Maximizing Valuation through Strategic Investor Communication

2025

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The modern investor is inundated — with data, news streams, industry events, conferences and corporate outreach, a shifting macro, and more.

With investors "drinking from a fire hydrant," **differentiating your investment story has become increasingly challenging** in today's world.

As such, **driving appreciation for your company's valuation through strategic investor communication is critical** to cutting through the noise and capturing investor mindshare and wallet share.

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Executive Summary

Key Insights

- **Institutional investors identify five measures as most important when deciding where to allocate capital toward an investment, beyond quantitative screening:**
  1. *Management Quality*
  2. *Sound Long-term Strategy*
  3. *Execution Track Record*
  4. *Sustainable Competitive Advantages*
  5. *Effective Capital Allocation*
- **Execution alone is not a panacea for higher valuation**, with investor communication playing a significant role in driving valuation premiums
- **Roughly 40% of a stock's value is influenced by investor relations**, *both positively and negatively*, as noted by the investment community
- **Companies perceived to pair *Strong Communication* with *Strong Execution* consistently outperform**, seeing ~42% share price appreciation in two years following a Voice of Investor® Perception Study
- **Companies perceived as exhibiting *Subpar Execution* but are seen as *Strong Communicators* outperform subpar executors and communicators**, underscoring the importance of strategic investor communications no matter where you are in your journey

THE Big SO WHAT™

Strategies to Maximize Valuation through Strategic Investor Communication

Playing Offense in a Downturn or When Your Industry is Out-of-Favor

- Recognize that investor emphasis quickly turns from growth to margin; get out ahead
- Reaffirm the long-term vision and clearly lay out strategic initiatives
- Leverage transparency as a credibility-enhancing communication enabler
- Now is the time to proactively engage — be bold and host an investor day

Simplifying a Complex Story for a Broader Generalist Audience

- Focus on big picture themes, such as core expertise or linking the company to large secular trends, but be sure to relate back to company-specific actions
- Use analogies and visual aids to break down complex concepts so investors grasp technical details without requiring deep expertise
- Host dedicated teach-ins and/or fireside chats to tailor communications for distinct investor groups

Capitalizing on Meaningful Corporate Change as a Catalyst

- Conduct a perception study to capture investor perspectives leading up to or following a significant change catalyst to inform future decision-making
- Host a facilitated investment thesis workshop (internal) with executive and board members
- Know the difference between common and best practice for your catalyst event

Setting the Stage

The modern investor is inundated — with data, news streams, industry events, conferences and corporate outreach, a shifting macro, and more.

With investors "drinking from a fire hydrant," differentiating your investment story has become increasingly challenging in today's world.

Even more, our research finds institutional investors manage 45 investments, on average, within their portfolios, and are actively researching an additional 55 opportunities.

As such, driving appreciation for your company's valuation through strategic investor communication is critical to cutting through the noise and capturing investor mindshare and wallet share.

Despite being in the midst of the 'Information Age,' separating the wheat from the chaff has never been more difficult, leaving both investors and corporates alike looking for innovative solutions. And the answer to this uniquely human problem does not lie in the advancement of AI, despite its promising contributions.

Simply put, driving appreciation for a company's value is anchored in strategic investor communication and engagement.

Corbin Advisors' Proprietary Valuation Framework

Based on 17 years of proprietary buy-side research comprising more than 24,000 interviews globally, beyond the first step of quantitative screening to identify investments, institutional investors identify five measures as most important to their investment decisions.

We classify these longstanding, distinguished factors as the **Corbin Critical Five**:

1. *Management Quality*
2. *Sound Long-term Strategy*
3. *Execution Track Record*
4. *Sustainable Competitive Advantages*
5. *Effective Capital Allocation*

Strong — or improving — financial performance is vital; without it, navigating life as a public company becomes significantly more challenging. However, contrary to the belief held by many executives with whom we first come into contact, execution alone does not automatically yield a higher valuation. Indeed, our research finds the investment community notes roughly 40% of a stock's value is influenced by a company's investor relations effort — *positively or negatively* — elevating the importance of effectively engaging and communicating with the financial community.

