

-17 23/30

Apple Financial Analysis Williams

	2014	2015	2016	2017
sales	182795	235715	215639	229234
Gross margin		140089	131376	141048
Net profit		53394	45687	48351
Operating income		21230	60024	61344

Balance sheet items	2015	2016	2017
debts	170990	193437	281272
assets	290545	321686	375319
equity	119355	128249	134047

Changes in sales

$$2015 = 233715 - 182795 / 182795 * 100$$

$$= 27.86\% \checkmark$$

$$2016 = 215639 - 233715 / 233715 * 100$$

$$= -7.732\% \checkmark$$

$$2017 = 229234 - 215639 / 215639 * 100$$

$$= 6.30\% \checkmark$$

2016 was the worst year since there was a drop in the level of sales. 2014-2018 recorded the highest increase in the total sales

Net income margin

$$= \text{net income} / \text{sales} * 100\%$$

$$2015 = 53394 / 233639 * 100$$

$$= 22.85\% \checkmark$$

$$2016 = 45687 / 215639 * 100$$

$$= 21.19\% \checkmark$$

$$2017 = 48351 / 375319 * 100\%$$

$$= 21.09\% \checkmark$$

?
Gross Profit as a percent of sales? -4

When sales decreased in 2016, that might have been excused. However sales are up again in 2017, yet NI dropped a small amount. What has changed to cause that?

Return on assets

$$= \text{net income} / \text{sales} * 100\%$$

$$2015 = 53394 / 290345 * 100$$

$$= 18.39\% \checkmark$$

$$2016 = 45687 / 321686 * 100$$

$$= 14.20\% \checkmark$$

$$2017 = 48351 / 375319 * 100\%$$

$$= 12.88\% \checkmark$$

Return on assets has been decreasing over the years and that should be a concern

Return on equity

$$= \text{net income} / \text{shareholders equity} * 100\%$$

$$2015 = 53394 / 119355 * 100$$

$$= 44.74\% \checkmark$$

$$2016 = 45687 / 128249 * 100$$

$$= 36.07\% \checkmark$$

$$2017 = 48351 / 134047 * 100$$

$$= 36.07\% \checkmark$$

Return on equity has been increasing over the years

Stockholders will not be pleased with this!

Debt on asset

$$= \text{debt} / \text{asset} * 100\%$$

$$2015 = 170990 / 290345 * 100$$

$$= 58.59\% \checkmark$$

$$2016 = 193437 / 321686 * 100$$

$$= 60.13\% \checkmark$$

$$2017 = 241272 / 375319 * 100$$

= 64.28% ✓

Over the year's assets are largely financed through borrowing for example more than 50% of assets are financed through debt and this is increasing over the years. ✓

Debt on equity

=debt/equity

2015 = 170990/119355

= 1.43: 1 ✓

2016 = 193437/128219

= 1.51: 1 ✓

2017 = 241272/134047

= 1.80: 1 ✓

The amount of dollar borrowed per dollar of equity is interesting in the recent years. the company is sourcing funds through borrowing. ✓

