

Global trends in IR for a European audience

Insight, perspectives and action

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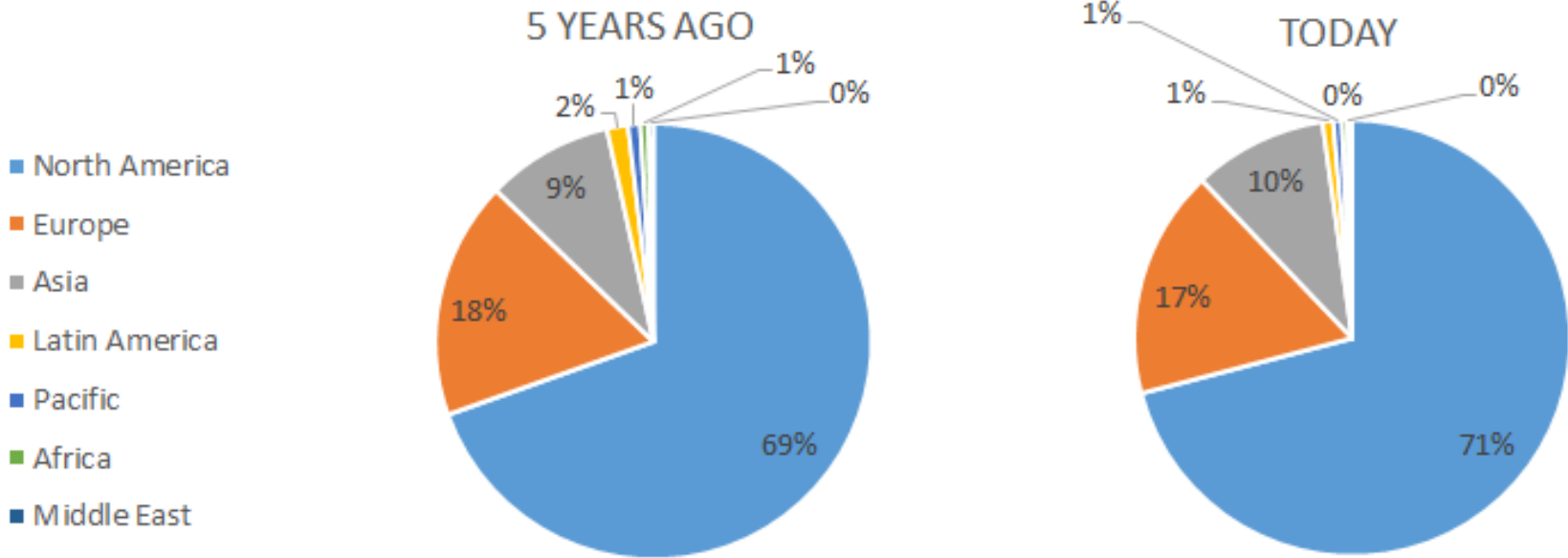
Number One Question of IR professionals outside the US

How do I get more US
Investors?