In the domain of *investor communication*, adopting a proactive rather than a reactive approach is key to gaining investor buy-in. Anticipating the needs of investors — and the ways they prefer to receive valuable information in assessing a company's worth — is crucial to attracting "customers" to your "product", or "investors" to your "equity". Indeed, companies are competing for shareholders.

Following the decade's long Great Financial Crisis hangover, a series of black swan events (e.g., COVID), and other complexity multipliers (e.g., Trump Administration 2.0), it has become even more imperative for corporates to own their narratives and, at the same time, act as their company's own best activist. After all, a company's share price and valuation are the ultimate barometers of health in the eyes of investors, and if these are showing signs of relative weakness, it is time to reassess and revitalize your *investor communication* approach, which has become an increasingly cited focus area in the activist playbook.

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The Impact of Strategic Investor Communication During Times of Strength and Challenges

To empirically demonstrate the effect of strong investor communication, we mined our Corbin Analytics database built on 24,000+ interviews with the investment community across 1,000+ public companies globally. Specifically, we evaluated whether companies that receive similar perceptions of execution, but stronger perceptions of communication, are more likely to outperform.

The hypothesis: Companies who communicate well with investors during challenging times — that is to say, with more transparency and better expectations management — are more likely to outperform those that are suboptimal communicators during challenging times. And those who receive strong execution scores and strong communication scores are more likely to outperform those that receive weaker communication scores. In other words, investor communication serves as a multiple enhancer.

As part of our analysis, we categorized companies into four areas based on *Execution* and *Communication* normative management benchmark scores gleaned from Voice of Investor® (VOI) Perception Study findings:

1. **Strong** Execution, **Strong** Communication
2. **Strong** Execution, **Subpar** Communication
3. **Subpar** Execution, **Strong** Communication
4. **Subpar** Execution, **Subpar** Communication

Next, we calculated the average share price movements of these groups over the prior two-year period leading up to the VOI® Perception Study to see if investment community ratings reflected our hypothesis.[1]

As shown below, the data reveals a significant positive relationship. Even after adjusting for broader market gains, as indicated by the average relative performance versus the S&P 500 Index during the same timeframe, the findings are clear: *Execution* coupled with *Communication* serve as share price performance drivers. Not only did **companies perceived to pair *Strong Communication* with *Strong Execution* consistently outperform others** (and that of the S&P 500 Index over the same period), **companies with *Subpar Execution* and *Strong Communication* investor perceptions were also rewarded with a share price premium** relative to their Subpar/Subpar counterparts, on average. Important to note, companies seen as having *Strong Execution* with *Subpar Communication* outperformed those with *Subpar Execution* and *Strong Communication*, a reflection that strong execution rightly garners a premium in the eyes of investors.

This analysis demonstrates that while execution is crucial for positively influencing investor sentiment and related share price performance, **robust, strategic communication garners a premium in the market, even when the going gets tough**. In other words, "if we build it, they will come" no longer hunts in this day and age. Rather, companies must communicate to investors what they are building, how, and by when (while remaining conservative with timelines).

Category	Avg. 2-Yr Share Price Performance	Avg. 2-Yr Share Price Performance vs. S&P 500
Strong Execution, **Strong** Communication	**+42.2%**	**+16.4%**
Strong Execution, **Subpar** Communication	**+28.1%**	**(0.9%)**
Subpar Execution, **Strong** Communication	**+16.0%**	**(9.8%)**
Subpar Execution, **Subpar** Communication	**+13.4%**	**(14.8%)**

[1] Note: companies were placed in the "Strong/Strong" bucket if their respective normative management benchmark scores (i.e., Execution and Communication) garnered a percentile ranking above 50% relative to the Corbin Analytics database

