

Cove Apple Club

January 10, 2024

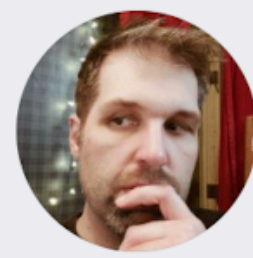


Tonight's Topics

- AAPL Year in Review
- A word from Eric
- The Name Drop fiasco — by the media
- And, 日本のももの (more Japan stuff)

Remember!

- The presentation of tonight's meeting will soon be available to download from our Archives website, in both Keynote and PDF format
- Visit CoveAppleClubArchives.com

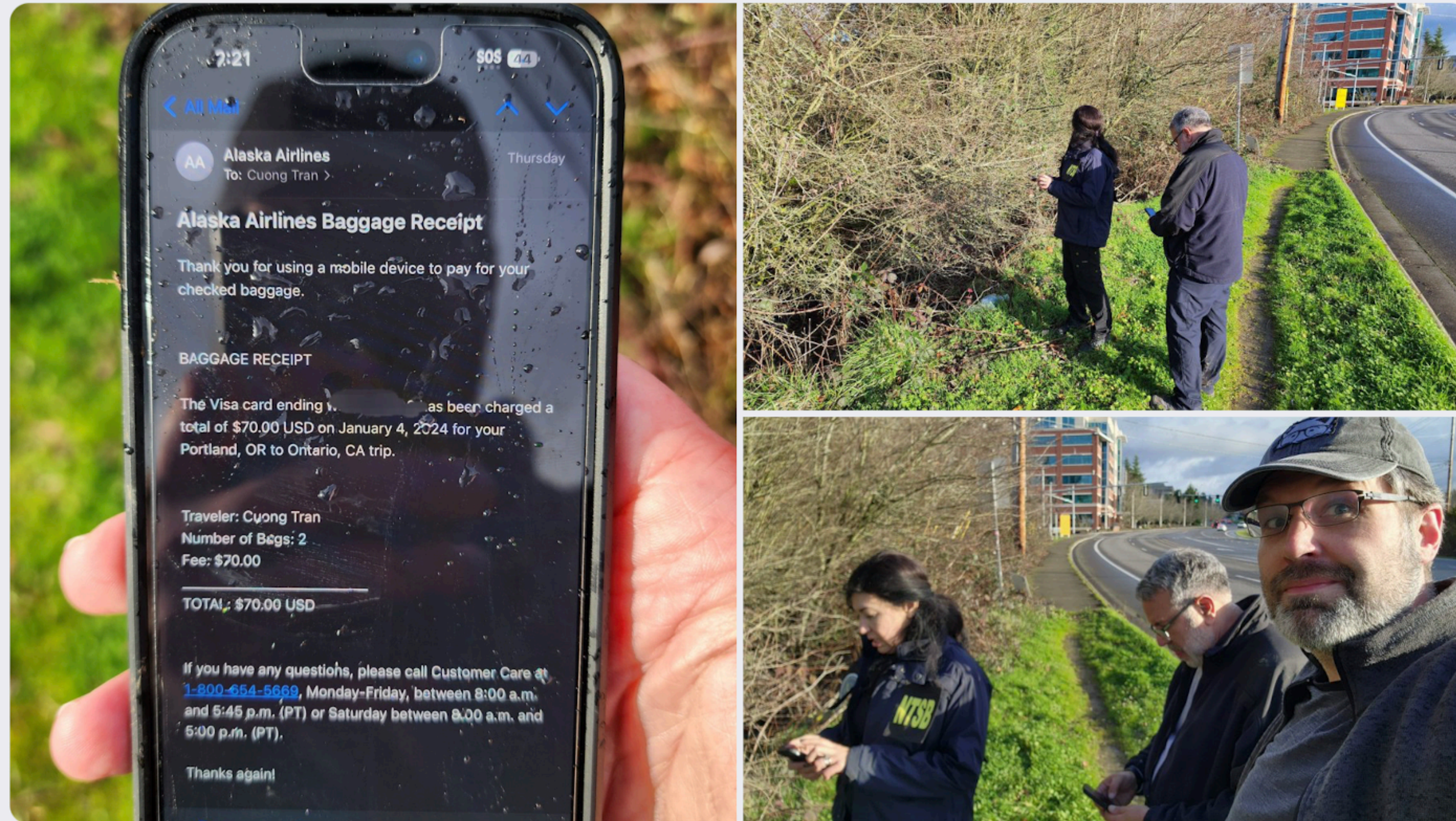


Seanathan Bates
@SeanSafyre



Found an iPhone on the side of the road... Still in airplane mode with half a battery and open to a baggage claim for [#AlaskaAirlines](#) ASA1282 Survived a 16,000 foot drop perfectly in tact!

When I called it in, Zoe at [@NTSB](#) said it was the SECOND phone to be found. No door yet 😂



6:28 PM · 1/7/24

7,396 Retweets 2,166 Quote Tweets 56.7K Likes

Boeing 737 Max: How the Industry Is Responding | Likely Caused by Manufacturing Issues

Technology

iPhone Survives 16,000-Foot Fall From Alaska Air Flight

- NTSB says two phones that fell out of Alaska flight were found
- One phone was discovered intact, according to X poster

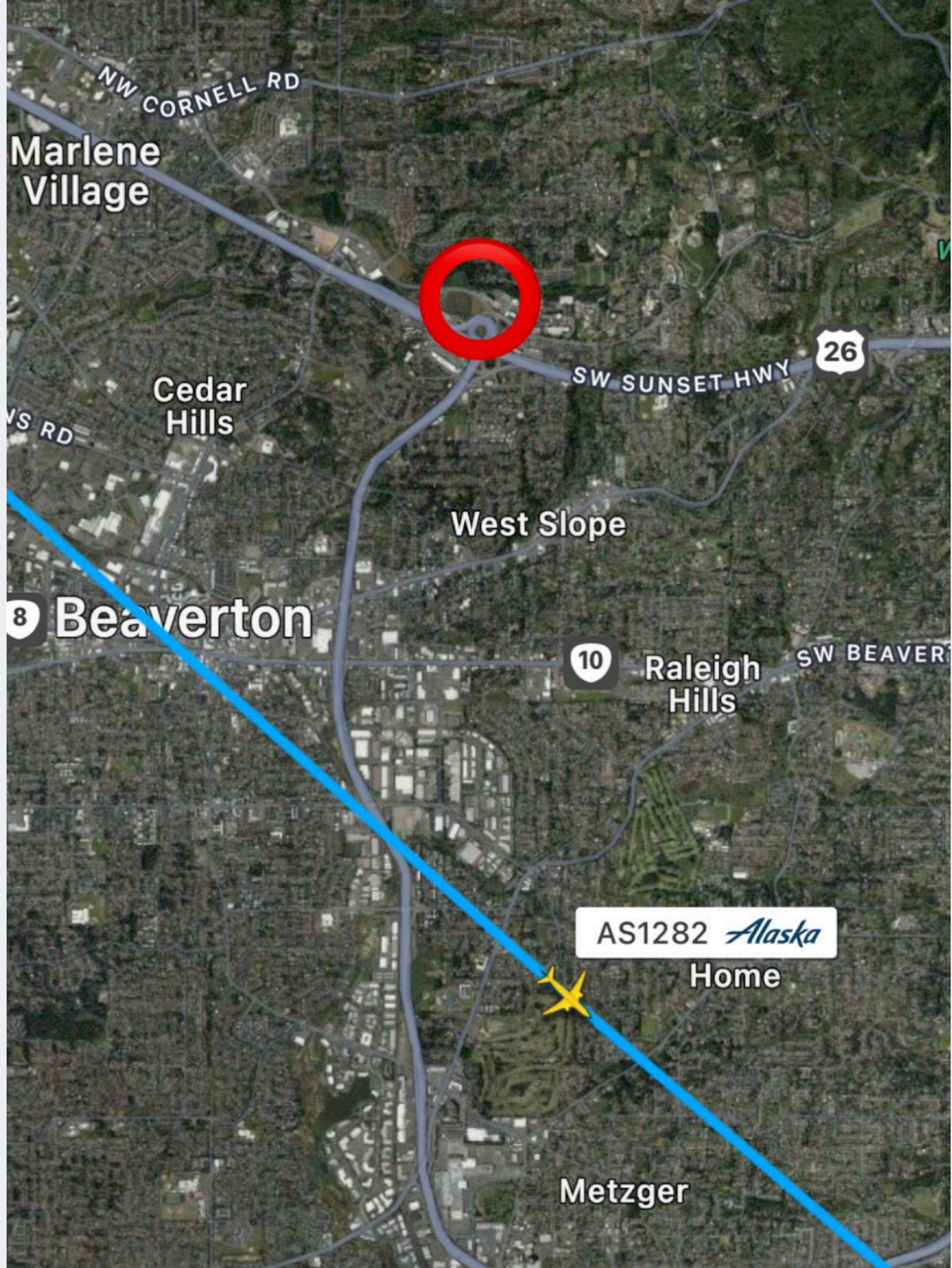
By [Kate Duffy](#)

