

Executive COMPANY PROFILE APPLE INC

November 24, 2023



LATIN BRAINS

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BUSINESS & OPERATIONS

THE COMPANY

Founded in 1976 by Steve Jobs, Apple designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related Services.

Apple is one of the largest technology companies in the world, and is best known for developing products such as the iPhone, iPad, and Mac computers, as well as the software that runs on them.

Apple manages its business primarily on a geographic basis. Its reportable segments consist of Americas (42% of FY 2023 net sales), Europe (25%), Greater China (19%), Japan (6%), and Rest of Asia Pacific (8%).

Apple's iPhone represented 52% of FY 2023 revenue, Mac 8%, iPad 7%, and other wearables and home products (10%). The remaining 23% is represented by Apple's services.

COMPANY FINANCIALS

- › **FY 2023 net sales:** -3% to \$383.3bn
- › **FY 2023 net income:** -3% to \$97bn.

GROUP STRATEGY OVERVIEW

- › There are indications that Apple is facing a slowdown in sales, possibly due to market saturation. Recognizing this, the company is strategically seeking avenues to diversify its revenue streams, placing a particular emphasis on expanding its presence in the services sector. Simultaneously, a global retail expansion is underway, with a specific focus on capturing market share in Asia.
- › Furthermore, Apple is proactively reorienting its production capabilities within the United States. This strategic shift aims to mitigate risks associated with a heavy reliance on Asia-based production, a vulnerability exposed during the pandemic amid escalating tensions between the United States and China. This move not only reflects Apple's commitment to resilience but also aligns with broader economic and geopolitical considerations.

- › Apple's strategy can be summarized in three pillars:
- › **Expanding Services to diversify revenue and strengthen its ecosystem**
- › **Retail push** - Apple is expanding its retail chain globally.
- › **Supply Chain diversification, focus on US manufacturing** - reduce reliance on Asia-based production by re-focusing production in the US

ISSUES

- › **Dependency on iPhone Sales.** The iPhone remains the primary revenue source for Apple, accounting for 52% of total revenue. The slowing growth in the smartphone market poses a challenge to sustaining historical revenue levels.
- › **Sales slowdown.** Apple reported a fourth consecutive quarter of declining sales in its Q4 2023, marking its longest slowdown since 2001. Apple is grappling with lackluster Mac demand and a tumultuous smartphone market in China, where competitors Huawei and Xiaomi are gaining market share.
- › **Asian supply-chain.** Apple continues to have wide exposure to Chinese manufacturing, for example the world's biggest iPhone factory, operated in central China by Foxconn.
- › **Regulatory Risks.** Ongoing regulatory scrutiny poses a threat to Apple, especially in areas like anticompetitive practices and privacy concerns. Additionally, Apple is under regulatory pressure in China.

EMPLOYMENT

- › Apple's total number of employees in FY 2023 was 161,000, a 2% decrease from FY 2022. Apple does not disclose its number of employees by segment.
- › In contrast from Big Tech peers like Alphabet, Meta, Microsoft, and Amazon, which have cut thousands of employees in 2022 and 2023, Apple's CEO Tim Cook said that the company did not have plans for big layoffs. However, Apple slowed its rate of hiring.

BUSINESS & OPERATIONS

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COMPANY BASICS

Name	Apple Inc ('Apple')
Primary line of business	Technology
Head office	One Apple Park Way Cupertino, California, US
Status/Exchange/Market cap	Public / Nasdaq / Market cap: US\$2.98trn (November 24, 2023).
Website	www.apple.com
Staff	161,000 (September 30, 2023)
Founding year	1976
Financial year end	September 30

Sources: Group website, Financial Reports, Yahoo Finance.

OVERVIEW

Founded in 1976 by Steve Jobs, Apple designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related Services.

Apple is one of the largest technology companies in the world, and is best known for developing products such as the iPhone, iPad, and Mac computers, as well as the software that runs on them.

BUSINESS SEGMENTS

Apple manages its business primarily on a geographic basis. Its reportable segments consist of Americas (42% of FY 2023 net sales), Europe (25%), Greater China (19%), Japan (6%), and Rest of Asia Pacific (8%).

PRODUCTS AND SERVICES

Apple's products and services include:

- › **Products:** includes the iPhone (52% of FY 2023 revenue), Mac (8%), iPad (7%), and other wearables and home products (10%) such as smartwatches, AirPods, and Beats products. Beats is an audio products company which manufactures headphones and speakers.
- › **Services (23%):** Apple offers a wide variety of services which includes:
 - › *Advertising:* includes third-party licensing arrangements and Apple's own advertising platforms.
 - › *AppleCare:* offers a portfolio of fee-based service and support products under the AppleCare brand.
 - › *Cloud Services:* Apple's s cloud services store and keeps customers' content up-to-date and available across multiple Apple devices and Windows personal computers.
 - › *Digital Content:* operates various platforms, including the App Store, that allow customers to discover and download applications and digital content. Apple also offers digital content through subscription-based services, including Apple Arcade, a game subscription service; Apple Fitness+, a personalized fitness service; and Apple Music.
 - › *Payment services:* offers payment services, including Apple Card, a co-branded credit card, and Apple Pay, a cashless payment service.

