



IR Webinar: How important is the individual to UK PLC in the current climate?

18th June 2020

Introduction

Kate Heseltine, Head of Policy and Communications
The IR Society

QUALITY COMES AS STANDARD



Orient Capital are proud to be the IR Society Events Programme Sponsor.

We provide high quality share ownership analytics, market intelligence and investor communications that give you the confidence to engage. That's what the OC Standard is all about.



Speakers

Moderator – **Kate Heseltine, Head of Policy & Communications**, IR Society

Marcus Stuttard, Head of UK Primary Markets, Head of Aim, London Stock Exchange

James Deal, COO, PrimaryBid

Clara Melia, Founder, Equitory

Richard Watts, Fund Manager, Merian Global Investors

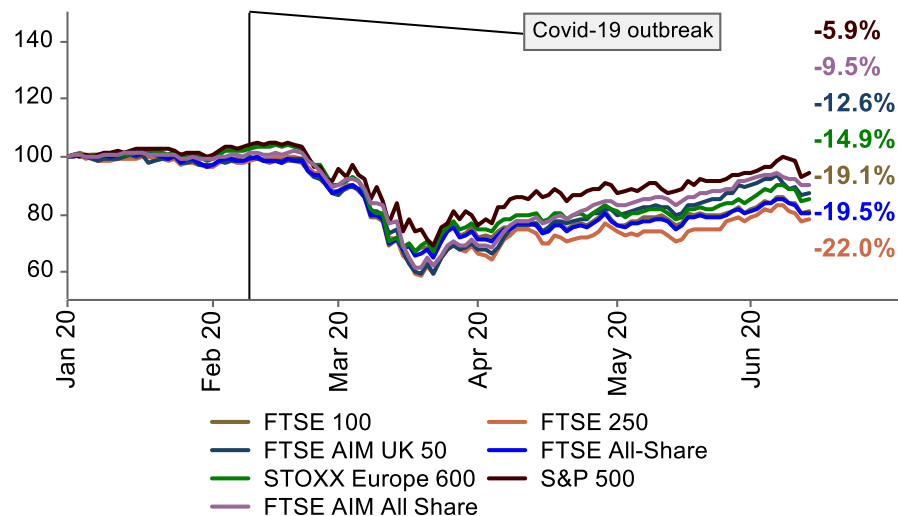
Marcus Stuttard

Head of UK Primary Markets, Head of Aim,
London Stock Exchange

Equity Market Performance Globally

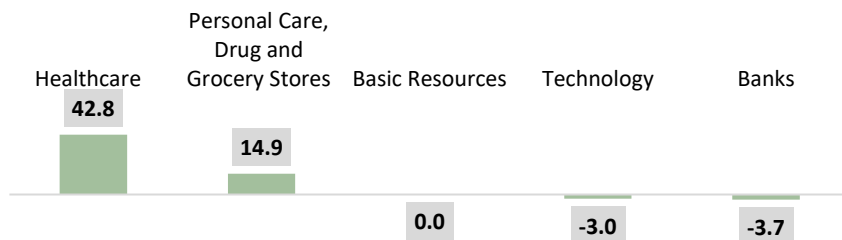
Market volatility eases after initial COVID-19 pandemic fears

Core indices lower, but have bounced significantly from end March lows

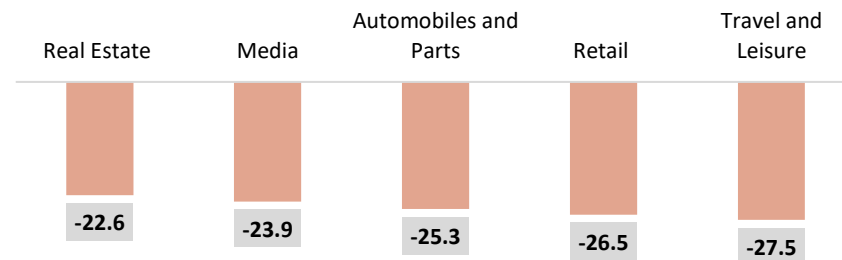


Price perf (%)	5Y	Since Jun 19	YTD	1M
FTSE 100	-10.0	-14.8	-19.1	1.8
FTSE 250	-4.9	-10.0	-22.0	5.6
AIM 50	16.9	-12.8	-12.6	5.7
AIM ALL-Share	11.9	-9.7	-9.5	5.1
FTSE ALL-Share	-8.7	-13.9	-19.5	2.6
STOXX 600	-11.2	-6.3	-16.9	1.5
S&P 500	45.2	10.5	-5.9	6.0

UK's Top 5 Best Performing Sectors YTD (%)



UK's Top 5 Worst Performing Sectors YTD (%)



