

Project Dissertation Report on

COMPANY ANALYSIS OF APPLE

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2K20/DMBA/85

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CERTIFICATE

This is to certify that the major research project, titled, "**COMPANY ANALYSIS OF APPLE**" is a bonafide work done by **Parth Singh** of MBA 2020-2022 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 in the partial fulfilment of the requirement for the award of degree of Master of Business Administration (MBA) programme.

Signature of the Guide

Signature of the Head

Place:

Date:

DECLARATION

I, **Parth Singh**, hereby declare that the Major Research Project, titled “**COMPANY ANALYSIS OF APPLE**” submitted in partial fulfilment of the **Masters of Business Administration** is based on my own work carried out during the duration of this course.

I further declare that all the information present in this report is authentic to the best of my knowledge and this work has not been submitted to any other Institute for any other Degree, Diploma, or Fellowship.

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ACKNOWLEDGEMENT

My project titled “Company Analysis of Apple” offered me an excellent opportunity to and apply the concepts I learnt during my MBA course, and helped me learn more about them through practical application.

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EXECUTIVE SUMMARY

Apple Inc, is currently the most-valuable company in the world, at the moment. It took Apple years to reach this milestone and had to deal with many ups and downs in over 40 years of its existence, including a phase in the 1990s when it was about to go bankrupt.

Since, its inception in the 1970s, Apple has dared to be different from other companies in the field of technology, and it has made a huge contribution towards its success. The leadership at Apple, their marketing strategy, the work culture, their pursuit of innovative designs and their rivalry with Apple, Google and Microsoft are well known.

This project aims to analyse all these aspects of Apple, and also take a look at its financial data to understand why the company is different from the rest and what helped it to become the first trillion, and currently the most valuable company, by market cap, in the world.

The analysis uses the popular concepts taught during the MBA, such Porter's Five Forces Model, SWOT Analysis, Ratio Analysis of the Financial Statements, and X&Y Theory of Management, and how they allowed Apple to become the global giant in the field of technology.

Keywords: Apple, Mobile Industry, Apple Finances, Apple SWOT, Apple Management

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1.INTRODUCTION

1.1.Industry Background

The size of the global consumer goods market was around \$729 billion in 2019. However, like every industry, the impact of COVID-19 was seen on this industry as well, and the size shrunk to \$689 billion in 2020. Experts believe that the market will grow again as the economy is on a track to recovery and reach a size of nearly \$990 billion by 2027.

There are many key players, such as Apple, Samsung, Sony, Dell, HP in the consumer electronics industry, and they are competing to gain the maximum possible market share.

These companies are constantly working on innovations to ensure that the consumers buy their products as much as possible. We see that new phones, laptops and other gadgets are released every now and then.

At present this industry is driven by the following factors:

Introduction of New Technology

Everywhere around the globe, we can see that governments are trying to implement the latest technologies in the form of 5G, IoT, AI, etc. As a result, more and more people are buying these electronic products to take advantage of these technologies.

As these innovations don't seem to stop anytime soon, the market is bound to keep growing for years to come.

Increase in Average Income of the People

If we take a look at the average increase in the wages over the past two decades, we will see that it has increased by nearly 30%. At the same time, inflation has been rising at a much slower rate. This means that today people have more spare money to buy electronic goods than they did 20 years ago.

Population Growth

Young people are more likely to buy these consumer goods when compared to the elderly. Over the past couple of decades, the world has seen growth in population, and today, there are over 1 billion people who belong to the age group of 15 to 25, and that's around 1 in 7 people who is a potential customer for these companies.

They continuously design their top-of-the-line products to attract this group and it has been working nicely for them. In 2025, the global population is predicted to be close to 8.1 billion and nearly 1.7 billion of them would be in the age group that is more likely to buy these gadgets, and thus these companies are highly unlikely to see a fall in their sales anytime soon.

1.2.Problem Statement

At present, Apple is the biggest company in the world, in terms of market value, around \$3 trillion. In nearly 50 years of its existence, the company has evolved from a computer company to a company that has strong foothold in not only the computer industry, but also in the music industry, the smartphone industry, accessories market, and in software industry.

How did Apple achieve all this in the past twenty years, that too after going nearly bankrupt in the late 1990s? It took a clever combination of leadership, marketing and innovation. This project would explore these aspects of the company, along with its financial data to figure out what really worked for Apple, and suggest strategies or moves that could help the company remain the most valuable company in the world for years to come.

1.3.Objective of the Study

The object of this study is to analyse what Apple did in terms of handling its finance, marketing, leadership and innovation over the past couple of decades to become one of the most successful companies in the world.

The study also aims to suggest some changes and innovations that Apple could work on to keep ahead of its competitors.

1.4.Scope of the Study

The scope of the study involves analysing the financial statements of the company to figure out how it has been performing on financial front over the past few years, and how it might perform in the future.

It also includes taking a look at the innovative practices followed at Apple, along with the leadership style and marketing strategy that makes it unique and successful in the technological sector.

2.LITERATURE REVIEW

Throughout this project, there would be use of some techniques that scholars have been using for quite some time to analyse a company's performance from financial point of view, management point of view, and market point of view.

For a company to be successful it should be continuously managing its finances properly and expanding itself, by making careful use of its assets and reducing the liabilities. How nicely is Apple able to manage its finances can be understood by performing ratio analysis, as well as vertical and horizontal analysis of the financial statements put out by Apple.

At the same time, the market also plays a important role on the success of the company, and Apple's competency in the field can be understood by performing Porter's Five Forces analysis of the industry, and Apple's SWOT analysis.

Lastly, the performance of the company also depends on the people who run it. And having a good leader, with excellent management team, at the helm of the company is crucial for a company's success. This would be analysed with the help of McGregors Theory X and Theory Y, and how they contrast between the people directly employed by Apple, and those who work for Apple's partners in Asia.

In his **1938 research Mintzberg** mentioned that when an organization tries to be innovative, it leads to administrative adhocracy. The companies need to opt for these changes to keep up with the constantly growing competition and technological advancements.

In 1995, Shackleton, proposed that 'leadership is the process in which an individual influence other group members towards the attainment of group or organisational goals'. Apple's case is a perfect example of it, as in 1990s, when Jobs was leading the company he tried influence all the employees to work towards his dream plans.

In 2005, Torrington et al, mentioned that, the organizational structure of Apple also acts like its functional structure.

According to **Qumer's research in 2009**, Jobs inspired his employees to work to "Change the World."

3. RESEARCH METHODOLOGY

This project on “Company Analysis of Apple” is a case study, of Apple. A case study includes the analysis of company, individual or a phenomenon in its environment. As a result, case studies are a good choice of evaluation in situations where evaluating the objectives isn't very easy.

Case studies are well suited when one wants to understand a process or a change.

3.1. Data Source

In most studies, data plays a very vital role, and it is usually collected from two sources: primary and secondary. Primary data is collected by the people performing the study, and secondary data includes the data that is already available for use.

In this research project, most of the data used is secondary data, and has been taken from sources that include Apple, News Articles, and other research-based work done on Apple.

3.2. Working of the Research

As the project deals with the analysis of Apple, as a company, it focuses on three aspects related to the company: Its financials, its leadership and the market that it is a part of. Different techniques and studies are referred to perform analysis of these aspects of the company. These studies are related to the aspect of the company under consideration.

In the financial analysis of the company, the analysis of its financial statements has been carried out through the means of ratio analysis, horizontal analysis, and vertical analysis.

The market of the company has been studied with the help of Porter's Five Forces Model and SWOT Analysis has been used to understand the position of Apple in the market.

In the study of its management, Theory of X and Theory of Y is used to analyse how the management handles its employees at Apple and its partners, and Herzberg's Two-Factor Theory has been used to examine the working condition at Apple.

4.COMPANY ANALYSIS

4.1.About the Company

Apple is one of the largest tech companies in the world. It has been diversifying its business over the years to cover more and more technology related fields. The company started in 1976 as a computer company and created Apple I, a personal computer that was supposed to create revolution in the computer industry. However, the product failed, and the founders Steve Jobs and Steve Wozniak had very little encouragement to go further.

They came up with Apple II, and it did what Steve Jobs and Steve Wozniak were expecting from its predecessor. It's striking new feature; the color display was a massive hit and it allowed the personal computer industry to jump from a size of \$7.8 million in 1978 to over \$117 million in 1980, the year apple went public.

Over the years, Apple tried to consolidate its command in the computer industry, but it started losing out to Windows in the late 90s. As Steve Jobs was dismissed from the company, Apple entered its darkest phase, and was on the verge of bankruptcy.

