Apple Inc. (AAPL)

"Pro and Tell" event review: New touchscreen Macs and iPads support demand; premium mix helps offset supply constraints

AAPL	12m Price Target: **$390.00**	Price: **$347.10**	Upside: **12.4%**

Apple (AAPL, Buy) announced new A20 Pro- and M6-powered devices, alongside a redesigned MacBook Pro with PROLED XDR display, during the week leading into the Pro and Tell event. Announced products include the (1) 8.5" iPad mini with A20 Pro (starting at $699, representing a premium over the October 2024 iPad mini starting price and the increased price in June 2026); (2) 14" M6 MacBook Pro (starting at $1,999); (3) 24" M6 iMac (starting at $1,499); and (4) 14" and 16" MacBook Pro with PROLED XDR display, its first touchscreen Mac (starting at $2,899).

Bottom line: New MacBook, iMac, and iPad models featuring next-generation M6 and A20 Pro processors, alongside recent broad-based price increases across the portfolio, should support Apple's revenue growth and competitive positioning, with favorable premium mix helping to offset near-term supply constraints and broader softness in the PC and tablet markets. Collectively, these launches strengthen Apple's holiday 2026 and 2027 product roadmap and should support market-share gains and improved replacement activity over time.

Product updates:

Key product updates:

- **8.5" iPad mini** with A20 Pro features a new OLED Super Retina XDR display and IP67 water and dust resistance. iPad mini models with A20 Pro are available for pre-order today (10/28), with availability starting November 6th. Prices start at $699 for the 128 GB starting storage option ($849 for Wi-Fi + Cellular).
- **14" MacBook Pro** with M6 delivers up to a 30% graphical boost and 25% faster AI workloads over the M5 chip. MacBook Pro models with M6 are available for pre-order today (10/28), with

BUY

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Key Data

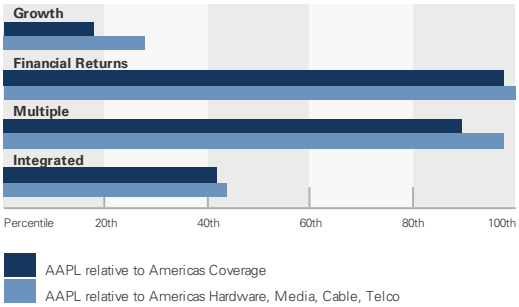
Market cap: $5.1tr
Enterprise value: $5.0tr
3m ADTV: $14.3bn
United States
Americas Hardware, Media, Cable, Telco
M&A Rank: 3

GS Forecast

	9/25	9/26E	9/27E	9/28E
Revenue ($ mn)	416,161.0	477,955.3	517,262.1	540,301.2
EBITDA ($ mn)	144,748.0	170,713.8	173,929.3	182,363.0
EBIT ($ mn)	133,050.0	157,333.7	159,006.9	165,664.2
EPS ($)	7.46	8.89	9.16	9.76
P/E (X)	30.0	39.1	37.9	35.6
EV/EBITDA (X)	22.9	29.4	28.3	26.4
FCF yield (%)	3.0	2.9	2.9	3.0
Dividend yield (%)	0.5	0.3	0.3	0.3
Net debt/EBITDA (X)	(0.2)	(0.4)	(0.4)	(0.4)

	6/26	9/26E	12/26E	3/27E
EPS ($)	2.02	2.01	2.88	2.10

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

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BUY

Apple Inc. (AAPL)

