

Apple doubles iPhone sales in 1Q (Update)

January 24 2012, By PETER SVENSSON , AP Technology Writer



Apple on Tuesday reported a record \$13.06 billion net profit for the first quarter of fiscal 2012 and record revenue of \$46.33 billion.

The iPhone is taking over Apple. For the first time, the device that changed how people use mobile phones, accounts for more than half of the behemoth company's sales.

Apple Inc. on Tuesday said it sold 37 million iPhones in the last three months of 2011, vastly exceeding analyst estimates and propelling the company to record quarterly results.

The phone accounted for 53 percent of Apple's revenue in the quarter. Though it has other hit products, like MacBooks and the iPad, they can't keep up with the iPhone, whose sales more than doubled over last year from an already high level.

The sales mean Apple is set to regain the position it briefly held earlier last year of being the world's largest maker of smartphones. Nokia Corp., the earlier No. 1, in transition to a new generation of smartphones, and more recent competitor Samsung Electronics Co. has announced preliminary figure of 35 million smartphones sold in the October to December period.

October saw Apple launching the iPhone 4S in the U.S. and some other countries. The phone was delayed for a few months, which meant that Apple's results for the July to September quarter were uncharacteristically tepid.

It came back with a vengeance in the holiday season. On Tuesday, Apple said net income in the fiscal first quarter, which ended Dec. 31, was \$13.06 billion, or \$13.87 per share. That was up 118 percent from \$6 billion, or \$6.43 per share, a year ago.

Analysts polled by FactSet were expecting earnings of \$10.04 per share for the latest quarter, Apple's fiscal first.

Revenue was \$46.33 billion, up 73 percent from a year ago. Analysts were expecting \$38.9 billion.

"It was a pristine quarter," said ISI Group analyst Brian Marshall. "The investment community has never seen a company like this, inside or outside technology."

The stellar performance could re-establish Apple as the world's most valuable company, again toppling Exxon Mobil Corp. Apple first unseated Exxon last summer, and the two have been trading places since then.

Apple shares rose \$30.67, or 7.3 percent, to \$451.08 in extended trading,

after the company released its results. If that rally sticks in Wednesday's regular trading sessions, Apple's market value will be hovering around \$420 billion. Exxon's market value stood at \$417.9 billion Tuesday, while Apple's was \$391.9 billion at the end of regular trading.

Apple shipped 15.4 million iPads in the quarter, again more than doubling sales over the same quarter last year. The November launch of Amazon.com Inc.'s \$199 Kindle Fire tablet didn't appear to put much of a dent in the iPad's sales, as some analysts predicted it would.

Chief Financial Officer Peter Oppenheimer said the company expects earnings of \$8.50 per share in the current quarter, and sales of \$32.5 billion. Both figures are above the average estimate of analysts polled by FactSet, even though Apple usually low-balls its estimates.

The Cupertino, Calif. company ended the quarter with a cash balance of a staggering \$97.6 billion. That's more than enough to buy Citigroup Inc. outright, or issue a special dividend of \$100 per Apple share.

For years, investors have been frustrated with Apple's unwillingness to put the cash to use, but complaints have been muted as Apple continues to generate record-breaking results and as the stock price keeps rising. Apple executives have said the cash hoard gives the company flexibility to make acquisitions and long-term supply deals.

Apple's results lifted shares of smaller companies that supply chips for the iPhone, like TriQuint Semiconductor, up 7.7 percent, Cirrus Logic Inc., up 6.8 percent, Broadcom Corp., up 4.2 percent, and Skyworks Solutions Inc., up 3.7 percent.

Apple co-founder and longtime CEO Steve Jobs died Oct. 5, just as the record-breaking quarter started.

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Citation: Apple doubles iPhone sales in 1Q (Update) (2012, January 24) retrieved 19 April 2024 from <https://phys.org/news/2012-01-apple-iphone-sales-1q.html>

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