



We Connect
Organizations
and Audiences

Best Practices for

Enhancing Earnings Releases



Financial tables are by far the most important aspect of the earnings news release for analysts, investors and journalists.

The earnings release is the most important story an investor relations (IR) professional can tell. It presents an unrivaled opportunity to cast the company in the best possible light, given the reality of its quarterly numbers. From our seat at the front lines of corporate communications, we've seen the best and worst of earnings releases. In this [Business Wire](#) whitepaper, we review current best practices for maximizing the reach and engagement of your company's earnings release.

Our whitepaper will:

- **Guide you through best practices** for financial and business content, including social media, multimedia and engagement techniques, and measurement and sharing tools that drive traffic to your website.
- **Evaluate the needs, challenges, and opportunities** of various constituencies and information outlets, including financial journalists, institutional and retail shareholders, professional investment systems, search engines, websites, and mobile devices.
- **Highlight examples** of how to apply best practice features to your earnings news releases.
- **Show you how to cast a wide net** to engage your audience fully, transparently and fairly.



A Berkshire Hathaway Company



Ensure Engagement with Financial Tables

Financial tables are by far the most important aspect of the earnings news release for most, if not all, end-user constituencies. Financial media agencies rely on earnings financial tables included in the news release because their systems are often configured to search for specific line items. Similarly, traders leverage keywords such as "outlook," "expect," "target," "auditing" and "revise" to create real-time news alerts.

A senior analyst and portfolio manager from a major European investment management firm stated, "I like to have as complete an earnings release as possible. Some companies omit cash flow statements or the balance sheet, which makes doing the quality of earnings assessment difficult. I also like seeing segment data."

Another senior analyst at a multi-strategy hedge fund said, "The best earnings releases should include EBITDA and free cash flow calculations, plus enough operational data to bridge year-over-year and sequential results (i.e., delta in pricing,

volume, and other factors). Also, I would like to see a full cash flow statement. It's annoying when companies don't give you cash flow from operations and all the cash flow line items in the earnings release and instead make you wait for the 10-Q or 10-K."

MarketWatch reporters Ciara Linnane, Tomi Kilgore and Francine McKenna have explained how earnings reports often fail to provide investors with the critical information they need in an easy-to-access format. "A growing number of companies have stopped publishing results in press releases that run on news feeds, forcing reporters to click through multiple links to find the data they need," the authors lamented. "For a reporter trying to get important news to the public as quickly as possible, this method not only added extra steps but forced him or her to contend with a website that slowed significantly as multitudes of people clicked the links at the same time. So why not release the news both ways, so the public can get the news quickly and/or visually?"

Getting ticker symbols right

Below are examples of correct and incorrect formatting using the ticker symbol ABCD as an example:

Example	Incorrect	Correct
NYSE MKT	Amex: ABCD	NYSE MKT: ABCD
OTC Pink OTCQB OTCQX	ABCD.PK ABCD.QB ABCD.QX OTC: ABCD	OTC Pink: ABCD OTCQB: ABCD OTCQX: ABCD
TSX Venture Exchange TSX	TSX-V: ABCD.V Toronto: ABCD	TSX-V: ABCD TSX Venture: ABCD TSX: ABCD

Tap the Power of Social Media

In 2013, the SEC released guidance on using social media saying, "...companies can use social media outlets like Facebook and Twitter to announce key information in compliance with Regulation Fair Disclosure (Regulation FD) so long as investors have been alerted about which social media will be used to disseminate such information." As a result, some companies are now releasing results on Twitter and may also publish an earnings release.

However, according to the most recent NIRI study on social media, use is lackluster with IR teams. According to the study, only 28% of IR professionals are using social media. For those who do, Twitter is by far the dominant channel. IR professionals could be wary of social media because of the reflexive nature of the medium or lack of training or perceived lack of skills. Social media is an area where IR teams could team up with PR professionals to bridge the gap. PR teams can help monitor IR social channels and measure IR social channels to give IR

professionals a better sense of how the public and investors are responding to earnings and disclosure releases.

According to Joseph Michael Cabosky, writing in IR Update, "IR is sometimes viewed as just the facts, by-the-numbers job. The reality is that it is inherently a social profession as we must communicate with analysts, shareholders, investors, and financial media. IROs use email, video conferences, PowerPoint presentations, IR websites, and a host of other communication tools for this purpose, so why not social media?"

The future use of social media is likely to grow. Savvy IR professionals are learning how to incorporate social media into their IR releases. See how Twitter's IR team uses Twitter for earnings. First, they distribute their earnings release over a commercial newswire. Then they utilize social channels to amplify reach and engage with their audiences.

Social channels utilized to amplify reach with audience.



Bullets, Infographics, and Images

Business Wire strongly encourages publicly held companies to create news releases that are easy to consume and share. Take a moment to think about how fast you read an online article and where your eyes might travel. Now apply the same thought toward earnings releases, which can be text heavy and difficult to mine for information. Use bullet points in the subhead and the body copy to assist journalists and investors in quickly identifying primary news elements, particularly if they are reading on a mobile device.

