

Apple Inc. (AAPL)

Price:	\$577.73	Price/Book:	5.27	Net Tang. Asset Yr. 5/Share:	\$349.94
Market Cap:	\$540,212,213,800	EV/FCF:	-177.05	Avg. Year FCF/Share:	\$24.93
Cash:	\$28,538,000,000	Net Tang. Asset/Share:	\$96.87	Year 5 Disposition FCF Multipl:	3.0
Debt:	\$0	Avg. Year 1-5 FCF/Share:	\$24.93	Year 5 Disposition Price:	\$424.73
Net Cash:	\$28,538,000,000	5 Years of FCF:	\$124.66	Gain Year 5:	\$327.86
Enterprise Value:	\$511,674,213,800	Net Tang. Asset+5 FCF:	\$221.53		
		Net Tang. Asset+5 FCF+ Gain Disposition:		\$549.39	
		IRR:		-1.00%	

Apple's growth has been spectacular during the past 5 years. Ipad, iPhone, Apple store are stellar products, which propelled Apple's growth to 50% YoY and largest market cap in the world. We took a bearish stance on the company, when analysts started to call out \$1 Trillion in 5 years.

Smartphones are great, iPads are cool, but frankly, they are luxury items. Oil, food, electricity, water are essentials in our society. Apple's products are trendy gadgets, but their popularity will die out, like any fad.

So we thought the fundamentals didn't justify today's \$500 BB valuation. However, on second thought, today's valuation seems justified, assuming a 30% growth for the next 5 years. Company's book value is \$100 BB. Adding \$30 BB in FCF for 5 years brings book value + 5 year FCF to \$250, or roughly 40% of the current market cap.

With a \$300+ gain when the company is sold in Year 5, \$250 value at present + \$300 gain realized in Year 5 justifies today's price of \$577.

How about that? So, we establish a HOLD viewpoint of APPL's stock at \$577.

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Company Name:	Apple Inc.	Market Capitalization:	\$540,212,213,800.00	Revenue:	\$142,360,000,000.00	100.0%
Ticker Symbol:	AAPL	Total Debt:	\$0.00	Cost of Goods Sold:	\$98,540,000,000.00	69.2%
Last Price:	\$577.73	Total Cash:	\$28,538,000,000.00	Gross Profit:	\$43,820,000,000.00	30.8%
Net Cash/Share:	\$30.52	Net Cash/(Debt):	\$28,538,000,000.00	EBITDA:	\$53,270,000,000.00	37.4%
Net Cash to Last Price:	5.28%	Enterprise Value:	\$511,674,213,800.00	Net Income:	\$38,620,000,000.00	27.1%
Shares Outstanding:	935,060,000	Current EV/Share:	\$547.21			
Industry:	Computer Systems	EBITDA:	\$35,604,000,000.00			
Sector:	Technology	EV/EBITDA Multiple:	14.37			
		EV/EBITDA Multiple Average Year 1-5:	6.69			
Institutional Ownership:	#VALUE!	EV/FCF Multiple:	-177.05			
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5:	21.95			
Insider Ownership:	#VALUE!					
Retail Ownership:	#VALUE!					
Float:	#VALUE!					
		Upper Range				
		DCF: EV/EBITDA Terminal Value				
		Implied TV from 3 X EV/EBITDA Multiple	\$313,355,654,632.80			
		Enterprise Value	\$313,355,654,632.80			
		Cash at Year 5:	\$145,098,741,963.89			
		Debt at Year 5:	\$0.00			
		Equity Value Year 5:	\$458,454,396,596.69			
		Equity/Share at Year 5:	\$490.29			
		Annualized Return:	-3.23%			
		Lower Range				
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value				
		Year 5 Net Tangible Assets excluding cash and debt	\$36,906,000,000.00			
		Enterprise Value	\$36,906,000,000.00			
		Cash at Year 5:	\$145,098,741,963.89			
		Debt at Year 5:	\$0.00			
		Equity Value Year 5:	\$182,004,741,963.89			
		Equity/Share at Year 5:	\$194.64			
		Annualized Return:	-19.55%			
		EVA				
		EVA today:	\$116,830,715,395.41			
		EVA in 5 Years:	\$263,905,421,886.22			
		EVA/Share:	\$282.23			
		Cash at Year 5:	\$145,098,741,963.89			
		Debt at Year 5:	\$0.00			
		Equity Value Year 5:	\$409,004,163,850.11			
		Equity/Share at Year 5:	\$437.41			
		Annualized return	17.70%			
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$93.02			
		Net Tangible Asset/Share in Year 5:	\$239.14			
		Annualized return	20.79%			
		Current Equity Price:	\$577.73			
		Selling at Discount?	Premium			
		Appreciation Potential:	-83.90%			
		Dividend Model				
		Next Year Dividend	\$0.00			
		WACC:	11.00%			
		Dividend:	\$0.00			
		Net Income:	\$38,620,000,000.00			

