

APPLE INC. NDAQ:AAPL

RECENT PRICE **149.55** P/E RATIO **25.3** (Trailing: 29.2 Median: 13.0) RELATIVE P/E RATIO **1.37** DIV'D YLD **0.6%**

VALUE LINE

TIMELINESS 1 Raised 4/9/21
SAFETY 1 Raised 4/17/20
TECHNICAL 4 Lowered 9/10/21
BETA .90 (1.00 = Market)

High: 11.7 15.2 25.2 20.5 29.9 33.6 29.7 44.3 58.4 73.5 138.8 157.3
 Low: 6.8 11.1 14.6 13.8 17.6 23.0 22.4 28.7 36.6 35.5 53.2 116.2

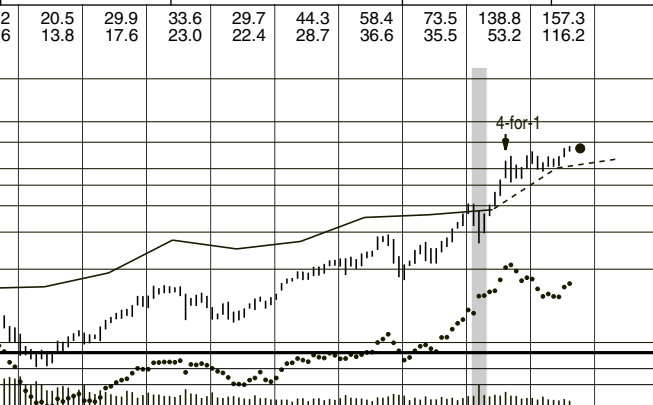
Target Price Range
 2024 2025 2026
 320
 200
 160
 120
 100
 80
 60
 40
 18

18-Month Target Price Range
Low-High Midpoint (% to Mid)
 \$121-\$257 \$189 (25%)

2024-26 PROJECTIONS
 Price Gain Ann'l Total Return
 High 195 (+30%) 8%
 Low 160 (+5%) 3%

Institutional Decisions
 4Q2020 1Q2021 2Q2021
 to Buy 1716 1605 1749
 to Sell 1798 1986 1821
 Hld's (000) 962965494401929387483

LEGENDS
 19.0 x "Cash Flow" p sh
 Relative Price Strength
 7-for-1 split 6/14
 4-for-1 split 8/20
 Options: Yes
 Shaded area indicates recession



% TOT. RETURN 8/21

THIS STOCK	VL ARITH. INDEX
1 yr. 18.4	49.7
3 yr. 174.7	46.9
5 yr. 509.0	96.6

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
.60	.81	.98	1.31	1.45	2.54	4.16	5.95	6.79	7.79	10.47	10.10	11.18	13.96	14.64	16.17	22.60	24.50	Sales per sh ^A	31.85
.06	.09	.16	.21	.25	.59	1.07	1.71	2.02	2.90	2.63	2.85	3.70	3.82	4.03	6.35	7.05	"Cash Flow" per sh	9.35	
.05	.08	.14	.19	.22	.54	.99	1.58	1.42	1.61	2.31	2.08	2.30	2.98	2.97	3.28	5.60	6.15	Earnings per sh ^B	8.00
--	--	--	--	--	--	--	.09	.41	.45	.50	.55	.60	.68	.75	.80	.85	.92	Div'ds Decl'd per sh ^E	1.80
.01	.03	.03	.04	.05	.08	.16	.32	.32	.41	.50	.60	.61	.70	.59	.43	.60	.75	Cap'l Spending per sh	1.25
.32	.42	.60	.85	1.10	1.86	2.94	4.50	4.91	4.75	5.35	6.01	6.54	5.63	5.09	3.85	3.95	4.85	Book Value per sh	8.90
23381	23947	24425	24873	25195	25647	26020	26298	25178	23465	22315	21345	20505	19020	17773	16977	16250	15500	Common Shs Outst'g ^C	13500
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	24.7	20.0	20.0	Avg Ann'l P/E Ratio	22.0
1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.75	.83	.86	1.26	1.00	1.00	Relative P/E Ratio	1.20
--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%	1.5%	1.6%	1.0%			Avg Ann'l Div'd Yield	1.0%

CAPITAL STRUCTURE as of 6/26/21
 Total Debt \$121791 mill. Due in 5 Yrs \$60000 mill.
 LT Debt \$105752 mill. LT Interest \$5000 mill. (62% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1493 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 16,530 mill. shs. as of 7/16/21