Realizing their mistake, Apple acquired the new company formed by Jobs, and rehired him as the CEO. He realized that to move forward, he has to diversify the offering of Apple products. He decided that Apple has to enter some new industries during the 21st century to stay relevant.

Music Industry

Apple entered the music industry with the launch of its iPod in the 2001. The device was innovative as in those days, people used to carry Walkman and handheld CD players to listen to the music. The iPod made that style out fashioned, as the iPod was able to carry the content of nearly 5 CDs in its integrated memory.

Apple also introduced iTunes, a software that allowed people to load music directly into their iPods from their personal computers, creating the era of digital music.

Laptop Industry

As a computer company, it was natural for Apple to introduce laptop computers, or they call it MacBook. Apple released its first MacBook Pro, for professionals, in 2006, and MacBook Air, aimed at casual users, in 2008.

Smartphone Industry

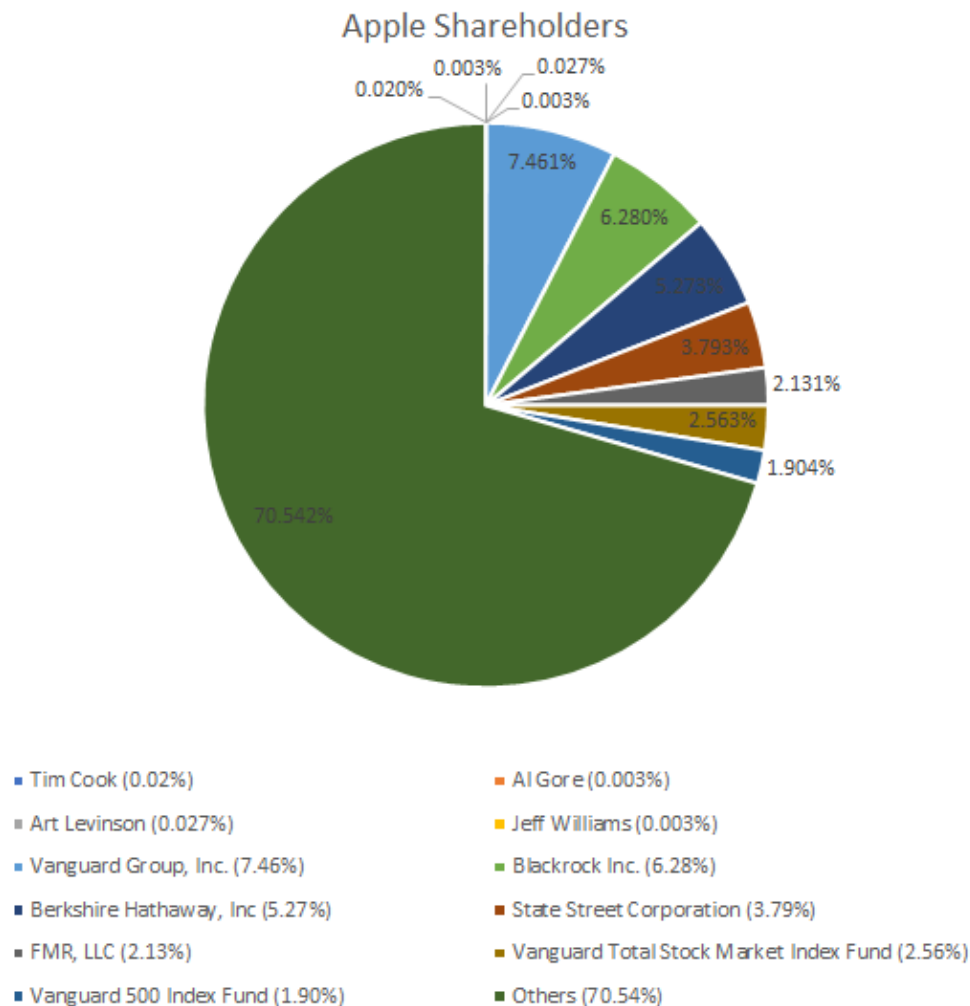
In 2007, Apple introduced the product that turned out to be its most successful product ever, the iPhone. The first iPhone was an innovative product that made the smartphone a popular gadget during the late 2000s. This device has been the highest revenue (nearly 50%) generator for Apple. The iPhone released in 2020, the iPhone 12 line-up went on to become the best-selling mobile phone of all time (Nearly 253 million units sold), beating the record set by Nokia 1100 (nearly 250 million units sold) early 2000s.

Tablet Computers Industry

In 2010, Apple entered the industry focused at hand-held computers, called tablet PCs. This product, the iPad, turned out to be a huge success for Apple, and the features and functions were much better than any of its competitors. At present, the iPad accounts for nearly 10% of the revenue generated by the company.

Personal and Home Accessories

Apple also forayed in personal and home accessories in the last decade. The introduction of Apple Watch, HomePod, which is a smart device that can connect to and control all the smart devices in the home, and the AirTag, a device that you could attach to the items that you misplace quite often, and then track them down from your iPhone or iPad.



4.2. Financial Analysis of Apple

Financial Analysis of a company is the process of evaluating the finance related activities of the company to understand its performance and how it is going to perform

in the future. In this project, financial analysis of Apple will be done with the help of ratio analysis, horizontal analysis and vertical analysis.

									All values in thousands
INCOME STATEMENT OF APPLE INC									
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18					
Operating Revenue	36,58,17,000	27,45,15,000	26,01,74,000	26,55,95,000					
Cost of Revenue	21,29,81,000	16,95,59,000	16,17,82,000	16,37,56,000					
Gross Profit	15,28,36,000	10,49,56,000	9,83,92,000	10,18,39,000					
Average Inventory	53,24,525	40,99,831	37,27,506	41,53,925					
Operating Expenses	4,38,87,000	3,86,68,000	3,44,62,000	3,09,41,000					
Operating Income	10,89,49,000	6,62,88,000	6,39,30,000	7,08,98,000					
Net Non Operating Interest Income Expense	1,98,000	8,90,000	13,85,000	24,46,000					
Other Income Expense	60,000	-87,000	4,22,000	-4,41,000					
Pretax Income	10,92,07,000	6,70,91,000	6,57,37,000	7,29,03,000					
Tax Provision	1,45,27,000	96,80,000	1,04,81,000	1,33,72,000					
Net Income Common Stockholders	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000					
Diluted Net Income Available to Common Stockholders	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000					
Basic EPS	5.67	3.31	2.99	3.00					
Diluted EPS	5.61	3.28	2.97	2.98					
Basic Average Shares	1,67,01,272	1,73,52,119	1,84,71,336	1,98,21,508					
Diluted Average Shares	1,68,64,919	1,75,28,214	1,85,95,652	2,00,00,436					
Total Operating Income as Reported	10,89,49,000	6,62,88,000	6,39,30,000	7,08,98,000					
Total Expenses	25,68,68,000	20,82,27,000	19,62,44,000	19,46,97,000					
Net Income from Continuing and Discontinued Operations	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000					
Normalized Income	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000					
Interest Income	28,43,000	37,63,000	49,61,000	56,86,000					
Interest Expense	26,45,000	28,73,000	35,76,000	32,40,000					
Net Interest Income	1,98,000	8,90,000	13,85,000	24,46,000					
EBIT	11,18,52,000	6,99,64,000	6,93,13,000	7,61,43,000					
EBITDA	-	-	-	-					
Reconciled Cost of Revenue	21,29,81,000	16,95,59,000	16,17,82,000	16,37,56,000					
Reconciled Depreciation	1,12,84,000	1,10,56,000	1,25,47,000	1,09,03,000					
Net Income from Continuing Operation Net Minority Interest	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000					
Normalized EBITDA	12,31,36,000	8,10,20,000	8,18,60,000	8,70,46,000					

BALANCE SHEET OF APPLE INC				
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18
Total Assets	35,10,02,000	32,38,88,000	33,85,16,000	36,57,25,000
Current Assets	13,48,36,000	14,37,13,000	16,28,19,000	13,13,39,000
Total Non Current Assets	21,61,66,000	18,01,75,000	17,56,97,000	23,43,86,000
Total Liability Net Minority Interest	28,79,12,000	25,85,49,000	24,80,28,000	25,85,78,000
Current Liabilities	12,54,81,000	10,53,92,000	10,57,18,000	11,68,66,000
Total Non Current Liabilities Minority Interest	16,24,31,000	15,31,57,000	14,23,10,000	14,17,12,000
Total Equity Gross Minority Interest	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
Total Capitalization	17,21,96,000	16,40,06,000	18,22,95,000	20,08,82,000
Common Stock Equity	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
Net Tangible Asset	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
Working Capital	93,55,000	3,83,21,000	5,71,01,000	1,44,73,000
Invested Capital	18,78,09,000	17,77,75,000	19,85,35,000	22,16,30,000
Tangible Book Value	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
Total Debt	12,47,19,000	11,24,36,000	10,80,47,000	11,44,83,000
Net Debt	8,97,79,000	7,44,20,000	5,92,03,000	8,85,70,000
Shares Issued	1,64,26,786	1,69,76,763	1,77,72,944	1,90,19,944
Ordinary Share Number	1,64,26,786	1,69,76,763	1,77,72,944	1,90,19,944

