



## MCI's Investor Relations Process

# Maximizing the Long-term Value of Your Public Listing

Beyond management's fiduciary obligation to enhance shareholder value, a well managed public listing is an important asset that should contribute to your company's long-term success. Conversely, the poor performance of a carelessly managed public listing will almost certainly impair your company through:

- A higher cost of capital and its limitations;
- Shareholder activism;
- Predatory / unsolicited bids to acquire control;
- Loss of management credibility; and
- Reduced total compensation for employees.

Your investor relations program should efficiently and effectively drive a premium valuation. According to a recent report from S&P Market Intelligence, best-in-class investor relations drives a 34% valuation premium relative to peer companies. In our experience, solid execution by management, combined with sound messaging, branding, and engagement strategies can spur a significant turnaround in a company's valuation. For example, we helped turnaround Parkland (TSX:PKI) and Stantec (NYSE/TSX:STN) to deliver valuation improvements of 197% and 155% respectively.

The sound management of your public listing doesn't have to cost you more either. In most instances, we identify and capture efficiencies and savings that offset our fees entirely.

# Building a Premium Valuation

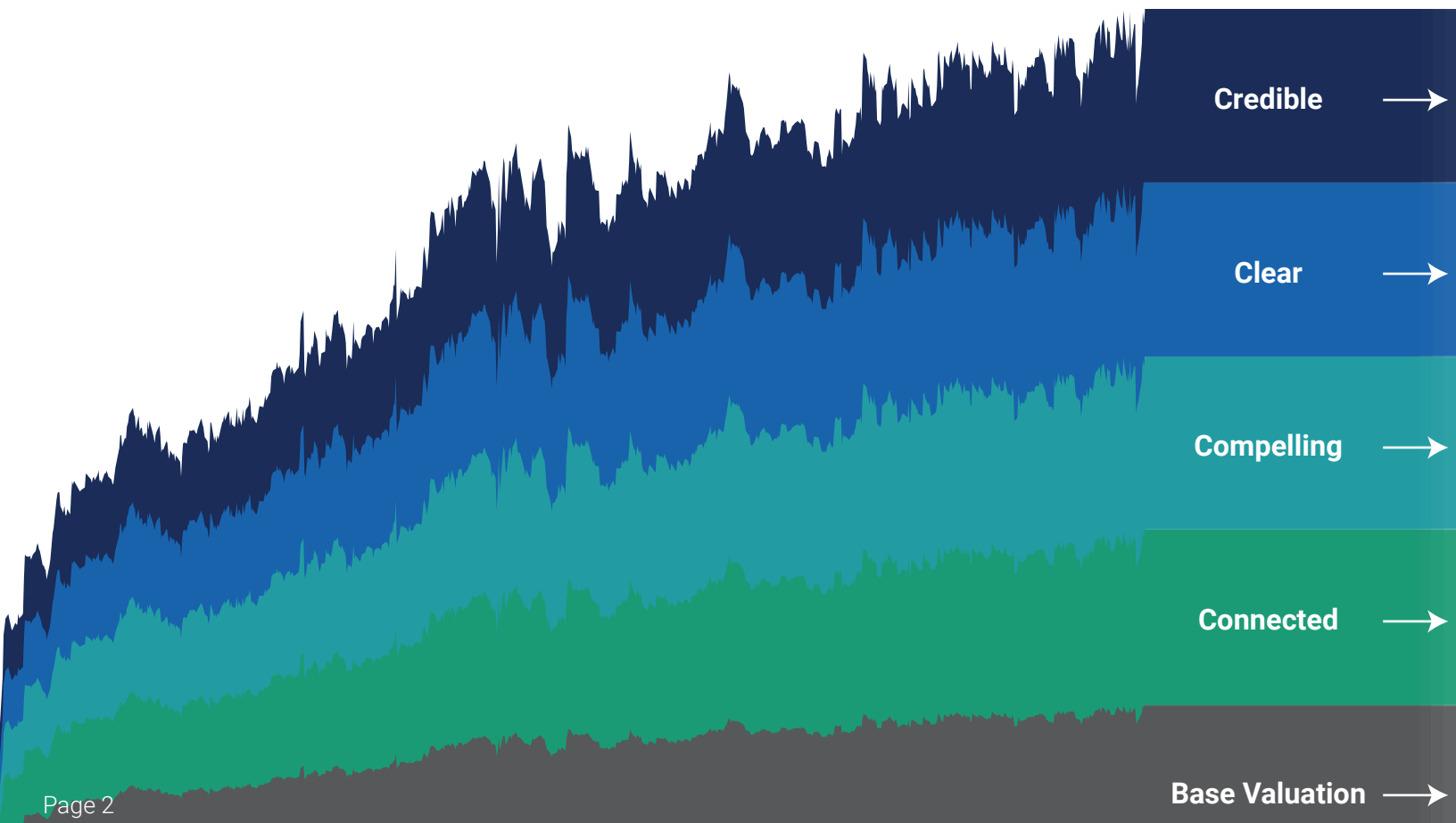
## The Four Cs of Capital Markets Engagement

