Financial Analysis Project

Apple Inc.

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The following paper is a Financial Analysis of Apple Inc.

I. Purpose and Scope

A. Objective of the Research

The objective of this paper is to thoroughly analyze Apple’s financial history and status for the last five years (2003 – 2007). Also, Apple’s future growth and financial stability for the next two years will be examined (forecast for 2008-2009). Other important topics will be discussed which include: the growth in net income, the growth in sales revenue, the growth in operating income, the growth in assets, and the growth in various and significant costs. Moreover, MVA, EVA, earnings per share, movements of the stock prices in the past, and the capital structure of Apple Inc will be examined. To support the analysis, different relevant ratios will be calculated for Apple Inc in order to estimate the company’s current status, and also to compare Apple Inc. to the computer industry and its major competitors – Dell and HP.

B. Data Sources

The main sources of financial information are the Apple’s Balance Sheet, the Income Statement, and the Cash Flow Statement. Apple’s last 10-K Report (2007) is used, which was directly pulled from the company website (www.apple.com/investor). Also, additional information is used from various reports and analysis provided by Thomson One – Business School Edition, and other websites like: Yahoo!Finance, , Reuters, Morningstar, Google Finance, Smart Money, and Zacks.

Based on the sources sited above, the following tables were extracted or created:

- Apple’s Balance Sheet
- Apple’s Income Statement
C. Research Methodology

The financial analysis of Apple Inc is based on evaluating company and industry data from various sources.

A trend analysis was performed using data for the last five years, and presented in Excel charts and tables.

A vertical analysis was performed, which also involved an industry comparison. Common-size statements were created, where each item was shown in percentage terms from a common base. In the case of a firm’s assets, I treated the total assets as equaling 100. All other assets were then calculated as a percent of total assets. In this way, the structure of the firm’s assets can be easily interpreted and compared with main competitors. For liabilities, total liabilities and equity were indexed to equal to 100. For the income statement, total revenue was indexed to equal 100, and all other figures were
calculated as a percent of these figures.

Finally, I computed various ratios for Apple Inc, and compared them to industry norms, and to Dell’s and HP’s. Numerous graphs were created using MS Excel to support the analysis.

II. Analysis of Financial Statements

Apple’s fiscal year always ends in the end of September, therefore the financial statements of a specific year represent the first three quarters (January – September) of the same year, and the last quarter (October – December) of the previous year.

A. Balance Sheet

1. Asset Growth

   - **Total Assets**: Since 2003 ($6,755 million), the amount of total assets almost quadrupled to $25,259 million in 2007 - 375% increase for the period. Respectively, during the years, the growth in total assets is: ¹

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</thead>
<tbody>
<tr>
<td>Growth in Total Assets</td>
<td>46.81%</td>
<td>51.35%</td>
<td>42.74%</td>
<td>17.90%</td>
<td>8.46%</td>
</tr>
</tbody>
</table>

¹ See Appendix 4: Apple’s Balance Sheet: Growth
In comparison to the main competitors, Apple’s Total Assets 5-year compound growth rate is much higher – 32.32%, compared to Dell’s: 12.12%, and HP’s: 5.08%.

- **Total Current Assets**: The amount of total current assets successively increased through the period: 9.26% in 2003, 19.84% in 2004, 46.00% in 2005, then slowed a little to 40.86 in 2006 due to a drop in cash and short-term investments growth, and increased again in 2007 to 51.33%.

2. Asset Structure

The following chart is based on Apple’s Asset Structure Common Size report.

In 2007 almost 87% of the Total Assets were Current Assets with only 1.73% in Inventories and 7.25% in Property, Plant & Equipment. As of 2007, Apple had $15.4 billion in cash, cash equivalents, and short-term investments, an increase of $5.3 billion over the same balance at the end of 2006. The principal components of this net increase were cash generated by operating activities of $5.5 billion, proceeds from the issuance of common stock under stock plans of $365 million and excess tax benefits from stock-based compensation of $377 million. These increases were partially offset by payments

