

Are prepared remarks necessary?

February 2022

IHS Markit's [Perception Analytics](#) team engages in in-depth discussions with investors and analysts daily. Between December 2021 and January 2022, the team spoke with 80+ investors and sell-side analysts to understand their appetite for prepared remarks on earnings calls.

A majority of investment professionals believe that prepared remarks provide opportunities for management teams to frame the discussion and set the focus on the relevant and significant topics.

Should issuers include prepared remarks on earnings calls?



Respondents that say 'yes' provide the following suggestions:



47%

Remarks must be clear and concise, preferably **10 minutes or less**

"I prefer short prepared remarks upfront so that we can get to Q&A. Short comments to allow for more Q&A is better than half an hour of prepared remarks." *North American investor, Mutual fund (>\$15B EAUM)*



34%

Provide **incremental information** beyond the press release

"I like prepared remarks because there are so many things that are happening each quarter, but they will have to give some color around the developments." *North American investor, Mutual fund (>\$5B EAUM)*



27%

Highlight the **most material** pieces of information

"Short prepared remarks are necessary. We do not need CEOs to read the MD&A. They should tell us what the key takeaways are in their opinion. That is all we need." *North American sell-side analyst*

Very few respondents find prepared remarks to be unnecessary. Of those, 77% want issuers to provide prepared remarks in the press release and **have the earnings call consist solely of Q&A.**

"I prefer companies put out a press release before the call and have prepared remarks that are value-added. The call should be solely dedicated to Q&A. A few of the companies I cover have started doing that, and I wish more companies would as well. It is a waste of time to spend 30 minutes going over information that we already have access to." *North American Director of Research, Investment Manager (>\$5B EAUM)*