

# INCOME STATEMENT



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
<b>Net sales:</b>								
Products	316,199	298,085	294,866	292,954	291,214	289,639	288,222	286,956
Services	78,129	85,200	96,169	106,711	118,410	131,390	145,794	161,776
<b>Total net sales</b>	<b>394,328</b>	<b>383,285</b>	<b>391,035</b>	<b>399,665</b>	<b>409,623</b>	<b>421,029</b>	<b>434,016</b>	<b>448,732</b>
<b>Cost of sales:</b>								
Products	201,471	189,282	185,233	184,032	182,939	181,949	181,059	180,264
Services	22,075	24,855	25,119	27,873	30,928	34,319	38,081	42,255
<b>Total cost of sales</b>	<b>223,546</b>	<b>214,137</b>	<b>210,352</b>	<b>211,904</b>	<b>213,867</b>	<b>216,268</b>	<b>219,140</b>	<b>222,519</b>
<b>Gross margin</b>	<b>170,782</b>	<b>169,148</b>	<b>180,683</b>	<b>187,761</b>	<b>195,757</b>	<b>204,761</b>	<b>214,876</b>	<b>226,213</b>
<b>Operating expenses:</b>								
Research and development	26,251	29,915	31,370	32,062	32,861	33,776	34,818	35,999
Selling, general and administrative	25,094	24,932	26,097	26,673	27,338	28,099	28,965	29,948
<b>Total operating expenses</b>	<b>51,345</b>	<b>54,847</b>	<b>57,467</b>	<b>58,735</b>	<b>60,199</b>	<b>61,875</b>	<b>63,783</b>	<b>65,946</b>
<b>Operating income</b>	<b>119,437</b>	<b>114,301</b>	<b>123,216</b>	<b>129,025</b>	<b>135,558</b>	<b>142,886</b>	<b>151,092</b>	<b>160,267</b>
Other income/(expense), net	-334	-565	269	0	0	0	0	0
<b>Income before provision for income taxes</b>	<b>119,103</b>	<b>113,736</b>	<b>123,485</b>	<b>129,025</b>	<b>135,558</b>	<b>142,886</b>	<b>151,092</b>	<b>160,267</b>
Provision for income taxes	19,300	16,741	29,749	31,084	32,657	34,423	36,400	38,610
<b>Net income</b>	<b>99,803</b>	<b>96,995</b>	<b>93,736</b>	<b>97,942</b>	<b>102,900</b>	<b>108,463</b>	<b>114,692</b>	<b>121,656</b>
<b>Dividend</b>	<b>14,793</b>	<b>14,996</b>	<b>15,218</b>	<b>14,691</b>	<b>15,435</b>	<b>16,269</b>	<b>17,204</b>	<b>18,248</b>
<b>Retained Earning</b>	<b>85,010</b>	<b>81,999</b>	<b>78,518</b>	<b>83,250</b>	<b>87,465</b>	<b>92,194</b>	<b>97,488</b>	<b>103,408</b>
<b>Basic EPS</b>	<b>6.15</b>	<b>6.16</b>	<b>6.11</b>	<b>6.21</b>	<b>6.53</b>	<b>6.88</b>	<b>7.27</b>	<b>7.72</b>
<b>Diluted EPS</b>	<b>6.11</b>	<b>6.13</b>	<b>6.08</b>	<b>6.18</b>	<b>6.49</b>	<b>6.84</b>	<b>7.24</b>	<b>7.68</b>
Basic WA Shares Outs	16,216	15,744	15,344	15,768	15,768	15,768	15,768	15,768
Diluted WA Shares Outs	16,326	15,813	15,408	15,849	15,849	15,849	15,849	15,849

