



QUARTERLY IR NEWSLETTER Q4 2025

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Sustainability matters!

EXECUTIVE SUMMARY

This Quarterly IR Newsletter provides a structured overview of the key themes shaping Investor Relations in today's evolving market environment. By combining executive perspectives, research insights and market data, it supports IROs in navigating strategic transformation, increasing disclosure complexity and the growing impact of AI on investor communication, while reinforcing clarity, consistency and credibility in market messaging

- **IR Interview:** an in-depth interview with Paolo Lesbo, Head of Investor Relations at Telecom Italia, focusing on how IR supports strategic transformation in a rapidly evolving telecom sector, manages regulatory and technological complexity, and translates long-term strategy into a clear, credible and compelling investment narrative for both equity and debt investors
- **IR Topics – General:** a curated selection of reports, academic research and market commentary on core Investor Relations themes, including earnings conference calls as a strategic disclosure tool, the acceleration of shareholder activism, governance and stewardship dynamics, and the ongoing evolution of investor engagement models
- **IR Topics – AI Focus:** a dedicated analysis of how AI is reshaping corporate disclosure and investor communication, affecting information asymmetry, market interpretation and disclosure practices, and redefining the role of IR in balancing efficiency, transparency, risk management and human judgment
- **IR Calendar:** a comprehensive calendar of key Investor Relations conferences and events in Italy and across Europe, designed to support IR teams in planning outreach, engagement and ongoing dialogue with the investment community
- **Sustainable Funds Flows:** a review of European sustainable fund flows in Q4 2025, highlighting trends in assets under management, differences between active and passive strategies, and evolving investor allocation patterns in a challenging market environment

AGENDA

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Appendix 1: Contacts

PAOLO LESBO, HEAD OF INVESTOR RELATIONS, TELECOM ITALIA | 1



Paolo Lesbo
Head of Investor Relations



1) The telecom industry is undergoing a profound transformation. How does this shape the way an IR team translates strategic evolution into a clear and compelling message for the market?

- **The transformation of the telecom sector**, driven by convergent networks and the growing centrality of data and AI, requires IR to reposition TIM from a traditional connectivity utility to a strategic enabler of the country's digital economy
- **In this context, IR plays a key role** in translating strategic evolution into a clear and consistent long-term narrative, strengthening the equity story, investment case and industrial roadmap in a way that is understandable and credible for the market
- **At the same time, it is essential to ensure full transparency on execution**, with clear visibility on intermediate milestones, strategic progress and risk management



2) Telecom is a highly technical sector. How do you strike the right balance between technical depth and simplicity when communicating complex topics to a broad global investor base?

- **Although telecom is inherently technical, the priority for IR is clarity of exposition**, starting from a distillation of complex topics into a few core messages that clearly explain what is changing, why it matters strategically and how it affects growth, profitability and risk
- **The narrative is built in plain language**, using intuitive analogies and concrete business implications rather than engineering jargon, so that investors with different backgrounds can quickly grasp the key drivers of the strategy
- **Technical depth is then added selectively through dedicated materials** or follow-up sessions for more specialized audiences, without compromising the accessibility of the core message

PAOLO LESBO, HEAD OF INVESTOR RELATIONS, TELECOM ITALIA | 2



Paolo Lesbo
Head of Investor Relations



3) Regulation remains a defining element for European telecom operators. How important is it for IR to anticipate and contextualize regulatory developments for investors without venturing into operational or financial projections?

- **Regulation is a structural element of the European telecom sector**, making it essential for IR to anticipate and contextualize regulatory developments rather than simply reacting to them once outcomes are known
- **IR helps investors understand how discussions on new regulatory frameworks** or potential industry consolidation could influence competitive dynamics, outlining possible scenarios and their strategic implications, as well as how the company is positioning itself
- **At the same time**, IR must avoid commenting on operational details of ongoing procedures or quantifying impacts prematurely, keeping the focus on transparency around risk-return drivers



4) How are advanced analytics and AI helping your IR team better understand investor sentiment and emerging market themes affecting sector perception?

- **Advanced analytics and AI tools support the analysis of investor sentiment** by helping identify recurring themes, shifts in perception and areas of focus across different investor segments and geographies
- **These tools are used in a cautious and complementary way**, enhancing the quality of insights without replacing human judgment or the value of direct engagement with investors
- **Qualitative feedback from meetings and ongoing dialogue remains central to the IR assessment**, with AI serving primarily as an additional layer of analysis and validation

PAOLO LESBO, HEAD OF INVESTOR RELATIONS, TELECOM ITALIA | 3



Paolo Lesbo
Head of Investor Relations



5) Investors are showing growing interest in adjacent digital businesses: data centers, cybersecurity, cloud services. What are the main communication challenges when positioning a telco as an evolving technology platform?

