Technology - Computer Hardware

APPLE

US0378331005 | AAPL | USA | Analysis of **16-Apr-2022** | Closing Price of **15-Apr-2022** | USD 165.29

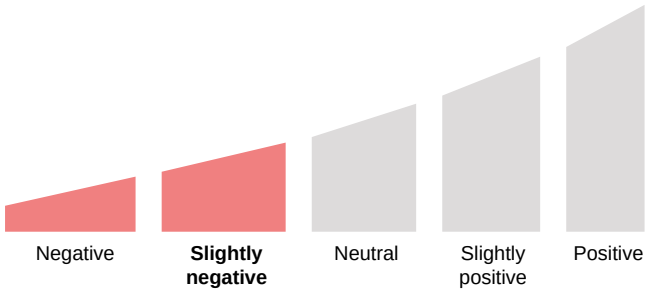
APPLE active in the sector Computer Hardware, belongs to the industry group Technology.

Its market capitalization of USD 2,697.44 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 179.70 and a low of USD 124.28; its current price of USD 165.29 places it 8.0% under its 52 week high and 33.0% over its 52 week low.

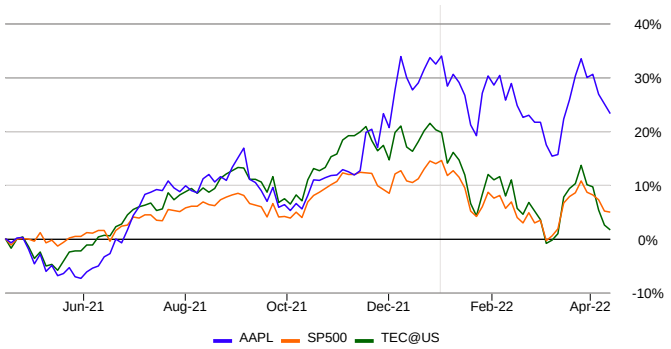
Performance since April 16, 2021: APPLE: 23.2%, Technology: 1.6%, SP500: 4.9%

Global Evaluation



Company Name	Market	Price	Perf YtD	Mkt Cap in $bn	Stars	Sensitivity	LT P/E	LT Growth	Div	4wk Rel Perf	Global Evaluation
APPLE	US	165.29	-6.9%	2,697.44	★☆☆☆		23.6	15.5%	0.6%	3.5%	
Technology (US)	US	688.00	-15.4%	14,642.06	★★☆☆		19.7	16.7%	0.8%	-4.0%	
SP500	US	4,393.00	-7.8%	39,437.55	★★★★		16.1	14.3%	1.5%	3.1%	

Comparison April 16, 2021 - April 15, 2022



Summary of the Fundamental and Technical Analysis

1. The negative earnings revisions trend is specific to the stock.
2. In terms of valuation, the stock has very poor potential.
3. The negative technical trend goes along with the aggregate: the pressure is systemic.
4. The stock showed a four weeks relative overperformance in a negative environment Technology.

Checklist

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Global Evaluation		**Downgrade from neutral to slightly negative the 15-Apr-2022.**
Interest	★☆☆☆	**Very weak interest since 15-Apr-2022.**
Earnings Rev Trend	☆	Analysts neutral but previously negative (since 01-Apr-2022)
Valuation Rating	☆	Strongly overvalued
MT Tech Trend	☆	Trend negative since 15-Apr-2022
4wk Rel Perf	★	vs. SP500
Sensitivity		**Decrease from high to moderate the 23-Jul-2021.**

Fundamental and Technical Analysis

Price Level Analysis ☆

In order to assess whether APPLE is currently fairly priced, we can combine Peter Lynch's broadly accepted methodology, comparing the projected earnings growth and dividends to the estimated PE ratio, with historic multiples. Based on this,

- APPLE appears fundamentally very overvalued compared to its theoretical fair price.
- its valuation is less attractive than the American Technology aggregate.