COMPETITORS

Apple's competitors include IBM, Google, Microsoft, Amazon, Samsung, Huawei, Sony, and other tech companies. ([Comparably](#), [Business Strategy Hub](#))

BUSINESS & OPERATIONS

CORPORATE HISTORY

1976 - present

- › **1976.** Apple Inc. is founded by Steve Jobs, Steve Wozniak, and Ronald Wayne, releasing the Apple I computer.
- › **1980.** Apple goes public through its IPO.
- › **1984.** Introduces the Macintosh, the first commercially successful personal computer to feature a graphical user interface.
- › **1985.** Steve Jobs resigns from Apple and starts NeXT Inc.
- › **1997.** Apple acquires NeXT Inc., bringing Steve Jobs back to the company.
- › **1998.** Introduces the iMac, a colorful, all-in-one computer, marking the beginning of a design-focused approach.
- › **2001.** Launches the iPod, revolutionizing the music industry with a portable digital music player.
- › **2007.** Unveils the iPhone, transforming the mobile phone industry and setting the standard for smartphones.
- › **2010.** Introduces the iPad, popularizing the tablet computer market.
- › **2011.** Steve Jobs passes away, but Apple continues to innovate under the leadership of Tim Cook.
- › **2014.** Apple launches the Apple Watch, entering the wearable technology market.
- › **2018.** Becomes the first public company to reach a \$1 trillion market capitalization.
- › **2020.** Apple announces its transition to Apple Silicon, moving away from Intel processors for Mac computers.
- › **2022.** Apple reaches a \$3 trillion market capitalization, becoming the first company to achieve this milestone.

Source: Press, website

LOCATIONS

Offices

Apple is headquartered in Cupertino, California, US; with additional offices in the US in: Austin, Texas; Boulder, Colorado; Los Angeles Metro Area, California; Massachusetts, Massachusetts; New York, New York; Oregon, Oregon; Pittsburgh, Pennsylvania; San Diego, California; San Francisco Bay Area, California; Seattle, Washington; Vancouver, British Columbia; and one office in Canada, in Vancouver.

Globally, Apple has offices globally in:

- › *Europe:* Spain, Germany, UK, Denmark, Ireland, Israel, Russia, France, Czech Republic, Sweden, and Switzerland.
- › *Asia-Pacific:* Australia, Thailand, China, India, South Korea, Singapore, Taiwan, and Japan.

Retail locations

Apple has over 271 retail stores across all US states.

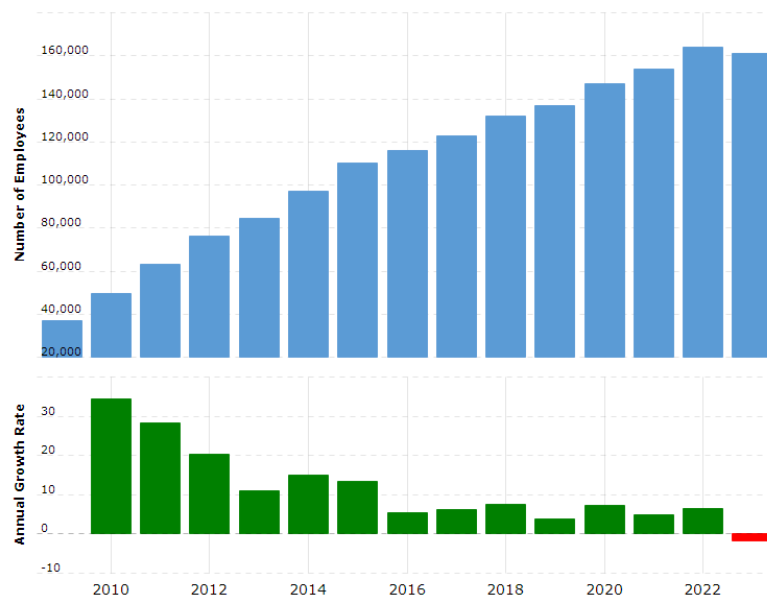
Additionally, Apple lists retail stores in: Australia, Austria, Belgium, Brazil, Canada, Chile, China, France, Germany, Hong-Kong, India, Italy, Japan, Macao, Mexico, Netherlands, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, and the UK.

Source: [Website](#), [Website](#)

