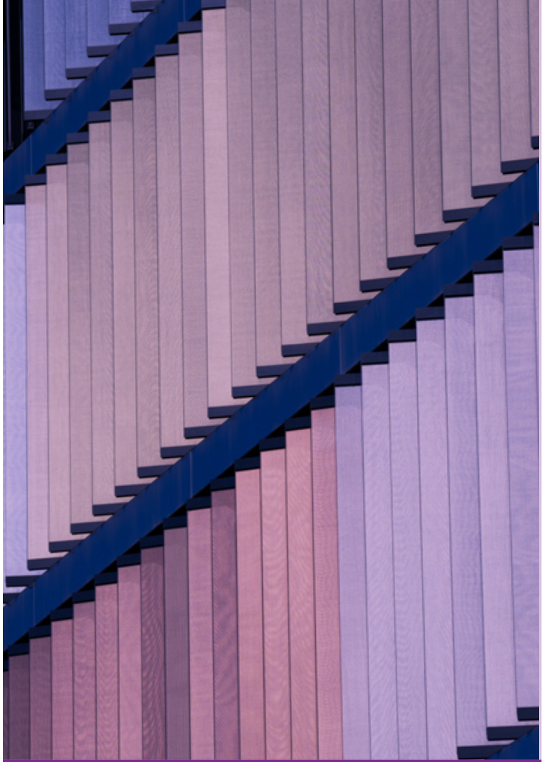

Practitioners Survey 2021

Middle East Investor Relations

middle east investor relations association

DNA Debbie Nathan Associates
INVESTOR RELATIONS & COMMUNICATIONS

middle east investor relations association

DNA

Debbie Nathan Associates
INVESTOR RELATIONS & COMMUNICATIONS

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01. FOREWORD

We are delighted to introduce the 2021 IR Practitioners Survey report which is based on the hugely insightful responses received from our recent survey. Therefore, first and foremost, we would like to thank all of the IR professionals who took the time to complete the survey, share your experience, thoughts, knowledge and, in turn, help our broader MEIRA community.

This is the 4th report of its kind, with the first dating back to 2017 and as a result we have a very strong track record of the direction of travel of many of the topics that we will discuss in this report. We will be looking at the survey findings across the IR profession in the MENA region, including the demographics and backgrounds of IR professionals, team structures, investor targeting, remuneration, ESG, the impact of the global pandemic on IR programmes and IR KPIs. Additionally, we have provided an overview of the global job market, as well as a selection of interviews with senior regional IR leaders and exchanges looking at the future of IR and some of the key trends we see paving the way.

Arguably, the global turmoil of capital markets over the last 20 months triggered by Covid-19, has led to the importance of IR within a company becoming more highly recognised, if not valued in the competition for capital. Investors demanded more communications and companies have been compelled to cooperate and respond. The outlook for the IR profession in the region is one of excitement, growth and continued development.

—
Debbie Nathan
Founder & Managing Director,
Debbie Nathan Associates

T: +44 (0)207 846 2365
E: debbie@debbienathanassociates.com

—
John Gollifer
General Manager,
MEIRA

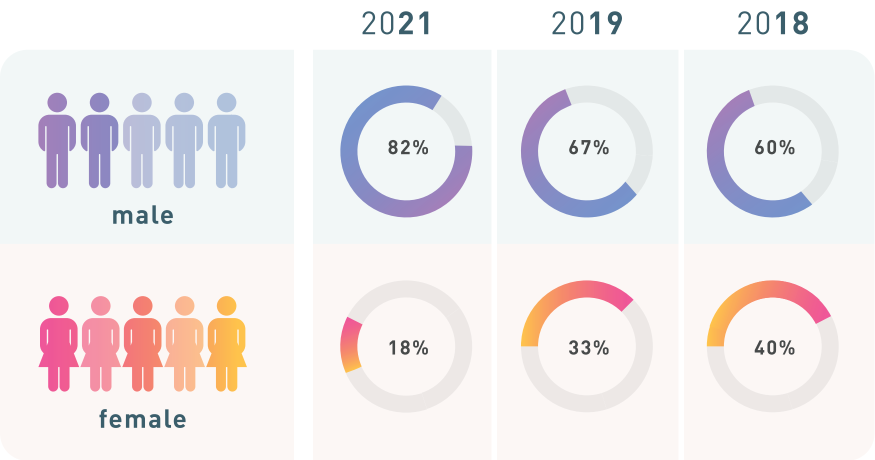
T: +971 (0)5 6136 4661
E: john.gollifer@meira.me

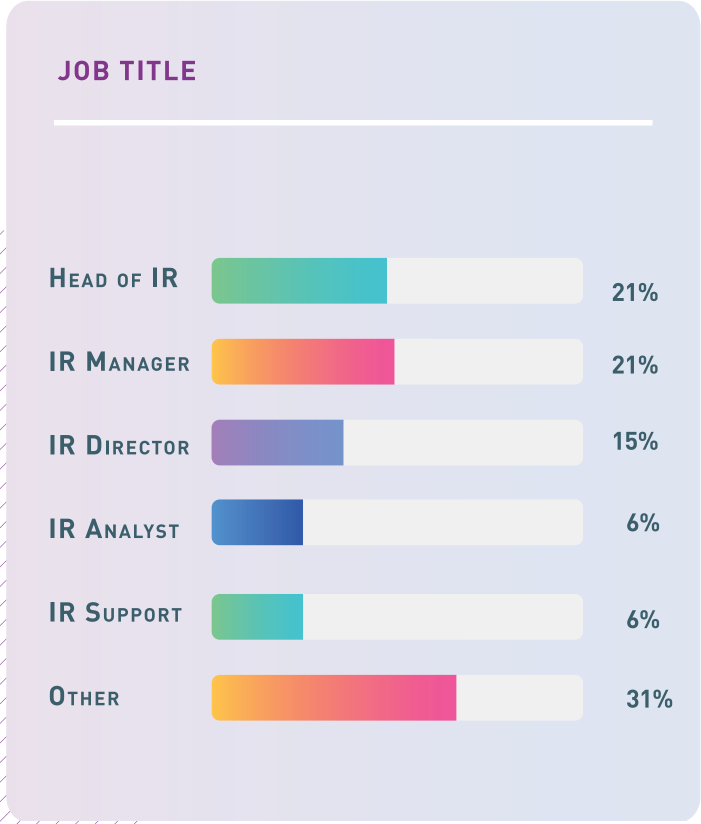
02. SURVEY INSIGHTS

Demographics of current regional IR professionals

After what has been an exceptionally challenging year for everyone globally, we are delighted that the importance of this report has been recognised yet again and we received responses from IR professionals across the MENA region, including Bahrain, Egypt, Kuwait, Palestine, Saudi Arabia and the UAE.

