

Institutional Investor

European IR Benchmarking *Wo ist der deutsche Mittelstand?*

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Institutional Investor Research

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Agenda

- Background II
- Research Methodology
- Analysis
 - Buy-Side
 - Sell-Side
- Best Practice
- Key take-outs

BACKGROUND

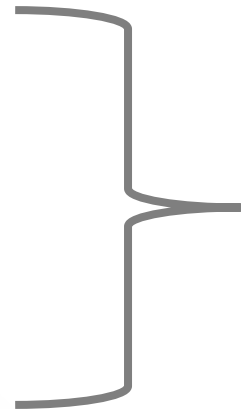
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Institutional Investor Research

- 40 years survey-based rankings and analysis

Annual studies of global equities and fixed income markets provide access to leading investment professionals across the world, accompanied by in depth articles and insight in II Magazine

- Research
- Sales
- Trading
- Investor Relations
- Hedge Funds



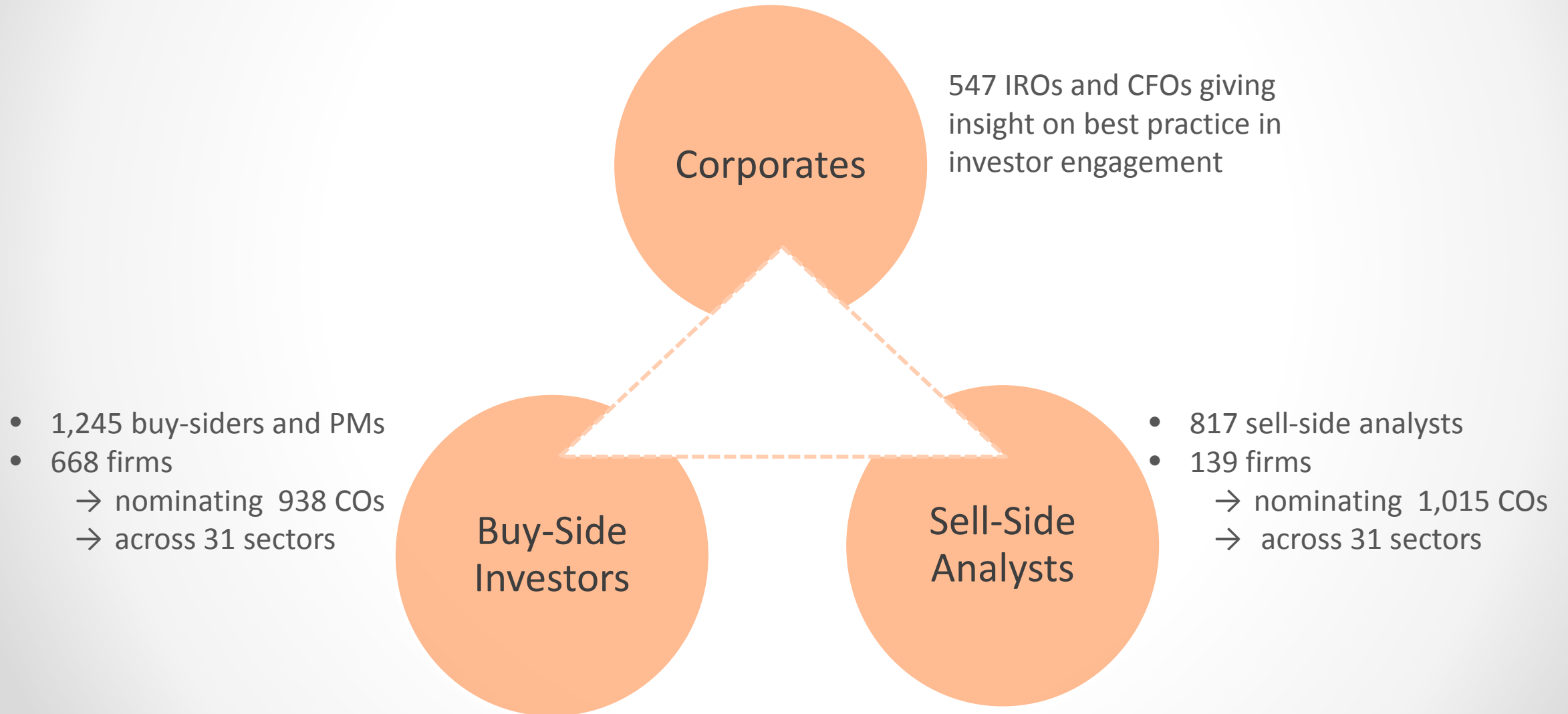
Europe
Japan
Asia
LatAm
U.S.



Research Methodology 2016

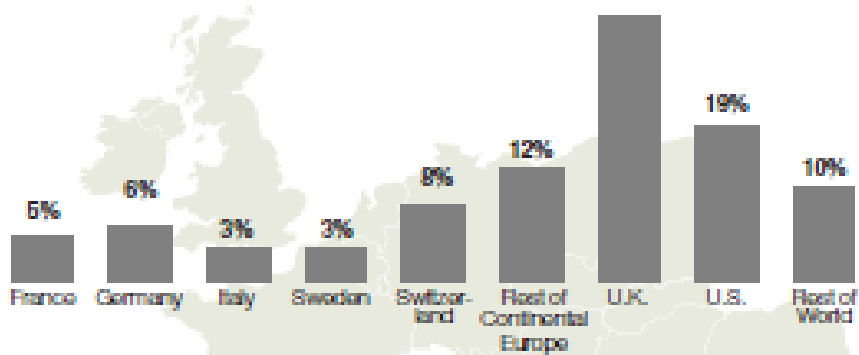
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Research Methodology: Triangular Approach

