

Angelo Zino, CFA

GICS Sector: Information Technology
Sub-Industry: Technology Hardware, Storage and Peripherals

Analyst View

Our recommendation is 4-STARS (Buy). This reflects our view of AAPL's ecosystem, on-device AI prospects, greater cash return to shareholders, and an expanding addressable market. We think the iPhone 17 cycle, which saw 23% growth in the Dec-Q (AAPL guiding to 13%-16% growth in the Mar-Q), demonstrates the strong upgrade cycle from consumers across all geographic regions, partly reflecting an aging installed base. We believe the Google partnership is cost effective and signals AAPL's intent to aggressively compete by leveraging best-in-class foundational models to power its user-facing AI features. Despite recent gross margin expansion and the ability for AAPL to guide for a 48%-49% gross margin in the Mar-Q (up from the high 30s about six years ago and compares with 48.2% in the Dec-Q), memory price inflation likely points to margin expansion stalling out thereafter. Still, we forecast further upside to average selling prices as a foldable device is launched while margins offer long-term upside above 50%. We like AAPL's attractive pipeline (e.g., AI, foldables, spatial computing, health care, and a shift toward hardware-as-a-service).

Tim Cook's desire to stay. Tim Cook discussed several topics during an ABC news interview on March 17. Most important, he seems to have thrown cold water on retirement speculation, saying he "can't imagine life without Apple." We believe Cook's commitment to staying, at least for the time being, is reassuring given AAPL's pivotal year with the foldable iPhone and AI integration efforts expected this year. We previously viewed a potential Tim Cook retirement as one of our biggest near-term concerns, as he has been among the best with navigating the inconsistencies of the Trump administration and handling the Chinese government relationship. We now place high odds that Cook will stay through CY 2027, with John Ternus still the eventual successor. Ternus is SVP of Hardware Engineering, known for leading the M-series chip transition and iPhone hardware. The comments are also refreshing given the significant high level executives that have stepped down over the last 12-18 months (e.g., COO Jeff Williams, CFO Luca Maestri, and AI chief John Giannandrea).

iPhone demand is tracking well while China is driving upside. We estimate mid-teens iPhone growth for Mar-Q, building upon the 23% pace in the Dec-Q. Although we expect growth rates to decelerate toward the tail end of the cycle (Jun-Q and Sep-Q) given tougher comparisons, we see iPhone demand being sustained through CY 2027 as new iPhone form factors (foldables) and AI integration have the potential to sustain hardware momentum. We believe that average selling prices are benefiting from the addition of the Air to the line-up (\$100 more than Plus) and a \$100 bump in the Pro version in the current cycle. With replacement cycles approaching five years, memory increases, and camera content boosts, we do believe consumers seem inclined to upgrade in this cycle (and next), more so than at any time in the last four years. The devices also help cater to content creators. As AAPL gets the AI story right in CY 2026 and unveils a foldable device, we think the China consumer is likely to continue to upgrade and shift to the AAPL ecosystem. Although we are optimistic about an improving China market, we also caution about uncertainty as U.S.-China trade negotiations could turn sour at any point and throw risk into a sustained China recovery. Key Apple Intelligence upgrades, once rolled out, will help support incremental consumer upgrades over time, fueled by loyalists and an aging installed base, with AI being more evolutionary than cyclical.

We see Services growth at an appealing 12%-15% annualized pace. Long term, we see the key factors for Services growth as follows: 1) AAPL's massive installed base, which has eclipsed 2.5B devices; 2) increasing frequency of services from its existing base (greater overall wallet share); and 3) new potential offerings. More specifically, we see improving App Store/gaming/digital ad growth and rising subscription offerings (over 1B paying members) in Apple Music and Fitness+, among other services. Once AAPL has more broadly launched AI across its biggest regions, we think it could potentially look to offer AI services through a pricing plan (either stand-alone or bundled) to consumers. We are encouraged that AAPL will be able to continue generating significant revenue from GOOGL (likely at lower levels than prior terms), strike new partnerships with other search vendors, and consider adding new AI engines (ChatGPT, Gemini, Perplexity) in the coming years. As it stands, we expect to see previously promised Siri integration across the App Store in the coming months (allowing developers to create new AI apps, helping the iPhone become the ultimate AI assistant for consumers). Successful AI execution propels potential upside to both Services (e.g., AI deals potentially with GOOGL for Gemini/other AI

INVESTMENT RATING

BUY



Since August 02, 2017

Previous Rating Strong Buy (USD 39.29 *)

