

Institutional Investor's Germany Research 2020

**In partnership with DIRK - Deutscher
Investor Relations Verband**

This year marks the 15th anniversary of the partnership between DIRK and Institutional Investor (previously Extel). Every year, this successful collaboration produces the results for the Deutscher IR Preis and the highly lauded Investor Relations Study, which takes its data from II's Europe Executive Team Survey.

II RESEARCH

iR
Deutscher
Investor Relations
Preis

DIRK

Deutscher
Investor Relations
Verband

**Institutional
Investor**



TABLE OF CONTENTS

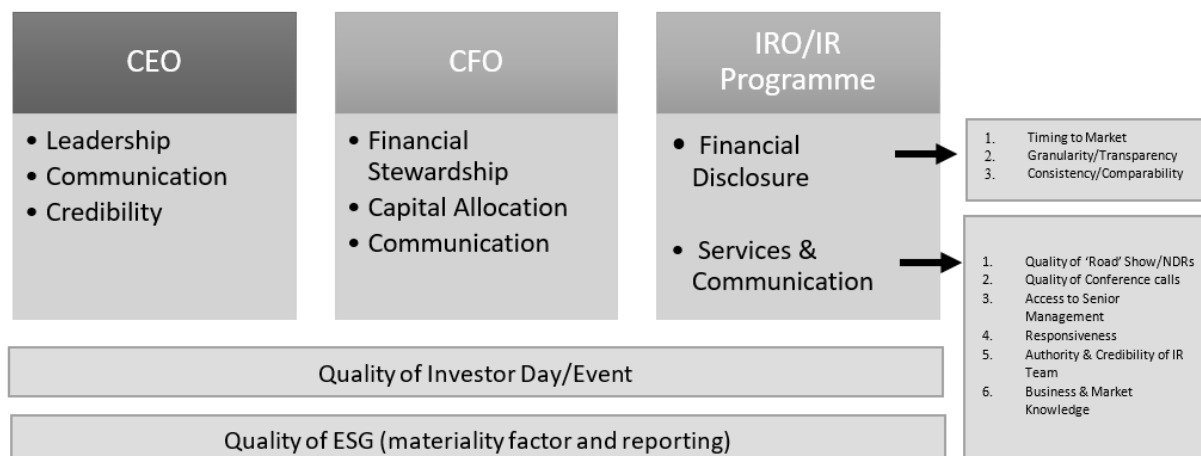
Survey Methodology	PAGE 03
Overall Results - Germany	PAGE 04
Deutscher IR Preis 2020	PAGE 07
Results	PAGE 09
Market Trends	PAGE 13
Contact	PAGE 25

Survey Methodology

Europe Executive Team

To determine the members of Institutional Investor's 2020 Europe Executive Team, we surveyed buy-side analysts, money managers and sell-side researchers at securities firms and financial institutions that cover the region, including those who cast and received votes in this year's All-Europe Research Team survey. Survey results reflect the opinions from 1,182 investment professionals at 519 financial services firms.

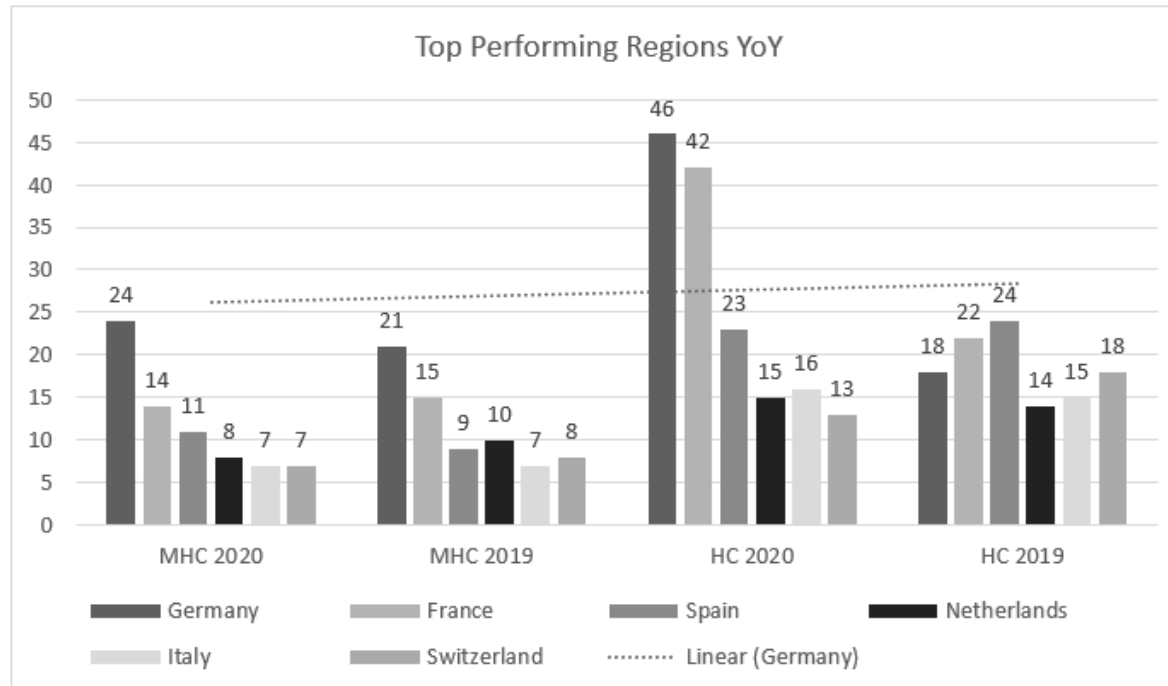
We asked the participants to rate the companies in their coverage universe in the following assessment categories:



To be eligible for inclusion on the 2020 Europe Executive Team, a company must be headquartered or have operational or executive headquarters in the region. We keep confidential the identities of the survey respondents to ensure their continuing cooperation. Voters must meet eligibility requirements, and winners must achieve a minimum vote count. All ballots are subject to review by our Research Operations Group.