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See Appendix 5: Comparative Historical Total Assets growth analysis
See Appendix 4: Apple’s Balance Sheet: Growth
See Appendix 6: Apple’s Asset Structure – Common Size
for acquisitions of property, plant, and equipment of $735 million and payments for acquisitions of intangible assets of $251 million. The Company's short-term investment portfolio is primarily invested in highly rated, liquid investments. As of 2007 and 2006, $6.5 billion and $4.1 billion, respectively, of the Apple’s cash, cash equivalents, and short-term investments were held by foreign subsidiaries and are generally based in U.S. dollar-denominated holdings. Apple’s existing balances of cash, cash equivalents, and short-term investments will be sufficient to satisfy its working capital needs, capital expenditures, outstanding commitments, and other liquidity requirements associated with its existing operations in the near future.

3. Liabilities and Equity Growth

- **Total Liabilities**: As shown at the chart above, the amount of Total Liabilities successively increased within the last five years due to the overall growth. Respectively, during the years, the growth in Total Liabilities is: \(^5\)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in Total Liabilities</td>
<td>48.55%</td>
<td>85.06%</td>
<td>35.11%</td>
<td>14.06%</td>
<td>18.71%</td>
</tr>
</tbody>
</table>

\(^5\) See Appendix 4: Apple's Balance Sheet: Growth
In contrast to the major competitors, Apple Inc doesn’t have any Long-term Debt for the period 2003-2007. Compared to the industry, Dell and HP for the last fiscal year of 2007, the growth in Apple’s Total Liability exceeds that of its competitors, respectively: Apple – growth of 48.55% versus the industry: 26%, Dell: 13% and HP: 16%.

- **Common Equity**: According to Apple’s Common Size Balance sheet\(^7\), Total Common Equity maintained a steady percentage through the years. Respectively, 57.53% in 2007; 58.03% in 2006; 65.68% in 2005; 63.74% in 2004; and 62.52% in 2003.

- **Retained Earnings**: For the analyzed period, Apple’s Retained Earnings grew from $2,394 million in 2003 to $9,101 million in 2007 (380% increase), due to overall growth in profit. For the last fiscal year of 2007, Apple’s Retained Earnings were 36% of the Company’s Total Liabilities and Equity, which is lower than the industry average of 43% and Dell’s 67%, but higher than HP’s: 25%\(^8\).

4. Financial Structure Analysis

![Financial Structure Chart](image)

In the period 2003-2007 Apple Inc had no debt outstanding in its capital, which ensures less financial risk than the industry aggregate. Also, company’s sufficient Equity

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\(^{\text{5}}\) See Appendix 7: Apple's Balance Sheet vs. Industry, Dell and HP: 1 year growth analysis

\(^{\text{6}}\) See Appendix 8: Apple's 5 Yr. Common Size Balance Sheet

\(^{\text{7}}\) See Appendix 9: Comparative Balance sheet margins - Common size for 2007
provides financial stability. Apple is able to finance its operations with only Current Liabilities in the main form of Accounts Payable. The company demonstrates strong independence from the financial markets because it doesn’t have any long-term obligations. Common Equity is stable during the analyzed years with an average of 61.5% for the period.

B. Income Statement

1. Income Statement Growth:

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales or Revenues</th>
<th>Cost of Goods Sold</th>
<th>Gross Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>5,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>10,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>15,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>20,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>25,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Revenues**: During the analyzed period the amount of Total Revenues increased successively, and by the end of 2007 it quadrupled since 2003. That shows a strong positive trend. In 2007 alone, Net Sales grew by 24%, which is much higher than the industry average of 18%, Dell’s 6%, and HP’s 14%\(^9\). This incredible growth in 2007 was due to the release of the iPhone in the middle of last year.

- **Cost of Goods Sold**: The amount of Cost of Goods Sold also successively increased through the years, which is directly related to the increase in total sales. Again, in 2007 the growth of Apple’s COGS was higher compared to the industry and its major

\(^9\) See Appendix 10: Comparative Income Statement: Growth vs. Industry, Dell, and HP
competitors: 10 (Apple’s: 15%; industry’s: 12%; Dell’s: 3%; and HP’s: 14%).

