

GLOBAL INVESTOR RELATIONS: 2021 AN UNFINISHED ECOSYSTEM

The ever-changing face of investor relations

Forward

What 2021 taught us about the global role of IR – and why it matters

In 2021, we saw the corporate agenda continue to ebb, flow (and, dare we say, pivot) to meet the ever-changing needs of the global investor community. As a result, the industry discovered new opportunities, challenges and lessons.

There can be no doubt that much ground has been covered. However, as our title suggests, a lot more potential has yet to be realised.

We look forward to continuing to learn through you, and with you, as this change unfolds.

Patrick Yau

Managing director, strategic investor relations, Edison Group



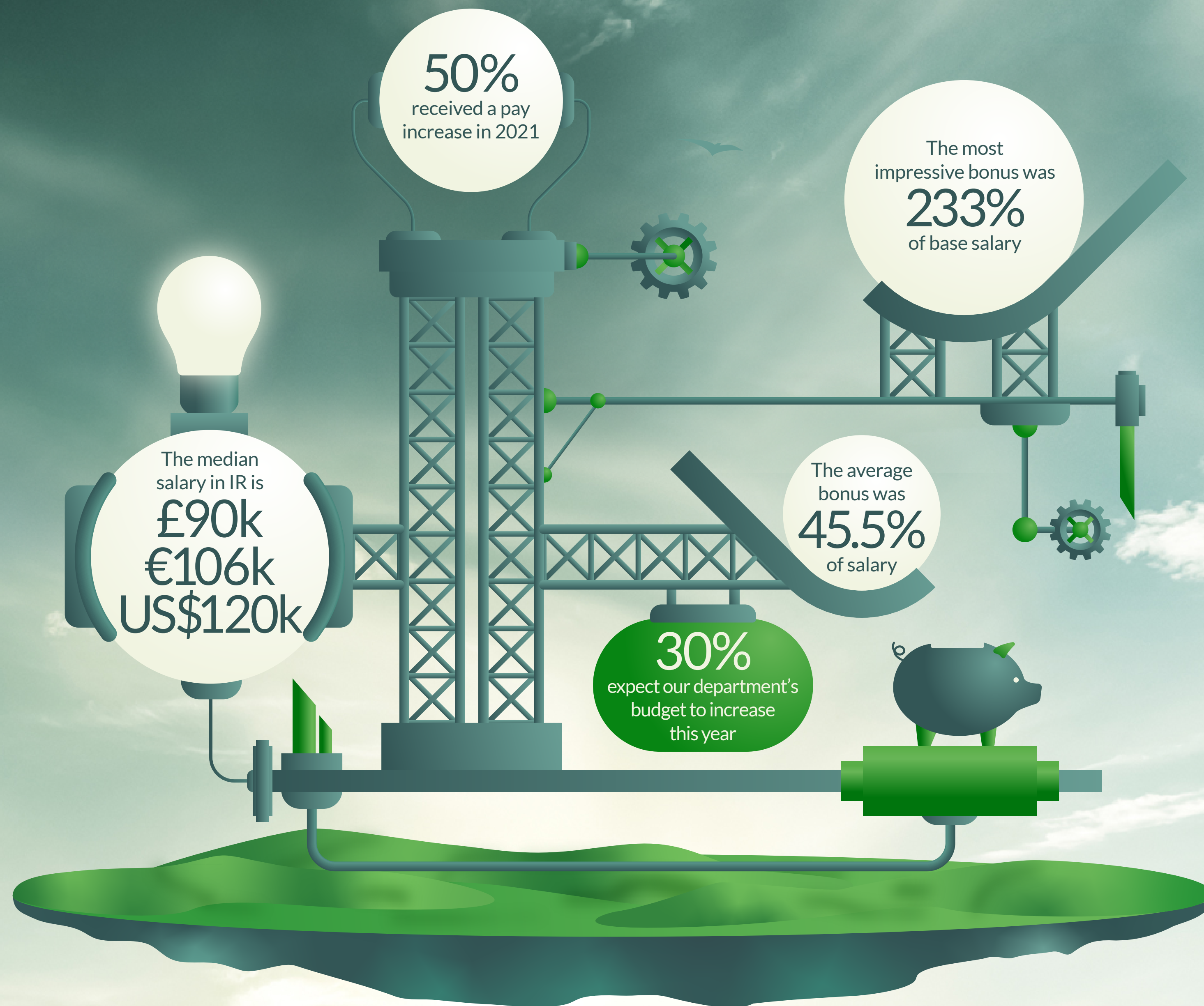
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Salary and remuneration

WHAT ARE WE WORTH?

