

2021 Membership Survey

IR Society – October 2021



QUANTIFIRE

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Background to This Research

QuantiFire was delighted to be asked to conduct the IR Society's Annual Membership Survey for the ninth consecutive year. This year, as always, your feedback was invaluable in informing the work of the Society and revealing the current themes, challenges and expectations amongst IR professionals.

On behalf of the IR Society and the team at QuantiFire, thank you for taking the time to participate. We are happy to share this summary of the main findings with you and hope you will find it informative.

About QuantiFire

Helping companies to win and maintain the confidence of capital markets by better understanding the needs and interests of shareholders and potential investors.

QuantiFire has spent over 8 years developing and refining an end-to-end methodology for obtaining, analysing and reporting the needs and interests of investor communities. Our service identifies potential investors who 'opt-in' for future engagement (the missing final-mile in most investor targeting), and produces an unparalleled quality of market feedback and perception reporting.

As investor engagement becomes increasingly systemised and technology-enabled, '**Feedback Intelligence**' is emerging as a new category of market intelligence for Investor Relations professionals.

For investors, our service engages them as carefully targeted individuals using secure and innovative protocols that respect their time and privacy, whilst improving user experience.

For companies, we focus on generating authoritative and actionable insights, delivered at a Board-ready reporting standard. We set perceptions against meaningful benchmarks and map market-level sentiment trends, as well as clarifying the needs and interests of individual fund managers and analysts.

In summary, QuantiFire offers expertise in new, critical niche areas: being able to successfully engage investors 'at scale', and maximising the value of the intelligence that this generates.

>5,000 INSTITUTIONS PARTICIPATING

Responses are obtained from almost every significant global investment institution

>100,000 INVESTMENT PROFESSIONALS

Global database of institutional investors with robust security and compliance with GDPR

>500,000 QUESTIONS ANSWERED

Proven methodology and deep archives for benchmarking & trend analyses

Current top 20 institutions by response count:



Introducing Feedback Intelligence

Online scheduling, virtual meetings, online feedback, data integration solutions, AI and data visualisation techniques are coalescing as integrated processes. As investor engagement becomes more efficient and analytical, **'Feedback Intelligence'** is emerging as a new category of market intelligence for Investor Relations professionals, and QuantiFire is pioneering the development of this new approach.

High response volumes with integrated data and value-added analytics, generate powerful insights that help IROs to prioritise the specific needs and interests of their investor community.

Core services based on Feedback Intelligence:

Interest Research

Investor targeting that confirms the interests of current and potential investors

Market Feedback

High quality, high volume investor feedback; consolidated, benchmarked & analysed

The Living Perception Study

Alternative approach to perception research that grows in value, over time

ESG Priority Analysis

Identifies investors, topics, analysts, agencies & events that you need to prioritise

Capital Markets Event Support

Increase your audience, optimise your content, understand the impact you have had

Examples of exciting new capabilities:

Easily initiate new relationships at scale

Smart targeting solutions that 'opts-in' relevant individuals from QuantiFire's global investor database

Add real value to strategic thinking and messaging

Clear, analytical 'market-level perception' reporting to pinpoint priority areas of risk and opportunity

Give laser-focused, personalised service

High attribution rates make individual needs and interests easy to identify, alongside any changes in sentiment

"I always say that QuantiFire's service is the single most valuable thing that I have in my IR tool set".
Matthew Johnson, Group Investor Relations Director, Vodafone.

To learn more email enquiries@quantifire.co.uk or call +44 (0)20 7060 5470.