12-Month Target Price

USD 310.00

Price (as of market close Mar 20, 2026)

USD 247.99

Analyst Risk Assessment**

LOW

*Close price on day of STARS change, adjusted for splits
 **See below for more details

Revenue and Earnings Data

	REVENUE (Million USD)					EARNINGS PER SHARE (USD)					
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year	
2027	E 152,270	E 116,512	E 110,720	E 120,164	E 499,665	2027	E 2.96	E 2.10	E 2.01	E 2.30	E 9.36
2026	143,756	E 108,272	E 101,352	E 111,053	E 464,434	2026	2.84	E 1.98	E 1.73	E 2.00	E 8.55
2025	124,300	95,359	94,036	102,466	416,161	2025	2.40	1.65	1.57	1.85	7.46
2024	119,575	90,753	85,777	94,930	391,035	2024	2.18	1.53	1.40	1.64	6.75
2023	117,154	94,836	81,797	89,498	383,285	2023	1.88	1.52	1.26	1.46	6.13

Fiscal Year ended Sep 30. EPS Estimates based on CFRA's Operating Earnings; historical earnings are adjusted. In periods where a different currency has been reported, this has been adjusted to match the current quoted currency.

platforms, greater App Store sales) and Hardware (e.g., reduced smartphone replacement cycle time).

We expect AAPL to announce at least a \$110B buyback and 4% dividend hike in late April/early May given stronger than expected FCF growth. We think FCF will be over \$130B in FY 26 (Sep.) and \$150B in FY 27 (up from \$99B in FY 25). We note that net cash stands at \$54B (AAPL aims to be net cash neutral), and we see aggressive share repurchases. As of end-December 2025, we calculate that AAPL has returned over \$1T of cash to shareholders, and note that the company began returning cash in CY 12. On May 1, 2025, AAPL announced a \$100B share authorization program and hiked its dividend by 4%. We expect AAPL to stay aggressive with buybacks (we see a 0.5% to 0.75% quarterly share reduction; share count down 44% since CY 12).

We see addressable market expansion on the hardware side, as AAPL's pipeline includes opportunities in AI, spatial computing, foldables, and expansion into the health care arena. Despite generating over \$400B in annual revenue, we think AAPL has many levers remaining to grow the top line. AI should inject new growth opportunities for the company, not only within existing hardware/services (e.g., higher iPhone 17 revenue, subscriptions, licensing revenue from partnerships, new apps, higher ad revenue, etc.), but also with new emerging devices (for instance, hardware inside the home). On the spatial computing front, a \$3,500 price point for the Vision Pro did not garner much enthusiasm from consumers, but we believe that by the end of CY 2026, AAPL will be in the market with wearables glasses at lower price points that could cater to buyers. We think foldable devices will eventually become a reality for AAPL, and while they may not significantly boost unit sales, they should support higher average selling prices and revenue potential. In addition, AAPL could be working on secret products that have not yet been leaked, while some massive breakthrough in health care technology could support growth in an existing business.

Google Gemini integration will help AAPL succeed in bringing AI to the consumer. On January 12, AAPL confirmed Google Gemini will power the next-generation Siri launching later this year, marking a significant shift in Apple's AI strategy. The company stated that Google's technology provides the most capable foundation for Apple Foundation Models, enabling more advanced capabilities than AAPL's own model could deliver. This partnership extends beyond Siri to encompass a broader range of Apple Intelligence features, representing a strategic decision to leverage external AI expertise. The enhanced Siri, potentially coming alongside iOS 26.4 in March or April, will offer improved personal context understanding, on-screen awareness, and deeper app integration. We believe this collaboration positions AAPL to compete more effectively in the AI-powered assistant market, though it also highlights the company's current limitations in developing cutting-edge AI models internally. Separately, Elon Musk voiced his displeasure (citing "an unreasonable concentration of power for Google" as it also has Android/Chrome). We think this sets AAPL up nicely to better integrate AI across its ecosystem and market a more powerful iOS/App Store to consumers when it unveils the iPhone 18 this fall.

We expect emerging markets to support long-term growth. Growth in emerging markets will be able to offset extending replacement cycles over time, with India being a market where we believe AAPL will be able to capture a 20% share position in the long run. We also note the growing importance of India to AAPL's manufacturing strategy, as we think AAPL could look to produce nearly all U.S.-needed iPhones from India by the end of CY 2026 to reduce tariff exposure.