We'll cover 3 things

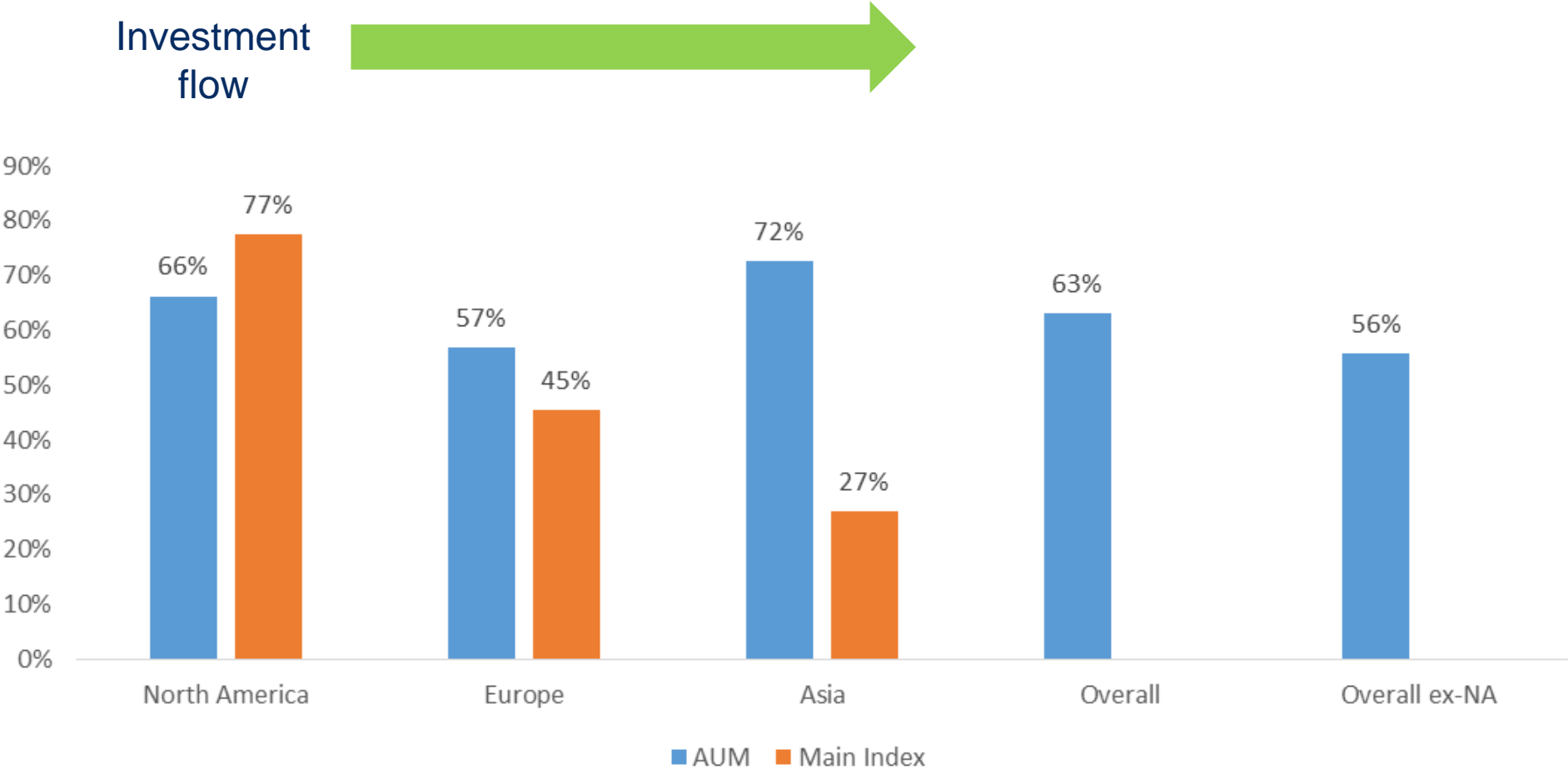
- How German Companies have fared from US funds
- Changing landscape of Global IR
- Opportunities ahead

US active funds: last 5 years has shown minimal regional changes to their investment mix



Actively managed, US domiciled fund, with at least \$100m invested (~2,600 funds, \$6.3tn AUM)
Excluded Index Funds, ETFs and Hedge Funds

