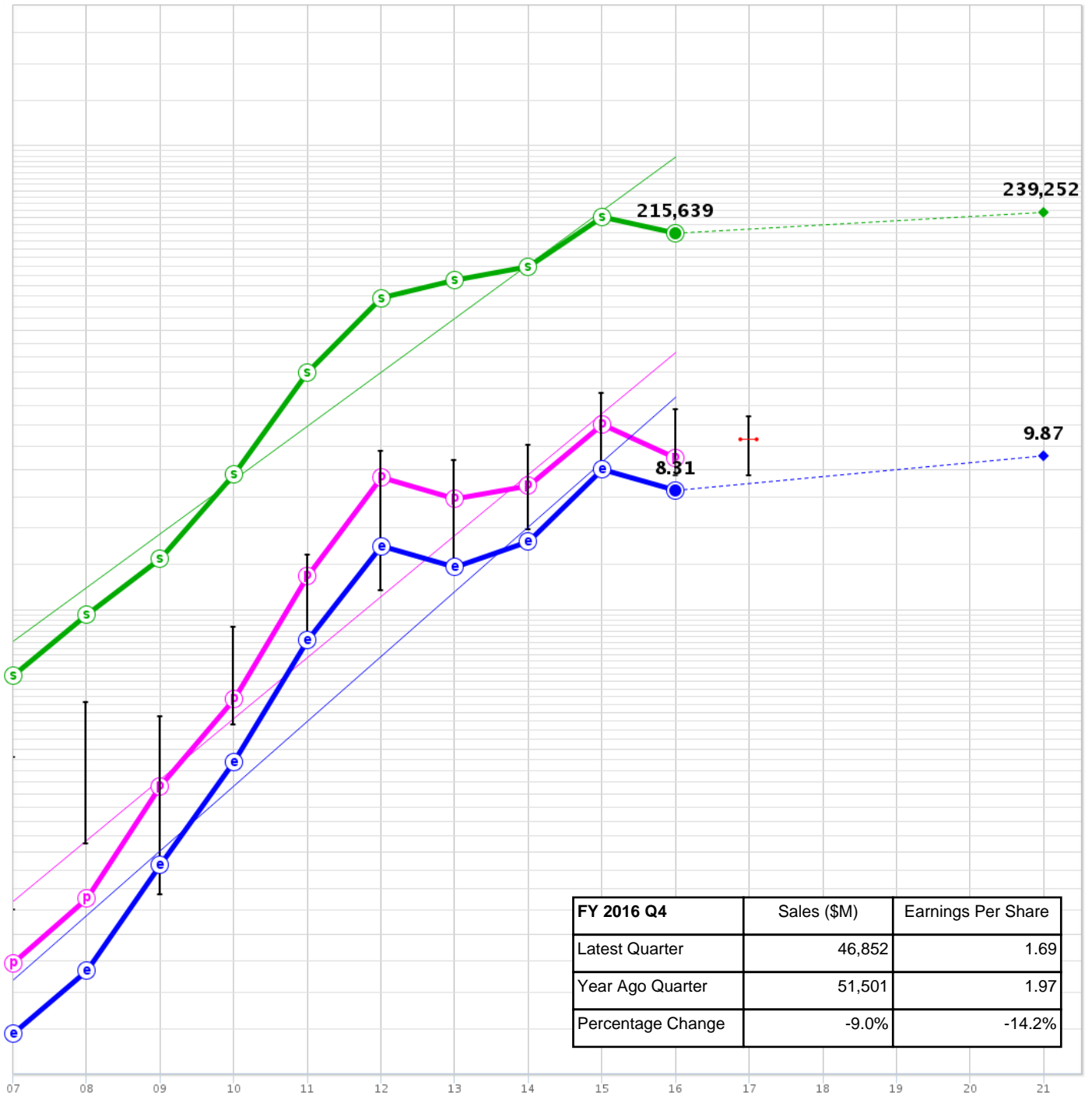


Company	Apple		Date	11/15/16	
Prepared by	CLEMETS		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Consumer Electronics		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	5,393.3	0.2	59.2		
Debt (\$M)	87,032.0	% to Tot Cap	40.4	% Pot Dil	0.5