108249	156508	170910	182795	233715	215639	229234	265595	260174	274515	367000	380000	Sales (\$mill) ^A	430000
32.9%	37.4%	32.6%	33.1%	35.3%	32.7%	31.2%	30.8%	29.4%	28.2%	32.0%	32.5%	Operating Margin	32.5%
1814.0	3277.0	6757.0	7946.0	11257	10505	10157	10903	12547	11056	12500	14000	Depreciation (\$mill) ^D	18500
25922	41733	37037	39510	53394	45687	48351	59531	55256	57411	91000	95300	Net Profit (\$mill)	108000
24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	24.6%	18.3%	15.9%	14.4%	16.0%	16.0%	Income Tax Rate	16.0%
23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	22.4%	21.2%	20.9%	24.8%	25.1%	Net Profit Margin	25.1%
17018	19111	29628	5083.0	8768.0	27863	27831	14473	57101	38321	10000	15000	Working Cap'l (\$mill)	30000
--	--	16960	28987	53463	75427	97207	93735	91807	98667	105000	105000	Long-Term Debt (\$mill)	105000
76615	118210	123549	111547	119355	128249	134047	107147	90488	65339	64000	75000	Shr. Equity (\$mill)	120000
33.8%	35.3%	26.5%	28.4%	31.3%	23.2%	21.8%	30.8%	31.5%	36.5%	55.5%	54.5%	Return on Total Cap'l	49.0%
33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	55.6%	61.1%	87.9%	NMF	NMF	Return on Shr. Equity	90.0%
33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	26.5%	42.8%	45.5%	66.3%	NMF	NMF	Retained to Com Eq	70.0%
--	6%	29%	28%	22%	27%	26%	23%	26%	25%	15%	15%	All Div'ds to Net Prof	23%

MARKET CAP: \$2.47 trillion (Large Cap)

CURRENT POSITION	2019	2020	6/26/21
Cash Assets	100557	90943	61696
Receivables	22926	16120	17475
Inventory (FIFO)	4106	4061	5178
Other	35230	32589	30074
Current Assets	162819	143713	114423
Accts Payable	46236	42296	40409
Debt Due	16240	13769	16039
Other	43242	49327	51306
Current Liab.	105718	105392	107754

Apple shares have been solid relative performers over the past few months. The Dow component has been outshined much of this year by its mega-cap tech counterparts, including Microsoft, Facebook, and Alphabet, which have enjoyed greater investor support. But Apple stock has been regaining its momentum lately, rallying about 15% in value since our last full-page write-up in June. And recent results have been more than impressive, as the company, masterfully led by CEO Tim Cook for the last decade, continues to generate robust free cash flow and successfully navigate a challenging, supply-constrained business environment. In fact, for the third quarter of fiscal 2021 (ended June 26th), share net clocked in at \$1.30, trouncing our \$0.99 estimate, as revenue jumped a better-than-anticipated 36%, to \$81.4 billion. (We were looking for sales of \$72.9 billion.)

that were previously part of the *Android* ecosystem. All of the company's major product lines expanded at a double-digit clip in the quarter, however. *Mac* and *iPad* revenues were up 16% and 12%, respectively, thanks to ongoing work-from-home tailwinds. The high-margined services business grew 33%, as customers spent more time online and took advantage of the tech giant's ever-widening roster of offerings, from music streaming to *iCloud* storage. And other products, highlighted by the *Apple Watch* collection, continued to gain traction.

Prospects remain bright. Chip shortages and further pandemic-related disruptions may hurt revenues a bit in the near term. But, over time, the company should continue to grow nicely by leveraging its massive installed base of devices. And a rumored move into autonomous vehicles could produce another huge home run for Apple as we head toward mid-decade. **This issue is timely (1), though buy-and-hold investors may now wish to wait for a more attractive entry point before committing new funds here.**

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '18-'20 of change (per sh)

Sales	24.0%	12.5%	13.5%
"Cash Flow"	27.0%	11.5%	16.0%
Earnings	25.5%	11.5%	17.0%
Dividends	--	10.5%	16.0%
Book Value	14.5%	-5%	10.5%

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Per	Full Fiscal Year
2018	88293	61137	53265	62900		265595
2019	84310	58015	53809	64040		260174
2020	91819	58313	59685	64698		274515
2021	111439	89584	81434	84543		367000
2022	115400	92800	84300	87500		380000

EARNINGS PER SHARE ^{A B}

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Per	Full Fiscal Year
2018	.97	.68	.59	.74		2.98
2019	1.05	.62	.55	.75		2.97
2020	1.25	.64	.65	.73		3.28
2021	1.68	1.40	1.30	1.22		5.60
2022	1.85	1.55	1.40	1.35		6.15

QUARTERLY DIVIDENDS PAID ^E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.143	.158	.158	.158	.62
2018	.158	.183	.183	.183	.71
2019	.183	.193	.193	.193	.76
2020	.193	.205	.205	.205	.81
2021	.205	.22	.22		

Growth has been broad based across the company. A near-50% surge in *iPhone* sales led the charge during the third period, with many customers upgrading to new 5G-enabled smartphones, and with Apple winning over consumers

Pay, and a host of digital content from the popular *iTunes* store and other portals. Research and development: 6.8% of '20 sales. Has approximately 147,000 employees. Off./dir. own less than 1.0% of common stock; Vanguard, 7.8%; BlackRock, 6.6% (1/21 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: One Apple Park Way, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

(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. Next earnings report due in late October. (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.

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