

# Presentation

## How to Communicate Business Strategy to Investors



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# DR. JOHN LESLIE MILLAR MB CHB

## CHIEF STRATEGIC DEVELOPMENT OFFICER ANANDA DEVELOPMENT PCL

- Chief Strategic Development Officer (CSDO)
  - Oversees new strategic lines of business. Launched Serviced Apartment line of business in 2016
  - Heads Investor Relations and won Stock Exchange of Thailand Best IR Award in 2014 and 2016
  - Heads Business Intelligence which digitized all company key performance indicators and made available in real time dashboards
  - Re-launched Ananda as UrbanTech company and leads company innovation strategy and investment
  - Part of Strategic Internal Organizational Development Team (Diamond Team)
- Founded Enterprise Accelerator Limited in Cambridge, UK in 2002
- Co-founder alongside John Snyder, Martin Bloom, Alexander Straub, David Cummings with most of Cambridge Angels as investors
  - Department of Trade and Industry (DTI) and National Endowment for Science, Technology and the Arts (NESTA) to take system national
  - NESTA ended up 25% shareholder
- Part of prize of Running the Gauntlet – Britain's biggest business plan competition
- Joined Foundation for Science and Technology Committee to advise House of Lords on innovation policy
- Speaker at Entrepreneurship program at Cambridge University Judge Business School
- Speaker at EDHEC (Nice) MBA program
- Speaker at numerous conferences



# Ananda the UrbanTech Company

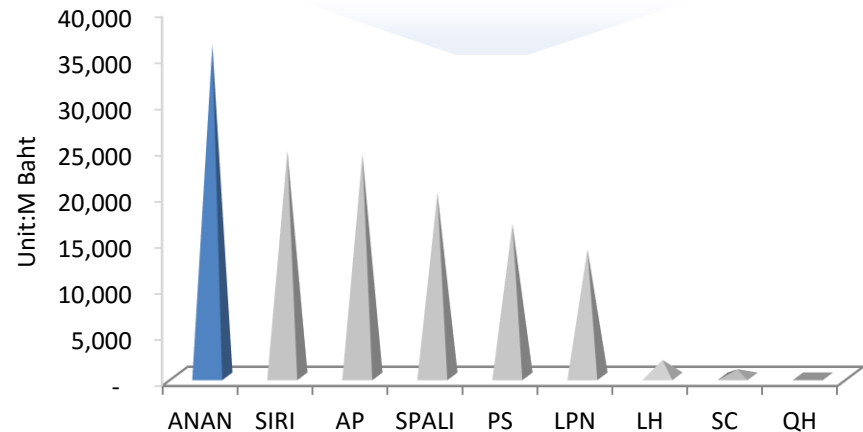
- ✓ Awarded Outstanding Achievement in Investor Relations at 2014 & 2016 and IR of the Year 2016 at SET Awards
- ✓ Nominated 2017 IR of the Year SE Asia Real Estate at IR Magazine Awards
- ✓ Aims to be the highest condo launches in Thailand for 2017
- ✓ Stock Exchange of Thailand listed SET 100 Index company.
- ✓ Multiple award winner including Mipimasia, Think of Living



## Strong Portfolio of Brands

Categories	Brands
Luxury	ASHTON
High-end	IDEO
Premium value	VENIO
Up-scale	VERVE, IDEO INOBI
Mid-range	IDEO, IDEOMIX, IDEO BLUCOVE
Low-range	ELIO
Super value-range	UNIO

## No.1 Condo Launches Target in Thailand for 2017



**ANAN is a leading real estate developer with a unique product mix and investment proposition**

Note: Anan and BLS Research

# 5-Year Business Plan

- Partner's share in JV
- Ananda's share in JV
- Ananda's revenue
- Partner's backlog in JV
- Ananda's backlog in JV
- Ananda's backlog

**Backlog**  
42.5 Bn Baht

73% of the next  
9M2017 transfers  
secured by Backlog

UNIT  
Million Baht

60,000  
55,000  
50,000  
45,000  
40,000  
35,000  
30,000  
25,000  
20,000  
15,000  
10,000  
5,000  
0

