



# Accenture (ACN)

Updated October 21<sup>st</sup>, 2025 by Jonathan Weber

## Key Metrics

Current Price:	\$242	5 Year CAGR Estimate:	13.0%	Market Cap:	\$150B
Fair Value Price:	\$288	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	10/10/25
% Fair Value:	84%	5 Year Valuation Multiple Estimate:	3.5%	Dividend Payment Date:	11/14/25
Dividend Yield:	2.7%	5 Year Price Target	\$404	Years Of Dividend Growth:	15
Dividend Risk Score:	B	Sector:	Information Technology	Rating:	Buy

## Overview & Current Events

Accenture is an information technology company that offers services such as consulting, technology, and outsourcing solutions. Its customers include communications and media companies, banks and other financial corporations, the healthcare industry, and public services, as well as consumer goods, retail, travel, and other industries. Accenture was founded in 1989 and is headquartered in Dublin, Ireland.

When Accenture reported its most recent quarterly results, for the fiscal fourth quarter of fiscal 2025, the company showed revenues of \$17.6 billion, which was 7.3% more than Accenture's revenues during the previous year's quarter. Accenture's sales were up by 5% in constant currencies, which was slightly worse than the currency-neutral revenue growth rate during the previous quarter. Accenture recorded new bookings of \$21.3 billion, which suggests that revenue growth will continue as the book-to-bill ratio was significantly above 1.0. New bookings included \$1.8 billion of generative AI bookings, up nicely versus the first three quarters of the year.

The company was able to earn \$3.03 per share during the fourth quarter, which beat what the analyst community had estimated by \$0.04. The company forecasts organic revenue growth of 2% to 5% for fiscal 2026, with a guidance midpoint of 3.5%, which is a little worse than the 7% revenue growth Accenture generated in fiscal 2025. Accenture forecasts that its earnings-per-share will fall in a range of \$13.52 to \$13.90 during the current year, which represents growth of around 7% versus 2025.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.34	\$5.91	\$6.74	\$7.36	\$7.46	\$9.16	\$10.71	\$11.67	\$11.95	\$12.93	\$13.71	\$19.23
DPS	\$2.20	\$2.42	\$2.66	\$2.90	\$3.20	\$3.52	\$3.88	\$4.48	\$5.16	\$5.92	\$6.52	\$9.58
Shares <sup>1</sup>	643	636	635	637	636	633	630	630	626	625	622	615

Accenture has recorded compelling growth rates in the past, although its earnings-per-share history has seen some ups and downs over the years. Overall, Accenture was able to grow its earnings-per-share by ~10% over the last decade.

Accenture's growth has been primarily driven by organic revenue expansion. Except for small setback during the financial crisis, the company was able to grow its top line pretty consistently. Accenture's biggest customer groups are what it calls Product (consumer goods, travel industry, retail) and Financial Services. There is a lot of pressure on these industries to lower their costs and to optimize their operations. This means that there is a lot of demand for Accenture to help its customers in fields such as digital, cloud, and security services. As IT remains a growth industry that is impacted by megatrends such as digital, cloud computing, security, big data, and Artificial Intelligence, the market for consulting in these fields should remain strong for the foreseeable future. Accenture has been able to record especially strong growth in markets outside of North America and Europe, where more potential for further optimization of processes exists. Thanks to strong cash flows and low capital expenditures, Accenture has ample means to finance share repurchases and dividend payments. Accenture's share count has declined over the last decade, and we believe that buybacks will remain a tailwind for the company's earnings-per-share in the future.

