



58th
edition

ABAF-BVFA
AWARD



BEST
FINANCIAL
COMMUNICATION

FOR THE

Trending reporting topics

By Stefaan Genoe
Petercam



Trending reporting topics

How (not) to announce a profit warning

How (not) to convince analysts

Quarterly reporting yes or no

How not to announce a profit warning

FINANCIAL HIGHLIGHTS

Product and service revenue of \$23.4 million, up 29% from \$18.2 million for the first nine months of 2017

Total revenue of \$24 million, compared to normalized^[1] total revenue of \$18.4 million during the same period in 2017

EBITDA of \$(20.3) million compared to \$(6.2) million in the first nine months of 2017

Cash collections on products of \$20.6 million, up 25% from \$16.5 million for the first nine months of 2017

Cash of \$32.7 million at September 30, 2018, following successful completion of \$44 million (€36M) fundraise in March 2018

...

OPERATIONAL HIGHLIGHTS

Total global patient test volume of 27,911, up 20% from 23,393 during the first nine months of 2017

...

Outlook

...

...the Company predicts that both solutions will continue to increase market share in the mid-to-longer term. We expect a significant increase in ... the US after the completion and planned publication of one of our large clinical validation studies in Q1 2019. This study and other clinical studies are key for the inclusion of ... in the US clinical guidelines, a driver of sales and payor coverage. *The Company remains on course to achieve growth in product and services revenue, although more challenging visibility in the latter part of the year makes it harder to predict whether the rate of growth will exceed that of the previous year.*

How not to announce a profit warning

October 25:

« You can differentiate yourself by putting your estimates at the lower end of the consensus range »

November 7:

Strong action taken to mitigate headwinds, benefiting results from Q4 onwards²

November 24:

Trading has deteriorated since we reported our Q3 Trading Update on 7th November. As a result we now expect ...

We are confident in our medium term outlook and executing on our long term strategy is our priority.

March 1:

Following the adverse raw material and FX movements, we expect the trends of the second half of 2017 to continue in the first half of 2018.

How not to announce a profit warning

Our adjusted sales guidance for the full year reflects a reduced short term visibility and signs of upcoming inventory corrections at our customers. These inventory corrections are triggered by a mix of reasons, the main one being a more uncertain economic and geopolitical situation caused by global trade tensions. As a result and opposite to last year, customers both in automotive and adjacent markets display more scrutiny towards their inventory levels at year end.

How not to convince analysts

Lourenco Goncalves, the CEO of Cleveland-Cliffs ([CLF](#)), said in a rant against short sellers that negative analysts "should resign" due to their lack of knowledge of the business and later suggested that people betting against him will need to kill themselves:

"We are going to screw these guys so badly that I don't believe that they will be able to only resign. They will have to commit suicide. So we are going to screw these guys so badly, that it will be fun to watch," he said. "You are messing with the wrong guy."

Elon Musk:

"Boring bonehead questions are not cool. Next," he said. "We're going to go to YouTube. Sorry, these questions are so dry. They're killing me."

Belgian company:

" The f... analyst of Degroof Petercam does not get it yet. We will give him a hard time during the conference call... "

WILLY CLAES
VOORMALIG SP.A-POLITICUS

'Belangrijke stem in communautair debat'



'Bij mij gaat nog altijd een rood lichtje branden, als ik denk aan Hugo de Ridder. Ik was in de jaren 80 nog maar pas ondervoorzitter van de Socialistische Mutualiteiten, toen hij mij en wijlen Edmond Leburton op de voorpagina beschuldigde van wanbeheer. Dat was een heel onaangename ervaring, maar Hugo deed daar zijn job. Toch had ik een goede relatie met hem. Ik waardeerde hem als een sterke journalist die zijn dossiers kende.

'De Ridder was niet neutraal. Hij verborg zijn christendemocratische oorsprong ook niet, maar gewoonlijk vond ik dat hij vrij objectief oordeelde. Ik heb mij nooit benadeeld gevoeld in zijn artikels.'

'Met zijn publicaties heeft hij het communautaire debat op zijn minst beïnvloed. Hoe sterk? Dat moeten historici uitwijzen. Maar je kunt moeilijk beweren dat de machthebbers van toen niet luisterden naar wat hij schreef.' (san)

Quarterly reporting yes or no

"I like to get those quarterly reports. I do not like guidance. I think the guidance leads to a lot of bad things, and I've seen it lead to a lot of bad things," Buffett tells CNBC.

Buffett's remarks come about two weeks after President Donald Trump said he asked the SEC to study ending quarterly reports and moving to a six-month system.



