

# Symantec downplays mysterious internal investigation

May 15 2018

---



Shares of Symantec closed the trading day up 9.6 percent to \$21.40 ahead of top executives holding a telephone conference to discuss the company's financial outlook

Symantec shares regained some lost ground Monday as executives downplayed a mysterious internal investigation as an accounting matter not expected to have "material adverse" effect on finances.

Shares of Symantec closed the trading day up 9.6 percent to \$21.40 ahead of top executives holding a telephone conference to discuss the company's financial outlook.

Symantec shares rose about two percent more in after-market trades, despite executives on the call declining to answer questions about the investigation.

Cybersecurity company Symantec had lost more than a third of its market value Friday after it disclosed an internal probe and refused to take questions from analysts.

A board of directors committee has started an investigation due to "concerns raised by a former employee regarding the company's public disclosures including commentary on historical [financial results](#)," Symantec said in a statement.

While financial results reported by Symantec may be subject to change based on the outcome of the audit, the company "does not anticipate a material adverse impact on its historical financial statements," the statement said.

The audit appeared to involve earnings calculations related to discretionary and performance-based compensation for high-level executives.

The company "voluntarily contacted" the Securities and Exchange Commission about the probe and said the investigation could force it to restate financial results.

Cynthia Hiponia, Symantec's vice president for investor relations, said the probe "does not relate to any security concern or breach with respect to our products or systems," according to a transcript of an earnings conference call held last week.

Analysts were unnerved by the announcement, which flouted an unwritten rule of earnings season that executives face the music and take

questions from Wall Street.

The disclosure came as Symantec reported a fourth-quarter loss of \$35 million, compared with a loss of \$143 million in the year-ago period.

Symantec's forecasts for profit per [share](#) and revenues lagged behind Wall Street analyst expectations.

© 2018 AFP

Citation: Symantec downplays mysterious internal investigation (2018, May 15) retrieved 26 April 2024 from <https://phys.org/news/2018-05-symantec-downplays-mysterious-internal.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.