The increased use of infographics in news releases also enhances readability and accessibility to the company's financial news. Note [Exelon's](#) use of an infographic to display their results.

These infographics outline the company's financial health and prognosis in a manner that can be easily understood by non-financial and financial audiences alike.



Insert Hyperlinks

Hyperlinks that include analytics tracking codes can measure inbound traffic and provide intelligence on how your readers engage with your website-hosted content. Click [here](#) to learn more about adding analytics codes to your earnings release.

Hyperlinks are a great tool for triggering your news into action. Consider hyperlinking words or phrases to provide the reader immediate access to supporting information, such as investor relations pages, product-dedicated web pages, multimedia, registration pages and so forth. Embedding hyperlinks like [this](#) and not like this: <https://www.businesswire.com/news/home/20190225005490/en/GE-Sell-BioPharma-Business-Danaher-21.4-Billion> allows analysts, media and investors to directly navigate to presentations, executive biographies and product or dedicated investor relations pages.

Include Earnings Call Information

Provide a direct link to access the earnings webcast so that you can tell your company's story using every possible medium. Display dial-in information in an easy copy-and-paste format instead of a lengthy paragraph.

For example:

Date: **Tuesday, August 4, 2019**

Time: **5:30 p.m. ET** (*please dial in by 5:15 p.m.*)

Dial-In #:
US: **866-700-7123** Canada: **612-123-0234**

Confirmation code: **11712345**

Webcast link: <http://companyname.com/webcasts/Q1>

Finer Points

- While some reporters are more focused on comparing actual earnings versus estimates, there are also journalists who are interested in business fundamentals and consumer demand. An earnings release should serve both types of journalists. Use images and bullets to ensure ease of comprehension by both audiences.
- If your company provides guidance, put it within the text of the earnings release. Do not wait to say it on the earnings call. Also, if your company changes its guidance, reference the previous numbers in the release as well.
- Use only GAAP numbers in the headline. If non-GAAP numbers are included, briefly explain why these numbers are useful and what those numbers exclude.
- Quotes from executives about how the company did in the quarter, the company's strategies and the state of the market are helpful. Not every quarter can be the greatest, so keep in mind past statements and try to be realistic about what you say in the context of those past statements. A hedge fund senior analyst added, "I think people usually see through glowing comments from management when sales and earnings tell a different story. Management teams inspire more trust when they're honest about a tough situation rather than when they're Pollyannaish."

Simplify Earnings Day

It is highly likely that the investor relations team at your company handles the earnings release, while the legal or SEC/external reporting team is responsible for the verbatim Form 8-K that must be furnished to the SEC.

Today, commercial newswires, such as Business Wire, possess the technology to format and

distribute both your earnings news release and Form 8-K cost-effectively. Because the earnings news release and EDGAR filing are being created together, the version-control issues inherent when working with multiple vendors (one vendor for a news release, one vendor for the Form 8-K) disappear with this seamless approach to earnings day.

What the Future Brings

What will the earnings release look like several years from now? Will it provide a way for audiences to analyze its content in a manner more in-depth than what we are capable of today? Can one document provide institutional investors and financial reporters access to the content they need, while educating and activating those audiences who may be less financially savvy?

It is likely that in the future earnings releases and disclosure documents will be visual and interactive.

For IR professionals, interactive news releases allow them to present the company's financials in a visual manner, providing the reader with immediate access to supporting content. The visual representation of data, combined with immediate access to supporting content, provides the reader with more information than a traditional earnings release. Visuals deliver greater transparency and a deeper understanding of the company's choices and position, ultimately building a stronger relationship with its stakeholders.

Interactive news releases are already part of the news ecosystem today.

Presentation Reimagined

In the future, earnings releases are likely to be more visual and more interactive using formats that give IR professionals the opportunity to use interactive content to showcase results, direct readers' attention and create a stronger experience for them, ultimately building a stronger relationship with their stakeholders.

Rather than bullet points, charts, and tables, it is likely that earnings releases and disclosure documents will take the reader inside the numbers, showing readers how the numbers are created. We see greater transparency in the presentation rather than less.

A Critical Partnership: PR and IR

IR professionals are going to have to join up with their PR and marketing brethren to create releases that are part user experience, part disclosure. The convergence of IR and PR is happening faster than ever and this is why investors may expect an experience to be part of IR disclosure. This is where we see greater usage of infographics, audio/video explanations, and other multimedia properties.

Deliver the Best Message

Often publishing an earnings release is a “check the box” task. Don’t miss an opportunity to reach journalists and influencers who want and need your information because you simply were doing what is required. Think bigger and bolder with some of the best practices we highlighted so your company can be perceived as more forward thinking and bolder. Create competitive differentiation by reimagining your press release by using multimedia and joining forces with your PR and marketing teams to deliver the best vision of your company.

Need some help?

Business Wire's experts are available.
Contact us via email at info@businesswire.com
or by phone at 888.381.9473.



40 East 52nd Street, 13th Floor
New York, NY 10022
Tel: 212.752.9600, ext. 1324