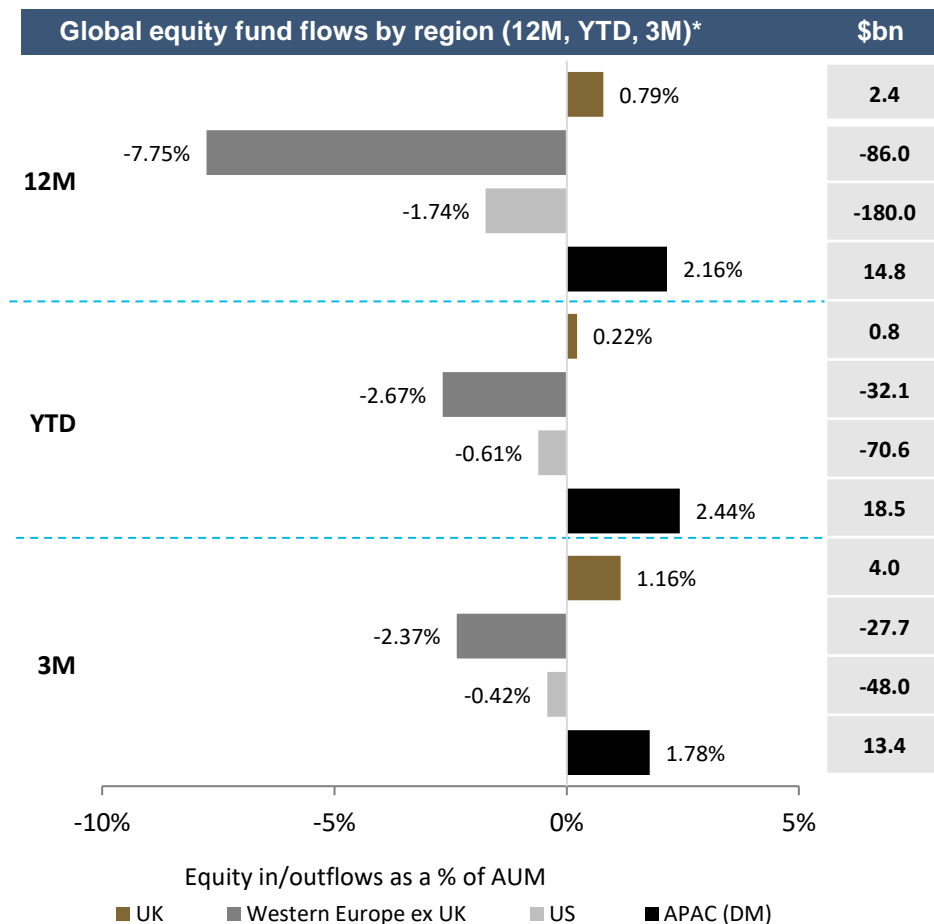
Source: FactSet, as of 12 June 2020

FTSE ICB Super-sector classification used for YTD sector performance

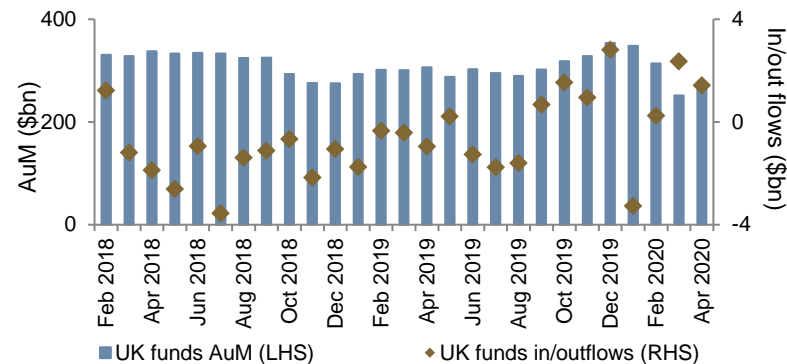


Equity Fund Flows

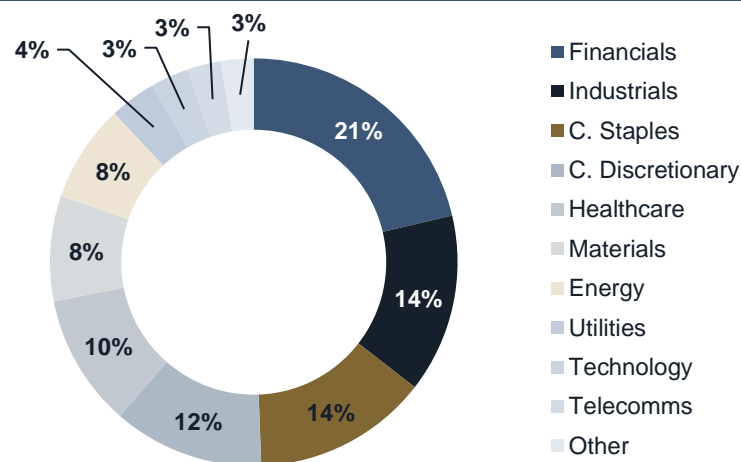
UK funds experience net inflows since February



c.\$4bn inflows into UK mandated equity funds since Feb 2020



UK mandated equity fund inflows since Feb 2020 by sector*



Source: EPFR Global, as of 15 June 2020

*Note that YTD, 3M and sector flows figures are as per latest available equity flows data as of end of April 2020.