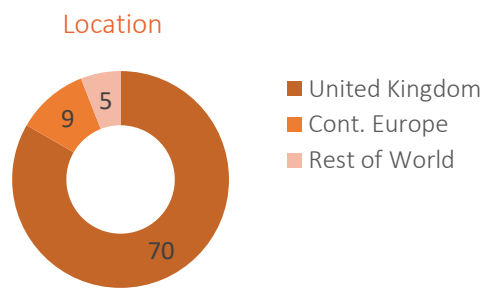
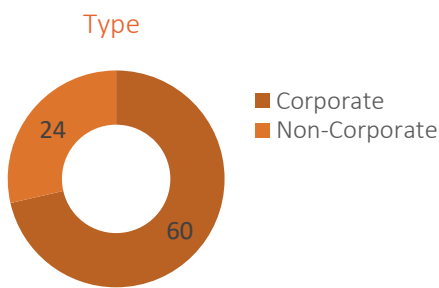


Survey Respondents

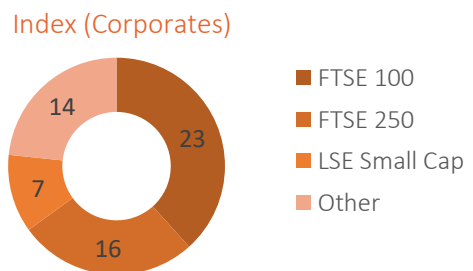
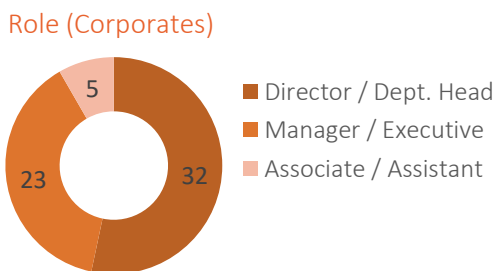
Respondent Profiles

QuantiFire conducted this Membership Study on behalf of the IR Society between 24th August and 20th September 2021 and received responses from 84 participants. This study follows on from the previous seven years of annual reporting by QuantiFire.

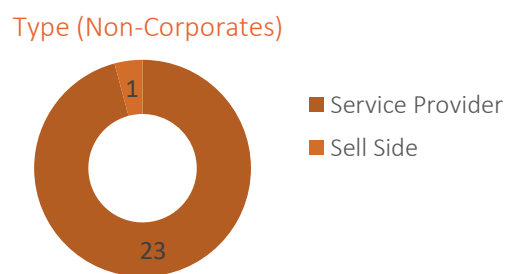
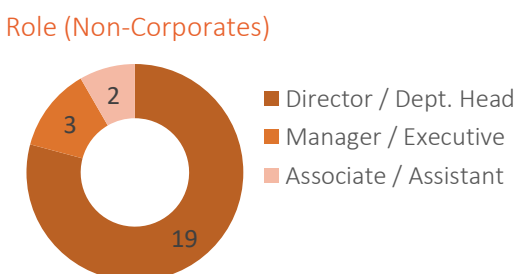
All Respondents



Corporate Responses



Non-Corporate Responses



You and Your IR Department: IR Budget and Team Size

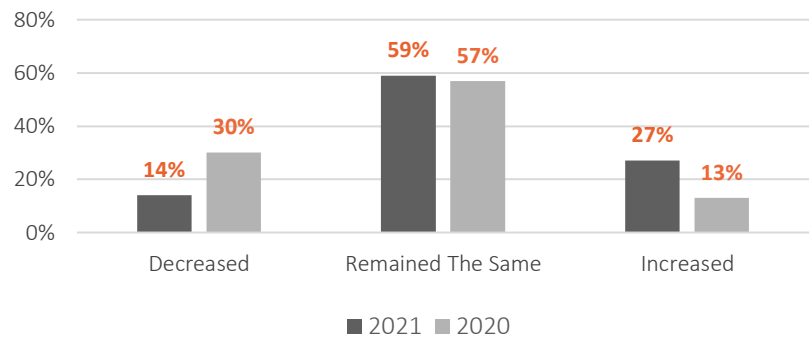
The feedback on IR budgets and team size suggest a more optimistic outlook than was evident in 2020. Those who enjoyed a budget increase in 2021 outnumbered those whose budget was cut by nearly 2:1.

Similarly, 30% of respondents reported an increase in the size of their team in 2021, up from 19%. Ongoing travel restrictions and the continued use of lower cost virtual engagement were cited as the main factors currently influencing IR budget decisions.