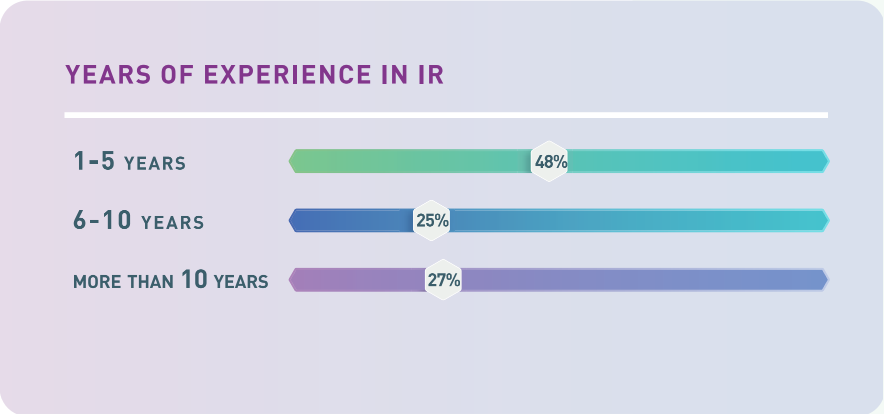
Consistent with prior years, there is an overwhelming imbalance on the gender split with 82% males – higher than in 2019 when this was 67%.





The majority of the participants are also at the more senior end with over 50% at the Director or Head of level as per their job titles.

Whilst 25% of participants work in mid- to large cap companies with a market capitalisation of USD 5 billion and above, it is really encouraging to see that one third of regional IR professionals work for small cap firms with a market cap under USD 500m, significantly higher than in 2019 when the equivalent figure was 21% – an IR resource is becoming more of a necessity in smaller cap companies. This is a trend globally where many small cap firms would hire IR, either as a standalone role or a hybrid role combined with another function as it is no longer a feasible option to have no in-house IR.



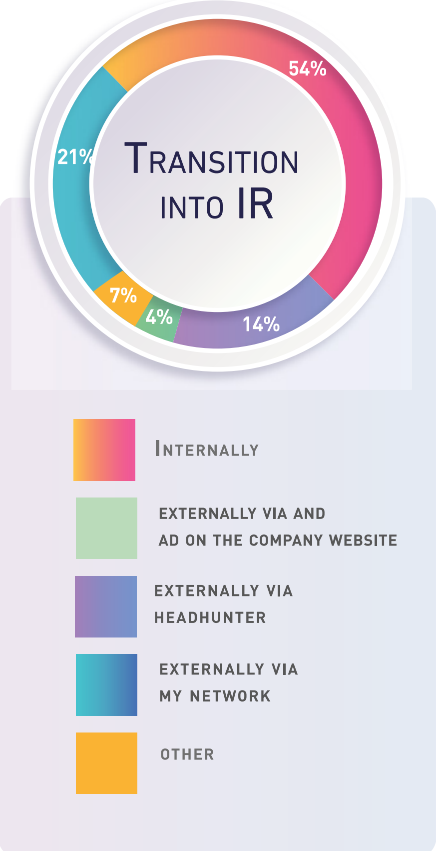
As you would expect, encouragingly people are staying in the profession for longer rather than regularly moving on to another field. The proportion of IROs with over 10 years' IR experience has increased to 27%, from 18% in 2019, and those with only 1-5 years' experience has reduced from 59% in 2019 to 48% in 2021. This also explains the higher proportion of more senior professionals that participated than in prior years. Over 50% have been in their current jobs for 1-5 years, a further 11% 5-10 years and 17% over 10 years. IR in the region is more of a young profession, having grown incrementally over the last 5 years or so.

Backgrounds

Accountancy / Finance	22,5%
Communications	12,7%
Sell-side	11,3%
Strategy / Business development	11,3%
First Job	9,9%
Debt / Treasury	8,4%
Banking	7,0%
Buy-side	5,6%
Audit & consultancy firm	1,4%
Other	38,0%

Globally, IROs have diverse backgrounds, but this diversity can be accentuated in markets where there is a shortage rather than oversupply of talent.

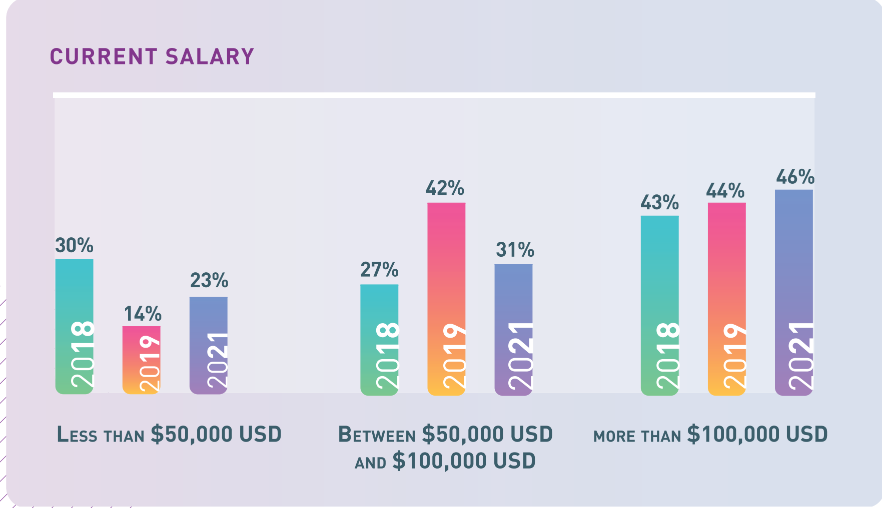
Companies have to be open-minded when searching for fresh talent, and be prepared to do "on the job" training to get someone up to speed. Almost 25% of professionals who participated in the survey have a background in Accountancy and Finance, just under 20% came from buy-side/sell-side, 13% from Communications, 11% from Strategy/Business Development and interestingly 10% came in to IR as their first job. These are very consistent with responses from 2019. The results also showed that Compliance and Corporate Secretarial roles were common routes into IR.



Looking more closely into the entry point into IR, 54% of people transitioned into IR internally within the company they previously worked at, in line with 2019 findings.

This is naturally very common globally as you will have the benefits of knowing the business and management exceptionally well, and already developed that position of trust. Within MENA, management are likely to take someone internally to a new IR role where they will develop a new IR function. A further 21% of people secured their role in IR externally via their own network which could include lawyers, bankers, sell-side, for example. Whilst working in IR, your network will continually expand and reputation can carry you a long way in your career journey.

