

The methodology behind **FNArena's Corporate Results Monitor**

What determines whether a financial result is labeled as a 'miss', a 'beat', or simply as 'in line'?

FNArena takes a broad, holistic approach whereby we compare key financial metrics for FY23, compare them with forecasts, but then also include FY24 guidance.

Hence, if FY23 numbers are fantastic but the outlook disappoints, it's labeled as a 'miss' because markets are forward-looking and the future is more important than the past, all else remaining equal.

Our assessment also takes into account the gravity of it all. If a result beats by 1% or 2%, is that truly a "beat" or should we simply label it as broadly in line? Same question for when the 'miss' only looks marginal.

Some assessments are admittedly subjective when it comes down to write-downs, buybacks, tax rates, asset devaluations, etc.

Ultimately, a lot can be measured from how forecasts and valuations are adjusted post the financial results release. It's rather rare that a better-than-expected result leads to lower forecasts and reduced price targets.

In similar fashion, a disappointing update will seldom see analysts raising their forecasts and valuations.

Hopefully this helps explaining our methodology.