

APPLE INCO.

US0378331005 | AAPL | USA

Analysis of 11-Jan-2020

Closing Price of 10-Jan-2020

USD 310.33

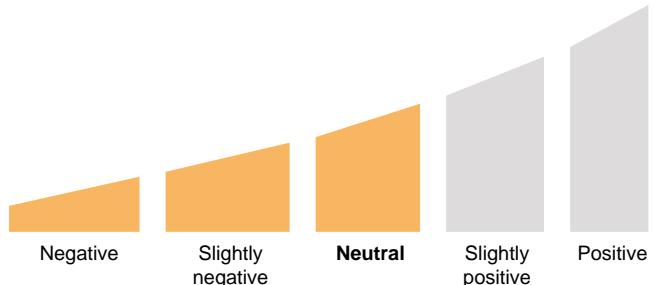
APPLE INCO. active in the sector Computer Hardware, belongs to the industry group Technology.

Its market capitalization of USD 1,360.49 bn. ranks it among large-cap stocks and # 1 in the world, in its group.

During the last 12 months this stock has reached a high of USD 310.33 and a low of USD 152.29; its current price of USD 310.33 places it near its 52 week high and 103.8% above its bottom.

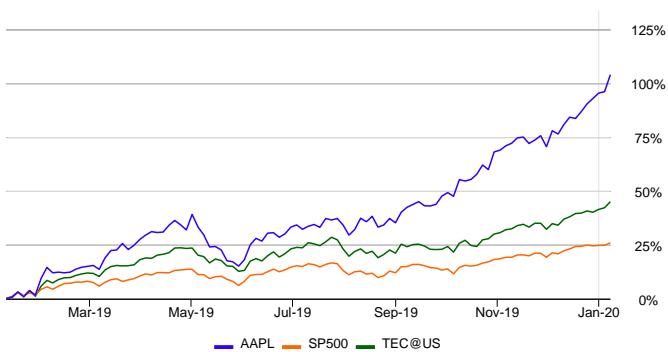
Performance since January 11, 2019: APPLE INCO.: 103.8%, Technology: 44.9%, SP500: 25.8%

Global Evaluation



Company Name	Price	Perf YtD	Mkt Cap in \$bn	Stars	Sensitivity	Nb of Stocks	LT P/E	LT Growth	Div	4wk Rel Perf
APPLE INCO.	310.33	5.7%	1,360.49	★★★☆	↔	173	17.5	15.5%	1.2%	11.3%
Technology (US)	451.00	3.5%	9,244.95	★★★★	↔	273	20.3	17.3%	1.1%	2.9%
SP500	3,265.00	1.1%	28,663.78	★★★★	↔	499	16.7	14.3%	1.9%	4.2%

Comparison January 11, 2019 - January 10, 2020



Fundamental and Technical Analysis

Price Level Analysis ★

In order to assess whether APPLE INCO. is currently fairly priced, we focus on the Peter Lynch's broadly accepted methodology which compares the projected earnings growth and dividend with the estimated PE ratio. Based on this,

- APPLE INCO. is fundamentally overvalued compared to its theoretical fair price.
- its valuation is less attractive than the American Technology aggregate. With a "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio higher than 0.9, the stock's price presents a discount to growth of -5.6%.
- The fundamental price potential for APPLE INCO. is poor, while other stocks in the same industry group present a better valuation.

Earnings Revisions ★

APPLE INCO. is strongly followed by financial analysts, as over the last three months an average of 39 analysts provided earnings estimate forecasts up until the year 2021.

Currently, these analysts are positively revising their earnings growth estimates by 2.7% compared with seven weeks ago. This positive pressure on the growth expectations has been apparent since August 6, 2019 when the stock closed at the price of USD 197.00 and confirms the positive technical trend.

The positioning of APPLE INCO. vs. its reference sector Technology accentuates that the clearly positive trend of earnings revisions fits in the general context because its environment is also being positively revised.