Overall Results - Germany

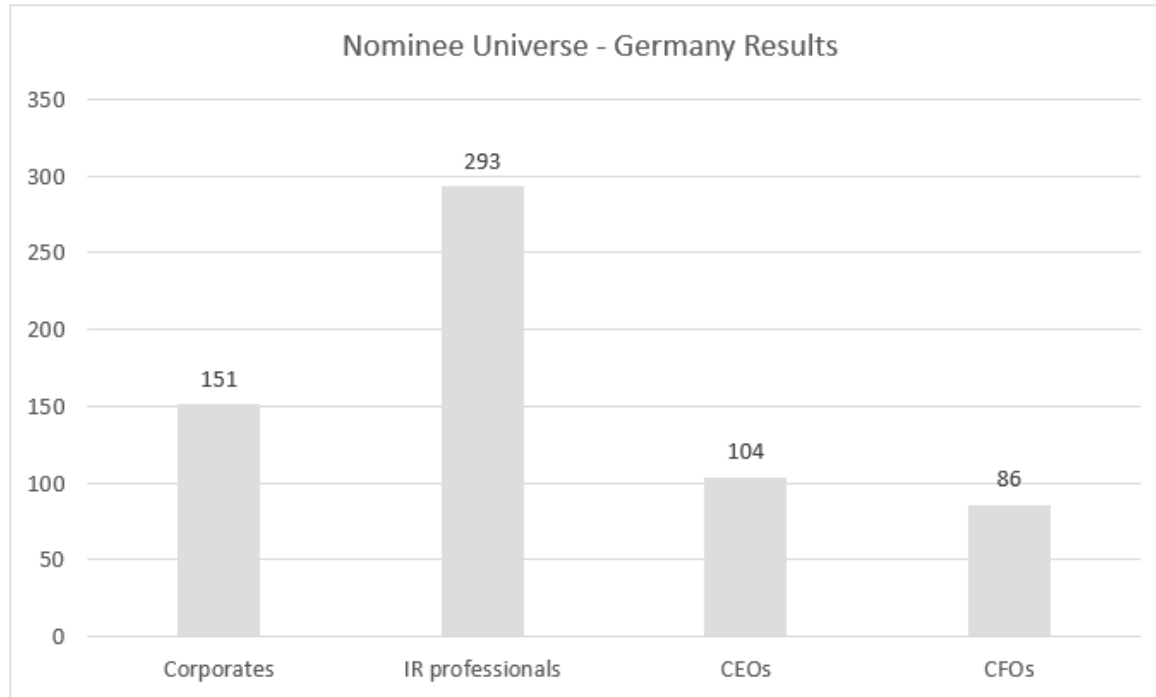
Based on 2020 Europe Executive Team



Most Honoured Companies (MHC) is a company that has achieved a weighted score of 12 or more points across the six research categories, in the combined, buy-and sell-side rankings, wherein each first place position is worth three points, second place two and third place, one. Honoured Companies (HC) are companies that have achieved at least one published position.

Overall Results - Germany

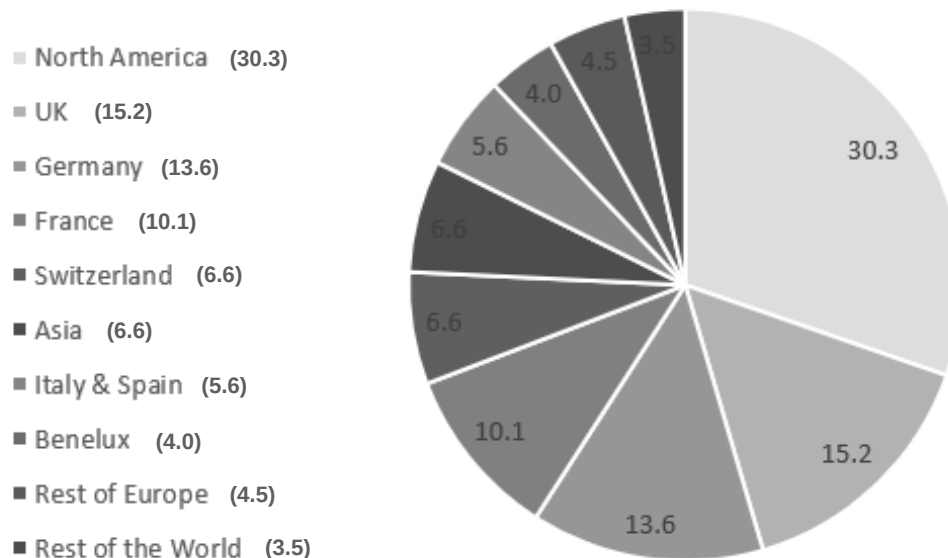
Based on 2020 Europe Executive Team



Overall Results - Germany

Based on 2020 Europe Executive Team

Geographic Voter Universe - Germany Results



Deutscher IR Preis 2020

This year's Deutscher IR Preis present market sentiment from a most unique time in the corporate world. As management teams had to mitigate relentless and hard-hitting impacts of the pandemic to their business while maintaining a regular dialogue with the market to provide ongoing updates and transparency on their response strategy and the impact of pandemic on their forward looking projections. Adding to the list of challenges is that corporates must allay anxiety and build investor confidence in a completely virtual environment. Executives and IROs certainly had and continue to have their work cut out. The Deutscher IR Preis is awarded across the SDAX, MDAX and DAX in the Best IRO and IR Programme category. The results are showing interesting shifts:

In the DAX 30 market segment, Deutsche Telekom replaced Siemens AG this year in its winning position moving up from a 3rd rank in 2019. Their Head of IR, previously on the Sell-Side, Hannes Wittig, takes the top spot in the Best IR Manager category moving up from 6th position in the previous year.

In the MDAX segment, Telefónica with Marion Polzer swept both Best Company in IR and IR Manager categories taking the lead in first position, catapulting both Florian Fuchs and Tobias Erfurt from a previously top 30 into joint 2nd position. Fraport and ProSiebenSat.1 Media are runners up in the Best Company in IR company category moving up from 8th and 6th position respectively, in 2019.

The SDAX segment presented a few surprises seeing Oliver Keil, Head of IR of 1&1 Drillisch, who has not had a published rank before, snapping up the 1st rank in the Best IR Manager category. In joint second are Guido Pickert, previously enjoying a top 30 position and Carsten Werle who drops from a 1st rank. In the Best Company in IR category Talanx proves consistent achieving a 1st position two years in a row, followed in 2nd position by Aixtron who previously ranked in 13th place. In third place and proud we see 1&1 Drillisch who also have never honoured this category in a top spot before.

The winners had some thoughts on what this accolade means to them:

Hannes Wittig:

„Wir sind für die Unterstützung unserer Investoren sehr dankbar, aber sehen das (Deutscher IR Preis) vor allem als Ansporn nach vorn“.

Marion Polzer:

„Es ist unser Anspruch stets transparent, proaktiv und verständlich zu kommunizieren. Dabei suchen wir immer nach dem besten Ansatz, einen Sachverhalt zu erklären. Wir freuen uns über die Auszeichnungen, die belegen, dass wir als Team auf dem richtigen Weg sind“.