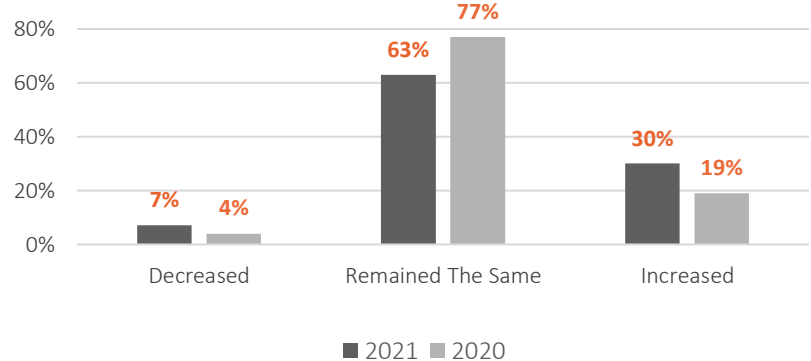
“We are doing a CMD, getting a financial PR agency on board, and redesigning the annual report.”

“Switching to on-line or hybrid for major events such as investor days and no international traveling led to a decrease in the IR budget.”

Changes in IR Budget Over the Past Year: Overall Results



Changes in Team Size Over the Past Year: Overall Results



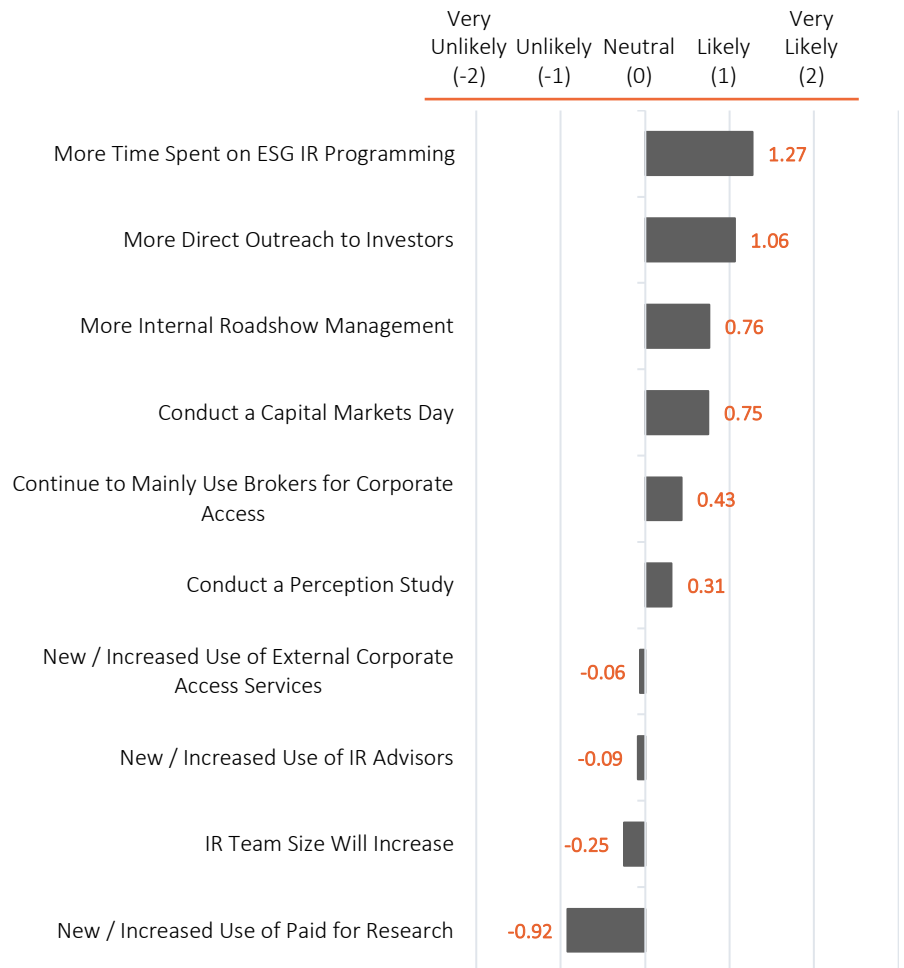
You and Your IR Department: Future IR Activity

As in 2020, spending more time on ESG is the most widely anticipated development for the next twelve months. Increasing the amount of direct outreach to investors stays in second place, and there is an accelerating expectation that roadshow management will be done internally. Similarly, there is a notable decrease in the anticipated use of brokers for corporate access since last year.