Stock Selection Guide

Symbol: AAPL

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2016 Q4	Sales (\$M)	Earnings Per Share
Latest Quarter	46,852	1.69
Year Ago Quarter	51,501	1.97
Percentage Change	-9.0%	-14.2%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 30.6% | (3) Historical Earnings Per Share Growth | 37.9% |
| (2) Estimated Future Sales Growth | 2.1% | (4) Estimated Future Earnings Per Share Growth | 3.5% |

2 EVALUATING Management

Apple

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Last 5 Year Avg.
Pre-tax Profit on Sales	20.9%	21.2%	28.1%	28.4%	31.6%	35.6%	29.3%	29.3%	31.0%	28.5%	30.7%
% Earned on Equity	25.6%	22.6%	25.8%	29.0%	33.6%	37.1%	29.0%	31.3%	40.9%	35.0%	34.7%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.1%	24.0%	35.1%	40.4%	22.3%

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 107.11 (11/15/16)

HIGH THIS YEAR 119.92

LOW THIS YEAR 89.47

	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
2012	100.7	50.6	6.31	16.0	8.0	0.38	6.0	0.7
2013	96.3	55.0	5.68	17.0	9.7	1.63	28.7	3.0
2014	103.7	68.3	6.45	16.1	10.6	1.81	28.1	2.7
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
AVERAGE		71.1		15.4	10.3		22.1	
CURRENT/TTM			8.29			2.28	27.5	
AVERAGE PRICE EARNINGS RATIO: 12.8				CURRENT PRICE EARNINGS RATIO: 12.9				

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

Avg. High P/E 15.4 X Estimate High Earnings/Share 9.87 = Forecasted High Price \$ 152.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 10.1 X Estimate Low Earnings/Share 9.22 = Forecasted Low Price \$ 93.1

(b) Avg. Low Price of Last 5 Years 71.1

(c) Recent Market Low Price 89.5

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{2.18}{2.96\%} = 73.6$
Selected Forecasted Low Price \$ 71.1

C ZONING using 25%-50%-25%

Forecasted High Price 152.0 Minus Forecasted Low Price 71.1 = 80.9 Range. 25% of Range 20.2

Buy Zone 71.1 to 91.3

Hold Zone 91.3 to 131.8

Sell Zone 131.8 to 152.0

Present Market Price of 107.11 is in the **HOLD** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{152.0 - 107.11}{107.11 - 71.1} = \frac{44.88}{36.03} = 1.2$ To 1

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

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{152.0 - 107.11}{107.11} = 1.4190$ X 100 = 141.90 - 100 = 41.9 % 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.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{2.18}{107.11} = 0.0213 = 2.1\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{21.1\%}{15.40} = 1.4\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{21.1\%}{12.75} = 1.7\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

