

QUICK GUIDE TO ANNUAL REPORTS

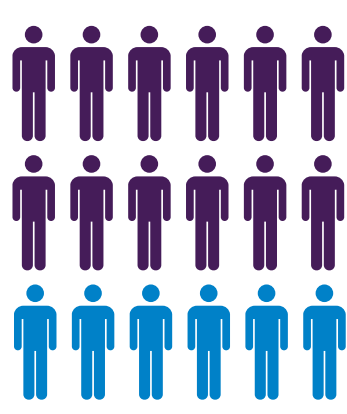
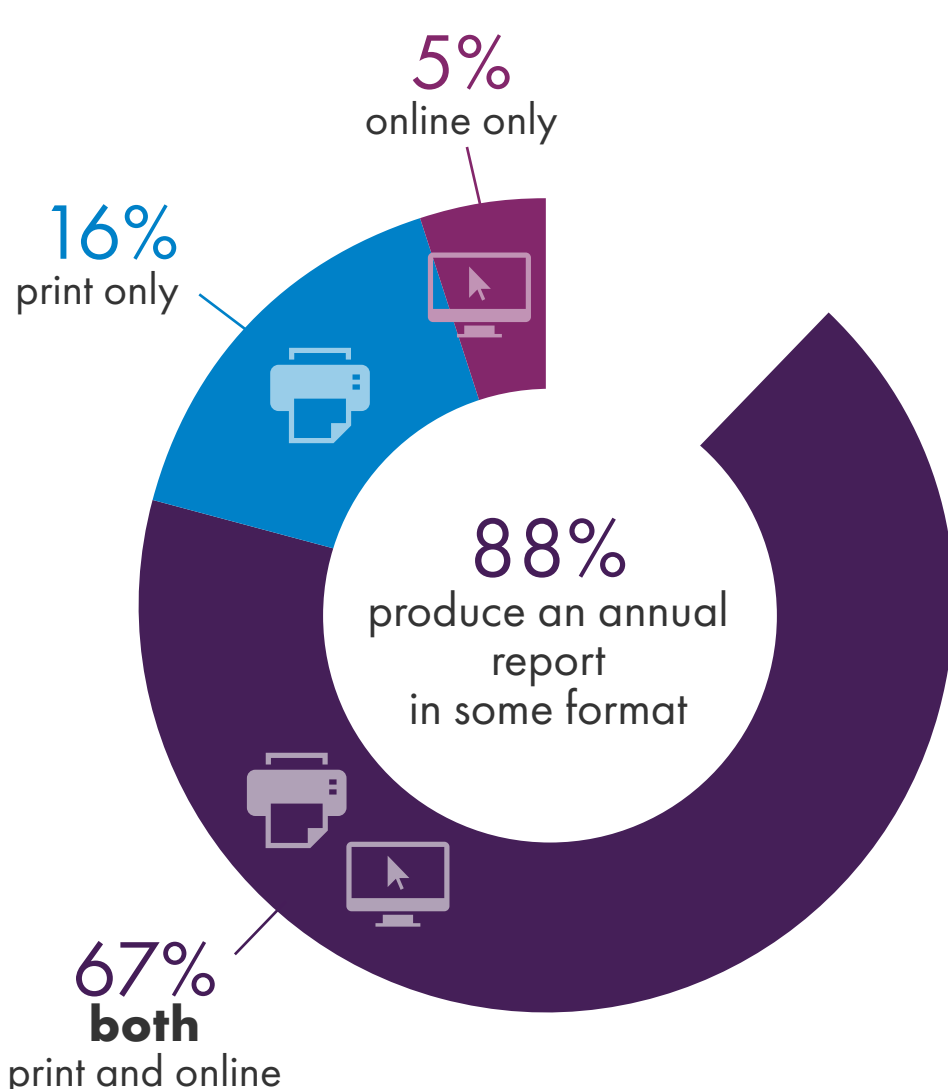
WHAT IS AN ANNUAL REPORT?

A public company's yearly report to shareholders, documenting its financial performance and milestone achievements



475 INDIVIDUALS

A NIRI survey of 475 individuals from publicly traded U.S. companies has provided insights on their corporate annual report practices



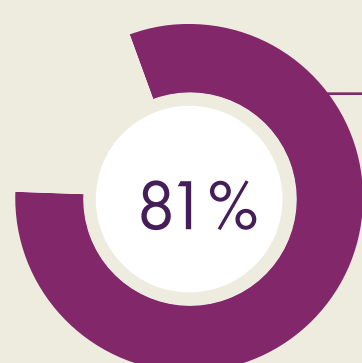
68 individual investors

34 portfolio managers and securities analysts

A survey of **102** primary readers of corporate annual reports **CONCLUDED:**

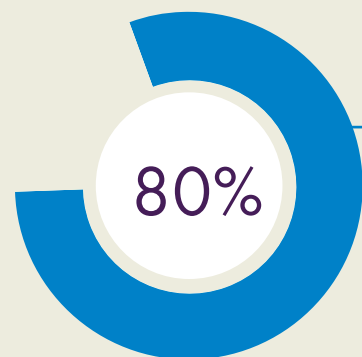


90% of readers believe an annual report's content should include issues facing the company and its industry, not just the company's financial and shareholder issues

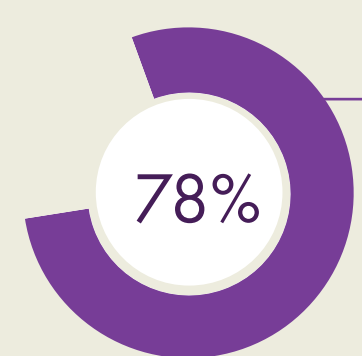


81% of readers **prefer a printed annual report** to an electronic version. Reasons cited include:

- More enjoyable to read
- Mobility
- Ability to file for future reference
- Ability to mark up and take notes on
- Ease of viewing photos and other visuals



80% of investors, portfolio managers and analysts agree that **the annual report is the single most important publication** a public company produces



78% of investors, portfolio managers and analysts agree that the traditional, **printed annual report is useful for other corporate purposes**, including:

Sales • Recruitment • Corporate philosophy • Brand positioning

60%
paper, printing and binding

30%
design

16%
writing/editing

14%
pre-press

11%
photography

10%
illustrations

COSTS ASSOCIATED WITH AN ANNUAL REPORT:

AT ITS MOST BASIC, AN ANNUAL REPORT **INCLUDES:**



BALANCE SHEET



STATEMENT OF CASH FLOW



INCOME STATEMENT



MARKET PRICE OF THE COMPANY'S STOCK



DIVIDENDS PAID

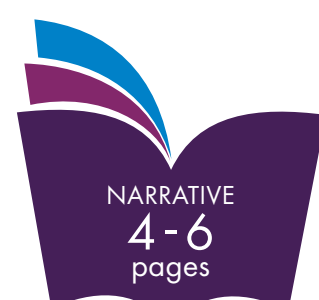


AUDITOR'S REPORT

OTHER COMMON ELEMENTS INCLUDE:

- Letter to shareholders from the CEO
- Summary of the state of the industry
- Management's Discussion and Analysis (MD&A)
- Information about the company's business segments
- Listing of the company's directors and executive officers
- Comparison of cumulative total return with the S&P 500 and peer groups
- Accounting policies
- Human narratives and success stories
- Photos and graphics

The median length of narratives in annual reports is 4-6 pages



USE OF A STAND-ALONE CORPORATE SUSTAINABILITY REPORT **has increased** SINCE 2008



146%
online

73%
in print

2008 2015

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