



# INVESTOR PERCEPTION STUDY

CANADA 2015

Winning companies, winning IR strategies

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# What the investment community thinks

In addition to the quantitative research aimed at identifying the companies providing the best investor relations service to the investment community, this year Mary Maude Research undertook a broader survey of buy-side and sell-side analysts and portfolio managers in Canada to ascertain their opinion of the quality of the IR they receive from Canadian companies generally.

The aim was to discover which areas are being handled well, which need improvement, the kind of changes people want to see and which companies are setting the standards. Here's what respondents have to

say on the quality of the people involved in IR, reporting and disclosure, technology, meetings, corporate governance, improvements in IR and sustainability practices.

## The people

We had comments from respondents covering all the individuals they deal with at companies: IROs, CEOs and CFOs. They offer plenty of free advice to corporate officers about what they should do to meet the needs of the investment community, along with a few compliments – and a few negative comments.

## ALL EXECUTIVES

*'As long as I get the information I need, without waiting too long, I don't care whether it comes from the IRO or someone else in the company. The important thing is that he or she gets on to it, and I get what I need' – sell side*

*'The [corporate officers] should understand all facets of the company and understand what stakeholders are looking for. And they should have a clear perception of what will happen after a specific event' – sell side*

*'A CEO should be ready to answer any questions on strategy, a CFO to understand and impart the strategy applied to the numbers, and an IRO to know the company from top to toe' – buy side*

*'Understanding the finance and what underpins the numbers is important for the IR team. I expect senior management to understand and communicate the strategy and IROs to be on top of operational results' – sell side*

*'Knowledge, knowledge, knowledge: that's what I want from the people I deal with at companies' – sell side*

## IROs

*'IROs should be proactive. They should reach out to us when there's something important to say' – buy side*

*'IROs should be able to discuss various aspects of the business; they should know the business inside out' – buy side*

*'It's important that IROs disseminate information fairly' – sell side*

*'I want someone who calls me back' – sell side*

*'IROs should know what's going on at the operational level' – sell side*

*'They should always follow up; sadly, most don't bother' – sell side*



## SOCIAL MEDIA: THE MORE CONCILIATORY

Just a handful of respondents were a little more receptive. Here's what they have to say.

*'Social media is used well by WestJet Airlines and Air Canada to tell people about sales. This is something we will keep an eye on' – sell side*

*'I like to look at LinkedIn and see where companies are looking for employees as this gives me another perspective on the company' – sell side*

*'Companies should never disclose on Twitter but I would like an app for reading financial documents instead of being forced to go to the website' – buy side*

*'Stakeholders find social media useful for Midway Gold but obviously we don't use it as a primary source' – buy side*

*'Tim Hortons uses Facebook and Twitter well' – sell side*

*'Most of my companies are on Twitter and I reckon I should probably pay more attention' – sell side*

## WEBCASTS

This appears to be the area of technological information delivery that most members of the Canadian investment community are happy with. The following comments are typical.

*'Most companies webcast their annual reports' – buy side*

*'All companies I follow webcast their annual investor days' – sell side*

*'Yes, I use webcasts. But it's not 'new' technology' – sell side*

*'We regularly watch webcasts of presentations, which is great as we previously weren't able to' – sell side*

*'Webcasts are very important to me and it's useful when companies post them online' – buy side*

*'Most companies webcast the quarterly results. It's nothing new' – buy side*

*'Companies now put presentations on their websites, which is useful' – sell side*

*'Webcasts have definitely helped and are good when used for conferences when they synchronize presentation material with the person speaking and provide web-enabled questions. I have attended a few of these and they're great, although they do depend on good bandwidth' – sell side*

*'Most companies do web conferences but they're not always reliable' – sell side*

*'Webcasts are now well up and running. I like them and use them extensively' – buy side*

*'Webcasts are the only aspect of technology relevant to me because I don't use apps or social media' – sell side*

*'Only webcasts are of any use to me' – sell side*



Q&A (CONT)

*'For the most part, meetings are of a reasonable length. They should be 45 minutes max. An hour is too long; I tune out'* – sell side

*'In general they're about the right length. An hour is the maximum time I can concentrate in a meeting'* – buy side

*'There is usually plenty of time for Q&A'* – sell side

## Is IR getting better?

Respondents were asked whether they are seeing improvements in IR and if so, what they attribute that progress to. Changes, and increases, in IR personnel are often helpful but other factors are cited,

too. These range from changes in senior management and a greater openness more generally to the need to respond to various crises.