The Google search monopoly outcome was a positive for AAPL. In the Google search monopoly case, Judge Mehta ruled that Alphabet Inc. (GOOGL 311 ****) can continue making payments to preload its search engine on iPhones. While the terms bar GOOGL from exclusive contracts requiring its search engine as the sole default option, the ruling permits non-exclusive revenue-sharing agreements, leaving room for AAPL and GOOGL to negotiate new deals, which we think will entail choice screens. We view the court ruling as a major win for AAPL's high-margin services business, as AAPL will be able to continue generating significant revenue from GOOGL (likely at lower levels than prior terms), strike new partnerships with other search vendors, and consider adding new AI engines (ChatGPT, Gemini, Perplexity) in the coming years. Still, AAPL likely does not have to do anything for now, as an appeals process will likely trickle into CY 2027.

Risks. Tariff impacts from a broader economic perspective, China market challenges, and Services growth deceleration are the key risks to our view. Product launches, replacement cycles, and competitive pressures also pose risks. In addition, any significant loss of key members of management (e.g., CEO Tim Cook) would be a risk that AAPL would have to navigate.

Valuation

CFRA's P/E-based target price is \$310. Our 12-month target price is derived by utilizing a P/E of 32.5x our CY 2027 view of \$9.56, which compares to its three- and five-year historical forward average of 28x-29x and reflects opportunities tied to AI as well as a likely shift to foldables in late CY 2026/CY 2027. We see four key reasons why AAPL's premium is warranted: 1) an aging installed base, 2) broadening AI features/geographic availability to support upgrades (China is key) and allow AAPL to raise prices, 3) AI monetization through greater Services, and 4) a strong pipeline not reflected in estimates. AAPL's more asset-light business model allows it to generate profits/FCF from AI at an attractive ROI.

Our discounted cash flow (DCF) analysis supports our Buy view. Our DCF is based on a beta of -1.0, terminal growth of 3%, and a WACC of 7%. Our terminal growth value assumes that AAPL will be able to continue to generate healthy FCF through new products, margin expansion, and Services contribution.

Financial Highlights

We expect sales to rise 12% in FY 26 and 8% in FY 27 after a 6% increase in FY 25. Revenue grew 16% to \$143.8B in the Dec-Q, well ahead of expectations for an 11% increase. Demand was supported by better-than-expected iPhone demand, specifically in China, which drove much of the surprise relative to our expectations. The Mac business saw revenue decline to \$8.4B (-7% Y/Y), on tough comparisons, while iPad showed growth of 6%. Wearables, Home and Accessories fell 2%, while Services were a bright spot (+14%).

iPhone revenue exceeded expectations on a welcoming China surge. AAPL posted iPhone revenue of \$85.3B in Dec-Q (+23% Y/Y), which beat our view for a 10%-

11% increase. The growth AAPL has seen during the early days of the iPhone 17 cycle is the best growth pace the company has posted since the iPhone 12 cycle, when it launched 5G and had the pandemic as catalysts. Geographically, the quarter showed remarkable strength, particularly in Greater China, where revenue surged 38% Y/Y to \$25.5B. This represents a change from the Y/Y percentage declines in eight of the last nine quarters. We will await commentary from management on the call to see whether this trend is sustainable for Mar-Q. Other regions also performed well, with Europe growing 13% Y/Y to \$38.1B and Rest of Asia-Pacific up 18% Y/Y to \$12.1B. The Americas remained solid, with 11% Y/Y growth to \$58.5B.

Services were in line with our view, growing 14% Y/Y. The consistent low-teens growth pace is no surprise and a trend we expect AAPL to point to again on its earnings call. The key factors for Services growth continue to be its massive installed base, which now eclipsed 2.5B devices, and the increasing frequency of services from its existing base (greater overall wallet share).

Gross margins expanding, but will face greater challenges later this year. Gross margin of 48.2% in the Dec-Q was better than our 47.5% forecast. Product gross margin widened to 40.7% from 39.3%, while Services margin expanded to 76.5% from 75%. Margins continue to benefit from a favorable mix of newer products and higher selling prices, along with Services growth. While memory bottlenecks had little to no impact in the Dec-Q, we expect more severe pricing pressures to potentially constrain recent margin expansion. AAPL has increased memory prices inside the iPhone 17 at a time when memory prices are going through a significant period of inflation (high bandwidth memory soaking up considerable DRAM capacity) that is likely to persist into CY 2027. AAPL's ongoing shift away from QUALCOMM modems (not in the Air) should also aid margins, as we expect AAPL's internal chips to replace all QUALCOMM modems and see benefits from lower component prices over time. We see a line of sight to over 50% gross margins despite some expected near-term choppiness.

