




Apple Inc. Q4 FY 2025

Earnings Report Update

PREPARED BY:
SAVEST RESEARCH

 +234 913 444 6070

 research@savest-financial.com

 www.savest-financial.com

Company Overview

Apple Inc. designs, manufactures, and markets innovative consumer electronics, including the iPhone, Mac, iPad, and a range of wearables and accessories. The company complements its hardware with a robust ecosystem of digital services, such as the App Store, Apple Music, iCloud, and Apple TV+, delivering integrated technology experiences that drive global engagement across consumer, enterprise, and education markets.

GUIDANCE

Though Apple hasn't issued fiscal 2026 guidance, it expects revenue growth from strong iPhone and Services demand and new product launches.

“

Apple delivered a September quarter revenue record of \$102.5 billion, driven by record iPhone and Services performance, said Tim Cook, CEO. With the launch of our most advanced products yet, including iPhone 17, AirPods Pro 3, and Apple Watch, alongside the new MacBook Pro and iPad Pro with the M5 chip, we're entering the holiday season with our strongest lineup ever.

”

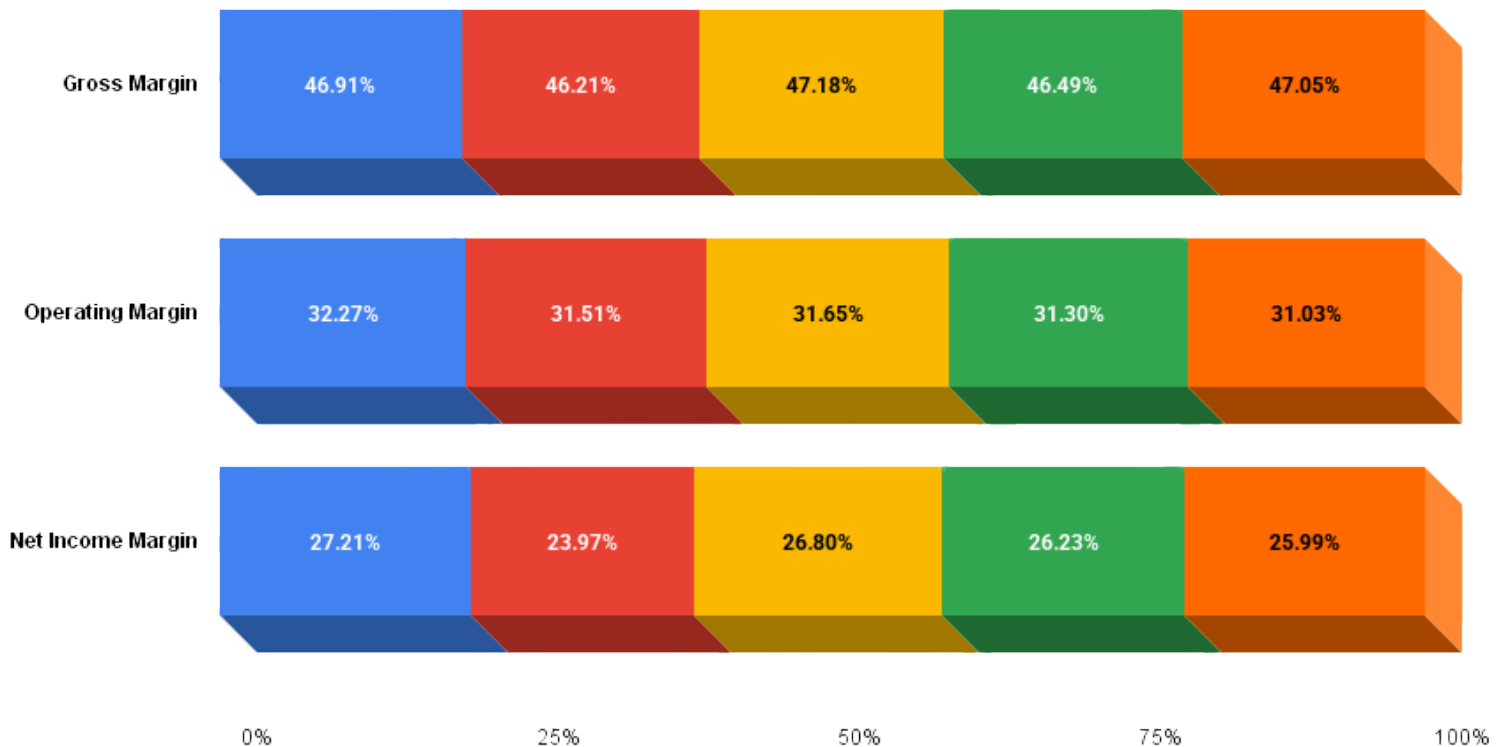
CEO's Commentary

Expectation Analysis

MILLION USD	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	102.00B	102.00B	0.20%
EBITDA	35.30B	34.70B	1.70%
EBIT	32.40B	31.70B	2.40%
EPS	1.85	1.77	4.50%

