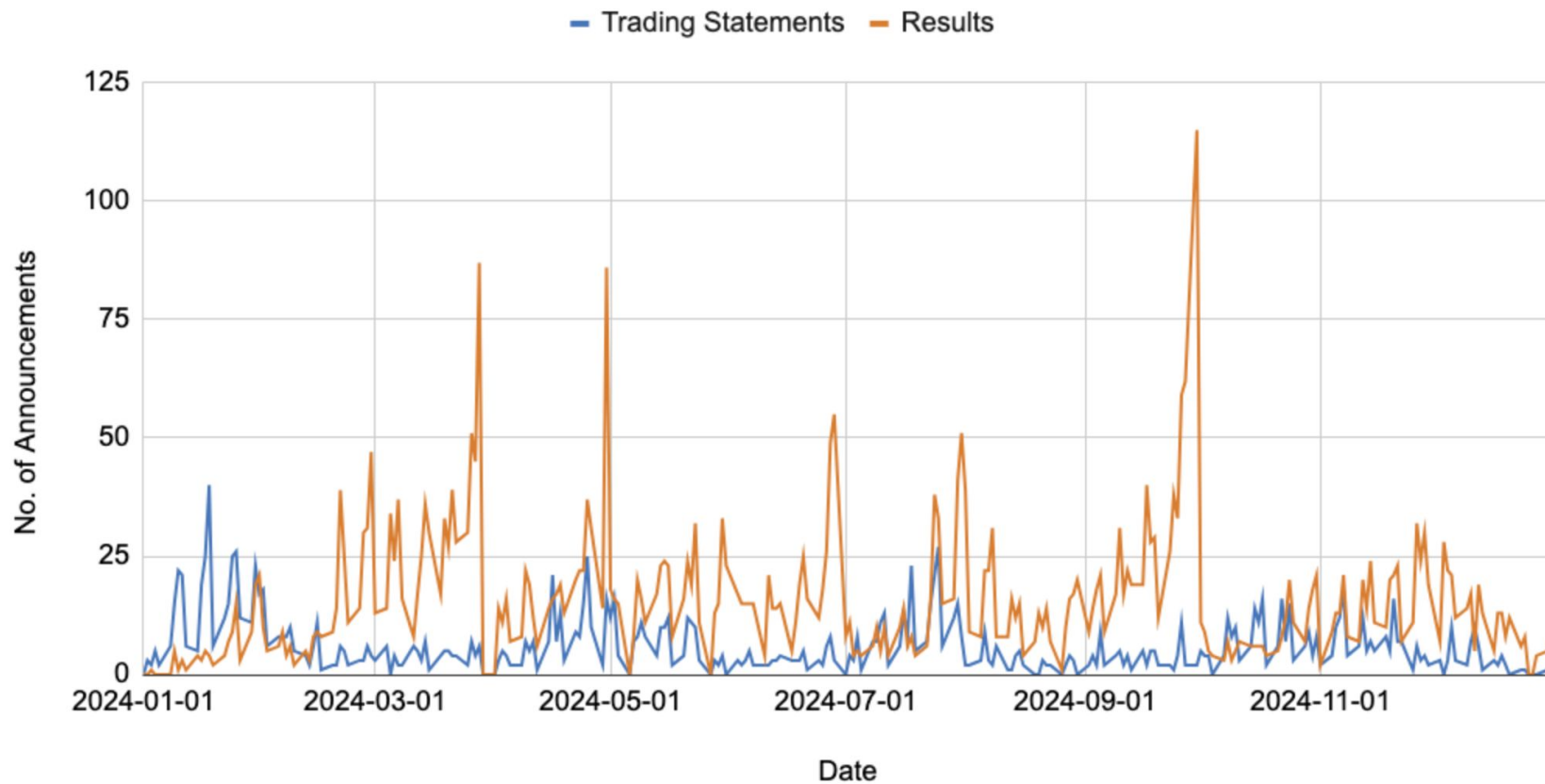


How to get the most out of company financial reporting season



When is reporting season?



