Implicit Non-GAAP Earnings Guidance*

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Abstract

We document that implicit non-GAAP earnings guidance is widespread, comprising 41.7 percent of total (explicit and implicit) non-GAAP earnings guidance issued by S&P 1,500 firms in 2005-2021. We identify implicit non-GAAP earnings guidance through a prevalent disclosure practice—guidance on special items and recurring items (SIRI) that are often not considered part of core earnings in the absence of explicit non-GAAP earnings guidance. To validate this practice as implicit non-GAAP earnings guidance, we document that SIRI guidance, absent explicit non-GAAP earnings guidance, predicts future manager-disclosed and analyst-provided realized (actual) non-GAAP earnings. Our evidence suggests that implicit non-GAAP earnings guidance is informative to investors and that it influences the composition of analysts' forecasted street earnings (i.e., the non-GAAP exclusions that define what constitutes street earnings). SIRI guidance not only prompts analysts to refine but also to initiate forecasted non-GAAP exclusions. Moreover, we find that implicit non-GAAP earnings guidance reflects a trade-off of potential costs and benefits. Specifically, although analysts discount (i.e., are less responsive to) SIRI guidance when it is not accompanied by explicit non-GAAP earnings guidance, implicit non-GAAP earnings guiders subsequently receive less SEC regulatory non-GAAP scrutiny. Overall, our study directs the attention of academics, practitioners, and regulators to the pervasiveness of implicit non-GAAP earnings guidance and underscores its role in firms' forward-looking disclosures.

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1. Introduction

Public firms are required to report GAAP earnings to provide stakeholders with information about their historical financial performance. Managers, however, often supplement GAAP information with non-GAAP metrics that exclude items they deem to be less relevant for evaluating core performance (e.g., restructuring charges). Managers' non-GAAP disclosures have increased dramatically over time (e.g., Bentley et al. 2018; McVay et al. 2024; McVay et al. 2025). By 2022, 53 percent of SEC filers and 85 percent of S&P 500 firms disclose non-GAAP metrics in their earnings announcements (FASB 2024).[1] Despite the prevalence of non-GAAP disclosures that adjust realized (actual) GAAP earnings, recent studies show that managers often do not provide *forward-looking* non-GAAP earnings guidance (e.g., Call et al. 2024; Mayew et al. 2025). This phenomenon is surprising because core earnings is a key input to analysts' forecasts and valuation models, and investors evaluate *actual* performance at the earnings announcement relative to *ex ante* street earnings expectations (Bradshaw and Sloan 2002; Bradshaw et al. 2018).

We pursue three research objectives. First, we investigate the extent to which managers resort to *implicit*, relative to *explicit*, non-GAAP earnings guidance. To this end, we introduce a novel-to-the-literature practice that may constitute implicit non-GAAP earnings guidance. Specifically, we conjecture that, rather than explicitly guiding on non-GAAP earnings, managers can implicitly guide on non-GAAP exclusions by issuing guidance on special items and recurring items that are often not considered part of core earnings (hereinafter, SIRI). Second, conditional on SIRI guidance being a prevalent disclosure practice, we examine whether implicit non-GAAP earnings guidance can influence the composition of analysts' forecasted street earnings (i.e., the

[1] This trend also extends to non-GAAP disclosures in 10-K filings, which include the set of audited financial statements (Lamoreaux et al. 2024).

non-GAAP exclusions that define what comprises street earnings). Finally, we evaluate the relative costs and benefits of implicit, relative to explicit, non-GAAP earnings guidance.

Prior research documents that managers provide non-GAAP earnings explicitly (e.g., Black et al. 2018) or implicitly (e.g., Thielemann and Dinh 2019) when reporting realized performance. In the former disclosure practice, adjusted earnings measures are clearly labeled as "non-GAAP" and are subject to SEC rules and regulations (e.g., non-GAAP reconciliations, prominence, compliance and disclosure interpretations (CD&Is)). In the latter, managers supplement historical GAAP earnings by separately disclosing the earnings effects of specific income statement items. These disclosures, however, do not have explicit "non-GAAP" labels, separate non-GAAP calculations, or reconciliations, and (could) bypass regulatory oversight. Within the realized disclosure setting, explicit non-GAAP reporting is substantially more prevalent than implicit non-GAAP reporting. For example, Bentley et al. (2018) show that only 7.4 percent of firms have analyst-provided non-GAAP earnings without a corresponding explicit manager-disclosed non-GAAP measure, suggesting that implicit non-GAAP reporting is limited.[2]

Acknowledging that the inferences in the non-GAAP literature primarily derive from disclosure practices related to realized earnings (Black et al. 2018), we posit that managers' decisions to provide explicit versus implicit non-GAAP earnings may differ in the *guidance* setting for several reasons. First, although Regulation G and the SEC's requirements for and oversight over non-GAAP reporting also extend to forward-looking non-GAAP measures, managers provide guidance under conditions of uncertainty. Forecasting the existence of future transitory items (e.g., impairments) and even the magnitude of recurring items (e.g., stock-based compensation) required to reconcile non-GAAP to GAAP earnings guidance can be challenging (Bratten et al. 2024).

[2] Thielemann and Dinh (2019) report implicit non-GAAP reporting at a rate of 13.2 percent. The authors, however, focus on the years around Regulation G (1999-2005), a period during which non-GAAP regulations were nascent.

These difficulties can dissuade managers from providing explicit non-GAAP earnings guidance. Second, even with the availability of the SEC's "unreasonable efforts" exception that allows firms to provide explicit non-GAAP earnings guidance *without* reconciliation to GAAP, market participants may perceive such a practice as opportunistic and penalize the firm for a lack of transparency (Laurion and Sloan 2022).

Third, although guidance practices are protected by the Private Securities Litigation Reform Act of 1995 when accompanied by cautionary statements, guidance errors can lead managers to suffer reputational costs (e.g., Francis et al. 2010). This issue may be exacerbated for non-GAAP guidance because investors have been shown to react more strongly to non-GAAP than to GAAP information (Bradshaw and Sloan 2002). Fourth, implicit non-GAAP earnings guidance avoids committing to an explicit short-term earnings target and the resulting myopic pressures (Call et al. 2024; Lu and Skinner 2024; Mayew 2024), including the risk of getting "stuck" providing explicit earnings guidance recurringly (Call et al. 2025). Considering these factors, we explore whether and how managers incorporate implicit non-GAAP earnings in their forward-looking guidance practices. We analyze this issue through the lens of SIRI guidance.

Conditional on its prevalence, whether implicit non-GAAP earnings guidance ultimately influences the composition of the street earnings that analysts forecast and that investors use as a benchmark, *prior* to the earnings announcement, is unclear *ex ante*. On the one hand, SIRI guidance, absent explicit non-GAAP earnings guidance, allows managers to convey information about the expected persistence, non-cash nature, and/or magnitude of individual income items, which could implicitly signal managers' assessments of non-core earnings. Analysts, as sophisticated users of financial information, may process this signal and use SIRI guidance to update their assessment of what comprises street earnings. This communication, prior to the

earnings announcement, is important because managers may change their definitions of non-GAAP earnings from period to period (Black et al. 2021), which could affect what constitutes "true" unexpected core earnings once realized earnings are reported.

On the other hand, it is plausible that implicit non-GAAP earnings guidance may not affect the composition of analysts' forecasted street earnings. First, SIRI guidance, absent explicit non-GAAP earnings guidance, may create confusion for market participants about whether or not the guided items inform core performance. Because managers issue guidance primarily to help market participants to form expectations (Call et al. 2024), analysts may interpret managers' SIRI guidance as indicative that the highlighted SIRI items are important to evaluate core performance rather than items that should be excluded from street earnings. Second, even if analysts consider SIRI guidance to reflect managers' implicit non-GAAP exclusions, they may discount such assessments. Indeed, Laurion and Sloan (2022) find that analysts discount managers' non-GAAP exclusions when firms rely on the SEC's unreasonable efforts exception to not reconcile non-GAAP earnings guidance because analysts perceive this practice as opportunistic. Moreover, Thielemann and Dinh (2019) show that firms that initiate implicit realized non-GAAP reporting after Regulation G do so for opportunistic motives. Thus, analysts may disregard or discount SIRI guidance if they consider implicit non-GAAP earnings guidance practices opportunistic or opaque.

Our sample comprises the S&P 1,500 firms from 2005 to 2021. We identify SIRI guidance from LSEG Guidance Reports (GR), a novel and comprehensive dataset that collects and categorizes raw-as-reported management guidance with high accuracy (Mayew et al. 2025).[3] We identify 14 individual SIRI guidance items: (1) severance charges, (2) restructuring charges, (3)

[3] Call et al. (2024) compare managers' guidance practices to archival guidance data sources and conclude that GR is useful for guidance research. To the best of our knowledge, identifying SIRI guidance is not possible via other commercially available datasets (e.g., I/B/E/S Guidance).

merger charges, (4) legal charges, (5) write-downs, (6) gains or losses on investments, (7) gains or losses on assets, (8) gains or losses on PP&E, (9) other non-operating items, (10) stock-based compensation, (11) pension charges, (12) income or loss on equity investments, (13) foreign exchange gains or losses, and (14) amortization of intangible assets. The first nine items represent guidance on special items (SI), and the last five items represent guidance on recurring items (RI).

We find that potential implicit non-GAAP earnings guidance—SIRI guidance absent explicit non-GAAP earnings guidance—occurs in 26.4 percent of our firm-quarters, whereas explicit non-GAAP earnings guidance (alone or with SIRI guidance) appears in 36.9 percent of firm-quarters. Combined, managers guide on non-GAAP earnings in 63.3 percent of firm-quarters. This rate is similar to the total incidence of realized non-GAAP reporting (Bentley et al. 2018), reconciling the (apparent) gap in the frequency of forward-looking, relative to realized, non-GAAP earnings. Implicit non-GAAP reporting, however, appears to be more prevalent in firms' guidance practices, representing 41.7 percent of total non-GAAP earnings guidance. Consistent with managers' *ex ante* motivations to implicitly guide on non-GAAP earnings, we validate that SIRI guidance, absent explicit non-GAAP earnings guidance, predicts both manager- and analyst-reported realized non-GAAP earnings in the future guided period.

To assess whether SIRI guidance influences the composition of analysts' forecasted street earnings, we examine analysts' revisions to their forecasted exclusions (i.e., the non-GAAP adjustments to GAAP earnings when forecasting street earnings) around the issuance of SIRI guidance. We document a 9.4 percent conditional increase in the likelihood that analysts revise their forecasted exclusions when SIRI guidance is issued absent explicit non-GAAP earnings guidance. This effect is economically significant and suggests that analysts pay attention to managers' implicit non-GAAP earnings guidance. We also find, however, that analysts discount

(i.e., are less responsive to) SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance, suggesting that the former practice introduces costly frictions for managers when communicating what constitutes core earnings.

We supplement these findings with a series of cross-sectional analyses and additional tests. First, we find that implicit non-GAAP earnings guidance not only prompts analysts to refine but also to *initiate* forecasted exclusions. This evidence offers an important insight to the debate on whether managers or analysts initiate non-GAAP adjustments (Bentley et al. 2018) by exploring a setting where implicit guidance precedes analysts' decisions to forecast non-GAAP exclusions. Second, drawing from the unique guidance feature that managers can choose whether or not to guide on GAAP earnings, we find that SIRI guidance influences analysts' revisions of forecasted exclusions even in the absence of *both* explicit non-GAAP and GAAP earnings guidance. This result extends the non-GAAP literature's understanding of implicit non-GAAP reporting as it can also arise even absent GAAP earnings. Third, we find that the concurrent availability of realized non-GAAP disclosures increases the credibility of SIRI guidance, reducing the frictions associated with implicit non-GAAP earnings guidance. Finally, we argue that managers' decisions to resort to (the more costly) implicit, relative to explicit, non-GAAP earnings guidance reflects a trade-off of expected costs and benefits. Consistent with this view, we find that implicit, relative to explicit, non-GAAP earnings guiders are less likely to receive SEC non-GAAP comment letters, suggesting that they benefit from reduced non-GAAP regulatory attention.

Our study makes several contributions to accounting research. First, we extend the non-GAAP literature by documenting the pervasiveness of *implicit* non-GAAP earnings guidance, i.e., SIRI guidance absent explicit non-GAAP earnings guidance. Although growing research focuses on settings where managers *explicitly* guide on non-GAAP earnings (Christensen et al. 2011; Chiu

et al. 2024; Christensen et al. 2024), we shift the attention to implicit non-GAAP earnings guidance, a mechanism that managers commonly resort to but that remains largely unaccounted for in the non-GAAP guidance literature (Laurion and Sloan 2022). To the best of our knowledge, we are the first to examine the interplay between implicit and explicit non-GAAP earnings guidance, providing evidence that managers balance a trade-off of costs and benefits. Importantly, on the benefits side, we find that implicit guiders receive less SEC non-GAAP regulatory scrutiny.

Second, our study brings attention to guidance practices that extend beyond aggregate earnings. Building on recent research that highlights the importance of heterogeneous disclosure practices (Dechow et al. 2025) and, specifically, the variety of management guidance (Call et al. 2024; Mayew 2024; Mayew et al. 2025), we introduce SIRI guidance to the literature as a non-aggregate earnings guidance practice that can influence the composition of analysts' street earnings. Our evidence also offers timely insights to regulators and standard setters. The SEC and FASB have expressed concerns about the rise of alternative performance metrics and have questioned the motivation, informativeness, and opportunism related to explicit non-GAAP disclosures (SEC 2022; FASB 2024). We offer evidence that managers often rely on implicit forward-looking non-GAAP disclosures. Since implicit reporting practices could be perceived as opaque and opportunistic, the SEC may consider requiring firms to explicitly highlight SIRI guidance as expected non-GAAP exclusions, even absent explicit non-GAAP earnings guidance, if managers intend to exclude these items when disclosing realized non-GAAP earnings at the corresponding future earnings announcement.

2. Background and Hypothesis Development

2.1. Background and Prior Literature

The forecasting and valuation efforts of analysts and investors typically focus on street earnings, a measure of core performance constructed by external stakeholders (e.g., Bentley et al.