The fundamental price potential for APPLE looks rather low, with other stocks in the same industry showing significantly better theoretical valuations.

Earnings Revisions ☆

APPLE is strongly followed by financial analysts, as over the last three months an average of 41 analysts provided earnings estimate forecasts up until the year 2023.

Currently, these analysts are slightly lowering their earnings growth estimates (0.0%) compared with seven weeks ago. This negative pressure on the growth expectations has been continuous over the past 12 months.

The positioning of APPLE vs. its reference sector Technology accentuates that the negative earnings revision trend is a problem specific to the stock, because its environment is - on the contrary - being positively revised.

Technical Trend and relative Performance ☆★

The stock has been in a medium-term down trend, which started on April 15, 2022, at a price of USD 165.29. Its adjusted technical reverse point is USD 171.70, or 3.9% above the current price.

The four-week dividend-adjusted relative performance against the reference index SP500 is 3.5%.

The technical trend must be overshadowed by this overperformance, a sign that the investors are still interested in this stock.

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

Dividend

The 12-month indicated dividend yield is 0.6%. This estimated dividend represents 14.8% of the estimated earnings. Consequently, the dividend is easily covered, and very likely to prove sustainable.

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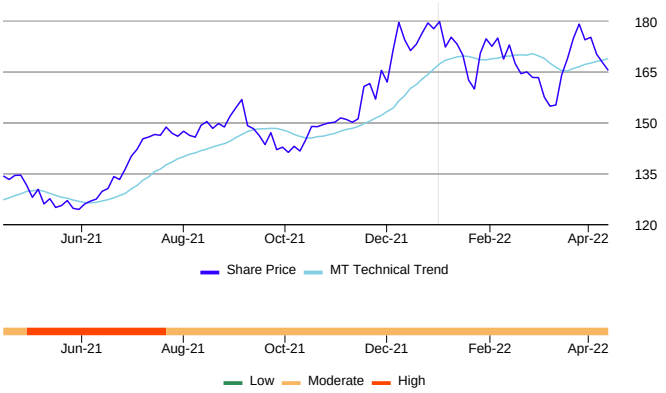
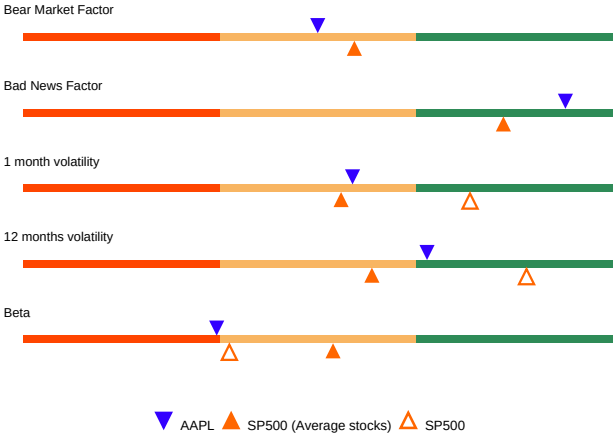
APPLE - Sector and/or Group Comparison

Company Name	Symbol	Market	Price	Perf YtD	Mkt Cap in $bn	Stars	Sensitivity	LT P/E	LT Growth	Div	Global Evaluation
APPLE	AAPL	US	165.29	-6.9%	2,697.44	★		23.6	15.5%	0.6%	
MICROSOFT	MSFT	US	279.83	-16.8%	2,097.85	★		22.4	19.1%	0.9%	
HP	HPQ	US	37.47	-0.5%	39.47	★★★★		7.9	7.5%	2.8%	
DELL TECH	DELL	US	46.94	-16.4%	35.70	★		7.1	5.8%	2.6%	
ZOOM VIDEO COMM	ZM	US	110.31	-40.0%	33.84	★★		31.7	13.7%	0.0%	
FUJITSU	6702	JP	18,990.00	-3.8%	31.22	★★★		14.5	18.8%	1.3%	
BOE TECHNOLOGY	000725	CN	4.11	-18.6%	24.65	★		6.6	5.1%	4.7%	
ZEBRA TECHNOLOGIES	ZBRA	US	393.68	-33.9%	20.79	★		15.9	12.9%	0.0%	
SEAGATE TECHNOLOGY	STX	US	81.41	-27.9%	17.82	★		8.1	13.6%	3.5%	
NETAPP	NTAP	US	75.50	-17.9%	16.80	★		14.0	10.6%	2.7%	
WESTERN DIGITAL	WDC	US	46.34	-28.9%	14.50	★★		5.2	18.4%	0.0%	

