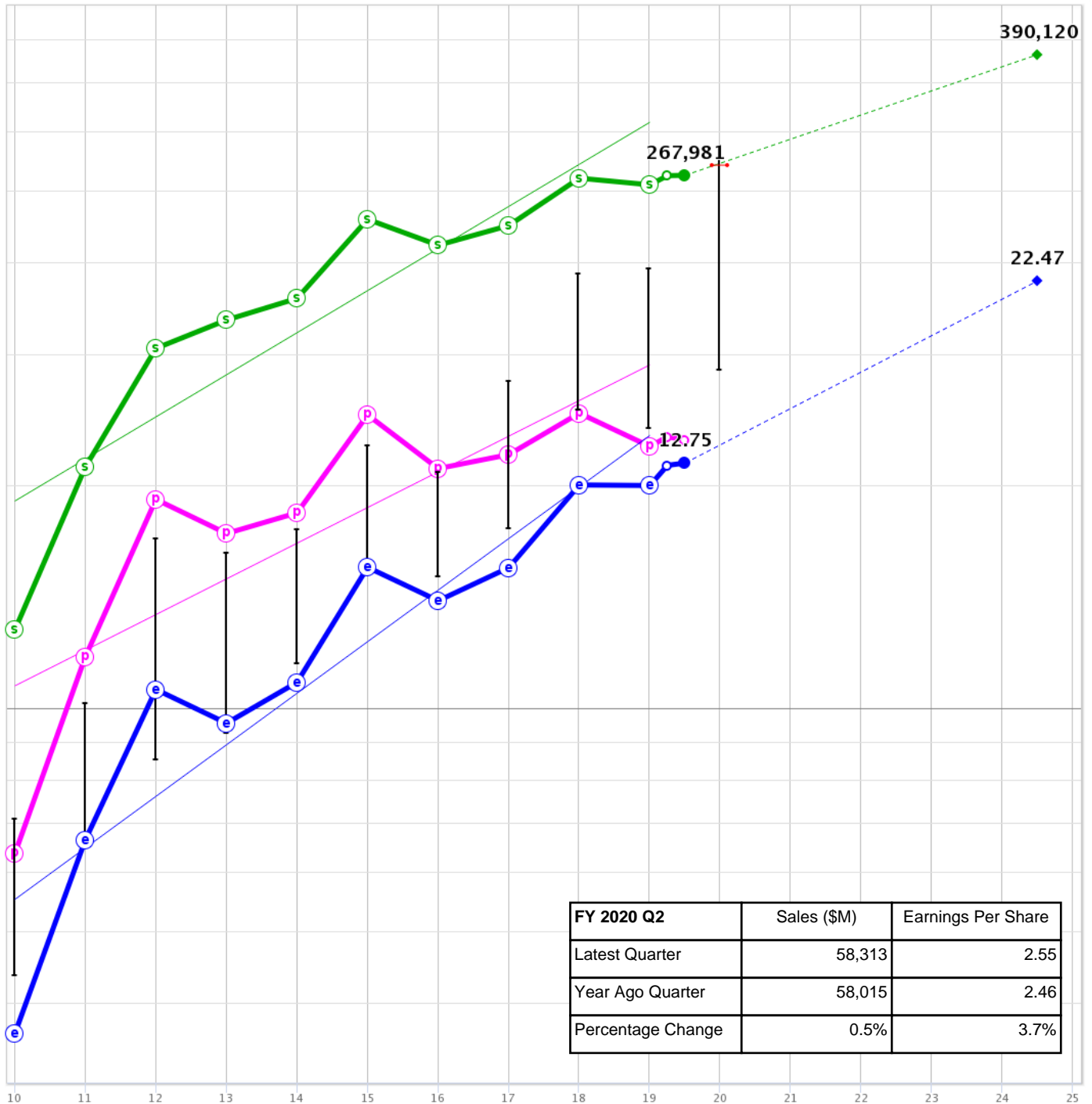


Company	Apple		Date	06/01/20	
Prepared by	HENRIKSON		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Consumer Electronics		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	4,404.7	0.2	36.5		
Debt (\$M)	109,507.0	% to Tot Cap	58.3	% Pot Dil	1.0

