

# ATTITUDES TO INVESTOR RELATIONS

A SURVEY OF IR PROFESSIONALS  
IN THE FTSE 350

conducted in partnership with:

The 'ingage' logo is white text inside a green speech bubble shape.

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## INTRODUCTION

For a role that provides a crucial interface between the company and the market, and one with unparalleled access to senior management, IR is still comparatively unknown as a profession, and the importance of IR to the listed businesses that it represents, and to the operation of the financial markets, is still not always fully appreciated.

Whilst there is general consensus that the investor relations profession is growing in importance, until now there has been very little data on the penetration of IR in the FTSE 350 and on the attitude of senior management towards IR. There is also little agreement about how the value of IR, or the success of a company's IR programme, can be measured. This survey, which we plan to repeat annually, will begin to answer some of these questions to provide a more complete picture of IR in the FTSE 350.

It will explore the size of IR teams, the scope of responsibility of the IR department, how senior management views IR and how IROs and their teams can demonstrate the value they bring to their listed companies.

In this first iteration of the survey, conducted in partnership with ingage IR, we received responses from 115 IR professionals representing 97 listed companies from the FTSE 350. Most IR teams in both the FTSE 100 and FTSE 250 reported having two-to-three employees, with a significant number in the FTSE 250 having only one IR person.

The breadth of areas for which IR has responsibility is varied and ever-increasing, but in almost all cases the IR function has responsibility for building and maintaining relationships with key stakeholders in the capital markets, gathering feedback from investors and other capital markets participants and crafting and communicating the equity story. In all cases, IR has responsibility for roadshows and investor engagement.

It is encouraging that IR input is often included in senior management decisions for two thirds of respondents, demonstrating that IR has predominantly become a strategic, two-way function and illustrating the professionalisation of the role. Over 80% of respondents feel that senior management fully supports and values the IR function, although this does not always translate directly to IR budgets. It is also apparent that there are a whole range of metrics being used to measure the value IR generates, ranging from new investors on the register to relative valuation versus peers.

On the question of whether the IR profession should be certified in some way opinion is divided, with those in favour suggesting this would increase the professional recognition for the IR role, and those against citing the high level of market regulation already in existence.

Future iterations of this survey will investigate what proportion of the FTSE 350 still have no dedicated IR function, and who takes responsibility for IR in these cases. We look forward to your continued participation and please don't hesitate to get in touch if you wish to discuss the results of this report or wish to hear more about the IR Society.

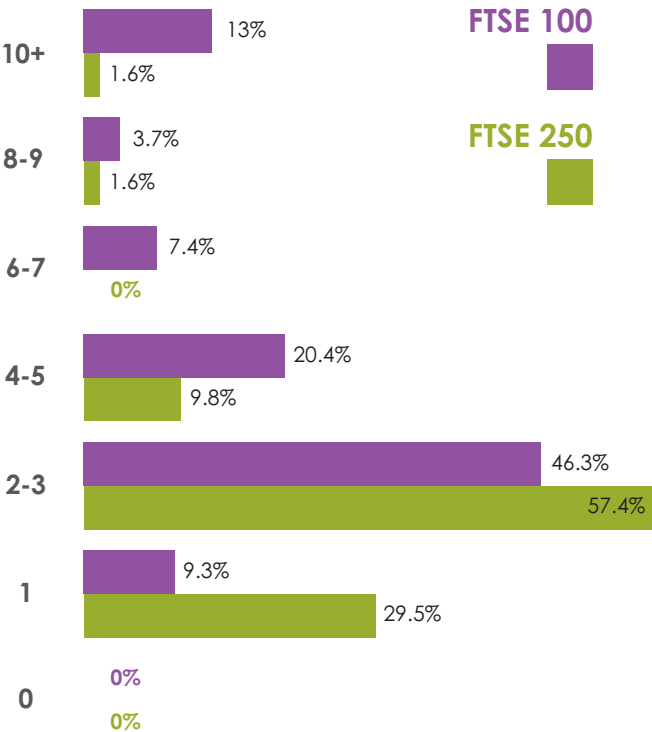
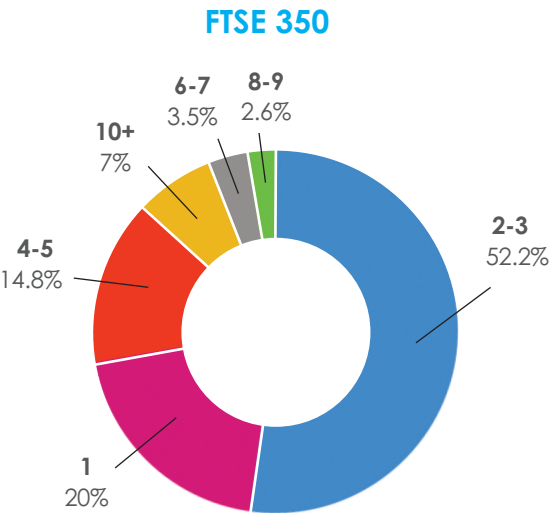
Laura Hayter  
Chief executive officer  
The Investor Relations Society