IPO

7 years: 10 Times Growth

20% YoY  
TRANSFERS  
58,187

69% YoY  
TRANSFERS  
42,357

14% YoY  
TRANSFERS  
48,497

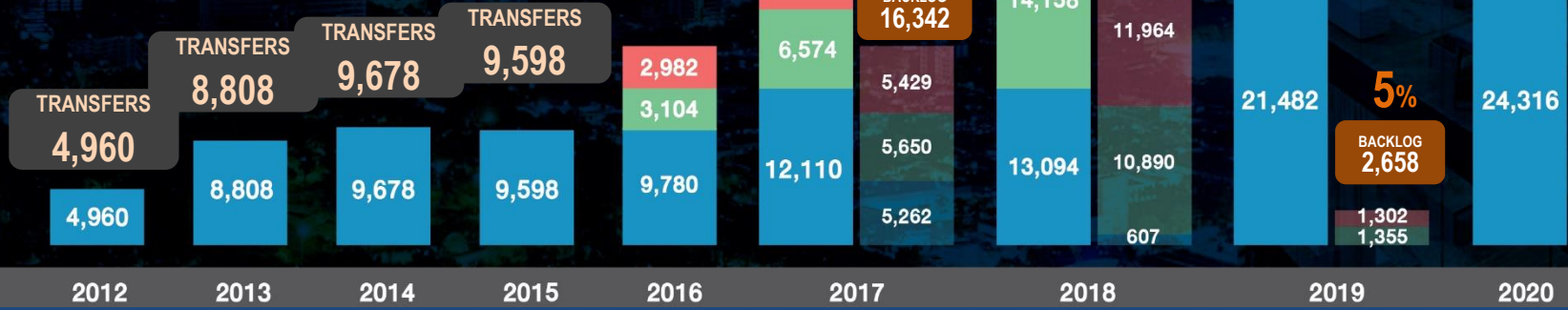
58% YoY  
TRANSFERS  
25,000

65% YoY  
TRANSFERS  
15,866

73% of  
9M17  
BACKLOG  
16,342

55%  
BACKLOG  
23,461

5%  
BACKLOG  
2,658



2012-2019: 10 Times Growth

Note: The 5-year plan has assumption of no new capital and keeping net IDE ratio at 1:1

# What is a communications strategy?

- ❖ Its not about what information you present and what you don't
- ❖ Its about how you bring audiences from not knowing not believing and not acting to knowing, believing and acting
- ❖ Its about the story you tell
- ❖ The information and disclosure and media is secondary to the story

## Communication strategy



# Role of IR and C Suite

- ❖ CEO talks just twice a year
- ❖ But needs a C-Suite. Ideally CFO
- ❖ In Ananda's case its CSDO due to historical reasons and skill set



# Routes to communicate

- ❖ IR Website
- ❖ IR App
- ❖ SET Releases
- ❖ Press Releases
- ❖ Analyst Meetings
- ❖ Opportunity Days
- ❖ Investor Meetings
  - Institutional
  - Retail
- ❖ Conferences
- ❖ Roadshows
- ❖ Press Conferences
- ❖ Press Lunch
- ❖ Analyst Lunch
- ❖ Speaking at Other Events
- ❖ Ecosystem Support Events
- ❖ Company Website
- ❖ Bloggers

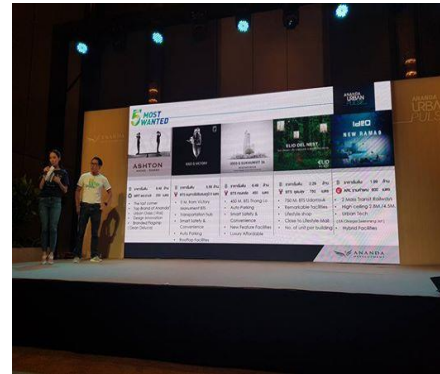
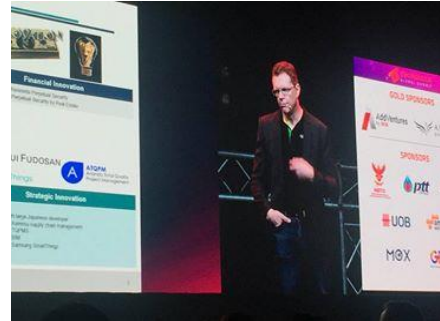


