

Potential of a better market access

DIRK / EY Survey 2015

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Survey details



- Half-yearly survey of IR professionals (DIRK members)
- Internet-based written survey from 14.04.2015 to 28.04.2015
- Basis: 306 DIRK members (2-2014: 306)
- Responses: 63=21% (2-2014: 33%)
- Broken down by indices, the responses came from:
 - 13 DAX companies (= 46% of all DAX-listed companies)
 - 16 MDAX companies (= 36% of all MDAX-listed companies)
 - 6 TecDAX companies (= 27% of all TecDAX-listed companies)
 - 13 SDAX companies (= 35% of all SDAX-listed companies)
 - 20 companies that are not part of a selection index
- 100% of all the companies to have responded belong to the Prime Standard segment

Survey details



- Half-yearly survey of IR professionals (CIRA members)
- Internet-based written survey from 14.04.2015 to 28.04.2015
- Basis: 65 CIRA members
- Responses: 10=15% (2-2014: 19%)



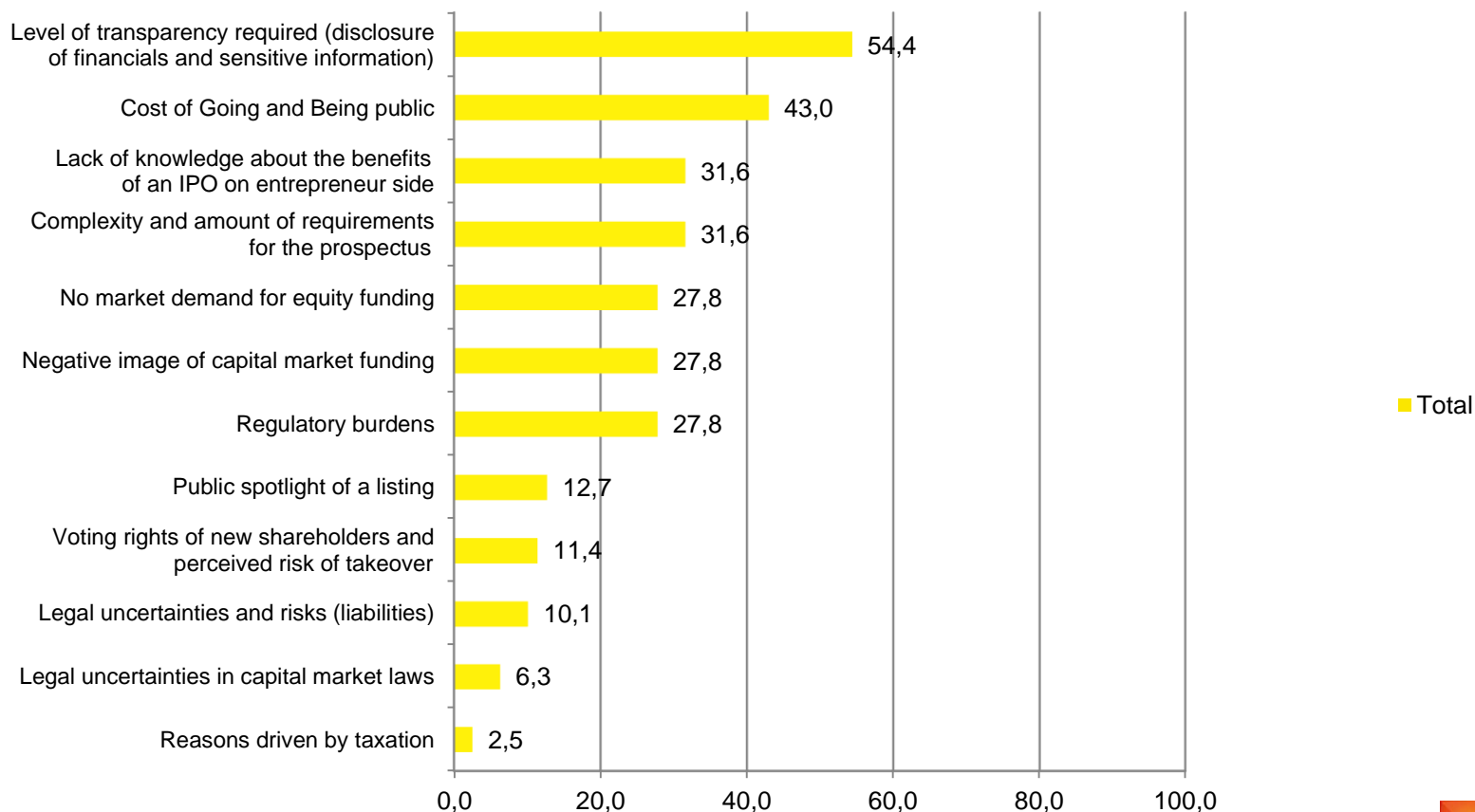
IR club

- Half-yearly survey of IR professionals (IR Club members)
- Internet-based written survey from 14.04.2015 to 28.04.2015
- Basis: 62 SIRV members
- Responses: 6=10% (2-2014: 39%)

Main reason, why the DACH region has relatively lower IPO activity is the level of transparency.

What are the reasons why we (DACH region) have relatively lower IPO activity than Anglo-Saxon countries? (Multi Punch)

Total

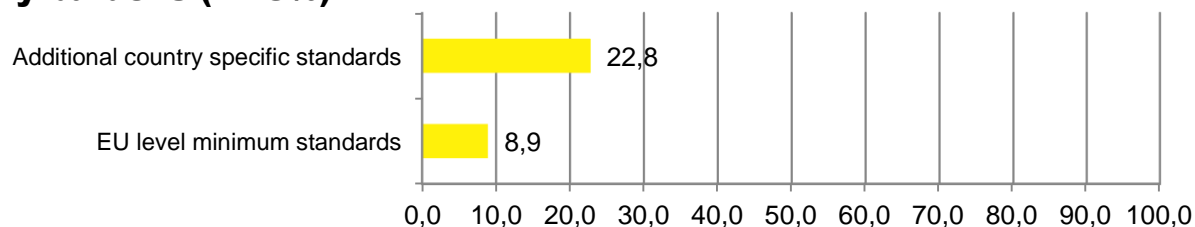


Regulatory burdens are mainly the additional country specific standards.

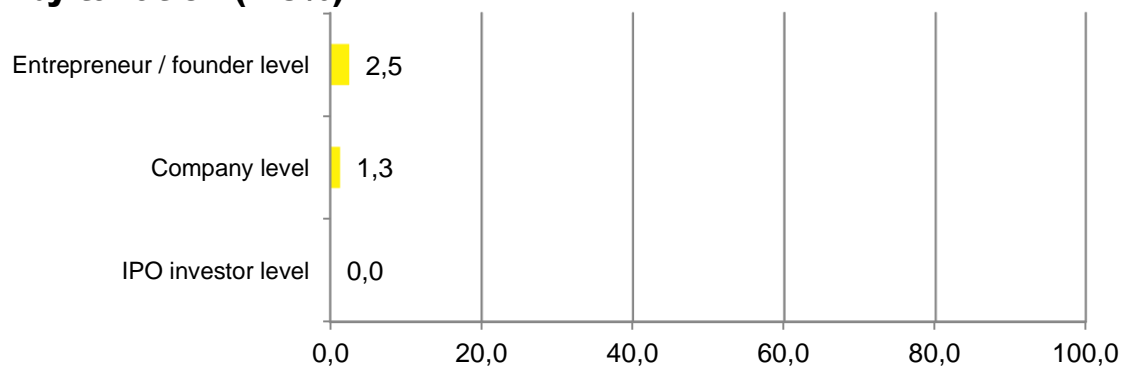
What are the reasons why we have relatively lower IPO activity than anglosaxon countries? (Multi Punch)