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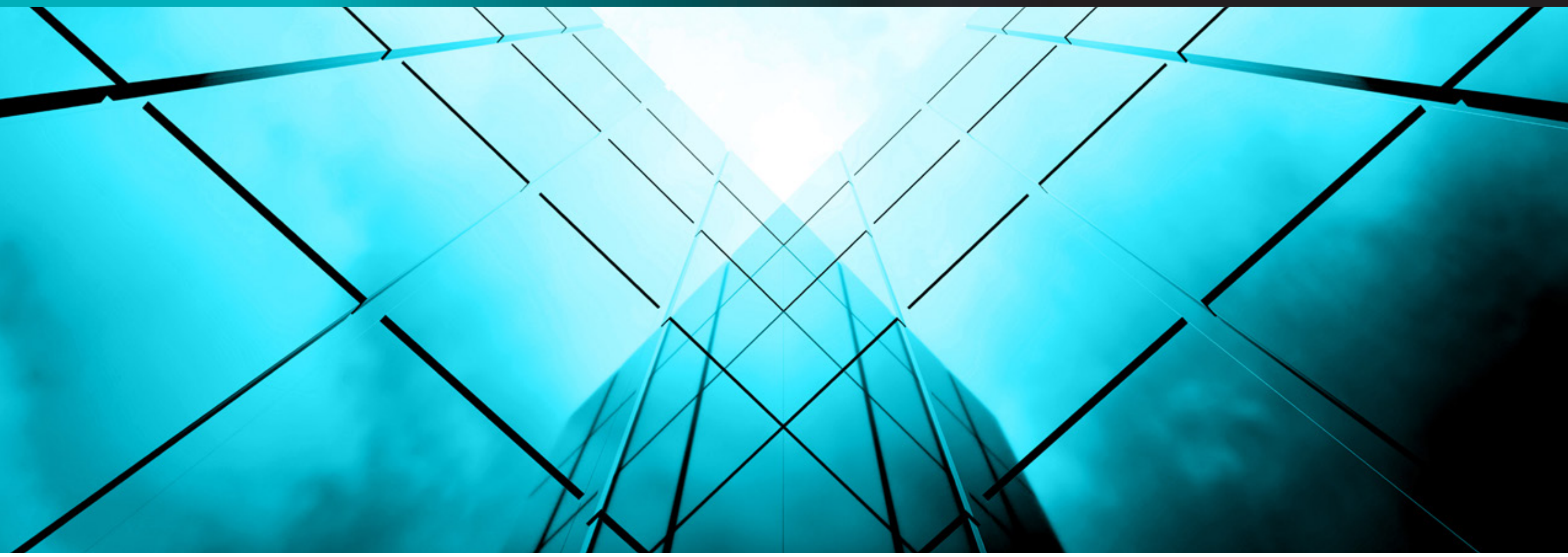
Three Critical Waypoints within the Equity Narrative Journey



With the increasingly dynamic and competitive landscape, as well as the proliferation of passive investment, it is increasingly more challenging to capture active investment capital, which remains a 'trillions of dollars' total addressable market globally. Indeed, it is still a big sea, but with more discerning fish.

To capture wallet share, executives must guide investors along the corporate journey with transparency and authenticity, implementing proactive — and often bold — communication strategies, irrespective of current standing or industry favorability.

In the proceeding pages, we outline several prevalent company scenarios and provide best-in-class strategies and tactics to strategically communicate with investors — the hook — that increase investor awareness and appreciation for a company's current valuation and future worth.

Companies that have deployed these strategies and embraced strong, strategic investor communications have been able to cut through the noise by controlling their narrative and capture value in the face of headwinds.

Company Journey #1

Playing Offense in a Downturn or When Your Industry is Out-of-Favor

Cycles come and go, industries go in and out favor, but the constant is that investors are always on the hunt for opportunities that can deliver strong returns over periods of time. For public companies, engaging with investors and communicating your equity narrative during market or sector downturns requires more effort and often feels as though your story is falling on deaf ears. However, remaining on the offensive during downturns and consistently communicating with investors can help to mitigate valuation pressure, build trust, and position the company for a stronger recovery so that when investor attention eventually returns, you are best positioned to capture mindshare.