Technical Trend and relative Performance ★★

Since June 11, 2019, the medium-term technical trend is positive, at a price of USD 194.81. Its adjusted technical reverse point is USD 272.53, or 12.2% under the current price.

The four-week relative performance against the reference index SP500 is 11.3%. The technical trend is also positive, which validates this overperformance and confirms the investors' interest in this stock.

The four-week relative performance of its reference group Technology is positive.

Dividend

The 12-month indicated dividend yield is 1.2%. This estimated dividend represents 20.4% of the estimated earnings. Consequently, the dividend is easily covered, and very likely to prove sustainable.

Summary of the Fundamental and Technical Analysis

1. The positive driving earnings revisions trend is in line with the positive climate of the sector.
2. In terms of valuation, the stock has poor potential.
3. The technical trend is positive in a positive environment.
4. The stock showed a relative overperformance in a positive environment Technology.

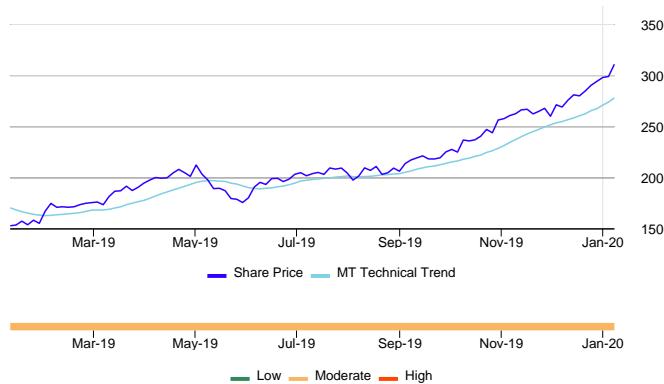
Checklist

Global Evaluation	★★	Downgrade from slightly positive to neutral the 01-Nov-2019.
Interest	★★★☆	Strong interest since 01-Nov-2019.
Earnings Rev Trend	★	Analysts positive since 06-Aug-2019
Valuation Rating	★	Moderately overvalued
MT Tech Trend	★	Trend positive since 11-Jun-2019
4wk Rel Perf	★	vs. SP500
Sensitivity	↔	No change over 1 year.

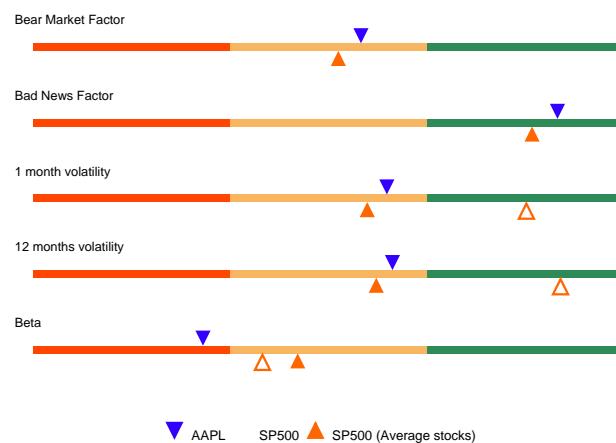
APPLE INCO. - Sector and/or Group Comparison

