

COVID-19 Earnings Call Analysis: A Global Perspective

26 March 2020

BRUNSWICK

How companies globally are discussing COVID-19 during earnings calls

We analysed 5,562 earnings call transcripts* from 20 January – 22 March 2020 to understand how corporates are talking about COVID-19 to investors and analysts.

Stock exchange region / country	% of earnings call transcripts
United States	51%
Europe	23%
Asia Pacific	16%
Canada	4%
Australia & Oceania	3%
Middle East & Africa	2%
Latin America & Caribbean	2%

* Data sourced using Sentieo

Key Insights and Takeaways

1

COVID-19 is now having a greater impact on companies

Global companies are increasingly mentioning COVID-19 during earnings calls (33% Jan 27–Feb 2 vs 97% Mar 16–22) and also facing more questions from analysts on the topic (20% vs 48%). As COVID-19 spreads swiftly across the globe, companies need to address its impact when speaking with investors.

2

COVID-19 should be approached as a leadership issue

The vast majority (83%) of CEOs are addressing the impact of the outbreak. How well the company responds to COVID-19 and communicates this to investors and broader stakeholder groups, will be regarded as a test of management. During earnings calls, senior executives of course have an opportunity to speak directly to investors about their resilience and outlook for the future and this should be leveraged to showcase leadership and governance capabilities.