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The 2018 Survey Process

Luc Van der Elst
Coördinator of the Survey



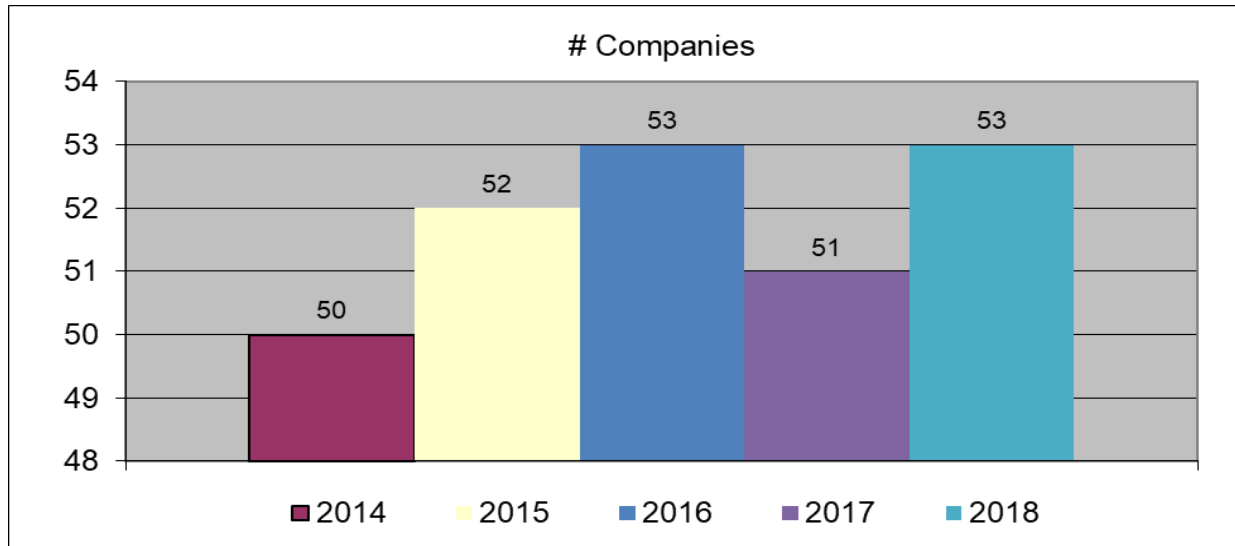
Survey - Sections

Permanent Information.....	150 p
Investor Relations.....	200 p
Press Releases.....	150 p
<hr/>	
Overall.....	500 p

Full
Questionnaire
available to all
participating
companies

Companies screened

- 53 companies (+2 yoy)



17 Bel20

36 M&S Caps

In: ArgenX; Balta;

Biocartis; Sofina

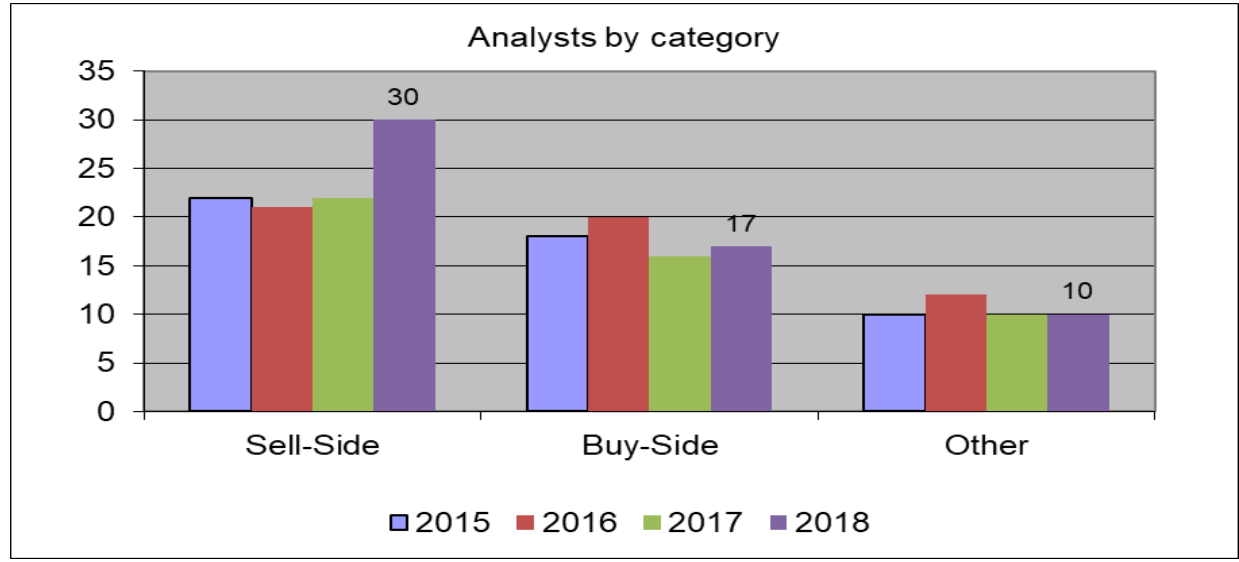
Out: Ablynx;

