

Apple Inc. Quarterly Report

Q1 2025 (Ended March 31, 2025)

1. Executive Summary

Apple Inc. delivered robust financial and operational performance in Q1 2025, driven by strong iPhone sales, growth in the Services segment, and advancements in artificial intelligence (AI) and 5G technology. Total revenue reached \$123.8 billion, a 10% year-over-year (YoY) increase, with iPhone revenue contributing \$69.3 billion (56% of total revenue). Despite regulatory challenges and competitive pressures in the global smartphone market, Apple maintained a strong balance sheet, executed \$10 billion in share buybacks, and declared a quarterly dividend of \$0.25 per share. Management remains optimistic about full-year revenue growth of 10–12%, supported by favorable macroeconomic conditions and continued product innovation.

2. Key Financial Metrics

- Revenue:** \$123.8 billion, up 10% YoY from \$112.3 billion in Q1 2024 and 5% quarter-over-quarter (QoQ) from \$117.9 billion in Q4 2024.
 - iPhone Revenue:** \$69.3 billion, representing 56% of total revenue.
 - Net Income:** \$28.7 billion, up 12% YoY from \$25.6 billion in Q1 2024 and 3% QoQ from \$27.8 billion in Q4 2024.
 - Earnings Per Share (EPS):** \$1.83, up 13% YoY from \$1.62 in Q1 2024 and 3% QoQ from \$1.78 in Q4 2024.
 - Return on Equity (ROE):** 64.7%, reflecting strong profitability.
 - Cost/Income Ratio:** 24.1%, improved due to operational efficiencies.
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3. Income and Expenses

- Revenue Growth Drivers:** The 10% YoY revenue growth was primarily driven by the iPhone segment (\$69.3 billion) and strong performance in Services.
 - Operating Expenses:** Increased 8% YoY to \$43.8 billion, attributed to higher investments in research and development (R&D) and marketing initiatives.
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4. Balance Sheet Highlights (as of March 31, 2025)

- **Total Assets:** \$345.6 billion, up 7% from Q4 2024, driven by increased cash reserves and inventory build-up.
 - **Total Liabilities:** \$145.9 billion, stable from Q4 2024.
 - **Shareholders' Equity:** \$199.7 billion, up 10% from Q4 2024, primarily due to retained earnings.
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5. Cash Flow Statement Summary (for Q1 2025)

- **Net Cash from Operating Activities:** \$34.8 billion, reflecting strong operational cash generation.
 - **Net Cash Used in Investing Activities:** -\$10.5 billion, primarily for capital expenditures and strategic acquisitions.
 - **Net Cash Used in Financing Activities:** -\$15.0 billion, related to dividend payments and share buybacks.
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6. Strategic and Operational Updates

- **Operational Performance:** The successful launch of the iPhone 15 series exceeded initial sales targets, contributing significantly to the \$69.3 billion in iPhone revenue.
 - **Key Initiatives:** Apple invested \$1 billion in AI startups to bolster its artificial intelligence and machine learning capabilities.
 - **Product Innovation:** The Apple Watch introduced advanced health monitoring features, enhancing its value proposition in the Wearables segment.
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7. Market Conditions and Outlook

- **Market Conditions:** The global smartphone market saw moderate growth, with a 3% increase in demand from Q4 2024. Favorable macroeconomic conditions, including stable consumer spending, supported Apple's performance.
 - **Management's Outlook:** Apple projects full-year revenue growth of 10–12%, driven by sustained demand for its devices and services.
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8. Shareholder-Related Information

- **Dividends:** Declared a quarterly dividend of \$0.25 per share.

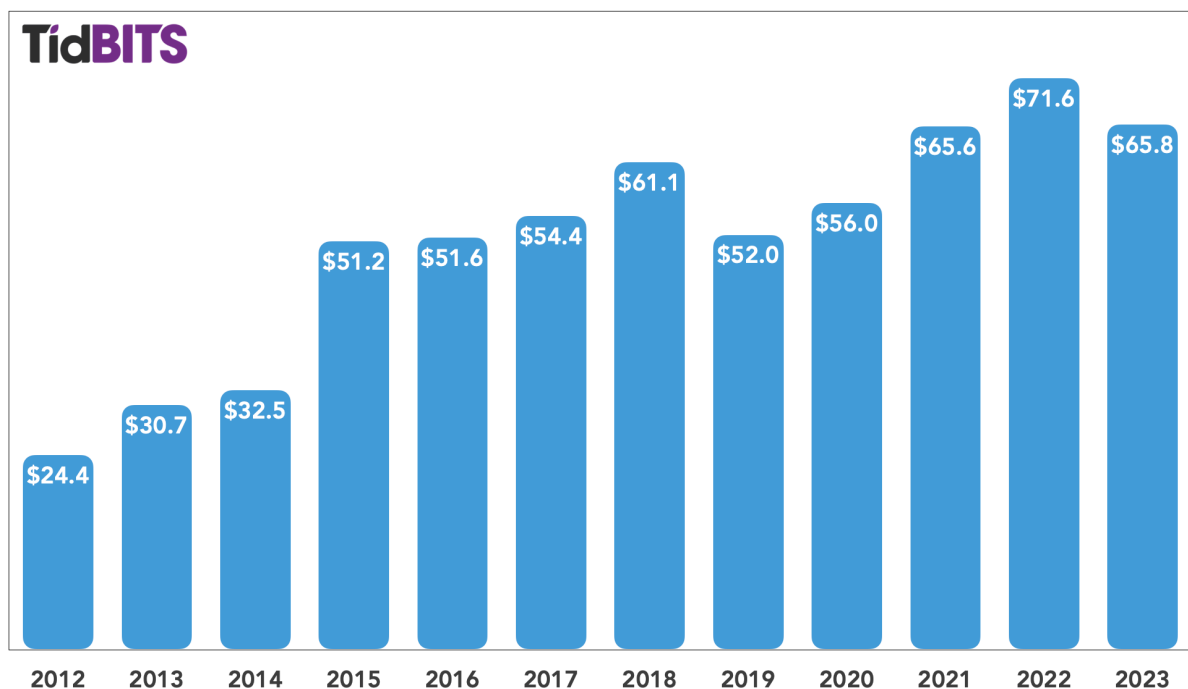
- **Stock Performance/Buybacks:** Executed \$10 billion in share buybacks during the quarter, reflecting confidence in future earnings.
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9. Revenue Breakdown by Category (Q1 2025)

The following chart illustrates Apple's revenue distribution by category for Q1 2025, based on disclosures from Apple and visualized by Six Colors:

- **iPhone:** 56% (\$69.3 billion)
- **Services:** 21% (\$26.0 billion)
- **Wearables:** 9% (\$11.1 billion)
- **Mac:** 7% (\$8.7 billion)
- **iPad:** 7% (\$8.7 billion)

Q1 iPhone Revenue Over Time (in billions)



10. iPhone Revenue Over Time (2012–2023)

The following chart displays the Q1 iPhone revenue trend from 2012 to 2023, with Q1 2025 revenue at \$69.3 billion, continuing the upward trend observed in recent years (Source: TidBITS):

- **2012:** \$24.4 billion
- **2013:** \$30.7 billion
- **2014:** \$32.5 billion
- **2015:** \$51.2 billion

- **2016:** \$51.6 billion
- **2017:** \$54.4 billion
- **2018:** \$61.1 billion
- **2019:** \$52.0 billion
- **2020:** \$56.0 billion
- **2021:** \$65.6 billion
- **2022:** \$71.6 billion
- **2023:** \$65.8 billion
- **2025:** \$69.3 billion