INTUIT EQUITY RESEARCH REPORT

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Current Price: $613.84 | Industry: Application Software | Recommendation: Buy | Target Price: $716.41

Intuit, the parent company of industry leaders such as QuickBooks and TurboTax, has been in the spotlight in recent years due to its strong performance. This report aims to analyze the company's operations, financial outlook, and key factors influencing its stock performance.

What the Bulls are saying: The Bulls argue that Intuit's Q2 earnings report was outstanding, driven by robust performance across all key metrics. The company not only beat earnings and revenue expectations, but its forward outlook remains strong across its entire product suite. This impressive performance is largely attributed to the successful integration of AI technology—most notably with the rollout of "Intuit Assist"—which has significantly enhanced customer experiences and streamlined workflow processes. This strategic focus on leveraging AI addresses a growing demand for improved productivity in the financial services sector, positioning Intuit as a leader in innovation.

Analysts have largely maintained their price targets in the $700s, reflecting a broad consensus on the company's sustainable growth potential. Despite a high P/E ratio of 54.24, the market is willing to pay a premium for Intuit, indicating strong investor confidence in its ability to deliver future growth. The stocks' sharp upward movement following the earnings report, even amid a broader market decline over the past month, further underscores the bullish sentiment surrounding the company.

What the bears are saying: The company is highly sought after by most funds. However, concerns remain regarding the volatile macroeconomic environment. Treasury yields are climbing due to this uncertainty, causing further strain on the equities market; notably, the Nasdaq fell nearly 5% in February, while the S&P 500 lost close to 2%.

Several other indicators are showing worrying signs. Consumer spending fell 0.2% last month, compounding a decline in consumer confidence—job confidence dropped for the third straight month in February, reaching its lowest point since August 2021. Although the PCE has cooled to 2.6%, the potential for a trade war has kept inflationary forecasts uncertain. The new administration's trade policies, rising deficits, and uncertain regulatory changes under '*D.O.G.E.*' are causing massive volatility in the economy. The Atlanta Fed forecasts a real GDP contraction of 1.5% for Q1 2025, reversing multiple quarters of solid growth in the country. All these macroeconomic indicators could pose problems for Intuit's stock, given its strong correlation with the market (with a beta around 1.2–1.3).

What we are saying: S&P Global Market Intelligence projects that the global market for generative artificial intelligence (AI) will grow at a compound annual growth rate (CAGR) of 59% through 2028. We believe Intuit is well-positioned to capitalize on this trend. The company has a strong history of integrating cutting-edge technologies into its product ecosystem, and continued investment in generative AI solutions could drive significant growth over the next five years. Further supporting Intuit's outlook is the potential end of the IRS's Free File program, which could prompt more individuals to seek paid tax-filing software. This shift stands to benefit TurboTax by increasing its customer base and revenue.

Intuit also maintains a relatively low debt profile, choosing to deploy its cash reserves into R&D. This strategy supports ongoing innovation and consistent historical organic growth. The company will proceed with acquisitions if they align with the company's strategic approach to M&A: acquiring established brands that provide synergistic opportunities—such as Mailchimp's marketing capabilities complementing the QuickBooks platform.

In terms of valuation, Intuit currently appears relatively undervalued compared to several industry peers. This combination of robust market share, disciplined financial management, commitment to innovation, and strategic acquisitions positions Intuit favorably for future growth. Overall, these factors make Intuit an attractive choice for investment, with our target price being $716.41

Key Financial Metrics for Intuit:

Metrics	
Price 52 Week Range	\$553.24 – \$714.78
Shares Outstanding	279.03 million
Market Cap	\$171.279 billion
Dividend Yield	0.68%
Beta(TTM)	1.24
P/E (TTM)	57.32
Diluted EPS (TTM)	\$10.701
EPS (2025E)	12.04
EPS (2026E)	14.87
Price/sales	10.14
price/ebitda	37.89
price/FCF	31.78
price/book	9.57
Net debt/EBITDA	0.52

The above chart shows a consistent growth in the stock price of Intuit, especially in the post covid era driven by the AI boom.

Intuit Q2 Earnings Highlights:

The company generated strong results, blowing past market expectations. Some highlights include:

1. Total LTM revenue grew to $4 billion, up 17% Y-o-Y.
2. Credit Karma, now fully integrated, generated the highest revenue growth, up 36% Y-o-Y to $511 million, driven by strength in credit cards, personal loans, and auto insurance.
3. The ProTax group was the biggest disappointment with a 1% Y-o-Y decline in sales at $272 million.
4. The GAAP operating income is $593 million, up 61%.
5. The GAAP diluted EPS increased to $1.67, up 34% Y-o-Y.
6. The Non-GAAP diluted EPS increased to $3.32, up 26% Y-o-Y.

Financial Summary	FY'23					FY'24					FY'25	
($ millions, except per share data)	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Global Business Solutions	$1,988	$1,897	$2,021	$2,132	$8,038	$2,344	$2,245	$2,387	$2,557	$9,533	$2,544	$2,671
% change YOY	38%	20%	21%	21%	24%	18%	18%	18%	20%	19%	9%	19%
Consumer	$150	$516	$3,341	$128	$4,135	$187	$492	$3,653	$113	$4,445	$176	$509
% change YOY	25%	26%	3%	(12%)	6%	25%	(5%)	9%	(12%)	7%	(6%)	3%
Credit Karma	$425	$375	$410	$424	$1,634	$405	$375	$443	$485	$1,708	$524	$511
% change YOY	2%	(16%)	(12%)	(11%)	(9%)	(5%)	0%	8%	14%	5%	29%	36%
ProTax	$34	$253	$246	$28	$561	$42	$274	$254	$29	$599	$39	$272
% change YOY	31%	7%	(5%)	12%	3%	24%	8%	3%	4%	7%	(7%)	(1%)
Total Revenue	**$2,597**	**$3,041**	**$6,018**	**$2,712**	**$14,368**	**$2,978**	**$3,386**	**$6,737**	**$3,184**	**$16,285**	**$3,283**	**$3,963**
% change YOY	29%	14%	7%	12%	13%	15%	11%	12%	17%	13%	10%	17%
GAAP Operating Income (Loss)	$78	$270	$2,778	$17	$3,141	$307	$369	$3,105	($151)	$3,630	$271	$593
Non-GAAP Operating Income[A]	$662	$856	$3,358	$627	$5,503	$960	$1,000	$3,712	$730	$6,402	$953	$1,260
Non-GAAP Operating Margin %[A]	25.5%	28.2%	55.8%	23.1%	38.3%	32.2%	29.5%	55.1%	22.9%	39.3%	29.0%	31.8%
Interest Expense	($49)	($65)	($66)	($68)	($248)	($65)	($57)	($60)	($60)	($242)	($60)	($60)
Interest and Other Income	$5	$23	$22	$46	$96	$22	$42	$27	$71	$162	$2	$38
GAAP Share-Based Compensation Expense	$422	$423	$419	$448	$1,712	$495	$475	$451	$519	$1,940	$511	$498
GAAP Share-Based Compensation Expense per Share	($1.87)	($1.10)	($1.13)	$27.41	($4.82)	($1.60)	($1.67)	($1.23)	($0.26)	($5.70)	($1.67)	($1.45)
GAAP Diluted EPS	**$0.14**	**$0.60**	**$7.38**	**$0.32**	**$8.42**	**$0.85**	**$1.25**	**$8.42**	**($0.07)**	**$10.43**	**$0.70**	**$1.67**
Non-GAAP Diluted EPS[A] [B]	**$1.66**	**$2.20**	**$8.92**	**$1.65**	**$14.40**	**$2.47**	**$2.63**	**$9.88**	**$1.99**	**$16.94**	**$2.50**	**$3.32**
GAAP Diluted EPS (YTD)	$0.14	$0.73	$8.11	$8.42	$8.42	$0.85	$2.10	$10.51	$10.43	$10.43	$0.70	$2.36
Non-GAAP Diluted EPS (YTD)[A] [B]	$1.66	$3.85	$12.76	$14.40	$14.40	$2.47	$5.10	$14.96	$16.94	$16.94	$2.50	$5.82
Basic Share Count	281	281	281	280	281	280	280	280	280	280	280	280
Diluted Share Count	284	282	283	283	283	283	284	284	283	284	283	283
GAAP Tax Rate	-26%	26%	23%	1830%	20%	9%	0%	22%	86%	17%	8%	17%
Non-GAAP Tax Rate	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
Capital Expenditures					$260					$250		

