

## Executive Valuation Summary



Previous Close

851.82

Distance to Price Target

-7.84%

Price Target

785

## Valuation Measures

## Model Assumptions

Market Cap	2.29T	Valuation Date	
Trailing P/E Ratio	23.60	WACC	10.30%
Forward P/E Ratio	24.10	EBITDA Multiple	17
PEG Ratio	2.87	Assumed Tax Rate	21.00%
Enterprise Value / EBITDA	18.24	Implied EV / EBITDA	18.89
Enterprise Value / Sales	6.16	Implied EV / FWD Sales	9.53
Price / Sales Ratio	5.82	Implied Price / FWD Sales	8.81

Price Target

## Peer Comparison Summary

	Name	EVToEBITDA	EVToRevenue
785	Texas Instrume...	13.82	7.85
	Applied Material...	11.75	3.77
	NVIDIA Corpora...	56.00	14.59
8	Intel Corporation	4.94	1.92
	<b>Average</b>	<b>21.07</b>	<b>6.58</b>

Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Fiscal Period	FY	FY	FY	FY	FY	FY	FY	FY
Revenue	23.9B	27.5B	33.2B	35.5B	38.0B	40.7B	43.5B	46.6B
Revenue Growth using Manual percentage input	NaN	14.91%	20.96%	7.00%	7.00%	7.00%	7.00%	7.00%
Cost of Goods Sold (COGs)	10.4B	10.6B	11.1B	9.6B	10.3B	11.0B	11.8B	12.6B
% of Sales	43.42%	38.64%	33.45%	27.00%	27.00%	27.00%	27.00%	27.00%
Gross Profit	13.5B	16.8B	22.1B	25.9B	27.8B	29.7B	31.8B	34.0B
% of Sales - using Manual percentage input	56.58%	61.36%	66.55%	73.00%	73.00%	73.00%	73.00%	73.00%
Operating Expenses (SG&A)	-9.3B	-8.2B	-7.8B	-7.4B	-6.6B	-7.1B	-7.6B	-8.1B
% of Sales - Derived from Quarterly Model	-38.95%	-29.79%	-23.53%	-20.81%	-17.39%	-17.39%	-17.39%	-17.39%
<b>Operating Income (EBIT)</b>	<b>4.2B</b>	<b>8.7B</b>	<b>14.3B</b>	<b>18.5B</b>	<b>21.1B</b>	<b>22.6B</b>	<b>24.2B</b>	<b>25.9B</b>
Interest Expense	-1777000K	-1885000K	-1737000K	-1737000K	-1737000K	-1737000K	-1737000K	-1737000K
Other Income	8M	-17000K	-111000K	0	0	0	0	0
<b>Total Other Income</b>	<b>-1769000K</b>	<b>-1902000K</b>	<b>-1848000K</b>	<b>-1839667K</b>	<b>-1839667K</b>	<b>-1839667K</b>	<b>-1839667K</b>	<b>-1839667K</b>
<b>Pretax Income (EBT)</b>	<b>2.4B</b>	<b>6.8B</b>	<b>12.4B</b>	<b>16.7B</b>	<b>19.3B</b>	<b>20.8B</b>	<b>22.4B</b>	<b>24.1B</b>
Income Tax Expense	-518000K	29M	939M	3.5B	4.1B	4.4B	4.7B	5.1B
Tax Rate	NaN	NaN	NaN	21.00%	21.00%	21.00%	21.00%	21.00%
<b>Net Income</b>	<b>3.0B</b>	<b>6.7B</b>	<b>11.5B</b>	<b>13.2B</b>	<b>15.2B</b>	<b>16.4B</b>	<b>17.7B</b>	<b>19.0B</b>
Operating Income (EBIT)	4.2B	8.7B	14.3B	18.5B	21.1B	22.6B	24.2B	25.9B
Depreciation & Amortization (D&A)	570.0M	539.0M	529.0M	631.8M	676.0M	723.4M	774.0M	828.2M
% of Sales	2.39%	1.96%	1.59%	1.78%	1.78%	1.78%	1.78%	1.78%
<b>EBITDA</b>	<b>4.8B</b>	<b>9.2B</b>	<b>14.8B</b>	<b>19.2B</b>	<b>21.8B</b>	<b>23.3B</b>	<b>25.0B</b>	<b>26.7B</b>
<b>Diluted EPS</b>	<b>7.03</b>	<b>15.92</b>	<b>27.30</b>	<b>31.34</b>	<b>36.22</b>	<b>38.99</b>	<b>41.96</b>	<b>45.14</b>
Diluted EPS Growth		126.42%	71.46%	14.78%	15.56%	7.67%	7.62%	7.58%

