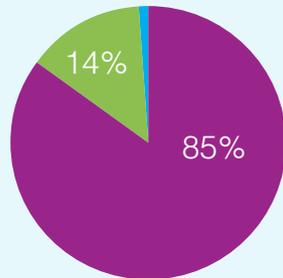


With much discussion around MiFID II implementation, the IR Society recently conducted a short survey on the impact of MiFID II on IROs and what this means for consensus management.

98%

of those surveyed gather consensus ...



... of which:

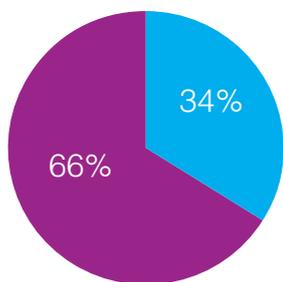
- 85%** produce company compiled consensus
- 14%** use a third party provider (e.g. Vuma, ACE)
- 1%** rely on data aggregators to compile consensus

69%

of respondents **do anticipate a change** in how they will collect consensus post MiFID II ...

... of which:

- 43%** expect data aggregators and third party providers to become more inaccurate as sell-side research notes are behind a paywall
- 45%** anticipate more small- and mid-cap companies will have insufficient sell-side followers to generate a consensus
- 50%** believe some small-cap companies will need to reconsider guidance detail in order to manage expectations



Only **34%** of companies who responded indicated they **publish consensus on their website** ...

... of the **66%** who don't publish however, **7%** are reviewing this in light of MiFID II changes

Only **2%** of those surveyed publish individual broker numbers. There was no indication these survey participants plan to change this approach in the near future.

Industry opinions

- The onus is on IR teams to (i) propose the guidance narrative for its Board in the context of listing rules parameters (e.g. profit forecasts) and (ii) proactively compile consensus if not already in place.
- Companies should be encouraged to give longer term guidance and to resist the temptation of short-termism.
- Some small-cap companies will need to reconsider guidance detail in order to manage expectations.
- IROs need to have a close and ongoing relationship with the sell-side analysts – the more engagement the better, and ensure consensus numbers are sensible.
- Part of the reason we collect our own consensus, is because the banks do not always publish their data on a consistent basis. Some standardisation post MiFID II would be helpful.
- Encourage equity research houses not to constrain their research flow through to corporates.