



NIRI WEBINARS

Earnings Transcript Trends to Watch in 2021

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April 15, 2021 | 2:00pm ET



How we think about the role of trends in IR

- **IR 101: Ensuring consistent messaging with peers**
 - If all four of your direct peers mentioned X on their calls... you probably should, too
- **But also, from an investor marketing perspective**
 - Do your investors want to invest in companies that are “swimming upstream” or “swimming downstream”?
 - Are you clear on what trends are driving your performance?
 - Housing starts
 - Emerging markets middle class
 - Electrification
 - Work from home
 - Aging
 - Environmental regulations
 - etc.
- **So how do you identify and communicate trends?**

Some common ways to identify and visualize trends

- Macroeconomic data is sometimes the overarching factor: regional bank ETF vs. the “2-10 spread” in the last one year



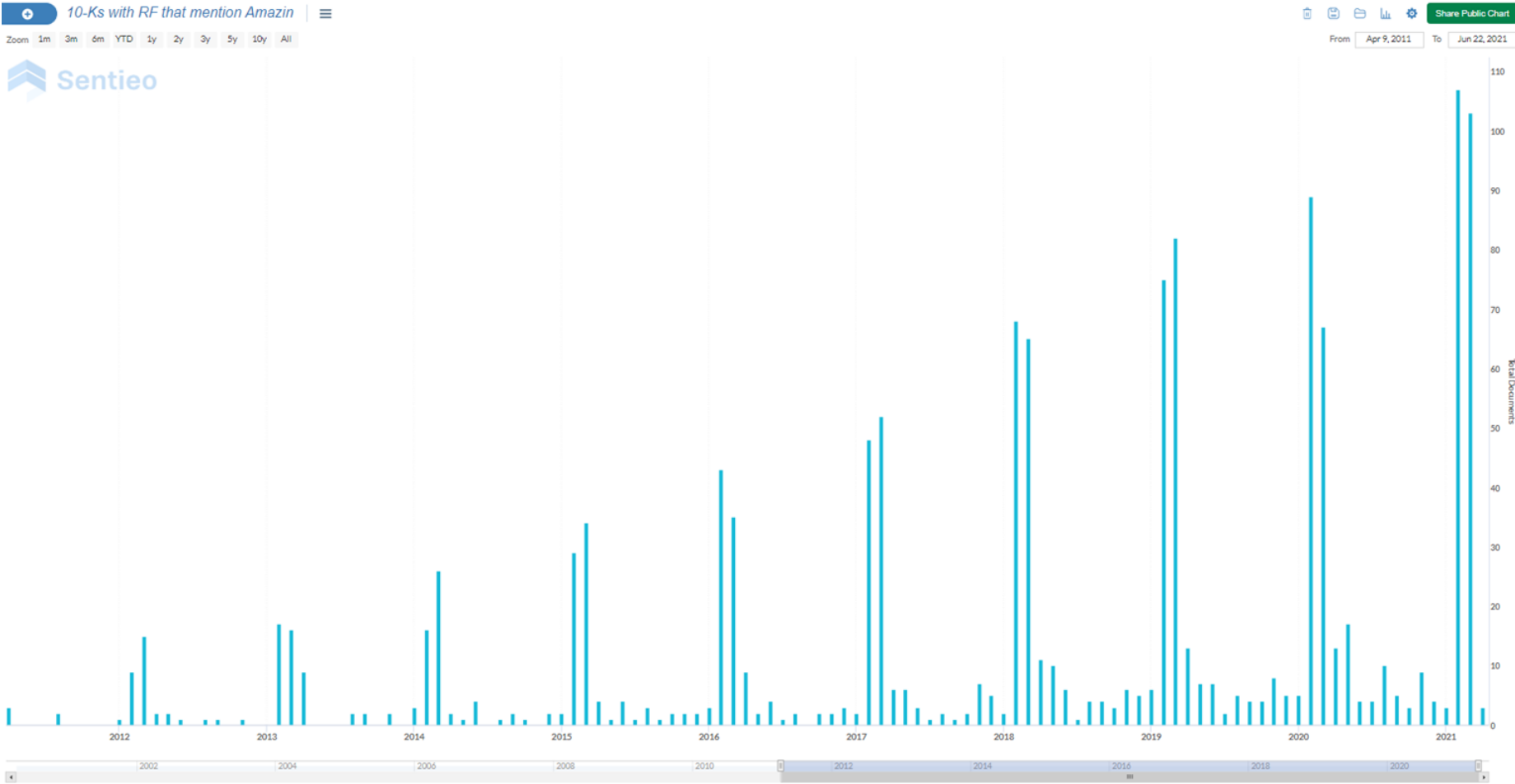
Some common ways to identify and visualize trends

- Sometimes consumer search data is very predictive: searches for the topic “clear aligners” has an almost 90% correlation with the quarterly revenue for the leader in cosmetic dentistry!



What about document trends?

- Increasing or decreasing presence of topics in filings or transcripts can be indicative of trends. Favorite example: 10-Ks (monthly count) that have Amazon mentioned in their Risk Factors. From a handful to 200+ in 10 years.