SURVEY QUESTIONS

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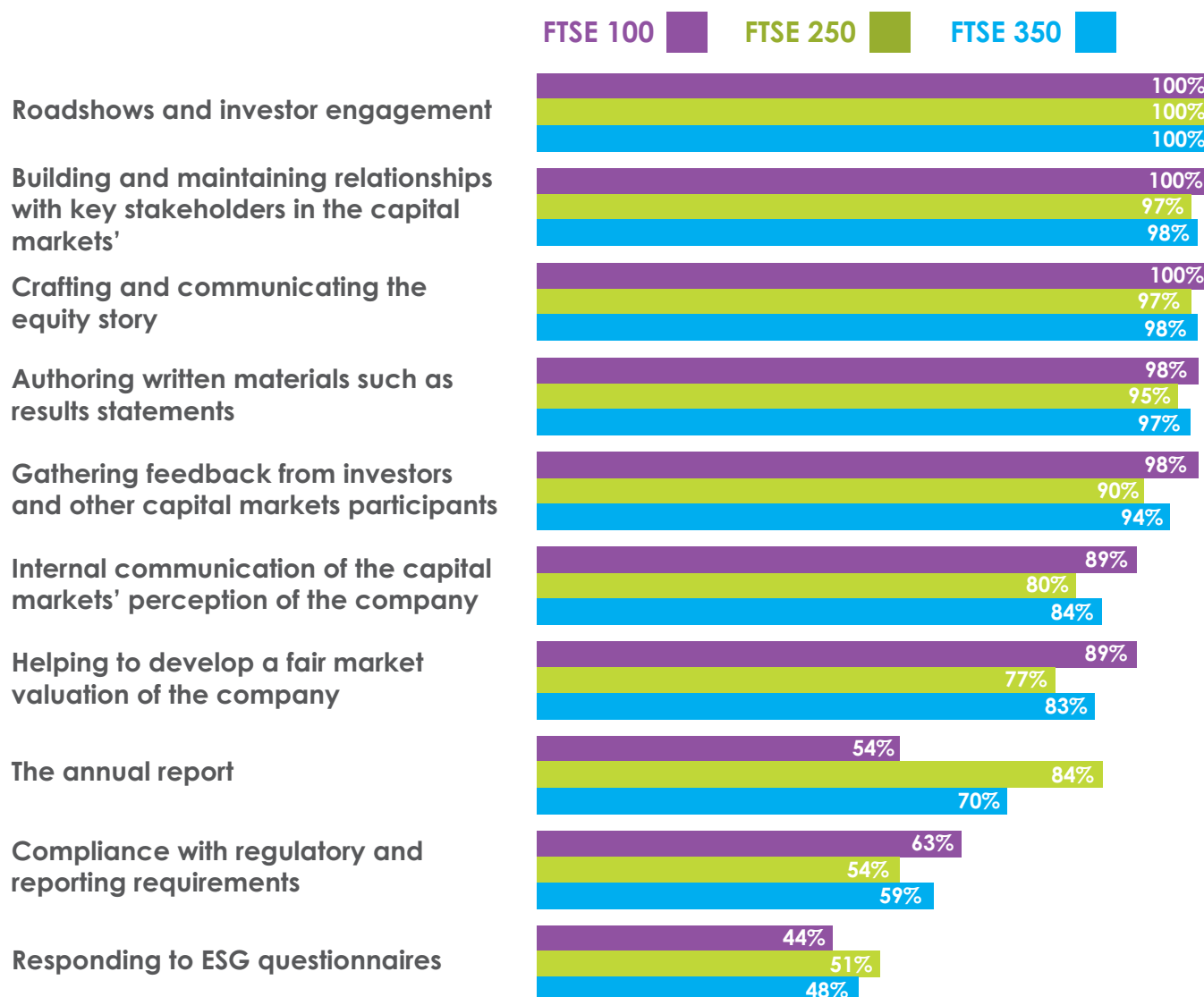
Q1. How many people are there in your IR team?

