

TIMELINESS 1 Raised 4/9/21
SAFETY 1 Raised 4/17/20
TECHNICAL 2 Raised 3/18/22
BETA .95 (1.00 = Market)

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$133-\$265 \$199 (30%)

2025-27 PROJECTIONS

| High | Price | Gain (+40%) | Ann'l Total Return |
|------|-------|-------------|--------------------|
| 210 | 210 | (+40%) | 10% |
| 170 | 170 | (+15%) | 4% |

Institutional Decisions

| to Buy | 202021 | 3Q2021 | 4Q2021 |
|---------|--------|--------|--------|
| 1749 | 1749 | 1602 | 2001 |
| to Sell | 1821 | 1904 | 1947 |

High: 15.2, 25.2, 20.5, 29.9, 33.6, 29.7, 44.3, 58.4, 73.5
 Low: 11.1, 14.6, 13.8, 17.6, 23.0, 22.4, 28.7, 36.6, 35.5

Target Price Range 2025 2026 2027
 320
 200
 160
 120
 100
 80
 60
 40

% TOT. RETURN 2/22
 THIS STOCK VL.ARITH. INDEX
 1 yr. 35.4 6.9
 3 yr. 286.4 49.6
 5 yr. 403.7 71.1

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | © VALUE LINE PUB. LLC | 25-27 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------------------|-------|
| .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 | 21.55 | 24.70 | 27.85 | Sales per sh ^A | 35.75 |
| .09 | .16 | .21 | .25 | .59 | 1.07 | 1.71 | 1.74 | 2.02 | 2.90 | 2.63 | 2.85 | 3.70 | 3.82 | 4.03 | 6.24 | 7.15 | 7.85 | "Cash Flow" per sh | 9.85 |
| .08 | .14 | .19 | .22 | .54 | .99 | 1.58 | 1.42 | 1.61 | 2.31 | 2.08 | 2.30 | 2.98 | 2.97 | 3.28 | 5.61 | 6.25 | 6.70 | Earnings per sh ^B | 8.60 |
| -- | -- | -- | -- | -- | -- | .09 | .41 | .45 | .50 | .55 | .60 | .68 | .75 | .80 | .85 | .92 | .98 | Div's Decl'd per sh ^E | 1.56 |
| .03 | .03 | .04 | .05 | .08 | .16 | .32 | .32 | .41 | .50 | .60 | .61 | .70 | .59 | .43 | .65 | .70 | .90 | Cap'l Spending per sh | 1.30 |
| 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 | 3.72 | 5.05 | 6.15 | Book Value per sh | 8.20 |
| 23947 | 24425 | 24873 | 25195 | 25647 | 26020 | 26298 | 25178 | 23465 | 22315 | 21345 | 20505 | 19020 | 17773 | 16977 | 16977 | 16000 | 15000 | Common Shs Outst'g ^C | 13000 |
| 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 | 23.4 | 23.4 | 23.4 | Avg Ann'l P/E Ratio | 22.0 |
| 1.57 | 1.40 | 1.83 | 1.28 | .97 | .78 | .76 | .69 | .68 | .64 | .66 | .75 | .83 | .86 | 1.27 | 1.25 | 1.25 | 1.25 | Relative P/E Ratio | 1.20 |
| -- | -- | -- | -- | -- | -- | .5% | 2.3% | 2.2% | 1.7% | 2.1% | 1.8% | 1.5% | 1.6% | 1.0% | .6% | .6% | .6% | Avg Ann'l Div'd Yield | .8% |

CAPITAL STRUCTURE as of 12/25/21
 Total Debt \$122798 mill. Due in 5 Yrs \$54000 mill.
 LT Debt \$106629 mill. LT Interest \$2675 mill. (60% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1493 mill.

No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 16,319 mill. shs. as of 1/14/22

MARKET CAP: \$2.5 trillion (Large Cap)

| 2020 | 2021 | 12/25/21 | 2020 | 2021 | 12/25/21 |
|-------|-------|----------|-------|-------|----------|
| 33.2% | 21.4% | 25.4% | 35.0% | 26.2% | 26.5% |
| 6% | 29% | 28% | 22% | 27% | 26% |

CURRENT POSITION (SMILL.)

| 2020 | 2021 | 12/25/21 |
|--------|--------|----------|
| 90943 | 62639 | 63913 |
| 16120 | 26278 | 30213 |
| 4061 | 6580 | 5876 |
| 32589 | 39339 | 53152 |
| 143713 | 134836 | 153154 |
| 42296 | 54763 | 74362 |
| 13769 | 15613 | 16169 |
| 49327 | 55105 | 57043 |
| 105392 | 125481 | 147574 |