Today's "Main Event": Transcript Trends

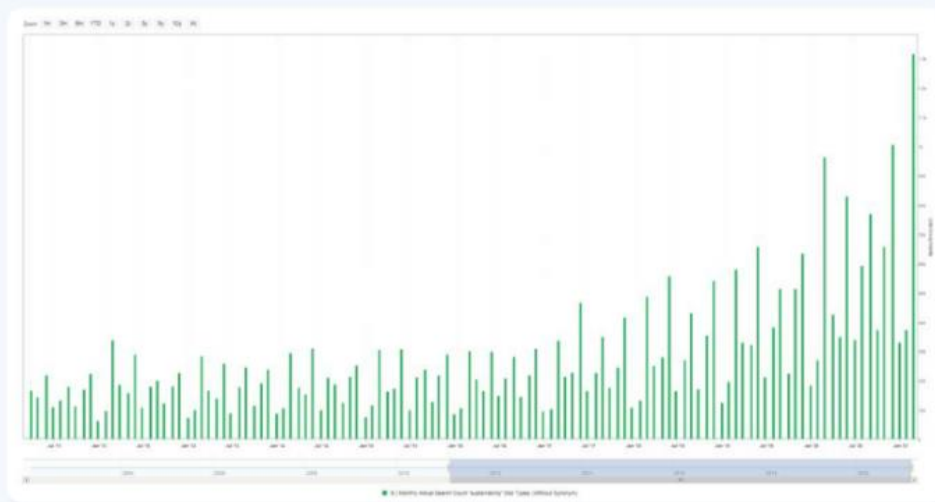
- **Based on our recently released white paper "21 Transcript Trends for 2021"**
- **We looked at trends that kept growing despite covid**
 - Hydrogen, climate change, sustainability, omnichannel, EVs, democratization, legalization, EVs
- **We looked at trends that saw a big covid "bump"**
 - Pent-up demand, office footprint, optimism, fewer SKUs, inflationary, wage increases, vaccines, unmute, "maybe next year", suburbs, smaller cities, Gamestop
- **We also looked at declining trends**
 - Millennials (now getting married and buying houses=boring?), vegan, denim
- **The paper is available for download at sentieo.com/resources**
- **We will look at some examples from it**
- **Then we will focus on the rest of 2021**

White Paper Highlight: Sustainability

"Sustainability"

PUBLIC CHART VIEWER

Sustainability as a term is also experiencing acceleration as a topic of discussion in corporate calls. This trend was [covered by our friends at the European ESG team at the Wall Street Journal](#).



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Sentio

"And as we execute all this, we, as I said at the beginning, continue to be guided by our purpose and the objective to create shared value. And embedded in that is the idea that sustainability is about creating business value in addition to living our values. We've stated very much that sustainability and our priorities around shared value are not a separate adjacent piece of the business strategy, they are an integral piece of the strategy. And it's about pushing our enterprise to do what's right for the business and for our stakeholders."

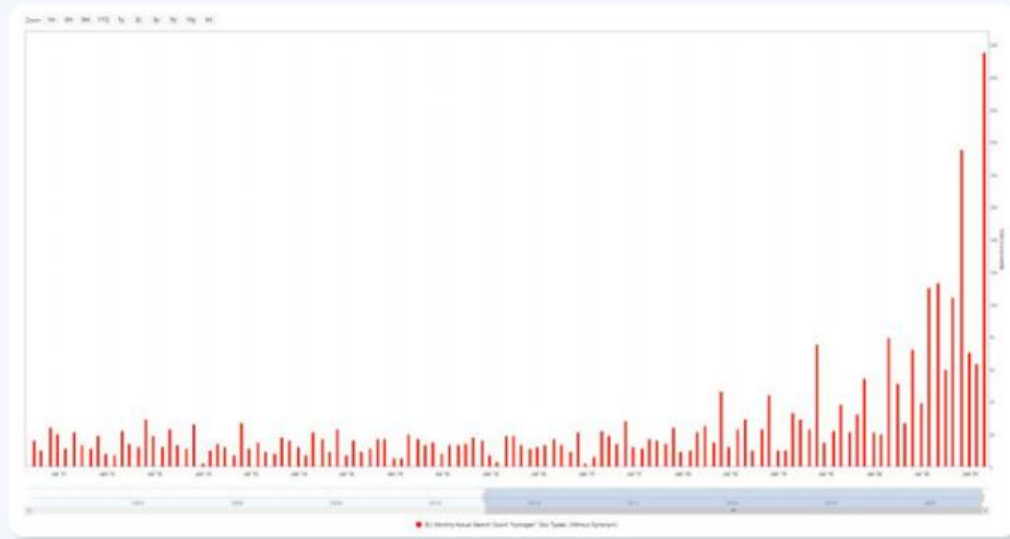
JAMES QUINCEY, CHAIRMAN & CEO, THE COCA-COLA COMPANY, CAGNY CONFERENCE, FEBRUARY 2021

White Paper Highlight: Hydrogen

"Hydrogen"

PUBLIC CHART VIEWER

There is a very visible acceleration in the mentions of hydrogen across a range of industries (energy, utilities, industrials): the promise of a truly emissions-free fuel might be getting closer to reality. See our data on [energy companies discussing hydrogen](#) in the Wall Street Journal.



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"We have clear targets for change, and we are working hard to speed up that change. To give you an idea of the scale of the change by 2030, we could be delivering the equivalent of 50 million households with renewable electricity, operating 2.5 million charge points for electric vehicles, and increasing the amount of low-carbon transport fuels like hydrogen and biofuels from 3% to about 10%."

