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Middle East Investor Relations
Practitioners Survey 2019

 middle east
investor relations
association

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Foreword

We are delighted to present the third edition of the Middle East Investor Relations (IR) Practitioners Survey, produced by the Middle East Investor Relations Association (MEIRA) and Carter Murray. Carter Murray, part of The SR Group, is a global marketing, communications and IR recruitment consultancy. With consultants working out of 8 offices worldwide Carter Murray are able to offer a truly global reach.

This is a leading report in the region, where we identify some of the key opportunities and challenges facing the IR function, particularly given some of the changes in the Middle Eastern capital markets. Furthermore, we look at the survey results to identify trends in career backgrounds and aspirations, skills required and the remuneration of

IR professionals. This year, we have included an industry insight section which features interviews from reputable IR professionals in the region, gathering their views on various changes we have seen recently and hot topics. Additionally, we have looked further afield by sharing best practice from international peers including Australasia, Germany, US, South Africa and the UK, and provide in depth analysis into the IR talent pool in the region.

We would like to take this opportunity to thank all the contributors to this report. The contents and industry insight have been driven by your valued participation in the 2019 IR Practitioners Survey. We trust that you will find this report useful.



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The image features a teal-tinted aerial view of a city skyline, likely Dubai, with several prominent skyscrapers. A white-bordered rectangular inset is centered over the image, containing the text "Market overview" in a white, sans-serif font. The background image shows a mix of modern high-rise buildings and lower-rise structures, with a road and some greenery visible in the foreground.

Market overview

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There are several causes for optimism, not least the increasing liberalisation of the Saudi market and upcoming major world events in the region.

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It is always challenging to generalise ‘market health’ when talking about a market which includes 18 countries and a population that exceeds 400 million people by even the most conservative estimate. Broadly speaking however as with the global economy, the Middle East has seen minimal growth over the last 12 months. Within the Gulf Cooperation Council (GCC) most countries have struggled with low oil prices, this is compounded by tough trading in the retail and tourism sectors during the same time period. The clear exception to this is Saudi Arabia which has seen significant investment as part of Crown Prince Mohammad Bin Salman’s Vision 2030. This investment has been used to strengthen all non-energy sectors in the Kingdom.

There are also several causes for optimism, not least the increasing liberalisation of the Saudi market and upcoming major world events in the region. Expo 2020 in Dubai and the FIFA World Cup 2022 in Qatar will bring increased tourism and give local economies a boost. All Middle Eastern markets also continue to show improvements in governance and security for investors as the financial institutions mature. This is likely to improve foreign direct

investment which has decreased from a peak of \$126 billion in 2005 to \$55 billion in 2017.

2019 has seen steady hiring numbers in the GCC, with Saudi Arabia being a market with substantial growth. Other markets are also improving on previous years and appear to be at an inflection point and heading back in the right direction following the tough trading highlighted above. Growth is back on the agenda and several sectors are leading the way notably technology and E-commerce. The former benefiting from strong government support for innovation especially in Dubai. E-commerce is also gathering pace in the region. Many businesses with regional headquarters in the UAE are targeting emerging markets both within the Middle East and the wider MEA and Asia regions. It is important to mention the Construction and Real Estate sectors when discussing the Middle East and these appear to be addressing issues of supply and demand, achieving stability and in many cases growth.

The market continues to be attractive to expatriates from all over the world for the quality of life and tax free income.



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Talent in the region is well rewarded and hotly contested especially around emerging technologies such as Artificial Intelligence and Blockchain.

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Every sector in the region is gaining sophistication and in some instances innovating ahead of global competition. Talent in the region is well rewarded and hotly contested especially around emerging technologies such as Artificial Intelligence (AI) and Blockchain.

There was a slow start to 2019 with a low level of IPOs in the GCC, reflecting continued geopolitical uncertainties including Brexit and US-China trade war.

Looking ahead, there is an expectation of a recovery in the IPO market with a number of companies announcing intentions to float over the next 12 months. Therefore, there is a sense of enthusiasm in the market across the region.

A photograph of two business professionals, a woman and a man, standing in an office. The woman is on the left, wearing a light-colored blouse, and the man is on the right, wearing a dark suit and glasses, holding a tablet. They are both looking at the tablet. The background is a blurred office interior with windows. The image is framed by a thin orange border on the left and a thin teal border on the right. A quote is overlaid on the bottom left of the image.

Looking ahead, there is an expectation of a recovery in the IPO market with a number of companies announcing intentions to float over the next 12 months.



Survey findings

Participant demographics & backgrounds/qualifications

Before analysing the survey findings further, it is useful to identify the demographics of the Investor Relations (IR) professionals in the MENA region.

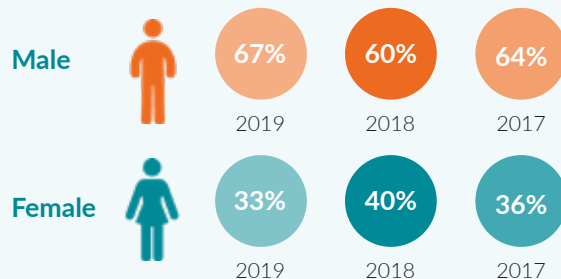
We are delighted that c.100 IR professionals contributed to the survey producing some really interesting results. Respondents are from various different sized companies with 36% under \$1bn market-cap, 26% over \$10bn market-cap. Additionally, the results include IROs from many regions including, but not limited to, Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, Egypt, Oman, Palestine, Lebanon and Jordan.

In 2019, and in line with previous years, the survey shows there is a greater proportion of male professionals with 67% of participants being male. This has remained fairly consistent over the last three years with 60% in 2018 and 64% in 2017.

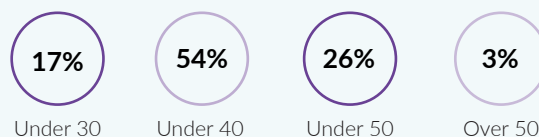
Over 70% of participants were under the age of 40 so IR is very much a younger profession within the region, which reflects its developing nature.

Over 40% of respondents were either Head of IR or IR Director level and therefore in a strategic and decision making role. However, 59% of people only had 1-5 years' experience in IR reiterating that this is a developing profession within the region. This is slightly higher than in 2018 where 54% of people had under 5 years' IR experience. The rise in this figure demonstrates the growth in the profession in this region. Many current IR professionals, including the senior Head of and Director levels, will have had a background in finance or internally within the business before transitioning to IR.

