

ModernGraham Valuation

Company Name:

Apple Inc.

Company Ticker AAPL

Date of Analysis

4/5/2019



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$928,509,329,542	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	151.37%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	19.47	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.97	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.30	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.86	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.11
MG Growth Estimate	6.57%
MG Value	\$218.81
MG Value based on 3% Growth	\$146.65
MG Value based on 0% Growth	\$85.97
Market Implied Growth Rate	5.48%

MG Opinion

Current Price	\$196.89
% of Intrinsic Value	89.98%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

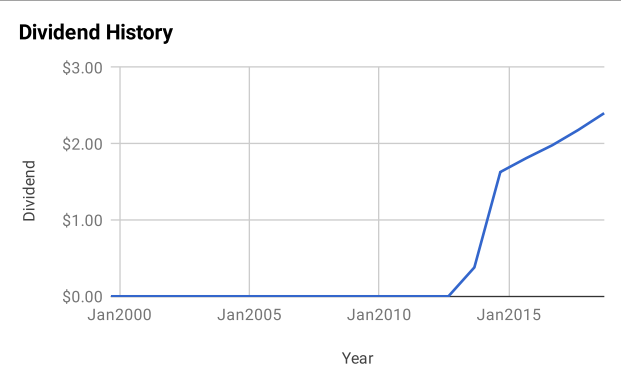
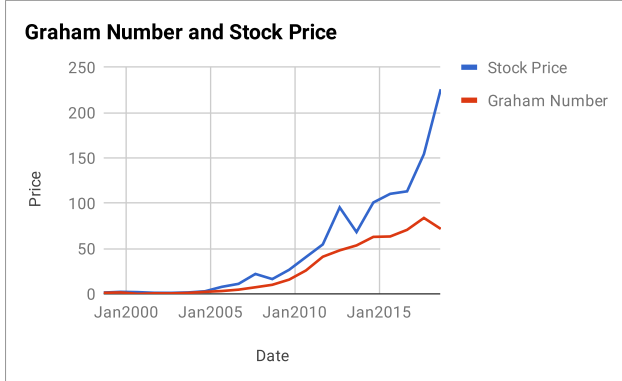
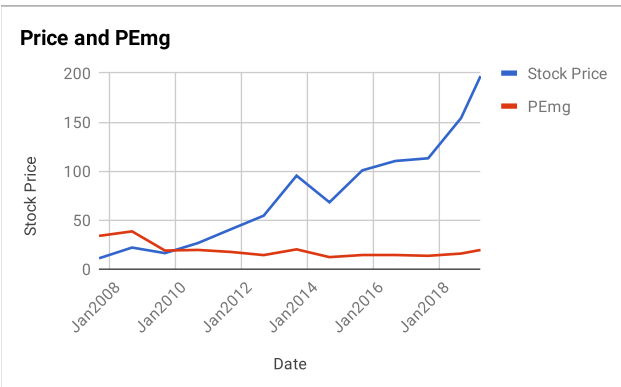
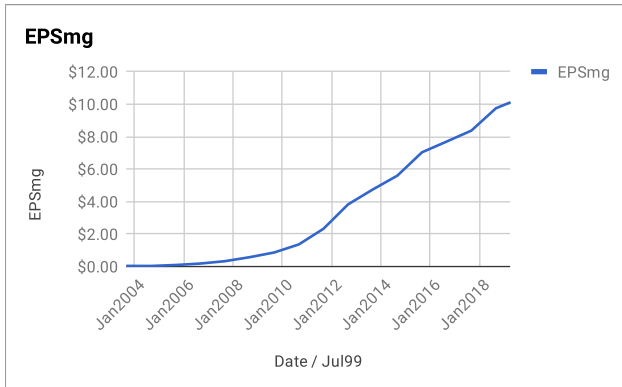
Net Current Asset Value (NCAV)	-\$24.09
Graham Number	\$71.63
PEmg	19.47
Current Ratio	1.30
PB Ratio	7.97
Current Dividend	\$2.72
Dividend Yield	1.38%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.12	Next Fiscal Year Estimate	\$10.11
Sep2018	\$11.91	Sep2018	\$9.75
Sep2017	\$9.21	Sep2017	\$8.37
Sep2016	\$8.31	Sep2016	\$7.70
Sep2015	\$9.22	Sep2015	\$7.03
Sep2014	\$6.45	Sep2014	\$5.60
Sep2013	\$5.68	Sep2013	\$4.74
Sep2012	\$6.31	Sep2012	\$3.83
Sep2011	\$3.95	Sep2011	\$2.32
Sep2010	\$2.16	Sep2010	\$1.36
Sep2009	\$1.30	Sep2009	\$0.86
Sep2008	\$0.97	Sep2008	\$0.57
Sep2007	\$0.56	Sep2007	\$0.32
Sep2006	\$0.32	Sep2006	\$0.18
Sep2005	\$0.22	Sep2005	\$0.09
Sep2004	\$0.05	Sep2004	\$0.03
Sep2003	\$0.01	Sep2003	\$0.04
Sep2002	\$0.01	Balance Sheet Information 12/1/2018	
Sep2001	-\$0.01	Total Current Assets	\$140,828,000,000
Sep2000	\$0.16	Total Current Liabilities	\$108,283,000,000
Sep1999	\$0.13	Long-Term Debt	\$92,989,000,000
		Total Assets	\$373,719,000,000
		Intangible Assets	\$0
		Total Liabilities	\$255,827,000,000
		Shares Outstanding (Diluted Average)	4,773,252,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in AAPL at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Apple Inc Valuation – November 2018 \\$AAPL](#)
- [Apple Inc Valuation – February 2018 \\$AAPL](#)
- [Apple Inc Valuation – January 2017 \\$AAPL](#)
- [Apple Inc Valuation – August 2016 \\$AAPL](#)
- [Apple Inc Valuation – February 2016 \\$AAPL](#)

Other ModernGraham posts about related companies

- [Maxim Integrated Products Inc Valuation – April 2019 #MXIM](#)
- [Keysight Technologies Inc Valuation – April 2019 #KEYS](#)
- [Lam Research Corp Valuation – April 2019 #LRCX](#)
- [Emerson Electric Co Valuation – April 2019 #EMR](#)
- [Skyworks Solutions Inc Valuation – March 2019 #SWKS](#)
- [Garmin Ltd Valuation – March 2019 #GRMN](#)
- [Hewlett Packard Enterprise Co Valuation – March 2019 #HPE](#)
- [Fortive Corp Valuation – March 2019 #FTV](#)
- [Analog Devices Inc Valuation – March 2019 #ADI](#)
- [IPG Photonics Corp Valuation – March 2019 #IPGP](#)