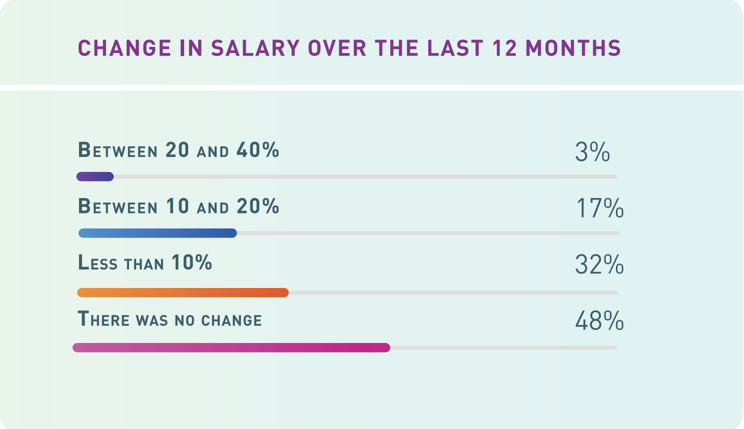
Remuneration

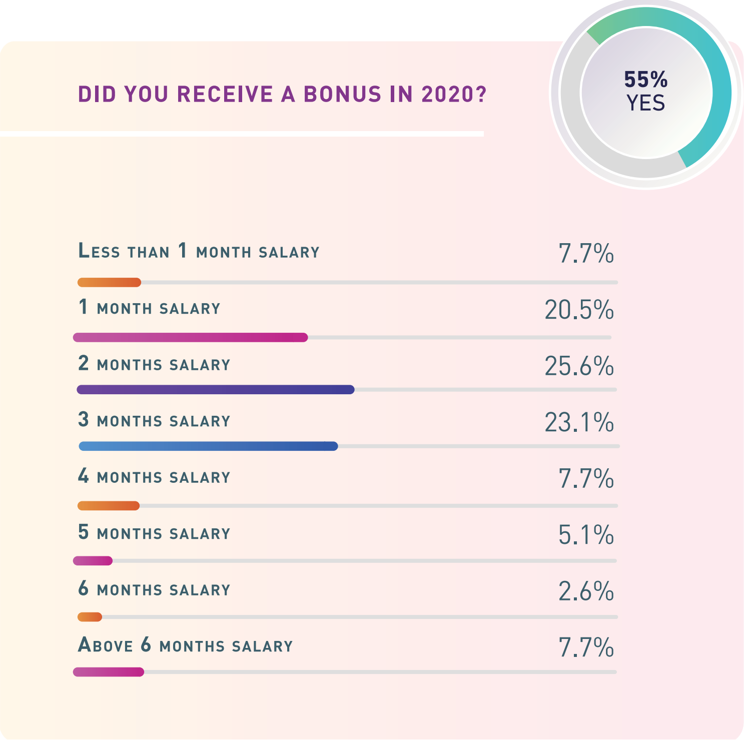


Undoubtedly with the increase in value and recognition of IR globally, comes an increase in remuneration attributed to the profession.

Over 75% of respondents earned over $50,000 USD as a basic salary and almost 50% earned over $100,000.

Comparing this to 2019, only 44% earned over $100,000 USD so there has been a shift upwards.





In addition to base pay, **only 55%** of people also received a cash bonus in 2020, which was significantly below the 91% of participants that received a bonus in 2019. This is somewhat unsurprising given the effects of the global pandemic and companies reacting conservatively.

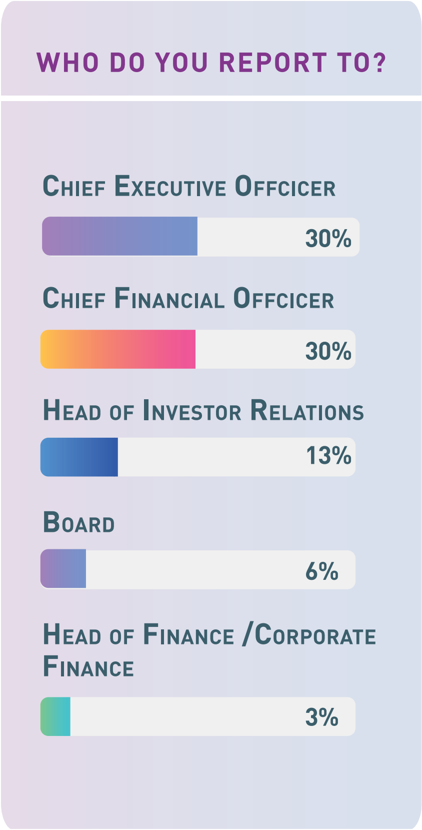
For those that did receive a bonus, 26% received a bonus equivalent to 2 months salary (30% in 2019), 23% equivalent to 3 months salary (20% in 2019) and 21% to 1 months salary (17% in 2019). Only 8% received a bonus equivalent to 6 months or more salary which is significantly below the 18% in 2019.

Satisfaction in remuneration is a key aspect of retention in roles and can lead to high levels of turnover if employees are not paid market rate or not felt valued. 61% are not satisfied with their current salary.

This is likely to be a further impact of COVID 19 which saw that in 2021 almost 50% of IR professionals in the region had no change to their base pay year on year, and a further 32% saw a 10% or less increase.
For comparison, in 2019, 54% were satisfied with their level of salary and only 22% had no change year on year whereas 28% had an increase between 10 and 20% of base pay.

Structure of IR function

30% of participants report directly to the CEO and a further 30% report to the CFO.
Other reporting lines included Compliance and Company Secretary.



Looking at KPIs that are used to evaluate and measure success, the most common responses were number of announcements and IR presentations (66%), number of investor events organised throughout the year (56%) and number of meetings with buy-side & sell-side (48%). Other responses included "Commitment towards ESG and Sustainability" and "Results vs Consensus" earnings, for example.

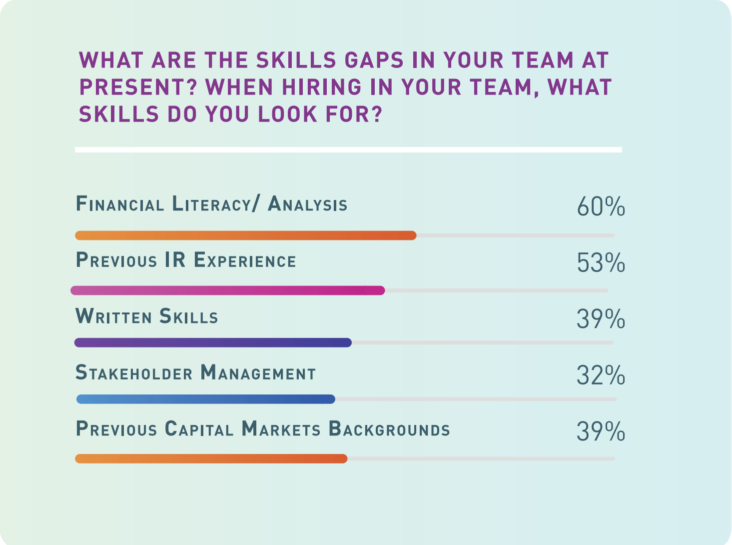
45% of IR professionals work in an IR function comprising just them in a standalone role.
A further 25% have 2 people in the IR function and 13% have 3 people. This is very consistent with the results from 2019 where 36% had only 1 person in IR, 30% had 2 people and 12% had 3 people. Teams globally have been growing over the years, in response to a broader remit in IR, but will always remain lean.

