Apple Inc. (AAPL)

F1Q26 preview: Expect iPhone beat, continued Services momentum

AAPL	12m Price Target: **$320.00**	Price: **$255.53**	Upside: **25.2%**

AAPL stock is down 5% YTD to start C2026 likely on commodity cost inflation and App Store concerns, but we view the stock weakness as a buying opportunity into a continuation of the iPhone refresh cycle (iPhone revenue +9% in both F2026/F2027). We forecast F1Q26E EPS of $2.66 (in line with FactSet consensus). We forecast F1Q26E iPhone revenue to grow 13% yoy with units +5% yoy (including iPhone shipments in China +26% yoy) and +8% price/mix growth. iPhone demand in the next 2 years is likely to benefit from the iPhone Fold (Fall 2026, 4.5/25.4 mn units in F2026/F2027), the shift to a biannual iPhone launch cycle with the iPhone 18 base and iPhone Air 2 delayed from Fall 2026 to Spring 2027, and new software upgrades with iOS and Siri 2.0. Although App Store spending decelerated again in F1Q26E to +7% yoy, Services revenue growth (GSe: +14% yoy) should be supported by momentum in other categories (e.g., TAC, iCloud+, AppleCare+) with further tailwinds in F2026 from new ad formats in the App Store. The products price/mix growth and continued mix shift toward Services should help support gross margins, helping to offset potential headwinds from memory cost inflation. Apple's partnership with Google Gemini for Siri and continued iPhone demand growth against the backdrop of AI-native consumer hardware launches should demonstrate to the market that the iPhone will remain the consumer device of choice for accessing new AI tools, clearing overhangs related to competition.

F1Q26 earnings preview

We forecast AAPL F1Q25 EPS of $2.66, in line with FactSet consensus, with revenue of $137.4 bn (v. consensus of $137.5 bn). Revenue of $137.4 bn represents +11% yoy growth, at the midpoint of AAPL's guidance for overall revenue to grow between 10-12% year-over-year. First, we forecast iPhone revenue of $78.0

BUY

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Key Data

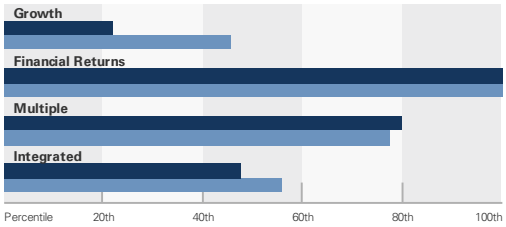
Market cap: $3.8tr
Enterprise value: $3.8tr
3m ADTV: $12.5bn
United States
Americas Hardware, Media, Cable, Telco
M&A Rank: 3

GS Forecast

	9/25	9/26E	9/27E	9/28E
Revenue ($ mn) New	**416,161.0**	**451,757.1**	**491,451.9**	**513,825.9**
Revenue ($ mn) Old	416,161.0	455,134.4	500,278.3	520,675.0
EBITDA ($ mn)	144,748.0	160,877.4	179,235.6	190,243.8
EBIT ($ mn)	133,050.0	147,204.1	163,759.8	173,003.9
EPS ($) New	**7.46**	**8.34**	**9.51**	**10.34**
EPS ($) Old	7.46	8.47	9.88	10.70
P/E (X)	30.0	30.6	26.9	24.7
Dividend yield (%)	0.5	0.4	0.4	0.4
Net debt/EBITDA (X)	(0.2)	(0.2)	(0.2)	(0.2)

	9/25	12/25E	3/26E	6/26E
EPS ($)	1.85	2.66	1.88	1.74

GS Factor Profile



AAPL relative to Americas Coverage
AAPL relative to Americas Hardware, Media, Cable, Telco

Source: Company data, Goldman Sachs Research estimates. See disclosures for details.

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BUY

Apple Inc. (AAPL)

Rating since Mar 5, 2023

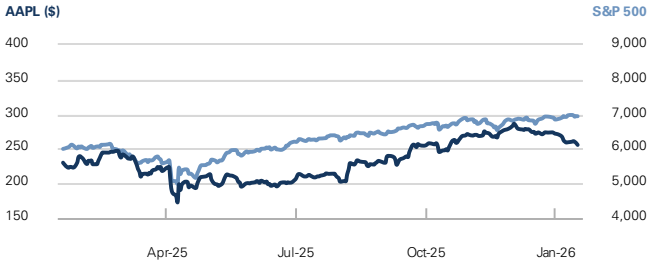
Ratios & Valuation

	9/25	9/26E	9/27E	9/28E
P/E (X)	30.0	30.6	26.9	24.7
EV/EBITDA (X)	22.9	23.0	20.1	18.4
EV/sales (X)	8.0	8.2	7.3	6.8
FCF yield (%)	3.0	3.5	4.0	4.3
EV/DACF (X)	24.2	24.8	21.8	20.0
CROCI (%)	86.0	87.8	90.3	88.7
ROE (%)	171.4	158.2	162.7	164.8
Net debt/EBITDA (X)	(0.2)	(0.2)	(0.2)	(0.2)
Net debt/equity (%)	(45.8)	(43.6)	(42.6)	(38.2)
Interest cover (X)	31.7	35.2	39.2	41.4
Inventory days	10.7	9.9	10.3	10.3
Receivable days	32.1	33.4	32.9	33.1
Days payable outstanding	114.7	112.2	109.0	109.5

Growth & Margins (%)

	9/25	9/26E	9/27E	9/28E
Total revenue growth	6.4	8.6	8.8	4.6
EBITDA growth	7.5	11.1	11.4	6.1
EPS growth	10.6	11.7	14.0	8.7
DPS growth	4.1	3.9	3.8	3.6
Gross margin	46.9	48.6	48.9	49.4
EBIT margin	32.0	32.6	33.3	33.7

Price Performance



	3m	6m	12m
Absolute	3.3%	21.6%	11.9%
Rel. to the S&P 500	(1.4)%	9.7%	(4.2)%

Source: FactSet. Price as of 16 Jan 2026 close.

Income Statement ($ mn)

	9/25	9/26E	9/27E	9/28E
Total revenue	416,161.0	451,757.1	491,451.9	513,825.9
Cost of goods sold	(220,960.0)	(231,997.1)	(250,936.1)	(259,866.0)
SG&A	(27,601.0)	(29,542.0)	(30,342.0)	(31,142.0)
R&D	(34,550.0)	(43,014.0)	(46,414.0)	(49,814.0)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**144,748.0**	**160,877.4**	**179,235.6**	**190,243.8**
Depreciation & amortization	(11,698.0)	(13,673.3)	(15,475.8)	(17,239.9)
EBIT	**133,050.0**	**147,204.1**	**163,759.8**	**173,003.9**
Net interest inc./(exp.)	(321.0)	225.8	204.3	216.0
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**132,729.0**	**147,429.8**	**163,964.1**	**173,219.9**
Provision for taxes	(20,719.0)	(25,063.1)	(27,873.9)	(29,447.4)
Minority interest	–	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**112,010.0**	**122,366.7**	**136,090.2**	**143,772.5**
Net inc. (post-exceptionals)	**112,010.0**	**122,366.7**	**136,090.2**	**143,772.5**
EPS (basic, pre-except) ($)	**7.49**	**8.37**	**9.54**	**10.38**
EPS (diluted, pre-except) ($)	**7.46**	**8.34**	**9.51**	**10.34**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	1.02	1.06	1.10	1.14
Div. payout ratio (%)	13.6	12.7	11.5	11.0
Wtd avg shares out. (basic) (mn)	14,947.7	14,623.0	14,260.4	13,857.6
Wtd avg shares out. (diluted) (mn)	15,004.7	14,671.3	14,308.7	13,905.9

Balance Sheet ($ mn)

