



# Non-GAAP Reconciliations Study

June 2026



In collaboration with the Accounting Class of 2026 at



## Executive Summary

Every year, U.S. corporations report “adjusted earnings” to investors. This analysis from Calcbench and Suffolk University, now in its fifth year running, examines the type, number, and dollar value of those adjustments to help financial analysts understand how widespread and extensive the practice of adjusted earnings truly is.

We studied the 2025 annual earnings releases of the S&P 500 firms and identified 361 companies (72 percent of the entire S&P 500) that reported either non-GAAP net income or non-GAAP earnings per share — that is, “adjusted” net income or EPS numbers. Within that group of 361 companies, we then measured and classified the specific adjustments each company cited to reconcile those adjusted numbers back to “traditional” net income according to U.S. Generally Accepted Accounting Principles (GAAP).

## Key Findings

- Among the 361 firms that reported non-GAAP earnings, 87 percent reported adjustments that led to **higher** earnings compared to GAAP net income, down slightly from the 89 percent identified in 2024.
- Adjusted net income exceeded GAAP net income by an average of \$751 million per company, some 23 percent higher than average GAAP net income. (This also implies a corresponding increase in EPS.) Again these 2025 numbers are down from 2024, when the average adjustment was \$870 million and roughly 30 percent higher than average GAAP net income.
- Average adjusted net income was \$4 billion for 2025, compared to \$3.8 billion for 2024.
- We found a total of 2,320 individual reconciling items for our sample, with an average value of \$117 million per item — 14 percent **lower** than the previous year. The total value of all non-GAAP adjustments was \$271 billion.
- Companies had an average of 6.4 reconciling items per company in 2025, similar to previous years’ numbers.
- The most notable swing in adjustments happened with gains and losses from investments, which went from an overall upward adjustment of \$25.6 billion in 2024 to a **downward** adjustment of \$8 billion in 2025. This suggests that a larger number of

companies adjusted non-GAAP income downwards in 2025 to exclude investment gains; and the swing in this category alone (from positive \$25.6 billion in 2024 to negative \$8 billion in 2025) accounts for the entire decrease in non-GAAP adjustments in 2025.

- Among the 11 types of adjustments we tracked, amortization of intangible assets continues to be the single largest adjustment category by dollar volume. It accounted for roughly 34 percent of the total adjusted amount.
- Adjustments related to stock-based compensation accounted for 24 percent of total dollars adjusted, up from only 17 percent in 2024.

Our report also noted several significant adjustments at individual companies. For example:

- AbbVie (ABBV) had the largest adjustments, reporting non-GAAP net income that was \$13.6 billion higher than GAAP net income. Two specific adjustments accounted for most of that total: \$6.3B for contingent consideration and \$6.2B for intangible asset amortization.
- Pfizer (PFE) and Broadcom (AVGO) adjusted their GAAP net income upward by \$10.6 billion each. Both firms had an add-back for intangible asset amortization adjustment (Pfizer at \$5B, Broadcom at \$8B). Pfizer also had an asset impairment of \$4.9B while Broadcom had a stock compensation expense of \$7.6B. Both of those adjustments were added back to GAAP net income.
- AT&T (T) reported non-GAAP adjustments that decreased its GAAP net income by \$6.6 billion. Most of this decrease comes from AT&T excluding gains on its sale of DirectTV from AT&T's GAAP net income.

Firms examined (all dollar amounts in millions)				
	Firms sampled	Avg. GAAP net income	Avg. Non-GAAP Net income	Spread (in dollars and pct.)
2022	200	\$2,875	\$3,969	\$1,095 (38%)
2023	260	\$2,412	\$3,111	\$698 (29%)
2024	351	\$2,936	\$3,806	\$870 (30%)
2025	361	\$3,293	\$4,044	\$751 (23%)

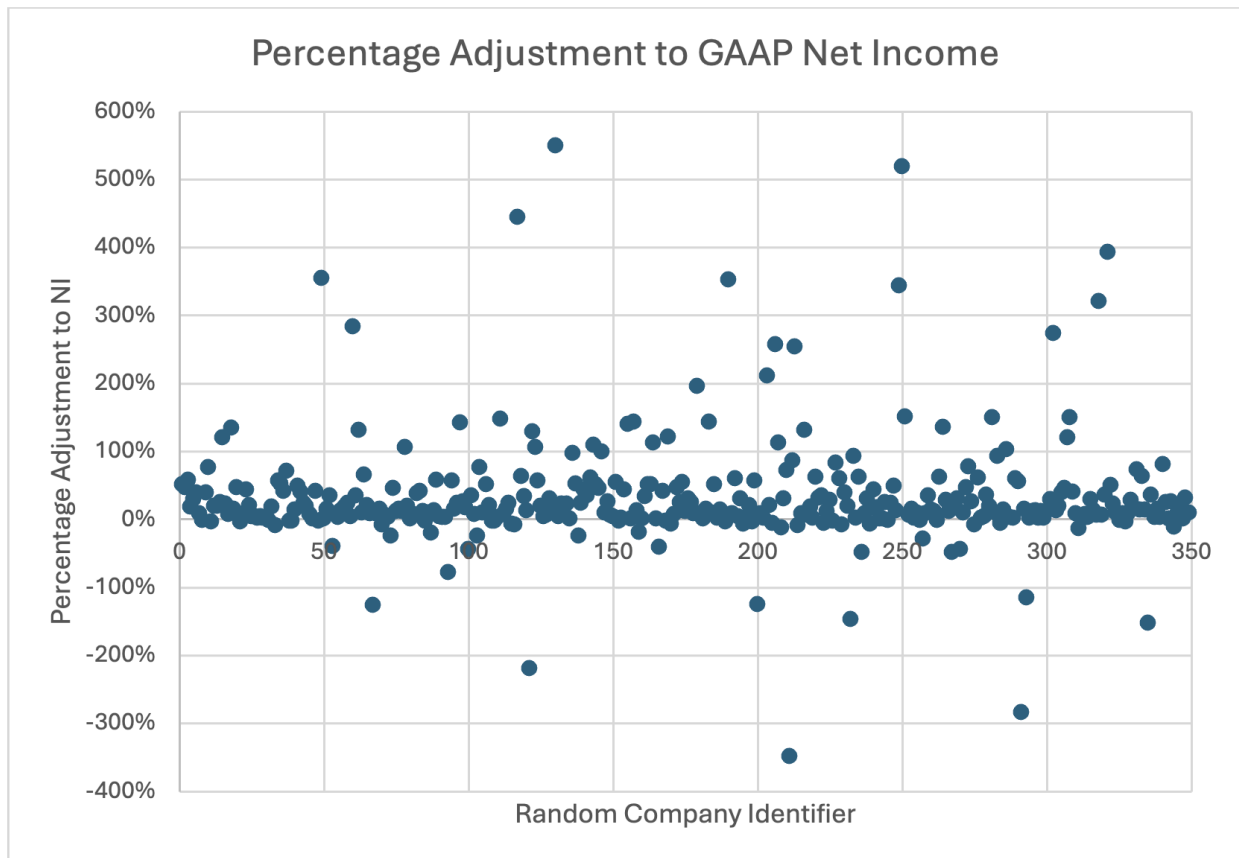
## Adjustments Analysis

Eighty-seven percent of companies in our 2025 analysis adjusted non-GAAP income *upwards*, meaning that adjusted non-GAAP net income exceeded “traditional” GAAP income. The other 13 percent adjusted non-GAAP income *downwards* to be lower than GAAP net income. This was largely in step with 2024, when 89 percent of companies adjusted net income upwards and 11 percent adjusted downwards.