Company Name	Symbol	Market	Price	Perf Ytd	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	Div	Global Evaluation
APPLE INCO.	AAPL	US	310.33	5.7%	1,360.49	★★★★★	↔	17.5	15.6%	1.2%	↑↑↑↑↑
DELL TECHNOLOGIES INCO.	DELL	US	49.51	-3.7%	39.65	★★★★★	↔	6.9	5.3%	0.0%	↑↑↑↑↑
HP INCO.	HPQ	US	21.38	4.0%	31.07	★★★★★	↔	8.7	5.6%	3.5%	↑↑↑↑↑
BOE TECH.GP.CO.LTD.	000725	CN	4.95	9.0%	24.57	★★★★★	↔	28.4	42.4%	0.6%	↑↑↑↑↑
FUJITSU LIMITED	6702	JP	11,125.00	8.3%	21.02	★★★★★	↔	12.5	11.3%	1.7%	↑↑↑↑↑
WESTERN DIGITAL CORP.	WDC	US	67.94	7.0%	20.21	★★★★★	↔	11.2	49.3%	2.8%	↑↑↑↑↑
SEAGATE TECH.	STX	US	59.98	0.8%	15.76	★★★★★	↔	11.0	7.7%	4.5%	↑↑↑↑↑
NETAPP INCO.	NTAP	US	63.13	1.4%	14.41	★★★★★	↔	12.7	9.7%	3.4%	↑↑↑↑↑
ZEBRA TECHNOLOGIES CORP.	ZBRA	US	246.27	-3.6%	13.28	★★★★★	↔	15.2	12.4%	0.0%	↑↑↑↑↑
NEC CORPORATION	6701	JP	5,040.00	11.5%	11.98	★★★★★	↔	13.1	16.3%	1.4%	↑↑↑↑↑

Price & Sensitivity Evolution



Sensitivity Profile



Sensitivity Analysis

Beta, Correlation and Volatility

Beta is often used as a measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile and therefore more sensitive. A Beta of 1.64 indicates that for 1% of index variation, APPLE INCO. varies on average by 1.64%. But a Beta analysis coupled with the correlation gives a more relevant assessment.

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index. APPLE INCO. has a correlation rate of 0.73. This indicates that 73% of the stock's movements are explained by index variations. APPLE INCO. is strongly correlated to SP500.

The volatility is also used as a sensitivity factor. The 1 month annualized volatility of APPLE INCO. is : 12.9%, that of the index SP500 is 4.5% and that of the world aggregate for the group Technology is 7.9%. By comparison, the average volatility of the stocks that make up the reference index is slightly higher at 14.7%.

Sensitivity to Bear Markets

The Bear Market Factor measures the behavior of a stock in declining markets. Thereby APPLE INCO. tends to drop in the same proportion as the SP500 index. Hence, we observe a market typical behaviour during market declines.

Sensitivity to Bad News

The Bad News Factor measures negative swings of a stock in rising markets. In the case of specific pressure, APPLE INCO. is only moderately sanctioned by the market in most of the times. When the stock goes down in a rising environment, its average deviation is -1.57%.

Summary of the Sensitivity Analysis

By comparing with other stocks, the sensitivity of APPLE INCO. has been medium and this for more than one year.

Conclusion

At the analysis date of January 10, 2020, the impression that the fundamental and technical elements (valuation, earnings revisions, group benchmarking, technical factors) give is slightly positive. Moreover, the combination of the different criteria of sensitivity appreciation leads to a qualification of medium sensitive.

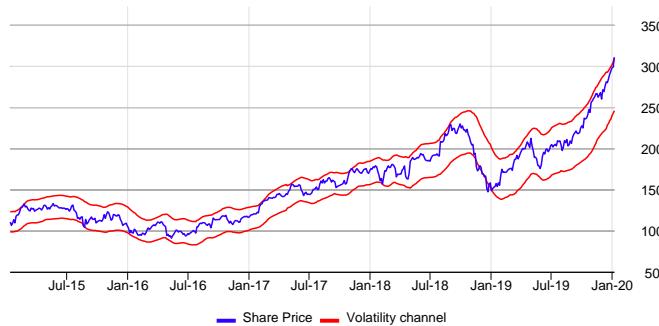
By combining the slightly positive fundamental and technical analysis, with the moderate sensitivity, the general evaluation seems medium.

