

IR

magazine

Research
Report

Global Roadshow Report 2017

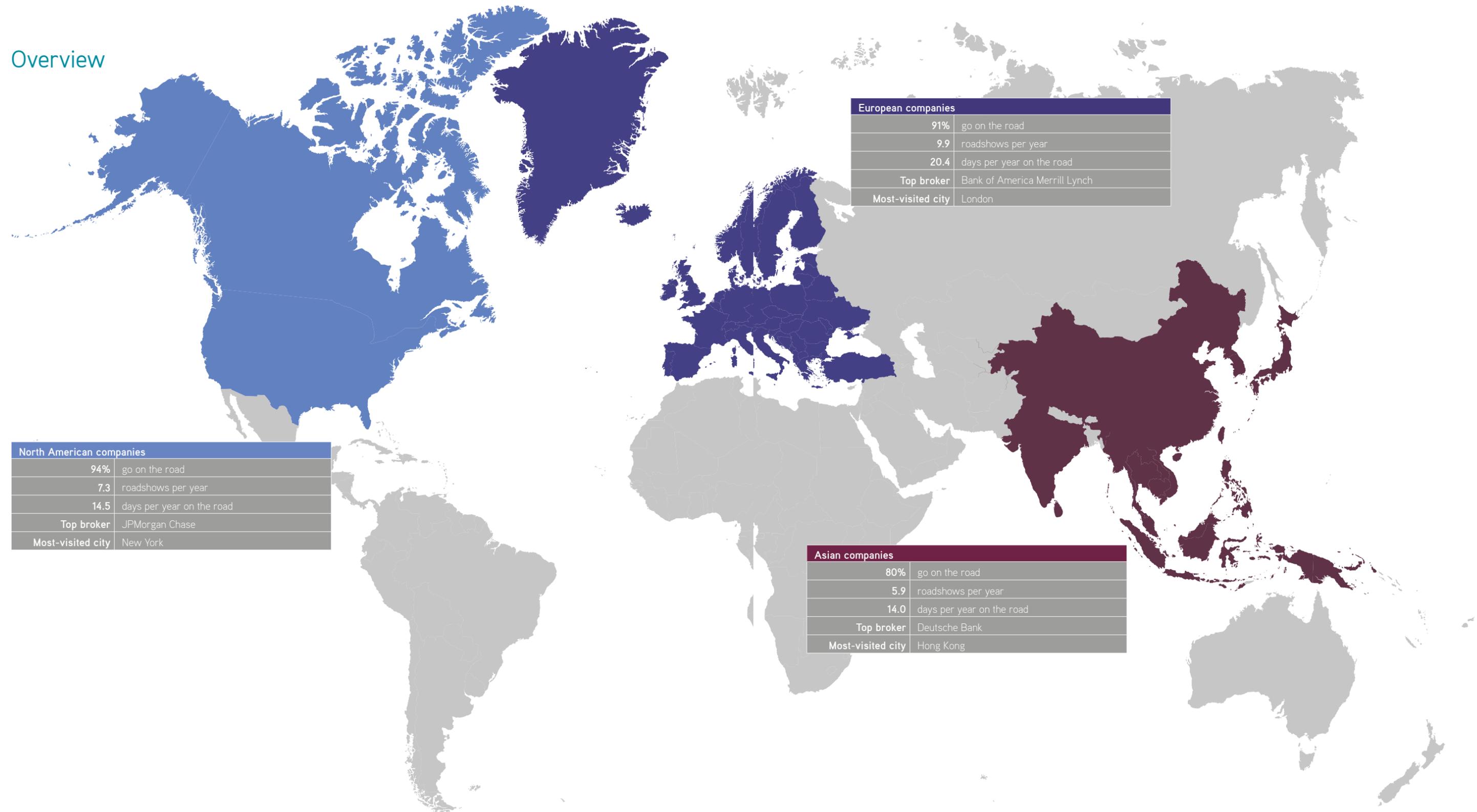
IR Magazine's eighth annual research report into the who, where, how and why of corporate roadshow activity

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Overview



North American companies	
94%	go on the road
7.3	roadshows per year
14.5	days per year on the road
Top broker	JPMorgan Chase
Most-visited city	New York

European companies	
91%	go on the road
9.9	roadshows per year
20.4	days per year on the road
Top broker	Bank of America Merrill Lynch
Most-visited city	London

Asian companies	
80%	go on the road
5.9	roadshows per year
14.0	days per year on the road
Top broker	Deutsche Bank
Most-visited city	Hong Kong