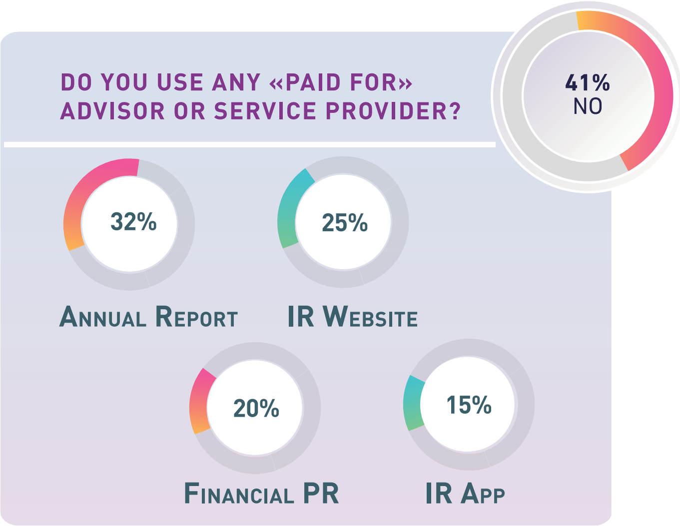
Whilst 70% of IR teams have stayed the same size over the last 12 months, almost 20% actually increased over the last 12 months. Given the turmoil of the global financial markets over the past 20 months, it is certainly encouraging to see that companies were investing in the IR function.

Arguably, it is in times of crisis when financial communications with stakeholders are paramount that investment in key strategic resources, like IR, can make the difference. On the counter-side, however, so much uncertainty given the impact of the pandemic on businesses, meant many businesses were reluctant to commit to further fixed costs.

When looking at hiring within IR teams, it is critical to look at the broader skills of the team and identify the skills gaps. It is too easy to hire someone who "fits the mould" of the type of person always appointed in a company or someone who has a similar background to the hiring manager. Diversity is key and hugely valuable to management thinking and an effective way to complement existing team strengths.

The key priorities when hiring remain: financial literacy (61% vs 78% in 2019); previous IR experience (54% vs 46% in 2019); written skills; and previous capital markets experience both at 40% (2019: 55% and 41% respectively); with stakeholder management at 32% (2019: 33%).





When considering the structure of an IR function, a further critical consideration is what external support is available. Whilst around 40% of IR professionals in the region don't use any form of paid for consultancy service, almost one third outsource parts of the Annual Report and a further 20% use a Financial PR agency.

Every company will use external advisors to varying degrees as required but they can be a great, trusted, extension to the IR team with constructive advice and guidance.

Investor targeting

Almost 40% of the respondents actively targeted new types of investor and pools of capital over the last 12 months. These included direct contact with more ESG-focused funds and more international (particularly European and American) investors. There were various methods used to attract new investment and some of these included frequent participation in non-regional virtual conferences, translating all company results into English and direct targeting of international fund managers. Other interesting observations noted that inclusion in certain indices such as MSCI EM Standard index gives you more exposure to international investors.

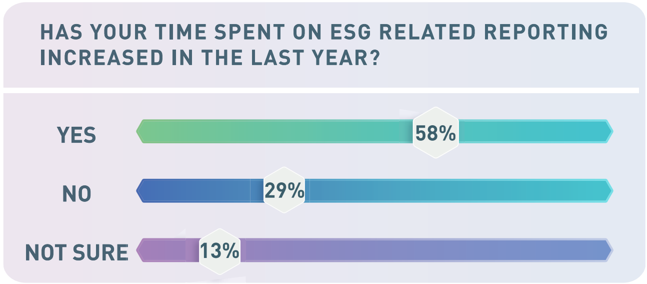
The common thread was that proactivity from the IR function is often the catalyst for an inflow of new international investments.

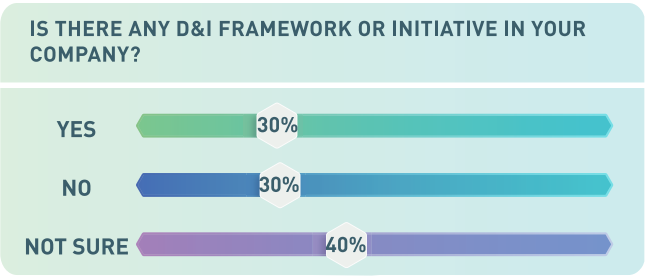
Environmental, Social and Governance (ESG) and D&I

Undoubtedly, ESG has been a topic of rising interest for the last few years and it is almost impossible to work in IR and not have some involvement in the subjects. However, accountability for ESG is not consistent company by company – 44% of IR professionals have ESG reporting responsibilities within the IR function. Almost 20% noted that ESG sits under Sustainability, and similarly Corporate Communications and Finance were equally accountable at just under 20%.

For the 56% who don't have ownership of ESG, it is critical that they are aligned and work closely with the team who own it. Irrespective of where the accountability for ESG sits, 60% of IR professionals have spent more time on ESG related reporting than the prior year.

Where does **ESG** sit?





Social themes such as Diversity and Inclusion (D&I) are such a high profile objective on many boards. Investors are recognising that diversity both in the boardroom and in new recruits can improve the decision-making process, and that diverse teams perform better overall and lead to greater profitability.

Clearly there has been recent progress made on this. However, there is still a long way to go and this will be on the company agenda for some time to come, particularly given the investment community's appetite for D&I factors to be considered as part of their investment processes in tandem with the broader ESG frameworks that companies are now using.

Great strides are being made and recent directives introduced by the UAE stipulating that all locally listed companies must appoint at least one woman to their board of directors is a huge insight of what we can expect to see in the future.

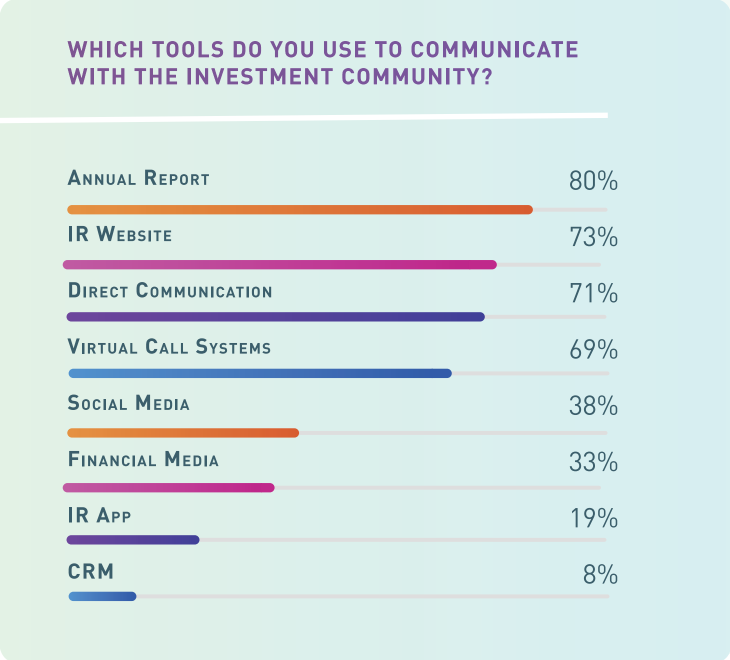
Impact of COVID-19 on IR programme

International travel is part of any senior IR role when you will go on roadshows to meet potential and current investors. Pre Covid, 64% of IR professionals in the region said they travelled less than 10% of their time. 20% of people spent between 10-20% of their time travelling, and a further 14% spent between 20-40%. Under ordinary circumstances, as international investment in MENA companies increases, undoubtedly the time spent travelling will increase.

