



THE STATE OF
**Investor
Relations**
IN THE VIRTUAL WORLD
2021

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Introduction

The COVID-19 pandemic created an onslaught of change and challenges for investor relations (IR) professionals in 2020. Lockdowns that started in January in Europe and hit North America and other markets in March, led to the cancellation of thousands of face-to-face meetings, roadshows, annual general meetings and conferences. This forced IR teams worldwide to find new ways to connect with portfolio managers, shareholders, analysts, retail investors and the broader financial community.

Starting in late May, protests for racial and social justice across the U.S. and beyond drew more focus to companies' Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) initiatives. IR teams recognized the need to place greater emphasis on Diversity and Inclusion (D&I) in their communications in addition to explaining how they were keeping their employees, customers and communities safe from the virus. This was, of course, on top of assuring stakeholders that they were strongly positioned to weather the financial storm and meet longer-term growth and profitability targets.

From October to December, Cision and the National Investor Relations Institute (NIRI) surveyed and spoke with senior IR leaders from companies representing a broad set of industries and market caps to capture their views on how they responded to an unprecedented year with a crisis around every corner — and where they see the industry headed.



KEY TAKEAWAYS



Travel restrictions caused face-to-face meetings to go virtual in 2020, a trend that will last through 2021. Nearly half of companies plan to hold fully virtual shareholder or general meetings this year while others are still weighing their options.



While most IR leaders were satisfied with how they responded to the immediate plunge into a largely virtual world, a significant percentage felt it impacted their influence internally.

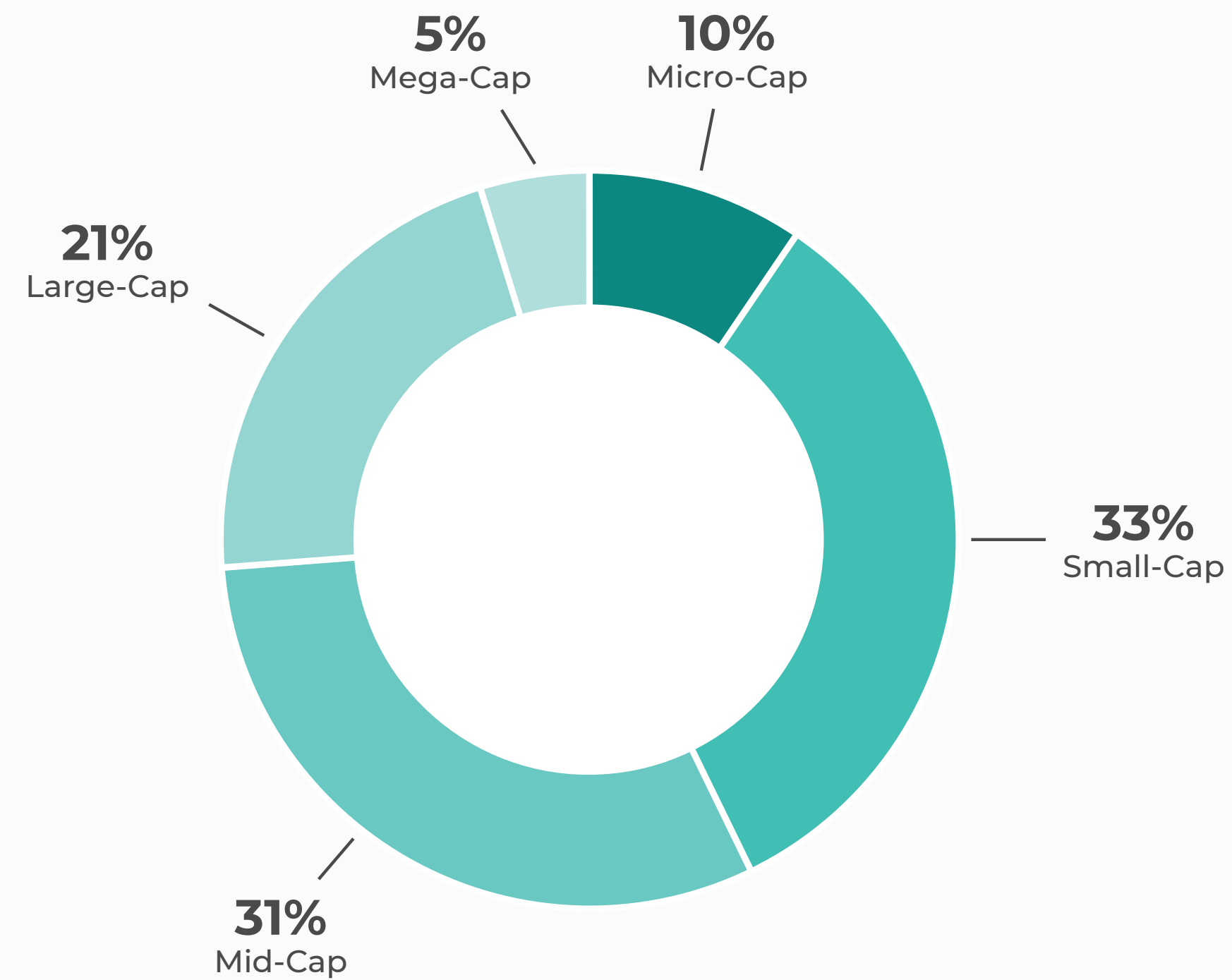


CSR budgets continue to rise during a time when companies are scaling back; a number of companies are underscoring commitments to D&I.