	9/25	9/26E	9/27E	9/28E
Cash & cash equivalents	35,934.0	45,434.6	54,969.9	59,848.8
Accounts receivable	39,777.0	42,914.9	45,704.6	47,442.6
Inventory	5,718.0	6,862.1	7,255.5	7,440.7
Other current assets	66,528.0	69,715.0	72,230.9	73,366.2
Total current assets	**147,957.0**	**164,926.7**	**180,160.9**	**188,098.4**
Net PP&E	49,834.0	56,657.2	63,697.3	70,184.3
Net intangibles	6,512.0	6,512.0	6,512.0	6,512.0
Total investments	77,723.0	71,723.0	65,723.0	59,723.0
Other long-term assets	77,215.0	77,215.0	77,215.0	77,215.0
Total assets	**359,241.0**	**377,033.9**	**393,308.2**	**401,732.6**
Accounts payable	69,860.0	72,831.6	77,006.6	78,971.9
Short-term debt	20,329.0	20,329.0	20,329.0	20,329.0
Current lease liabilities	–	–	–	–
Other current liabilities	75,442.0	83,051.3	89,727.7	94,485.4
Total current liabilities	**165,631.0**	**176,211.9**	**187,063.3**	**193,786.3**
Long-term debt	78,328.0	78,328.0	78,328.0	78,328.0
Non-current lease liabilities	–	–	–	–
Other long-term liabilities	41,549.0	41,549.0	41,549.0	41,549.0
Total long-term liabilities	**119,877.0**	**119,877.0**	**119,877.0**	**119,877.0**
Total liabilities	**285,508.0**	**296,088.9**	**306,940.3**	**313,663.3**
Preferred shares	–	–	–	–
Total common equity	**73,733.0**	**80,944.9**	**86,367.9**	**88,069.3**
Minority interest	–	–	–	–
Total liabilities & equity	**359,241.0**	**377,033.9**	**393,308.2**	**401,732.6**
BVPS ($)	4.93	5.54	6.06	6.36

Cash Flow ($ mn)

	9/25	9/26E	9/27E	9/28E
Net income	112,010.0	122,366.7	136,090.2	143,772.5
D&A add-back	11,698.0	13,673.3	15,475.8	17,239.9
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(25,000.0)	(1,688.2)	352.5	(1,135.5)
Others	12,774.0	13,506.2	14,181.5	14,890.5
Cash flow from operations	**111,482.0**	**147,858.1**	**166,099.9**	**174,767.4**
Capital expenditures	(12,715.0)	(17,696.5)	(19,715.9)	(20,926.8)
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Others	–	–	–	–
Cash flow from investing	**15,195.0**	**(9,696.5)**	**(11,715.9)**	**(12,926.8)**
Dividends paid	(15,421.0)	(15,550.0)	(15,737.7)	(15,850.6)
Share issuance/(repurchase)	(96,671.0)	(113,111.0)	(129,111.0)	(141,111.0)
Inc/(dec) in debt	–	–	–	–
Others	–	–	–	–
Cash flow from financing	**(120,686.0)**	**(128,661.0)**	**(144,848.7)**	**(156,961.6)**
Total cash flow	**5,991.0**	**9,500.6**	**9,535.3**	**4,878.9**
Free cash flow	98,767.0	130,161.5	146,384.0	153,840.6
Free cash flow per share (basic) ($)	6.61	8.90	10.27	11.10

Source: Company data, Goldman Sachs Research estimates.

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bn (+13% yoy), above consensus $76.8 bn (+11% yoy) and company guidance for DD% yoy growth, reflecting (a) +5% yoy unit growth, in line with IDC & Counterpoint Research estimates; and (b) ASP growth of +8% yoy on continued device premiumization & implicit Pro model starting price increases. Second, we forecast Services revenue to grow +14% yoy, in line with both consensus and company guidance for Services revenue growth to be in line with F2025 growth (+14% yoy), driven by momentum across TAC, iCloud+, AppleCare+, and other subscriptions, partially offset by deceleration in App Store billings (see our C4Q25 SensorTower App Store spending review). Third, we forecast gross margins of 47.7% (v. consensus 47.6%), near the midpoint of guidance for 47–48% gross margins inclusive of ~$1.4 bn of tariff related costs.

Exhibit 1: We expect AAPL to deliver a slight revenue beat driven by iPhone

AAPL F1Q26 GS estimate v. consensus v. guidance ($, millions except per share data)

	Gse						Consensus				Comments/guidance
($, mn)	New	yoy Δ (%)	Old	Δ ($, mn)	Δ (%)	yoy Δ (%)	FactSet	Δ ($, mn)	Δ (%)	yoy Δ (%)	
Sales	$137,392	11%	$138,632	($1,240)	-1%	12%	$137,474	($82)	0%	11%	10-12% yoy
Gross profit	$65,545	12%	$66,066	($521)	-1%	13%	$65,377	$168	0%	12%	
Operating expenses	$18,214	18%	$18,214	$0	0%	18%	$18,410	($196)	-1%	19%	$18.1-$18.5 bn
Operating income	$47,331	11%	$47,852	($521)	-1%	12%	$46,966	$364	1%	10%	
Other income (expense), net	$150	-160%	$150	$0	0%	-160%	$368	($218)	-59%	-249%	~$150 mn
Earnings before tax	$47,480	11%	$48,002	($521)	-1%	13%	$47,334	$146	0%	11%	
Tax (Non-GAAP)	$8,072		$8,160	($89)	-1%		$7,938	$134	2%		
Tax rate	17.0%		17.0%	0.0%			16.8%				17.0%
Net income - Non-GAAP	$39,409	8%	$39,841	($433)	-1%	10%	$39,134	$275	1%	8%	
Diluted EPS (Non-GAAP)	$2.66	11%	$2.69	($0.03)	-1%	12%	$2.67	$0.00	0%	11%	
Segment information											
iPhone	$78,040	13%	$78,481	($441)	-1%	14%	$76,762	$1,278	2%	11%	DD% yoy growth
iPad	$8,105	0%	$9,080	($975)	-11%	12%	$8,088	$17	0%	0%	
Mac	$9,084	1%	$8,525	$559	7%	-5%	$9,056	$28	0%	1%	difficult yoy comparisons
Wearables, Home and Accessories	$12,146	3%	$12,465	($319)	-3%	6%	$12,253	($107)	-1%	4%	
Products	$107,376	10%	$108,551	($1,176)	-1%	11%	$107,312	$64	0%	10%	
Services	$30,016	14%	$30,081	($64)	0%	14%	$30,001	$15	0%	14%	in-line with F2025 Services growth (+14% yoy)
Total revenue	**$137,392**	**11%**	**$138,632**	**($1,240)**	**-1%**	**12%**	**$137,474**	**($82)**	**0%**	**11%**	**10-12% yoy**
Products Gross Profit	$42,882	11%	$43,355	($473)	-1%	13%	$42,571	$312	1%	11%	
Services Gross Profit	$22,662	15%	$22,711	($49)	0%	15%	$22,697	($34)	0%	15%	
Gross profit	**$65,545**	**12%**	**$66,066**	**($521)**	**-1%**	**13%**	**$65,377**	**$168**	**0%**	**12%**	
Products gross margin (%)	39.9%	0.6%	39.9%	0.0%		0.6%	39.7%	0.3%		0.4%	
Services gross margin (%)	75.5%	0.5%	75.5%	0.0%		0.5%	75.7%	-0.2%		0.6%	
Gross profit margin (%)	**47.7%**	**0.8%**	**47.7%**	**0.1%**		**0.8%**	**47.6%**	**0.2%**		**0.7%**	**47-48% inclusive of $1.4 bn of tariff related costs**
Operating income margin (%)	**34.4%**	**0.0%**	**34.5%**	**-0.1%**		**0.1%**	**34.2%**	**0.3%**		**-0.3%**	
Revenue by geography											
Americas	$56,860	8%	$58,718	($1,858)	(3%)	12%					
Europe	$38,940	15%	$37,765	$1,175	3%	12%					
Greater China	$20,463	11%	$20,648	($185)	(1%)	12%					
Japan	$10,065	12%	$10,023	$42	0%	12%					
Rest of Asia-Pacific	$11,064	8%	$11,478	($414)	(4%)	12%					
Total revenue	**$137,392**	**11%**	**$138,632**	**($1,240)**	**(1%)**	**12%**	**$137,474**	**($82)**	**0%**	**11%**	

FactSet consensus estimates as of 1/14/26

Source: Company data, Goldman Sachs Global Investment Research, FactSet

For the March F2Q26E quarter, we forecast EPS of $1.88 with revenue of $104.4 bn (v. Visible Alpha Consensus estimates for EPS of $1.85 and revenue of $104.9 bn), gross margins of 49.1% (v. consensus 47.7%), and opex of $18.0 bn (v. consensus $17.5 bn). We expect AAPL to guide to F2Q26E revenue growth of 9%–11% yoy (v. GSe +10% yoy). We're encouraged by continued demand strength for the iPhone 17 family, as well as continued momentum in scaling Services categories. That said, we will continue to look to proof points on (a) changes in DRAM/NAND component pricing impacting Product gross margins; and (b) App Store billings trends. For the stock, key events this year should include the launch of AI Siri with Google Gemini, the launch of the iPhone 17e in the spring, as well as the debut of the foldable iPhone (expected Sept 2026).

