CASE STUDY 5 · BUSINESS C1

The Ardstone Guide

Integrated case study · reading, analysis, negotiation and writing

BRIEFING

Two Thursdays, two paragraphs

8 min

Company A — Ardstone Industrials. A listed European specialty-chemicals group. Revenue €3.4bn, EBITDA margin 18%, market cap €6.1bn. CFO: Marta Fonseca (48), 26 months in the seat, previously head of IR at a peer. She has three days to draft the opening paragraph of Thursday's full-year earnings call.

The Ardstone situation. Full-year revenue landed at +5.2%, below the +6–8% guide issued in February. EBITDA margin came in at 17.6%, below the 18–19% range. Free cash flow, however, beat — €512m against a €480m midpoint. The Q4 shortfall in the Americas segment is attributable, on internal analysis, to a single customer's inventory reset — one that is expected to reverse across H1. The board wants the opening paragraph to communicate a miss on top-line, a cash beat, an unchanged mid-term thesis and a re-set of the FY guide to +4–6% — all without triggering a re-rating.

Company B — Halden Bio. A Series B biotech-tooling company out of Copenhagen. Revenue €7.2m ARR, burn €1.6m/month, runway 22 months. Founder-CEO: Lara Bråten (35), engineer, third company. She has a Tuesday morning slot with Deepak Rao, partner at a European growth fund who led the last round of two of Halden's closest competitors.

The Halden situation. The commercial substance is strong — enterprise-cohort payback at 14 months and improving, mid-market cohort profitable, one referenceable enterprise logo in diligence. What is not strong is the pitch as delivered: three previous investor meetings have ended with the associate saying 'we like it, but we're not sure what we're solving for'. Lara has three days to draft the opening paragraph of Tuesday's meeting.

The parallel. Both Thursday and Tuesday turn on a paragraph. Ardstone's paragraph will be judged, in the market, by the passive reporting verbs the CFO chooses; Halden's paragraph will be judged, in the room, by the cleft structures the founder centres. Both are, at bottom, exercises in what to move to the grammatical centre of the sentence — and what to let the grammar carry off it.

COMPLICATION

What can't be said as it stands

9 min

Ardstone — the register problem. Marta's first draft of the opening paragraph, prepared by a junior IR analyst, reads: 'We missed our top-line guidance and our margin guidance for the year. We are cutting FY26 guidance to +4–6%. We beat on cash. We remain confident in the mid-term.' Every sentence is true; every sentence is a hostage to fortune. 'We missed' owns the miss personally; 'we are cutting' owns the U-turn personally; 'we remain confident' invites a clip.

Marta's private diagnostic: Every 'we' in that paragraph is a sentence in which the guide changes and the CFO becomes the number. What is needed is a paragraph in which the guide changes and the guide remains, grammatically, the subject.

Halden — the centring problem. Lara's first draft reads: 'We have 22 months of runway. Our enterprise payback is 14 months. We have one enterprise customer in late diligence. We are being disciplined on burn. We are looking for €18m to accelerate the enterprise motion.' Every sentence is true; every sentence is a flat declarative. The associate, on the fourth line, is already looking at the next slide.

ASK THE TEACHER — notes to bring to class

Lara's private diagnostic: Every sentence is additive. There is no sentence that names the one thing this quarter is about, and no sentence that forecloses the background. The room will hear five reasonable claims and remember none of them.

The register the room is expecting. Ardstone's analyst community is calibrated to a specific passive register — is expected to / is anticipated to / is understood to have — and reads anything outside it as either false confidence or false vagueness. Halden's investor community is calibrated to a specific cleft register — what matters is / all we are optimising for is / it was X who — and reads flat declaratives as an absence of prior decision. Both problems are grammatical, and both problems are, in the market, priced.

DATA ROOM

Facts, uncontested and contested

6 min

Ardstone — uncontested:

- FY26 revenue growth: +5.2% (guide +6–8%); EBITDA margin 17.6% (guide 18–19%); FCF €512m (guide midpoint €480m).
- Q4 Americas shortfall: attributable to a single customer inventory reset; internal analysis suggests reversal across H1.
- Board-approved FY27 range: +4–6% revenue, 18–19% EBITDA margin, FCF €480–520m.
- Consensus: sits at +5.8% revenue, 18.1% margin. The re-set is within one point of consensus on revenue and inside consensus on margin.

Halden — uncontested:

- ARR €7.2m; burn €1.6m/month; runway 22 months at current burn.
- Enterprise-cohort payback 14 months, improving; mid-market payback 12 months, stable.
- One enterprise logo at €820k ACV in legal-stage diligence; expected close within the fundraise window.
- Raise sought: €18m at last-round valuation, milestone-based tranching acceptable.

Contested (Marta and Lara vs their coaches):

- Marta. Head of IR wants 'we remain confident' to survive the redraft. Marta wants it out of the paragraph entirely — replaced by an 'is expected to' sentence that carries the same information without the clip.
- Lara. Deck designer wants the paragraph to open with the €18m raise. Lara wants it to open with a cleft that names what the €18m is for — not with the number itself.

