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# Apple posts second consecutive quarterly revenue decline

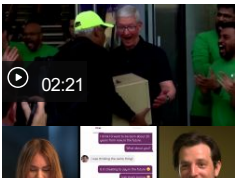
By Catherine Thorbecke and Clare Duffy, CNN

Updated 6:58 PM EDT, Thu May 4, 2023



Apple CEO was presented with an original Macintosh. See his reaction

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Apple CEO was presented with an original Macintosh. See his reaction

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New York (CNN) — Apple on Thursday reported that its revenue fell 2% to \$94.8 billion for the first three months of the year.

**NEW YORK (CNN)** — Apple on Thursday reported that its revenue fell 5% to \$94.6 billion for the first three months of the year, as consumers scale back spending on smartphones and computers due to looming recession fears.

The company's revenue was slightly better than what Wall Street had expected, but it nonetheless represented the second consecutive quarterly revenue decline for the iPhone maker. Apple's net income also fell more than 3% from the year-ago quarter to nearly \$24.2 billion.

Apple ([AAPL](#)) attempted to appease investors by announcing up to \$90 billion in share buybacks. Apple ([AAPL](#)) shares rose just over 1% in after-hours trading Thursday following the results.

Despite the continued revenue decline, there were bright spots in the report.

Apple CEO Tim Cook said Apple hit a "a March quarter record for iPhone [sales] despite the challenging macroeconomic environment" and that the installed base of active devices reached an all-time high.

Apple also posted an all-time services sales record of \$20.9 billion for the quarter. The services business — which includes Apple Music and Apple TV+ — is an increasingly important revenue driver for Apple that is less cyclical than hardware sales. Apple now has more than 975 million paid subscriptions across its services, up 150 million over the past year, CFO Luca Maestri told analysts on Thursday's analyst call.

Apple's latest quarterly earnings report comes amid a sharp decline in PC and smartphone sales globally after a surge earlier in the pandemic.

Worldwide PC shipments declined 30% in the first quarter of 2023 compared to the year prior, according to [data from Gartner](#). Global smartphone shipments plunged 14.6% last quarter, according to [separate data](#) from market intelligence firm IDC.

Still, the company's better-than-expected sales report "suggests that Apple's premium smartphone business may be insulated from concerns about deteriorating consumer confidence and a worsening macroeconomic outlook," Investing.com senior analyst Jesse Cohen said in a statement.

Apple's report on Thursday caps off a closely-watched earnings season for Silicon Valley amid broader economic jitters. All five Big Tech companies beat Wall Street's estimates, but the numbers paint a stark picture of the industry at this moment.

Apple and its peers once enjoyed seemingly limitless growth. Now, these business are struggling to grow sales and profits — or posting declines.

Cook on Thursday offered his thoughts on [artificial intelligence](#), which many major tech companies have made their main focus in recent months.

"I do think it's very important to be deliberate and thoughtful in how you approach these things, and there are a number of issues that need to be sorted ... but the potential is certainly very interesting and we've obviously made enormous progress in integrating AI," into our products and services, Cook said. "We view AI as huge, and we'll continue weaving it into our products on a very thoughtful basis."