- **Gross Income:** The Gross Income also increased simultaneously to the Net Sales and represents a positive trend. In 2007, Apple Inc outperformed its rivals with a Gross Income growth of 46% 11 (industry: 35%; Dell’s: 22%, and HP’s: 14%).

![Income Growth Chart](chart.png)

- **Selling, General and Administrative Expenses:** According to the overall growth these expenses also increased during the analyzed period - from $1.683 million in 2003 to $3.745 million in 2007, which is a total increase of 123%. In comparison to the computer industry and the competitors, the growth in SG&AE for 2007 is as follows: 12 Apple: 19%; industry: 132%; Dell: 28%, and HP: 7%.

- **EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortization increased tremendously during the last five years - from $138 million in 2003 to $4,726 million in 2007. This huge growth supports Apple’s overall prosperity through the years.

- **Income Taxes:** The growth in the amount of income taxes reflects the growth in Apple’s operating income. As seen from the chart above, Income Taxes successively increased to $1.512 billion in 2007.

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10 See Appendix 10: Comparative Income Statement: Growth vs. Industry, Dell, and HP
11 See Appendix 10: Comparative Income Statement: Growth vs. Industry, Dell, and HP
12 See Appendix 10: Comparative Income Statement: Growth vs. Industry, Dell, and HP
• **Net Income:** For the last five years Apple’s Net Income increased almost 5,000% - from a low of $69 million in 2003 to a high of $3,496 million in 2007. The growth rate in 2007 was 76%, which is much higher than Dell’s and HP’s of 14% and 17% respectively\(^{13}\).

In summary, Apple’s revenues and costs were successively increasing through the analyzed period, which leads to an increasing EBITDA and Net Income respectively. Overall, Apple’s growth profit is above the industry average and the major competitors.

C. Cash Flow Statement

- **Net Cash Flow from Operating Activities:** The net cash flow from operating activities has been on the rise since 2003 with a slowdown in 2006 (negative growth of 12.43%). The total increase for the last five years is 1800%\(^{14}\) (from $289 million in 2003 to $5.47 billion in 2007). During the last year, Apple had more net cash flow from operating activities than the industry average of $3,836 million, and Dell’s $3,949 million, but less than HP’s $9,615 million\(^{15}\).

- **Net Cash Flow from Investing Activities:** Trend analysis shows that the overall growth

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\(^{13}\) See Appendix 10: Comparative Income Statement: Growth vs. Industry, Dell, and HP  
\(^{14}\) See Appendix 3: Apple inc, Cash Flow Statement  
\(^{15}\) See Appendix 11: Comparative Cash Flow Statement vs. Industry, Dell, and HP
in Net Cash from Investing Activities was 67% for the last 5 years. Common size
analysis shows the percentages of net investing activities:

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<tbody>
<tr>
<td>Capital Expenditures</td>
<td>23%</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
<td>-20%</td>
</tr>
<tr>
<td>Net Assets from acquisitions</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Decrease in Investments</td>
<td>290%</td>
<td>360%</td>
<td>360%</td>
<td>131%</td>
<td>-436%</td>
</tr>
<tr>
<td>Disposal of Fixed Assets</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Other Use (source)- investing</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>-4%</td>
</tr>
<tr>
<td>Net Cash From Investing Activities</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

• **Net Cash Flow from Financing Activities:** This figure continuously rose from $27 million in 2003 to $739 million in 2007. Compared to the industry and the major competitors for 2007, Apple’s Cash Flow from Financial Activities is a positive number: $739 million vs. -$1.575 billion for the industry; Dell’s: -$4.12 billion, and HP’s: -$5.599 billion.

• **Net Change in Cash:** Every year except 2004 (-$427 million), Apple Inc generated a positive Net Change in Cash. In 2007 the change of $2.96 billion was the highest in the last five years. For the same year, Apple’s competitors had a negative change in cash - $1.782 billion and -$5.107 billion for Dell and HP respectively. Industry average for that year was -$627 billion net change in cash.

