The returns from AI-related corporate name changes: International evidence*

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The returns from AI-related corporate name changes: International evidence

Abstract

We study stock-market reactions to AI-related corporate name changes. Using 38 announcements across ten stock markets during 2022–2025, we document a pronounced but short-lived valuation effect. Average cumulative abnormal returns reach 10.3% around the early days of the announcement and rise to 22.8% over the subsequent ten trading days under the market model, but dissipate over longer post-announcement horizons. The effect is concentrated among smaller and younger firms. We further classify firms by their AI activity before and after the name change and find substantially stronger reactions among firms without prior AI operations than among those already engaged in AI. In particular, the most consistent evidence comes from firms that adopt an AI-related name without subsequently developing substantive AI activity. Our results are robust to alternative asset-pricing models, as well as a broader definition of AI-related names, outlier adjustment, and tests that address thin trading. A matched-sample analysis further shows that AI-related name changes lead to higher cumulative abnormal returns than comparable non-AI-related name changes.

JEL Codes: G12; G14; G30; O33

Keywords: Corporate Name Change; Artificial Intelligence; Event Study; AI Washing

1 Introduction

Artificial intelligence (AI) represents a potent technological advance that has revolutionized human-computer interaction and spurred a wave of progress globally, with effects widely expected to persist and exert a significant influence on society and the economy (Sætra 2023). These expectations have sparked substantial investor interest, with forward-looking investors seeking exposure to firms expected to capture the corporate value that this potential may generate (J.P. Morgan 2026). This appetite is evident both in public markets, where it has driven sharp increases in AI-related stock prices (Umar et al. 2025), as well as in fund flows, where US-domiciled AI fund assets grew fourteen-fold in two years to reach a record $5.5 billion by May 2025 (Lamont 2025). As investor interest in firms perceived to have AI exposure intensifies with the rapid diffusion of generative AI, firms may have stronger incentives to position themselves as beneficiaries of the technology. One highly visible form of such positioning is the adoption of an AI-related corporate name. Because corporate names are salient and readily observable to investors, incorporating an explicit AI reference may alter how the market perceives and values the firm. Accordingly, we examine whether announcements of AI-related corporate name changes generate positive stock-market reactions.

Prior evidence suggests that corporate names can matter for valuation, particularly when firms associate themselves with highly salient technological or thematic trends. During the dot-com boom, firms adopting internet-related names experienced substantial positive abnormal returns, including firms with limited involvement in internet-related activities (Cooper et al. 2001). Lee (2001) further shows that market reactions are stronger when internet-related renaming is accompanied by substantive strategic initiatives. Similar effects emerged during the blockchain and cryptocurrency boom. Firms adding terms such as “blockchain” or “bitcoin” to their names experienced significant increases in stock prices and trading activity, with the effects particularly pronounced during periods of elevated cryptocurrency sentiment (Jain and Jain 2019; Akyildirim et al. 2020; Sharma et al. 2020; Sharma and Paul 2021). More recently, sustainability-related corporate renaming has also been associated with positive market reactions (Latino 2023). Collectively, this evidence suggests that aligning corporate identity with a technology or theme receiving heightened investor attention can generate economically meaningful valuation effects.

An important question, however, is whether the valuation effect of thematic renaming depends on firms' prior engagement in the activity reflected in the new name. The distinction carries real economic weight especially under conditions of information asymmetry between managers and investors (Akerlof 1970; Spence 1973). This issue is particularly relevant in the context of AI, where a firm's promotional "AI talk" may not necessarily correspond to its substantive operational "AI walk" (Chen and Zhiyong 2026). Concerns over the gap between AI-related claims and underlying technological activity have also attracted regulatory attention, with the SEC warning that false or misleading representations regarding firms' use of AI - often described as "AI washing" - may mislead investors and, where material, violate securities laws (SEC 2024). An AI-related name change may provide limited incremental information when it merely reinforces an existing AI profile, but may represent a more salient strategic shift when adopted by firms without substantive prior AI activity. This motivates our examination of heterogeneity in market reactions based on firms' pre-existing AI activity.

We investigate these questions using corporate name-change data from LSEG Workspace. We identify publicly listed firms that incorporate an explicit AI reference into their corporate names and manually verify the earliest public announcement associated with each event. After excluding observations affected by confounding corporate developments, our final sample comprises 38 AI-related name changes across ten stock markets between 2022 and 2025. We estimate abnormal returns using the market model and assess robustness using the Fama–French three-factor and Carhart four-factor models. We also construct a matched sample of contemporaneous non-AI name changes to distinguish the valuation effect associated with AI-related renaming from the effect of corporate name changes more generally. To examine whether the market response varies with firms' underlying AI engagement, we distinguish between firms with and without substantive AI activity prior to the name change. For firms without prior AI activity, we also consider whether the new AI identity is subsequently supported by substantive AI operations.

Overall, we document a pronounced but temporary positive market response to AI-related corporate name changes. Under the market model, mean cumulative abnormal returns are approximately 10% over the [-3,3] window and 23% over [0,10], with comparable results under alternative asset-pricing models. However, the positive abnormal returns dissipate in a thirty-day period, suggesting that the initial market response is temporary rather than persistent. The positive response is also concentrated among younger and smaller firms. The persistence of these patterns across multifactor specifications suggests that the finding is not readily attributable to conventional factor exposures. A matched-sample comparison confirms this return profile is driven by the AI-related content of the name: AI-rebranded firms outperform contemporaneous non-AI name changers (matched via nearest-neighbor matching on size and age) by 12 to 32 percentage points.

More importantly, firms without substantive AI activity before the name change experience significantly larger abnormal returns than firms already active in AI. Rather than rewarding costly signals that credibly demonstrate commitment to AI technologies, this pattern suggests that investors respond more strongly when the new AI identity represents a more substantial departure from the firm's existing profile. Taken together, the findings suggest that the valuation effect of AI-related renaming extends beyond the information conveyed about firms' existing technological capabilities. The stronger response among firms without prior AI activity, coupled with the subsequent dissipation of abnormal returns, is consistent with investor attention playing an important role alongside signaling in the pricing of AI-related corporate identities.

Our study contributes to the literature in two related ways. *First*, to our knowledge, we provide the first international evidence on the stock-market consequences of AI-related corporate name changes. We extend the literature on technology- and theme-driven corporate renaming from the dot-com, blockchain, cryptocurrency, and sustainability episodes to the current AI wave. Using an international sample spanning ten stock markets, we show that the adoption of an explicit AI reference in a corporate name is associated with a positive abnormal return that subsequently dissipates. Moreover, using a matched sample of contemporaneous non-AI name changes, we distinguish the market response to an AI-related corporate identity from the general effect of corporate renaming and show that the observed valuation premium is attributable to the AI association rather than to the name change itself. *Second*, we contribute by distinguishing between AI-related name changes that align with firms' existing technological activities and those that represent a departure from their prior business profile. Market reactions are substantially stronger when firms lack substantive prior AI activity, with the differential response most pronounced among firms whose new AI identity is not subsequently supported by substantive AI adoption.

The rest of the paper is organized as follows. Section 2 reviews the related literature and develops the hypotheses. Section 3 describes the data, sample construction, classification of firms by AI activity, and empirical methodology. Section 4 presents the baseline results, robustness analyses, and heterogeneity tests. Section 5 examines differences in market reactions according to firms' underlying AI activities. Section 6 concludes.

2 Literature review and hypothesis development

2.1 Literature review

The corporate name change literature provides mixed evidence on whether changes in corporate identity influence investor perceptions and firm valuation. Howe (1982) finds no statistically significant abnormal stock price reaction surrounding corporate name change announcements in the United States. Horsky and Swyngedouw (1987), however, document positive abnormal returns surrounding corporate name change announcements and argue that name changes may serve as signals of broader organizational and strategic changes rather than the intrinsic value of the new name itself. Bosch and

Hirschey (1989) report only modest, transitory valuation effects, noting that even the more pronounced reaction observed among restructuring-related name changes tends to be reversed in the post-announcement period. Karpoff and Rankine (1994) go further, arguing that evidence supporting a positive signaling effect is weak and highly sensitive to sample selection and outliers.

Similar inconsistencies are documented in international markets. Josev et al. (2004) report generally negative abnormal returns for Australian firms, particularly for major name changes involving substantial departures from the original corporate identity. In contrast, Karim (2011) documents positive shareholder wealth effects for French firms and argues that investors may interpret renaming decisions as signals regarding future strategic transformation and growth opportunities. To sum up, the early literature suggests that conventional corporate name changes generally produce limited or inconsistent valuation effects, with investor reactions depending heavily on the motivation and context of the renaming activity.

Other studies further show that investor reactions depend heavily on the motivation, type, and strategic context of the renaming activity. Koku (1997) argues that corporate name changes may serve as signals of strategic repositioning and managerial intentions regarding future corporate direction. Using a sample of publicly traded service firms that changed their names between 1980 and 1990, the study finds that firms experienced significantly higher post-name-change price-to-earnings ratios. Josev et al. (2004) similarly distinguish between major and minor name changes and suggest that investor reactions vary depending on the perceived significance of the underlying transformation. DeFanti and Busch (2011) find that name changes reflecting a genuine shift in corporate image, particularly major changes, generate significantly positive abnormal returns, while Kashmiri and Mahajan (2015) show that these rewards are larger for firms with greater marketing influence in top management and higher advertising investment, especially when the new name leverages an existing strong brand or proactively signals a change in business scope. Karim (2011) notes that corporate name changes are often linked to restructuring, reorganization, diversification, business expansion, or attempts to reshape stakeholder perceptions of firm identity and image. Biktimirov and Durrani (2017) similarly show that market reactions differ across types of corporate name changes, suggesting that investors distinguish between major and minor changes, focused versus diversified strategies, ticker-related changes, and structural versus pure renaming events.

More recent studies extend the literature by examining the broader informational consequences of corporate renaming. Devos et al. (2021) show that corporate name changes are associated with a poorer information environment, including greater analyst forecast error and dispersion, as well as higher levels of earnings management, suggesting that renaming may increase information asymmetry between firms and investors. Guo et al. (2025) further document a positive association between corporate renaming and future stock price crash risk and identify diverted investor attention and increased information asymmetry as two important channels underlying this relationship. Their findings are consistent with the view that corporate renaming may facilitate managerial bad-news hoarding. Fan et al. (2025) examine the characteristics embedded in corporate names and show that, in the name-change setting, improvements in name informativeness and fluency are associated with higher short-run cumulative abnormal returns, indicating that investors respond not only to the act of renaming but also to the informational and linguistic characteristics of the new corporate name.

A related stream of literature examines corporate renaming during periods of heightened investor attention to emerging technological trends. The earliest large-scale evidence in this area emerges from the dot-com period. Cooper et al. (2001) document a strong positive stock market reaction to corporate name changes involving internet-related "dotcom" names during the late 1990s technology boom. They report cumulative abnormal returns of approximately 74% over the 10 days surrounding the announcement, with no evidence of a subsequent negative drift. Importantly, the positive market reaction is observed across firms regardless of their actual degree of internet involvement, suggesting that even a relatively limited association with the internet was sufficient to generate substantial valuation effects. The authors interpret this evidence as consistent with some degree of investor irrationality or speculative enthusiasm during the dot-com period. Lee (2001) similarly shows that firms adopting ".com" names experience significant increases in stock prices and trading activity, with substantially stronger reactions when the name change is accompanied by broader internet-related strategic initiatives. Using a market-signaling perspective, the study argues that ".com" name changes allow firms to signal association with the rapidly growing internet sector and increase their visibility among investors during the period of "Internet Fever."