Asset-light business supporting greater operating cash generation and more cash returns to shareholders. Operating cash flow reached \$53.9B (+80% Y/Y), significantly outpacing revenue growth. This exceptional cash generation enabled the company to return \$32B to shareholders, while maintaining investment in growth initiatives. R&D expenses increased 32% Y/Y to \$10.9B, suggesting continued investment in innovation and new product development.

AAPL's guidance for Mar-Q exceeds our expectations despite bottlenecks. Looking ahead to Mar-Q, AAPL is projecting 13%-16% Y/Y revenue growth, well above our 10% growth forecast. We expect iPhone revenue to again achieve double-digit Y/Y growth, building on the recent iPhone 17 cycle strength, while Services revenue growth is anticipated to maintain momentum at rates similar to FY 25 performance (+14%). We look for gross margin at an impressive 48%-49%, with some greater memory pricing headwinds than in the Mar-Q that will further intensify by 2H CY 2026.

EPS outlook. We raise our FY 26 EPS estimate to \$8.55 from \$8.47 and keep our FY 27 EPS forecast at \$9.36.

Analyst Risk Assessment

LOW

MEDIUM

HIGH

Our risk assessment reflects our view of Apple's ability to shift toward higher-margin and more recurring Services offerings, which reduces the future earnings volatility of the company. Major risks would include a potential cut to Apple's commission fee structure and legal uncertainties (e.g., the U.S. lawsuit), as well as China and geopolitical pressures. We have a favorable view of the company's scale, enormous cash position, and FCF flow potential. Despite a seemingly ever-evolving market for consumer-oriented technology products, we forecast Apple's ecosystem will sustain retention rates over 90%.

Business Summary

Corporate Overview. Apple Inc. (AAPL) makes smartphones, tablet devices, and computers, and sells a variety of related software, services, and accessories.

AAPL's iPhone directly accounted for 50% of FY 25 (Sep.) revenues. In September 2025, it unveiled the iPhone 17 (two Pro versions), with base pricing for the standard Pro device increasing by \$100 to \$1,099 and the Pro Max remaining unchanged at \$1,199. AAPL unveiled its new iPhone 17 Air model, its thinnest design ever, with a 6.5 inch display, more durable ceramic shield on the front and back, A19 Pro processor, and internal C1X modem (priced at \$999, replacing the Plus that was priced at \$899). The standard device (price stays at \$799) gets a bigger screen (6.3 inches from 6.1), A19 processor, ProMotion, and better camera features vs. the iPhone 16.

All four iPhone 17 devices now start with 256GB of storage and new Center Stage front camera (no need to rotate phone for horizontal photos). The Pro devices get most of the iPhone Air features with even more camera upgrades (three 48MP Fusion cameras – Main, Ultra Wide, and an all-new Telephoto – greater optical-quality zoom at 8x, new video features filmmakers/content creators like genlock).

Sales of Macs made up 8% of revenues in FY 25, with revenue rising by 12%. During the same period, iPad sales (7% of revenue) rose 5%. Apple announced the M5 chip for both the Mac and iPad product lines on October 15, 2025. The first devices featuring the new chip, including a 14-inch MacBook Pro and new iPad Pro models, were made available for pre-order the same day, with shipping and in-store availability starting on October 22.

Revenue from Wearables, Home, and Accessories products (9% of FY 25 revenue; down 4%) includes sales of the Apple TV, Apple Watch, AirPods, Beats products, HomePod, and iPod, as well as Apple-branded and third-party accessories. In September 2025, AAPL also unveiled the Apple Watch Series 11 that offers new health care features (high blood pressure tracker, sleep score) and AirPods Pro 3 that focuses on new fitness features/live translation.

We note Services accounted for 26% of FY 25 sales and grew by a healthy 14%. Services includes revenue from the App Store, iCloud, Apple TV+, AppleCare, licensing, and other services. The company also offers its Apple Fitness+ and its Apple One Subscription, which offers bundling options for a host of its services.

Competitive Landscape. We think AAPL uses its ability to design and develop its own operating system, hardware, application software, and services to differentiate itself from its competitors. We see the appeal behind the products having a lot to do with AAPL's stated goal of providing customers with products that have superior ease of use, seamless integration, and innovative industrial design. Reflecting what we view as AAPL's perceived quality and notable cachet, the company is able to compete in the mid- to high-end segments of its target markets and charge above-average prices for its products.