However, with the travel restrictions that accompanied the global pandemic in 2020, companies had to rely on technology and virtual roadshows to meet investors. While there has been huge merit in using virtual roadshows – notably increased efficiency, if not productivity – there is also the downside which is that it is much harder to build that relationship of trust with new investors without the physical face- to-face, the body language and personal interaction.

When we asked the IR professionals in the region whether they plan to go back to a full face-to-face roadshow model in the future or a hybrid combination of virtual too, over 60% said they will continue using a hybrid model, 23% will be doing only in-person meetings and 14% will do fully virtual roadshows moving forwards.

Other effects of Covid have been on team budgets for investment. However, 60% of IR respondents confirmed that their IR budget has stayed the same in 2021, whilst 28% saw a decline in budget over the last 12 months. The shift in IR practices, triggered by Covid, consequently meant companies needed to invest in technology to be able to hold investor meetings, capital markets days, AGMs etc all virtually on platforms that could allow large audiences and interaction.



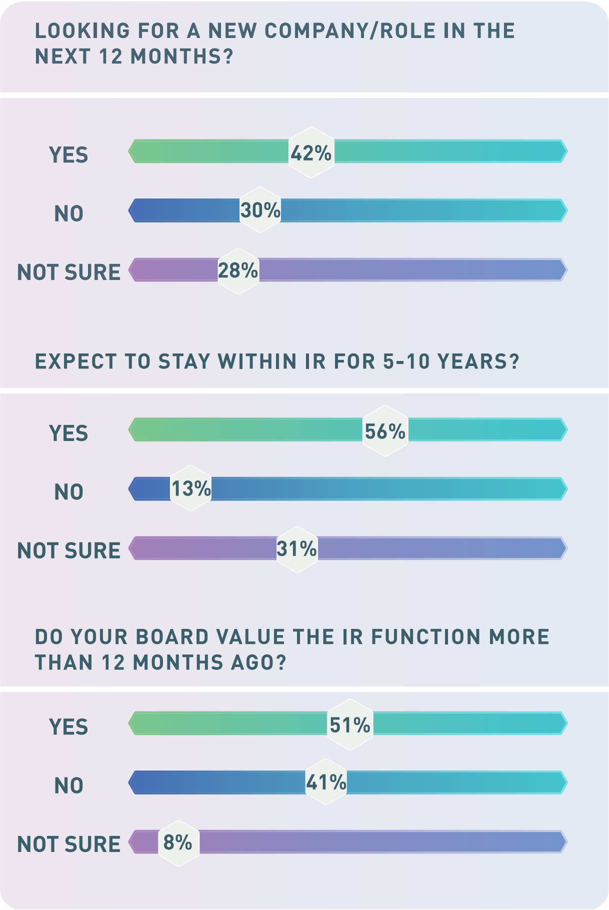
And therefore, it is not surprising to see that almost 60% of people in MENA have invested in their technology over the last year – a trend seen worldwide across the IR practice. This not only includes platforms for virtual engagement but also CRMs, IR Apps and Website – an inevitable move to digitalisation of IR. The most important tool used to communicate remains the Annual Report with 80% usage, the website follows with 73% using this. Other platforms with high usage include direct emails (72%) and virtual call systems (69%).

Outlook

—

The job market has been particularly active in 2021, reasons for which are discussed later in the report. However, candidates are more active now in looking for new opportunities than they have been with 42% of regional IROs planning to look at changing Company or role in the next 12 months, according to the survey responses.

Over 50% of IR professionals feel secure in their roles, despite being relatively new to IR. Encouragingly, almost 60% of current IR professionals expect to stay within IR for the next 5- 10 years, flat on the 2019 response and only 13% were sure they would not be in IR in that timeframe.



The success of an IR function is somewhat dependent on the relationship between the Board and the IR team. Encouragingly, 80% of respondents stated they had access to the Board either on a regular basis or when the board requests it. Additionally, almost 80% agreed that their Management and/or Board valued the IR function. When looking at how this has changed over the last 12 months, 50% said they valued it more now than a year ago.

New talent entering the profession and experienced talent remaining in the industry will see new levels of achievement for IR in MENA. One of the biggest challenges faced in the region is the shortage of experienced IROs to match the heightened demand for professionals – for well established companies and newly listed or IPO companies. The IR function is rapidly evolving and IROs need to adapt to the changing requirements of investors, regulators and policy-makers.

03. THE GLOBAL IR JOB MARKET

As the Coronavirus started to spread into a global pandemic at the start of 2020, financial markets were in disarray with uncertainty creating a wave of anxiety amongst the investor community.

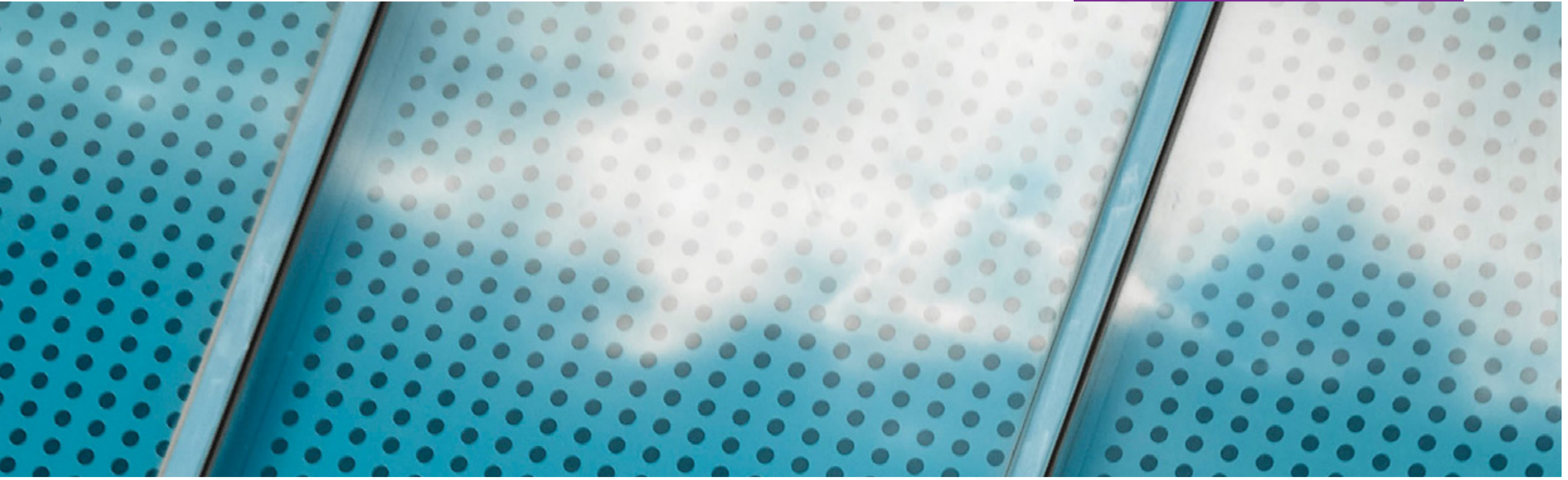
This triggered a response by companies to promote greater transparency and immediate investor communications and engagement. From a job market perspective, many candidates generally held tight last year and there was increased scepticism around moving roles. As 2021 started to show signs of optimism with the successful role out of the vaccine, and lockdown restrictions slowly lifting, candidates became more active. Many found themselves with a further 12-18 months experience in their current roles but not necessarily being CV enhancing in that time, so it has prompted proactive searches. Looking further at 2021, the thriving IPO pipeline globally has created new opportunities for IR. In Q1 2021, global IPO deal numbers and proceeds posted the best performance in the first quarter for 20 years, (source, EY IPO trends 2021).