It is clear that some larger cap companies have a bigger team resource, with nearly a quarter of FTSE 100 respondents with teams of six or more, whereas almost all of FTSE 250 respondents have five or less in their team.



Please note: The figures given by respondents in the team statistics above may include staff with shared responsibilities as well as dedicated full-time IR professionals.

## Q2. What does the IR team have responsibility for?



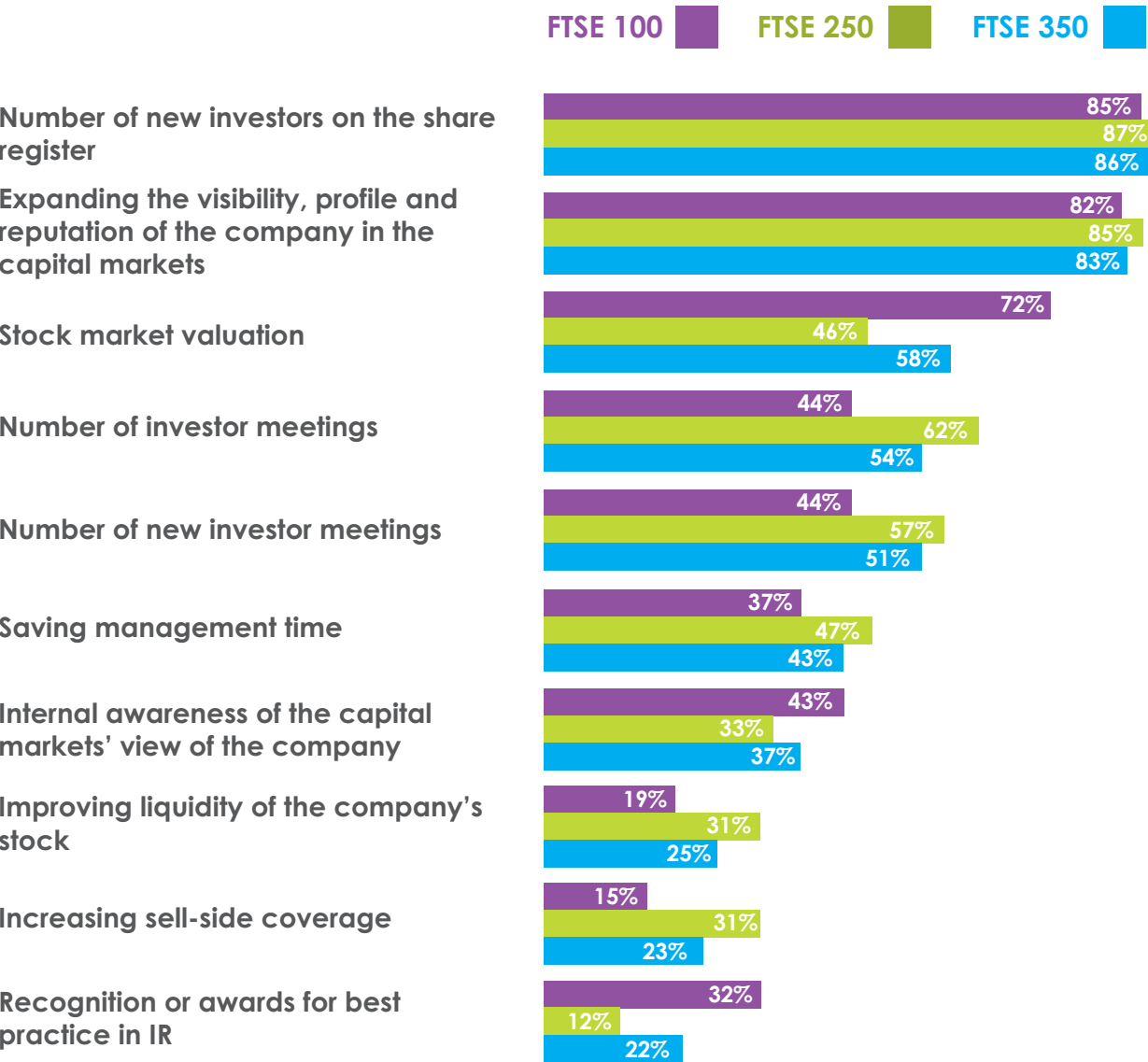
Unsurprisingly, all respondents reported that their IR teams have responsibility for roadshows and investor engagement, with almost all also having responsibility for 'Building and maintaining relationships with key stakeholders in the capital markets' and 'Crafting and communicating the equity story'. Nearly all also have responsibility for 'Authoring written materials such as results statements' and for 'Gathering feedback from investors and other capital markets participants'. The vast majority also noted responsibility for 'Internal communication of the capital markets' perception of the company', and for 'Helping to develop a fair market valuation of the company'.