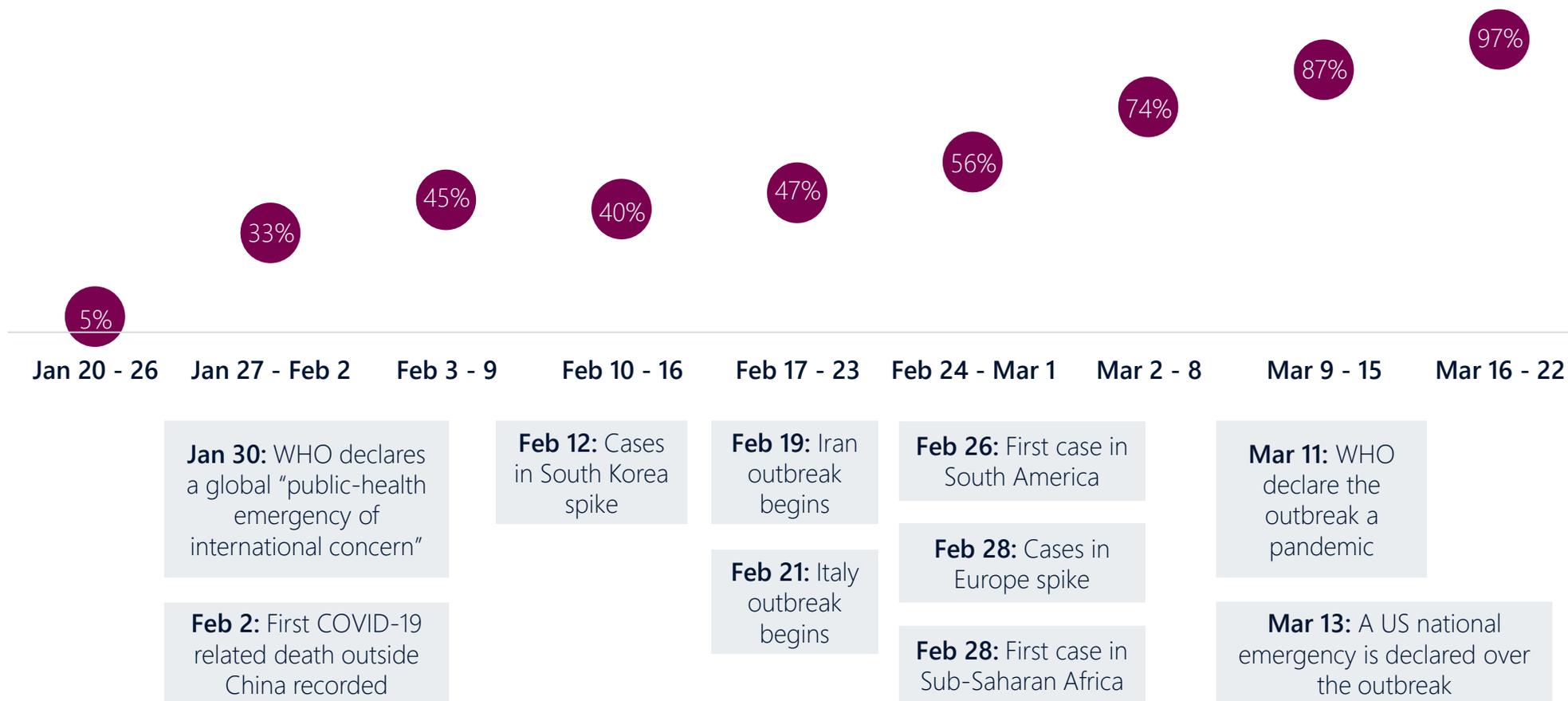
3

Investors are hungry for clarity around guidance

Half (48%) of global companies are fielding COVID-19 related questions from investors, with a growing number focused on guidance. As market uncertainty mounts, investors will continue to probe for clarity around financial outlook. Companies must be prepared to face difficult questions on their short and long term guidance assumptions.

As COVID-19 spreads across the globe, the virus is increasingly impacting how nearly every company talks to investors and analysts.

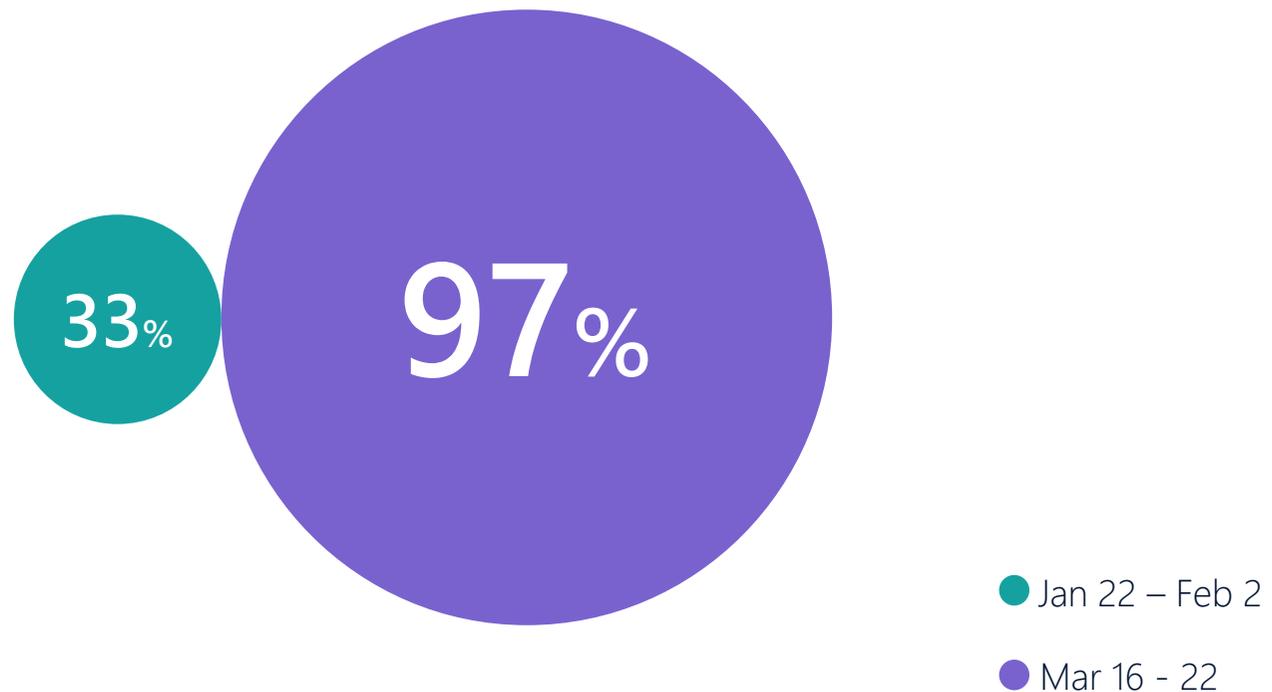
Mentions of COVID-19 in earnings calls*



* Calculated as a percentage of companies who reported during the specified time period.

