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## **NAVIGATING THE MEDIA LANDSCAPE FOR SMALLER COMPANIES - TRANSCRIPT**

### **Speakers:**

- **Giles Rafferty | Corporate Communications and Media Advisor, FIRST Advisers**
- **Sean Aylmer | Head of External Relations, Challenger Limited**
- **Moderator: James Powell | Chair, AIRA Small Cap Chapter & Investor Relations & Distribution Manager, Rural Funds Group Limited**

James Powell:

Thank you, Chorus Call, for assisting us with the technology today. Welcome to all of the attendees that have taken the time to join us for this 45-minute session, where we will be discussing how smaller companies can navigate the media landscape. Next slide. Thanks, Belinda.

James Powell:

Just introducing myself. My name is James Powell, I'm the chair of the Small Cap Virtual Investor Relations Chapter. A little bit about my background is on screen and currently I'm General Manager of Investor Relations for Rural Funds Management and Rural Funds Management is the responsible entity for an ASX 300. Listed property trust or a real estate investment trust, called the Rural Funds Group. The Rural Funds Group listed in 2014 and that time had a market cap of about \$100 million. And today it has a market cap of just over \$800 million and getting close to the market cap minimum thresholds for the ASX 200.

James Powell:

Moving to the next slide, thanks, Belinda. In terms of the background to the Small Cap Investor Relations Chapter, one of the observations that AIRA and myself had was that the context for investor relations in a smaller company can be different to the context for investor relations in a bigger company. And that's for a number of reasons. One of which is because the IR person in a smaller company may indeed wear multiple hats. And, of course, the size of the entity changes the nature of the way in which it communicates with the market.

James Powell:

I think today's topic of media is an excellent example of that, for larger companies, the media that the company experiences is likely to be driven by the news companies themselves approaching the a six listed company for that information. Whereas, for a smaller company, they may in fact, be wanting to be engaging with media to enhance the awareness of their company that they represent. And really, it's that subject which will form the basis for today's discussion. Next slide. Thanks.

James Powell:

So I'm very pleased to introduce two speakers who are specialists in fact on not just media, but for smaller companies as well. Our first speaker on the right hand side of this page is Giles Rafferty, and he's corporate communications media advisor, the FIRST Advisers and has over two decades experience in this field, Giles will present a 10 to 12 minute series of slides on addressing media and how we as IR professionals can interact with media in the context of the corporate communications calendar that we already have.

James Powell:

The second speaker is Sean Aylmer, and he's again very well qualified, head of external relations for Challenger, and comes from a media background, which includes his own advice business, as well as working with Fairfax, for over 15 years. So thank you to both Sean and Giles for your time today. And we're looking forward to your insights into this topic of smaller companies managing the media landscape.

James Powell:

As mentioned at the start of the presentation, participants are able to ask questions, and in fact, I strongly encourage you do, the idea of the virtual small companies IR forum is to get as much out of it as possible from our expert panel on the relevant subject. And I think the best way to do that is to ask questions of them. I'll remind participants at the end how they may ask a question, but first, I'll hand over to Giles and then to Sean to present about 10 minutes each on their relevant content.

Thanks, Giles.

Giles Rafferty:

Thank you, James. Hello and welcome all, as James said, I'll be talking a little bit about how the media landscape is changing and what that means for how you can engage with the journalists and how you can manage that media landscape. The first thing to say though, is the media doesn't sit in a bubble all by itself, it's part of a broad cross section of stakeholders who can all interact with each other. And if we have a look at our next slide, what I've done is try to map a lot of those stakeholders. And this is by no means prescriptive.

Giles Rafferty:

So I'm not saying this is for every company, but I just put them into silos. So you can see all the different kind of stakeholders that there are out there. The reason we're doing that is they do all bounce off each other, they do all interact with each other. And they can either generate news or influence the news agenda and what's being said about you, I would suggest that anybody who's in the comms function within a company has a go at this and think about who's who in their particular zoo, and who they need to know and who they need to have relationships with. And a really quick example, a real-world example of where this can be seen playing out is I worked with a company called AIRA Care.

