GAAP and the company's own numbers: reading adjusted results

GAAP and the company's own numbers is a free 50-minute high school lesson on reading adjusted results in earnings releases. Students set Lyft's, Chipotle's and Coca-Cola's own measures beside the GAAP numbers, find what each leaves out, and write the GAAP number first.

5-minute prep

- Print: one worksheet per student (2 pages, black and white). Print the answer key for yourself.
- Project: the slides (12 slides). The four pairs start on slide 4.
- Read: "Teacher background in 2 minutes" below, then the discussion guidance.

Grade	High school, grades 9–12
Time	50 minutes (splits into two 25-minute blocks)
Edition	2026–27 first edition v1.0
Lesson page	cityfort.co/teachers/reading-quarterly-results/gaap-and-adjusted-numbers

Objective

Students can name a company's own (non-GAAP) measure, find the nearest GAAP number and what the measure leaves out, and write both with the GAAP number first.

Standards the lesson supports

- CCSS.ELA-Literacy.RH.11-12.7 (Common Core states)
- CCSS.ELA-Literacy.RH.11-12.1 (Common Core states)
- HSN.Q.A.1 (Common Core states)

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Timing

Minutes	Step	What happens
0–6	**Warm-up**	Your test score is 78. Without the one question you skipped, it would be 85. Which score goes on your report card?
6–16	**Two kinds of number**	The class meets GAAP numbers (one rulebook for every company) and the company's own measures (each company's choice, explained in its release).
16–32	**Four pairs**	Pairs fill in a table for Lyft, Chipotle, Coca-Cola and Airbnb: the GAAP number, the company's measure, the gap, and what the measure leaves out.
32–40	**GAAP first**	Pairs rewrite three sentences so the GAAP number comes first and the company's measure is labeled as its own.
40–46	**Discussion**	Why do companies publish their own measures? What should a reader check every time? Describe, don't judge.
46–50	**Exit ticket**	Exit ticket (4 questions).

Materials

- The slides (projected) or the printed worksheet.
- One worksheet per student. It prints in black and white on two pages.
- A calculator.
- No accounts, no logins and no internet access are required. The student page is optional.

Discussion questions

1. Lyft's GAAP result was a loss, and its Adjusted EBITDA was positive. What does that gap tell you to look for in the release?
2. Coca-Cola's GAAP diluted EPS was $0.93, and its comparable EPS, its own measure, was lower at $0.91. Can an adjusted number be lower? Why?
3. Chipotle's operating margin was 13.7%. Its restaurant-level margin (23.3%, its own measure) leaves out head-office costs. Which question does it answer that the operating margin does not?
4. Why do the SEC's rules ask a company to show the GAAP number with equal or greater prominence?

Adapting the lesson

English language learners: ELL: a two-column organizer (GAAP / company's own), a word bank and sentence frames.

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IEP and 504 plans: IEP: the table with the GAAP column filled in; students complete Lyft and Coca-Cola only.

Advanced students: Advanced: students read Airbnb's Adjusted EBITDA reconciliation and work out how much of the gap stock-based compensation explains.

Extension: Students find the reconciliation table in one company's earnings release on sec.gov and list every line it adds or subtracts. Read Cityfort's Learn entry on non-GAAP measures.

Teacher background

GAAP

Generally Accepted Accounting Principles: the US accounting rules every listed company must follow in its financial statements. Net income, operating income and diluted EPS are GAAP numbers.

The company's own measures

Many companies also report adjusted numbers, such as Adjusted EBITDA or comparable EPS. Each company decides what to leave out, so two companies' adjusted numbers may not match in meaning.

The rules

The SEC's Regulation G asks a company that publishes an adjusted measure for the nearest GAAP number and a reconciliation. Item 10(e) of Regulation S-K adds equal or greater prominence.

Measures that are not profit

Some company measures count activity, not profit: Lyft's Gross Bookings are what riders paid in total, of which Lyft's revenue is a part.

How Cityfort shows them

Cityfort pages show GAAP numbers first and put a company's own measure next to the nearest GAAP number, labeled as the company's, with what it leaves out.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Teaching notes

- Students may call adjusted numbers "fake" or the GAAP number "the real one." Steer them to what each number counts.
- The lesson does not discuss how a share price moved after results.

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Standards supported

This lesson supports these outcomes. It does not cover all of any standard.

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- Common Core RH.11-12.7: headline, reconciliation and notes combined.
- Common Core RH.11-12.1: each company's description of what its measure leaves out, quoted.
- Common Core HSN.Q.A.1: millions, per-share amounts and percentages kept apart.