บริษัท - ANAN ส่งผลงาน  
 สู่ SET ในปี 2560 โดยมี 44  
 โครงการ มูลค่า 1.83 พันล้านบาท  
 ขณะนี้เตรียมยื่น  
 ต่อ SET ภายในวันที่ 6  
 ตุลาคม 2559 เพื่อขอ  
 อนุมัติโครงการ  
 มูลค่า 1.3 พันล้านบาท  
 มีมูลค่ารวม 3,130  
 ล้านบาท

## ANANส่งชื่อกครั้งหลังแรง จ้าบักยกยอดไอเอม.63หมื่นล.



บริษัท ANAN ส่งชื่อกครั้ง  
 หลังแรง จ้าบักยกยอดไอเอม.  
 63หมื่นล. โดยมีมูลค่ารวม  
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ราคาตลาดหลักทรัพย์



IR Chatbot

# The Main Communication Route is YOU



## What kind of communicator are you?

- Every one has specific strengths and weaknesses and you should play to your strengths and minimise your weaknesses.
  - Listen to the feedback from the rest of your team and work on the ones they tell you.
- For example
  - if you are a person with excellent command of the details of what your company does
    - A weakness could be a tendency to be over detailed so that people glaze over and miss the overall message,
    - A strength is the ability to be convincing in explaining things. So make sure you understand what you're actually trying to explain and explain that.
- Don't try and identify the kind of speaker that you would like to be but the kind that you are.
  - If you're not sure, ask people.
  - If your natural style is low key you're unlikely to succeed trying to morph yourself into someone dynamic.
  - If your style is authoritative, attempts at humour are likely to be jarring.
  - If you're not naturally warm, faking it looks insincere.

# Know your audience

## ❖ People spend 99% of their brain power on themselves

- Try and be part of the 99% instead of being squeezed into the 1% with everyone and everything else in the universe

## ❖ The key things you want to know about any audience

- Who is in the audience – names and positions
- What do they do – responsibilities and functions
- What is their background – if its executive or technical or sales for example. All respond to different things
- What does their company do – an understanding of their business
- Why are they listening to the presentation – what do they hope to get from it. (Remember that nobody hopes to find a way to spend money. They are looking for ways to make money)
- What are the recent decisions they've made



- ❖ The key thing is to try and understand what the audience wants and what they are likely to respond to. Only by understanding the listener is your presentation likely to achieve its goals.
- ❖ The listener doesn't care about you or your company or your presentation. They only care about themselves and their own company. So you're much more likely to get their attention and be successful if you pitch based on what they care about (themselves) rather than what you care about.

# Know your audiences

- Customers
- Institutional investors
- Retail investors
- Media
- Regulators
- Rating Agencies

- Young and old
- Experienced and inexperienced
- Professional and amateur
- Optimistic and Pessimistic
- Thai and International



