

IR

magazine

Investor perception study

Europe
2015

Winning companies,
winning IR strategies



Winners and runners-up 2015

Breakdown of the nominated companies in each category for this year's awards

Feedback

What the investment community thinks about the quality of the people involved in IR, reporting and disclosure, technology, meetings, corporate governance, improvements in IR and sustainability practices

Company profiles

Profiles of the top 20 companies in the Euro Top 100 rankings, including details of the IR practices of these companies and interviews with key IR personnel

Europe Awards 2015

Charting the leading companies in all categories, with verbatim comments from investors and analysts explaining why they were nominated

Further investor/analyst feedback

Additional comments from those in the investment community on who they think is best at IR – and why

Best in sector

Breakdown of the best companies for IR, by sector

Best in country

Breakdown of the best companies for IR, by country

Research process

- Methodology
- Respondents
- Questionnaire

Ranked companies' points breakdown

Breakdown of points gained in each category by all 516 of the ranked companies

Benchmarking datasheet

An Excel file with the points breakdown for each company that can be filtered by country, market cap, sector and industry, allowing you the opportunity to benchmark and undertake peer analysis of 516 European companies



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IR MAGAZINE EURO TOP 100

Euro Top 100 rank			Company	Country	Awards	Short lists	Points
2015	2014	Change	(large caps in bold)		2015	2015	
1	5	↑	Novo Nordisk	Denmark	⊕⊕⊕⊕⊕	8	658
2	1	↓	BASF	Germany	⊕⊕⊕⊕	8	612
3	7	↑	Iberdrola	Spain	⊕⊕⊕	7	510
4	2	↓	Continental	Germany	⊕⊕	5	411
5	10	↑	EDP – Energias de Portugal	Portugal	⊕	4	393
6	16	↑	RWE	Germany		4	380
7	=21	↑	Bayer	Germany		3	365
8	6	↓	Allianz	Germany	⊕	3	351
9	156	↑	Shire	UK	⊕	3	348
10	11	↑	Unilever	UK	⊕	3	342
11	24	↑	Galp Energia	Portugal	⊕	1	328
12	=26	↑	Novartis	Switzerland	⊕	2	327
13	15	↑	Munich Re	Germany		3	299
14	113	↑	Royal Dutch Shell	UK		2	298
15	17	↑	Ferrovial	Spain	⊕	1	277
=16	43	↑	ČEZ Group	Czech Republic	⊕	2	265
=16	23	↑	Nestlé	Switzerland		2	265
18	8	↓	Deutsche Post DHL	Germany		1	260
19	134	↑	Daimler	Germany		1	251
20	64	↑	Royal Ahold	Netherlands		2	244
21	=119	↑	BT Group	UK	⊕	1	242
22	=269	↑	Statoil	Norway		2	241
23	=214	↑	Sligro Food Group	Netherlands	⊕	3	237
=24	20	↓	Roche Holding	Switzerland			233
=24	=247	↑	Sampo	Finland		2	233
26	41	↑	ING Group	Netherlands		1	230
=27	121	↑	Land Securities Group	UK			229
=27	=145	↑	Lundin Petroleum	Sweden		3	229
29	=69	↑	Royal Bank of Scotland Group	UK			224
30	14	↓	Swedbank	Sweden			221
31	=123	↑	Merck	Germany	⊕	1	220
32	37	↑	BMW Group	Germany		1	217
33	=123	↑	Atlas Copco	Sweden			216
=34	=47	↑	OTP Bank	Hungary		2	215
=34	4	↓	The Linde Group	Germany		1	215
36	53	↑	ASML	Netherlands		2	212
37	114	↑	Deutsche Telekom	Germany		1	209
38	13	↓	Lanxess	Germany		4	207
=39	162	↑	Enel	Italy		2	203
=39	=47	↑	Great Portland Estates	UK			203
41	44	↑	Santander	Spain			202
42	29	↓	Magnit	Russia		2	201

↑ rank up ↓ rank down ● same + new ⊕ number of awards

Complete Euro Top 100 rankings listed in full report

What the investment community really wants

For 2015, Mary Maude Research extended the investor perception study beyond the usual quantitative research undertaken to establish which individual investor relations officers and other executives at European companies are providing the best investor relations service. This year, the researchers also quizzed analysts and investors about their requirements of IR teams more generally and their views about which areas need improvement. The aim was to reveal the kind of changes people want and to identify what the investment community sees as best practice. These were the areas under review:

- People in IR
- Meetings
- Technology
- Corporate governance
- Sustainability
- Reporting & disclosure
- Progress in IR

This year's investor perception study contains hundreds of verbatim comments from investors and analysts offering their views on the most important areas of investor relations. Here's a small sample of their feedback:

PEOPLE IN IR

'I spent an hour with the Freenet CEO and was inspired. He is a man who knows the company and industry backwards, is frank and has a plan that allows space for things to go slightly awry without panic as the firm can adjust and get on. This is what I look for in a CEO' – UK, buy side

'A good CEO should be willing to talk about the future and to give a broader view of the strategy' – Norway, sell side

'I like an IRO who is available and willing to find answers and provide added information beyond the press release; a good discussion partner' – Germany, buy side

'IROs must be able to provide the rationale behind decisions and have a clear understanding of the long-term strategy' – Netherlands, buy side

MEETINGS

'In meetings, management should be open to discovering what its audience needs and not come with a fixed message. Obviously executives can't discuss price-sensitive issues but they can instill confidence through body language and let us drill into the background of any issues' – UK, sell side

'I want answers to questions and, if it's a group meeting, hearing other investors' questions is always interesting. When we've met executives a few times, it becomes useful to see how they react to certain events and to watch their body language' – France, buy side

'It's important to get a feeling for how long current growth is sustainable as we build three-to-five-year models. It's no use if an IRO explains the history of the company. I want to meet with management or an IRO who understands the long-term company strategy' – Denmark, buy side

USE OF TECHNOLOGY

'I don't think apps or social media make a big difference but they may do in the future. I have all the IR websites on my iPad but I definitely don't look at them first thing in the morning' – UK, sell side

'Easier access to transcripts and call recordings should be more readily available' – UK, sell side

'Webcasts are very useful when investors haven't got time to leave their desks. I wish more small and mid-cap companies would do them, though' – UK, sell side

CORPORATE GOVERNANCE

'Corporate governance is becoming more and more important in the investment process. I need to understand who is on the board and ensure the company has a clean footprint' – Switzerland, buy side

'Board composition is important. Are the directors independent? Do they have a variety of skills?' – UK, sell side

'Accountability to shareholders, especially from the CEO, is most important. Every year at least one bank faces problems and, if they are sufficiently transparent, the risks are visible and the market can make up its own mind and avoid scenarios of too little, too late' – UK, sell side

SUSTAINABILITY

'It is relevant but not significantly so. It's important that companies communicate what they are doing with sustainability issues but the economic impact of that is minimal so it shouldn't get too much attention' – Denmark, sell side

'Most companies are paying some attention to sustainability issues, although with limited financial resources, it doesn't always come top of the list. Some companies could certainly do better and it varies between sectors' – Finland, buy side

'We like to keep a close eye on sustainability. It's good if you can talk to top management about it. It would be hard for us to invest heavily in a company with no sustainability policy. We try to work with companies in our portfolio to help them improve in those areas' – France, buy side

REPORTING & DISCLOSURE

'Most companies provide adjusted earnings but I like to see clear and understandable reconciliation between reported and adjusted numbers. I also think there should be consistency in the reporting format, allowing for comparisons over time' – UK, sell side

'There must be transparency in terms of presenting projects and accounts and they should always be presented the same way so they're easy to read and understand' – France, buy side

'Companies should provide the investment community with more transparency and help us to understand what's behind the numbers with more detail' – France, sell side

'We need to have a general idea of what is happening and what is going to happen, accompanied by specific examples of things that went to plan and others that didn't, and what has been learnt' – Italy, sell side

PROGRESS IN IR

'My gut feeling is that IR is improving but there are huge differences between countries and companies. Typically, if a company has a pro-investor attitude, it is good at IR. The best companies understand the value of long-term IR and don't just focus on deal-driven activities' – Finland, buy side

'If a company is suffering from a low share price or other crisis, it can feel it needs to do something about it. Then the IR steps up a pace. If the share price is good, the company usually cares less' – France, buy side

'There has been a lot of progress among smaller companies as they've adopted a more professional approach to IR by treating all market players more equally and providing sufficient detail for us to get a fair valuation of the company' – Norway, sell side

This is an example of one of the profiles of the top 20 ranked companies this year, detailing the activities of their IR departments and senior management.

