

KEEP TARGETING IN YOUR SIGHTS

Identifying and maintaining investors that align with a company's strategy and long-term goals is a cornerstone of an IRO's core responsibilities. In Rivel's current study on investor targeting practices, nearly 70% of North American and European companies say they "actively target", i.e., proactively reach out to the investment community to sustain and/or expand their company's shareholder base.

Many are stepping up these efforts to reach new audiences. More than half of those who actively target (55%) report they are spending more time targeting compared to a couple years ago.

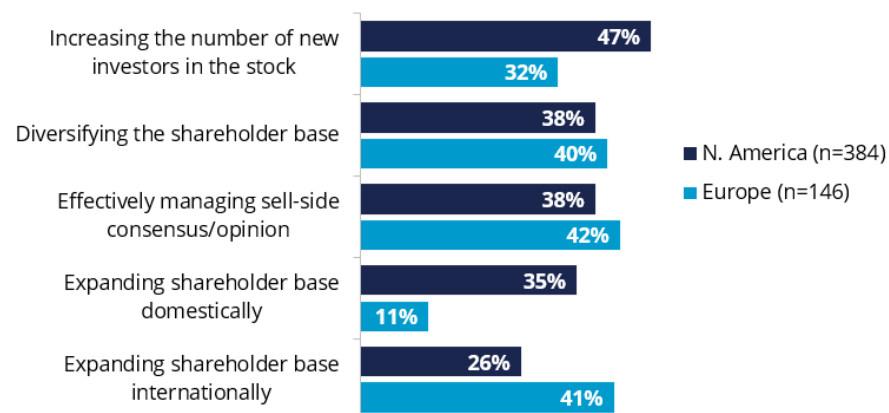
Management is on board as well. In Rivel's study on management access practices published earlier this year, 60% of issuers say their management plans to engage more with targeted non-owners in 2024, up from 48% in 2021 (when the question was previously asked).

Aside from bolstering a company's valuation, bringing in new investors also yields more tangible benefits for the IRO. In Rivel's annual IRO compensation study, senior-most IROs were asked what metrics they believe are used by management to judge their performance when it comes to compensation. In response, 39% of IROs in North America and 29% of those in Europe cited "Ability to attract new investors" as a key driver in their professional assessment.

This yearly study also tracks KPIs (either developed by IR or with input from management) used to measure and demonstrate department goals.

Increasing the number of new investors in the stock has consistently been the number one KPI tracked by companies in North America since this question was added to the survey. While this is a lower priority for European IROs, they nevertheless place a high value on diversifying the shareholder base (especially internationally).

FORMAL KPIs IN PLACE FOR IR DEPARTMENT⁽¹⁾



Though challenges can present themselves when it comes to identifying the right investors and getting them on the phone, the buy-side is ever more receptive to being contacted directly by companies rather than via the sell-side or outside consultants. An astute IRO will have a ready, concise investment story at hand to present to the target to achieve an optimal outcome.

(1) North American and European senior-most IROs with KPIs in place, March - May 2024 (n=530)

IR PRIORITIES

The latest data on hot topics from Rivel's Research Database

July 2024



This data has been selected from Rivel's interviews with the global investment community and IROs deriving from questions asked around "best-in-class IR."

This research creates greater alignment between the board, C-Suite, IR and the investment community. We capture qualitative feedback and create quantitative measurements, providing actionable insights to mitigate risk and improve valuation.



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