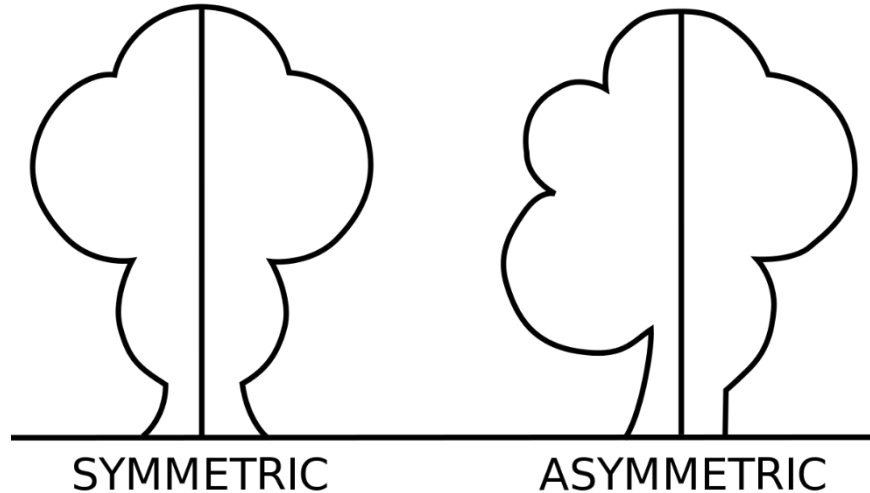
# What needs to be disclosed and how much is sufficient?



The Stock Exchange of Thailand

- Follow regulations exactly

- Err on side of caution
  - Asymmetric results



# What do IRO need to do to protect trade secrets and maintain the company's competitiveness?

- If commercial secret – withhold
- If reveals operation of business model that competitors could use – withhold
- If it reveals commercial terms of agreement with another party – withhold
- If it reveals net profits – withhold

Company competitive advantage comes before IR



If company loses competitive advantage share price will decline anyway!





# Causes of Cognitive Bias

1. Information-processing shortcuts (heuristics)
2. Noisy information processing (distortions in the process of storage in and retrieval from memory)
3. The brain's limited information processing capacity
4. Emotional and moral motivations
5. Social influence

# Common Biases

- Illusory Correlation
  - Because A leads to B then B must lead to C
- Anchoring
  - 1 million or 100 to start
  - Can be very early
- Framing Effect
  - The frame affects the picture
- Distinction Bias
  - Two things together not the same as those two things apart
- Fundamental Attribution Error
  - Because someone I believe in said it, it must be true
- Self-serving Bias
  - Willingness to interpret information in a way that makes them seem good

# Example

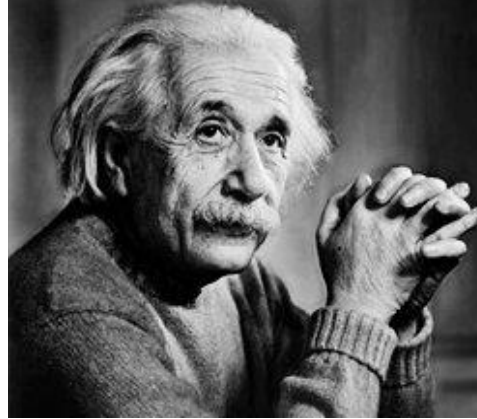
- “As you all correctly pointed out in your research we faced a challenge with housing transfers and you will likely also be correct in your analysis that our condo transfers will be unaffected.”

# K.I.S.S

Keep  
It  
Simple  
Stupid

If you can't explain it **simply**, you  
don't understand it well enough.

– Albert Einstein



Don't try to have too many take aways

People can only remember a few things

# Pick A Take Away

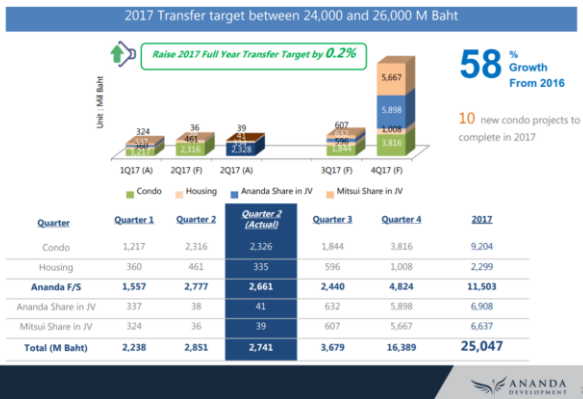
- ✓ Ananda Number one in Mass Transit within 300 meters of existing station
- ✓ Ananda Number one in Mass Transit
- ✓ Ananda Biggest IPO of the Year
- ✓ Ananda Biggest Real Estate IPO in Thai History
- ✓ Ananda fastest growing in launches
- ✓ Ananda Number One in Condo Pre-sales
- ✓ Ananda Number One in Pre-sales 14-16
- ✓ Ananda Number 1 in new condo launches
- ✓ Ananda Second Largest Property Company in Thailand
- ✓ Ananda growing 10x in 7 years with no new capital and reducing debt to equity ratio
- ✓ Ananda growing 300% in 3 years 500% in 5 years



