

# Interim reporting and analyst guidance

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Mehr Wert im Kapitalmarkt



# Agenda



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# Survey details



- ▶ Half-yearly survey of IR professionals (DIRK members)
- ▶ Internet-based written survey from March 1<sup>st</sup> 2016 to March 18<sup>th</sup> 2016
- ▶ Basis: 293 DIRK members (2-2015: 310)
- ▶ Responses: 59 = 20% (2-2015: 24%)
- ▶ Broken down by indices, the responses came from:
  - 7 DAX companies (= 23% of all DAX-listed companies)
  - 10 MDAX companies (= 20% of all MDAX-listed companies)
  - 9 TecDAX companies (= 30% of all TecDAX-listed companies)
  - 8 SDAX companies (= 16% of all SDAX-listed companies)
  - 24 companies that are not part of a selection index
- ▶ 100% of all the companies to have responded belong to the Prime Standard segment

# Survey details



- ▶ Half-yearly survey of IR professionals (CIRA members)
- ▶ Internet-based written survey from March 1<sup>st</sup> 2016 to March 18<sup>th</sup> 2016
- ▶ Basis: 67 CIRA members
- ▶ Responses: 10 = 15% (2-2015: 26%)



- ▶ Half-yearly survey of IR professionals (IR club members)
- ▶ Internet-based written survey from March 1<sup>st</sup> 2016 to March 18<sup>th</sup> 2016
- ▶ Basis: 59 SIRV members
- ▶ Responses: 6 = 10% (2-2015: 47%)

## IR club



Interim reporting





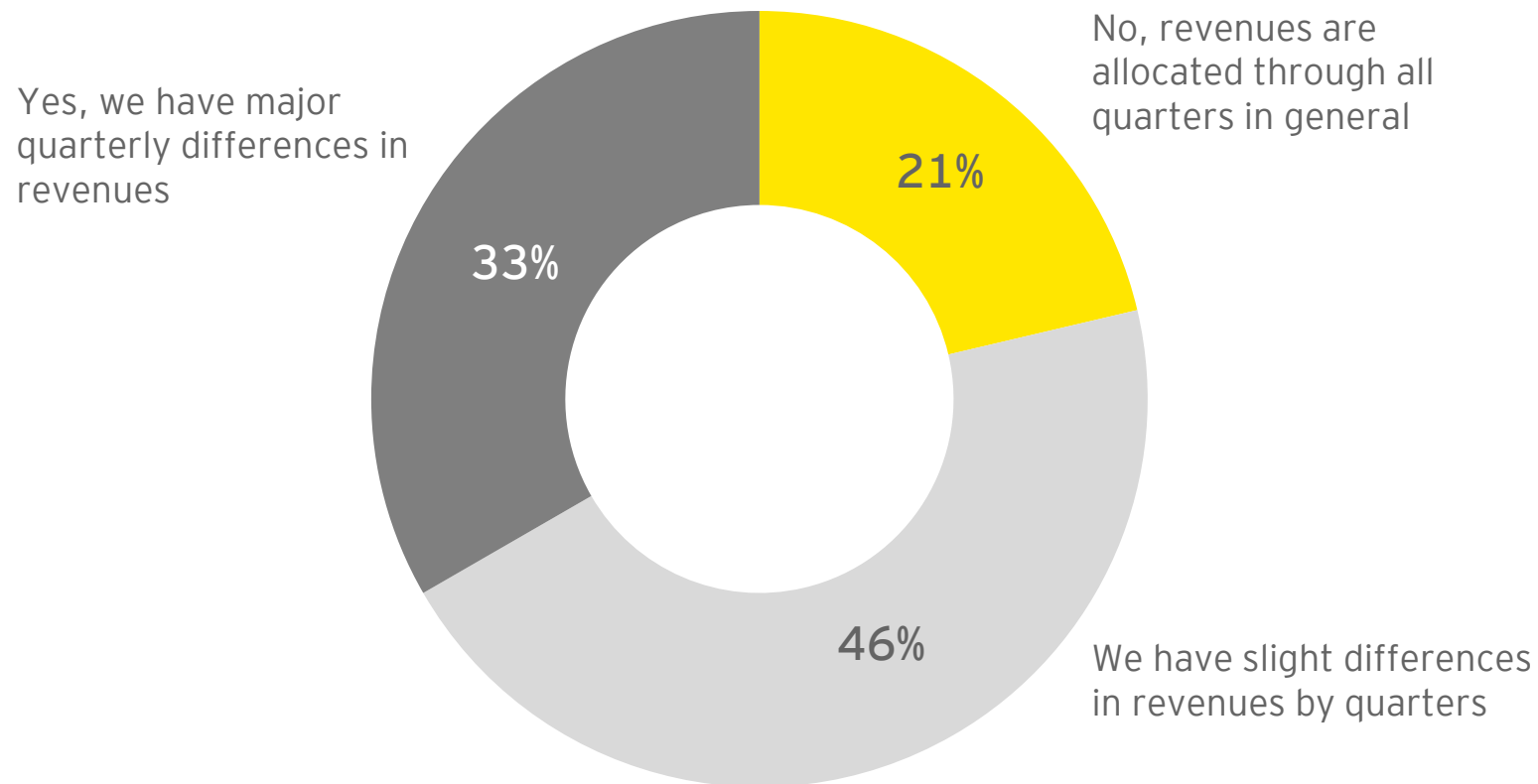
## Importance of quarterly information



## Aspects for interim financial communication

### Deviating distribution of revenues within the fiscal year

Is your business measured by the revenue cyclical inside the fiscal year?