Gender



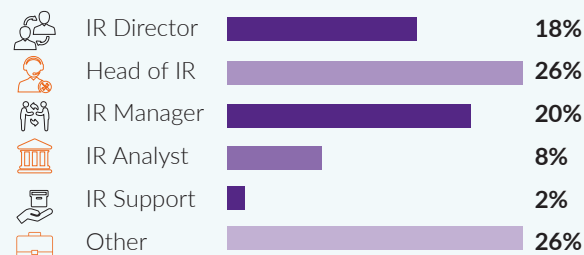
Age



Years of experience in IR



Job Title

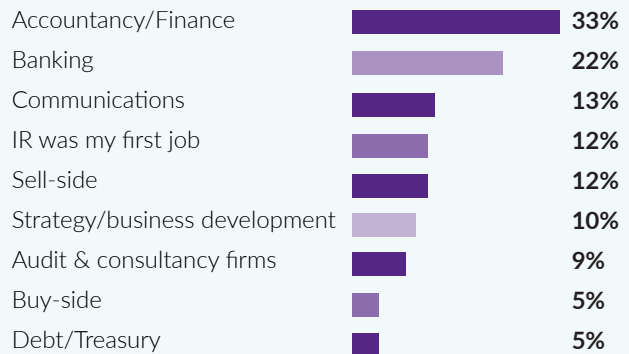




Delving deeper into the backgrounds of the regional IROs, the most popular transition is from an accountancy/finance role with 33% of IR professionals coming in to IR via this route. The next most common background is Banking - 22%. Communications, Sell-side and Strategy were all fairly similar at around 10-12% and interestingly 12% of IROs have come into IR as their first job after university, which is a stark contrast to other more developed regions where the figure would be substantially less at c.1-2%.

This is validated by the survey findings which shows that 50% of IR professionals moved to IR from another role internally within that business. A further 27% found their current role via their network and 17% were placed by a headhunter. There is a shortage of experienced IR talent in the region and therefore to develop the profession further, it is essential to bring people in from elsewhere. These results demonstrate the importance of IR professionals networking with IR peers, bankers and advisers to enhance career progression and development opportunities. MEIRA helps to facilitate this through events, courses and sharing of best practice. Looking at education backgrounds, a Bachelor qualification

Career background



How were you recruited into your current position?





is the most commonly held by 45% of professionals. A further 23% have a Masters and 28% have an MBA.






For professional certifications, 41% of IROs have the CIR/ CIRO, compared to 37% in 2018 and 28% in 2017. This steady increase over three years is really encouraging and demonstrates that the IR specific qualification is highly valued, and a great opportunity for people moving into IR for the first time to get a good foundation knowledge. 42% of IR professionals have no certification, slightly down from 43% in 2018 and 55% in 2017 which is encouraging in developing the profession.



A Bachelor qualification is the most commonly held by 45% of professionals. A further 23% have a Masters and 28% have an MBA.



Educational background

| | | |
|--|---|---|
|  |  |  |
| High School Diploma 1% | Bachelor 45% | Masters 23% |
|  |  | |
| MBA 28% | Other 3% | |

Which IR & Financial Qualification(s) do you have?

| Certification | 2019 | 2018 | 2017 |
|---------------|------|------|------|
| CIR/CIRO | 41% | 37% | 28% |
| CFA | 6% | 7% | 9% |
| CIA | 1% | 3% | 0% |
| CPA | 5% | 3% | 8% |
| CIMA | 1% | 3% | 5% |
| None | 42% | 43% | 55% |
| Other | 14% | | |



Remuneration



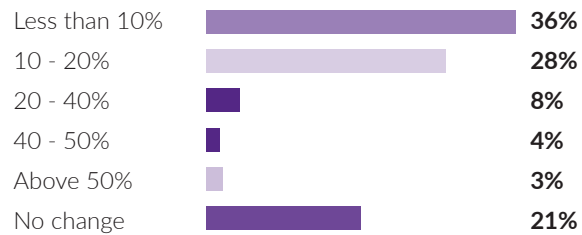
Current Salary (USD)

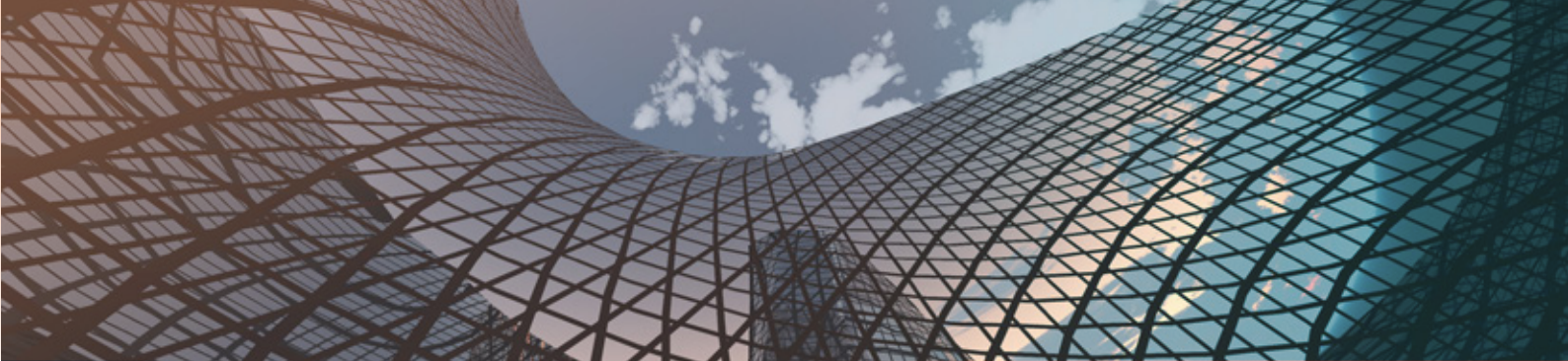
| | 2019 | 2018 | 2017 |
|----------------------------------|------|------|------|
| Less than 50,000/year | 14% | 30% | 17% |
| Between 50,000 and 100,000/year | 42% | 27% | 30% |
| Between 100,000 and 150,000/year | 15% | 13% | 19% |
| Between 150,000 and 200,000/year | 12% | 14% | 13% |
| Above 200,000/year | 17% | 16% | 22% |

Satisfied with salary



Change in salary over the last 12 months





Remuneration

The remuneration results are clearly somewhat impacted by the level and experience of respondents and given that 44% are IR Directors or Head of IRs, we would expect to see salary levels at the higher end. Interestingly, there has been a stark decline in those earning under \$50,000 per annum to 14%, from 30% in 2018 and 17% in 2017. In parallel with this, those earning between \$50,000-\$100,000 have increased to 42%, from 27% in 2018 and 30% in 2017. This is another really positive indicator that salaries are increasing and companies are willing to pay more for IR talent. 54% are satisfied with their current base salary while the remainder would be looking for an increase.