Source: [Yahoo Finance](#)

CASH FLOW STATEMENT OF APPLE INC				
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18
Operating Cash Flow	10,40,38,000	8,06,74,000	6,93,91,000	7,74,34,000
Investing Cash Flow	-1,45,45,000	-42,89,000	4,58,96,000	1,60,66,000
Financing Cash Flow	-9,33,53,000	-8,68,20,000	-9,09,76,000	-8,78,76,000
End Cash Position	3,59,29,000	3,97,89,000	5,02,24,000	2,59,13,000
Changes in Cash	-38,60,000	-1,04,35,000	2,43,11,000	56,24,000
Beginning Cash Position	3,97,89,000	5,02,24,000	2,59,13,000	2,02,89,000
Income Tax Paid Supplemental Data	2,53,85,000	95,01,000	1,52,63,000	1,04,17,000
Interest Paid Supplemental Data	26,87,000	30,02,000	34,23,000	30,22,000
Capital Expenditure	-1,10,85,000	-73,09,000	-1,04,95,000	-1,33,13,000
Issuance of Capital Stocks	11,05,000	8,80,000	7,81,000	6,69,000
Issuance of Debt	2,03,93,000	1,60,91,000	69,63,000	69,69,000
Repayment of Debt	-8,75,000	-1,26,29,000	-88,05,000	-65,00,000
Repurchase of Capital Stocks	-8,59,71,000	-7,23,85,000	-6,68,97,000	-7,27,38,000
Free Cash Flow	9,28,53,000	7,33,65,000	5,88,96,000	6,41,21,000

All Values in Thousands

4.2.1. Ratio Analysis of Apple

Ratio Analysis is used to understand the company's liquidity, operational efficiency, and profitability by comparing items on its financial statement with one another. In this project, liquidity ratio, solvency ratio, profitability ratio, efficiency ratio, and coverage ratio will be used.

Liquidity Ratio: Liquidity ratio is one of the most important ratios as it provides details about the liquidity position of a firm. It shows a relationship between the firm's assets and its liabilities, the current ones.

A liquid asset is an asset that can be converted into cash, easily and without significant loss of value.

Current ratio= Current Assets/Current Liabilities

RATIO ANALYSIS OF APPLE				
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18
Current Assets	13,48,36,000	14,37,13,000	16,28,19,000	13,13,39,000
Current Liabilities	12,54,81,000	10,53,92,000	10,57,18,000	11,68,66,000
Current Ratio	1.075	1.364	1.540	1.124

At present, the current ratio is not good. Ideally, it should be around 2. We can see that the COVID-19 pandemic impacted the current ratio in 2020, and 2021.

Quick ratio= (Current Assets – Inventory)/Current Liabilities

Quick Assets	12,82,60,000	13,96,50,000	15,87,10,000	12,73,80,000
Current Liabilities	12,54,81,000	10,53,92,000	10,57,18,000	11,68,66,000
Quick Ratio	1.022	1.325	1.501	1.090

The quick ratio for Apple was increasing till 2019, and then it started to fall. This isn't a good sign for the company.

Solvency Ratio: This ratio co-relates a company's debt levels with its assets, equity as well as earnings. It helps predict whether the company can stay afloat in the future or not.

Debt-Equity ratio= Total Liabilities/Total Shareholders' Equity

Total Liabilities	28,79,12,000	25,85,49,000	24,80,28,000	25,85,78,000
Total Shareholders' Equity	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
Debt-Equity Ratio	4.564	3.957	2.741	2.413

The debt-to-equity ratio of Apple has been increasing since 2019, this is not a good sign as company is relying more on borrowing to finance itself. A good debt-to-equity ratio is in the range of 2.0 to 2.5.

Debt-Asset ratio= Total Debt/Total Assets

Total Debt	28,79,12,000	25,85,49,000	24,80,28,000	25,85,78,000
Total Assets	35,10,02,000	32,38,88,000	33,85,16,000	36,57,25,000
Debt-Asset Ratio	0.820	0.798	0.733	0.707

Debt-Asset ratio for Apple has been increasing steadily for Apple since 2018, the ideal values should be in the range of 0.3 to 0.6. At present the company is borrowing money to fund its assets, and if it continues to grow, and crosses 1, then the company will pose a significant risk of default, which might scare the investors.

Interest Coverage ratio=EBIT/Interest Expenses

EBIT	11,18,52,000	6,99,64,000	6,93,13,000	7,61,43,000
Interest Expenses	26,45,000	28,73,000	35,76,000	32,40,000
Interest Coverage Ratio	42.288	24.352	19.383	23.501

This ratio tells us how easily a company could pay off its interest on the outstanding debt. If we look at the data, the ratio is increasing since 2020, which is a good think for Apple, as it can easily pay off the interests on its debts.

Profitability Ratio: This ratio explains a company's ability to make profit through operations.

Return on Assets= Net Income/Total Assets

Net Income	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000
Total Assets	35,10,02,000	32,38,88,000	33,85,16,000	36,57,25,000
ROA	0.270	0.177	0.163	0.163

Apple is showing an improvement on its ROA since 2020, it shows that the company is getting better and better at using its assets to generate revenue.

Return on Equity= Net Income/Shareholder's Equity

Net Income	9,46,80,000	5,74,11,000	5,52,56,000	5,95,31,000
Total Shareholders' Equity	6,30,90,000	6,53,39,000	9,04,88,000	10,71,47,000
ROE	1.501	0.879	0.611	0.556

Apple's ROE has improved massively since 2019. It shows that the company is using the investors money in an excellent manner to generate profits. It is a good thing and more investors would want to invest in Apple.

Return of Capital Employed=EBIT/Capital Employed

EBIT	11,18,52,000	6,99,64,000	6,93,13,000	7,61,43,000
Capital Employed	22,78,04,481	23,79,72,789	26,15,58,491	28,20,11,111
ROCE	0.491	0.294	0.265	0.270

A good ROCE value means that the company is using its resources in an excellent manner. A good value for ROCE is greater than 0.1. Apple has been performing really well in this regards for the past four years.

Gross Margin Ratio=Revenue-COGS/Revenue

Revenue	36,58,17,000	27,45,15,000	26,01,74,000	26,55,95,000
COGS	21,29,81,000	16,95,59,000	16,17,82,000	16,37,56,000
Gross Margin Ratio	1.718	1.619	1.608	1.622

Gross margin ratio tells us how much profit a company is making by selling its products and services without any other expenses are considered. A decent value of gross margin ratio is above 0.7. Apple has consistently shown a gross margin ratio of more than 1.5, which is excellent.

Efficiency Ratio: It tells us how a company is able to use its assets as well as liabilities to generate sales and get the best profits.

Asset Turnover ratio= Sales/ Average Total Assets

Sales	36,58,17,000	27,45,15,000	26,01,74,000	26,55,95,000
Average Total Assets	35,10,02,000	32,38,88,000	33,85,16,000	36,57,25,000
Asset Turnover Ratio	1.042	0.848	0.769	0.726

Asset turnover ratio is used to show how nicely a company is using its assets to generate revenue/sales. A turnover ratio of more than 0.5 is considered good. Apple has shown an increase in its already good asset turnover ratio since 2018.

Inventory Turnover ratio= Cost of Goods Sold / Average Inventory.

COGS	21,29,81,000	16,95,59,000	16,17,82,000	16,37,56,000
Average Inventory	53,24,525	40,99,831	37,27,506	41,53,925
Inventory Turnover Ratio	40.000	41.358	43.402	39.422

This ratio tells us about how efficient a company is, when it comes to sell off its inventory in the given period. Apple has an excellent inventory turnover ratio throughout.

Day's Sale in Inventory = $(\text{Average Inventory} \div \text{COGS}) * 365$

Average Inventory	53,24,525	40,99,831	37,27,506	41,53,925
COGS	21,29,81,000	16,95,59,000	16,17,82,000	16,37,56,000
Day's Sale in Inventory	9.125	8.825	8.410	9.259

This ratio tells us how many days, on an average, does it take a firm to sell its inventory. Here Apple takes merely 9 days to sell off its inventory, which is a great thing.

