The use of non-financial information by financial analysts: a content analysis approach (2004)

Orens, Raf; U0060425 ;
Lybaert, Nadine

Abstract
Although some studies are arguing that annual reports are less relevant or useful, other studies are providing evidence that annual reports are the most important source of corporate information for financial analysts. If it really seems to be true that all information in analyst reports is published in annual reports as well, the relevance and usefulness of analyst reports may be questioned. For this reason, our paper researches the extent to which analyst reports provide additional value to annual reports, and this with relation to non-financial information. Our results, based on a sample of 50 analyst reports made by Belgian financial analysts for 27 Belgian listed companies, show that financial analysts mainly use historical information about the company. We also provide evidence that analyst reports mention more non-financial information when firms are disclosing more non-financial information in their annual report. However, financial analysts and managers attach different importance to several categories of non-financial information.