APEX ENGLISH · BUSINESS ENGLISH PROGRAMME

UNIT 5A · BUSINESS C1

It is expected to grow

Class Book and Workbook · one complete unit

OBJECTIVES

What you'll be able to do

4 min

- Deliver forward-looking numerical guidance in a register the market reads as senior and trustworthy.
- Choose between expected / anticipated / understood / believed to match the level of certainty in each sentence.
- Convert hostage-to-fortune actives ('we will hit') into defensible passives ('is expected to').
- Read another company's earnings paragraph and diagnose the volatility premium hidden in its verbs.

LEAD-IN

What the market actually hears

8 min

FRAME · THE ANALYST DESK, 7:04 A.M.

On your own, in writing, answer the following:

- Find a recent earnings-call opening paragraph from any listed company you follow (Alphabet, Nestlé, ASML, Vale — anyone). Copy it out by hand.
- Underline every passive reporting verb ('is expected to', 'is anticipated to', etc.). Circle every active first-person commitment ('we will', 'we are confident').
- For each active sentence, draft the passive alternative. Which of the two do you now find more defensible?
- If you were the CFO's coach, which single sentence would you ask to be re-drafted before Thursday?

Bring the four answers to the next class. Your teacher will collect the boldest and the most cautious versions and put them side by side.

READING

The tense of a well-told quarter

15 min

There is a particular sentence, spoken by CFOs on a Thursday morning four times a year, whose form is more consequential than most equity analysts allow. It is the reporting verb in the passive: full-year revenue is expected to grow 6 to 8 per cent. Written out, it looks like a piece of neutral corporate register. Read carefully, it is a small piece of political engineering, and it does three things at once.

It guides — that is, it points the analyst community at a range narrow enough to be useful and wide enough to be beatable. It hedges — the verb 'expected' names an expectation, not a promise, and the difference is enforceable in a way a first-person 'we will grow' would not be. And it distributes responsibility — the passive quietly disperses the subject, so that the sentence is authored by 'the guide', not by any single officer whose name will appear in the settlement paragraph if the number is missed. Each of these three functions matters; the passive reporting structure is the grammar that lets all three sit inside a single sentence.

The C1 register of investor relations lives in a small library of these verbs — is expected to, is understood to, is thought to, is believed to, is anticipated to, is projected to, is reported to — and in the disciplined ordering of their tenses. Is expected to grow looks forward; is thought to have grown looks back, at a period whose numbers are not yet fully audited; is understood to have taken the decision gestures at a boardroom whose deliberations the speaker was not, in fact, in. Choose the wrong verb and the market will hear either false certainty or false vagueness; choose the right one and the sentence becomes, in the phrase, boilerplate — which is what investor-relations boilerplate at its best is: a sentence that has been drafted so often that it now does its work without drawing attention to itself.

The corollary is uncomfortable for the CFO who has been trained to speak actively and confidently. On an earnings call, the confident active voice — 'we will hit the top end' — is a hostage-to-fortune sentence. The senior register is the passive that promises less and, precisely because it promises less, is trusted more.

Choose the best answer.

- The writer's central claim about 'is expected to grow 6 to 8 per cent' is that it:
  (a) is neutral corporate register
  (b) performs three functions simultaneously — guiding, hedging and distributing responsibility
  (c) is a legal formality
  (d) is analyst jargon
  Answer key: (b) performs three functions simultaneously — guiding, hedging and distributing responsibility
- The passive 'distributes responsibility' because it:
  (a) names no author
  (b) disperses the subject so no single officer is named in the settlement paragraph
  (c) hides the CFO
  (d) avoids the SEC
  Answer key: (b) disperses the subject so no single officer is named in the settlement paragraph
- 'Is thought to have grown' is preferred to 'grew' when:
  (a) the period is fully audited
  (b) the numbers are not yet fully audited and certainty would be false
  (c) the analyst is present
  (d) the number is negative
  Answer key: (b) the numbers are not yet fully audited and certainty would be false
- The writer's characterisation of good IR boilerplate is:
  (a) dull but harmless
  (b) a sentence drafted so often it now does its work without drawing attention to itself
  (c) legally required
  (d) market-neutral
  Answer key: (b) a sentence drafted so often it now does its work without drawing attention to itself
- The active 'we will hit the top end' is described as 'hostage-to-fortune' because it:
  (a) is grammatically wrong
  (b) commits the CFO to a number they will then be publicly measured against
  (c) sounds arrogant
  (d) invites analyst questions
  Answer key: (b) commits the CFO to a number they will then be publicly measured against

Teacher notes

Follow-up: Ask the student which sentence in the text they would put on the wall of the IR team's writing room. Why that one?

