Online Appendix to:

How Resilient are Firms' Financial Reporting Processes?

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The following pages provide further details on items mentioned in the main paper. Unless otherwise noted, our supplementary analyses only focus on our primary specifications from Tables 2C, 3B, 4C, and 5C of the main paper.

OA 1 Detailed discussion and analysis of financial reporting quality

Section 4 of the paper briefly summarizes our analyses of financial reporting quality. This section provides an in-depth discussion of those analyses. The goal of these analyses is to examine whether firms and auditors sacrificed financial reporting quality to maintain reporting timeliness during COVID.

A significant challenge in investigating financial reporting quality is that many standard proxies are likely directly affected by COVID itself.[1] For example, the economic impact of COVID caused impairments and large changes in expenses/revenues that would confound measures of abnormal accruals and meet/beat behavior.

Given the confounds with most other proxies for reporting quality, our primary analyses are based on observed reporting errors: the restatement of a previously-filed 10K/Q (indicator *Restatement*); or a revision in the numbers reported in the initial EA and subsequent 10K/Q (indicator *EA_Revision*). We also examine earnings response coefficients (ERCs) as a measure of perceived financial reporting quality. All three proxies are subject to measurement concerns, as further discussed below.

OA 1.1 Tests of restatements and revisions

Restatement data are from Audit Analytics. Restatement data are only available through February 2022 as of the date of our analyses, so provide limited histories for measuring post-filing restatements. We therefore focus only on the four quarters in 2020, which allows a minimum of 14 months to identify restatements of filings in Q4-2020.[2] We use the same restatement horizon when comparing each 2020 quarter to the corresponding 2019 quarter.

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[1] See Dechow et al. (2010) for background discussion on empirical proxies for financial reporting quality.
[2] We use the maximum available window for each quarter. For example, for filings in Q3-2020, we still measure restatements through February 2022, which allows for a 17-month window.

Specifically, for 2020 10K/Qs, we examine all restatements that occur through February of 2022, and for 2019 10K/Qs we examine all restatements that occur through February of 2021. Using the same horizon ensures that 2019 filings do not have more restatements simply because more time has passed to identify them. We create an indicator variable, *Restatement*, that identifies whether the 10K/Q from that period was subsequently restated; i.e., *Restatement* is equal to one if the financial results from that period were later restated, not if a restatement is announced in that period.

Restatement has two drawbacks as a proxy for reporting quality. The first is that restatements sometimes do not occur until several years after the original filing, but our post-filing window is necessarily limited to as short as 14 months. The second caveat is that the absence of a restatement has a somewhat unclear interpretation: it could indicate that the original report was accurate, or it could indicate that firms/auditors were less diligent in identifying reporting errors after the original filing date (deHaan et al. 2013; Srnivasan et al. 2015).

Our second financial reporting quality proxy focuses on EAs and captures whether an EPS number reported in the EA was subsequently revised in the 10K/Q filing (Bronson et al. 2011; Schroeder 2016). We obtain these data from the Compustat Snapshot Point-in-Time database. For the EA EPS numbers, we use the first set of numbers that appear in Compustat Point-in-Time with update code "2" (variable *UPDQ*). For the 10K/Q EPS numbers, we use the first set of numbers that appear in Compustat Point-in-Time with update code "3." We then create an indicator variable, *EA_Revision*, if any of the following EPS figures differ between the EA and 10K/Q: basic or diluted EPS including extraordinary items for the quarter, and the same figures measured year-to-date. *EA_Revision* is only defined for firm-quarters that do not have concurrent EAs and 10K/Q filings (as further discussed in Section OA.2), in which case differences in EPS numbers between the EA and 10K/Q are likely due to rounding issues or data provider errors.

As briefly discussed in Section 4 of the paper, descriptive statistics in Table 5A of the paper find little evidence of increases in restatements or EA revisions in 2020 relative to 2019. Regressions of reporting quality on *Post* in Table 5B and 5C of the paper produce similar inferences.[3] We conclude that, overall, there is no evidence of declines in financial reporting quality during COVID.

OA 1.2 Cross-sectional tests of restatements and revisions

We next more specifically examine whether there is a substitution between reporting timeliness and quality. If firms maintain timeliness by sacrificing quality, then we should see that restatements and revisions increase more among the firms that *maintained* their timeliness. As a preview, the following tests find no systematic evidence of differences in financial reporting quality for firms that did versus did not maintain timeliness during COVID.