BUSINESS & OPERATIONS

EMPLOYMENT

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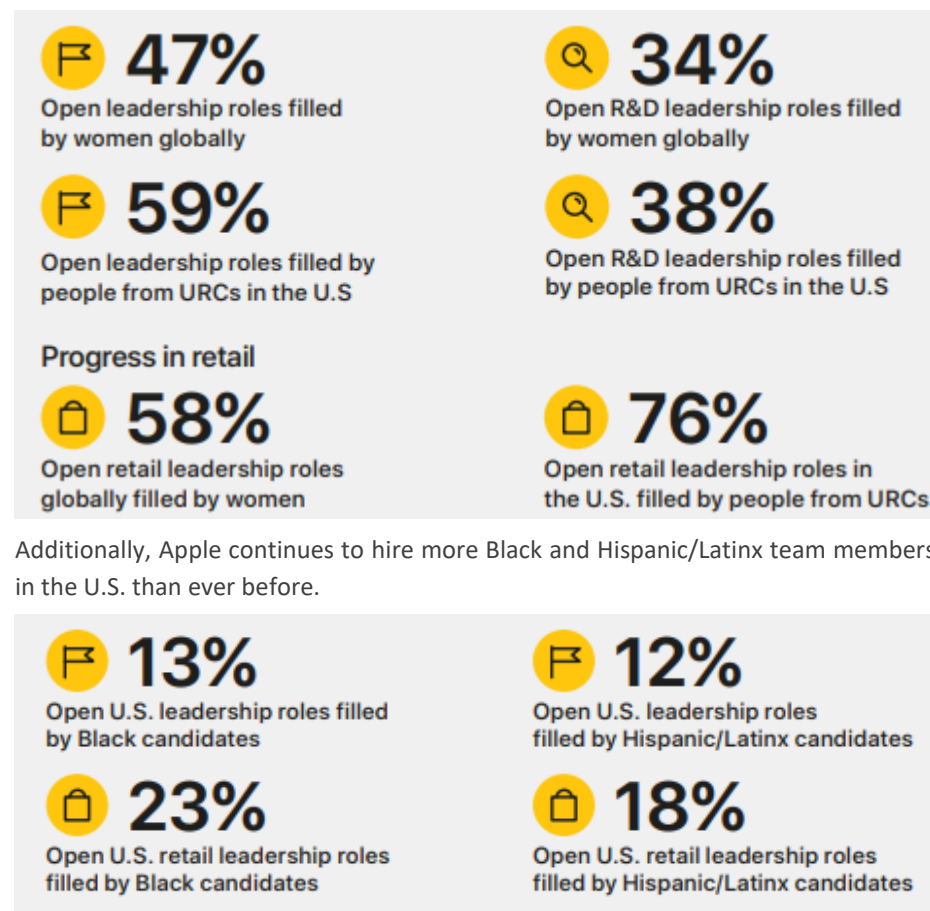
Source: [MacroTrends](#)

In contrast from Big Tech peers like Alphabet, Meta, Microsoft, and Amazon, which have cut thousands of employees in 2022 and 2023, Apple's CEO Tim Cook said that the company did not have plans for big layoffs. However, Apple slowed its rate of hiring. ([CNBC](#), Apr-23)

In its [FY 2022 ESG Report](#), Apple says that it has robust workplace policies and practices, including its Business Conduct Policy, Human Rights Policy, and EHS Policy, that articulate its strong commitment to its people and to creating an environment where they can do their best work.

Inclusion and diversity

Apple says that inclusive representation in leadership is a powerful driver of progress. At Apple, leaders of all backgrounds are working to grow and develop its next generation of leaders from within. Apple says that it is committed to increasing the number of managers from underrepresented communities.



Additionally, Apple continues to hire more Black and Hispanic/Latinx team members in the U.S. than ever before.

BUSINESS & OPERATIONS

In Calendar year 2021 (latest information available), Apple carried out 185,000 hours of inclusion and diversity training, 10,000 coaching hours to managers and individuals in support of inclusion through Apple University, over 1000 community events and heritage celebrations worldwide, and 4000 hours of optional in-depth courses exploring race and justice in the US.

Training and resources

Apple team members have access to career development programs, ongoing inclusion and diversity education, and support throughout their career journey. From new-hire orientation, to specialized classes for individual contributors and managers, to talent planning and mentorship. Some of Apple's education and career development initiatives include:

- › **Apple University:** All employees have access to Apple University, and to date, more than 95% of executives and managers and nearly 60% of individual contributors have participated in classes. In fiscal year 2021, team members spent more than 175,000 hours participating in all Apple University courses combined.
- › **Educational Assistance Program:** offers tuition reimbursement for team members to continue their education.
- › **Apple Mentorship Program:** creates opportunities for Apple employees of all backgrounds to learn from one another and grow their careers at Apple.
- › **Retail-specific training:** Through onboarding training, new Apple Retail employees learn the fundamental knowledge and skills that will support their success at Apple.

Compensation

Apple says that it believes that its compensation should not only be highly competitive across all types of roles, levels, and talent markets; it should be equitable and enable all team members to share in the company's success as shareholders of Apple.

- › **Competitive pay:** In addition to its stock program and wide range of benefits, Apple regularly reviews its competitive position to establish its leading starting pay rates in each local market.
- › **Apple stock ownership:** In 2015, Apple introduced its Stock Ownership Program, which was designed to reach employees who were not previously eligible for restricted stock unit (RSU) awards. By the end of 2022, over \$1.1bn of RSU grants were awarded under this program, and the shares underlying the RSUs would have an estimated value of over \$3bn (based on a share price of \$130.06 as of June 16, 2022). Apple is one of the few companies in the S&P 500, and the largest technology company, in which employees at all levels are eligible for RSU grants on an annual basis.
- › **ESG Modifier:** Beginning in 2021, the Compensation Committee incorporated the ESG Modifier into the Executive annual cash incentive program. The ESG Modifier is based on a holistic evaluation by the Compensation Committee of key accomplishments and actions taken during the year to advance with Apple's values.
- › **Pay equity:** Since 2017, Apple has achieved and maintained gender pay equity for its employees worldwide. In the U.S., it also achieved pay equity with respect to race and ethnicity — as well as pay equity at the intersections of race and ethnicity with gender.
- › **Annual pay equity review:** To maintain pay equity, Apple engages an independent third-party expert to build and run statistical models to assess and resolve any differences in total compensation on the basis of gender and, in the U.S., on the basis of race and ethnicity and at the intersections with gender.

Benefits

Apple provides a host of benefits for corporate and retail employees which include:

- › **Physical and mental well-being,** including: Physical and mental health coverage that also extends to spouses and domestic partners; Virtual and onsite wellness

BUSINESS & OPERATIONS

visits for employees and eligible dependents; Free, confidential counseling for employees and their dependents; Comprehensive reproductive health services; and Month-long wellness events for team members.