This involves anchoring to long-term strategy while deploying near-term "self-help" initiatives, demonstrating execution and resilience, and committing to transparency even under challenging conditions. In other words, focusing on what you can control and not "owning the macro" despite the flurry of analyst and investor questions you receive to the contrary.

Key Question for Reflection

How can we leverage a downturn as an opportunity to keep investor attention, deepen relationships with quality investors by driving investor confidence in our actions, and differentiate ourselves from peers?

Common Investor Perspectives

*"**Every time an industry goes into a downturn, most companies are ill-prepared**; it would be great if at least one company was **prepared, and that preparation means being able to talk with investors beforehand and create a defensive case** given its assets, **so when a downturn does come it is fresh in everybody's mind instead of being reactionary**. We have seen when companies are reactionary, the equities suffer, and it is a strategic distraction."* Portfolio Manager, $16B EAUM

*"**Reducing the volatility of the stock price is important**. They could **have an investor day and take 20 minutes to explain what happened month-by-month in the last downturn and how another might play out**. They should explain what happens in a downturn and **how well the business hangs in. [Companies] do not get enough credit and part of the reason is they do not verbalize enough**."* Security Analyst, $147B EAUM

*"**Continue to execute and demonstrate turnaround in the top-line growth** of businesses that have been lagging, so **making sure they have the right leadership teams in place, communicating to investors the timeline for when we should expect to see turnarounds** in those portions of the business and then **executing on those**."* Portfolio Manager, $67B EAUM

*"They should be **blatantly honest about the present**, but try to be a little less predictive of what they think the future is going to look like because the **investor base is very unforgiving**. I want to **hear more about what the current environment is and then walk me through what they are going to do if things go from better to worse** instead of saying, 'I think things are going to do that.' It is my job to predict the future and **the company's job to tell me how they are preparing for it**."* Security Analyst, $42B EAUM

Proven Strategies

Recognize that Investor Emphasis Quickly Turns from Growth to Margin; Get Out Ahead

Notably, ahead of macro downturns, our research finds that investor sentiment typically inflects negative roughly two quarters in advance. During this time, investors are predicting an eventual slowdown and shifting their focus while companies are not yet seeing it in their results. It's important to listen to investors and not refute their views outright. Once you do see chinks in top-line growth, ensure your communication emphasizes how you are optimizing earnings through consistent cost-cutting and efficiency improvements.

By demonstrating you are making prudent financial assumptions and streamlining operations for margin expansion and operating leverage in preparation for an eventual upturn — without sacrificing future growth prospects — investors will see your company as a preferable choice over competitors when investment flows return to the sector. Consistent stock buybacks, which demonstrate cash strength, when possible, are also a proven strategy to retain shareholders and attract new investors.

Reaffirm the Long-term Vision and Clearly Lay Out Strategic Initiatives

Take this opportunity to clearly articulate (or reiterate) your company's vision and strategic goals, especially how they are being adapted, or potentially accelerated, to navigate current market realities. Double-down on differentiation and focus on communicating how your unique business model or technologies set you apart from competitors and drive long-term success.

When communicating strategy, recognize that investors typically recall no more than four pillars — anchor investor expectations to these pillars and ensure consistency throughout materials. Include brief descriptions for each and lay out the path to achieve clearly articulated milestones. When approaching earnings, be sure to emphasize the pillars of the strategy in prepared remarks and when answering questions, even if it seems repetitive — remember, you are competing for shareholders, including new investors, not just those who know your story already.

Leverage Transparency as a Credibility-enhancing Enabler

Enhance trust and credibility by being transparent about current challenges and how they impact your business. Notably, through our research, we have identified that investor perception of management credibility is correlated with the level of transparency provided.

In challenging times, do not make calls on the future; rather, offer scenario analyses that outline potential future developments and how the company is positioned for various outcomes. For example, this can come in the form of revenue assumptions as a result of anticipated moves in commodities prices, or a shift in supply chain strategies and cost assumptions based on renewed onshoring priorities.

