



4Q23 Filing Season: Creating \$2 Million Of Value for Clients

During the [4Q23 filing season](#), we parsed 2,314 filings and created \$2,082,600¹ of value for clients. See Figures 1 and 2 for details.

These filings tend to come in large bunches, which we call [Filing Season](#). The 4Q23 Filing Season is the [Real Earnings Season](#), as it is when companies with 12/31 fiscal year ends file their 10-K's, the longest and most complex of the financial filings.

Filing Seasons give our [Robo-Analyst technology](#)² an opportunity to shine as it enables us to produce [proven-superior research](#) with unrivaled speed and scale.

Figure 1: Putting a \$ Value on Our Parsing Work for Clients: 4Q23 Filing Season

| Date | Day | # of FTEs* to Match our Work | Filings Parsed & Models Updated | FTEs Cost per day | Cumulative \$ Savings |
|---------|-----------|------------------------------|---------------------------------|-------------------|-----------------------|
| 2/13/24 | Tuesday | 89 | 79 | \$71,100 | \$71,100 |
| 2/14/24 | Wednesday | 57 | 51 | \$45,900 | \$117,000 |
| 2/15/24 | Thursday | 83 | 74 | \$66,600 | \$183,600 |
| 2/16/24 | Friday | 106 | 94 | \$84,600 | \$268,200 |
| 2/17/24 | Saturday | 101 | 90 | \$81,000 | \$349,200 |
| 2/18/24 | Sunday | 0 | 0 | \$0 | \$349,200 |
| 2/19/24 | Monday | 0 | 0 | \$0 | \$349,200 |
| 2/20/24 | Tuesday | 0 | 0 | \$0 | \$349,200 |
| 2/21/24 | Wednesday | 128 | 114 | \$102,600 | \$451,800 |
| 2/22/24 | Thursday | 142 | 126 | \$113,400 | \$565,200 |
| 2/23/24 | Friday | 222 | 197 | \$177,300 | \$742,500 |
| 2/24/24 | Saturday | 198 | 176 | \$158,400 | \$900,900 |
| 2/25/24 | Sunday | 0 | 0 | \$0 | \$900,900 |
| 2/26/24 | Monday | 0 | 0 | \$0 | \$900,900 |
| 2/27/24 | Tuesday | 115 | 102 | \$91,800 | \$992,700 |
| 2/28/24 | Wednesday | 206 | 183 | \$164,700 | \$1,157,400 |
| 2/29/24 | Thursday | 267 | 237 | \$213,300 | \$1,370,700 |
| 3/1/24 | Friday | 291 | 259 | \$233,100 | \$1,603,800 |
| 3/2/24 | Saturday | 7 | 6 | \$5,400 | \$1,609,200 |
| 3/3/24 | Sunday | 0 | 0 | \$0 | \$1,609,200 |
| 3/4/24 | Monday | 45 | 40 | \$36,000 | \$1,645,200 |
| 3/5/24 | Tuesday | 23 | 20 | \$18,000 | \$1,663,200 |
| 3/6/24 | Wednesday | 55 | 49 | \$44,100 | \$1,707,300 |
| 3/7/24 | Thursday | 62 | 55 | \$49,500 | \$1,756,800 |
| 3/8/24 | Friday | 88 | 78 | \$70,200 | \$1,827,000 |
| 3/9/24 | Saturday | 14 | 12 | \$10,800 | \$1,837,800 |
| 3/10/24 | Sunday | 0 | 0 | \$0 | \$1,837,800 |
| 3/11/24 | Monday | 51 | 45 | \$40,500 | \$1,878,300 |
| 3/12/24 | Tuesday | 48 | 43 | \$38,700 | \$1,917,000 |
| 3/13/24 | Wednesday | 52 | 46 | \$41,400 | \$1,958,400 |
| 3/14/24 | Thursday | 68 | 60 | \$54,000 | \$2,012,400 |
| 3/15/24 | Friday | 71 | 63 | \$56,700 | \$2,069,100 |
| 3/16/24 | Saturday | 17 | 15 | \$13,500 | \$2,082,600 |

Sources: New Constructs, LLC

* FTEs = Full Time Employees

¹ Cumulative savings is calculated assuming it takes nine hours per filing and a full-time employee making \$100/hour to parse each.

² Harvard Business School features the powerful impact of our research automation technology in [New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#).



Indeed, the work we do during filing would cost our clients multiples more time and money than what we charge to replicate what we deliver.

The savings in Figure 1 are likely very conservative estimates because they do not account for the cost of any management or training of analysts. Nor, do they count the cost of building the financial models to house the data or tracking accounting rule changes to make sure those models remain accurate.

There’s Gold in the Footnotes, Lots of It

From the 2,314 10-K and 10-Q filings that arrived during this Filing Season, we collected 263,722 data points. This data led to 39,679 [Core Earnings](#), balance sheet, and valuation [adjustments](#) with a combined dollar value of \$20.4 trillion. The adjustments were applied as follows:

- 16,434 income statement adjustments with a total value of \$1.4 trillion
- 15,252 balance sheet adjustments with a total value of \$8.5 trillion
- 7,993 valuation adjustments with a total value of \$10.6 trillion

Figure 2: Filing Season 2024 in Numbers

| | Filings Parsed | Data Points Collected | # of Adjustments | Total Value of Adjustments (\$Billions) |
|---------------------|----------------|-----------------------|------------------|---|
| Filing Season Total | 2,314 | 263,722 | 39,679 | \$20,444 |

Sources: New Constructs, LLC and company filings.

See the [Filing Season Finds section](#) of our site for details on specific companies where we unearthed red flags and gems buried in footnotes that could disrupt the valuations of their stocks.

Even with these conservative assumptions, it is clear that we create tremendous value for all of our clients, from [Stock Tracker 50](#) to [Professional](#) and [Institutional members](#).

Want access to our superior fundamental research? [Start your membership today](#).

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Disclosure: David Trainer, Kyle Guske II, and Hakan Salt, receive no compensation to write about any specific stock, sector, 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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