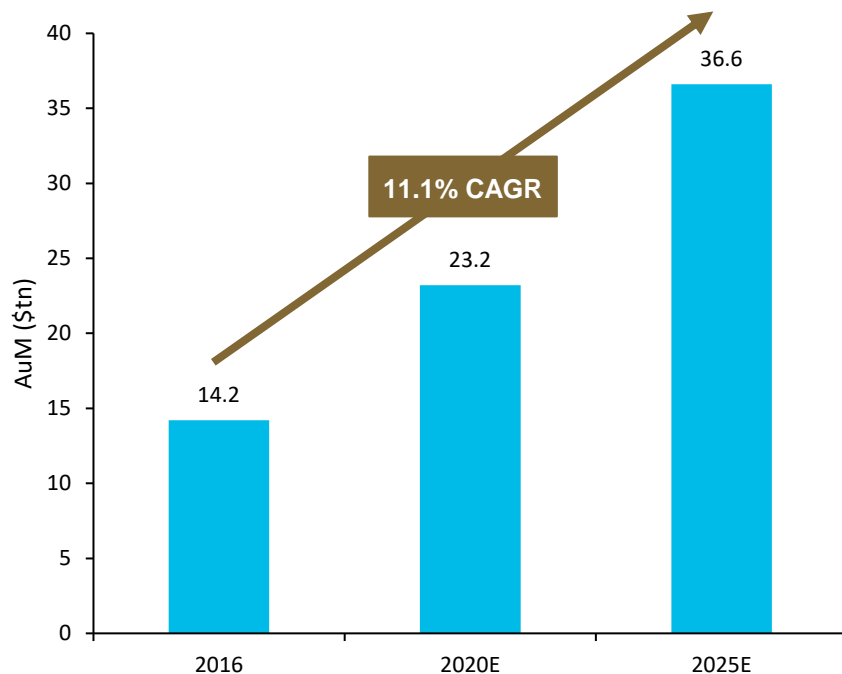


Significant Growth in Index Demand

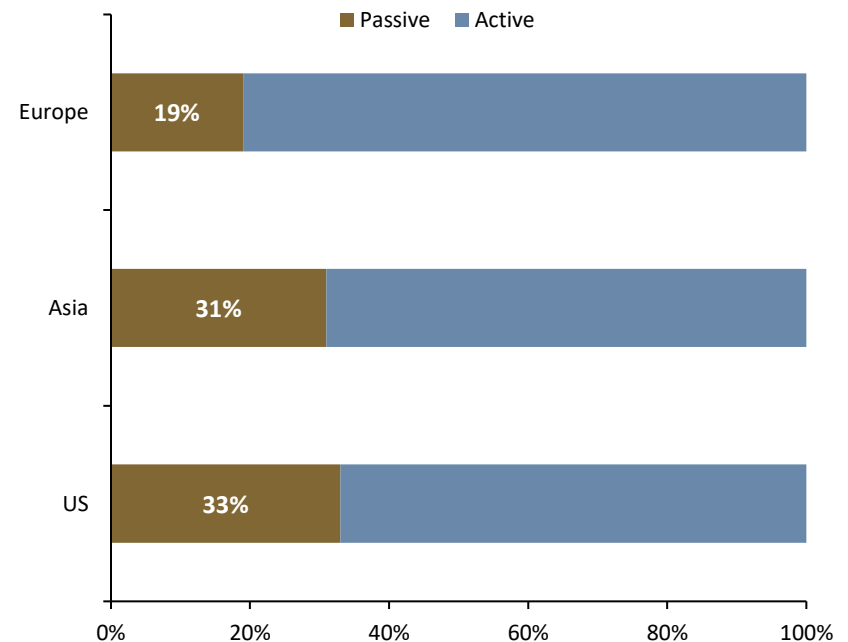
Being an index constituent is becoming increasingly important

- In the coming years, index funds are expected to grow at 11% annually making inclusion in a globally recognised and tracked index increasingly important for listed companies
- Passive asset management in Europe still lags Asia and the US, offering significant future growth potential for index constituents

Estimated growth of passive AuM globally, 2016-2025



Breakdown of passive-active AuM across regions



Source: PwC (July 2018), Morningstar (August 2019)

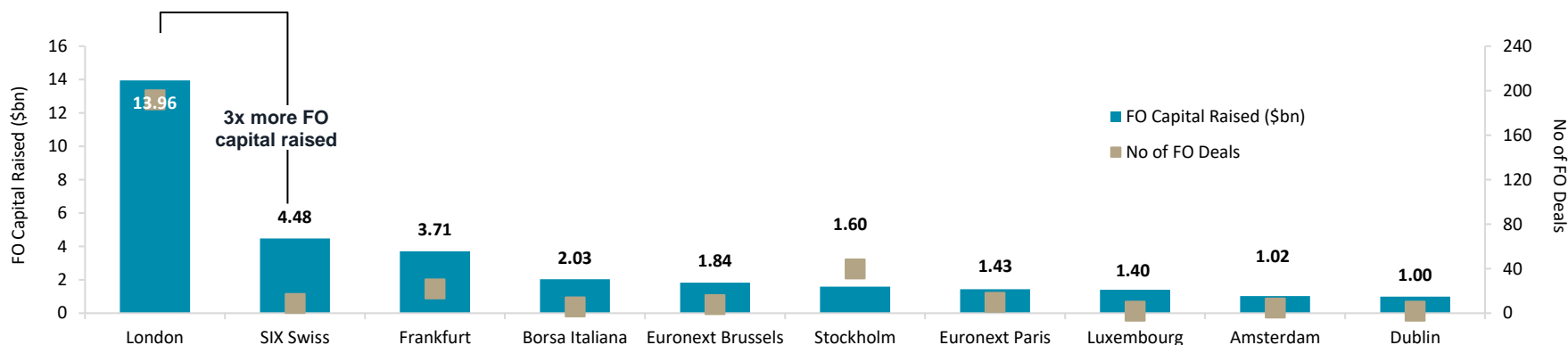


Further Issuance Trends

London emerges as Europe's leading venue for recapitalisation

Top 10 European Exchanges by Capital Raised through Further Offers (FOs) Announced between 01 Mar 2020 - 12 Jun 2020

- London has emerged as the leading venue to recapitalise in Europe with 192 FOs raising \$14bn