- **Basics:** How to react to trading statements
- Case studies
 - Momentum continues in the same trajectory as day one
 - Positive and negative announcements come in multiples

Featuring:



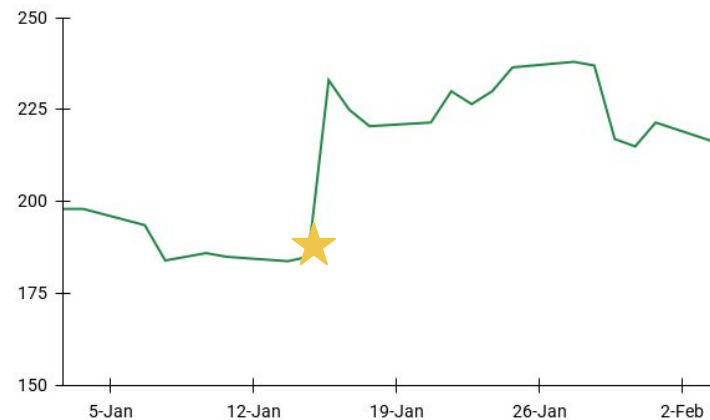
- **Basics:** How to read financial results
- Case Studies
 - The numbers to look out for during results season

Featuring:



What is a trading statement?

Ahead of expectations



