Equity Research Recruiting Guide

Overview of Equity Research

Equity research is the function within a bank, or independent research firm, that publishes investment opinions on public companies for institutional investors like mutual funds, hedge funds, and other buy-side clients. Unlike investment banking, which advises companies on discrete transactions, equity research analysts maintain an ongoing, public point of view on a fixed group of companies, publishing ratings (buy/hold/sell), price targets, and written research that clients use to make investment decisions. Research is organized by sector coverage like Technology, Healthcare, Industrials, Consumer, Financials, Energy, and analysts typically cover 10–20 companies within one sector rather than working across industries.

The career track differs from investment banking. Entry-level hires typically join as Research Associates, supporting a senior analyst who publishes under their own name and is ranked by institutional clients. Associates build and maintain financial models, draft notes, and track news flow, with the goal of eventually becoming a named analyst who owns a coverage list. Because research must stay independent of a bank's investment-banking relationships, research teams sit behind an information barrier that restricts what they can share with, and learn from, bankers working on live deals.

Verticals

Equity research is organized around sector coverage, and most analysts spend their career specializing in one of a handful of broad verticals: Technology, Healthcare, Consumer, Industrials, Financials, Energy, Real Estate, and Media & Communications. Group structure varies by firm and some banks split these further (e.g., separate Software and Semiconductor teams within Technology), while smaller firms may have one analyst cover an entire vertical. Recruiting structure also varies: some firms hire directly onto a specific industry team, while others hire analysts as generalists and place them onto a team before their internship or full-time start date.

Because of this, it helps to show genuine interest in one or two verticals during recruiting. Be ready to speak in depth about how industries differ and why you're drawn to the ones you've chosen. Each vertical has its own nuances, so understanding those differences before you start speaking with analysts will make your conversations, and your answers, noticeably stronger.

Technology covers enterprise software, cloud infrastructure, semiconductors, hardware, and internet companies. Analysts focus on growth durability and revenue quality with metrics like

ARR, net retention, and billings. Technology values high-growth names on EV/revenue or EV/FCF while using P/E for more mature software and hardware companies. Coverage is heavily shaped by product cycles, AI infrastructure spending, and competitive share shifts, so a large part of the job is separating durable growth from hype.

Healthcare covers biopharma, medical technology, healthcare services, and healthcare IT companies. Biopharma analysts translate clinical trial data and regulatory catalysts like FDA decisions, Phase 2/3 readouts into probability-weighted valuation models, while MedTech and services analysts focus more on reimbursement policy, unit volumes, and margin trends. Binary events like trial results and approvals make healthcare one of the more catalyst-driven and volatile sectors to cover.

Consumer covers retailers, restaurant chains, and branded consumer-products companies. Analysts track same-store sales, traffic and ticket trends, market share, and input-cost inflation, relying heavily on channel checks such as store visits, app data, and credit card data to anticipate results ahead of earnings. Valuation is typically P/E or EV/EBITDA-based, with debates often centered on brand strength, pricing power, and channel shifts such as e-commerce penetration.

Industrials covers manufacturers, transportation companies, and industrial-services businesses. Analysts track orders, backlog, book-to-bill, and end-market capex cycles to gauge where a company sits in the cycle, valuing most names on EV/EBITDA. Because multiples tend to compress just as earnings peak and expand as earnings trough, getting the cycle right matters more than getting the multiple right.

Financials covers banks, insurers, asset managers, and financial-technology companies. Analysts value banks and insurers on price-to-book and return on equity rather than EV/EBITDA, since earnings are driven by balance-sheet dynamics including net interest margin, credit quality, and capital ratios rather than a traditional operating margin. Interest-rate moves and regulatory change are the sector's dominant swing factors.

Energy covers exploration and production companies, refiners, utilities, and renewable-energy developers. Commodity price assumptions drive most of the variance in an energy model, so much of the job is forming a house view on oil, gas, or power prices and translating that into production, margin, and free-cash-flow forecasts. Utilities are the exception and regulated cash flows make them a more bond-like, income-oriented corner of the sector.

