

AAPL · Apple Inc. Common Stock

TECHNOLOGY · CONSUMER ELECTRONICS · UNITED STATES

As of 2026-10-17

ACCE SCORE

71/100

CURRENT PRICE

\$343.46

ACCE FAIR VALUE

\$296.00

MARGIN OF SAFETY

-16.0%

VALUATION, TARGET AND RATING

OPINION

Fair value (model average)

\$170.39

First published 13 Oct 2026, 22:00 UTC

Previous: \$179.84 (8 Oct 2026, 22:00 UTC)

ACCE target price

\$296.00

First published 16 May 2026, 15:52 UTC

Rating

Overvalued

From the fair value and the price used, at the report date

Horizon

12 months

Valuation horizon: 12 months from the publication date.

DATA

Market price used: \$343.46, close of 16 Oct 2026, 16:00 GMT-4 (NASDAQ).

METHODOLOGY

Fair value: the average of the applicable valuation models (discounted cash flow, multiples, residual income, dividend discount, shareholder yield), each run on the latest financial statements and the market price shown. Opinion columns (fair value, target, rating) are shown apart from the data. Full methodology: acceinvestments.com/data/how-we-value-stocks

Models behind this fair value: DCF (2-stage), EV/EBITDA comps, P/E comps.

INVESTOR WARNINGS

HIGH

Valuation disconnect from model

Forward P/E 35.1 and EV/EBITDA 29.7 are elevated relative to historical norms for the sector.

HIGH

Sequential revenue collapse

QoQ revenue declined 22.7% despite YoY growth of 16.4%, signaling sharp seasonal or demand deceleration in the most recent quarter.

MODERATE

Insider selling concentration

Last 10 disclosed transactions show \$89.38M in sales against \$0.00M in buys. Absence of insider accumulation at current valuations is a neutral-to-negative signal.

MODERATE

Long-term growth stalled

5-year revenue CAGR of 1.8% indicates the company has matured significantly. Near-term earnings growth (28.7% YoY) may not be sustainable.

INVESTMENT THESIS

The Market Is Paying for a Business That Doesn't Exist Yet

Every other model, from the DCF 2-stage at \$104.72 to EV/EBITDA comps at \$143.98, implies the stock is pricing a future that requires sustained, exceptional execution with zero stumbles. The PE comps model at \$248.37 is the most charitable traditional anchor, and even that implies nearly 20% downside.

Consensus treats Apple's 48.7% gross margin and \$98.8B FCF as durable moats that justify a 36.7x trailing P/E. The margin expansion story is real: gross margin hit 50.1% last quarter, up 79bps QoQ, driven by services mix. But the market is extrapolating that mix shift indefinitely, which requires services to keep growing as a share of revenue at a pace the data does not confirm will continue.

The ACCE Quality score of 87 and Momentum score of 90 are genuinely strong, but the Value score of 25 is a hard signal.

When three of four valuation models show 50%+ downside and the fourth shows 20% downside, the burden of proof sits entirely with the bull case.

Insider Selling and Valuation Compression Are the Real Risks

Net insider activity over the past year totalled negative \$112.18M across eight sells and zero buys. Cook himself sold \$16.51M. Directors accounted for \$86.74M of that. At a \$4.7T market cap the proportional size is small, but the direction is unambiguous: no one inside the company is adding exposure at current prices.

The balance sheet carries a Debt/Equity of 1.34, and the ROE of 148.8% is a product of that leverage, not purely operational excellence. FCF of \$98.8B is real and large, but if rates stay elevated and Apple needs to refinance at higher costs, the financial engineering that flatters ROE becomes a drag rather than a tailwind.

A -1.6% QoQ revenue dip to \$109.4B, even alongside strong margin performance, is a reminder that top-line growth is not guaranteed. If the next quarter shows a second consecutive revenue decline, the narrative around services-driven re-acceleration will face serious scrutiny, and a multiple at 33x forward earnings leaves almost no room for that kind of disappointment.

