

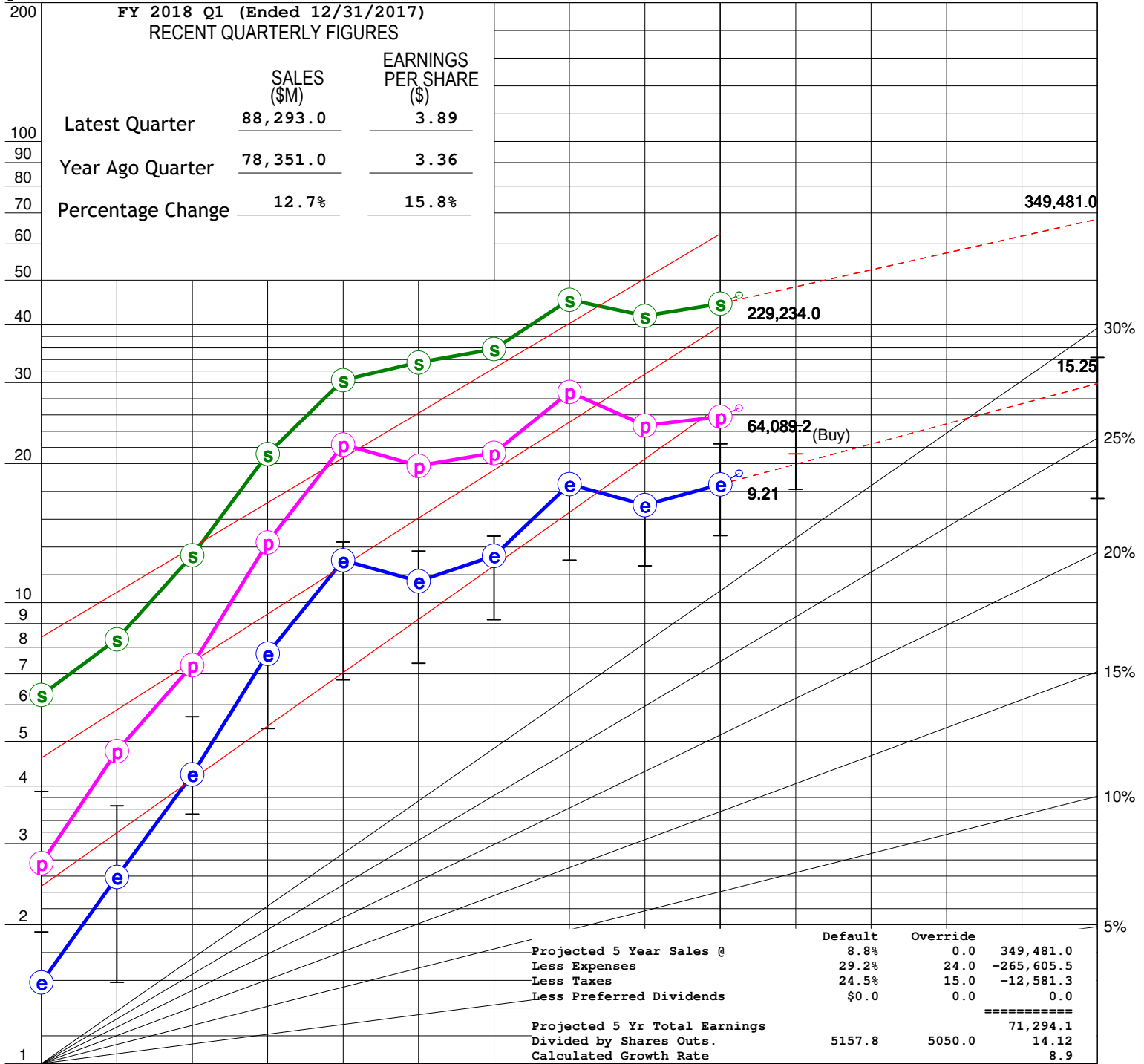


# Stock Study

Company	Apple	Price Date	02/09/18
Study by	SPatter	Data Date	02/09/18
Sector	Technology	Last Judgment	02/11/18
Industry	Consumer Electronics	Data Source	StkCntrl
Preferred(\$M)	0.0	Reference	Morningstar
Diluted(M Shares)	5,157.8	% Insiders	0.2
Total Debt(\$M)	122,400.0	% Institutions	62.8
% Tot Debt to Tot Cap	46.6	Quality	2.6 (Take Stock)