Key Figures

Annualized estimate for current year to	2021
Estimated PE (LT PE) for 2021	17.5
Projected earnings growth (LT Growth)	15.5%
Dividend (Ex Date: 07-Nov-2019)	USD 0.77
Number of analysts	39
First analysis date	02-Jan-2002

APPLE INCO. - 5 Year History

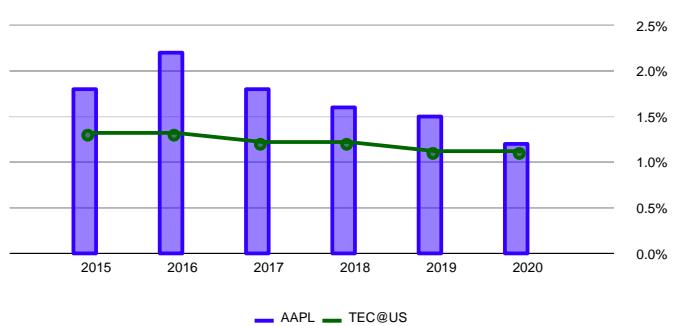
Price Changes January 13, 2015 - January 10, 2020



The volatility channel shows a stock's average fluctuations over the last 5 years. During this period, the high of USD 310.33 was reached on January 2020 and the low of USD 90.52 in the month of May 2016.

The price development is generally in the volatility channel whose upper and lower limits are presented here. Crossing one of these limits is an exceptional situation accompanied by strong increases in short-term volatility.

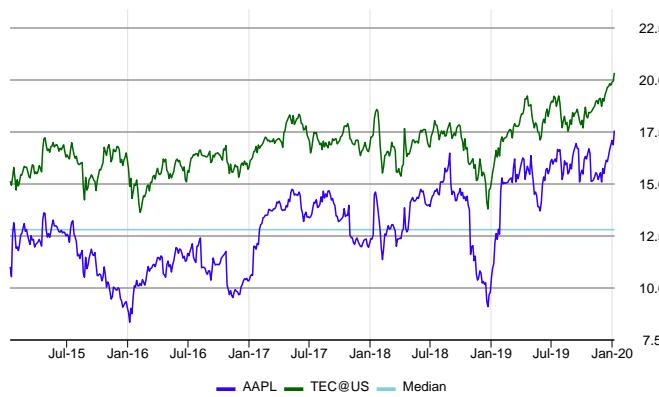
Expected Dividend Yield 2015 - 2020



The 12-month indicative dividend yield is 1.2%, more than the 1.1% average of APPLE INCO.'s industry group.

Reminder, this estimated dividend represents 20.4% of the estimated earnings; it is therefore largely covered, and its payment almost guaranteed. The last estimation of the expected dividend is relatively steady, because the average of the last years is 1.7%.

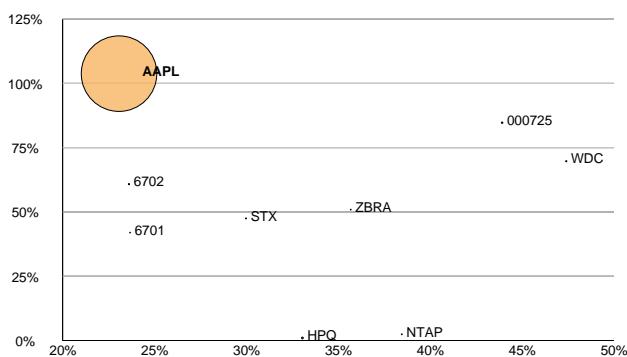
Comparative LTPE January 13, 2015 - January 10, 2020



While the projected forward PE of the stock APPLE INCO. is 17.53, the PE of the group Technology is slightly higher (20.31); this indicates that the stock is trading at a discount, when compared to its own group.

On the other hand, historically speaking, this stock is currently trading above its median value of 12.77.

Performance vs Volatility



The vertical axis measures the performance since January 11, 2019 of the 10 stocks presented in the table on page 2, while the horizontal axis measures the 12 month annualized volatility.

The bubbles are sized according to market capitalization, and their colors indicate the overall rating (Global Valuation).

