

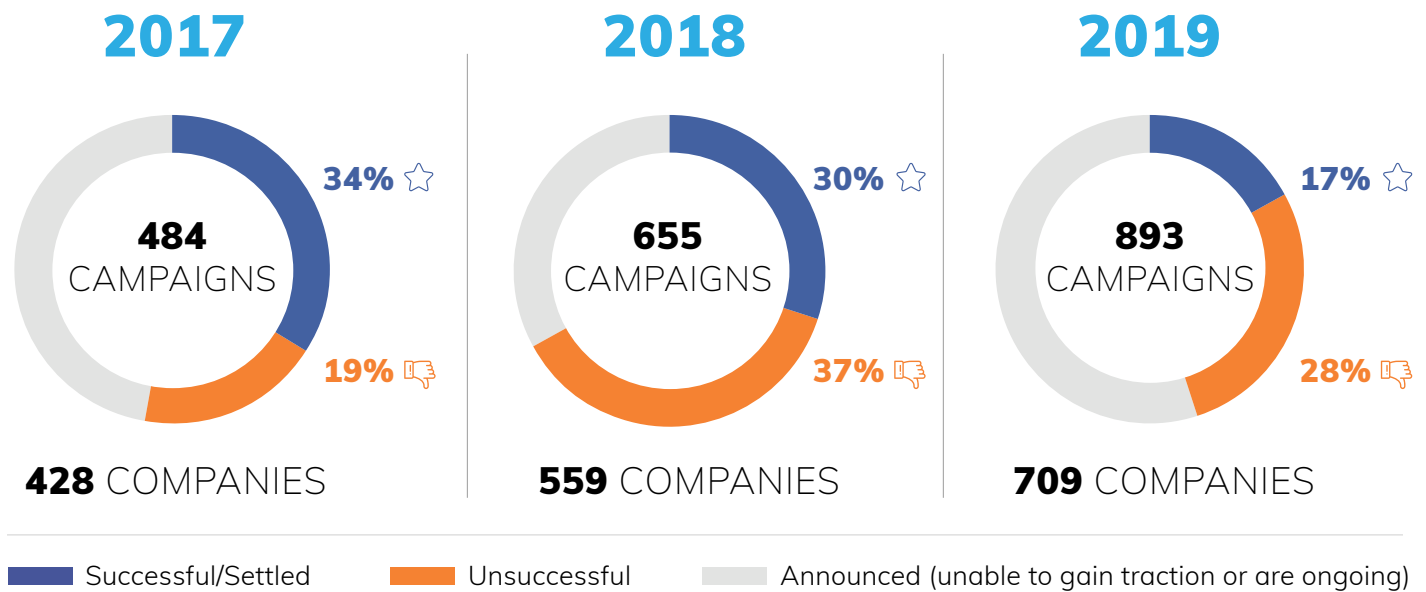
ACTIVIST INVESTOR FOCUS IN 2020



Activist investor campaigns have increased, and activist numbers are growing. In 2020 campaigns have almost doubled compared to four years prior with majority of activist campaigns targeting specific areas of corporate governance.

ACTIVIST CAMPAIGNS ARE INCREASING

Activist shareholder campaigns first started in the U.S. but are now finding fertile ground in the APAC region, the UK, and, to a much more limited extent, continental Europe. There is growth in the number of campaigns launched by investors engaging in activist activities from 2017 to today.



CAMPAIGNS CARRIED OUT IN 2020 SO FAR:

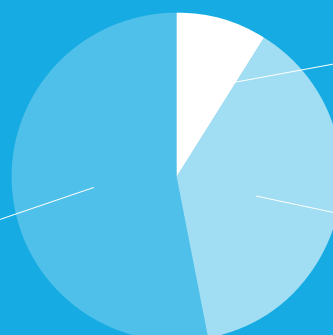


797
CAMPAIGNS



621
COMPANIES

53%
Announced but were unable to gain traction or were ongoing



9%
Successful or Settled

38%
Either unsuccessful or withdrawn

CORPORATE GOVERNANCE IS THE NUMBER ONE REASON FOR ACTIVISM

In 2020 of the 797 activist campaigns, 389 were driven by Corporate Governance matters.

Corporate governance has been the number one reason for activism over the past four years and the number has steadily increased.

↑ **45%**
INCREASE IN 2018

↑ **26%**
INCREASE IN 2019

↓ **2%**
DECREASE IN 2020
SO FAR*

* This number is expected to increase in H2 2020

KEY TARGET AREAS OF ACTIVISTS



A review of 368 listed companies currently engaged with activist investors and the characteristics of their board composition.

DIRECTOR EXPERIENCE

CGLytics research reveals a lack of director experience in the areas of finance, governance and technology.

**Director experience by sector
(3,853 in sample)**

11% **TECHNOLOGY**
419 Directors

50% **GOVERNANCE**
1,925 Directors

32% **FINANCIAL**
1,224 Directors

BOARD TENURE AND AGE

Board tenure appears to show a healthy average of six year. However, the average age of the board is 61 years with 55% of the board members aged between 61 and 70.

55% Average tenure is six years

55% Average age between 51-60

41% Average age between 61-70

BOARD INDEPENDENCE AND LEADERSHIP

Of the 368 companies, 126 still show combined Chairman/CEO roles, which is seen as an area of attention for good corporate governance practice.

126 Have combined Chairman/CEO roles

137 Have Lead Independent Directors

149 Have Independent Chairs

4 Do not have Lead Independent or Independent Chair roles

“Activists are focused on improving corporate performance. Having the right board composition and board diversity are key areas that activists are scrutinizing. Culture is another area where we have seen activists putting more focus on to improve corporate performance.”



Aniel Mahabier, CEO of CGLytics

[READ THE FULL REPORT](#)