## 1 Growth Analysis

NAS: AAPL



- |                                   |        |  |        |               |
|-----------------------------------|--------|--|--------|---------------|
| (1) Historical Sales Growth       | 25.1 % | (3) Historical Earnings Per Share Growth       | 30.6 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 8.8 %  | (4) Estimated Future Earnings Per Share Growth | 10.6 % |               |
| (5) Sales Growth R <sup>2</sup>   | 0.87   | (6) Earnings Per Share Growth R <sup>2</sup>   | 0.86   |               |

## 2 QUALITY ANALYSIS

Company Apple (AAPL)

02/09/18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	21.2	28.1	28.4	31.6	35.6	29.3	29.3	31.0	28.5	28.0	29.2	DOWN
<b>B</b> % ROE (Beginning Yr)	<del>21.2</del>	38.2	43.1	53.0	53.5	33.4	32.9	44.7	36.9	38.8	37.4	UP
<b>C</b> % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	13.3	23.0	41.0	57.8	71.7	41.3	UP

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 156.41 (16.1) 52-WEEK HIGH (P/E) 180.10 (18.5) 52-WEEK LOW (P/E) 131.12 (13.5)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2013	96.3	55.0	5.68	17.0	9.7	1.629	28.7	3.0
2 2014	103.7	68.3	6.45	16.1	10.6	1.811	28.1	2.7
3 2015	134.5	92.0	9.22	14.6	10.0	1.980	21.5	2.2
4 2016	123.8	89.5	8.31	14.9	10.8	2.180	26.2	2.4
5 2017	164.5	104.1	9.21	17.9	11.3	2.400	26.1	2.3
6 AVERAGE		81.8		16.1	10.5		26.1	
AVERAGE P/E RATIO	13.3	PROJECTED P/E RATIO		14.5	TTM EPS		9.73	
CURRENT P/E RATIO	16.1	PEG RATIO		1.4	FTM EPS		10.76	
RELATIVE VALUE	120.9%	PROJ. RELATIVE VALUE		<del>109.3%</del> 108.1%	AVG TTM + FTM EPS		10.25	

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~16.1~~ 16.6 X Estimated High Earnings/Share 15.25 = Forecast High Price \$ 253.2

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~10.5~~ 10.3 (as adj.) X Estimated Low Earnings/Share ~~9.21~~ 9.73 = \$ 100.2

(b) Average 5-Year Low Price = 81.8

(c) Recent Severe Low Price = 89.5

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.52 + 0.030 = 85.1

Selected Estimated Low Price = \$ 125.1

### C PRICE RANGES

Forecast High Price 253.2 - Estimated Low Price 125.1 = Range 128.1 25% of Range = 32.0

BUY (Lower 25% of Range) = 125.1 to 157.1

MAYBE (Middle 50% of Range) = 157.1 to 221.2

SELL (Upper 25% of Range) = 221.2 to 253.2

Current Price 156.41 is in the Buy Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 253.2 - Current Price 156.41) ÷ (Current Price 156.41 - Estimated Low Price 125.1) = 3.1 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.520 ÷ Current Price of Stock \$ 156.41 = 1.6 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 26.1 ÷ Forecast High P/E 16.6 = Avg. Yield 1.6

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 26.1 ÷ Forecast Avg P/E 13.5 = Avg. Yield 1.9

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 1.6 % + Annual Appreciation 10.1 % = Compound Annual Total Return 11.7 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 1.9 % + Annual Appreciation 5.6 % = Projected Average Total Return 7.5 %