

IPREO

GLOBAL CORPORATE ACCESS STUDY



Global Corporate Access Survey

Presented by Ipreo

Ipreo is pleased to present results from our 2013 Corporate Access Survey. Now in its fourth year, the survey aims to monitor activity levels, management participation, sponsor utilization trends, sponsor importance factors, overall satisfaction levels, and notable regional variations. We welcome your feedback and questions – drop us a line at corporateaccess@ipreo.com

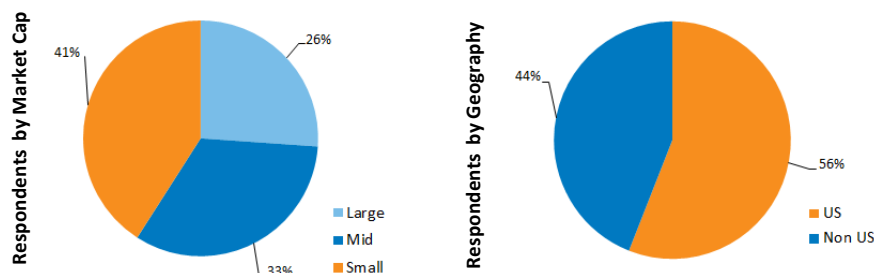
Key Findings

- Larger companies continued to grow marketing levels while small caps extended declines globally. Activity at the mid-cap level was mixed depending on region and activity type.
- Covering brokers still dominate corporate access, but their share of events is eroding as non-covering brokers, service firms, and self-directed outreach continue to gain share.
- Overall corporate access satisfaction levels continue to improve, driven predominantly by small- and mid-cap issuers. Feedback & Market Intelligence remains the lowest-ranked satisfaction factor, but ratings improved year-over-year around the globe.

Survey Scope

The 2013 sample included 450 respondents from 44 countries, spanning all market caps and sectors. This year’s sample size marks a 25% increase over the prior year with wider global participation.

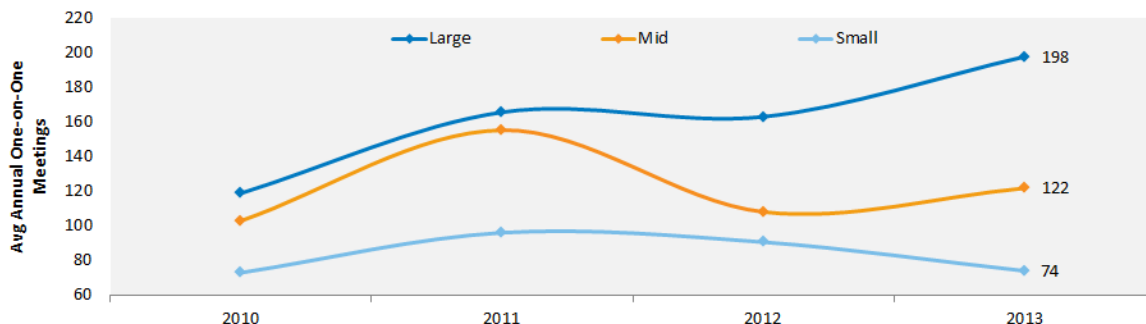
Figure 1 - Participants



Event Activity Levels

Across our global sample, this year’s overall average one-on-one meeting levels declined to 108 meetings from 116 in the year-ago period.

Figure 2 - One-on-One Meeting Trends (2010—2013)



What’s Inside?

- Event Activity Levels 1-2
- Management Participation 3
- Organizer Trends 4
- Sponsor Success Factors 5
- Satisfaction Levels 6-7
- Regional Highlights 7-8
- Conclusions 8

About Ipreo

Ipreo is a global leader in providing market intelligence, data, and technology solutions to all participants in the global capital markets, including sell-side banks, publicly traded companies, and buy-side institutions. From new issuance through ongoing investor management, our unique solutions drive connectivity and efficiency throughout all stages of the capital-raising process.

