

Table 4: AAPL Summary Table

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|                         | 1Q - December |           |           | 2Q - March |           |           | 3Q - June |           |          | 4Q- September |           |          | Annual    |           |          |          |          |
|-------------------------|---------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|----------|---------------|-----------|----------|-----------|-----------|----------|----------|----------|
|                         | 2017          | 2018      | 2019      | 2017       | 2018      | 2019E     | 2017      | 2018      | 2019E    | 2017          | 2018      | 2019E    | 2017      | 2018      | 2019E    | 2020E    | 2021E    |
| Revenue                 | 78,351        | 88,293    | 84,310    | 52,896     | 61,137    | 56,677    | 45,408    | 53,265    | 51,720   | 52,579        | 62,900    | 62,287   | 229,234   | 265,595   | 254,993  | 270,226  | 288,963  |
| % chg y/y               | 4.0%          | 12.7%     | -4.5%     | 4.6%       | 15.6%     | -7.3%     | 7.2%      | 17.3%     | -2.9%    | 12.2%         | 19.6%     | -1.0%    | 6.6%      | 15.9%     | -4.0%    | 6.0%     | 6.9%     |
| Cost of Sales           | 48,175        | 54,381    | 52,279    | 32,305     | 37,715    | 35,402    | 27,920    | 32,844    | 32,242   | 32,648        | 38,816    | 38,792   | 141,048   | 163,756   | 158,716  | 167,342  | 178,489  |
| SG&A                    | 3,946         | 4,231     | 4,783     | 3,718      | 4,150     | 4,704     | 3,783     | 4,108     | 4,603    | 3,814         | 4,216     | 4,672    | 15,261    | 16,705    | 18,762   | 18,587   | 19,998   |
| as % of sales           | 5.0%          | 4.8%      | 5.7%      | 7.0%       | 6.8%      | 8.3%      | 8.3%      | 7.7%      | 8.9%     | 7.3%          | 6.7%      | 7.5%     | 6.7%      | 6.3%      | 7.4%     | 6.9%     | 6.9%     |
| R&D                     | 2,871         | 3,407     | 3,902     | 2,776      | 3,378     | 3,826     | 2,937     | 3,701     | 4,034    | 2,997         | 3,750     | 4,139    | 11,581    | 14,236    | 15,901   | 16,966   | 18,250   |
| as % of sales           | 3.7%          | 3.9%      | 4.6%      | 5.2%       | 5.5%      | 6.8%      | 6.5%      | 6.9%      | 7.8%     | 5.7%          | 6.0%      | 6.6%     | 5.1%      | 5.4%      | 6.2%     | 6.3%     | 6.3%     |
| Operating Income (COI)  | 23,359        | 26,274    | 23,346    | 14,097     | 15,894    | 12,744    | 10,768    | 12,612    | 10,840   | 13,120        | 16,118    | 14,684   | 61,344    | 70,898    | 61,615   | 67,330   | 72,226   |
| operating margin        | 29.8%         | 29.8%     | 27.7%     | 26.7%      | 26.0%     | 22.5%     | 23.7%     | 23.7%     | 21.0%    | 25.0%         | 25.6%     | 23.6%    | 26.8%     | 26.7%     | 24.2%    | 24.9%    | 25.0%    |
| bp chg y/y              | -155 bp       | -6 bp     | -207 bp   | -102 bp    | -65 bp    | -351 bp   | -14 bp    | -4 bp     | -272 bp  | -15 bp        | 67 bp     | -205 bp  | -89 bp    | -7 bp     | -253 bp  | 75 bp    | 8 bp     |
| Other income/(expense)  | 821           | 756       | 560       | 587        | 274       | 300       | 540       | 672       | 300      | 797           | 303       | 300      | 2,745     | 2,005     | 1,460    | 1,100    | 1,100    |
| Pre-tax Income          | 24,180        | 27,030    | 23,906    | 14,684     | 16,168    | 13,044    | 11,308    | 13,284    | 11,140   | 13,917        | 16,421    | 14,984   | 64,089    | 72,903    | 63,075   | 68,430   | 73,326   |
| Income Tax              | 6,289         | 6,965     | 3,941     | 3,655      | 2,346     | 2,205     | 2,591     | 1,765     | 1,883    | 3,203         | 2,296     | 2,532    | 15,738    | 13,372    | 10,561   | 11,633   | 12,355   |
| tax rate %              | 26.0%         | 25.8%     | 16.5%     | 24.9%      | 14.5%     | 16.9%     | 22.9%     | 13.3%     | 16.9%    | 23.0%         | 14.0%     | 16.9%    | 24.6%     | 18.3%     | 16.7%    | 17.0%    | 16.9%    |