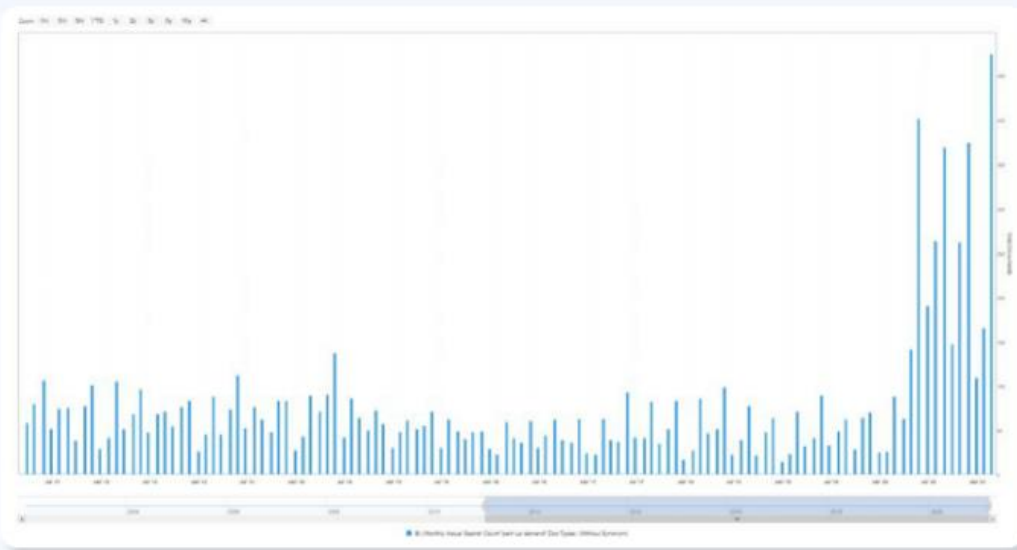
BEN VAN BEURDEN, CEO & DIRECTOR, ROYAL DUTCH SHELL PLC, STRATEGY DAY, FEBRUARY 2021

White Paper Highlight: “Pent-up demand”

“Pent-Up Demand”

PUBLIC CHART VIEWER

The stress and the lockdowns took a toll on everyone, even people whose families were not affected by the pandemic directly. Looking out to 2021 and further, perhaps it comes as no surprise that there is a lot of pent-up demand for all things and activities we could not enjoy in 2020.



“We know that people have a very strong desire to travel. We saw this firsthand in 2020 when we witnessed a strong improvement in our booking trends from the lows in April through the peak summer travel season, driven in part by pent-up demand as people came out of lockdowns. The travel that was booked last year was much more domestic-oriented than in prior years as many people adapted to the restrictive travel environment and still found a way to take a trip. With many travel restrictions now in place around the world, we believe there is once again a high level of pent-up demand for travel. But when this demand will be fully unlocked is, of course, difficult to predict and will depend on vaccination rates and other factors.”

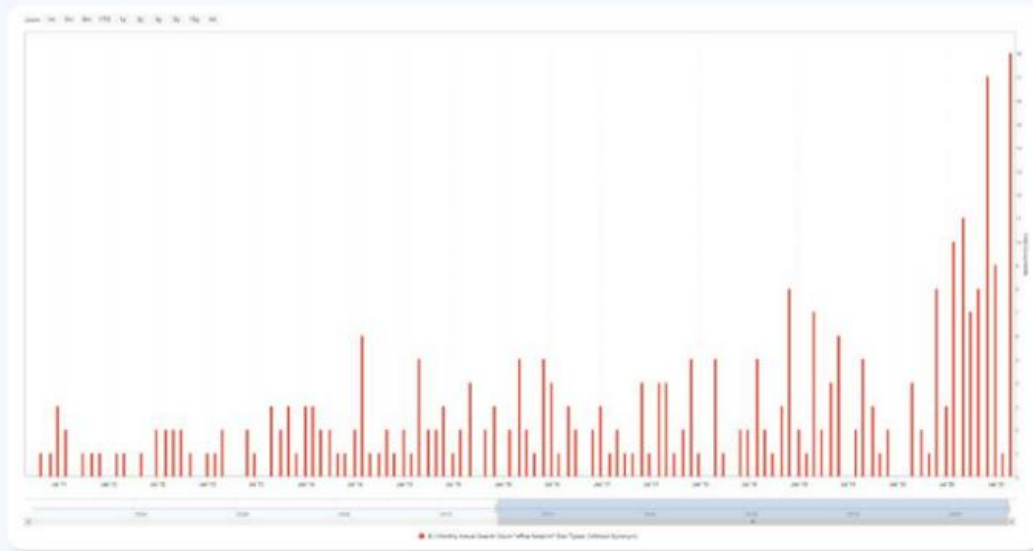
GLENN FOGEL, PRESIDENT, CEO & DIRECTOR, BOOKING HOLDINGS INC., EARNINGS CALL, FEBRUARY 2021

White Paper Highlight: “Office Footprint”

“Office Footprint”

PUBLIC CHART VIEWER

With work from home fully or as an option becoming widely adopted in the last year, it is not a surprise to see that companies are re-assessing their office space needs. While there are many ways to spot these conversations, the transcript counts with office footprint mentions illustrate the trends. See our [more extensive blog post](#) on returning to the office and the office REITs.



“To your point about work from home, the work from home environment allows us to really kind of step back and rethink our office footprint and smaller locations to identify whether or not there's opportunity there. And I think all of corporate America is really kind of going to be going through that.”

