BREAKWATER

2027 IR Power Playbook: Ten Actions For the Era of Continuous Underwriting

How the Adaptive Investor Relations Officer can strengthen investor conviction, valuation, and strategic adaptability

Our Focus Today

1. Velocity is accelerating and valuation dispersion is widening
2. Investors, Board, and Management have materially different expectations for IR in 2027
3. Dis-satisfaction with legacy investor relations approaches is deepening
4. There is a clear path to pivot to the future and build, defend, and accelerate value for the Adaptive Investor Relations Officer in 2027

About Breakwater Capital Markets

We have a global mandate.

We bring distinctive judgment and deep market insight to the decisions that shape valuation, command investor confidence, and position companies for enduring leadership.

Trusted by boards, management teams, and investors worldwide, we help leaders anticipate shifts, seize opportunity, create advantage, and excel on the most demanding global stage driving sustained value creation.

Value creation is accelerating across operating, market and IR cycles

Velocity of the Operating Environment

The accelerating pace at which technology, policy, competition, and customer expectations are creating new sources of growth and reshaping how enterprise value is created.

Velocity of the Capital Markets

The accelerating pace at which information is absorbed, expectations are formed, and capital is directed toward the companies best positioned to create value.

Velocity of the IRO

The accelerating pace of change for the IRO as the strategic interface between the company and the capital markets shaping investor understanding while bringing market intelligence back into the business.

Weak strategic interpretation is becoming a measurable valuation penalty

5 - 21%

Compression in valuation multiples when communications fail to demonstrate resilience, adaptability, or long-term strategic clarity.

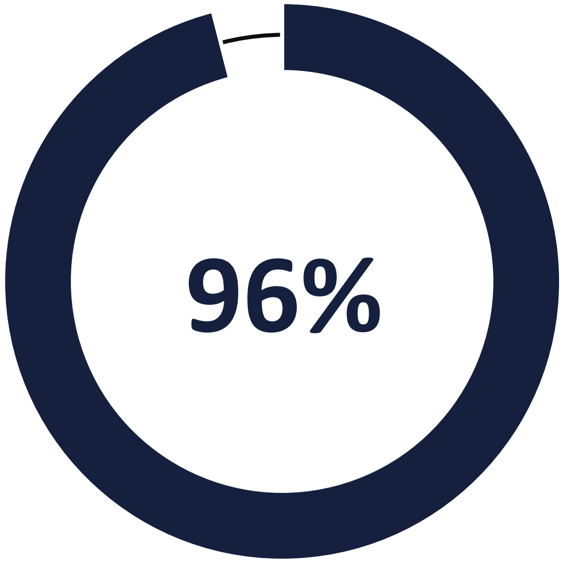
9 - 22%

Valuation discount driven by lower investor confidence, particularly in times of uncertainty.

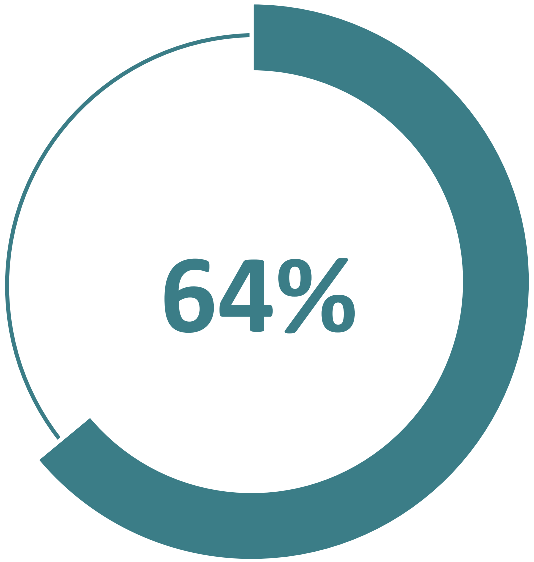
17 - 36%

Delay in investor re-engagement following earnings shocks or macro dislocations, slowing capital inflows, and hampering strategic recalibration.

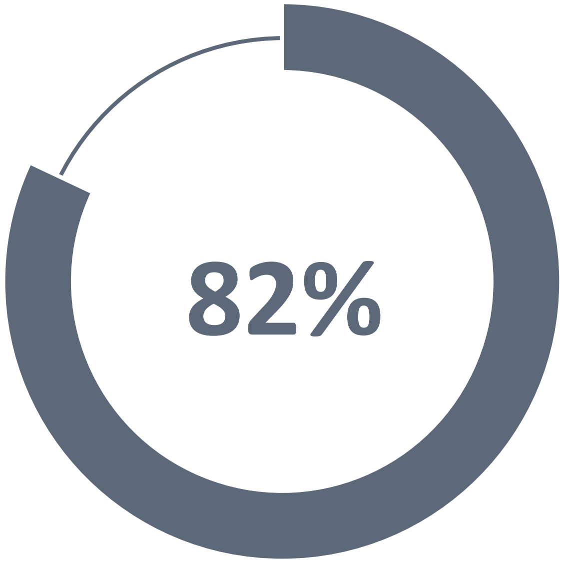
Investor needs have shifted faster than most IR models



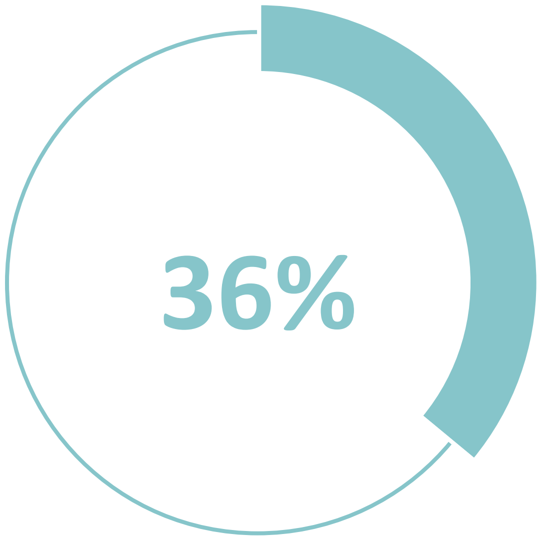
Need different valuation information than three years ago



Expect value drivers to materially change



Say IR practices must evolve



Of equity narratives are already misaligned with investor information needs

What Changes in the 2027 Operating Environment?

Six structural forces now move directly into investor models

Operating Environment

Geoeconomic Fragmentation
Tariffs, sanctions, export controls

AI Transition
Productivity, CapEx, disruption

Higher Capital Intensity
Energy, compute, resilience CapEx

Energy/physical resilience
Regional growth and pricing power

Trust / Cyber Risk
Misinformation, data, continuity

Regulatory Divergence
Discount rates, debt windows

INVESTOR MODEL

DCF / Multiples / Scenario Range

Operating facts become assumptions, assumptions become value

Valuation Model Input

Revenue Growth
Market size, share, price

Margins
Cost pass-through, resilience costs

Reinvestment
CapEx, working capital, M&A

Incremental ROIC
Value created per dollar invested

WACC / Risk Premium
Country, beta, leverage

Terminal Value
Duration of moat and fade

In 2026, capital markets are in an AI-filtered era……

1950 – 1982
INFORMATION SCARCITY
Investors needed access to basic facts and financial stewardship

1983 – 2007
INFORMATION EXPANSION
Markets required strategy, transparency, and more direct management access

2008 – 2024
INFORMATION OVERLOAD
Investors needed context, credibility, capital allocation, and resilience

2024 – 2026
AI & Recalibration
Investors need proof, interpretation, prioritization, and AI-ready evidence

Key Milestones that Changed Investor Information Requirements

- **2000** Reg FD ends selective disclosure
- **2002** Sarbanes-Oxley raises governance expectations
- **2018** Inline XBRL makes filings machine-readable
- **2026** Breakwater Research 96% need new info
- **2026** DTCC NSCC goes live with 24x5 clearing
- **2026** LLM agents acting as portfolio managers

The Enduring Pattern

Information	Scarce →	Expanding →	Overwhelming →	AI filtered
Valuation	Asset/ earnings →	Growth/ scale →	Quality/ resilient →	Proof & expectations
Communication	Periodic →	Proactive →	Cont. Engagement →	Always-on evidence
IR Role	Disclose →	Explain →	Advise →	Enable conviction

And continuous underwriting becomes the new investor baseline

DIMENSION	2027-28 CONTINUOUS UNDERWRITING
MACRO REGIME	Dynamic baseline; shorter cycles; AI embedded; resilience priced continuously
GROWTH MODEL	Adaptive growth: renew advantage repeatedly as technology shifts
COMPETITIVE BASIS	Adaptability, learning velocity, and ability to reallocate capital
SUPPLY CHAIN & GEOPOLITICS	Geopolitics becomes operating architecture
CAPITAL & PHYSICAL CONSTRAINTS	Capital discipline becomes an operating advantage; capacity access is strategic
TECHNOLOGY IMPACT	Agentic workflows and automation reshape work design, speed, and scale economics
MANAGEMENT IMPERATIVE	Run a faster learning system: sense, decide, allocate, execute, and prove

Investors don’t need more information

2027-28 CONTINUOUS UNDERWRITING

01	TECHNOLOGY / AI IN MARKET	Agentic workflows increasingly support screening, monitoring, thesis testing
02	INFORMATION VOLUME	Persistent overload; relevance, and prioritization become scarce
03	INVESTOR’S CORE PROBLEM	Maintain conviction amid continuous updates, and AI-assisted views
04	WHAT INVESTORS DO WITH INFO	Refresh underwriting repeatedly as information, and models update
05	IRO ROLE	Enterprise-value leader enables conviction amid complexity, speed, and AI

Interpretation capacity is the scarce commodity in 2027 underwriting

2027-28 CONTINUOUS UNDERWRITING

VALUATION ANCHOR

Adaptive earnings power; proof velocity; capital conversion; strategic optionality

PREMIUM AWARDED FOR

Ability to adapt, validate strategy, and compound returns across regimes

CORE INVESTOR QUESTION

Can advantages be renewed as the environment changes?

GROWTH UNDERWRITING

Growth options refreshed as tech, customers, and competitors change

RETURNS & CAPITAL

Capital allocation agility: shift resources quickly to the best risk-adjusted returns

RISK & DURATION

Resilience plus adaptability: not only surviving shocks but renewing economics

IR PROOF BURDEN

Maintain proof architecture investors can revisit as conditions change

Valuation is shifting from point estimates to continuously interpreted scenarios

2027-28 CONTINUOUS UNDERWRITING

OPERATING ENVIRONMENT

Shorter strategy cycles; embedded AI; more dynamic, repriced environment

VALUATION LENS

Adaptive earnings power; capital efficiency; proof; strategic optionality

INVESTOR INFORMATION NEED

Continuously updated proof; scenario logic; machine-interpretable evidence

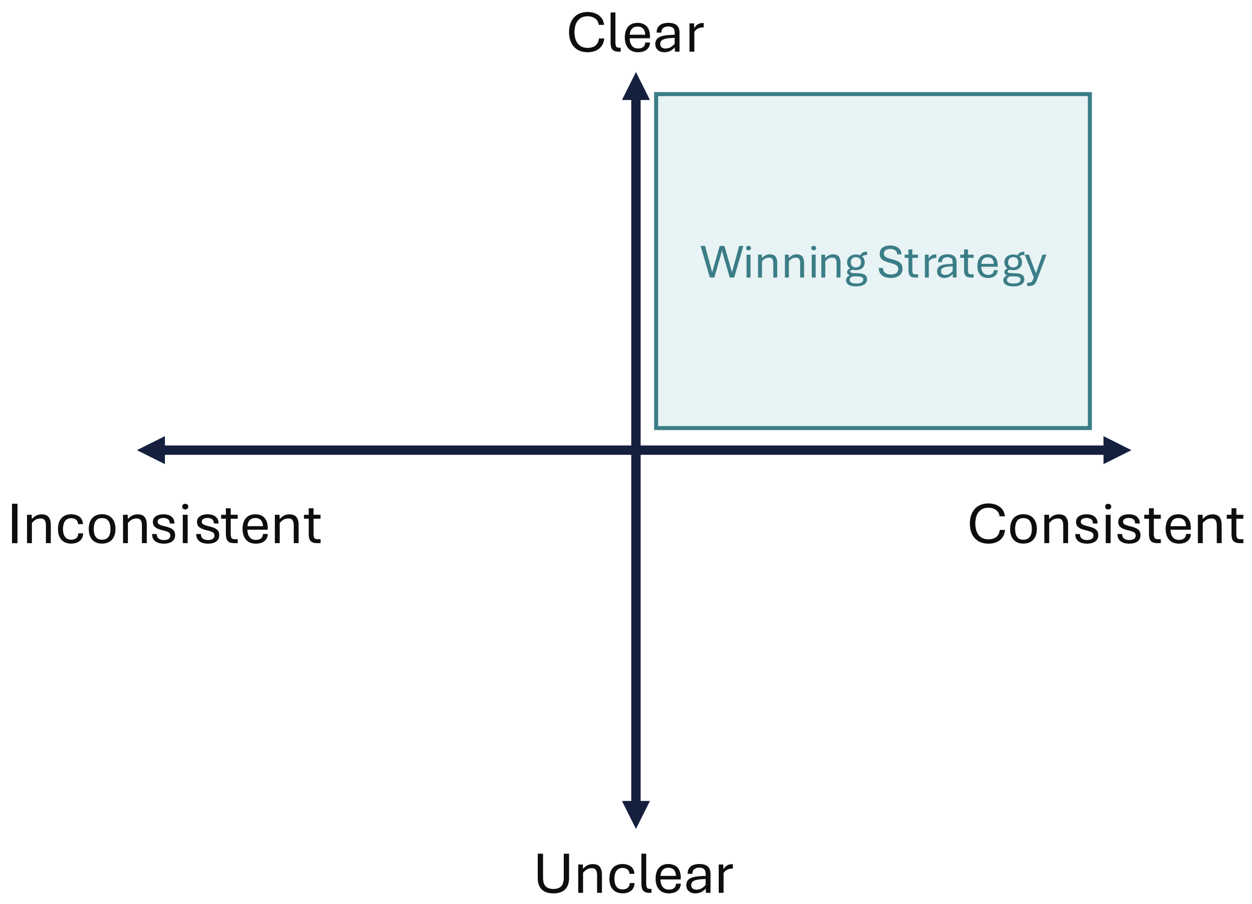
PUBLIC COMPANY CONTENT

Persistent knowledge architecture; proof libraries; modular / structured content

COMMUNICATIONS MODEL & SPEED

Near-continuous digestion and repeated re-underwriting

Machine interpretability is becoming a new source of market credibility



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Winning in Autonomous Markets Requires:

- ✓ Clear strategic drivers
- ✓ Explicit causal logic
- ✓ Consistent KPI definitions
- ✓ Structured narrative modules

What Gets Rewarded:

- ✓ Clarity travels faster
- ✓ Consistency builds confidence
- ✓ Structure beats eloquence

What Gets Penalized:

- ✓ Ambiguity
- ✓ Drift
- ✓ Inconsistency

In machine markets, interpretability is credibility.

IR must now communicate with both humans and machines

Human-Optimized Content Characteristics

- Long-form prose, narrative flow
- Implied causality
- Nuanced qualifiers

Machine-Optimized Needs

- Explicit causal logic
- Structured drivers
- Stable definitions
- Clear deltas and uncertainty bounds

Meaning is compressed incorrectly, increasing distortion risk

Continuous underwriting is constantly revising valuation

2027-28 CONTINUOUS UNDERWRITING

Starting thesis:
A global company is valued on durable growth + expanding margins + attractive incremental ROIC + management adaptability

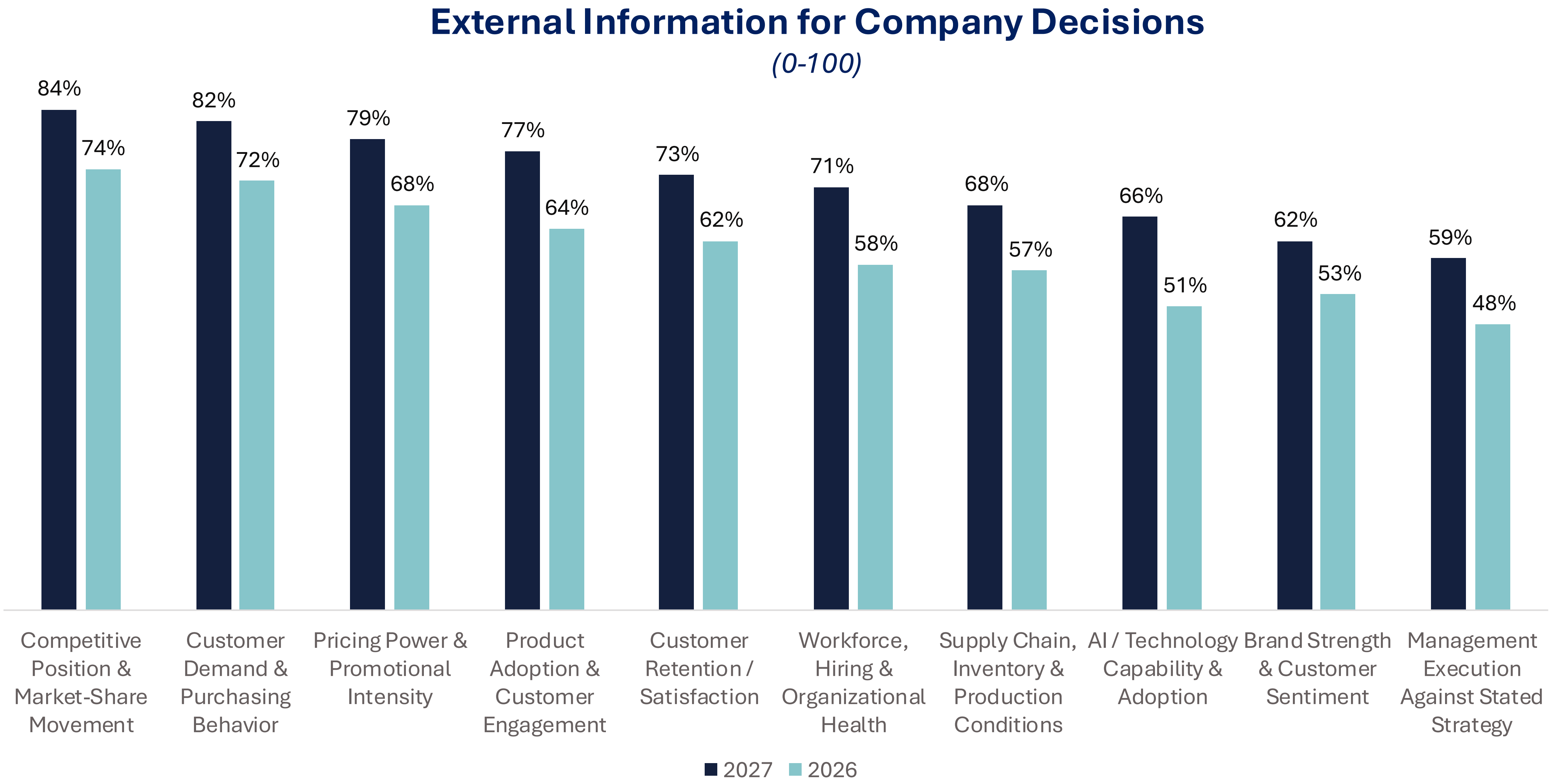
Timing	Signal	Source	Investor Re-Underwrites
Day 1	Costumer actively weakens	External	Revenue durability
Day 3	Competitor cuts price	External	Pricing power/moat
Day 6	Policy restriction emerges	External	TAM/Risk premium
Day 9	Supplier data implies higher capacity spend	External	CapEx/FCF/ROIC
Day 12	Management updates capital allocation	Company	Decision quality/adaptability
Day 18	Alternative data confirms demand recovery	External	Scenario probabilities/conviction
Day 30+	Quarterly results arrive	Company	Confirms or challenges the already revised thesis

