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Stock Selection Guide

Company	Intuit		Date	05/15/19
Prepared by	ROBINS		Data taken from	BI Stock Data
Where traded	NAS	Industry	Software - Application	

Capitalization --- Outstanding Amounts		Reference		
Preferred ($M)		0.0	% Insiders	% Institution
Common (M Shares)		264.0	0.5	76.2
Debt ($M)	413.0	% to Tot Cap	12.9 % Pot Dil	1.5

Symbol: INTU

1 VISUAL ANALYSIS of Sales, Earnings, and Price

11,996

5,964

9.13

4.64

FY 2019 Q2	Sales ($M)	Earnings Per Share
Latest Quarter	1,502	0.72
Year Ago Quarter	1,165	-0.08
Percentage Change	28.9%	1,000.0%
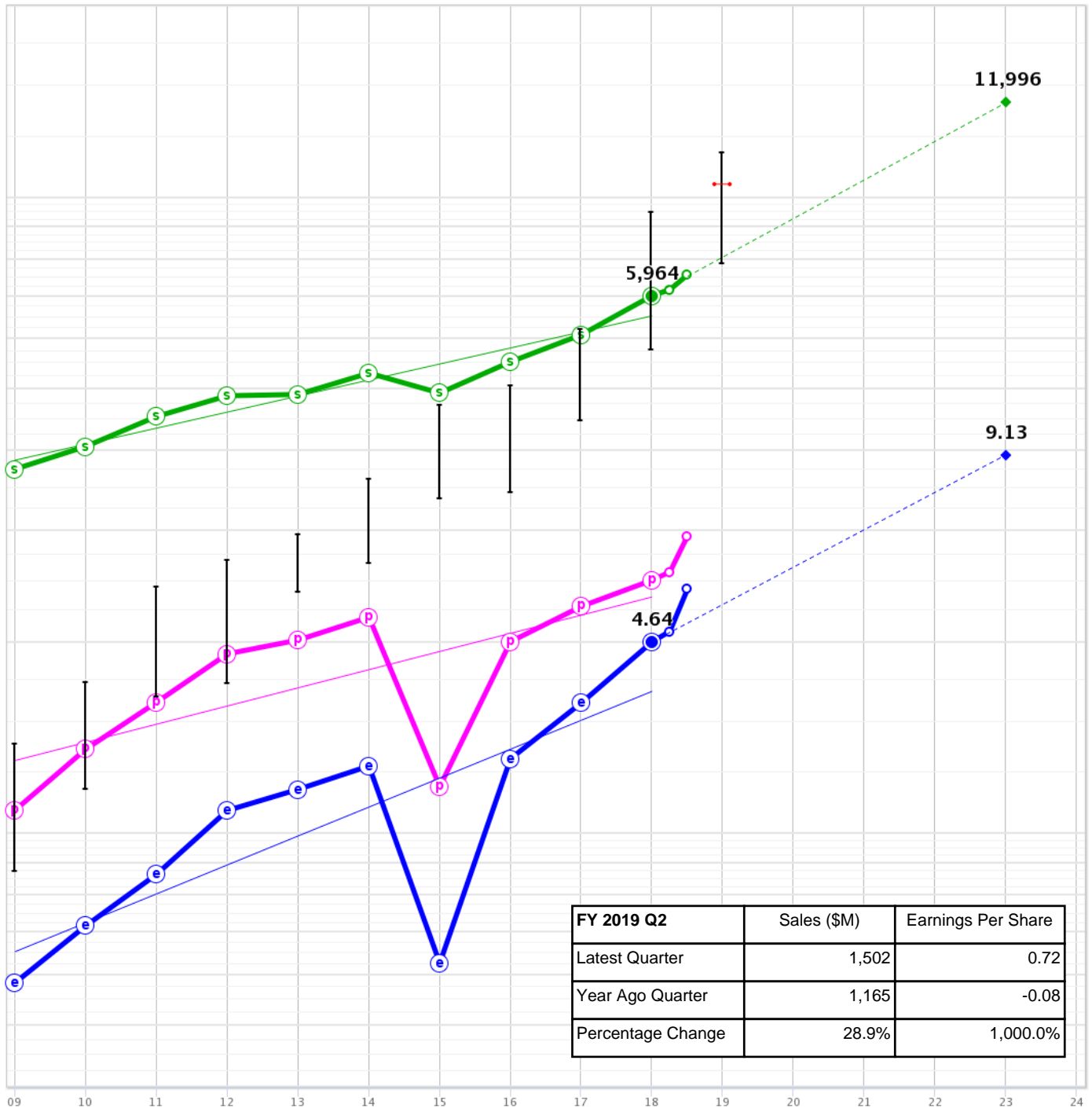
(1) Historical Sales Growth	6.0%	(3) Historical Earnings Per Share Growth	11.0%
(2) Estimated Future Sales Growth	15.0%	(4) Estimated Future Earnings Per Share Growth	14.5%