Stock Selection Guide

Symbol: AAPL

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2020 Q2	Sales (\$M)	Earnings Per Share
Latest Quarter	58,313	2.55
Year Ago Quarter	58,015	2.46
Percentage Change	0.5%	3.7%

- (1) Historical Sales Growth 14.0%
- (3) Historical Earnings Per Share Growth 17.4%
- (2) Estimated Future Sales Growth 7.8%
- (4) Estimated Future Earnings Per Share Growth 12.0%

2 EVALUATING Management

Apple

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	28.4%	31.6%	35.6%	29.3%	29.3%	31.0%	28.5%	28.0%	27.4%	25.3%	28.0%
% Earned on Equity	29.0%	33.6%	37.1%	29.0%	31.3%	40.9%	35.0%	35.7%	49.3%	54.8%	43.1%
% Debt To Capital	0.0%	0.0%	0.0%	12.1%	24.0%	35.1%	40.4%	46.3%	51.7%	54.4%	45.6%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 321.85 (06/01/20)

HIGH THIS YEAR 327.85

LOW THIS YEAR 170.27

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	134.5	92.0	9.22	14.6	10.0	1.98	21.5	2.2
2016	123.8	89.5	8.31	14.9	10.8	2.18	26.2	2.4
2017	164.5	104.1	9.21	17.9	11.3	2.40	26.1	2.3
2018	229.7	150.2	11.91	19.3	12.6	2.72	22.8	1.8
2019	233.5	142.0	11.89	19.6	11.9	3.00	25.2	2.1
AVERAGE		115.6		17.3	11.3		24.4	
CURRENT/TTM			12.75			3.28	25.7	
AVERAGE PRICE EARNINGS RATIO: 14.3				CURRENT PRICE EARNINGS RATIO: 25.2				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

$$\text{Avg. High P/E} \quad 17.3 \quad \times \quad \text{Estimate High Earnings/Share} \quad 22.47 \quad = \quad \text{Forecasted High Price} \quad \$ \quad 388.7$$

B LOW PRICE - NEXT 5 YEARS

$$(a) \text{ Avg. Low P/E} \quad 11.3 \quad \times \quad \text{Estimate Low Earnings/Share} \quad 11.89 \quad = \quad \text{Forecasted Low Price} \quad \$ \quad 134.4$$

$$(b) \text{ Avg. Low Price of Last 5 Years} \quad 115.6$$

$$(c) \text{ Recent Market Low Price} \quad 142.0$$

$$(d) \text{ Price Dividend Will Support} \quad \frac{\text{Indicated Dividend}}{\text{High Yield}} \quad = \quad \frac{3.28}{2.44\%} \quad = \quad 134.6$$

$$\text{Selected Forecasted Low Price} \quad \$ \quad 170.0$$

C ZONING using 25%-50%-25%

$$\text{Forecasted High Price} \quad 388.7 \quad \text{Minus Forecasted Low Price} \quad 170.0 \quad = \quad 218.7 \quad \text{Range.} \quad 25\% \text{ of Range} \quad 54.7$$

$$\text{Buy Zone} \quad 170.0 \quad \text{to} \quad 224.7$$

$$\text{Hold Zone} \quad 224.7 \quad \text{to} \quad 334.0$$

$$\text{Sell Zone} \quad 334.0 \quad \text{to} \quad 388.7$$

$$\text{Present Market Price of} \quad 321.85 \quad \text{is in the} \quad \text{HOLD} \quad \text{Zone}$$

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$$\frac{\text{High Price} \quad 388.7 \quad \text{Minus Present Price} \quad 321.85}{\text{Present Price} \quad 321.85 \quad \text{Minus Low Price} \quad 170.0} \quad = \quad \frac{66.88}{151.85} \quad = \quad 0.4 \quad \text{To 1}$$

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$$\frac{\text{High Price} \quad 388.7}{\text{Closing Price} \quad 321.85} \quad = \quad 1.2078 \quad \times \quad 100 \quad = \quad 120.78 \quad - \quad 100 \quad = \quad 20.8 \quad \% \text{ Appreciation}$$