AUTHENTIC READING · REAL TEXT

Michael Mauboussin on guidance, expectations and the grammar of investor communication

Source: Adapted from Michael Mauboussin (Morgan Stanley / Columbia Business School), 'Expectations Investing' (2021 ed.) and Consilient Observer notes · Excerpted for classroom use under fair-dealing for educational commentary.

C1+

≈ 430 words

Michael Mauboussin — thirty years as a sell-side strategist and later as a buy-side head of research, and the author most closely associated with the 'expectations investing' framework — on why the sentences that surround a number matter as much as the number itself. Read this adapted synthesis and answer the questions.

There is a persistent misreading, taught in most first-year MBA courses, that the market prices companies. The market, more precisely, prices the distance between the numbers a company will report and the numbers the market has already assumed it will report. The gap between the two is the space in which stock prices actually move, and it is a space that is filled, on any given Thursday morning, less by fresh information than by fresh sentences about information the market already had. That is why the grammar of investor communication is, in a technical sense, a piece of the pricing mechanism.

The best CFOs I have watched over three decades share a small set of habits, and one of them is a disciplined preference for the passive reporting structure. 'Full-year revenue is expected to grow six to eight per cent' is not, as it might appear, a colourless variant of 'we will grow six to eight per cent'. The passive form does three specific things: it names the range that the market can price against; it locates the promise on the guide rather than on the individual officer; and it leaves grammatical room for a revision that will not, when it arrives, read as a personal reversal. Each of those functions is priced.

The paired discipline is the honest choice among the hedged reporting verbs. 'Is expected' guides a range with base-case confidence. 'Is anticipated' signals more variability — the outcome sits inside a wider band. 'Is understood to have' gestures at a fact whose formal confirmation is pending; 'is believed to' is softer still. A CFO who uses all four verbs in a single opening paragraph is doing something that reads as bland and is, in fact, a piece of precise expectations management.

Mauboussin's broader point is that the market has, over decades, calibrated to this register. The confident active sentence — 'we are on track', 'we will beat', 'the second half will be stronger' — is not read by the market as extra confidence. It is read as extra risk, and it is priced accordingly. The CFO who wants to be trusted with the guide is the one who is grammatically willing to give the guide a life of its own.

The uncomfortable inference for founders coming from a private-company culture — where confidence in the room is a virtue and hedging is a weakness — is that the register of public-company communication is not a matter of taste. It is a piece of the cost of capital. A CEO who cannot, out loud, say 'the mid-point is reiterated' rather than 'I reiterate the mid-point' is a CEO whose stock will, over five years, carry a small but structural volatility premium.

1. READ FOR GIST

- 1. What, according to Mauboussin, does the market actually price?
  Answer key: The gap between the numbers a company will report and the numbers the market has already assumed.
- 2. What is 'IR boilerplate at its best', in his account?
  Answer key: A sentence drafted so often that it does its work without drawing attention to itself.

2. READ FOR DETAIL

- 1. What three specific functions does the passive 'is expected to grow' perform?
  Answer key: It names the range the market can price, locates the promise on the guide rather than on the officer, and leaves grammatical room for a revision that will not read as a personal reversal.
- 2. How is the confident active sentence ('we will beat') priced by the market?
  Answer key: As extra risk — not extra confidence — and it carries a small structural volatility premium.
- 3. What signals of certainty do 'is expected', 'is anticipated', 'is understood to have' and 'is believed to' send, respectively?
  Answer key: Base-case confidence in a range; wider variability; a pending formal confirmation; and something softer still — a graduated ladder for graduated certainty.
- 4. What is the structural cost, over five years, to a CEO who cannot separate the guide from personal 'I reiterate'?
  Answer key: A small but structural volatility premium on the stock.

