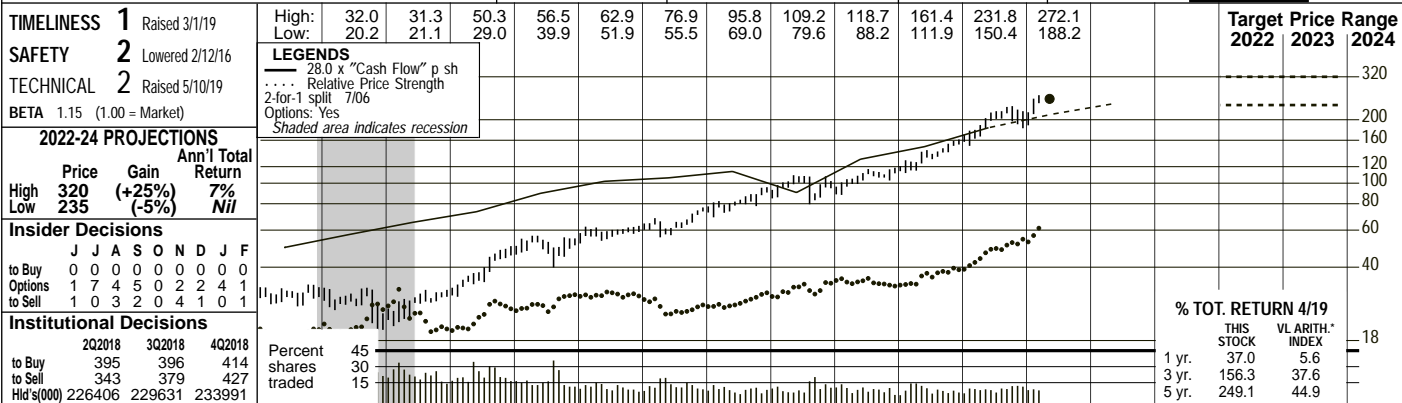


INTUIT INC. NDQ-INTU

RECENT PRICE **251.06** P/E RATIO **38.3** (Trailing: 39.0; Median: 22.0) RELATIVE P/E RATIO **2.11** DIV'D YLD **0.7%**

VALUE LINE



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
4.14	4.91	5.80	6.78	7.89	9.52	9.89	10.88	12.81	14.06	13.93	15.81	15.10	18.20	20.25	23.06	25.80	28.45	Sales per sh ^A	35.15
.92	1.04	1.32	1.55	1.77	2.04	2.33	2.62	3.20	3.65	3.79	4.06	3.23	4.65	5.34	6.55	7.60	8.55	"Cash Flow" per sh	10.85
.70	.84	1.00	1.23	1.43	1.60	1.82	2.11	2.51	2.97	3.20	3.48	2.59	3.78	4.41	5.61	6.60	7.50	Earnings per sh ^B	9.70
--	--	--	--	--	--	--	--	--	.60	.68	.76	1.00	1.20	1.36	1.56	1.88	2.20	Div's Decl'd per sh ^C	2.75
.13	.14	.11	.13	.31	.81	.41	.23	.38	.46	.43	.37	.51	1.61	.40	.48	.60	.65	Cap'l Spending per sh	.70
4.93	4.79	4.73	5.03	6.00	6.43	7.94	8.88	8.70	9.29	11.79	10.80	8.40	4.50	5.30	9.10	14.35	18.55	Book Value per sh	35.15
398.94	380.18	358.54	345.23	338.90	322.60	321.94	317.54	300.60	295.29	299.50	284.95	277.71	257.85	255.67	258.62	259.00	258.00	Common Shs Outst'g ^D	256.00
32.6	27.2	21.6	21.0	21.4	18.1	14.2	15.3	19.4	18.3	19.1	21.3	36.1	26.3	27.1	30.1	30.1	30.1	Avg Ann'l P/E Ratio	28.5
1.86	1.44	1.15	1.13	1.14	1.09	.95	.97	1.22	1.16	1.07	1.12	1.82	1.38	1.36	1.62	1.62	1.62	Relative P/E Ratio	1.60
--	--	--	--	--	--	--	--	--	1.1%	1.1%	1.0%	1.1%	1.2%	1.1%	.9%	.9%	.9%	Avg Ann'l Div'd Yield	1.0%

CAPITAL STRUCTURE as of 1/31/19				© VALUE LINE PUB. LLC																22-24	
Total Debt \$413.0 mill. Due in 5 Yrs \$413.0 mill.				3182.5	3455.0	3851.0	4151.0	4171.0	4506.0	4192.0	4694.0	5177.0	5964.0	6680	7340	Sales (\$mill) ^A	9000				
LT Debt \$363.0 mill. LT Interest \$14.1 mill.				29.4%	29.3%	30.4%	37.9%	39.2%	37.8%	31.1%	37.3%	37.6%	37.0%	37.5%	38.0%	Operating Margin	39.0%				
(Total interest coverage: over 25x) (11% of Cap'l)				149.1	148.0	164.0	171.0	166.0	144.0	157.0	195.0	214.0	228.0	235	245	Depreciation (\$mill)	270				
Leases, Uncapitalized Annual rentals \$66.0 mill.				600.9	685.0	798.0	906.0	970.0	1013.0	739.0	1004.0	1150.0	1465.0	1735	1965	Net Profit (\$mill)	2510				
No Defined Benefit Pension Plan				31.4%	33.9%	34.0%	33.5%	33.0%	34.2%	34.1%	33.8%	33.0%	26.5%	23.0%	23.0%	Income Tax Rate	23.0%				
Pfd. Stock None				18.9%	19.8%	20.7%	21.8%	23.3%	22.5%	17.6%	21.4%	22.2%	24.6%	26.0%	26.8%	Net Profit Margin	27.9%				
Common Stock 259,072,994 shs. as of 2/15/19				884.1	1074.0	449.0	258.0	1116.0	1200.0	816.0	637.0	652.9	288.0	740	915	Working Cap'l (\$mill)	1810				
MARKET CAP: \$65.0 billion (Large Cap)				998.2	998.0	499.0	499.0	499.0	499.0	500.0	488.0	438.0	388.0	365	365	Long-Term Debt (\$mill)	365				
CURRENT POSITION				2555.8	2821.0	2616.0	2744.0	3531.0	3078.0	2332.0	1161.0	1354.0	2354.0	3720	4790	Share Equity (\$mill)	9000				
2017				17.6%	18.7%	26.6%	28.7%	24.4%	28.7%	26.6%	61.9%	65.0%	53.7%	42.5%	38.0%	Return on Total Cap'l	27.0%				
2018				23.5%	24.3%	30.5%	33.0%	27.5%	32.9%	31.7%	86.5%	84.9%	62.2%	46.5%	41.0%	Return on Shr. Equity	28.0%				
2019				23.5%	24.3%	30.5%	26.5%	21.7%	25.8%	19.6%	59.1%	58.9%	44.9%	33.5%	29.0%	Retained to Com Eq	20.0%				
1/31/19				--	--	--	20%	21%	22%	38%	32%	31%	28%	28%	All Div'ds to Net Prof	28%					