4.2.2. Horizontal Analysis

While analysing the financial statements, horizontal analysis is useful in comparing the data from one period with that of another. It can be used to compare the values directly or to compare the percentage change in the values.

Horizontal Analysis of Income Statement					Horizontal Analysis of Balance Sheet					Horizontal Analysis of Cash Flow Statement				
Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21
22,85,72,000	16.20%	-2.04%	5.51%	33.26%	37,53,19,000	-2.56%	-7.44%	-4.32%	8.37%	6,36,00,000	21.75%	-10.39%	16.26%	28.96%
14,17,02,000	15.56%	-1.21%	4.81%	25.61%	12,86,45,000	2.09%	23.97%	-11.73%	-6.18%					
8,68,70,000	17.23%	-3.38%	6.67%	45.62%	24,66,74,000	-4.98%	-25.04%	2.55%	19.98%	-4,64,50,000	-134.59%	185.67%	-109.35%	239.12%
37,77,511	9.96%	-10.27%	9.99%	29.87%	24,12,72,000	7.17%	-4.08%	4.24%	11.36%	-1,73,50,000	406.49%	3.53%	-4.57%	7.52%
					10,08,14,000	15.92%	-9.54%	-0.31%	19.06%					
2,68,42,000	15.27%	11.38%	12.20%	13.50%	14,04,58,000	0.89%	0.42%	7.62%	6.06%	2,75,51,000	-5.95%	93.82%	-20.78%	-9.70%
6,00,28,000	18.11%	-9.83%	3.69%	64.36%						32,65,000	72.25%	332.27%	-142.92%	-63.01%
					13,40,47,000	-20.07%	-15.55%	-27.79%	-3.44%	2,42,86,000	-16.46%	27.72%	93.82%	-20.78%
6,52,72,000	-96.25%	-43.38%	-35.74%	-77.75%	21,12,65,000	-4.91%	-9.25%	-10.03%	4.99%					
11,83,000	-137.28%	-195.69%	-120.62%	-168.97%						1,09,58,000	-4.94%	46.52%	-37.75%	167.18%
6,40,89,000	13.75%	-9.83%	2.06%	62.77%	11,43,52,000	-6.30%	-15.55%	-27.79%	-3.44%	32,51,000	-7.04%	13.27%	-12.30%	-10.49%
					11,43,52,000	-6.30%	-15.55%	-27.79%	-3.44%					
1,57,38,000	-15.03%	-21.62%	-7.64%	50.07%						-1,28,00,000	4.01%	-21.17%	-30.36%	51.66%
4,83,51,000	23.12%	-7.18%	3.90%	64.92%	2,78,31,000	-48.00%	294.53%	-32.89%	-75.59%	5,55,000	20.54%	16.74%	12.68%	25.57%
					21,63,25,000	2.45%	-10.42%	-10.46%	5.64%	2,86,60,000	-75.68%	-0.09%	131.09%	26.74%
4,83,51,000	23.12%	-7.18%	3.90%	64.92%						35,00,000	-285.71%	35.46%	43.43%	-93.07%
					11,02,32,000	-2.80%	-15.55%	-27.79%	-3.44%	-3,23,50,000	124.85%	-8.03%	8.20%	18.77%
2.3	30.58%	-0.40%	10.60%	71.34%	11,00,53,000	4.03%	-5.62%	4.06%	10.92%	5,11,50,000	25.36%	-8.15%	24.57%	26.56%
2.3	29.41%	-0.17%	10.23%	71.40%	8,02,65,000	10.35%	-33.16%	25.70%	20.64%					
2,10,22,174	-5.71%	-6.81%	-6.06%	-3.75%										
2,10,22,174	-4.86%	-7.02%	-5.74%	-3.78%	1,92,54,658	-1.22%	-6.56%	-4.48%	-3.24%					
					1,92,54,658	-1.22%	-6.56%	-4.48%	-3.24%					
6,00,28,000	18.11%	-9.83%	3.69%	64.36%										
16,85,44,000	15.52%	0.79%	6.11%	23.36%										
4,83,51,000	23.12%	-7.18%	3.90%	64.92%										
4,83,51,000	23.12%	-7.18%	3.90%	64.92%										
52,01,000	9.33%	-12.75%	-24.15%	-24.45%										
23,23,000	39.47%	10.37%	-19.66%	-7.94%										
28,78,000	-15.01%	-43.38%	-35.74%	-77.75%										
6,64,12,000	14.65%	-8.97%	0.94%	59.87%										
14,17,02,000	15.56%	-1.21%	4.81%	25.61%										
13,23,02,000	-91.76%	15.08%	-11.88%	2.06%										
4,83,51,000	23.12%	-7.18%	3.90%	64.92%										
19,87,14,000	-56.20%	-5.96%	-1.03%	51.98%										

4.2.3. Vertical Analysis

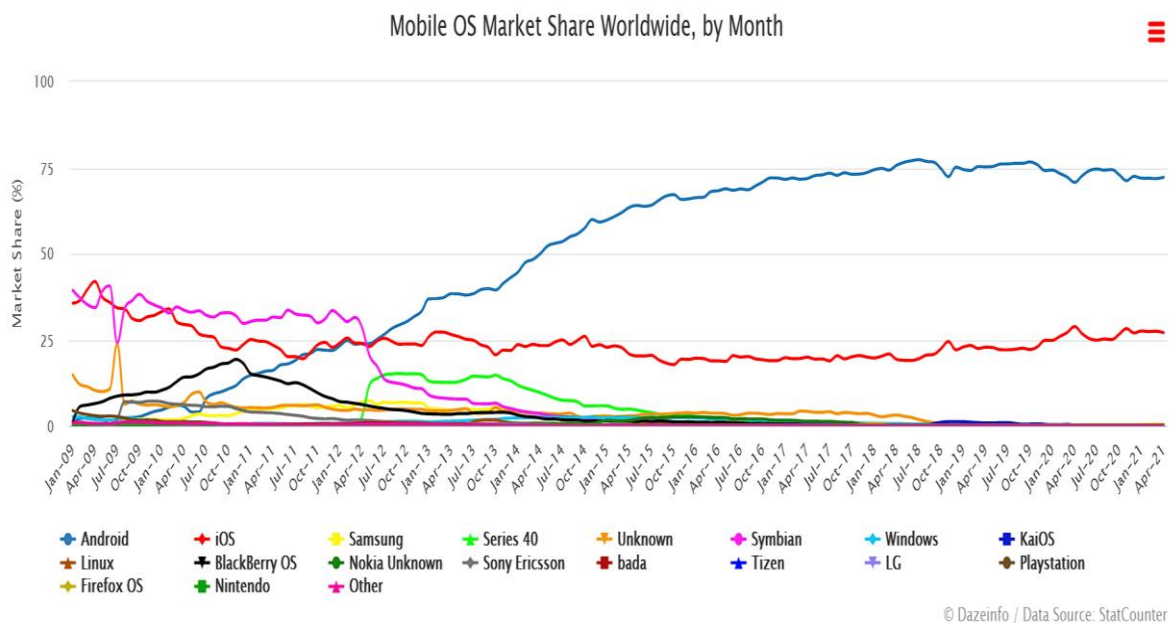
In vertical analysis, the line items are represented as a percentage of a certain value taken as base, like presenting gross sales as a percentage of total assets.

VERTICAL ANALYSIS OF BALANCE SHEET				
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18
Total Assets	100%	100%	100%	100%
Current Assets	38%	44%	48%	36%
Total Non Current Assets	62%	56%	52%	64%
Total Liability Net Minority Interest	82%	80%	73%	71%
Current Liabilities	36%	33%	31%	32%
Total Non Current Liabilities Minority Interest	46%	47%	42%	39%
Total Equity Gross Minority Interest	18%	20%	27%	29%
Total Capitalization	49%	51%	54%	55%
Common Stock Equity	18%	20%	27%	29%
Net Tangible Asset	18%	20%	27%	29%
Working Capital	3%	12%	17%	4%
Invested Capital	54%	55%	59%	61%
Tangible Book Value	18%	20%	27%	29%
Total Debt	36%	35%	32%	31%
Net Debt	26%	23%	17%	24%
Shares Issued	5%	5%	5%	5%
Ordinary Share Number	5%	5%	5%	5%