Evidence from the post-bubble period further highlights the importance of changing investor sentiment toward thematic corporate naming strategies. Cooper et al. (2005) examine internet-related name deletions following the collapse of the dot-com bubble and document positive market reactions for firms removing internet-related terms from their corporate names. They report cumulative abnormal returns of approximately 64% over the 60-day period surrounding the announcement and provide evidence that managers strategically time corporate naming decisions in response to shifts in investor sentiment. Their results further suggest that investors may be influenced by cosmetic corporate identity changes during both periods of positive and negative sentiment toward internet firms.

Additional international evidence is provided by Berkman et al. (2011), who examine internet-related name changes among Chinese firms during the technology boom period. In contrast to the large announcement-period reactions documented in U.S. markets, they find more moderate valuation effects, with much of the price appreciation occurring gradually before the official announcement. They also document more frequent CEO turnover, greater restructuring activity, and improvements in firm performance surrounding the renaming events. These findings suggest that, in the Chinese setting, internet-related name changes were often associated with substantive operational transformations rather than primarily cosmetic repositioning or investor mania. Overall, the dot-com literature suggests that thematic corporate identity changes associated with emerging technologies can generate significant market reactions, although the magnitude and underlying mechanism of these effects depend on the extent to which the renaming reflects investor sentiment versus substantive changes in firms' underlying operations.

More recent studies extend this literature to corporate name changes related to blockchain and cryptocurrency. Similar to the dot-com period, this literature documents strong investor reactions when firms associate their corporate identities with blockchain-related technologies. Jain and Jain (2019) describe a period of "blockchain hysteria" in which firms adding "blockchain" or "bitcoin" to their corporate names experience significant positive abnormal returns that persist for approximately two months. However, the abnormal returns subsequently turn negative over the longer post-announcement period, which the authors interpret as evidence that firms may have sought to exploit investor enthusiasm surrounding the rise in Bitcoin prices. Sharma et al. (2020) provide broader evidence using firms that added cryptocurrency-related terms such as "blockchain," "bitcoin," "crypto," "coin," or "chain" to their corporate names. They document cumulative average abnormal returns of approximately 30% over the three-day window surrounding the announcement and show that these returns are larger and more persistent than those associated with non-cryptocurrency-related name changes. Akyildirim et al. (2020) further show that firms adopting blockchain- or cryptocurrency-related names experience sharp increases in stock-price volatility and become more closely connected to cryptocurrency market movements following the name change, suggesting that these firms become more closely associated with cryptocurrency-market risk in investors' perceptions. Sharma and Paul (2021) provide additional evidence on the role of investor sentiment, finding that cryptocurrency-related name changes generate larger increases in stock prices and trading volume than other corporate name changes and that valuation gains are particularly strong when announcements occur during periods of high cryptocurrency sentiment. However, these gains are largely transient and are almost entirely reversed within approximately 30 days following the announcement. Collectively, these studies suggest that thematic corporate identity changes associated with emerging technologies can generate substantial market reactions, particularly during periods of elevated investor enthusiasm and speculative market conditions.

Beyond internet and blockchain-related themes, recent studies also examine sustainability- and green-related corporate positioning. Latino (2023) reports that firms adopting sustainability-related corporate names experience significant positive abnormal returns around announcement periods, specifically when the firms were not previously associated with environmentally oriented activities. The study argues that investors initially interpret sustainability-related renaming as a signal of strategic transformation and future growth opportunities. Firms engaging in sustainability-oriented renaming without substantive operational changes subsequently experience negative abnormal returns once investors recognize inconsistencies between corporate rhetoric and actual activities, consistent with greenwashing behavior. Cochardt et al. (2026) show that ESG-related fund name changes attract significant abnormal inflows, even though rebranded funds do not become more supportive of environmental and social proposals through their voting behavior. This suggests that sustainability-oriented labels may influence investor demand even when the underlying commitment is incomplete or difficult to verify.

2.2 Hypothesis development

The theoretical rationale for expecting a market reaction to AI-related corporate name changes rests on two complementary mechanisms: signaling and investor attention. Corporate renaming is a deliberate and publicly observable managerial action that may communicate changes in a firm's strategic direction, business scope, or future growth opportunities. Horsky and Swyngedouw (1987) argue that investors may value a name change not because of the new name itself, but because it can signal broader organizational and strategic changes intended to improve firm performance. While subsequent evidence on this signaling mechanism is mixed (Karpoff and Rankine 1994), positive shareholder wealth effects documented in other markets suggest that renaming can nevertheless convey economically relevant information to investors, consistent with a revision in expectations about the firm's future cash flows (Karim 2011).

A second mechanism relates to investor attention and thematic sentiment. Prior studies show that market reactions to corporate renaming can become particularly strong when the new name associates the firm with a technology receiving heightened investor interest, often irrespective of the extent of the firm's actual involvement in that technology. This pattern has been documented for firms adopting internet-related names during the dot-com boom (Cooper et al. 2001; Lee 2001), for blockchain- and cryptocurrency-related renaming (Jain and Jain 2019; Sharma et al. 2020; Akyildirim et al. 2020), and, more recently, for sustainability-related renaming (Latino 2023).

The rapid diffusion of artificial intelligence has generated substantial corporate, media, and investor attention. In this environment, adopting an AI-related corporate name may signal a shift in strategic orientation while also increasing investor attention toward the firm. Consistent with evidence from earlier technology-driven renaming episodes, we therefore expect investors to respond positively to announcements of AI-related corporate name changes.

H1: Announcements of AI-related corporate name changes are associated with positive abnormal stock returns around the announcement date.

A corporate name change may convey information about a firm's strategic direction that was not previously incorporated into investor expectations. The information content of an AI-related name change should therefore depend on the firm's AI activity prior to the change. For firms already engaged in substantive AI activity, adopting an AI-related name is largely consistent with their existing strategic profile and is therefore likely to provide limited incremental information. In contrast, for firms without substantive prior AI activity, an AI-related name change represents a more substantial departure from the firm's established strategy and identity. Such a change may signal an unexpected strategic reorientation and consequently attract a higher investor attention. Consistent with this reasoning, prior evidence on green-related name changes shows that positive market reactions are concentrated among firms without a prior connection to the activity reflected in the new name (Latino 2023). Based on these arguments, we propose the following hypothesis.

H2: The positive market reaction to AI-related name changes is stronger among firms without substantive prior AI activity.

3 Data and methodology

3.1 Sample construction

3.1.1 Identification of AI-related name change events

We obtain corporate name-change events worldwide from the LSEG Workspace database. The database records 441,761 name-change events announced between 1 January 2022 and 22 January 2026, the latest event date available when the data were collected.[1] For each event, the database reports the firm names before and after the change, along with the effective date of the name change. From the universe of name-change events, we retain 13,789 events involving publicly listed firms with an available Refinitiv Instrument Code (RIC).

We identify AI-related name changes through two screening processes. First, our initial screen uses a narrow definition that requires an explicit reference to "AI," "A.I.," or "artificial intelligence." We apply case-insensitive matching and require the expression to appear as a distinct term, separated from other elements of the company name by spaces, periods, or other punctuation.[2] Second, we manually review cases in which AI-related expressions are embedded within larger words or highlighted through capitalization, punctuation, or other naming conventions. We exclude incidental character sequences unrelated to artificial intelligence, such as "ai" in "retail," as well as references to persons or locations. After both screens, we exclude firms whose pre-change names already contained an AI-related term. This procedure identifies 85 events through the

[1] The data were last accessed on 15 April 2026.

[2] For example, INFRA S.A. changed its name to Generationis.Ai S.A. on the Warsaw Stock Exchange, where "Ai" is identifiable as a distinct term because it is preceded by a period.

automated screen and 23 events through the manual review, yielding a total of 108 AI-related name-change events.

Third, we verify the announcement date for each event. LSEG often reports the date on which a new corporate name becomes effective rather than the date on which the change is first publicly disclosed. We therefore identify the earliest verifiable public disclosure by cross-checking the LSEG date against company press releases in LSEG databases, stock-exchange announcements, regulatory filings,[3] and other relevant public sources identified through targeted online searches. We additionally use ChatGPT-5 and Claude Opus 4.7 for each event to locate potentially relevant documents and verify all information against the underlying source materials. When a public disclosure predates the LSEG date, we use the earlier date as the event date. We assign the announcements made outside regular trading hours or on non-trading days to the next trading session.

Fourth, we screen each name-change announcement for potentially contaminating events within the [-10,+10] trading-day window by reviewing company and LSEG press releases, consistent with common practice in the literature (e.g., Cooper et al. 2001; Biktimirov and Durrani 2017; Cahill et al. 2020; Latino 2023). We exclude name changes accompanied by major developments likely to affect stock prices independently of the name change, including mergers and acquisitions, reverse takeovers, reverse mergers, transactions involving special purpose acquisition companies (SPACs), changes in corporate control, major management or board changes, equity issuances and other financing transactions, earning announcements, and stock splits and other capital restructurings. This screening reduces the sample to 50 firms.

Finally, we obtain stock-price data for the remaining firms and retain only those with sufficient non-missing return observations for the event-study analysis.[4] The final sample consists of 38 firms.[5] The firms are listed across 10 markets, including Australia, Canada, Hong Kong, India, Japan, Malaysia, Poland, South Korea, Sweden, and United

[3]For instance, for firms subject to United States reporting requirements, these sources include filings available through the SEC's EDGAR database.

[4]We retain firms with return observations for at least 70% of our estimation window following De Cesari et al. (2024).

[5]Although the screening procedure does not require observations to correspond to distinct firms, the resulting sample contains only one observation per firm.

States. These firms vary considerably in age, ranging from newly established entities to firms that have operated for 42 years, with a median age of 13.5 years, indicating that AI-related name changes are not confined to young firms.

3.1.2 Broader identification of name changes

As an extension to the baseline event identification strategy used in the main analysis, we broaden the keyword screen to capture company name changes associated with artificial intelligence without explicitly including "AI," "A.I.," or "artificial intelligence." The extended screen therefore includes broader terms associated with AI technologies and applications (Zhang and Yang 2024; Lou et al. 2025), such as "intelligent," "generative," "machine," "learning," "deep," "supervised," "unsupervised," "data," "analytics," "neural," "robot" (and its variants "robotics", "robotic", and "robo"), "automation" (and its variants "automated" and "automate"), "LLM," and "large language." We apply the same case-insensitive matching procedure to post-change company names and exclude firms whose pre-change names already contain the corresponding term. We then follow the baseline event-verification procedure to identify the earliest public disclosure of the each name change and exclude cases with contaminating announcements around the event. This procedure identifies 24 additional AI-related name-changes, which we add to the baseline sample for our extended analysis.

3.1.3 Firms by AI activity

For the events in our baseline analysis, we differentiate companies based on whether their AI-related name changes are supported by underlying business activities. Using annual reports from the year preceding the name change, we assess whether AI formed a substantive part of the firm's operations (Latino 2023). We distinguish generic references to AI trends or market opportunities from evidence of actual AI adoption. To support this assessment, we use GPT-5.6 to identify where and how "AI" and related terms are used in relation to business operations, strategy, products and services, internal processes, or management practices, requiring explicit textual evidence from the disclosures linking AI to the firm's activities. Following a procedure similar to Basnet et al. (2025), each observation is independently evaluated by two researchers, with disagreements resolved by the third team member. We classify firms with substantive pre-change AI activity in their core business operations as *AI-active firms*, whereas those without such evidence are classified as *AI-inactive firms*.

We further distinguish among AI-inactive firms based on their subsequent business activities. An AI-related name change may accompany a genuine transition toward AI-related activities or occur without a corresponding change in the underlying business. This distinction is motivated by prior evidence that firms may incorporate technology-related terms into their names during periods of heightened investor attention, as documented for internet-related names during the dot-com period and, more recently, for blockchain- and cryptocurrency-related names (Cooper et al. 2001; Cheng et al. 2019; Akyildirim et al. 2020).