While the mix of upwards versus downwards adjustments was relatively stable from 2024 to 2025, the *range* of adjustments in 2025 was wider. That is, size of individual adjustments relative to net income was more diverse this year than last.

The scatterplot in Figure 1, below, shows the range of adjustments as a percentage of GAAP net income. Although most companies still adjusted their net income upward only within an upper bound of 100 percent of GAAP net income, a larger number than in previous years adjusted net income considerably higher, from 100 to 600 percent or more.

(Several companies<sup>1</sup> in our sample are outside the range of our Figure 1 scatterplot since their adjustments were too large to include easily. See our footnote at the end for a list of those companies.)



## Adjustment Categories

Our report classifies every earnings adjustment into one of 11 categories, listed below. (Please note, this year no companies posted adjustments related to in-process R&D.)

Amortization of intangibles	Tax adjustments	Gain/Loss on investments, including pensions	Stock-based compensation
Impairments	Litigation	Restructuring	Currency adjustments
Mergers, acquisitions, divestitures	In-process R&D	Other	

The average individual adjustment to GAAP net income was almost \$117 million, down from 2024's average individual adjustment of \$135 million. The decrease from last year is likely due to the significant downward adjustments we mentioned in the gain/loss on investment category.

The average number of adjustments per company remained the same this year:

- 6.4 adjustments per company in 2025
- 6.4 adjustments per company in 2024
- 6.3 adjustments per company in 2023

## Adjustment Categories by Size

The single largest category of adjustments in 2025 continued to be amortization of intangible assets. That category accounted for one-third of total amount adjusted across all firms, similar to the amortization category's 2024 numbers. The second-largest category was impairments, at 28 percent of the total amount adjusted — up sharply from last year, when impairment-related adjustments were only 19 percent of the total.

A complete breakdown of each category's size, both by dollar amount and as percentage of total adjustment value, is in Figure 2, below. Year-over-year change in the left-side column refers to the percentage of total adjustment value.

Category	2025 Dollars Adjusted	2025 Pct. of Total	2024 Dollars Adjusted	2024 Pct. of Total	YoY Direction
Amortization of Intangibles	\$91,765	33.85%	\$94,594	31.07%	↑
Stock-based Compensation	\$65,522	24.17%	\$51,126	16.79%	↑
Restructuring	\$49,393	18.22%	\$56,988	18.72%	↓
Merger Acquisition / Divestiture	\$27,244	10.05%	\$34,379	11.29%	↓
Tax Adjustments	(\$45,573)	16.81%	(\$39,761)	13.0%	↑
Impairment	\$76,392	28.18%	\$53,111	17.44%	↑
Other	\$6,392	2.36%	\$10,761	3.53%	↓
Gain/Loss on invests	(\$7,928)	-2.92%	\$25,580	8.40%	↓
Litigation	\$6,358	2.35%	\$13,951	4.58%	↓
Currency Adjustments	\$1,525	0.56%	\$321	0.11%	↓
<b>Total</b>	<b>\$271,090</b>	<b>100.00%</b>	<b>\$304.479</b>	<b>100.00%</b>	↓

The most significant change we saw in 2025 was the decrease in adjustments related to gains and losses from investments. Total adjustments for that category in 2024 were *positive* \$25.6 billion; for 2025 the total was *negative* \$7.9 billion — a swing of \$33.5 billion.

This means that on average, companies adjusted net income downward in this category in 2025, after adjusting upward for the category in 2024. The \$33.5 billion swing in this single category is almost exactly equal to the decline in total adjustments we see for *all* categories from 2024 to 2025 (a decline of \$33.4 billion from \$304.5 billion in 2024 to \$271.1 billion in 2025).

The decline was driven at least partially by companies excluding investment gains from GAAP net income. This elimination of gains is typically done for non-recurring gains that might arise from, say, one company owning shares in another, and those shares rise in value. For example, Nvidia Corp. (NVDA) included a downward non-GAAP adjustment of \$8.9 billion, which reflected gains that Nvidia enjoyed from holding shares of Intel, Coreweave, Nokia, and other companies.

Tax adjustments continued to be significant, accounting for 17 percent of total dollars adjusted — but most tax adjustments are *negative*, meaning they adjust non-GAAP net income downward. So from a technical perspective, tax adjustments were -17 percent of total dollars adjusted.

Figure 3, below, shows 2025 adjustments as a pie chart, followed by Figure 4, presenting the same data in table format. (Reconciliation data for 2023 and 2024 is available in Appendix B at the end of this report.)