- › **Life and Family**, including: Retirement programs; Consultations and referrals to support employees caring for an elderly family member; Adoption, surrogacy, and fertility services; Financial coaching services; Tuition reimbursement; and legal services for adoption, child support, housing, wills, identity theft, and more
- › **Time Away**, including: Vacation; Paid sick time and medical leave for serious health conditions; Pregnancy leave and New Parent Leave; Leave for bereavement or to care for a sick family member; Time off for voting, jury duty, and other civil obligations; Company holidays throughout the year.
- › **Product Discounts.**

FINANCIALS

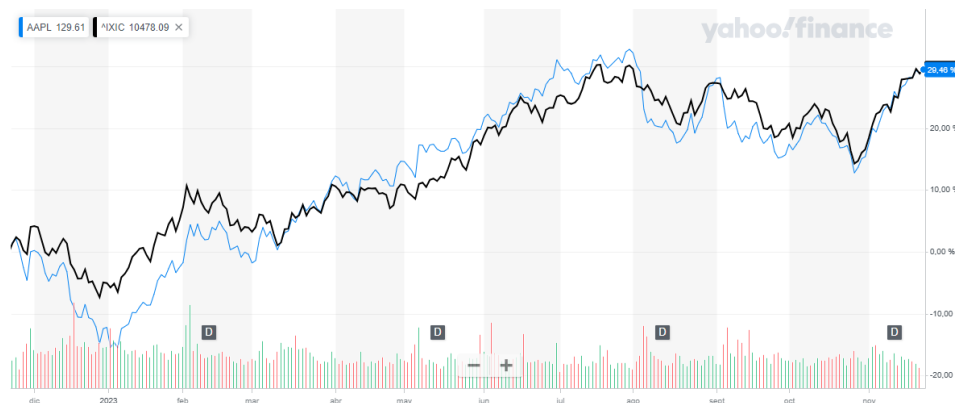
FINANCIALS

ANNUAL FINANCIAL PERFORMANCE

Year ended September 30 (\$m)	FY 2023	FY 2022	YoY change
Net sales	383,285	394,328	-3%
Cost of sales	(214,137)	(223,546)	-4%
Gross margin	169,148	170,782	-1%
Operating income	114,301	119,437	-4%
Net income	96,995	99,803	-3%
Total assets	352,583	352,755	0%

Source: [FY 2023 10-K](#)

Stock performance (Apple vs NASDAQ)



FY 2022 financial review

- > **Net sales:** -3% to \$383.3bn
 - > *Americas:* decreased 4% to \$162.6bn due to lower net sales of iPhone and Mac, partially offset by higher net sales of
 - > *Europe:* decreased 1% to \$94.3bn. The weakness in foreign currencies relative to the U.S. dollar accounted for more than the entire year-over-year decrease in Europe net sales, which consisted primarily of lower net sales of Mac and Wearables, Home and Accessories, partially offset by higher net sales of iPhone and Services.
 - > *Greater China:* decreased 2% to \$72.6bn. The weakness in the renminbi relative to the U.S. dollar accounted for more than the entire year-over-year decrease in Greater China net sales, which consisted primarily of lower net sales of Mac and iPhone.
 - > *Rest of Asia Pacific:* increased 1% to \$29.6bn, due to higher net sales of iPhone and Services, partially offset by lower net sales of Mac and iPad.
 - > *Japan:* decreased 7% to \$24.3bn, due to lower net sales of iPhone, Wearables, Home and Accessories and Mac.
- > **Net income:** -3% to \$97bn.

OUTLOOK

- > **Analysts** estimate FY 2024 revenues to grow +3% to \$396.7bn and then increase by +6% to \$419.0bn in FY 2025.
- > **Group:** Apple didn't give formal guidance, but finance chief Luca Maestri said the company expected December quarter revenue to "be similar to" FY 2023 revenue. However, Apple said that the Q12024 will have one fewer week. ([CNBC](#), Nov-23)

FINANCIALS

- › Although the iPhone 15 is doing better than the iPhone 14, with sales growing, Apple's Mac and iPad businesses both declined during Q423. Maestri warned that iPad and Mac sales would fall by double-digit percentages. Apple's CEO, Tim Cook, added that the overall market for personal computers is "challenging." Nevertheless, Apple's Services business continues to grow and is expected to continue to grow. ([CNBC](#), Nov-23)

STRATEGY

STRATEGY¹

- › Established in 1976 by the visionary trio of Steve Jobs, Steve Wozniak, and Ronald Wayne, Apple Inc. has undergone a remarkable evolution. Its journey began with a presence in personal computers, ultimately reshaping the industry with groundbreaking products such as the Mac, iPod, and iPhone. The company's financial prowess is evident in significant milestones, with valuations exceeding one, two, and three trillion dollars in 2018, 2020, and 2022, underscoring Apple's formidable position in the market.
- › Despite these achievements, there are indications that Apple is facing a slowdown in sales, possibly due to market saturation. Recognizing this, the company is strategically seeking avenues to diversify its revenue streams, placing a particular emphasis on expanding its presence in the services sector. Simultaneously, a global retail expansion is underway, with a specific focus on capturing market share in Asia.
- › Furthermore, Apple is proactively reorienting its production capabilities within the United States. This strategic shift aims to mitigate risks associated with a heavy reliance on Asia-based production, a vulnerability exposed during the pandemic amid escalating tensions between the United States and China. This move not only reflects Apple's commitment to resilience but also aligns with broader economic and geopolitical considerations.
- › Apple's strategy can be summarized in three pillars:
 - › **Expanding Services to diversify revenue and strengthen its ecosystem**
 - › **Retail push** - Apple is expanding its retail chain globally.
 - › **Supply Chain diversification, focus on US manufacturing** - reduce reliance on Asia-based production by re-focusing production in the US