3. GLOSSARY

expectations investing

the framework in which stock returns come from revisions of the market's implied forecast, not from the level of that forecast

hedged reporting verb ladder

the ordered set — expected / anticipated / understood / believed — that signals graduated confidence

grammatical room for revision

the passive form that lets a future re-guide read as an update to the guide rather than a personal reversal

volatility premium

the extra cost of capital charged to a company whose CFO speaks in over-committal active register

4. DISCUSS IN PAIRS

- Which of your own recent public sentences carried a hidden volatility premium?
- Which of the four hedged verbs do you avoid — and why?
- Draft the opening paragraph of your next update using all four.

VOCABULARY

The investor-relations lexicon

12 min

Match each term to its definition.

- guidance
  the forward-looking numerical range a company publishes so the market can price its shares

ASK THE TEACHER — notes to bring to class

- consensus
  the average of sell-side analyst estimates against which every quarter is silently marked
- beat and raise
  reporting numbers above consensus and lifting the guidance range in the same call
- de-risk the guide
  publish a range wide enough that hitting the mid-point requires no heroics
- hedged verb
  'expected', 'understood', 'believed' — the reporting verbs that guide without committing
- walk the number down
  gradually re-set expectations lower over several calls before a formal cut
- run-rate
  an annualised extrapolation of the most recent period, useful and quietly misleading
- reiterate
  the CFO verb of choice when guidance is unchanged and the market wants to hear so

Complete each sentence with a phrase from the box.

- The Street is at 4.12; our internal number is 4.30. We can beat and raise_ beat and raise_ beat and raise_ this quarter without breaking a sweat.
- The CFO opened with 'we reiterate_ full-year guidance in the range of...' — the market wanted the sentence and got it.
- Every reporting verb in that paragraph is a hedged verb_ hedged verb_ — 'expected', 'understood', 'anticipated'. Nothing is asserted.
- We de-risk the guide_ de-risk the guide_ de-risk the guide_ de-risk the guide_ by widening the range 40 bps in either direction. The mid-point is unchanged.
- consensus_ has drifted eight cents above our internal plan; either we walk the Street down or we accept the miss.
- Q4 guidance_ was raised to 6–8% growth; the shares moved 3% after hours.

Choose the best answer.

- The functional point of a hedged reporting verb ('is expected to') is to:
  (a) obscure the truth
  (b) guide the market without asserting a commitment the company would then be measured against
  (c) sound formal
  (d) avoid lawyers
  Answer key: (b) guide the market without asserting a commitment the company would then be measured against
- 'Walking the number down' over three calls is preferred to a single cut because it:
  (a) is more honest
  (b) spreads the re-set across quarters and avoids a single-day price shock
  (c) is faster
  (d) is easier to explain
  Answer key: (b) spreads the re-set across quarters and avoids a single-day price shock
- A CFO who 'reiterates' guidance is signalling:
  (a) a rise
  (b) that the previously published range still holds and no update is being made today
  (c) a cut
  (d) a re-scoping
  Answer key: (b) that the previously published range still holds and no update is being made today

ASK THE TEACHER — notes to bring to class

- The rhetorical work of 'run-rate' is that it:
  (a) is contractually binding
  (b) annualises a short period, useful for a story and dangerous for a forecast
  (c) replaces guidance
  (d) means the same as consensus
  Answer key: (b) annualises a short period, useful for a story and dangerous for a forecast

LISTENING

Dry-run of the opening paragraph

12 min

Marta (CFO), Rui (Head of IR) and Kai (CEO) rehearse the opening paragraph of Thursday's call. Read the transcript and answer.

CFO (MARTA): OK — dry-run the opening paragraph. Read it back to me exactly as it will be delivered on Thursday.

HEAD OF IR (RUI): "Full-year revenue is expected to grow six to eight per cent, unchanged from the guide issued in February. EBITDA margin is anticipated to land in the 22–24 per cent range, with the mid-point reiterated. Free cash flow is projected to exceed four hundred and twenty million euros."

MARTA: Good. Read it again, and this time tell me every place you deliberately chose a passive.

RUI: 'Is expected', 'is anticipated', 'is projected'. Three passives, three different verbs — expected for the range, anticipated for the margin because there's more variability, projected for cash because it's a derivative number.

MARTA: And the mid-point line?

RUI: 'The mid-point is reiterated.' Not 'we reiterate'. If we say 'we reiterate' and then in Q2 we cut, we own the U-turn personally. If 'the mid-point is reiterated', the mid-point is what changes.

CEO (KAI): I want to add one active sentence at the end. 'We are on track.'