2018; Bradshaw and Sloan 2002). Street earnings represent GAAP earnings adjusted for components of income that may not be relevant in assessing future core performance (i.e., amortization of intangibles, impairments). To this extent, analysts, as sophisticated users of financial statements, increasingly provide both GAAP and non-GAAP earnings forecasts ahead of the earnings announcement (Bradshaw et al. 2018; Bratten et al. 2024). This practice allows market participants to understand, *prior* to the earnings announcement, if a firm is valued *ex ante* on a non-GAAP basis (Bratten et al. 2023) and whether they can expect non-GAAP adjustments at the actual earnings announcement (Bentley et al. 2018). Importantly, Bradshaw et al. (2018) document that analysts often initiate forecasted exclusions well in advance of the earnings announcement and continue to revise their priors over time. Analysts' forecasted exclusions include not only recurring but also transitory (special items) items, the latter which are more difficult to predict (Bradshaw et al. 2018; Bratten et al. 2024). This observation raises a question on the role that managers, who likely possess private information about the likelihood of such events, play in shaping analysts' forecasted exclusions prior to the earnings announcement.

Managers have a vested interest in shaping analysts' composition of forecasted street earnings (i.e., what adjustments are made to GAAP earnings forecasts), as it is the key benchmark against which managers are evaluated when the firm's actual earnings are released (Bradshaw and Sloan 2002). The importance of forecasted exclusions has yielded a growing body of research that focuses on the role of *explicit* non-GAAP earnings guidance. For example, Christensen et al. (2011) document that managers explicitly guide on non-GAAP earnings to actively influence the composition of street earnings. Moreover, Laurion and Sloan (2022) document that some managers opportunistically use the SEC's unreasonable efforts exception to provide explicit non-GAAP earnings guidance without a GAAP reconciliation to inflate market participants' perceptions of

core earnings. Chiu et al. (2024) and Christensen et al. (2024) focus on firms for which managers provide both explicit non-GAAP and GAAP earnings guidance (and the reconciled non-GAAP exclusions) and examine its implications for analysts' forecasting accuracy.[4]

We shift the focus by exploring if and how managers can influence the composition of forecasted street earnings without providing *explicit* non-GAAP earnings guidance. This exploration is motivated by recent survey and empirical evidence showing that many managers do not provide *explicit* non-GAAP earnings guidance (e.g., Call et al. 2024; Mayew et al. 2025). This observation is surprising because (1) analysts commonly forecast adjustments to GAAP earnings that include both recurring and transitory income items (Bradshaw et al. 2018; Bratten et al. 2024); (2) managers have incentives to guide on the composition of analysts' street earnings as investors respond more strongly to non-GAAP than GAAP earnings surprises (Bradshaw and Sloan 2002); and (3) managers' *ex post* non-GAAP reporting at the actual earnings announcement is pervasive (e.g., Bentley et al. 2018). Considering the low frequency of non-GAAP earnings guidance, relative to the disclosure of realized non-GAAP earnings, we explore whether managers use alternative disclosures to *implicitly* guide on non-GAAP earnings.[5]

Our conversations with two anonymous equity analysts and a review of firms' voluntary disclosures reveal one potential implicit non-GAAP guidance practice—guidance on individual special items and recurring items that are often not considered part of firms' core operations

[4] Recent research also examines properties of both forecasted and unexpected exclusions, the latter representing the exclusion "surprise" (i.e., news) at the earnings announcement. For example, Larocque et al. (2025) find that forecasted exclusions that result in lower street earnings forecasts than GAAP earnings forecasts are associated with more optimistic target prices. Bratten et al. (2024) focus on the informativeness of unexpected exclusions for future profitability, benchmark beating, analyst forecast errors, and future stock returns. Moreover, Bratten et al. (2023) examine variation in the forecasted earnings metric (non-GAAP versus GAAP) across analysts and find that it is associated with lower GAAP earnings surprises and correspondingly lower returns at the earnings announcement.

[5] The non-GAAP literature mainly focuses on managers' incentives when disclosing *realized explicit* non-GAAP earnings (e.g., Bhattacharya et al. 2003; Doyle et al. 2003; Lougee and Marquardt 2004; Doyle et al. 2013; Curtis et al. 2014; Leung and Veenman 2018; Guest et al. 2022; Hsu et al. 2022).

(SIRI).[6] For example, the CFO of Harley-Davidson stated in the 2009 Q2 earnings call: *"We expect the costs associated with today's announced activities to be approximately 40 million, which increases our expected total restructuring cost to be between 160 million and 190 million over the next two years."* The earnings press release disclosed on the same day stated that those forecasted restructuring costs are expected to be "one-time charges."[7] The company did not explicitly guide on non-GAAP earnings, yet managers implicitly communicated to market participants that restructuring charges are transitory and thus should not be considered a component of future core earnings. To summarize, we posit that SIRI guidance can play a role as an implicit non-GAAP earnings guidance mechanism and an important factor in the interplay between managers and analysts when determining the composition of forecasted street earnings prior to the respective earnings announcement.

2.2. Hypothesis Development

To the extent that SIRI guidance is a prevalent and economically meaningful practice, we examine whether it influences the composition of analysts' forecasted street earnings in the absence of explicit non-GAAP earnings guidance. On the one hand, SIRI guidance could reflect managers' intentions to implicitly guide on non-GAAP earnings. SIRI guidance allows managers to provide details on how persistent they deem an earnings component to be (e.g., a one-time charge, or an item recurring for only two years), its magnitude, and its cash versus non-cash nature, among other characteristics. This information allows managers to implicitly convey to market participants whether they view certain income items to be core versus non-core earnings. Analysts, in turn, as sophisticated users of financial information, may use this signal to update the

[6] A growing body of research finds that management guidance practices are much broader than guidance on aggregate earnings (e.g., Lansford et al. 2013; Lu and Tucker 2012; Call et al. 2024; Mayew et al. 2025).
[7] See: https://www.sec.gov/Archives/edgar/data/793952/000089706909001173/cmw4400a.htm.

composition of what represents street earnings in their forecasting and valuation models *prior* to the earnings announcement. Because the predictive ability of underlying income items for future performance may change from period to period (Black et al. 2021), the communication between managers and analysts is important for updating what constitutes street earnings benchmarks.

We note, however, that SIRI guidance may not impact the composition of analysts' forecasted street earnings for several reasons. First, because managers primarily provide guidance to help market participants with their forecasting and valuation models (Call et al. 2024), which are mostly based on core earnings, highlighting SIRI items in earnings press releases and conference calls may create confusion. That is, if managers devote time and effort to discussing SIRI items without explicitly excluding them from non-GAAP earnings guidance through a non-GAAP reconciliation, analysts may interpret this disclosure as a signal that SIRI conveys information relevant to future core earnings (Black et al. 2021). Indeed, prior research offers evidence that special items (e.g., restructuring charges), in certain settings, can predict future performance (Li et al. 2011; Lee 2014) and thus should be considered informative when predicting future core earnings. Thus, SIRI guidance, in the absence of explicit non-GAAP earnings guidance, may not lead analysts to consider SIRI as potential non-GAAP exclusions.

Second, even if analysts infer that SIRI guidance, in the absence of explicit non-GAAP earnings guidance, represents implicit guidance on non-GAAP exclusions, they may challenge such guidance. For example, prior research offers evidence that market participants exert disciplinary oversight over managers' *explicit* non-GAAP disclosures, not always agreeing with managers' non-GAAP exclusion choices (Gu and Chen 2004; Marques 2006; Bentley et al. 2018; Laurion and Sloan 2022; Griffin and McInnis 2025). Hence, if analysts perceive implicit non-GAAP earnings guidance to be opportunistic or not transparent, they may discount (i.e., be less

responsive to) SIRI guidance when updating the composition of forecasted street earnings.[8] Thus, whether (1) SIRI guidance in the absence of explicit non-GAAP earnings guidance (i.e., potential implicit non-GAAP earnings guidance) influences the composition of analysts' forecasted street earnings, and (2) whether analysts discount (i.e., are less responsive to) SIRI guidance when it represents potential *implicit* non-GAAP exclusions relative to when it is issued with *explicit* non-GAAP earnings guidance are both empirical questions. We state our hypotheses in null form:

> *H1: SIRI guidance in the absence of explicit non-GAAP earnings guidance is not associated with the composition of analysts' forecasted street earnings.*
>
> *H2: SIRI guidance in the absence of explicit non-GAAP earnings guidance is not differentially associated with the composition of analysts' forecasted street earnings relative to when SIRI is issued with explicit non-GAAP earnings guidance.*

3. Sample, Descriptive Statistics, and the Information Content of SIRI Guidance

3.1. Sample and Data Sources

We obtain guidance data from LSEG Guidance Reports (GR), financial data from Compustat SnapShot, analyst data from I/B/E/S, stock market data from CRSP, and SEC comment letter data from Audit Analytics.[9] We start with the Mayew et al. (2025)'s GR sample of S&P 1,500 firms over the period 2005-2021, comprising 89,149 firm-quarters. Following prior non-GAAP research (e.g., Bentley et al. 2018; McVay et al. 2024), we remove firms from the finance, insurance, and real estate industries (SIC codes 60-67), and observations with missing variables. Our baseline sample includes 64,005 firm-quarters.

[8] Drawing a parallel with the realized non-GAAP disclosure setting, Thielemann and Dinh (2019) argue that firms that initiate implicit non-GAAP reporting after Regulation G do so for opportunistic reasons.

[9] LSEG (London Stock Exchange Group, previously Refinitiv and Thomson Reuters) is the data vendor that produces and provides GR data. GR contains data on corporate issued guidance as-originally-reported by firms. Mayew et al. (2025) validate and demonstrate that GR coverage on management guidance is comprehensive and accurate. Mayew et al. (2025)'s GR dataset includes over 1.7 million guidance instances on more than a hundred unique guidance items, spanning 23,738 firm-years. For useful information on the GR data, see: https://www.guidance-reports.com/.

3.2. Identifying SIRI Guidance

To identify SIRI guidance, we review all the financial statement guidance items in the GR dataset and assess whether they represent special items or recurring items that are typically not considered a component of firms' core earnings. We draw from the non-GAAP literature to identify the income statement components that managers and analysts commonly exclude from GAAP earnings to construct non-GAAP earnings (e.g., Dechow et al. 2024; Black et al. 2018). Managers and analysts exclude such items (i.e., non-GAAP exclusions) when calculating non-GAAP earnings, arguing that they do not contribute to a meaningful evaluation of a firm's future core operating performance. Although special items remain one of the primary drivers of non-GAAP reporting (McVay et al. 2024), non-GAAP exclusions also include recurring components of income (Bratten et al. 2024; Whipple 2015; Laurion and Sloan 2022). Out of all GR guidance items, we identify 14 unique SIRI guidance items: (1) severance charges, (2) restructuring charges, (3) merger charges, (4) legal charges, (5) write-downs, (6) gains or losses on investments, (7) gains or losses on assets, (8) gains or losses on PP&E, (9) other non-operating items, (10) stock-based compensation, (11) pension charges, (12) income or loss on equity investments, (13) foreign exchange gains or losses, and (14) amortization of intangible assets. Out of the 14 SIRI guidance items, the first nine constitute guidance on special items and the last five represent guidance on recurring items. We provide examples of each of the SIRI guidance items in Appendix A.

3.3. Descriptive Statistics

We present descriptive statistics in Table 1. Within our sample, managers provide SIRI guidance (*GuideSIRI*) in 51.2 percent of the firm-quarters, suggesting that this form of guidance is an economically significant phenomenon. In terms of the categories, we observe that managers provide guidance on special items (*GuideSI*) and guidance on recurring items (*GuideRI*) in 33.3 and 35.2 percent of our firm-quarters, respectively.

In Table 2 Panel A, we present descriptive statistics on the intersection between SIRI guidance (*GuideSIRI*) and explicit non-GAAP earnings guidance (*GuideExplicitNonGAAPEarnings*).[10] We note that firms concurrently provide explicit non-GAAP earnings guidance and SIRI guidance in 24.8 percent of the firm quarters. Interestingly, managers provide SIRI guidance, *absent* explicit non-GAAP earnings guidance, in 26.4 percent of the firm-quarters (see also *GuideImplicitNonGAAPEarnings* in Table 1), suggesting that the incidence of SIRI guidance is slightly higher when it is not accompanied by explicit non-GAAP earnings guidance. Moreover, we note that the incidence of firm-quarters with non-GAAP earnings guidance is only 36.9 percent (*GuideExplicitNonGAAPEarnings*), which is consistent with evidence in prior studies that many managers do not provide explicit non-GAAP earnings guidance (Call et al. 2024; Mayew et al. 2025). Combined, the rate of total, explicit and potential implicit, non-GAAP earnings guidance is 63.3 percent (36.9 + 26.4 = 63.3), which approximates the rate of realized non-GAAP earnings disclosures (Bentley et al. 2018; McVay et al. 2024). Implicit non-GAAP reporting, however, appears to be more prevalent in the guidance, relative to the realized, non-GAAP disclosure setting, representing 41.7 percent (26.4 percent / 63.3 percent = 41.7 percent) of total, explicit and potential implicit, non-GAAP earnings guidance.[11]

Turning to graphics, in Figure 1 we plot the percentage of firm-quarters with explicit non-GAAP earnings guidance, SIRI guidance, SI guidance, and RI guidance by year. The incidence of explicit non-GAAP earnings guidance increases between 2009 and 2015, reaching a plateau

[10] For completeness, we consider all types of non-GAAP earnings guidance captured by the GR dataset, including non-GAAP EPS, non-GAAP EPS from continuing operations, non-GAAP earnings before tax, non-GAAP earnings from continuing operations, and non-GAAP net income.

[11] Prior literature finds that implicit non-GAAP disclosures in the realized disclosure setting is limited. For example, Bentley et al. (2018) observe that only 7.4 percent of firms have analyst-provided non-GAAP earnings without a corresponding explicit manager-disclosed non-GAAP measure. Moreover, focusing on the years around Regulation G (1999-2005), which gave rise to non-GAAP regulations, Thielemann and Dinh (2019) report that implicit non-GAAP reporting constituted 13.2 percent of their sample. We are not aware of any study that explores implicit non-GAAP reporting in the guidance setting.

thereafter.[12] Notably, SIRI guidance is stable and more frequent than explicit non-GAAP earnings guidance across all years. Interestingly, we observe that the frequency of guidance on special items (SI), income items that arise from peripheral transactions, is generally as prevalent as guidance on recurring items (RI).

