

# AI-01175 Price to Sales Ratio

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In a company financial statement, explain Price / Sale ratio. Why does it matters?  
List top 20 companies with a good P/S ratio in 2023-2024.

The Price/Sales (P/S) ratio is a financial metric that compares a company's stock price to its revenues. It is calculated by dividing the market capitalization of a company by its total revenue.

## Why does it matter?

The P/S ratio is a useful tool for investors because it can help them to determine whether a stock is overvalued or undervalued. A low P/S ratio may suggest that a stock is undervalued, while a high P/S ratio may suggest that it is overvalued. However, it is important to note that the P/S ratio is not the only factor that should be considered when making investment decisions. Other factors, such as the company's growth prospects, financial health, and competitive position, should also be taken into account.

## Top 20 companies with a good P/S ratio in 2023-2024:

It is important to note that the P/S ratio is a dynamic metric that can change over time. As a result, the top 20 companies with a good P/S ratio may vary from year to year. However, some companies that consistently have low P/S ratios include:

- **Berkshire Hathaway (BRK.A, BRK.B):** Berkshire Hathaway is a conglomerate that owns a wide variety of businesses, including insurance, manufacturing, and retail. The company has a long history of generating strong returns for its shareholders.
- **Johnson & Johnson (JNJ):** Johnson & Johnson is a healthcare company that manufactures a wide variety of products, including pharmaceuticals, medical

devices, and consumer health products. The company has a strong track record of growth and profitability.

- **Walmart (WMT):** Walmart is the world's largest retailer. The company has a dominant market share in the United States and is expanding its operations internationally.
- **Apple (AAPL):** Apple is a technology company that designs, manufactures, and sells smartphones, computers, tablets, and other electronic devices. The company has a strong brand name and a loyal customer base.
- **Microsoft (MSFT):** Microsoft is a software company that develops, manufactures, and licenses computer software, hardware, and services. The company is one of the world's largest technology companies.

These are just a few examples of companies with good P/S ratios. It is important to do your own research before making any investment decisions.

### **List the top companies with best price / sale ratio in Tech Sector**

Sure! Here are some tech companies that are often noted for having attractive price-to-sales (P/S) ratios:

1. **Apple Inc. (AAPL)**
2. **Microsoft Corporation (MSFT)**
3. **Alphabet Inc. (GOOGL)**
4. **NVIDIA Corporation (NVDA)**
5. **Meta Platforms, Inc. (META)**
6. **Amazon.com, Inc. (AMZN)**
7. **Salesforce, Inc. (CRM)**
8. **Adobe Inc. (ADBE)**
9. **ServiceNow, Inc. (NOW)**
10. **Shopify Inc. (SHOP)**

These companies are known for their strong revenue streams and growth potential, which can make their P/S ratios appealing to investors. However, it's

important to consider the P/S ratio alongside other financial metrics and market conditions for a comprehensive analysis.

Would you like more detailed information on any of these companies or another aspect of financial analysis?