January 8, 2024 at 8:16 AM EST

Save

2:13

Among the harrowing details of the blown-off fuselage panel that triggered a sudden decompression event on [Alaska Airlines Flight 1282](#), one revelation seemed to defy the laws of physics: one of the



Marlene Village

NW CORNELL RD



Cedar Hills

SW SUNSET HWY 26

West Slope

8 Beaverton

10

Raleigh Hills

SW BEAVER

AS1282 Alaska Home



Metzger

AAPL 2023 Year in Review

No matter what happens, always remember:

Apple is forever doomed

**It was a good year to be invested
in the US stock market.**

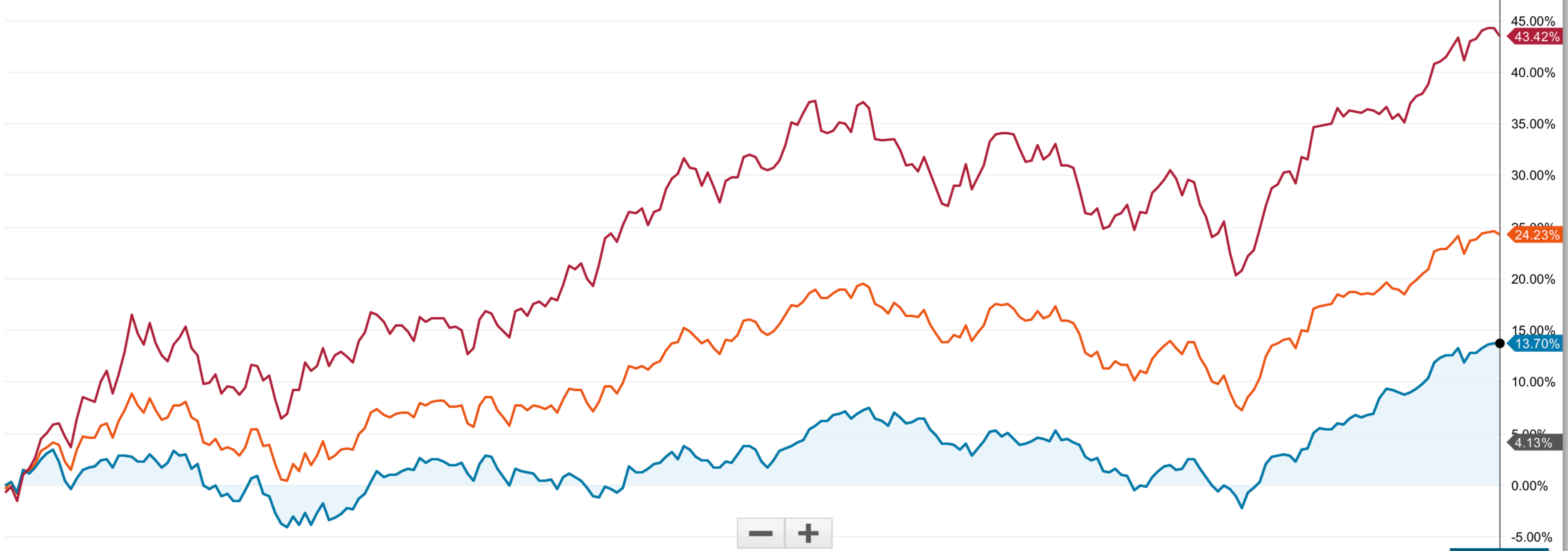
The Dow Jones 30 rose 13.7%.

The S&P 500 rose 24.2%.

The NASDAQ rose 43.4%.

\$SPX × \$DJI × \$IXIC ×

○ 37701.63 H 37759.43 L 37538.80 C 37689.54



− +

January 2023 February March April May June July August September October November December 12/29/2023

AAPL rose 53.94%

AAPL

Apple Inc.

NASDAQ · USD

192.53 **+53.94%**
Year to Date

1D 1W 1M 3M 6M **YTD** 1Y 2Y 5Y 10Y ALL



Because of a 26.8% decline in 2022, AAPL is up 8% since 2021

AAPL Apple Inc.
NASDAQ · USD

192.53 +8.04%
Past 2 Years



If you lose 26.8%, you need to gain 36.61% just to get back to where you started.

“The tyranny of the reciprocal!”

AAPL is up 419% over 5 years

AAPL Apple Inc.

NASDAQ · USD

192.53 **+419.44%**
Past 5 Years

1D 1W 1M 3M 6M YTD 1Y 2Y **5Y** 10Y ALL



AAPL is up 896% over 10 years

AAPL Apple Inc.