“Going forward, we will prioritise more direct investor engagement and control of IR activity.”

“Rebuilding analyst coverage and our institutional investor base. Welcoming investors back into the office and potentially going into theirs. An increased focus on ESG matters.”

How Likely Are the Following Outcomes (Year Ahead): **Overall Results**



Changes Due to Virtualisation and the Increasing Importance of ESG

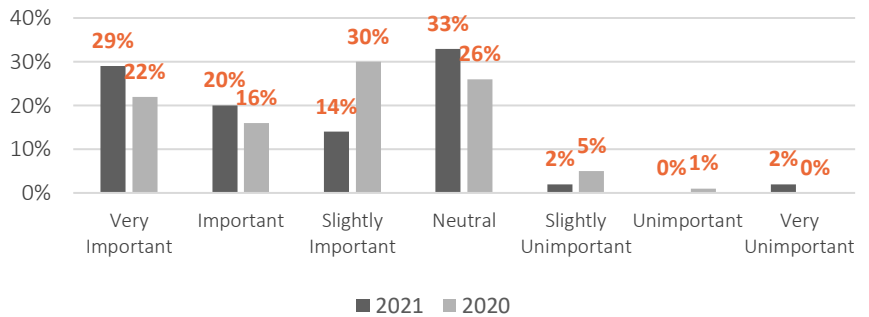
The overall importance of ESG continues to grow year-on-year. The proportion of respondents who told us that engaging with ESG-focused investors and analysts was ‘important’ or ‘very important’ rose from 38% to 49%, with many citing an increased focus on ESG amongst investors as the stand-out development of the last year.

“The prominence of ESG... [investors need to] stay completely abreast of developments a lot more than before.”

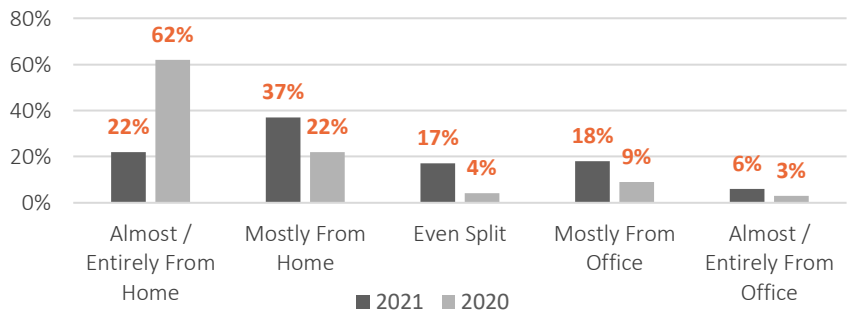
As the pandemic retreats, the proportion of respondents now working entirely from home has dropped markedly, from 62% to 22%, although 37% remain ‘mostly’ WFH with occasional days in the office.

Reflecting the switch to virtual events, most IROs are now planning roadshows according to investors’ time zones rather than their physical location.

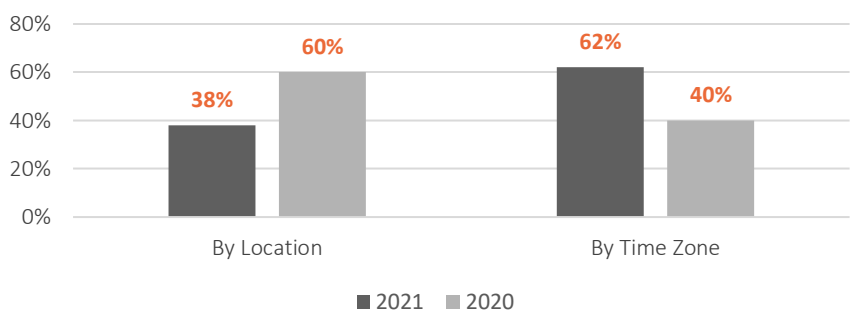
How Important Is It for Your Company to Target and Engage With ESG Focused Investors and Analysts: **Overall Results**