AAPL has a substantial hardware presence across key categories, and we think this helps garner interest from third-party application developers who continue to produce content and applications for the iPhone and iPad. We think AAPL's application business is one of the key elements that helps differentiate its devices from other products, and is important to future sales growth and pricing power. Further, we view the App Store as an effective way to not only distribute content effectively, but also to keep the customer base entrenched. We think iCloud functionality encourages customers to buy more AAPL products and use them more regularly.

Legal/Regulatory Issues. On September 2, 2025, Judge Mehta ruled that Alphabet can continue making payments to preload its search engine on iPhones. While the terms bar GOOGL from exclusive contracts requiring its search engine as the sole default option, the ruling permits non-exclusive revenue-sharing agreements, leaving room for AAPL and GOOGL to negotiate new deals, which we think will entail choice screens. AAPL will be able to continue generating significant revenue from GOOGL (likely at lower levels than prior terms), strike new partnerships with other search vendors, and consider adding new AI engines. Still, AAPL likely does not have to do anything for now, as an appeals process likely trickles into 2027.

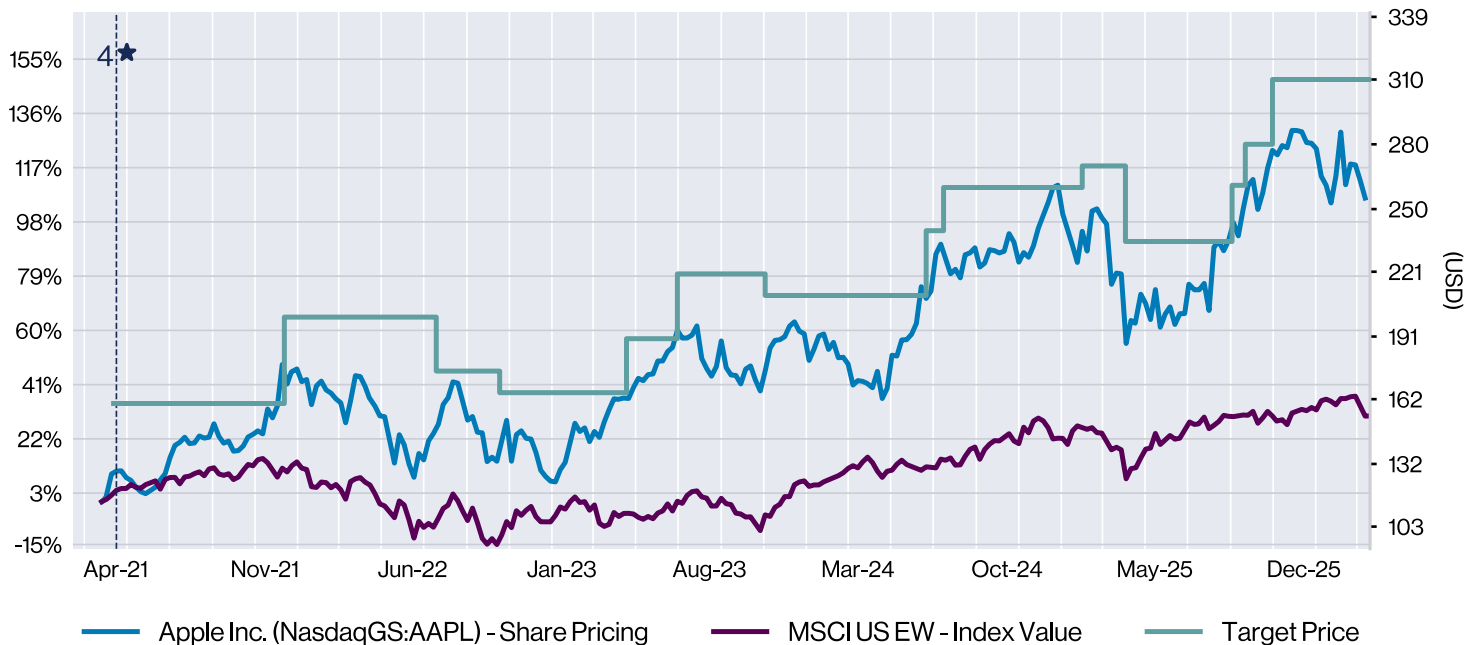
On March 21, 2024, the U.S. Department of Justice (DoJ) announced it was suing AAPL, accusing it of monopolizing the smartphone market. The suit cites that AAPL makes it difficult for competitors to integrate with the iPhone, thus raising prices and keeping consumers from switching. While the DoJ's case appears much more aggressive than any other toward AAPL and increases risk for investors, the case is likely to take years to conclude, and we note that U.S. regulators/DoJ have had a spotty record against Big Tech, at best. We do see an increasing likelihood that AAPL will be forced to incrementally open up its ecosystem over time across all geographies, but view monopolistic claims as a bit of a reach.