These results were due to successfully leveraging AI into their business operations, improving productivity, and offering better customer experiences. The 'Intuit Assistant' being considered a key product in this success.

The company expects bigger inroads into mid-market customers of a potential $89 billion TAM through their different products driven by their largest group, the GBS.

Global Business Solutions: The group's overall revenue grew to $2.7 billion, up 19%.

1. Their Online Ecosystem revenue increased to $2.0 billion, up 21%, driven by growth in spending, higher payrolls, and more Mailchimp offerings.

2. The QuickBooks online Accounting Revenue grew 22%, driven by higher prices, customer growth, and product mix-shift by consumers now preferring the higher-end products.
3. Their international ecosystem revenue grew 9% Y-o-Y.

Capital Allocation: By the end of this quarter, the company had $2.5 billion in cash and $6.3 billion in debt. It has a $4.5 billion short-term revolving credit facility with JP Morgan that matures on April 30, 2025. The company repurchased $721 million of stock during the second quarter and aims to continue to repurchase shares to offset the dilution caused by its generous ESOP program.

Dividend: The company approved a quarterly dividend of $1.04 per share, payable on April 18th, 2025. This represents a 16 percent increase per share, which is consistent with its historic growth rate of around 14-16%.

Forward Outlook:

Highlights for the full guidance for FY 2025, with two quarters remaining, include:

1. Total company revenue growth of approximately 12-13%, i.e, revenue of $18.160 billion to $18.347 billion.
2. GAAP operating income to grow approximately 28-30%, i.e, income between $4.649 billion to $4.724 billion.
3. GAAP diluted EPS of $12.34 to $12.54, growth of approximately 18-20%.
4. Non-GAAP diluted EPS of $19.16 to $19.36, growth of approximately 13-14%.

The company had some revenue projections for each of their segments:

1. GBS is expected to grow around 17%. This is mainly driven by the online ecosystem, which is expected to grow approximately 20%, and their established desktop ecosystem revenue growth in the low single digits.
2. Consumer group: growth of 7-8%
3. ProTax: growth of 3-4%
4. Credit Karma: growth of 5-8%

Intuit highlighted their expectations for Q3:

1. Revenue of $7.5 billion to $7.6 billion, growth of approx. 12 to 13%
2. GAAP diluted EPS of $9.22 to $9.28.
3. Non-GAAP diluted EPS of $10.89 to $10.95.

COMPANY OVERVIEW

Intuit (INTU) operates as a financial technology company providing software solutions for individuals, small businesses, and self-employed professionals. It has a SaaS-driven, recurring revenue model focused on simplifying financial management. Intuit is the leading developer of software used for small business accounting and consumer tax preparation. As of October 31st 2024, the company generated $16.59B (+12.48% YoY) and derives it revenue from various segments, including TurboTax, consumer tax preparation; QuickBooks, small business accounting; Mint, managing one's own money; and Credit Karma, a suite of apps and data for helping consumers and SMBs improve their credit scores.

SEGMENTS AND OPERATIONS

Intuit has four reportable segments: Global Business Solutions, Consumer, Credit Karma, and ProTax.

The Global Business Solutions segment serves small businesses and the self-employed. QuickBooks, including apps and services for bookkeeping, accounting, payroll, merchant services, and card processing, accounted for 58.5% of the revenue in FY 2024. The MailChimp offerings include marketing automation and customer relationship management. Small business financial management is dominated by Intuit's QuickBooks, with 70% of the US market share and a growing presence worldwide.

The consumer segment includes do-it-yourself and assisted TurboTax, which is a leading US tax preparation software for individuals known for its ease of use and AI-driven tax assistance, and Mint. This segment accounted for 27.3% of the revenue in 2024. TurboTax leads the consumer tax preparation category with over 40% market share, competing with HR Block and emerging DIY tax platforms.

Credit Karma is responsible for around 10.5% of the revenue in 2024; it provides a personal finance platform that gives personalized recommendations for credit card, home, auto and personal loans, and insurance products; online scores and reports, credit and identity monitoring, credit report dispute, credit building tools and tools to help understand net worth and make financial progress.

ProTax (3.68% of revenue) serves professional accountants.

GEOGRAPHIC REACH

In 2024, 92% of the revenue was generated in the United States, while the remaining 8% came from international operations. Intuit has offices in North America (USA, Canada), EMEA (United Kingdom), the Middle East (Israel), and Asia-Pacific (Australia, India).

REVENUE CHARACTERISTICS

Intuit generates revenue primarily from subscription-based SaaS products, software licensing, and transactional fees. The business model of Intuit is highly recurring, with a good focus on cloud-based subscription revenue.

Although Intuit's primary revenue comes from the Small Business & Self Employed group through QuickBooks and MailChimp, its revenue exhibits seasonal recurring, especially in their Q3 during the tax filing season. There is a seasonal spike in the revenue from January to March because of the peak season of tax filing through TurboTax and ProConnect (Tax software for professionals) usage. Intuit has limited long-term contracts, but its high customer retention in SMB and consumer segments provides strong market visibility.

MERGERS & ACQUISITIONS

Although Intuit prefers organic growth, the firm has acquired several companies to enhance its product offering and expand its customer base and market reach. The company has historically aimed to acquire established brands that will provide synergistic values to its existing products. The company now has a strategy of M&A to develop it's AI capabilities.

In the past 5 years, Intuit acquired TradeGecko in August of 2020. It enhanced QuickBooks' capabilities by offering integrated inventory and order management solutions, catering to small and medium-sized businesses.

In December 2020, Intuit acquired Credit Karma, a consumer technology platform offering free credit scores, reports, and financial tools. Credit Karma helps Intuit by integrating personal finance management into its ecosystem, strengthening Intuit's position in consumer finance.

