

IPREO'S
CORPORATE
ACCESS
SURVEY
2016



Who is Ipreo?

Ipreo powers the networks that connect capital to ideas.

We are a leading global provider of financial services technology, data and analytics, supporting all participants in the capital-raising process, including banks, public and private companies, institutional and individual investors, as well as research, asset management and wealth management firms.



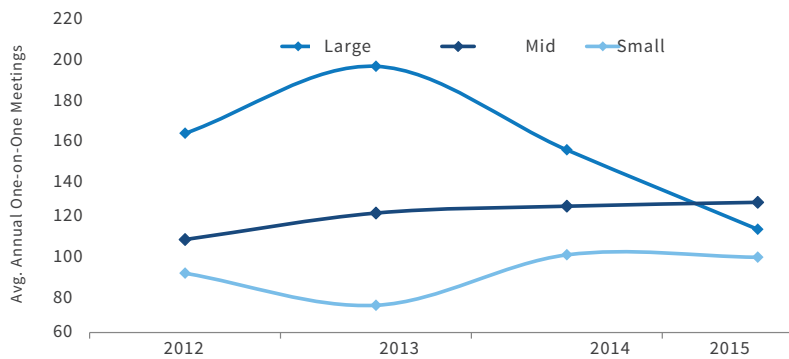
Ipreo is pleased to present results from our 2016 Corporate Access Survey. This marks the 6th year that we have conducted the survey, which monitors corporate issuers' activity levels and management participation, sell-side sponsor strengths and weaknesses, and overall satisfaction with the corporate access experience.

KEY FINDINGS

- > The overall number of one-on-one meetings decreased for both U.S. and non-U.S. companies across all market-cap groups.
- > Participation by companies in investor conferences organized by the sell side was down across the board. For large caps, there was no bounce off last year's decline (and even a small but likely not statistically significant decline). Last year's slip in conference participation by mid-cap companies snowballed, while small-cap companies reversed last year's bump with participation moving down to 2013 levels.
- > Large-cap companies reported an increase in non-deal roadshow activity, while activity by mid and small caps held steady.
- > Management participation in investor events declined broadly and significantly (corollary: reliance on IROs to lead investor events increased broadly and significantly).
- > Just under one-third of respondents report participating in virtual events, split evenly between teleconferences arranged by corporate access and meetings arranged by issuers.

EVENT ACTIVITY LEVELS

FIGURE 1 - ONE-ON-ONE MEETING TRENDS (2012 - 2015)

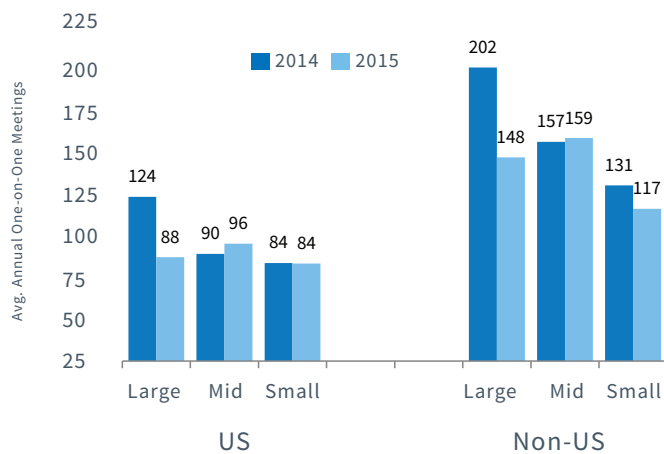


A

cross our global sample, this year's overall average one-on-one meeting level decreased to 114 meetings from 127 meetings in the year-ago period, a 10% decline.

Large-cap companies had the most significant decline (from 154 to 113 meetings in 2015), while the changes reported by mid-cap and small-cap companies were less severe.

FIGURE 2 - ONE-ON-ONE MEETING TRENDS



"We want to bring in new investors. I don't need corporate access to arrange meetings with large shareholders. I see them and speak with them on a regular basis."

- North American
Mid-cap Basic
Materials
Company

While the decline in one-on-one activity is surprising at first glance, a number of factors likely influenced the decline. First, the previous year saw an exceptional rise in one-on-one meetings. In 2013, the average was 108 such that some portion of this year's decline may merely be mean reversion. Second, this year (for the first time) we clarified that survey questions regarding one-on-one meetings referred strictly to "in-person" meetings. While the vast majority of one-on-one meetings are in-person meetings, eliminating phone meetings and virtual meetings from the tallies may have pulled the average down.

Examining large-cap results by percentage of respondents who selected each range of one-on-one meeting participation, we see a large spike in the percentage of companies that conducted 1-49 (i.e. low participation) meetings (from 22% to 32%) and a large decline in the number of companies conducting over 350 meetings (from 13% to 4%). The middle ranges are nearly flat year over year.