• **Free Cash Flow:** At the end of 2007, Apple’s free cash flow per share was lower

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16 See Appendix 3: Apple’s Cash Flow Statement.
17 See Appendix 11: Comparative Cash Flow Statement vs. Industry, Dell, and HP
18 See Appendix 3: Apple’s Cash Flow Statement
19 See Appendix 11: Comparative Cash Flow Statement vs. Industry, Dell, and HP
(3.83) than the industry average (6.75), but higher than Dell’s (1.46) and HP’s (2.58)\textsuperscript{20}.

D. Financial Statement Ratios

1. Liquidity Ratios:

- **Current Ratio and Quick Ratio:** Trend analysis reveals that both ratios were relatively steady during the first three years of the analyzed period, and then both declined a little during 2006 and 2007\textsuperscript{21}. Common size analysis for the last year shows that both ratios were above the industry average, Dell’s and HP’s\textsuperscript{22}. That is a positive sign, meaning that Apple had no problem meeting its short-term obligations.

2. Asset Management Ratios:

\textsuperscript{20}See Appendix 11: Comparative Cash Flow Statement vs. Industry, Dell, and HP
\textsuperscript{21}See Appendix 12: Apple’s 5-year Average Ratio Report
\textsuperscript{22}See Appendix 13: Comparative Annual Key Financial Ratios
• **Inventory Turnover:** As it can be seen from the chart above, Apple’s inventory turnover ratio is declining over the years, which is a negative sign because the company is holding excess inventory, which may lead to lower returns. However, compared to the computer hardware industry in 2007, Apple’s inventory was turned as twice as frequently, which is an excellent indicator.  

• **Days Sales Outstanding (DSO):** Apple’s DSO ratio declined from 39 days in 2003 to only 22 days in 2007. That again is an excellent tendency; also, this ratio is much lower compared to Dell’s: 37 days and HP’s: 51 days.

• **Fixed Asset Turnover:** This ratio was moving between 9.6x and 18.4x during the last five years with a tendency to increase. In comparison to its competitors for 2007, Apple’s fixed asset turnover ratio was 15.4 times vs. 26 times for Dell, and 14.2 for HP.

• **Total Asset Turnover:** During the analyzed period, this ratio was very steady for Apple - between 0.99 and 1.05 times. In 2007 this ratio was lower than the industry average: 1.5, Dell’s: 2.26, and HP’s: 1.19 times.

3. **Debt Management Ratios:**

Since Apple Inc did not have any long-term debt for the period 2003-2007, the debt management ratios are not meaningful. The company did not use any financial leverage to raise funs during the analyzed period. This speaks for the very strong financial independence of Apple Inc.

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23 See Appendix 13: Comparative Annual Key Financial Ratios
24 See Appendix 13: Comparative Annual Key Financial Ratios
25 See Appendix 13: Comparative Annual Key Financial Ratios
4. Profitability Ratios:

These ratios are based on 5-years average data²⁶.

**Gross Profit Margin:** This ratio is very steady during the analyzed period with a slightly positive trend to rise. As of 2007, Apple’s profit margin (33.97%) was above the industry average (24.56%), Dell’s (19.00%), and HP’s (23.60%)²⁷. This is a strong indicator that Apple Inc is a well profitable company, and it outperforms its rivals.

**Return on Assets (ROA):** At first, this ratio declined during 2004 and 2005, and then began to rise in 2006 and 2007. Compared to the industry and its rivals, Apple’s ROA is above their values, which speaks for the efficient manner Apple Inc is using its assets to generate earnings. For the last year, Apple’s ROA was 16.47% vs. industry: 7.4%, Dell: 11.41%, and HP: 9.05%²⁸.

**Return on Equity (ROE):** The same trend is true for this ratio. In 2007 Apple’s ROE reached 16.5% - the highest level in the period.

²⁶ See Appendix 12: Apple’s 5-year Average Ratio Report
²⁷ See Appendix 13: Comparative Annual Key Financial Ratios
²⁸ See Appendix 13: Comparative Annual Key Financial Ratios
5. Market Value Ratios:

1. Per Share Data:

- **Earnings per Share (EPS):** Apple’s earnings per share grew from $0.1 in 2003 to $3.93 in 2007\(^{29}\), which shows a strong positive trend.

