

The INVESTOR



“Words matter. Numbers matter more, but words still matter,” is a mantra of **STEVE WINOKER**, Chief Investor Relations Officer at PayPal. Brunswick’s **HANNAH HALFORD** reports.

WHISPERER

STEVE WINOKER IS A TRUSTED ADVISOR TO modern investors, an increasingly opaque financial community that often eludes experts. When he speaks, they listen.

With over three decades of experience at large corporations, on Wall Street and in investor relations, Winoker is particularly renowned for his recent five-year tenure at General Electric, where he served as the parent company’s Chief Investor

Relations Officer and Group Vice President prior to the separation and later of its Aerospace unit. One year into his tenure, he was inducted into the *IR Magazine* Hall of Fame.

When Winoker joined in early 2019, GE’s share price had fallen 74% over the previous 24 months. Two years into his role, the company announced it was splitting its core businesses into three separate entities—launching spinoffs as complicated as they

were historic. GE's stock outperformed the likes of Apple and Microsoft in 2023 and, as the final split neared completion in 2024, *Barron's* published a report on GE's "five-year journey back from the brink." Driving Winoker throughout the process was a sense of purpose: "During GE, every single thing that you did mattered," he says. "People's livelihoods were at stake. And, hence, you had to be mindful of that responsibility every day."

Now, as PayPal's Chief Investor Relations Officer, Winoker is drawing on those experiences to address new challenges in fintech. "In the beginning, I didn't know what was fully possible at GE, but we succeeded, and I learned that what mattered most were the people and the transformation. What I really loved was the climb, and I'm ready to do it again," he says. Part of that climb entails getting PayPal's investors to buy into the company's ambitious turnaround strategy, to believe in the company's ability to remain a fintech leader amid intense competition.

Winoker recently spoke with Brunswick's Hannah Halford about what he calls "the PayPal challenge," how he handles difficult conversations with investors, and the places where a company's most compelling stories can be found.

What is your communication strategy with investors to build trust and foster authentic relationships?

A lot of folks have good B.S. detectors, and I'd like to think I'm one of them. I'm very conscious of when something's real and authentic versus not. It's the same way with investors. When I'm talking to them, they need to know I'm being genuine. They will know there are things I can't answer—either it's not public in a material way or I just can't go there yet. They'll be able to gauge my, and our, authenticity when I say, "Here's how we're thinking about it."

I try to think about their needs and work backwards. My previous experience, spending 13 years on the sell side where investors were my clients, and especially my time at GE, gave me perspective. My client investors once told me it's kind of like being a seeing-eye dog—it's so complex, we can't see anything, and the investor relations team is helping investors and analysts do that.

However, in other cases, it's allowing your investors to vent during a tough situation and make sure they are being heard. They want their voices carried through to company leadership. What they don't want is someone on the other side who doesn't seem to care, understand, or can't be bothered. Often, the people who are challenged in my role are those who

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keep their distance to such an extent they end up not being relatable to the investors—who, at the end of the day, are their customers (and owners!).

What inspired the change from GE to PayPal? What is your vision for the future of PayPal that investors need to know?

Working with GE's Larry Culp, a truly exceptional leader, it was a meaningful experience for me. I loved my teams and the challenge, the whole transformation. And I was ready to do it again.

About a year ago, I was getting called with new opportunities, most I didn't pay attention to, but then I got a call from Jamie Miller, the initial CFO when I joined GE. She talked to me about what PayPal was going through and I was drawn to the challenge. I knew if I waited, there would be some other challenge, but it wouldn't be the PayPal challenge, and I was excited about this challenge with Jamie, new CEO Alex Chriss and the people there.

When I think about the communication side of this and what we're trying to do, it comes back to three priorities for me. First is building credibility for the management team and the board and doing that via world-class execution, reliable results and straightforward communications relative to investor and analyst expectations. Without credibility, it's very difficult to get anything done.

Second is helping the market see, simply, what your near-, medium- and longer-term opportunities and challenges are and the uncertainty around them. Investors are always worrying and thinking about what's the next thing. What are our big initiatives? Are our incentives aligned with shareholder value creation? What M&A will we do? And when will we do it? If we do a deal, will it destroy or create value? Making sure that you're permitted to do it in a way that is real, that all matters. You need this to inspire people to follow, grow and invest in you over time.

