

APPLE INC. NDAQ:AAPL

RECENT PRICE **342.99** P/E RATIO **26.5** (Trailing: 26.9; Median: 13.0) RELATIVE P/E RATIO **1.33** DIV'D YLD **1.0%** VALUE LINE



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
1.51	2.38	3.23	3.93	5.22	5.80	10.17	16.64	23.81	27.15	31.16	41.89	40.41	44.72	55.86	58.56	61.65	71.55	Sales per sh ^A	102.70
.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	11.41	14.81	15.26	15.65	18.40	"Cash Flow" per sh	28.90
.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.21	11.91	11.89	12.50	14.90	Earnings per sh ^B	24.00
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.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.43	2.80	2.36	2.55	2.75	Cap'l Spending per sh	3.40
.93	1.28	1.67	2.38	3.38	4.42	7.45	11.78	17.98	19.63	19.02	21.39	24.03	26.15	22.53	20.37	18.35	23.60	Book Value per sh	48.10
5480.2	5845.1	5986.8	6106.3	6218.3	6298.6	6411.8	6504.9	6574.5	6294.5	5866.2	5578.8	5336.2	5126.2	4755.0	4443.2	4300.0	4150.0	Common Shs Outst'g ^C	3700.0
38.0	26.2	29.1	26.3	30.4	19.2	15.2	12.4	12.0	12.3	13.0	12.8	12.6	14.9	15.3	16.1	16.0	16.0	Avg Ann'l P/E Ratio	16.0
2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.75	.83	.88	.88	.88	Relative P/E Ratio	.90
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CAPITAL STRUCTURE as of 3/28/20

Total Debt \$109507 mill. Due in 5 Yrs \$55000 mill.
 LT Debt \$89086 mill. LT Interest \$4500 mill. (53% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1306 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 4,334,335,000 shs. as of 4/17/20
 MARKET CAP: \$1.5 trillion (Large Cap)

	2018	2019	3/28/20	
Cash Assets	66301	100557	94051	
Receivables	23186	22926	15722	
Inventory (FIFO)	3956	4106	3334	
Other	37896	35230	30646	
Current Assets	131339	162819	143753	
Accts Payable	55888	46236	32421	
Debt Due	20748	16240	20421	
Other	40230	43242	43252	
Current Liab.	116866	105718	96094	

BUSINESS: Apple Inc., established in 1977, is one of the world's largest makers of PCs and peripheral and consumer products, such as the iPod digital music player, the iPad tablet, the iPhone smartphone, and the Apple Watch, for sale primarily to the business, creative, education, government, and consumer markets. It also sells operating systems, services like iCloud storage and Apple Pay, and a host of digital content from the popular iTunes store and other portals. Research and development: 6.2% of '19 sales. Has approximately 137,000 employees. Off./dir. own less than 1.0% of common stock; Vanguard, 7.7%; BlackRock, 6.8% (1/20 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: One Apple Park Way, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

Apple shares have been riding high of late. In fact, the mega-cap Dow component has surged roughly 35% in value since our March review, leading a rebound in the broader equity market, despite a worsening of the COVID-19 pandemic that has disrupted large swaths of the global economy. Part of this is probably due to strength in the wider tech sector, which has been viewed by bulls as fairly coronavirus-proof, particularly with more consumers working from home and seeking new ways to stay connected. But... **Apple's business has also shown some welcome resiliency, with results for the second quarter of fiscal 2020 (year ends September 26th) coming in better than feared.** For the March stanza, share net clocked in at \$2.55, 4% above the year-earlier tally and nicely ahead of Wall Street's consensus view of \$2.26. Even better, against the challenging backdrop, the company managed to grow its top line by 1%, to \$58.3 billion, with another good showing from the services segment, including iCloud storage, Apple Music, and a host of subscription offerings, leading the charge. And free cash flow remained robust, prompting the tech behemoth to hike the quarterly dividend by 6% (from \$0.77 to \$0.82 a share) and tack on \$50 billion to the existing stock-repurchase authorization. Looking ahead... **We remain upbeat about prospects here.** Results are apt to face modest pressure through the second half of the year, hampered by lingering iPhone softness. (iPhone revenue fell 7% in the March period.) We expect the services momentum to persist, however, especially as Apple TV+, the company's new streaming platform, gains traction. We also see the wearables segment, along with its expanded lineup of health-oriented apps, emerging as a more powerful growth engine. This suggests that double-digit top- and bottom-line advances are in the cards for fiscal 2021. And it gives us confidence that profits can reach around \$24.00 a share by 2023-2025. **The valuation is getting full at these levels, and the issue is no longer timely.** Yet, we think our longer-range share-net estimates may well prove to be conservative, particularly in light of Apple's aggressive actions on the buyback front.

Fiscal Year Ends	Dec.	Mar.	Jun.	Per	Sep.	Per	Full Fiscal Year
2017	78351	52896	45408	52579			229234
2018	88293	61137	53265	62900			265595
2019	84310	58015	53809	64040			260174
2020	91819	58313	51868	63000			265000
2021	101000	65000	60000	71000			297000

Fiscal Year Ends	Dec.	Mar.	Jun.	Per	Sep.	Per	Full Fiscal Year
2017	3.36	2.10	1.67	2.07			9.21
2018	3.89	2.73	2.34	2.91			11.91
2019	4.18	2.46	2.18	3.03			11.89
2020	4.99	2.55	2.06	2.90			12.50
2021	5.45	3.15	2.75	3.55			14.90

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.52	.57	.57	.57	2.23
2017	.57	.63	.63	.63	2.46
2018	.63	.73	.73	.73	2.82
2019	.73	.77	.77	.77	3.04
2020	.77	.82			

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding/changes in the share count. Excludes nonrecurring gain: '05, 2c. Next earnings report due in late July. (C) In millions, adjusted for splits. (D) Depreciation on accelerated basis. (E) New dividend policy adopted 3/12. Payments typically made in February, May, August, and November.

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 80
Earnings Predictability 80