# Apple Inc.

## UBS Evidence Lab inside: Initial iPhone Duo wait times over three months but it's early

**Equities**

United States
Computers

| | |
|---|---|
| **12-month rating** | **Neutral** |
| **12m price target** | **US$296.00** |
| **Price (20 Oct 2026)** | **US$340.01** |

**RIC:** AAPL.O **BBG:** AAPL US

**Trading data and key metrics**

| | |
|---|---|
| **52-wk range** | US$343.46-246.63 |
| **Market cap.** | US$4,983b |
| **Shares o/s** | 14,656m (COM) |
| **Free float** | 100% |
| **Avg. daily volume ('000)** | 43,916 |
| **Avg. daily value (m)** | US$14,264.2 |
| **Common s/h equity (09/26E)** | US$115b |
| **P/BV (09/26E)** | 43.4x |
| **Net debt to EBITDA (09/26E)** | 0.1x |

**EPS (UBS, diluted) (USD)**

| | 09/26E | |
|---|---|---|
| | **UBS** | **Cons.** |
| **Q1** | 2.84 | 2.84 |
| **Q2** | 2.01 | 2.01 |
| **Q3** | 2.02 | 2.02 |
| **Q4E** | 1.97 | 1.98 |
| **09/26E** | 8.85 | 8.86 |
| **09/27E** | 9.58 | 9.65 |
| **09/28E** | 10.54 | 10.77 |

### We expect wait times for the foldable globally to continue to trend lower

UBS Evidence Lab data (> Access Dataset) that tracks iPhone availability across 30+ geographies indicates not surprisingly that wait times for the iPhone Duo are extended or over three months following its launch last Friday, October 16th. **iPhone Duo wait times are notably the highest in the US at ~99 days, compared to ~96 days in the other four key markets tracked**. However, we note that wait times have been ticking lower since the launch date. Nonetheless, wait times are materially higher than any model within recent memory, which we believe is an incremental positive regarding demand elasticity for the $1,999 product. We maintain our expectation for 8M-10M iPhone Duo units in the first 12 months with upside likely, but believe wait times should continue to trend lower as Apple looks to balance supply. Average wait times by legacy model:

- **18 Pro Max**: ~18 days vs ~18 days for the 17 Pro Max and ~17 days for the 16 Pro Max.
- **18 Pro**: ~9 days vs ~12 days for the 17 Pro and ~11 days the 16 Pro.

### High wait times for the Duo ahead of availability this Friday

While limited availability is a positive indication of demand for the iPhone Duo in our view, we acknowledge the risk that consumers may opt to purchase a different model or even defer their upgrade until next year. Moreover, it is not yet clear how much inventory Apple has allocated for in-store purchases this Friday, October 23rd. As such, we believe that it is worth monitoring wait times for all three new models to gauge overall demand trends and supply dynamics.

### No changes to our recently adjusted iPhone estimates

We recently (**link**) tweaked our estimates in our Sept-26 quarter preview. We estimate Sept-26 quarter iPhone revenue / units of $56.0B (+14.3% YoY / Guide of mid-teens growth) / 55.0M (+2.8% YoY / Consensus 57.9M units). For FY26, we estimate iPhone revenue / units of $252.5B (+20.5% YoY / Consensus $252.2B) / 261.0M (+15.4% YoY / Consensus 260.5M units).

### Valuation: Our PT of $296 is ~29x our blended CY27/CY28 EPS est of $10.32

At ~29x, Apple shares would be trading roughly one turn below the trailing 3-year average and in line with the 5-year average, reflecting solid iPhone demand but increasingly more difficult gross margin headwinds and supply chain challenges.

