

# Putting Together a Public Information Book (PIB)

Where to find the data you need to build a financial model

Before firing up Excel to begin building a [3-statement model](#) or a variety of common types of valuation and transaction models, analysts need to gather the relevant reports and disclosures that will be critical for model accuracy. Collecting these documents is such a common part of an [investment banker's daily workflow](#) that the end result has a name: the **public information book (or PIB)**.

The PIB used to be a massive physical spiral bound packet distributed by the analyst to the entire deal team, but is now distributed mercifully as a soft-copy pdf.



## What's in a public information book (PIB)

At a minimum, an analyst will need to gather the following documents to get a historical picture of the company's performance:

### Historical financial results

### Best place to find data

<ul style="list-style-type: none"> <li>The company's latest annual and quarterly filing</li> <li>The company's latest quarterly press release</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SEC filings</a></li> <li>Company website (investor relations section)</li> <li><a href="#">Financial data provider (\$\$\$)</a></li> </ul>
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Other documents often included in the public information book (PIB) include equity research reports as well as models and transcripts of management conference calls that can help the analyst make projections and gain company and industry insights:

### Estimates, research and company insight

### Best place to find data

<ul style="list-style-type: none"> <li><a href="#">Equity research reports and models</a></li> <li>Management's quarterly conference call transcripts</li> <li>Analyst EPS consensus</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Financial data providers (\$\$\$)</a></li> </ul>
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In addition, a public information book (PIB) will contain a "news run" — a compilation of relevant news on the company in the last 6 months (i.e. stock splits, acquisitions, partnerships, changes to ownership and key personnel). Curated company news is made available by all the major [financial data providers such as Bloomberg, Thomson, Capital IQ and FactSet](#).

## Annual and quarterly (or interim) filings

When analyzing public companies in the United States, finding annual (10K) and quarterly (10Q) filings is a fairly straightforward process. Public companies file reports with the Securities and Exchange Commission (SEC) and those reports become available to the public on [www.sec.gov](http://www.sec.gov) through a searchable database system called EDGAR:



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<https://www.sec.gov/edgar/searchedgar/companysearch.html>

Outside the United States, the availability of filings to the public and filing requirements vary. We go more in depth about this here: [Accessing SEC Filings, Company Reports and Financial Data in the United States and Elsewhere.](#)

## Quarterly press releases

In addition to required SEC filings, virtually all public companies issue a quarterly press release. These press releases can be found in the investor relations section of most companies' websites. They are also filed as a Form 8-K with the SEC and can be found on EDGAR.

Press releases usually contain the financial statements that will ultimately go into the 10K and 10Q. The reasons most analysts carefully examine these press releases are:

### Press releases are more timely

They often precede the corresponding 10Q or 10K by a few days or weeks, giving analysts more timely data.

*"Earnings season" refers to when earnings releases are announced via a press release, not when the 10Q or 10K are filed.*

### Press releases contain management guidance

Companies will often provide guidance for things like next year's expected EPS, revenue growth, capital expenditures and operating margins. The range of disclosure is wide — some companies provide no guidance while others provide a ton of detail. Here is Apple's guidance from their 2016 Q3 press release:

## Apple Reports Third Quarter Results

### Revenue Growth of 7 Percent and EPS Growth of 17 Percent

### Services Revenue Hits All-Time Quarterly Record

CUPERTINO, California — August 1, 2017 — Apple® today announced financial results for its fiscal 2017 third quarter ended July 1, 2017. The Company posted quarterly revenue of \$45.4 billion and quarterly earnings per diluted share of \$1.67. These results compare to revenue of \$42.4 billion and earnings per diluted share of \$1.42 in the year-ago quarter. International sales accounted for 61 percent of the quarter's revenue.

"With revenue up 7 percent year-over-year, we're happy to report our third consecutive quarter of accelerating growth and an all-time quarterly record for Services revenue," said Tim Cook, Apple's CEO. "We hosted an incredibly successful Worldwide Developers Conference in June, and we're very excited about the advances in iOS, macOS, watchOS and tvOS coming this fall."

"We reported unit and revenue growth in all our product categories in the June quarter, driving 17 percent growth in earnings per share," said Luca Maestri, Apple's CFO. "We also returned \$11.7 billion to investors during the quarter, bringing cumulative capital returns under our program to almost \$223 billion."

Apple is providing the following guidance for its fiscal 2017 fourth quarter:

- revenue between \$49 billion and \$52 billion
- gross margin between 37.5 percent and 38 percent
- operating expenses between \$6.7 billion and \$6.8 billion
- other income/(expense) of \$500 million
- tax rate of 25.5 percent

## Press releases contain Non-GAAP disclosures

Press releases contain Non-GAAP disclosures like [EBITDA](#), Non-GAAP operating profit, and Non-GAAP EPS. These are useful for analysts when trying to bridge accrual-based accounting profits with a more “normalized” assessment of a company’s performance.