Services Mix and AI Integration Are the Only Credible Upside Levers

The gross margin expansion from the product/services mix is the most concrete near-term catalyst in the data. Services carry structurally higher margins than hardware, and if that segment continues to grow as a share of the \$109.4B quarterly revenue base, margin can expand further even on flat unit volumes. The Q3 2026 EPS beat of +7.4% against consensus shows the earnings model is still surprising to the upside.

Apple's installed base creates a distribution advantage for any new service or subscription layer that no competitor can replicate quickly. If AI-driven features, whether on-device or subscription-gated, attach to even a fraction of that base at meaningful ARPU, the services revenue trajectory changes materially. That is the scenario where the current multiple becomes defensible rather than speculative.

The 5-year revenue CAGR of 14.4% and earnings growth of 28.7% YoY demonstrate that the compounding engine is intact. Institutional ownership at 66.4% with short interest at only 0.8% means there is no short-squeeze dynamic here; the stock is held by long-only funds that will stay as long as earnings credibility holds.

Three Signals That Would Force a Re-Rating

A second consecutive quarter of revenue decline, particularly if services growth decelerates below hardware weakness, would break the mix-shift narrative that justifies the premium multiple. At 33x forward earnings, any revision to the earnings growth trajectory produces outsized multiple compression.

If gross margin retreats from the 50.1% level, even by 100-150bps, it signals that the services mix tailwind has stalled. That single metric is the clearest real-time indicator of whether the bull thesis is intact. Watch it every quarter without exception.

On the positive side, a credible AI monetisation announcement, specifically one that attaches a recurring revenue stream to the installed base, would give analysts a new earnings line to model and could justify a forward multiple above 33x. That is the one scenario where the current price is not obviously wrong. Absent that, the stock is priced for perfection at a moment when insiders are selling and three of four valuation models show 50%+ downside.

ACCE SCORE BREAKDOWN

GROWTH	VALUE	QUALITY	MOMENTUM
80	25	82	97

ACCE FINANCIAL MODEL

OPINION

BEAR CASE	BASE CASE	BULL CASE	LIVE UPSIDE
-	\$296.00	-	-13.8%

KEY ASSUMPTIONS (ACCE BASE CASE)

31.3x forward P/E on implied ~\$9.59 EPS = ~\$300; fair value anchored at 30.8x on \$9.59 EPS = \$296. Stock is essentially at fair value on current estimates. A re-rating to 34x on Services mix expansion and Apple Intelligence monetization gets you to \$326. Downside at 26x trough multiple = \$249.

KEY RISKS TO THE ACCE BASE CASE

[HIGH] China revenue concentration (~17% of total revenue) faces structural headwinds from Huawei's resurgence — Huawei shipped ~50M smartphones in 2024 on the back of the Mate 60 Pro, directly competing in Apple's premium Chinese segment. A 5-point Chinese market share loss equates to roughly \$7B in lost iPhone revenue.; [HIGH] App Store regulatory dismantling — The EU's Digital Markets Act is already forcing sideloading in Europe; US DOJ litigation targeting Apple's 15-30% commission structure on ~\$1.1T in annual App Store billings is an existential threat to the highest-margin revenue line in the business.; [MEDIUM] Apple Intelligence underwhelms — the company staked the iPhone 16 cycle on AI features that, as of early 2025, have been iterative rather than transformative. If the iPhone 18 launch similarly fails to drive material upgrade acceleration, Services growth becomes the only earnings driver and the 31x multiple compresses.; [MEDIUM] India manufacturing transition execution risk — Apple is accelerating production out of China toward India (targeting 25% of global iPhone production by 2027), but Foxconn and Tata's Indian facilities have had quality and scale challenges. A production disruption ahead of a major launch cycle would hit gross margins directly.; [MEDIUM] Tim Cook succession — Cook turns 64 in 2025. No credible public succession plan exists. Apple's operational complexity and ecosystem coherence are deeply tied to his tenure; an unplanned transition would be disruptive in ways that are hard to model but real.

WHAT WOULD CHANGE THIS THESIS

Services revenue growth decelerates below 10% YoY for two consecutive quarters — that is the signal that the ecosystem monetization flywheel is saturating, and at that point the 30x+ multiple is indefensible against a business growing mid-single digits on its largest segment.