Financial Trends. Although AAPL's sales are affected by broader macroeconomic conditions, we think it has generally been less cyclical than peers, given its strong brand, innovative and high-quality products, loyal customer base, and exposure to fast-growing markets. Thus, AAPL has been able to command significant pricing power for its offerings and has successfully increased prices for most of its product lines over time.

AAPL has what we view as a very strong balance sheet, with about \$145B in cash and investments and about \$91B in debt as of December 2025. AAPL boasts return metrics, such as return on equity, that are relatively high compared to other large/mega-cap hardware and software companies.

AAPL executed a 4-for-1 stock split in August 2020, its first since August 2014.

Price Performance



Source: CFRA, S&P Global Market Intelligence

KEY GROWTH RATES AND AVERAGES				EXPANDED RATIO ANALYSIS				
Past Growth Rate (%)	1 Y	3 Y	5 Y		2025	2024	2023	2022
Net Income	19.50	3.92	14.30	Price/Sales	9.21	8.98	7.06	6.23
Sales	6.43	1.81	8.68	Price/EBITDA	26.48	26.06	21.52	18.81
				Price/Pretax Income	28.88	28.42	23.80	20.62
				P/E Ratio	34.24	33.75	27.93	24.62
				Avg. Diluted Shares Outstg. (M)	15,005	15,408	15,813	16,326
Ratio Analysis (Annual Avg.)				Figures based on fiscal year-end price				
Net Margin (%)	26.92	25.40	25.48					
% LT Debt to Capitalization	42.09	47.34	50.14					
Return on Equity (%)	171.42	166.93	164.74					

SUB-INDUSTRY: TECHNOLOGY HARDWARE, STORAGE AND PERIPHERALS							
Peer Group*	Ticker	Exchange	Recent Price**	Market Cap (B)	1Y Price Chg. (%)	P/E	Yield (%)
Apple Inc.	AAPL	NasdaqGS	248.96	3,655	15.7	31.0	0.4
Dell Technologies Inc.	DELL	NYSE	156.76	101	58.8	15.0	1.6
Everpure, Inc.	PSTG	NYSE	65.45	22	27.0	33.0	N/A
HP Inc.	HPQ	NYSE	18.48	17	-35.7	6.0	6.5
Hewlett Packard Enterprise Company	HPE	NYSE	22.12	29	35.4	11.0	2.6
Logitech International S.A.	LOGI	NasdaqGS	91.72	13	0.4	16.0	1.7
NetApp, Inc.	NTAP	NasdaqGS	103.09	20	10.2	13.0	2.0
Sandisk Corporation	SNDK	NasdaqGS	772.09	114	1,270.7	NM	N/A
Seagate Technology Holdings plc	STX	NasdaqGS	434.60	97	388.7	43.0	0.7
Super Micro Computer, Inc.	SMCI	NasdaqGS	30.79	18	-23.2	17.0	N/A
Western Digital Corporation	WDC	NasdaqGS	316.93	107	605.9	46.0	0.2

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization. **Price as of the date at the top of the report. NA-Not Available; NM-Not Meaningful. Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business

Dividend Data

Dividend Amount(USD)	Date Declared	Ex-Dividend Date	Stockholder of Record	Payment Date
0.2600	Jan 29	Feb 09	Feb 09	Feb 12 '26
0.2600	Oct 31	Nov 10	Nov 10	Nov 13 '25
0.2600	Jul 31	Aug 11	Aug 11	Aug 14 '25
0.2600	May 01	May 12	May 12	May 15 '25

Past performance is not an indication of future performance. Dividends paid in currencies other than the trading currency have been converted. Source: Company reports

Company Financials Fiscal year ending

Per Share Data (USD)	2025	2024	2023	2022	2021
Tangible Book Value	4.99	3.77	4.00	3.18	3.84
Free Cash Flow	6.61	7.09	6.33	6.87	5.57
Earnings	7.46	6.08	6.13	6.11	5.61
Earnings (Normalized)	7.46	6.75	6.13	6.11	5.61
Dividends	1.02	0.98	0.94	0.90	0.85
Payout Ratio (%)	13.77	16.25	15.49	14.87	15.28
Prices: High	260.10	237.23	198.23	182.94	157.26
Prices: Low	169.21	164.08	124.17	129.04	107.32
P/E Ratio: High	34.90	35.10	32.30	29.90	28.00
P/E Ratio: Low	22.70	24.30	20.30	21.10	19.10

