

July 9, 2025 04:18 AM GMT

Apple, Inc. | North America

# Another C-Suite Retirement in Cupertino

Today's announcement that COO Jeff Williams - once a potential successor to CEO Tim Cook - will retire later this year marks the second senior c-suite exec to depart Apple in the last 8 months. We share our thoughts on this announcement and potential implications below.

- A continued changing of the guard.** Including Mr. Maestri's departure from the CFO role earlier this year, Apple has now lost 2 senior executives to (eventual) retirement. However, in typical Apple fashion, Mr. Williams' departure from the COO role, and eventual retirement later this year, was clearly pre-planned, as (1) new COO Sabih Kahn was already named COO successor, and (2) Mr. Williams will remain a key exec in charge of design and other functions until his retirement later this year. This means Mr. Williams' eventual transition to retirement should have little to no disruptive impact on the business, though we aren't trying to downplay his role at Apple - Jeff Williams was once viewed as a successor to CEO Tim Cook, he is well-respected internally, and he wears multiple hats (COO, design, Apple Watch, Health initiatives, etc.) in his current role.
- What does this mean for Apple's eventual CEO succession plans?** This is already the most received question we've fielded from investors, even as it doesn't appear CEO Tim Cook will be stepping down any time soon. However, several senior Apple leaders are already Mr. Maestri's (61)/Mr. Williams' (62) age - Services Head Eddy Cue is 60, Head of AI/ML John Giannandrea is 60, Marketing Head Greg Joswiak is 60, and Apple Silicon Head (officially SVP of Hardware Technologies) Johny Srouji is 62. That leaves SVP of Software Engineering Craig Federighi (56) and SVP of Hardware Engineering John Ternus (50) as the most likely eventual successors to CEO Tim Cook, with Mr. Ternus likely in the successor pole position given his hardware background.
- Soon-to-be COO Sabih Khan brings a strong pedigree that likely means little disruption (or change) in operations or supply chain strategy.** While Mr. Williams played a critical role (alongside CEO Tim Cook) in building out Apple's supply chain over the last 2 decades, new COO Sabih Khan has been at Apple for even longer than Mr. Williams (30 years), is already a part of Apple's leadership team (current role is SVP of Operations), and has overseen Apple's supply chain for over half a decade. This means that major changes to Apple's operations strategy and/or supply chain management are unlikely, limiting disruption from Mr. Williams' eventual departure.
- What happens to Apple's design team?** This is perhaps our biggest question, as while new COO Sabih Khan will take over operations, Mr.

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Apple, Inc. (AAPL.O, AAPL US)					
IT Hardware   United States of America					
Stock Rating					Overweight
Industry View					In-Line
Price target					\$235.00
Shr price, close (Jul 8, 2025)					\$210.01
Mkt cap, curr (mm)					\$3,150,389
52-Week Range					\$260.10-169.21
Fiscal Year Ending	09/24	09/25e	09/26e	09/27e	
EPS (\$) **	6.75	7.02	7.69	8.64	
Prior EPS (\$) **	-	-	-	-	
P/E	34.5	29.9	27.3	24.3	
EPS (\$) §	-	7.17	7.77	8.51	
Div yld (%)	0.4	0.5	0.5	0.5	
Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework					
** = Based on consensus methodology					
§ = Consensus data is provided by Refinitiv Estimates					
e = Morgan Stanley Research estimates					
QUARTERLY EPS (\$)					
Quarter	2024	2025e Prior	2025e Current	2026e Prior	2026e Current
Q1	2.18	-	2.40a	-	2.36
Q2	1.53	-	1.65a	-	1.79
Q3	1.40	-	1.41	-	1.58
Q4	1.64	-	1.56	-	1.96
e = Morgan Stanley Research estimates, a = Actual Company reported data					

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**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.**

Williams also played a key role overseeing the design teams (after Jony Ive left in 2019), the Apple Watch, and Apple's Health initiatives. To be clear, Mr. Williams will still oversee these functions until his retirement later this year, but at that time design will then be overseen by CEO Tim Cook, a new reporting structure for Apple. We'd expect that eventually a new design head emerges, or Mr. Ternus and Mr. Federighi absorb additional design responsibilities.

- **Overall, what are the implications of Mr. Williams' retirement?** We don't believe much changes with the Apple story following this news. Again, we don't mean to downplay Mr. Williams' role at Apple, but Apple's succession planning means little should change under the hood. The most important implication, in our view, is that the short list for eventual CEO successor just got shorter, and lends credence to [reporting from Bloomberg a year ago](#) that Mr. Ternus is likely next in-line whenever CEO Tim Cook decides to step down, given Apple's tendency to promote from within.

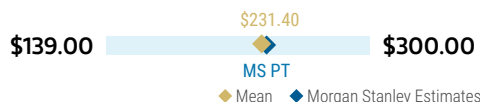
## Risk Reward – Apple, Inc. (AAPL.O)

Replacement Cycles Will Still Accelerate But Near-term Uncertainties Remains

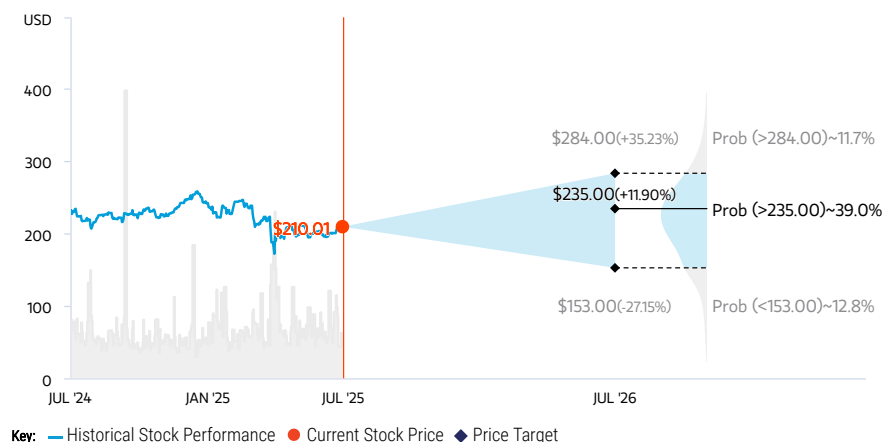
### PRICE TARGET \$235.00

Our \$235 PT is based a 7.9x EV/Sales FY26 multiple, which is derived from a regression of tech and consumer platform peers. Our price target implies 29.2x P/E on \$8.06 CY26 EPS.