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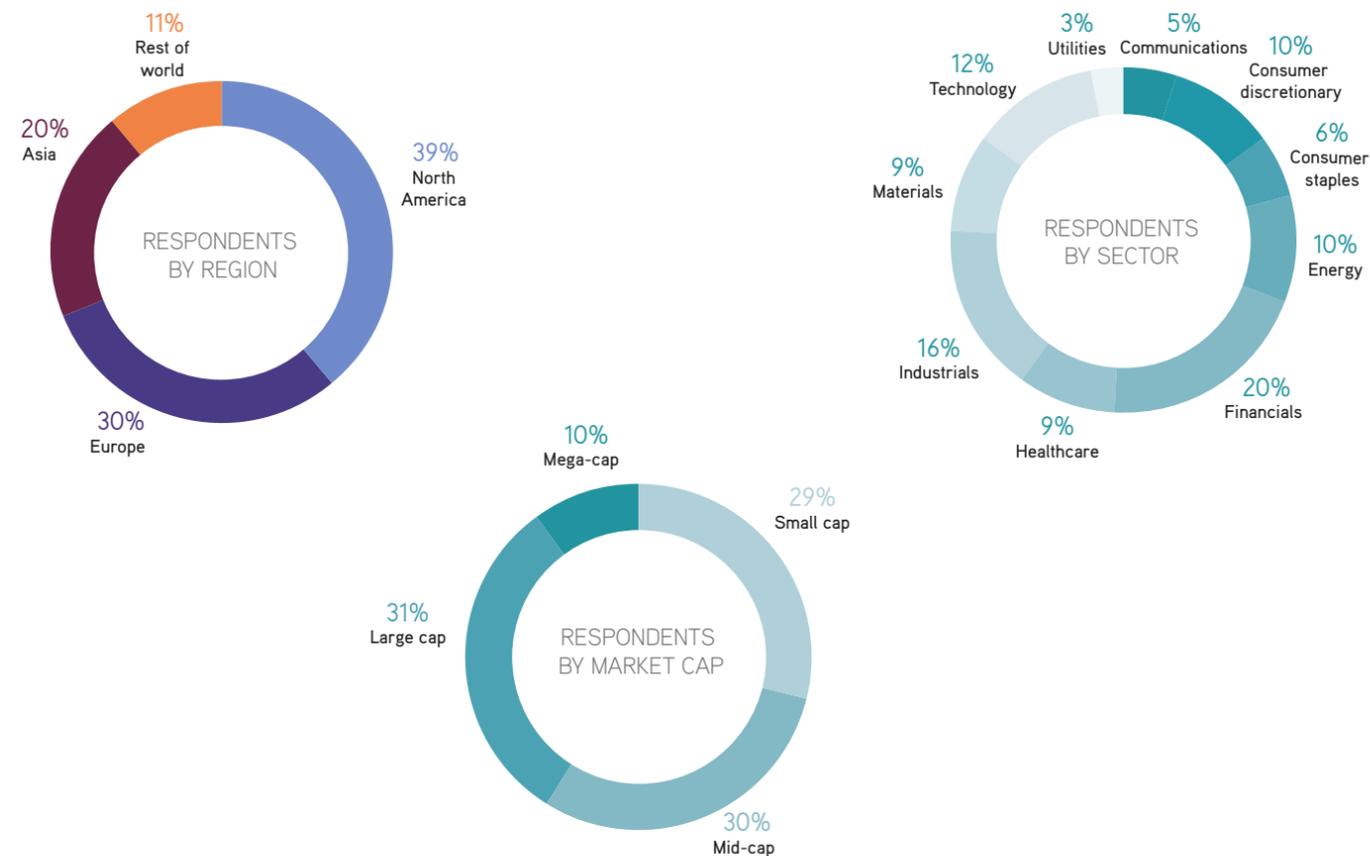
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EDITOR
Lloyd Bevan

CHIEF COPY EDITOR
Kathleen Hennessy

ART & DESIGN
James Noden
Jonathan Parker

About this report



Introduction

The *IR Magazine Global Roadshow Report 2017* is our eighth annual research report into the who, where, how and why of corporate roadshow activity. Findings are taken from the latest round of *IR Magazine's* Global IR Survey, carried out in Q2 and Q3 2017. A total of 750 IR practitioners replied to the survey questions relevant to this report. Respondents were asked about their experiences with roadshows over the preceding 12 months, in terms of both their practices and their preferences. The report investigates the frequency, duration and location of roadshow activity, and presents findings on who IROs go on the road with, both from their own management team and the brokers they use.

This report further looks at how many brokers companies typically used for roadshows in the past year, the popularity of top brokers' roadshows, and the frequency with which companies are prepared to go on the road with certain brokers. It also examines preferred roadshow destinations and the reasons for their popularity. New sections in this year's report include analysis by market cap of brokers' clients and of destinations chosen, as well as a look into how roadshow targets are both chosen and invited to participate.

The first figures in this report are for how many respondents have been on roadshows in the past year. Any subsequent findings in this report are based on the responses

from roadshow participants only and do not include data from respondents who do not go on the road. Most of the findings in this report have been further split by geographical region and company market capitalization. For the purposes of this study the key regions examined are North America, Europe and Asia, while the categories for market cap are defined in US dollars as follows:

SMALL CAP	<\$1 BN
MID-CAP	\$1 BN-\$5 BN
LARGE CAP	\$5 BN-\$30 BN
MEGA-CAP	>\$30 BN

Going on the road

More than nine in 10 companies went on the road over the past year, a 1 percentage-point increase on the figure for 2016. More North American and European companies are going on roadshows, with both regions seeing a 2 percentage-point increase from their 2016 figures of 92 percent and 89 percent, respectively. But fewer Asian companies are going on the road: four out of five now do so, compared with 92 percent in 2016.

The number of small-cap companies on the road continues to increase. This year the figure is 83 percent, compared with 81 percent in 2016 and 77 percent the year before. The number of mid-cap companies going on roadshows has fallen to 92 percent, while the figure for both large and mega-cap companies has risen to 96 percent.

