

MARCH 10, 2025

PHILEQUITY CORNER

By Antonio Samson

Investor briefings

It's almost a ritual. Listed companies present the results for the quarter or the year in an investor briefing. Of course, there is a question and answer period at the end. The process can be scripted, as in recent negotiations openly conducted in the Oval Office in front of the media. In this briefing, one participant is unaware of the script and gets beaten up in a verbal ambush.

Questions and answers are part of our daily lives. What are conversations and social interactions, after all, but a series of interrogative statements followed by declarative responses? Public personalities deal with questions all the time. They don't always provide answers.

Celebrities from the arts, business, and politics are used to being interviewed, often in social media as they show off their new house. (This door was designed by an Italian artist.)

Investor briefings are usually serene events as far as questions and answers go. The questions of investors may even be sent ahead of time to give some assurance to the subject that the interrogation will not be hostile. Still, not all parties stick to that protocol. It's too boring to be following unconnected questions from the floor. The aim is to project a conversation where questions and answers flow naturally, though sometimes in unforeseen directions. (Do you have a succession plan?)


Another form of corporate questioning is the interview of a CEO. This is intended to show the human side of a corporate leader. The objective is for the host to make the subject comfortable by throwing soft lobs—so, your hobby is collecting spiders, Sir? Where do you get them and what do you do when it floods?

There are questions that do not seek information or even a sober response. These are rhetorical in nature. Legislative inquiries of corporations renewing a franchise bristle with rhetorical questions—Don't you think your news coverage is biased? The dodging of questions (or accusations) can be handled by dilatory tactics—We try to get all the relevant information on any issue. (Have you tried flattery?)

In an investor briefing, questions are intended to elicit information for proper evaluation as part of due diligence from investment analysts and stakeholders.

The query can be very general—tell us about the company's decision to acquire a small company in the same industry for such a high valuation. The CFO is ready with a power point presentation with as many boring details as possible—the company is scaleable with its mall footprint. Next question please.

Investor briefings are intended to present the company in a favorable light. Any questions must be answered calmly. The investor relations head tries to anticipate what answers will add value to the stock. Even a quarterly loss can be framed as a learning experience.



A spokesperson is assigned to handle more general questions usually asked after the formal briefing, when food is served and the CEO has already left. She is asked questions for which the answers are either unavailable to her, or not yet for public consumption. Maybe, an official narrative hasn't been agreed on yet. Confirming rumors of executive replacements or untimely exits are brought up in this informal setting. (He has health issues he's grappling with. He's always sneezing.)

It is difficult to determine on the spot what the official narrative for a still undisclosed plan is going to be. A delaying tactic may entail answering the buzzing phone. (Wait, I have to take this call.) Or coming up with a demurrals—we need to wait for the audit findings on this matter.

Questions and answers in a formal setting, like an investor briefing, stick to a script. Comparative analysis between this year and the previous ones are expected to show improvements. And when they do not, there's always the hope for next year to talk about—we are increasing capital expenditure to address a younger market. (Do they have purchasing power?)

In social situations, especially when meeting a person for the first time, questions and answers are meant to establish connection and good vibes. Open-ended questions (How's your health?) are bound to elicit either a shrug or a long-winded chronology of rehab procedures and the cost of medication. Too much information is bound to cost the interrogator a lot of time...and maybe some money.