FIGURE 3 - ONE-ON-ONE MEETING FREQUENCY

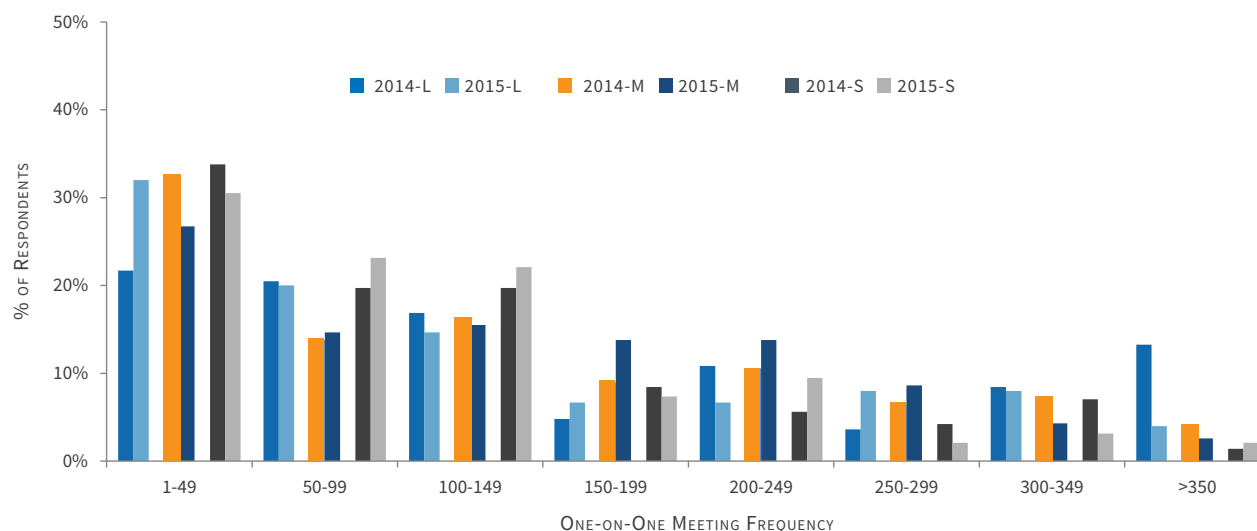


FIGURE 4 -NORTH AMERICAN ONE-ON-ONE MEETING FREQUENCY RANGES

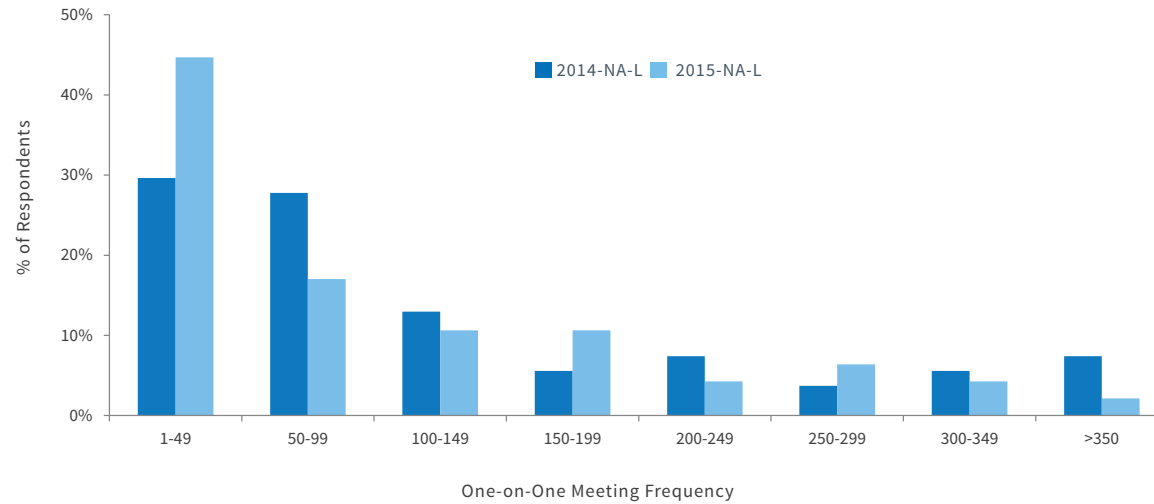
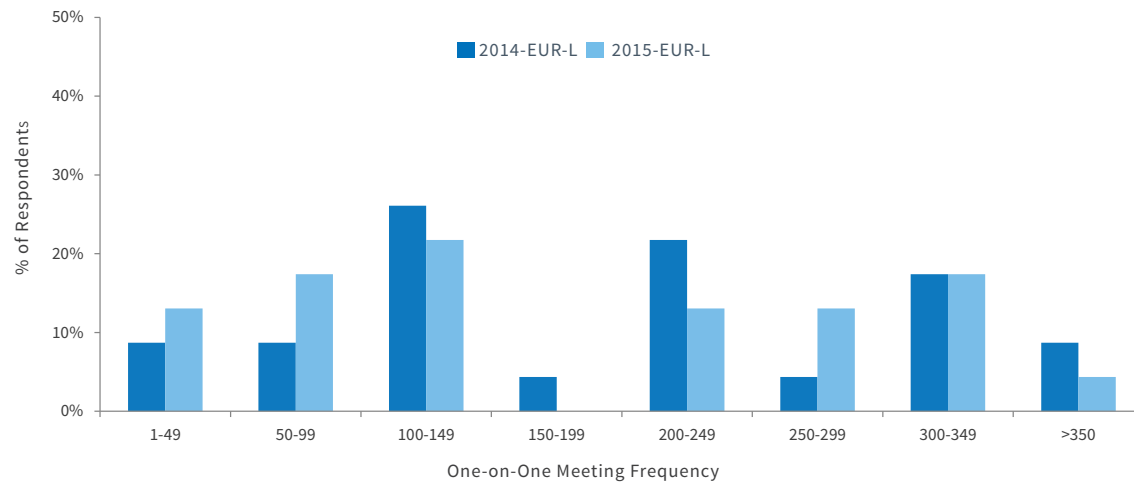


FIGURE 5 -EUROPEAN ONE-ON-ONE MEETING FREQUENCY RANGES



"Most corporate access providers pitch a differentiated approach, but we rarely receive any data to support the differentiation claims."

**-North American Small-cap
Technology Company**

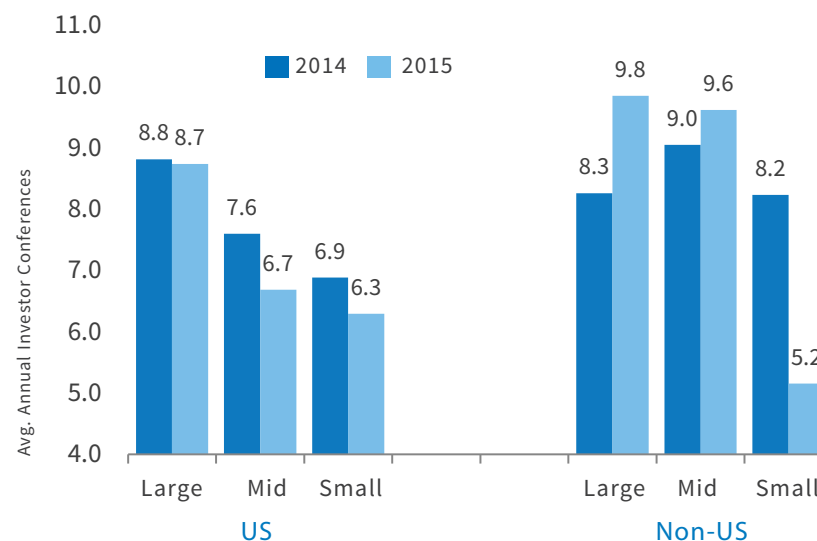
INVESTOR CONFERENCES

Focusing on investor conferences organized by the sell side, we see a broad-based decline in participation by U.S. issuers as well as by small-cap issuers outside the U.S.

