

# TheStreet Quant Ratings

## APPLE INC

BUY						HOLD			SELL							BUY	RATING SINCE		11/22/2016
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-	F		TARGET PRICE		 \$220.96
Annual Dividend Rate \$0.96				Annual Dividend Yield 0.50%			Beta 1.31			Market Capitalization \$2,975.4 Billion				52-Week Range \$124.17-\$198.23			Price as of 11/22/2023 \$191.31		

Sector: **Manufacturing** | Industry Group: **Communications Equipment Manufacturing**

### AAPL BUSINESS DESCRIPTION

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide.

### STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	7.94	27.39	17.70

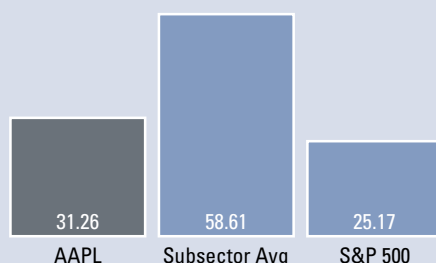
### GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	-0.72	-2.81	11.77
Net Income	10.78	-2.82	19.10
EPS	13.17	0.16	23.36

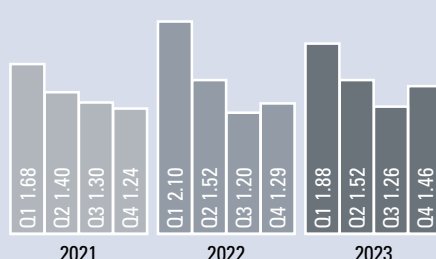
### RETURN ON EQUITY (%)

	AAPL	Subsector Avg	S&P 500
Q4 2023	156.08	76.28	17.32
Q4 2022	196.96	80.13	19.47
Q4 2021	150.07	70.69	16.80

### P/E COMPARISON



### EPS ANALYSIS' (\$)

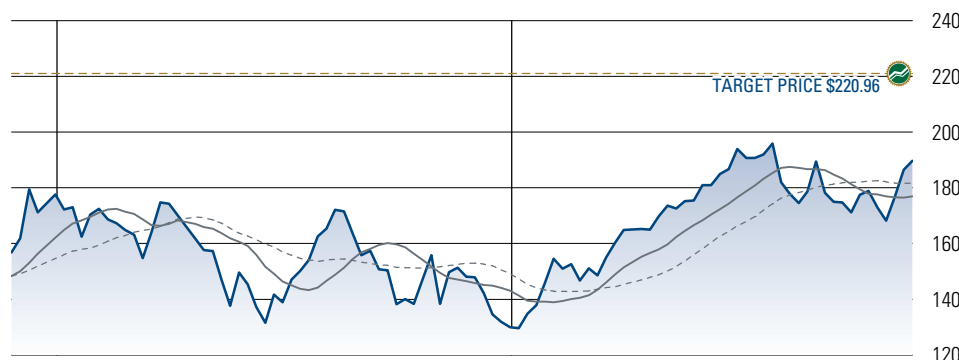


NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

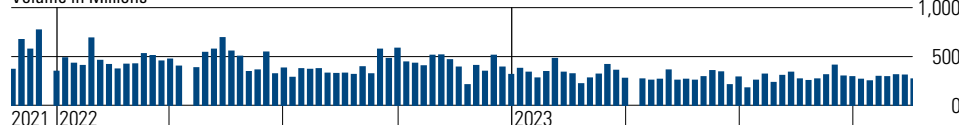
1 Year | 2 Years



### Rating History

BUY

### Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

### RECOMMENDATION

We rate APPLE INC (AAPL) a BUY. This is driven by multiple strengths, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its solid stock price performance, growth in earnings per share, expanding profit margins, notable return on equity and increase in net income. We feel its strengths outweigh the fact that the company has had generally high debt management risk by most measures that we evaluated.

### HIGHLIGHTS

Investors have apparently begun to recognize positive factors similar to those we have mentioned in this report, including earnings growth. This has helped drive up the company's shares by a sharp 27.38% over the past year, a rise that has exceeded that of the S&P 500 Index. Regarding the stock's future course, although almost any stock can fall in a broad market decline, AAPL should continue to move higher despite the fact that it has already enjoyed a very nice gain in the past year.