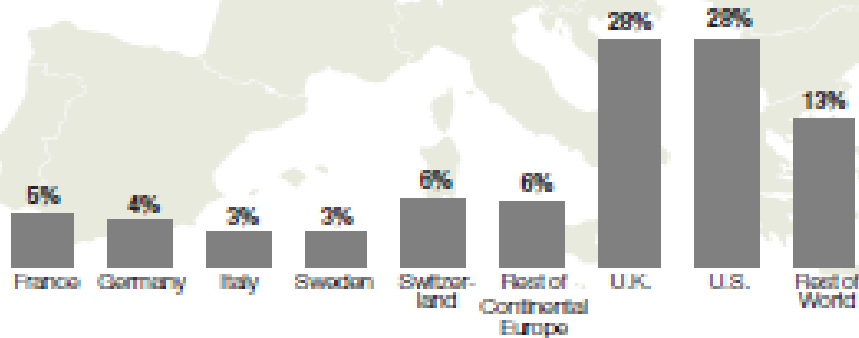


Buy-Side Voter Universe

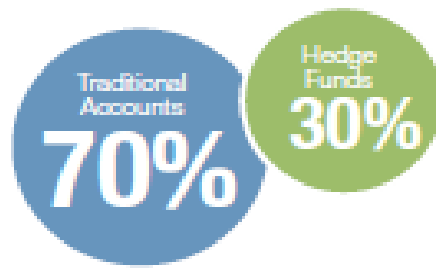
BY VOTER LOCATION



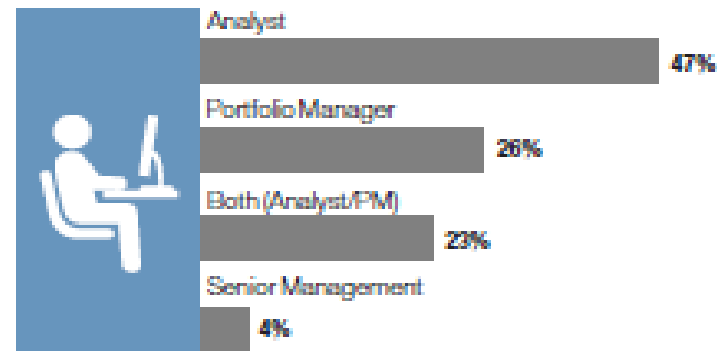
BY DOMICILE



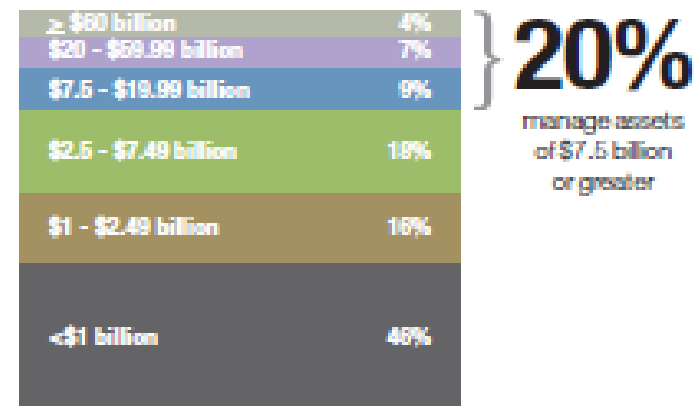
BY INSTITUTION TYPE



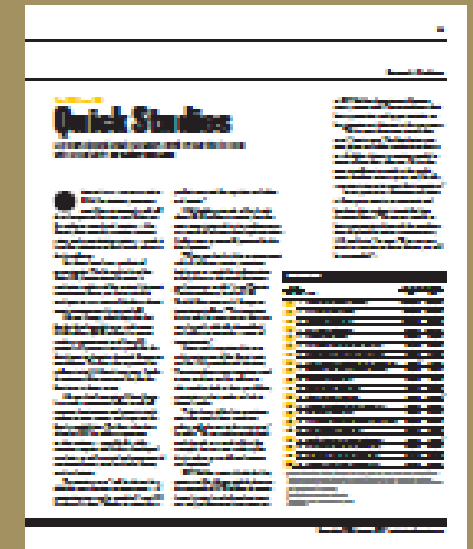
BY VOTER FUNCTION



BY ASSET SIZE

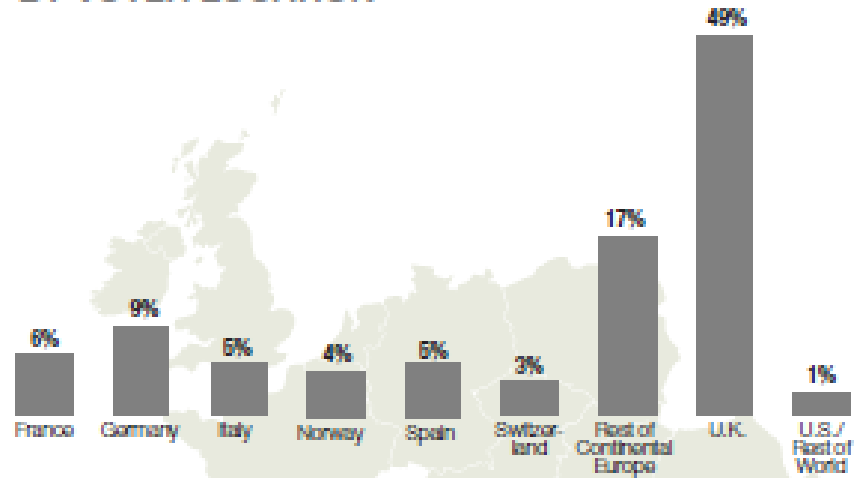


Europe Hedge Fund 50 (July): Europe's 50 Largest Hedge Funds

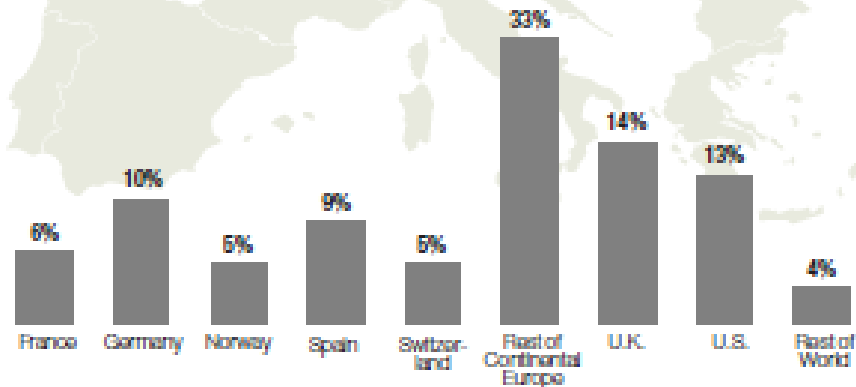


Sell-Side Voter Universe

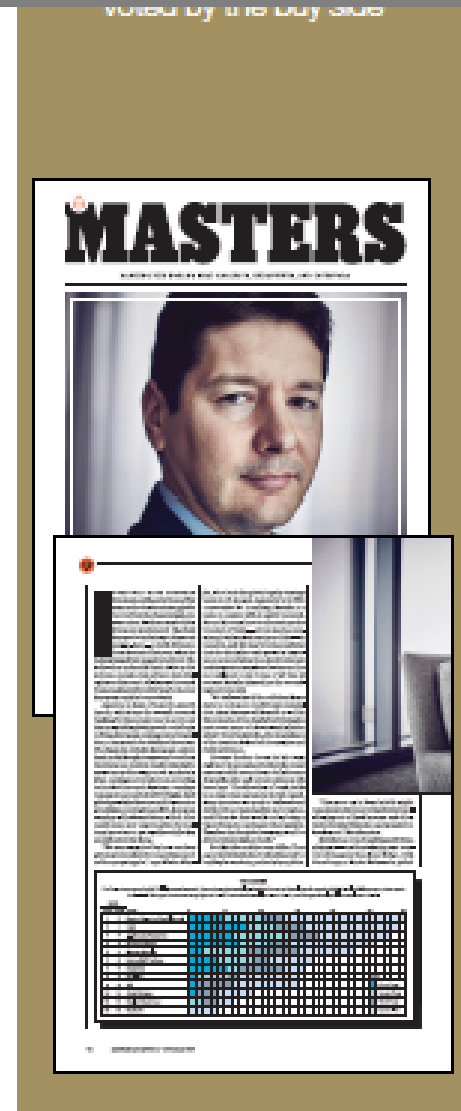
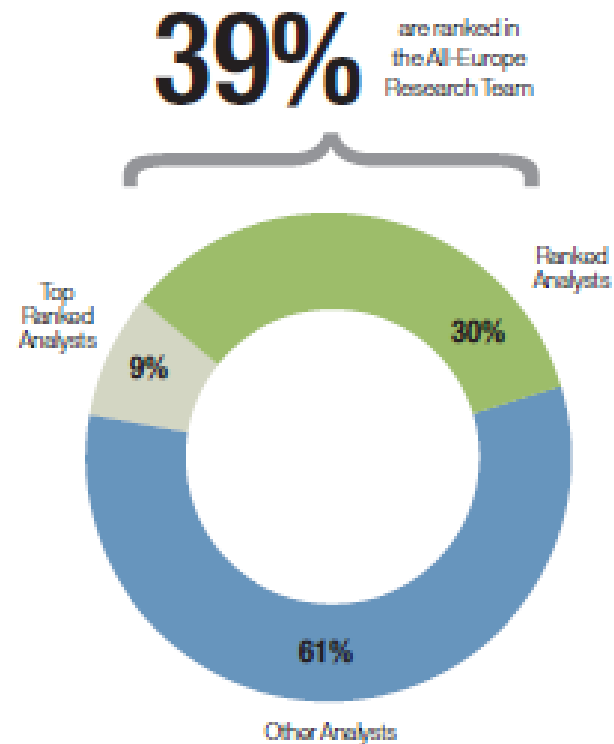
BY VOTER LOCATION



BY DOMICILE



BY ALL-EUROPE RESEARCH TEAM



Research Methodology: Key Differentiators

- Global Voter Universe
- Confidential and anonymous
- No weighting on AuM
- No vote swapping
- Unprompted – ‘write-in ballot’

Research Methodology – Write-in Ballot

BEST CEOs, CFOs, IR PROFESSIONALS AND ANALYST DAYS METHODOLOGY

Voters rank up to four CEOs, CFOs, IR Professionals and companies.

Who is the Best CEO?		
RANK	SURNAME, FIRST NAME	COMPANY
1 st		
2 nd		
3 rd		
4 th		
5 th		
6 th		

Which European companies in this sector host the most constructive analyst/investor days?	
RANK	COMPANY
1 st	
2 nd	
3 rd	
4 th	
5 th	
6 th	

Who is the Best CFO?		
RANK	SURNAME, FIRST NAME	COMPANY
1 st		
2 nd		
3 rd		
4 th		
5 th		
6 th		

What is your reason for selecting the above?

Survey Sample

Ranks are weighted by place and aggregated to produce distinct buy-side, sell-side, and combined buy-side and sell-side rankings, by sector:

- BEST CEO
- BEST CFO
- BEST IR PROFESSIONAL
- BEST ANALYST DAYS

Who is the Best IR Professional?		
RANK	SURNAME, FIRST NAME	COMPANY
1 st		
2 nd		
3 rd		
4 th		
5 th		
6 th		

Research Methodology – 6 Performance Metrics

BEST INVESTOR RELATIONS METHODOLOGY

The buy-side and sell-side voters select the sector(s) in which they cover and wish to vote. They rank the top four companies that demonstrate excellence in the following performance attributes:



Senior executives are accessible



Hosting the most constructive conference calls



The company provides a timely and appropriate level of financial disclosure



The IR team is well informed and empowered to speak authoritatively on the company's behalf



The company responds quickly and thoroughly to requests



Quality of corporate documents and investor kit materials

- Each company's Best Investor Relations ranking is based on the total number of weighted points awarded across the six performance attributes.

Place	Points
1 st	6
2 nd	5
3 rd	4
4 th	3
5 th	2
6 th	1

The Analysis

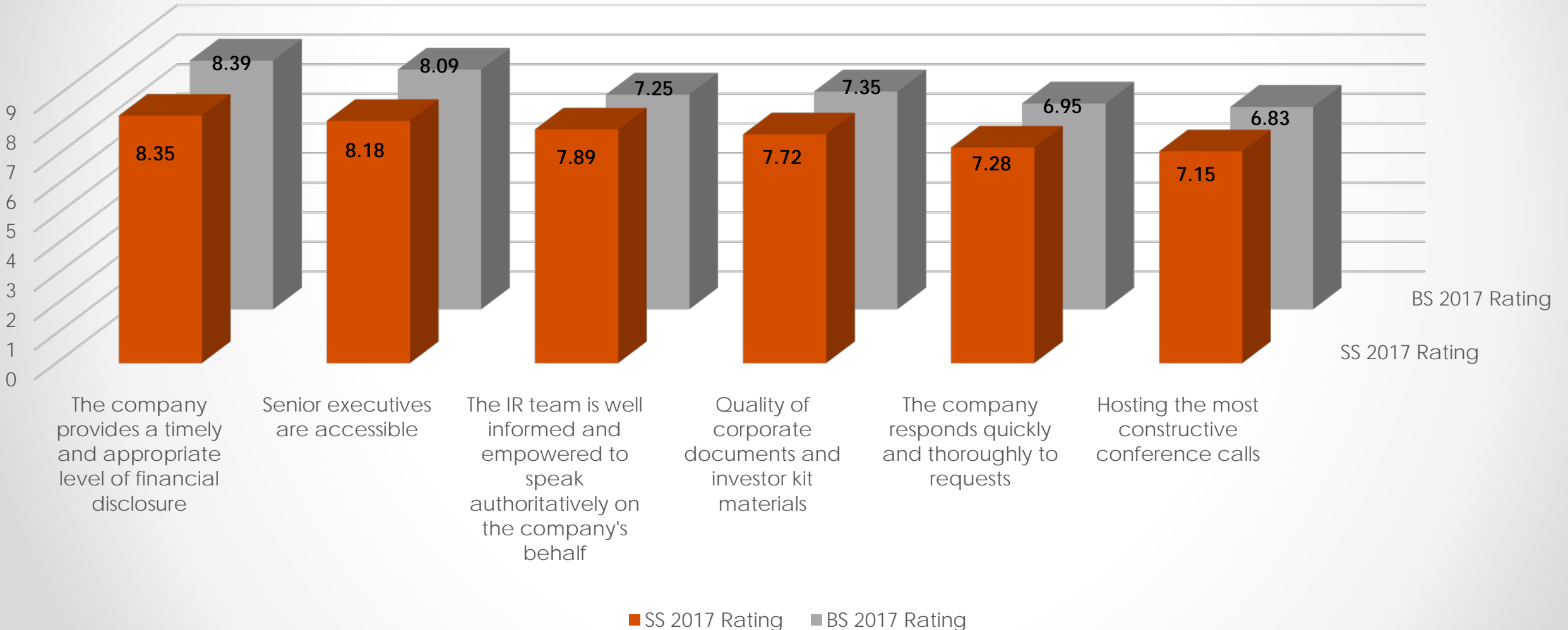
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Football is a simple game; 22 men chase a ball for 90 minutes and at the end, the Germans win.

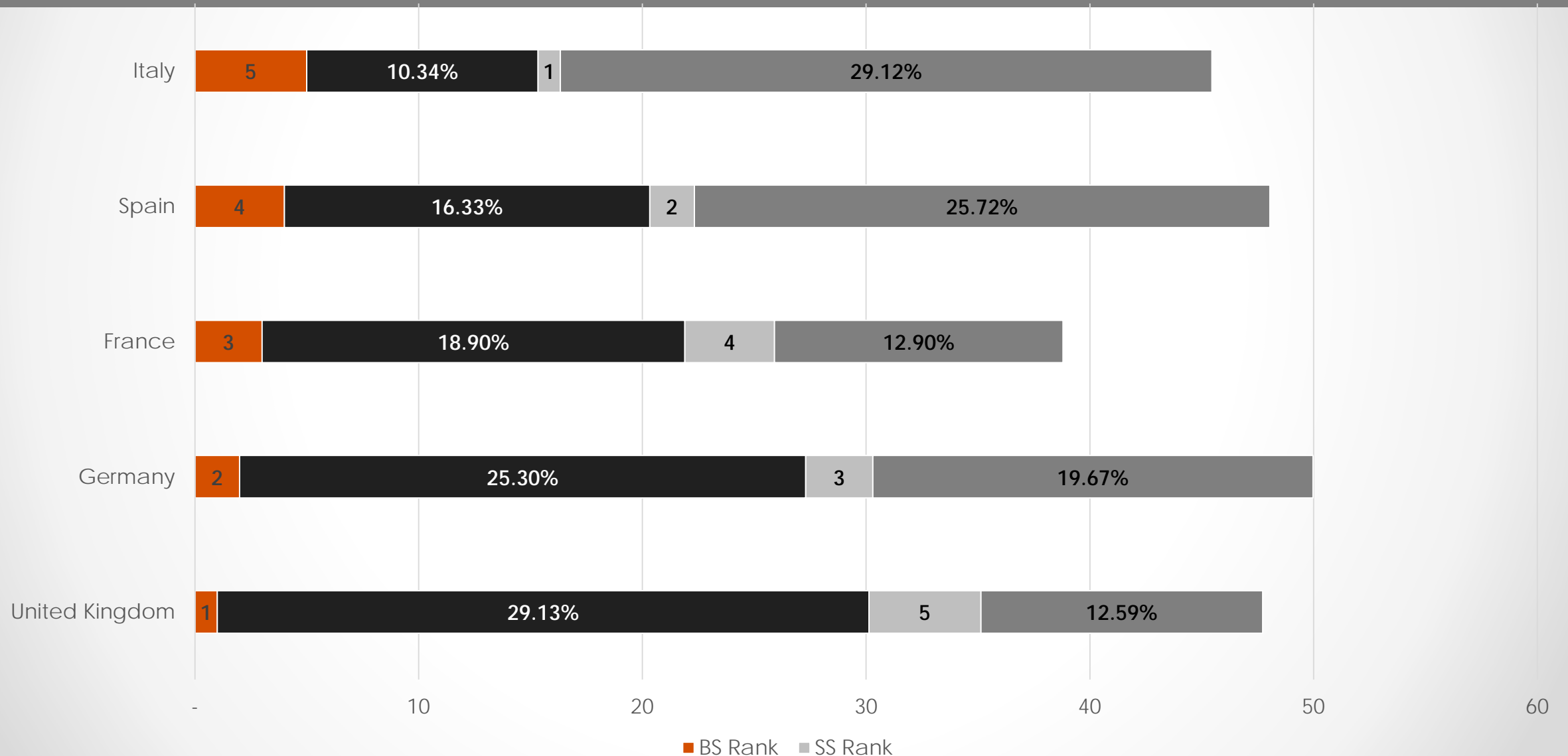
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— [Gary Lineker^{\[1\]}](#)