We start by examining cross-sectional variation in reporting quality based on *LateFiler*:

$$Restatement/EA\_Revision = \beta_1 {*} Post + \beta_2 {*} LateFiler + \beta_3 Post \times LateFiler + Fixed\ Effects + \varepsilon \tag{1}$$

The dependent variable is either *Restatement* or *EA_Revision*. β_1 now estimates pre/post-COVID changes in reporting quality for firms with *LateFiler* equal to zero; i.e., the firms that are <u>timely</u> 10K/Q filers in 2020. β_2 estimates the relation between reporting quality and untimeliness in the pre-COVID period. β_3 estimates the difference in the pre/post-COVID change in quality

[3] For robustness, we also restrict the first set of numbers that appear in Compustat Snapshot Point-in-Time with update code "2" to have a preliminary date in Snapshot (PDATEQ) that precedes the 10K/Q filing date and restrict the first set of numbers with an update code "3" to have a final date in Snapshot (FDATEQ) that is on the same day or after the 10K/Q filing date. Our findings are qualitatively unchanged.

for untimely filers relative to timely filers. If timely filers stayed timely by sacrificing quality relative to late filers, then we expect that timely filers have an increase in restatements during COVID (i.e., $\beta_1 > 0$) and that the increase for timely filers is greater than for late filers (i.e., $\beta_3 < 0$). This second result is important because it emphasizes that *timely* filers during COVID substitute away from quality, rather than all filers during COVID experiencing a decline in quality.

Panel A of Table OA.1 tabulates results of (1) including just firm fixed effects. β_1 is insignificant or significantly negative in all quarters for both revisions and restatements, which is inconsistent with quality declining among timely 10K/Q filers. All but one of the β_3 interactions (Q2-2020 for restatements) are also statistically insignificant. Panel B has similar results when including both firm and SEC deadline fixed effects. These results are inconsistent with timely 10K/Q filers sacrificing quality in order to file on time.

Panels C through F of Table OA.1 tabulate similar regressions for *FilingLag* and *EALargeChg,* and produce similar inferences.[4] Specifically, there is no evidence of declines in quality among firms with no change in *FilingLag* or *EALargeChg* (i.e., β_1 is not consistently positive), nor are there consistent cross-sectional differences depending on the *FilingLag* or *EALargeChg* (i.e., β_3 is insignificant in nearly all regressions).

The prior analysis includes all restatements, but one could attempt to focus only on more

[4] Because *FilingLag* is a count variable instead of an indicator, these regressions have slightly more nuanced interpretations than for *LateFiler*. The firm fixed effects de-mean *FilingLag* by firm. Thus, firms with *FilingLag* equal to zero are those that have the same filing lag in 2020 as they did in 2019; i.e., the firms that maintain similar timeliness. Thus, β_1 captures the pre/post-COVID change in reporting quality for firms that maintain their timeliness, and β_3 captures the differential pre/post change in reporting quality between firms that maintained timeliness and those that were less timely post-COVID (i.e., those with longer *FilingLag*). If firms sacrifice quality to maintain timeliness, we still predict that $\beta_1 > 0$ and $\beta_3 < 0$. A similar logic applies to *EALargeChg*.

material restatements. A common definition of a "material" restatement, used by Audit Analytics, is a restatement accompanied by a Form 8K 4.02 filing. Untabulated descriptive statistics show there are no more than 34 material restatements in any quarter in our sample (i.e., no more than 1% of filings), so are economically modest unto themselves. Moreover, pre/post-COVID differences do not exceed five material restatements in any quarter (i.e., a pre/post change of under 0.16 percentage points), providing no indication of economically meaningful changes.[5]

OA 1.3 Analysis of ERCs

ERCs, or the sensitivity of returns to earnings surprises, are often used as measures of *perceived* financial reporting quality (e.g., Holthausen & Verrecchia 1988; Wilson 2008; Dechow et al. 2010; deHaan et al. 2013). All else equal, smaller ERCs are consistent with investors perceiving a financial report as being less reliable, and therefore putting less weight on the report when updating their beliefs.

Prior literature discusses and find evidence that actual and perceived reporting quality do not always change in the same direction (e.g., deHaan 2017). Even if actual reporting quality did not decline during COVID, actual reporting quality is largely unobservable in real time and is not fully observable even with a delay. If market participants were concerned that firms' reporting systems would struggle to accommodate COVID's economic effects and coordination

[5] We recognize that managers have considerable discretion over whether to file an 8K with a restatement (e.g., Myers et al. 2013; Plumlee & Yohn 2010; Hogan & Jonas 2016), so this definition of "material" restatements is plausibly confounded by changes in managers' reporting incentives or practices pre/post-COVID. Other academic measures of restatement severity exist; for example, whether the restatement is accompanied by a class action lawsuit (Hennes et al. 2008), or whether there are significantly negative returns around the restatement announcement (deHaan et al. 2015). However, given that the overall frequencies of restatements are low, and that we do not observe meaningful changes in total restatements or EA revisions, it seems unlikely that meaningful differences will exist among other measures of more severe restatements. We leave such analyses to future research.

challenges, it is plausible that they reduced their reliance on financial reports (driving lower ERCs) even if those reports were later shown to be accurate.