Real Estate covers REITs across property types such as office, industrial, residential, retail, and data centers. Analysts value REITs primarily on funds from operations (FFO) and net asset value (NAV) rather than earnings per share, since depreciation distorts GAAP earnings for asset-heavy portfolios. Interest rates, occupancy, and same-property rent growth are the key variables tracked property type by property type.

Media & Communications covers traditional media, streaming, telecom carriers, and advertising-driven businesses. Analysts track subscriber trends, churn, and advertising spend, and valuation often blends EV/EBITDA with subscriber-based metrics. The sector has been reshaped in recent years by cord-cutting, streaming economics, and consolidation.

What an Equity Research Analyst Does

Coverage Initiation and Maintenance — when a team decides to cover a new company, the analyst and associate build a detailed financial model, research its competitive position, and publish an initiation report setting a rating and price target. Once a company is under coverage, the team maintains the model and revises estimates around each earnings release and as new information comes in.

Research Notes and Reports — analysts publish a mix of note types: earnings previews and reviews, reaction pieces to company or industry news, thematic sector reports, and periodic deep dives on a single name. Associates typically draft the underlying model and much of the analysis, which the analyst reviews, edits, and publishes under their name.

Ratings and Price Targets — every covered company carries a rating (buy, hold, or sell, though labels vary by firm) and a price target grounded in the analyst's valuation work. Changing a rating or target is a closely watched event, so analysts must be able to defend the change with a clear thesis.

Corporate Access and Client Interaction — analysts and associates organize and join roadshows, non-deal roadshows, and investor conferences connecting company management with institutional investors, and field frequent questions from sales and buy-side clients on covered names. Building a reputation for differentiated, well-defended opinions along with maintaining accurate models is what drives an analyst's standing with clients and, eventually, their own rankings.

Recruiting Timeline

Equity research recruiting is less structured than investment banking recruiting, and there is no single, universal on-cycle calendar. Rather than the rigid superday-and-offer sequence used across top IB programs, most research teams hire on a rolling basis whenever a seat opens on a specific coverage team, so timing varies enormously by bank, sector, and year, and openings tend to be advertised later and more unevenly than IB internships. Some large banks run formal summer research analyst programs with earlier deadlines, but many entry-level and lateral hires come from ongoing networking and direct outreach rather than a scheduled cycle.

Start building sector knowledge and a prepared stock pitch well before you expect to interview, and network continuously rather than waiting for a fixed "recruiting season." A well-timed conversation with the right team can lead to an interview at almost any point in the year.

Landscape of Firms

Every bulge-bracket bank maintains a research division organized by sector, sitting alongside investment banking and sales & trading. Within a full-service bank, research functions more as a support service than a standalone profit center, it drives trading commissions and corporate-access revenue by giving the sales force differentiated views to bring to clients, and a strong Institutional Investor ranking helps a bank win trading flow and secondary-offering mandates. At the same time, research must stay walled off from bankers on live deals and analysts are normally restricted from publishing on companies during IPO quiet periods or active M&A processes their bank is advising on, and cannot share drafts with, or take direction from, the banking side. Because research at these banks is effectively subsidized by trading and banking revenue rather than sold directly to clients, compensation and headcount can be more exposed to swings in a bank's overall trading and deal volume than at an independent research firm.

A distinct and growing part of the industry is independent research at firms with no banking, trading, or asset-management business that sell research directly to clients and are prized for being free of the conflicts that come with a full-service bank. Wolfe Research, Bernstein, Redburn Atlantic, and Evercore ISI are among the best-known independent or largely research-focused platforms, alongside sector specialists such as KBW (financial institutions) and Leerink Partners (healthcare). Research how a firm's division is staffed and evaluated since compensation and career paths can differ meaningfully between a bulge-bracket research seat, an institutional independent shop, and a retail-facing firm.

Networking

Networking in equity research should focus on understanding a specific team's coverage list, how the analyst and associates split responsibilities, and what differentiates the team's research from competitors covering the same stocks. Because seats open unpredictably, staying in touch with a team over time can help you understand the recruiting process for that particular firm and team.

