Company Research Worksheet

Understand the Business Before You Buy

By Ricky Recalcati

Understand the Business Before You Buy

The best investors don’t start with the stock price.

They start by understanding the business.

This worksheet helps you research a company consistently so every investment is judged using the same framework.

Company Overview

Company

Ticker

Industry

Market Cap

Date Researched

What Does This Business Do?

Describe the company's products or services.

Who are its customers?

How does it make money?

Business Quality

Can you explain the business to someone in one minute?

- ☐ Yes
- ☐ No

Does it have recurring revenue?

- ☐ Yes
- ☐ No

Does it benefit from long-term trends?

- ☐ Yes
- ☐ No

Comments

Competitive Advantage

Does the company have a durable moat?

- ☐ Strong Brand
- ☐ Network Effects
- ☐ Cost Leadership
- ☐ High Switching Costs
- ☐ Intellectual Property
- ☐ Scale Advantage

Evidence

Management

CEO

Years in Role

Founder-led?

- ☐ Yes
- ☐ No

Does management allocate capital well?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor

Notes

Financial Snapshot

Revenue Growth

Operating Margin

Free Cash Flow

Debt

Low / Medium / High

Return on Equity

Gross Margin

Comments

Growth Drivers

What could make this business significantly larger over the next five years?

Driver 1

Driver 2

Driver 3

Risks

What could permanently damage the business?

Competition

- [ ] Low
- [ ] Medium
- [ ] High

Regulation

- [ ] Low
- [ ] Medium
- [ ] High

Technology Disruption

- [ ] Low
- [ ] Medium
- [ ] High

RISKS CONTINUED

Execution Risk

- [ ] Low
- [ ] Medium
- [ ] High

Other

Valuation

Current Price

Estimated Fair Value

Undervalued?

☐ Yes

☐ No

Unsure

☐

Notes

Overall Rating

Business Quality ★★★★★

Management ★★★★★

Financial Strength ★★★★★

Competitive Advantage ★★★★★

Long-Term Potential ★★★★★

Final Decision

Would you buy today?

- [ ] Yes
- [ ] Watchlist
- [ ] No

Why?

Next Review Date

Final Reminder

A stock is only a small piece of a business.

Study the business first.

The share price comes second.