- A key challenge is to credibly explain the strategic rationale behind the transition from a traditional “Telco” to a broader “TechCo”, clarifying how adjacent digital businesses fit with legacy assets, capabilities and customer relationships
- IR must also address the fact that these activities often have different economic and scaling dynamics compared to traditional connectivity, relying on platform and service-based models that are less intuitive for investors to assess in a telco context
- Clear communication is therefore required to demonstrate the long-term sustainability of these businesses, in terms of demand visibility, unit economics and the ability to scale profitably over time



6) Telecom sector is often viewed as mature industry. What communication levers do you find most effective in highlighting innovation, strategic evolution, and long-term value creation to both equity and debt investors?

- The first step is to reframe the narrative from that of a low-growth utility to a platform under transformation, clearly articulating the strategic pivots underway, such as portfolio simplification, the shift to fiber and digital services, and the use of AI to improve efficiency and customer experience
- For equity investors, communication focuses on innovation and upside, highlighting the mix between growth and legacy businesses, the scalability of new digital revenues and the potential for operating leverage and value creation above the cost of capital
- For debt investors, the emphasis is on resilience and predictability, with clear messaging on cash flow visibility, liability management and how strategic evolution supports a stable credit profile

PAOLO LESBO, HEAD OF INVESTOR RELATIONS, TELECOM ITALIA | 4



Paolo Lesbo
Head of Investor Relations



7) Telecom networks are critical national infrastructure. In this context, how does IR contribute to strengthening the company's credibility with key financial and institutional stakeholders, especially during periods of sector transition?

- **Telecommunications networks** are central to the country's security, resilience and digital sovereignty, which makes credibility with institutional stakeholders particularly important
- **IR contributes by maintaining a structured, transparent and continuous dialogue with investors**, financial institutions and authorities on topics such as quality of service, business continuity, cyber-resilience and long-term investment plans
- By clearly communicating how industrial choices balance economic objectives with broader systemic responsibility, **IR helps reinforce trust during periods of sector transition**



8) What tools or communication approaches have you found most effective in explaining the business and making complex topics accessible to global investors?

- **The most effective approach is to break down complex topics into a small number of intuitive messages**, what is changing, why it matters strategically and what it means for growth, profitability and risk, supported by consistent visuals and language across all communication materials
- **Communication is structured as an ongoing dialogue** rather than a series of isolated events, using pre-briefings, follow-up calls and thematic deep dives to reinforce messages over time
- **This consistency and continuity allow investors with very different backgrounds to progressively build familiarity with the business** and better understand complex strategic theme

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EARNINGS CONFERENCE CALLS: EVIDENCE, INTEGRATION, AND EMERGING RESEARCH FRONTIERS



1 Evolution of Earnings Conference Calls as a Disclosure Channel

- A) **From voluntary practice to key transparency tool:** earnings conference calls became a central public communication channel, improving analysts' forecast accuracy and reducing information asymmetry
- B) **Growing strategic role of earnings conference calls:** managers use the timing, frequency, and structure of calls to influence market perceptions (e.g., postponements, cancellations, longer calls after negative news)

2 Content Analysis: Tone, Language, Complexity, and Non-verbal Signals

- A) **Tone and language as “soft” information:** studies show that tone (positive/negative), especially in the Q&A, predicts abnormal returns, volatility, and even future crash risk more effectively than numerical data
- B) **Complexity, obfuscation, and vocal cues:** complex or intentionally vague language can hide poor future performance; vocal cues and expressive signals reveal information not contained in formal financial reports

3 Role of Analysts through NLP and AI

- A) **Analysts as active participants:** access to the Q&A is strategic, with managers favouring optimistic analysts; analysts' questions influence future disclosure and can predict their professional performance
- B) **Earnings conference calls as a data source for measuring risks and firm attributes:** NLP and AI techniques extract from transcripts indicators of political risk, corporate culture, climate exposure, CEO personality traits, and other otherwise unobservable intangibles

Implication for IROs



Earnings conference calls should be treated as a strategic communication tool, with Investor Relations actively shaping the narrative alongside management to ensure clear and credible market messaging



