**Earnings Delay Press Releases:**

During its fiscal year, a company reports earnings on four occasions. There are three quarterly statements called 10-Qs and there is one annual report (including the fourth quarter data) called a 10-K. The SEC requires 10-Qs to be filed within 45 days after the quarter’s end and requires 10-Ks to be submitted within 90 days after a company’s fiscal year-end. (Source: [Investopedia](https://www.investopedia.com/ask/answers/06/postponeearnings.asp)).

Following from my project tracker, this document is an inquiry into various press releases which disclose delays in companies’ earnings reports and earnings calls.

1. [**https://investors.guess.com/news-releases/news-release-details/guess-inc-delay-earnings-release**](https://investors.guess.com/news-releases/news-release-details/guess-inc-delay-earnings-release)
   1. Guess?, Inc. (NYSE: GES) announces on May 3, 2006 that it will delay its Q1 earnings release and investor conference call, which was scheduled for 4:30 p.m. (ET) on that day.
   2. Guess? currently expects to file the company’s form 10-Q for the quarter which ended April 1, 2006 on or before its due date of May 11, 2006.
      1. The SEC Form 10-Q (explained [here](https://www.investopedia.com/terms/1/10q.asp)) is a comprehensive report of a company’s performance which must be submitted every quarter to the SEC. All public companies must do this because federal securities laws require that all publicly traded companies provide certain information.
         1. There are two portions for each 10-Q filing.
         2. The first portion contains relevant financial information for the quarter
            1. That means financial statements, management discussion of the financial condition of the company/entity, disclosures involving the risk of the market and the strength of internal controls
         3. The second portion contains all other information including legal proceedings, the unregistered sales of equity securities (securities bought by other companies) and the use of proceeds from these sales. And it includes defaults on senior (the most prioritized in case of default) securities.
2. [**https://www.businesswire.com/news/home/20180814005719/en/Boxlight-Delay-Quarter-2018-Earnings-Release-Conference**](https://www.businesswire.com/news/home/20180814005719/en/Boxlight-Delay-Quarter-2018-Earnings-Release-Conference)
   1. On August 14, 2018 Boxlight Corporation (Nasdaq: BOXL) announces that it will delay its second quarter (ended June 30, 2018) release. It intends to report these results on August 16 (Thursday), 2018.
   2. Boxlight Corporation sells various classroom technologies in order to enhance learning and engagement in the classroom.
   3. The reason is that the Company’s auditors need more time to complete their final audit procedures.
      1. Oftentimes auditors are used as a way to evaluate the effectiveness of internal controls on financial reports.
      2. Furthermore, audits provide stakeholders with a sense of accuracy in the company’s state.
      3. Outside auditors (instead of auditors who are part of a company) are extremely helpful as well ([Source](https://www.investopedia.com/terms/a/audit.asp)). However in this case it looks like they are not being used.
3. [**https://www.prnewswire.com/news-releases/bioamber-delays-filing-of-annual-report-on-form-10-k-and-postpones-earnings-release-and-conference-call-for-fourth-quarter-and-full-year-2017-677005203.html**](https://www.prnewswire.com/news-releases/bioamber-delays-filing-of-annual-report-on-form-10-k-and-postpones-earnings-release-and-conference-call-for-fourth-quarter-and-full-year-2017-677005203.html)
   1. BioAmber, Inc. (OTCPK: BIOA) announces on March 15, 2018 5:16 ET that it has filed a Form 12b-25 – this is a Notification of Late Filing – with the Securities and Exchange Commission describing a delay in the annual filing of the Form 10-K for the fiscal year.
      1. The [Form 10-K](https://www.sec.gov/about/forms/form10-k.pdf) consists of financial data provided by the company.
   2. This is because BioAmber’s independent auditors (auditors who are not part of the company BioAmber) need additional time to complete their audit of the Company’s financial statements (for this fiscal year ended December 31, 2017).
   3. The Company intends to diligently file its Annual Report within the 15-day extension period provided by Form 12b-25.
      1. Companies subject to the SEC must file the Form 12b-25 (Notification of Late Filing) in order to disclose the delay and the reason for it.
      2. Specifically, the company will be considered to be on time if the [following conditions](https://www.wowlw.com/Article/Index/88) are met. That is, if the Form 12b-25 is filed on time, discloses reasons for lateness which could not be eliminated without unreasonable expense and delineates that the periodic report would be filed either five days after the Form 10-Q was due or 15 days after the Form 10-K or 20-F was due. These are the conditions for the extension period to be granted.
      3. Furthermore the report must be filed within that time period.
   4. The Company also announces that it is postponing its fourth quarter and full year 2017 earnings release and conference call (scheduled for March 15, 2018 and March 16, 2018) until the ongoing audit on part of the Company’s independent auditors and its audit committee is completed.