Income Statement

Balance Sheet

Cash Flow

Profitability Margins

Technicals

52 week low:	Error
Today from 52 week low:	#VALUE!
52 week high:	Error
Today from 52 week high:	#VALUE!
50 day Moving Average:	Error
200 day Moving Average:	Error

Analyst/Consensus

Analyst Sales Growth FY1:	49.80%
Analyst Sales Growth FY2:	20.60%
SN Valuation Estimate FY1:	30.00%
SN Valuation Estimate FY2:	30.00%

Analyst Earnings Estimate FY1:	\$46.93
Analyst Earnings Estimate FY2:	\$54.02
SN Valuation Earnings Est. FY1:	\$30.02
SN Valuation Earnings Est. FY2:	\$38.97

Multiples

Market Value to Book:	5.27
EV to Book:	4.99
Market Value to Tangible Net Assets:	14.64
P/E Ratio:	13.99
Trailing P/E Ratio:	13.67
Forward P/E Ratio:	10.38
Beta:	Error
Dividend:	0
Dividend Yield:	0.00%
Dividend Date:	N/A
Ex-Dividend Date:	Nov 21, 1995

Competitors

Average EV to EBITDA:	N/A
Company EV to EBITDA:	14.37
Average EV to EBIT:	N/A
Company EV to EBITA:	15.14

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	459.01	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$490.29	Market Price:	577.73	Year 1 Target	551.75	Implied Today's Price	184.47
Net Tangible Asset Terminal Value:	\$194.64	LBO Price:	577.73	Year 2 Target	526.94	Overvalued/(Undervalued)	213.19%
EV/EBITDA with Today's Multiple Terminal Value:	\$713.71	Premium to Market Price:	0.00%	Year 3 Target	503.25		
EVA Enterprise Value:	\$437.41	LBO Price/Intrinsic Price Target:	-4.50%	Year 4 Target	480.62		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	4.32%	Year 5 Target	459.01		
Average (Excluding Dividend Discount):	\$459.01	Implied IRR at today's EV/EBITDA:	4.32%	Implied IRR (Market Price):	-4.50%		
		5 Year Return:	-20.55%				

Current Evaluation				Exit Evaluation			
Current Market Price:	577.73	LBO Price:	577.73	Exit Price:	459.01	Exit Price:	713.71
Outstanding Shares:	935,060,000	Outstanding Shares:	935,060,000	Outstanding Shares:	935,060,000	Outstanding Shares:	935,060,000
Market Capitalization:	540,212,213,800	Market Capitalization:	540,212,213,800	Market Capitalization:	429,205,367,191	Market Capitalization:	667,358,166,352
Available Cash:	28,538,000,000	Available Cash:	28,538,000,000	Available Cash:	145,098,741,964	Available Cash:	145,098,741,964
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	28,538,000,000	Net Cash:	28,538,000,000	Net Cash:	145,098,741,964	Net Cash:	145,098,741,964
Enterprise Value:	511,674,213,800	Enterprise Value:	511,674,213,800	Enterprise Value:	284,106,625,227	Enterprise Value:	522,259,424,388
Original EV/EBITDA:	15.14	EV/EBITDA:	15.14	EV/EBITDA at 5 Years:	2.72	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	14.37	EV/EBITDA:	14.37	EV/EBITDA at 5 Years:	3.85	EV/EBITDA at 5 Years:	4.74
Competitor Average EV/EBIT:	N/A						
Competitor Average EV/EBITDA:	N/A						