# BALANCE SHEET



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
<b>ASSETS:</b>								
<b>Current assets:</b>								
Cash and cash equivalents								
Cash and cash equivalents	23,646	29,965	29,943	105,514	195,147	292,979	399,340	515,402
Marketable securities	24,658	31,590	35,228	35,228	35,228	35,228	35,228	35,228
Accounts receivable, net	28,184	29,508	33,410	32,153	32,954	33,872	34,917	36,101
Vendor non-trade receivables	32,748	31,477	32,833	31,946	31,757	31,585	31,430	31,292
Inventories	4,946	6,331	7,286	6,859	6,922	7,000	7,093	7,202
Other current assets	21,223	14,695	14,287	14,811	15,180	15,603	16,084	16,629
<b>Total current assets</b>	<b>135,405</b>	<b>143,566</b>	<b>152,987</b>	<b>226,512</b>	<b>317,188</b>	<b>416,266</b>	<b>524,092</b>	<b>641,854</b>
<b>Non-current assets:</b>								
Marketable securities	120,805	100,544	91,479	91,479	91,479	91,479	91,479	91,479
Property, plant and equipment, net	42,117	43,715	45,680	44,137	41,804	38,691	34,809	30,168
Other non-current assets	54,428	64,758	74,834	74,834	74,834	74,834	74,834	74,834
<b>Total non-current assets</b>	<b>217,350</b>	<b>209,017</b>	<b>211,993</b>	<b>210,450</b>	<b>208,117</b>	<b>205,004</b>	<b>201,122</b>	<b>196,481</b>
<b>Total assets</b>	<b>352,755</b>	<b>352,583</b>	<b>364,980</b>	<b>436,962</b>	<b>525,305</b>	<b>621,271</b>	<b>725,214</b>	<b>838,335</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>								
<b>Current liabilities:</b>								
Accounts payable	64,115	62,611	68,960	66,271	66,885	67,636	68,534	69,591
Other current liabilities	60,845	58,829	78,304	78,304	78,304	78,304	78,304	78,304
Deferred revenue	7,912	8,061	8,249	8,249	8,249	8,249	8,249	8,249
Commercial paper	9,982	5,985	9,967	0	0	0	0	0
Term debt	11,128	9,822	10,912	12,342	9,936	7,800	5,153	8,808
<b>Total current liabilities</b>	<b>153,982</b>	<b>145,308</b>	<b>176,392</b>	<b>165,166</b>	<b>163,374</b>	<b>161,989</b>	<b>160,240</b>	<b>164,951</b>
<b>Non-current liabilities:</b>								
Term debt	98,959	95,281	85,750	73,408	63,472	55,672	50,519	41,711
Other non-current liabilities	49,142	49,848	45,888	45,888	45,888	45,888	45,888	45,888
<b>Total non-current liabilities</b>	<b>148,101</b>	<b>145,129</b>	<b>131,638</b>	<b>119,296</b>	<b>109,360</b>	<b>101,560</b>	<b>96,407</b>	<b>87,599</b>
<b>Total liabilities</b>	<b>302,083</b>	<b>290,437</b>	<b>308,030</b>	<b>284,462</b>	<b>272,734</b>	<b>263,549</b>	<b>256,647</b>	<b>252,551</b>

# BALANCE SHEET



# CASH FLOW STATEMENT



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
Profit After Tax (PAT)				97,942	102,900	108,463	114,692	121,656
Depreciation & Amortization				12,188	13,244	14,327	15,442	16,594
Stock based compensation	9,280	11,138	12,034	12,300	12,606	12,957	13,357	13,810
Change in:								
Marketable securities				0	0	0	0	0
Accounts receivable, net				1,257	-801	-918	-1,045	-1,184
Vendor non-trade receivables				887	190	172	155	138
Inventories				427	-64	-78	-93	-109
Other current assets				-524	-369	-423	-481	-545
Change in:								
Accounts payable				-2,689	614	751	898	1,057
Other current liabilities				0	0	0	0	0
Deferred revenue				0	0	0	0	0
Others				0	0	0	0	0
<b>Cash From Operations</b>				<b>121,787</b>	<b>128,320</b>	<b>135,252</b>	<b>142,925</b>	<b>151,416</b>
CapEx on PP&E				-10,645	-10,911	-11,214	-11,560	-11,952
Other Incomes				0	0	0	0	0
<b>Cash From Investments</b>				<b>-10,645</b>	<b>-10,911</b>	<b>-11,214</b>	<b>-11,560</b>	<b>-11,952</b>
Dividend Paid				-14,691	-15,435	-16,269	-17,204	-18,248
Equity Issue				0	0	0	0	0
Equity Buyback				0	0	0	0	0
Options Proceeds				0	0	0	0	0
Change in Debt				-20,879	-12,342	-9,936	-7,800	-5,153
<b>Cash From Financing</b>				<b>-35,570</b>	<b>-27,777</b>	<b>-26,205</b>	<b>-25,004</b>	<b>-23,401</b>
<b>Surplus/Deficit</b>				<b>75,571</b>	<b>89,632</b>	<b>97,832</b>	<b>106,361</b>	<b>116,062</b>
Opening Cash Balance				29,943	105,514	195,147	292,979	399,340
<b>Closing Cash Balance</b>				<b>105,514</b>	<b>195,147</b>	<b>292,979</b>	<b>399,340</b>	<b>515,402</b>