Time on the road

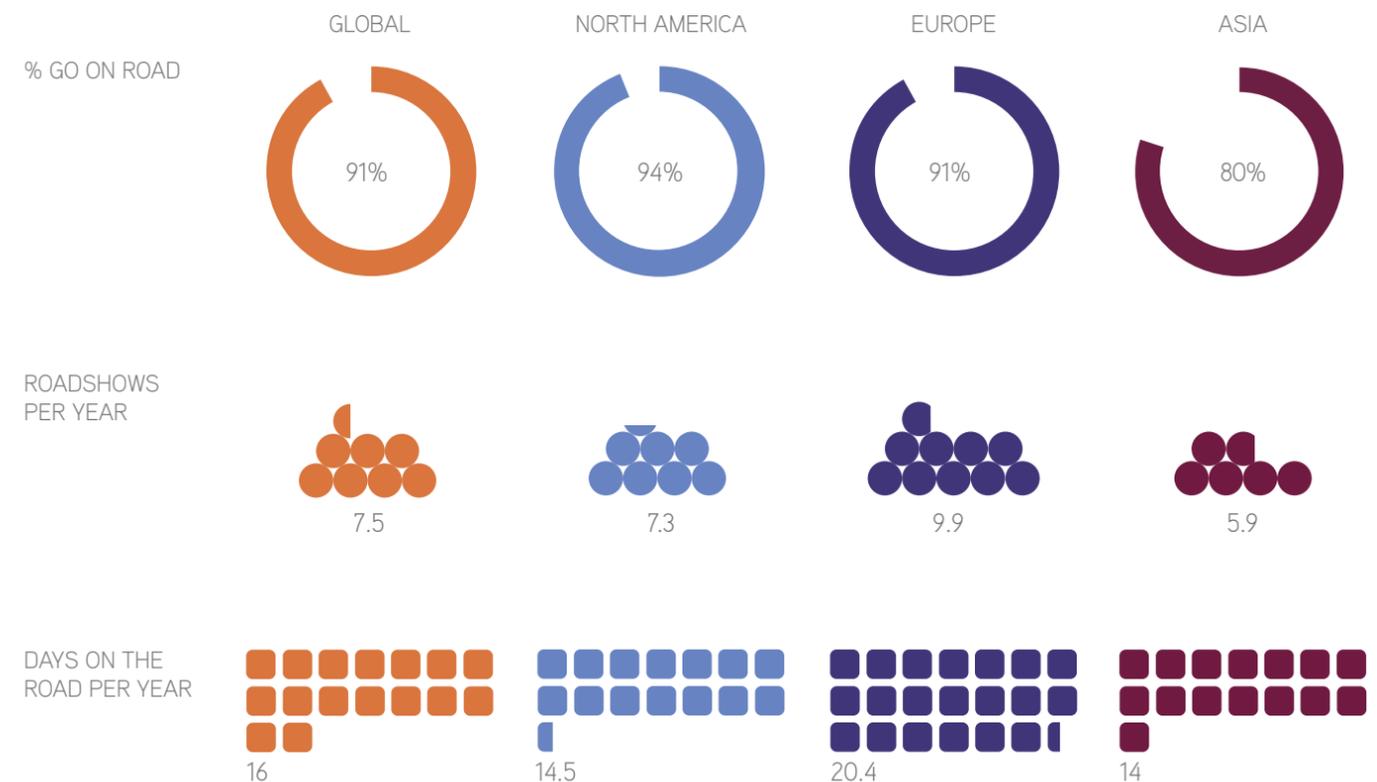
While the number of companies going on the road has slightly increased, the number of roadshows has fallen. Globally, companies went on an average of 7.5 roadshows last year, half a roadshow down on the 2016 figure and more than a whole roadshow down on 2015.

This global drop in roadshow activity is caused by a fall in the number of roadshows undertaken by European companies. In Europe, while the number of companies on the road has increased, the average number of roadshows these companies take has dropped from 12 in 2016 to 9.9 this year. The average number of roadshows by North American companies has remained the same, while the Asian average has increased by 0.4 roadshows.

Although European companies are going on fewer roadshows, these roadshows are getting longer in duration. On average, European companies spent 20.4 days on the road in the past year, compared with 18.5 in 2016. This means the average European company roadshow is now two days long, half a day longer than in 2016. Meanwhile, North American and Asian companies spend less time on the road despite going on more roadshows. Asian company roadshows are still the longest, averaging 2.4 days.

Companies of all cap sizes went on fewer roadshows in 2017 than in 2016. The largest drop is among large-cap companies, which have lost almost a whole roadshow from their calendar. Despite this, mid-cap and mega-cap companies spent longer on the road in 2017 than in 2016.

Roadshow activity 2017



Who goes on the road?

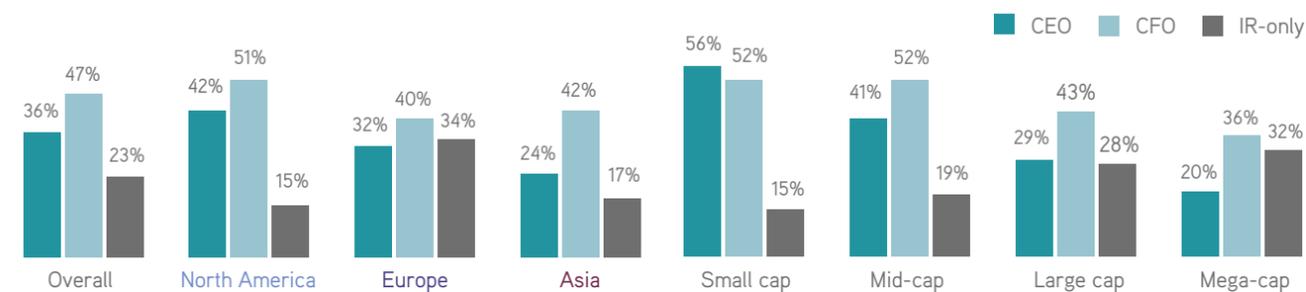
More than three quarters (77 percent) of roadshows conducted in the past year involved a member of company management outside of investor relations, a rise of 7 percentage points from 2016. CFOs went on the road 47 percent of the time, while chief executives attended more than a third of roadshows.

Regionally, North American companies have the greatest level of management involvement in roadshows. More than half of all roadshows involved the CFO and just 15 percent were conducted with only IR in attendance. European

companies have the lowest level of management involvement, with more than a third of roadshows involving IR only and only four in 10 involving the CFO.

According to company size, the trend is for management involvement in roadshows to drop off as cap size increases. Among small-cap companies, both the CEO and CFO go on the road more than half of the time. At mega-caps, this falls to one in five roadshows with the CEO and 36 percent of roadshows with the CFO in attendance.

Percentage of roadshows attended by senior managers



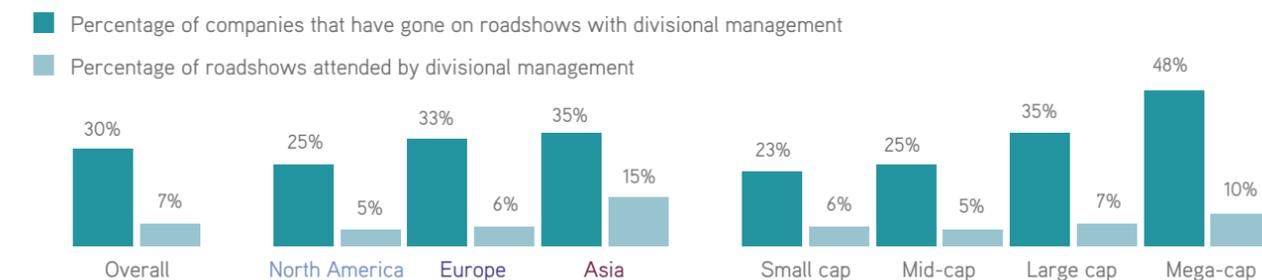
Divisional management on the road

Three in 10 companies have taken a member of divisional management on the road with them in the last year. The practice is most common at Asian companies and increases with cap size to the point where almost half of mega-cap companies have been on the road with divisional managers in the past 12 months.