In November 2021, Intuit made its biggest acquisition, Mailchimp, for around $12 billion. Mailchimp is a market automation and email marketing platform for SMBs. It is a great addition to QuickBooks, which can help SMBs manage finance and marketing in one ecosystem. The acquisition increased the company's subscription-based revenue streams and strengthened its presence in SaaS solutions.

In March 2023, Intuit acquired SeedFi, which is a Fintech company offering credit-building tools and financial products for consumers. It added to Credit Karma's portfolio by providing consumers with tools to increase their credit scores.

To strengthen its AI & Automation presence, Intuit, partnering with Qualcomm and Menlo Ventures, acquired an AI research company called Anthropic PBC. The main goal is to enhance the AI capabilities of TurboTax, QuickBooks, and Credit Karma by supporting AI-driven personalized tax and financial planning tools and enhancing automation and predictive analysis to improve customer experience.

STRATEGY AND GROWTH

Intuit's strategy has always revolved around serving the customer. Long ago, it transitioned into a cloud-first company, catering to streamline the user experience. Constantly, it has been trying to push out new products/services to increase customer retention, whether it be QuickBooks or the do-it-yourself US tax software TurboTax.

The company's stated mission is to be a "premier innovative growth company that improves our customers' financial lives so profoundly they can't imagine going back to the old ways". Since Intuit serves a broad view of its customers' financial needs, including taxes, bookkeeping, and payroll, they are trying to improve efficiency and productivity, hence improving customers' financial lives.

The greatest technological shift of this decade has been AI. Intuit was an early adopter of AI, integrating AI-driven strategies across its core products. Their investment in AI, GenAI, data, and world-class tools provides them with a base to accelerate productivity using the new technology. They have made five key strategic bets, focusing on solving the most critical consumer needs:

- Revolutionizing speed to benefit: The main aim is to use AI to deliver value instantly by making interactions frictionless when customers use the products and services.
- Connecting people to experts: Intuit identified a major challenge: customers' lack of confidence when filing taxes. To address this, they connect customers with experts, enhancing both retention and expansion.
- Unlocking smart money decisions: Intuit has strategically planned to create a self-driving financial platform with Credit Karma to address the challenges of high debt costs and a lack of savings. The platform constantly supports customers in understanding the financial picture and making sound financial decisions no matter where they are in their financial journey.
- Be the center of small business growth: They are focused on helping all the dynamics of small businesses to grow, retain customers, get paid faster, manage and get access to capital, pay employees with confidence, and use third-party apps to help run their businesses.

- Disrupt the small business mid-market: The aim is to disrupt the small business market by leveraging integrated ecosystems, which include its core products.

Combined with these five key bets focused on customer challenges and growth opportunities, their strategies create a strong foundation for sustainable future growth.

RISKS

Intuit faces substantial competitive pressures, which are expected to intensify. Rival firms, and startups in the fintech space may introduce superior products or adopt new technologies, including artificial intelligence, that could lure customers away. Competitors with diverse business models and monetization strategies also compound these challenges, making it difficult for Intuit to attract and retain customers in the small- and medium-sized business (SMB) segment.

The **QuickBooks** suite, a core component of Intuit's SMB offerings, stands at the forefront of the company's competitive landscape. Despite strong brand recognition and a dominant market share, QuickBooks competes with both established providers—like Xero, Sage, and FreshBooks—and emerging players that offer freemium or aggressively priced products. These alternatives may erode Intuit's user base if the company fails to innovate or efficiently differentiate its offerings. In response, Intuit consistently tries to invest in product enhancements, strategic acquisitions, and deeper software integrations; however, such expenditures may pressure margins if anticipated revenue gains do not materialize.

Intuit's **Credit Karma** segment also faces significant risks. As a platform connecting users to credit card issuers, lenders, and other financial partners, Credit Karma's success heavily depends on consumer credit availability and macroeconomic conditions. During periods of economic downturn or rising interest rates (like the predicted recessionary quarter by the Atlanta Fed), lenders may tighten credit standards, resulting in fewer approved applications and reduced referral revenues for Intuit. Increased regulatory scrutiny of data usage and privacy practices like the EU's GDPR could further restrict Credit Karma's ability to monetize user information. Any decline in user engagement or partner participation could adversely affect this growing component of Intuit's overall business.

Beyond direct competition, the company must adapt to broader macroeconomic and geopolitical factors. Trade and political disputes(currently with Canada), for example, can undermine small-business confidence, ultimately diminishing the demand for QuickBooks and other Intuit products. A prolonged economic downturn might reduce small-business formation and survival rates, thereby shrinking the prospective QuickBooks customer base. Intuit's current customer base is primarily in the US, and diversified product offerings will provide some resilience but will be deeply impacted by such market conditions.

Intuit's tax business faces additional unsystematic risks arising from government-led initiatives. Numerous countries, including several in Europe, automate tax return preparation for citizens. If the United States were to adopt a comparable system, it could significantly reduce TurboTax's revenue. While the IRS has alluded to developing a free direct filing option, substantial progress under the current administration appears unlikely; however, future administrations might shift course and implement policies that challenge Intuit's tax preparation services.

Operating in the tech industry, which is defined by rapid technological change and frequent new product introductions, Intuit invests heavily in research and development, along with acquisitions, to remain competitive. Successfully integrating emerging technology, particularly artificial intelligence, has been crucial to addressing evolving consumer and business needs. This proactive stance extends across Intuit's portfolio, from QuickBooks and TurboTax to Credit Karma, ensuring the company maintains its market relevance. If the company fails to adapt it risks being quickly overrun by its competitors.

Seasonality also affects Intuit's tax revenue, which tends to concentrate between November and April, coinciding with tax filing deadlines. Unexpected changes in federal or state filing requirements can exacerbate revenue volatility during this period.

Like most software providers, Intuit faces the ongoing risk of data breaches. Especially with the advent of AI, so has the level of cybercrimes. Though the firm bolsters its cybersecurity measures, a compromise is always possible. The company introduced Agentic AI features starting in December 2024 to help combat AI threats. Nonetheless, the diversification of Intuit's product suite and its robust brand reputation would likely mitigate significant, long-term harm to the company's returns.

Finally, regulatory shifts in the European Union and Canada pose additional risks to Intuit's tax and other offerings that use customer data. Both jurisdictions have explored systems to automate or provide free public tax filing, potentially limiting demand for paid services. If these programs gain traction, the company would need to adjust its strategies in a bid to gain international market share. The EU's data privacy laws in the form of GDPR could be a problem for the firm. Combined with potential trade conflicts and broader economic uncertainties, these developments highlight the need for Intuit to remain agile in order to sustain growth and maintain its competitive position.

INDUSTRY CHARACTERISTICS

Intuit operates in the rapidly evolving financial software and fintech sector, characterized by high SaaS adoption, regulatory complexity, and intense competition. The company maintains leadership in small–business accounting and tax filing solutions, with strategic acquisitions like Credit Karma and Mailchimp. The global financial software market, valued at 112.4 billion in 2024, is projected to grow at a CAGR of 8.9% through 2030.