Expanding Services to diversify revenue and strengthen its ecosystem

- › In response to market saturation and the need for diversified revenue streams, Apple strategically prioritizes the expansion of its services business, constituting a substantial share of both revenue and profits.
- › Apple's services business is critical for shareholders because it has stronger margins than hardware products, is more predictable because of recurring billing, and provides more ways for the company to make money from its installed base of over 2 billion devices. ([CNBC](#), Aug-23)
- › Apple's services include Ads, AppleCare, Cloud Services, Apple TV, Apple +, and Apple Pay, amongst others. Apple strategically advances its subscription services, creating an ecosystem that intertwines with its hardware offerings. The exploration of an iPhone subscription plan signals a shift towards a more service-centric business model.
- › Specifically, recent developments seem to indicate that Apple is be focused on growing its Ads business.

Ads Revenue Expansion

- › Apple strategically aims for a significant uptick in advertising revenue, projecting growth from US\$5bn in 2022 to an anticipated US\$30bn in 2026.
- › Apple has sold ads inside Apple News and the App Store since 2016 but recently it has shown a new determination to muscle into an industry dominated by Google, Meta, and Amazon. ([Wired](#), Dec-22)
- › In June 2022, Apple expanded the ways companies could pay to get in front of its customers' eyeballs, allowing them to buy ads on the front page of the App Store.
- › In August 2022, Apple job postings suggested it was building a self-service platform for businesses to book ads to be served to customers through Apple products.

¹ Any developments concerning employment have been highlighted in red.

STRATEGY

- › And in December 2022, reports surfaced that Apple was courting potential buyers for ads on Apple TV+. What form those ads would take, such as pre-roll spots like those on YouTube or traditional TV commercials, is unclear.
- › Additionally, in September 2022 it was reported that apple was doubling its ad business workforce. ([Marketing Brew](#), Sep-22)

Retail push

- › Apple reported a fourth consecutive quarter of declining sales in its Q4 2023, marking its longest slowdown since 2001. Apple is grappling with lackluster Mac demand and a tumultuous smartphone market in China, where competitors Huawei and Xiaomi are gaining market share. ([FinBold](#), Nov-23; [Investing](#), Nov-23)
- › In this context, Apple is expanding its retail chain globally, while also aiming to expand its presence in the Asian market.

Retail chain expansion

- › Apple is working on plans to expand and revitalize its retail chain, proposing 53 new, relocated or remodeled stores over the next four years to 2027, aiming to push deeper into China and other parts of Asia while overhauling established locations in the US and Europe. ([Bloomberg](#), Jun-23)
- › Through 2027, Apple is discussing opening 15 new stores across the Asia-Pacific region, five locations in Europe and the Middle East, and four additional outlets in the US and Canada. Apple is also aiming for six revamped or relocated stores in Asia, nine in Europe and 13 in North America.

Asian expansion

- › In July 2023, WeChat, China's dominant messaging app which also provides e-commerce, livestreaming and payment services, said that Apple opened a store on its social media platform, marking an expansion in the world's second largest economy, China. The announcement by WeChat said users would be able to buy Apple products including iPhones, iPads and Macs from the store. ([Reuters](#), Jul-23)

- › In September 2023, Reuters reported that Apple is expected to gain a larger share of India's smartphone sales. Apple has been touting India as its next big growth driver amid declining sales of its flagship device. Its suppliers have also been ramping up manufacturing operations in the region amid weakening demand and regulatory pressure in China. ([Reuters](#), Sep-23)

Supply Chain diversification, focus on US manufacturing

- › Apple has been grappling with Beijing's pandemic restrictions, which hit iPhone production at the facilities of its major supplier, Foxconn.
- › In order to reduce reliance on Asia-based production and diversify its supply chain, Apple has been stepping up on efforts to shift some production out of China and into the US, and into other Asian countries like India and Vietnam as well.
- › For example, China's prominence in Apple's global manufacturing is declining: In the five years to 2019, China was the primary location of 44% to 47% of its suppliers' production sites, but that fell to 41% in 2020, and 36% in 2021, which continues to be a risk. ([Reuters](#), Nov-22)
- › In 2021, Apple committed to investing over \$430bn and add 20,000 new jobs across the US between 2021 and 2026. Apple's CEO, Tim Cook, said: "Apple is doubling down on our commitment to US innovation and manufacturing with a generational investment reaching communities across all 50 states." ([Press Release](#), Apr-21)
- › More recently, Apple has been signing multibillion-dollar deals with companies like Broadcom, or TSMC, to manufacture various components in the US, while also continuing to design technology in-house.