Discounted Cash Flow Analysis	2023	2024	2025	2026	2027	Normalized
EBITDA	19.2B	21.8B	23.3B	25.0B	26.7B	26.7B
Less: D&A	-631815.8K	-676043.0K	-723366.0K	-774001.6K	-828181.7K	-684348.7K
<b>EBIT</b>	<b>18.5B</b>	<b>21.1B</b>	<b>22.6B</b>	<b>24.2B</b>	<b>25.9B</b>	<b>26.0B</b>
Less: Taxes	-3893609.3K	-4439381.8K	-4750138.6K	-5082648.3K	-5438433.7K	-5468638.6K
<b>NOPAT</b>	<b>14.6B</b>	<b>16.7B</b>	<b>17.9B</b>	<b>19.1B</b>	<b>20.5B</b>	<b>20.6B</b>
Plus: D&A	631.8M	676.0M	723.4M	774.0M	828.2M	684.3M
Less: CapEx	-522086.4K	-558632.4K	-597736.7K	-639578.2K	-684348.7K	-684348.7K
Less: (Increase) / Decrease in NWC	285.5M	-301495.7K	145.5M	155.6M	166.5M	
<b>Unlevered Free Cash Flow</b>	<b>15.0B</b>	<b>16.5B</b>	<b>18.1B</b>	<b>19.4B</b>	<b>20.8B</b>	<b>20.6B</b>
Discount Period	0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor	0.952	0.863	0.783	0.710	0.643	0.643
<b>PV of Unlevered Free Cash Flow</b>	<b>14.3B</b>	<b>14.3B</b>	<b>14.2B</b>	<b>13.8B</b>	<b>13.4B</b>	

Fiscal Year	2023	2023	2023	2024	2024	2024	2024	2025
Fiscal Period	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Revenue</b>	8.6B	9.0B	9.3B	9.7B	10.0B	10.4B	10.7B	11.1B
<i>Revenue Growth</i>	6.36%	6.01%	4.44%	8.59%	16.44%	15.79%	15.19%	14.64%
<b>Cost of Goods Sold (COGs)</b>	2.7B	2.7B	2.7B	2.7B	2.8B	2.8B	2.8B	2.7B
<i>% of Sales</i>	31.03%	30.14%	29.24%	28.34%	27.44%	26.54%	25.64%	24.75%
<b>Gross Profit</b>	5.9B	6.3B	6.6B	6.9B	7.3B	7.6B	8.0B	8.4B
<i>% of Sales</i>	68.97%	69.86%	70.76%	71.66%	72.56%	73.46%	74.36%	75.25%
<b>Operating Expenses (SG&amp;A)</b>	-1875.9M	-1852.8M	-1829.8M	-1806.7M	-1783.7M	-1760.6M	-1737.6M	-1714.5M
<i>% of Sales</i>	-21.77%	-20.65%	-19.62%	-18.66%	-17.77%	-16.95%	-16.17%	-15.45%
<b>Operating Income (EBIT)</b>	<b>4.1B</b>	<b>4.4B</b>	<b>4.8B</b>	<b>5.1B</b>	<b>5.5B</b>	<b>5.9B</b>	<b>6.3B</b>	<b>6.6B</b>
Interest Expense	-434000.0K	-434000.0K	-434000.0K	-434000.0K	-434000.0K	-434000.0K	-434000.0K	-434000.0K
Other Income	13.3M	13.3M	13.3M	13.3M	13.3M	13.3M	13.3M	13.3M
<b>Total Other Income</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>	<b>-420750.0K</b>
<b>Pretax Income (EBT)</b>	<b>3.6B</b>	<b>4.0B</b>	<b>4.3B</b>	<b>4.7B</b>	<b>5.1B</b>	<b>5.5B</b>	<b>5.8B</b>	<b>6.2B</b>
Income Tax Expense	765.9M	838.9M	913.3M	989.1M	1.1B	1.1B	1.2B	1.3B
<i>Tax Rate</i>	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
<b>Net Income</b>	<b>2.9B</b>	<b>3.2B</b>	<b>3.4B</b>	<b>3.7B</b>	<b>4.0B</b>	<b>4.3B</b>	<b>4.6B</b>	<b>4.9B</b>
Operating Income (EBIT)	4.1B	4.4B	4.8B	5.1B	5.5B	5.9B	6.3B	6.6B
Depreciation & Amortization (D&A)	146.7M	152.8M	158.8M	164.8M	170.9M	176.9M	182.9M	189.0M
<i>% of Sales</i>	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
<b>EBITDA</b>	<b>4.2B</b>	<b>4.6B</b>	<b>4.9B</b>	<b>5.3B</b>	<b>5.7B</b>	<b>6.0B</b>	<b>6.4B</b>	<b>6.8B</b>
<b>Diluted EPS</b>	<b>6.80</b>	<b>7.44</b>	<b>8.10</b>	<b>8.76</b>	<b>9.44</b>	<b>10.12</b>	<b>10.82</b>	<b>11.53</b>
<i>EPS Growth</i>	11.06%	2.42%	1.97%	-1.79%	38.79%	36.02%	33.65%	31.59%