KEY INDUSTRY TRENDS

1. AI and Automation

Generative AI adoption has accelerated, with more than 60% of Fintechs deploying AI for tasks ranging from fraud detection (e.g., Intuit's AI-driven expense categorization) to predictive analytics. Intuit Assistant, launched in 2023, leverages natural language processing to provide real-time tax advice, reducing customer support costs by 18% YoY. However, data privacy concerns persist.

2. SaaS Dominance and Vertical Integration

Cloud-based solutions now constitute 78% of financial software revenue as businesses prioritize scalability and real-time data access. The acquisition of Credit Karma and Mailchimp by Intuit exemplifies vertical integration strategies, merging financial management with marketing and credit monitoring. This reflects broader industry efforts to create all-in-one platforms to reduce client churn and increase average revenue per user.

GROWTH DRIVERS

1. SME Digitization

Over 65% of U.S. SMEs now use cloud accounting tools, up from 42% in 2020, driven by pandemic-era remote work adoption. Intuit was able to put itself in a position to capture growth through its mobile-first design and API ecosystem, particularly among microbusinesses.

2. Customer focus approach

Intuit's ecosystem approach – bundling QuickBooks with Mail Chimp's email marketing and Credit Karma's credit monitoring – boosts the average customer lifetime value by 34% compared to standalone products. This is a strong approach to battle subscription fatigue.

TECHNOLOGICAL AND STRATEGIC OUTLOOK

The Industry seems to be relying on three major points to control the growth trajectory: Artificial Intelligence, Global expansion, and sustainability integration.

Intuit's roadmap includes AI–driven cash flow forecasting (Q3 2025) and dynamic tax optimization based on real-time legislative changes.

Intuit's presence outside of the USA is minimal. LatAm and APAC markets offer untapped growth, where less than 15% of SMEs use advanced financial tools. Although localization hurdles persist, compliance with the local regulatory and tax obligations. For ex, QuickBooks's 2024 India launch required adapting to GST compliance, delaying breakeven by 18 months.

Finally, ESG reporting tools, like Intuit's pilot carbon accounting module (2026 target), align with investors' demands to scope three emission tracking.

The graph above compares Intuit's stock performance with key benchmarks and industry peers over the past eight years. The indices included are the S&P 500 (SPX), a broad measure of the US Equity Market; the ARK Fintech Innovation ETF (ARKF), which tracks high-growth fintech companies; and the iShares expanded tech software sector (IGV), which is focused on software and service companies.

Intuit has delivered a total return of 406.15% since 2017, significantly outperforming SPX (174.46%), sector-specific ARKF (94.60%), and IGV (336.58%). This reflects Intuit's dominant financial software position and ability to capitalize on industry trends.

IGV’s robust performance underscores the strong growth in the broader software sector. Due to the alignment of Intuit with these trends, it has been able to outperform even this benchmark. Along with that, Intuit showed strong recovery in the 2022 tech correction. Intuit’s ability to outperform its peers signals the effective execution of its growth strategies, including strategic acquisitions and innovative AI-driven solutions.

FINANCIAL ANALYSIS AND VALUATION

Revenue Build:

We have forecasted an expected revenue growth of 14.73% over the next 5 years. This will be driven by their core product, the Global Business Solutions. We are bullish on all the core products and expect a higher probability of the best-case scenario to occur.

1. Global Business Solutions: We expect growth to slightly plateau this year due to the regulatory adjustments the company might have to make due to the new administration, and the growth will pick by year 3, when the policies of the new administration will shed more clarity.
2. Consumer: With evolving tax laws and complex tax-filing requirements, demand for TurboTax Premium and assistance continues to rise. Intuit is implementing AI-driven tools that simplify tax preparation, improve user experience, and increase conversion rates. This gives more reasons to be bullish on this segment.
3. Personal Finance: The biggest acquisition of Intuit, Credit Karma keeps proving to be a worthwhile investment. Their strategic approach of integrating services offered by CK with AI-powered tools keeps pushing the revenue higher. Higher consumer engagement with CK’s loan matching, credit card, and insurance offerings, which are powered by recommendations to improve the quality of credit card and loan offers, boosting customer engagement and revenues.
4. ProConnect: Intuit has been increasing its pricing for ProConnect services while adding value through automation and AI-driven tax insights. Along with that, a rise in independent tax preparers using cloud-based tax filing solutions fuels long-term growth.

Revenue Forecast Model

Net Sales		7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029
Global Business Solutions	[$mm]	4,050	4,688	6,460	8,038	9,533	11,142	13,078	15,481	18,480	22,245
Global Business Solutions Net Sales Growth	[%]		*15.75%*	*37.80%*	*24.43%*	*18.60%*	*16.88%*	*17.38%*	*18.38%*	*19.38%*	*20.38%*
Consumer	[$mm]	3,136	3,563	3,915	4,135	4,445	4,862	5,318	5,763	6,245	6,769
Consumer Net Sales Growth	[%]		*13.62%*	*9.88%*	*5.62%*	*7.50%*	*9.38%*	*9.38%*	*8.38%*	*8.38%*	*8.38%*
Personal Finance	[$mm]	-	865	1,805	1,634	1,708	1,819	1,975	2,155	2,362	2,600
Personal Finance Net Sales Growth	[%]		*N/A*	*108.67%*	*(9.47%)*	*4.53%*	*6.51%*	*8.59%*	*9.09%*	*9.59%*	*10.09%*
ProConnect	[$mm]	493	517	546	561	599	627	662	689	718	759
ProConnect Net Sales Growth	[%]		*4.87%*	*5.61%*	*2.75%*	*6.77%*	*4.75%*	*5.50%*	*4.08%*	*4.23%*	*5.73%*
Total Net Sales	**[$mm]**	**7,679**	**9,633**	**12,726**	**14,368**	**16,285**	**18,450**	**21,032**	**24,087**	**27,805**	**32,373**
Total Net Sales Growth	*[%]*		*25.45%*	*32.11%*	*12.90%*	*13.34%*	*13.3%*	*14.0%*	*14.5%*	*15.4%*	*16.4%*
											CAGR
											14.73%

Cost Build

The Cost Forecast model incorporates key assumptions that align with Intuit's strategic growth, particularly its focus on AI-driven innovations and customer acquisition.

1. Sales & Marketing Expenses: Intuit is rolling out AI-driven enhancements across QuickBooks, TurboTax, and Credit Karma. Increased marketing investments will educate users and drive the adoption of these features. As AI integration expands, Intuit would be looking for new consumers to target, possibly spending more on Marketing. Over time, AI-driven engagement increases, and marketing efficiency may increase, leading to a potential decline in expenses related to that post-2027.
2. R&D Expenses: To continue to innovate in the AI space, Intuit might be pushing investments in the research & development of such a project. Intuit is deploying Gen AI tools to automate accounting, invoicing, and business planning. The development and training of these AI models require sustained R&D spending. Assuming they continue to grow in this space, we have kept the R&D expenses rising.
3. G&A Expenses: Unlike Marketing and R&D, general expenses won't increase linearly with revenue, so we have taken a conservative approach to managing them.
4. Cost of Net Sales: Due to the structure of the variable and fixed costs faced by Intuit, we have kept the Cost relatively stable and around the average of the previous 5 years. There can be an increase in this cost in the future, but over time, it will stabilize, so keeping a conservative approach is better.

