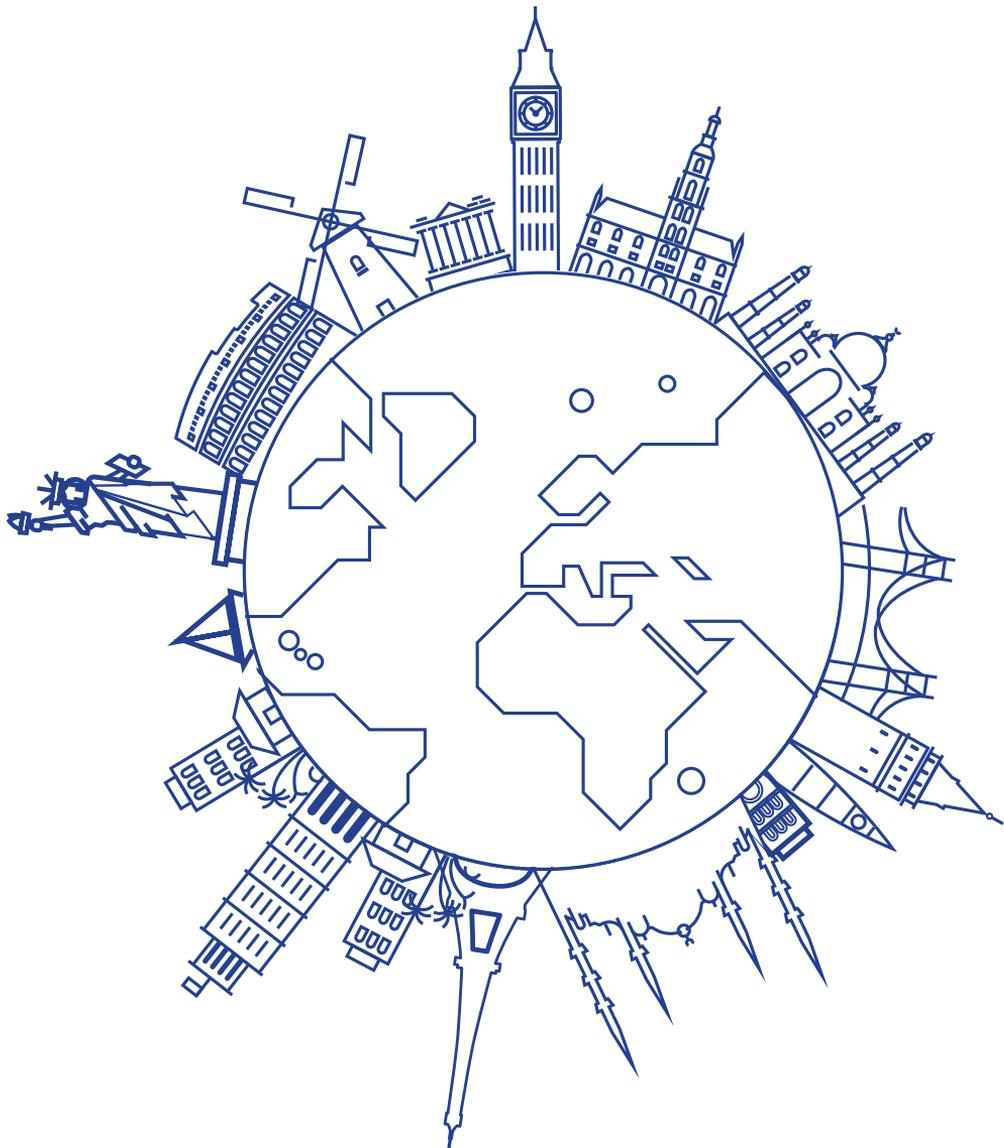


11th Annual Investor Relations Survey

2019



Introduction

Investor Relations Officers (IROs) from leading companies around the globe were invited to participate in our 11th Annual IR Survey.

Citigate Dewe Rogerson sought their views on how the latest trends in the financial markets were affecting their investor relations strategies.

Specifically, we examined the key IR objectives for the coming year, the level of board engagement with investors, approach to dealing with activist investors, changes to reporting and expectation management, investor engagement and the use of technology.

This year, a record 479 IROs contributed to our survey, representing companies from 61 countries, with a combined market value of over \$3 trillion.

We would like to thank all our respondents for their continued support and contribution.

Market cap categories:

Small cap < USD 1 billion

Mid cap USD 1 billion – USD 10 billion

Large cap > USD 10 billion

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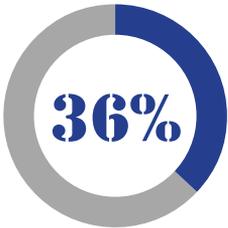
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Global highlights

Equity research

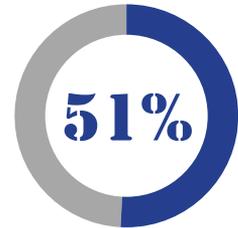
Nearly two-thirds of companies in our research sample (63%) have noticed a change in the nature of sell-side analyst research on their company (up from 59% last year). With the decline in both quantum and quality of coverage, fund managers are bolstering their own research efforts. Just over half of companies have noticed an increase in buy-side research over the past 12 months, up from 30% last year.



report a decline in the number of analysts covering their company



note a decline in the quality of research produced on their company

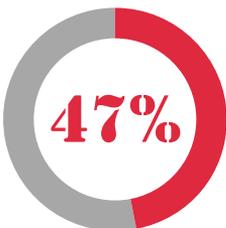


note an increase in buy-side research over the past year

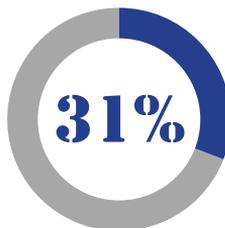
Environmental, social and governance

Companies are responding to rising demand for greater ESG disclosure. However, despite a clear trend towards integrated reporting, there is some way to go towards regular inclusion of non-financial performance indicators into periodic reporting.

Long-term strategy appears the most pressing concern for investors, along with governance issues such as board composition and executive remuneration. Despite the rise in passive investing and the increasing threat of shareholder activism, less than a third of chairpersons have a strong relationship with top 10 shareholders, while most non-executive directors rarely engage with investors outside the AGM.



plan to improve ESG disclosure over the coming 12 months



of chairpersons have a strong relationship with top 10 shareholders



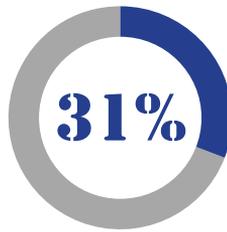
note greater investor pressure / interest regarding long-term strategy

Shareholder activism

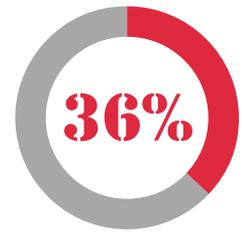
Greater awareness of activist campaigns is driving increased efforts outside of North America where companies are generally better prepared for an approach. However, smaller companies, which are increasingly targeted by activists, are among the worst prepared.



perceive an increased threat of an activist approach



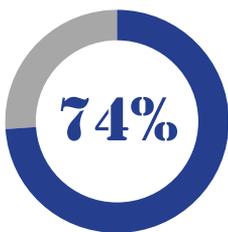
feel well prepared for an activist approach



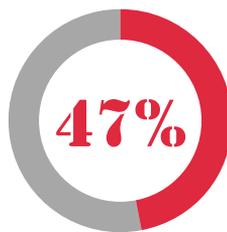
are working on their activist response strategy

Reporting and information materials

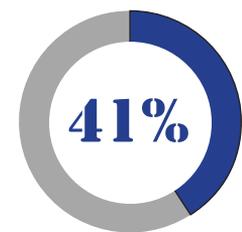
The changing dynamic between the sell and the buy side, driven partly by MiFID II, has led to a greater IR focus on direct investor education. Enhancing the quality of information materials has consequently moved up the IR agenda over the past 12 months, especially among small-cap companies.



plan to make significant improvements to IR information sources



plan to upgrade their website

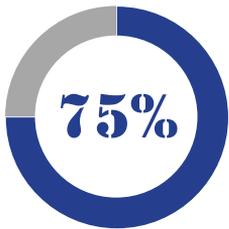


plan to upgrade their investor presentation

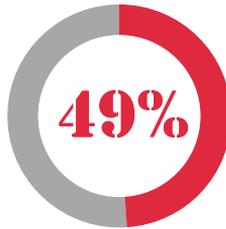
Global highlights (continued)

Investor engagement

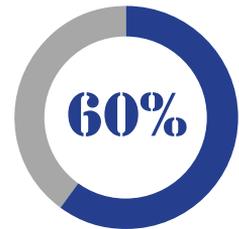
Our research shows a clear trend of investors and companies opting to bypass brokers and engage directly. A significant portion of companies are planning to devote more time to non-deal roadshows going forward, while appetite is also increasing for more regular capital markets days. Broker-hosted conferences remain a popular option among small-cap companies in particular, which tend to conduct less internal investor targeting. While the majority of respondents still use brokers for investor targeting, a higher portion are also undertaking their own research, often with the help of technological solutions.



of IROs have noticed an increase in direct requests for meetings from potential investors



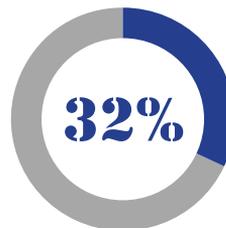
intend to devote more time to non-deal roadshows over the coming 12 months



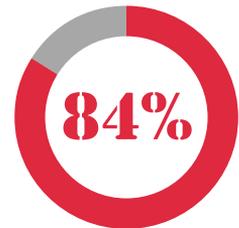
use brokers for investor targeting



research investor targets internally



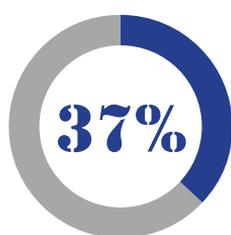
use corporate access platforms and investor targeting solutions



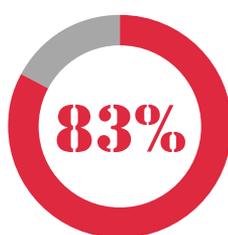
host capital markets days

Expectation management

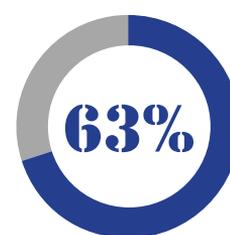
Assessing and managing market expectations is becoming increasingly difficult due to a decline in the quantity of sell-side research and restrictions on the circulation of analyst notes. This has led to rising prominence of corporate guidance and proactive assessment of market sentiment. More than a third of companies are in the process of changing their approach to guidance. However, 57% do not distribute an internally collated consensus back to the market, most because they do not collate analyst estimates.



have implemented, or are planning to implement, changes in their approach to guidance



contact investors after a meeting to get feedback



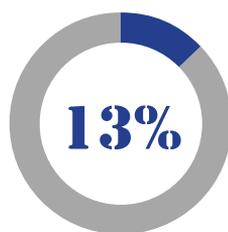
undertake in-depth perceptions surveys

IR function

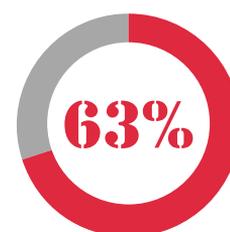
In recognition of a higher workload for IR teams, 20% of our respondents note an increase in their budget versus last year with 13% planning to expand their team. Market feedback remains by far the most preferred measure of success of IR programmes with 91% of companies using this criterion to assess IR effectiveness. Nearly two thirds of IROs attend board meetings, either regularly or ad-hoc; however, this percentage varies widely depending on geography and market cap.



state their IR budget had been increased



have plans to increase the size of their IR team



IROs attend some or all board meetings

Environmental, social and governance

ESG moves up the agenda

Environmental, social and governance (“ESG”) issues have become a major focus for companies and investors in 2019, amid growing calls for action from the public, media and governments, across a wide range of ESG concerns.