10 Unilever	
AWARD WINNER	
Listing information	Large cap London Stock Exchange Consumer staples
Head of IR	Andrew Stephen
IR team	Ansgar Lütke-Schelhowe Steven Wang
Awards 2015	Best in sector – consumer staples
Short lists 2015	Best sustainability practice Regional award – UK & Ireland
Contact information	www.unilever.com investor.relations@unilever.com +44 20 7822 6830

locations are handled by the IR team on its own), and sometimes also Chicago. In Canada, Toronto is on the annual list; Montreal is included for alternate years. In Asia the team does an annual visit, taking in Singapore, Hong Kong and Japan, sometimes with management; and European destinations include the Netherlands, Switzerland, Paris, Frankfurt, the Nordic countries, Edinburgh, and so on.

In all, says Stephen, the CEO and CFO each devote nine days a year to IR activities, including time spent on roadshows and at conferences, and IR benefits from a further six days of ‘other’ management time. Taking last year as an example, he says there were about 400 investor meetings in total, with an effort being made to target the longer-term shareholders. The goal is to offer an enhanced service level to these top-category investors, which should get to see the chief executive a couple of times a year.

Face-to-face encounters aside, Unilever is noticeably more active than some other companies in its use of technology for IR. YouTube is used ‘as a vehicle for publishing links’; there’s a company Twitter feed and the CEO is on Twitter; and the investor relations team has had an app for the past three or four years. The latter is evidently being used by the investment community, with one Dutch sell-side respondent to *IR Magazine’s* research describing the Unilever app as useful when traveling because ‘presentations are uploaded and I can keep abreast’.

Other feedback has come from Unilever’s perception studies in the past but ‘we haven’t done a full-scale perception study for a few years now,’ reports Stephen. Instead, on Unilever’s behalf the company’s corporate broker will talk to 20-odd respondents – including shareholders and non-shareholders – to tease out their views on various issues, including the corporate strategy, the performance and the standard of service they receive from IR.

Certainly on the IR side the investment community seems pretty content, at least based on *IR Magazine’s* surveys: Unilever wins the award for the best company in the consumer sector in 2015 and ranks 10th overall in the Euro Top 100, up from 11th last year.

Taking the long-term view

Andrew Stephen, who became head of IR at Unilever in March this year, explains that the company’s approach to IR, and especially to targeting, has become rather more scientific of late. ‘We place an increasing emphasis on trying to have an even more long-term shareholder base,’ he explains. ‘We’re mostly held by bodies that own between 0.5 percent and 2 percent, and about three quarters of our top 50 owners have held us for about eight years.’

That already sounds pretty stable and long term but the IR department has developed a new targeting framework to try to improve things further. It uses a grid system to identify different groups of investors: high priority vs low priority, underweights and so on. ‘And one of our criteria is turnover,’ says Stephen. ‘We include a time dimension.’

In terms of the geographical spread of IR activities, Stephen reels off the many cities on his department’s itinerary: in the US, IR visits Boston, New York and San Francisco with senior management once a year (other

AWARD-WINNING IR

This section charts the leading companies within the following categories:

GRAND PRIX FOR BEST OVERALL INVESTOR RELATIONS (LARGE CAP)
GRAND PRIX FOR BEST OVERALL INVESTOR RELATIONS (MID-CAP)
GRAND PRIX FOR BEST OVERALL INVESTOR RELATIONS (SMALL CAP)
BEST INVESTOR RELATIONS OFFICER (LARGE CAP)
BEST INVESTOR RELATIONS OFFICER (SMALL & MID-CAP)
BEST IR BY A SENIOR MANAGEMENT TEAM (LARGE CAP)
BEST IR BY A SENIOR MANAGEMENT TEAM (SMALL & MID-CAP)
BEST FINANCIAL REPORTING
BEST USE OF TECHNOLOGY
BEST CORPORATE GOVERNANCE
BEST SUSTAINABILITY PRACTICE
BEST INVESTOR MEETINGS
MOST PROGRESS IN IR
BEST IR DURING A CORPORATE TRANSACTION
BEST IR FOR AN IPO

Accompanying each chart are a series of verbatim comments from investors and analysts explaining why they voted for these companies and individuals.

