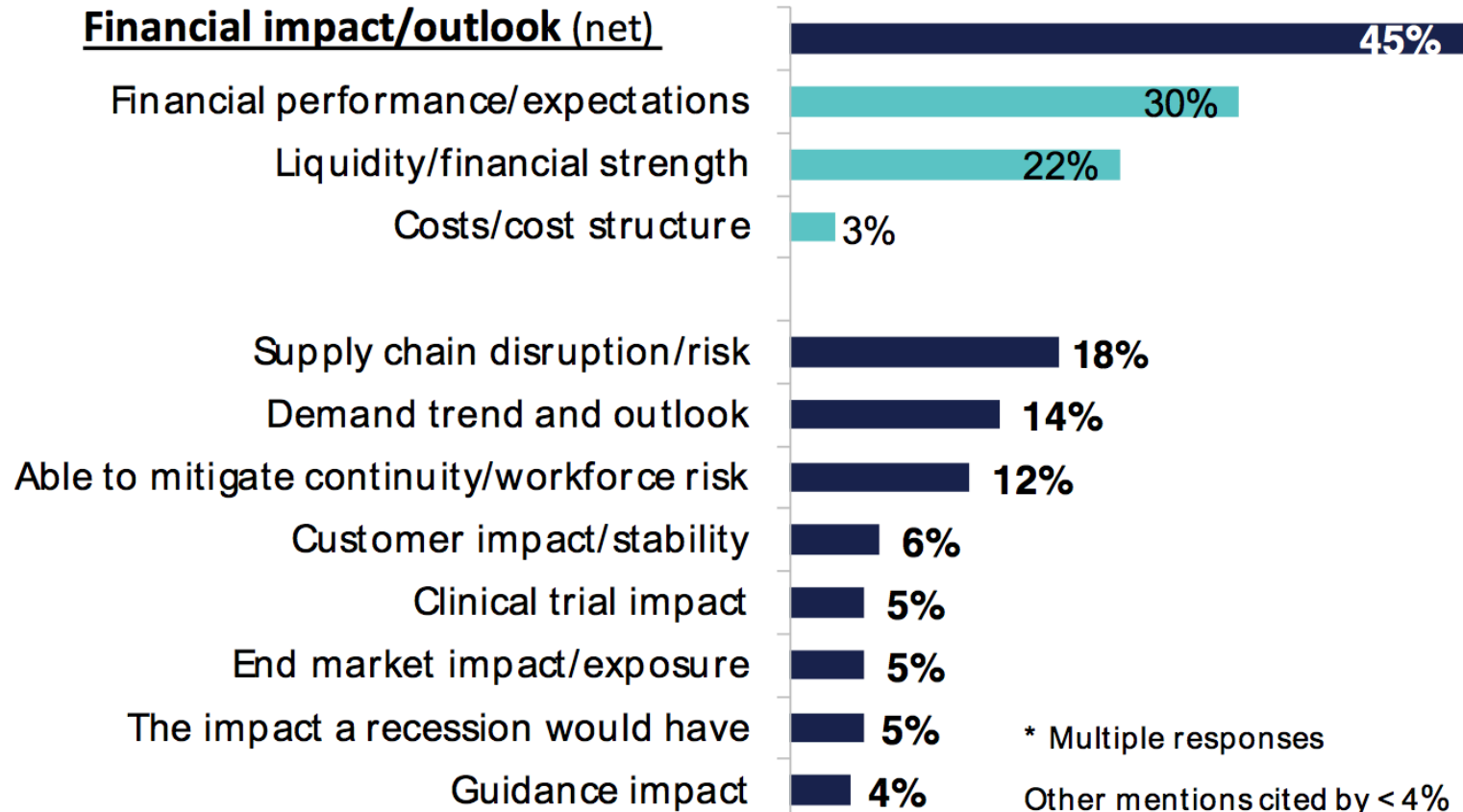
- Immediate investor (and therefore IR!) information needs
- Effect of workplace disruption
- Understanding your investors
- Information and messaging
- Effect on long term IR programme

# Core principles of Investor Relations (IR)

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- Distribute comprehensive information to sustain company visibility
  - Information should be factual, accurate, interesting, informative and disseminated in the most appropriate manner
- Understand the market feedback of investors' and analysts' views. Relay this to management in correct context
- Provide support in the capital markets via close relationships with investors, analysts, brokers and bankers
- Value of IR is limiting the downside
  - Real value is in a crisis