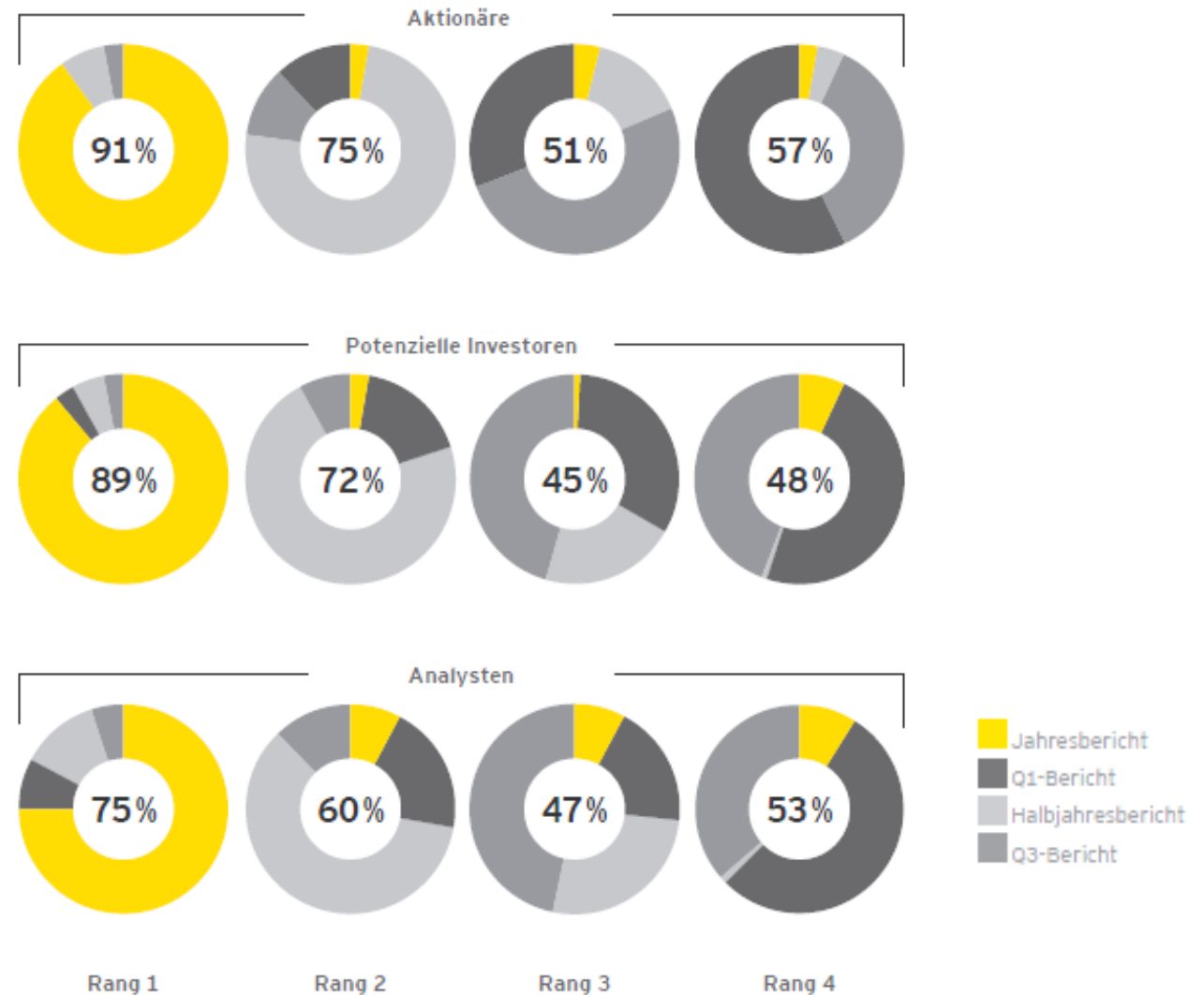




# Differentiated understanding of IR stakeholders

## Annual report most important

Which report has the highest relevance by IR stakeholder?