In line with expectations

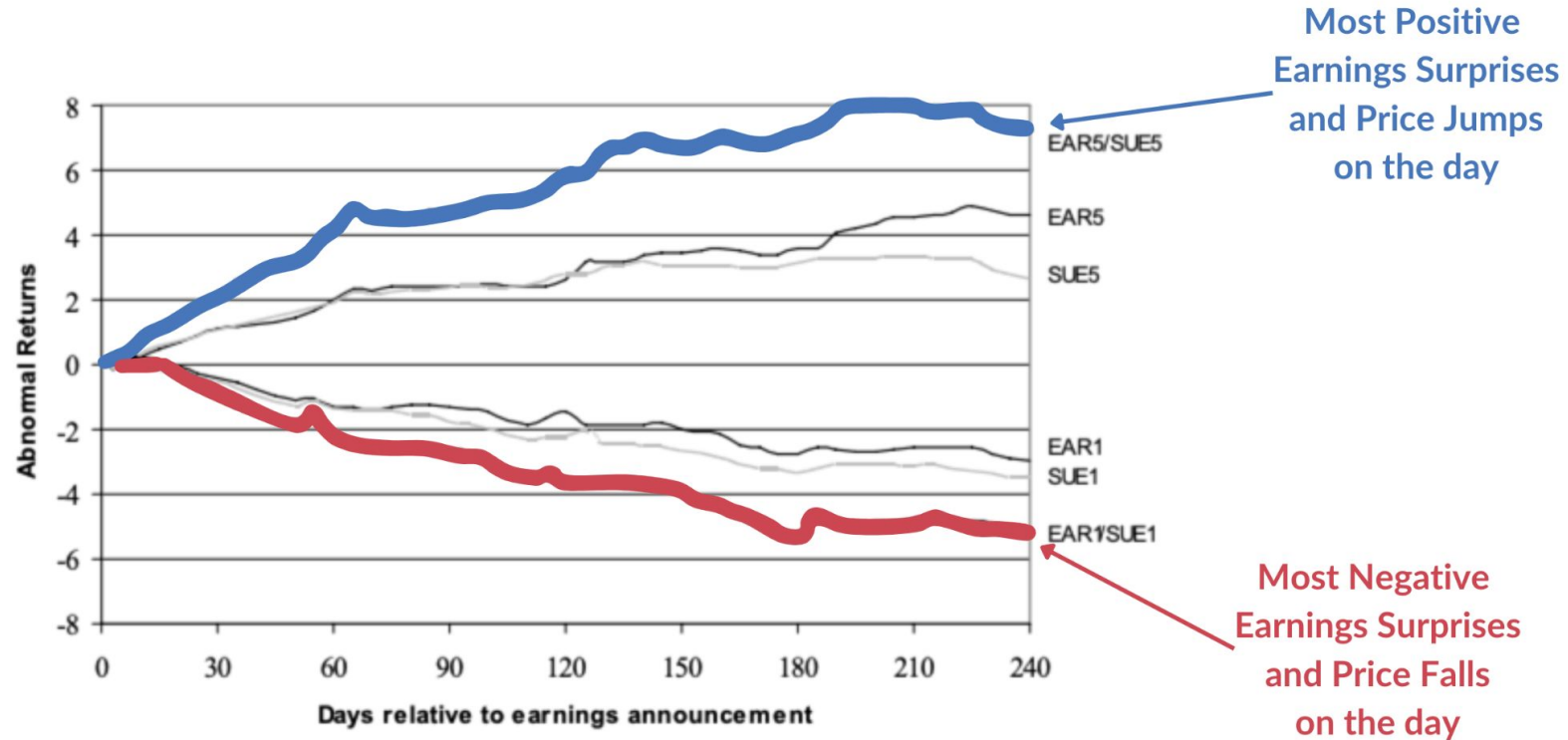
Behind expectations



1. Momentum from updates often continue in the same direction as the initial price movement
2. Both positive and negative updates often repeat

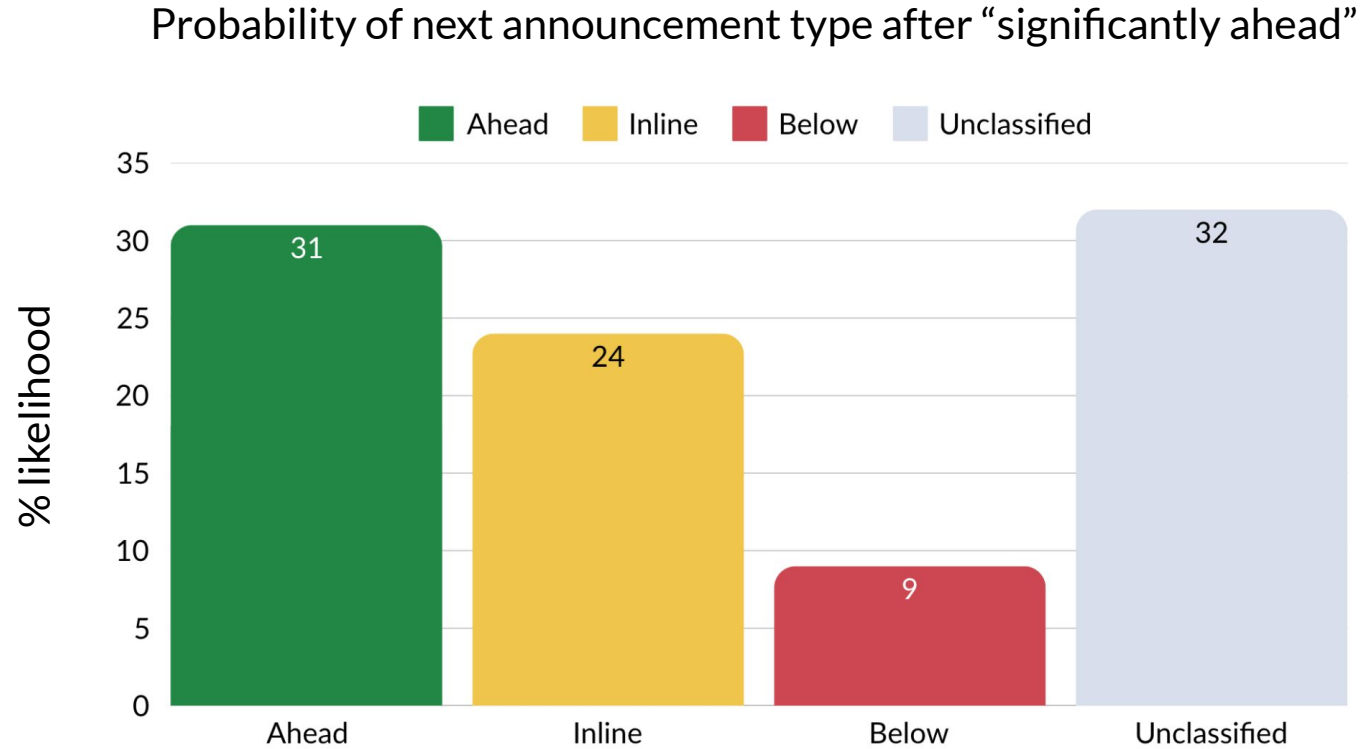
1. Momentum from updates often continues in the same direction as the initial price movement
2. Both positive and negative updates often come in multiples