TEXT EXTRACTS

Two source paragraphs, side by side

5 min

Extract 1 — draft of Ardstone's opening paragraph, as prepared by the junior IR analyst:

"We missed our top-line guidance for the year, delivering revenue growth of 5.2% against a guided range of 6–8%. We also missed our margin guidance, with EBITDA margin at 17.6% against 18–19%. We beat on cash. We are lowering FY27 guidance to 4–6% and 18–19%. We remain confident in the mid-term thesis. We will hit the top end of the new range."

Extract 2 — draft of Halden's opening paragraph, as prepared by the deck designer:

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"Halden Bio is raising €18m at last-round terms to accelerate the enterprise motion. We have 22 months of runway. Our enterprise-cohort payback is 14 months. We have one enterprise customer at €820k ACV in late-stage diligence. We are being disciplined on burn. We are asking for €18m."

Both paragraphs contain accurate information. Both paragraphs, as drafted, will fail — Ardstone by triggering a re-rating, Halden by giving the associate nothing to remember. Your task begins here.

YOUR TASK

Two paragraphs, one register discipline

35 min

You are, in turn, Marta and then Lara. Draft both:

Document 1 — Marta's opening paragraph of Ardstone's earnings call (180–220 words).

- Uses at least five different passive reporting verbs, from at least three different rungs of the ladder (is expected / anticipated / projected / understood to have / thought to have / believed to).
- Contains one sentence that re-sets FY27 guidance without a first-person 'we' anywhere in the sentence.
- Contains one 'is thought to have been' sentence attributing the Q4 Americas shortfall to the single-customer inventory reset.
- Closes with a reassurance sentence that reads as reassurance without becoming a hostage to fortune.

Document 2 — Lara's opening paragraph of the Halden pitch (180–220 words).

- Uses at least four different cleft structures (what / all / the thing that / it was… who).
- Opens with a cleft — not with a number.
- Contains one negative cleft ('what we are not going to do, even if the market rewards it, is…').
- Contains one credit-attribution cleft naming a specific person or team on the Halden exec team.
- Ends with an ask expressed as an 'all' cleft ('all we are asking of you in the next fortnight is…').

Teacher notes

Success criteria (teacher-facing): Document 1 passes if a reader can, in under 60 seconds, identify the guide-reset sentence, the cash-beat sentence and the Q4 attribution — and if no sentence in the paragraph would, on a re-listen six months later, read as a hostage to fortune. Document 2 passes if the paragraph opens with a sentence the associate would still be holding five minutes later, and if the negative and credit-attribution clefts land without sounding rhetorical.

SOLO WORK

Two rewrites, in your own hand

25 min

Before you draft the two opening paragraphs, spend 15 minutes on the following:

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- Take the junior IR analyst's Ardstone draft (Extract 1) and, sentence by sentence, mark every 'we'. For each 'we', draft the passive alternative. Which of the six sentences becomes stronger, not weaker, when it is grammatically separated from the CFO personally?
- Take the deck designer's Halden draft (Extract 2) and, sentence by sentence, decide which sentence is the one you would centre. Draft three cleft alternatives for that sentence. Which of the three most clearly forecloses the background?
- Write, in a single sentence, the difference in register between an audience that has been calibrated (over years) to a passive-reporting IR house-style and an audience that has been calibrated to a cleft-heavy founder register. What does each audience read as senior?

This is a private diagnostic. The point is not to publish the sentences — it is to notice which of the register moves you can, in fact, execute.

Did you read carefully?

5 min

- The central commercial event at Ardstone is:
  (a) an IPO
  (b) a full-year earnings call in which the guide must be re-set without triggering a re-rating
  (c) a merger
  (d) a capital-markets day
  Answer key: (b) a full-year earnings call in which the guide must be re-set without triggering a re-rating
- The parallel event at Halden Bio is:
  (a) a Series A
  (b) a Series B pitch in which the runway is short and the founder must deliver a sentence the room will keep
  (c) an acquisition offer
  (d) a hiring plan
  Answer key: (b) a Series B pitch in which the runway is short and the founder must deliver a sentence the room will keep
- Ardstone's opening paragraph must combine passive reporting verbs because it:
  (a) is legally required
  (b) must guide, hedge and distribute responsibility in a single register
  (c) shortens the call
  (d) is IR house-style
  Answer key: (b) must guide, hedge and distribute responsibility in a single register
- Halden's opening must combine cleft structures because it:
  (a) is Y Combinator style
  (b) must move the one thing that matters to the grammatical centre of the paragraph
  (c) sounds more confident
  (d) impresses the associates
  Answer key: (b) must move the one thing that matters to the grammatical centre of the paragraph

WRAP-UP

From two Thursdays back to your desk

6 min

Answer, in a note to yourself:

- Which upcoming meeting of yours has the shape of Marta's Thursday — a re-set that will be judged by its passive-reporting register?

- Which has the shape of Lara's Tuesday — a paragraph that will be judged by the cleft that centres it?
- Which of the two registers do you naturally reach for, and which do you have to force? What would it cost you, this quarter, to stop reaching for the register you already do well and add the other?

Take-away:

ASK THE TEACHER — notes to bring to class