

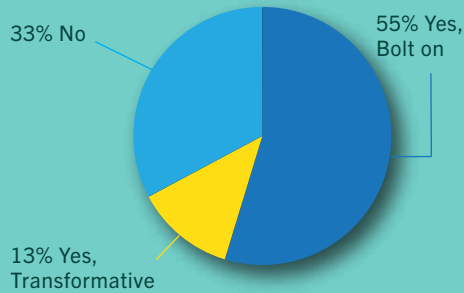


**A VIEW**  
from  
**INVESTOR**  
**RELATIONS**



Gladstone Place Partners collaborated with the National Investor Relations Institute (NIRI) to conduct a survey that takes the pulse of Investor Relations Officers on three key topics: M&A, Shareholder Activism and ESG. The results gathered from a broad sample of leading IROs are published inside.

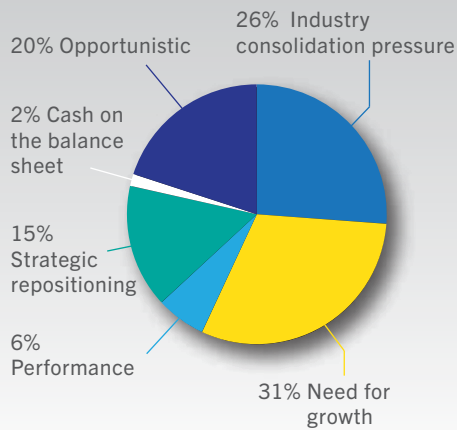
## Does your company anticipate exploring M&A opportunities this year?



### KEY TAKEAWAYS

- Companies are continuing to favor M&A as a way to achieve scale, performance growth and cost synergies. But the survey finds that the public company preference appears to be for smaller acquisitions rather than large, transformative deals
- More bolt-on deals suggests that the number of M&A transactions could rise after falling in the prior year
- But with one-third of respondents saying they don't plan any M&A, and only a small fraction saying they're anticipating a major deal, the survey suggests another down year of M&A volumes

## What do you see as the main driver for acquisitions in your industry in 2020?



### KEY TAKEAWAYS

- Investor pressure on companies to show that their business can grow is increasing across all industries
- The “need for growth” displayed in this survey question shows that companies are thinking more about their top-line growth than cost-cuts and stock buybacks
- The short-term stock performance demands of the market, coupled with the additional need to show that businesses can achieve sustainable growth, also underscores the “industry consolidation pressure” response from the survey question

## Where do you see the greatest risk for your company?

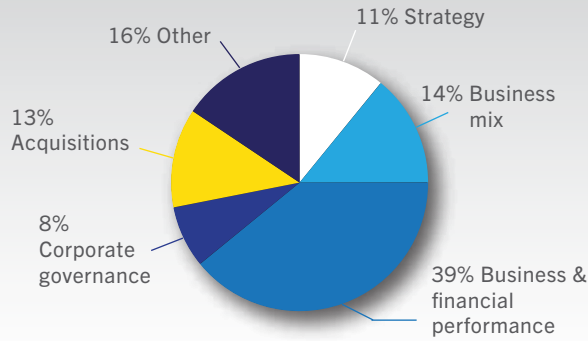
(Rank 1-6 with '1' being most concerned and '6' being least concerned)

Item	Overall Rank
Performance in 2020	1
Management or operational issues	2
Crisis: political, operational, cyber breach	3
ESG-related issues	4
Activist investor in your stock	5
Takeover risk	6

### KEY TAKEAWAYS

- Despite pressure from index funds and other investors on companies' long-term strategy and sustainability, failure to achieve short-term performance metrics is the top concern
- A strong balance sheet, top and bottom-line growth and steady cash flows are chief concerns for companies, even as they confront shifts in consumer preferences, digitization and ESG pressures
- The number of activist investors are at all-time highs, and campaign volume numbers remain near all-time highs, and yet their presence ranked second-to-last in the survey on the topic of greatest risk

