



Rating: **BUY**

Price Target: **\$1,243.47**

PRICE CLOSE (12/3/2024): \$635.39

UPSIDE (%): 95.7%



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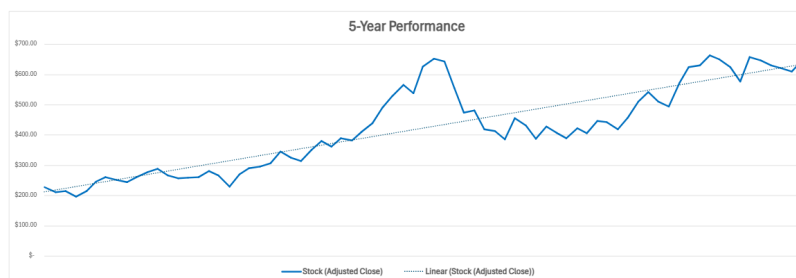
Market Data (as of 11/26/2024)

52-Week High	\$714.78
52-Week Low	\$557.29
Market Cap	179,631M
Shares outstanding (M)	280.3M
Beta	1.162
P/E Ratio	58.93
EV/EBITDA	36.80

Intuit, Inc.

Information Technology — Nasdaq Ticker: (INTU)

November 26, 2024



Executive Summary

Intuit, Inc., is a leading developer of software used for small business accounting, and consumer tax preparation. Headquartered in Mountain View, California, Intuit serves over 100 million customers worldwide with locations in the US, Canada, the UK, Australia, India, Israel, and other locations. The company develops and markets business and financial management software solutions for small and medium sized business, financial institutions, and retail consumers. The company helps consumers and small business to prosper by delivering financial management, compliance, and marketing products and services, through their flagship products: TurboTax for tax filling, Credit Karma for personal finance insights, QuickBooks for small business management, and Mailchimp for marketing automation. The company reported \$16.285 billion in revenue for the fiscal year 2024, a year-over-year growth of 13.3%. Intuit has grown its customer base through its customer obsession strategy; listening and observing customers to better understand their challenges, and utilize advanced technology, like AI, to create innovative solutions. The company's "Five Big Bets" guide, is a strategic offering to customers, that details the company's plans to become a global force in the AI-driven expert platform space. Intuit is heavily investing in its data and AI capabilities to deliver accelerated innovative solutions to their consumer's needs. The company has a strong hold on their existing user base and market share, despite this, Intuit faces challenges from economic volatility, regulation pressure, and increased competition with the development of advanced technologies like AI. The company' has been able to adapt to the changing application software environment, maintaining technological leadership. As the company continues to expand its global reach and implement AI capabilities, increased growth and cost efficiencies are likely to follow. Intuit, Inc. Is a large cap with a market cap of \$179.631M, currently trades on the NASDAQ exchange at \$641.73, as of the market close on November 29, 2024. The price is in the middle of the 52-week range of \$557.29-714.78, but as will be further analyzed, not nearly where it has the potential to be in the future.

Investment Thesis

Intuit is currently a **BUY**, with an expected value of **\$1,243.47**. Objectively, their financial performance and expected growth note them as being a technically undervalued company.

The company's leadership in financial technology solutions, consistent revenue growth, and commitment to developing and implementing AI tools. In Q1 of 2024 the company reported revenues of \$3.3 billion, a 10% increase year-over-year, with a net income of \$197 million, down from \$241 million year-over-year. Intuit's dominance in the tax preparation software through TurboTax and QuickBooks has made them the go-to for individual and small business owners in need of tax services. Accounting professionals prefer the company's services by far, with millions using the software; a large-scale shift is unlikely in the immediate future. Additionally, their growth in other product offerings, such as Credit Karma for personal financing and Mailchimp for marketing automation have helped diversify their client base. As the economy recovers the expectation is an increase in consumer spending which will see growth in small businesses. This would allow Intuit to leverage its well-known products with new innovative tools to attract a new wave of consumers and increased multi-service users.

As the world shifts in a cloud-based and AI-driven environment, Intuit is positioned to benefit the most within their peer group. The company has already transformed their business model, enhancing customer experiences through AI-driven attachments to their existing products. Their investments in Generative AI (GENAI) and Large Language Models (LLM) have positioned them as frontrunners in the personalized finance and tax services industry. The company's subscription-based model allows them a predictable revenue stream with little overhead to operate. As for growth, the company receives just 8% of its revenues from foreign nations, while expansion is innovative and there is a large opportunity for the company to expand into international and emerging markets. Intuit has staple products in the financial solutions industry, with increased AI capabilities, the ability to generate significant cash flow and deliver shareholder value through dividends, making it a company with solid long-term investment.

Company Overview

Operations

Intuit focuses on helping small to mid-level sized businesses with their financial management obligations. Globally, they're

driven by AI, which powers their digital platforms: TurboTax, Credit Karma, QuickBooks, and Mailchimp. Intuit's operations span various segments, each contributing notably to their total revenues. In FY2024, 58.5% of revenues were rooted in the "Small Business and Self Employed" segment of their operations, which includes the Online and Desktop Ecosystems. These sources of revenue include those from QuickBooks, Mailchimp, and other merchant payment processing services. Their "Consumer" segment was responsible for 27.3% of revenues – this segment is primarily comprised of TurboTax Online and Live services. Credit Karma is a segment of its own, representing 10.5% of revenue in 2024. The final 3.7% of revenue is derived from ProTax's online services.

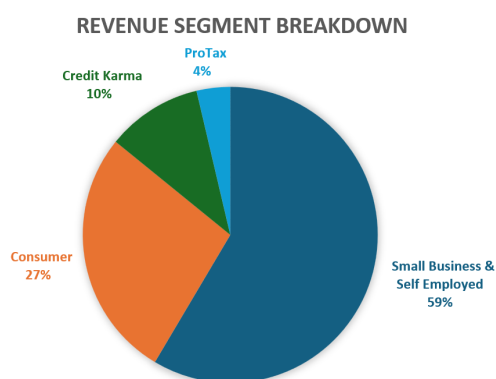


Figure 1, Source: Bloomberg FA

QuickBooks

Within the Small Business and Self-Employed segment, QuickBooks is represented in the Online Ecosystem sub-segment via QuickBooks Online, QuickBooks Live, QuickBooks Online Advanced, QuickBooks Self-Employed, QuickBooks Solopreneur financial and business management offerings, QuickBooks Online Payroll, and QuickBooks Checking. QuickBooks, generally, allows companies to track and understand their income and expense sources, prepare and file their taxes, organize payrolls, and prepare benefit and retirement plans. Intuit's goal with QuickBooks is to lower hurdles for small to mid-size businesses and make business operations more easily manageable.

TurboTax

TurboTax falls into the "Consumer" category of Intuit's revenues. Their products and services are aimed to allow small businesses and consumers alike to prepare and file their income taxes on both the state and federal level. TurboTax is intended to simplify the process, while still making sure all the necessary technical information is received. The TurboTax

“live” offerings allow customers to speak with professionals, and “live full service” allows them to have their taxes entirely prepared and filed for them by a professional.

Credit Karma

A segment of its own, Credit Karma is a platform that aims to help its customers understand their own financial situations and create plans to better their outlook. Many services offered are completely free – such as access to credit scores and reports. Credit Karma Money is a branch of the segment that offers online savings and checking accounts via FDIC insured bank partnerships. Credit Karma has many partnerships like this, working with various credit bureaus, banks, credit card issuers, insurance carriers, and other financial institutions/lending partners.

ProTax

A source of 3.7% of revenues, the ProTax segment functions in the US and Canada, offering professional tax help to professional accountants via services such as Lacerte, ProSeries, ProConnect Tax Online, ProFile, and ProTax Online. Lacerte is targeted at firms who deal with complicated tax returns, whereas ProSeries is targeted at firms who work with moderately complicated returns. ProFile and ProTax Online are Canadian services. ProTax Online is integrated into Quickbooks Online, and functions as a cloud-based service. Tax Advisor is a relatively new service, which uses AI to produce tax-planning solutions.

Mailchimp

As a part of the Small-Business and Self-Employed revenue, Mailchimp primarily focuses on organizing marketing campaigns. Mid-market businesses can use Mailchimp to promote their work digitally via email, social media, ads, website, and so on. Services include data analytics, audience tracking, creative tools, templates, and various other tools for crafting attractive campaigns.