Another radical shift in the job market is the rise in flexible, remote working opening up a global pool of talent for companies looking to hire, to tap in to. Many more firms are not stipulating that IR needs to be based in the Head Office, or in the city of the listing, but are in fact open to having someone based in any location – with a certain degree of travel assumed. This significantly opens up global talent and allows regions with an IR talent shortage to take advantage of other regions with an abundance of high quality talent – overall benefiting and developing the industry.

The dynamics within an IR function are shifting too – not as a response to the pandemic but more as a response to changing investor needs and demands, and regulation. ESG is becoming a key priority for many IR functions in terms of reporting and engaging with a new set of investors and therefore this has put additional strains on already busy teams. Therefore, a common trend has been to appoint an ESG-focused individual within the IR function to manage this angle of the role. Whilst finding someone with this skillset can be difficult, there are candidates who have this experience, often from an agency background and can add a huge amount of value in-house. Additionally, as seen from the responses to this survey, there is more direct engagement with investors and there is a rise in investor targeting, particularly internationally. In some very lean teams, this calls for additional resource to help manage the investor engagement programme, including facilitating Capital Markets Days, Conferences, Roadshows etc.

Bolstering teams can be done both on the permanent or interim side, particularly noticeable at the start of 2021 when caution was still high, the contract market being particularly busy. It was a way to parachute experienced talent into roles when corporates were in exceptionally stressed periods and under-resourced. For more risk averse companies, it is also a way to hire but keep costs low without committing to long term fixed costs while testing the demand for the extra headcount.

The market has been thriving in adversity. We very much look forward to IR being recognised for its value-add with the IR profession standing out as companies continue to compete for attention and capital, a key strategic role of best practice IR in public capital markets.



04. THE FUTURE OF INVESTOR RELATIONS

The world of IR is changing and with it, there is no doubt that the role of the IRO is evolving, and has been for some time. Changes in the markets and broader regulatory convergence on key trends and issues add further scope to the development of the IR role in the competition for capital. Yet, big challenges and opportunities remain for IR as the responses of key market participants suggest below.

First, let us consider a number of key factors that will shape the future of the IR role, most notably:

• **Technology** – the way we work has changed in a brave new world of digitalisation. Investors are able to demand more timely and more accurate information, and this information can be disseminated at speed. Direct investor engagement has risen and companies find themselves communicating directly, more frequently, without intermediaries. CRM systems, apps, websites are being used to some degree to interact with investors and it is likely these will play a much bigger role in the years to come – although unlikely to replace the all-important face-to-face engagement entirely, but more likely to complement it. Investment in technology is something that all IR functions will have to come to terms with. AI-driven tools can aid with investor targeting and corporate access – both of which are increasingly being done more in-house than before.

***'The COVID-19 pandemic has proved that digital readiness and open and regular communications are an integral part of any successful IR function'* – Mohammed AlRumaih, CEO, Saudi Exchange**

***'We must not forget that IR is about relationships. Ultimately, it needs personal contact with investors'* – Fahad Al Besher, Investor Relations Director, Boursa Kuwait**

• **Investment Strategies/AI** – it is important that IROs are up to speed on new investment vehicles, special purpose acquisition companies (SPACs) being just the latest, and what is driving investment decisions. With more diverse shareholder targeting, it is likely that share registers will become more fragmented, possibly more specialised if not segmented, and this will be something for IROs to manage. IROs will need to pay closer attention to modern technology-driven investment strategies because they are growing in popularity, along with passive index funds and other new pools of capital.

***The importance and reach of IR is accelerating within the Kingdom and beyond. As further investments are being made by companies in advanced technological infrastructure, both the level of transparency and communications with stakeholders are increasing significantly'* – Mohammed AlRumaih, CEO, Saudi Exchange**

***'Adopting new IR technology to keep all stakeholders connected is the future of IR'* – Bahrain Bourse**

• **ESG** – there is a growing demand for ESG disclosures and this will have a knock-on effect on the demands of the IR function. ESG funds now amount to a significant part of global AUM and this is only set to increase. This can drive a rise in shareholder activism – and something that IR teams of the future must be prepared and equipped for handling. IROs will need to keep up to date on changing regulatory requirements for ESG disclosures as policy-makers seek to circle the wagons. There are also key themes, such as Climate Change and Diversity & Inclusion that are going to be moving up the agenda of companies – and Boards will be held accountable. Investors, regulators and exchanges will also pave the way for change in these areas.

***'IROs will need to adapt to the disclosure requirements of ESG, which is all about addressing the needs of key stakeholders'* – Bahrain Bourse**

***'IR will play a critical role in identifying risks and opportunities, material factors that companies sometimes consider non-financial today, this will change'* – Palestine Exchange**

• **Strategic adviser to the executive and board** – IROs are likely to have a bigger presence in C-Suites based on their market intelligence and ability to influence strategic thinking. The proximity of IROs to the board means they can and will create responses to investors requirements and the changing needs of key stakeholders. As more firms recognise the value and importance of IR, including more in the smaller cap space, the nature of the role is likely to be more akin to a Strategic Adviser.

***'IR is all about creating long-term value through competitive advantage'* – Boursa Kuwait**

***'What is critical and what gives investors' confidence is when a company's senior management demonstrates their commitment to supporting a successful IR function in their business. The rise in importance of sustainability to corporate growth strategies and the move towards regular ESG disclosure has only strengthened investors desire for and value of effective IR.'* – Mohammed AlRumaih, CEO, Saudi Exchange**

AN INTERVIEW WITH HAITHAM AL SHATHRI, HEAD OF INVESTOR RELATIONS AT DR. SULAIMAN AL HABIB MEDICAL GROUP (HMG)

1. How do you think the next generation of IROs will be different to the existing, experienced IROs in the region at the moment?

The next generation of IROs will be more data driven. As the industry grows, and so do demands from investors, data will play a key role in defining IR strategies. Data is, and will continue to be, key to understanding the shareholder register and investor perceptions and ultimately developing a targeted approach to Investor Relations. IROs will also have at their disposal more complex data sets (financial, operational and ESG metrics) and will need the skills to distill information and communicate the Company's equity story. Data will also play an increasingly important role in measuring the impact of IR.