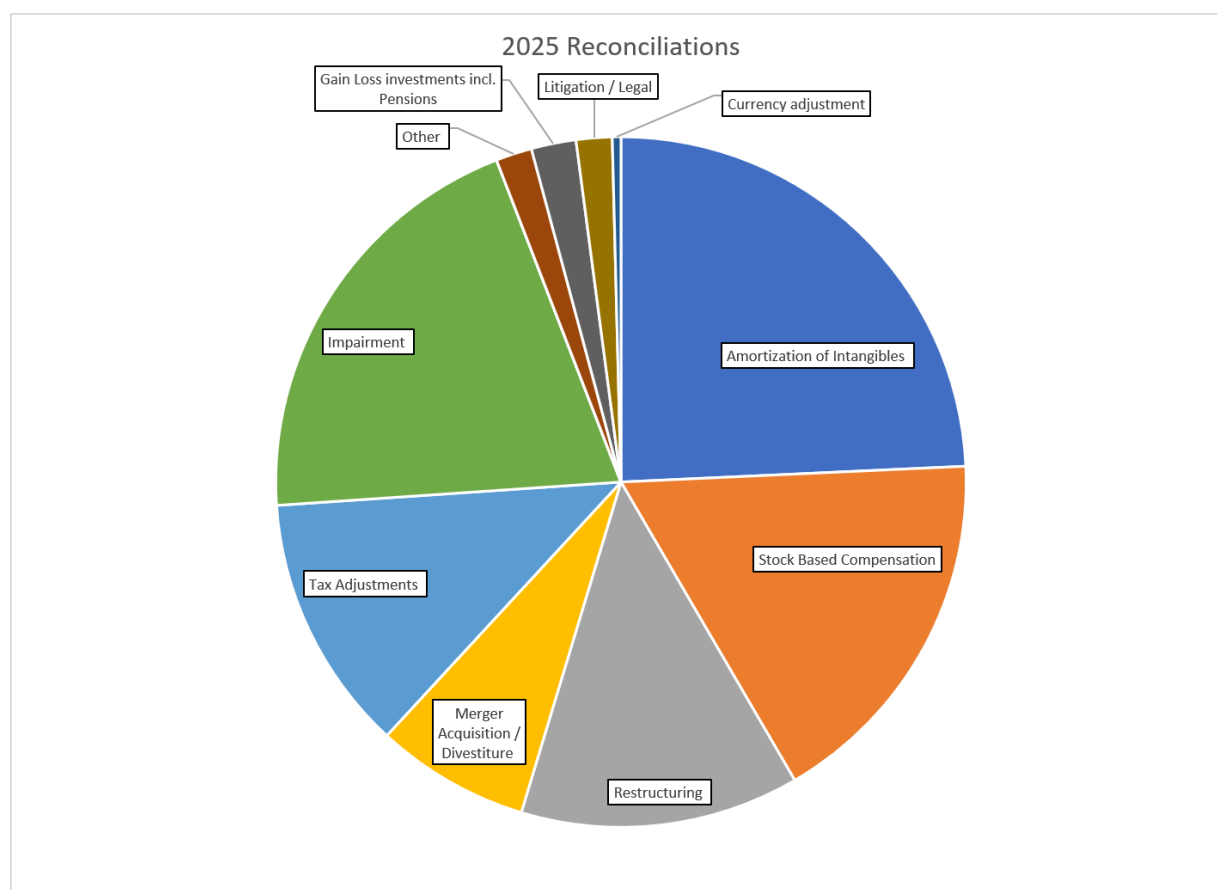


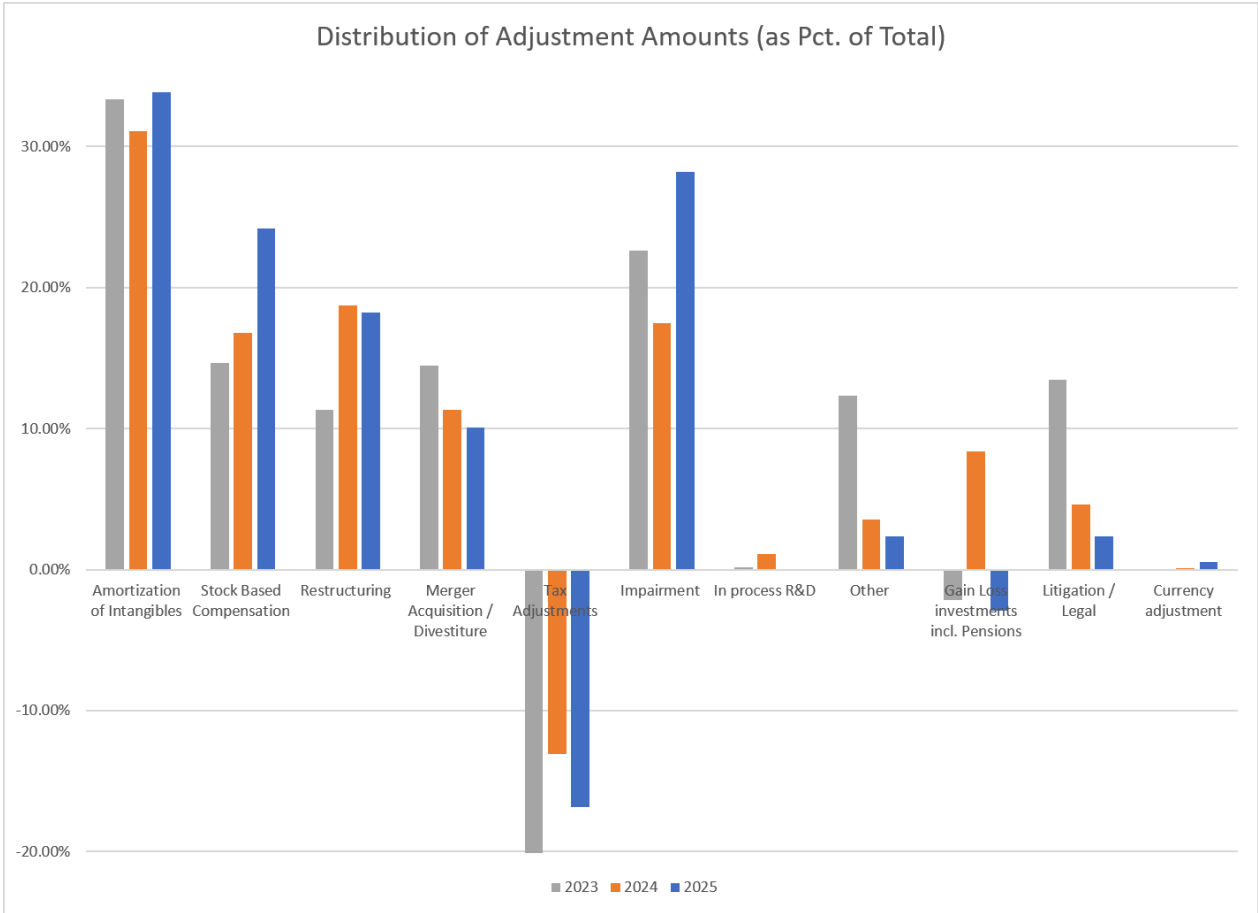
Figure 4

### 2025 reconciliations

Category	Adjustment Count	Dollars Adjusted (in millions USD)	Percent of Total	Average Adjustment (in millions USD)
Amortization of Intangibles	185	\$91,765	33.85%	\$496
Stock Based Compensation	113	\$65,522	24.17%	\$580
Restructuring	285	\$49,393	18.22%	\$173
Merger Acquisition / Divestiture	373	\$27,244	10.05%	\$73
Tax Adjustments	378	\$(45,573)	-16.81%	\$(121)
Impairment	161	\$76,392	28.18%	\$474
Other	232	\$6,392	2.36%	\$28
Gain Loss investments incl. Pensions	427	\$(7,928)	-2.92%	\$(19)
Litigation	139	\$6,358	2.35%	\$46
Currency Adjustments	27	\$1,525	0.56%	\$56
<b>Total</b>	<b>2320</b>	<b>271,090</b>	<b>100.00%</b>	<b>\$117</b>

## Distribution of Adjustment Categories by Size

The distribution of adjustment categories by size has changed somewhat over time. For example, amortization of intangible assets has generally been one of the largest categories for three years running, while stock-based compensation has seen a significant increase from 15 percent of the total in 2023 to 24 percent in 2025. See Figure 5, below.