IR takes place in a rarefied environment. 72% of investor relations officers (IROs) report to the chief financial officer (CFO), with 14% answering directly to the chief executive officer (CEO). It is therefore no surprise that, by and large, we are well paid.

- The median salary in IR is £90k/€106k/US\$120k.
- The average bonus was 45.51% of salary.
- The most impressive bonus was 233% of base salary.
- Half received a pay increase in 2021.
- 30% expect our department's budget to increase this year.

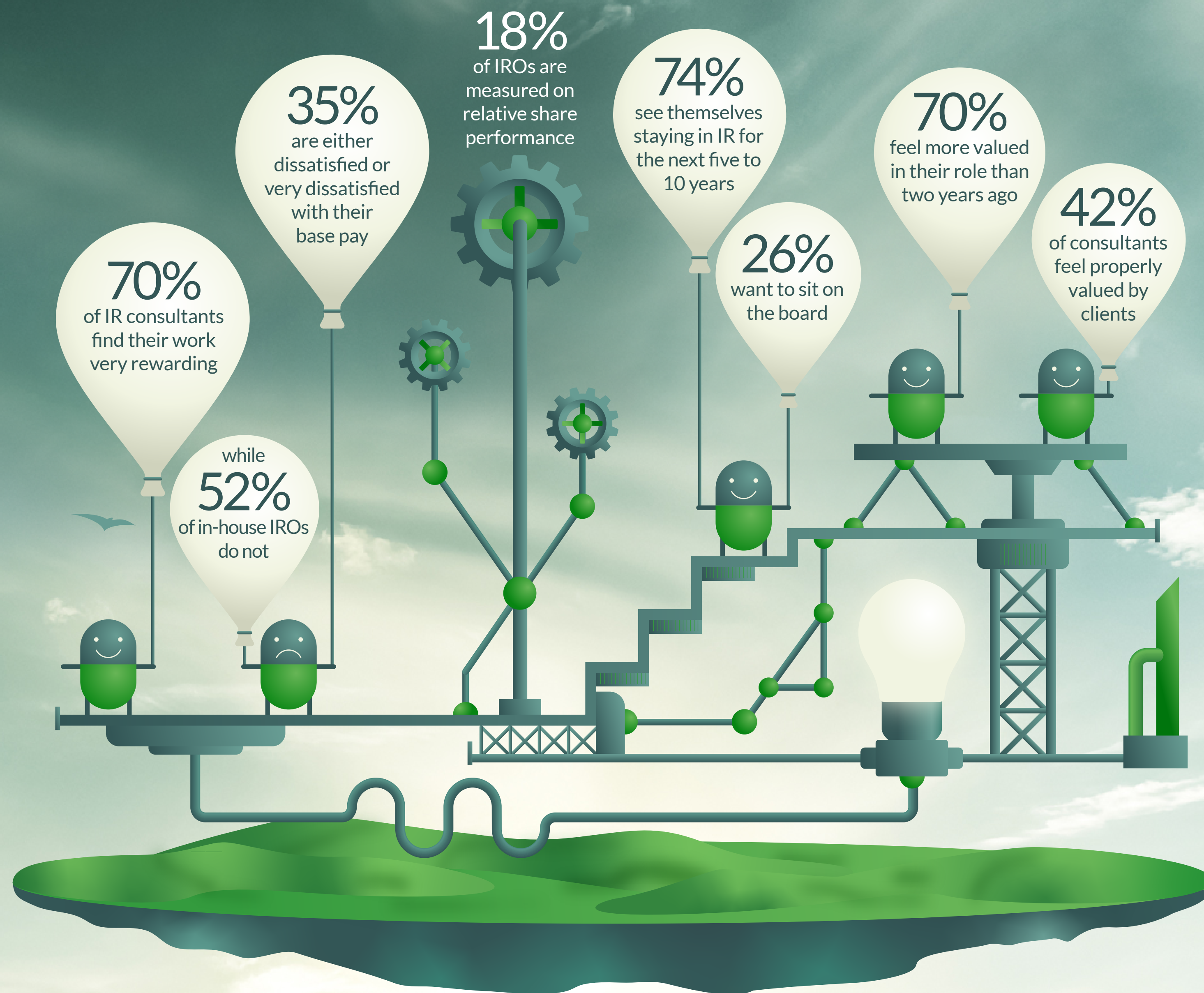


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Job satisfaction and commitment DO WE LIKE WHAT WE DO?