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| Highlights (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | 383,285 | 391,035 | 416,161 | 477,160 | 519,241 | 552,240 | 577,370 | 593,737 |
| **EBIT (UBS)** | 114,301 | 123,216 | 133,050 | 156,591 | 164,430 | 176,734 | 186,039 | 191,535 |
| **Net earnings (UBS)** | 97,759 | 103,982 | 112,010 | 130,309 | 138,656 | 149,640 | 158,278 | 163,821 |
| **EPS (UBS, diluted) (US$)** | 6.18 | 6.75 | 7.46 | 8.85 | 9.58 | 10.54 | 11.35 | 11.95 |
| **DPS (net) (US$)** | 0.94 | 0.98 | 1.02 | 1.06 | 1.10 | 1.14 | 1.18 | 1.22 |
| **Net (debt) / cash** | (49,533) | (41,458) | (43,960) | (12,091) | 41,952 | 105,574 | 179,358 | 258,166 |
| **Profitability/valuation** | **09/23** | **09/24** | **09/25** | **09/26E** | **09/27E** | **09/28E** | **09/29E** | **09/30E** |
| **EBIT (UBS) margin %** | 29.8 | 31.5 | 32.0 | 32.8 | 31.7 | 32.0 | 32.2 | 32.3 |
| **ROIC (EBIT) %** | >500 | >500 | >500 | 375.3 | 382.2 | 417.8 | 455.7 | 496.4 |
| **EV/EBITDA (UBS core) x** | 20.1 | 21.9 | 23.0 | 29.3 | 28.2 | 26.6 | 25.8 | 25.5 |
| **P/E (UBS, diluted) x** | 26.2 | 28.8 | 30.0 | 38.4 | 35.5 | 32.3 | 30.0 | 28.5 |
| **Equity FCF (UBS) yield %** | 3.9 | 4.0 | 2.9 | 2.9 | 3.1 | 3.3 | 3.5 | 3.6 |
| **Dividend yield (net) %** | 0.6 | 0.5 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 |

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 340.01 on 20-Oct-2026 15:31:15 EDT

This report has been prepared by UBS Securities LLC. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 10.**

**Figure 1: Excluding the US, wait times for the Pro and Pro Max are flattish to down YoY**

| | US | China | Germany | UK | France | Japan | Average |
|---|---|---|---|---|---|---|---|
| iPhone 16 Pro | 13 | 12 | 11 | 11 | 11 | 12 | 11 |
| iPhone 17 Pro | 7 | 9 | 15 | 14 | 14 | 14 | 12 |
| iPhone 18 Pro | 11 | 6 | 10 | 10 | 10 | 10 | 9 |
| YoY Delta | 4 | (3) | (5) | (4) | (4) | (4) | (3) |
| iPhone 16 Pro Max | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| iPhone 17 Pro Max | 17 | 21 | 18 | 18 | 18 | 18 | 18 |
| iPhone 18 Pro Max | 19 | 18 | 18 | 18 | 18 | 18 | 18 |
| YoY Delta | 1 | (3) | 0 | 0 | 0 | 0 | (0) |

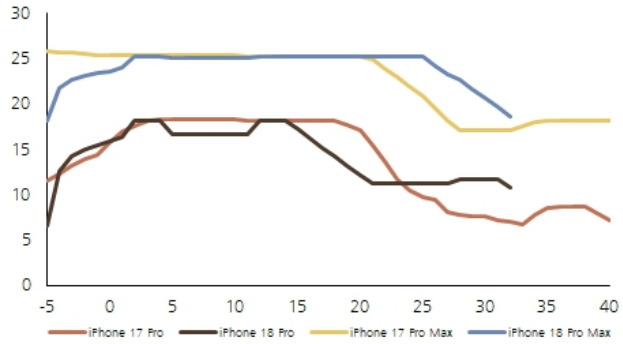
Source: UBS Evidence Lab (> Access Dataset)

**Figure 2: Average wait times have shortened by ~1 day for the Pro and ~8 days for the Pro Max since last week**

| | US | China | Germany | UK | France | Japan | Average |
|---|---|---|---|---|---|---|---|
| iPhone 18 Pro | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| iPhone 18 Pro | 11 | 6 | 10 | 10 | 10 | 10 | 9 |
| WoW Delta | (0) | (5) | (1) | (1) | (1) | (1) | (1) |
| iPhone 18 Pro Max | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| iPhone 18 Pro Max | 19 | 18 | 18 | 18 | 18 | 18 | 18 |
| WoW Delta | (7) | (8) | (8) | (8) | (8) | (8) | (8) |

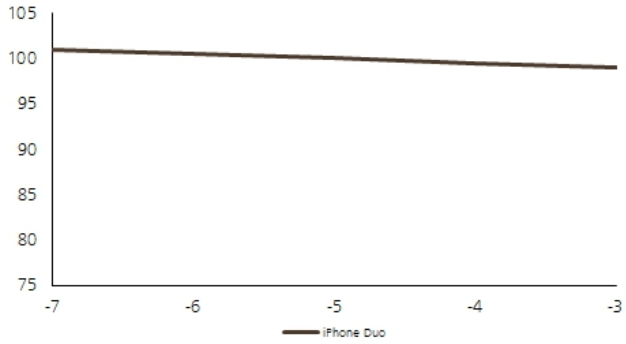
Source: UBS Evidence Lab (> Access Dataset)

