

Capital Market Consequences of Conference Presentations

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Abstract

Managerial presentations at conferences have become an increasingly important voluntary disclosure mechanism. Conference presentations differ from other types of voluntary disclosure in that they occur within a well-defined physical and social setting, which we refer to as the conference “milieu,” and they are not routinely tied to another major information event, such as a quarterly earnings release. We use a sample of 95,105 presentations, given at conferences sponsored by 849 different organizations, to examine the market reaction to conference presentations. We find that conference characteristics such as sponsor, location, size, and industry focus are significantly associated with the three-day stock return and trading volume reactions to presentations, consistent with the conference milieu affecting both managers’ incentives to disclose information and the information content stemming from the participants’ private information. We also find that these conference characteristics are associated with the impact of the presentations on long-term analyst and institutional investor following, consistent with the conference milieu affecting the pool of prospective investors for the firm.

1. Introduction

Managerial presentations at conferences have become an increasingly important voluntary disclosure mechanism. Conferences bring together a large number of companies to the same location for a series of management presentations to an audience that has been invited to attend by the conference sponsor (generally an intermediary such as a brokerage firm or trade association). The presentations last around an hour and include a mix of prepared remarks and question and answer periods. Management views these presentations as a time-intensive, yet essential, medium for communicating directly with outsiders (Jackson [2007]). However, we know very little about how these presentations impact the market. In this paper, we examine how characteristics of the conference affect the short-term market reaction to the presentations and subsequent changes in investor and analyst following.

Conference presentations differ from other types of voluntary disclosure, such as press releases or conference calls, on two important dimensions. First, the presentation occurs within a well-defined physical and social setting, which we refer to as the conference “milieu.” Unlike other disclosure settings, the manager is co-located with an audience and with other firms’ managers at a specific place, providing the opportunity for face-to-face interactions among all participants. Moreover, the presentation occurs within a conference organized for a specific purpose, in front of an audience attracted by that purpose, and often concurrently with other companies’ presentations. This conference milieu introduces a new aspect to the disclosure process that likely influences the managers’ choice of message and the market’s reaction to the presentation.

Second, conference presentations are not routinely tied to another major information event, such as a quarterly earnings release. The need for co-location among a large number of

presenting firms and audience members means the conference sponsor must generally schedule the conference date well in advance, and at a time when managers are able to attend. As a result, conference presentations are not part of the firms' required financial reporting calendar (e.g., quarterly and annual earnings announcements). Rather, the goal of the conference presentation is often to provide a broader, more qualitative view of the firm in order to build or maintain visibility among capital or product market constituents. The absence of an associated information event provides a powerful setting for examining how the disclosure process, in this case the conference milieu, impacts the market's reaction to a disclosure.

We use a sample of 95,105 presentations, given at conferences sponsored by 849 different organizations, to examine the market response to conference presentations. We find that conference presentations are economically-meaningful information events. There are significant positive spikes in standardized absolute size-adjusted returns (SAR) and abnormal share turnover in the three-day window around the presentations. These results suggest that presentations, on average, convey new information and/or change investors' priors about the firm. We also find that presentations are associated with significant long-term increases in analyst following and institutional investor ownership.

Our main analyses examine how cross-sectional differences in the conference milieu influence the market response to presentations. There are a number of reasons why conference characteristics such as sponsor, location, size, and industry focus affect whether the presentation conveys information to the market. First, if managers choose to use conferences to disclose new information (e.g., a product launch), they are likely to provide the disclosure in a high-profile conference with an audience that will be most impacted by the information. Thus, we expect presentations at conferences sponsored by top brokerage firms and by product market

associations will have greater information content. Second, even if managers have nothing new to disclose, presentations could convey information when combined with other firms' presentations at the conference. Thus, we expect that industry-focused conferences will result in greater information transfer and more information content. Third, the information content of the presentation is a function of the audiences' private information and ability to form higher-order beliefs from the actions of other participants; thus, conferences with larger audiences and more opportunities for interaction outside of the formal presentation are more likely to convey information. We expect that conference size and location will affect audience size and the amount of interactions, with large conferences and conferences located in money centers and at "destination" resorts exhibiting higher information content.

We find that the conference sponsor, location, size, and industry focus, as well as the number of recent prior conference presentations, all significantly impact the short-term market reaction to the presentation. Presentations at product market conferences and at conferences hosted by top brokerage firms exhibit significantly greater absolute SAR and abnormal share turnover than conferences hosted by small brokerage firms, analyst societies, stock exchanges, and investor relations firms. Presentations at conferences held in money centers and at "destinations" generate significantly more information content than presentations held in other US cities or outside the US. Larger conferences and industry-focused conferences are also associated with greater information content. Finally, presentations are less informative if the firm has recently made a number of other conference presentations. Combined, these results show that conferences characteristics significantly impact the information content of disclosure, suggesting the importance of the disclosure milieu in explaining the market reaction to voluntary disclosure.

Next, we examine how cross-sectional differences in the conference milieu influence longer-term changes in analyst following and institutional investor ownership. Because we control for the information content of the presentation, the size and nature of the audience should be the major determinant of whether a presentation attracts new interest from analysts and investors. We find that both analysts and institutions significantly increase their following in firms that present frequently at conferences, suggesting that frequent presentations reach a greater potential audience of new investors. We also find that both analyst and institutional investor following are less affected by presentations at non-US conferences. Analysts are less likely to increase following after presentations at product market conferences or top brokerage conferences, consistent with analysts not being the target audience in either of these settings.¹ However, analysts are more likely to increase coverage of firms presenting at industry-focused conferences, consistent with the industry-based structure of analyst coverage. In contrast, institutional investors are more likely to increase ownership of firms presenting at large conferences and those hosted by top brokerage firms. This result suggests that institutional investors are more likely to attend conferences that provide them with preferential access to a large number of firms, thus reducing the costs of learning about these firms.

The above results are all estimated *within* the sample of firms presenting at a conferences to enable us to focus on the effect of cross-sectional differences in conference characteristics on the market response to presentations. Nevertheless, we also explore how firms invited by sponsors to present at conferences differ from firms that are not invited. Not surprisingly, we find that conference presenters tend to be large, US firms with high analyst and institutional investor following, and relatively high prior and expected growth. These findings suggest that

¹ As previously mentioned, product market conferences tend to focus on customers and suppliers. Top brokerage conferences are organized by one brokerage firm and generally do not invite analysts from other firms. Companies invited to present would usually already be covered by the sponsoring brokerage firm.

one should be careful in generalizing our findings to firms that do not use this form of disclosure. However, in our within-sample analyses, we use the firm as its own control and explicitly control for these firm characteristics, which mitigates the potential effect of correlated omitted variables associated with the decision to present at conferences.

This paper contributes to the voluntary disclosure literature in several ways. First, we provide evidence that the characteristics of the disclosure setting and audience impact the effectiveness of the disclosure. Unlike most verbal or written disclosures, presentations at a conference occur within a clear “milieu” as the manager has an explicit sense of the audience for the disclosure and the other firms that are competing for attention. This sense of milieu provides managers the opportunity to tailor their message to a certain audience and increases the likelihood that certain types of private information will be impounded into price based on the size and nature of the audience. It is likely that managers have a similar sense of the disclosure milieu in settings such as road shows or annual shareholder meetings, but the advantage of the conference setting for researchers is that we can more easily measure the characteristics of the milieu to understand how they may also impact these other settings.

This paper also contributes to the literature by examining a disclosure mechanism, conference presentations, that has become one of the most prevalent forms of voluntary disclosure in recent years, with the median firm in our sample presenting every quarter. Our findings suggest that conference presentations have become a central feature of communication strategies for these firms and that future researchers should consider the role of these presentations when examining voluntary disclosure.

Finally, our results show that similar disclosure mechanisms can fulfill very different purposes. We find that some conference venues are more useful for presenting new information

while others lend themselves more to developing longer-term following by market participants. This finding suggests that researchers must be careful when treating seemingly similar disclosure mechanisms as being homogenous.

2. Motivation and Predictions

2.1 Prior Literature

A large literature demonstrates the impact of voluntary disclosures on both short-term stock price and volume movements (Patell [1976], Lev and Penman [1990], Skinner [1994], Hutton, Miller and Skinner [2003]) and long-term changes in following by analysts and institutional investors (Lang and Lundholm [1993], [1996a], Healy, Hutton and Palepu [1999], Bushee and Noe [2000]).² The majority of this literature focuses on written disclosures, such as earnings forecasts or announcements (e.g., Patell [1976], Lev and Penman [1990], Pownall, Wasley, and Waymire [1993], Skinner [1994], Hutton, et al. [2003]). While these studies provide evidence of the importance of specific types of voluntary disclosure, they cannot address the potential role of the audience for the disclosure, the impact of management interactions with the audience, or the importance of disclosure that is not explicitly tied to a mandatory information release.

Prior work also examines third-party created disclosure indices (e.g., AIMR scores) to obtain broader measures of disclosure activities for a large number of firms (e.g., Lang and Lundholm [1993], [1996a], Healy, et al. [1999], Bushee and Noe [2000]). In addition to two ratings of written disclosures, AIMR scores also include an assessment of “investor relations,” which provides some evidence on the impact of interactive verbal disclosures (though these activities are not explicitly measured). However, in most of these studies, results are similar

² For a full review of the disclosure literature, see Healy and Palepu [2001] and Verrecchia [2001].

across all three measures, suggesting that they capture a similar underlying latent variable that is highly correlated to the written disclosure. More direct evidence of the role of interactive verbal communications is provided by studies of conference calls, which find that they are an important source of information for investors and analysts (Frankel, Johnson and Skinner [1999], Bowen, Davis and Matsumoto [2002], Bushee, Matsumoto and Miller [2003], [2004]). For this form of disclosure, managers have a great deal of control over the timing and the audience for the call; however, there is no possibility for interaction before or after the call; and the call is again generally tied to some other information event.

In recent years, managers have increasingly moved beyond written disclosure and the limited interaction of conference calls to include regular in-person presentations at conferences (Jackson [2007]). These presentations provide managers with an opportunity to explain the firm's "story" and to develop managerial credibility with investors through face-to-face interactions, without having to focus on explaining some recent information event. Many investor relations professionals view these face-to-face meetings as the most crucial portion of firms' financial communication strategy (Bushee and Miller [2007]). These presentations provide researchers the ability to examine how cross-sectional differences in the disclosure milieu (e.g., the target audience and degree of interaction) affect the market response to disclosures not related to a mandatory disclosure event.

Despite the growing importance of conference presentations, only one published study (to our knowledge) examines these managerial presentations. Francis, Hanna, and Philbrick [1997] use a sample of 1,199 presentations to the New York Society of Security Analysts during the nascent period for management presentations (1986-1992) to test the impact of these presentations on analysts. They find an increase in analyst following after the presentation, but

no impact on forecast accuracy. They also find a significant market response on the day of the presentation, particularly for undervalued firms, which they argue is consistent with the presentation mitigating visibility challenges faced by the firm.³ Subsequent to the Francis, et al. [1997] sample period, the number and variety of organizations sponsoring conferences have grown substantially.⁴ Due to the recent proliferation of conferences, we are able to examine over 95,000 presentations hosted by over 800 organizations to explore the effect of a broader range of conference characteristics on the market reaction to interactive voluntary disclosures.