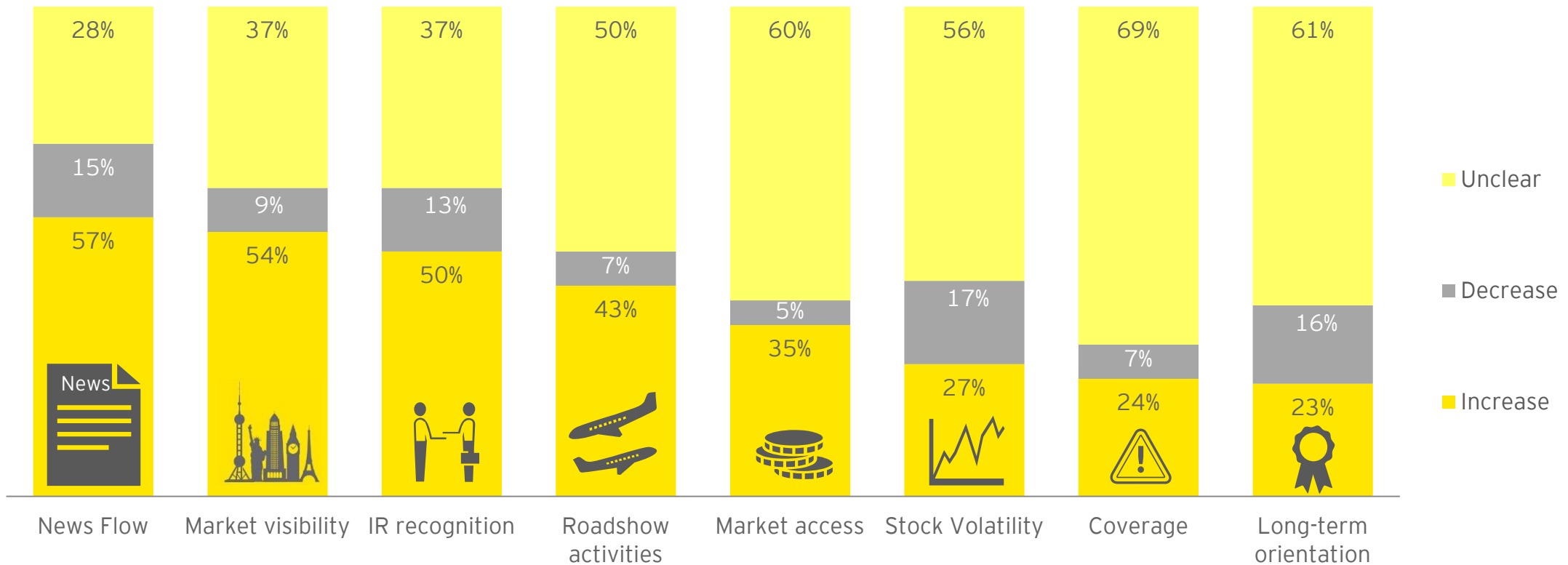


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# Influence on IR parameters

## Positive influences on news flow and market visibility

What is the correlation of quarterly reporting with the following IR market measures based on your experiences?

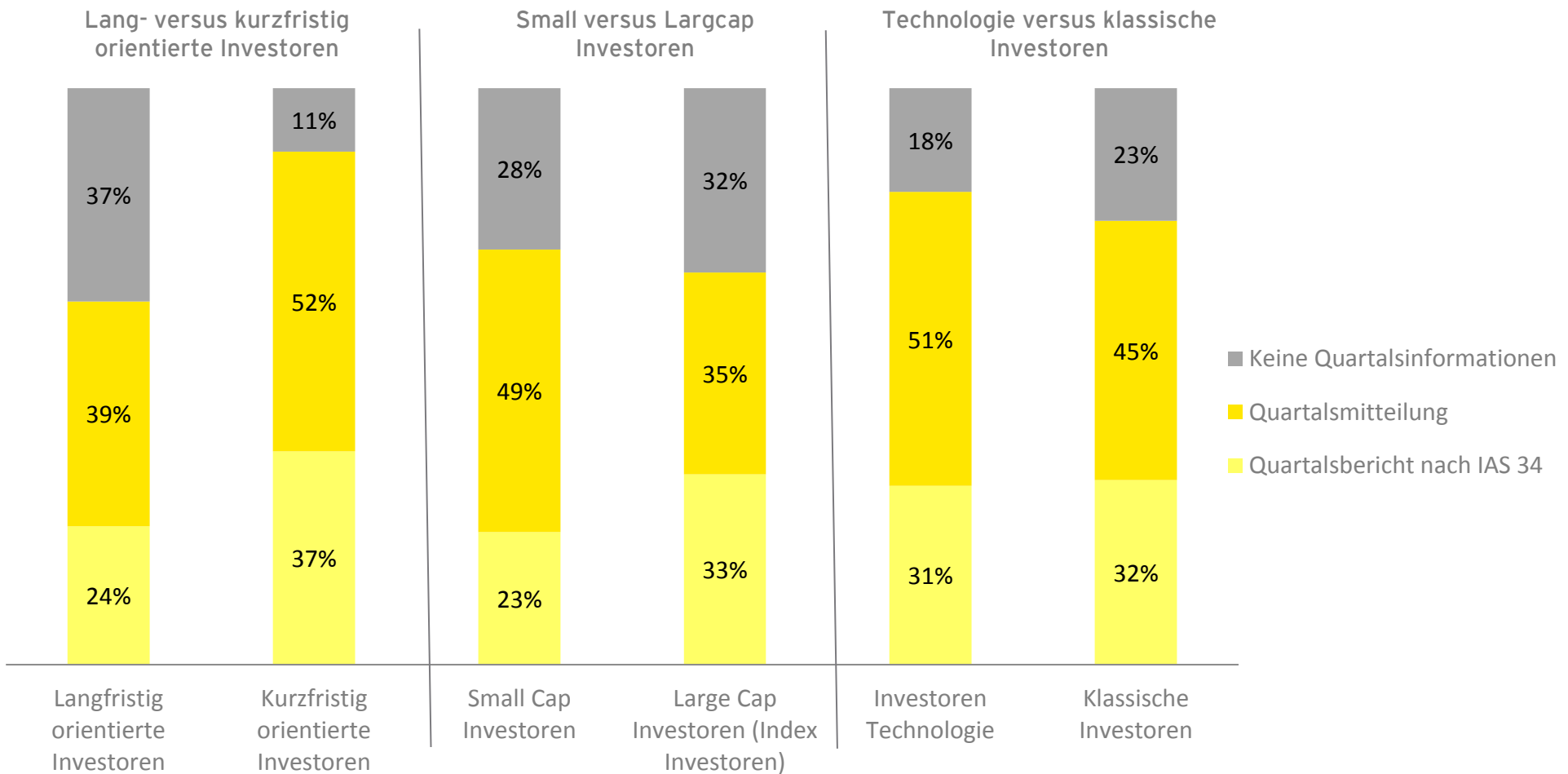


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# Investor type determines appetite for quarterlies

Nearly all types of investors require quarterly statements in a minimum

Which type of investor tends to require quarterly reports IAS 34 and quarterly statements in your point of view?