**Figure 3: US iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**



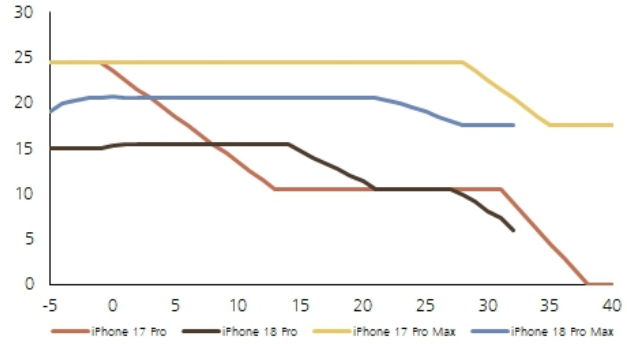

Source: UBS Evidence Lab (> Access Dataset)

**Figure 4: US iPhone Duo wait times following October 16th launch**



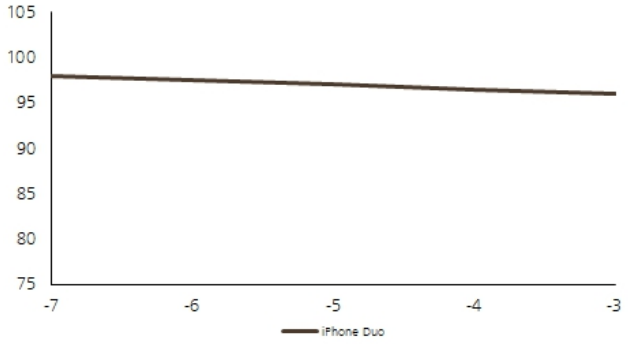

Source: UBS Evidence Lab (> Access Dataset)

**Figure 5: China iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**



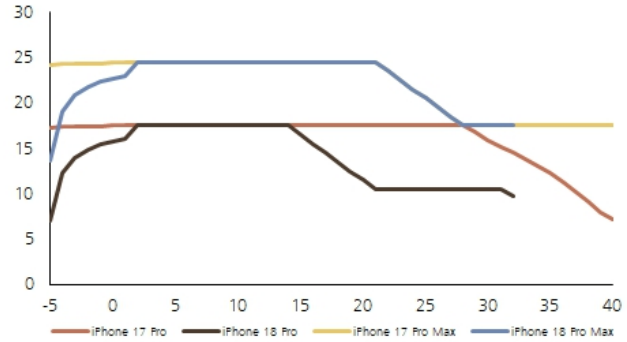

Source: UBS Evidence Lab (> Access Dataset)

**Figure 6: China iPhone Duo wait times following October 16th launch**



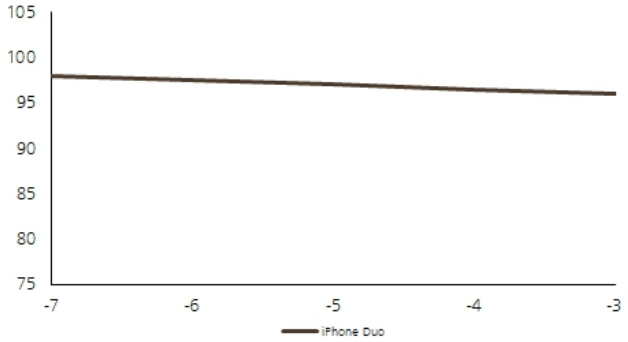

Source: UBS Evidence Lab (> Access Dataset)

**Figure 7: Germany iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**



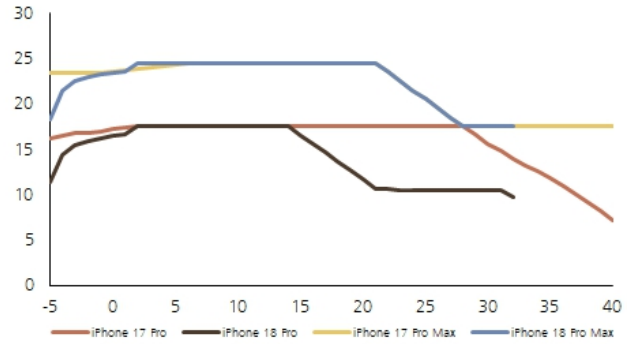

Source: UBS Evidence Lab (> Access Dataset)

