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# The Ultimate Guide To Earnings:

## 10 Best Practices Updated for 2023 & Beyond



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When it comes to cultivating investor interest and influencing your shareholder base, all roads lead to earnings. Quarterly earnings present your best shot at making a strong impression on the Street and framing expectations for investors.

Each quarter offers a new opportunity to communicate your company's performance and track record, reinforce forward looking strategies and address any investment community's concerns.

From constructing a story to drafting the press release, scripting the call, and preparing for Q&As, there are more than a few industry best practices that can help position you and your team for a successful earnings.

**This guide provides 10 essential best practices.**

# 01 Control the Narrative

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During a [webinar on proactively managing investor relations through a volatile market](#), Shari Bento, head of global corporate access at Capital Group gave the insight, "It's perhaps time to take a look at that and re-evaluate how you can be more open with investors so everyone has the opportunity to really get to know the company and the current issues." Between the close of the quarter and your quarterly report, it's a good practice to incorporate feedback from key analysts and investors into your earnings messaging.

**Consider your most critical buy and sell-side conversations.** Conduct an online survey with analysts and investors about topics they most want covered. Actively monitor major media headlines and follow industry trends to identify stakeholder interests and determine what specific topics should be addressed.

**Understand how your earnings data fits into the context of the broader industry.** Analyze peer quarterly results, earnings call transcripts, and Q&As. Knowing how your peers position themselves on key issues will also help you differentiate your company.

**Highlight your company's strengths and points of differentiation.** Anticipate how analysts and the media will interpret what they hear on the earnings call. One approach is to imagine 3-5 specific headlines you'd want to see reported in post-call coverage. Then work to seamlessly integrate these messages into all communications to better control or influence the narrative.



## 02 Be Consistent, Confident, and Authentic

It's all about framing the strongest and most reliable impressions with the Street. That not only means the information you provide, but also how you present it — from messaging to tone of voice.

**Build trust and credibility.** Your key messages should be consistently woven across every quarterly earnings communication. If you're revisiting previous earnings themes, make sure your current messaging is in agreement with what you've said in the past. Also, release your earnings at the same time every quarter so analysts and media know when to expect your results.

**Be clear, confident, and forward-looking.** When it comes to presenting your financial data and conveying the state of your company, illuminate your company's strengths within the framework of your quarterly numbers. This means creating a focused story with a release that's rich in content and a script with clear and concise messaging that supports the future vision you are trying to convey.

**Use a voice that's always authentic and true to your brand.** Ultimately, management teams inspire the most trust when they're sincere and direct. While not every quarter can be a winner, be realistic about your statement both retrospectively and looking ahead. After all, it's the longer term value appreciation that means the most — not the day-to-day volatility. And don't be afraid to inject some of your brand's personality into the messaging.

### SONOS

Sonos stayed authentic to their brand by playing the song "No Sleep till Brooklyn" by the Beastie Boys at the beginning of their first earnings call in 2018. This helped to signify the team's relentless drive in bringing the brand to the public markets. According to their Director of Corporate Finance, Daniel Welch, "the song represented the countless sleepless nights and determination behind the design and build of Sonos' first product - from a napkin sketch to a fully functional home audio system that would change the way audio is experienced in the home."



## 03 Bring Your Results to Life with Visuals

While the numbers are the focal point, strong visuals can help catch and hold the attention of your audience. Bring your story to life with visual assets that clarify, simplify, summarize, and/or highlight key information. Video can also be a great way to showcase management personalities and personalize your message.

**Use graphics to present your company's financial health.** For both financial and non-financial readers alike, financial tables are a critical part of the earnings release. It's important to visually present your performance and financial trends with immediate access to supporting material. Using infographics can make your financial news more accessible and easier to digest, while sharing slides and video clips of your call's biggest talking points are effective ways to attract attention after the call.

**Hold the attention of your audience and communicate transitions.** Guide and engage your audience, using 10-15 core slides that outline your key points and takeaways. For each presenter, create a lead-in that summarizes what they will address.

Present your year-to-year (or quarter-to-quarter) performance and financial trends in a more visual format.

