



Intuit Inc (INTU) — Research Summary

Technology | Software - Application | 2026-06-25

Price: \$255.07

Signal: **BUY** (7.55/10)

Market: bull_tech

EQUITY RESEARCH SUMMARY: Intuit Inc. (INTU)

Price: \$255.07 | Market Cap: \$75.2B | 52-Week Range: \$251.72–\$804.66

1. COMPANY OVERVIEW & INVESTMENT THESIS

Intuit is a leading financial software company best known for TurboTax, QuickBooks, Credit Karma, and Mailchimp, serving consumers and small businesses. The stock is interesting now because it has fallen sharply—roughly 57% year-to-date and near its 52-week low—creating a potential value opportunity in a profitable, cash-generative franchise, even as concerns about slowing TurboTax growth and AI disruption weigh on sentiment.

2. FUNDAMENTAL SNAPSHOT

- **Valuation:** Trailing P/E of ~16.8 and a notably low forward P/E of ~10.1 suggest the market is pricing in materially slower growth or heightened risk. EV/EBITDA sits near ~11.5x (EV \$73.7B / EBITDA \$6.4B), and price-to-free-cash-flow is roughly 14x (FCF \$5.4B). These multiples are well below the premium valuations Intuit historically commanded, reflecting the recent sell-off.
- **Earnings trend:** Intuit has beaten estimates in all four of the last four quarters, including a large +26.9% surprise (Jan 2026) and a +1.8% beat in the most recent April 2026 quarter. Despite this consistency, the stock has declined, signaling that forward guidance and growth outlook—not past results—are driving the price.
- **Revenue & margins:** Revenue TTM is \$20.9B, with strong reported year-over-year growth (the April quarter showed rev of \$8.6B, up sharply). Gross margins remain excellent at ~84%, operating margin ~47% in the seasonal peak quarter, and overall profit margin of 21.9%. This is a high-quality, high-margin business.
- **Balance sheet:** Healthy and balanced—\$6.8B cash versus \$6.9B debt (essentially net neutral), with a low debt-to-equity ratio of 0.33.

3. TECHNICAL OUTLOOK

The stock is trading at the very bottom of its 52-week range (\$255 vs. a high of \$805), meaning momentum is clearly fading and the shares are in a firm downtrend. Recent price action confirms weakness—shares fell ~13% since the last earnings report and dropped ~20% after pricing issues were disclosed. **Support** is near the recent low around \$250; a break below could open further downside. **Resistance** is layered far above, with initial hurdles likely in the \$300–\$350 zone before any meaningful recovery. Any rebound would need to first stabilize at current levels.

4. NEWS & SENTIMENT

Overall sentiment: Slightly Bearish (near term) with contrarian bullish undertones.

Key themes:

- **Growth and AI concerns:** Downward revisions to TurboTax growth expectations and fears that AI tools could disrupt Intuit's core products are the primary drivers of the decline. Stifel downgraded the stock to Hold from Buy on June 17.
- **Legal overhang:** Multiple law firms (Bleichmar Fonti & Auld, Pomerantz) have announced securities investigations following a ~20% drop tied to disclosed pricing issues—an added risk investors should monitor.
- **Contrarian value narrative:** Several articles now frame Intuit as a "cheap tech stock" and an under-appreciated AI-era winner, and Wall Street analysts remain overwhelmingly positive (29 Buy, 5 Hold, 0 Sell) with a lofty \$481 target—implying +88% upside if fundamentals stabilize.

The market narrative is a tug-of-war: bears see decelerating growth and legal risk; bulls see an oversold, high-quality franchise at a rare discount.

5. BOTTOM LINE

- **Aerondight Systems Signal: BUY (7.55/10)**
- **Thesis:** A high-margin, cash-rich software leader trading near multi-year lows offers compelling value for patient investors, provided growth concerns prove overblown.
- **Key upcoming catalyst:** The next quarterly earnings report and management's forward guidance on TurboTax and AI strategy—critical for restoring confidence.
- **Risk level: High** — driven by the sharp downtrend, active securities investigations, and unresolved questions about future growth.

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