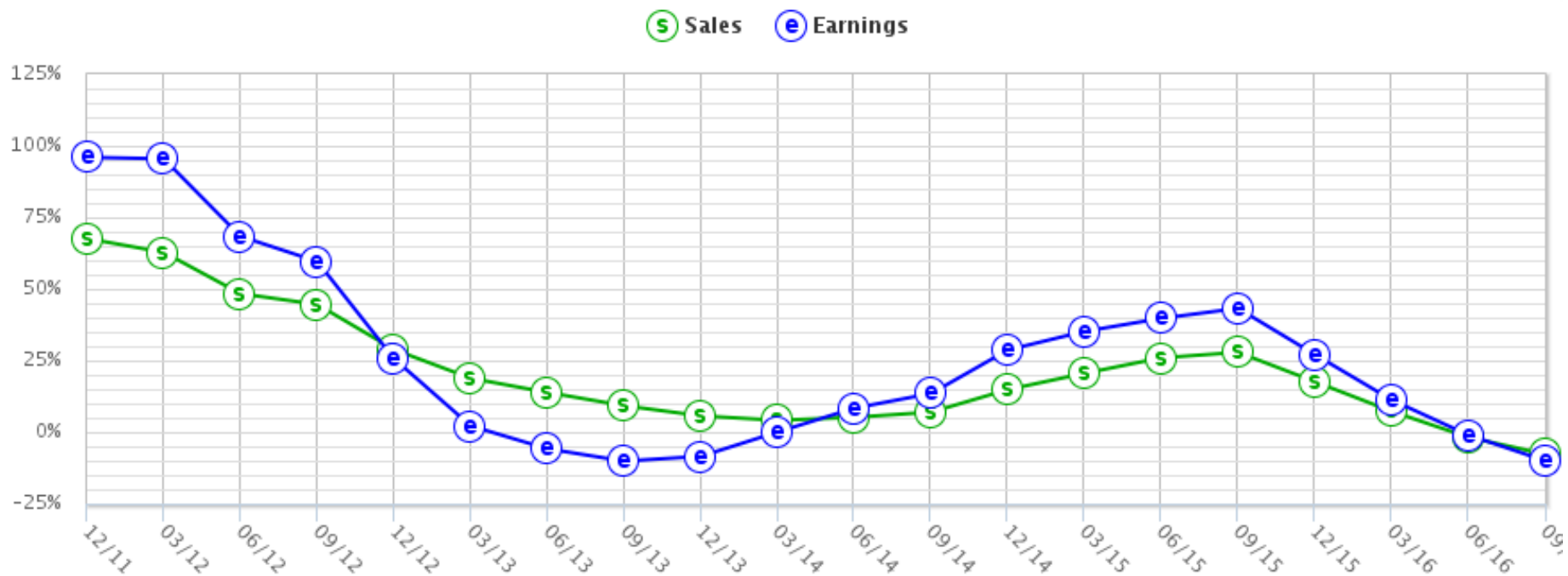
Annualized Appreciation 7.3 %
Average Yield 1.4 %
Annualized Rate of Return 8.6 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 3.3 %
Average Yield 1.7 %
Annualized Rate of Return 4.9 %

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	Sales	
09/16	1.69	-14.2	12,188.0	26.0	-19.1	46,852.0	-9.0	26.0	8.29	61,372.0	28.5	215,639.0	15,725.0	25.6	-10.0	-15.4	-7.7
06/16	1.42	-23.2	10,469.0	24.7	-27.7	42,358.0	-14.6	25.5	8.57	64,246.0	29.2	220,288.0	16,479.1	25.7	-1.0	-6.8	-1.8
03/16	1.90	-18.5	14,142.0	28.0	-23.8	50,557.0	-12.8	25.6	9.00	68,250.0	30.0	227,535.0	17,625.6	25.8	11.2	5.1	7.2
12/15	3.28	7.2	24,573.0	32.4	0.6	75,872.0	1.7	25.3	9.43	72,672.0	30.9	234,988.0	18,998.3	26.1	27.1	20.7	17.6
09/15	1.97	38.7	15,062.0	29.2	31.3	51,501.0	22.3	26.2	9.21	72,515.0	31.0	233,715.0	19,120.4	26.4	43.2	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	39.7	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	35.2	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	28.7	19.9	14.8
09/14	1.42	19.6	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	13.5	6.6	7.0
06/14	1.28	20.0	10,484.0	28.0	11.1	37,432.0	6.0	26.1	6.20	52,154.0	29.3	178,144.0	13,591.3	26.1	8.4	2.5	5.2