2. What is your view on "Digitalisation of IR" and how far investment in technology needs to go to enable IR functions to progress?

Digitalisation to enable transparency and streamline processes will be the key to building a best practice IR function. Investing in digital tools can be useful for both IR teams and investors alike. For IR, investing in technology can help streamline processes and utilize team and management's time more effectively. For investors, technology can increase access to the company and support investors in better understanding and analyzing companies. The use of digitalisation in all aspects including IR is crucial. And yet improved technologies are creating new opportunities. From one day to another, we're witnessing demand for webcasts or completely virtual conferences or events as an alternative option to the traditional shareholders' interaction.

3. What do you see as some of the challenges or obstacles for the future of IR in MENA?

As the equity culture and capital markets mature in the MENA, there will be an even greater demand to satisfy the information needs and communications requirements of the investment community. IR teams have leapfrogged, setting in place best practice functions that are ready to navigate the complex equity markets landscape. IR in the region will face two main challenges. First, the growing need for experienced IROs places some challenges with finding the right talent to fulfill management needs and investor expectations. IR teams must invest in finding and developing their teams for tomorrow's challenges. Second, IR teams will need to increasingly help their companies navigate a world where shareholders are weighing in on a Company's ESG and company strategy. IROs will need to adapt to the challenges that come with a changing investor landscape, and support management teams in this transition.

On the other hand, as far as data intelligence and analysis are concerned, with many first-class platforms and service providers in international markets, they don't necessarily have the local access they need to make shareholder register analysis and targeting as easy and relevant as it might be.

The revolution of Big Data and Artificial Intelligence will be the main factors influencing the future of IR. Big Data can deliver information on a large scale while AI at the disposal of investors means a big shift in how IR needs to respond.

4. What effect do you think the regulatory impetus, driven by local exchanges, will have on IR/ESG?

Regulatory impetus will support and drive the adoption of ESG strategies and disclosure in the region. Coupled with the increasing deployment of environmental, social and governance strategies by policy-makers and key financial institutions, management and IR teams will need to quickly adapt to a world where corporate transparency and ESG disclosure are the norm.

5. Are you making changes now in the department to stay ahead of some of the likely new trends to come?

At HMG, we recognize that both digitalization and the growing demand for ESG will shape IR teams in the future. Since the listing of HMG shares on the Saudi Stock Exchange, we have sought to set up an IR function that is forward looking and adapts to our increasingly complex operating environment. As a company, innovation is part of our working culture, and this translates to the IR team as well. We have also committed to our ESG roadmap, a four phase ESG program that involves peer benchmarking, materiality assessment, developing our comprehensive ESG strategy and reporting on our ESG performance.

AN INTERVIEW WITH ELINE HILAL, DIRECTOR - INVESTOR RELATIONS, INSURANCE & CORPORATE SECRETARY AT ALUMINIUM BAHRAIN (ALBA)

1. How do you think the next generation of IROs will be different to the existing, experienced IROs in the region at the moment?

It is really hard to know or predict as 10 years ago I wouldn't have said we would be doing ESG as we are today. Perhaps even 3 years ago, I wouldn't have said so. The interesting thing is that in IR you have to respond to the change in investor interests promptly. And of course you need to account for AI in response to what different stakeholders need.

When I meet with investors now, c.60% of questions we are asked are about ESG, in particular climate change and emissions. A couple of years ago, we didn't receive such questions. This is a complete change in what we do and a change that I expect will continue for a long time into the future, especially given that COVID-19 pandemic has been a wake-up call for many and proved to be a major catalyst for ESG today. Companies have to report ESG performance alongside traditional financial metrics.

The next step on this journey is getting management more comfortable talking about and understanding ESG for investors, particularly Environmental. We are used to answer questions on strategy and financial performance. Today, climate change questions come to IR but this is something that needs to change and the next generation IROs need to better instil this in management. We are not alone and Investors won't wait for you. For example, BlackRock, they will only invest in your stock if you report on ESG and have a clear roadmap on how to reduce your carbon footprint. The next generation IROs in GCC/MENA will also need to embed quality assurance on ESG and Sustainability reporting which is very difficult and a big challenge but very important for comparability.

2. What is your view on "Digitalisation of IR" and how far investment in technology needs to go to enable IR functions to progress?

It is happening. I have been in Alba for more than 10 years – I joined in 2011 to start the IR function. Back then, everything was more manual – I prepared a toolkit of information for investors to access information – more like a dashboard by using different platforms to pick the information. Now 10 years on, there are companies that offer you such services where you can give them access to your website and their technology will gather complex information from various sources and automatically populate a toolkit or dashboard to provide investors with access to information all in one place.

There are also IR Apps; but in GCC, they are still in infancy stage. However, the level of investment a company IR function needs to make depends on the listed company. What is the pay off – what is the fee? We have 10% free float so how much are you going to pay for this when there is such a limited liquidity. Yes the App makes life easier and investors' lives easier to have all the information in one place; but at the moment, there is not enough maturity in the App when it comes to disclosures. There are not enough regulations in the GCC or MENA – we need supportive legislation for digitalisation which isn't there now.

In the US for example, under SEC, there are a set of guidelines which you need to follow if you wish to proceed with disclosures on Apps. The website disclosures are monitored by regulators but who will monitor Apps and other information sharing platforms? All in all, I believe this will come as investors will demand it sooner or later and we should be ready.

3. What do you see as some of the challenges or obstacles for the future of IR in MENA?

In MENA, the role of IR is a bit discounted. I receive regular feedback from investors on how we have done on roadshows and they tell me about other companies as well. We want to receive constructive feedback as that's how we improve in IR.

What transpires is that there are not enough skilled IR practitioners in our region. All public listed companies should have their own IR function. IR is not only about marketing – we must work hard to make sure PR don't disclose anything that can indirectly affect the share price and what IR are doing. I am also the Company Secretary – I report to the board so I have no other option than to be on top of everything. I can channel any feedback or concern from investors, minor or major, to the board using my Cosec hat. But when there aren't these direct lines of communication and engagement it can present problems and challenges. My proximity to the board means I can cut the lead time and I am able to get back to investors' enquiries quickly. But I realise in many instances this isn't the case in other companies and that can present a big challenge.

4. Are you making changes now in the department to stay ahead of some of the likely new trends to come?

We are a relatively a big department in Alba spanning across IR, Corporate Communications and Corporate Secretary. I have a very structured team. When I joined Alba back in 2010, I started as Manager Investor Relations and Public Relations. Throughout the years in Alba, I have led different functions along with my IR role and a pre-requisite for me was to keep External Communications under my umbrella for proper synergy and to manage communications' flow in the public. We haven't received any complaints from the regulators in the last 10 years; and this is very important to Alba CEO as perception is reality.

We aren't making any investment now – we are making sure we do the job the best we can with maximum engagement with investors and the board. And I am lucky as I have great assets in my team.