Product: iPhone outperformance to offset tough comps in Mac & iPad

We estimate F1Q26 Product revenue of $107.4 bn (+10% yoy), above FactSet consensus $107.3 bn (+10% yoy) as iPhone outperformance (+13% yoy v. guide for iPhone revenue up DD% yoy) offsets slowness in Mac and iPad, which both face tough comps with year-ago product launches. In this preview, we analyze trends across Apple's major Product categories (iPhone, Mac, iPad) below.

KEY DEBATE #1: How should memory cost inflation impact Apple's product margins?

Given the rapid rise in DRAM/NAND memory prices globally amidst supply shortages, investor concerns have centered over potential impacts to AAPL's Product gross margins. While Apple management in October noted that the company was seeing slight tailwinds to memory and other component costs, and the company often can secure memory supply 12-24 months in advance, expiring long-term supply agreements with major memory suppliers Samsung and SK Hynix in January 2026 likely should force Apple to pay higher rates for memory supply on a forward basis.

Specifically, recent industry reports note that AAPL is seeking to secure 2-3 year long memory supply agreements with Samsung and SK Hynix, where 12 GB LPDDR5X RAM chips may now cost the company $70 (v. $30 prior). Due to AAPL's position as a high volume vendor of smartphones, PCs, tablets, and other technologies, as well as its abundance of resources, we expect AAPL to be able to successfully secure needed memory supply for its products, even if at higher prices. That said, AAPL, like other PC/IT hardware vendors, has a variety of different pathways it can take to address gross margin pressure. Hardware vendors facing memory pricing pressure can take defensive actions to protect profitability by: (a) leveraging their global supply chain (strategically procuring inventory, qualifying new suppliers); (b) redesigning systems to optimize for component supply; and (c) raising prices.

We expect AAPL to undertake these actions as needed, particularly with IDC expecting next-gen iPhone 18 Pro/Pro Max models to skip RAM capacity upgrades (remaining at 12 GB rather than upgrading to 16 GB). AAPL as a provider of premium products is relatively more well-positioned to mitigate component cost pressure versus low-cost competitors as (1) lower-cost competitors have limited ability to further despec (e.g., various Xiaomi smartphones with 4 GB RAM); (2) lower-cost competitors often have lower margins relative to AAPL with >35% Product gross margins (e.g., 2024 Xiaomi Smartphone Gross Margins 13%, HPQ/DELL PC gross margins 12-15%); and (3) iOS-driven stickiness to the Apple product ecosystem. That said, we recognize that potential despec-ing and price increases on Apple products could deter device refreshes or upgrades across iPhone, Mac, and iPad.

In line with our team's analysis of gross margin impact from changing memory and storage costs across major IT Hardware OEMs, we extend this analysis to include AAPL to estimate how much margin pressure AAPL could see from rising memory costs. As a reminder, while we expect AAPL to continue to take defensive measures to protect its gross margin profile, this analysis assumes AAPL takes no mitigating actions as a "worst-case" scenario analysis. As such, with no mitigating measures taken, we estimate that if memory prices increase between 120-140% for AAPL (in line with reported 12 GB RAM chip inflation to $70 from $30 prior), AAPL's product gross margins could decline between ~8 to ~10 percentage points (v. F2025 36.8% Product gross margins), with estimated AAPL's overall gross margins declining between 6-7 pp (v. F2025 46.9%).

Exhibit 2: Assuming no mitigating measures taken, we estimate that if AAPL's memory costs grow between 120-140% (in line with recent industry reports), that AAPL's product gross margins could decline between ~8 and ~10 pp, and overall gross margins could decline between 6-7 pp

AAPL product gross margins (%) & overall gross margins across unmitigated changes in memory & storage component costs

	% Δ in memory & storage component costs										
AAPL	0%	20%	40%	60%	80%	100%	120%	140%	160%	180%	200%
Product Gross Margins (%)	36.8%	35.3%	33.9%	32.5%	31.0%	29.6%	28.2%	26.7%	25.3%	23.9%	22.4%
v. F25 Product G.M. (pp)	0.0 pp	-1.4 pp	-2.9 pp	-4.3 pp	-5.7 pp	-7.2 pp	-8.6 pp	-10.0 pp	-11.5 pp	-12.9 pp	-14.3 pp
Overall Gross Margins (%)	46.9%	45.8%	44.8%	43.7%	42.7%	41.6%	40.6%	39.5%	38.4%	37.4%	36.3%
v. F25 G.M. (pp)	0.0 pp	-1.1 pp	-2.1 pp	-3.2 pp	-4.2 pp	-5.3 pp	-6.3 pp	-7.4 pp	-8.5 pp	-9.5 pp	-10.6 pp

Assumes Wearables, Home, and Accessories does not have substantial memory costs. Assumes memory & storage share of iPhone BOM is ~10%, Mac & iPad ~20%, Wearables ~0%

Source: Company data, Goldman Sachs Global Investment Research

#1: iPhone: Revenue +13% yoy on iPhone 17 strength

We estimate F1Q26 iPhone revenue of $78.0 bn (+13% yoy), above FactSet consensus (+11% yoy) and in line with AAPL's outlook for +DD% yoy growth in iPhone revenue. Our estimate is based on +5% yoy growth in units and +8% yoy growth in ASP. Our in-quarter iPhone unit shipment estimate is in line with IDC & Counterpoint Research data, which both estimate +5% yoy unit shipment growth in C4Q25. Specifically, we believe in-quarter iPhone unit demand strength should be driven by several factors.

First, F1Q26E will be the first full quarter reflecting iPhone 17 performance. As discussed in our F4Q25 preview in mid-October 2025, the iPhone 17 generation outperformed that of the iPhone 16 and the 15 family, on average. Namely, we extend our lead time tracker analysis to the first 90 days post-launch, and find that the iPhone 17 generation (weighted across model and country) continued to have higher lead times relative to the iPhone 16 and 15 during their first 90 days post launch in 2024 and 2023. While we recognize that lead times are not a full reflection of demand, CEO Tim Cook's comments during F4Q25 earnings that the company was supply constrained on iPhone 17 due to greater-than-expected demand suggests to us that higher lead times are likely a result of demand. Additionally, F1Q26 should benefit from iPhone production ramps, following reports of Apple raising production targets of base iPhone models near the end of September 2025 to address better-than-expected demand.

Second, iPhone unit demand should be supported by holiday shopping seasonality and channel inventory fill. First, C4Q has traditionally been Apple's heaviest quarter, in large part due to the full quarter inclusion of the most recent iPhone generation and holiday seasonality. Per Counterpoint Research, iPhone outperformed during seasonal events such as Single's Day, where iPhone 17 (26% of total Single's Day smartphone sales) drove overall smartphone sales growth during the promotional event, with overall Single's Day smartphone sales growing 3% yoy (non-iPhone smartphone sales down -5% yoy). We expect similar dynamics of iPhone 17 outperformance amongst other seasonal events (e.g. Black Friday, Christmas). Additionally, AAPL's comments during F4Q25 earnings around channel inventory landing near the low end of the company's desired range at the end of F4Q25 should support sell-in unit strength.

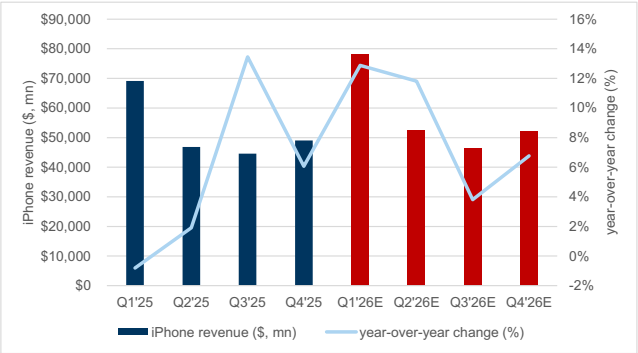
Third, similar to PCs and iPads, we believe iPhone demand should be supported by the refresh of aging devices purchased during the pandemic (>430 mn iPhones sold in

C2020 & C2021 per IDC), which feature legacy technology (e.g., older processors that don't support Apple Intelligence features, lower storage capacity, declining battery health). Additionally, continued competitive intensity amongst US carriers offering promotional iPhone subsidies (as outlined in our review of Apple's Sept 2025 iPhone 17 launch) should support the affordability of refreshing aging devices,

Our estimate for +8% yoy ASP growth should be supported by (a) implicit $100 price increases on the iPhone 17 Pro (v. 16 Pro) and iPhone Air (v. 16 Plus) driven by the elimination of the 128 GB starting storage model; and (b) introduction of the new premium 2 TB storage option for the iPhone 17 Pro Max. On a forward basis, though we recognize macroeconomic uncertainty and any potential pull-forward of demand associated with global tariffs can present headwinds for growth in F2026, we expect F2026 iPhone revenue growth of +9% yoy in F2026 driven by continued demand strength for the iPhone 17 series due to device refresh and additions to the installed base, as well as demand arising from additional form factor changes with the iPhone 18 foldable in September 2026.

