

Capturing the Virtual Investor Day Opportunity: Executing a Successful Event

NIRI Los Angeles, February 11, 2021

Speakers

- **David Fine, President, Fine Communications, Inc.**
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- **David Calusdian, President, Sharon Merrill**
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- **Ed Ditmire, VP, Head of Investor Relations, Nasdaq**
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Agenda

- Investor day research and how to succeed in a virtual environment

- Investor day best practices – in action



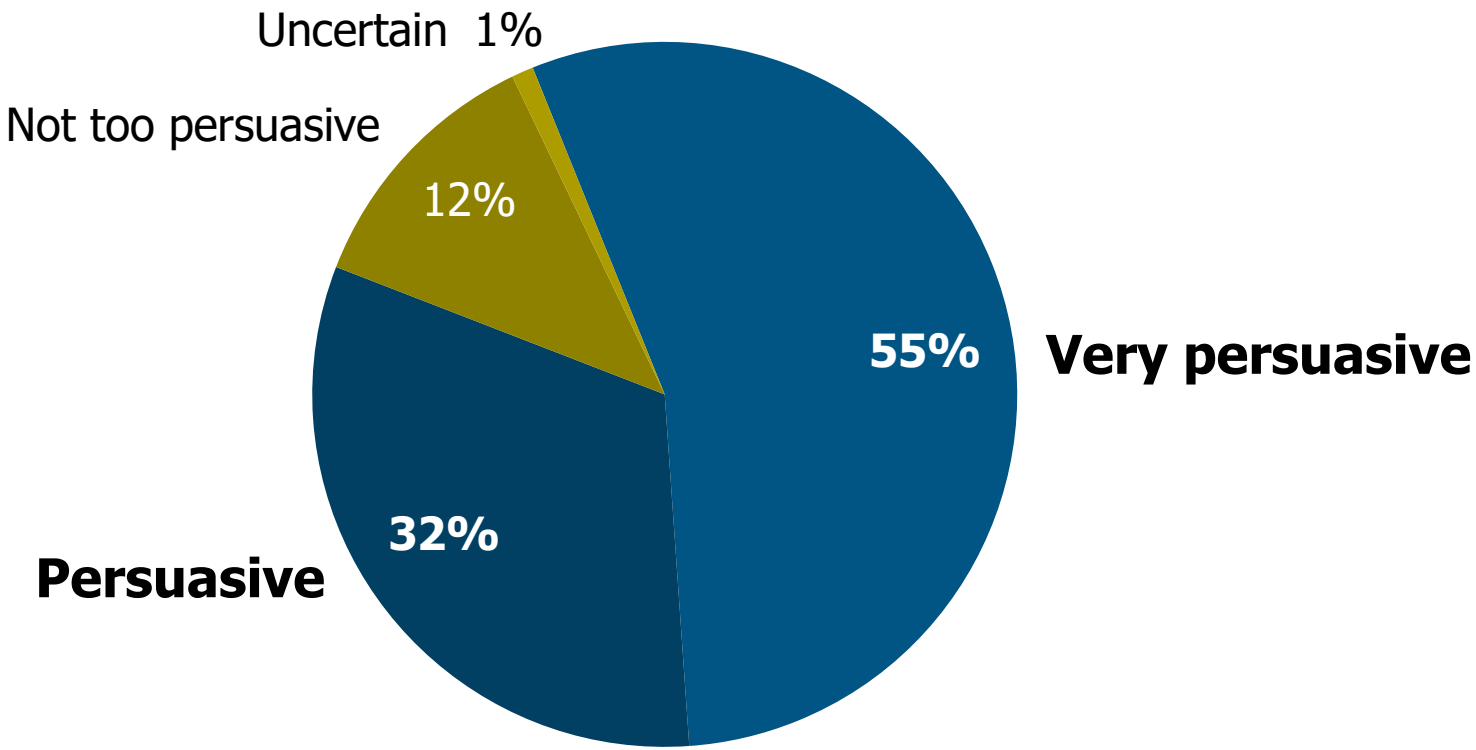




Investor Days Are Persuasive; 87% Can Be Persuaded

Impact of Investor Days on Investment Decisions

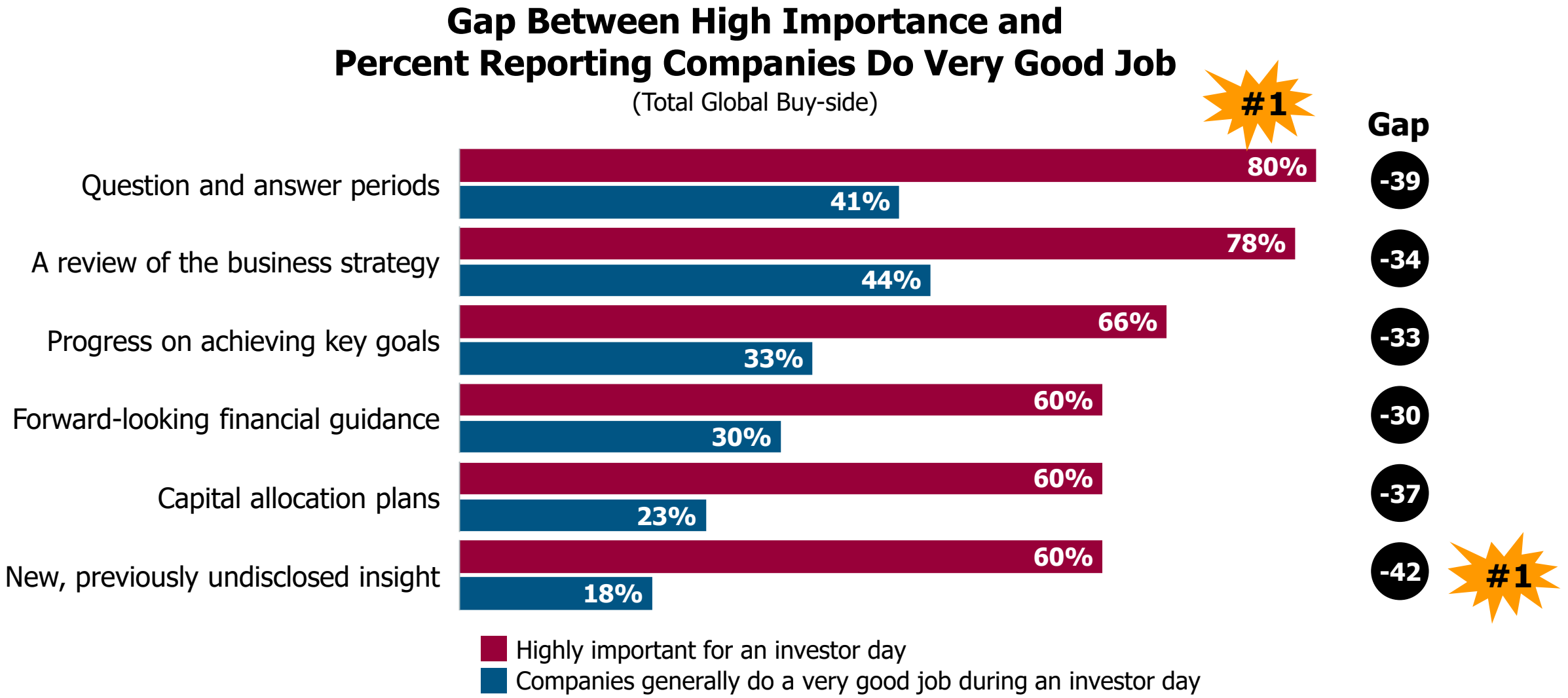
(Total Global Buy-side, January 2013, n=333)



- Investor days are persuasive. They are a highly effective, proven means of increasing buy-side investment interest.