# RATIO ANALYSIS



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E	Trend
<b>Liquidity Ratio</b>									
Current Ratio	0.88	0.99	0.87	1.37	1.94	2.57	3.27	3.89	
Quick Ratio	0.71	0.84	0.75	1.24	1.81	2.43	3.13	3.75	
Cash Ratio	0.31	0.42	0.37	0.85	1.41	2.03	2.71	3.34	
<b>Solvency Ratio</b>									
Debt to Equity Ratio	2.37	1.79	1.87	0.56	0.29	0.18	0.12	0.09	
Debt to Capital Ratio	0.75	0.66	0.69	0.36	0.23	0.15	0.11	0.08	
Debt Ratio	0.34	0.32	0.29	0.20	0.14	0.10	0.08	0.06	
<b>Working Capital Schedule</b>									
Inventory Turnover	38x	31x	30x	31x	31x	31x	31x	31x	
Receivables Turnover	6x								
Payables Turnover	3x								
Total Asset Turnover	1x								
Net Fixed Asset Turnover	9x	9x	9x	10x	10x	12x	12x	14x	
<b>Average No. Days</b>									
Average inventory processing period	10	12	12	12	12	12	12	12	
Add: Average receivable collection period	60	62	63	60	59	58	57	57	
<b>Operating cycle</b>	<b>70</b>	<b>74</b>	<b>75</b>	<b>72</b>	<b>71</b>	<b>70</b>	<b>69</b>	<b>69</b>	
Less: Average payables payment period	108	114	116	114	114	113	113	113	
<b>Cash conversion cycle</b>	<b>-38</b>	<b>-40</b>	<b>-41</b>	<b>-41</b>	<b>-42</b>	<b>-43</b>	<b>-44</b>	<b>-44</b>	
<b>Working Capital Schedule</b>									
Gross profit margin	43%	44%	46%	47%	48%	49%	50%	50%	
Operating profit margin	30%	30%	32%	32%	33%	34%	35%	36%	
Net profit margin	25%	25%	24%	25%	25%	26%	26%	27%	
Return on equity (ROE)	1.72	1.57	0.94	0.51	0.36	0.28	0.23	0.23	
Return on assets (ROA)	0.28	0.26	0.24	0.21	0.19	0.17	0.16	0.16	

# RATIO ANALYSIS



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E	Trend
<b>Valuation Ratio</b>									
Market Share Price	<b>152.23</b>	<b>170.68</b>	<b>206.04</b>	206.04	206.04	206.04	206.04	206.04	
Revenue Per Share	24.15	24.24	25.38	25.22	25.85	26.57	27.38	28.31	
P/E Ratio	24.90	27.82	33.87	33.34	31.73	30.11	28.47	26.84	
Price to Sales	6.30	7.04	8.12	8.17	7.97	7.76	7.52	7.28	
Dividend Yield	0.6%	0.6%	0.5%	0.4%	0.5%	0.5%	0.5%	0.6%	
<b>Dupont Analysis - Return on Equity &amp; Return on Asset</b>									
Net Profit Margin (A)	0.25	0.24	0.25	0.25	0.26	0.26	0.27	0.27	
Asset Turnover Ratio (B)	1.09	1.09	1.00	0.85	0.73	0.64	0.57	0.57	
Financial Leverage (C)	6.25	6.03	3.83	2.38	1.88	1.63	1.48	1.48	
Return on equity (A*B*C)	1.72	1.57	0.94	0.51	0.36	0.28	0.23	0.23	
Return on assets (A*B)	0.28	0.26	0.24	0.21	0.19	0.17	0.16	0.16	