A very encouraging percentage of IROs (79%) saw an increase in their base pay year on year, with the majority of those (64%) receiving an increase between 1-20%. 91% of IROs received a bonus in the last year, a slight increase on 2018 of 87%. Interestingly, those getting 1

or 2 months' salary equivalent has increased significantly to 47% in 2019, compared to 31% in 2018 and 37% in 2017. The inverse of this is that those on three months' equivalent have reduced from 28% to 20%. And similarly those on four months' equivalent have reduced from 15% to 6%. Overall, we can conclude that bonuses have reduced over the last year, however, total compensation is likely to still be higher given that base salaries have increased.

“
**Salaries are increasing
and companies are willing
to pay more for IR talent**
”

How much was your latest annual bonus?

| Bonus | 2019 | 2018 | 2017 |
|---------------------------|------|------|------|
| Less than 1 months salary | 1% | 3% | 9% |
| 1 months salary | 17% | 10% | 18% |
| 2 months salary | 30% | 21% | 19% |
| 3 months salary | 20% | 28% | 18% |
| 4 months salary* | 6% | 15% | |
| 5 months salary* | 6% | 5% | |
| 6 months salary * | 3% | 8% | |
| Above 6 months salary* | 18% | 10% | |

*In 2017 there was an option for above 3 months salary which was selected by 37% respondents

Access to the Board of Directors?



| | 2019 | 2018 | 2017 |
|---------------------------------|------|------|------|
| Yes - on a regular basis | 31% | 36% | 41% |
| Yes - when the Board request it | 32% | 33% | 36% |
| No | 37% | 31% | 23% |

The IR remit/role and skills gap

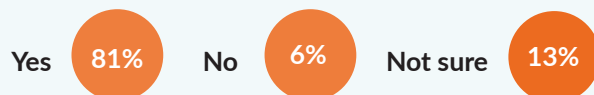
Quite surprising is the lack of access IROs have to the Board. 37% of IROs said they do not have access (31% in 2018). Only 31% had access on a regular basis, slightly down on last year of 36%. A huge part of the success of an IR programme is a two way communication and dialogue – not only for IROs to take to the market the investment case and equity story, but also to bring back market intelligence to the management and Board on what the analysts and investors are thinking. This dialogue is critical to ensure transparency and to gain trust.

Somewhat encouragingly though is that 81% felt management or the Board valued the IR function, which is a great achievement, in line with last year.

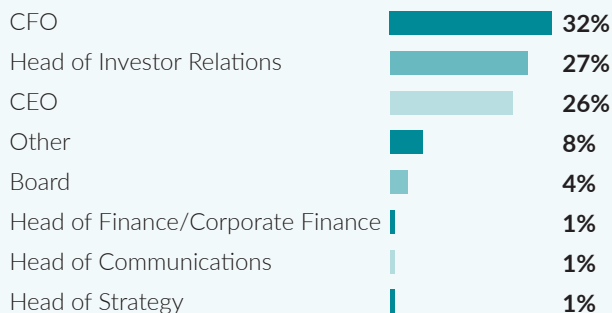
Just under a third of respondents report to the CFO, with a further 26% reporting directly into the CEO demonstrating the seniority and importance of this function.

65% of IR professionals also have responsibility for other areas and have a hybrid role. This is very common where talent is transitioning from other areas within a business such as finance, communications, corporate development and it often plays well to people's strengths and allows breadth within a role. Some smaller companies may not have such an active IR programme that warrants a full-time individual solely on IR.

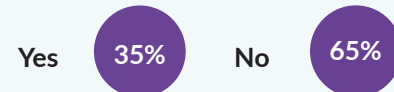
Does Management and/or Board value IR?



Reporting lines



Is your role IR only?



How many people are in your IR team?

| No. of team members | 2019 | 2018 | 2017 |
|---------------------|------|------|------|
| 1 | 36% | 34% | 38% |
| 2 | 29% | 27% | 23% |
| 3 | 12% | 16% | 17% |
| 4 | 12% | 16% | 15% |
| 5 | 6% | 3% | 8% |
| 6 and more | 5% | 3% | 0% |

The IR remit and skills gap

Top 5 most desired skills when hiring in an IR team



Financial literacy/
analysis 78%



Written skills
55%



Previous IR
experience 46%



Previous capital
markets background 41%



Stakeholder
management 33%

Main key performance indicators for IR



Announcements and
IR presentations 71%



IR website/app 55%



Number of investor
events (incl. investor days)
organised during the year 53%



Number of meetings with
buy-side and sell-side 45%



Investor targeting 44%



Number of sell-side analysts
covering your stock 42%

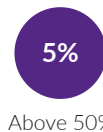
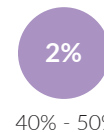
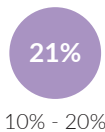


Share price performance 31%



Awards 26%

Amount of travel time for your job



Top 10 responsibilities for the IR function

Quarterly/annual results 87%

AGMs 74%

Meeting with investors/investor targeting 81%

Liaison with sell-side 73%

Annual report 79%

Liaison with buy-side 72%

Participate in international conferences 78%

Liaison with the stock exchange & the regulator(s) 69%

Liaison with existing shareholders 74%

Liaison with financial media 64%



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Financial literacy is the most popular key skill that is sought when looking for IR talent, with 78% of IROs looking for this

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IR teams vary in size depending on the business, the industry, the stage of a company's life cycle etc. However, 65% of companies had two or less people in the IR team.

Financial literacy is the most popular key skill that is sought when looking for IR talent, with 78% of IROs looking for this. Written skills, previous IR and/or capital market experience were also amongst the most sought after skills when hiring in IR in the region.

The performance of IR teams, and IROs, whilst impacted by multiple variables, is measured through consistent KPIs, with the most common being announcements and presentations (71%), IR Website/app traffic (55%), and number of investor events (53%). Often an annual IR plan

or programme will be set at the start of the year targeting the delivery of these KPIs in a quantifiable manner. Variable remuneration and discretionary bonuses can be partly linked to the performance of these KPIs.

The top key responsibilities within an IR team include quarterly/annual results (87%), meeting with investors/investor targeting (81%), annual report (79%), participation in international conferences (78%) and AGMs (74%).