# Information investors want on impact virus



Source: Rivel Research Group



# Investor main information need

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**Liquidity**

**Balance sheet**

# Boeing: communicating what can be controlled

## Protecting our employees and communities

-  By increasing and enhancing the cleaning of high-touch areas; deep-cleaning impacted sites and establishing rigorous criteria for return to work; and asking all employees who can effectively do their jobs from home to telecommute.
-  By offering our Dreamlifter to transport urgently needed supplies to healthcare professionals; utilizing our 3D printing capabilities to manufacture face shields to protect those on the front lines; and shipping masks, gloves and other equipment to employees in impacted areas and hospitals in need.
-  By temporarily suspending operations at sites based on continuous assessment of the accelerating spread of the coronavirus in a particular region (in consultation with health officials).
-  By encouraging virtual meetings whenever possible and social distancing of 6 feet or more when face-to-face meetings are critical.
-  By limiting international travel to business-critical activities to reduce quarantine as travel restrictions change.

CEO & Chairman forgo pay, share repurchase suspended, no dividend

### Boeing Announces Actions to Navigate COVID-19 Crisis



CHICAGO, March 20, 2020 /PRNewswire/ -- The Boeing Company (NYSE: BA) today announced several decisions to support the company as it navigates through the COVID-19 pandemic while ensuring the company is positioned for the industry's recovery. Decisions include:

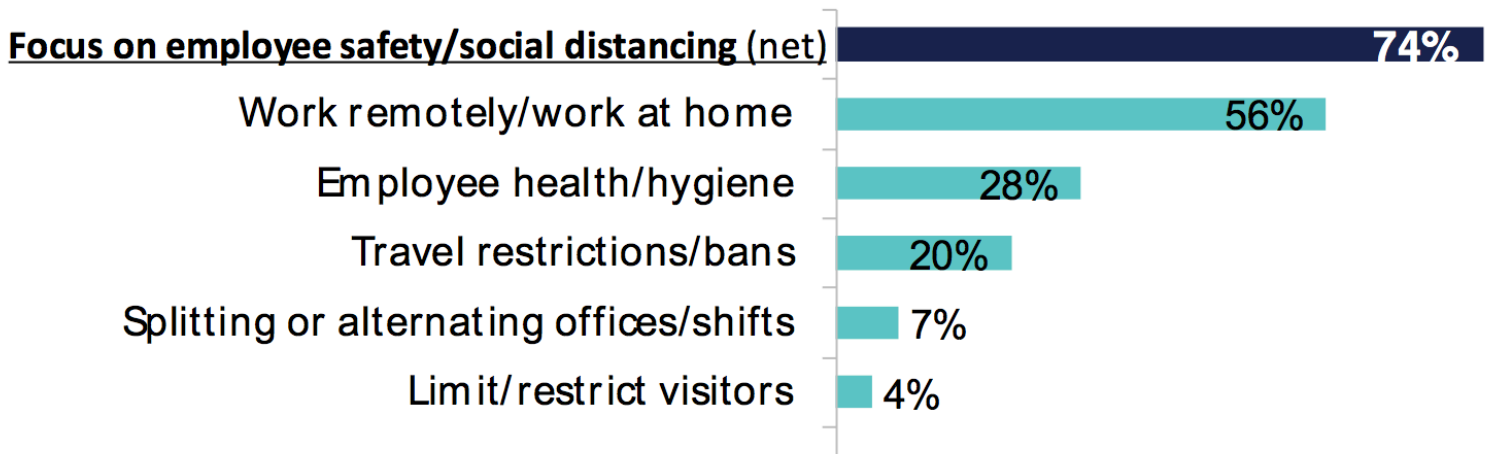
- CEO Dave Calhoun and Board Chairman Larry Kellner will forgo all pay until the end of the year.
- The company will suspend its dividend until further notice.
- Boeing will extend its pause of any share repurchasing until further notice. The company previously suspended its stock buyback program in April of 2019.

Boeing is drawing on all of its resources to sustain operations, support its workforce and customers, and maintain supply chain continuity through the COVID-19 crisis and for the long term.



# Effect of workplace disruption

**Steps Taken Internally to Mitigate Risk from Coronavirus' Spread\*** (Unaided)  
(Among North American and European IROs)



Source: Rivel Research Group

# Understanding your investor base

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- Who are our major holders?
  - Location, active/passive, AUM, type, style, under/over weight, Fund managers, analysts, ESG focus etc
- Why did they buy? What do they like about the company?
- What do they think of management, strategy, performance etc?
- Who are the most influential holders?
- Which shareholders are likely to rotate out and when?
- Which current investors could buy more shares?
- Who is not investing yet but could be?
- Who holds the voting power? Who is influencing the vote?