Given the strong informational value of the Q&A session, Investor Relations should prepare management for analyst interactions, as tone and responsiveness materially influence investor interpretation



As investors increasingly price intangible topics and non-financial risks such as ESG, culture, and climate exposure, Investor Relations should proactively integrate these themes into earnings call narratives to ensure consistent and credible market understanding

Q3 2025 REVIEW OF SHAREHOLDER ACTIVISM



1 Unprecedented acceleration of global shareholder activism

- A) **2025 is the most active year on record through Q3:** 191 campaigns launched, +19% versus the long-term average, with a record Q3 that broke the traditional summer slowdown
- B) **The U.S. and APAC account for ~80% of global activity,** with APAC increasing its share for the third consecutive year, while Europe remains structurally below average

2 Effectiveness of activists: governance and leadership under pressure

- A) **Activists are delivering tangible outcomes:** 98 board seats won YTD (+17% YoY), primarily through negotiated settlements, alongside a marked improvement in the quality of appointed directors
- B) **Campaigns are having a direct impact on management:** 25 CEO resignations in 2025 YTD, close to an all-time high, including at large S&P 500 companies

3 Structural shift in the voting and engagement ecosystem

- A) **Equity ownership is becoming increasingly concentrated and passive,** with the “Big Three” (BlackRock, Vanguard, State Street) holding ~25% of major indices, amplifying their influence in activist situations
- B) **The restructuring of the Big Three’s stewardship teams and initiatives** such as automated retail voting (Exxon case) are materially reshaping engagement dynamics and voting outcomes

Implication for IROs



With shareholder activism reaching record levels and accelerating into nomination season, Investor Relations must proactively monitor activist risk and strengthen ongoing engagement with key shareholders to avoid reactive situations



As major activists increasingly drive board change and CEO turnover, Investor Relations plays a critical role in supporting governance credibility and ensuring clear, consistent communication with investors during periods of heightened scrutiny



In an environment of more concentrated and passive ownership, particularly among index funds, Investor Relations must adapt engagement strategies to navigate evolving stewardship models and influence voting outcomes effectively

NEWS AND ARTICLES – GENERAL TOPICS



Making IPOs great again has its pitfalls

- Paul Atkins, chair of the SEC, is pushing to make IPOs more attractive by **reducing regulatory requirements**, shareholder lawsuits and activist influence, with the aim of bringing more companies back to public markets and expanding retail investors' access to economic growth
- However, **Excessive deregulation could undermine key safeguards**, as activism and lawsuits are important checks, and may ultimately harm small investors

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Bloomberg

Quant Who Said Passive Era Is 'Worse Than Marxism' Doubles Down

- Massive inflows into passive funds are amplifying market concentration, reinforcing mega-cap tech companies and creating a "dystopian symbiosis" that **reduces competition and increases systemic risks**
- Cap-weighted indexes are now riskier: their heavy exposure to tech giants means that any shock to those companies could trigger a significant negative wealth effect for investors

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Bloomberg

How advanced data and analytical tools are elevating IROs to be strategic leaders

- **Sophisticated data and analytical capabilities are fundamentally redefining the IR role**, giving IROs the power to move from reporting information to shaping it using real-time insights to predict investor behavior, influence executive decisions, and actively steer corporate strategy
- **IROs are becoming strategic leaders by using advanced tools** to deliver actionable insights, shape long-term strategy, and guide the C-suite with data-driven direction

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IR

How companies can build a smart defense against takeovers

- **UK companies face higher takeover risk due to low valuations** and ample private-equity capital, making constant readiness, clear procedures, and tight coordination essential for effective defense.
- **IR protects the company by shaping valuation**, anticipating threats, unifying stakeholders, and ensuring consistent communication to defend value and independence

[Click here to go to the article](#)

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WHEN IR MEETS GENAI

1 How GenAI changes the information advantage of firms with IR programs

- A) **GenAI improves the information environment for all firms**, but especially for those with IR teams, which experience larger reductions in bid-ask spreads and volatility
- B) **GenAI acts as a complement to IR expertise**: IR professionals use it more strategically, expanding their communication advantage over firms without IR programs

2 The channels through which GenAI enhances communication for IR firms

- A) **GenAI increases communication through non-traditional channels**, expanding the information released before earnings announcements
- B) **Faster market assimilation of disclosed information**: thanks to more efficient GenAI-supported communication, stock prices incorporate earnings-related information more quickly