Another interesting result is the high proportion of IROs who do minimal travel for work, with 55% travelling less than 10% of their time. Of course this can be partly because of the nature of the share register or small free float but it is important to attract global pools of capital and build up relationships with potential investors for any potential future capital raising and to open up the share register to foreign investors. A huge part of the IR remit should be meeting investors face to face. Investors can only invest in what they see and have access to – there needs to be a reasonable level of liquidity for this and IR can help to promote this through regular engagement with current and potential investors.



Job Security and Outlook

Job security is not a major issue of concern in the IR function for 59% of IROs. However, 26% are concerned. The IR function is in growth mode and in general starting to get the support of government initiatives, investors, Boards and management teams so job security should be on the rise going forward. Perhaps the macro economic uncertainty plays a key role in this result as there are concerns around equities more generally, which could impact IR.

The majority (60%) of IROs expect to stay within IR for the next five to ten years, and only less than 10% were sure they would not be in IR. This demonstrates the possibility of longevity within this career and increased attractiveness for the longer term. 45% are not looking for a change in company or role within the next 12 months, similar to the 41% level last year – the functions are still undeveloped with a lot of opportunity to mature and grow.

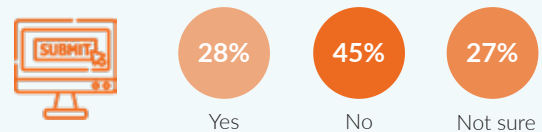
Concerned about job security?



Expect to stay within IR for 5-10 years?



Looking for a new role in the next 12 months?



The image features a grid of office windows at night, viewed from the outside. The windows are illuminated from within, showing various office scenes such as desks, chairs, and people working. The overall color palette is a mix of warm orange and yellow tones from the interior lights and cool blue and teal tones from the exterior night sky. A prominent white-bordered square is centered over the grid, containing the text "Industry insight" in a clean, white, sans-serif font.

Industry insight

Interview with Marco Simi

Senior Manager, Investor Relations – Etihad Aviation Group

What are your thoughts on the views of IR as a profession in the Middle East?

There is still a lot to improve on accuracy, transparency, quality and reliability of the communications in the region and it is a big role for IR to support such improvements. I am based in Abu Dhabi but from what I see practices are similar to that in Dubai.

Looking specifically at my role, Etihad has a unique IR function as we aren't listed – for example we don't do analyst calls or quarterly reporting like listed companies.

Do you run an IR programme like a company with listed equity?

Despite being non-listed, I feel the IR role can be just as important for us. We have a number of stakeholders to report to, specifically:

- Shareholders – The Abu Dhabi government is the sole and ultimate shareholder of Etihad
- Ratings Agencies – Etihad is publicly rated by Fitch

- Financial Institutions – banks and leasing companies who lend to us want to know about our current performance and we are answerable to them. Additionally, any capital market transactions need to be worked through with lenders, etc.

Being a government entity in the aviation industry is very sensitive to the relationship with other governments and other airlines. The Middle East carriers are under a lot of pressure to disclose more, and creating an IR function at Etihad is a first step in getting ready for it. Strategic IR matters to all businesses, public or private, as far as they have external financial stakeholders.

— ” —

The Middle East carriers are under a lot of pressure to disclose more, and creating an IR function at Etihad is a first step to start getting ready for it

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Does Technology play a big part in your IR programme?

Generally, in the region technology is something people are focusing on a lot more – much more than five years ago when I came to the UAE (from Europe), but there is still a long way to go. Etihad is very focused on improving and leveraging technology, and I believe over time the IR function will benefit from it.

Have you seen any effects of regulatory change to your role in IR?

No, not really. We haven't seen any big change, probably because we are not listed so we have had less pressure from regulation, such as MiFID II. Our disclosure is mainly driven by one to one contractual obligation, and much less by regulation.

Where do you see IR in the region five years from now?

I believe that growth in the IR practice would hugely help the region. It would help to attract investment if more companies invested in IR, as this would lead to better and more reliable financial communication. There will definitely be better technologies supporting the role in five years' time. IR is a new role for many companies and many need certain frameworks in place to make it successful. Being a newly created IR team, we are planning to join MEIRA so we can discuss how other IR professionals in the region face and overcome day-to-day challenges, in order to be up to speed with other companies.



There will definitely be better technologies supporting the role in five years' time. IR is a new role for many companies and many need certain frameworks in place to make it successful.



Interview with Amr Aboushaban,

Head of Investor Relations, Damac

What is the view of IR in Dubai?

The IR profession is not understood well enough. In general, it is perceived as a “junior” role except where the main shareholder understands the value of IR. Damac owners understand the value of IR and therefore recognised the importance of having capital markets experience in this role.

There is a huge differential on the value placed on IR in the region, largely driven by a lack of understanding of the profession. A common view is that if you are experienced, then you must know how to make the share price increase but as we all know there are lots of moving parts – liquidity, market capitalization, perception by market so it isn’t controllable by one individual in entirety.

My view is that if the company wants someone who can speak to the buy and sell-side, debt capital market and equity capital market participants, they need someone who is a former banker. Salary is often the main issue as bankers typically earn a lot of money and therefore the offer needs to be more attractive to entice a move. This individual will be able to fill the shoes of the CEO/CFO when communicating with the market.

Overall things are improving slowly but in summary there are two camps:

- They understand what IR is and happy to pay a premium.
- Just want a “number cruncher” so take an inexperienced accountant who can manage events and do financials but does not have the experience of communicating with the investor community.

Has the role of IR expanded? Is MiFID II affecting things?

In theory, the role is expanding. In practice, I am not really seeing it happening. If you are a high quality IRO, you will be involved in other things not just IR, more often than not, strategy. Investor targeting and Capital Markets Days (CMDs) are a big part of my role. CMDs have not been a big thing here in UAE but I am a big advocate of them and helping to promote the benefits of them to the region as they should be a minimum requirement for every company to share your strategy and investment case.

MiFID II is changing things in the UAE. I get approached directly by buy-side a lot more now than before. I also see the rise in smaller IR advisory companies trying to monetise or benefit from the situation. We are also doing fewer

conferences and roadshows than before – perhaps an effect of MiFID II or not.

What other support do you have in the team? How big is your team?

When I started in 2016, we were a team of seven and now I am the sole team member. The size of the team depends on many factors including the demographics of the share register, the position of the company in its lifecycle, the sector etc.

