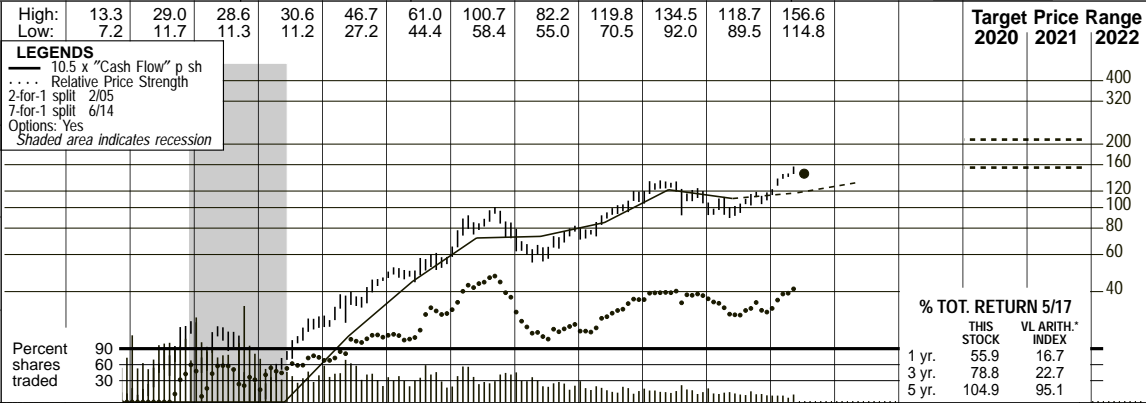


APPLE INC. NDAQ:AAPL

RECENT PRICE **145.01** P/E RATIO **15.2** (Trailing: 17.0 Median: 13.0) RELATIVE P/E RATIO **0.77** DIV'D YLD **1.8%** VALUE LINE

TIMELINESS 3 Raised 1/20/17
SAFETY 2 Lowered 7/3/15
TECHNICAL 2 Raised 6/23/17
BETA .90 (1.00 = Market)



2020-22 PROJECTIONS
 Price Gain Ann'l Total Return
 High **210** (+45%) **11%**
 Low **155** (+5%) **4%**

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	5	2	0	0	0	8	1	1	1
to Sell	8	1	2	3	2	3	8	1	2

Institutional Decisions

	3Q2016	4Q2016	1Q2017
to Buy	992	1060	900
to Sell	1259	1248	1454
Hlds(000)	305328031	180183556881	

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
1.09	1.14	1.21	1.51	2.38	3.23	3.93	5.22	5.80	10.17	16.64	23.81	27.15	31.16	41.89	40.41	43.85	47.85	Sales per sh ^A	60.40
.00	.05	.04	.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	11.20	12.60	"Cash Flow" per sh	17.15
d.02	.02	.01	.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.10	10.25	Earnings per sh ^B	14.00
--	--	--	--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	2.40	2.64	Div'ds Decl'd per sh ^F	4.00
.05	.03	.03	.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.50	2.60	Cap'l Spending per sh	3.00
.80	.81	.82	.93	1.28	1.67	2.38	3.38	4.42	7.45	11.78	17.98	19.63	19.02	21.39	24.03	27.15	32.55	Book Value per sh ^E	46.65
4912.9	5025.4	5134.2	5480.2	5845.1	5986.8	6106.3	6218.3	6298.6	6411.8	6504.9	6574.5	6294.5	5866.2	5578.8	5336.2	5200.0	5100.0	Common Shs Outst'g ^C	4800.0
--	NMF	NMF	38.0	26.2	29.1	26.3	30.4	19.2	15.2	12.4	12.0	12.3	13.0	12.8	12.6	12.8	12.6	Avg Ann'l P/E Ratio	13.0
--	NMF	NMF	2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.64	.66	Relative P/E Ratio	.80
--	--	--	--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.7%	2.1%	Avg Ann'l Div'd Yield	2.2%

CAPITAL STRUCTURE as of 4/1/17
 Total Debt \$98522 mill. Due in 5 Yrs \$40000 mill.
 LT Debt \$84531 mill. LT Interest \$4000 mill.
 (39% of Cap'l)

Leases, Uncapitalized Annual rentals \$929 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 5,213,840,000 shs. as of 4/21/17

MARKET CAP: \$756 billion (Large Cap)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
24006	32479	36537	65225	108249	156508	170910	182795	233715	215639	228000	244000	Sales (\$mill) ^A	290000						
19.7%	20.8%	22.9%	29.8%	32.9%	37.4%	32.6%	33.1%	35.3%	32.7%	32.5%	33.0%	Operating Margin	34.5%						
317.0	473.0	703.0	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	11000	12000	Depreciation (\$mill) ^D	15000						
3496.0	4834.0	5704.0	14013	25922	41733	37037	39510	53394	45687	47300	52300	Net Profit (\$mill)	67200						
30.2%	29.9%	28.6%	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	25.5%	25.5%	Income Tax Rate	26.0%						
14.6%	14.9%	15.6%	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	20.7%	21.4%	Net Profit Margin	23.2%						
12657	20598	16983	20956	17018	19111	29628	5083.0	27863	29000	31000	31000	Working Cap'l (\$mill)	40000						
--	--	--	--	--	--	16960	28987	53463	75427	85000	85000	Long-Term Debt (\$mill)	90000						
14532	21030	27832	47791	76615	118210	123549	111547	119355	128249	141200	166000	Shr. Equity (\$mill) ^E	224000						
24.1%	23.0%	20.5%	29.3%	33.8%	35.3%	26.5%	28.4%	31.3%	23.2%	22.0%	21.5%	Return on Total Cap'l	22.0%						
24.1%	23.0%	20.5%	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	33.5%	31.5%	Return on Shr. Equity	30.0%						
24.1%	23.0%	20.5%	29.3%	33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	24.5%	23.5%	Retained to Com Eq	21.5%						
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CURRENT POSITION (SMILL.)