Operating Cost Forecast											
Cost of Net Sales		7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029
As a % of Net Sales											
Gross Margin	[%]	82.0%	81.0%	77.8%	74.8%	75.8%	77.7%	77.8%	77.9%	78.0%	78.0%
Cost of Net Sales	[%]	18.0%	19.0%	22.2%	25.2%	24.2%	22.3%	22.2%	22.1%	22.0%	22.0%
Total Cost of Net Sales	**[$mm]**	**(1,384)**	**(1,829)**	**(2,822)**	**(3,626)**	**(3,948)**	**(4,114)**	**(4,669)**	**(5,323)**	**(6,117)**	**(7,122)**
Sales & Marketing Expense											
As a % of Net Sales											
Sales & Marketing Expense	[%]	26.7%	27.4%	27.7%	26.2%	26.5%	27.0%	27.5%	27.0%	26.5%	26.0%
Total Marketing Expense	**[$mm]**	**(2,048)**	**(2,644)**	**(3,526)**	**(3,762)**	**(4,312)**	**(4,982)**	**(5,784)**	**(6,504)**	**(7,368)**	**(8,417)**
R&D Expense											
As a % of Net Sales											
R&D Expense	[%]	18.13%	17.42%	18.44%	17.67%	16.91%	17.9%	18.4%	19.1%	19.8%	20.5%
Total R&D Expense	**[$mm]**	**(1,392)**	**(1,678)**	**(2,347)**	**(2,539)**	**(2,754)**	**(3,303)**	**(3,870)**	**(4,601)**	**(5,505)**	**(6,636)**
G&A Expense											
As a % of Net Sales											
G&A Expense	[%]	8.8%	10.2%	11.5%	9.0%	10.1%	9.5%	9.0%	8.5%	8.5%	8.5%
Total Other Operating Expense	**[$mm]**	**(679)**	**(982)**	**(1,460)**	**(1,300)**	**(1,641)**	**(1,748)**	**(1,888)**	**(2,042)**	**(2,357)**	**(2,744)**
Total Operating Expense	**[$mm]**	**(4,119)**	**(5,304)**	**(7,333)**	**(7,601)**	**(8,707)**	**(10,033)**	**(11,542)**	**(13,146)**	**(15,231)**	**(17,797)**

Below is a snapshot of the firm's income statement, including the historical and projected values. Due to the more turbulent macroeconomic conditions, we project that the operating expenses margin will slightly increase this year. However, we expect it to stabilize even as the company expands.

Intuit's revenue is expected to grow at a steady 13.3% CAGR, primarily driven by AI adoption and subscription expansion over major products. Intuit's latest Q2 earnings confirm revenue growth in line with historical trends, supporting the bullish revenue assumptions.

Historical and Projected Income Statement										
						Projected Fiscal Years Ending July 31				
** All amounts in millions of USD except per share and multiples*	**7/31/2020**	**7/31/2021**	**7/31/2022**	**7/31/2023**	**7/31/2024**	**7/31/2025**	**7/31/2026**	**7/31/2027**	**7/31/2028**	**7/31/2029**
Gross Sales	7,679	9,633	12,726	14,368	16,285					
Net Sales	**7,679**	**9,633**	**12,726**	**14,368**	**16,285**	**18,450**	**21,032**	**24,087**	**27,805**	**32,373**
YoY Net Sales Growth		*25.4%*	*32.1%*	*12.9%*	*13.3%*	*13.3%*	*14.0%*	*14.5%*	*15.4%*	*16.4%*
Cost of Sales	(1,384)	(1,829)	(2,822)	(3,626)	(3,948)	(4,114)	(4,669)	(5,323)	(6,117)	(7,122)
Total Cost of Sales	**(1,384)**	**(1,829)**	**(2,822)**	**(3,626)**	**(3,948)**	**(4,114)**	**(4,669)**	**(5,323)**	**(6,117)**	**(7,122)**
COGS Margin %	*(18.0%)*	*(19.0%)*	*(22.2%)*	*(25.2%)*	*(24.2%)*	*(22.3%)*	*(22.2%)*	*(22.1%)*	*(22.0%)*	*(22.0%)*
Gross Margin	**6,295**	**7,804**	**9,904**	**10,742**	**12,337**	**14,336**	**16,363**	**18,764**	**21,688**	**25,251**
Gross Margin %		*81.0%*	*77.8%*	*74.8%*	*75.8%*	*77.7%*	*77.8%*	*77.9%*	*78.0%*	*78.0%*
Selling & Marketing	(2,048)	(2,644)	(3,526)	(3,762)	(4,312)	(4,982)	(5,784)	(6,504)	(7,368)	(8,417)
Research and Development	(1,392)	(1,678)	(2,347)	(2,539)	(2,754)	(3,303)	(3,870)	(4,601)	(5,505)	(6,636)
General and Administrative	(679)	(982)	(1,460)	(1,300)	(1,641)	(1,748)	(1,888)	(2,042)	(2,357)	(2,744)
Total Operating Expenses	**(4,119)**	**(5,304)**	**(7,333)**	**(7,601)**	**(8,707)**	**(10,033)**	**(11,542)**	**(13,146)**	**(15,231)**	**(17,797)**
Operating Expenses Margin %	*(53.6%)*	*(55.1%)*	*(57.6%)*	*(52.9%)*	*(53.5%)*	*(54.4%)*	*(54.9%)*	*(54.6%)*	*(54.8%)*	*(55.0%)*

In January 2025, Intuit secured a $4.5 billion revolving credit facility to fund its "5-Day Early Refund" service, enabling customers to receive tax refunds faster during peak tax season. Due to this short-term revolving credit, we have increased the interest expense for 2025 and then stabilized past that year.

EPS is projected to increase from $10.43 to $12.04 in 2025, this aligns with the revenue growth and the assumption that the diluted shares outstanding in the future are in line with the current dilution rate.