Oliver Keil:

„Dieser Preis ist eine wirkliche Überraschung und stellt deshalb eine umso größere Freude dar. Die damit einhergehende Wertschätzung, die Anerkennung und das Lob, gebührt unserem gesamten Team „Finance und Unternehmenskommunikation“, das immer wieder gemeinsam eine ganz starke Leistung erbringt. Jahr für Jahr“.

Carsten Werle:

„Die Sicht des Kapitalmarkts ist dem Team und auch unserem Management sehr wichtig. Wir probieren Neues aus und sammeln regelmäßig Feedback ein, was Analysten und Investoren gut finden und was eben nicht. Der IR-Preis ist eine tolle Bestätigung für viele Bereiche in unserem Unternehmen, dass der Großteil unserer Arbeit am Kapitalmarkt gut angekommen ist.“

RESULTS

Best Investor Relations By Company	Best Investor Relations Manager
DAX30 1. Platz: Deutsche Telekom AG 2. Platz: Siemens AG 3. Platz: Allianz SE	DAX30 1. Platz: Hannes Wittig, Deutsche Telekom AG 2. Platz: Sabine Reichel, Siemens AG 3. Platz: Oliver Schmidt, Allianz SE
MDAX 1. Platz: Telefonica Deutschland Holding AG 2. Platz: Fraport AG 3. Platz: ProSiebenSat.1 Media SE	MDAX 1. Platz: Marion Polzer, Telefónica Deutschland Holding AG 2. Plätze: Florian Fuchs, Fraport AG Tobias Erfurth, Symrise AG
SDAX 1. Platz: Talanx AG 2. Platz: AIXTRON SE 3. Platz: 1&1 Drillisch AG	SDAX 1. Platz: Oliver Keil, 1&1 Drillisch AG 2. Plätze: Guido Pickert, AIXTRON SE Carsten Werle, Talanx AG

Top 10 Leader Table by Market Segment

Best Investor Relations By Company

DAX 30

CompanyName	Rank
Deutsche Telekom	1
Siemens	2
Allianz	3
Infineon Technologies	4
RWE	5
Volkswagen	6
BMW	7
Covestro	7
Vonovia	9
BASF	10

MDAX

CompanyName	Rank
Telefónica Deutschland Holding	1
Fraport	2
ProSiebenSat.1 Media	3
LANXESS	4
Zalando	5
Hannover Re	6
Symrise	6
Dürr	8
Software	8
Freenet	10

SDAX

CompanyName	Rank
Talanx	1
Aixtron	2
1&1 Drillisch	3
Wacker Chemie	4
PATRIZIA	5
Deutsche EuroShop	6
Schaeffler	7
Hypoport	8
Jenoptik	9
STRATEC	9

Top 10 Leader Table by Market Segment

Best IR Manager

DAX 30

First Name	Last Name	Company Name	Rank	% of Score
Hannes	Wittig	Deutsche Telekom	1	4.70%
Sabine	Reichel	Siemens	2	3.20%
Oliver	Schmidt	Allianz	3	3.13%
Rene	Hoffmann	Vonovia	4	2.51%
Alexander	Wende	Siemens	5	2.45%
Thomas	Ris	Deutsche Telekom	6	2.26%
Andreas	Puy	Deutsche Telekom	7	1.82%
Joachim	Binder	Infineon Technologies	7	1.82%
Peer	Rossbach	Deutsche Telekom	9	1.76%
Christian	Lamprecht	Allianz	10	1.57%

MDAX

First Name	Last Name	Company Name	Rank	% of Score
Marion	Polzer	Telefónica Deutschland Holding	1	4.41%
Florian	Fuchs	Fraport	2	3.49%
Tobias	Erfurth	Symrise	2	3.49%
Dirk	Voigtländer	ProSiebenSat.1 Media	4	3.22%
Eugen	Albrecht	Telefónica Deutschland Holding	5	3.03%
Christoph	Nanke	Fraport	6	2.67%
Manuel	Boesing	Puma	7	2.21%
Tim-Frederik	Oehr	Freenet	8	2.02%
Otmar	Winzig	Software	8	2.02%
Martin	Link	Bechtle	10	1.84%

SDAX

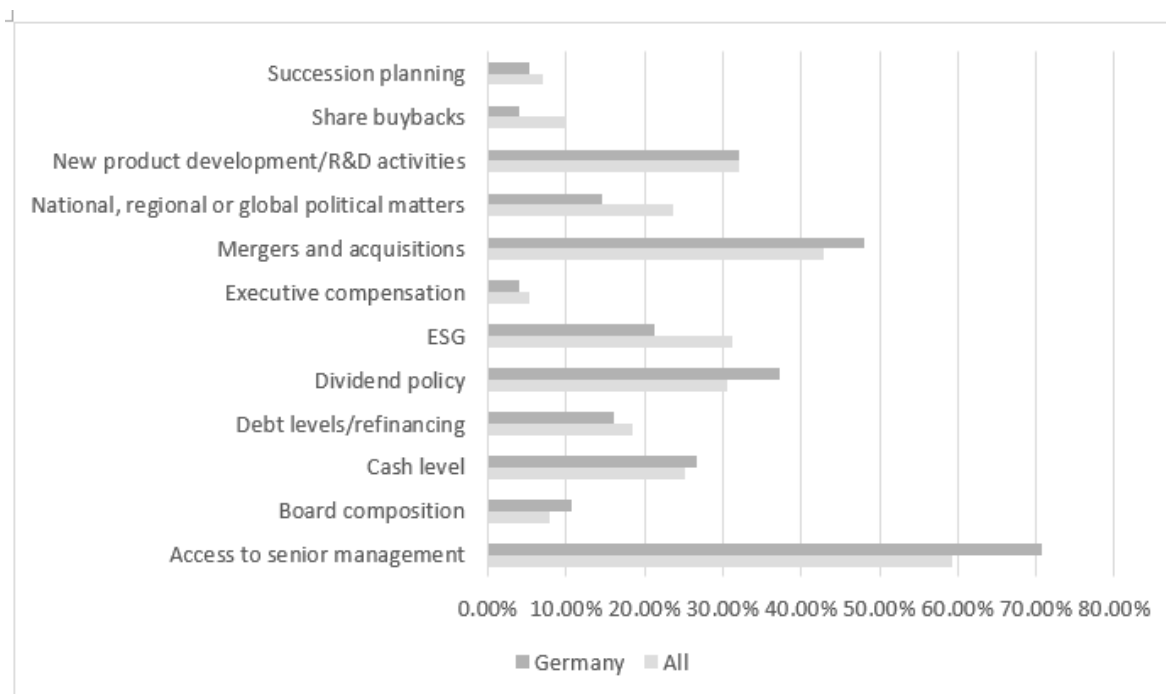
First Name	Last Name	Company Name	Rank	% of Score
Oliver	Keil	1&1 Drillisch	1	8.11%
Guido	Pickert	Aixtron	2	6.01%
Carsten	Werle	Talanx	2	6.01%
Martin	Praum	PATRIZIA	4	4.50%
Patrick	Kiss	Deutsche EuroShop	5	4.20%
Jan	Pahl	Hypoport	5	4.20%
Andrea	Koegler-Ihler	Aixtron	7	3.00%
Leslie Isabelle	Illtgen	Deutz	7	3.00%
Andrea	Bleesen	Jungheinrich	7	3.00%
Andreas	Troesch	Norma Group	7	3.00%