Delhaize

Participating Analysts

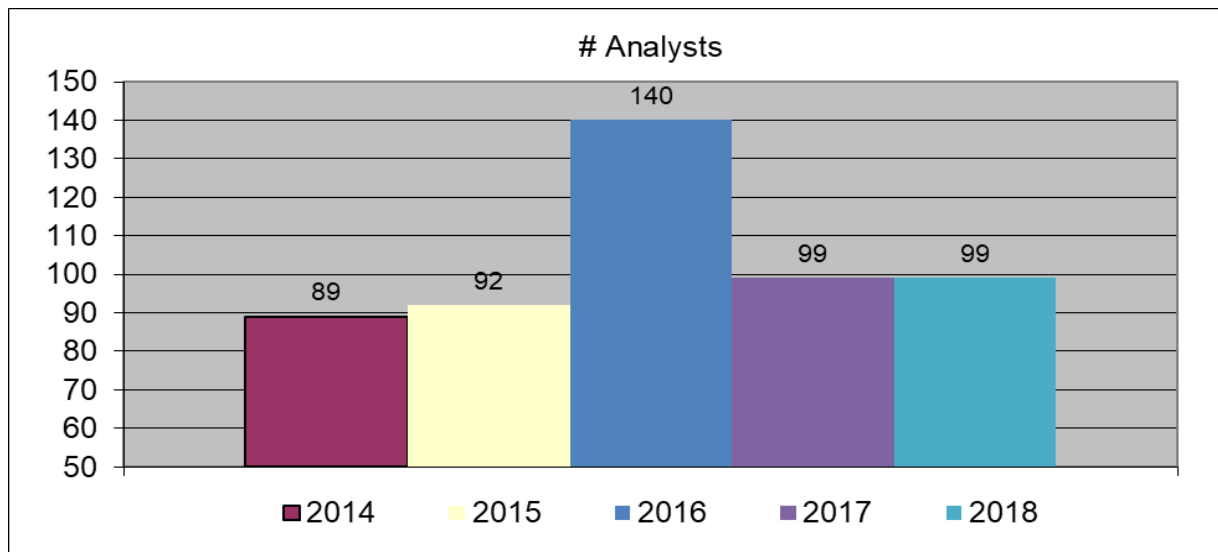
- Local analysts: 57 (+9 yoy)

Sell-side:
 New BeNe teams +
 Growing input from
 local teams



Participating Analysts

- Total analysts: 99 (unch yoy)