Come to every call with a point of view by knowing a few names the team covers, reading some of their recent research if you can access it, and be ready to discuss a stock you like or dislike and why. The call shouldn't be a one-sided interview about the role, ask about the person too, including how they got into research, what they enjoy about the sector, or what drew them to the team to let the conversation feel natural rather than rehearsed. Showing genuine curiosity and enthusiasm, not just technical preparation, is often what makes someone remember you and want to keep talking to you, and it still gives them a chance to see whether you can think like an investor rather than just recite facts about a company.

Sample outreach email:

Subject: *University of Chicago Student Interested in [Firms]'s [Sector] Research Team*
Hi [Name],

My name is [Your Name], and I'm a second-year at The University of Chicago studying [major/minor] interested in equity research, particularly in [sector, e.g., Healthcare]. I've been following [Company or theme] and wanted to learn more about your work on the team and how you approach covering the space.
Would you have 15–20 minutes in the next couple of weeks for a call? I'm generally free [two or three specific days/times], but happy to work around your schedule.

Thank you for your time, [Your Name]

Behavioral Questions

Why Equity Research?

This question is really asking why you want to form and defend investment opinions rather than execute transactions or manage client capital directly. A strong answer connects a genuine interest in a sector or in picking stocks to the research process including reading, modeling, forming a thesis, and being held accountable for whether it plays out and clearly distinguishes research from both investment banking and asset management.

Example: "I'm drawn to equity research because I like forming an opinion on a business and testing that opinion against the market over time. I've followed [sector] closely and have views on several names. [Company], for example, where I think [thesis]. What appeals to me about research specifically, rather than asset management, is being able to publish that view, defend it to clients, and build a reputation on the quality of my calls rather than the size of a portfolio."

Why This Sector?

A strong answer shows your interest is specific and durable, not just a default choice. It should tie a personal or academic experience to a distinct feature of how the sector actually works including its key debates, its economics, or the kinds of companies within it. Make clear you understand how the chosen industry differs from other verticals you could have picked instead.

Recommended structure

1. Personal evidence: a course, internship, experience, or company that sparked genuine interest in the space.
2. Sector-specific detail: name a feature that's unique to the sector like a valuation approach, a structural trend, a type of company

3. Connection to research: explain why forming and defending an investment view in this sector, specifically, appeals to you.
4. Evidence of depth: reference a company you follow or a current debate to show you've done real homework.

Example: "I've been interested in [sector] since [personal experience], and what's kept me engaged is [e.g., how quickly competitive positions can shift in software, or how binary clinical catalysts create real dispersion in healthcare]. I like that covering this sector means constantly updating a model and a thesis as new information comes in, rather than analyzing a business once and moving on. Right now I'm following [Company] and think [brief view], which is the kind of debate I'd want to spend my time on."

Why This Firm?

A convincing answer goes beyond platform size or brand name and should reflect real research into how the specific team is regarded, how it's structured, and what you learned about it through networking.

Reference the team's coverage list and reputation, what you've heard about how much responsibility associates get early on, and, especially if it's an independent research firm rather than a bank, why that model appeals to you specifically (ex: no banking conflicts, longer-tenured analysts, direct accountability to research quality rather than trading flow).

Example: "I'm drawn to [Firm]'s [sector] team because of its reputation for [specific strength, e.g., differentiated calls on a name, or being early on a theme], and because conversations with [names] made clear that associates get real ownership over parts of the model and the writing early on, rather than just supporting from behind. [If independent firm: I'm also drawn to the fact that the team isn't tied to a banking or trading business, so its calls are judged purely on whether they're right.]"

Technical Questions

The stock pitch is one of the most important parts of an equity research interview and nearly every candidate is asked for one, often more than once across a process, and it's frequently what separates offers from rejections. Keep the initial pitch to roughly 90 seconds to two minutes and if you can't state your thesis cleanly in that window, it likely should be refined further. Interviewers will typically let you go deeper on any part of it, so treat the short version as a summary you can expand on rather than the whole story.