A trend here in the UAE is for corporates to aggressively reduce costs when market conditions weaken. It is a regional nuance with a short-term outlook. If you are in a cyclical business like Damac, as soon as macro factors turn costs are reduced. For example, Deutsche Bank closed their equities in the UAE before they shut it down globally. The culture is one of immediate reaction.

What is your view on perception studies to really understand what investors think?

I do not mind them, I think overall they can add value. My only issue is the cost of them as this has dramatically increased and I struggle to see the benefits outweigh the costs. I would rather meet investors face to face. Nothing is more impactful than a skilled Investor Relations professional sat in front of an investor in my opinion.



There is a huge differential on the value placed on IR in the region, largely driven by a lack of understanding of the profession.



Interview with Anca Cighi

Senior Director, Strategic Communications – IR lead, FTI Consulting

What are your thoughts on IR in the region? How has that changed? Where will IR be in five years' time?

I've been here in Dubai for nine years and seen a lot of change, within Dubai and within the investment community. Markets are maturing and this is impacting IR and driving change - such as the Dubai Financial Market upgrade to Emerging Market status, the recent upgrade for Saudi to Emerging Market status etc. There is a lot of enthusiasm in the region around such events and we've seen an increase in passive funds after the upgrades.

However, there's opportunity to attract more of the actively managed funds and IR plays a key role here. It is critical that you generate trust with the investment community, and that you maintain that trust through regular communication.

There are other great initiatives underway to help attract more foreign investment to the region through regulatory movements such as making certain sectors and companies eligible for up to 100% foreign investment in the UAE.

Companies that didn't have to worry about communicating and engaging with foreign investors, suddenly have to think about international best practice and be prepared to engage in a two-way dialogue. IR can mean different things to different companies. If a company is closed to foreign ownership, most of the IR attention goes on targeting the local market, and on Arabic speakers. If an IR programme has the aim to build up the retail shareholder base, then increased engagement with the media is really important. If

it's a bigger company where the free float is open to foreign investors, it is fairly typical to see a more developed IR team, and appointed advisors, with a global mandate for interacting and targeting investors - this is closer to IR within the UK.

Additionally, there are economic reforms in the region that the governments are doing which are overall very encouraging for those that work in the IR space as it is creating a greater awareness for the investment opportunities available in the region.

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It is critical that you generate trust with the investment community, and that you maintain that trust through regular communication.
”



Previously, IR was thought of as part of finance, or PR. What we see today is companies building better IR functions and looking for talent with the right set of skills across finance and communication and the ability to manage relationships internally and externally. Hopefully five years from now we will see more transparency, more companies adhering to best practice IR i.e. a better understanding of how IR should look, how teams should communicate with the market, more of a two way dialogue focused on the midterm and long term business. There are many companies that are already there, and have a sophisticated and mature IR function, but many more with a long way to go. There will be more attention on ESG investing, but also ESG best practice relating to IR and corporate reporting in five years.

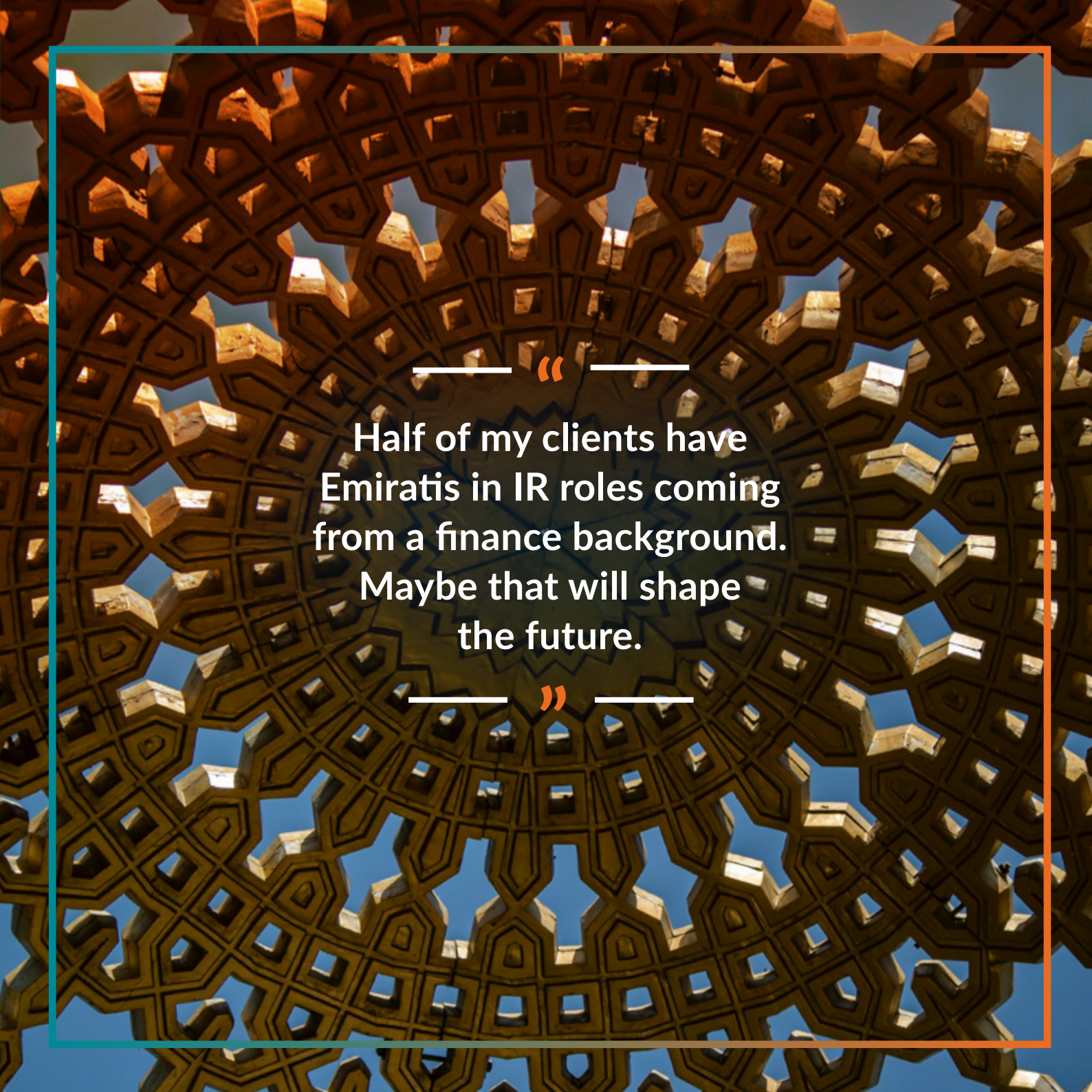
What do you see as some of the challenges that the IR profession faces in the region?