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Latest amendments

# Regulations concerning quarterly reporting

## Statutory amendments on national and EU-level



<sup>1</sup> WpHG: German Securities Trading Act  
<sup>2</sup> BörsO FWB: Frankfurt Stock Exchange Rules

# Various stock exchanges requirements

## Austria, Swiss and Germany

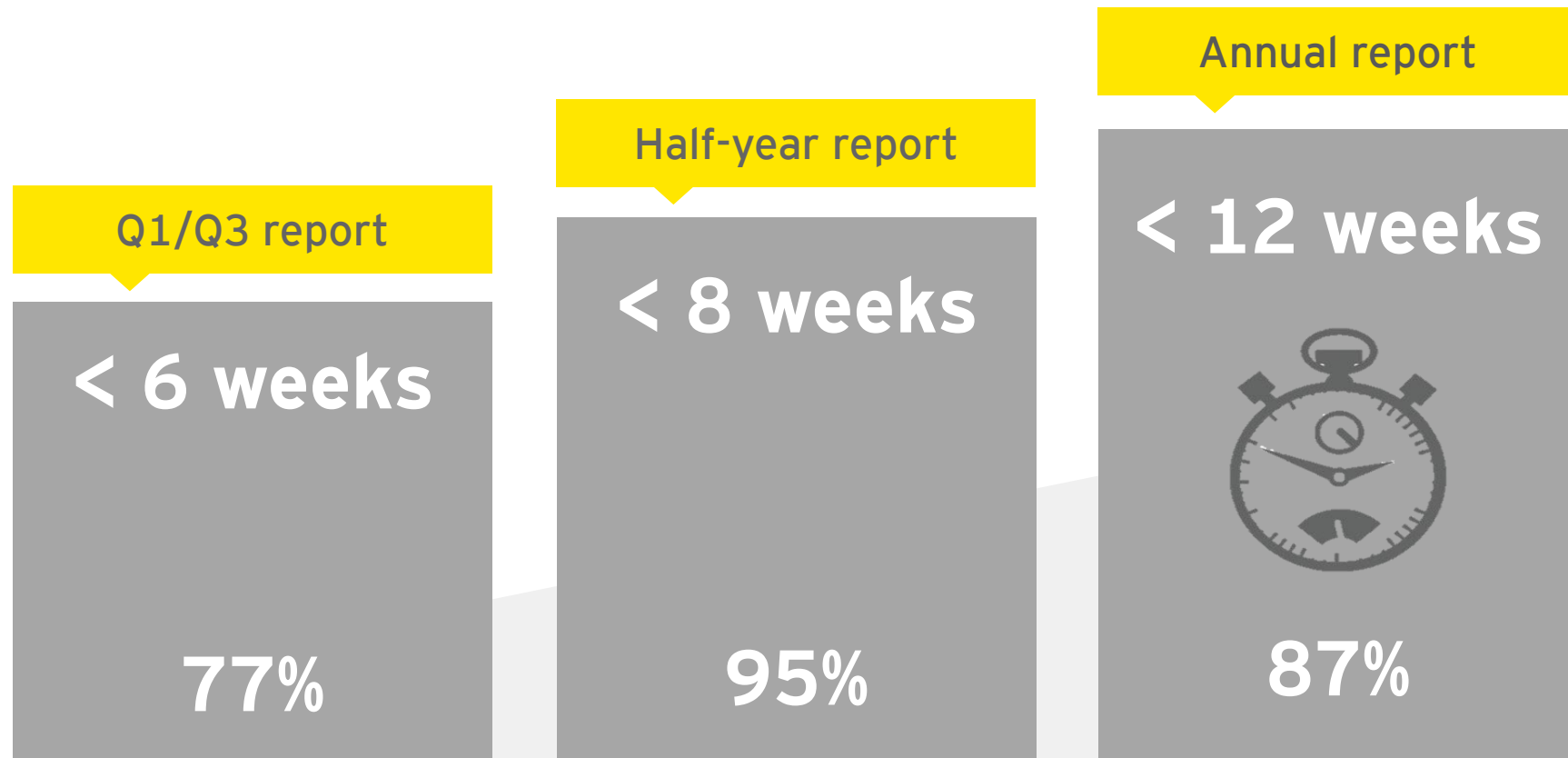
	Vienna Stock Exchange	SIX Swiss Exchange	Frankfurt Stock Exchange
Market segment	Prime Market	International Reporting Standard and Swiss Reporting Standard	Prime Standard
Form	Quarterly report	Quarterly financial statement	Quarterly statement or quarterly financial report
Obligatory/voluntary preparation	Obligatory	Voluntary (obligatory, if the issuer has not yet presented its annual accounts for 3 complete financial years)	Obligatory
Quarters	Q1 and Q3	Q1 and Q3	Q1 and Q3
Publication deadline	2 months	3 months	2 months
Accounting standard	Based on IAS 34	IAS 34 if annual financial statement in accordance with IFRS	Quarterly financial report in accordance with IAS 34

Rules prime market (Vienna Stock Exchange), Directive Track Record, Directive Financial reporting, Listing Rules (SIX Exchange Regulation), BörsO FWB

## Fast close ability

Most companies not affected by extended publication deadline for half-year report

How fast is your financial communication interim reporting after the respective closing period in general?