2.2 Conference Presentations

The broad and flexible scope of conference presentations provide rich opportunities for institutional investors, analysts, and other stakeholders to evaluate a company's prospects, assess management's credibility, and develop a greater confidence in their relations with the firm.⁵ Conferences are typically publicized weeks in advance and are by invitation only; although, to comply with Regulation Fair Disclosure, companies often provide webcasts and/or subsequent transcripts. Presentations typically last 30-45 minutes and can follow several formats depending on the interests of management or the audience. Generally, a presentation consists of a CEO or CFO making prepared remarks and then taking questions from investors. Some firms opt to use the full time for Q&A, with a moderator choosing who in the audience can ask questions. After the scheduled presentation, participants can often continue conversations with management in the halls and during meals. For this reason, participants attending a conference can potentially gain more information than those who only listen to webcasts or wait for written disclosure.

³ Low analyst following and undervaluation have been attributed to lack of visibility (Huberman [2001]). Thus, their results suggest such visibility problems were mitigated. However, the lack of findings for an impact on analyst accuracy and the lower market response for firms that do not face undervaluation problems both suggest that the presentations are not providing new information, *per se*.

⁴ The number of conferences hosted by analyst societies has declined over time such that the vast majority of conferences are now hosted by brokerage firms and other organizations (see the Appendix for more details).

⁵ The institutional background in this section comes from numerous interviews the authors have conducted with conference sponsors and attendees.

Because the interpersonal interactions are one of the crucial benefits of conference presentations, it imposes the requirement that the presenting managers and audience members be present at the conference. This need for co-location results in conference presentations differing from other types of voluntary disclosure on two important dimensions. First, conference presentations are not routinely tied to another major information event, such as a quarterly earnings release, because the conference must be scheduled well in advance, and at a time when managers are able to attend. Second, the presentation occurs within a well-defined physical and social setting, which we refer to as the conference “milieu.” The presentation occurs within a conference organized for a specific purpose, in front of an audience attracted by that purpose, and often concurrently with other companies’ presentations. This conference milieu introduces a new aspect to the disclosure process that likely influences the managers’ choice of message and the market’s reaction to the presentation. Thus, we expect conference characteristics such as sponsor, location, size, and industry focus will influence both the short-term and long-term market response to these presentations.

2.3 Predictions

2.3.1 *Conference Sponsors*

The conference sponsor invites the firms and the audience to the conference, and thus determines the nature of the information discussed at the conference. We divide conference sponsors into two categories based on their primary goal: 1) “product market” conferences focus on communications with business partners and 2) “capital market” conferences involve interactions with investors and analysts. Product market presentations are generally sponsored by organizations such as non-profit associations (e.g., American Association for Cancer Research), consulting firms (e.g., Gartner Group), companies (e.g., Oracle’s OpenWorld

conference), media outlets (e.g. *Economist*), and universities (e.g., the Wharton School Technology Conference). Companies use these presentations as an opportunity to provide their view of the overall market in which they participate, and often unveil new technologies, products, or business relationships. For example, the annual International Consumer Electronics Show in Las Vegas is often the forum for announcements of upcoming high-tech consumer products (22 firms presented at the CES in 2007). While such information is value-relevant for investors and analysts, the goal of these conferences is to cultivate relationships with customers and business partners, not to increase following by investors and analysts.

Capital market conferences are sponsored by brokerage firms (often through their sell-side analysts), investor relations (IR) firms, stock exchanges, and analyst societies. Presentations at these conferences generally attempt to meet investor and analyst demands for any updated information and to create a better understanding of the firm, with the goal of attracting greater investor and analyst following. Within this group, conferences sponsored by the top brokerage firms (e.g., Goldman Sachs, Morgan Stanley) are likely to attract a broader range of institutional investors, including the largest investors, as well as greater media coverage. Such a potential audience gives managers incentives to time any new disclosures for these conferences. These conferences are often organized by an analyst in the brokerage firm and generally exclude analysts from other brokerage firms from the guest list, which makes these conferences more focused on increasing institutional ownership than on increasing analyst following.

Overall, we expect that presentations at product market conferences and at top brokerage conferences will have greater information content than presentations at other capital market conferences due to managers' incentives to time any new information disclosure for these high profile conferences. Controlling for the information content, we expect that product market

conferences will lead to smaller increases in analyst and institutional investor following than capital market conferences, where the primary focus is cultivating relationships between managers and stock market participants. However, due to the attraction of more institutional investors to, and the general exclusion of outside analysts from, top brokerage conferences, we expect that top brokerage conferences will have a greater impact on institutional investor following, but a smaller impact on analyst following, than other capital market conferences.

2.3.2 Geographic Location

The geographic location of the conference is likely to impact both the size of the audience and the degree of interactions between managers and participants outside of the presentation. We divide our sample into four groups based on location: money centers, destinations, other US cities, and non-US cities. The majority of conferences are held in money centers such as New York, Boston, San Francisco, and Chicago, where a substantial number of buy-side investors and analysts are based. The proximity of these conferences to a large number of capital market participants will draw a larger audience, which will increase the informedness of the presentation (Holthausen and Verrecchia [1990], Bushee et al. [2003]). Moreover, these conferences provide low-cost access for institutions or analysts who do not currently follow the stock.

A large number of conferences are also held in “destination” locations such as Florida, Arizona, Southern California, and Las Vegas. These conferences generally require both investors and managers to travel long distances, increasing the time commitment for attending the conference.⁶ However, these conferences offer the benefit of increased interaction as managers and investors are more likely to stay at the conference over a multi-day period and,

⁶ Many of these conferences also impose costs by requiring the investors and analysts to travel out of the Eastern Time zone, making it harder to participate in the major US markets. This is one reason that Florida is the most popular location for destination conferences.

thus, will have the opportunity to mix in various types of business and social events over the span of the conference. A smaller number of conferences are held in other US cities and tend to either focus on regional firms or on a certain industry (e.g., government contractor conferences in Washington D.C). Thus, the audience will tend to be smaller at these conferences than at money center or destination conferences. We use these conferences as the benchmark group for the other locations. Finally, some conferences in our sample are held outside the US. US firms may present at foreign conferences as a way to overcome home bias and attract foreign investment (Bradshaw, Bushee and Miller [2004]). However, such conferences are less likely to attract US investors and analysts (and with our data, it will be difficult to detect any impact on non-US analyst and institutional investor following). Because the goal is to attract foreign investment, such presentations are geared toward providing a more basic understanding of the firm to potential investors, rather than disclosing new information.⁷

Overall, we expect that presentations at money center conferences and at destination conferences have greater information content and greater subsequent increases in analyst and institutional investor following than presentations at other US cities due to their larger audiences and greater opportunities for interaction between participants. We expect lower information content, and less impact on US analysts and investors, at non-US conferences as the goal of these conferences is primarily to increase visibility among foreign investors.

2.3.3 Conference Size

Conferences vary significantly in the number of firms presenting, which will influence the size of the audience. Conferences with a large number of presenting firms provide analysts

⁷ Conferences in non-US cities could also be split into money centers, destinations, and other. We chose to group all non-US conferences together due to the relatively small number of foreign conferences in our sample and to the fact that the requirement of foreign travels is likely the most important factor in determining the level of participation by US investors and analysts.

and investors with a low-cost and effective way to view a large number of firms in a short time period and, thus, attract more market participants. Presentations at large conferences should produce larger immediate stock market reactions if they allow a greater number of investors to have access to management, increasing the informedness of the presentation (Holthausen and Verrecchia [1990], Bushee et al. [2003]). Larger conferences also likely provide managers incentives to disclose more information to stand out from the crowd. Thus, we expect conference size to be positively associated with both the information content of the presentation and the subsequent change in institutional investor and analyst following.

2.3.4 Industry Focus

The number of industries represented at the conference will affect the potential amount of information transfer among presenting firms and the audience. Some conferences are focused on a given industry (e.g., Health Care, Energy), while others are focused on an investment style and include many industries (e.g., Growth stocks). If a conference focuses on a particular industry, it is more likely to attract a large number of analysts and fund managers that have specialized knowledge of the industry. Thus, for any given firm, the percentage of the overall audience with a potential interest in the firm is greater than at a more broadly-focused conference. This greater pool of interested attendees with industry-specific knowledge should produce a larger immediate stock market reaction to the presentation due to the informedness effect and the greater possibility of information transfers within industry (Lang and Lundholm [1996b]). Also, to the extent that analysts and investors specialize in certain sectors, presentations at industry-focused conferences should also be more effective at increasing analyst and institutional investor following. Thus, we expect greater information content and larger increases in investor and analyst following for presentations at industry-focused conferences.

2.3.5 Prior Conference Presentations

While the number of recent conference presentations a company has given is not a characteristic of the conference milieu, we expect that the frequency of prior presentations has a significant impact on the market reaction to the presentation. Firms that have recently presented at numerous conferences are less likely to have new information to provide to market participants. While a single presentation could be sufficient to provide attendees with the information they desire regarding management and, hence, lead to an increase in following, we expect that multiple presentations will allow managers to interact with more potential investors and analysts, increasing the likelihood that some decide to follow the firm. Further, multiple presentations indicate a commitment to maintain direct interactions with investors and analysts, increasing market confidence that management will not act opportunistically in its disclosure behavior. Thus, we predict that more frequent presentations will be associated with less information content, but greater increases in analyst and investor following.

3. Sample and variables

3.1 Sample

We obtain data on conference presentations from the Thomson Reuters' Street Events database. For each presentation, Thomson provides the firm name, ticker symbol, conference name, and the date, time, and location.⁸ Thomson collects this data from the sponsor of the

⁸ One complication in using the Thomson data is that it is indexed by the current company ticker symbol, with acquired firms' presentations listed under the acquirer's ticker symbol. For instance, Zoran acquired Oak Technology during the sample period and all of Oak Technologies' presentations are now listed under Zoran. However, in 1999 and since 2002, Thomson provides the company name at the time of the presentation, which allows us to cleanly identify the firm making the presentation. In 2000, 2001, and much of 2002, Thomson did not list the company name. In such cases where multiple acquisitions have occurred, we had research assistants check Factiva for press releases to identify the firm presenting or use the known time-series of firms presenting at specific annual conferences. When we were unable to classify the presentation using this method, we classified it under the acquiring firm, which adds noise to the earlier data.

conference and from the presenting companies. Thomson provides this data both to alert its customers of upcoming conferences, as the presentations are often scheduled and publicized weeks beforehand, and to provide webcasts or transcripts of the presentation. Over 57% of the conferences are one-day events, with 26% as two-day events, 12% as three-day events, and 3% as four- or five-day events.

The data begins in February 1999 and we have collected it through December 2007. Thomson lists 121,739 conference presentations during this period. However, 319 of these are panel discussions or presentations by individuals unaffiliated with companies or the brokerage firms. Using the list of conferences compiled by Thomson, we further eliminate 429 observations because either (1) an annual meeting or one-on-one analyst meeting was misclassified as a conference presentation (these all occur in 1999) or (2) the conference was cancelled or postponed (these tend to be concentrated about 9/11/2001). These eliminations produce 120,991 conference presentations by 13,346 firms.

Next, we attempt to find each firm on the CRSP database, from which we obtain stock return, trading volume, and industry data. We are able to find CRSP permanent numbers for 7,261 firms. The firms for which we are not able to find CRSP data include private firms, brokerage firms, firms listed on the OTC Bulletin Board or Pink Sheets, and non-US firms. The requirement of CRSP data around the date of the presentation eliminates 15,886 observations. Finally, we obtain institutional investor ownership data from the Thomson Reuters Form 13F database, analyst following data from the Thomson Reuters I/B/E/S database, and data on firm characteristics from the Compustat database. After requiring this data, we have a final sample of 95,105 presentations by 5,910 firms at 5,464 conferences sponsored by 849 organizations.