Source: Rivel Research

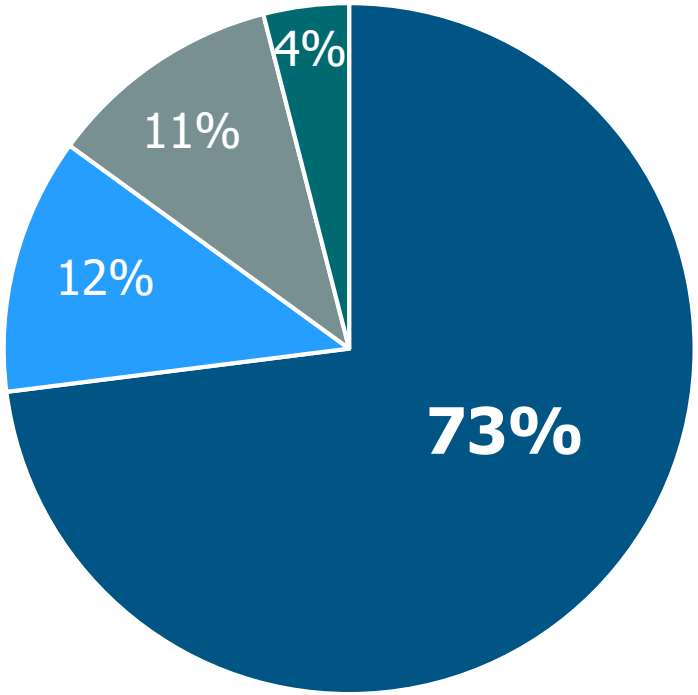
Many Companies Do Not Excel At Investor Days



Source: Rivel Research

Ideally Investors Want 50% of Time for Q&A

Best Allocation of an Analyst / Investor Day Agenda (Aided)



- **Split 50-50 between presentations and Q&A**
- A decided orientation toward Q&A session over presentations
- It varies / depends
- Totally devoted to presentations



Source: Rivel Research

Virtual Investor Day – What Is The #1 Challenge?

