

7 June 2019

## INVESTOR RELATIONS – A NEW GENERATION GROWING

The Australasian Investor Relations Association (AIRA) released its 2019 Biennial Benchmarking Survey results today. The survey was conducted online in late 2018 and early 2019. Investor Relations professionals from ASX 200 and NZ 50 companies, representing all industry sectors, were invited to participate. Eighty-one respondents completed the survey, representing companies listed on the Australian and New Zealand Securities Exchanges.

“We are seeing some interesting trends emerging and the survey indicates that the role of Investor Relations (IR) is developing into a more sophisticated model”, AIRA’s CEO, Mr Ian Matheson said. “The role is taking on further responsibility and reinforcing its integral position within listed entities and in capital markets”.

Increased demands on the IR role, due to heightened focus on environmental, social and governance (ESG) issues, a tighter regulatory environment, and structural changes to buy/sell-side relationships have reinforced the need for IR teams to grow.

Australasian IR professionals have responded to the AIRA Biennial Benchmarking Survey, with the results confirming the role of Investor Relations is growing, some key highlights from the survey include:

- **IR teams are growing.** Respondents working with three or more staff in their IR team have increased to 32% (21% in 2017). Teams of one staff member only declined to 34% (46% in 2017).
  - **The way IR interacts with analysts has changed.** Reviewing analyst models for accuracy has declined to 34% (51% in 2017). The trend on reviewing analyst draft reports continued to decline to 20% (63% in 2014).
  - **ESG queries at investor meetings are on the rise.** Respondents that believe their ESG policy influenced investor decisions increased to 34% (12% in 2017). 19% of respondents reported they are accountable for the ESG policy, this was the first time this question was asked.
  - **IR is taking the lead when organising roadshows and conferences.** When selecting a broker, respondents considering equity sales capabilities increased to 80% (66% in 2017). Listed entities participating in offshore broker conferences decreased, 28% of respondents indicated they do not attend any, versus 10% in 2017. 57% of respondents reported using additional internal team members for arranging/co-ordinating schedules, this was the first time this question was asked.
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- **Blackout period exemptions have shifted.** The number of respondents reporting that strategic only meeting were exemptions to blackout periods increased to 23% (8% in 2017). Blackout periods are becoming shorter.

The survey assists practitioners to benchmark and identify factors specifically important to managing the investor relations function within listed entities.

With the results indicating a generation of growth across IR teams, ongoing changes to regulation and the way in which IR operates, continued professional development and education to maintain professionalism is essential.

*AIRA's mission is to advance the awareness of, and best practice in, investor relations in Australasia in order to achieve better outcomes for all capital market stakeholders through enhanced engagement.*

AIRA will produce an annual remuneration report in the second half of this year.

Full survey results are available to all member companies who completed the survey. An executive summary is available for non-member companies who completed the survey and members who did not complete the survey.

**End.**

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### **About AIRA**

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