Below is American Electric Power’s third-quarter 2016 press release reconciling GAAP Net Income (which you’ll find in the 10Q) and the company’s “adjusted EBITDA” figure that they want everyone to look at instead.

The following is a reconciliation of the Company’s net income, the most directly comparable GAAP financial measure, to Adjusted EBITDA:

	Third Quarter	Third Quarter	July YTD	July YTD
	Fiscal 2016	Fiscal 2015	Fiscal 2016	Fiscal 2015
	(in thousands)			
Net income	\$ 6,269	\$ 6,567	\$ 27,944	\$ 18,171
Provision for taxes	3,239	4,814	14,858	10,048
Interest expense	4,513	4,617	13,625	14,252
Depreciation and amortization expense	7,369	7,418	22,054	24,148
Increase (decrease) in LIFO reserve	4,492	3,613	2,598	(12,348)
Other non-operating (income) expense, net	(250)	(163)	229	(220)
Share-based compensation	2,894	911	4,191	3,328
<b>Adjusted EBITDA</b>	<b>\$ 28,526</b>	<b>\$ 27,777</b>	<b>\$ 85,499</b>	<b>\$ 57,379</b>

Source: AEP Inc. Q3 2016 Earnings Release. [Download full press release](#)

## Management conference call transcripts

The same day a company issues its quarterly press release, it will also hold a conference call. On the call, analysts often learn details around management guidance. These conference calls are transcribed by several service providers and can be accessed by subscribers of the large [financial data providers](#).

## Equity research reports

Through filings and press releases, companies provide historical information that serves as an important foundation from which forecasts are made. However, since the ultimate goal of building a [3-statement financial model](#) is making forecasts, there are several sources of data that are particularly helpful. We’ve already addressed how press releases and conference call transcripts can provide information about management guidance. For public companies, there is an additional, widely used resource for helping analysts arrive at forecasts: **Sell side equity research**. Institutional investors and investment bankers often rely on the research reports produced by sell side equity research analysts (you can view a sample report [here](#)) to guide key forecasting drivers. These reports often include screenshots of 3-statement financial models and are available through the financial data services providers.

Cover page of a JP Morgan equity research report

**J.P.Morgan**

**21st Century Fox**  
Hulu Steadily Building a Streaming 'Empire' as New Tier Debuts and More Hits Roll On

In our recent note on 21<sup>st</sup> Century Fox, “[Good Entry Point for High Quality Media Play](#),” we highlight the opportunity for patient investors considering the value of FOXA’s strong asset base, noting that Hulu in particular could present notable upside down the road. Hulu has since made further strategic decisions which increase our conviction in the value of this asset, including more aggressive investment spending in content and the launch of a higher priced ad free tier. In this note we take a closer look at the streaming video industry, Hulu’s competitive positioning and strategic outlook as well as its potential value. While equally owned by FOX, DIS and CMCSA, we highlight this asset in the context of FOXA as the smallest of these companies, therefore having the biggest relative

North America Equity Research  
30 September 2015

**Overweight**  
FOXA, FOXA US  
Price: \$25.80  
Price Target: \$33.00

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Screenshot of an earnings model page of a JP Morgan equity research report

