

# MARINER

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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.

Apple’s Q2 2025 earnings call drew significant attention due to the April 2nd tariff announcements and the anticipated impact on its business performance. Tim and Kevin responded to several questions on the matter during the call. We’ll provide a summary of their key comments and perspectives shortly. Apple’s results for the quarter were strong as they performed better than their forecast. Total revenue reached \$95.4 billion, representing a 5% year-over-year increase, while earnings per share rose 8% to \$1.65—a new record for the March quarter. Apple, once again, reached a new all-time high on the installed base. The chart below illustrates Apple’s expectations as they entered the quarter vs. their reported results.

Forecast	Q2 Actual Results
The strong dollar is expected to negatively impact revenue by 2.5% Y/Y.	The strong dollar negatively impacted revenue by 2.5%
Total company revenue is projected to increase between 1% and 3% Y/Y.	Revenue increased 5.1%
Services business to likely grow in the low double-digit range.	Services grew 12%
Gross margins to land between 46.5% and 47.5%.	Gross margins were 47.1%

The following points were made by Tim and Kevin as it relates to tariffs and the impact going forward:

- In the March quarter, tariffs had a limited impact due to supply chain and inventory optimization.
- Tariffs are expected to impact cost of goods sold by \$900M in the June quarter.
- Apple has more than 9,000 suppliers in the United States.
- Apple expects to source 19 billion chips across 12 states.
- In the June quarter, the majority of iPhones for the US are likely to be sourced from India.
- Vietnam is to be the country of origin for the Mac, iPad, Apple Watch and AirPods.
- Apple proactively increased their inventory during the quarter as a precaution.
- Vast majority of products are currently not subject to the global reciprocal tariffs due to section 232 investigation into imports of semiconductors, semiconductor manufacturing equipment and downstream products that contain semiconductors.

Tim and Kevin provided less guidance than normal, as you’d expect, due to the tariff and current economic uncertainty. They projected revenue growth in the low to mid-single digits and estimated gross margins to range from 45.5% to 46.5%. Normally, Kevin provides more color as it relates to the categories (iPhone, Services, etc.); however, they purposefully did not provide any during the call.

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

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Source: Apple, Inc.

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