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

$$\text{A} \quad \frac{\text{Indicated Annual Dividend} \quad 3.00}{\text{Closing Price} \quad 321.85} \quad = \quad 0.0102 \quad = \quad 1.0\% \quad \text{Current Yield}$$

B AVERAGE YIELD - USING FORECAST HIGH P/E

$$\frac{\text{Avg. \% Payout} \quad 24.4\%}{\text{Forecast High PE} \quad 17.30} \quad = \quad 1.4\%$$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$$\frac{\text{Avg. \% Payout} \quad 24.4\%}{\text{Forecast Average PE} \quad 14.30} \quad = \quad 1.7\%$$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

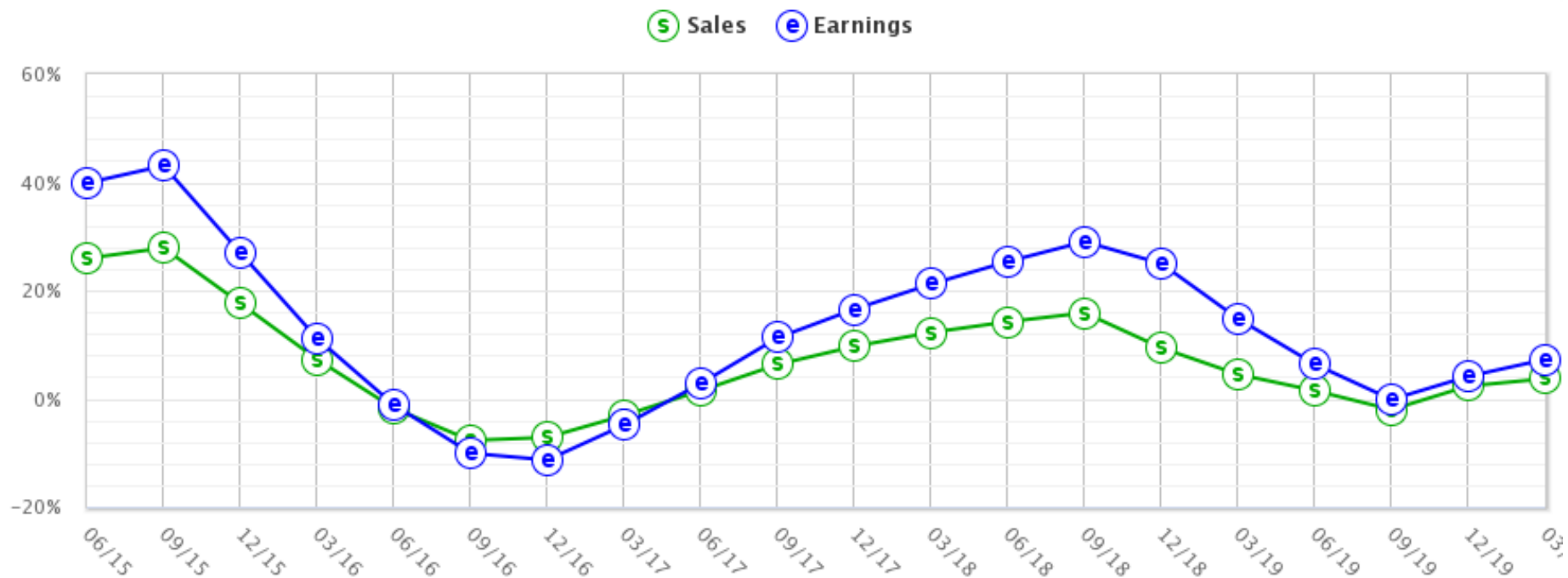
$$\begin{aligned} \text{Annualized Appreciation} & \quad 3.8\% \\ \text{Average Yield} & \quad 1.4\% \\ \text{Annualized Rate of Return} & \quad 5.3\% \end{aligned}$$

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

$$\begin{aligned} \text{Annualized Appreciation} & \quad 0.0\% \\ \text{Average Yield} & \quad 1.7\% \\ \text{Annualized Rate of Return} & \quad 1.7\% \end{aligned}$$