Cyclicality and Competition

Intuit, as an infotech company, is relatively defensive, being in constant demand Year over Year, given that the majority of their services are based on tax filing. While certain aspects of their business, for example, Mailchimp, might be cyclical because of their focus (advertising), Intuit’s revenue model as a whole tends to be fairly stable. Seasonally, Intuit will see an uptick in revenues during Q3, Jan 31st to April 30th, due to an increase in tax preparations during this time.

The increased use of AI in the fintech industry has created a far more competitive environment, which has increased customer expectations, and simultaneously, the number of choices available to customers. Another potential competitive threat comes from the federal government, from whom public tax

preparation services pose potential threats. These services, recently made available to the public, have been relatively unsuccessful in deteriorating Intuit’s business. Executives from both Intuit and H&R Block (who offer comparable services) credit their continued success to the American consumer’s preference for existing systems over those run by the government, noting a general distrust for the government’s handling of taxpayer dollars.

Industry Overview

Performance vs Sector

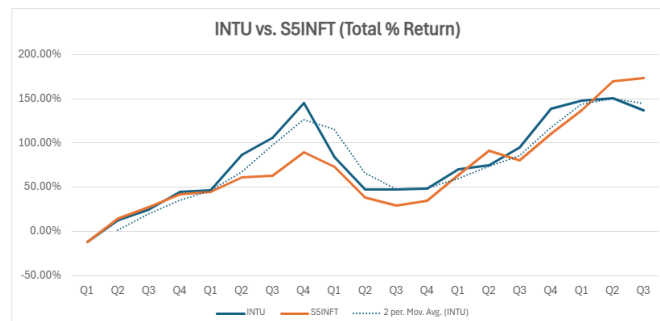


Figure 2: Sector Performance, Source: Bloomberg (COMP)

The chart compares Intuit, Inc. (INTU) with the Information Technology sector index (S5INFT). Intuit has followed a similar trend to the sector but outperformed throughout 2021, fluctuating from the sector after. The 5-year performance of Intuit fell short of that of the S5INFT but outperformed the SPX. The total return over the period for Intuit was 137.09%, while SPX followed with a total return of 92.56% and leading both was the S5INFT with a total return of 173.32%. The company's large size means it is a market maker and not a follower; its growth is largely based on economic and operational performance.

Total number of tax returns filed

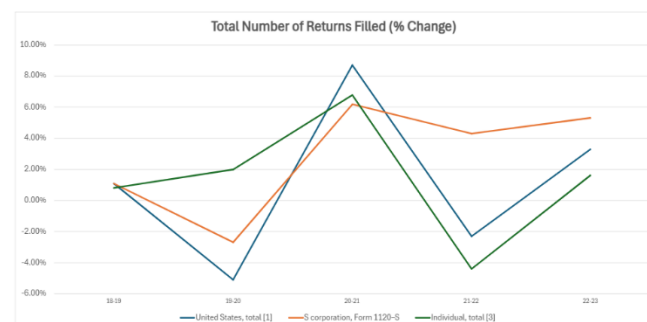


Figure 3: IRS Tax Returns

The chart above shows the change in percentage of return filed in the United States, with S Corporations and Individuals broken out. The overall returns fluctuated with a notable drop

in FY 21-22, driven by Covid-19 relief bills and changes in tax credit eligibility. In FY 22-23 all three of the categories of tax returns increased due to economic recovery following covid, and employment growth and increased efforts by the IRS to increase the number. For Intuit this could largely impact their user base, as TurboTax benefits directly from an increase in individual tax returns. As the U.S. population increases, the number of taxpayers is expected to rise, which will lead to a larger need for Intuit's services. Additionally, with the economy continuing to recover and an optimistic economic outlook, employment will increase, leading to more tax returns. The IRS projects that the number of individual tax returns is expected to continue to grow over the next several years. The company additionally receives almost half of its revenues from small businesses, mainly S corporations, which have experienced solid growth over the past five fiscal years. This growth in both individual and S corporation tax returns paired with Intuit's market share and AI initiatives, has positioned the company to capitalize on increased service needs.

Artificial Intelligence

Artificial Intelligence (AI) has significantly impacted the global landscape, transforming the Application Software sector by driving innovation, enhancing efficiency, and unlocking new revenue streams. For the broader information technology sector, AI has enhanced cybersecurity detection, offered automation of network operations, and high-speed data processing and analysis. Intuit has evolved into an AI-driven platform experience, leveraging its scale of data, data services, AI capabilities, ecosystem of applications, and large network of AI-powered virtual experts. The company's focus has been on disrupting their existing products to drive better solutions for consumers and businesses. Intuit has implemented Intuit Assist (GenAI), a financial assistant for QuickBooks, automating tasks and helping users get paid 45% faster. Through TurboTax AI features, user needs are predicted ahead of time, suggesting options and making the experience simpler. Due to the company's large scale, their massive data networks offer data-driven insights now being utilized by AI; Credi Karma recommends credit cards, loans and other personalized solutions, while QuickBooks provides detailed cash flow projections and user-friendly control settings. While Intuit has largely capitalized from the AI boom, this technology poses a serious threat to the company's core product offerings. Other financial technology companies like Xero, H&R Block and PayPal have adopted their own AI driven tools that directly compete with certain Intuit offerings. Larger organizations and the federal government have begun implementing their own

AI solutions with the potential for being capable of doing much of what Intuit currently offers. Intuit's advantages lie in their scale of operations, impressive Free Cash Flow and commitment to investing in AI to maintain market share. The company is well positioned to continue to benefit from the recent AI boom through their investments in data and AI-driven solutions, which will continue to provide them with a competitive advantage.

Economy Outlook

Overall Economic Outlook

The U.S. economy has remained resilient despite the fallout from the Covid-19 pandemic. While inflation spiked to as high as 9%, recent data suggests it is coming down. With Donald Trump coming into office there are concerns that his economic plan, which consists of an estimated \$8 trillion budget deficit and aggressive tariffs, especially on China, will reignite inflation. The former President's plan is estimated to increase domestic production and benefit companies like Intuit who are based in the U.S. making up 92% of their total revenue for the FY 2023. The economic outlook for Intuit presents both tremendous growth opportunities and growing competitive challenges. Intuit's industry and client base is dependent on small business and consumer spending. As GDP growth came in stronger than projected in the second and third quarters of 2024, there is optimism for user growth. The company's QuickBooks and Mailchimp products are sensitive to changes in GDP, due to the volatile nature of small business during economic downturns. Consumer spending data suggests that inflation is coming down and consumer spending has remained steady with the expectation for increase, as the economy recovers from the pandemic. Intuit's TurboTax and Credit Karma offerings rely on the financial wellbeing of their users, which is highly sensitive to GDP growth.

For the broader industry, the shift to digital and cloud-based solutions has been a larger driver in growth. With this accelerated change to digital and AI-solutions there are concerns of increased regulatory concerns. Additionally, within the FinTech industry, tax policy changes and data privacy laws are increasingly becoming cost drivers. The sector is very cyclical and is heavily impacted by interest rates and inflation. If inflation rises, interest rates could put pressure on small businesses and could reduce demand for industry wide services. Intuit and the industry are positioned for growth, driven by the shift to digital infrastructure and increasing need for tax and accounting services.

GDP



Figure 4: Bloomberg (GP)

Real GDP growth came in stronger than projected in the second and third quarters of 2024, following a slowdown in quarter one. While there are still concerns with the economy, the Federal Reserve is closing in on a soft-landing positioning GDP to remain stable or increase over the short-term future. Changes in GDP have direct impacts on Intuit and the broader FinTech industry due to their reliance on consumer spending, particularly on smaller businesses. Intuit's subscription-based model provides a shield during downturns and offers increased growth during upswings. For the company's TurboTax product, Intuit could capitalize on reducing tax regulation due to Trump's policies and potential economic expansion. Furthermore, the company has cut operation costs, lowered their cost of revenue ratio while increasing revenues by just under \$2.0 Billion in a time of economic uncertainty. This displays the company's potential large upside in a favorable economy. Growth periods in GDP favor smaller business and consumer spending, benefiting Intuit and the FinTech industry.

