

Key Statistics (USD)

Price	233.27
Market Cap	1.776T
Enterprise Value	1.76T
PEG	1.34
52 weeks high	246.13
52 weeks low	132.52
Beta (5Y-monthly)	0.81
Dividend yield %	0.96%
EPS (TTM)	6.71
DPS	1.99
YTD performance	+37.42%

Growth Rates

Growth Rates	Company	Sector
Revenue (Q/Q last year)	16.72%	11.25%
Net earnings (YTD/YTD last year)	12.40%	9.21%
Net earnings (Q/Q last year)	32.74%	19.56%

Margins

Margins	Company	Sector
Gross Profit margin	67.78%	50.66%
EBITDA margin	46.11	-
EBIT margin	37.08%	14.99%
Net earnings margin	30.96%	12.06%
Gross Profit margin (5Y average)	65.71%	51.14%
Net earnings margin (5Y average)	33.29%	16.39%

Key Ratios

Key Ratios	Company	Sector
Current Ratio	2.58	1.84
Quick Ratio	2.49	1.89
Cash Ratio	0.68	-
ROE	42.70%	15.54%
ROA	17.48%	8.56%
ROC	22.32%	9.40%
D/E	51%	48%

Valuation Metrics

Valuation Metrics	Company	Sector (median)
P/E(NTM)	43.31	23.15
P/E (TTM)	44.73	88.89
P/B (TTM)	15.36	13.00
P/Sales (TTM)	12.71	8.88

Firm's Brief Description

Microsoft Corporation is a technology company. The Company develops, licenses, and supports a range of software products, services and devices. The Company's segments include Productivity and Business Processes, Intelligent Cloud and More Personal Computing. The Company's products include operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; video games, and training and certification of computer system integrators and developers. It also designs, manufactures, and sells devices, including personal computers (PCs), tablets, gaming and entertainment consoles, phones, other intelligent devices, and related accessories, that integrate with its cloud-based offerings. It offers an array of services, including cloud-based solutions that provide customers with software, services, platforms, and content, and it provides solution support and consulting services.

Sector Overview

- The cloud index grew by 88% generating more than 30 times forward sales.
- The continuous hacking attacks using the SolarWinds' Orion platform, caused many concerns in the software industry, pushing the companies to increase the security measures.
- Inconvenience in the industry was presented from software companies digging into building electric vehicles.

Fundamental Analysis

The last year the Microsoft Corps stock has marked a great performance of almost +40%. The company seems to outperform the sector providing higher growth rates in revenue and net earnings. In addition, gross profit, EBIT, and net earnings margins are significantly higher than the sector average, probably deriving from better cost management. Moving on to ROE which is almost 43%, it is clear that the MSFT is above average at using the company assets to create profits. The firm is effective in converting the money it invests into net income based on ROA, which is 17.48%, almost 14% above its peers. The valuation metrics indicate an overvalued company as the P/B and P/sales multiples for the twelve trailing months are above the sector median. Fairly justified by the company's superior financial position in the industry. Hence, the P/E stock ratio for the next twelve months is higher than the median, which means it will take longer for the company to recover investment costs for owners.

Target Price (1 year forward): 275\$

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