   5. BioAmber also takes no obligation to update certain forward-looking statements regarding the Company’s risk.
4. [**https://www.globenewswire.com/news-release/2019/02/27/1743854/0/en/Syneos-Health-Delays-Fourth-Quarter-and-Year-End-2018-Earnings-Release-Date-and-Conference-Call.html**](https://www.globenewswire.com/news-release/2019/02/27/1743854/0/en/Syneos-Health-Delays-Fourth-Quarter-and-Year-End-2018-Earnings-Release-Date-and-Conference-Call.html)
   1. Syneos Health (Nasdaq: SYNH) announces on February 27, 2019 that it has delayed its earnings release and conference call (previously declared) in order to complete its Form 10-K for the fiscal year 2018.
   2. Syneos Health is the only fully integrated biopharmaceutical company – with over 23,000 people it supports 110 countries with the development of pharmaceuticals.
   3. The Company has filed a Form 12b-25 with the SEC and expects to file its Form 10-K within 15 days.
   4. Syneos Health’s management needs additional time to review the Company’s internal control over financial reporting while finalizing the Form 10-K.
   5. The SEC has made an inquiry into the Company’s revenue accounting policies, internal controls and related matters. So the company must retain certain documents originating January 1, 2017 or later.
   6. The Audit Committee of Syneos Health’s Board of Directors, with the assistance of outside counsel and advisors, is independently reviewing these matters.
   7. As before the press release contains forward-looking statements (statements regarding the expectations of Syneos Health’s management) which are not representative of their views after the date (February 27, 2019).
   8. Shortly after the SEC probe, [it is reported](https://www.investors.com/news/technology/syneos-health-stock-crashes-sec-investigation-delays-quarterly-report/) that on February 28, 2019, Syneos Health stocks (on the IBD list in the top 3% of stocks) decrease 19.7% at the close of that day’s stock market.
5. [**https://www.marketwatch.com/press-release/elite-pharmaceuticals-inc-delays-fourth-quarter-and-year-end-2019-earnings-release-date-and-conference-call-2019-06-14**](https://www.marketwatch.com/press-release/elite-pharmaceuticals-inc-delays-fourth-quarter-and-year-end-2019-earnings-release-date-and-conference-call-2019-06-14)
   1. On June 14, 2019 Elite Pharmaceuticals, Inc. delays its fourth quarter and year end 2019 earnings release date and conference call.
   2. Elite Pharmaceuticals, Inc. develops a pipeline of abuse-deterrent opioid products as well as generic products.
   3. This is in order to allow additional time to complete its Form 10-K for the year ended March 31, 2019.
   4. The Company filed a Form 12b-25 (Notification of Late Filing) with the U.S. Securities and Exchange Commission, and expects (as of then) to file its Form 10-K within the 15-day extension period.
   5. Elite is under no obligation to update its forward-looking statements.
6. [**https://www.thestreet.com/story/10322573/1/dell-delays-earnings-report.html**](https://www.thestreet.com/story/10322573/1/dell-delays-earnings-report.html)
   1. Dell (NYSE: DELL) on November 16, 2006 pushes back its quarterly earnings report because the SEC has issued a formal order of investigation (which gives the government the power to issue subpoenas).
   2. Shares of Dell were off $1 to $24.75 in early trading, and yet Dell has pushed the results for its fiscal third quarter to the end of the month.
   3. The Company declares it is facing a high level of complexity in the preparation of its preliminary results. This is because the Securities and Exchange Commission as well as Dell’s Audit Committee are investigating certain accounting and financial reporting matters.
   4. Dell has not filed its Form 10-Q for the second fiscal quarter.
   5. Dell says the delay in releasing these earnings is not related to the SEC’s conducting a formal review. Dell is cooperating with regulators.
7. [**http://www.cpiaero.com/delay-in-earnings-release.html**](http://www.cpiaero.com/delay-in-earnings-release.html)
   1. CPI Aerostructures, Inc. (NYSE: CVU) announces on March 2, 2016 a delay of its 2015 fourth quarter (and fiscal year) earnings release, conference call and webcast.
   2. The Company needs additional time to complete the review of its financial results for the fourth quarter and 2015.
   3. Contributors are Lippert/Heilshorn & Associates’ Jody Burfening/Sanjay M. Hurry and CPI Aero’s Vincent Palazzolo.
8. [**https://finance.yahoo.com/news/thermon-delay-fourth-quarter-full-201500917.html**](https://finance.yahoo.com/news/thermon-delay-fourth-quarter-full-201500917.html)
   1. On May 28, 2019 Thermon Group Holdings, Inc. (NYSE: THR) announces that it will reschedule its Q4 and full fiscal year 2019 earnings conference call.
   2. This is done in order to allow additional time to complete its Annual Report on Form 10-K for the fiscal year ended March 31, 2019.
   3. Thermon expects that Quarter 4 and full fiscal year ended March 31, 2019 revenue will exceed the upper end of adjusted earnings before interest, taxes, depreciation and [amortization](https://www.investopedia.com/terms/a/amortization.asp) (incremental reduction of cost of assets) for the 2019 fiscal year will be at or near an annual record.
