

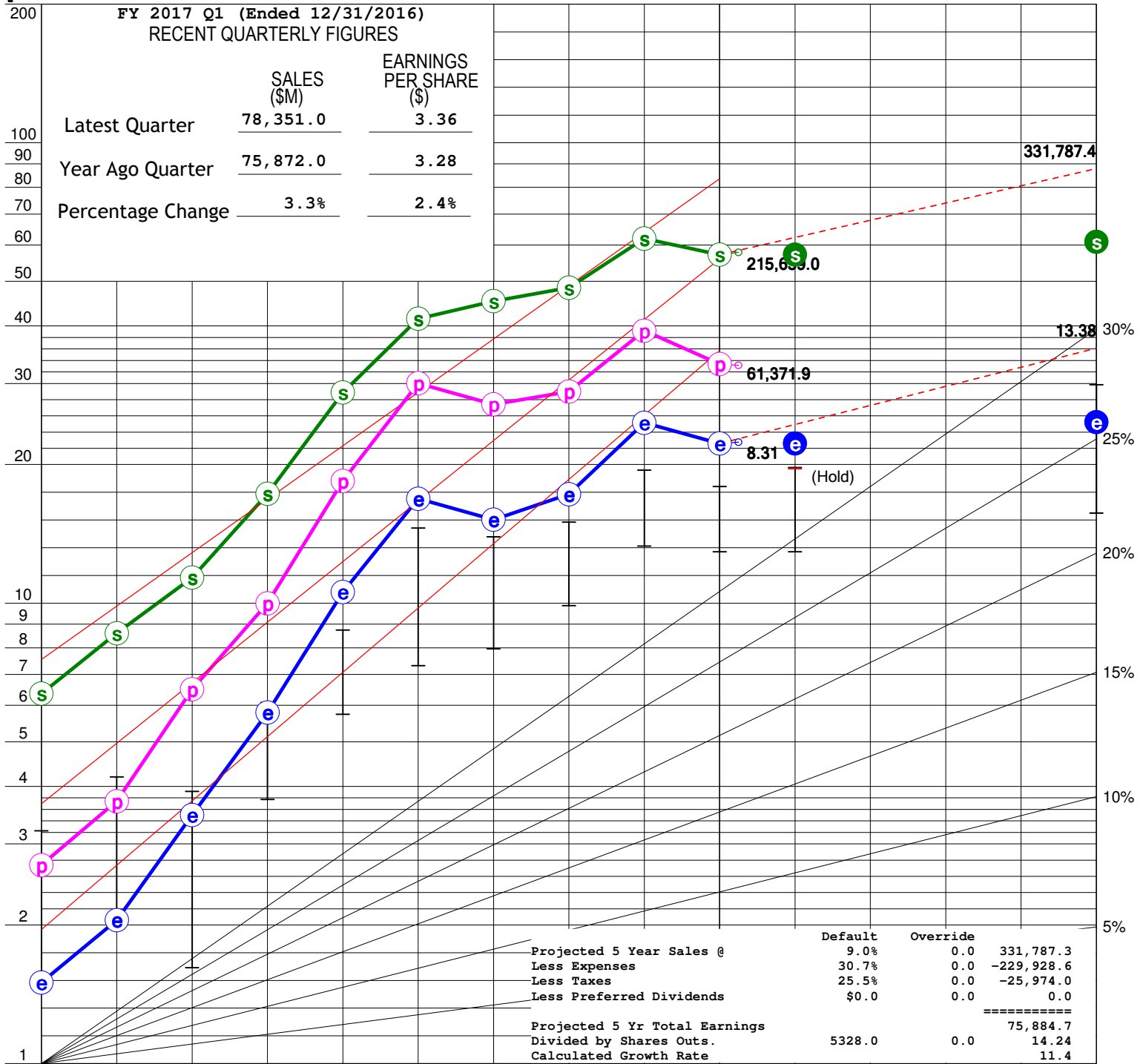


# Stock Study

Company	Apple 2-16-17	Price Date	02/15/17
Study by	SPatter	Data Date	02/15/17
Sector	Technology	Last Judgment	02/16/17
Industry	Consumer Electronics	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningstar
Diluted(M Shares)	5,328.0	% Insiders	0.2
Total Debt(\$M)	87,549.0	% Institutions	62.6
% Tot Debt to Tot Cap	39.8	Quality	