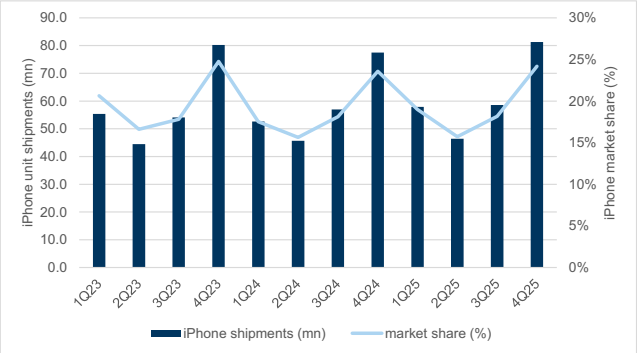
Additionally, broader industry reports expect AAPL to shift towards a bi-annual iPhone release strategy starting with the iPhone 18 generation, whereby premium iPhone models continue to release in September (iPhone Pro, Pro Max, and foldable), while lower-end models start to release the following Spring (base models, lower-end affordable options). With this preview, we have incorporated the assumption of Apple's changed release schedule into our estimates, assuming that the iPhone 18 base model shifts from September 2026 to Spring 2027. We forecast iPhone F2026 unit shipment growth to decelerate to +1% yoy in F2026, before accelerating to +3% in F2027 (-3% in C2026, +6% in C2027) as a result of the timing shift. We assume that iPhone revenue is impacted by (a) otherwise buyers of base iPhones in Fall 2026 mix shifting toward premium models, raising overall iPhone ASPs; and (b) base iPhone refreshes delayed from Fall 2026 to the following Spring, lowering unit volumes.

Exhibit 3: We estimate iPhone revenue should grow +13% yoy to $78.0 bn in F1Q26E
iPhone revenue ($, mn) & year-over-year change (%)



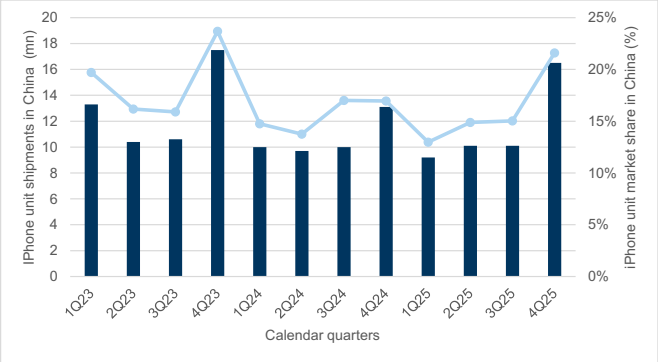
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: IDC estimates C4Q25 iPhone unit shipments grew 5% yoy to 81.3 mn, representing 25% of overall market shipments
iPhone unit shipments (mn) & year-over-year change (%)



Source: IDC

Exhibit 5: iPhone unit shipments in China of 16.5 mn grew 26% yoy, representing 22% market share
iPhone shipments in China (mn) & year-over-year growth rate (%)



Source: Omdia

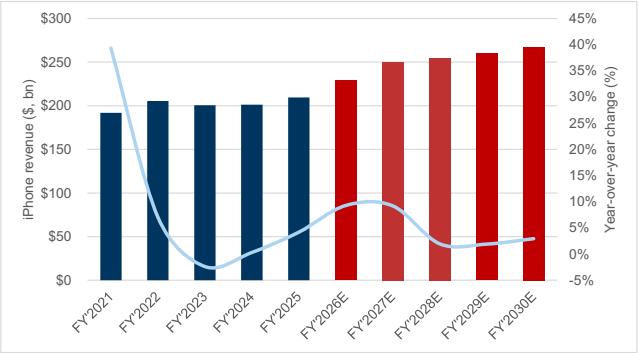
Exhibit 6: Counterpoint Research full year 2025 unit shipment data implies iPhone shipments were up +5% yoy in C4Q25
Smartphone industry unit shipment market share & year-over-year change (%) by vendor

Year-over-year change	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
Samsung	-19%	-14%	-8%	-9%	-1%	1%	-2%	-2%	2%	10%	5%	4%	-13%	-1%	5%
Apple	-2%	-3%	-1%	2%	-12%	0%	5%	0%	14%	11%	12%	5%	0%	-2%	10%
Xiaomi	-22%	-16%	2%	23%	34%	27%	3%	6%	2%	-1%	4%	-5%	-4%	16%	0%
Oppo	-8%	-1%	-5%	-20%	-12%	-8%	-2%	-4%	-4%	-7%	4%	20%	-9%	-7%	3%
Vivo	-18%	-16%	-15%	1%	6%	21%	22%	14%	5%	-8%	6%	-18%	-12%	16%	-4%
Others	-16%	-6%	8%	26%	20%	11%	1%	-4%	-1%	3%	-2%	-8%	2%	6%	-2%
Total	-14%	-9%	-1%	7%	6%	8%	2%	0%	3%	3%	4%	-1%	-4%	4%	2%

Unit share	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
Samsung	22%	20%	20%	16%	20%	19%	19%	16%	20%	20%	19%	17%	19%	18%	19%
Apple	21%	17%	16%	23%	17%	16%	17%	23%	19%	17%	18%	24%	19%	18%	20%
Xiaomi	11%	12%	14%	13%	14%	15%	14%	13%	14%	14%	14%	13%	12%	14%	14%
Oppo	10%	10%	9%	7%	8%	9%	9%	7%	8%	8%	9%	9%	9%	8%	8%
Vivo	7%	8%	7%	7%	7%	9%	9%	8%	8%	8%	9%	7%	8%	8%	8%
Others	29%	32%	33%	33%	33%	33%	33%	32%	32%	33%	31%	30%	32%	33%	31%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

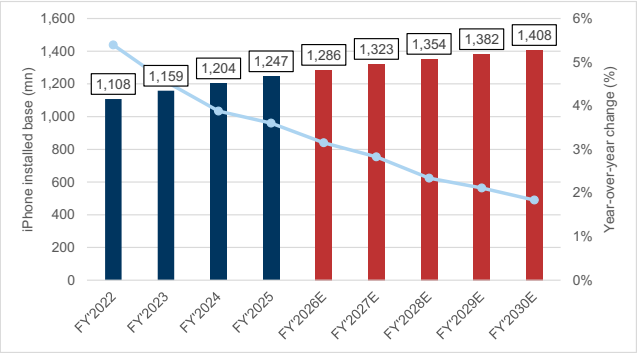
Source: Counterpoint Research

Exhibit 7: We estimate iPhone revenue will grow 9% in F2026 with momentum into F2027
iPhone revenue ($, bn) and year-over-year change (%)



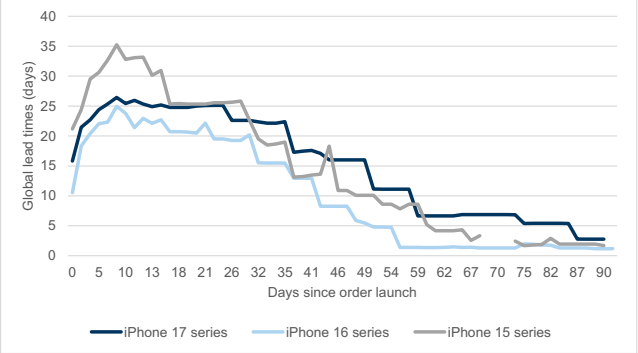
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 8: We believe that the active iPhone installed base will approach ~1.3 bn in F2026 as first smartphone and switchers continue to more than offset churn
iPhone active installed base (mn)



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 9: The iPhone 17 generation, on average, maintained higher lead times relative to the iPhone 16 and 15 series when comparing the first 90 days post-launch
Average weighted iPhone lead times by generation



Global estimates are estimated through a weighted average of iPhone shipment data by region from Gartner, as well as iPhone shipment data by model from Canalys (now part of Omdia). Data is also averaged across colors. Additionally, the first 6 data points across each iPhone generation were collected during the pre-order period following the announcement of a new iPhone model. As such, lead times for the first 6 data points refer to lead times relative to after the iPhone generation begins shipping. Data may be affected by iPhone Air's delay in China.