Total

Regulatory burdens (27.8%):



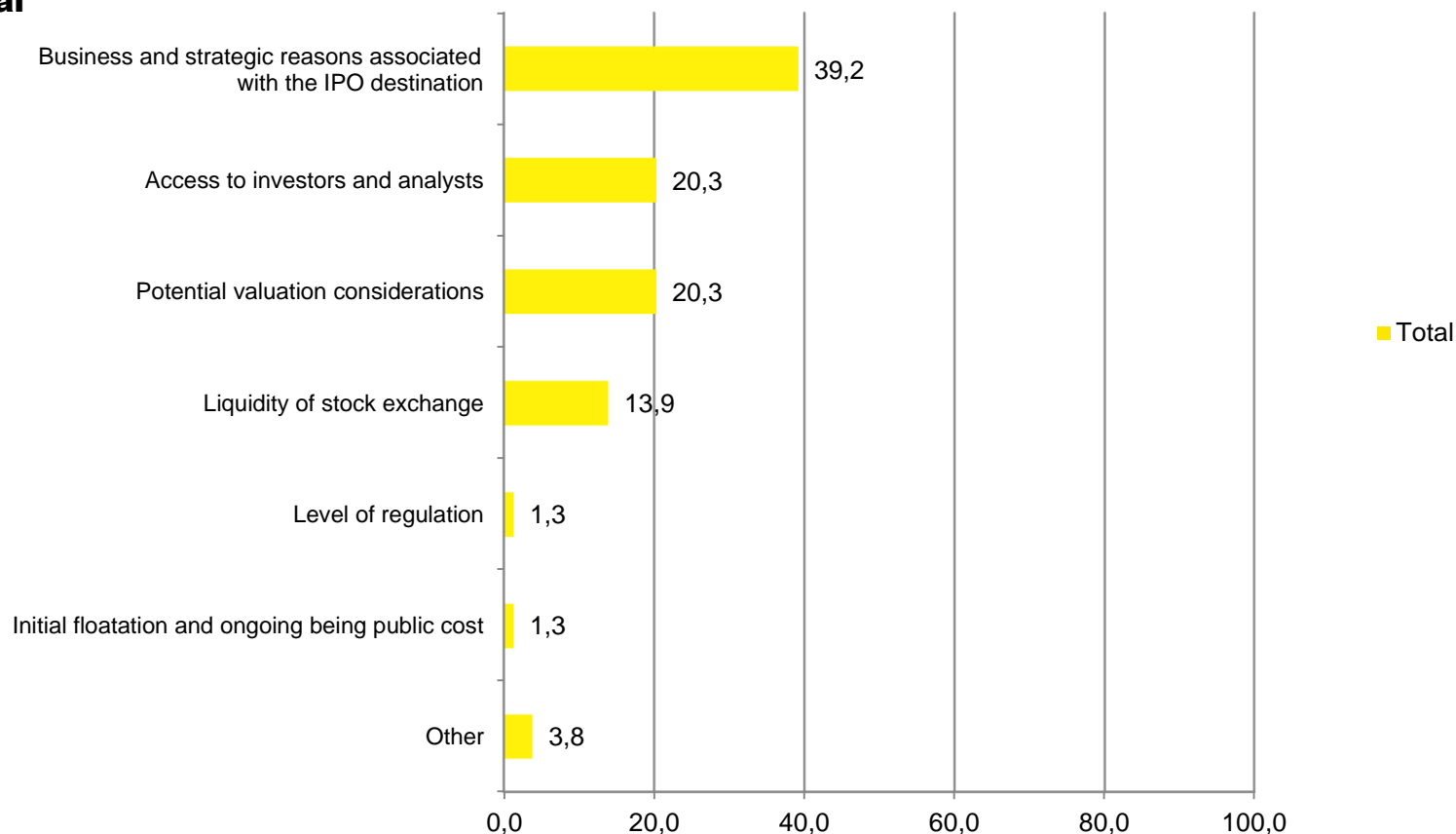
Reasons driven by taxation (2.5%):



For deciding on the right IPO destination mainly business & strategic reasons are taken into account.

What criteria would you take into account deciding on the right IPO destination? - Rank 1 (Multi Punch)

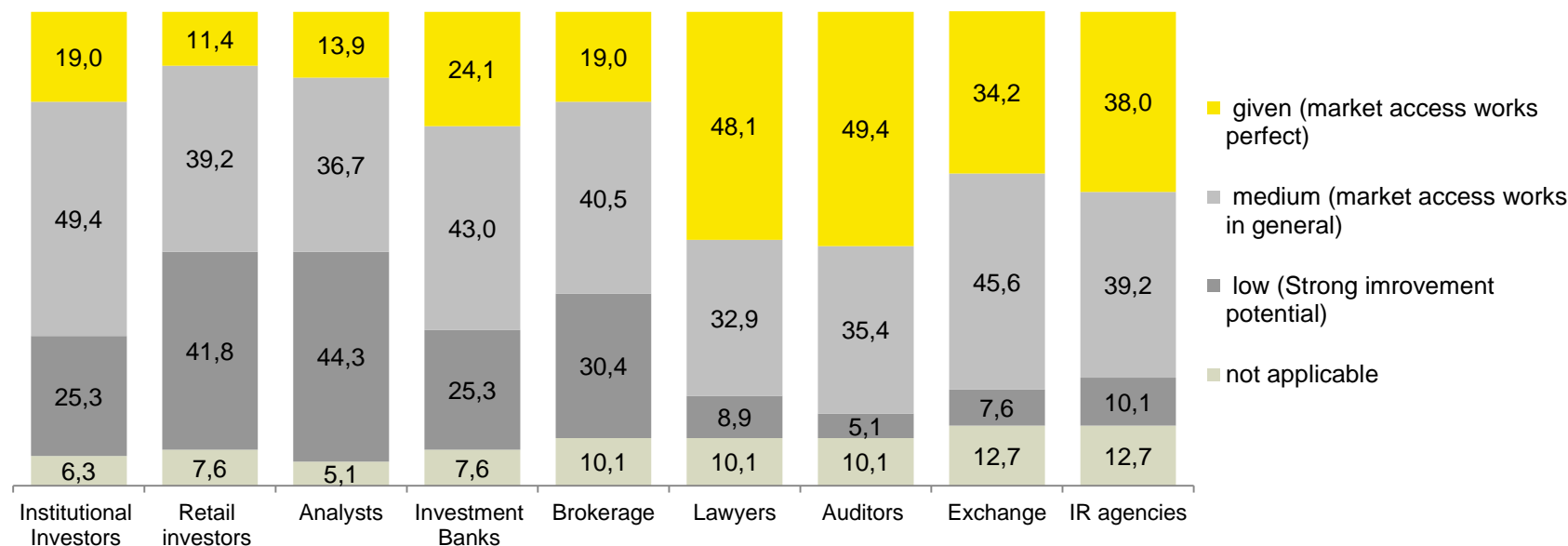
Total



Most small caps have a strong or medium improvement potential regarding market access.

How would you evaluate the market access of companies to the current ecosystem of an IPO in DACH region?