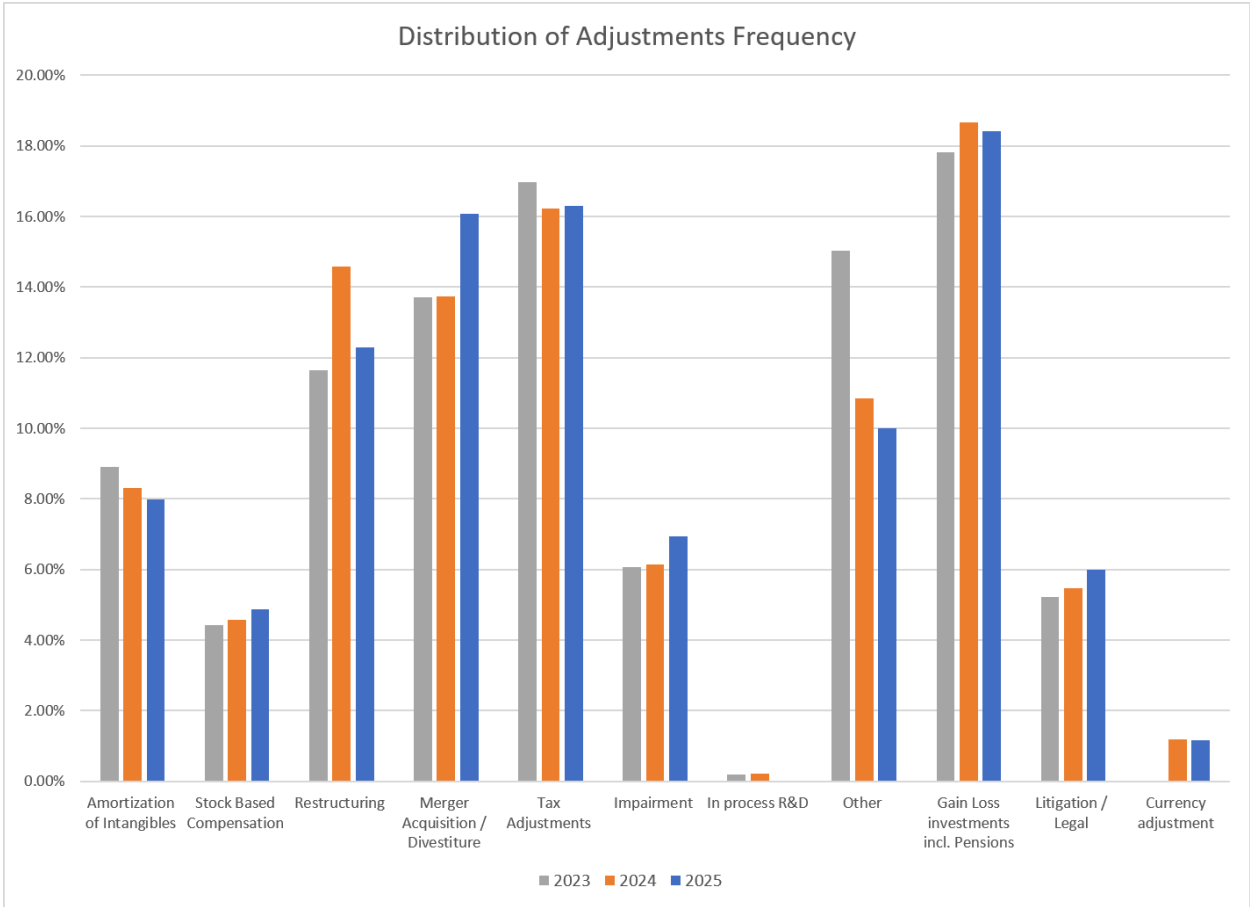
Some of these shifts can be explained by macro-economic factors. For example, the robust stock market performance in recent years has made stock-based compensation more expensive under GAAP; that could explain the steady upward march in the size of stock-based pay adjustments since 2023.

On the other hand, amortization of intangibles follows a fixed schedule under GAAP, regardless of macro-economic trends. So it's not surprising to see that amortization adjustments are large

(because intangible assets are a significant portion of many companies' balance sheets) and tend to rank among the largest of all 11 categories year after year.

## Distribution of Adjustment Categories by Frequency

We can also look at the distribution of adjustment categories by frequency — that is, what percentage of companies are claiming a certain type of adjustment, rather than that category's dollar value. As seen in Figure 6, below, this paints a different picture. Here we can see that the portion of adjustments has held relatively steady in most categories. This suggests that most companies make the same types of adjustments year over year, but the amounts change every year.



## Industry Analysis

To understand non-GAAP adjustment patterns by industry, we sorted the 361 companies in our sample group by the first digits of their SIC (standard industrial classification) codes. The one-digit SIC codes correspond to the following industries:

- 0 - Agriculture
- 1 - Mining and Construction
- 2, 3 - Manufacturing
- 4 - Transportation and Public Utilities
- 5 - Wholesale and Retail Trade
- 6 - Finance, Insurance, Real Estate
- 7, 8 - Services

We had no companies from SIC 0 (Agriculture) and SIC 9 (Public administration).

Adjustments vary greatly among industries in both their magnitude and type. For example, adjustments made by companies in the manufacturing sector (codes 2 and 3) accounted for 64 percent of all adjustments made; but those manufacturing companies comprised only 47 percent of all firms in our sample group. Manufacturing firms also adjusted their GAAP net income upward by an average of 31 percent, while those in Transportation and Public Utilities (SIC 4), a regulated industry, had an average upward adjustment of less than one percent.

### Percent Adjusted by SIC

	1	2	3	4	5	6	7	8
<b>Percentage of total dollar adjustments</b>	1.35%	30.30%	33.78%	0.22%	6.83%	12.44%	14.15%	0.93%
<b>Percentage of firms in sample</b>	3.88%	17.45%	29.36%	11.63%	7.20%	13.02%	14.96%	2.49%

As presented in the table above, some industries tend to adjust more frequently relative to their sample size, while others adjust less frequently. Manufacturing (SIC 2 and SIC 3) seem to adjust more frequently. Transportation companies and public utilities (SIC 4) seem to adjust less frequently relative to their sample size. The less frequent adjustments may be related to these companies being in regulated industries.

