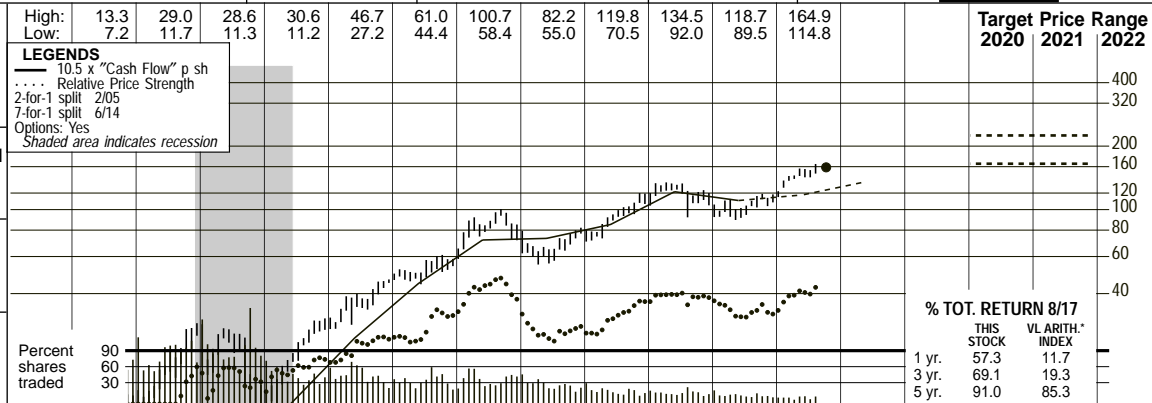


# APPLE INC. NDAQ:AAPL

RECENT PRICE **158.73** P/E RATIO **16.2** (Trailing: 18.0 Median: 13.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **1.7%** VALUE LINE

**TIMELINESS 3** Raised 1/20/17  
**SAFETY 2** Lowered 7/3/15  
**TECHNICAL 2** Raised 9/29/17  
 BETA .95 (1.00 = Market)



**2020-22 PROJECTIONS**

Price	Gain	Ann'l Total Return
High 225	(+40%)	11%
Low 165	(+5%)	3%

**Insider Decisions**

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	8	110	3	1	0	0
to Sell	3	2	3	8	1	2	6	2	1

**Institutional Decisions**

	4Q2016	1Q2017	2Q2017
to Buy	1060	900	953
to Sell	1248	1454	1407
Hlds(000)	311801835568813448817		

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
1.09	1.14	1.21	1.51	2.38	3.23	3.93	5.22	5.80	10.17	16.64	23.81	27.15	31.16	41.89	40.41	<b>44.25</b>	<b>49.90</b>	Sales per sh <sup>A</sup>	<b>62.50</b>
.00	.05	.04	.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	<b>11.20</b>	<b>12.95</b>	"Cash Flow" per sh	<b>18.15</b>
d.02	.02	.01	.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	<b>9.05</b>	<b>10.55</b>	Earnings per sh <sup>B</sup>	<b>15.00</b>
--	--	--	--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	<b>2.40</b>	<b>2.64</b>	Div'ds Decl'd per sh <sup>F</sup>	<b>4.00</b>
.05	.03	.03	.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	<b>2.50</b>	<b>2.60</b>	Cap'l Spending per sh	<b>3.00</b>
.80	.81	.82	.93	1.28	1.67	2.38	3.38	4.42	7.45	11.78	17.98	19.63	19.02	21.39	24.03	<b>25.85</b>	<b>31.10</b>	Book Value per sh <sup>E</sup>	<b>50.00</b>
4912.9	5025.4	5134.2	5480.2	5845.1	5986.8	6106.3	6218.3	6298.6	6411.8	6504.9	6574.5	6294.5	5866.2	5578.8	5336.2	<b>5150.0</b>	<b>5050.0</b>	Common Shs Outst'g <sup>C</sup>	<b>4800.0</b>
--	NMF	NMF	38.0	26.2	29.1	26.3	30.4	19.2	15.2	12.4	12.0	12.3	13.0	12.8	12.6	<b>12.8</b>	<b>12.6</b>	Avg Ann'l P/E Ratio	<b>13.0</b>
--	NMF	NMF	2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	<b>.64</b>	<b>.66</b>	Relative P/E Ratio	<b>.80</b>
--	--	--	--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	<b>1.7%</b>	<b>2.1%</b>	Avg Ann'l Div'd Yield	<b>2.1%</b>