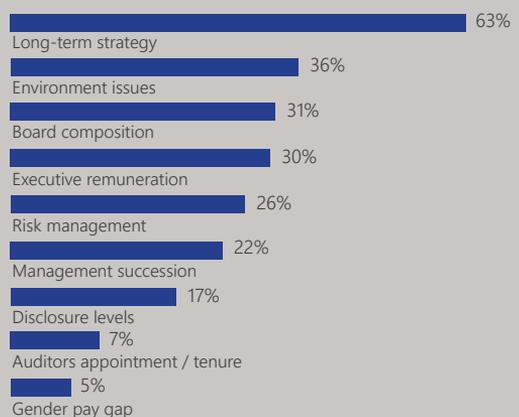
Investors continue to increase their allocations to ESG investment strategies and incorporate ESG metrics into mainstream investment processes, with governance issues given the highest weighting. The Global Sustainable Investment Alliance estimates that USD 31 trillion are now dedicated to ESG investing globally, while signatories of the Principles for Responsible Investment have grown to over 2,500, including c.1,800 investment managers.

Our survey findings show long-term strategy to be the most pressing concern, by some margin, with 63% of all IROs seeing increased investor interest or pressure on this issue. This trend was reported across all sectors, most significantly in Consumer Discretionary where 75% of respondents identified the issue. However, the pressure was widely felt, as the Materials sector at 55% saw the fewest respondents highlighting this issue. The issue was also reported across geographies, ranging from Asia Pacific at 72% to North America at 49%.

Investor interest in other governance issues includes board composition, which was commonly reported in the Real Estate and Health Care sectors, and executive remuneration, which was a significant concern in relation to the financial sector and the Middle East and Africa.

Environment issues also rank highly amongst areas of investor interest, with over 50% of respondents in the Utilities, Energy and Consumer Staples sectors facing increased pressure regarding these concerns.

Fig 1: Have you faced increased investor interest / pressure regarding any of the following?



Companies enhancing disclosure

Companies are responding to these trends and improving ESG disclosure is now the second most commonly stated IR objective, with 47% of respondents identifying this as a priority, up from 38% in 2018.

This heightened focus on ESG disclosure can be seen across all geographies, but there is a distinct contrast between the sectors identifying this as a priority. They range from Energy, where 75% of respondents listed this as a main objective, to Communication Services, where only 21% of respondents stated the same.

Fig 2 (i): What are your main IR objectives for 2019/2020 - Improving ESG disclosure

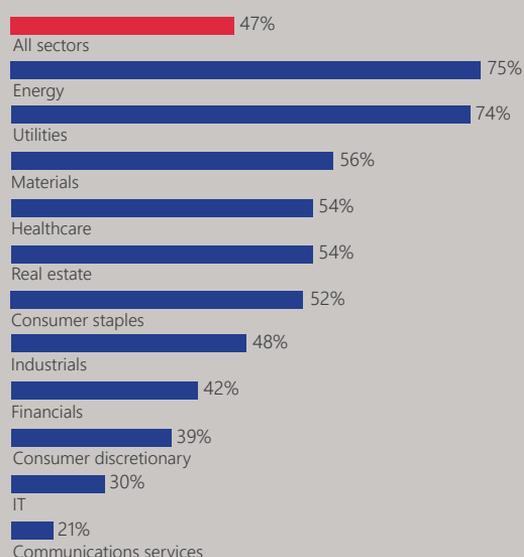
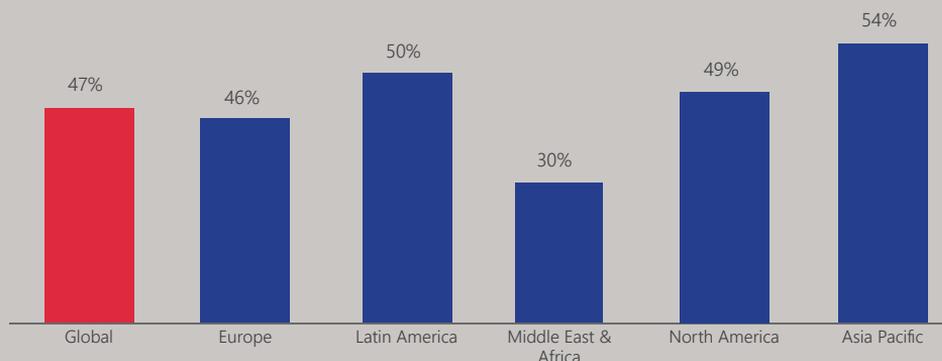


Fig 2 (ii): What are your main IR objectives for 2019/2020? - Improving ESG disclosure



Environmental, social and governance (continued)

Companies enhancing disclosure (continued)

Our findings reveal a strong correlation between those sectors reporting increased investor interest and pressure on certain ESG issues and their respective level of commitment to improving ESG disclosure.

Increased investor interest or pressure on environmental issues appears to be a strong driver of this trend, with a significant correlation between companies reporting investor interest in this area and prioritising improvements to ESG disclosure. In the Energy and Utilities sector this is particularly evident with 52% and 64% of IROs, respectively, reporting such investor interest or pressure and 75% and 74% committing to improving ESG disclosure. This correlation can also be seen in the responses from the Industrials, Real Estate and Materials sectors, where over 40% of IROs have seen increased investor interest in environmental issues, with 48%, 54% and 56%, respectively, planning to improve ESG disclosure.

Integrated reporting becoming the norm (ex-US)

Our findings reveal variations in how companies are making ESG disclosures. Globally, 56% of companies go above and beyond regulatory ESG disclosures, with Latin America, the Middle East and Africa leading by this measure, possibly reflecting less stringent regulatory requirements in some emerging markets.

Among those going above and beyond their regulatory requirements, there is a clear trend towards integrated reporting with 60% aiming to produce, or already producing, fully integrated reports.

This integrated approach is most popular globally, particularly in the Middle East and Africa, Latin America and Asia Pacific. This stands in stark contrast to North America where standalone sustainability reporting remains the norm.

Fig 3 (i): Which statement best reflects your approach to ESG reporting?

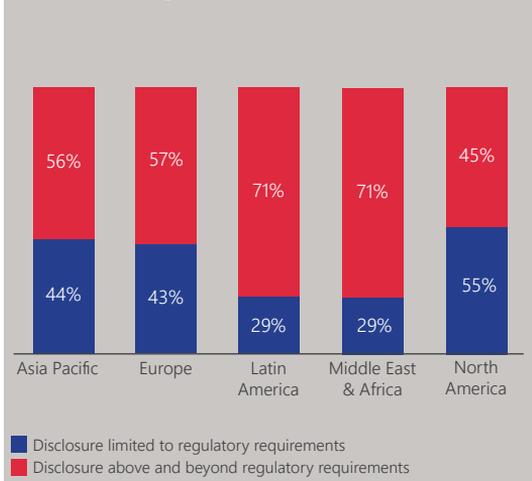
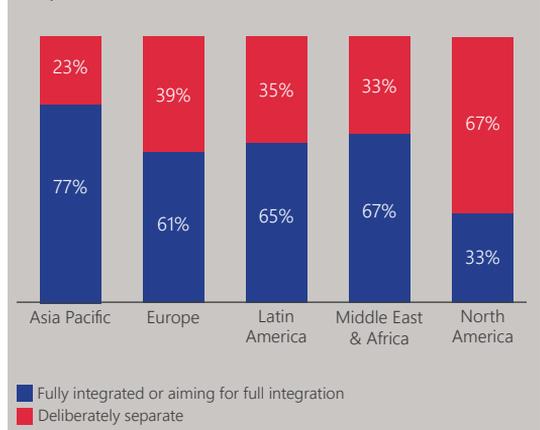


Fig 3 (ii): Which statement best reflects your approach to ESG reporting? (respondents going above and beyond regulatory requirements)



Limited board engagement with investors

In line with the continued rise in passive investing, 36% of our respondents note an increase in engagement with passive shareholders. Despite this trend and the increasing threat of shareholder activism, however, less than a third of IROs within our sample felt their chairpersons had a strong relationship with top 10 shareholders. This percentage amounts to 35% among European companies and just 23% among those based in North America. The level of engagement between chairpersons and shareholders is also somewhat more frequent among small-cap companies – 8% report regular contact outside the AGM against just 1% of large caps.

Engagement between non-executive directors (excluding the chairperson) and shareholders is even less frequent; only 6% regularly have direct contact with shareholders outside of the AGM. The percentage of non-executive directors who never see investors outside the AGM is the highest among North American companies at 41%.



of chairpersons have a strong relationship with top 10 shareholders

Fig 4: How would you characterise your chairperson's relationship with your top 10 shareholders?

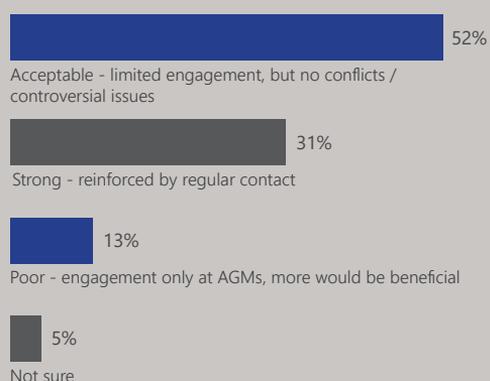
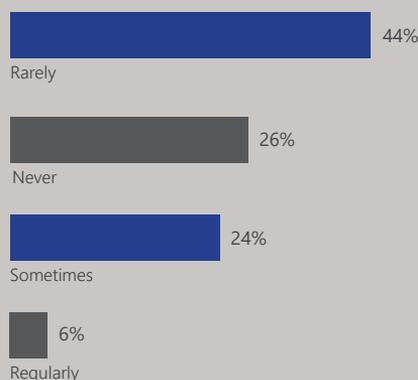


Fig 5: Do your non-executive directors (excluding chairperson) have direct contact with shareholders (outside the AGM)?



