Ticker
aapl

Company info	
Name	Apple Inc.
Industry	Personal Computers
Market Cap (mil)	$488,530

Score	
80	out of 100

Fair Value
$1,089

Fundamentals	
Return on Equity	20
Debt/Equity	15
Bookvalue	15
Current ratio	5
Net margin	10
P/E ratio	10
Growth rate	0
PEG ratio	5

Price info	
Fair Value estimate is	Unreliable
Current price	$519.33
Undervalued	110%

Creation date:
12/22/2012 13:09:00

Inputs

Conservatism inputs	
Desired return on investment	50%
Margin of Safety	25%
Discount rate	9%
Growth decline rate	5%
Year 10 FCF multiple	12

Valuation inputs	
Price	$519.33
EPS	$ 44.16
Dividend Yield	2.00%
Past 5 years EPS growth per year	70.83%
Next 5 years EPS growth per year	20.67%
Sustainable Growth Rate	34.59%
Shares outstanding (mil)	940.69
Cash and Short Term Investments	$29,129.00
Cash from Operating Activities	$ 50,856.00
Capital Expenditures	-$9,402.00
Current ratio	1.5

[1]	AVG P/E	PRICE/ SALES	PRICE/ BOOK	NET PROFIT MARGIN (%)
9/12/2012	11.9	4.0	5.3	26.7
9/11/2012	12.4	3.5	4.9	23.9
9/10/2012	15.1	4.1	5.6	21.5
9/9/2012	13.3	3.9	5.2	19.2
9/8/2012	24.0	3.1	5.1	16.3
9/7/2012	26.5	5.6	9.2	14.2
9/6/2012	29.2	3.5	6.6	10.3
9/5/2012	24.1	3.3	6.0	9.5
9/4/2012	38.8	1.7	2.9	3.2
9/3/2012	89.8	1.2	1.8	1.1

[1]	BOOK VALUE/ SHARE	DEBT/ EQUITY	RETURN ON EQUITY (%)	RETURN ON ASSETS (%)	INTEREST COVERAGE
9/12/2012	125.9	0.0	35.3	23.7	0.0
9/11/2012	82.5	0.0	33.8	22.3	0.0
9/10/2012	52.2	0.0	29.3	18.6	0.0
9/9/2012	35.2	0.0	26.0	17.3	0.0
9/8/2012	25.1	0.0	27.4	16.9	0.0
9/7/2012	16.7	0.0	24.1	13.8	0.0
9/6/2012	11.7	0.0	19.9	11.6	0.0
9/5/2012	8.9	0.0	17.9	11.5	0.0
9/4/2012	6.5	0.0	5.2	3.3	104.3
9/3/2012	5.8	0.1	1.6	1.0	-0.1

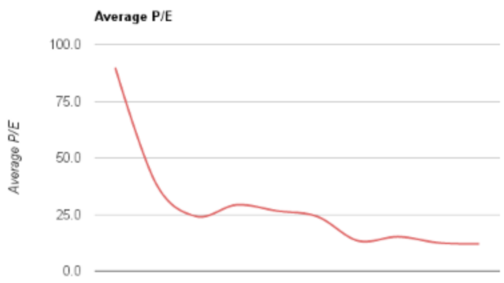
Analysis

Variable	Value	Judgement	Comments
Return on Equity	35.3	Good	Return on Equity is consistently high, firm capital invested profitably
Debt/Equity	0.00	Good	Firm not dependent on loans, low interest rate risk
Conservative PEG ratio	1.01	Average	Could be some potential
P/E ratio	11.76	Good	Currently trading at a multiple below the historic median
Net margin	Stable/Increasing	Good	Firm is becoming more efficient and/or is able to increase its prices
Bookvalue per share	Stable/Increasing	Good	Firm is creating value
Next 5yr EPS growth rate	20.67%	Relatively low	Growth rate significantly below historic rate, is there something slowing this firm down?
Current ratio	1.5	Average	Firm is able to pay its obligations
Fundamentals OK?		**Yes**	

Value versus Price			
Fair value estimate	**$1,089.22**	Unreliable	The two valuation methods yield significantly different results, estimate unreliable
Current price	$519.33		
Desired return on investment	50.00%		
Undervalued	**109.73%**		

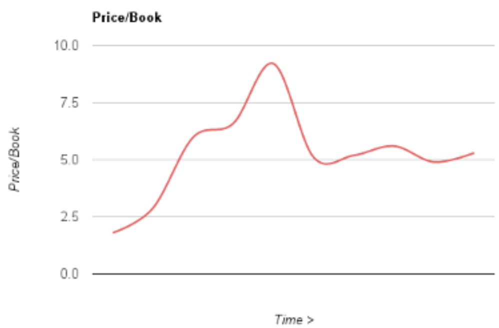
Some fundamentals are not optimal and/or the fair value estimate is too low or unreliable. Further research must be done to see if this is really where you want to put your money, but the best option is probably to wait or look for better opportunities.

