

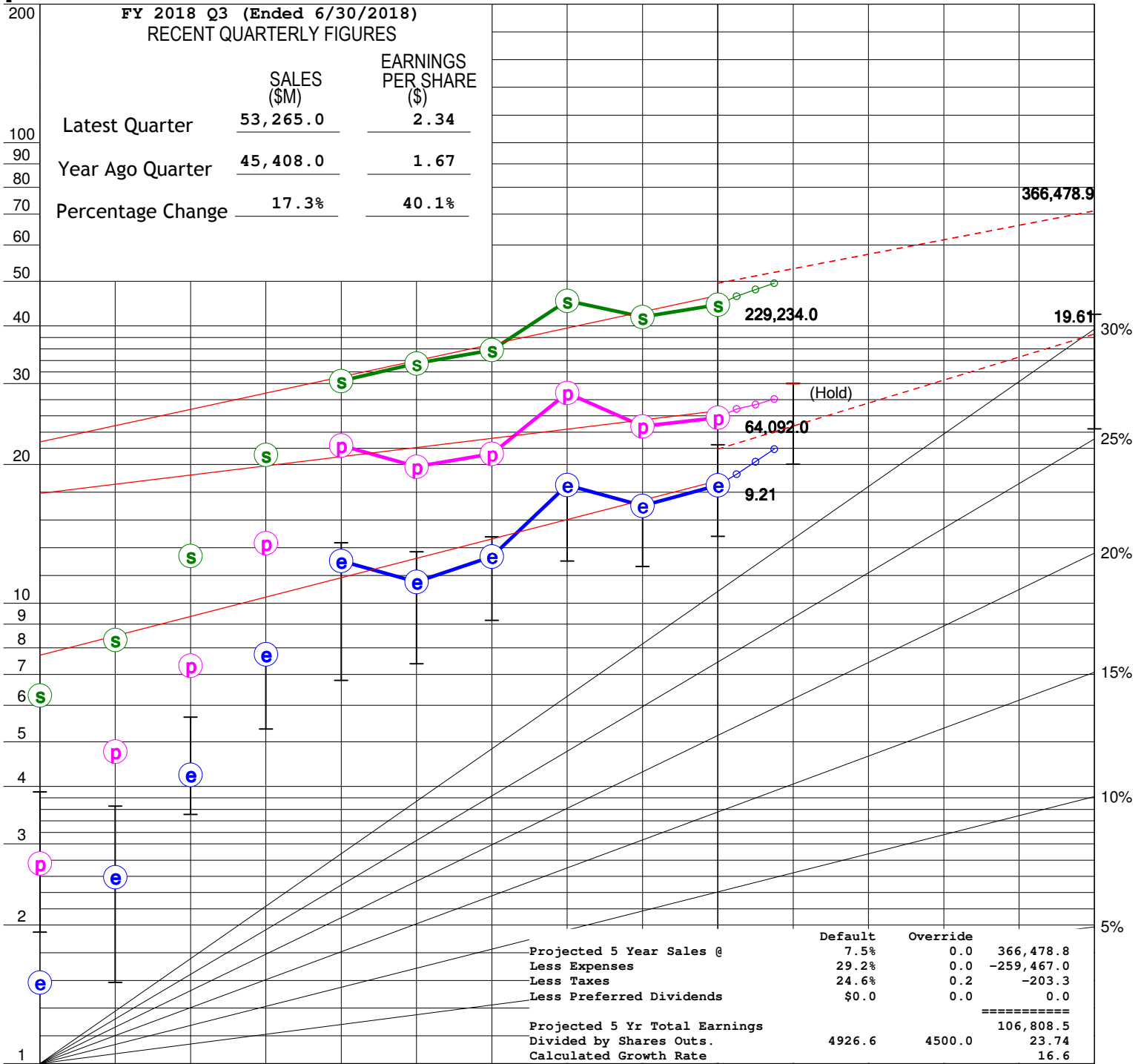


# Stock Study

Company	Apple Inc	Price Date	08/29/18
Study by	GILLOGLY	Data Date	08/30/18
Sector	Technology	Last Judgment	08/30/18
Industry	Consumer Electronics	Data Source	Other
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	4,926.6	% Insiders	0.2
Total Debt(\$M)	114,600.0	% Institutions	64.7
% Tot Debt to Tot Cap	47.4	Quality	

## 1 Growth Analysis

NASDAQ: AAPL



- |                                   |            |  |            |               |
|-----------------------------------|------------|--|------------|---------------|
| (1) Historical Sales Growth       | 8.5 %      | (3) Historical Earnings Per Share Growth       | 10.2 %     | www.iclub.com |
| (2) Estimated Future Sales Growth | 7.5 %      | (4) Estimated Future Earnings Per Share Growth | 12.2 %     |               |
| (5) Sales Growth R <sup>2</sup>   | -0.87 0.84 | (6) Earnings Per Share Growth R <sup>2</sup>   | -0.86 0.73 |               |

## 2 QUALITY ANALYSIS

Company Apple Inc (AAPL)

08/29/18

	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) 222.98 (20.2) 52-WEEK HIGH (P/E) 223.49 (20.3) 52-WEEK LOW (P/E) 149.16 (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	18.0		TTM EPS	11.03		
CURRENT P/E RATIO	20.2		PEG RATIO	1.5		FTM EPS	12.38		
RELATIVE VALUE	152.0%		PROJ. RELATIVE VALUE	135.5%		AVG TTM + FTM EPS	11.70		

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

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

Selected High P/E 16.1 X Estimated High Earnings/Share 19.61 = Forecast High Price \$ 315.7

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

(a) Sel. Low P/E 10.5 X Estimated Low Earnings/Share 9.21 <sup>(as adj.)</sup> 11.03 = \$ 115.8

(b) Average 5-Year Low Price = 81.8

(c) Recent Severe Low Price = 89.5

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.40 + 0.030 = 81.0

Selected Estimated Low Price \_\_\_\_\_ = \$ 178.0

### C PRICE RANGES

Forecast High Price 315.7 - Estimated Low Price 178.0 = Range 137.7 25% of Range = 34.4

BUY (Lower 25% of Range) = 178.0 to 212.4

MAYBE (Middle 50% of Range) = 212.4 to 281.3

SELL (Upper 25% of Range) = 281.3 to 315.7

Current Price 222.98 is in the Hold Range

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

(Forecast High Price 315.7 - Current Price 222.98) ÷ (Current Price 222.98 - Estimated Low Price 178.0) = 2.1 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.400 ÷ Current Price of Stock \$ 222.98 = 1.1 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout 26.1 ÷ Forecast High P/E 16.1 = Avg. Yield 1.6

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

Avg. % Payout 26.1 ÷ Forecast Avg P/E 13.3 = Avg. Yield 2.0

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

Average Yield 1.6 % + Annual Appreciation 7.2 % = Compound Annual Total Return 8.8 %

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

Average Yield 2.0 % + Annual Appreciation 3.2 % = Projected Average Total Return 5.1 %