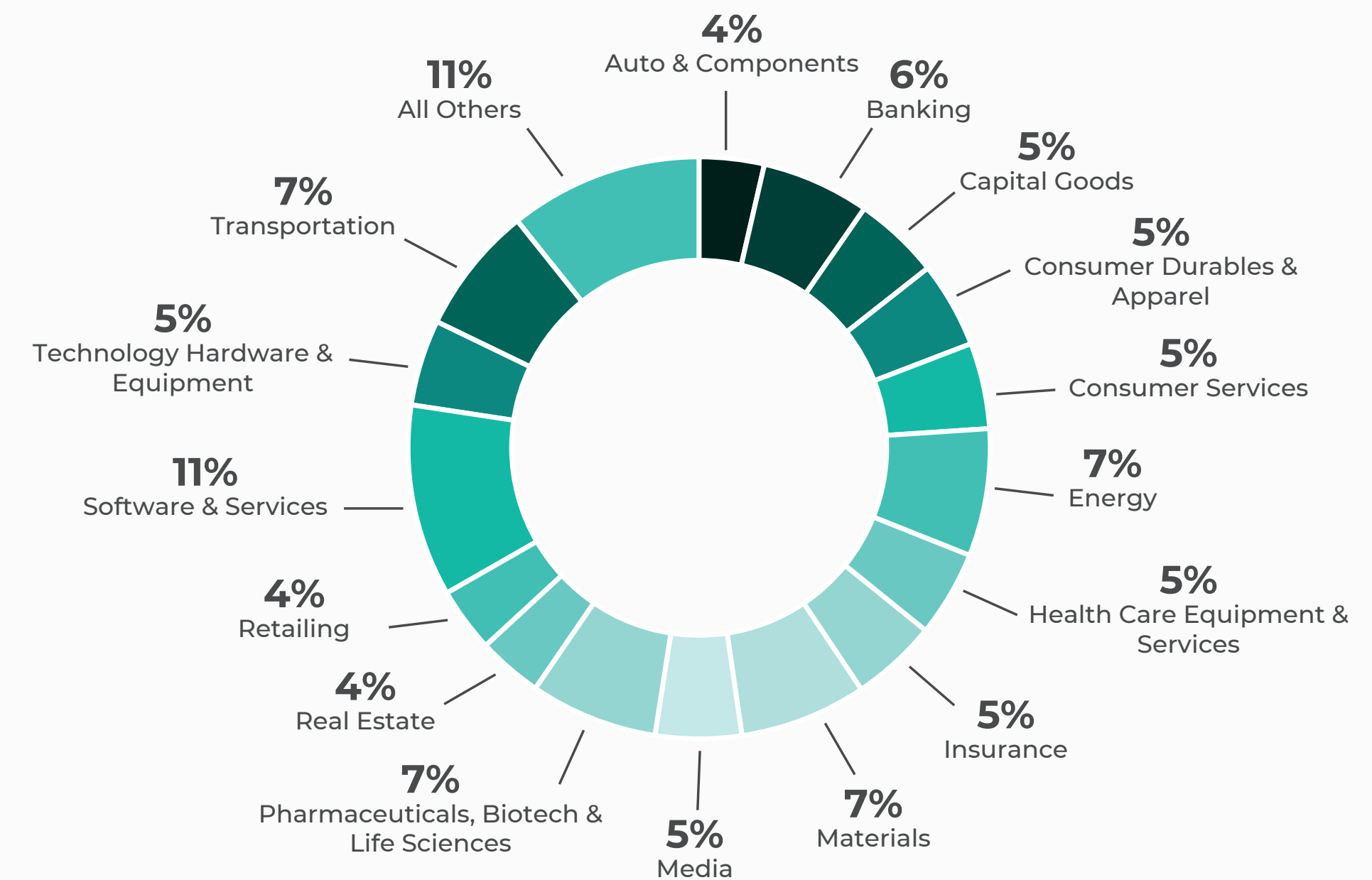


Newsire releases, webcasts and IR contact CRMs ranked as the top communications vehicles for IR teams in an increasingly digital space.

What is your company's market cap?



Which of the following best describes your company's sector?



