

# Equity Research Report: Apple Inc.

## Business Overview

Apple Inc. stands at the forefront of consumer technology, combining innovative product design with integrated hardware, software, and services to create unmatched customer experiences. Founded in 1976, the company has built a strong ecosystem that includes smartphones, computers, tablets, wearables, and a range of digital platforms such as cloud services, music, and mobile payments. Its market leadership stems from proprietary technologies, consistent innovation, and a loyal global customer base. While mature segments like smartphones maintain steady demand, growth in personal computing and expanding digital services underscore its dynamic strategy. Each business line contributes uniquely, highlighted by evolving product updates and increased services revenue, showcasing Apple's commitment to quality, security, and long-term value in an ever-changing market landscape.

## Market Position

Apple's financial numbers in fiscal 2024 reflect balanced strength across income, balance sheet, and cash flow management. Revenue grew modestly, driven by a surge in services and improved cost efficiencies that bolstered gross margins despite mixed performance across product lines. Profitability remained resilient with record net income and strong earnings per share, underlining investor confidence. A robust balance sheet featuring \$365 billion in assets supported liquidity needs and managed rising liabilities, while ample cash reserves alleviated long-term debt concerns. Strong operational cash generation allowed continued investments in product innovation, even as significant capital returns through share repurchases and dividends underscored a commitment to rewarding shareholders. Overall, Apple maintained effective financial management and strategic capital allocation to support sustainable growth in a challenging market environment.

## Operating Results

Apple's valuation is supported by steady revenue growth coupled with a strong balance sheet. The company reported revenues of \$391 billion, with robust service earnings and stable Mac performance, even as iPhone and iPad segments showed limited movement. Improved cost efficiencies drove an enhanced gross margin and helped deliver a net income of \$93.7 billion with healthy EPS. On the balance sheet, substantial cash reserves of over \$140 billion help offset an \$86 billion long-term debt. Although current liabilities exceed current assets, the overall asset base and resilient shareholders' equity underpin a sound liquidity profile. This balanced approach, combining diversified revenue streams with disciplined capital management, highlights Apple's stable financial health and its potential for sustained growth amid evolving market dynamics.

## Summarization

FY (USD mn) 2024		2023	2022	2021	2020
Revenue	391035	383285	394328	365817	274515
Revenue Growth	2.0%	-2.8%	7.8%	33.3%	5.5%
Gross Profit	180683	169148	170782	152836	104956
Gross Margin	0.46	0.44	0.43	0.42	0.38
EBITDA	134661	125820	130541	123136	81020
EBITDA Margin	0.34	0.33	0.33	0.34	0.3
FCF	108807	99584	111443	92953	73365
FCF Conversion	1.16	1.03	1.12	0.98	1.28
ROIC	44.3%	43.4%	45.2%	38.9%	24.3%
EV/EBITDA	26.62	22.07	19.52	20.75	25.09
PE Ratio	37.29	27.79	24.44	25.92	33.94
PB Ratio	61.37	43.37	48.14	38.89	29.82
CFO	118254	110543	122151	104038	80674

## FinRobot

Team9 - UOA

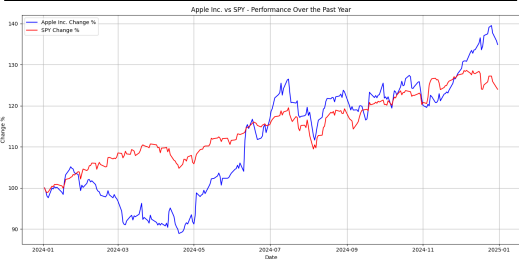
<https://github.com/ashreim-UPL/FinRobot-Final>

