Canada investor relations practice report 2020
METHODOLOGY

Data on corporate investor relations practice is taken from interviews and surveys with 905 IROs and senior managers as conducted by IR Magazine between Q1 and Q3 2019.

The peer groups for data comparison in this report are:

- Canada: All Canadian companies from the Global IR Survey 2019
- Global: All companies from the Global IR Survey 2019
- US: All US companies from the Global IR Survey 2019

Where mentioned, company market capitalizations are in US dollars and classified as follows:
- Small/mid-cap = less than $5 bn
- Large/mega-cap = $5 bn and over
IR TEAM SIZE

The typical Canadian IR team has an average of 1.9 members. This matches the average for the US but is 0.7 down on the global average. IR teams in companies with a market cap above $5 bn are more than double the size of those in Canadian companies with less than $5 bn in market cap.

Figure 1: IR team size
Canadian IR budgets are $8,000 below the global average and $53,000 lower than the typical budget for US companies. The average IR budget for Canadian companies with a market cap above $5 bn is more than double the average IR budget for Canadian companies with less than $5 bn in market cap.

Figure 2: IR budget
REPORTING LINES

Just over four in 10 Canadian IR teams (41 percent) report to the CEO, while a slim majority (51 percent) report to the CFO. Globally, 64 percent of companies have their IR team report to the CFO, while only 23 percent of IR teams report directly to the CEO. In the US, three quarters report to the CFO and just 13 percent to the CEO.

Pros and cons of reporting to the CEO and CFO

IROs who report into the CFO tend to benefit from more support from the finance function generally. They can have easier access to facts and figures and benefit from the CFO’s understanding of the capital markets and the role of IR. But reporting to the CFO can narrow the strategic influence of the IR department. The CFO’s knowledge of capital markets can also sometimes lead to an over-focus on shareholder activity and stock price when a more detached, long-term view of IR is called for.

Reporting directly into the CEO, IROs can gain a better understanding of the company strategy and can also improve the information flow between the company and investors. Reporting directly to the CEO increases the amount of time senior management spends on IR. CEOs are often less able to focus on IR as much as CFOs, however, and may not always have the understanding of wider financial issues, so IR teams that report into the CEO need to be autonomous and authoritative.
Canadian senior management devotes an average total of 68 days a year to IR, 23 days more than the global average and 20 more than is typical for senior managers at US companies. CEOs at Canadian companies spend nearly twice the amount of time on IR than CEOs do globally. It is this culture of CEO involvement in IR found in Canadian companies that leads to greater time spent on IR by all senior management.

**Figure 3: Number of days senior management devotes to IR each year**

![Bar chart showing the number of days devoted to IR for CEOs, CFOs, and other senior management in Canada, globally, and in the US.](chart)
SELL-SIDE COVERAGE

The average number of sell-side analysts covering a Canadian company is 9.3. This is more than four analysts fewer than both the global average and the typical number of analysts covering US companies.

There is a clear difference in the level of analyst coverage for small and mid-cap companies in Canada compared with large and mega-cap companies. The average number of analysts covering a Canadian small or mid-cap company is seven, while large or mega-cap Canadian companies have almost 10 more analysts on average covering them.

Figure 4: Average number of sell-side analysts
INVESTOR MEETINGS

Canadian companies held an average of 135 one-on-one meetings with investors in the past year, more than 50 fewer than the global average and 20 fewer than the typical number of investor meetings for US companies. But a much higher percentage of Canadian meetings are attended by senior management than is found globally or in the US. This means Canadian senior managers typically attend more meetings in real terms than their global or US counterparts, despite the lower number of overall meetings.

Canadian large and mega-cap companies held an average of 95 more investor meetings in the past year than small and mid-cap Canadian companies. Small and mid-cap companies had senior management in attendance at 84 percent of their meetings, compared with 72 percent among large and mega-caps, although large and mega-cap senior managers attend more meetings in real terms.

Figure 5: One-on-one investor meetings
INVESTOR EVENTS

Canadian companies went on more roadshows in the past year than both the global average and the average for US companies. On the other hand, they attended fewer investor conferences and hosted significantly fewer site visits than both of these groups. Investor days are about as popular in Canada as in the US, which is lower than the global average.

**Figure 6: Investor events**
SHAREHOLDER SPLIT

Canadian companies have a high proportion of individual shareholders, more than twice the global average and nearly three times the proportion typically found at US companies. Half of Canadian shareholdings are with institutional investors compared with more than three quarters among US companies. Typically, the proportion of shares held by the state – either directly or through sovereign wealth funds – is lower in North America than globally, as are shares held by company founders and their family.

Figure 7: Percentage of shares held by investor type