Good revenue growth with effective innovation in the products of the company is fueling the continued growth of EBITDA (below snapshot)

Operating Profit	**2,176**	**2,500**	**2,571**	**3,141**	**3,630**	**4,303**	**4,821**	**5,618**	**6,457**	**7,453**
Net Interest Expense/Income	22	56	(29)	(152)	(80)	(290)	(50)	(40)	(37)	(37)
Earnings before taxes	**2,198**	**2,556**	**2,542**	**2,989**	**3,550**	**4,013**	**4,771**	**5,578**	**6,420**	**7,416**
Provision for income taxes	(372)	(494)	(476)	(605)	(587)	(602)	(573)	(669)	(770)	(1,187)
Net income (loss)	**1,826**	**2,062**	**2,066**	**2,384**	**2,963**	**3,411**	**4,199**	**4,909**	**5,650**	**6,230**
Basic shares outstanding (mm)	261	270	280	281	280	280	279	281	282	280
Diluted shares outstanding (mm)	264	273	284	283	284	283	282	284	285	283
Diluted adjusted earnings (loss) per share attributable	$ 6.92	$ 7.55	$ 7.27	$ 8.42	$ 10.43	$ 12.04	$ 14.87	$ 17.26	$ 19.80	$ 21.98
Depreciation, amortization and impairment	218	363	746	806	789	982	1,140	1,204	1,396	1,560
Cost Of Capitalized Operating leases & other adjustments	76	-	157	123	334	134	135	136	137	138
Total EBITDA	**2,470**	**2,863**	**3,474**	**4,070**	**4,753**	**5,419**	**6,096**	**6,958**	**7,990**	**9,152**
EBITDA Margin	*32.17%*	*29.72%*	*27.30%*	*28.33%*	*29.19%*	*29.4%*	*29.0%*	*28.9%*	*28.7%*	*28.3%*

Snapshot of the Historical and the Projected Cash Flow Statement:

Historical and Projected Cash Flow Statement										
						Projected Fiscal Years Ending July 31				
	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029
Cash Flows From Operating Activities										
Net Income	1,826	2,062	2,066	2,384	2,963	3,411	4,199	4,909	5,650	6,230
Depreciation	189	166	187	160	159	244	278	318	367	427
Amortization and impairment	29	197	559	646	630	738	862	886	1,029	1,133
Stock-Based Compensation	435	753	1,308	1,712	1,940	2,198	2,506	2,869	3,312	3,856
Deferred income taxes	(179)	(42)	120	(628)	(554)	(535)	(516)	(498)	(480)	(464)
Other items	(20)	81	153	(51)	226	469	78	78	78	78
Funds from operations	**2,280**	**3,217**	**4,393**	**4,223**	**5,364**	**6,525**	**7,406**	**8,563**	**9,956**	**11,261**
Change in Trade and other receivables	62	374	432	137	147	350	367	405	448	526
Other Current Assets		(19)	73	3	61	49	33	52	75	91
Change in Trade and other payables	127	369	163	692	(348)	397	434	484	516	672
Other Current Liabilities		87	239	(122)	86	228	142	195	325	575
Change in working capital	**(65)**	**(101)**	**103**	**(430)**	**470**	**(227)**	**(176)**	**(222)**	**(318)**	**(630)**
Cash Flow from Operating Activities	**2,215**	**3,116**	**4,496**	**3,793**	**5,834**	**6,298**	**7,230**	**8,341**	**9,637**	**10,631**

We expect them to increase their intangible assets this fiscal year due to the partnerships that they have signed up with to increase their brand value, then we have forecasted a moderate capex structure considering the company's conservative approach to inorganic growth.

Funds From Investing Activities										
Net Change in Fixed and Intangibles	153	7,383	12,209	(597)	(553)	(1,107)	(421)	(434)	(473)	(550)
Net Cash from Acquisitions & Divestures	-	(3,064)	(5,682)	(33)	(83)	151	151	151	151	151
Other Investing Activities	40	(776)	490	(629)	106	146	171	196	221	246
Cash Flow from Investing Activities	**193**	**3,543**	**7,017**	**(1,259)**	**(530)**	**(810)**	**(99)**	**(87)**	**(101)**	**(153)**

Please check below; we have increased the Net Repayment of debt in 2025 due to the revolving credit undertaken by Intuit this January.

Funds From Financing Activities										
Dividends Paid	(561)	(646)	(774)	(889)	(1,034)	(1,189)	(1,379)	(1,614)	(1,888)	(2,228)
Net Repayment of Debt	2,933	(1,338)	4,882	(810)	(89)	(1,094)	(291)	315	(64)	241
Repurchase of Equity	(356)	(1,192)	(2,310)	(2,372)	(2,708)	(2,400)	(2,300)	(2,300)	(2,300)	(2,300)
Other Financing Acitvities	18	-	(66)	(198)	3,434	137	142	147	152	157
Cash Flow from Financing Activities	**2,034**	**(3,176)**	**1,732**	**(4,269)**	**(397)**	**(4,546)**	**(3,828)**	**(3,452)**	**(4,100)**	**(4,130)**

Snapshot of the Historical and the Projected Balance Sheet:

Historical and Projected Balance Sheet Statement										
						Projected Fiscal Years Ending July 31				
	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029
Assets										
Current Assets										
Trade and other receivables	149	523	955	1,092	1,239	1,589	1,956	2,361	2,808	3,334
Other Current Assets	326	307	380	383	444	493	526	578	653	745
Funds recievable and amounts held for customers	455	457	431	420	3,921	4,058	4,200	4,347	4,499	4,657
Cash and cash equivalents	7,050	3,870	3,281	3,662	4,074	5,016	8,319	13,122	18,559	24,906
Total Current Assets	7,980	5,157	5,047	5,557	9,678	11,155	15,001	20,408	26,520	33,642
Non-current Assets										
Long-term investments	19	43	98	105	131	140	174	67	51	51
Property, plant & equipment, net	960	1,160	1,437	1,438	1,420	1,361	1,294	1,217	1,128	1,024
Goodwill and intangible assets	1,682	8,865	20,797	20,199	19,664	19,849	19,196	18,503	17,669	16,762
Other LT Assets	290	291	355	481	1,239	1,303	1,218	1,136	983	829
Total Assets	**10,931**	**15,516**	**27,734**	**27,780**	**32,132**	**33,808**	**36,884**	**41,330**	**46,350**	**52,309**

There is a huge bump in the “Funds receivable and amount held for customers” and “Funds payable and amounts due to customer.” These are because of the new program of Intuit’s GBS in which they held amounts for customers for security reasons to reduce chances of frauds when their customer is paying someone.

Liabilities & Shareholders Equity										
Short-term debt	1,384	66	583	89	570	596	610	626	639	641
Trade and other Paybles	793	1,162	1,325	2,017	1,669	2,066	2,501	2,984	3,501	4,173
Other Short Term Liabilities	349	436	675	553	639	867	1,010	1,204	1,529	2,104
Funds Payable and amounts due to customers	1,003	991	1,047	1,131	4,613	4,774	4,942	5,115	5,294	5,479
Total Current Liabilities	3,529	2,655	3,630	3,790	7,491	8,304	9,062	9,930	10,963	12,396
Long-term debt	2,252	2,414	6,957	6,600	5,997	4,877	4,572	4,871	4,794	5,033
Other long-term financial liabilities	44	578	706	121	208	131	250	251	300	330
Total Liabilities	**5,825**	**5,647**	**11,293**	**10,511**	**13,696**	**13,312**	**13,884**	**15,051**	**16,057**	**17,760**
Share capital & Additional Paid in Capital	6,182	10,548	17,725	19,029	20,251	20,494	20,740	20,989	21,241	21,496
Treasury Stock	(11,929)	(12,951)	(14,805)	(16,772)	(18,750)	(19,150)	(19,712)	(19,976)	(19,976)	(19,976)
Other reserves	(32)	(24)	(60)	(55)	(54)	(59)	(59)	(59)	(59)	(59)
Retained earnings	10,885	12,296	13,581	15,067	16,989	19,211	22,031	25,325	29,087	33,088
Total Shareholders' Equity	**5,106**	**9,869**	**16,441**	**17,269**	**18,436**	**20,496**	**22,999**	**26,279**	**30,293**	**34,549**
Total Liabilities & Shareholders Equity	**10,931**	**15,516**	**27,734**	**27,780**	**32,132**	**33,808**	**36,883**	**41,330**	**46,349**	**52,309**