SYSTEMATIC VALUATION (6-MODEL ENGINE)

OPINION

MODEL	FAIR VALUE	UPSIDE	CONF.
DCF (2-stage)	\$99.53	-70.8%	70%
Shareholder yield	\$144.75	-57.5%	40%
EV/EBITDA comps	\$140.92	-58.7%	60%
Graham number	\$29.32	-91.4%	35%
P/E comps	\$282.53	-17.1%	60%
Reverse DCF	\$340.97	implied growth	-

BULLS SAY / BEARS SAY

BULLS

- Apple's 16.4% year-over-year revenue growth and 27.6% net margin show the core business is accelerating while maintaining fortress profitability.
- A 148.8% return on equity and 53.3% return on invested capital demonstrate Apple deploys capital with exceptional efficiency.
- Free cash flow of 107.7 billion dollars and a 2.6% reduction in share count fund buybacks while strengthening the balance sheet.

BEARS

- Consensus fair value sits 46.6% below the current share price of 336.64 dollars, suggesting significant downside risk.
- The stock's valuation implies 8.9% perpetual cash flow growth, but the 5-year average revenue growth was only 1.8% per year.

WHAT CHANGED SINCE LAST EARNINGS

- FINANCIALS

Free cash flow surged 19.4% QoQ to \$31.9B despite revenue declining 1.6%, driven by operating leverage and working capital management.
- FINANCIALS

Net margin expanded 62bps QoQ to 27.2%, with gross margin up 79bps to 50.1%, offsetting revenue headwind.
- FINANCIALS

ACCE score improved 2 points to 74 over 90 days, signalling strengthening fundamental quality metrics.
- CAPITAL RETURN

Debt-to-equity ratio tightened to 0.78 from 0.80, reflecting balance sheet improvement and reduced financial leverage.

MANAGEMENT QUALITY

Leadership and Compensation Alignment

Timothy Cook, age approximately 65, holds the Executive Chairman title and received total pay of \$16.76M, with no exercised or unexercised equity holdings disclosed. The top six officers collectively earned \$35.09M in cash compensation, but the absence of material equity stakes (zero unexercised options across all listed executives) is notable. This structure deviates from typical founder-led or founder-aligned tech firms where equity ownership ties management

to long-term value creation. Cook's tenure as CEO spanned roughly two decades before the recent transition to Executive Chairman; the data does not clarify the new CEO's equity position or incentive structure.

Insider Transactions Signal Net Selling Pressure

Over the past 365 days, insiders sold \$92.95M in stock against zero purchases, a uniformly bearish signal. Cook himself executed \$63.85M in sales on 2 October 2026, while CEO John Ternus sold \$8.46M the same day. The General Counsel made eight separate sales totaling \$4.66M. No officer or director bought shares. This pattern of consistent, high-volume selling by the C-suite and board members, absent any offsetting purchases, suggests insiders do not view current valuations as attractive entry points.

Capital Stewardship and Valuation Disconnect

Apple generated \$107.7B in free cash flow and maintains a moderate leverage ratio (Debt/Equity 0.78), indicating disciplined balance-sheet management. Sequential revenue declined 22.7% quarter-over-quarter, tempering the 16.4% year-over-year growth. The combination of insider selling, elevated valuation multiples, and recent revenue deceleration presents a mixed picture of capital deployment quality relative to current market pricing.

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FUNDAMENTALS

DATA

METRIC	VALUE
Trailing P/E	39.1x
Forward P/E	35.2x
EV/EBITDA	29.4x
P/Sales	10.7x
Dividend Yield	0.31%
Market Cap	\$5.0T
ROE	+148.8%
Gross Margin	+49%
Operating Margin	+33%
Net Margin	+28%
Debt / Equity	1.52
Free Cash Flow	\$98.8B
Revenue Growth YoY	+16.4%
Earnings Growth YoY	+28.7%
5y Revenue CAGR	+8.7%
5y Earnings CAGR	+14.3%

ANALYST FORECASTS

DATA

PERIOD	REVENUE LOW	REVENUE AVG	REVENUE HIGH	EPS AVG
Q4-2026	\$131.5B	\$153.7B	\$170.4B	\$2.90
Q1-2027	\$131.5B	\$154.6B	\$170.4B	\$2.91
FY2027	\$485.7B	\$528.1B	\$594.9B	\$9.57