CAPITAL STRUCTURE as of 7/1/17				© VALUE LINE PUB. LLC																20-22	
Total Debt \$108339 mill. Due in 5 Yrs \$50000 mill.				24006	32479	36537	65225	108249	156508	170910	182795	233715	215639	<b>228000</b>	<b>252000</b>	Sales (\$mill) <sup>A</sup>	<b>300000</b>				
LT Debt \$89864 mill. LT Interest \$4500 mill. (40% of Cap'l)				19.7%	20.8%	22.9%	29.8%	32.9%	37.4%	32.6%	33.1%	35.3%	32.7%	<b>32.0%</b>	<b>32.5%</b>	Operating Margin	<b>35.5%</b>				
Leases, Uncapitalized Annual rentals \$929 mill.				317.0	473.0	703.0	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	<b>11000</b>	<b>12000</b>	Depreciation (\$mill) <sup>D</sup>	<b>15000</b>				
No Defined Benefit Pension Plan Pfd Stock None				3496.0	4834.0	5704.0	14013	25922	41733	37037	39510	53394	45687	<b>46600</b>	<b>53300</b>	Net Profit (\$mill)	<b>72000</b>				
Common Stock 5,165,228,000 shs. as of 7/21/17				30.2%	29.9%	28.6%	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	<b>25.5%</b>	<b>25.5%</b>	Income Tax Rate	<b>26.0%</b>				
MARKET CAP: \$820 billion (Large Cap)				14.6%	14.9%	15.6%	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	<b>20.4%</b>	<b>21.2%</b>	Net Profit Margin	<b>24.0%</b>				
CURRENT POSITION (SMILL.)				12657	20598	16983	20956	17018	19111	29628	5083.0	8768.0	27863	<b>32000</b>	<b>34000</b>	Working Cap'l (\$mill)	<b>40000</b>				
Cash Assets				14532	21030	27832	47791	76615	118210	123549	111547	119355	128449	<b>133000</b>	<b>157000</b>	Long-Term Debt (\$mill) <sup>E</sup>	<b>100000</b>				
Receivables				24.1%	23.0%	20.5%	29.3%	33.8%	35.3%	26.5%	28.4%	31.3%	23.2%	<b>22.0%</b>	<b>22.5%</b>	Return on Total Cap'l	<b>22.0%</b>				
Inventory (FIFO)				24.1%	23.0%	20.5%	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	<b>35.0%</b>	<b>34.0%</b>	Return on Shr. Equity	<b>30.0%</b>				
Other				24.1%	23.0%	20.5%	29.3%	33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	<b>25.5%</b>	<b>25.5%</b>	Retained to Com Eq	<b>22.0%</b>				
Current Assets				--	--	--	--	--	6%	29%	28%	22%	27%	<b>27%</b>	<b>25%</b>	All Div'ds to Net Prof	<b>27%</b>				
Accts Payable				<b>BUSINESS:</b> Apple Inc. is one of the world's largest makers of PCs and peripheral and consumer products, such as the iPod digital music player, the iPad tablet, the iPhone smartphone, and the Apple Watch, for sale primarily to the business, creative, education, government, and consumer markets. It also sells operating systems, utilities, languages, developer tools, and database software.																	
Debt Due				<b>Apple shares have remained standouts since our last full-page review in June, rallying about 9% in value during the three-month stretch.</b> The tech giant posted solid results for the third quarter of fiscal 2017 (year ends September 30th), with share net coming in at \$1.67 versus our \$1.59 call. But investor excitement for new products, including the 10th anniversary iPhone, seems to be driving the stock these days.																	
Other				<b>The company, notably, just held a big press event where it unveiled a host of new devices, highlighted by its cash-cow smartphones.</b> The premium-tier model, dubbed the iPhone X, will retail at hefty price points (starting at \$999), prompting some to wonder whether Apple is catering too much to high-end consumers. The global luxury market is booming, however, suggesting that there will be plenty of demand for the iPhone X, which features facial recognition technology and a new edge-to-edge OLED display. (The product also establishes a foundation for the company to enter the promising augmented and virtual reality spheres.) Plus, the iPhone X series will likely carry																	
Current Liab.				very high gross margins, which will be good news for the bottom line. And Apple is not forgetting the mainstream market, where the more affordable iPhone 8 and 8 Plus will compete. In fact, these new smartphones, equipped with better cameras and faster chips than their immediate predecessors, will probably account for the bulk of customer upgrades in the coming quarters. And they ought to help the company regain lost share in the important Greater China market, where lower-cost local competitors like Xiaomi have been making considerable strides.																	
Annual Rates				<b>We see earnings growing at a double-digit average annual pace to 2020-2022.</b> Aside from a robust iPhone replacement cycle, the company should benefit from a booming services business and new additions to the Apple Watch and Apple TV lines. Deeper inroads in emerging geographies should be positives, as well.																	
Past 10 Yrs.				<b>At current levels, this issue still offers decent risk-adjusted long-term returns.</b> These should be bolstered by regular dividend increases and further actions on the stock-buyback front.																	
Past 5 Yrs.				<i>Justin Hellman</i> <span style="float: right;"><i>September 29, 2017</i></span>																	
Est'd '14-'16 to '22																					