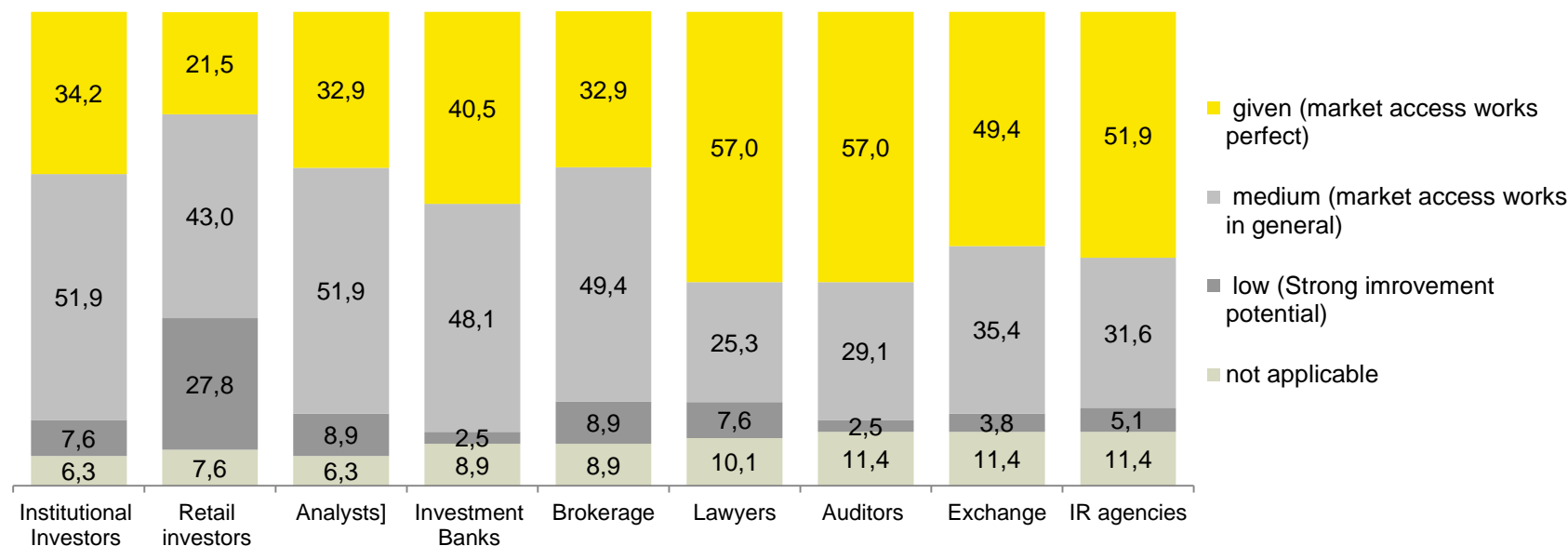
Total – Small Caps (total market cap up to 300 Mio. €)



For most mid Caps market access works in general.

How would you evaluate the market access of companies to the current ecosystem of an IPO in DACH region?

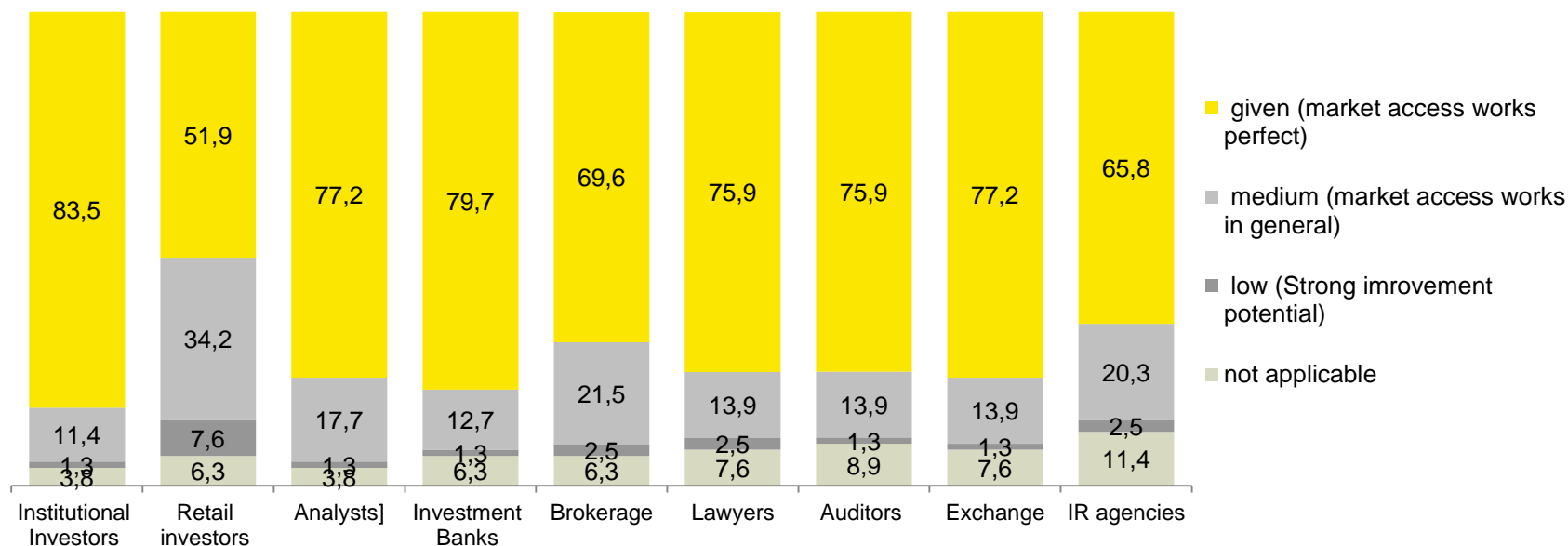
Total – Mid Caps (total market cap of 300 Mio. – 1 bn. €)



For large Caps, the market access works perfectly.

How would you evaluate the market access of companies to the current ecosystem of an IPO in DACH region?