Capital Markets Are Moving Faster Than Company Controlled Disclousre

Company disclosure will represent a minority of investor evidence by 2027

The Age of	Print & Patience 1950s – 1970s	Big Money 1980s – 1999	Digital 2000 – 2019	Pre-AI 2020 – 2025	2027
Daily Information Volume (Approx. words/ day)	100,000	1-2 million	100 million	500 million	1 billion+
Information Analysis	1-2 Days	Minutes to hours	Milliseconds	Microseconds	Nanoseconds
Interconnectedness & Market Correlation	Low: 10%	Moderate: 30-40%	High: 60-70%	Very High: 80-90%	Hyperconnected: 90-95%
Nature of Financial Risk (Speed of changes)	Slow-moving: Weekly	Moderate-speed: Daily	Fast-moving: Hourly	Real-time: Minute-to-minute	AI-driven: Nanosecond
Risk Change Frequency (% of risk changing daily)	Daily to weekly: 1-5%	Hourly: 5-10%	Minute-by-minute: 20-30%	Second-to-second: 40-50%	Beyond real-time: 60-70%
Sources of Investor Information	Print media & personal brokerage	Television, stock terminals, analysts	Online news, HFT dashboards, AI analytics	AI-driven alerts, real-time feeds, social sentiment	AI-curated dashboards, real-time blockchain data
Information Mix (Company / Other Sources)	90% / 10%	75% / 25%	60% / 40%	50% / 50%	40%/60%

Control over the investor information set is migrating outside the company



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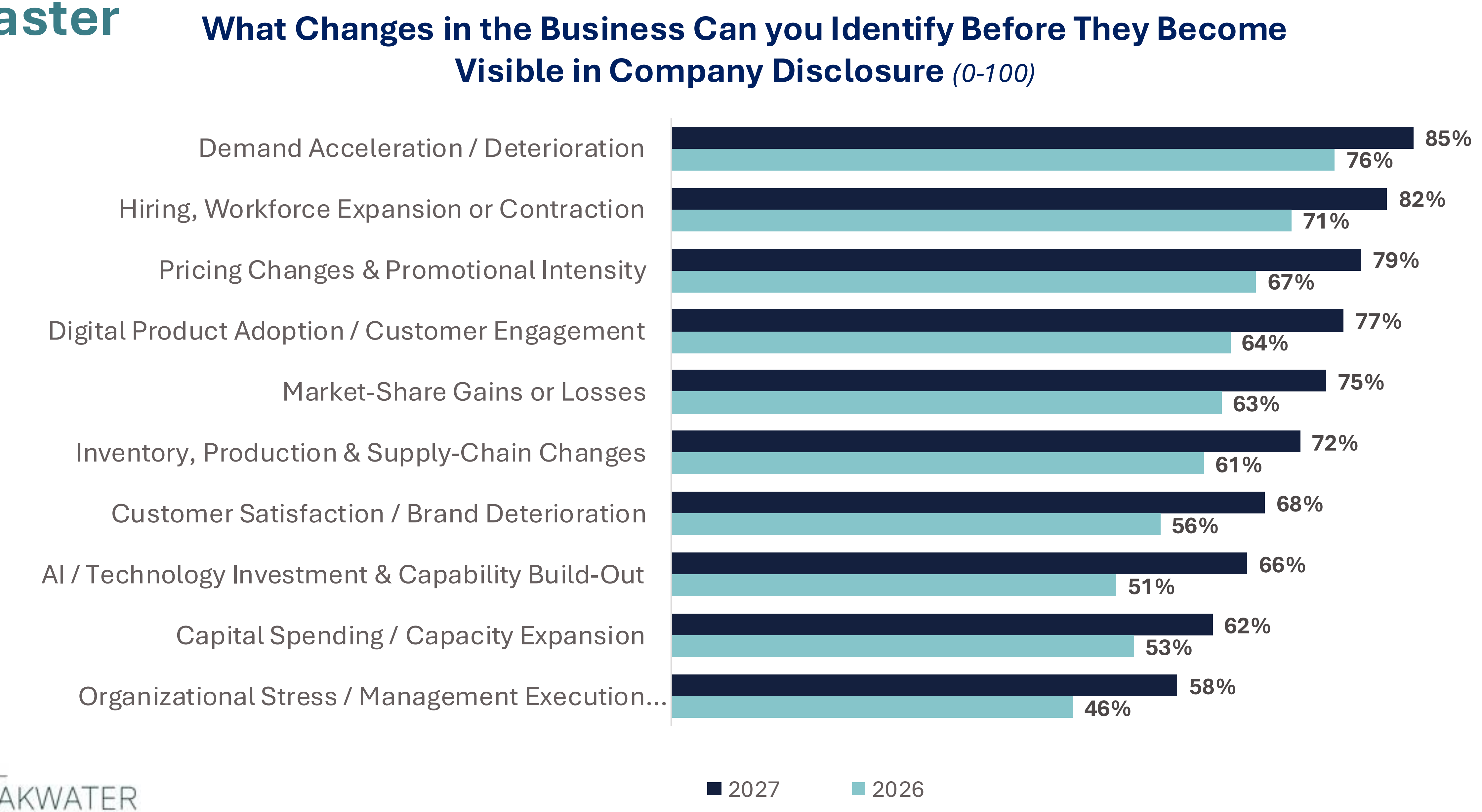
Source: Breakwater Capital Markets proprietary analysis, 2026.

External signals are making traditional disclosure obsolete faster



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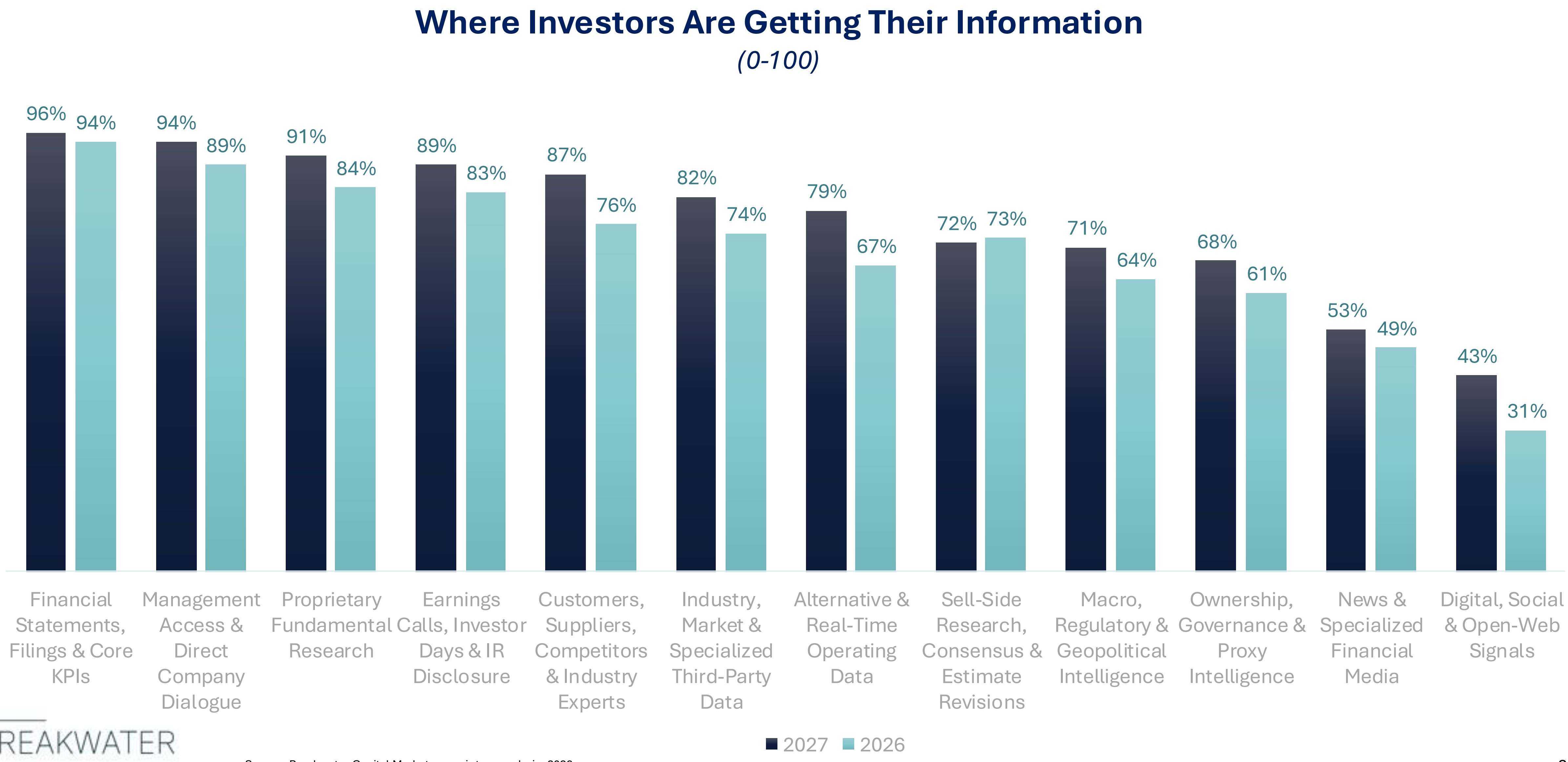
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors increasingly triangulate the thesis from non-company sources



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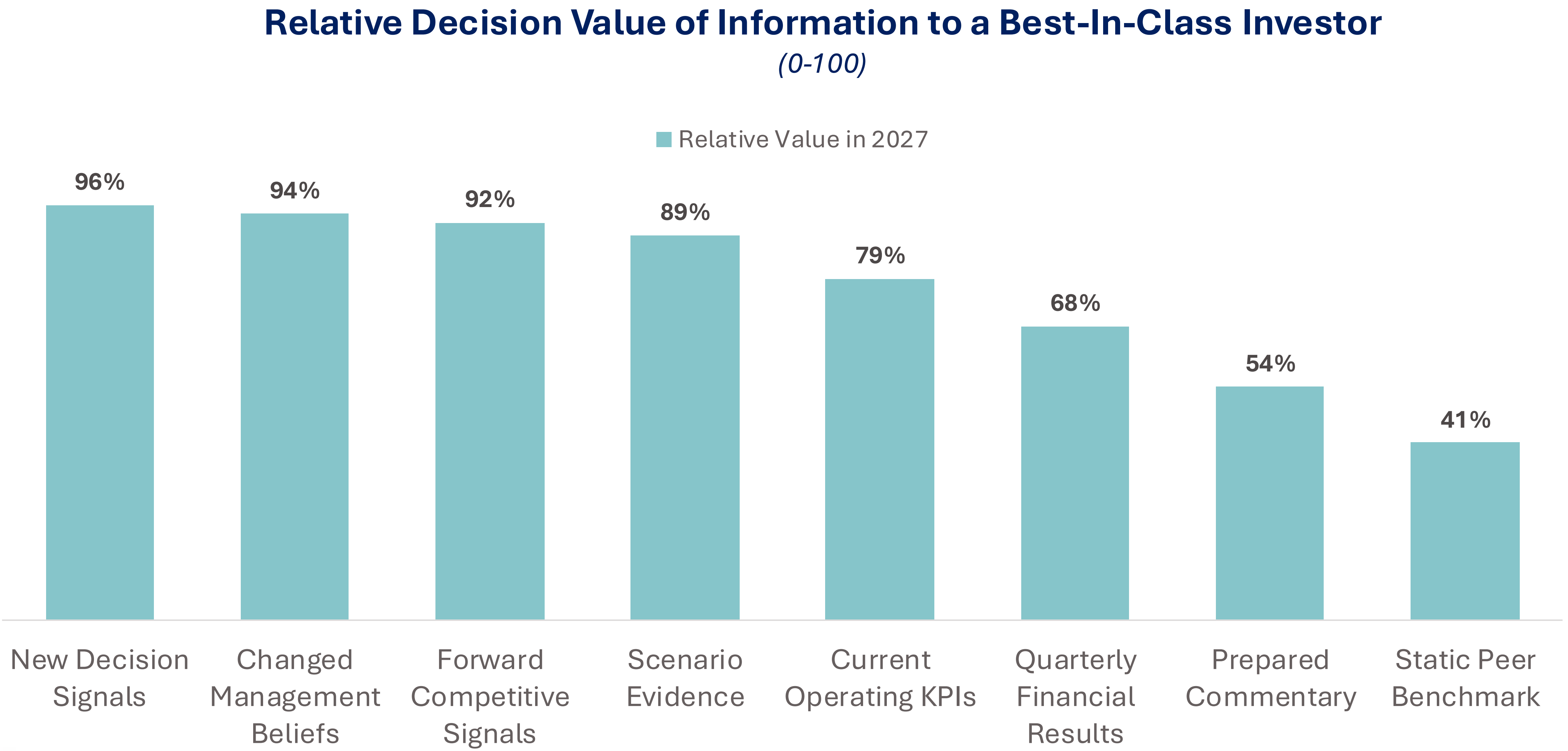
Source: Breakwater Capital Markets proprietary analysis, 2026.

AI compresses information half-life and raises the value of interpretation



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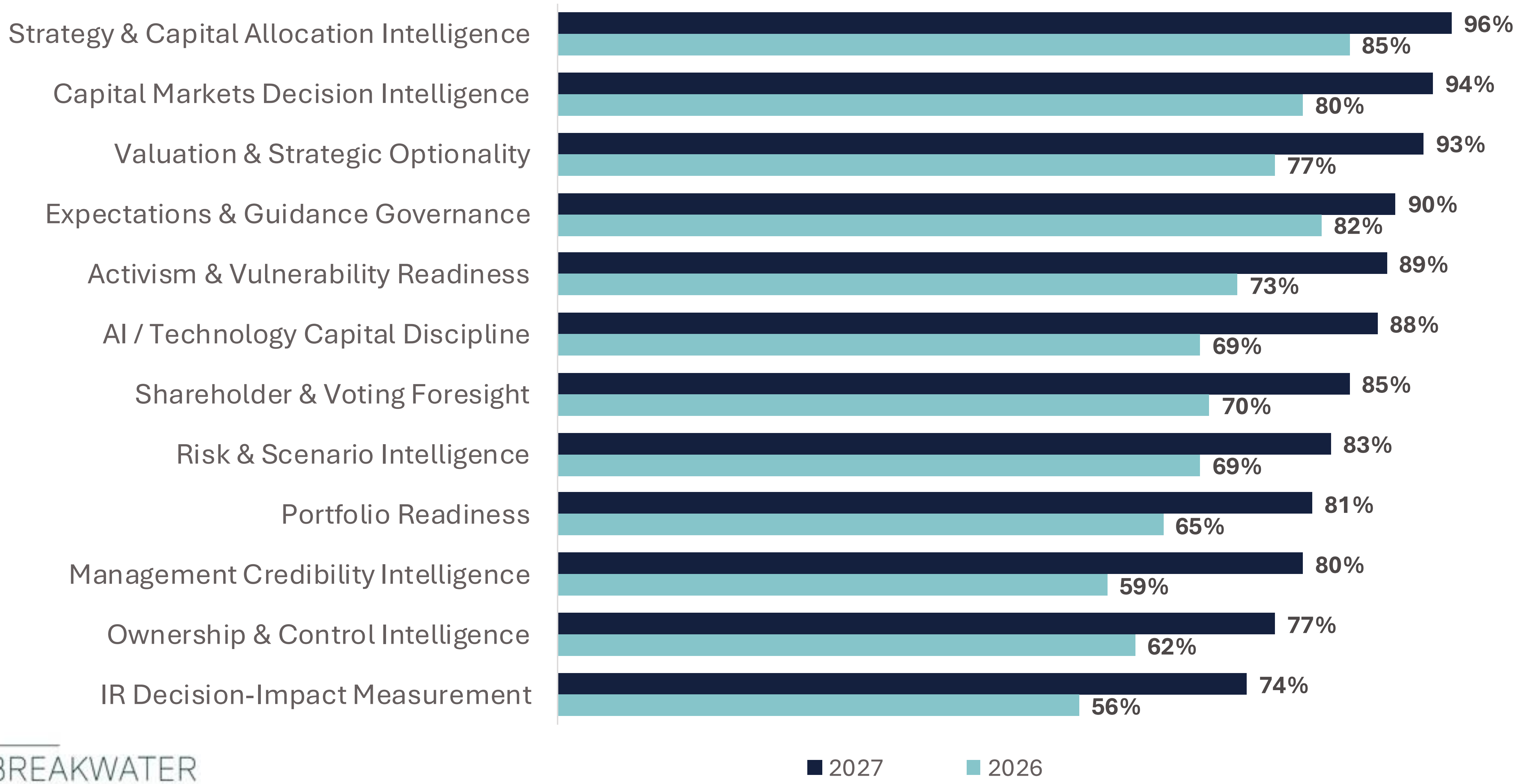
Source: Breakwater Capital Markets proprietary analysis, 2026.

What Stakeholders Now Expect

Boards are raising the bar for IR

Top Board Expectations of the IRO *(0-100)*



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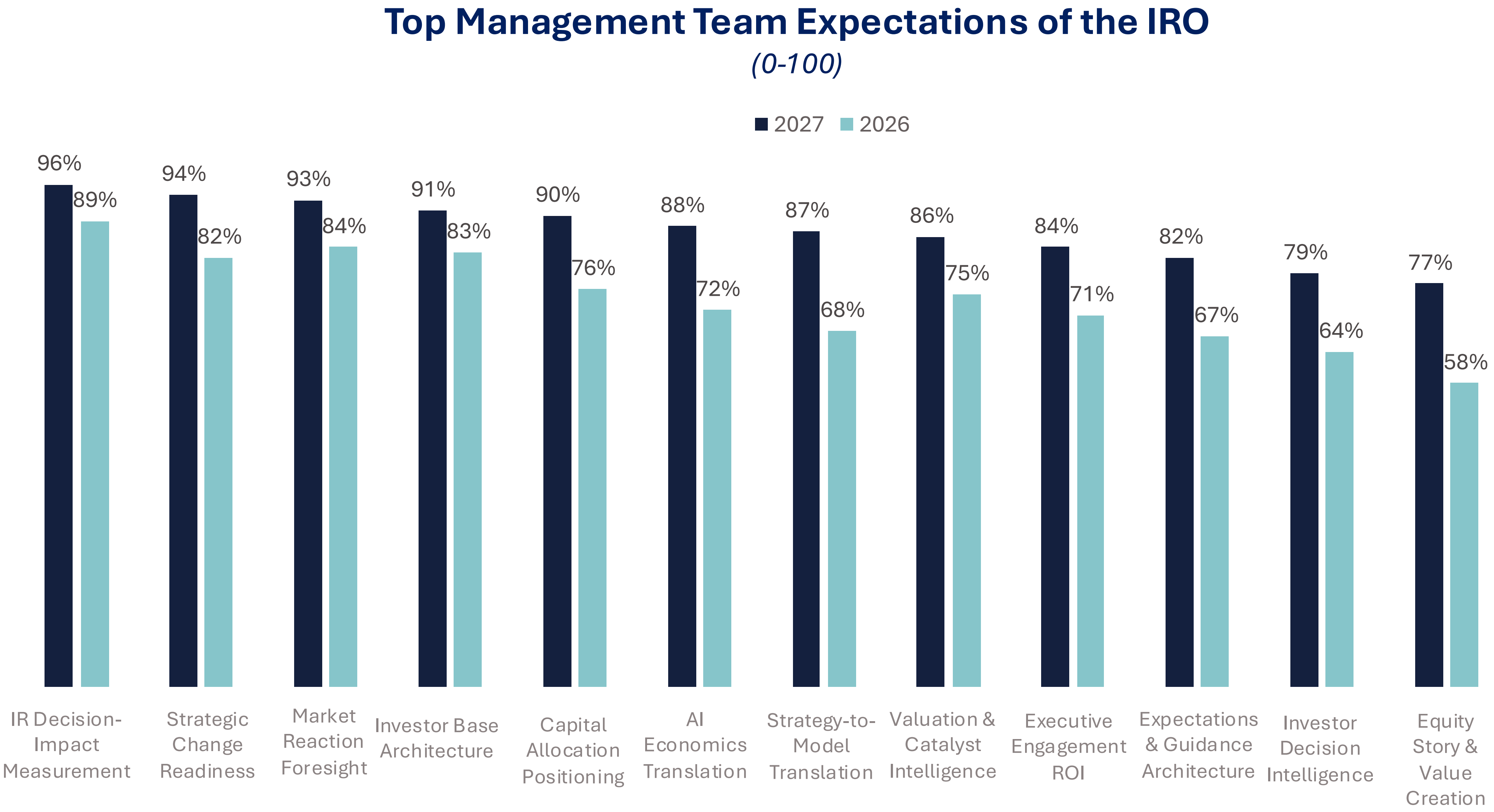
Source: Breakwater Capital Markets proprietary analysis, 2026.