## 1 Growth Analysis

NAS: AAPL



- |                                   |        |  |        |               |
|-----------------------------------|--------|--|--------|---------------|
| (1) Historical Sales Growth       | 30.6 % | (3) Historical Earnings Per Share Growth       | 37.9 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 9.0 %  | (4) Estimated Future Earnings Per Share Growth | 10.0 % |               |
| (5) Sales Growth R <sup>2</sup>   | 0.93   | (6) Earnings Per Share Growth R <sup>2</sup>   | 0.91   |               |

## 2 QUALITY ANALYSIS

Company Apple 2-16-17 (AAPL)

02/15/17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % 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	DOWN
<b>B</b> % ROE (Beginning Yr)	<del>34.9</del>	34.9	38.2	43.1	53.0	53.5	33.4	32.9	44.7	36.9	40.3	DOWN
<b>C</b> % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	13.3	23.0	41.0	57.8	33.8	UP

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

CURRENT PRICE (P/E) 135.51 (16.2) 52-WEEK HIGH (P/E) 136.27 (16.3) 52-WEEK LOW (P/E) 89.47 (10.7)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2012	100.7	50.6	6.31	16.0	8.0	0.379	6.0	0.7
2 2013	96.3	55.0	5.68	17.0	9.7	1.629	28.7	3.0
3 2014	103.7	68.3	6.45	16.1	10.6	1.811	28.1	2.7
4 2015	134.5	92.0	9.22	14.6	10.0	1.980	21.5	2.2
5 2016	123.8	89.5	8.31	14.9	10.8	2.180	26.2	2.4
6 AVERAGE		71.1		15.7	9.8		22.1	
AVERAGE P/E RATIO	12.8		PROJECTED P/E RATIO	14.7		TTM EPS		8.37
CURRENT P/E RATIO	16.2		PEG RATIO	1.5		FTM EPS		9.21
RELATIVE VALUE	127.0%		PROJ. RELATIVE VALUE	<del>115.4%</del> 119.2%		AVG TTM + FTM EPS		8.79

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

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

Selected High P/E ~~15.7~~ 15.4 X Estimated High Earnings/Share 13.38 = Forecast High Price \$ 206.1

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

(a) Sel. Low P/E ~~9.8~~ 9.3 (as adj.) X Estimated Low Earnings/Share ~~8.31~~ 8.37 = \$ 77.8

(b) Average 5-Year Low Price = 71.1

(c) Recent Severe Low Price = 89.5

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.28 + 0.030 = 77.0

Selected Estimated Low Price = \$ 108.4

### C PRICE RANGES

Forecast High Price 206.1 - Estimated Low Price 108.4 = Range 97.7 25% of Range = 24.4

BUY (Lower 25% of Range) = 108.4 to 132.8

MAYBE (Middle 50% of Range) = 132.8 to 181.7

SELL (Upper 25% of Range) = 181.7 to 206.1

Current Price 135.51 is in the Hold Range

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

(Forecast High Price 206.1 - Current Price 135.51) ÷ (Current Price 135.51 - Estimated Low Price 108.4) = 2.6 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.280 ÷ Current Price of Stock \$ 135.51 = 1.7 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout 22.1 ÷ Forecast High P/E 15.4 = Avg. Yield 1.4

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

Avg. % Payout 22.1 ÷ Forecast Avg P/E 12.4 = Avg. Yield 1.8

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

Average Yield 1.4 % + Annual Appreciation 8.7 % = Compound Annual Total Return 10.2 %

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

Average Yield 1.8 % + Annual Appreciation 4.0 % = Projected Average Total Return 5.8 %