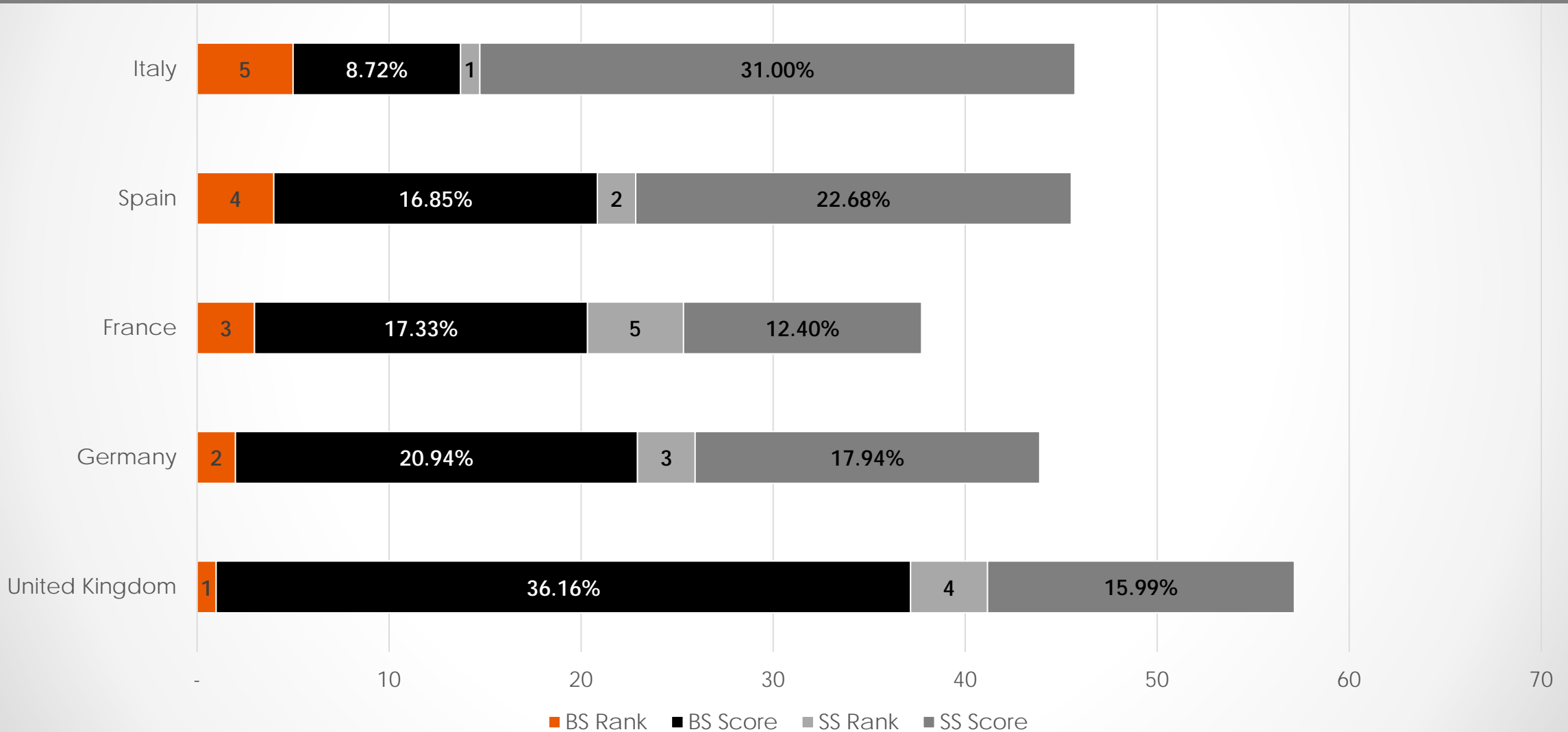
What Buy- and Sell-siders want?



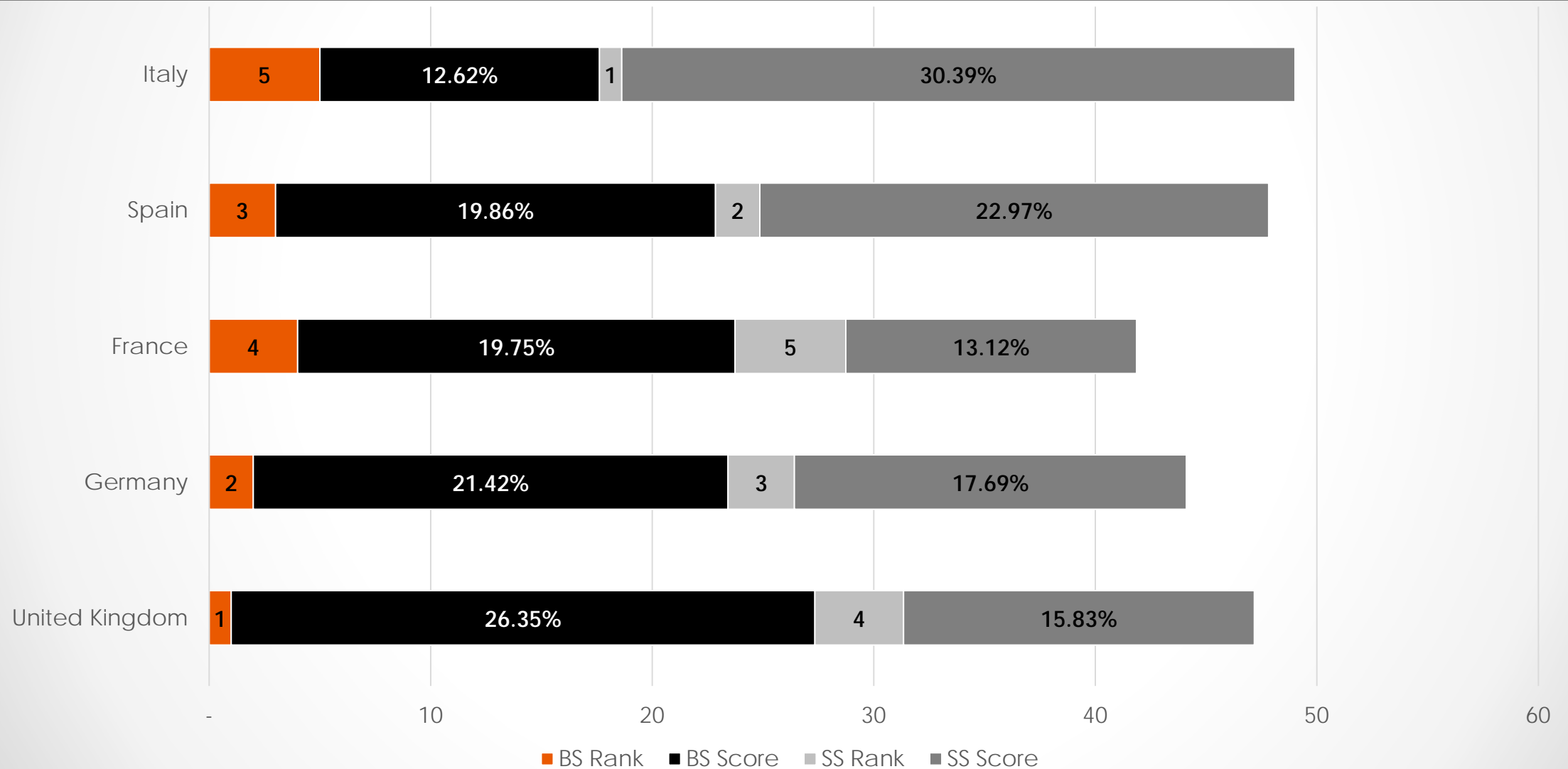
Overall Ranks and Analysis – IR Programme



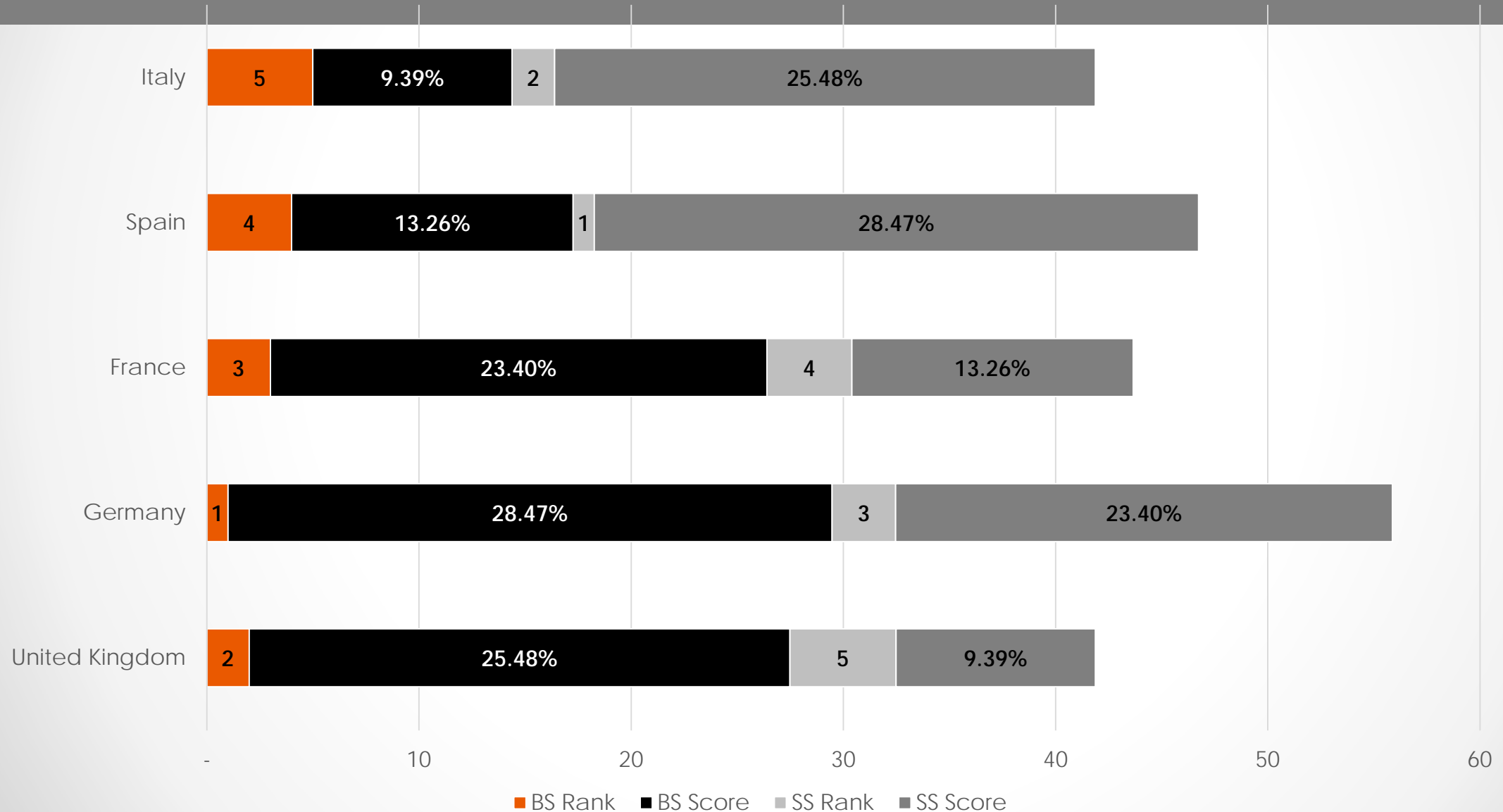
BS/SS – Financial Disclosure & Transparency