# COMMON SIZE STATEMENT - INCOME STATEMENT



Particulars in %	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>REVENUES</b>	<b>100.0%</b>							
Products	80.2%	77.8%	75.4%	73.3%	71.1%	68.8%	66.4%	63.9%
Services	19.8%	22.2%	24.6%	26.7%	28.9%	31.2%	33.6%	36.1%
<b>Cost of sales</b>	<b>56.7%</b>	<b>55.9%</b>	<b>53.8%</b>	<b>53.0%</b>	<b>52.2%</b>	<b>51.4%</b>	<b>50.5%</b>	<b>49.6%</b>
Products	63.7%	63.5%	62.8%	62.8%	62.8%	62.8%	62.8%	62.8%
Services	28.3%	29.2%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
<b>Gross margin</b>	<b>43.3%</b>	<b>44.1%</b>	<b>46.2%</b>	<b>47.0%</b>	<b>47.8%</b>	<b>48.6%</b>	<b>49.5%</b>	<b>50.4%</b>
<b>Operating expenses:</b>								
Research and development	6.7%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Selling, general and administrative	6.4%	6.5%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
<b>Total operating expenses</b>	<b>13.0%</b>	<b>14.3%</b>	<b>14.7%</b>	<b>14.7%</b>	<b>14.7%</b>	<b>14.7%</b>	<b>14.7%</b>	<b>14.7%</b>
<b>Operating income</b>	<b>30.3%</b>	<b>29.8%</b>	<b>31.5%</b>	<b>32.3%</b>	<b>33.1%</b>	<b>33.9%</b>	<b>34.8%</b>	<b>35.7%</b>
Other income/(expense), net	-0.1%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Income before provision for income taxes</b>	<b>30.2%</b>	<b>29.7%</b>	<b>31.6%</b>	<b>32.3%</b>	<b>33.1%</b>	<b>33.9%</b>	<b>34.8%</b>	<b>35.7%</b>
Provision for income taxes	4.9%	4.4%	7.6%	7.8%	8.0%	8.2%	8.4%	8.6%
<b>Net income</b>	<b>25.3%</b>	<b>25.3%</b>	<b>24.0%</b>	<b>24.5%</b>	<b>25.1%</b>	<b>25.8%</b>	<b>26.4%</b>	<b>27.1%</b>