To maximise the chance of job satisfaction, grab yourself an external role. Consultants are currently more satisfied than their clients.

- 70% of IR consultants find their work very rewarding, while 52% of in-house IROs do not.
- 35% are either dissatisfied or very dissatisfied with their base pay.
- 18% of IROs are measured on relative share performance.
- 74% see themselves staying in IR for the next five to 10 years, with 26% wanting to sit on the board.
- 70% feel more valued in their role than two years ago, with 42% of consultants feeling properly valued by clients.

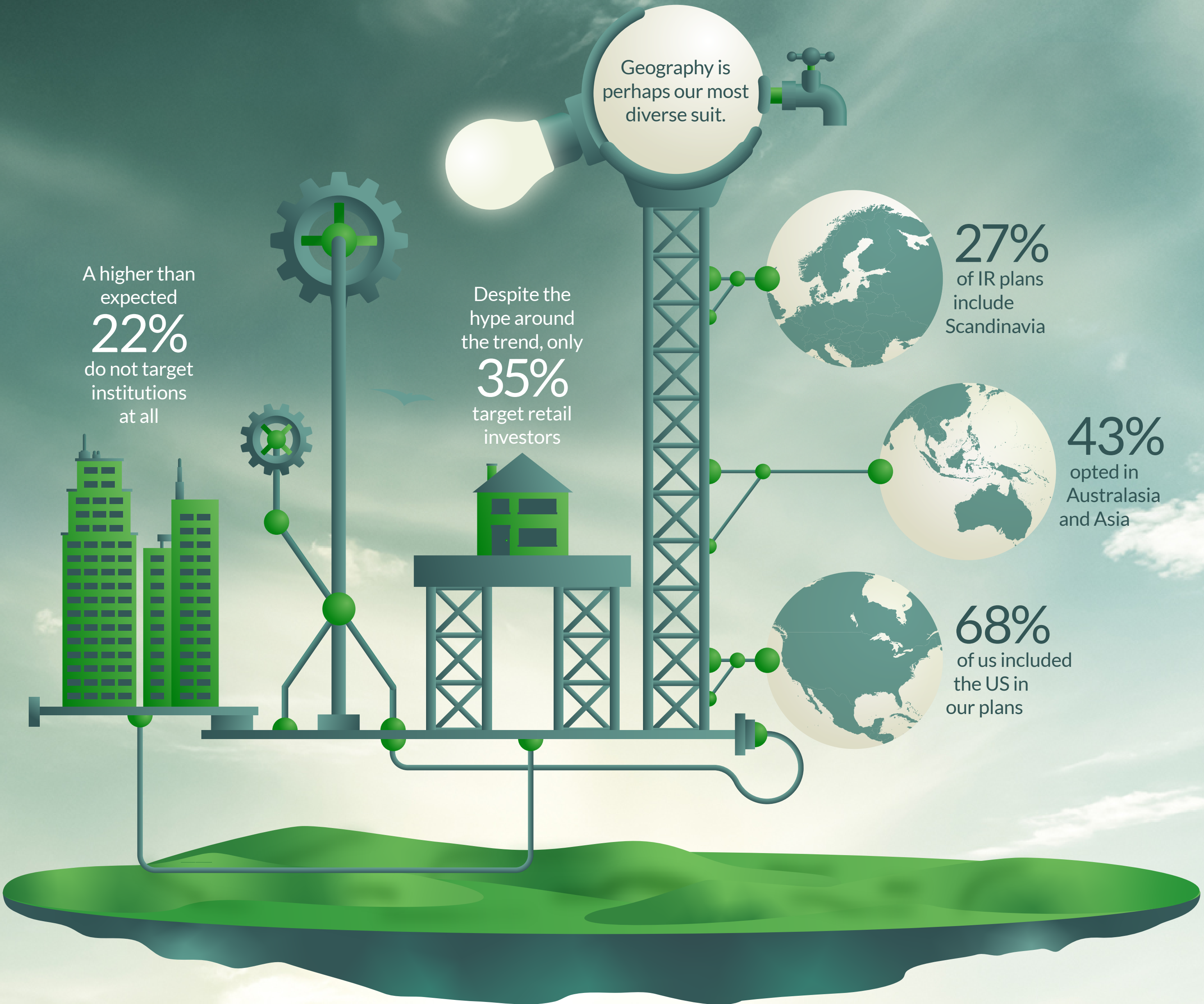


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Investor targeting and diversification **WHO DO WE TARGET?**

As regulation, passive investment and algorithmic trading continue to push active management into decline, smaller institutions, foreign funds and retail investors are more important than ever. These figures suggest our industry needs to make further strides to match these new realities.

- A higher than expected 22% do not target institutions at all.
- Despite the hype around the trend, only 35% target retail investors.
- Geography is perhaps our most diverse suit. 27% of IR plans include Scandinavia, while 43% opted in Australasia and Asia. North America remains most popular – 68% of us included the US in our plans.