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	577.73	577.73	551.75	526.94	503.25	480.62	459.01
Shares Outstanding:	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000
Market Capitalization:	540,212,213,800	540,212,213,800	515,922,594,649	492,725,112,223	470,570,660,664	449,412,342,064	429,205,367,191
Available Cash:	28,538,000,000	28,538,000,000	30,963,361,525	42,465,725,108	65,768,191,365	99,297,413,273	145,098,741,964
Debt:	0	0	0	0	0	0	0
Net Cash:	28,538,000,000	28,538,000,000	30,963,361,525	42,465,725,108	65,768,191,365	99,297,413,273	145,098,741,964
Enterprise Value:	511,674,213,800	511,674,213,800	484,959,233,124	450,259,387,116	404,802,469,300	350,114,928,791	284,106,625,227
EBIT	33,790,000,000	33,790,000,000	42,920,728,500	55,796,947,050	72,536,031,165	87,043,237,398	104,451,884,878
EV/EBIT:	15.14	15.14	11.30	8.07	5.58	4.02	2.72
EBITDA	35,604,000,000	35,604,000,000	45,278,928,500	58,862,607,050	76,521,389,165	91,825,666,998	110,190,800,398
EV/EBITDA:	14.37	14.37	10.71	7.65	5.29	3.81	2.58

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	577.73	577.73	728.19	949.02	1245.02	1515.81	1846.72
Shares Outstanding:	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000	935,060,000
Market Capitalization:	540,212,213,800	540,212,213,800	680,902,101,121	887,386,086,583	1,164,164,661,283	1,417,373,177,175	1,726,789,658,646
Available Cash:	28,538,000,000	28,538,000,000	30,963,361,525	42,465,725,108	65,768,191,365	99,297,413,273	145,098,741,964
Debt:	0	0	0	0	0	0	0
Net Cash:	28,538,000,000	28,538,000,000	30,963,361,525	42,465,725,108	65,768,191,365	99,297,413,273	145,098,741,964
Enterprise Value:	511,674,213,800	511,674,213,800	649,938,739,596	844,920,361,475	1,098,396,469,918	1,318,075,763,901	1,581,690,916,682
EBIT	33,790,000,000	33,790,000,000	42,920,728,500	55,796,947,050	72,536,031,165	87,043,237,398	104,451,884,878
EV/EBIT:	15.14	15.14	15.14	15.14	15.14	15.14	15.14
EBITDA	35,604,000,000	35,604,000,000	45,278,928,500	58,862,607,050	76,521,389,165	91,825,666,998	110,190,800,398
EV/EBITDA:	14.37	14.37	14.35	14.35	14.35	14.35	14.35

LBO Price	577.73	Equity Partners:	540,212,213,800	Weighting	100.00%	Annualized Return for Equity Partners: 4.32%
Shares Outstanding	935,060,000	Debt Partners:	0		0.00%	
Market Capitalization	540,212,213,800	Total Funds for LBO:	540,212,213,800		100.00%	
Debt	0					
Cash	28,538,000,000					
Enterprise Value	511,674,213,800					
Capital Investment	540,212,213,800					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction				
Beginning Book Value	102,498.00	Beginning Enterprise Value	511,674.21	Current Market Price	\$577.73	Starting Debt	0.00
Year 5 Book Value	339,128.18	Year 5 Enterprise Value	522,259.42	Year 5 Market Price	\$713.71	Debt Repayment	0.00
Annualized Return	27.04%	Annualized Return	0.41%	Annualized Return	4.32%	Year 5 Ending Debt	0.00
						% of Starting Debt	#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Apple Inc.