VERTICAL ANALYSIS OF INCOME STATEMENT				
Breakdown	Sep-21	Sep-20	Sep-19	Sep-18
Operating Revenue	100%	100%	100%	100%
Cost of Revenue	58.22%	61.77%	62.18%	61.66%
Gross Profit	41.78%	38.23%	37.82%	38.34%
Average Inventory	1.46%	1.49%	1.43%	1.56%
Operating Expenses	12.00%	14.09%	13.25%	11.65%
Operating Income	29.78%	24.15%	24.57%	26.69%
Net Non Operating Interest Income Expense	0.05%	0.32%	0.53%	0.92%
Other Income Expense	0.02%	-0.03%	0.16%	-0.17%
Pretax Income	29.85%	24.44%	25.27%	27.45%
Tax Provision	3.97%	3.53%	4.03%	5.03%
Net Income Common Stockholders	25.88%	20.91%	21.24%	22.41%
Diluted Net Income Available to Common Stockholders	25.88%	20.91%	21.24%	22.41%
Basic EPS	NA	NA	NA	NA
Diluted EPS	NA	NA	NA	NA
Basic Average Shares	NA	NA	NA	NA
Diluted Average Shares	NA	NA	NA	NA
Total Operating Income as Reported	29.78%	24.15%	24.57%	26.69%
Total Expenses	70.22%	75.85%	75.43%	73.31%
Net Income from Continuing and Discontinued Operations	25.88%	20.91%	21.24%	22.41%
Normalized Income	25.88%	20.91%	21.24%	22.41%
Interest Income	0.78%	1.37%	1.91%	2.14%
Interest Expense	0.72%	1.05%	1.37%	1.22%
Net Interest Income	0.05%	0.32%	0.53%	0.92%
EBIT	30.58%	25.49%	26.64%	28.67%
EBITDA	NA	NA	NA	NA
Reconciled Cost of Revenue	58.22%	61.77%	62.18%	61.66%
Reconciled Depreciation	3.08%	4.03%	4.82%	4.11%
Net Income from Continuing Operation Net Minority Interest	25.88%	20.91%	21.24%	22.41%
Normalized EBITDA	33.66%	29.51%	31.46%	32.77%

4.3.Apple's Industry Analysis

The below graph represents the world's top 10 mobile operating systems by market share, starting from January 2009 to the recently completed month. Interestingly, the world's top two mobile operating systems (Android and iOS) together accounted for 99.47% of the market, leaving other OSs to compete for the remaining 0.53% of the market.



© Dazeinfo / Data Source: StatCounter

Performing industry analysis is crucial to understand how the company is performing with respect to that industry. It analyses the forces that are prevalent in the industry and how they are going to impact the company, and helps us figure out what kind of steps the company can take to stay competitive.

If we take a look at the major competitors of Apple in the technological sector, such as Google, Microsoft, Samsung, HP, etc., we will find that all these companies invest a lot on their research and development projects and marketing. The strategy is quite similar to the one followed by Apple. As a result, the competition in the industry is quite strong. The industry is made quite competitive due to the low cost of switching. One doesn't need to make a huge investment while shifting from an iPhone to an Android device offered by Samsung. Apple has to constantly keep an eye out for the marketplace competitors. Apple is dealing with this threat by a constant stream of new innovative products and services, which allow it to keep a grip on the market.

4.3.1.Porter's Five Forces Model

Porter's Five Forces Model is useful in identifying and understanding the five competitive forces that affect the industry and decides its strength and weaknesses. It plays a vital role in understanding the structure of the industry and determining the appropriate corporate strategy.

Bargaining Power of the Consumers

As mentioned earlier, the cost of switching is very low in the technology industry. As a result, the bargaining power of the consumer is something that Apple needs to consider time and again. The release of more-affordable yet powerful iPhone SE devices is one such reaction from Apple.

When we look at the bargaining power of the buyers, we need to understand that the bargaining power could be on an individual level or on a collective level. In the case of Apple, the bargaining power on an individual level isn't something to worry about. However, when it comes to the bargaining power of the masses, it is a huge issue as these customers would go to Apple's competitors. As a result, Apple invests heavily in the research & development activities to come up with new innovative products such as Apple Pay, Apple AR, etc. to help create a better brand loyalty. Apple has focused on this aspect and has come out on top as evident from its loyal customer base where people would never think about leaving an Apple product for the one offered by one of its competitors.

Threat of New Competitors

If we take a look at the possibility of a new competitor entering the market and try to dethrone Apple, we will realize that the chance of it happening is quite low. The chances are low because of two main reasons, viz. the cost of research and development and establishing a company, and the massive effort needed to become as recognizable as Apple. Any new entrant in the industries dominated by Apple needs to have a huge amount of capital to develop and market products that could rival the ones offered by Apple, and make a profit.

Additionally, any new entrant won't be competing against Apple alone. The industry has lots of big players such as Google, Microsoft, and Samsung who would do anything to prevent a new player from establishing itself in this industry.

Still, we can see Chinese firms with strong financial backing, such as Xiaomi and OnePlus have made a mark in the industry. However, they are nowhere close to challenging the status of Apple or any of its main competitors anytime soon. Still, Apple needs to be on its toes because it is only a matter of time that people start to realize the advantages Apple's competitors offer to their customers.

Bargaining Power of Suppliers

In this industry, the bargaining power of the suppliers is relatively weak. There are multiple suppliers contracted by Apple to help it produce and market its product. Thus, no single supplier could force Apple to do its bidding. Due to the large number of firms offering their services, Apple has plenty of options to choose from, when it comes to suppliers for the parts and components used in Apple products.

To further decrease the authority of the suppliers, the industry from which Apple gets its chips is highly competitive. Apple could switch from one chip manufacturer to another without any issues. It has recently ditched Intel as a CPU suppliers for its Mac line-up and started using the in-house M1 chips in the Mac personal computers.

Another reason for the low bargaining power of the suppliers is the sheer size of orders placed by Apple. No supplier would want to lose Apple as its customer.

In the end, Apple holds the reins when it comes to negotiations with the suppliers in the industry.

Threat of Substitutes

When we talk about the Porter's Five Forces Model, the substitutes aren't the products that compete with the company being discussed. For example, if we are discussing McDonald's then the substitute is not only limited to Burger King, but includes Dominos and Baskin Robins as well.

However, when it comes to owning an iPhone one of the substitutes is a feature phone. As we all know a feature phone has nowhere near as many features as an iPhone. This fact is true for all the products offered by Apple, whether it is the Apple Watch or Apple Music.

Still there is a slight threat in every sector that Apple offers its products. Here are some examples"

Personal Computers: Apple is unique because its Mac desktops and Macbooks run a proprietary operating system, the MacOS which no other company could offer. As a result, there are features present in a Mac that are not available on a PC. Still there is a chance that the consumers might move towards Windows laptops and PCs offered by Dell, HP, Acer, Asus, etc.

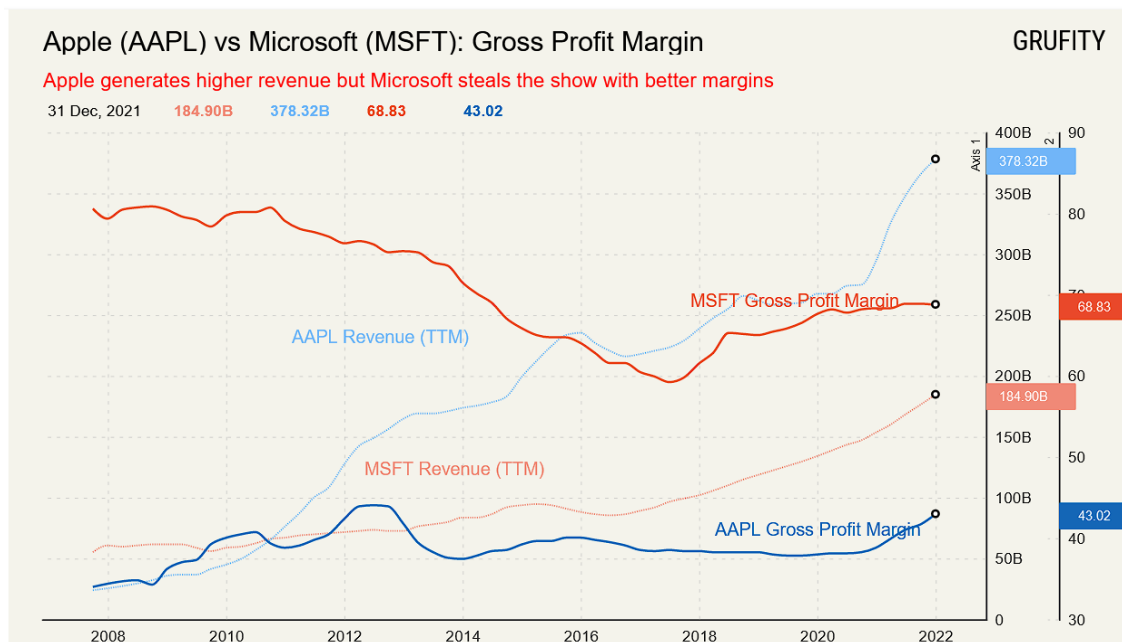
Tablets: In the tablet industry, Apple, with its iPad, is the undisputed king. The only other major competitor is Samsung with its Galaxy Tab series. There are other brands

that offer tablet PCs but they are nowhere near Apple or Samsung in terms of features and productivity.