Here is an example of one of the categories in this section:



Grand prix for best overall investor relations (large cap)

658	Novo Nordisk Denmark
612	BASF Germany
510	Iberdrola Spain
411	Continental Germany
393	EDP – Energias de Portugal Portugal
380	RWE Germany
365	Bayer Germany
351	Allianz Germany
348	Shire UK
342	Unilever UK
328	Galp Energia Portugal
327	Novartis Switzerland
299	Munich Re Germany
298	Royal Dutch Shell UK
277	Ferrovial Spain
265	ČEZ Group Czech Republic
265	Nestlé Switzerland
260	Deutsche Post DHL Germany
251	Daimler Germany
244	Royal Ahold Netherlands
242	BT Group UK
241	Statoil Norway
233	Roche Holding Switzerland
233	Sampo Finland

1 NOVO NORDISK

'Novo Nordisk has a large and highly proactive IR team. The team members are a big presence at major conferences and individually are all well informed. They know every aspect of the business' – **Austria, buy side**

'Novo Nordisk is open and fair and consistently benchmarks itself against its peers. It is the only company I know that does this' – **UK, sell side**

'Novo Nordisk never disappoints. Everything it tells you makes sense. Information is delivered calmly and is always well thought through' – **UK, buy side**

2 BASF

'BASF has 10 IR people and three assistants, so obviously the 13 of them can provide a pretty holistic system and they are ready for anything. They put out their quarterlies at 6.00 am and I have to disseminate the information by 7.30 am but they have usually given me a rather good summary' – **UK, sell side**

'BASF publishes a lot of information, including clear environmental and sustainability policies' – **Netherlands, buy side**

3 IBERDROLA

'Many companies hold an event only every couple of years but Iberdrola holds at least one investor day every year. It takes a couple of hours to give you an overview of what's happening in the company, and then you have a few hours to meet managers from all the different businesses. I would say this makes it not only the best in Spain, but in Europe' – **Spain, sell side**

'Iberdrola works hard at its IR and has an easily accessible, intelligent CFO who can help with an overview of the whole sector' – **UK, buy side**

4 CONTINENTAL

'Continental has the best IR overall with excellent reporting and an extremely knowledgeable IRO who is responsive to any questions I may have' – **Germany, sell side**

'Continental has a good home page that makes it easy to find releases and get the information you need, whether historic or current. You don't have to wait for someone to get back to you with information' – **Germany, sell side**

5 EDP – ENERGIAS DE PORTUGAL

'EDP's disclosure is far better than the market average and the IR team is very proactive and available to interact with the investment community. Also, everyone on the team speaks the same language as the market, something uncommon in the utilities sector' – **Portugal, buy side**

Grand prix for best overall investor relations (large cap) (cont'd)

6 RWE

'The approach to IR from RWE is very thorough. It is particularly good at giving access to divisional managers because it is keen for investors to understand the dynamics of the divisions they operate in. Not many of the other large caps do this' – **UK, buy side**

7 BAYER

'Bayer does 'meet the management' conferences where you can meet all levels of the company and get lots of information in one day' – **Germany, sell side**

8 ALLIANZ

'In the past year Allianz has managed some difficult situations very well' – **UK, buy side**

'Allianz stands out for the experience and knowledge of its IR people' – **Germany, buy side**

9 SHIRE

'Shire wins for its openness, reliable communication and great disclosure in reporting' – **Netherlands, buy side**

10 UNILEVER

'The best reporting in terms of disclosure and clarity is from Unilever. It has an excellent structure and provides detail on all the business segments and each geographical region of the company' – **Switzerland, sell side**

11 GALP ENERGIA

'We have a good relationship with the IR team at Galp and it is never slow to reply' – **Italy, buy side**

12 NOVARTIS

'Novartis is very open about products and trials, which means we can make better estimates' – **UK, buy side**

Survey methodology

The first stage of the research process was to email all the contacts with an electronic version of the survey, programed by market research firm Fox Insight. In all, 304 respondents completed the survey electronically. Mary Maude Research then interviewed a further 487 by telephone. On average, interviews took between 10 and 20 minutes.

Points, rankings and awards

POINTS

The respondents were asked to make three nominations per category: first, second and third. A first choice nomination earns six points, a second choice earns three points and a third choice earns two. The total number of points is then calculated by multiplying by six the number of 'firsts', by three the number of 'seconds', and adding two points for each 'third'. This points system is used for all of *IR Magazine's* investor perception studies around the world.

COUNTRY COVERAGE

Respondents who cover companies in more than one country are asked to make nominations for all the awards but, with the exception of the largest economies – Germany, France and the UK – respondents who cover companies in only one country are asked to make three nominations for the best companies in that country.