Giles Rafferty:

They were doing enterprise bargaining agreement with their employees, always got huge support for it. This time, there wasn't much union representation in their workforce. And the most recent time they did it, three or four years ago now, unions decided that's the moment they were going to go hard. So you've got unions from industry, going after the company which is another stakeholder group talking to their own internal employees, which is a stakeholder group, using the media to do it, and also targeting their customers, you can see all these different stakeholders getting sucked into this new slope.

Giles Rafferty:

In the end, they got the enterprise Bargaining Agreement up, but they were also trying to float. That's why we were involved talking with them. And we've been pitching and roadshow into investors, the float got pulled on the negative sentiment. So here's yet another stakeholder group investors being affected by all these different stakeholders bouncing off each other through the media. So that's one of the ways that it's important to think about all those stakeholders and not just see the media as some like on and off and it does a job for you.

Giles Rafferty:

It's within a continuum, so we have a look at the next slide, what we'll be able to see in this slide is a sort of a representation of the media visually, it's very busy. But that's because the media landscape is very busy. On the left, we've got those traditional media outlets, they've tried and trusted, they're credible, they're very influential, they'll often be setting the news agenda on any given day. And within there, you'll see the Financial Review.

Giles Rafferty:

And the Australian with business review pages, they're very important from a listed entities perspective in terms of communicating with investors, certainly. And so they are influential and important. But in the middle column, you're going to see a lot of what are called New Media or digital media. These are more recent entrants into the media space, they've disrupted the marketplace, they've fractured the audiences. And within that there's platforms and forums for just about anybody at any time to either consume news or create news for that matter.

Giles Rafferty:

So you can imagine somewhere like Copper, people can just vent into that space where that matriculation around it. Or there's blogs where you can put your own personal opinion, and put it out into the public domain where it can be picked up and used by the media. And this has only been enabled because you've got high speed internet, you've got mobile telephony, and smart devices that are mobile, allowing this to happen. And I've also on the right, split out the social media cohort of the new medias.

Giles Rafferty:

And that's because I think they're becoming more influential, not simply as aggregators of news. But sometimes news is emerging through those channels in ways that might be unexpected. And that's by no means an exhaustive list of social platforms. But one in there that is useful is TikTok. I work with a company called Live 360. They do location sharing apps in the US primarily but globally as well. If you want to know your family is safe and well then you can track where they are, not so great if you're a teenager in that family unit going, "You're stalking me, you're crippling my sense of self and my privacy."

Giles Rafferty:

And in the first US lockdown in Coronavirus, a bunch of bored teenagers decided they were going to have a go at remove or diminishing Live 360's app rating. That matters because if you get down below one star and stay there, you can actually be removed from an app store because you're not adding value to the app Store. And they were being quite successful by writing negative reviews and getting this app rating down. So we have to jump into that space and try to engage with bored teenagers on TikTok because the business model of Live 360 then in the growth phase.

Giles Rafferty:

They want to get as many users as they can and they have someone undermining that business model in an unintended way. So that's what I mean about influencers and social media are becoming more relevant. And if I go back to the new digital media space, I talked about blogs of another great example where student blogger with a student journalists who had their own personal blog, wrote a blog about Katmandu, which is a greener than green outdoor apparel company in New Zealand.

Giles Rafferty:

And it had a negative impact because the New Zealand Herald picked up the blog and republished it. Again, Katmandu, totally blindsided by this, they weren't monitoring student blogs. Nobody was looking at bored teenagers on TikTok. So staying across what's happening in those multiple different parts of this very fractured media landscape, very noisy media landscape, is really, really important. But if you are going to stick your toe in the water, so to speak, how should you go about that? What should you think and hold in your mind's eye?

Giles Rafferty:

And if you look at the next slide, what I'm talking about here is how to navigate that media. And the first thing to bear in mind is the journalist experience, they're under extraordinary pressure. We know that there's a 24 seven rolling news agenda nowadays, we've seen it with ABC News 24, ABC News radio, Sky News. That's established. But what's happening is this proliferation of different outlets all looking to have a headline, all looking to break a story, all looking to be first is pressor there.