Shareholder activism

Continued growth in activist campaigns

According to Activist Insight, 943 companies globally were publicly subjected to activist demands in 2018 (up 9% vs. 863 in 2017), making this a record year for activist campaigns. The US remained the activists' favourite hunting ground with 493 campaigns; up 5% year-on-year. The UK and Asia Pacific also gained in popularity, with an increase in the number of companies targeted of 40% and 23%, respectively. Campaigns involving large companies (market cap in excess of USD 10 billion), which attract the highest share of media attention, continued to represent the smallest contingent of activist targets at just 21% of all campaigns in 2018.

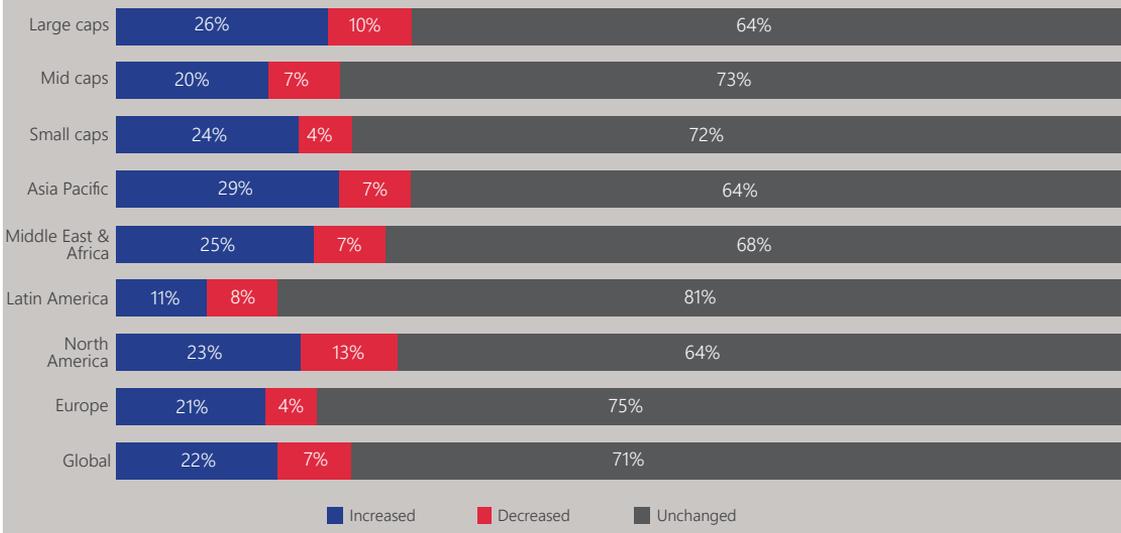
Nearly a quarter feel a greater threat

Driven by growing awareness of activist campaigns across sectors, geographies and market caps, investing in an appropriate response strategy is moving up the IR agenda for 2019/20.

Globally, 22% of our respondents felt the threat of activism had increased over the past 12 months. Our findings appear in line with actual trends in activist campaigns in Asia Pacific last year, as 29% of respondents in this region perceived a higher threat. In contrast, only 11% of respondents based in Latin America said the threat of an activist approach had increased.

In terms of sectors, respondents among Industrials and Financials seemed to be the most concerned with 29% and 28%, respectively, feeling that the threat level had increased.

Fig 6: Would you say that over the past 12 months, the threat of an activist approach has?



Smaller companies less prepared

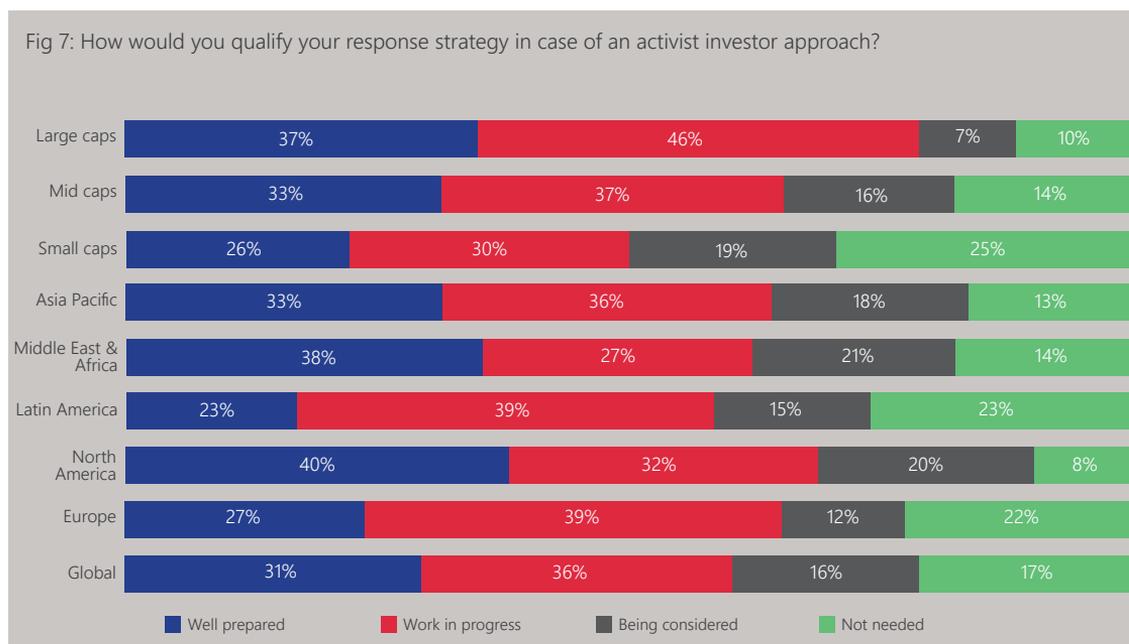
Less than a third of our respondents (31%) felt their company was well prepared for a potential activist approach, with a further 36% stating their response strategy was work in progress.

In addition, 16% said such strategy was being considered while 17% said it was not needed.

Small-cap companies, amongst the most vulnerable according to Activist Insight data, showed the highest level of unpreparedness with 25% not considering a response strategy. Our findings show a clear link between company size and level of preparedness with larger companies benefiting from greater resources at their disposal.

In developed markets, we note a contrast between companies in North America where 40% feel well prepared, having been dealing with activist investors for quite some time, and those in Europe, which are still playing catch up (39% say their response strategy is work in progress).

Given the generally higher average free floats in North America compared with Europe, a greater portion of European companies (22%) feel a response strategy is not something they need. While having a controlling shareholder (an outright majority or blocking minority) may lead some to feel structurally less vulnerable to an activist approach, such companies might be ignoring the fact an activist might only need to hold a few percent of the shares to publicly challenge management.



Reporting and information materials

Making the information materials work harder

The changing dynamic between the sell and the buy side, driven partly by MiFID II, has led to a greater IR focus on direct investor education. Enhancing the quality of information materials to successfully articulate the equity story to the investment community is now a key priority for 74% of companies worldwide.

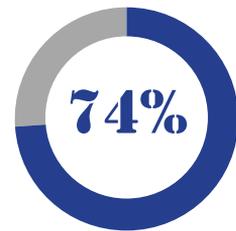
This trend is even more pronounced among small-cap companies, which are among the hardest hit by the decline in research coverage, with 79% citing intentions to improve their IR materials compared to 71% of large caps.

From a regional perspective, it is interesting to note that 87% of respondents in Latin America have intentions to make changes to their IR information sources, while only 65% of companies in the Middle East and Africa have plans to do so.

For the second year in a row, the website, investor presentations and ESG publications remain the top three identified areas for improvement, regardless of geography or market cap. Over the next 12 months, nearly half of companies in our research sample (47%) will make significant improvements to their websites while 41% plan to revamp their investor presentations.

Our findings suggest that the majority of small-cap companies (51%) have chosen to upgrade their investor presentation compared to just 34% and 39% of mid-cap and large-cap companies, respectively.

As explored in more detail on page 9, the importance of ESG reporting is rising up the agenda, reflecting the increasing demand from fund managers for greater ESG disclosure. Accordingly, making improvements to ESG publications is a clear priority for IROs, particularly at mid- and large-cap companies.



plan to make significant improvements to IR information sources

Fig 8 (i): Are you planning to make significant improvements to any IR information sources this year?

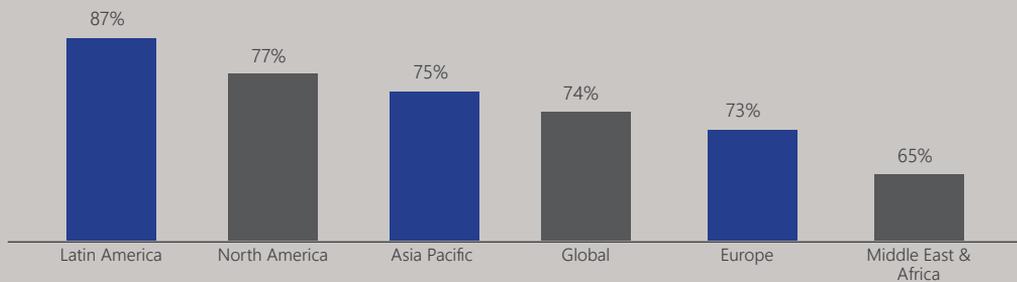


Fig 8 (ii): Are you planning to make significant improvements to any of the following information sources this year?

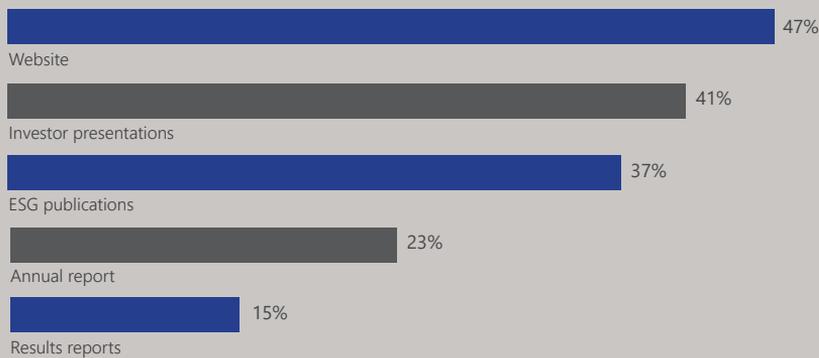
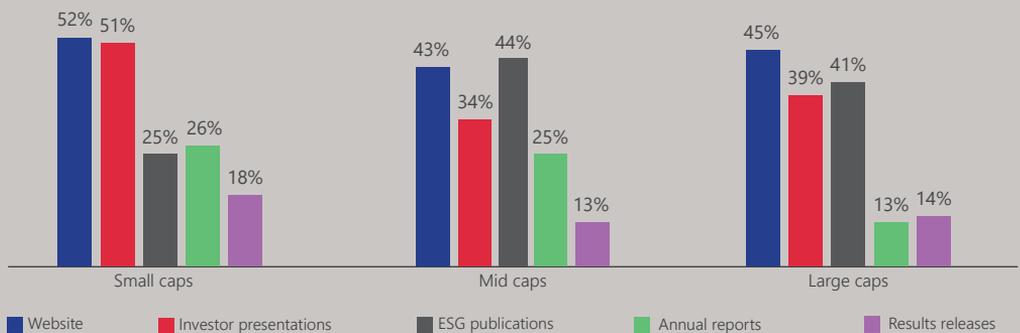


Fig 8 (iii): Are you planning to make significant improvements to any of the following information sources this year?



