

# Apple Inc. Stock Report

## Profile

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide. The company offers iPhone, a line of smartphones; Mac, a line of personal computers; iPad, a line of multi-purpose tablets; and wearables, home, and accessories comprising AirPods, Apple TV, Apple Watch, Beats products, and HomePod. It also provides AppleCare support and cloud services; and operates various platforms, including the App Store that allow customers to discover and download applications and digital content, such as books, music, video, games, and podcasts, as well as advertising services include third-party licensing arrangements and its own advertising platforms. In addition, the company offers various subscription-based services, such as Apple Arcade, a game subscription service; Apple Fitness+, a personalized fitness service; Apple Music, which offers users a curated listening experience with on-demand radio stations; Apple News+, a subscription news and magazine service; Apple TV+, which offers exclusive original content; Apple Card, a co-branded credit card; and Apple Pay, a cashless payment service, as well as licenses its intellectual property. The company serves consumers, and small and mid-sized businesses; and the education, enterprise, and government markets. It distributes third-party applications for its products through the App Store. The company also sells its products through its retail and online stores, and direct sales force; and third-party cellular network carriers, wholesalers, retailers, and resellers. Apple Inc. was founded in 1976 and is headquartered in Cupertino, California.

## Pitch Summary

Apple is among the largest companies in the world, with a broad portfolio of hardware and software products targeted at consumers and businesses. Apple's iPhone makes up a majority of the firm sales, and Apple's other products like Mac, iPad, and Watch are designed around the iPhone as the focal point of an expansive software ecosystem. Apple has progressively worked to add new applications, like streaming video, subscription bundles, and augmented reality. The firm designs its own software and semiconductors while working with subcontractors like Foxconn and TSMC to build its products and chips. Slightly less than half of Apple's sales come directly through its flagship stores, with a majority of sales coming indirectly through partnerships and distribution.

| Snapshot   |                      |
|------------|----------------------|
| Ticker     | AAPL                 |
| Exchange   | NMS                  |
| Sector     | Technology           |
| Industry   | Consumer Electronics |
| Price      | \$198.78             |
| Market Cap | 2,968,938 M          |
| PE Ratio   | 23.92                |
| PB Ratio   | 44.46                |
| Beta       | 1.21                 |
| Dividend   | 0.52%                |

## News

- Nvidia, Samsung Plan Investments in Robotics Startup Skild AI
- Apple to Open its AI Models to App Developers
- Apple (AAPL) Gets Buy Rating Despite AI Letdown at WWDC25, Says Goldman Sachs

## Sources

- Website
- IR Website
- Recent Filing
- Wikipedia

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## Valuation

|                  |         |
|------------------|---------|
| Quick Ratio      | 0.68    |
| Current Ratio    | 0.82    |
| Debt To Equity   | 146.99  |
| Return On Assets | 23.81%  |
| Return On Equity | 138.01% |
| Earnings Growth  | 7.80%   |
| Revenue Growth   | 5.10%   |
| Gross Margin     | 46.63%  |
| Ebitda Margin    | 34.69%  |
| Operating Margin | 31.03%  |
| Profit Margin    | 24.30%  |

## Rating

|              |            |
|--------------|------------|
| Price Target | 280.0      |
| Rating       | BUY        |
| Implied Move | 40.86%     |
| Discount     | -1%        |
| View         | Overvalued |

## Pitch

### Bull Case

Apple offers an expansive ecosystem of tightly integrated hardware, software, and services, which locks in customers and generates strong profitability. We like Apple's move to in-house chip development, which we think has accelerated its product development and increased its differentiation. Apple has a stellar balance sheet and sends great amounts of cash flow back to shareholders.

### Bear Case

Apple is prone to consumer spending and preferences, which creates cyclicalities and opens the firm up to disruption. Apple's supply chain is highly concentrated in China and Taiwan, which opens up the firm to geopolitical risk. Attempts to diversify into other regions may pressure profitability or efficiency. Regulators have a keen eye on Apple, and recent regulations have chipped away at parts of Apple's sticky ecosystem.

## Peer Metrics

| Ticker | Price    | Recommendation       | Revenue   | Profit Margin | ROA    | ROE     |
|--------|----------|----------------------|-----------|---------------|--------|---------|
| AAPL   | \$198.78 | 2.1087 - Buy         | 400,366 M | 24.30%        | 23.81% | 138.01% |
| AMZN   | \$213.20 | 1.38571 - Strong Buy | 650,313 M | 10.14%        | 7.63%  | 25.24%  |
| TSLA   | \$326.43 | 2.64583 - Hold       | 95,724 M  | 6.38%         | 3.72%  | 8.77%   |
| GOOG   | \$178.79 | 1.58824 - Buy        | 359,713 M | 30.86%        | 16.90% | 34.79%  |
| META   | \$694.14 | 1.47826 - Strong Buy | 170,360 M | 39.11%        | 17.88% | 39.84%  |
| MSFT   | \$472.62 | 1.43333 - Strong Buy | 270,010 M | 35.79%        | 14.58% | 33.61%  |

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## Technical Analysis

### Short Term:

The overall market sentiment is currently Bullish, with bearish events outweighing bullish events, as indicated by a score of 4, suggesting Very Strong Bullish Evidence. Despite this, the sector is showing a Neutral direction, supported by a 0, which reflects Neutral Evidence. However, the broader market index is also in a Bullish direction, with a score of 3, reinforcing Strong Bullish Evidence at the index level.

### Long Term:

The long-term market outlook is currently Bearish, with bearish events consistently outweighing bullish events, as reflected by a score of 3, indicating Strong Bearish Evidence. In contrast, the sector is experiencing a Bullish trend, supported by a 2, signifying Bullish Evidence. However, when considering the broader market index, it is also trending in a Bullish direction, with a score of 2, reinforcing Bullish Evidence at the index level.