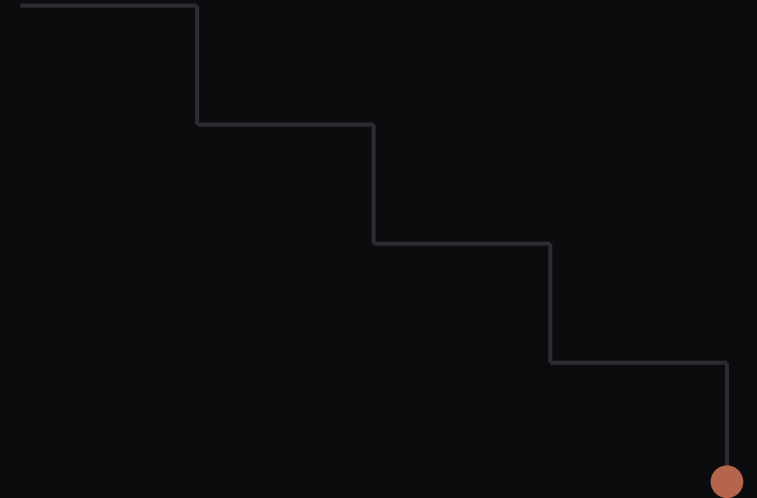


Short Interest

Signals, sentiment & strategy

How IR teams can monitor short activity in low-transparency markets, interpret it as a signal of investor sentiment, and decide when – and when not – to respond.



The timeless debate around short-selling

THE ISSUER

“

Our share price fall is due to hedge funds who have sold shares that they do not own...these funds have an enormous amount of capital at their disposal, but instead of contributing to better price formation and liquidity, they overpower other market players...we urge you not to lend out your shares, but to take them back...

Swedish CEO · Dagens Industri, 2002

vs

THE SHORT-SELLER

“

We only short shares that are fundamentally over-valued...furthermore the shares will be bought back at some point and then the buying pressure will be at least as great. The psychological tendency of investors to follow an upward spiral is much greater than that of following a downward spiral.

Large global hedge fund · Dagens Industri, 2002

Low-transparency market in Switzerland



Principle-based regime

Based on general market-conduct rules — no prescriptive short-position disclosure thresholds



No public position register

Borrowed shares are an imperfect proxy for true short interest



Limited real-time view

Changes in short positioning difficult for IR to track real-time

BENCHMARKING BY MARKET

Short position reporting & disclosure



EU

Notify regulator >0.1%, public disclosure >0.5%



UK

New regime from July 2026; aggregate data only



US

Aggregate short interest



Switzerland

No reporting duty

Five fundamentals that invite short interest

1



Weak or cyclical fundamentals

Deteriorating earnings or high sensitivity to the cycle

2



Financial distress

High leverage or a stretched balance sheet

3



Business-model concerns

Doubts over durability, moat or strategic direction

4



Governance issues

Board, governance or reporting red flags

5



Perceived over-valuation

Share price visibly disconnected from fundamentals

Monitoring short interest activity

WHAT TO TRACK



Borrowed shares

as % of free float

Scale of positioning



Utilization

Shares on loan ÷ lendable supply

Crowding & squeeze risk



Borrowing cost

%

Conviction of shorts



Days to cover

short volume ÷ average day volume

Unwind difficulty

WHERE TO LOOK



Global data providers

Bloomberg · S&P Global / IHS Markit, FactSet



Market intelligence

Sell-side research analysts



Media

Financial press, e.g. Finanz und Wirtschaft

Responding (or not) to high short interest

A THREE-STEP FRAMEWORK

1

Benchmark

Measure short interest against peers and history. Elevated, or just noise?

2

Read the signal

Treat it as a signal to interpret sentiment and address market concerns through regular investor engagement

3

React with judgement

A public response depending on specific circumstances

Thank you for
your
attention!