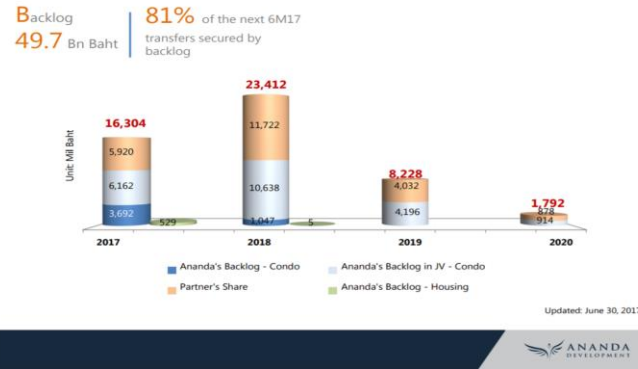
# Repetition

- Constantly repeat in multiple settings the key takeaways you want people to leave with
- Example – “Ananda 300% growth in 3 years, 500% in 5 years”
  - Repeat on slides 7, 11, 14, 31. Opportunity on others as well
  - By the time the 5 year slide is reached its already embedded and not a surprise

2017 Business Plan >>Transfers



Record Backlog



2017 Business Plan >> Launches



## 5-Year Business Plan



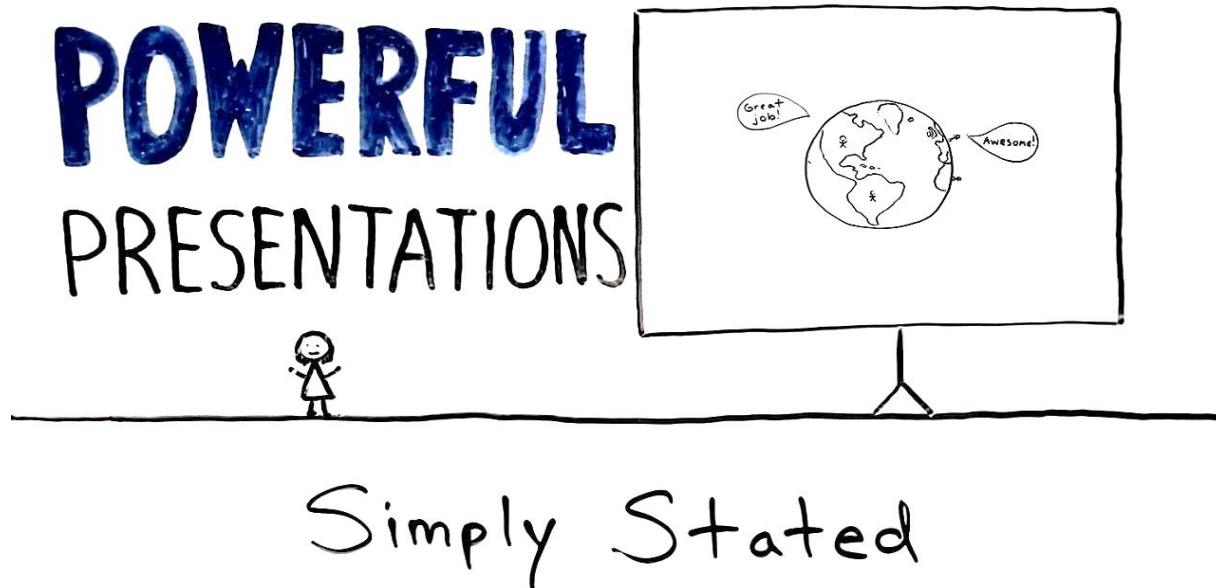
# A Typical Presentation

- A medium sized chair has advantages over chairs that are too large or too small
- Warm porridge is preferred by consumers to cold or hot porridge
- A well balanced level of firmness of mattress improves sleep over those with excess firmness or inadequate support.
- The market consists of a number of potential customer groups including male and female adult bears, juvenile bears and young girls with the key target market being young girls.
- Product adoption by the selected target market would be through consumer testing and preference of the product features