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Format and content

# Top challenges in Q1 and Q3 reporting

## Right format and information

What are the top challenges in Q1 and Q3 reporting for investor relations? (Open question)

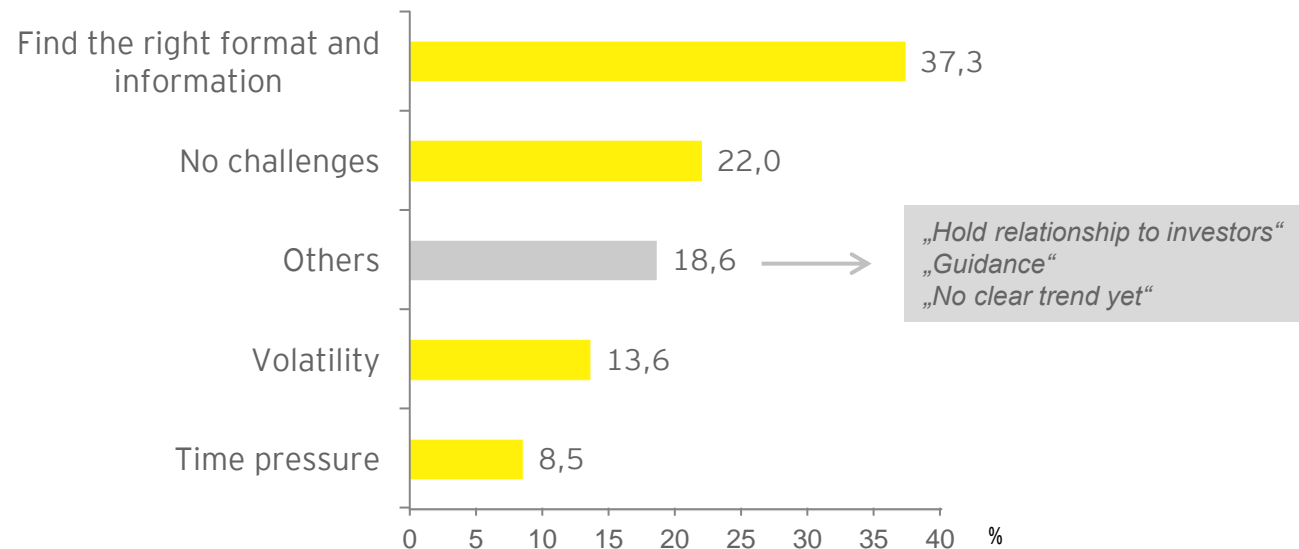
### Quarterly statement (Quartalsmitteilung)

- ▶ IFRS as accounting standard
- ▶ Format and content defined by § 51a BörsO FWB

### Quarterly reporting Q1 and Q3 Options on format and content

### Quarterly financial statement (Quartalsfinanzbericht)

- ▶ IFRS as accounting standard
- ▶ Format and content defined by § 37 WpHG and IAS 34



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# Content of a quarterly statement

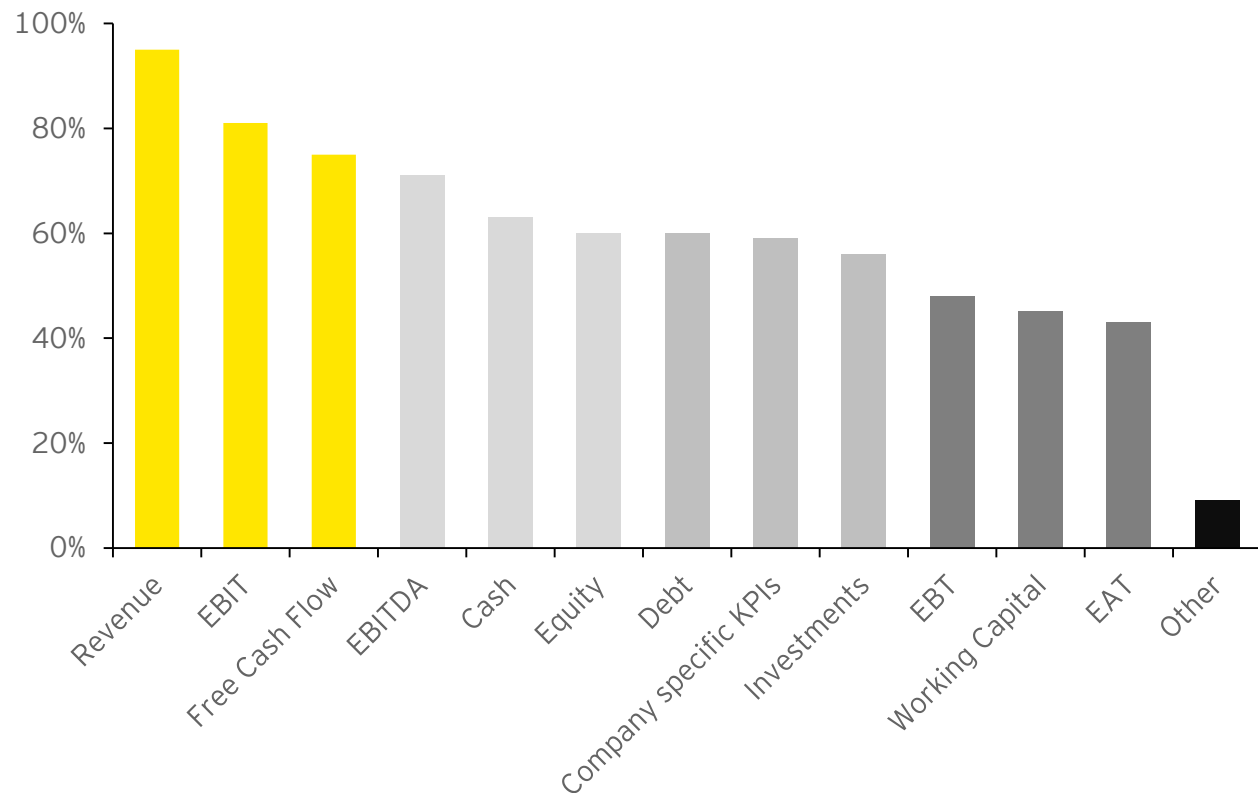
## Revenue, EBIT and Free Cash Flow highly relevant

