

# **FinSight**

**Financial Insights for  
Apple Inc. 2022**

# Company Overview

## Apple Inc

**Symbol:** AAPL

**Exchange:** NASDAQ

**Currency:** USD

**Sector:** TECHNOLOGY

**Industry:** ELECTRONIC COMPUTERS

**Description:** Apple Inc. is an American multinational technology company that specializes in consumer electronics, computer software, and online services. Apple is the world's largest technology company by revenue (totalling \$274.5 billion in 2020) and, since January 2021, the world's most valuable company. As of 2021, Apple is the world's fourth-largest PC vendor by unit sales, and fourth-largest smartphone manufacturer. It is one of the Big Five American information technology companies, along with Amazon, Google, Microsoft, and Facebook.

**Country:** USA

**Address:** ONE INFINITE LOOP, CUPERTINO, CA, US

**Fiscal Year End:** September

**Latest Quarter:** 2023-06-30

**Market Capitalization:** \$ 2,676,731,412,000.0

# INCOME STATEMENT

## METRICS

**Gross Profit Margin:** 0.44

**Operating Profit Margin:** 0.31

**Net Profit Margin:** 0.25

**Cost Efficiency:** 0.83

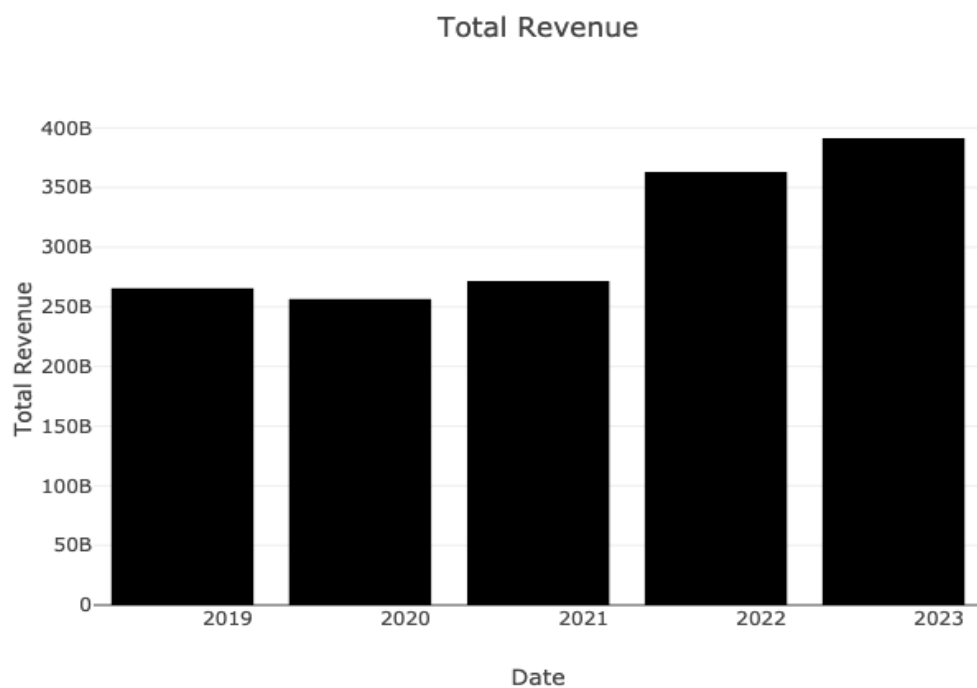
**Sg And A Efficiency:** 15.6

**Interest Coverage Ratio:** 41.64

## INSIGHTS

### ***Revenue Health***

For the fiscal year ending 2022, the company's total revenue was reported at a staggering \$391.4 billion, marking a significant growth from the previous year's \$363.2 billion. This suggests a strong revenue generation capability and a healthy upward trajectory for the company's primary business operations. The constantly increasing trend also indicates a robust market presence, resilient business model and efficient revenue strategies. This progression of total revenue over the years alludes to a promising future outlook for the company's business and profitability.



***Operational Efficiency***

***R&D; Focus***

***Debt Management***

***Profit Retention***

## **BALANCE SHEET**

### **METRICS**

**Current Ratio: 0.88**

**Debt To Equity Ratio: 5.96**

**Quick Ratio: 0.85**

**Asset Turnover:** 1.11

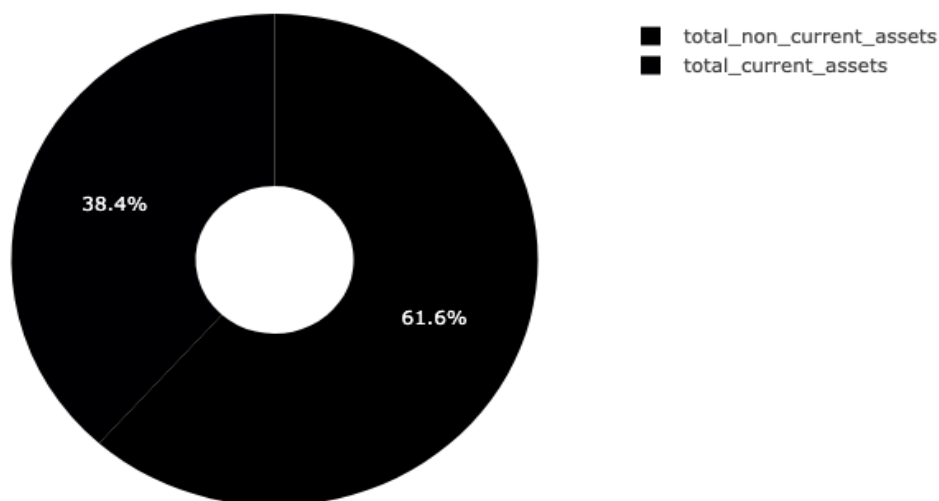
**Equity Multiplier:** 6.96

## INSIGHTS

### *Liquidity Position*

The company has a relatively high short-term liquidity with total current assets of \$135.41 billion. However, this is exceeded by their current liabilities which amount to \$153.98 billion, indicating potential difficulty in promptly addressing short-term obligations. High short-term liquidity buffers risks but with current liabilities exceeding current assets, timely management of obligations is crucial.