5G radio frequency components in the US

- › In May 2023 Apple signed a new multibillion-dollar deal with Broadcom to develop 5G radio frequency components in the U.S. Apple said that the deal with Broadcom will also allow it to invest in "critical automation projects and upskilling" with engineers and other technicians. Apple already supports more

STRATEGY

than 1,100 jobs in Broadcom's Fort Collins, Colorado, FBAR filter manufacturing facility. ([CNBC](#), May-23)

US semiconductors

- › In December 2022, Appl'se CEO Tim Cook said that Apple will be using semiconductor chips made in the US for the first time in nearly a decade. Apple's plans to source chips for its devices from TSMC's Arizona plant marks a shift in strategy for the tech giant as it navigates geopolitical tensions between Washington and Beijing, and China's strict COVID-19 containment measures. ([Business Insider](#), Dec-22)
- › In October 2023, Apple introduced new MacBook Pro and iMac computers and three new chips to power them, saying it had redesigned its graphics processing units (GPU), a key part of the chip where Nvidia dominates the market. ([Reuters](#), Oct-23)

In-house developments

- › Additionally, there seems to be a trend of Apple designing more of its components in-house. In November 2023, Yahoo reported that Apple was designing its own camera sensors in-house. ([Yahoo](#), Nov-23)

SWOT



STRENGTHS

- › **Strong Financial Performance.** With continuous growth in net sales and net income, Apple's fiscal strength is evident. In FY 2023 Apple recorded net sales of over \$393bn and a net income of nearly \$100bn. (See 'financials')
- › **Liquidity.** Apple continues to have a huge amount of cash and cash-like securities on hand, even as it strives to offset its cash pile with debt. Apple said it had \$162.1 billion in cash on hand. ([CNBC](#), Nov-23)
- › **Brand Recognition and Loyalty.** Apple's brand is globally recognized and enjoys strong customer loyalty.
- › **First \$3trn company.** In July 2023, Apple became the first company in the world to reach a market value of \$3trn. ([Reuters](#), Jul-23)
- › **Innovation Legacy.** Apple's history of groundbreaking innovations, from the Mac to the iPhone, has positioned it as an industry pioneer.



WEAKNESSES

- › **Dependency on iPhone Sales.** The iPhone remains the primary revenue source for Apple, accounting for 52% of total revenue. The slowing growth in the smartphone market poses a challenge to sustaining historical revenue levels.
- › **Sales slowdown.** Apple reported a fourth consecutive quarter of declining sales in its Q4 2023, marking its longest slowdown since 2001. Apple is grappling with lackluster Mac demand and a tumultuous smartphone market in China, where competitors Huawei and Xiaomi are gaining market share. ([FinBold](#), Nov-23; [Investing](#), Nov-23)
- › **Asian supply-chain.** Apple continues to have wide exposure to Chinese manufacturing, for example the world's biggest iPhone factory, operated in central China by Foxconn. ([Reuters](#), Nov-22)



OPPORTUNITIES

- › **Global smartphone market growth.** In October 2023, Global smartphone sales rose after declining for 27 straight months on a year-on-year basis, led by a recovery in emerging markets. ([CNBC](#), Nov-23)
- › **Services and Wearables Growth.** The services segment is a significant source of revenue and profit, with potential for further expansion. Wearables and accessories, such as the Apple Watch and AirPods, provide additional growth opportunities.
- › **Market Monetization.** Analysts suggest Apple's evolving business model, emphasizing maximizing installed-base monetization, could add substantial value. The potential to tap into untapped markets and consumer behaviors presents a lucrative opportunity.



THREATS

- › **Regulatory Risks.** Ongoing regulatory scrutiny poses a threat to Apple, especially in areas like anticompetitive practices and privacy concerns. Additionally, Apple is under regulatory pressure in China. ([Reuters](#), Sep-23; see 'legal news')
- › **Supply-chain.** Apple has had supply chain issues in the past. For example, in 2022 the world's biggest iPhone factory, operated in central China by Foxconn, battled with production shortfalls and labour unrest spurred largely by Beijing's harsh virus containment policies. As 36% of Apple's supply chain is still in China, this continues to pose a threat. ([Reuters](#), Nov-22)

OTHER KEY EVENTS

OTHER KEY EVENTS

CEO Succession plan

- › Nov-23: Apple's CEO, Tim Cook, said: "We're a company that believes in working on succession plans, so we have very detailed succession plans—because something that's unpredictable can always happen." ([Quartz](#), Nov-23)
- › For the next couple of years at least, the 63-year-old Cook plans to stay in charge. But simultaneously, his replacement, or rather his possible replacements, are being primed and prepped.

LEGAL

LAW FIRM REPRESENTATION

U.S.

- › **Labor and employment – Labor management relations:** [McDermott Will & Emery](#) lists Apple as a key client.
- › **Labor and employment – Labor and employment disputes:** [McDermott Will & Emery](#) lists Apple as a key client.
- › **Dispute resolution:** [Latham & Watkins](#) lists Apple as a key client.

Labor and employment (worldwide):

- › **Brazil:** [Mundie E Advogados](#) lists Apple as a key client.
- › **Colombia:** [Brigard Urrutia](#) lists Apple as a key client.
- › **Netherlands:** [Greenberg Traurig](#) lists Apple as a key client.
- › **Germany:** [Watson Farley & Williams](#) lists Apple Retail Germany as a key client.
- › **Lithuania:** [Deloitte Legal](#) lists Apple as a key client.
- › **Malaysia:** [Zain & Co](#) lists Apple as a key client.