Figure 20: FOXA Income Statement

Fiscal Calendar	1Q15 Sep-14	2Q15 Dec-14	3Q15 Mar-15	4Q15 Jun-15	1Q16E Sep-15	2Q16E Dec-15	3Q16E Mar-16	4Q16E Jun-16	2014 Jun-14	2015 Jun-15	2016E Jun-16	2017E Jun-17
<b>Revenue</b>												
Cable Network Programming	3,231	3,384	3,590	3,568	3,601	3,720	3,887	3,967	12,273	13,773	15,175	16,479
% change	15.0%	14.2%	13.9%	6.6%	11.5%	9.9%	8.3%	11.2%	12.8%	12.2%	10.2%	8.6%
Television	1,048	1,623	1,237	987	1,025	1,610	1,275	1,029	5,296	4,895	4,938	5,102
% change	0.0%	-0.4%	-22.1%	-4.3%	-2.2%	-0.8%	3.0%	4.2%	9.0%	-7.6%	0.9%	3.3%
Filmed Entertainment	2,476	2,753	2,389	1,907	2,377	2,808	2,437	2,021	9,679	9,525	9,643	10,046
% change	16.8%	11.1%	4.8%	-32.0%	-4.0%	2.0%	2.0%	6.0%	12.0%	-1.6%	1.2%	4.2%
Other	(317)	(336)	(376)	(257)	(238)	(277)	(376)	(257)	(1,411)	(1,286)	(1,148)	(1,148)
% change	3.3%	-20.9%	14.3%	-26.6%	-25.0%	-17.5%	0.0%	0.0%	23.0%	-8.9%	-10.7%	0.0%
Total Revenue	7,887	8,087	6,840	6,205	6,765	7,861	7,222	6,760	31,867	29,019	28,609	30,480
% change	11.7%	-0.9%	-16.8%	-26.3%	-14.2%	-2.8%	5.6%	8.9%	15.1%	-8.9%	-1.4%	6.5%
Total Revenue ex DBS	6,438	7,424	6,840	6,205	6,765	7,861	7,222	6,760	25,837	26,907	28,609	30,480
% change	13.5%	11.7%	1.2%	-9.2%	5.1%	5.9%	5.6%	8.9%	-6.6%	4.1%	6.3%	6.5%
<b>EBITDA</b>												
Cable Network Programming	1,038	1,159	1,233	1,218	1,242	1,270	1,364	1,404	4,407	4,648	5,280	5,836
% change	4.7%	11.7%	4.8%	1.3%	19.7%	9.6%	10.6%	15.3%	5.5%	5.5%	13.6%	10.5%
Television	174	290	141	113	151	237	124	172	882	718	684	728
% change	-24.7%	33.0%	-51.0%	-22.1%	-13.3%	-18.2%	-12.2%	52.3%	3.2%	-18.6%	-4.7%	6.4%
Filmed Entertainment	458	336	382	269	359	319	370	187	1,358	1,445	1,234	1,447
% change	39.6%	-0.3%	7.9%	-20.6%	-21.6%	-5.2%	-3.3%	-30.5%	3.8%	6.4%	-14.6%	17.2%
Other	(98)	(90)	(79)	(56)	(105)	(97)	(87)	(65)	(356)	(323)	(354)	(361)
% change	-19.7%	13.9%	-11.2%	-15.2%	7.5%	7.5%	10.0%	16.0%	-25.2%	-9.3%	9.6%	2.0%
Total EBITDA	1,779	1,722	1,677	1,544	1,647	1,729	1,770	1,698	6,715	6,722	6,844	7,649
% change	10.0%	11.5%	-6.2%	-12.6%	-7.4%	0.4%	5.6%	10.0%	7.3%	0.1%	1.8%	11.8%
EBITDA Margin	22.6%	21.3%	24.5%	24.9%	24.3%	22.0%	24.5%	25.1%	21.1%	23.2%	23.9%	25.1%
Total EBITDA ex DBS	1,572	1,695	1,677	1,544	1,647	1,729	1,770	1,698	6,291	6,488	6,844	7,649
% change	10.1%	12.0%	-3.0%	-4.7%	4.8%	2.0%	5.6%	10.0%	4.8%	3.1%	5.5%	11.8%
EBITDA Margin ex DBS	24.4%	22.8%	24.5%	24.9%	24.3%	22.0%	24.5%	0.0%	24.3%	24.1%	23.9%	25.1%
<b>Depreciation and Amortization</b>												
% change	-10.7%	-20.1%	-51.0%	-52.7%	-44.1%	-30.2%	0.1%	1.3%	38.4%	-33.6%	-23.9%	1.3%
Operating Income	1,480	1,500	1,536	1,390	1,479	1,574	1,629	1,542	5,488	5,908	6,225	7,022
% change	15.4%	18.5%	2.5%	-3.5%	0.0%	5.0%	6.1%	10.9%	23.6%	21.8%	15.7%	30.6%
% of total revenue	18.8%	18.5%	22.5%	22.4%	21.9%	20.0%	22.6%	22.8%	17.2%	20.4%	21.8%	23.0%
Other Operating Charges	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense, net	(291)	(301)	(284)	(283)	-	-	-	-	(1,095)	(1,159)	(1,226)	(1,257)
Equity Earnings of Affiliates	379	250	170	(55)	90	90	90	90	622	744	360	562
Other	35	5,040	(67)	(812)	-	-	-	-	174	4,196	-	-
Income bff Tax and Minority Interest	1,603	6,489	1,355	240	1,283	1,358	1,414	1,325	5,189	9,689	5,359	6,326
Income Taxes	(503)	(439)	(409)	(93)	(404)	(434)	(452)	(424)	(1,272)	(1,444)	(1,715)	(2,088)
Effective Tax Rate	31.4%	6.8%	30.2%	38.8%	32.0%	32.0%	32.0%	32.0%	24.5%	14.9%	32.0%	33.0%
Minority Interest, Net of Tax	(56)	(77)	(67)	(31)	(66)	(91)	(79)	(37)	(132)	(231)	(273)	(294)
Net Income from Cont. Ops	1,044	5,973	879	116	792	832	882	864	3,785	8,014	3,371	3,944
Impairment and restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-
Equity affiliate adjustments	(172)	(93)	-	85	-	-	-	-	(59)	(180)	-	-
Other	(24)	(4,998)	-	599	-	-	-	-	(165)	(4,423)	-	-
Adj. Net Income from Continuing Ops	848	882	879	800	792	832	882	864	3,561	3,411	3,371	3,944
% change	10.3%	16.7%	-17.9%	-17.2%	-6.5%	-5.6%	0.4%	8.1%	12.0%	-4.2%	-1.2%	17.0%
Adj. EPS from Continuing Operations	\$ 0.39	\$ 0.41	\$ 0.42	\$ 0.39	\$ 0.39	\$ 0.42	\$ 0.46	\$ 0.45	\$ 1.57	\$ 1.60	\$ 1.72	\$ 2.17
% change	16.0%	23.8%	-12.3%	-10.5%	1.5%	3.1%	9.6%	16.7%	15.5%	2.0%	7.5%	26.1%
Total Diluted Shares	2,195	2,152	2,113	2,060	2,020	1,969	1,935	1,907	2,269	2,130	1,958	1,816
Note: DBS is excluded from												
Source: Company reports and J.P. Morgan estimates.												

