



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	24.55	27.45	Sales per sh <sup>A</sup>	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	6.95	7.60	"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	6.10	6.50	Earnings per sh <sup>B</sup>	8.60
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.03	.03	.04	.05	.08	.16	.32	.32	.41	.50	.60	.61	.70	.59	.43	.65	.65	.75	Cap'l Spending per sh	.95
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	3.65	3.35	Book Value per sh	6.75
23947	24425	24873	25195	25647	26020	26298	25178	23465	22315	21345	20505	19020	17773	16977	16977	16000	15000	Common Shs Outst'g <sup>C</sup>	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	<b>Bold figures are Value Line estimates</b>		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			Relative P/E Ratio	1.20
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CAPITAL STRUCTURE as of 6/25/22		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
Total Debt \$119.7 bill. Due in 5 Yrs \$54.0 bill.		37.4%	32.6%	33.1%	35.3%	32.7%	31.2%	30.8%	29.4%	28.2%	32.9%	34.0%	33.0%	Sales (\$mill) <sup>A</sup>	465000						
LT Debt \$94.7 bill. LT Interest \$2.8 bill. (62% of Cap'l)		3277.0	6757.0	7946.0	11257	10505	10157	10903	12547	11056	11284	11250	11525	Depreciation (\$mill) <sup>D</sup>	12275						
Leases, Uncapitalized Annual rentals \$1493 mill.		41733	37037	39510	53394	45687	48351	59531	55256	57411	94680	100090	102745	Net Profit (\$mill)	115645						
No Defined Benefit Pension Plan		25.2%	26.2%	26.1%	26.4%	25.6%	24.6%	18.3%	15.9%	14.4%	13.3%	16.0%	16.0%	Income Tax Rate	16.0%						
Pfd Stock None		26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	22.4%	21.2%	20.9%	25.9%	25.5%	25.0%	Net Profit Margin	24.9%						
Common Stock 16,095 mill. shs.		19111	29628	5083.0	8768.0	27863	27831	14473	57101	38321	9355.0	d2300	5425	Working Cap'l (\$mill)	30525						
MARKET CAP: \$2.6 trillion (Large Cap)		--	16960	28987	53463	75427	97207	93735	91807	98667	109106	94700	94600	Long-Term Debt (\$mill)	94500						
CURRENT POSITION		118210	123549	111547	119355	128249	134047	107147	90488	65339	63090	58100	50400	Retained to Com Eq	108%						
CASH ASSETS		35.3%	26.5%	28.4%	31.3%	23.2%	21.8%	30.8%	31.5%	36.5%	55.8%	66.0%	72.0%	Return on Total Cap'l	65.0%						
RECEIVABLES		35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	55.6%	61.1%	87.9%	150.1%	NMF	NMF	Return on Shr. Equity	132%						
INVENTORY (FIFO)		33.2%	21.4%	25.4%	35.0%	26.2%	26.5%	42.8%	45.5%	66.3%	127.1%	NMF	NMF	All Div'ds to Net Prof	18%						
OTHER		6%	29%	28%	22%	27%	26%	23%	26%	25%	15%	15%	15%								

**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/dlr. 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.

**Apple reported better-than-expected results for the June quarter.** (Ended June 25th.) Sales hit a record \$83 billion, topping last year's tally by 1.9%, and slightly ahead of our \$82.4 billion estimate. Net profit of \$1.20 a share was down a dime versus last year, but \$0.04 ahead of our call and the consensus expectation. Notably, despite a challenging operating environment, the company's installed base of active devices set all-time highs in all product categories and geographic segments. The top line was driven by a 2.8% increase in iPhone sales, to \$40.7 billion, as well as a 12.1% rise in services, to \$19.6 billion. The bottom-line shortfall versus last year was due to rising costs, as well as COVID-19-related lockdowns in China, which impacted sales and production in that country. **Significant external challenges will continue to weigh on performance over the near term.** The veritable laundry list includes new variants of COVID-19, the ongoing war between Russia and Ukraine, unfavorable currency exchange rates, and an uncertain economic environment due to high inflation and rising interest rates. **Nonetheless, we are leaving our 2022 and 2023 earnings estimates virtually unchanged.** The company has displayed remarkable resilience in the face of the difficult operating backdrop. Moreover, management believes sales growth will pick up in the September quarter, despite the drag from foreign exchange rates, and it sees supply constraints improving. Meanwhile, services related revenues should continue to advance, though likely at a more modest pace. Altogether, we look for fiscal 2022 share net to come in around \$6.10, which would represent a year-over-year advance of about 9%. Further gains are likely next year, with our call at \$6.50 a share. **Apple shares have performed comparatively well during the downturn.** Having rebounded more than 20% since the time of our June review, the stock was recently down 8% for the year to date, versus a decline of about 14% for the broader S&P 500, and a 22% drop for the tech-focused NASDAQ. All told, price upside potential through 2025-2027 appears relatively modest at this juncture.

(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 early November. (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.	<b>Company's Financial Strength</b> A++ <b>Stock's Price Stability</b> 75 <b>Price Growth Persistence</b> 95 <b>Earnings Predictability</b> 80
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