- **Book Value per Share:** This value also increased successively during the analyzed period and reached its maximum at $19.12 per share at the end of 2007.

- **Cash Flow per Share:** Apple’s cash flow per share increased by 200% during the last five years (from 0.22 in 2003 to 4.66 in 2007)\(^{30}\). That is a strong positive trend.

2. Market Value Ratios:

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\(^{29}\) See Appendix 12: Apple’s 5-year Average Ratio Report

\(^{30}\) See Appendix 12: Apple’s 5-year Average Ratio Report
• **Current Price to Earnings Ratio:** Apple’s P/E ratio was constantly falling since 2003 (57.76) to 30.74 in 2006, and then it rose to 43.44 in 2007. However, in comparison to the industry average of 16.5 for the last year, and other major competitors: Dell’s 14.56, and HP’s 16.39, Apple’s P/E ratio was much higher. This is an indicator for Apple’s positive growth prospects.

• **Price to Cash Flow Ratio:** The same trend is true for Apple’s P/CF ratio. Again, for 2007 this ratio (Apple’s: 38.15) was higher compared to the industry average of 10.14, Dell’s: 10.43, and HP’s: 10.80. Again, this suggests that Apple’s growth prospects are above average.

• **Market to Book Ratio:** Apple’s M/B ratio was continuously on the rise since 2003 (1.8) to 2007 (11.9), which is a positive trend. Compared to the industry average of 4.72, Apple’s M/B ratio is much higher. Same is true when comparing to Dell: 10.54, and HP: 3.01. This suggests that on the average investors were willing to pay more for Apple’s stocks than for its rivals.

E. Other important values

• **Tax Rate:** Apple’s effective tax rate for the year ended September 29, 2007 was 30%. The Company’s effective rate differs from the statutory federal income tax rate of 35% due primarily to certain undistributed foreign earnings for which no U.S. taxes are provided because such earnings are intended to be indefinitely reinvested outside the U.S.

• **Weighted Average Cost of Capital (WACC):** Apple’s WACC equaled its cost of equity since the company carried no long-term debt. I apply the Capital Asset Pricing Model

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*See Appendix 13: Comparative Annual Key Financial Ratios

*See Appendix 13: Comparative Annual Key Financial Ratios
(CAPM) to calculate the cost of equity. The following data for 2007 was used:

Risk free rate = 10-year Treasury bond = 4.5%, Market risk premium = 4%, Apple’s beta = 1.75. Therefore, applying CAPM approach, I get:

WACC = Apple’s Cost of Equity = 4.5% + (4%)*1.75 = 11.5%

• **Market Value Added (MVA):** Apple’s MVA for 2007 is found using the following data:

Number of common shares outstanding: 872.33 million; Current stock price: $168.08 per share; Investors supplied capital is the sum of Apple’s book values for Equity ($14,532 million), Debt and Preferred stock (Apple did not have any Debt nor preferred stock for 2007). Therefore, Apple’s 2007 MVA was:

$$872.33 \times \$168.08 - (\$14,532 + 0 + 0) = \$146,621.23 - \$14,532 = \$132,089.23 \text{ million}$$

This amount represents the difference between the money Apple’s shareholders have invested in the company since its founding – including retained earnings – versus the cash they could get if the company was sold at that point.

• **Economic Value Added (EVA):** The following data from Apple’s Balance Sheet was used to calculate the company’s EVA for 2007:

$\text{EBIT} = \$4,409 \text{ million}; \text{Tax Rate} = 30\%; \text{Cash & Equivalents} = \$9,352 \text{ million}; \text{AR} = \$4,029 \text{ million}; \text{Inventories} = \$346; \text{Net Property, Plant & Equipment} = \$1,832 \text{ million}; \text{AP} = \$4,970$; Company’s WACC as found earlier = 11.5%; Calculations follow:

$$\text{EVA} = \text{EBIT}*(1-\text{Tax Rate}) - (\text{Total Net Operating Capital})*(\text{WACC})$$

Apple’s EVA = $\$4,409*(1-0.3) - (\$9,352 + \$4,029 + \$346 + \$1,832 - \$4,970)*11.5 = \$1,868.56 \text{ million}$

This amount measures the extent to which Apple Inc has increased shareholder value.