*'Often improvements can be due to newly appointed personnel. By the same token, if you are replacing someone who was excellent and well liked, it can sometimes take a while for him or her to prove himself/herself'* – buy side

*'Improvement can result from something like a new website'* – sell side

*'Changes at executive level are what produce an improvement – or the opposite – in IR. Rogers' IR, for instance, has deteriorated since the appointment of the new CEO because the firm is now less forthcoming with information'* – sell side

*'Mid-cap companies are starting to add IR people, which is improving the standard'* – sell side

*'Yes, IR is improving, because of the amount of information companies are now providing. There are more quarterly updates and some are giving additional information'* – sell side

*'Companies are more open now and more proactive'* – sell side

*'Canadian IR is improving but from a high [starting] level. Financial services provide the standard other sectors look to'* – sell side

*'Overall, IR in Canada is pretty static. A few years back there was an improvement across the sectors when many companies became more aggressive on the road and improved disclosure. It's reached a plateau now, though at a high level'* – sell side

*'There has been a downturn in the resources sector but those that have survived have good-quality management and IR teams'* – sell side

*'I think IR is getting better in the mining sector because the commodity price crisis has forced companies to improve'* – sell side

*'Over the past year most mining firms have been less proactive. There has been a lot of cost cutting and IR has suffered as a consequence. Site visits are expensive so some have been forced to cut back on these and conferences'* – sell side

# Best investor relations officer (mid-cap)

95	<b>ARC Resources</b> David Carey
69	<b>Baytex Energy</b> Brian Ector
39	<b>Progressive Waste Solutions</b> Chaya Cooperberg
38	<b>Agnico Eagle Mines</b> Brian Christie
30	<b>Vermilion Energy</b> Dean Morrison
30	<b>WSP Global</b> Isabelle Adjahi
29	<b>Tim Hortons</b> Scott Bonikowsky
27	<b>Bombardier</b> Shirley Chénier
27	<b>Element Financial</b> John Sadler
27	<b>Genworth MI Canada</b> Samantha Cheung
27	<b>Keyera</b> John Cobb
24	<b>Yamana Gold</b> Lisa Doddridge

## 1 ARC RESOURCES

*'David Carey is the top guy in my space. He is consistent, available and responsive, and his depth of knowledge is exceptional. He knows the company so well and knows exactly where to go on the rare occasions when he doesn't have the answer' – sell side*

*'By far the best IRO is David Carey; he is a well-seasoned IR professional' – sell side*

*'David Carey is so long in the role, and so helpful' – buy side*

## 2 BAYTEX ENERGY

*'Brian Ector is transparent with investors and communicates the message very well' – sell side*

*'Baytex's Brian Ector is very knowledgeable and reachable and he never avoids answering analysts' questions. I respect that' – sell side*

*'As a former analyst, Brian Ector of Baytex totally understands what we need. He publishes an email explaining things that affect heavy oil prices. And he recently flew us up to look at the firm's operations' – sell side*

## 3 PROGRESSIVE WASTE SOLUTIONS

*'Chaya Cooperberg knows the company well, and it's not that easy to understand. You can ask her anything and she'll have answers in great detail. She also has management's ear so can get even more in-depth answers easily if she can't answer herself' – sell side*

*'Chaya Cooperberg is proactive in talking to the Street and makes sure we understand what's going on. With the quarterly presentations and regular disclosures, it's easy to track the right metrics' – sell side*

*'Chaya Cooperberg is by far the best in terms of communication, making sure you get the information by putting you in touch with the right people' – sell side*

*'The best IRO I deal with is at Progressive Waste. Some IROs are merely a concierge, but others know the business well, are helpful at telling the story with the facts and can talk strategically. Chaya Cooperberg is the best example I know of the latter' – sell side*