Rating since Mar 5, 2023

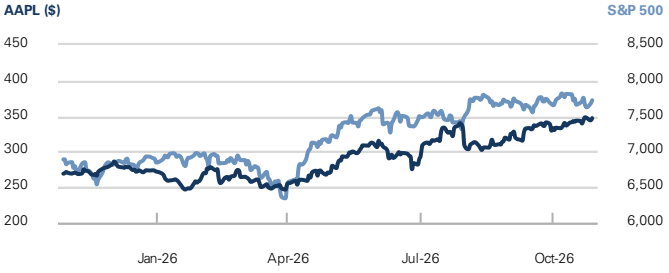
Ratios & Valuation

	9/25	9/26E	9/27E	9/28E
P/E (X)	30.0	39.1	37.9	35.6
EV/EBITDA (X)	22.9	29.4	28.3	26.4
EV/sales (X)	8.0	10.5	9.5	8.9
FCF yield (%)	3.0	2.9	2.9	3.0
EV/DACF (X)	24.2	32.3	30.5	28.4
CROCI (%)	83.1	84.3	80.7	79.2
ROE (%)	171.4	141.0	113.5	111.6
Net debt/EBITDA (X)	(0.2)	(0.4)	(0.4)	(0.4)
Net debt/equity (%)	(45.8)	(63.5)	(63.6)	(61.2)
Interest cover (X)	31.7	37.5	37.9	39.4
Inventory days	10.7	9.6	9.9	10.0
Receivable days	32.1	32.0	32.0	32.1
Days payable outstanding	114.7	109.1	104.8	106.1

Growth & Margins (%)

	9/25	9/26E	9/27E	9/28E
Total revenue growth	6.4	14.8	8.2	4.5
EBITDA growth	7.5	17.9	1.9	4.8
EPS growth	10.6	19.1	3.1	6.5
DPS growth	4.1	3.9	3.8	3.6
Gross margin	46.9	48.8	46.6	47.0
EBIT margin	32.0	32.9	30.7	30.7

Price Performance



	3m	6m	12m
Absolute	3.0%	29.7%	29.1%
Rel. to the S&P 500	(1.1)%	20.5%	15.0%

Source: FactSet. Price as of 27 Oct 2026 close.

Income Statement ($ mn)

	9/25	9/26E	9/27E	9/28E
Total revenue	416,161.0	477,955.3	517,262.1	540,301.2
Cost of goods sold	(220,960.0)	(244,896.7)	(276,205.2)	(286,187.0)
SG&A	(27,601.0)	(29,761.0)	(30,334.0)	(31,134.0)
R&D	(34,550.0)	(45,964.0)	(51,716.0)	(57,316.0)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**144,748.0**	**170,713.8**	**173,929.3**	**182,363.0**
Depreciation & amortization	(11,698.0)	(13,380.1)	(14,922.5)	(16,698.8)
EBIT	**133,050.0**	**157,333.7**	**159,006.9**	**165,664.2**
Net interest inc./(exp.)	(321.0)	1,020.0	827.7	939.7
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**132,729.0**	**158,353.7**	**159,834.6**	**166,604.0**
Provision for taxes	(20,719.0)	(27,454.5)	(27,171.9)	(28,322.7)
Minority interest	–	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**112,010.0**	**130,899.1**	**132,662.7**	**138,281.3**
Net inc. (post-exceptionals)	**112,010.0**	**130,899.1**	**132,662.7**	**138,281.3**
EPS (basic, pre-except) ($)	**7.49**	**8.92**	**9.20**	**9.80**
EPS (diluted, pre-except) ($)	**7.46**	**8.89**	**9.16**	**9.76**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	1.02	1.06	1.10	1.14
Div. payout ratio (%)	13.6	11.9	12.0	11.6
Wtd avg shares out. (basic) (mn)	14,947.7	14,669.3	14,421.4	14,107.1
Wtd avg shares out. (diluted) (mn)	15,004.7	14,727.3	14,479.9	14,165.7

Balance Sheet ($ mn)