# How to prepare the Presentation

- What is a Presentation?
  - A Presentation is a communication tool
  - Communicates the story of your company
  - Not a bunch of slides
  - If you don't create the story your audience will





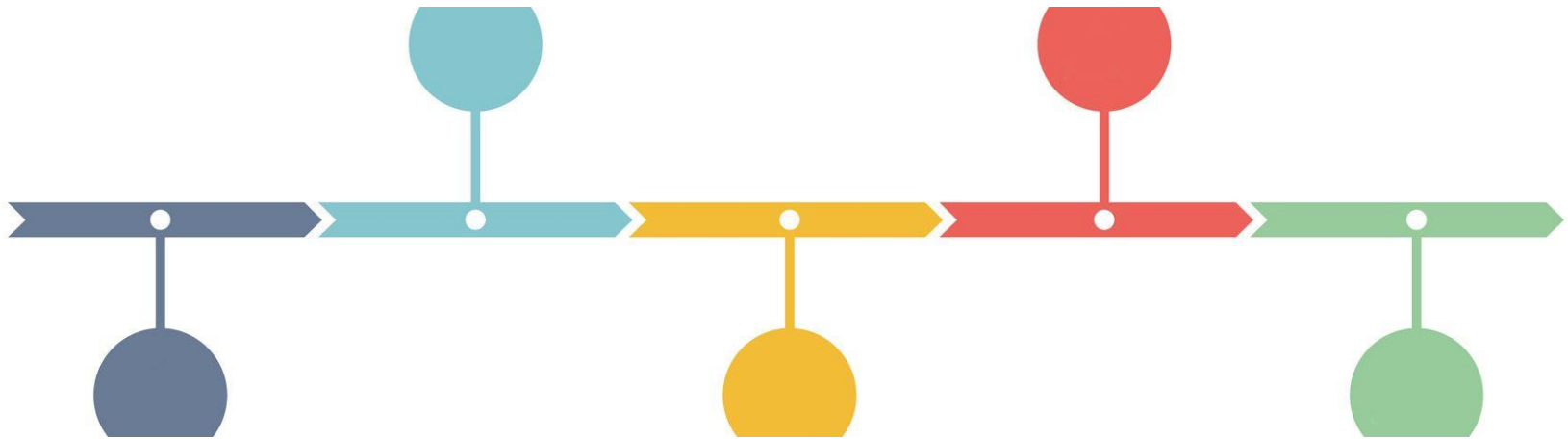
# How to prepare the Presentation

- Know your audience
  - ❖ Who is in the audience – names and positions
  - ❖ What do they do - responsibilities and functions
  - ❖ What is their background
  - ❖ Why are they listening to this– what do they hope to get from it. (Remember that nobody hopes to find a way to spend money. They are looking for ways to make money)
  - ❖ What are the recent decisions they've made – if its an investor find out what they've most recently invested in, if it's a customer find out what they've recently bought, if it's a colleague find out what projects they're currently occupied with.