RANKINGS

The points allow us to rank all companies in the entire investor perception study. The company with the highest number of points obtains the number one ranking; as companies' points decrease, so do their rankings. This year the lowest number of points a ranked company can have is 30.

AWARDS

There are a total of 30 awards in this report. Awards are given for each category asked within the survey. The company or individual with the most points in each category wins the award. Leading firms are also classified according to the following regions and sectors:

AWARDS BY REGION	
Central & Eastern Europe	
Austria	Poland
Czech Republic	Russia
Hungary	Slovenia
Germany	
Northern Europe	
Denmark	Lithuania
Estonia	Norway
Finland	Sweden
Southern Europe	
Bulgaria	Portugal
Greece	Spain
Italy	Turkey
UK & Ireland	
Western Europe	
Belgium	Netherlands
France	Switzerland
Luxembourg	

AWARDS BY SECTOR
Consumer discretionary
Consumer staples
Energy
Financials
Healthcare
Industrials
Materials
Technology & communications
Utilities

The winners of both the regional and sector awards are determined by adding together each company's points from all the award categories (except for any points for corporate transaction, crisis communications and IPO) and ranking it within its sector or region. This report also honors the top-performing company in each country using the same method.

MARKET CAP

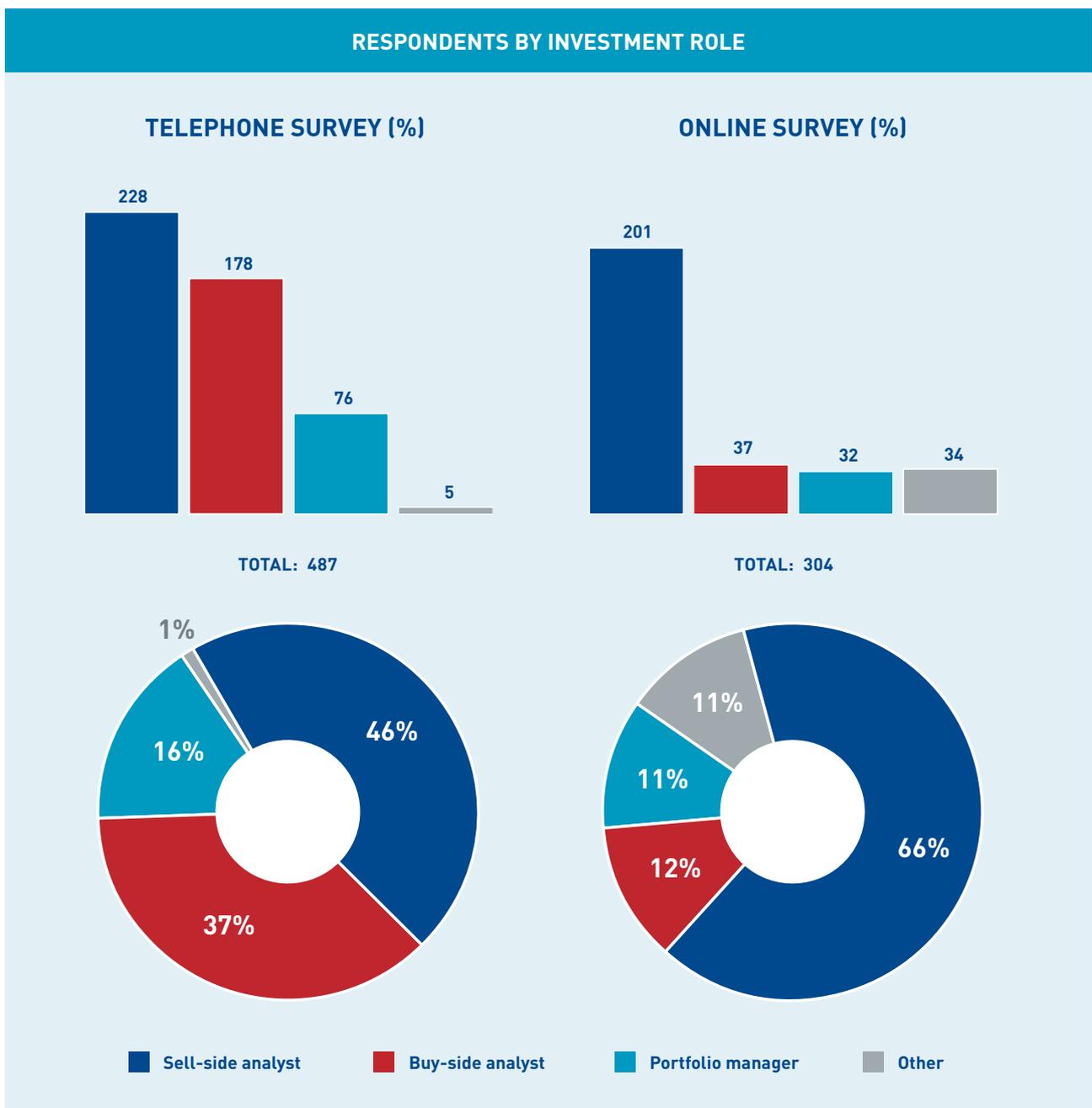
The grand prix for best overall IR is awarded to three companies in three market-cap bands: large cap, mid-cap and small cap. Total points across the award categories are used. There are also separate short lists for large cap and small & mid-cap companies in the