#### Consensus Price Target Distribution



### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)

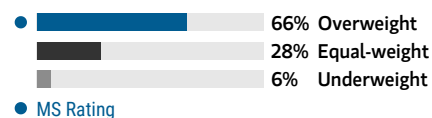


Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 8 Jul 2025. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology [here](#)

### OVERWEIGHT THESIS

With the largest base of pent up iPhone demand ever (i.e. most elongated replacement cycles), new AI features rolling out (slowly) around the world, and a renewed focus on device form factor changes, we believe Apple can accelerate iPhone growth starting in FY26, before replacement cycles contract in the 2 years thereafter. When combined with consistent, double digit services growth, gross margin stability, and moderate operating leverage, we believe Apple can earn \$8.06 in CY26 and \$8.64 by FY27. Longer-term, investments in AI, payments, cloud, health, and home, and long runway to grow spend per user from \$1/day today are key arguments for sustained long-term growth and value creation.

#### Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

#### Risk Reward Themes

Disruption: *Positive*  
New Data Era: *Positive*  
Pricing Power: *Positive*

View descriptions of Risk Rewards Themes [here](#)

#### BULL CASE \$284.00

9.0x EV/Sales FY26; 33.9x Bull CY26 P/E of \$8.38

iPhone replacement cycles accelerate in FY25 as AI iPhone drives double-digit revenue/EPS growth. Consumer demand returns, and stronger than expected iPhone 17 upgrade intentions + mix shift to higher end iPhones drives mid-teens Y/Y iPhone revenue growth, while tariff impacts are largely mitigated as we enter FY26, thanks to Apple's bargaining power against end consumers and the supply chain. Our bull case valuation implies a 33.9x P/E multiple on CY26 Bull EPS.

#### BASE CASE \$235.00

7.9x EV/Sales FY26 or 29.2x CY26 EPS of \$8.06

Services and margins remain resilient, while investors look past near-term to Edge AI opportunity in 2025. Revenue grows 3% Y/Y in FY25, driven by 10%+ Services growth and flattish Product growth. GM may decline to mid-40s % for the remaining of FY25 mainly due to incremental tariff costs, but should gradually recover as Apple leverages the supply chain and repricing to mitigate the impact. The elongated iPhone replacement cycle may still create pent up demand for upgrades in FY27.

#### BEAR CASE \$153.00

5.8x EV/Sales FY26; 24.1x CY26 Bear EPS of \$6.36

iPhone 17 cycle disappoints as consumer spending weakens more than expected amidst tariff-driven price increase. Growth slows even further across the portfolio as discretionary income is pressured by hard landing, leading to declining Product rev and decelerating Services rev growth, with only flattish Y/Y revenue growth in FY25. With revenue slightly growing but gross margin contracting, CY26 EPS will only grow mildly to ~\$6.36 in CY26. Our bear case valuation implies a 24.1x CY26 P/E.

## Risk Reward – Apple, Inc. (AAPL.O)

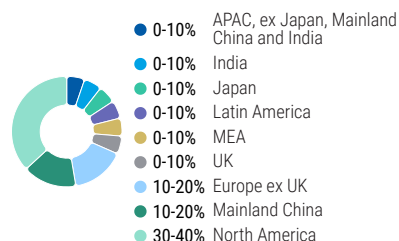
### KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
Total Revenue Growth (Y/Y) (%)	2.0	3.4	7.3	6.5
iPhone Revenue Growth (Y/Y) (%)	0.3	0.2	7.1	6.9
Services Revenue Growth (Y/Y) (%)	12.9	11.9	11.5	10.3
Gross Margin (%)	46.2	46.3	46.4	47.5
EPS Growth (Y/Y) (%)	10.0	4.1	9.5	12.3

### INVESTMENT DRIVERS

- Positive iPhone build revisions / clearer signs of accelerating replacement cycles
- Services revenue growth reacceleration
- Apple Intelligence feature and distribution expansion
- New product launches in home, health and AI
- Regulatory overhang eliminated

### GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate  
View explanation of regional hierarchies [here](#)

### MS ALPHA MODELS

<b>3/5 BEST</b>	<b>24 Month Horizon</b>	<b>1/5 MOST</b>	<b>3 Month Horizon</b>
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Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

### RISKS TO PT/RATING

#### RISKS TO UPSIDE

- iPhone 17 outperforms expectations
- Apple Intelligence adoption surprises to the upside
- Apple pulls forward form factor changes
- Services growth re-accelerates despite tougher compares
- Gross margins surprise positively

#### RISKS TO DOWNSIDE

- Weak consumer spending limits iPhone upgrade rates
- Limited progress on AI features
- Geopolitical tensions/tariffs
- Increased regulation, particularly with GOOGL TAC and App Store

### OWNERSHIP POSITIONING

Inst. Owners, % Active	49.4%				
HF Sector Long/Short Ratio	1.9x				
HF Sector Net Exposure	23.6%				

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

### MS ESTIMATES VS. CONSENSUS

FY Sep 2026e

<b>Sales / Revenue</b> (\$, mm)	399,447	433,664	459,397
		430,349	
<b>EBITDA</b> (\$, mm)	138,984	149,208	170,385
		148,858	
<b>Net income</b> (\$, mm)	98,631	113,240	130,849
		114,172	
<b>EPS</b> (\$)	6.71	7.69	9.01
		7.77	