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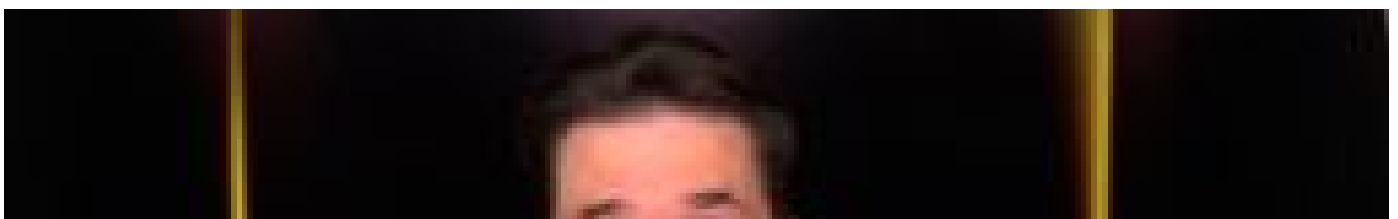
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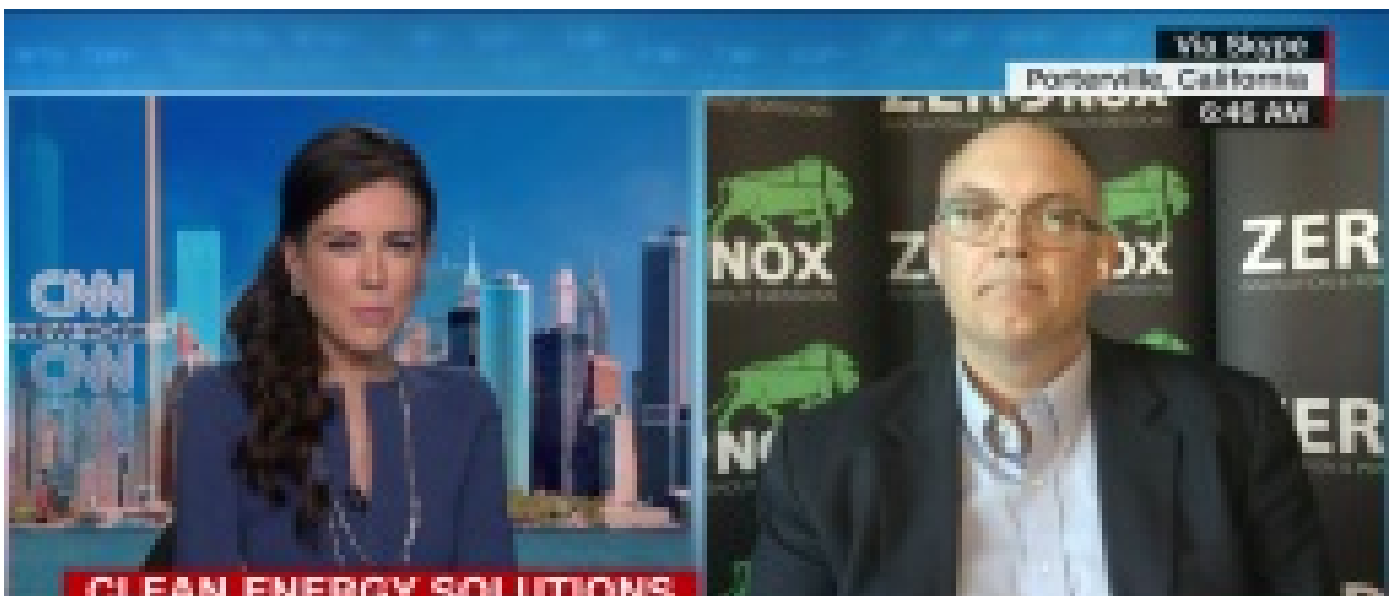


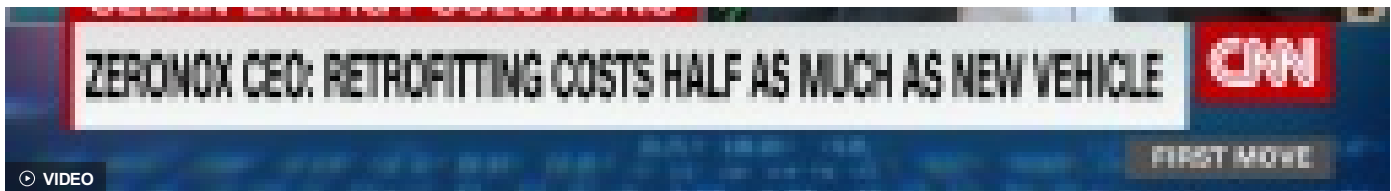


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