Ticker:

AAPL

	Historical				Forecasted				
	52 weeks ending 2008-09-27	52 weeks ending 2009-09-26	52 weeks ending 2010-09-25	52 weeks ending 2011-09-24	2011	2012	2013	2014	2015
Revenue	37,491.00	42,905.00	65,225.00	106,249.00	140,723.70	182,940.81	237,823.05	285,387.66	342,465.20
COGS	24,294.00	25,683.00	39,541.00	64,431.00	84,434.22	109,764.49	142,693.83	171,232.60	205,479.12
Gross margin	13,197.00	17,222.00	25,684.00	43,818.00	56,289.48	73,176.32	95,129.22	114,155.07	136,986.08
SG&A	3,761.00	4,149.00	5,517.00	7,599.00	9,850.66	12,805.66	16,647.61	19,977.14	23,972.56
R&D	1,109.00	1,333.00	1,782.00	2,429.00	3,518.09	4,573.52	5,945.58	7,134.69	8,561.63
Unusual expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	8,327.00	11,740.00	18,385.00	33,790.00	42,920.73	55,796.95	72,536.03	87,043.24	104,451.88
Interest income/(expense)	653.00	407.00	311.00	519.00	259.52	259.52	259.52	259.52	259.52
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	-33.00	-81.00	-156.00	-104.00	0.00	0.00	0.00	0.00	0.00
Income before tax	8,947.00	12,066.00	18,540.00	34,205.00	43,180.25	56,056.47	72,795.55	87,302.76	104,711.40
Tax	2,828.00	3,831.00	4,527.00	8,283.00	15,113.09	19,619.76	25,478.44	30,555.97	36,648.99
Income after tax	6,119.00	8,235.00	14,013.00	25,922.00	28,067.16	36,436.70	47,317.11	56,746.79	68,062.41
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	6,119.00	8,235.00	14,013.00	25,922.00	28,067.16	36,436.70	47,317.11	56,746.79	68,062.41
*Figures are in millions (\$)									
EPS (based off today's share count)	\$6.54	\$8.81	\$14.99	\$27.72	\$30.02	\$38.97	\$50.60	\$60.69	\$72.79
P/E (historical today's price; forecasted intrinsic price)	88.28	65.60	38.55	20.84	18.38	13.52	9.95	7.92	6.31
Revenue Growth	N/A	14.44%	52.02%	65.96%	30.00%	30.00%	30.00%	20.00%	20.00%
Tax Rate	31.61%	31.75%	24.42%	24.22%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	64.80%	59.86%	60.62%	59.52%	60.00%	60.00%	60.00%	60.00%	60.00%
Gross margin	35.20%	40.14%	39.38%	40.48%	40.00%	40.00%	40.00%	40.00%	40.00%
SG&A	10.03%	9.67%	8.46%	7.02%	7.00%	7.00%	7.00%	7.00%	7.00%
R&D	2.96%	3.11%	2.73%	2.24%	2.50%	2.50%	2.50%	2.50%	2.50%
Unusual expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	22.21%	27.36%	28.19%	31.22%	30.50%	30.50%	30.50%	30.50%	30.50%
Interest income/(expense)	1.74%	0.95%	0.48%	0.48%	0.18%	0.14%	0.11%	0.09%	0.08%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	-0.09%	-0.19%	-0.24%	-0.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	23.86%	28.12%	28.42%	31.60%	30.68%	30.64%	30.61%	30.59%	30.58%
Tax	7.54%	8.93%	6.94%	7.65%	10.74%	10.72%	10.71%	10.71%	10.70%
Income after tax	16.32%	19.19%	21.48%	23.95%	19.94%	25.89%	33.62%	40.32%	48.37%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	16.32%	19.19%	21.48%	23.95%	19.94%	19.92%	19.90%	19.88%	19.87%