**Figure 8: Germany iPhone Duo wait times following October 16th launch**



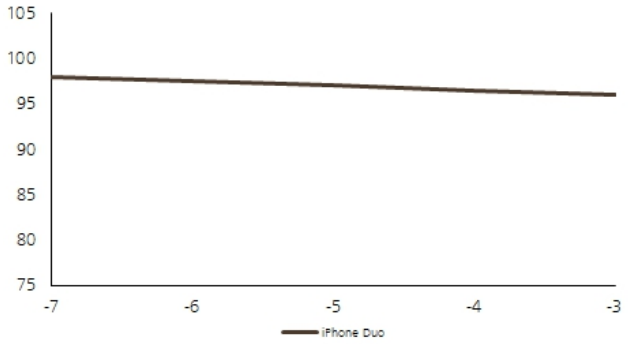

Source: UBS Evidence Lab (> Access Dataset)

**Figure 9: UK iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**



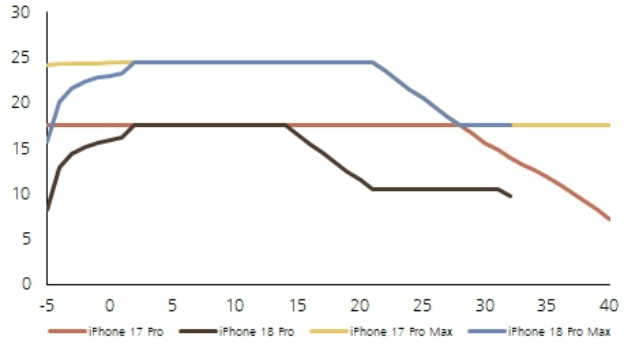

Source: UBS Evidence Lab (> Access Dataset)

**Figure 10: UK iPhone Duo wait times following October 16th launch**



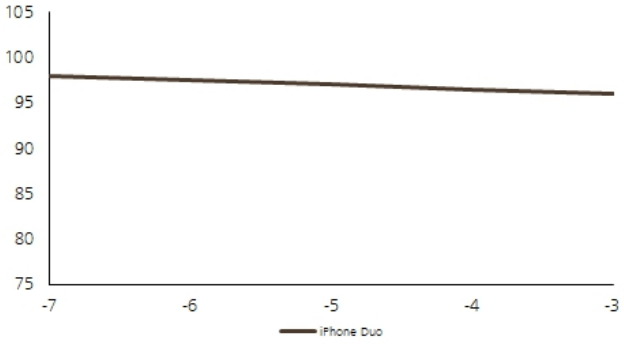

Source: UBS Evidence Lab (> Access Dataset)

**Figure 11: France iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**



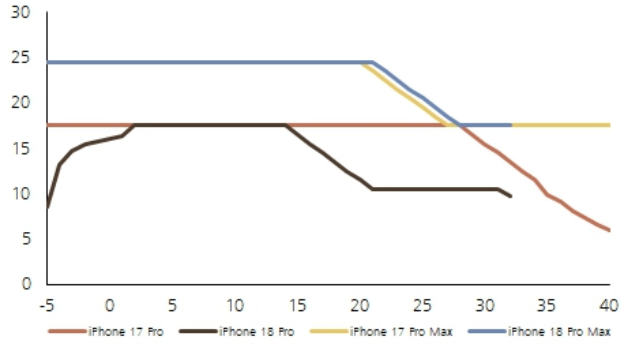

Source: UBS Evidence Lab (> Access Dataset)

**Figure 12: France iPhone Duo wait times following October 16th launch**



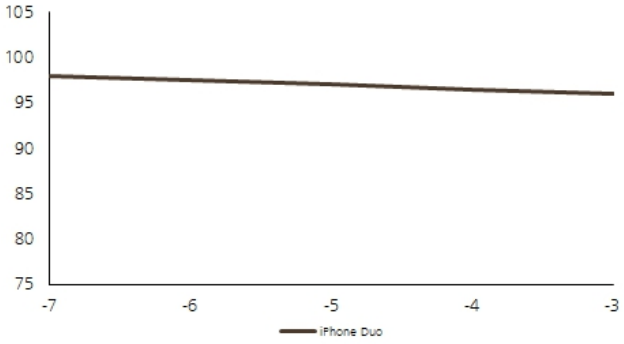

Source: UBS Evidence Lab (> Access Dataset)

**Figure 13: Japan iPhone 18 Pro and Pro Max wait times compared to the iPhone 17 Pro and Pro Max**




Source: UBS Evidence Lab (> Access Dataset)

**Figure 14: Japan iPhone Duo wait times following October 16th launch**




Source: UBS Evidence Lab (> Access Dataset)

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**Apple Availability Study** (>Access Dataset)

This report leverages the following UBS Evidence Lab asset: Apple Availability Study. The Evidence Lab Apple Availability Study tracks Apple product availability for all models of iPhone across 30+ geographies. Apple availability data is collected daily.