## 4 AGNICO EAGLE MINES

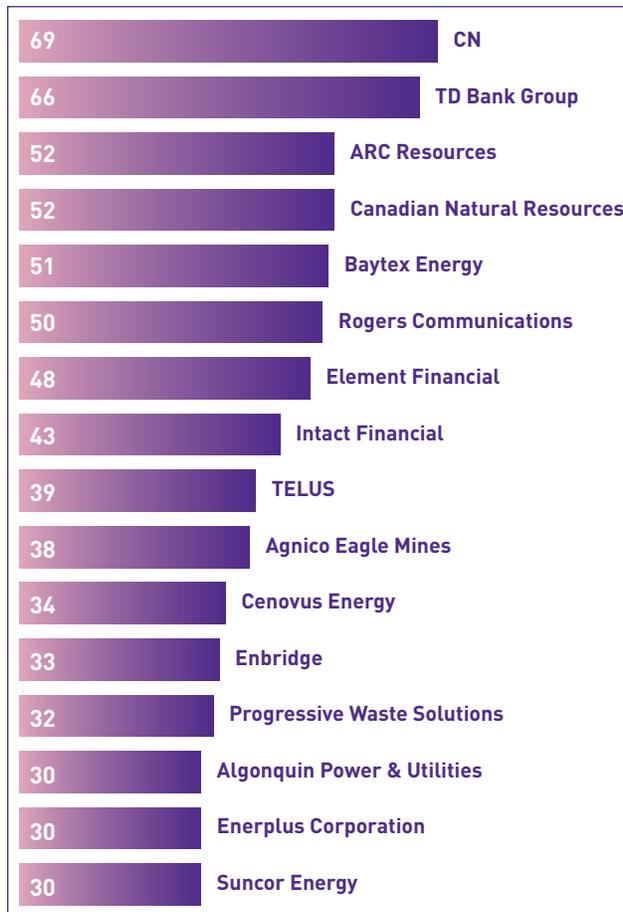
*'Since Brian Christie arrived two years ago, Agnico's IR has just got better and better' – buy side*

*'Brian Christie reaches out to clarify statements. As a former analyst he gets what we need to know. There is so much to be said for that experience in an IRO' – buy side*

*'Brian Christie is kept in the loop by Agnico's senior management' – buy side*

*'Brian Christie has stepped up the already excellent IR at Agnico' – sell side*

## Best investor meetings



1 CN

*'Meetings at CN are always very polished and professional. They also keep to time, which I appreciate'* – **sell side**

*'The detail in presentations from CN is always very good'* – **buy side**

2 TD BANK GROUP

*'TD makes itself available at events and for subjects we want to focus on. It also provides quality information that is easy to digest'* – **buy side**

*'TD's management is available for, and candid in, the firm's meetings. The IR team is large and there is always someone available'* – **sell side**

*'TD holds very helpful quarterly conference calls'* – **buy side**

=3 ARC RESOURCES

*'ARC has increased the number of its site visits this year. These are excellent events with plenty of access to senior management and others'* – **sell side**

*'ARC is more hands-on than other companies in its analyst and investor days with demonstrations to explain the more difficult technologies'* – **sell side**

*'It's the way ARC Resources presents. When there's something happening, it will tell you its interpretation as well as the views behind it'* – **sell side**

=3 CANADIAN NATURAL RESOURCES

*'Canadian Natural Resources does a thorough full-day analysts meeting and field trip every year'* – **sell side**

*'Canadian Natural Resources organized a site tour and investor day back in June. It's a good company; it communicates well and it doesn't hide things. It's the biggest and best in town'* – **sell side**

5 BAYTEX ENERGY

*'Baytex has held lots of one-on-one meetings and I get good feedback from clients about its site visits'* – **sell side**

*'We have a very good relationship with Baytex and it is really open with us. This means we can easily get one-on-one meetings'* – **buy side**

6 ROGERS COMMUNICATIONS

*'Meetings with Rogers have top management members present who are responsive and open'* – **buy side**

*'The investor events are so well organized and you can guarantee there will be a useful dialogue'* – **sell side**

## Methodology

The field research for this study was conducted by Mary Maude Research in London in September and October 2014. Mary Maude Research interviewed 272 Canadian investment professionals by telephone. On average, interviews took 10-25 minutes. The results for the award category of best IR by a Canadian company in the US market are obtained from the research conducted for *IR Magazine's* US investor perception study, which is due for publication in March 2015.

## 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 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 also used for all of *IR Magazine's* perception studies around the world.

### 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 20.

Only points in categories where all companies are eligible count toward the overall rankings. This therefore excludes any points for best IR during a corporate transaction, best IR for an IPO, best IR by a TSX Venture Exchange-listed company and best IR by a Canadian company in the US market.