Since the WHO declared a global public health emergency on Jan 30, mentions of COVID-19 in earnings calls have nearly tripled. Almost all companies now reference the pandemic.

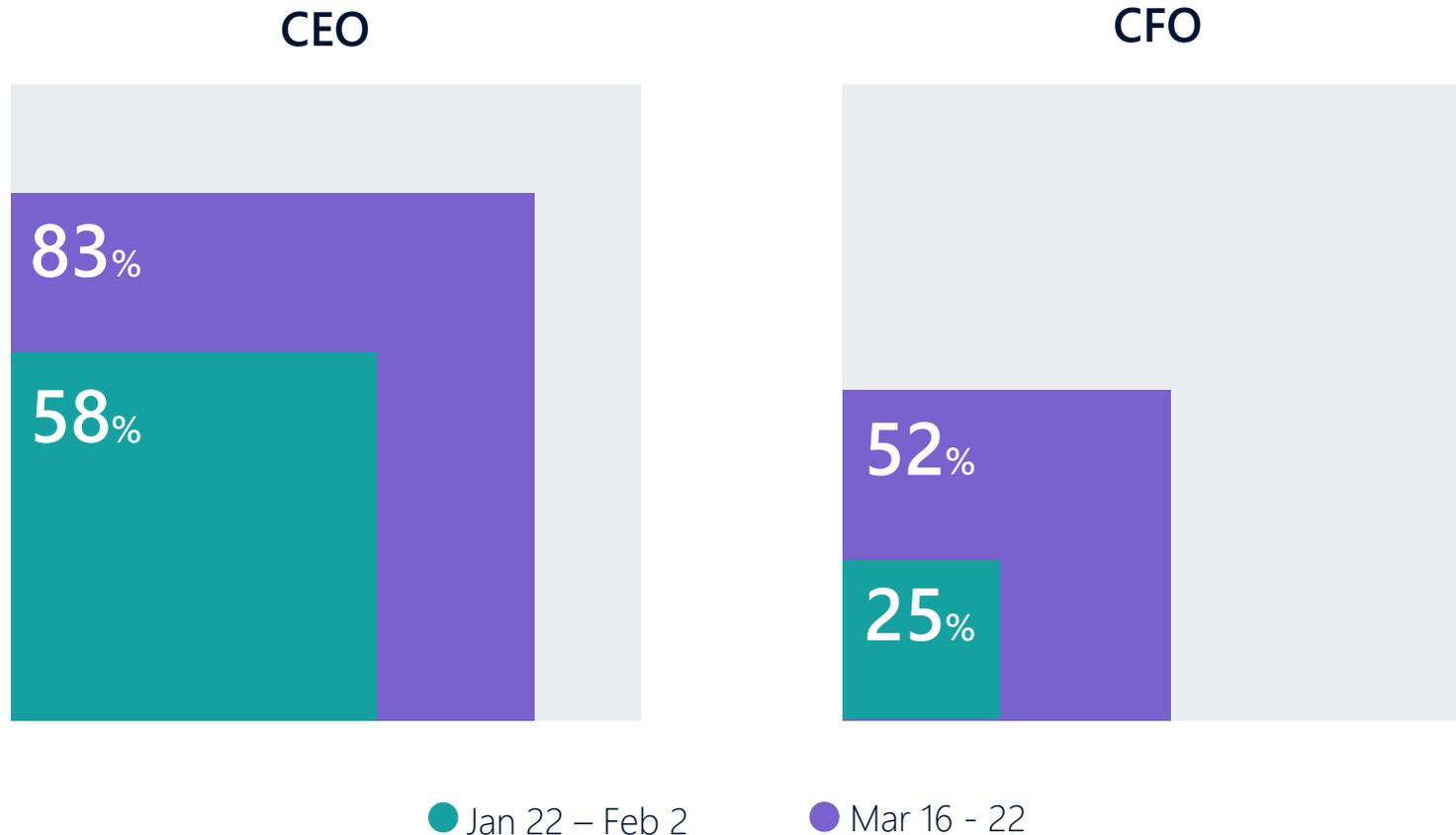
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The C-Suite is seeing a growing need to address the virus during earnings calls.