Source: Company data, Goldman Sachs Global Investment Research, Gartner, Omdia

Exhibit 10: IDC estimates average C4Q sequential growth (2018-2024) in iPhone shipments is +57%, while Omdia (formerly Canalys) estimates this to be +61%
C4Q sequential historical iPhone shipment trends

4Q QoQ%	2018	2019	2020	2021	2022	2023	2024	Average
IDC	46%	58%	110%	66%	38%	48%	36%	**57%**
Omdia	53%	80%	89%	68%	38%	56%	41%	**61%**

Source: IDC, Omdia

KEY DEBATE #2: Will the smartphone form factor be disrupted by new AI-native consumer hardware? No.

With the growing prominence of smart glasses across numerous vendors at CES 2026, as well as reports regarding OpenAI's consumer electronic device designed by Jony Ive, many investors have expressed concerns about the potential for the smartphone form factor to become outdated. In our view, concerns around smartphone obscelence are overblown. First, given that the iPhone active installed base continues to reach all-time highs and the growing level of integration amongst iPhones and the rest of the Apple product ecosystem, we believe iPhones, as well as the smartphone form factor, continue to resonate with individuals globally.

Second, we do not view smart glasses products as potentially replacing smartphones. For one, smart glasses may not resonate with individuals who either (a) do not already wear prescription glasses and/or (b) do not want to alter their appearance through the addition of a facial accessory. Additionally, we view smart glasses as a potential additional product that individuals interact with on a daily basis, much like the addition of a Mac, iPad, or AirPods to an iPhone user's Apple product ecosystem, rather than a product cannibalizing smartphone usage. Lastly, even if one holds the view that smart glasses should replace smartphones, as shown in our product pipeline tracker, Apple is expected to release a Smart Glasses product sometime in 2026-2027.

Third, amidst reports of OpenAI's consumer electronic device being a smart pen that can convert notes into text uploaded to ChatGPT, we similarly do not view this as potentially replacing smartphones, given the deep integration of smartphones into individual daily life. As such, reports suggest OpenAI's device is viewed as a product that users use alongside laptops and phones. Over the long run, our confidence in Apple's positioning in product development is underpinned by our view that Apple is capable of innovating

both the smartphone form factor and delivering new, high quality products that resonate with consumer through creating synergies across the Apple product, software, and services ecosystem.

As discussed in our F4Q25 earnings preview, we believe Apple's innovation over the long-term should maintain the relevance of smartphones per changing consumer interests through both form factor changes and improvements to AI offerings. First, form factor updates should help maintain the freshness of the smartphone, with expectations for the first foldable iPhone launch in 2026 (as discussed in our product pipeline tracker) as well as an all-screen display iPhone in 2027. Second, Apple should be able to improve its AI offerings over time, as it collaborates with Google Gemini to launch an improved AI-enhanced Siri this year, as well improves upon a broader set of future Apple Intelligence features.

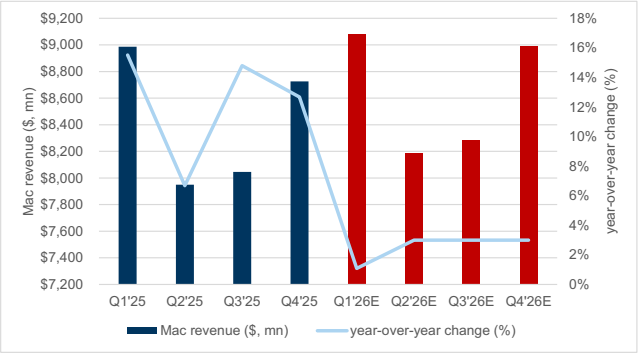
#2: Mac: Ongoing refresh demand despite tough year-over-year comparisons

We estimate F1Q26 Mac revenue of $9.1 bn (+1% yoy) driven by a flat units yoy and a +1% yoy growth in ASP. Our unit estimate is in line with IDC's estimate that AAPL's PC shipments were flat year-over-year (v. Omdia +2% yoy). First, we believe unit demand should be primarily driven by continued refresh of aging devices, as well as seasonal holiday channel fill and the October 2025 launch of the M5 14" MacBook Pro. As a reminder, ~51 mn Macs were shipped in C2020 and C2021 combined, meaning that devices bought during these years still in use are approaching 5-6 years of age (vs. the average PC replacement cycle of 3-5 years). That said, unit shipments should face headwinds from tough year-ago comps, whereby Apple refreshed its full suite of 13", 14", and 15" MacBook Pro and Air models in C4Q24, as well as released updated iMacs and Mac Minis. By comparison, AAPL only refreshed a 15" MacBook Pro in C4Q25.

Second, we believe ASPs should grow by +1% yoy, supported by (a) the ongoing premiumization of the Apple product installed base; and (b) higher mix of premium MacBook Pro purchases after the aforementioned release of M5 14" MacBook Pros in October 2025. That said, Mac ASP growth should continue to be pressured from the $100 price cuts on the M4 MacBook Air (vs. the M3 Macbook Air) which was released in March 2025.

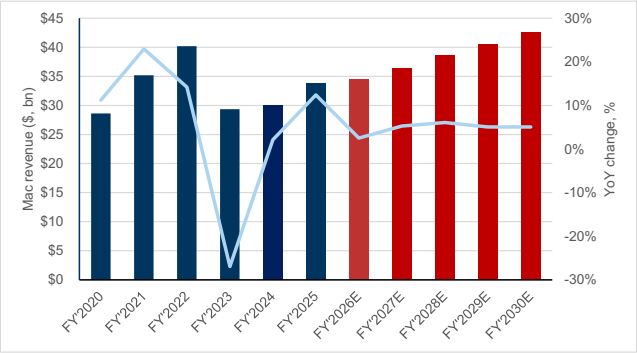
On a forward basis, we expect Mac revenue to grow +2% yoy overall in F2026, supported by the upcoming releases of upgraded MacBook Airs and M5 Pro and M5 Max Chips (as shown in our product pipeline tracker below). While Mac unit demand should continue to be supported by the refresh of aging devices, difficult compares with year-ago refresh (+18% yoy unit growth in F2025, GSe) should present headwinds to overall F2026 unit shipment growth. However, Apple is expected to launch a low-cost Mac in early 2026, which although should present ASP dilutive pressure to the overall Mac segment, should allow Apple to more effectively compete in the non-premium segment of the PC market, particularly as lower-cost competitors with lower profitability profiles face growing pressure from ongoing memory and storage component cost inflation.

Exhibit 11: We estimate Mac revenue will grow +1% yoy to $9.1 bn in F1Q26
Mac revenue ($, mn) & year-over-year change (%)



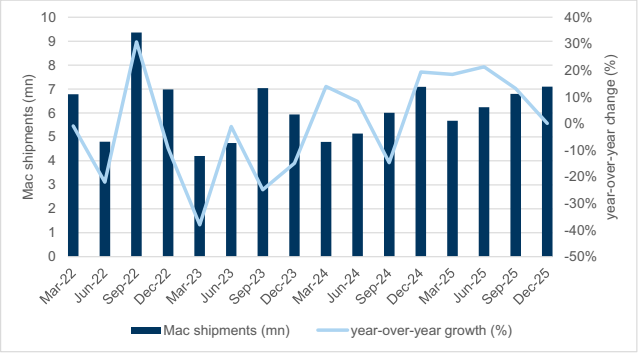
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 12: We estimate Mac revenue will grow +2% yoy in F2026E
Mac revenue ($, mn) & year-over-year change (%)



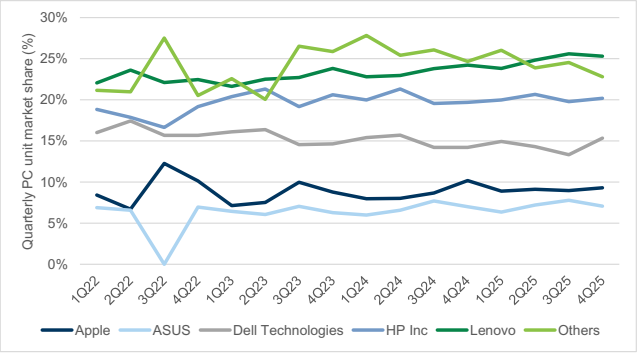
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 13: IDC estimates C4Q25 Mac shipments of 7.1 mn, flat year-over-year
Mac shipments (mn) & year-over-year change (%)