	As of 2008-09-27	As of 2009-09-26	As of 2010-09-25	As of 2011-09-24	As of 2012-03-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	11,875.00	5,263.00	11,261.00	9,815.00	9,815.00			10,121.00	12,546.36	24,048.73	47,351.19	80,880.41	126,661.74
Short term investment	10,236.00	18,201.00	14,359.00	16,137.00	18,417.00			18,417.00	18,417.00	18,417.00	18,417.00	18,417.00	18,417.00
Cash and Short term	22,111.00	23,464.00	25,620.00	25,952.00	28,538.00			28,538.00	30,963.36	42,465.73	65,768.19	99,297.41	145,098.74
Accounts Receivable	2,422.00	3,361.00	5,510.00	5,369.00	7,042.00			7,042.00	7,042.00	7,042.00	7,042.00	7,042.00	7,042.00
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	2,422.00	3,361.00	5,510.00	5,369.00	7,042.00			7,042.00	7,042.00	7,042.00	7,042.00	7,042.00	7,042.00
Total Inventory	509.00	455.00	1,051.00	776.00	1,102.00			1,102.00	1,102.00	1,102.00	1,102.00	1,102.00	1,102.00
Prepaid Expenses	475.00	309.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	2,207.00	2,270.00	5,083.00	6,543.00	7,303.00			7,303.00	7,303.00	7,303.00	7,303.00	7,303.00	7,303.00
Current Assets	27,724.00	29,859.00	37,264.00	38,640.00	43,985.00	0.00	0.00	43,985.00	46,410.36	57,912.73	81,215.19	114,744.41	160,545.74
PP&E, Gross	3,747.00	4,667.00	6,000.00	7,500.00	7,500.00			7,500.00	15,500.00	23,500.00	31,500.00	39,500.00	47,500.00
Change in Depreciation		734.00	1,027.00	1,814.00	1,814.00			1,814.00	2,358.20	3,065.66	3,985.36	4,782.43	5,738.92
Accumulated Depreciation	1,292.00	1,713.00	2,200.00	2,700.00	2,700.00			2,700.00	5,058.20	8,123.86	12,109.22	16,891.65	22,630.56
PP&E, Net	2,455.00	2,954.00	3,800.00	4,800.00	4,800.00			4,800.00	10,441.80	15,376.14	19,390.78	22,608.35	24,869.44
Goodwill	207.00	206.00	741.00	896.00	1,141.00	0.00		1,141.00	1,141.00	1,141.00	1,141.00	1,141.00	1,141.00
Intangibles	352.00	353.00	342.00	3,536.00	3,604.00			3,604.00	23,604.00	43,604.00	63,604.00	83,604.00	103,604.00
Long term investments	2,379.00	10,528.00	25,391.00	55,618.00	81,638.00			81,638.00	81,638.00	81,638.00	81,638.00	81,638.00	81,638.00
Other long term assets	772.00	1,905.00	2,263.00	3,556.00	4,992.00			4,992.00	4,992.00	4,992.00	4,992.00	4,992.00	4,992.00
Long Term Assets	6,165.00	15,946.00	32,537.00	68,406.00	96,175.00			96,175.00	121,816.80	146,751.14	170,765.78	193,983.35	216,244.44
Total Assets	33,889.00	45,805.00	69,801.00	107,046.00	140,160.00	0.00	0.00	140,160.00	168,227.16	204,663.87	251,980.97	308,727.77	376,790.18
Accounts Payable	5,520.00	5,601.00	12,015.00	14,632.00	17,011.00			17,011.00	17,011.00	17,011.00	17,011.00	17,011.00	17,011.00