And management teams are too



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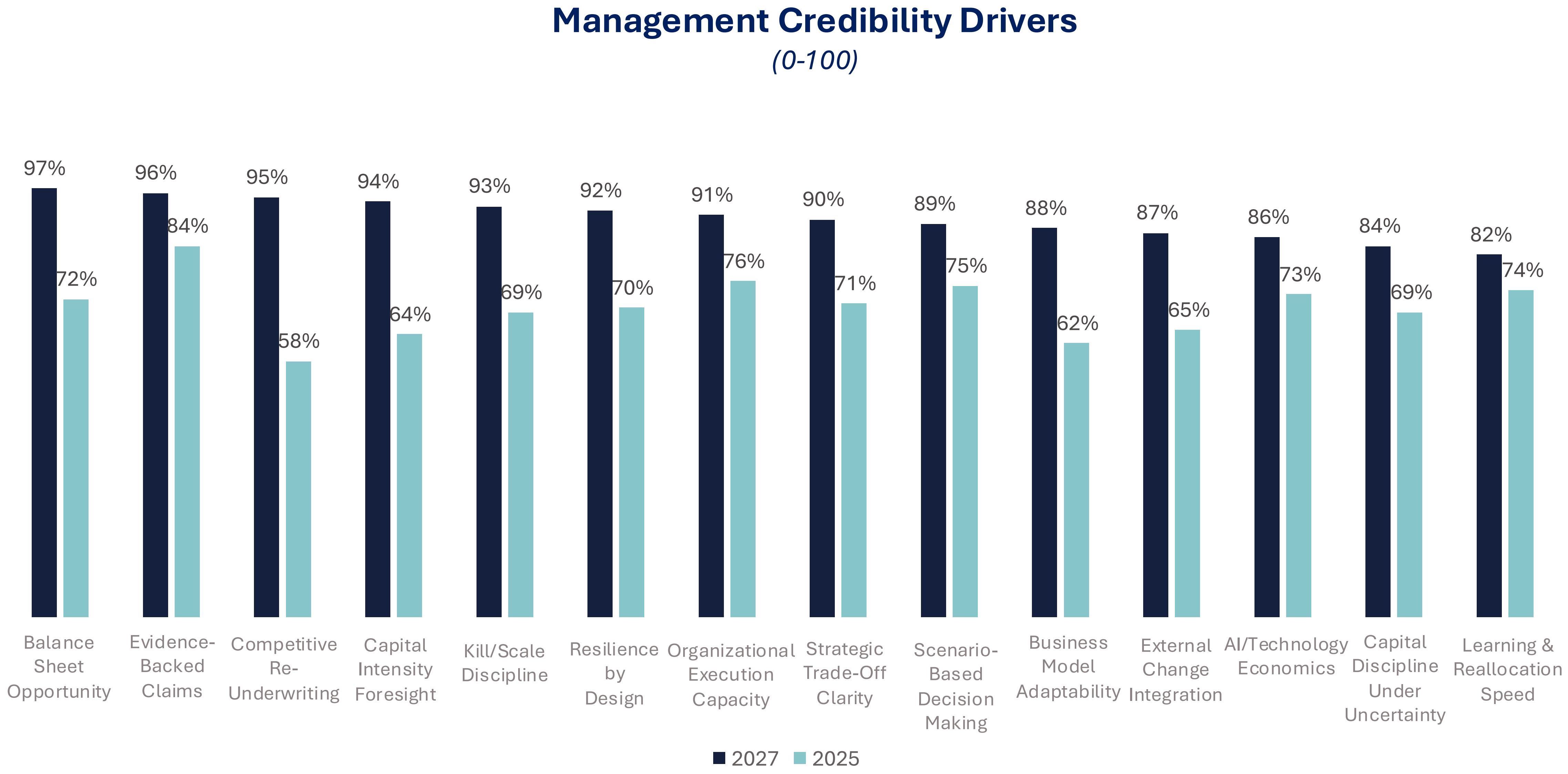
Source: Breakwater Capital Markets proprietary analysis, 2026.

Management credibility now depends on learning speed



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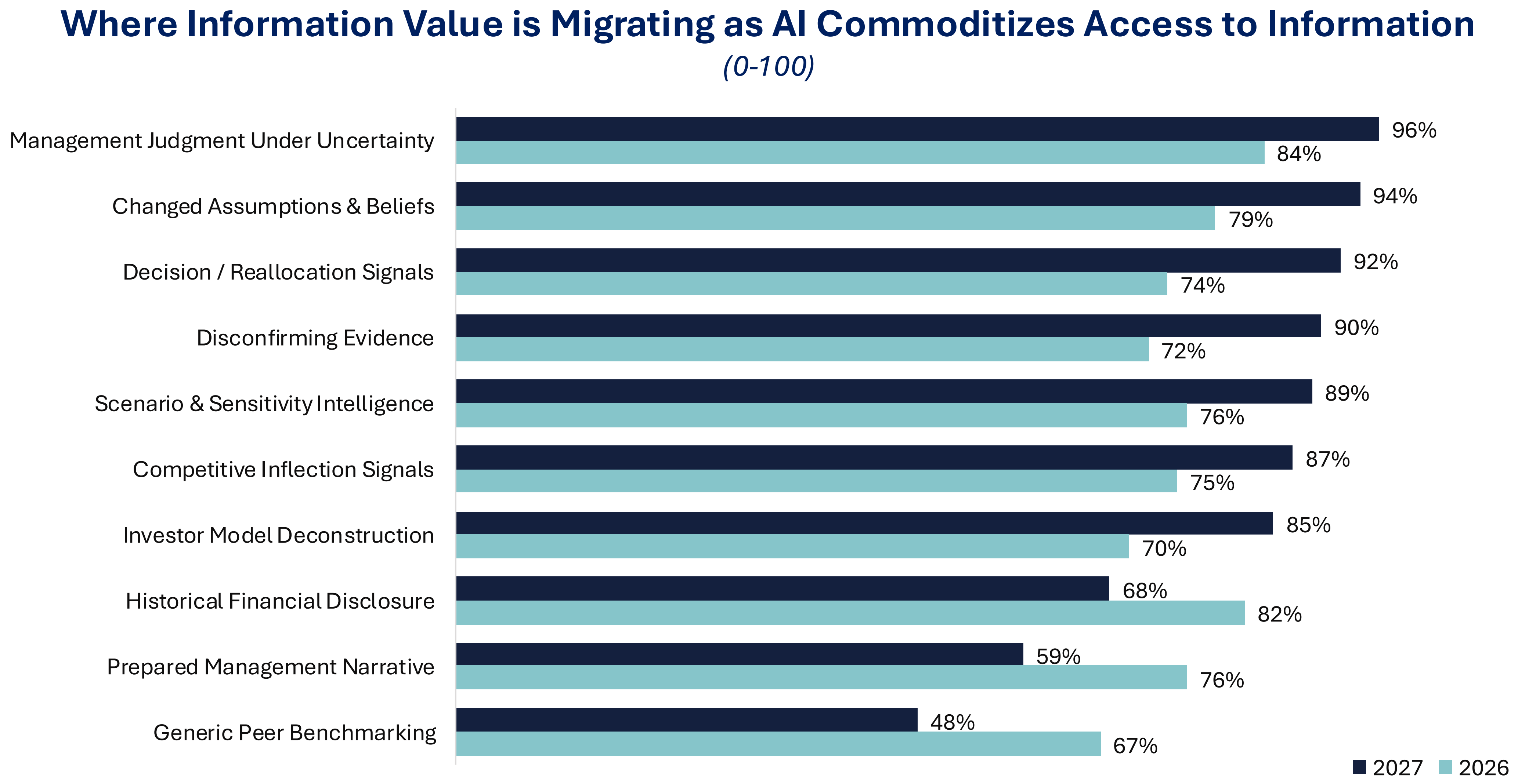
Source: Breakwater Capital Markets proprietary analysis, 2026.

AI shifts information value from access to differentiated judgment



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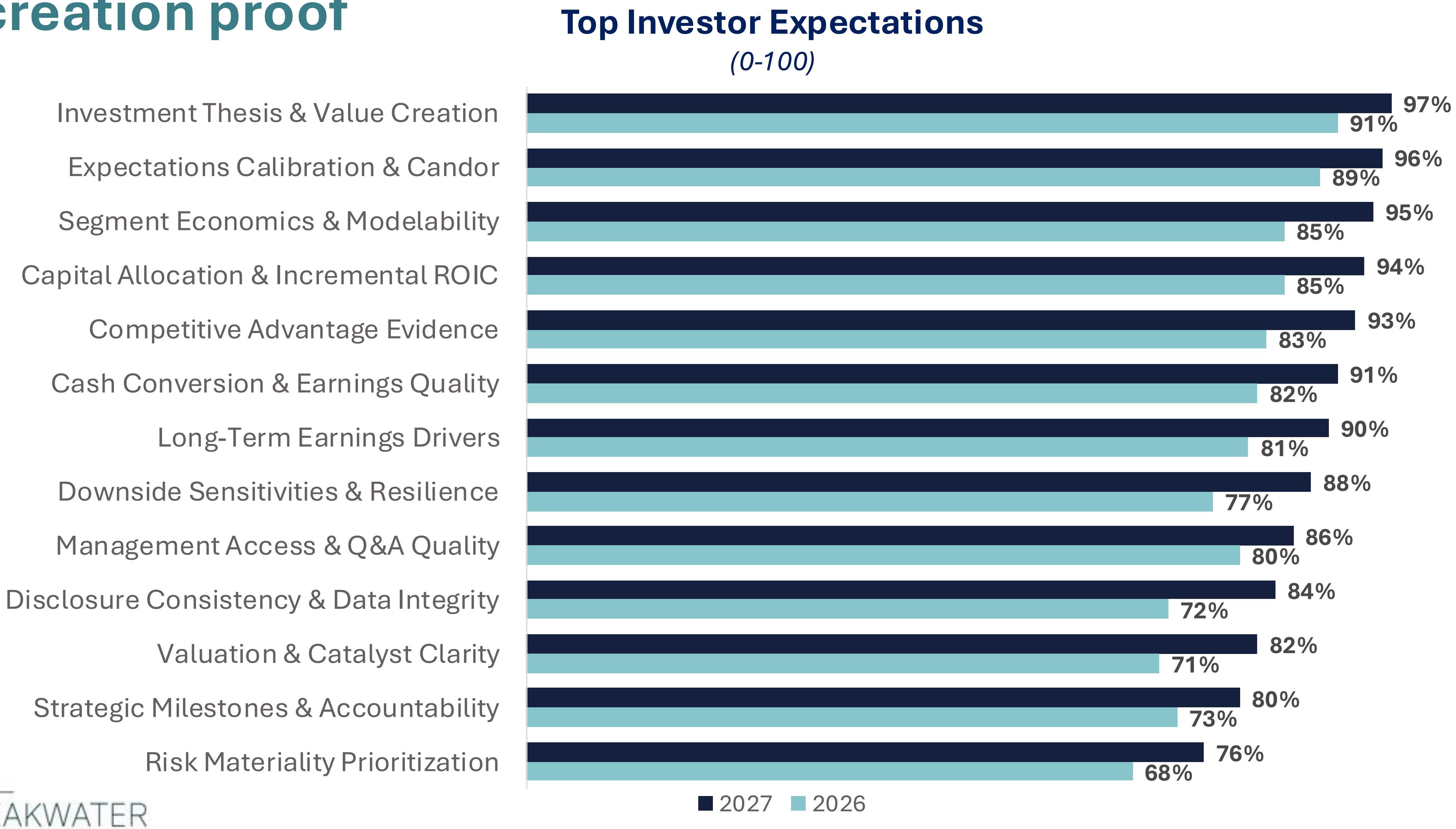
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors are prioritizing modelability, candor, and value-creation proof



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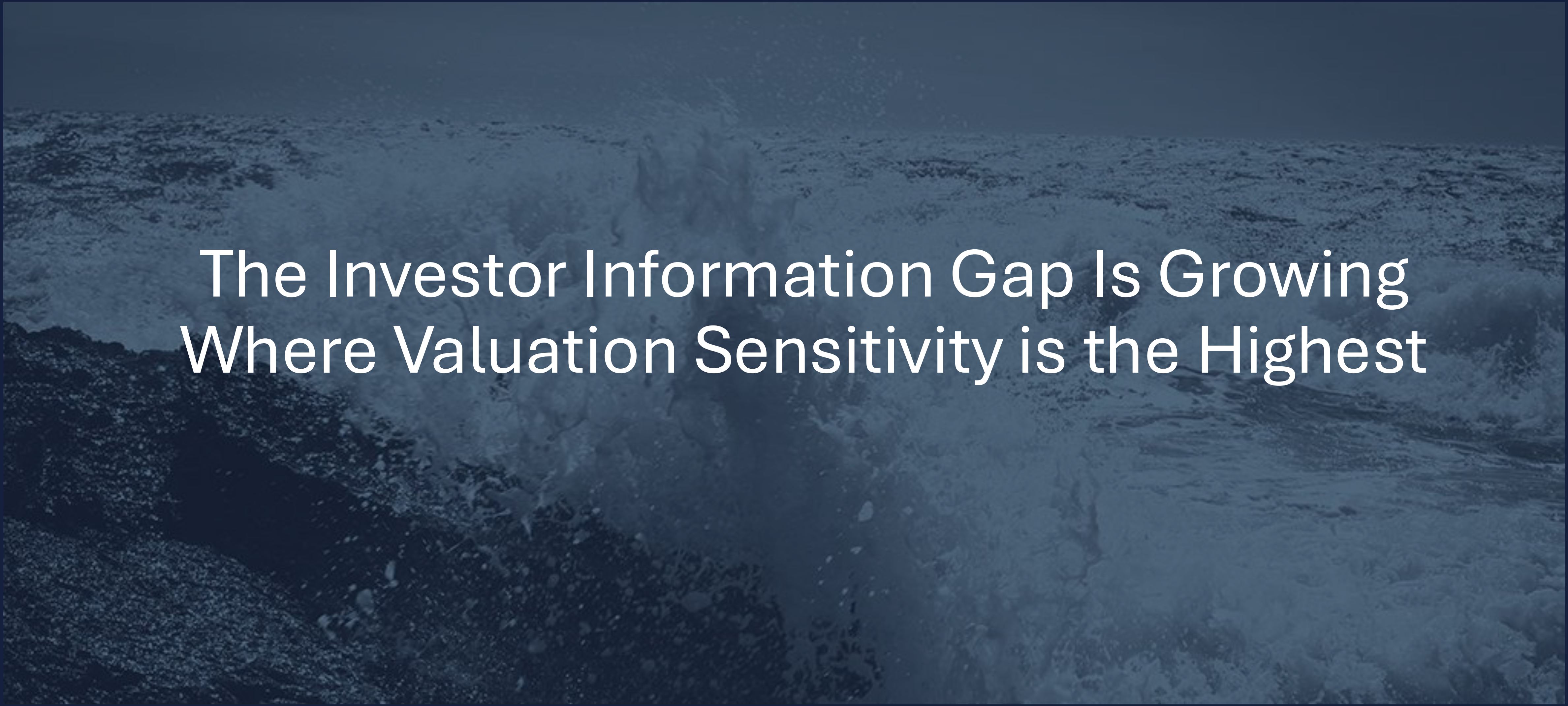

The Investor Information Gap Is Growing Where Valuation Sensitivity is the Highest

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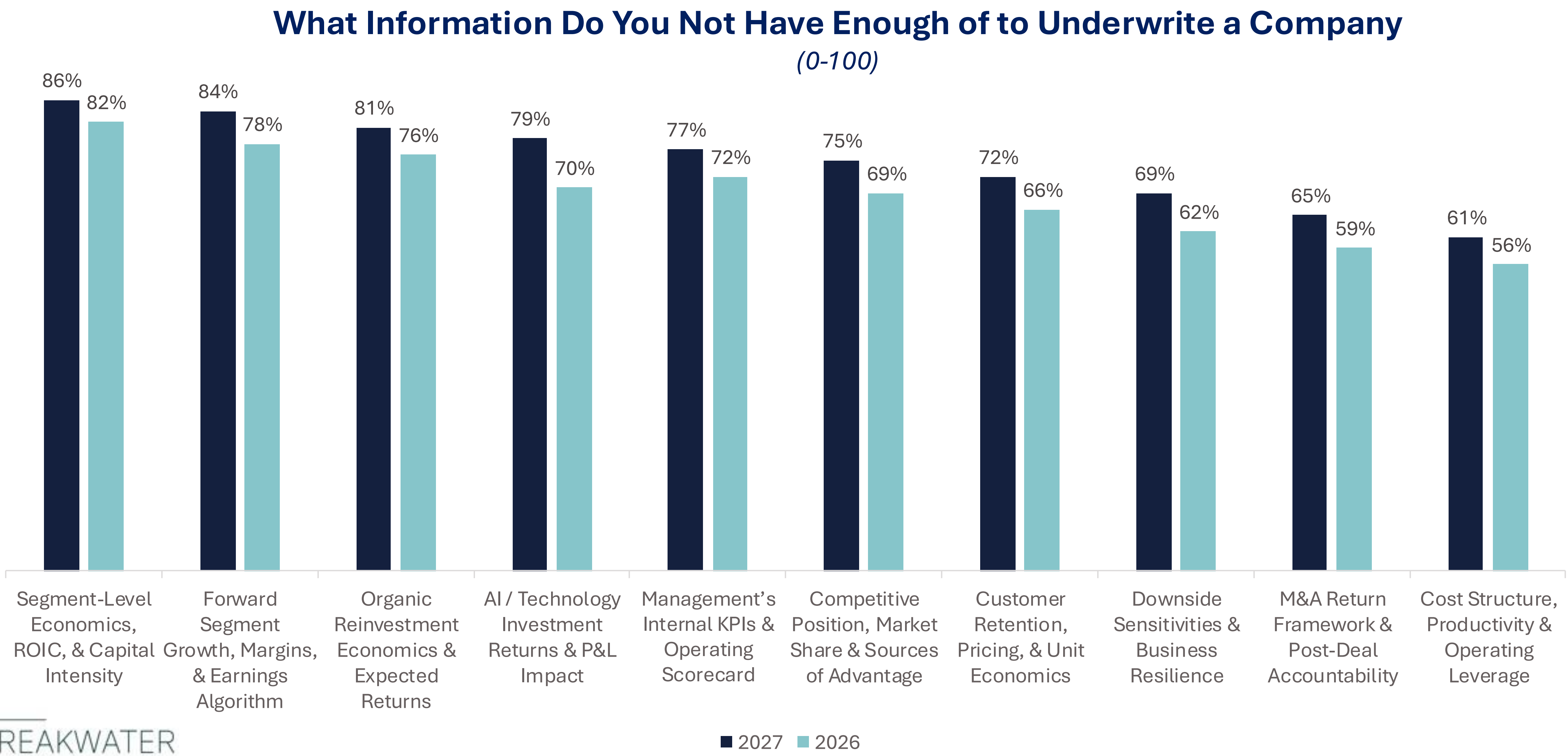
Investors lack the economic detail needed to underwrite value creation