Participation by small-cap companies based outside the U.S. reported the sharpest decline, cutting their conference schedules 37% from 8.2 to 5.2 conferences per year. This is a retreat back to 2013 levels, when this group participated in an average of 5.6 conferences. Conference participation stabilized for non-U.S. large-cap companies after a steep decline the prior year, while the downward drift continued a for U.S. mid-cap companies.

U.S. mid-cap company participation experienced the next largest decline of 0.9 conferences, continuing a downward trend that began in 2013. Despite U.S. small-cap companies decreasing conferences by 0.6 compared to the prior year, historically this group is steady with yearly attendance between 6-7 conferences over the past five years. U.S. large-cap companies confirmed the slide in their conference participation, down 0.1 conferences this year compared to 2014, and down 1.8 conferences compared to 2013. Though it is likely that a plurality of all meetings still occur at conferences, their importance appears to be waning.

FIGURE 6 -INVESTOR CONFERENCES



"Conferences are becoming a less desirable place to market. We need to supplement our outreach with direct corporate/buy-side interaction."

-North American Large-cap Industrials Company

ROADSHOWS

Overall, roadshow participation increased for U.S. issuers and decreased for non-U.S. issuers. Since 2013, U.S. companies of all market caps saw steady increases in roadshow activity. U.S.-based large-cap companies increased participation in home-market roadshows from 5.7 to 6.8 events.

Turning to cross-border marketing, U.S.-based large caps held their activity steady at 2.3 NDRs, while mid-cap and small-cap companies held onto the previous year's 50% increase in number of overseas events. The statement that one can now make – that on average U.S. companies of each market-cap range undertake at least one international marketing trip per year – is a milestone.

Home-market activity by non-U.S. companies declined from 3.9 NDRs to 3.3 NDRs. The slowdown in domestic NDRs was partly offset by a 0.5 increase in number of international NDRs by non-U.S. companies.

“Corporate access has become more competitive; therefore, most of the sell side are working much harder to get us to participate in their activities.”

-Asian Mid-cap Consumer Services Company

FIGURE 7 - U.S. ISSUER DOMESTIC ROADSHOWS OVER TIME

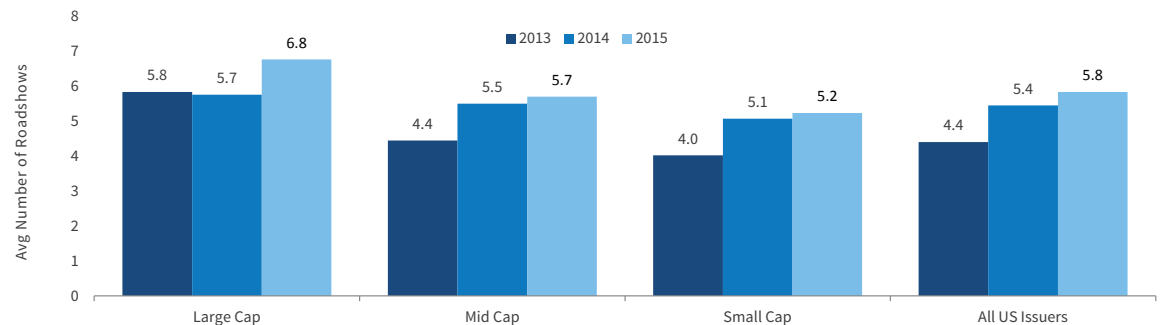
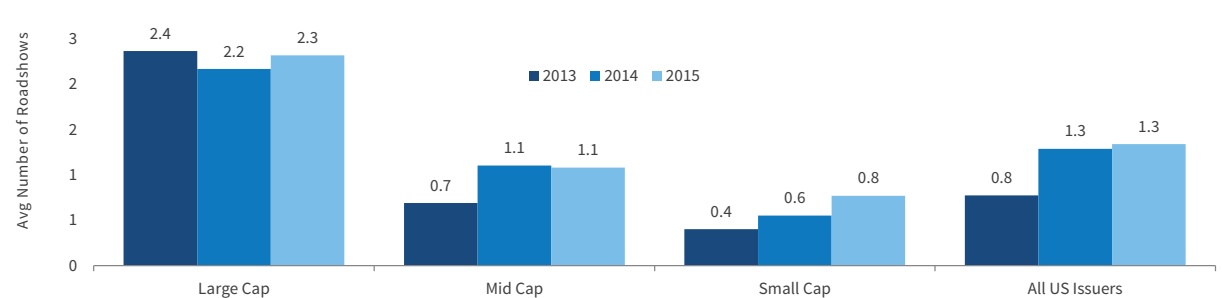


FIGURE 8 - U.S. ISSUER INTERNATIONAL ROADSHOWS OVER TIME



MANAGEMENT PARTICIPATION

In the section "Management" refers to C-level executives who almost always are accompanied by the investor relations officer when they attend investor events, while IROs generally attend all of them, whether or not management attends. Thus, an event without management is one where the IRO is the lead representative of the company. The statistics and tables to follow could be recast from that perspective; e.g. across all categories 2015 saw dramatic increases in