## If an activist investor takes a stake in your company tomorrow, what would be your company's most vulnerable area?

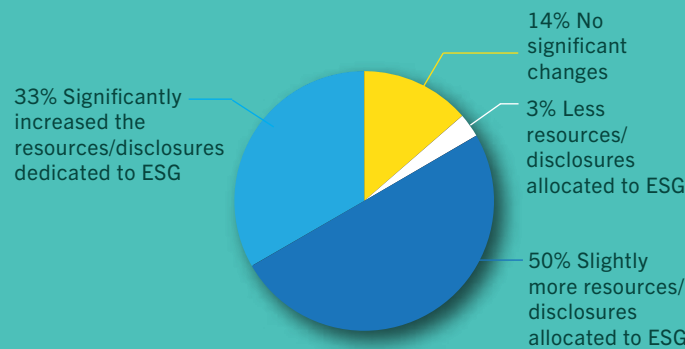


### KEY TAKEAWAYS

- A stagnant or falling stock price, coupled with any slowdowns across the business line, is the starkest vulnerability according to the IROs surveyed
- Business mix, strategy and corporate governance are areas of concern, though much less so than business and financial performance

More than half of respondents say their company has made or plans to make operational changes based on the Business Roundtable's purpose statement.

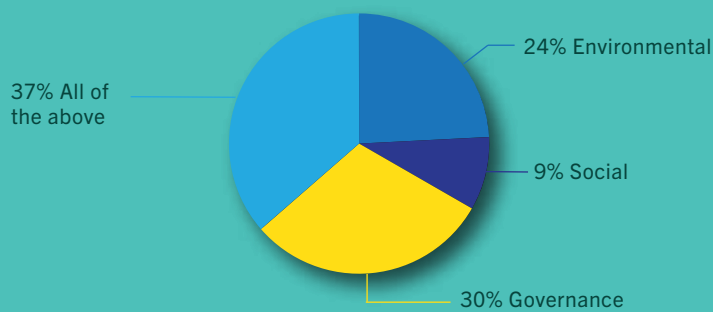
## How has your company's approach to ESG changed compared to 5 years ago?



### KEY TAKEAWAY

- While companies differ on how high a priority that they may be putting on ESG principles, and how they execute on meaningful sustainability programs, the majority of respondents showed that they have increased the amount of resources they allocate to ESG in the last five years

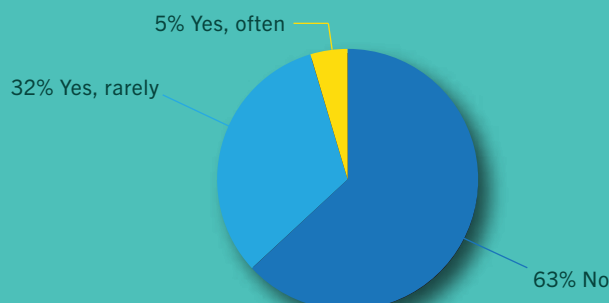
## What element of ESG is most important for your company?



### KEY TAKEAWAY

- Despite more attention being paid to environmental and social issues within companies and stakeholders, governance remains the most important element of ESG principles for IROs

## Have any investors cited ESG as a main driver for their decision to buy your stock?



### KEY TAKEAWAY

- A company's adherence to ESG principles is an important topic for investors, but on the whole, investors are not using this as a main driver to buy or sell shares of the company

## About GPP

Gladstone Place Partners is a strategic and financial communications firm serving clients in the U.S. and across the globe. Our firm consists of individuals with a broad range of backgrounds, including finance professionals, communications professionals and senior journalists.

GPP's communications advisory work focuses on the following areas: mergers and acquisitions, initial public offerings, activist hedge fund engagement and defense, corporate transitions, crises, leadership transitions and strategic positioning.

We strive to build long-term, trusted relationships by delivering the highest quality work, together with uncompromising ethics, integrity and judgment.

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