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: 5.9% of '21 sales. Has approximately 154,000 employees. Off./dir. own less than 1.0% of common stock; Vanguard, 7.7%; BlackRock, 6.5% (1/22 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: One Apple Park Way, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

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ANNUAL RATES

| Past 10 Yrs. | Past 5 Yrs. | Est'd '19-'21 to '25-'27 |
|--------------|-------------|--------------------------|
| 20.5% | 13.0% | 12.5% |
| 22.0% | 13.5% | 13.0% |
| 21.0% | 14.5% | 14.0% |
| -- | 10.0% | 12.0% |
| 8.0% | -4.5% | 11.5% |

Apple's fiscal first-quarter results were impressive. (Period ended December 25, 2021.) Sales were up 11% year over year, to a record \$124 billion. Performance was driven by growth across all regions and in nearly every product and service category. Notably, revenues for the flagship product iPhone advanced 9% for the period, to a record \$71.6 billion, despite ongoing supply shortages. Reflecting the top-line gains, as well as improved leverage and mix, share earnings jumped 26%. Sales and earnings comparisons appear likely to remain favorable in the quarters ahead. To be sure, chip shortages, inflation, and other pandemic-related disruptions are not going away quickly, but they are subsiding. In the meantime, Apple's latest launches of new products and services continue to be favorably received, which should keep financial results on an upward trajectory. In addition to the popular iPhone 13 lineup, the company is seeing record demand for its Mac products (MacBook Air, iMac, and MacBook Pro). Customers have also been eager to obtain Apple's new iPad lineup, with more than two-thirds of December-quarter

sales going to new customers. Altogether, we look for fiscal 2022 share net to advance around 10%. Meanwhile, we're introducing our 2023 call at \$6.70 a share. **The higher-margin Services business should be a key long-term growth driver.** At the end of December, Apple's installed base of active devices reached an all-time record of 1.8 billion units. Services revenues were up 24% in the last quarter, to \$19.5 billion. For the 12 months ending in December, paid subscriptions across all platforms increased 165 million, to 785 million. Demand for more profitable cloud, music, video, advertising, and payment services is likely to continue climbing, while Apple works to further broaden its array of offerings. **Apple shares have declined along with the rest of the market in recent weeks.** The issue is ranked to perform relatively well in the months ahead. However, despite the recent pullback, price appreciation potential out to 2025-2027 remains below average. Thus, most accounts should wait for a better entry point before making any new commitments. *Mario Ferro*

QUARTERLY SALES (\$ mill.) ^A

| Fiscal Year Ends | Dec. | Mar. | Jun. | Sep. | Per | Full Fiscal Year |
|------------------|--------|-------|-------|-------|-----|------------------|
| 2019 | 84310 | 58015 | 53809 | 64040 | | 260174 |
| 2020 | 91819 | 58313 | 59685 | 64698 | | 274515 |
| 2021 | 111439 | 89584 | 81434 | 83360 | | 365817 |
| 2022 | 123945 | 94000 | 87000 | 90055 | | 395000 |
| 2023 | 131000 | 99275 | 91875 | 95350 | | 417500 |

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EARNINGS PER SHARE ^{A B}

| Fiscal Year Ends | Dec. | Mar. | Jun. | Sep. | Per | Full Fiscal Year |
|------------------|------|------|------|------|-----|------------------|
| 2019 | 1.05 | .62 | .55 | .75 | | 2.97 |
| 2020 | 1.25 | .64 | .65 | .73 | | 3.28 |
| 2021 | 1.67 | 1.40 | 1.30 | 1.24 | | 5.61 |
| 2022 | 2.10 | 1.45 | 1.34 | 1.36 | | 6.25 |
| 2023 | 2.25 | 1.55 | 1.40 | 1.50 | | 6.70 |

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QUARTERLY DIVIDENDS PAID ^E

| Calendar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|----------|--------|--------|--------|--------|-----------|
| 2018 | .158 | .183 | .183 | .183 | .71 |
| 2019 | .183 | .193 | .193 | .193 | .76 |
| 2020 | .193 | .205 | .205 | .205 | .81 |
| 2021 | .205 | .22 | .22 | .22 | .865 |
| 2022 | .22 | | | | |

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| (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 early May. (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 80 Price Growth Persistence 80 Earnings Predictability 80 |
|--|---|