

Apple's fiscal 3Q earnings top analyst forecasts

July 22 2014

Apple's growth prospects are looking brighter as anticipation builds for the upcoming release of the next iPhone, a model that is expected to cater to consumers yearning for a bigger screen.

The latest evidence of Apple's mounting momentum emerged Tuesday with the release of the company's fiscal third-quarter report.

Earnings topped analysts' projections for the period as Apple Inc. sold 35.2 million iPhones. That was a 13 percent increase from the same time last year, even though many people are believed to be holding off on new device purchases until the next version comes out this fall.

"From an execution perspective, we did a really great job," Apple Chief Financial Officer Luca Maestri said in an interview with the Associated Press. "We have some things in the pipeline that we think people will really be excited about."

Apple earned \$7.7 billion, or \$1.28 per share, for the three months ending June 28. That represented a 12 percent increase from income of \$6.9 billion, or \$1.07 per share, at the same time last year.

The earnings per share for the latest quarter exceeded the average estimate of \$1.23 per share among analysts surveyed by FactSet.

Revenue rose 6 percent from last year to \$37.4 billion—about \$600 million below analysts' forecasts.

If media reports based on leaks from Apple suppliers prove accurate, the iPhone 6 will boast a screen of at least 4.7 inches compared to the 4-inch display that the company switched to in 2012. Some analysts also have been speculating Apple will simultaneously unveil an iPhone with a 5.5-inch screen.

An iPhone with a larger screen probably would unleash a flood of sales among Apple fans interested in a smartphone that would make it easier to read and see other features on their smartphones. A bigger-screen iPhone might also tempt consumers already accustomed to the larger screens on a variety of smartphones running on Google Inc.'s Android operating system.

Maestri said the iPhone's third-quarter sales growth was strongest in Brazil, Russia and China. The gains are testament to the ongoing allure of Apple's marquee product seven years after the first iPhone came out.

Apple's trend-setting tablet computer, the iPad, seems to be losing some of its appeal amid a bevy of less expensive alternatives and a shrinking pool of people who want to own that kind of device. The Cupertino, California, company shipped 13.3 million iPads in the latest quarter, a 9 percent drop from the same time last year. It marks the second straight quarter that Apple's iPad sales have fallen from the previous year.

© 2014 The Associated Press. All rights reserved.

Citation: Apple's fiscal 3Q earnings top analyst forecasts (2014, July 22) retrieved 1 May 2024 from <https://phys.org/news/2014-07-apple-fiscal-3q-analyst.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--