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

# Apple (AAPL) Financial Model

Exhibit 1: Apple Income Statement

(\$ in millions)	2024A				2025E				2026E				Fiscal Year				
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	2023A	2024A	2025E	2026E	2027E
<b>Revenues</b>	<b>119,575</b>	<b>90,753</b>	<b>85,777</b>	<b>94,930</b>	<b>124,300</b>	<b>95,359</b>	<b>88,786</b>	<b>95,719</b>	<b>129,536</b>	<b>102,398</b>	<b>93,626</b>	<b>108,104</b>	<b>383,285</b>	<b>391,035</b>	<b>404,164</b>	<b>433,664</b>	<b>461,888</b>
iPhone	69,702	45,963	39,296	46,222	69,138	46,841	40,363	45,250	72,051	50,978	41,369	51,600	200,583	201,183	201,592	215,998	230,890
iPad	7,023	5,559	7,162	6,950	8,088	6,402	6,879	6,325	7,693	6,428	6,831	7,676	28,300	26,694	27,694	28,628	27,831
Mac	7,780	7,451	7,009	7,744	8,987	7,949	7,476	7,970	8,565	7,853	7,767	8,769	29,357	29,984	32,382	32,953	33,193
Wearables, Home and Accessories	11,953	7,913	8,097	9,042	11,747	7,522	7,191	8,431	11,815	7,580	7,798	8,932	39,845	37,005	34,892	36,125	37,627
Services	23,117	23,867	24,213	24,972	26,340	26,645	26,876	27,742	29,413	29,559	29,861	31,127	85,200	96,169	107,604	119,960	132,348
<b>Cost of Sales</b>	<b>64,720</b>	<b>48,482</b>	<b>46,099</b>	<b>51,051</b>	<b>66,025</b>	<b>50,492</b>	<b>47,958</b>	<b>52,378</b>	<b>71,153</b>	<b>54,324</b>	<b>49,552</b>	<b>57,583</b>	<b>214,137</b>	<b>210,352</b>	<b>216,853</b>	<b>232,612</b>	<b>242,461</b>
<b>Gross Profit</b>	<b>54,855</b>	<b>42,271</b>	<b>39,678</b>	<b>43,879</b>	<b>58,275</b>	<b>44,867</b>	<b>40,829</b>	<b>43,341</b>	<b>58,383</b>	<b>48,074</b>	<b>44,074</b>	<b>50,521</b>	<b>169,148</b>	<b>180,683</b>	<b>187,311</b>	<b>201,052</b>	<b>219,428</b>
<i>Gross Margin</i>	<i>45.9%</i>	<i>46.6%</i>	<i>46.3%</i>	<i>46.2%</i>	<i>46.9%</i>	<i>47.1%</i>	<i>46.0%</i>	<i>45.3%</i>	<i>45.1%</i>	<i>46.9%</i>	<i>47.1%</i>	<i>46.7%</i>	<i>44.1%</i>	<i>46.2%</i>	<i>46.3%</i>	<i>46.4%</i>	<i>47.5%</i>
<b>Operating Expenses</b>	<b>14,482</b>	<b>14,371</b>	<b>14,326</b>	<b>14,288</b>	<b>15,443</b>	<b>15,278</b>	<b>15,449</b>	<b>15,506</b>	<b>16,645</b>	<b>16,486</b>	<b>16,338</b>	<b>16,486</b>	<b>54,847</b>	<b>57,467</b>	<b>61,676</b>	<b>65,955</b>	<b>70,613</b>
Research and Development	7,696	7,903	8,006	7,765	8,268	8,550	8,657	8,519	9,068	9,216	9,316	9,297	29,915	31,370	33,994	36,896	40,263
Selling, General and Administrative	6,786	6,468	6,320	6,523	7,175	6,728	6,792	6,987	7,578	7,270	7,022	7,189	24,932	26,097	27,683	29,059	30,351
<b>Operating Income</b>	<b>40,373</b>	<b>27,900</b>	<b>25,352</b>	<b>29,591</b>	<b>42,832</b>	<b>29,589</b>	<b>25,380</b>	<b>27,834</b>	<b>41,737</b>	<b>31,588</b>	<b>27,736</b>	<b>34,035</b>	<b>114,301</b>	<b>123,216</b>	<b>125,635</b>	<b>135,097</b>	<b>148,814</b>
<b>Total Interest &amp; Other Income</b>	<b>(50)</b>	<b>158</b>	<b>142</b>	<b>19</b>	<b>(248)</b>	<b>(279)</b>	<b>(301)</b>	<b>(119)</b>	<b>(117)</b>	<b>(113)</b>	<b>(56)</b>	<b>(0)</b>	<b>(565)</b>	<b>269</b>	<b>(947)</b>	<b>(287)</b>	<b>2</b>
<b>Pretax Income</b>	<b>40,323</b>	<b>28,058</b>	<b>25,494</b>	<b>29,610</b>	<b>42,584</b>	<b>29,310</b>	<b>25,079</b>	<b>27,715</b>	<b>41,620</b>	<b>31,475</b>	<b>27,680</b>	<b>34,035</b>	<b>113,736</b>	<b>123,485</b>	<b>124,688</b>	<b>134,810</b>	<b>148,817</b>
GAAP Income Tax Provision	6,407	4,422	4,046	14,874	6,254	4,530	4,013	4,434	6,659	5,036	4,429	5,446	16,741	29,749	19,231	21,570	23,811
Operating Tax Provision (excl one time tax eff	6,407	4,422	4,046	4,628	6,254	4,530	4,013	4,434	6,659	5,036	4,429	5,446	16,741	19,503	19,231	21,570	23,811
<i>Effective Tax Rate</i>	<i>15.9%</i>	<i>15.8%</i>	<i>15.9%</i>	<i>15.6%</i>	<i>14.7%</i>	<i>15.5%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>16.0%</i>	<i>14.7%</i>	<i>15.8%</i>	<i>15.4%</i>	<i>16.0%</i>	<i>16.0%</i>
<b>Operating Net Income</b>	<b>33,916</b>	<b>23,636</b>	<b>21,448</b>	<b>24,982</b>	<b>36,330</b>	<b>24,780</b>	<b>21,067</b>	<b>23,281</b>	<b>34,961</b>	<b>26,439</b>	<b>23,251</b>	<b>28,590</b>	<b>96,995</b>	<b>103,982</b>	<b>105,457</b>	<b>113,241</b>	<b>125,006</b>
<i>Operating Net Income Margin</i>	<i>28.4%</i>	<i>26.0%</i>	<i>25.0%</i>	<i>26.3%</i>	<i>29.2%</i>	<i>26.0%</i>	<i>23.7%</i>	<i>24.3%</i>	<i>27.0%</i>	<i>25.8%</i>	<i>24.8%</i>	<i>26.4%</i>	<i>25.3%</i>	<i>26.6%</i>	<i>26.1%</i>	<i>26.1%</i>	<i>27.1%</i>
<b>Total Non-recurring Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,246)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,246)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GAAP Net Income</b>	<b>33,916</b>	<b>23,636</b>	<b>21,448</b>	<b>14,736</b>	<b>36,330</b>	<b>24,780</b>	<b>21,067</b>	<b>23,281</b>	<b>34,961</b>	<b>26,439</b>	<b>23,251</b>	<b>28,590</b>	<b>96,995</b>	<b>93,736</b>	<b>105,457</b>	<b>113,241</b>	<b>125,006</b>
<b>Fully-diluted EPS</b>																	
<b>EPS - ModelWare</b>	<b>\$2.18</b>	<b>\$1.53</b>	<b>\$1.40</b>	<b>\$1.64</b>	<b>\$2.40</b>	<b>\$1.65</b>	<b>\$1.41</b>	<b>\$1.56</b>	<b>\$2.36</b>	<b>\$1.79</b>	<b>\$1.58</b>	<b>\$1.96</b>	<b>\$6.13</b>	<b>\$6.75</b>	<b>\$7.02</b>	<b>\$7.69</b>	<b>\$8.64</b>
EPS - Reported	\$2.18	\$1.53	\$1.40	\$0.97	\$2.40	\$1.65	\$1.41	\$1.56	\$2.36	\$1.79	\$1.58	\$1.96	\$6.13	\$6.08	\$7.02	\$7.69	\$8.64
EPS - ModelWare excl. Stock Option Expe	\$2.37	\$1.72	\$1.58	\$1.83	\$2.61	\$1.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Payment	3,825	3,710	3,895	3,804	3,856	3,758	3,933	3,849	3,944	3,850	4,052	3,967	15,025	15,234	15,396	15,813	16,314
Dividend Per Share	\$0.25	\$0.24	\$0.25	\$0.25	\$0.25	\$0.25	\$0.26	\$0.26	\$0.27	\$0.26	\$0.28	\$0.27	\$0.95	\$0.99	\$1.03	\$1.08	\$1.13
Period Ending Outstanding Shares	15,460.2	15,550.1	15,222.3	15,116.8	15,040.7	14,939.3	14,865.8	14,794.3	14,724.2	14,655.9	14,589.3	14,524.3	15,550.1	15,116.8	14,794.3	14,524.3	14,281.2
Avg Shares (Basic)	15,509.8	15,405.9	15,287.5	15,172.0	15,081.7	14,994.1	14,902.6	14,830.0	14,759.2	14,690.0	14,622.6	14,556.8	15,744.2	15,343.8	14,952.1	14,657.2	14,400.7
Avg Shares (Fully Diluted)	15,576.6	15,464.7	15,348.2	15,242.9	15,150.9	15,056.1	14,964.6	14,892.1	14,821.3	14,752.1	14,684.6	14,618.8	15,812.5	15,408.1	15,015.9	14,719.2	14,462.8

