

# **The IR Dashboard: A Quantitative and Qualitative Analysis of Investor/Financial Analyst Reports**


**A sample report**


**Prepared by: KDPaine & Partners, LLC**

**January 15, 2009**

*For more information on our IR Dashboards, please contact Angela Olesen ([aolesen@kdpaine.com](mailto:aolesen@kdpaine.com))*

# Research Overview

 This report is designed to provide a benchmark for ongoing quarterly analysis of Maple Company's presence and reputation in Financial Analyst reports.

 KDPaine & Partners analyzed a total of 32 reports, all provided by Maple Company. Reports were coded not as one unit, but as multiple elements to better understand how different elements impacted the overall valuation of the report. Numbers on charts, therefore, reflect mentions and will add up to numbers greater than 32.

 Reports were analyzed for:

1. Analyst Metadata — information about the research analyst (s) who produced the report.
2. Report Metadata — information about the analyst report in question.
3. Concept Metadata — information about specific concepts rated in this study. For example, the salience of Maple

# Definitions



**BATTLES:** Battles are specific technological, market or other industry issues against which Maple competes with one or more defined competitors.



**EVALUATION:** How the analyst is positioned the subject— is it a benefit, risk or a mix of both to the company.



**EXHIBITS:** Exhibits are charts, tables and graphs used by analysts to display information.



**MESSAGES:** The Key Messages that Maples tries to communicate to the investment community— categorized as full, partial or incorrect



**PROMINENCE:** Where the subject was mentioned— Synopsis, Chart, Table, Caption or in the full report



**SALIENCE:** How important the subject in question is to the main point that the analyst was making.



**THEMES:** Subjects specific to Maple's business. They are the products Maple makes, its corporate initiatives, business units and growth areas.



**THEMES:** The broader themes that a company uses in conversations with investors and analysts., i.e. Core Business vs. New Growth Areas vs. Initiatives.



**THESIS:** The overall point that the analyst was trying to make.




**STONE:** The sentiment of the point that the analyst was trying to make— i.e. positive, negative or neutral




**VALUATION:** The exact valuation that the analyst gave the institution: Examples include: Outperform, Buy/Medium Risk

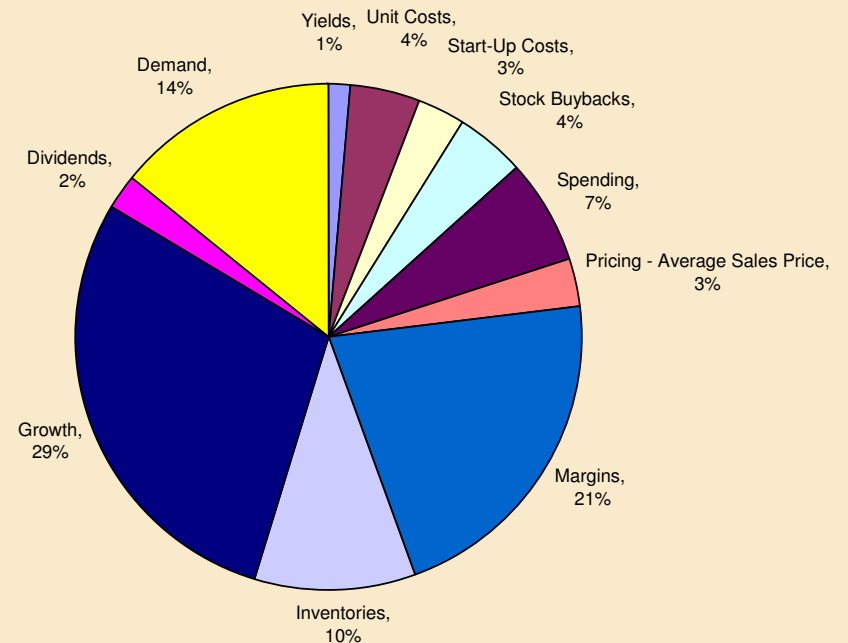
# What Was Analyzed?

 32 Analysts Reports, containing multiple elements including synopses, charts, tables etc.

 Each report was categorized by theme (i.e. LOB, products, initiatives, growth areas) and topic (demand, growth, margins), positioning

 We further analyzed the content for relevance (what impact it had on the overall valuation,) prominence (how visible was it within the report,) and whether the topic or theme was seen as a benefit or a risk.

Percentage of Analyst Topics Captured in Analyst Reports



# Overview



When positioning Maple Company most analysts were neutral, 22% were positive.

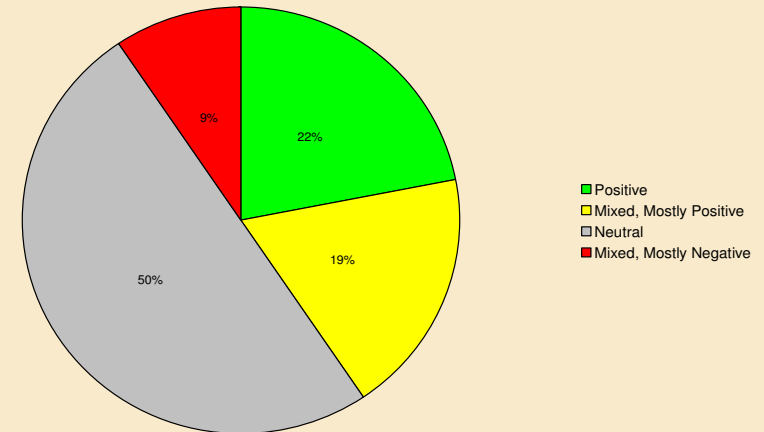


In terms of valuation, the stock was most frequently rated a “Buy”. Nearly one in five were neutral.

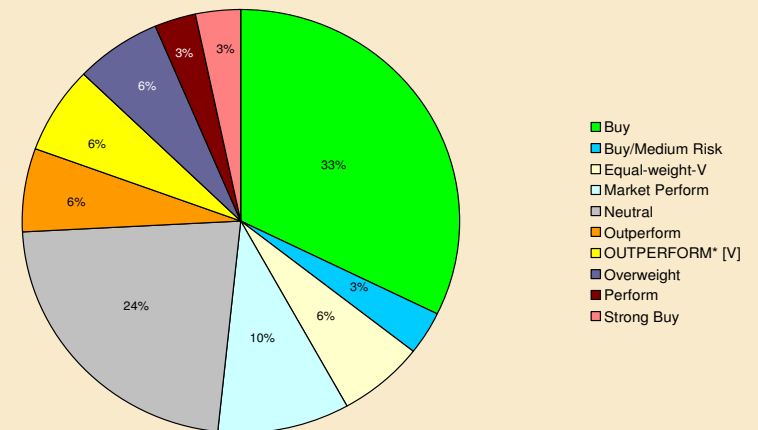


There were no “sell” recommendations among the reports.