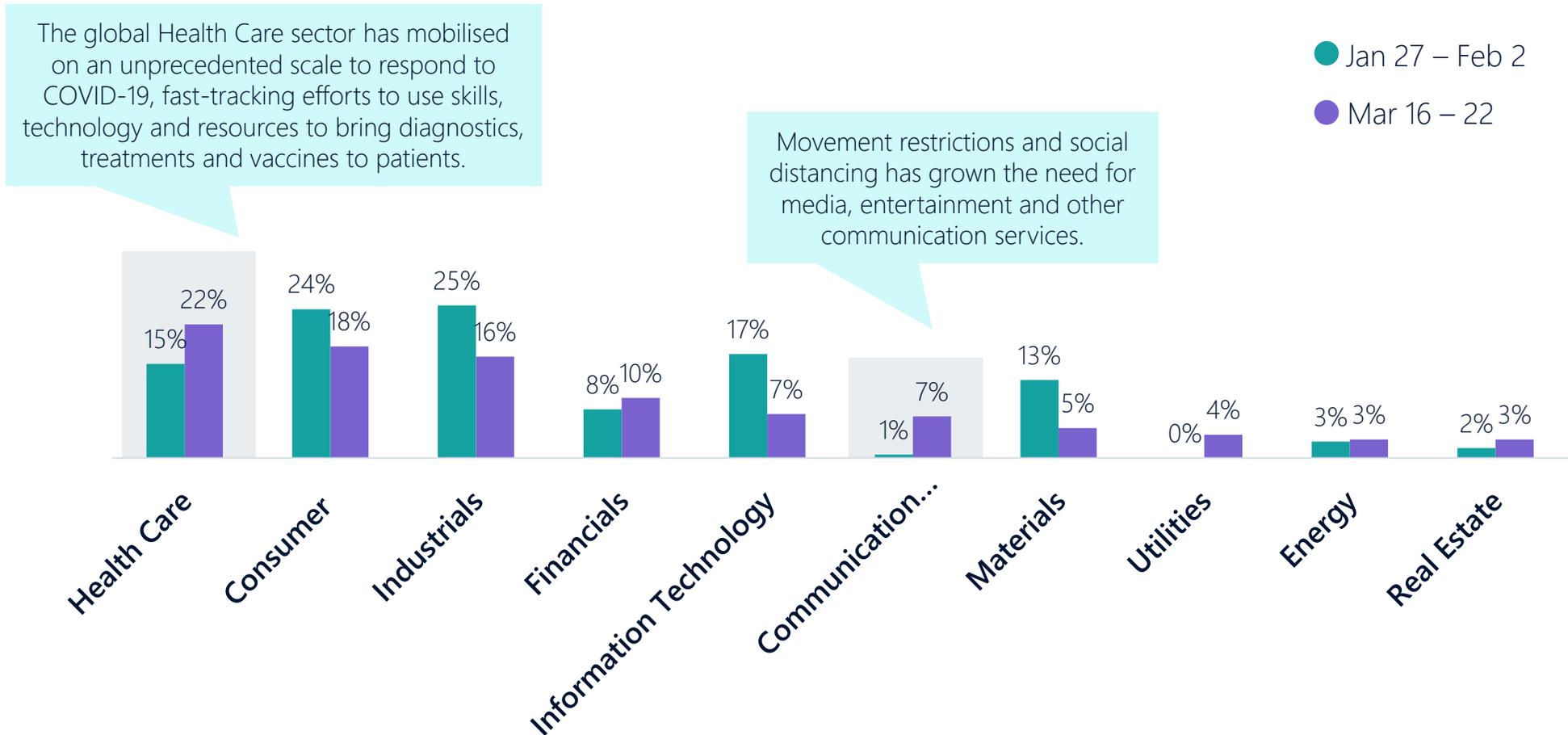
Mentions of COVID-19 in earnings calls*: **By speaker**



* Calculated as a percentage of the total COVID-19 mentions by companies who reported during the specified time period.