Teacher background in 2 minutes

- GAAP numbers follow the same accounting rules for every US company; adjusted measures are defined by each company.
- Regulation G asks for the nearest GAAP number and a reconciliation; Item 10(e) of Regulation S-K adds equal or greater prominence.
- Adjusted EBITDA usually adds back interest, taxes, depreciation, amortization and stock-based compensation, plus items the company names. Lyft's added back legal, tax and regulatory reserve items too.
- Coca-Cola's comparable EPS was below its GAAP EPS in Q3 FY2026: an adjustment can lower a number as well as raise it.
- Gross Bookings (Lyft) is a measure of activity, not profit.

Materials

- Slides (PowerPoint, 12 slides).
- Student worksheet with exit ticket (2 pages).
- Answer key.
- Calculators.

0–16 minutes: Warm-up and two kinds of number (slides 1–3)

- Ask the warm-up question. Collect: the 78 goes on the report card; the 85 is your own way of looking at it.
- Define GAAP and company measures on slides 2 and 3.

16–32 minutes: Four pairs (slides 4–8)

- Pairs fill in Part C, one company at a time.
- For Lyft, ask: "Which number is GAAP, and which is Lyft's?"

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32–46 minutes: GAAP first and discussion (slides 9–11)

- Pairs rewrite the three sentences in Part D.
- Use the discussion questions below.

46–50 minutes: Exit ticket (slide 12)

- Students answer the four exit-ticket questions on page 2 of the worksheet.

Splitting into two 25-minute blocks

Block 1 covers minutes 0–25. Block 2 opens with a 3-minute recap of GAAP and company measures, then the rest of the lesson.

Guidance for the discussion questions

Question 1. Look at the reconciliation: which lines Lyft added back, how large each was, and whether they recur.

Question 2. Yes. Coca-Cola's comparable EPS left out items that had raised its GAAP EPS in the quarter.

Question 3. What Chipotle's restaurants keep from their sales, as a share of revenue, before head-office costs, depreciation and new-restaurant costs. The operating margin covers the whole company.

Question 4. So readers see the rulebook number at least as clearly as the company's own. Accept any answer about comparing companies on the same rules.

Sentence frames

- "Under GAAP, ____ reported ____ in Q__ FY____."
- "Its own measure, ____, was ____. It leaves out ____."
- "The gap between the two was ____."

Differentiation: ELL

- A two-column organizer: GAAP on the left, the company's own on the right.
- Word bank: rule, adjusted, leave out, add back, gap, reconciliation, measure.
- Sentence frames (above).

Differentiation: IEP

- The table with the GAAP column filled in.
- Students complete Lyft and Coca-Cola only.

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- Shorter exit ticket: questions 1 and 2 only.

Differentiation: Advanced

- Airbnb (Q3 FY2026): income from operations $2,021 million; Adjusted EBITDA $2,509 million; stock-based compensation added back $462 million.
- Students work out the gap and how much of it stock-based compensation explains, then name one other kind of line the reconciliation might add back.

student page

Scan the code or type: **cityfort.co/class/non-gaap**

Sources

1. S1: Lyft: Q3 2026 earnings release (Form 8-K Ex. 99.1, Nov 5, 2026), Lyft, Inc. (SEC EDGAR), Nov 5, 2026. https://www.sec.gov/Archives/edgar/data/1759509/000162828026071043/lyft-20260930xpressrelease.htm
2. S2: Lyft: Form 10-Q for Q3 fiscal 2026, Lyft, Inc. (SEC EDGAR), Nov 6, 2026. https://www.sec.gov/Archives/edgar/data/1759509/000162828026071225/lyft-20260930.htm
3. S3: Chipotle: earnings release, Q3 FY2026 (Form 8-K Ex. 99.1, Oct 28, 2026), Chipotle Mexican Grill, Inc. (SEC EDGAR), Oct 28, 2026. https://www.sec.gov/Archives/edgar/data/1058090/000105809026000103/cmg-20261028xex991.htm
4. S4: Coca-Cola: earnings release, Q3 FY2026 (Form 8-K Ex. 99.1, Oct 27, 2026), The Coca-Cola Company (SEC EDGAR), Oct 27, 2026. https://www.sec.gov/Archives/edgar/data/21344/000162828026067403/a2026q3earningsreleaseex-9.htm
5. S5: Airbnb: shareholder letter, Q3 2026 (Form 8-K Ex. 99.1, Nov 5, 2026), Airbnb, Inc. (SEC EDGAR), Nov 5, 2026. https://www.sec.gov/Archives/edgar/data/1559720/000119312526449727/d437988dex991.htm
6. S6: Airbnb: Form 10-Q, Q3 FY2026 (quarter ended Sep 30, 2026), Airbnb, Inc. (SEC EDGAR), Nov 5, 2026. https://www.sec.gov/Archives/edgar/data/1559720/000155972026000032/abnb-20260930.htm

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