NASDAQ · USD

192.53 **+896.50%**
Past 10 Years

1D 1W 1M 3M 6M YTD 1Y 2Y 5Y **10Y** ALL



AAPL Compound Annual Growth Rate Since 2017

	CAGR 2017-2023
Dow Jones 30 Industrials	9.58%
S&P 500	11.3%
NASDAQ Index	15.74%
AAPL	31.22%

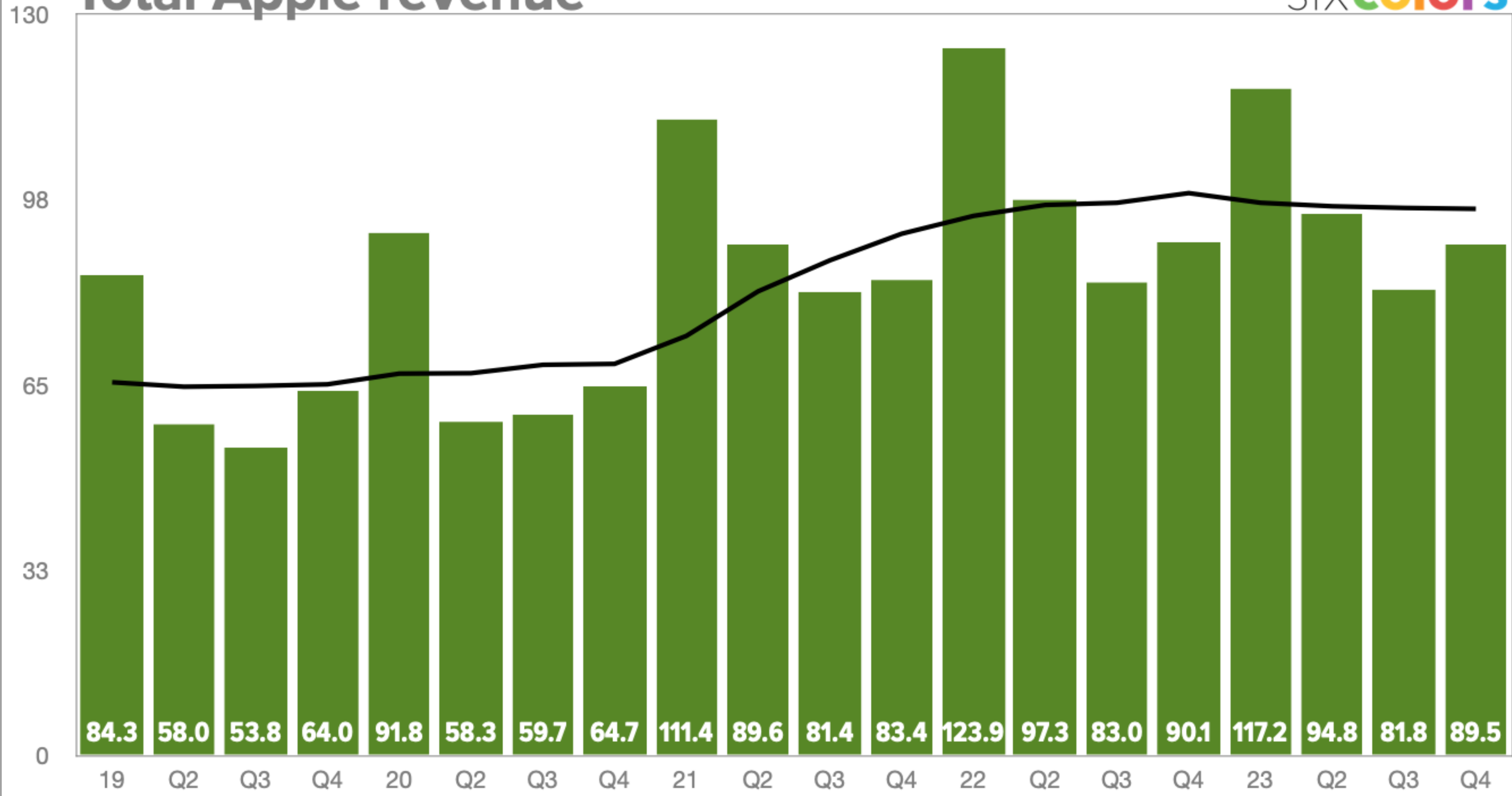
But aside from that, Apple had a tough 2023

Fiscal year ended September 30, 2023

- Revenue declined 2.8%, to \$383,285,000,000
- Gross margin declined 0.9%, to \$169,148,000,000
 - >80% of the decline can be attributed to adverse foreign exchange, thanks to the incredible strength of the US dollar in the past two years
- Earnings per share grew 3% to \$6.13/share
- Apple returned \$91,000,000,000 to shareholders in dividends in FY23
- Apple spent \$27,000,000,000 in R&D in FY22, investing in their future products, production & supply chains. That's \$73,000,000/day on R&D.

Total Apple revenue

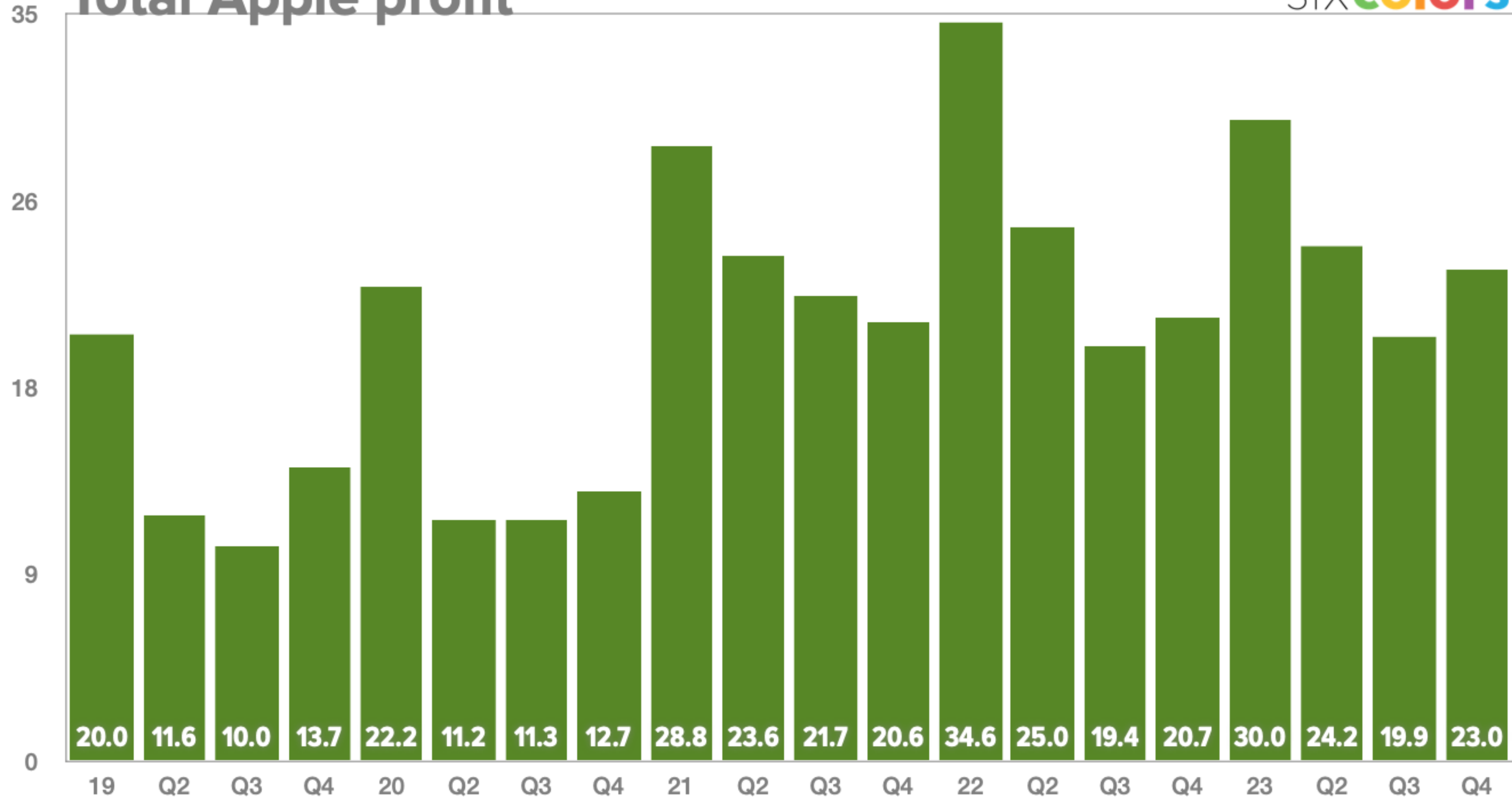
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In billions. Black line shows four-quarter average. Source: Apple disclosures. November 2, 2023.