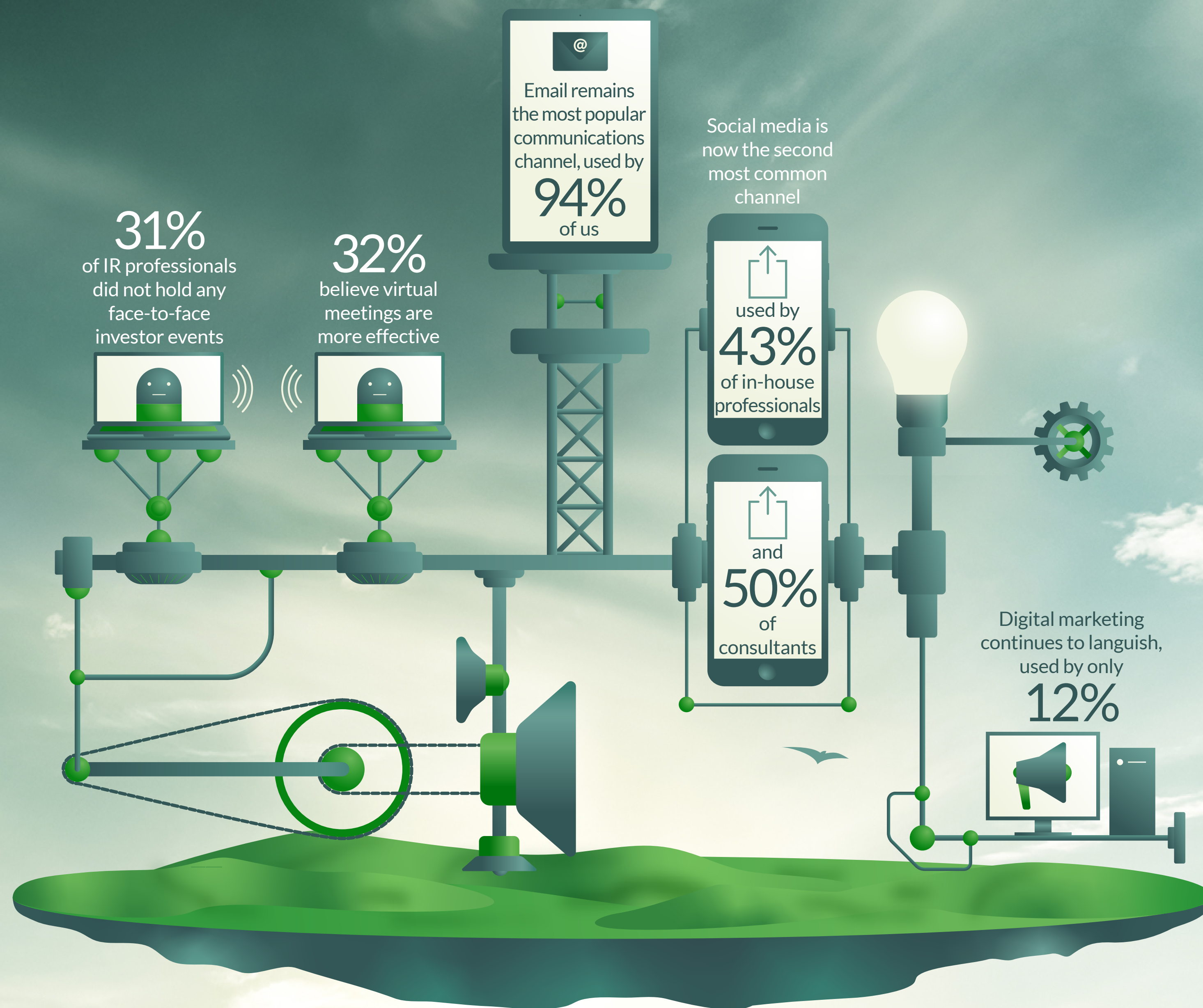


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The evolving role of IR HOW DO WE TARGET?

Despite the pivot to digital, only 28% of us currently use investor webinars, highlighting how many of our methods appear to be mid-transformation. More change is on the way.

- Despite the end of lockdowns in some countries, 31% of IR professionals did not hold any face-to-face investor events.
- 32% believe virtual meetings are more effective.
- Will the 30% who see no difference change their minds this year, or join the 38% who think them less effective?
- Email remains the most popular communications channel, used by 94% of us.
- Social media is now the second most common channel, used by 43% of in-house professionals and 50% of consultants.
- Digital marketing continues to languish, used by only 12%.