Market Trends

Based on Institutional Investors Corporate Insights survey spanning over 600 Corporates and II Spotlight analysis

With the last months being a stress test for many companies, we have looked at ESG and other market trends before and during the pandemic in this environment and what both investment professionals and corporates have determined to be their priorities in their engagement and strategy.

Q1: What are the top three areas investors/analysts have shown the most interest in over the past year?

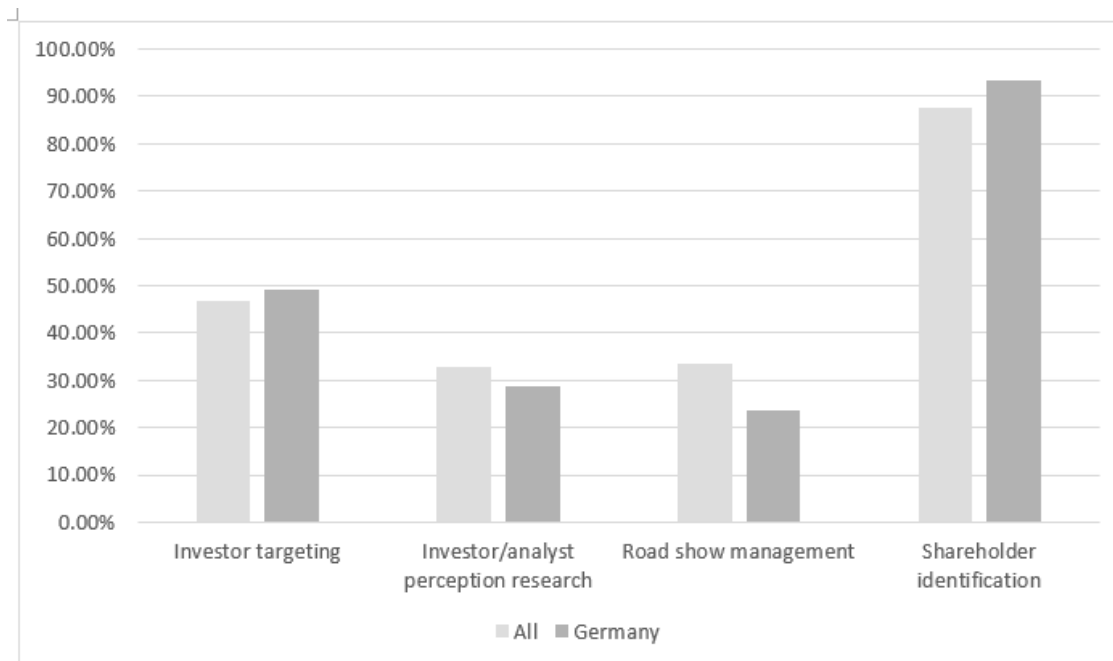


Maximising management time is a key role of the IR function. Hence, it is important that IR triages the many requests coming from the Street and only utilise management where they can add real value. A recent II Research survey conducted showed that over 62% investors do not require CEO or CFO to be present during their meetings. It remains, however, vital that IR engages regularly and stays close to the investment community to better understand what investors identify as value drivers, how they perceive the company, their areas of interests, what they do not understand about the business and importantly what they take issue with. In essence, IR decodes the market and bridges the gap to the day to day running of the business to shape managements' goals setting and strategy.

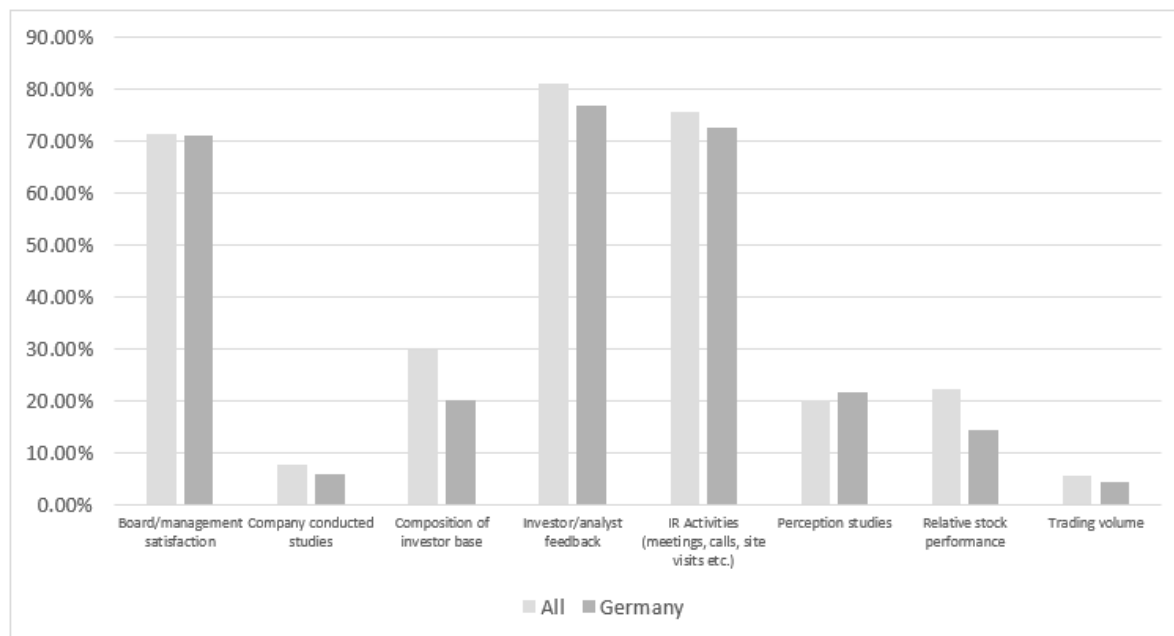
M&A activity, the second largest area of interest for investors in the engagement with corporates, can have a significant impact on a company's growth trajectory and future outlook. M&As generally hold a promise to increase a company's competitiveness and market strength, but there are associated risks that lead to approximately less than 30% of M&A deals to fail. The market shut downs through the first half of the year due to the pandemic have stalled many of the M&A transactions as many companies were fighting to stay afloat and mitigate further haemorrhaging of their businesses, resulting in a year on year global fall in M&A transactions by 35%* and threatening to end the historic record of corporate deal making.