Price & Sensitivity Evolution



Sensitivity Profile



Sensitivity Analysis

Beta, Correlation and Volatility
A Beta of 1.24 indicates that for 1% of index variation, APPLE varies on average by 1.24%. 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 has a correlation rate of 0.74. This indicates that 74% of the stock's movements are explained by index variations. APPLE is strongly correlated to SP500.

The volatility is also used as a sensitivity factor. The 1 month annualized volatility of APPLE is : 26.0%, that of the index SP500 is 14.2% and that of the world aggregate for the group Technology is 23.6%. By comparison, the average volatility of the stocks that make up the reference index is practically identical at 27.1%.

Sensitivity to Bear Markets
The Bear Market Factor measures the behavior of a stock in declining markets. Thereby APPLE 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 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 -1.25%.

Summary of the Sensitivity Analysis
By comparing with other stocks, the sensitivity of APPLE has been medium and this since July 23, 2021.

Conclusion

At the analysis date of April 15, 2022, the impression that the fundamental and technical elements (valuation, earnings revisions, group benchmarking, technical factors) give is negative.
Moreover, the combination of the different criteria of sensitivity appreciation leads to a qualification of medium sensitive.

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

Key Figures

Annualized estimate for current year to	2023
Estimated PE (LT PE) for 2023	23.6
Projected earnings growth (LT Growth)	15.5%
Dividend (Ex Date: 04-Feb-2022)	USD 0.22
Number of analysts	41
First analysis date	02-Jan-2002
Financial Ratios - 2021	
ESG Rating	C+

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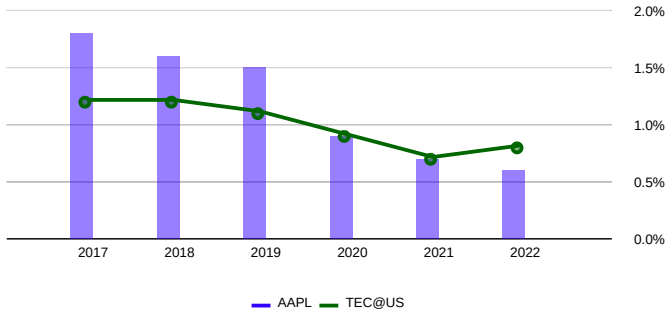
APPLE - 5 Year History

Price Changes April 18, 2017 - April 15, 2022

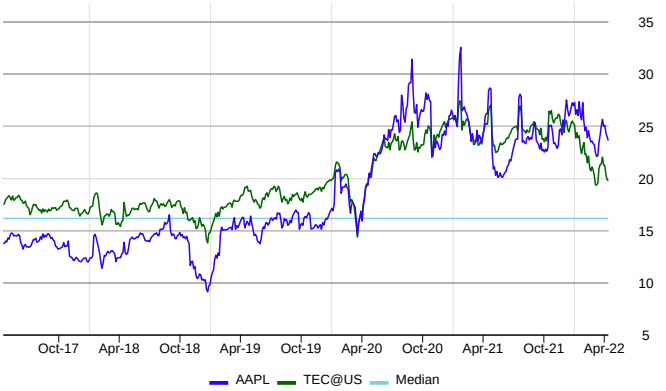
The volatility channel shows a stock's average fluctuations over the last 5 years.
During this period, the high of USD 179.70 was reached on January 2022 and the low of USD 35.30 in the month of April 2017.
The price development is generally in the volatility channel whose upper and lower limits are presented here. Crossing one of these limits is an exceptional situation accompanied by strong increases in short-term volatility.