# Gathering Information and Crafting IR Story

- Fixed timeline of deliverables everyone sticks to
- IR low priority to everyone else



# How to prepare the Presentation

- Braindump
  - To explain anything you do not need to explain everything
  - Do it before not during



# How to prepare the Presentation

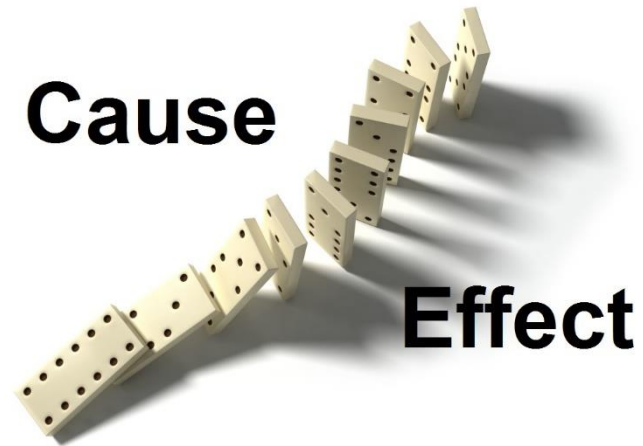
## ❖ The story

- This is where most people start
- You now know
  - Who you're presenting to
  - What they want from the presentation
  - All the info at your fingertips