Giles Rafferty:

On top of that, those traditional trusted sources of news have an additional problem. As these aggregators bring news online and give it away for free, that fundamentally undermines our revenue model. Because not that the cover price of a newspaper matters much, but they're not getting any revenue that way. But the advertising dollars are following the eyeballs. And so all the money is going on to the social and digital space, which is really distressing to traditional news outlets.

Giles Rafferty:

And they then have to expand into that digital space to be relevant and get in front of it. So we've got to invest more when they earn less. And that means job cuts. And that means talent and experience and leaving journalism. So those that are left behind are trying to do more in subject matters, where they may not be specialist or expert, and they may not even have the time to do the research. And so there are other real pressure. And that makes it interesting for us, because we have to think about how we help them get the message right first time, because they may not come back and have another go.

Giles Rafferty:

And also, they're not limited by continuous disclosure obligations, like we are from the inside of a company looking out, we have to let the market in particular for listed before we can comment on what's in the media. They're not constrained in that way. So if they get a tip, if something bubbles up through the social channels, they get a lead, they think they're onto something, they can call us and say, "Will you comment." And how many times it's like, "We don't comment a media speculation."

Giles Rafferty:

It's because we had comments on this speculation, because of our continuous disclosure obligations. And in our absence, if we're not commenting, that gives room for them to make their own minds up and potentially misrepresent things. So lots of pressures there on the accuracy yet, from journalists, even from the most trusted outlets. Another point that's I think, really interesting is the role digital media plays. And by that, I mean video and still imagery, it can appear to be a proof point of validation for a story, you've seen it with your own eyes, it must be true. And so it's very powerful when it's part of the reported news.

Giles Rafferty:

But of course, it can be manipulated, and it does get manipulated. And of course, this gives rise to things like fake news, which are real and have been around for a long time. As long as there's been digital imagery. There's always been room for that to be abused. It's not just Donald Trump's thing. It's been around for a long time. So we handful that wilfully or just through error that use also can find its way through in this very dynamic, very noisy, very busy, highly pressured news environment.

Giles Rafferty:

And so if that's how you navigate it, what are the tools we need to bring to bear. If we have a look at the next slide and talking about media strategy. And I think it's really important to have a solid media strategy that looks out into the future. There's couple of key things here, it's got to be clear. And it's got to have realistic objectives. And what I mean by that is, your CEO can turn around you and say, "I want to be the front page of the AFR tomorrow. Wouldn't that be nice? Is going to happen?"

Giles Rafferty:

It may or may not happen depending on what the news flow is that you've tried to communicate. But understanding where you fit into the world. And I think James references earlier, the bigger beast, the ASX50/20, they're going to get all the column inches. So if you're a smaller cap company, you need to be really interesting, or be in a really interesting space, or have something really interesting to say in order to get cut through because the big beast really own the inches.

Giles Rafferty:

So one of the ways to do that is think about when and how you're going to communicate With the media, and that's the strategy you map it, you look at into the future, sure there's a financial calendar, could be a good time, maybe a tough time because everyone's reporting at the same time. And again, the big guys get all the attention. So do you think about in between? Are there other moments when you might be able to communicate?

Giles Rafferty:

Surely not during the US presidential election? Surely not when COVID hits, because unless you've got COVID in your story, you're just not going to get up. So map out times when you may have an opportunity to get out there and talk to the journalists, and then think how you are going to do it. Is it a press conference with one on ones? Is it interview with a journalist directly? Are you going to background editors and commentators and columnist, if you've got board meetings within that do you invite a journalist like a serious journalists along for that to get exposure to directors, and you'll probably do investor days, you'll probably bring analyst out on analyst days.

Giles Rafferty:

Journalists into that space, so they get a real granular feel for how your business works, because it can really inform how they think about it. And above all else, have good audiences that you need to

be communicating to through those journalists, establish a rapport yourself so that they'll take your call, they know who you are, and that you've got a line of communication to the journalist that matters to you. And also, media train your senior execs, make sure they understand what you want them to say, just as importantly, what you don't want them to say, and how to do that.