We conducted a similar analysis to examine which industries tend to adjust their GAAP income more or less, but this time compared to GAAP net income. This analysis reveals a different way to examine the adjustments.

## Dollars Adjusted by SIC

	1	2	3	4	5	6	7	8
<b>Sum of Adjust. (\$B)</b>	3.66	82.13	91.58	0.60	18.50	33.72	38.37	2.52
<b>Sum of GAAP Net Income (\$B)</b>	31.01	264.67	348.81	154.33	79.79	155.45	145.30	9.41
<b>Adjustment as % of GAAP Net Inc.</b>	11.8%	31.0%	26.3%	0.39%	23.2%	21.7%	26.4%	26.8%

The table above shows the average adjustment to GAAP net income by industry. We can see that overall, most industries adjust their GAAP net income upwards by about 25 percent. Some industries adjust more (such as Manufacturing - SIC 2), and some less (Transportation and Public Utilities SIC 4). The results we see here are again more equal between industries than what we have seen in prior years.

The heat map in Figure 7, below, shows the different categories of adjustments as a percentage of total adjustment amounts for each industry. This allows us to see which are the most significant categories of adjustments for each industry.

## Percent Adjustment by SIC

SIC Code Category of adjustment	1	2	3	4	5	6	7	8	Total
<b>Amortization of Intangibles</b>	10.96%	31.72%	35.23%	526.07%	20.75%	33.98%	34.69%	50.25%	33.85%
<b>Stock Based Compensation</b>	6.69%	2.15%	36.17%	145.09%	4.45%	9.87%	64.82%	19.11%	24.17%
<b>Restructuring</b>	8.74%	16.12%	22.53%	429.32%	16.67%	13.59%	11.48%	21.42%	18.22%
<b>M&amp;A / Divestiture</b>	-9.25%	12.99%	9.31%	-707.78%	9.59%	22.08%	8.19%	12.01%	10.05%
<b>Tax Adjustments</b>	14.13%	-9.26%	-13.90%	-241.77%	-17.27%	-22.20%	-33.95%	-23.13%	-16.81%
<b>Impairments</b>	168.67%	45.87%	11.39%	266.79%	51.09%	28.57%	2.00%	26.15%	28.18%
<b>Other</b>	-14.31%	3.33%	1.86%	153.37%	1.98%	1.30%	1.62%	4.92%	2.36%
<b>Gain/Loss investments</b>	-85.70%	1.66%	-8.59%	-770.77%	7.84%	11.05%	3.32%	-3.20%	-2.92%
<b>Litigation</b>	0.05%	-5.18%	5.39%	237.58%	4.89%	1.75%	7.65%	-7.53%	2.35%
<b>Currency</b>	0.00%	0.61%	0.62%	62.11%	0.01%	0.02%	0.18%	0.00%	0.56%
<b>Grand Total</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The most significant category for manufacturing (SIC 2) is impairments, at almost 46 percent. That shouldn't be a surprise; this sector includes pharmaceuticals, which have an outsized portion of their balance sheets tied up in intangibles such as intellectual property, patents, trademarks, and copyrights. That higher level of intangibles for manufacturing is also probably why amortization of intangibles are the second-highest adjustment category, at almost 32 percent.

Figure 8, below, considers the same issue from the opposite perspective: how much does each industry sector contribute to each adjustment category.

SIC Code Category of adjustment	1	2	3	4	5	6	7	8	Grand Total
<b>Amortization of Intangibles</b>	0.44%	28.39%	35.16%	3.46%	4.18%	12.48%	14.50%	1.38%	100.00%
<b>Stock Based Compensation</b>	0.37%	2.70%	50.56%	1.34%	1.26%	5.08%	37.96%	0.74%	100.00%
<b>Restructuring</b>	0.65%	26.80%	41.77%	5.25%	6.24%	9.28%	8.92%	1.09%	100.00%
<b>M&amp;A / Divestiture</b>	-1.24%	39.16%	31.28%	-15.68%	6.51%	27.32%	11.54%	1.11%	100.00%
<b>Tax Adjustments</b>	-1.13%	16.69%	27.94%	3.20%	7.01%	16.42%	28.59%	1.28%	100.00%
<b>Impairments</b>	8.08%	49.31%	13.65%	2.11%	12.38%	12.61%	1.00%	0.86%	100.00%
<b>Other</b>	-8.19%	42.81%	26.62%	14.48%	5.74%	6.85%	9.74%	1.94%	100.00%
<b>Gain/Loss investments</b>	39.55%	-17.15%	99.23%	58.68%	-18.30%	-46.98%	-16.05%	1.02%	100.00%
<b>Litigation</b>	0.03%	-66.90%	77.63%	22.56%	14.23%	9.27%	46.16%	-2.99%	100.00%
<b>Currency</b>	0.00%	32.98%	37.40%	24.58%	0.07%	0.47%	4.50%	0.00%	100.00%
<b>Grand Total</b>	1.35%	30.30%	33.78%	0.22%	6.83%	12.44%	14.15%	0.93%	100.00%

Figure 8 tells us that stock-based compensation adjustments were almost exclusively reported by companies in manufacturing (SIC 3) and services (SIC 7). This is a result of large adjustments made specifically by Broadcom, Nvidia, Cisco Systems, Oracle, Salesforce, Intel, and Qualcomm; which altogether reported more than \$30 billion of adjustments in this category.

We also see that Amortization of Intangibles adjustments were mostly reported by companies in manufacturing (SIC 2 and 3), which includes pharma companies. This includes adjustments by Broadcom of \$8 billion and AbbVie of \$6 billion.

Further data on non-GAAP adjustments by SIC code is in Appendix C of this report.

## Company Analysis

Several individual companies adjusted GAAP net income to such a large extent that they contributed materially to the entire \$271 billion in non-GAAP adjustments we observed overall. Figure 9, below, is a “Top 10” list of companies reporting the largest *upward* adjustments to GAAP net income.

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
ABBV	AbbVie Inc.	\$13,558,000,000	320%	5.0%
PFE	Pfizer Inc.	\$10,636,000,000	136%	3.9%
AVGO	Broadcom Inc.	\$10,602,000,000	46%	3.9%
KHC	Kraft Heinz*	\$8,928,000,000	153%	3.3%
COF	Capital One Financial*	\$8,434,000,000	344%	3.1%
QCOM	Qualcomm	\$7,876,000,000	142%	2.9%
CNC	Centene Corp.	\$7,702,000,000	115%	2.8%
GM	General Motors	\$7,131,000,000	257%	2.6%
CVS	CVS HEALTH Corp.	\$6,804,000,000	394%	2.5%
BMJ	Bristol Myers Squibb	\$5,492,000,000	78%	2.0%

\* The company reported a negative GAAP Net-Income

Figure 10, below, shows the five companies with the largest *downward* adjustments to GAAP net income.