Table 1 presents a breakdown of the sample by conference characteristics. Panel A shows the sponsors and locations of the presentations by calendar year. The number of conference presentations has been growing over time (with a slight reversal in 2007). This general upward trend is attributable to both an increase in the number of presentations and an increase in Thomson's coverage of them. The panel shows that about 11% of the presentations are at conferences focused on the product market, whereas the remaining 89% are roughly split evenly between the top brokerages and the other capital market conferences (see the Appendix for more details on the classification of sponsors and locations). Money centers are the most common location for conference presentations (65%), followed by destinations (21%), other US cities (8%), and non-US locations (6%).⁹

In Panel B, we report the number of industry-focused conferences and their distribution across sponsors and locations. We define an industry-focused conference as having fewer than 4 industries represented at the conference.¹⁰ About 28% of the conferences are industry-focused, suggesting that sponsors usually include a broad number of industries in conferences, likely to increase potential attendance by investors. Almost 60% of product-market conferences are industry-focused, which is expected based on the focus on business relationships. Industry-focused conferences comprise an above-average percent of those held in other US cities (35%) and outside the US (57%), and a below-average percent of destination conferences (18%). Most of these industry-focused, destination conferences are related to product markets. In Panel C, we present a cross-tabulation of sponsors and locations that shows that product market conferences are more likely to be held at destinations than capital market conferences, which

⁹ There are a small number of "virtual" conference presentations (309), in which firms webcast presentations during a set schedule without any co-location by firms or investors. These presentations peaked at 63 in 2002, and have steadily dropped to only 18 in 2007. We group these presentations in the benchmark "other US city" category.

¹⁰ We define industry using the 30-industry classification on Ken French's website that was used in Brennan, Wang, and Xia [2004]. Our results are not sensitive to expanding the definition to be fewer than five or six industries.

tend to be held in money centers. However, the table shows a large amount of variation across sponsors and locations such that it is likely that one dimension is not proxying for the other.

Panel D of Table 1 shows the Fama-French industry classification for our sample firms. Four industries account for 63% of our sample observations: Business Services, Health Care, Business Equipment, and Financial Services. Because of this concentration on technology and financial services firms, all of our tests will include industry fixed effects.

3.2 Variable definitions

We measure the impact of conference sponsor, location, and industry focus in the analyses with indicator variables for product market conferences (*DPRODMKT*), capital market conferences hosted by top brokerages firms (*DCAPMKT_TOP*), money center conferences (*DMONCEN*), destination conferences (*DDEST*), conferences held outside of the US (*DNONUS*), and industry-focused conferences (*DINDUS_CONF*). Thus, the omitted group in the analyses includes presentations at broadly-focused conferences hosted by other capital market sponsors in other US cities. We measure the size of the conference (*LCONFSIZE*) as the log of one plus the number of presentations that occur at the conference. To capture the frequency of prior conferences presentations, we use the log of one plus the number of conference presentations given by the firm in the past 90 ninety days (*LPRIORPRES*).

As control variables, we include a large number of firm characteristics that prior literature finds are associated with voluntary disclosure activity. We include a measure of firm size, defined as the log of market value of equity (*LMV*) from CRSP, measured 30 days before the conference presentation. We measure institutional investor following as the percentage ownership by institutional investors (*PIH*), defined as total shares owned by institutions divided by the total shares outstanding. We compute this variable for the most recent calendar quarter

end prior to the conference presentation. We use the log of one plus the number of analysts issuing earnings forecasts (*LNANL*) as the measure of analyst following. We compute this measure as the number of unique analysts issuing an earnings forecast for any horizon during the calendar quarter prior to the conference presentation. For both *PIH* and *LNANL*, we assume the variable has a value of zero for any period when the company is listed on an exchange but there is no data available. Next, we include two measures of recent market activity. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. We also include an indicator variable for whether the company is headquartered outside the US (*DFORFIRM*).

We include a number of profitability and growth proxies as controls, including the earnings-price ratio (*EP*), dividend yield (*DP*), the book-to-price ratio (*BP*), the most recent change in net income, deflated by prior market value (*CNI*), and the most recent annual sales growth (*SGR*). As a visibility proxy, we add an indicator variable for whether the firm is listed on a Standard & Poor's index (*SPINDEX*). To proxy for the complexity of a firm's business, we include the ratio of intangible assets to total assets (*INTAN*). We proxy for firm risk with a debt-to-assets leverage ratio (*LEV*), the standard deviation of stock returns (*STD*), and beta (*BETA*). We proxy for firm age with the log of the number of years the firm has been listed (*LTIME*).

Table 2 presents descriptive statistics for the conference and firm characteristics. The mean (median) conference size is 82 (61) presentations, indicating that conferences generally involve a large number of presentations.¹¹ Conferences also tend to be somewhat diverse in terms of industry membership, with a mean (median) industry size of 9 (8) industries

¹¹ There are 1,152 observations (1.2% of the sample) for which the conference size is only one presentation. While many of these are company-sponsored conferences, some may be conferences for which Thomson has not collected all of the participating firms. We excluded these observations from the sample and the results were unchanged.

represented. The median firm has presented at one other conference in the prior 90 days; 38% of the sample has not presented at another conference in the prior 90 days.¹² The sample firms tend to be large with high institutional ownership (median = 67%), high analyst following (median = 9 analysts), and positive market-adjusted returns in the prior year (median = 1.5%). Sample firms also tend to have positive earnings and sales growth and a high level of intangibles (median = 6.5% of assets). We provide more evidence on how sample firms differ from firms that do not present at conference in the next section.

4. Firm characteristics of conference presentation firms

This section provides descriptive evidence on the firm characteristics that are associated with firms being invited, and choosing, to present at conferences. Our goal is not to test formal predictions of the determinants of conference presentations; rather we view this analysis as primarily providing insights regarding a set of suitable control variables for our examination of market response to conference presentations. Unlike the remainder of the tests, which only examine firms making presentations, this analysis includes a sample of firms that have no conference presentations listed on the Thomson database. We define a firm as a conference presenter in a given year ($DPRES=1$) if it has at least one presentation during its fiscal year. We then compute firm characteristics during the prior fiscal year as explanatory variables.

We use the same firm characteristics discussed in the prior section in the analyses, but make modifications to some of the variables so that they can be computed for firms not presenting at conferences. Instead of tying the definition to the time of a presentation, we define the log of market value of equity (LMV), the percentage of institutional ownership (PIH), the log

¹² Approximately 11% of the sample has not presented at another conference in the prior year, whereas 56% of the sample has presented at four or more conferences in the prior year.

of analysts following (*LNANL*), market-adjusted stock returns (*ANNMAR*) and share turnover (*ANNTURN*) using data from the prior fiscal year.

Panel A of Table 3 presents means and medians for firm characteristics by whether the firm-year includes at least one conference presentation (*DPRES=1*) or has no conference presentations (*DPRES=0*). There are 22,855 firm-years with *DPRES=1* for which we have the requisite data, compared to 24,429 firm-years with *DPRES=0*. In all but one case, the mean and median values of the firm characteristics are significantly different between the two samples. In general, conference presenters tend to be much more visible and have higher growth.

Panel B of Table 3 presents results of a logistic regression of *DPRES* on the explanatory variables. We include year and industry fixed effects but do not report them. Consistent with the univariate evidence, conference presenters tend to be large US firms with high institutional ownership, high analyst following, positive prior stock returns, and higher share turnover. Conference presenters also tend to be growth firms with higher intangibles, lower leverage, lower return volatility, and higher beta. In contrast to the univariate evidence, presenters have been listed for significantly less time than nonpresenters, suggesting an IPO effect in presentation invitations once size and visibility are controlled for. Overall, firms presenting at conferences differ from firms not presenting on many dimensions. In the subsequent analyses, we will focus on explaining cross-sectional variation within conference presenters and use the firm as its own control wherever possible.

5. Short-window market reactions to conference presentations

We examine the short-window market reaction to conference presentations using the three-day trading window (-1, +1) around the date of the presentation. We use a three-day

window because 43% of conferences are multiple-day events and one-third of the presentations occur outside of the Eastern US time zone. Thus, information relevant to the firm could be priced on the day before or the day after the actual presentation. We examine three measures of market reaction. First, we measure the information content of the presentation with the standardized absolute value of size-adjusted returns (*ABS_SAR*), which we compute as the difference between three-day absolute size-adjusted returns and the mean three-day absolute size-adjusted returns in an estimation period, divided by the standard deviation of the mean absolute size-adjusted returns in the estimation period (Cready and Hurtt [2002]).¹³ Prior work finds that *ABS_SAR* is more powerful than the Beaver [1968] *U-statistic* (which is based on squared returns) in detecting unsigned price responses (Cready and Mynatt [1991], Subramaniam [1995]). Second, we measure trading activity around the presentation with abnormal share turnover (*ABN_TURN*), defined as three-day volume divided by shares outstanding, less the average three-day turnover in the estimation period.¹⁴ Note that both of these measures use the firm as its own control by adjusting for “normal” levels of information content and turnover during the estimation period. Finally, although our predictions focus on the unsigned information content of the presentation, we also measure the type of the news disclosed in the presentation with signed size-adjusted returns (*SAR*), defined as the buy-and-hold three-day firm stock return minus the buy-and-hold three-day return of the firm’s size decile portfolio.

Figure 1 graphically represents the mean values of *ABS_SAR*, *ABN_TURN*, and *SAR*, for three-day windows from 28 days prior to the presentation to 28 days after the presentation.¹⁵

¹³ The estimation period begins 120 days prior to the presentation and ends 30 days prior to the presentation. This estimation period contains the quarterly earnings announcement, which biases against us finding abnormal reactions to the conference presentation.

¹⁴ An alternative approach for *ABS_SAR* and *ABN_TURN* would be to compute daily measures during the three-day window and take the average of the three daily measures. Our results are similar under this approach. We also find similar results using the Patell [1976] *U-statistic* and a standardized abnormal turnover measure.

¹⁵ Around 40% of the sample has a quarterly earnings announcement during the 28 days prior to the presentation.

Table 4, Panel A reports means and medians for the five windows around the presentation with tests of statistical significance. The results show a spike in information content (*ABS_SAR*) and share turnover (*ABN_TURN*) during the presentation window, as well as a significantly positive level in the three days prior to the window. There is also a significant drop in *ABS_SAR* and *ABN_TURN* immediately after the conference, suggesting that the market is, on average, fully reacting to any news disclosed during the presentation immediately. Both the median *ABS_SAR* and *ABN_TURN* are negative, which indicates that, for most firms, there is not a significantly greater amount of information disclosed during the conference period than during the estimation period (which will generally include an earnings announcement period). Overall, the univariate evidence shows significant spikes in returns and volume during the presentation window, suggesting that these disclosures are important information events.