<sup>1</sup> In Millions

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.2	20.4	24.5	26.8	32.2	36.5	26.9	27.7	28.6	19.8	17.7	21.0
Avg. Yld.	2.0%	2.0%	1.6%	1.5%	1.3%	1.1%	1.3%	1.4%	1.5%	2.3%	2.7%	2.4%

Accenture's share price has declined since our last update, and the company's valuation came down significantly versus recent years. We believe that shares are undervalued today, as they look like a much better value compared to recent years when the earnings multiple oftentimes was in the high-20s and above.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	41%	39%	39%	43%	38%	36%	38%	43%	46%	48%	50%

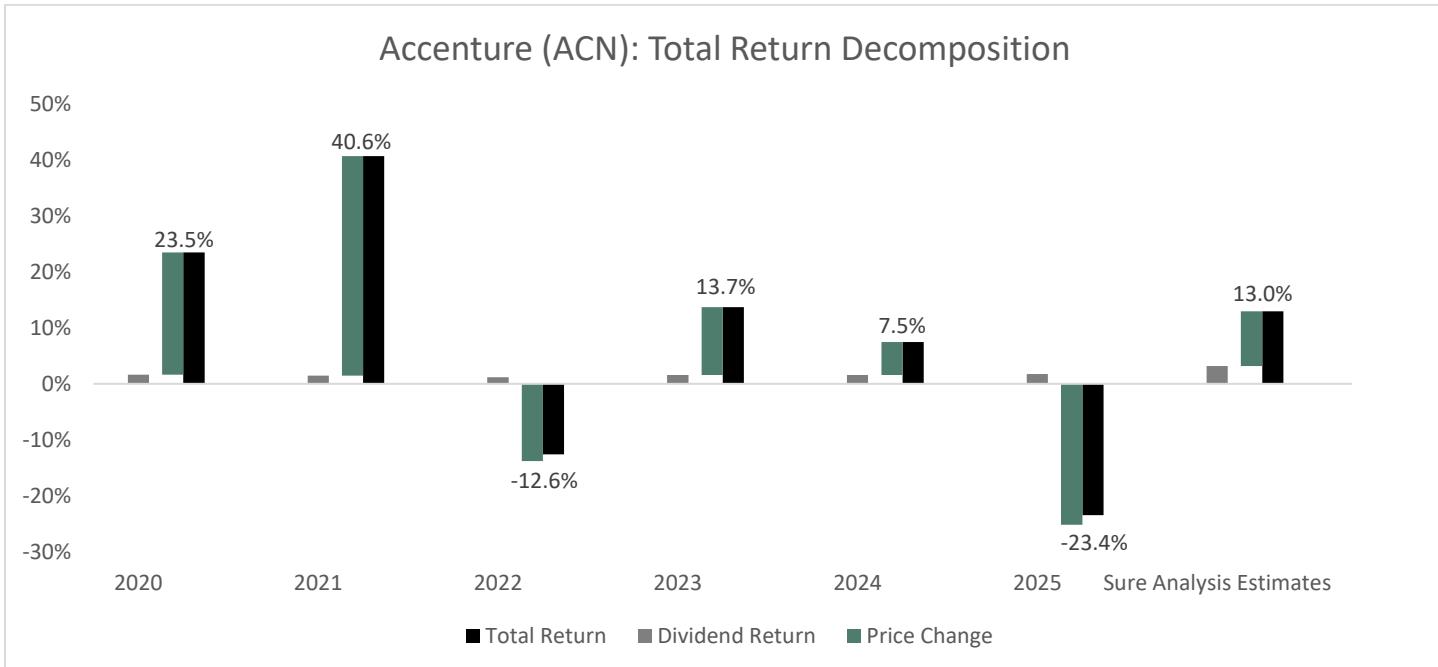
Accenture has raised its dividend at a nice pace over the last decade, but thanks to the fact that the company's earnings have grown considerably as well, its dividend payout ratio still is not high, as the company pays out roughly 40% to 50% of its net profits in the form of dividends. We believe that Accenture's dividend is pretty safe.

Accenture's competitive advantage mainly consists of its excellent fundamentals: Accenture has high returns on equity and assets, and it has a very strong balance sheet. Accenture is not particularly vulnerable to economic downturns, as demand for its services will remain strong even if profits for its customers are shrinking. One could even argue that such a time is when its customers have an especially significant need for Accenture's services. During the last financial crisis, between 2008 and 2010, earnings were flat, and Accenture was able to grow its profits during the pandemic.