An empirical challenge in using ERCs as a proxy for perceived financial reporting quality is that ERCs are heavily determined by fundamentals such as perceptions of risk and earnings persistence (e.g., Kormendi & Lipe 1987; Collins & Kothari 1989; Kothari 2001). These fundamentals likely also changed during COVID (e.g., expected risk increased and earnings persistence declined), which could reduce ERCs for reasons other than expected financial reporting quality. Moreover, controls for these fundamentals are based on backwards-looking data (e.g., earnings persistence calculated over the trailing years), which means that we likely cannot effectively control for these fundamentals when they are expected to change sharply upon COVID. As such, our ERC results should be interpreted with caution.[6]

We investigate changes in ERCs before/after COVID using the following regression:

$$CAR = \beta_1 * UE + \beta_2 * Post + \beta_3 * UE * Post + \Sigma\beta_k * Controls + \Sigma\beta_j * UE * Controls + Firm\ Fixed\ Effects + \varepsilon \quad (2)$$

CAR is the cumulative market-adjusted return over trading days (-1,+1) relative to the EA, adjusted for delisting returns (Beaver et al. 2007). *UE* is the analyst-based earnings surprise, scaled by price. We sort *UE* into deciles by quarter to mitigate the effects of outliers, and rescale to between 0 and 1 to facilitate coefficient interpretations. *Post* is an indicator for the post-COVID period. *Controls* follow Wilson (2008) and Hirshleifer et al. (2009) and include earnings predictability and persistence, stock beta, book-to-market, firm size, the EA reporting lag, analyst following, institutional ownership, trailing share turnover, and an indicator for loss

[6] Dechow et al. (2010, p367) also warn that ERCs "speak only to the decision usefulness of earnings in equity valuation" and so may not be informative about perceived earnings quality by other financial statement users.

quarters (see Table OA.2 for definitions). All independent variables are de-meaned before interactions. The sample for these tests includes all 10K/Q filers but untabulated results produce unchanged inferences for timely 10K/Q filers. The coefficient of interest is β_3. The results are displayed in the main paper in Table 5D, where we find ERCs decline during Q2-2020 through Q4-2020, relative to 2019, consistent with a decline in perceived reporting quality.

Unlike our analyses of restatements and revisions, we do not examine cross-sectional variation in pre/post-COVID ERCs because EA reporting lags are a known determinant of ERCs (e.g., Hirshleifer et al. 2009), which severely confounds examining firms that filed on-time/late or firms with/without large changes in EA speeds.

OA 1.4 Conclusion about financial reporting quality

As concluded in the paper, the results in this section do not support the hypothesis that financial reporting quality declined during COVID, at least as proxied by restatements and EA revisions. Moreover, we see no evidence of declines in quality concentrated among timely filers. That said, we have limited histories for examining restatements, so these results likely provide an incomplete picture of the effects of COVID on restatements. We do observe evidence of declines in ERCs during COVID, suggesting a decline in perceived financial reporting quality, however, changes in firm fundamentals during COVID challenge the interpretability of the ERC tests. Overall, our conclusions about financial reporting quality should be taken with some caution given that few viable quality proxies are available.

OA 2 Cross-sectional tests and alternative or complementary explanation

OA 2.1 10K versus 10Q

10K filings are longer and require more preparation and auditor involvement relative to

10Q filings. As such, it is plausible that reporting delays are concentrated among 10K filings. This prediction is especially plausible for firms with a fiscal year-end that overlaps with the start of COVID in Q1-2020, in which case the delays we observe in Q1-2020 are plausibly primarily driven by the increased complexity of filing 10Ks.[7]

Our tests thus far examine three outcome variables (*LateFiler, FilingLag*, and *EALargeChg*) over six quarters, which requires extensive tabulation for each test. For brevity, we omit *FilingLag* from these analyses because our results so far find no consistent evidence of increases in *FilingLag* during COVID. We also focus only on Q1-2020 through Q4-2020. Untabulated results for *FilingLag* as a dependent variable and for all three dependent variables in Q1-2021 and Q2-2021 produce similar inferences.

Panel A of Table OA.3 tabulates the frequencies of 10Ks and 10Qs by quarter. 80% of 10Ks are for period-ends in calendar Q4 of each year, consistent with many firms having a calendar fiscal year.

Regressions in Panel B split *Post* based on whether the filing in that quarter is a 10K or 10Q. The main effect of 10K versus 10Q is absorbed by the firm fixed effects. In Q1-2020 we find that increases in *LateFiler* and *EALargeChg* exist for both 10Ks and 10Qs, and that tests of the differences (reported in the bottom row) are statistically insignificant.

In Q2-2020, there is some evidence of increases in *LateFiler* and *EALargeChg* among 10K filers, consistent with greater reporting challenges for 10Ks. However, the difference between *Post* coefficients for 10Ks and 10Qs is only significant for *EALargeChg*. Moreover, the results reverse for *EALargeChg* in the Q3-2020, with 10Ks having *fewer* large delays than 10Qs.

[7] Recall that the Q1-2020 sample includes firms with a fiscal period-end in Q1-2020, not that file their 10K/Q in Q1-2020. Analyses of period-ends in Q4-2019 are provided in Section OA 2.5 of the Online Appendix.

In sum, we do not find consistent differences of pre/post COVID changes in timeliness between 10K versus 10Q filings.

OA 2.2 Did firms halt earnings guidance to maintain timely reporting?

Like in Aaron et al. (2021) and Hope et al. (2022), untabulated analysis of IBES data find a downward trend in EPS guidance in the years before COVID and a sharp decrease upon COVID. Many of the firms that halt guidance during COVID do not resume by Q2-2021, which suggests that COVID plausibly accelerated an existing trend in firms stopping guidance. We investigate whether firms halt guidance to divert resources to produce timely 10K/Qs and EAs.

