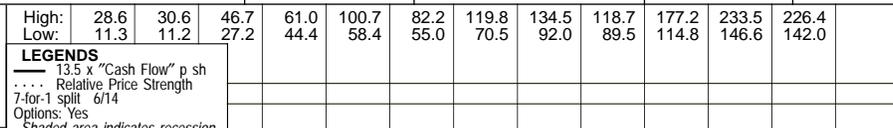


APPLE INC. NDAQ:AAPL

RECENT PRICE **220.70** P/E RATIO **17.4** (Trailing: 18.8 Median: 13.0) RELATIVE P/E RATIO **1.01** DIV'D YLD **1.4%**

VALUE LINE

TIMELINESS 3 Raised 7/5/19
SAFETY 2 Lowered 7/3/15
TECHNICAL 3 Lowered 9/20/19
BETA 1.05 (1.00 = Market)



Target Price	Range	
2022	2023	2024
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2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	370	(+70%)	15%
Low	270	(+20%)	7%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	1	7	0	4	1	0	0
to Sell	1	0	0	1	0	1	2	0	0

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	1533	1446	1163
to Sell	1324	1418	1626

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% TOT. RETURN 8/19

	THIS STOCK	VLARITH. INDEX
1 yr.	-6.9	-9.8
3 yr.	106.4	20.7
5 yr.	122.0	29.0

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	55.86	57.55	64.15	Sales per sh ^A	80.00
.04	.08	.25	.37	.62	.85	1.02	2.35	4.26	6.85	9.96	8.09	11.59	10.53	11.41	14.81	14.30	16.60	"Cash Flow" per sh	24.00
.01	.05	.21	.32	.56	.77	.90	2.16	3.95	6.31	5.68	6.45	9.22	8.31	9.21	11.91	11.65	13.60	Earnings per sh ^B	20.00
--	--	--	--	--	--	--	--	.38	1.63	1.81	1.98	2.18	2.40	2.72	3.00	3.18	Div'ds Decl'd per sh ^E	4.80	
.03	.03	.04	.11	.12	.18	.18	.31	.65	1.26	1.30	1.63	2.02	2.39	2.43	2.80	3.00	3.20	Cap'l Spending per sh	3.90
.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	22.53	23.35	28.60	Book Value per sh	48.75
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	4755.0	4500.0	4350.0	Common Shs Outst'g ^C	4000.0
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	14.9	15.3	16.0	16.0	Avg Ann'l P/E Ratio	16.0
NMF	2.01	1.40	1.57	1.40	1.83	1.28	.97	.78	.76	.69	.68	.64	.66	.75	.82	.90	.90	Relative P/E Ratio	.90
--	--	--	--	--	--	--	--	.5%	2.3%	2.2%	1.7%	2.1%	1.8%	1.5%				Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 6/29/19
 Total Debt \$108418 mill. Due in 5 Yrs \$55000 mill.
 LT Debt \$84936 mill. LT Interest \$4000 mill. (47% of Cap'l)
 Leases, Uncapitalized Annual rentals \$1298 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 4,519,180,000 shs. as of 7/19/19
 MARKET CAP: \$997 billion (Large Cap)

36537	65225	108249	156508	170910	182795	233715	215639	229234	265595	259000	279000	Sales (\$mill) ^A	320000
22.9%	29.8%	32.9%	37.4%	32.6%	33.1%	35.3%	32.7%	31.2%	30.8%	29.0%	30.0%	Operating Margin	33.5%
703.0	1027.0	1814.0	3277.0	6757.0	7946.0	11257	10505	10157	10903	12000	13000	Depreciation (\$mill) ^D	16000
5704.0	14013	25922	41733	37037	39510	53394	45687	48351	59531	52400	59200	Net Profit (\$mill)	80000
28.6%	24.4%	24.2%	25.2%	26.2%	26.1%	26.4%	25.6%	24.6%	18.3%	16.5%	16.5%	Income Tax Rate	16.5%
15.6%	21.5%	23.9%	26.7%	21.7%	21.6%	22.8%	21.2%	21.1%	22.4%	20.2%	21.2%	Net Profit Margin	25.0%
16983	20956	17018	19111	29628	5083.0	8768.0	27863	27831	14473	45000	50000	Working Cap'l (\$mill)	60000
--	--	--	--	16960	28987	53463	75427	97207	93735	85000	90000	Long-Term Debt (\$mill)	110000
27832	47791	76615	118210	123549	111547	119355	128249	134047	107147	105000	124500	Shr. Equity (\$mill)	195000
20.5%	29.3%	33.8%	35.3%	26.5%	28.4%	31.3%	23.2%	21.8%	30.8%	28.5%	28.5%	Return on Total Cap'l	27.0%
20.5%	29.3%	33.8%	35.3%	30.0%	35.4%	44.7%	35.6%	36.1%	55.6%	50.0%	47.5%	Return on Shr. Equity	41.0%
20.5%	29.3%	33.8%	33.2%	21.4%	25.4%	35.0%	26.2%	26.5%	42.8%	37.0%	36.5%	Retained to Com Eq	31.0%
--	--	--	6%	29%	28%	22%	27%	26%	23%	26%	26%	All Div'ds to Net Prof	24%

