

A Self-help Guide to Equity Story Techniques

For Executive Management,
Private Equity Investors
and Investor Relations

Pre-IPO
Listed markets
Private Equity Exits

ACCELGENCY

Equity story techniques apply
and deliver value across all industries.
No exception.

It turns your business strategy into
a financial narrative that appeals to investors
and resonates with them, leveraging
frameworks and concepts specifically
designed to trigger investment decisions.

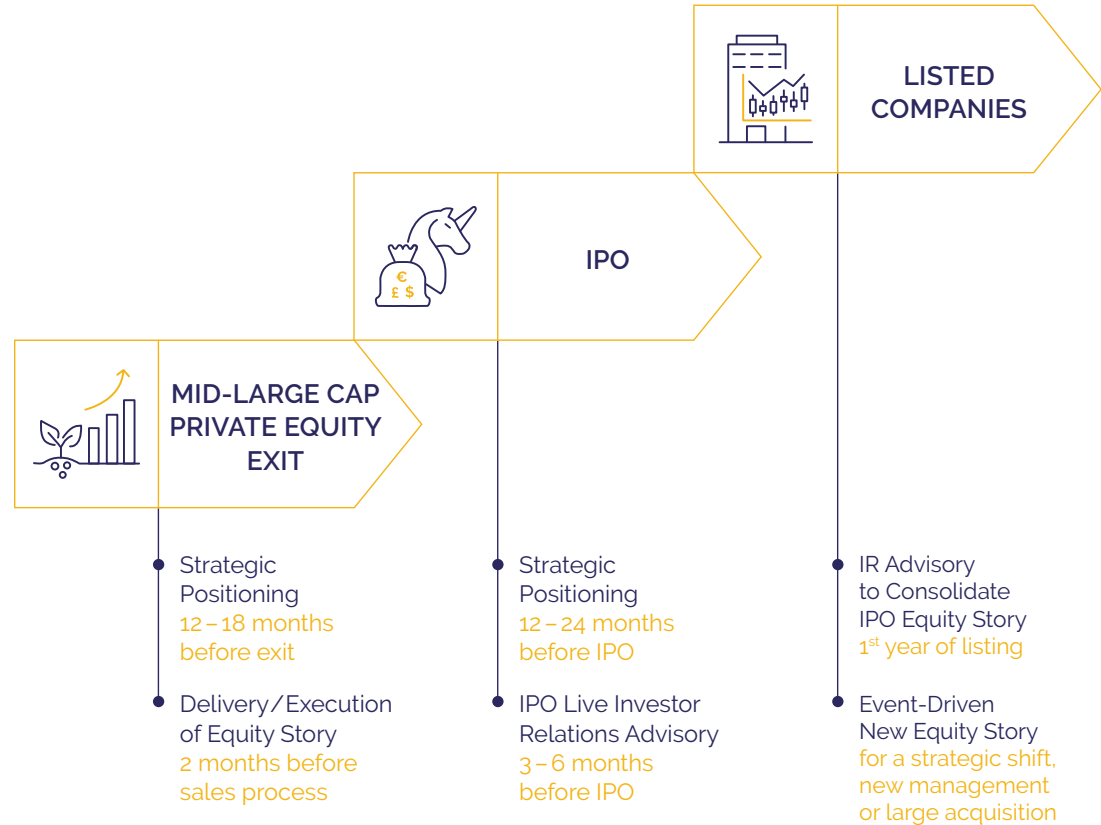
“ The multiplication of Ocado’s share
price by 10 in less than 3 years shows
the importance of a powerful equity
story positioning. Financial markets
have endorsed the shift from a B2C
online retail business to a B2B retail
technology provider.”

Romain Richemont
PARTNER



When to rethink your equity story?

Whenever mobilising capital resources is strategic for your development, investing to build an impactful investor relations strategy will pay off, whether you are preparing a strategic transaction, about to go public or simply already trading on financial markets.



Equity story diagnosis

5 signs that you may be leaving money on the table

You believe your **technology** is the driver of your growth

You may be overlooking client benefits and market tailwinds. In technology businesses, belief that the product offering is so strong that "it sells itself" is a symptom that your business narrative and equity story are not well positioned.

You are **outperforming** your core markets

You may be able to shift yourself up to a higher growth universe. Why not challenge your equity story to reset your comparables and boost your valuation multiple?

You are accelerating your **digital transformation**

You need to shift your equity story to a new aspirational path, as opposed to a present-focused or backward-looking transformation narrative. Is your equity story telling your digital transformation roadmap instead of where you are heading after that?

Your **sector** is undergoing structural changes

Following a structural sectorial change, there will be winners and losers. Have you established a clear vision and roadmap that will make you one of the driving forces of this sector restructuring? Your new equity story must leverage today's disruptive forces to validate your path to growth.