Mobile Phones: Mobile phone industry is unique as it has seen many giants fall and many unknown brands rise. At a time, Nokia was the most popular mobile phone company in the world, then came Blackberry, and it was dethroned by Apple. At present, the Android powered smartphones from Sony, Samsung, and Google are giving a tough competition to Apple. Even Chinese companies such as Huawei are trying to outperform Apple by offering smartphones with custom operating systems and app stores.

4.3.2. SWOT Analysis of Apple

SWOT analysis is a very useful tool to determine a company's strength and weaknesses. It also helps the company find out where it has scope for improvement, and what kind of threats it is facing or might face. This section will talk about the SWOT Analysis of Apple.



Strengths: As of 2022, Apple holds the title of the most valuable brand with a brand value of more than \$400 billion. It is miles ahead of its nearest competitors Amazon and Microsoft.

The company is known for its innovative designs and features and is still striving to bring something new to the consumers every year.

The company has a huge market in video-editing, animation industry. They prefer to work on Mac-line of computers.

Sustainability is also one of the strengths of Apple, as the company has been working to make its processes more sustainable by relying on renewable energy and recycling as much as it can.

Weaknesses: When we think about Apple, we think about high-price before anything else. There are competitors which offer most of the features of Apple products at a lower price.

Compatibility Issues are also a big point of discussion. Apple products are designed to work in perfect sync with other products in the Apple environment. Most products aren't designed to work well outside the Apple environment, and this irks many users.

Unlike other brands, Apple rarely offers any sort of promotion or casts big name celebrity in its ads. This makes the brand slightly obscured, when compared to brands such as Xiaomi, Oppo and Samsung.

Opportunities: Apple is tapping into the sustainability phase, and has taken measures to ensure that it becomes carbon neutral by 2030. It could do a lot more to reduce wastage (remove planned obsolescence), make devices easier to upgrade and repair and become a beacon of sustainability in the tech industry.

Apple has started addressing customers from a weaker economic growth by releasing devices such as iPhone SE, and Apple Watch SE. It could create a whole line of products with the SE branding to address the mid-range consumers that are currently being addressed by its biggest rivals.

Apple could also expand its streaming service, and give competition to Netflix and Prime Video.

Threats: Every year, Apple's rivals are releasing newer and better products that offer lots more features, at a similar price. If Apple doesn't address this issue, its customer base may decide to switch in a couple of years.

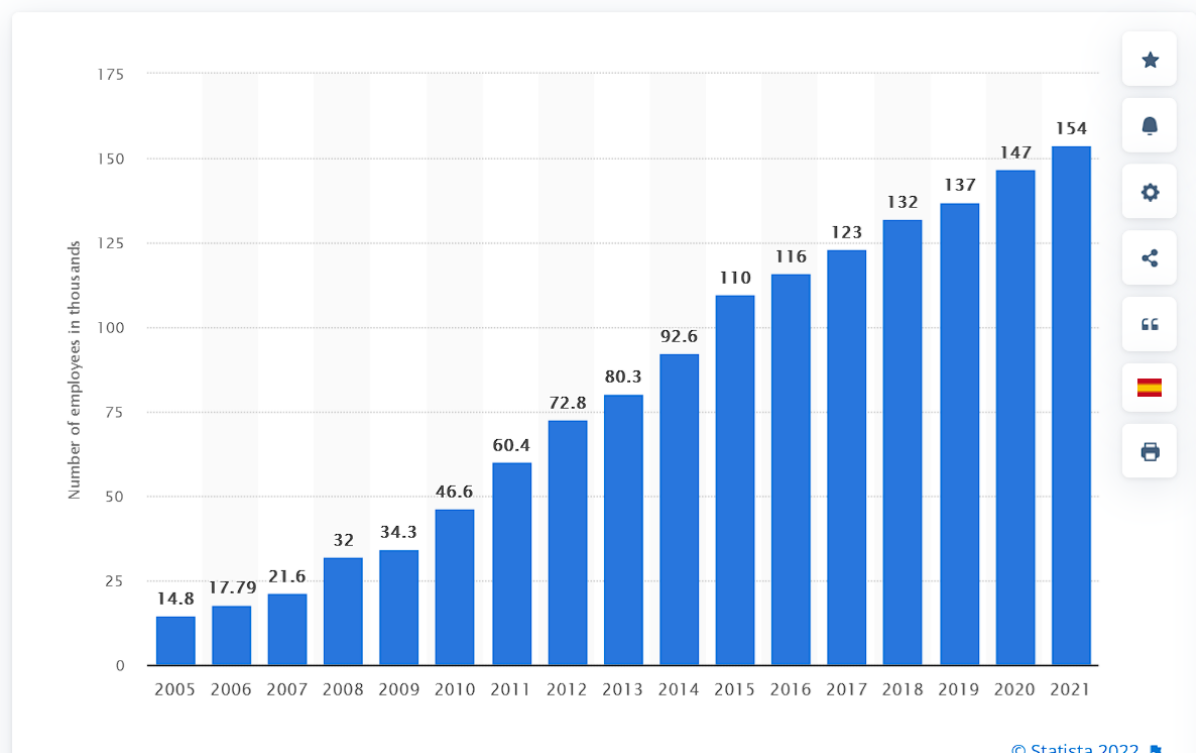
Apple is constantly under fire for its business practices which are not good for its brand image. They were sued for reducing iPhone performances without user's authorization.

The trade war and supply chain disruption has also affected the operations capability of the brand.

4.4.Apple's Management

Apple's number of employees in the fiscal years 2005 to 2021

(in 1,000s)



When Apple was founded in 1976, it challenged the established corporate structure of that era, and came up with a structure that allowed freedom and helped talent flourish and help with innovation. The structure was revolutionary and helped Apple grow in leaps and bounds. However, as the company grew, the structure became a lot rigid.

Steve Jobs, as the head used his powers to make key changes to the projects, and shelved the projects that were not according to his will. He had the final say in the design and features of the product. However, since Tim Cook became the CEO, the structure has gotten a bit more flexible. Each key product/service of Apple, such as AppStore, iPhones, Macs, has a Vice-President, who acts as the top authority, and regularly consults with the CEO to convey the plans to and from the higher management to lower management.

As a result, the top management at Apple has moved towards true leadership under Tim Cook.

While talking about management, we need to consider its impact on the employees of Apple, and people who work for Apple indirectly, such as people in Asia who assemble the iPhones.

4.4.1.Application of McGregor's Theory X and Theory Y at Apple

According to McGregor's Theory X and Theory Y, there are two types of management, when it comes to treatment of employees.

In Theory X, the management treats employees harshly, as it believes that an employee hates doing work, and the management needs to be strict, cutting wages and penalizing the employees to make sure that they work in a productive manner.

In Theory Y, the management doesn't believe in being hard on employees and punishing them. This style of management motivates and helps the employees to get the best results out of them, and treats them fairly.

If we talk about the situation at Apple, most of the time, the employees are treated nicely, with incentives and other perks to ensure that they are happy at the job and don't get too stressed. Something, that helped Apple achieve success in its heyday and has made the company stand out from the rest.

At the same time, if we talk about the factory workers employed by Apple in Asia. They are treated on the basis of Theory X, and Apple either supports this ideology or turns a blind eye towards it. We have seen cases where factory workers were threatened, and their wages cut, if they did not perform up to the mark. There are numerous cases where some of these workers committed suicide due to the atrocities committed upon them.

4.4.2. Application of Herzberg's Two-Factor Theory at Apple

If we compare the work environment at Apple, to that of Google and Microsoft, we will see that Apple's employees have more stress and fewer benefits than those of its competitors.

The motivators at Apple are very similar to the ones at its competitors. Apple employees get recognition, opportunities for growth, and the work they do is unique and enjoyable. At the same time, the dissatisfiers are worse at Apple, especially due to all that secrecy and foundations. The workplaces are also a lot mundane when compared to one at Google.

However, the real problem arises when we discuss the situation of the factory workers employed by Apple. They have little to no motivators, as they hardly get any recognition, the job status is low, and performance and achievement are not recognized. At the same time, the dissatisfiers are pretty severe. They are paid below minimum wage (when compared to the US) salaries, their supervisors are too harsh on them, their working conditions are abysmal and the policies and rules are too strict.