LEGAL

LEGAL NEWS (12 MONTHS)

Apple settles \$25m immigrant lawsuit

- › In November 2023, after the Department of Justice investigated Apple for employment discrimination, the company reached a legal settlement despite no allegation that it violated Department of Labor immigration rules. The legal settlement shows that complying with the Permanent Labor Certification Program, required for most employment-based immigrants, does not protect companies from government discrimination claims. Facebook settled a similar DOJ lawsuit in 2021. ([Forbes](#), Nov-23)
- › The DOJ announced a \$25m agreement, requiring Apple to pay \$6.75m in civil penalties and create an \$18.25m backpay fund for potential discrimination claimants. The agreement also requires Apple to ensure that its recruitment for PERM positions more closely matches its standard recruitment practices. The investigation began in 2019.

Apple accused of illegally keeping benefits from union workers

- › In November 2023, a National Labor Relations Board regional director lodged a complaint based on charges that Apple violated federal labor laws by refusing to give unionized workers at an Apple store in Towson, Md., enhanced benefits in 2022. An agency spokesperson said that the complaint alleges that Apple discriminated against the Towson workers and used the benefits to discourage staff at other locations from unionizing. The Towson location was the first Apple store to unionize in 2022, followed by a second store in Oklahoma City shortly after. The tech company has been the subject of increasing litigation before the NLRB, with IAM accusing Apple of failing to bargain in good faith. ([BNN Bloomberg](#), Nov-23)

Venmo, Cash App users sue Apple over peer-to-peer payment fees

- › In November 2023, Apple was sued by Venmo and Cash App customers in a proposed class action claiming the iPhone maker abused its market power to curb competition for mobile peer-to-peer payments, causing consumers to pay "rapidly inflating prices." ([Reuters](#), Nov-23)
- › Four consumers in New York, Hawaii, South Carolina and Georgia filed the lawsuit on Friday in San Jose, California, federal court. They alleged Apple violated U.S. antitrust law through its agreements with PayPal's Venmo and Block's Cash App.
- › Apple's agreements limit "feature competition" within peer-to-peer payment apps, including prohibiting existing or new platforms from using decentralized cryptocurrency technology. The lawsuit seeks an injunction that could force Apple to divest or segregate its Apple Cash business.

Google settles antitrust case with Match Group

- › In November 2023, Google settled a lawsuit with Match Group, the owner of dating apps Tinder and OkCupid, over allegations that Google misused its authority in mobile app distribution. As part of the settlement, Google will return \$40m held in escrow by Match. ([Times of India](#), Nov-23)

Apple agrees to pay \$1.8m to settle gift card class action lawsuit

- › In November 2023, Apple has agreed to pay \$1.8 million to settle a class-action lawsuit that accused the company of misrepresenting the security and value of its gift cards. The lawsuit claims that Apple misled customers about the security of its gift cards. ([Giz China](#), Nov-23)

LEGAL

South Korea warns Apple of possible \$50m fines over apps marketing

- › In October 2023, South Korea's telecommunications regulator said that Google and Apple abused their dominant app market position and warned of possible fines totalling up to \$50.5m. The Korea Communications Commission (KCC) said in a statement that the two tech giants forced app developers into specific payment methods and caused unfair delay in app review. ([Reuters](#), Oct-23)

Apple settles \$1 billion patent lawsuit with Caltech

- › In October 2023, the patent dispute between Caltech, Apple, and Broadcom over Wi-Fi chips ended with a settlement. Caltech previously won a verdict of more than \$1.1bn from Apple and Broadcom in the case that was later overturned. Caltech filed to dismiss the case, which cannot be filed again. The terms of the settlement have not been disclosed. ([Times of India](#), Oct-23; [Reuters](#), Aug-23)
- › The lawsuit was originally filed in 2016, alleging infringement of Wi-Fi patents by Apple's devices. Apple countersued but was unsuccessful. A jury ruled in favour of Caltech in 2020, ordering Apple to pay \$838m and Broadcom \$270m.

Apple's "Batterygate" lawsuit

- › In September 2023, Apple was poised to initiate the settlement of \$500m in lawsuit payments pertaining to the 'BatteryGate' case. ([Edge Middle East](#), Aug-23)
- › Apple agreed to pay out a substantial sum, estimated between \$310m and \$500m, to approximately 3 million customers who own pre-2018 models of iPhones. This payout is a result of claims filed against Apple in 2020 over the widely discussed "batterygate" problem. This settlement comes in the aftermath of Apple's unsuccessful attempt to appeal a class-action lawsuit initiated against the company in 2017. As a result, the path has been cleared for individuals affected by the "software throttling issue" to receive compensation. "Software throttling" refers to the practice of intentionally reducing the performance of older iPhone models with degraded batteries, preventing them from shutting down during periods of high demand.

\$1bn UK lawsuit by app developers over App Store fees

- › In July 2023, more than 1,500 app developers in the United Kingdom brought a £785m (\$1bn) class action lawsuit against Apple over its App Store fees. ([CNN](#), Jul-23)
- › The UK lawsuit at the Competition Appeal Tribunal is being brought by Sean Ennis, a professor at the Centre for Competition Policy at the University of East Anglia and a former economist at the Organisation for Economic Co-operation and Development, on behalf of 1,566 app developers. Ennis said in a statement that: "Apple's charges to app developers are excessive and only possible due to its monopoly on the distribution of apps onto iPhones and iPads. The charges are unfair in their own right and constitute abusive pricing. They harm app developers and also app buyers."

