

10 November 2021

INVESTOR RELATIONS PRACTICE SEES HUGE EVOLUTION DURING COVID-19

The Australasian Investor Relations Association (AIRA) released its 2021 Biennial Benchmarking Survey results today. Investor Relations professionals from ASX 300 and NZX 50 companies, representing all industry sectors, were invited to participate online. Sixty-six respondents completed the survey, representing companies listed on the Australian and New Zealand Securities Exchanges.

“This benchmarking report is a deep dive into investor relations during the peak of the global pandemic”, AIRA’s CEO, Mr Ian Matheson said, “It’s a huge report detailing investor relations practice in 2021 and how it continues to grow and evolve.

The results also highlight the increase demands on and for investor relations professionals. The need for agility and adaptation to change was critical during the pandemic as is the ever-increasing focus on environmental, social and governance (ESG) issues by the investment community.

Respondents emphasised how many regulatory changes there have been over the last two years, in part brought about by COVID lockdowns and how important it had been for companies to embrace technology for investor communications. Changes to the Corporations Act and Exchange Listing Rules providing for virtual Annual General Meetings, electronic notices of meeting as well as the huge increase in the use of technology for one-on-one meetings and conferences has fundamentally changed many aspects of investor engagement.

Some key highlights from the report include:

- **ESG focus continues to grow.** 84% of respondents reported a significant increase in the amount of time IR spends on ESG. 91% of companies produce a modern slavery report, 82% produce a separate sustainability report, and 72% produce a Taskforce on Climate-related Disclosure (TCFD) Report. More than 60% believe that their company’s ESG record is influencing investors’ decision-making. Climate change is the most asked about ESG factor. 62% of respondents indicating they had an ESG policy and 22% indicating they proposed to develop one in the future.
- **Technology is key.** Virtual meeting technology was rated as the most important new technology. The most preferred format to conduct an AGM is Hybrid. Electronic voting prior to the AGM meeting and via the AGM app was well adopted. The use of social media to communicate with investors increased, with LinkedIn used the most in 2021.

- **Engagement with the professional investment community is expanding.** An increased number of companies have moved to holding combined briefings for media, analysts and investors (53% in 2021 compared to 44% in 2019). An increased number of companies reported deriving consensus on an ongoing basis (66% in 2021 compared to 56% in 2019).
- **IR budget dips during COVID but expected to rebound next year.** Whilst half of the respondents indicated they had an investor relations budget of \$1M+ in 2021 (in line with the 2019 report), almost one third reported a decrease in budget (including salary costs) largely due to travel being curtailed during COVID lockdowns. However, just over 40% indicated their budget will increase in the next twelve months. More than half of the respondents indicated ESG reporting having up to 10% of the budget allocation.
- **The future is about reconnecting in person.** Roadshows went virtual and site visits were put on hold during lockdown periods. For example, 67% did not host a site visit (38% in 2019). 48% of respondents are planning for domestic travel to resume at pre-COVID-19 levels but 64% believe offshore travel will be reduced in the short term. For 69% of respondents, offshore institutions will become a bigger part of their investor targeting program.

Full survey results are available to all AIRA 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.

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About AIRA

The association'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.