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
03/20	2.55	3.7	13,135.0	22.5	-4.8	58,313.0	0.5	14.4	12.75	67,091.0	25.0	267,981.0	9,959.7	14.8	7.2	-0.5	3.7
12/19	4.99	19.4	25,918.0	28.2	8.4	91,819.0	8.9	14.2	12.66	67,749.0	25.3	267,683.0	10,365.6	15.3	4.1	-2.9	2.3
09/19	3.03	4.1	16,127.0	25.2	-1.8	64,040.0	1.8	15.1	11.85	65,737.0	25.3	260,174.0	10,432.5	15.9	-0.2	-9.8	-2.0
06/19	2.18	-6.8	11,911.0	22.1	-10.3	53,809.0	1.0	15.7	11.73	66,031.0	25.5	259,034.0	10,287.6	15.6	6.3	-6.2	1.5
03/19	2.46	-9.9	13,793.0	23.8	-14.7	58,015.0	-5.1	16.2	11.89	67,404.0	26.1	258,490.0	10,100.5	15.0	14.8	-1.5	4.5
12/18	4.18	7.5	23,906.0	28.4	-11.6	84,310.0	-4.5	16.5	12.16	69,779.0	26.7	261,612.0	10,165.1	14.6	25.0	4.2	9.4
09/18	2.91	40.6	16,421.0	26.1	18.0	62,900.0	19.6	14.0	11.87	72,903.0	27.4	265,595.0	12,311.5	16.9	29.0	13.8	15.9
06/18	2.34	40.1	13,284.0	24.9	17.5	53,265.0	17.3	13.3	11.03	70,399.0	27.6	255,274.0	13,479.6	19.1	25.3	12.9	14.2
03/18	2.73	30.0	16,168.0	26.4	10.1	61,137.0	15.6	14.5	10.36	68,423.0	27.7	247,417.0	14,746.9	21.6	21.2	11.2	12.2
12/17	3.89	15.8	27,030.0	30.6	11.8	88,293.0	12.7	25.8	9.73	66,939.0	28.0	239,176.0	16,164.1	24.1	16.5	9.8	9.7