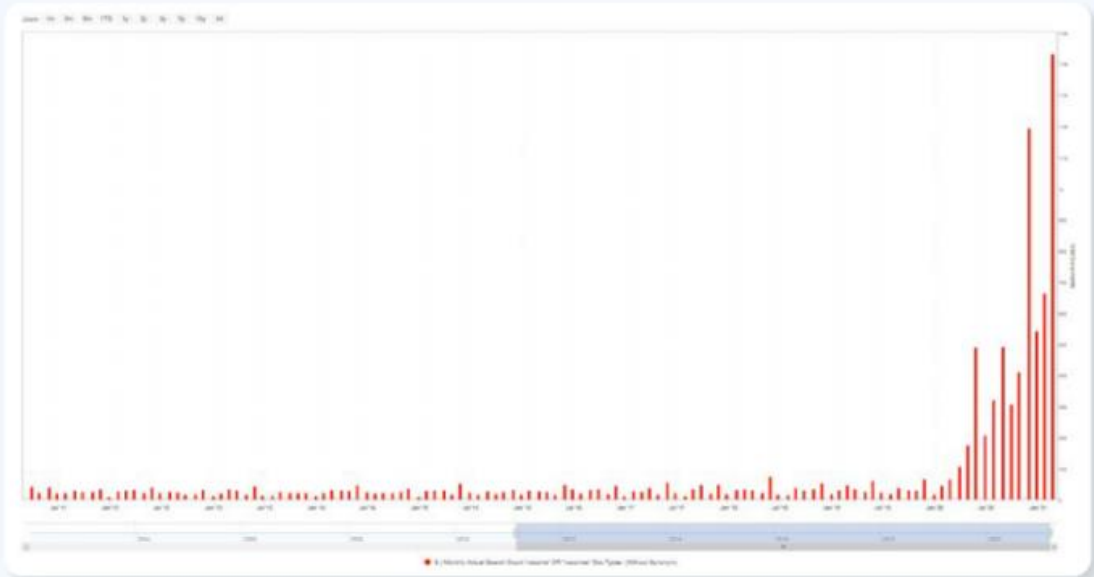
ANDREW CECERE, CHAIRMAN,
PRESIDENT & CEO, U.S. BANCORP,
GOLDMAN SACHS FINANCIAL
SERVICES CONFERENCE,
DECEMBER 2020

White Paper Highlight: Vaccine/s

"Vaccine" or "Vaccines"

PUBLIC CHART VIEWER

Vaccines were a niche topic on pharmaceutical conference calls: this all changed with COVID, and we do hope that the topic reverts back to being a niche. With multiple vaccines approved globally in the last few months, we are optimistic that we will be able to establish a new normal in life. We discussed the vaccine situation extensively in the [winter edition cover story](#) of Investor Relations Magazine.



"We're optimistic about the future of travel. I have no doubt that once movement restrictions have lifted, travel will resume, our industry will thrive once more. In the short term, we will likely see trends up and down in the next months, making it not easy to predict air traffic evolution. We are confident things will get better in the second half of 2021 as we continue to progress and the vaccine rollout programs start to have an effect."

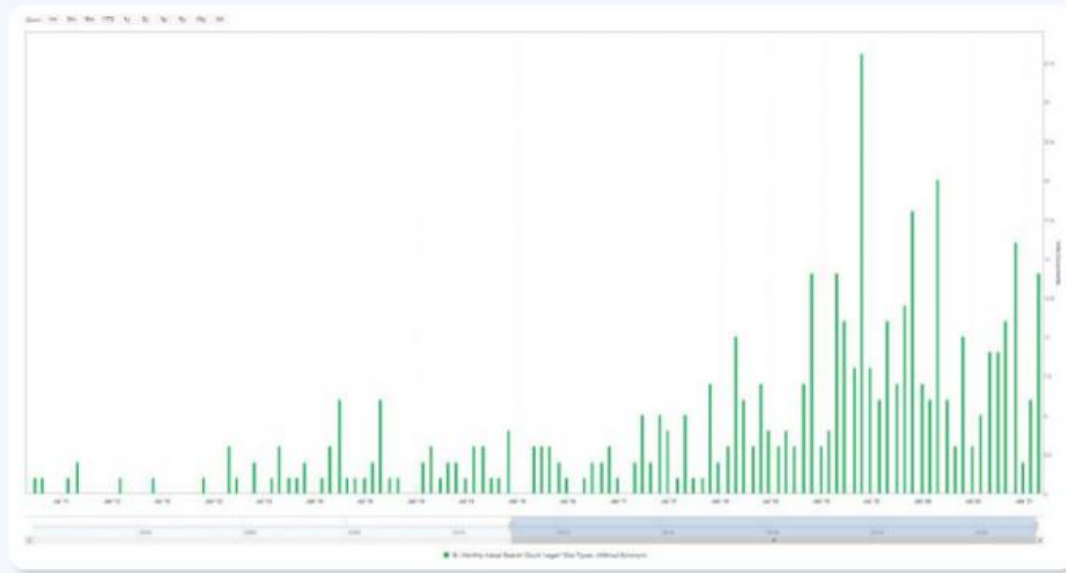
LUIS CAMINO, PRESIDENT, CEO, & EXECUTIVE DIRECTOR, AMADEUS IT GROUP S.A., EARNINGS CALL, FEBRUARY 2021

White Paper Highlight: Vegan

"Vegan"