Giles Rafferty:

So how to not get pulled off message, what are those tricks and techniques of staying on message and prosecuting your communication agenda, to your advantage and not allowing yourself be pulled into directions and spaces you don't want to go. One of the things that's important about timing, as we talked about, is it in their financial calendars, that's one that you have to decide. Another one is the blackout, be mindful that as you come into result season, when you might want to be trying to get cut through, you shouldn't really be briefing, journalists certainly not on financials as you run into results, because the idea is that you've probably got a sense of where you're going to land.

Giles Rafferty:

And you'll be abusing the market by selectively disclosing to journalists when you haven't informed the market. So there's a blackout there, do respect it, and don't try and jump the gun at all. And also, think about moments when you might have clear air in which to speak. Make sure what you're doing in the media aligns with other objectives within the organization, including IR. So if you're retrenching to Australia, because your exports demand has been cut by COVID, don't talk about growth in foreign markets, because you can't achieve it.

Giles Rafferty:

Just it's divergence in the messaging. Also, if you're trying to get value investors onto your share register, and you're talking about growth prospects, those two things don't shine. That's what I mean by making sure that it's aligned. And one of the great ways of making sure it's aligned is share it across all the different functions within your organization. So internal corporate comms, IR, government relations, whatever those functions are, if you all have a line of sight as to what each other is trying to say to the external audiences, then you can keep consistency of the messaging.

Giles Rafferty:

And that's really important. It's about regular consistent messaging. That's how you get through that until you get the engagement. It's not a big splash every now and again, and then go quiet. So having that consistency really matters. So if a strategy is what you're going to say and potentially when you go to say it, the next slide talks about policy, and the policies how you go about that.

Giles Rafferty:

And having a policy that is across all channels not additional perspectives, established media channels but across social, across digital is really, really important to make sure your policy is applicable to all those channels and there'll be different. I mean social very immediate. So actually, what you want is probably to have a quite senior resource there that has good judgment that can respond in a timely fashion and is authorized to do so. Not an intern or not just the IT guy who knows about that stuff.

Giles Rafferty:

But someone who's professional, and yet also you need to be able to define who speaks, when they speak, what they speak about, what they don't speak about, and have that really mapped out. Also, if you are trying to manage the media and story is getting away from you, what are those escalation

pathways? Who is it that you pull upon? What's that senior resource that comes in to give you a dig at if it starts to get away from you because the story is running its own course. And the next step up from that is to have a really solid crisis comms cast that improves the crisis comms protocols around that.

Giles Rafferty:

The reason I bring this up is God willing, there isn't that many times that you're going to have a crisis. But if you were in crisis mode, what happens is people do it once and go, "I've done that, I've put it in the shelf, I've put it on a server somewhere, don't have to worry about it." In fact, you need to keep that fresh and keep testing it and going through scenario planning on it. To make sure you have something like that in your back pocket for the day when you didn't see it coming. And suddenly you're trying to manage a crisis. And on social media, one of especially is a great opportunity because it allows you to get out and publish your message directly. You don't have to necessarily go through journalist's website.

Giles Rafferty:

But one of the problems there is if you've got employees commenting in their own personal channels, and there seems to be speaking on behalf of a company that allows room for that misinterpretations to start to happen. So if you can put in place a policy where you recommend that your employees use a form of words along the lines of your opinions, and this tweet, Twitter feed, or mine and mine alone, something to that effect, which you can get approved and signed off.

Giles Rafferty:

That's a really good way of trying to protect yourself from erroneous messaging going through channels that you can't really control. And I put off the record in here because I know off the record is one of those things people think is a safe harbor, I'll say off the record and I can say what I like. It doesn't quite work that way in fact, there's multiple off the records, you can have deep backgrounds where you're just trying to give context to a journalist, get them up to speed, but you don't want them to write anything.

Giles Rafferty:

You can have background where you kind of do want them to write your point of view, but not attributed to you or anybody. Or you can have background where you do want them to write your point of view, and you want them to attribute it to a spokesperson or someone close to the issue. Or you could be presenting in a forum like A Chatham House Rules where everyone who presents can be reported upon, but no one can be identified. That's just four different ways of thinking about off the record. So it's one of those things that you need to deploy with some sensibility around it.