Overall Positioning in Analyst Reports





Overall Valuation of Analyst reports



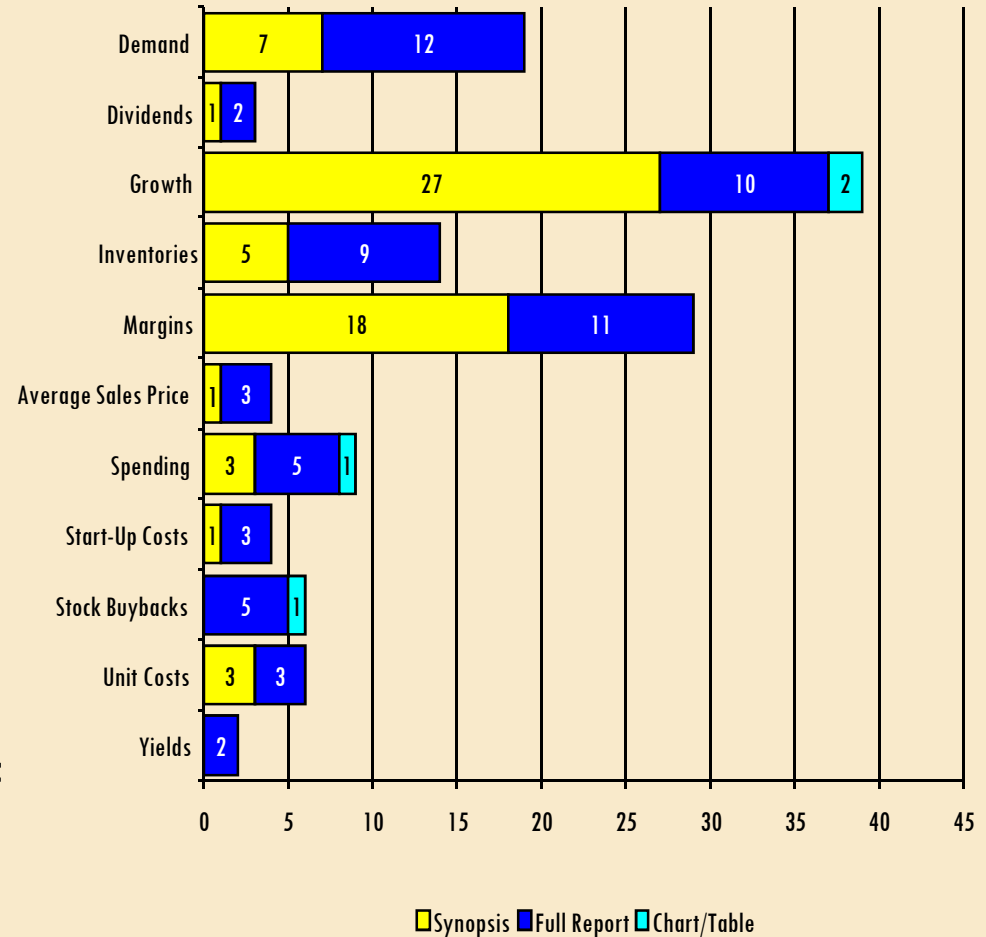
# Top Line Findings: Topics

 There was no statistically valid impact of charts and tables on the overall tonality or valuation of the report.

 Growth and margins were the most prominent topics discussed in the analysts reports. Both were most likely to be mentioned in both the synopsis and the full report.

 Charts & tables had little impact and only appeared in discussion of growth, spending and stock buybacks

Prominence Of Topics



# Top Line Findings: Topics

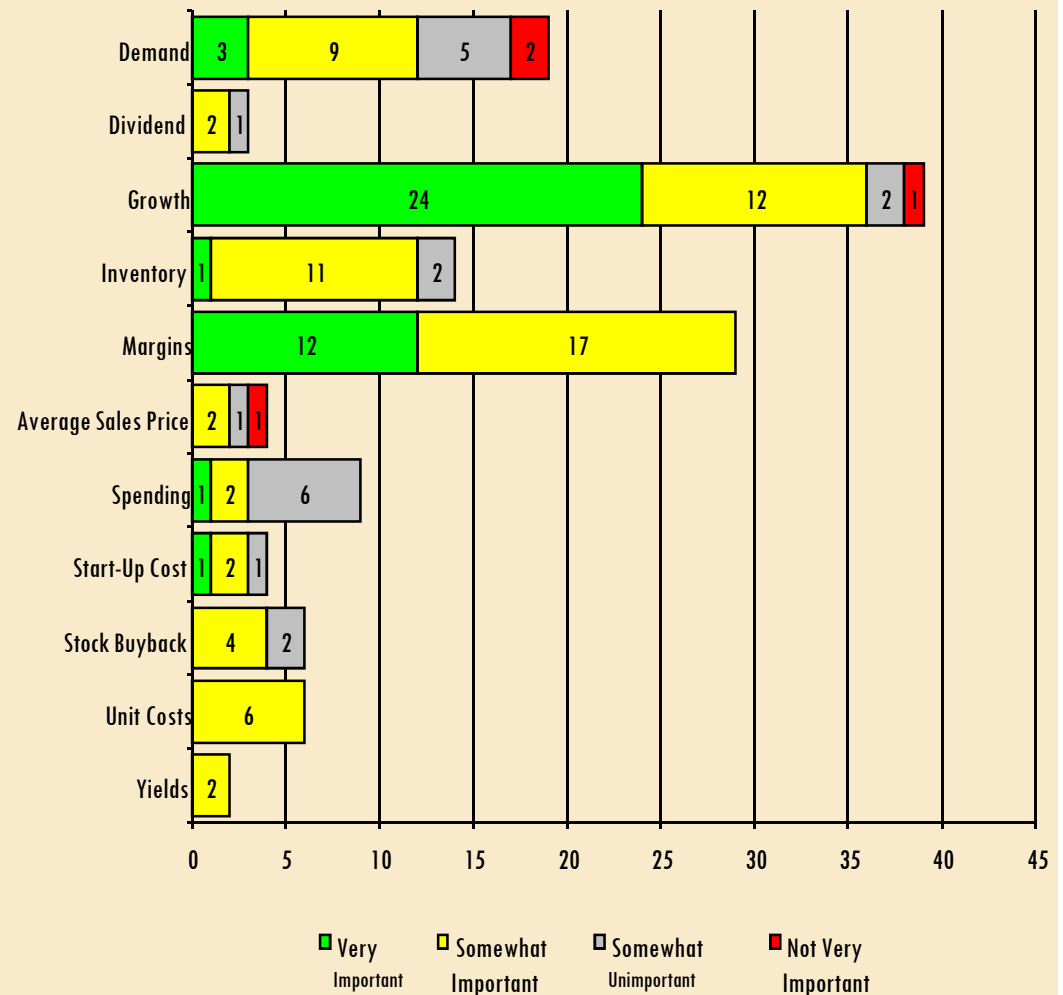


When we examined the relevance of various discussion points to the overall thesis (i.e. buy/sell) of the report, we found that growth and margins most frequently drove the thesis.