Expected Dividend Yield 2017 - 2022



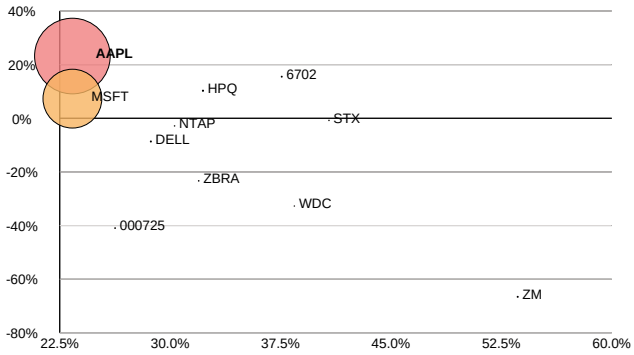
The 12-month indicative dividend yield is 0.6%, less than the 0.8% average of the industry group of APPLE.
Reminder, this estimated dividend represents 14.8% of the estimated earnings. It is thus largely covered, and its payment looks very sustainable.
The last estimation of the expected dividend is close to the historical average of 1.2%.

Comparative LTPE April 18, 2017 - April 15, 2022



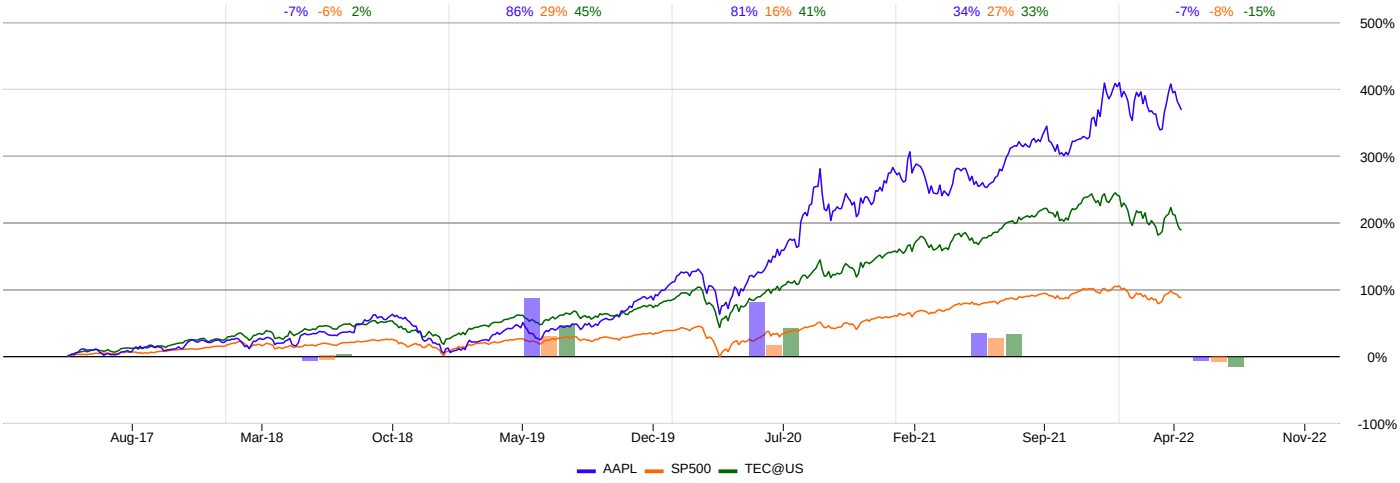
While the projected forward PE of the stock APPLE is 23.58, the PE of the group Technology is slightly lower (19.71); this indicates that the stock is trading at a premium when compared to its own group. Historically speaking, this stock is also currently trading at a premium, because its median is 16.10.