PUBLIC CHART VIEWER

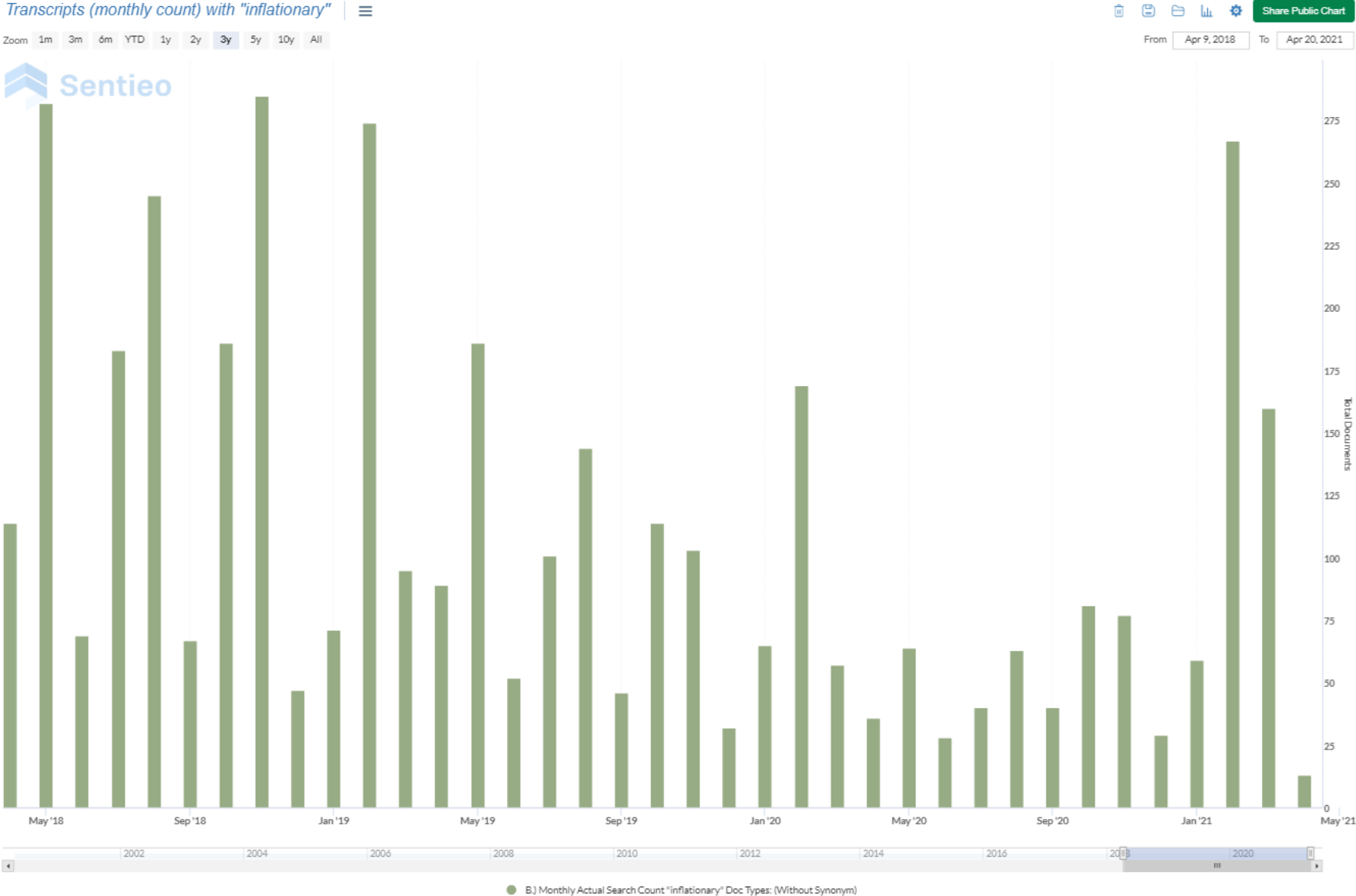
Similar to other popular diets, vegan is on the way out in transcripts, following the pattern we saw earlier with "gluten free". We see the term is still mentioned by food and cosmetic companies, as well as food retailers.



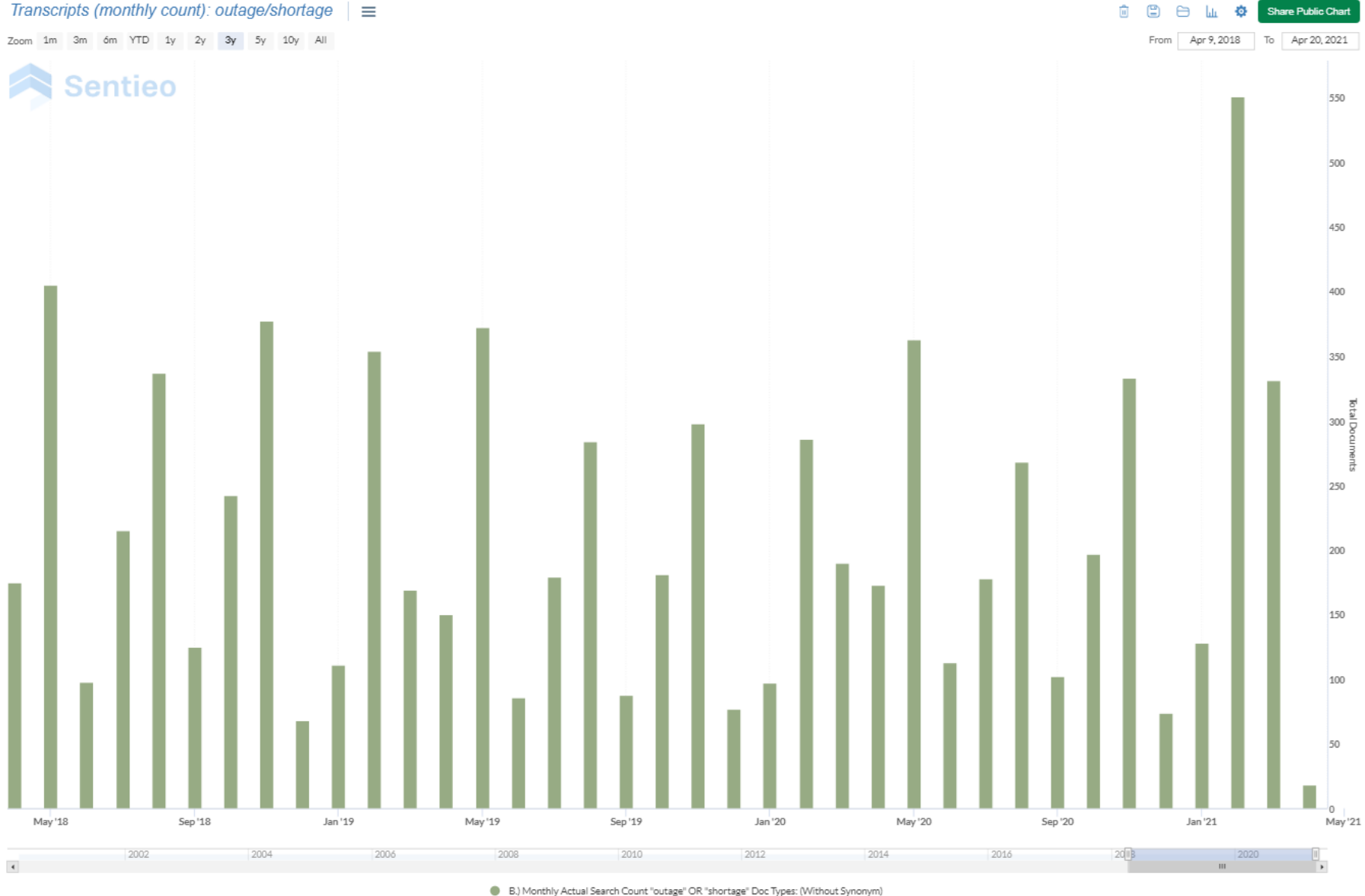
"Our differentiation runs deep at Sprouts, with over 68% of our products being attribute driven, like keto, paleo, plant-based or, of course, organic. We are much different than other grocers. In case you're wondering, we were—as we were going through this analysis, we decided all produce was vegan."