Income Statement Analysis (Million USD)	2025	2024	2023	2022	2021
Revenue	416,161	391,035	383,285	394,328	365,817
Operating Income	133,050	123,216	114,301	119,437	108,949
Depreciation + Amortization	11,698	11,445	11,519	11,104	11,284
Interest Expense	N/A	N/A	N/A	N/A	2,645
Pretax Income	132,729	123,485	113,736	119,103	109,207
Effective Tax Rate	15.60	24.10	14.70	16.20	13.30
Net Income	112,010	93,736	96,995	99,803	94,680
Net Income (Normalized)	82,956	77,178	71,085	74,439	68,254

Balance Sheet and Other Financial Data (Million USD)	2025	2024	2023	2022	2021
Cash	54,697	65,171	61,555	48,304	62,639
Current Assets	147,957	152,987	143,566	135,405	134,836
Total Assets	359,241	364,980	352,583	352,755	351,002
Current Liabilities	165,631	176,392	145,308	153,982	125,481
Long Term Debt	78,328	85,750	95,281	98,959	109,106
Total Capital	186,110	176,009	186,076	183,152	199,612
Capital Expenditures	12,715	9,447	10,959	10,708	11,085
Cash from Operations	111,482	118,254	110,543	122,151	104,038
Current Ratio	0.89	0.87	0.99	0.88	1.07
% Long Term Debt of Capitalization	42.10	48.70	51.20	54.00	54.70
% Net Income of Revenue	26.90	24.00	25.30	25.30	25.90
% Return on Assets	22.96	21.46	20.26	21.21	20.18
% Return on Equity	171.40	157.40	171.90	175.50	147.40

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

ANALYSTS RATINGS

	# of Ratings	% of Total	1M Prior	3M Prior
Buy	25	50	25	24
Buy/Hold	6	12	5	5
Hold	15	30	16	15
Weak Hold	1	2	1	3
Sell	1	2	1	1
No Opinion	2	4	2	3
Total	50	100	50	51

WALL STREET CONSENSUS OPINION

Buy/Hold

WALL STREET CONSENSUS VS. PERFORMANCE

For fiscal year 2026, analysts estimate that AAPL will earn USD 8.51. For fiscal year 2027, analysts estimate that AAPL's earnings per share will grow by 9.51% to USD 9.32.

WALL STREET CONSENSUS ESTIMATES

Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2027	9.32	10.38	8.36	43	26.71
2026	8.51	8.97	8.15	42	29.25
2027 vs. 2026	↑ 10%	↑ 16%	↑ 3%	↑ 2%	↓ -9%
Q2'27	2.12	2.35	1.96	16	117.18
Q2'26	1.96	2.16	1.85	30	127.32
Q2'27 vs. Q2'26	↑ 9%	↑ 9%	↑ 6%	↓ -47%	↓ -8%

Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Analyst Research Notes and other Company News**March 17, 2026**

05:40 PM ET... CFRA Maintains Buy Rating on Shares of Apple Inc. - Tim Cook's Desire to Stay (AAPL 254.23****):

Tim Cook discussed several topics during an ABC news interview. Most important, he seems to have thrown cold water on retirement speculation, saying he "can't imagine life without Apple." We believe Cook's commitment to staying, at least for the time being, is reassuring given AAPL's pivotal year with the foldable iPhone and AI integration efforts expected this year. We previously viewed a potential Tim Cook retirement as one of our biggest near-term concerns, as he has been among the best with navigating the inconsistencies of the Trump administration and handling the Chinese government relationship. We now place high odds that Cook will stay through CY 2027, with John Ternus still as the eventual successor. Ternus is SVP of Hardware Engineering, known for leading the M-series chip transition and iPhone hardware. The comments are also refreshing given the significant high-level executives that have stepped down over the last 12-18 months (e.g., COO Jeff Williams, CFO Luca Maestri, AI chief John Giannandrea). / Angelo Zino, CFA

January 30, 2026

08:17 AM ET... CFRA Maintains Buy Opinion on Shares of Apple Inc. (AAPL 258.28****):

