



IR

Research
Report

magazine

IR Websites

IR Magazine's report on IR websites is a major piece of research into a tool often overlooked by corporates as an effective channel for investor engagement. It reveals many lessons corporates and IR teams would be wise to heed on how websites can be fully exploited to gain the most from effective investor interest and, vitally, act as the initial opening for investor contact.

SAMPLE

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Introduction: The importance of IR websites

IR websites are a vital way for the IR community to put across its message in a clear and focused way. And because engaging investors and getting investor buy-in for listed companies is moving more and more toward all things digital, the IR website is that all-important first point of contact.

So are IR websites serving their function in achieving that important favorable impression upon first contact? This report reveals that IR websites are indeed providing a point of contact for IR, with the exception of mega-cap companies. This should give such organizations pause for thought: on a basic but fundamental level, a reluctance to promote a point of contact is a major flaw. In fact, from an IR perspective, it is nonsense – how can investor engagement be achieved if no contact can be found? Moreover, providing a named IR contact online is good practice and sends a positive message of openness, transparency and readiness to help investors.

Once connected, do IR websites serve as a successful engagement and communication function? Here, the perspective is positive, especially when dealing with investor requests – usually the starting point for any investor engagement – and making annual reports and corporate releases easily accessible. This is good news.

But there is also a bigger picture that presents a major difficulty to the IR professional. There exists a major business strategic challenge in that senior managers, especially at most large companies, still regard their corporate website as something of a peripheral business tool. There are signs this approach is beginning to change but, until it does so fully, the IR professional will be at the mercy of the overall company strategic approach to the website and other forms of digital communication. It is imperative, therefore, for the IRO to present a strong message to the senior management team about how an effective IR website can serve as a crucial shareholder engagement tool.

Ultimately, it should be kept in mind that investors, especially in the new world of Mifid II, are looking for more direct engagement with companies and seeking detailed information to assess the attractiveness of a stock as efficiently and accurately as possible. In this way, an effective corporate and IR website is an obvious – possibly the *most* obvious – starting point. And IR teams should treat it as such, ensuring all essential up-to-date company information is at the fingertips of investors online.

Key findings

- The three most important types of information for the investment community are corporate and regulatory press releases, a named IR contact and a schedule of upcoming events and reports.
- More than seven in 10 companies (71 percent) include interactive stock quotes on their IR websites, even though most investors and analysts don't consider them to be a valuable addition.
- Asian companies generally provide a less comprehensive range of information on their websites than European and North American firms.
- Only 45 percent of companies in North America include information on social responsibility practices on their website, compared with 70 percent in Europe and 71 percent in Asia.
- North American IR websites are more likely to include an FAQ section for investors (62 percent) than European (37 percent) or Asian sites (44 percent).
- Mega-cap companies are less likely to include a named IR contact on their website, with only 59 percent of them doing this compared with 81 percent of mid-caps and large caps.
- When it comes to results information, slide presentations are the most important source for the investment community and video recordings the least important, which correlates with how commonly these sources of information are used by IR websites. But while the average score given to transcripts by investors and analysts is 4.3 out of 5, only 35 percent of companies provide this information for results and only 18 percent provide it for investor conference presentations.
- Large-cap companies are generally more comprehensive in the types of information provided in their investor presentations than small-cap companies.
- Globally, only 6 percent of investors and analysts say they require no notification of when a new presentation is made available on a company's IR website. More than a third (36 percent) of IR departments send no notifications at all.
- Overall, 94 percent of survey respondents believe annual reports should be made available on IR websites for at least three years. Three quarters (75 percent) say investor presentations should be made available for at least that long and 79 percent say the same of quarterly/half-yearly results information.
- The majority of companies make annual reports and quarterly/half-yearly results available for at least five years, which is the preference of the investment community.
- The vast majority (93 percent) of the investment community believes all information requests sent via the IR website should be responded to within 48 hours; 55 percent feel it should be even speedier and responded to within 24 hours.
- Almost all IROs (96 percent) say requests are typically responded to within 48 hours; 75 percent respond within 24 hours.

Website content: What IR websites make accessible

IR Magazine surveyed 617 corporate IROs and senior managers to ask what information was directly accessible on their IR website.

What information is on your website?



Globally, the top four most commonly accessible types of information correlate exactly with what the investment community wants most. Interactive stock quotes come in fifth place, with 71 percent of companies including them on their IR websites, despite just 13 percent of investors and analysts considering them to be a valuable addition. It should be noted that interactive stock quotes are unlikely to be of interest to fund managers and analysts who can easily get such information elsewhere, though some individual shareholders – who don't have access to investment professionals' tools and software – do appreciate them.