Although nearly a third of companies have gone on the road

with divisional management, the practice itself is uncommon with just 7 percent of all roadshows including a divisional manager. Generally, companies that go on the road with divisional management do so on only one in five of their roadshows, except at Asian companies, where the practice is twice as common.

Roadshows and divisional managers



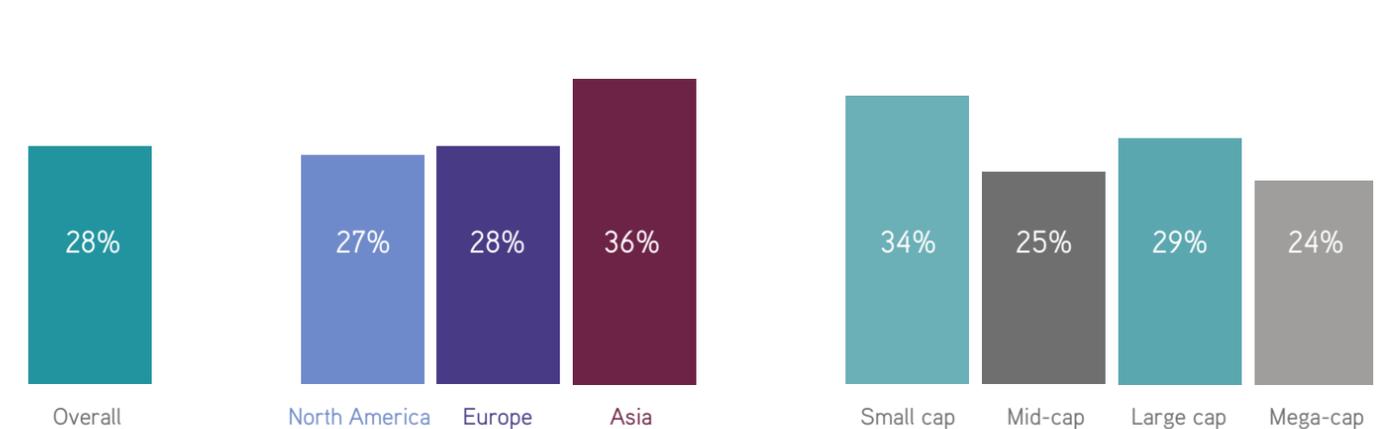
Planning ahead

In 2016, 30 percent of companies said they planned to go on more roadshows in the next year, with just 6 percent saying they were planning fewer roadshows. The resulting activity was different from these expectations, however, with companies going on 0.5 fewer roadshows in 2017 and spending just 0.1 extra day on the road.

Expectations have sobered slightly this year, with 28 percent of companies anticipating an increase in roadshow activity in the next 12 months. More than two thirds of survey respondents are planning for the same number of roadshows in the upcoming year as seen in the past 12 months.

In 2017 Asia is the only region to see companies increase their number of roadshows and it is this region that sees the highest proportion of its companies planning even more roadshows in the next year. According to market cap size, the highest percentage of companies planning more roadshows in the upcoming year is found among small caps and the lowest percentage is found at mega-cap level. More than three quarters of mega-cap companies are planning the same number of roadshows for the forthcoming year as they did in 2017. No mega-cap respondents say they are planning fewer roadshows in the year ahead.

Companies anticipating increase in roadshow activity

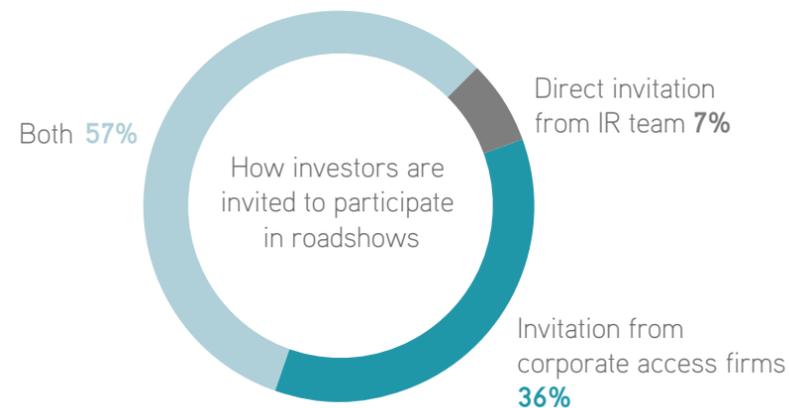


Favorite ways to engage

Roadshows remain the favorite way for IR practitioners to engage with the investment community. When asked in our latest survey which investor event they found to be the most rewarding, nearly half cite roadshows. Less than a quarter of respondents prefer investor conferences, while just under one in eight say they find site visits the most rewarding.



Inviting investors to roadshows



Traditionally, roadshows have been organized by brokers or corporate access firms, and invitations to investors to participate in roadshows have come from these third parties. This remains the case with 93 percent of companies using corporate access firms to invite investors to meet them on the road.

But 64 percent of companies also directly approach investors when inviting them to participate in roadshows. This means a majority of companies (57 percent) use both means of invitation while just 7 percent exclusively issue direct invitations to investors without going through a third party.