JACK SINCLAIR, CEO & DIRECTOR, SPROUTS FARMERS MARKET INC., EARNINGS CALL, FEBRUARY 2021

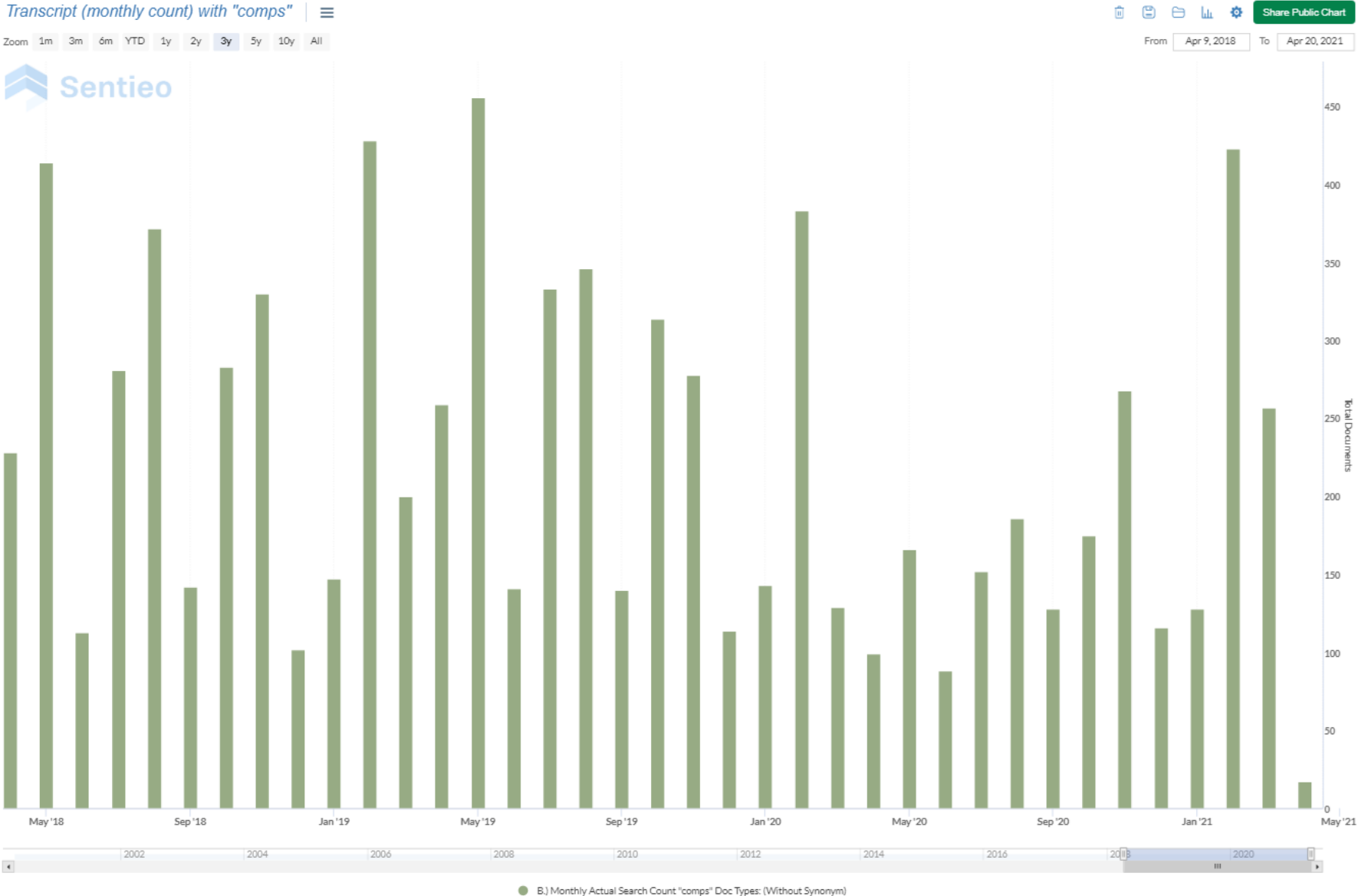
Topics to pay attention to in 2021: inflation