Working From Home: **Overall Results**



How Are You Structuring Roadshow Plans: **Overall Results**



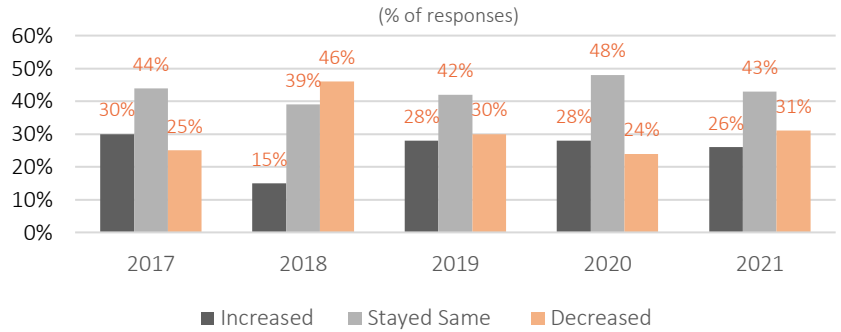
Thoughts on the Sell Side

This year, the number of respondents reporting a decrease in the analyst coverage of their company outweighed those who experienced an increase by five percentage points. Numerous participants observed that the sell side seems to be less well resourced today than in the past. The supplementary comments reveal that this is becoming a significant cause of concern for some companies.

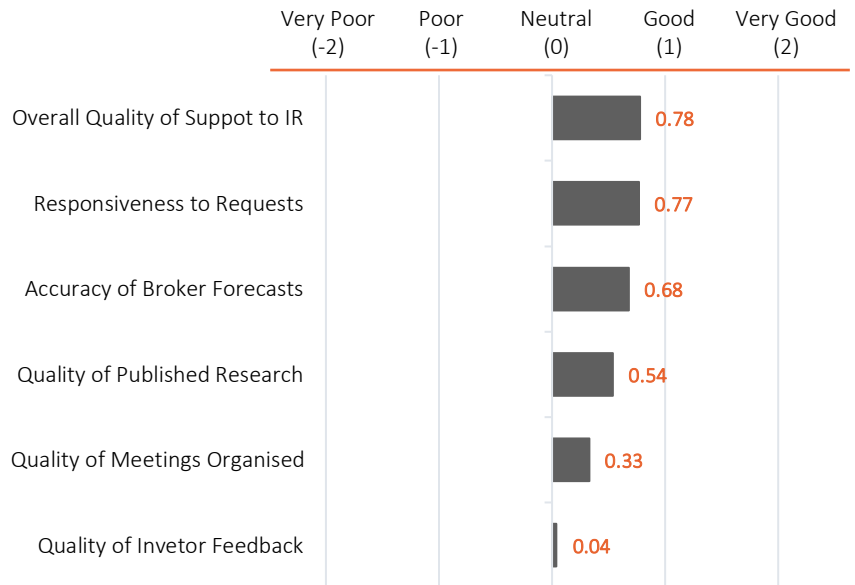
“[One of] the biggest issues now facing the majority of UK plcs [is] the continued contraction in research coverage, be that a reduction in the actual number of analysts or a reduction in genuine active coverage.”

The quality of the services provided by brokers remains somewhat underwhelming, with no category achieving a firm ‘good’ rating. The quality of investor feedback, in particular, remains stuck on an average rating of ‘neutral.’