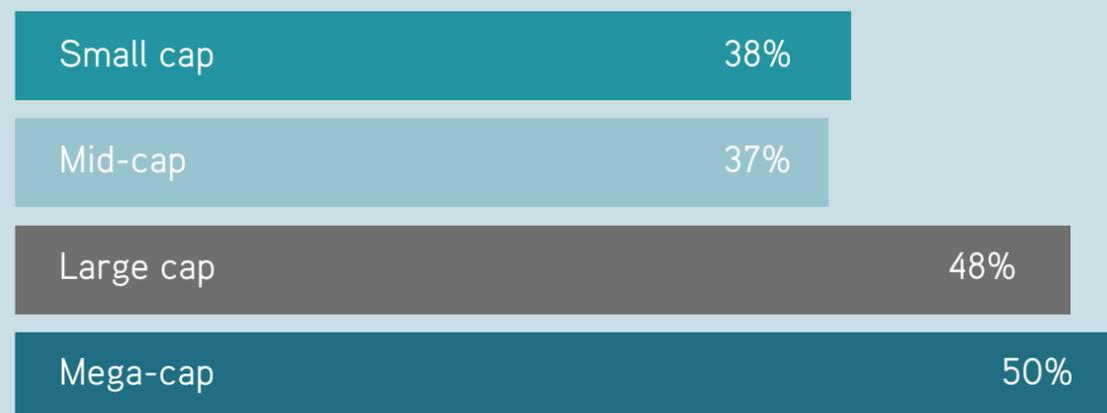
Direct invitation to roadshows from the IR team is most common among North American companies, with seven in 10 companies issuing invitations to investors this way. Smaller companies are more likely to directly invite investors than larger companies, with 72 percent of them issuing invitations this way compared with 58 percent of large-cap firms and 60 percent of mega-cap companies.

Selecting investors

Globally, 42 percent of roadshow targets are specifically selected by the IR department. This autonomy is less common for Asian IR departments, which typically select 38 percent of targets themselves. There is a clear trend for IR departments

at larger companies to have more control over who to target than IR teams at smaller companies do: half of all roadshow targets for mega-cap companies are selected by the investor relations department.

Roadshow target selected by IR department



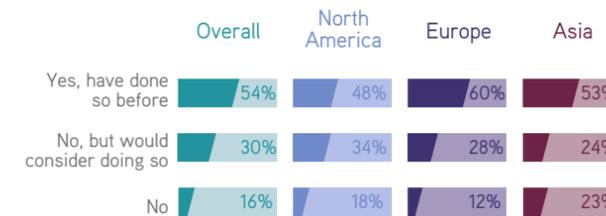
Who do you go on the road with?

More than half of companies globally have gone on the road with a broker that has recently given them a negative rating. Of the remaining 46 percent who haven't done this, 30 percent would consider doing so, leaving just 16 percent who wouldn't.

Six in 10 European companies have gone on the road with a broker that has recently given them a negative rating, something 23 percent of Asian companies would not consider doing. Large-cap companies are most likely to go on the road with such a broker, with almost two thirds having done so before. Only among small caps is there a majority of companies that haven't gone on the road with brokers that are negative about the company's stock, with one in five not even considering it.

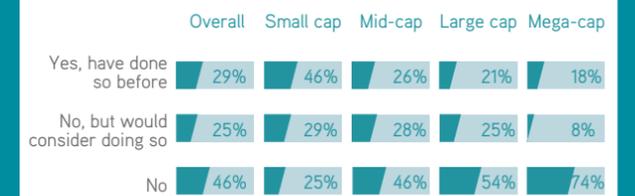
Negative brokers

Would you go on the road with a broker that has recently given your company a negative rating?



Non-covering brokers

Would you go on the road with a broker that doesn't cover your company?



Only 29 percent of companies have previously gone on roadshows with a broker that doesn't cover them, with 46 percent having a policy not to do so. This is fairly consistent across the regions, although in Asia the number that have gone on the road with a non-covering broker rises to 36 percent.

The preparedness to go on the road with a broker that doesn't cover your company falls as cap size rises. Among small-cap companies, 46 percent have gone on roadshows with such a broker, while only a quarter of companies would not be willing to do so. At mega-cap companies, almost three quarters would not even entertain the idea of going on the road with a non-covering broker and only 18 percent have actually done this.

How many brokers?

The average number of brokers used by companies for roadshows in 2017 is 5.4. Just over one in 10 companies (11 percent) globally went on the road with more than 10 brokers over the past year, while more than one in five have used fewer than three brokers. Regionally, European companies typically used the most brokers, with 19 percent using more than 10 brokers for their roadshow activities.

The number of brokers companies will go on the road with typically increases with company size. Small-cap companies used an average of 3.2 brokers for roadshows in the past year. This figure rises to 7.8 among mega-cap companies, with more than one in five using more than 10 brokers. Eight percent of small caps used no brokers at all for their roadshow activities in the past year.

Average number of brokers used for roadshows



Broker trends

Most-used brokers globally			
Rank	Company	% of respondents who use	Average number of roadshows per client
1	Bank of America Merrill Lynch	28.1	1.3
2	Deutsche Bank	26.9	1.3
3	JPMorgan Chase	24.9	1.4
4	Citi	23.1	1.3
5	Credit Suisse	22.9	1.3
6	UBS	20.6	1.4
7	Morgan Stanley	19.6	1.4
8	Goldman Sachs	18.0	1.2
9	Barclays Capital	15.3	1.4
10	Jefferies	14.5	1.3
11	Royal Bank of Canada	13.3	1.4
12	HSBC	12.7	1.3
13	Raymond James	10.9	1.2
14	Macquarie	9.6	1.2
15	Bank of Montreal	9.2	1.5
16	Exane BNP Paribas	8.9	1.4
17	Berenberg	8.4	1.7
18	Stifel	7.8	1.3
=19	CLSA	6.8	1.2
=19	Kepler Cheuvreux	6.8	2.7

Bank of America Merrill Lynch tops list again

Bank of America Merrill Lynch once again tops the global list of most-used brokers for roadshows – but the percentage of firms going on the road with it has fallen for the second year running and now stands at 28.1 percent. Deutsche Bank has risen from sixth to second place on the list, with the number of respondents using it for roadshows rising from 22 percent to 26.9 percent.

JPMorgan Chase has slipped back slightly from second to third place on the list this year, while Citi has risen from seventh to fourth place. Citi and Deutsche Bank are the only companies in the top 10 this year that have seen an improvement from 2016 in the percentage of companies using them for roadshows.

