

Major Company Filings

Key Terms

- **Risk Factors:** This is covered within the “business” section; it describes every potential risk the company might face due to their purview, business model, etc.
- **8-K:** This is another form that companies are required to release whenever they make a corporate decision that could affect shareholders.
- **SEC:** Securities and Exchange Commission; this organization puts regulations on the markets in order to protect investors.

It's All There In The 10k

Every public company has to produce a 10-K Form, which provides a comprehensive analysis of how the company is doing financially. The 10-K is not to be confused with the annual report, though they contain overlapping information. Both forms must be submitted within 60 to 90 days of a company's end of fiscal year. 10-Ks are incredibly important to investors as they are one of the most comprehensive reports on a company's financials. They are also regulated and mandated by the SEC so that there is consistency between years.

Breaking It Down: 4 Major Parts

The Business Summary: Describes the company's operations & information on the different business segments. It also describes the various services and products the company offers.

Management's D&A: The management's discussion and analysis (D&A) contains management's explanation for how it operated and performed over the past year.

Financial Statements: These statements include the Balance Sheet, Cash Flow Statement and Income Statement. The company may also include additional statements & disclosures.

The Footnotes: These footnotes or additional sections that the company thought prudent to put into the 10-K. This explains what investors are looking at when looking at the financials.

Seeing Inside A Company

A company normally files an annual report and their 10-K together. These allow investors to truly see what the company is focusing on and how they are performing. The 10-K provides all of the financial information that is publicly available and is designed to be analyzed by constructing ratios and other metrics to compare with other companies.

Typically, this analysis looks further into revenues, earnings, return on equity, profit, future growth, and equity multiples to determine the company's potential. The footnotes of a 10-K are incredibly important in explaining the company's accounting processes. This can help investors identify shady business practices or help them better understand something that may not make sense due to an error in a previous year.

The Bottom Line

The 10k form is the most comprehensive resource for investors and analysts to understand a company's annual financial performance. Every 10k includes the following 4 sections: Business Summary, Management's Discussion & Analyses, Financial Statements and Footnotes.