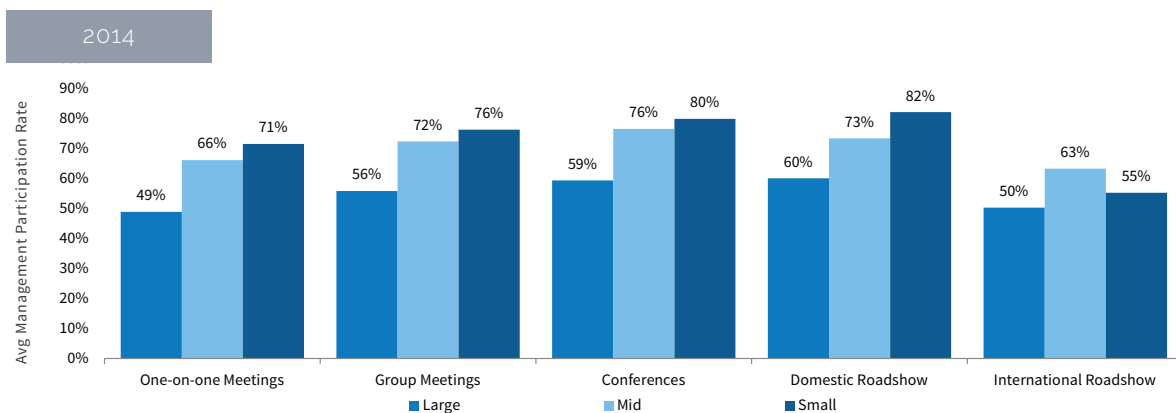
small- and mid-cap IROs attending events on their own. But, for the sake of consistency, we use the framing employed in prior years.

Overall, management participation in investor meetings for mid-cap and small-cap companies reported an overall decrease of five and six percentage points, respectively. Large caps reported a four percentage point decrease in management participation at conferences.

"I've particularly liked when a broker sets up a day in a city with all the meetings occurring in one central office. We've done that in New York and in Montreal."

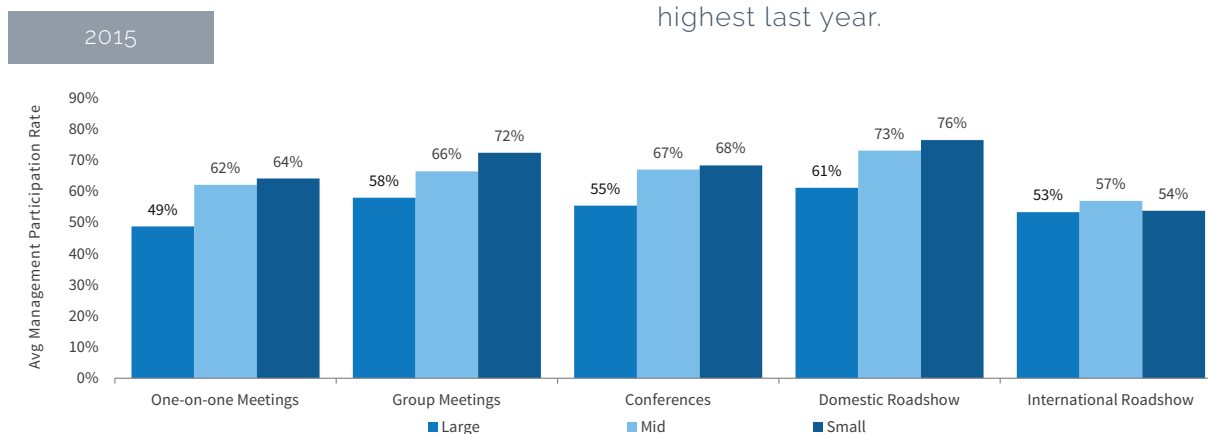
-North American Large-cap Energy Company




FIGURE 9A & 9B - MANAGEMENT PARTICIPATION RATES BY MEETING TYPE


Mid-cap companies reported decreases in management participation in conferences (minus nine percentage points) group meetings (minus six percentage points) and international road shows (also minus six percentage points) where participation was highest last year. Small-cap companies reported the largest decrease in management participation at conferences (minus twelve percentage points) again where participation was highest last year.

Overall, management participation rates are declining and converging across caps and types of events. This trend is occurring as the IR profession is increasingly attracting former sell-side analysts and senior financial executives to the field, (and the buy side, at least anecdotally, is experiencing a shift to less-experienced investment staff).



So, while the decline could be read as management disengaging from investor activity, it could also be sign that both management and the investor community are increasingly comfortable with IRO representation – CEOs and CFOs delegate where they can.

Last year we suggested that C-Suite executives were increasingly asking IROs for the ROI of events they attend. Ipreo's role as a

service provider to the investor relations community puts us into contact with hundreds of IROs that regularly report that that their bosses expect resources to be allocated on the basis of ROI, or the best available proxy. The issuer's perception is that for some events ROI is sufficient for the IRO to attend, but insufficient for management to attend. We do not see this trend abating any time soon.

ORGANIZER UTILIZATION TRENDS

For the past five years, we have consistently asked respondents, "Who takes you on the road?" During 2015, covering brokers maintained their corporate access dominance with 82% of respondents reporting that they "Always" or "Most of the Time" go on the road with a bank that covers their company. Following covering brokers, issuers rely primarily on themselves to organize roadshows.