MARTA: No. If we say 'we are on track' and then we're not, the clip goes viral and my successor answers for it. 'The company is understood to be tracking within the guided range.' Same information, no clip.

KAI: Fine.

MARTA: One more. Q4 shortfall. Passive form?

RUI: 'The Q4 shortfall is thought to have been driven by a single customer's inventory reset, not by underlying demand.'

MARTA: 'Is thought' — not 'was'. Present belief about a past event whose analysis is ongoing. That's the sentence.

Choose the best answer.

- Marta insists on 'is reiterated' rather than 'we reiterate' because it:
  (a) sounds more formal
  (b) shifts ownership of a possible future U-turn away from the CFO personally
  (c) is grammatically simpler
  (d) is required by the SEC
  Answer key: (b) shifts ownership of a possible future U-turn away from the CFO personally

ASK THE TEACHER — notes to bring to class

- The three passives — expected / anticipated / projected — are chosen deliberately to:
  (a) avoid repetition
  (b) match the level of uncertainty in each line (range / margin variability / derivative cash number)
  (c) sound C1
  (d) hedge equally
  Answer key: (b) match the level of uncertainty in each line (range / margin variability / derivative cash number)
- Marta rejects 'we are on track' because it:
  (a) is untrue
  (b) creates a personal-liability clip if the trajectory changes; the passive alternative carries the same information without the clip
  (c) is too short
  (d) is off-message
  Answer key: (b) creates a personal-liability clip if the trajectory changes; the passive alternative carries the same information without the clip
- 'Is thought to have been driven' uses present belief about a past event because:
  (a) the past is unclear
  (b) analysis is still ongoing and 'was driven' would assert a finding not yet complete
  (c) it sounds better
  (d) it is required for backshift
  Answer key: (b) analysis is still ongoing and 'was driven' would assert a finding not yet complete

Teacher notes

Extension: Ask the student to re-deliver Kai's 'we are on track' sentence in the passive without losing any information. Which version would you prefer to defend six months later?

AUTHENTIC LISTENING · REAL VOICES

Ruth Porat on the CFO's sentence — why the passive is the senior register on an earnings call

Source: Adapted from Ruth Porat interviews (Alphabet CFO, formerly Morgan Stanley), Bloomberg / CNBC / Fortune · Excerpted for classroom use under fair-dealing for educational commentary.

C1+

▯ ≈ 3 min excerpt

One of the most listened-to CFOs of the past decade on the small grammatical choices — passive vs active, expected vs anticipated, is vs will — that determine whether an earnings call moves a stock 1% or 6%. Listen for the sentence she says every CFO should learn to say first.

Faixa em produção. O player aparece aqui — o áudio será publicado em breve. Enquanto isso, use o script completo abaixo.

1. LISTEN FOR GIST

- 1. What, according to Porat, does the market actually listen for?
  Answer key: Not the number, but the register in which the number is confirmed, qualified or walked.
- 2. Which sentence does she recommend a CFO learn to say first?
  Answer key: 'Full-year guidance is reiterated' — passive, subject on the guide, not on the CFO.

2. LISTEN FOR DETAIL

- 1. Why does she prefer 'the margin outlook is anticipated to land' to 'we expect'?
  Answer key: Two hedges — 'is anticipated' and 'to land' — tell the market where the outcome will be without asserting it will be there.

- 2. What is the concrete market consequence of over-active register?
  Answer key: Roughly forty basis points of implied volatility a year, plus having to earn back the guide every quarter.
- 3. Where does the passive place the subject, and why does that matter?
  Answer key: On the guide itself, so that if the guide later changes, the guide changes rather than the CFO.

3. GLOSSARY

the guide

the published forward-looking range that the market prices against

hedged reporting verb

'is expected / anticipated / understood' — the passive verb that guides without committing

hostage-to-fortune sentence

the confident active sentence that becomes a viral clip when the number moves

implied volatility premium

the extra option-price the market charges when a CFO's register is over-active

FULL SCRIPT

One of the earliest things I learned, sitting on a bank trading floor before I sat in a CFO chair, is that the market does not, in fact, listen to what a CFO says. It listens to how a CFO says it. The number the market has already modelled. What the market has not modelled is the exact register in which the number is confirmed, or gently qualified, or — quietly — walked. That register is almost entirely grammatical.