Accrued Expense	1,320.00	1,293.00	1,593.00	2,428.00	2,790.00			2,790.00	2,790.00	2,790.00	2,790.00	2,790.00	2,790.00
Other current Liabilities	4,521.00	4,612.00	7,114.00	10,910.00	12,235.00			12,235.00	12,235.00	12,235.00	12,235.00	12,235.00	12,235.00
Total Current Liabilities	11,361.00	11,506.00	20,722.00	27,970.00	32,036.00	0.00	0.00	32,036.00	32,036.00	32,036.00	32,036.00	32,036.00	32,036.00
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	999.00	2,216.00	4,300.00	8,159.00	11,704.00			11,704.00	11,704.00	11,704.00	11,704.00	11,704.00	11,704.00
Minority Interest	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	1,514.00	2,139.00	2,370.00	3,627.00	4,696.00			4,696.00	4,696.00	4,696.00	4,696.00	4,696.00	4,696.00
Total Liabilities	13,874.00	15,861.00	27,392.00	39,756.00	48,436.00	0.00	0.00	48,436.00	48,436.00	48,436.00	48,436.00	48,436.00	48,436.00
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	7,177.00	8,210.00	10,668.00	13,331.00	14,850.00		0.00	14,850.00	14,850.00	14,850.00	14,850.00	14,850.00	14,850.00
Additional Paid-in capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	15,129.00	23,353.00	37,169.00	62,841.00	87,124.00		0.00	87,124.00	115,191.16	151,627.87	198,944.97	255,691.77	323,754.18
Treasury Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	-9.00	77.00	-46.00	443.00	524.00		0.00	524.00	524.00	524.00	524.00	524.00	524.00
Total Equity	22,297.00	31,640.00	47,791.00	76,615.00	102,498.00	0.00	0.00	102,498.00	130,565.16	167,001.87	214,318.97	271,065.77	339,128.18
Liability + Equity	36,171.00	47,501.00	75,183.00	116,371.00	150,934.00	0.00	0.00	150,934.00	179,001.16	215,437.87	262,754.97	319,501.77	387,564.18
Variance	-2,282.00	-1,696.00	-5,382.00	-9,325.00	-10,774.00			-10,774.00	-10,774.00	-10,774.00	-10,774.00	-10,774.00	-10,774.00
Debt/Equity	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	73.66	94.30	62.06	139.50	127.70			98.23	127.70	166.01	215.81	258.97	310.77
Inventory Turnover Days	4.96	3.87	5.88	2.62	2.86			3.72	2.86	2.20	1.69	1.41	1.17
Days Inventory Outstanding	7.65	6.47	9.70	4.40	4.76			6.24	4.76	3.66	2.82	2.35	1.96
Accounts Receivable Turnover	15.48	12.77	11.84	20.16	19.98			15.37	19.98	25.98	33.77	40.53	48.63
Accounts Receivable Turnover Days	23.58	28.59	30.83	18.10	18.27			23.74	18.27	14.05	10.81	9.01	7.51
Days Payable Outstanding	82.93	79.60	110.91	82.89	73.54			96.37	73.54	56.57	43.51	36.26	30.22
Days Sales Outstanding	23.58	28.59	30.83	18.10	18.27			18.10	23.74	18.27	14.05	10.81	9.01
Cash Conversion Cycle	-51.71	-44.54	-70.37	-60.39	-50.51			-72.02	-45.03	-34.64	-26.64	-23.10	-19.25
Net tangible assets/share					93.02				101.65	119.23	148.44	187.74	239.14