3 GenAI and the asymmetry between good-news and bad-news disclosure

- A) **GenAI primarily amplifies the disclosure of good news**: because managerial incentives to withhold bad news remain unchanged, GenAI ends up strengthening mainly the communication of positive information
- B) **Increased asymmetric withholding of bad news**: after ChatGPT, firms with IR programs show a stronger tendency to withhold negative news relative to positive news, widening informational asymmetry



Implication for IROs



As GenAI enhances corporate information environments, Investor Relations teams that actively adopt and oversee GenAI tools can significantly strengthen communication efficiency and market understanding



With GenAI complementing rather than replacing IR expertise, Investor Relations professionals must develop AI-savviness to fully leverage the technology's benefits and maintain a communication advantage over non-IR firms



As GenAI-driven improvements primarily occur through non-traditional channels and benefit retail investors, Investor Relations should strategically expand AI-enabled digital disclosures while maintaining strong human oversight

CORPORATE DISCLOSURE IN THE AGE OF AI

1

How AI is Changing Corporate Disclosure

- A) **Expands sources of competitive information:** not only financial reports or earnings calls, but also job postings, language choices, tone, and other details previously considered harmless
- B) **Democratizes financial analysis:** AI tools allow anyone to extract strategic insights that once required skilled analysts

2

New Risks for Companies and Investors

- A) **Greater exposure for companies:** AI can infer culture, strategy, and intentions through linguistic patterns and secondary data, making information control more difficult
- B) **Investors misled by AI-assisted disclosure:** content produced with LLMs may appear more credible but does not always reflect actual capabilities (e.g., in crowdfunding)

3

How Companies Must Adapt Communication

- A) **Requires holistic and multi-layered information management:** every message must be designed for both human audiences and “algorithmic” audiences
- B) **Avoid over-reliance on AI in disclosure creation:** communications that resemble AI-generated output reduce meaningful signals and harm market perception



Implication for IROs



As AI enables investors to extract strategic insights from seemingly innocuous disclosures, Investor Relations must manage corporate communication holistically, recognizing that every public signal can become competitive intelligence



With AI matching expert analysts in interpreting non-traditional data such as job postings and language cues, Investor Relations should coordinate across functions to ensure consistency and control over all outward-facing communications



As AI-generated disclosures risk dulling meaningful signals for sophisticated investors while amplifying opportunistic behavior, Investor Relations should preserve human judgment and differentiation in high-stakes communications

NEWS AND ARTICLES – AI FOCUS

The
Economist

Investors expect AI use to soar. That's not happening

- **Despite enormous investor expectations, recent data show that AI adoption in American companies has stalled or even declined, especially among large firms, raising doubts about whether massive planned investments can be justified**
- **Economic uncertainty, organisational resistance and disappointing productivity gains** suggest that the economic benefits of AI will arrive more slowly and less evenly than anticipated

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REUTERS

AI trade splinters as investors get more selective

- **The AI investment trade is fragmenting as investors grow more selective, differentiating between infrastructure enablers (chips, data centres) and software or data companies facing rising costs and disruption risks**
- **AI-driven capex is under increasing scrutiny**, with investors no longer rewarding spending announcements unless they are backed by clear visibility on returns and value creation

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REUTERS

Endangering bears lets AI animal spirits run wild

- **True short sellers are disappearing due to strongly rising markets, meme stocks, high costs, and tighter regulations, making it much harder to bet against companies.**
- **This scarcity of “bears” weakens price discovery** and increases the risk that fraud, overvaluation, and market irrationality remain hidden for longer. Their decline ultimately leaves markets more vulnerable to bubbles and deceptive corporate practices

[Click here to go to the article](#)

MIT
SMR

Investing in AI Payoffs at Vanguard

- **Vanguard Group uses AI to augment (not replace) its employees, cut costs, improve client service, and deliver better low-cost investing advice—already generating about \$500M in value across efficiency, risk reduction, and shareholder benefits**
- **Inspired by founder Jack Bogle**, Vanguard applies AI across contact centers, financial advice, coding, and investment analysis, with strong governance to ensure ethical, transparent, and investor-first innovation

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2026 KEY CONFERENCES AND EVENTS IN ITALY AND EUROPE

Date	Event	City	Organizer
17,18 Mar 2026	Mid & Small Cap Conference	Paris	Virgilio IR
24,25,26 Mar 2026	Euronext Milan STAR Conference	Milan	Euronext
6,7 May 2026	Mid & Small Cap Conference	Paris	TP ICAP
20,21,22 May 2026	Italian Investment Conference	Milan	Kepler
27,28 May 2026	Mid & Small Cap Conference	London	Virgilio IR
8-10 September	Autunm Conference	Paris	Kepler
4-18 September	Sustainability Week	Milan/Virtual	Euronext
November 2026	Italian Financials Conference	Italy	Kepler
24,25 November 2026	Mid & Small Cap Conference	Milan	Virgilio IR