	9/25	9/26E	9/27E	9/28E
Cash & cash equivalents	35,934.0	50,479.3	64,896.0	72,455.0
Accounts receivable	39,777.0	44,098.5	46,646.2	48,508.3
Inventory	5,718.0	7,214.1	7,725.0	7,951.8
Other current assets	66,528.0	73,820.9	73,633.1	73,990.9
Total current assets	**147,957.0**	**175,612.9**	**192,900.3**	**202,906.0**
Net PP&E	49,834.0	52,937.9	59,947.6	66,108.8
Net intangibles	11,093.0	20,342.0	20,342.0	20,342.0
Total investments	77,723.0	82,618.0	76,618.0	70,618.0
Other long-term assets	72,634.0	77,557.0	77,557.0	77,557.0
Total assets	**359,241.0**	**409,067.7**	**427,364.9**	**437,531.7**
Accounts payable	69,860.0	76,567.4	81,989.1	84,396.6
Short-term debt	20,329.0	13,004.0	13,004.0	13,004.0
Current lease liabilities	–	–	–	–
Other current liabilities	75,442.0	81,168.8	84,087.5	87,764.5
Total current liabilities	**165,631.0**	**170,740.2**	**179,080.6**	**185,165.1**
Long-term debt	78,328.0	71,340.0	71,340.0	71,340.0
Non-current lease liabilities	–	–	–	–
Other long-term liabilities	41,549.0	55,080.0	55,080.0	55,080.0
Total long-term liabilities	**119,877.0**	**126,420.0**	**126,420.0**	**126,420.0**
Total liabilities	**285,508.0**	**297,160.2**	**305,500.6**	**311,585.1**
Preferred shares	–	–	–	–
Total common equity	**73,733.0**	**111,907.6**	**121,864.3**	**125,946.6**
Minority interest	–	–	–	–
Total liabilities & equity	**359,241.0**	**409,067.7**	**427,364.9**	**437,531.7**
BVPS ($)	4.93	7.63	8.45	8.93

Cash Flow ($ mn)

	9/25	9/26E	9/27E	9/28E
Net income	112,010.0	130,899.1	132,662.7	138,281.3
D&A add-back	11,698.0	13,380.1	14,922.5	16,698.8
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(25,000.0)	2,427.6	669.8	(1,162.2)
Others	12,774.0	11,828.2	14,558.4	15,286.3
Cash flow from operations	**111,482.0**	**158,535.0**	**162,813.4**	**169,104.2**
Capital expenditures	(12,715.0)	(11,013.0)	(19,132.2)	(20,059.9)
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Others	–	–	–	–
Cash flow from investing	**15,195.0**	**(21,025.0)**	**(11,132.2)**	**(12,059.9)**
Dividends paid	(15,421.0)	(15,735.7)	(15,926.4)	(16,147.3)
Share issuance/(repurchase)	(96,671.0)	(92,988.0)	(121,338.0)	(133,338.0)
Inc/(dec) in debt	–	–	–	–
Others	–	–	–	–
Cash flow from financing	**(120,686.0)**	**(122,964.7)**	**(137,264.4)**	**(149,485.3)**
Total cash flow	**5,991.0**	**14,545.3**	**14,416.7**	**7,559.0**
Free cash flow	98,767.0	147,522.1	143,681.2	149,044.2
Free cash flow per share (basic) ($)	6.61	10.06	9.96	10.57

Source: Company data, Goldman Sachs Research estimates.

availability starting November 6th. Prices start at $1,999 for the 1 TB starting storage option.

- **24" iMac** with M6 enables up to 5X faster on-device AI performance compared to the previous M4 generation. iMac models with M6 are available for pre-order today (10/28), with availability starting November 6th. Prices start at $1,499 for the 256 GB starting storage option.
- **14-inch and 16-inch MacBook Pro** models introduce Apple's first touchscreen Mac experience, featuring PROLED XDR displays with tandem OLED panels that deliver up to 2,000 nits of peak brightness. The new models are available for pre-order today (10/28), with availability beginning November 6th. Prices start at $2,899 for the 14-inch model and $3,399 for the 16-inch model, both featuring the M5 Pro chip (with optionality to upgrade to M5 Max for the 16-inch model). The models also introduce Dynamic Island on Mac, which houses Spotlight, Live Activities, and Siri AI.

Exhibit 1: Apple unveiled MacBook Pro with PROLED XDR display, the first touchscreen Mac
Summary of Mac product specs, key dates, and pricing