There are just two companies in the top 20 list this year that didn't make last year's. The 2017 list sees Wells Fargo and Nomura falling off, with Bank of Montreal and CLSA replacing them. Clients of Kepler Cheuvreux (formerly CA Cheuvreux) use the company most frequently for roadshows: the 6.8 percent of firms that went on the road with the broker typically did so 2.7 times in 2017, compared with the average of 1.4 roadshows per broker.

Top brokers: Regions



Europe

While Bank of America Merrill Lynch has lost ground among North American companies, it has gained the top spot in Europe, with more than a third of European companies using it for roadshows. Bank of America Merrill Lynch, Deutsche Bank and third-placed Citi have all seen solid increases in the percentage of European companies using their services in 2017.

Most-used brokers by European companies		
1	Bank of America Merrill Lynch	34.9%
2	Deutsche Bank	31.9%
3	Citi	30.1%
4	JPMorgan Chase	28.9%
5	HSBC	28.3%

North America

Despite holding on to the global top spot, Bank of America Merrill Lynch has slipped back in its home market. JPMorgan Chase is now the most-used broker for North American companies on the road. Apart from Bank of America Merrill Lynch, all of the top five brokers have increased the proportion of North American companies using them for roadshows in 2017.

Most-used brokers by North American companies		
1	JPMorgan Chase	24.5%
2	Raymond James	24.3%
3	Bank of America Merrill Lynch	24.2%
4	Jefferies	23.2%
5	Deutsche Bank	22.2%



Asia

Seven brokers have been used by more than 30 percent of Asian companies for roadshows in 2017. Deutsche Bank heads the list, having seen an increase of more than 7 percentage points in the number of Asian firms going on the road with it. Third-placed Citi has experienced a similarly sizable increase in Asian roadshow clients.

Most-used brokers by Asian companies		
1	Deutsche Bank	35.4%
2	Bank of America Merrill Lynch	34.4%
=3	Citi	33.3%
=3	JPMorgan Chase	33.3%
=5	CLSA	30.2%
=5	Credit Suisse	30.2%
=5	Morgan Stanley	30.2%



Top brokers by cap size

Bank of America Merrill Lynch holds the top spot globally due to its popularity among larger companies. Among small and mid-cap companies, however, it is fifth, with less than 15 percent of respondents using it for roadshows.

Deutsche Bank, JPMorgan Chase and Credit Suisse are relatively consistent in their popularity with both smaller and larger companies. Citi does particularly well at smaller companies, while UBS is the fourth-most used broker for roadshows among large and mega-cap companies.

Small/mid-cap	
Broker	% of respondents using
Deutsche Bank	17.3
Citi	15.8
JPMorgan Chase	15.8
Credit Suisse	15.0
Bank of America Merrill Lynch	14.7

Large/mega-cap	
Broker	% of respondents using
Bank of America Merrill Lynch	45.8
Deutsche Bank	39.7
JPMorgan Chase	37.0
UBS	34.4
Credit Suisse	33.2

Top brokers by broker numbers

As identified earlier, the average number of brokers used by each company for roadshows in the past year is 5.5. Deutsche Bank is the most commonly used broker among companies that use fewer than the average number of brokers, while Bank of America Merrill Lynch tops the list among companies that have gone on the road with six or more brokers in the past 12 months.

Aside from which broker tops each poll, there are two other notable differences: Credit Suisse is the fifth-most used broker by companies with above-average broker usage, suggesting that while it is a very popular broker to go on the road with, its roadshows are not necessarily first on the calendar. UBS appears to be popular among larger companies that use fewer brokers, which would explain why its average number of roadshows per client is higher than the rest in this group (1.4 roadshows compared with 1.2).

Top brokers for companies using five or fewer brokers	
1	Deutsche Bank
2	Bank of America Merrill Lynch
3	JPMorgan Chase
4	Citi
5	UBS

Top brokers for companies using six or more brokers	
1	Bank of America Merrill Lynch
2	Deutsche Bank
3	JPMorgan Chase
4	Citi
5	Credit Suisse

Most impressive roadshow

When asked which broker hosted the roadshow that most impressed them, respondents single out Bank of America Merrill Lynch most often, closely followed by Deutsche Bank. UBS, JPMorgan Chase and Credit Suisse are also frequently mentioned as hosting impressive roadshows.

Bank of America Merrill Lynch

'Best corporate access logistics, best at securing new investors and fulfilling target request, analyst follow-up'	US	Mid-cap	Financials
'Perfect organization, met investors we wanted to see'	Germany	Small cap	Materials
'Nice mix of major shareholders and new types of investors. Relatively rich feedback information'	Japan	Mega-cap	Communications

Deutsche Bank

'Deutsche Bank is good at being clear on where it can get a good day and where it cannot. Meeting quality is usually excellent as well as the day being full'	Ireland	Large cap	Materials
'Good targeting and doesn't try to have only its clients represented'	US	Large cap	Consumer discretionary
'Very carefully selected the funds we were visiting and accompanied the CFO and IR manager all the way'	Brazil	Mid-cap	Consumer discretionary

UBS

'Always professional, quick answers, proactive discussions on targeting'	Germany	Large cap	Technology
'We were impressed with the quality of investors that participated, and the logistics'	Philippines	Mid-cap	Communications

JPMorgan Chase

'Good organization and logistics, good balance of our own specified investor targets and broker-recommended ones. Helpful feedback provided'	Japan	Large cap	Consumer staples
'Corporate access team respected our desired list of invitees and was very responsive'	US	Mega-cap	Technology

Credit Suisse

'Credit Suisse always does an excellent job all round: meeting schedule, quality of investors, logistics'	US	Mid-cap	Financials
'Efficient on quality, numbers and relevance'	Indonesia	Mid-cap	Energy

Top roadshow destinations

Most-visited cities globally		
Rank	City	% of respondents
1	New York	75.7
2	Boston	63.9
3	London	61.4
4	San Francisco	40.3
5	Chicago	39.5
6	Toronto	35.2
7	Frankfurt	32.0
8	Paris	31.3
9	Los Angeles	29.3
10	Edinburgh	23.8
11	Singapore	23.5
=12	Montreal	23.3
=12	Zürich	23.3
14	Hong Kong	23.1
15	Amsterdam	20.4
16	Geneva	19.4
17	Tokyo	13.9
18	Baltimore	13.6
19	Philadelphia	13.4
20	Milan	12.9

New York tops roadshow destination cities

New York remains the prime global investment center as the most-visited roadshow destination in 2017. New York has been top of the list every year since we started our annual *Global Roadshow Report* in 2010 and is the only city to have always been visited by more than three quarters of survey respondents.