The results also show a spike in signed *SAR* during the three-day window, with a mean value of 0.5%. Thus, the market reacts positively, on average, to conference presentations, suggesting that managers are disclosing good news, the market is correcting an undervaluation, and/or there is some price pressure due to attracting more investors to the stock. There also are positive *SARs*, on average, leading up to a conference, consistent with some information leakage; although, the median *SAR* is only significantly positive during the three-day presentation window

Table 5 presents regressions of *ABS_SAR*, *ABN_TURN*, and *SAR* during the presentation window on the set of conference and firm characteristics. We include year and industry fixed effects in the regression but do not report them. Because the data has multiple observations for firms and for conferences, significance tests are two-tailed and based on two-way clustered

standard errors, with clustering at the firm and conference level (Cameron, Gelbach, and Miller [2006], Petersen [2009]).¹⁶

Table 5 shows significant cross-sectional differences in market responses based on characteristics of the conference milieu. Product market conferences (*DPRODMKT*) and conferences sponsored by top brokerage firms (*DCAPMKT_TOP*) have significantly greater information content and share turnover than other capital market conferences, suggesting that the conference sponsor affects managers' incentives to communicate new information to stakeholders. In the case of product market conferences, there is also a significantly positive signed *SAR*, suggesting the disclosure of good news on average. Conference location also significantly impacts the market reaction as presentations at money center conferences (*DMONCEN*) and at destination conferences (*DDEST*) exhibit significantly larger information content than conferences in other US cities and outside the US (*DNONUS*). This finding is consistent with the market response being impacted by both the composition of the audience and the interaction between audience and presenters.

Table 5 also shows significantly greater market responses to presentations that occur at conferences with a large number of firms presenting (*LCONFSIZE*), consistent with these conferences attracting a larger set of investors and increasing the informedness of the presentation (Holthausen and Verrecchia [1990]). The signed *SAR* is also significantly positive for presentations at large conferences, suggesting managers have incentives to provide good news at such conferences in order to stand out in the crowd. There is also a larger market

¹⁶ Currently, there is no clear consensus on the best approach for computing standard errors on panel data, as it depends on the sources of dependence in the specific dataset (Petersen [2009]). We estimated standard errors using a variety of approaches, including one-way clustering on firm with conference, year, and industry fixed effects; one-way clustering on conference with firm, year, and industry fixed effects; two-way clustering on year and industry, and Fama-Macbeth [1973] standard errors. The method we report in the tables generally produces the most conservative standard errors (consistent with Gow et al. [2009]); thus, our results are robust to many alternative approaches.

response to presentations at industry-focused conferences (*DINDUS_CONF*), consistent with greater information content due to the increased possibility of information transfers among presenting firms. Finally, there is a significantly lower return response to presentations by firms that have recently presented in other conferences (*LPRIORPRES*), consistent with those firms having less potential new information to provide to investors.

Overall, the results indicate that conference sponsor, location, size, and industry-focus are all significantly associated with the short-window market reaction to conference presentations, consistent with the conference milieu influencing managers' disclosure decisions and/or the degree to which information in the presentation is impounded into price by conference attendees.

6. Long-window changes in investor and analyst following after conference presentations

6.1 Main Results

Next, we examine the long-run change in institutional investor and analyst following after conference presentations. Table 6 provides univariate evidence showing that firms presenting at conferences experience significant increases in both analyst following and institutional ownership, on average, subsequent to the presentations. However, the median change in analyst following is zero, suggesting that increases in analyst coverage are not as broadly realized as are increases in institutional investor ownership, for which the medians are close in magnitude to the means. Because these univariate increases could simply reflect time-trends in following over the sample, our main interest is in explaining cross-sectional variations in these increases based on the conference characteristics.

Table 7 presents the results of regressions of four-quarter changes in institutional ownership and analyst following on the set of conference characteristics and control variables.¹⁷ In addition to the controls for firm characteristics, we include the average market reaction to conferences during the quarter using the measures in Table 4—*ABS_SAR*, *ABN_TURN* and *SAR*—to control for any impact of the news disclosed during the presentations.¹⁸ We also include year and industry fixed effects in the regression but do not report them. Because the data has multiple observations for firms and for conferences, significance tests are two-tailed and based on two-way clustered standard errors, with clustering at the firm and conference level (Cameron, Gelbach, and Miller [2006], Petersen [2009]).

The first column of Table 7 shows that changes in analyst following are negatively associated with presentations at product market conferences and top brokerage conferences, consistent with analysts not being the target audience in either of these settings. The goal of product market conferences is to build long-term relationships with product market stakeholders and top brokerage conferences are organized by one brokerage firm and generally do not invite analysts from other firms. Analysts are also significantly less likely to increase coverage of firms presenting at non-US conferences, consistent with US analysts not being the target of those presentations. Changes in analyst following are weakly positively related to presentations at industry-focused conferences, consistent with the industry-based structure of analyst coverage. Finally, increases in analyst following are significant larger for firms that have presented at multiple recent conferences, consistent with analysts initiating coverage of firms that have

¹⁷ We examine the longer-window changes in the regression analysis to ensure the results are not driven by seasonality. The results are virtually identical with two- and three-quarter changes. Some results are weaker with one-quarter changes, which is not surprising given that some conferences happen late in the calendar quarter.

¹⁸ Adding these variables potentially controls away some of the immediate effect of the conference on investor following. We estimated the regression without these controls and found nearly identical results.

become more visible and, hence, provide a bigger potential demand for analyst research and brokerage services.

Similar to analysts, the change in institutional ownership is positively associated with the number of recent conference presentations, suggesting that frequent presentations reach a greater potential audience of new investors. Institutional investors are also less likely to increase ownership after presentations at non-US conferences. In contrast, changes in institutional ownership are positively related to presentations at large conferences and at conferences hosted by top brokerage firms. These results suggest that institutional investors are more likely to attend conferences that provide them with preferential access to a large number of firms, thus reducing the costs of learning about these firms.

Overall, the conference milieu has a significant impact on whether firm disclosure leads to a change in analyst and investor following. Analysts tend to increase their following in firms with frequent recent presentations at industry-focused conferences and at capital markets conferences that are not hosted by a top brokerage firm, consistent with analysts seeking firms that are building a larger investor following through conference activity. In contrast, large conferences hosted by the top brokerage firms are associated with increases in institutional ownership, consistent with these conferences attracting a larger pool of prospective investors for the firm.

6.2 Results conditioning on firm visibility

The results in Table 7 include both highly visible firms, which may already have a large following by analysts and institutional investors, and less visible firms, which may have the largest potential benefits to presenting at a conference. In this section, we examine whether firms with the least prior visibility receive greater or lesser benefit from the conference milieu in

attracting new institutional investor and analyst following. We estimate the same regression as in Table 7 with the addition of interaction terms of all variables with an indicator variable for low visibility firms (*DLVIS*). To define this indicator variable, we compute a factor score from a factor analysis of three proxies for firm visibility—firm size, prior institutional ownership, and prior analyst following—and set *DLVIS* equal to one for firms in the bottom quintile of this factor score and equal to zero otherwise. Low visibility firms have a mean analyst following and percentage institutional ownership of 2.2 analysts and 34% ownership, respectively, compared to means of 5.6 and 58.4%, respectively, for firms in the second quintile and means of 23.2 and 70.8%, respectively, for firms in the top quintile. Thus, low visibility firms have substantially lower following than the other firms in the sample.

Table 8 presents results of these regressions. The results for the main effects are largely the same as in Table 7. For the change in analyst following regression, only two of the interactions terms with *DLVIS* are significant. Less visible firms presenting at top brokerage firms experience a smaller increase in analyst following than when they present at other conferences, suggesting that the general absence of outside analysts at such conferences reduces the ability of the firm to attract more coverage via this type of conference. Less visible firms that have presented at a large number of recent conferences experience greater increases in analyst following, consistent with frequent presentations increasing the size of the potential audience of new analysts and the demand for information about the firm, leading to more analyst coverage.

The second column of Table 8 shows that a number of conference characteristics have a significant incremental impact on changes in institutional ownership for less visible firms. Less visible firms presenting at top brokerage conferences and at conferences in destinations and money centers have significantly greater increases in institutional ownership subsequent to the

presentation than more visible firms. These results are consistent with these conferences attracting a large audience of institutional investors, which gives less visible firms greater potential exposure to new investors. Interestingly, the interaction with conference size is not significant, suggesting that the benefit of a larger potential pool of investors does not incrementally help low visibility firms at conferences with a large number of firms competing for attention. The results also show a significant negative coefficient on the interaction between *DLVIS* and the industry-focus of the conference, indicating that low visibility firms presenting at broader-focus conferences attract more institutional investor following. Many of these broader-focus conferences are billed as bringing together firms with some style attribute (e.g., “growth”) or with low visibility (e.g., “undiscovered equity”), which likely attracts investors looking for a low-cost method to identify new potential portfolio firms. This result also suggests that, while industry-focused conferences may be beneficial in increasing information content of presentations through information transfers, they are not as useful for low visibility firms that are seeking to attract new investors.

Overall, the conference milieu has little incremental effect on changes in analyst following for less visible firms, but does have a substantial effect on the ability of less visible firms to attract institutional ownership. Less visible firms benefit from conferences that attract more institutional investors, such as top brokerage, money center, and destination conferences, and from conferences that are organized around some attribute other than industry. In both cases, the conferences provide a low-cost method for institutional investors to meet with management of less visible firms, resulting in an increase in institutional investor ownership.

8. Conclusion

We examine a large sample of managerial conference presentations to investigate how this increasingly-common form of voluntary disclosure impacts short-window market reactions and long-term changes in following by analysts and institutional investors. Overall, our results suggest that conference presentations are economically-meaningful information events that play an important role in a firm's interactions with market participants. More important, we find significant cross-sectional variation in the importance of presentations based on conference characteristics such as sponsor, location, size, and industry focus. In general, conferences that attract a large audience with expertise in the firms' industry are associated with larger stock return and trading volume reactions to presentations, consistent with these conferences providing greater incentives for managers to disclose information and/or more information content stemming from the interaction between the presentation and the participants' private information. We also find that conference characteristics are associated with the degree to which the presentations impact long-term analyst and institutional investor following. Analysts tend to increase their following in firms with frequent recent presentations at industry-focused conferences and at capital markets conferences, consistent with analysts seeking firms that are building a larger investor following through conference activity. In contrast, large conferences hosted by the top brokerage firms are associated with increases in institutional ownership, consistent with these conferences attracting a larger pool of prospective investors for the firm.

These findings contribute to the voluntary disclosure literature by documenting the economic significance of a disclosure mechanism, conference presentations, that has become a prevalent form of voluntary disclosure in recent years. By examining how conference and firm characteristics impact the response to this mechanism, we provide new insights on how the disclosure "milieu", or physical and social space in which a disclosure occurs, influences the

form and effectiveness of voluntary disclosure. Our findings suggest that future researchers should consider the role of the disclosure “milieu” and the role of conference presentations when examining firms’ voluntary disclosure activities.

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APPENDIX
Classification of Conferences by Sponsor and by Location

A.1 Conference Sponsors

For each conference, we first identify the sponsoring organization. In the majority of cases, the sponsors' name is in the title of the conference. When it is not, we can often obtain the conference sponsor from the Thomson Street Events database. In a few cases, we had to search the conference on the Internet or on Factiva to identify the sponsor.

