

# HOW TO: Organize efficient and effective Investor Roadshows and Capital Markets Days

While datasheets and reports can communicate some Environmental Social Governance (ESG) exposure and performance data, it's better to communicate directly with investors when the information is more complex and needs to be contextualized.

Investor Roadshows and Capital Markets Days give companies opportunities to explain nuances; while providing analysts the chance to ask questions.

## STANDARD PROGRAM FOR AN ESG ROADSHOW

|             |  |
|-------------|--|
| 08:00–09:00 | Briefing for analysts at sell-side & credit ratings agency firms |
| 09:15–10:15 | Briefing for analysts at ESG ratings agencies                    |
| 10:30–11:15 | Current large investor A (1-on-1 meeting)                        |
| 11:30–12:15 | Current large investor B (1-on-1 meeting)                        |
| 12:30–13:30 | Small group meeting for smaller current & target investors       |
| 13:45–14:30 | Current large investor C (1-on-1 meeting)                        |
| 14:45–15:30 | Priority target investor X (1-on-1 meeting)                      |
| 15:45–16:30 | Priority target investor Y (1-on-1 meeting)                      |

## In this guide you will learn:

- **How to host effective sustainable Investor Roadshows and Capital Markets Days and prepare them efficiently.**
- **How Mercedes-Benz Group conducted its Capital Markets Day – a practical example.**

Tried-and-tested 'mainstream' investor formats of Roadshows and Capital Markets Days can be adapted for sustainability purposes.

As these can be resource-intensive to organize, companies should focus on where they can add the most value.

## HOW TO Organize an ESG Roadshow or Capital Markets Day

### Start small and scale

Rather than trying to find the perfect time to communicate your sustainability exposures and response to investors, start by arranging a small number of informal meetings with supportive shareholders. Learn from the experience and build from that.

### Don't confuse proactive investors with relevant investors

Companies that receive and respond to high levels of incoming sustainability requests from investors sometimes assume that they are in direct contact with the right people. This often is not the case. Proactive sustainability investors are not always the most significant investors for companies. Organizing an event yourself forces you to check your priorities.

### Seek help for the logistics

Don't underestimate the amount of time it takes to issue invitations, chase responses, schedule meetings etc. Specialist firms exist to carry this burden, allowing companies to focus on honing their messages and preparing for discussion with investors.

### Take notes

Companies can learn what investors' focus and priorities are by listening carefully and noting the questions that they ask in meetings.

### Follow up annually

Consider these events as the beginning (or continuation) of a relationship with analysts and investors. Signaling future events well in advance increases analysts confidence in your ongoing intent and program.

## GET STARTED

### Step 1: Motivation

Don't start by thinking "we have to do a two-day roadshow." Instead, start by thinking "we need to communicate our firm's strategic response to investors." Then determine what format is the best way to do that.

### Step 2: Preparation

#### Ask yourself:

- Is my company's sustainability positioning already well-understood by investors and analysts? (If so, you may not need a roadshow).

#### If you do want to improve investor understanding, ask:

- Who is our target audience? (Which investors / research provider types?)
- What information and messages do they need to hear from us? (What is lacking in analysts' current understanding of our business?)

- What do we aim to achieve / learn as a company from the process?
- Should meetings be virtual or in-person?

The answers to these questions will help you determine whether to organize a Capital Markets Day, roadshow, webinar or something different.

### Step 3: Investor targeting

The quality of investor targeting is the lead determinant of the quality of the resulting event. Identify the individual analysts (at asset managers and research firms).

### Step 4: Execute

Deliver the event, providing plenty of space for Q&A and interaction with key investors and analysts.

## CASE STUDY

### Hosting a sustainability focused Capital Markets Day

In April 2022, Mercedes-Benz Group hosted its first ESG Capital Markets Day. To give companies a sense of what went on "behind the scenes" and to help them decide whether or how to organize their own days, WBCSD spoke to Andreas Kusche (AK), Investor Relations Manager at Mercedes-Benz Group AG.

#### Motivation

##### WBCSD: What motivated you to host this event?

**AK:** A combination of factors. Primarily, we realized that we had no format for talking proactively and holistically about our approach to sustainability. We also noticed that some of our industry peers were holding such events and reporting them to be useful. Importantly, we received good support from our Management Board – six of whom joined the event itself.

##### WBCSD: Why did you choose to host your own event rather than participate in a broker conference on ESG?

**AK:** Hosting our own event enabled us to reach more people and to engage our management board to demonstrate our seriousness. From the very beginning, we planned to establish the ESG Conference as an annual event to complement our existing formats. Combined with our ESG reports and the annual Sustainability Report, the event offers the perfect venue to tell our ESG story.

#### Preparation

##### WBCSD: Who was your target audience?

**AK:** We hoped that ESG as well as 'mainstream' analysts and investors but also representatives from ESG rating agencies would participate, along with selected media organizations. Although some mainstream sell-side analysts initially showed limited interest, a number did participate on the day itself – both ESG specialists and auto sector analysts.

##### WBCSD: Who led the project and how long did it take to organize the event? How did you manage the invitations process?

**AK:** The Investor Relations team led the project in collaboration with many colleagues from other departments, who we refer to as our internal 'ESG expert group.'



Mercedes-Benz

We confirmed the event in December, engaged the teams and management in January and hosted the event in April. There was a lot of debate about how to manage the invitation process. In the end, we did not require advance registration for the event because we wanted to remove all barriers to participation. The disadvantage, however, is that you can't follow-up effectively on invitations and don't know completely who has participated.

One thing, however, is very important: To ensure – in advance – that you have some experienced analysts committed to participate in the Q&A sessions. This format is new for some sustainable investors and they can be less forthcoming – it helps to have some participants who you know will provide reflections and questions.

#### Execution

##### WBCSD: How was the session structured? What subjects did you address?

**AK:** The digital event lasted for two and a half hours and featured presentations on climate & decarbonization strategy, green production & logistics, people, sustainable supply chains, sustainable corporate governance and sustainable finance as well as two Q&A sessions.

Our objective was to communicate the full ESG narrative with new targets. We also wanted to provide insights into the decisions of the Mercedes-Benz Group, which is now focused on the cars and vans business. In addition, we validated the topics in a target group-oriented manner with ESG frameworks, peer benchmarking, the ESG ratings and a direct survey among some of our ESG analysts.

#### Reflection

##### WBCSD: What feedback have you received from participants?

**AK:** It was well received internally and externally, with investors particularly supportive of us addressing "E," "S" and "G," the participation of our Management Board and our discussion of targets. We were also happy with the comprehensive media coverage. For future events, investors also said that they would appreciate "deep-dives" on specific topics.

##### WBCSD: Thank you, will you do it again?

**AK:** Yes.