## 04 Be Transparent and Look to the Future

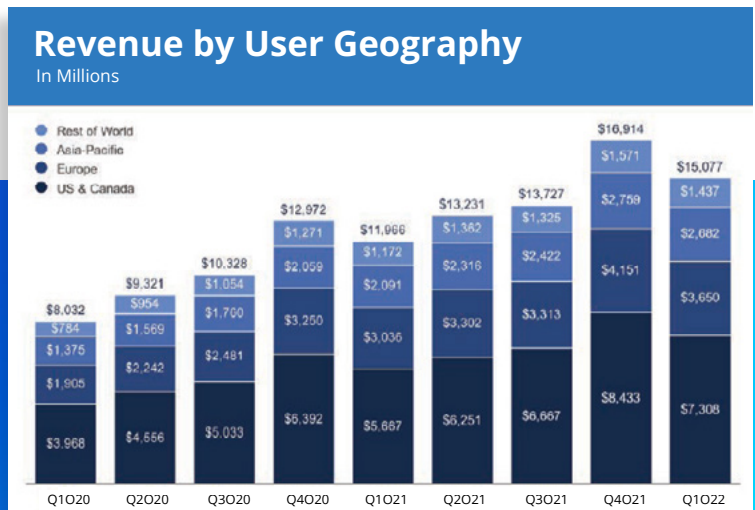
Every industry has its own key metrics to add color to earnings results. Market drivers, accounting, and timing can all significantly impact the big picture. Increasing transparency enables you to answer questions that investors are asking instead of waiting for an analyst to answer them for you.

**Give investors a deeper look into the financials.**

This kind of transparency fuels a more focused discussion and also helps reduce clarifying questions that take up a lot of Q&A time. One example might be illuminating opportunities by providing a table with historical volume and price movements by region.

**Clearly contextualize financial results and their business drivers.**

Focus on notable drivers with segment details, including business models and end market exposure, and be sure to incorporate forward-looking color on what's driving trends. Show that your management is on the pulse of investor sentiment and concerns using a tone that's balanced and approachable but never defensive.



## 05 Make an Impact with Concise and Consumable Information

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Wall Street's most precious asset isn't capital — it's time. Make it as easy, clear, and concise as possible for investors, analysts, and journalists to find information, understand your story, and interpret your results.

### **Make it painless for readers to find key content.**

Help media and investors scan your press release for priority news by showing key performance metrics and the drivers behind them with bullet points and bolded headings. Structure your release with clear titles and concise performance overviews and use hyperlinks so readers can go directly to downloadable presentations, management bios, and product pages.

### **Stay relevant and concise in all earnings**

**communications.** Not only does this increase the impact of your message, but it also allows more time for audience participation and Q&As. Wrap up earnings on a high note, ending the call with a CEO-delivered summary of essential investment highlights.

## 06 Tailor Communications to Primary and Secondary Audiences

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While the numbers will always lead communications to the Street, secondary audiences may become unintentional spokespeople for your organization. In addition to focusing on your shareholders and analysts, IR professionals should consider other stakeholders such as employees, customers, and board members when crafting your key messages.

### **Consider what information is most relevant to**

**various audiences.** Of course your quarterly press release, script, and slides are targeted toward analysts and investors, but earnings can also be an opportunity to engage with other audiences on the state of your business. Consider tailoring communications to each audience segment, highlighting what's most significant and specifically speaks to them.

### **Inform your audiences with messages you**

**want them to share.** Keep in mind that some individuals may not fully understand the financials, so provide a little context around how your results actually impact them.

## 07 Optimize the Impact of Your Earnings Release

Maximizing the visibility and engagement of your earnings release is critical to standing out during peak earnings periods. To differentiate your earnings release in a crowded communications space, [the experts at Business Wire](#) recommend a few key best practices:

### **Present a story that's easy to understand.**

Journalists, analysts, and investors are looking for industry-specific information. They need to be able to compare results quickly. A well-organized release helps newsrooms meet tight deadlines and your audiences quickly understand the story. Use clear language, bullet points near the top of the release, and the newest numbers in the left-most column. Include clear tables and layout information in an intuitive, easy-to-understand way.

**Lead with your release.** While visuals and multimedia elements are certainly recommended, be sure to include all relevant information in the release even if you're also providing it in supplementary material or on a website. Doing so will ensure the right audiences see the right information about your company. Don't hide important pieces of information in your conference call either. Include them in your press release to increase the likelihood of reaching your target audience.