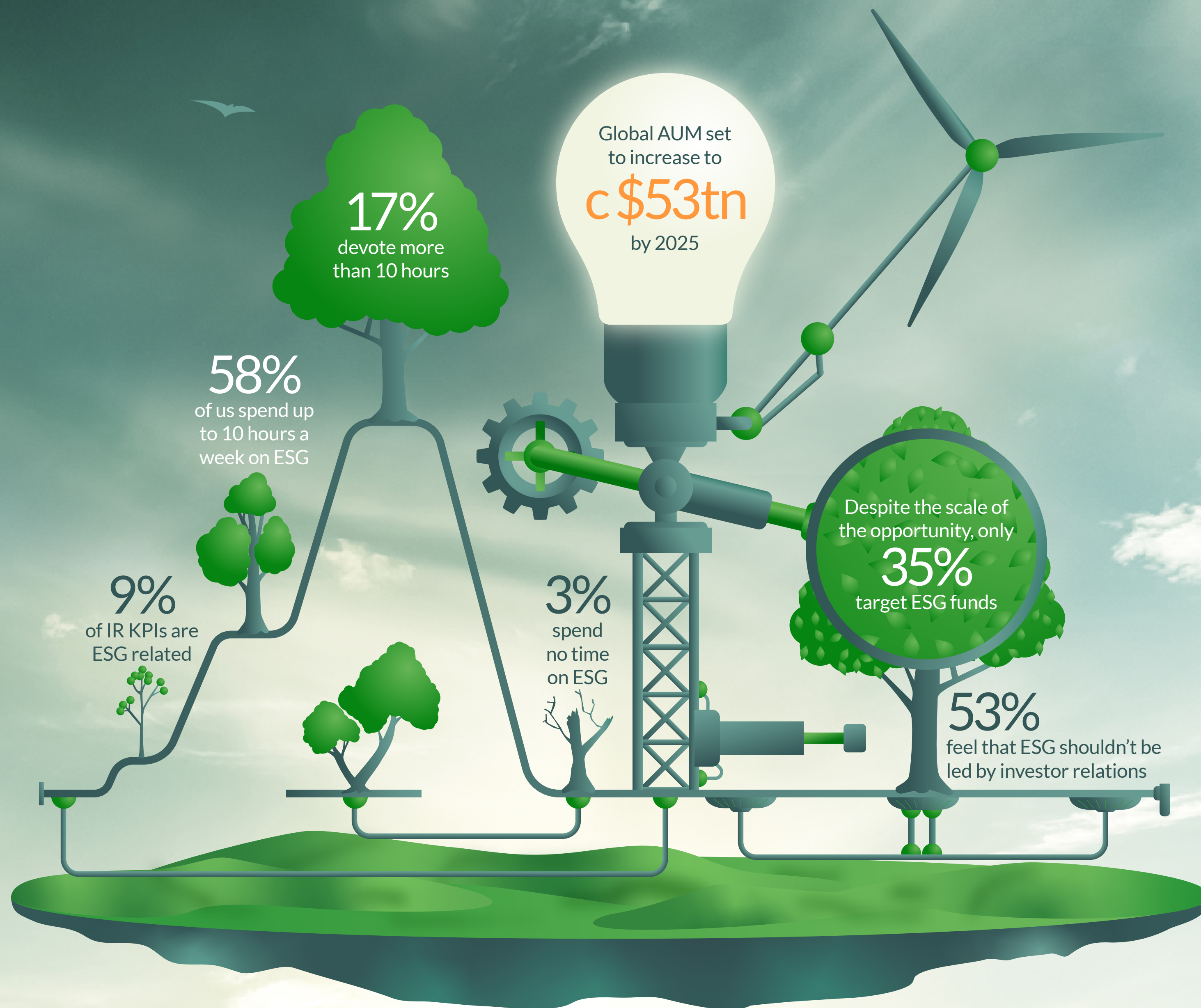


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The unevaluated rise of ESG DO WE LEAD IT?

ESG funds now account for a third of global AUM and this is set to increase to an estimated US\$53tn by 2025. Despite growing demand for ESG disclosures, the IR sector has yet to fully respond and may not be the pivot point of discussions in the medium term.

- Even though only 9% of IR KPIs are ESG related, 58% of us spend up to 10 hours a week on ESG, with 17% devoting even more. Just 3% of IR professionals spend no time on ESG.
- Despite this – and the scale of the opportunity – only 35% target ESG funds.
- ESG is becoming a dedicated function. With a marginal ability to influence other corporate functions, 53% feel that ESG shouldn't be led by investor relations.



Conclusion

THE FUTURE OF INVESTOR RELATIONS

These survey findings have reaffirmed that the role of the IRO is evolving, and has been for some time. Changes in the markets and broader regulation add further scope to the development of the role of investor relations.

There are a number of factors that will shape the future of the IR role, most notably:

- **Technology** – investors are able to demand more timely and more accurate information, and this information can be disseminated at speed. Direct investor engagement has risen and companies find themselves communicating directly without intermediaries more frequently. CRM systems, apps and websites are being used to some degree to interact with investors and it is likely these will play a much bigger role in the years to come. Investment in technology is something that all IR functions will have to come to terms with.
- **Investment Strategies/AI** – it is important that IROs are up to speed on new investment vehicles and what is driving investment decisions. With more diverse shareholder targeting, it is likely that share registers will become more fragmented and this will be something for IROs to manage.
