

Apple Inc.
Q2 2025 Earnings Update (FY-end 31 December 2025)

Announcement date: 17/07/2025

Holdings Information	
Original Book Cost (USD)	3,250,000
MTM vs Ori (% / USD)	+18.2% / +591,500
MTM vs Imp	+11.0%
YTD Price Performance	+10.5%
Dividend Yield (Cost)	0.6%

Current Price (22 July 2025)	\$219.00
Internal Analyst PT (Price Target)	\$230.00
<i>Upside</i>	+5.0%
External PT (Bloomberg)	\$227.00
<i>Upside</i>	+3.7%

RESULTS REVIEW:

Apple reported Q2 FY2025 revenue of \$97.8 billion, marking a +3.2% year-over-year growth. While growth moderated compared to Q1, results were broadly in line with expectations and reflected the strength of Apple's ecosystem-led strategy.

Key Financial Metrics:

Metric	Q2 FY2025
Total Revenue	\$97.8 billion
Revenue Growth (YoY)	+3.2%
EBITDA	\$31.1 billion
EBITDA Margin	31.8%
Net Income	\$24.4 billion
Profit Margin	25.0%
Operating Margin	28.4%
Basic EPS	\$1.49
Basic Avg Shares Outstanding	16.4 billion
Dividend Rate	\$0.96 annualized
Dividend Yield	0.6%

Margins remained robust, reflecting the high contribution of Services and ongoing cost discipline. Gross margin moderated slightly from Q1 but remained strong at 44.8%, while operating margin held steady at 28.4%, indicating effective expense management and favorable revenue mix.

EPS grew +6.4% YoY, buoyed by Apple's continued buyback program and rising Services profitability. Despite seasonal moderation, both top-line and bottom-line performance highlighted Apple's ability to scale earnings even in a slower macro environment.

ASSESSMENT:

Apple's Q2 2025 results reinforce its position as a high-margin, cash-generating technology leader. Even as hardware segments normalize, the company's pivot toward recurring revenue through Services and ecosystem bundling is yielding consistent profitability.

The quarter's strong EBITDA margin (31.8%) and net margin (25.0%) are testament to the scalability of Apple's operations, as well as its pricing power. With over 1 billion paid subscriptions and continued investment in on-device AI, Apple is positioning itself at the intersection of software and hardware innovation.

CEO commentary emphasized upcoming releases including Vision Pro 2 and AI-enhanced iOS/macOS features, expected to drive user engagement and device upgrades in H2.

Capital allocation remains disciplined: the company returned capital through share repurchases and maintained its dividend payout, with an annualized rate of \$0.96/share, yielding 0.6% based on cost.