Although not as frequently mentioned, demand, inventories and start-up costs also played an important role in determining the thesis of the report.


Relevance Of Topics



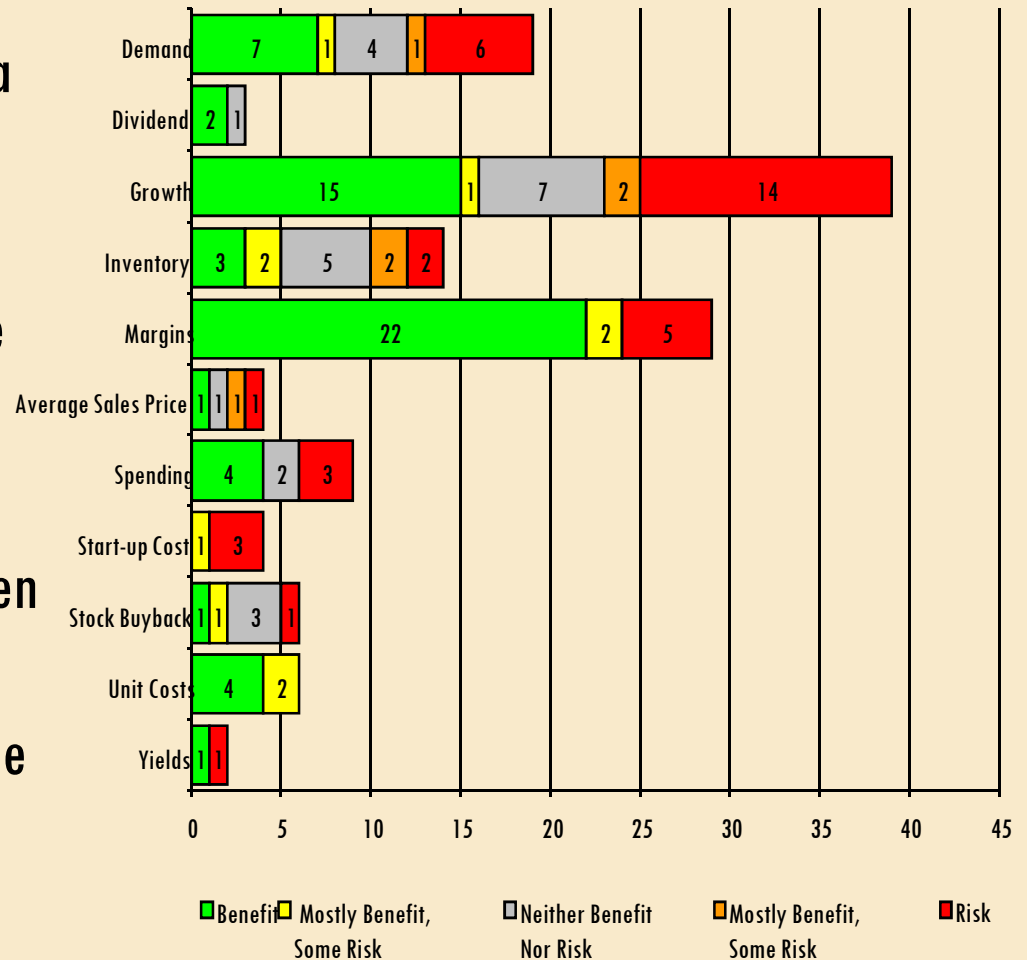
# Top Line Findings: Topics

 Growth, demand and margins were most frequently seen as a benefit for the company.

 Conversely, the same three topics were perceived to be the most vulnerable for risk to the company.

 Unit Cost was the only topic seen entirely as a benefit. Start up cost and pricing were seen more often as a risk.

Frequency and Evaluation of Analyst Topics



## Top line findings: Topics



Growth, demand and margins were most frequently seen as a benefit for the company.




Conversely, the same three topics were perceived to be the most vulnerable for risk to the company.




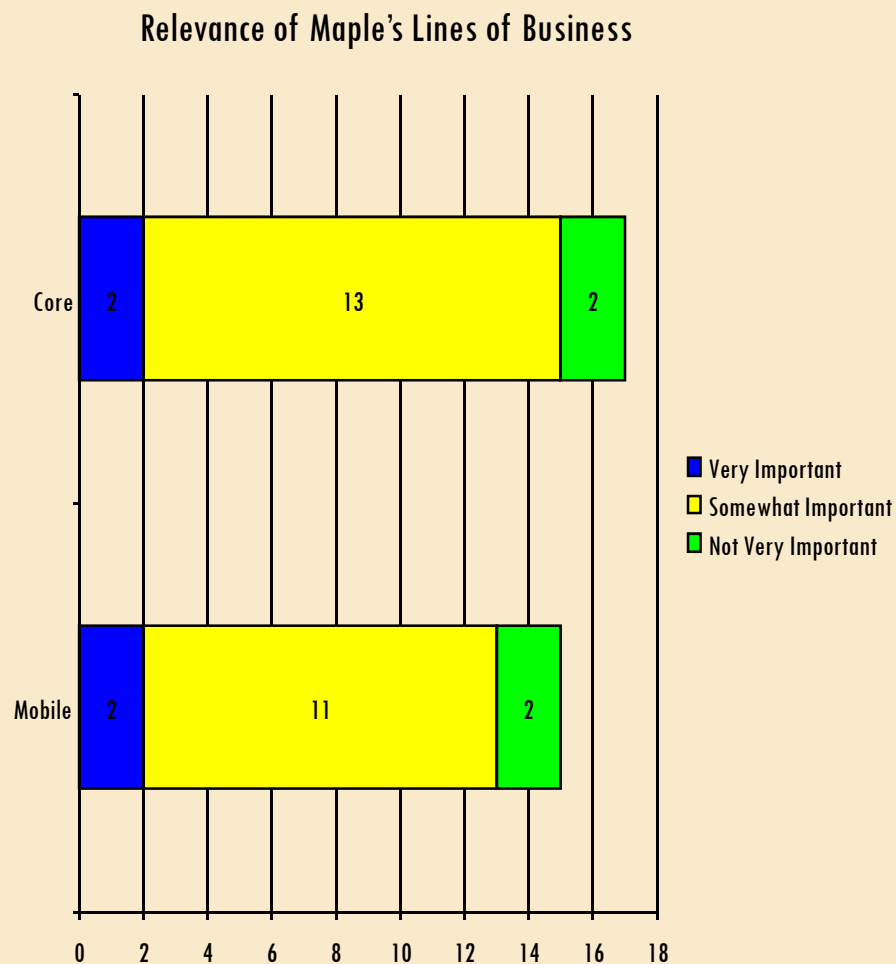
Unit Cost was the only topic seen entirely as a benefit. Start-up cost and pricing were seen more often as a risk.