Investor engagement

Direct engagement on the rise

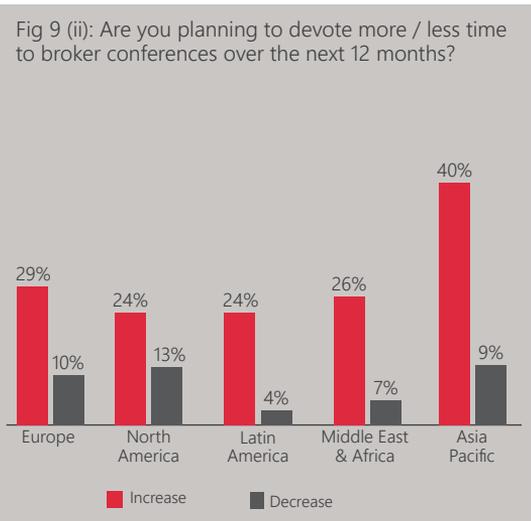
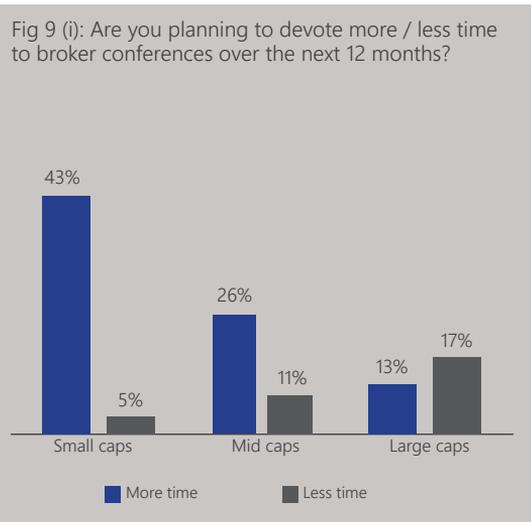
Our research shows a clear trend of investors opting to bypass brokers and engage with companies directly. Evidencing this is the fact that 75% of IROs have noticed an increase in direct requests for meetings from potential investors, up from 61% last year. This trend is broadly consistent across all geographies and market caps.

Companies are also increasingly proactive in their engagement with the investment community. Recognising that face-to-face meetings remain the most effective way of marketing to investors, 49% of our survey respondents confirmed that they intend to devote more time to non-deal roadshows, regardless of their market cap or location.

Meanwhile, following a year of uncertainty brought about by the introduction of MiFID II in 2018, a net 19% of IROs cited their intention to devote more time to broker-hosted conferences in 2019/20. Among our small-cap respondents, 43% are planning to devote more time to attending broker-hosted conferences in 2019/20 against just 13% of large caps. These events also appear more popular with companies in the Asia Pacific region, with 40% of companies located there citing intentions to devote more time to broker-hosted conferences over the coming year.



75% of companies have noticed an increase in direct requests for meetings from potential investors



Focus on roadshow effectiveness

While the majority of respondents (60%) still use brokers for investor targeting, a higher proportion are also undertaking their own internal research (64%). North American companies remain among the most proactive in the global context and are the most likely to use independent consultants to support their investor targeting efforts.

The rise of big data and data analytics is also changing how IROs target investors and helping to drive greater efficiency and effectiveness, ultimately creating a more strategic approach to investor targeting. Within our research sample, 32% cite corporate access platforms and investor targeting solutions as technological tools that are shaping the way they communicate with investors.

Looking at the criteria used by IROs to target new investors, our findings show that 'investment style' is the most popular criterion used by 78% of IROs. This trend is broadly consistent across all

geographies and market caps. Despite growing focus on reporting non-financial performance, only 13% consider whether fund managers have a focus on ESG when researching meeting targets.

Fig 10: Through what means do you conduct investor targeting?

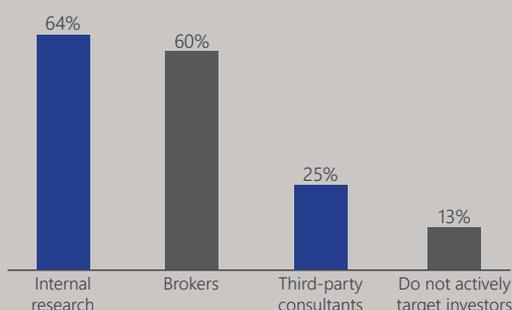


Fig 11: Which of these technological tools are shaping the way you communicate with investors?

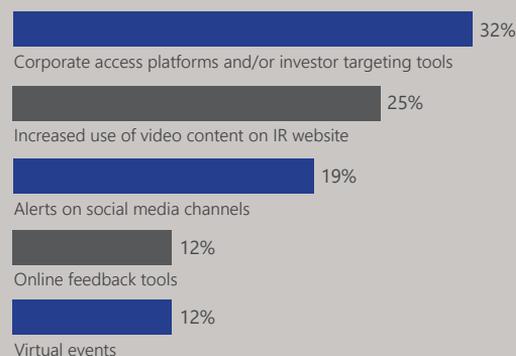
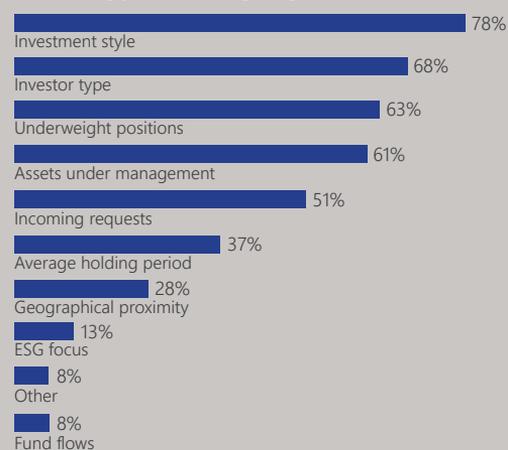


Fig 12: Which of these criteria do you use when conducting your own targeting research?



Investor engagement (continued)

More regular capital markets days

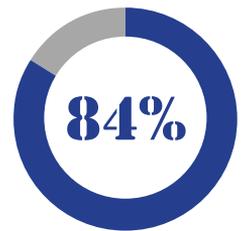
Our survey findings show not only an increase in the portion of companies hosting capital markets days ('CMDs') but also a growing appetite for such events to be held more frequently.

Within our research sample, 84% of respondents confirmed they host CMDs, up from 77% last year.

The number of companies indicating that they only host a CMD once in three years, or never at all, has fallen to 22% (from 32% last year). Simultaneously, a greater number of respondents now host a CMD at least once a year (33% versus 24% last year).

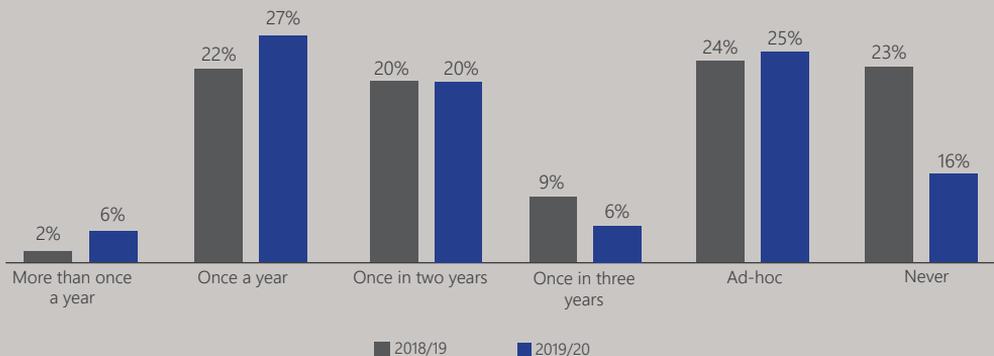
Looking ahead, 36% of respondents intend to devote more time to these events so we expect this trend to continue. Small-cap companies, which

have traditionally held fewer CMDs, appear to be recognising the value of such events in marketing their equity story to the investment community. Among our small-cap respondents, 47% have cited intentions to host more frequent CMDs versus just 24% of large caps.



host capital markets days

Fig 13: Frequency of capital markets days



Expectation management

Beyond consensus

With restrictions imposed on the circulation of analyst research by MiFID II, it is increasingly difficult for market participants to obtain an accurate view of consensus. This issue is often compounded by the lack of sufficient research on smaller companies to produce a meaningful consensus.

Our findings show that 57% of companies do not distribute an internally collated consensus back to the market, most because they do not collate analyst estimates. This percentage is higher among small-cap companies at 67% and shows a deterioration against last year when 59% of small-cap companies admitted to not distributing a consensus.

When companies collate and distribute analyst consensus back to the market, they prefer to do so by either publishing it on the company website (19%) or sending it directly to the sell-side analysts who contributed (17%).

A regional split reflects different approaches to expectation management between North American and European companies, and the regions that follow their respective practices. Among European companies, 61% distribute consensus back to the market, primarily via their website. In contrast, only

19% of North American companies collate and publish this information, having provided much more detailed and quantitative guidance on a quarterly basis.

Fig 14 (i): Do not share consensus (by region)

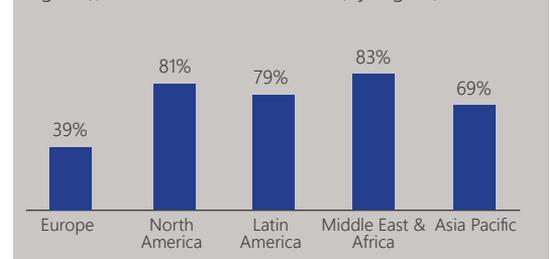
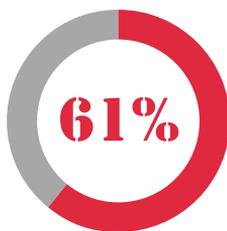
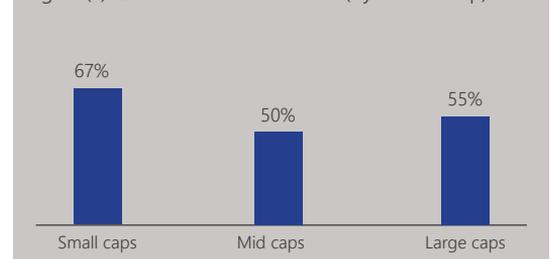
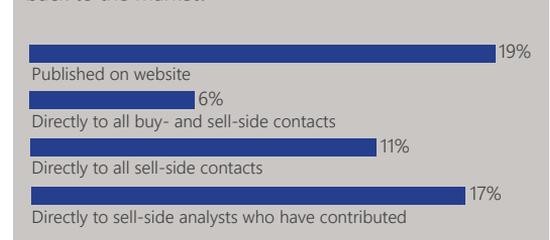


Fig 14 (ii): Do not share consensus (by market cap)



of European companies distribute analyst consensus back to the market

Fig 15: How do you distribute your analyst consensus back to the market?