In Table 2 Panel B, we focus on the firm-quarters with SIRI guidance, dividing observations into groups based on whether they provide explicit or potential implicit non-GAAP earnings guidance. As a refinement, among the set of potential implicit non-GAAP earnings guiders, we also consider whether SIRI guidance is accompanied by GAAP earnings guidance.[13] This feature is unique to the guidance, relative to the realized, disclosure setting, as managers are not required to guide on GAAP earnings. Among firms with potential implicit non-GAAP earnings guidance (i.e., firms with SIRI guidance but no explicit non-GAAP earnings guidance), SIRI guidance is accompanied by GAAP earnings guidance in only 58.9 percent of firm-quarters (30.4 percent / 51.6 percent = 58.9 percent), while being stand-alone in 41.1 percent of firm-quarters (21.2 percent / 51.6 percent = 41.1 percent). The observation that SIRI guidance is provided at such a high rate absent both GAAP and non-GAAP earnings guidance enriches the financial reporting and disclosure literature, highlighting the different levels of implicit non-GAAP reporting in a setting where providing GAAP earnings is not mandatory. Finally, in Panel C, we divide the four groups between *GuideSI* and *GuideRI*. We observe that in 56.1 percent of the firm-quarters with SIRI guidance, managers guide on special items absent both non-GAAP and GAAP

[12] The decrease in guidance in 2020 is consistent with a reduction of overall guidance during the COVID-19 pandemic (Call et al. 2025; Hope et al. 2023).

[13] Consistent with our classification of non-GAAP earnings guidance, we include GAAP EPS, GAAP EPS from continuing operations, GAAP earnings before tax, GAAP earnings from continuing operations, and GAAP net income when identifying GAAP earnings guidance.

earnings guidance, reinforcing the potential role of SIRI guidance as an implicit non-GAAP disclosure mechanism.[14]

3.4. The Information Content of SIRI Guidance

Given that SIRI guidance is novel to the non-GAAP literature, we first perform an exploratory stock market reaction analysis to assess whether SIRI guidance carries information content. This analysis is important because if investors do not perceive SIRI guidance to carry information content, then its potential role as a mechanism for shaping the composition of analysts' forecasted street earnings is less credible. Leveraging the granularity of our dataset, we perform stock market event tests at the guidance-date level, yielding 133,254 guidance-date observations. We employ the following OLS regression:

$$AbsRet_{iq} = \boldsymbol{\beta_1 GuideSIRI_{iq}} + \beta_2 GuideExplicitNonGAAPEarnings_{iq} + \boldsymbol{\beta_3 GuideSIRI\ x\ GuideExplicitNonGAAPEarnings_{iq}} + Controls + \sum \beta_k YearFE + \sum \beta_k\ Industry\ FE + \varepsilon_{iq} \quad (1)$$

The dependent variable, *AbsBHAR*, is the absolute value of a firm's market-adjusted three-day abnormal returns, starting with the guidance issuance date.[15] *GuideSIRI* is an indicator variable set to 1 if firm i issues SIRI guidance on day q, and 0 otherwise. The coefficients of interest are β_1 and β_3. β_1 captures whether SIRI guidance is informative in the absence of explicit non-GAAP earnings guidance (i.e., our identification of implicit non-GAAP earnings guidance). β_3 captures whether there is an incremental difference in the informativeness of SIRI guidance when it

[14] In untabulated analyses, we expand Panel B, partitioning the sample into each of the 14 individual SIRI guidance items. We observe that in 8.7, 12.3, and 28.3 percent of our firm-quarters with SIRI guidance, managers provide guidance on gain or loss of PP&E, restructuring items, and other non-operating items, respectively, absent both non-GAAP and GAAP earnings guidance.

[15] We measure abnormal returns as the buy-and-hold raw returns less the value-weighted market return from CRSP, adjusted for delisting (Beaver et al. 2007), over the [0, 2] day window. We thank the authors for publicly sharing the code (https://sites.google.com/site/richardaprice3/research).

represents potential implicit, relative to when it is issued jointly with explicit, non-GAAP earnings guidance.

To ensure that our inferences capture the information content of SIRI guidance rather than other factors, we control for various firm and earnings characteristics that plausibly correlate with forward-looking disclosures and stock returns. Specifically, we include as controls the absolute magnitude of firms' earnings surprises *(|UE|)*, book-to-market (*BooktoMarket*), size (*Size*), profitability (*ROA*), earnings volatility (*EarnVolatility*), firm age (*FirmAge*), an indicator for whether guidance is bundled with earnings announcements (*Bundled*), an indicator for loss firms (*Loss*), leverage (*Leverage*), and analyst following (*AnalystFollowing*). Moreover, we control for underlying income components that may drive differences in investors' reactions, not related to SIRI guidance, including the number of separate special items (*NumberofSpecialItems*), amortization of intangibles (*Amortization*) and stock-based compensation (*StockBasedCompensation*). Furthermore, we control for the number of issued guidance not related to SIRI or earnings (*NumberofOtherGuidance*), and for a firm's history of reporting realized non-GAAP earnings (*HistoricalNonGAAPReporting*).[16] We include industry (2-digit SIC codes) and guidance issuance year fixed effects, and cluster the standard errors by firm and year.[17]

We present the results in Table 3. Starting with Column (1), we note that SIRI guidance is incrementally associated with stock returns even when controlling for non-GAAP earnings guidance. Notably, the informativeness of SIRI guidance is comparable to that of non-GAAP earnings guidance (F-test p-value of *GuideSIRI–GuideExplicitNonGAAPEarnings*>0.10),

[16] We construct the control variables using data contemporaneous with the quarter of the guidance event date. All continuous independent variables are converted to quintiles by calendar year and scaled to take values from 0 to 1, to reduce the influence of potential outliers. Unless indicated otherwise, we apply the same procedure to the continuous independent variables in subsequent analyses.

[17] The number of observations may differ across empirical analyses due to the incidence of "singletons" observations arising from the adopted fixed effect structure.

reinforcing the notion that SIRI is a viable disclosure mechanism. Turning to the main specification of Equation (1), which incorporates the interaction between *GuideSIRI* and *GuideExplicitNonGAAPEarnings* in the model (Column (2)), we confirm that investors find SIRI guidance informative even when it is not accompanied by explicit non-GAAP earnings guidance (β_1 = *GuideSIRI* = 0.0026; p-value<0.01). Moreover, we do not observe a significant difference between the information content of SIRI guidance when it represents potential implicit, relative to when it is issued jointly with explicit, non-GAAP earnings guidance (β_3 = *GuideSIRI* GuideExplicitNonGAAPEarnings* = -0.0008; p-value>0.10). Acknowledging the different roles of special items and other exclusions, we also partition *GuideSIRI* into *GuideSI* and *GuideRI*. In Columns (3), we observe that investors find guidance on both special items and recurring items incrementally informative even when controlling for non-GAAP earnings guidance (coeff: *GuideSI*, *GuideRI* = 0.0017, p-value<0.01). Moreover, both guidance types are deemed equally informative by investors (F-test p-value of *GuideSI–GuideSI*>0.10).[18] Collectively, our results suggest that SIRI guidance carries information content, setting the stage for testing its hypothesized role as an implicit non-GAAP earnings guidance mechanism.

4. Main Analysis

4.1. SIRI Guidance as an Implicit Non-GAAP Earnings Guidance Mechanism

Building on the evidence that SIRI guidance carries information content, we first start by comparing the characteristics of explicit non-GAAP earnings guiders versus the potential implicit non-GAAP earnings guiders in Appendix B. For this analysis, we focus on the sub-sample of firms that provide either explicit or potential implicit non-GAAP earnings guidance. We build on the

[18] Interestingly, investors find guidance on special items more informative when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance (Column (4); *GuideSI*GuideExplicitNonGAAPEarnings* = -0.0034; p-value<0.01). This result is consistent with the notion that in the absence of explicit non-GAAP earnings guidance, investors find SIRI guidance even more informative to form expectations on core earnings, aiding valuation.

work of Thielemann and Dinh (2019) who infer that firms initiating realized (backward-looking) implicit non-GAAP reporting around Regulation G do so for opportunistic motives. Although we find that implicit, relative to explicit, non-GAAP earnings guiders are more likely to have losses (*Loss*) in the reporting period, we observe that they are less likely to meet-or-beat analysts' earnings consensus (*MeetorBeat*). This latter result is inconsistent with opportunistic incentives among implicit guiders, further highlighting the importance of exploring the guidance setting.

Given the granularity of the GR dataset, we also expand the scope of the examined firm characteristics among guiders. For example, we note that implicit non-GAAP earnings guiders have fewer distinct special items (*NumberofSpecialItems*) and are less likely to have amortization of intangibles (*Amortization*). This is consistent with the notion that firms favor explicit over implicit non-GAAP earnings guidance when they have more potential non-GAAP adjustments. Moreover, implicit non-GAAP earnings guiders are smaller (*Size*), have higher four-year earnings volatility (*EarningsVolatility*), yet exhibit higher one-year earnings persistence (*Persistence*), and are less likely to have a history of disclosing realized non-GAAP earnings (*HistoricalNonGAAPReporting*). Leveraging firms' GAAP guidance practices, we also partition potential implicit non-GAAP earnings guiders into those that guide more implicitly (i.e., those without both explicit non-GAAP and GAAP earnings guidance for the period; *GuideMoreImplicitNonGAAPEarnings*) versus less implicitly (i.e., those without explicit non-GAAP earnings guidance but with explicit GAAP earnings guidance; *GuideLessImplicitNonGAAPEarnings*) and examine each group separately relative to explicit non-GAAP earnings guiders. We note several differences. Less implicit non-GAAP earnings guiders tend to be smaller than explicit non-GAAP earnings guiders (*Size*), but this effect is not present when comparing more implicit non-GAAP earnings guiders. Moreover, less implicit, relative to

explicit, non-GAAP earnings guiders are more likely to have other forms of guidance (*NumberofOtherGuidance*), suggesting that firms' decisions to provide implicit, relative to explicit, non-GAAP earnings guidance is not fully driven by disclosure costs (i.e., time and effort for the financial reporting team to produce explicit disclosures).

Having identified the characteristics of implicit non-GAAP earnings guiders, we next explore whether SIRI guidance, in the absence of explicit non-GAAP earnings guidance, plausibly reflects managers' *ex ante* motivations to implicitly guide on non-GAAP earnings. We posit that if managers use SIRI guidance as an implicit non-GAAP disclosure mechanism prior to the earnings announcement, then SIRI guidance should have predictive ability for future realized (actual) non-GAAP earnings at the earnings announcement for which SIRI items are guided. If, on the contrary, SIRI guidance does not reflect managers' *ex ante* motivations to implicitly guide on non-GAAP earnings, then we should not observe a correlation with managers' decisions to disclose realized non-GAAP earnings *ex post*. We leverage the granularity of our dataset and perform the analysis at the *firm-guidance date-future forecasted period* level because two different SIRI items can be guided on the same day for different future periods. Our non-GAAP predictability tests comprise 197,607 observations. We employ the following OLS regression:

$$
\begin{aligned}
FutureActualNonGAAPEarnings_{iq+k} &= \boldsymbol{\beta_1 GuideSIRI_{iq}} + \beta_2 GuideExplicitNonGAAPEarnings\_Year_{iq} \\
&+ \boldsymbol{\beta_3 GuideSIRI\ x\ GuideExplicitNonGAAPEarnings\_Year_{iq}} \\
&+ Controls + \sum \beta_k YearFE + \sum \beta_k\ Industry\ FE \\
&+ \varepsilon_{iq}
\end{aligned} \tag{2}
$$

We consider two versions of *FutureActualNonGAAPEarnings*: (1) an indicator variable capturing the incidence of future actual non-GAAP earnings; and (2) a continuous variable reflecting the magnitude of future actual non-GAAP exclusions. For completeness, we consider future actual non-GAAP earnings provided by both managers and analysts

(*FutureManagerNonGAAPInd* and *FutureAnalystNonGAAPInd* for the incidence of non-GAAP earnings; *FutureManagerExclusions* and *FutureAnalystExclusions* for the magnitude of actual exclusions, respectively). We obtain managers' actual non-GAAP earnings from the Bentley et al. (2018) dataset, and actual street earnings from I/B/E/S Actuals (Bradshaw and Sloan, 2002).[19] *GuideExplicitNonGAAPEarnings_Year* is an indicator variable equal to 1 if managers provide non-GAAP earnings guidance for the fiscal year of the period that each guidance is issued for, irrespective of the guidance event date. Recall that potential implicit non-GAAP earnings guidance arises when non-GAAP earnings is *not* explicitly guided. Identifying all non-GAAP earnings guidance that is available for the fiscal year ensures that we precisely capture the effect of implicit non-GAAP earnings guidance—SIRI guidance without any available explicit non-GAAP earnings guidance. We include the same controls as in Equation (1). However, as the informativeness of guidance could differ if they are issued for different fiscal quarters (e.g., Q1 vs. Q4), we also include indicator variables for guidance issued for Q1, Q2, and Q3 fiscal quarters (*Q1*, *Q2*, and *Q3*, respectively). The main coefficients of interest remain β_1 and β_3.

In Table 4 Panel A Columns (1) and (2) (Columns (3) and (4)), we focus on the future actual non-GAAP earnings provided by managers (analysts). We find that SIRI guidance, absent explicit non-GAAP earnings guidance, is associated with the existence of both managers' and analysts' future actual non-GAAP earnings (Column (1), β_1=0.0291, p-value<0.01; Column (3), β_1=0.0311, p-value<0.01), consistent with managers' *ex ante* motivations to implicitly guide on non-GAAP earnings via SIRI guidance. Moreover, SIRI guidance does not exhibit incremental predictive ability when it represents implicit, relative to when it is issued jointly with explicit, non-GAAP earnings guidance (Column (1), β_3= -0.0022, p-value>0.10; Column (3), β_3= -0.0103, p-

[19] We limit this analysis to observations for which we can measure the existence of managers' non-GAAP earnings for the guided period using the Bentley et al. (2018) dataset. We thank the authors for providing the dataset.

value>0.10). In Columns (2) and (4), we separate *GuideSIRI* into *GuideSI* and *GuideRI*. We note that *GuideSI* is the main predictability driver, consistent with special items being an important determinant of non-GAAP disclosure (McVay et al. 2024).[20]

Turning to Table 4 Panel B, where we consider the magnitude of managers' and analysts' future actual non-GAAP exclusions, we observe similar inferences suggesting that SIRI guidance, absent explicit non-GAAP earnings guidance, also predicts the magnitude of future actual non-GAAP exclusions. Overall, our results are consistent with managers' *ex ante* motivations to provide implicit non-GAAP earnings guidance via SIRI, a novel insight that contributes to the nascent non-GAAP guidance literature (e.g., Laurion and Sloan 2022).