# Top Line Findings: Line of Business


 Maple Company's Mobile Group was responsible for more than half of the analyst reports mentioning a line of business.


 The Mobile Group was seen to be important in 15 out of the 32 Analyst Reports.


 Both lines of business were deemed to be very important to the overall thesis in two reports.




# Top Line Findings: Growth Areas

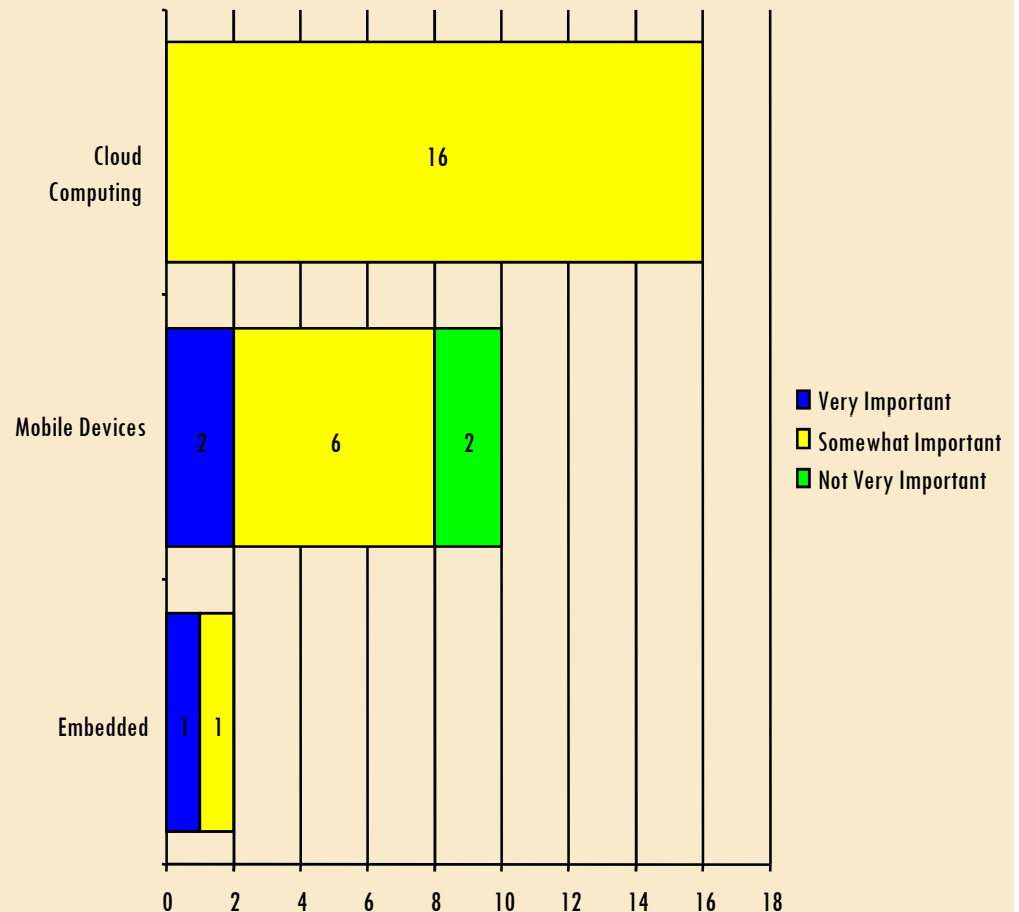
 Of all the growth areas, Cloud Computing was most frequently discussed in the Analyst Reports.

 Consumer Electronics was not mentioned at all in any of the reports.


 All mentions of Embedded and Networks were deemed to have importance to the overall thesis of the analysis.


 Two mentions of MIDs were found to have minimal importance to the evaluation.