A big challenge is finding the right talent of IR professionals in this market. This is because of a lack of awareness around the importance of IR and this will remain a challenge for years to come. However, we are moving in the right direction. A few years back, DFM passed a regulation for all listed companies to appoint an in-house IR professional and the regional IR association, MEIRA, is becoming more active in raising more awareness around IR and the profession. I think there are less “challenges” and actually it is more about

the opportunities for IR. It is important that we showcase what IR can help companies with – it is not just a one way communication. I would like to see more two way dialogue where companies engage proactively with investors about mid and long term strategy. Currently, there is a huge focus on the short term, the quarterly financial results. The IR space needs to think more about strategic KPIs, economic drivers of the business, and have a plan in place on how to report on these regularly which will help the market better understand the company’s investment proposition and generate more trust in the business and management. More sophisticated investors are looking for this and it’s not always available. IR must be aligned to business strategy.

What are the key market trends and how do these impact IR?


It is hard to spot a trend in IR in the region as there is huge disparity across the spectrum with some that do it very well, and some that don’t. Some use advisors and outsource it. There is an interesting trend of local, young Emiratis coming in to IR. These are highly educated, hugely smart and being groomed to get to IR Manager roles and then to other strategic positions within the business. About half of my clients have Emiratis in IR roles coming from a finance background. Maybe that will shape the future.



— “ —

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Emiratis in IR roles coming
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— ” —

A close-up photograph of a business meeting. In the foreground, a person's hand is using a black pen to write on a document that features a blue bar chart. To the left, another person's hand is visible, holding a black pen and resting it on a black calculator. The background is softly blurred, showing other participants in a meeting setting. The entire image is framed by a thin orange border.

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In general, IR as a function has changed from a simple regulatory minimum disclosure kind of a duty into a more strategic function within organisations.

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Interview with Dalal Al Dousari

Deputy General Manager, Investor Relations, Gulf Bank

What are your thoughts on IR in the region?

The perception of IR in the region has certainly evolved over the past few years. We may, however, see some variations among individual countries when it comes to the level of development and sophistication of the IR function. Some countries are very advanced and others are catching up, but overall, the trend is heading forward.

How has that changed over the last five years and do you expect it to continue to change in five years time?

In general, IR as a function has changed from a simple regulatory minimum disclosure kind of a duty into a more strategic function within organisations. The importance of IR, particularly within listed companies, is becoming more recognised and appreciated by both external and internal stakeholders. I believe moving forward, we will see more demand on non-financial information, the value companies bring to their various stakeholders and the investment community.

What effects have you seen to your IR programme from regulatory changes?

We are witnessing an increasing involvement and attention from regulators in terms of transparency, sustainability and stakeholders' best interest. In Kuwait, for example, Boursa Kuwait issued a new rule at the beginning of 2018

requesting all listed companies under the premier market segment to hold quarterly earning calls within five days of issuing financial results. This is a new practice to local companies and has certainly provided analysts and investors an opportunity to communicate with the management of these companies and understand their story and numbers. At the end of the day, this would be translated into a fair valuation of the share price of these companies.

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We are witnessing an increasing involvement & attention from regulators in terms of transparency, sustainability & stakeholders

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What do you see as some of the challenges in IR in the region?

Because of the fact that IR is rapidly growing in the region, the major challenge that we are facing is finding the right talent. There is an increasing

demand on IR officers, especially the ones who are bilingual and speak both Arabic and English, with a limited supply of qualified candidates. This has created a supply & demand gap within the IR recruitment market.

Does technology play a key part in your role?

The evolution of technology is affecting IR as much as other professions. The electronic communications, e-dividends, e-voting, virtual AGMs are tools and practices that are currently being used globally, and we are seeing it coming soon to our regional markets. IROs should be ready and flexible to adapt to these changes.

A photograph of three people—two men and one woman—collaborating in a modern office. They are gathered around a laptop, looking at the screen with interest and smiling. The man on the left is wearing a dark sweater, the man in the middle is wearing a light-colored shirt, and the woman on the right is wearing a white hijab and a dark top. The scene is lit with a warm orange glow from the laptop and a cool teal glow from the background. A white square frame is overlaid on the image, containing the text.

International
best practice



Ian Matheson - Chief Executive Officer

Australasian Investor Relations Association

What constitutes good IR?

In a nutshell...good IR is about telling the company's story in a balanced way to ensure its securities are fairly valued.

What skills are required?

Responsibilities only keep getting added to the IR role, they never reduce. So, the skills keep evolving, both hard and soft skills. However, two of the most important skills to have in IR are, an ability to build relationships at all levels, both inside and outside the company, as well as an ability to communicate the strategy and drivers of a company's business.

What does "best practice" mean to you?

There are lots of best practices in IR, as it is an art not a science. It is important therefore, to keep on top of the local statutory disclosure requirements but then to learn and keep abreast of what your peers in the industry are doing, both locally and internationally. The local IR societies are a great place to start that journey.

Kay Bommer, General Manager

German Investor Relations Association

From your perspective, what constitutes good IR?

There are three elements that constitute good IR. Firstly, a good IRO needs to be a generalist. They need to understand how capital markets work, understand why you are doing IR i.e. getting a fair valuation in the market, and you need a good and sound financial understanding (P&L, BS, how do analysts and investors value a company, why they need certain information). You don't need to be an accountant or technical specialist but need some understanding.

Secondly, you need a legal understanding. You don't need to be a lawyer but you must understand what needs disclosing, particularly in Europe with the amount of regulation that companies have to navigate around.

Finally, being an extrovert is hugely advantageous as well as having strong communication skills. We explain shares, we don't sell them. We are the company spokesperson and need to be market facing.



What backgrounds make someone a good IR professional?

Background is not the primary thing we look at – approximately 50% of IROs in Germany have a financial background, 40% have a communications background and 10% have a variety of backgrounds. I know people who studied biology and history and are now brilliant IROs. A key criteria for success is the need to understand what the company is doing. Equally as important is the need to have gumption and stand up for your views, and always be curious. So, I am generally more open minded about backgrounds and particularly in Germany where there isn't an oversupply of candidates, we need to look outside the box.

From a company perspective, what constitutes good IR?

A multi-task role. An IRO is not someone whose sole responsibility is to keep the Securities and Exchange Commission off your back. They do a lot more. And not just compulsory things like regulatory announcements but they look beyond and look ahead. They must understand sentiments in the market, be an adviser to the board, how the market will perceive certain strategic decisions. They act more of an adviser than just a spokesperson. They need to understand what and how analysts and investors think.