ANNUAL RATES					Full Fiscal Year			
	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '22	Dec.	Mar.	Full Fiscal Year		
of change (per sh)	10 Yrs.	5 Yrs.	to '22	Dec. <td>Mar. <td>Full Fiscal Year</td> </td>	Mar. <td>Full Fiscal Year</td>	Full Fiscal Year		
Sales	32.0%	28.5%	8.5%	57594	45646	37432	42123	182795
"Cash Flow"	46.0%	31.5%	10.5%	74599	58010	49605	51501	233715
Earnings	45.0%	28.0%	11.0%	75872	50557	42358	46852	215639
Dividends	--	--	12.5%	78351	52896	45408	<b>51345</b>	<b>228000</b>
Book Value	32.5%	22.0%	15.0%	<b>86400</b>	<b>58300</b>	<b>50600</b>	<b>56700</b>	<b>252000</b>

QUARTERLY SALES (\$mill.) <sup>A</sup>							Full Fiscal Year		
Fiscal Year Ends	Dec.	Mar.	Jun.	Per Sep.	Per	Full Fiscal Year	Dec.	Mar.	Full Fiscal Year
2014	57594	45646	37432	42123	182795	2014	2.07	1.66	6.45
2015	74599	58010	49605	51501	233715	2015	3.08	2.33	9.22
2016	75872	50557	42358	46852	215639	2016	3.28	1.90	8.31
2017	78351	52896	45408	<b>51345</b>	<b>228000</b>	2017	3.36	2.10	<b>9.05</b>
2018	<b>86400</b>	<b>58300</b>	<b>50600</b>	<b>56700</b>	<b>252000</b>	2018	<b>3.80</b>	<b>2.40</b>	<b>10.55</b>

EARNINGS PER SHARE <sup>A, B</sup>							Full Fiscal Year		
Fiscal Year Ends	Dec.	Mar.	Jun.	Per Sep.	Per	Full Fiscal Year	Dec.	Mar.	Full Fiscal Year
2014	2.07	1.66	1.28	1.42	6.45	2014	2.07	1.66	6.45
2015	3.08	2.33	1.85	1.96	9.22	2015	3.08	2.33	9.22
2016	3.28	1.90	1.42	1.67	8.31	2016	3.28	1.90	8.31
2017	3.36	2.10	1.67	<b>1.92</b>	<b>9.05</b>	2017	3.36	2.10	<b>9.05</b>
2018	<b>3.80</b>	<b>2.40</b>	<b>2.00</b>	<b>2.35</b>	<b>10.55</b>	2018	<b>3.80</b>	<b>2.40</b>	<b>10.55</b>

QUARTERLY DIVIDENDS PAID <sup>F</sup>							Full Fiscal Year		
Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Fiscal Year	Calendar	Mar.31	Jun.30	Full Fiscal Year
2013	.379	.436	.436	.436	1.69	2013	.379	.436	1.69
2014	.436	.47	.47	.47	1.85	2014	.436	.47	1.85
2015	.47	.52	.52	.52	2.03	2015	.47	.52	2.03
2016	.52	.57	.57	.57	2.23	2016	.52	.57	2.23
2017	.57	.63	.63	.63	2.43	2017	.57	.63	2.43

COMPANY'S FINANCIAL STRENGTH					A++				
Stock's Price Stability					80				
Price Growth Persistence					85				
Earnings Predictability					60				

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding. Excludes non-recurring gains: '01, 1c; '05, 2c; loss: '02, 1c. (C) In mill., adjusted for splits. (D) Depreciation on accelerated basis. (E) Includes intangibles. In 2016, \$8620 mill., \$1.62 a share. (F) New dividend policy adopted 3/12. Payments typically made in February, May, August, and November.