   4. In its Form 10-K, Thermon expects to disclose a material weakness in its internal control over financial reporting. This weakness is related to accounting for revenues and costs, within fiscal year ended March 31, 2019, within a finite number of legacy project contracts in Europe, Middle East and Africa.
      1. Thermon does not believe this delay will affect these contracts’ underlying profitability.
9. [**https://www.thestreet.com/investing/stocks/patterson-tumbles-on-delay-of-earnings-preview-14794684**](https://www.thestreet.com/investing/stocks/patterson-tumbles-on-delay-of-earnings-preview-14794684)
   1. On November 28, 2018 (Wednesday), the company Patterson Cos. previews its [fiscal 2019](https://www.senate.gov/reference/glossary_term/fiscal_year.htm) second quarter earnings and announces a delay of the full quarterly report until December 6.
      1. For the federal government, the fiscal year begins on October 1 and ends on September 30 and is designated by the year in which it ends (in this case 2019).
      2. Shares of Patterson Cos. fall more than 8% on that day
      3. Patterson reports that internal sales are up by 1.8% and consolidated net sales are at $1.4 billion (in line with company expectations).
      4. The Company has been planning to reveal its second quarter results Thursday but delays them “in light of recent accounting pronouncements”.
         1. That is, it needs more time to sift through [non-operating income](https://www.investopedia.com/terms/n/non-operating-income.asp) (not from its core business) related to investments in joint ventures.
         2. Patterson was also involved in a proposed $80 million [class-action legal settlement](https://www.law.cornell.edu/wex/class_action) with other dental supply distributors, and denies it worked with the other companies having $28.3 million to settle its share of the lawsuit.
10. [**https://www.arkansasonline.com/news/2019/feb/19/windstream-delays-4q-earnings-report-20/**](https://www.arkansasonline.com/news/2019/feb/19/windstream-delays-4q-earnings-report-20/)
    1. Windstream Holdings, Inc. is a telecommunications firm with 1.4 million consumers and small businesses in 18 states, based in Little Rock, Arkansas.
    2. On February 15, 2019 (Friday) [a New York court ruled](https://talkbusiness.net/2019/02/new-york-court-rules-windstream-defaulted-on-debt-bonds-must-pay-310-million/) that Windstream defaulted on its debt bonds in 2015 during the spinoff of its telecom assets into the company Uniti Corp. and that New York-based Aurelius Capital Management is entitled to a $310.5 million judgement.
    3. On February 18, 2019 (Monday) the company announces a postponement of the release of its fourth quarter and 2018 financial results; instead of releasing earnings Thursday, February 21 the company plans to release its earnings no later than March 18, 2019. Windstream says it is continuing to evaluate its options and that it may seek bankruptcy protection if defeated in the case.
11. [**https://midasletter.com/2018/07/aphria-inc-delays-q4-release-date-to-coincide-with-molson-coors-q2-results/**](https://midasletter.com/2018/07/aphria-inc-delays-q4-release-date-to-coincide-with-molson-coors-q2-results/)
    1. Aphria, Inc. (TSE: APH) delays their Q4 2018 earnings release from July 9, 2018 to the beginning of August 2018.
    2. The article creator Benjamin A. Smith believes that this is a form of coordinated synchronization with the dissemination of Molson Coors Brewing Co.’s Q2 earnings results, as Molson Coors has been undergoing declining beer sales and thus [may be collaborating](https://www.bnnbloomberg.ca/molson-coors-said-to-be-in-talks-with-pot-firms-as-legalization-looms-1.1097480) with Canadian-based cannabis companies.
    3. Alternatively the company may simply be standardizing their earnings release times (and all future ones) to occur at the beginning of the month.
12. [**https://investor.dfrg.com/investor-home/news/press-release-details/2018/Del-Friscos-Restaurant-Group-Inc-to-Postpone-Third-Quarter-2018-Earnings-Release-and-Conference-Call-to-November-13-2018/default.aspx**](https://investor.dfrg.com/investor-home/news/press-release-details/2018/Del-Friscos-Restaurant-Group-Inc-to-Postpone-Third-Quarter-2018-Earnings-Release-and-Conference-Call-to-November-13-2018/default.aspx)
    1. Del Frisco’s Restaurant Group, Inc. (NASDAQ: DFRG) announces on November 5, 2018 that it will postpone the release of financial results for the third quarter ended September 25, 2018 to November 13, 2018 before the market opens.
    2. They also give a specific time (7:30 AM Central Time); this time is for both the quarterly conference call and webcast.
    3. Del Frisco’s also announces on the same day that it will do a fireside chat discussion at the Stephens NY Investment Conference in New York City on November 7, 2018.
    4. The reason given is that the company needs more time to finalize accounting and tax treatment of their acquisition of Barteca Restaurant Group, disposition of Sullivan’s Steakhouse, secondary offering of common stock, and debt syndication – these transactions occurred during Q3 2018.
