

Key Statistics (USD)

Price	370.73
Market Cap	2.74T
Enterprise Value	2.68T
PEG Ratio (5 yr. expected)	2.20
52 weeks high	384.30
52 weeks low	219.35
Beta (5Y-monthly)	0.90
Dividend yield %	0.81%
EPS (TTM)	10.33
1-Yr Stock performance	51.51%

Growth Rates

	Company	3-Yr Avg
Revenues	8.34%	14.19%
Earnings	20.57%	20.68%
Free Cash Flow	-8.24%	13.48%

Margins

	Company	3-Yr Avg
Gross Profit Margin	70.11%	68.77%
Operating Margin	43.16%	41.82%
Net Profit Margin	35.74%	36.02%

Key Ratios

	Company	3-Yr Avg
Current Ratio	1.5	-
Total Ratio	2	-
Financial Leverage	2.00x	2.17x
ROE	9.74%	10.88%
ROA	6.12%	5.92%
ROIC	8.69%	9.43%

Valuation Metrics

	Company	3-Yr Avg
Price to Sales	12.00x	11.06x
Price to Earnings	35.16x	31.42x
Price to Free Cash Flow	12.47x	10.69x
Price to Book Value	85.07x	66.96x

Firm's Brief Description.

Microsoft Corporation globally develops and supports software, services, devices, and solutions. The Productivity and Business Processes segment provide a range of office-related services, including Microsoft Teams, SharePoint, and Microsoft 365. The Intelligent Cloud segment offers server products, cloud services such as Azure, and enterprise solutions. The More Personal Computing segment encompasses Windows, devices like Surface and Xbox, and gaming services. Additionally, it covers search and news advertising through Bing, Microsoft News, Edge, and affiliates. Microsoft sells its products through various channels, including OEMs, distributors, online platforms, and retail stores. The company was founded in 1975 and is headquartered in Redmond, Washington.

Sector Overview

- M&A activity in tech sector surges, new report finds
- The Convergence Between AI And ML: Redefining The Global Tech Sector.
- A new tech bull market is gaining momentum as rest of the group now joins the party.

Fundamental Analysis

Microsoft has demonstrated a robust stock performance over the past year, boasting an impressive 51.51% growth. The company's beta stands at a stable 0.90, indicating a moderate level of market risk compared to the overall market. In terms of revenue, Microsoft has seen a 8.34% increase, even though slightly lower than the 3-year average of 14.19%. However, there is a notable deviation in the free cash flow, which has decreased by -8.24% compared to the 3-year average of 13.48%. This could be an aspect for further examination, as a negative free cash flow deviation may signal potential challenges in liquidity and financial flexibility. The company's Return on Equity (ROE) stands at 9.74%, slightly below the three-year average of 10.88%, indicating a modest decline in its ability to generate profit from shareholders' equity. Conversely, the Return on Assets (ROA) is 6.12%, showing improvement compared to the three-year average of 5.92%.

In conclusion, P/S, P/FCF and P/E have varied at high levels in comparison to the three-year average. The current P/B value is 85.07, up from the three-year average of 66.96, indicating a potential overvaluation or a shift in market sentiment towards higher asset valuations.

Target Price (1 year forward): 415\$

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