Now is the Time to Proactively Engage — Be Bold and Host an Investor Day

A common misconception we often encounter is that investor days are not a good strategy during downturns. We couldn't disagree more! As the saying goes, "opportunity often comes disguised in the form of misfortune, or temporary defeat." By carving out quality time with executive leaders and next-level management — a key pillar of the **Corbin Critical Five** — this period of adversity becomes a unique opportunity to stand out and make a strong impression.

This masterclass on your company serves to cut through the noise and deeply educate investors — investors who inherently do not fully understand your value proposition (i.e., investment thesis) nor appreciate your strengths, capabilities, and direction of travel. Explaining where you were, where you are, and where you're going — and importantly, why you are a stronger company today than in the past and how you got here — are crucial in unpacking your company's value for investors.

Again, centering on strategy, including outlining or reiterating long-term targets (more on that in our **Long-term Financial Targets** piece), as well as conveying operational strengths, technological advancements, successful customer outcomes, and other meaningful opportunities creates a more informed investor and more compelling investment opportunity. Demos, customer panels, and facility tours are also effective tools for investor days.

What investors don't know, they won't buy. Investor Day serves as a beacon for investors and the materials produced as a valuable resource and demand generator well into the future.

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Company Journey #2

Simplifying a Complex Story for a Broader Generalist Audience

Simplifying a complex story, or what we refer to as "democratizing the investment story," involves distilling intricate business models, portfolios, technologies, or industry dynamics into clear and relatable narratives that resonate with a broad investor base — non-sector specific investors, including portfolio managers and generalists. This is essential for companies operating in highly technical or specialized sectors with prolific industry jargon (e.g., acronyms), where the knowledge hurdle for understanding the business is high, ultimately deterring investor interest. This can be amplified by not fitting into a sector neatly, limited or disparate sell side coverage, and lack of peers for investors to benchmark performance.

Key Question for Reflection

How well does our narrative reinforce key messaging and common threads, making our story relevant and relatable to diverse investors globally?

Common Investor Perspectives

*"Making the story easier to understand is a difficult task but **simplifying certain things is helpful**. Most people investing are not electrical engineers. **It is complex stuff, and I am sure it pains them to hear they have to dumb down the stuff they think is super interesting, but it is beneficial to hear it in more layman's terms**."* Security Analyst, $11.8B EAUM

*"**Simplify the business and focus on those businesses where they do have more competitive advantages, which is good in the long term**. It allows them to focus their resources and their time."* Security Analyst, $177M EAUM

*"The **simplicity of the message is important, especially if you are trying to attract new investors who do not know the story** and **they open the slide deck from earnings and their eyes glaze over** because there is too much going on. **There needs to be simplicity in the messaging**."* Sell Side

*"They should **treat investors like they are sixth graders**. They **need a lot of pictures of the products and what they do**. Surprisingly, investors do not understand numbers or words. I **want to see more words and numbers and go in depth into how they are pushing the peanut forward in every category** on the income statement and how they are **tweaking the percentages in the right direction**."* Chief Investment Officer, $7M EAUM

*"**Clarifying the strategy, simplifying the message** around the strategy, and thinking about that in the context of **who do they want their shareholders to be** and based on that, what message do they need or want to deliver based on what they believe about their business. **Provide some framework for helping the analyst community think about modeling the business across all their business lines**. Maybe a helpful exercise in that is using **publicly available disclosures to try and build a model and forecast their business**."* Sell Side

Proven Strategies

Focus on Big Picture Themes, such as Core Expertise or Linking the Company to Large Secular Trends, but Be Sure to Relate Back to Company-specific Actions

When simplifying your narrative, begin by aligning your company's initiatives with simplified messaging. This could include anchoring on a specific expertise (e.g., we are a materials science expert), which is particularly effective for diverse portfolios, as it connects the dots, or aligning with broader market trends and secular themes central to your investment thesis. Explain these themes clearly and succinctly, avoiding jargon and buzzwords that could dilute your message — investors are quick to detect and dismiss such obfuscation. Instead, make these themes relatable to your unique business model, then detail exactly how your company stands to benefit from these trends, whether that's driving operational improvements, investing in technology, or enhancing well-defined competitive advantages.