4.2. Hypotheses Testing: SIRI Guidance and the Composition of Analysts' Forecasted Street Earnings

Having established that SIRI guidance is consistent with managers' *ex ante* motivations to implicitly guide on non-GAAP earnings, we next examine whether it can influence the composition of analysts' forecasted street earnings. Recall that analysts' forecasted street earnings represent GAAP earnings forecasts adjusted for items that analysts do not consider informative for evaluating core future performance (see Figure 2). Thus, the composition of street earnings is directly influenced by analysts' choices on forecasted exclusions. To test our hypotheses, we leverage the observation that many analysts forecast both GAAP and street earnings for their covered firms (Bradshaw et al. 2018) and focus on *revisions* to analysts' forecasted exclusions in response to SIRI guidance.

[20] Columns (2) and (4) show that special items guidance has stronger predictability for future realized non-GAAP earnings when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance (see *GuideSI*GuideExplicitNonGAAPEarnings_Year*; p-value<0.01). This is consistent with the results from our stock market tests where, absent explicit non-GAAP earnings guidance, the informativeness of individual SIRI items increases.

To perform the empirical analysis, we combine our *firm-guidance date-forecasted period* sample with individual analysts' annual street and GAAP earnings forecasts from the I/B/E/S Detail Dataset. Forecasted exclusions represent the difference between analysts' street and GAAP earnings forecasts.[21] We restrict our sample to analysts that provide both a street and a GAAP earnings forecast on the same day so that we can accurately infer analysts' forecasted exclusions.[22] For each analyst, we retain the last and first street and GAAP earnings forecast prior to and after each guidance issuance date, respectively.[23] Our unit of analysis is at the *firm-guidance date-forecasted period-analyst* level, comprising 332,463 observations. We employ the following OLS regression:

$$\begin{aligned} RevisionInd_{iqa} = {} & \boldsymbol{\beta_1 GuideSIRI_{iq}} + \beta_2 GuideExplicitNonGAAPEarnings\_Year_{iq} \\ & + \boldsymbol{\beta_3 GuideSIRI_{iq} * GuideExplicitNonGAAPEarnings\_Year_{iq}} \\ & + \beta_k Controls_{iq} + \sum \beta_k YearFE + \sum \beta_k \, Industry \, FE \\ & + \sum \beta_k \, Analyst \, FE + \varepsilon_{iq} \end{aligned} \quad (3)$$

The dependent variable, *RevisionInd*, is an indicator that takes the value of 1 if analyst *a* revises her forecasted exclusions from before to after each firm *i*'s guidance event date q for a specific forecasted period. That is, for *RevisionInd* to take a value of 1, the analyst must have revised her forecasted exclusions in response to the guidance event. Note that our dependent variable is based on analysts' *revisions* to (changes), as opposed to the existence of (levels), analysts' forecasted exclusions (see Figure 2). This approach follows prior guidance literature (e.g., Feng et al. 2009; Christensen et al. 2025) to reduce endogeneity concerns, i.e., that the results are

[21] We focus on individual analysts' forecasts to calculate forecasted exclusions because consensus estimates in I/B/E/S induce measurement error as the set of analysts who contribute to the street earnings consensus is often different from those who contribute to the GAAP earnings consensus (Bradshaw et al. 2018). For robustness, we also repeat our analysis in the post-2008 period, where GAAP forecasts were more widely available in I/B/E/S (Bradshaw et al. 2018).
[22] If analysts' street and GAAP earnings forecasts have the same value, then forecasted exclusions are zero.
[23] We ensure that each street and GAAP earnings forecast is issued for the same forecasted period and restrict analysts' forecasts to be issued within 30 trading days prior to and after each guidance date, respectively.

driven by variation in firm characteristics associated with the likelihood that analysts forecast exclusions. *GuideSIRI* is an indicator variable equal to 1 if managers provide SIRI guidance on that guidance event date. As defined above, *GuideExplicitNonGAAPEarnings_Year* is an indicator variable equal to 1 if managers provide non-GAAP earnings guidance for the fiscal year of the period for which each guidance is issued, regardless of the specific guidance event date.

The main coefficients of interest are β_1 and β_3. A significantly positive β_1 coefficient suggests that implicit non-GAAP earnings guidance (i.e., SIRI guidance absent non-GAAP earnings guidance) influences analysts to revise their forecasted exclusions prior to the earnings announcement (H1). A significantly positive (negative) β_3 coefficient suggests that analysts are less (more) responsive to SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance (H2). We include the same vector of controls as in Equation (2). However, in this specification, we include analyst fixed effects in addition to year and industry fixed effects. The vector of analyst fixed effects controls for unobservable, time-invariant, analyst-level characteristics (e.g., skill, access to management, consistent pessimism or optimism in their forecasts, association with more conservative brokerage houses, etc.).

We present our results in Table 5. In Column (1), we first consider *GuideSIRI* without interacting it with *GuideExplicitNonGAAPEarnings_Year* to assess whether SIRI guidance, on average, influences analysts' revisions of forecasted exclusions. In Column (2), we also include *GuideExplicitNonGAAPEarnings_Year* to assess whether the association between SIRI guidance and analysts' forecasted exclusion revisions is incremental to the informativeness of management guidance on non-GAAP earnings. We observe that in both Columns (1) and (2), the coefficient on *GuideSIRI* is positive and statistically significant (β_1=0.0580; p-value<0.01 and β_1=0.0540; p-value<0.01, respectively), suggesting that analysts incrementally revise their forecasted exclusions

in response to SIRI guidance. Comparing the β_1 coefficient in Column (2) to the average of *RevisionInd* in our sample (0.3568; see Table 1) suggests a 15.1 percent (0.0537/0.3568 = 15.1) increase in the likelihood that analysts revise their forecasted exclusions when SIRI guidance is issued by managers, relative to the unconditional sample mean.

We present the main specification of Equation (3), which includes the interaction between *GuideSIRI* and *GuideExplicitNonGAAPEarnings_Year*, in Column (3) of Table 5. The coefficient on *GuideSIRI*, which captures the effect of implicit non-GAAP earnings guidance (i.e., SIRI guidance absent explicit non-GAAP earnings guidance), remains positive and statistically significant (β_1=0.0337; p-value<0.01). This result supports a rejection of the null form of H1 in favor of the notion that analysts understand and respond to managers' implicit non-GAAP earnings guidance. In terms of economic significance, analysts' responses to SIRI guidance represents a 9.4 percent (0.0337/0.3568 = 9.4 percent) increase in the likelihood that analysts revise their forecasted exclusions, relative to the unconditional sample mean of *RevisionInd*. Turning to H2, we observe that the interaction term *GuideSIRI*GuideExplicitNonGAAPEarnings_Year* is positive and statistically significant, suggesting that analysts discount (i.e., are less responsive to) SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance. This result suggests that when managers rely on implicit, rather than explicit, non-GAAP earnings guidance to convey their views on the composition of core earnings, they face a costly friction that diminishes the effectiveness of the communication mechanism.

In Column (4), we separately examine the effect of *GuideSI* and *GuideRI* on analysts' forecasted exclusion revisions. The estimated coefficients on *GuideSI* and *GuideRI* are both positive and statistically significant, suggesting that analysts respond to implicit non-GAAP earnings guidance with respect to both special items and recurring items exclusions. The test for

the difference between the coefficients on *GuideSI* and *GuideRI* suggests that they are not statistically different from each other (F-test p-value >0.10). However, despite the predictability of implicit special items guidance for future realized (actual) non-GAAP reporting (refer to Table 4), we note that analysts discount (i.e., are less responsive to) implicit special items guidance when updating their composition of street earnings (see the positive and statistically significant coefficient on *GuideSI*GuideExplicitNonGAAPEarnings_Year*). This result is consistent with implicit, relative to explicit, special item guidance introducing costly friction, potentially because of the reduced transparency of implicit disclosures. [24]

4.3. Robustness Tests

We supplement our main analyses with a series of robustness tests. First, although we mainly consider the likelihood that analysts revise their forecasted exclusions in response to implicit non-GAAP earnings guidance, we alternatively examine the *magnitude* of their exclusion revisions. *RevisionSize* represents the absolute value of the change in the magnitude of analyst *a*'s forecasted exclusions around each firm *i*'s guidance event date q for a given forecasted period. In Table 6 Panel A, we find consistent, economically significant, results. For example, the estimated coefficient on *GuideSIRI* in the main specification (Column (3)) implies an average analyst forecasted exclusion revision magnitude to SIRI guidance of 36.6 percent, relative to the unconditional sample mean of *RevisionSize* (0.0655/0.1792 (Table 1) = 36.6 percent). Consistent with our main results, we continue to find that analysts are less responsive to special item guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings

[24] Recall that we use *GuideExplicitNonGAAPEarnings_Year* so that we accurately capture the effect of SIRI guidance on analysts' forecasted exclusion revisions absent any explicit non-GAAP earnings guidance, irrespective of the guided date. If we alternatively use an indicator variable for whether non-GAAP earnings is guided only on the SIRI guidance event dates, our results are robust (untabulated). Our inferences are also identical if we restrict our analysis to the post-2008 period when GAAP forecasts were more widely available in I/B/E/S (Bradshaw et al. 2018).

guidance (positive and significant coefficient on *GuideSI*GuideExplicitNonGAAPEarnings_Year* in Column (4)).

Second, although our main research design leverages all available firms in our sample to allow for a stepwise analysis of SIRI guidance (i.e., main and interaction coefficients β_1 and β_3, respectively in Equation (3)), we also explore alternative research designs that compare implicit non-GAAP earnings guiders (i.e., firms with SIRI guidance absent non-GAAP earnings guidance in a quarter; *GuideImplicitNonGAAPEarnings*) against targeted "control" firms. Starting with Column (1) of Table 6 Panel B, we test H1 by comparing implicit non-GAAP earnings guiders to control firms that are not non-GAAP earnings guiders (i.e., firms that do not have explicit or implicit non-GAAP earnings guidance). In Columns (2) and (3), we test H2 by separately comparing implicit non-GAAP earnings guiders to two control groups of explicit non-GAAP earnings guiders: (1) firms with both SIRI guidance and explicit non-GAAP earnings guidance; and (2) firms without SIRI guidance but with explicit non-GAAP earnings guidance. Consistent with the inferences from our main analysis, we find that implicit non-GAAP earnings guidance influences the composition of analysts' forecasted exclusion revisions (positive and significant coefficient on *GuideImplicitNonGAAPEarnings* in Column (1)) but that analysts are less sensitive to implicit, relative to explicit, non-GAAP earnings guidance (negative coefficient on *GuideImplicitNonGAAPEarnings* in Columns (2) and (3)).

5. Additional Analyses

5.1. Cross-sectional Analyses

To provide further support for our main inferences, we explore three settings where we expect the informativeness of SIRI guidance to influence analysts' forecasted exclusions. Specifically, we evaluate whether: (1) SIRI guidance can *initiate*, rather than just refine, analysts'

forecasted exclusions, (2) SIRI guidance influences analysts' composition of forecasted street earnings even when its non-GAAP earnings implications are more implicit, and (3) SIRI guidance, as an implicit non-GAAP guidance mechanism, is perceived as more credible by analysts in the presence of explicit realized non-GAAP reporting.

5.1.1. Can SIRI Guidance Initiate Analysts' Forecasted Exclusions?

We hypothesize that if SIRI guidance truly reflects implicit non-GAAP earnings guidance, then it should prompt analysts to *initiate*, rather than just revise, forecasted exclusions. This test offers an important insight to the debate on whether managers or analysts initiate street adjustments (Bentley et al. 2018) by exploring a setting where SIRI guidance clearly preempts analysts' decisions to initiate forecasted exclusions. To conduct the analysis, we separately estimate Equation (3) for the sub-samples where analysts have versus do not have forecasted exclusions prior to the guidance event date.[25] In Columns (1) and (2) of Table 7, we present the results for the sub-sample of analysts without forecasted exclusions prior to the respective guidance event date. We find that SIRI guidance prompts analysts to initiate new forecasted exclusions even absent non-GAAP earnings guidance (Column (1), *GuideSIRI*=0.0207, p-value<0.01) and that this effect manifests for both guidance on special items and guidance on recurring items (Column (2), *GuideSI*=0.0166, p-value<0.05; *GuideRI*=0.0171, p-value<0.01). Consistent with our main inferences, we also find that analysts are less sensitive to SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance (i.e., we observe positive estimated coefficients on interaction terms in Columns (1) and (2)).

[25] Recall that forecasted exclusions represent the difference between analysts' street and GAAP earnings forecasts prior to the earnings announcement. When there is no difference, then there are no forecasted exclusions.

We next repeat the analysis for the sub-sample of analysts with forecasted exclusions prior to the respective guidance event date (Columns (3) and (4)). We find that analysts also refine their forecasted exclusions after the issuance of SIRI guidance. Finally, we explicitly test whether the estimated coefficients on *GuideSIRI*, *GuideSI*, and *GuideRI* differ across the two sub-samples, failing to find support (Wald test p-value>0.10). This result is consistent with the notion that implicit non-GAAP earnings guidance can both prompt analysts to initiate and refine forecasted exclusions. However, we note that in Columns (3) and (4), relative to Columns (1) and (2), the coefficients on the interaction terms are insignificant or negative. This result suggests that analysts discount SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance only when they decide to *initiate* forecasted exclusions. Initiating non-GAAP exclusions represents a more important decision as it reflects whether analysts will deviate from GAAP and value the firm using (unstandardized) non-GAAP measures.

5.1.2. Can SIRI Guidance Influence Analysts' Forecasted Exclusions Even When Its Non-GAAP Implications Are More Implicit?

Next, we examine whether the effect of SIRI guidance on analysts' forecasted exclusions varies with the level of "implicitness" of non-GAAP earnings guidance. As shown in Table 2, firms issue implicit non-GAAP earnings guidance—SIRI guidance without explicit non-GAAP earnings guidance—both with and without concurrent GAAP earnings guidance. We posit that, absent both explicit non-GAAP and GAAP earnings guidance, SIRI guidance is even more implicit as a means to guide on non-GAAP earnings than in the presence of concurrent GAAP earnings guidance.[26] Hence, if analysts, as sophisticated users of financial information, truly perceive SIRI

[26] This feature is unique to the guidance, relative to the realized, disclosure setting, as public firms are mandated to provide GAAP earnings, regardless of their choice to provide explicit or implicit non-GAAP earnings, when reporting realized performance.

guidance to be an effective implicit non-GAAP earnings guidance mechanism, we posit that it should influence their forecasted exclusion revisions even when it is guided more implicitly.