A virtual audience is easily distracted

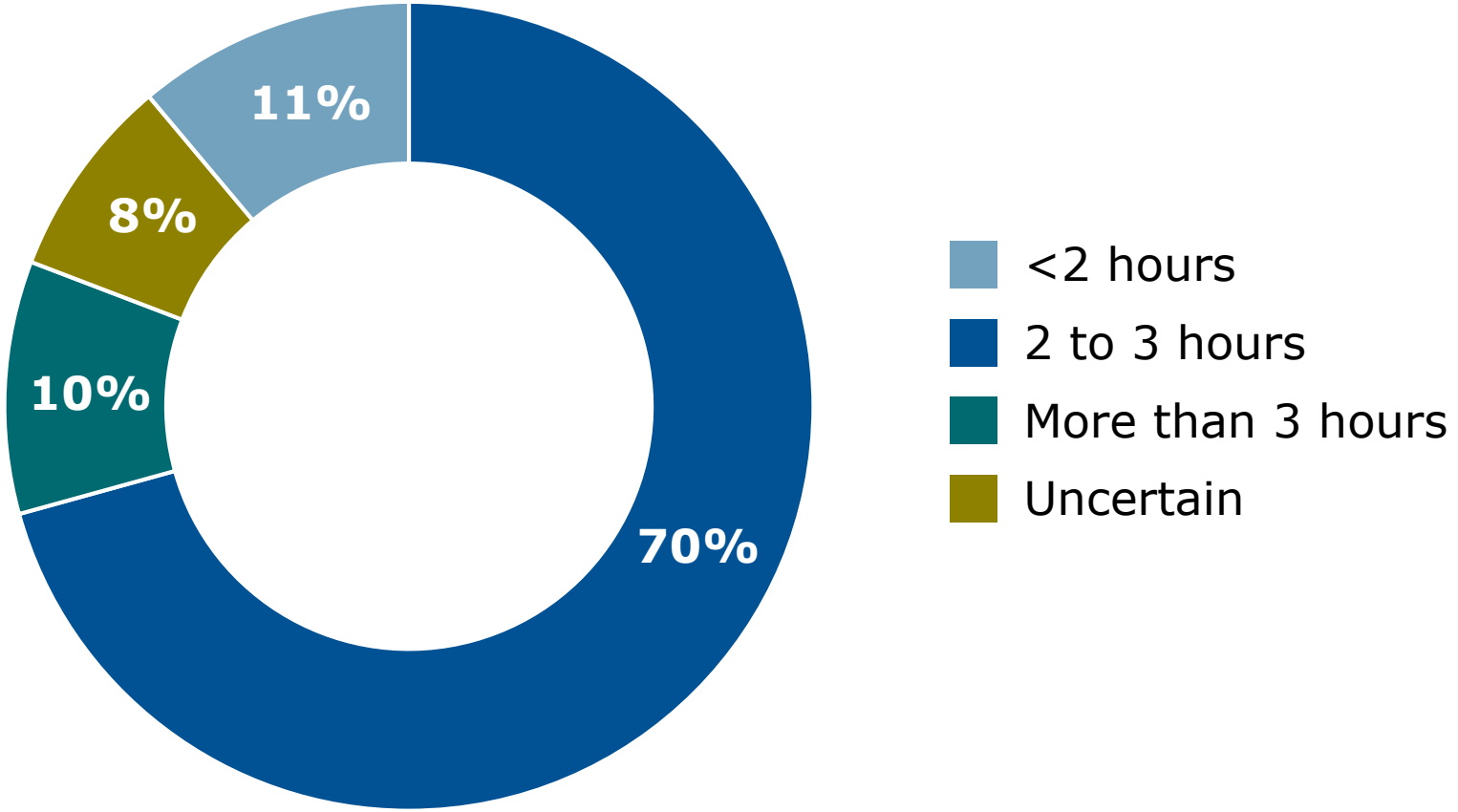


Must be engaged in new ways…



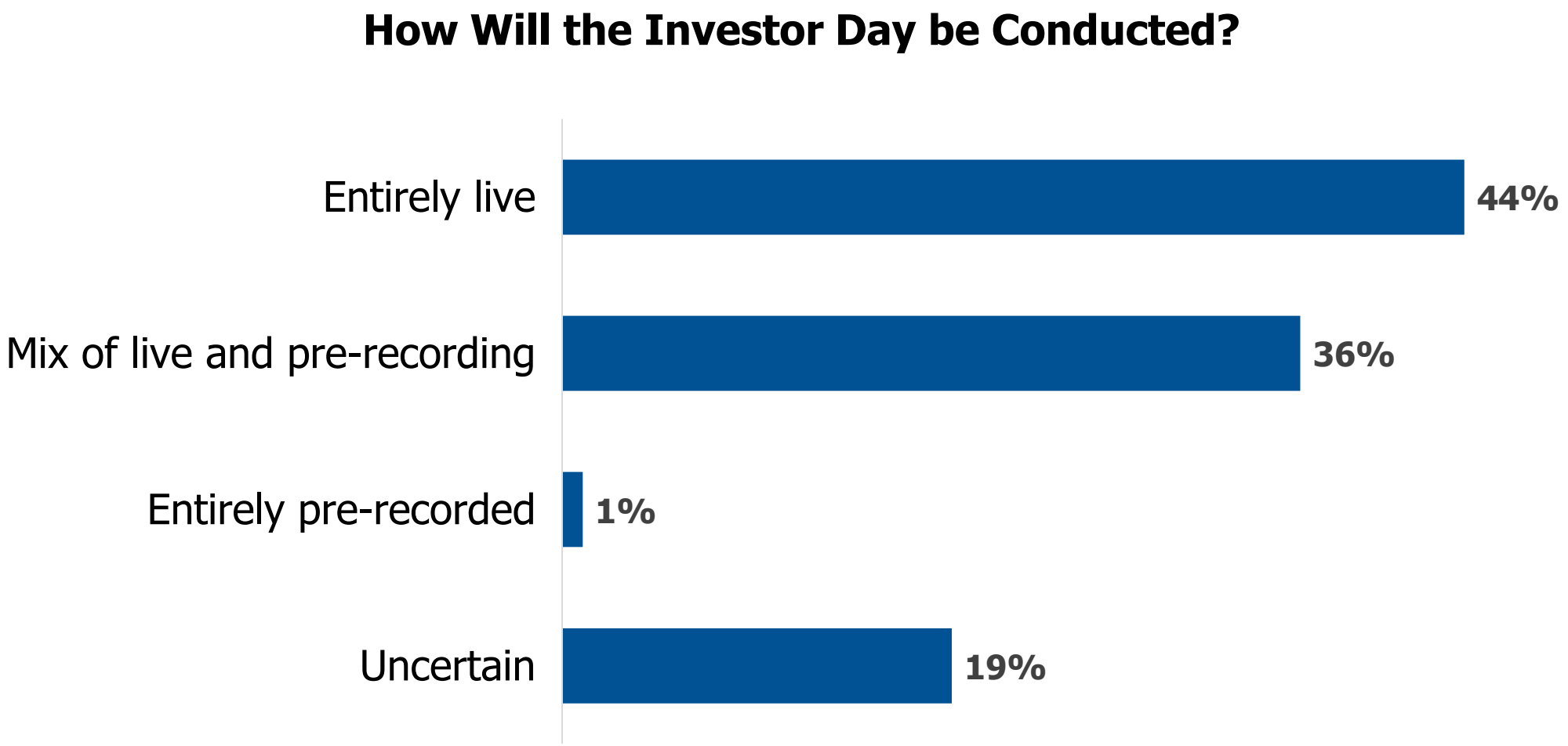
Virtual Investor Day – Ideal Length 2-3 Hours