Post-earnings announcement drift

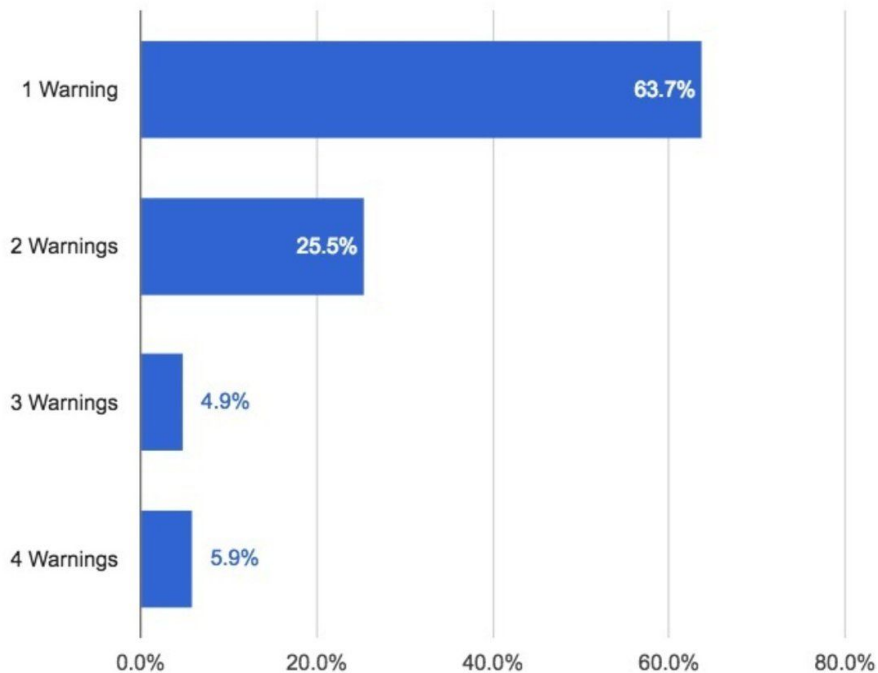


Source: Brandt et al - Earnings Announcements are Full of Surprises - 2008

1. Momentum from updates often continues in the same direction as the initial price movement
2. Both positive and negative updates often repeat



“Profit warnings come in threes”



Stockopedia's 2016 Study of 245 profit warnings:

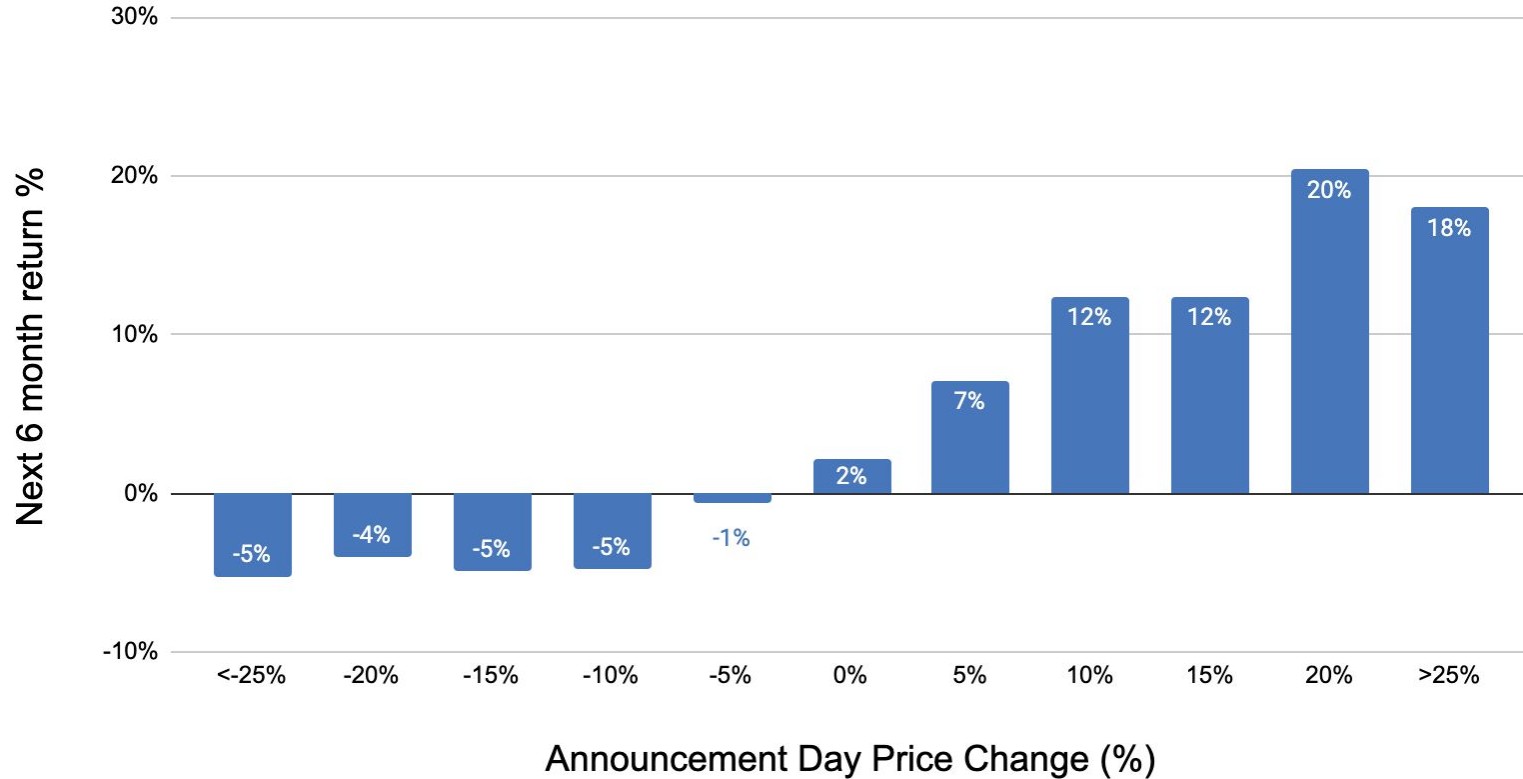
- 64% warned on profits once.
- **36% warned more than once.**
- 11% warned on profits 3 or 4 times.

Three findings → Three rules

1. Price momentum continues in the same direction as it did on the day of the announcement
2. “Significantly” ahead or below experience the strongest drift
3. Larger first day jump = stronger ensuing price returns

Rule 1: Look for companies which have announced (or are on a streak of announcing) a positive update

Larger first day jump = stronger returns



Stockopedia Study of 10 years of trading statements from Feb 2015 to Jan 2025. (Min Market Cap £10m).

Rule 2: Look for big share price movements on the day of the announcement



"Significant" phrases matter



Rule 3: Look for companies which are using the phrase “significant” in their updates

1. Look for companies which have announced a (or are on a streak of) positive update
2. Look for big share price movements on the day of the announcement
3. Look for companies which are using the phrase “significant” in their updates

Case Study: Yu Group



	YU. – Yu		Market Cap		£272.00m	Quality	79
	1,615.00p ↓ -5.00 -0.31%		Enterprise Value		£187.94m	Value	80
	 Last trade – 14:06 EMS: 1k Full quote		Revenue		£577.78m	Momentum	93
	Utilities · Speculative · Small Cap · Super Stock		Position in Market		534th / 1,527	StockRank™	98