FIGURE 10 - SELL-SIDE BANKS THAT PROVIDE RESEARCH ON YOUR COMPANY

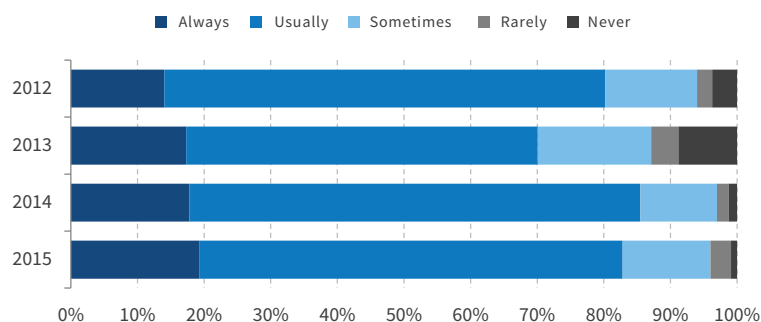


FIGURE 11 - ENTIRELY SELF DIRECTED

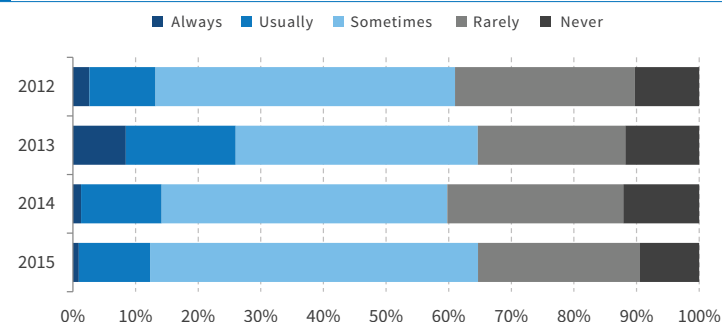


FIGURE 12 - SELL-SIDE BANKS THAT DO NOT PROVIDE RESEARCH ON COMPANY

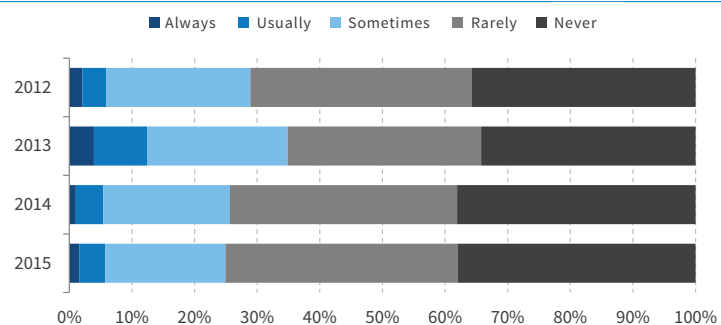
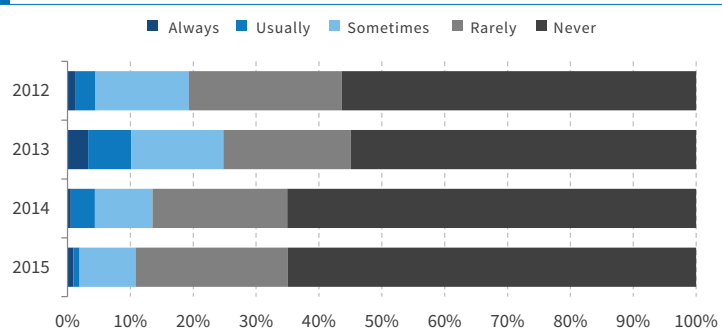


FIGURE 13 - IR CONSULTANT / CORPORATE ACCESS SERVICE



A majority of issuers undertake at least one entirely self-directed road show, but only about 1 in 10 make a habit out of it. Roughly three-quarters of companies rarely or never travel with a non-covering broker, and nearly 9 of 10 companies rarely or never rely on consultants or independent corporate access firms to organize a trip.

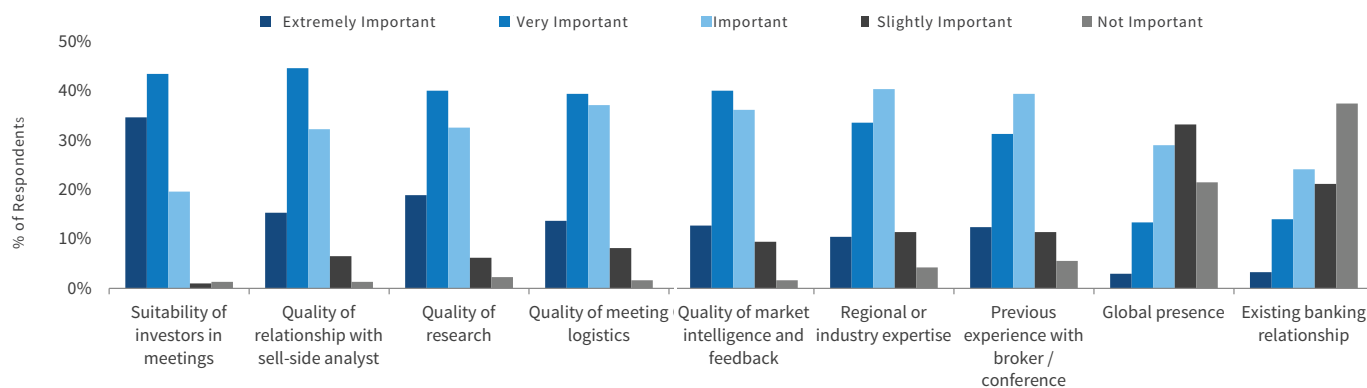
SPONSOR SUCCESS FACTORS

Suitability of investors in meetings continues to be the most highly valued service provided by corporate access sponsors with a total of 78% of issuers ranking this factor as extremely important or very important, down slightly from 81% last year. 61% of respondents rated quality of relationship

with sell-side analysts as extremely/very important, just edging out quality of research with 58%.

Meeting logistics, investor feedback, previous experience, and industry/regional expertise were clear second-tier considerations, while few respondents reported that banking relationships or global presence were extremely or very important.

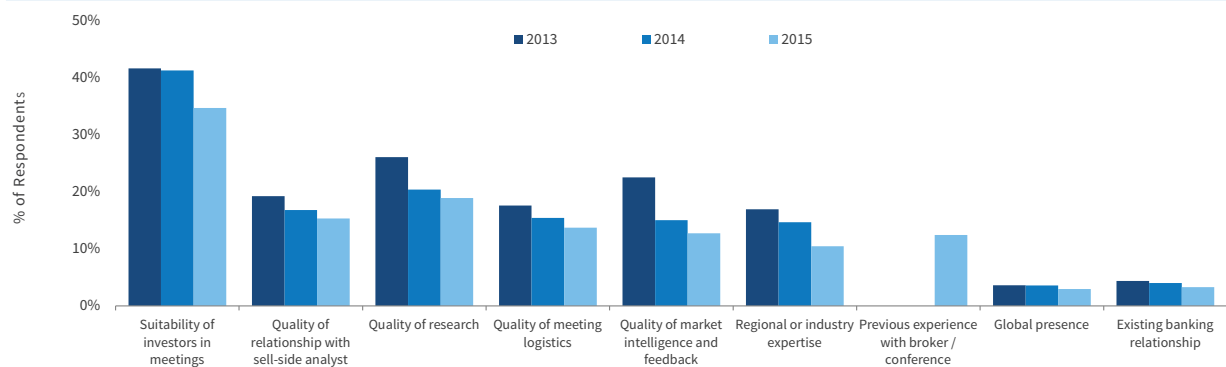
FIGURE 14 - WHAT DO ISSUERS LOOK FOR IN A SPONSOR



Looking historically, there has been very little jockeying for prominence among the criteria – the rankings have remained consistent since we started the survey.