Relevance of Maple's Growth Areas



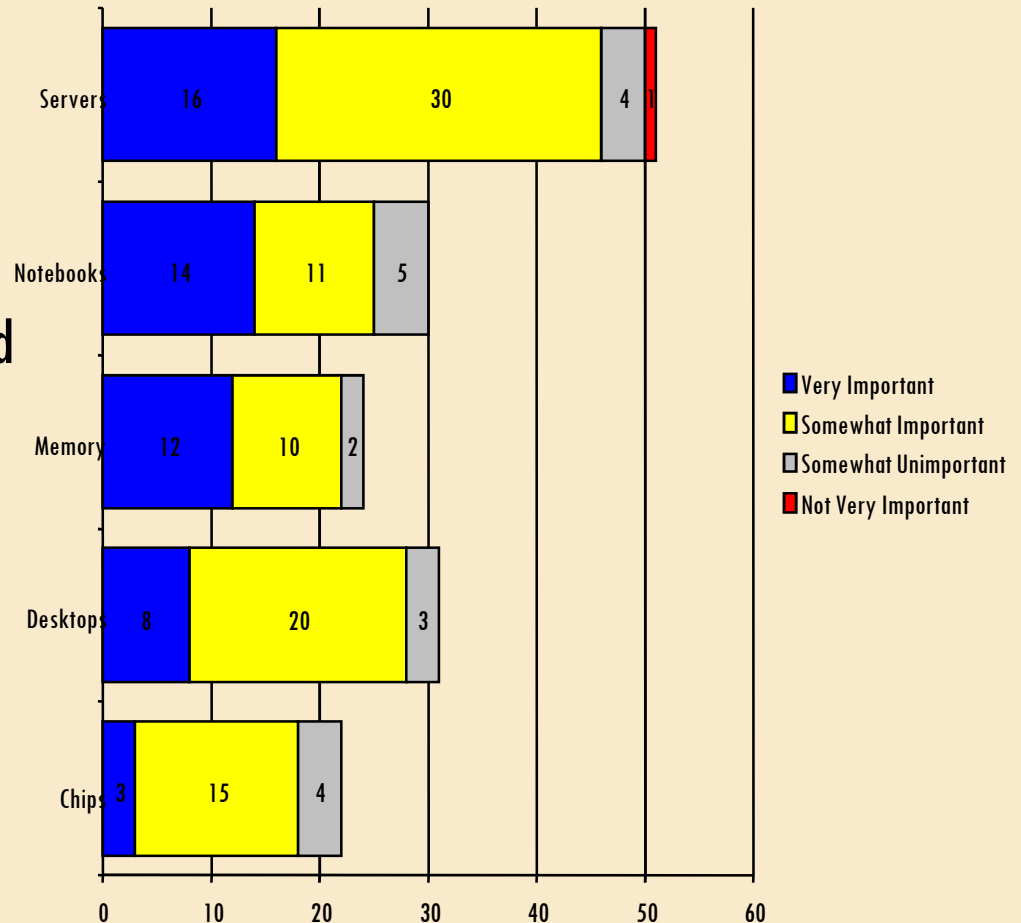
# Top Line Findings: Products

 Servers were most frequently mentioned and carried the most importance for the overall evaluation of the reports.


 Desktops and Notebooks carried similar importance among the reports.


 Graphics and Solid State Drives were not mentioned in the reports at all.

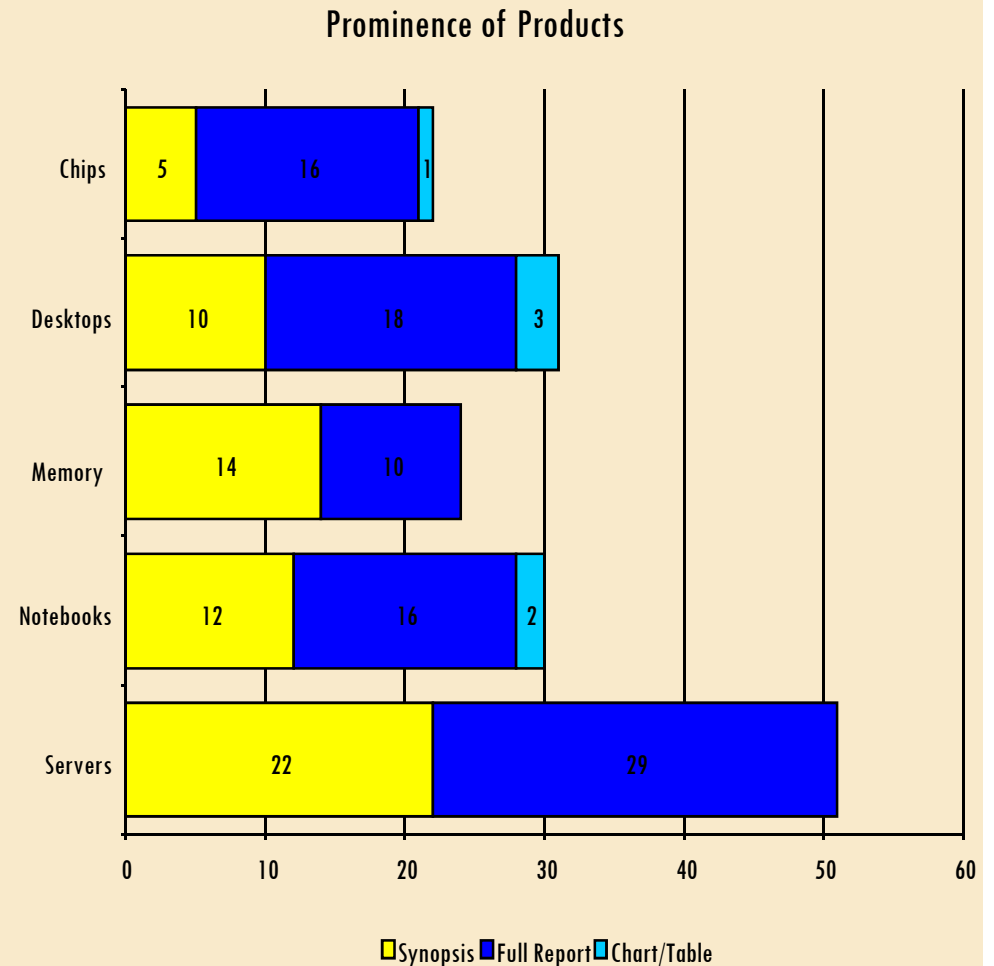
Relevance of Maple Products in Analyst Reports



# Top Line Findings: Products


 Not surprisingly, Servers, Desktops and Notebooks were the most prominent products discussed.


 Notebooks, Desktops and Chips were the only themes that appeared in charts and tables.




Prominence was highest if a theme was mentioned in the synopsis-it was least if it only appeared in a chart or table