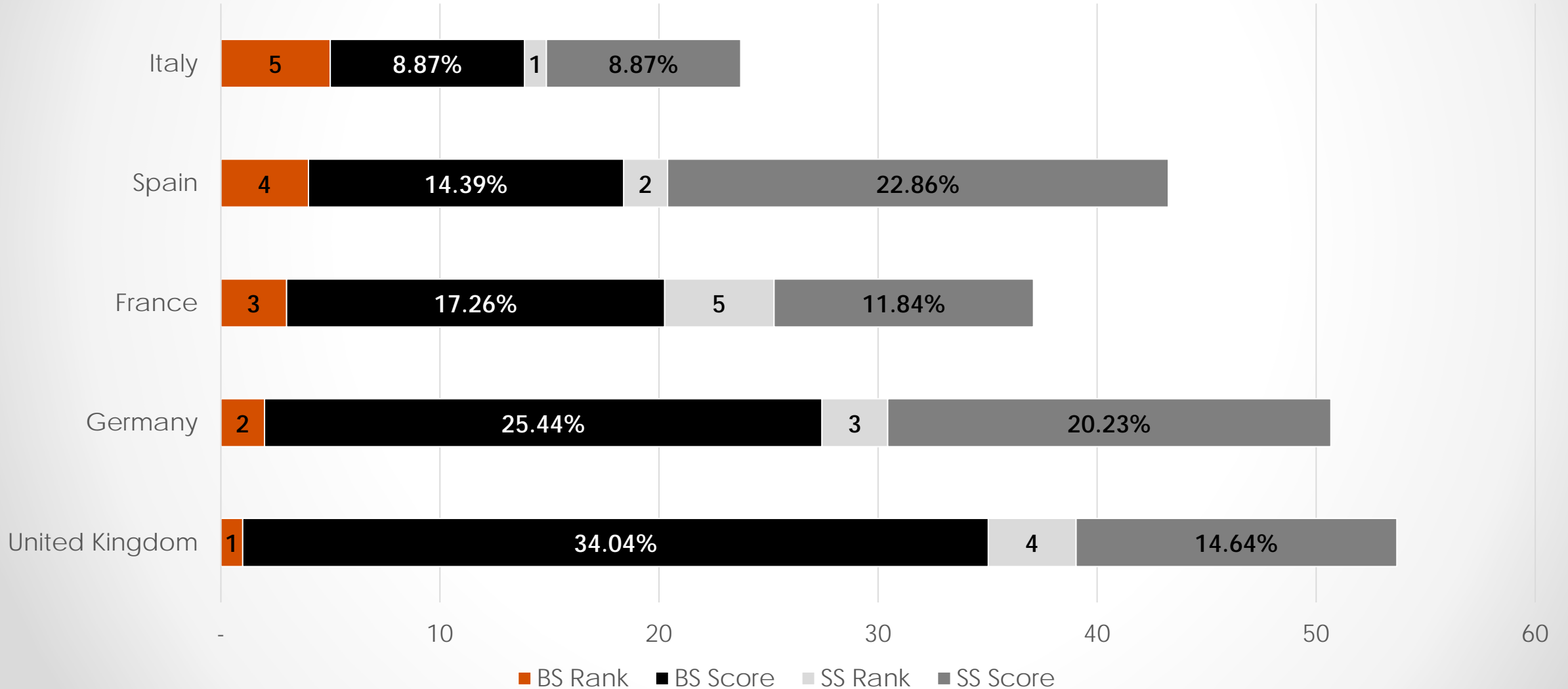
BS/SS- Access to Senior Management



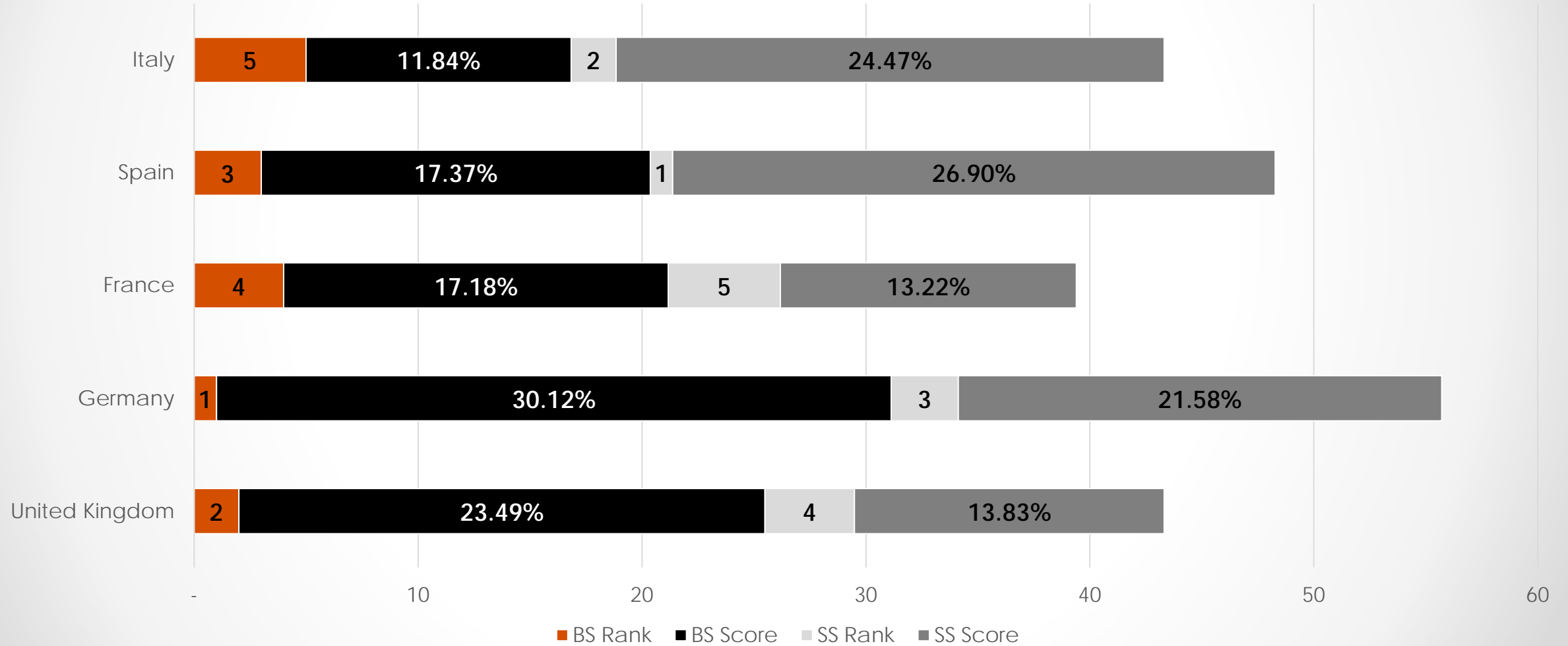
BS/SS: Credible and authoritative IR Team