However, respondents value each of the criteria less than they have in previous years, potentially indicating that issuers are increasingly locked into current relationships and patterns.

FIGURE 15 - TRENDS IN “EXTREMELY IMPORTANT” RESPONSES BY SERVICE CATEGORY



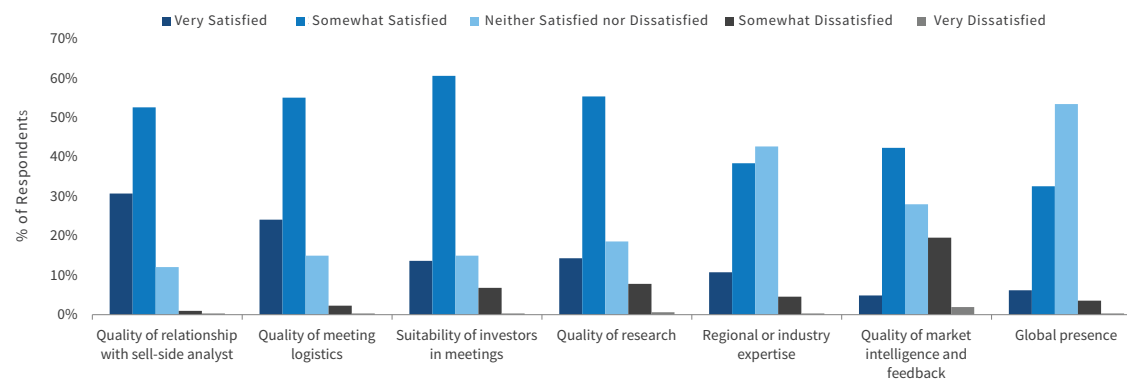
SATISFACTION LEVELS BY SERVICE CATEGORY


Consistent with last year's survey, issuers are most satisfied with their analyst relationship and meeting logistics -- two factors that are in the middle of the pack in terms of selection criteria, but the importance of which appear to be reinforced by the experience of the event. "That went smoothly," "I was treated well," "Jane is a smart and credible analyst and I'm glad she is on our side." These are not real quotes (real quotes may be found in the margin) but clearly the quality of the relationship (quality logistics here viewed as an expression of care and respect) between the issuer and the sponsor is critical to client satisfaction. Issuers are least satisfied with market

intelligence and feedback, a perennial negative -- but one somewhat out of the hands of sponsors who face a buy-side community that is often reticent to share feedback with them.

Finally, while respondents were generally satisfied with the suitability of investors, only 14% were very satisfied with results, compared to 35% who rated this factor as extremely important (highest by far among all factors). Companies have leverage with the sell side in terms of selecting events and controlling meeting invitations. Based on the survey results, few companies are using it effectively.

FIGURE 16 - SATISFACTION LEVELS BY SERVICE CATEGORY





"I have had good experiences visiting second tier, smaller markets. These participants tend to be very engaged investors."

**-North American Small-cap
Consumer Services Company**

TRENDS IN OVERALL SATISFACTION

While 76% of respondents reported being very satisfied or satisfied with their overall corporate access experience, half as many respondents report being very satisfied overall compared to two years ago (12% this year versus 23% in 2013). Issuers like their analysts and the way that they are accommodated, but as IRO sophistication continues to rise, we see some gaps in the success of corporate-access teams' ability to meet the higher expectations of issuers.