CURRENT POSITION (SMILL.)

	2017	2018	6/29/19
Cash Assets	74181	66301	94614
Receivables	17874	23186	14148
Inventory (FIFO)	4855	3956	3355
Other	31735	37896	22856
Current Assets	128645	131339	134973
Accts Payable	49049	55888	29115
Debt Due	18473	20748	23482
Other	33292	40230	37107
Current Liab.	100814	116866	89704

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: 5.4% of '18 sales. Has approximately 132,000 employees. Off/dir. own less than 1.0% of common stock; Vanguard, 7.4%; BlackRock, 6.8% (1/19 Proxy). CEO: Tim Cook. Inc.: CA. Addr.: One Apple Park Way, Cupertino, CA 95014. Tel.: 408-996-1010. Internet: www.apple.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
of change (per sh)	27.5%	16.0%	9.5%
Sales	35.0%	15.5%	12.0%
"Cash Flow"	33.5%	13.0%	12.5%
Earnings	--	29.5%	12.0%
Dividends	25.5%	8.0%	12.5%
Book Value			

Apple stock has exhibited great resilience since our June report. The Dow component has rallied around 11% in value over the three-month stretch (and about 40% year to date), despite lingering trade uncertainty that has left investors feeling quite jittery at times. What's more, recent results have been solid, notwithstanding a sluggish performance from the mature smartphone franchise. In fact, share net of \$2.18 for the third quarter of fiscal 2019 (year ends September 28th) clocked in nicely ahead of our \$2.10 estimate, thanks to steady progress from the company's non-iPhone businesses, including the wearables and high-margined services segments. And Apple issued better-than-anticipated fourth-quarter guidance, calling for revenues to come in between \$61 billion and \$64 billion. This suggests that the company is on the verge of returning to a growth mode, even with tariff threats looming and challenges persisting across the macroeconomic landscape.

smartphone softness. (iPhone sales dropped 12% in the June interim.) But, as we head into the new fiscal year, iPhone trends appear to be stabilizing, especially in China, where Apple has gotten more aggressive on pricing and introduced attractive trade-in and financing initiatives. The just-announced next-generation models, the iPhone 11, 11 Pro, and 11 Pro Max, which feature improved camera systems and relatively attractive price points, should also lend support to smartphone sales in the coming periods. And we have high hopes for the tech giant's new streaming platform, Apple TV+. The video-on-demand service looks well positioned in the marketplace, with a cost of just \$4.99 a month. And it will probably enable the company to leverage its huge installed customer base and quickly gain ground on the likes of Netflix and Hulu. All in all, we remain bullish on the growth prospects here, and we see share earnings rebounding sharply, to \$13.60, in fiscal 2020.

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Per	Full Fiscal Year
2016	75872	50557	42358	46852		215639
2017	78351	52896	45408	52579		229234
2018	88293	61137	53265	62900		265595
2019	84310	58015	53809	62866		259000
2020	89400	64100	59300	66200		279000

We have raised our near-term top- and bottom-line estimates. A modest profit retreat is still likely this year, to \$11.65 a share, mainly because of the

This good-quality issue still seems appealing for the pull to 2022-2024. It's merely Average for Timeliness, however.
 Justin Hellman
 September 27, 2019

EARNINGS PER SHARE ^{A B}

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Per	Full Fiscal Year
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	2.91		11.91
2019	4.18	2.46	2.18	2.83		11.65
2020	4.70	3.00	2.70	3.20		13.60

QUARTERLY DIVIDENDS PAID ^E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.73	2.82
2019	.73	.77	.77		

(A) Fiscal year ends last Saturday in September. (B) Diluted earnings. Quarters may not add to total due to rounding. Excludes non-recurring gain: '05, 2¢. Next earnings report due in early November. (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 November.

Company's Financial Strength	A++
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	75