Total Apple profit

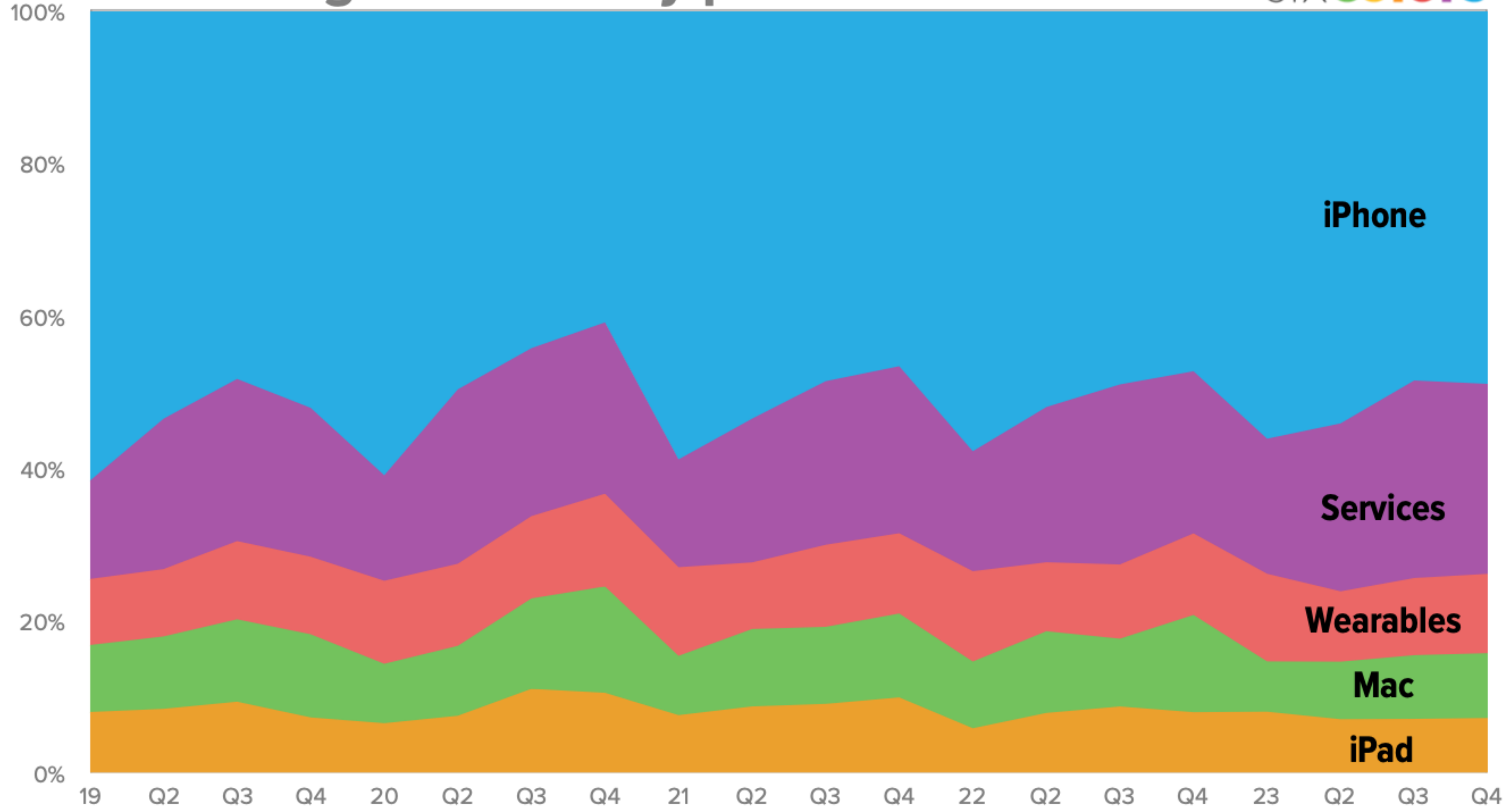
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In billions of dollars. Source: Apple disclosures. November 2, 2023.

Percentage revenue by product line

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Percentage of overall Apple revenue. Source: Apple disclosures. November 2, 2023.