Competitor Analysis

Intuit’s Global Business Solutions product, due to its overarching functions, has a lot of competition in the market. The other products have relatively neutral competition. Some of the public competitors that we identified for each of the segments were the following:

Intuit (INTU) | Trading comparables - Current Figures & Historical Valuations								
INTU	**Market Cap.**	**Enterprise Value**	**Total Debt**	**Cash & S-t Inv.**	**Revenue TTM**	**EBITDA TTM**	**Earnings TTM**	**Net Debt / EV**
(all figures presented in USD millions, except per share figures or where noted)								
Global Business Solutions								
Workday (WDAY US)	69,958	66,163	3,362	7,157	8,157	835	1,646	*(5.74%)*
Adobe (ADBE)	199,724	197,894	6,056	7,886	21,505	8,744	6,462	*(0.92%)*
Oracle (ORCL)	495,592	573,396	88,624	11,311	54,933	23,324	12,073	*13.48%*
SAP	341,954	342,530	11,446	11,238	34,176	9,022	5,277	*0.06%*
Microsoft (MSFT)	3,058,638	3,089,992	102,909	71,555	261,802	148,746	93,079	*1.01%*
HubSpot (HUBS)	40,496	39,316	758	1,938	2,506	45	(12)	*(3.00%)*
Salesfroce (CRM)	310,451	309,872	12,178	12,757	37,189	11,627	6,361	*(0.19%)*
Average	645,259	659,880	32,190	17,692	60,038	28,906	17,841	*0.67%*
Consumer								
H&R Block (HRB)	7,018	9,379	2,681	320	3,620	877	536	*25.17%*
Personal Finance (Credit Karma)								
Experian PLC	45,252	50,314	5,238	265	7,301	2,519	1,098	*9.88%*
Equifax Inc.	31,360	36,323	5,133	170	5,681	1,866	713	*13.66%*
Block INC	51,190	48,476	6,091	8,805	23,862	1,645	1,617	*(5.60%)*
Average	42,601	45,038	5,487	3,080	12,281	2,010	1,143	*5.98%*
ProConnect								
Thomson Reuters	80,129	81,070	2,820	1,968	7,258	2,931	1,562	*1.05%*
Wolters Kluwer	42,993	45,890	3,742	845	5,750	1,846	1,044	*6.31%*
SS&C Technologies	21,477	28,169	7,185	567	5,882	2,076	812	*23.49%*
Average	48,199	51,710	4,582	1,127	6,297	2,284	1,139	*10.29%*
Cumulative Average	245,353	252,209	14,087	7,299	26,205	11,067	6,708	*5.65%*
Intuit	163,998	167,421	6,781	3,358	16,590	4,738	3,111	*2.04%*

Compared to its competitors, Intuit is similarly sized but maintains a more conservative debt structure, with net debt averaging less than half that of its peers. This prudent approach is further underscored by Intuit's Net Debt/EV ratio, which remains significantly below the industry average. In terms of revenue, Intuit generates about half the amount of larger tech giants like Microsoft—reasonable given its scale—although its EBITDA is less than half of the industry. A potential area for improvement.

This represents only a small part of our overall analysis. To provide a more comprehensive perspective on the company's fair value, we also relied on broader industry metrics, specifically EV multiples and price multiples. For these methods, we narrowed our comparison to Workday, Adobe, Salesforce, HR Block, Equifax, and Thomson Reuters. We kept the sample Global Business Solutions competitors larger(3), reflecting it's importance as Intuit's chief product.

EV Multiple Valuation Methods

EV Market Multiples Model									
Peer Group:	**Year**	**Intuit Inc**	**Workday**	**Adobe**	**Salesforce**	**HR Block**	**Equifax**	**Thomson Reuters**	**Peer Group Average**
(all figures presented in USD millions, except per share figures or where noted)									
Enterprise Value (EV)	**2021**	$144,806	$57,061	$302,539	$235,506	$5,777	$35,151	$58,545	$115,763
	2022	$128,609	$37,524	$207,932	$189,422	$8,273	$32,690	$59,851	$89,282
	2023	$143,491	$58,816	$253,553	$205,642	$6,312	$29,666	$63,616	$102,934
	2024	$181,432	$56,438	$237,367	$242,251	$9,038	$42,140	$76,003	$110,540
Annual Sales	**2021**	$7,679	$4,673	$15,099	$23,539	$3,414	$4,634	$6,171	$9,588
	2022	$9,633	$5,674	$17,191	$29,320	$3,463	$5,156	$6,524	$11,221
	2023	$12,726	$6,716	$18,886	$33,071	$3,472	$5,062	$6,724	$12,322
	2024	$14,368	$7,863	$20,947	$36,465	$3,610	$5,466	$7,034	$13,564
Annual EBITDA	**2021**	$2,891	$310	$6,276	$6,175	$932	$1,536	$2,775	$3,001
	2022	$3,035	$192	$6,900	$4,183	$889	$1,661	$2,516	$2,724
	2023	$3,959	$216	$7,425	$6,518	$914	$1,517	$2,914	$3,251
	2024	$4,443	$619	$7,487	$12,237	$963	$1,653	$2,756	$4,286
EV/Sales Ratio	**2021**	18.86	12.21	20.04	10.00	1.69	7.59	9.49	10.17
	2022	13.35	6.61	12.10	6.46	2.39	6.34	9.17	7.18
	2023	11.28	8.76	13.43	6.22	1.82	5.86	9.46	7.59
	2024	12.63	7.18	11.33	6.64	2.50	7.71	10.81	7.70
	Average	**14.03**	**8.69**	**14.22**	**7.33**	**2.10**	**6.87**	**9.73**	**8.16**
EV/EBITDA Ratio	**2021**	50.09	184.07	48.21	38.14	6.20	22.88	21.10	53.43
	2022	42.38	195.44	30.14	45.28	9.31	19.68	23.79	53.94
	2023	36.24	272.30	34.15	31.55	6.91	19.56	21.83	64.38
	2024	40.84	91.18	31.70	19.80	9.39	25.49	27.58	34.19
	Average	**42.39**	**185.74**	**36.05**	**33.69**	**7.95**	**21.90**	**23.57**	**24.63**

From the above table, we can observe that Intuit is overvalued using the EV/Sales ratio, only being close to fair value against Adobe. Using the EV/EBITDA ratio it would be overvalued against all comps, if you exclude Workday's extreme valuations. Using these values, the fair values can be generated as follows:

Valuations using Historical Averages	
EV/Sales	
Historical Peer Group	8.16
Historical Target Firm	14.03
Average EV/Sales	11.09
x Projected Forward Sales	$16,523
Relative EV	$183,294
- Projected Interest-Bearing Debt	$5,221
+ Projected Cash and Cash Equivalents	(4784.83)
Relative Market Value of Equity	$173,288
Relative EV/Sales Target Price	**$611.55**
EV/EBITDA	
Historical Peer Group	24.63
Historical Target Firm	42.39
Average EV/EBITDA	33.51
x Projected Forward EBITDA	$5,065
Relative EV	$169,727
- Projected Interest-Bearing Debt	$5,221
+ Projected Cash and Cash Equivalents	(4784.83)
Relative Market Value of Equity	$159,721
Relative EV/EBITDA share price	**$563.67**

These are close to the prices that the stock has been trading at over the past month. This method would suggest that the company has reached its fair value.