To distinguish between these cases, we apply the same assessment procedure to annual reports issued following the year after the name change.[6] AI-inactive firms that subsequently develop substantive AI-related activities consistent with their new names are classified as *AI-adopting firms*. Firms for which we find no evidence of such a shift are classified as *AI-washing firms*. Among the 38 firms in the final sample, 21 (55.3%) were already active in AI before the name change and are classified as AI-active firms. Of the remaining 17 AI-inactive firms, eight corporations subsequently transitioned toward AI-related activities, while nine firms showed no substantive AI activity either before or after the name change and are classified as AI-washing firms. The event-selection procedure is summarized in Table OA.1.

[6]For recent name changes, the available post-change disclosure period is shorter, and the classification is based on the available documents.

3.2 Methodology

3.2.1 Event study design

We examine the stock-market reaction to AI-related corporate name changes using a standard event-study approach based on cumulative abnormal returns. For each firm (*i*), the event date (*t=0*) is the earliest public announcement date of the AI-related name change. We estimate expected returns over a relatively long 250-trading-day estimation window to reduce the influence of seasonal return patterns (Keim 1983). The estimation window ends 10 trading days before the event date to limit the potential contamination from information leakage prior to the announcement (El Ghoul et al. 2023). Abnormal returns are defined as in Equation (1).

$$AR_{it} = R_{it} - E(R_{it}), \tag{1}$$

where AR_{it} is the abnormal return for firm (i) on trading day (t), R_{it} is the realized return, and $E(R_{it})$ is the expected return. Our benchmark event-study specification is the market model. To ensure our results are not sensitive to the choice of the model, we additionally estimate abnormal returns using the Fama–French three-factor model and the Carhart four-factor model. Expected returns are estimated as follows.

$$E(R_{it})^{MM} = \hat{\alpha}_i + \hat{\beta}_i R_{mt}^{MSCI}, \tag{2}$$

$$E(R_{it})^{FF3} = R_{ft} + \hat{\alpha}_i + \hat{\beta}_{i,M}(R_{mt} - R_{ft}) + \hat{\beta}_{i,S} SMB_t + \hat{\beta}_{i,H} HML_t, \tag{3}$$

$$E(R_{it})^{Carhart} = R_{ft} + \hat{\alpha}_i + \hat{\beta}_{i,M}(R_{mt} - R_{ft}) + \hat{\beta}_{i,S} SMB_t + \hat{\beta}_{i,H} HML_t + \hat{\beta}_{i,W} MOM_t. \tag{4}$$

In the benchmark market model in Equation (2), R_{mt} denotes the return on the MSCI World Index. The Fama and French three-factor model in Equation (3) specifies expected returns as a function of the market excess return $R_{mt} - R_{ft}$, the size factor SMB_t, and the value factor HML_t, where R_{ft} denotes the risk-free rate (Fama and French 1993). The Carhart four–factor model in Equation (4) extends the Fama–French specification by adding the momentum factor MOM_t (Carhart 1997). Factor coefficients are estimated separately for each firm over the 250-trading-day estimation window. We obtain the firm-level stock prices and MSCI World Index from Datastream and the developed-market factor returns from Kenneth French's Data Library.[7]

Our main analysis reports cumulative abnormal returns (CARs) and cumulative average abnormal returns (CAARs) over the $[-10,10]$, $[-3,3]$, $[-2,2]$, $[-1,1]$, $[0,2]$, $[0,5]$, $[0,10]$, and $[-10,30]$ event windows. For each firm i, the CAR over an event window $[T_1,T_2]$ is obtained by cumulating daily abnormal returns over the corresponding trading days as described in Equation (5). We then calculate the CAAR as the cross-sectional average of firm-level CARs over the same event window, as shown in Equation (6).

$$CAR_i(T_1,T_2) = \sum_{t=T_1}^{T_2} AR_{it} \tag{5}$$

$$CAAR(T_1,T_2) = \frac{1}{N}\sum_{i=1}^{N} CAR_i(T_1,T_2) \tag{6}$$

We assess the statistical significance of abnormal performance using both parametric and nonparametric tests. Our baseline inference is based on a two-sided cross-sectional t-test of the null hypothesis that the mean CAR across firms equals zero. Since conventional parametric event-study tests are sensitive to violations of their distributional assumptions, particularly in settings characterized by thin trading such as ours (Maynes and Rumsey 1993), we complement the t-test with the Wilcoxon signed-rank test (Wilcoxon 1945), which evaluates whether the cross-sectional distribution of firm-level CARs is centered at zero.

To further assess the robustness of our baseline results, we conduct two additional analyses that are designed to account for thin trading, including the prevalence of zero and extreme returns. First, we examine whether our results are driven by extreme observations by repeating the analysis after trimming observations below the 10th percentile and above the 90th percentile (Cooper et al. 2001). Second, we re-estimate

[7] Available at https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html (accessed April 18, 2026).

abnormal returns using trade-to-trade returns (Campbell et al. 2010), matching each firm's return between successive transaction dates with the market return over the same interval. This procedure avoids assigning zero returns to non-trading days and instead captures the return accumulated between actual trades, thereby mitigating distortions arising from infrequent and non-synchronous trading (Maynes and Rumsey 1993; Bartholdy et al. 2007). For these trade-to-trade analyses, we additionally report the Kolari–Pynnönen-adjusted Boehmer–Musumeci–Poulsen (BMP) test (Boehmer et al. 1991; Kolari and Pynnönen 2010) and the generalized rank t-test (GRANK-T) (Kolari and Pynnönen 2011). Both tests are applicable to multi-day CARs. The adjusted BMP test accounts for cross-sectional correlation and event-induced variance, while the GRANK-T test provides a nonparametric alternative that is robust to event-induced volatility and less sensitive to departures from normality.[8]

3.2.2 Matched-sample design

We complement the conventional event-study analysis with a matched-sample design based on observable firm characteristics. From the universe of corporate name-change events, we match firms that adopt an AI-related name to firms that also change their corporate name but adopt a non-AI-related name. This design helps isolate the market response to the AI-related content of the new name from the response to a corporate name change itself (Sharma and Paul 2021; Akyildirim et al. 2020).

We construct the matched sample in two steps. First, we restrict potential controls to the same industry and calendar year as each treated firm. Within each industry-year cell, we then match each treated firm to its nearest control using 1:1 matching based on the logarithm of market capitalization and firm age. Consistent with treatment group, we define the event date for each matched control firm as the earliest public disclosure of its name change. Figure OA.1 plots the distributions of the matching covariates before and after matching, and Table OA.2 reports the corresponding means and balance tests,

[8] For brevity, we do not report the adjusted BMP and GRANK-T statistics for the baseline specifications. The conclusions from these tests are consistent with those obtained from the corresponding t-tests and Wilcoxon signed-rank tests.

showing matching improves covariate balance, with no notable differences remaining between treated and matched control firms.

We estimate the differences in cumulative abnormal returns within the matched sample using the OLS specification in Equation (7).

$$CAR_{i,[0,T]} = \alpha + \beta\, Treatment_i + \varepsilon_i, \qquad T \in \{2, 5, 10\} \tag{7}$$

where $CAR_{i,[0,T]}$ denotes the cumulative abnormal return for firm i over the event window from day 0 through day T. $Treatment_i$ equals 1 for firms that adopt an AI-related name and 0 for their matched non-AI name-change controls. The coefficient β captures the average difference in CARs between treated and matched control firms over the respective event window.

3.2.3 Cross-sectional analysis by AI activity

As an extension of the overall market reaction documented above, we examine whether market reactions vary with firms' underlying AI activity. We conduct this analysis using the sample of firms that adopt AI-related names from the baseline analysis. Specifically, we compare AI-inactive, AI-adopting, and AI-washing firms with firms that were already active in AI before the name change, which serve as the benchmark group in the cross-sectional regressions. The coefficient on each AI-activity indicator therefore captures the average difference in CARs between the respective group and firms that were already active in AI prior to the name change, over the corresponding event window. For this heterogeneity analysis, CARs are trimmed at the 10th and 90th percentiles to reduce the influence of extreme observations.

4 Empirical results

4.1 Baseline results

Figure 1 illustrates the evolution of mean and median CARs over the $[-10, 30]$ event window, estimated using the market model. Average CARs increase substantially following the name-change announcement, reaching levels above 20% during the first 10 trading days after the event before eventually declining. The broadly similar increases in mean and median CARs suggest that the positive market reaction is not confined to a small number of firms. Results from alternative specifications, namely the Fama–French three-factor and Carhart four-factor models, further corroborate this pattern, as shown in Figure OA.2, with mean CARs rising sharply during the first 10 trading days following the announcement and declining thereafter.

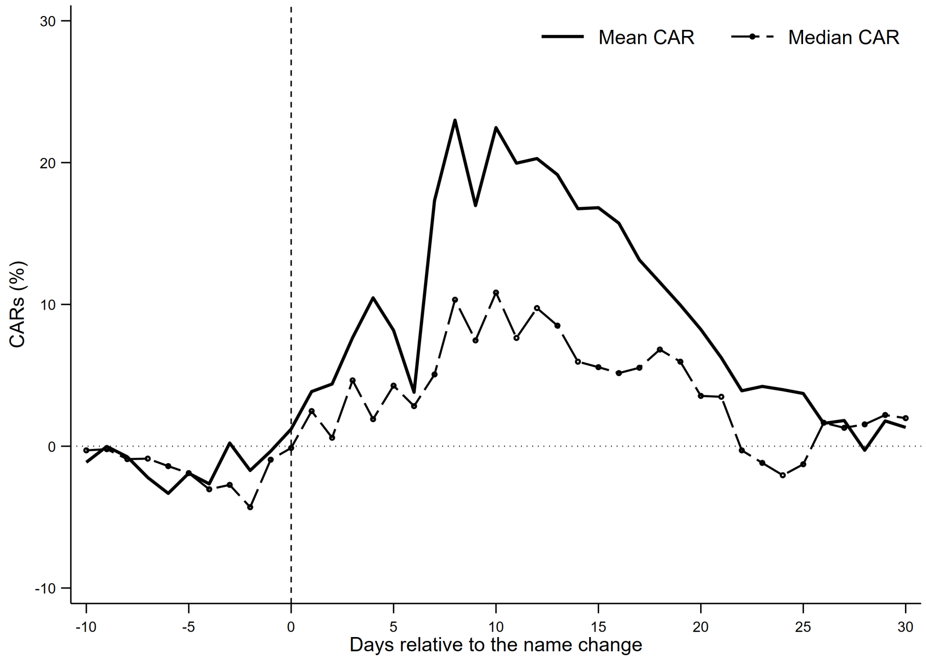

Figure 1: CAARs from the MSCI World Market Model

Notes: The figure plots mean and median CARs around 38 AI-related corporate name changes, using the market model with the MSCI World Market Index as the benchmark. Abnormal returns are estimated over the $[-260, -11]$ window, and CARs are shown over the $[-10, 30]$ event window, where day 0 denotes the public announcement of the name change. The solid line reports mean CARs, while the dashed line reports median CARs.