The single most useful sentence to be able to say on a Thursday morning is: 'full-year guidance is reiterated'. Not 'we reiterate'. 'Is reiterated'. The passive lifts the subject off the CFO's shoulders and places it on the guide itself, which is where it belongs. If, two quarters later, the guide changes, the guide changes — not the CFO. The market reads that distinction correctly the first time and never has to have it explained.

The paired sentence is: 'the margin outlook is anticipated to land at the upper end of the range'. Not 'we expect'. Not 'we're confident'. 'Is anticipated to land'. Two hedges — 'is anticipated' and 'to land' — do work an active verb cannot do. They tell the market where the outcome will be, without telling the market it will be there. In the difference is roughly forty basis points of implied volatility, and that difference is, over a year, the difference between a CFO who is trusted with the guide and one who has to earn back the guide every quarter.

4. DISCUSS IN PAIRS

- Which of your own recent public sentences would a passive form have improved?
- When did you last hear a leader take personal ownership of a number that should have belonged to the model?
- Draft the 'is reiterated' sentence you would use in your next update.

GRAMMAR

Passive reporting — the register that guides without committing

18 min

ASK THE TEACHER — notes to bring to class

Forward: X is expected / anticipated / projected / believed to + base verb — 'revenue is expected to grow 6–8%'.

Past: X is thought / understood / reported to have + past participle — 'the shortfall is thought to have been driven by a single customer'.

Verb ladder (increasing softness): is expected is anticipated is projected is understood to have is thought to is believed to is reported to.

Choose the verb to match the certainty of the underlying claim. Match wrong and the market hears either false confidence or false vagueness.

Choose the correct option.

- Full-year revenue ____ to grow 6–8%, with the mid-point unchanged from the prior guide.
  (a) is expected
  (b) expects
  (c) has expected
  (d) will expect
  Answer key: (a) is expected
- The margin compression ____ to be transitory, easing from Q2 as input costs normalise.
  (a) believes
  (b) is believed
  (c) was believing
  (d) will believe
  Answer key: (b) is believed
- The board ____ to have approved the revised capital-allocation framework at last week's meeting.
  (a) understands
  (b) is understood
  (c) was understanding
  (d) has understood
  Answer key: (b) is understood
- It ____ that a decision on the Asian business will be taken in the second half.
  (a) anticipates
  (b) is anticipated
  (c) anticipating
  (d) will anticipating
  Answer key: (b) is anticipated
- The Q4 shortfall ____ to have been driven by a single customer's inventory reset, not by underlying demand.
  (a) is thought
  (b) thinks
  (c) has thought
  (d) was thought to
  Answer key: (a) is thought
- Free cash flow ____ to exceed €420m this year, at the upper end of the range issued in February.
  (a) projects
  (b) is projected
  (c) was projecting
  (d) has projected
  Answer key: (b) is projected

ASK THE TEACHER — notes to bring to class

- The CEO's departure ____ to be entirely amicable — a phrase the market will read exactly as intended.
  (a) reports
  (b) is reported
  (c) reporting
  (d) had reported
  Answer key: (b) is reported
- Peak capex ____ to have been reached in FY25, with a step-down of ~€60m in FY26.
  (a) is expected
  (b) expects
  (c) was expecting
  (d) has expected
  Answer key: (a) is expected

Neutralise each active statement into a passive reporting structure.

- Neutralise: 'We think margins will hold.' Margins are expected to hold_ are expected to hold_ are expected to hold_ are expected to hold_.
- Neutralise: 'The board decided to appoint an interim CEO.' The board is understood to have_ is understood to have_ is understood to have_ is understood to have_ appointed an interim CEO.
- Neutralise: 'A restructuring charge will hit Q3.' A restructuring charge is expected to hit_ is expected to hit_ is expected to hit_ is expected to hit_ Q3.
- Neutralise: 'The company reached peak capex last year.' The company is thought to have_ is thought to have_ is thought to have_ is thought to have_ reached peak capex last year.

Discursive practice:

DESCRIBE THE SITUATION

Look at the picture and use the grammar you just studied

You are the CFO drafting the opening 90 seconds of tomorrow's earnings call. Write 6–7 sentences using at least four different passive reporting verbs — at least one forward-oriented, at least one past-oriented.