### AWARDS

There are a total of 31 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 companies are also classified according to the following sectors in each region:

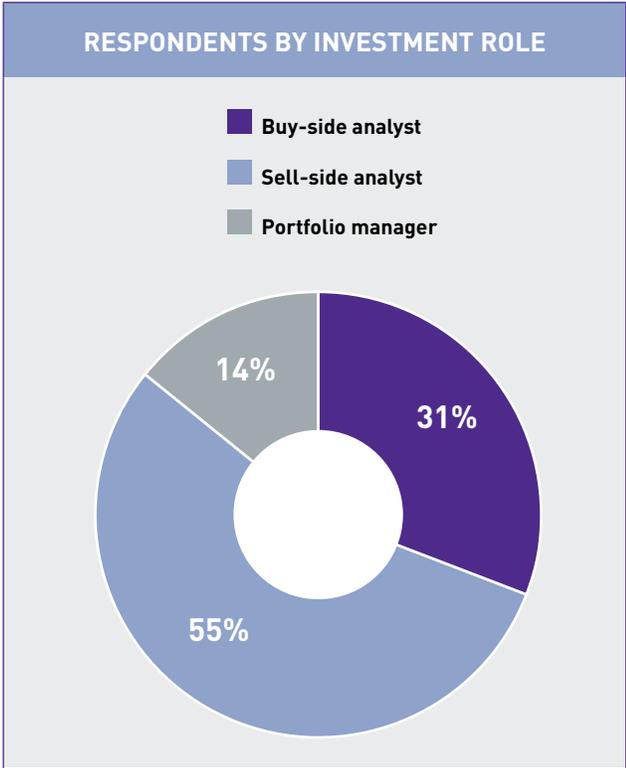
Communications
Consumer discretionary
Consumer staples
Energy
Financials
Healthcare
Industrials
Materials
Technology
Utilities

The winners of the sector awards are determined by adding together each company's points from all the other awards categories and ranking them by sector.

For best investor relations officer, best IR by a CEO, best IR by a CFO and the grand prix awards there are separate short lists for large-cap, mid-cap and small-cap companies. Using Toronto Stock Exchange (TSX) and TSX Venture Exchange indices, a company's market cap was determined as of July 2014:

<b>&lt;C\$1 bn</b>	<b>Small cap</b>
<b>C\$1 bn-C\$10 bn</b>	<b>Mid-cap</b>
<b>&gt;C\$10 bn</b>	<b>Large cap</b>

# RESEARCH PROCESS



### RESPONDENTS BY SECTOR

All or most sectors	73
Consumer discretionary	10
Consumer staples	9
Energy	50
Financials	26
Healthcare	3
Industrials	33
Materials	43
Technology	28
Utilities	12

Forty-three respondents said they covered companies on the TSX Venture Exchange.

## REPORTING & DISCLOSURE

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

Are you aware of any fact books (online or offline) that are useful?

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
- Social media
- Webcasts
- Apps

And which companies that 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 through written information?

Do you find presentations tend to last about the right amount of time? Is there enough time for Q&A?

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?

## PROGRESS

Is Canadian IR generally improving and, if so, in what respects?

What do you think are the criteria for improvement? Is progress as a result of the appointment of a new IRO, CFO or CEO? Or is it because a company has stepped up its IR activities because of an M&A/crisis situation or other circumstances?

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

## CORPORATE GOVERNANCE

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

- Board composition

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

Is shareholder activism on the increase?

What other governance issues are important?

## SUSTAINABILITY

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

Which Canadian companies have the best corporate sustainability practice?

## CORPORATE TRANSACTION

(M&A, divestment, joint venture, capital raising)

Over the past year, which companies have handled a corporate transaction well?

## IPO

Which Canadian company conducted the best investor relations during an initial public offering over the past year (end 2013 to date)?

## TSX VENTURE-LISTED COMPANY

Which companies listed on the TSX Venture Exchange that you are currently dealing with, or have dealt with in the past year, do you believe have the best IR programs?

## THE PEOPLE

Thinking about the people involved with IR, what is most important for you about the company executives you talk to in the course of making investment decisions?

- Openness
- Accessibility
- Responsiveness
- Knowledge

Which areas of knowledge are important?

- Numbers
- Sector information
- Understanding the impact of the macroeconomy/competitors

Which companies have the CFOs, CEOs and IROs who best meet your expectations?

## BEST OVERALL INVESTOR RELATIONS PROGRAM

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