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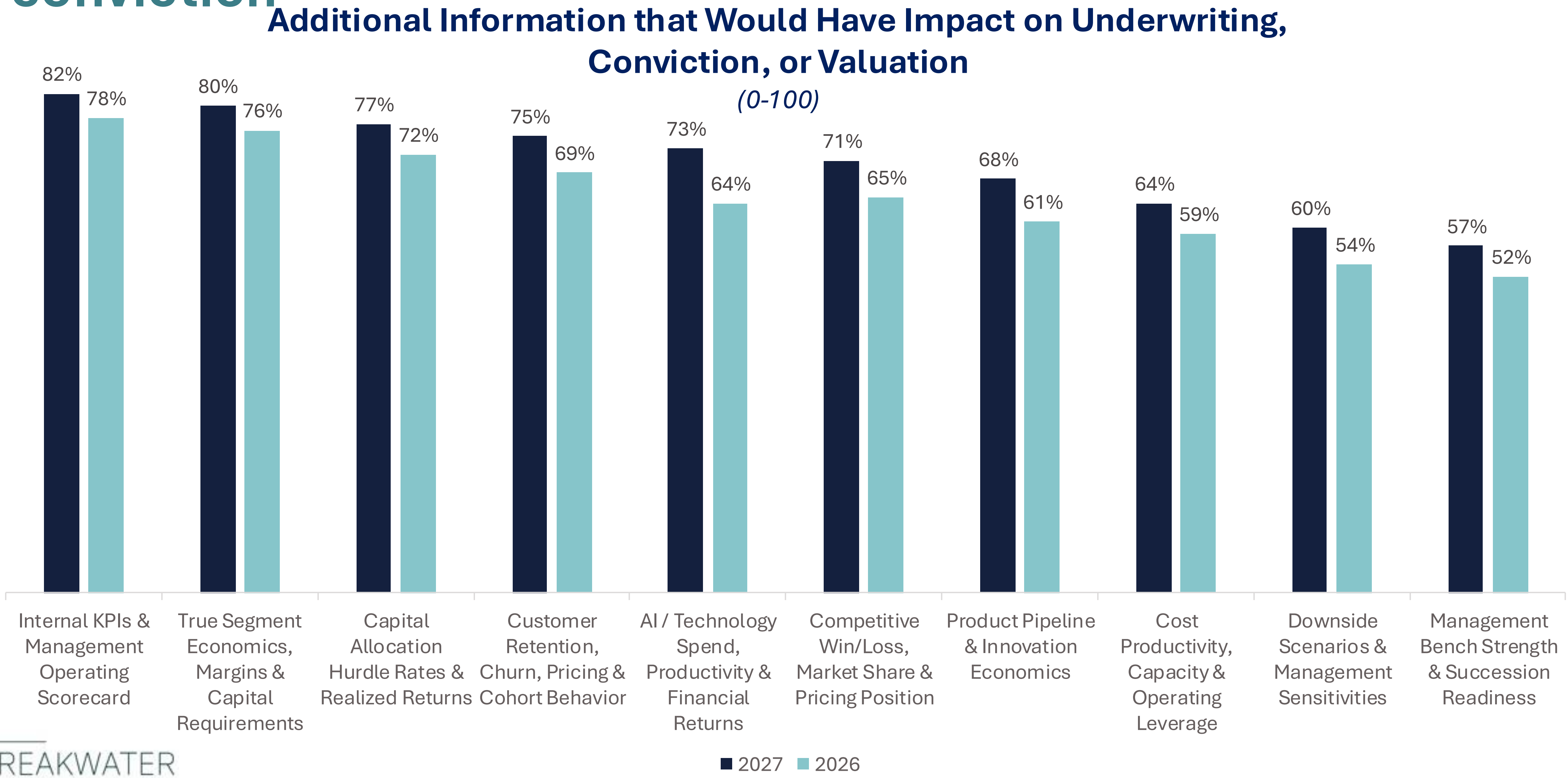
Additional operating evidence would most change investor conviction



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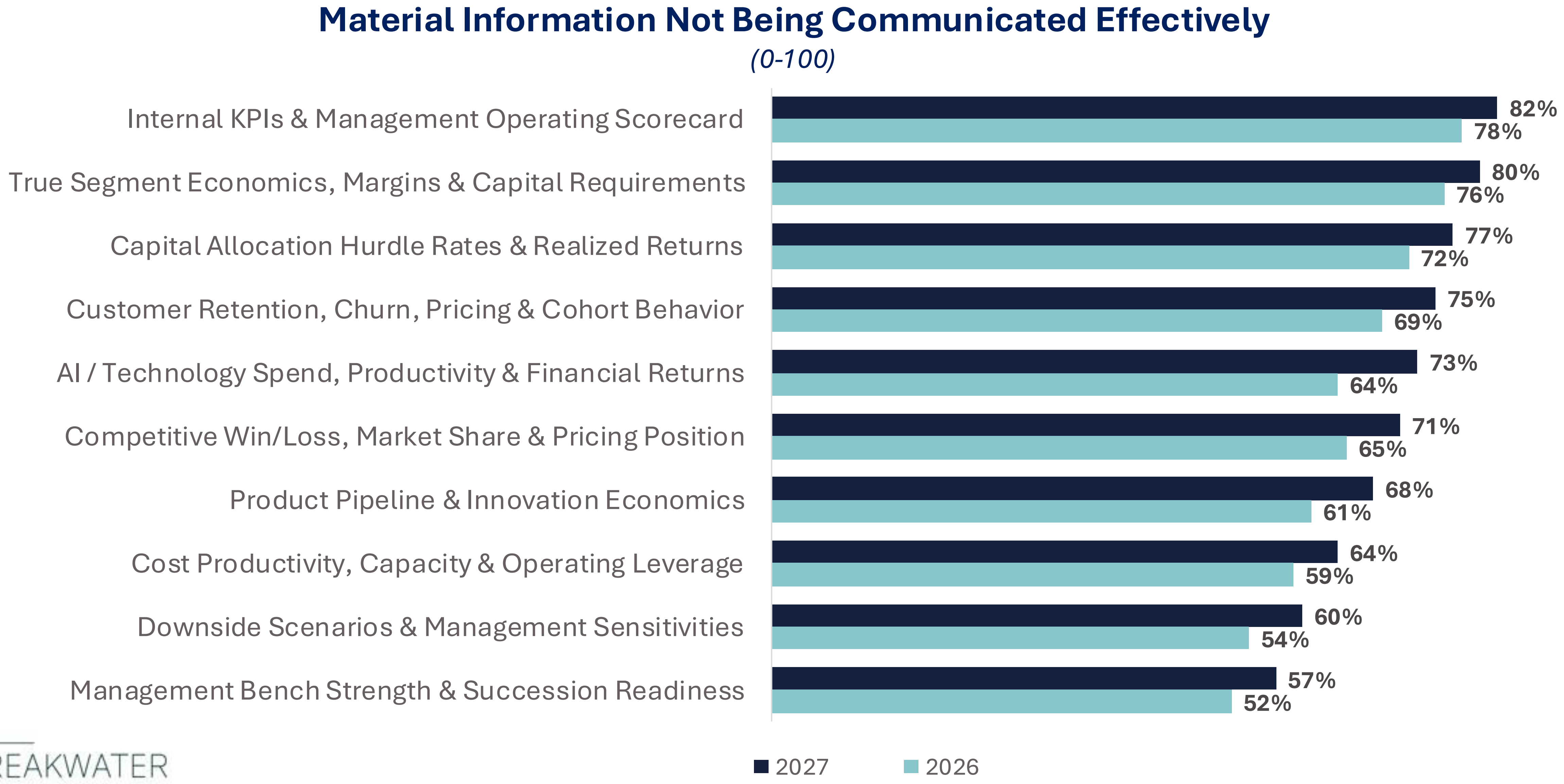
Source: Breakwater Capital Markets proprietary analysis, 2026.

Management-owned information is not translating into market understanding



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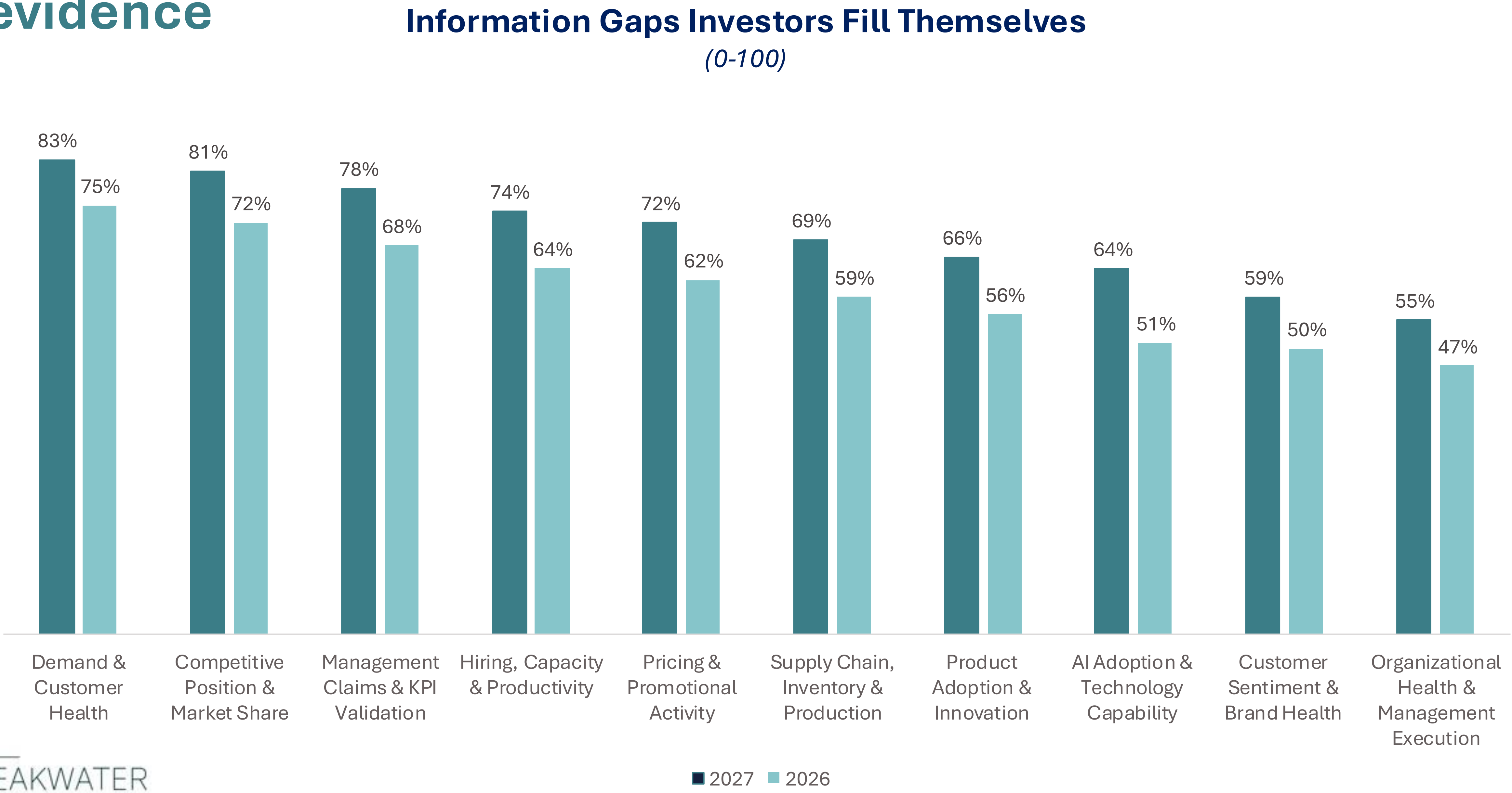
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors are reconstructing the missing thesis with external evidence



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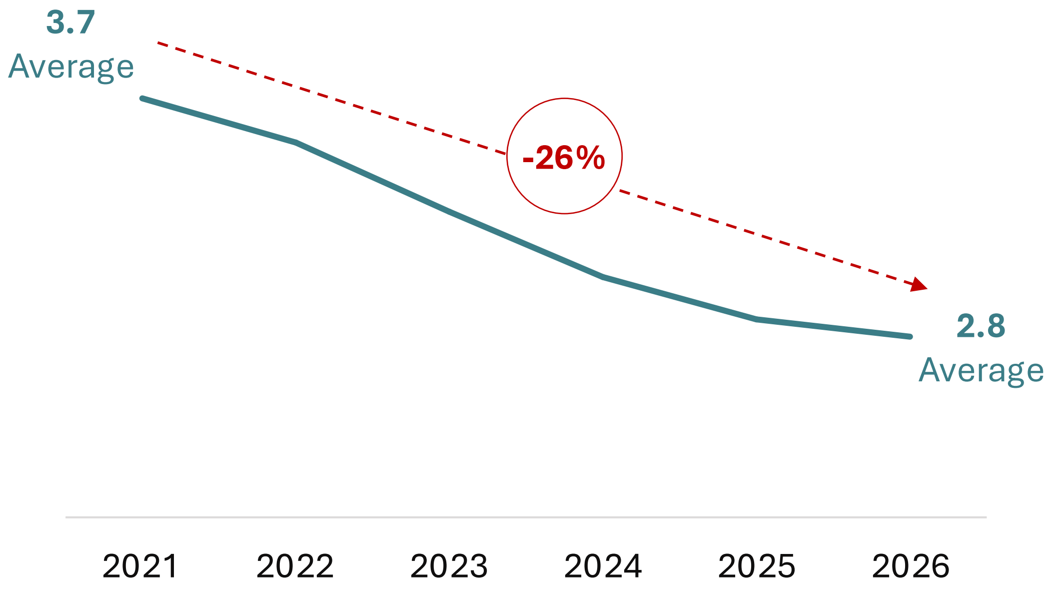
Source: Breakwater Capital Markets proprietary analysis, 2026.

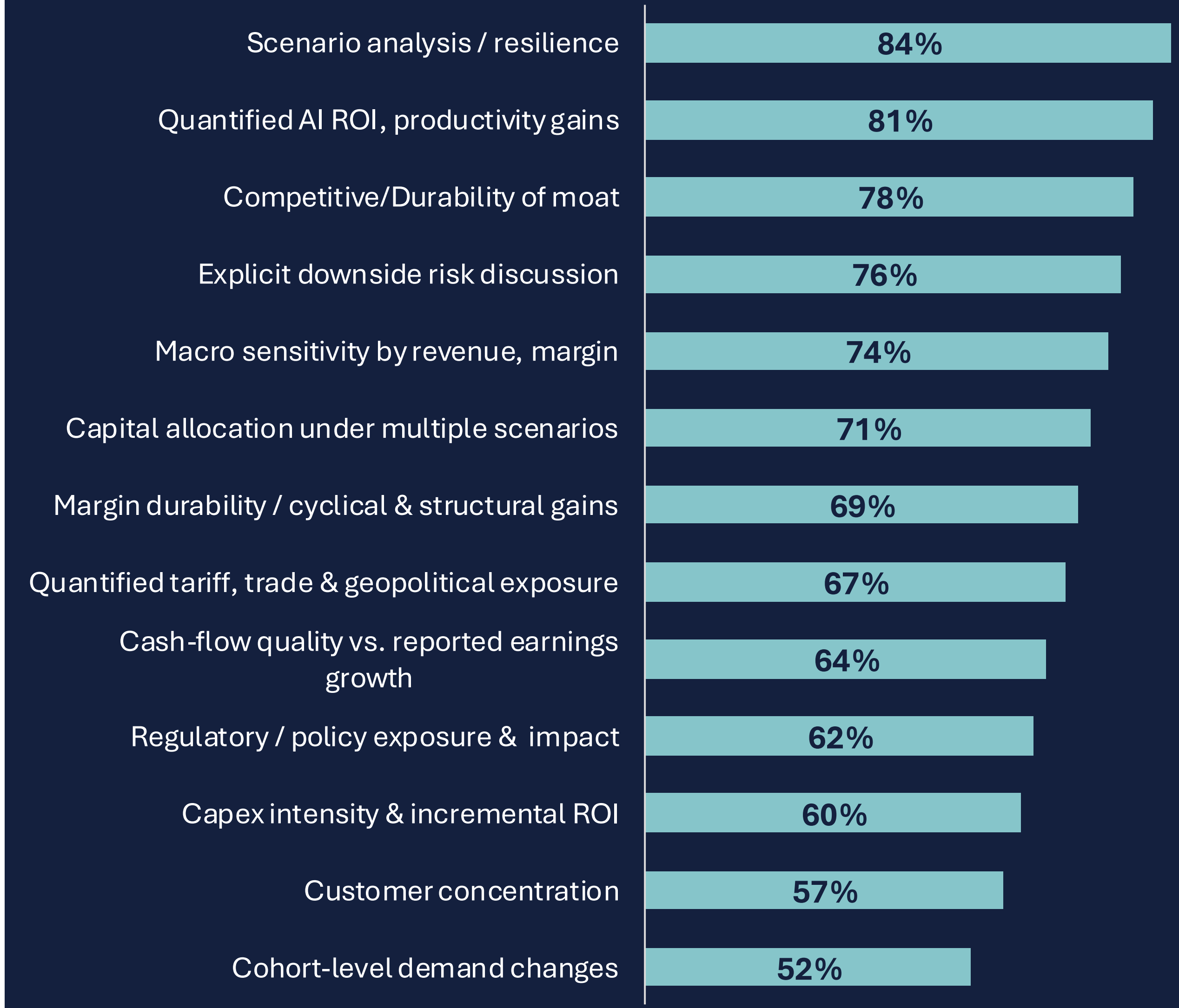
Why Legacy IR Approach Are Not Closing the Underwriting Gap

