CONSUMER ELECTRONICS · TECHNOLOGY

Apple (AAPL)

Price at analysis **338.63 USD** · Market cap 4.84 tn USD

5.0/10

Neutral

AI assessment

Apple is a highly profitable, high-quality franchise, but at 338.63 USD the share price already reflects far more growth than our model calculations support.

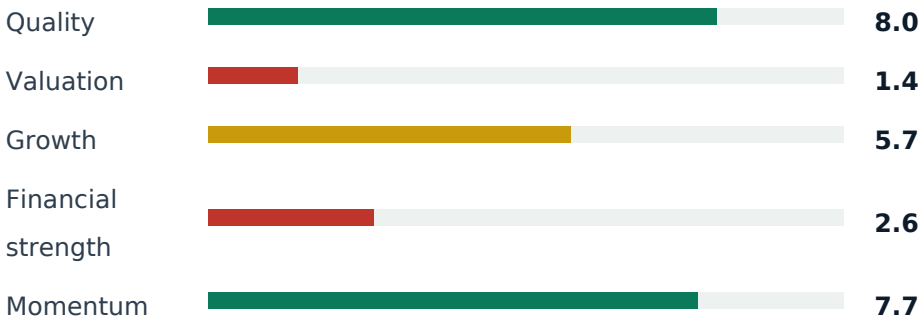
Forward P/E	EV/EBITDA	Revenue growth
35.4x	**30.1x**	**16.4%**
Industry 16.6x	Industry 17.5x	Industry 13.3%

Operating margin	Return on equity	Free cash flow yield
32.6%	**148.8%**	**2.2%**
Industry 13.4%	Industry 12.4%	Industry 3.3%

Summary

Our model calculations put Apple's fair value between 158.37 and 296.30 USD per share, below the current price of 338.63 USD. Exceptional margins, a 148.8% return on equity and strong price momentum argue for the business. The demanding valuation, with a forward P/E of 35.4x and an implied 18.4% annual FCF growth, argues against the shares at this level.

Score profile



Percentile vs. Technology (300 companies).

The company

Apple designs and sells the iPhone, Mac, iPad and wearables such as AirPods and Apple Watch, and earns a growing share of profit from services like the App Store, iCloud, AppleCare, advertising and licensing. Its large installed base and tightly integrated hardware-software ecosystem give it strong pricing power and customer loyalty against rivals such as Samsung, Google and Microsoft-based PC makers. The main drivers are iPhone upgrade cycles, services growth and margin expansion from the higher-margin services mix.

Strengths

- Operating margin of 32.6% versus a sector median of 13.4%, better than 89% of the peer group.
- Return on equity of 148.8%, better than 99% of the 300 technology peers.
- Free cash flow of 107.7 bn USD on revenue of 466.8 bn USD shows very strong cash generation.
- Earnings growth of 28.7% and revenue growth of 16.4%, both above the sector medians of 14.8% and 13.3%.

Weaknesses

- Forward P/E of 35.4x versus a sector median of 16.6x, cheaper than only 8% of peers.
- Free cash flow yield of only 2.2% versus a sector median of 3.3%.
- PEG ratio of 2.8x versus 1.3x for the group, meaning growth is expensive to buy.
- Current ratio of 1.0x and debt/equity of 78.4%, both weaker than the sector medians of 1.8x and 39.1%.

Valuation

On almost every multiple Apple trades at a large premium to the technology group, including 30.1x EV/EBITDA versus 17.5x and 10.6x sales versus 3.4x. Our model calculations give a fair value range of 158.37 to 296.30 USD with a midpoint of 193.31 USD; the base DCF (12% growth, 8% discount rate) yields 237.11 USD and only the most optimistic scenario (16% growth, 7% discount rate) at 368.54 USD exceeds the current price. The reverse DCF shows the market is pricing in 18.4% annual free cash flow growth for five years, a high bar for a company of this size. The analyst consensus target of 332.39 USD sits roughly at the current price, leaving little upside on that measure either.

Fair value range	Midpoint / vs. price	Price at analysis	Analyst avg.
158.37 USD – 296.30 USD	**227.34 USD** (−32.9%)	**338.63 USD**	**332.39 USD**

Main risks

- Valuation risk: if growth slows toward the 8-12% range assumed in our models, the share price could re-rate toward the model range well below current levels.
- Regulatory pressure on the App Store and on search and licensing payments could reduce high-margin services revenue.
- Dependence on the iPhone and on Chinese manufacturing and demand exposes Apple to trade tensions, supply chain disruptions and weaker upgrade cycles.

Who it suits

The share suits long-term investors who prioritise business quality and are prepared to accept a high valuation and possible setbacks. It is less suitable for value-oriented or income investors, given the 2.2% FCF yield and 0.32% dividend yield.

What to watch next

- Whether the next quarterly results sustain revenue growth near 16.4% and earnings growth near 28.7%, which the valuation requires.
- Services growth and margin trends, as they drive the premium multiple.
- Price behaviour around the 50-day line at 333.04 USD, with the shares at 88% of their 52-week range.

This analysis was generated automatically by an AI from publicly available market data (data as of 02.11.2026). It is information, not investment advice, and not a solicitation to buy or sell securities. Model values are based on assumptions. Stocks can lose their entire value.
Online report: https://aktienanalyse.ai/analyse/?t=3d551fe90deba3cadde2358c3ca4f873