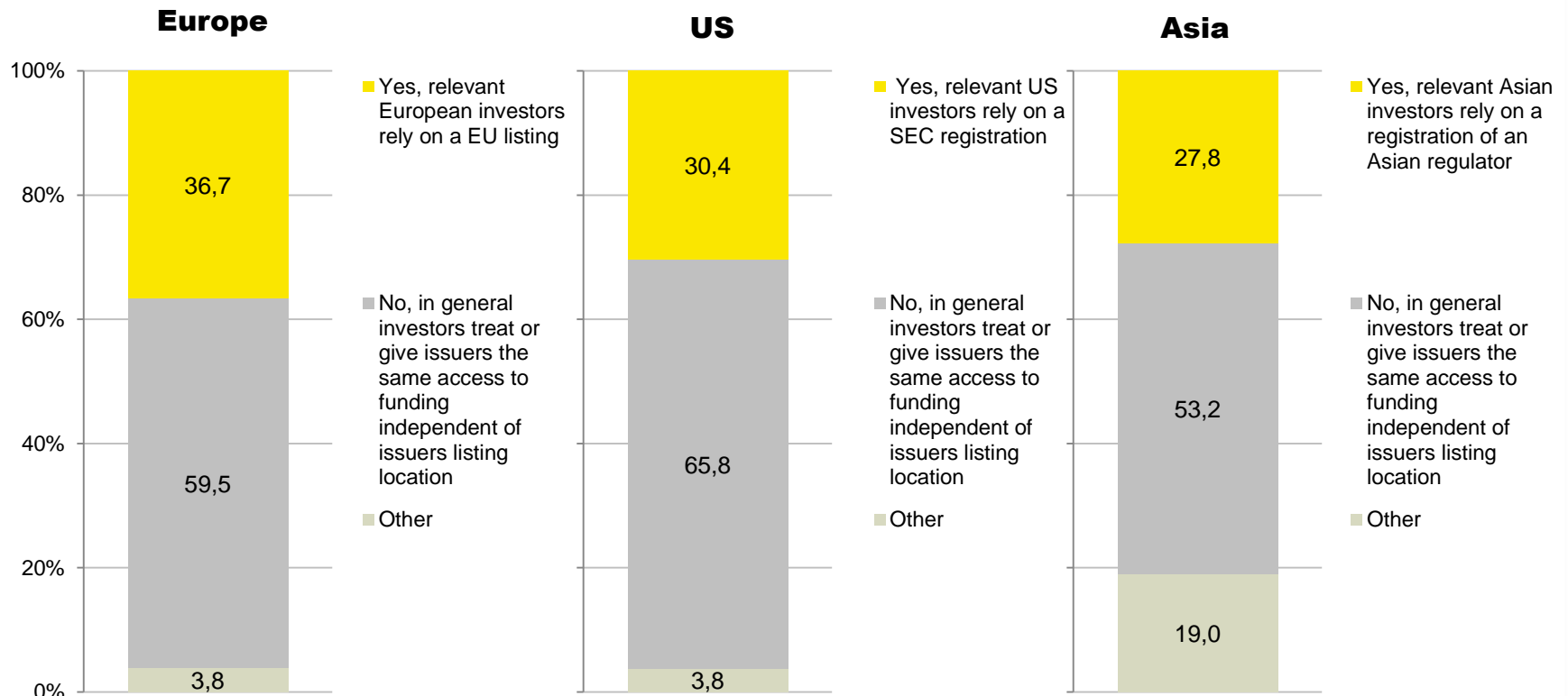
Total – Large Caps (= total market cap above 1 bn. €)



In Europe the location of an international investor is not relevant for 60% for market access.

Is the location of an international investor of importance for the market access in a “European IPO case” and being public phase?

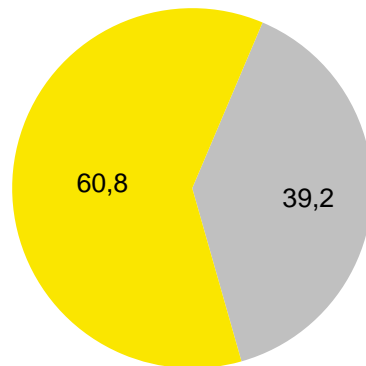
Total



61% think that US based institutional investors do not pay more valuation for the IPO.

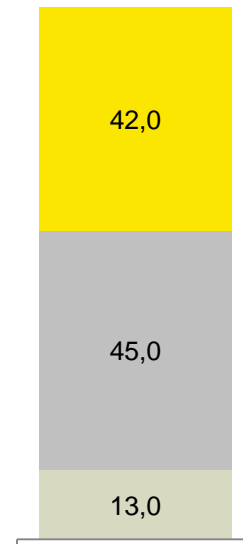
Are US based institutional investors paying more (valuation) for the IPO based on your perception than European investors and if yes, why?

Total



■ Yes ■ No

n=31



Investors

■ Investors are less risk averse

■ More sophisticated investors and educated analysts in specific sectors

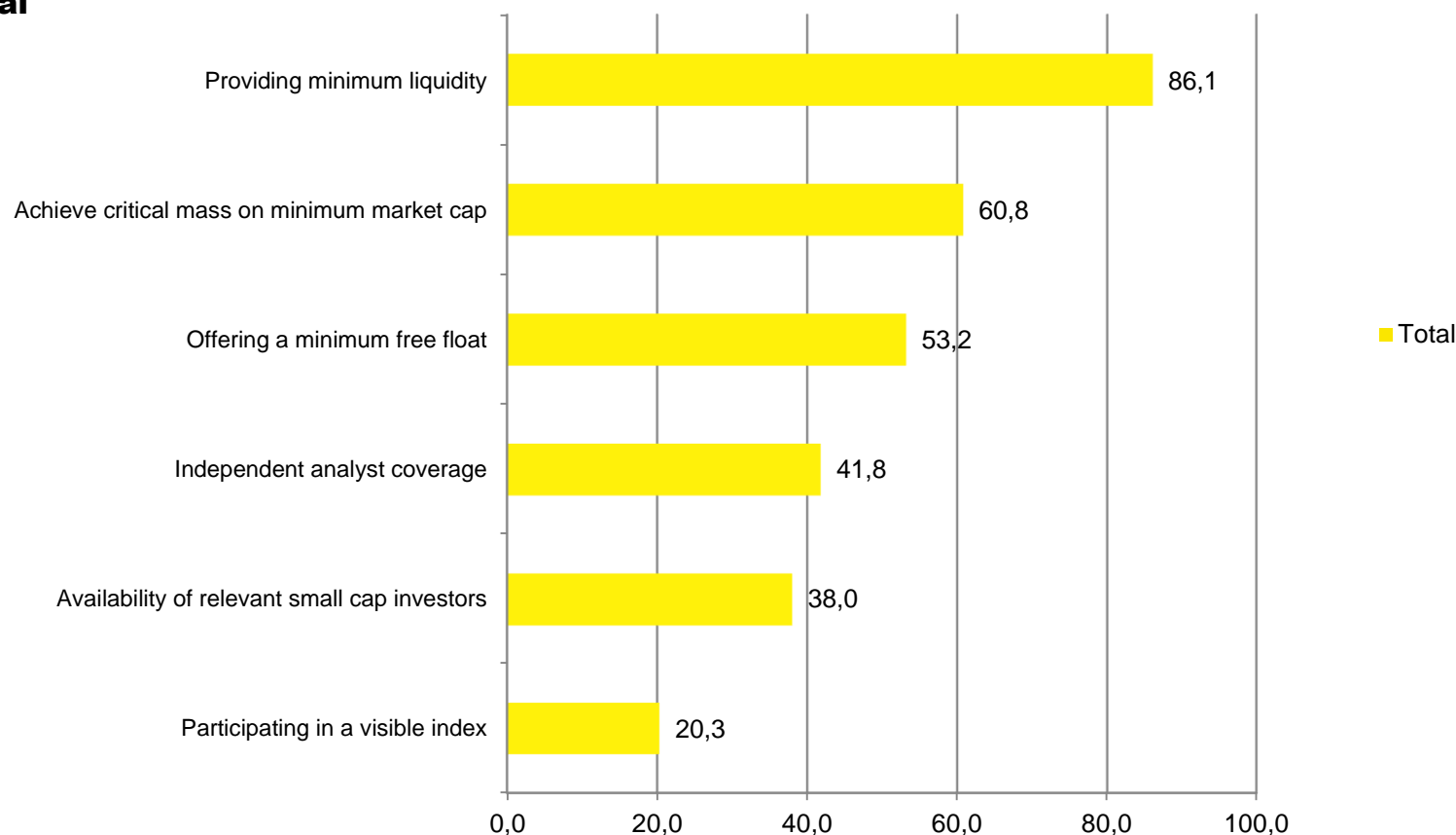
■ Other

- Peer company valuations
- More money flowing into the stock market
- Different valuation/expectation
- Benefit from the weak EURO

Top challenges to access institutional investors are providing min. liquidity and to achieve a critical mass.

