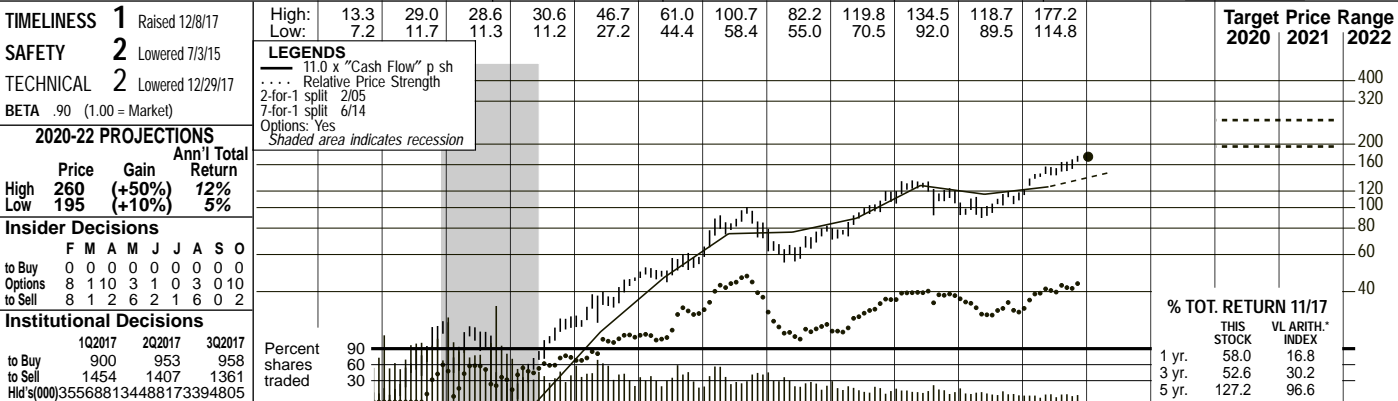


APPLE INC. NDAQ:AAPL

RECENT PRICE **174.54** P/E RATIO **16.2** (Trailing: 19.0 Median: 13.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **1.6%** VALUE LINE



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	44.72	53.05	Sales per sh ^A	72.90
.00	.05	.04	.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	11.41	13.45	"Cash Flow" per sh	20.65
d.02	.02	.01	.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.21	11.10	Earnings per sh ^B	17.50
--	--	--	--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	2.40	2.66	Div'ds Decl'd per sh ^F	4.00
.05	.03	.03	.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.43	2.50	Cap'l Spending per sh	3.00
.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	26.15	29.20	Book Value per sh ^E	50.00
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	5126.2	5050.0	Common Shs Outst'g ^C	4800.0
--	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	14.9	--	Avg Ann'l P/E Ratio	13.0
--	NMF	NMF	2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.73	--	Relative P/E Ratio	.80
--	--	--	--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%	--	Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 9/30/17																		Sales (\$mill) ^A		350000
Total Debt \$115680 mill. Due in 5 Yrs \$42630 mill.			24006	32479	36537	65225	108249	156508	170910	182795	233715	215639	229234	268000	31.0%	31.0%	31.0%	31.0%	Operating Margin	34.0%
LT Debt \$97207 mill. LT Interest \$5000 mill. (42% of Cap'l)			317.0	473.0	703.0	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	10157	11900	12.6%	12.6%	12.6%	12.6%	Depreciation (\$mill) ^D	15000
Leases, Uncapitalized Annual rentals \$1223 mill.			3496.0	4834.0	5704.0	14013	25922	41733	37037	39510	53394	45687	48351	56100	26.4%	26.4%	26.4%	26.4%	Net Profit (\$mill)	84000
No Defined Benefit Pension Plan Pfd Stock None			30.2%	29.9%	28.6%	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	26.2%	26.1%	26.2%	22.8%	21.2%	21.1%	20.9%	Income Tax Rate	25.5%
			14.6%	14.9%	15.6%	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	20.9%	22.8%	21.2%	21.1%	20.9%	Net Profit Margin	24.0%
			12657	20598	16983	20956	17018	19111	29628	5083.0	8768.0	27863	27831	30000	53463	75427	92707	97500	Working Cap'l (\$mill)	40000
Common Stock 5,134,312,000 shs. as of 10/20/17			14532	21030	27832	47791	76615	118210	123549	111547	119355	128249	134047	147500	128249	134047	147500	147500	Long-Term Debt (\$mill) ^E	100000
MARKET CAP: \$896 billion (Large Cap)			24.1%	23.0%	20.5%	29.3%	33.8%	35.3%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	24.0%	24.0%	21.8%	24.0%	Return on Total Cap'l	25.5%
CURRENT POSITION (SMILL.)			24.1%	23.0%	20.5%	29.3%	33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	26.5%	29.0%	22%	27%	26%	29.0%	Return on Shr. Equity	35.0%
			--	--	--	--	--	6%	29%	28%	--	--	--	--	--	--	--	--	Retained to Com Eq	27.0%
																			All Div'ds to Net Prof	23%

BUSINESS: Apple Inc., established in 1977, 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, services like iCloud storage and Apple Pay, and a host of digital content from the popular iTunes store and other portals. Research and development: 5.1% of '17 sales. Has approximately 123,000 employees. Off/dir. own less than 1.0% of common stock; Vanguard, 6.1%; BlackRock, 6.0% (1/17 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: 1 Infinite Loop, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

Strong results have kept Apple shares on a roll of late. (This Dow component has rallied roughly 50% in value over the past year.) The tech behemoth closed fiscal 2017 (ended September 30th) on a better-than-expected note, with fourth-quarter share net of \$2.07 easing past our \$1.92 estimate and Wall Street's consensus view of \$1.87, thanks to a steady showing from the cash-cow smartphone franchise. Indeed, the company sold more iPhones (46.7 million units) than had been envisioned. The services business, including AppleCare, Apple Pay, the App Store, and a slew of digital content, also continued to thrive during the September period, with revenues at this segment reaching an all-time high (of about \$8.5 billion). And China, an increasingly important market for the company, returned to a growth mode after what had been a challenging stretch. Sales in that key nation climbed 12% on a year-over-year basis, to \$9.8 billion, buoyed by a nice performance from the iPad tablet line. Looking ahead . . . **Things only seem likely to get better for the company in fiscal 2018.** Apple has bullishly forecast revenues of between \$84 billion and \$87 billion for the seasonally strong fiscal first quarter. Growth should continue to be fueled by brisk sell-through of the iPhone 8 and 8 Plus, and by the new premium-tier X model (it was released in early November). These latest devices appear to have ushered in a powerful upgrade cycle, one that will probably last for several quarters, especially as supply of the iPhone X improves. Moreover, we see the company gaining further share in the high-end smartphone market, where it has few rivals besides Samsung. The smaller iPhone SE, meanwhile, ought to help Apple maintain its momentum in China and other emerging geographies. And the services business should remain in high gear, which, we think, will be a major plus for margins over time. All in all, we now look for share earnings to jump over 20% in fiscal 2018, to \$11.10, and to reach \$17.50 by early next decade. Given these projections . . . **We still like this issue as a core long-term holding, one suitable for most accounts.** The shares are currently top-ranked (1) for Timeliness, too. *Justin Hellman* December 29, 2017

(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.	Next earnings report due late January. (C) In mill., adjusted for splits. (D) Depreciation on accelerated basis. (E) Includes intangibles. In 2017, \$8015 mill., \$1.56 a share. (F) New dividend policy adopted 3/12. Payments typically made in February, May, August, and November.	Company's Financial Strength A++ Stock's Price Stability 80 Price Growth Persistence 85 Earnings Predictability 60
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