

APPLE INC. NDQ:AAPL				RECENT PRICE	175.74	P/E RATIO	29.8	(Trailing: 31.3) (Median: 13.0)	RELATIVE P/E RATIO	1.62	DIV'D YLD	0.5%	VALUE LINE						
TIMELINESS	1	Raised 4/9/21	High: 11.7 Low: 6.8	15.2 11.1	25.2 14.6	20.5 13.8	29.9 17.6	33.6 23.0	29.7 22.4	44.3 28.7	58.4 36.6	73.5 35.5	138.8 53.2	182.1 116.2	Target Price Range 2024 2025 2026				
SAFETY	1	Raised 4/17/20	LEGENDS 19.0 x "Cash Flow" p sh Relative Price Strength 7-for-1 split 6/14 4-for-1 split 8/20 Options: Yes Shaded area indicates recession																
TECHNICAL	4	Lowered 12/17/21																	
BETA	.95	(1.00 = Market)																	
18-Month Target Price Range																			
Low-High	Midpoint (% to Mid)																		
\$130-\$271 \$201 (15%)																			
2024-26 PROJECTIONS																			
High	Price	Gain	Ann'l Total																
Low	200	(+15%)	Return																
	165	(-5%)	-1%																
Institutional Decisions																			
to Buy 102021 1605 202021 1749 302021 1602																			
to Sell 1986 1821 1904																			
Hld's(000)944019293874839366413																			
Percent shares traded																			
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022			© VALUE LINE PUB. LLC 24-26																
.60	.81	.98	1.31	1.45	2.54	4.16	5.95	6.79	7.79	10.47	10.10	11.18	13.96	14.64	16.17	21.55	23.80	Sales per sh ^A	32.20
.06	.09	.16	.21	.25	.59	1.07	1.71	1.74	2.02	2.90	2.63	2.85	3.70	3.82	4.03	6.24	7.10	"Cash Flow" per sh	9.55
.05	.08	.14	.19	.22	.54	.99	1.58	1.42	1.61	2.31	2.08	2.30	2.98	2.97	3.28	5.61	6.15	Earnings per sh ^B	8.30
--	--	--	--	--	--	--	.09	.41	.45	.50	.55	.60	.68	.75	.80	.85	.92	Div'ds Decl'd per sh ^E	1.80
.01	.03	.03	.04	.05	.08	.16	.32	.32	.41	.50	.60	.61	.70	.59	.43	.65	.75	Cap'l Spending per sh	1.25
.32	.42	.60	.85	1.10	1.86	2.94	4.50	4.91	4.75	5.35	6.01	6.54	5.63	5.09	3.85	3.72	4.80	Book Value per sh	8.85
23381	23947	24425	24873	25195	25647	26020	26298	25178	23465	22315	21345	20505	19020	17773	16977	16977	16000	Common Shs Outst'g ^C	13500
26.2	29.1	26.3	30.4	19.2	15.2	12.4	12.0	12.3	13.0	12.8	12.6	14.9	15.3	16.1	24.7	23.4		Avg Ann'l P/E Ratio	22.0
1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.75	.83	.86	1.27	1.26		Relative P/E Ratio	1.20
--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%	1.5%	1.6%	1.0%	.6%		Avg Ann'l Div'd Yield	1.0%
CAPITAL STRUCTURE as of 9/25/21				108249 156508 170910 182795 233715 215639 229234 265595 260174 274515 365817 380800 Sales (\$mill) ^A 435000															
Total Debt \$124719 mill. Due in 5 Yrs \$54000 mill.				32.9% 37.4% 32.6% 33.1% 35.3% 32.7% 31.2% 30.8% 29.4% 28.2% 32.9% 32.5% Operating Margin 32.5%															
LT Debt \$109106 mill. LT Interest \$2645 mill. (62% of Cap'l)				1814.0 3277.0 6757.0 7946.0 11257 10505 10157 10903 12547 11056 11284 11750 Depreciation (\$mill) ^D 13000															
Leases, Uncapitalized Annual rentals \$1493 mill.				25922 41733 37037 39510 53394 45687 48351 59531 55256 57411 94680 101860 Net Profit (\$mill) 115815															
No Defined Benefit Pension Plan				24.2% 25.2% 26.2% 26.1% 26.4% 25.6% 18.3% 15.9% 14.4% 13.3% 16.0% Income Tax Rate 16.0%															
Pfd Stock None				23.9% 26.7% 21.7% 21.6% 22.8% 21.2% 21.1% 22.4% 21.2% 20.9% 25.9% 26.7% Net Profit Margin 26.6%															
Common Stock 16,406 mill. shs. as of 10/15/21				17018 19111 29628 5083.0 8768.0 27863 27831 14473 57101 38321 9355.0 15150 Working Cap'l (\$mill) 31700															
MARKET CAP: \$2.88 trillion (Large Cap)				76615 118210 123549 111547 119355 128249 134047 107147 90488 65339 63090 77025 Long-Term Debt (\$mill) 109000															
CURRENT POSITION 2019 2020 9/25/21				33.8% 35.3% 30.0% 35.4% 44.7% 35.6% 36.1% 55.6% 61.1% 87.9% 150.1% Shr. Equity (\$mill) 119625															
Cash Assets 100557 90943 62639				33.8% 33.2% 21.4% 25.4% 35.0% 26.2% 26.5% 42.8% 45.5% 66.3% 127.1% Return on Total Cap'l 52.0%															
Receivables 22926 16120 26278				-- 6% 29% 28% 22% 27% 26% 23% 26% 25% 15% 15% Return on Shr. Equity 97.0%															
Inventory (FIFO) 4106 4061 6580				All Div'ds to Net Prof 22%															
Other 35230 32589 39339																			
Current Assets 162819 143713 134836																			
Accts Payable 46236 42296 54763																			
Debt Due 16240 13769 15613																			
Other 43242 49327 55105																			
Current Liab. 105718 105392 125481																			
ANNUAL RATES Past Past Est'd '19-'21																			
of change (per sh)																			
10 Yrs. 5 Yrs. to '24-'26																			
Sales 20.5% 13.0% 10.5%																			
"Cash Flow" 22.0% 13.5% 12.5%																			
Earnings 21.0% 14.5% 13.0%																			
Dividends -- 10.0% 14.5%																			
Book Value 8.0% -4.5% 13.0%																			
Fiscal Year Ends																			
QUARTERLY SALES (\$mill.) ^A																			
Dec.Per Mar.Per Jun.Per Sep.Per																			
2018	88293	61137	53265	62900	265595														
2019	84310	58015	53809	64040	260174														
2020	91819	58313	59685	64698	274515														
2021	111439	89584	81434	83360	365817														
2022	117000	92000	84300	87500	380800														
Fiscal Year Ends																			
EARNINGS PER SHARE ^{A B}																			
Dec.Per Mar.Per Jun.Per Sep.Per																			
2018	.97	.68	.59	.74	2.98														
2019	1.05	.62	.55	.75	2.97														
2020	1.25	.64	.65	.73	3.28														
2021	1.67	1.40	1.30	1.24	5.61														
2022	1.85	1.45	1.35	1.50	6.15														
Cal-endar																			
QUARTERLY DIVIDENDS PAID ^E																			
Mar.31 Jun.30 Sep.30 Dec.31																			
2017	.143	.158	.158	.158	.62														
2018	.158	.183	.183	.183	.71														
2019	.183	.193	.193	.193	.76														
2020	.193	.205	.205	.205	.81														
2021	.205	.22	.22	.22															