*based on data produced by Dealogic

Q2: Which non-sell side services do you use for your IR work?

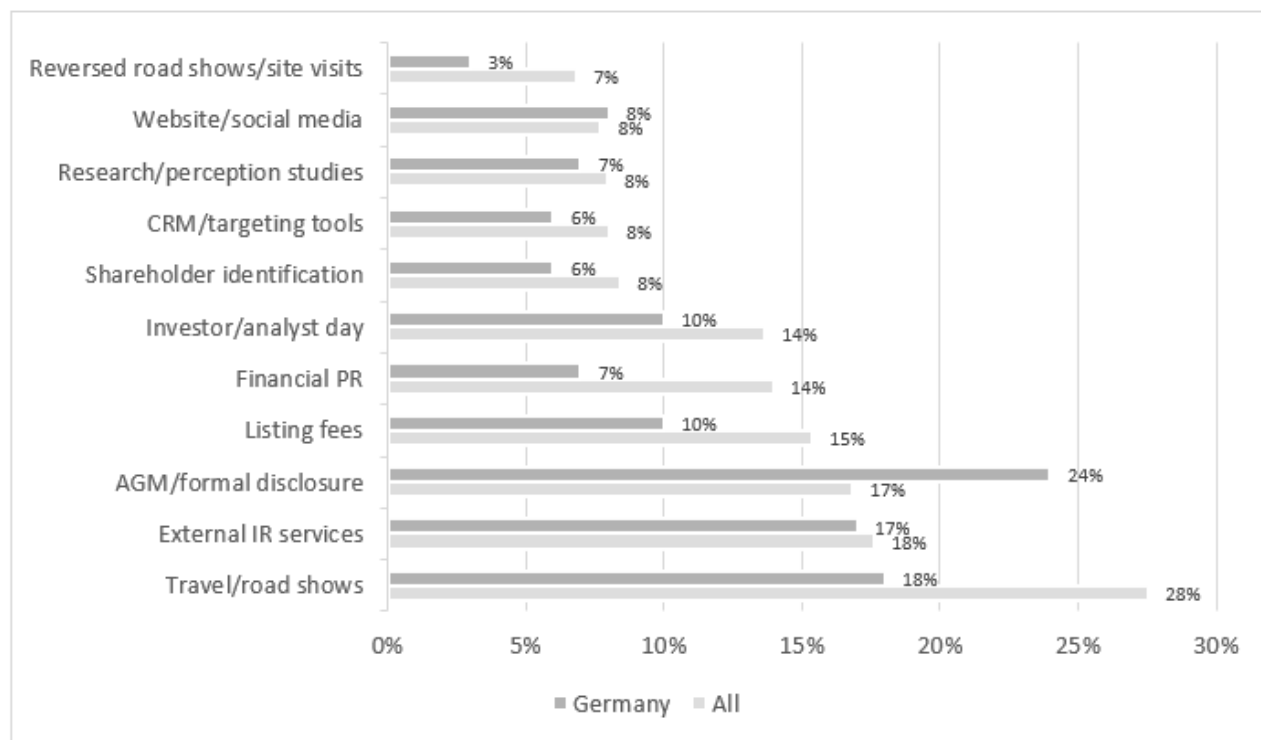


Q3: How is the effectiveness of your IR function evaluated?



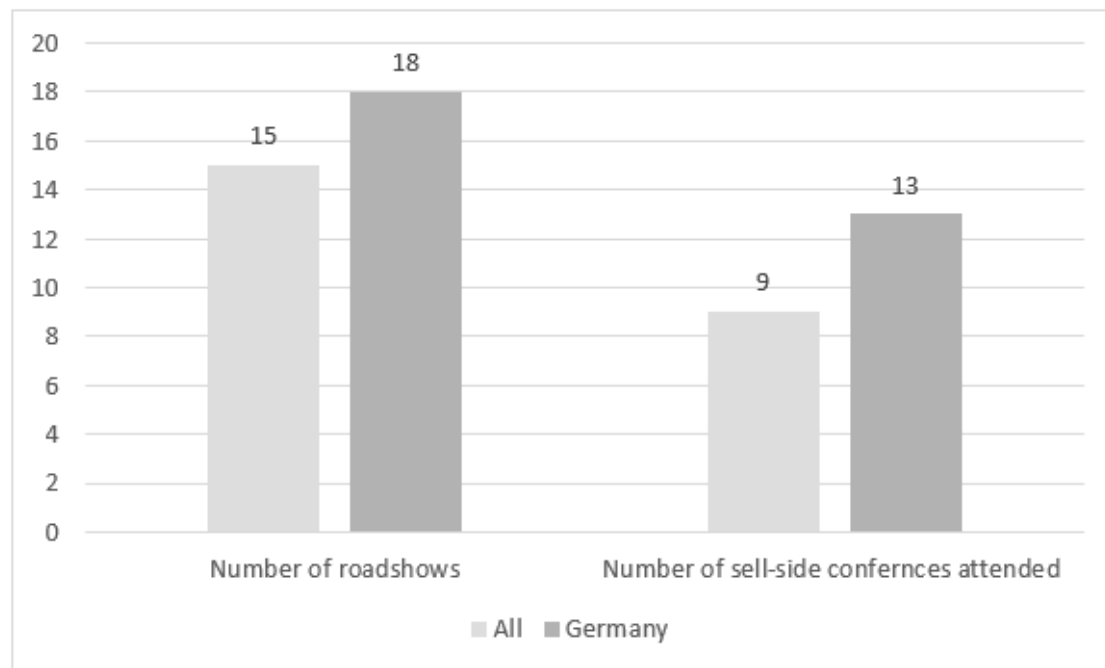
To manage anything effectively, you have to measure it. The pressures on the corporate IR function are continually rising with the dynamic shifts in market engagement in light of increased regulatory scrutiny and demands by stakeholders in reference to transparency, speed of information distribution, communication and maintaining strong governance standards et al. From engaging with long-only investors, hedge and index fund investors to the ESG focused funds as well as potential activist investors, there are many needs to juggle and varying information requirements to satisfy. Consolidating a single response as part of a company's capital market story and marrying sometimes polarising market sentiments can be quite a challenge. While many corporate IR functions are tracking and monitoring activity level as a way to measure IR, in reality it does not provide an actionable qualitative assessment. Maintaining a close and regular dialogue with investors is, instead, paramount. Identifying the value gaps and how investors measure your company – capital distribution, return on invested capital, cash flow, balance sheet etc. – the fundamentals and opportunity sets that allow for fair valuation of a company's stock has to be done on a systematic and regular basis.

