

EXTRA! EXTRA! READ ALL ABOUT IT

COMPANY XYZ ANNOUNCED EARNINGS

NOW WHAT DO I DO?

You need

- 1. Access to data**
- 2. Have an expectation of what XYZ will report**
- 3. A plan on what to do with the results once they are reported**
 - a. Inline**
 - b. Better**
 - c. Worse**
 - d. Mixed**
- 4. Historically what has the stock done if it beats expectations?**
- 5. Does it always beat expectations?**

Prior to the announcement

- 1. How is the stock performing?**
 - a. Trending up or down?**
 - b. Is this in line with the market? With it's tracking etf**
 - c. Has something changed in the world/ XYZ's biz that make the earnings irrelevant?**
- 2. Have competitors announced earnings? Were they good or bad?**
 - a. Pepsi announced on 10/10, Coke on 10/24, MNST 11/02**
- 3. What were their earnings, revenue, ETC in the same quarter prior year and the prior quarter**
 - a. What is the market looking for**
 - b. Better earnings in total?**
 - C. Rev/earnings from a specific business line**
 - d.**
- 4. Read the Bull case and bear case before the announcement**
 - a. Once earnings are announced one of them will be wrong, what do they say to justify their mistake?**

b. Have earnings expectations been revised up or down during the last 90 days?

c. Compare earnings growth. Rev growth to expense growth

d. Has exec compensation gone way up

5. Conference after the earnings announcement

a. Future outlook/guidance

b. Drivers of future growth

i. Are they talking about their CORE business or focused on some smaller aspect?

ii. Do they have new drivers of future growth?

c. Did they address YOUR concerns about the future?

d. Did they address supply AND demand

e. Did they discuss the mix of what they do with free cash flow?

i. Dividend increase

ii. Efficiency

iii. expansion

6. Examples

a. O.. Reality income (is it about the past? Or the future?)

**i. Revenue of \$1.04B, increased from \$837M in Q3 2022.
= UP 167 Mill.. Total expenses of \$805.9M increased
from 628.6M in Q3 2022 = UP 177 Mill..**

ii. July 63.75, pre earnings 48.00 now 52.50

b. WYNN 11/09

**i. rev 1.67 bill vs 782m in same qrt yr ago. +782 mill.
And above expectation 1.59b . earnings 99 vs
expected 75**

ii. pre earnings 92, now 85 see dividend history

c. DKNG Draftking

- i. Rev 790m vs expected 700m vs 202 yr ago
- ii. Earnings loss 35 vs expected loss 60 vs loss of 1.00
- iii. Month before earnings stock was 30.00
- iv. Pre earnings 27.00 post 36.00

d. TGT vs WMT

- i. TGT Shoppers are back
- ii. WMT Shoppers are pulling back
- iii. TGT stock price
 - 1. June 160 October low 105
 - 2. Pre earnings 106 Post earnings 130
- iv. WMT stock price
 - 1. June 157 09/13 165
 - 2. Pre earnings 169 Post earnings 157

e. AVGO earnings due 12/07

- i. Expecting 10.95 rev 9.28B (as of 11/11)
- ii. Last year 10.45 and 8.94B
- iii. Last quarter 10.32 8.738B
- iv. Issues/potentials Ai VM software purchase

f. COST earnings due 12/14

- i. Expecting 3.41 rev 57.84B
- ii. Last year 3.10 and 54.44B

7. Last quarter 2.93 and 53.65B