Giles Rafferty:

Be clear what you mean, be clear the journalist understands what you mean. And be clear that you have enough trust in that relationship that they will respect it because I've had breached those competencies before. And respected journalists, you have to be really careful with how you go about that. But if there is a golden rule, and then they're in green, maybe it should be gold. But if there is a golden rule, if you're in front of a journalist, if you're near a microphone, if you're near a camera, you can be recorded. And you're on the record, no matter what you said, no matter what you agreed and if you behave in that way. And if you only say things that you'd be happy to see in print the next day, then you can't go too far wrong.

Giles Rafferty:

Because as I say, off the record is not a bulletproof defense. And you have to be really clear with the journalists you're talking to, what that means so that you don't get caught out. But that's just a sort of a quick overview of the media landscape and some of the ways to think about engaging with it.

James Powell:

Thank you, Giles, and clearly the experience that you bring with FIRST Advisers, is really valuable to today's session. So thanks very much. I'll now hand over to Sean, that will provide additional insight from his wings, currently External Relations and challenges. Thanks, Sean.

Sean Aylmer:

Thanks, James. Thanks, Giles. So if we go to the first slide, what I'll do is actually talk fairly granularly about what exactly is a news story? What is the journalist interested in? And there are seven dimensions of news generally. The first is timeliness, is it happening at a time where it really matters? Too many of Giles's point when COVID-19 hit when the US election is on, it's not a great time for you to try and be putting out news. However, when there's not much going on, you've got a real opportunity to reach journalists, proximity does it actually affect the person reading it? It's really important.

Sean Aylmer:

Is there a consequence to it? Conflict? Remember, a good news story is generally not a news story to a journalist, a journalist wants a bad news story. You look at the four corners last story, last night on ABC, which has garnered so much publicity. And basically because of the sort of stakes involved, but it's a bad news story. And that's what journalists really live for. Humanity, that is the number one issue and I'll come to that in a moment. Novelty, it's probably why Donald Trump ended up President of the United States really, because he could command an audience, novelty really matters.

Sean Aylmer:

And celebrity, this sort of the same things I suppose or very similar. Celebrity is more human, novelties more non-human. If you take those seven themes, what's the most important one? So I'll give you 10 seconds to think about that. And then we're going to change slides, there is one of those which matters more than anything. Okay, that's five seconds. Don't worry about trying to read all the words on that. But what it is, this is actual data, the most read stories on the Sydney Morning Herald website in 2018. And it's a little bit dated deliberately because I used to work within the Morning Herald and I've kind of figured I better leave a few years before I started doing it.

Sean Aylmer:

But see all the ticks, the third last one on the right or the ticks down there. That's all of humanity. So apart from the first two stories, the first two stories are about Morrison from becoming the thirtieth Prime Minister and another is Morrison, Peter Dutton bid. Apart from those two, every other story of the top 20 actually had a human element to it. So when you're thinking about telling your story, telling a human story will always get a journalist attention more than anything else. Even the top two that don't have humanity, that's as much as anything because our live blogs, but at the end of the day, they're about Scott Morrison or about Peter Dutton. So arguably, they have humanity in that as well. So the data shows humanity will help you sell your story.

Sean Aylmer:



Next slide, please. Getting fairly granular here about how to deal with journalists. I think knowing the journalists who you're talking to, is almost the most critical thing of all, understand what he or she like, know their timetable, know what they write about. There is nothing more frustrating as a journalist, than getting a phone call being pitched a story, which has nothing to do with what you do. So if I write about retailers, and I get pitched a story by temple Webster, fantastic, if I get pitched the story by Dale Resources a mining company, I have no interest in. And in fact, I went talk to those people, again, really know the journalists who their audience is what they write about.

Sean Aylmer:

It's important to actually read or listen or watch what that journalist has done previously, because you'll get an idea of what they're sort of what they're attempting to achieve when they tell their story in whatever form that is. The other thing, which is Giles mentioned, and it's really important, there is a 24-hour deadline with news media. But back at the Herald and at the Financial Review, we used to actually have four deadlines, we used to have one at 7:00 AM. To get that morning rush because a lot of people logged on.