APPLE INC has improved earnings per share by 13.2% in the most recent quarter compared to the same quarter a year ago. Stable earnings per share over the past year indicate the company has sound management over its earnings and share float. We anticipate these figures will begin to experience more growth in the coming year. During the past fiscal year, APPLE INC increased its bottom line by earning \$6.12 versus \$6.11 in the prior year. This year, the market expects an improvement in earnings (\$6.62 versus \$6.12).

48.14% is the gross profit margin for APPLE INC which we consider to be strong. It has increased from the same quarter the previous year. Regardless of the strong results of the gross profit margin, the net profit margin of 25.64% trails the subsector average.

Regardless of the drop in revenue, the company managed to outperform against the subsector average of 4.3%. Since the same quarter one year prior, revenues slightly dropped by 0.7%. The declining revenue has not hurt the company's bottom line, with increasing earnings per share.

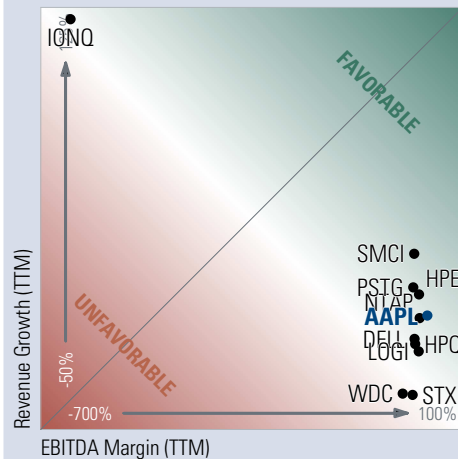
The company, on the basis of net income growth from the same quarter one year ago, has underperformed when compared to that of the S&P 500 and the Computer and Electronic Product Manufacturing subsector average. The net income increased by 10.8% when compared to the same quarter one year prior, going from \$20,721.00 million to \$22,956.00 million.

## Sector: Manufacturing | Communications Equipment Manufacturing

Annual Dividend Rate <b>\$0.96</b>	Annual Dividend Yield <b>0.50%</b>	Beta <b>1.31</b>	Market Capitalization <b>\$2,975.4 Billion</b>	52-Week Range <b>\$124.17-\$198.23</b>	Price as of 11/22/2023 <b>\$191.31</b>
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### PEER GROUP ANALYSIS

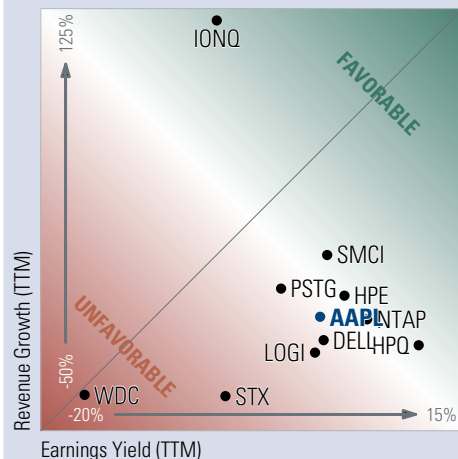
#### REVENUE GROWTH AND EBITDA MARGIN\*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$2.5 Billion and \$3 Trillion. Companies with NA or NM values do not appear.

\*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

#### REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -35.7% and 120.1%. Companies with NA or NM values do not appear.

### SUBSECTOR ANALYSIS

APPLE INC falls within the Manufacturing sector and the Communications Equipment Manufacturing industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing.

TheStreet Quant Ratings is currently tracking 2229 companies in the Manufacturing sector that total around \$26,514 billion in market capitalization as well as \$10,797 billion in annual sales.

The Computer and Electronic Product Manufacturing subsector accounts for 17.4% of those revenues.

Industries in the Computer and Electronic Product Manufacturing subsector group establishments that manufacture computers, computer peripherals, communications equipment, and similar electronic products, and establishments that manufacture components for such products. The Computer and Electronic Product Manufacturing industries are combined in the hierarchy of NAICS because of their economic significance to the economies of all three North American countries. For industries in this subsector, the manufacturing processes are fundamentally different from the manufacturing processes of other machinery and equipment. The design and use of integrated circuits and the application of highly specialized miniaturization technologies are common elements in the production technologies of the Computer and Electronic Product Manufacturing subsector.