Source: Company Data, Morgan Stanley Research

## Exhibit 2: Apple Income Statement Analysis

(\$ in millions)	2024A				2025E				2026E				Fiscal Year				
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	2023A	2024A	2025E	2026E	2027E
<b>Margin Analysis</b>																	
<b>Gross Margin</b>	<b>45.9%</b>	<b>46.6%</b>	<b>46.3%</b>	<b>46.2%</b>	<b>46.9%</b>	<b>47.1%</b>	<b>46.0%</b>	<b>45.3%</b>	<b>45.1%</b>	<b>46.9%</b>	<b>47.1%</b>	<b>46.7%</b>	<b>44.1%</b>	<b>46.2%</b>	<b>46.3%</b>	<b>46.4%</b>	<b>47.5%</b>
Product	39.4%	36.6%	35.3%	36.3%	39.3%	35.9%	33.3%	33.4%	36.3%	35.5%	34.1%	35.3%	36.5%	37.2%	35.9%	35.4%	36.5%
iPhone	42.5%	40.0%	38.7%	39.8%	42.8%	39.3%	36.5%	37.0%	40.0%	38.5%	37.0%	38.5%	40.1%	40.6%	39.4%	38.7%	39.5%
iPad	30.0%	28.0%	28.0%	28.1%	29.7%	27.5%	26.0%	25.0%	26.0%	27.0%	27.5%	27.5%	27.8%	28.6%	27.2%	27.0%	28.1%
Mac	32.0%	29.2%	30.0%	30.0%	32.3%	28.5%	27.5%	26.0%	27.0%	29.3%	29.5%	29.8%	29.4%	30.3%	28.7%	28.9%	30.3%
Wearables, Home and Accessories	31.8%	29.6%	30.2%	30.1%	30.8%	29.9%	28.0%	27.0%	27.0%	28.8%	29.0%	29.0%	29.8%	30.6%	29.1%	28.3%	29.4%
Services	72.8%	74.6%	74.0%	74.0%	75.0%	75.7%	75.3%	74.5%	75.0%	75.2%	74.8%	75.0%	70.8%	73.9%	75.1%	75.0%	75.0%
R&D	6.4%	8.7%	9.3%	8.2%	6.7%	9.0%	9.8%	8.9%	7.0%	9.0%	10.0%	8.6%	7.8%	8.0%	8.4%	8.5%	8.7%
SG&A	5.7%	7.1%	7.4%	6.9%	5.8%	7.1%	7.7%	7.3%	5.9%	7.1%	7.5%	6.7%	6.5%	6.7%	6.8%	6.7%	6.6%
Operating Expenses	12.1%	15.8%	16.7%	15.1%	12.4%	16.0%	17.4%	16.2%	12.9%	16.1%	17.5%	15.3%	14.3%	14.7%	15.3%	15.2%	15.3%
EBITDA Margin	36.1%	33.9%	32.9%	34.2%	36.9%	33.8%	32.3%	32.6%	34.8%	34.2%	33.3%	34.7%	32.8%	34.4%	34.2%	34.3%	35.4%
PTOP Margin	33.8%	30.7%	29.6%	31.2%	34.5%	31.0%	28.6%	29.1%	32.2%	30.8%	29.6%	31.5%	29.8%	31.5%	31.1%	31.2%	32.2%
Pretax Margin	33.7%	30.9%	29.7%	31.2%	34.3%	30.7%	28.2%	29.0%	32.1%	30.7%	29.6%	31.5%	29.7%	31.6%	30.9%	31.1%	32.2%
Net Income	28.4%	26.0%	25.0%	26.3%	29.2%	26.0%	23.7%	24.3%	27.0%	25.8%	24.8%	26.4%	25.3%	26.6%	26.1%	26.1%	27.1%
<b>Year-Over-Year Growth (%)</b>																	
<b>Revenue</b>	<b>2%</b>	<b>-4%</b>	<b>5%</b>	<b>6%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>1%</b>	<b>4%</b>	<b>7%</b>	<b>5%</b>	<b>13%</b>	<b>-3%</b>	<b>2%</b>	<b>3%</b>	<b>7%</b>	<b>7%</b>
iPhone	6%	-10%	-1%	6%	-1%	2%	3%	-2%	4%	9%	2%	14%	-2%	0%	0%	7%	7%
iPad	-25%	-17%	24%	8%	15%	15%	-4%	-9%	-5%	0%	-1%	21%	-3%	-6%	4%	3%	-3%
Mac	1%	4%	2%	2%	16%	7%	7%	3%	-5%	-1%	4%	10%	-27%	2%	8%	2%	1%
Wearables, Home and Accessories	-11%	-10%	-2%	-3%	-2%	-5%	-11%	-7%	1%	1%	8%	6%	-3%	-7%	-6%	4%	4%
Services	11%	14%	14%	12%	14%	12%	11%	11%	12%	11%	11%	12%	9%	13%	12%	11%	10%
<b>Gross Margin</b>	<b>9%</b>	<b>1%</b>	<b>9%</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>3%</b>	<b>-1%</b>	<b>0%</b>	<b>7%</b>	<b>8%</b>	<b>17%</b>	<b>-1%</b>	<b>7%</b>	<b>4%</b>	<b>7%</b>	<b>9%</b>
iPhone	11%	-10%	-1%	4%	0%	0%	-3%	-9%	-3%	7%	4%	19%	-2%	1%	-3%	5%	9%
iPad	-18%	-17%	24%	8%	14%	13%	-11%	-19%	-17%	-1%	5%	33%	-3%	-3%	-1%	3%	1%
Mac	11%	3%	6%	2%	17%	4%	-2%	-11%	-20%	2%	11%	26%	-27%	5%	2%	2%	6%
Wearables, Home and Accessories	-5%	-10%	0%	-3%	-5%	-4%	-18%	-12%	-12%	-3%	12%	14%	-7%	-5%	-10%	1%	8%