Third is to ensure the investor has a seat at the table internally, which means supporting—and challenging—key decisions, mission clarity, customer focus and making sure employees feel proud to be part of the PayPal team.

How would you describe your leadership style?

I've learned that context matters—the way that you lead and manage different people and organizations must vary based on the need and situation.

That might mean a softer touch in situations where the person needs a little bit of coaching; in crisis mode, you may have to provide a little harder steerage. A direct point of view also matters, particularly

in crisis situations or when people are looking for someone who knows what the heck they're doing or talking about. I'm certainly not perfect at this, but the words matter. I say that often—the words matter, externally and internally. I tend to be very candid, and I try not to be too hard to read.

How do you handle challenging investor conversations, particularly around sensitive business decisions?

When you're first hearing from investors who are upset or in a tough situation, you need to listen and make sure you understand what they're saying explicitly and sometimes implicitly.

Ultimately, I follow our "say-do" ratio. What have we said? What have we done? How close are they? In my case, it's things as simple as guidance. When we say we are going to grow revenue at X rate, we're going to grow profit at X rate, whatever those numbers are, you need to do it when you say you're going to do it. This is critical in those conversations. If you get into that rhythm, you're now enhancing credibility and building trust, and that is what carries you through these conversations.

Words matter. Numbers matter more, but words still matter. Be transparent, candid and humble.

How do you anticipate and prepare for potential crises to manage investor reactions effectively?

Another big part of this job is to make sure you know what's happening internally before the outside world knows. Not always, but usually you should be able to anticipate those things and think through what you want to say ahead of time. Crisis drills, where you are practicing how you would respond as a company before they happen, are important. We did that regularly at GE and are doing so at PayPal, too.

For earnings calls, we start everything with triangle messaging. What are the top three messages? How do we cascade those down? How do we support those with facts? This drives the messaging in documents, through all the prepared remarks, the Q&A document and what we call the "HIRI" [Hot Investor Relations Issues], as well as slides and talking points.

What is the role of storytelling there?

I think of storytelling as an important way for how people remember, understand and believe, both intellectually and emotionally. We're human beings, not bots. I'm not writing it to deliver it to ChatGPT, I'm writing for you so that you retain it. And that's what's going to influence investor behavior hopefully.

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HANNAH HALFORD is an Executive in Brunswick's New York office.

It means listening to our customers, our employees. How do we embed and cement their stories? Well, part of it is, you're generally in a good spot if you're starting with whoever your customer is. In our case, customer stories make a huge difference, internally and externally.

For example, one of our customers is a small business called Noodle Girl. The founder came from Vietnam and used what she knew how to do, which was to cook, to make a living. That turned into a viable catering business during COVID. [In a video produced by PayPal] she talked about how if she hadn't had help from PayPal, it would have been that much harder to source product from Vietnam. That story resonates with people.

I think it's important and critical for investors as well. They need to know what customers you're targeting and why, what their biggest problems are, how you're solving them, how the way you're solving them is differentiated and how you're going to be able to keep doing that over and over and over again.

If I come back to how we're thinking about storytelling for PayPal, I'd start with a few major points. It's commerce, not just e-commerce, and it's built on a differentiated, open ecosystem, two-sided—consumer and merchant—network at scale. A lot of people try this, but they don't have the scale that we have. That's a big competitive differentiator.

Now we're in execution mode against a lot of those things that are going to help us drive to a clearer plan to deliver durable, profitable growth with multiple ways to win over time. These are the big messages, and then within each of those, there will be supporting points that are convincing.

What is PayPal's outlook on AI, and what factors are driving its investment in this area?

I would say customers have motivated our investment in AI. It's the best way to solve customer-facing problems. Do investors care about this? Absolutely. In many cases, if you're not taking advantage of AI, your competition will, and you can get surpassed or already are. Investors want to hear the ways in which AI is improving our customer products and services, and how AI is supporting the way we deliver those products and services more efficiently and effectively.

We think of ourselves as the underdog. When you're the underdog, you're fighting, you're scrappier and you're going after it. AI is a critical tool to help us get to that next layer, and so is that mindset. I'm far from the only one saying this, but I believe AI is a complete game changer. And we're going to be at the forefront. ♦