COVID-19 Impact

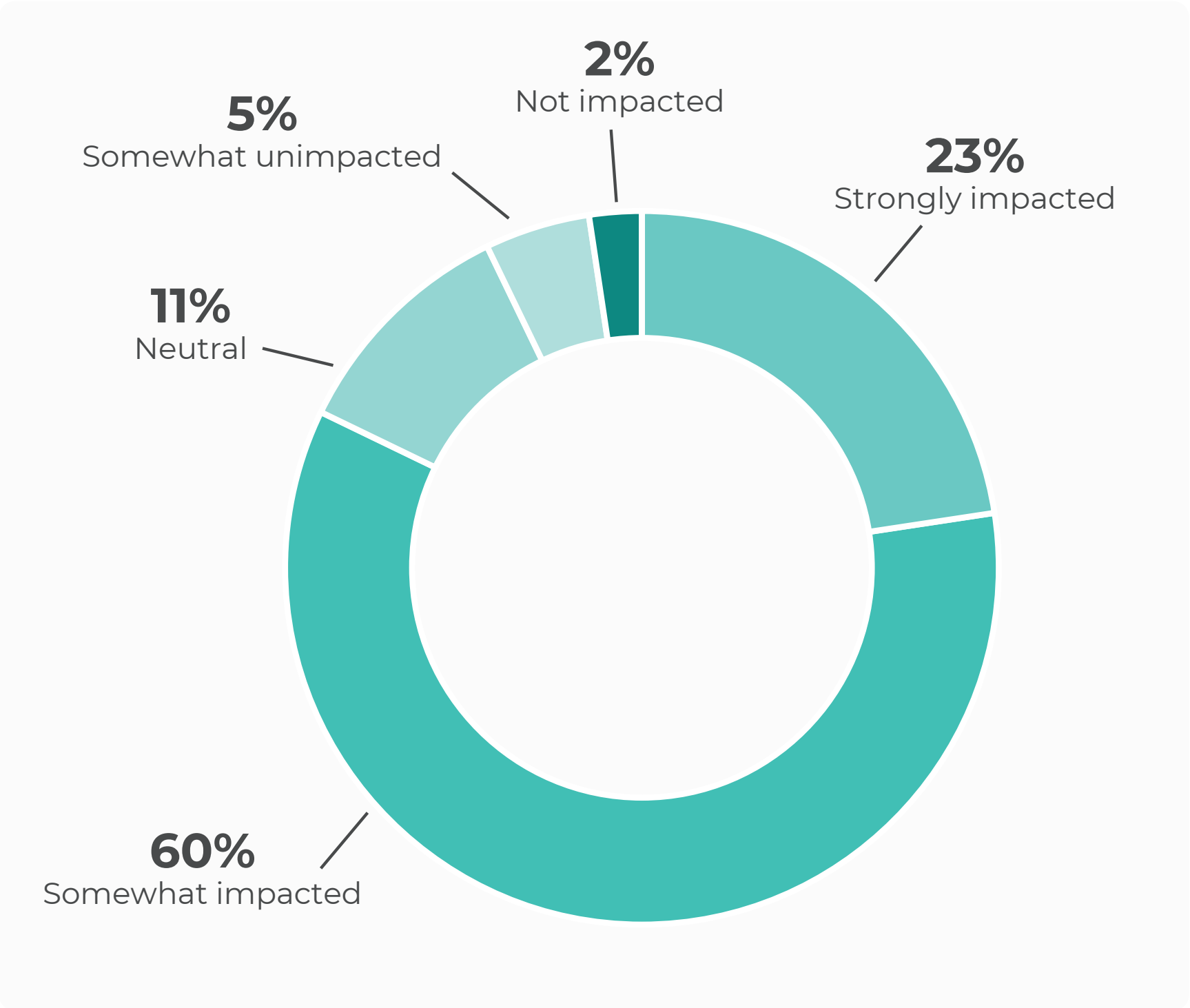
FACING THE CHALLENGE HEAD ON

The pandemic disrupted many IR professionals' plans for 2020, but they were up for the challenge. The majority (83 percent) of respondents said the virus had somewhat or strongly impacted their programs. However, more than 90 percent felt satisfied with how they pivoted to deal with the new reality. Innovation and embracing technology were the keys to success.

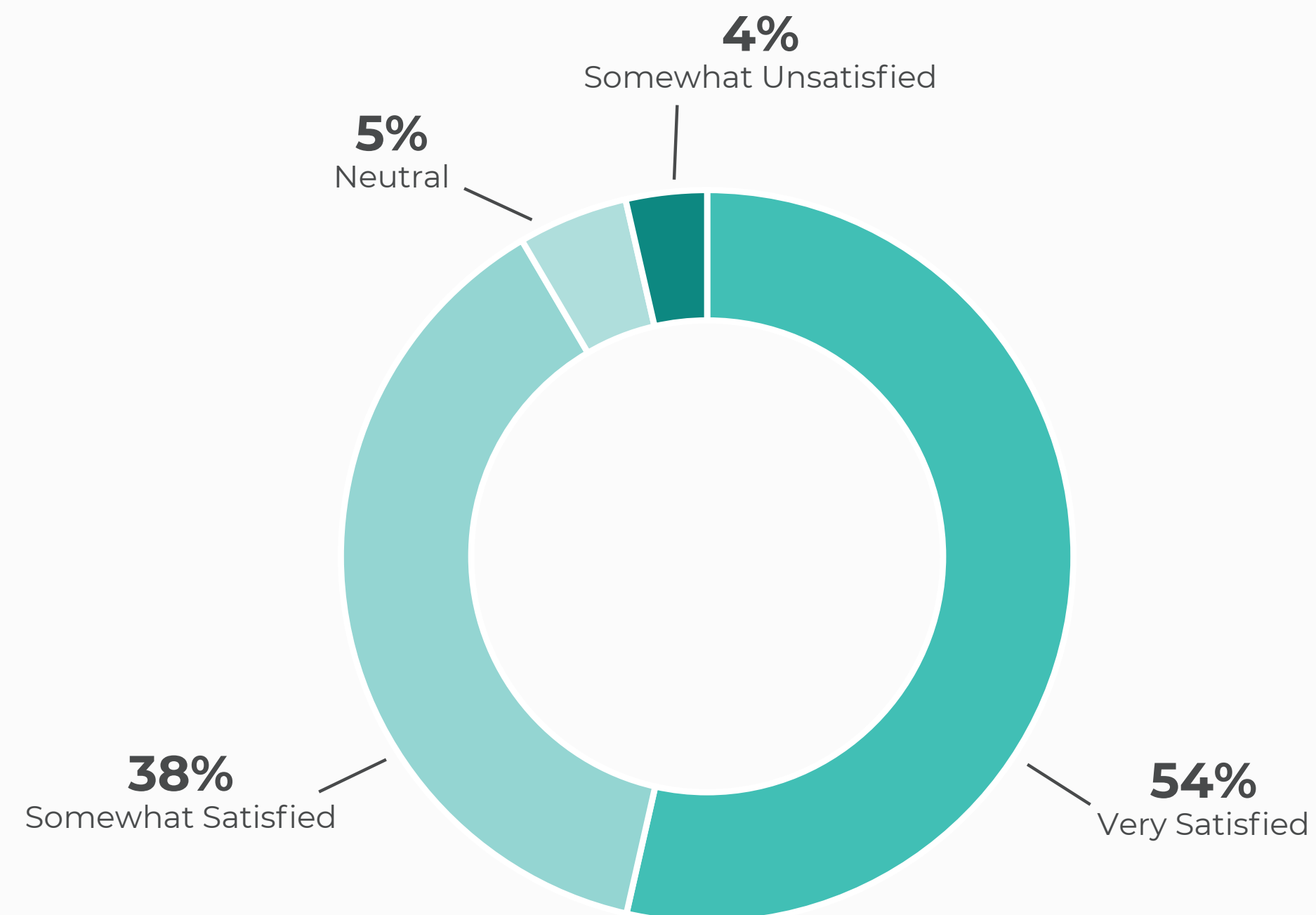
"We normally conduct thousands of face-to-face, non-deal roadshow meetings every year across every major city in the U.S. for our clients," said Robert Blum, Managing Partner at Lytham Partners, a Phoenix-based investor and public relations firm that works with small and medium cap companies. "Those have all been converted to video and phone calls. We also launched a series of virtual conferences in 2020 to provide our clients with alternative ways to connect with investors given the absence of face-to-face meetings."