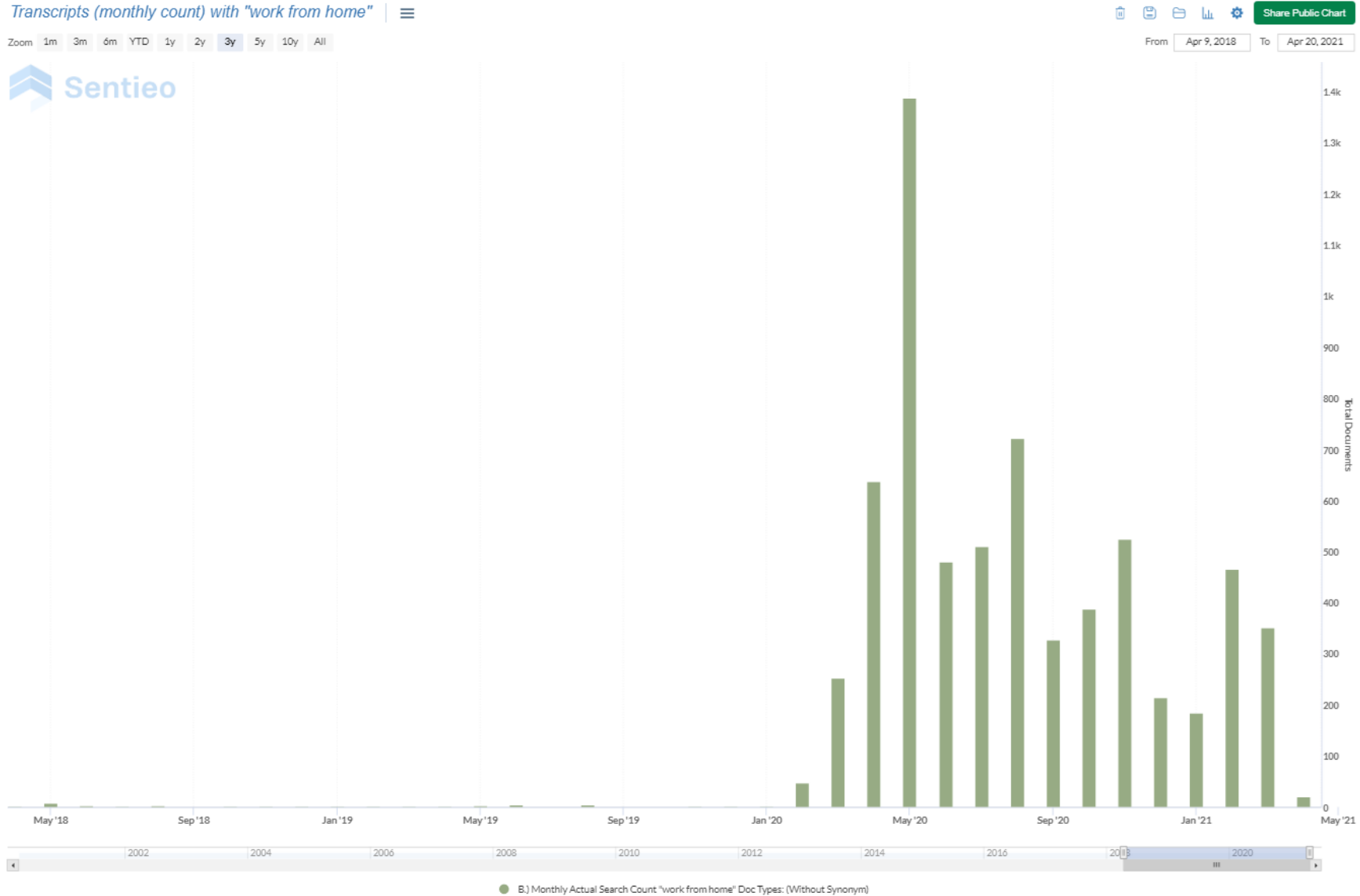
Topics to pay attention to in 2021: outage/shortage



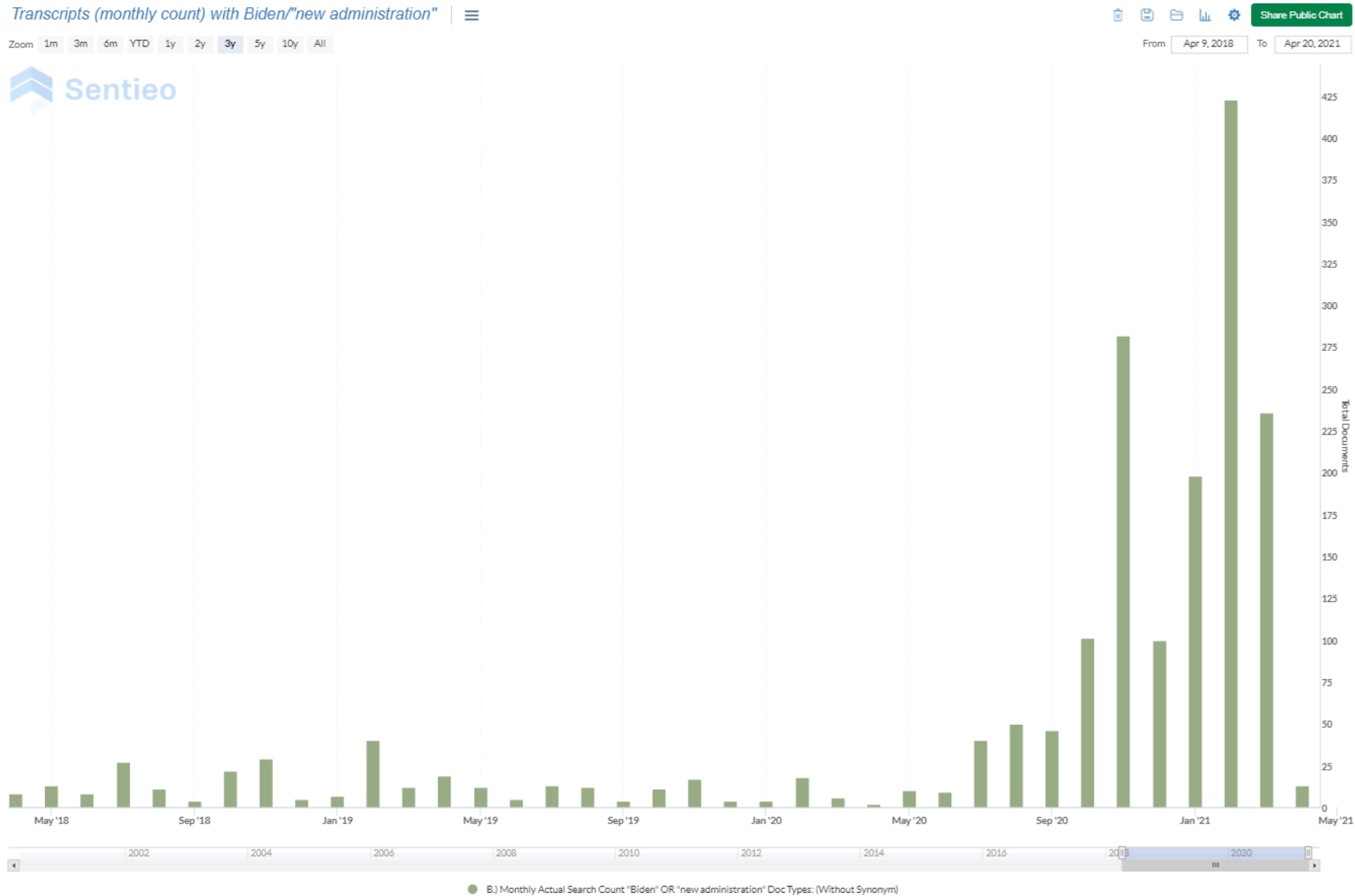
Topics to pay attention to in 2021: “comps”