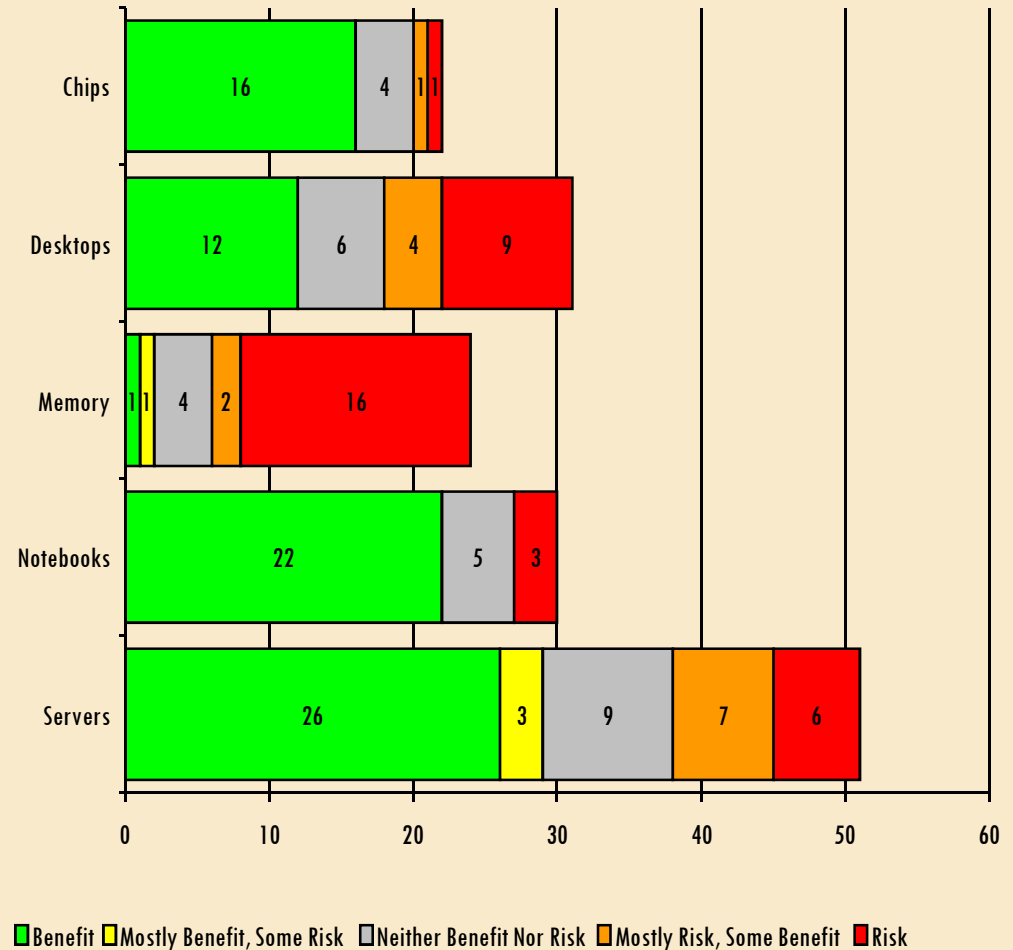
# Top Line Findings: Product

 Analysts saw memory, desktops and servers as the greatest sources of risk to the company.


 However, discussion of servers, also generated the highest levels of perceived benefit.


 Notebooks and chips were also seen as benefits to the overall company performance.

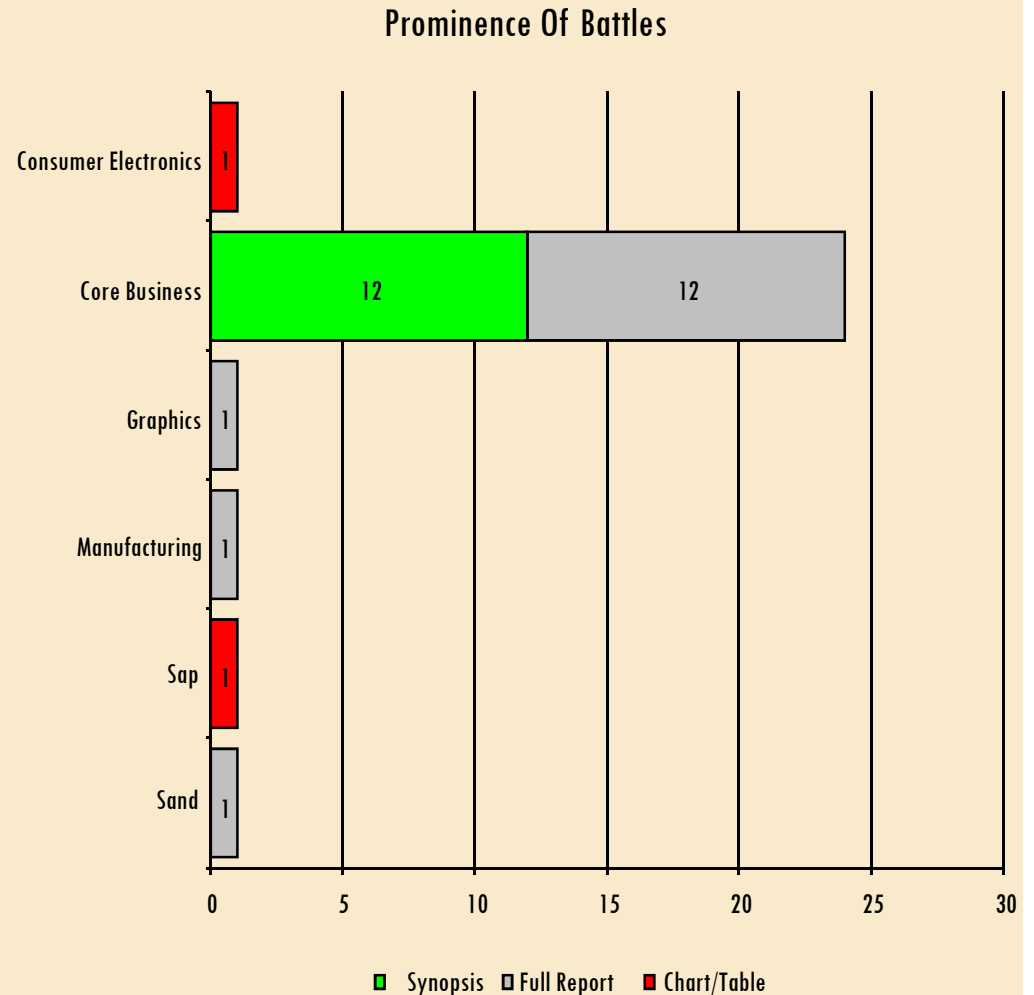
Frequency and Evaluation Of Maple Products




# Top Line Findings: Key Battles


 Beyond the core business, which clearly dominated all reports, there was little other mention of significant industry battles.

