

Wall Street Playbook.

FREE FIELDNOTES / EQUITY RESEARCH

Stock pitch worksheet: a view you can defend

A useful stock pitch connects business evidence to a valuation and a decision. This worksheet uses a fictional company so you can practice the reasoning without presenting a real security recommendation.

THE TASK

State a valuation view, its operating assumptions and the evidence that would change it.

Analyst interview practice | Suggested session: 40 minutes

Updated 2 October 2026. Original exercises with stated assumptions and source notes.

How to use this resource

Work through the prompts before checking the answers. Keep a record of the assumption or step that caused difficulty, then repeat that part without notes. The suggested timing is a study aid, not an employer assessment standard.

The research brief: Rowan Tools

Rowan sells replacement tools through distributors. Current annual revenue is \$200m, EBITDA margin is 15%, net debt is \$40m and diluted shares are 20m. The current share price is \$10.00. Assume no preferred stock, noncontrolling interests, other nonoperating assets or dilution beyond the stated share count.

You are valuing the shares at a one-year horizon. For this exercise, use next year's EBITDA and the stated horizon net debt, with no interim dividends. The multiple ranges are hypothetical assumptions, not observed trading comparables.

One-year case	Revenue	EBITDA margin	EV/EBITDA	Net debt
Downside	\$190m	13%	7.0x	\$45m
Base	\$210m	16%	8.0x	\$35m
Upside	\$220m	17%	9.0x	\$30m

- Calculate current EV and current EV/EBITDA.
- Calculate one-year implied price and price return under each case.
- Write a two-sentence investment view that acknowledges downside.
- Identify evidence needed to support the base-case growth, margin and multiple.

The pitch structure

This packet does not provide consensus estimates, so you cannot honestly claim a variant view against consensus yet. Write what you would need to obtain. A positive calculated return alone is not evidence that the market is wrong.

Part	Prompt
Business	Who pays, for what product, and what drives repeat demand?
Variant view	Which operating assumption differs from an observable consensus or market-implied expectation?
Evidence	Which filing, dataset or documented observation supports it?
Valuation	How do operating assumptions translate to equity value per share?
Catalyst	What could cause investors to revise expectations, and when?
Risk / disconfirmation	What observable evidence would make you change your view?

My business description and proposed view

Evidence I have / evidence I still need

The finding that would invalidate my view

Worked valuation: keep the equity bridge visible

Current equity value is $\$10 \times 20\text{m} = \200m ; adding $\$40\text{m}$ net debt gives $\$240\text{m}$ EV. Current EBITDA is $\$200\text{m} \times 15\% = \30m , so the current multiple is 8.0x. In the base case, EBITDA grows $\$3.6\text{m}$. At an unchanged 8.0x multiple, that adds $\$28.8\text{m}$ EV; a $\$5\text{m}$ reduction in net debt adds another $\$5\text{m}$ equity value. Together they add $\$1.69$ per share.

The base case implies 16.9% price upside, but the stated downside is 36.05%. These are scenarios, not probabilities. You have not established that the upside is likely or that the risk is acceptable.

\$m except per share	Downside	Base	Upside
EBITDA	24.7	33.6	37.4
Enterprise value	172.9	268.8	336.6
Less net debt	45.0	35.0	30.0
Equity value	127.9	233.8	306.6
Value per share	\$6.395	\$11.69	\$15.33
Price return vs \$10	-36.05%	+16.90%	+53.30%

Build an evidence log before writing the conclusion

For a real company, start with its filings and record the period, definition and location of each figure. Read the business description, risk factors, financial statements, notes and management discussion. Reconcile adjusted metrics to their definitions and compare like periods.

Claim to test	Evidence to request	What could weaken it
Replacement demand supports growth	End-customer demand, distributor inventory and sell-through data	Channel loading or unusually high inventories
Margin can improve to 16%	Pricing, input-cost, labor and product-mix bridge	Discounting, lower utilization or temporary cost benefits
8.0x remains appropriate	Relevant peers, risk and growth comparison on consistent definitions	Worse cash conversion or changed business risk
Net debt falls to \$35m	Cash flow after capex, tax and working capital	Inventory build, acquisitions or dividends

An honest preliminary pitch

Now deliver your version in 90 seconds. Explain the thesis, valuation bridge, key risk and the next piece of evidence you need. A good discussion makes the assumptions inspectable; it does not hide uncertainty behind a precise target price.

Example conclusion

At \$10, the stipulated base case implies \$11.69 in one year, driven by EBITDA growth and lower net debt at an unchanged 8.0x multiple. I would treat this as a research candidate rather than a completed recommendation: the downside is \$6.395, and the packet does not establish distributor demand, achievable margins or a difference from consensus. My next work would test those three assumptions and revise the scenarios accordingly.

Source notes and next steps

SEC: how to read a 10-K

Background for the filing review checklist. Rowan Tools and all valuation scenarios are original fictional teaching material.

<https://www.sec.gov/answers/reada10k.htm>

Continue when you have identified a gap

Continue with complete research notes, operating forecasts and longer cases with spreadsheet exercises.

[Preview the equity research playbook](#)

[Read this resource online and find the current edition](#)