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Last 5 Year Avg.
Pre-tax Profit on Sales	20.5%	23.6%	25.1%	27.7%	29.0%	29.2%	17.0%	25.6%	26.4%	25.2%	24.7%
% Earned on Equity	17.1%	18.2%	21.3%	27.1%	22.8%	26.1%	17.4%	62.8%	56.1%	50.8%	42.6%
% Debt To Capital	28.1%	26.1%	27.6%	15.4%	12.4%	14.0%	17.7%	46.3%	26.5%	15.7%	24.0%

3 **PRICE-EARNINGS HISTORY as an indicator of the future**

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 243.14 (05/15/19) **HIGH THIS YEAR** 272.14 **LOW THIS YEAR** 182.61

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2014	83.5	61.5	2.96	28.2	20.8	0.76	25.7	1.2
2015	109.2	78.0	1.45	75.3	53.8	1.00	69.0	1.3
2016	117.0	79.6	3.04	38.5	26.2	1.20	39.5	1.5
2017	143.8	103.2	3.72	38.7	27.7	1.36	36.6	1.3
2018	219.5	133.6	4.64	47.3	28.8	1.56	33.6	1.2
AVERAGE		91.2		45.6	31.5		40.9	
CURRENT/TTM			5.62			1.88	33.5	
AVERAGE PRICE EARNINGS RATIO: 38.5					CURRENT PRICE EARNINGS RATIO: 43.3			

4 **EVALUATING RISK and REWARD over the next 5 years**

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 43.3 X Estimate High Earnings/Share 9.13 = Forecasted High Price $ 395.4

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 31.5 X Estimate Low Earnings/Share 4.64 = Forecasted Low Price $ 146.2

(b) Avg. Low Price of Last 5 Years 91.2

(c) Recent Market Low Price 103.2

(d) Price Dividend Will Support $\dfrac{\text{Indicated Dividend}}{\text{High Yield}}$ = $\dfrac{1.88}{1.51\%}$ = 124.8

Selected Forecasted Low Price $ 146.2

C ZONING using 25%-50%-25%

Forecasted High Price 395.4 Minus Forecasted Low Price 146.2 = 249.2 Range. 25% of Range 62.3

Buy Zone 146.2 to 208.5

Hold Zone 208.5 to 333.1

Sell Zone 333.1 to 395.4

Present Market Price of 243.14 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\dfrac{\text{High Price} \quad 395.4 \quad \text{Minus Present Price} \quad 243.14}{\text{Present Price} \quad 243.14 \quad \text{Minus Low Price} \quad 146.2}$ = $\dfrac{152.26}{96.94}$ = 1.6 To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\dfrac{\text{High Price} \quad 395.4}{\text{Closing Price} \quad 243.14}$ = 1.6262 X 100 = 162.62 - 100 = 62.6 % Appreciation

5 **5-YEAR POTENTIAL**

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\dfrac{\text{Indicated Annual Dividend} \quad 1.56}{\text{Closing Price} \quad 243.14}$ = 0.0077 = 0.8 % Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E   **AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast High PE}}$ = $\dfrac{40.9\%}{43.30}$ = 0.9 % $\dfrac{\text{Avg. \% Payout}}{\text{Forecast Average PE}}$ = $\dfrac{40.9\%}{37.40}$ = 1.1 %

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E   **COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E**

Annualized Appreciation	10.2 %	Annualized Appreciation	7.0 %
Average Yield	0.9 %	Average Yield	1.1 %
Annualized Rate of Return	11.2 %	Annualized Rate of Return	8.1 %