

# TECHCORP FINANCIAL REPORT - Q4 2023

## EXECUTIVE SUMMARY

TechCorp Inc. delivered strong financial performance in Q4 2023, with record quarterly revenue of \$2.8 billion, representing a 15% increase compared to Q4 2022. The company's focus on innovation and operational efficiency has resulted in improved profitability and market position.

## FINANCIAL HIGHLIGHTS

### Revenue Performance:

- Total Revenue: \$2.8 billion (Q4 2023) vs \$2.43 billion (Q4 2022)
- Year-over-Year Growth: 15.2%
- Product Revenue: \$2.1 billion (75% of total revenue)
- Services Revenue: \$700 million (25% of total revenue)

### Profitability Metrics:

- Gross Profit: \$1.68 billion
- Gross Margin: 60%
- Operating Income: \$560 million
- Operating Margin: 20%
- Net Income: \$420 million
- Net Margin: 15%

### Earnings Per Share:

- Diluted EPS: \$2.85 (Q4 2023) vs \$2.20 (Q4 2022)
- Growth: 29.5%

## BALANCE SHEET STRENGTH

### Assets:

- Total Assets: \$8.5 billion
- Cash and Cash Equivalents: \$1.2 billion
- Accounts Receivable: \$890 million
- Inventory: \$340 million

#### Liabilities and Equity:

- Total Liabilities: \$3.2 billion
- Total Shareholders' Equity: \$5.3 billion
- Debt-to-Equity Ratio: 0.35

## CASH FLOW STATEMENT

#### Operating Activities:

- Net Cash from Operating Activities: \$650 million
- Free Cash Flow: \$520 million

#### Investing Activities:

- Capital Expenditures: \$130 million
- Research and Development: \$280 million

#### Financing Activities:

- Dividends Paid: \$85 million
- Share Repurchases: \$200 million

## KEY FINANCIAL RATIOS

#### Liquidity Ratios:

- Current Ratio: 2.8
- Quick Ratio: 2.1
- Cash Ratio: 1.4

#### Profitability Ratios:

- Return on Assets (ROA): 12.5%
- Return on Equity (ROE): 18.2%
- Return on Investment (ROI): 15.8%

#### Efficiency Ratios:

- Asset Turnover: 0.83
- Inventory Turnover: 8.2
- Receivables Turnover: 12.5

## MARKET PERFORMANCE

#### Stock Information:

- Stock Price (End of Q4): \$145.50
- Market Capitalization: \$21.4 billion
- Price-to-Earnings (P/E) Ratio: 18.5
- Price-to-Book (P/B) Ratio: 3.2

## SEGMENT PERFORMANCE

#### Product Segment:

- Revenue: \$2.1 billion (15% YoY growth)
- Operating Margin: 22%
- Key Products: Software Solutions, Hardware Components

#### Services Segment:

- Revenue: \$700 million (18% YoY growth)
- Operating Margin: 16%
- Key Services: Consulting, Support, Cloud Services

## YEAR-OVER-YEAR ANALYSIS

#### Revenue Growth Drivers:

- Increased demand for cloud services (+25%)
- Strong performance in international markets (+20%)
- New product launches contributing \$180 million

#### Expense Management:

- Cost of Goods Sold: \$1.12 billion (40% of revenue)
- Operating Expenses: \$1.12 billion (40% of revenue)
- R&D; Investment: \$280 million (10% of revenue)

## FORWARD GUIDANCE

#### Q1 2024 Outlook:

- Expected Revenue: \$2.9 - \$3.1 billion
- Expected EPS: \$2.95 - \$3.05
- Expected Operating Margin: 19% - 21%

#### Full Year 2024 Guidance:

- Revenue Growth: 12% - 15%
- Operating Margin: 20% - 22%
- Capital Expenditures: \$500 - \$600 million

## RISK FACTORS

#### Market Risks:

- Increased competition in core markets
- Economic uncertainty affecting customer spending
- Foreign exchange rate fluctuations

#### Operational Risks:

- Supply chain disruptions
- Cybersecurity threats
- Talent acquisition and retention challenges

#### Regulatory Risks:

- Data privacy regulations
- International trade policies
- Environmental compliance requirements

## CONCLUSION

TechCorp continues to demonstrate strong financial performance with robust revenue growth, improved profitability, and solid balance sheet fundamentals. The company's strategic investments in innovation and operational efficiency position it well for continued success in 2024 and beyond.

The management team remains committed to delivering value to shareholders through sustained growth, prudent capital allocation, and maintaining industry-leading margins.

## CONTACT INFORMATION

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This report contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those projected.