

## 4<sup>th</sup> Qtr FY 2020 Quarterly report for Apple

Date: November 13, 2020

- \*Percentage change in Sales from year ago quarter 1 %
- \*Percentage change in Earnings per Share from year ago quarter (3.7) %
- \*Is company meeting our target sales & earnings estimates? Yes. Better than most companies in corona virus era.
- \*Pre-tax Profit on sales trend? (up, even, down) down
- \*Return on equity trends? (up, even, down) up
- \*Debt? (up, even, down) Up
- \*Current PE is 36.6.
- \*Where does it fall in my estimated High/low range of PE's? Higher
- \*Average PE = 22.2 (Manifest) 17.7 (my SSG)
- \*Club cost basis for this stock is \$12.31. Current price is \$119.26  
(from latest valuation)
- \*Current fair value: Morningstar: \$85. @ Oct 30 CFRA (S&P): \$68 @ Oct 30 Value Line 5 yr price range: \$105-\$225 on Sep 25, 2020

Annualized annual Return with High P/E is 9.2% Using Forecast AVG P/E 3.7 %

What will drive future growth:

Per the Apple Earnings Transcript: Innovation, new products, led by Wearables, Home and Accessories, and **Services**, will drive future growth. Conversion to Apple processor from Intel; stock buyback; and continued growth in sales of services.

Per Morningstar Analysts in May 2020:

Artificial Intelligence, Personal Health Apps, More Workers at home,

Additional comments: According to Manifest the PAR is only 4.3%, the 3<sup>rd</sup> lowest of any stock in our portfolio. However, stock appreciation will probably continue to grow, partially because of psychological effect of stock 4 to 1 split on 31 August. It is currently 13% of our portfolio. I suggest some of the position be sold to buy shares of companies with faster growth potential.

Recommend: Buy More \_\_\_\_\_, Hold X, Challenge with a better investment \_\_\_\_\_, Sell \_\_\_\_\_

Kathy Emmons