Always link these discussions back to your company's strategic objectives and consider providing a simple long-term earnings algorithm that captures the benefits of the secular theme, including above-market revenue growth potential, margin expansion goals, and/or capital allocation priorities.

Use Analogies and Visual Aids to Break Down Complex Concepts so Investors Grasp Technical Details Without Requiring Deep Expertise

As mentioned, investors are juggling ~100 current and prospective investments, on average, at any given time, and overly intricate explanations or heavy use of industry jargon can quickly lead to disengagement. Investors will simply move on, and the company's valuation will reflect this dynamic.

This is particularly true where research analysts are pitching their PMs on investment ideas: if they can't understand a business quickly and the underlying investment thesis, they will move to the next opportunity. To prevent this, employ clear, relatable analogies that link your products or services to everyday experiences or well-understood concepts. An effective strategy is to include a regular segment in your earnings call that focuses on a customer case study, illustrating how your product or service solves real-world problems. Additionally, revamp your investor presentation with visual aids such as diagrams or flowcharts that clearly depict your company's position in the product value chain or, when applicable, explain how your technology functions. Remember, these materials are not solely for industry experts or those that have been following your story for years; the investor presentation is one of the first places investors turn to for information on a company, and it should serve as an accessible, easy-to-understand resource for experts and novices alike.

Host Dedicated Teach-ins and/or Fireside Chats to Tailor Communications for Distinct Investor Groups

Different investor groups often seek varying levels of detail and information. While some audience members require sophisticated, in-depth overviews to satisfy their analyst curiosity, others may just want to know whether your company has a competitive edge in its market. To meet these diverse needs, develop educational content for industry specialists, generalists, and retail investors, as warranted, to learn more about your story in chapters.

For institutional investors, host dedicated teach-ins and/or fireside chats, known as "chalk-talks" or "masterclasses", which provide a deeper dive into the business, a segment, a product / service, and/or a competitive advantage (e.g., technology, operational excellence, M&A prowess). Importantly, a production schedule should be developed in advance and content consistently dripped (e.g., quarterly), always spotlighting themes that reinforce the investment thesis. For additional strategies for engaging with retail investors, you can refer to our **Retail Shareholders** piece.

Company Journey #3

Capitalizing on Meaningful Corporate Change as a Catalyst

Transformational change refers to significant shifts in a company's structure, strategy, or operations, such as leadership transitions, major acquisitions, divestitures, or resegmentation efforts. These changes often bring heightened investor focus (and scrutiny) and can influence both short-term sentiment and long-term valuation.

Successfully navigating such transitions requires clear, upfront table setting to build confidence, align investors, including current and prospective shareholders, and articulate the value of the transformation.

Key Question for Reflection

Are we clearly articulating the rationale, objectives, and expected outcomes of the transformational change?

Common Investor Perspectives

*"**Focus on the long-term strategy**. Continue to **execute on the vision you have put out**. As soon as you can, **give us more understanding and confidence in what the long-term earnings power of the business** and what the upside will be. **The more they can show that execution and when it can be seen clearly by investors, the more it will be reflected in the stock price**."* Portfolio Manager, $3B EAUM

*"**[An] Investor Day would be appropriate**, having a reset like, 'We have gone through a lot of change. Here is how we are running the business now.' They recently re-segmented some of the segments…**Show people what has happened from pre-COVID to today and growth rates in the different segments and some of the end markets**."* Portfolio Manager, $76B EAUM

*"Given the **size and the extended timeline of the corporate transformation** over the last half a year or so, **the management team should focus on messaging and focus on messaging well and explaining to the market their strategy for executing on bringing together this portfolio of assets**."* Security Analyst, $19B EAUM