Over two thirds of respondents have responsibility for the annual report. Breaking this down by index, only 54% of FTSE 100 respondents were

responsible for the annual report whereas 84% of FTSE 250 respondents had this responsibility, suggesting that larger cap companies may rely on a separate function, such as co sec or finance to run the annual report process. Mid-cap companies are more likely to be managing the process within the responsibility of the IR role. However, fewer than 60% reported that their responsibilities included 'Compliance with regulatory and reporting requirements'.

Less than half reported that 'Responding to ESG questionnaires' was part of the responsibility of the IR team, which was even lower among FTSE 100 respondents, which again suggests that larger cap companies may have a dedicated function or ESG/sustainability team to manage compiling and communicating ESG information.

Q3. How does your company measure the value of IR?



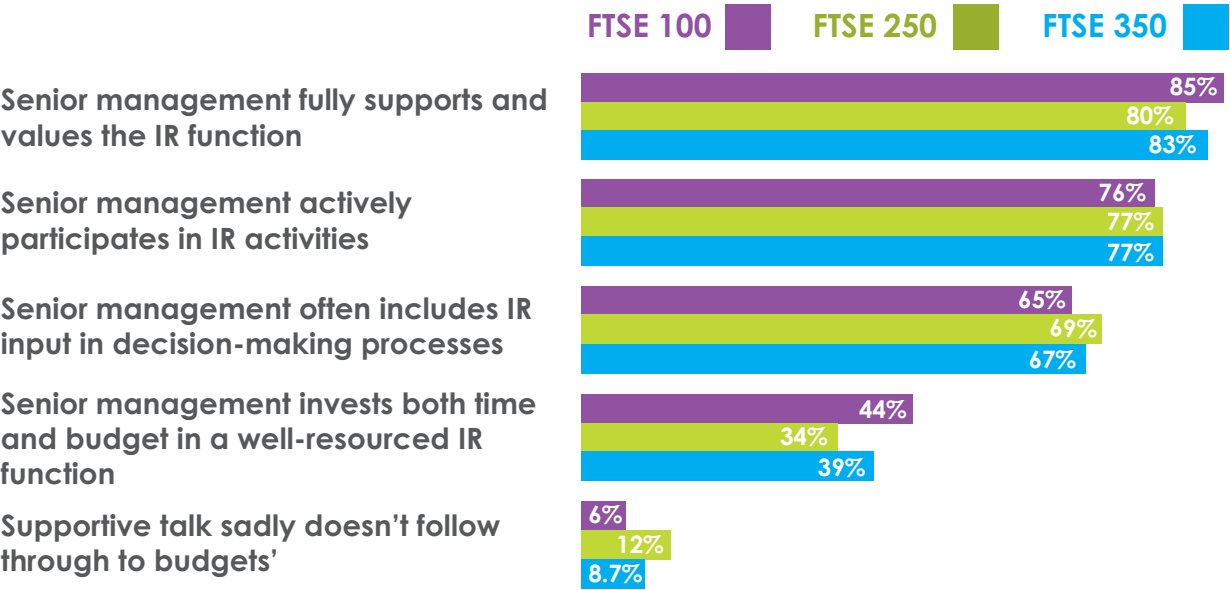
Investor engagement is a main or contributing factor for companies when measuring the value of IR with the majority of respondents citing the number of investor meetings as a tool to measure IR. Several respondents also commented that investor feedback is a key part in measuring the value of IR, reinforcing investor engagement. Turning to investor targeting, 51% of IROs surveyed cited the number of new investor meetings as a key factor. While this is only half of those surveyed, the vast majority of respondents noted that new investors on the register is a key measurement.