Quality of Corporate Documents



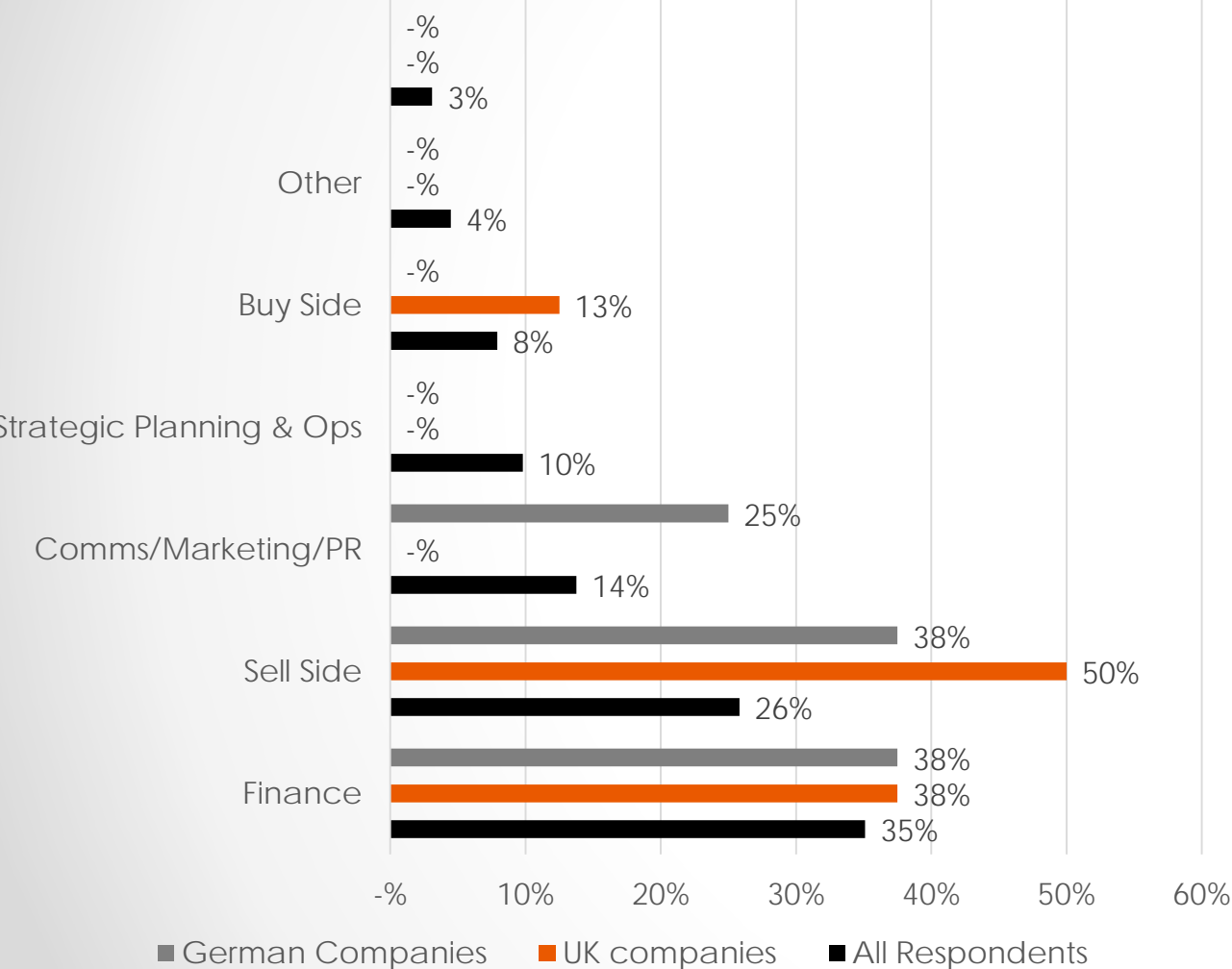
BS/SS Responsiveness of IR Team



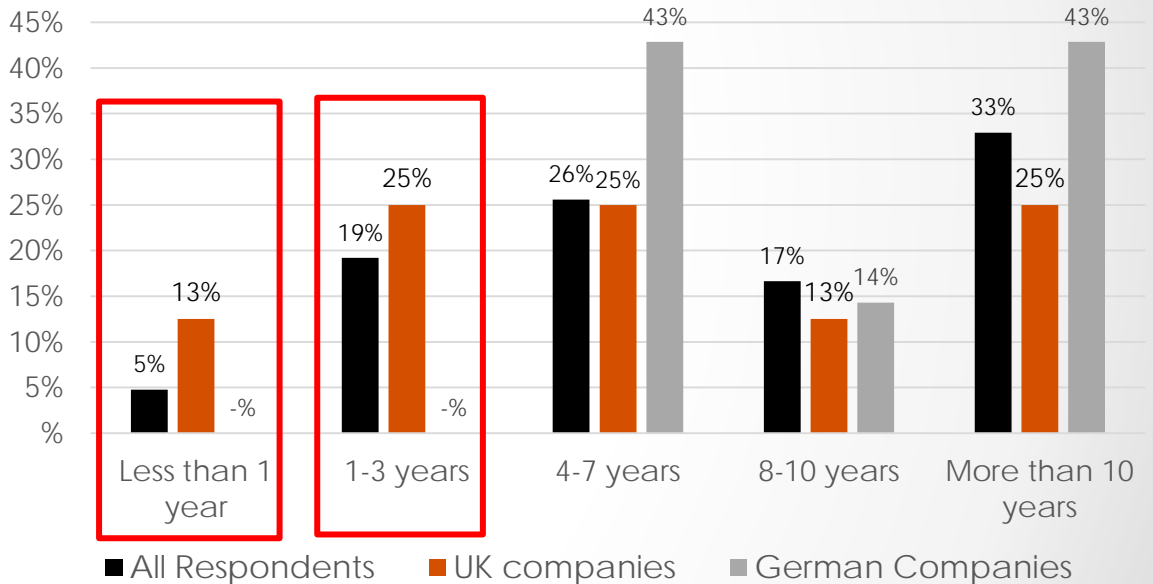
Filling in the blanks...Best Practice

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IR Experience & Professional Background