What is the minimum content of a quarterly statement Q1 and Q3 from an IR perspective to cater and facilitate analyst coverage?

### Quarterly statement (Quartalsmitteilung)

Minimum content according to Frankfurt Stock Exchange ( § 51a BörsO FWB)

- ▶ Outline of crucial events and transactions within the respective period and their effects on the issuer's financial situation
- ▶ Description of issuer's financial situation and operating results
- ▶ Statements relating to changing projections



## Voluntary review

### One fifth planning to review quarterly financial reports

Are you planning to review your Q1 and Q3 reports externally? If yes, what are the reasons?





## Analyst Guidance

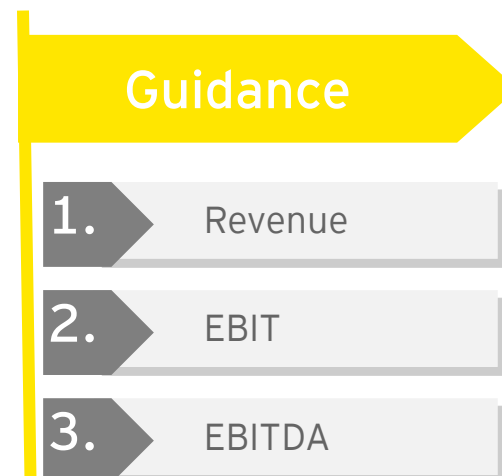


# Companies prefer a range for analyst guidance

## Revenue and EBIT most relevant

How do you guide your analysts? What figures do you provide as guidance?