Q4: What is your budget across different IR activities?



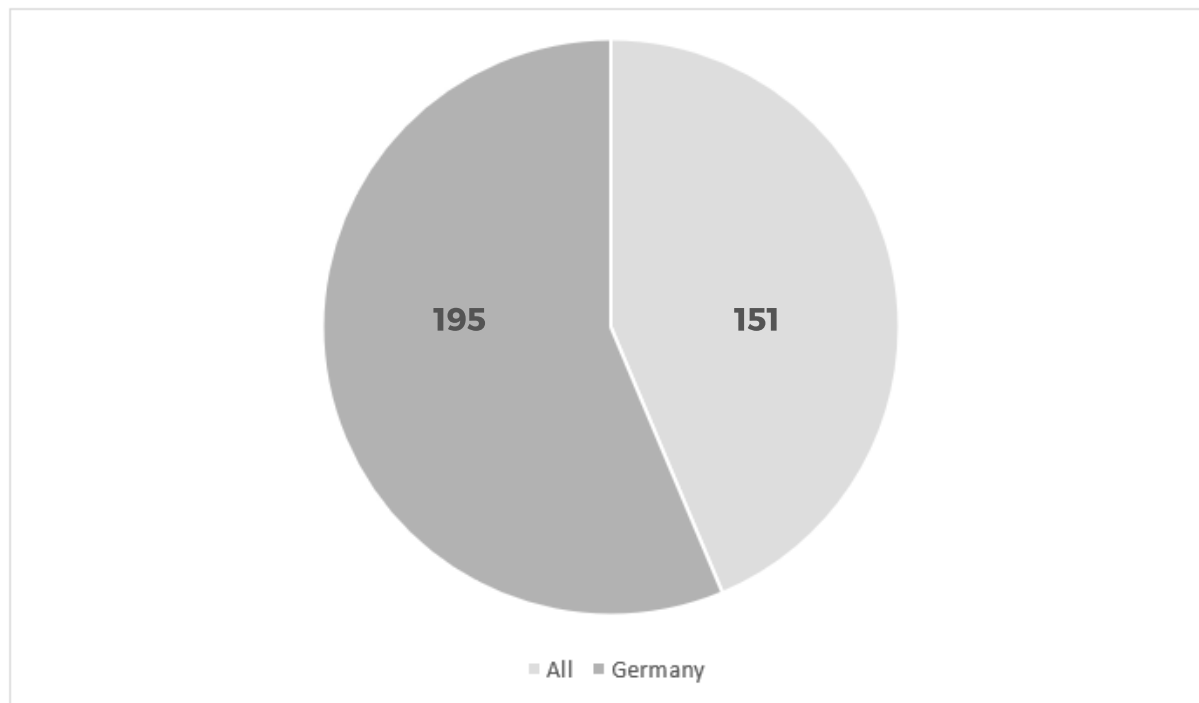
With the crisis forcing IR to run their business completely differently moving it to an exclusively online interaction, we will likely see very different results next year when we re-run the survey. For now the key areas that absorb the most budget and would have resulted in big savings this year due to the pandemic are AGM and Travel.

Q5: How many roadshows and sell-side conferences do you conduct/attend per year?



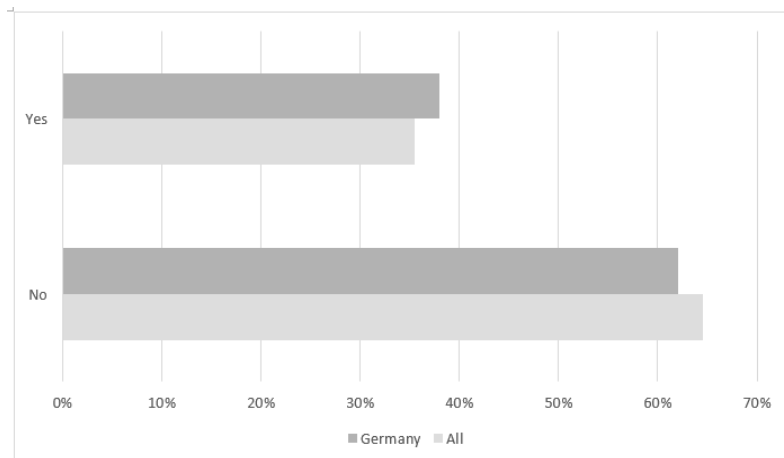
German IR clearly engages with investment community more regularly than the sum of their geographic peer group.

Q6: How many institutional investors have you pro-actively targeted in the last 12 months?