Kip Rupp, Vice President of Investor Relations with infrastructure contractor Quanta Services, says there were some benefits to switching to video calls. "Portfolio managers were participating in conferences much more than they normally would. PMs don't usually travel as much as their analysts do, so there was more PM participation — which is good. They're the ones who pull the trigger on buying your stock."

How significantly has the Coronavirus pandemic impacted your IR program?



Are you satisfied with the ability of your IR program to pivot, given the current environment?



DIGITAL PRIORITIES

As IR professionals became more reliant on technology in 2020, they were asked to rank how their needs for virtual events (e.g. shareholder and analyst calls, quarterly earnings calls) evolved through the year. Better call quality, enhanced user interfaces and faster turnaround time topped the list of priorities, which isn't surprising considering that certain virtual events were new experiences for many IR teams.

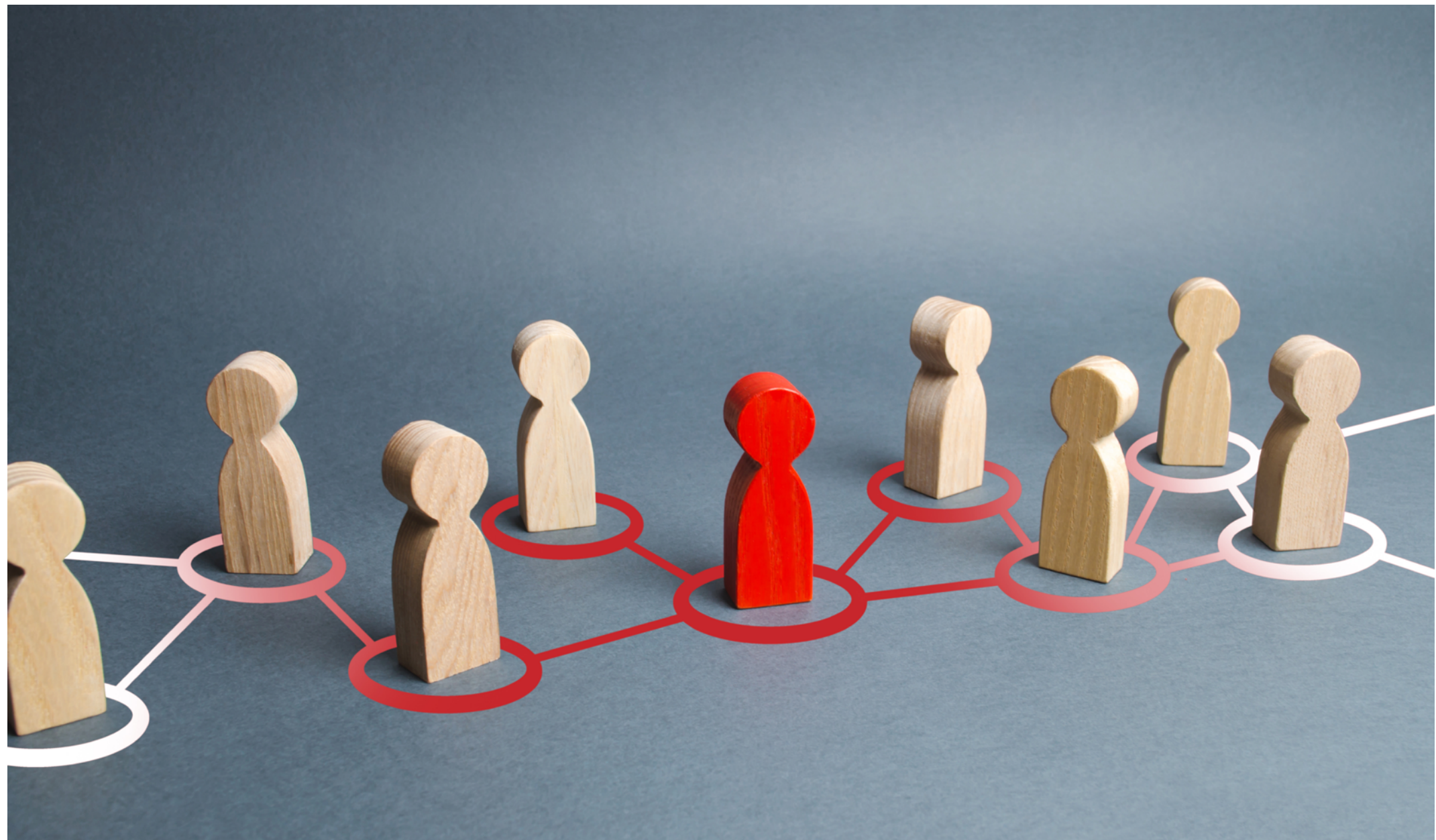
How have your needs around virtual events (shareholder and analyst calls, quarterly earnings calls) evolved in 2020? Rank in order of importance.