Global Corporate Access Survey

Presented by Ipreo

Examining one-on-one meeting trends by market cap, we observe that the overall net decline was driven by small-cap issuers, while large-cap companies continued a steady trend of rising outreach (Figure 2). These patterns are consistent with anecdotal observations across our corporate client base as a challenging sell side environment continues to bias attention to larger, more liquid names.

Large caps recorded increases both in the US and abroad, while overall decreases in small-cap activity were driven by non-US issuers (Figure 3). While global mid-cap activity levels registered a year-over-year increase, the trend is reversed when focusing on the US market where the group recorded a moderate decrease.

At the investor conference level, similar trends are observed with large caps increasing annual conference activity (Figure 4). Year-over-year changes across the small-cap space were muted as conferences are often a staple of smaller company marketing. Mid-cap issuers booked a notable increase outside the US — a trend that held in closer views of both the European and Asian markets.

Global roadshow activity remained mostly unchanged year-over-year, down “one tenth of a roadshow” versus our 2012 survey. Consistent with other event frequency statistics, the net decrease was driven by smaller issuers while large caps grew their roadshow levels (Figure 5). In the US market, large caps added about one additional trip on average, while non-US issuers recorded more marked gains, up over two trips relative to 2012. The strongest non-US gains came from European issuers, who took to the road aggressively despite challenging economic conditions in the home market.

Quotable

“We want proactive blunt feedback. Quit treating companies with kid gloves and tell them how it is.”

— Small Cap, Basic Materials

“Frankly, there are too many firms chasing companies to go on the road - and there aren't enough destinations to accommodate all requests.”

— Mid Cap, Industrials

“From a company perspective the battle between who we would like to meet and who the broker sets us up with creates room for improvement.”

— Mid Cap, Basic Materials

Figure 3 - One-on-One Meetings

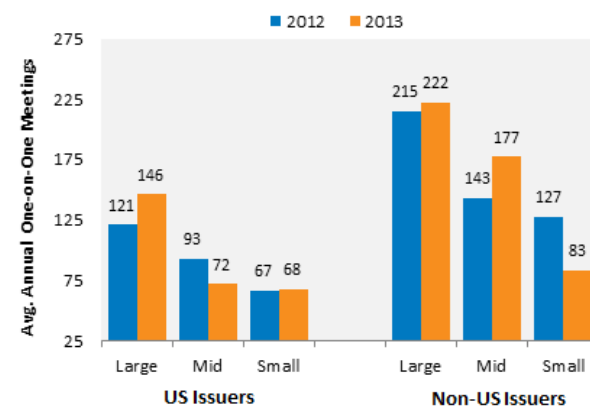


Figure 4 - Investor Conferences

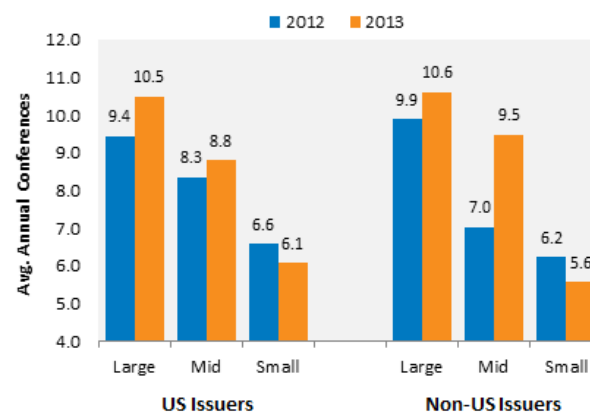
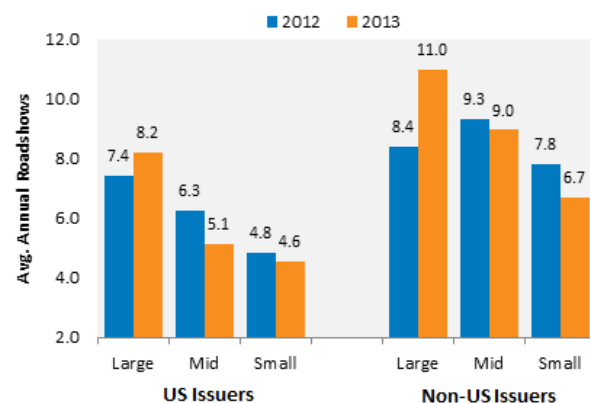