Sean Aylmer:

First thing, we had one at noon, because people near lunch hour would log on again, we had one at 5:00 because people on the way home would look, then we had a newspaper deadline. So while there's always deadlines, continuously, it's actually important to know that a reporter needs something at noon on a Wednesday. And if you've got something to give them think about timing your run to hit that deadline. I mentioned about good news not normally selling, fear and greed does, we used to in the newsroom, when we're wondering what to put on the website or on the front page. Anything that scared people or make people money tend to make it there that was more of a Fin Review thing admittedly.

Sean Aylmer:

Journalists are very busy, and Giles talked a lot about that, I won't get much more into that. But if you can do their work for them, and certainly on most of the news sides, every story needs a picture or a chart, if you're trying to sell your story. And you can give a chart that demonstrates your story, you've done half the work for journalists. So the journalist is much more likely to pick it up. Because then I'd have to go and spend 15 minutes trying to find a picture or create a chart or a graphic or anything like that. So I really emphasize that aspect of it.

Sean Aylmer:

I won't go much more into what Giles was talking about, understand the rules of engagement. In the end journalist isn't your friend, you may become great mates, you may go and have beers with them or have lunch feel like you're very close, but who's paying him or her? It's not you, remember that. And obviously be authentic, a journalist by nature, critiques they are critical beings and the best journalist are the greatest critical beings. So they're not going to believe you to begin with. So don't try and spin them a story, there as to be authentic.

Sean Aylmer:

And Giles mentioned, understand your obligations around disclosure, a journalist has no interest in your disclosure obligations. And in fact, a journalist actually wants you to potentially tell them something that you haven't disclosed, because that makes a good story to them. So it's important that you know that. Next slide, please. Just one thing we... and Giles did a great job going through

the different mediums and websites and things like that. There are all sorts of ways to get content out there.

Sean Aylmer:

And a story, we think about as a news story, but it could be audio, it could be a podcast, it could be a radio grab, it could be broadcast, it could be interactive, it could be ongoing coverage in a blog, where a news organization needs information about something that's happening today that you can contribute too. Q&As work really well on site as well, the top 10 or 200 richest people in Australia but the top 10 things to do with COVID-19 ends. So when you're thinking about the content you're creating, be creative.

Sean Aylmer:

Think about how it can be produced and sort of pitch it not just as 1000-word story. I appreciate the time coming to an end so I might just move on to the next slide, we've got time for Q&A. Which is the same, is there another slide there to double up of the previous one. Now that's about it. I might leave a bit early if we have only got 10 minutes for Q&A and is worth doing that.

Sean Aylmer:

My bottom line, I think to all of this is, remember who pays you and your responsibility. And remember who pays them the journalist and their responsibility. And they always want to tell a story that's going to gain an audience, if you know who that audience is, if you know the journalist, and you know how those two match, you actually do have a good shot at creating a news story and giving it to them and having them produce it in some medium one way or another.

James Powell:

Thank you, Sean. Some fascinating insights, that are truly insightful given your career background, telling a human story, doing a journalist's job for them. And then including a visual reference by way of a picture or a chart all very helpful tips. So as Sean has mentioned, that we have 10 minutes for Q&A, and that is your opportunity to ask a question of the panel, the way that you can do that is type it into the questions box, you should be able to see on the screen, and we will get it at the end. So while you're thinking of your question, furiously talking to me in the dialogue box, I might ask Giles' a question, I failed to mention in the introduction, but Giles speaks as part of the Diploma of investor relations, which is facilitated by AIRA.

James Powell:

And specifically in regard to media, and I'm just wondering, Giles what is the most frequent question when you're talking to aspiring and current Investor Relations professionals when they're undergoing the Diploma? What is the most common question that you're receiving with respect to the subject of managing media?

Giles Rafferty:

It just probably won't be much of a surprise. Often, they're trying to understand how they can use the media to prosecute their particular angle and above by that, I mean, they're often thinking about things like margin call or data room where you get some of that speculative news coming through, and they're going look, "There's no authenticity behind that. There's no sources for it, there's no references for it."

