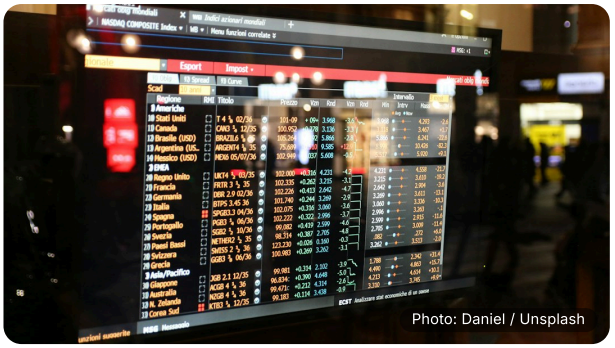
OpenAI cuts revenue outlook by $20bn

LEVEL C1


Photo: Daniel / Unsplash

I. WARM-UP

1. What makes a company change its revenue forecast?
2. How can investor confidence affect tech companies?
3. Do fast-growing sectors sometimes slow down? Why?

II. KEY VOCABULARY

forecast
a prediction of future numbers based on current information

investor
a person or organisation that puts money into a business for profit

revenue
money a company earns from its normal sales and services

valuation
an estimate of how much a company is worth

discrepancy
a difference between two numbers or reports that should match

float
to list a company on the stock market and sell its shares

safeguard
a rule or action that reduces risk or prevents harm

IPO
initial public offering, the first sale of a company's shares to the public

III. READING

OpenAI told investors that its projected revenue for this year is $50bn, about $20bn below the $70bn it signalled last month, raising doubts about the break-neck growth of demand for artificial intelligence.

Markets reacted: the tech-led Nasdaq closed down 1.4%, while Nvidia fell 2.9%, Oracle 5.5% and Micron 4.8% as the news buffeted US tech stocks. A key discrepancy comes from how rivals report sales.

Anthropic's forecast includes revenue made through cloud partners such as Amazon's AWS and Google Cloud, but OpenAI does not count those sales. Anthropic hit $65bn in forecast revenue by the end of July.

Even so, OpenAI is in early-stage talks to raise $30bn, which would give it a valuation of about $1.4tn based on recent figures. In March, OpenAI closed a $122bn fundraising at a valuation of $852bn.

Sam Altman said OpenAI would not float this year, citing AI safety concerns after reports of rogue agents and researchers quitting. In the US, politicians from both parties are calling for new safeguards, and two researchers from Anthropic warned that rapid AI development without checks could threaten human survival. Anthropic, by contrast, may push ahead with an IPO as soon as next month.

Reading text adapted from reporting by **The Guardian***: "OpenAI projected to bring in $20bn less in...". Original article linked at theenglishwire.com.*

IV. COMPREHENSION QUESTIONS

1. What revenue figure has OpenAI now projected for this year?
2. How much lower is this than the amount signalled last month?
3. What method difference explains the discrepancy with Anthropic's figures?
4. Which index fell after the news, and by how much?
5. What did Sam Altman say about floating OpenAI this year, and why?

V. DISCUSSION

1. Should AI firms include cloud-partner sales in revenue? Why or why not?
2. Do the market moves show over-optimism about AI, or a healthy check?
3. Is delaying a float the best way to address safety concerns?
4. How should governments design safeguards without slowing innovation?

VI. GRAMMAR FOCUS

Three-word phrasal-prepositional verbs

Verb + particle + preposition (e.g., keep up with, face up to). The preposition stays with the verb and the object comes after it; you can't split the string.

> *"Politicians want firms to* **crack down on** *unsafe AI."*
> *"Startups could* **run out of** *cash in a downturn."*

VII. GRAMMAR EXERCISE

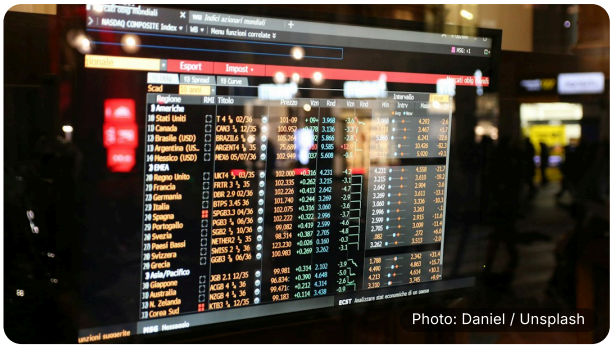
Circle the correct option in each sentence.