13. [**https://www.nasdaq.com/press-release/evolving-systems-announces-postponement-of-earnings-release--new-date-thursday-april-4-2019-20190401-01315**](https://www.nasdaq.com/press-release/evolving-systems-announces-postponement-of-earnings-release--new-date-thursday-april-4-2019-20190401-01315)
    1. Evolving Systems, Inc. (NASDAQ: EVOL) provides software to more than 100 customers in over 65 countries.
    2. The Company’s independent auditors requested additional information about the company’s tax position just as the company was preparing to release their Q4 and 2018 year-end financial results and host an earnings call on April 1, 2019.
    3. The Company delays this until April 4, 2019.
14. [**https://www.prnewswire.com/news-releases/weatherford-announces-postponement-of-first-quarter-2019-earnings-release-300845846.html**](https://www.prnewswire.com/news-releases/weatherford-announces-postponement-of-first-quarter-2019-earnings-release-300845846.html)
    1. May 7, 2019. Weatherford International plc (public limited company) (NYSE: WFT) announces a postponement of its Q1 2019 earnings release until May 10, 2019.
       1. As a result it will file its Form 10-Q (quarter ended March 31, 2019) on Friday, May 10, 2019.
    2. The Company provides manufacturing, service, R&D and training to 650 locations in over 80 countries with a workforce of 26,000.
    3. [It gives no reason](https://seekingalpha.com/news/3460653-weatherford-postpones-earnings-release-cancels-conference-call) for the change and provides no details on a new conference call time. However, its decision occurs less than two weeks after the board of directors asked stockholders to approve a one-for-20 [reverse stock split](https://www.investopedia.com/ask/answers/06/reversestocksplit.asp) (all stockholders receive one share for every 20 shares they own) to boost the company’s share price and so prevent the company from being delisted from the NYSE.
15. [**https://www.businesswire.com/news/home/20180130006226/en/A10-Networks-Announces-Postponement-2017-Fourth-Quarter**](https://www.businesswire.com/news/home/20180130006226/en/A10-Networks-Announces-Postponement-2017-Fourth-Quarter)
    1. Announced January 30, 2018: A10 Networks, Inc. (NYSE: ATEN), a company which provides application networking solutions to accelerate networking tasks, postpones its Q4 and full year 2017 earnings announcement and conference call which had been originally scheduled for February 8, 2018.
    2. This delay is in connection with the fact that a mid-level employee in its finance department violated the Company’s Insider Trading Policy and Code of Conduct.
       1. In Q4 2017, the Company’s Audit Committee determined that further review and additional procedures (certain accounting and internal control matters) should be undertaken. The Audit Committee’s investigation focuses, with help from outside counsel, on certain revenue recognition matters from Q4 2015 through Q4 2017 inclusive.
       2. This is after the Company (with help from outside counsel) reviewed emails and did other procedures to ensure its financial information from 2017 was reported accurately.
    3. A10 Networks, Inc. is neither able to provide a date for completion nor able to provide assurance that material adjustments to the Company’s past financial statements are not going to be deemed appropriate.
       1. Once the Audit Committee’s investigation is concluded, the Company will announce scheduling of a conference call to discuss Q4 and full year 2017 financial results.
    4. The resulting [class action](http://securities.stanford.edu/filings-documents/1065/ANI00_19/2018105_r01c_18CV01772.pdf) complaint based on issues with internal controls and improper revenue recognition causes shares to fall more than 13% from its previous closing price.
16. [**https://www.reuters.com/article/us-ge-results/ge-delays-third-quarter-earnings-by-a-week-idUSKCN1MM1QM**](https://www.reuters.com/article/us-ge-results/ge-delays-third-quarter-earnings-by-a-week-idUSKCN1MM1QM)
    1. On Friday, October 12, 2018 General Electric Co. delays their third quarter earnings by a week. The Company will now release their earnings on Tuesday, October 30.
    2. This move is conducted in response to the fact that the new Chief Executive Officer Larry Culp, [elected on October 1 2018](https://www.bostonglobe.com/business/2018/10/01/who-lawrence-culp-new-ceo/vaL6bZjJz3OBSICZI5BtSO/story.html), needs more time to complete business reviews and site visits. While GE’s stock price climbed 7% on October 1, its stock price had been dropping during the past year while the company fell short of its forecast for [free cash flow](https://www.investopedia.com/terms/f/freecashflow.asp) (cash generated by the company after cash outflows) and earnings per share for 2018 due to a general weakness in its business.
    3. Shares in the company fall about one half percent on Friday, October 12 when the company announces the delay.
17. [**https://www.cnbc.com/2018/01/29/metlife-shares-drop-more-than-6-percent-after-postponing-earnings.html**](https://www.cnbc.com/2018/01/29/metlife-shares-drop-more-than-6-percent-after-postponing-earnings.html)
    1. On Monday, January 29, 2019, after previewing earnings which fall short of Wall Street expectations, MetLife reschedules its Q4 release.
       1. Analysts had forecasted earnings of $1.08 per share.