CPI

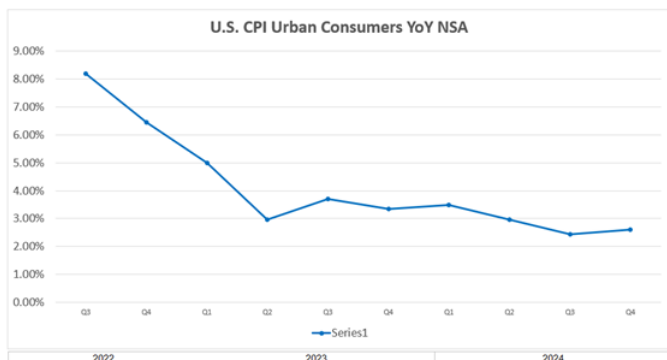


Figure 5: Bloomberg (BI)

CPI data shows an overall decline over the past seven quarters as inflation has decreased. As CPI lowers, interest rates have decreased, setting up a recovery to grow the economic environment. This has largely benefited the Fintech industry and information technology sector. Intuit's TurboTax and Credit Karma are sensitive to consumer spending but have remained resilient, increasing year-over-year over the past

decade. As CPI declines, QuickBooks and Mailchimp are expected to benefit as the number of small businesses tends to increase while existing small businesses increase their spending. Stabilizing CPI has reduced inflation, allowing companies to increase spending on R&D and AI-driven solutions at a lower rate. This is expected to increase competition in the industry where Intuit has a strong hold as far as tax software. Intuit's diversified product offerings and strong market share have positioned the company to capitalize on favorable economic conditions; with increased investments in AI and R&D at a lower cost, the company should maintain or increase its competitive advantage.

NFIB

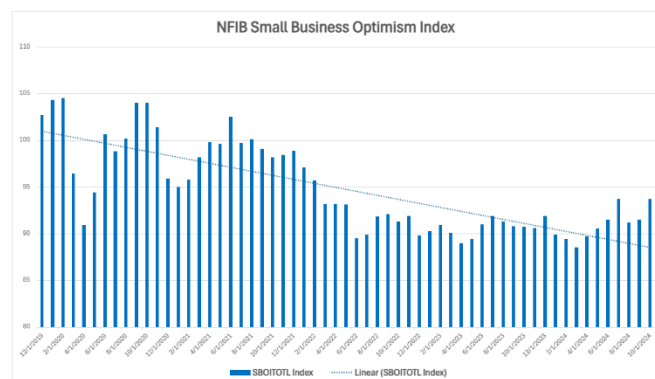


Figure 6: Bloomberg (GP)

The NFIB Small Business Optimism Index reflects small business sentiment regarding the economy. As the chart shows, optimism in small businesses has been on a linear decline from December of 2019 until April of 2024. This decline presents a challenge for the FinTech Industry as they are dependent on small businesses. For Intuit, their small business percentage of revenue declined in 2022 before growing thereafter, following a cyclical trend until recently where they grew the segment significantly. This growth shows the market share that Intuit has in its industry. During downturns in small business spending the company has a shield, while during optimistic markets the company widely outperforms, displaying the company's competitive advantage in the small business tax services, through QuickBooks and Mailchimp.

BIFCIUS Index Performance

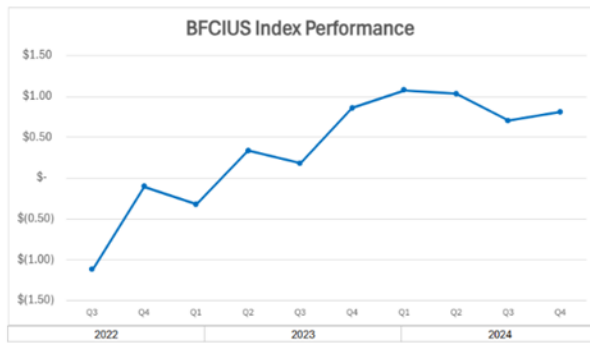


Figure 7: Bloomberg (GF)

The chart above shows the recent economic recovery post Covid-19, peaking in Q1 2024 before slightly dropping and now recovering in the latest quarter. The upward trend in the index from 2022 to 2023 indicates a continuously improving economy, which is correlated to the broader market performance over the past couple of years. Over the past year, the market has stabilized, causing some concern about a slowdown. If conditions remain stable companies may look to cut back on spending to improve margins. As the economy has recovered, many of Intuit's competitors in the information technology sector have experienced exceptional growth driven by AI. Now with the stagnant growth across the market, increased competition within the sector is expected to increase. Additionally, increased spending on infrastructure and software has been prevalent over the past couple of years, correlated to the improved economic outlook. Overall, the outlook of the BFCIUS Index is one of mixed opinions. While there is a strong recovery post covid, the economy has slowed down into a stagnant state. However, with consumer confidence slightly ticking up and inflation coming down, a favorable macroeconomic run could likely be ahead.

Porters 5

Threat of New Entrants: Low

Intuit has established themselves as the leader in U.S. accounting and tax services and is by far the preferred software amongst accounting professionals. The company benefits from a high barrier to entry due to this preference, brand reputation, large user base, and integrated product offerings. This puts their competitors in a difficult position to compete with the company across all their services, as many users tend to utilize more than one of the company's products' offerings. The industry also requires a large amount of capital and investments in AI and cloud infrastructure along with building a professional user base. While there is little threat to Intuits' product offerings, some innovative FinTech startups and small-cap companies can offer more niche offerings to

specific clients. However, Intuit has positioned themselves as the industry leader and the brand preferred by professionals in the accounting field.

Bargaining Power of Buyers: Moderate

The FinTech industry is a highly competitive market, as there are numerous options for tax preparation and personal finance offerings. Intuit has the advantage of their brand reputation and high-quality product offerings that have yet to be exactly replicated. Additionally, Intuit's cross-product integration gives them a competitive advantage amongst the many other tax preparation and personal finance tools. This is especially attractive for small businesses who often demand a cost-efficient integrated product offering like QuickBooks and TurboTax. Another advantage for the company is its strong relationship with numerous accounting firms. As the industry leader, the company produces accounting professionals that seamlessly integrate, making transitions easier with new hires. Intuit's brand reputation and unique cross-product integration have positioned the company as the leader in a competitive industry.

Bargaining Power of Suppliers: Moderate to High

Intuit relies heavily on infrastructure and software providers such as Amazon Web Services, making them dependent and susceptible to price increases. However, this industry is highly competitive, meaning Intuit has power in price negotiations. Additionally, the company's key driver is their ability to leverage AI and machine learning which is reliant on access to datasets and strategic partnerships; most of the company's data is sourced in-house, lowering this risk.

The company is also reliant on their ability to attract talent in the AI and machine learning area, a highly competitive market. Intuit's scale of operations and influence on the tax software industry allows them to have factorable terms with partners and suppliers, lowering the overall power of suppliers.

Threat of Substitutes: High

The FinTech market and tax preparation software specifically is highly competitive and constantly changing. For Intuit their main draw is their high quality, cost efficiency, and integrated product offers like TurboTax, QuickBooks, and Mailchimp. While this is attractive, small businesses and individual users can simply substitute Intuit's products with manual bookkeeping and tax filling. The misconception that the average person cannot correctly complete a tax return is something that helps Intuit's market share but could present a potential risk if consumer education and confidence in cheaper

options grows. This paired with new AI solutions and the newly released IRS “Free File” offer a plethora of substitute services at a lower cost. For Intuit, their focus remains on offering unique features that save time and encourage user retention. These substitute options offer a significantly lower cost which will resonate with consumers in economic downturns. Additionally, there are certain niche service providers that could pose a threat if they are able to take away a large enough market share of Intuit’s. Intuit’s ability to remain an industry leader will largely be dependent on their ability to keep prices competitive while improving their products.

Industry Rivalry: High

Intuit offers a diverse lineup of products and faces competition from various companies in each segment. In the Tax preparation space, the company faces notable pressure from H&R Block, TaxSlayer, Tax Act, and Jackson Hewitt. Additionally, they face pressures from AI chat bots who are advancing their ability to produce the information necessary to complete a tax return; as well as the IRS’s new “Free File” digital tax service for low-income individuals. While the threat is high, Intuit is the brand name and the go-to for most small to mid-size accounting firms and has leveraged that to gain a large share in the individual tax service market. Intuit’s large scale and commitment to sizeable long-term investments place them in a tier of their own in terms of AI development amongst their peers. There is also the threat of price competition in a rapidly growing industry. Intuit has built a strong position that leverages its multiple products to deliver an integrated solution to meet clients’ needs better than the competition.