Health Care, Consumer and Industrial sectors have continued to feel the impact of COVID-19. Mentions of the virus rise among Health Care and Communication Services companies.

Mentions of COVID-19 in earnings calls*: **By sector**

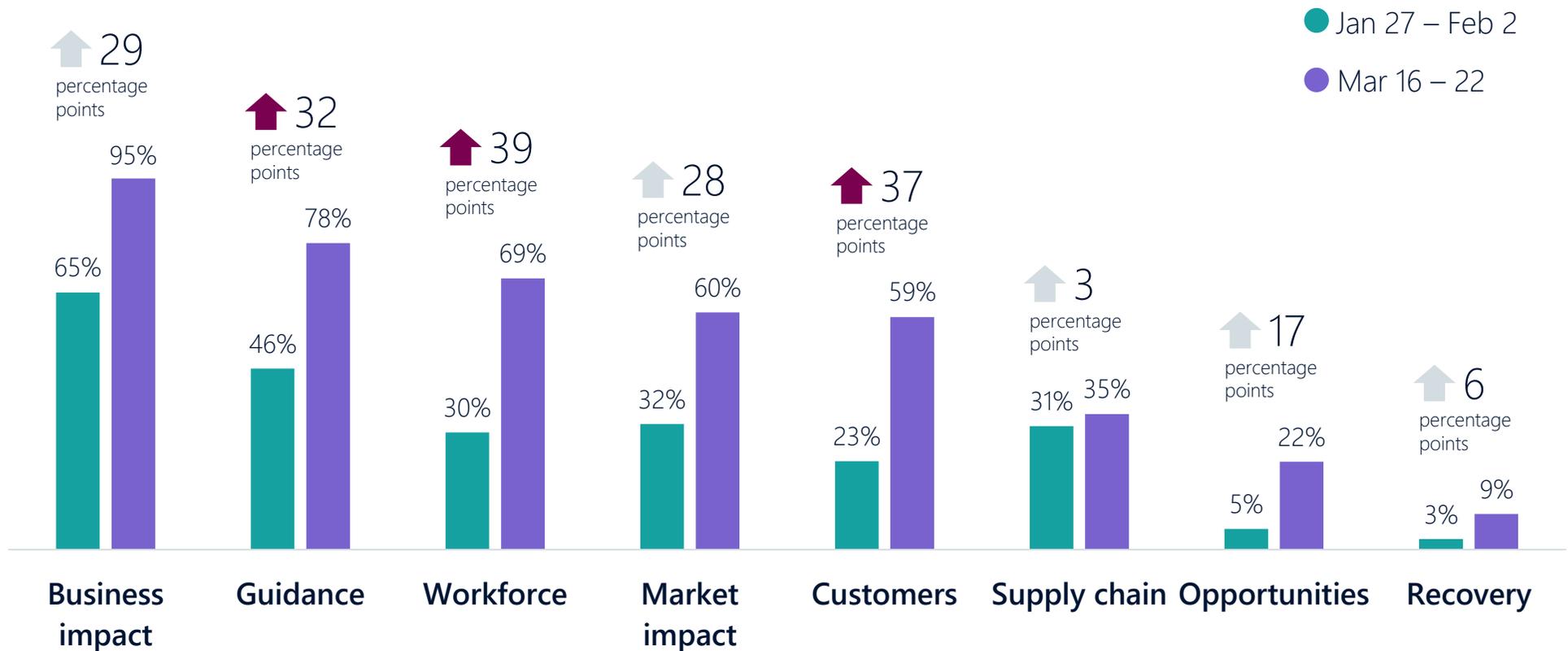


* Calculated as a percentage of companies who reported during the specified time period.