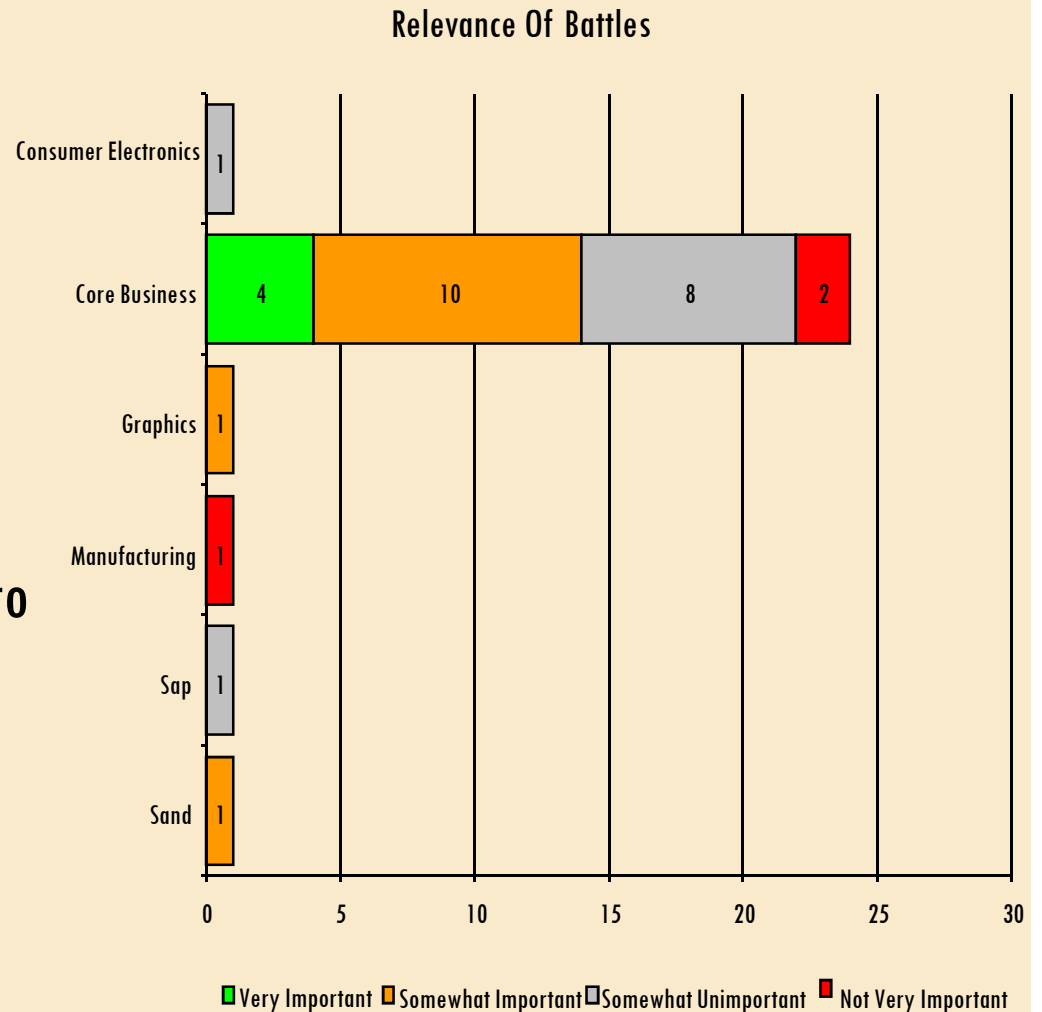
 While consumer electronics and Sap showed up in the occasional chart or table, there was no serious inclusion of graphics, manufacturing leadership and Sand, except minor mentions within the body of the report.




# Top Line Findings: Key Battles


 Beyond the core business, other perceived battle-ground areas were relatively irrelevant to the analysts


 There were just single mentions of the other areas, and only Graphics and Sand were judged to be at all important in the evaluation



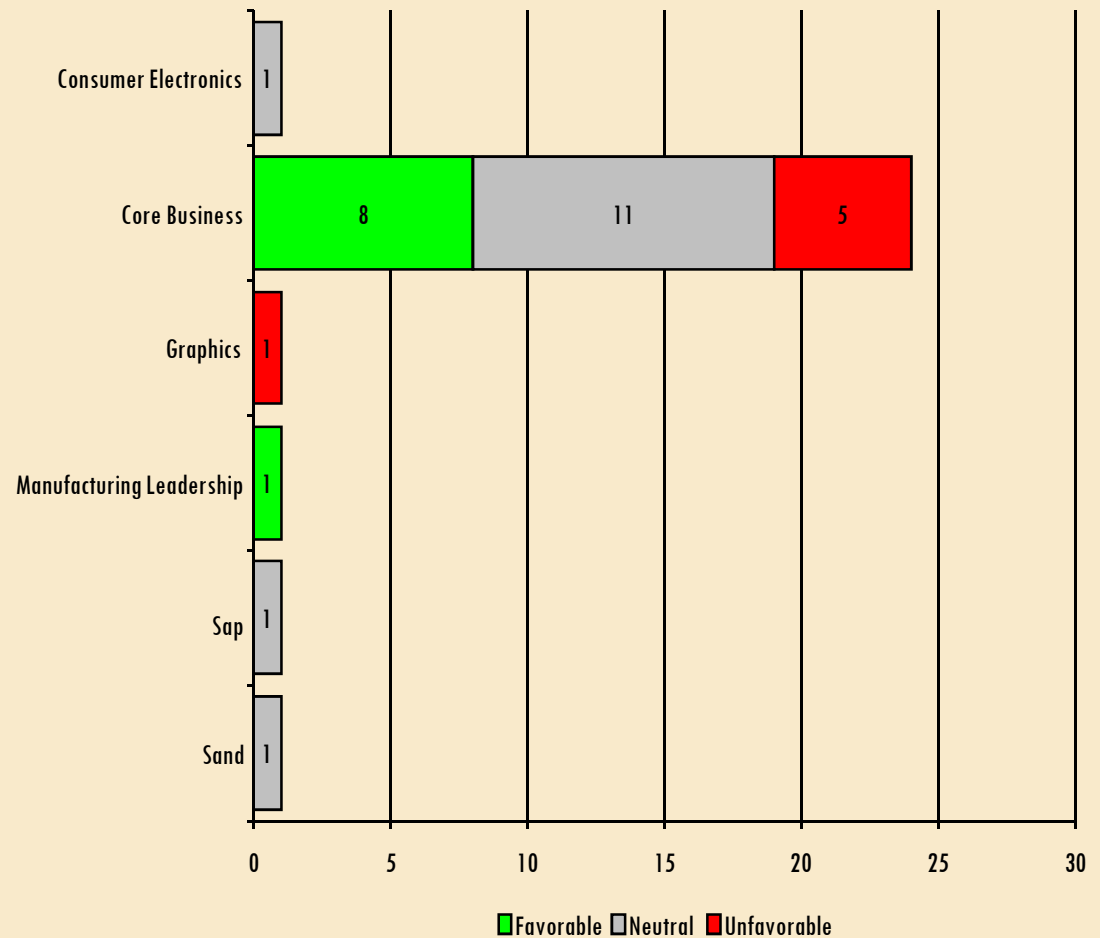
# Top Line Findings: Key Battles

 In general, key battles had little influence over the overall positioning of Maple Company in the marketplace. The vast majority of discussion of key battles was neutral.


 Only graphics and the core business received any unfavorable positioning.


 The core business, along with manufacturing leadership were the only two battles to receive favorable positioning.


Positioning on the Battlefield




# Top Line Findings: Messaging

 When messages were picked up at all, they were picked up in their entirety.

 There were no incorrect messages communicated.