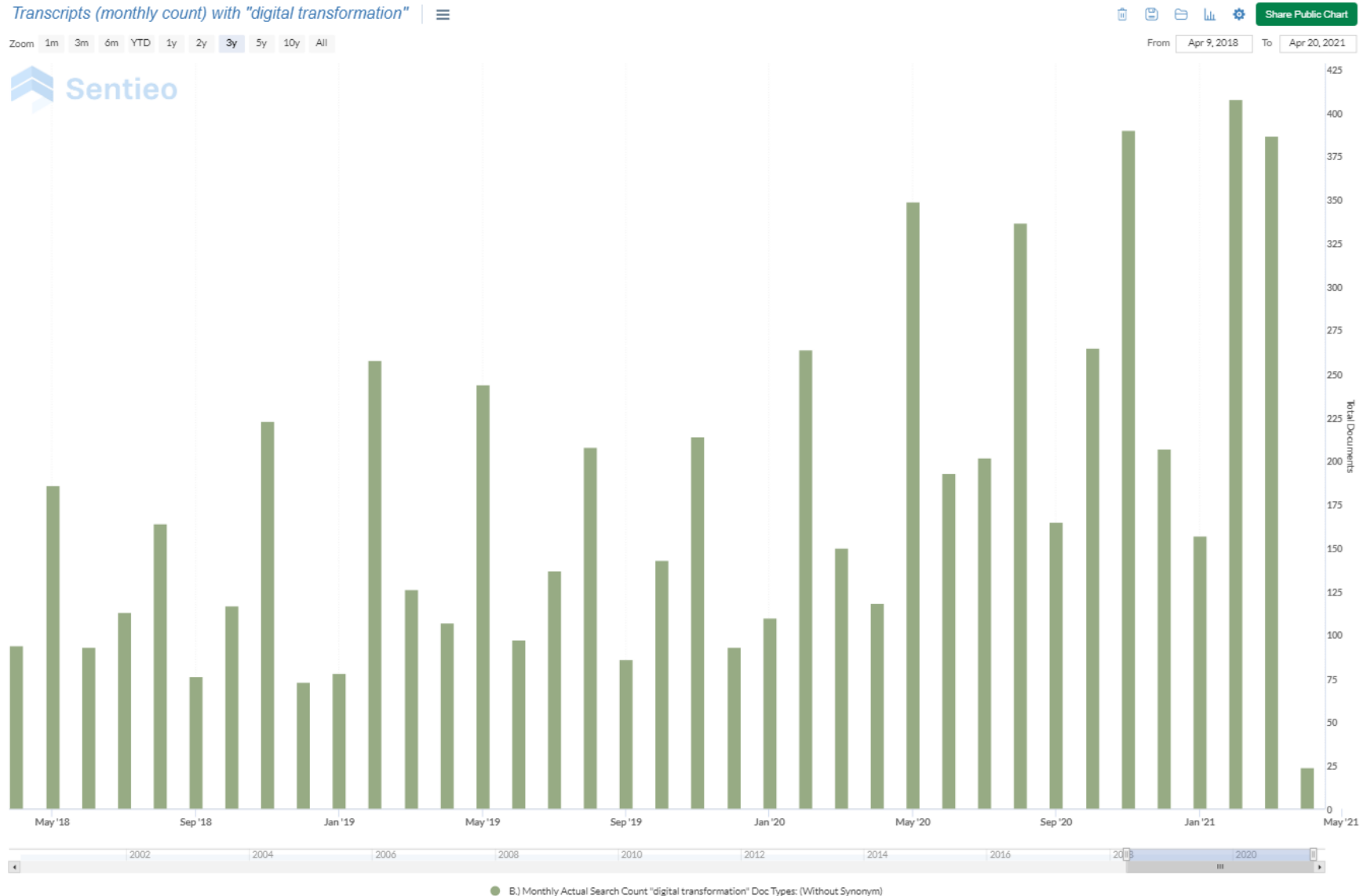
Topics to pay attention to in 2021: “work from home” is over?



Topics to pay attention to in 2021: Biden/new administration



Topics to pay attention to in 2021: digital transformation




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