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	Sales
03/14	1.66	15.2	13,818.0	30.3	7.1	45,646.0	4.7	26.0	5.99	51,105.0	29.0	176,035.0	13,416.3	26.3	0.0	-4.2	4.1	
12/13	2.07	5.0	17,709.0	30.7	0.2	57,594.0	5.7	26.2	5.77	50,192.0	28.8	173,992.0	13,176.7	26.3	-8.5	-10.3	5.7	
09/13	1.19	-4.2	10,143.0	27.1	-6.9	37,472.0	4.2	25.9	5.67	50,155.0	29.3	170,910.0	13,144.4	26.2	-10.1	-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	67.1	59.2	64.1	
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	61.8	52.1	62.7	
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	63.4	49.6	57.5	
09/10	0.66	0.6	5,461.0	26.8	-13.6	20,343.0	25.3	21.1	2.16	18,540.0	28.4	65,225.0	4,543.2	24.5	67.0	53.7	52.0	
06/10	0.50	159.6	4,292.0	27.3	147.8	15,700.0	88.3	24.2	2.16	19,399.0	31.7	61,120.0	5,359.9	27.6	164.4	164.7	76.8	
03/10	0.48	150.5	4,029.0	29.8	132.9	13,499.0	65.4	23.7	1.85	16,839.0	31.3	53,757.0	4,855.9	28.8	133.2	137.0	59.6	
12/09	0.52	106.3	4,758.0	30.3	108.3	15,683.0	54.3	29.0	1.57	14,540.0	30.0	48,421.0	4,434.7	30.5	103.4	112.2	46.6	
09/09	0.66	266.1	6,320.0	38.9	299.5	16,238.0	105.7	33.6	1.30	12,066.0	28.1	42,905.0	3,702.2	30.7	69.0	75.0	32.1	
06/09	0.19	13.5	1,732.0	20.8	14.7	8,337.0	11.7	29.0	0.82	7,328.0	21.2	34,562.0	2,149.1	29.3	11.8	12.0	12.2	
03/09	0.19	14.5	1,730.0	21.2	17.1	8,163.0	8.7	30.4	0.79	7,106.0	21.1	33,689.0	2,083.5	29.3	14.7	14.1	17.2	
12/08	0.25	1.2	2,284.0	22.5	-1.8	10,167.0	5.8	29.7	0.77	6,853.0	20.7	33,038.0	1,990.5	29.0	18.5	40.3	24.7	
09/08	0.18	25.0	1,582.0	20.0	28.6	7,895.0	27.0	28.2	0.77	6,895.0	21.2	32,479.0	2,042.3	29.6	36.5	72.0	35.3	
06/08	0.17	29.8	1,510.0	20.2	26.3	7,464.0	38.0	29.0	0.73	6,543.0	21.2	30,801.0	1,910.4	29.2	44.2	87.0	36.1	
03/08	0.17	33.9	1,477.0	19.7	1,002.2	7,512.0	42.7	29.3	0.69	6,229.0	21.7	28,747.0	1,859.2	29.8	52.8	110.2	33.2	
12/07	0.25	54.0	2,326.0	24.2	60.6	9,608.0	35.0	32.0	0.65	4,886.0	18.4	26,499.0	4,419.1	90.4	64.1	42.2	28.1	
09/07	0.14	61.8	1,230.0	19.8	70.6	6,217.0	28.5	26.5	0.56	4,008.0	16.7	24,006.0	3,611.3	90.1	72.4	42.2	24.3	
06/07	0.13	70.1	1,196.0	22.1	80.9	5,410.0	23.8	31.6	0.51	3,499.0	15.5	22,626.0	3,138.1	89.7	64.6	35.9	24.6	
03/07	0.12	85.1	134.0	2.5	-77.9	5,264.0	20.8	271.6	0.45	2,964.0	13.7	21,586.0	2,635.9	88.9	59.5	24.2	24.7	
12/06	0.16	75.3	1,448.0	20.4	74.2	7,115.0	23.8	30.7	0.40	3,435.0	16.6	20,681.0	998.8	29.1	48.9	54.9	27.7	
09/06	0.09	25.4	721.0	14.9	50.8	4,837.0	31.5	24.8	0.33	2,818.0	14.6	19,315.0	828.9	29.4	46.2	55.3	38.6	
06/06	0.08	45.3	661.0	15.1	39.7	4,370.0	24.1	28.6	0.31	2,575.0	14.2	18,156.0	662.2	25.7	80.1	73.5	44.1	
03/06	0.07	36.7	605.0	13.9	39.1	4,359.0	34.4	32.2	0.28	2,387.0	13.8	17,306.0	636.3	26.7	120.2	117.8	56.0	
12/05	0.09	86.0	831.0	14.5	93.7	5,749.0	64.7	32.0	0.27	2,217.0	13.7	16,190.0	597.1	26.9				

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	Sales
09/05	0.07	273.7	478.0	13.0	225.2	3,678.0	56.5	10.0	0.22	1,815.0	13.0	13,931.0	485.3	26.7			
06/05	0.05	381.8	473.0	13.4	456.5	3,520.0	74.8	32.4	0.17	1,484.0	11.8	12,603.0	463.0	31.2			
03/05	0.05		435.0	13.4		3,243.0		33.3									
12/04	0.05		429.0	12.3		3,490.0		31.2									
09/04	0.02		147.0	6.3		2,350.0		27.9									
06/04	0.01		85.0	4.2		2,014.0		28.2									