[View a complete equity research sample report](#)

## Earnings consensus estimates

In addition, equity research analysts submit key forecasts 2-4 years out for metrics like Revenue, EBITDA and EPS to the same financial data providers which, in turn, average these submissions and publish them as "consensus" estimates. Here is an example of consensus estimates for Brocade Networks as provided by Factset:

### Brocade Communications Systems, Inc. (BRCD)

Next Rpt Date: 22 May '14

\$9.46

Data as of: 24-Apr-2014

ALL ESTIMATES

Latest | 100 Day Mean

#### Earnings Per Share

	FY '12	FY '13	Q1 '14	Q2 '14E	Q3 '14E	Q4 '14E	FY '14E	Q1 '15E	Q2 '15E	Q3 '15E	Q4 '15E	FY '15E	FY '16E
	OCT '12	OCT '13	JAN '14	APR '14	JUL '14	OCT '14	OCT '14	JAN '15	APR '15	JUL '15	OCT '15	OCT '15	OCT '16
EPS	0.66	0.80	0.24	0.19	0.19	0.22	0.83	0.23	0.21	0.21	0.24	0.87	0.86
EPS - GAAP	0.41	0.45	0.18	0.13	0.14	0.17	0.61	0.18	0.14	0.14	0.17	0.66	0.50
EPS - Non GAAP	0.49	0.65	0.20	0.16	0.16	0.19	0.70	0.21	0.18	0.17	0.19	0.74	-
EPS - Non GAAP ex. SOE	0.66	0.80	0.24	0.19	0.19	0.22	0.83	0.23	0.21	0.21	0.24	0.87	0.86

Estimates Database: FactSet Estimates

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ALL ESTIMATES

Latest | 100 Day Mean

Income Statement (M)

	FY '12	FY '13	Q1 '14	Q2 '14E	Q3 '14E	Q4 '14E	FY '14E	Q1 '15E	Q2 '15E	Q3 '15E	Q4 '15E	FY '15E	FY '16E
	OCT '12	OCT '13	JAN '14	APR '14	JUL '14	OCT '14	OCT '14	JAN '15	APR '15	JUL '15	OCT '15	OCT '15	OCT '16
Sales	2,238	2,223	565	532	533	562	2,193	564	545	549	575	2,239	2,253
Gross Income	1,444	1,409	383	352	353	375	1,463	377	362	364	383	1,493	1,474
Guidance (Low)	-	-	-	322	-	-	-	-	-	-	-	-	-
Guidance (High)	-	-	-	335	-	-	-	-	-	-	-	-	-
EBITDA	547	621	180	150	155	170	650	181	163	162	173	659	687
Operating Income	460	505	158	123	126	142	548	147	131	131	146	557	538
Guidance (Low)	-	-	-	106	-	-	-	-	-	-	-	-	-
Guidance (High)	-	-	-	117	-	-	-	-	-	-	-	-	-
Pretax Income	406	465	147	114	116	132	508	134	120	124	138	517	519
Tax Expense	-	93	38	31	31	36	136	37	33	33	38	142	134
Net Income	311	373	109	83	85	97	373	101	89	89	100	382	368

Estimates Database: FactSet Estimates

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## A note on private companies

Data is much harder to find for private companies than for public companies.

While [financial data providers](#) attempt to aggregate as much data as they can find by scouring company press releases, quotes and leaks in the news and through direct outreach, private companies in the United States and in most countries (with the [United Kingdom a key exception](#)) are not required to provide the public with annual or quarterly reports. This means that building a [3-statement financial model](#) for a private company is effectively impossible if the company does not willingly provide the data. In the context of M&A, private companies considering a sale will provide data to potential acquirers as part of the negotiation and due diligence process.