# Apple Inc. (AAPL.O)

| Income Statement (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | %ch | 09/27E | %ch | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | **383,285** | **391,035** | **416,161** | **477,160** | *14.7* | **519,241** | *8.8* | **552,240** | **577,370** | **593,737** |
| Gross profit | 169,148 | 180,683 | 195,201 | 232,326 | *19.0* | 244,034 | *5.0* | 260,958 | 274,147 | 282,825 |
| **EBITDA (UBS)** | **125,820** | **134,661** | **144,748** | **169,971** | *17.4* | **177,715** | *4.6* | **189,657** | **198,809** | **204,259** |
| Depreciation & amortisation | (11,519) | (11,445) | (11,698) | (13,380) | *-14.4* | (13,285) | *0.7* | (12,924) | (12,770) | (12,724) |
| **EBIT (UBS)** | **114,301** | **123,216** | **133,050** | **156,591** | *17.7* | **164,430** | *5.0* | **176,734** | **186,039** | **191,535** |
| Associates & investment income | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Other non-operating income | 382 | 1,269 | 1,229 | 2,780 | *126.2* | 3,418 | *23.0* | 3,418 | 3,418 | 3,418 |
| Net interest | (183) | (1,000) | (1,550) | (1,724) | *-11.2* | (792) | *54.0* | 137 | 1,239 | 2,421 |
| Exceptionals (incl goodwill) | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| **Pre-tax profit** | **114,500** | **123,485** | **132,729** | **157,647** | *18.8* | **167,056** | *6.0* | **180,289** | **190,696** | **197,374** |
| Tax | (16,741) | (19,503) | (20,719) | (27,338) | *-31.9* | (28,400) | *-3.9* | (30,649) | (32,418) | (33,554) |
| **Profit after tax** | **97,759** | **103,982** | **112,010** | **130,309** | *16.3* | **138,656** | *6.4* | **149,640** | **158,278** | **163,821** |
| Preference dividends | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Minorities | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Extraordinary items | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| **Net earnings (local GAAP)** | **97,759** | **103,982** | **112,010** | **130,309** | *16.3* | **138,656** | *6.4* | **149,640** | **158,278** | **163,821** |
| **Net earnings (UBS)** | **97,759** | **103,982** | **112,010** | **130,309** | *16.3* | **138,656** | *6.4* | **149,640** | **158,278** | **163,821** |
| Tax rate (%) | 14.6 | 15.8 | 15.6 | 17.3 | *11.1* | 17.0 | *-2.0* | 17.0 | 17.0 | 17.0 |

| Per Share (US$) | 09/23 | 09/24 | 09/25 | 09/26E | %ch | 09/27E | %ch | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|---|---|
| EPS (UBS, diluted) | 6.18 | 6.75 | 7.46 | 8.85 | *18.6* | 9.58 | *8.3* | 10.54 | 11.35 | 11.95 |
| EPS (local GAAP, diluted) | 6.18 | 6.75 | 7.46 | 8.85 | *18.6* | 9.58 | *8.3* | 10.54 | 11.35 | 11.95 |
| EPS (UBS, basic) | 6.21 | 6.78 | 7.49 | 8.89 | *18.6* | 9.62 | *8.3* | 10.58 | 11.40 | 12.01 |
| DPS (net) (US$) | 0.94 | 0.98 | 1.02 | 1.06 | *3.9* | 1.10 | *3.8* | 1.14 | 1.18 | 1.22 |
| Cash EPS (UBS, diluted) [1] | 6.91 | 7.49 | 8.24 | 9.76 | *18.4* | 10.50 | *7.6* | 11.45 | 12.26 | 12.88 |
| Book value per share | 3.96 | 3.74 | 4.96 | 7.91 | *59.4* | 11.78 | *48.9* | 16.48 | 21.95 | 27.98 |
| Average shares (diluted) | 15,813 | 15,408 | 15,005 | 14,724 | *-1.9* | 14,468 | *-1.7* | 14,200 | 13,947 | 13,709 |