Performance vs Volatility



The vertical axis measures the performance since April 16, 2021 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 April 18, 2017 - April 15, 2022



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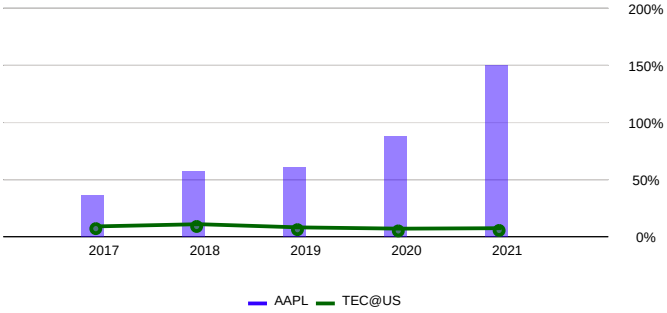
APPLE - Financial Ratios

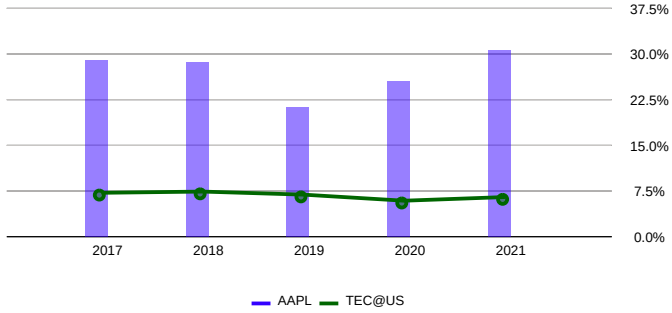
2021

Return on Equity



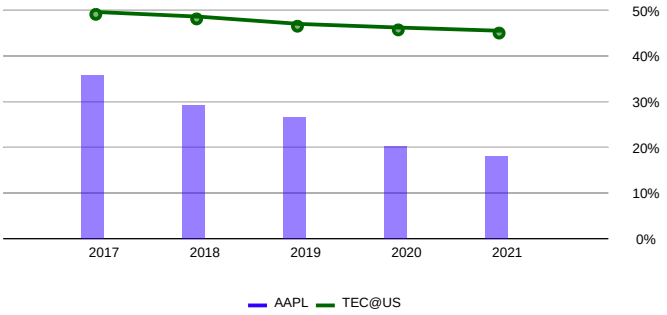
The return on equity, or ratio between profits and available equity, varies greatly from industry to industry. The historical average return on equity of APPLE is 78%. This is above the industry average of 7%, indicating an efficient use of sharholder capital.
The last publicized return on equity of 150% is above the long term average of 78%.

Earnings Before Interest & Taxes



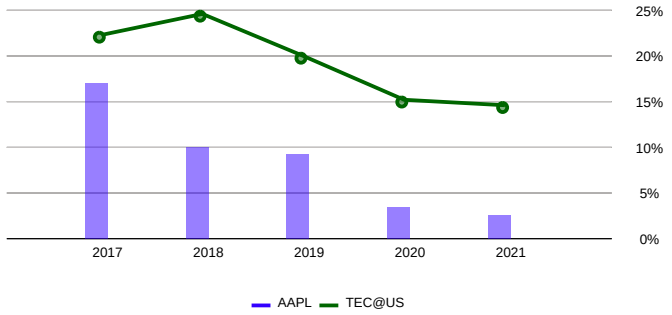
The average historical operating margin (EBIT) of APPLE has been at 27%. This is above the industry average. The competitors achieved an on average EBIT margin of 6%.
The last reported 31% are near the historical average of 27%.

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 has an average equity ratio of 26%, which is below the industry average of 47%.
The current capital share of 18% is below the historical average of 26%.