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
T	AT&T Inc.	\$(6,595,480,000)	-28%	-2.4%
UBER	Uber Technologies Inc	\$(4,853,000,000)	-48%	-1.8%
CMCSA	Comcast Corp.	\$(4,026,000,000)	-20%	-1.5%
NVDA	Nvidia Corp,	\$(3,070,000,000)	-3%	-1.1%
KKR	KKR & Co. Inc.	\$(2,721,688,000)	-44%	-1.0%

Further information on the individual companies reporting the largest non-GAAP adjustments for each of the adjustment categories we tracked is available in Appendix D of this report.

## Conclusions

Companies might adjust GAAP earnings for several reasons. For example, management teams might believe that adjusted, non-GAAP earnings are more informative and useful for investors. We saw an example of that this year with companies adjusting GAAP net income *downwards* to exclude gains from investments, since those gains only exist as “paper profits” based on the value of the company’s investment holdings; the gains weren’t reflective of the company’s actual growth and operations.

It’s also possible that some companies simply want to show results that are more positive than those reported strictly according to GAAP.

**The question still remains: Are non-GAAP earnings indeed more informative than GAAP earnings in predicting a company’s future performance and value; or do companies use non-GAAP adjustments to “window dress” the results of their operations?**

For example, adding back the amortization of intangible assets continues to be a widespread practice when adjusting GAAP net income; more than half of companies in our sample (185 firms, or 51 percent) included that adjustment in their calculation of non-GAAP net income, and amortization adjustments accounted for one-third of the total dollar amount adjusted.

Does this mean that amortization of intangibles isn’t a useful piece of information for investors? Should GAAP be amended to exclude amortization? Or should it be amended to require annual testing, as is done with goodwill? What about applying such changes only to certain “intangible-heavy” sectors, such as pharmaceuticals? What changes would make GAAP net income a more useful number to investors, if any at all?

## Transitory vs. recurring

Another issue is adjustments for transitory versus recurring items. Transitory items, as the name implies, are items that happen for a specific, concrete reason and aren’t likely to happen again: impairments, restructurings, mergers or divestitures, and litigation settlements, for example.

Recurring items, on the other hand, happen on a regular basis: amortization of intangibles, stock-based compensation, or even tax adjustments. If these are permanent items, happening year after year, eliminating them from GAAP net income would not produce more informative earnings.

This year, we observed 222 companies (61 percent of our sample) include restructuring adjustments. In our 2024 analysis we had 228 companies (65 percent of our sample) make similar adjustments. Are these restructuring charges really transitory? Are they not part of the regular course of doing business?

**So should accounting rulemakers amend GAAP to clarify when items are transitory or recurring, and how those items should therefore be treated? For example, how often should a company be allowed to report adjustments for restructuring charges, before those restructurings are just ongoing business operations? Or should companies be required to disclose why they believe their tax adjustments are unusual and transitory, so investors can better evaluate those items?**

Calcbench and Suffolk University take no view on what accounting rulemakers should do, but our report provides a rich body of data so that the financial reporting community can ponder these issues more thoroughly.

For more information about this report or the underlying data used for this analysis contact us at [us@calcbench.com](mailto:us@calcbench.com).

## About this Report

This report was prepared by Calcbench in collaboration with the Accounting Winternship Honors Program students at Suffolk University. The project was guided by interim Dean Tracey Riley, Professor Regina O'Neil, Professor Ariel Markelevich, Assistant Professor Melissa Renschler, and Associate Professor Andrew Stuart.

The students' work spanned multiple courses, where they studied non-GAAP adjustments, collected and reviewed data, and conducted in-depth analyses. Student participants include: Saja Ahmad, Valery Aldebot Ho, Maeve Cahill, Bridget Camus, Aidan Donnelly, Sophia Echevarria, Adriana Escobar, Samuel Ferro, Sophie Ficken, Katherine Gonzalez, Jaden Harnois, Grace Kunysz, Declan Leahy, Lourdes Monroy Pichilla, Min Park, Anna Puello-Gonzalez, Tarin Tabuyo, Adji Thiam, Joshua Tolentino, Jose Vilorio, and Rex Yip.

## Appendices

Appendix A: Trends in upward or downward adjustment.

Appendix B: Reconciliation data, 2024 and 2023.

Appendix C: Reconciliation data by industry SIC code.

Appendix D: Companies with largest adjustments in each adjustment category.

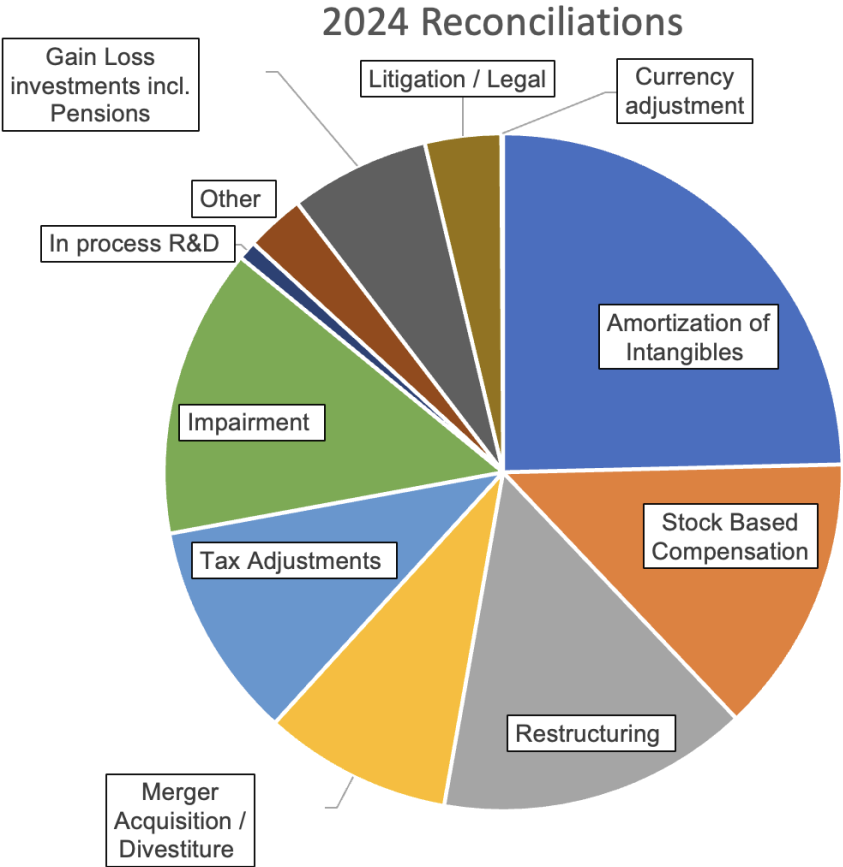
### Appendix A. Trends in upward or downward adjustments.