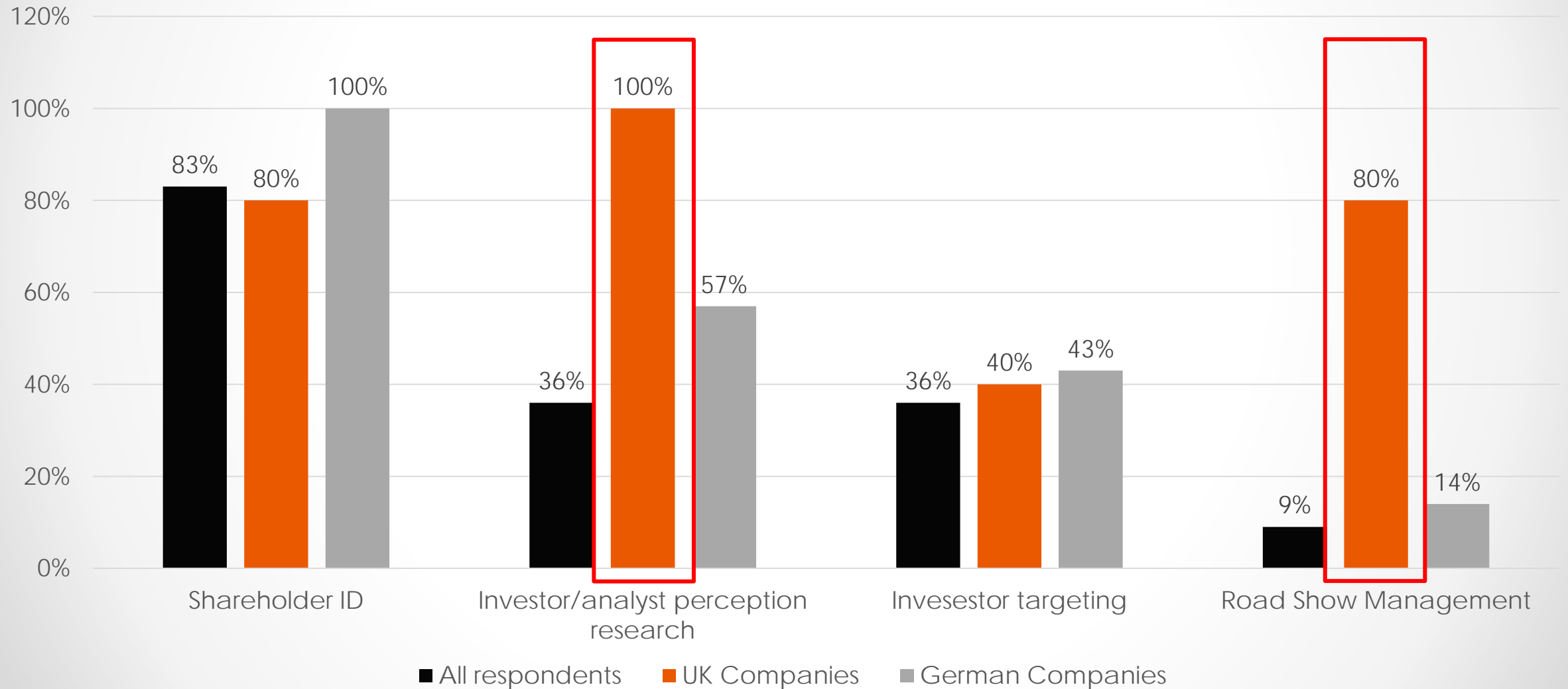


43% of German companies have more than 10 years experience



Average number in IR Team is 3 – German IR Teams have 4

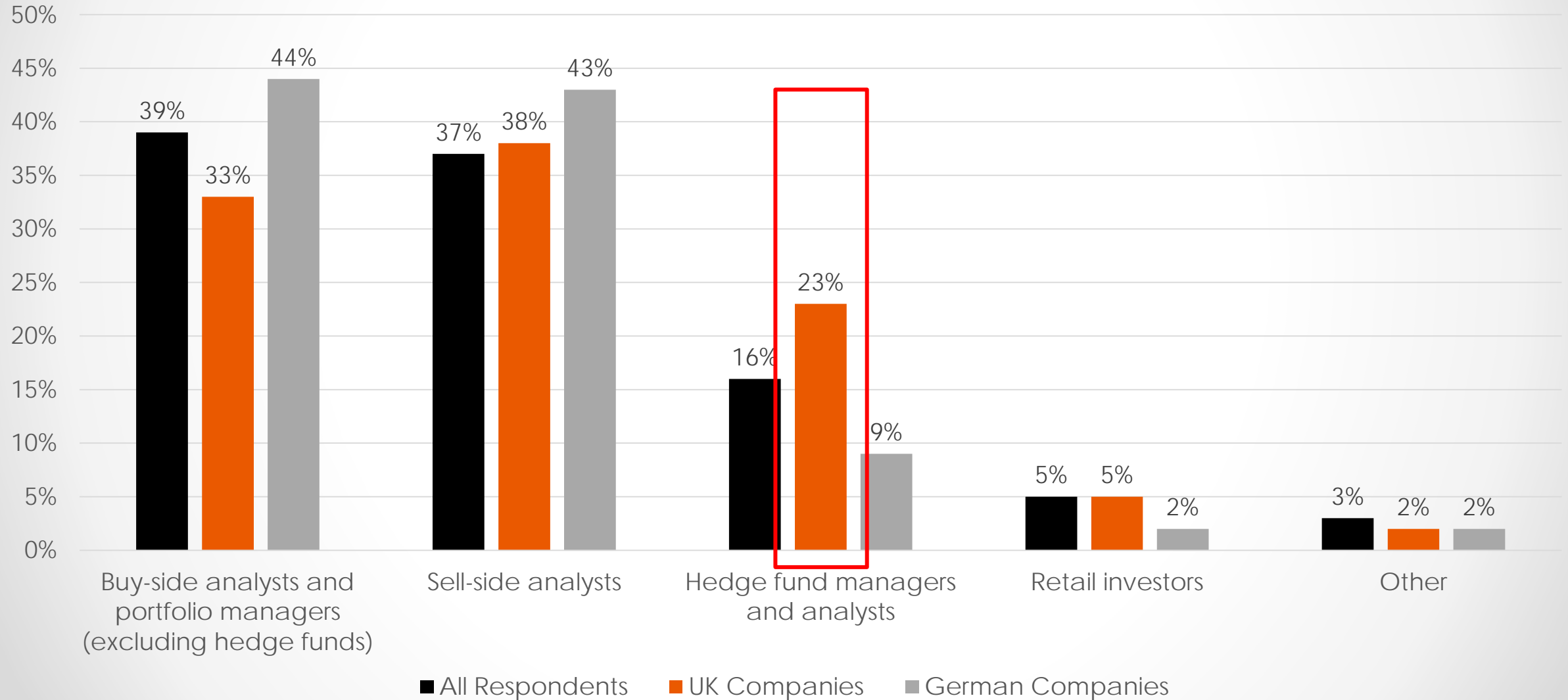
IR Programme activities



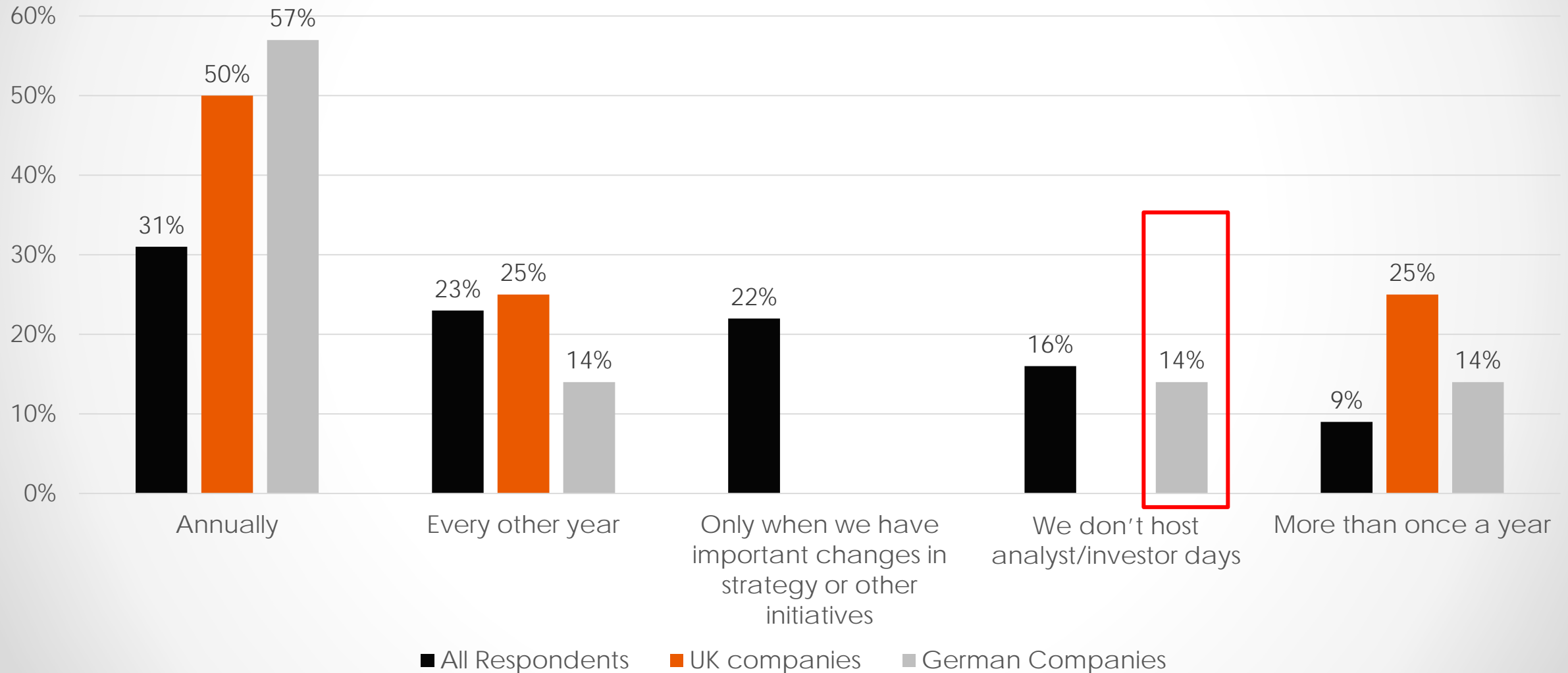
The Buy-Side

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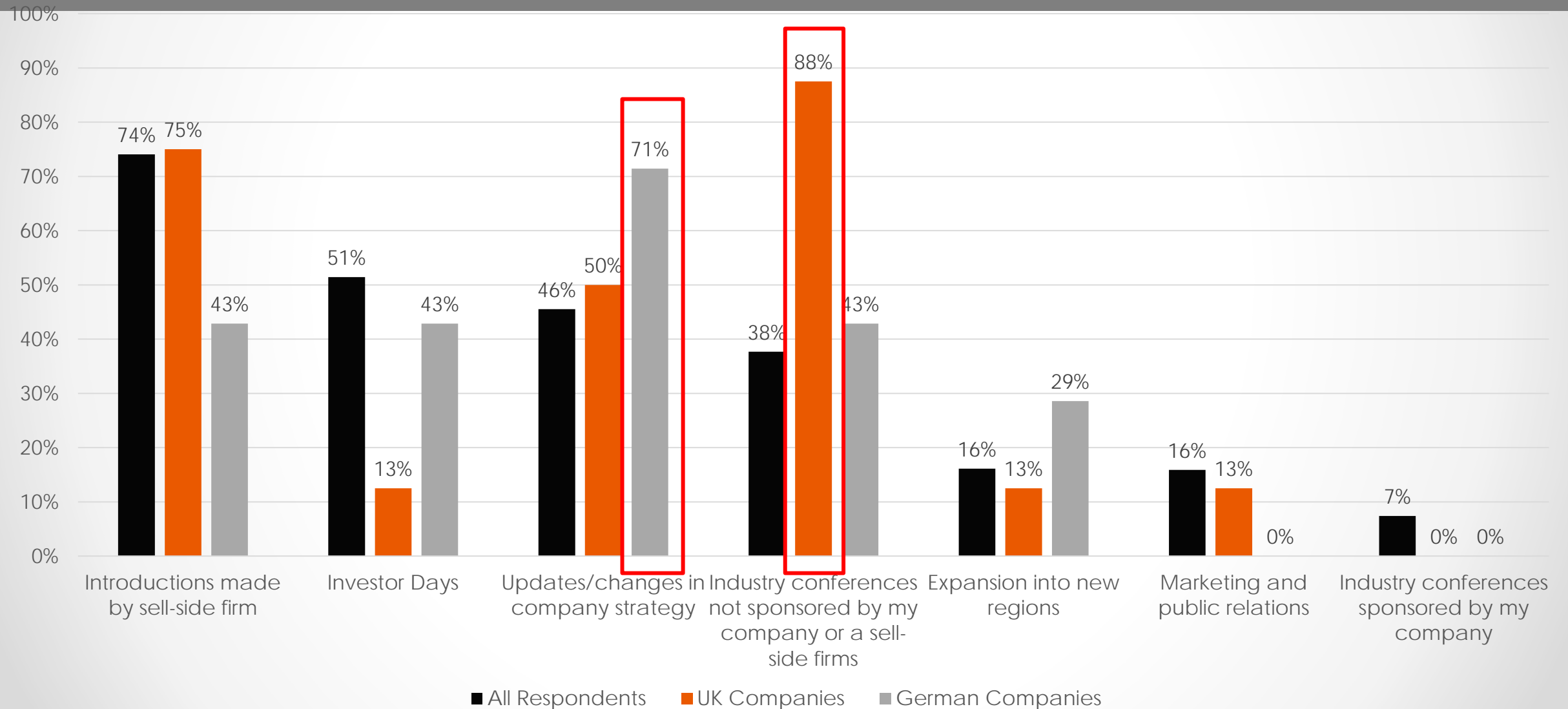
Buy-Side: Allocation of Time