We perform this analysis by estimating Equation (3) separately for the subsamples with and without explicit GAAP earnings guidance (*GuideGAAPEarnings_Year*). Starting with Columns (1) and (2) of Table 8, we first consider the results for the sub-sample absent GAAP earnings guidance. We find that SIRI guidance is informative for analysts' forecasted exclusions even when SIRI guidance is more implicit (Column (1), *GuideSIRI*= 0.0494, p-value<0.01), and that the effect manifests for both guidance on special items and recurring items (Column (2); *GuideSI*= 0.0333, p-value<0.05; *GuideRI*= 0.0447, p-value<0.01). For the sub-sample of firms with GAAP earnings guidance, we also find that SIRI guidance is, on average, informative (Column (3); *GuideSIRI*= 0.0251, p-value<0.01). Interestingly, when examining the coefficients on the interaction terms across the two sub-samples, we find that analysts differentially discount SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance only in the sub-sample with GAAP earnings guidance (see positive coefficients on interaction terms in Columns (3) and (4) but not in Columns (1) and (2), respectively). This result could reflect analysts' perceptions that SIRI guidance could be opportunistically issued when accompanying explicit GAAP earnings guidance, as inferred by Thielemann and Dinh (2019) when examining the realized non-GAAP earnings setting.

5.1.3. Is Implicit Non-GAAP Earnings Guidance More Credible When Concurrently Issued with Realized Non-GAAP Earnings?

Having inferred that implicit non-GAAP earnings guidance introduces costly friction as a way to influence the composition of street earnings, we next ask whether SIRI guidance is more credible (or less costly) when accompanied by managers' realized non-GAAP disclosures when discussing historical performance. We conjecture that if our main results are indeed driven by

analysts discounting implicit non-GAAP earnings guidance due to a (perceived) lack of transparency, then the disclosure of realized (actual) non-GAAP earnings may alleviate such concerns, increasing the credibility of SIRI guidance as implicit non-GAAP earnings guidance.

To address this conjecture, we separately estimate Equation (3) for sub-samples with and without realized non-GAAP earnings disclosed by managers for the quarter in which SIRI guidance is issued (*ManagerNonGAAPInd*).[27] Turning to Table 9, the results presented in Columns (1) and (3) indicate that, consistent with expectations, although SIRI guidance is associated with analysts' forecasted exclusion revisions in both sub-samples (*GuideSIRI*, p-value<0.01), analysts respond more strongly to SIRI guidance when managers concurrently disclose non-GAAP earnings (Wald-test p-value on *GuideSIRI* <0.01). Shifting the focus to SI and RI guidance (Columns (2) and (4)), we find that the differential effect across the two sub-samples mainly derives from guidance on special items (Wald-test p-value on *GuideSI* <0.05). Moving to the interaction terms, we continue to find consistent results. That is, analysts only discount SIRI guidance when it represents implicit, relative to when it is issued with explicit, non-GAAP earnings guidance when firms do not disclose realized non-GAAP earnings for the period (see positive estimated coefficients on the interaction terms in Columns (1) and (2) but not in Columns (3) and (4), respectively). Overall, our results suggest that implicit non-GAAP earnings guidance is more credible when managers concurrently disclose realized non-GAAP earnings.

5.2. Incentives for Implicit Non-GAAP Earnings Guidance

Finally, although our main results suggest that implicit non-GAAP earnings guidance is costly, we conjecture that managers' decisions to rely on implicit, relative to explicit, non-GAAP earnings guidance derives from a tradeoff of expected costs and benefits. Specifically, although

[27] To avoid multicollinearity, we exclude *HistoricalNonGAAPReporting* as a control variable in this analysis.

we find that implicit non-GAAP earnings guidance predicts the existence of future realized (actual) non-GAAP earnings (see Table 4), we posit that a potential benefit from implicit non-GAAP earnings guidance is lower expected SEC regulatory attention. For example, when managers resort to implicit non-GAAP earnings guidance, earnings press releases for implicit non-GAAP earnings guiders are less saturated with "non-GAAP" labels than those of explicit non-GAAP earnings guiders. This difference could reduce the likelihood that implicit guiders capture the SEC's attention and thus may be less likely to receive non-GAAP comment letters. This regulatory oversight consideration could be important for managers' strategic guidance decisions as SEC comment letters related to non-GAAP reporting account for almost 40 percent of all comment letters issued and continue to be a key area of scrutiny (EY 2023; Gomez et al. 2023).

In Table 10 Panel A, we compare the likelihood that implicit non-GAAP earnings guiders receive subsequent SEC non-GAAP comment letters in the one-, two-, three- and total combined one-to-three years following each guidance event date, relative to explicit non-GAAP earnings guiders. [28] Across Columns (1) to (4) we find that implicit, relative to explicit, non-GAAP earnings guiders are less likely to receive subsequent SEC non-GAAP comment letters, suggesting that they benefit from reduced SEC non-GAAP regulatory attention. In Column (5), we split implicit non-GAAP earnings guiders into those that guide more implicitly versus less implicitly and we continue to observe a benefit across both groups.[29] In Table 10 Panel B, we repeat our analysis but only comparing implicit non-GAAP earnings guiders against explicit non-GAAP earnings guiders

[28] To allow for a 3-year horizon in the comment letters variables, we perform this analysis for the 2005-2018 period.
[29] Although we focus on unconditional differences in the likelihood of receiving SEC comment letters, our results are qualitatively similar when we include all of the determinants of implicit non-GAAP earnings guidance as controls (see Appendix B).The results also are qualitatively similar if we focus only on the sub-sample of guiders that have a history of reporting realized (actual) non-GAAP earnings (i.e., *HistoricalNonGAAPReporting* = 1).

that also issue SIRI guidance. We find similar results. Overall, we conclude that the decision to provide implicit non-GAAP earnings guidance entails a tradeoff of costs and benefits.

6. Conclusion

We examine the prevalence of *implicit* non-GAAP earnings guidance. Using a novel guidance dataset, we find that implicit non-GAAP earnings guidance (i.e., guidance on special items and recurring items that are often not considered part of core earnings in the absence of explicit non-GAAP earnings guidance) represents 41.7 percent of total (explicit and implicit) non-GAAP earnings guidance. Consistent with managers' *ex ante* motivations to implicitly guide on non-GAAP earnings, we find that SIRI guidance, absent explicit non-GAAP earnings guidance, predicts future manager- and analyst-provided realized (actual) non-GAAP earnings. We document that implicit non-GAAP earnings guidance influences the composition of analysts' forecasted street earnings. Implicit non-GAAP earnings guidance, however, reflects a trade-off of potential costs and benefits. Although analysts are less responsive to SIRI guidance when it represents implicit, relative to when it is issued with, explicit non-GAAP earnings guidance, implicit guiders subsequently receive less SEC regulatory non-GAAP scrutiny.

Our study offers important insights to a broad audience. For academics, our analyses bring attention to the prevalence of implicit non-GAAP earnings guidance, a phenomenon that remains largely unaccounted for in the non-GAAP literature. For regulators and standard setters, our findings point to an important communication tool between managers and information users. Because implicit non-GAAP reporting may be seen as less transparent, the SEC may consider requiring firms to explicitly identify SIRI guidance as expected non-GAAP exclusions, even absent explicit non-GAAP earnings guidance, to the extent that managers intend to exclude these

items when disclosing realized (actual) non-GAAP earnings at the corresponding future earnings announcement.

Appendix A: Examples of SIRI Guidance

This appendix presents detailed examples of SIRI guidance as identified by the GR dataset.

	SIRI Guidance Category	Company Name	Guidance Date	Guidance Event	Guidance Example
(1)	Severance Charges	CrossCountry Healthcare, Inc.	May 7, 2020	Q1 2020 Cross Country Healthcare Inc Earnings Call	▪ William J. Burns, Cross Country Healthcare, Inc. - Executive VP, CFO & Principal Accounting Officer: "Given the plans to further reduce costs, we expect to incur additional charges throughout 2020 pertaining to both severance as well as other exit costs related to the office reduction."
(2)	Restructuring charges	Harley-Davidson	July 16, 2009	Q2 2009 Harley-Davidson Earnings Conference Call	▪ John Olin, Harley-Davidson - Interim CFO, Controller: "As a result of our shipment expectations, and our continued focus on reducing costs, we will reduce approximately 1,000 positions." ▪ John Olin, Harley-Davidson - Interim CFO, Controller: "We expect the costs associated with today's announced activities to be approximately 40 million, which increases our expected total restructuring cost to be between 160 million and 190 million over the next two years." ▪ John Olin, Harley-Davidson - Interim CFO, Controller: "Of that total, between 130 million and 150 million are expected to be incurred during 2009." ▪ John Olin, Harley-Davidson - Interim CFO, Controller: "Approximately 80% will be cash charges."
(3)	Merger charges	Willis Tower Watson, PLC	August 5, 2016	Q2 2016 Willis Towers Watson PLC Earnings Call	▪ Roger Millay, Willis Towers Watson - CFO: "Now let's review our guidance for fiscal-year 2016 for Willis Towers Watson." ▪ Roger Millay, Willis Towers Watson - CFO: "We expect to incur approximately $150 million to $175 million for integration and transaction related items." ▪ Roger Millay, Willis Towers Watson - CFO: "Our deferred revenue add-back adjustments were completed in the June quarter." ▪ Roger Millay, Willis Towers Watson - CFO: "Integration and transaction related expenses and restructuring costs will continue to be adjusted from our GAAP measures."
(4)	Legal charges	Calamp Corp.	June 27, 2017	Q1 2018 CalAmp Corp Earnings Call	▪ Richard K. Vitelle, CalAmp Corp. - CFO, EVP, Treasurer and Corporate Secretary: "Subsequent to the end of the first quarter, we received a positive ruling by a Hong Kong arbitration tribunal in a contractual dispute that began in 2014 between LoJack and a battery supplier." ▪ Richard K. Vitelle, CalAmp Corp. - CFO, EVP, Treasurer and Corporate Secretary: "About 2 weeks ago, shortly after the arbitration ruling, we entered into a settlement agreement with the supplier and its controlling shareholder that called for LoJack to receive approximately $46 million net of legal fees and an insurance subrogation payment."

					▪ Richard K. Vitelle, CalAmp Corp. - CFO, EVP, Treasurer and Corporate Secretary: "Approximately $12 million of this $46 million has been received by LoJack thus far this month with another $3 million due before month end." ▪ Richard K. Vitelle, CalAmp Corp. - CFO, EVP, Treasurer and Corporate Secretary: "We expect to record these receipts as GAAP basis income in our second quarter financial statements." ▪ Richard K. Vitelle, CalAmp Corp. - CFO, EVP, Treasurer and Corporate Secretary: "The remainder of the settlement amount is scheduled to be received in 3 more installments over the next 12 months."
(5)	Write-downs	Celanese Corp.	April 27, 2010	Celanese Announces Proposed Consolidation of Acetate Manufacturing	▪ "Celanese Corporation (NYSE:CE), a leading, global chemical company, today announced it is considering a consolidation of its global acetate manufacturing operations by proposing the closure of its acetate manufacturing facility in Spondon, Derby, United Kingdom." ▪ "As a result of the proposed Spondon site closure, Celanese expects to record a non-cash impairment charge of US$72 million during the first quarter of 2010." ▪ "These expenses will be excluded from the company's adjusted earnings per share and operating EBITDA measures."
(6)	Gain or loss on investments	Orthofix Medical Inc.	May 6, 2019	Orthofix Reports First Quarter 2019 Results	▪ "2019 Outlook" ▪ "2019 Outlook" ▪ "(Unaudited, U.S. Dollars, in millions) Low High" ▪ "Net income $ 14.6 $ 15.5" ▪ **"Gain on investment securities (0.5) (0.5)"** ▪ "2019 Outlook" ▪ "(Unaudited, per diluted share) Low High" ▪ "Interest and gain on investment securities (0.03) (0.03)" ▪ Currency Exch. Gains (Loss) ▪ Latest Guidance
(7)	Gain or loss on assets	Dycom Industries Inc.	Februar y 24, 2016	Q2 2016 Dycom Industries Inc Earnings Call	▪ Drew DeFerrari, Dycom Industries, Inc. - CFO: "And other income from asset sales is expected to range from $1.1 million to $1.6 million."
(8)	Gain or loss on PP&E	LSB Industries Inc.	April 26, 2018	Q1 2018 LSB Industries Inc Earnings Call	▪ Mark T. Behrman, LSB Industries, Inc. - Executive VP of Finance & CFO: "Lastly, we previously disclosed several non-core asset sales." ▪ Mark T. Behrman, LSB Industries, Inc. - Executive VP of Finance & CFO: "We are currently in discussions to sell several pieces of real estate that we believe can generate approximately $6 million in additional cash."
(9)	Non-operating items	Merck & Co Inc.	July 31, 2020	Q2 2020 Merck & Co Inc Earnings Call	▪ Robert M. Davis, Merck & Co., Inc. - Executive VP of Global Services & CFO: "We now expect other income of roughly $550 million, reflecting higher unrealized gains in our equity securities portfolio based on June 30 valuations."

