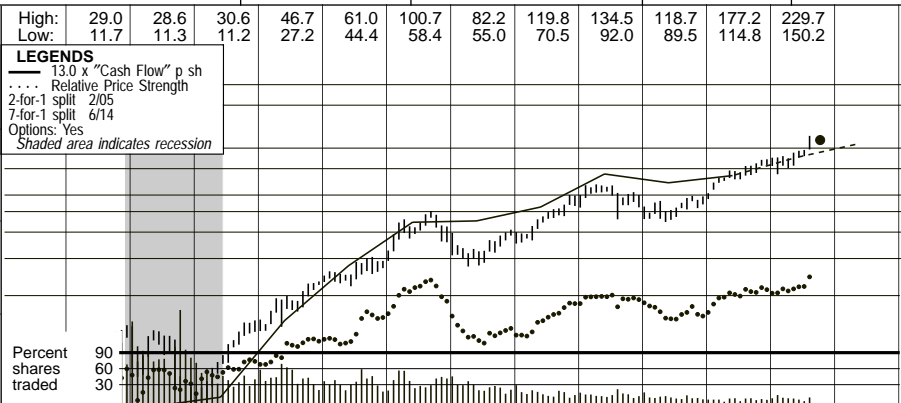


APPLE INC. NDAQ:AAPL

RECENT PRICE **218.24** P/E RATIO **17.0** (Trailing: 19.8, Median: 13.0) RELATIVE P/E RATIO **0.93** DIV'D YLD **1.4%**

VALUE LINE

TIMELINESS **2** Lowered 6/1/18
 SAFETY **2** Lowered 7/3/15
 TECHNICAL **3** Lowered 8/3/18
 BETA .95 (1.00 = Market)



2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	380	(+75%)	16%
Low	280	(+30%)	8%

Insider Decisions

	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0
Options	0	0	0	0	8	0	9	3
to Sell	2	1	0	0	2	6	3	1

Institutional Decisions

	4Q2017	1Q2018	2Q2018
to Buy	1018	1125	1122
to Sell	1209	1476	1419
Hlds(000)	309717529	70832289	1570

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	44.72	54.70	61.30	Sales per sh ^A	85.00
.05	.04	.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	6.96	8.09	11.59	10.53	11.41	13.90	16.20	"Cash Flow" per sh	25.50
.02	.01	.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.21	11.70	13.70	Earnings per sh ^B	22.00
--	--	--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	2.40	2.72	3.12	Div'ds Decl'd per sh ^F	5.00
.03	.03	.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.43	2.70	2.85	Cap'l Spending per sh	3.75
.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	26.15	26.55	29.80	Book Value per sh ^E	55.00
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	5126.2	4825.0	4600.0	Common Shs Outst'g ^C	4000.0
61.5	83.8	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	14.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
3.36	4.78	2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.73			Relative P/E Ratio	.85
--	--	--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%			Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 6/30/18
 Total Debt \$114600 mill. Due in 5 Yrs \$50000 mill.
 LT Debt \$97128 mill. LT Interest \$5000 mill. (46% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1223 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 4,829,926,000 shs. as of 7/20/18
 MARKET CAP: \$1.1 trillion (Large Cap)

CURRENT POSITION (SMILL.)

	2016	2017	6/30/18
Cash Assets	67155	74181	70970
Receivables	15754	17874	14104
Inventory (FIFO)	2132	4855	5936
Other	21828	31735	24751
Current Assets	106869	128645	115761
Accts Payable	37294	49049	38489
Debt Due	11605	18473	17472
Other	30107	33292	32587
Current Liab.	79006	100814	88548