82% of respondents agreed that ‘expanding the visibility, profile and reputation of the company in the capital markets’ was a key factor in measuring the value of IR, highlighting the

growing importance and profile of the IR role. Almost 60% of respondents identified that stock market valuation was a measurement tool, with some adding that valuation versus their peers was an important factor. Only 25% saw improving liquidity of the company stock as a factor. Alongside these results, only 23% of respondents saw increasing sell-side coverage as a way to measure the value of IR.

When considering using senior management within the IR programme, only 43% would consider ‘saving management time’ as a way to measure the value of IR, indicating that IR in most cases is already recognised as the first port of call for shareholder engagement, and management for the most part are used effectively with the IR and results roadshow programme.

Q4. What is the attitude of management towards your IR?



When examining the attitude of senior management towards IR, it is fantastic to see that over 80% respondents thought that 'senior management fully supports and values the IR function'.

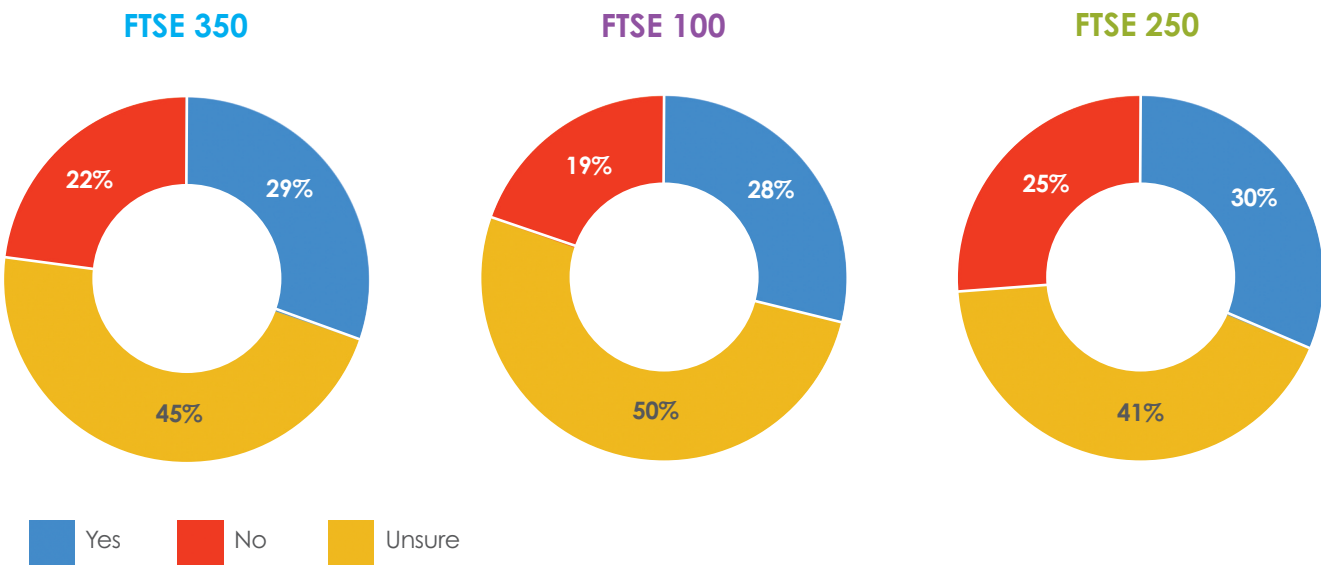
However, less than four in ten said that 'senior management invests both time and budget in a well-resourced IR function', which indicates that these high levels of support are not yet fully reflected in IR budgets and/or management time/resources, with nearly one in ten going further and expressly stating that 'supportive talk sadly doesn't follow through to budgets'.