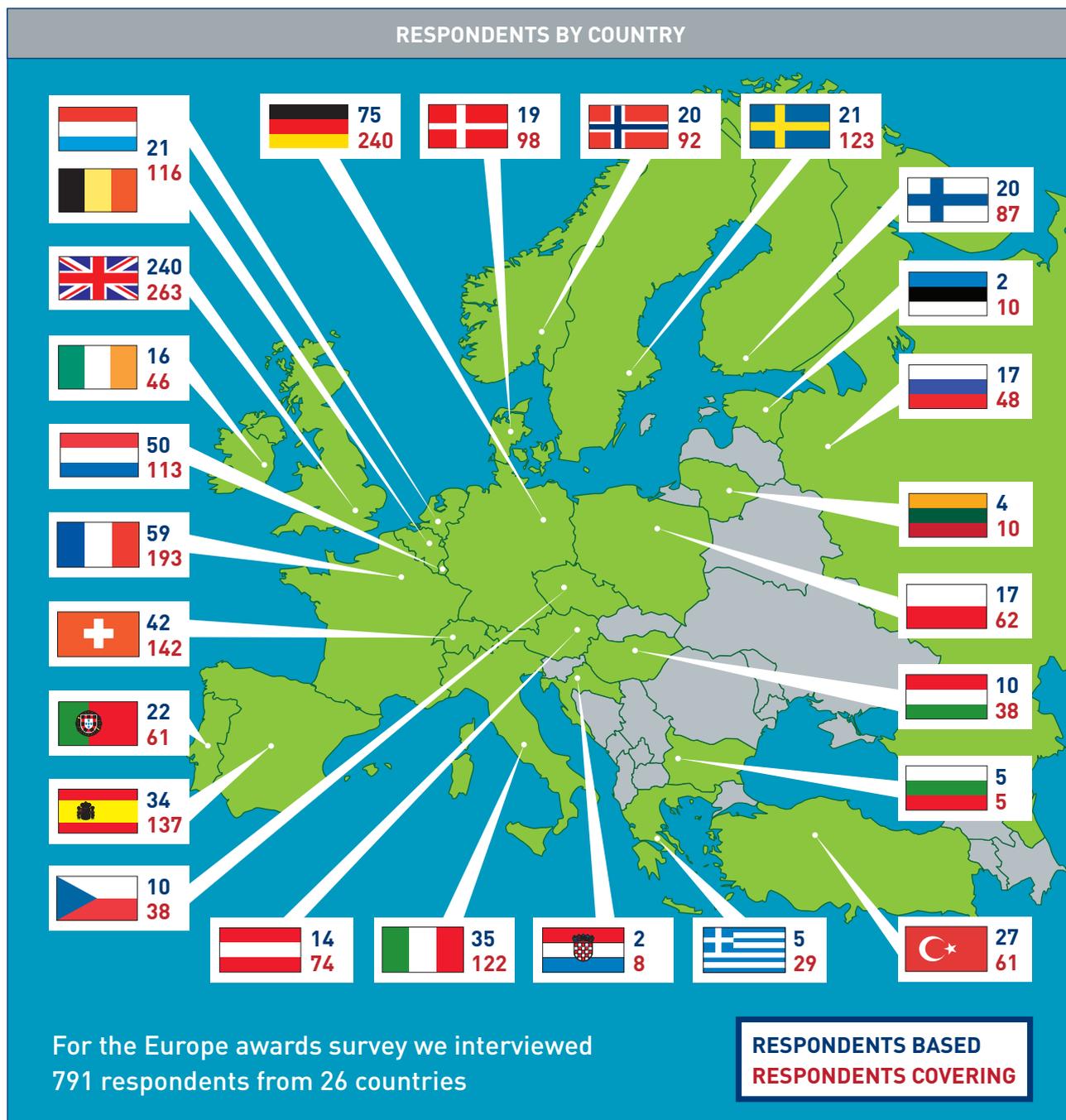
► individual awards for best investor relations officer and best senior management team. Large-cap companies are those with a market cap of more than €7.5 bn included in the FTSEurofirst 300 Index (and companies of equivalent size). Mid-cap companies are those