**Be clear about changes.** If your company needs to make changes to the way figures are reported or to the information that is shared, telegraph changes through a separate news release when the decision is made. Or, you can reach out to journalists and analysts ahead of the busy earnings period. Either way, walk your audience through the changes and the reasons behind those changes.

**Make your headline work harder.** For many companies, an "X company releases 3Q earnings for 2022" headline structure won't generate enough interest — and that equates to a lost opportunity for increasing the potential audience. In addition to catching the eye of journalists, headlines also play a role in how easy it is for a release to be discovered on the internet. Include keywords in your headline that describe your company's industry and indicate the direction that the earnings reveal.

### **Stay true to your tone and message.**

With the rise of Natural Language Processing (NLP) to analyze corporate communications, the focus on language is becoming more precise. NLP systems look for inconsistencies in language or tone and what those changes might mean, positively or negatively. Avoid unintentional shifts in tone by strategically speaking with one voice and central theme and conveying the same messages and data points consistently.

**20%** of all price movement is attributable not to corporate communications.

## 08 Leverage Digital Channels

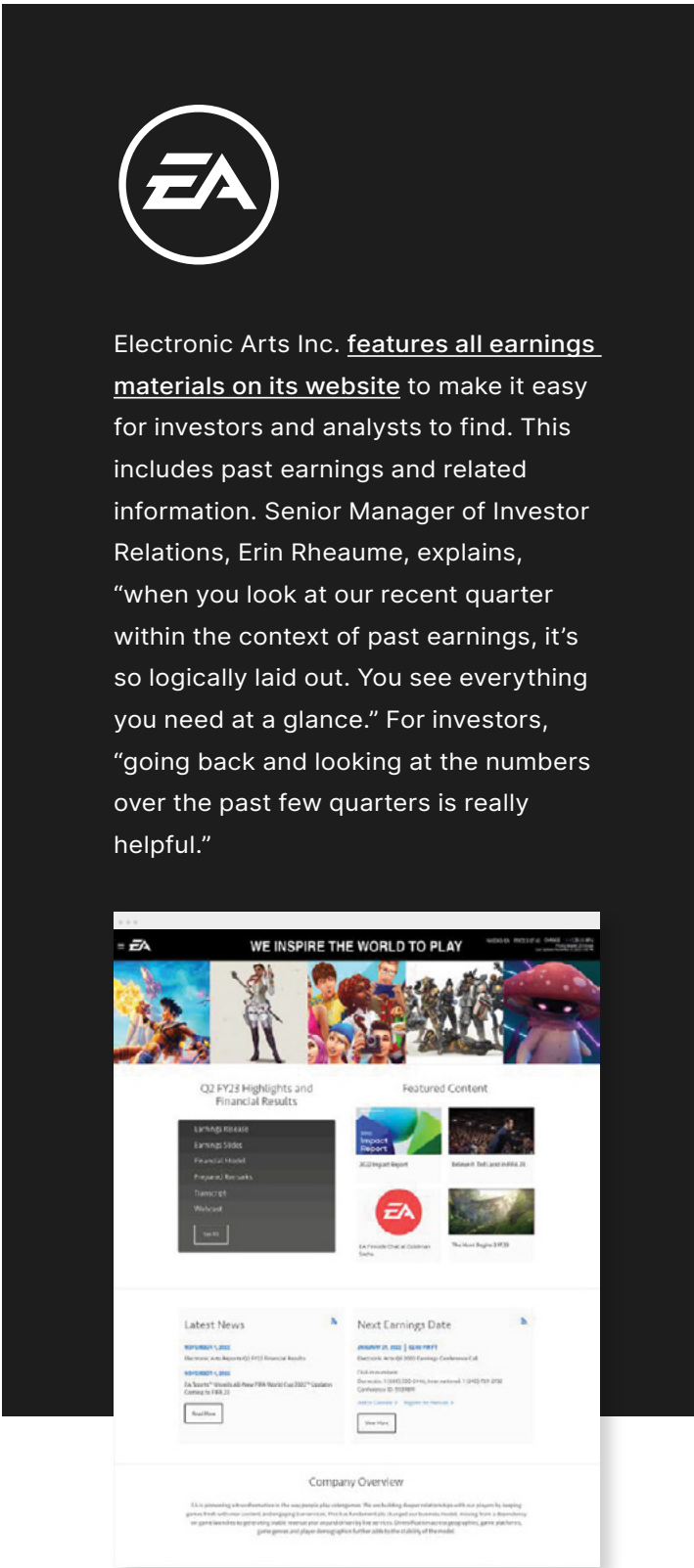
For IR teams, the investor website and social media channels are essential platforms to spread the word about earnings results. Of all the IR trends we witnessed in 2022, the continued surge in social media use was among the most notable.