# Information and messaging

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Focus on what you have some degree of control over:

- Steps taken to secure the supply chain
- How resources are being reallocated
- Adoption of contingency plans
- Operational developments
- Is guidance withdrawn or target ranges widened

# Investment case

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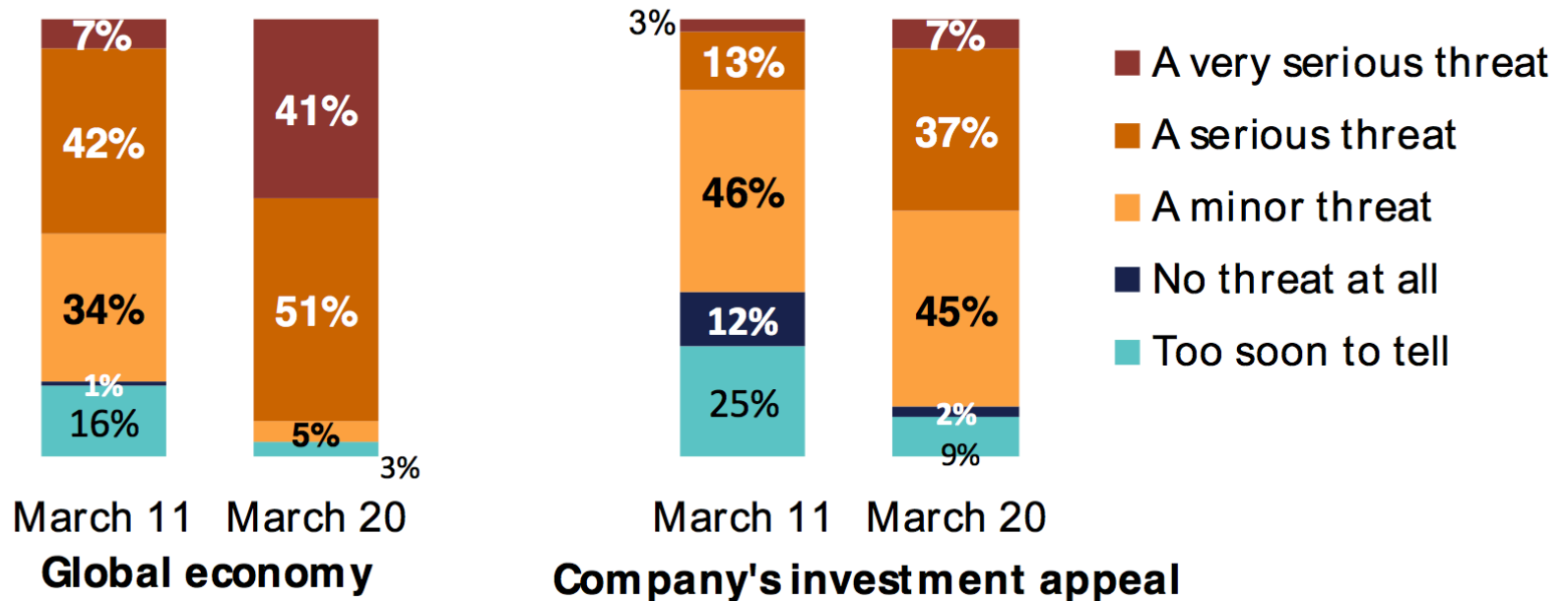
What attracts an investor's attention

- Why does your company exist?
- Operations: structure, locations, products, people, environment
- How it makes money: drivers and levers
- Competitive and regulatory environment
- Sustainability of the business
- Board: composition, governance, decision making, succession
- Measurements for remuneration: how relates to strategy
- Steady supportive shareholders

What kind of investor will be interested in your story? Today?

# Rapid change in investment case

## *Perceived Threat Coronavirus Poses to the Global Economy and Your Company's Investment Appeal* (Among North American and European IROs)



Source: Rivel Research Group

# Diageo: trading update

26 FEB 2020

PRESS RELEASE

## Trading Update – Impact of COVID-19 outbreak

When we released our interim results on 30 January 2020, we commented on the expectation of an impact from the Coronavirus (COVID-19) outbreak, which we were not able to quantify at the time. We are now providing an update on the expected range of the adverse impact in fiscal 2020 of the evolving COVID-19 situation.

As the situation continues to unfold, we are supporting our employees, their families and their local communities. We are also working closely with governments and public health authorities in China and in other impacted regions. We will continue to work tirelessly to contain the spread of the virus.

