

NEW RISK ALERT: (ENVX)

Enovix Misstates Diluted EPS, Issues Correction Seven Days Later

Lithium ion battery manufacturer's diluted quarterly loss increases \$0.06 per share following discovery of calculation error.

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This alert compares the language used in the company's latest filing with the period before. [Research](#) suggests changes in language, particularly in the risk factor section, is a powerful indicator of future performance. Companies that change filing language underperform those that don't by 30-50 basis points per month for the following year.

Enovix Issues Correction, Increases Quarterly Loss Per Diluted Share 75%

After boasting it had hired an experienced Chief Financial Officer to remedy a material weakness in its internal controls over financial reporting (ICFR) in its latest [quarterly filing](#), Enovix, a 3D silicon lithium ion battery manufacturer, revealed it misstated diluted EPS seven days prior. In the filing, Enovix characterized the mistake like this:

"The calculation we used to determine diluted earnings per share erroneously omitted the treasury stock method to determine the impact of the Private Placement Warrants."

The diluted EPS calculation was corrected as follows:

Reported EPS (11/8/2021)	Revised EPS (11/15/2021)	Change
(\$0.08) Q3	(\$0.14) Q3	75%
(\$0.38) YTD	(\$0.45) YTD	18.4%

The revision was included in the footnotes of the filing. The company also corrected its [letter](#) to shareholders on its site. Enovix became public this year after merging with T.J. Rodgers special purpose acquisition company (SPAC). Full disclosure, we purchased units of the SPAC in December 2020.