Item	Overall Rank	Rank Distribution	Score
Better call quality	1		403
Enhanced user interface	2		312
Faster turnaround time	3		205
Improved operator assistance	4		204
Improved hardware support	5		167

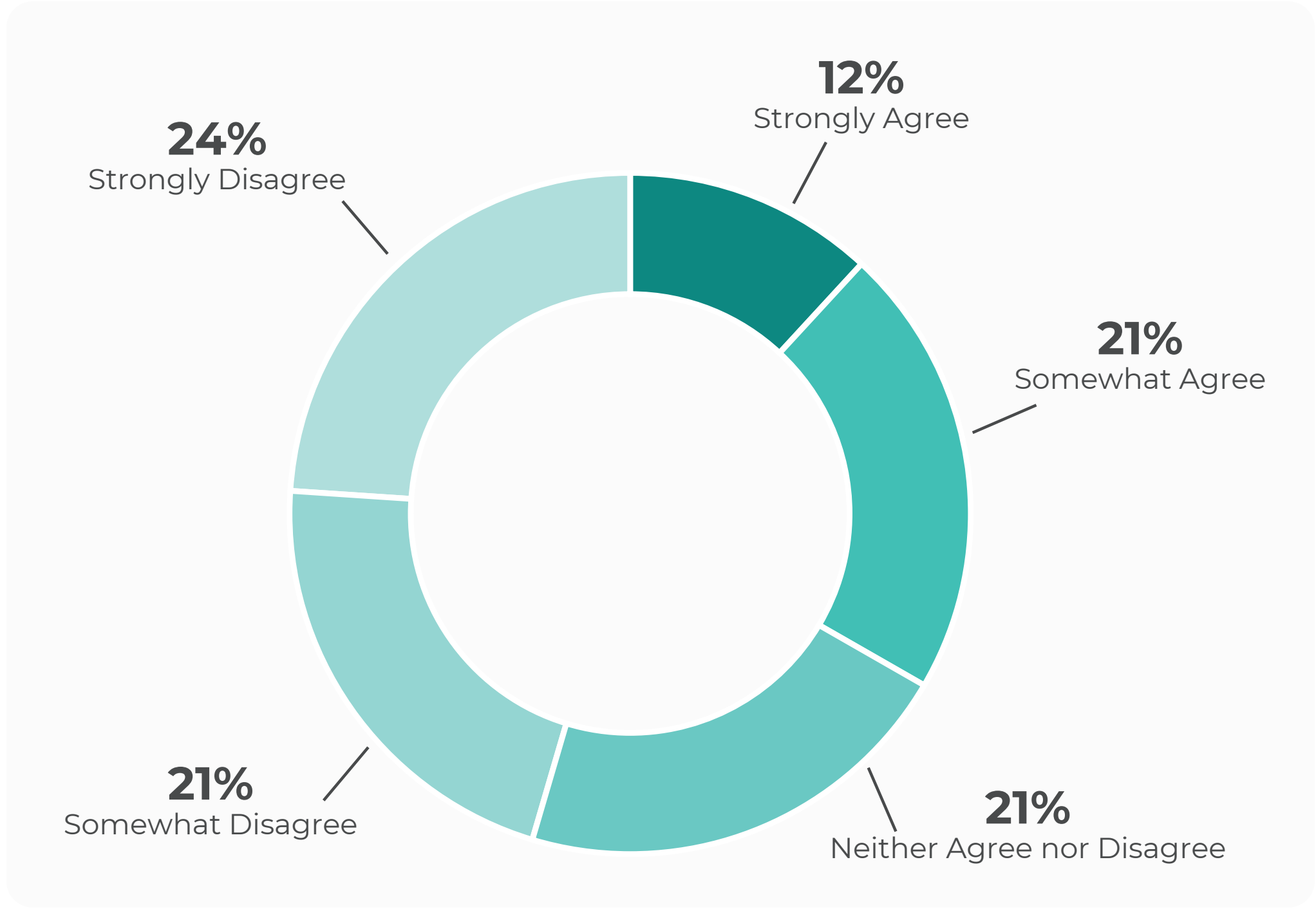
Lowest Rank Highest Rank

VIRTUAL INFLUENCE OR LACK THEREOF

The lockdowns caused other issues for some IR professionals. A significant part of the job requires a close working relationship with the C-suite (CEO, CFO, COO), accounting and legal departments. One-third of respondents said working from home impacted their ability to have a seat at the table within their organizations, a finding that may have been partly influenced by a lack of in-person accessibility to key players.



**Please indicate if you agree with this statement:
“Working from home impacted my ability to have a seat at the table in my organization.”**



Being responsible is good for business.

INCREASED INVESTMENT IN CSR AND ESG

CSR and ESG continue to be pillars of IR's narrative, helping to strengthen companies' reputations as consumers, investors and partners gravitate toward more purpose-driven businesses. Sixty percent of respondents said that ESG's importance grew in 2020 compared to previous years. Further, 44 percent said their company is investing more in their CSR budget in 2021.

Tony Sklar, Senior Vice President of Investor Relations for electric vehicle financier, Ideanomics, said the increased importance of ESG will continue even after the pandemic crisis ends. "I think (ESG) is going to be a primary focus to get your business on track. The standards and best practices that come with ESG are really important. If you want to be able to raise capital in today's markets, you're going to have to make sure you have some ESG standards that are congruent with what the market is looking for."