We identify 9.7% of firms that issue a bundled EPS forecast in 2019 but not in the matched post-COVID quarter. We then repeat our models, splitting *Post* into two-subgroups: one for stopped guiders and another for all other firms. If firms halt guidance to free resources, we should observe that stopped guiders are less likely to miss a deadline or delay their 10K/Q or EA.

Results tabulated in Table OA.4 find that the *Post* coefficients are largely the same between the two groups of firms. The bottom rows of each panel test the difference in *Post* between the two groups and find few statistically significant differences.[8] Only in the case of late filers in Q4-2020 and large EA changes in Q1-2020 are the differences significant, and in both cases the *Post* variable for stopped guiders is larger, contrary to the hypothesis that firms divert resources away from developing guidance in order to report their historical financial performance in a timely manner. There are also two instances where one of the two *Post* variables is statistically significant but the other is not (Q1-2020 and Q3-2020 for *FilingLag*), but the differences are not statistically significant and, again, the coefficient for the stopped guiders

[8] Any on average differences in timeliness between stopped guiders and other firms are absorbed by the firm fixed effects.

is larger than the other group. Overall, there is no evidence that stopped guiders are *less* likely to miss a deadline or delay their reports.

These tests cannot observe whether stopped guiders would have been less timely had they issued forecasts. Still, stopped guiders comprise just 9.7% of firms in our sample, and dropping them produces unchanged inferences (untabulated). Thus, the stopping of guidance does not appear to play a material role in our results.

OA 2.3 Changes in concurrent reporters

Concurrent reporters are firms that release their EA and 10K/Q at the same time. Arif et al. (2019) find that the prevalence of concurrent reporters steadily increases over time, and that firms that switch to become concurrent generally stay concurrent in future years. When firms switch to become concurrent, Arif et al. (2019) find that they delay their EA by an average of 11 days and accelerate their 10K by an average of three days. Arif et al. (2019) also find that concurrent reporters are associated with greater anticipation of earnings information (possibly due to greater preemption of news by industry peer EAs) and a muted market reaction at the EA followed by greater post-earnings announcement drift.

This section examines trends in concurrent reporters during COVID for two reasons. First, it is plausible that COVID causes previously concurrent reporters to decouple their EA and 10K/Q to maintain the timeliness of their EA. Second, Table 4C of the paper finds that 5% of firms have large EA delays in Q1-2020 relative to Q1-2019, and it is plausible that these results are partially driven by firms switching to become concurrent reporters.

We define concurrent reporters (*Concurrent*) as a firm that releases its EA within days (-1,0) of the 10K/Q filing (Arif et al. 2019). Allowing for a one-day difference allows for differences in the data collection procedures between Compustat, I/B/E/S, and EDGAR. Consistent with Arif et al. (2019), we perform our concurrent reporters analyses only for timely filers.

We first investigate whether previously concurrent reporters maintained their EA timeliness during COVID by decoupling their EA and 10K/Q. Panel A of Table OA.5 tabulates the percentage of concurrent reporters each quarter and the year-over-year change. Column (2) shows that the year-over-year changes in the frequency of concurrent reporters increase each quarter during COVID, which is consistent with the ongoing trend in increasing frequency of concurrent reporters documented in Arif et al. (2019).[9] Regressions in Panel B confirm that the pre/post-COVID increases in concurrent reporters are statistically significant in all quarters except Q3-2020 and Q4-2020. Moreover, untabulated regressions of Q1-2021 and Q2-2021 relative to 2020 do not find declines in concurrent reporters, indicating that new concurrent reporters in Q1-2020 and Q2-2020 stay concurrent in Q1-2021 and Q2-2021. In sum, there is no evidence of declines in concurrent reporters during COVID, which is inconsistent with firms decoupling their EA and 10K/Q to maintain timely EAs.

We next investigate the potential effects of new concurrent filings on the large EA lags found in Table 4C in the paper. We do so by repeating the analyses from Table 4C but dropping all firms that switch to concurrent in the post-COVID period. As shown in Panel C of Table OA.5, dropping new concurrent reporters substantially reduces the β_1 coefficient in Q1-2020, from 0.050 in the full sample to 0.028. Moreover, β_1 in all other quarters is now insignificant. These results suggest that the increases in *EALargeChg* we observe during COVID are partially driven by new concurrent reporters. It is plausible that these firms would have switched to

[9] Column (1) of Panel A shows that the percentage of concurrent filers sometimes increases or decreases between two *consecutive* quarters, but that is due to changes in the mix of 10Q and 10K filings, the latter of which are less likely to be concurrent. Column (2) presents more meaningful analysis of the change in concurrent reporters as compared to the same quarter in the previous year.

become concurrent even in the absence of COVID, and therefore their large EA delays may not be due to the effects of COVID itself. It is also plausible that some of these firms were not planning to become concurrent in the absence of COVID, but after experiencing COVID-related EA delays, they decided to take the opportunity to become concurrent. In practice, both explanations likely occur. Either way, though, we still observe an increase in large EA delays in Q1-2020 even excluding new concurrent reporters, indicating that new concurrent reporters are not solely responsible for reporting delays at the onset of COVID.