Services	14%	20%	20%	17%	17%	13%	13%	12%	12%	10%	10%	13%	8%	18%	14%	11%	10%
<b>R&amp;D</b>	<b>0%</b>	<b>6%</b>	<b>8%</b>	<b>6%</b>	<b>7%</b>	<b>8%</b>	<b>8%</b>	<b>10%</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>14%</b>	<b>5%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>
<b>SG&amp;A</b>	<b>3%</b>	<b>4%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>4%</b>	<b>7%</b>	<b>7%</b>	<b>6%</b>	<b>8%</b>	<b>3%</b>	<b>3%</b>	<b>-1%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
<b>Operating Expenses</b>	<b>1%</b>	<b>5%</b>	<b>7%</b>	<b>6%</b>	<b>7%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>6%</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
PTOP Margin	12%	-1%	10%	10%	6%	6%	0%	-6%	-3%	7%	9%	22%	-4%	8%	2%	8%	10%
Pretax Margin	13%	-1%	12%	10%	6%	4%	-2%	-6%	-2%	7%	10%	23%	-5%	9%	1%	8%	10%
Net Income	13%	-2%	8%	9%	7%	5%	-2%	-6%	-4%	7%	10%	23%	-3%	7%	1%	7%	10%
<b>ModelWare EPS</b>	<b>16%</b>	<b>0%</b>	<b>11%</b>	<b>12%</b>	<b>10%</b>	<b>8%</b>	<b>1%</b>	<b>-5%</b>	<b>-2%</b>	<b>9%</b>	<b>12%</b>	<b>25%</b>	<b>0%</b>	<b>10%</b>	<b>4%</b>	<b>10%</b>	<b>12%</b>
<b>Sequential Growth (%)</b>																	
<b>Revenue</b>	<b>34%</b>	<b>-24%</b>	<b>-5%</b>	<b>11%</b>	<b>31%</b>	<b>-23%</b>	<b>-7%</b>	<b>8%</b>	<b>35%</b>	<b>-21%</b>	<b>-9%</b>	<b>15%</b>					
iPhone	59%	-34%	-15%	18%	50%	-32%	-14%	12%	59%	-29%	-19%	25%					
iPad	9%	-21%	29%	-3%	16%	-21%	7%	-8%	22%	-16%	6%	12%					
Mac	2%	-4%	-6%	10%	16%	-12%	-6%	7%	7%	-8%	-1%	13%					
Wearables, Home and Accessories	28%	-34%	2%	12%	30%	-36%	-4%	17%	40%	-36%	3%	15%					
Services	4%	3%	1%	3%	5%	1%	1%	3%	6%	0%	1%	4%					
<b>Gross Margin</b>	<b>36%</b>	<b>-23%</b>	<b>-6%</b>	<b>11%</b>	<b>33%</b>	<b>-23%</b>	<b>-9%</b>	<b>6%</b>	<b>35%</b>	<b>-18%</b>	<b>-8%</b>	<b>15%</b>					
iPhone	67%	-38%	-17%	21%	61%	-38%	-20%	14%	72%	-32%	-22%	30%					
iPad	17%	-26%	29%	-3%	23%	-27%	2%	-12%	26%	-13%	8%	12%					
Mac	9%	-13%	-3%	10%	25%	-22%	-9%	1%	12%	0%	0%	14%					
Wearables, Home and Accessories	35%	-38%	4%	11%	33%	-38%	-10%	13%	40%	-32%	4%	15%					
Services	6%	6%	1%	3%	7%	2%	0%	2%	7%	1%	0%	5%					
R&D	5%	3%	1%	-3%	6%	3%	1%	-2%	6%	2%	1%	0%					
SG&A	10%	-5%	-2%	3%	10%	-6%	1%	3%	8%	-4%	-3%	2%					
<b>Operating Expenses</b>	<b>8%</b>	<b>-1%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>-1%</b>	<b>1%</b>	<b>0%</b>	<b>7%</b>	<b>-1%</b>	<b>-1%</b>	<b>1%</b>					
PTOP Margin	50%	-31%	-9%	17%	45%	-31%	-14%	10%	50%	-24%	-12%	23%					
Pretax Margin	49%	-30%	-9%	16%	44%	-31%	-14%	11%	50%	-24%	-12%	23%					
Net Income	48%	-30%	-9%	16%	45%	-32%	-15%	11%	50%	-24%	-12%	23%					
<b>ModelWare EPS</b>	<b>49%</b>	<b>-30%</b>	<b>-9%</b>	<b>17%</b>	<b>46%</b>	<b>-31%</b>	<b>-14%</b>	<b>11%</b>	<b>51%</b>	<b>-24%</b>	<b>-12%</b>	<b>24%</b>					
<b>Revenue Mix</b>																	
iPhone	58%	51%	46%	49%	56%	49%	45%	47%	56%	50%	44%	48%	52%	51%	50%	50%	50%
iPad	6%	6%	8%	7%	7%	7%	8%	7%	6%	6%	7%	7%	7%	7%	7%	7%	6%
Mac	7%	8%	8%	8%	7%	8%	8%	8%	7%	8%	8%	8%	8%	8%	8%	8%	7%
Wearables, Home and Accessories	10%	9%	9%	10%	9%	8%	8%	9%	9%	7%	8%	8%	10%	9%	9%	8%	8%
Services	19%	26%	28%	26%	21%	28%	30%	29%	23%	29%	32%	29%	22%	25%	27%	28%	29%