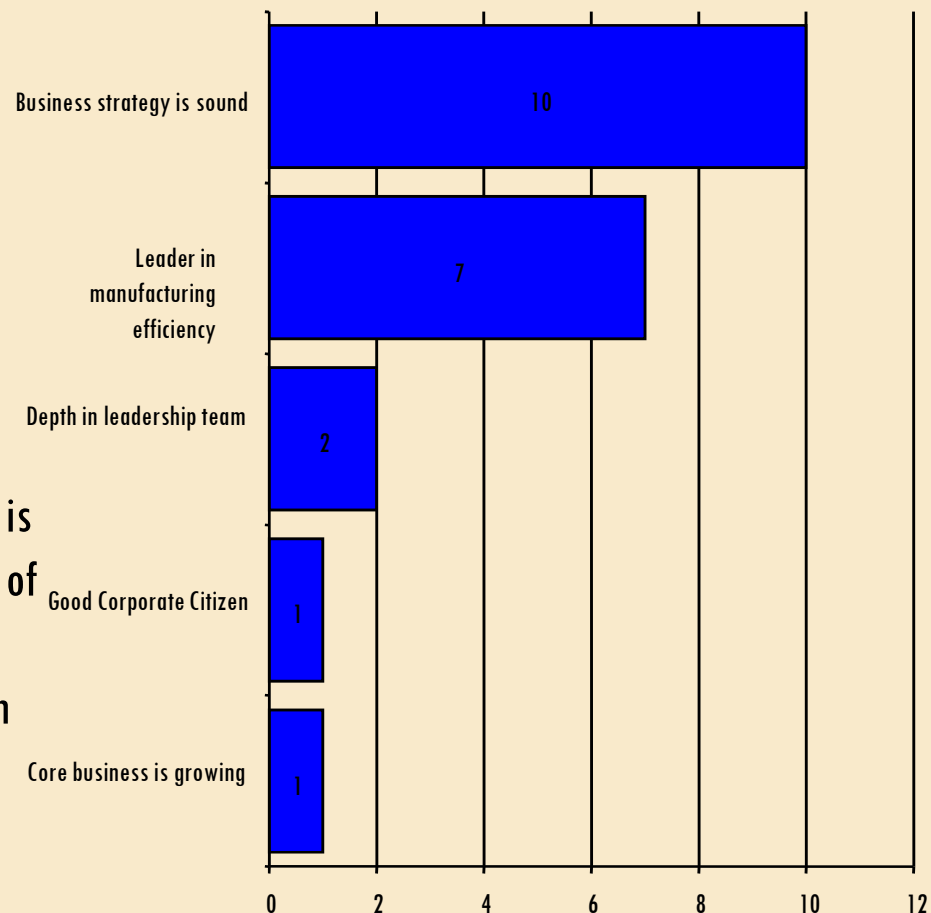
 The only messages that the analysts picked up on with any frequency were about solid financials and leadership.

 The more specific messages i.e. “leadership resulting in better products and financials,” “shareholder friendliness” and “core business is growing” were communicated in just a handful of reports.

 The following messages did not appear at all in any report:

1. *Maple Company’s “adjacent” area strategy*
2. *The global player message*

Maple Key Message Communication

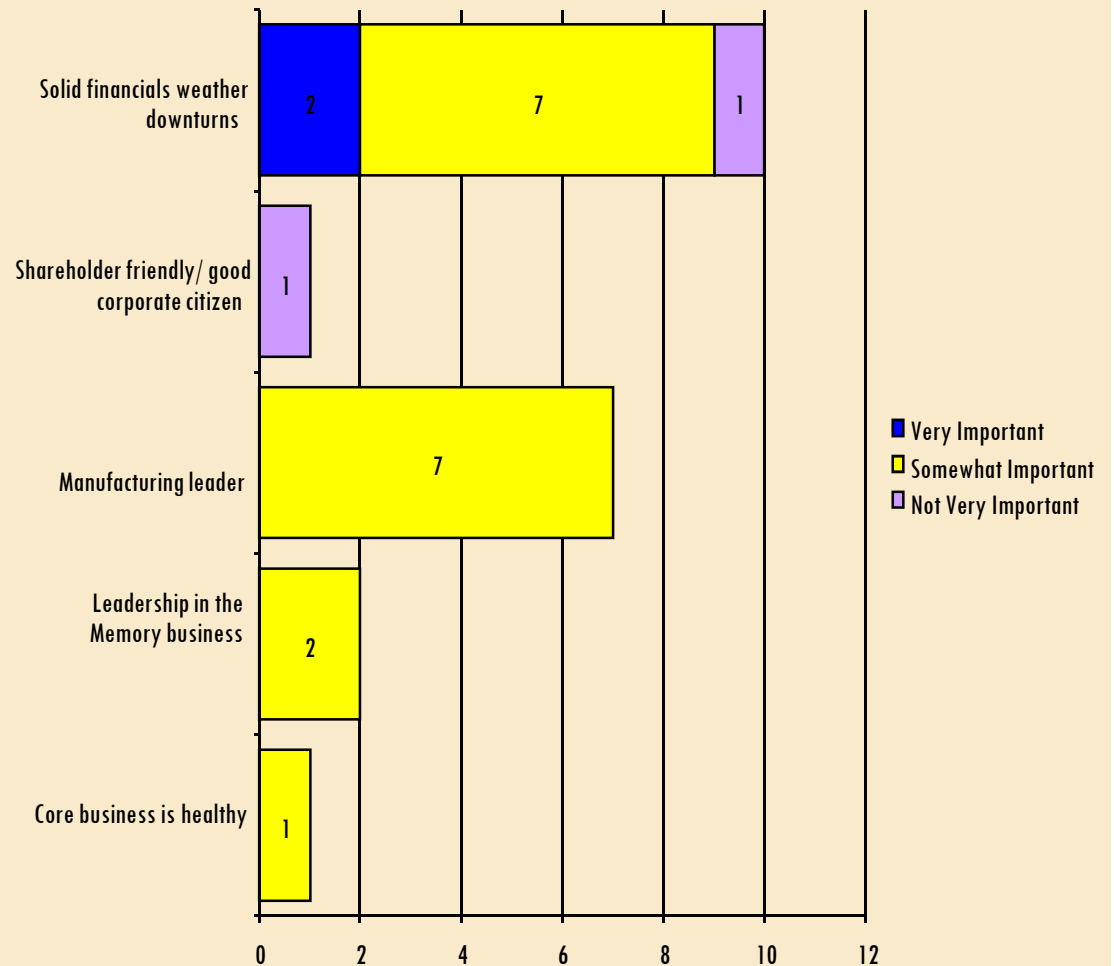


# Top Line Findings: Messaging

Maple Company's key message "Solid financials weather downturns," was the only message that was very important to the overall thesis of the analyst reports.

The message "Semiconductor industry's manufacturing leader" was seen as somewhat important to the overall thesis.

Relevance of Key Message Communication



## For More Information



To speak to someone at KDPaine & Partners regarding our Investor Relations measurement services, please contact our sales department at 603-319-1055, ext 412.



To read more on this subject, visit KDPaine's *The Measurement Standard* at the following url:

<http://www.themeasurementstandard.com/issues/12-1-08/paineIR12-1-08.asp>.