Financial Analysis

Margins and Ratios



Financially, Intuit consistently displays symbols of health and strength, only ever beaten by Adobe, a current holding of the fund, and one that operates in a drastically different industry of the technology sector. Workday (WDAY) and Salesforce (CRM) are peers within the business-operational side of the technology sector. Workday focuses on organizing business functions such as financial management or HR management. Salesforce focuses on customer relationship management, also looking into improving marketing and sales/services for their clients. While these backgrounds have clear ties to the

operations of Intuit’s fintech segments, there’s still a clear outperformance by Intuit in basic financial metrics. While INTU has seen ROE range from approximately 15-40, WDAY has been consistently falling into the negatives, only recovering in FY 2024, and CRM has only narrowly avoided negative numbers. The same trends are seen in terms of ROA and ROIC. Important to note is Intuit’s recovery in 2024 from what had been a downward trend over the past few years. While ratios had been progressively declining since 2020, 2024 saw an uptick, proving their growth recovery, and continued room for further recovery.

Financial Forecasts

Pro Forma Income Statement			
In Millions USD except per share			
	FY 2025	Growth Rate	FY 2024
Revenues	19,652.08	20.68%	16,285.00
COGS	4,340.94		3,465.00
Gross Profit	15,311.14	19.43%	12,820.00
Operating Expenses	10,861.09		8,953.00
Operating Income	4,450.06	15.08%	3,867.00
Other Expenses	-655.56		-477.57
Earnings Before Taxes (EBT)	5,105.62		4,344.57
Income Tax Expense	1,761.44		1,381.57
Net Income	3,344.18	12.86%	2,963.00

Figure 8: Pro Forma Inc Statement, Source: Bloomberg

The Pro Forma income statement is built based on 5-year geometric growth rate averages of the emboldened categories of the statement. Looking into these rates, a growth rate of over 20% in revenues is followed up by an approximate 13% rate for net income. This suggests that the rate at which costs grow is rising by the year, slowing the growth of net income. This can be largely attributed to an increase in R&D costs targeted towards developing AI integration opportunities – a cost that will almost certainly see pay off in the coming years.

Pro Forma Balance Sheet			
In millions USD except Per Share			
	FY 2025	Change	FY 2024
Total Current Assets	10,334.42	\$656.42	9,678.00
Total Fixed Assets	23,976.96	1,522.96	22,454.00
Total Assets	34,311.38	2,179.38	32,132.00
Current Liabilities	7,491.00	-	7,491.00
Long-Term Liabilities	6,205.00	-	6,205.00
Total Liabilities	13,696.00		13,696.00
Total Equity	20,615.38	2,179.38	18,436.00
Total Liabilities & Shareholder's Equity	34,311.38	2,179.38	32,132.00

Figure 9: Pro Forma Balance Sheet, Source: Bloomberg

The Pro Forma Balance Sheet is built off of the assumptions made in the Pro Forma Income Statement. The projections also take into consideration future dividend payments – in Q1 of FY2025, Intuit paid a \$1.04 dividend, leading to the assumption of an annual dividend of \$4.16. Typically, a reduction or increase in shares outstanding is also taken into consideration, but Intuit’s historical shares outstanding have remained relatively stable, sitting in the 280M range for the past few years, despite other growth in Net Income available to shareholders and dividend payments.

Valuations

EPS Model

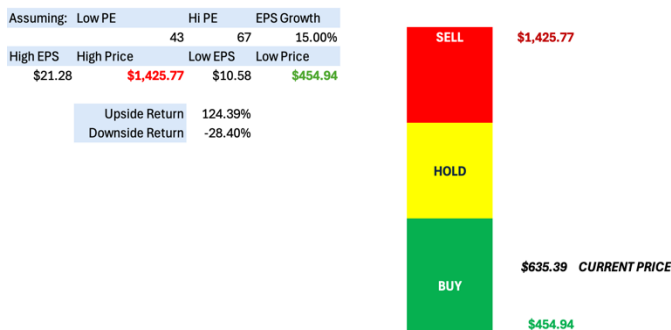


Figure 10: EPS Valuation Model, Source: Bloomberg

Using the EPS model Intuit develops a very strong **Buy** recommendation, with a high price of **\$1,425.77**, and a low of \$454.94. These prices are generated from a model based on the average low P/E of 43, and average high P/E of 67. These numbers are mildly conservative, keeping in mind the current P/E of approximately 63. Infotech, as a sector, tends to have high P/E's in general, so while this might sound like a concerningly high value, it can instead be interpreted as a signal of health. Furthermore, a P/E of 67 as an input generates a price far beyond the current price, indicating room for healthy price growth, and current undervaluation despite what seems like a high P/E.

is far below the current share price. However, when the model takes P/E into consideration, this PV jumps to **\$941.84**. This price would be a **buy**. Beyond this, Intuit has recently paid a dividend of \$1.04 for Q1 of 2024, which would theoretically mean an annual dividend of \$4.16.



Figure 12: FY2025 Projected Dividend Discount Model

Source: Bloomberg

Based on this assumed FY2025 annual dividend, the PV would then spike all the way up to **\$1,088.35** – certainly a strong **buy**. In final price valuations, the previous price calculated with the FY2024 dividends will be used, since the 2025 dividend has yet to be paid in full. This value is still interesting to look at, since it promises a continuation of growth and increasing value.

DDM Model



Figure 11: Dividend Discount Model, Source: Bloomberg

The Dividend Discount Model is a pleasant surprise in evaluating Intuit. The information technology sector is usually known for their exclusion of dividends as a form of income for investors – instead investors put their faith in value growth generating profits beyond those that could've been generated by a dividend. In the case of Intuit, that same source of value-growth-based-income can be expected, but so can a significant dividend payout. In 2024, Intuit paid an annual dividend of \$3.16. This payment, with a growth rate starting at 18% and dwindling down to 7% by year 10, alongside a long-term growth rate of 3%, generates a PV of \$122.78. Obviously, this

FCF Model

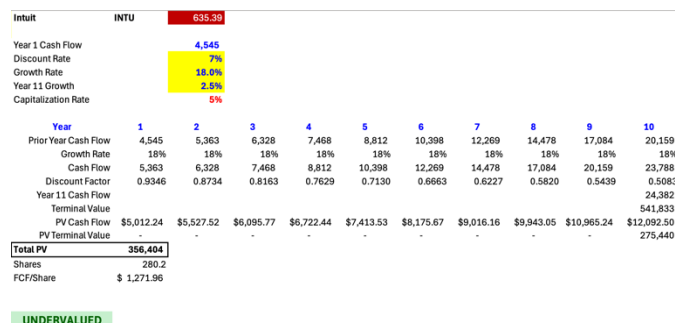


Figure 13: Free Cash Flow Model, Source: Bloomberg

The free cash flow model was developed using a growth rate of 18% for the first 10 years, and a long-term growth rate of 2.5% thereon out. Given the year 1 cash flows of \$4,545, the terminal value can be developed and PV'd back to become \$356,404 – which then, given the 280 shares outstanding, creates a PV of **\$1,271.96** per share. This puts Intuit well within the **buy** range.

Valuation Method Weighting

The final price projection calculated for Intuit is **\$1,243.27**. This price is based on a weighted average of all of the previously explained valuation methods. The Free Cash Flow model is given the heaviest weight of the three – 40%. This method seems the most transparent about genuine performance and cash generation ability in the future, so it's like the closest price target. The EPS model is the second most heavily weighted, at 35%, being an important element to consider given the Infotech sector's tendency to allow for higher PE ratios. Because of this, the assumption of a higher price due to a higher PE is not unreasonable. Finally, the Dividend Discount Model is given 25% of the weighting in the final price. The DDM is definitely less significant in the Infotech sector because dividends are so uncommon, but still given a significant stake in the price because the Intuit dividend is fairly hefty. From here the weighted average produces a price of \$1,243.27. This price is a **strong buy**, offering 95.7% upside potential.

Investment Rational

Risk

The major risk when considering Intuit as an investment opportunity is the development of AI solutions as well as the newly created IRS free tax preparation system (Free File). However, Free File will only be available for households with a maximum income of \$73,000 for 2023, with that limit expected to grow in the future. Intuit's consumer base is largely small business and individuals with higher incomes. As for the pressure Intuit faces with the ever-increasing advancement of AI, there is a real threat AI can replicate the company's product offerings, like completing a tax return soon. However, Intuit has positioned itself as the leader in their industry offering high quality products that are continuously evolving with AI-drive solutions. The company has seen strong revenue growth with an impressive cash flow, enabling the company to create innovative products to retain their existing user base.