**92%** of all surveyed companies provide an estimated range of figures to guide analysts

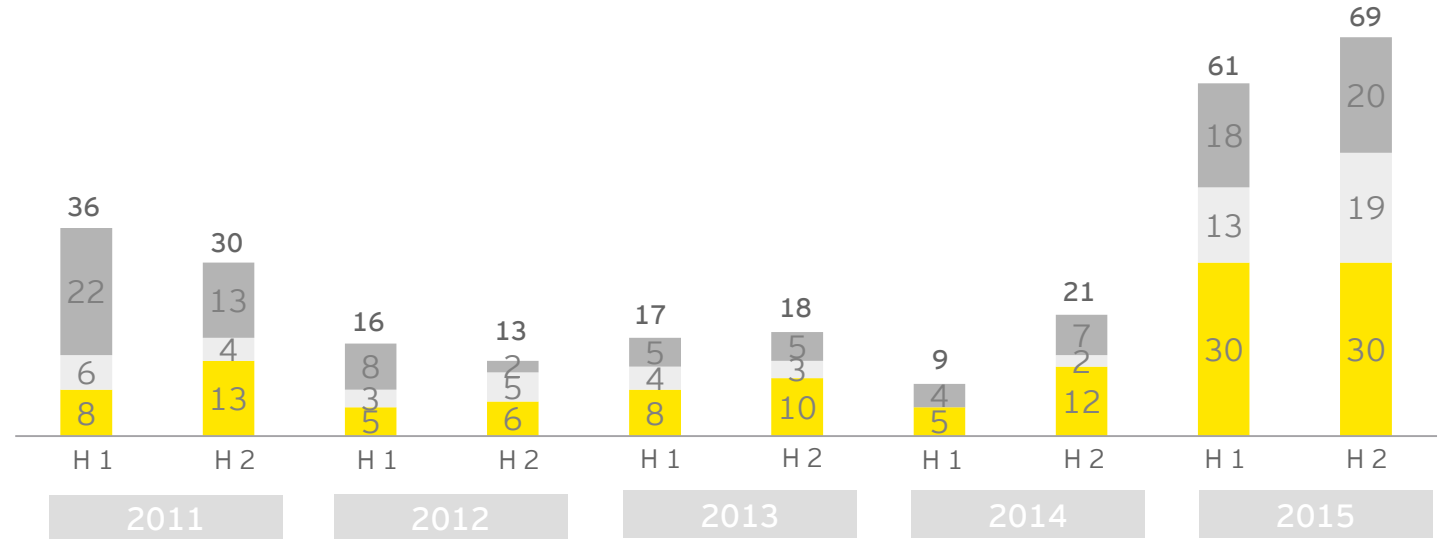


# Warnings and expectations in Prime Standard All Share

## Ad hoc disclosure allocation

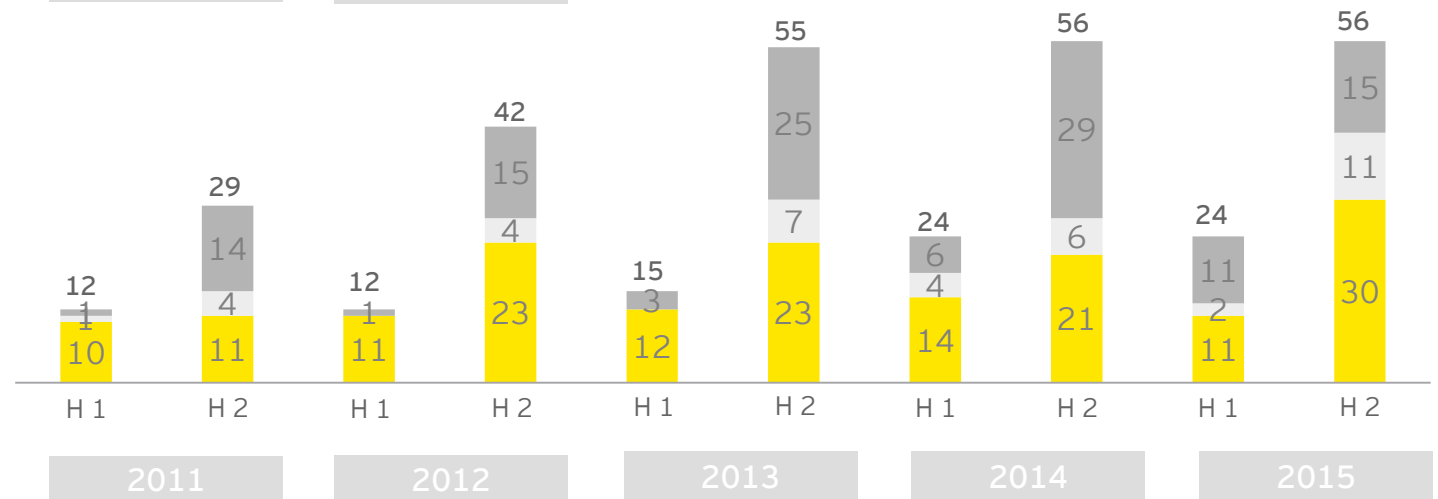
### Profit and revenue expectations

- Profit and revenue expectations
- Revenue expectation
- Profit expectation



### Profit and revenue warnings

- Profit and revenue warning
- Revenue warning
- Profit warning



Study: EY, Changes in forecasts in Prime All Share, 2016



## Changes in forecasts

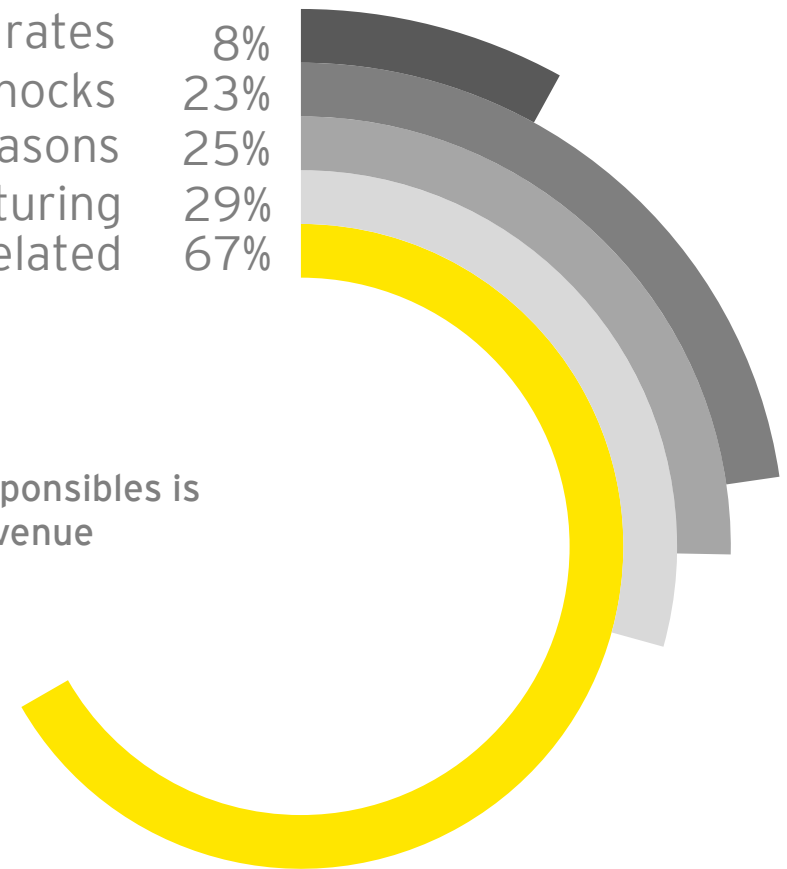
Warnings originate primarily from economic conditions in Q3

When do you expect the most profit or revenue warnings? What were the reasons for the profit or revenue warning?