       2. The Company says adjusted earnings are between 61 cents and 66 cents per share.
       3. The Q4 and full-year results were originally scheduled for January 31. The conference call was scheduled for February 1. Both are to be posted on February 13 after the market close.
       4. Shares drop by as much as 10% and MetLife generally trades about 5% below its final [closing price](https://www.investopedia.com/terms/c/closingprice.asp) of $54.40.
       5. By [May 1, 2018](https://www.ft.com/content/34ea5c44-4d4f-11e8-97e4-13afc22d86d4), MetLife was found to have released funds from its financial reserves which were supposed to support pension payouts.
       6. Furthermore, by February 13, 2018 MetLife, Inc. still has adjusted earnings of [$0.64](https://s23.q4cdn.com/579645270/files/doc_news/archive/6355b523-15f6-4e57-a687-aa5c99b89776.pdf) per share. Adjusted earnings later rise to [$1.35](https://s23.q4cdn.com/579645270/files/doc_news/archive/105925f3-6bb4-4f56-a67b-060b40be8a1f.pdf) per share at Q4’s end (February 6, 2019).
18. [**https://www.businesswire.com/news/home/20190502005294/en/NRC-Group-Postpones-Quarter-2019-Earnings-Release**](https://www.businesswire.com/news/home/20190502005294/en/NRC-Group-Postpones-Quarter-2019-Earnings-Release)
    1. NRC Group Holdings Corp. (NYSE: NRCG), which provides waste management services, announces on May 2, 2019 that it is delaying the release of its first quarter (ended March 31, 2019) financial results and earnings call (originally scheduled [little more than a week prior](https://www.bloomberg.com/press-releases/2019-04-25/nrc-group-sets-first-quarter-2019-conference-call-for-thursday-may-2-2019-at-10-00-a-m-et) for May 2, 2019) for the purpose of finalizing accounting treatment of a recent acquisition.
19. [**https://www.covetrus.com/news-releases/news-release-details/covetrus-reschedules-first-quarter-2019-earnings-release-and**](https://www.covetrus.com/news-releases/news-release-details/covetrus-reschedules-first-quarter-2019-earnings-release-and)
    1. Covetrus, Inc. (Nasdaq: CVET) announces on May 7, 2019 that it has rescheduled its Q1 2019 earnings results and conference call from [Thursday, May 9, 2019](https://www.globenewswire.com/news-release/2019/04/24/1808885/0/en/Covetrus-Announces-First-Quarter-2019-Earnings-Release-Date-and-Conference-Call-Information.html) to Wednesday, May 15, 2019. Specifically, its conference call has been moved from 4:45 PM Eastern Time to 9:00 AM Eastern Time.
    2. The Company will also file the first quarter 2019 [10-Q](https://www.investopedia.com/terms/1/10q.asp) (relevant financial information) at the same time.
    3. The rescheduling reflects the complexities of the transaction and intra-quarter close of the carve-out of the Animal Health Business from Henry Schein and the subsequent merger with Vets First Choice.
    4. Also on May 7, 2019 Covetrus files a [Form 8-K](https://www.investopedia.com/terms/1/8-k.asp) disclosure (unscheduled events and corporate changes at a company which could be relevant or of value to shareholders or the SEC); in this case it contains unaudited pro forma (for the sake of formality) condensed financial information so that investors and others can gain a better understanding of the component organizations of Covetrus and assess the underlying trends and seasonality in the business.
       1. Generally, whenever companies announce major events relevant to stockholders they are required by the SEC to file an 8-K as needed (not annually or quarterly).
20. [**https://www.robbinsarroyo.com/impinj-inc-feb-19/**](https://www.robbinsarroyo.com/impinj-inc-feb-19/)
    1. On August 3, 2018 Impinj, Inc. (Nasdaq: PI), a radio-frequency identification solutions provider, announces it is delaying its earnings release, call and 10-Q filing for its second quarter ended June 30, 2018.
    2. Because a former employee has filed a complaint with the company, an independent audit (independent from the company, not internal) has started. Impinj will be unable to file the Q2 report until the investigation is complete.
    3. Impinj stock trades significantly lower than prior to the alleged wrongdoing.
       1. Rosen Law Firm, a global investor rights law firm, investigates (prepares a class lawsuit) these allegations that Impinj may have misled its public investors with regard to business information and thus caused Impinj investors to suffer losses ([Source](https://www.marketwatch.com/press-release/equity-alert-rosen-law-firm-announces-investigation-of-securities-claims-against-impinj-inc-pi-2018-08-04)).
       2. [Impinj blames inventory drawdowns](https://www.fool.com/investing/2018/02/16/impinjs-revenue-woes-continue.aspx) done by its partners (reductions in their inventories might have been used to increase funds for sales) for Impinj’s decreased revenue during Q4 of last year (2017). However, CEO Chris Diorio believes the company will shortly return to growth during this year (2018). This prediction is later supported by [the eventual release](https://investor.impinj.com/news-and-events/news/press-release/2018/Impinj-Reports-Full-Second-Quarter-2018-FinancialResults/default.aspx) of the delayed earnings report (on September 12, 2018) which demonstrates improvements in all main five metrics.