EARNINGS BEAT / MISS (LAST 8 QUARTERS)

DATA

QUARTER	ESTIMATE	ACTUAL	SURPRISE
Q4 FY2026	\$1.99	-	-
Q3 FY2026	\$1.88	\$2.02	+7.4%
Q2 FY2026	\$1.94	\$2.01	+3.6%
Q1 FY2026	\$2.67	\$2.84	+6.4%
Q4 FY2025	\$1.77	\$1.85	+4.5%
Q3 FY2025	\$1.43	\$1.57	+9.8%
Q2 FY2025	\$1.62	\$1.65	+1.9%
Q1 FY2025	\$2.34	\$2.40	+2.6%

RECENT SEC FILINGS

DATA

Form 4 (Insider)	Filed 2026-10-08
Form 4 (Insider)	Filed 2026-10-05
Form 4 (Insider)	Filed 2026-10-05
Form 4 (Insider)	Filed 2026-10-05
Form 4 (Insider)	Filed 2026-10-05

RECENT PRESS RELEASES

2026-09-16Hedy Adds Apple Private Cloud Compute to Its AI Meeting Assistant in iOS 27 · [GlobeNewswire](#)

RECOMMENDATION HISTORY, LAST 12 MONTHS

DATE AND TIME	TYPE	NEW	PREVIOUS	PRICE
13 Oct 2026, 22:00 UTC	Fair value	\$170.39	\$179.84	\$340.97
8 Oct 2026, 22:00 UTC	Fair value	\$179.84	\$173.32	\$336.67
7 Oct 2026, 22:00 UTC	Fair value	\$173.32	\$169.43	\$333.63
4 Oct 2026, 22:00 UTC	Fair value	\$169.43	\$162.90	\$333.69
30 Sept 2026, 22:00 UTC	Fair value	\$162.90	\$165.14	\$329.40
28 Sept 2026, 22:00 UTC	Fair value	\$165.14	\$165.87	\$341.07
26 Sept 2026, 22:00 UTC	Fair value	\$165.87	\$165.76	\$341.07
23 Sept 2026, 22:00 UTC	Fair value	\$165.76	\$163.48	\$339.75
21 Sept 2026, 22:00 UTC	Fair value	\$163.48	\$164.47	\$336.13
19 Sept 2026, 22:00 UTC	Fair value	\$164.47	\$162.91	\$336.13
16 Sept 2026, 22:00 UTC	Fair value	\$162.91	\$164.22	\$331.34
14 Sept 2026, 22:00 UTC	Fair value	\$164.22	\$165.48	\$332.27

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12 Sept 2026, 22:00 UTC	Fair value	\$165.48	\$164.58	\$332.27
9 Sept 2026, 22:00 UTC	Fair value	\$164.58	\$166.82	\$316.22
7 Sept 2026, 22:00 UTC	Fair value	\$166.82	\$164.85	\$319.97
5 Sept 2026, 22:00 UTC	Fair value	\$164.85	\$170.75	\$319.97
2 Sept 2026, 22:00 UTC	Fair value	\$170.75	\$168.86	\$325.13
31 Aug 2026, 22:00 UTC	Fair value	\$168.86	\$167.81	\$319.70
29 Aug 2026, 22:00 UTC	Fair value	\$167.81	\$166.55	\$319.70
26 Aug 2026, 22:00 UTC	Fair value	\$166.55	\$166.70	\$309.28
24 Aug 2026, 22:00 UTC	Fair value	\$166.70	\$167.82	\$309.37
21 Aug 2026, 22:00 UTC	Fair value	\$167.82	\$172.16	\$309.37
19 Aug 2026, 22:00 UTC	Fair value	\$172.16	\$166.82	\$310.02
18 Aug 2026, 22:00 UTC	Fair value	\$166.82	\$188.60	\$310.02
17 Aug 2026, 22:00 UTC	Fair value	\$188.60	\$189.43	\$304.27

and 17 more at acceinvestments.com/stocks/AAPL

CONFLICTS OF INTEREST

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