Boston has regained the second spot, while London slips back to third place with a 3.2 percentage-point drop in visitor numbers on 2016. The other two major European financial centers, Frankfurt and Paris, have faced similar falls in the number of companies visiting them. As a result, Toronto this year moves up to sixth place.

Copenhagen, Stockholm and Denver have all dropped out of the top 20 list of most-visited roadshow destinations, to be replaced in 2017 by Tokyo, Philadelphia and Milan.

Regional preferences

Toronto has overtaken London in the list of most-visited cities by North American companies, though London remains the only country in the North American top 10 from outside the region. Chicago and Milan have entered the top 10 most-visited roadshow destinations for European companies, while New York has replaced London among Asian companies as the most visited non-Asian destination.

Top 10 cities for North American companies		
Rank	City	% of respondents
1	New York	88.1
2	Boston	77.5
3	San Francisco	54.6
4	Chicago	50.9
5	Toronto	50.0
6	London	45.4
7	Los Angeles	45.0
8	Montreal	39.0
9	Baltimore	29.4
10	Philadelphia	27.1



Top 10 cities for European companies		
Rank	City	% of respondents
1	London	89.6
2	New York	76.1
3	Frankfurt	68.7
4	Paris	64.4
5	Boston	63.2
6	Edinburgh	45.4
=7	Geneva	42.9
=7	Zürich	42.9
9	Chicago	42.3
10	Milan	36.2

Top 10 cities for Asian companies		
Rank	City	% of respondents
1	Hong Kong	75.3
2	Singapore	66.7
3	New York	58.1
4	London	52.7
5	Boston	41.9
6	Tokyo	34.4
7	San Francisco	33.3
8	Kuala Lumpur	21.5
9	Edinburgh	18.3
10	Chicago	16.1



Best cities for roadshows

London has replaced New York in 2017 as the city companies most like visiting for roadshows. Boston is frequently mentioned as a preferred destination city, while Singapore, Toronto and Hong Kong are also cited as popular roadshow destinations.

London

'London investors are long term, very well prepared, do a lot of diligence and always ask questions appropriate for a CEO'	US	Large cap	Technology
'Simply the best city to visit, especially if you are there in spring/summer. A good mix of emerging market investors coupled with the vibrancy of the city'	India	Mid-cap	Healthcare
'Most influential and dynamic investor base'	Sweden	Mega-cap	Financials
'Smart, knowledgeable accounts, multi-strategy, depth of accounts, great city'	Canada	Mid-cap	Utilities

New York

'New York is still the major city when talking about roadshows'	Brazil	Large cap	Energy
'Large pool of investors that will invest in small caps'	Canada	Small cap	Consumer discretionary
'Good access and critical mass: lots of targets so more bang for the buck'	Japan	Large cap	Consumer staples
'In New York you get to meet the best and the largest of investors'	India	Mid-cap	Financials

Boston

'In Boston you get investors that understand both the industry and the key drivers. Meetings focus on higher-level directions of development as opposed to weekly price movements'	Ireland	Large cap	Materials
'Fewer hedge funds in Boston, offices are close together so day can be very productive'	US	Small cap	Technology
'Big funds that invest long term, easy to get around the city'	South Africa	Mid-cap	Consumer staples

Singapore

'Close proximity of meetings, interesting new funds, with every visit more and more interesting, quick and straight to the point decision-makers'	Turkey	Small cap	Consumer discretionary
'Convenient, friendly people, very accessible'	Philippines	Large cap	Financials

Toronto

'Toronto market has a very good mix of investors, lots of potential targets that know the company story'	Canada	Mid-cap	Consumer discretionary
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Hong Kong

'Committed, serious investors, proximity to China, easy transportation & time management'	Indonesia	Mid-cap	Energy
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Destinations by cap size

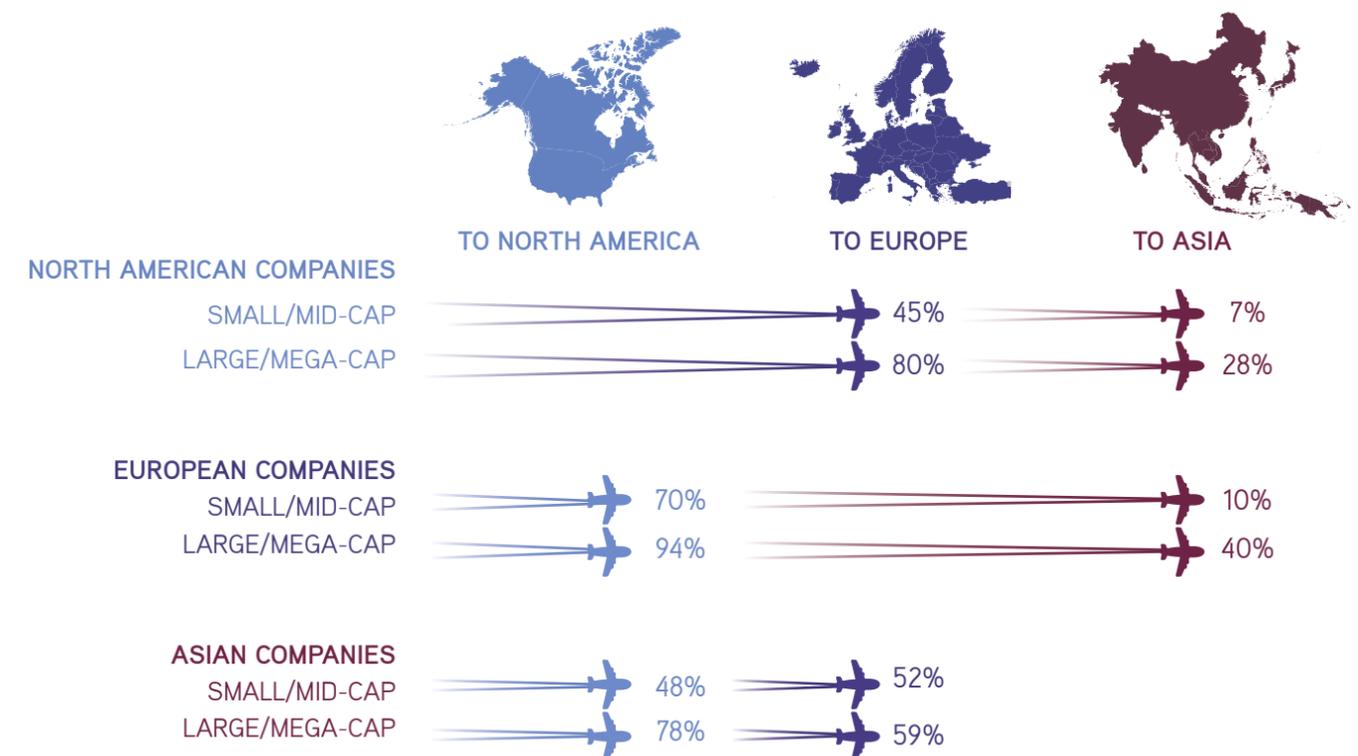
There is little difference between the preferred roadshow destinations of smaller and larger companies, with just Chicago and San Francisco swapping places in the top five. New York, Boston and London are each visited by more than half of all smaller companies on roadshows, while both New York and Boston have more than three quarters of larger companies visiting them.