Analysts outside BE

Contacted 402

Response rate 12%

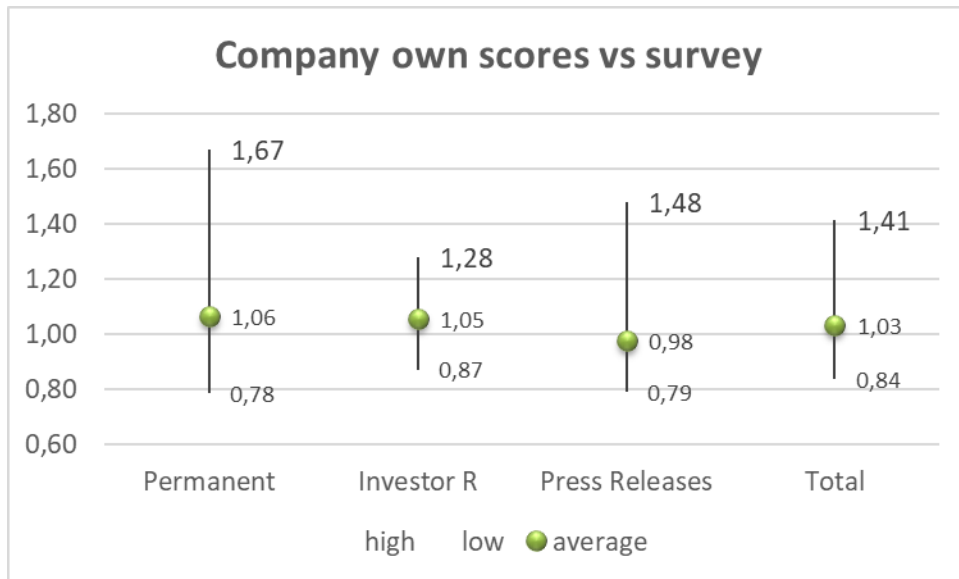
The Survey Results & Rankings

Luc Van der Elst
Coördinator of the Survey



Company scores vs survey results

- Based on input from 11 companies



Best Permanent Information 2018

Ranking - Bel20 - Permanent Information			Ranking - M&S - Permanent Information		
Rank	Company	Score	Rank	Company	Score
1	KBC	129.2	1	EURONAV	122.5
2	AGEAS	128.3	2	SIPEF	119.7
3	UCB	125.8	3	BEFIMMO	119.6
4	TELENET	122.9	4	NYRSTAR	118.6
5	SOLVAY	122.7	5	WDP	118.1

Best Investor Relations 2018

Ranking - Bel20 - Investor Relations			Ranking - M&S - Investor Relations		
Rank	Company	Score	Rank	Company	Score
1	KBC	176.1	1	BARCO	175.0
2	SOLVAY	173.3	2	WDP	169.2
3	UCB	170.3	3	KINEPOLIS	169.2
4	UMICORE	166.0	4	RECTICEL	163.3
5	COFINIMMO	160.0	5	EURONAV	155.0

Best Press Releases 2018

Ranking - Bel20 - Press Releases			Ranking - M&S - Press Releases		
Rank	Company	Score	Rank	Company	Score
1	COFINIMMO	137.5	1	WDP	130.0
2	KBC	130.2	2	BEFIMMO	128.5
3	SOLVAY	130.0	3	QUEST	126.7
4	TELENET	128.3	4	EURONAV	117.5
5	AB INBEV	127.5	5	ORANGE BELGIUM	117.5

Rankings – Overall Score 2018

TOP 10 - Bel20			TOP 10 - M&S		
Rank	Company	Score	Rank	Company	Score
1	KBC	435.6	1	WDP	417.2
2	SOLVAY	426.0	2	BARCO	404.2
3	UCB	417.7	3	EURONAV	395.0
4	TELENET	411.2	4	KINEPOLIS	381.2
5	COFINIMMO	407.7	5	MELEXIS	377.8



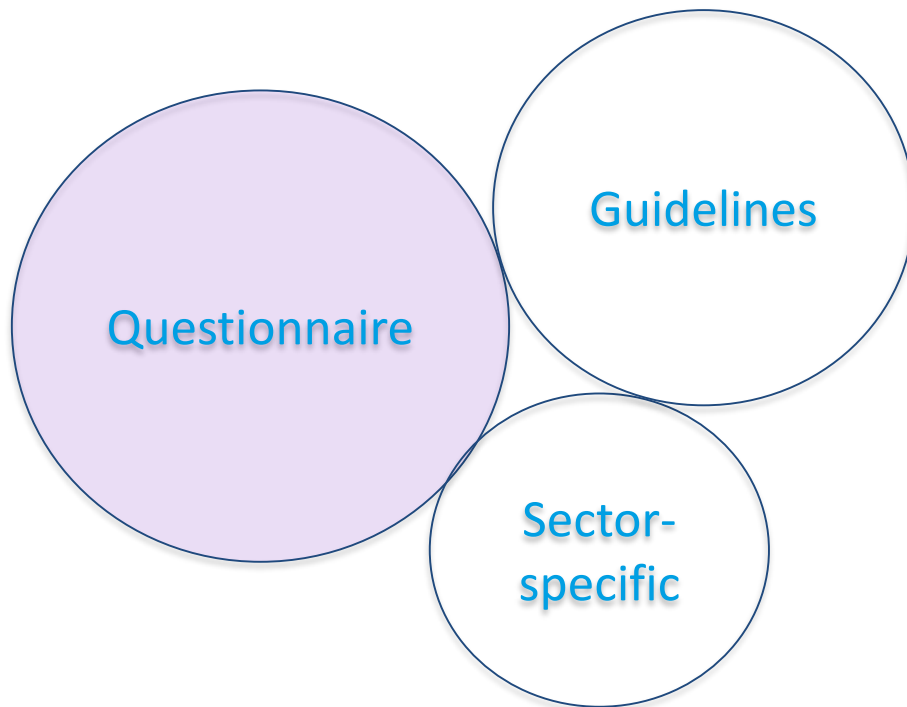
Welcome to the

ABAF-BVFA
AWARD FOR THE
BEST FINANCIAL COMMUNICATION

Special thanks to our event partners and sponsors:



Survey - Questionnaire



Survey - Questionnaire

- Questionnaire: streamlined

Segments

1. Permanent Information
2. Investor Relations
3. Press Releases

24 Questions (down from 29)

Survey - Questionnaire

- Segment 1: Permanent Information

Activities & Segments

Competitive Position / Risks

Strategy / Quantified LT Objectives

Consolidated Financial Statements / Changes in Accounting Rules and Scope

Survey - Questionnaire

- Segment 2: Investor Relations

Availability and Support from IR / Access to senior Management

Specific efforts on Activities and Strategy (like CMD)

Analyst Meetings & Conference Calls post publication of results

Calendar & Alert Service / Consensus numbers

Website navigation comfort

Ad-hoc (non-financial) Press Releases

Survey - Questionnaire

- Segment 3: Press Releases with financial results

Presentation format and Publication delays

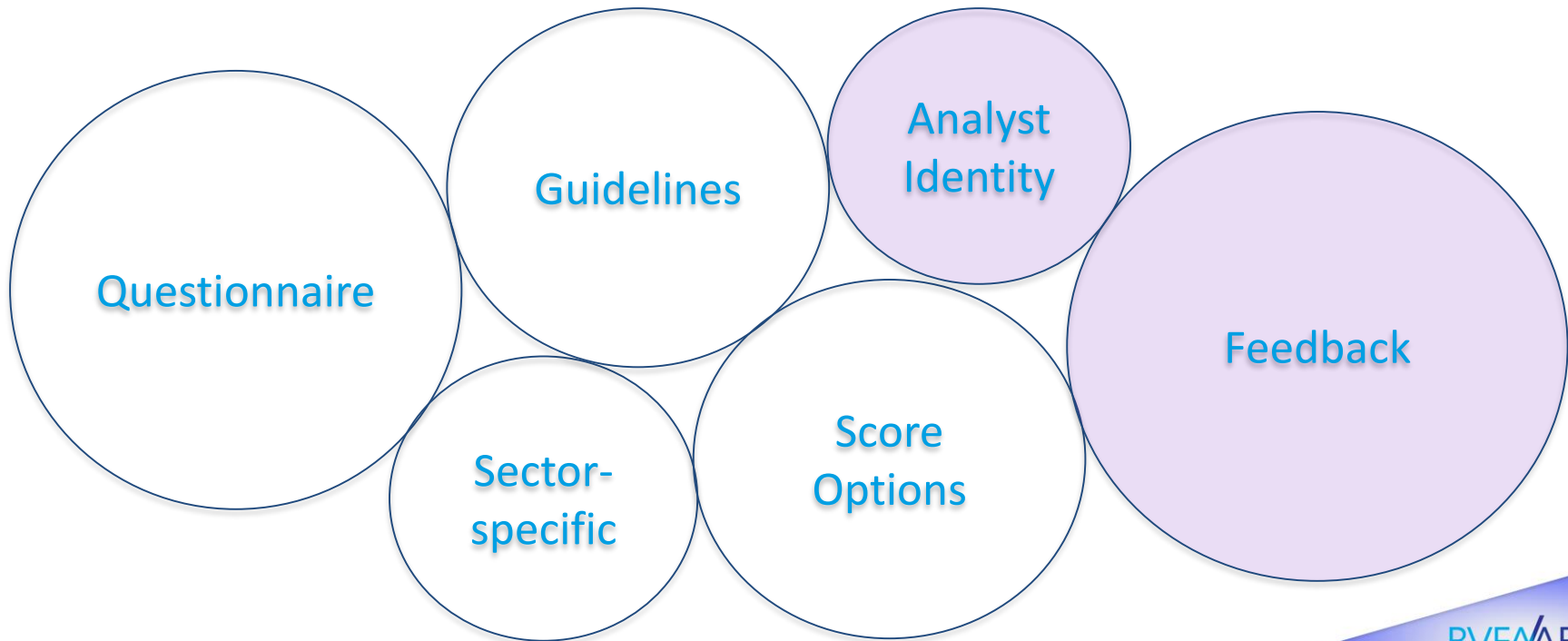
Numbers & Comments on top-line & costs

Segments

Guidance

Quarterly Updates

Survey - Questionnaire



Survey - Questionnaire

- Score options & Feedback

< Please Improve >

< Good >

< Excellent >

Per Section:

Best Practices +
Suggestions for
Improvement

Analyst identification (by category or full name)

Survey - Sections

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