Earnings calls are losing value because they miss thesis-critical proof

Investor Satisfaction with Earnings Calls



What's Missing



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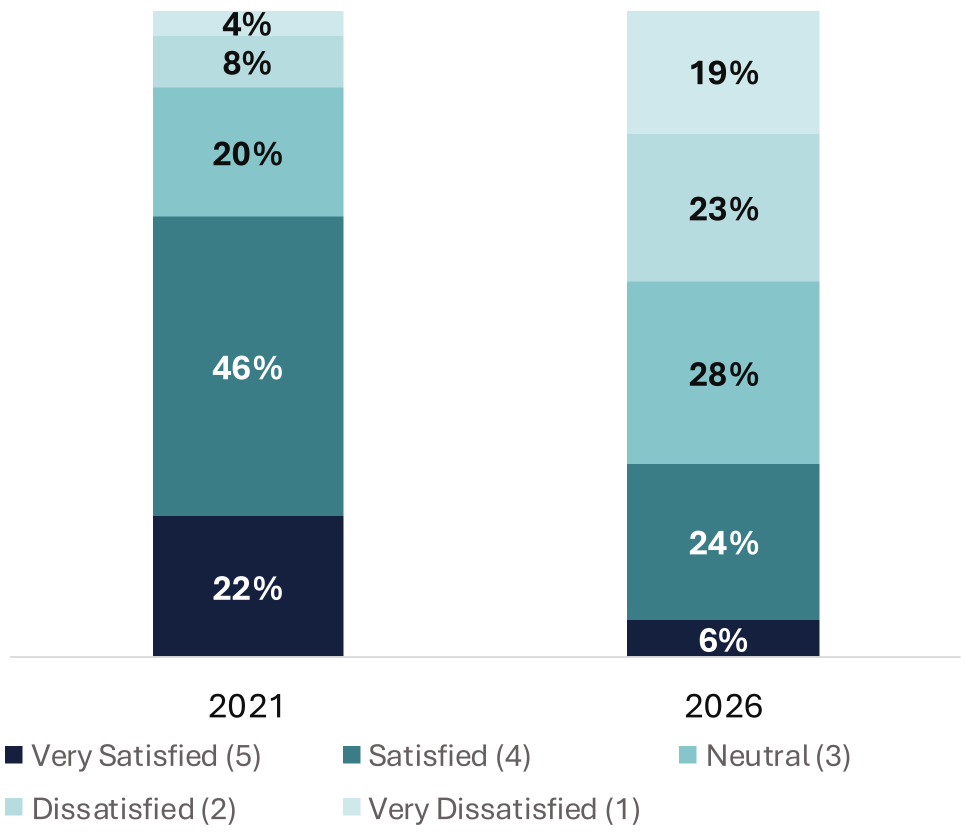
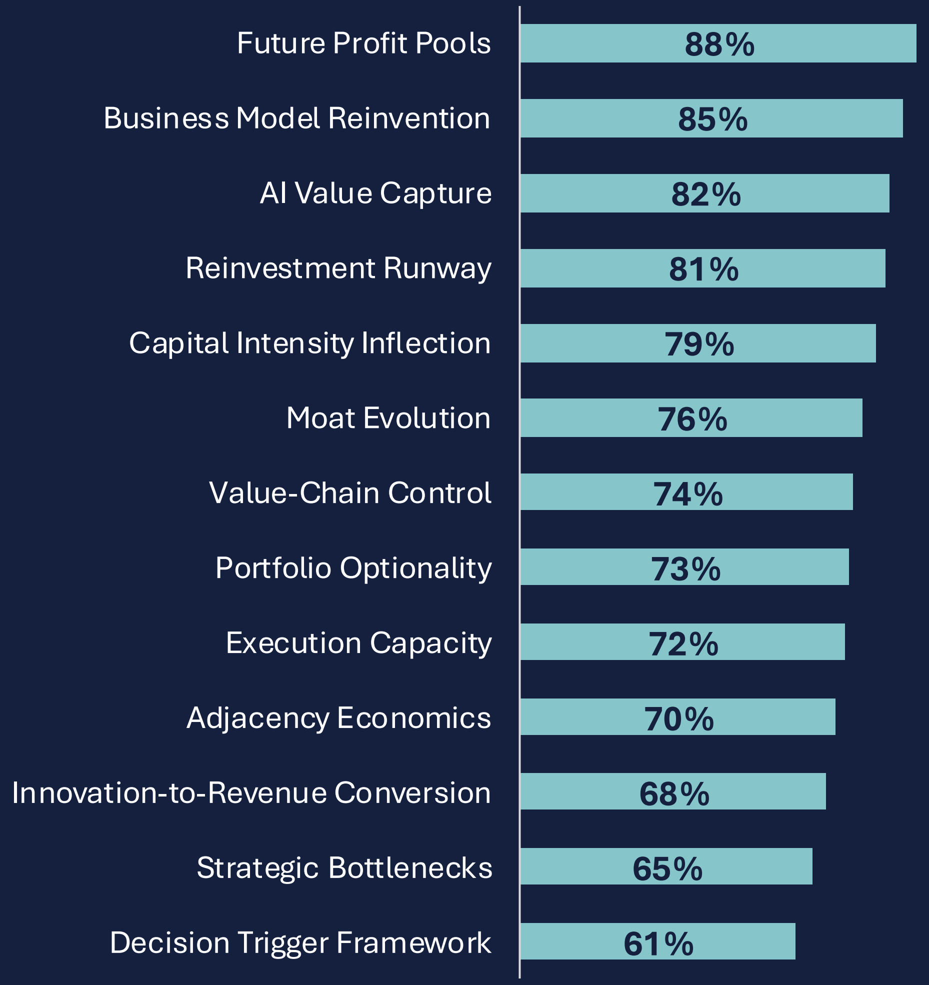
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investor days underperform when they explain strategy but not underwriting

Investor Satisfaction Investor Days



What's Missing



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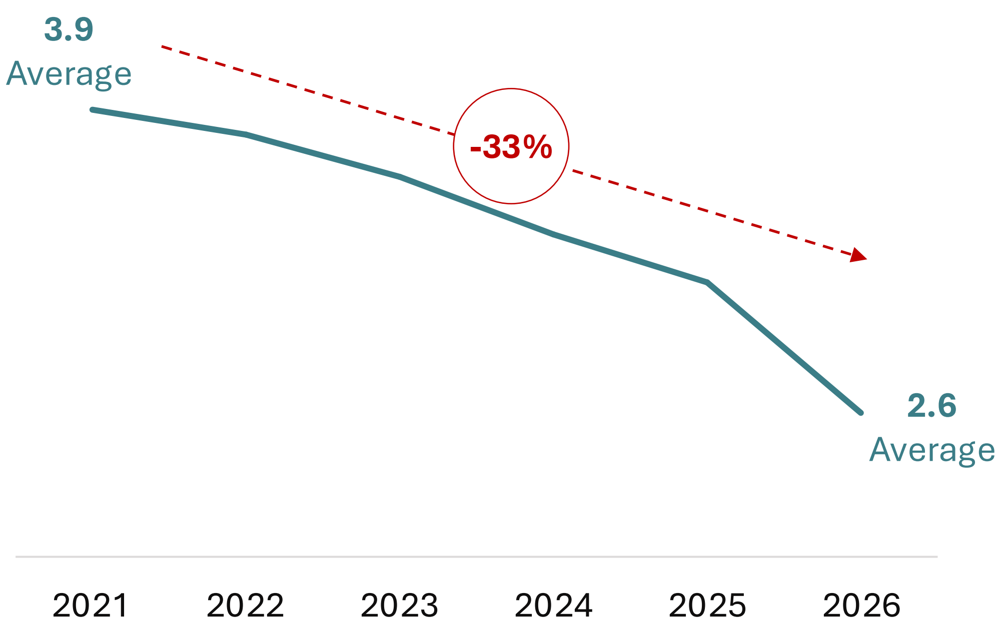
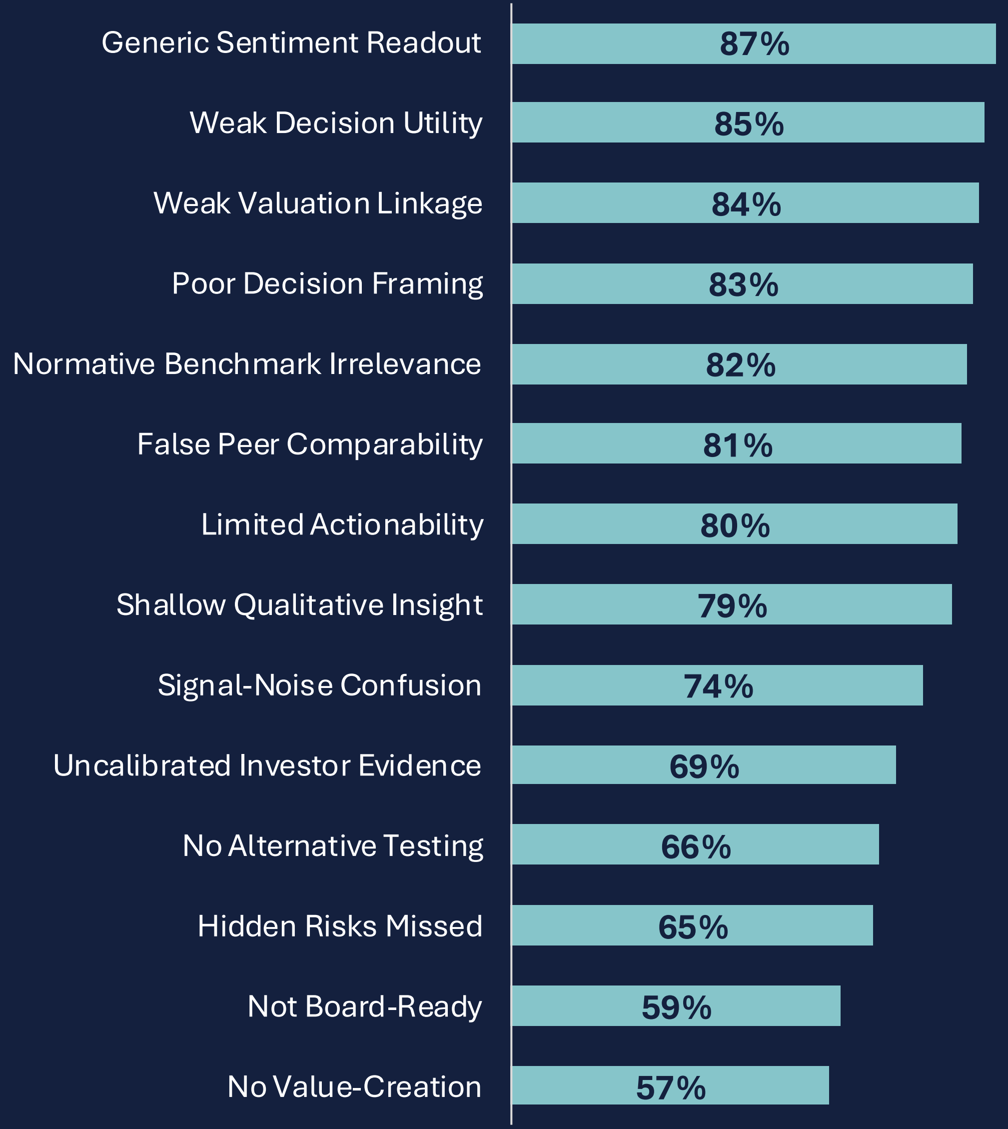
Legacy perception studies are falling short of management decision needs

Management Satisfaction with Legacy Perception Studies



Top Management Concerns



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Source: Breakwater Capital Markets proprietary analysis, 2026.

The New Investor Underwriting Model Is Being Rebuilt Around Adaptability and Evidence

New operating variables are becoming explicit valuation inputs

Sovereignty fragmentation

Revenue, supply chains, data, and AI controls fragment by jurisdiction.

Machine-speed capital

AI systems interpret disclosures and price deltas before humans finish reading.

Trust compression

Deepfakes, misinformation, and provenance gaps create valuation discounts.

Capital-duration split

Private credit, passive flows, quant funds, and retail networks demand different proof.

Physical-system fragility

Climate, water, grid, logistics, and insurance constraints enter operating models.

AI labor re-architecture

Productivity, skills, operating leverage, and job displacement become investable variables.

Cyber-physical risk

Cyber is no longer IT risk; it is revenue continuity, customer trust, and cost of capital.

Disclosure interoperability

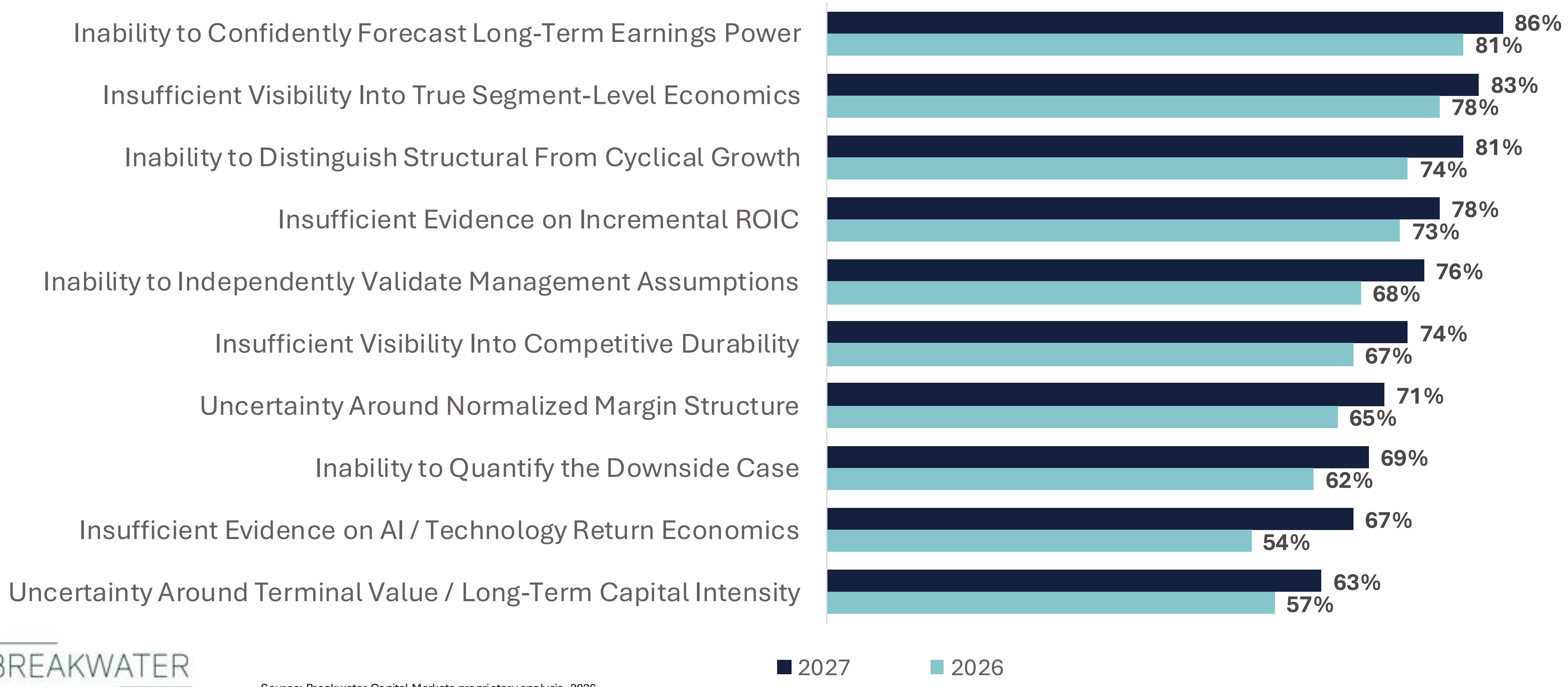
Human-readable reporting is insufficient; information must be machine-verifiable.

Optionality competition

Investors price the capacity to pivot faster than the forecast itself.

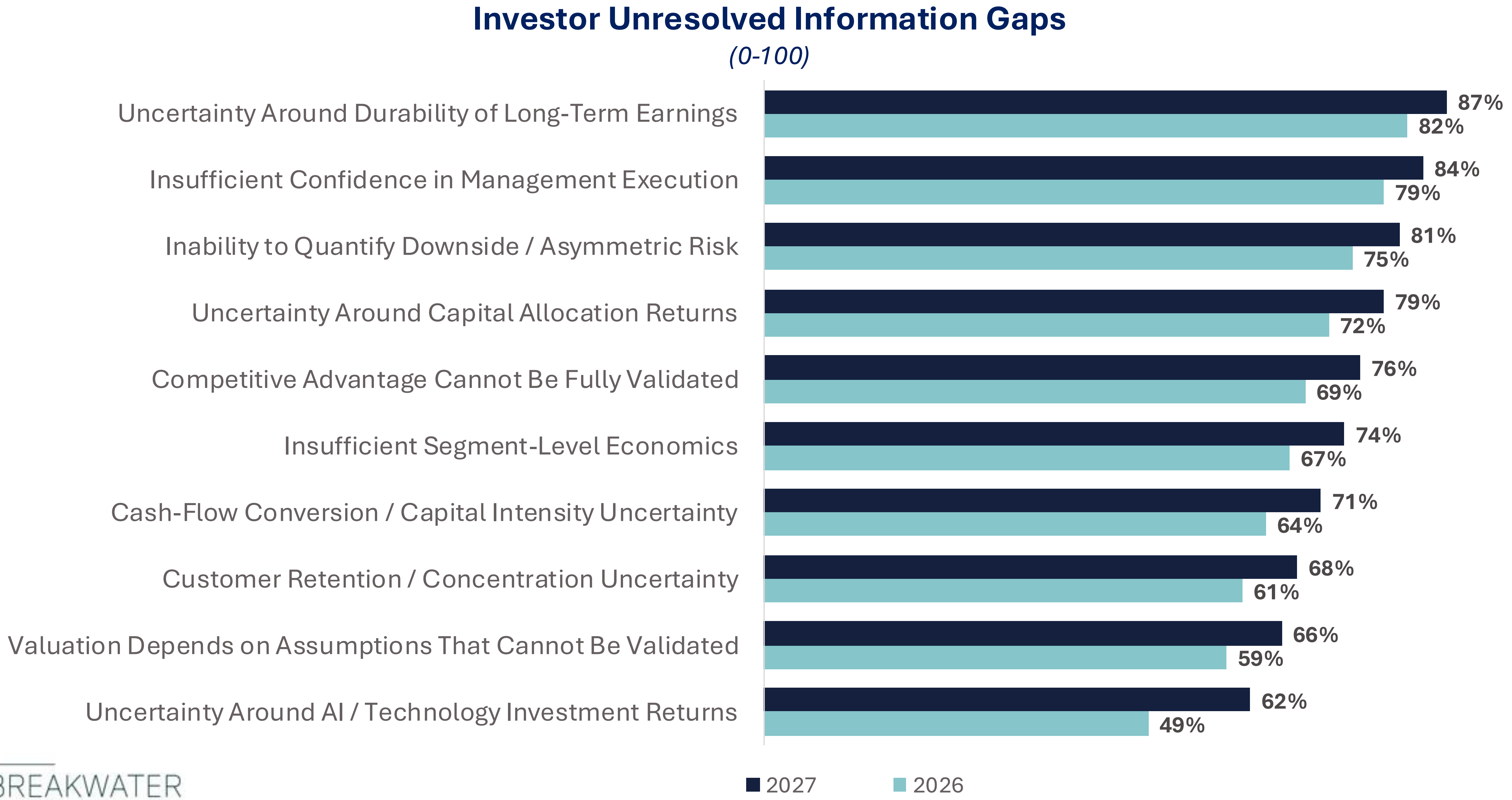
Underwriting friction is highest where long-term economics are least provable

Where Insufficient Information Prevents Investors from Reaching Full Conviction in the Company *(0-100)*



Source: Breakwater Capital Markets proprietary analysis, 2026.