(10)	Stock-based compensation	Myriad Genetics Inc.	May 7, 2019	Myriad Genetics Reports Fiscal Third-Quarter 2019 Financial Results	▪ "Fiscal Fourth-Quarter 2019" ▪ "Stock Based Compensation Expense 0.08"
(11)	Pension expense	Ball Corp.	October 31, 2019	Q3 2019 Ball Corp Earnings Call	▪ Tyler J. Langton, JP Morgan Chase & Co, Research Division - Research Analyst: "And then just the $75 million pension contributions this year." ▪ Tyler J. Langton, JP Morgan Chase & Co, Research Division - Research Analyst: "What's kind of -- do you have a sense for what the normal run rate going forward?" ▪ Scott C. Morrison, Ball Corporation - Senior VP & CFO: "That moves around year-to-year, but that was really just incremental to what our initial plans were that we laid out in January." ▪ Scott C. Morrison, Ball Corporation - Senior VP & CFO: "But in total, we'll fund like $150 million, full year."
(12)	Income or loss on equity investments	Halliburton Company	April 26, 2007	Q1 2007 Halliburton Company Earnings Conference Call	▪ Chris Gaut, Halliburton Company - CFO: "We have held a minor ownership interest for some time in Dresser, Inc. That's the old Dresser Equipment Group that we sold in 2001." ▪ Chris Gaut, Halliburton Company - CFO: "We expect to sell our remaining interest during the second quarter of 2007 and realize a gain of approximately $50 million." ▪ Chris Gaut, Halliburton Company - CFO: "This gain may be offset by an impairment charge related to an interest we have in an oilfield in Bangladesh."
(13)	Foreign Exchange	Boston Scientific Corp.	October 27, 2021	Boston Scientific Announces Results For Third Quarter 2021	▪ "BOSTON SCIENTIFIC CORPORATION" ▪ "Q4 and FY 2021 GUIDANCE RECONCILIATIONS" ▪ "(Unaudited)" ▪ "Q4 2021 Estimate Full Year 2021 Estimate" ▪ "(Low) (High) (Low) (High)" ▪ **"Less: Impact of foreign currency fluctuations (1)% (1)% 1% 1%"**
(14)	Amortization of intangibles	Tupperware Brands Corp.	October 25, 2017	Tupperware Brands Reports Third Quarter 2017 Results	▪ "Full Year Full Year" ▪ "(In millions, except per share data) 2016 Actual 2017 Outlook" ▪ "Range" ▪ "Low High" ▪ **"Acquired intangible asset amortization 7.6 7.9 7.9"**

Appendix B: Characteristics of Firms with Implicit versus Explicit Non-GAAP Earnings Guidance

This table compares the characteristics of implicit versus explicit non-GAAP earnings guiders. We perform this analysis among firms that either provide implicit or explicit non-GAAP earnings guidance. *GuideMoreImplicitNonGAAPEarnings* is an indicator equal to one if managers provide implicit non-GAAP earnings guidance identified as firms that provide SIRI guidance but not non-GAAP earnings guidance. SIRI guidance is identified by whether managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideMoreImplicitNonGAAPEarnings* is an indicator equal to one if managers provide SIRI guidance absent both explicit non-GAAP and GAAP earnings guidance. *GuideLessImplicitNonGAAPEarnings* is an indicator equal to one if managers provide both SIRI guidance and explicit GAAP earnings guidance but no explicit non-GAAP earnings guidance. We cluster standard errors by firm and guidance year. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	(1) *GuideImplicit NonGAAPEarnings*	(2) *GuideLessImplicit NonGAAPEarnings*	(3) *GuideMoreImplicit NonGAAPEarnings*
NumberofSpecialItems	-0.1501***	-0.1260***	-0.0767***
	(-9.12)	(-8.43)	(-4.76)
Amortization	-0.0392*	-0.0059	-0.0860***
	(-1.85)	(-0.35)	(-3.59)
StockBasedCompensation	0.0161	0.0024	0.0222
	(0.81)	(0.13)	(1.27)
ForeignExchange	-0.0034	-0.0040	-0.0005
	(-0.23)	(-0.34)	(-0.03)
Size	-0.0831**	-0.0973***	-0.0284
	(-2.45)	(-3.03)	(-0.92)
Leverage	-0.0276	0.0023	-0.0548**
	(-1.22)	(0.13)	(-2.22)
EarnVolatility	0.0731***	0.0389***	0.0870***
	(4.97)	(3.40)	(5.57)
BooktoMarket	-0.0241	0.0006	-0.0497*
	(-0.98)	(0.03)	(-2.08)
Log(FirmAge)	0.0123	0.0530**	-0.0358
	(0.44)	(2.44)	(-1.39)
ROA	-0.0122	0.0117	-0.0501**
	(-0.67)	(0.78)	(-2.83)
Log(AnalystFollowing)	-0.0419	-0.0272	-0.0276
	(-1.56)	(-1.20)	(-1.09)
Persistence	0.0190**	0.0102	0.0172*
	(2.17)	(1.30)	(1.99)
Log(IO)	-0.0340	-0.0448**	-0.0141
	(-1.47)	(-2.38)	(-0.61)
NumberofOtherGuidance	-0.0441**	0.0516***	-0.1487***
	(-2.60)	(3.84)	(-8.55)
HistoricalNonGAAPReporting	-0.3591***	-0.3973***	-0.2648***
	(-24.56)	(-21.27)	(-12.95)
MeetorBeat	-0.0319***	-0.0219***	-0.0293***
	(-5.56)	(-3.75)	(-5.09)
Loss	0.0818***	0.0244*	0.0942***
	(6.04)	(2.03)	(7.36)
Year FE	YES	YES	YES
Industry FE	YES	YES	YES
Observations	40,505	33,565	30,557
Adjusted R-squared	0.312	0.315	0.341

Appendix C: Variable Definitions

This appendix presents the definitions of the variables used in empirical analyses.

Variable	Definition	Source
GuideSIRI	Indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles.	LSEG GR
GuideSI	Indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items.	LSEG GR
GuideRI	Indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles.	LSEG GR
GuideExplicitNonGAAPEarnings	Indicator variable if managers guide on non-GAAP earnings.	LSEG GR
GuideImplicitNonGAAPEarnings	Indicator variable if managers provide SIRI guidance (*GuideSIRI*) absent explicit non-GAAP earnings guidance.	LSEG GR
GuideMoreImplicitNonGAAPEarnings	Indicator variable if managers provide SIRI guidance (*GuideSIRI*) absent both explicit non-GAAP and GAAP earnings guidance.	LSEG GR
GuideLessImplicitNonGAAPEarnings	Indicator variable if managers provide both SIRI guidance (*GuideSIRI*) and explicit GAAP earnings guidance but no explicit non-GAAP earnings guidance.	LSEG GR
AbsBHAR	The absolute value of market-adjusted abnormal returns, defined as the buy-and-hold raw returns less the value-weighted market return from CRSP adjusted for delistings.	CRSP
NumberofSpecialItems	The number of different special items that the firm reported as identified by Compustat.	Compustat SNP
Amortization	An indicator variable equal to one if the firm has amortization expense; zero otherwise.	Compustat SNP
StockBasedCompensation	An indicator variable equal to one if the firm has stock-based compensation; zero otherwise.	Compustat SNP
ForeignExchange	An indicator variable equal to one if the firm has foreign exchange expenses/income; zero otherwise.	Compustat SNP
Size	The log of market value of equity [PRCCQ × CSHOQ].	Compustat SNP
Leverage	Leverage ratio [(DLCQ + DLTTQ) / (PRCCQ × CSHOQ)].	Compustat SNP
EarnVolatility	The standard deviation of income before extraordinary items over total assets [IBQ / ATQ] over the prior four years.	Compustat SNP
BooktoMarket	Book to market ratio ([CEQQ + TXDBQ) / (PRCCQ × CSHOQ]).	Compustat SNP

FirmAge	Number of years since the firm first had price data in CRSP. In regression analyses, we include the logged form of this variable.	CRSP
ROA	Income before extraordinary items divided over lagged total assets.	Compustat SNP
AnalystFollowing	The number of analysts who provide either a one- or two-quarter-ahead EPS forecast immediately before the earnings announcement date. In regression analyses, we include the logged form of this variable.	I/B/E/S
Persistence	Earnings persistence, calculated as the AR(1) coefficient of regressing current income before extraordinary items on prior year's income before extraordinary items, calculated over trailing four years.	Compustat SNP
IO	Institutional ownership, defined as the percentage of shares held by institutions. In regression analyses, we include the logged form of this variable.	Thompson Reuters 13f
NumberofOtherGuidance	The total number of guidance issued other than SIRI guidance (*GuideSIRI*) and aggregate earnings guidance.	LSEG GR
HistoricalNonGAAPReporting	Indicator equal to one if the manager has disclosed non-GAAP earnings in the last year.	Bentley et al. (2018) dataset
MeetorBeat	Indicator equal to one if the firm meet-or-beat analysts' consensus forecast prior to the earnings announcement.	I/B/E/S
Loss	An indicator variable equal to one if income before extraordinary items [IBQ] is less than zero, zero otherwise.	Compustat SNP
NGCL_1yr	Indicator variable if the firm receives a non-GAAP comment letter in the year following each guidance event date.	Audit Analytics
NGCL_2yr	Indicator variable if the firm receives a non-GAAP comment letter in the second year following each guidance event date.	Audit Analytics
NGCL_3yr	Indicator variable if the firm receives a non-GAAP comment letter in the third year following each guidance event date.	Audit Analytics
NGCL_1to3yr	Indicator variable if the firm receives a non-GAAP comment letter in the subsequent one to three-years combined after each guidance event date.	Audit Analytics
FutureManagerNonGAAPInd	Indicator variable if managers disclose realized non-GAAP earnings and exclusions in the future period that the guidance relates to.	Bentley et al. (2018) dataset
FutureAnalystNonGAAPInd	Indicator variable if analysts report realized non-GAAP earnings and exclusions in the future period that the guidance relates to.	I/B/E/S
FutureManagerExclusions	The magnitude of managers' non-GAAP exclusions per share scaled by assets per share in the future period that the guidance relates to.	Bentley et al. (2018) dataset
FutureAnalystExclusions	The magnitude of analysts' non-GAAP exclusions per share scaled by assets per share in the future period that the guidance relates to.	I/B/E/S
GuideExplicitNonGAAPEarnings_Year	Indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event.	LSEG GR
RevisionInd	Indicator variable if analysts revise their forecasted exclusions from before to after each guidance event date. Forecasted exclusions represent the difference between	I/B/E/S

	analysts' street and GAAP earnings forecasts. For this variable to take a value of one, the analyst must have revised her forecasted exclusions around the respective guidance event date.	
RevisionSize	The absolute value of the difference between analysts' forecasted exclusions from before to after each guidance event date. Forecasted exclusions represent the difference between analysts' street and GAAP earnings forecasts. For this variable to take a non-zero value, the analyst must have revised her forecasted exclusions around the respective guidance event date.	I/B/E/S
ForecastedExclusionsInd	Indicator variable if analysts have forecasted exclusions prior to each guidance event date. Forecasted exclusions represent the difference between analysts' street and GAAP earnings forecasts.	I/B/E/S
GuideGAAPEarnings_Year	Indicator variable if managers guide on GAAP earnings for the fiscal year related to each guidance event.	LSEG GR
ManagerNonGAAPInd	Indicator variable if managers concurrently disclose realized non-GAAP earnings in the quarter of each guidance event.	Bentley et al. (2018) dataset
$\|UE\|$	The absolute magnitude of unexpected earnings, scaled by price.	I/B/E/S
Bundled	Indicator for whether guidance is bundled with earnings announcements.	LSEG GR
Q1	Indicator variable if the guidance is issued for the first fiscal quarter.	LSEG GR
Q2	Indicator variable if the guidance is issued for the second fiscal quarter.	LSEG GR
Q3	Indicator variable if the guidance is issued for the third fiscal quarter.	LSEG GR

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Figure 1: SIRI Guidance and Non-GAAP Earnings Guidance

This figure presents the unconditional percentage rate of firm-quarters with SIRI guidance, explicit non-GAAP earnings guidance, special items (SI) guidance, and recurring items (RI) guidance by year.

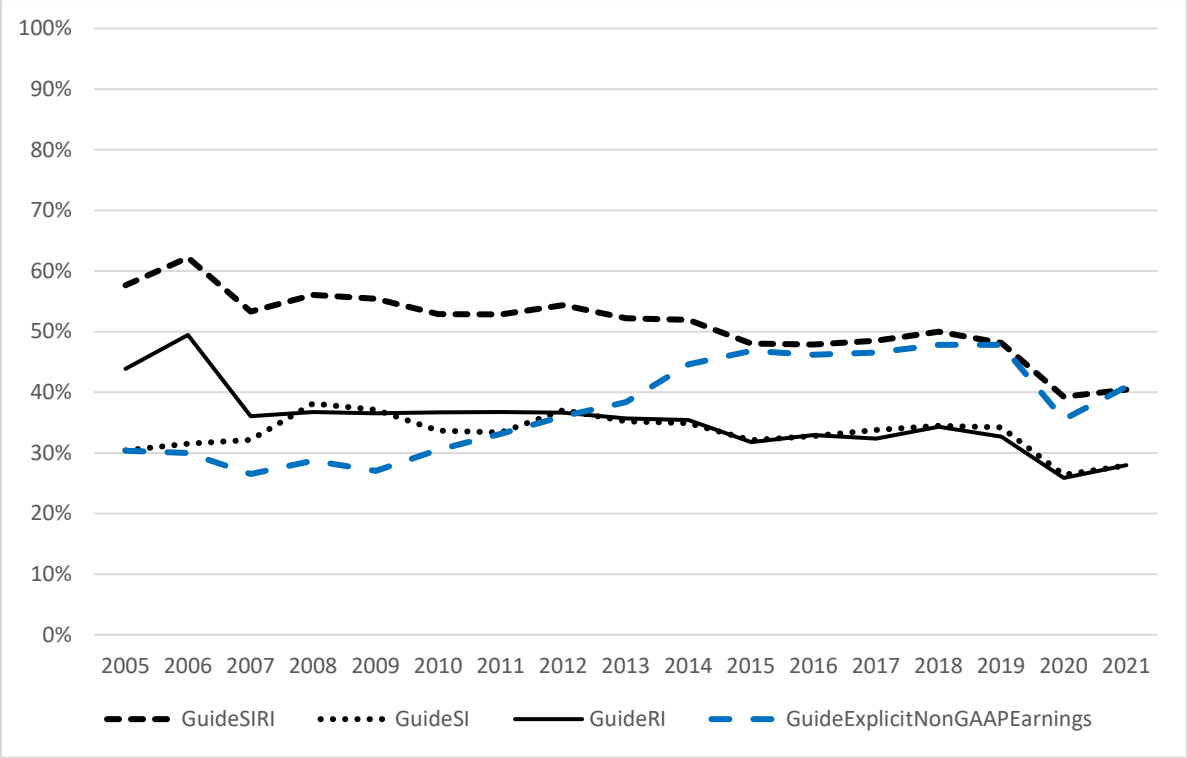

Figure 2: Research Design for Analysts' Forecasted Exclusion Revision Tests

This figure presents a timeline of managers and analysts' interaction when determining analysts' forecasted exclusions. We focus on the shaded box, which examines how SIRI guidance influences analysts' forecasts of street earnings and exclusions prior to the earnings announcement.