In the Last 12 Months How Has the Number of Sell Side Analysts Covering Your Company changed? Overall Results



How Would You Rate the Following Services That are Provided by Brokers: Overall Results



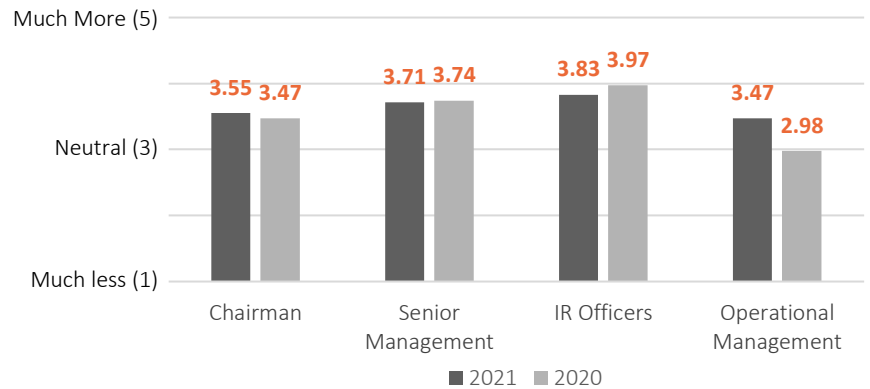
Thoughts on the Buy Side

No significant shifts in patterns of buy side engagement were reported, although operational management seem to be getting more involved again following an understandable dip in 2020. The comments made suggest IROs have experienced a range of responses from the buy side during the past year. Some investors have been communicating more proactively, whilst others have proved hard to pin down.

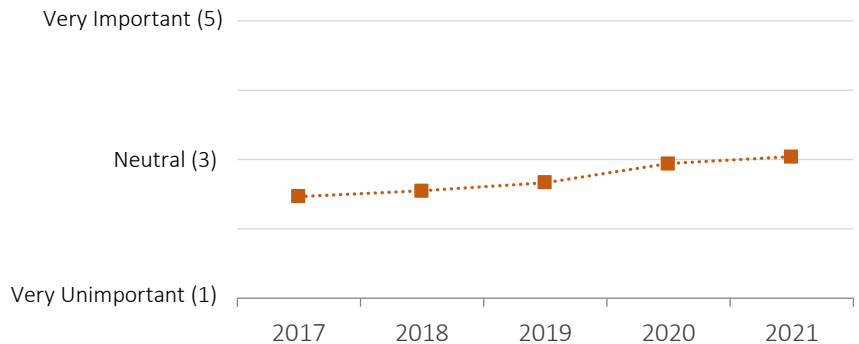
“It’s a mixed bag. Some seem to like the direct approach, others are hard to contact and never respond.”

The importance of social media as an IR communication tool continues to grow at a slow pace. However, this year the score crossed the significant ‘neutral’ boundary for the first time and entered the ‘important’ side of the scale.

How Has Your Engagement With the Buy Side Changed Over the Past Year and Especially Since the Pandemic?: Overall Results



How Important Do You Believe Social Media Is As A Means of Communication With the Buy Side: Results Over Time