Where do you see IR going?

IR is more “insourced” in Germany than places like the US and UK which is more outsourced – which is no bad thing. The role of brokers has never been prominent in Germany - I think that's a good thing. We are behind other countries

with regards to digitalisation, for example, the US and UK are more advanced. The German culture is typically more reserved so there is a slight reluctance to try new things. I don't see the German market as being at the forefront of IR but we are picking up. The most important aspect within IR in the coming months and years will be digitalisation, and how it can make our job more efficient. Sustainability is becoming increasingly important which is good. Overall, I believe that with all the changes over the next five years, IR has an exciting time ahead.

Gary A. LaBranche, FASAE, CAE President & CEO

National Investor Relations Institute, US

The profession of Investor Relations is changing, disrupted by external forces and other challenges, and pushed to renew and revitalize or become less relevant. IR is at a true inflection point where it must begin to evolve in the context of the changing environment or it will become a low-value, tactical function. The preferred future for IR includes:

- IR professionals as trusted strategic advisers – attainment by IROs, and acceptance in C-suites.
- Conveners and integrators of multidisciplinary teams in communications and analytics – acknowledging the evolving collaborative IR cross-functional role.
- Champions of strong capital markets – advocating for clarity and transparency in building and maintaining trust with investors, regulators and the public.



Nikki Catrakilis-Wagner
Investor Relations Director,
Tiger Brands and South Africa IR Society

South African Investor Relations programmes have over time proven equal to the task of dealing with the volatility created by global macroeconomic risks and rapidly changing economic signals from around the world. Below are some tips for Investor Relations success against a turbulent macro backdrop.

Remain consistent

Despite the incessant ‘noise’ around political and economic change or upheaval, consistent engagement with existing shareholders and debtholders, and also potential investors and sell-side analysts, is key to building trust and ensuring that the investment proposition is communicated adequately and properly understood. A good crisis is a terrible thing to waste. It inevitably means that you have investors’ attention – regardless of the reason – and so it is an opportunity to tell your story.

Stay focused

South African management teams are, for the most part, highly regarded for staying focused on the business and the elements of the environment that can be influenced – and communicating that focus clearly to investors is key to maintaining and enhancing credibility.

Contextualise the noise

Ensure that the company’s positions on topical issues are discussed and agreed upon. Work with peer companies where appropriate to understand an industry message through a central industry body where possible. This consistency in communication is imperative to ensuring that value-destructive uncertainty among investors is minimised and doesn’t take root.

Provide access to management

Providing investors with consistent access to C-suite executives is key. In addition, access to operational management highlights critically important bench strength and confidence that the business remains on track despite exogenous challenges. IROs with deep sector and company knowledge are critical in ensuring the strategic message and investment case are properly communicated consistently.



Consistent engagement with existing shareholders and debtholders is key to building trust and ensuring that the investment proposition is communicated adequately and properly understood.





South Africa's
integrated approach
has increased
transparency and has
helped investors focus
beyond the macro
uncertainty.

Balance the narrative

South Africa has led the way in terms of disclosure, particularly with respect to King IV and the International Integrated Reporting Framework, which focuses on how a company creates value through market cycles. The integrated approach has increased transparency and has helped investors focus beyond the macro uncertainty.

Embrace technology

Most South African companies have successfully embraced technology including video, teleconferencing, interactive platforms and apps. The initial use of technology was originally prompted by South Africa's relatively remote location and the resultant need to effectively reach offshore investors, but companies have cleverly leveraged technology to align with best practice in shareholder communication.

Smart targeting

South African companies' share registers are increasingly dominated by offshore shareholders who recognise excellent businesses that present strong prospects and good value relative to internationally domiciled peers. This broader reach of investor marketing is a product of consistent application of global targeting strategies that ensure non-deal roadshows are scientifically designed and executed. Great effort, along with the latest products, are used to good effect to ensure the right cities are visited, appropriate pools of capital identified, fund mandates understood, and peer holdings ascertained. This ensures maximum impact from expensive and time-consuming marketing activity. Remaining abreast of global conference schedules and building relationships with a diverse group of investment banks also aides this global outreach programme.



Gary Davies, General Manager

UK IR Society

What defines good IR for you?

For IR to be great, there absolutely has to be support and commitment from the top management team and an understanding and appreciation that IR does not just communicate the internal messages outward, but also brings back into the organisation important information on how the market is viewing the company and its management. For this to be constructive, a high level of trust and respect needs to be developed between the IRO and the management team. IROs therefore need to be credible with internal audiences as well as be an authoritative and capable spokesperson for the company with investors and analysts.



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How do you think IR in the UK differs from other regions?

As the profession is now long established in the UK, it has evolved from being the 'bag carrier' for management to having a respected role as a spokesperson for the organisation that can clearly present the strategy and views of management. This is not unique to the UK, but I believe that this evolution is further along than in many markets.

What are the key skills that you believe are required in strong IROs?

Excellent communication skills, both written and orally – good IROs should be good story-tellers – and an authority and gravitas to be able to substitute for management where appropriate and necessary in meetings with buy-side and sell-side. Hand-in-hand with this needs to be discretion and an understanding of what can and cannot be communicated externally.

What can companies in other countries learn from IR within the UK?

The IR Society has a full and active programme of training, events and qualifications that are open to members of sister organisations that may not currently be at the stage of their development where they can provide these themselves locally. We have a long history of international collaborations and are always keen to add to this family.

A group of four business professionals (three men and one woman) are sitting around a table in a meeting room, looking at documents and tablets. The image has a teal and orange color overlay. A white square frame is centered over the image, containing the text.

How to recruit & retain talent

The IR skills gap

Investor Relations Talent in MENA

There is a shortage of experienced IR professionals in the MENA region which up until recently has not been a concern. However, as the importance and recognition of the IR function is growing more globally, this is having an effect and starting to put pressure on boards to adequately resource this function. Additionally, there is the pressure from increased legislation in certain markets that require every listed company to have an IR representative in-house. Saudi Arabia's Capital Markets Authority (CMA) has issued a strongly worded statement that urges all listed companies in the Kingdom to establish professional IR. It sees this pressure on companies as a central part of its regulatory role, to promote confidence in the Saudi capital markets and to protect citizens and investors from unfair and unsound practices. The authority also says it will 'periodically assess the need to obligate listed companies to establish an IR function'.