Conviction Leakage is driven by unresolved gaps



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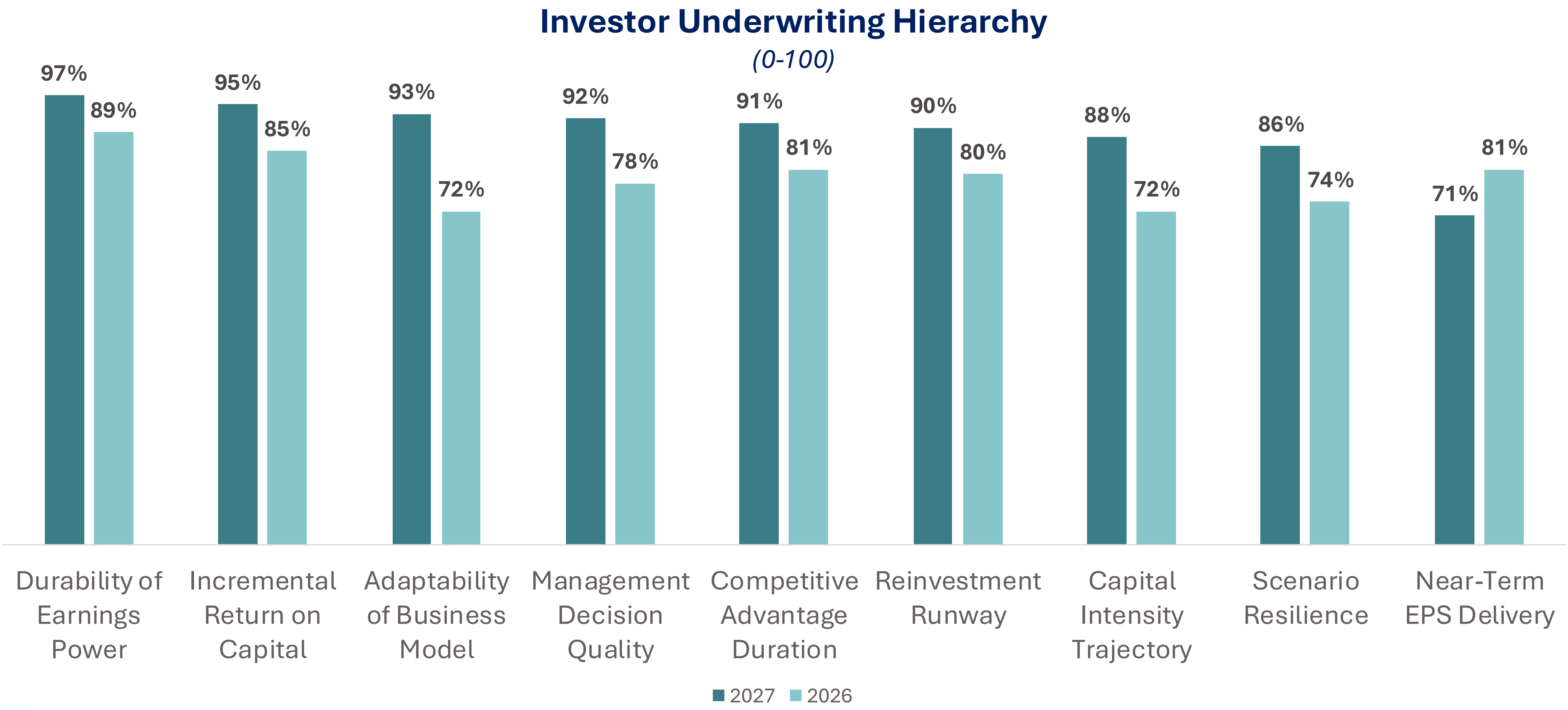
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors are shifting from EPS delivery to adaptable value creation



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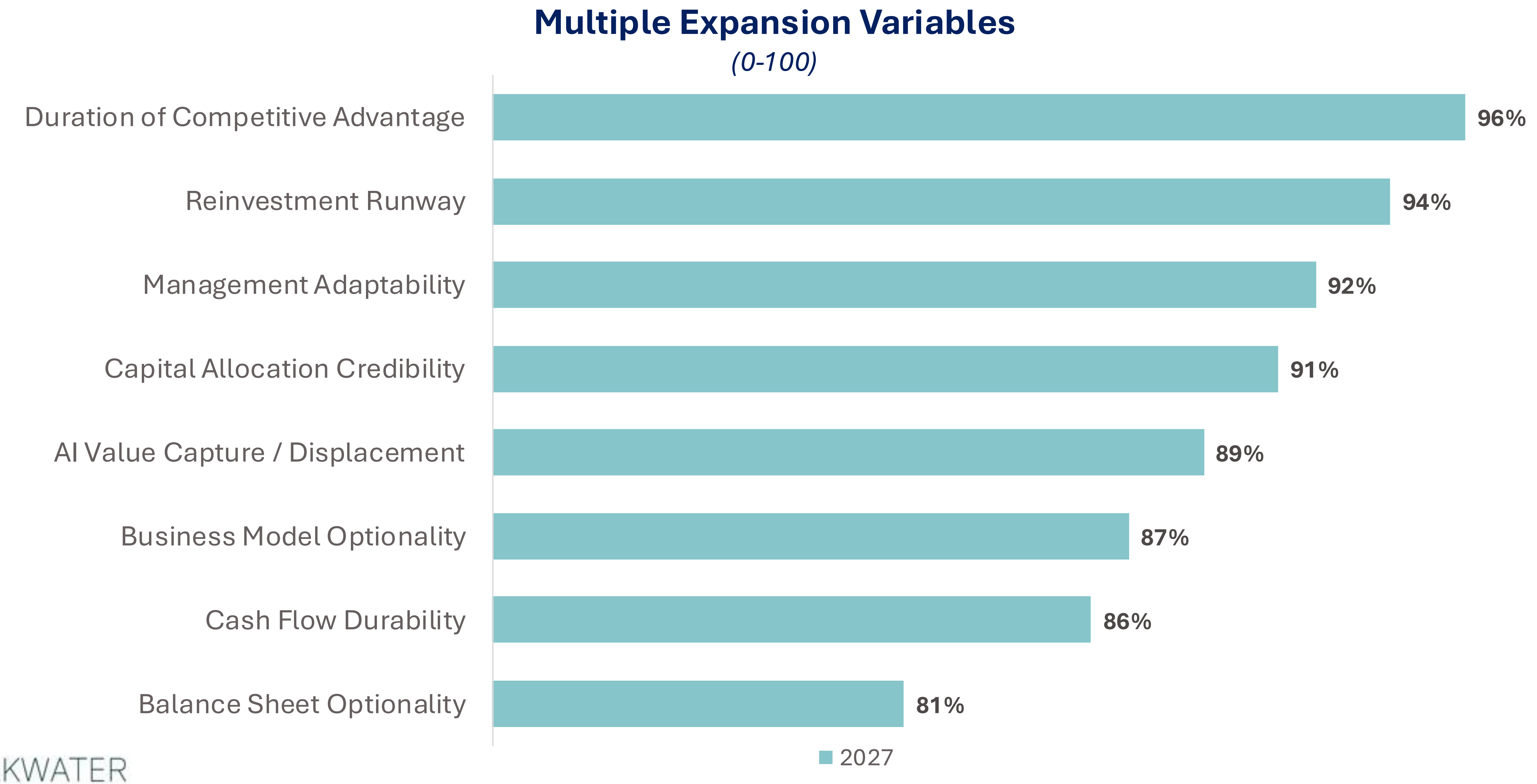
Source: Breakwater Capital Markets proprietary analysis, 2026.

The multiple increasingly prices duration, adaptability, and optionality



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Source: Breakwater Capital Markets proprietary analysis, 2026.

Investor materials must populate a more granular, scenario-weighted model

Old-Style Model

Single revenue CAGR

Long-term margin target

CapEx as % of sales

Simple WACC

Peer multiple check

Single base case valuation

2027 Model

Revenue by region / end market / pricing power

Gross to operation margin bridge and pass through

Reinvestment by strategic program and excepted return

Country risk, debt maturity, beta, and scenario risk

Multiple decomposed into growth, ROIC, FCF, and risk

Bear/base/bull probability-weighted value range

Build an investor materials inventory around the cells investors now need to populate.
Fill evidence gaps before the market fills them conservatively.

New Risks Must be Translated Into Valuation Inputs

Geopolitics now requires company-specific valuation assumptions

Investors increasingly model geopolitical exposure explicitly: revenue by region, margin sensitivity to tariffs, supply-chain redundancy, cash trapped by jurisdiction, tax regime risk, and country-risk premiums.

How it Enters the Model

Revenue

Regional growth / market access assumptions

Margins

Tariffs, localization, duplicate capacity

CapEx / WC

Country risk and sanctions exposure

Risk Premium Terminal Value

Duration of addressable global opportunity

2026

Risk repricing from tariffs, fragmentation, conflict

Higher

Discount rate dispersion by country and supply chain

Lower

Confidence in global TAM unless exposure is transparent

Disclose exposure with enough granularity to let investors replace broad geopolitical haircuts with company-specific assumptions.

Trust architecture is becoming a capital-markets asset

Enterprise risk is moving from "keep attackers out" to "know what is real, trusted, and authorized."

Attack Surface Expands

AI agents, connected factories, vendors, and shadow tools add new identity and data pathways

Fraud Scales Faster

Synthetic voices, documents, accounts, and messages make verification a business process, not just an IT control

Information Markets Degrade

Misinformation and deepfakes can affect brand, investor confidence, and executive credibility

Regulation Follows

Boards must show governance over AI, cyber, data privacy ,and control design

Trust architecture is now part of market confidence.
Prepare protocols for cyber, AI, fraud, and synthetic-information events.

Capital allocation must optimize across returns, control, and resilience

	Lower financial return	Higher financial return
Higher strategic control	**Protect / Incubate** Data sovereignty	**Scale Advantaged Bets** AI platform
Lower strategic control	**Exit / Reduce Exposure** Single region capacity	**Partner / Hedge** Critical minerals

Investor Questions to Pre-Answer

- Why this use of capital?
- What risk is reduced?
- What return is delayed?
- What metric proves progress?
- What would trigger a change?
- What disclosure matters?

Growth is worth more when it converts to durable free cash flow

Same Growth, Different Value

10% Revenue CAGR	10% Revenue CAGR
High FCF Conversion **Low reinvestment** **ROIC > WACC**	**Low FCF Conversion** **High reinvestment** **ROIC ≈ WACC**
PREMIUM MULTIPLE	LOWER MULTIPLE

Investor Questions Shift From TAM to Reinvestment Runway

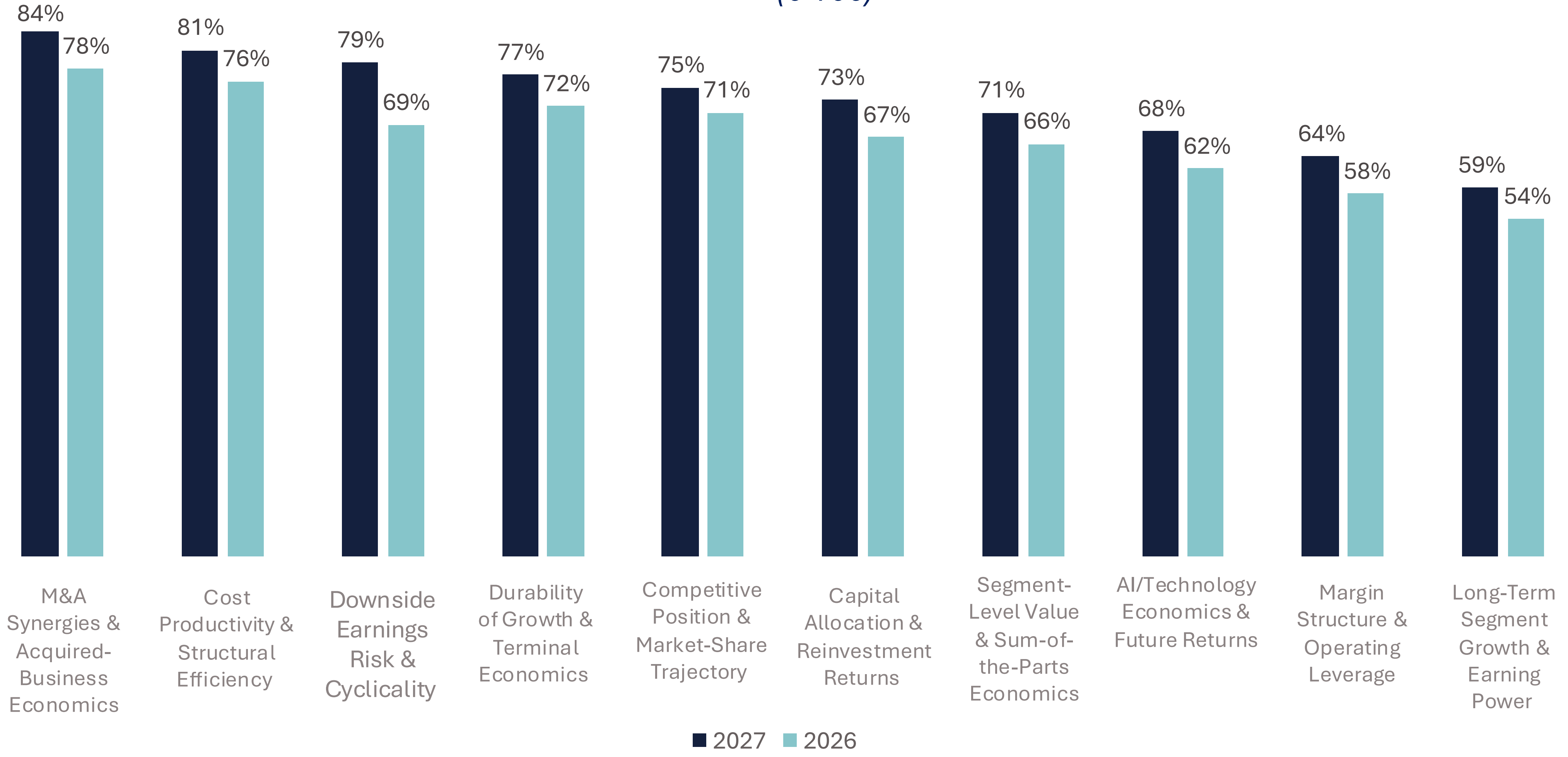
- **What CapEx and working capital are required to grow?**
- **Are returns on new investment above WACC?**
- **How much growth becomes FCF within 3 to 5 years?**
- **Is AI / energy / regional CapEx defensive or growth-enabling?**

Conviction and Capital Move When New Evidence Changes The Underwriting

Consensus is most vulnerable where segment economics and AI returns are opaque

Where the Consensus is Most Likely to be Wrong About the Company

(0-100)



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Source: Breakwater Capital Markets proprietary analysis, 2026.

Credibility rises with delivery, candor, consistency, and ROIC accountability

Company Disclosures or Behaviors Most that Increase or Destroy Management Credibility

(0-100)

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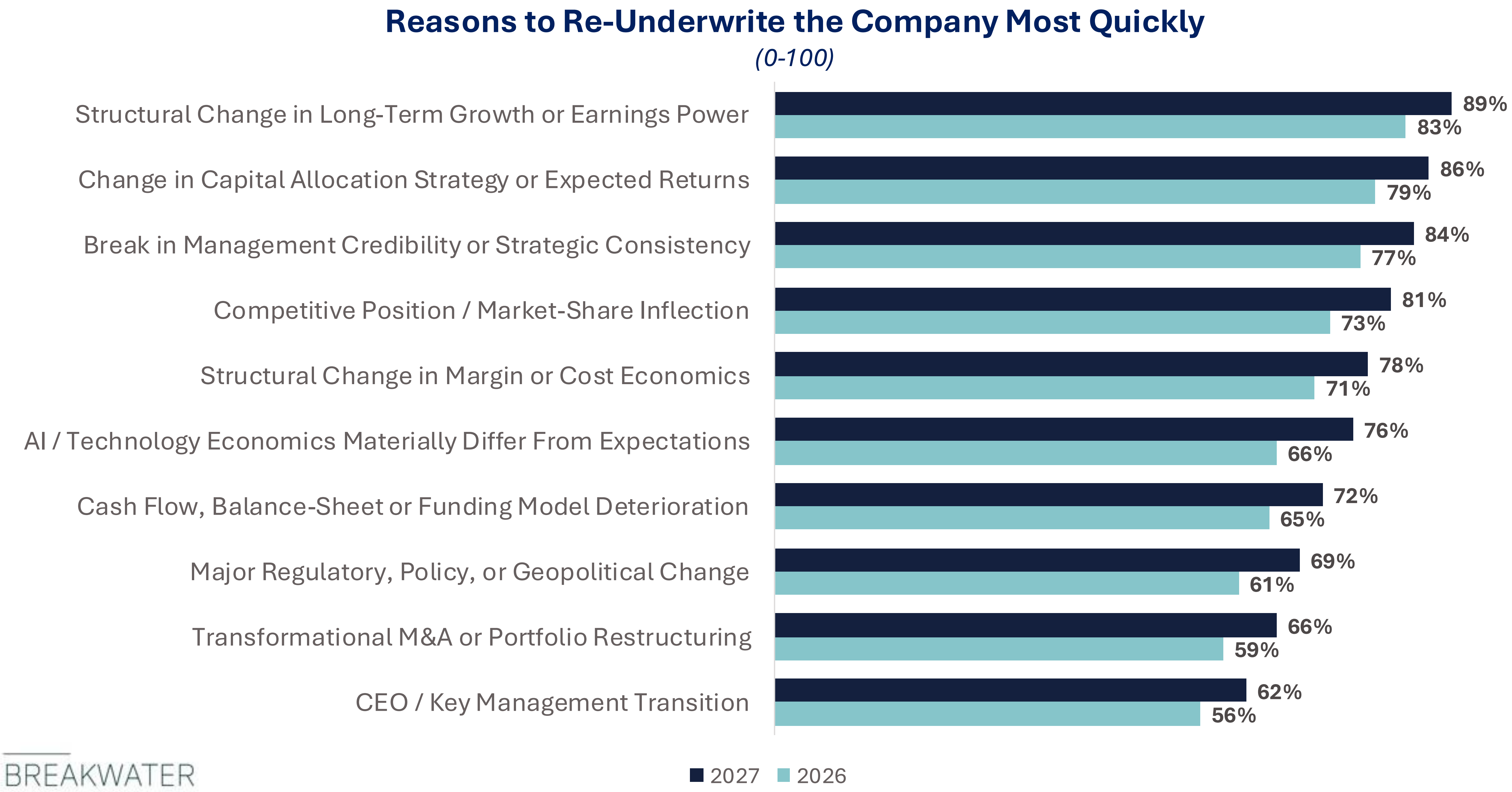
Source: Breakwater Capital Markets proprietary analysis, 2026.

Re-underwriting accelerates when the thesis changes



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Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors increase position size when earnings power and ROIC become more provable

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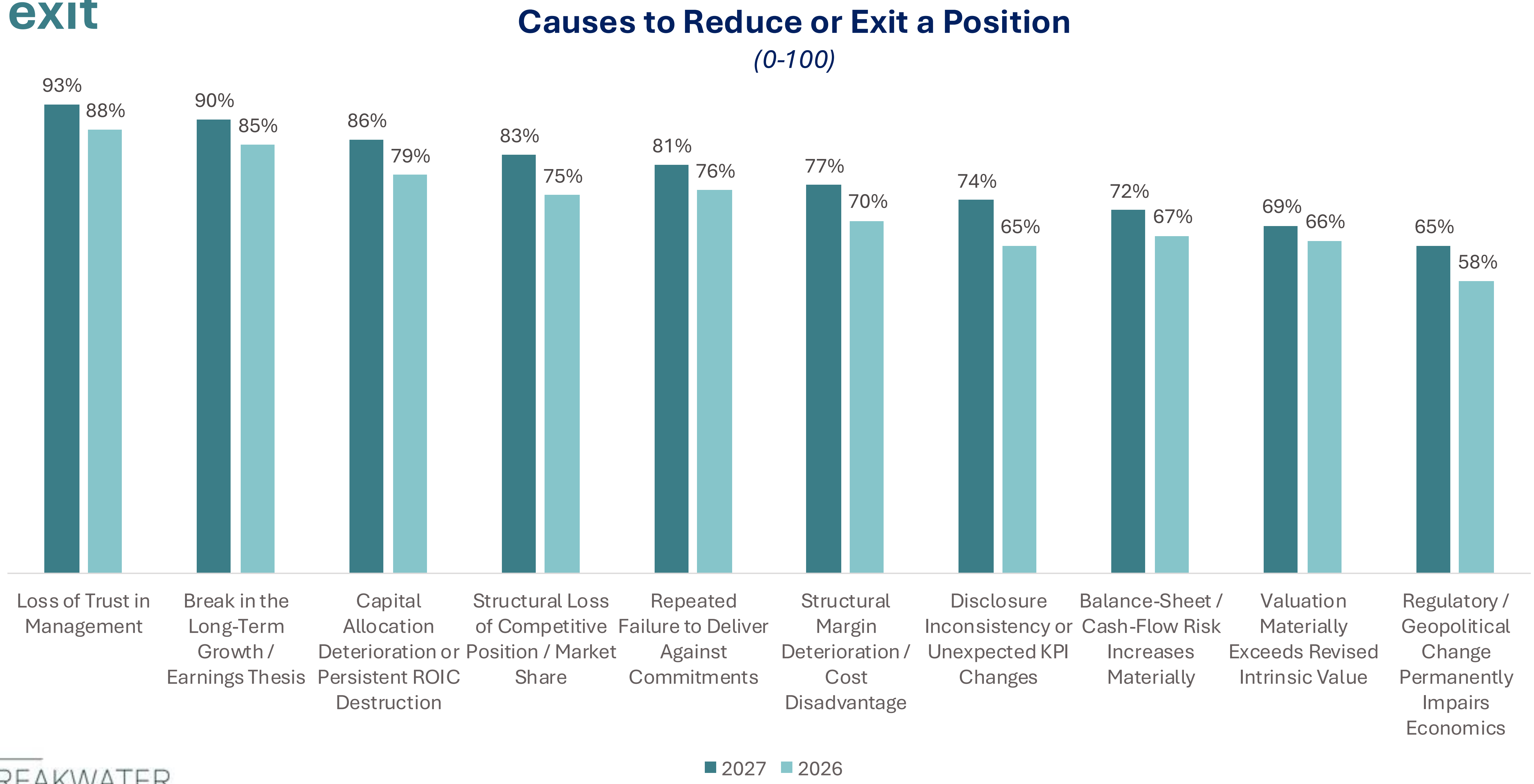
Source: Breakwater Capital Markets proprietary analysis, 2026.