Optimism

Intuit has shown strong revenue growth in all its core segments, while maintaining a steady cost-to-revenue ratio and an impressive Free Cash Flow. The company's strong brand reputation and widely used products in the accounting field offer them a strong user base of approximately 143 million users. With a multi-product integrated services offering, the company has a competitive advantage amongst its peers. With a dominant share of the tax preparation software market and increasing numbers of returns filed, Intuit is poised to capitalize. While there are concerns of AI and the IRS "Free File" program potentially drawing customers away, Intuit has committed to investing heavily in innovative technology to stay ahead of competitors. As tax filing demand continues to increase and consumer needs evolve, the company is in the best position within their industry to continue to grow their market share through new AI-driven tools. Intuit's market dominance, strong revenue and cash flow, integrated product offerings, and innovative AI-focus makes the company a strong BUY, with projected sustained growth and long-term shareholder value.

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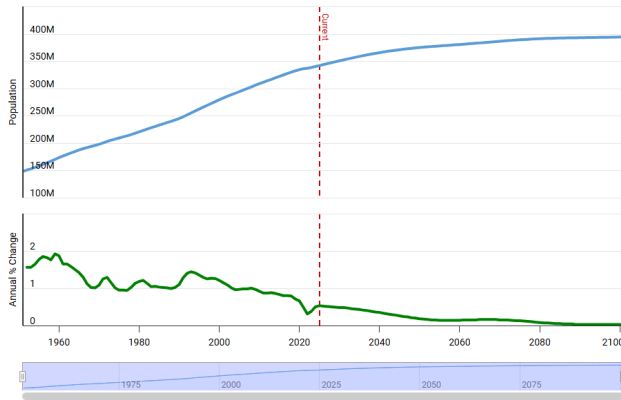
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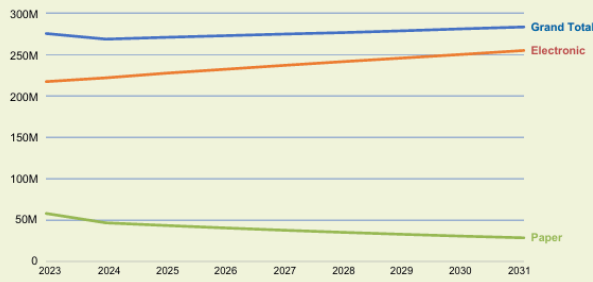
Statistics of Income Publication 6292-A 213.6 Million Electronic Filings Actual Income Tax Return Filings for FY 2023.

Appendix

Zoom 10Y 20Y 30Y All



Projections of the Number of Income Tax Returns To Be Filed, Fiscal Years 2024–2031



Note: Number of income tax returns for FY 2023 is the actual number of filings

Intuit Inc (INTU US) - BBG Adjusted								
In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Last 12M
12 Months Ending	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	10/31/2024
Net Income Available to Common, Adj	1,289.60	1,562.30	1,843.00	2,062.00	2,079.80	2,399.00	3,120.50	3,111.00
Net Abnormal Losses (Gains)	-39.4	5.3	17	0	13.6	15	157.5	192
Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0
Basic Weighted Avg Shares	255	260	261	270	280	281	280	280
Basic EPS, GAAP	5.18	5.99	6.99	7.65	7.38	8.49	10.58	10.42
Basic EPS from Cont Ops, GAAP	5.18	5.99	6.99	7.65	7.38	8.49	10.58	10.42
Basic EPS from Cont Ops, Adjusted	5.04	6.01	7.06	7.65	7.43	8.54	11.14	11.11
Diluted Weighted Avg Shares	261	264	264	273	284	283	284	283
Diluted EPS, GAAP	5.09	5.89	6.92	7.56	7.28	8.42	10.43	10.3
Diluted EPS from Cont Ops, GAAP	5.09	5.89	6.92	7.56	7.28	8.42	10.43	10.3
Diluted EPS from Cont Ops, Adjusted	4.94	5.91	6.98	7.56	7.33	8.47	10.98	10.98
Reference Items								
Accounting Standard	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	
EBITDA	1,813.00	2,079.00	2,470.00	2,883.00	3,474.00	4,071.00	4,753.00	4,738.00
EBITDA Margin (T12M)	30.06	30.85	32.17	29.72	27.3	28.33	29.19	28.56
EBIT	1,585.00	1,880.00	2,281.00	2,697.00	3,287.00	3,911.00	4,594.00	4,580.00
EBIT	1,580.00	1,854.00	2,205.00	2,500.00	2,840.00	3,153.00	3,867.00	3,839.00
Gross Margin	83.77	82.8	82.06	82.53	81.09	78.13	78.72	78.73
Operating Margin	25.89	27.33	28.71	25.95	20.74	21.94	23.75	23.14
Profit Margin	21.4	23.03	24	21.41	18.34	18.7	19.15	18.75
Current Profit								
Sales per Employee	734,756.10	721,702.13	724,433.95	713,555.55	735,606.94	789,450.55	856,223.40	
Dividends per Share	1.55	1.88	2.12	2.36	2.72	3.12	3.15	3.38
Total Cash Common Dividends	407	500	550	551	781	886	1,008.00	1,080.40
Depreciation Expense	228	199	198	195	187	180	159	170
Rental Expense	38	42	60		103	132	120	122

Source: Bloomberg

Right click to show data transparency (not supported for all val)

Intuit Inc (INTU US) - Standardized												
In Millions of USD except Per Share	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
12 Months Ending	7/31/2015	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024		
Total Assets	1,697.00	1,080.00	777	1,716.00	2,740.00	7,050.00	3,870.00	3,281.00	3,662.00	4,074.00		
+ Cash, Cash Equivalents & STI	808	638	529	1,464.00	2,116.00	6,442.00	2,562.00	2,796.00	2,843.00	3,609.00		
+ ST Investments	889	442	246	252	624	608	1,308.00	435	814	465		
+ Accounts & Notes Receiv	91	108	103	96	87	149	391	446	405	457		
+ Notes Receivable, Net	0	0	0	0	0	0	132	509	667	752		
+ Inventories	0	0	0	0	0	0	0	0	0	0		
+ Raw Materials	0	0	0	0	0	0	0	0	0	0		
+ Work In Process	0	0	0	0	0	0	0	0	0	0		
+ Finished Goods	0	0	0	0	0	0	0	0	0	0		
+ Other Inventory	0	0	0	0	0	0	0	0	0	0		
+ Other ST Assets	772	426	535	606	767	781	764	811	803	4,365.00		
+ Derivative & Hedging Assets	231	0	0	0	0	0	0	0	0	0		
+ Deferred Tax Assets	84	20	63	39	65	12	123	93	29	78		
+ Taxes Receivable	26											
+ Discontinued Operations	431	406	472	569	702	769	641	718	774	4,287.00		
+ Misc ST Assets	2,560.00	1,614.00	1,415.00	2,422.00	3,594.00	7,980.00	5,157.00	5,047.00	5,557.00	9,678.00		
Total Current Assets	682	1,031.00	1,030.00	812	780	960	1,160.00	1,437.00	1,438.00	1,420.00		
+ Property, Plant & Equip, Net	1,743.00	2,240.00	2,419.00	2,194.00	2,161.00	2,254.00	2,500.00	2,875.00	2,910.00	2,783.00		
+ Accumulated Depreciation	1,061.00	1,209.00	1,389.00	1,382.00	1,381.00	1,294.00	1,340.00	1,438.00	1,472.00	1,363.00		
+ LT Investments & Receivables	27	28	31	13	13	19	43	98	105	131		
+ LT Investments	27	28	31	13	13	19	43	98	105	131		
+ Other LT Assets	1,699.00	1,577.00	1,592.00	1,887.00	1,896.00	1,972.00	9,156.00	21,152.00	20,680.00	20,903.00		
+ Total Intangible Assets	1,353.00	1,326.00	1,317.00	1,672.00	1,709.00	1,682.00	8,865.00	20,797.00	20,199.00	19,664.00		
+ Goodwill	1,268.00	1,262.00	1,295.00	1,611.00	1,655.00	1,654.00	5,613.00	13,736.00	13,780.00	13,844.00		
+ Other Intangible Assets	87	44	22	61	54	28	3,252.00	7,061.00	6,419.00	5,820.00		
+ Deferred Tax Liabilities	0	139	132	0	0	65	0	11	64	696		
+ Derivative & Hedging Liabilities	0	0	0	0	0	0	0	0	0	0		
+ Discontinued Operations	235	0	0	0	0	0	0	0	0	0		
+ Misc LT Assets	111	112	143	215	187	225	283	344	417	541		
Total Noncurrent Assets	2,406.00	2,636.00	2,653.00	2,712.00	2,689.00	2,951.00	10,359.00	22,687.00	22,223.00	22,454.00		
Total Assets	4,968.00	4,250.00	4,068.00	5,134.00	6,283.00	10,931.00	15,516.00	27,734.00	27,780.00	32,132.00		