# COMMON SIZE STATEMENT - BALANCE SHEET



Particulars in %	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>ASSETS</b>	<b>100.0%</b>							
Cash and cash equivalents	6.7%	8.5%	8.2%	24.1%	37.1%	47.2%	55.1%	61.5%
Marketable securities	7.0%	9.0%	9.7%	8.1%	6.7%	5.7%	4.9%	4.2%
Accounts receivable, net	8.0%	8.4%	9.2%	7.4%	6.3%	5.5%	4.8%	4.3%
Vendor non-trade receivables	1.4%	8.9%	9.0%	7.3%	6.0%	5.1%	4.3%	3.7%
Inventories	1.4%	1.8%	2.0%	1.6%	1.3%	1.1%	1.0%	0.9%
Other current assets	6.0%	4.2%	3.9%	3.4%	2.9%	2.5%	2.2%	2.0%
<b>Total current assets</b>	<b>38.4%</b>	<b>40.7%</b>	<b>41.9%</b>	<b>51.8%</b>	<b>60.4%</b>	<b>67.0%</b>	<b>72.3%</b>	<b>76.6%</b>
Marketable securities	34.2%	28.5%	25.1%	20.9%	17.4%	14.7%	12.6%	10.9%
Property, plant and equipment, net	11.9%	12.4%	12.5%	10.1%	8.0%	6.2%	4.8%	3.6%
Other non-current assets	15.4%	18.4%	20.5%	17.1%	14.2%	12.0%	10.3%	8.9%
<b>Total non-current assets</b>	<b>61.6%</b>	<b>59.3%</b>	<b>58.1%</b>	<b>48.2%</b>	<b>39.6%</b>	<b>33.0%</b>	<b>27.7%</b>	<b>23.4%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	<b>100.0%</b>							
Accounts payable	18.2%	17.8%	18.9%	15.2%	12.7%	10.9%	9.5%	8.3%
Other current liabilities	17.2%	16.7%	21.5%	17.9%	14.9%	12.6%	10.8%	9.3%
Deferred revenue	2.2%	2.3%	2.3%	1.9%	1.6%	1.3%	1.1%	1.0%
Commercial paper	2.8%	1.7%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Term debt	3.2%	2.8%	3.0%	2.8%	1.9%	1.3%	0.7%	1.1%
<b>Total current liabilities</b>	<b>43.7%</b>	<b>41.2%</b>	<b>48.3%</b>	<b>37.8%</b>	<b>31.1%</b>	<b>26.1%</b>	<b>22.1%</b>	<b>19.7%</b>
Term debt	28.1%	27.0%	23.5%	16.8%	12.1%	9.0%	7.0%	5.0%
Other non-current liabilities	13.9%	14.1%	12.6%	10.5%	8.7%	7.4%	6.3%	5.5%
<b>Total non-current liabilities</b>	<b>42.0%</b>	<b>41.2%</b>	<b>36.1%</b>	<b>27.3%</b>	<b>20.8%</b>	<b>16.3%</b>	<b>13.3%</b>	<b>10.4%</b>
<b>Total liabilities</b>	<b>85.6%</b>	<b>82.4%</b>	<b>84.4%</b>	<b>65.1%</b>	<b>51.9%</b>	<b>42.4%</b>	<b>35.4%</b>	<b>30.1%</b>
Common stock	18.4%	20.9%	22.8%	21.9%	20.6%	19.5%	18.5%	17.7%
Accumulated deficit	-0.9%	-0.1%	-5.2%	14.7%	28.9%	39.2%	47.1%	53.0%
Accumulated other comprehensive loss	-3.1%	-3.2%	-2.0%	-1.6%	-1.4%	-1.2%	-1.0%	-0.9%
<b>Total shareholders' equity</b>	<b>14.4%</b>	<b>17.6%</b>	<b>15.6%</b>	<b>34.9%</b>	<b>48.1%</b>	<b>57.6%</b>	<b>64.6%</b>	<b>69.9%</b>

# COMPARATIVE STATEMENT - INCOME STATEMENT



Particulars in Millions \$	2023A	2024A	Absolute Change	
			Amount	Percent
<b>REVENUES</b>	<b>383,285</b>	<b>391,035</b>	<b>7,750</b>	<b>2.0%</b>
Products	298,085	294,866	-3,219	-1.1%
Services	85,200	96,169	10,969	12.9%
<b>Cost of sales</b>	<b>214,137</b>	<b>210,352</b>	<b>-3,785</b>	<b>-1.8%</b>
Products	189,282	185,233	-4,049	-2.1%
Services	24,855	25,119	264	1.1%
<b>Gross margin</b>	<b>169,148</b>	<b>180,683</b>	<b>11,535</b>	<b>6.8%</b>
<b>Operating expenses:</b>				
Research and development	29,915	31,370	1,455	4.9%
Selling, general and administrative	24,932	26,097	1,165	4.7%
<b>Total operating expenses</b>	<b>54,847</b>	<b>57,467</b>	<b>2,620</b>	<b>4.8%</b>
<b>Operating income</b>	<b>114,301</b>	<b>123,216</b>	<b>8,915</b>	<b>7.8%</b>
Other income/(expense), net	-565	269	834	-147.6%
<b>Income before provision for income taxes</b>	<b>113,736</b>	<b>123,485</b>	<b>9,749</b>	<b>8.6%</b>
Provision for income taxes	16,741	29,749	13,008	77.7%
<b>Net income</b>	<b>96,995</b>	<b>93,736</b>	<b>-3,259</b>	<b>-3.4%</b>