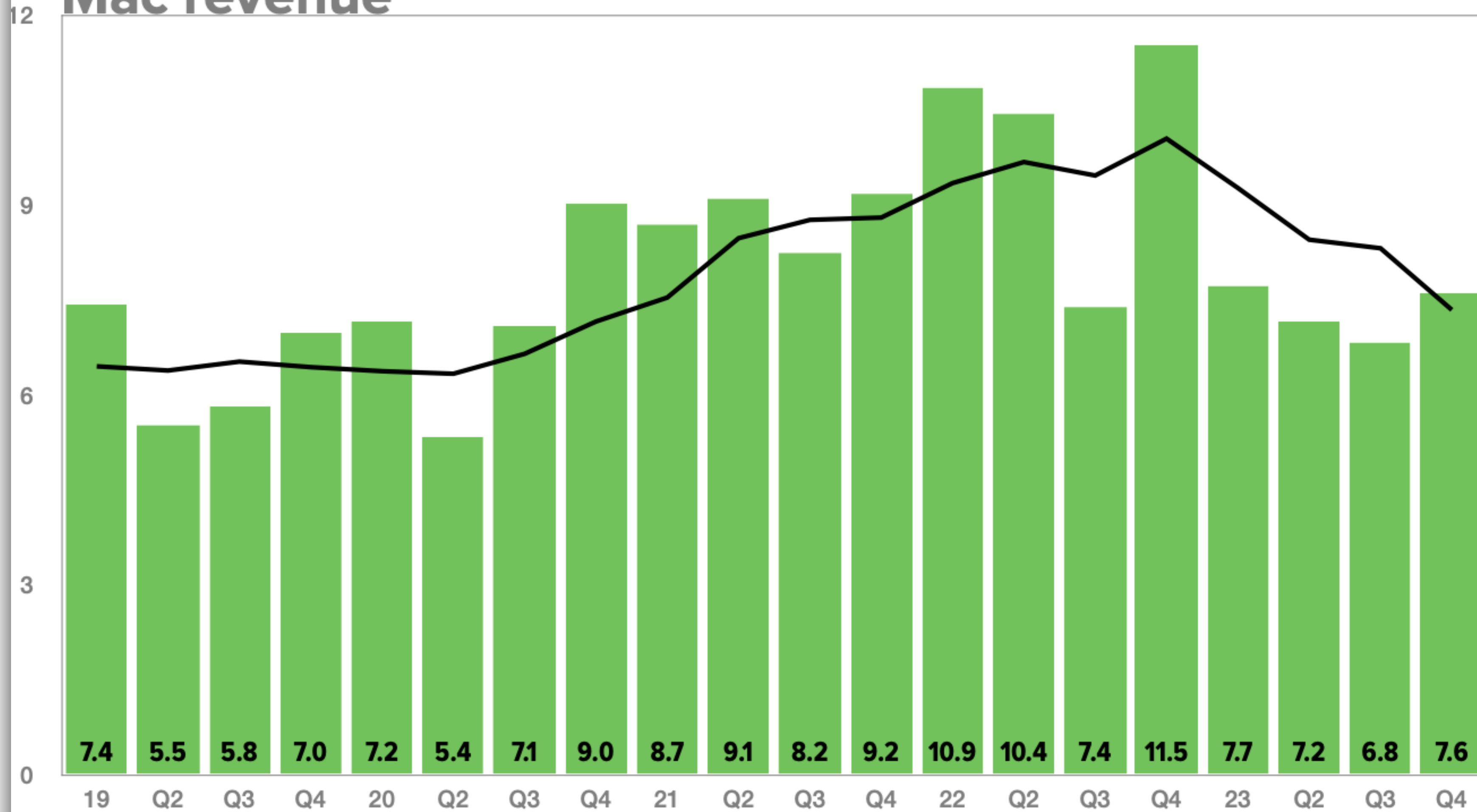
If You Had Bought AAPL When...	Date	AAPL Price Then	AAPL Price Now	% Gain
Steve Jobs Returns to Apple	2/12/1997	\$0.14	\$192.53	136,834.57%
M&M Buy Their 1st 1,000 Shares of AAPL	3/12/1997	\$0.15	\$192.53	132,587.80%
iMac Introduced	8/14/1998	\$0.36	\$192.53	53,143.92%
2-for-1 Stock Split Distributed	6/21/2000	\$0.99	\$192.53	19,282.87%
iPod Introduced	10/23/2001	\$0.32	\$192.53	59,341.19%
2-for-1 Stock Split Distributed	2/28/2005	\$1.60	\$192.53	11,917.35%
iPhone Introduced	1/9/2007	\$3.31	\$192.53	5,723.48%
Cove Apple Club Founded	1/22/2007	\$3.10	\$192.53	6,111.45%
M&M's Schwab Broker Told Us to Sell All Our Apple Stock Just After We Retired	11/6/2008	\$3.54	\$192.53	5,339.78%
Post-Recession Low	11/20/2008	\$2.87	\$192.53	6,597.63%
iPad Introduced	1/27/2010	\$7.42	\$192.53	2,493.24%
Tim Cook Named CEO	8/24/2011	\$13.44	\$192.53	1,333.05%
RIP Steve	10/4/2011	\$13.30	\$192.53	1,347.20%
7-for-1 Stock Split Distributed	6/9/2014	\$23.43	\$192.53	721.90%
Apple "Doomed" in Wearables Market	3/16/2015	\$31.24	\$192.53	516.34%
Apple Watch, Apple Pay, iPhone 6	4/24/2015	\$32.57	\$192.53	491.13%
iPad Pro Introduced	9/9/2015	\$27.54	\$192.53	599.16%
AirPods Introduced	9/8/2016	\$26.38	\$192.53	629.83%

The Mac turns 40 this year.

**The Macintosh came out a year
before Microsoft Windows 1.0,
Atari ST, New Coke, and Sour
Patch Kids.**

**Mac sales last year
were \$29.3-billion.**

Mac revenue

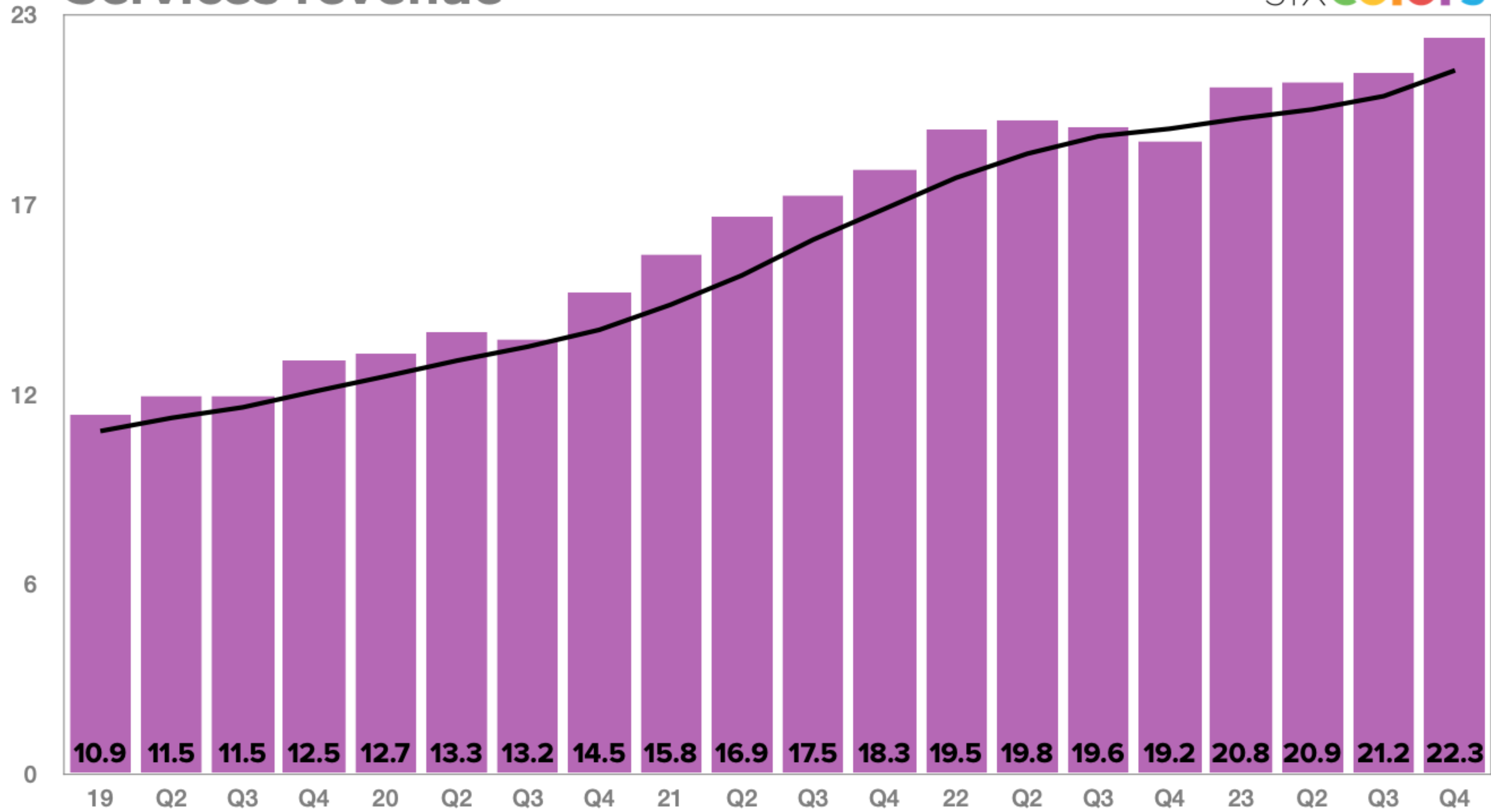


In billions. Black line shows four-quarter average. Source: Apple disclosures. November 2, 2023.

