

ModernGraham Valuation

Company Name:

Intuit Inc.

Company Ticker INTU

Date of Analysis

1/25/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$24,713,450,045	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	96.25%	Pass
6. Moderate PEmg Ratio	PEmg < 20	34.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	23.74	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.76	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.09	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.67
MG Growth Estimate	4.72%
MG Value	\$47.82
MG Value based on 3% Growth	\$38.66
MG Value based on 0% Growth	\$22.66
Market Implied Growth Rate	12.95%

MG Opinion

Current Price	\$91.73
% of Intrinsic Value	191.81%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.98
Graham Number	\$17.58
PEmg	34.41
Current Ratio	0.76
PB Ratio	23.74
Dividend Yield	1.14%
Number of Consecutive Years of Dividend Growth	2

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.45	Next Fiscal Year Estimate	\$2.67
Jul15	\$1.28	Jul15	\$2.30
Jul14	\$3.12	Jul14	\$2.70
Jul13	\$2.83	Jul13	\$2.36
Jul12	\$2.60	Jul12	\$2.03
Jul11	\$2.00	Jul11	\$1.68
Jul10	\$1.77	Jul10	\$1.47
Jul09	\$1.35	Jul09	\$1.30
Jul08	\$1.41	Jul08	\$1.22
Jul07	\$1.24	Jul07	\$1.08
Jul06	\$1.16	Jul06	\$0.94
Jul05	\$1.01	Jul05	\$0.74
Jul04	\$0.79	Jul04	\$0.57
Jul03	\$0.81	Jul03	\$0.48
Jul02	\$0.32	Jul02	\$0.33
Jul01	-\$0.20	Jul01	\$0.34
Jul00	\$0.73	Jul00	\$0.53
Jul99	\$0.97	Balance Sheet Information Oct15	
Jul98	\$0.02	Total Current Assets	\$1,427,000,000
Jul97	\$0.25	Total Current Liabilities	\$1,887,000,000
Jul96	-\$0.08	Long-Term Debt	\$500,000,000
		Total Assets	\$3,833,000,000
		Intangible Assets	\$1,351,000,000
		Total Liabilities	\$2,782,000,000
		Shares Outstanding (Diluted Average)	272,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Intuit Inc. Analysis – October 2015 Update \\$INTU](#)
- [Intuit Inc. Analysis – July 2015 Update \\$INTU](#)
- [Intuit Inc. Quarterly Valuation – April 2015 \\$INTU](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Intuit Inc. Quarterly Valuation – January 2015 \\$INTU](#)

Other ModernGraham posts about related companies

- [Oracle Corporation Valuation – January 2016 Update \\$ORCL](#)
- [Ansys Inc. Valuation – November 2015 Update \\$ANSS](#)
- [Yahoo! Inc. Valuation – November 2015 Update \\$YHOO](#)
- [Microsoft Corporation Valuation – November 2015 Update \\$MSFT](#)
- [Cisco Systems Inc. Valuation – November 2015 Update \\$CSCO](#)
- [Alphabet Inc. Valuation – October 2015 Update \\$GOOG \\$GOOGL](#)
- [Intuit Inc. Analysis – October 2015 Update \\$INTU](#)
- [Oracle Corporation Analysis – October 2015 Update \\$ORCL](#)
- [CA Inc. Analysis – August 2015 Update \\$CA](#)
- [The Best Companies of the Software Industry – August 2015](#)