Figure 5 - Roadshows

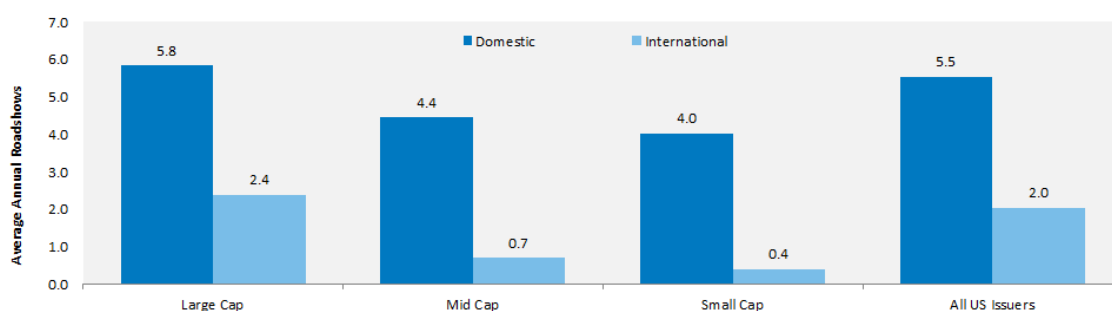


Global Corporate Access Survey

Presented by Ipreo

Consistent with prior surveys, we analyze roadshow frequency with a breakdown on domestic vs. international travel. Since this breakdown applies mainly to US issuers, we focus Figure 6 on US issuers only, documenting the prevailing domestic vs. international benchmarks by market cap. Large-cap issuers showed increased year-over-year International marketing levels at 2.4 roadshows from 2.0 a year ago. Mid- and small-cap issuers continue to execute less than one international roadshow annually, with each cap group's averages declining modestly year-over-year.

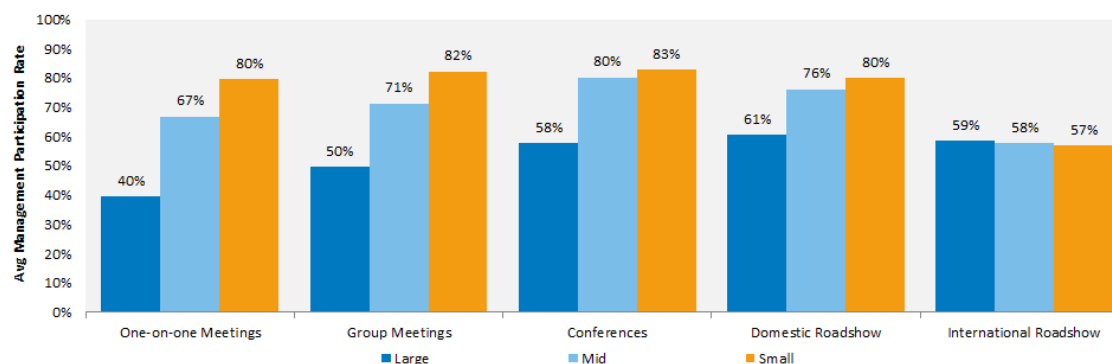
Figure 6 - Domestic vs. International Roadshow Frequency (US Issuers Only)



Management Participation

Management participation rates demonstrated similar patterns to the prior year's survey, with the highest rates for conferences and domestic roadshows. The negative relationship between participation rate and company size also held, with small caps consistently showing the highest participation rates. This finding matches expectations as the IR/C-suite line often blurs at smaller companies.

Figure 7 - Management Participation Rates by Meeting Type



While counterintuitive, international roadshow work (Figure 7) remains an area of reduced C-level participation for smaller issuers. This reflects the fact that many international roadshows, particularly for North American issuers, are conducted on a reconnaissance basis before committing C-level time, or are often handled by local operational management. Overseas investor meetings can also be executed in conjunction with remote office or manufacturing site visits, taking the emphasis off the trip as a full investor marketing event.