Source: Company Data, Morgan Stanley Research

Exhibit 3: Apple Balance Sheet

(\$ in millions)	2024A				2025E				2026E				2023A	2024A	2025E	2026E	2027E
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26					
<b>Assets</b>																	
<b>Current Assets:</b>																	
Cash and cash equivalents	40,760	32,695	25,565	29,943	30,299	28,162	25,181	48,106	40,405	29,245	36,913	41,999	29,965	29,943	48,106	41,999	53,372
Short-term investments	131,815	129,642	127,476	126,707	111,069	104,760	104,760	74,760	74,760	74,760	74,760	74,760	132,134	126,707	74,760	74,760	74,760
Accounts receivable	23,194	21,837	22,795	33,410	29,639	26,136	21,465	34,334	39,424	31,857	22,635	37,601	29,508	33,410	34,334	37,601	32,041
Inventories	6,511	6,232	6,165	7,286	6,911	6,269	7,378	7,401	6,961	6,640	5,990	7,511	6,331	7,286	7,401	7,511	7,704
Deferred tax assets	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546	5,546
Other current assets	35,341	27,651	29,128	41,574	37,369	32,225	29,959	43,038	39,713	33,408	31,029	44,761	40,626	41,574	43,038	44,761	47,657
<b>Total Current Assets</b>	<b>243,167</b>	<b>223,603</b>	<b>216,675</b>	<b>244,466</b>	<b>220,833</b>	<b>203,098</b>	<b>194,289</b>	<b>213,185</b>	<b>206,809</b>	<b>181,456</b>	<b>176,873</b>	<b>212,179</b>	<b>244,110</b>	<b>244,466</b>	<b>213,185</b>	<b>212,179</b>	<b>221,081</b>
Property, Plant & Equipment, net	43,666	43,546	44,502	45,680	46,069	46,876	46,817	46,758	47,010	47,268	47,535	47,818	43,715	45,680	46,758	47,818	48,988
Acquired Intangible Assets	25,092	26,439	26,504	28,160	29,043	30,577	30,032	29,524	29,049	28,606	28,192	27,806	24,368	28,160	29,524	27,806	26,503
Other assets	41,589	43,823	43,931	46,674	48,140	50,682	48,324	46,674	52,954	55,750	53,156	51,342	40,390	46,674	46,674	51,342	56,476
Non-current debt and equity investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Assets</b>	<b>110,347</b>	<b>113,808</b>	<b>114,937</b>	<b>120,514</b>	<b>123,252</b>	<b>128,135</b>	<b>125,174</b>	<b>122,956</b>	<b>129,012</b>	<b>131,623</b>	<b>128,884</b>	<b>126,966</b>	<b>108,473</b>	<b>120,514</b>	<b>122,956</b>	<b>126,966</b>	<b>131,967</b>
<b>Total Assets</b>	<b>353,514</b>	<b>337,411</b>	<b>331,612</b>	<b>364,980</b>	<b>344,085</b>	<b>331,233</b>	<b>319,462</b>	<b>336,141</b>	<b>335,821</b>	<b>313,079</b>	<b>305,756</b>	<b>339,145</b>	<b>352,583</b>	<b>364,980</b>	<b>336,141</b>	<b>339,145</b>	<b>353,048</b>
<b>Liabilities</b>																	
<b>Current Liabilities:</b>																	
Accounts payable	58,146	45,753	47,574	68,960	61,910	54,126	51,120	65,473	66,513	51,306	50,641	71,978	62,611	68,960	65,473	71,978	73,826
Accrued expenses	62,875	65,310	68,942	86,553	69,612	70,825	69,139	77,340	69,610	64,573	63,757	76,159	66,890	86,553	77,340	76,159	79,361
Current Debt	12,952	12,759	15,108	20,879	12,843	19,620	19,620	19,620	19,620	19,620	19,620	19,620	15,807	20,879	19,620	19,620	19,620
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>133,973</b>	<b>123,822</b>	<b>131,624</b>	<b>176,392</b>	<b>144,365</b>	<b>144,571</b>	<b>139,879</b>	<b>162,433</b>	<b>155,743</b>	<b>135,498</b>	<b>134,019</b>	<b>167,757</b>	<b>145,308</b>	<b>176,392</b>	<b>162,433</b>	<b>167,757</b>	<b>172,807</b>
<b>Non-Current Liabilities</b>																	
Long-term debt	95,088	91,831	86,196	85,750	83,956	78,566	78,566	78,566	78,566	78,566	78,566	78,566	95,281	85,750	78,566	78,566	78,566
Deferred revenue - non-current	3,231	3,107	3,130	2,960	3,199	2,747	3,506	3,168	3,493	3,378	3,306	3,303	3,161	2,960	3,168	3,303	3,333
Deferred tax liabilities	46,272	43,607	43,104	42,078	44,957	37,703	37,703	37,703	37,703	37,703	37,703	37,703	45,837	42,078	37,703	37,703	37,703
Other non-current liabilities	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850
<b>Total Non-Current Liabilities</b>	<b>145,441</b>	<b>139,395</b>	<b>133,280</b>	<b>131,638</b>	<b>132,962</b>	<b>119,866</b>	<b>120,625</b>	<b>120,287</b>	<b>120,612</b>	<b>120,497</b>	<b>120,425</b>	<b>120,422</b>	<b>145,129</b>	<b>131,638</b>	<b>120,287</b>	<b>120,422</b>	<b>120,452</b>
<b>Total Liabilities</b>	<b>279,414</b>	<b>263,217</b>	<b>264,904</b>	<b>308,030</b>	<b>277,327</b>	<b>264,437</b>	<b>260,503</b>	<b>282,720</b>	<b>276,355</b>	<b>255,995</b>	<b>254,443</b>	<b>288,178</b>	<b>290,437</b>	<b>308,030</b>	<b>282,720</b>	<b>288,178</b>	<b>293,260</b>
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholder's Equity</b>	<b>74,100</b>	<b>74,194</b>	<b>66,708</b>	<b>56,950</b>	<b>66,758</b>	<b>66,796</b>	<b>58,959</b>	<b>53,421</b>	<b>59,466</b>	<b>57,084</b>	<b>51,313</b>	<b>50,966</b>	<b>62,146</b>	<b>56,950</b>	<b>53,421</b>	<b>50,966</b>	<b>59,789</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>353,514</b>	<b>337,411</b>	<b>331,612</b>	<b>364,980</b>	<b>344,085</b>	<b>331,233</b>	<b>319,462</b>	<b>336,141</b>	<b>335,821</b>	<b>313,079</b>	<b>305,756</b>	<b>339,145</b>	<b>352,583</b>	<b>364,980</b>	<b>336,141</b>	<b>339,145</b>	<b>353,048</b>