OA 2.4 California case study

California had among the stricter public health policies during COVID, with most schools and businesses remaining closed into 2021.[10] If the quick return to timely reporting we observe from Q2-2020 onwards is primarily because some States quickly loosened their COVID restrictions, then we should observe that reports remain delayed in California throughout 2020.

In Table OA.6 we replicate our main results but splitting *Post* into two groups: California firms that comprise roughly 16% of our sample, and all other firms. The *Post* coefficients are highly similar between the two samples, and tests of differences in the bottom rows find no statistically significant differences. More importantly, there is no evidence that California firms missed filing deadlines or delayed their reports in Q2-2020 through Q4-2020.

The results on the California sub-sample are consistent with modest and short-lived reporting delays during COVID, even in areas with strict and long-lasting COVID policies and measures. Thus, the quick return to timely reporting does not appear to be due to states loosening

[10] California was the first state to issue a stay-at-home order (https://www.cdc.gov/mmwr/volumes/69/wr/mm6935a2.htm), experienced among the largest mobility impacts after the order (https://data.covid.umd.edu/findings/index.html), and lagged behind most states when it comes to reopening schools (https://edsource.org/2021/california-lags-behind-most-states-in-offering-fully-in-person-instruction-new-data-show/652035).

their COVID restrictions, but rather to firms' ability to adapt quickly to the challenges presented by COVID.

OA 2.5 Analysis of Q4-2019

COVID emerged internationally by mid-January 2020, and descriptive statistics in Table 1C of the main paper show that many firms mention COVID in their Q4-2019 10K/Qs (that were filed in Q1-2020).[11] We define post-COVID as Q1-2020 onwards (i.e., fiscal period-ends during Q1-2020), but it is possible that COVID impacted reporting speeds for Q4-2019 reports (that were filed/announced in early 2020).

To investigate this possibility, we reexamine our main analyses but for Q4-2019 relative to Q4-2018. *Post* is now an indicator for Q4-2019. Sample sizes are reduced due to requiring additional historical data.

Results in Table OA.7 find no significant increases in late 10K/Qs or reporting delays. The *Post* coefficients are nominally negative, although both statistically and economically insignificant. Thus, there is no evidence that COVID impacted Q4-2019 filing timeliness.

[11] https://www.cdc.gov/museum/timeline/covid19.html. Accessed April 2022.

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Table OA.1 – Financial Reporting Quality Cross-Sectional Regressions

All analyses include firm or firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date (EA date) when the dependent variable is *Restatement* (*EA_Revision)*. *FilingLag* is demeaned (before interactions). For variable definitions see Appendix in the main paper.

Panel A: By LateFiler, Firm FE Only

	Restatement				**EA_Revision**			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	-0.004	-0.004	-0.001	0.002	-0.006	-0.017	-0.012	0.003
	(-0.93)	(-0.89)	(-0.18)	(0.66)	(-0.62)	(-2.16)**	(-1.52)	(0.35)
LateFiler	-0.027	0.102	0.137	0.027	0.338	0.031	0.238	0.224
	(-0.46)	(1.69)*	(1.91)*	(0.92)	(1.84)*	(0.16)	(1.64)	(3.05)***
Post× LateFiler	-0.056	-0.186	-0.125	-0.008	-0.134	0.212	-0.026	-0.169
	(-1.00)	(-3.19)***	(-1.27)	(-0.17)	(-0.72)	(1.02)	(-0.10)	(-1.13)
Observations	6,368	6,410	6,432	6,426	1,850	1,852	1,852	2,698
Adjusted-R-squared	0.195	0.204	0.138	0.040	0.397	0.413	0.378	0.451

Panel B: By LateFiler, Firm & Deadline FE

	Restatement				**EA_Revision**			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	0.001	0.001	-0.007	0.004	-0.016	-0.025	-0.017	-0.010
	(0.11)	(0.21)	(-1.05)	(0.52)	(-1.42)	(-2.06)**	(-1.32)	(-0.53)
LateFiler	-0.021	0.105	0.138	0.029	0.336	0.046	0.231	0.224
	(-0.37)	(1.74)*	(1.94)*	(1.00)	(1.92)*	(0.23)	(1.75)*	(3.04)***
Post× LateFiler	-0.063	-0.194	-0.127	-0.006	-0.123	0.190	-0.045	-0.150
	(-1.13)	(-3.31)***	(-1.31)	(-0.14)	(-0.69)	(0.87)	(-0.22)	(-1.01)
Observations	6,366	6,408	6,430	6,424	1,850	1,852	1,852	2,692
Adjusted-R-squared	0.194	0.203	0.142	0.040	0.394	0.414	0.387	0.450