Top Non-Domestic Metro Destinations

North American Issuers

1. London
2. Toronto
3. Frankfurt
4. Zurich
5. Edinburgh

European Issuers

1. London
2. New York
3. Boston

Asian Issuers

1. New York
2. London
3. Hong Kong

Global Corporate Access Survey

Presented by Ipreo

Organizer Utilization Trends

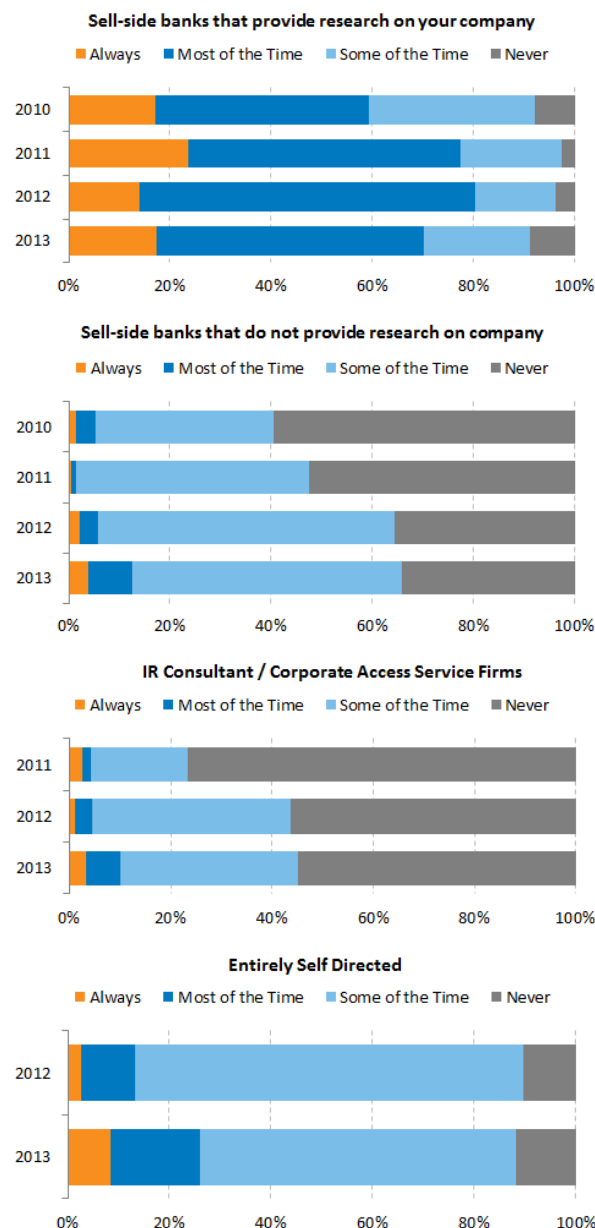
Over the past four years, we have consistently asked about the breakdown of events executed with covering brokers vs. non-covering brokers. Covering brokers remain the go-to provider, with 70% of the 2013 participants indicating that they “Always” or “Most of the Time” go on the road with a bank that covers their company.

While 70% is a dominant share, for the fourth straight year we have observed an increase in non-covering brokers providing corporate access. Figure 8 shows the combined share of “Always” and “Most of the Time” rising to 12% of respondents from 6% last year, and under 2% in 2011. Additionally, “Never” responses have steadily declined from 60% in 2010 to 34% in 2013. While we may be tempted to attribute the rise to small-cap respondents, the trend is actually amplified when small caps are removed from the sample.

Coincident with a shifting focus of sell side coverage in favor of larger issuers, the rise of non-covering brokers as originators appears to be durable and broad-based. While issuers may regret the lack of fresh research as an output from a marketing event, travelling with a non-covering broker can have other positive benefits – notably differentiated investor contacts, and always the possibility for future research pickup in the event the story resonates with the broker’s clients.