Case Study: Yu Group - “ahead” announcements repeat themselves



Yü Group - announced five sequential “significantly ahead of expectations announcements over a 14 month period



Case Study: Filtronic

	FTC – Filtronic				<div>Quality 96</div> <div>Value 4</div> <div>Momentum 93</div> <div>StockRank™ 74</div>
	96.75p ↓ -2.75 -2.76%		Market Cap	£217.89m	
	 Last trade – 14:29 EMS: 30k Full quote		Enterprise Value	£213.69m	
	<i>Technology · Speculative · Small Cap · High Flyer</i>		Revenue	£25.43m	
			Position in Market	593rd / 1,527	

Case Study: Filtronic 48% price jump, and 97% more since



Case Study: Sanderson Design

 Walker Greenbank PLC	SDG – Sanderson Design			
	52.50p <small>↑ 0.00 0%</small>			
	 Last trade – 08:56 EMS: 5k Full quote			
	<i>Consumer Cyclical</i> · <i>Speculative</i> · <i>Micro Cap</i> · <i>Contrarian</i>			
	Market Cap	£37.80m	Quality	66
	Enterprise Value	£39.87m	Value	97
	Revenue	£102.49m	Momentum	8
	Position in Market	964th / 1,531	StockRank™	59

Case Study: Sanderson Design - 3 profit warnings in less than a year

“Challenging conditions”

“Below expectations”

Weak results

“Expectations Not realised”

5m
3m
2m
0

60
40

Bullish

Bearish

StockRank
0

Mar '24

May '24

Jul '24



Sep '24

Nov '24

Jan '25



Case Study: MadeTech

 MTEC – Made Tech 31.23p ↑ 3.48 +12.52%  Last trade – 14:47 EMS: 15k Full quote <i>Technology · Highly Speculative · Micro Cap · High Flyer</i>	Market Cap	£41.43m	Quality	76
	Enterprise Value	£33.78m	Value	12
	Revenue	£38.57m	Momentum	97
	Position in Market	937th / 1,531	StockRank™	69

1. Look back over five years of accounts for a clear picture of the trends
2. Read the 'numbers' before the management statement
3. Find out what management has to say about the outlook

Jan 25 - Reporting Season Highlights

Jan 2025: "Ahead of Expectations" repeated



Currys

98



Journeo

94



Filtronic

73



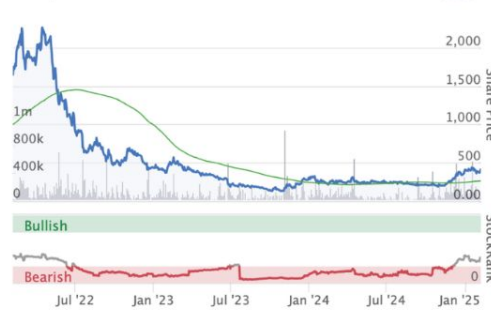
Trufin

68



AudioBoom

37



Distribution Finance
Capital Holdings

78



Jan 2025: 10%+ "big jumps" on the day

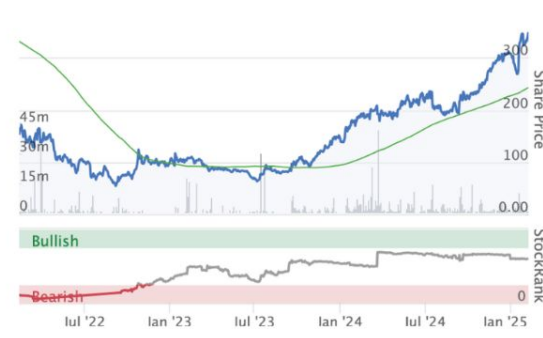
McBride +23% 99



Reach +21% 81



Trustpilot +17% 59



Made Tech +14% 69



Wickes +16% 97



Tribal +21% 54



Jan 2025: Profit Warnings!

ig IG Design **-58%** **66**



Solid State* **-36%** **63**

* December



Futura Medical **-47%** **13**



JD JD Sports **-6%** **63**



UP Ultimate Products **-17%** **73**



RICARDO Ricardo **-25%** **65**



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