5.FINDINGS

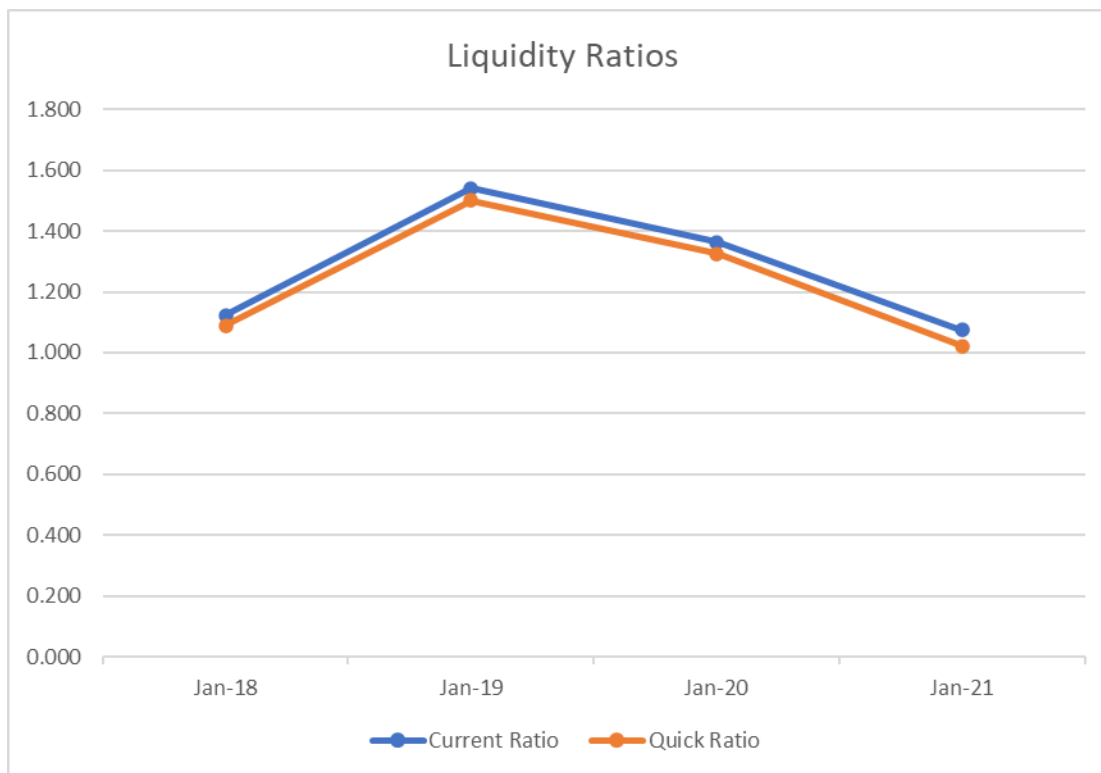
The financial, industrial and management analysis of Apple gives us the following results.

5.1.Findings After Financial Analysis

The analysis of financial statements published by Apple has led to the following findings:

5.1.1 Findings of Ratio Analysis

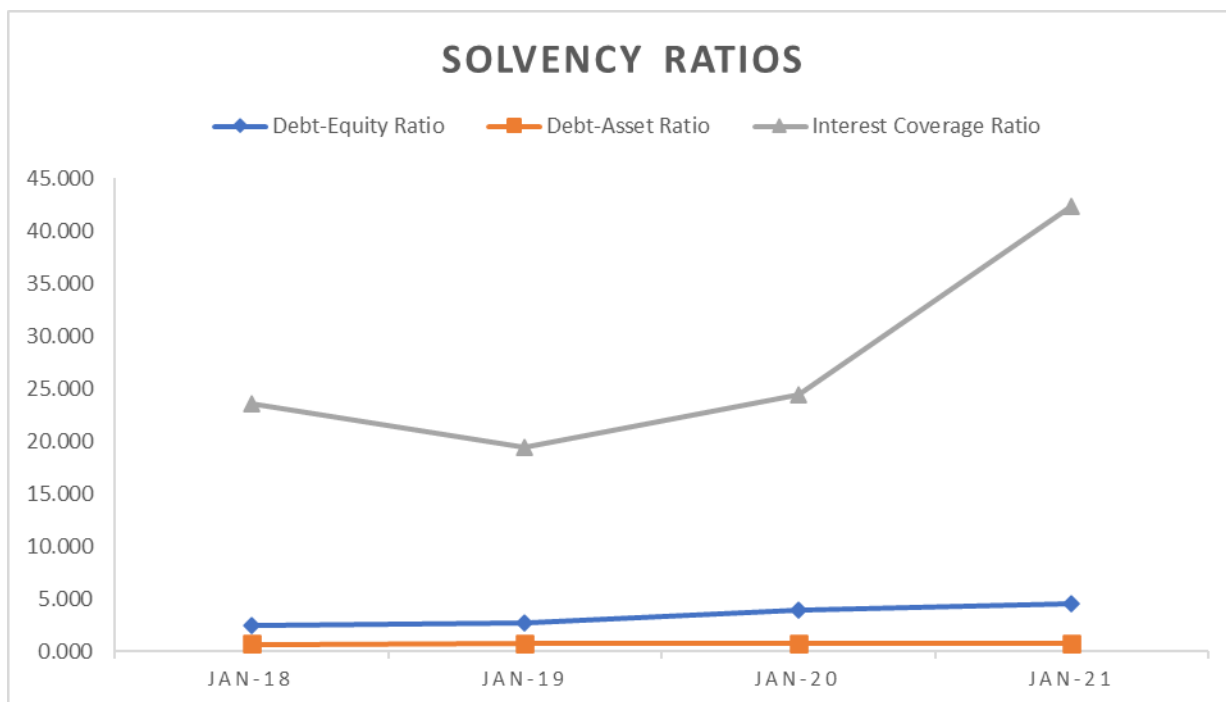
Liquidity Ratio				
Ratio/Year	Sep-21	Sep-20	Sep-19	Sep-18
Current Ratio	1.075	1.364	1.540	1.124
Quick Ratio	1.022	1.325	1.501	1.090



Current Ratio: At present, the current ratio is not good. Ideally, it should be around 2. We can see that the COVID-19 pandemic impacted the current ratio in 2020, and 2021.

Quick Ratio: The quick ratio for Apple was increasing till 2019, and then it started to fall. This isn't a good sign for the company.

Solvency Ratio				
Ratio/Year	Sep-21	Sep-20	Sep-19	Sep-18
Debt-Equity Ratio	4.564	3.957	2.741	2.413
Debt-Asset Ratio	0.820	0.798	0.733	0.707
Interest Coverage Ratio	42.288	24.352	19.383	23.501

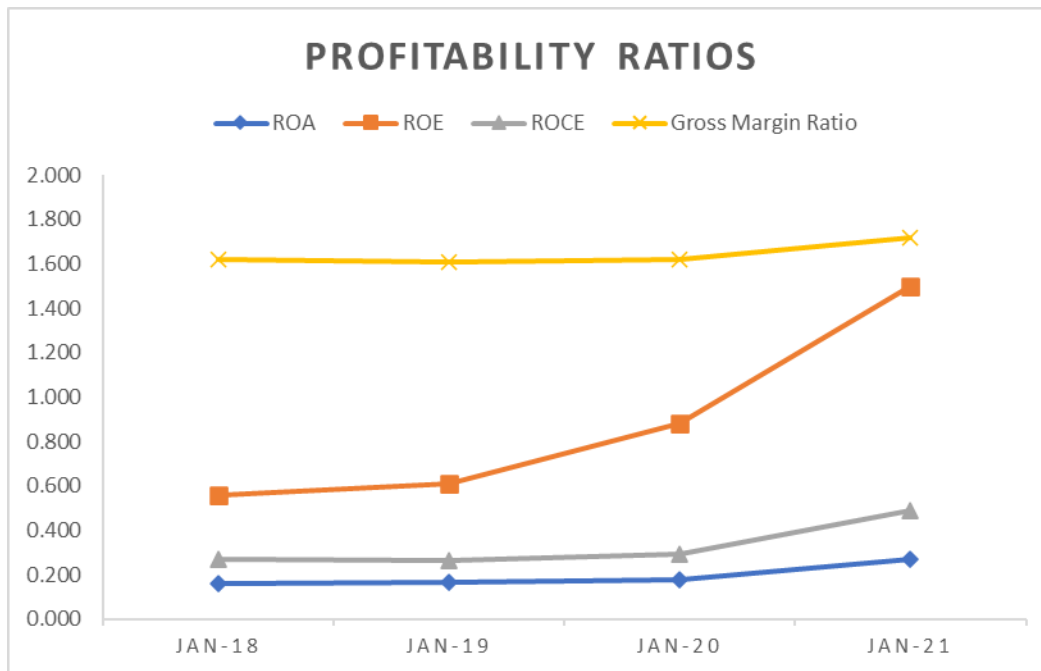


Debt to Equity Ratio: The debt-to-equity ratio of Apple has been increasing since 2019, this is not a good sign as company is relying more on borrowing to finance itself. A good debt-to-equity ratio is in the range of 2.0 to 2.5.