What are the top challenges to access institutional investors of small to mid caps and in an IPO case ... alongside: right equity story, ...? – Top 3 (Multi Punch)

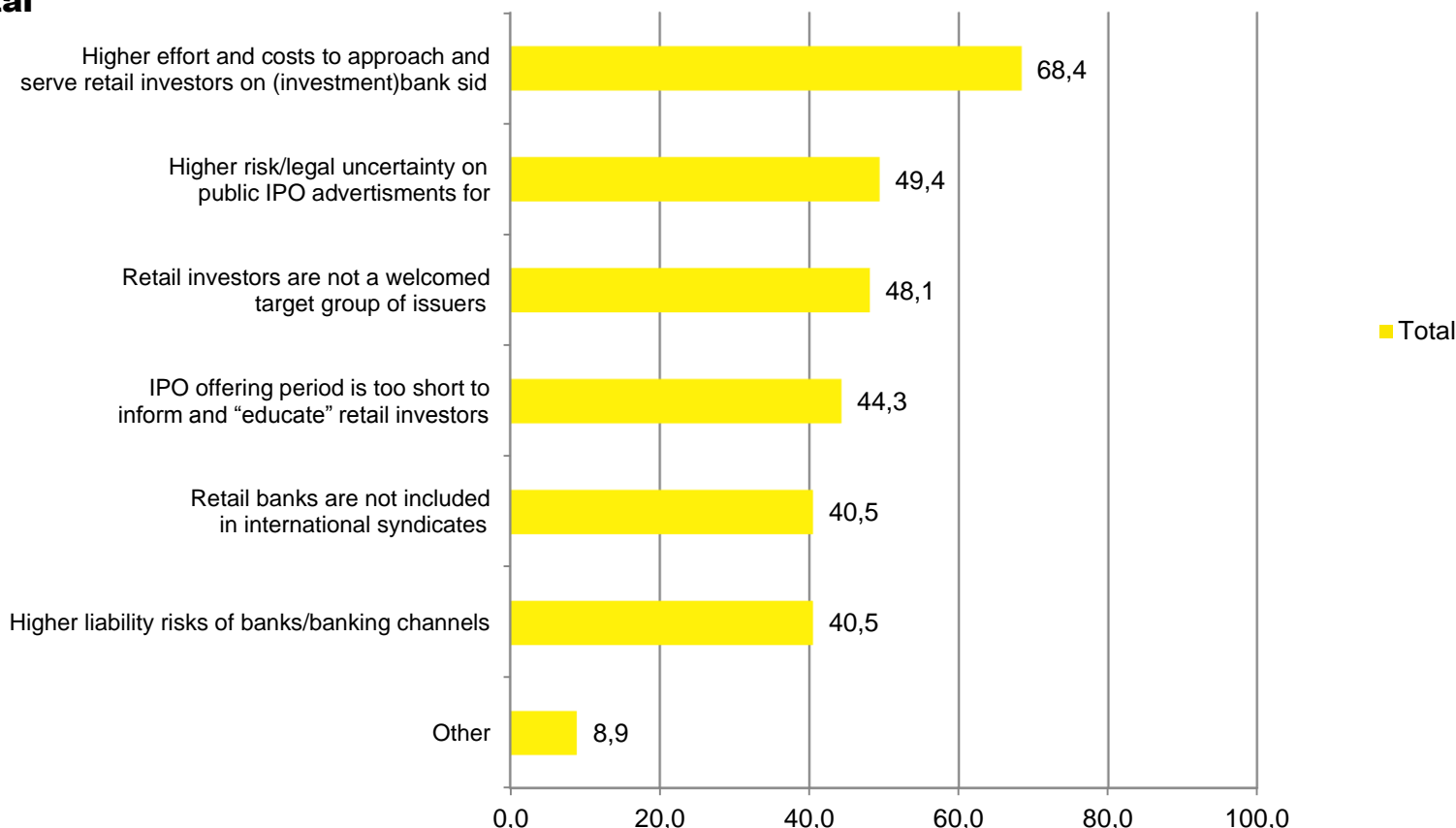
Total



Less retail investors have approached in IPO cases because of the higher effort and costs to approach.

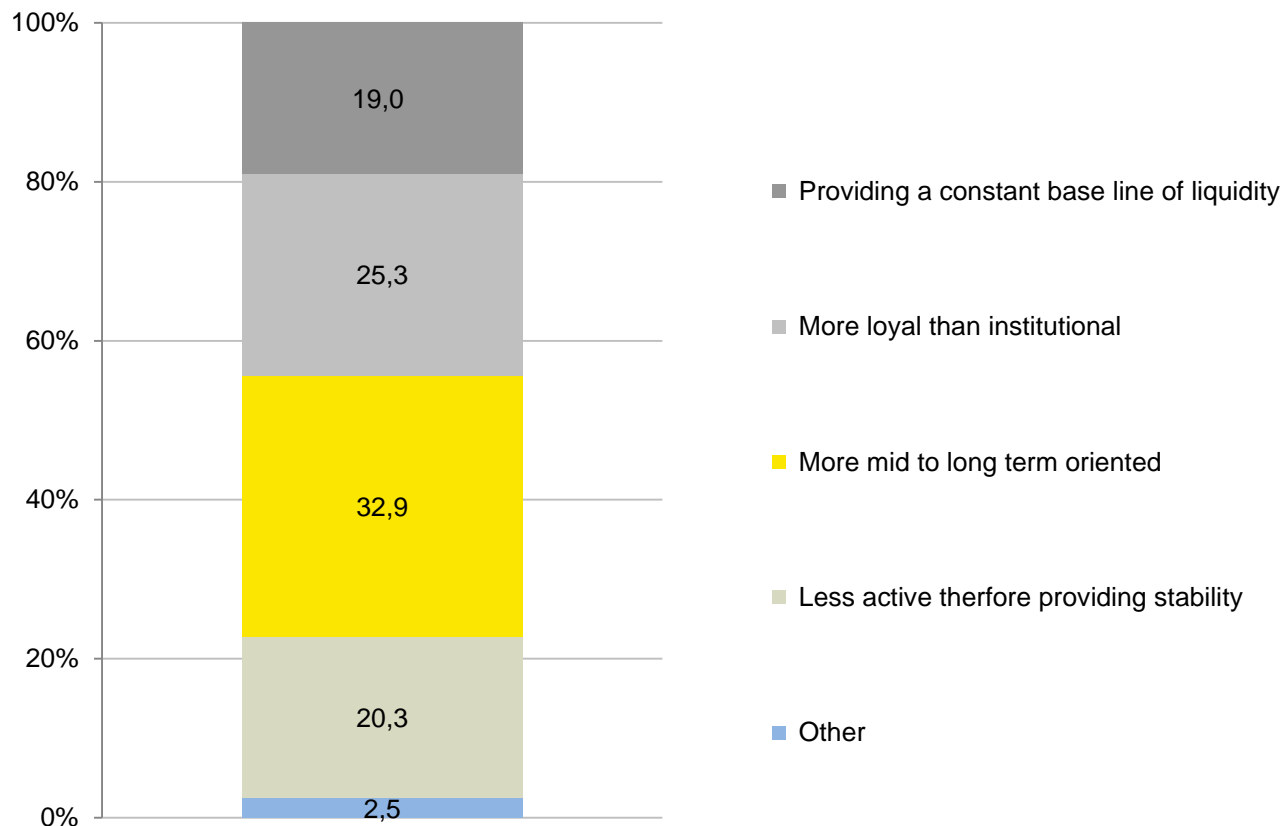
Why are even less retail investors approached in IPO cases in the past 10 years? – Top 3 (Multi Punch)

Total



For 33% the value of retail investors in an IPO is more mid to long term oriented.