# COMPARATIVE STATEMENT - BALANCE SHEET



Particulars in Millions \$	2023A	2024A	Absolute Change	
			Amount	Percent
<strong>ASSETS</strong>				
Cash and cash equivalents	29,965	29,943	-22	-0.1%
Marketable securities	31,590	35,228	3,638	11.5%
Accounts receivable, net	29,508	33,410	3,902	13.2%
Vendor non-trade receivables	31,477	32,833	1,356	4.3%
Inventories	6,331	7,286	955	15.1%
Other current assets	14,695	14,287	-408	-2.8%
<strong>Total current assets</strong>	<strong>143,566</strong>	<strong>152,987</strong>	<strong>9,421</strong>	<strong>6.6%</strong>
Marketable securities	100,544	91,479	-9,065	-9.0%
Property, plant and equipment, net	43,715	45,680	1,965	4.5%
Other non-current assets	64,758	74,834	10,076	15.6%
<strong>Total non-current assets</strong>	<strong>209,017</strong>	<strong>211,993</strong>	<strong>2,976</strong>	<strong>1.4%</strong>
<strong>Total Assets</strong>	<strong>352,583</strong>	<strong>364,980</strong>	<strong>12,397</strong>	<strong>3.5%</strong>
<strong>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</strong>				
Accounts payable	62,611	68,960	6,349	10.1%
Other current liabilities	58,829	78,304	19,475	33.1%
Deferred revenue	8,061	8,249	188	2.3%
Commercial paper	5,985	9,967	3,982	66.5%
Term debt	9,822	10,912	1,090	11.1%
<strong>Total current liabilities</strong>	<strong>145,308</strong>	<strong>176,392</strong>	<strong>31,084</strong>	<strong>21.4%</strong>
Term debt	95,281	85,750	-9,531	-10.0%
Other non-current liabilities	49,848	45,888	-3,960	-7.9%
<strong>Total non-current liabilities</strong>	<strong>145,129</strong>	<strong>131,638</strong>	<strong>-13,491</strong>	<strong>-9.3%</strong>
<strong>Total liabilities</strong>	<strong>290,437</strong>	<strong>308,030</strong>	<strong>17,593</strong>	<strong>6.1%</strong>
Common stock	73,812	83,276	9,464	12.8%
Accumulated deficit	-214	-19,154	-18,940	8850.5%
Accumulated other comprehensive loss	-11,452	-7,172	4,280	-37.4%
<strong>Total shareholders' equity</strong>	<strong>62,146</strong>	<strong>56,950</strong>	<strong>-5,196</strong>	<strong>-8.4%</strong>
<strong>Total Liabilities</strong>	<strong>352,583</strong>	<strong>364,980</strong>	<strong>12,397</strong>	<strong>3.5%</strong>

# DISCOUNTED CASH FLOW VALUATION



Particulars in Millions \$	2025 E	2026 E	2027 E	2028 E	2029 E
EBIT	129,025	135,558	142,886	151,092	160,267
Tax Rate	24.1%	24.1%	24.1%	24.1%	24.1%
NOPAT   EBIT*[1 - TaxRate]	97,942	102,900	108,463	114,692	121,656
Non Cash Claims	24,488	25,850	27,284	28,799	30,403
Change in Current Assets	2,047	-1,044	-1,246	-1,464	-1,701
Change in Current Liabilities	-2,689	614	751	898	1,057
CapEx	10,645	10,911	11,214	11,560	11,952
<b>UnLevered FCF   FCFF</b>	<b>261,458</b>	<b>274,788</b>	<b>289,352</b>	<b>305,577</b>	<b>323,635</b>
Discount Period	0.5	1.5	2.5	3.5	4.5
<b>PV of FCFF</b>	<b>249,721</b>	<b>239,419</b>	<b>229,982</b>	<b>221,562</b>	<b>214,060</b>