SMILL.	2017	2018	1/31/19
Cash Assets	777	1716	1333
Receivables	103	98	554
Inventory (FIFO)	--	--	--
Other	535	590	757
Current Assets	1415	2404	2644
Accts Payable	157	178	400
Debt Due	50	50	50
Other	1737	1888	1551
Current Liab.	1944	2116	2001

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '16-'18
of change (per sh)	10.0%	8.5%	9.5%
Sales	12.0%	9.0%	12.0%
"Cash Flow"	12.5%	9.5%	13.0%
Earnings	--	26.5%	12.5%
Dividends	1.0%	-8.5%	33.0%
Book Value			

Fiscal Year Ends	QUARTERLY SALES (\$mill.) ^A				Full Fiscal Year
	Oct.31	Jan.31	Apr.30	Jul.31	
2016	713	923	2304	754	4694
2017	778	1016	2541	842	5177
2018	886	1165	2925	988	5964
2019	1016	1502	3250	912	6680
2020	1105	1645	3555	1032	7340

Fiscal Year Ends	EARNINGS PER SHARE ^{AB}				Full Fiscal Year
	Oct.31	Jan.31	Apr.30	Jul.31	
2016	.09	.25	3.43	.08	3.78
2017	.06	.26	3.90	.20	4.41
2018	.11	.35	4.82	.32	5.61
2019	.29	1.00	5.41	d.10	6.60
2020	.25	1.05	6.15	.05	7.50

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.25	.25	.25	.30	1.05
2016	.30	.30	.30	.34	1.24
2017	.34	.34	.34	.39	1.41
2018	.39	.39	.39	.47	1.64
2019	.47	.47	.47	.47	1.85

Intuit's stock price has risen about 25% since our February review. In fact, INTU reached an all-time high north of \$270 a share, before pulling back about 8%. The strength was partly driven by impressive 2019 fiscal second-quarter results (Year ends July 31st). Indeed, January-period sales were up sharply from the year-earlier time frame. The \$1.50 billion tally eclipsed our \$1.48 billion call, which sat at the midpoint of the company's guidance range. The improvement was led by the Small Business segment, which benefited from a 38% jump in *QuickBooks Online* subscribers, to nearly 3.9 million. The number of U.S. subscribers grew 32%, while the international customer base expanded some 56%. After factoring in a wider operating margin and less onerous tax rate, share net climbed to \$1.00, handily above our \$0.88 estimate.

We were a bit surprised that the company did not raise fiscal 2019 guidance. This was likely due to a slow start to tax season, given code changes and the government shutdown. Still, we think management is being overly conservative, and have lifted our sales and share-profit

forecasts by \$80 million and \$0.05, respectively. Both figures are a bit higher than the company's expected ranges. For fiscal 2020, we are introducing respective top- and bottom-line projections of \$7.34 billion and \$7.50 a share, which translate to gains of about 10% and 14%. Meantime. . . **Despite a relatively high valuation versus historical yardsticks, Intuit was active on the share-repurchase front in the January quarter.** It bought back \$177 million of stock in the period, bringing the six-month total to \$274 million. As of January 31st, \$3 billion remained on the current authorization. **This equity has ascended to the top of our recommended list (Timeliness: 1).** This suggests that the shares may have more room to run over the next six to 12 months. Looking further out, assuming further traction with online services, we think double-digit annualized bottom-line growth is achievable over the stretch to 2022-2024. Still, INTU's rather prolific run-up of late has taken a sizable bite out of its long-term upside potential, even on a risk-adjusted basis (Safety: 2).

Michael Lavery
May 10, 2019

(A) Fiscal year ends July 31st. (B) Based on dil. shs. Excl. n/r gains/(losses): '03, (15c); '06, (18c); '07, (18c); '08, (27c); '09, (47c); '10, (45c); '11, (51c); '12, (45c); '13, (49c); '14, (52c); '15, (\$1.14); '16, (74c); '17, (69c); '18, (97c). Excl. disc. ops.: '03, 38c; '06, 11c; '07, (1c); '08, 8c; '10, 11c; '12, 8c; '13, 12c; '14, 16c; '15, (17c); '16, 65c. Figures may not sum due to change in share count. Next eggs report due late May. (C) Div's typically paid in early Jan., Apr., Jul., and Oct. (D) In mill., adjusted for stock split.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	100
Earnings Predictability	70

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