Smaller North American companies are the most domestic in

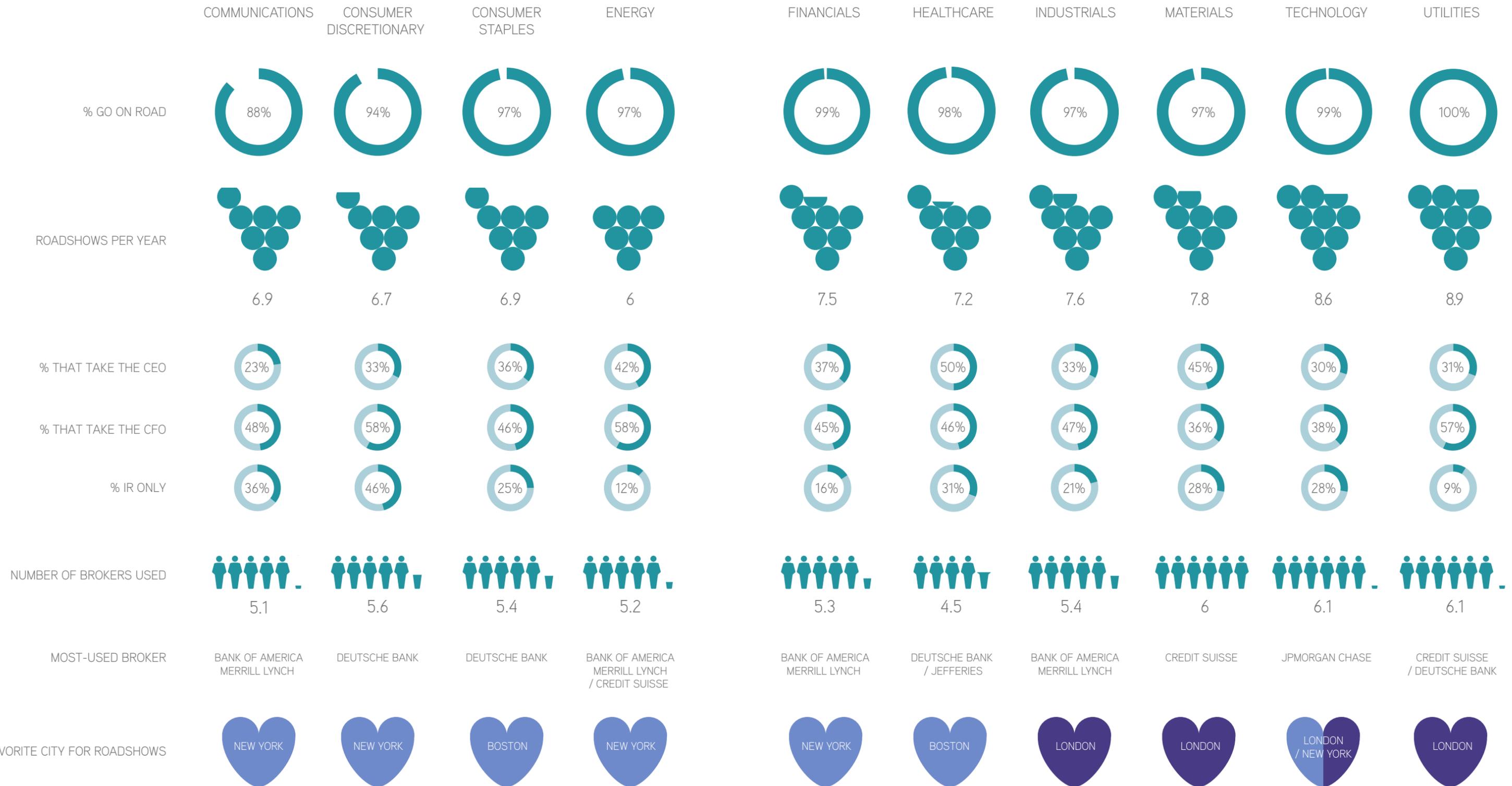
their travels, with less than half of them visiting Europe and just 7 percent travelling to Asia, which is not seen as a key destination for finance for companies outside of the region, particularly small companies. North America is the go-to destination for European companies and the preferred destination for larger Asian companies. A greater number of smaller Asian companies travel to Europe than to North America.

Preferred cities by respondent cap size			
Small/mid-cap	% of respondents	Large/mega-cap	% of respondents
New York	66.7	New York	87.8
Boston	55.5	Boston	75.3
London	53.9	London	71.4
Chicago	34.8	San Francisco	54.5
San Francisco	29.4	Chicago	45.5

International-continental travel



Sector focus



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