Keep in mind that when Steve returned to Apple in 1997, Apple's annual gross revenues were under \$4-billion, they were losing money on everything, had zero cash in the bank, and might not make payroll the next month.

Services revenue

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In billions. Black line shows four-quarter average. Source: Apple disclosures. November 2, 2023.

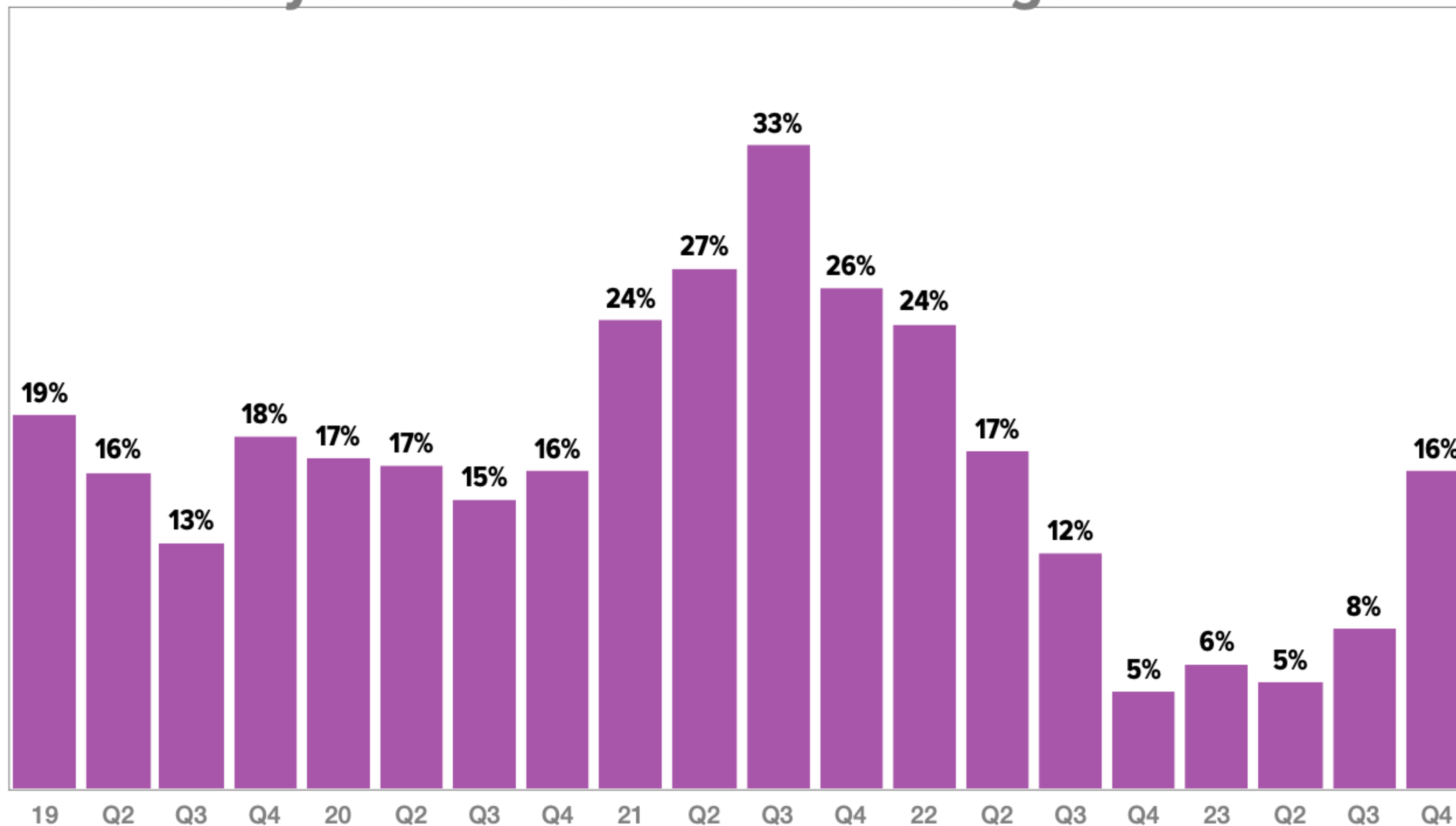
Apple did not even begin reporting Services as a category of sales until 2018.

**Last year it brought in \$85.2-
billion — almost 3x as much as
the Mac.**

If Apple's Services business was a standalone company, it would be bigger than Boeing, Caterpillar, IBM, Amex, HP, American Airlines, Intel, Nike and Coca-Cola.

Year-over-year Services revenue change

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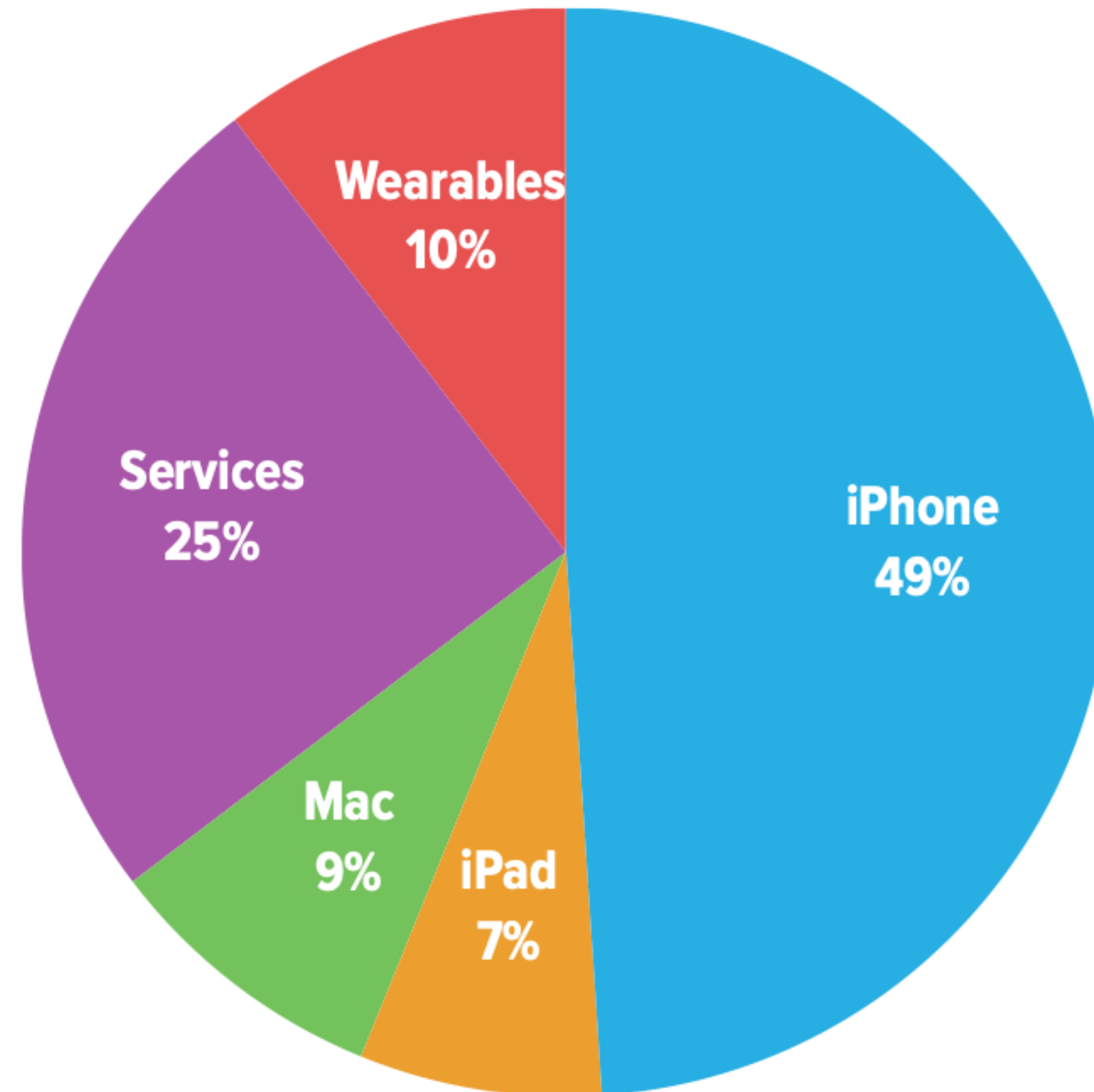