Panel C – By FilingLag, Firm FE Only

	Restatement				EA_Revision			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	0.014	-0.025	-0.020	-0.003	0.002	-0.003	0.039	-0.026
	(0.77)	(-1.30)	(-0.86)	(-0.21)	(0.05)	(-0.08)	(1.08)	(-0.85)
FilingLag	0.001	0.000	0.000	0.001	-0.000	0.002	0.006	0.001
	(0.64)	(0.48)	(0.47)	(1.23)	(-0.23)	(1.00)	(2.18)**	(0.73)
Post× FilingLag	-0.001	0.001	0.001	0.000	-0.000	-0.000	-0.001	0.001
	(-1.02)	(1.06)	(0.88)	(0.45)	(-0.21)	(-0.44)	(-1.26)	(0.92)
Observations	5,796	6,118	6,222	6,020	1,732	1,800	1,826	2,576
Adjusted-R-squared	0.197	0.166	0.111	0.060	0.410	0.434	0.378	0.481

Panel D – By FilingLag, Firm & Deadline FE

	Restatement				EA_Revision			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	0.027	-0.038	-0.029	0.007	-0.001	0.056	0.014	-0.060
	(0.87)	(-1.38)	(-1.09)	(0.36)	(-0.01)	(1.05)	(0.36)	(-1.59)
FilingLag	0.001	0.000	0.001	0.001	-0.000	0.004	0.006	0.000
	(0.68)	(0.17)	(0.47)	(1.28)	(-0.15)	(1.76)*	(1.94)*	(0.17)
Post× FilingLag	-0.001	0.001	0.001	0.000	-0.000	-0.002	-0.001	0.001
	(-1.09)	(1.24)	(0.98)	(0.04)	(-0.19)	(-1.44)	(-0.70)	(1.03)
Observations	5,796	6,116	6,220	6,018	1,732	1,800	1,826	2,570
Adjusted-R-squared	0.196	0.165	0.114	0.058	0.407	0.437	0.382	0.480

Panel E – By EALargeChg, Firm FE Only

	Restatement				EA_Revision			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	-0.003	-0.003	-0.000	0.002	-0.005	-0.012	-0.009	0.007
	(-0.83)	(-0.69)	(-0.03)	(0.57)	(-0.50)	(-1.54)	(-1.07)	(0.98)
EALargeChg	-0.006	0.009	0.016	-0.010	-0.024	-0.089	-0.053	0.075
	(-0.26)	(0.55)	(0.99)	(-1.49)	(-0.95)	(-1.71)*	(-0.87)	(2.38)**
Post× EALargeChg	0.009	-0.019	0.012	0.017	0.029	0.069	0.082	-0.096
	(0.29)	(-0.80)	(0.43)	(1.55)	(0.79)	(1.09)	(0.95)	(-2.01)**
Observations	5,434	5,740	5,866	5,678	1,654	1,734	1,768	2,480
Adjusted-R-squared	0.188	0.176	0.111	0.066	0.434	0.463	0.384	0.526

Panel F – By EALargeChg, Firm & Deadline FE

	Restatement				EA_Revision			
	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2020**	**Q2-2020**	**Q3-2020**	**Q4-2020**
Post	-0.006	-0.002	-0.004	0.005	-0.005	-0.017	-0.016	0.008
	(-0.77)	(-0.37)	(-0.52)	(0.67)	(-0.60)	(-1.59)	(-1.15)	(0.52)
EALargeChg	-0.005	0.008	0.015	-0.010	-0.026	-0.091	-0.066	0.075
	(-0.24)	(0.47)	(0.87)	(-1.52)	(-1.00)	(-1.74)*	(-1.07)	(2.37)**
Post× EALargeChg	0.007	-0.019	0.013	0.018	0.030	0.071	0.095	-0.097
	(0.24)	(-0.77)	(0.49)	(1.59)	(0.78)	(1.10)	(1.09)	(-2.02)**
Observations	5,434	5,738	5,864	5,676	1,654	1,734	1,768	2,474
Adjusted-R-squared	0.187	0.175	0.115	0.065	0.431	0.463	0.386	0.522

Table OA.2 – ERC Test Variable Definitions

Definitions for the variables used in our ERC analyses of perceived financial reporting quality (Table 5D of the paper). All independent variables are demeaned before interactions.

Variable	Description
Analyst_Following	Log of 1 plus the number analysts contributing to the earnings consensus prior to the EA date.
Book-to-market	Book value of common equity divided by market value of equity as of the end of the fiscal quarter.
CAR	The dependent variable, CAR, is the cumulative market-adjusted return over trading days (-1,+1) relative to the EA, adjusted for delisting returns (Beaver et al. 2007).
Earnings_Persistence	Calculated as the AR(1) coefficient of regressing seasonally lagged EPS, calculated over the preceding two years.
Earnings_Predictability	Variance of the absolute values of unexpected earnings over the preceding two years.
Firm_Size	Log of market value of equity.
Institutional_Ownership	Institutional ownership defined as the percentages of shares held by institutions.
Loss	Indicator if EPS before extraordinary items is less than zero.
Reporting_Lag	Difference between EA date and fiscal period end date.
Share_Turnover	Average monthly share trading volume over average monthly number of shares outstanding during the preceding year relative to the fiscal quarter end.
Stock_Beta	Stock market beta calculated over the preceding year relative to the EA date.
UE	Analyst-based unexpected earnings, scaled by price, and sorted into deciles by quarter. UE is then decile-ranked so that its value ranges from 0 to 1.