Time of Undivided Attention Willing to Devote to a Virtual Investor Day



Source: Rivel 2020 September

Companies Plan a Mix of Live and Pre-recorded



Virtual Investor Day – 5 Ways to Drive Audience Engagement

1. Shorter event – maximum of 2-3 hours, with 30-40% for Q&A
2. Video is powerful – video of speakers and of the business: testimonials, product demos etc.
3. Include interactive sessions such as:
   - Fireside chats
   - Panel discussion with moderator
4. Ensure seamless use of technology, strong partner
   - Rehearse / coach all speakers ensure effective sound, light etc.
   - Consider pre-recording
5. Even greater focus on clear, compelling, message driven presentations



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- Investor day best practices – in action







INVESTOR DAY

Five Keys to Success



KEY #1

Understand and Address Investor Perceptions

What are the pre-existing perceptions amongst investors?

Plan to address them

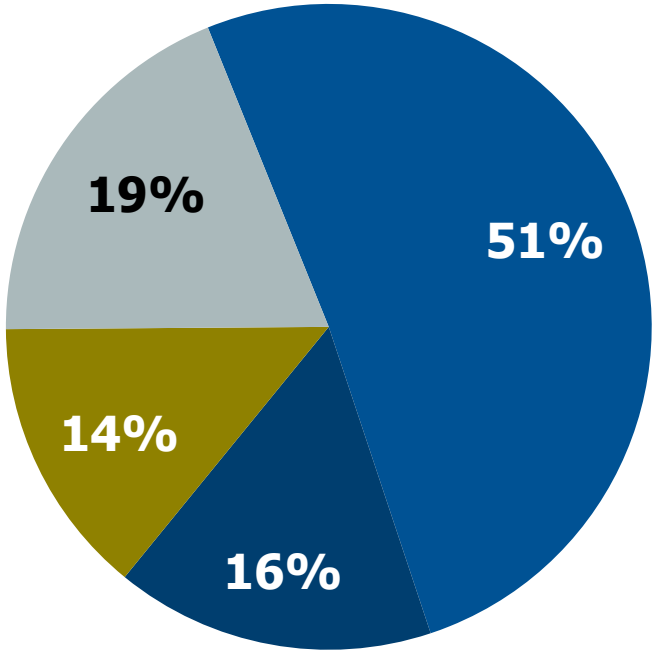


Nasdaq Example: We Asked What Are The Top 3 Issues You Want To See Addressed At The Investor Day?

Example NASDAQ

Capital Allocation Priorities

- Clarify acquisition criteria – will company do a big one?
- How to measure M&A track record
- Share buybacks approach



Top Line Organic Growth Drivers

- Growth opportunities by segment especially Market Tech
- Great interest in Market Tech – SaaS transition update
- TAM all segments, share and competitive positioning - threats
- New products

Multi-Year Financial Outlook / Algorithm Update

- Growth targets 3-5 years
- Margins overall and by segment – especially Market Tech
- ROIC expectations

KEY #2

Focus on a Few Key Messages

Imagine the headline you want in the analyst reports the day after



KEY MESSAGES FOR THE DAY

The Next Generation Nasdaq: Positioned for Sustained Growt

Example NASDAQ

Executing our strategic pivot to maximize our opportunity	• Tremendous progress executing on our transformation into a higher growth, more scalable platform answering clients' critical challenges
Strong competitive position in fast growing markets	• Significant and leading positions in large, high growth markets such as Index, Investment Analytics, Market Technology, and IR & ESG services
Clear growth strategy and long runway ahead	• Clear path to unlock growth potential and accelerate transition to a SaaS business model in our technology and data and analytics businesses

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Imagine the headline you want in the analyst reports the day after