### PEER GROUP: Computer and Electronic Product Manufacturing

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
<b>AAPL</b>	<b>APPLE INC</b>	<b>191.31</b>	<b>2,975,397</b>	<b>31.26</b>	<b>383,285.00</b>	<b>96,995.00</b>
HPQ	HP INC	28.66	28,324	8.79	53,718.00	3,263.00
IONQ	IONQ INC	12.42	2,542	NM	19.74	-134.51
HPE	HEWLETT PACKARD ENTERPRISE	15.78	20,244	19.24	29,655.00	1,079.00
DELL	DELL TECHNOLOGIES INC	74.68	18,925	28.83	93,616.00	1,904.00
NTAP	NETAPP INC	77.99	16,284	14.10	6,202.00	1,209.00
STX	SEAGATE TECHNOLOGY HOLDING	76.55	16,013	NM	6,803.00	-742.00
SMCI	SUPER MICRO COMPUTER INC	286.66	15,283	26.42	7,391.02	612.58
WDC	WESTERN DIGITAL CORP	46.91	15,210	NM	11,332.00	-2,418.00
LOGI	LOGITECH INTERNATIONAL SA	85.89	13,466	36.24	4,261.51	381.49
PSTG	PURE STORAGE INC	37.39	11,664	NM	2,764.24	-0.83

The peer group comparison is based on Major Computer and Electronic Product Manufacturing companies of comparable size.

# TheStreet Quant Ratings

**APPLE INC**
**Sector: Manufacturing | Communications Equipment Manufacturing**

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**COMPANY DESCRIPTION**

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide. The company offers iPhone, a line of smartphones; Mac, a line of personal computers; iPad, a line of multi-purpose tablets; and wearables, home, and accessories comprising AirPods, Apple TV, Apple Watch, Beats products, and HomePod. It also provides AppleCare support and cloud services; and operates various platforms, including the App Store that allow customers to discover and download applications and digital content, such as books, music, video, games, and podcasts. In addition, the company offers various services, such as Apple Arcade, a game subscription service; Apple Fitness+, a personalized fitness service; Apple Music, which offers users a curated listening experience with on-demand radio stations; Apple News+, a subscription news and magazine service; Apple TV+, which offers exclusive original content; Apple Card, a co-branded credit card; and Apple Pay, a cashless payment service, as well as licenses its intellectual property. The company serves consumers, and small and mid-sized businesses; and the education, enterprise, and government markets. It distributes third-party applications for its products through the App Store. The company also sells its products through its retail and online stores, and direct sales force; and third-party cellular network carriers, wholesalers, retailers, and resellers. Apple Inc. was founded in 1976 and is headquartered in Cupertino, California.

**APPLE INC**

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**STOCK-AT-A-GLANCE**

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of AAPL shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
<b>Growth</b>	<b>4.5 out of 5 stars</b>	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, AAPL has a growth score better than 80% of the stocks we rate.		weak				strong
<b>Total Return</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 90% of the companies we cover.		weak				strong
<b>Efficiency</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 90% of the companies we review.		weak				strong
<b>Price volatility</b>	<b>4.5 out of 5 stars</b>	★	★	★	★	★
Measures the volatility of the company's stock price historically. The stock is less volatile than 80% of the stocks we monitor.		weak				strong
<b>Solvency</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the solvency of the company based on several ratios. The company is more solvent than 90% of the companies we analyze.		weak				strong
<b>Income</b>	<b>3.0 out of 5 stars</b>	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 50% of the companies we track.		weak				strong

**THESTREET QUANT RATINGS RESEARCH METHODOLOGY**

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

# TheStreet Quant Ratings

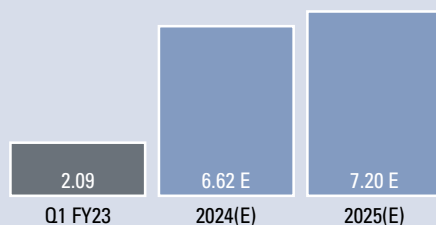
## APPLE INC

### Sector: Manufacturing | Communications Equipment Manufacturing

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#### Consensus EPS Estimates<sup>2</sup> (\$)

