

## LANGUAGE GUIDE

# The Words the Market Hears

A word-choice guide for earnings communication, built to help your team say what it means without handing the market the wrong verdict.

The market prices the words, not just the numbers. A single loaded term can turn a managed situation into a crisis in an analyst's model, or soften a real problem past the point of credibility. This guide pairs common earnings language with more precise alternatives. **The goal is accuracy, not spin.** Where a stronger word could be used to obscure a genuine issue, the guide says so directly. Precision earns trust; evasion costs it.

## HOW TO USE THIS GUIDE

## 01

**Swap for precision, not comfort**

The right word names the mechanism. Reach for the alternative when it clarifies, not when it conceals.

## 02

**Respect the guardrails**

Flagged cautions mark where a softer word would cross into minimizing a real problem. Honor them.

## 03

**Pair every claim with evidence**

The strongest language points to data. A precise word backed by a number beats a reassuring one alone.

## 01 Words that signal instability

These words tell investors the business is out of control. The stronger choices signal the same reality is being actively managed, not endured.

INSTEAD OF  
**Complex** → **Nuanced**

**Complex** can imply a tangled, difficult-to-manage situation. **Nuanced** signals that management recognizes meaningful distinctions and trade-offs.

INSTEAD OF  
**Complicated** → **Multifaceted**

**Complicated** often suggests avoidable friction, confusion, or too many moving parts. **Multifaceted** acknowledges several drivers while preserving a sense of analytical order.

INSTEAD OF  
**Challenging** → **Dynamic**

**Challenging** foregrounds difficulty and can cue concern. **Dynamic** signals change that management is actively navigating.

! Do not use to soften a genuine problem.

INSTEAD OF  
**Volatile** → **Variable**

**Volatile** implies instability and potentially uncontrollable swings. **Variable** is more neutral and suggests identifiable factors are influencing outcomes.

INSTEAD OF  
**Uncertain** → **Evolving**

**Uncertain** can imply limited visibility or weak control. **Evolving** suggests a changing situation that management is monitoring.

! Pair with specifics.

## 02 Words that concede fault

These words hand the market a verdict of failure. The stronger choices name a manageable limiting factor without denying it exists.

INSTEAD OF **Problem** → CONSIDER **Constraint**

**Problem** sounds broad and unresolved. **Constraint** is more operational: it identifies a limiting factor that can be managed, mitigated, or removed.

INSTEAD OF **Weakness** → CONSIDER **Opportunity for improvement**

**Weakness** signals an inherent deficiency. **Opportunity for improvement** directs attention toward action.

! Do not use to minimize a material underperformance.

INSTEAD OF **Delay** → CONSIDER **Timing shift**

**Delay** can imply failure, missed execution, or a broken commitment. **Timing shift** is appropriate when the economic value remains intact and only the recognition or delivery period changed.

## 03 Words that sound subjective or evasive

These words conceal the mechanism or lean on management's emotion. The stronger choices force an evidentiary basis and name the specific driver.

INSTEAD OF

~~Issue~~



CONSIDER

**Specific driver**

**Issue** is vague and invites concern because it conceals the mechanism. **Specific driver** forces an explanation: price, volume, mix, utilization, timing, or execution.

INSTEAD OF

~~Headwind~~



CONSIDER

**Temporary cost or demand factor**

**Headwind** is familiar but imprecise. Naming the driver tells investors whether it is cyclical, company-specific, temporary, or structural.

INSTEAD OF

~~We believe~~



CONSIDER

**Based on current data, we expect**

**We believe** can sound subjective or defensive. **Based on current data** supplies an evidentiary basis; **we expect** makes the forecast explicit and accountable.

INSTEAD OF

~~We are comfortable~~



CONSIDER

**The data supports our guidance range**

**Comfortable** describes management's emotion, not the business evidence. Referencing evidence makes the statement more credible and decision-useful.

TAKE THIS BACK TO THE TABLE

**The word you choose is the story they price.**

Language is not decoration on the numbers, it is how the numbers get interpreted. Before the next call, pressure-test the words your team reaches for by habit, and ask whether each one names the mechanism or hides it.