

2020 Corporate Access Survey Series

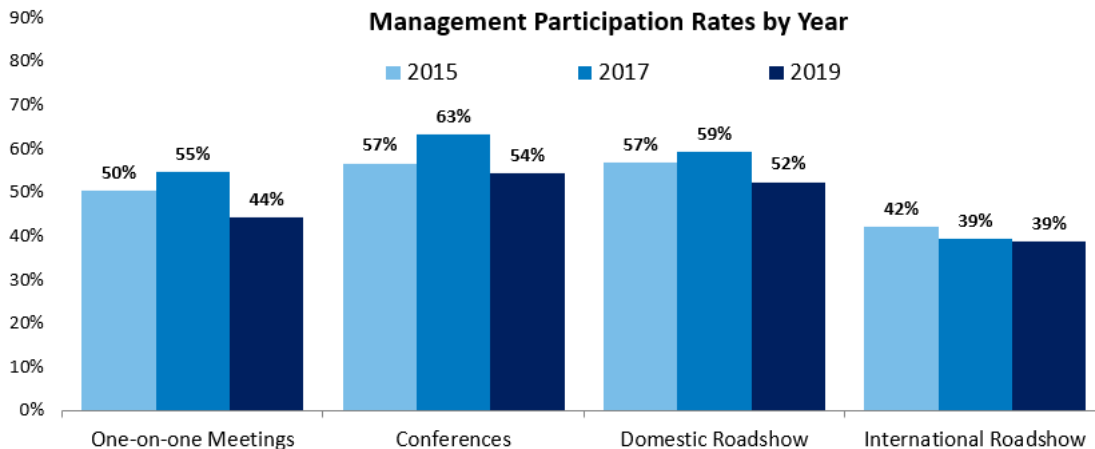
Management Participation

-By Alexander Yokum & Andre Little

IHS Markit is pleased to present this initial installment of our 2020 Corporate Access findings. Based on a survey of over 300 global IROs conducted in January of this year and augmented with recent commentary from IRO's on their post COVID-19 experience, below we present our findings on Management Participation in Corporate Access Events.

Management Participation Continues Long-term Downward Trend

For years, Management Participation (C-Suite participation) in investor events has steadily declined. The two-year window between 2017 and 2019 (the “reference period”) was no exception. Post COVID-19, however, Management Participation has shown signs of increasing.



2019 vs 2017

During the reference period, Management Participation waned in flagship corporate access events: conferences (down 9% from 63% to 54%) and non-deal road shows (down 7% from 59% to 52%). Management Participation declined across most Regional and Market Cap segments and event types, with just two notable exceptions (not shown above): Management Participation in non-US Large Cap NDRs increased 9% to 39%, while increasing 11% to 33% in U.S.,

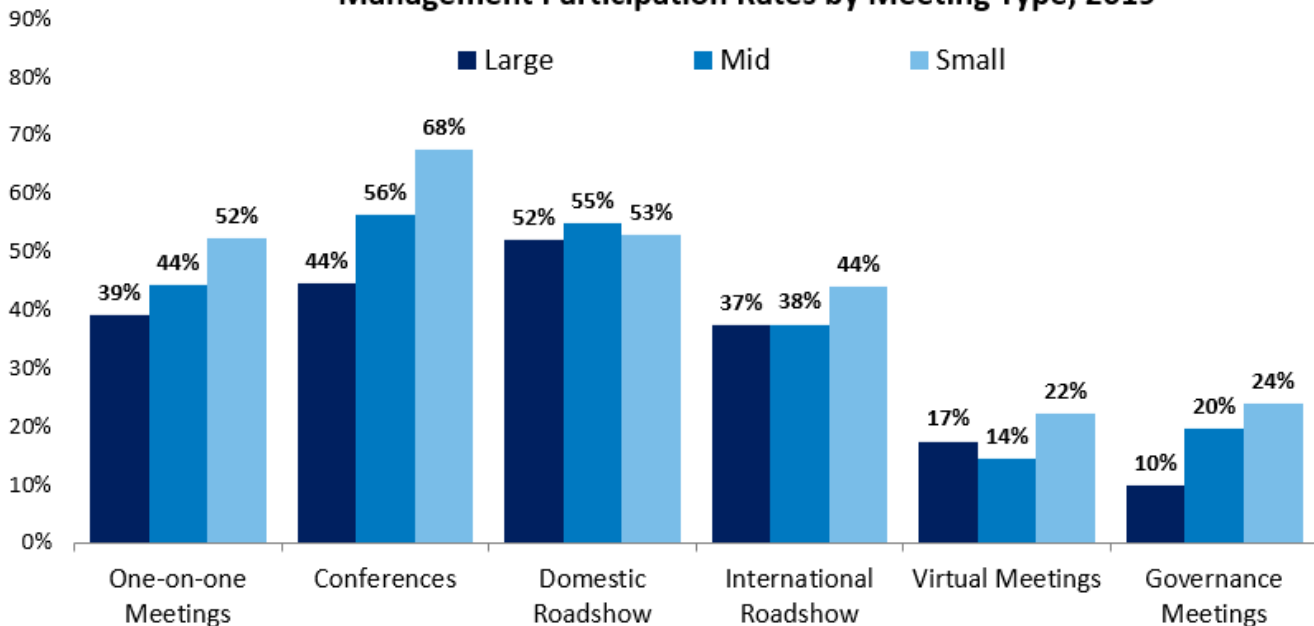
international, small-cap NDRs.