You have not challenged your equity story **for two years**

The number 1 driver of a company's valuation is its future, not its track-record. Your equity story must evolve at least every 2 years to keep resetting the future of your company, whether you have failed, succeeded or exceeded the goals you set for the organisation 2 years ago.

“If you think you don’t need equity story techniques,
Think again.



Alexandra Prigent
MANAGING PARTNER

One of the pitfalls of companies delivering high growth and strong EBITDA is that management and shareholders are convinced that they don’t need equity story techniques because things are going so well. When in fact, they are just leaving money on the table.”

Equity story, the cornerstone of corporate valuation

VALUATION MULTIPLE = SECTOR MULTIPLE * GROWTH MULTIPLE

VALUATION MULTIPLE: BOOSTED BY THE EQUITY STORY

The equity story is the cornerstone of the valuation of a company, whether in listed capital markets or with private capital investors. It dictates an analytical framework for investors to assess both sectorial positioning (Sector Multiple) and the company's growth forecasts (Growth Multiple).

SECTOR MULTIPLE: TARGETING A HIGHER MULTIPLE BUCKET

Have you considered re-positioning your company within a sector and among comparables with higher multiples than your historic bucket? Daring to challenge what is perceived as mere facts internally requires audacity from management, but it is a prerequisite to maximise sector multiples.

GROWTH MULTIPLE: SELLING YOUR FUTURE GROWTH TODAY

Upfront your future growth by anchoring your growth trajectory to a concrete yet aspirational strategic plan. Don't use the present as your business narrative. It is too static, and it weighs on your Growth Multiple. Instead, use the present and the historical path of your company as proof that you can deliver on the future.



#RETAIL

In the UK, Ocado's share price has been multiplied by 10 in only 3 years, as financial markets recognised the value of the shift from a pure online B2C retail company to a B2B retail technology provider serving retail giants currently struggling to digitalise their own business model. [#ListedMarkets](#) [#Europe](#)



#INFRASTRUCTURE

US company Snowflake reached a record level of valuation in September 2020 upon IPO on the NYSE at a c. 25x Sales Multiple, by presenting its business as Cloud Data Storage services rather than "datacentres as infrastructure", hence leveraging the underlying Cloud momentum, largely fuelled by GAFAM specific financial communication on cloud. [#IPO](#) [#US](#)



#INDUSTRIAL

In 2016 Royal Philips made the decision to spin off its lighting business and reposition as a healthcare leader. The company was reclassified from the industrials sector to healthcare within STOXX Europe 600 index and FTSE Group's ICB. [#Spinoff](#) [#Europe](#)



8-step systematic approach to equity story repositioning

... Test your equity story today

Your management team is expert in your industry and has a deep understanding of your products, solution and strategic roadmap. But do you know how to build an optimised strategy to unlock the full value potential with investors?

Our 8-step systematic approach is the result of 20 years of experience in investor relations and capital markets and is specifically designed to identify investment triggers.

Does your equity story resist the test?



Analogy

Choose your comparables

1



Differentiation

What sets your business apart from your comparables?

2



Market Dynamics

Tailwinds & Trends

3



Clients Benefits

Focus on WHY clients buy, as opposed to HOW solutions are built

4



Growth Catalysts

What will drive your growth from year 5 to year 10?

5



Business Units

Your organisation should reflect your strategy, not your legacy

6



Business Narrative

Aspirational description of your business

7



Investment Highlights

What are the top reasons to invest in your business?

8

What do I do now?

FOR PRIVATE EQUITY FIRMS

- 1 Identify possible transactions 18 months ahead
- 2 Hire a team of experts to audit the equity story as perceived by the management team
- 3 Implement recommendations to strengthen and roll-out newly designed strategic narrative

FOR EXECUTIVE MANAGEMENT

- 1 Organise a workshop with the management team to define the strategy
- 2 Hire a team of experts to translate the strategy into a powerful financial narrative
- 3 Roll out the new equity story internally and externally

FOR INVESTOR RELATIONS

- 1 Conduct an investor survey to assess current market perception
- 2 Organise a workshop with executive management to redesign the equity story
- 3 Organise a Capital Market Day to roll-out the redesigned equity story



Accellency is a strategic consultancy
dedicated to **Investor Relations** and **Capital Markets**.

We advise investment funds and portfolio companies on strategy, content and delivery to raise capital, increase investor engagement or boost valuation. Our team brings together highly experienced professionals in investment banking, capital markets, institutional sales, investor relations and corporate strategy.

Our mandates range from lower mid-cap private exits to large IPOs and listed companies in Europe and in the US. Our sectorial expertise covers tech and innovation, representing over 50% of our mandates, as well as retail and consumer goods, energy & infrastructure and financial services.

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