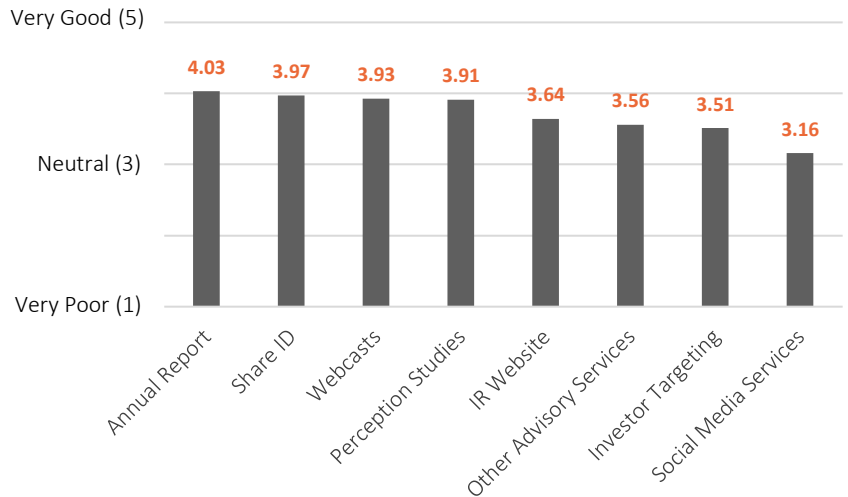


Thoughts on Suppliers

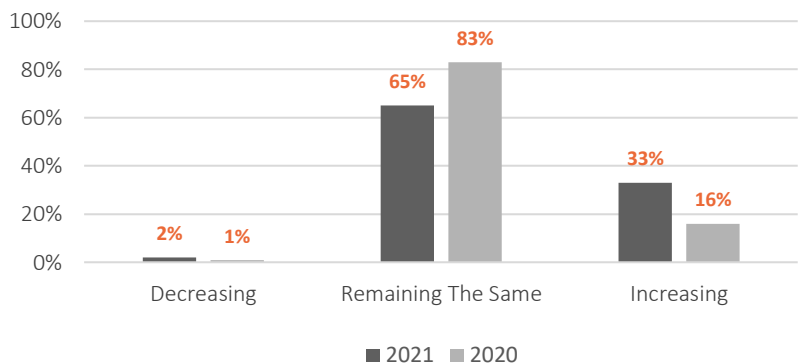
The assessment of the quality of the services provided by suppliers to their IR clients has shown a slight improvement in most categories, with the exception of social media services where suppliers continue to struggle to make their mark.

A larger proportion of suppliers (33%) have felt sufficiently confident to raise their prices in 2021. However, the majority (65%) have maintained their existing pricing structures.

How Would You Rate the Quality of Service From the Following Providers: **Overall Results**



Have You Found That Suppliers Have Been Increasing or Reducing Their Prices in the Last 12 Months: **Overall Results**



Thoughts on IR Departments *(from suppliers)*

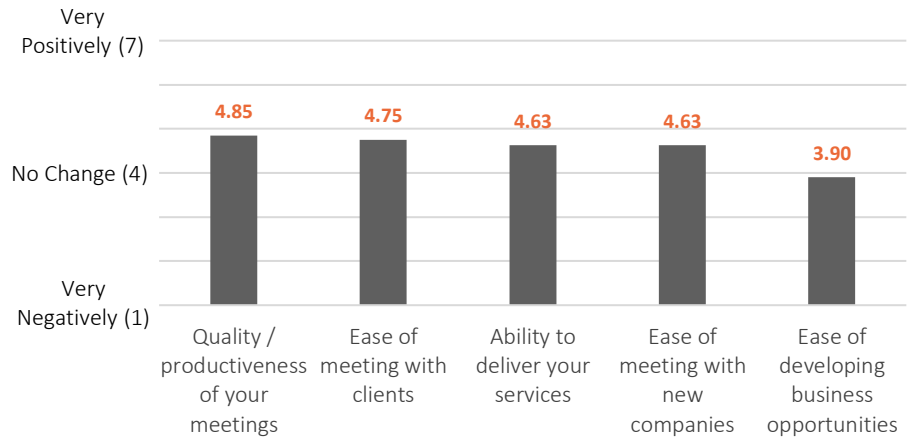
Interestingly, 44% of suppliers reported that having to work remotely has had a positive effect on their relationships with their IR clients, compared to 28% who have felt a negative impact. Unsurprisingly, ‘ease of developing business opportunities’ was the one area where the balance of responses was slightly negative.

There is clear optimism about the immediate future amongst suppliers too. 63% reported that they are anticipating doing more business in the coming year, up from 44% in 2020.

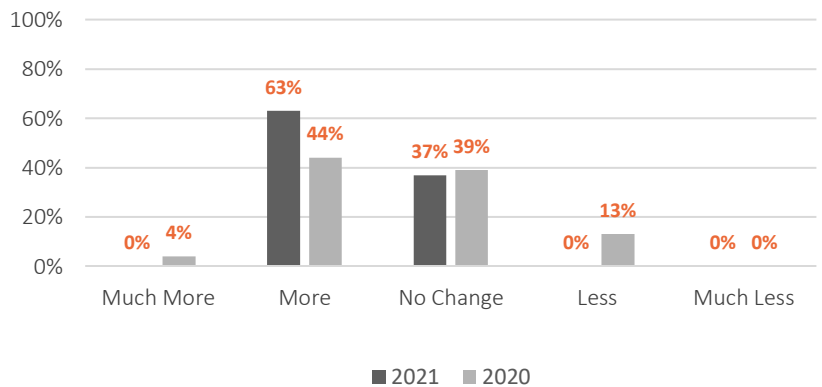
“Operationally it’s great, but not as much fun. And it’s much tougher to collaborate and generate or implement new concepts.”