Given there is a shortage of experienced IR professionals in the region, often it is the case that companies who are serious about it, will look to hire from the West. Someone

who knows what good IR looks like, can bring across "best practice" and understands the nuances of managing external and internal stakeholders. This is not without its problems though – not least because of cultural and language barriers. The reality until now has been that for those companies who are starting to think about developing an IR function, they will usually take someone internally from finance, strategy, corporate development and move them to IR – and train them "on the job". The problem with this is they are inexperienced and have not been exposed to best practice. This approach will ensure the regulatory requirements are met – i.e. reporting is delivered, but it runs the risk of becoming a very reactive function, rather than the opportunity of a true value add, proactive function with regular engagement and dialogue with the markets through salesforce presentations, capital markets days, conferences etc. For those coming into IR from other functions, it is important for them to immerse themselves with peers, both in the region and internationally, to gauge the full potential scope of the role.

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Whilst the last 5+ years has seen an “exodus” of analysts, brokers, equity sales, traders etc from the investment banks in the UK and Europe, this has come hand in hand with IR being a much more attractive career path for them – and one in which they can utilise their skills well and provides more longevity than the sell-side for example. However, this is an expensive option for a corporate so would only work for a company where they already believe in the value that IR can create and are willing to pay to attract good talent. And often, because it is an “under developed” function in this region, lack of full understanding around the profession, means that in general they will not pay for these expensive capital markets professionals to lead IR. This does depend on many variables of course, including the board and management teams, ownership structure, as well as where the company is in its lifecycle, but what we have seen is that pre-IPO companies tend to recognise the value of putting a highly qualified and experienced IR professional in to lead all investor communications – to help them craft the equity story, get off to the best start, and pave the way for disclosure and market communications. Furthermore, it is often only when trading becomes tough, the markets get harder or the share price takes a dip, and there is bad news, or a lack of good news, to communicate that companies recognise the need for IR.

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— ” —

The IR profession within the region is in its infancy, particularly compared to Europe and US. The issue appears to be more a lack of understanding around IR, than anything else. What can an IR function deliver, what is their remit/day job, what is the scope of the role and how do you measure performance?

All clients hiring in the IR space need to ensure a good level of financial literacy, strong communication skills and a broad understanding of capital markets. A strong attention to detail is paramount in IR, along with trust. You are an adviser to the board, as well as a spokesperson for the company, and therefore they need to trust you on judgements around disclosure, and in credibly communicating to various audiences. You must be able to build strong relationships with internal and external stakeholders and sometimes feed back internally difficult messages. For IR to be successful, the function needs to be pivotal to all strategic decisions that the management are involved in.

There is no doubt that over the years, companies in the region have improved their investment within IR, but there is still a long way to go for many and the problem remains of how to source the right calibre of talent to execute successful IR strategies. IR can certainly be the difference in the competition for capital.

A close-up photograph of a man with a beard and mustache, wearing a grey suit jacket, a blue shirt, and a blue patterned tie. He is smiling and looking down at a tablet computer he is holding in his hands. The background is slightly blurred, showing what appears to be the interior of a vehicle or a modern office space with yellow and blue elements.

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There is no doubt that over the years, companies in the region have improved their investment within IR, but there is still a long way to go for many.

— ” —

A photograph of two men in business attire standing on a high-rise floor, looking out a large window at a city skyline. The image is overlaid with a teal and orange color gradient. A white-bordered square is centered over the text.

Closing remarks

Andrew Tarbuck

Chair, Middle East Investor Relations Association (MEIRA)

IR is turning out to be an important strategic function for organisations in the Middle East. Recent years have demonstrated a shift from IR evolving from a must-do regulatory duty to an area of significant consideration particularly amongst listed companies.

Furthermore, as our annual IR Practitioners Survey reveals, there is a great deal of positive sentiment surrounding the value added by IR officers, their roles and their contributions to the success of organisations and more importantly to the betterment of the overall landscape in the region. More than 80% of the respondents believe that the board and the CEO of their company have a positive view about IR as a function.

The majority of respondents report directly to either the CFO or CEO, signifying the importance of IR in the overall business strategy of organisations. The evolving capital markets sector in the region is quickly recognising that a professional and strong IR team can improve accuracy

and transparency, as well as the quality and reliability of an organisation's communications. This results in greater confidence with the potential to attract greater investments. With the growth of passive and active inflows in the Middle East, IR will unquestionably play an even more important role in the growth and development of organisations – regardless of their size, scope and scale - in the region. This will require talent with the right background and certifications, including the Certified Investor Relations Officer (CIRO), to ensure stronger execution of IR strategies.

Promisingly, IR teams have grown significantly over the last year, which further shows that businesses are willing to invest as they begin to reap the rewards of developing IR, but their efforts are

being recognised and appreciated by external and internal stakeholders.

We are definitely in the midst of exciting times in the capital markets sector. As the remuneration of IROs has grown

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**Recent years have demonstrated
a shift from IR evolving from a
must-do regulatory duty to an
area of significant consideration**

— ” —

over the last couple of years, the positions are attracting a diverse mix of professionals.

However, considering the crucial role of this profession, we must emphasize the importance of training and collaboration in this field. The opportunities are aplenty and we are keen to see increased and better collaboration among IROs from different organisations as they collectively contribute to building an ecosystem that embraces international best practice in the IR field and corporate governance.

One of MEIRA's major objectives is to facilitate greater collaboration and high-impact training initiatives for the Middle East to truly realise its potential.

We hope this survey will provide a strong and encouraging picture of IR as a profession and its importance for issuers, investors and stock exchanges, and we at MEIRA look forward to greater engagement with you in the future.



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Overview



We are a global recruitment agency specialising in marketing, digital, communications and investor relations. Established in 2000, our team consists of experienced recruitment consultants and ex-industry professionals. We recruit into the financial services, professional services, investor relations, and commerce and industry sectors. We work alongside candidates in their job search to help further their careers, whether that be domestically or internationally. We partner with super brands, global organisations and local entrepreneurs during all stages of growth.

The Middle East Investor Relations Association (MEIRA or 'the Association') is an independent, non-profit organisation dedicated to promoting the Investor Relations (IR) profession and international standards in corporate governance. The mission of MEIRA is to enhance the reputation, efficiency and attractiveness of the Middle East capital markets.

This is delivered by fostering increased dialogue among members and encouraging the IR community to share the global best practice within the field of IR. In partnership with stock exchanges, regulators and other market participants, MEIRA supports companies through its professional development and certification programmes as well as its membership community and network of country Chapters.

|carter murray

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