Successful Example

Deutsche Bank Research

Nov 11, 2020

Reiterate Buy Rating Post Investor Day

Key takeaway: recurring revenue growth outlook increasingly durable

KEY #3

Create Compelling Presentations that Reflect the Four Best Practices

Find right balance between simplicity and meaningful content

Four Best Practices for a Compelling Presentation



AGENDA

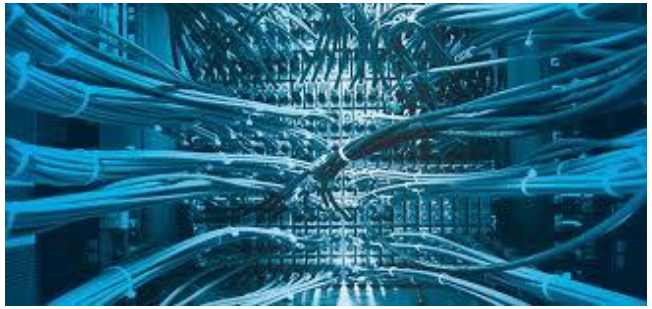
Advancing Our SaaS Transformation: Unlocking Our Margin and Growth Potential.

Example of 2. Logical Flow

- ✔ **Executing On Market Technology's Transformation**
- **Leading Positioning In Attractive Markets**
- **Growth Opportunities And Implications Of Our SaaS/Services Transformation On ARR And Margin**







Check All Slides Pass The 3 Second Rule

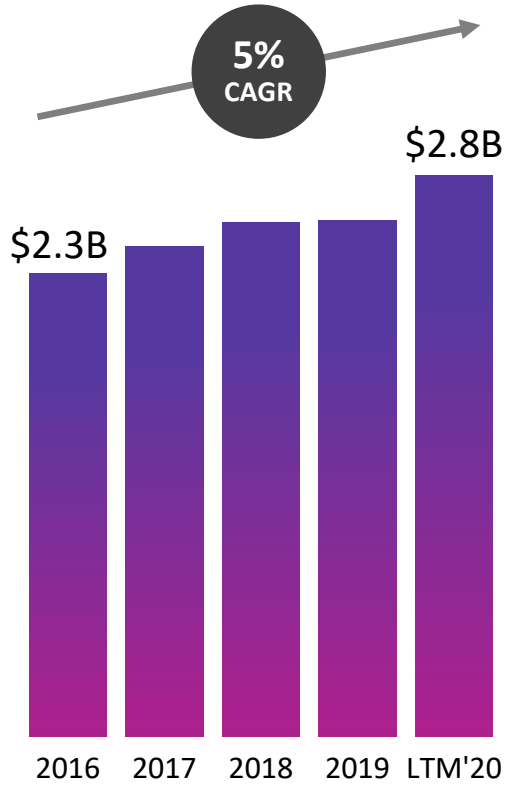
Slide should be clear and understandable within 3 seconds of appearing