Intuit Inc (INTU US) - BBG Adjusted												
In Millions of USD except Per Share	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Last 12M				
12 Months Ending	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	10/31/2024				
Revenue	6,025.00	6,784.00	7,679.00	9,633.00	12,726.00	14,388.00	16,285.00	16,590.00				
+ Sales & Services Revenue	6,025.00	6,784.00	7,679.00	9,633.00	12,726.00	14,388.00	16,285.00	16,590.00				
- Cost of Revenue	978	1,167.00	1,378.00	1,883.00	2,406.00	3,143.00	3,465.00	3,528.00				
+ Cost of Goods & Services	963	1,147.00	1,356.00	1,833.00	2,289.00	2,860.00	3,319.00	3,363.00				
+ Depreciation & Amortization	15	20	22	50	146	163	146	145				
Gross Profit	5,047.00	5,617.00	6,301.00	7,750.00	10,320.00	11,225.00	12,820.00	13,062.00				
+ Other Operating Income	0	0	0	0	0	0	0	0				
- Operating Expenses	3,487.00	3,763.00	4,096.00	5,450.00	7,880.00	8,072.00	8,953.00	9,223.00				
+ Selling, General & Admin	2,295.00	2,624.00	2,727.00	3,826.00	4,988.00	5,062.00	5,730.00	5,975.00				
+ Selling & Marketing	1,631.00	1,927.00	2,048.00	2,844.00	3,528.00	3,782.00	4,312.00	4,505.00				
+ General & Administrative	654	597	679	882	1,460.00	1,300.00	1,418.00	1,470.00				
+ Research & Development	1,188.00	1,233.00	1,392.00	1,876.00	2,347.00	2,539.00	2,754.00	2,778.00				
+ Other Operating Expense	6	5	23	145	347	471	469	470				
Operating Income (Loss)	1,560.00	1,854.00	2,205.00	2,500.00	2,640.00	3,153.00	3,567.00	3,839.00				
- Non-Operating (Income) Loss	-12	-33	-27	-56	78	143	80	54				
+ Interest Expense, Net	2	-31	-25	29	66	142	65	82				
+ Interest Expense	20	15	14	29	81	248	242	237				
+ Interest Income	18	46	39	0	18	108	147	155				
+ Foreign Exch (Gain) Loss	0	0	0	0	0	0	0	0				
+ (Income) Loss from Affiliates	-14	-2	-2	-85	12	1	-15	-28				
+ Other Non-Op (Income) Loss	1,572.00	1,887.00	2,232.00	2,556.00	2,562.00	3,010.00	3,787.00	3,785.00				
Pretax Income (Loss), Adjusted	0	0	34	0	20	21	237	236				
- Abnormal Losses (Gains)	0	0	29	38	66	4	5	9				
+ Merger/Acquisition Expense	0	0	0	0	0	0	0	0				
+ Disposal of Assets	0	0	0	0	0	0	0	0				
+ Impairment of Intangibles	0	0	0	0	0	0	0	0				
+ Gain/Loss on Sale/Acquisition of Business	0	0	0	0	0	0	0	0				
+ Restructuring	0	0	0	0	0	0	0	0				
+ Sale of Investments	0	0	0	-15	-46	0	223	232				
+ Other Abnormal Items	0	0	0	0	0	0	0	0				
Pretax Income (Loss), GAAP	1,566.00	1,881.00	2,198.00	2,556.00	2,542.00	2,989.00	3,550.00	3,499.00				
- Income Tax Expense (Benefit)	237	324	372	494	476	605	587	580				
+ Current Income Tax	249	352	472			1,264.00	1,222.00					
+ Deferred Income Tax	-12	-28	-100			-556	-835					
Income (Loss) from Cont Ops	1,329.00	1,557.00	1,826.00	2,062.00	2,066.00	2,384.00	2,963.00	2,919.00				
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0				
+ Discontinued Operations	0	0	0	0	0	0	0	0				
+ XO & Accounting Changes	0	0	0	0	0	0	0	0				
Income (Loss) Incl. MI	1,329.00	1,557.00	1,826.00	2,062.00	2,066.00	2,384.00	2,963.00	2,919.00				
- Minority Interest	0	0	0	0	0	0	0	0				
Net Income, GAAP	1,329.00	1,557.00	1,826.00	2,062.00	2,066.00	2,384.00	2,963.00	2,919.00				
- Preferred Dividends	0	0	0	0	0	0	0	0				
- Other Adjustments	0	0	0	0	0	0	0	0				
Net Income Available to Common, GAAP	1,329.00	1,557.00	1,826.00	2,062.00	2,066.00	2,384.00	2,963.00	2,919.00				

Important Disclosure appears on the last page of this report

Intuit Inc (INTU US) - Standardized												
In Millions of USD except Per Share	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
12 Months Ending	7/31/2015	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024		
Liabilities & Shareholders' Equity												
+ Payables & Accruals	483	404	466	557	666	793	1,182.00	1,325.00	2,017.00	1,899.00		
+ Accounts Payable	190	184	167	178	274	305	623	737	838	721		
+ Accrued Taxes	0	0	0	0	0	0	0	0	666	8		
+ Interest & Dividends Payable	10	21	9	10	7	6	9	12	16	19		
+ Other Payables & Accruals	283	289	300	369	385	482	530	576	695	921		
+ ST Debt	0	512	50	50	50	1,384.00	50	583	89	570		
+ ST Borrowings	0	512	50	50	50	1,338.00	0	499	0	0		
+ ST Lease Liabilities	0	0	0	0	0	45	66	84	89	71		
+ ST Finance Leases	0	0	0	0	0	0	0	0	0	0		
+ ST Operating Leases	0	0	0	0	0	45	66	84	89	71		
+ Current Portion of LT Debt	0	0	0	0	0	0	0	0	0	499		
+ Other ST Liabilities	1,261.00	1,245.00	1,428.00	1,138.00	1,250.00	1,352.00	1,427.00	1,722.00	1,684.00	5,252.00		
+ Deferred Revenue	691	801	887	561	619	652	694	808	921	872		
+ Derivatives & Hedging	0	0	0	0	0	0	0	0	0	0		
+ Discontinued Operations	93	0	0	0	0	0	0	0	0	0		
+ Misc ST Liabilities	477	444	541	555	631	700	743	914	763	4,380.00		
Total Current Liabilities	1,744.00	2,251.00	1,944.00	1,743.00	1,966.00	3,529.00	2,655.00	3,630.00	3,790.00	7,491.00		
+ LT Debt	500	488	438	388	398	2,252.00	2,414.00	6,957.00	8,600.00	5,987.00		
+ LT Borrowings	500	488	438	388	398	2,031.00	2,034.00	6,415.00	6,120.00	5,539.00		
+ LT Lease Liabilities	0	0	0	0	0	221	380	542	480	458		
+ LT Finance Leases	0	0	0	0	0	0	0	0	0	0		
+ LT Operating Leases	0	0	0	0	0	221	380	542	480	458		
+ Other LT Liabilities	362	350	332	187	182	44	578	706	121	208		
+ Accrued Liabilities	0	0	0	0	0	0	0	0	0	0		
+ Pension Liabilities	0	0	0	0	0	0	0	0	0	0		
+ Pensions	0	0	0	0	0	0	0	0	0	0		
+ Other Post-Ret Benefits	0	0	0	0	0	0	0	0	0	0		
+ Deferred Revenue	152	204	202	0	0	13	8	6	5	4		
+ Deferred Tax Liabilities	107	7	7	68	37	2	525	619	4	3		
+ Derivatives & Hedging	0	0	0	0	0	0	0	0	0	0		
+ Discontinued Operations	88	0	0	0	0	0	0	0	0	0		
+ Misc LT Liabilities	65	139	123	119	145	29	45	81	112	201		
Total Noncurrent Liabilities	892	838	770	575	568	2,296.00	2,992.00	7,663.00	6,721.00	6,205.00		
Total Liabilities	2,636.00	3,089.00	2,714.00	2,318.00	2,534.00	5,825.00	5,647.00	11,293.00	10,511.00	13,696.00		
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0		
+ Share Capital & APIC	4,010.00	4,445.00	4,857.00	5,338.00	5,775.00	6,182.00	10,548.00	17,725.00	19,029.00	20,251.00		
+ Common Stock	3	3	3	3	3	3	3	3	3	3		
+ Additional Paid in Capital	4,007.00	4,442.00	4,854.00	5,335.00	5,772.00	6,179.00	10,545.00	17,722.00	19,026.00	20,248.00		
- Treasury Stock	7,875.00	9,939.00	10,778.00	11,050.00	11,611.00	11,929.00	12,651.00	14,805.00	16,772.00	18,750.00		
+ Retained Earnings	6,027.00	6,887.00	7,297.00	8,564.00	8,821.00	10,885.00	12,296.00	13,581.00	15,057.00	16,989.00		
+ Other Equity	-30	-32	-22	-36	-36	-32	-24	-80	-55	-54		
Equity Before Minority Interest	2,332.00	1,161.00	1,354.00	2,816.00	3,749.00	5,106.00	9,869.00	16,441.00	17,269.00	18,436.00		
+ Minority/Non Controlling Interest	0	0	0	0	0	0	0	0	0	0		
Total Equity	2,332.00	1,161.00	1,354.00	2,816.00	3,749.00	5,106.00	9,869.00	16,441.00	17,269.00	18,436.00		
Total Liabilities & Equity	4,968.00	4,250.00	4,068.00	5,134.00	6,283.00	10,931.00	15,516.00	27,734.00	27,780.00	32,132.00		