| Balance Sheet (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | %ch | 09/27E | %ch | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash and equivalents | 61,555 | 65,171 | 54,697 | 72,253 | *32.1* | 126,296 | *74.8* | 189,918 | 263,702 | 342,510 |
| Other current assets | 82,011 | 87,816 | 93,260 | 104,720 | *12.3* | 111,389 | *6.4* | 116,616 | 119,690 | 121,996 |
| **Total current assets** | **143,566** | **152,987** | **147,957** | **176,973** | *19.6* | **237,685** | *34.3* | **306,535** | **383,393** | **464,507** |
| Net tangible fixed assets | 43,715 | 45,680 | 49,834 | 50,555 | *1.4* | 48,790 | *-3.5* | 47,981 | 47,732 | 47,737 |
| Net intangible fixed assets | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Investments / other assets | 165,302 | 166,313 | 161,450 | 176,292 | *9.2* | 183,171 | *3.9* | 188,986 | 193,800 | 198,336 |
| **Total assets** | **352,583** | **364,980** | **359,241** | **403,820** | *12.4* | **469,647** | *16.3* | **543,501** | **624,925** | **710,579** |
| Trade payables & other ST liabilities | 129,501 | 155,513 | 145,302 | 158,240 | *8.9* | 167,492 | *5.8* | 175,417 | 183,034 | 189,740 |
| Short term debt | 15,807 | 20,879 | 20,329 | 13,004 | *-36.0* | 13,004 | *0.0* | 13,004 | 13,004 | 13,004 |
| **Total current liabilities** | **145,308** | **176,392** | **165,631** | **171,244** | *3.4* | **180,496** | *5.4* | **188,421** | **196,038** | **202,744** |
| Long term debt | 95,281 | 85,750 | 78,328 | 71,340 | *-8.9* | 71,340 | *0.0* | 71,340 | 71,340 | 71,340 |
| Other long term liabilities | 49,848 | 45,888 | 41,549 | 45,741 | *10.1* | 49,155 | *7.5* | 52,040 | 54,429 | 56,680 |
| Preferred shares | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| **Total liabilities (incl pref shares)** | **290,437** | **308,030** | **285,508** | **288,324** | *1.0* | **300,990** | *4.4* | **311,801** | **321,807** | **330,764** |
| **Common s/h equity** | **62,146** | **56,950** | **73,733** | **115,495** | *56.6* | **168,656** | *46.0* | **231,700** | **303,117** | **379,815** |
| Minority interests | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| **Total liabilities & equity** | **352,583** | **364,980** | **359,241** | **403,820** | *12.4* | **469,647** | *16.3* | **543,501** | **624,925** | **710,579** |

| Cash Flow (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | %ch | 09/27E | %ch | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net income (before pref divs) | 97,759 | 103,982 | 112,010 | 130,309 | *16.3* | 138,656 | *6.4* | 149,640 | 158,278 | 163,821 |
| Depreciation & amortisation | 11,519 | 11,445 | 11,698 | 13,380 | *14.4* | 13,285 | *-0.7* | 12,924 | 12,770 | 12,724 |
| Net change in working capital | (8,804) | 1,385 | (25,089) | (3,961) | *84.2* | (883) | *77.7* | (231) | 2,118 | 2,114 |
| Other operating | 10,833 | 11,688 | 12,863 | 13,924 | *8.2* | 13,604 | *-2.3* | 13,604 | 13,604 | 13,604 |
| **Operating cash flow** | **111,307** | **128,500** | **111,482** | **153,652** | *37.8* | **164,662** | *7.2* | **175,937** | **186,770** | **192,263** |
| Tangible capital expenditure | (10,959) | (9,447) | (12,715) | (9,330) | *26.6* | (11,520) | *-23.5* | (12,115) | (12,521) | (12,728) |
| Intangible capital expenditure | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Net (acquisitions) & disposals | 0 | 0 | 0 | 0 | - | 0 | - | 0 | 0 | 0 |
| Other investing | 14,664 | 12,382 | 27,910 | (12,012) | - | 0 | - | 0 | 0 | 0 |
| **Investing cash flow** | **3,705** | **2,935** | **15,195** | **(21,342)** | - | **(11,520)** | *46.0* | **(12,115)** | **(12,521)** | **(12,728)** |
| Equity dividends paid | (15,025) | (15,234) | (15,421) | (15,716) | *-1.9* | (15,848) | *-0.8* | (16,116) | (16,380) | (16,643) |
| Share issues / (buybacks) | (77,550) | (94,949) | (90,711) | (82,427) | *9.1* | (83,252) | *-1.0* | (84,084) | (84,084) | (84,084) |
| Other financing | (6,012) | (5,802) | (6,071) | (12,557) | *-106.8* | 0 | - | 0 | 0 | 0 |
| Change in debt & pref shares | (9,901) | (5,998) | (8,483) | (8,146) | *4.0* | 0 | - | 0 | 0 | 0 |
| **Financing cash flow** | **(108,488)** | **(121,983)** | **(120,686)** | **(118,846)** | *1.5* | **(99,099)** | *16.6* | **(100,200)** | **(100,465)** | **(100,727)** |
| **Cash flow inc/(dec) in cash** | **6,524** | **9,452** | **5,991** | **13,464** | *124.7* | **54,043** | *301.4* | **63,622** | **73,784** | **78,808** |
| FX / non cash items | 6,727 | (5,836) | (16,465) | 4,092 | - | 0 | - | 0 | 0 | 0 |
| **Balance sheet inc/(dec) in cash** | **13,251** | **3,616** | **(10,474)** | **17,556** | - | **54,043** | *207.8* | **63,622** | **73,784** | **78,808** |