Comparison January 13, 2015 - January 10, 2020

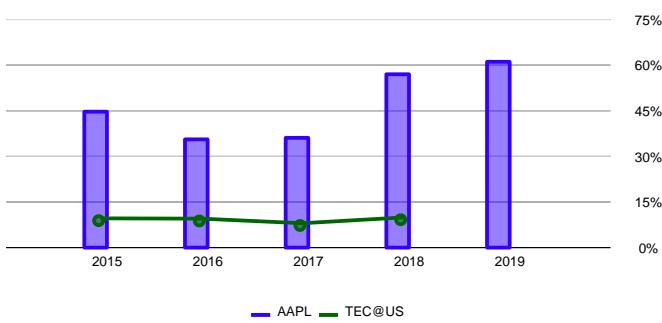


On a 5 year moving average, the performance of the stock APPLE INCO. is 181.6%, vs. 61.4% for the SP500 and 149.6% for the group Technology (TEC@US).

APPLE INCO. - Financial Ratios

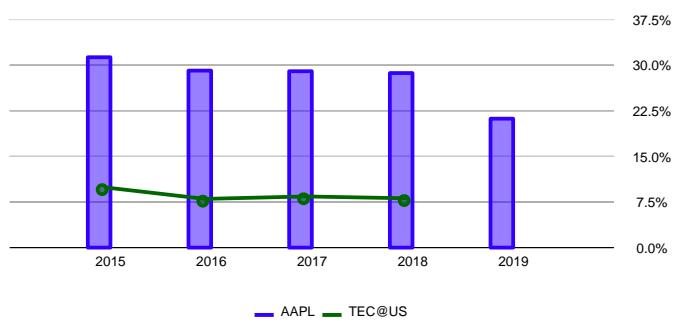
2019 😊

Return on Equity



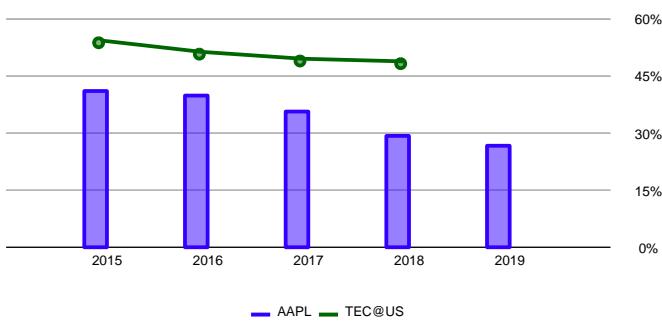
The return on equity (eng. ROE or Return on Equity) is the ratio between the profits made and own funds provided by the shareholders. The figure varies greatly from industry to industry. In APPLE INCO. the average ROE is 47%, above the industry average of 9%, which indicates an efficient capital use. The last publicized return on equity of 61% is above the long term average of 47%.

Earnings Before Interest & Taxes



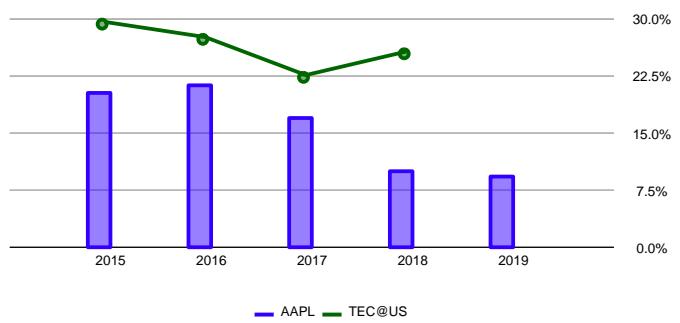
The operating margin (EBIT) of APPLE INCO. is located in the historic resources at 28%. This is above average for the industry. The competitors achieved an on average EBIT margin of 8%. The last reported 21% are below the historical average of 28%.