1. Firms must live up (for / to) safety promises. _____
2. Some rivals plan to push ahead (with / to) IPOs. _____
3. Startups need to keep up (to / with) investor demand. _____
4. Lawmakers aim to crack down (on / at) risky releases. _____
5. Teams tried to face up (for / to) governance gaps. _____

Teacher's Notes

TEACHERS ONLY

These notes are designed to help you get the most out of this lesson. Please do not share this page with students.


Photo: Daniel / Unsplash

I. LESSON GUIDE

- Timing: 8–10 minutes warm-up, 10 minutes vocabulary, 12–15 minutes reading and comprehension together, 8–10 minutes grammar, 12–15 minutes discussion.
- Pre-teach or concept-check revenue, valuation, float, IPO, and safeguard. Highlight the difference between forecasted and realised figures.
- Run the reading twice: first for the key numbers, then for reasons (methods, safety, funding). The story mentions AI risks and regulation; open discussion in pairs first and say students may speak about the news rather than personal tech use.
- Differentiate by task: stronger students compare OpenAI's and Anthropic's methods; others summarise the causes and effects in three sentences.

II. DISCUSSION FACILITATION TIPS

1. Elicit quick definitions of 'revenue' and 'cloud partners', then split the room and have each side argue for or against including those sales.
2. Take a quick show of hands, then pair students from different camps and ask them to justify their view with one market example from the text.
3. Ask for one concrete risk a float might raise and one benefit it might bring; push students to weigh which matters more now.
4. Board two columns: 'rules' and 'speed'. In small groups, list one safeguard and one way to keep innovation moving, then report back.

III. EXTENSION ACTIVITIES

Debate: In two teams, prepare and deliver 90-second cases for or against counting cloud-partner sales in revenue; class votes.

Writing: Individually, draft a 100-word investor update explaining the $20bn gap and the plan to raise $30bn.

IV. ANSWER KEY OVERVIEW

Comprehension questions: short factual answers from the text.

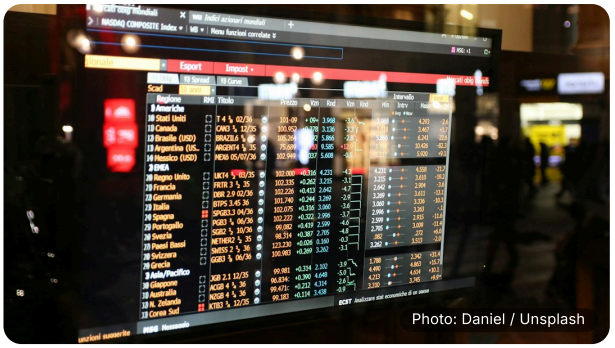
Grammar exercise: Three-word phrasal-prepositional verbs

Discussion: open-ended. Accept any reasonable ideas supported by examples and reasoning.

Answer Key

TEACHERS ONLY

These answers are for teachers only. Please do not share this page with students.


Photo: Daniel / Unsplash

IV. COMPREHENSION QUESTIONS

1. What revenue figure has OpenAI now projected for this year?
   $50bn.
2. How much lower is this than the amount signalled last month?
   About $20bn lower.
3. What method difference explains the discrepancy with Anthropic's figures?
   Anthropic counts cloud-partner sales; OpenAI does not.
4. Which index fell after the news, and by how much?
   The Nasdaq fell 1.4%.
5. What did Sam Altman say about floating OpenAI this year, and why?
   He said OpenAI would not float this year, citing AI safety concerns.

V. DISCUSSION

Open answers. Accept any reasonable ideas supported by examples and reasoning.

VI. GRAMMAR FOCUS

Key point: Verb + particle + preposition (e.g., keep up with, face up to). The preposition stays with the verb and the object comes after it; you can't split the string. (Examples constructed.)

> *"Politicians want firms to* **crack down on** *unsafe AI."*
> *"Startups could* **run out of** *cash in a downturn."*

VII. GRAMMAR EXERCISE

Circle the correct option in each sentence.

1. Firms must live up (for / to) safety promises. **to**
2. Some rivals plan to push ahead (with / to) IPOs. **with**
3. Startups need to keep up (to / with) investor demand. **with**
4. Lawmakers aim to crack down (on / at) risky releases. **on**
5. Teams tried to face up (for / to) governance gaps. **to**