Spain's anti-trust CNMC fined Apple

- › In July 2023, Spain's anti-trust watchdog, CNMC, announced that it fined Amazon and Apple a total of €194m for collusion in the sale of products which "restricted competition". ([Euronews](#), Jul-23)

\$2bn London lawsuit for 'throttling' millions of iPhones

LEGAL

- › In May 2023, Apple urged a London tribunal to block a \$2bn mass lawsuit accusing it of hiding defective batteries in millions of iPhones by "throttling" them with software updates. Apple is facing a lawsuit worth up to £1.6bn plus interest, brought by consumer champion Justin Gutmann on behalf of iPhone users in the United Kingdom. Gutmann's lawyers argued in court filings that Apple concealed issues with batteries in certain phone models and "surreptitiously" installed a power management tool which limited performance. ([Reuters](#), May-23)

Apple agrees to \$35m settlement in iPhone sound lawsuit

- › In May 2023, Apple agreed to a \$35m class settlement, resolving allegations that a flaw in iPhone 7 and 7 Plus devices caused poor sound and interfered with the ability to make calls and use voice features. Consumers, who sued in 2019, sought preliminary approval Thursday in the US District Court for the Northern District of California. ([Bloomberg Law](#), May-23)
- › The proposed settlement covers all individuals who owned an iPhone 7 or 7 Plus between Sept. 16, 2016, and Jan. 3, 2023, allegedly experienced audio problems, and contacted Apple about it. Phone purchasers who didn't have audio difficulties aren't covered.

KEY PEOPLE

KEY PEOPLE

KATHERINE ADAMS – SENIOR VICE PRESIDENT AND GENERAL COUNSEL



Kate joined Apple from Honeywell in 2017, where she worked for 14 years, most recently as senior vice president and general counsel. Prior to joining Honeywell, Kate was a partner at Sidley Austin LLP in New York. Earlier in her career, she served as a law clerk for Supreme Court Justice Sandra Day O'Connor; as trial attorney for the United States Department of Justice, Appellate Section, Environment and Natural Resources division; and as law clerk for Stephen Breyer, then chief judge of the US Court of Appeals for the First Circuit.

Kate holds a bachelor's degree in Comparative Literature from Brown University and a law degree from the University of Chicago Law School.

Full biography: see [here](#) / LinkedIn not available

CAROL SURFACE – CHIEF PEOPLE OFFICER



Carol joined Apple in 2023 from Medtronic, where she spent nearly 10 years as executive vice president and chief human resources officer. Prior to this, she served as executive vice president and chief human resources officer at Best Buy. Previously, Carol also held a series of international human resources leadership roles at PepsiCo based in New York, Hong Kong, and Dubai.

Carol holds a bachelor's degree in psychology from Castleton University, and a doctorate in Industrial and Organizational Psychology from Central Michigan University.

Full biography: see [here](#) / LinkedIn see [here](#).

MANAGEMENT TEAM

- > Tim Cook - CEO
- > Eddy Cue - Senior Vice President Services
- > Craig Federighi - Senior Vice President, Software Engineering
- > John Giannandrea - Senior Vice President, Machine Learning and AI Strategy
- > Greg "Joz" Joswiak - Senior Vice President, Worldwide Marketing
- > Sabih Khan - Senior Vice President, Operations
- > Luca Maestri - Senior Vice President and Chief Financial Officer
- > Deirdre O'Brien - Senior Vice President, Retail
- > Johny Srouji - Senior Vice President, Hardware Technologies
- > John Ternus - Senior Vice President, Hardware Engineering
- > Jeff Williams - Chief Operating Officer
- > Mike Fenger - Vice President, Worldwide Sales
- > Lisa Jackson - Vice President, Environment, Policy and Social Initiatives
- > Isabel Ge Mahe - Vice President and Managing Director of Greater China
- > Tor Myhren - Vice President, Marketing Communications
- > Adrian Perica - Vice President, Corporate Development
- > Kristin Huguet Quayle - Vice President, Worldwide Communications
- > Phil Schiller - Apple Fellow

See full biographies [here](#).

KEY PEOPLE

BOARD OF DIRECTORS²

- › Tim Cook
- › Arthur D. Levinson - Chair of the Board, People and Compensation Committee; Founder and CEO, Calico.
- › James A. Bell - Audit and Finance Committee; Former CFO and Corporate President, The Boeing Company
- › Albert A. Gore Jr. - People and Compensation Committee; Nominating and Corporate Governance Committee; Former Vice President of the United States.
- › Alex Gorsky - People and Compensation Committee; Nominating and Corporate Governance Committee; Former Chair and CEO, Johnson & Johnson.
- › Andrea Jung - People and Compensation Committee Chair; Nominating and Corporate Governance Committee; President and CEO, Grameen America.
- › Monica Lozano - College Futures Foundation; Audit and Finance Committee; Former President and CEO.
- › Ronald D. Sugar - Audit and Finance Committee Chair; Former Chair and CEO, Northrop Grumman Corporation.
- › Susan L. Wagner - Nominating and Corporate Governance Committee Chair; Audit and Finance Committee; Co-founder and Director, BlackRock.

See full biographies [here](#).

² LinkedIn profile (when available) embedded on name.



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ABOUT US

Latin Brains provides competitive intelligence, business research and financial analytic services to companies and professional services firms worldwide.

We work closely with marketing and sales teams, providing insightful research to support high-stake initiatives relating to business development, client retention, competitive analysis and strategy execution.