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*a Values are as of September 2007, found from yahoo.finance.com*
• **Stock Price:**

As it can be seen from the chart analysis above, Apple’s stock price was constantly increasing during the analyzed period. The total increase was close to 1,400% (from $10.85 at the end of September 2003 to $153.47 at the end of September 2007)\(^3\). Compared to its rivals for the same period, Apple’s stock literally soared versus Dell and HP, which were crawling at the bottom of the chart.

• **Macroeconomic Variables:**

Many macro-economic factors, which are beyond the company’s control, may affect Apple’s financial conditions and operating results. The company is subject to risks associated with laws, regulations, and industry standards.

Economic conditions, political events, tax laws, inflation, unemployment rates, etc. can adversely affect company’s operations. Also, considering the fact that the company derives a large portion of its revenue from abroad, Apple’s business is subject to the risk of international operations. In this respect, changes in the value of the U.S.

\(^3\)Values were pulled from ThomsonOne.com
dollar vs. local currencies play a major role. Apple’s financial results can be significantly affected in the short-term by fluctuations in exchange rates.

Changes in the U.S. interest rates also affect the interest earned on the company’s cash, cash equivalents, and short-term investments and their value. With the current economic slowdown in the U.S., Apple is exposed to a higher credit risk on its accounts receivable, and prepayments related to long-term supply agreements.

The stock market as a whole may experience (as it happened in the past) extreme price and volume fluctuations that may affect Apple’s market price, regardless of its operating performance.

III. Results

A. Major and Minor Finding

Based on the findings in the trend and common size analysis, Apple’s overall performance is above average.

Analysis of company’s Balance Sheet showed that Apple’s growth in Total Assets, Common Equity, and Retained Earnings was above industry average.

Analysis of company’s Income Statement showed that Apple’s growth in Net Sales, and Gross Income was above its competitors.

Analysis of company’s Cash Flow Statement showed that Apple’s Net Cash Flow from Operating Activities was above the industry average, and that resulted in a positive Net Change in Cash.

B. Conclusions

Based on the performed analysis, Apple Inc is financially healthy and strong. The company’s growth has been extraordinary during the past five years. Apple is able to
finance its operations by current liabilities only. Its financial structure is outstanding with 100% Equity. Apple Inc does not have any long-term debt, which makes the company very financially independent. Revenues and Net Income are increasing each year. Retained Earnings reached $9.101 billion in 2007, which is an indicator for the financial power of Apple. Due to the fact that sales are constantly increasing, and backed by $9.352 billion (2007) in Cash and equivalents, the company can afford future acquisitions.

During the years, Apple has substantially improved in its key measures of profitability. In terms of ROA, ROE, and profit margins, Apple strengthened financially and now has better ratios than its competitors and the overall computer hardware industry.

Based on the facts presented above, it may be concluded that Apple Inc is performing better than the industry average, including Dell, and HP. This dramatic success in performance is primarily due to the increase in sales from iPod product line, and most recently from iPhone sales.

C. Projections

The future for Apple Inc looks great. The company has significant momentum in its favor: massive brand power, innovative product design, and a strong portfolio that leverages individual products to boost demand of other products.

I believe that Apple will continue in the future without a long-term debt. I also assume that there will be no significant change in capital expenditures and net working capital.
Due to the constant development of innovative technologies, it is highly likely that Apple’s revenues will continue to grow in the future. Using ThomsonOne, I have forecasted that the revenues will grow by 36% in 2008 to $32.6 billion (from $24.006 billion in 2007) and by additional 20% in 2009 to $39.068 billion.

I will expect Apple Inc to demonstrate higher earning margins than its competitors in the next few years, as they are moving into small consumer electronics, as well as remaining in the lower margin personal computer sector.

I don’t foresee a major drop in Apple’s stock price in the near future. Instead, I believe that Apple’s stock price will continue to grow, reflecting the high future growth and profitability expectations.

I feel that Apple Inc will continue to succeed in the future, and will continue to outperform its peers.
IV. Works Cited

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V. Appendices:

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