between €1 bn and €7.49 bn. Small-cap companies are those of less than €1 bn market cap included in the FTSE Europe Small Cap Index. All cap sizes were determined as of January 2015.

Respondents

A total of 791 respondents took part in the 2015 survey, made up of 304 online respondents (38 percent) and 487 telephone respondents (62 percent). Twenty-seven percent of respondents said they cover all or most sectors in one or more countries. For full details of sectors covered, please see page 81.





SECTORS COVERED - NUMBER OF RESPONDENTS COVERING

SECTOR	TELEPHONE SURVEY	ONLINE SURVEY
Consumer discretionary	54	53
Consumer staples	46	47
Energy	32	35
Financials	69	62
Healthcare	32	30
Industrials	52	56
Materials	27	26
Technology & communications	41	32
Utilities	27	39

REPORTING & DISCLOSURE

Overall, is the published financial information you get from companies (whether in hard copy or digital) satisfactory?

What are the hallmarks of good reporting and disclosure, whether in the form of annuals/quarterlies, sustainability reports, meetings or websites?

Overall, which companies have the best reporting and disclosure, and why?

TECHNOLOGY

In terms of technology, whether for financial reporting or otherwise, what new developments do you think actually help the investor relations process – and how?

- Videoconferencing
- Webcasts
- Apps
- Social media

And which companies you deal with make the best use of technology generally?

MEETINGS

In terms of meetings with companies and/or their individual executives and IROs, what are you hoping to get that is not available from written information?

Can you think of any specific examples of good meetings, whether one-on-ones, site visits or roadshows?

Overall, which companies you deal with hold the best meetings? What makes them good meetings?

PROGRESS

Is IR in Europe generally improving and, if so, in what respects? Is this in any particular country or region? And are companies in some countries typically better than in others? If so, why?

What do you think are the criteria for improvement, and is progress typically the result of the appointment of a new IRO, CFO or CEO? Or is it because a company steps up its IR activities because of an M&A/crisis situation or for some other reason?

Over the past year, which companies have most improved their IR?

CORPORATE GOVERNANCE

Apart from accountability to shareholders, what issues are the most important to you in terms of corporate governance?

- Board composition
- Chief executive and other senior management pay
- Protecting minority shareholders

Which companies have the best corporate governance policies and implementation?

SUSTAINABILITY

Do you think companies in Europe pay sufficient attention to sustainability issues and the communication of their objectives to investors?

Which European companies have the best corporate sustainability practice?

CORPORATE TRANSACTION

Over the past year (2014), which European company best handled a corporate transaction?

IPO

Which European company conducted the best IR during an initial public offering over the past year (2014)?

THE PEOPLE

Thinking about the people involved with IR, what is most important to you about the company executives you talk to in the course of making investment decisions (open/accessible/responsive/knowledgeable)?

Which areas of knowledge?

- Large-cap companies
- Small & mid-cap companies

IRO

- Large-cap companies
- Small & mid-cap companies

SENIOR MANAGEMENT

- Large-cap companies
- Small & mid-cap companies

GRAND PRIX FOR BEST OVERALL INVESTOR RELATIONS

Of all the companies in Europe you are currently dealing with or have dealt with in the past year, which companies do you believe have the best overall IR program?

- Large-cap companies
- Mid-cap companies
- Small-cap companies

BEST IR IN COUNTRY

Which companies have the best IR in each of the countries you are involved with?

Thank you for your time and help in participating in this survey.

IR MAGAZINE INVESTOR PERCEPTION STUDY EUROPE 2015



magazine

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