69% in Q3

Currency exchange rates	8%
Geopolitical shocks	23%
Other reasons	25%
Restructuring	29%
Economic cycle related	67%

The majority of IR responsables is expecting profit or revenue warnings in Q3





# Strategies

## Strategic options

Majority wants to move to another format focusing on the “right issues”

Do you want to change your quarterly reporting? What are the reasons for your decision?



- We give no regular commitment to communicate quarterly information
- No, we stay with the current format on quarterly report under IAS 34
- Yes, we will move to another format

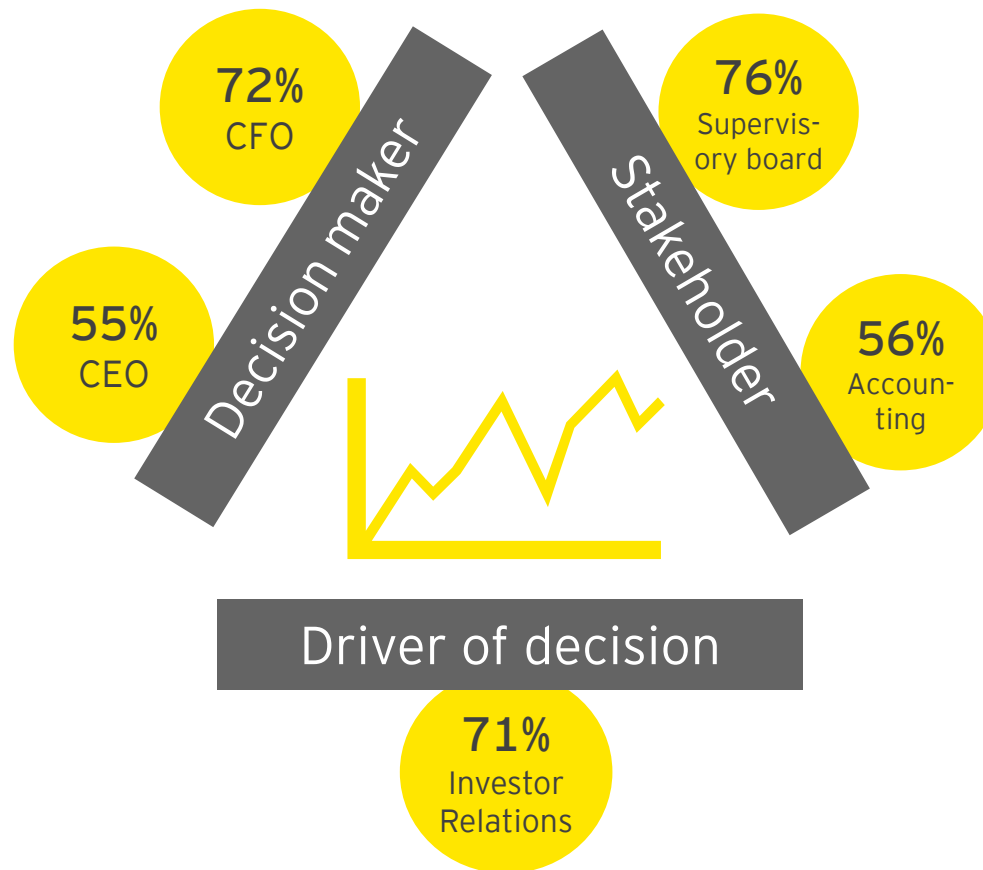
# IR is driver of the strategy

CFO and CEO are decision makers

Who are the stakeholders and decision makers internally for the strategy on quarterly reporting?

**15 %**

Only 15 percent of all the respondents communicated changing or remaining quarterly reporting to analysts or investors



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# Majority provides quarterly information Q1 and Q3

## Quarterly financial report (IAS 34) still highly used

What is your strategy on financial communication and quarterly reporting for Q1 and Q3?

	Total companies	Total Index companies	Total Non-Index companies	
Quarterly reporting under IAS 34 standard	25%	28%	21%	Rank 2
Quarterly reporting under IAS 34 standard but with less content and emphasis on look and feel	24%	32%	8%	Rank 1
Quarterly reporting under IAS 34 standard only for internal purposes and IMS to be disclosed and communicated externally	4%	4%	4%	Rank 4
Quarterly statement using an own form	35%	28%	46%	Rank 1
No quarterly information	8%	6%	13%	Rank 3
Other	4%	2%	8%	Rank 4



Contact



## Contacts regarding the study



Kay Bommer  
Geschäftsführer  
DIRK – Deutscher Investor Relations  
Verband

Dr. Martin Steinbach  
Head of IPO and Listing Services  
Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Bernhard Wolf  
Head of Investor Relations  
GfK SE

Reuterweg 81  
60323 Frankfurt

Mergenthalerallee 3-5  
65760 Eschborn

Nordwestring 101  
90419 Nürnberg

Tel. +49 (0)69 959 0949 0  
Fax +49 (0)69 959 0949 99  
kbommer@dirk.org  
www.dirk.org

Tel. +49 (0)6196 996 11574  
Fax +49 (0)6196 8024 11574  
martin.steinbach@de.ey.com  
www.ey.com

Tel. +49 911 395 2012  
Fax +49 911 395 4075  
bernhard.wolf@gfk.com  
www.gfk.com