Outside of sell side sponsored corporate access, we also found rising self-directed activity and broader adoption of IR consultants and corporate access service firms. While the trends hold across cap groups, self-directed outreach is growing particularly for large caps, while small caps are embracing non-broker access providers most readily.

Figure 8 - Organizer Utilization Trends (% of Respondents)



Quotable

“Lack of follow up is a persistent problem. We often do not hear what the investor’s opinion was of the meeting or whether the investor took any action.”

— Small Cap, Consumer Services

“We have the usual frustration with the give-and-take that always takes place with the sell side; they want to visit their best trading clients while we want to visit long-only, low-turnover institutions”

— Small Cap, Technology

“I tend to work with corporate access teams that are communicative and collaborative throughout the entire meeting and logistics planning process.”

— Large Cap, Consumer Goods

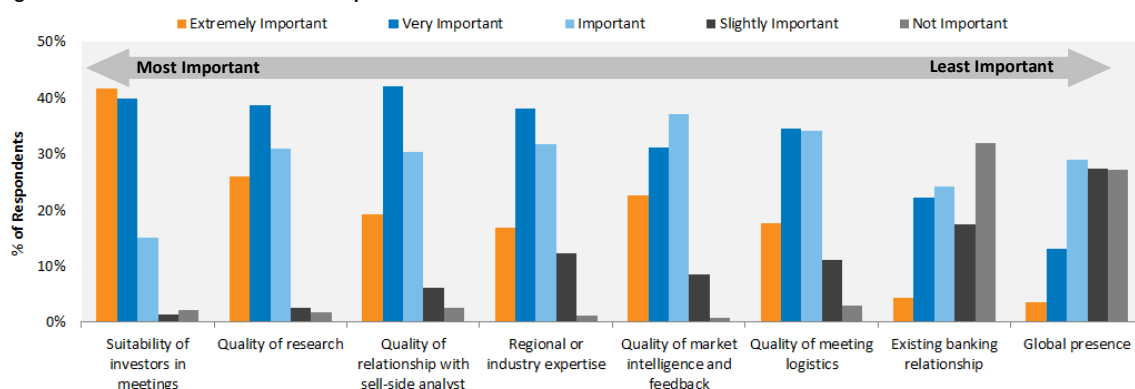
Global Corporate Access Survey

Presented by Ipreo

Sponsor Success Factors

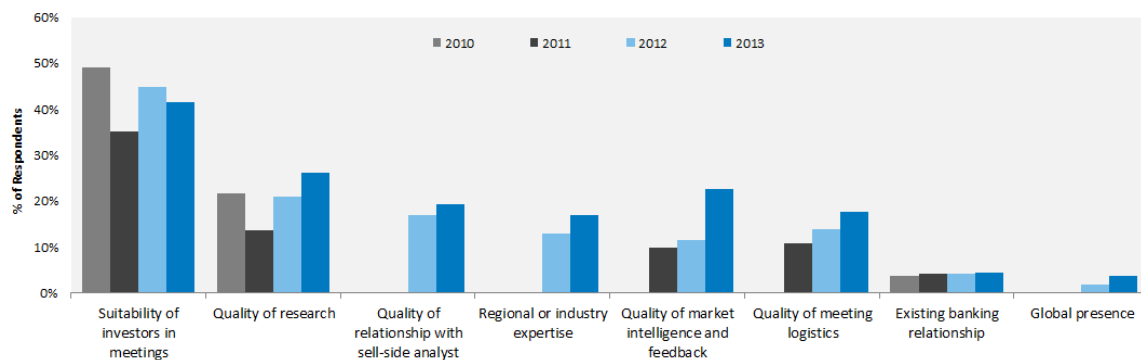
“Suitability of Investors in Meetings” continues to be the most highly valued service provided by corporate access sponsors. 77% of respondents indicated an “Extremely Important” or “Very Important” for this service category, down from 88% in the year-ago survey, but solidly ahead of “Quality of Research,” which 67% of respondents gave a high priority.

Figure 9 - What do Issuers look for in a Sponsor?