The chart below shows the number of firms that adjusted net income upward or downward, and by how much in percentage terms, for 2023, 2024, and 2025.

Change to GAAP net income	2025		2024		2023	
	Number of firms	Percentage of Sample	Number of firms	Percentage of Sample	Number of firms	Percentage of Sample
Decrease overall	47	13%	39	11%	36	14%
Increase overall	314	87%	312	89%	224	86%
Increase up to 50%	228	63%	217	62%	158	61%
Increase between 50% and 100%	29	8%	51	15%	27	10%
Increase of more than 100%	57	16%	44	13%	39	15%

### Appendix B. Reconciliation data, 2024 and 2023.

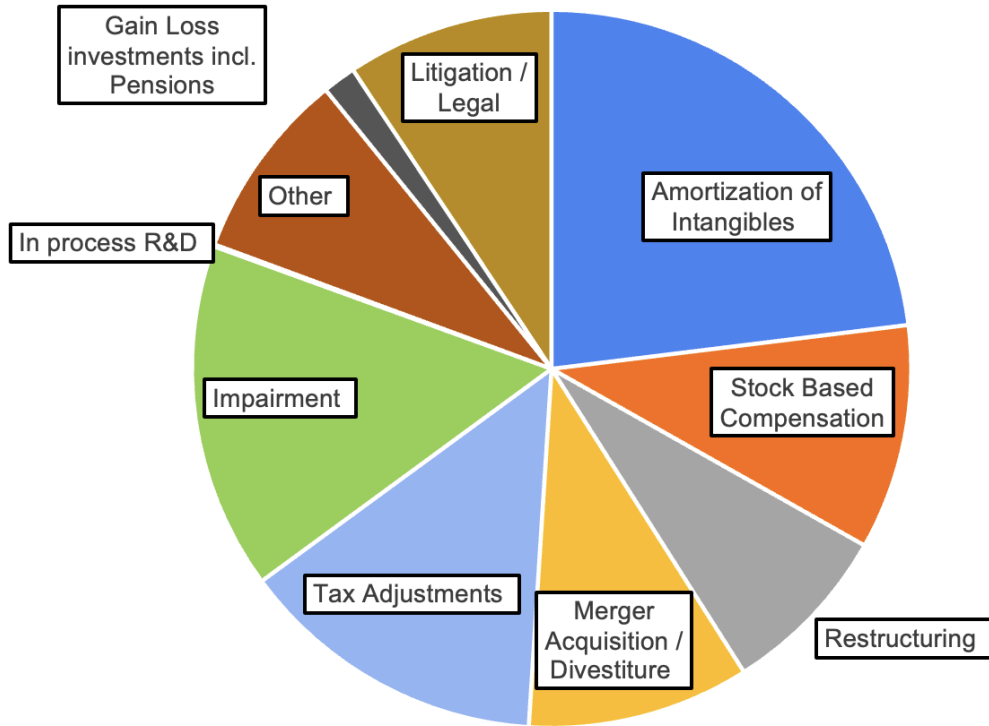
The charts below provide a detailed breakdown of the types of reconciliation adjustments made in 2024 and 2023 (pie charts) and the dollar value of the adjustments for each category (tables beneath the pie charts).



## 2024 Reconciliations

Category	No. of adjustments	Dollars Adjusted (in millions)	Percent of Total	Avg. Adjustment (in millions)
Amtzn. of intangibles	187	\$ 94,594	31.07%	\$506
Stock-based comp.	103	\$51,126	16.79%	\$496
Restructuring	328	\$56,988	18.72%	\$174
M&A/Divestiture	309	\$34,379	11.29%	\$111
Tax Adjustments	365	(\$39,761)	-13.0%	(\$109)
Impairment	138	\$53,111	17.44%	\$385
In-process R&D	5	\$3,431	1.13%	\$686
Other	244	\$10,761	3.53%	\$44
Gain/loss investments	420	\$25,580	8.40%	\$61
Litigation	123	\$13,951	4.58%	\$113
Currency Adjustments	27	\$321	0.11%	\$12
<b>Total</b>	<b>2249</b>	<b>\$304,479</b>	<b>100.00%</b>	<b>\$135</b>

## 2023 Reconciliations



2023 Reconciliations				
Category	No. of adjustments	Dollars Adjusted (in millions)	Percent of Total	Avg. Adjustment (in millions)
Amtzn. of intangibles	147	\$60,474	33.32%	\$411
Stock-based comp.	73	\$26,615	14.66%	\$365
Restructuring	192	\$20,529	11.31%	\$107
M&A/Divestiture	226	\$26,246	14.46%	\$116
Tax Adjustments	280	(\$36,509)	-20.11%	(\$130)
Impairment	100	\$40,990	22.58%	\$410
In-process R&D	3	\$233	0.13%	\$78
Other	248	\$22,416	12.35%	\$90
Gain/loss investments	294	(\$3,938)	-2.17%	(\$13)
Litigation	86	\$24,459	13.47%	\$284
<b>Total</b>	<b>1649</b>	<b>\$181,512</b>	<b>100.00%</b>	<b>\$110</b>

## Appendix C. Reconciliation data by SIC code

The table below shows firms with the largest non-GAAP adjustments within each SIC code. The significance of individual companies varies greatly between industries. In some cases, the companies with the highest adjustment in their respective industry this year also had the largest adjustments in their industry last year (AbbVie, AT&T, Oracle, and Iqvia).

One digit SIC code - Industry	Total adjustment	Percentage of industry total	Companies in sample
<b>1 - Mining and Construction</b>	<b>\$ M</b>		
Diamondback Energy, Inc.	2,327.00	63.6%	14
<b>2- Manufacturing</b>			
AbbVie Inc.	13,558.00	16.5%	63
<b>3- Manufacturing</b>			
Broadcom Inc.	10,602.00	11.6%	106
<b>4 - Transportation and public utilities</b>			
AT&T Inc.	(6,595.48)	1092.7%	42
<b>5 - Wholesale and Retail trade</b>			
CVS HEALTH Corp	6,804.00	36.7%	26
<b>6 - Finance, insurance, real estate</b>			
Capital One Financial Corp	8,434.00	25.0%	47
<b>7 - Services</b>			
Oracle Corp	4,841.00	12.6%	54
<b>8 - Services</b>			
Iqvia Holdings Inc.	708.00	28.1%	8

## Appendix D. Five largest individual company adjustments within each category of adjustment.

The following tables are a “Top 5” list of companies reporting the largest adjustment (by absolute dollar value) for each of the adjustment categories we identified.