Report date: 2024

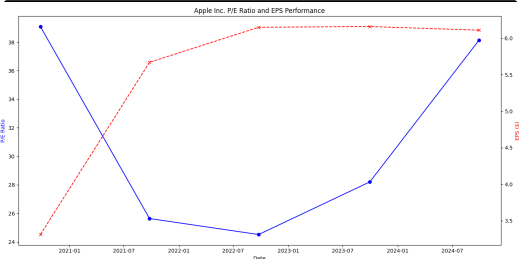
## Key data

Rating	B+
Currency	USD
Closing Price (USD)	185.64
Market Cap (USD) (Millions)	3003290.66
52 Week Price Range (USD)	164.08 - 260.10
BVPS (USD)	3.71

## Share Performance



## PE & EPS



## Risk Assessment

Apple's risk landscape is shaped by a combination of global economic uncertainties, fierce industry competition, and a complex and evolving legal environment. The company's extensive international footprint exposes it to a variety of economic challenges such as recessions, inflation, and currency fluctuations. A significant portion of Apple's supply chain is concentrated in Asian markets where geopolitical tensions, trade restrictions, and cyclical downturns can disrupt production, elevate tariffs, or incur higher operational costs. Although Apple employs geographic diversification, hedging approaches, and long-term agreements with suppliers to mitigate these risks, uncertainties in regions like China, India, and Vietnam continue to pose challenges to consistent revenue streams and profitability. In parallel, the competitive dynamics within the technology and consumer electronics sectors demand continuous innovation and substantial investment. Rapid technological advancements, aggressive pricing, and the short product life cycle create an environment where companies must constantly adapt and refine their offerings. Even though Apple benefits from significant research and development investments and a robust patent portfolio, the industry remains susceptible to issues related to intellectual property rights, including lawsuits and patent infringements. This competitive pressure forces the company to regularly invest in new technologies and to innovate at a pace that keeps it ahead of both established players and emerging challengers. Furthermore, Apple faces intensifying legal, regulatory, and societal scrutiny. With operations spanning multiple jurisdictions, the company is subject to evolving antitrust laws, privacy regulations, and digital platform policies that could necessitate changes in business models or lead to fines. Even with a strong internal legal team and strict compliance initiatives, unpredictable regulatory shifts, especially in regions like the United States and Europe, add a persistent layer of risk. Navigating these multifaceted risks requires Apple to continuously evolve its operational and strategic frameworks in order to safeguard market leadership and drive sustainable growth.

## Competitors Analysis

Apple's current competitive positioning compared to its industry peers is primarily reflected in its stock prices and market capitalization, which underscore the significant level of market confidence and consumer trust it commands. While these indicators suggest a robust market valuation for Apple, the analysis is limited by the absence of detailed financial metrics such as EBITDA Margin, EV/EBITDA, FCF Conversion, Gross Margin, ROIC, Revenue, or Revenue Growth over multiple years. This lack of comprehensive data restricts the ability to conduct a year-over-year comparison that could reveal deeper insights into operational efficiency, profitability trends, and the company's capacity for leveraging growth opportunities. Despite these limitations, the visible market indicators emphasize Apple's strong brand equity and its consistent ability to attract and retain investor interest. These factors are critical in a competitive landscape where trust, innovation, and strategic management are key drivers of long-term success. As market capitalization reflects investor sentiment, Apple's substantial valuation suggests that investors view the company as well-positioned to continue its trajectory, even in the face of competitive pressures. Nevertheless, in order to attain a more nuanced understanding of Apple's competitive strengths and potential vulnerabilities, it would be essential to include detailed financial data. Such information would allow for a closer examination of how Apple performs relative to its competitors on fundamental operational metrics. The inclusion of comprehensive financial figures would highlight not only the areas where Apple leads the market but also expose any underlying factors that might affect its future performance. The current analysis, therefore, stresses the importance of supplementing market-based indicators with a full spectrum of financial data. Without this detailed information, the analysis remains primarily based on broad market trends, making it challenging to assess the finer aspects of competitive positioning and strategic execution that truly differentiate industry leaders like Apple from their competitors.