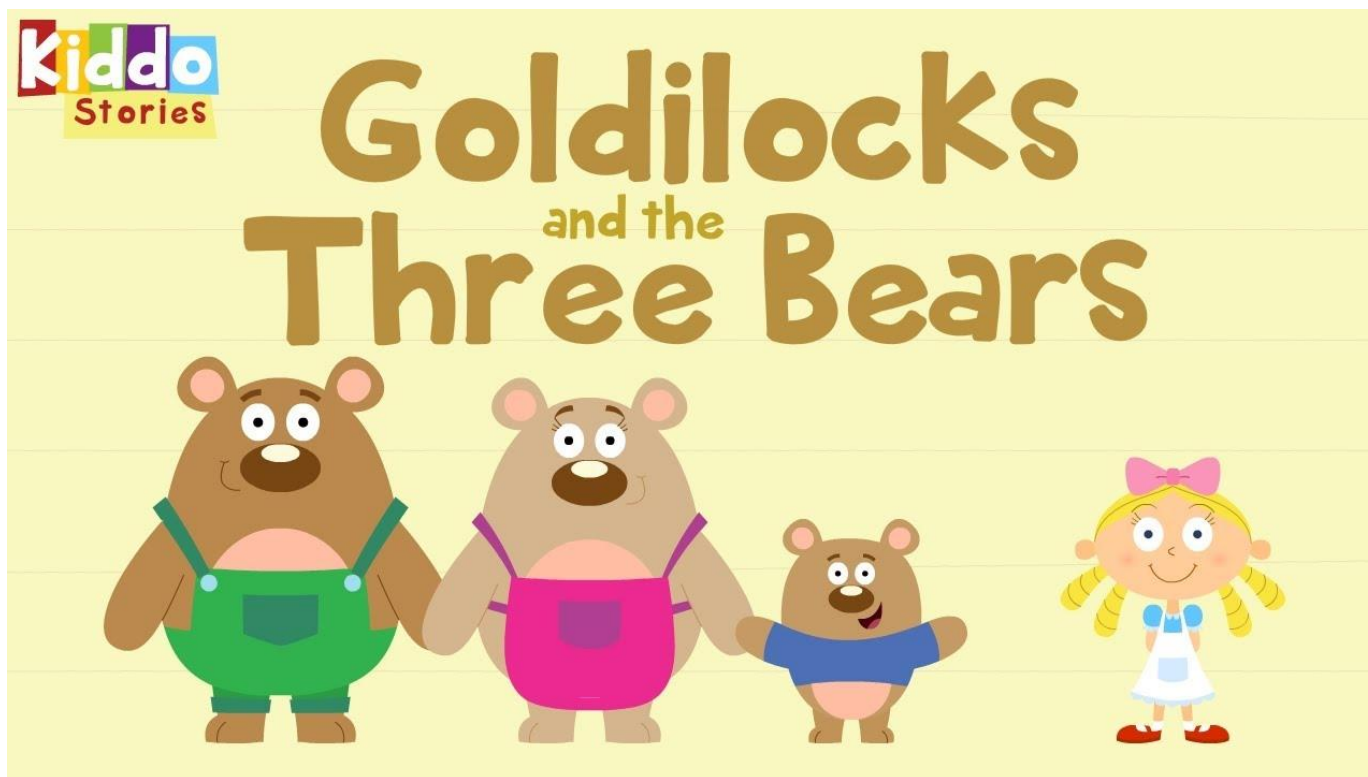
# How to prepare the Presentation

- Human brain understands narrative
  - Beginning, middle and end
  - One thing leads to another
  - Cause and effect
- If you lose the audience you've lost the audience
  - Can't go back and check
  - “Well I'm not sure what he was talking about but I'll invest anyway.”



# How to prepare the Presentation

- A Presentation has to be Simple
  - Like Goldilocks and the three bears



# Story Types

- The Hollywood movie
  - The evil problem rears its ugly head,
  - The good guys (you) ride into town on white horses (or an Aston Martin if you'd prefer to be James Bond) with your solution,
  - You beat up the bad guys
  - And then you end up riding off in to the sunset (or kissing Halle Berry)



# Story Types

- The Hollywood Movie
  - Evil problem – Bad traffic eating everyone's life
  - Solution – living close to mass transit
  - How your solutions beats up the bad guy – using technology to deliver urban living solutions
  - Sunset – financial results
  - Careful not to make the evil problem something your customer is doing





# Story Types

## ❖ Opportunity Knocks

- Good for complex situations
  - Rather than explain a complex situation
  - Focuses on what investors are interested in
    - Size of opportunity
    - How you exploit it
  - Example
    - Development of mass transit system and rise of Millennials changing real estate market
    - Exploited through technologically advanced mass transit condo development



# Story Types

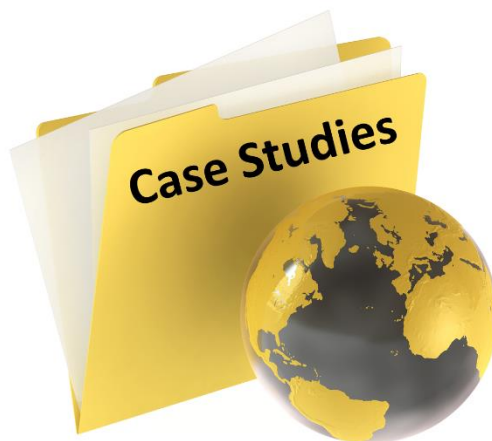
## ❖ Unlocking the door

- Works well when have multiple applications
  - E.g. mass transit build out has many effects on many demographics
  - The core is story identifies useful issues – changing living patterns
  - The core is the key that unlocks many doors
  - If don't identify real core then will fall flat on your face.
  - Hub and spoke model



# Story Types

- Flashbacks
  - Uses case studies to demonstrate value of product and usefulness of product
  - Good for new companies just starting to tell the story
  - Dual value of proving it all works and customers accept it plus makes everything more compelling due to use of real life examples
  - We used this a lot on IPO Roadshows
  - Do NOT try and say, “It will do this” as fabrications remove all credibility from everything



# How to choose your story

- Might be obvious after audience research, mindmap and grouping
- Start by writing slide titles only
- See if you can tell the story just from the titles
- If not try another story
- No right or wrong answer



# Q&A

**EXAMPLE**

- Answer the Question!!!!
- Understand the Real Question – e.g. presales is really about market
- NEVER use the word conservative
- Use real life examples
- Never argue with the questioner




# Q&A

- **Preparation**
  - The Fundamental Few
  - Make sure you understand the question
  - Answer the real question
  - Record all questions
  - Slides on repeated questions

“if they can't  
*understand*  
the question ...

how can they  
*answer* it? ”

LuckyFrog Learning 

# Positive Attitude

- Your investors want your business to succeed
- Your investors have a lot of experience and connections to add to your business
- Your investors are your future partners who believe in you so much that they are willing to give you their money and risk it on you.
- Final Takeaway – be Customer Centric



# Thank You

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