## Final Thoughts & Recommendation

Accenture's strong position in a high-growth industry and its strong track record of growing its profits indicate a lot of potential for future earnings-per-share growth, while we think that Accenture will also continue to increase its dividend regularly. Shares look undervalued following the recent share price pullback. The total return outlook is compelling, and we rate Accenture a buy at current prices.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	34,798	36,177	40,993	43,215	44,327	50,533	61,594	64,112	64,896	69,673
<b>Gross Profit</b>	10,277	11,071	12,493	13,315	13,976	16,364	19,702	20,732	21,162	22,225
<b>Gross Margin</b>	29.5%	30.6%	30.5%	30.8%	31.5%	32.4%	32.0%	32.3%	32.6%	31.9%
<b>SG&amp;A Exp.</b>	5,467	5,880	6,595	7,010	7,463	8,743	10,334	10,859	11,128	11,394
<b>D&amp;A Exp.</b>	729	802	927	893	1,773	1,891	1,311	1,401	1,430	1,705
<b>Operating Profit</b>	4,810	5,191	5,899	6,305	6,514	7,622	9,367	8,810	9,596	10,831
<b>Op. Margin</b>	13.8%	14.4%	14.4%	14.6%	14.7%	15.1%	15.2%	13.7%	14.8%	15.5%
<b>Net Profit</b>	4,112	3,445	4,060	4,779	5,108	5,907	6,877	6,872	7,265	7,832
<b>Net Margin</b>	11.8%	9.5%	9.9%	11.1%	11.5%	11.7%	11.2%	10.7%	11.2%	11.2%
<b>Free Cash Flow</b>	4,171	4,457	5,408	6,028	7,616	8,395	8,823	8,996	8,615	10,874
<b>Income Tax</b>	1,254	981	1,593	1,406	1,589	1,771	2,207	2,136	2,280	2,438

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	20,609	22,690	24,449	29,790	37,079	43,176	47,263	51,245	55,932	65,395
<b>Cash &amp; Equivalents</b>	4,906	4,127	5,061	6,127	8,415	8,168	7,890	9,045	5,004	11,485
<b>Acc. Receivable</b>	4,072	4,569	7,496	8,095	7,847	9,728	10,484	10,691	11,873	14,985
<b>Goodwill &amp; Int.</b>	4,120	5,713	6,070	7,046	7,710	11,126	15,064	17,646	24,024	24,947
<b>Total Liabilities</b>	12,420	12,980	13,724	14,962	19,579	23,079	24,516	24,787	26,764	33,154
<b>Accounts Payable</b>	1,281	1,525	1,349	1,647	1,350	2,274	2,559	2,491	2,744	2,696
<b>Long-Term Debt</b>	27	25	25	23	62	66	55	148	1,025	8,183
<b>Total Equity</b>	7,555	8,949	10,365	14,409	17,001	19,529	22,106	25,693	28,289	31,195
<b>LTD/E Ratio</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.04	0.26

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	21.2%	15.9%	17.2%	17.6%	15.3%	14.7%	15.2%	14.0%	13.6%	13.6%
<b>Return on Equity</b>	55.4%	38.5%	39.7%	37.4%	31.6%	31.4%	32.1%	27.9%	26.1%	26.1%
<b>ROIC</b>	55.2%	38.4%	39.6%	37.3%	31.5%	31.3%	32.0%	27.8%	25.6%	25.6%
<b>Shares Out.</b>	643	636	635	637	636	633	630	630	626	625
<b>Revenue/Share</b>	52.11	54.78	62.56	66.46	68.43	78.24	95.82	100.4	102.05	102.05
<b>FCF/Share</b>	6.25	6.75	8.25	9.27	11.76	13.00	13.73	14.09	13.55	13.55

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

## Disclaimer

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