Year	Family	Model	Display size (in)	Release date	Starting price ($)	Processor
2024	Macbook Air	MacBook Air	13"	8-Mar-24	$1,099	M3
2024	Macbook Air	MacBook Air	15"	8-Mar-24	$1,299	M3
2024	iMac	iMac	24" Desktop	8-Nov-24	$1,299	M4
2024	Mac Mini	Mac Mini	Desktop	8-Nov-24	$599	M4, M4 Pro
2024	MacBook Pro	MacBook Pro	14"	8-Nov-24	$1,599	M4
2024	MacBook Pro	MacBook Pro	14"	8-Nov-24	$1,999	M4 Pro
2024	MacBook Pro	MacBook Pro	14"	8-Nov-24	$3,199	M4 Max
2024	MacBook Pro	MacBook Pro	16"	8-Nov-24	$2,499	M4 Pro
2024	MacBook Pro	MacBook Pro	16"	8-Nov-24	$3,499	M4 Max
2025	Macbook Air	Macbook Air	13"	12-Mar-25	$999	M4
2025	Macbook Air	Macbook Air	15"	12-Mar-25	$1,199	M4
2025	Mac Studio	Mac Studio	Desktop	12-Mar-25	$1,999	M4 Max
2025	Mac Studio	Mac Studio	Desktop	12-Mar-25	$3,999	M3 Ultra
2025	Macbook Pro	Macbook Pro	14"	22-Oct-25	$1,599	M5
2026	Macbook Pro	Macbook Pro	14"	11-Mar-26	$2,199	M5 Pro
2026	Macbook Pro	Macbook Pro	16"	11-Mar-26	$2,699	M5 Pro Max
2026	Macbook Air	Macbook Air	13"	11-Mar-26	$1,099	M5
2026	Macbook Air	Macbook Air	15"	11-Mar-26	$1,299	M5
2026	MacBook Neo	MacBook Neo	13"	11-Mar-26	$599	A18 Pro
2026	Mac Mini	Mac Mini	Desktop	22-Sep-26	$899	M6
2026	Mac Mini	Mac Mini	Desktop	22-Sep-26	$1,699	M5 Pro
2026	Mac Studio	Mac Studio	Desktop	22-Sep-26	$2,499	M5 Max
2026	Mac Studio	Mac Studio	Desktop	22-Sep-26	$5,499	M5 Ultra
2026	Macbook Pro	Macbook Pro	14"	6-Nov-26	$1,999	M6
2026	iMac	iMac	24" Desktop	6-Nov-26	$1,499	M6
2026	Macbook Pro	Macbook Pro	14"	6-Nov-26	$2,899	M5 Pro, M5 Max
2026	Macbook Pro	Macbook Pro	16"	6-Nov-26	$3,399	M5 Pro, M5 Max

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: Apple announced updated iPad Mini models which include the latest A20 Pro series chip
Summary of iPad Mini product specs, key dates, and pricing

Year	Model	Display Size (in)	Capabilities	Release date	Storage (GB)	Starting price ($)	Processor
2012	iPad Mini 1	7.9	WiFi	2-Nov-12	16	$329	A5
			WiFi	2-Nov-12	32	$429	
			WiFi	2-Nov-12	64	$529	
			WiFi + Cellular	2-Nov-12	16	$459	
			WiFi + Cellular	2-Nov-12	32	$559	
			WiFi + Cellular	2-Nov-12	64	$659	
2013	iPad Mini 2	7.9	WiFi	12-Nov-13	16	$399	A7
			WiFi	12-Nov-13	32	$499	
			WiFi	12-Nov-13	64	$599	
			WiFi	12-Nov-13	128	$699	
			WiFi + Cellular	12-Nov-13	16	$529	
			WiFi + Cellular	12-Nov-13	32	$629	
			WiFi + Cellular	12-Nov-13	64	$729	
			WiFi + Cellular	12-Nov-13	128	$829	
2014	iPad Mini 3	7.9	WiFi	22-Oct-14	16	$399	A7
			WiFi	22-Oct-14	64	$499	
			WiFi	22-Oct-14	128	$599	
			WiFi + Cellular	22-Oct-14	16	$529	
			WiFi + Cellular	22-Oct-14	64	$629	
			WiFi + Cellular	22-Oct-14	128	$729	
2015	iPad Mini 4	7.9	WiFi	9-Sep-15	16	$399	A8
			WiFi	9-Sep-15	64	$499	
			WiFi	9-Sep-15	256	$599	
			WiFi + Cellular	9-Sep-15	16	$529	
			WiFi + Cellular	9-Sep-15	64	$629	
			WiFi + Cellular	9-Sep-15	256	$729	
2019	iPad Mini 5	7.9	WiFi	18-Mar-19	64	$399	A12
			WiFi	18-Mar-19	256	$549	
			WiFi + Cellular	18-Mar-19	64	$529	
			WiFi + Cellular	18-Mar-19	256	$679	
2021	iPad Mini 6	8.3	WiFi	24-Sep-21	64	$499	A15
			WiFi	24-Sep-21	256	$649	
			WiFi + Cellular	24-Sep-21	64	$649	
			WiFi + Cellular	24-Sep-21	256	$799	
2024	iPad Mini 7	8.3	WiFi	23-Oct-24	128	$499	A17 Pro
			WiFi	23-Oct-24	256	$599	
			WiFi	23-Oct-24	512	$799	
			WiFi + Cellular	23-Oct-24	128	$649	
			WiFi + Cellular	23-Oct-24	256	$749	
			WiFi + Cellular	23-Oct-24	512	$949	
2026	iPad Mini 8	8.5	WiFi	6-Nov-26	128	$699	A20 Pro
			WiFi	6-Nov-26	256	$799	
			WiFi	6-Nov-26	512	$999	
			WiFi + Cellular	6-Nov-26	128	$849	
			WiFi + Cellular	6-Nov-26	256	$949	
			WiFi + Cellular	6-Nov-26	512	$1,149	