Trust loss and thesis breaks are the fastest paths to position exit



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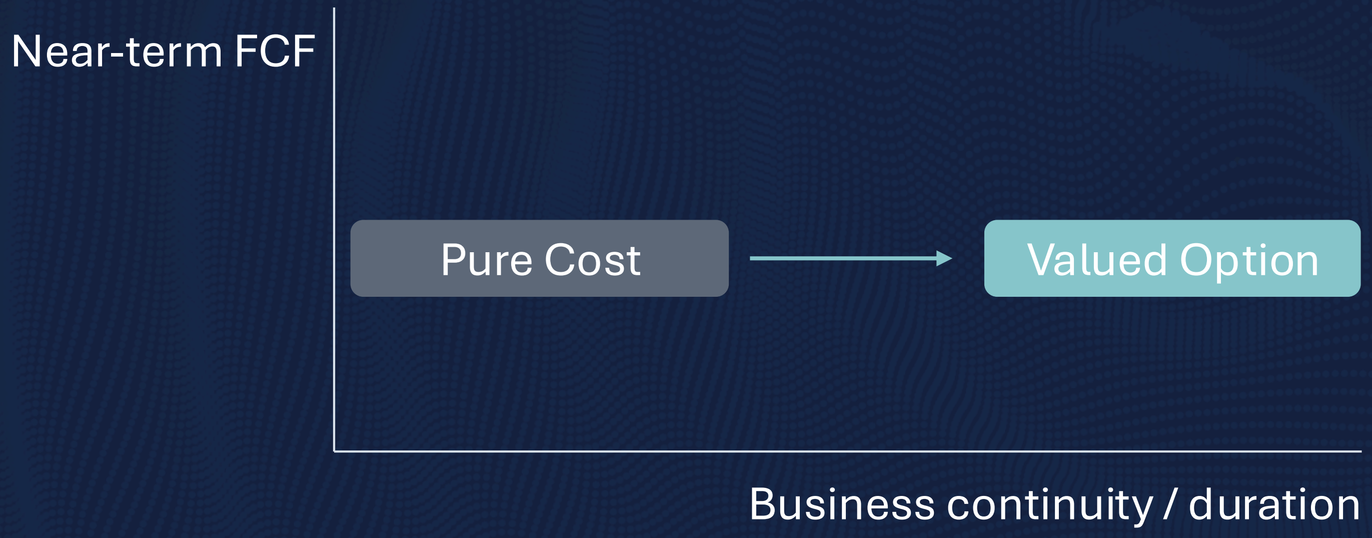
Source: Breakwater Capital Markets proprietary analysis, 2026.

Investors Now Price Uncertainty Through Resilience, AI Proof, and Scenarios

Resilience spending can create value when it extends cash-flow durability

The operating environment makes redundancy, supplier diversification, and inventory buffers more rational. But investors need to know whether resilience spending is an insurance premium, a permanent drag, or a competitive advantage.



Explain the economics of resilience: cost, duration, payback, and what failure mode the investment removes.

Source: PwC 2026 Global CEO Survey

AI investments must prove financial returns across the maturity curve

AI Maturity Progression

IR Test: Which AI claims can be tied to revenue, cost, risk, or speed KPIs that investors can track?

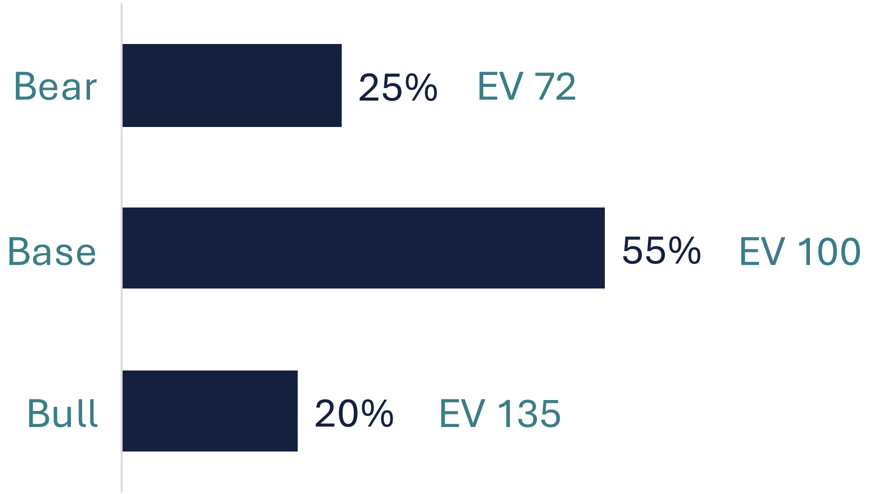
- **Experiments** — Tools & pilots
- **Use Cases** — Function ROI
- **Workflows** — Process redesign
- **Operating Model** — Decision rights & talent
- **Business Model** — Revenue & margin mix

Source: PwC 2026 Global CEO Survey

Probability-weighted valuation is replacing the single base case

Scenario Weighted Value

Weighted EV Index = 100



What changes in the investor model

- Single revenue CAGR → case by case paths
- Average margin → decremental margin in bear case
- Headline leverage → liquidity under stress
- Long-term target → trigger metrics and response playbook
- Point estimate → probability weighted value range

IR Operating Model Must Continue to Evolve

More disclosure is not enough; companies must become easier to underwrite

1

Relevant

2

Comparable

3

Model Ready

4

Evidence Backed

5

Refreshable

Reporting cadence no longer controls how the market interprets the company

CONTINUOUS INTERPRETATION SYSTEM

1 **Always-on signals**
Company is interpreted in continuously interpreted in real-time

2 **Institutional decision systems**
AI-assisted research and risk workflows mediate judgment

3 **AI-augmented retail**
Networks amplify simplified narratives at scale for retail

4 **Scenario-driven valuation**
More futures tested faster across more variables & quantum

5 **Machine-readable disclosure**
Filings have model infrastructure

6 **External complexity**
Policy, geopolitics, cyber, and trust shape economics

7 **Fragmented capital clocks**
Investors operate on materially different horizons

Interpretation gaps become valuation damage when markets debate the wrong variables

How the Interpretation Gap converts into value leakage

1
Signal distortion
- Inconsistent KPI definitions
- Narrative-data misalignment
- Channel fragmentation

2
Model divergence
- Investors, analysts, and AI systems
- Rebuild different value-driver maps

3
Debate on wrong variables
- Business-model misclassification
- Scenario gaps, and risk misframing

4
Market symptoms
- Higher estimate dispersion
- Revision disorder and volatility

5
Value consequences
- Multiple instability
- Weaker guidance credibility
- Higher cost of disbelief

Expected improvement when interpretation integrity rises
- Lower unexplained post-earnings volatility
- Lower analyst estimate dispersion
- Less estimate revision disorder
- Greater multiple stability after major disclosures
- Higher investor confidence in long-term guidance

The resilient IR model integrates data, narrative, channels, intelligence, and governance

DATA

What machines parse

Structured metrics
Stable definitions
Model usability

NARRATIVE

What humans believe

Value-driver clarity
Evidence quality
Capital allocation proof

CHANNEL

Where meaning fragments

Filings, calls, decks
AI summaries
Retail platforms, Digital, Social, and LLMs

INTELLIGENCE

How divergence is detected

Belief mapping
Analyst dispersion
Alternative-data contradictions

GOVERNANCE

Who has authority to act

Ownership
Escalation protocols
Board review

BREAKWATER

Ten Actions for the Adaptive IRO

The 2027 IR Value Equation

1. Enterprise economics understood internally

– economics investors can confidently reconstruct externally
= Underwriting Gap

2. Underwriting Gap × Decision Materiality = Conviction Leakage

3. Conviction Leakage → position-size constraint + valuation uncertainty + higher cost of disbelief

Action 1: Build always-on interpretation capabilities

Score each dimension 0–5; the aggregate becomes the governance index

Value-driver alignment	Do investors identify the same drivers?
Narrative-data coherence	Do strategy, evidence, and capital allocation reinforce each other?
KPI governance	Are metrics stable, comparable, and enterprise-owned?
Channel coherence	Does one strategic truth survive across channels?
Machine interpretability	Can AI and models parse value logic accurately?
Scenario legibility	Can value creation be explained across plausible futures?
Credibility durability	Does trust hold volatility and change?

1 Cannot be reconstructed

3 Partially interpretable

5 Consistently interpretable

Review cadence: review twice yearly and after major strategic, financial or governance events.

Action 2: Create clear decision rights

Decision rights by function

Function	Primary Owner
CFO	Financial systems
General Counsel	Disclosure integrity, Reg FD, risk control
Strategy	Future investment thesis, priorities, milestones
Communications	Communication, message discipline, reputation
Investor Relations	Investor content, communication, and engagement
Data & Technology	Structured data, tagging, systems infrastructure

How the IRO adds value

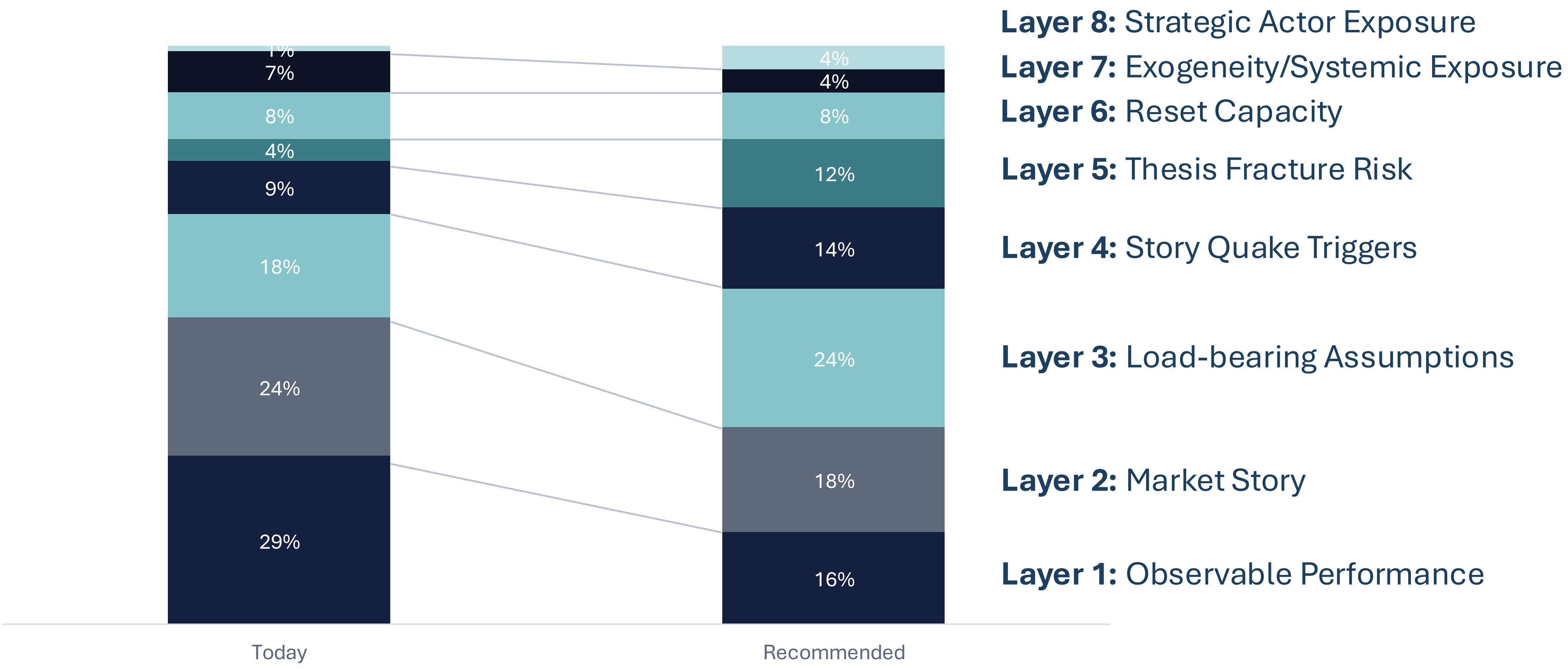
IRO overlay / integration role
Links numbers to the value-driver taxonomy and scenario legibility
Tests interpretability and triggers escalation when distortion is material
Translates strategy into model-usable milestones and evidence
Checks cross-channel coherence and external translation
Converts market feedback into interpretation monitoring and board reporting
Sets requirements for comparable, machine-readable metrics

Action 3: Translate geopolitical and resilience exposure into model-ready revenue, margin, capital, and risk assumptions

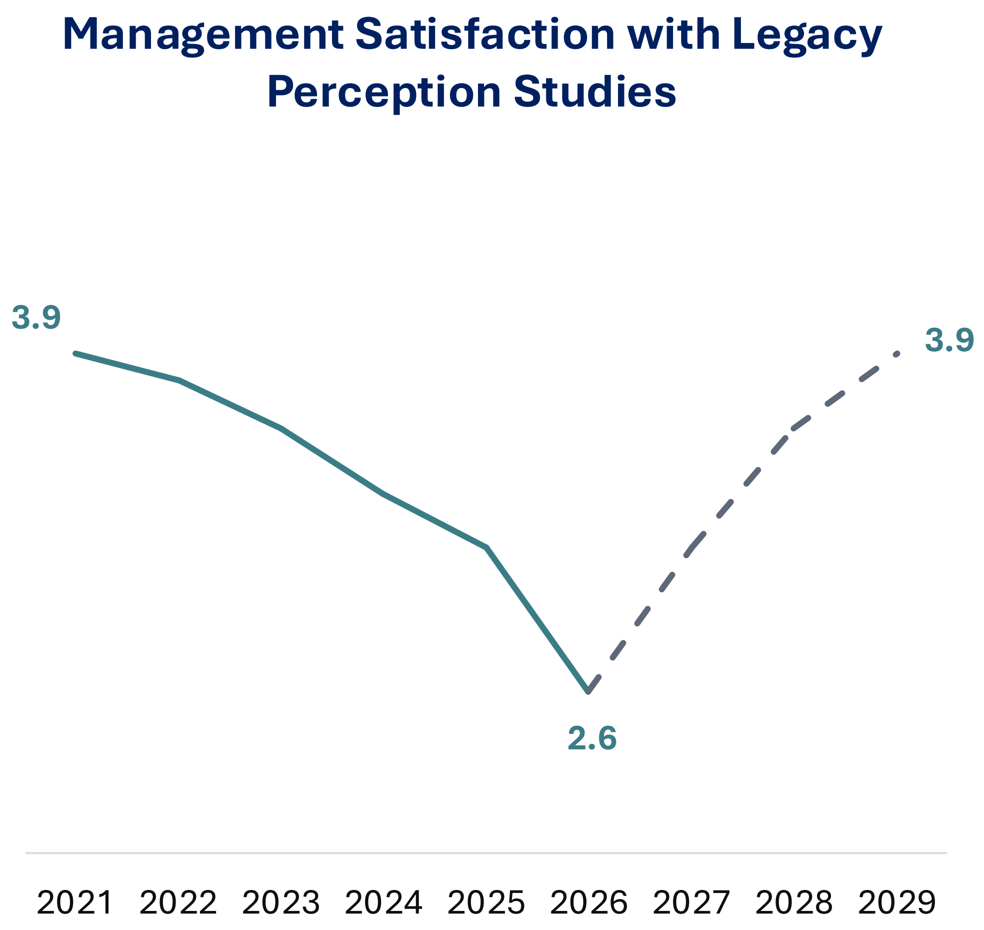
Revenue Access	Margins	Continuity	Capital intensity	Risk Duration
What revenue can be lost?	What can tariffs/localization change?	What disruption is prevented?	What redundancy is required?	What uncertainty does resilience remove?