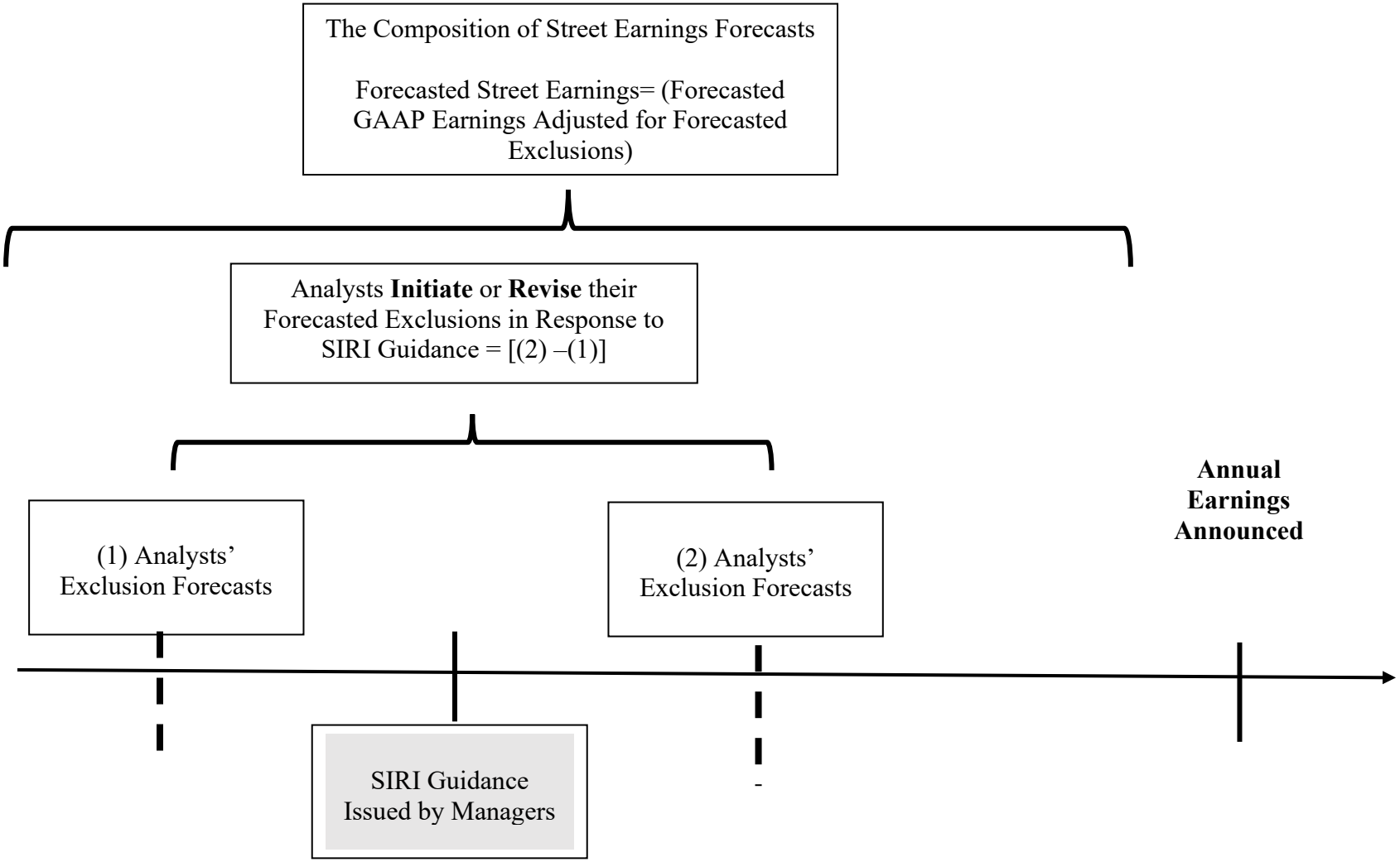

Table 1: Variable Descriptive Statistics

This table presents the descriptive statistics of the main variables used in our analysis.

Selected Variables	N	Mean	25th Percentile	Median	75th Percentile	SD
Firm-quarter observations (Appendix B, Figure 1, and Tables 2 and 10)						
GuideSIRI	64,005	0.5119	0.0000	1.0000	1.0000	0.4999
GuideSI	64,005	0.3334	0.0000	0.0000	1.0000	0.4714
GuideRI	64,005	0.3518	0.0000	0.0000	1.0000	0.4775
GuideExplicitNonGAAPEarnings	64,005	0.3690	0.0000	0.0000	1.0000	0.4825
GuideImplicitNonGAAPEarnings	64,005	0.2639	0.0000	0.0000	1.0000	0.4407
GuideMoreImplicitNonGAAPEarnings	64,005	0.1084	0.0000	0.0000	0.0000	0.3109
GuideLessImplicitNonGAAPEarnings	64,005	0.1554	0.0000	0.0000	0.0000	0.3623
NumberofSpecialItems	64,005	0.9510	0.0000	1.0000	2.0000	1.0472
Amortization	64,005	0.7274	0.0000	1.0000	1.0000	0.4453
StockBasedCompensation	64,005	0.9201	1.0000	1.0000	1.0000	0.2711
ForeignExchange	64,005	0.2560	0.0000	0.0000	1.0000	0.4364
Size	64,005	8.0109	6.8886	7.8762	9.0971	1.5559
Leverage	64,005	0.2486	0.0814	0.2323	0.3600	0.2248
EarnVolatility	64,005	0.6675	0.1363	0.2729	0.6134	1.3022
BooktoMarket	64,005	0.4882	0.2316	0.3951	0.6434	0.4112
Log(FirmAge)	64,005	2.9978	2.5649	3.0910	3.6376	0.8746
ROA	64,005	0.0136	0.0054	0.0144	0.0256	0.0315
Log(AnalystFollowing)	64,005	2.3325	1.7918	2.3979	2.8332	0.6565
Persistence	64,005	0.1428	-0.3308	0.0561	0.6169	1.0803
Log(IO)	64,005	0.4922	0.4649	0.5905	0.6522	0.2418
NumberofOtherGuidance	64,005	16.5764	8.0000	14.0000	21.0000	12.0142
HistoricalNonGAAPReporting	64,005	0.6780	0.0000	1.0000	1.0000	0.4672
MeetorBeat	64,005	0.6606	0.0000	1.0000	1.0000	0.4735
Loss	64,005	0.1546	0.0000	0.0000	0.0000	0.3615
NGCL_1yr	54,018	0.0894	0.0000	0.0000	0.0000	0.2853
NGCL_2yr	54,018	0.0871	0.0000	0.0000	0.0000	0.2820
NGCL_3yr	54,018	0.0840	0.0000	0.0000	0.0000	0.2773
NGCL_1to3yr	54,018	0.2341	0.0000	0.0000	0.0000	0.4235
Firm-guidance date observations (Table 3)						
GuideSIRI	133,254	0.2897	0.0000	0.0000	1.0000	0.4536
GuideSI	133,254	0.1860	0.0000	0.0000	0.0000	0.3891
GuideRI	133,254	0.1833	0.0000	0.0000	0.0000	0.3869
AbsBHAR	133,254	0.0472	0.0119	0.0287	0.0621	0.0555
GuideExplicitNonGAAPEarnings	133,254	0.2313	0.0000	0.0000	0.0000	0.4217
Firm-guidance date-forecasted period observations (Table 4)						
GuideSIRI	197,607	0.1826	0.0000	0.0000	0.0000	0.3864
GuideSI	197,607	0.1094	0.0000	0.0000	0.0000	0.3121

GuideRI	197,607	0.1148	0.0000	0.0000	0.0000	0.3188
FutureManagerNonGAAPInd	197,607	0.6140	0.0000	1.0000	1.0000	0.4868
FutureAnalystNonGAAPInd	197,607	0.6549	0.0000	1.0000	1.0000	0.4754
FutureManagerExclusions	197,607	0.0057	0.0000	0.0001	0.0061	0.0173
FutureAnalystExclusions	197,607	0.0058	0.0000	0.0005	0.0063	0.0211
GuideExplicitNonGAAPEarnings_Year	197,607	0.5064	0.0000	1.0000	1.0000	0.5000
Firm-guidance date-forecasted period- analyst observations (Tables 5-9)						
GuideSIRI	332,463	0.1966	0.0000	0.0000	0.0000	0.3974
GuideSI	332,463	0.1225	0.0000	0.0000	0.0000	0.3278
GuideRI	332,463	0.1223	0.0000	0.0000	0.0000	0.3276
RevisionInd	332,463	0.3568	0.0000	0.0000	1.0000	0.4791
RevisionSize	332,463	0.1792	0.0000	0.0000	0.0505	0.5867
GuideExplicitNonGAAPEarnings_Year	332,463	0.4337	0.0000	0.0000	1.0000	0.4956
ForecastedExclusionInd	332,463	0.3411	0.0000	0.0000	1.0000	0.4741
GuideGAAPEarnings_Year	332,463	0.7860	1.0000	1.0000	1.0000	0.4102
ManagerNonGAAPInd	272,571	0.5593	0.0000	1.0000	1.0000	0.4965

Table 2: Descriptive Statistics- SIRI Guidance and Implicit Non-GAAP Earning Guidance

Panel A presents descriptive statistics on the intersection between SIRI guidance and non-GAAP earnings guidance. Panel B presents descriptive statistics for the sub-sample of firms with SIRI guidance and its interaction with non-GAAP and GAAP earnings guidance. Panel C presents descriptive statistics for the sub-sample of firms with SIRI guidance and its interaction with non-GAAP and GAAP earnings guidance by SIRI guidance category (SI vs. RI guidance).

Panel A: The Intersection Between SIRI Guidance and Non-GAAP Earnings Guidance

		SIRI Guidance?		
		Yes	No	Total
Non-GAAP Earnings Guidance?	Yes	24.8%	12.1%	36.9%
	No	26.4%	36.7%	63.1%
	Total	51.2%	48.8%	100.0%

Panel B: SIRI Guidance and Potential Implicit and Explicit Non-GAAP Earnings Guidance

Conditional on firm-quarters with SIRI Guidance:			
Potential Implicit Non-GAAP Earnings Guidance		**Explicit Non-GAAP Earnings Guidance**	
Only SIRI Guidance	**Only SIRI and GAAP Earnings Guidance**	**Only SIRI and Non-GAAP Earnings Guidance**	**SIRI, GAAP, and Non-GAAP Earnings Guidance**
21.2%	30.4%	9.9%	38.5%

Panel C: SIRI Guidance by Category and Potential Implicit and Explicit Non-GAAP Earnings Guidance

	Conditional on firm-quarters with SIRI Guidance:			
	Potential Implicit Non-GAAP Earnings Guidance		**Explicit Non-GAAP Earnings Guidance**	
SIRI Guidance Categories	**Only SIRI Guidance**	**Only SIRI and GAAP Earnings Guidance**	**Only SIRI and Non-GAAP Earnings Guidance**	**SIRI, GAAP, and Non-GAAP Earnings Guidance**
Special Items Guidance (***GuideSI***)	56.1%	56.6%	65.7%	76.6%
Recurring Items Guidance (***GuideRI***)	66.3%	70.8%	59.8%	70.7%

Table 3: The Information Content of SIRI Guidance

This table examines the association between SIRI guidance and investors' absolute stock market returns around the guidance event date. *AbsBHAR* represents the absolute value of market-adjusted abnormal returns, defined as the buy-and-hold raw returns less the value-weighted market return from CRSP, adjusted for delistings. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings* is an indicator variable if managers guide on non-GAAP earnings on that guidance event date. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	(1)	(2)	(3)	(4)
	AbsBHAR		*AbsBHAR*	
GuideSIRI	0.0024***	0.0026***		
	(4.66)	(4.36)		
GuideSI			0.0017***	0.0031***
			(3.33)	(4.66)
GuideRI			0.0017***	0.0014*
			(2.62)	(1.67)
GuideExplicitNonGAAPEarnings	0.0020***	0.0024***	0.0019***	0.0026***
	(3.18)	(3.31)	(3.05)	(3.78)
GuideSIRI GuideExplicitNonGAAPEarnings*		-0.0008		
		(-0.86)		
GuideSI GuideExplicitNonGAAPEarnings*				-0.0034***
				(-3.46)
GuideRI GuideExplicitNonGAAPEarnings*				0.0011
				(0.97)
F-test p-value *GuideSIRI – GuideExplicitNonGAAPEarnings*=0	>0.10	>0.10		
F-test p-value *GuideSI – GuideRI*=0			>0.10	>0.10
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
N	133,254	133,254	133,254	133,254
adj. R-sq	0.187	0.187	0.187	0.187

Table 4: The Predictability of SIRI Guidance for Future Actual Non-GAAP Earnings

This table examines whether SIRI guidance predicts the existence of managers' and analysts' future actual non-GAAP earnings. Panel A (Panel B) focuses on the predictability of SIRI guidance for the incidence of future non-GAAP earnings (the magnitude of future total non-GAAP exclusions). *FutureManagerNonGAAPInd* (*FutureAnalystNonGAAPInd*) is an indicator variable if managers (analysts) report non-GAAP earnings and exclusions in the future period that the guidance relates to. *FutureManagerExclusions* (*FutureAnalystExclusions*) is the magnitude of managers' (analysts') non-GAAP exclusions in the future period that the guidance relates to. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* is an indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

Panel A: SIRI Guidance and the Incidence of Future Non-GAAP Earnings

	(1)	(2)	(3)	(4)
	FutureManager NonGAAPInd		*FutureAnalyst NonGAAPInd*	
GuideSIRI	0.0291***		0.0311***	
	(4.17)		(4.05)	
GuideSI		0.0447***		0.0583***
		(5.05)		(6.24)
GuideRI		0.0048		-0.0061
		(0.51)		(-0.57)
GuideExplicitNonGAAPEarnings_Year	0.2311***	0.2312***	0.2223***	0.2217***
	(19.89)	(19.96)	(19.57)	(19.59)
*GuideSIRI*GuideExplicitNonGAAPEarnings_Year*	-0.0022		-0.0103	
	(-0.26)		(-1.17)	
GuideSI GuideExplicitNonGAAPEarnings_Year*		-0.0233**		-0.0293***
		(-2.21)		(-2.62)
GuideRI GuideExplicitNonGAAPEarnings_Year*		0.0138		0.0106
		(1.27)		(0.84)
F-test p-value *GuideSI – GuideRI*=0		<0.01		<0.01
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
N	197,607	197,607	197,607	197,607
adj. R-sq	0.430	0.430	0.368	0.368