From these examples it seems that when a company delays its earnings call and earnings release, the stock value and number of stocks held in the company tend to fall.

[A recent Forbes article](https://www.forbes.com/sites/simonmoore/2019/01/30/the-hidden-signal-in-delayed-earnings-announcements/#691b13ed5750) investigates the hidden signals in delayed earnings announcements. Simon Moore concludes that while the market overlooks shifts of reporting dates, it is a powerful indicator of the results and thus relevant to financial regulators whose duty is to make sure investors are able to act on all available information about a company. What Simon is suggesting is, if the reporting date comes in early then you should buy and if it comes in late then you should sell.

We cannot infer anything when earnings dates are consistent (regular), and 90% of the time quarterly earnings reports are regular. Simon Moore believes that by shifting announcement dates forward (or backward) by three days or more, companies provide implicit information about their earnings. University of Texas and MIT researchers elaborate on this in an article called *Time Will Tell: Information in the Timing of Scheduled Earnings News*. To summarize Simon’s idea, good news comes early and stock prices go up (they do better than the average on the announcement day). Bad news comes later and stock prices fall.

In this article [*Time Will Tell: Information in the Timing of Scheduled Earnings News*](https://poseidon01.ssrn.com/delivery.php?ID=382022091086005004108074101115106027029011095077058037071002066109066121104094069024048096036099043030006118113000111072079080040066043048077004068086066085096095092008007076009018067028102014121014080095072113013117067087100071031025005068113111127120&EXT=pdf), the authors (Travis L. Johnson and Eric C. So) find evidence for the claim that scheduling disclosures are observable ahead of time and that markets fail to react to this implicit information about future earnings until the announcement is made. The authors are remarkably still able to find whether or not there is unaddressed information in the timing of scheduled earnings news by focusing on the predicted (expected) announcement date of an earnings call delay.