Next, we classify the sponsor into one of ten categories that span the range of the underlying sponsor's main businesses. We perform this classification based on our prior knowledge of the sponsor and based on Internet searches for information about the sponsors. The following table shows the breakdown of the sponsors by the number of unique organizations in the category, the number of conferences hosted by the category, and the numbers of presentations at such conferences, which is the sample used in the empirical tests:

	Number of Organizations	Number of Conferences	Number of Presentations
<u>Product Market Sponsors</u>			
Trade Association	269	662	7,056
Consulting Firm	198	514	2,029
Media Organization	68	243	1,044
Individual Company	57	71	166
University	6	9	61
<u>Capital Market Sponsors</u>			
Top Brokerage Firm	14	1,943	43,867
Other Brokerage Firm	191	1,614	37,091
Analyst Society	13	159	1,777
Investor Relations Firm	25	183	1,435
Stock Exchange	<u>8</u>	<u>66</u>	<u>579</u>
Total	849	5,464	95,105

Within product market conferences, trade associations are the largest group (32% of total organizations; 7% of total presentations) and include research associations (e.g., American

Academy of Allergy, Asthma and Immunology) and industry associations (e.g., American Bankers Association). Consulting firms (23%; 2%) include general management consulting firms (e.g., Accenture), industry-specific consulting firms (e.g., Cambridge Energy Research Associates), and organizations that specialize in trade fairs (e.g., Reed Exhibitions). Media organizations (8%; 1%) include general media outlets (e.g. *Economist*, *Business Week*) and industry-focused publications (e.g., *Red Herring*, *Chemical Week*). Individual companies (7%, <1%) include any company whose business is not consulting or media that hosts a conference (e.g., Ford Motor Company Convergence Conference, Hewlett-Packard HP World Conference). Finally, a small number of universities have hosted conferences in the sample.

Within capital market conferences, the largest sponsor group is brokerage firms, which comprise 66% percent of the total organizations and 85% of the total presentations. This category includes firms that provide brokerage and/or investment research services. Due to the wide range of size and prestige within this group, we subdivided it into “top” brokerage firms (2%; 46%) and other brokerage firms (22%; 39%). We classified “top” brokerage firms based on the number of conferences hosted per year in our sample. There are 14 brokerage firms that have hosted more than 12 conferences per year (or one per month), on average, while all other brokerages have hosted fewer than nine per year. We considered the group hosting 12 conferences per year to be top brokerages.¹⁹ The next largest group among capital market conferences are analyst societies (2%; 2%), including the New York Society of Security Analysts, and other regional analyst groups. In 2001, presentations at analyst societies accounted

¹⁹ As a second approach, we collected *Institutional Investor* magazine rankings of the top 15 brokerages from 2003 to 2007 and considered any brokerage ranked more than once to be a top brokerage. There was only one brokerage firm (Sanford Bernstein) that met this second criteria but was not classified as “top” based on number, whereas there were three firms (CIBC World Markets, RBC Capital Markets, and BMO Nesbitt Burns) that we classified as “top” but were not ranked by *II* magazine. We decided to opt for classification based on number because it was not clear that *II* magazine considered these three Canadian-based firms in forming their rankings. Our results are similar under either definition.

for 6% of the sample; by 2007, only 1% of the sample were presentations at analyst conferences.²⁰ Investor Relations (IR) firms, which are firms whose main business is to target investors for their clients' stock, and stock exchanges comprise the remaining 3%.

A.2 Conference Location

We collected the location of the conference from the Thomson Street Events database. The following table shows the breakdown of the location by the number of conferences hosted and by the numbers of presentations at such conferences in our sample:

	Number of Conferences	Number of Presentations
<u>Money Centers</u>		
New York City	2,012	42,436
San Francisco	385	9,786
Boston	337	6,229
Chicago	132	2,936
<u>Destinations</u>		
Florida	255	6,397
California	266	6,047
Arizona	101	3,000
Nevada	167	2,960
Other	79	2,004
<u>Other US</u>		
Maryland & DC	97	1,504
Georgia	52	1,160
Texas	108	900
Other	488	4,217
<u>Non-US</u>		
United Kingdom	336	2,133
Other Europe	234	1,671
Canada	236	1,178
Asia	157	505
Other	<u>22</u>	<u>42</u>
Total	5,464	95,105

²⁰ This finding is consistent with the joint impact of Regulation FD and the global settlement that prohibited analysts from participating in investment banking transactions. Both of these have forced analysts to redefine their value proposition to institutional investors. Many analysts are doing this by directly sponsoring company presentations through their brokerage house. Presumably, these are the same analysts who would have facilitated an analyst society presentation in the past.

Money Center conferences are those held in the New York City, San Francisco, Boston, and Chicago metro areas. These four cities have the largest numbers of conferences among cities, with New York alone accounting for 45% of the total presentations. Destination conferences are classified as those held in locations that would generally be considered vacation or resort destinations. We decided to consider any conference held in Florida, Southern California, Arizona, and Nevada to be a destination conference.²¹ In addition, any other obvious resort destinations (e.g., Jackson Hole, Wyoming; Myrtle Beach, South Carolina) and conferences in Caribbean islands were classified in this category. The authors independently attempted to classify locations as destinations, and the overlap among our ratings was over 90%.

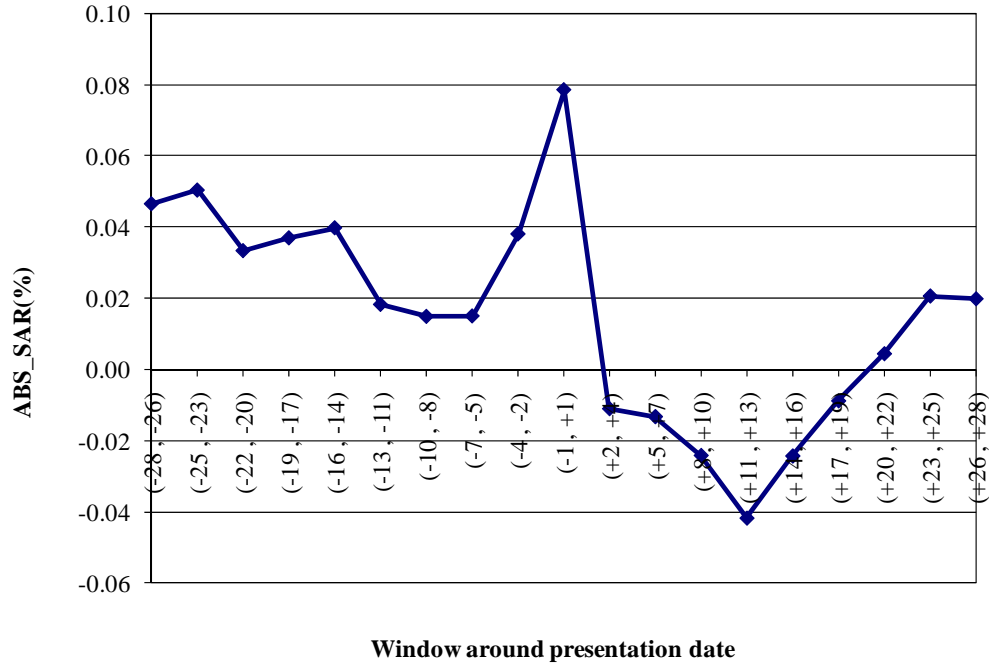
All other conferences held in the US are classified as “Other US.” The Baltimore-Washington area, Atlanta area, and Texas were the three largest areas in this category, with none of these areas comprising more than 2% of the sample. Finally, all conferences held outside of the US, other than those in Caribbean islands, were classified as “non-US”. Note that these conferences only include those with presenting firms listed on CRSP and Compustat, which reduces the number of conferences in our sample from many countries (e.g., most of the Japanese conferences on Thomson were dropped from our sample because none of the presenting firms were listed on CRSP).

²¹ Two difficult cities to classify were Los Angeles and New Orleans. As the second-largest city, a case could be made for Los Angeles to be considered a money center. However, very few conferences in the Los Angeles metro area are held in Los Angeles itself. Almost all are held in Orange County oceanside communities or in Anaheim. We classified New Orleans in the “other US” city category, rather than a destination location, because the majority of the New Orleans conferences were hosted by local brokerages or focused on local industries (e.g., Oil and Gas). We estimated our results with Los Angeles classified as a money center and New Orleans classified as a destination, and the results were similar.

FIGURE 1

Stock Market Reactions during Three-Day Windows around the Presentation Date

Panel A: Absolute Value of Size-Adjusted Returns (ABS_SAR)



Panel B: Abnormal Share Turnover (ABN_TURN)

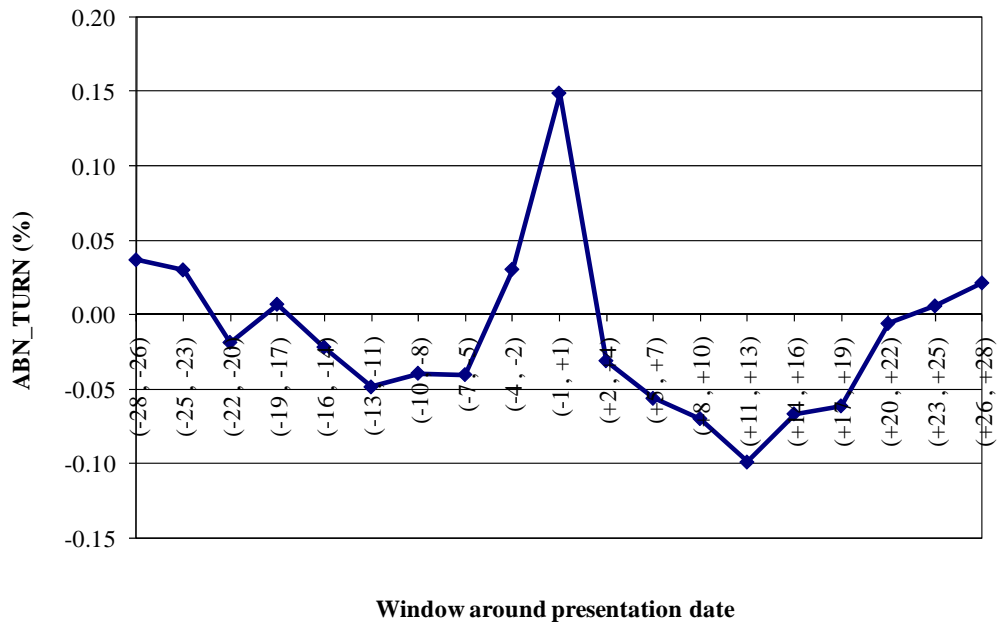


FIGURE 1 (Continued)
Stock Market Reactions during Three-Day Windows around the Presentation Date

Panel C: Size-Adjusted Returns (SAR)

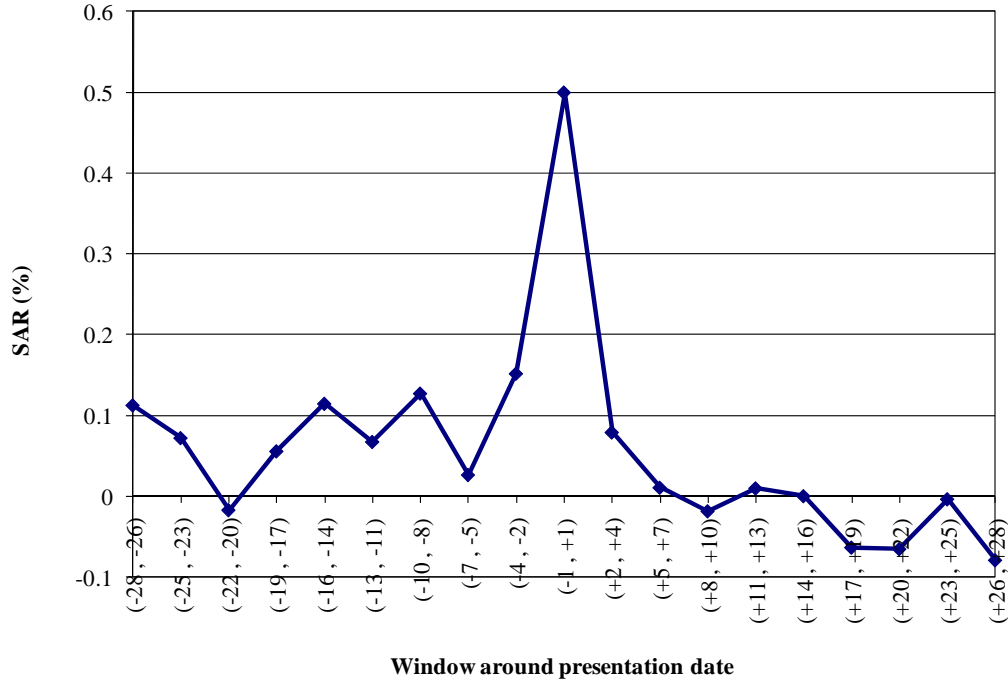


Figure 1 provides a graphical representation of stock market reaction variables during various three-day windows before and after firms' conference presentations. Day 0 is the day on which each firm makes its presentation. Panel A presents the standardized absolute value of size-adjusted returns (*ABS_SAR*), which we compute as the difference between three-day absolute size-adjusted returns and the mean three-day absolute size-adjusted returns in an estimation period, divided by the standard deviation of the mean absolute size-adjusted returns in the estimation period. Panel B shows the abnormal share turnover (*ABN_TURN*), defined as three-day volume divided by shares outstanding, less the average three-day turnover in the estimation period. Panel C presents the signed size-adjusted returns (*SAR*), defined as the buy-and-hold three-day firm stock return minus the buy-and-hold three-day return of the firm's size decile portfolio. The estimation period for *ABS_SAR* and *ABN_TURN* is the 90 days prior to the start of the test period.