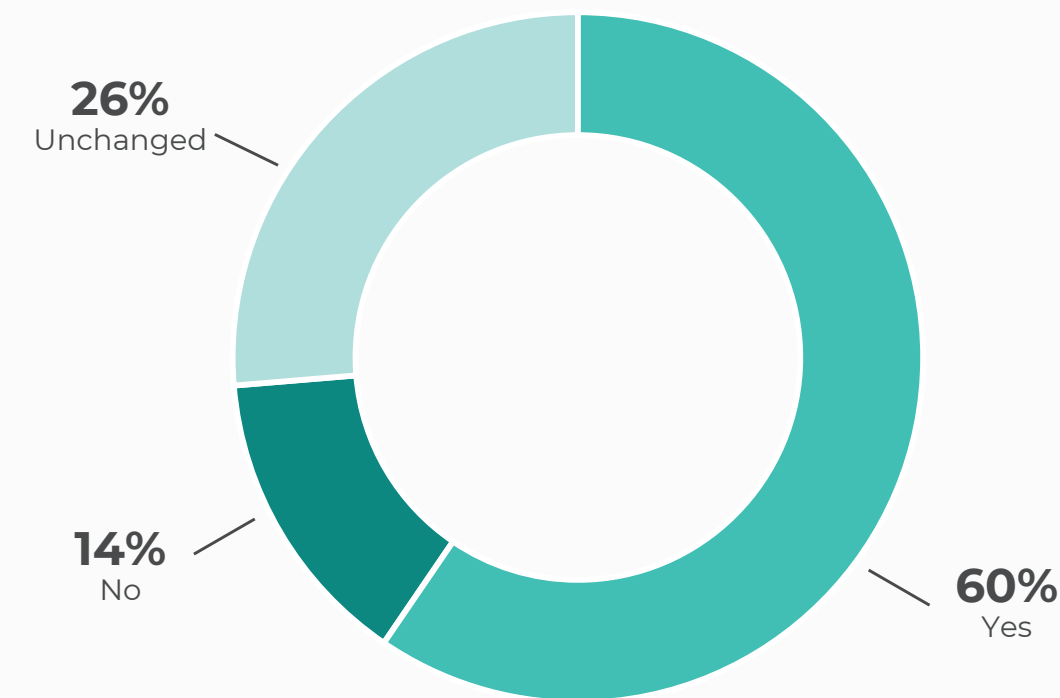
"It needs to continue to be at the forefront of people's minds, whether you're the CEO or at the other side of the table as an investor," added Brad Sylvester, Vice President of Investor Relations at oil and gas provider Chesapeake Energy. "And companies that can take that responsibility and that challenge and run with it, they'll be favored."

D&I AT CENTER STAGE

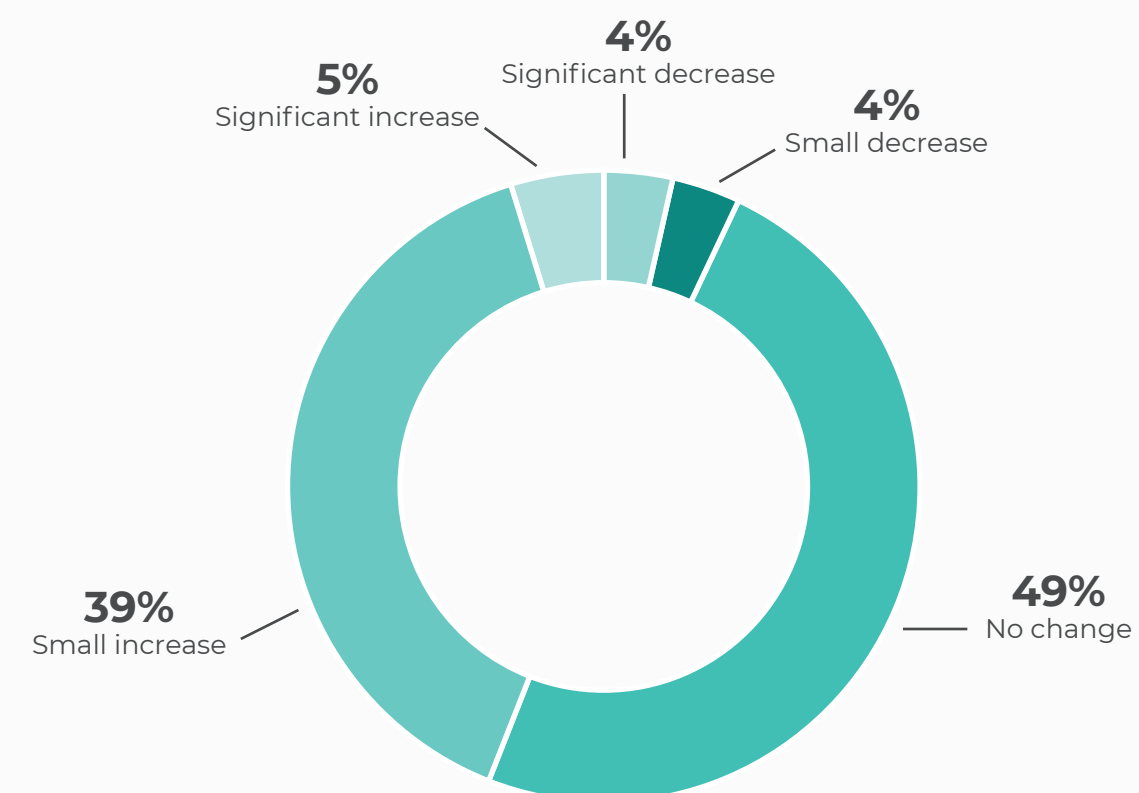
Social and racial justice dominated headlines in 2020 with protests and rallies quickly spreading across U.S. cities and reaching international shores. D&I had already been part of IR communications for many companies. While 64 percent said these events didn't alter their IR activities, just over one-third (36 percent) indicated that these events brought the conversation further into the spotlight for their organizations.

According to Katie Royce, Global Head of Investor Relations at digital services provider Cognizant, IR teams had to address diversity quickly. "This year really accelerated what investor relations professionals were having to communicate around ESG, primarily [around] human capital measures, diversity, inclusion, health and safety of employees and benefits offered during COVID. This whole broad topic became front and center. It's something that the IR team had to ramp up quickly."