FIGURE 17 - TRENDS IN OVERALL SATISFACTION

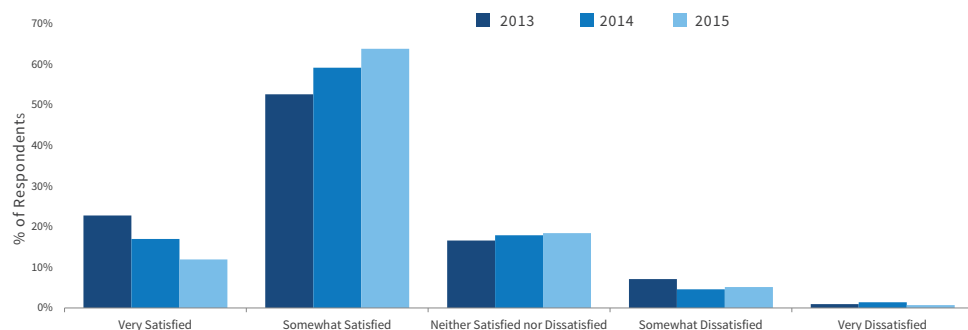


FIGURE 18 - TRENDS IN "VERY SATISFIED" BY SERVICE CATEGORY

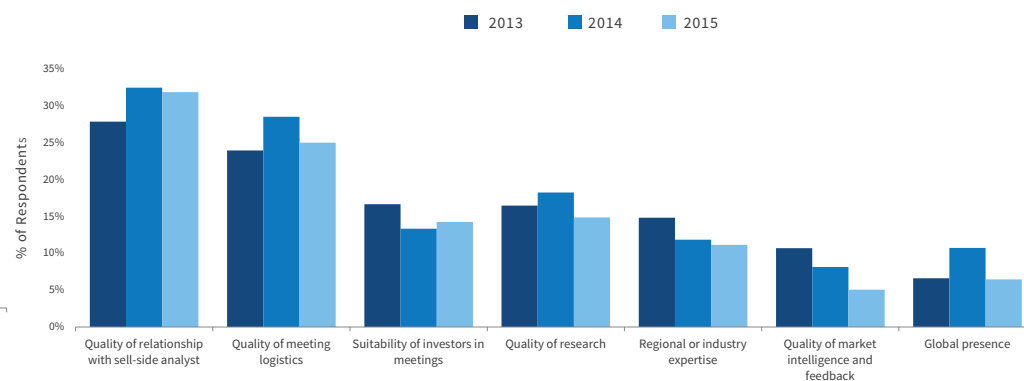


FIGURE 19 - SATISFACTION CATEGORY RANKINGS BY REGION

Rank of Extremely or Very Satisfied

2015		NORTH AMERICA	EUROPE	ASIA
SATISFACTION CATEGORY				
Quality of relationship with analyst	1	1	2	
Quality of meeting logistics	2	2	1	
Suitability of investors in meetings	3	4	3	
Quality of research	4	3	6	
Regional or industry expertise	5	6	5	
Quality of market intelligence and feedback	6	5	4	
Global presence	7	7	7	

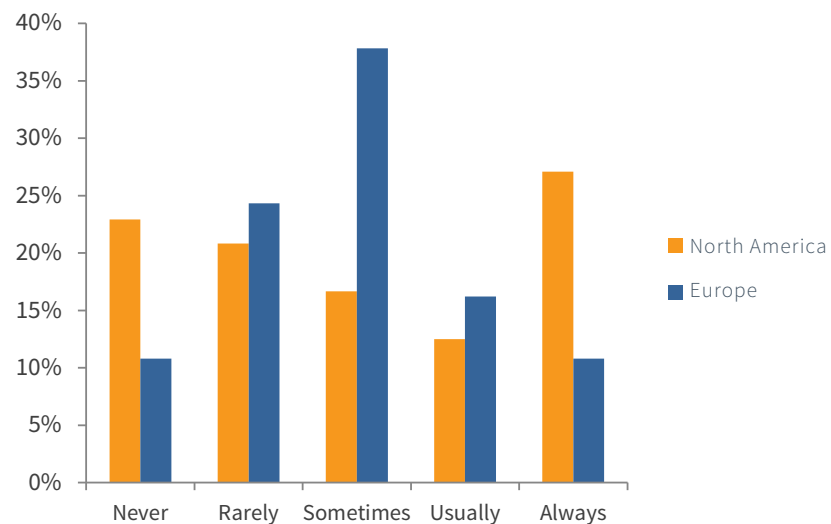
2014		NORTH AMERICA	EUROPE	ASIA
SATISFACTION CATEGORY				
Quality of relationship with analyst	1	2	1	
Quality of meeting logistics	2	1	4	
Suitability of investors in meetings	3	3	2	
Quality of research	4	4	3	
Regional or industry expertise	5	5	5	
Quality of market intelligence and feedback	6	6	7	
Global presence	7	1	6	

VIRTUAL MEETINGS

Demographics

31% of respondents participated in at least one virtual investor meeting in 2015, including nearly half of large-cap companies, but only one in five small-cap companies did so. European issuers leverage the technology more frequently than U.S. issuers (40% vs 27%).

FIGURE 20 - VIRTUAL MEETING ORGANIZERS



Frequency

Virtual meetings have established a beachhead, but have yet to set up base camp. Nearly 9 of 10 issuers report participating in 5 or fewer virtual meetings during 2015, while 1 in 5 companies conducted more than 5 virtual meetings over the period.

While corporate access plays an important role in leveraging virtual meetings to connect issuers and investors across all caps and markets, compared to in-person meetings issuers are more likely to independently arrange virtual investor meetings.

North America shows a greater tendency to independently organize virtual meetings (always or usually 40%) compared to Europe (always or usually 27%), but these percentages far exceed the percentage of issuers who "always" or "usually" organize their own road shows (12% across all regions).

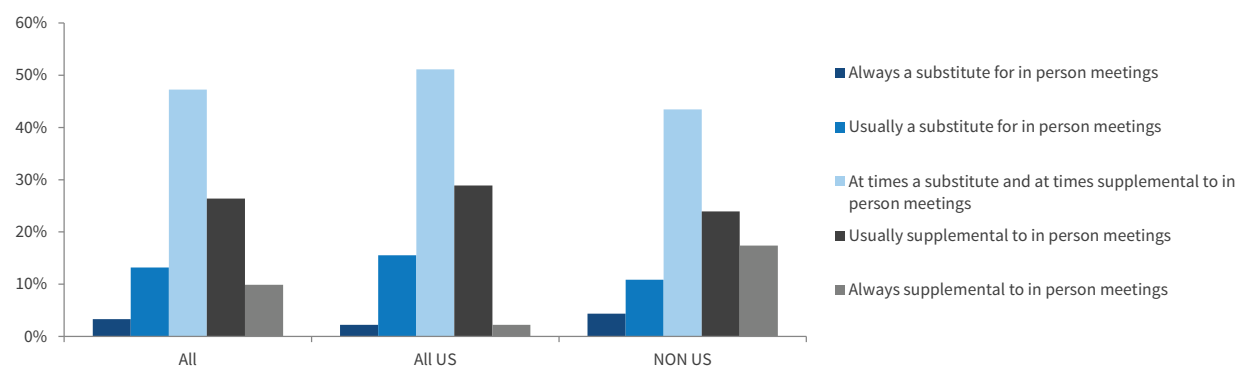
"Virtual meetings are a great way to get to investors who are located in out of the way places where there is insufficient an concentration of investors to make a half day of meetings. It is also a very efficient way to stay in touch in between personal visits."

-North American Mid-cap Technology Company

Virtual meetings hold the promise of increasing the frequency of communication by bringing parties together that do not have the opportunity to meet in person, typically due to a lack of proximity. In an era where we often lament that electronic communication has replaced in-person communication, a natural question to ask is whether virtual meetings are a replacement of or supplement to in-person meetings. The answer is...yes.