Margin and Efficiency Analysis

■ FY 2025 ■ FY 2024 ■ Q4 2025 ■ Q3 2025 ■ Q2 2025



Revenue/Profitability Summary				
Million USD(\$), except EPS	FY 2025	Q4 2025	YOY	
Revenue	416,161.00	102,466.00	6.43%	
Gross Profit	195,201.00	48,341.00	8.04%	
Operating income	134,278.00	32,427.00	8.98%	
Income before tax	133,957.00	32,804.00	8.48%	
Net income	113,238.00	27,466.00	20.81%	
Earnings per share	7.47	1.85	22.86%	
Cost/Expenses Summary				
Million USD(\$)	FY 2025	Q4 2025	YOY	
Cost of sales	220,960.00	54,125.00	5.04%	
Research and development	33,449.00	8,866.00	6.63%	
Selling & administrative	27,474.00	7,048.00	5.28%	
Total Operating Expense	60,923.00	15,914.00	6.01%	
Income tax	20,719.00	5,338.00	-30.35%	
Cash Flow Summary				
Million USD(\$)	FY 2025	Q4 2025	YOY	
Net cash from operations	111,482.00	29,728.00	-5.73%	
Net cash from investing	15,195.00	-2,587.00	417.72%	
Net cash from financing	-120,686.00	-27,476.00	-1.06%	
Cash balance	35,934.00	35,934.00	20.01%	
Key Items of Financial Position Summary				
Billion USD(\$)	FY 2025	FY 2024	QOQ	YOY
Current assets	147,957.00	152,987.00	24.90%	-3.29%
Non-current assets	211,284.00	211,993.00	1.43%	-0.33%
Total assets	359,241.00	364,980.00	10.10%	-1.57%
Current liabilities	165,631.00	176,392.00	24.99%	-6.10%
Non-current liabilities	119,877.00	131,638.00	5.70%	-8.93%
Total liabilities	285,508.00	308,030.00	15.95%	-7.31%
Total equities	73,733.00	56,950.00	-13.49%	29.47%
Segment Performance				
	FY 2025	Q4 2025	% Revenue	YOY
iPhone	209,586.00	49,025.00	50.36%	4.18%
Mac	33,708.00	8,726.00	8.10%	12.42%
iPad	28,023.00	6,952.00	6.73%	4.98%
Wearables & Accessories	35,686.00	9,013.00	8.58%	-3.56%
Services	109,158.00	28,750.00	26.23%	13.51%
US	178,353.00	44,192.00	42.86%	6.77%
China	64,377.00	14,493.00	15.47%	-3.85%
Other countries	173,431.00	43,781.00	41.67%	10.44%

Performance Highlights

- Apple achieved record fiscal 2025 revenue of \$416.2 billion, up 6% YoY, driven by robust iPhone and Services sales. This marks the highest annual revenue in the company's history, underpinned by resilient global demand and continued ecosystem expansion.
- iPhone revenue rose 4% to \$209.6 billion, led by strong demand for premium iPhone 17 Pro and Pro Max models. The product's performance was especially strong in the Americas and Japan.
- Services revenue surged 14% to \$109.2 billion, setting an all-time high. Growth was driven by advertising, the App Store, and cloud services, expanding high-margin recurring income that now accounts for over 26% of total revenue.
- Mac sales rose 12% to \$33.7 billion, supported by strong uptake of M5-powered laptops and desktops. Favorable product mix and corporate demand recovery contributed to the double-digit growth.
- iPad revenue climbed 5% to \$28.0 billion, reversing last year's decline. Gains stemmed from robust demand for iPad Air and iPad mini, offsetting slightly weaker Pro model performance.
- Net sales grew across key markets: Americas +7%, Europe +10%, Japan +15%, and Rest of Asia Pacific +10%, reflecting product diversification and stable consumer spending. Only Greater China declined 4%, impacted by competitive and macro headwinds.
- Overall gross margin improved to 46.9%, aided by higher-margin Services and cost efficiencies. Services margin rose to 75.4%, offsetting mild compression in Products (-0.4 pp to 36.8%) due to tariff costs.
- Net income rose 19.5% to \$112.0 billion, with EPS up 22% YoY to \$7.46 diluted. This reflects operating income of \$133.1 billion (+8%) and a lower effective tax rate (15.6% vs 24.1% in 2024).
- R&D spending increased 27% to \$3.47 billion (19.7% of revenue), reflecting investment in late-stage assets. Positive Phase 3 results for orforglipron and FDA approval of Inluriyo mark major milestones, positioning Lilly for continued innovation-led growth. Operating cash flow remained robust at \$111.5 billion, supporting capital investment and shareholder returns. Apple closed the year with \$132.4 billion in cash and marketable securities, demonstrating exceptional balance-sheet strength.
- Apple executed \$89.3 billion in share repurchases and paid \$15.4 billion in dividends. The quarterly dividend was raised to \$0.26/share, and a \$100 billion repurchase authorization underscores sustained capital discipline.

Concerns Raised

- New US and reciprocal international tariffs pose margin headwinds, particularly for semiconductor-rich products. Tariff-related costs already pressured product gross margin, and continued trade escalation could further impact supply chains and pricing flexibility.
- Revenue in Greater China declined 4% YoY to \$64.4 billion, marking a third consecutive annual contraction. Heightened competition, economic and local policy shifts continue to weigh on iPhone volumes.
- Wearables, Home, and Accessories revenue fell 4% to \$35.7 billion, reflecting slower AirPods and Watch demand. Product mix shifts toward premium hardware could limit volume growth and raise elasticity risk amid global inflation.
- While FY 2025 margins improved, management expects continued gross-margin volatility due to tariffs, supply chain adjustments, and evolving product mix.

OUR INSIGHT

“

Apple's FY 2025 results reflect resilient performance and sustained profitability, driven by strong iPhone and Services momentum. Gross margin (46.91%) remained solid, supported by favorable product mix and operational efficiency, while operating margin (32.27%) and net income margin (27.21%) improved year-over-year, underscoring disciplined cost management and revenue leverage. Sequential margin stability across quarters highlights consistent execution despite macro pressures. Liquidity and cash flow generation remain robust, reinforcing Apple's capacity to fund innovation and shareholder returns.

In the near term, softer China demand and input cost inflation may constrain margin expansion, but over the long term, Apple's integrated ecosystem, premium brand positioning, and expanding service portfolio underpin sustained growth, profitability, and enduring shareholder value creation.

”