SN VALUATION

LBO Adjusted Proforma Cash Flow

	52 weeks ending 2008-09-27	52 weeks ending 2009-09-26	52 weeks ending 2010-09-25	52 weeks ending 2011-09-24	2011	2012	2013	2014	2015
Net Income	6,119.00	8,235.00	14,013.00	25,922.00	28,067.16	36,436.70	47,317.11	56,746.79	68,062.41
Depreciation	496.00	734.00	1,027.00	1,814.00	2,358.20	3,065.66	3,985.36	4,782.43	5,738.92
Net Income + Depreciation	6,615.00	8,969.00	15,040.00	27,736.00	30,425.36	39,502.36	51,302.47	61,529.22	73,801.33
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	398.00	1,040.00	1,440.00	2,868.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	538.00	736.00	903.00	1,168.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	2,045.00	-586.00	1,212.00	5,757.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-939.00	-2,149.00	141.00	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	-596.00	275.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	166.00	309.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	81.00	6,414.00	2,617.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	9,596.00	10,159.00	18,595.00	37,529.00	30,425.36	39,502.36	51,302.47	61,529.22	73,801.33
Capital Expenditures Expenditures	-1,199.00	-1,213.00	-2,121.00	-7,452.00	-8,000.00	-8,000.00	-8,000.00	-8,000.00	-8,000.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-6,990.00	-16,221.00	-11,733.00	-32,967.00	-20,000.00	-20,000.00	-20,000.00	-20,000.00	-20,000.00
Cash from Investing Activities	-8,189.00	-17,434.00	-13,854.00	-40,419.00	-28,000.00	-28,000.00	-28,000.00	-28,000.00	-28,000.00
Financing Cash flow items	633.00	188.00	345.00	613.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	483.00	475.00	912.00	831.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	1,116.00	663.00	1,257.00	1,444.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	9,352.00	11,875.00	5,263.00	11,261.00	10,121.00	12,546.36	24,048.73	47,351.19	80,880.41
Net Change in Cash	2,523.00	-6,612.00	5,998.00	-1,446.00	2,425.36	11,502.36	23,302.47	33,529.22	45,801.33
Ending Cash Balance	11,875.00	5,263.00	11,261.00	9,815.00	12,546.36	24,048.73	47,351.19	80,880.41	126,681.74
Capex to Revenue	3.20%	2.83%	3.25%	6.88%	5.68%	4.37%	3.36%	2.80%	2.34%
Depreciation to Sales	1.32%	1.71%	1.57%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	6.46%	7.83%	8.45%	4.96%	3.82%	2.93%	2.26%	1.88%	1.57%
Distributable FCF Yield	0.27%	-1.42%	0.93%	-0.56%	0.47%	2.25%	4.55%	6.55%	8.95%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	1,407.00	-7,275.00	4,741.00	-2,890.00	2,425.36	11,502.36	23,302.47	33,529.22	45,801.33

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	-1,446.00	2,425.36	11,502.36	23,302.47	33,529.22	45,801.33
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		0.00	0.00	0.00	0.00	0.00
Cash Balance		25952.00				
Interest @ 1.0%		259.52	259.52	259.52	259.52	259.52
Net Interest Expense/(Income)		(259.52)	(259.52)	(259.52)	(259.52)	(259.52)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		42920.73	55796.95	72536.03	87043.24	104451.88
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating					
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Apple Inc.

Ticker:

AAPL

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	16,363.00	18,353.00	16,542.00	11,949.00	14,374.36	25,876.73	49,179.19	82,708.41	128,509.74
Total Assets	33,889.00	45,805.00	69,801.00	140,160.00	168,227.16	204,663.87	251,980.97	308,727.77	376,790.18
X1	0.48	0.40	0.24	0.09	0.09	0.13	0.20	0.27	0.34
Retained Earnings	15,129.00	23,353.00	37,169.00	87,124.00	115,191.16	151,627.87	198,944.97	255,691.77	323,754.18
Total Assets	33,889.00	45,805.00	69,801.00	140,160.00	168,227.16	204,663.87	251,980.97	308,727.77	376,790.18
X2	0.45	0.51	0.53	0.62	0.68	0.74	0.79	0.83	0.86
EBITDA	8,327.00	11,740.00	18,385.00	33,790.00	42,920.73	55,796.95	72,536.03	87,043.24	104,451.88
Total Assets	33,889.00	45,805.00	69,801.00	140,160.00	168,227.16	204,663.87	251,980.97	308,727.77	376,790.18
X3	0.25	0.26	0.26	0.24	0.26	0.27	0.29	0.28	0.28
Market Value of Equity	540,212.21	540,212.21	540,212.21	540,212.21	515,922.59	492,725.11	470,570.66	449,412.34	429,205.37
Total Liabilities	13,874.00	15,861.00	27,392.00	48,436.00	48,436.00	48,436.00	48,436.00	48,436.00	48,436.00
X4	38.94	34.06	19.72	11.15	10.65	10.17	9.72	9.28	8.86
Net Sales	37,491.00	42,905.00	65,225.00	108,249.00	140,723.70	182,940.81	237,823.05	285,387.66	342,465.20
Total Assets	33,889.00	45,805.00	69,801.00	140,160.00	168,227.16	204,663.87	251,980.97	308,727.77	376,790.18
X5	1.11	0.94	0.93	0.77	0.84	0.89	0.94	0.92	0.91
Altman Z Score	26.48	23.41	14.67	9.23	9.13	9.09	9.06	8.90	8.75

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red