IBES consensus estimates are provided by Thomson Financial



#### INCOME STATEMENT

	Q4 FY23	Q4 FY22
Net Sales (\$mil)	89,498.00	90,146.00
EBITDA (\$mil)	29,622.00	27,759.00
EBIT (\$mil)	26,969.00	24,894.00
Net Income (\$mil)	22,956.00	20,721.00

#### BALANCE SHEET

	Q4 FY23	Q4 FY22
Cash & Equiv. (\$mil)	61,555.00	48,304.00
Total Assets (\$mil)	352,583.00	352,755.00
Total Debt (\$mil)	123,930.00	132,480.00
Equity (\$mil)	62,146.00	50,672.00

#### PROFITABILITY

	Q4 FY23	Q4 FY22
Gross Profit Margin	48.14%	45.44%
EBITDA Margin	33.09%	30.79%
Operating Margin	30.13%	27.62%
Sales Turnover	1.09	1.12
Return on Assets	27.50%	28.29%
Return on Equity	156.08%	196.96%

#### DEBT

	Q4 FY23	Q4 FY22
Current Ratio	0.99	0.88
Debt/Capital	0.67	0.72
Interest Expense	1,002.00	827.00
Interest Coverage	26.92	30.10

#### SHARE DATA

	Q4 FY23	Q4 FY22
Shares outstanding (mil)	15,550	15,943
Div / share	0.24	0.23
EPS	1.46	1.29
Book value / share	4.00	3.18
Institutional Own %	NA	NA
Avg Daily Volume	58,215,848	57,205,920

<sup>2</sup> Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

#### FINANCIAL ANALYSIS

APPLE INC's gross profit margin for the fourth quarter of its fiscal year 2023 has increased when compared to the same period a year ago. Even though sales decreased, the net income has increased, representing an increase to the bottom line. APPLE INC has weak liquidity. Currently, the Quick Ratio is 0.84 which shows a lack of ability to cover short-term cash needs. The company's liquidity has increased from the same period last year.

During the same period, stockholders' equity ("net worth") has increased by 22.64% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

**STOCKS TO BUY:** TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit [www.TheStreetRatings.com](http://www.TheStreetRatings.com).

### Sector: Manufacturing | Communications Equipment Manufacturing

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#### RATINGS HISTORY

Our rating for APPLE INC has not changed since 4/13/2009. As of 11/22/2023, the stock was trading at a price of \$191.31 which is 3.5% below its 52-week high of \$198.23 and 54.1% above its 52-week low of \$124.17.



#### MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
11/22/21	\$161.02	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

#### RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 11/22/2023)

**28.34% Buy** - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

**31.65% Hold** - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

**40.01% Sell** - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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#### VALUATION

BUY. This stock's P/E ratio indicates a significant discount compared to an average of 58.61 for the Computer and Electronic Product Manufacturing subsector and a premium compared to the S&P 500 average of 25.17. For additional comparison, its price-to-book ratio of 47.87 indicates a significant premium versus the S&P 500 average of 4.20 and a significant premium versus the subsector average of 28.95. The price-to-sales ratio is well above the S&P 500 average, but well below the subsector average. The valuation analysis reveals that, APPLE INC seems to be trading at a discount to investment alternatives.

Price/Earnings	1	2	3	4	5

**AAPL 31.26** **Peers 58.61**

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- AAPL is trading at a significant discount to its peers.

Price/Projected Earnings	1	2	3	4	5

**AAPL 26.57** **Peers 24.00**

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- AAPL is trading at a premium to its peers.

Price/Book	1	2	3	4	5

**AAPL 47.87** **Peers 24.00**

- Premium. A higher price-to-book ratio makes a stock less attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- AAPL is trading at a significant premium to its peers.

Price/Sales	1	2	3	4	5

**AAPL 7.76** **Peers 9.75**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- AAPL is trading at a discount to its subsector on this measurement.

#### DISCLAIMER:

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NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.

Price/CashFlow	1	2	3	4	5

**AAPL 26.91** **Peers 35.07**

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- AAPL is trading at a discount to its peers.

Price to Earnings/Growth	1	2	3	4	5

**AAPL 3.95** **Peers 2.28**

- Premium. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- AAPL trades at a significant premium to its peers.

Earnings Growth	1	2	3	4	5

**AAPL 0.16** **Peers 30.57**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, AAPL is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5

**AAPL -2.81** **Peers 7.71**

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- AAPL significantly trails its peers on the basis of sales growth.