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 is with 8% below the industry average of 19%.
With 3% the current value is below the historical average of 8%.

Balance Sheet

Currency 'mio	2019 28-Sep USD	2020 26-Sep USD	2021 25-Sep USD	
Cash & Short Term Invest	100,580	90,979	62,639	*18%*
Receivables	45,804	37,445	51,506	*15%*
Inventories	4,106	4,061	6,580	*2%*
Total Current Assets	162,819	143,713	134,836	*38%*
Properties & Equipment	37,378	45,336	49,527	*14%*
Intangible	0	0	0	*0%*
Total Assets	**338,516**	**323,888**	**351,002**	*100%*
Account Payable	46,236	42,296	54,763	*16%*
Short Term Debt	16,240	13,793	15,692	*4%*
Total Current Liabilities	105,718	105,392	125,481	*36%*
Long Term Debt	91,807	99,304	109,875	*31%*
Total Liabilities	**338,516**	**323,888**	**351,002**	*100%*

Annual Statement

Currency 'mio	2019 28-Sep USD	2020 26-Sep USD	2021 25-Sep USD	
Total Revenue	**260,174**	**274,515**	**365,817**	*100%*
Cost	149,235	158,503	201,697	*55%*
Gross Income	98,392	104,956	152,836	*42%*
General Cost & Administration	34,462	38,668	43,887	*12%*
Amortization	12,547	11,056	11,284	*3%*
Operating Income	63,930	66,288	108,949	*30%*
Research & Development	16,217	18,752	21,914	*6%*
Net Income Before Extra Items	55,256	57,411	94,680	*26%*
Net Income Before Taxes	69,313	69,964	111,852	*31%*
Dividend	14,129	14,087	14,431	*4%*
Net Income	**55,256**	**57,411**	**94,680**	*26%*

Key Figures

Book Value	5.09	3.85	3.84
Shares Outstanding ('000)	17,772,944	16,976,763	16,426,786
NB of Employees	137,000	147,000	154,000

Ratios

Current Ratio	1.5	1.4	1.1
Long Term Debt	27.1%	30.7%	31.3%
Revenues on Assets	76.9%	84.8%	104.2%
Cash Flow on Revenues	26.1%	24.9%	29.0%

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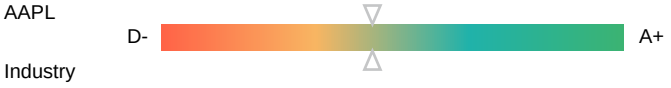
APPLE - ESG ratings

Last update: 03-Sep-2021 **C+**

Company

C+

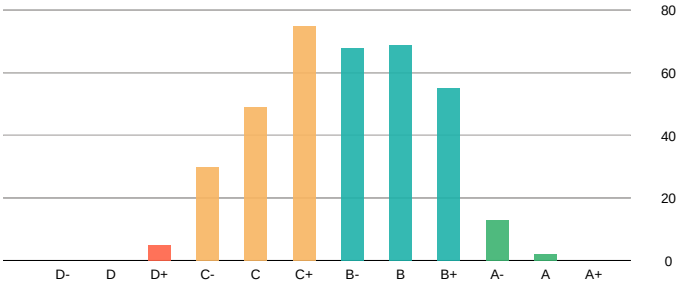
Environment	Rating	**B**
	CSR	B+
	Product impact	B-
Company	Rating	**C+**
	CSR	B-
	Labor	D-
	Social impact	C-
Governance	Rating	**B**
AAPL		**C+**
Technology World		C+



The final ESG rating by Inrate for APPLE is at C+, based on 3 parts: environment B, social C+ and governance B.
The resulting C+ rating is to be seen in the context of a global average ESG rating of C+ for the Technology group.