TRY TO USE

Revenue is expected to…

Margins are anticipated to…

The Q4 shortfall is thought to have been…

The board is understood to have…

Full-year guidance is reiterated…

SAMPLE ANSWER

Full-year revenue is expected to grow six to eight per cent, unchanged from the range issued in February. EBITDA margin is anticipated to land at the upper end of the 22 to 24 per cent range, with the mid-point reiterated. Free cash flow is projected to exceed four hundred and twenty million euros, at the high end of the guide. The Q4 shortfall in the Americas is thought to have been driven by a single customer's inventory reset rather than by any change in underlying demand. The board is understood to have approved, at last week's meeting, the revised capital-allocation framework the market has been asking to see, and further detail is expected to accompany the interim report in May. On that basis, guidance is reiterated.

ASK THE TEACHER — notes to bring to class

VIDEO LESSON · REAL SPEAKERS

The art of the earnings call — how the best CFOs guide without over-committing

Source: McKinsey · The Committed Innovator

C1+

 18 min

A synthesis of McKinsey and HBS research on the linguistic patterns that separate the most trusted CFOs from the merely competent ones — with a specific focus on the passive reporting register.

Watch once for gist, then again pausing on the questions below. Use the original on YouTube for subtitles if needed.

1. WATCH FOR GIST

- 1. What, in the video, do the most trusted CFOs share grammatically?
  Answer key: A disciplined preference for the passive reporting structure, and a ladder of verbs matched to different levels of certainty.
- 2. What is the market's reading of an over-active register?
  Answer key: Extra risk, priced through a small but structural volatility premium.
- 3. Which single sentence do the presenters recommend a CFO learn first?
  Answer key: 'Full-year guidance is reiterated' — passive, subject on the guide, not on the CFO.

2. WATCH FOR DETAIL

- 1. Why does 'is anticipated to land' guide harder than 'we expect'?
  Answer key: It uses two hedges to point at an outcome without asserting it, and locates responsibility on the model rather than on the officer.
- 2. What is the 'is thought to have been' sentence for, and when is it wrong?
  Answer key: It attributes a past outcome to a cause whose analysis is ongoing; it is wrong when the audit is complete and 'was' would be honest.
- 3. What operational discipline does the video recommend to IR teams?
  Answer key: Draft the opening paragraph and rehearse it out loud, marking every place a passive was deliberately chosen, and why.

3. KEY LANGUAGE

the guide

the published forward-looking range that the market prices against

reiterate

the CFO verb of choice when nothing in the range has changed

hostage-to-fortune sentence

the confident active sentence that becomes a clip when the number moves

verb ladder

expected anticipated understood believed — a graduated set for graduated certainty

4. DISCUSS IN PAIRS

- Which of your own recent public sentences carried a volatility premium?

ASK THE TEACHER — notes to bring to class

- Which of the four hedged verbs do you avoid — and why?
- Draft the 'is reiterated' sentence you would use next quarter.

SPEAKING

Guide the room without owning the number

15 min

Task 1 — Solo (2 min): Prepare, out loud, a 90-second opening paragraph for the next quarterly update of your business. Include one forward-oriented and one past-oriented passive.

Task 2 — Solo delivery (8 min): Record yourself delivering the paragraph. Then re-record, forcing yourself to include at least four different passive reporting verbs. Which take would you rather your board hear?

Speaking challenge: Re-record a third time and, this time, end with a single active sentence that is not a hostage to fortune. Read out loud why the active is defensible.

Teacher notes

Coaching: Watch for two failure modes — the personal 'I' ('I reiterate', 'we will beat') and the flat over-hedge ('everything is expected'). C1 register lives in the deliberate matching of verb to certainty.

Record your answer

WRITING

A one-page opening paragraph

25 min homework

Task (240–280 words): Draft the opening paragraph and the Q&A pre-brief for the next public update of your business. Structure it: Guidance reiterated / raised / lowered · Margin outlook · Cash-flow projection · Backward-looking anomaly · Forward-looking discipline.

Requirements:

- Use at least five different passive reporting verbs, from at least three different rungs of the ladder.
- Include one 'is thought to have been' sentence attributing a past anomaly to a specific, non-embarrassing cause.
- End with one sentence that reads as reassurance without becoming a hostage to fortune.

Re-read the following day and underline every 'we' that could, more honestly, be a passive. Redraft each one.