While investor suitability remains the leading importance factor, the edge appears to be eroding relative to other factors over time. Figure 10 shows percentages of respondents indicating “Extremely Important” across each survey year where data exists. Key trends include the rising prominence of research quality, market intelligence and feedback, and logistics as important factors to overall satisfaction. A market cap breakdown reveals further interesting trends, notably the degree to which small-cap respondents increasingly rate research quality as “Extremely Important.” In 2010, 7.1% of small-cap respondents ranked research quality highest, compared to 23% in the 2013 survey.

Figure 10 - Trends in “Extremely Important” Responses by Service Category

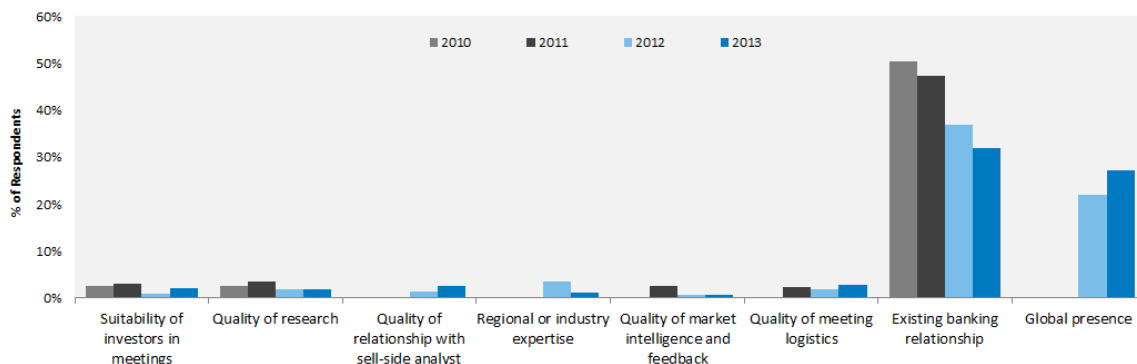


Looking at trends in “Not Important” responses, one notable finding surfaces: across market caps and global regions, “Presence of Existing Banking Relations” has steadily declined from 50% citing “Not Important” in 2010 to 32% in 2013 (Figure 11). Broader banking relationships appear to be gaining relevance in corporate access at a time when declining research coverage can mean fewer touch points for brokers and issuers.

Global Corporate Access Survey

Presented by Ipreo

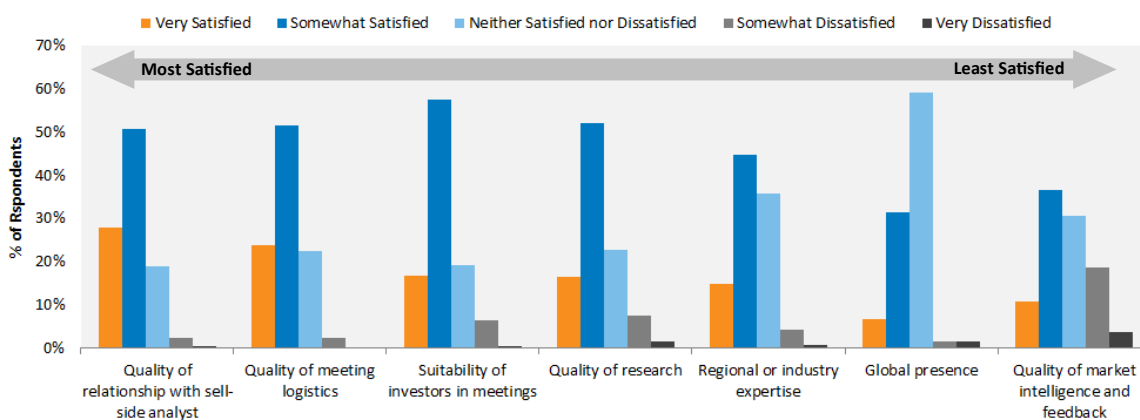
Figure 11 - Trends in “Not Important” Responses by Service Category



Satisfaction Levels

Consistent with our 2012 survey, issuers are most satisfied with their analyst relationship and meeting logistics, and least satisfied with market intelligence and feedback (Figure 12). Attitudes were mixed with respect to investor suitability, research quality, and regional or industry expertise, while global presence does not appear to weigh heavily when broadly evaluating satisfaction. Rankings were mostly consistent across regions and cap sizes, though notable exceptions included Asian issuers’ elevated satisfaction with market intelligence and feedback, and large-cap issuers’ higher marks on logistics.