Source: Apple financial statements. November 2, 2023.

**Services is now Apple's 2nd-biggest
business, led only by the mammoth
iPhone business.**

Apple quarterly revenue by category

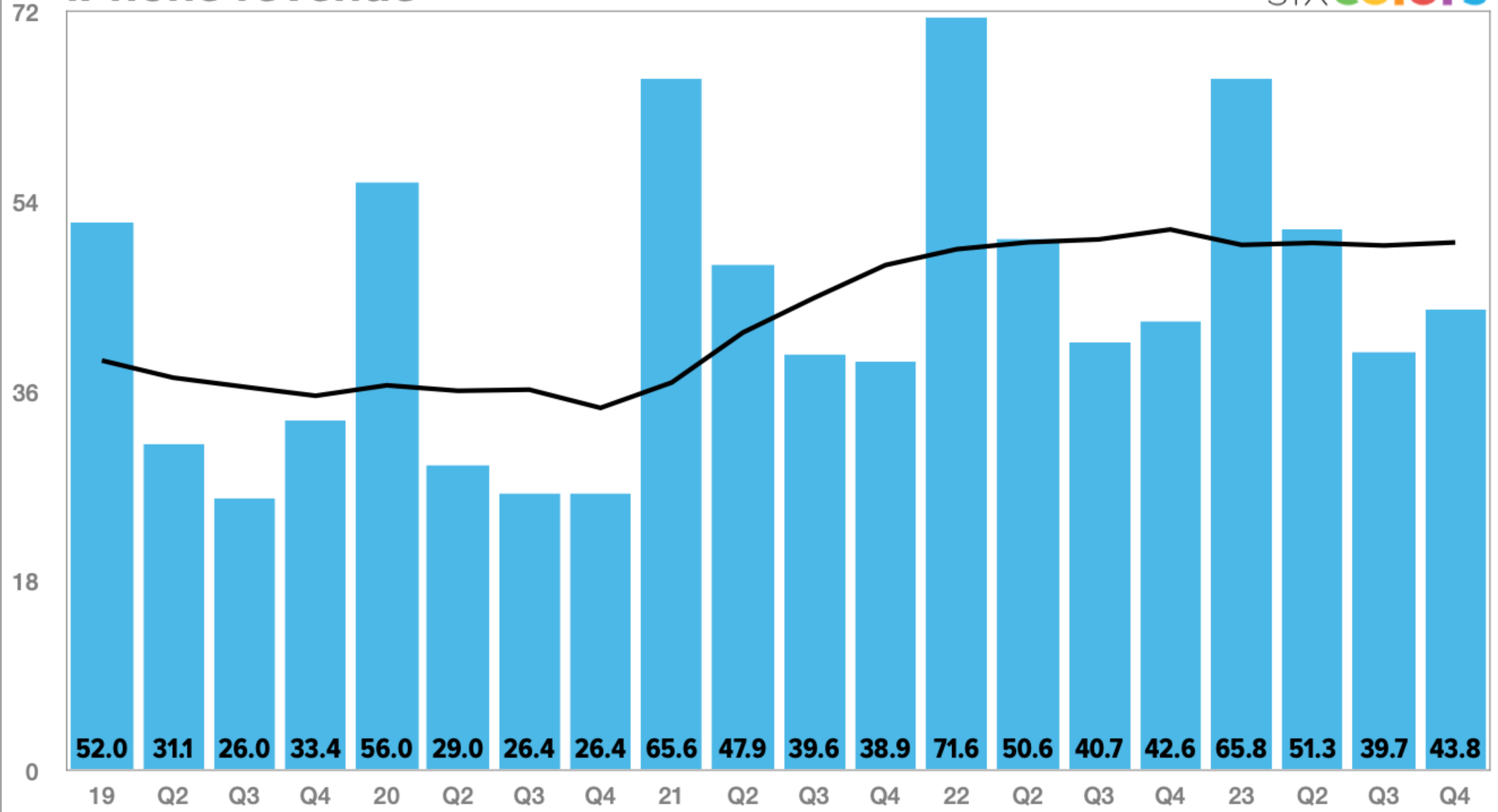
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Source: Apple disclosures. November 2, 2023.

iPhone revenue

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In billions. Black line shows four-quarter average. Source: Apple disclosures. November 2, 2023.

The “Wearables” category did not exist in 2017.