In Table 1, we report the baseline market reaction to AI-related corporate name changes. The event-study analyses confirm the patterns illustrated in Figures 1

Table 1: Market reaction to AI-related name change - Baseline models

Model	Statistic	$[-10,10]$	$[-3,3]$	$[-2,2]$	$[-1,1]$	$[0,2]$	$[0,5]$	$[0,10]$	$[-10,30]$
MM - MSCI World	Mean CAR	22.47	10.31	4.16	5.57	4.73	8.52	22.82	1.33
	t-stats	**1.89***	**3.13*****	1.09	**1.97***	1.23	1.58	**1.88***	0.08
	Wilcoxon z	**2.44****	**2.57****	1.02	1.63	1.43	1.47	**2.23****	0.21
FF Three-Factor	Mean CAR	26.75	11.84	5.65	7.41	6.17	10.07	23.22	3.86
	t-stats	**2.21****	**3.54*****	1.44	**1.83***	1.42	**2.00***	**1.91***	0.27
	Wilcoxon z	**2.57****	**2.86*****	1.41	**1.69***	1.30	**1.72***	**2.26****	0.09
Carhart Four-Factor	Mean CAR	29.53	11.61	6.31	7.80	7.60	10.91	26.02	5.56
	t-stats	**2.21****	**3.48*****	1.53	**1.87***	1.54	**2.15****	**1.99***	0.40
	Wilcoxon z	**2.52****	**2.84*****	**1.69***	**2.07****	1.44	**1.88***	**2.23****	0.01

Notes: The table reports the mean cumulative abnormal returns (CARs) in percentage points estimated using the market model with MSCI World Index, Fama-French three-factor model, and the Carhart four-factor model. The sample consists of 38 name change events. For each model and event window, we assess the statistical significance using two-sided t-tests and Wilcoxon signed-rank tests. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

and OA.2. We find positive abnormal returns around the announcement across all three models, with the evidence strongest over the short- and medium-term event windows. Using the market model, the mean CARs are 10.3% over the $[-3,3]$ event window and exceed 22% over the $[0,10]$ event window. Both the parametric and nonparametric tests reject the null hypothesis of zero abnormal returns for the $[-10,10]$, $[-3,3]$, and $[0,10]$ windows across all three models, with statistical significance at least at the 10% level. In contrast, CAARs over the longer $[-10,30]$ window are small and statistically insignificant across all specifications, indicating that the positive abnormal performance observed around the announcement does not persist over the longer event window.

4.2 Heterogeneity in market reactions

For the heterogeneity analysis, we partition the sample along three dimensions. First, we group name-change events into the years 2022–2023, 2024, and 2025, which yields relatively balanced subsamples and allows us to examine whether the market response varies over the period of heightened investor attention to AI. Second, we divide firms into younger and older firms using the sample median age of 13.5 years. Finally, we examine heterogeneity in the market response by market capitalization. Following the U.S. Securities and Exchange Commission (SEC), we use a $50 million threshold to distinguish nano-cap firms from firms with higher market capitalization.[9] We report our findings in Table 2.

The event–year results show that the positive market reaction is concentrated in the earlier part of the sample. For name changes announced in 2022–2023, mean CARs are positive and statistically significant over several windows, including $[-10,10]$, $[-3,3]$, $[0,5]$, and $[0,10]$. The 2024 subsample also shows a strong and statistically significant response, with mean CARs of 13.42% over $[-3,3]$ and 16.08% over the $[-1,1]$ windows. In contrast, none of the event windows for the 2025 subsample is statistically significant despite the positive CAARs. This pattern is consistent with stronger investor attention to AI-related name changes in the earlier years, with the response weakening by 2025, although the small subsample sizes warrant caution.

Table 2: Heterogeneity in market responses to AI-related name change

Heterogeneity	Subgroup	Statistic	$[-10,10]$	$[-3,3]$	$[-2,2]$	$[-1,1]$	$[0,2]$	$[0,5]$	$[0,10]$	$[-10,30]$
Event year	2022–2023 *(N=10)*	Mean CAR	22.82	17.54	5.64	-0.89	4.83	23.83	19.81	1.67
		t-statistic	**2.43****	**1.96***	0.60	-0.23	0.54	**1.96***	**2.01***	0.28
		Wilcoxon z	**1.99****	**1.68***	-0.15	-0.05	-0.46	**1.78***	**1.68***	0.36
	2024 *(N=12)*	Mean CAR	10.97	13.42	3.53	16.08	6.18	3.43	13.93	-26.30
		t-statistic	0.79	**2.53****	0.41	**2.26****	0.70	0.30	1.04	-0.70
		Wilcoxon z	1.26	**1.80***	0.94	**2.20****	1.57	0.47	1.18	0.24
	2025 *(N=16)*	Mean CAR	30.87	3.46	3.71	1.72	3.59	2.77	31.36	22.30
		t-statistic	1.19	0.98	1.11	0.73	0.93	0.54	1.17	0.70
		Wilcoxon z	0.67	0.62	0.67	0.00	0.88	0.10	0.57	-0.06
Firm age	Young firms *(N=19)*	Mean CAR	20.90	12.08	6.40	6.84	9.21	14.56	25.73	-17.14
		t-statistic	**2.54****	**2.32****	1.18	1.34	**1.77***	1.73	**3.09*****	-0.73
		Wilcoxon z	**2.41****	**2.01****	0.40	1.17	1.37	1.41	**2.82*****	0.48
	Older firms *(N=19)*	Mean CAR	24.04	8.54	1.92	4.29	0.26	2.48	19.90	19.80
		t-statistic	1.06	**2.06***	0.35	1.66	0.05	0.37	0.86	0.78
		Wilcoxon z	1.13	**1.73***	0.97	0.97	0.68	0.48	0.32	0.00
Market cap.	Below USD 50 million *(N=28)*	Mean CAR	29.78	11.75	7.59	7.07	8.56	12.43	32.38	10.44
		t-statistic	**1.88***	**2.84*****	**1.82***	**1.94***	**2.06****	**1.81***	**2.05***	0.45
		Wilcoxon z	**2.55****	**2.35****	1.25	**1.71***	**1.71***	1.64	**2.57****	1.41
	USD 50 million or above *(N=10)*	Mean CAR	1.99	6.28	-5.44	1.37	-5.98	-2.43	-3.98	-24.19
		t-statistic	0.32	1.30	-0.67	0.40	-0.71	-0.39	-0.41	**-2.55****
		Wilcoxon z	-0.05	0.97	-0.15	0.15	-0.05	0.15	-0.05	**-1.99****

Notes: The table reports heterogeneity in average cumulative abnormal returns estimated using the MSCI World market model. We partition the sample by event year, firm age, and market capitalization. Event-year subsamples comprise 2022–2023, 2024, and 2025. Firm-age groups distinguish young firms from older firms using the sample median firm age of 13.5 years. Market-capitalization groups distinguish firms with equity market capitalization below USD 50 million from firms with market capitalization of at least USD 50 million. Subgroup sample sizes are reported in italics in parentheses and correspond to the number of events. For each subgroup and event window, statistical significance is assessed using two-sided t-tests and Wilcoxon signed-rank tests. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

The results by firm age and market capitalization reveal further heterogeneity. Younger firms exhibit positive and statistically significant CAARs over several event

[9] https://www.sec.gov/about/reports-publications/investorpubsmicrocapstock (Accessed June 9, 2026).

windows, including a return of 25.73% over the $[0,10]$ event window, which is significant at the 1% level under both the t-test and Wilcoxon test. For older firms, the evidence is more limited, although the estimated effects are economically large. The CAAR from the $[-3,3]$ window is 8.54% and statistically significant at the 10% level, while the economically sizable CAAR of 19.90% over the $[0,10]$ event window is not statistically distinguishable from zero. The contrast is particularly pronounced across firm size. Firms with market capitalization below USD 50 million exhibit positive CAARs across most short- and medium-term event windows. In particular, CAARs amount to 11.75% over the $[-3,3]$ window and 32.38% over the $[0,10]$ window, with both estimates statistically significant under the parametric and nonparametric tests. In contrast, firms with market capitalization of at least USD 50 million show no evidence of a positive name-change effect. Their mean CARs become negative over several post-announcement windows and reach -24.19% over the $[-10,30]$ event window, which is statistically significant at the 5% level under parametric and non-parametric tests. Overall, the heterogeneity results indicate that the positive valuation response to AI-related name changes is concentrated among younger and smaller firms.

4.3 Robustness

4.3.1 Outlier-adjusted sample

Table OA.3 shows that the baseline findings are not driven by extreme observations. After trimming observations in the top and bottom deciles of the CAR distribution, the magnitude of abnormal returns over the short event windows remains broadly similar to that observed in the full sample. For instance, under the market model, the mean CAR over the $[-3,3]$ window is 8.22%, compared with 10.31% in the full sample. A more pronounced difference emerges over the longer $[0,10]$ window, where the mean CAR declines from 22.82% in the full sample to 11.27% in the outlier-adjusted sample. Thus, while extreme observations appear to account for part of the larger increase in abnormal returns over the first 10 trading days following the name change, the overall pattern remains the same, with cumulative abnormal returns increasing after the announcement and subsequently declining over the longer event horizon. The pattern is depicted in Figure OA.3.

The outlier-adjusted estimates remain economically and statistically significant across several event windows. In addition to the short- and medium-term windows highlighted in the baseline analysis, the results are statistically significant across all three models for the $[-1,1]$ and $[0,5]$ windows based on the parametric and nonparametric tests. The $[0,2]$ window provides weaker evidence, with statistical significance reached only under the Carhart four-factor model. As in our baseline models, abnormal returns over the longer $[-10,30]$ window remain statistically indistinguishable from zero across all specifications. Overall, the positive market reaction to AI-related name changes remains robust after accounting for the influence of extreme stock-price movements.

4.3.2 Thin trading

In Table OA.4, we use trade-to-trade returns to address potential biases from infrequent and nonsynchronous trading, particularly among firms with a high prevalence of zero-return days. The results continue to show positive cumulative abnormal returns around AI-related name-change announcements, suggesting that our main findings are not an artifact of thin trading. The evidence is strongest when inference is based on the adjusted BMP and GRANK-T statistics, which account for event-induced variance and departures from normality. Under the market model, both tests indicate statistically significant abnormal performance for each event window, except the $[-10,30]$. The corresponding mean CARs are also economically meaningful, ranging from 3.7% over $[0,2]$ window to 13.9% over $[-10,10]$ window.

The findings from factor models are less uniform, but they point in the same direction. The strongest evidence remains concentrated around the announcement, with the $[-3,3]$, $[-2,2]$, and $[-1,1]$ windows remaining statistically significant under both the Fama–French and Carhart specifications according to the Wilcoxon, adjusted

BMP, and GRANK-T tests. Adjusted BMP and GRANK-T tests also identify statistically significant abnormal returns over $[0,5]$ event window.

4.4 Broader AI definition

Table OA.5 expands the analysis by including name changes identified using the broader set of AI-related terms. The results closely mirror those obtained under the narrower baseline definition. Across all three models, cumulative average abnormal returns are positive and statistically significant over several short- and medium-term event windows. The mean CARs over the $[-3,3]$ event window range from 6.61% under the market model to 7.63% under the Fama–French model, while the mean CARs over the $[0,10]$ event window range from 16.76% to 18.86%. In contrast, the mean CARs over the longer $[-10,30]$ event window is not statistically significant across all three models, despite remaining economically sizable at between 11.14% and 13.17%. The positive market response therefore remains evident when the identification of AI-related name changes is extended beyond explicit references to "AI," "A.I.," and "artificial intelligence."

We obtain similar evidence after trimming observations below the 10th and above the 90th percentiles of the CAR distribution, as reported in Table OA.6. Notably, both the parametric and nonparametric tests reject the null hypothesis of zero abnormal returns across all short- and medium-term event windows and three models. The only exception is over the longer $[-10,30]$ event window, for which the evidence largely disappears, with only the market-model t-test reaching significance at the 10% level. Figure OA.4 illustrates these patterns for both the full and outlier-adjusted comprehensive samples across the market, Fama–French, and Carhart models.