“The start of lockdown meant lockdown on companies contemplating a change of suppliers or adding services. But 2021 has been a lot better than 2020.”

Effect of virtualisation and Remote Working on Relationship With IR Departments: **Overall Results**



Do You Anticipate Doing More or Less Business in the Coming Year?: **Overall Results**



The Year Ahead

Expectations on the issues that will dominate 2022 reflect the findings on ‘Future IR Activity’ reported on page 5, particularly ensuring that ESG communication and engagement is effective and that the direct outreach to investors is aimed at the right people. Significantly, measuring the success of the IR programme ranks third.

“ESG will become more focused and therefore better reported.”

Supplementary comments reveal that one of the issues most exercising IROs at present is finding the right ‘hybrid’ combination of virtual and in-person engagement.

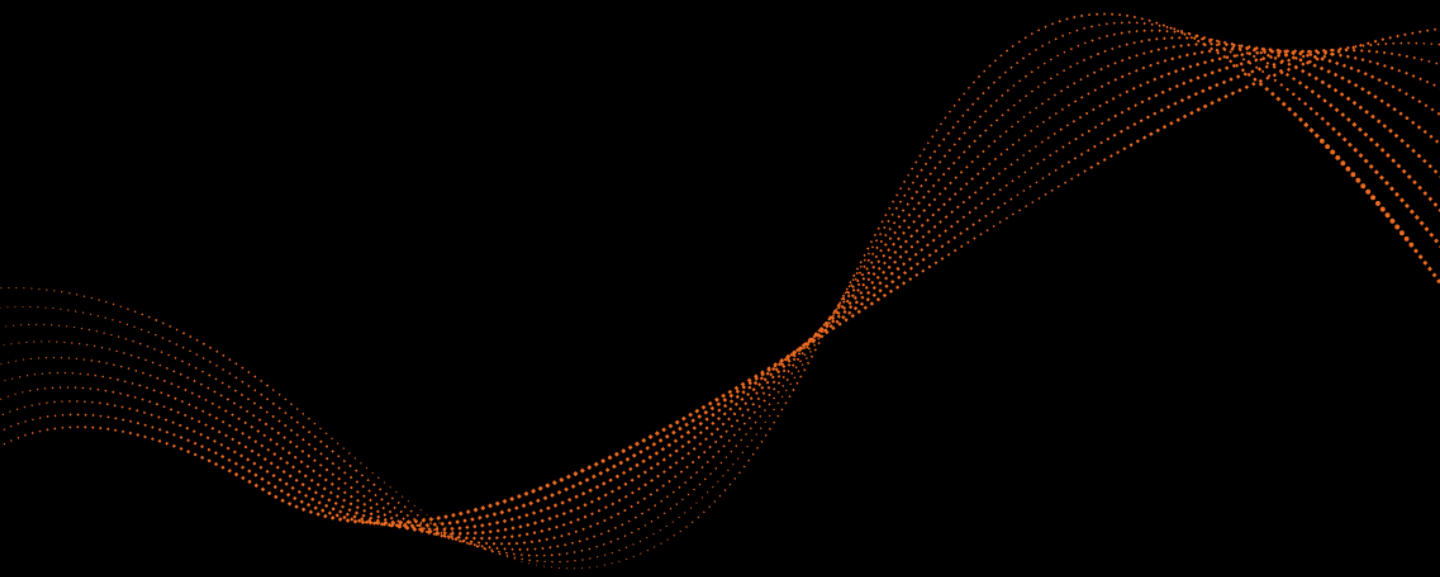
“I’m hoping for more in-person meetings. But hybrid will be a challenge.”

How Important Do You Expect the Following Issues to Be in 2022: Overall Results



Note: Results from Corporate members only





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