Source: IDC, Data compiled by Goldman Sachs Global Investment Research

Exhibit 14: IDC estimates AAPL's share of the PC market remained flat sequentially at 9% of total shipments
PC market share by vendor (%)



Source: IDC, Data compiled by Goldman Sachs Global Investment Research

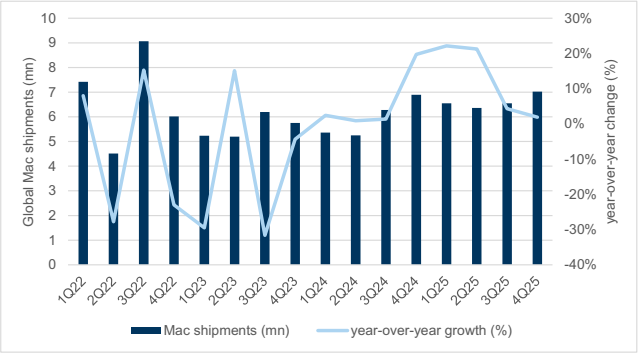
Exhibit 15: Mac unit shipments were flat year-over-year in C4Q25, decelerating sequentially (v. +13% yoy in C3Q25)
IDC estimates of PC shipments by vendor (units, mn), yoy change (%), qoq change (%), and unit market share (%)

(in millions)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Vendor, Global (Includes Workstations)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Units																
Apple	6.8	4.8	9.4	7.0	4.2	4.7	7.0	5.941	4.8	5.1	6.0	7.1	5.7	6.2	6.8	7.1
ASUS	5.6	4.7		4.8	3.8	3.8	5.0	4.2	3.6	4.2	5.3	4.9	4.1	4.9	5.9	5.4
Dell Technologies	12.9	12.5	12.0	10.8	9.5	10.3	10.3	9.9	9.3	10.1	9.8	9.9	9.6	9.8	10.1	11.7
HP Inc	15.2	12.8	12.7	13.2	12.0	13.4	13.5	14.0	12.0	13.7	13.6	13.7	12.8	14.1	15.0	15.4
Lenovo	17.8	16.9	16.9	15.5	12.7	14.2	16.0	16.1	13.7	14.7	16.5	16.9	15.2	17.0	19.4	19.3
Acer	5.3	4.9	4.4	3.5	3.4	3.9										
Others	17.0	15.0	21.0	14.2	13.3	12.6	18.7	17.5	16.7	16.3	18.1	17.2	16.6	16.3	18.6	17.4
Total PC Units	**80.6**	**71.6**	**76.3**	**68.9**	**58.9**	**63.1**	**70.5**	**67.7**	**60.2**	**64.2**	**69.3**	**69.7**	**63.9**	**68.4**	**75.8**	**76.3**
Units market share																
Apple	8%	7%	12%	10%	7%	8%	10%	9%	8%	8%	9%	10%	9%	9%	9%	9%
ASUS	7%	7%		7%	6%	6%	7%	6%	6%	7%	8%	7%	6%	7%	8%	7%
Dell Technologies	16%	17%	16%	16%	16%	16%	15%	15%	15%	16%	14%	14%	15%	14%	13%	15%
HP Inc	19%	18%	17%	19%	20%	21%	19%	21%	20%	21%	20%	20%	20%	21%	20%	20%
Lenovo	22%	24%	22%	22%	22%	23%	23%	24%	23%	23%	24%	24%	24%	25%	26%	25%
Acer	7%	7%	6%	5%	6%	6%										
Others	21%	21%	28%	21%	23%	20%	27%	26%	28%	25%	26%	25%	26%	24%	25%	23%
Year-over-year change																
Units																
Apple	-1%	-22%	31%	-9%	-38%	-1%	-25%	-15%	14%	8%	-15%	19%	19%	21%	13%	0%
ASUS	18%	-5%		-22%	-32%	-19%		-11%	-5%	10%	7%	15%	13%	17%	11%	11%
Dell Technologies	5%	-6%	-17%	-34%	-26%	-17%	-14%	-8%	-2%	-2%	-4%	0%	3%	-3%	3%	18%
HP Inc	-19%	-30%	-25%	-26%	-21%	5%	6%	6%	0%	2%	0%	-2%	6%	3%	11%	12%
Lenovo	-10%	-13%	-14%	-27%	-28%	-16%	-5%	4%	8%	4%	3%	5%	11%	15%	18%	14%
Acer	-8%	-20%	-26%	-43%	-37%	-21%										
Others	-4%	-14%	15%	-24%	-22%	-16%	-11%	24%	26%	29%	-3%	-2%	-1%	0%	3%	1%
Total PC Units	**-6%**	**-16%**	**-14%**	**-26%**	**-27%**	**-12%**	**-8%**	**-2%**	**2%**	**2%**	**-2%**	**3%**	**6%**	**7%**	**9%**	**9%**
Quarter-over-Quarter growth																
Units																
Apple	-12%	-29%	95%	-25%	-40%	13%	48%	-16%	-19%	7%	17%	18%	-20%	10%	9%	4%
ASUS	-9%	-15%			-21%	1%	30%	-14%	-15%	17%	26%	-8%	-17%	21%	20%	-8%
Dell Technologies	-21%	-3%	-4%	-10%	-12%	9%	-1%	-3%	-6%	9%	-2%	1%	-4%	2%	3%	16%
HP Inc	-15%	-16%	-1%	4%	-9%	12%	1%	3%	-14%	14%	-1%	1%	-7%	11%	6%	3%
Lenovo	-16%	-5%	0%	-8%	-18%	11%	13%	1%	-15%	7%	12%	2%	-10%	12%	14%	-1%
Acer	-12%	-8%	-10%	-21%	-4%	15%										
Total PC Units	**-14%**	**-11%**	**7%**	**-10%**	**-15%**	**7%**	**12%**	**-4%**	**-11%**	**7%**	**8%**	**1%**	**-8%**	**7%**	**11%**	**1%**

Rounding may affect market share, totals, and growth rates.

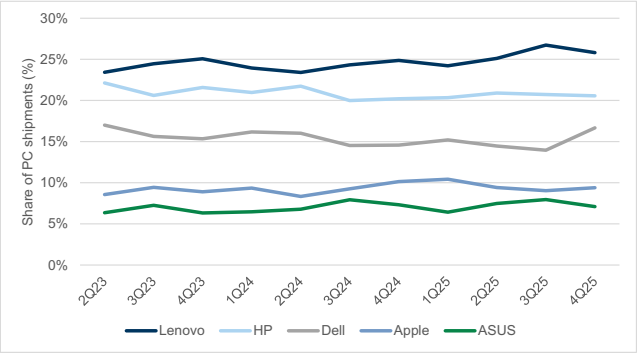
Source: IDC, Data compiled by Goldman Sachs Global Investment Research

Exhibit 16: Omdia (formerly Canalys) estimates AAPL shipped 7.0 mn Macs in C4Q25, marking 2% growth year-over year.
C3Q25 Mac shipments (mn) & year-over-year growth (%)



Source: Omdia, Data compiled by Goldman Sachs Global Investment Research

Exhibit 17: Omdia (formerly Canalys) estimates Mac's share of PC shipments remained roughly flat at ~9% of total C3Q25 industry PC shipments
Share of PC industry shipments by vendor (%)



Source: Omdia, Data compiled by Goldman Sachs Global Investment Research

Exhibit 18: Omdia (formerly Canalys) estimates C4Q25 Mac shipments grew 2% yoy, decelerating from +4% yoy growth in C3Q25.