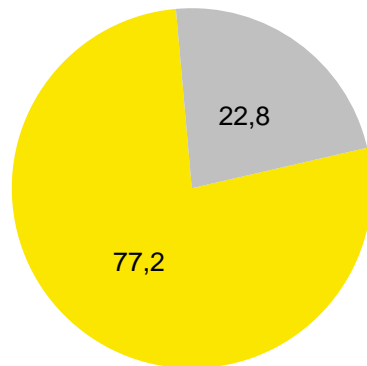
What is the value of retail investors in an IPO from your IR experience? – Top1



Especially the main international peer group is reporting quarterly.

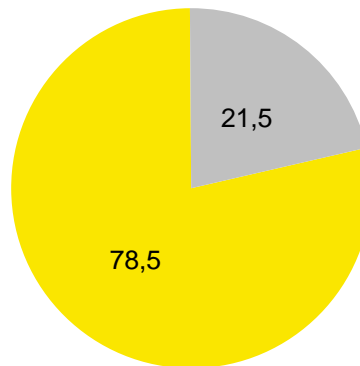
Quarterly reporting and your view: obligation and /or best practice

My **investors** welcome quarterly financial information (Quarterly reports/interim management statements Q1/3)



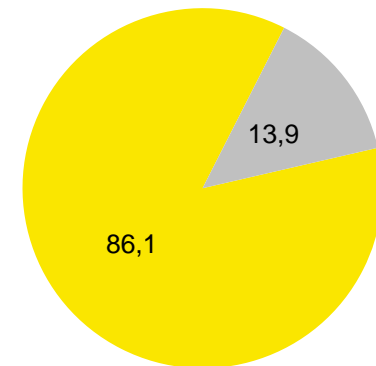
■ True ■ Not true

My **analysts** welcome quarterly information (Quarterly reports/interim management statements Q1/3)



■ True ■ Not true

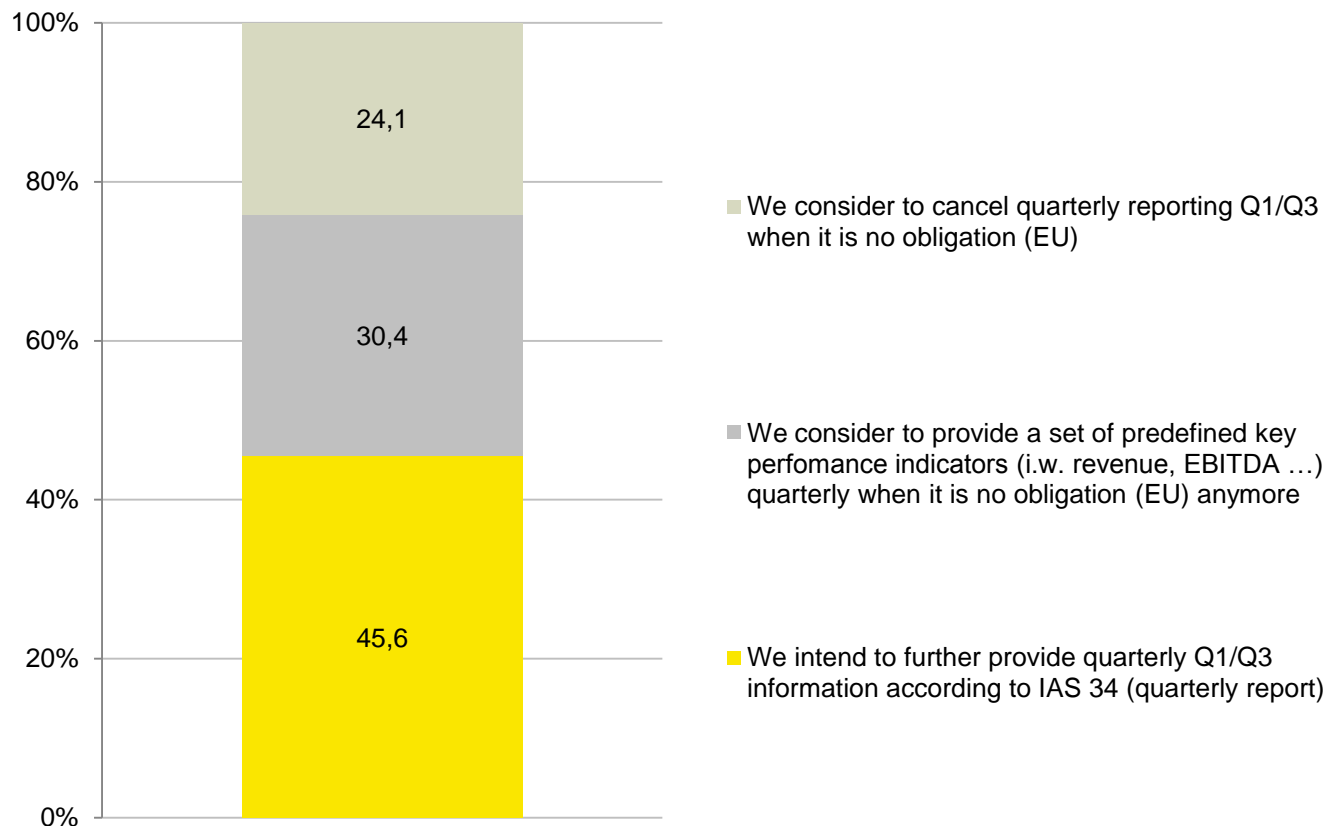
My main **international peer group** is reporting quarterly (Quarterly reports/interim management statements Q1/3)