Debt-Asset ratio: For Apple, the debt-to-asset ratio has been increasing steadily for Apple since 2018, the ideal values should be in the range of 0.3 to 0.6. At present the company is borrowing money to fund its assets, and if it continues to grow, and crosses 1, then the company will pose a significant risk of default, which might scare the investors.

Interest Coverage Ratio: This ratio tells us how easily a company could pay off its interest on the outstanding debt. If we look at the data, the ratio is increasing since 2020, which is a good think for Apple, as it can easily pay off the interests on its debts.

Profitability Ratios				
Ratio/Year	Sep-21	Sep-20	Sep-19	Sep-18
ROA	0.270	0.177	0.163	0.163
ROE	1.501	0.879	0.611	0.556
ROCE	0.491	0.294	0.265	0.270
Gross Margin Ratio	1.718	1.619	1.608	1.622



Return on Assets: Apple is showing an improvement on its ROA since 2020, it shows that the company is getting better and better at using its assets to generate revenue.

Return of Equity: Apple's ROE has improved massively since 2019. It shows that the company is using the investors money in an excellent manner to generate profits. It is a good thing and more investors would want to invest in Apple.

Return on Capital Employed: A good ROCE value means that the company is using its resources in an excellent manner. A good value for ROCE is greater than 0.1. Apple has been performing really well in this regard for the past four years.

Gross Margin Ratio: Gross margin ratio tells us how much profit a company is making by selling its products and services without any other expenses are considered. A decent value of gross margin ratio is above 0.7. Apple has consistently shown a gross margin ratio of more than 1.5, which is excellent.

Efficiency Ratio				
Ratio/Year	Sep-21	Sep-20	Sep-19	Sep-18
Asset Turnover Ratio	1.042	0.848	0.769	0.726
Inventory Turnover Ratio	40.000	41.358	43.402	39.422
Day's Sale in Inventory	9.125	8.825	8.410	9.259



Asset turnover ratio: It is used to show how nicely a company is using its assets to generate revenue/sales. A turnover ratio of more than 0.5 is considered good. Apple has shown an increase in its already good asset turnover ratio since 2018.

Inventory turnover ratio: This ratio tells us about how efficient a company is, when it is comes to sell off its inventory in the given period. Apple has an excellent inventory turnover ratio throughout.

Day's Sale in Inventory: This ratio tells us how many days, on an average, does it take a firm to sell its inventory. Here Apple talks merely 9 days to sell of its inventory, which is a great thing.

5.1.2 Findings After Horizontal Analysis

Findings after horizontal analysis of Balance Sheet shows that since 2017, Apple saw a downfall in its net assets, until 2021 when they grew by 8.37% showing that it is on a path to recovery, and the cause of growth was the increase in not current assets, 19.98% percent increase.

The liabilities of Apple also increased drastically in 2021, 19 percent compared to previous year. It is showing that Apple is borrowing a lot to sustain its operations, and if it continues to do so, it could be trouble in the near future.

There is also a huge decrease in the working capital of Apple since 2017, with a massive spike in 2019, and it has seen a huge downfall since then 33% in 2020, and 75% in 2021. Again, an impact of Apple borrowing money to perform better.

Lastly, Apple's debt has also been on the rise, as expected, it increased by 25% in 2020, when compared to 2019 data, and a further 20% in 2021.

Horizontal Analysis of Income Statement shows that Apple has seen a drastic rise in its operating revenue (33%) in 2021, as it recovered from the impacts of COVID-19. The cost of revenue (25%) and gross profits (45%) have also shown massive increase, which is a good thing.

The operating income saw a massive increase of 64%, whereas the operating expenses increased by 13%. The EBITDA of Apple also saw a massive increase of 52% in 2021.

5.1.3 Findings After Vertical Analysis

Vertical Analysis of the Income statement shows that the cost of revenue and gross profit have remained more or less same, hovering around 60% and 38% respectively, when compared to the operating revenue.

The operating income saw significant change in 2021 (29% of revenue), as compared to 25% of total revenue in the previous three years. Net income of common stockholders also saw an increase as it reached 26% of the revenue in 2021, as compared to 20% of the revenue in the earlier years.

Vertical Analysis of the Balance sheet showed no major range over the four years.

5.2. Findings After Industrial Analysis

If we look at the industrial analysis of Apple, we can see that when it comes to its position in the technology industry, particularly consumer electronics market, Apple has a huge advantage when compared to its rivals.

Apple has created an ecosystem with its product that sets it apart from its competitors and makes it incredibly popular with the people from designing, animation and movie-making industries.

It has also got a big advantage in promoting sustainability while putting innovation at the forefront. However, it doesn't mean that Apple will stay ahead forever, it needs to constantly improve and analyse its rival to keep them in check

However, its competitors are trying their best to bring innovations to their own line of products and sway the market in their favour.

As for the industry, it is quite competitive with much sway in the hands of the customers, due to low cost of switching. At the same time, Apple has the upper-hand when it comes to the power of the suppliers, entry into the industry.

Threats of substations also impact Apple, but there are certain fields where Apple is pretty much the best option. So, it can focus on the few threats that it has and try to deal with them.

5.3. Findings After Management Analysis

The management at Apple has changed a lot since its inception in 1976. With the demise of Steve Jobs, and under the leadership of Tim Cook, the different departments at Apple have got a lot of autonomy, and Cook acts like a true leader, unlike Steve Jobs, who relied on power to force a change in decisions regarding the products and services.

As for the result of McGregor's Theory, Apple needs to focus on the welfare of its factory workers, as they are treated too harshly. Meanwhile the workers at Apple are in a much better state, and really enjoy working at the company.

If we take a look at Herzberg's Two-Factor model, then we will see that even though the working condition at Apple are great, in terms of maximum motivators and minimal dissatisfiers, it is still lagging behind that of Google and Microsoft. On the other hand, the situation is much worse for the factory workers, who are treated as slaves. Apple needs to look into this as it brings a lot of negative light on the tech company.

RECOMMENDATIONS

After looking at the ratio analysis, it can be seen that Apple is borrowing a lot of money in the recent years. If it doesn't stop doing so, it might end up defaulting on payments, very small chances, as its interest coverage ratio is excellent.

Industrial analysis has shown that Apple is still competitive in the market, but its rivals are ramping up their innovations, and if Apple doesn't keep innovating and listening to its core audience, it might end up losing some of them. As it has happened in the past, whenever Apple has entered a new industry, it has managed to grow rapidly. So, it seems to be the right moment for Apple to show off its VR and AR capabilities.

There were also rumors that Apple is working on an EV, if that is true. Apple, if it announces such a vehicle, it might see a huge boost in popularity over the next decade or so.

Lastly, the working condition of Apple's factory employees has been a cause of massive criticism in the past. Apple needs to look into the allegations, and try to convince the partners operating these factories to improve their management or suffer the consequences.

CONCLUSION

Through this project, we can conclude that Apple needs to reconsider its current approach which is individualistic in nature and try to implement more inclusive system. They also need to take a look at the malpractices of its suppliers. We have seen that Apple has made some excellent policies for the benefit of its employees. However, when it comes to the people who assemble the Apple devices at Foxconn in China, they have to suffer from poor workplace environment, constant threats and low wages. Apple needs to look into this issue and ensure that all the people employed either directly or in-directly don't have to work like slaves.

We have also seen that leadership at Apple plays a vital role. Steve Jobs managed to create a company in a rented garage and turned it into a global giant under his command. Since the demise of Steve Jobs, Tim Cook has taken the lead and has worked relentlessly to help Apple grow, and as a result it is the most valuable company in the world.

Apple has to ensure that it has some of the most brilliant people at the helm. As Apple is based on the idea to deliver innovation and offer people technology that they did not know they could ever get, but needed it desperately.

As for the financial status of the company, Apple is going strong and is expected to perform well for the foreseeable future. Still, they shouldn't take their foot of the gas because their competitors are constantly trying to improve their products and services to outperform Apple and take its crown of "The Most Valuable Company in the World."

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