Source: Company Data, Morgan Stanley Research

Exhibit 4: Apple Statement of Cash Flows

(\$ in millions)	2024E				2025E				2026E								
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	2023A	2024A	2025E	2026E	2027E
<b>Cash Flow Statement (Non Cumulative)</b>																	
Operating activities:																	
Net Income / (Loss)	33,916	23,636	21,448	14,736	36,330	24,780	21,067	23,281	34,961	26,439	23,251	28,590	96,995	93,736	105,457	113,241	125,006
Cumulative effect of accounting change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to reconcile net income:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	2,848	2,836	2,850	2,911	3,080	2,661	3,330	3,356	3,390	3,431	3,474	3,514	11,519	11,445	12,427	13,809	14,651
Stock based compensation expense	2,997	2,964	2,869	2,858	3,286	3,226	-	-	-	-	-	-	10,833	11,688	6,512	-	-
Provision for (benefit from) deferred income taxes	(989)	(982)	7	(302)	(2,009)	(208)	-	-	-	-	-	-	(2,227)	(2,266)	(2,217)	-	-
Gain on non-current investments, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on short-term investments, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized loss on conv. securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of PP&E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In-Process R&D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax benefit from ESO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Operating Assets and Liabilities:																	
Accounts receivable	6,555	1,172	(1,030)	(10,485)	3,597	3,669	4,671	(12,869)	(5,090)	7,567	9,222	(14,966)	(1,688)	(3,788)	(932)	(3,267)	5,560
Inventories	(137)	190	(12)	(1,087)	215	643	(1,109)	(23)	441	321	650	(1,521)	(1,618)	(1,046)	(274)	(109)	(193)
Other current assets	4,569	7,595	(1,064)	(22,831)	3,166	6,005	2,266	(13,079)	3,324	6,305	2,379	(13,733)	(5,684)	(11,731)	(1,642)	(1,724)	(2,896)
Other assets	(1,457)	(2,981)	(1,188)	4,270	939	(5,310)	2,358	1,649	(6,279)	(2,796)	2,594	1,814	1,271	(1,356)	(364)	(4,667)	(5,134)
Accounts payable	(4,542)	(12,168)	1,539	21,191	(6,671)	(7,933)	(3,006)	14,353	1,040	(15,207)	(664)	21,337	(1,889)	6,020	(3,257)	6,505	1,848
Deferred revenue	-	-	-	-	-	-	759	(338)	325	(115)	(72)	(3)	-	-	421	135	30
Accrued restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	(3,865)	428	3,439	15,550	(11,998)	(3,581)	(1,686)	8,201	(7,729)	(5,038)	(815)	12,401	3,031	15,552	(9,064)	(1,181)	3,203
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>39,895</b>	<b>22,690</b>	<b>28,858</b>	<b>26,811</b>	<b>29,935</b>	<b>23,952</b>	<b>28,649</b>	<b>24,532</b>	<b>24,382</b>	<b>20,907</b>	<b>40,019</b>	<b>37,433</b>	<b>110,543</b>	<b>118,254</b>	<b>107,068</b>	<b>122,741</b>	<b>142,075</b>
Investing activities:																	
Purchase of short-term investments	(9,780)	(15,262)	(13,032)	(10,582)	(6,124)	(6,318)	-	-	-	-	-	-	(29,513)	(48,656)	(12,442)	-	-
Proceeds from maturities of short-term investments	13,046	14,416	12,376	11,373	15,967	10,620	-	30,000	-	-	-	-	39,686	51,211	56,587	-	-
Proceeds from sales of short-term investments	1,337	2,977	3,068	3,753	3,492	1,718	-	-	-	-	-	-	5,828	11,135	5,210	-	-
Purchases of long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Proceeds from sale of PP&E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of PP&E	(2,392)	(1,996)	(2,151)	(2,908)	(2,940)	(3,071)	(2,727)	(2,788)	(3,167)	(3,247)	(3,328)	(3,411)	(10,959)	(9,447)	(11,525)	(13,152)	(14,518)
Cash paid for acquisition of technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of ARM shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(284)	(445)	(388)	(191)	(603)	(32)	-	-	-	-	-	-	(1,337)	(1,308)	(635)	-	-
<b>Net cash used in investing activities</b>	<b>1,927</b>	<b>(310)</b>	<b>(127)</b>	<b>1,445</b>	<b>9,792</b>	<b>2,917</b>	<b>(2,727)</b>	<b>27,212</b>	<b>(3,167)</b>	<b>(3,247)</b>	<b>(3,328)</b>	<b>(3,411)</b>	<b>3,705</b>	<b>2,935</b>	<b>37,195</b>	<b>(13,152)</b>	<b>(14,518)</b>
Financing activities:																	
Proceeds from issuance of common stock	-	-	-	-	-	-	30	30	28	29	30	31	-	-	60	118	130
Excess tax benefits from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid related to net share settlement	(2,591)	(284)	(2,288)	(278)	(2,921)	(284)	-	-	-	-	-	-	(5,431)	(5,441)	(3,205)	-	-
Dividends and dividend equivalent rights paid	(3,825)	(3,710)	(3,895)	(3,804)	(3,856)	(3,758)	(3,933)	(3,849)	(3,944)	(3,850)	(4,052)	(3,967)	(15,025)	(15,234)	(15,396)	(15,813)	(16,314)
Repurchase of common stock	(20,139)	(23,205)	(26,522)	(25,083)	(23,606)	(25,898)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(77,550)	(94,949)	(99,504)	(100,000)	(100,000)
Increase (decrease) in long-term borrowing	-	-	-	-	(1,009)	1,009	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in notes payable to banks	(4,030)	(3,234)	(3,312)	4,217	(7,979)	(75)	-	-	-	-	-	-	(10,482)	(6,359)	(8,054)	-	-
<b>Net Cash used in Financing Activities</b>	<b>(30,585)</b>	<b>(30,433)</b>	<b>(36,017)</b>	<b>(24,948)</b>	<b>(39,371)</b>	<b>(29,006)</b>	<b>(28,904)</b>	<b>(28,819)</b>	<b>(28,916)</b>	<b>(28,821)</b>	<b>(29,022)</b>	<b>(28,936)</b>	<b>(108,488)</b>	<b>(121,983)</b>	<b>(126,099)</b>	<b>(115,695)</b>	<b>(116,184)</b>
<b>Increase/(decrease) in Cash and Cash Equivalents</b>	<b>11,237</b>	<b>(8,053)</b>	<b>(7,286)</b>	<b>3,308</b>	<b>356</b>	<b>(2,137)</b>	<b>(2,981)</b>	<b>22,925</b>	<b>(7,701)</b>	<b>(11,161)</b>	<b>7,669</b>	<b>5,086</b>	<b>5,760</b>	<b>(794)</b>	<b>18,163</b>	<b>(6,107)</b>	<b>11,373</b>
Adjustments for restatements	(442)	(12)	156	1,070	-	-	-	-	-	-	-	-	559	772	-	-	-
Cash and Cash Equivalents at Beginning of Period	29,965	40,760	32,695	25,565	29,943	30,299	28,162	25,181	48,106	40,405	29,245	36,913	23,646	29,965	29,943	48,106	41,999
<b>Cash and Cash Equivalents at End of Period</b>	<b>40,760</b>	<b>32,695</b>	<b>25,565</b>	<b>29,943</b>	<b>30,299</b>	<b>28,162</b>	<b>25,181</b>	<b>48,106</b>	<b>40,405</b>	<b>29,245</b>	<b>36,913</b>	<b>41,999</b>	<b>29,965</b>	<b>29,943</b>	<b>48,106</b>	<b>41,999</b>	<b>53,372</b>