Table OA.3 – Cross Sectional Tests – 10Ks versus 10Qs

All analyses include firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date (EA date) when the dependent variable is *LateFiler* (*EALargeChg*). For variable definitions see Appendix in the main paper.

Panel A – Descriptive statistics – 10-K/Q

Quarter	Count of 10Ks	10Ks/TotalFilings	Count of 10Qs	10Qs/TotalFilings
Q1-2019	228	7.2%	2,956	92.8%
Q2-2019	198	6.2%	3,007	93.8%
Q3-2019	211	6.6%	3,005	93.4%
Q4-2019	2,571	80.0%	642	20.0%
Q1-2020	228	7.2%	2,956	92.8%
Q2-2020	198	6.2%	3,007	93.8%
Q3-2020	211	6.6%	3,005	93.4%
Q4-2020	2,571	80.0%	642	20.0%
Q1-2021	210	7.0%	2,805	93.0%
Q2-2021	190	6.3%	2,849	93.7%

Panel B – Regressions – 10-K vs. 10-Q (Comparable to Table 2C and 4C)

	LateFiler				EALargeChg			
	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2020	Q2-2020	Q3-2020	Q4-2020
Post – 10Q	0.078	0.007	-0.006	0.004	0.045	-0.000	0.018	0.006
	(2.80)***	(0.45)	(-0.82)	(0.26)	(2.32)**	(-0.02)	(1.18)	(0.26)
Post – 10K	0.061	0.037	-0.024	-0.066	0.080	0.105	-0.068	-0.011
	(2.35)**	(1.83)*	(-1.07)	(-1.83)*	(1.68)*	(2.02)**	(-1.64)	(-0.20)
Observations	6,366	6,408	6,430	6,424	5,434	5,738	5,864	5,676
Adjusted-R-squared	0.188	0.127	0.194	0.260	-0.138	-0.183	-0.160	-0.202
Difference:	-0.017	0.030	-0.019	-0.070	0.034	0.105	-0.086	-0.017
(Post 10K – Post 10Q)	(0.47)	(1.11)	(0.79)	(1.80)**	(0.65)	(1.92)**	(2.00)***	-(0.29)

Table OA.4 – Did Firms Halt Guidance to Stay Timely?

Analysis of changes in earnings guidance. All analyses include firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date in Panel A/B and by EA date in Panel C. For variable definitions see Appendix in the main paper.

Panel A: LateFiler (comparable to Table-2C)

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021
	(1)	(2)	(3)	(4)	(5)	(6)
Post – All Others	0.076	0.009	-0.009	-0.048	-0.000	-0.001
	(3.01)***	(0.59)	(-1.23)	(-1.82)*	(-0.00)	(-0.35)
Post – Stopped Guiders	0.077	0.013	-0.007	-0.008	0.003	-0.007
	(3.47)***	(1.01)	(-0.77)	(-0.38)	(0.50)	(-0.61)
Observations	6,366	6,408	6,430	6,424	6,030	6,074
Adjusted R-squared	0.188	0.127	0.194	0.257	0.278	0.136
Difference: (Stopped – Others)	0.002	0.003	0.002	0.040	0.003	-0.006
	(0.09)	(0.27)	(0.22)	(2.19)**	(0.48)	-(0.54)

Panel B: FilingLag (comparable to Table-3B)

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021
	(1)	(2)	(3)	(4)	(5)	(6)
Post – All Others	0.373	0.157	-0.372	-0.965	-0.360	-0.341
	(1.36)	(0.51)	(-1.66)*	(-1.57)	(-0.92)	(-0.89)
Post – Stopped Guiders	0.840	0.375	0.113	-0.708	-0.485	-0.202
	(2.24)**	(1.30)	(0.36)	(-1.57)	(-1.18)	(-0.46)
Observations	5,796	6,116	6,220	6,018	5,838	5,866
Adjusted R-squared	0.880	0.900	0.894	0.922	0.883	0.898
Difference: (Stopped – Others)	0.467	0.218	0.485	0.257	-0.124	0.139
	(1.41)	(0.75)	(1.59)	(0.69)	-(0.44)	(0.52)

Panel C: EALargeChg (comparable to Table-4C)

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post – All Others	0.044	0.005	0.001	0.001	0.030	0.018
	(2.50)**	(0.24)	(0.05)	(0.03)	(1.81)*	(0.97)
Post – Stopped Guiders	0.095	0.033	0.015	-0.047	0.040	0.036
	(3.10)***	(1.37)	(0.61)	(-1.18)	(1.31)	(1.37)
Observations	5,434	5,738	5,864	5,676	5,476	5,504
Adjusted R-squared	-0.137	-0.185	-0.161	-0.201	-0.135	-0.201
Difference: (Stopped – Others)	0.051	0.028	0.014	-0.048	0.010	0.018
	(1.72)*	(1.12)	(0.63)	-(1.30)	(0.36)	(0.73)

Table OA.5 – Concurrent Reporters Tests

Panel A tabulates the % of concurrent reporters in each quarter and the change in that percentage from the same quarter in the previous year. Regressions in Panels B and C include firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date in Panel B and by EA date in Panel C.