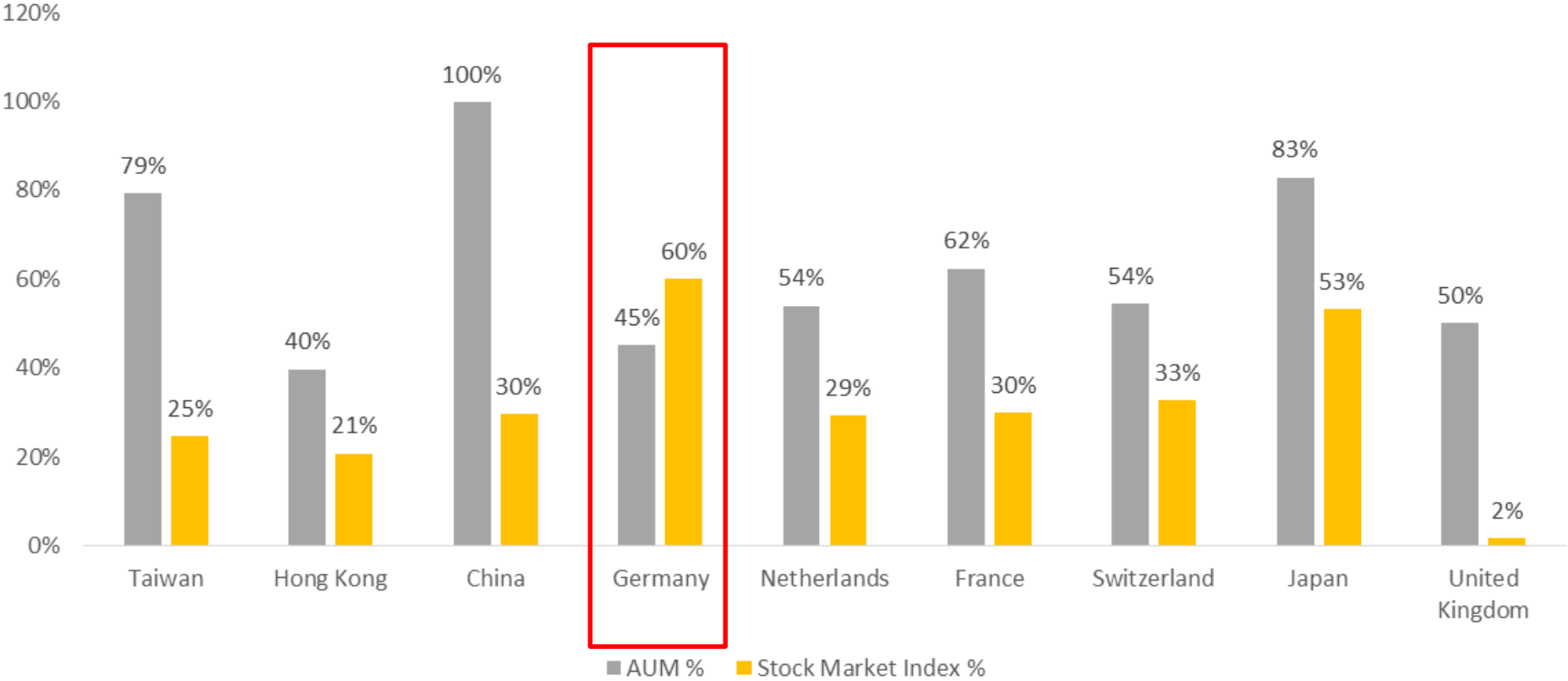
Regional Markets – money flows out of the US and into Europe and Asia



Source: **FACTSET**



Germany only country with net outflows compared to index performance over 5 years – despite highest index return



Experience critical for credibility

	United States		Europe		Germany		Asia	
	2016	5 year%	2016	5 year%	2016	5 year%	2016	5 year%
3 years or less	20%	↑ 7%	26%	↘ 3%	12%	↘ -2%	28%	↘ -1%
at least 8 years	63%	↘ %	44%	↘ %	52%	↘ 1%	41%	↘ 4%

- Germany is bringing through relatively fewer new professionals into IR – are you bringing through enough new ideas?
- Asia IR is an emerging profession, but emerging fast
- US IR is a long tenured profession – and Germany leads Europe with experienced IR professionals. Key for Investor credibility

Finance no longer the route into IR

	United States		Europe		Germany		Asia	
	2016	5 year%	2016	5 year%	2016	5 year%	2016	5 year%
Finance	53%	↓ -6%	40%	↓ -11%	41%	↓ -9%	43%	↘ -5%
Sell Side	16%	↑ 7%	28%	↑ 10%	15%	↑ 6%	18%	↗ 3%
Comms/PR	11%	↓ -10%	13%	↘ -3%	19%	↘ -3%	18%	↑ 7%

- Globally, the majority of new IR professionals have a Sell Side background. Finance is no longer the path into IR
- Except Asia where Comms/PR is viewed as important as Sell Side experience – logical as they are still trying to communicate and tell their story

US Executives engage more often with investors – Germany lags

	United States		Europe		Germany		Asia	
	2016	5 year%	2016	5 year%	2016	5 year%	2016	5 year%
At least once a week	39%	↓ -6%	30%	↑ 6%	29%	↘ -3%	31%	↘ -4%
At least once a month	31%	↗ 2%	30%	↘ -5%	29%	↓ -9%	35%	→ %

- 70% of US Executives engage at least once a month with Investors – compared to 58% of German Executives –12% decline over the last 5 years
- Europe overall lags other regions – Executive apathy towards frequent Investor engagement, or high confidence in their IR teams?

Conclusion: 4 Key Take Outs

1. US Investors should remain in your crosshairs, but think through how to sell Germany holistically alongside your company
2. Think about the skill set for the next generation of Global IR professionals, and accelerate bringing in new talent now
3. Drive up the frequency of engagement from your executives to investors
4. Watch out for Asian companies – they are very focused on securing new international investment, and they are starting to appreciate how a strong IR program can help enable that