Omdia (formerly Canalys) estimates of PC shipments by vendor (units, mn), yoy change (%), qoq change (%), and unit market share (%)

Global (in millions)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
PC shipments																
Lenovo	18.3	17.3	16.7	15.6	12.7	14.2	16.0	16.2	13.7	14.7	16.5	16.9	15.2	17.0	19.4	19.3
HP	15.8	13.5	12.7	13.2	12.0	13.4	13.5	13.9	12.0	13.7	13.6	13.7	12.8	14.1	15.0	15.4
Dell	13.7	13.2	12.0	10.8	9.5	10.3	10.3	9.9	9.3	10.1	9.8	9.9	9.5	9.8	10.1	12.5
Apple	7.4	4.5	9.1	6.0	5.2	5.2	6.2	5.8	5.4	5.2	6.3	6.9	6.5	6.4	6.6	7.0
Asus	5.5	4.7	5.5	4.9		3.9	4.8	4.1	3.7	4.3	5.4	5.0	4.0	5.1	5.8	5.3
Samsung																
Acer		5.1		3.6	3.5											
Others	19.3	11.8	14.4	9.2	12.5	13.7	14.8	14.7	13.2	14.9	16.2	15.5	14.7	15.3	15.6	15.3
Total	**80.1**	**70.1**	**70.3**	**63.3**	**55.5**	**60.7**	**65.6**	**64.6**	**57.3**	**62.9**	**67.8**	**67.9**	**62.7**	**67.6**	**72.4**	**74.8**
Year-over-Year growth	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**
Lenovo	-10%	-13%	-17%	-28%	-30%	-18%	-4%	4%	8%	4%	3%	4%	11%	15%	17%	14%
HP	-18%	-27%	-28%	-29%	-24%	0%	6%	6%	0%	2%	0%	-2%	6%	3%	11%	12%
Dell	6%	-5%	-21%	-37%	-31%	-22%	-14%	-8%	-2%	-2%	-4%	0%	3%	-3%	3%	26%
Apple	8%	-28%	15%	-23%	-30%	15%	-32%	-4%	2%	1%	1%	20%	22%	21%	4%	2%
Asus	24%	-5%	-9%	-20%			-13%			11%	13%	22%	9%	18%	7%	7%
Samsung																
Acer																
Others	4%	-37%	-18%	-54%	-35%	16%	3%	59%	6%	9%	10%	6%	11%	3%	-4%	-2%
Total	**-3%**	**-15%**	**-17%**	**-31%**	**-31%**	**-13%**	**-7%**	**2%**	**3%**	**4%**	**3%**	**5%**	**9%**	**7%**	**7%**	**10%**
Quarter-over-Quarter growth	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q25**
Lenovo	-16%	-5%	-4%	-7%	-18%	12%	13%	1%	-15%	7%	12%	2%	-10%	12%	14%	0%
HP	-15%	-15%	-6%	4%	-9%	12%	1%	3%	-14%	14%	-1%	1%	-7%	11%	6%	3%
Dell	-20%	-4%	-10%	-10%	-12%	9%	-1%	-3%	-6%	9%	-2%	1%	-4%	2%	3%	23%
Apple	-5%	-39%	101%	-34%	-13%	-1%	19%	-7%	-7%	-2%	20%	10%	-5%	-3%	3%	7%
Asus	-9%	-16%	17%	-11%			23%	-14%	-9%	15%	26%	-8%	-19%	25%	14%	-8%
Samsung																
Acer					-1%											
Others	-5%	-39%	22%	-36%	35%	10%	8%	-1%	-10%	13%	9%	-4%	-6%	4%	2%	-2%
Total	**-13%**	**-12%**	**0%**	**-10%**	**-12%**	**10%**	**8%**	**-1%**	**-11%**	**10%**	**8%**	**0%**	**-8%**	**8%**	**7%**	**3%**
Unit share (%)	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**	**4Q24**
Lenovo	23%	25%	24%	25%	23%	23%	24%	25%	24%	23%	24%	25%	24%	25%	27%	26%
HP	20%	19%	18%	21%	22%	22%	21%	22%	21%	22%	20%	20%	20%	21%	21%	21%
Dell	17%	19%	17%	17%	17%	17%	16%	15%	16%	16%	15%	15%	15%	14%	14%	17%
Apple	9%	6%	13%	10%	9%	9%	9%	9%	9%	8%	9%	10%	10%	9%	9%	9%
Asus	7%	7%	8%	8%		6%	7%	6%	6%	7%	8%	7%	6%	7%	8%	7%
Samsung																
Acer		7%		6%	6%	0%			0%							
Others	24%	17%	20%	15%	22%	23%	23%	23%	23%	24%	24%	23%	23%	23%	22%	20%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Omdia

Exhibit 19: Mac shipments tend to be down between 8-10% sequentially in C4Q

Mac shipment quarter-over-quarter growth (%)

4Q QoQ%	2018	2019	2020	2021	2022	2023	2024	'22-'24 Avg
IDC	-6%	-1%	1%	7%	-25%	-16%	18%	**-8%**
Omdia		-12%	5%	-1%	-34%	-7%	10%	**-10%**

Source: IDC, Data compiled by Goldman Sachs Global Investment Research

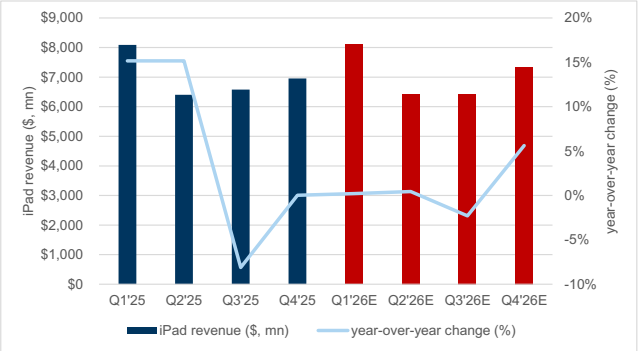
#3: iPad: Stable in-quarter demand despite tough year-ago comps

We estimate F1Q26 iPad revenue of $8.1 bn (+0% yoy), supported by -2% yoy unit

growth and +3% yoy ASP growth. Similar to Mac, we believe demand should be supported by ongoing device refresh, given the aging base of ~120 mn iPads shipped in C2020 and C2021 with outdated tech (e.g., legacy processors, worse storage capacity, diminishing battery health, regular wear & tear). Additionally, iPad demand should benefit from both (a) holiday seasonality (i.e., Christmas, Black Friday, Single's Day); and (b) the launch of the M5 iPad Pro on October with unchanged pricing (starting price of $999). That said, tough comps should continue to present headwinds to unit growth in F1Q26, similar to F4Q25, with F1Q25 benefiting from the launch of the iPad Mini (A17 Pro), which has not been updated since. The in-quarter launch of the premium M5 iPad Pro should favorably support +3% yoy ASP growth (GSe), particularly amidst the premiumization of the Apple product installed base. On a forward basis, we expect F2026 iPad revenue to be up +1% yoy, with headwinds from F2025 tariff-related demand pull-ins offset by (a) refreshes of the iPad Air and iPad (base) models, expected in Spring 2026; and (b) continued user premiumization.

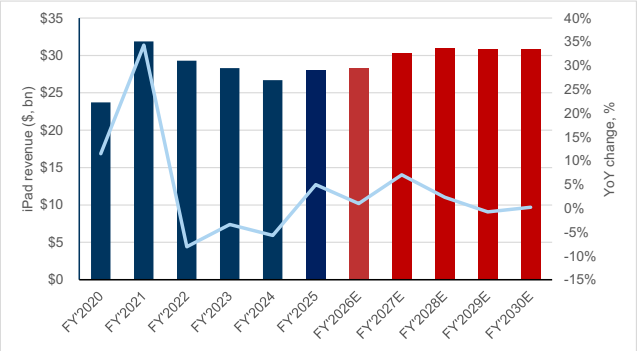
Due to lagged historical data releases from IDC and Omdia (formerly Canalys), we show data reported as of C3Q25.