| Net Income              | 17,891        | 20,065    | 19,965    | 11,029     | 13,822    | 10,840    | 8,717     | 11,519    | 9,257    | 10,714        | 14,125    | 12,452   | 48,351    | 59,531    | 52,514   | 56,797   | 60,971   |
| Diluted EPS             | \$3.36        | \$3.89    | \$4.18    | \$2.10     | \$2.73    | \$2.32    | \$1.67    | \$2.34    | \$2.03   | \$2.07        | \$2.91    | \$2.81   | \$9.19    | \$11.87   | \$11.35  | \$13.45  | \$15.70  |
| Diluted Shares (avg.)   | 5,328         | 5,158     | 4,773     | 5,262      | 5,068     | 4,673     | 5,233     | 4,927     | 4,550    | 5,184         | 4,848     | 4,432    | 5,263     | 5,016     | 4,628    | 4,224    | 3,883    |
| EBITDA ex-equity income | 26,346        | 29,019    | 26,741    | 16,429     | 18,633    | 15,352    | 13,122    | 15,277    | 13,581   | 15,604        | 18,872    | 17,612   | 71,501    | 81,801    | 73,286   | 78,752   | 84,448   |
| % chg y/y               | -0.9%         | 10.1%     | -7.9%     | -0.2%      | 13.4%     | -17.6%    | 3.9%      | 16.4%     | -11.1%   | 9.1%          | 20.9%     | -6.7%    | 2.2%      | 14.4%     | -10.4%   | 7.5%     | 7.2%     |
| EBITDA margin           | 33.6%         | 32.9%     | 31.7%     | 31.1%      | 30.5%     | 27.1%     | 28.9%     | 28.7%     | 26.3%    | 29.7%         | 30.0%     | 28.3%    | 31.2%     | 30.8%     | 28.7%    | 29.1%    | 29.2%    |
| bp chg y/y              | -166 bp       | -76 bp    | -115 bp   | -151 bp    | -58 bp    | -339 bp   | -92 bp    | -22 bp    | -242 bp  | -86 bp        | 33 bp     | -173 bp  | -134 bp   | -39 bp    | -206 bp  | 40 bp    | 8 bp     |
| Cash                    | 246,090       | 285,097   | 245,035   | 256,841    | 267,226   | 225,166   | 261,516   | 243,743   | 211,618  | 268,895       | 237,100   | 210,290  | 268,895   | 237,100   | 210,290  | 191,156  | 172,551  |
| Debt                    | 87,549        | 122,400   | 114,730   | 98,522     | 121,840   | 114,730   | 108,339   | 114,600   | 114,730  | 115,680       | 114,483   | 114,730  | 115,680   | 114,483   | 114,730  | 114,730  | 114,730  |
| Gross Leverage (ttm)    | 1.3x          | 1.7x      | 1.4x      | 1.4x       | 1.6x      | 1.5x      | 1.5x      | 1.5x      | 1.5x     | 1.6x          | 0.9x      | 1.6x     | 1.6x      | 1.4x      | 1.6x     | 1.5x     | 1.4x     |
| Net Debt                | (158,541)     | (162,697) | (130,305) | (158,319)  | (145,386) | (110,436) | (153,177) | (129,143) | (96,888) | (153,215)     | (122,617) | (95,560) | (153,215) | (122,617) | (95,560) | (76,426) | (57,821) |
| Net Leverage (ttm)      | -2.3x         | -2.2x     | -1.6x     | -2.3x      | -1.9x     | -1.4x     | -2.2x     | -1.6x     | -1.3x    | -2.1x         | -1.0x     | -1.3x    | -2.1x     | -1.5x     | -1.3x    | -1.0x    | -0.7x    |
| Operating Cash Flow     | 27,056        | 28,293    | 26,690    | 12,523     | 15,130    | 6,916     | 8,363     | 14,488    | 13,075   | 15,656        | 19,523    | 25,526   | 63,598    | 77,434    | 72,207   | 77,935   | 78,309   |
| Capital Expenditures    | (3,334)       | (2,810)   | (3,355)   | (2,975)    | (4,195)   | (3,401)   | (2,277)   | (3,267)   | (3,103)  | (3,865)       | (3,041)   | (3,426)  | (12,451)  | (13,313)  | (13,285) | (13,649) | (13,819) |
| Free Cash Flow          | 23,722        | 25,483    | 23,335    | 9,548      | 10,935    | 3,515     | 6,086     | 11,221    | 9,972    | 11,791        | 16,482    | 22,100   | 51,147    | 64,121    | 58,922   | 64,286   | 64,490   |
| Share repurchases       | (10,851)      | (10,095)  | (8,796)   | (7,161)    | (22,756)  | (20,000)  | (7,093)   | (20,783)  | (20,000) | (7,795)       | (19,104)  | (20,000) | (32,900)  | (72,738)  | (68,796) | (70,000) | (70,000) |

Source: Company reports and J.P. Morgan estimates