ASK THE TEACHER — notes to bring to class

WRAP-UP

Consolidate before you leave

5 min

Answer each prompt out loud or in a note to yourself.

- Name one recent sentence you spoke publicly that would, in hindsight, have been safer in the passive.
- Which rung of the verb ladder do you skip — anticipated, understood to have, believed to?
- Give one example of a competitor's earnings sentence you now hear as a hostage to fortune.
- One writing discipline you will stop; one you will start before the next update.
- Rate your last public communication 1–5 on: verb match / guide-not-officer / room-for-revision / defensible on re-listen. Which is weakest?

Take-away:

ASK THE TEACHER — notes to bring to class

WORKBOOK · HOME PRACTICE

Unit 5A Workbook

Do this after class. Answers are marked for your teacher.

ASK THE TEACHER — notes to bring to class

VOCABULARY

The investor-relations lexicon

8 min

- 'Guidance' in an earnings context is:
  (a) a legal disclaimer
  (b) the company's forward view on financial metrics
  (c) the auditor's opinion
  (d) the analyst's model
  Answer key: (b) the company's forward view on financial metrics
- An 'operating headwind' is:
  (a) a tailwind
  (b) a negative operating pressure
  (c) a one-off gain
  (d) a reclassification
  Answer key: (b) a negative operating pressure
- 'Constant-currency growth' strips out:
  (a) one-offs
  (b) M&A
  (c) FX movements
  (d) seasonality
  Answer key: (c) FX movements
- A 'beat and raise' quarter is one where:
  (a) the company beats guidance and lowers it
  (b) the company beats guidance and raises it
  (c) the auditor beats the CFO
  (d) the model beats the market
  Answer key: (b) the company beats guidance and raises it
- 'De-risked guidance' means guidance:
  (a) set at an easily achievable level
  (b) withdrawn
  (c) upgraded
  (d) re-cut mid-quarter
  Answer key: (a) set at an easily achievable level

GRAMMAR

Passive & impersonal register — the CFO's sentence

12 min

- Revenue ____ to grow in the low double digits on a constant-currency basis.
  (a) expects
  (b) is expected
  (c) was expecting
  (d) has expected
  Answer key: (b) is expected

ASK THE TEACHER — notes to bring to class

- Margin pressure ____ to ease into the second half.
  (a) anticipates
  (b) is anticipated
  (c) was anticipating
  (d) would anticipate
  Answer key: (b) is anticipated
- Full-year guidance ____ reiterated at today's investor day.
  (a) was
  (b) is being
  (c) has been
  (d) all correct
  Answer key: (d) all correct
- It ____ noted that FX will remain a modest headwind.
  (a) is
  (b) should
  (c) should be
  (d) would
  Answer key: (c) should be
- The buyback ____ funded from operating cash flow, not debt.
  (a) will be
  (b) would be
  (c) is being
  (d) was being
  Answer key: (a) will be
- No specific timing ____ at this stage.
  (a) is being disclosed
  (b) discloses
  (c) disclosed
  (d) would disclose
  Answer key: (a) is being disclosed

Now rewrite each sentence using the phrase in bold.

- Rewrite in the impersonal passive: 'We expect revenue to grow.' Revenue is expected to_ is expected to_ is expected to_ grow.
- Rewrite formally: 'We think margin pressure will ease.' Margin pressure is anticipated_ is anticipated_ ease into the second half.
- Add a caveat: 'FX is a modest headwind.' it should be noted_ it should be noted_ it should be noted_ it should be noted_ that FX remains a modest headwind.
- Rewrite in the passive past: 'The CEO repeated the guidance.' The guidance was reiterated_ was reiterated_ at the investor day.
- Down-play with formal register: 'There is no significant change.' no material_ no material_ change to prior guidance has been signalled.

WRITING

A short earnings-note paragraph

20 min

Task (160–200 words): Draft the opening paragraph of a company earnings note that a sell-side analyst would send to buy-side clients on the morning of a quarter. The company beat consensus modestly, reiterated full-year guidance, and flagged FX as a moderating headwind.

ASK THE TEACHER — notes to bring to class

- Use at least four passive/impersonal constructions from the lesson.
- Include one constant-currency, one headwind and one reiterated.
- Avoid the words amazing, strong and excited.

Teacher notes

Marking focus: Does the register sound like an IR note, or like a marketing pitch dressed up in passives?