According to Brunswick’s 2022 Digital Investor Survey, [80% of investors use a digital or social media source at least once a day.](#)

**Showcase your earnings story on your IR website.** Create a dedicated earnings section on your site that’s comprehensive, including your press release, webcast, earnings deck, and call transcript. On earnings day, feature a pop-up alert on the homepage with one-click access to the webcast.

**Don’t forget about social media.** Using social media to announce key information can help spread your story. Along with distributing its earnings release over a commercial newswire, Twitter uses a variety of social channels to amplify reach and engagement. Following the call itself, consider sharing short video clips of the biggest talking points. [“Social media has become a key platform for investor relations professionals](#) to gauge important conversations around their company and the broader market,” — *Abigail Schmitt, Sprout Social’s Corporate Communications Strategist*

**98%** of investors use digital sources to conduct research.



Electronic Arts Inc. [features all earnings materials on its website](#) to make it easy for investors and analysts to find. This includes past earnings and related information. Senior Manager of Investor Relations, Erin Rheaume, explains, “when you look at our recent quarter within the context of past earnings, it’s so logically laid out. You see everything you need at a glance.” For investors, “going back and looking at the numbers over the past few quarters is really helpful.”



## 09 Do Your Homework for Q&As

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Q&As are a critical part of the earnings call, but there's not much room for "winging it." If a CEO sounds inarticulate or flustered, investors and analysts could interpret it as insufficient business knowledge or a deeper concern about the business.

This is becoming more and more apparent with the influx of AI tools used by investors to monitor voice and body language during earnings calls and investor presentations.

It's essential to try to anticipate questions, especially the most difficult ones.

### **Dedicate as much time as possible to identifying key questions and crafting "the best" answers.**

You'll want to provide your management with key talking points and metrics to address any analyst question. It's critical to have clear, straightforward answers lined-up and to be able to succinctly explain the context behind strategic changes and initiatives.

### **Monitor Wall Street research and the priority issues for analysts and investors.**

Take conversations with the Street and questions from relevant past calls into consideration. You might also want to survey participating analysts ahead of the call and review their prior reports and forecasts. Look at commonly asked questions tied to sell-side and buy side analyst models, along with questions that your peers were asked on their calls.

**Prepare your executives for the most difficult questions.** It may not be your favorite aspect of quarterly earnings prep, but, just because you'd rather not answer a particular question, doesn't mean you won't get it on the call.



## 10 Be Proactive About Follow-up and Measure Success Both Externally and Internally

It's important to be strategic and proactive about earnings call follow-up. Check-in with sell-side analysts immediately after the call to make sure they understand what your company has put forward.

You might also consider a short survey with top shareholders to get feedback. Gathering feedback after the call, both internally and externally, will help you better prepare for your next earnings.

### Frame the story with key earnings takeaways.

Send out a post-earnings communication with key takeaways for analysts and key shareholders along with your release, call transcript, slide deck, and a link to the webcast and transcript. Take the initiative and reach out to priority audiences, personally answering questions and scheduling executive follow-up calls. Organize all of your earnings documents in a central hub on your IR site, so it's highly visible and easy to access after the call.

“ Build a roadmap for all of your stakeholders, share it with them, and don't forget to test for success. ”



**Matt Van Tassel**  
Manager of Global Disclosure  
Services at Business Wire



### Examine covering analyst research, outlook, and any sentiment changes from the Street.

Conduct a sentiment survey — a quick pulse check with top holders to get feedback on how much the message resonated and whether or not it was effectively communicated. Are they saying what you wanted them to say? How well were your key messages received and pulled through in the resulting coverage? If your investor community is active on social media, consider monitoring IR social channels to gauge response and tone after the call.

**Assess if your management team was effectively prepared on the call.** Were they expecting the right questions? Were there any surprises? Taking a hard look at what worked (and what didn't) will make your next earnings all the more effective.





Interested in learning how other companies have optimized their processes to create stress-free earnings?

[READ OUR SONOS CASE STUDY](#)



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