### Amortization of Intangibles

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
AVGO	Broadcom Inc.	\$ 8,062,000,000	35%	8.8%
ABBV	AbbVie Inc.	\$ 6,221,000,000	147%	6.8%
PFE	Pfizer Inc	\$ 4,874,000,000	62%	5.3%
JNJ	Johnson & Johnson	\$ 4,621,000,000	17%	5.0%
BMJ	Bristol Myers Squibb Co	\$ 3,317,000,000.00	47%	3.6%

### Stock Based Compensation

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
AVGO	Broadcom Inc.	\$ 7,568,000,000	33%	11.6%
NVDA	Nvidia Corp	\$ 6,386,000,000	5%	9.7%
ORCL	Oracle Corp	\$ 4,674,000,000	38%	7.1%
CSCO	Cisco Systems, Inc.	\$ 3,603,000,000	35%	5.5%
CRM	Salesforce, Inc.	\$ 3,480,000,000	47%	5.3%

### Restructuring

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
GM	General Motors Co	\$ 9,066,000,000	326%	18.4%
APD	Air Products & Chemicals, Inc.	\$ 3,047,900,000	-860%*	6.2%
MRK	Merck & Co., Inc.	\$ 2,551,000,000	14%	5.2%
UNH	Unitedhealth Group Inc	\$ 2,521,000,000	20%	5.1%
INTC	Intel Corp	\$ 2,191,000,000	8427%	4.4%

\* The company reported a negative GAAP net income.

**Mergers, Acquisitions, Divestitures**

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
COF	Capital One Financial Corp	\$ 9,876,000,000	403%	36.3%
T	AT&T Inc.	\$ (5,735,200,000)	-25%	-21.1%
AMGN	Amgen Inc	\$ 5,789,000,000	75%	21.2%
INTC	Intel Corp	\$ (4,818,000,000)	-18531%	-17.7%
KKR	KKR & Co. Inc.	\$ (3,923,890,000)	-64%	-14.4%

**Tax**

Ticker	Company Name	Adjustment Amount	% of NI	% of Total <sup>a</sup>
AVGO	Broadcom Inc.	\$ (5,888,000,000)	-25%	12.9%
UBER	Uber Technologies, Inc	\$ (5,825,000,000)	-58%	12.8%
QCOM	Qualcomm Inc/DE	\$ 5,409,000,000	98%	-11.9%
PFE	Pfizer Inc	\$ (2,962,000,000)	-38%	6.5%
COF	Capital One Financial Corp	\$ (2,775,000,000)	-113%	6.1%

<sup>a</sup> The total amount for this category is negative

**Impairments**

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
KHC	Kraft Heinz Co	\$ 8,682,000,000	-148%*	11.4%
CNC	Centene Corp	\$ 7,236,000,000	-108%*	9.5%
CVS	CVS HEALTH Corp	\$ 5,725,000,000	331%	7.5%
PFE	Pfizer Inc	\$ 4,940,000,000	63%	6.5%
TAP	Molson Coors Beverage Co	\$ 3,823,200,000	-175%*	5.0%

\* The company reported a negative GAAP net income.

**Other/Uncategorized**

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
BLK	BlackRock, Inc.	\$ (2,299,000,000)	-39%	-36.0%
PFE	Pfizer Inc	\$ 1,223,000,000	16%	19.1%
MET	Metlife Inc	\$ 868,000,000	26%	13.6%
DELL	Dell Technologies Inc.	\$ 830,000,000	14%	13.0%
UNH	Unitedhealth Group Inc	\$ 799,000,000	6%	12.5%

### Gains and Losses on Investments

Ticker	Company Name	Adjustment Amount	% of NI	% of Total <sup>a</sup>
NVDA	Nvidia Corp	\$ (8,902,000,000)	-7%	112.3%
CMCSA	Comcast Corp	\$ (6,779,000,000)	-34%	85.5%
ABBV	AbbVie Inc.	\$ 6,309,000,000	149%	-79.6%
MET	Metlife Inc	\$ 2,576,000,000	76%	-32.5%
AMGN	Amgen Inc	\$ (2,023,000,000)	-26%	25.5%

<sup>a</sup> The total amount for this category is negative

### Litigation/Legal

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
JNJ	Johnson & Johnson	\$ (6,040,000,000)	-23%	-95.0%
V	Visa Inc.	\$ 1,964,000,000	10%	30.9%
CVS	CVS HEALTH Corp	\$ 1,540,000,000	89%	24.2%
HON	Honeywell International Inc	\$ 1,373,850,000	29%	21.6%
MMM	3M Co	\$ 1,052,000,000	32%	16.5%

### Foreign Currency Adjustments

Ticker	Company Name	Adjustment Amount	% of NI	% of Total
CVX	Chevron Corp	\$ 469,000,000	4%	30.8%
GLW	Corning Inc /NY	\$ 452,000,000	26%	29.6%
SRE	Southern California Gas Co	\$ 180,000,000	9%	11.8%
NCLH	Norwegian Cruise Line Holdings Ltd.	\$ 135,400,000	32%	8.9%
QCOM	Qualcomm Inc/DE	\$ 97,000,000	2%	6.4%

### Footnotes

1. The companies not included in our chart are: Intel Corp (INTC), with an increase of 8842% to GAAP net income, Costar Group, Inc. (CSGP), with an increase of 6929% to GAAP net income, Omnicom Group Inc. (OMC) with an increase of 4202% to GAAP net income, Genuine Parts Co (GPC), with an increase of 1456%, Datadog, Inc. (DDOG), with an increase of 926% to GAAP net income; Aptiv PLC (APTIV), with an increase of 862% to GAAP net income; On Semiconductor Corp (ON), with an increase of 827% to GAAP net income. Hewlett Packard Enterprise Co (HPE), had a decrease of 4569% to GAAP net income, Invesco Ltd. (IVZ), had a decrease of 943% to GAAP net income, Air Products & Chemicals, Inc. (APD), had a decrease of 865% to GAAP net income, CrowdStrike Holdings, Inc. (CRWD) had a decrease of 694% to GAAP net income; Charles River Laboratories International, Inc. (CRL), had a decrease of 465% to GAAP net income.