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FINANCIAL, INC.

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We listened, (as you may have as well), to Apple's earnings call yesterday. What follows is a summary, our thoughts, and the market's general reactions.

The results for Apple's Q2 2021 were, once again, outstanding. Apple set new March quarter records in revenue and earnings. The iPhone set a new March quarter record; sales were up 66% (Y/Y). Net income grew by 108% (Y/Y), earnings per share increased by 119% (Y/Y) and total revenue grew 54% (Y/Y). Apple has also agreed to increase their dividend by 7% and increase the share repurchase program by \$90 billion.

Additional highlights from the call are as follows:

- March quarter revenue records in every geographic segment.
- iPad – highest revenue in nearly a decade.
- Last 3 quarters for Mac were the largest 3 quarters ever.
- Apple watch set a new quarterly revenue record
 - 75% of Apple watch sales were purchased by consumers for the 1st time.
- Services was up 27% Y/Y.
- Install base is at a new record.
- Paid Services accounts increased by 40 million.
- Currently there are 660 million paid subscriptions.
 - Up over 145 million from a year ago.

Apple's results are staggering. However, Tim and Luca reminded listeners on the call of the following, which helped this quarter's results when compared to last year's.

- China was shut down for most of the 2nd quarter in 2020.
- The U.S. was beginning shutdowns.
- iPhone launched later than normal last year which led to strong sales in the quarter.

In closing, Tim and Luca provided the following guidance for the upcoming quarter:

- Revenue to grow strong double digits (Y/Y).
- A sequential revenue decline from March to June may be larger than in previous years due to supply constraints and the timing of iPhone launches.
- Comparatively, Mac and iPad may struggle to exceed prior year's results.

As of 6:31 a.m. Apple stock price is \$137.00 per share, up 2.56% due to the strong quarterly performance.

Please don't hesitate to contact us with any questions, concerns, or specific issues regarding your Apple holdings.

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