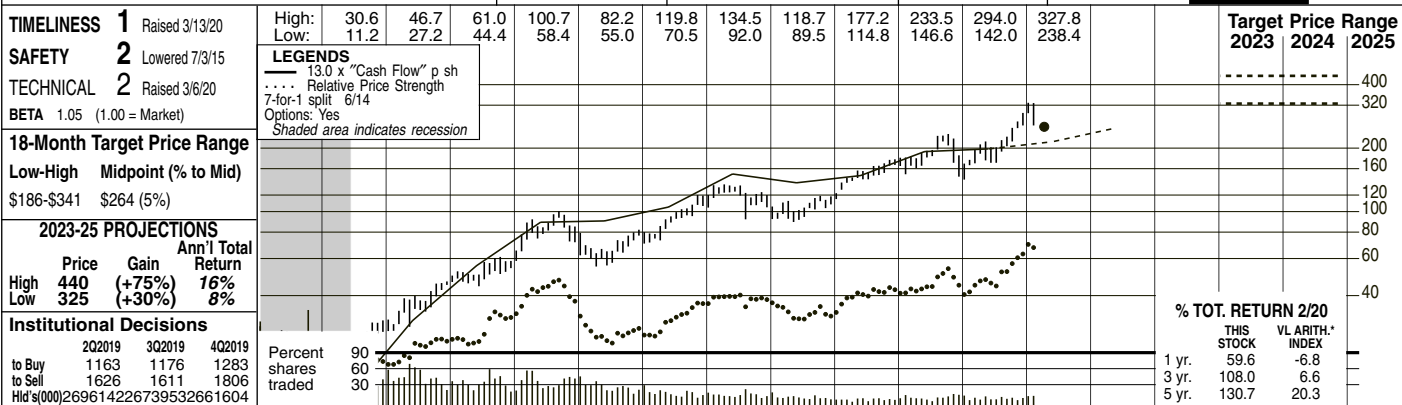


# APPLE INC. NDAQ:AAPL

RECENT PRICE **252.86** P/E RATIO **18.9** (Trailing: 20.0 Median: 13.0) RELATIVE P/E RATIO **1.51** DIV'D YLD **1.3%**

**VALUE LINE**



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC		23-25
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	55.86	58.56	<b>64.30</b>	<b>73.50</b>	Sales per sh <sup>A</sup>	102.70	
.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	11.41	14.81	15.26	<b>16.50</b>	<b>19.20</b>	"Cash Flow" per sh	28.90	
.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.21	11.91	11.89	<b>13.35</b>	<b>15.70</b>	Earnings per sh <sup>B</sup>	24.00	
--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	2.40	2.72	3.00	<b>3.18</b>	<b>3.38</b>	Div'ds Decl'd per sh <sup>E</sup>	5.40	
.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.43	2.80	2.36	<b>2.55</b>	<b>2.75</b>	Cap'l Spending per sh	3.40	
.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	22.53	20.37	<b>23.20</b>	<b>28.55</b>	Book Value per sh	48.10	
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	4755.0	4443.2	<b>4300.0</b>	<b>4150.0</b>	Common Shs Outst'g <sup>C</sup>	3700.0	
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	15.3	16.1	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	16.0	
2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.75	.83	.88			Relative P/E Ratio	.90	
--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%	1.5%	1.6%			Avg Ann'l Div'd Yield	1.4%	