- **ESG** – there is a growing demand for ESG disclosures and this will have a knock-on effect on the demands of the IR function. ESG funds now account for a significant part of global AUM and this is only set to increase. This could drive a rise in shareholder activism, which is something that the IR teams of the future must be prepared and equipped for handling.
- **Strategic advisor to the executive and board** – IROs are likely to have a bigger presence in C-Suites. IRO's proximity to the board means they can and will create responses to investors' requirements and changing needs.

All of these changes are exciting for the profession and enable IROs to continuously develop within the role.

Debbie Nathan

Founder, Debbie Nathan Associates



ABOUT EDISON INVESTOR RELATIONS

Edison is the leading full-service equity research and investor relations consultancy, connecting listed companies to the widest pool of global investors. By focusing on both the volume and quality of investors reached – across institutions, family offices, wealth managers and retail investors – we can create and gauge intent to purchase, even in the darkest pools of capital. Having founded our investor relations segment 17 years ago, we remain the largest in the market with more than 100 analysts, covering every economic sector. Headquartered in London, we also have offices in New York, Frankfurt, Amsterdam and Tel Aviv, as well as a presence in Athens, Johannesburg and Sydney.

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ABOUT DEBBIE NATHAN ASSOCIATES

DNA, is a London based, leading global recruitment and search partner for Investor Relations and Communications, with over 15 years' experience in the industry.

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REACH OUT

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