*"I want [management] to address **future growth opportunities bifurcating between their legacy, economy, and mid-scale segment versus some of the newer segments they have been investing in**. I want to know the **priority of where capital is being deployed and what type of [returns] they are going to get**."* Security Analyst, $216M EAUM

*"Be a **little more direct about the pipeline, show what are the pipeline initiatives coming in each year for the next three or four years**."* Security Analyst, $592B EAUM

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Proven Strategies

Conduct a Perception Study to Capture Investor Perspectives Leading Up to or Following a Significant Change Catalyst to Inform Future Decision-making

Monitoring investor sentiment through regular perception studies — ideally every two years — engages shareholders, prospective investors, and sell-side analysts on a deeper level, providing management and the board with invaluable insights into evolving expectations. Ahead of or shortly following a change catalyst, such studies are particularly helpful because they allow companies to identify disconnects or areas requiring clarification and gauge initial reactions and expectations.

Importantly, these studies deliver powerful benchmarking and actionable feedback, equipping companies to address concerns early and develop a stronger defense against potential activism.

Host a Facilitated Investment Thesis Workshop (Internal) with Executive and Board Members

Navigating transformational change is inherently challenging because:

a) such changes are, by definition, infrequent, requiring teams to revisit and dust off seldom-used strategies, and

b) perceptions and interpretations of the change can differ significantly within an organization.

Discrepancies among senior leaders when communicating with investors, such as suboptimal transparency, inconsistent messaging, and/or inability to speak investor vernacular, can lead to a fragmented view of the company's strategic direction and impact as well as underappreciation for the value creation roadmap. To counteract this, hosting an investment thesis workshop with the involvement of a third-party facilitator can be an invaluable exercise.

Such a workshop ensures a thorough understanding of the change and its wider implications and fosters alignment on a unified narrative, ultimately supporting management's ability to articulate a clear and consistent investment thesis.

Know the Difference Between Common and Best Practice for Your Catalyst Event

Corbin Advisors has had the opportunity to collaborate with companies on a multitude of high-profile change catalysts and has studied the full spectrum of investor preferences and outcomes. During these engagements, it's typical for our clients to examine peer companies that have faced similar challenges as models for their own strategies. An important observation is that common practice is not always best practice, and sometimes it takes breaking trend to get the rerating you are looking for.

Below, we've included links to some of our most detailed and insightful Thought Leadership pieces on change catalysts. These resources are packed with proprietary data, proven strategies, and examples to guide you through your transformational journey:

- Leadership Transitions
- M&A: Investor Communication Roadmap for Success
- So, You're Thinking About Resegmenting...

Wherever your company is in its journey, we mean it when we say there is *always* room to enhance your communication with The Street and actively drive greater appreciation for your investment brand and valuation.

With the whirlwind of policy and macro uncertainty, 2025 is rife with challenges…and opportunities. Investors gotta invest! While indices have been predominantly propelled by mega-cap companies, there is a growing expectation, including from our buy-side research, that capital will begin to diversify into other areas of the economy, and that those willing to adopt some of the tactics listed herein stand to win.

From **Investor Presentations to Investor Days, Perception Studies to Investment Thesis Development, Earnings Strategy to IR Advisory**, we have a team of dedicated experts here to provide advice with impartiality and candor. We encourage you to **reach out and contact us** if you would like to discuss any of the strategies outlined in our thought leadership, or if you are simply looking to learn more about how to most effectively engage with "customers" of your "product" — that is, equity investors.

About Corbin Advisors

Corbin Advisors is a strategic consultancy accelerating value realization globally. We engage deeply with our clients to assess, architect, activate, and accelerate value realization, delivering research-based insights and execution excellence through a cultivated and caring team of experts with deep sector and situational experience, a best practice approach, and an outperformance mindset.

Let Corbin help you cut through the noise and develop a differentiated investment thesis that serves to educate and capture investor mindshare.

Contact us today:
corbinadvisors.com/contact