

August 3, 2023

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

The results for the June quarter came in better than Tim and Luca expected. In comparison to this time last year, net income for the quarter increased by 2.25% and earnings per share (EPS) grew by 5%. These profit metrics were made possible due to record high gross margins (44.5%), slowed spending in research and development (R&D), and a reduction in workforce costs as the company's total revenue actually declined year-over-year, by 1.4%. The installed base of active devices reached an all-time high and an all-time revenue record was set for the Services business.

Additional points from the call were as follows:

- iPhone revenue was down 2%
- iPad revenue decreased 20%.
- Services revenue increased 8% - better than expected.
- Paid subscriptions now stand at over 1 billion, more than double that from 3 years ago.
- Services gross margin was 70.5%.
- Products gross margin was 35.4%
- Greater China revenue increased by 8%.
- More than 50% of customers purchase an iPhone via trade-in, installment plan, or via financing.

Tim and Luca ended the call by providing guidance for the upcoming September quarter. They provided the following direction:

- Revenue growth is expected to be similar to what was just announced, (down 1.5% Y/Y).
- iPhone sales will grow by more than in the June quarter (greater than -2%).
- Services revenue will expand more than in the June quarter (greater than 8%).
- Mac and iPad revenues will both decline double digits thereby offsetting the increases in the iPhone and Services business segments.
- Gross margins should come in between 44% and 45%.

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

Source: Apple, Inc.

The information contained herein is for informational and educational purposes only. The information has been obtained from what we believe is a reliable source, but Mariner Wealth Advisors (MWA) makes no warranties about the completeness, accuracy, or reliability of such information. It should not be considered an individualized recommendation or personalized investment advice. Please consult with your advisor regarding your personal situation before making any financial-related decisions.

Investing involves risk and the potential to lose principal. Past performance is no guarantee of future results.

Please note that comments summarized herein based on the earnings calls include forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from any future results expressed or implied by the forward-looking statements. For more information on the factors that could influence results, including risks and uncertainties, please refer to [Apple's SEC filings](#).

Mariner Wealth Advisors ("MWA") is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. MWA is in compliance with the current notice filing requirements imposed upon registered investment advisers by those states in which MWA maintains clients. MWA may only transact business in those states in which it is notice filed or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by MWA with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about MWA, including fees and services, please contact MWA or refer to the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov). Please read the disclosure statement carefully before you invest or send money.