It's one thing to talk about attaining a premium valuation... It's something else entirely to operationalize its delivery. While being credible, clear, compelling, and connected are all necessary to achieve your company's maximum sustainable valuation, in isolation they are insufficient. The four Cs of capital markets engagement must be layered together to drive a premium valuation. Companies who are executing well, but suffer from an unfair discount in the market, have a breakdown in one or more of the operational components that are supposed to be delivering the four Cs.

**Credible** and trustworthy behavior is the foundation of a company's valuation. This starts with sound execution by a competent management team. We help management teams build trust in the marketplace by telegraphing the milestones they are working towards, and then providing tangible evidence of achievement and progress towards these overarching goals. By ensuring management sets realistic expectations, avoids promotion, and maintains credible practices, we help our clients earn the market's long-term trust.

**Clear** communication enhances investor understanding and shapes positive market sentiment. Investors don't put their money into businesses they don't understand. So while your competitors leave their investors confused with jargon, acronyms, and legalese, we will develop and execute a messaging strategy for you that clearly conveys the bigger picture. To ensure our clients' messaging is understood by all audiences – not just specialists – we translate their stories into simple and

## The Four Cs When Layered Together Drive a Premium Valuation

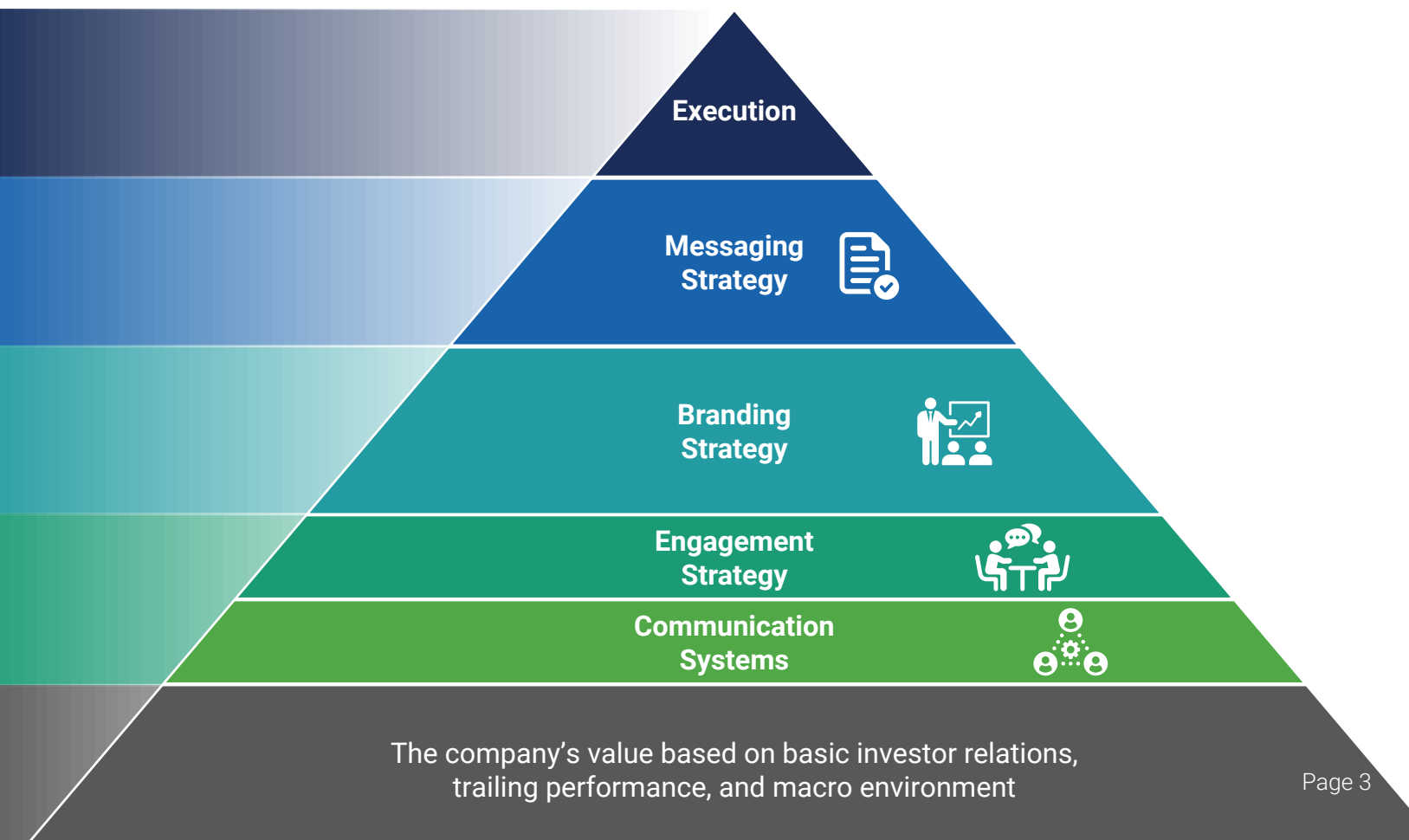


clear language. This requires straightforward language and concepts that resonate with generalist investors.