Intuit Inc (INTU US) - Standardized												
In Millions of USD except Per Share	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
12 Months Ending	7/31/2015	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024		
Reference Items												
Accounting Standard	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP		
Shares Outstanding	277.7	257.9	255.7	258.6	260.2	273.2	273.2	281.9	280.4	280.3		
Pension Obligations	0	0	0	0	0	0	0	0	0	0		
Future Minimum Operating Lease Obligations	509	347	297	326	295	291	481	728	660	607		
Capital Leases - Total	0	0	0	0	0	0	0	0	0	0		
Options Granted During Period	2	2.6	1.8	0.5	0.5	0.4	0.3	0.4	0.4	0.3		
Options Outstanding at Period End	6.7	8.3	7.5	5.2	3.4	2.7	2.2	2.3	2.1	1.8		
Net Debt	-1,197.00	-80	-289	-1,278.00	-2,304.00	-3,414.00	-1,399.00	4,259.00	3,027.00	2,493.00		
Net Debt to Equity	-51.33	-6.99	-21.34	-45.38	-61.46	-65.95	-14.09	25.9	17.53	13.52		
Tangible Common Equity Ratio	27.08	-5.64	1.35	33.04	44.6	37.02	15.1	-62.79	-39.65	-9.85		
Current Ratio	1.47	0.72	0.73	1.39	1.83	2.26	1.94	1.39	1.47	1.29		
Cash Held Overseas	170	198	248.6	252	624	608	1,308.00	485	814	465		
Number of Employees	7,700.00	7,900.00	8,200.00	8,200.00	9,400.00	10,600.00	13,500.00	17,300.00	18,200.00	18,800.00		

Source: Bloomberg

Right click to show data transparency (not supported for)

Intuit Inc (INTU US) - Standardized												
In Millions of USD except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Last 12M		
12 Months Ending	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	10/31/2024		
Cash from Financing Activities												
+ Dividends Paid	-318	-353	-467	-501	-561	-646	-774	-889	-1,034.00	-1,070.00		
+ Cash From (Repayment) Debt	500	-512	-58	-2	2,933.00	-1,338.00	4,862.00	-810	49	240		
+ Cash From (Repay) ST Debt	0	0	0	0	0	0	0	199	155	170		
+ Cash From LT Debt	0	0	0	0	0	0	0	0	4,056.00	295		
+ Repayments of LT Debt	-2,175.00	-766	-176	-523	-356	-1,192.00	-2,310.00	-2,372.00	-2,708.00	-2,704.00		
+ Cash (Repurchase) of Equity	0	197	226	295	294	211	196	162	226	262		
+ Increase in Capital Stock	-2,372.00	-992	-471	-807	-567	-1,388.00	-2,472.00	-2,600.00	-2,990.00	-2,990.00		
+ Other Financing Activities	-6	-1	-1	61	18	0	-66	-196	3,434.00	3,049.00		
+ Net Cash From Disc Ops	-1,999.00	-1,632.00	-834	-965	2,034.00	-3,176.00	1,732.00	-4,269.00	-397	-485		
Effect of Foreign Exchange Rates												
	-2	9	-11	-3	-6	13	-22	0	-13	4		
Net Changes in Cash												
	-170	-41	930	721	4,345.00	-3,878.00	178	-145	4,247.00	4,237.00		
Cash Paid for Taxes												
	389	430	245	325	493	578	303	484	1,881.00			
Cash Paid for Interest												
	37	42	19	17	14	30	67	272	200			

Intuit Inc (INTU US) - Standardized											
In Millions of USD except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Last 12M	
12 Months Ending	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	10/31/2024	
Cash from Operating Activities											
+ Net Income	979	985	1,329.00	1,557.00	1,826.00	2,062.00	2,066.00	2,384.00	2,963.00	2,919.00	
+ Depreciation & Amortization	238	236	253	225	218	363	746	806	789	799	
+ Non-Cash Items	405	356	466	418	236	792	1,581.00	1,033.00	1,612.00	1,652.00	
+ Stock-Based Compensation	340	326	382	401	435	753	1,308.00	1,712.00	1,940.00	1,950.00	
+ Deferred Income Taxes	70	17	-5	-7	-179	-42	120	-628	-554	-519	
+ Other Non-Cash Adj	-5	13	89	24	-20	81	153	-51	226	215	
+ Chg in Non-Cash Work Cap	192	22	64	124	134	33	-504	823	-480	-27	
+ (Inc) Dec in Accts Receiv	-20	5	5	11	-59	-104	-31	42	-52	-54	
+ (Inc) Dec in Inventories	0	0	0	0	0	0	0	0	0	0	
+ Inc (Dec) in Accts Payable	-23	0	12	90	33	206	-95	-97	133	63	
+ Inc (Dec) in Other	235	17	47	23	160	-69	-378	878	-561	-36	
+ Net Cash From Disc Ops	-354	0	0	0	0	0	0	0	0	0	
Cash from Operating Activities	1,460.00	1,599.00	2,112.00	2,324.00	2,414.00	3,250.00	3,889.00	5,046.00	4,884.00	5,343.00	
Cash from Investing Activities											
+ Change in Fixed & Intang	-522	-230	-124	-155	-137	-125	-229	-260	-250	-199	
+ Disp in Fixed & Intang	0	0	0	0	0	0	0	0	0	0	
+ Disp of Fixed Prod Assets	0	0	0	0	0	0	0	0	0	0	
+ Disp of Intangible Assets	0	0	0	0	0	0	0	0	0	0	
+ Acq of Fixed & Intang	-522	-230	-124	-155	-137	-125	-229	-260	-250	-199	
+ Acq of Fixed Prod Assets	-522	-230	-124	-155	-137	-125	-229	-260	-250	-199	
+ Acq of Intangible Assets	0	0	0	0	0	0	0	0	0	0	
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0	
+ Dec in LT Investment	0	0	0	0	0	0	0	0	0	0	
+ Inc in LT Investment	0	0	0	0	0	0	0	0	0	0	
+ Net Cash From Acq & Div	463	0	0	0	0	-3,064.00	-5,682.00	-31.00	-83	-83	
+ Cash from Divestitures	463	0	0	0	0	0	0	0	0	0	
+ Cash for Acq of Subs	0	0	0	-64	0	-3,064.00	-5,682.00	-33	-83	-83	
+ Cash for Acq of Svcs	0	0	0	0	0	0	0	0	0	0	
+ Other Investing Activities	430	213	-413	-416	40	-776	400	-629	106	423	
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0	
Cash from Investing Activities	371	-17	-537	-836	-97	-3,965.00	-5,421.00	-822	-227	-445	