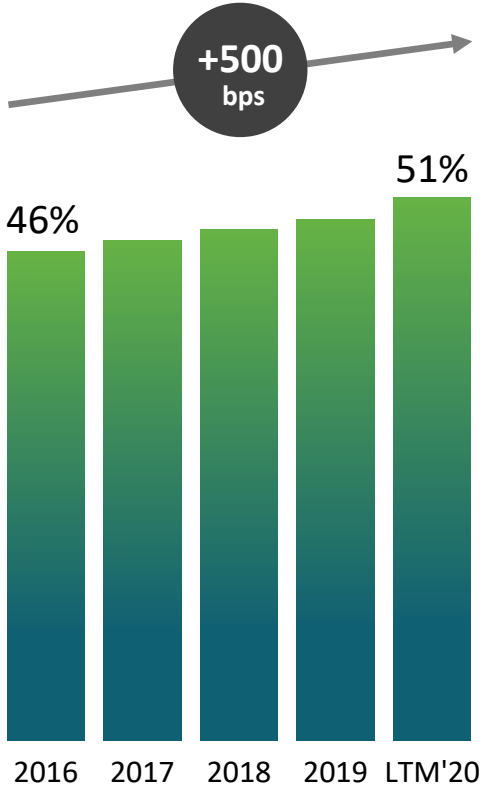
Example of Effective 3 Slide

Strong Financial Performance Driving Shareholder Value

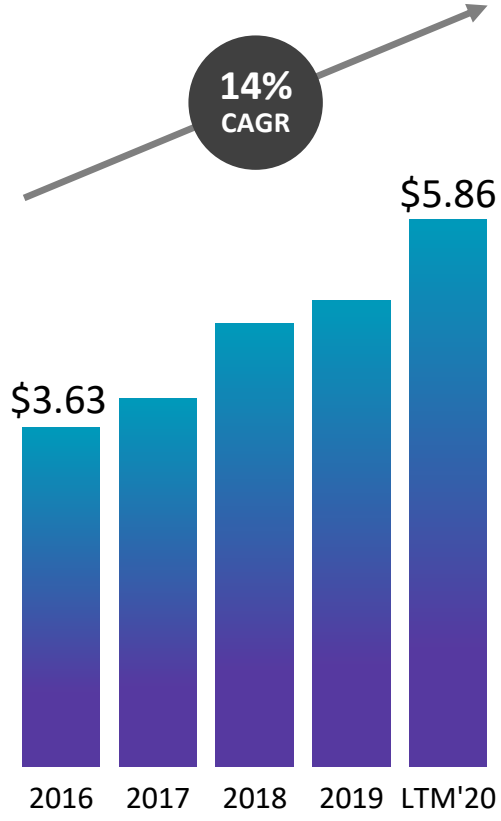
Net Revenue[1] ($B)



Non-GAAP Operating Margin[2] (%)



Non-GAAP Diluted EPS[2] ($)