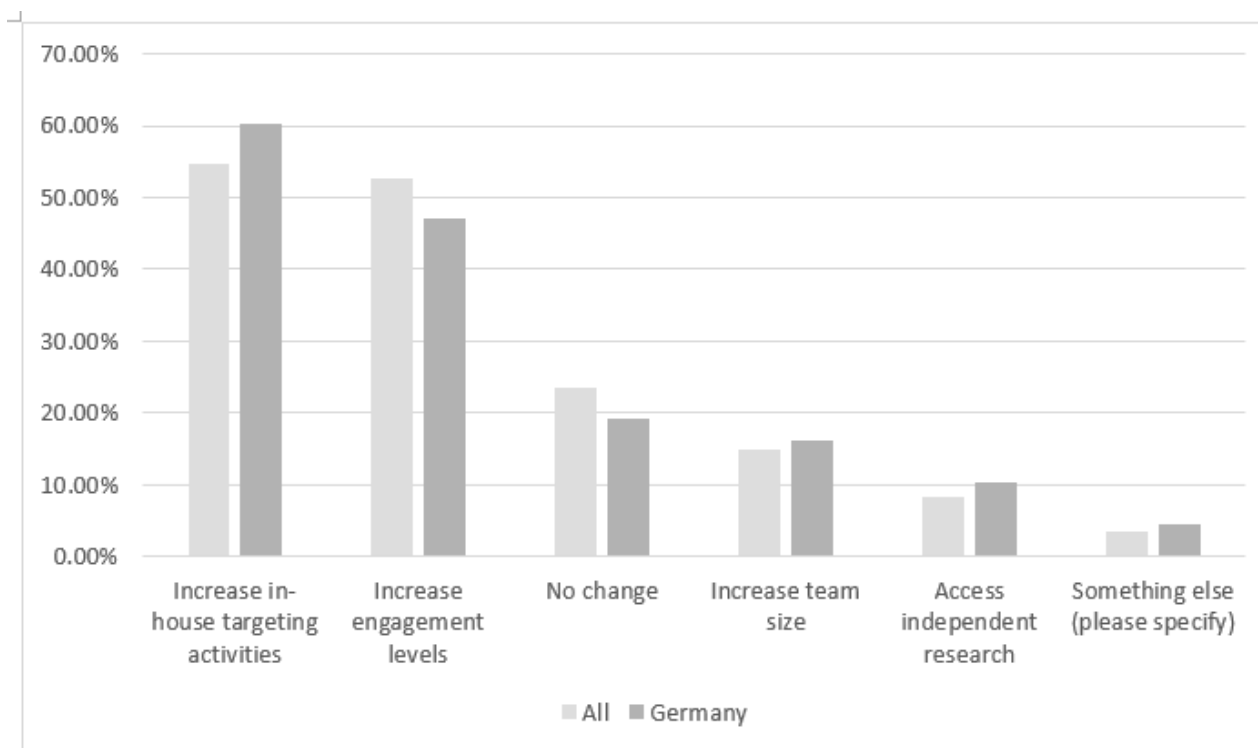
German companies are leading on their pro-active outreach and targeting efforts to engage with investors.

Q7: Does IR attend board meetings?



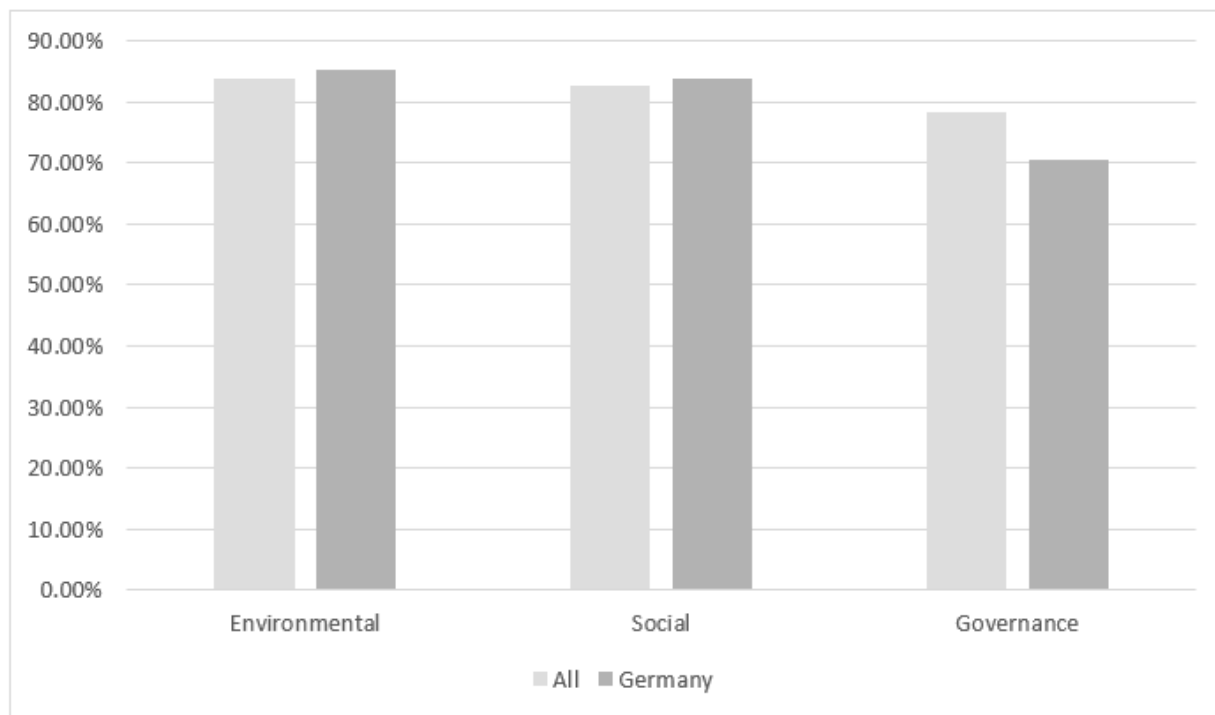
Shareholder activism has been on the rise in recent years and will continue to significantly impact the future of corporate engagement with the market. Activist investors enlist the support of long-term investors looking for a deeper interaction and dialogue with management and the board. They influence management to drive better governance standards and recommend strategy shifts to ensure better financial returns. Compounding that trend is the ever growing investor pressure on ESG becoming an integral component of a company's strategy paving the path to more long-term business growth, at the same time delivering a positive and sustainable societal impact. These changing dynamics have put many boards in the hot seat requiring them to adopt a more pro-active and pre-emptive engagement with their investors, which was often previously limited to the AGMs. With nearly 70% of IROs in Europe not being granted access to board meetings, a critical piece to better investor insights and more informed communication strategy is taken away. Lacking a comprehensive understanding of investor sentiments – interests, concerns, perceptions on performance and fundamental value drivers - leaves the board in a vulnerable position, losing control over the company narrative and open to activist advances. Boards that seek a constructive and regular dialogue with all stakeholder groups and avoid a defensive attitude during down turns will win the confidence and trust of their investors. As the board is expected to show case wide ranging skills set to respond to the varying investor demands, they also need to ensure that the right management team is in place to steer the business and pay attention to the value and importance of the IR function as a critical mouth piece between the company and the Street - demystifying market perception on one hand and contextualisation the company story on the other.

Q8: How have you responded to the changing dynamics since MiFID ii came into effect?