Largest Transactions on Main Market

Company	Capital Raised (\$m)	% of company sold
Compass Group	2,429	10.9
Informa	1,256	16.7
Flutter Entertainment	998	5.2
Just Eat Takeaway.com	570	3.8
Hiscox	467	16.7

Largest Transactions on AIM

Company	Capital Raised (\$m)	% of company sold
ASOS	304	15.8
Boohoo	241	4.7
Dart Group	210	16.7
Abcam	137	4.9
Blue Prism	125	9.9

Key Trends since March 2020:

- 6 of the top 20 largest European transactions announced since 1st March have been executed in London, while accounting for 19% of total capital raised across Europe, during this period.
- Average price performance of transactions (above £5m) completed post 1st March is 10.4%
- Average discount to last close for transactions (above £5m) since 1st March has been 4.9%*

Source: Dealogic, as of 12 June 2020

*Average discount to last close is for all transactions since 1st March above £5m excluding Aston's Martin's rump placing.

Note that all averages have been weighted by deal size



PrimaryBid

Enabling individual investors to access the capital markets



London
Stock Exchange

Our exclusive partnership.

Covers IPOs, follow-on equity capital increases, secondary block sales and retail bonds

Digitally connects the retail investors to quoted company offerings at the same price as institutions

Allows London Stock Exchange issuers to unlock a new pool of capital and liquidity

Works in collaboration with investment banks and stockbrokers

“Retail or individual investor participation, is really important across our markets both in AIM and the main market.”

Marcus Stuttard

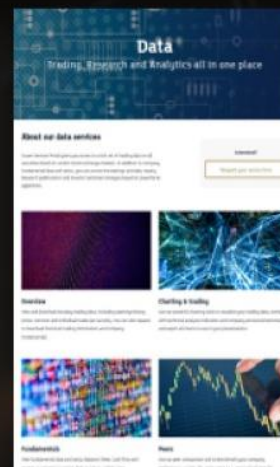
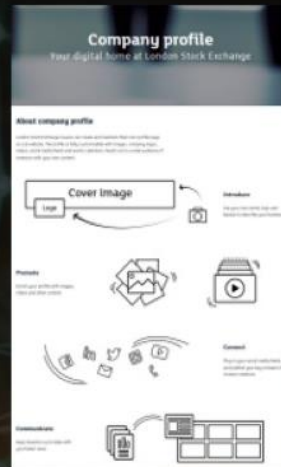
Head of UK Primary Markets
London Stock Exchange

Issuer Services

Exchanging capital, services, content, data and communications

Our Platform:

- A platform for our 2,000+ issuers.
- Providing issuers access to millions of investors.
- Offering issuers IR tools, data, content and services.
- Bringing our community together through premium events and content.



Legal Disclaimer

This document has been compiled by the London Stock Exchange plc (the "Exchange"). The Exchange has attempted to ensure that the information in this document is accurate, however the information is provided "AS IS" and on an "AS AVAILABLE" basis and may not be accurate or up to date.

The Exchange does not guarantee the accuracy, timeliness, completeness, performance or fitness for a particular purpose of the document or any of the information in it. The Exchange is not responsible for any third party content which is set out in this document. No responsibility is accepted by or on behalf of the Exchange for any errors, omissions, or inaccurate information in the document.

No action should be taken or omitted to be taken in reliance upon information in this document. The Exchange accepts no liability for the results of any action taken on the basis of the information in this document.

All implied warranties, including but not limited to the implied warranties of satisfactory quality, fitness for a particular purpose, non-infringement, compatibility, security and accuracy are excluded by the Exchange to the extent that they may be excluded as a matter of law. Further, the Exchange does not warrant that the document is error free or that any defects will be corrected.

To the extent permitted by applicable law, the Exchange expressly disclaims all liability howsoever arising whether in contract, tort (or deceit) or otherwise (including, but not limited to, liability for any negligent act or omissions) to any person in respect of any claims or losses of any nature, arising directly or indirectly from: (i) anything done or the consequences of anything done or omitted to be done wholly or partly in reliance upon the whole or any part of the contents of this document, and (ii) the use of any data or materials in this document.

Information in this document is not offered as advice on any particular matter and must not be treated as a substitute for specific advice. In particular information in the document does not constitute professional, financial or investment advice and must not be used as a basis for making investment decisions and is in no way intended, directly or indirectly, as an attempt to market or sell any type of financial instrument. Advice from a suitably qualified professional should always be sought in relation to any particular matter or circumstances.

The contents of this document do not constitute an invitation to invest in shares of the Exchange, or constitute or form a part of any offer for the sale or subscription of, or any invitation to offer to buy or subscribe for, any securities or other financial instruments, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever.

London Stock Exchange and the London Stock Exchange coat of arms device are registered trade marks of London Stock Exchange plc. Other logos, organisations and company names referred to may be the trade marks of their respective owners.

© 2020

London Stock Exchange plc
10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000
www.lseg.com

James Deal

COO, PrimaryBid



London
Stock Exchange

About PrimaryBid.

