



## 8 BEST PRACTICES OF AN EFFECTIVE EARNINGS CALL

Earnings calls can seem like a tedious part of the job that just have to get done. But there is definitely a right way and a wrong way to do them. The hour you spend on the phone directly impacts your stock. **Set yourself up for success and make a favorable impression with these eight best practices.**

**1. Be Aware of Hot-Button Issues in the Industry.** Monitor Wall Street research throughout the quarter. Stay educated on the prominent topics and issues analysts and investors care about – so you can respond to these concerns. Compile the questions you expect to hear during the call Q&A, and in subsequent conversations with the Street. Include questions from prior calls that may be pertinent again this quarter.

**2. Use a Script and Rehearse.** Scripting your earnings call ensures that everyone knows what to say and when to say it and allows legal to make sure no one is going to say anything they shouldn't. Practice your script before you do the real thing to ensure that everything flows smoother when the time comes. Rehearsing will also help ensure your call sounds natural despite scripting.

**3. Let Content Drive Your Call.** If you don't have a lot to say, keep your prepared remarks brief and host a longer Q&A session. The minimum number of calls a development stage biotech should hold is one a year – this should be the fourth quarter call at the beginning of a calendar year when you give guidance for the year ahead.

**4. Liven Up the Financial Presentation.** Give your CFO something more to say than, "Sales came in at \$20 million, an increase of 14 percent year-on-year." Talk about why sales increased or why the net-loss figure improved.

**5. Manage the Q&A Queue Thoughtfully.**

You have the ultimate say over who gets to ask you questions and in what order. Reward your most diligent analysts and prevent your earnings call from getting hijacked by amateurs, mom and pop investors, or short sellers.

**6. Showcase Forthcoming Events.** Earnings calls are one of the few times you have a direct line to all of your company's key counterparties. Tell them about that investor day that's coming up in four weeks or about your upcoming appearance at an investor conference.

**7. Make the Call Accessible.** To reach the widest audience possible, ensure there is a replay for your earnings call and the ability to participate online, rather than just via phone.

**8. Your Work Isn't Done When the Call Ends.**

After the call you should be making pre-arranged phone calls to your covering analysts and major shareholders. These stakeholders may have additional questions that they didn't have the time or desire to ask on the public call. Either way, it's a good chance to give them some personal attention and strengthen your key relationships.

Need help getting ready for your next earnings call? **GET IN TOUCH** with Westwicke for earnings call preparation and execution support.