A Strategic Resurgence

Why UK and European corporates are building investor relations capabilities in the US

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Introduction

In an increasingly interconnected global economy, many UK and Mainland European corporates are strategically expanding their investor relations (IR) capabilities beyond their home market. In the UK, a growing trend among FTSE-listed companies is the establishment of dedicated IR teams in the United States, reflecting a shift in how UK firms engage with global capital markets.

This move is driven by several key factors, including access to a broader investor base, the unique structure of the US capital markets, and the evolving expectations of international investors. It has been evident with several of our large corporate clients who have built dedicated US based IR teams, reflecting the sullen appetite for some UK stocks.

Expanding access to a larger and more diverse investor base

The US equity market is the largest and most liquid in the world, with institutional investors managing trillions of dollars in assets. Many UK corporates recognise the opportunity to attract new sources of capital by enhancing their presence in the US. Establishing an IR team in the US enables companies to build deeper relationships with American institutional investors, hedge funds, and pension funds, which may not be actively covered by London-based IR functions.

Additionally, US investors often seek international diversification, making high-quality UK-listed companies attractive investment targets. By having a dedicated IR function in the US, UK corporates can more effectively communicate their value proposition and maintain regular engagement with US-based funds, improving investor confidence and stock liquidity.

Recent examples of UK corporates expanding or strengthening their IR teams into the US include **Informa, Experian, BAE Systems, and GSK**, all of which have established a presence to strengthen engagement with US investors and enhance market visibility.

Navigating US capital market dynamics

The structure and operational dynamics of US capital markets differ significantly from those in the UK. In the US, investor engagement tends to be more proactive, with companies expected to provide regular guidance, host investor days, and maintain continuous dialogue with shareholders. The presence of a local IR team allows UK corporates to adapt to these expectations seamlessly.

Moreover, the US market has a larger proportion of activist investors who play an influential role in corporate governance and strategy. Establishing an on-the-ground IR team helps UK companies pre-emptively manage activist concerns, shape shareholder narratives, and ensure alignment with evolving governance expectations. Having an IR function in the US also enables more direct interaction with sell-side analysts and research firms that influence market perception.

Understanding the shift: Why UK companies pulled away and are now returning

Twenty years ago, several UK corporates had a presence in the US markets but later scaled back their investor relations efforts. This retreat was largely driven by factors such as cost-cutting measures, shifting corporate priorities, and a perception that US investors were not significantly impacting their valuation or liquidity. Additionally, some companies found it challenging to compete for attention in the highly saturated US capital market, leading to a focus on European and domestic investor bases instead.

However, the landscape has changed. The rise of global investment flows, an increasing demand for transparency, and the dominance of US institutional investors in global equity markets have made a compelling case for UK corporates to re-establish a presence. Furthermore, advancements in technology and digital investor engagement tools have made it easier and more cost-effective for UK companies to maintain a presence in the US. As a result, many companies are now reversing course, realizing that a robust US IR strategy is essential to optimizing shareholder engagement and improving market perception.

Notable UK companies that previously had a US IR presence and later pulled away include **Reuters,** (*before its acquisition by Thomson*), **Rolls-Royce, AstraZeneca, and HSBC**. These firms initially sought to capitalise on the depth of the US capital markets but, due to strategic shifts and cost considerations, scaled back operations. Now, some of them are returning to the US investor landscape, recognising the importance of sustained engagement with American institutional investors.

Enhancing liquidity and trading volume

Many UK-listed companies experience lower trading volumes compared to their US-listed counterparts. By increasing their visibility in the US, companies can drive higher trading activity and attract more institutional ownership. This is particularly relevant for dual-listed companies that trade on both the London Stock Exchange and US exchanges via American Depositary Receipts (ADRs).

Increased liquidity and a well-executed US investor relations strategy can help reduce stock volatility, improve price discovery, and expand market capitalization over time. UK corporates that successfully integrate into the US investor ecosystem often see greater stability in their shareholder base and a stronger overall valuation proposition.

Meeting ESG and long-term capital expectations

Environmental, social, and governance (ESG) factors have been a top priority for global investors in recent years, with US institutions previously accelerating their focus on sustainability and responsible investing. However, the political landscape has shifted following Donald Trump's re-election, with a growing narrative of scepticism toward ESG investing in certain US political and business circles.

Despite this shift, many institutional investors—particularly pension funds, endowments, and asset managers—continue to prioritize ESG considerations, especially in global markets. UK-listed companies, traditionally strong in corporate governance, must now navigate a more polarised US environment by aligning their messaging with the diverse expectations of American investors. A US-based IR team enables companies to tailor their approach balancing the need to address ESG concerns with the evolving political and regulatory climate.

Furthermore, long-term capital providers still require customised engagement strategies. A dedicated IR presence ensures that UK corporates can proactively engage with stakeholders across the ESG spectrum, fostering trust and aligning corporate strategy with both global sustainability standards and the shifting dynamics of US investor sentiment.
Additionally, long-term investors, such as US pension funds and endowments, often require tailored engagement strategies. A local IR team ensures UK corporates can

maintain ongoing dialogue, address concerns proactively, and align their corporate strategies with evolving investor expectations.

Conclusion

The expansion of UK corporate investor relations teams into the US market reflects a strategic recognition of the opportunities and challenges associated with global capital flows. By establishing a stronger IR presence in the US, UK corporates can tap into a broader investor base, improve stock liquidity, navigate market-specific expectations, and enhance their long-term investor engagement strategies. As globalisation continues to reshape the IR landscape, UK companies that successfully integrate into the US market will likely gain a competitive edge in attracting and retaining global capital.

For further insight on the US market and how to build a US IR function, please contact Oskar Yasar, Managing Partner, who also leads the US IR practice at our US partner firm, PLBsearch: oskar@broomeyasar.com

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