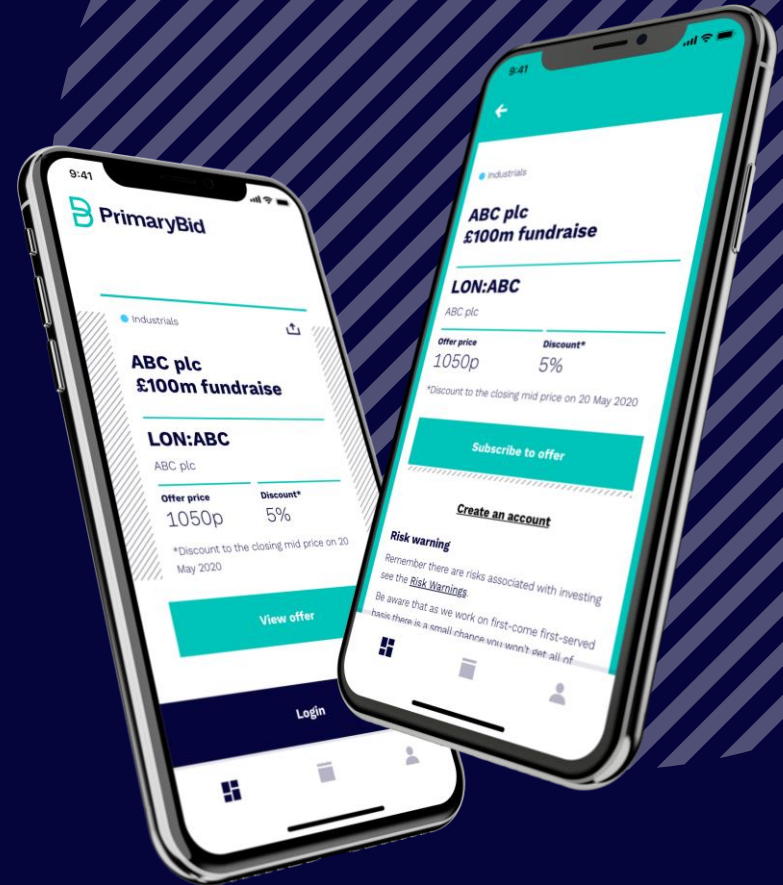
PrimaryBid is a technology platform focused on giving everyday retail investors fair access to public offerings (IPOs, Follow-Ons and Debt). Through our partnership with global stock exchanges, our centralised infrastructure seamlessly connects individual investors with publicly listed companies seeking capital to fund their growth. Democratised participation rights for retail investors equals: **Fairness, Inclusivity & Transparency.**

Our values

Fairness

Inclusivity

Transparency



Publicly-listed issuers benefit when retail investors are systematically included in fundraisings

- **Better Outcomes**

Retail shareholders represent an untapped pool of incremental capital that can add competitive tension to an institutionally-led order book.

- **Better Governance**

Companies have a duty to their entire shareholder base and retail investors deserve equal access to capital raisings as a matter of fairness.

- **Better Liquidity**

Retail shareholders broaden the depth and breadth of a company's shareholder register; diversification away from institutions can enhance secondary market liquidity.

- **Better Engagement**

Fundraisings are not only about capital – they are an opportunity for a company to engage with key stakeholders at critical junctures of their corporate journeys.



London
Stock Exchange



Our infrastructure is designed for maximum scale and engagement

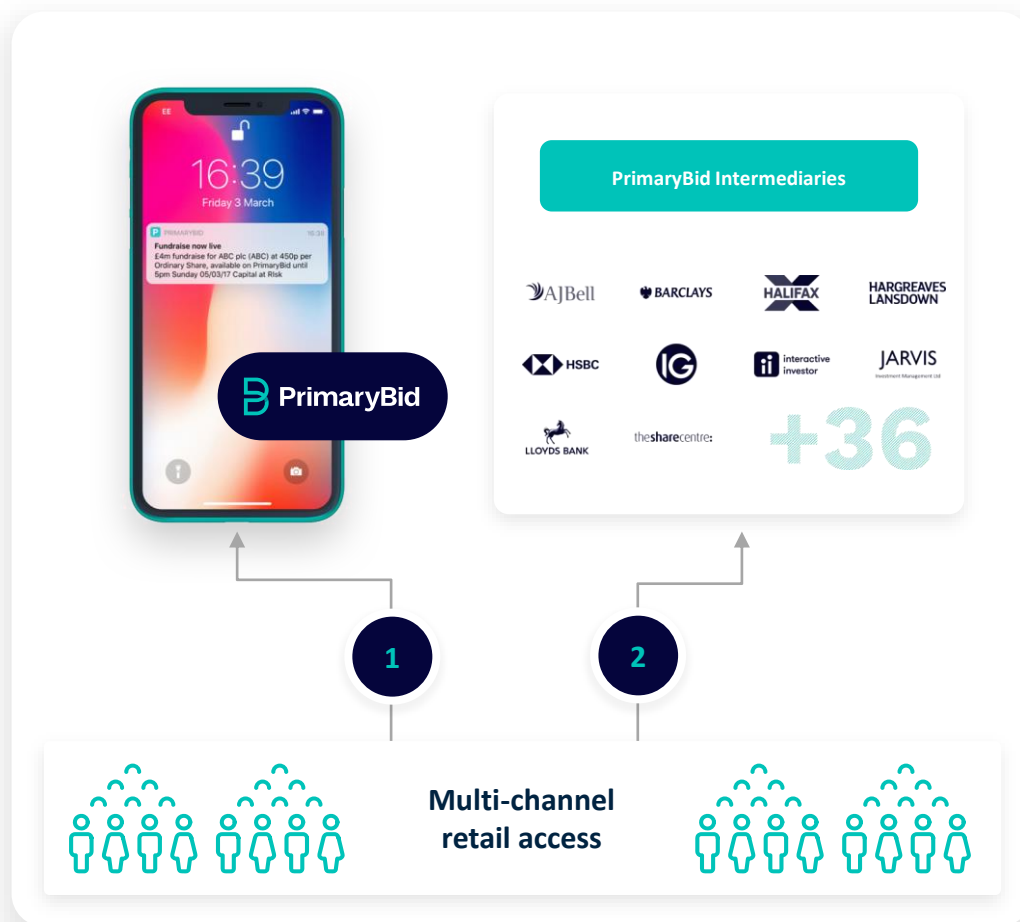
Distribution model provides retail investors with multi-channel access