4.5 Matching results

Table 3 presents the results from the matched sample using 1:1 nearest-neighbor matching. Columns 1–3 report the average differences in CARs between AI-related and non-AI-related name changes over the $[0,2]$, $[0,5]$, and $[0,10]$ event windows under the market model. The estimated differences are economically large, at 12.2%, 15.6%, and 32.1%, and are statistically significant at least at 10%.

Table 3: Robustness check - CARs in the matched sample

	MM – MSCI World			FF Three-Factor			Carhart Four-Factor		
	(1) [0,2]	(2) [0,5]	(3) [0,10]	(4) [0,2]	(5) [0,5]	(6) [0,10]	(7) [0,2]	(8) [0,5]	(9) [0,10]
Treatment	12.236*	15.626*	32.087**	13.528**	17.514*	32.912**	14.905**	18.274**	35.707**
	(6.220)	(9.106)	(15.434)	(6.447)	(8.875)	(15.472)	(6.847)	(8.870)	(16.178)
Obs.	76	76	76	76	76	76	76	76	76
R-squared	0.050	0.038	0.055	0.056	0.050	0.058	0.060	0.054	0.062

Notes: This table reports OLS estimates of cumulative abnormal returns for the 1:1 matched sample. Heteroskedasticity-robust standard errors are reported in parentheses. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

The Fama–French three-factor and Carhart four-factor models yield estimates of comparable magnitude and statistical significance over the same event windows, indicating that the matched-sample results are not sensitive to the choice of expected-return model. These findings reinforce the baseline evidence by showing that the stronger market reaction to AI-related name changes persists when such events are compared with non-AI-related name changes, suggesting a distinct positive market response to the AI-related component of the name change.

5 Extension: Stock market reactions by AI activity

5.1 Event-study evidence

We extend the analysis by examining whether the market reaction varies with firms' underlying AI activities. We distinguish between firms with substantive AI activity in their core business before the name change (AI-active) and firms without such prior activity (AI-inactive firms), using the outlier-adjusted sample to facilitate comparison across groups. Figure 2 shows that the cumulative abnormal returns of AI-inactive firms diverge from those of AI-active firms a few trading days before the name change and remain higher for most of the subsequent event window, for both the mean and median CARs. The results from factor models display a similar pattern in Figure OA.5.

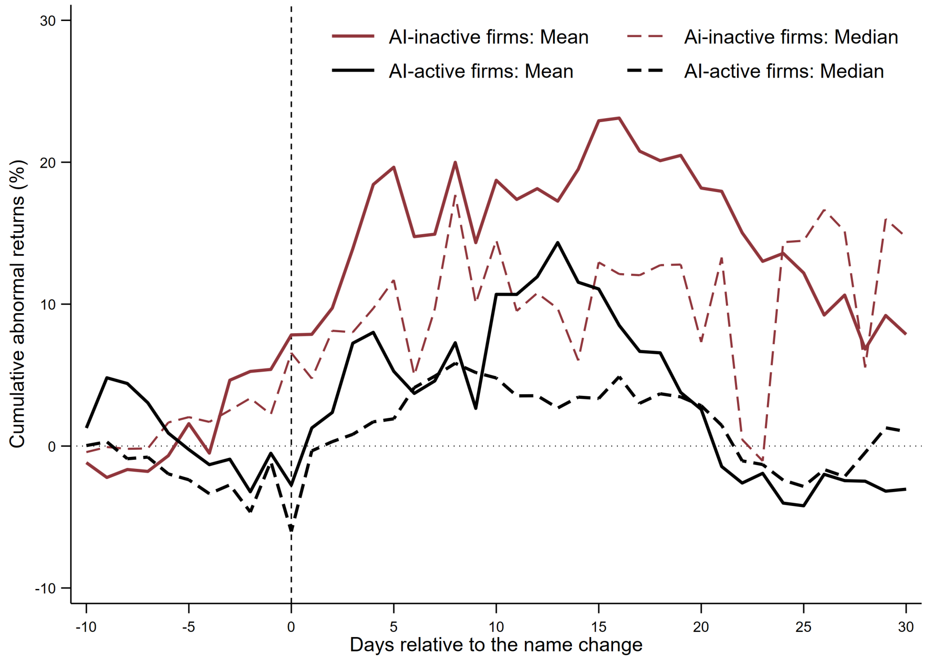

Figure 2: Market response to AI-active and AI-inactive firms - Outlier-adjusted MM
Notes: The figure plots mean and median CARs around AI-related corporate name changes for AI-active and AI-inactive firms separately. Abnormal returns are estimated over the $[-260,-11]$ window using the market model, and CARs are shown over the $[-10,30]$ event window, where day 0 denotes the public announcement of the name change. The sample is trimmed within each group by excluding firms with $[-10,30]$ CARs below the 10th or above the 90th percentile of the group-specific distribution. The solid line reports mean CARs, while the dashed line reports median CARs.

Table 4 reports the corresponding event-study results. Both AI-active and AI-inactive firms experience positive abnormal returns around the name change, but the response is considerably stronger and more robust among firms without prior AI activity. For these firms, the market-model CAAR is 12.46% over the $[-3,3]$ event window and rises to 19.91% over the $[0,10]$ event window, with both estimates statistically significant under the t-test and Wilcoxon test.

The same pattern remains evident under the Fama–French three-factor and Carhart four-factor models. By contrast, the evidence for AI-active firms is weaker. Under the market model, the t-test is statistically significant only over the $[-3,3]$ event window, while the alternative factor models show their most consistent statistical significance over the shorter $[-1,1]$ event window. These results indicate that the valuation effect associated with adopting an AI-related name is more pronounced when the new name represents a departure from the firm's pre-existing business profile.

Table 4: Market reaction by firms' AI activity

Model	Statistic	[−10, 10]	[−3, 3]	[−2, 2]	[−1, 1]	[0, 2]	[0, 5]	[0, 10]	[−10, 30]
Panel A: AI-active companies									
	Mean CAR	10.25	5.88	1.60	2.25	0.23	3.85	7.88	-3.04
MM - MSCI World	t-statistic	1.42	**1.84***	0.83	1.48	0.13	1.26	1.27	-0.48
	Wilcoxon z	1.44	1.50	0.17	1.24	-0.05	1.25	1.21	-0.12
	Mean CAR	12.27	5.62	1.77	3.34	0.87	5.85	10.81	-6.01
FF Three-Factor	t-statistic	1.66	**1.95***	0.87	**2.19****	0.46	**1.84***	**1.87***	-0.97
	Wilcoxon z	1.59	1.49	0.40	**1.78***	0.12	**1.65***	**1.71***	-0.98
	Mean CAR	12.71	7.63	1.89	4.11	1.83	2.59	9.39	-4.06
Carhart Four-Factor	t-statistic	1.62	**2.70****	1.09	**2.87****	1.00	0.90	1.53	-0.63
	Wilcoxon z	1.54	**2.17****	0.88	**2.39****	0.64	0.88	1.25	-0.69
Panel B: AI-inactive companies									
	Mean CAR	17.18	12.46	4.91	5.03	9.41	10.31	19.91	7.87
MM - MSCI World	t-statistic	**3.44*****	**3.30*****	1.20	1.63	**2.38****	1.41	**3.31*****	0.76
	Wilcoxon z	**2.73*****	**2.61*****	1.08	1.29	**2.04****	1.25	**2.39****	0.68
	Mean CAR	22.44	15.15	10.43	4.05	10.67	15.37	21.66	6.80
FF Three-Factor	t-statistic	**3.16*****	**3.76*****	**2.49****	1.30	1.73	**2.50****	**3.60*****	0.64
	Wilcoxon z	**2.67*****	**2.76*****	**2.10****	0.91	**1.65***	**1.85***	**2.67*****	0.62
	Mean CAR	21.35	13.65	8.35	3.15	10.63	14.68	18.81	4.79
Carhart Four-Factor	t-statistic	**2.91****	**2.96****	1.60	0.96	1.66	**2.37****	**2.98*****	0.44
	Wilcoxon z	**2.56****	**2.39****	1.42	0.80	1.53	**1.99****	**2.22****	0.45

Notes: The table reports cumulative abnormal returns (CARs) in percentage points separately for firms classified as AI-active companies prior to the name change (Panel A) and firms classified as AI-inactive companies prior to the name change (Panel B). Abnormal returns are estimated using the market model with the MSCI World Index, the Fama–French three-factor model, and the Carhart four-factor model. For each event window, observations below the 10th percentile or above the 90th percentile of the corresponding CAR distribution are excluded. Statistical significance is assessed using two-sided one-sample t-tests and Wilcoxon signed-rank tests. ***$p < 0.01$, **$p < 0.05$, and *$p < 0.10$.

5.2 Cross-sectional regressions

In Table 5, we further examine the differences in cumulative abnormal returns across firms by AI activity. The dependent variables are CARs over the $[0, 2]$, $[0, 5]$, and $[0, 10]$ event windows for the outlier-adjusted sample, estimated using all three expected-return specifications. Each model controls for firm age, the logarithm of market capitalization, and event-year effects. AI-active firms, defined as firms with substantive AI activity prior to the name change, constitute the reference group in all specifications.

Panel A compares AI-inactive firms to AI-active firms. Over the $[0, 10]$ event window, the treatment coefficient is positive and statistically significant across all three return models, ranging from 15.5 to 23.7 percentage points, indicating that AI-inactive firms experience substantially higher cumulative abnormal returns than firms that were already active in AI before the name change. By contrast, the treatment coefficients over

Table 5: Market reactions by firms' AI activity: Cross-sectional analysis

Panel A: AI-inactive firms	MM - MSCI World			FF Three-Factor			Carhart Four-Factor		
	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Treatment	2.119	7.706	23.735***	3.785	3.119	19.995***	6.869	4.351	15.480**
	(4.296)	(8.388)	(6.746)	(4.583)	(8.420)	(6.420)	(4.413)	(8.688)	(6.619)
Firm age	-0.102	-0.239	-0.638*	0.043	-0.057	-0.425	-0.100	-0.182	-0.602
	(0.221)	(0.333)	(0.336)	(0.257)	(0.347)	(0.349)	(0.250)	(0.315)	(0.354)
Market capitalization (log)	-1.649	-0.877	-1.950	-1.181	-0.485	-0.906	-0.965	-0.946	-1.555
	(1.636)	(2.350)	(2.191)	(1.585)	(2.367)	(2.251)	(1.280)	(2.467)	(2.528)
Observations	31	32	32	32	32	32	30	32	31
R-squared	0.214	0.147	0.532	0.194	0.085	0.574	0.232	0.127	0.630
Panel B: AI-adopting firms	MM - MSCI World			FF Three-Factor			Carhart Four-Factor		
	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Treatment	1.694	6.882	18.597*	-1.257	6.857	14.950	0.194	4.707	10.371
	(6.364)	(10.035)	(9.967)	(6.573)	(9.981)	(8.669)	(6.814)	(11.314)	(9.590)
Firm age	-0.187	-0.541	-1.124***	-0.182	-0.545	-1.172***	-0.172	-0.573	-1.447***
	(0.262)	(0.399)	(0.322)	(0.253)	(0.405)	(0.295)	(0.239)	(0.481)	(0.345)
Market capitalization (log)	-0.381	-1.456	1.557	-0.196	-1.263	-1.082	-1.145	-1.525	-2.135
	(1.837)	(3.122)	(4.081)	(2.026)	(3.160)	(2.925)	(1.828)	(3.360)	(3.015)
Observations	25	25	25	24	25	25	25	25	25
R-squared	0.154	0.135	0.606	0.105	0.146	0.653	0.177	0.128	0.651
Panel C: AI-washing firms	MM - MSCI World			FF Three-Factor			Carhart Four-Factor		
	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]	[0,2]	[0,5]	[0,10]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Treatment	7.490	9.307	28.005***	2.008	2.461	22.830***	4.885	8.637	24.162***
	(6.753)	(6.697)	(7.333)	(6.483)	(6.298)	(7.494)	(7.518)	(5.841)	(7.290)
Firm age	-0.054	-0.165	-0.906**	0.599	0.024	-0.660*	0.207	-0.225	-0.817**
	(0.370)	(0.317)	(0.343)	(0.401)	(0.330)	(0.364)	(0.418)	(0.301)	(0.384)
Market capitalization (log)	-1.594	1.823	-0.566	-0.407	2.047	0.713	-1.524	1.133	0.354
	(1.820)	(1.898)	(2.597)	(1.736)	(2.047)	(2.621)	(1.833)	(2.004)	(2.820)
Observations	24	24	24	24	24	24	24	24	24
R-squared	0.221	0.298	0.677	0.289	0.179	0.703	0.200	0.262	0.698

Notes: The results are from cross-sectional OLS regressions with heteroskedasticity-robust standard errors. The dependent variable is the cumulative abnormal return (CAR) over the event window reported in brackets above each column. In all specifications, the reference group consists of firms with substantial AI activity prior to the name change. In Panel A, the treatment group consists of firms with no AI activity prior to the name change. Panel B reports firms that adopt AI in core business operations following the name change, while Panel C reports AI-washing firms, defined as firms that do not subsequently adopt substantive AI activity. All regressions control for firm age and the logarithm of market capitalization. Year-of-name-change fixed effects are also included as controls but are not reported. For each specification, observations below the 10th percentile and above the 90th percentile of the corresponding CAR distribution are excluded. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

the $[0,2]$ and $[0,5]$ event windows are not statistically significant. The cross-sectional difference therefore emerges primarily over the days following the announcement rather than immediately around the event day.

