



Think different

Business and Industry of Apple

Business

- Apple sells consumer electronics, software, and internet services.

Industry

- Hardware
- Software
- Consumer electronics

Global

- Americas
 - Japan
 - Europe
 - Greater China
 - India
 - Middle East
 - Africa
- 



Ratios and Financial Metrics

	EBITDA (billions)	ROA	Current Ratio	Debt/Equity	Interest Coverage Ratio	Operating Profit Margin	P/E
Apple	\$73.33	14.02%	1.35	1.51	51.63	27.84%	13.9
Samsung	\$47.00	8.89%	2.64	0.36	84.97	14.5%	9.95
Microsoft	\$32.11	8.67%	2.35	1.28	14.96	0.328	30.03
Tencent	\$10.29	2.65%	1.47	0.588	30.86	36.9%	42.2
Netflix	\$5.30	1.58%	1.25	4.07	2.96	2.03	290.70
FitBit	\$0.00002 999	0.06%	1.94	0	(9.50)	(0.05%)	(15.9)

Assessing Areas of Risk on Audit

- Unqualified
 - Lots of Equity
 - Little financial weakness
 - Effective internal control
 - Innovation to generate revenue



Impact of 2017 Tax Reforms on Apple

- Apple would be allowed to repatriate its \$252 billion cash holdings from overseas.
- The tax break would require Apple to pay 15.5% tax on the cash it holds, rather than 35% it had to pay previously.



Possible Issues in Apple's Future

- Global market for Apple's products could rapidly change with the growth of technology, which requires Apple to introduce new technology rather quickly.
- Apple outsources outside of the U.S. to avoid higher corporate fees in manufacturing its products, making production vulnerable to conditions in the countries it outsources to.
- Apple's future performance depends on how it competes with other third party services as it transitions to providing entertainment (similar to Netflix and Amazon).