If we had a bigger free float at some point in time, or an additional international listing, for example, then we would change the structure of the team to accommodate new requirements mainly in terms of compliance and relationship management with research analysts. Our biggest asset is that the lead time and our response is very short – that is why we are good at what we do. We have a diverse team with various skills spanning financial analysis, insurance, M&A, strategy and communications. I believe it is hard to make changes now for something that may come down the line. Our priority now is to do the best job we can now to meet our stakeholders' expectations and respond quickly and appropriately as and when things may change. We can't predict what the changes may be and how they will impact us. I am a great believer that changes always bring opportunities.

AN INTERVIEW WITH ANCA CIGHI, INVESTOR RELATIONS DIRECTOR AT ARAMEX

1. How do you think the next generation of IROs will be different to the existing, experienced IROs in the region at the moment?

Investment trends and regulation, as well as Board agendas, will continue to play an important role in the evolution of the IR function and the IRO skillset requirement.

I believe – and I certainly do hope – that the next generation of IROs will be proficient in ESG matters. A growing number of institutional investors are prioritizing ESG-compliant targets and many have signed up to the Net Zero Investors Initiative, which formed in December 2020. We're also seeing ESG take a more prominent role at a Board level, with companies in Europe and the US already setting up dedicated ESG Board committees.

There are certain fundamental elements of the IR job that I do not expect to change. An IRO will need to continue to understand a company's strategy, financial position, capital deployment plans and long-term growth ambitions and be able to communicate these to investors, explaining how they contribute to long term value creation. Maintaining a two-way communication between your company and shareholders, and understanding how your equity story is perceived, and what drives investment allocation decisions or outflows will continue to be important.

My advice to the next generation of IROs is to make sure they provide useful information in a timely manner – to investors, and to their management.

2. What is your view on “Digitalisation of IR” and how far investment in technology needs to go to enable IR functions to progress?

I use the DFM solutions to keep track of buying and selling activity on a daily basis which provides me with real time analysis of changes in our shareholder profile. Budget permitting, digital solutions are value enhancing for IR. There are many great solutions already available in the market, such as share identification and analysis tools; CRM systems and investor intelligence which can facilitate more efficient investor targeting campaigns, and more.

3. What do you see as some of the challenges or obstacles for the future of IR in MENA?

In other markets we are seeing a rise in activist investors which is accelerating the evolution and progression of the IR function to a more strategic management role. We do not have a such a catalyst in MENA. IR in the region is still fragmented, with some companies operating at international best practice levels, and others meeting the minimum disclosure requirements. We need to close this gap, and this is where professional associations such as MEIRA, and initiatives from local regulators are absolutely crucial to the development and success of IR in the region.

4. What effect do you think the regulatory impetus, driven by local exchanges, will have on IR/ESG?

We continue to see good progress and great initiatives being driven by local exchanges and regulators. We have recently seen changes in the foreign ownership limits which allow companies in certain sectors to increase foreign ownership up to 100%. This should attract more foreign investors to the market. ESG reporting has been mandated for all UAE listed companies which is a fantastic endorsement of the importance of ESG on society and the economy. These initiatives are conducive to a more mature IR and ESG landscape.

5. Are you making changes now in the department to stay ahead of some of the likely new trends to come?

Collaboration with colleagues is crucial to the success of the IR function. Aramex has an open and entrepreneurial culture, and the management team is very supportive of the IR function. In terms of trends, we are seeing increased interest from our shareholders and prospective investors in our sustainability practices and broader ESG matters. Aramex is already a leader in the industry in ESG reporting, and has integrated sustainability into business operations. I am working closely with our Chief Sustainability Officer for better alignment with IR.

05. CLOSING REMARKS

As an IRO and Vice-Chair of MEIRA, it gives me great pleasure and encouragement to add some concluding remarks to what has been another highly instructive and timely piece of work done in partnership with Debbie Nathan Associates. MEIRA thrives on the participation and feedback of our members. Accordingly, this excellent 2021 IR Practitioners Survey report is another apt reminder of why professional IR is needed, how we can make a difference to capital market development in the region and who is in a position to champion IR in the competiton for capital. Above all, it is simply good to share, compare and contrast what we know among our IR peers.

The world is changing and this report shows key IR trends and opportunities to address, while providing much thought for our broader MEIRA community to consider. While the survey findings inevitably mirror previous reports, they usefully show us what is changing (or not changing). I take heart from the fact that as a community we remain open, transparent and always keen to discuss what we see through thick and thin – let's face it, we have just come through a global pandemic that tested us all, not least our ability to communicate with one another, consistently, with clarity and effectively with confidence on behalf of our company Boards and management.

So what stands out this year? The gender balance (or imbalance) appears somewhat skewed, what's new? To be fair, we need to consider the make-up of our respondents. In general, for this survey, our respondents come from the more senior ranks of MEIRA and reflect what we currently see across our MEIRA Board and Chapters. In time, we expect to see this change as is happening elsewhere outside the region. Earlier this year, MEIRA launched our own Diversity and Inclusion (D&I) initiative which we aim to make work for all MEIRA members and partners. This will, hopefully, address some of the unanswered questions in time and time we have.

The good news in our survey findings is that we are accompanied in this journey by more increasingly experienced IR practitioners, individuals who can make a difference where we need to make a difference. As I have said before, IR naturally lends itself as an agent of change for D&I given our proximity to the top table of business decision-makers. We all have a role to play, IR people! More importantly, in that vein, MEIRA can make a difference. Accordingly, I am delighted to add that the MEIRA Board has recently adopted a D&I Policy that promotes a more formal approach to leading by example, including the recognition that a critical mass of women at our own Board level is a good start.

At the same time, as this report highlights, we have to begin by recognising our existing limitations, be it through a lack of diversity and a need for greater inclusion at all levels of our IR community. On that note, I'm delighted to see that the report shows that the next generation is beginning to make its mark. Moreover, over and above our MEIRA mainstays, the bigger cap companies, smaller companies are also recognising the value of resourcing the IR role. Further, generally, more companies are making a greater investment in IR, be it in the inevitable digitalisation of IR – no excuses there – or even through bigger teams that have to work across other key corporate roles, not least in sustainability issues.

On our part, we will work harder to reflect our broader membership across MEIRA, starting at the top. Indeed, at our own MEIRA Board level, I have been joined by more females, clearly in step with societal changes, that are reinforced by regulations. However, we can also accept that merit rightly remains the best differentiator of performance and we aim to prove this, step by step in our own community. Looking at the IR KPIs, for example, highlighted in this report, in time, I would like to see even more data-backed metrics, alongside the softer, qualitative elements that make up our target audience's perceptions of our roles and reputations. That said, a helping hand is to be encouraged at all levels of society and we can always try harder and do more. In this, I very much look forward to your continued support of MEIRA, your independent professional body for IR and so many more important aspects that IR can address, be it ESG or D&I-related.

Thank you.
Best wishes,

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Sofia El Boury,
MEIRA Vice-Chair and Head of IR, FAB

middle east
investor relations
association

DNA Debbie Nathan Associates
INVESTOR RELATIONS & COMMUNICATIONS