1. Direct access

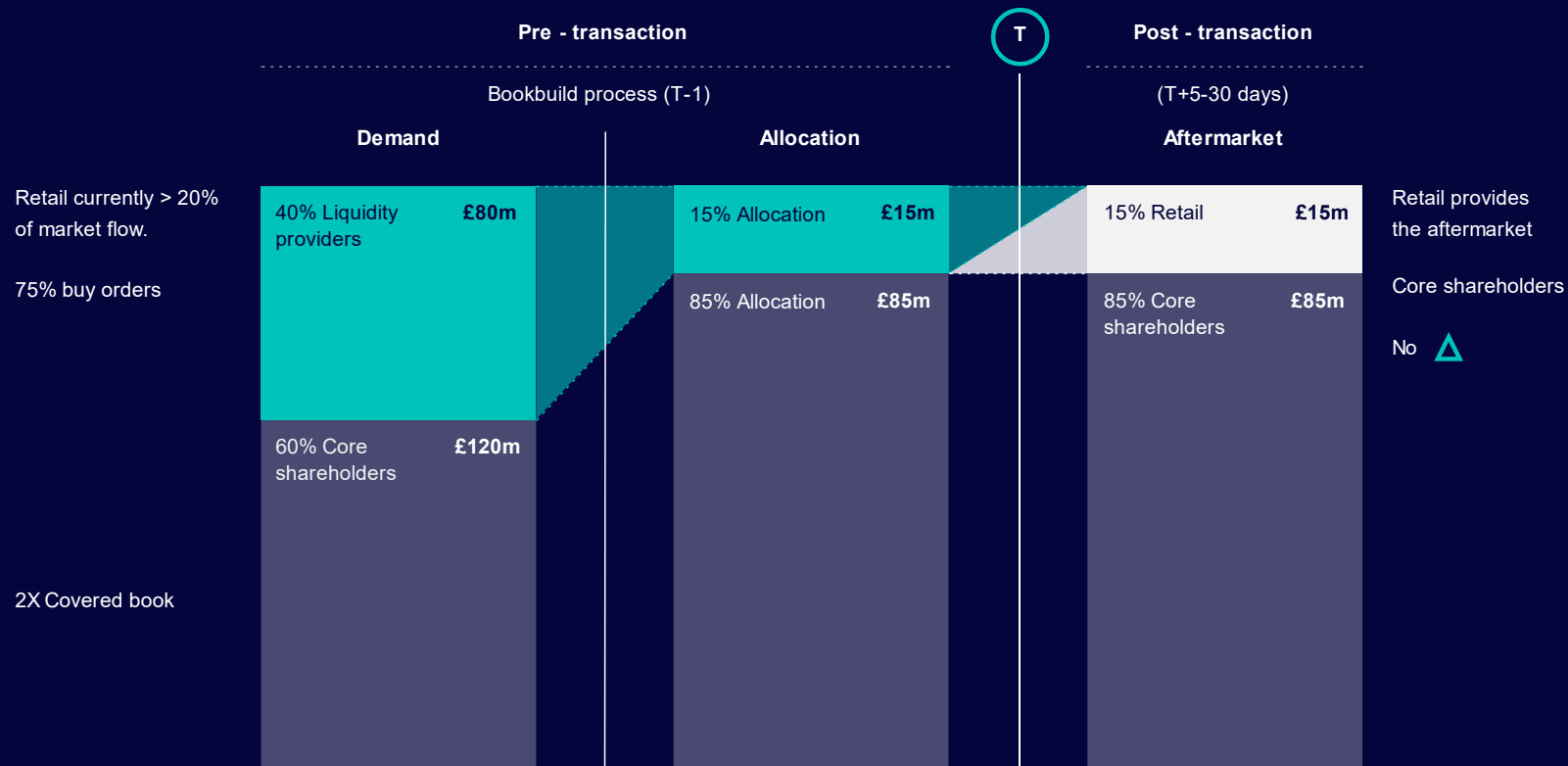
Allows retail investors to subscribe directly via web or app; allocations settle straight into preferred brokerage account

