



# EQUITY RESEARCH TEMPLATE ( )

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## 1. INDUSTRY RESEARCH

**Industry Name:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_

**Industry Stage:**

☐ Innovation ☐ Growth ☐ Maturity ☐ Decline

1. Market size of the industry: \_\_\_\_\_

2. Is market size at least 5× company sales? ☐ Yes ☐ No

3. Can industry players increase prices every year? ☐ Yes ☐ No

4. Key success factors in this industry:

◦ \_\_\_\_\_

◦ \_\_\_\_\_

5. Entry barriers (what prevents new players from entering?):

◦ \_\_\_\_\_

6. Do industry leaders remain same over years? ☐ Yes ☐ No

7. Are most companies doing well or struggling? \_\_\_\_\_

8. Bargaining power:

◦ Customers: ☐ High ☐ Medium ☐ Low

◦ Suppliers: ☐ High ☐ Medium ☐ Low

◦ Competitors: ☐ High ☐ Medium ☐ Low

9. Major risks in the industry:

◦ \_\_\_\_\_

10. Regulation: ☐ Strict ☐ Moderate ☐ Lenient

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## 2. BUSINESS MODEL

1. Products / Services sold:

◦ \_\_\_\_\_

2. Revenue model (how money is made):

☐ Subscriptions ☐ Ads ☐ Product Sales ☐ Licensing ☐ Other: \_\_\_\_\_

3. Is the product/service unique? Why?

\_\_\_\_\_

4. Will it remain relevant after 10 years? ☐ Yes ☐ No

Reason: \_\_\_\_\_

5. Substitutes available:

◦ \_\_\_\_\_

Are customers switching? ☐ Yes ☐ No

6. Is company gaining market share? ☐ Yes ☐ No

7. Major costs involved:

◦ \_\_\_\_\_

8. Cost type: ☐ Fixed ☐ Variable ☐ Both

9. Unique assets vs competitors (brand, tech, license, network):

◦ \_\_\_\_\_



## 3. KNOWING THE COMPANY

1. Industry rank (competitive position): \_\_\_\_\_

2. Years in existence: \_\_\_\_\_

3. Same core business for 10 years? ☐ Yes ☐ No

4. Is core business expected to grow in next decade? ☐ Yes ☐ No

5. Pros vs competitors:

◦

6. Cons vs competitors:

◦

7. Competitive advantages:

◦

8. Competitive disadvantages:

◦

9. Growth type: ☐ Organic ☐ Acquisition ☐ Both



## 4. MANAGEMENT

1. Top management names:

◦

2. Past performance under same management:

3. Compensation structure:

4. Promises made vs fulfilled:

5. Promoter shares pledged? ☐ Yes ☐ No

% pledged: \_\_\_\_\_

6. Promoter holding %: \_\_\_\_\_

7. % of management net worth in this company: \_\_\_\_\_

8. Board of Directors:

◦



## 5. ANNUAL REPORT (MANAGEMENT VIEW)

1. Chairman / CEO goals:

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2. Management tone:

☐ Honest ☐ Transparent ☐ Ethical ☐ Secretive

3. Future goals realistic? ☐ Yes ☐ No

Why: \_\_\_\_\_

4. Key foreseeable risks mentioned:

◦

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5. Special resolutions passed:

◦

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## 6. INCOME STATEMENT ANALYSIS

### Revenue

1. Major revenue sources:

◦

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2. Revenue growth trend:

☐ Rising ☐ Flat ☐ Falling

3. Growing product lines:

◦

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### Cost of Goods

4. Gross margin: \_\_\_\_\_ %

5. Major raw materials:

◦

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6. Economies of scale benefit? ☐ Yes ☐ No

### Expenses

7. Largest expense items:

◦ \_\_\_\_\_

8. Costs vs peers: ☐ Higher ☐ Same ☐ Lower

9. Notes to accounts reviewed? ☐ Yes ☐ No

## Profitability

10. Fixed costs too high? ☐ Yes ☐ No

11. Margins trend: ☐ Increasing ☐ Stable ☐ Decreasing

12. Reason for margin change:

\_\_\_\_\_

13. ROE > 15%? ☐ Yes ☐ No



## 7. BALANCE SHEET

1. Debt to equity ratio: \_\_\_\_\_

2. Fixed asset turnover: \_\_\_\_\_

3. Working capital turnover: \_\_\_\_\_

4. Biggest balance sheet items:

◦ \_\_\_\_\_

5. How are they changing over time?

\_\_\_\_\_



## 8. CASH FLOW STATEMENT

1. CFO vs PAT consistency? ☐ Yes ☐ No

2. Capital usage:

◦ Capex: \_\_\_\_\_

◦ Acquisitions: \_\_\_\_\_

◦ Dividends: \_\_\_\_\_

◦ Buybacks: \_\_\_\_\_

3. Free cash flow consistent? ☐ Yes ☐ No

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## 9. FINANCIAL RATIOS (10 YEARS)

| Ratio            | Trend |
|------------------|-------|
| Gross Margin     | _____ |
| EBITDA Margin    | _____ |
| EBIT Margin      | _____ |
| Return on Equity | _____ |
| ROCE             | _____ |
| ROA              | _____ |

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## FINAL VERDICT

**Strengths:**

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**Weaknesses:**

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**Risks:**

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**Investment View:**

☐ Strong Buy ☐ Buy ☐ Hold ☐ Avoid

Reason:

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