Industry

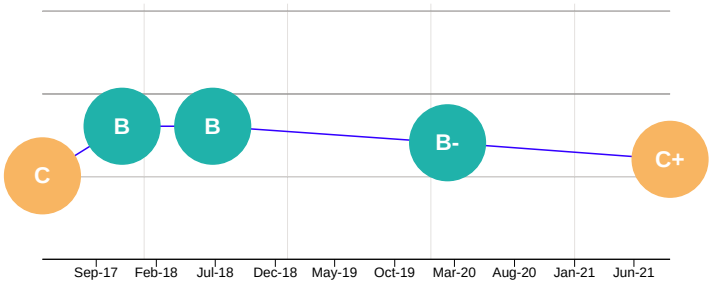
C+



Technology World		C+
Coverage Inrate / Screener		365 / 753
		48%
Rank	Q3	258 / 365

The industrial group Technology has 365 companies analysed by Inrate with an average rating of C+.
APPLE with its C+ rating ranks as number 258, this places it in the third quartile.

Historical



At the last analysis date, 03-Sep-2021, APPLE was rated C+. The company has been re-evaluated.
On the 14-Feb-2020 the rating was B-.

Critical products

Total critical products	**0.0%**
Adult	0.0%
Alcohol	0.0%
Defense	0.0%
Gambling	0.0%
Genetic	0.0%
Nuclear	0.0%
Tobacco	0.0%
Coal	**0.0%**

APPLE is not active in any of the 7 main critical product areas listed above.
The company does not have any activity in the coal sector.

APPLE - Sector and/or Group Comparison

Company Name	Symbol	Market	Price	Perf YtD	Mkt Cap in $bn	Global Evaluation	Rating ESG	Stock in Quartile	Critical Products %	Coal %	Date Rating ESG
APPLE	AAPL	US	165.29	-6.9%	2,697.44		**C+**	Q3	-	-	03-Sep-2021
MICROSOFT	MSFT	US	279.83	-16.8%	2,097.85		**B+**	Q1	1.5%	-	10-Feb-2021
HP	HPQ	US	37.47	-0.5%	39.47		**B**	Q2	0.1%	-	14-Oct-2020
DELL TECH	DELL	US	46.94	-16.4%	35.70		**A-**	Q1	0.1%	-	07-Jul-2021
ZOOM VIDEO COMM	ZM	US	110.31	-40.0%	33.84		**C+**	Q3	-	-	01-Mar-2021
FUJITSU	6702	JP	18,990.00	-3.8%	31.22		**B+**	Q1	0.4%	-	02-Mar-2022
BOE TECHNOLOGY	000725	CN	4.11	-18.6%	24.65		**B-**	Q3	-	-	31-Mar-2022
ZEBRA TECHNOLOGIES	ZBRA	US	393.68	-33.9%	20.79		**C+**	Q3	-	-	18-Nov-2020
SEAGATE TECHNOLOGY	STX	US	81.41	-27.9%	17.82		**B+**	Q1	0.1%	-	04-Mar-2021
NETAPP	NTAP	US	75.50	-17.9%	16.80		**B**	Q1	0.1%	-	03-Nov-2021
WESTERN DIGITAL	WDC	US	46.34	-28.9%	14.50		**B+**	Q1	-	-	04-Aug-2021

More information: cio.thescreener.com/help/esg.htm

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Glossary - Equities

Global Evaluation

The rating results from several factors : fundamental and technical analysis, measure of sensitivity and benchmark trend.
The synthesis is rated on a 5 level scale:

- : Positive
- : Slightly positive
- : Neutral
- : Slightly negative
- : Negative

The synthesis for the Indices and Industries is rated on a 3 level scale: Positive, Neutral and Negative.

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 dividend-adjusted 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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If the investment currency differs from the currency of the investment instrument, currency fluctuations can have a strong influence on the performance of the investment instrument, so that it can be significantly higher or lower.
More information: www.thescreener.com/home/method/
Price data, financial ratios and earnings estimates provided by REFINITIV