2. Indirect access

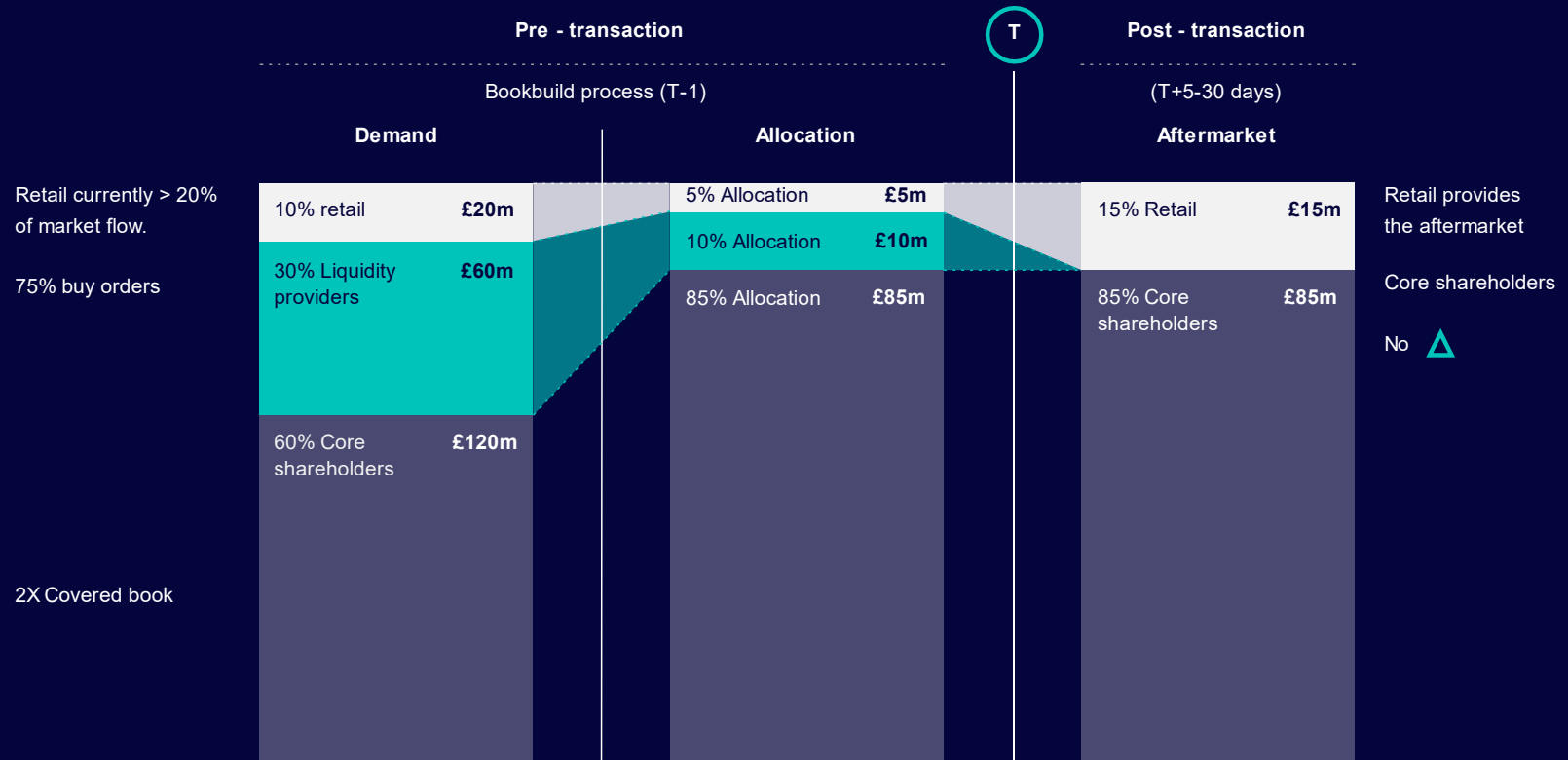
Empowers retail brokerages to act as offering intermediaries via PrimaryBid's centralising technology



Bookbuild today.



Bookbuild with broader retail shareholder inclusion.



Disclaimer.

This document is issued by PrimaryBid Limited ("PB") a limited company registered in England and Wales (No. 08092575) with its registered office at 21 Albemarle Street, London, W1S 4BS. PB is authorised and regulated by the Financial Conduct Authority ("FCA") (FRN 779021).

This document is for information purposes only. No representation or warranty, either expressed or implied, is made, nor responsibility of any kind is accepted by PB, its directors, or employees, either as to the accuracy or completeness of any information stated in this document.

No client should rely on this document in making any decision relating to any specific investment or financing arrangement but should rely on the formal legal documentation, prospectus or other contractual documentation.

Any investment or other engagement in securities investment or dealing is subject to market movements and past performance is not a guarantee of future performance. Any references in this document to future returns are not intended to be forecasts, promises or estimates of returns that may be achieved. Any such forecasts are for illustrative purposes and should not be relied on as advice or as a recommendation.

The information and opinions contained in this document are for background advice. PB believes that the source of information contained in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy, validity or timelines or completeness of the information or opinions contained in this document.

PB shall not be liable for any direct or indirect damages, including lost profits arising in any way from the information contained in this material. This material is for the use of intended recipients only and only for distribution to professional clients i.e. persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom, or persons who have been categorised by PB as professional clients under the rules of the FCA.

This document is being supplied to you solely for your information and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose. The material in this document is not intended for distribution or use outside the European Economic Area. This material is not directed at you if PB is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you.

The background is a solid blue gradient. A large, light blue curved shape, resembling a quarter-circle or a large arc, starts from the left edge and curves upwards and to the right, ending near the top right corner. This shape creates a sense of depth and movement.