Source: Company Data, Morgan Stanley Research



## Risk Reward Reference links

1. View explanation of Options Probabilities methodology - [Options\\_Probabilities\\_Exhibit\\_Link.pdf](#)
2. View descriptions of Risk Rewards Themes - [RR\\_Themes\\_Exhibit\\_Link.pdf](#)
3. View explanation of regional hierarchies - [GEG\\_Exhibit\\_Link.pdf](#)
4. View explanation of Theme/Exposure methodology - [ESG\\_Sustainable\\_Solutions\\_External\\_Link.pdf](#)
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(as of June 30, 2025)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1497	40%	372	45%	25%	702	41%
Equal-weight/Hold	1632	44%	380	46%	23%	776	45%
Not-Rated/Hold	4	0%	0	0%	0%	2	0%
Underweight/Sell	593	16%	79	10%	13%	233	14%
Total	3,726		831			1713	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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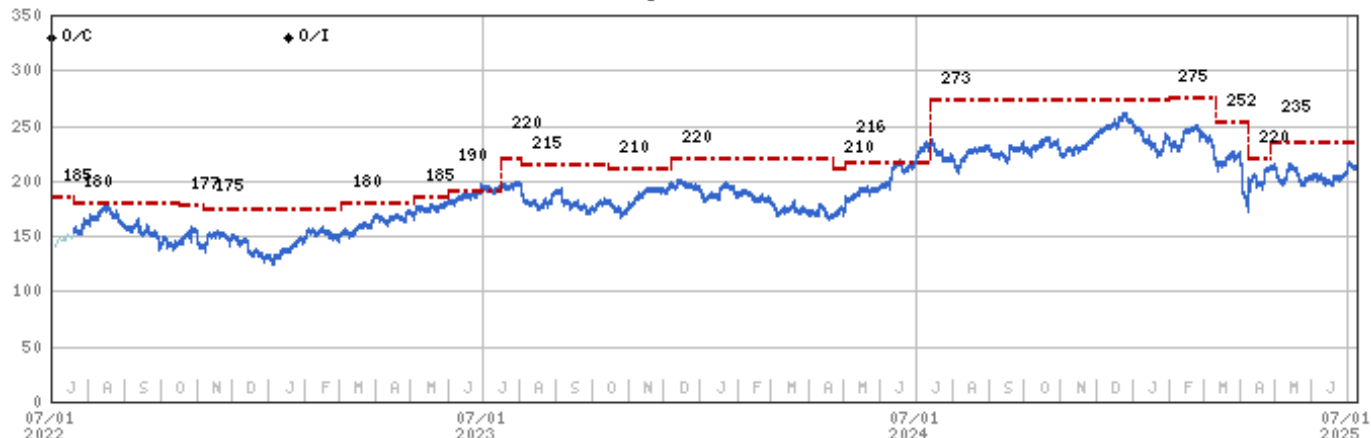
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## Stock Price, Price Target and Rating History (See Rating Definitions)

Apple, Inc. (AAPL.O) - As of 07/09/25 GMT in USD  
Industry : IT Hardware



Stock Rating History: 7/1/20 : 0/I; 10/12/20 : 0/A; 6/10/21 : 0/I; 10/5/21 : 0/C; 1/18/23 : 0/I

Price Target History: 6/2/20 : 85; 7/13/20 : 104.75; 7/30/20 : 107.75; 8/23/20 : 130; 10/13/20 : 136; 12/15/20 : 144; 1/20/21 : 152; 1/27/21 : 164; 4/5/21 : 156; 4/15/21 : 157; 4/20/21 : 158; 4/28/21 : 161; 6/23/21 : 162; 7/14/21 : 166; 7/27/21 : 168; 10/26/21 : 166; 10/28/21 : 164; 12/7/21 : 200; 1/27/22 : 210; 4/28/22 : 195; 6/14/22 : 185; 7/19/22 : 180; 10/17/22 : 177; 11/7/22 : 175; 3/3/23 : 180; 5/4/23 : 185; 6/1/23 : 190; 7/16/23 : 220; 8/3/23 : 215; 10/15/23 : 210; 12/7/23 : 220; 4/22/24 : 210; 5/3/24 : 216; 7/14/24 : 273; 1/31/25 : 275; 3/12/25 : 252; 4/8/25 : 220; 4/28/25 : 235

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)

Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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## INDUSTRY COVERAGE: IT Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/08/2025)
<b>Erik W Woodring</b>		
Apple, Inc. (AAPL.O)	O (05/26/2009)	\$210.01
CDW Corporation (CDW.O)	O (04/08/2025)	\$180.65
Cricut Inc (CRCT.O)	U (08/12/2021)	\$6.02
Dell Technologies Inc. (DELL.N)	O (05/01/2023)	\$124.39
Garmin Ltd (GRMN.N)	U (10/07/2024)	\$213.41
GoPro Inc (GPRO.O)	U (12/12/2023)	\$0.79
HP Inc. (HPQ.N)	E (08/19/2024)	\$25.80
IBM (IBM.N)	E (01/18/2023)	\$290.42
Ingram Micro (INGM.N)	E (06/11/2025)	\$20.59
Kornit Digital Ltd. (KRNT.O)	O (08/10/2023)	\$19.42
Logitech International SA (LOGI.O)	E (01/23/2025)	\$92.40
Resideo Technologies Inc (REZI.N)	E (03/16/2021)	\$23.75
Seagate Technology (STX.O)	O (03/26/2024)	\$144.47
SmartRent, Inc. (SMRT.N)	++	\$1.09
Sonos Inc. (SONO.O)	U (09/26/2024)	\$10.76
TD Synnex Corporation (SNX.N)	O (06/11/2025)	\$141.09
Teradata (TDC.N)	O (04/08/2025)	\$22.89
Western Digital (WDC.O)	O (04/16/2025)	\$64.02
Xerox Corp (XRX.O)		\$5.45
<b>Meta A Marshall</b>		
Hewlett Packard Enterprise (HPE.N)	E (04/08/2025)	\$20.82
NetApp Inc (NTAP.O)	E (07/26/2023)	\$106.66
Nutanix Inc (NTNX.O)	O (10/28/2024)	\$76.13
Pure Storage Inc (PSTG.N)	E (06/11/2024)	\$57.08

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\* Historical prices are not split adjusted.