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
09/17	2.07	24.0	13,917.0	26.5	14.2	52,579.0	12.2	23.0	9.20	64,089.0	28.0	229,234.0	15,514.3	24.2	11.2	4.4	6.3
06/17	1.67	17.6	11,308.0	24.9	8.0	45,408.0	7.2	22.9	8.80	62,360.0	27.9	223,507.0	15,566.6	25.0	2.8	-2.9	1.5
03/17	2.10	10.5	14,684.0	27.8	3.8	52,896.0	4.6	24.9	8.55	61,521.0	27.9	220,457.0	15,760.1	25.6	-4.9	-9.9	-3.1
12/16	3.36	2.4	24,180.0	30.9	-1.6	78,351.0	3.3	26.0	8.35	60,979.0	28.0	218,118.0	15,735.6	25.8	-11.4	-16.1	-7.2
09/16	1.67	-14.8	12,188.0	26.0	-19.1	46,852.0	-9.0	26.0	8.27	61,372.0	28.5	215,639.0	15,725.0	25.6	-10.1	-15.4	-7.7
06/16	1.42	-23.2	10,469.0	24.7	-27.7	42,358.0	-14.6	25.5	8.56	64,246.0	29.2	220,288.0	16,479.1	25.7	-1.2	-6.8	-1.8
03/16	1.90	-18.5	14,142.0	28.0	-23.8	50,557.0	-12.8	25.6	8.99	68,250.0	30.0	227,535.0	17,625.6	25.8	11.1	5.1	7.2
12/15	3.28	7.2	24,573.0	32.4	0.6	75,872.0	1.7	25.3	9.42	72,672.0	30.9	234,988.0	18,998.3	26.1	27.0	20.7	17.6
09/15	1.96	38.0	15,062.0	29.2	31.3	51,501.0	22.3	26.2	9.20	72,515.0	31.0	233,715.0	19,120.4	26.4	43.1	35.6	27.9
06/15	1.85	44.5	14,473.0	29.2	38.0	49,605.0	32.5	26.2	8.66	68,925.0	30.7	224,337.0	18,180.7	26.4	39.9	32.2	25.9
03/15	2.33	40.4	18,564.0	32.0	34.3	58,010.0	27.1	26.9	8.09	64,936.0	30.6	212,164.0	17,107.4	26.3	35.3	27.1	20.5
12/14	3.06	47.8	24,416.0	32.7	37.9	74,599.0	29.5	26.2	7.42	60,190.0	30.1	199,800.0	15,723.1	26.1	28.8	19.9	14.8
09/14	1.42	20.3	11,472.0	27.2	13.1	42,123.0	12.4	26.2	6.43	53,483.0	29.3	182,795.0	13,971.1	26.1	13.6	6.6	7.0
06/14	1.28	20.0	10,484.0	28.0	11.1	37,432.0	6.0	26.1	6.19	52,154.0	29.3	178,144.0	13,591.3	26.1	8.2	2.5	5.2
03/14	1.66	15.2	13,818.0	30.3	7.1	45,646.0	4.7	26.0	5.98	51,105.0	29.0	176,035.0	13,416.3	26.3	-0.1	-4.2	4.1
12/13	2.07	5.0	17,709.0	30.7	0.2	57,594.0	5.7	26.2	5.76	50,192.0	28.8	173,992.0	13,176.7	26.3	-8.6	-10.3	5.7
09/13	1.18	-4.8	10,143.0	27.1	-6.9	37,472.0	4.2	25.9	5.66	50,155.0	29.3	170,910.0	13,144.4	26.2	-10.3	-10.1	9.2
06/13	1.07	-19.8	9,435.0	26.7	-20.5	35,323.0	0.9	26.9	5.72	50,905.0	30.0	169,404.0	13,158.9	25.9	-5.9	-5.1	13.8
03/13	1.44	-18.0	12,905.0	29.6	-16.9	43,603.0	11.3	26.0	5.98	53,331.0	31.5	169,104.0	13,616.7	25.5	2.2	3.9	18.8
12/12	1.97	-0.4	17,672.0	32.4	1.1	54,512.0	17.7	26.0	6.30	55,958.0	34.0	164,687.0	14,168.6	25.3	25.6	28.0	28.8
09/12	1.24	23.0	10,893.0	30.3	23.9	35,966.0	27.2	24.5	6.31	55,763.0	35.6	156,508.0	14,014.6	25.1	59.6	63.0	44.6
06/12	1.33	19.6	11,861.0	33.9	24.2	35,023.0	22.6	25.6	6.08	53,661.0	36.1	148,812.0	13,506.5	25.2	68.4	73.8	48.3
03/12	1.76	92.2	15,532.0	39.6	96.6	39,186.0	58.9	25.2	5.86	51,351.0	36.1	142,360.0	12,652.9	24.6	95.5	100.5	62.8
12/11	1.98	115.6	17,477.0	37.7	119.5	46,333.0	73.3	25.3	5.02	43,719.0	34.2	127,841.0	10,668.5	24.4	96.0	101.1	67.6
09/11	1.01	51.9	8,791.0	31.1	61.0	28,270.0	39.0	24.7	3.95	34,205.0	31.6	108,249.0	8,291.3	24.2	82.7	84.5	66.0
06/11	1.11	122.2	9,551.0	33.4	122.5	28,571.0	82.0	23.5	3.61	30,875.0	30.8	100,322.0	7,210.1	23.4			
03/11	0.91	92.0	7,900.0	32.0	96.1	24,667.0	82.7	24.2	3.00	25,616.0	29.3	87,451.0	6,028.7	23.5			
12/10	0.92	75.4	7,963.0	29.8	67.4	26,741.0	70.5	24.6	2.56	21,745.0	28.5	76,283.0	5,089.4	23.4			
09/10	0.66		5,461.0	26.8		20,343.0		21.1									
06/10	0.50		4,292.0	27.3		15,700.0		24.2									
03/10	0.48		4,029.0	29.8		13,499.0		23.7									
12/09	0.52		4,758.0	30.3		15,683.0		29.0									