We keep our 12-month target at \$310, on 32.5x our CY 27 EPS of \$9.56, above peers and historical. We raise our FY 26 EPS to \$8.55 from \$8.47 and keep FY 27 at \$9.36. We think the iPhone 17 cycle, which saw 23% growth in the Dec-Q (AAPL guiding to 13%-16% in the Mar-Q), demonstrates the strong upgrade cycle from consumers across all geographic regions, partly reflecting an aging installed base. We believe the Google partnership is cost effective and will help AAPL roll out AI-enabled features (a smarter Siri) across its ecosystem. Despite recent gross margin expansion and the ability for AAPL to guide for a 48%-49% gross margin in the Mar-Q (up from high 30's about six years ago and compares to 48.2% in the Dec-Q), memory price inflation will likely limit further margin expansion potential near term. Still, we forecast further upside to average selling prices as a foldable device is launched and ongoing momentum from higher margin Services, but sustaining recent China demand and tougher comparisons pose risks. / Angelo Zino, CFA

January 29, 2026

05:16 PM ET... AAPL: Dec-Q Beats on China iPhone Demand; Guidance to Come on Earnings Call (AAPL 256.44****):

AAPL delivered a strong Dec-Q beat, with EPS of \$2.84 vs. \$2.67 expected and revenue of \$143.8B (+16% vs. 11% expected). iPhone revenue surged 23% to \$85.3B, due to remarkable China strength (+38% to \$25.5B) after declines in eight of the last nine quarters. This represents the best iPhone growth since the iPhone 12/5G cycle, highlighting strong iPhone 17 momentum. We will await management commentary on whether the China trend is sustainable for Mar-Q. Services grew 14%, supported by the 2.5B+ device installed base driving higher wallet share. Gross margin of 48.2% exceeded our 47.5% forecast on favorable product mix and Services expansion to 76.5%. We note memory price inflation concerns given AAPL's increased memory pricing in iPhone 17 during significant DRAM cost pressures likely persisting into CY 27 (we expect details on the earnings call). Strong operational leverage generated \$53.9B in operating cash flow (+80%), enabling \$32B in shareholder returns while maintaining R&D investment growth of 32%. / Angelo Zino, CFA

January 12, 2026

04:48 PM ET... Apple Confirms Google Gemini Integration Strategy, Now It Must Execute (AAPL 260.25****):

AAPL confirms Google Gemini will power the next-generation of Siri, marking a positive shift in the AI strategy. AAPL stated that Google's technology provides the most capable foundation for Apple Foundation Models, enabling more advanced capabilities than AAPL's own model could deliver. This partnership extends beyond Siri to encompass a broader range of Apple Intelligence features, representing a strategic decision to leverage external AI expertise. The enhanced Siri, potentially coming alongside iOS 26.4 in March or April, will offer improved personal context understanding, on-screen awareness, and deeper app integration. We believe this collaboration positions AAPL to compete more effectively in the AI-powered assistant market, though it also highlights AAPL's limitations in developing cutting-edge AI models internally. We think this sets AAPL up nicely to better integrate AI across its ecosystem and market a more powerful iOS/App Store to consumers when it unveils the iPhone 18 this fall. / Angelo Zino, CFA

October 31, 2025

07:26 AM ET... CFRA Maintains Buy Opinion on Shares of Apple Inc. (AAPL 271.40****):

We raise our 12-month target to \$310 from \$280 on a P/E of 32.5x our CY 27 view of \$9.56, above historical to reflect opportunities tied to AI, new device form factors foldables, Services upside, and margin expansion potential. After better-than-expected Sep-Q and guidance that exceeded our views (AAPL sees sales +10%-12% in Dec-Q vs. our 6% estimate), we raise our FY 26 (Sep.) EPS estimate to \$8.47 from \$8.09 and FY 27 to \$9.36 from \$8.95. We see a 10%-plus increase in both iPhone and China related sales in the Dec-Q after disappointing in the Sep-Q (attributed to supply chain bottlenecks), as the iPhone 17 is seeing strong demand for the Pro devices in Western markets and base device in China. Services are again seen growing above our forecast in the Dec-Q (+14%) and driving greater than anticipated expansion in gross margins (47.5% in Dec-Q), as we still see a path towards +50%. Despite limited comments on AI strategy (as expected), we think the iPhone 18 will be a strong AI-fueled/foldables upgrade cycle. / Angelo Zino, CFA

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

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	2-STARS SELL	Total return is expected to underperform the total return of the relevant index over the coming 12-months, and share price is not anticipated to show a gain.
	1-STAR STRONG SELL	Total return is expected to underperform the total return of the relevant index by wide margin over the coming 12-months, with shares falling in price on an absolute basis.

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