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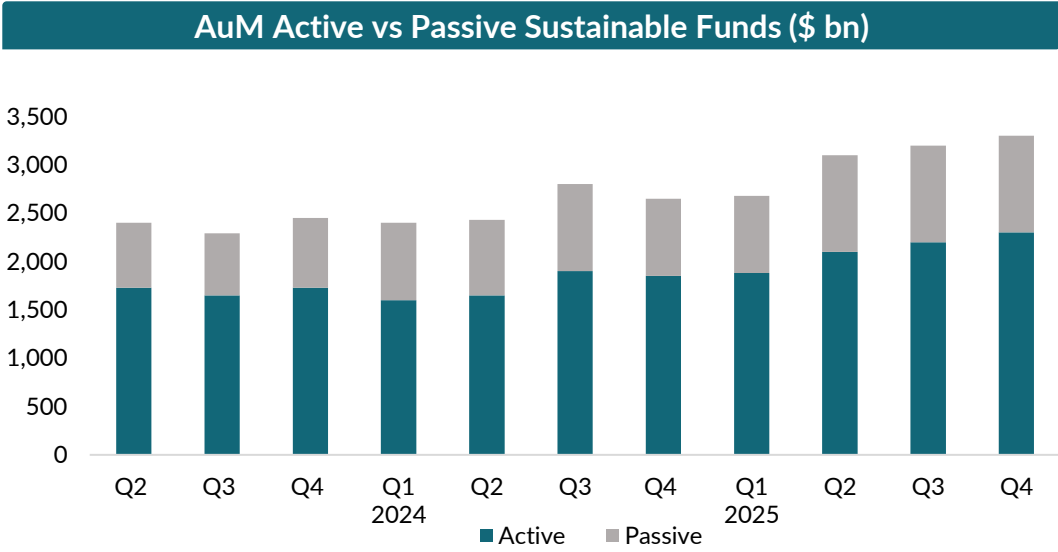
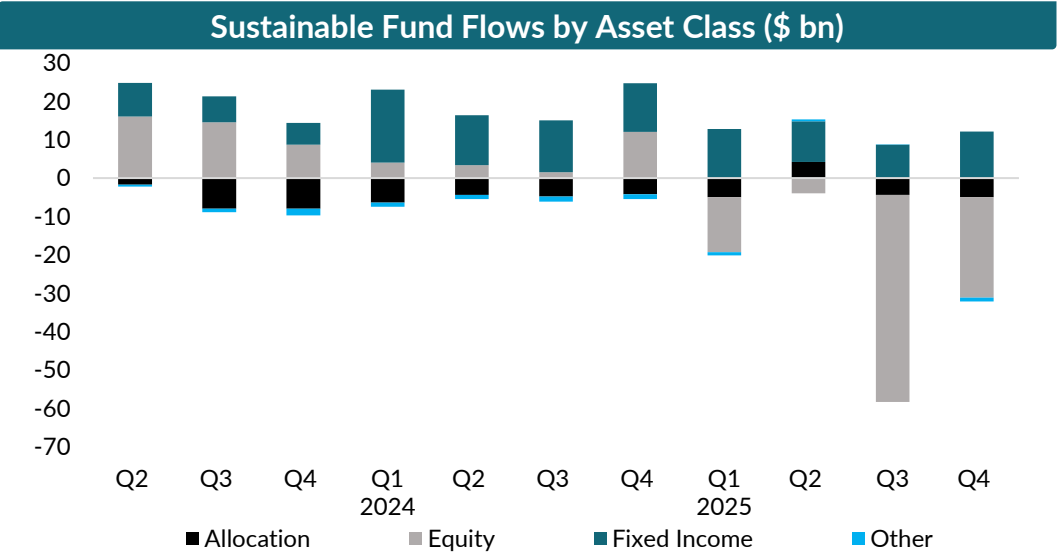
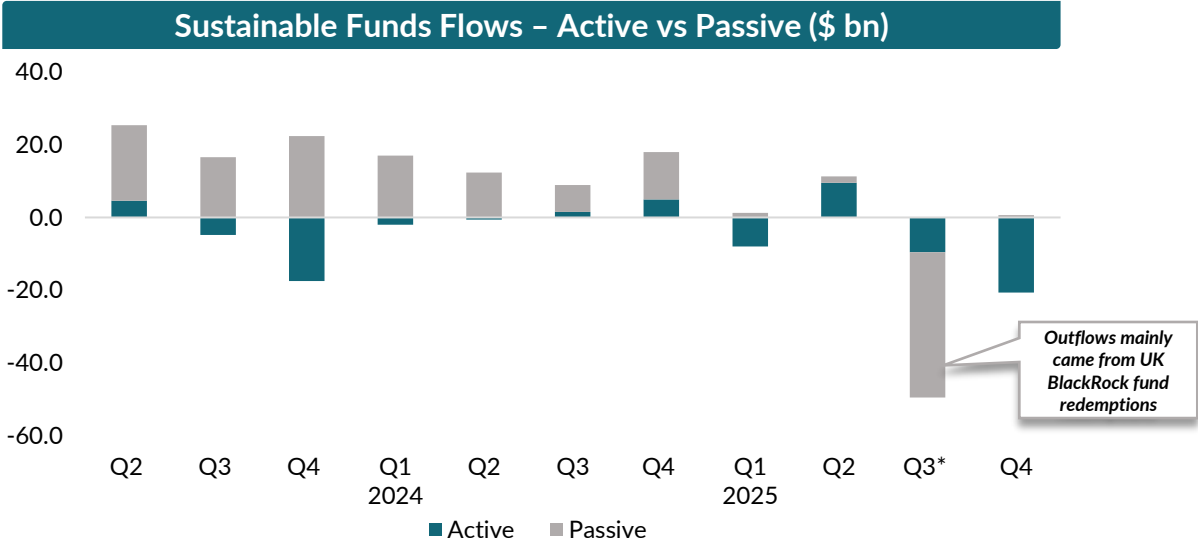
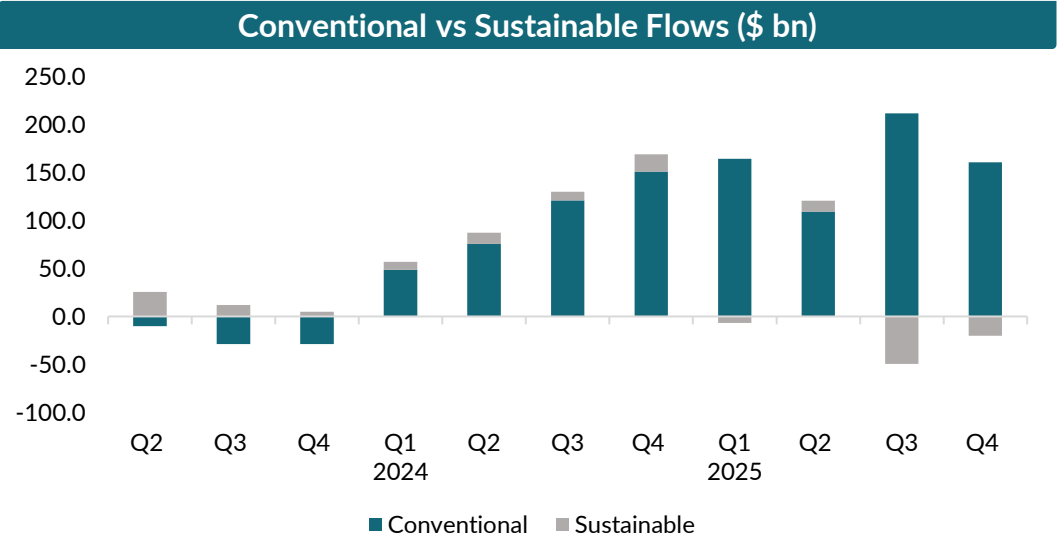
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Appendix 1: Contacts

AT THE END OF 2025, AUM OF SUSTAINABLE FUNDS IN EUROPE CONTINUE TO GROW, DESPITE OUTFLOWS



Source: Morningstar
*The vast majority of the outflows stemmed from redemptions in a range of UK-domiciled BlackRock funds
Note: According to Morningstar research, the global “sustainable” fund universe encompasses open-end funds and ETFs that, by prospectus or other regulatory filings, claim to focus on sustainability; impact; or environmental, social, and governance factors. Universe of sustainable funds is based on intentionality rather than holdings

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Section 4: IR Calendar – Key Conferences and Events in Italy and Europe

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