32479	36537	65225	108249	156508	170910	182795	233715	215639	229234	263900	282000	Sales (\$mill) ^A	340000
20.8%	22.9%	29.8%	32.9%	37.4%	32.6%	33.1%	35.3%	32.7%	31.2%	31.5%	32.5%	Operating Margin	36.0%
473.0	703.0	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	10157	10500	11500	Depreciation (\$mill) ^D	14000
4834.0	5704.0	14013	25922	41733	37037	39510	53394	45687	48351	56500	63000	Net Profit (\$mill)	88000
29.9%	28.6%	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	24.6%	19.0%	19.0%	Income Tax Rate	19.0%
14.9%	15.6%	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	21.4%	22.3%	Net Profit Margin	25.9%
20598	16983	20956	17018	19111	29628	5083.0	8768.0	27863	27831	28500	29500	Working Cap'l (\$mill)	40000
--	--	--	--	--	16960	28987	53463	75427	97207	100000	105000	Long-Term Debt (\$mill)	125000
21030	27832	47791	76615	118210	123549	111547	119355	128249	134047	128000	137000	Shr. Equity (\$mill) ^E	220000
23.0%	20.5%	29.3%	33.8%	35.3%	26.5%	28.4%	31.3%	23.2%	21.8%	26.0%	27.0%	Return on Total Cap'l	26.5%
23.0%	20.5%	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	44.0%	46.0%	Return on Shr. Equity	40.0%
23.0%	20.5%	29.3%	33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	26.5%	34.0%	35.5%	Retained to Com Eq	31.0%
--	--	--	--	6%	29%	28%	22%	27%	26%	23%	23%	All Div'ds to Net Prof	23%

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Sales	29.5%	20.0%	12.5%
"Cash Flow"	39.0%	20.0%	14.5%
Earnings	37.5%	16.5%	16.5%
Dividends	--	--	15.0%
Book Value	29.5%	14.0%	15.0%

QUARTERLY SALES (\$ mill.)^A

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Full Fiscal Year
2015	74599	58010	49605	51501	233715
2016	75872	50557	42358	46852	215639
2017	78351	52896	45408	52579	229234
2018	88293	61137	53265	61205	263900
2019	94350	65350	56900	65400	282000

EARNINGS PER SHARE^{A,B}

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Full Fiscal Year
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	1.67	2.07	9.21
2018	3.89	2.73	2.34	2.74	11.70
2019	4.55	3.20	2.75	3.20	13.70

QUARTERLY DIVIDENDS PAID^F

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.436	.47	.47	.47	1.85
2015	.47	.52	.52	.52	2.03
2016	.52	.57	.57	.57	2.23
2017	.57	.63	.63	.63	2.46
2018	.63	.73	.73		

BUSINESS: Apple Inc., established in 1977, 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, services like iCloud storage and Apple Pay, and a host of digital content from the popular iTunes store and other portals. Research and development: 5.1% of '17 sales. Has approximately 123,000 employees. Off/dtr. own less than 1.0% of common stock; Vanguard, 6.6%; BlackRock, 6.3% (12/17 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: 1 Infinite Loop, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

Apple stock has continued to power ahead in recent months, pushing the company's market cap past the \$1 trillion mark. The shares have benefited from strength in the tech sector (the Nasdaq Composite has handily outperformed the S&P 500 Index this year), and from the backing of legendary investor Warren Buffett (Berkshire Hathaway owns roughly 5% of the Silicon Valley giant). But Apple is also executing very well under CEO Tim Cook's leadership. And...

The company continues to post results ahead of Wall Street's expectations, suggesting that there are still many chapters to come in this historic growth story. For the third quarter of fiscal 2018 (year ends September 29th), earnings surged a better-than-anticipated 40%, to \$2.34 a share, thanks to solid sales of the ultrapremium iPhone X. Demand for this top-of-the-line product has driven up the average selling price (ASP) of the company's smartphones, even as overall unit sales have cooled a bit. And we think that ASPs will continue to trend higher in the coming periods, as the company ramps up production of its just-announced devices,

the iPhone XR (starting at \$749), iPhone Xs (\$999), and iPhone Xs Max (\$1,099). The upgraded Apple Watch series, meanwhile, which features heart monitoring and other useful health-oriented apps, promises to be a big hit, with that franchise now serving a much-larger addressable market. And the company's high-margined services business, which grew 28% in the June quarter, should continue to chug along, led by the Apple Pay digital-wallet platform. All in all, given the momentum and the company's aggressive stock-buyback program, we see share net climbing 27% in fiscal 2018 (to \$11.70) and another 17% in the year ahead (to \$13.70). Further out, profits of \$22.00 a share appear achievable by 2021-2023, particularly as the company garners benefits from content investments that are meant to help it better compete with Amazon and Netflix.

We continue to like this timely Dow component for both short- and long-term investors. There may be some volatility here, however, with the ongoing trade dispute between the U.S. and China being the major headline risk.

Justin Hellman
 September 28, 2018