Panels B and C further separate AI-inactive firms according to their subsequent business activities. For firms that subsequently develop substantive AI operations, the treatment coefficient over the $[0, 10]$ event window is positive (18.5%) and statistically significant under the market model, but not under the Fama–French or Carhart specifications, despite remaining economically sizeable. The results are more consistent for AI-washing firms. Their $[0, 10]$ treatment coefficients range between 22.8 and 28 percentage points and are statistically significant at the 1% level.[10] Hence, relative to AI-active firms, the most consistent differential response is observed among AI-washing firms.

6 Conclusion

This paper examines stock-market reactions to corporate name changes that incorporate an explicit reference to artificial intelligence. Using an international sample of 38 AI-related name-change announcements across ten stock markets, we document significant positive abnormal returns around the announcement. Under the market model, mean cumulative abnormal returns are approximately 10% over the $[-3, 3]$ window and 23% over $[0, 10]$, with similar patterns under the Fama–French three-factor and Carhart four-factor models. The results are robust to treatment of extreme observations, trade-to-trade return estimation, and a broader definition of AI-related terminology. Moreover, the matched-sample analysis points in the same direction, with firms adopting AI-related names earning higher cumulative abnormal returns than otherwise comparable firms undertaking non-AI-related name changes. However, abnormal returns over the longer window are statistically indistinguishable from zero, indicating that the initial valuation effect is not sustained.

The market response also varies considerably across firms. Positive abnormal returns are concentrated among younger firms and, particularly, firms with market capital-

[10] Our findings are similar when we use the non-trimmed sample, with the most pronounced effects observed among AI-washing firms, particularly over the shortest event window. Results are available upon request.

ization below USD 50 million, whereas larger firms show little evidence of a positive announcement effect.

More importantly, the market reaction depends on firms' underlying AI activities. Firms without substantive AI operations prior to the name change experience substantially stronger abnormal returns than firms already active in AI. When these firms are further classified according to their subsequent activities, the most consistent differential response relative to existing AI firms is observed among AI-washing firms, those that adopt an AI-related name without subsequently developing substantive AI operations. This pattern suggests that investors place substantial short-run weight on the AI-related corporate label, even when it is not supported by observable underlying AI activity.

Taken together, the findings show that AI-related corporate renaming generates an economically meaningful but temporary premium. The results extend evidence from the dot-com, blockchain, and sustainability-related renaming literature to the current AI wave and highlight the importance of investor attention in the valuation of thematic corporate identity changes.

The findings have implications for investors, managers, and regulators. For investors, the results suggest that an AI-related corporate name should not be interpreted, by itself, as evidence of substantive AI capability or strategic transformation. Investors should therefore weigh a firm's underlying AI activity rather than the name change alone. For managers, the temporary nature of the valuation premium suggests that AI-related corporate positioning may generate substantial short-run market benefits, but that naming alone is unlikely to produce a persistent valuation effect. For policymakers, the findings add to broader evidence that corporate naming can influence investor perceptions, particularly when firms associate themselves with technologies receiving substantial market attention. Our results motivate a need for continued attention to the use of AI-related words in corporate names, extending a concern already raised in the context of blockchain and sustainability-related renaming. Given that the strongest and most persistent reactions are concentrated among firms without substantive AI activity, and particularly among smaller and younger firms, uncontrolled use of AI-related names risks misleading investors about a firm's true technological engagement.

Our analysis comes with two main limitations. First, although the sample is international, the number of AI-related name changes remains relatively small. Second, our analysis focuses on short- and medium-run market reactions. As additional AI-related renaming events accumulate, future work can trace the longer-run evolution of these effects and examine whether they differ across countries and institutional settings.

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Online Appendix for

The returns from AI-related corporate name changes: International evidence

Table OA.1: Sample selection for AI-related corporate name changes

Sample selection step	**Count**
Universe of name-change events	441,761
Events with an associated RIC	13,789
AI-related name changes	108
Events without contaminating news	50
Firms with sufficient stock-return data	38
Classification of final sample	
AI-active firms	21
AI-inactive firms	17
AI-adopting firms	8
AI-washing firms	9

Notes: The table summarizes the sample-selection process. After excluding observations with potentially contaminating news around the name-change announcement and requiring sufficient stock-return data, the final sample consists of 38 AI-related name-change events. Of these, 21 are classified as AI-active firms and 17 as AI-inactive firms. Among the 17 AI-inactive firms, eight are classified as AI-adopting firms and nine as AI-washing firms.

Table OA.2: Covariate balance before and after matching

	Full Sample			Matched Sample		
Variable	Control	Treatment	Difference	Control	Treatment	Difference
Market cap. (log)	17.646	16.591	1.055**	16.062	16.591	-0.529
Firm age	20.667	14.526	6.141**	14.263	14.526	-0.263
Observations	9,644	38		38	38	

Notes: This table reports covariate balance for treatment and control firms before and after 1:1 matching. The matched sample contains 38 treated firms and 38 matched control firms. Reported values are group means. Difference is the control-group mean minus the treatment-group mean, and statistical significance is assessed using two sided t-tests. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

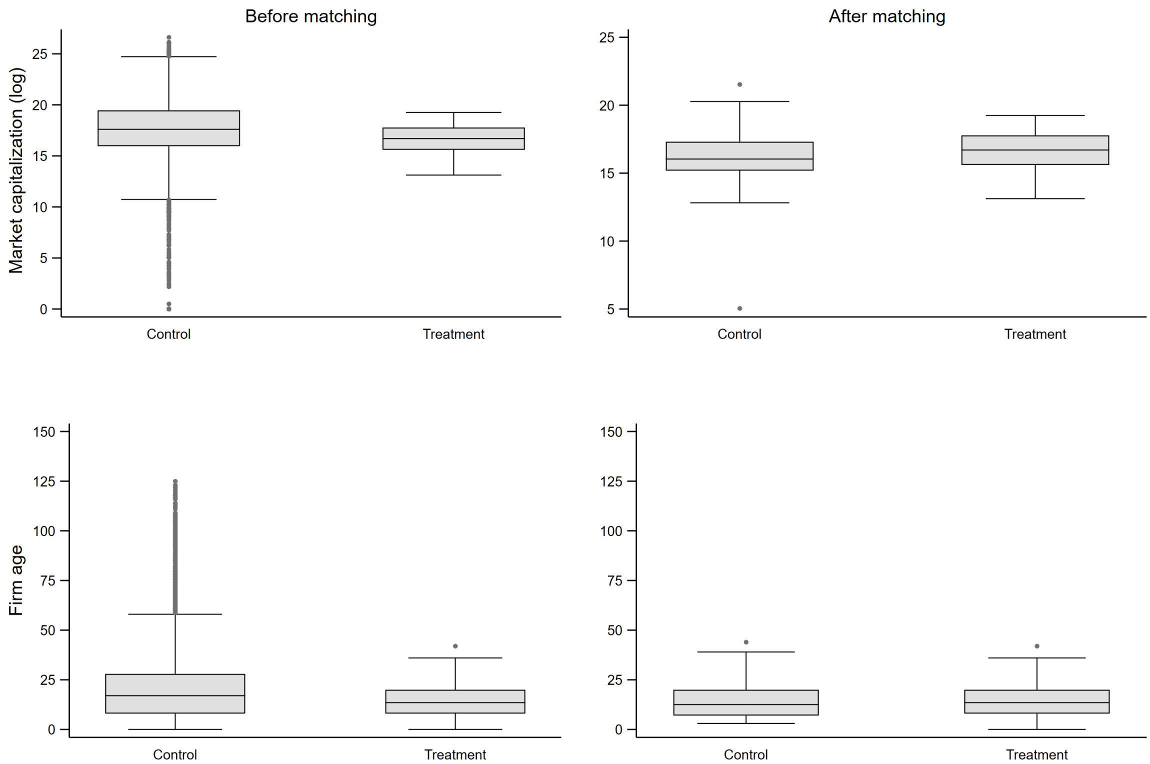


Figure OA.1: Control and treatment comparison before and after 1:1 nearest-neighbor matching

Notes: The figure shows the distribution of market capitalization (log) and firm age for firms that adopted an AI-related name and the (potential) matched control firms that adopted a non-AI-related name.