Table 4, continued

Panel B: SIRI Guidance and the Magnitude of Future Non-GAAP Exclusions

	(1)	(2)	(3)	(4)
	FutureManager Exclusions		*FutureAnalyst Exclusions*	
GuideSIRI	0.0005**		0.0008**	
	(2.19)		(2.40)	
GuideSI		0.0009***		0.0009**
		(2.71)		(2.07)
GuideRI		-0.0001		0.0002
		(-0.27)		(0.61)
GuideExplicitNonGAAPEarnings_Year	0.0022***	0.0021***	0.0023***	0.0023***
	(5.44)	(5.35)	(4.71)	(4.65)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*	-0.0002		-0.0003	
	(-0.62)		(-0.91)	
GuideSI GuideExplicitNonGAAPEarnings_Year*		-0.0003		-0.0002
		(-0.80)		(-0.39)
GuideRI GuideExplicitNonGAAPEarnings_Year*		0.0003		0.0000
		(0.87)		(0.04)
F-test p-value *GuideSI – GuideRI*=0		<0.05		>0.10
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
N	197,607	197,607	197,607	197,607
adj. R-sq	0.080	0.080	0.066	0.066

Table 5: SIRI Guidance and Analysts' Forecasted Exclusion Revisions

This table examines whether SIRI guidance is associated with analysts' forecasted exclusion revisions. *RevisionInd* is an indicator variable if analysts revise their forecasts of non-GAAP exclusions from before to after each guidance event date. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* is an indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	(1)	(2)	(3)	(4)
		RevisionInd		
GuideSIRI	0.0580***	0.0540***	0.0337***	
	(10.63)	(10.03)	(4.00)	
GuideSI				0.0258**
				(2.13)
GuideRI				0.0256**
				(2.49)
GuideExplicitNonGAAPEarnings_Year		0.1033***	0.0946***	0.0944***
		(9.37)	(8.84)	(8.85)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*			0.0421***	
			(4.07)	
GuideSI GuideExplicitNonGAAPEarnings_Year*				0.0599***
				(4.25)
GuideRI GuideExplicitNonGAAPEarnings_Year*				0.0075
				(0.62)
F-test p-value *GuideSI – GuideRI*=0				>0.10
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Analyst FE	YES	YES	YES	YES
N	332,281	332,281	332,281	332,281
adj. R-sq	0.308	0.314	0.315	0.315

Table 6: Robustness Tests

This table presents our robustness tests. Panel A examines whether SIRI guidance is associated with the magnitude of analysts' forecasted exclusion revisions. Panel B explores the robustness of our inferences to alternative research designs. *RevisionInd* is an indicator variable if analysts revise their forecasts of non-GAAP exclusions from before to after each guidance event date. *RevisionSize* is the magnitude of analysts' revisions to their forecast of non-GAAP exclusions from before to after each guidance event date. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* is an indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event. *GuideImplicitNonGAAPEarnings* is an indicator equal to one if managers provide implicit non-GAAP earnings guidance identified as firms that provide SIRI guidance but not non-GAAP earnings guidance. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

Panel A: The Magnitude of Analysts' Forecasted Exclusion Revisions

	(1)	(2)	(3)	(4)
		RevisionSize		
GuideSIRI	0.0767***	0.0749***	0.0655***	
	(9.07)	(8.84)	(4.28)	
GuideSI				0.0260**
				(2.02)
GuideRI				0.0681***
				(3.50)
GuideExplicitNonGAAPEarnings_Year		0.0463***	0.0423***	0.0420***
		(6.31)	(5.90)	(5.94)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*			0.0197	
			(1.11)	
GuideSI GuideExplicitNonGAAPEarnings_Year*				0.0622***
				(4.11)
GuideRI GuideExplicitNonGAAPEarnings_Year*				-0.0291
				(-1.32)
F-test p-value *GuideSI – GuideRI*=0				<0.10
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Analyst FE	YES	YES	YES	YES
N	332,281	332,281	332,281	332,281
adj. R-sq	0.146	0.146	0.147	0.147

Table 6, continued

Panel B: Alternative Research Design

	(1)	(2)	(3)
	Test of H1	**Test of H2**	**Test of H2**
Control group is:	Firms with No Non-GAAP Earnings Guidance and No SIRI Guidance	Firms With Non-GAAP Earnings Guidance and SIRI Guidance	Firms With Non-GAAP Earnings Guidance and No SIRI Guidance
	RevisionInd	*RevisionInd*	*RevisionInd*
GuideImplicitNonGAAPEarnings	0.0413***	-0.1384***	-0.0566***
	(5.57)	(-9.03)	(-3.83)
Controls	YES	YES	YES
Year FE	YES	YES	YES
Industry FE	YES	YES	YES
Analyst FE	YES	YES	YES
N	188,055	64,841	143,371
adj. R-sq	0.277	0.330	0.306

Table 7: SIRI Guidance and Analysts' Forecasted Exclusion Revisions– Initiating vs. Refining Analysts' Forecasted Exclusions

This table splits our main sample into those analysts that have forecasted non-zero non-GAAP exclusions prior to each guidance event date, relative to those analysts have not. *RevisionInd* is an indicator variable if analysts revise their forecast of non-GAAP exclusions from before to after each guidance event date. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* is an indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event. *ForecastedExclusionsInd* is an indicator variable if analysts have forecasted street earnings exclusions prior to each guidance event date. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	ForecastedExclusionsInd= 0 (Prompting)		*ForecastedExclusionsInd= 1 (Refining)*	
	(1)	(2)	(3)	(4)
	RevisionInd		*RevisionInd*	
GuideSIRI	0.0207***		0.0250***	
	(3.93)		(4.68)	
GuideSI		0.0166**		0.0150**
		(2.32)		(2.40)
GuideRI		0.0171***		0.0223***
		(2.96)		(4.43)
GuideExplicitNonGAAPEarnings_Year	0.0237***	0.0250***	0.0097*	0.0099*
	(6.06)	(6.37)	(1.75)	(1.81)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*	0.0429***		-0.0077	
	(5.75)		(-1.20)	
GuideSI GuideExplicitNonGAAPEarnings_Year*		0.0602***		0.0039
		(6.19)		(0.54)
GuideRI GuideExplicitNonGAAPEarnings_Year*		-0.0000		-0.0196***
		(-0.00)		(-2.98)
F-test p-value *GuideSI – GuideRI*=0		>0.10		>0.10
Wald-test p-value for difference between *GuideSIRI* across sub-samples (Column (1) and Column (3))	>0.10			
Wald-test p-value for difference between *GuideSI* across sub-samples (Column (2) and Column (4))	>0.10			
Wald-test p-value for difference between *GuideRI* across sub-samples (Column (2) and Column (4))	>0.10			
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Analyst FE	YES	YES	YES	YES
N	218,857	218,857	113,170	113,170
adj. R-sq	0.133	0.133	0.096	0.096

Table 8: SIRI Guidance and Analysts' Forecasted Exclusion Revisions– Different Levels of Implicit Non-GAAP Earnings Guidance

This table splits our main sample into those firms that guide GAAP earnings guidance, relative to those that do not. *RevisionInd* is an indicator variable if analysts revise their forecast of non-GAAP exclusions from before to after each guidance event date. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* (*GuideGAAPEarnings_Year*) is an indicator variable if managers guide on non-GAAP (GAAP) earnings for the fiscal year related to each guidance event. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	GuideGAAPEarnings_Year =0 (Without GAAP Earnings Guidance)		*GuideGAAPEarnings_Year =1(With GAAP Earnings Guidance)*	
	(1)	(2)	(3)	(4)
	RevisionInd		*RevisionInd*	
GuideSIRI	0.0494***		0.0251***	
	(3.99)		(2.69)	
GuideSI		0.0333**		0.0237*
		(2.20)		(1.79)
GuideRI		0.0447***		0.0138
		(3.16)		(1.21)
GuideExplicitNonGAAPEarnings_Year	0.1151***	0.1150***	0.0898***	0.0899***
	(5.14)	(5.14)	(7.99)	(7.98)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*	-0.0130		0.0549***	
	(-0.63)		(5.01)	
GuideSI GuideExplicitNonGAAPEarnings_Year*		0.0402		0.0629***
		(1.52)		(4.22)
GuideRI GuideExplicitNonGAAPEarnings_Year*		-0.0636**		0.0236*
		(-2.57)		(1.87)
F-test p-value *GuideSI – GuideRI*=0		>0.10		>0.10
Wald-test p-value for difference between *GuideSIRI* across sub-samples (Column (1) and Column (3))	>0.10			
Wald-test p-value for difference between *GuideSI* across sub-samples (Column (2) and Column (4))	>0.10			
Wald-test p-value for difference between *GuideRI* across sub-samples (Column (2) and Column (4))	<0.10			
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Analyst FE	YES	YES	YES	YES
N	70,842	70,842	261,101	261,101
adj. R-sq	0.329	0.329	0.330	0.330

Table 9: SIRI Guidance and Analysts' Forecasted Exclusion Revisions– The Role of Realized (Actual) Non-GAAP Reporting

This table splits our main sample into those firms that concurrently disclose realized non-GAAP earnings, relative to those that do not. *RevisionInd* is an indicator variable if analysts revise their forecast of non-GAAP exclusions from before to after each guidance event date. *GuideSIRI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideSI* is an indicator variable equal to one if managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investment, gain or loss on assets, gain or loss on PP&E, or non-operating items. *GuideRI* is an indicator variable equal to one if managers guide on stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideExplicitNonGAAPEarnings_Year* is an indicator variable if managers guide on non-GAAP earnings for the fiscal year related to each guidance event. *ManagerNonGAAPInd* is an indicator variable if managers concurrently disclose realized (actual) non-GAAP earnings. We cluster standard errors by firm and guidance date. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

	ManagerNonGAAPInd=0 (Without Historical Non-GAAP Reporting)		*ManagerNonGAAPInd =1 (With Historical Non-GAAP Reporting)*	
	(1)	(2)	(3)	(4)
	RevisionInd		*RevisionInd*	
GuideSIRI	0.0197***		0.0628***	
	(3.40)		(5.36)	
GuideSI		0.0142		0.0549***
		(1.45)		(4.41)
GuideRI		0.0177**		0.0297*
		(2.49)		(1.85)
GuideExplicitNonGAAPEarnings_Year	0.0420***	0.0422***	0.0818***	0.0798***
	(5.19)	(5.23)	(5.60)	(5.55)
GuideSIRI GuideExplicitNonGAAPEarnings_Year*	0.0430***		-0.0082	
	(3.27)		(-0.61)	
GuideSI GuideExplicitNonGAAPEarnings_Year*		0.0818***		0.0178
		(4.45)		(1.24)
GuideRI GuideExplicitNonGAAPEarnings_Year*		-0.0125		-0.0187
		(-0.84)		(-1.08)
F-test p-value *GuideSI – GuideRI*=0		>0.10		>0.10
Wald-test p-value for difference between *GuideSIRI* across sub-samples (Column (1) and Column (3))	<0.01			
Wald-test p-value for difference between *GuideSI* across sub-samples (Column (2) and Column (4))	<0.05			
Wald-test p-value for difference between *GuideRI* across sub-samples (Column (2) and Column (4))	>0.10			
Controls	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES
Analyst FE	YES	YES	YES	YES
N	119,940	119,940	152,283	152,283
adj. R-sq	0.219	0.219	0.281	0.281

Table 10: Implicit Non-GAAP Earnings Guiders and the SEC's Regulatory Oversight

This table examines whether implicit, relative to explicit, non-GAAP earnings guiders receive less regulatory scrutiny from the SEC. This analysis is performed among the firms that provide either implicit or explicit non-GAAP earnings guidance. *NGCL* is an indicator variable if the firm received a non-GAAP reporting comment letter in the subsequent period. *GuideImplicitNonGAAPEarnings* is an indicator equal to one if managers provide implicit non-GAAP earnings guidance identified as firms that provide SIRI guidance but not non-GAAP earnings guidance. SIRI guidance is identified by whether managers guide on severance charges, restructuring charges, merger charges, legal charges, write-downs, gain or loss on investments, gain or loss on assets, gain or loss on PP&E, non-operating items, stock-based compensation, pension, stock-based compensation, income or loss on equity investees, foreign exchange, or amortization of intangibles. *GuideMoreImplicitNonGAAPEarnings* is an indicator equal to one if managers provide SIRI guidance absent both explicit non-GAAP and GAAP earnings guidance. *GuideLessImplicitNonGAAPEarnings* is an indicator equal to one if managers provide both SIRI guidance and explicit GAAP earnings guidance but no explicit non-GAAP earnings guidance. We cluster standard errors by firm and guidance year. Refer to Appendix C for detailed variable definitions. *t*-statistics are presented in parentheses. *** indicates significance at 1%; ** at 5%; and * at 10%, respectively.

Panel A: Implicit Non-GAAP Earnings Guiders versus All Explicit Non-GAAP Earnings Guiders

	(1)	(2)	(3)	(4)	(5)
	NGCL_ 1yr	*NGCL_ 2yr*	*NGCL_ 3yr*	*NGCL_ 1to3yr*	*NGCL_ 1to3yr*
GuideImplicitNonGAAPEarnings	-0.0356***	-0.0188***	-0.0127***	-0.0632***	
	(-4.67)	(-4.57)	(-3.28)	(-4.70)	
GuideMoreImplicitNonGAAPEarnings					-0.0638***
					(-4.06)
GuideLessImplicitNonGAAPEarnings					-0.0628***
					(-4.18)
F-test p-value *GuideMoreImplicitNonGAAPEarnings*– *GuideLessImplicitNonGAAPEarnings* =0					>0.10
Year FE	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES
N	34,499	34,499	34,499	34,499	34,499
adj. R-sq	0.018	0.017	0.016	0.030	0.030

Table 10, continued

Panel B: Implicit Non-GAAP Earnings Guiders versus Explicit Non-GAAP Earnings Guiders That Issue SIRI Guidance

	(1)	(2)	(3)	(4)	(5)
	NGCL_ 1yr	*NGCL_ 2yr*	*NGCL_ 3yr*	*NGCL_ 1to3yr*	*NGCL_ 1to3yr*
GuideImplicitNonGAAPEarnings	-0.0352***	-0.0208***	-0.0156***	-0.0676***	
	(-4.49)	(-4.58)	(-3.07)	(-5.04)	
GuideMoreImplicitNonGAAPEarnings					-0.0692***
					(-4.20)
GuideLessImplicitNonGAAPEarnings					-0.0668***
					(-4.59)
F-test p-value *GuideMoreImplicitNonGAAPEarnings*– *GuideLessImplicitNonGAAPEarnings* =0					>0.10
Year FE	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES
N	28,474	28,474	28,474	28,474	28,474
adj. R-sq	0.017	0.017	0.017	0.030	0.030