Public health measures across impacted regions have resulted in: restrictions on public gatherings, closures of schools and universities, and closures of many hospitality and retail outlets. Several countries and many businesses have also imposed restrictions on travel.

“When we released we were not able to quantify..... We are now providing an update on the expected range.”

# Marriott: hosting a conference call



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## Marriott International Provides Business Update Amidst the Rapidly Evolving Coronavirus Situation

MARCH 18, 2020 – BETHESDA, MD



*Company to host call with the investment community on March 19, 2020 at 8:30am ET*



# Moneysupermarket: stopping guidance

## Outlook

It is still too early to determine the full impact of the rapidly changing situation. Given the evolving nature of the pandemic and the associated uncertainty and lack of visibility, we are suspending all financial guidance for the financial year 2020.

As a marketplace business, we are impacted by changes in consumer demand or provider supply. In Q1 we initially saw strong demand for travel insurance due to consumer concerns over COVID-19 but both TravelSupermarket and travel insurance have materially weakened since the travel ban. Over recent weeks we have seen a slowdown in consumer demand and lower product availability in promotional Money channels has reduced. To date, Insurance and Homefundamentals of our business and markets are unchanged.

## Balance sheet and dividend

We benefit from being a financially resilient business with diversified revolving credit facility, which matures in September 2021, with the ability to raise a further £30m of cash of c.£30m.

Given this strong balance sheet and robust liquidity position, the Board's proposed dividend amount of 8.61p per share will not jeopardise our ability to continue to support our customers and colleagues.

The Board therefore proposes to pay the final dividend of 8.61p per share declared with the Group's preliminary results and will keep dividend policy for the rest of the year under review.

“Given the evolving nature of the pandemic and the associated uncertainty and lack of visibility, we are suspending all financial guidance for the financial year 2020... As soon as we have material information we will update the market.”

# G4S: cancellation of dividend

23 March 2020

## G4S plc Covid-19 Update and 2019 Final Dividend

G4S, the leading global security company provides the following update on Covid-19.

As reported on 11 March 2020, when G4S announced its 2019 preliminary full year results, the financial impact of Covid-19 has not been material in the context of the Group's year-to-date performance.

The Board notes that, in the period since 11 March 2020, the spread of the virus to countries outside Asia has accelerated and the World Health Organisation has declared Covid-19 a global pandemic. Countermeasures that are being introduced by national governments have escalated rapidly with potentially significant implications for the level of geographic markets.

G4S is working with employees, customers, suppliers, regulators and government and its key stakeholders. Across our operations we continue to work closely with governments and other key partners who recognise the critical importance of

As reported in our 2019 annual results, as at 31 December 2019 the Group has cash equivalents and bank overdrafts of £0.5 billion and committed, unutilised bank loans and loan notes of £2.3 billion as at 31 December 2019.

On 26 February 2020 the Group agreed to sell the majority of its conventional real estate assets with a net value of £727 million. Under the agreement, completion is phased with the first business under this agreement has completed with cash proceeds of £500 million and the remaining are scheduled through 2020.

Notwithstanding the company's strong liquidity, robust business continuity and strong cash flow, the Board considers that the uncertainty relating to Covid-19 and its impact on economic activity in our key markets has increased substantially since 11 March. In these circumstances, the Board has concluded that it is prudent and therefore in the best interest of the company that G4S does not pay a 2019 final dividend. Accordingly, the Board is not proposing to recommend the payment of a final dividend in respect of the full year 2019 at the forthcoming Annual General Meeting.

In addition, the company is taking steps to reinforce its focus on strong operating cash generation, capital efficiency and other measures to prioritise free cash flow.

Once the adverse impact of Covid-19 has abated, it is the Board's intention to restore the dividend taking into account its stated objective of attaining dividend cover of 2x and thereafter, pursuing a progressive dividend policy.

“In these circumstances, the Board has concluded that it is prudent and therefore in the best interest of the company that G4S does not pay a 2019 final dividend.”

# Barclays: cancellation of dividend



## Suspension of dividend payments

Released : 01.04.2020 07:00

RNS Number : 32001  
Barclays PLC  
31 March 2020

“In response to a request from UK Prudential Regulation Authority and to preserve additional capital for use in serving Barclay’s customers and clients the board has agreed to cancel [ordinary dividend].”

Barclays  
Suspension of Dividend

In order to help Barclays serve the needs of businesses and households through the extraordinary challenges presented by COVID-19, the Board has decided that for 2020 the Company will not undertake any interim ordinary share dividend payments, accrual of ordinary share dividends, or share buybacks.