Compared with 2017, Management Participation declined the most in events for non-U.S. mid-cap issuers:

- down 8% to 55% participation in 1:1's
- down 14% to 42% for NDR's
- down 9% to 39% for conferences

In the U.S., Management Participation in NDRs was flat.

Management Participation Rates by Meeting Type, 2019



2019 Spotlight

Large-cap IROs consistently participate in events on their own at higher rates than do the IROs of mid-cap (5% less) and small-cap IROs (11% less). Lower Management Participation by large-cap CFOs and CEOs is likely due to more competing demands on their time both outside the realm of investor relations and within it (e.g. large cap issuers are invited to more conferences, and have more investors requesting more meetings with Management.)

Governance and Virtual Meetings

We observed relatively low Management Participation in Governance and Virtual meetings in 2019. Despite the persistent increase in engagement in ESG issues by investors, the C-Suite participates in just one in ten Governance events.

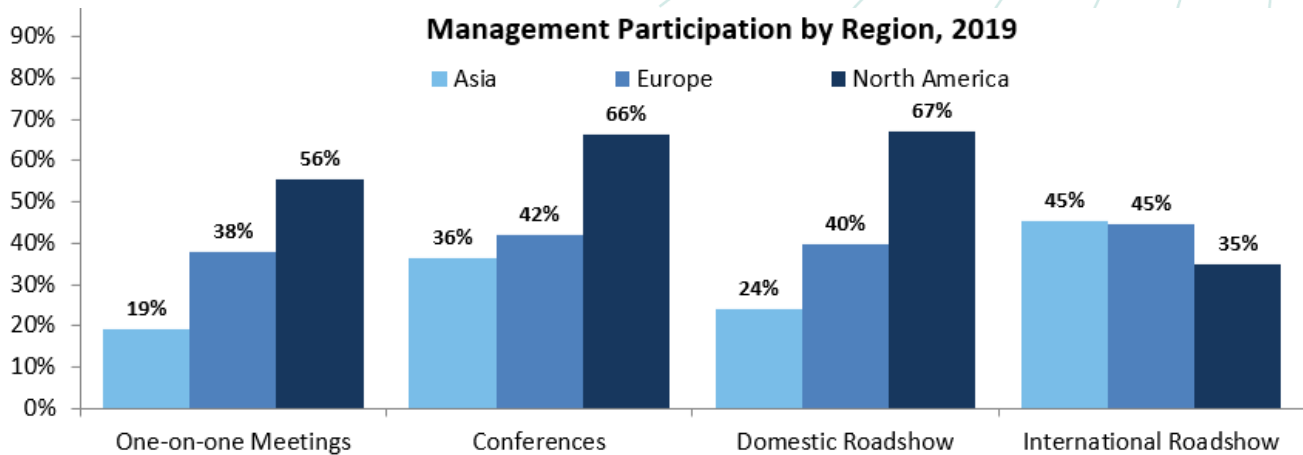
With respect to Virtual events, we note that we closed the survey window just as COVID-

19 entered the world's consciousness and changed everything. Is it a waste to report Management Participation in Virtual meetings? No! Rather, it has been interesting to see companies adapt to the new environment, and it will be fascinating to observe how much of the change persists after COVID-19 dies down.

Even pre COVID-19, one IRO said, "We would like to increase virtual meetings in 2020 as many firms are starting to cut back on travel and this allows us to meet with more investors without constantly being on the road." Of course, we've all seen this shift accelerate in 2020 with one IRO stating, "During COVID-19 it has been easier to get the CFO and CEO on calls. Management has also been able to attend more events because they don't spend any time traveling."

Management Participation Varies Significantly Across Regions

C-Suite participation by North American issuers continues to outpace their counterparts in Asia and Europe, particularly in the areas of one-on-one meetings and conferences.



Note: Asian and European companies engage in approximately 4-5 times the number of international roadshows compared to U.S. companies; i.e. Domestic is better measure of North American Management Participation while International is the better measure of Management Participation for Asian and European issuers.

Investors Comment on Future Engagement with Management (Spring 2020)

Notwithstanding travel limitations due to COVID-19, investors continue to regard access to management as critical. However, the value investors place on in-person meetings varies:

“We are dependent on having phone calls with management teams or going to visit them.”
 - Portfolio manager, US investment manager (>\$1B EAUM)

“I do not really see a huge benefit to meeting management in person in the first place. If I can get my questions answered on the phone, that should be more than enough.”
 - Portfolio manager, US investment manager (>\$10B EAUM)

“There is a lot of benefit in sitting in a room with a management team and reading their body language and them reading your body language.”
 - Portfolio manager, US hedge fund (>\$1B EAUM)