When looking at the influence that IR has, it is encouraging to see two thirds of respondents

across the FTSE 350 report that their 'senior management often includes IR input in decision-making processes, demonstrating that IR is predominantly a strategic, two-way function. We are pleased to see that this number rose to nearly 70% of FTSE 250 respondents reporting that IR input is included in decision-making processes, indicating the importance of the role within mid-cap companies.

'Senior management actively participates in IR activities' for over three quarters of respondents, with only a very small minority reporting that senior management either 'sees the IR function mainly as a regulatory requirement not a strategic tool' and/or 'is somewhat indifferent towards the IR function with limited involvement'.

Q5. Do you feel that the IR profession should be regulated, certified or chartered in some way?



Respondents had mixed views on whether the profession needed to be regulated, certified or chartered in some way, with 29% agreeing it should be, 22% disagreeing and 45% unsure.

Those who agreed with the suggestion highlighted that charter or certification will reflect the professional nature of, and seniority of, the role within companies today – as well as providing a certain standard that all IROs and companies should aspire to.

Many agreed that the broad nature of the IRO role and responsibilities (governance, financial and communications) encourages professionalism in the role. One respondent cited that 'professionalism of the industry is not just a nice-to-have, it is a must-have'.

Those who disagreed noted that there is a high degree of market regulation around companies and IR already, so further regulation of the role is not necessary, although a solid understanding of the regulatory requirements is imperative.

Respondents agreed that the role still varied broadly across company, size and sectors and the IR role still needs to be recognised in some cases as a senior position across companies.

While many IROs already have ACA and CFA qualifications, respondents did acknowledge that qualifications such as the Society's CIR and Diploma added credibility to the IR role as a job which is soft-skills based and which anyone with finance experience can do.

## ABOUT US



The Investor Relations Society (IR Society) is a membership organisation that exists to promote best practice investor relations in the UK and beyond. It is run by IR professionals for IR professionals. Established in 1980, the IR Society's mission is to promote best practice in investor relations; to support the professional development of its members; to represent their views to regulatory bodies, the investment community and government; and to act as a forum for issuers and the investment community.

The Society has around 800 members from the UK, Europe and beyond, including representatives from many of the FTSE 100, a growing number of FTSE 250 companies and a number of AIM and smaller companies as well as IR advisers and service providers.

For more information visit [irsociety.org.uk](https://irsociety.org.uk)



ingage IR designs, builds, distributes and licenses specialist investor relations software in a subscription model. Building on traditional IR CRM, the ingage platform is a comprehensive, modern IR software suite that helps companies run a world-class IR function, internalise a direct investor engagement capability, and deliver unique insight and reporting to IR, executive management and the board.

A decade from launch, we're privileged to supply IR software to quoted and pre-IPO companies in 15 markets around the world, including some 30% of FTSE 100 companies in the UK.

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