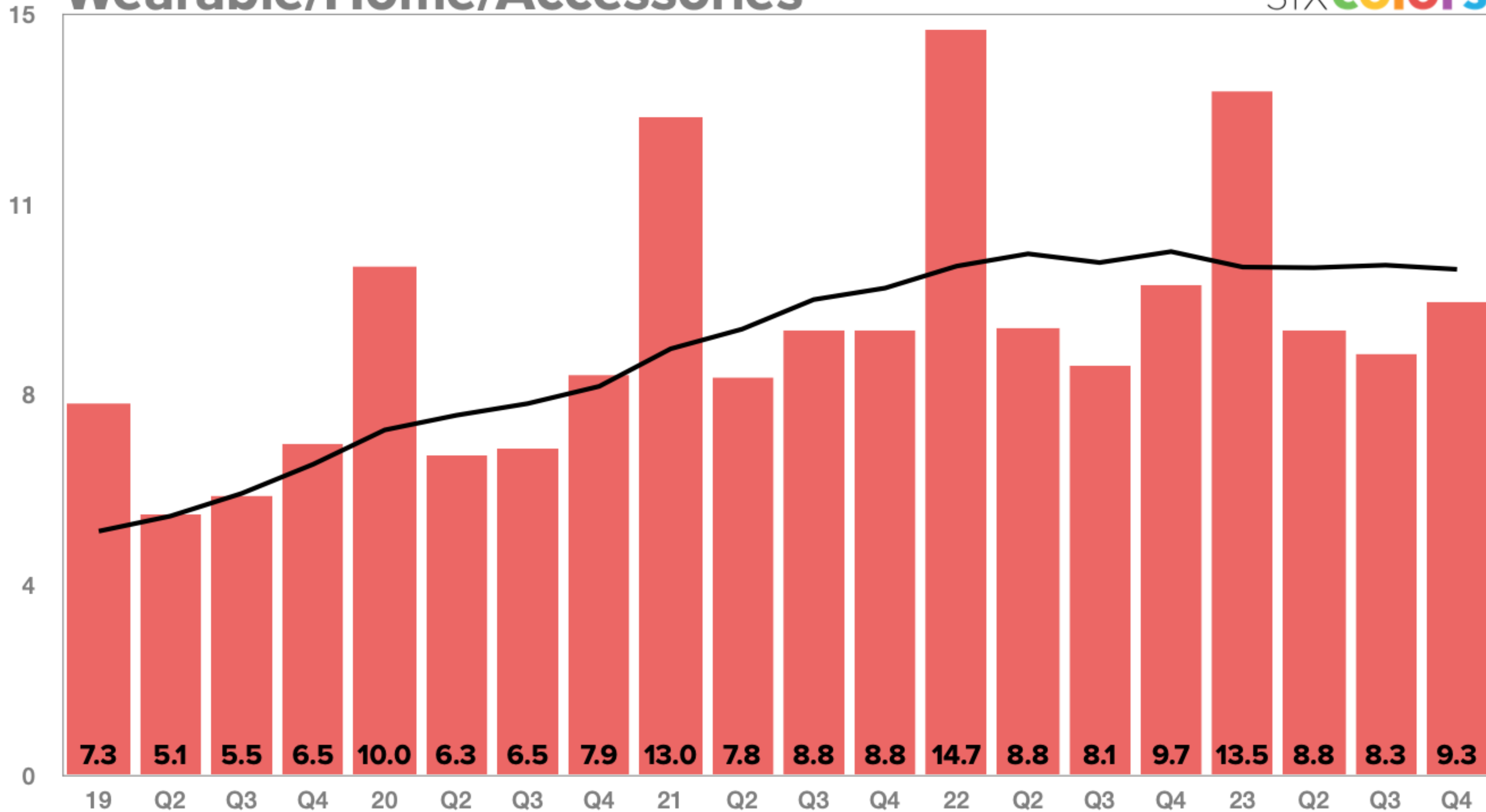
It includes Watch, AirPods, and Beats.

**Later this year, Vision Pro will join
the Wearables category.**

Look for a big jump.

Wearable/Home/Accessories

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In billions. Black line shows four-quarter average. Category was "Other" until Q1 2019.

Source: Apple disclosures. November 2, 2023.

Apple Watch brings in more revenue than the entire Swiss watch industry, which has been around for 275 years.

\$4 out of every \$5 spent on smart watches worldwide goes to Apple.

**AirPods were laughed at when
they were introduced in
September, 2016.**

Now it's estimated that Apple sells \$15-billion of AirPods every year, and has >80% market share of the category.

Every other wireless earphone maker is fighting over the few crumbs left after Apple sells all the AirPods they can make.

AAPL 5-Year Performance vs. S&P 500

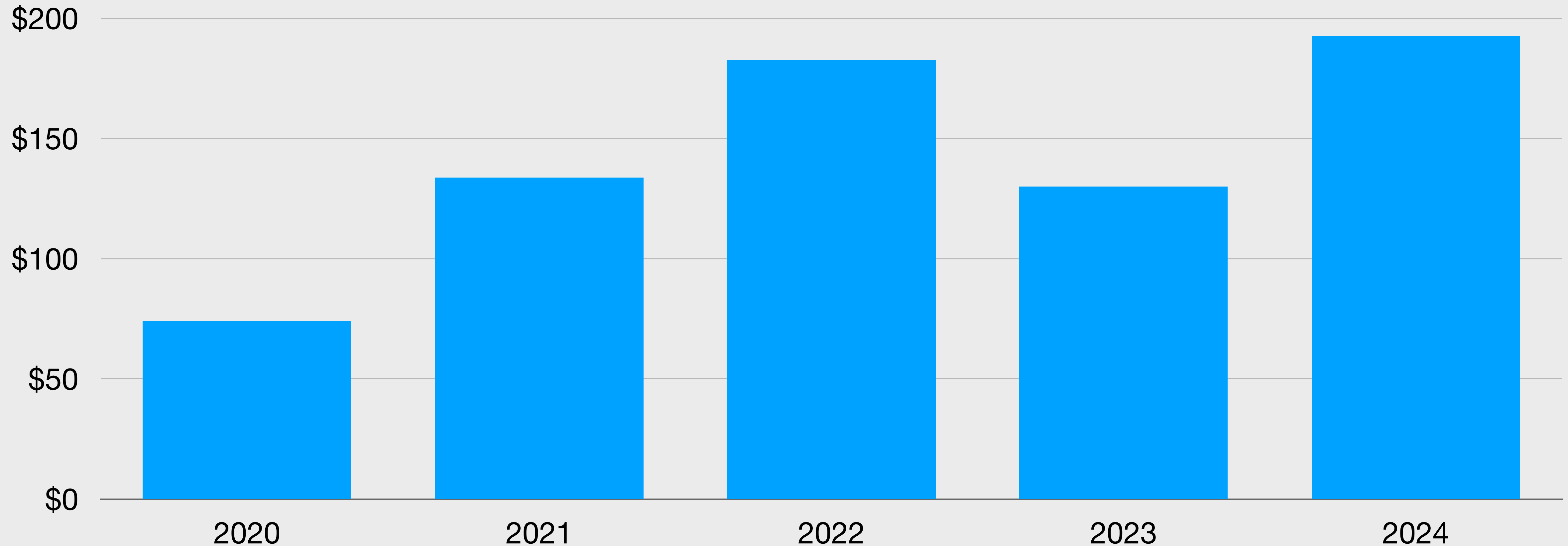
	2019 +/-	2020 +/-	2021 +/-	2022 +/-	2023 +/-	2019-2023	5-Year CAGR
S&P 500	28.88%	16.26%	27.61%	-19.44%	24.73%	90.84%	13.8%
AAPL	86.2%	80.7%	35.2%	-26.8%	53.94%	385.81%	37.18%

Note: AAPL share appreciation is ex-dividend

AAPL share price 2019-2023

As of January 1

2020	2021	2022	2023	2024
\$74.06	\$133.52	\$182.63	\$129.95	\$192.53



10-Year total return: S&P 500

SPY Price Chart

SPDR S&P 500 ETF Trust (SPY)

\$475.02 **+158.42%** **10Y**

Zoom 1D 1W 1M 3M 6M YTD 1Y 3Y 5Y **10Y** 15Y 20Y

Dec 29, 2013 → Dec 29, 2023



10-Year total return: AAPL

AAPL Total Return Chart

Apple Inc (AAPL)

\$192.53 **+1,009%** **10Y**

Zoom 1D 1W 1M 3M 6M YTD 1Y 3Y 5Y **10Y** 15Y 20Y

Dec 29, 2013 → Dec 29, 2023



AAPL 2023 Year in Review

No matter what happens, always remember:

Apple is forever doomed

Upcoming meeting dates

All meetings begin at 7pm ET on Wednesday nights

- February 7
- February 28
- March 13

Cove Apple Club

January 10, 2024