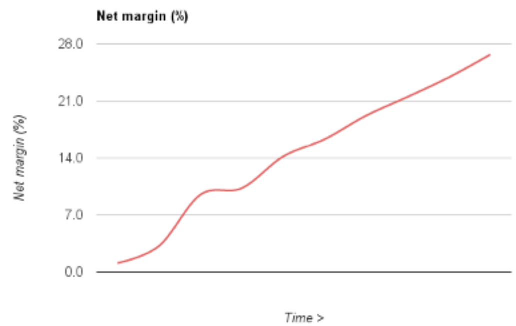
Graphs


Average P/E
100.0
75.0
50.0
25.0
0.0
Average P/E

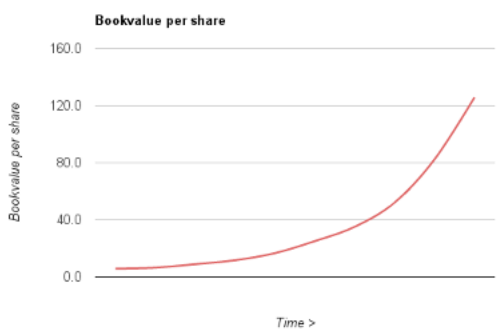

Price/Sales
6.0
4.5
3.0
1.5
0.0
Price/Sales
Time >


Return on Assets
24.0
18.0
12.0
6.0
0.0
Return on Assets
Time >


Price/Book
10.0
7.5
5.0
2.5
0.0
Price/Book
Time >


Net margin (%)
28.0
21.0
14.0
7.0
0.0
Net margin (%)
Time >


Return on Equity
40.0
30.0
20.0
10.0
0.0
Return on Equity
Time >


Bookvalue per share
160.0
120.0
80.0
40.0
0.0
Bookvalue per share
Time >


Debt/Equity
0.1
0.1
0.0
0.0
0.0
Debt/Equity
Time >

P/E valuation

$755

Inputs	
Price	$519.33
EPS	$44.16
Median historical P/E	13.30
Expected growth rate	20.67%
Margin of Safety	25%
Conservative growth rate	15.50%
Growth decline rate	5%
Discount rate	9%

Calculations	
Year	EPS*Growth rate
1	$51.01
2	$58.91
3	$67.59
4	$77.05
5	$87.29
Value in 5 years	$1,160.91
Present value	$754.51

DCF valuation

$1,424

Inputs	
Total cash (mil $)	$29,129.00
Free cash flow (mil $)	$41,454.00
Shares outstanding (mil)	940.69
Expected growth rate	20.67%
Margin of Safety	25.00%
Conservative growth rate	15.50%
Growth decline rate	5.00%
Discount rate	9.00%
Valuation last FCF	12

Calculations			
Year	FCF * Growth rate	NPV FCF	COH * Growth rate
1	$ 47,880.41	$ 47,880.41	$ 29,129.00
2	$ 54,931.93	$ 50,396.27	$ 33,418.94
3	$ 62,617.46	$ 52,703.87	$ 38,094.58
4	$ 70,940.24	$ 54,778.88	$ 43,157.91
5	$ 79,897.78	$ 56,601.60	$ 48,607.41
6	$ 89,481.95	$ 58,157.13	$ 54,438.13
7	$ 99,679.10	$ 59,435.39	$ 60,641.77
8	$ 110,470.33	$ 60,431.05	$ 67,206.83
9	$ 121,831.84	$ 61,143.29	$ 74,118.83
10	$ 133,735.35	$ 61,575.47	$ 81,360.57

Total NPV FCF	$ 563,103.35	
Year 10 FCF value	$ 738,905.65	
NPV Cash on Hand	$ 37,460.67	+
Company value:	$ 1,339,469.67	

1. http://investing.money.msn.com/investments/key-ratios?symbol=aapl&page=TenYearSummary