Panel A – Prevalence of concurrent reporters

	(1)	**(2)**
Quarter	**% Concurrent EA and 10K/Q**	**Change from same quarter last year**
Q1-2019	62.4%	2.3%
Q2-2019	63.4%	1.4%
Q3-2019	64.4%	2.3%
Q4-2019	50.6%	2.7%
Q1-2020	65.4%	2.9%
Q2-2020	64.4%	1.0%
Q3-2020	65.7%	1.3%
Q4-2020	52.3%	1.7%
Q1-2021	66.0%	0.6%
Q2-2021	66.6%	2.2%

Panel B – Pre/Post-COVID changes in concurrent reporters

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post	0.046	0.023	0.001	0.003	0.055	0.044
	(3.70)***	(1.82)*	(0.05)	(0.23)	(4.37)***	(3.82)***
Observations	5,796	6,116	6,220	6,018	5,838	5,866
Adjusted-R-squared	0.728	0.715	0.753	0.769	0.720	0.727

Panel C: Analysis of EALargeChg, dropping new concurrent reporters in the Post-COVID period (comparable to Table-4C)

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post	0.028	-0.010	-0.012	-0.011	0.016	0.004
	(1.81)*	(-0.49)	(-0.82)	(-0.30)	(1.02)	(0.22)
Observations	5,000	5,342	5,486	5,304	5,010	5,046
Adjusted-R-squared	-0.122	-0.191	-0.159	-0.211	-0.123	-0.214

Table OA.6 – California case study

Analysis of California firms versus all others. All analyses include firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date in Panel A/B and by EA date in Panel C. For variable definitions see Appendix in the main paper.

Panel A: LateFiler (comparable to Table-2C)

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post – All Others	0.079	0.012	-0.009	-0.045	0.001	-0.004
	(3.19)***	(0.73)	(-1.18)	(-1.67)*	(0.17)	(-1.01)
Post – California	0.061	0.003	-0.009	-0.044	-0.002	0.009
	(2.50)**	(0.25)	(-1.00)	(-1.86)*	(-0.17)	(1.00)
Observations	6,366	6,408	6,430	6,424	6,030	6,074
Adjusted R-squared	0.188	0.127	0.194	0.256	0.278	0.137
Difference: (California – Others)	-0.018	-0.008	0.000	0.000	-0.002	0.012
	-(1.38)	-(0.93)	-(0.04)	(0.03)	-(0.24)	(1.52)

Panel B: FilingLag (comparable to Table-3B)

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post – All Others	0.472	0.173	-0.294	-0.819	-0.339	-0.321
	(1.81)*	(0.60)	(-1.37)	(-1.35)	(-0.87)	(-0.84)
Post – California	0.220	0.254	-0.232	-1.372	-0.578	-0.367
	(0.62)	(0.77)	(-0.84)	(-2.28)**	(-1.42)	(-0.83)
Observations	5,796	6,116	6,220	6,018	5,838	5,866
Adjusted R-squared	0.880	0.899	0.894	0.922	0.883	0.898
Difference: (California – Others)	-0.252	0.082	0.062	-0.553	-0.239	-0.047
	-(1.11)	(0.53)	(0.30)	-(1.65)	-(1.11)	-(0.19)

Panel C: EALargeChg (comparable to Table-4C)

	Q1-2020	**Q2-2020**	**Q3-2020**	**Q4-2020**	**Q1-2021**	**Q2-2021**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Post – All Others	0.050	0.010	-0.001	-0.003	0.031	0.021
	(2.86)***	(0.44)	(-0.07)	(-0.08)	(1.84)*	(1.25)
Post – California	0.050	0.010	0.024	-0.011	0.034	0.013
	(1.93)*	(0.36)	(0.93)	(-0.29)	(1.16)	(0.38)
Observations	5,434	5,738	5,864	5,676	5,476	5,504
Adjusted R-squared	-0.138	-0.186	-0.161	-0.202	-0.135	-0.201
Difference: (California – Others)	-0.001	0.000	0.025	-0.008	0.003	-0.008
	-(0.02)	(0.00)	(1.19)	-(0.27)	(0.12)	-(0.29)

Table OA.7 – Q4-2019 vs. Q4-2018

Analysis of Q4-2019 vs. Q4-2018. All analyses include firm and SEC deadline length fixed effects. Standard errors clustered by SEC filing date in Panel A/B and by EA date in Panel C. For variable definitions see Appendix in the main paper. In this specification, *Post* is an indicator variable for the Q4-2019 calendar quarter.

Panel A: LateFiler (similar to Table-2C)

	Q4-2019
	(1)
Post	-0.003
	(-0.29)
Observations	6,062
Adjusted R-squared	0.230

Panel B: FilingLag (similar to Table-3B)

	Q4-2019
	(1)
Post	-0.228
	(-1.05)
Observations	5,644
Adjusted R-squared	0.931

Panel C: EALargeChg (similar to Table-4C)

	Q4-2019
	(1)
Post	-0.018
	(-0.97)
Observations	5,282
Adjusted R-squared	-0.198