

Do Analyst/Investor Days Preempt or Complement Upcoming Earnings Announcements?

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ABSTRACT

I investigate the equity market consequences of analyst/investor days (AI days), which is an **important and unique**, but relatively **unexplored information event**.

Using hand-collected data, I first show that **AI days are much more prevalent** than prior research suggests.

Then, I ask **whether AI days preempt or complement** the information content of subsequent earnings announcements.

I find that AI days **do not preempt** the upcoming earnings announcements, which is surprising in a sequential disclosure setting.

Rather, AI days **complement** the subsequent earnings announcements **by providing context that is useful in interpreting the earnings news**.

WHAT IS THE ANALYST/INVESTOR DAY?

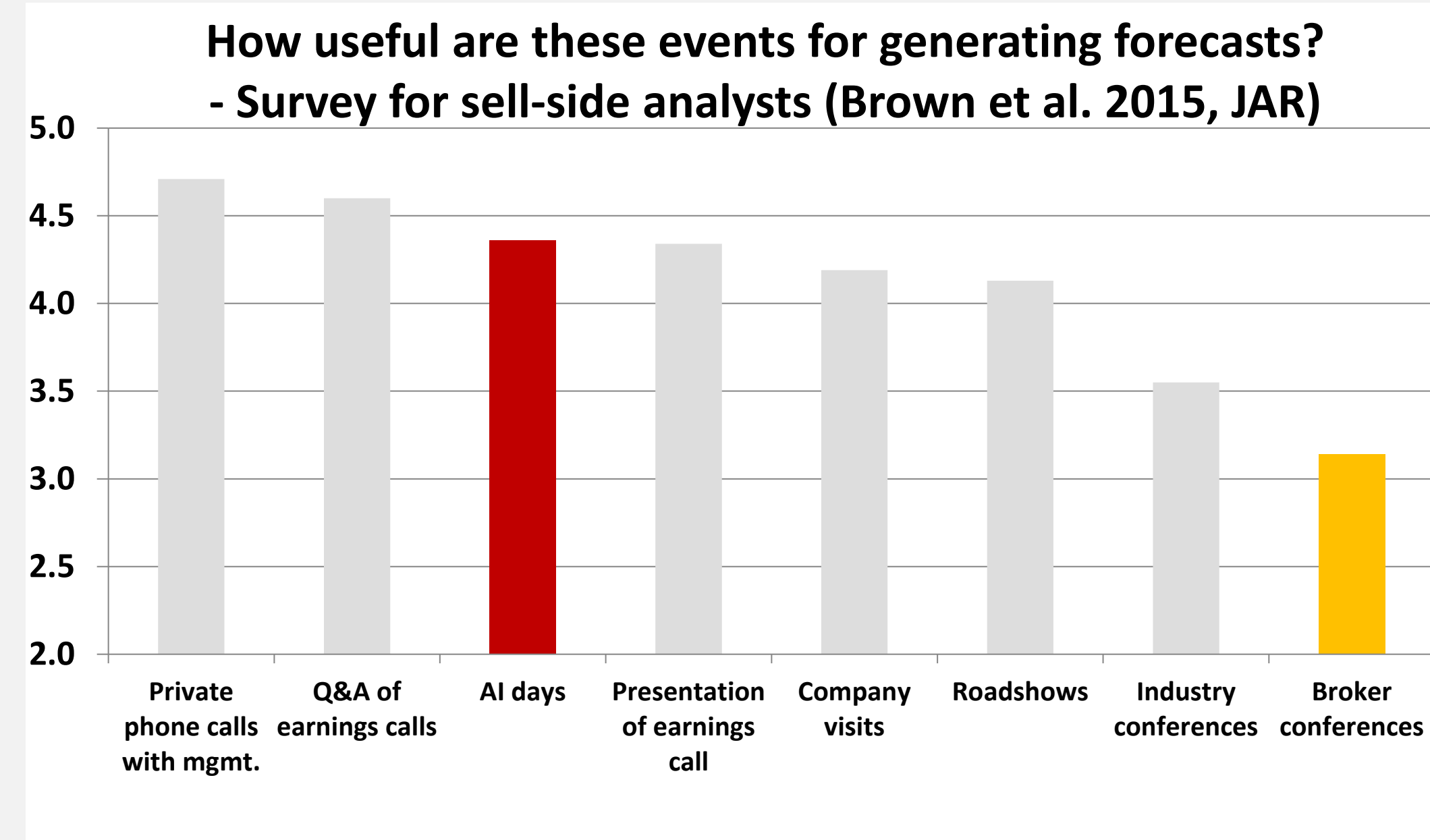
The Analyst/Investor day (AI day) is a **meeting held by public companies for sophisticated market participants**