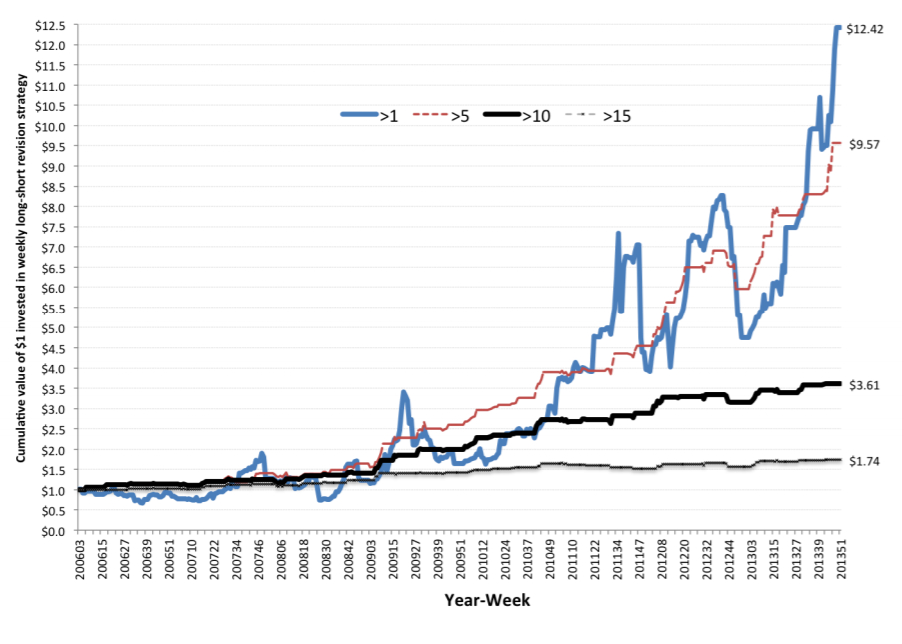
They find whether a firm advances (expected to announce earlier than scheduled) or delays their earnings call announcement. Johnson and So are able to predict, ahead of the actual announcement date, that in terms of returns advancers outperform delayers by 2.6% by one month after the date of disclosure.[[1]](#footnote-1) Advancers also outperform delayers by about 0.5% immediately following earnings announcements.[[2]](#footnote-2)

Aside from their discussion of cognitive constraints they also reveal that whenever a firm schedules its disclosure of its financial data, it foreshadows not only content (nature or value of its earnings return) but also provides information about the volatility (change) of future returns compared to the present.