## WACC Analysis:

### Cost of Equity

Risk Free Rate	<b>3.92%</b>
Beta	<b>1.16</b>
Risk Premium	<b>5%</b>
<b>Cost of equity : Ke</b>	<b>10%</b>
Basic Shares Outstanding	<b>15,116</b>
Dilutions	
Total Diluted Shares	<b>15,116</b>
Market Price	<b>256.87</b>
<b>Market Cap</b>	<b>3,882,801</b>

### Cost of Debt

Risk Free Rate	3.92%
Credit Spread	<b>4%</b>
PreTax Rate of Interest	7.9%
Tax Rate	24.1%
<b>Post Tax Rate of Interest</b>	<b>6%</b>

### Capital Structure

Equity %	97%
Debt %	3%

### Weighted Average Cost of Capital

Cost of Equity	10%
Equity Weight	97%
Cost of Debt	6%
Debt Weight	3%
<b>WACC</b>	<b>10%</b>

# DISCOUNTED CASH FLOW VALUATION



## Calculation of Terminal Value

### 1. Perpetual Method

Growth Rate	2%
Terminal Value	3,687,509
PV of TV	2,125,069

### 2. Multiple Method

Assumed EBITDA Multiple	15x
Terminal EBITDA	176,860
Terminal Value	2,652,901
PV of TV	1,528,836

Select Method : Perpetual

1

PV of TV	3,687,509
----------	-----------

## Calculation of Implied Enterprise Value

Sum of PV of FCFF	1,154,743
PV of TV	3,687,509

<b>Implied Enterprise Value</b>	<b>4,842,252</b>
Less: Non Equity Claims	76,686

<b>Implied Equity Value</b>	<b>4,765,566</b>
Diluted Shares	15,116

<b>Share Price</b>	<b>315</b>
--------------------	------------

## Sensitivity Analysis - Implied Share Price

Growth Rate	315	WACC				
		5.0%	9.6%	13.0%	15.5%	18.0%
0.5%	529	315	252	222	200	
1.3%	529	315	252	222	200	
2.0%	529	315	252	222	200	
3.5%	529	315	252	222	200	
4.7%	529	315	252	222	200	

# INCOME STATEMENT SCHEDULE



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
<b>Revenue Model</b>								
iPhone	205,489	200,583	201,183	201,785	202,388	202,994	203,601	204,210
Mac	40,177	29,357	29,984	30,624	31,278	31,946	32,629	33,326
iPad	29,292	28,300	26,694	25,485	24,330	23,228	22,175	21,171
Wearables, Home and Accessories	41,241	39,845	37,005	35,060	33,217	31,471	29,817	28,250
Services	78,129	85,200	96,169	106,711	118,410	131,390	145,794	161,776
<b>Total net sales</b>	<b>394,328</b>	<b>383,285</b>	<b>391,035</b>	<b>399,665</b>	<b>409,623</b>	<b>421,029</b>	<b>434,016</b>	<b>448,732</b>
<b>Growth Rate</b>								
iPhone	-2.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Mac	-26.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
iPad	-3.4%	-5.7%	-4.5%	-4.5%	-4.5%	-4.5%	-4.5%	-4.5%
Wearables, Home and Accessories	-3.4%	-7.1%	-5.3%	-5.3%	-5.3%	-5.3%	-5.3%	-5.3%
Services	9.1%	12.9%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
<b>Expense Model</b>								
<b>COGS as a % of Net Sales</b>								
Products	64%	63%	63%	63%	63%	63%	63%	63%
Services	28%	29%	26%	26%	26%	26%	26%	26%
<b>As a % of Total Sales</b>								
Research and development	6.7%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Selling, general and administrative	6.4%	6.5%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Effective Tax rate	16%	15%	24%	24%	24%	24%	24%	24%