In addition, in response to a request from the UK Prudential Regulation Authority and to preserve additional capital for use in serving Barclays' customers and clients, the Board has agreed to cancel the 6.0p per ordinary share full year 2019 dividend that was due for payment on 3 April 2020. The Board will decide on any future dividend policy and amounts at year-end 2020.

The Company still intends to publish its Q1 2020 Results Announcement on or about 29 April 2020.

Commenting, Nigel Higgins, Chairman, said:

"These are difficult decisions, not least in terms of the immediate impact they will have on shareholders. The bank has a strong capital base, but we think it is right and prudent, for the many businesses and people that we support, to take these steps now, and ensure that Barclays is well placed to continue doing what we can to help through this crisis."

- ENDS -

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# Increased IRO contact

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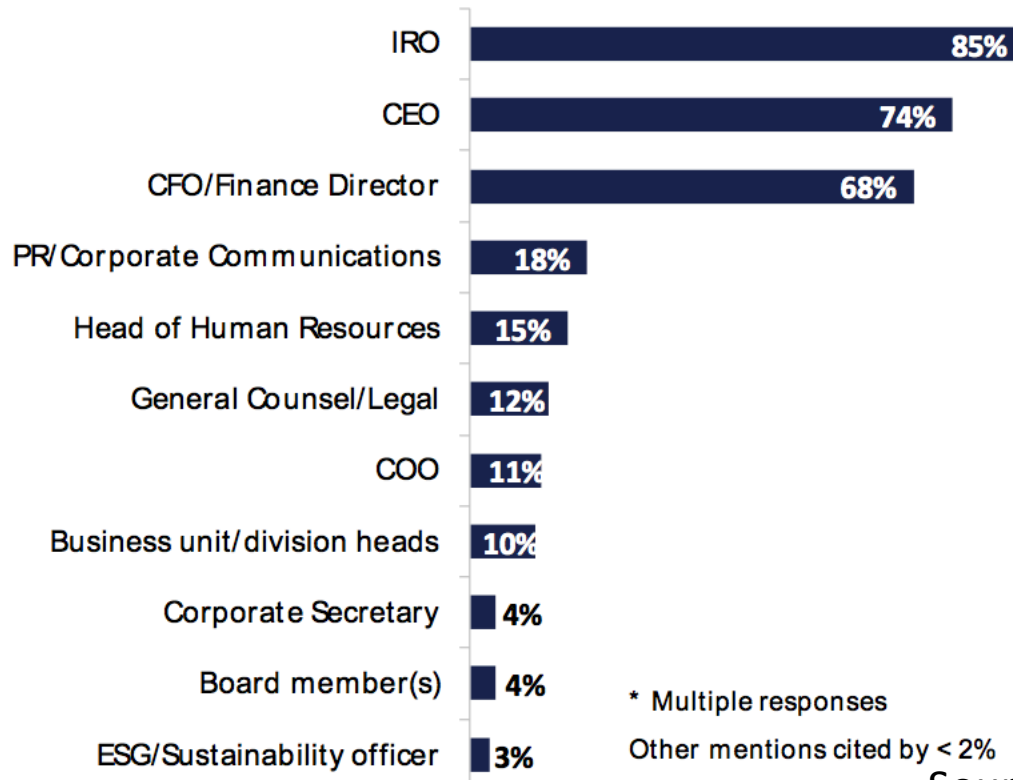
67% of IROs say they have increased communication:

- Holding or participating in virtual meetings/events (18%)
- Quicker responses to inbound inquiries (14%)
- Stepped up engagement with the sell side (7%)
- Posting regular updates on the website (7%)

Source: Rivel Research Group

# IROs key in communication response

***Executives Playing Important Role in Communicating Response to Coronavirus\**** (Aided)  
(Among North American and European IROs)



\* Multiple responses

Other mentions cited by < 2%

Source: Rivel Research Group



# Effect on long term IR programme

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- IR Website is key disclosure platform
  - Electronic communications, social media
- Annual report, half year report and company statements, Preliminary results and other financial updates
- Annual General Meeting
- Maintenance of share register
- Investor meetings and presentations, roadshows, conferences
- Analyst briefings, sales team briefings and company visits

# Summary

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- IR best practice principles still apply
- Two way communication is key
- Don't get ahead of the story
  - What you announce you will need to live with
- Beware selective disclosure
- How you act now will determine how you are perceived in the future