



Incorporating Press Release Data into Our Ratings and Company Valuation Models

We're excited to announce that we've integrated earnings data disclosed in press releases via 8-Ks filed with the SEC into our [Stock Ratings](#), [Credit Ratings](#), and [Company Valuation Models](#). Press releases can provide an earlier, albeit abridged, look at the latest financials of companies.

More often than not, press releases' financial disclosures are incomplete, especially when compared to 10-Ks and 10-Qs. Accordingly, we suspend both the [Stock Rating](#) and [Credit Rating](#) for companies when the most recent data comes from a press release. We clearly display whenever we have Suspended a Rating. We are also clear about the cause of the suspension as you can see in Figure 1 below.

As soon as the next 10-Q or 10-K is filed and incorporated into our model, we will lift the suspensions due to Press Releases.

Figure 1: Press Release Data and Subsequent Suspended Ratings



Sources: New Constructs, LLC and company filings

How to Access Press Release Data

Press release data will be available for a limited number of companies, starting with Bank of America (BAC) and US Bank (USB) in January 2022. Additional companies are being added in the future.

All members can access this data in the same way they access our existing research, whether through the [Portfolios page](#), Ratings page, or Company Reports, as it will be integrated into the TTM data points.

We will mark analytics reliant upon a press release with a special column header "Press Release*". Additionally, the column will be highlighted in gray.



Figure 2: Press Release Sourced Data & Analysis on the GAAP Reconciliation Tab

Investment Summary Rating Breakdown **GAAP Reconciliation** Adjustments Earnings Distortion

▼ Adjustments for Economic Earnings

Reported earnings don't tell the whole story of a company's profits. We scour the footnotes and fine print so clients have the whole truth. Full details on our adjustment methodologies are [here](#).

\$ Values in Millions	2017	2018	2019	2020	2021	Press Release* Current/TTM
Income Statement Adjustments						
GAAP Net Income	\$5,913.00	\$6,784.00	\$6,583.00	\$4,621.00	\$7,605.00	\$7,605.00
Total Hidden Non-Operating Expense, Net	\$240.56	(\$359.00)	(\$46.00)	(\$45.00)	\$0.00	\$0.00
Reported Non-Operating Expense, Net	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Change in Total Reserves	\$112.00	\$48.00	\$47.00	\$2,195.00	(\$1,590.00)	(\$1,590.00)
Interest for PV of Operating Leases	\$60.90	\$60.28	\$56.62	\$51.70	\$0.00	\$0.00
Non-Operating Tax Adjustment	(\$252.03)	(\$38.58)	\$69.94	(\$35.60)	\$168.61	\$168.61
Reported After-Tax Non-Operating Expense/(Income), Net	\$340.00	\$340.00	\$363.00	\$364.00	\$380.00	\$380.00
NOPAT (Net Operating Profit After Tax)	\$6,414.44	\$6,834.70	\$7,073.56	\$7,151.10	\$6,563.61	\$6,563.61

Sources: New Constructs, LLC and company filings

[Institutional members](#) can also view press release data in our Company Models for a limited number of companies.

Figure 3: Press Release Data in our Company Models

New Constructs® Results Financials Metrics Marked-Up Filings

Balance Sheet **Income Statement** Cash Flow Statement Adjustments Reconciliation ESO Core Earnings NOPAT Invested Capital PV Leases Other Disclosures

US Bancorp (USB)

Analyst Notes : Suspended Rating 1/20/22 - Cause: Press Release | Stock Rating Downgraded from Attractive 1/20/22 - Cause: Lower Profitability | New Press Release & Forecast 1/20/22

The following icons indicate the override status of a line item:
 Override is active
 Overrideable

Download XLS

Annual Quarterly TTM

Values in Millions except per share amounts

	14	2015	2016	2017	2018	2019	2020	Press Release** 2021
For The Fiscal Year Ending:		Dec 31, 2015	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Revenues								
Operating Revenue		\$9,092.00	\$9,583.00	\$9,611.00	\$9,602.00	\$9,831.00	\$10,401.00	\$10,227.00
Interest Income		12,402.0	13,167.0	14,385.0	16,173.0	17,494.0	14,840.0	13,487.0
Total Revenue		\$21,494.00	\$22,750.00	\$23,996.00	\$25,775.00	\$27,325.00	\$25,241.00	\$23,714.00
Income								
Expenses								
Credit Loss Provision		\$1,132.00	\$1,324.00	\$1,390.00	\$1,379.00	\$1,504.00	\$3,806.00	(\$1,173.00)
Total Cost of Sales		\$1,132.00	\$1,324.00	\$1,390.00	\$1,379.00	\$1,504.00	\$3,806.00	(\$1,173.00)

Sources: New Constructs, LLC and company filings

Please contact us at support@newconstructs.com if you have any questions.



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Disclosure: David Trainer, Kyle Guske II, and Matt Shuler receive no compensation to write about any specific stock, style, or theme.

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It's Official: We Offer the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms' data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[New Constructs’] *Total Adjustments* differs significantly from the items identified and excluded from Compustat’s adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by *S&P Global’s (SPGI) Adjustments* individually.” – pp. 14, 1st para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2nd para.

Superior Models

A top accounting firm features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5th para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana’s Kelley School of Business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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