TABLE 1
Sample Composition

Panel A: Conference Sponsor and Location by Year

Year	Sponsor			Location				Total
	Product Market	Capital Market		US				
		Top Brokerages	Other	Money Centers	Destinations	Other US	Non-US	
1999	33	798	1,219	1,147	448	434	21	2,050
2000	307	689	2,447	2,172	732	466	73	3,443
2001	429	2,645	3,111	4,270	908	698	309	6,185
2002	681	5,393	3,433	6,145	2,083	737	542	9,507
2003	1,137	5,221	4,128	7,021	2,181	858	426	10,486
2004	1,551	6,268	4,980	8,016	3,211	905	667	12,799
2005	2,034	7,517	6,838	10,379	3,681	1,308	1,021	16,389
2006	2,015	8,408	7,800	11,305	4,235	1,295	1,388	18,223
2007	<u>2,169</u>	<u>6,928</u>	<u>6,926</u>	<u>10,932</u>	<u>2,929</u>	<u>1,080</u>	<u>1,082</u>	<u>16,023</u>
Total	10,356	43,867	40,882	61,387	20,408	7,781	5,529	95,105
	10.9%	46.1%	43.0%	64.5%	21.5%	8.2%	5.8%	

Panel B: Conference Sponsor and Location by Industry Focus

Conference Focus	Product Market	Capital Market		US				Total
		Top Brokerages	Other	Money Centers	Destinations	Other US	Non-US	
Industry-focused	6,049	11,037	9,478	17,010	3,702	2,722	3,130	26,564
Broad	<u>4,307</u>	<u>32,830</u>	<u>31,404</u>	<u>44,377</u>	<u>16,706</u>	<u>5,059</u>	<u>2,399</u>	<u>68,541</u>
Total	10,356	43,867	40,882	61,387	20,408	7,781	5,529	95,105

TABLE 1 (Continued)
Sample Composition

Panel C: Cross-Tabulation of Location and Sponsor

Location	Sponsor		
	Product Market	Capital Market	
		Top Brokerages	Other
Destinations	3,442	10,696	6,270
Money Centers	4,366	28,737	28,284
Other US	1,471	1,894	4,416
Non-US	<u>1,077</u>	<u>2,540</u>	<u>1,912</u>
Total	10,356	43,867	40,882

Panel D: Fama-French Industries of Conference Presenters

Industry	Frequency	Percent
Personal and Business Services	16,110	16.9
Healthcare, Medical Equipment, Pharmaceutical Products	16,062	16.9
Business Equipment	15,302	16.1
Banking, Insurance, Real Estate, Trading	12,077	12.7
Petroleum and Natural Gas	4,152	4.4
Communication	3,753	4.0
Retail	3,168	3.3
Fabricated Products and Machinery	2,639	2.8
Wholesale	2,567	2.7
Utilities	2,144	2.3
Transportation	1,800	1.9
Construction and Construction Materials	1,666	1.8
Electrical Equipment	1,590	1.7
Recreation	1,456	1.5
Chemicals	1,447	1.5
Restaurants, Hotels, Motels	1,343	1.4
Other (Everything Else)	920	1.0
Automobiles and Trucks	834	0.9
Consumer Goods	827	0.9
Precious Metals, Non-Metallic, and Industrial Metal Mining	788	0.8
Business Supplies and Shipping Containers	779	0.8
Printing and Publishing	763	0.8
Food Products	736	0.8
Steel Works	659	0.7
Apparel	613	0.6
Aircraft, ships, and railroad equipment	441	0.5
Coal	193	0.2
Beer & Liquor	122	0.1
Textiles	101	0.1
Tobacco Products	<u>53</u>	<u>0.1</u>
Total	95,105	100

TABLE 1 (Continued)
Sample Composition

Table 1 provides a breakdown of conference presentations by sponsor, location, year, type, and Fama-French industries. “Product Market” conferences focus on communications with business partners and “Capital Market” conferences involve interactions with investors and analysts. Within Capital Market conferences, the ones sponsored by brokerage firms that host more than 12 conferences per year are categorized as “Top Brokerages” and the others are under “Other”, which includes all other brokerage firms, analyst societies, investor relations firms, and stock exchanges. Conferences located in “Money Centers” are those held in New York City, San Francisco, Boston, and Chicago metro areas. “Destination” conferences are held in Florida, Southern California, Arizona, Nevada and other resort destinations. Conferences held in other U.S. locations are categorized as “Other US” and those held outside of the U.S. are categorized as “Non-US” (see Appendix for more details). Panel A shows the sponsors and locations of the presentations by calendar year. Panel B presents the number of industry-focused conferences and their distribution across sponsors and locations. We define an industry-focused conference as having fewer than four Fama-French 30 industries (obtained from Kenneth French’s website) represented at the conference. Panel C presents a cross-tabulation of conferences by location and sponsor. Panel D presents a breakdown of presentations by Fama-French 30 industries.

TABLE 2
Descriptive Statistics of Conference and Firm Characteristics

Variable	Mean	Std. Dev	Min	P25	Median	P75	Max
<i>DPRODMKT</i>	0.109	0.312	0.000	0.000	0.000	0.000	1.000
<i>DCAPMKT_TOP</i>	0.461	0.498	0.000	0.000	0.000	1.000	1.000
<i>DMONCEN</i>	0.645	0.478	0.000	0.000	1.000	1.000	1.000
<i>DDEST</i>	0.215	0.411	0.000	0.000	0.000	0.000	1.000
<i>DNONUS</i>	0.058	0.234	0.000	0.000	0.000	0.000	1.000
<i>NINDUS</i>	8.662	5.872	1.000	4.000	8.000	12.000	26.000
<i>DINDUS_CONF</i>	0.279	0.449	0.000	0.000	0.000	1.000	1.000
<i>CONFSIZE</i>	82.118	71.735	1.000	27.000	61.000	119.000	377.000
<i>LCONFSIZE</i>	3.934	1.131	0.000	3.296	4.111	4.779	5.932
<i>PRIORPRES</i>	1.466	1.618	0.000	0.000	1.000	2.000	16.000
<i>LPRIORPRES</i>	0.713	0.610	0.000	0.000	0.693	1.099	2.833
<i>MV</i>	7,942.889	24,465.530	2.456	431.550	1,336.940	4,782.233	498,203.100
<i>LMV</i>	7.330	1.769	0.898	6.067	7.198	8.473	13.119
<i>PIH</i>	0.619	0.272	0.000	0.436	0.670	0.836	1.000
<i>NANL</i>	10.831	8.073	0.000	5.000	9.000	15.000	51.000
<i>LNANL</i>	2.204	0.797	0.000	1.792	2.303	2.773	3.951
<i>ANNMAR</i>	0.111	0.545	-1.000	-0.226	0.015	0.306	2.000
<i>ANNTURN</i>	0.212	0.175	0.000	0.092	0.159	0.274	0.860
<i>DFORFIRM</i>	0.089	0.285	0.000	0.000	0.000	0.000	1.000
<i>EP</i>	0.006	0.086	-0.217	-0.015	0.031	0.056	0.166
<i>DP</i>	0.007	0.015	0.000	0.000	0.000	0.007	0.090
<i>BP</i>	0.415	0.292	-0.210	0.215	0.362	0.559	1.500
<i>CNI</i>	0.020	0.133	-0.400	-0.012	0.008	0.031	0.820
<i>SGR</i>	0.284	0.676	-0.600	0.025	0.138	0.325	4.800
<i>SPINDX</i>	0.486	0.500	0.000	0.000	0.000	1.000	1.000
<i>INTAN</i>	0.150	0.186	0.000	0.003	0.065	0.239	0.777
<i>LEV</i>	0.209	0.213	0.000	0.012	0.161	0.329	0.950
<i>STD</i>	0.031	0.017	0.000	0.019	0.027	0.039	0.080
<i>BETA</i>	1.114	0.600	-0.626	0.682	1.060	1.503	2.874
<i>TIME</i>	15.088	15.543	0.167	5.175	9.758	18.754	81.999
<i>LTIME</i>	2.406	0.862	0.154	1.820	2.376	2.983	4.419

TABLE 2 (Continued)
Descriptive Statistics of Conference and Firm Characteristics

Table 2 presents descriptive statistics for the conference and firm characteristics. The number of observations for each of the variables is 95,105. *DPRODMKT* equals 1 if the presentation was at a product market-focused conference, 0 otherwise. *DCAPMKT_TOP* equals 1 if the presentation was at a top brokerage firm, 0 otherwise. *DMONCEN* equals 1 if the presentation was at a money center location, 0 otherwise. *DDEST* equals 1 if the presentation was at a destination location, 0 otherwise. *DNONUS* equals 1 if the presentation was held outside of the U.S., 0 otherwise. *NINDUS* is measured as the number of Fama-French industries (30 categories) represented at the conference. *DINDUS_CONF* equals 1 if the presentation was at an industry-focused conference, 0 otherwise. We define an industry-focused conference as having fewer than four industries represented at the conference. *CONF_SIZE* is measured as the number of presentations that occur at the conference. *LCONF_SIZE* is the log of one plus *CONF_SIZE*. *PRIORPRES* is the number of conference presentations given by the firm in the past ninety days. *LPRIORPRES* is the log of one plus *PRIORPRES*. *MV* is market value in millions (from CRSP) measured 30 days before the conference presentation. *LMV* is the log of *MV*. *PIH* is the percentage ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the conference presentation. *NANL* is the number of unique analysts issuing an earnings forecasts for any horizon during the calendar quarter prior to the conference presentation. *LNANL* is the log of one plus *NANL*. For both *PIH* and *LNANL*, we assume the variable has a value of zero for any period when the company is listed on an exchange but there is no data available. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. *DFORFIRM* is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. *EP* is the earnings-to-price ratio at fiscal year-end (FYE) prior to presentation. *DP* is the dividend-to-price ratio at FYE prior to presentation. *BP* is the book-to-price ratio at FYE prior to presentation. *CNI* is the change in net income, deflated by market value at FYE prior to presentation. *SGR* is the sales growth at FYE prior to presentation. *SPINDEX* is the indicator for listing on any S&P index at FYE prior to presentation. *INTAN* is the intangible assets/total assets at FYE prior to presentation. *LEV* is the leverage at FYE prior to presentation. *STD* is the standard deviation of stock returns (from CRSP) for year prior to presentation. *BETA* is the beta (from CRSP) of the stock for year prior to presentation. *TIME* is the number of years the company has been listed. *LTIME* is the log of *TIME*.