- **For Whom?** Sell- and buy-side analysts and institutional investors
- **Where?** Headquarters or NYC
- **When?** Between earnings announcements
- **How Long?** Generally half- or full-day

AI days are **distinct from broker-hosted conferences** and annual shareholder meetings

MOTIVATION: WHY STUDY AI DAYS?

1. AI days are important



2. AI days are different

Content

More focus on firm fundamentals, such as:

- **Strategic direction** (growth roadmap, competitive advantage, industry trends)
- **Segment deep dive** (segment-level strategies)
- **Product/R&D pipeline**
- **Non-EPS items** (CapEx, revenue, margin)

Format

To deliver this complex, soft information effectively:

- AI days have **longer durations** (half- or full-day)
- Wide range of firm insiders, **including segment heads**, present at AI days

3. AI days are understudied

Only one study exists (Kirk and Markov 2016, TAR)

- The authors document determinants of AI days
- AI days have substantial information content

RESEARCH QUESTIONS & PREDICTIONS

Do AI days preempt the next quarter's earnings?

H1a. Analyst forecast accuracy improves

H1b. Pre-EA price discovery speeds up

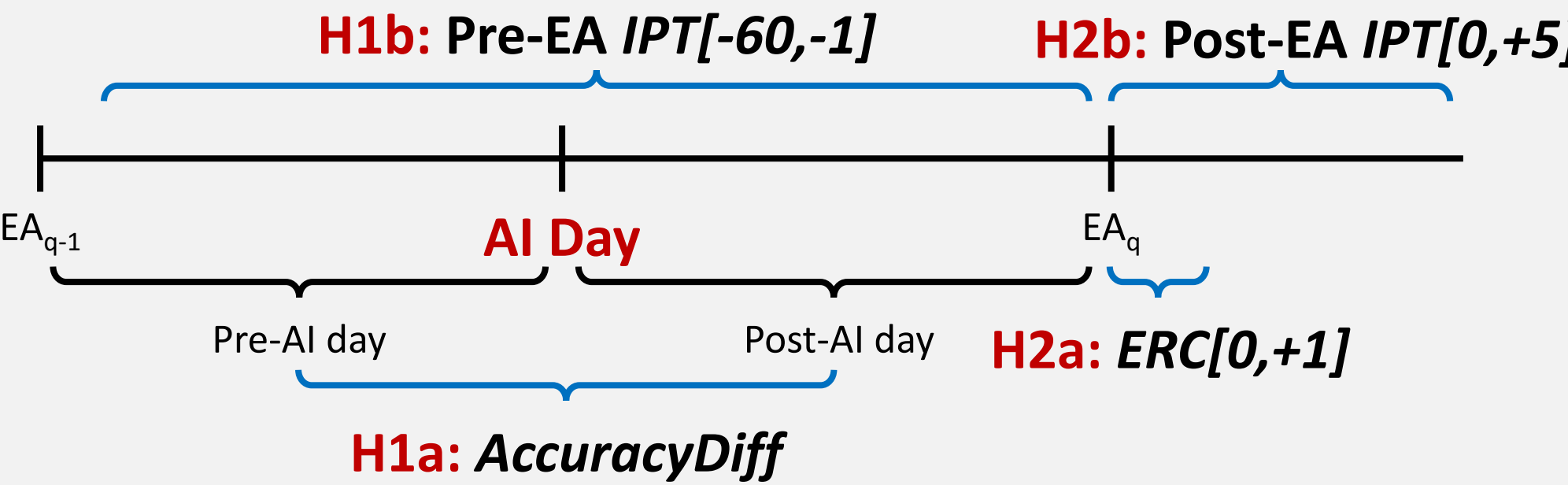
Do AI days complement the next quarter's earnings?

