

H1 2021 WRAP UP



Strong Market

It is fair to say that H1 2021 has been one of the busiest periods in recruitment and search over the last 5 years or so. Clearly part of that is a bounce back from a quieter period last year but what else has been driving this growth? Here we identify what we have been seeing in the job market and reasons why:

- IPO pipeline was at a record high. In Q1 2021, IPO deal numbers and proceeds posted the best performance in the first quarter for 20 years. Liquidity has fuelled the markets. And in the UK, Q1 was the strongest for IPOs in 14 years. A really interesting read can be found here https://www.ey.com/en_uk/private-equity/are-you-exploring-the-future-or-just-visiting
- The pandemic and uncertainty of 2020 meant candidates generally held tight last year and there was increased scepticism around moving roles. As 2021 started to show signs of optimism with the successful roll out of the vaccine, and lockdown restrictions slowly lifting, candidates became more active. Many found themselves with a further 12-18 months experience in their current roles but not necessarily being CV enhancing in that time, so it has prompted proactive searches.
- Clients that have had hiring restrictions, furloughed staff, and budget constraints may be starting to see some of that ease. As the world adjusts to a new working style with enhanced flexibility, hiring plans can be more concrete and start to accelerate.
- The contract market was one of our busiest markets at the start of the year – across both IR & Communications. It was a way to parachute experienced talent in to roles when clients were in exceptionally busy periods and under resourced. For those more risk averse companies, it is also a way to hire but keep costs low without committing to long term fixed costs while testing the demand for the extra headcount.

Whilst it has been active, the market has certainly felt like it has been a candidate led one on most parts. Although, as stated above, candidates are becoming more active in job searches, there is still some degree of risk aversion in doing something new, moving sectors, moving out of comfort zones. It appears “more boxes need to be ticked” than ever before from the candidate’s perspective – and candidates are in multiple processes so often have the luxury of being selective with offers. Any client looking to hire now should make sure the process runs efficiently, with an expanded shortlist.

ESG

An ever-increasing topic of interest is ESG and one that many of our clients talk to us about. IR & Communications teams are hiring with a requirement for this skillset. We spoke to 2 ESG professionals to gain some more insight into some of the developments that have happened in this space in H1 and what this means for equity issuers:

Kelly Perry, Director of ESG, Edison commented *"One of the key agents of change in ESG in Q1 was the introduction of mandatory policies, namely the EU Sustainable Finance Disclosure Regulations (SFDR) which came into force on 10th March 2021, which applies to asset managers and other financial market participants. The SFDR aims to provide further transparency on the sustainability of financial products and prevent green washing."*

Andrew Archer, Head of ESG Advisory at Investor Update noted *"ESG Activism is a specialised branch within the Activism movement, one with great focus on it and with powerful resources and extensive expertise which is tilting towards those companies that either underperform or under-represent their full ESG potential. This is the ESG Arbitrage that the boards of companies in all regions need to be aware of and to be proactive about and to close the communication gap before the ESG Activists grasp the initiative and close it for them"*. Additionally, Investor Update share some further material developments in ESG over the last 6 months:

1. **Merger of frameworks:** SASB and IIRC have merged to form the 'Value Reporting Foundation'
2. The **SEC** has announced a 'Climate and ESG Enforcement Task Force' focusing on corporate disclosure and ESG investment products. Some kind of regulatory action is imminent but it may be more restrained than in Europe due to the US regulatory approach.
3. A **'Task Force for Nature-Related Financial Disclosure'** has been announced – this is a global initiative to develop disclosure standards on Biodiversity issues, led by the UN and Refinitiv/LSE which is expected to come out with a framework next year
4. The recent **Netherlands court decision on Shell emission reduction** (ordering Shell to cut emissions by 45% by 2030) is an extraordinary ruling and while it is subject to appeal it materially alters the ESG risk profile for companies. It basically means fix (not easy) or sell which might be value-destructive and risks placing assets in hands of a less disciplined owner.

Corporates are becoming vulnerable to developments in areas they are not prepared for and therefore having to upskill.

Events/Content

We have also been very active over the last 6 months engaging in thought leadership pieces and supporting various virtual events. We have been on a panel discussion with the UK IR Society Deliver programme talking through **key considerations when developing a team**, what skills to look for to get the right balance and how to get the budget. Furthermore, we had a very interactive virtual session with the IR Societies Diploma candidates looking at **"Building Leadership & Credibility in IR"**.

In March we hosted a round table discussion with the **Romanian IR Society** and its members looking at how to build an IR function as an independent function, moving it away from being dispersed across a number of corporate functions.

Further afield, we have supported MEIRA & Tadawul with a panel discussion around **"The Essentials of IR"** where we talked through what we are seeing globally in IR in 2021. We looked at Covid driven changes to IR, best practice, resourcing talent, KPIs to measure success along with many other useful tips. And this week, in collaboration with MEIRA, we have launched **the 2021 IR Practitioners Survey** for Middle Eastern IR practitioners.

We have produced 2 insightful pieces of content – firstly the interview series on **Investor Relations: Geographical Landscape** where we interviewed a number of IR professionals from around the globe to look at some of the parallels and differences across the profession internationally. And secondly, our **"Top tips for Job Searching"**.

We have more exciting plans for H2 including collaborations with leaders in the IR profession so watch this space.....

For a discussion on any live roles we are working, or an overview on the market more generally, please do get in touch.