Johnson and So, in their article about how investors generally don’t react to cash flow (content) information embedded in scheduling disclosures (but might react to volatility signals) and how companies’ scheduling disclosures may still predict firms’ earnings,[[3]](#footnote-3) may have a point – from most of the examples and news articles it seems like shares generally fall when companies delay their earnings release and earnings call. Regardless of the extent to which investors may have had access to their data (which came from Wall Street Horizon) the authors are able to represent expected announcement dates for each company relatively well; their unconfirmed announcement dates from Wall Street Horizon are over 90% correlated with ‘random-walk’ expected announcement dates.[[4]](#footnote-4)

Firms are more likely to delay than advance their announcements[[5]](#footnote-5) which seems reasonable. Another thing the authors mention is an interaction between return prediction power and firm characteristics: the accuracy of their return prediction increases when a firm has greater sensitivity to earnings news, low analyst coverage and managers with greater career concerns.[[6]](#footnote-6)

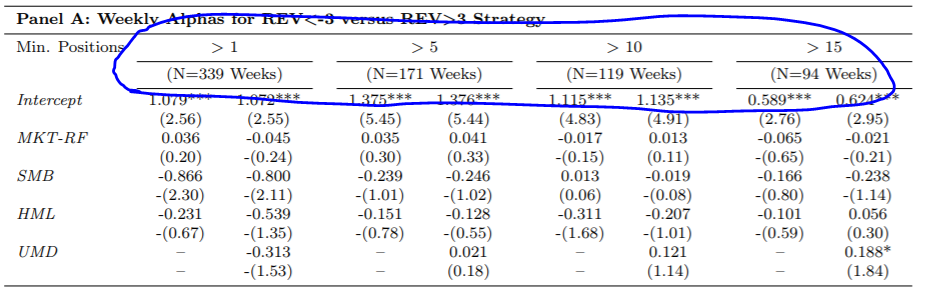
Around earnings announcements, firms’ earnings news is the primary determinant of returns.[[7]](#footnote-7) It seems interesting that revision scores (unconfirmed announcement date – scheduled announcement date) can describe future returns and can do so better if a firm has certain characteristics. While investors are not necessarily restricted from hearing about earnings news by cost and difficulty of obtaining data and may not be unaware of the relevance of scheduling disclosures for a company’s value, the authors say that there is evidence that equity prices do not react to scheduling disclosures but do react to earnings news.[[8]](#footnote-8)

The following figure (Figure 3[[9]](#footnote-9)) demonstrates the result of applying a strategy based on the value of REV = unconfirmed announcement date (that is, the date based on when the firm announces same-quarter earnings in the prior year and when the dataset indicates they were expected to announce earnings prior to the scheduling disclosure) – scheduled announcement date (that is, the date the firm schedules for their earnings announcement[[10]](#footnote-10)). So REV = the unconfirmed announcement date – the scheduled announcement date.

Specifically, they show four results of implementing a strategy which says long firms with REV > 3 and short firms with REV < -3. (These results vary significantly from week to week because the strategy isn’t used when the number of sample observations isn’t sufficiently high for the authors’ standards.[[11]](#footnote-11))

This implies that you would expect firms with REV > 3 (that is, firms who announce early) to rise in value while firms with REV < -3 (firms who announce at least three days late) to decrease in value (in price of a share).

The general trend is that a greater number of required long and short positions is associated with a lower cumulative value of one dollar. To explain this trend, the authors show that the number of weeks for which the strategy (any given strategy) is implemented declines whenever the requirement for minimum number of positions held is increased, and this decline is substantial.[[12]](#footnote-12) This is shown in Table 9:[[13]](#footnote-13)



1. Johnson and So, p. 3. [↑](#footnote-ref-1)
2. Ibid., p. 17. [↑](#footnote-ref-2)
3. Johnson and So, p. 5-6. [↑](#footnote-ref-3)
4. Ibid., p. 9. [↑](#footnote-ref-4)
5. Ibid., p. 11. [↑](#footnote-ref-5)
6. Ibid., p. 22. [↑](#footnote-ref-6)
7. Ibid., p. 23. [↑](#footnote-ref-7)
8. Ibid., p. 24. [↑](#footnote-ref-8)
9. Ibid., p. 38. [↑](#footnote-ref-9)
10. Johnson and So, p. 2. [↑](#footnote-ref-10)
11. Ibid., p. 23. [↑](#footnote-ref-11)
12. Ibid., p. 23. [↑](#footnote-ref-12)
13. Ibid., p. 48. [↑](#footnote-ref-13)