Giles Rafferty:

And yet it gets up and it gets reported, how can that possibly be? And I have to tick all these boxes improve everything. And yet these journalists seem to be able to write whatever they feel like writing in any given day. And it's a fair question, because you will see that and even in rear window, the back of the Fin you'll sometimes see some fairly speculative pieces getting written, I must hasten to add that those journalists do their work, they're not making it up.

Giles Rafferty:

Okay, maybe things that you see speculating in places like data room aren't necessarily that easily attributable to anybody. But that's a tool, that's a tool that you use to create a tension that allows things to happen, someone wants maybe to get a float up, or somebody wants a deal to be done, they leak something, it gets written, and it creates its own tension. So you've got to understand that it's a tool that's being used. And it's quite well written, and it's very rarely definitive.

Giles Rafferty:

So there's a defence that they didn't make a definitive statement. But what I find is a lot of the people moving into the IR space, are deeply frustrated that they don't have the same latitude, the same freedom to say what they kind of want to say, because they're taking boxes and validating their sources and being whiter than white. And they feel that they're being a little bit of us on the other side who were just making stuff up that they're having to react to. And often it's not made up, but it's just not been verified.

James Powell:

Thanks Giles, we've got our first question come through, and I might get both of your perspectives on it. And it's a question about how one might engage with a journalist who is contacting you about M&A speculation. So perhaps, Sean, if you'd like to lead us off.

Sean Aylmer:

There's a whole range of answers to this. At the end of the day, you've got a fiduciary duty to not leak. And I think that's really critical, that is the bottom line. Now, it's a little bit part of the Christian and for this world. If you have a relationship with a journalist, that's totally different to talking to someone you've never spoken to about. Often a journalist will ring you not about your own business, but a competitor or someone like that, or potentially if a bids been made, and I think you might have been involved in it but no longer so there's all sorts of reasons a journalist will actually ring you.

Sean Aylmer:

I do think unless you know the journal and have a very, very strong relationship with them, you are better to go to sort of your core, which is you can't comment on market speculation. What I'll suggest once you've done, get to know the journalist, give them a ring. Just play, "How are you?" Margin call we mentioned, rear window, street talk, even CBD in the Herald age, just have a chat to them. Now, you don't want to get on the wrong side of a journalist, let's face it, in rear window. But it is worth getting to know these people.

Giles Rafferty:

If I could add to that, I think that default of not commenting on media speculation is a safe place to go if they're talking specifically to you because you can't, if in the middle of an M&A and you haven't made an announcement, you simply can't say anything. And you may not even know about it,

because some of these things happen at board level and you only find out about it when it gets filtered down.

Giles Rafferty:

But if you're asking to comment on somebody else, some other activity within your sector as a sort of expert opinion from the sector. The first question I ask is, "What's in it for me?" And I think it goes back to what someone said earlier, payment value is not just payment, what value is there in it for me, in commenting, so am I going to damage relationships? If I am, I might go back to some comment of speculation.

Giles Rafferty:

If there's a way to promote your case, and you're not going to do that, then it's a real judgment call, then you might consider whether there's merit in commenting. But I think the safe place to go is if it's speculative, don't comment on media speculation, unless you can see compelling value for you and your organization from having a chance to put your story out there.

Sean Aylmer:

I'm just going to have very quickly, if you know the journalist and you know who's ringing you, you know whether they're right or wrong. So no journalists make anything up, right? But there are just some journalists, there's story that Tabcorp called the other day in the Australian, only one paper had it. Tabcorp went up 16% off the back of it. It was written by a guy called John Stendhal. John Stendhal is a good journalist; he doesn't write that unless there's smoke.

Sean Aylmer:

It doesn't necessarily mean it's happening tomorrow. If you know that, and obviously investors knew that, because they traded of it. I think that's really critical. There are other journalists who I won't name, if they put something in the paper, I will pretty much discount it upfront.

James Powell:

Thanks, Sean. If I could add my sort of perspective, last year we had a transaction which I was contacted about. And I think from an IR representative's perspective, do not be afraid to pause. And do not be afraid to consider your words carefully. So you've got that default option of I can't comment. Or think about your next course of action. Because it can be confronting, particularly if someone is relatively new to the role, and they're getting a call and getting without the benefit of preparation, asked for comment.