Clara Melia

Founder, Equitory

Connecting with Retail Investors

IR Society Webinar 18 June 2020

Full service, outsourced investor relations

Independent, specialised solution

Experts in equity story positioning

Equitory: Independent IR

- Outsourced IR model, with experience delivering best practice
 - Flexible support throughout the year, with ability to increase team support around key events
 - Multiple sector exposure provides insight into IR best practice and changes impacting IR space
- Currently supporting major UK and international brands
 - Cross sector experience working with pre-IPO to FTSE 100 companies
 - Client base market caps range from £10m to £5bn
- Growing team of former in-house IR professionals
 - Team includes former senior IROs from FTSE 100 companies including Burberry, Capita, Experian, ITV and Sky
 - Member of the London Stock Exchange Marketplace
- Independent network of advisory relationships

Accessing multiple capital pools

Institutional

Passive, active, sovereign wealth, hedge fund investors

Direct access to the company and indirect access via corporate brokers and the sell-side

Private Client Brokers

Non-institutional capital in small institutions, private client fund managers, regional pension funds and family offices and HNWs

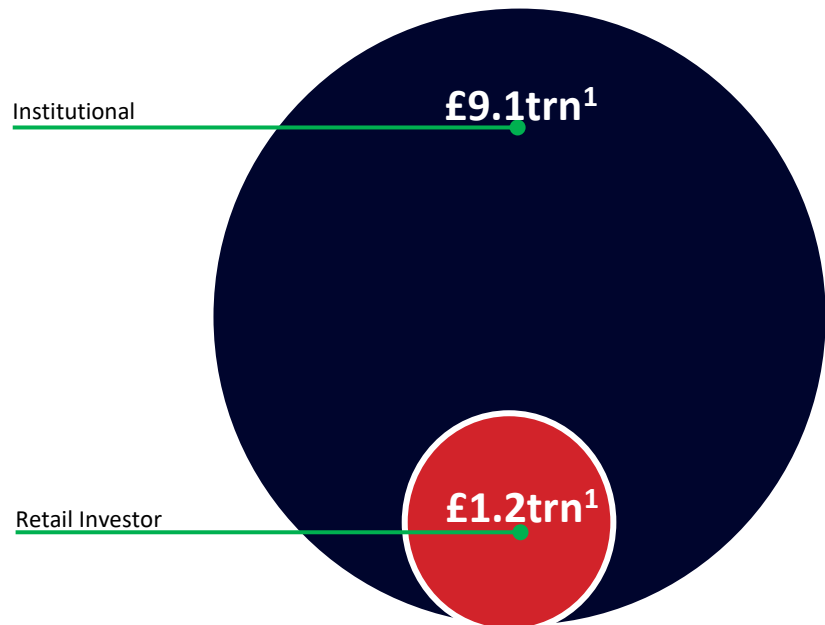
Access via PCB specialists

Retail Investors

Many are full time or professional investors; can have large portfolio sizes

Rely on publicly available information and direct access to company

Available assets



¹Source - The Investment Association: Investment management in the UK 2018-2019

Building a retail investor engagement programme

1 Understand and monitor your retail audience

2 Create content to engage retail investors

3 Distribute content to maximise reach to retail investors

4 Facilitate access to retail investors through events

Building a retail investor engagement programme

1 Understand and monitor your retail audience

- Identify private investor ownership within your share register
- Monitor trading through retail brokers and market makers
- Monitor sentiment on forums and blogs

2 Create content to engage retail investors

3 Distribute content to maximise reach to retail investors

4 Facilitate access to retail investors through events

Building a retail investor engagement programme

1 Understand and monitor your retail audience

- Identify private investor ownership within your share register
- Monitor trading through retail brokers and market makers
- Monitor sentiment on forums and blogs

2 Create content to engage retail investors

- Investor presentations including a high level 'About Company plc'
- Multi-media content: videos, management interviews and podcasts
- Short-form summaries of financial results and press releases

3 Distribute content to maximise reach to retail investors

4 Facilitate access to retail investors through events

Building a retail investor engagement programme

1 Understand and monitor your retail audience

- Identify private investor ownership within your share register
- Monitor trading through retail brokers and market makers
- Monitor sentiment on forums and blogs

2 Create content to engage retail investors

- Investor presentations including a high level 'About Company plc'
- Multi-media content: videos, management interviews and podcasts
- Short-form summaries of financial results and press releases

3 Distribute content to maximise reach to retail investors

- Optimise LSE issuer services website content
- Consider dedicated retail platform content
- Social media

4 Facilitate access to retail investors through events

Building a retail investor engagement programme

1 Understand and monitor your retail audience

- Identify private investor ownership within your share register
- Monitor trading through retail brokers and market makers
- Monitor sentiment on forums and blogs

2 Create content to engage retail investors

- Investor presentations including a high level 'About Company plc'
- Multi-media content: videos, management interviews and podcasts
- Short-form summaries of financial results and press releases

3 Distribute content to maximise reach to retail investors

- Optimise LSE issuer services website content
- Consider dedicated retail platform content
- Social media

4 Facilitate access to retail investors through events

- Consider inclusion in roadshow
- Retail focused events, shows and forums
- Webcasts

Richard Watts

Fund Manager, Merian Global Investors

Q&A

Upcoming IR Society Events & Courses

Events

- 30th June – IR Society Virtual Pub Quiz
- 1st July – IR Webinar: Professional development & IR post crisis
- 4th July – IR Webinar: Corporate access – top tips and lessons learnt in a virtual world

PD courses (Online)

- 7th July – Introduction to writing for IR
- July 15th – Understanding investors, analysts and the financial media: developing your key IR stakeholders
- July 22nd – ESG/SRI: Sustainably issues for IR
- July 29th – Advanced writing skills for IR

**For more information about any of our events, please visit our website:
www.irsociety.org.uk/events**

Closing Remarks