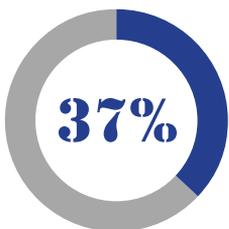
Expectation management (continued)

Greater focus on company guidance

It is against this backdrop that corporate guidance is rising in prominence with many companies revising how they provide such information. Among our research sample, 37% have confirmed that they have recently implemented, or plan to implement, changes in their approach to guidance, up from 28% last year.

The changes are focused on providing additional qualitative guidance, more quantitative metrics and / or a revised time horizon.

Our findings suggest that small-cap companies are working the hardest in response to external pressures. Within our research sample, 42% of small-cap companies confirmed they have recently implemented, or plan to implement, changes. This is in stark contrast to large-cap companies, where our findings show that just 21% have intentions to revise their approach to guidance.



have recently implemented, or plan to implement, changes in their approach to guidance

Fig 16 (i): Have you recently implemented, or do you plan to implement, any changes in your approach to guidance?

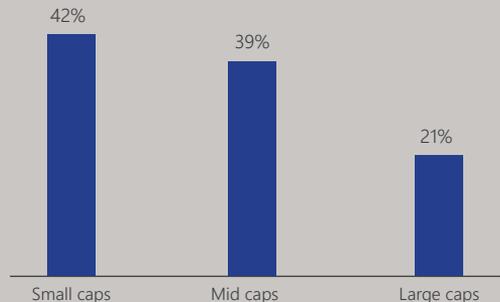
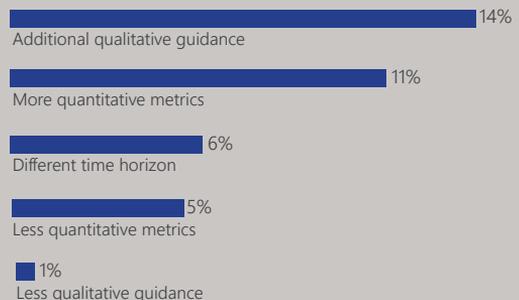


Fig 16 (ii): Have you recently implemented, or do you plan to implement, any changes in your approach to guidance?

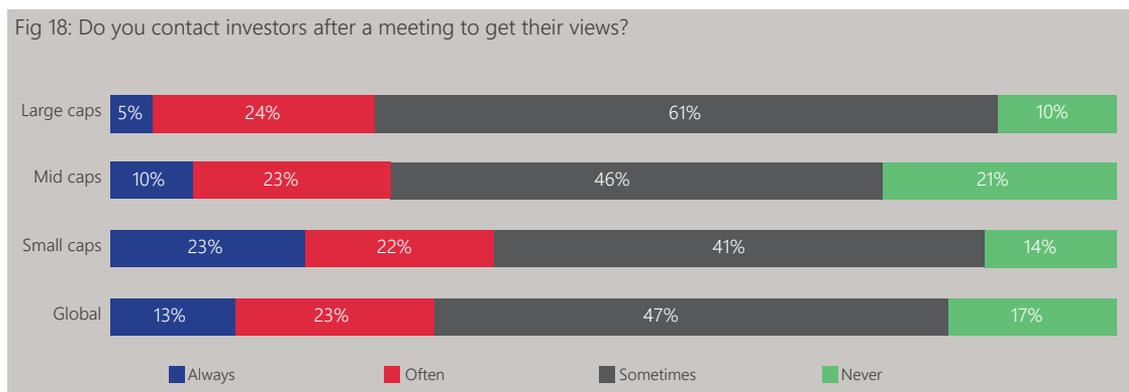
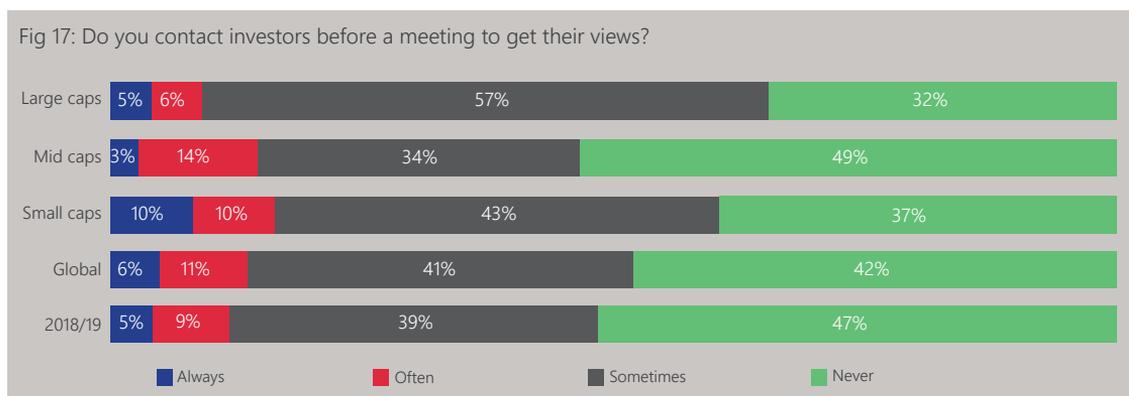


Monitoring sentiment

As investors increasingly contact companies directly to arrange meetings and as consensus becomes more difficult to establish, proactive assessment of market sentiment is expected to gain in importance.

A large majority of companies (83%) already contact investors after a meeting to get feedback, though still predominantly on an ad-hoc basis ("sometimes" 47%), as opposed to an established practice ("always" 13%; "often" 23%). Our findings indicate that the smaller the company, the more proactive it is in consistently reaching out to investors post meetings: 23% of small caps always do vs. 10% of mid caps and just 5% of large caps.

In contrast, a smaller majority (58%) of companies contact investors ahead of scheduled meetings to get their views. This represents an increase from 53% last year. With the rise in direct engagement, it can be expected that companies will increasingly have to gather direct insight ahead of meetings. Small companies are again the most proactive with 10% of small caps always reaching out to investors ahead of meetings compared to just 3% of mid caps and 5% of large caps.

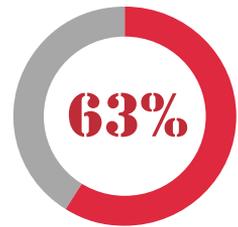


Expectation management (continued)

Monitoring sentiment continued

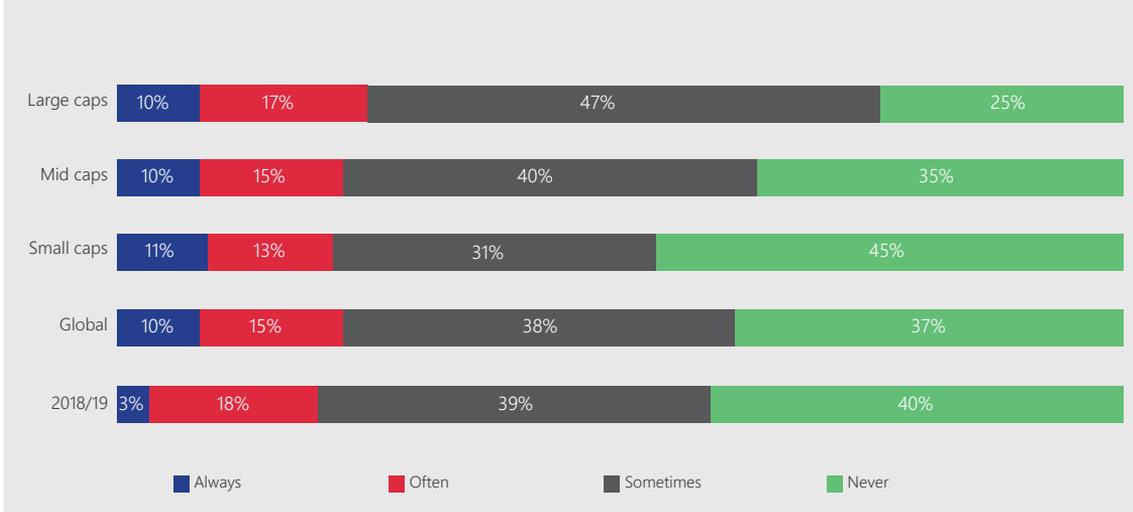
With the changing dynamics between the sell and the buy side, as well as insufficient granularity offered by cost effective automated systems, the gradual rise in the popularity of in-depth perception surveys continues; 63% of companies undertake these, an increase from 60% last year and 58% two years ago.

Our findings show that the larger the company, the more likely it is to undertake perception surveys: 75% of large caps do vs. 65% of mid caps and just 55% of small caps. Whether conducted in-house or outsourced, these surveys consume a relatively large amount of resource which can present a challenge for smaller companies which would benefit from more regular, in-depth feedback from the market.



undertake in-depth perception surveys

Fig 19: How frequently do you undertake in-depth perception studies?



IR function

Gradual increase in resources

In recognition of a higher workload for IR teams, 20% of our respondents note an increase in their budget versus last year with 13% planning to expand their team.

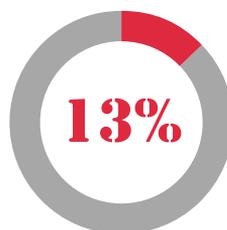
However, our findings show that small- and mid-cap companies are least likely to have been granted additional IR resources, despite these being the hardest hit by changing market regulation and the associated decline in analyst coverage.

Persuading senior management to approve a higher budget is proving challenging, given the 'chicken and egg' situation many small-cap companies find themselves in, with low trading liquidity limiting investor interest and a lack of investor interest driving low trading liquidity. In this predicament, demonstrating a tangible impact of higher investment into IR on share price development remains difficult.

In line with their proactive approach to investor engagement, North American companies lead the way when it comes to investment in IR, with 16% confirming plans to grow the size of their IR team against 13% globally.



said their IR budget had been increased



plan to increase the size of their IR team

Fig 20: Has your budget for this year changed versus your previous financial year?

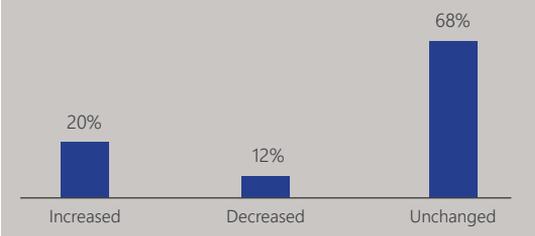


Fig 21: Are you planning to expand your IR team in the coming 12 months?