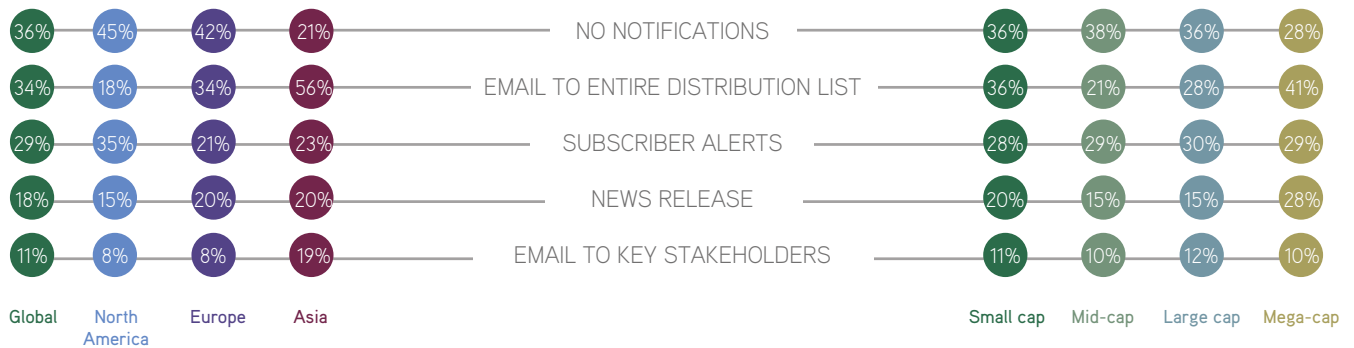
There are a number of regional differences with Asian companies generally having less information on their websites than European and American firms. The fact that Asian IR websites are below par – most often in the 'About Us' and 'News' sections – is a long-running complaint and can, in part, be attributed to the regulatory and cultural differences between Asia, Europe and the US. There are, however, signs that this is slowly starting to change, especially within the IR sections of corporate sites.

For companies in North America, the greatest difference is in the inclusion of social responsibility practices, with only 45 percent of companies putting them on their website, compared with 70 percent in Europe and 71 percent in Asia. This highlights

New presentation notifications

Corporate IROs and senior managers were asked: How do you notify investors or analysts when a new presentation is posted on your website?

Presentation notification methods



How the investment community prefers to hear about new presentations

IR Magazine asked the investment community: How do you prefer to be notified when a new presentation is posted to the website of a company you cover/invest in?

Investors' notification preferences



Globally, only 6 percent of investors and analysts say they require no notification of when a new presentation is made available on a company's IR website. This contrasts sharply with the actions of IR departments, 36 percent of which send no notifications at all. Sell-side analysts in particular prefer to receive notifications via email (74 percent) and only 2 percent of them feel no notification is required, compared with 10 percent of fund/portfolio managers.

Views from the buy side

We asked the investment community to provide us with any comments it has about IR websites. Here is a selection of the responses.

Fund/portfolio managers

‘Websites reflect the management style of the company – hence, if they are not in order, the company is usually being pretty badly managed. It is not much of an effort to put up all the recent files, even many years in arrears. So if it takes me a lot of effort to look for such files or if they are not on the website, I assume the company wants to hide something or that it does not care about its shareholders’ – Europe

‘Probably asking too much but it would be great if the industry could come up with a standard template for website layouts so that investors can get what they are looking for immediately without having to relearn each website’ – Europe

‘Should provide the opportunity for interaction/feedback from investors’ – Asia

‘Sometimes it is quite difficult to work out the name of the head of IR and his/her contact details’ – Europe

‘Have as much information available as is sensible. Make the site easy to navigate so you are able to find what you need quickly’ – Asia

‘A good website is worth the investment’ – Europe

‘Named IR contact/email better than just a mailbox address’ – Europe

‘Need more ESG disclosure’ – North America

Buy-side analysts

‘The more archived content, the better. Historical quarterly financials and disclosed metrics provided in a complete Excel file is much appreciated’ – North America

‘All presentation materials from at least the last five years should be available on the website. Key stats should also be available’ – Europe

‘Easy overview: don’t want to search too much for information. Corporate governance information is usually pretty weak’ – Middle East

‘Have specific IR email contact details. Have FAQs that cover financial and ESG questions’ – Europe

‘Info needs to be reachable in two clicks’ – North America

‘Making historical presentations and reports easy to find is crucial, as is anything timely that is happening now (the current webcast, next event, and so on)’ – Europe

‘Please make available annual reports as far back as possible; history is important’ – Europe

‘What’s very important to me is an investor presentation describing the most important aspects of the company’s business and latest numbers’ – Europe

The complete IR websites report contains the following key information:

- Which types of information should be directly accessible on the IR website
- How long information should be kept on the IR website
- In what formats results information and conference presentations should be made available
- Which types of information should be included within company presentations
- How the investment community should be notified when a new presentation is uploaded
- How quickly information requests should be responded to

The full report is only available to IR Advanced subscribers.

Subscriber reports to be published this year include:

Views from the buy side – insight into investment community views and requirements

- Investor Engagement
- IR Websites

IR benchmarking – analysis of IR activities and resources across regional, market cap and sector peer groups

- IR Resources
- Senior Management IR Practice
- The IR Function

Award-winning IR – a series of comprehensive regional reports looking at the best-performing companies and individuals for IR, as voted for by the investment community and industry judges

- Award-Winning IR – Asia
- Award-Winning IR – Canada
- Award-Winning IR – US
- Award-Winning IR – Europe

IR insight and strategy guides – strategic guidance and industry insight on a range of IR topics

- IR Salary & Careers
- The Value of IR
- Technology & IR
- IR Objectives & Challenges
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