Enterprise value impact = Δ cash-flow level × Δ cash-flow durability × Δ discount rate × Δ terminal optionality

Action 4: Rebuild the equity narrative around the assumptions investors actually use to underwrite value



Action 5: Fix Perception Studies



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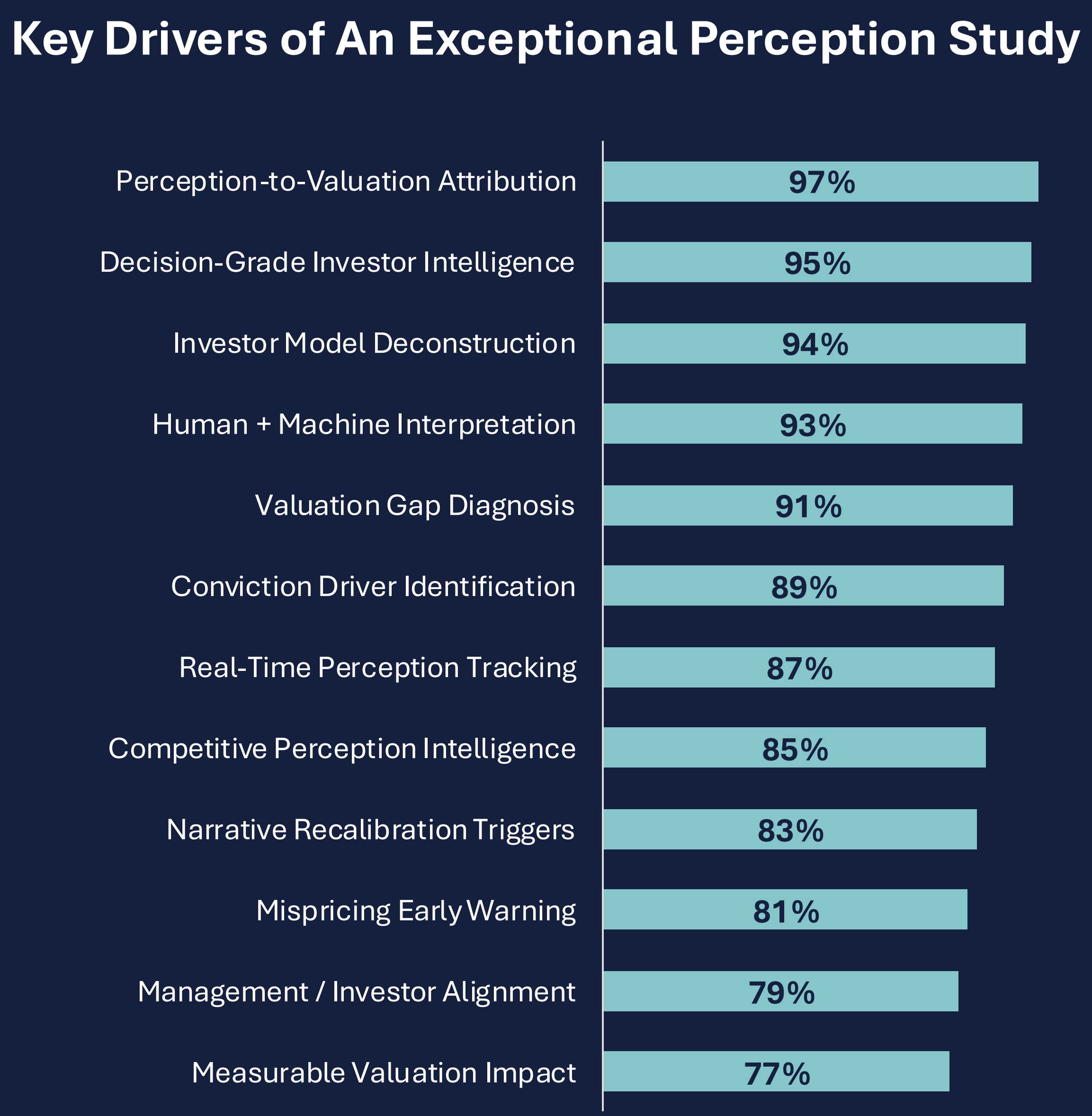
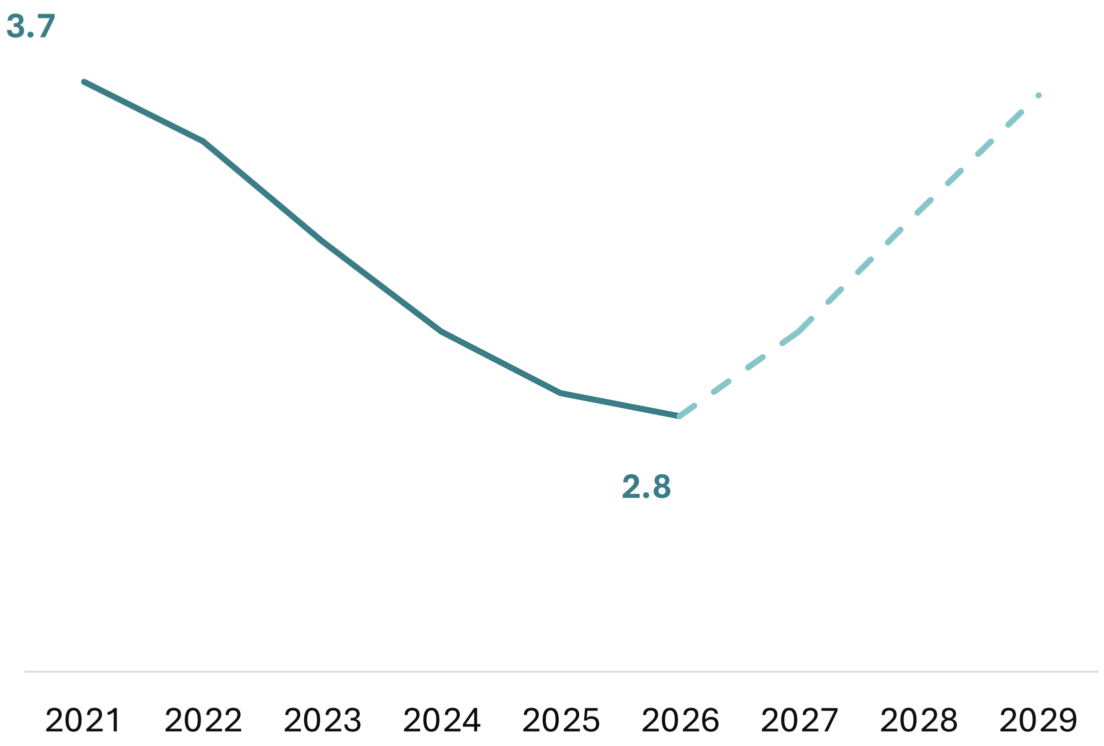
Source: Breakwater Capital Markets proprietary analysis, 2026.

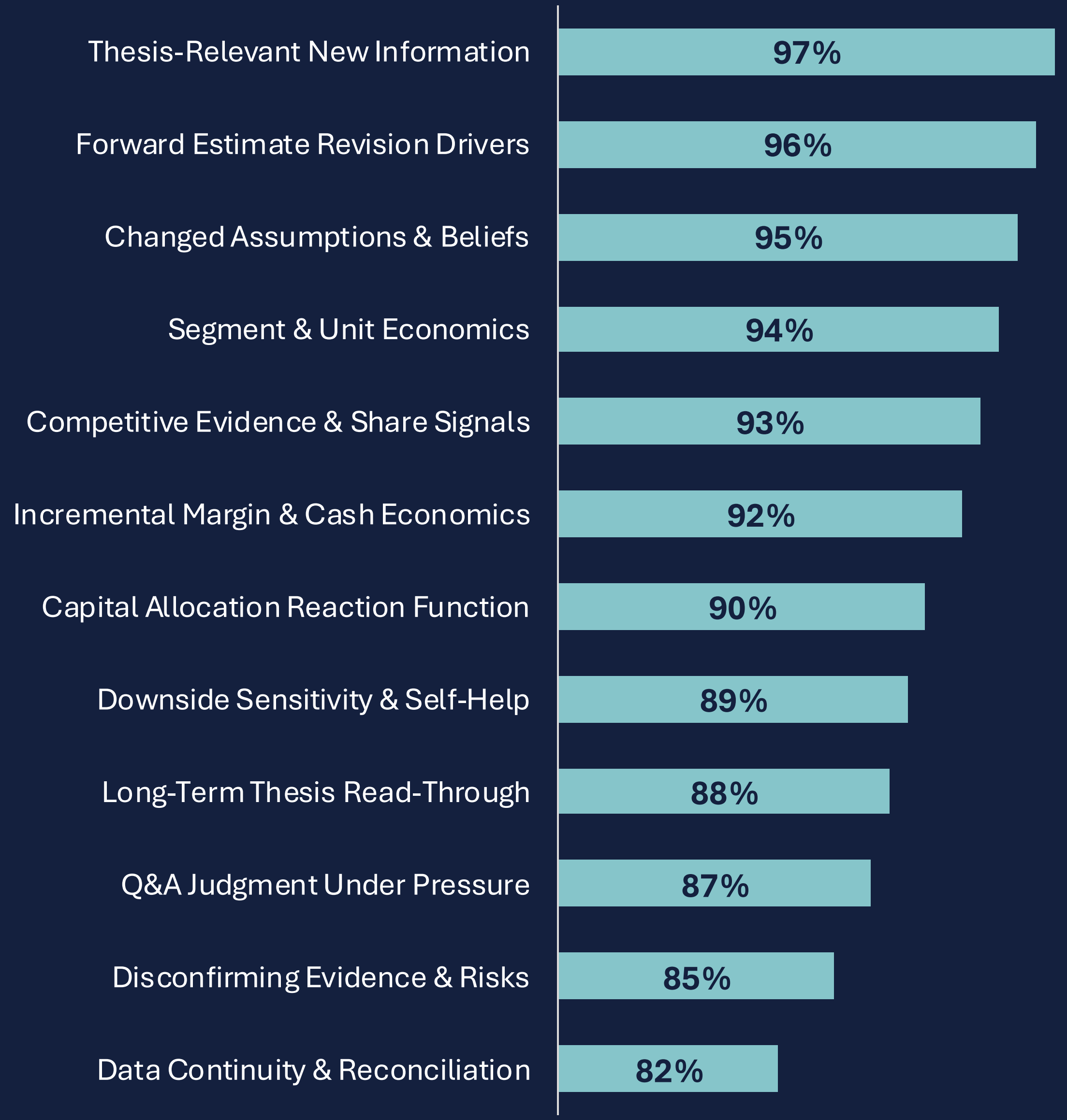


Action 6: Rewire earnings calls

Investor Satisfaction with Earnings Calls



Key Drivers of An Exceptional Earnings Call

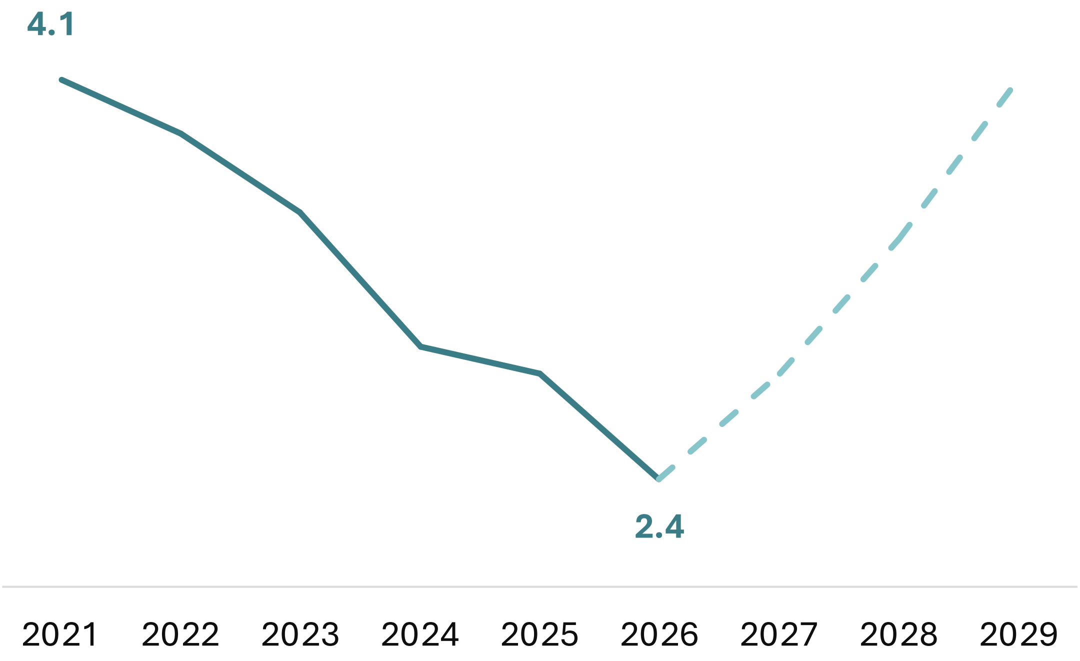


BREAKWATER

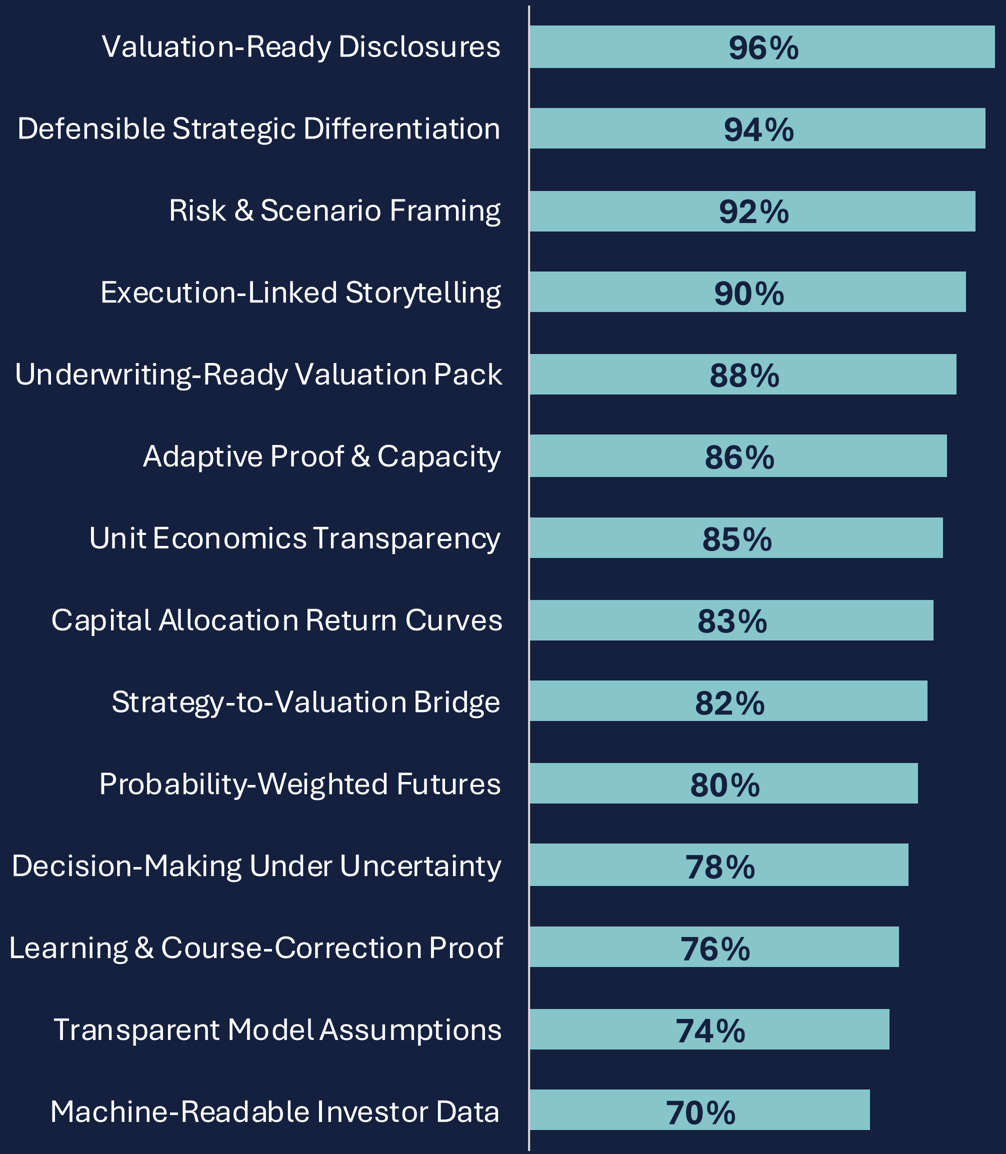
Source: Breakwater Capital Markets proprietary analysis, 2026.

Action 7: Redesign Investor Days

Investor Satisfaction Investor Days



Key Drivers of An Exceptional Investor Day



BREAKWATER

Source: Breakwater Capital Markets proprietary analysis, 2026.

Action 7: Redesign Investor Days Around What Investors Are Underwriting

1. How do you understand the world you are operating into, and what are the multiple futures you are preparing to win, not just the one you expect?
2. What structural forces are reshaping your industry and how do they redefine the competitive system you must succeed within?
3. What is your long-term economic engine and how does your strategy convert uncertainty into value creation?
4. What are the leading indicators that signal whether your strategic thesis is proving true over the next 12–24 months?
5. How does your capital allocation philosophy operate across rate, regime, and volatility shifts, and what makes it superior to peers?
6. How is AI reshaping your economics, productivity, innovation velocity, and competitive durability today, not hypothetically?
7. What capabilities and organizational muscles enable you to adapt faster than your competitors?
8. What is the decision-making operating system the leadership team uses under uncertainty, and how do you make high-velocity, high-stakes choices?
9. What risks matter most between now and 2029 and how are those risks priced, mitigated, hedged, or strategically converted into advantage?
10. What proof exists that you follow through, correct course, learn quickly, and improve cycle-over-cycle?

Action 7: Redesign Investor Days Around What Investors Are Underwriting

11 How does your talent, culture, and incentive system create structural advantage in delivering your strategy at speed and scale?

12 How does your balance sheet create strategic flexibility and how do you deploy that flexibility across cycles?

13 What customer behavioral shifts matter most and how do those shifts reshape your demand, pricing power, and margin durability?

14 What is your innovation engine and how do you ensure new products and technologies translate into measurable value creation?

15 What governance and leadership alignment mechanisms ensure coherence, long-term orientation, and disciplined execution?

16 How do you architect the signals, milestones, and expectation pathways between this Investor Day and the next?

17 How does your technology and data infrastructure accelerate decision velocity, operating leverage, and resilience?

18 How do regulatory, policy, and geopolitical dynamics alter your risk profile, cost structure, resilience, and long-term opportunity?

19 How do your ecosystems, partnerships, and alliances create leverage beyond your four walls?

20 What makes your long-term targets credible and what evidence supports the internal coherence of your ambition, strategy, and economics?

Action 8: Use AI to improve investor intelligence, content testing, targeting, and interpretation audits without surrendering governance

Intelligence	Testing	Targeting	Audit	Risk
Detect changes in investor questions, estimates and competitor narratives?	Ask how an AI research workflow interprets a release before publication	Identify investors whose underwriting assumptions fit the company	Compare what management intended to communicate with what AI systems extract	Assess the underlying risk the current approach poses

Action 9: Translate AI and capital allocation from strategic activity into measurable economics, returns, and decision rules

Investors have moved to AI proof. The valuation question is whether AI changes revenue growth, operating leverage, capital intensity, competitive advantage or risk.

Investor Translation of AI Claims

Revenue Growth
New product attach, pricing, conversion

Margin
Labor productivity, service cost, SG&A leverage

Moat Duration
Data advantage, switching cost, speed of learning

Reinvestment
Data, compute, CapEx, model cost

ROIC
Profit gained per dollar of AI investment

Proof
Beats pilots – investors will underwrite KPIs

ROIC
Overspend, not “AI budget” alone

Replace “AI-enabled” language with quantified adoption, productivity, revenue conversion, CapEx/OpEx cost, and incremental ROIC.

Action 10: Ensure your communications meet the the building blocks of machine-consumable IR

2027 disclosure object	Purpose	Required attributes	Valuation use
Scenario packet	Explain impact of a defined future regime	Trigger definition, probability range, KPI sensitivity, response option, confidence level	Updates FCF probabilities and exposure penalties
Metric lineage card	Make each KPI auditable and comparable	Definition, owner, data source, calculation, restatement policy, assurance status	Raises trust coefficient and reduces ambiguity discount
Capital-allocation rule	Clarify decision logic under uncertainty	Hurdle rates, buyback/M&A/capex triggers, balance-sheet limits, option logic	Changes ROIC, duration, and optionality value
Dependency graph	Expose ecosystem and infrastructure constraints	Supplier/platform/cloud/geography concentration, redundancy, contractual rights	Measures resilience coefficient and moat fragility
AI governance proof	Evidence safe and profitable AI deployment	Use cases, controls, incident logs, model monitoring, human oversight	Impacts margin assumptions and governance risk
Authenticity token	Verify source and version of material communications	Digital signature, timestamp, channel registry, revocation protocol	Prevents trust shock and misinformation discount

2027 Underwriting Diagnostic

Diagnose → quantify → prioritize → act → measure improvement

1

Investor Model Alignment: **Do investors understand the correct value drivers?**

2

Evidence Sufficiency: **Can investors validate the important assumptions?**

3

Information Control: **How much of the thesis is formed externally?**

Scoring:
80–100: Underwriting advantage
60–79: Underwriting friction
40–59: Conviction leakage
<40: Material valuation vulnerability

4

Conviction Leakage: **Where does uncertainty constrain ownership?**

5

Interpretation Integrity: **Do humans, analysts and machines reconstruct the same economic story?**

Key Takeaways

1. Velocity is accelerating and the operating environment is non-linear

2. Investors, Board, and Management have materially different expectations for 2027

3. Dis-satisfaction with legacy investor relations approaches is deepening

4. There is a clear path to pivot to the future and build, defend, and accelerate value for the Investor Relations Officer in 2027

For additional information, please contact mark@breakwaterstrategy.com