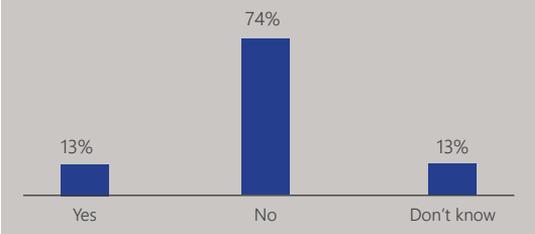
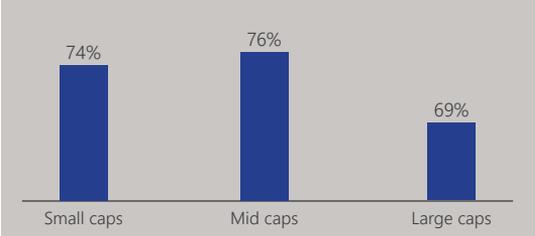


Fig 22: Proportion confirming no plans to increase team size



IR function (continued)

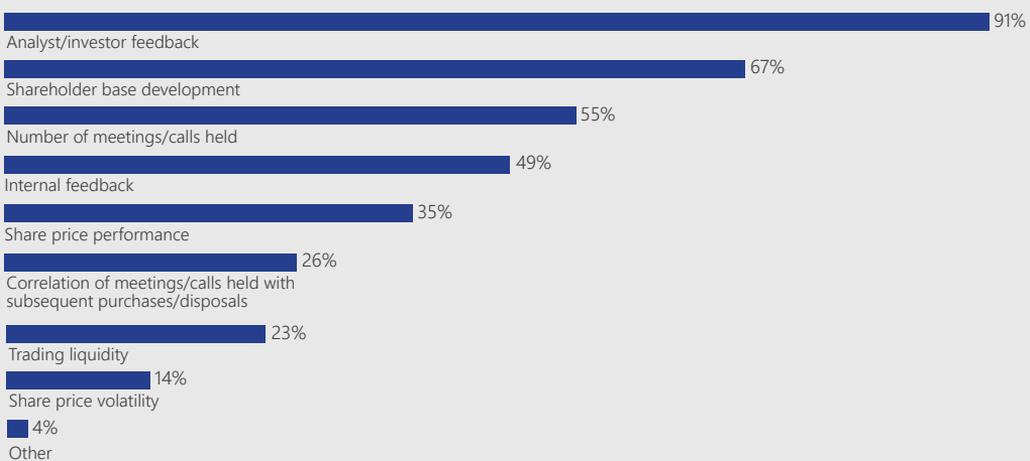
Market feedback, a key measure of success

Regardless of size or geography, analyst and investor feedback remains by far the preferred measure of success of IR programmes with 91% using this to track progress.

A slightly more tangible criterion, looking at shareholder base development, is ranked second (67%) and shows the increasing focus on enhancing the effectiveness of IR activities. Tracking the number of calls or meetings held during the year comes in third.

A regional breakdown shows that in some parts of the world, including the Middle East and Asia Pacific, there is a stronger emphasis on quantitative measures outside the IR team’s control when assessing IR performance. IROs in these regions are more likely to be judged based on share price performance, trading liquidity or share price volatility compared to their counterparts elsewhere.

Fig 23: How do you measure the success of your IR programme?



Ad hoc attendance at board meetings

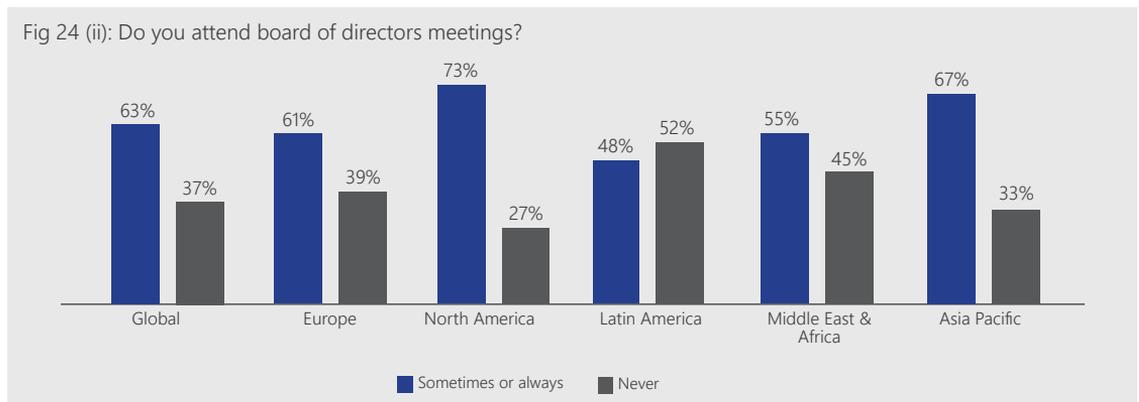
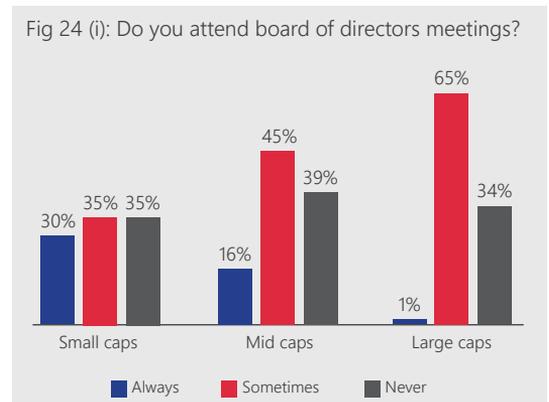
The majority (63%) of IROs attend board meetings, either always (18%) or sometimes (45%).

IROs of small- and mid-cap companies are much more likely to be in regular attendance at board meetings while only 1% of IROs working for large caps “always” attend such meetings. However, 65% of IROs working for large caps will sometimes attend board meetings compared to just 35% and 45% of small- and mid-cap companies, respectively.

Furthermore, our findings show that companies in certain markets more regularly invite IROs to board meetings. While 61% and 73% of IROs in Europe and North America, respectively, will sometimes or always attend board meetings, this drops to 55% in the Middle East and Africa, and as low as 48% in Latin America.



either ‘sometimes’ or ‘always’ attend board meetings



Regional highlights

Snapshot: Europe

Among hardest hit by sell-side research decline

- European companies have noticed an above-average decline in both quantity and quality of analyst research over the past 12 months; this is partially compensated by increased buy-side research efforts noted by nearly half of our European respondents.

In need of more proactive and sophisticated investor targeting

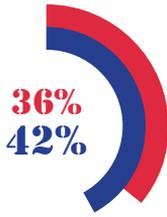
- Despite the increasingly evident effects of MiFID II, European companies remain the most reliant on brokers when it comes to investor targeting.
- Usage of corporate access platforms and/or investor targeting tools in Europe is significantly behind other regions (North America in particular).
- When researching investor targets internally, European companies are most likely to focus on investor type and investment style, demonstrating a relatively simplistic approach to investor targeting.
- European IROs are least likely to proactively reach out to investors before or after a meeting to get their views.
- As a result of MiFID II, investors are more proactively approaching European companies who are increasingly mindful of incoming requests when conducting investor targeting.

Proactively managing expectations

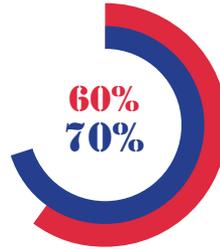
- European companies are the most open with the market when it comes to sharing consensus estimates. They are also the most likely to do so widely, with nearly a third of companies publishing consensus on their websites.

ESG issues best integrated in annual reports

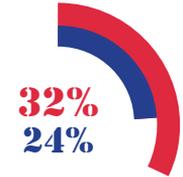
- European companies are more likely to refer to non-financial KPIs in the annual report but they lag behind the global average in terms of providing non-financial KPIs in more frequent investor communications such as results announcements and investor presentations.



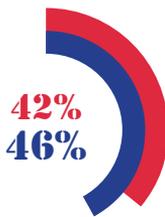
EUROPE GLOBAL
 have noticed a decline in the number of analysts covering the company



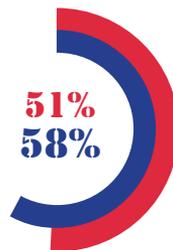
EUROPE GLOBAL
 use brokers for investor targeting



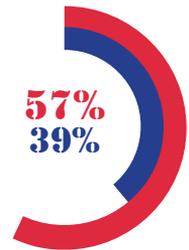
EUROPE GLOBAL
 find corporate access platforms and/or investor targeting tools useful



EUROPE GLOBAL
 never reach out to investors before or after meetings to get their views



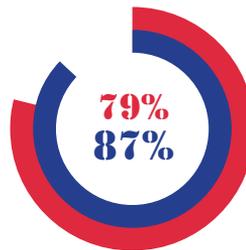
EUROPE GLOBAL
 take incoming requests into account in investor targeting



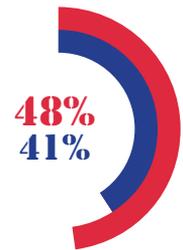
EUROPE GLOBAL
 opt not to share consensus



EUROPE GLOBAL
 publish consensus on their website



EUROPE GLOBAL
 refer to non-financial KPIs in annual report



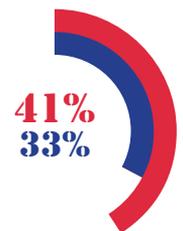
EUROPE GLOBAL
 refer to non-financial KPIs in results materials



EUROPE GLOBAL
 refer to non-financial KPIs in investor presentations



EUROPE GLOBAL
 see no need for an activist response strategy



EUROPE GLOBAL
 plan to improve investor presentations

Regional highlights

Snapshot: North America

'Commercial' approach to IR evident

- Compared to other regions, companies in North America take the most proactive and commercially driven approach to IR. This is evident in their approach to investor targeting and direct engagement.
- North American IR teams are most likely to research investor targets internally and to engage third-party consultants to support this process.
- Having invested time in selecting their investor targets, North American companies prefer to engage through one-on-one meetings rather than attend broker-hosted conferences or host their own group events. The majority will also contact investors before and after a meeting to get their views on the company.
- North American IROs are more likely to be judged based on the correlation between their meetings with investors and subsequent investor purchases or disposals.

Weaker board level relationships with shareholders

- North American chairpersons and non-executive board directors appear less engaged with shareholders compared to their counterparts in other regions. Less than a quarter of North American IROs believe their chair has a strong relationship with top 10 shareholders while non-executive directors on the boards of North American companies are least likely to engage directly with shareholders outside the AGM.