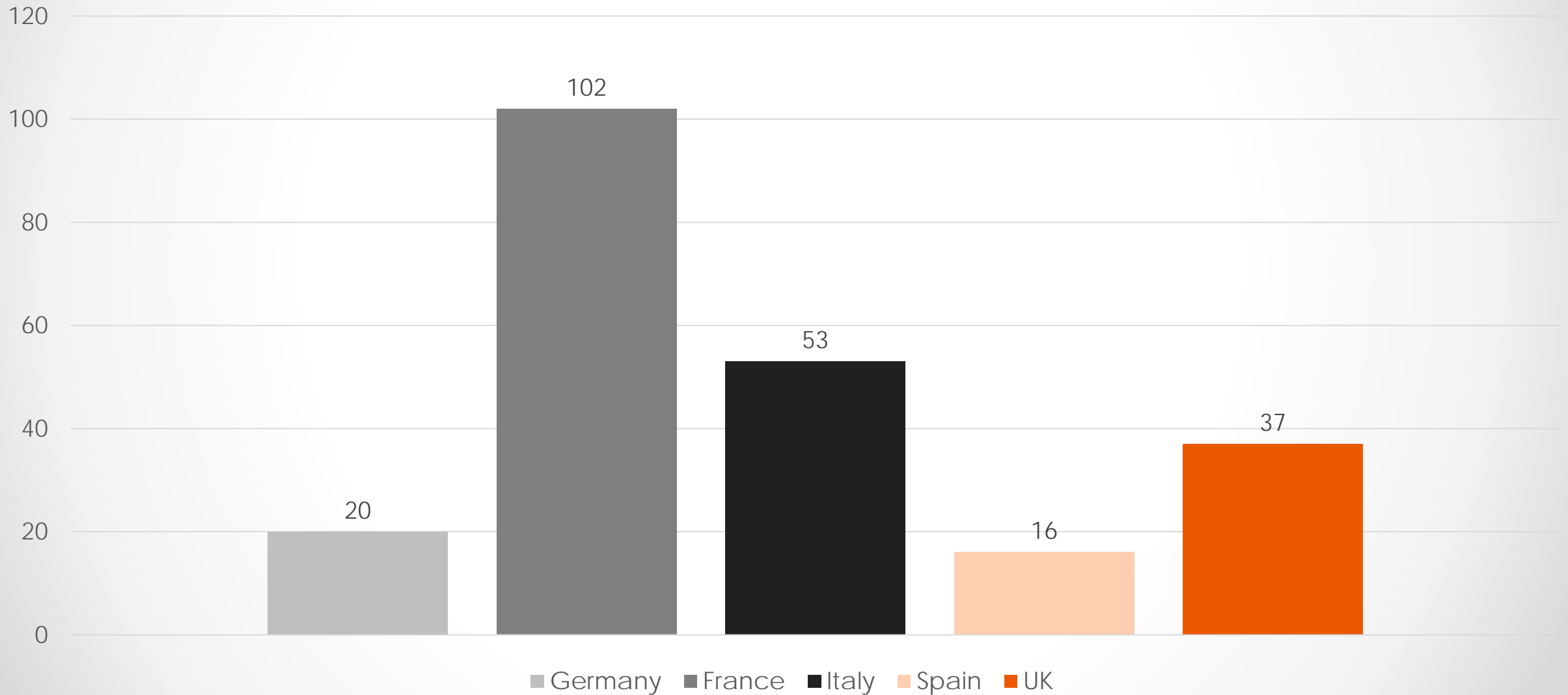
Hosting of Analyst days



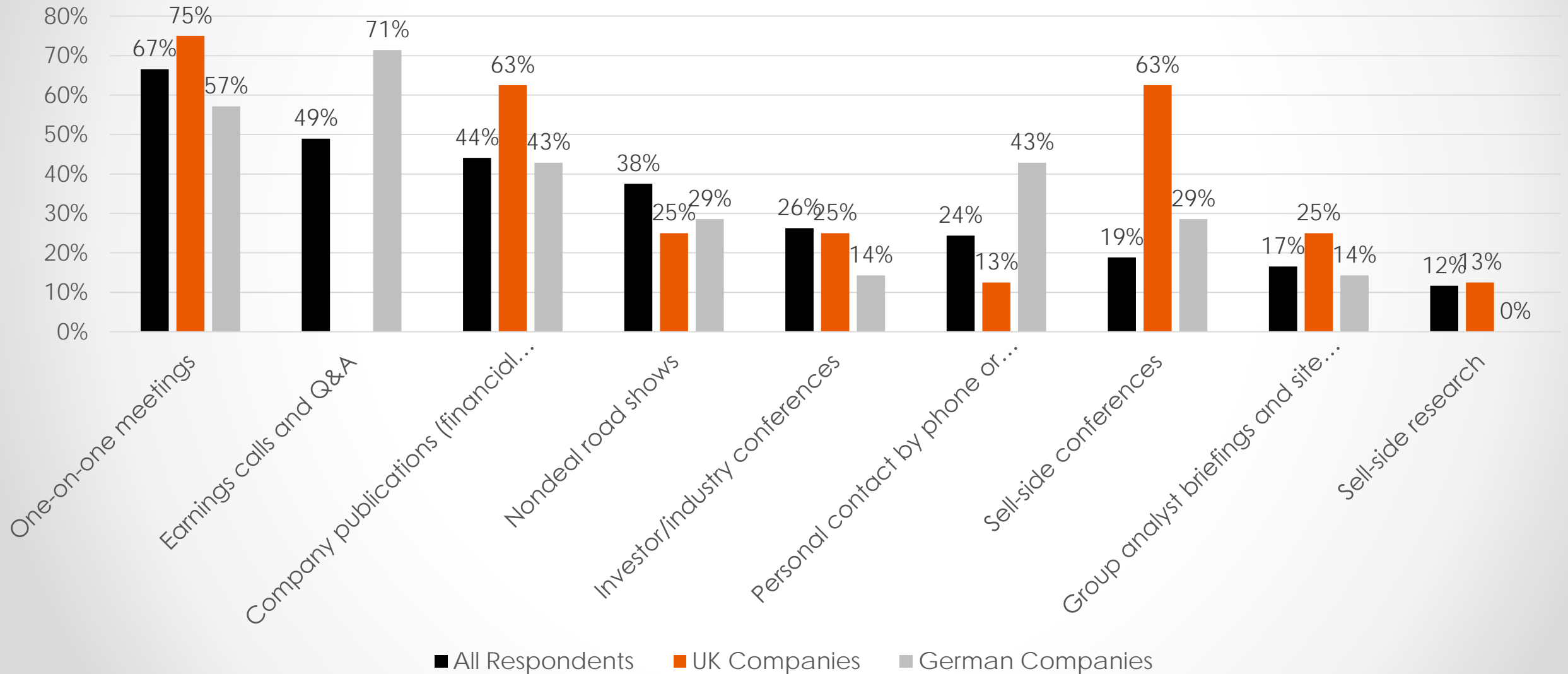
Channels of attracting new investors



No. of new investor targeted over 12 months

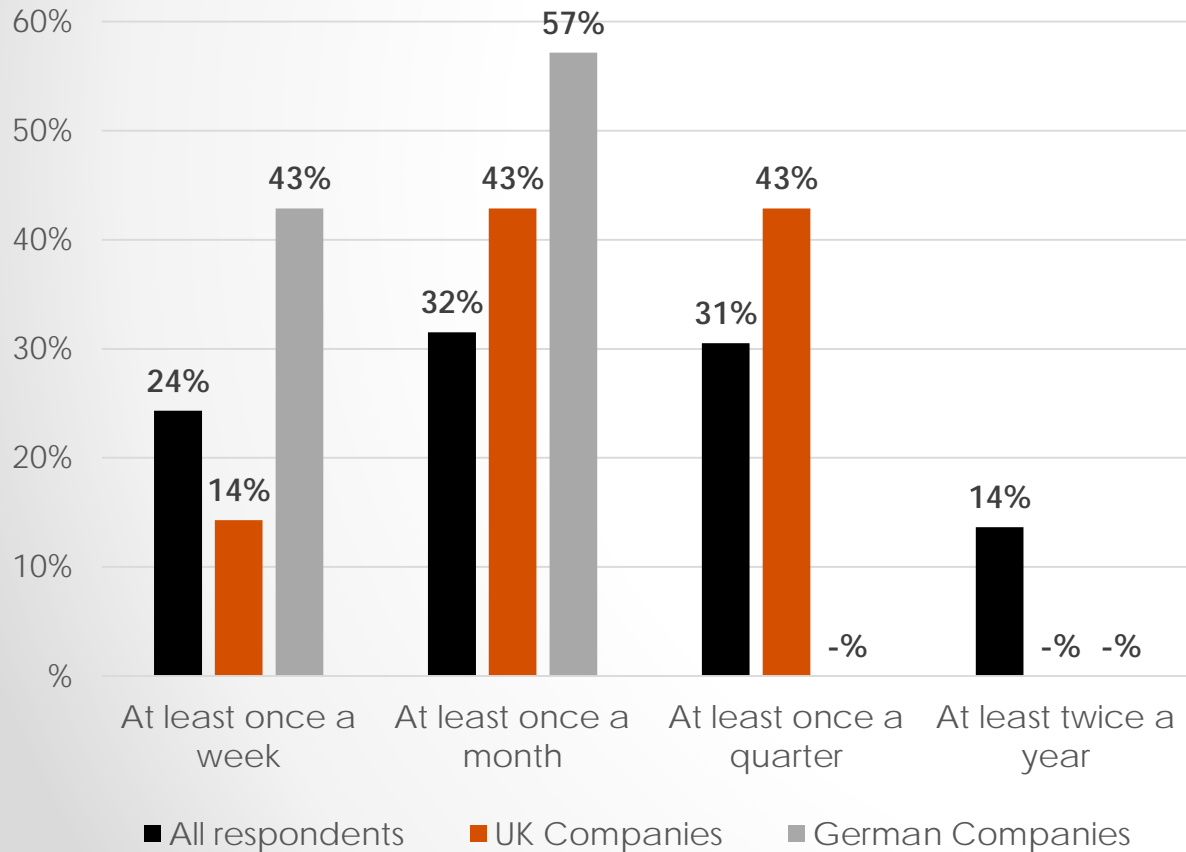


Buy-Side : Effective Communication

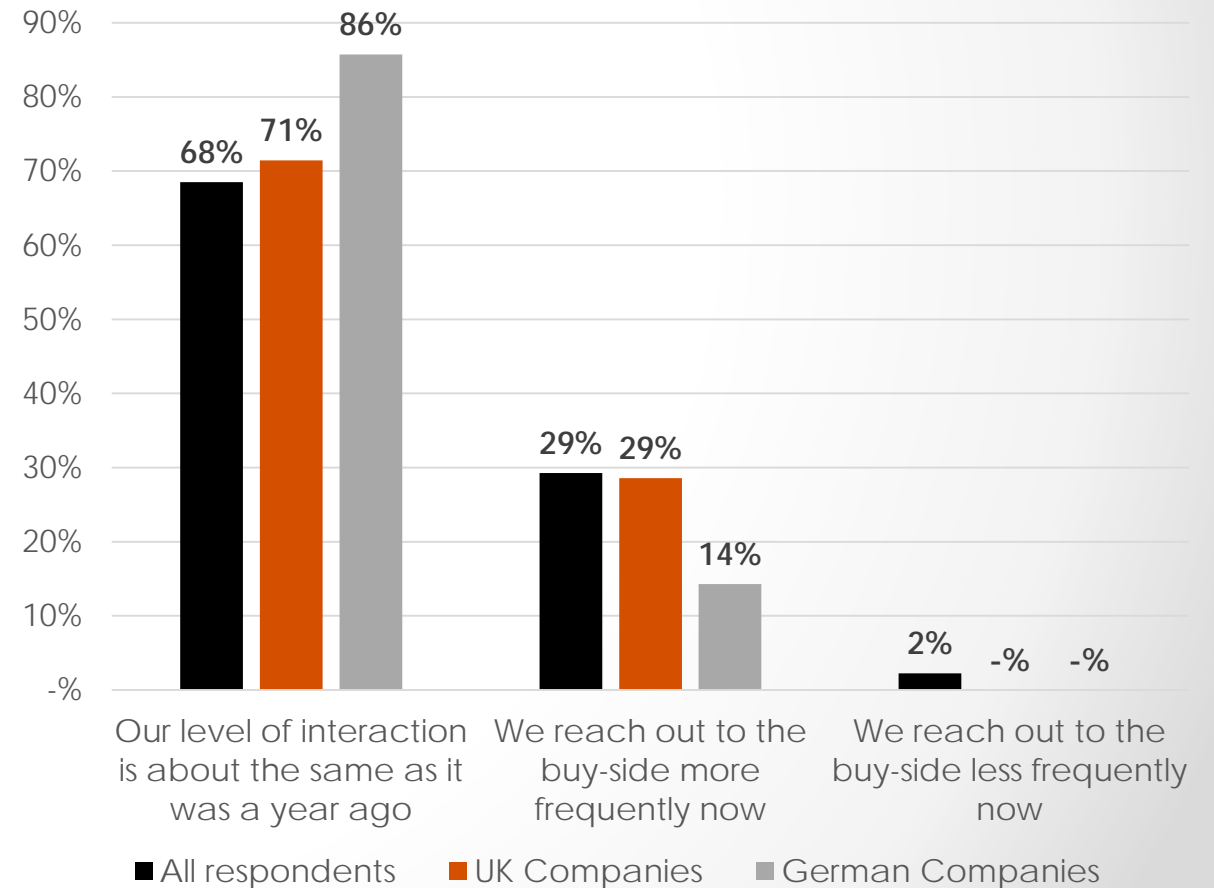


Buy-side: Effective Interaction

How often does the company's executive team initiate contact with the buy side?

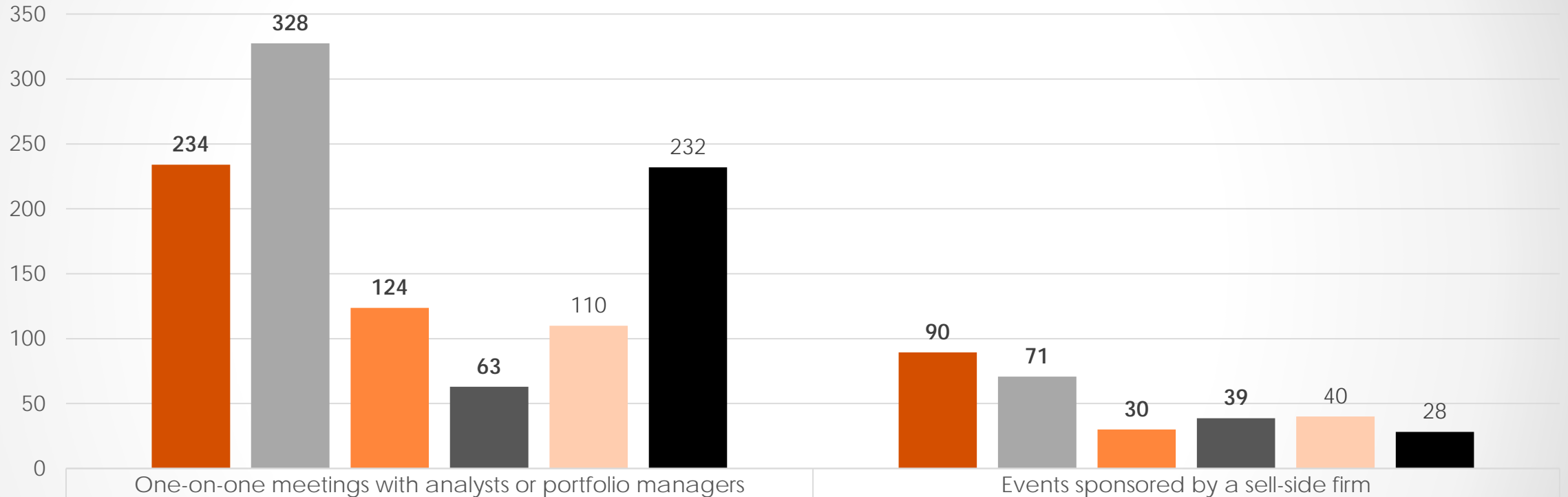


Change in executive team's interaction with the buy side



Buy-side: Effective Interaction

Quantity of meetings with Executive Management



- Total UK
- Total German
- CEO UK
- CEO German
- CFO UK
- CFO Germany

■ Total UK
 ■ Total German
 ■ CEO UK
 ■ CEO German
 ■ CFO UK
 ■ CFO Germany

The Sell-Side

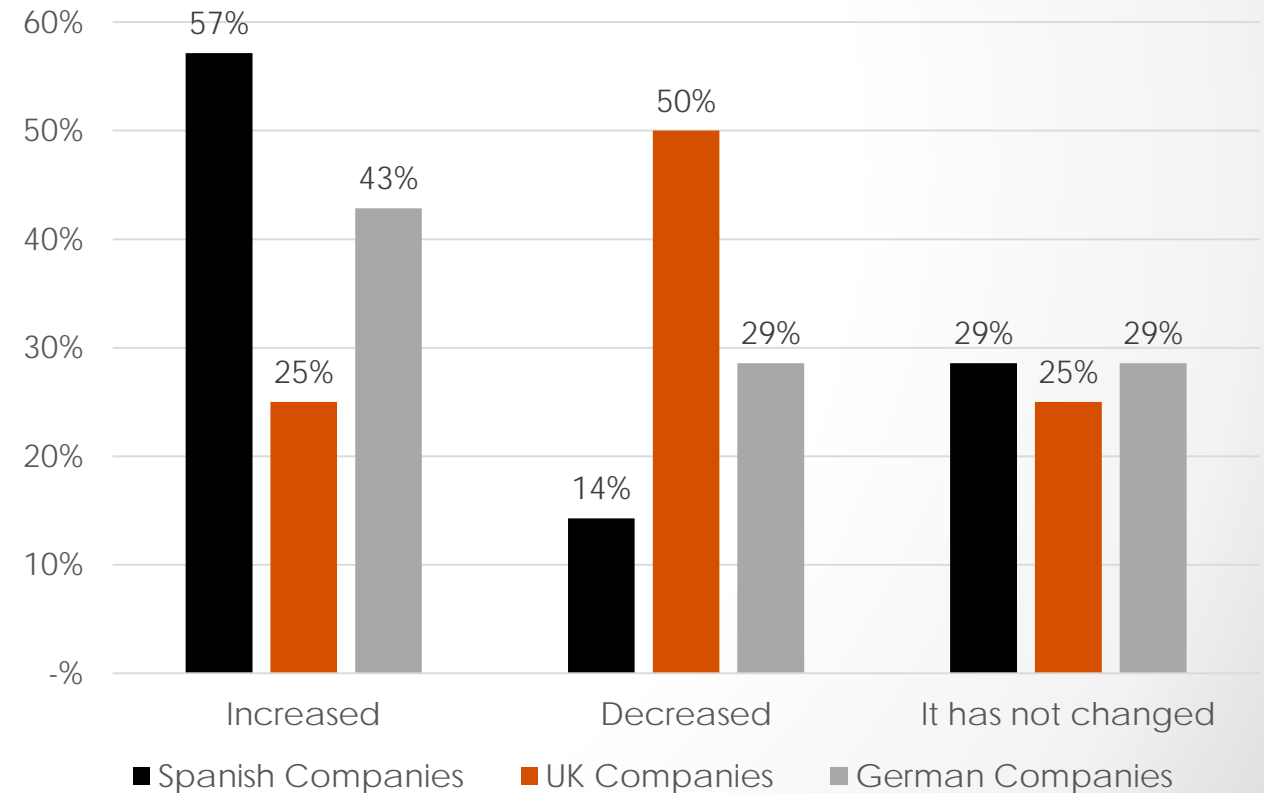
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Sell-side: Effective Research