James Powell:

And I wonder perhaps if people inadvertently provide comment when fully considered they perhaps shouldn't. And we're getting some more questions in and one just about the involvement of media with results briefing. Giles have you had any experience in sort of advising the listed of companies you work with at FIRST Advisers about how media can interface with financial or other results briefings.

Giles Rafferty:

Yeah, again for small cap, it's a tougher gig, simply because, say unfortunately, the way it's structured, everyone reports around the same time. And so it's really, really busy. And the big guys get all the coverage, they just do. They're in the self-managed super funds in the pension funds. They're throwing off the cash and funding people's lifestyles, they make a difference. And so people

will report upon them, they employ a lot of people, you can understand why they get the big column inches.

Giles Rafferty:

But it does put a very interesting challenge to a smaller cap company, because at the same time that they're issuing all the column inches or coverage. And people are looking at you because you're putting a result out. So you've actually got someone's attention and investors' attention. They're looking towards you because you're announcing, so how did they get to hear from you. There are a few things you can think about doing if you're going to go into that space. You do need that interesting story to tell. But I also think you should try to get out in front of it. And I did say earlier about respecting the blackout, and I do stand by that.

Giles Rafferty:

But one of the things I do often for some of the smaller cap companies we represent is I'll send an invite to journalists to a investor briefing, which doesn't give anything away just as this is happening on this day at this time. What it does do is put them on the news agenda because if you approach them on the day, they've got a full slate, they don't have room to fit small companies that came along in the day in. So somehow, you've got to get on the radar, you've got to make an interesting and compelling to come up with an angle, don't make it up.

Giles Rafferty:

If it's not true, if it's not authentic, you'll get found out and then you'll be dismissed as someone who's trying to spruce their stock. It's got to be authentic but find that angle. I had a really interesting company in the start of COVID, we jumped on the COVID bandwagon, wasn't sure that was the right way to go. They had two sides of the same story. One was, they were being used to rule out things that weren't COVID, great. But they're also discretionary procedures weren't happening, which means they weren't getting used at all so net net.

Giles Rafferty:

It wasn't a news story, but they wanted to put COVID into their press release. And I'm not sure that worked so well, the reason we're giving that example is don't just make it up. But find that interesting. Find that angle that's going to get a journalist attention, find the right journalist, make sure they're aware of you in advance, and you have half a chance, so get in early and get in before the agenda set.

James Powell:

Thanks, Giles. Before I hand over to Sean, just a final call for any further questions, please don't hesitate to type them in and we will receive them in this end. Sean, did you have anything further to add to Giles' comments from media and results interaction?

Sean Aylmer:

No, not really. I mean, I think that's right. The only thing is taking those opportunities when results aren't out. So particularly at the half year, when you don't have AGM season, we've got AGM season at the moment. So that's sort of running into same issue. But there are other times, six weeks after results. Where, there's not a blackout where you can if the journalists are actually looking for content. Just another quick trick is getting the trade media first, because often the mainstream media come out of the trade media.

Sean Aylmer:

And first of all, read the trade media. So if you're in financial services, for example, there's lots of trade media there. If you're getting a bit of a running trade media, which is easier, it's more likely the other journalists will notice you.

James Powell:

Excellent, Sean. Thank you. And with that, on what draws the session to a conclusion with just about on quarter past one, which is what we indicated in the invitation. So I just like to reiterate mine and on behalf of AIRA, thanks to both Giles and to Sean, very engaging content, very practical tips. So thank you to both of you. And thank you to the audience for dialing in today and your engagement with questions.

James Powell:

If you are considering attending future sessions, please also, perhaps support that on LinkedIn. So that we're able to get more of a smaller companies, IR community together for the benefit of our profession. And then finally, thank you to Chorus Call for facilitating today's call. And as you can see, there's an offer on screen for all participants for a reduced rate of 50% off their first webcast. So thank you to everyone and to AIRA.

Giles Rafferty:

Pleasure. Thank you.

James Powell:

Thanks Giles.

**End.**

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