Facing investor pressure on specific issues

- North American companies face less investor pressure regarding their long-term strategy, management succession, executive remuneration and risk management, but are more under pressure regarding their board composition and gender pay gap. North American investors are also less concerned about environmental issues versus the global average.

Best prepared for engagement with activists

- Despite activists increasingly seeking opportunities outside North America, companies in this region remain the best prepared for an approach and the most inclined to consider a response strategy a must have.

Higher than average quantity but not quality of research

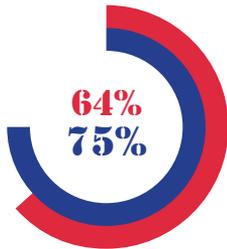
- North American companies are faring somewhat better than the global average when it comes to the quantity of equity research written on their company but note the same level of deterioration in the quality of analyst reports.

Focus on investor presentations

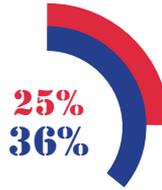
- The annual report continues to be seen as a regulatory filing document rather than marketing material which makes integration of sustainability reporting into the document less relevant.
- Over the coming year, North American IR teams are planning to spend more time perfecting their investor presentations than on any other document including the corporate website.

IR function well respected

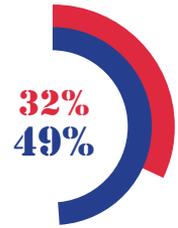
- North American IROs are more likely to be invited to attend board meetings than their counterparts in other regions, which shows that investor communication is taken seriously at senior management and board level.



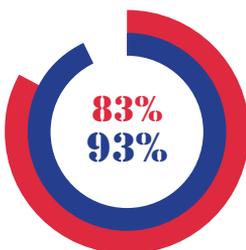
NORTH AMERICA **GLOBAL**
research investor targets internally



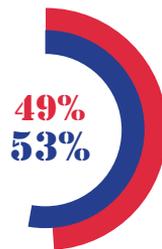
NORTH AMERICA **GLOBAL**
use third-party consultants for investor targeting



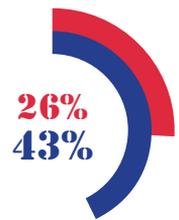
NORTH AMERICA **GLOBAL**
see value in corporate access platforms and/or investor targeting tools



NORTH AMERICA **GLOBAL**
contact investors after a meeting



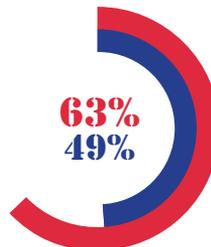
NORTH AMERICA **GLOBAL**
plan to devote more time to non-deal roadshows in 2019/20



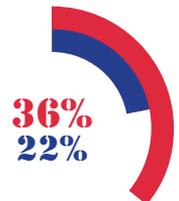
NORTH AMERICA **GLOBAL**
assess the correlation of meetings/calls held with subsequent purchases/disposals to measure IR effectiveness



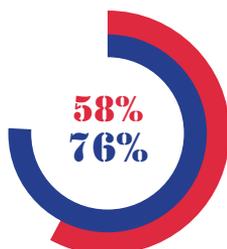
NORTH AMERICA **GLOBAL**
NEDs never meet shareholders outside AGM



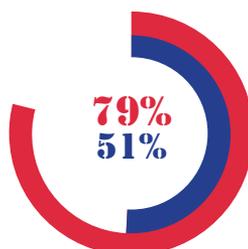
NORTH AMERICA **GLOBAL**
face pressure regarding long-term strategy



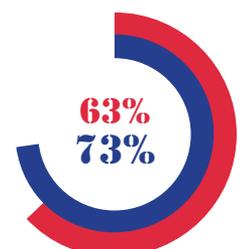
NORTH AMERICA **GLOBAL**
face pressure regarding environmental issues



NORTH AMERICA **GLOBAL**
include non-financial KPIs consistently in the general investor presentation



NORTH AMERICA **GLOBAL**
refer to non-financial KPIs in the annual report



NORTH AMERICA **GLOBAL**
either always or sometimes attend board meetings

Regional highlights

Snapshot: Middle East & Africa

Room for improvement in corporate governance

- Corporate governance remains a weak point for companies in the region, with the highest percentage of IROs saying that their chair has a poor relationship with top 10 shareholders. Companies in the Middle East and Africa also face more pressure from investors regarding executive remuneration and overall disclosure levels.
- Educating investors regarding the company strategy, the top priority for companies worldwide, is less of a focus area for companies in the Middle East and Africa.

Engagement through group events and technological tools

- Being located at a greater distance to some of the world's key financial centres, companies in the Middle East and Africa hold capital markets days on a regular basis and appear keener to leverage technological tools to engage with the investment community.
- However, IR teams in the region are less proactive when it comes to targeting potential investors (through both internal and external processes) and are less inclined to commission perceptions surveys.

Hardest hit by decline in research quantity

- Companies in the Middle East and Africa have been the hardest hit when it comes to the quantity of sell-side research on their company. However, the quality of their coverage has declined less sharply compared to other regions.

Lacking transparency in expectation management

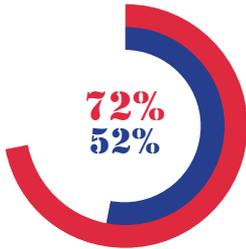
- Companies in the Middle East and Africa are the least open with the market when it comes to sharing consensus estimates; none of our respondents from the region publish their consensus on the website.

Focus on ESG reporting

- Companies in the Middle East and Africa have made great strides to improve ESG reporting which is now more integrated with financial reporting than in most other regions.
- Over the coming year, IR teams in the region will be more focused on improving their investor presentations versus the global average and less so on improving their annual reports.

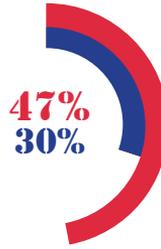
Preference for quantitative criteria when measuring effectiveness

- IR teams in the Middle East and Africa are more likely to be assessed based on share price performance and trading liquidity, which are largely outside of their control, versus the global market.



MIDDLE EAST & AFRICA GLOBAL

focused on educating investors on company strategy



MIDDLE EAST & AFRICA GLOBAL

focused on improving ESG disclosure



MIDDLE EAST & AFRICA GLOBAL

admit poor relationship between chairperson and top 10 shareholders



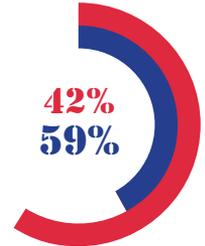
MIDDLE EAST & AFRICA GLOBAL

face pressure regarding overall disclosure levels



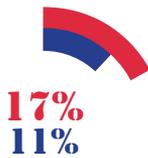
MIDDLE EAST & AFRICA GLOBAL

hold capital markets days at least once a year



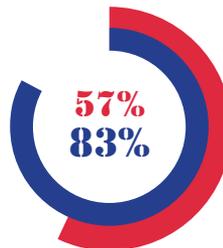
MIDDLE EAST & AFRICA GLOBAL

never contact investors prior to a meeting



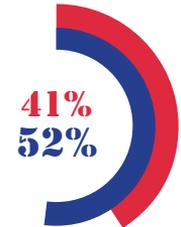
MIDDLE EAST & AFRICA GLOBAL

note a decline in their quality of their sell-side research



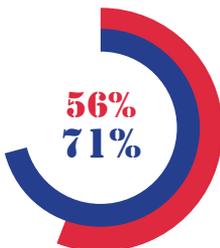
MIDDLE EAST & AFRICA GLOBAL

do not share consensus estimates externally



MIDDLE EAST & AFRICA GLOBAL

plan to improve investor presentations



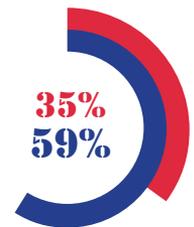
MIDDLE EAST & AFRICA GLOBAL

exceed regulatory ESG reporting requirements



MIDDLE EAST & AFRICA GLOBAL

hold virtual IR events



MIDDLE EAST & AFRICA GLOBAL

IR teams assessed on share price performance

Regional highlights

Snapshot: Latin America

Lack of board level engagement with investors

- Despite receiving lower levels of investor pressure regarding their corporate governance standards, Latin American IROs are less satisfied with their chair's relationship with top 10 shareholders compared to their counterparts in most other regions.
- This could leave some more exposed to an activist approach which companies in the region are less well prepared for versus the global average, with many of the view that the threat of activism is not relevant for them.

Taking greater control of investor targeting

- Investor interest in the region is on the rise, with a higher proportion of companies noting an increase in direct enquiries from potential investors.
- Latin American companies are among the most regular hosts of capital markets days and the most frequent users of virtual events. Although they are less proactive when it comes to targeting potential investors, taking greater control of this process is a key priority for the coming year.

Little change in sell-side research

- Fewer companies in Latin America have noticed a change in analyst coverage over the past year compared to the global average.

Room for improvement in expectation management

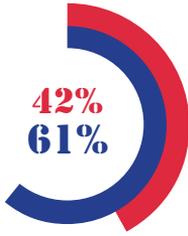
- Latin American companies are less likely to provide guidance and are less open with the market when it comes to sharing consensus estimates.

Improving information materials

- Latin American companies are more focused on improving their IR materials than their counterparts in other regions, with key focus on the website, annual report, results releases and ESG publications.
- They have made great strides to improve ESG reporting and are more inclined to adopt an integrated reporting approach, including greater integration of non-financial information across all IR materials.

Need for greater influence at board level

- IROs in Latin America have the lowest access to board meetings and are more likely to be assessed based the number of meetings/calls held, with less emphasis on market feedback and shareholder base development.



LATIN AMERICA GLOBAL
 plan to improve website/IR materials



LATIN AMERICA GLOBAL
 focused on increasing internal understanding of investor perceptions



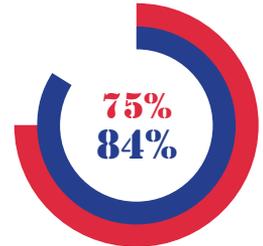
LATIN AMERICA GLOBAL
 intend to refine their investment case



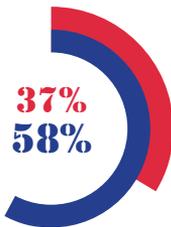
LATIN AMERICA GLOBAL
 claim strong relationship between chair and top 10 shareholders



LATIN AMERICA GLOBAL
 hold capital markets days at least once a year



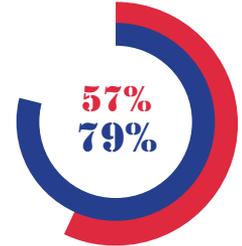
LATIN AMERICA GLOBAL
 have noticed an increase in direct meeting requests from investors



LATIN AMERICA GLOBAL
 have noticed no change in nature of sell-side research



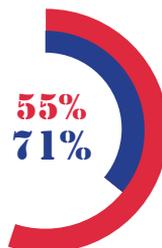
LATIN AMERICA GLOBAL
 do not provide guidance



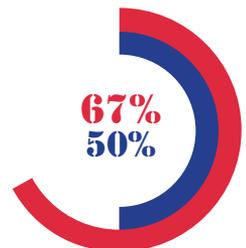
LATIN AMERICA GLOBAL
 do not share consensus estimates



LATIN AMERICA GLOBAL
 never attend board meetings



LATIN AMERICA GLOBAL
 IR teams assessed on number of meetings/calls held



LATIN AMERICA GLOBAL
 IR teams assessed on shareholder base development

Regional highlights

Snapshot: Asia Pacific

Mounting pressure regarding corporate governance

- IROs in Asia Pacific are among the most satisfied globally when it comes to their chairperson's relationship with top 10 shareholders. However, their companies are under pressure from investors regarding long-term strategy, board composition and management succession.

