

## Technology giants Facebook and Apple double their profits



Apple said on Wednesday that its profits more than doubled to \$23.6 billion in the most recent quarter as people embraced its latest iPhones and bought more of its other products, striking results for what is already the world's most valuable company.

[Apple](#) said its revenues soared by 54 percent to \$89.6 billion, a record for the March quarter that meant Apple sold more than \$1 billion on average each day. The rapid growth is partly explained by slower sales in the same three-month period last year as the pandemic first took hold, but the quarter was still strong on its own merits and far surpassed analysts' expectations. Apple's sales increased sharply in each of its product categories and in each of its regions around the world.

As usual, the main driver of Apple's success was the iPhone. Apple said iPhone sales rose by 66 percent to \$47.9 billion, its steepest increase in years. The company's flagship product had accounted for more than half of its overall sales for years, but more recently Apple has tried to diversify into other businesses, causing the share of revenue from iPhones to fall to 41 percent in the quarter that ended September 30.

Then [Apple](#) unveiled the iPhone 12 in October, and sales have surged. In the latest quarter, iPhones accounted for 54 percent of Apple's revenues.

Apple said that iPad sales grew 79 percent and that Mac sales grew 70 percent, success that was partly driven by more people splurging on computers as they worked and learned from home. Sales of Apple's wearable devices, including the Apple Watch and AirPods, grew 25 percent, and its services division, which includes app sales and subscriptions to iCloud and other Apple services, grew 26 percent.

Apple said on Wednesday that it would repurchase an additional \$90 billion of its own stock, part of its continued program to return much of its earnings to shareholders.

The enormous profits are further evidence of the growing dominance of the biggest tech companies. Also announced this week: Microsoft's profits rose 44 percent to \$15.5 billion; Facebook's profits nearly doubled to \$9.5 billion; and profits at Alphabet, Google's parent company, more than doubled to nearly \$18 billion. Amazon reports its earnings on Thursday.

Apple's continued growth comes amid increasing scrutiny of its power. The company is facing antitrust investigations from regulators around the world, and on Monday, Apple is set to face off in a trial against Epic Games, one of the world's largest game makers, over its control of the App Store.

Shares of Apple, which is worth roughly \$2.25 trillion, rose nearly 2 percent in after-hours trading.

Facebook nearly doubles its profit and revenue rises 48 percent, as tech booms.

Facebook said on Wednesday that revenue rose 48 percent to \$26.2 billion in the first three months of the year, while profits nearly doubled to \$9.5 billion, underlining how the social network has continued to benefit during the pandemic.

Advertising revenue, which makes up the bulk of Facebook's income, rose 46 percent to \$25.4 billion. Nearly 3.5 billion people now use one of Facebook's apps every month, up 15 percent from a year earlier.

The results followed a blockbuster financial performance in 2020, as the pandemic pushed people indoors toward their computers and other devices — and onto the social network and its associated apps like Instagram, WhatsApp and Messenger — in ever-increasing numbers. Facebook recorded highs in users and revenues and its services were in such demand that engineers at times struggled to “keep the lights on.”

Yet Wall Street is now expected to scrutinize Facebook's advertising business closely. On Monday, Apple rolled out an update of its mobile software with a new feature that asks people if they wish to opt out of being tracked by advertisers outside of apps like Facebook. If people choose not to be tracked, that could hurt Facebook's business, which relies on user data to target advertising.

The situation has put Mark Zuckerberg, Facebook's chief executive, and Tim Cook, the C.E.O. of Apple, in conflict with one another. On Tuesday, Mr. Cook tweeted that Apple had introduced the privacy feature because "we've always believed that you should be in control of your data."

Facebook on Wednesday said it expected some challenges to its advertising this year "from regulatory and platform changes, notably the recently-launched iOS 14.5 update, which we expect to begin having an impact in the second quarter." The company added that the change was baked into its financial guidance.

"We had a strong quarter as we helped people stay connected and businesses grow," Mr. Zuckerberg said in a statement. "We will continue to invest aggressively to deliver new and meaningful experiences for years to come, including in newer areas like augmented and virtual reality, commerce and the creator economy."

In recent months, Facebook has also faced continued criticism about the content that flows through its site, especially after former President Donald J. Trump used social media to urge his followers to overturn the results of the presidential election, inciting a mob to storm the Capitol building on Jan. 6. Facebook cut off Mr. Trump from the platform after the riot, though a final decision about whether to keep him off the site indefinitely has not been made.

[Apple](#)