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

# Apple Inc. (AAPL.O)

| Valuation (x) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| P/E (local GAAP, diluted) | 26.2 | 28.8 | 30.0 | 38.4 | 35.5 | 32.3 | 30.0 | 28.5 |
| P/E (UBS, diluted) | 26.2 | 28.8 | 30.0 | 38.4 | 35.5 | 32.3 | 30.0 | 28.5 |
| P/CEPS | 23.3 | 25.8 | 27.0 | 35.0 | 32.5 | 29.8 | 27.8 | 26.5 |
| Equity FCF (UBS) yield % | 3.9 | 4.0 | 2.9 | 2.9 | 3.1 | 3.3 | 3.5 | 3.6 |
| Dividend yield (net) % | 0.6 | 0.5 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 |
| P/BV | 40.9 | 51.9 | 45.1 | 43.4 | 29.1 | 20.8 | 15.6 | 12.3 |
| EV/revenues (core) | 6.6 | 7.5 | 8.0 | NM | 9.7 | 9.2 | 8.9 | 8.8 |
| EV/EBITDA (UBS core) | 20.1 | 21.9 | 23.0 | 29.5 | 28.4 | 26.8 | 26.0 | 25.7 |
| EV/EBIT (core) | 22.1 | 23.9 | 25.1 | 32.0 | 30.7 | 28.7 | 27.8 | 27.4 |
| EV/OpFCF (core) | 20.4 | 23.8 | 21.2 | 30.5 | 30.3 | 28.6 | 28.0 | 27.7 |
| EV/op. invested capital | >100 | >100 | >100 | >100 | >100 | >100 | >100 | >100 |

| Enterprise value (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Market cap. | 2,577,149 | 3,000,573 | 3,367,402 | 4,983,271 | 4,983,271 | 4,983,271 | 4,983,271 | 4,983,271 |
| Net debt (cash) | 49,533 | 41,458 | 43,960 | 28,025 | (14,931) | (73,763) | (73,763) | (73,763) |
| Buy out of minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pension provisions/other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total enterprise value** | **2,626,682** | **3,042,031** | **3,411,362** | **5,056,735** | **5,097,030** | **5,122,282** | **5,206,366** | **5,290,450** |
| Non core assets | (100,544) | (91,479) | (77,723) | (84,118) | (84,118) | (84,118) | (84,118) | (84,118) |
| **Core enterprise value** | **2,526,138** | **2,950,552** | **3,333,639** | **4,972,617** | **5,012,912** | **5,038,164** | **5,122,248** | **5,206,332** |

| Growth (%) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Revenue | (2.8) | 2.0 | 6.4 | 14.7 | 8.8 | 6.4 | 4.6 | 2.8 |
| EBITDA (UBS) | (3.6) | 7.0 | 7.5 | 17.4 | 4.6 | 6.7 | 4.8 | 2.7 |
| EBIT (UBS) | (4.3) | 7.8 | 8.0 | 17.7 | 5.0 | 7.5 | 5.3 | 3.0 |
| EPS (UBS, diluted) | 1.1 | 9.2 | 10.6 | 18.6 | 8.3 | 10.0 | 7.7 | 5.3 |
| Net DPS | 4.4 | 4.3 | 4.1 | 3.9 | 3.8 | 3.6 | 3.5 | 3.4 |