Equity on Assets



The graph shows the share of own funds in relation to the total assets. The higher the value, the more conservative the company's finances. APPLE INCO. has an average equity ratio of 35%, which is below the industry average of 51%. The current capital share of 27% is below the historical average of 35%.

Book Value / Price



The book value of the company is shown in relation to the stock's value. The larger the ratio, the more asset value is obtained relative to the market price. The average value of APPLE INCO. is with 16% below the industry average of 26%. With 9% the current value is below the historical average of 16%.

Balance Sheet

2017 2018 2019

30-Sep 29-Sep 28-Sep
USD USD USD

Currency 'mio			
Cash & Short Term Invest	74,181	66,301	100,557
Receivables	35,673	48,995	45,804
Inventories	4,855	3,956	4,106
Total Current Assets	128,645	131,339	162,819
Properties & Equipment	33,783	41,304	37,378
Intangible	8,015	0	0
Total Assets	375,319	365,725	338,516
Account Payable	49,049	55,888	46,236
Short Term Debt	18,473	20,748	16,240
Total Current Liabilities	100,814	116,866	105,718
Long Term Debt	97,207	93,735	91,807
Total Liabilities	375,319	365,725	338,516
100%			

Annual Statement

2017 2018 2019

30-Sep 29-Sep 28-Sep
USD USD USD

Total Revenue	229,234	265,595	260,174	100%
Cost	130,891	152,853	149,235	57%
Gross Income	88,186	101,839	98,392	38%
General Cost & Administration	26,842	30,941	34,462	13%
Amortization	10,157	10,903	12,547	5%
Operating Income	61,344	70,898	63,930	25%
Research & Development	11,581	14,236	16,217	6%
Net Income Before Extra Items	48,351	61,046	55,256	21%
Net Income Before Taxes	66,412	76,143	69,313	27%
Dividend	12,563	13,735	14,129	5%
Net Income	48,351	61,046	55,256	21%

Key Figures

Book Value	26.15	22.53	20.37
Shares Outstanding ('000)	5,126,201	4,754,986	4,443,236
NB of Employees	123,000	132,000	137,000

Ratios

Current Ratio	1.3	1.1	1.5
Long Term Debt	25.9%	25.6%	27.1%
Revenues on Assets	61.1%	72.6%	76.9%
Cash Flow on Revenues	25.5%	27.1%	26.1%

Glossary - Equities

Number of Stocks

The number of stocks in the index that can be analyzed.

Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued   to strongly overvalued  .

Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend  =    
 - Valuation Rating    =    
 - MT Tech Trend  =    
 - 4 week Relative Performance > 1% =    
- Therefore, a stock can earn a maximum of four stars.
The lowest rating a stock can have is no stars.
Once a stock has earned a star, it will keep it until:
- Earnings Rev Trend becomes negative 
 - Valuation Rating becomes negative  
 - MT Tech Trend becomes negative 
 - 4 week Relative Performance drops below -1% (<-1%)

Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
-  4%, the dividends are covered (between 0% and 40% of earnings)
-  4%, the dividends represent between 40% and 70% of earnings
-  4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

Earnings Rev. Trend

The symbol  shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol  indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral .

The symbol  indicates that the last significant revisions have been trending positive.

The symbol  indicates that the last significant revisions have been negative.

7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

LT PE

This is the relationship between the price (P) and the estimated long-term future earnings.

LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

MT Tech Trend

The MT Tech Trend indicates the current trend, positive  or negative , and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral .

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol  indicates that the previous MT Tech Trend was positive.

The symbol  indicates that the previous MT Tech Trend was negative.

4wk (Rel) Perf.

This figure measures the performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period. The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

Sensitivity

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

Volatility 12 M

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

% of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

Beta

Beta is often used as a measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

Correlation

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index.

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More information: www.thescreener.com/en/wc/methodology.htm

Earnings forecasts provided by REFINITIV.