■ True ■ Not true

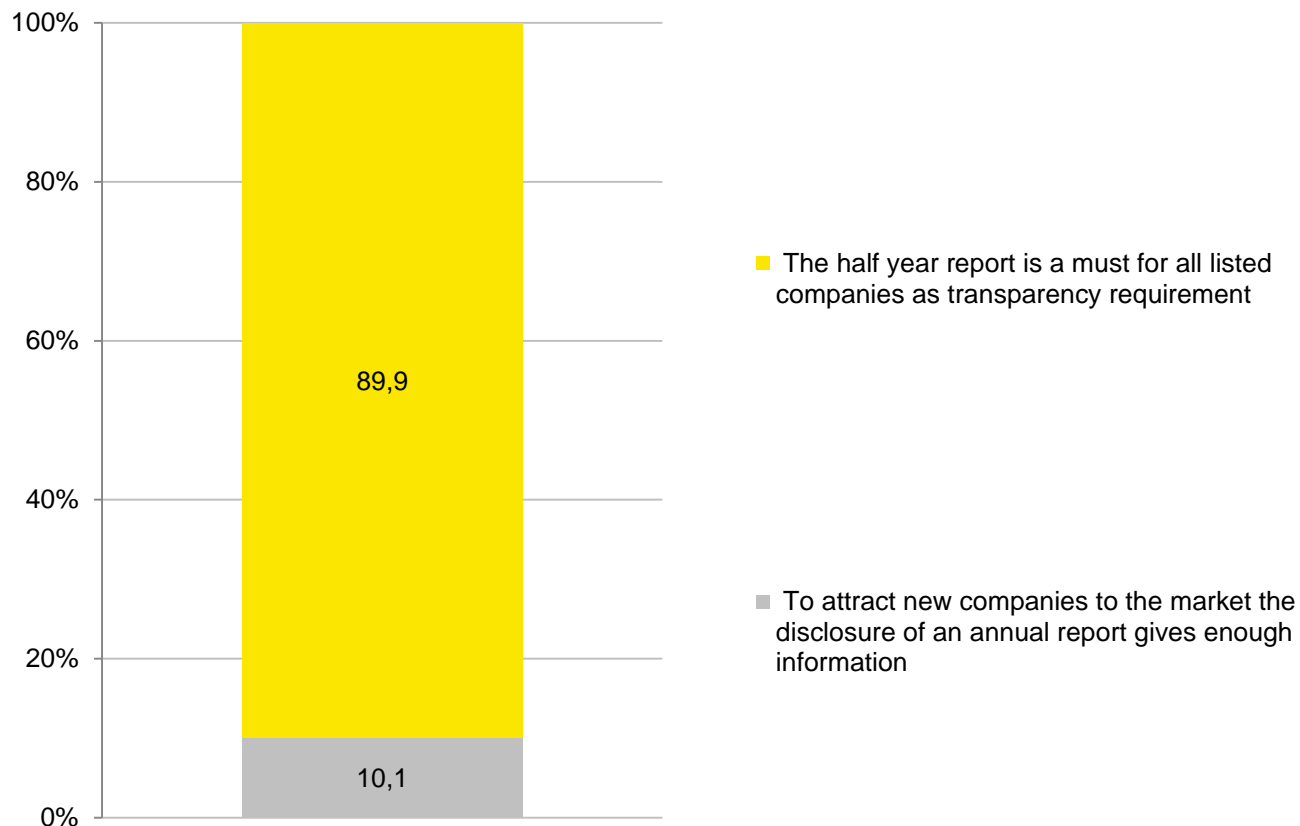
46% intend to further provide quarterly reporting according to IAS 34.

Post transparency directive (2013/50/EU, effective Nov. 2015) what are your considerations on quarterly reporting?



90% think that the half year report is a must for all listed companies as transparency requirement.

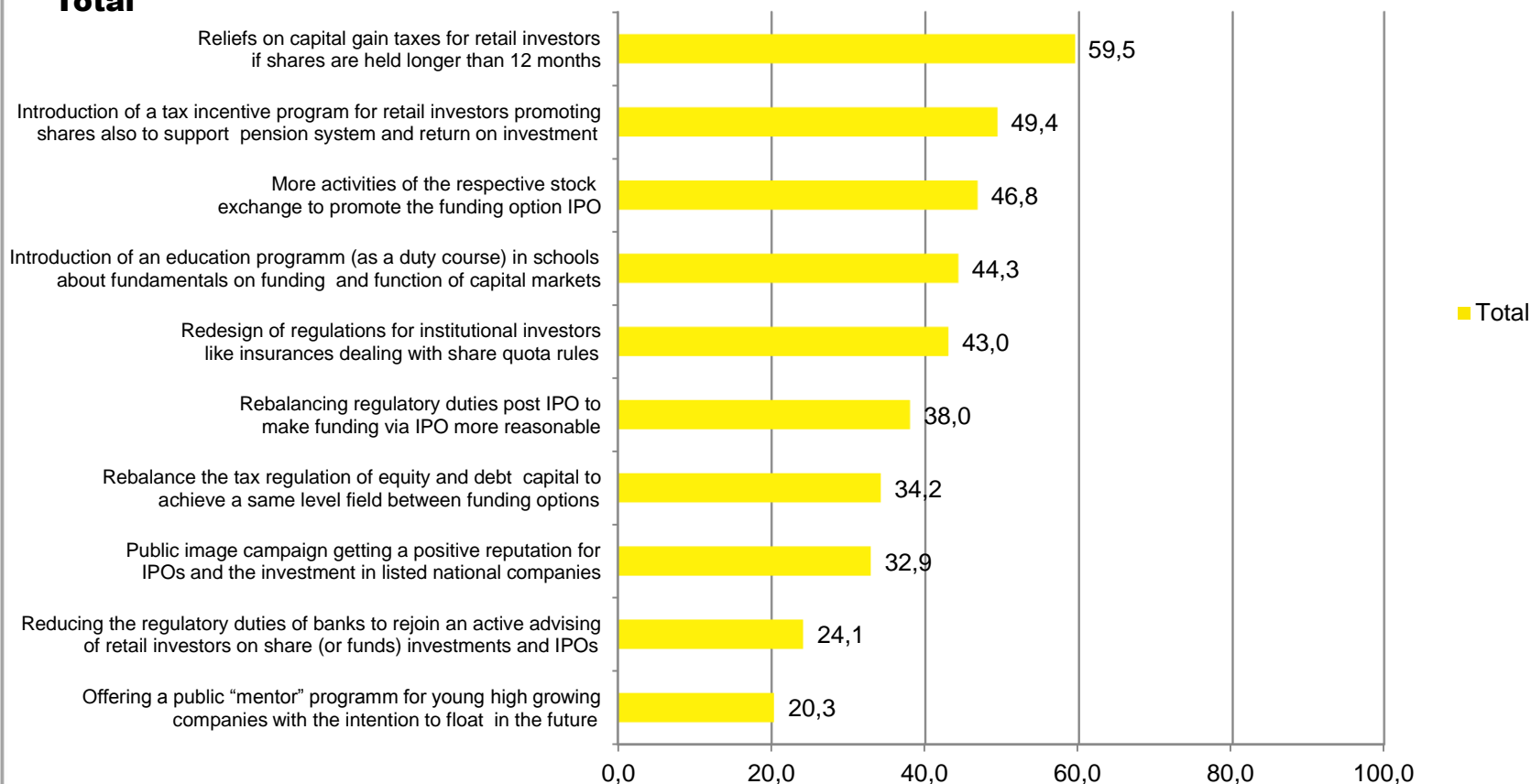
Post IPO: half year report and your view: obligation and /or best practice



Recommendation to improve IPO activity is to give reliefs on capital gain taxes for retail investors.