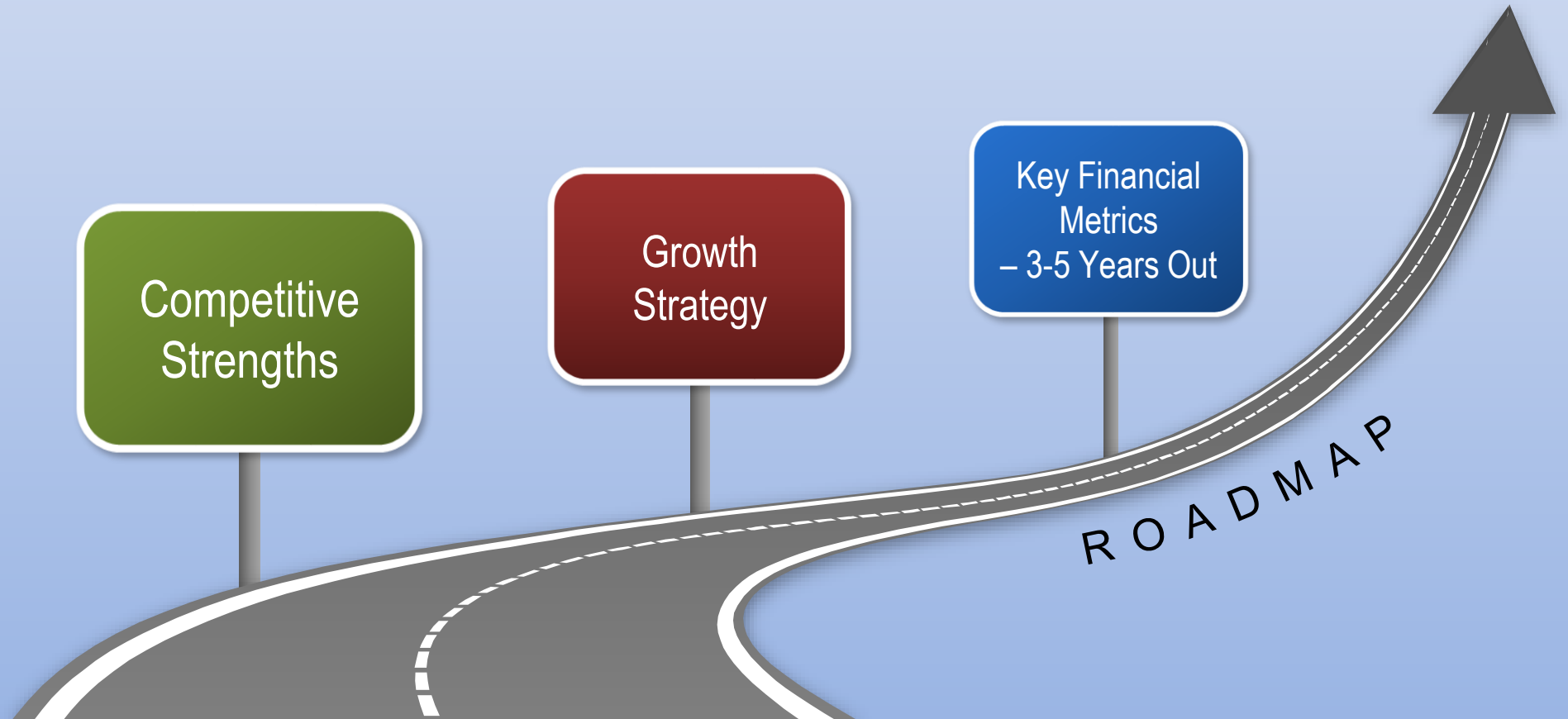


[1] Represents total revenues less transaction-based expenses.
[2] Non-GAAP operating margin and non-GAAP diluted EPS are non-GAAP measures. ir.nasdaq.com/Income-Statement-Trend-Summary-and-GAAP-to-Non-GAAP-Reconciliation.

KEY #4

Provide Future Roadmap for Business Including "Money" Slides of Key Metrics

Need more than just lots of words – what does it all mean – i.e. mid-term guidance of key metrics



How We Measure Success: Targets 3 to 5 years

Example NASDAQ

Organic Revenue Growth Accelerate SaaS and recurring revenue base	**5-7%** **Solutions Segments** (3-5 year time frame)
Operational Focus Drive operating leverage	**2-4%** **Average Annual Organic Expense Growth** (3-5 year time frame)
Return on Invested Capital Deliver attractive enterprise-wide ROIC	**≥10%** **Total Enterprise** (Long-term outlook, with variation in short-term)

Total Shareholder Return

Double Digit TSR

KEY #5

Rehearse, Rehearse, Rehearse

70%

of impression is the delivery not the slides!



IN SUMMARY

The Five Keys Drive Success



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Plan Content to Fit a Shorter Timeframe



Make your investment thesis your foundation

Start with the end in mind: what do you want the headlines to say?

Select speakers & technology features to enhance the message

Use technology to get the message across in new ways

Planning is Key…Start off Right

Virtual Logistics are Different, But Just as Intense

1.Determine the Right Investor Day Features

- Overall speaker format
- Customer panel
- Expert speakers
- Virtual tours
- Demos
- Videos

Choose the Right Technology Platform

- Security
- Multi-media capabilities
- Engagement features
- Q&A capabilities
- Technical support

Delivery in the Virtual Setting is Critical

Delivery Tips for Speakers



- Rehearse to sound natural
- Bring energy to the conversation
- Gesture effectively
- Maintain eye contact

The Speaker's Virtual "Stage" Sets the Tone



sharonMerrill

5 Key Tips for Investor Day Success

- Plan early for many new logistical issues
- Focus on the message, and use new ways to get it across
- Use the virtual setting for enhanced engagement and interactivity
- Rehearse each speaker on their "virtual stage"
- Leverage investor day multi-media content into your IR program



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Nasdaq's Investor Day – In Numbers

- 7 speakers
- 3.5 hours
- 2x10m breaks
- >200 "attendees"
- 2.5 months of development



Why Do an Investor Day Now?

Management's 2017 "Strategic Pivot" had achieved objectives

Needed to more-strongly position as a tech/analytics provider

Exceptional resilience 2020 had increased focus on our story

To maintain our existing cadence of doing updates every 2 years

Why We Chose…

To do it virtually	Safety for our employees, investors
	Maximize participation
To add in-person option	To cover all bases in light of uncertain future
	More natural presenting experience
	Event center with in-place protocols and experience

What We Did Differently from Prior Events

Shortened program by about 20%

Videos to add energy and bring customer perspectives

Skipped product demos, panel discussions, etc.

What We Would Do Differently

Would strongly consider virtual-only

Test the virtual attendance experience extensively

Would have a dedicated person manage inbound Q&A

What We Learned

Overwhelming preference for virtual participation

In-person attendance adds significant complexity…

…but did improve the presenting experience

Participant engagement was very high, Q&A was intense

You can still make your messaging objectives resonate