Recognising the rising threat of activism

- IROs in Asia Pacific feel more at a risk of an activist approach and are therefore increasing efforts to prepare a response strategy.

Lack of proactive investor targeting

- IR teams in the region are the least proactive when it comes to targeting potential investors and more likely to spend more time attending broker-hosted conferences which require minimal effort in this respect.
- Their engagement with passive investors is also rising at a slower rate versus the global average.
- However, IR teams in Asia Pacific are marginally better at leveraging technological tools for investor relations and plan to make greater use of technology over the coming year.

Attracting a fair share of sell and buy side attention

- Companies in Asia Pacific are faring somewhat better when it comes to both quantity and quality of sell-side research written on their company versus the global average.
- They are also attracting a substantial share of buy side attention.

Enhancing guidance

- Companies in Asia Pacific are more inclined to make changes to their approach to guidance, aiming to provide more qualitative guidance and additional qualitative metrics going forward.
- However, they are less likely to share analyst consensus externally compared to their counterparts in other regions.

Annual and sustainability reporting in focus

- IR teams in Asia Pacific are more focused on improving annual reports and results releases but less so on upgrading the IR section of their website. Compared with global peers, IR teams in Asia Pacific are planning to place less emphasis on refining their investment case over the coming year.
- Companies in the region more widely integrate non-financial information across their information materials and are ahead of the curve when it comes to referencing these on company websites, results materials, investor presentations and company factsheets.

IR function

- While nearly all IR teams in the region use market feedback as a key criterion for measuring their performance, they are more likely to also be assessed based on quantitative measures outside their control, such as share price performance and volatility.



ASIA PACIFIC GLOBAL
are planning to refine their investment case



ASIA PACIFIC GLOBAL
admit poor relationship between chairperson and top 10 shareholders



ASIA PACIFIC GLOBAL
face investor pressure regarding management succession



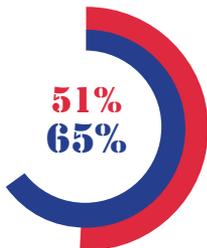
ASIA PACIFIC GLOBAL
feel the threat of an activist approach has increased



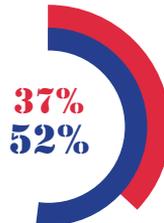
ASIA PACIFIC GLOBAL
do not actively target potential investors



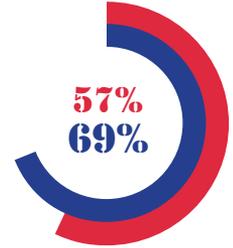
ASIA PACIFIC GLOBAL
plan to allocate more time to broker-hosted conferences



ASIA PACIFIC GLOBAL
note an increase in buy side research



ASIA PACIFIC GLOBAL
intend to change their approach to guidance



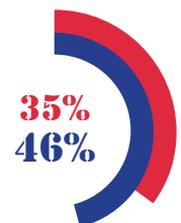
ASIA PACIFIC GLOBAL
do not share analyst consensus externally



ASIA PACIFIC GLOBAL
plan to improve their annual report

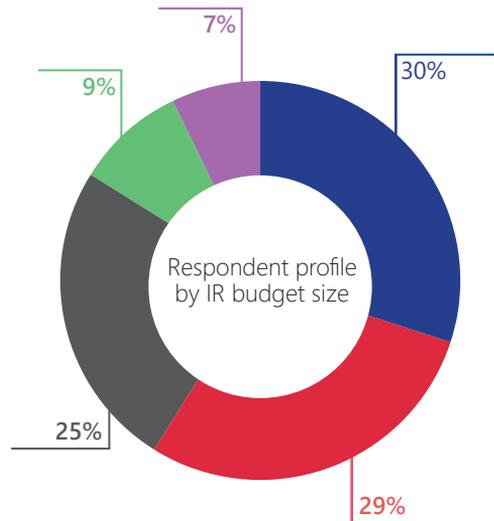
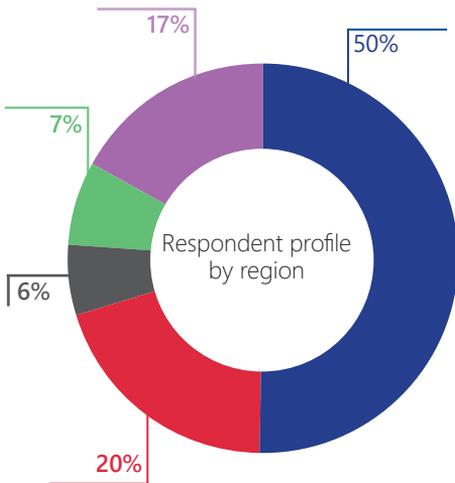
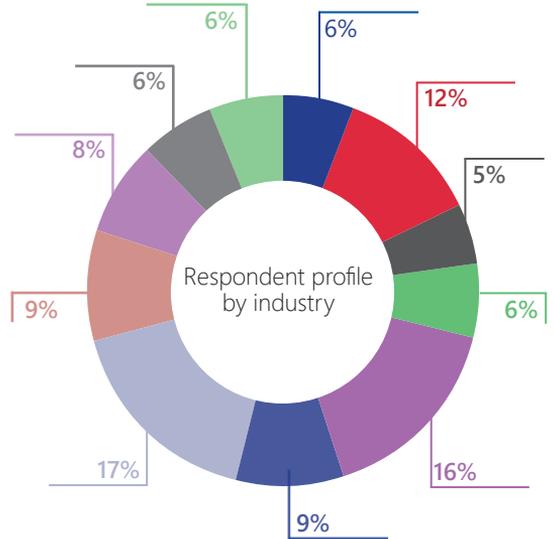
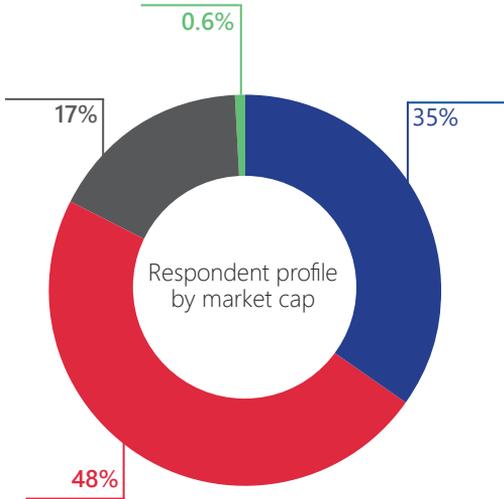


ASIA PACIFIC GLOBAL
refer to non-financial KPIs in results releases



ASIA PACIFIC GLOBAL
assess IR effectiveness based on share price performance

Respondent profiles



How we can help

Enhancing the investment case

We understand the importance of having a compelling but balanced investment case in a market where both analysts and investors are having to focus on an increasing number of companies. Our IR team is skilled at articulating clear key messages, ensuring these resonate consistently across all information materials, and advising on their optimal delivery during investor meetings.

Broadening the shareholder base

Shareholder base diversification is one of the key priorities for every IR team. Our insights and analysis provide valuable intelligence ahead of investor roadshows and events to ensure maximum effectiveness of these meetings.

Building sell-side coverage

Whether you are a newly listed company in need of building sell-side coverage or have been neglected by your sector analysts, our team can devise an appropriate engagement programme to raise your profile and gain new followers.

IPO preparation

Ahead of an IPO, our team can help with the recruitment process, development of procedures and policies for dealing with investors, and identification of designated spokespeople within the company. We can help refine your key messages and information materials, arrange a non-syndicate analyst presentation, support preparation for your first financial results announcement and devise a comprehensive engagement programme for the next 12 months.

Financial reporting

Our team provides full support with financial reporting, conducting an objective review of all results materials, running comprehensive presentation rehearsals and Q&A practice, looking after all logistical arrangements, and collecting feedback from key sell- and buy-side contacts following the announcement.

ESG reporting

We offer a comprehensive suite of services to identify ESG issues relevant to your business and ensure effective communication of non-financial performance to key stakeholders. This includes materiality assessment, engagement with accreditation providers, peer group benchmarking, investor feedback, implementation of global reporting standards, integration with financial reporting, as well as engagement with ESG ranking agencies.

Proactive engagement

Our team has a long track record in devising proactive engagement programmes for existing and potential shareholders, involving both executive management and the IR team. We can advise on the appropriate use of one-to-one meetings, conferences and company-hosted events aimed at analysts and investors.

Managing expectations

With the continued decline and fragmentation of sell-side research, determining 'true' market expectations is becoming increasingly difficult. Our team works closely with companies to devise an appropriate guidance strategy and set specific targets.

Optimising the IR function

Having investor relations at the core of a company's communications with the markets is key to its effectiveness. We advise companies on the positioning of their IR function, internal structure and responsibilities, resourcing required, along with devising comprehensive IR programmes.

Activist defence

With the continued rise in shareholder activism, understanding the risks of an approach and having a response strategy in place is critical. Our team can assess your vulnerability, examine the quality of your investment case, identify current and emerging investor concerns and review the make-up of your shareholder base. We will devise an action plan to strengthen your narrative and broaden management support among existing shareholders, and prepare a response strategy.

Evaluating effectiveness

To evaluate effectiveness of a company's investor relations efforts, we deploy a number of qualitative and quantitative measures. These include research into external and internal perceptions, monitoring of the shareholder register, regular reviews of activities undertaken throughout the year as well as trends in market metrics and other trading indicators.

About us

Citigate Dewe Rogerson is one of the most respected names in financial communications. We are experts in our fields, combining the expertise of bankers, fund managers, in-house investor relations, former journalists and creative communication professionals as well as sector and transaction specialists.

We serve over 500 clients from new start-ups to some of the world's largest listed companies, governments and other organisations, from our offices in London and in the US, Europe, the Gulf and Asia. Our dedicated investor relations team has a track record of more than 30 years in advising boards, senior executives and IROs worldwide to build their profiles amongst the investment community and nurture relationships with key decision makers.

For more information, please contact:

Sandra Novakov

Head of Investor Relations

T: +44 (0)20 3926 8517

E: sandra.novakov@citigatedewerogerson.com