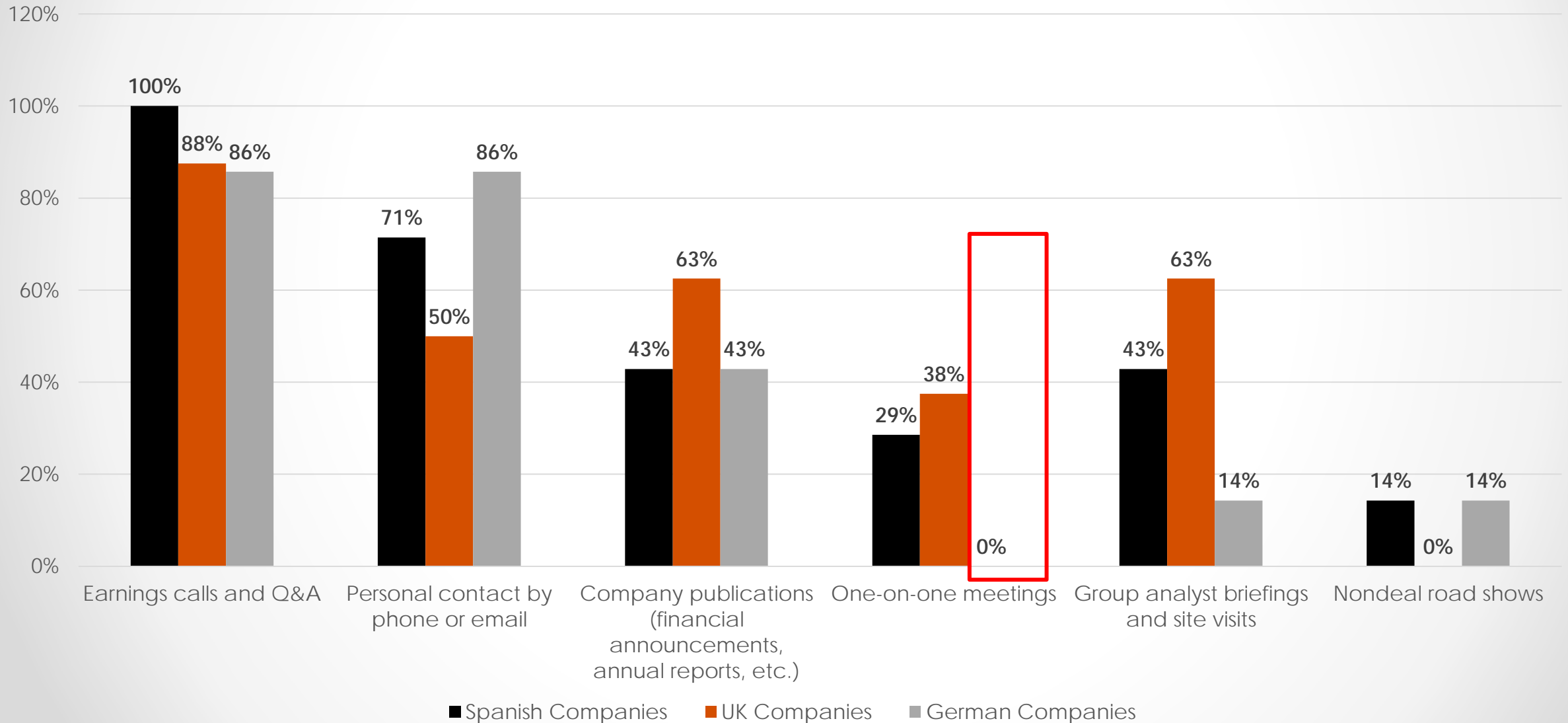
An average of 24 sell-side analysts cover German companies versus 19 in other European countries

German Companies read an average of 16 analysts research consistently versus 14 in other European countries

Change in published research by brokerage

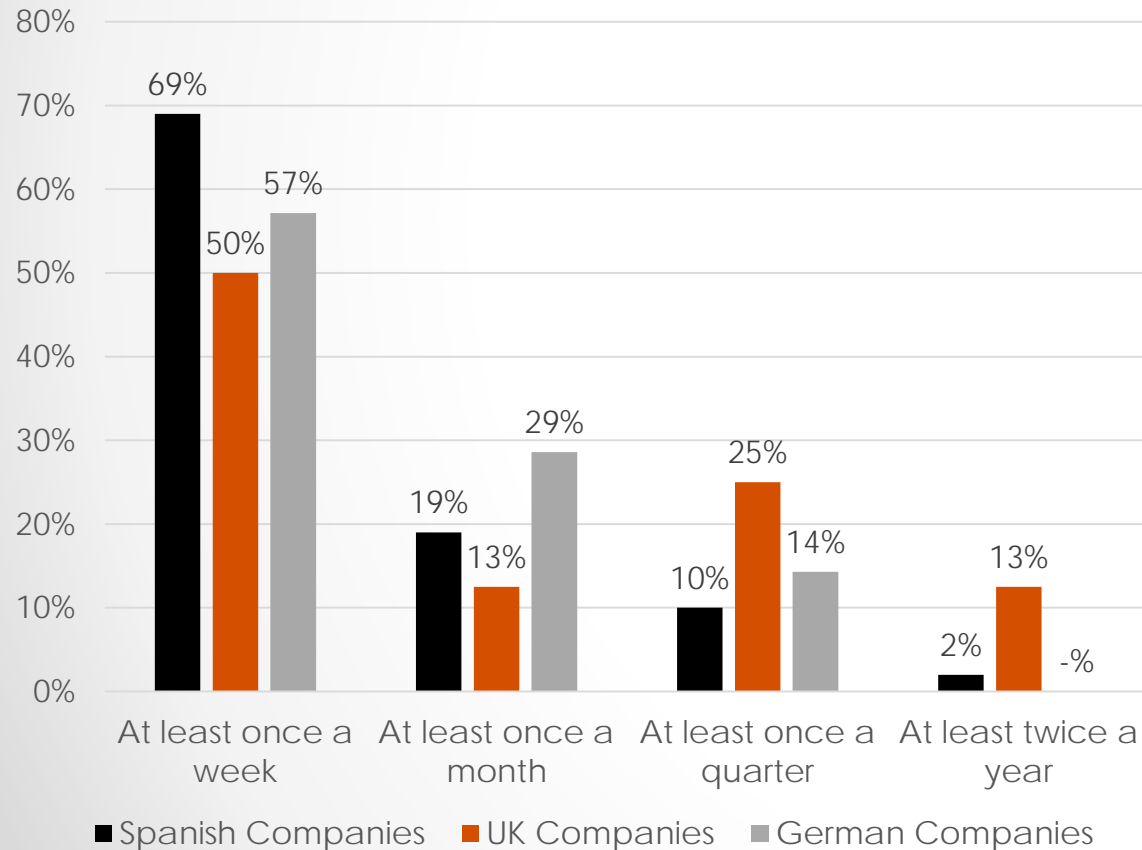


Sell-side: Effective Interaction

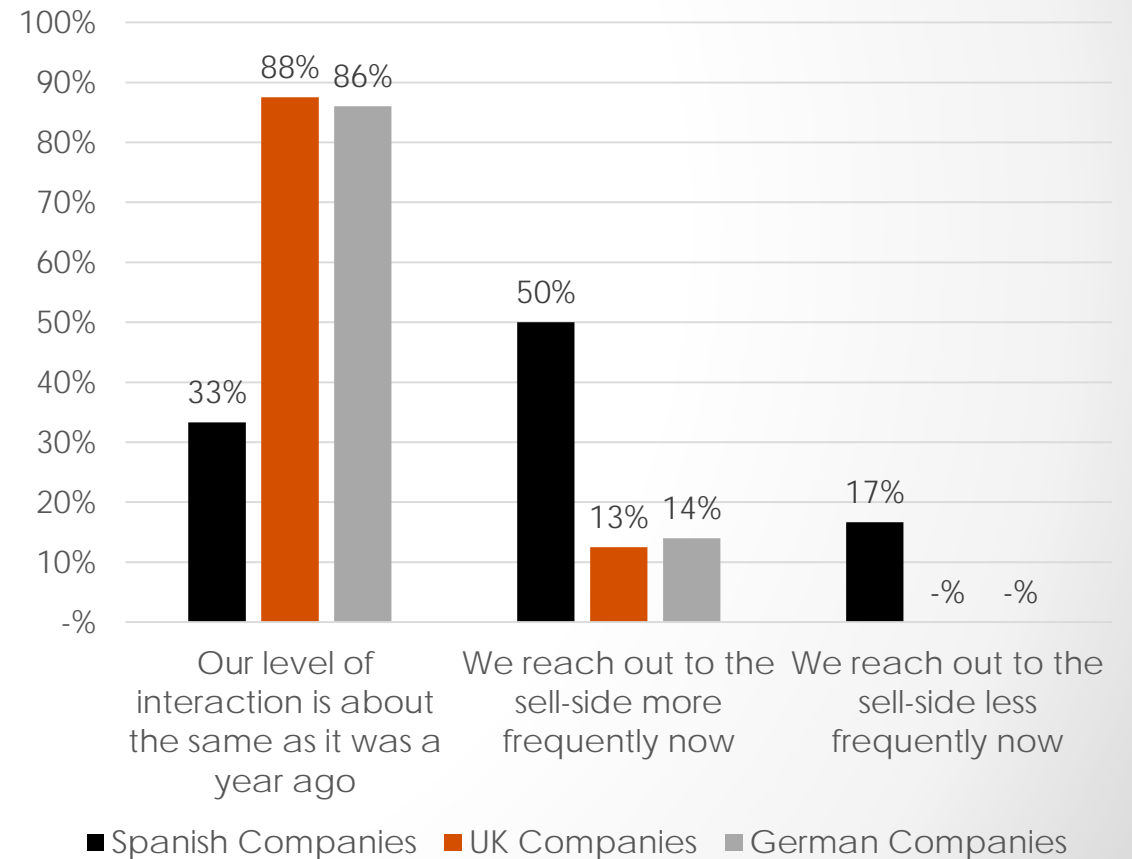


Sell-Side: Effective Interaction

How often does your executive team initiate contact with the sell side?



Change in executive team interaction with the sell side



Key take outs

- Fresh blood
- Stay close to investors
- More active road show management, with broker and independently
- Regular workshop based analyst/investor days
- Relevant industry conferences to attract more new investors
- Increase sell-side interaction with one-on-one meetings

Thank you for your time

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