



Watch our Earnings Recap on Microsoft, Meta, and Tesla

As we enter the “Mag 7 days” of earnings season, investors can be torn in many ways. Microsoft (MSFT) and Meta (META) both beat top-and bottom-line expectations, but their stocks traded in opposite directions. Tesla (TSLA) missed expectations but its stock rose.

Confused? Don't be. The dirty little secret is that earnings releases and company conference calls are simply commercials to sell more stock. The real data, the kind that can provide real insights into a company's profitability, comes from the 10-Qs and 10-Ks, which often aren't published at the same time as the earnings release.

To help sort through the noise, I recently hosted a live Earnings Watch Party, which was free to join. During the call, I broke down the earnings reports of Microsoft, Meta, and Tesla in real-time. But instead of just regurgitating the headlines, dug into the real numbers.

We analyzed how accurate their reported earnings really are, and whether they deserve their current valuation. We also revealed their current ratings in our system. If you couldn't make it, or would like to watch it again, check out the replay below.

Watch the Earnings Watch Party for MSFT, META, and TSLA

You can also get replays on all our training sessions, podcasts, reverse DCF case studies, and more in our online community. Its free to join – just complete [this form](#).

This article was originally published on [January 30, 2025](#).

Disclosure: Kyle Guske II owns META. David Trainer, Kyle Guske II, and Hakan Salt receive no compensation to write about any specific stock, style, or theme.

Questions on this report or others? Join our [online community](#) and connect with us directly.



It's Official: We Deliver 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. The stock market is missing footnotes – and only we have that critical data.
2. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
3. Our proprietary drives novel alpha. Our measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

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

Ernst & Young 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 Harvard Business School. 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.

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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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