Choosing a stock: Pick a name in the sector you're interviewing for, and avoid mega-cap, heavily covered names (Apple, Nvidia, Amazon) as many candidates will pitch them, they're picked over by professional investors already, and it's much harder to show a genuinely differentiated view on a name that thousands of analysts already follow closely. A smaller or under-the-radar company, where your view isn't simply repeating consensus, will stand out far more. The pitch only works if you can articulate why the market is wrong about something specific and describing a good business well is not the same as having an investable thesis. It's worth preparing at least one long pitch and one short pitch, since some interviewers will ask specifically for a short idea to test whether you can identify company-specific risk rather than just find companies you like.

Recommended structure

1. Recommendation — lead with the call itself (long or short), the company, and the target price and implied upside or downside.
2. Company Overview — what the company does, how it makes money, and where it sits in its sector.
3. Thesis — state two or three distinct, non-overlapping reasons the stock is mispriced, each stated as a specific, falsifiable claim rather than general optimism or pessimism. This is where your variant view has to show up clearly.
4. Catalysts — the specific events or data points that should close the gap between price and value, with a rough timeline (an earnings date, a product launch, a regulatory decision)
5. Valuation — current price, target price, the multiple or method used and why it's appropriate for this company, and a comparable set if relevant.
6. Risks — the strongest reasons you could be wrong, addressed directly rather than glossed over, closing with why you still believe the thesis holds despite them.

After the pitch: expect follow-up questions, especially on your valuation assumptions and catalyst timing, which is intentional and tests whether you can defend your view under pressure without getting defensive or backing off the thesis at the first objection. It's also worth having a clean one-page written version of your pitch ready even if it isn't requested, since some interviewers will ask for it or bring it up in a later round.

Other Technical Questions:

Technical questions overlap with standard IB technicals (accounting, enterprise and equity value, valuation) but weigh relative valuation (comps and sector-specific multiples) more heavily than M&A or LBO mechanics, since analysts value standalone public companies rather than transactions.

Sample Questions

Accounting and Financial Statements

1. Walk me through the three financial statements and how they connect.
2. What happens to the three statements if depreciation increases by $10?
3. What's the difference between gross margin and operating margin, and why does the gap matter?
4. Why can a company be profitable on the income statement but run out of cash?
5. What's the difference between GAAP and non-GAAP earnings, and why do companies report both?

Valuation

6. Walk me through how you'd build a DCF.
7. What's the difference between enterprise value and equity value, and when do you use each?
8. Why might two companies in the same sector trade at different multiples?
9. When would you use EV/EBITDA versus P/E versus EV/Revenue?
10. What's a sum-of-the-parts valuation, and when is it appropriate?
11. How does a change in the discount rate affect a DCF valuation, and why?
12. What's the difference between forward and trailing multiples, and which would you use for a cyclical company?

Market and Investing Judgment

13. What's a stock you think is mispriced right now, and why?
14. What's a stock you'd short, and why?
15. Name a company you'd never invest in, and explain why.
16. What's the biggest risk to your favorite pitch that would make you change your mind?
17. What's a recent example of the market overreacting to news in your sector?
18. How do you distinguish between a good company and a good stock?

Sector and Company-Specific Modeling

19. What are the key drivers of revenue for a company in [sector]?
20. What operating metrics matter most for evaluating a company in [sector], and why?
21. How would you forecast revenue for a subscription business versus a cyclical manufacturer?
22. Walk me through how a change in a key input (e.g., same-store sales, ARR growth, oil price) flows through a model.
23. What's a risk specific to modeling a company in [sector] that wouldn't apply to other sectors?

Stock Pitch Follow-Ups

24. What's the biggest risk to your thesis, and why hasn't the market already priced it in?
25. What would make you close out this position?
26. How does your view differ from sell-side consensus, and why do you think you're right and they're wrong?
27. What position size would you take on this idea, and why?
28. If the stock moved against you tomorrow, what would you do?

Macro and Rates

29. How would rising interest rates affect valuations in your sector?
30. How does inflation affect margins differently across sectors?

31. What's the difference between a cyclical and a secular trend, and how do you tell them apart in real time?
32. How would a recession specifically affect the companies you cover?