** Communication Services includes Advertising, Alternative Carriers, Broadcasting, Cable and Satellite, Telecommunications Services, Interactive Home Entertainment, Interactive Media, Movies and Entertainment, and Publishing sectors.

An uplift in mentions of COVID-19 across all topic areas is observed, particularly workforce, customers and guidance.

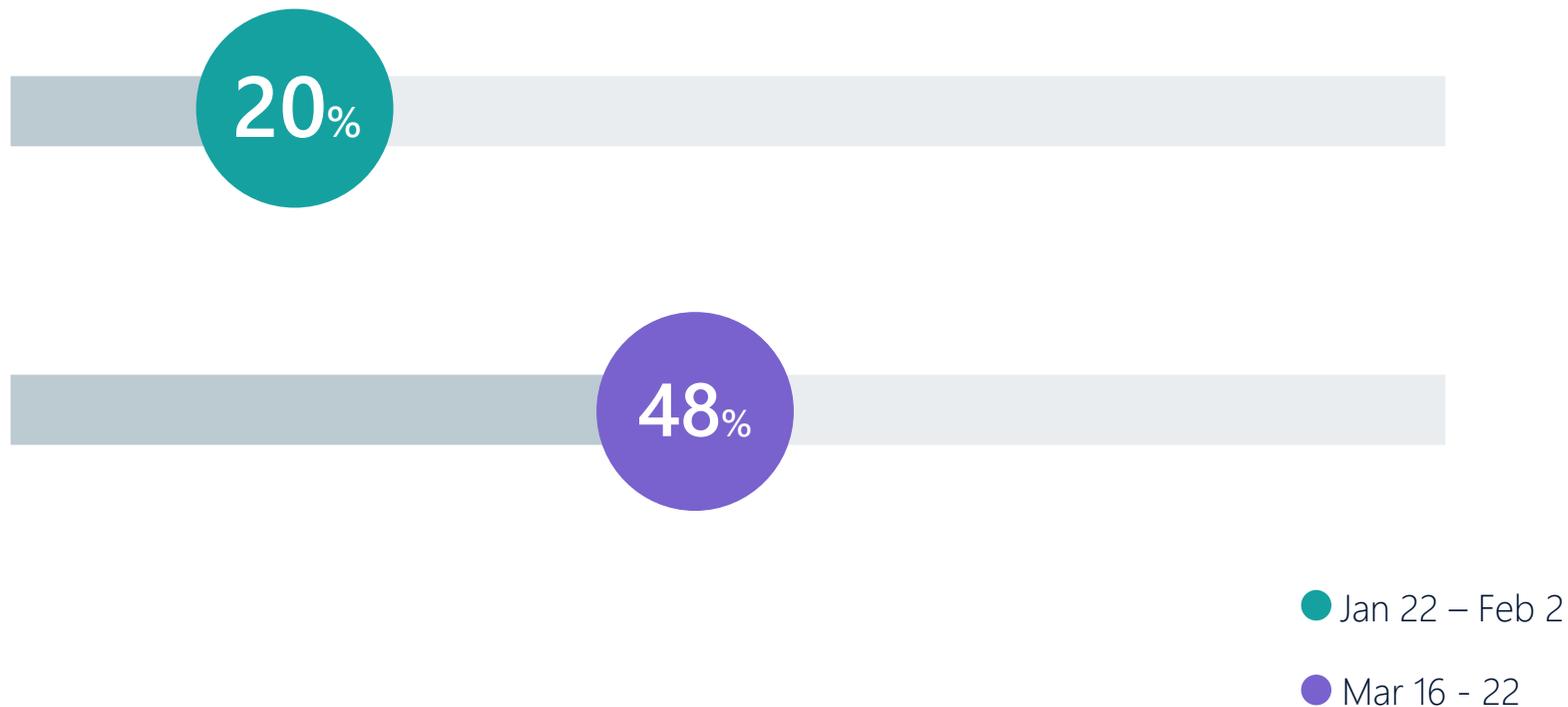
Mentions of COVID-19 in earnings calls*: **By topic**



* Calculated as a percentage of the total COVID-19 mentions by companies who reported during the specified time period.