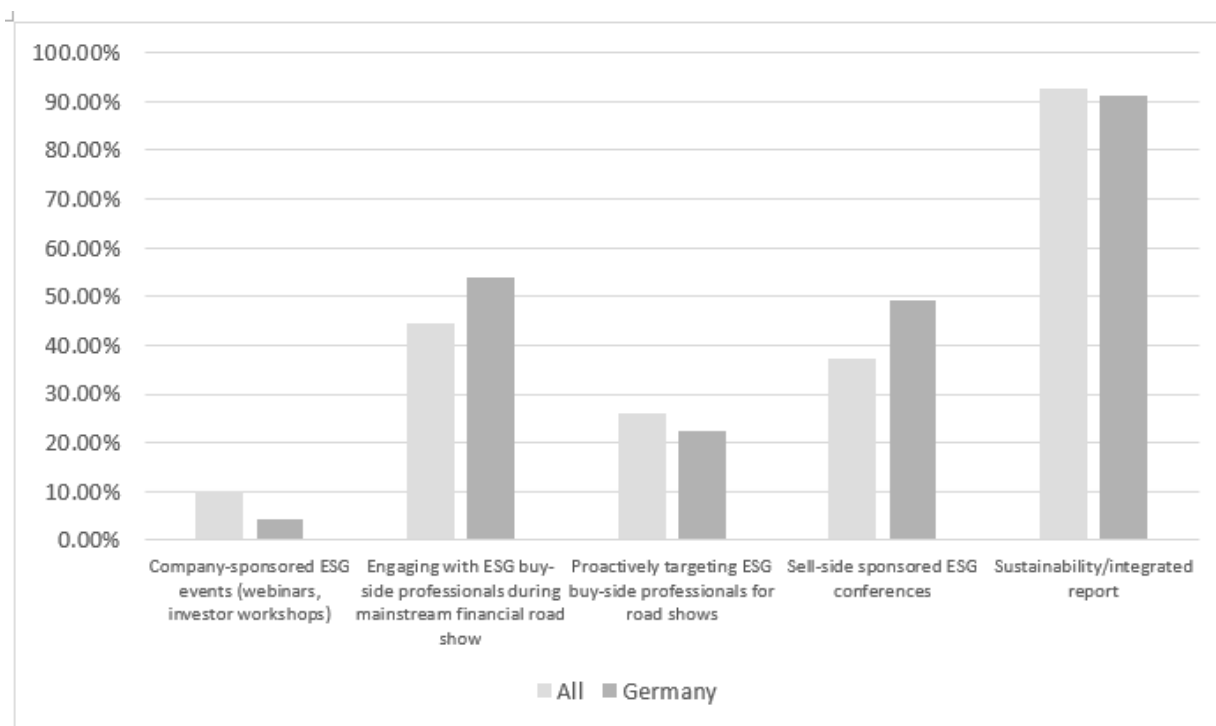


This result corroborates the trend statistics on the number of investors German companies have pro-actively engaged with over the last 12 months. More emphasis and investments are placed on targeting efforts with many companies becoming more self-sufficient, as 25% of European companies are now employing a corporate access function as part of their IR team to supplement the broker services.

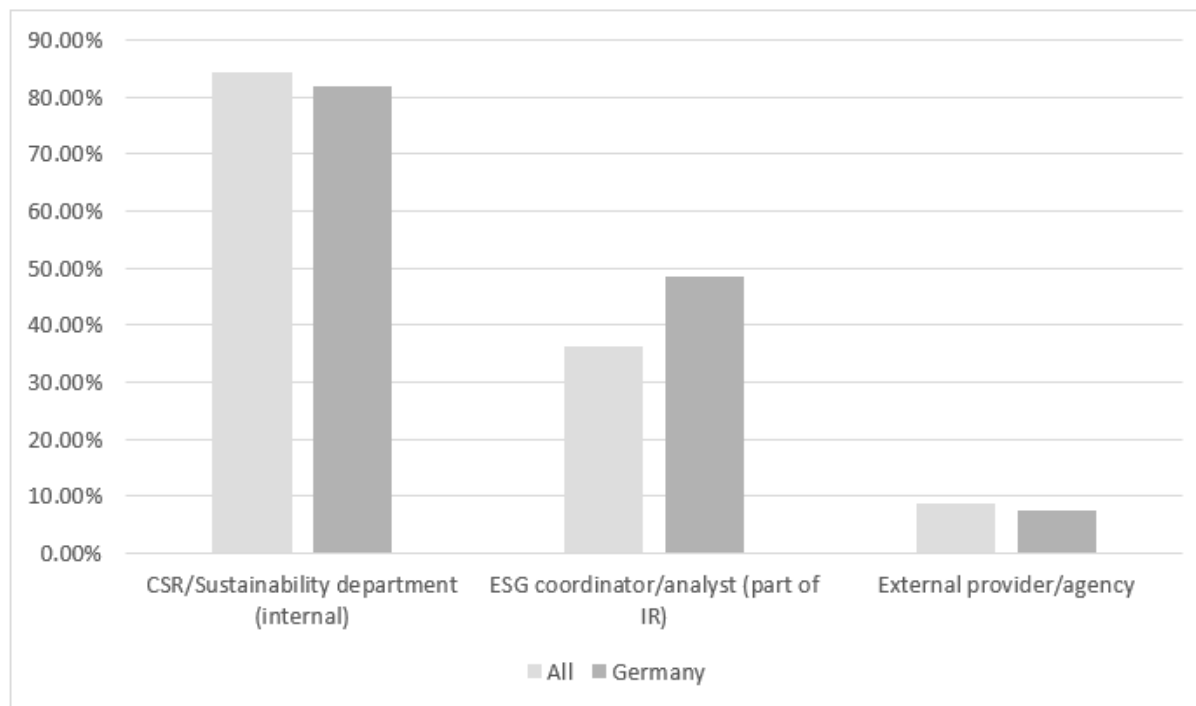
Q9: What ESG metrics are most material to your strategy?



Q10: Which channels do you use for ESG engagement?



Q11: What resource do you use for ESG Strategy?



ESG has been a growing component of the IR engagement strategy. The crisis has however shifted focus that used to be on the more environmental and governance focused matters, onto the 'S' in ESG. A recent report from Morgan Stanley pointed out that human capital management, corporate culture and treatment of customers are key factors in ESG; sustainable stocks and funds with an ESG focus have therefore outperformed the market over recent months. ESG investors want to see how the health and safety of employees should really be management's first priority; how companies are treating their stakeholders during the crisis will reveal the brand value of the company and inform the company's reputation. Not only is this the compassionate and civilised thing to do but also management is mitigating future risk by and providing potentially greater opportunities for better value creation and company growth.

CONTACT



Amani Korayeim

Director, Europe & Emerging EMEA, II Research

E: amani.korayeim@institutionalinvestor.com

DL: +44 207 779 8535

M: +44 7973 664 609



www.iiresearch.com



Institutional Investor Research



Hannes Bauschatz

Referent

hbauschatz@dirk.org

T: +49 (0) 69 9590 9490

M: +49 (0) 160 41 07 279



www.dirk.org