H2a. ERCs for hosting firms remain unchanged

- **Tension** between precision & uncertainty effects

H2b. Post-EA price discovery speeds up

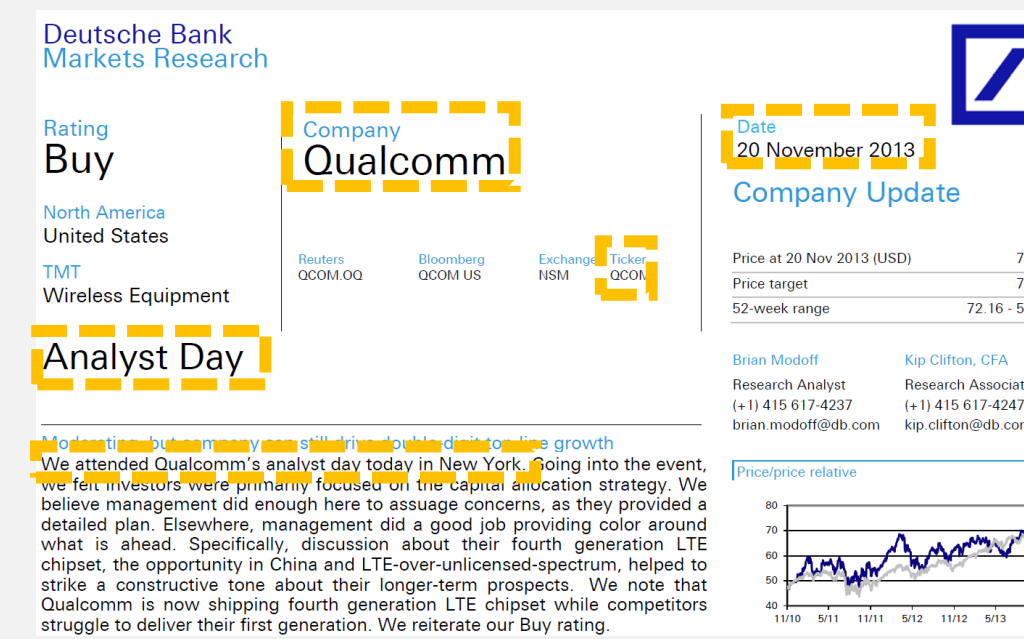
Timeline



COLLECTING AI DAY DATA

Manually read 33,774 analyst reports to identify the occurrence of AI days

Sample analyst report for Qualcomm's Analyst Day

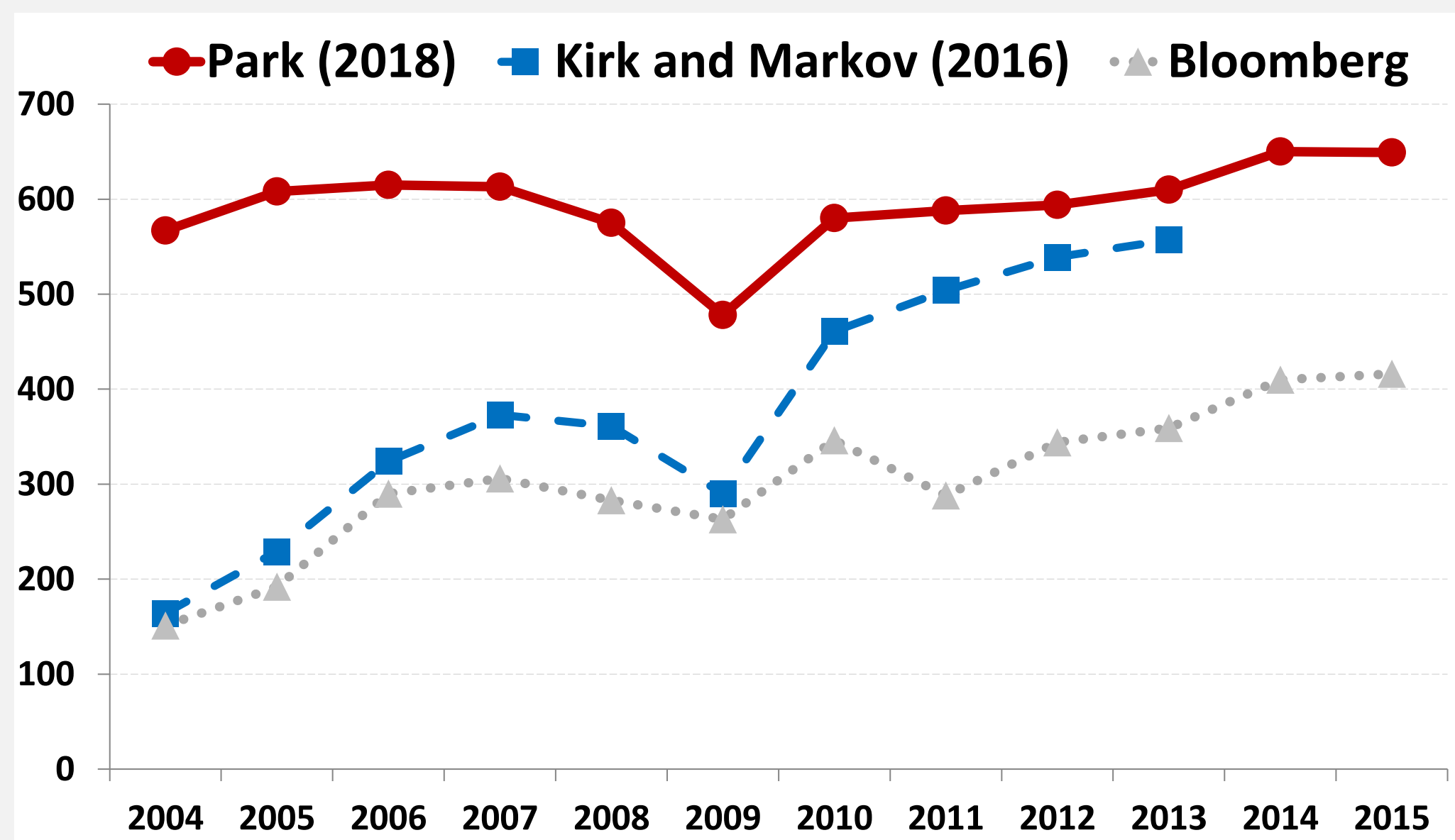


Collected data:

- Name
- Ticker
- Dates of AI days
- Location

DESCRIPTIVE FINDINGS

AI days are much **more prevalent** than previously known



EMPIRICAL FINDINGS

H1. AI days **do not preempt** the next quarter's earnings, which is surprising in a sequential disclosure setting

- Analyst forecast accuracy **does not improve**
- Pre-EA price discovery **does not speed up**

Dependent Variable:	AccuracyDiff (H1a)	Pre-EA IPT[-60,-1] (H1b)
Host	-0.000 (-0.298)	0.025 (0.397)
Controls	YES	YES
Observations	9,118	11,304
R-squared	0.047	0.033
Industry FE	YES	YES
Quarter FE	YES	YES

H2. AI days **complement earnings news** by **providing context** that is useful in interpreting the earnings news

- ERCs **increase**
- Post-EA price discovery **speeds up**

Dependent Variable:	CAR (H2a)	Post-EA IPT[0,+5] (H2b)
UE*Host (H2a) or Host (H2b)	0.005*** (2.799)	0.128** (2.216)
Controls	YES	YES
Observations	11,304	11,304
R-squared	0.131	0.043
Industry FE	YES	YES
Quarter FE	YES	YES

CONTRIBUTION

My study underscores the importance of AI days, **illuminating the unique features** of this event

My study contributes to the disclosure literature by documenting the **complementary effect of sequential disclosures**

FUTURE WORKS

Much still **remains unknown** about **other consequences of AI days**, such as:

- Cost of capital, liquidity
- Analyst following, institutional ownership
- Intra-industry information transfer