Intuit Inc (INTU US) - Standardized										
In Millions of USD except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Limit 12M
12 Months Ending	7/31/2016	7/31/2017	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	10/01/2024
Reference Items										
EBITDA	1,480.00	1,654.00	1,813.00	2,079.00	2,441.00	2,863.00	3,405.00	4,059.00	4,516.00	4,493.00
Trailing 12M EBITDA Margin	31.53	31.83	30.09	30.05	31.79	29.72	26.76	28.25	27.73	27.08
Net Cash Paid for Acquisitions	0	0	—	64	0	3,064.00	5,682.00	33	83	—
Tax Benefit from Stock Options	59	—	—	—	—	—	—	—	—	—
Free Cash Flow	936	1,369.00	1,968.00	2,169.00	2,277.00	3,125.00	3,660.00	4,786.00	4,634.00	5,144.00
Free Cash Flow to Firm	961.4	1,391.00	2,005.00	2,161.40	2,280.60	3,148.40	3,725.80	4,983.80	4,836.00	5,353.10
Free Cash Flow to Equity	1,438.00	857	1,938.00	2,167.00	5,210.00	1,787.00	8,542.00	3,976.00	4,545.00	5,384.00
Free Cash Flow per Basic Share	3.58	5.33	7.77	8.34	8.72	11.57	13.07	17.03	16.55	18.37
Price to Free Cash Flow	31	25.76	26.3	33.34	35.12	45.79	34.9	30.04	39.11	34.86
Cash Flow to Net Income	1.45	1.62	1.58	1.48	1.32	1.56	1.88	2.12	1.65	1.84

Source: Bloomberg

Right click to show data transparency (not supported for a

Early investments in data and AI capabilities are paying off

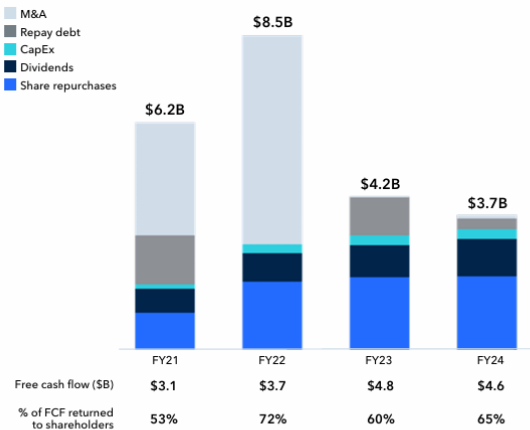
Scale of clean data	95 Petabytes of data in the data lake	60B Machine learning predictions per day
Data and AI infrastructure investments to maintain customer attributes	60K Tax and financial attributes per consumer	580K Customer/financial attributes per SMB
Dynamic usage of large language models (LLMs)	10+ LLM models available to developers	12M Total peak monthly Intuit Assist interactions

Durable advantage has led to innovation like Intuit Assist, available to 30M+ consumers and 1M small and mid-market businesses

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We have a track record of disciplined capital allocation



INTUIT Note: FY23-24 free cash flow reflects a \$710M shift of tax payment from FY23 to Q1 FY24, due to IRS disaster-area tax relief; adjusted for the tax payment shift, 70% of \$4.1B free cash flow was returned to shareholders in FY23 and 57% of \$5.3B free cash flow returned to shareholders in FY24.

Strong revenue growth and margin expansion in FY24

			GROWTH RATE	
	ACTUAL	PRIOR YEAR	ACTUAL	ORIGINAL GUIDANCE
Revenue	\$16,285	\$14,368	13%	11%-12%
GAAP operating income	\$3,630	\$3,141	16%	15%-18%
Non-GAAP operating income	\$6,402	\$5,503	16%	12%-14%
GAAP diluted EPS	\$10.43	\$8.42	24%	11%-15%
Non-GAAP diluted EPS	\$16.94	\$14.40	18%	12%-14%

\$ in millions except EPS.

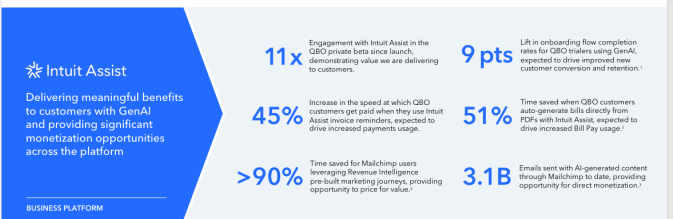
Large market opportunity



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AI expected to create meaningful long-term acceleration



INTUIT 1. Results indicated are from beta-test populations of fewer than 1,000 users vs. comparable control population. Actual results at scale may differ.
2. Time saved is based on median time to complete task with and without AI-driven automation.
3. Based on Intuit AI Assistant feature for December 2023 - August 2024.

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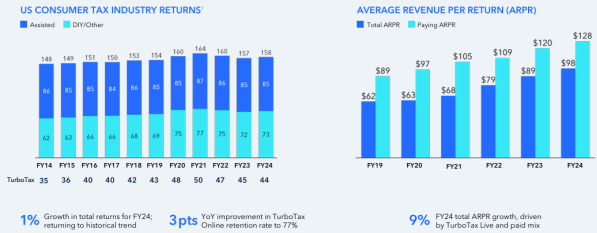
Our GenAI-powered workforce drives velocity



INTUIT Metrics on the right-hand side of the slide including in-product discovery, marketing, and communications are based on initial experiments.

Strength and momentum in a massive Tax category

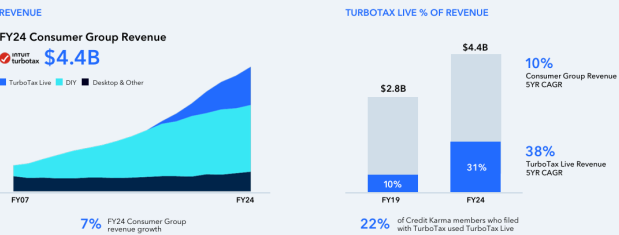
Providing a superior experience, confidence, and value to consumer and business tax filers



INTUIT 1. FY23 and FY24 ARPR returns estimated based on internal Consumer Group projections.

TurboTax Live is an engine for growth

Encouraging progress in expert services and penetrating Assisted Tax



INTUIT

Credit Karma returned to growth in FY24

Strong momentum over the course of the most recent fiscal year

	FY21	FY22	FY23	FY24
Members	121M	129M	136M	143M
Average Monthly Active Users (MAUs)	41M	42M	42M	43M
Frequency (Usage)	4.8x	5.0x	5.1x	5.0x
Average Revenue per MAU	\$28	\$43	\$39	\$40
Driven by growth in: Frequency of visits, Transactions/MAU, Revenue/Transaction				
TOTAL REVENUE	\$1.1B	\$1.8B	\$1.6B	\$1.7B
YoY Growth	+37%	+58%	(9%)	+5%

Improving revenue results in FY24

Q1

\$405M (5%) YoY

Q2

\$375M 0% YoY

Q3

\$443M +8% YoY

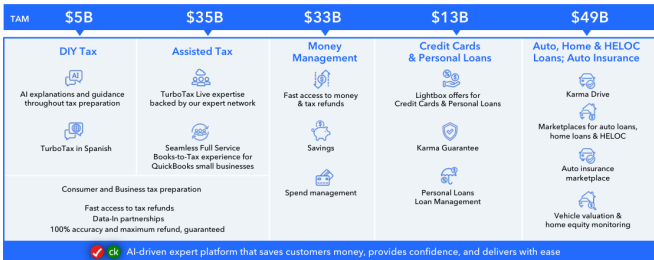
Q4

\$485M +14% YoY

INTUIT

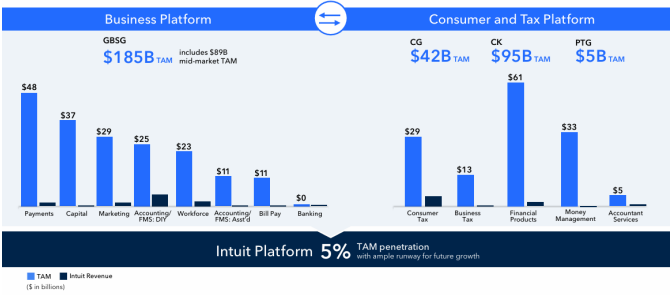
We have significant runway across a \$135B TAM

Offering customers an integrated suite of tax and financial solutions



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We have a large opportunity across a \$326B TAM



INTUIT Note: Due to rounding, numbers on the page do not sum to \$326B.

FY25 Strategic Priorities

Win in DIY Tax

- Win on price for simple filers
- Accelerate growth with complex
- Fastest refund access

Disrupt Assisted Tax

- Ignite demand
- Breakthrough adoption
- Business tax

One Consumer Platform

- Drive engagement
- Accelerate money benefits
- Grow in Prime and Insurance¹

AI-DRIVEN EXPERT PLATFORM

INTUIT 1. Prime members are Credit Karma members with a credit score of 720+.

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