TABLE 3
Firm Characteristics of Firms Presenting at Conferences

Panel A: Differences in Means and Medians between conference presentation firms (DPRES=1) and non-presentation firms (DPRES=0)

Variable	DPRES=1	DPRES=0	P(diff)	DPRES=1	DPRES=0	P(diff)	DPRES=1	DPRES=0
	Mean	Mean		Median	Median		N	N
<i>MV</i>	4,376.826	1,586.180	***	765.014	94.893	***	22,855	24,429
<i>LMV</i>	6.755	4.838	***	6.640	4.553	***	22,855	24,429
<i>PIH</i>	0.528	0.273	***	0.563	0.168	***	22,855	24,429
<i>NANL</i>	8.180	2.848	***	6.000	1.000	***	22,855	24,429
<i>LNANL</i>	1.885	0.855	***	1.946	0.693	***	22,855	24,429
<i>ANNMAR</i>	0.226	0.117	***	0.178	0.081	***	22,855	24,429
<i>ANNTURN</i>	0.152	0.083	***	0.108	0.045	***	22,855	24,429
<i>DFORFIRM</i>	0.109	0.133	***	0.000	0.000	***	22,855	24,429
<i>EP</i>	0.009	-0.003	***	0.036	0.041	***	22,855	24,429
<i>DP</i>	0.009	0.013	***	0.000	0.000	***	22,855	24,429
<i>BP</i>	0.469	0.696	***	0.413	0.634	***	22,855	24,429
<i>CNI</i>	0.022	0.023		0.008	0.004	***	22,855	24,429
<i>SGR</i>	0.239	0.156	***	0.118	0.064	***	22,855	24,429
<i>SPINDEX</i>	0.423	0.161	***	0.000	0.000	***	22,855	24,429
<i>INTAN</i>	0.136	0.092	***	0.053	0.013	***	22,855	24,429
<i>LEV</i>	0.217	0.231	***	0.171	0.178	***	22,855	24,429
<i>STD</i>	0.032	0.037	***	0.027	0.030	***	22,855	24,429
<i>BETA</i>	0.964	0.541	***	0.901	0.413	***	22,855	24,429
<i>TIME</i>	15.092	13.910	***	9.670	9.585	***	22,855	24,429
<i>LTIME</i>	2.415	2.377	***	2.367	2.359	***	22,855	24,429

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test (means) and a Wilcoxon signed rank test (medians).

TABLE 3 (Continued)
Firm Characteristics of Firms Presenting at Conferences

Panel B: Logistic Regression with DPRES=1 if conference held during fiscal year, 0 otherwise

Variable	Coefficient
<i>LMV</i>	0.045 ***
<i>PIH</i>	1.031 ***
<i>LNANL</i>	1.025 ***
<i>ANNMAR</i>	0.306 ***
<i>ANNTURN</i>	0.688 ***
<i>DFORFIRM</i>	-0.571 ***
<i>EP</i>	-0.036
<i>DP</i>	-6.117 ***
<i>BP</i>	-0.865 ***
<i>CNI</i>	0.014
<i>SGR</i>	0.052 **
<i>SPINDX</i>	0.100 ***
<i>INTAN</i>	0.254 ***
<i>LEV</i>	-0.578 ***
<i>STD</i>	-17.275 ***
<i>BETA</i>	0.316 ***
<i>LTIME</i>	-0.557 ***
<i>YEAR EFFECTS</i>	Included
<i>INDUSTRY EFFECTS</i>	Included
N	47,284
Pseudo-R ²	0.394

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test based on two-way clustered standard errors, with clustering at the firm and conference level.

TABLE 3 (Continued)
Determinants of Presenting at a Conference

Panel A presents means and medians for variables by whether the firm-year includes at least one conference presentation ($DPRES=1$) or has no conference presentations ($DPRES=0$). Panel B presents results of a logistic regression of $DPRES$ on the explanatory variables. We include year and industry fixed effects but do not report them in the table. MV is market value in millions (from CRSP) measured at the end of the prior fiscal year. LMV is the log of MV . PIH is the percentage ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, measured at the most recent calendar quarter end from the prior fiscal year. $NANL$ is the number of unique analysts issuing an earnings forecasts for any horizon, measured during the most recent calendar quarter from the prior fiscal year. $LNANL$ is the log of one plus $NANL$. For both PIH and $LNANL$, we assume the variable has a value of zero for any period when the company is listed on an exchange but there is no data available. $ANNMAR$ is the buy-and-hold market-adjusted stock return over the prior fiscal year. $ANNTURN$ is the average monthly share turnover, computed as volume divided by shares outstanding, for the prior fiscal year. $DFORFIRM$ is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. EP is the earnings-to-price ratio at the fiscal year-end (FYE) prior to presentation for firm-years with a presentation ($DPRES=1$) and at the FYE for firm-years without a presentation ($DPRES=0$). Similarly, DP is the dividend-to-price ratio at FYE, BP is the book-to-price ratio at FYE, CNI is the change in net income, deflated by market value at FYE, and SGR is the sales growth at FYE. $SPINDEX$ is the indicator for listing on any S&P index at FYE. $INTAN$ is the intangible assets/total assets at FYE. LEV is the leverage at FYE. STD is the standard deviation of stock returns (from CRSP) from the prior fiscal year. $BETA$ is the beta (from CRSP) of the stock from the prior fiscal year. $TIME$ is the number of years the company has been listed. $LTIME$ is the log of $TIME$.

TABLE 4
Mean and Median Market Reactions during Windows around the Presentation Date

Variable	Window	Mean	Prob(t)	Median	Prob(t)	N
<i>ABS_SAR</i>	(-7, -5)	0.015	***	-0.272	***	95,103
	(-4, -2)	0.036	***	-0.261	***	95,104
	(-1, +1)	0.076	***	-0.228	***	95,105
	(-2, +4)	-0.015	***	-0.279	***	95,103
	(-5, +7)	-0.016	***	-0.287	***	95,103
<i>ABN_TURN</i>	(-7, -5)	-0.040	***	-0.185	***	95,104
	(-4, -2)	0.030	***	-0.158	***	95,104
	(-1, +1)	0.148	***	-0.095	***	95,105
	(-2, +4)	-0.031	***	-0.160	***	95,088
	(-5, +7)	-0.056	***	-0.175	***	95,075
<i>SAR</i>	(-7, -5)	0.027		-0.110	***	95,105
	(-4, -2)	0.152	***	-0.047		95,105
	(-1, +1)	0.500	***	0.130	***	95,105
	(-2, +4)	0.079	***	-0.055	***	95,105
	(-5, +7)	0.011		-0.112	***	95,105

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test (means) and a Wilcoxon signed rank test (medians).

Table 4 provides means and medians of stock market reaction variables during various three-day windows before and after firms' conference presentations. Day 0 is the day on which each firm makes its presentation. The absolute value of size-adjusted returns (*ABS_SAR*) is defined as the absolute value of three-day size-adjusted returns less the mean absolute value of three-day size-adjusted returns during estimation period, divided by the standard deviation of the absolute values during the estimation period. Abnormal share turnover (*ABN_TURN*) is defined as the three-day volume divided by shares outstanding minus the average value of three-day turnover for non-overlapping three-day windows in an estimation period. Size-adjusted returns (*SAR*) are defined as the buy-and-hold three-day firm stock return minus the buy-and-hold three-day return of the firm's size decile portfolio. The estimation period for *ABS_SAR* and *ABN_TURN* is the 90 days prior to the start of the test period (i.e., day -28).

TABLE 5
 Regressions of Stock Market Reactions during the Three-Day Window
 around the Presentation Date on Conference Characteristics and Control Variables

Variable	<i>ABS_SAR</i>	<i>ABN_TURN</i>	<i>SAR</i>
<i>DPRODMKT</i>	0.071 **	0.130 **	0.382 **
<i>DCAPMKT_TOP</i>	0.036 **	0.096 **	-0.043
<i>DDEST</i>	0.050 **	0.179 ***	0.142
<i>DNONUS</i>	0.009	-0.018	-0.111
<i>DMONCEN</i>	0.070 ***	0.149 ***	0.129
<i>LCONFSIZE</i>	0.020 **	0.038 **	0.125 **
<i>DINDUS_CONF</i>	0.046 **	0.070 *	0.098
<i>LPRIORPRES</i>	-0.022 **	0.017	-0.099 **
<i>LMV</i>	-0.016 ***	0.007	-0.031
<i>PIH</i>	0.030	0.493 ***	-0.044
<i>LNANL</i>	-0.022 **	0.009	0.039
<i>ANNMAR</i>	-0.020 **	0.242 ***	-0.125
<i>ANNTURN</i>	-0.141 ***	-2.137 ***	-0.502 **
<i>DFORFIRM</i>	0.023	0.092 **	-0.075
<i>EP</i>	-0.066	0.216	0.069
<i>DP</i>	-1.032 **	-3.302 ***	-4.262 **
<i>BP</i>	-0.010	-0.014	0.264 **
<i>CNI</i>	0.023	-0.008	0.013
<i>SGR</i>	0.017 **	0.032	0.037
<i>SPINDX</i>	0.005	-0.057 *	0.056
<i>INTAN</i>	-0.006	-0.004	-0.004
<i>LEV</i>	0.023	0.130 **	0.065
<i>STD</i>	-1.259 **	2.774 *	17.447 ***
<i>BETA</i>	0.016 *	0.108 ***	-0.002
<i>LTIME</i>	-0.002	-0.055 ***	-0.092 ***
<i>YEAR EFFECTS</i>	Included	Included	Included
<i>INDUSTRY EFFECTS</i>	Included	Included	Included
N	95,105	95,105	95,105
Adjusted R ²	0.003	0.022	0.004

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test based on two-way clustered standard errors, with clustering at the firm and conference level.