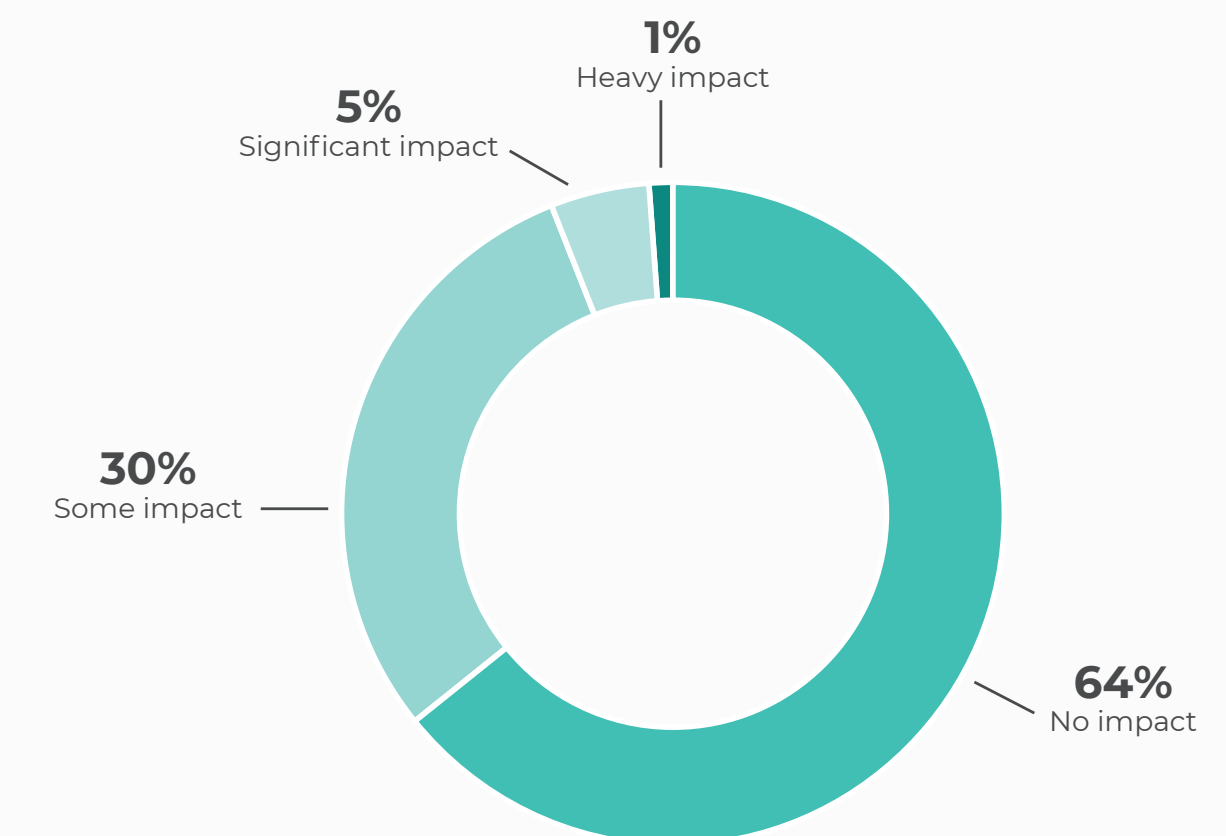
Are Environmental, Social and Governance (ESG) initiatives more important in 2020 than 2019?



How will your organization's Corporate Social Responsibility (CSR) budget change in 2021 vs. 2020?



To what degree have your organization's IR activities been impacted by the recent social and racial justice movements?









Getting the message out - the power of the press (release)

Investor relations departments have many tools, including the web and social media, to spread their messages to shareholders, prospective investors and other members of the financial community. When it comes to releasing their quarterly earnings reports, without exception all respondents said they rely on newswire services. Nearly all of them (98 percent) also post the information on IR websites, while 30 percent utilize social media.

When asked to rank which services were most critical to the success of their IR programs, respondents picked newswire distribution, webcasting and IR contact CRMs as their top three. All of these services allow a controlled release of information to a target audience.

Of course, the fundamental question is why IR professionals are communicating in the first place. Ninety percent are actively engaging investors as they predict and react to trends. Nearly two-thirds are communicating for disclosure purposes, while around 20 percent are commenting on market volatility and mergers and acquisitions. Activism, crisis communications and financing were also cited.

Which solutions are critical to your IR program?
Select three in order of importance:

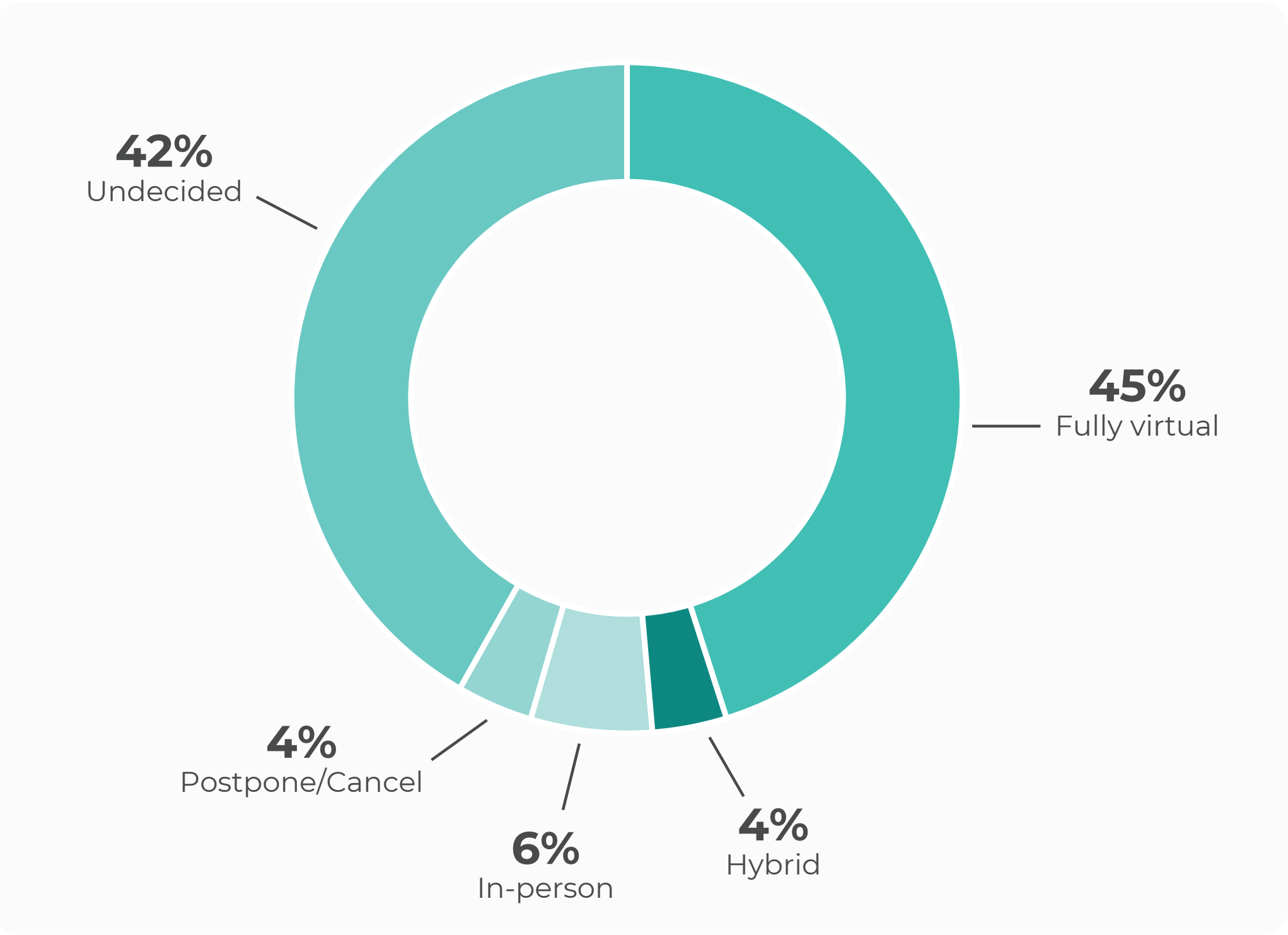
Item	Overall Rank	Rank Distribution	Score
News dissemination (wire)	1		101
Webcasting	2		71
IR contact CRM	3		57
Investor Targeting	4		55
IR website development/management	5		54
Lowest Rank			Highest Rank

Looking at 2021 and the future

While multiple vaccines are being rolled out globally, a focus on safety is causing uncertainty about when face-to-face meetings can resume. When asked what their plans were for their 2021 events (including shareholder/annual meetings or investor days), nearly half of respondents (45 percent) said they will host a fully virtual event, while 42 percent said they are undecided. Only 6 percent plan on hosting in-person events, while 4 percent said it will be a hybrid (both virtual and in-person).



How are you planning to host your 2021 Investor Day, Shareholder Meeting or Annual Meeting?



Lytham Partners' Blum says that it could take some time to return to a pre-pandemic normal. "Physical investor events will come back in the next 18 to 24 months but in a limited fashion. There will definitely be an overall decrease in the number of events, both from a conference perspective and face-to-face roadshow perspective. The pandemic has forced everyone to adapt and has highlighted the value of virtual interfacing."

Kip Rupp from Quanta Service agrees, saying, "For a period of time, it's going to be very challenging as an IRO to do a roadshow or something like that. You have no idea who's physically going to be there. This year is definitely going to be a transition year to try to figure out how that looks and hopefully 2022 is a bit more normal."

When asked what was top of mind for their IR programs headed into 2021, finding new and creative ways to interact with current investors — and attract new ones to their story — were popular themes among respondents. IR professionals also reported plans to enhance existing digital tools such as their IR website. Some said the virtual environment resulted in significantly higher engagement between investors and senior management in 2020 and that they were assessing how much engagement is the right fit going forward this year.



Summary

The COVID-19 pandemic and its impact on businesses forced many IR teams to change tactics and embrace change. Nearly all face-to-face meetings, from roadshows to annual general meetings, were canceled or moved to virtual platforms such as Zoom, Teams and Meet. And despite the availability of vaccines this year, many IR professionals expect things to remain virtual for most of 2021 and possibly into 2022.

In the face of uncertainty, we know one thing for sure: the importance of CSR and ESG efforts will continue to grow — especially in relation to D&I — and IR teams will continue to embrace a variety of technologies and communications channels to make sure their message is heard and influences desired action.

Methodology

Cision and NIRI consulted 90 senior IR leaders across the U.S. through one-on-one interviews and a nationwide online survey from October 8 to December 10, 2020. The participants represented a wide range of industries and market caps.

About NIRI

Founded in 1969, NIRI is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts and other financial community constituents. The largest professional investor relations association in the world, NIRI's more than 2,800 members represent over 1,350 publicly held companies.





As a global leader in PR, marketing and social media management technology and intelligence, Cision helps brands and organizations to identify, connect and engage with customers and stakeholders to drive business results. PR Newswire, a network of over 1.1 billion influencers, in-depth monitoring, analytics and its Falcon.io social media platform headline a premier suite of solutions. In addition, Cision has entered into a definitive agreement to acquire Brandwatch. Cision has offices in 24 countries throughout the Americas, EMEA and APAC.

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