# BALANCE SHEET SCHEDULE



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
Net Sales	394,328	383,285	391,035	399,665	409,623	421,029	434,016	448,732
Product COGS	201,471	189,282	185,233	184,032	182,939	181,949	181,059	180,264
Total COGS	223,546	214,137	210,352	211,904	213,867	216,268	219,140	222,519
<b>Working Capital Schedule</b>								
Accounts receivable, net	28,184	29,508	33,410	32,153	32,954	33,872	34,917	36,101
Vendor non-trade receivables	32,748	31,477	32,833	31,946	31,757	31,585	31,430	31,292
Inventories	4,946	6,331	7,286	6,859	6,922	7,000	7,093	7,202
Other current assets	21,223	14,695	14,287	14,811	15,180	15,603	16,084	16,629
Accounts payable	64,115	62,611	68,960	66,271	66,885	67,636	68,534	69,591
Collection Period (DSO)	27.5	29.4	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>	<b>29.4</b>
Inventory Processing Period (DIO)	61.9	63.4	<b>63.4</b>	<b>63.4</b>	<b>63.4</b>	<b>63.4</b>	<b>63.4</b>	<b>63.4</b>
Vendor Non Trade Collection Period	9.6	11.8	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>
Other CA as a % Sales	5%	4%	4%	4%	4%	4%	4%	4%
Payment Period (DPO)	108.0	114.2	<b>114.2</b>	<b>114.2</b>	<b>114.2</b>	<b>114.2</b>	<b>114.2</b>	<b>114.2</b>
<b>Depreciation Schedule</b>								
CapEx of the Year	<b>10,708</b>	<b>10,959</b>	<b>9,447</b>	10,645	10,911	11,214	11,560	11,952
CapEx as a % of Sales	2.7%	2.9%	2.4%	<b>2.7%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.7%</b>
Opening PP&E				119,128	129,773	140,684	151,898	163,458
Additions During the Year				10,645	10,911	11,214	11,560	11,952
<b>Closing Gross PP&amp;E</b>	<b>114,599</b>	<b>119,128</b>	<b>129,773</b>	<b>140,684</b>	<b>151,898</b>	<b>163,458</b>	<b>175,410</b>	
Accum Dep	<b>70,884</b>	<b>73,448</b>		85,636	98,880	113,207	128,649	145,242
<b>Net PPE</b>	<b>43,715</b>	<b>45,680</b>	<b>44,137</b>	<b>41,804</b>	<b>38,691</b>	<b>34,809</b>	<b>30,168</b>	
Land and buildings	22,126	<b>23,446</b>	<b>24,690</b>					
Machinery, equipment and internal-use software	81,060	<b>78,314</b>	<b>80,205</b>					
Leasehold improvements	11,271	<b>12,839</b>	<b>14,233</b>					
Dep of the Year	<b>11,104</b>	<b>11,519</b>	<b>11,445</b>	12,188	13,244	14,327	15,442	16,594
Dep Rate				10%	10%	10%	10%	10%
Dividend Payout Ratio	15%	15%	16%	15%	15%	15%	15%	15%

# DEBT SCHEDULE



Particulars in Millions \$	2022 A	2023 A	2024 A	2025 E	2026 E	2027 E	2028 E	2029 E
Free Cash Before Debt				96,450	101,974	107,768	114,161	121,215
Add: Opening Cash Balance				29,943	105,514	195,147	292,979	399,340
Less: Minimum Cash Balance		2%		7,993	8,192	8,421	8,680	8,975
<b>Free Cash for Debt</b>				<b>118,400</b>	<b>199,296</b>	<b>294,494</b>	<b>398,459</b>	<b>511,580</b>
Short Term debt	11,128	9,822	10,912	<b>12,342</b>	<b>9,936</b>	<b>7,800</b>	<b>5,153</b>	8,808
Payment				9,967	0	0	0	0
Commercial paper	9,982	5,985	9,967	0	0	0	0	0
Borrowings				0	0	0	0	0
Long Term debt	98,959	95,281	85,750	73,408	63,472	55,672	50,519	41,711
<b>Total Debt</b>	<b>120,069</b>	<b>111,088</b>	<b>106,629</b>	<b>85,750</b>	<b>73,408</b>	<b>63,472</b>	<b>55,672</b>	<b>50,519</b>