Figure 12 - Satisfaction Levels by Service Category



Looking at overall corporate access satisfaction levels over time, Figure 13 (next page) tells a positive story with “Very Satisfied” and “Somewhat Satisfied” responses rising from 62% in 2011 to 76% of our sample in 2013. Strengthening satisfaction levels were driven predominantly by small- and mid-cap issuers, while large-cap responses have remained more consistent over time. Large caps have demonstrated a three-year trending increase in “Somewhat Dissatisfied” responses, but the sentiment remains confined to 13% of the large-cap sample.

Quotable

“There are too many firms trying to provide corporate access, many of which do a very poor job. Having robust CRM and prospecting tools are essential for any IRO to do his/her own research.”

— Mid Cap, Energy

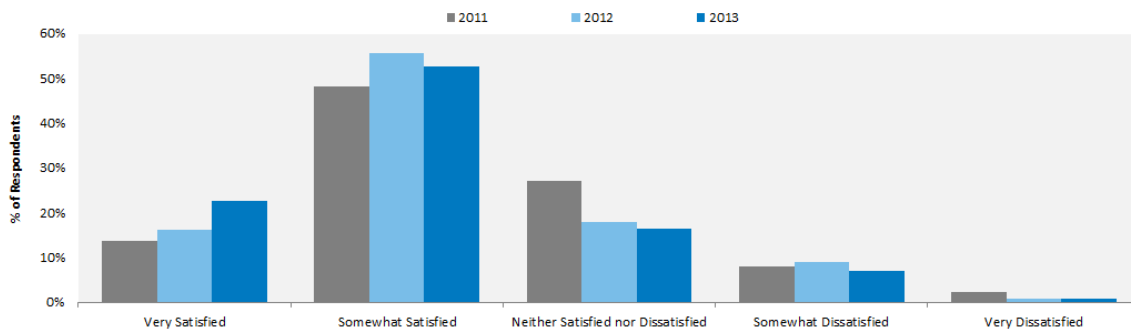
“We provide targets, screen all meeting attendees and accept only meetings of interest. All the sell side firms are courteous in allowing us to manage this aspect.”

— Mid Cap, Healthcare

Global Corporate Access Survey

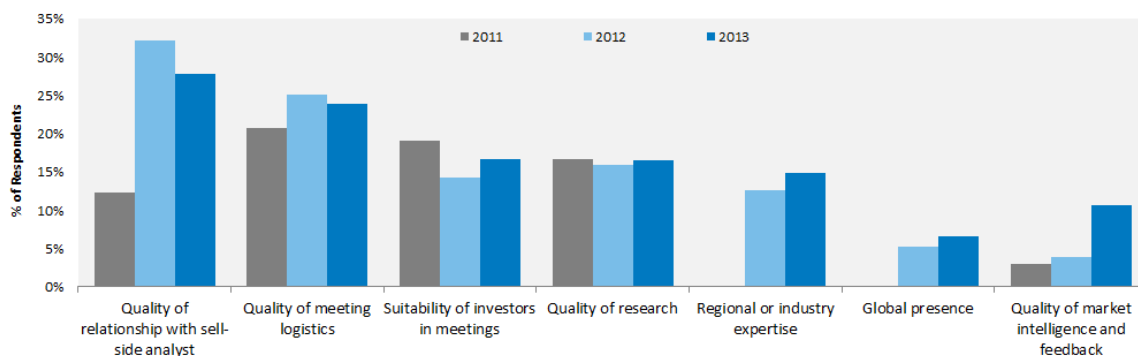
Presented by Ipreo

Figure 13 - Trends in Overall Satisfaction



To understand what is driving improvement behind the scenes, we present individual satisfaction factors through time in Figure 14. Across all global regions and cap sizes, analyst relationship quality, meeting logistics, and market intelligence and feedback appear to be making positive strides in “Very Satisfied” responses.