TABLE 5 (Continued)
 Regressions of Stock Market Reactions during the Three-Day Window
 around the Presentation Date on Conference Characteristics and Control Variables

Table 5 presents regressions of *ABS_SAR*, *ABN_TURN*, and *SAR* during the presentation window (-1, +1) on the set of conference characteristics and control variables. We include year and industry fixed effects but do not report them in the table. The absolute value of size-adjusted returns (*ABS_SAR*) is defined as the absolute value of three-day size-adjusted returns less the mean absolute value of three-day size-adjusted returns during estimation period, divided by the standard deviation of the absolute values during the estimation period. Abnormal share turnover (*ABN_TURN*) is defined as the three-day volume divided by shares outstanding minus the average value of three-day turnover for non-overlapping three-day windows in an estimation period. Size-adjusted returns (*SAR*) are defined as the buy-and-hold three-day firm stock return minus the buy-and-hold three-day return of the firm's size decile portfolio. The estimation period for *ABS_SAR* and *ABN_TURN* is the 90 days prior to the start of the test period (i.e., day -28). *DPRODMKT* equals 1 if the presentation was at a product market-focused conference, 0 otherwise. *DCAPMKT_TOP* equals 1 if the presentation was at a top brokerage firm, 0 otherwise. *DDEST* equals 1 if the presentation was at a destination location, 0 otherwise. *DNONUS* equals 1 if the presentation was held outside of the U.S., 0 otherwise. *DMONCEN* equals 1 if the presentation was at a money center location, 0 otherwise. *CONFSIZE* is measured as the number of presentations that occur at the conference. *LCONFSIZE* is the log of one plus *CONFSIZE*. *DINDUS_CONF* equals 1 if the presentation was at an industry-focused conference, 0 otherwise. We define an industry-focused conference as having fewer than four industries represented at the conference. *PRIORPRES* is the number of conference presentations given by the firm in the past ninety days. *LPRIORPRES* is the log of one plus *PRIORPRES*. *MV* is market value in millions (from CRSP) measured 30 days before the conference presentation. *LMV* is the log of *MV*. *PIH* is the percentage ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the conference presentation. *NANL* is the number of unique analysts issuing an earnings forecasts for any horizon during the calendar quarter prior to the conference presentation. *LNANL* is the log of one plus *NANL*. For both *PIH* and *LNANL*, we assume the variable has a value of zero for any period when the company is listed on an exchange but there is no data available. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. *DFORFIRM* is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. *EP* is the earnings-to-price ratio at fiscal year-end (FYE) prior to presentation. *DP* is the dividend-to-price ratio at FYE prior to presentation. *BP* is the book-to-price ratio at FYE prior to presentation. *CNI* is the change in net income, deflated by market value at FYE prior to presentation. *SGR* is the sales growth at FYE prior to presentation. *SPINDEX* is the indicator for listing on any S&P index at FYE prior to presentation. *INTAN* is the intangible assets/total assets at FYE prior to presentation. *LEV* is the leverage at FYE prior to presentation. *STD* is the standard deviation of stock returns (from CRSP) for year prior to presentation. *BETA* is the beta (from CRSP) of the stock for year prior to presentation. *TIME* is the number of years the company has been listed. *LTIME* is the log of *TIME*.

TABLE 6
Mean and Median Changes in Analyst Following and Institutional Holdings for Quarters
Subsequent to the Presentation Date

Variable	Mean	Prob(t)	Median	Prob(s)	N
<i>CLNANL1</i>	0.018	***	0.000	***	94,958
<i>CLNANL2</i>	0.029	***	0.000	***	94,321
<i>CLNANL3</i>	0.037	***	0.000	***	93,185
<i>CLNANL4</i>	0.042	***	0.000	***	91,860
<i>CPIH1</i>	0.010	***	0.005	***	94,958
<i>CPIH2</i>	0.017	***	0.010	***	94,321
<i>CPIH3</i>	0.022	***	0.015	***	93,185
<i>CPIH4</i>	0.028	***	0.020	***	91,860

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test (means) and a Wilcoxon signed rank test (medians).

Table 6 presents means and medians for changes in analyst following and institutional holdings from one to four quarters after the conference presentation (quarter 0). *LNANL* is the log of one plus the number of unique analysts issuing an earnings forecasts for any horizon during the calendar quarter prior to the conference presentation. *CLNANL_x* is the difference between *LNANL* in quarter *x* and *LNANL* in quarter 0. *PIH* is the percentage ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the conference presentation. *CPIH_x* is the difference between *PIH* in quarter *x* and *PIH* in quarter 0.

TABLE 7
 Regressions of Changes in Analyst Following and Institutional Holdings Subsequent to the
 Presentation Date on Conference Characteristics and Control Variables

Variable	<i>CLNANL4</i>	<i>CPIH4</i>
<i>DPRODMKT</i>	-0.034 ***	-0.001
<i>DCAPMKT_TOP</i>	-0.009 **	0.005 ***
<i>DDEST</i>	0.001	0.000
<i>DNONUS</i>	-0.038 ***	-0.006 *
<i>DMONCEN</i>	-0.005	0.001
<i>LCONFSIZE</i>	0.002	0.002 **
<i>DINDUS_CONF</i>	0.009 *	-0.001
<i>LPRIORPRES</i>	0.046 ***	0.003 ***
<i>LMV</i>	0.048 ***	-0.006 ***
<i>PIH</i>	0.154 ***	-0.151 ***
<i>LNANL</i>	-0.222 ***	0.014 ***
<i>ANNMAR</i>	0.115 ***	0.023 ***
<i>ANNTURN</i>	0.111 ***	-0.029 ***
<i>DFORFIRM</i>	-0.031 ***	-0.050 ***
<i>ABS_SAR</i>	-0.008 ***	-0.003 ***
<i>ABN_TURN</i>	0.006 ***	0.002 ***
<i>SAR</i>	0.002 ***	0.001 ***
<i>EP</i>	0.040	0.093 ***
<i>DP</i>	-0.128	-0.286 ***
<i>BP</i>	-0.079 ***	0.011 ***
<i>CNI</i>	0.002	0.000
<i>SGR</i>	0.005	-0.005 ***
<i>SPINDX</i>	0.000	0.013 ***
<i>INTAN</i>	-0.017	-0.001
<i>LEV</i>	-0.032 ***	0.024 ***
<i>STD</i>	-0.850 ***	-0.315 ***
<i>BETA</i>	0.010 **	0.004 **
<i>LTIME</i>	-0.016 ***	-0.006 ***
<i>YEAR EFFECTS</i>	Included	Included
<i>INDUSTRY EFFECTS</i>	Included	Included
N	91,860	91,860
Adjusted R ²	0.191	0.085

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test based on two-way clustered standard errors, with clustering at the firm and conference level.

TABLE 7 (Continued)
 Regressions of Changes in Analyst Following and Institutional Holdings Subsequent to the
 Presentation Date on Conference Characteristics and Control Variables

Table 7 provides regressions of four-quarter changes in analyst following (*CLNANL4*) and institutional holdings (*CPIH4*) on conference and firm characteristics. *CLNANL4* is the difference between *LNANL* in quarter 4 and *LNANL* in quarter 0. *CPIH4* is the difference between *PIH* in quarter 4 and *PIH* in quarter 0. We include year and industry fixed effects but do not report them in the table. *DPRODMKT* equals 1 if the presentation was at a product market-focused conference, 0 otherwise. *DCAPMKT_TOP* equals 1 if the presentation was at a top brokerage firm, 0 otherwise. *DDEST* equals 1 if the presentation was at a destination location, 0 otherwise. *DNONUS* equals 1 if the presentation was held outside of the U.S., 0 otherwise. *DMONCEN* equals 1 if the presentation was at a money center location, 0 otherwise. *CONFSIZE* is measured as the number of presentations that occur at the conference. *LCONFSIZE* is the log of one plus *CONFSIZE*. *DINDUS_CONF* equals 1 if the presentation was at an industry-focused conference, 0 otherwise. We define an industry-focused conference as having fewer than four industries represented at the conference. *PRIORPRES* is the number of conference presentations given by the firm in the past ninety days. *LPRIORPRES* is the log of one plus *PRIORPRES*. *MV* is market value in millions (from CRSP) measured 30 days before the conference presentation. *LMV* is the log of *MV*. *PIH* is the percentage ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the conference presentation. *NANL* is the number of unique analysts issuing an earnings forecasts for any horizon during the calendar quarter prior to the conference presentation. *LNANL* is the log of one plus *NANL*. For both *PIH* and *LNANL*, we assume the variable has a value of zero for any period when the company is listed on an exchange but there is no data available. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. *DFORFIRM* is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. *EP* is the earnings-to-price ratio at fiscal year-end (FYE) prior to presentation. *DP* is the dividend-to-price ratio at FYE prior to presentation. *BP* is the book-to-price ratio at FYE prior to presentation. *CNI* is the change in net income, deflated by market value at FYE prior to presentation. *SGR* is the sales growth at FYE prior to presentation. *SPINDEX* is the indicator for listing on any S&P index at FYE prior to presentation. *INTAN* is the intangible assets/total assets at FYE prior to presentation. *LEV* is the leverage at FYE prior to presentation. *STD* is the standard deviation of stock returns (from CRSP) for year prior to presentation. *BETA* is the beta (from CRSP) of the stock for year prior to presentation. *TIME* is the number of years the company has been listed. *LTIME* is the log of *TIME*.

TABLE 8

Regressions of Subsequent Changes in Analyst Following and Institutional Holdings on Conference Characteristics and Control Variables Interacted with an Indicator for Low Visibility

Variable	<i>CLNANL4</i>	<i>CPIH4</i>
<i>DPRODMKT</i>	-0.029 ***	0.002
<i>DCAPMKT_TOP</i>	-0.003	0.003 **
<i>DDEST</i>	-0.001	-0.002
<i>DNONUS</i>	-0.035 ***	-0.006 *
<i>DMONCEN</i>	-0.010 *	0.000
<i>LCONFSIZE</i>	0.000	0.002 **
<i>DINDUS_CONF</i>	0.009 *	0.000
<i>LPRIORPRES</i>	0.039 ***	0.003 ***
<i>DLVIS</i>	-0.037	-0.031 ***
<i>DLVIS*DPRODMKT</i>	-0.013	-0.007 *
<i>DLVIS*DCAPMKT_TOP</i>	-0.039 ***	0.012 ***
<i>DLVIS*DDEST</i>	0.005	0.013 **
<i>DLVIS*DNONUS</i>	-0.027	0.001
<i>DLVIS*DMONCEN</i>	0.018	0.008 *
<i>DLVIS*LCONFSIZE</i>	0.007	-0.002
<i>DLVIS*DINDUS_CONF</i>	-0.004	-0.009 **
<i>DLVIS*LPRIORPRES</i>	0.045 ***	0.002
<i>FIRM CONTROLS</i>	Included	Included
<i>YEAR EFFECTS</i>	Included	Included
<i>INDUSTRY EFFECTS</i>	Included	Included
N	91,860	91,860
Adjusted R ²	0.192	0.090

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test based on two-way clustered standard errors, with clustering at the firm and conference level.

Table 8 provides regressions of four-quarter changes in analyst following (*CLNANL4*) and institutional holdings (*CPIH4*) on conference characteristics, interacted with an indicator variable for low visibility firms (*DLVIS*). To define this indicator variable, we compute a factor score from a factor analysis of three proxies for firm visibility—firm size, prior institutional ownership, and prior analyst following—and set *DLVIS* equal to one for firms in the bottom quintile of this factor score and equal to zero otherwise. In the regression, we include controls for firm characteristics, as well as year and industry fixed effects, but do not report them in the table to conserve space. *DPRODMKT* equals 1 if the presentation was at a product market-focused conference, 0 otherwise. *DCAPMKT_TOP* equals 1 if the presentation was at a top brokerage firm, 0 otherwise. *DDEST* equals 1 if the presentation was at a destination location, 0 otherwise. *DNONUS* equals 1 if the presentation was held outside of the U.S., 0 otherwise. *DMONCEN* equals 1 if the presentation was at a money center location, 0 otherwise. *CONFSIZE* is measured as the number of presentations that occur at the conference. *LCONFSIZE* is the log of one plus *CONFSIZE*. *DINDUS_CONF* equals 1 if the presentation was at an industry-focused conference, 0 otherwise. We define an industry-focused conference as having fewer than four Fama-French (30 categories) industries represented at the conference. *PRIORPRES* is the number of conference presentations given by the firm in the past ninety days. *LPRIORPRES* is the log of one plus *PRIORPRES*.