

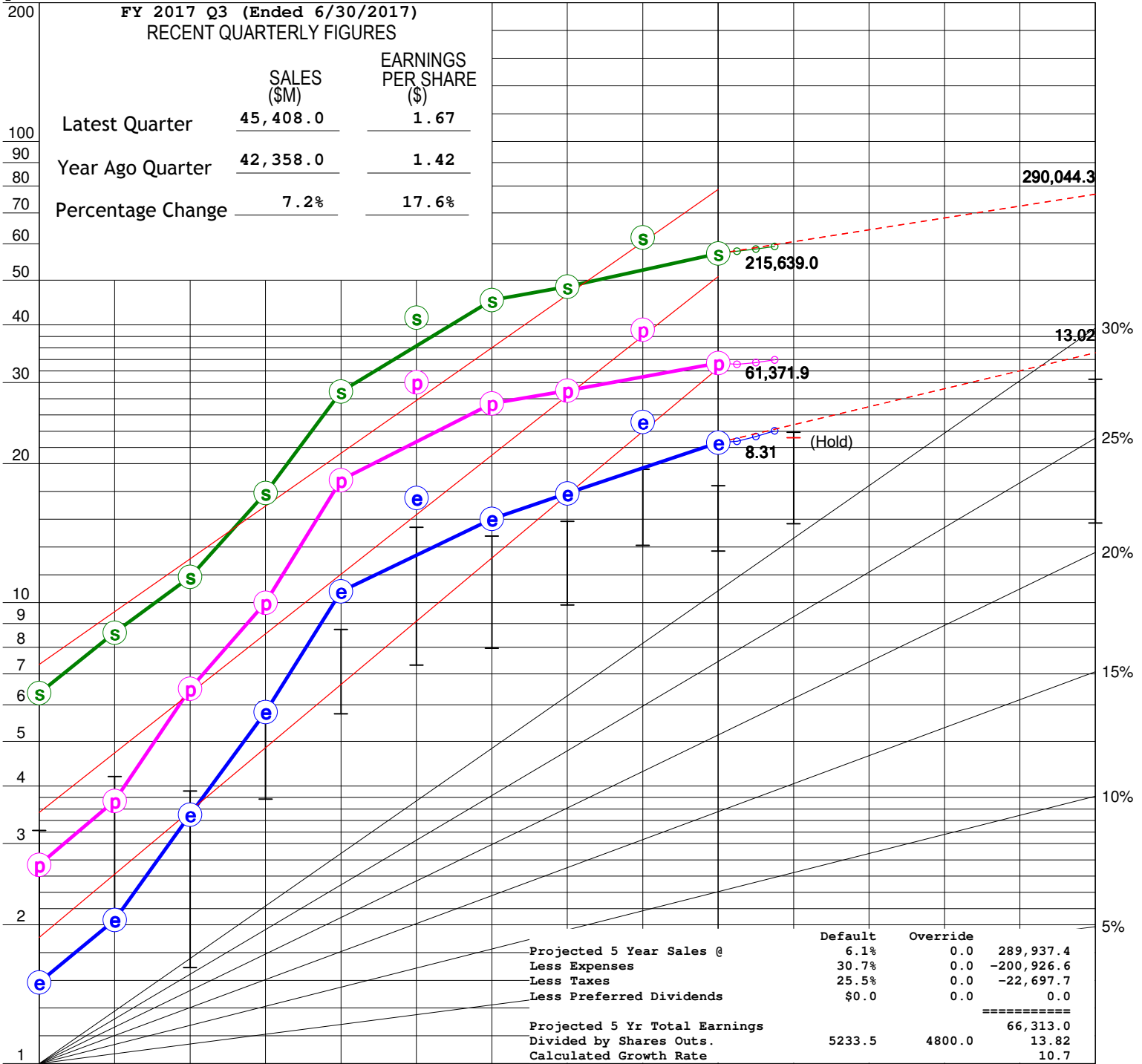


# Stock Study

Company	Apple	Price Date	08/11/17
Study by	SPatter	Data Date	08/11/17
Sector	Technology	Last Judgment	08/13/17
Industry	Consumer Electronics	Data Source	StkCntrl
Preferred(\$M)	0.0	Reference	Morningstar
Diluted(M Shares)	5,233.5	% Insiders	0.2
Total Debt(\$M)	108,339.0	% Institutions	62.2
% Tot Debt to Tot Cap	45.0	Quality	0.5 (Take Stock)

## 1 Growth Analysis

NAS: AAPL



- (1) Historical Sales Growth 30.2 %
- (2) Estimated Future Sales Growth 6.1 %
- (5) Sales Growth R<sup>2</sup> -0.93 0.94
- (3) Historical Earnings Per Share Growth 37.1 %
- (4) Estimated Future Earnings Per Share Growth 9.4 %
- (6) Earnings Per Share Growth R<sup>2</sup> -0.91 0.93

## 2 QUALITY ANALYSIS

Company Apple (AAPL)

08/11/17

	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>20.9</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) 157.48 (17.9) 52-WEEK HIGH (P/E) 161.83 (18.3) 52-WEEK LOW (P/E) 102.53 (11.6)

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		16.3	TTM EPS		8.82
CURRENT P/E RATIO		17.9	PEG RATIO		1.7	FTM EPS		9.65
RELATIVE VALUE		140.0%	PROJ. RELATIVE VALUE		<del>128.0%</del> 124.6%	AVG TTM + FTM EPS		9.23

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

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

Selected High P/E ~~15.7~~ 16.2 X Estimated High Earnings/Share 13.02 = Forecast High Price \$ 210.9

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

(a) Sel. Low P/E ~~9.8~~ 10.0 (as adj.) X Estimated Low Earnings/Share ~~8.31~~ 8.82 = \$ 88.2

(b) Average 5-Year Low Price = 71.1

(c) Recent Severe Low Price = 89.5

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

Selected Estimated Low Price = \$ 102.9

### C PRICE RANGES

Forecast High Price 210.9 - Estimated Low Price 102.9 = Range 108.0 25% of Range = 27.0

BUY (Lower 25% of Range) = 102.9 to 129.9

MAYBE (Middle 50% of Range) = 129.9 to 183.9

SELL (Upper 25% of Range) = 183.9 to 210.9

Current Price 157.48 is in the Hold Range

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

(Forecast High Price 210.9 - Current Price 157.48) ÷ (Current Price 157.48 - Estimated Low Price 102.9) = 1.0 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.520 ÷ Current Price of Stock \$ 157.48 = 1.6 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout 22.1 ÷ Forecast High P/E 16.2 = Avg. Yield 1.4

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

Avg. % Payout 22.1 ÷ Forecast Avg P/E 13.1 = Avg. Yield 1.7

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

Average Yield 1.4 % + Annual Appreciation 6.0 % = Compound Annual Total Return 7.4 %

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

Average Yield 1.7 % + Annual Appreciation 1.6 % = Projected Average Total Return 3.3 %