Global companies are also facing more COVID-19 related questions from analysts and investors. Half of companies are now handling questions around the outbreak.

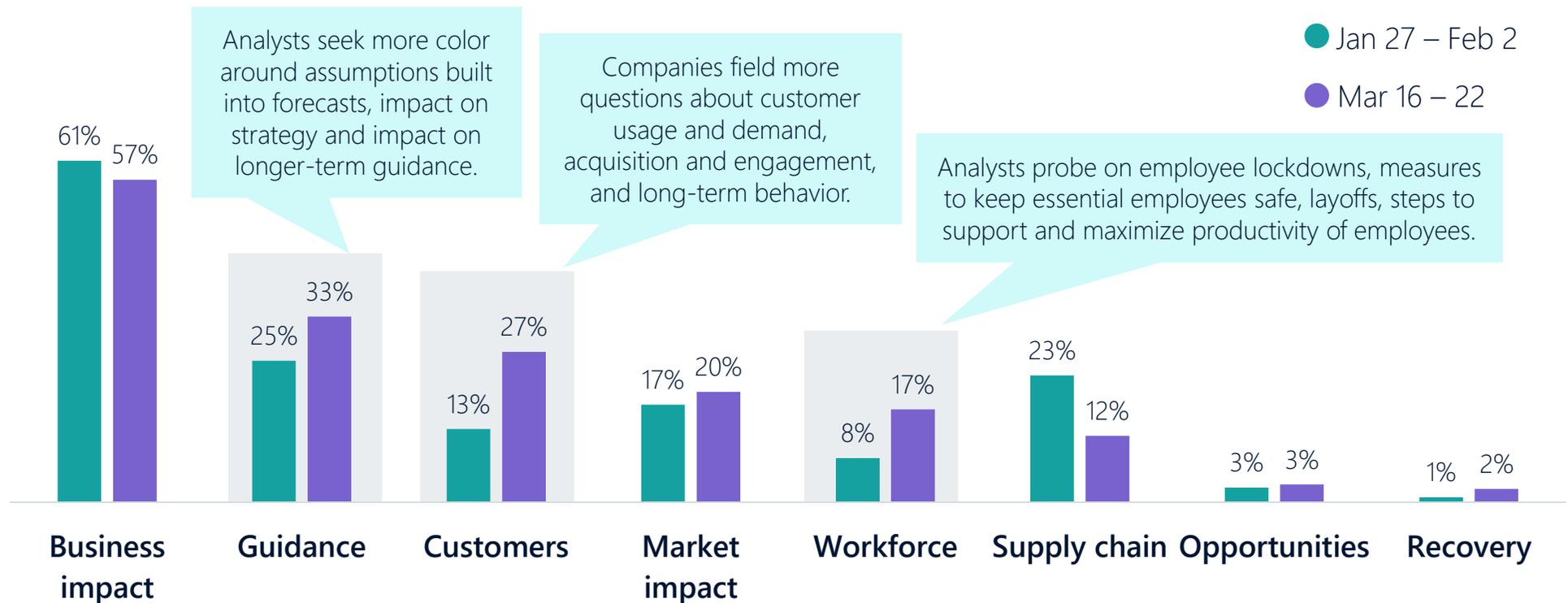
Mentions of COVID-19 in earnings calls*: **By Q&A***



* Calculated as a percentage of companies who reported during the specified time period.

Companies must be prepared to talk about COVID-19 in a variety of contexts. Investors and analysts show increasing interest in global companies' guidance, customers and workforce.

Mentions of COVID-19 in earnings calls*: **By topic + Q&A**



* Calculated as a percentage of the total COVID-19 mentions by companies who reported during the specified time period.

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