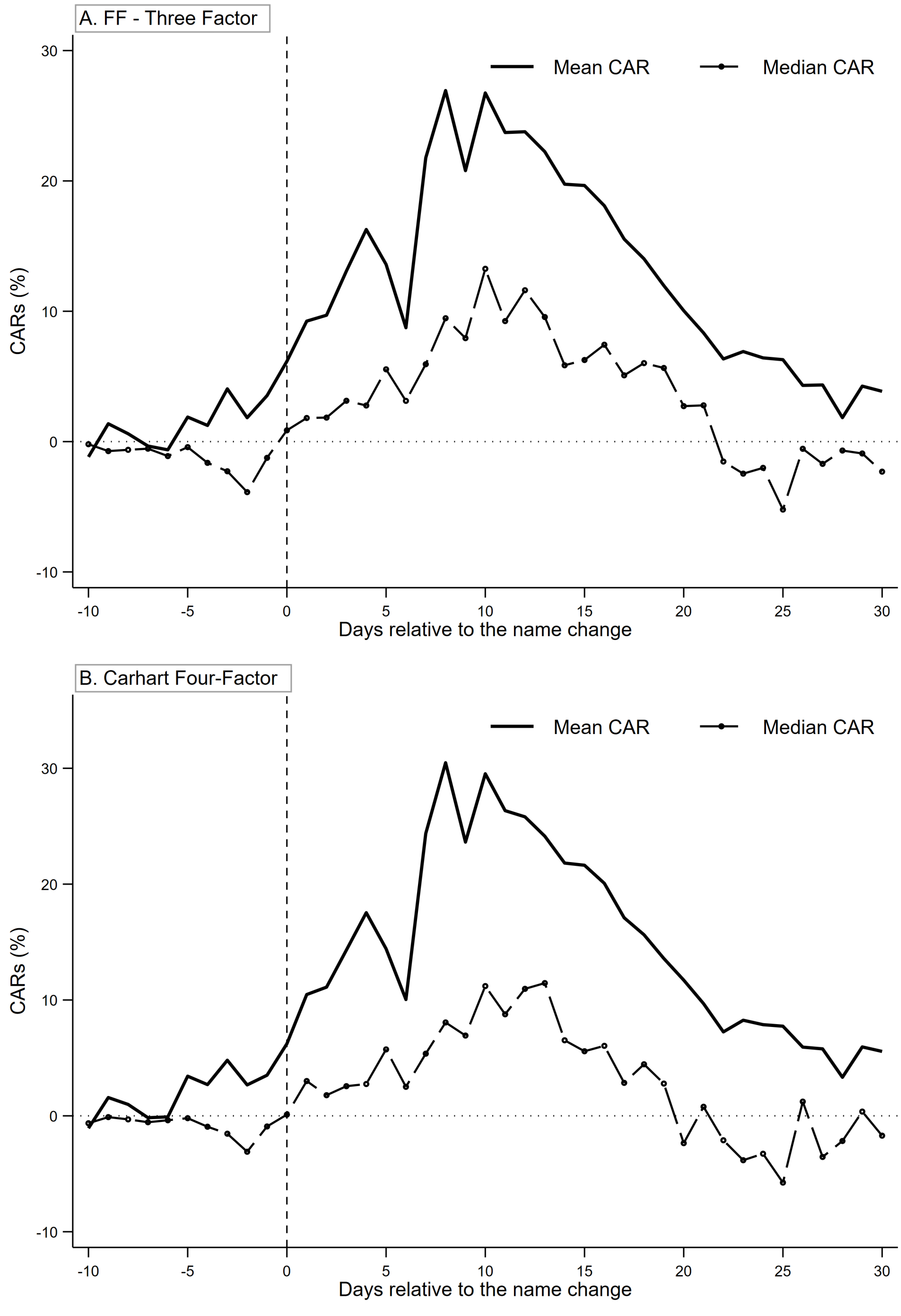


Figure OA.2: CAARs from the FF and Carhart models

Notes: The figure plots mean and median CARs around 38 AI-related corporate name changes, using the Fama-French three-factor and Carhart four-factor Models. Abnormal returns are estimated over the $[-260, -11]$ window, and CARs are shown over the $[-10, 30]$ event window, where day 0 denotes the public announcement of the name change. The solid line reports mean CARs, while the dashed line reports median CARs.

Table OA.3: Market reaction to AI-related name change - Outlier-adjusted sample

Model	Statistic	$[-10,10]$	$[-3,3]$	$[-2,2]$	$[-1,1]$	$[0,2]$	$[0,5]$	$[0,10]$	$[-10,30]$
MM - MSCI World	Mean CAR	13.58	8.22	3.40	4.01	3.33	7.63	11.27	1.42
	t-stats	**3.58*****	**3.41*****	**1.82***	**2.53****	1.65	**2.22****	**2.89*****	0.29
	Wilcoxon z	**3.10*****	**2.75*****	1.16	**2.04****	1.45	**1.76***	**2.49****	0.32
FF Three-Factor	Mean CAR	16.57	9.75	4.69	3.63	3.25	7.71	11.53	-1.13
	t-stats	**3.71*****	**3.89*****	**2.23****	**2.45****	1.60	**2.63****	**2.99*****	-0.21
	Wilcoxon z	**3.18*****	**3.01*****	1.59	**2.01****	1.23	**2.05****	**2.57****	-0.18
Carhart Four-Factor	Mean CAR	15.97	9.44	4.42	3.94	4.36	8.73	13.05	1.75
	t-stats	**3.38*****	**3.88*****	**2.22****	**2.78*****	**2.13****	**2.79*****	**3.31*****	0.32
	Wilcoxon z	**3.01*****	**2.97*****	**1.70***	**2.44****	**1.70***	**2.21****	**2.66*****	0.29

Notes: The table reports the mean cumulative abnormal returns in percentage points estimated using the market model with MSCI World Index, Fama-French three-factor model, and the Carhart four-factor model. The sample is trimmed by excluding observations below the 10th percentile or above the 90th percentile over each event window. For each model and event window, we assess the statistical significance using two-sided t-tests and Wilcoxon signed-rank tests. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

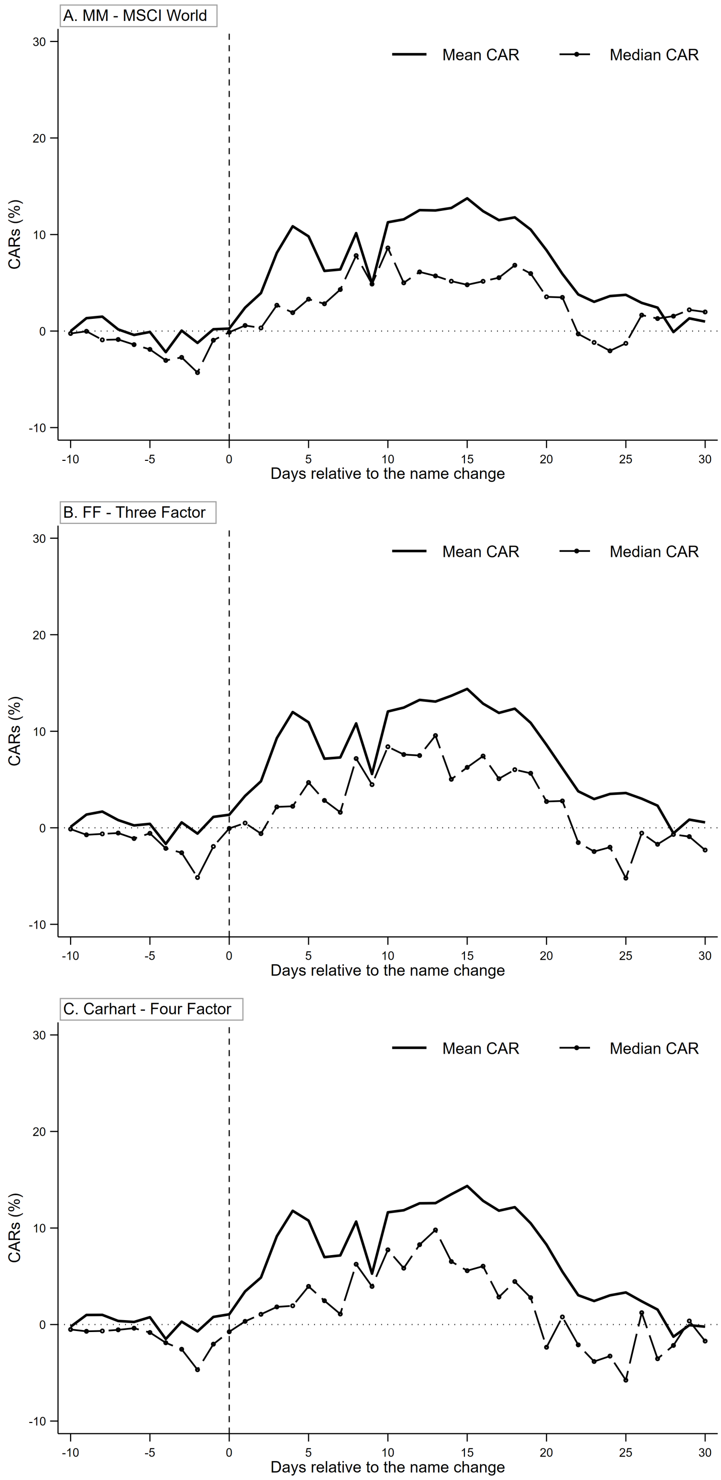


Figure OA.3: CARs from outlier-adjusted sample

Notes: The figure plots average cumulative abnormal returns around AI-related corporate name changes using the MSCI World Market Model, Fama-French three-factor model, and Carhart four-factor model. Abnormal returns are estimated over the $[-260, -11]$ window, and CARs are shown over the $[-10, 30]$ event window, where day 0 denotes the public announcement of the name change. The sample is trimmed by excluding observations below the 10th percentile or above the 90th percentile. The solid line reports mean CARs across firms, while the dashed line reports median CARs.

Table OA.4: Market reaction: Evidence from trade-to-trade returns

Model	Statistic	$[-10, 10]$	$[-3, 3]$	$[-2, 2]$	$[-1, 1]$	$[0, 2]$	$[0, 5]$	$[0, 10]$	$[-10, 30]$
MM - MSCI World	Mean CAR	13.90	10.92	5.51	5.14	3.73	9.13	8.59	6.96
	t-stats	1.48	**2.09****	1.25	1.50	1.09	**1.89***	1.30	0.46
	Wilcoxon z	**1.70***	**2.67*****	**2.00****	**2.47****	1.45	**1.78***	1.46	-0.61
	Adj. BMP stats	**2.47****	**3.53*****	**2.79*****	**3.32*****	**1.84***	**2.71*****	**2.54****	1.64
	GRANK-T stats	**2.60*****	**4.05*****	**3.34*****	**2.20****	**2.96*****	**4.25*****	**3.60*****	0.38
FF Three-Factor	Mean CAR	10.58	9.70	5.02	4.99	3.65	6.75	7.97	8.48
	t-stats	1.22	**1.74***	1.09	1.47	1.04	1.40	1.28	0.58
	Wilcoxon z	1.13	**2.40****	**1.82***	**2.43****	1.20	1.42	1.22	-0.49
	Adj. BMP stats	1.21	**2.49****	**1.71***	**3.13*****	1.53	**2.03****	**1.84***	0.97
	GRANK-T stats	0.08	**2.86*****	**2.02****	**2.73*****	**2.05****	**3.18*****	1.40	-0.81
Carhart Four-Factor	Mean CAR	6.58	9.15	5.13	5.29	3.32	5.36	4.32	3.44
	t-stats	0.77	**1.65***	1.14	**1.70***	0.99	1.11	0.71	0.23
	Wilcoxon z	0.86	**2.48****	**1.92***	**2.37****	1.00	1.14	0.55	-0.40
	Adj. BMP stats	0.89	**2.63*****	**1.75***	**3.31*****	1.41	**1.82***	1.18	0.85
	GRANK-T stats	-0.64	**3.55*****	**3.31*****	**3.47*****	1.49	**2.52****	-0.32	-0.86

Notes: The table reports cumulative average abnormal returns (CAARs) in percentage points, estimated using trade-to-trade returns under the market model with the MSCI World Index, the Fama–French three-factor model, and the Carhart four-factor model. For each model and event window, statistical significance is assessed using the two-sided cross-sectional t-test, the Wilcoxon signed-rank test, the Kolari–Pynnönen-adjusted Boehmer, Musumeci, and Poulsen test, and the generalized rank t-test (GRANK-T). The results are obtained using the `eventstudy2` command in Stata. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

Table OA.5: Market reaction to AI-related name change - Broader definition

Model	Statistic	$[-10,10]$	$[-3,3]$	$[-2,2]$	$[-1,1]$	$[0,2]$	$[0,5]$	$[0,10]$	$[-10,30]$
MM - MSCI World	Mean CAR	20.44	6.61	4.31	5.45	4.05	5.81	16.76	11.14
	t-stats	**2.35****	**2.76*****	1.63	**2.75*****	**1.69***	**1.71***	**2.11****	0.89
	Wilcoxon z	**2.87*****	**2.29****	**1.77***	**2.52****	**2.10****	1.54	**2.75*****	1.22
FF Three-Factor	Mean CAR	23.05	7.63	5.08	6.48	4.84	6.66	17.01	12.22
	t-stats	**2.64****	**3.13*****	**1.89***	**2.44****	**1.78***	**2.07****	**2.15****	1.11
	Wilcoxon z	**2.99*****	**2.62*****	**2.01****	**2.53****	**1.97****	**1.65***	**2.92*****	1.04
Carhart Four-Factor	Mean CAR	24.73	7.52	5.49	6.71	5.83	7.28	18.86	13.17
	t-stats	**2.63****	**3.11*****	**1.97***	**2.47****	**1.90***	**2.24****	**2.23****	1.22
	Wilcoxon z	**2.84*****	**2.57****	**2.25****	**2.85*****	**2.22****	**1.93***	**2.77*****	0.95