THE ROLE OF VIRTUAL MEETINGS

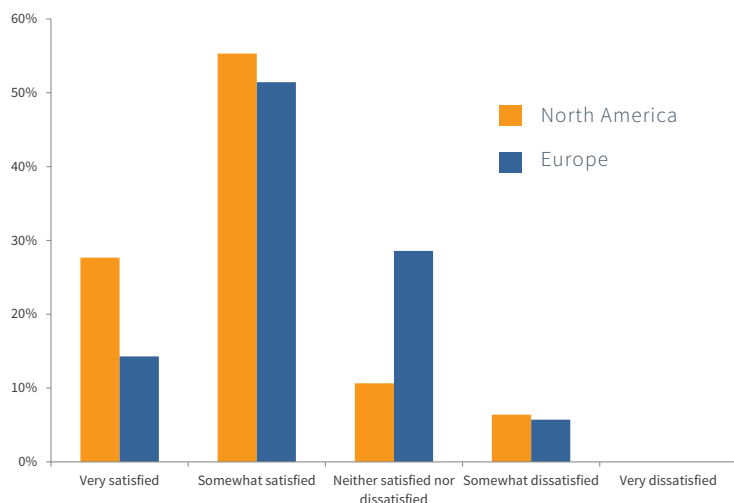
FIGURE 21 - ROLE OF VIRTUAL MEETINGS



In the chart above, we see a balance between virtual meetings acting as substitute and virtual meetings acting as supplement, with a significant skew toward the role of supplement. The skew indicates that virtual meetings, on balance, increase the overall frequency of interaction between investors and issuers.

ADDITIONAL HIGHLIGHTS ON VIRTUAL MEETINGS

FIGURE 22 - VIRTUAL MEETING ORGANIZERS



Concerned that an investor will cancel or forget to attend a virtual meeting? Rest assured, 81% of respondents were very or somewhat satisfied with the attendance and punctuality of participants.

Virtual meeting usage forecast:

- Plans to use/not use virtual meetings in 2016 is split 51/49% (use/not use).
- 94% of respondents who used virtual meetings during 2015 plan to increase or maintain their level of activity.
- 38% of respondents who did not use virtual meetings during 2015 do not plan to use virtual meetings during 2016.

74%

of respondents reported that they were at least somewhat satisfied with virtual meetings. No one reported that they were very dissatisfied.

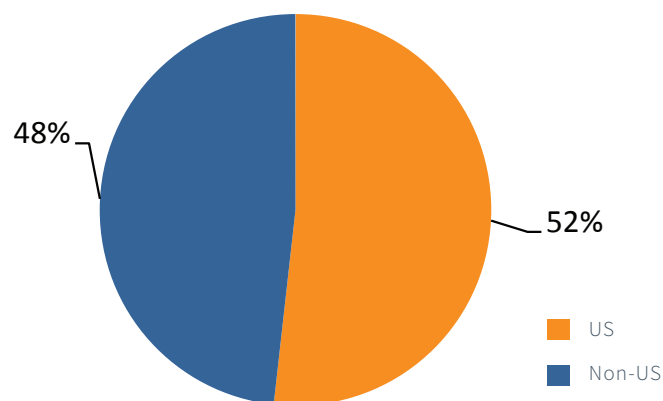
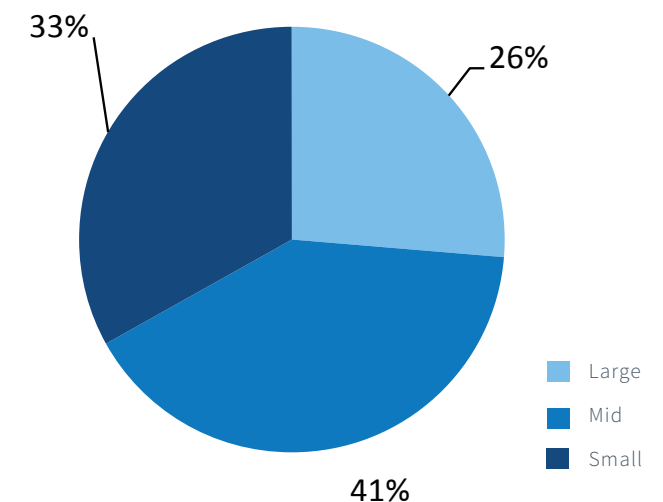
72%

of respondents reported that they were at least somewhat satisfied with the quality of the interaction during virtual meetings. No one reported that they were very dissatisfied.

85%

of respondents reported that they were at least somewhat satisfied with the quality of participants. No one reported that they were very dissatisfied. Of note, 26% reported that they were very satisfied with the suitability of investors, compared to 14% who reported they were very satisfied by at in-person events.

FIGURE 23 - BREAKDOWN OF SURVEY RESPONDENTS



SURVEY SCOPE

The 2016 sample included close to 350 respondents from 31 countries, spanning all market caps and sectors. Participation by large-cap companies, especially those based in the U.S., declined 42% year-over-year, participation by mid-cap companies declined 23% evenly across U.S.-based and non-U.S.-based respondents, while participation by small-cap companies increased 19%, with all of this increase attributable to non-U.S. respondents.

Our survey is not scientific – we did not observe the data we share in this report in a controlled environment. All statements and conclusions relate exclusively to the collected data, which are no doubt influenced by the make-up of the survey population. In this regard, we strive for consistency, while optimizing the trade-off between trying to best capture reality this year, and maximizing our ability to compare current results to prior years. We do our best to identify trends, and then have them confirmed in subsequent years.



FIND OUT MORE ABOUT IPREO

We work as an extension of our clients' Investor Relations team

Ipreo is a leading global provider of financial services technology, data and analytics. We support all participants in the capital-raising process including banks, public and private companies, institutional and individual investors, as well as research, asset management and wealth management firms. Our extensive suite of investor relations services provides our corporate clients with unparalleled cross-asset class surveillance, investor targeting, buy-side perception studies, transaction analysis and predictive analytics. Additionally, Ipreo's BD Corporate IR workflow platform offers the most accurate and comprehensive database covering global institutional contacts, profiles, and ownership data. Our critical insights and flexible solutions help our clients run more effective investor relations programs. Ipreo is private-equity held by Blackstone and Goldman Sachs Merchant Banking Division, and has more than 1000 employees supporting clients in every major financial hub around the world.