What are your recommendations for our markets in DACH region to improve IPO activity and to feed the decreasing universe of listed companies? – Top 5 mentions* - (1/2)

Total

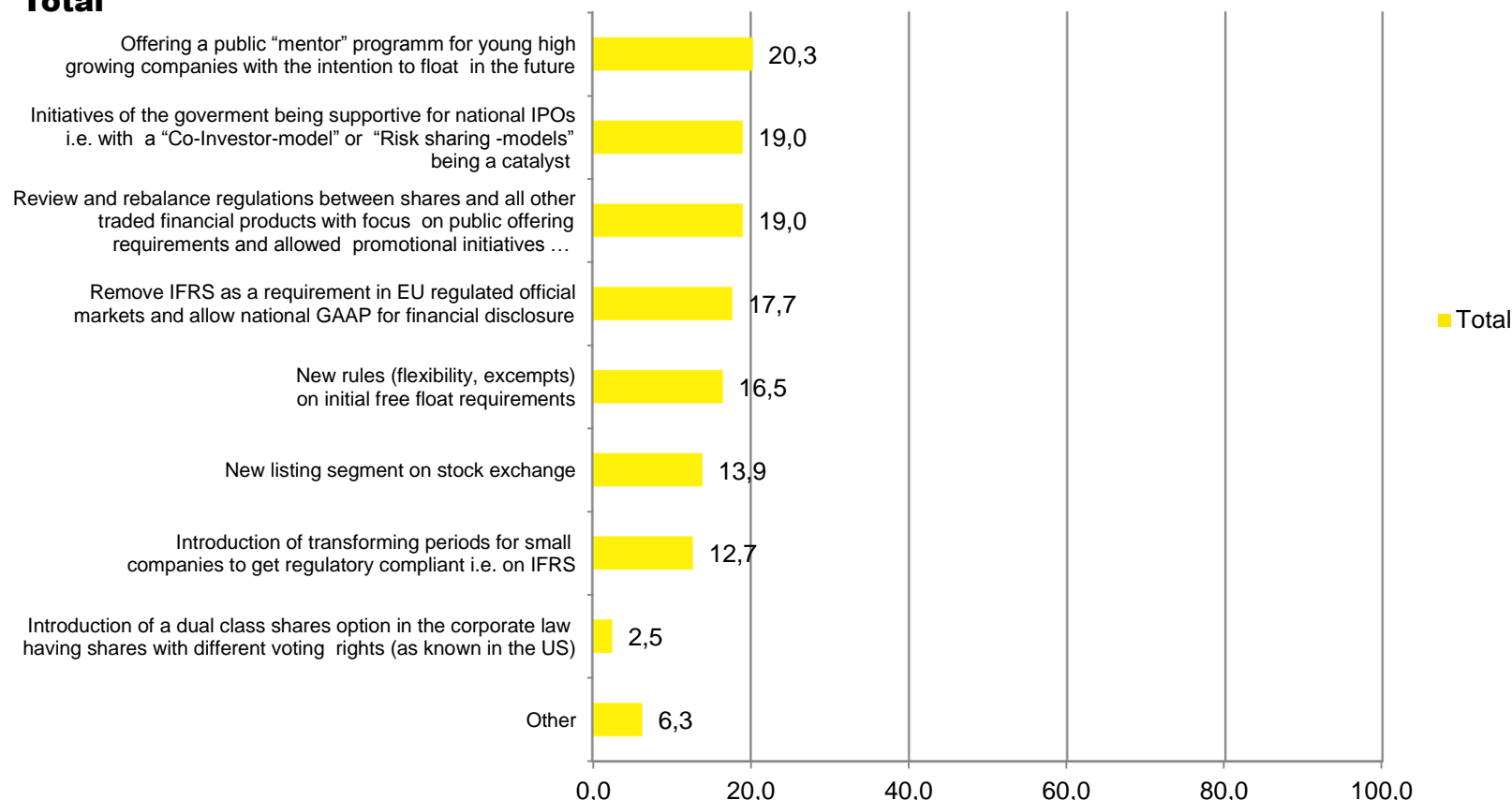


*mentions had to be abbreviated
EY/DIRK survey on the potential of a better market access, May 2015

The introduction of a dual class shares option is not being considered.

What are your recommendations for our markets in DACH region to improve IPO activity and to feed the decreasing universe of listed companies? – Top 5 mentions* - (2/2)

Total

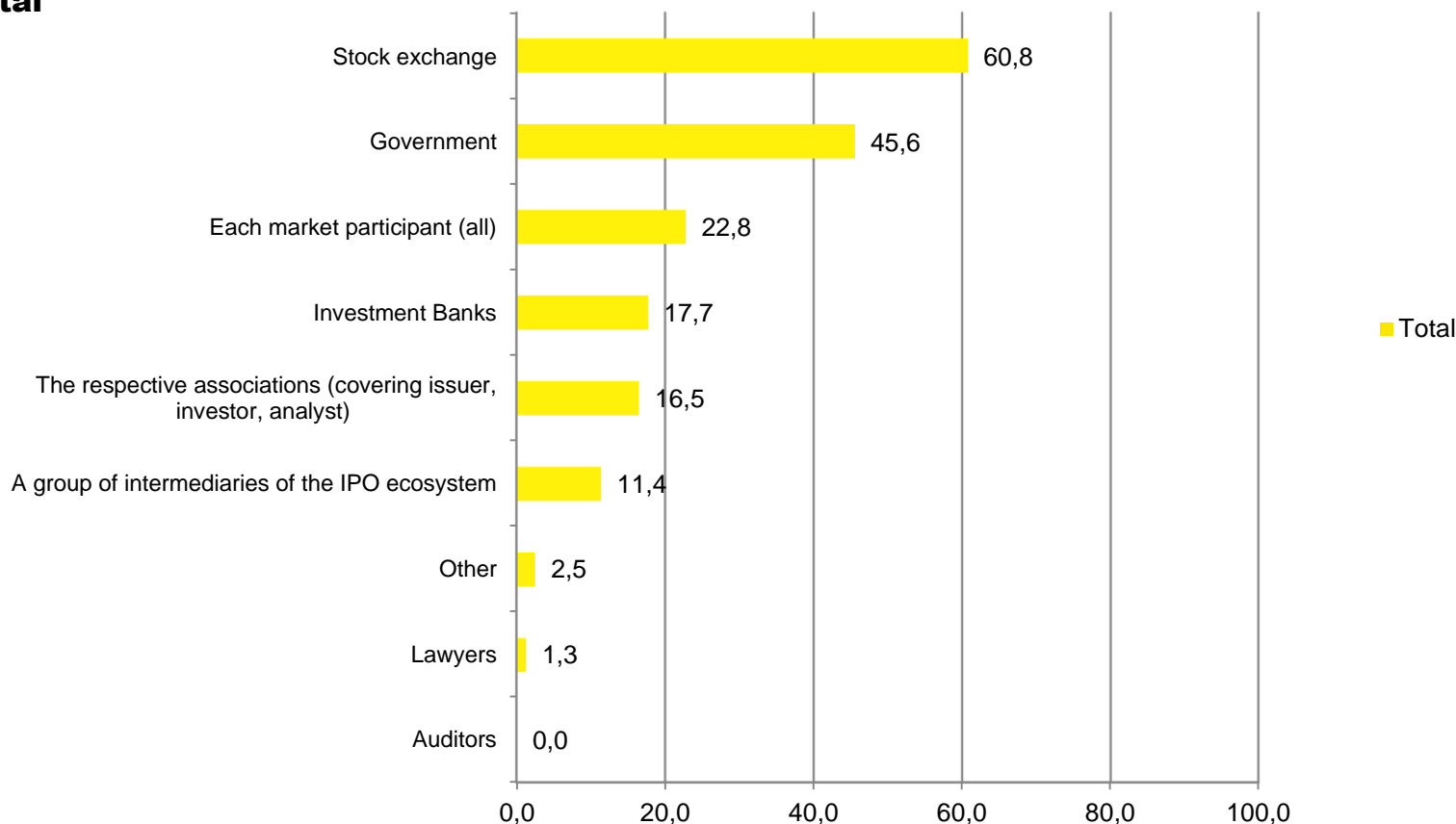


*mentions had to be abbreviated
EY/DIRK survey on the potential of a better market access , May 2015

For 61% the stock exchange should be mandated with the initiative for a better market access.

Who should lead or be mandated with that initiative for a better market access? (Multi Punch)

Total



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