**Compelling** communications and events that attract investor interest and attention are what set you apart from your peers. Even if your company has a strong customer facing brand strategy, it may not be fully implemented in your investor facing communications. Your appearance and professionalism as experienced through your website, reporting, investor presentation, events, and other mediums matters to investors. You should be conveying a look and feel that gives investors confidence in your company's long-term prospects. A sound investor facing brand strategy, backed by sufficient design resources, is required to achieve this. We can deliver investor presentations, webcasts, in-person events, websites, and other investor mediums that punch well above your company's size and weight to propel you to the front of the pack.

**Connected** to the right people in the capital markets, you are able to effectively deliver your company's credible, clear, and compelling message to attract capital. Even the best story in the market is meaningless if it doesn't reach the right audience. To build effective long-term connections in the capital markets, we deploy an engagement strategy that targets all levels of the sell side and buy side. Our clients "own" their capital market relationships through communication and relationship management systems that nurture and maintain these relationships over the long-term. This provides management teams with a critical advantage when facing the ever-present risk of shareholder activism.

## The Operational Components of a Premium Valuation



## About Market Climber

MCI has helped its clients unlock billions of dollars in market value through a proven system that delivers sound messaging, branding, and engagement strategies. Our common sense approach has led to successful financings, M&A transactions, capital market turnarounds, and quelled hostile shareholder activism.

MCI has supported more than \$3.1 billion in acquisitions, more than \$2.6 billion in financings, and won numerous IR awards including IR Magazine's award for Best Investor Relations. We have helped drive success in the capital markets for companies on every North American exchange across a wide range of industries including: aerospace, biotechnology, energy, energy services, health, industrials, infrastructure, insurance, mining, software, solid state technology, utilities, and more.

## Pricing

We are passionate about delivering outstanding strategic communications and investor relations for every Client, and doing so on a cost competitive basis. In fact, there is no reason for you to increase your total spend on investor relations. Companies are often incredibly inefficient when it comes to how they allocate resources to their IR program. In most instances, we identify and capture efficiencies and savings that offset our fees entirely while driving significant valuation improvements.

Our pricing strategy contains mechanisms to ensure that all parties are treated fairly, and allow us to arrange for the requisite resources to deliver services on a reliable and sustainable basis.

MCI generally does not engage in hourly arrangements. Such arrangements create a disincentive for early outreach to MCI by the Client when events arise, and preclude ongoing proactive preparation behind the scenes by MCI's team. This combination inevitably leads to poor outcomes. Attaining and maintaining a premium valuation requires a long-term perspective, which is why an annual commitment is strongly recommended.

Clients are invoiced a "**Monthly Retainer**" for each service. The Monthly Retainer is budgeted based on the workload of a typical client at a blended rate (the "**Blended Rate**") of \$200 per hour 8:00 AM to 5:30 PM, Monday to Friday in the region the Client is domiciled ("**Regular Work Hours**") and \$350 per hour outside of Regular Work Hours.

Clients can engage MCI on an annual or a month-to-month basis. Monthly contracts are charged a premium of roughly 25%.

We understand that workloads fluctuate and generally even out over time. In the rare instance where a Client's actual workload chronically exceeds the budgeted Monthly

Retainer, MCI will review unusual demand levels with the Client to determine if an adjustment is required to the Client's program.

## **Security and Confidentiality**

Beyond maintaining the utmost discretion built into the nondisclosure provisions of our agreement, MCI integrates directly with the Client's information technology backbone and security apparatus. This makes us indistinguishable from your internal team to all stakeholders, and ensures our clients maintain complete control over email, contacts, and calendars. In addition, our outside investor relationship management systems are SOC 2 compliant and completely secure.

## **Team Integration**

We integrate completely with your team, forming direct connections with your finance, legal, marketing, and operational groups. This ensures that our team has the "connective tissue" required to effectively deliver MCI's services and that executives are not overwhelmed by emails or become a bottle neck. We can also provide a regular in-office presence if your team has returned to the office full-time.



W: [marketclimber.com](http://marketclimber.com)  
E: [info@marketclimber.com](mailto:info@marketclimber.com)  
TF: 1-800-880-6491