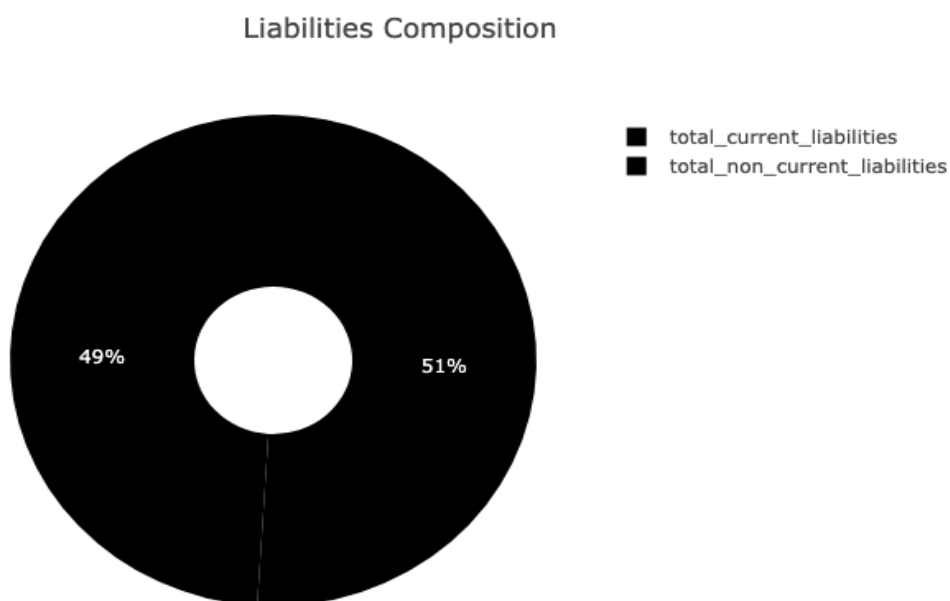
Asset Composition



### *Operational Efficiency*

### *Capital Structure*

The company has a high dependency on debt to finance its operations, with long-term debt amounting to \$110.1 billion, which is twice more than the equity of \$50.67 billion. While using debt can leverage growth without diluting ownership, high leverage may lead to increased risk and financial instability, especially in times of interest rate increases or economic downturn.

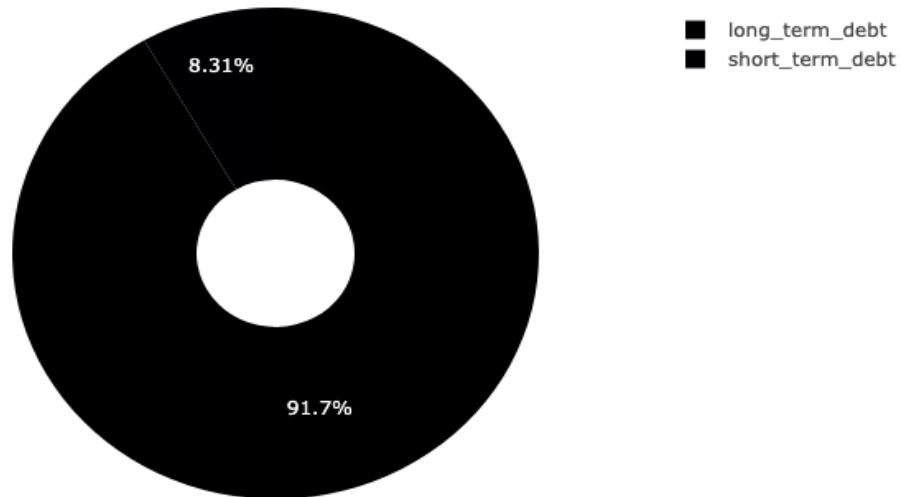


## ***Inventory Management***

### ***Overall Solvency***

The company's total assets amount to \$352.76 billion which covers its total liabilities of \$302.08 billion, indicating the company's ability to meet its long-term commitments. However, the large amount of long-term debt at \$110.1 billion compared to the equity of \$50.67 billion is a potential concern. Solvency is maintained but a better alignment between debts and equity would strengthen financial stability.

Debt Structure



## CASH FLOW

### METRICS

**Operating Cash Flow Margin:** 0.31

**Capital Expenditure Coverage Ratio:** 11.41

**Free Cash Flow:** 111443000000.0

**Dividend Coverage Ratio:** 6.72

**Cash Flow To Debt Ratio:** 1.02

### INSIGHTS

***Operational Cash Efficiency***

The company has shown a steady growth in its operating cash flow from \$77 billion in 2018 to \$122 billion in 2022. This reflects strong operational efficiency and strong cash generation capability. However, it's worth noting that payments for operating activities have also increased, although not significantly.

### ***Investment Capability***

The company seems to be aggressively investing in its business. Cashflow from investments has turned from a positive \$16 billion in 2018 to a negative \$22 billion in 2022, indicating its efforts to expand its assets and scale operations.

### ***Financial Flexibility***

While the company's operational efficiency is commendable, it seems to be facing financial stress as cash flow from financing increased from -\$88 billion in 2018 to -\$110 billion in 2022. This might be related to the high costs of common stock repurchase and dividend payouts totaling up to \$104 billion. The company needs to carefully manage its financial strategies to maintain stability and growth.

### ***Dividend Sustainability***

### ***Debt Service Capability***