Notes: The table reports the average cumulative abnormal returns in percentage points for the sample identified using the broader AI definition *(N=62)*. The abnormal returns are estimated using the market model with MSCI World Index, Fama-French three-factor model, and the Carhart four-factor model. For each model and event window, we assess the statistical significance using two-sided t-tests and Wilcoxon signed-rank tests. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

Table OA.6: Market reaction to AI-related name changes: Broader definition with outlier adjustment

Model	Statistic	$[-10,10]$	$[-3,3]$	$[-2,2]$	$[-1,1]$	$[0,2]$	$[0,5]$	$[0,10]$	$[-10,30]$
MM - MSCI World	Mean CAR	10.348	4.482	2.850	3.727	3.316	4.339	8.113	8.196
	t-stats	**4.06*****	**3.01*****	**2.84*****	**3.73*****	**3.18*****	**2.73*****	**3.82*****	**2.00***
	Wilcoxon z	**3.41*****	**2.34****	**2.19****	**2.95*****	**2.62*****	**2.06****	**3.32*****	1.58
FF Three-Factor	Mean CAR	11.591	6.405	3.489	4.175	3.075	4.201	8.188	6.335
	t-stats	**4.20*****	**4.02*****	**3.10*****	**3.98*****	**2.80*****	**2.59****	**3.89*****	1.50
	Wilcoxon z	**3.48*****	**2.97*****	**2.44****	**3.19*****	**2.35****	**1.92***	**3.58*****	1.08
Carhart Four-Factor	Mean CAR	11.499	5.940	4.233	3.928	3.067	4.125	8.938	6.788
	t-stats	**4.14*****	**3.87*****	**3.54*****	**4.12*****	**2.92*****	**2.55****	**4.07*****	1.58
	Wilcoxon z	**3.41*****	**2.74*****	**2.88*****	**3.42*****	**2.54****	**2.04****	**3.54*****	1.16

Notes: The table reports the average cumulative abnormal returns in percentage points for the sample identified using the broader AI definition. The abnormal returns are estimated using the market model with MSCI World Index, Fama-French three-factor model, and the Carhart four-factor model. The outlier-adjusted sample excludes observations with cumulative abnormal returns below the 10th percentile or above the 90th percentile for each event window. For each model and event window, we assess the statistical significance using two-sided t-tests and Wilcoxon signed-rank tests. $^{***}p < 0.01$, $^{**}p < 0.05$, and $^{*}p < 0.10$.

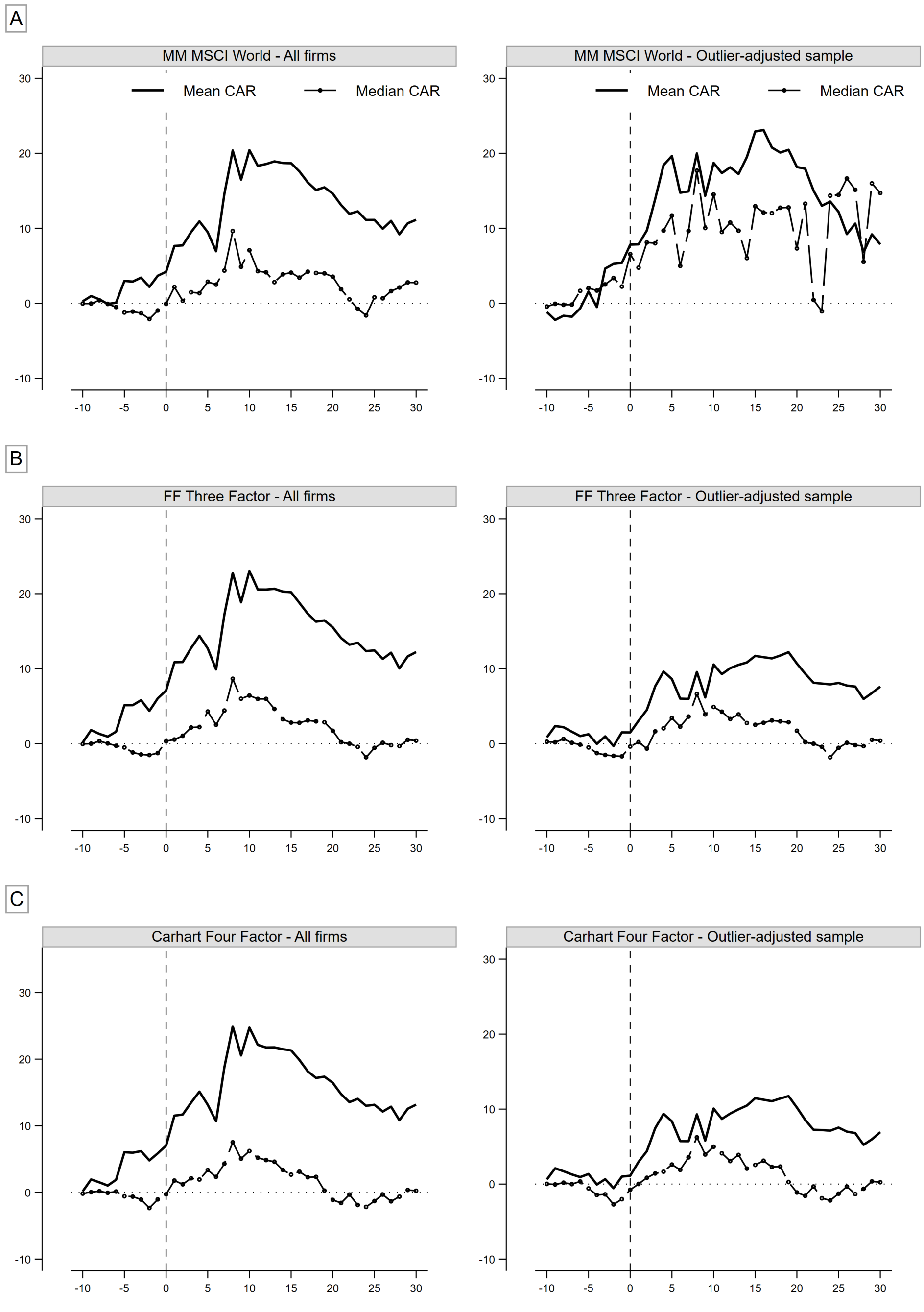
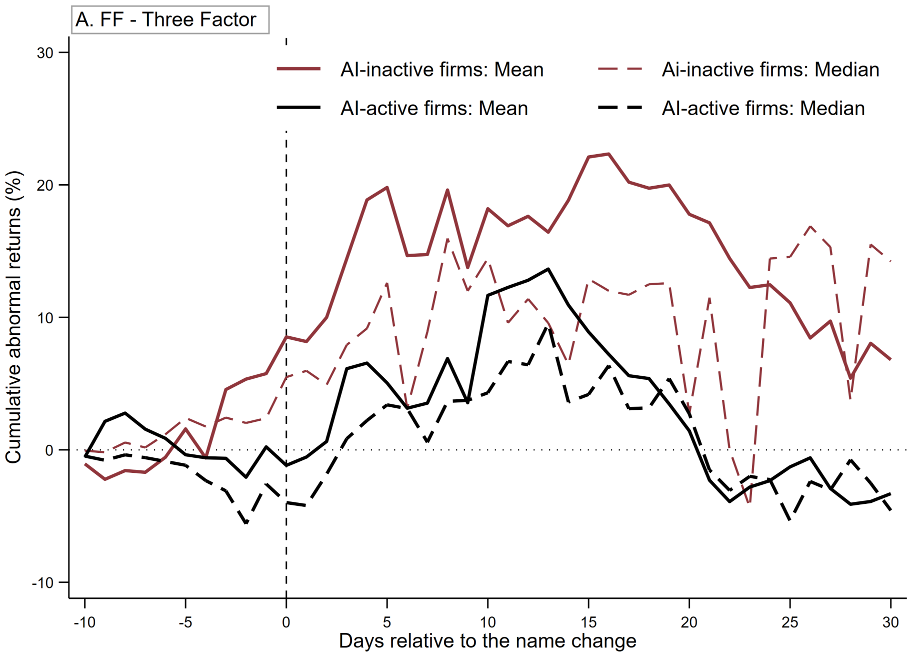


Figure OA.4: Market response to name changes - Broader definition

Notes: The figure plots cumulative abnormal returns (CARs) around AI-related corporate name changes using the MSCI World Market Model, Fama and French three-factor Model, and Carhart four-factor model for the sample identified using the comprehensive AI definition *(N=62)*. For each model, the figure reports results for both the full sample and outlier-adjusted sample, excluding CARs below the 10th percentile or above the 90th percentile. The solid line reports mean CARs across firms, while the dashed line reports median CARs.



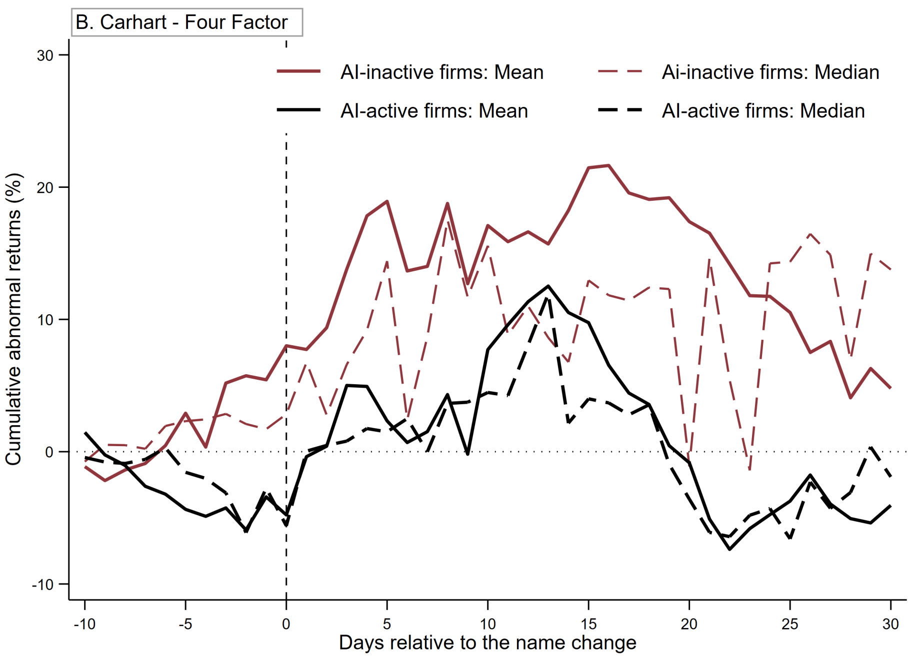


Figure OA.5: Market response to AI-active and AI-inactive firms - Alternative models

Notes: This figure plots the mean and median cumulative abnormal returns (CARs) for firms classified according to whether AI-related activities (AI-active and AI-inactive firms) were already present before the name change. Abnormal returns are calculated using FF three-factor and the Carhart four-factor specifications. The sample is trimmed separately within the AI-active and AI-inactive firms by excluding firms whose final CAR over the $[-10, 30]$ window falls below the 10th percentile or above the 90th percentile of the respective group-specific CAR distribution. The solid line reports mean CARs across firms, while the dashed line reports median CARs.