Apple shares have continued to perform strongly. The stock is up 18% since our last update in late September, and more than 30% for the year to date. Investors have likely been impressed with the company's solid financial results, particularly given the ongoing global supply-chain constrictions. Apple generated a 71% bottom-line advance in fiscal 2021, off of a 33% increase in sales (period ended September 25th). Growth was broad based, with record sales in every product category and geographic region.

Prospects for the current year remain favorable. Chip shortages and other pandemic-related disruptions took a \$6 billion bite out of September-period revenues, and management expects the impact to be even greater in the December quarter. However this should be more than offset by continued strength across Apple's multiple businesses. In particular, the company's flagship *iPhone* remains in high demand. Sales of the mobile devices vaulted 39% higher in fiscal 2021, to \$192 billion. The *iPhone 13* lineup, which features enhancements to performance, camera systems, and battery life, was

launched at the end of September and has been well received. So, too, have the latest iterations of the *Apple Watch Series 7*, *iPads*, and *Mac* computers. Altogether, we are maintaining our fiscal 2022 earnings estimate at \$6.15 a share, which would be close to a 10% increase over 2021.

Growth in the higher-margin services business should continue at a solid pace. The pandemic-induced lockdowns lifted demand not only for the company's electronics, but its services as well. The division reached record revenues of \$68 billion in fiscal 2021. Apple now has more than 745 million paid subscriptions for its cloud, music, payment, and other services, up more than 160 million versus the year before, and nearly five times the total it had less than five years ago.

This issue remains a timely (1) selection for the year ahead. Over the long term, we continue to look for double-digit average annual sales and earnings increases to 2024-2026. However, following the strong rise in the stock price, the current quotation does not present a favorable entry point for buy-and-hold accounts.

Mario Ferro
December 24, 2021

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding/changes in the share count. Next earnings report due in early

February. (C) In millions, adjusted for splits. (D) Depreciation on accelerated basis. (E) New dividend policy adopted 3/12. Payments typically made in February, May, August, and No-

vember.

© 2021 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength A++
Stock's Price Stability 80
Price Growth Persistence 80
Earnings Predictability 85

To subscribe call 1-800-VALUELINE

launched at the end of September and has been well received. So, too, have the latest iterations of the *Apple Watch Series 7*, *iPads*, and *Mac* computers. Altogether, we are maintaining our fiscal 2022 earnings estimate at \$6.15 a share, which would be close to a 10% increase over 2021.

Growth in the higher-margin services business should continue at a solid pace. The pandemic-induced lockdowns lifted demand not only for the company's electronics, but its services as well. The division reached record revenues of \$68 billion in fiscal 2021. Apple now has more than 745 million paid subscriptions for its cloud, music, payment, and other services, up more than 160 million versus the year before, and nearly five times the total it had less than five years ago.

This issue remains a timely (1) selection for the year ahead. Over the long term, we continue to look for double-digit average annual sales and earnings increases to 2024-2026. However, following the strong rise in the stock price, the current quotation does not present a favorable entry point for buy-and-hold accounts.

Mario Ferro

December 24, 2021