CAPITAL STRUCTURE as of 12/28/19		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Sales (\$mill) <sup>A</sup>		380000
Total Debt	\$108292 mill. Due in 5 Yrs \$55000 mill.	65225	108249	156508	170910	182795	233715	215639	229234	265595	260174	<b>276500</b>	<b>305000</b>	Operating Margin						31.5%		
LT Debt	\$93078 mill. LT Interest \$4700 mill. (51% of Cap'l)	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	10157	10903	12547	<b>13500</b>	<b>14500</b>	Depreciation (\$mill) <sup>D</sup>						18000		
Leases, Uncapitalized	Annual rentals \$1306 mill.	14013	25922	41733	37037	39510	53394	45687	48351	59531	55256	<b>57400</b>	<b>65200</b>	Net Profit (\$mill)						89000		
No Defined Benefit Pension Plan	Pfd Stock None	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	24.6%	18.3%	15.9%	<b>15.5%</b>	<b>15.5%</b>	Income Tax Rate						16.5%		
Common Stock	4,375,480,000 shs. as of 1/17/20	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	22.4%	21.2%	<b>20.8%</b>	<b>21.4%</b>	Net Profit Margin						23.4%		
MARKET CAP: \$1.1 trillion (Large Cap)		20956	17018	19111	29628	5083.0	8768.0	27863	27831	14473	57101	<b>61000</b>	<b>65000</b>	Working Cap'l (\$mill)						75000		
CURRENT POSITION (SMILL.)		47791	76615	118210	16960	28987	53463	75427	97207	93735	91807	<b>93000</b>	<b>95000</b>	Long-Term Debt (\$mill)						100000		
Cash Assets	66301	100557	107162	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	<b>55.6%</b>	<b>61.1%</b>	Return on Total Cap'l						33.0%		
Receivables	23186	22926	20970	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	<b>55.6%</b>	<b>61.1%</b>	Return on Shr. Equity						50.0%		
Inventory (FIFO)	3956	4106	4097	--	--	6%	29%	28%	22%	27%	26%	<b>24%</b>	<b>24%</b>	Retained to Com Eq						39.0%		
Other	37896	35230	31002	--	--	6%	29%	28%	22%	27%	26%	<b>24%</b>	<b>24%</b>	All Div'ds to Net Prof						22%		
Current Assets	131339	162819	163231	<b>BUSINESS:</b> 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: 6.2% of '19 sales. Has approximately 137,000 employees. Off./dir. own less than 1.0% of common stock; Vanguard, 7.7%; BlackRock, 6.8% (1/20 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: One Apple Park Way, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.																		
Accts Payable	55888	46236	45111	<b>Apple has been on a wild ride since our last full-page review three months ago.</b> The stock surged to a record high in the upper \$320s after the tech giant posted better-than-expected results for the first quarter of fiscal 2020 (year ends September 26th), including an 8% rise in smartphone revenue (the competitively priced iPhone 11 series has proven to be a big hit) and a 19% jump in share earnings (to \$4.99 versus our \$4.55 call). The company also issued strong March-period guidance at that time, calling for the top line to come in between \$63 billion and \$67 billion. This suggested that the good momentum would persist, especially with the services and wearables businesses gaining traction and accounting for an even larger percentage of the sales mix. Only a few weeks later, however... <b>The company pulled its guidance, indicating that headwinds from the coronavirus outbreak in China had become stiffer than it had initially anticipated.</b> Indeed, the viral illness, which has since spread throughout much of the world, has forced many temporary store closures and disrupted Apple's sup-																		
Debt Due	20748	16240	15214	<b>ply chain.</b> And while conditions in the Greater China region now look to be improving, severe stress on the broader global economy will likely weigh on results in the coming quarters. Still, we are optimistic that fiscal 2020 will be a growth year for the company, with the share net, aided by aggressive stock buybacks, apt to reach \$13.35. What's more... <b>We're still quite bullish on the longer-term prospects here.</b> The iPhone franchise ought to remain a cash cow, with upcoming 5G devices likely to usher in another powerful replacement cycle. The popular Apple Watch and AirPods lines should keep demand running high across the wearables category. And the high-margined services segment should keep chugging along, with the latest catalyst being a bold move into video streaming. <b>Buy-and-hold investors would do well to take advantage of the current entry point.</b> Though still not a bargain, this timely (1) issue will probably produce solid risk-adjusted returns to 2023-2025. And the company's excellent finances make the shares suitable for most accounts.																		
Other	40230	43242	41836	<b>Justin Hellman</b> <span style="float: right;"><b>March 27, 2020</b></span>																		
Current Liab.	116866	105718	102161																			

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '23-'25
of change (per sh)		10 Yrs.	5 Yrs.	'17-'19 to '23-'25
Sales	26.5%	14.0%	11.5%	
"Cash Flow"	32.5%	13.5%	13.0%	
Earnings	31.0%	12.5%	14.0%	
Dividends	--	16.5%	12.0%	
Book Value	21.0%	4.0%	13.0%	

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Dec.	Mar.	Jun.	Sep.	
2017	78351	52896	45408	52579	229234
2018	88293	61137	53265	62900	265595
2019	84310	58015	53809	64040	260174
2020	91819	<b>60681</b>	<b>56500</b>	<b>67500</b>	<b>276500</b>
2021	<b>103000</b>	<b>67000</b>	<b>62000</b>	<b>73000</b>	<b>305000</b>

Fiscal Year Ends	EARNINGS PER SHARE <sup>A, B</sup>				Full Fiscal Year
	Dec.	Mar.	Jun.	Sep.	
2017	3.36	2.10	1.67	2.07	9.21
2018	3.89	2.73	2.34	2.91	11.91
2019	4.18	2.46	2.18	3.03	11.89
2020	4.99	<b>2.71</b>	<b>2.40</b>	<b>3.25</b>	<b>13.35</b>
2021	<b>5.65</b>	<b>3.35</b>	<b>2.95</b>	<b>3.75</b>	<b>15.70</b>

Calendar	QUARTERLY DIVIDENDS PAID <sup>E</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.52	.57	.57	.57	2.23
2017	.57	.63	.63	.63	2.46
2018	.63	.73	.73	.73	2.82
2019	.73	.77	.77	.77	3.04
2020	.77				

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding/changes in the share count. Excludes nonrecurring gain: '05, 2c. Next earnings report due in late April. (C) In millions, adjusted for splits. (D) Depreciation on accelerated basis. (E) New dividend policy adopted 3/12. Payments typically made in February, May, August, and November.

Company's Financial Strength		A++
Stock's Price Stability		70
Price Growth Persistence		85
Earnings Predictability		80