Source: Company data, Goldman Sachs Global Investment Research

Price target, rating, and valuation

We are **Buy rated** on Apple with a 12-month target price of $390 reflecting 40X our NTM+1Y EPS.

Apple designs, manufactures, and markets personal technology devices and sells a variety of related services. Its long history and track record of **(1) designing category-defining and innovative products** (e.g., Mac, iPhone, iPad, Apple Watch, AirPods, iPod); **(2) protecting digital privacy**; and **(3) delivering premium services & experiences** have contributed to an unmatched brand strength. Apple's brand loyalty has resulted in a growing installed base of users that provide Apple with visibility into revenue growth by reducing customer churn, lowering customer acquisition costs for new product and services launches (e.g., Apple TV+, Apple Fitness, Apple Watch), and encouraging repeat purchases, such as phone upgrades.

We are Buy rated on AAPL, as we believe that the market's focus on slov
revenue growth masks the strength of the Apple ecosystem and associa
durability & visibility. Apple's installed base growth, secular growth in se
product innovation should more than offset cyclical headwinds to prod



as a reduced iPhone unit demand due to a lengthening replacement cycle and reduced consumer demand for the PC & tablet category. The majority of gross profit growth over the next 5-years should be driven by Services, which should mark an inflection point in the Services investment narrative and support AAPL's premium multiple. The durability of Apple's installed base and the resulting revenue growth visibility from attaching more Services and Products is what underpins the recurring revenue – or Apple-as-a-Service – opportunity.

Key risks to our view include weakening consumer demand, supply chain disruption, intensifying competition, regulatory risks, and capital allocation execution.

Key risks include:

Weakening consumer demand for products and services. Apple's products and services are typically sold to consumers and any weakness in the macroeconomic environment could reduce demand for Apple products and services. Apple generated 51% of its revenue from iPhones (F2024), which is highly dependent on purchases driven by upgrades. Lengthening replacement cycles due to macroeconomic headwinds, improved product durability, or lackluster product innovation could all negatively impact upgrade demand.

Supply chain disruption. Although Apple's suppliers have a global footprint, the majority of final assembly occurs in China. Increased geopolitical tension may result in disruptions to global trade including through tariffs. While Apple has a robust supply chain network, it may rely on one or a few key suppliers for unique or hard-to-manufacture at scale parts.

Intensifying competition. Apple competes across personal devices (e.g., handsets, tablets, PCs, headphones) and a variety of services (e.g., video streaming, app distribution, advertising, music streaming, online fitness, cloud storage, product warranties). Although Apple is the largest company and the most well resourced among its competitors, it is not the market leader in every single business line. For instance, in video streaming, it faces several key competitors that invest more heavily than Apple in content.

Regulatory risks. Apple is subject to intense regulatory scrutiny in all the major markets that it operates in. Regulatory intervention could result in weakening Apple's competitive advantages if it is forced to make its proprietary products or services available for competitors to use.

Capital allocation execution. Apple has a history of M&A, which has no guarantee of success. AAPL also has a history of share repurchases, which could prove to offer lower ROI or come under deeper regulatory scrutiny.