Figure 14 - Trends in “Very Satisfied” by Service Category



Regional Highlights

Looking at importance factors and satisfaction levels across regions paints an interesting picture of what matters to IROs around the globe. North America and Europe align closely in rankings of importance factors, with suitability of investors and research quality ranking highest (Figure 15). While investor suitability also holds as the #1 factor for Asia, quality of market intelligence and feedback emerges as a

Figure 15 - Importance Factor Rankings by Region

Importance Factor	North		
	America	Europe	Asia
Suitability of investors in meetings	1	1	1
Quality of research	2	2	3
Quality of relationship with analyst	3	3	5
Regional or industry expertise	4	4	7
Quality of market intelligence and feedback	5	6	2
Quality of meeting logistics	6	5	4
Existing banking relationship	7	7	6
Global presence	8	8	8

#2 ranking – a notable contrast to North America and Europe. Asian issuers also appear to hold less interest in relationship quality with their sell side analyst, ranking this factor fifth relative to North American and European placement in the top three.

Quotable

“I’ve had corporate access providers contact me ahead of time to obtain a list of institutional investors that we would like to meet. I appreciate this approach instead of only filling our day with their largest traders.”

— Small Cap, Technology

“There needs to be better investor/meeting feedback post-event.”

— Small Cap, Financials

Global Corporate Access Survey

Presented by Ipreo

Figure 16 - Satisfaction Category Rankings by Region

Satisfaction Category	North		
	America	Europe	Asia
Quality of relationship with analyst	1	2	3
Quality of meeting logistics	2	1	1
Suitability of investors in meetings	3	3	2
Quality of research	4	4	4
Regional or industry expertise	5	5	7
Global presence	6	7	6
Quality of market intelligence and feedback	7	6	5

Examining satisfaction level rankings, we again see close alignment between North American and European issuers apart from an interesting variation on meeting logistics (Figure 16). Europeans may have lower expectations when it comes to tight planning and expedience, or brokers may simply be providing better service to the European market. Pivoting to Asia, we again observe sharper variations against North American and European respondents. Asian issuers ranked satisfaction with their sell side analyst relationship third, and give their highest marks to meeting logistics.

Conclusions

This year's results extended multi-year trends of increased outreach activity from large-cap issuers. Mid caps were mixed depending on the region and activity type, while small caps recorded continued declines. Corporate access remains dominated by covering brokers, but a robust trend of increased activity from non-covering brokers persists. In general, Quality of Market Intelligence and Feedback remains the most dissatisfying aspect of corporate access. This finding is consistent with prior surveys and echoed in numerous comments, but ratings for the category did improve for 2013, particularly for smaller issuers and Asian respondents. Overall satisfaction continues to trend higher, with 76% of our sample indicating a "Very Satisfied" or "Somewhat Satisfied" rating.

For more information or additional survey data extracts please contact:

Bill Sherman

EVP & Managing Director
Global Data Strategy & Analytics
+1 212-849-5417
bill.sherman@ipreo.com

Nick Arbuthnott

Managing Director
European Sales
+44 (0) 20 7665 9741
nick.arbuthnott@ipreo.com

Meghan Donohue

Senior Product Manager
Global Products & Applications
+1 212-849-0438
meghan.donohue@ipreo.com

O'Hara Macken

EVP & Managing Director
Global Products & Applications
+1 212-849-5055
ohara.macken@ipreo.com

Justin Reynolds

Managing Director
Asia Pacific
+852 3975 2609
justin.reynolds@ipreo.com

John Demler

Product Manager
Global Products & Applications
+1 212-849-0414
john.demler@ipreo.com

Paul Hebert

EVP & Managing Director
Global Sales
+1 212-849-5011
paul.hebert@ipreo.com