| Margins & Profitability (%) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Gross profit margin | 44.1 | 46.2 | 46.9 | 48.7 | 47.0 | 47.3 | 47.5 | 47.6 |
| EBITDA margin | 32.8 | 34.4 | 34.8 | 35.6 | 34.2 | 34.3 | 34.4 | 34.4 |
| EBIT (UBS) margin | 29.8 | 31.5 | 32.0 | 32.8 | 31.7 | 32.0 | 32.2 | 32.3 |
| Net earnings (UBS) margin | 25.5 | 26.6 | 26.9 | 27.3 | 26.7 | 27.1 | 27.4 | 27.6 |
| ROIC (EBIT) | NM | NM | NM | NM | NM | NM | NM | NM |
| ROIC post tax | NM | NM | NM | NM | NM | NM | NM | NM |
| ROE (UBS) | 173.3 | 174.6 | 171.4 | 137.7 | 97.6 | 74.8 | 59.2 | 48.0 |

| Capital structure & Coverage (x) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Net debt / EBITDA | 0.4 | 0.3 | 0.3 | 0.1 | (0.2) | (0.6) | (0.9) | (1.3) |
| Net debt / total equity % | 79.7 | 72.8 | 59.6 | 10.5 | (24.9) | (45.6) | (59.2) | (68.0) |
| Net debt / (net debt + total equity) % | 44.4 | 42.1 | 37.4 | 9.5 | (33.1) | (83.7) | NM | NM |
| Net debt/EV % | 2.3 | 1.5 | 1.3 | 0.6 | (0.3) | (1.4) | (2.7) | (4.1) |
| Capex / depreciation % | 95.1 | 82.5 | 108.7 | 69.7 | 86.7 | 93.7 | 98.1 | 100.0 |
| Capex / revenue % | 2.9 | 2.4 | 3.1 | 2.0 | 2.2 | 2.2 | 2.2 | 2.1 |
| EBIT / net interest | NM | NM | NM | NM | NM | - | - | - |
| Dividend cover (UBS) | 6.6 | 6.9 | 7.3 | 8.4 | 8.7 | 9.3 | 9.7 | 9.8 |
| Div. payout ratio (UBS) % | 15.1 | 14.5 | 13.6 | 11.9 | 11.4 | 10.8 | 10.3 | 10.2 |

| Revenues by division (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Others | 383,285 | 391,035 | 416,161 | 477,160 | 519,241 | 552,240 | 577,370 | 593,737 |
| **Total** | **383,285** | **391,035** | **416,161** | **477,160** | **519,241** | **552,240** | **577,370** | **593,737** |

| EBIT (UBS) by division (US$m) | 09/23 | 09/24 | 09/25 | 09/26E | 09/27E | 09/28E | 09/29E | 09/30E |
|---|---|---|---|---|---|---|---|---|
| Others | 114,301 | 123,216 | 133,050 | 156,591 | 164,430 | 176,734 | 186,039 | 191,535 |
| **Total** | **114,301** | **123,216** | **133,050** | **156,591** | **164,430** | **176,734** | **186,039** | **191,535** |

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

**Forecast returns**

| | |
|---|---|
| Forecast price appreciation | -12.9% |
| Forecast dividend yield | 0.3% |
| Forecast stock return | -12.6% |
| Market return assumption | 9.8% |
| Forecast excess return | -22.4% |

**Company Description**

Apple designs, manufactures and markets mobile products, personal computers and media devices. The company's primary hardware product categories include the iPhone, iPad, iPod, and Mac computers. In addition, the company sells a variety of related software, services, peripherals, and third-party digital content and applications via iTunes and the App Store. Apple predominately sells to the consumer segment through its own online and retail stores, as well as third-party cellular network carriers, wholesalers and retailers.

**Valuation Method and Risk Statement**

Risks to our Apple thesis include (1) product delays or less innovative offerings, particularly a decline in iPhone unit shipments; (2) macro weakness dampening product demand, especially in China; (3) reduced product differentiation resulting in a successful smartphone attack from below; (4) governments looking to regulate Apple as its power increases; and (5) poor platform management. We use a P/E multiple to derive our price target for Apple.

**Quantitative Research Review**

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

**Apple Inc.**

| Question | Response |
|---|---|
| 1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view) | 3 |
| 2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view) | 3 |
| 3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view) | 2 |
| 4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view) | 3 |
| 5. What's driving the difference? | |
| 6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view) | 3 |
| 7. What's driving the difference? | |
| 8. Is there an upcoming catalyst for the company over the next three months? | No Catalyst |
| 9. Is there an actual or approximate date for the catalyst? | |
| 10. Is the catalyst date an actual or approximate date? | |
| 11. What is the catalyst? | |