Price Multiples

Price Multiples Model

Peer Group:	Year	Intuit Inc		Workday		Adobe		Salesforce		HR Block		Equifax		Thomson Reuters	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Price	2021	$299.20	$529.97	$177.47	$281.36	$421.20	$625.87	$191.99	$281.25	$13.90	$26.19	$136.60	$260.61	$72.95	$109.95
	2022	$353.31	$694.66	$136.59	$300.90	$360.79	$688.37	$155.60	$309.96	$21.44	$39.96	$170.35	$297.05	$96.04	$127.96
	2023	$361.19	$511.84	$132.63	$227.12	$275.20	$546.17	$128.27	$234.37	$28.87	$48.44	$150.24	$237.81	$102.68	$138.13
	2024	$479.45	$670.27	$205.14	$307.21	$439.02	$634.76	$196.25	$316.88	$33.74	$58.07	$162.68	$279.37	$117.88	$175.79
Sales per share	2021	$35		$18.98		$31.37		$24.96		$18.08		$37.63		$12.86	
	2022	$45		$22.36		$36.19		$29.26		$20.20		$41.72		$13.82	
	2023	$51		$25.86		$41.01		$33.41		$22.08		$41.00		$14.35	
	2024	$58		$29.30		$46.16		$37.21		$25.09		$43.93		$15.51	
Earnings per share	2021	$7.56		$3.69		$13.71		$5.47		$3.39		$6.20		$2.06	
	2022	$7.28		$3.54		$12.65		$4.28		$3.51		$6.42		$1.91	
	2023	$8.42		$4.78		$14.02		$6.90		$3.82		$4.72		$3.04	
	2024	$10.43		$10.27		$16.79		$9.41		$4.39		$5.18		$3.77	
P/S Ratio	2021	8.49	15.03	9.35	14.82	13.43	19.95	7.69	11.27	0.77	1.45	3.63	6.93	5.67	8.55
	2022	7.83	15.39	6.11	13.46	9.97	19.02	5.32	10.59	1.06	1.98	4.08	7.12	6.69	8.92
	2023	7.05	9.99	5.13	8.78	6.71	13.32	3.84	7.01	1.31	2.19	3.66	5.80	7.16	9.63
	2024	8.25	11.54	7.00	10.48	9.51	13.75	5.27	8.52	1.34	2.31	3.70	6.36	7.60	11.33
	Average	**7.90**	**12.99**	**6.90**	**11.89**	**9.90**	**16.51**	**5.53**	**9.35**	**1.12**	**1.98**	**3.77**	**6.55**	**6.78**	**9.61**
P/E Ratio	2021	39.58	70.10	48.09	76.25	30.72	45.65	35.10	51.42	4.10	7.73	22.03	42.03	35.41	53.38
	2022	48.53	95.42	38.58	85.00	28.52	54.42	36.36	72.42	6.11	11.38	26.53	46.27	50.28	66.99
	2023	42.90	60.79	27.75	47.51	19.63	38.96	18.59	33.97	7.56	12.68	31.83	50.38	33.78	45.44
	2024	45.97	64.26	19.97	29.91	26.15	37.81	20.86	33.67	7.69	13.23	31.41	53.93	31.27	46.63
	Average	**44.24**	**72.64**	**33.60**	**59.67**	**26.25**	**44.21**	**27.72**	**47.87**	**6.36**	**11.25**	**27.95**	**48.15**	**37.68**	**53.11**

From the above table, we can observe that the company is slightly overvalued using the P/S multiple, with it being undervalued compared to Workday and Adobe but overvalued against the other comps. Using the P/E ratio, the company is overvalued compared to all of its competitors. Using these values, the fair value can be generated as follows:

Valuations using Historical Averages	
P/S Multiple	
Historical Peer Group	7.49
Historical Target Firm	10.45
Average P/Sales	8.97
x Projected Forward Sales	$16,523
Projected Forward Sales per share	58.31
Relative P/S Target Price	**$522.94**
P/E Multiple	
Historical Peer Group	35.32
Historical Target Firm	58.44
Average P/E	46.88
x Projected Forward EPS	19.29
Relative P/E Target Price	**$904.35**

The P/S valuation would show that the company is trading at a higher value than the fair value. Using the P/E valuation would suggest that the company is undervalued compared to the fair value.

DCF:

We can generate a reliable fair value by combining these four comparable companies ratios and the DCF values. We have generated DCF using two valuation methodologies, the EV/Sales Exit Multiple and the EV/EBITDA exit multiple. We decided to forgo the usage of terminal value methodology because of

1. Unreliable terminal growth rate: The company is seeing a resurgence as a growth stage company due to the developments in AI, and the Y-o-Y growth has only been increasing, and a stable terminal growth rate would be unreliable without further market data.
2. Reliable comps: The tech sector, which Intuit falls a part of, has a lot of public companies and data that would help us give a good estimate for what an exit multiple would be for a high-growth and high-revenue/high-EBITDA firm.

Using these methodologies, we generate a Fair value of $606.28 and $649.55 using EV/Revenue exit and EV/EBITDA exit multiples, respectively.

Analyst Recommendations: Using more than 40 analyst recommendations, we have found that the consensus target price is $716.91.

Final Valuation

We have given equal weightage to all 7 valuation methodologies that we have used for the firm.

Valuation Methodology	Low (-10%)	Median	High (+10%)	*Weights*
DCF: EV/Revenue Exit	$607.83	**$675.36**	$742.90	***14.3%***
DCF: EV/EBITDA Exit	$651.21	**$723.56**	$795.92	***14.3%***
P/Sales Multiples	$524.28	**$582.53**	$640.79	***14.3%***
P/E Multiples	$906.66	**$1,007.40**	$1,108.14	***14.3%***
EV/Sales Multiple	$613.11	**$681.23**	$749.35	***14.3%***
EV/EBITDA Multiple	$565.11	**$627.90**	$690.69	***14.3%***
Analyst Recommendation	$645.22	**$716.91**	$788.60	***14.3%***
52 Week High Low range	$557.29	**$613.84**	$714.78	
Target Price (12-Month)	$644.77	**$716.41**	$788.05	***100%***

This would give us a target price of $716.41, with the best case scenario giving $788.05 and the worst case scenario giving $644.77. These are all higher than the current price that the firm is trading at as of market close on February 28th, 2025.

We can observe all our valuation methodologies and the 52-week high-low price range in the football field below.