	2015	2016	4/1/17
Cash Assets	41601	67155	67101
Receivables	16849	15754	11579
Inventory (FIFO)	2349	2132	2910
Other	28579	21828	20400
Current Assets	89378	106869	101990
Accts Payable	35490	37294	28573
Debt Due	10999	11605	13991
Other	34121	30107	30778
Current Liab.	80610	79006	73342

BUSINESS: Apple Inc. is one of the world's largest makers of PCs and peripheral and consumer products, such as the iPod digital music player, the iPad tablet, the iPhone smartphone, and the Apple Watch, for sale primarily to the business, creative, education, government, and consumer markets. It also sells operating systems, utilities, languages, developer tools, and database software.

Apple is on track for a bounce-back year. The Dow component has had a fine 2017 thus far, rallying about 25% in value. And recent results have been solid, justifying, we think, the renewed investor enthusiasm for this large-cap tech name. True, revenues of \$52.9 billion for the second quarter of fiscal 2017 (ends September 30th) were a tad lighter than expected, as currency headwinds hurt Apple's business in China and iPhone momentum slowed slightly ahead of the much-anticipated 10th anniversary smartphone edition that is rumored to be launching this fall. But the iPhone franchise, which has been a cash cow for the company since debuting in 2007, is still performing quite well, with especially brisk sales being seen for the high-margined 7 Plus model. In fact, Apple looks to be gaining share in the premium smartphone category, where it mainly competes with Samsung and numerous regional OEMs. This suggests that the iPhone 8 will usher in a very powerful (and profitable) upgrade cycle.

There still appear to be plenty of catalysts here. Aside from further iPhone gains, the company should benefit from a booming services business. This segment grew 18% during the March interim and now generates revenues in excess of \$7 billion. Moreover, Apple thinks it can double in size by 2020, as App Store sales charge ahead, the Apple Pay digital wallet platform makes inroads with consumers, and new investments in digital content begin to bear fruit. The company, notably, has been investing heavily in original content, from movies to TV shows. And we think it could emerge as a formidable competitor with Netflix and Amazon in the years ahead. In the meantime, though operating conditions in China have been difficult lately, we still expect that country to be a big growth market for Apple over the long haul. The iPhone 8 will probably help matters there, since the upcoming device will likely feature a large edge-to-edge display that is well suited for video games — a thriving industry in China. All in all, we remain confident that share net will climb at a double-digit average annual clip through 2020-2022. With this in mind . . .

We continue to like this quality issue for low-risk, buy-and-hold investors.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22

Sales 32.0% 28.5% 8.0%

"Cash Flow" 46.0% 31.5% 9.5%

Earnings 45.0% 28.0% 10.0%

Dividends -- -- 12.5%

Book Value 32.5% 22.0% 14.0%

Fiscal Year Ends **QUARTERLY SALES (\$ mill.)^A** Full Fiscal Year

	Dec.	Mar.	Jun.	Sep.	Per
2014	57594	45646	37432	42123	182795
2015	74599	58010	49605	51501	233715
2016	75872	50557	42358	46852	215639
2017	78351	52896	44953	51800	228000
2018	83850	56600	48100	55450	244000

Fiscal Year Ends **EARNINGS PER SHARE^{A,B}** Full Fiscal Year

	Dec.	Mar.	Jun.	Sep.	Per
2014	2.07	1.66	1.28	1.42	6.45
2015	3.08	2.33	1.85	1.96	9.22
2016	3.28	1.90	1.42	1.67	8.31
2017	3.36	2.10	1.59	2.05	9.10
2018	3.80	2.35	1.80	2.30	10.25

Calendar **QUARTERLY DIVIDENDS PAID^F** Full Year

	Mar.31	Jun.30	Sep.30	Dec.31
2013	.379	.436	.436	.436
2014	.436	.47	.47	.47
2015	.47	.52	.52	.52
2016	.52	.57	.57	.57
2017	.57	.63		

Justin Hellman
 June 30, 2017

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding. Excludes non-recurring gains: '01, 1c; '05, 2c; loss: '02, 1c.

Next earnings report due late July. (C) In mill., adjusted for splits. (D) Depreciation on accelerated basis. (E) Includes intangibles. In 2016, \$8620 mill., \$1.62 a share. (F) New dividend policy adopted 3/12. Payments typically made in February, May, August, and November.	Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability	A++ 65 90 60
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