Exhibit 20: We estimate F1Q26 iPad revenue of $8.1 bn (+0% yoy)
iPad revenue ($, mn) & year-over-year change (%)



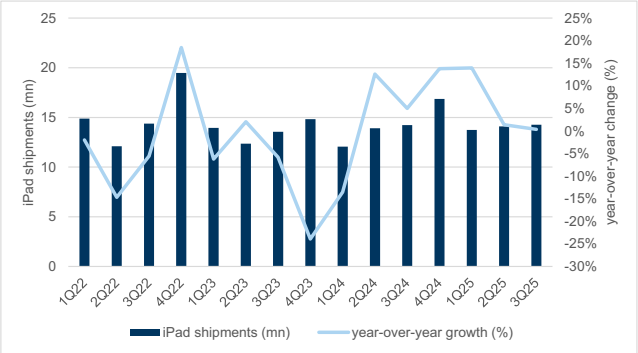
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 21: We estimate F2026 iPad revenue to grow +1% yoy
iPad revenue ($, mn) & year-over-year change (%)



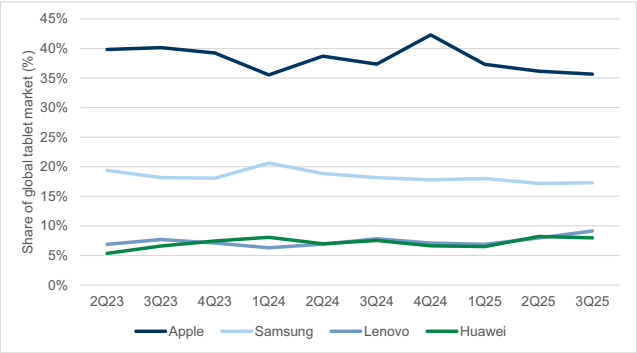
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 22: Omdia (formerly Canalys) estimates C3Q25 iPad shipments of 14.3 mn were flat yoy (C4Q25 not yet reported), decelerating from +1% yoy in C2Q25
Global iPad shipments (mn) & year-over-year change (%)



Source: Omdia

Exhibit 23: Omdia (formerly Canalys) estimates iPad (36% of C3Q25 tablet market shipments) lost 1 pp. of market share annually v. C3Q24
Share of tablet market shipments (%)



Source: Canalys

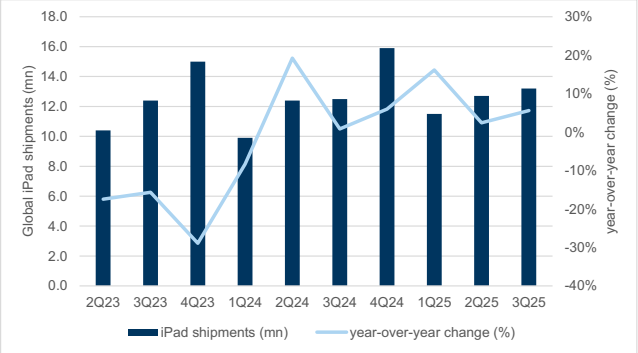
Exhibit 24: Omdia (formerly Canalys) estimates the global tablet market grew 5% yoy in C3Q25, decelerating from +9% yoy in C2Q25

Omdia (formerly Canalys) tablet market shipments by vendor (units, mn), year-over-year growth (%), quarter-over-quarter growth (%), market share (%)

Global (in millions)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Tablet shipments															
Apple	14.9	12.1	14.4	19.5	14.0	12.4	13.5	14.8	12.1	13.9	14.2	16.9	13.7	14.1	14.3
Samsung	7.9	7.0	6.6	7.6	6.7	6.0	6.1	6.8	7.0	6.8	6.9	7.1	6.6	6.7	6.9
Amazon	3.6	3.3	3.2	3.6	2.5	2.2									
Lenovo	3.0	3.5	2.7	2.3	1.9	2.1	2.6	2.7	2.1	2.5	3.0	2.8	2.5	3.1	3.7
Huawei	1.7	1.7	1.5	1.4	1.6	1.7	2.2	2.8	2.7	2.5	2.9	2.6	2.4	3.2	3.2
Xiaomi			0.7				1.6	1.7	2.0	2.1	2.6	2.5	3.1	3.0	2.6
Others	7.6	7.1	6.1	7.9	6.7	6.7	7.6	8.9	8.0	8.1	8.5	7.9	8.5	8.9	9.4
Total	**38.6**	**34.7**	**35.2**	**42.3**	**33.4**	**31.0**	**33.7**	**37.8**	**33.9**	**35.9**	**38.1**	**39.9**	**36.8**	**39.0**	**40.0**
Year-over-Year growth	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Apple	-2%	-15%	-6%	18%	-6%	2%	-6%	-24%	-14%	13%	5.0%	14%	14%	1%	0%
Samsung	-2%	-13%	-8%	10%	-14%	-14%	-7%	-10%	4%	13%	13%	4%	-5%	-1%	0%
Amazon	3%	6%	18%	-10%	-30%	-33%									
Lenovo	-20%	-25%	-37%	-51%	-37%	-39%	-4%	15%	13%	16%	14%	6%	19%	25%	23%
Huawei	-22%	-26%	-42%	-36%	-4%	-3%	52%	95%	70%	51%	29%	-6%	-12%	28%	12%
Xiaomi							120%						56%	40%	2%
Others	6%	6%	7%	4%	-12%	-7%	25%	13%	20%	22%	12%	-12%	5%	10%	10%
Total	**-3%**	**-11%**	**-6%**	**1%**	**-14%**	**-11%**	**-4%**	**-11%**	**2%**	**16%**	**13%**	**6%**	**9%**	**9%**	**5%**
Quarter-over-Quarter growth	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Apple	-9%	-19%	19%	35%	-28%	-11%	10%	9%	-19%	15%	2%	19%	-18%	3%	1%
Samsung	14%	-12%	-5%	15%	-12%	-11%	2%	11%	3%	-3%	2%	3%	-7%	1%	3%
Amazon	-10%	-7%	-3%	11%	-30%	-12%									
Lenovo	-37%	17%	-23%	-14%	-19%	13%	22%	3%	-20%	16%	20%	-5%	-10%	22%	18%
Huawei	-25%	2%	-14%	-1%	12%	3%	34%	26%	-3%	-9%	15%	-8%	-9%	34%	0%
Xiaomi												-1%	21%	-2%	-13%
Others	0%	-6%	-14%	29%	-16%	0%	15%	17%	-10%	1%	5%	-8%	7%	5%	5%
Total	**-8%**	**-10%**	**2%**	**20%**	**-21%**	**-7%**	**9%**	**12%**	**-10%**	**6%**	**6%**	**5%**	**-8%**	**6%**	**3%**
Unit share (%)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Apple	39%	35%	41%	46%	42%	40%	40%	39%	36%	39%	37%	42%	37%	36%	36%
Samsung	20%	20%	19%	18%	20%	19%	18%	18%	21%	19%	18%	18%	18%	17%	17%
Amazon	9%	10%	9%	8%	7%	7%			0%						
Lenovo	8%	10%	8%	6%	6%	7%	8%	7%	6%	7%	8%	7%	7%	8%	9%
Huawei	4%	5%	4%	3%	5%	5%	7%	7%	8%	7%	8%	7%	6%	8%	8%
Xiaomi			2%				5%	4%		6%	7%	6%	8%	8%	7%
Others	20%	21%	17%	19%	20%	21%	23%	24%	24%	23%	22%	20%	23%	23%	23%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

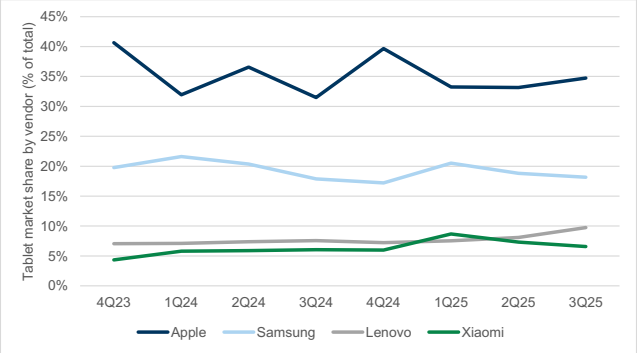
Source: Omdia

Exhibit 25: Per IDC, C3Q25 iPad shipments of 13.2 mn grew 6% yoy (C4Q25 not yet reported
Global iPad shipments (mn)



Source: IDC

Exhibit 26: iPad's C3Q25 tablet shipment market share of 35% gained 4 pp annually relative to C3Q24
Share of tablet market shipments (%)



Source: IDC

Exhibit 27: IDC estimates the global tablet market declined -4% yoy in C3Q25, decelerating from 13% yoy growth in C2Q25 (C4Q25 not yet reported)

IDC tablet market shipments by vendor (units, mn), year-over-year growth (%), quarter-over-quarter growth (%), market share (%)

(in millions)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Tablet shipments											
Apple	10.8	10.4	12.4	15.0	9.9	12.4	12.5	15.9	11.5	12.7	13.2
Samsung	7.1	5.8	6.0	7.3	6.7	6.9	7.1	6.9	7.1	7.2	6.9
Lenovo	1.9	2.1	2.6	2.6	2.2	2.5	3.0	2.9	2.6	3.1	3.7
Huawei	2.0	1.7	2.3	2.8	3.0		3.2	2.6	3.6		3.4
Xiaomi	0.9	1.0		1.6	1.8	2.0	2.4	2.4	3.0	2.8	2.5
Amazon			2.2	1.0	0.9	1.0	4.6	2.6	0.6	3.1	
Others	7.9	7.1	7.4	6.6	6.5	9.1	6.9	6.8	6.2	9.4	8.3
Total	**30.6**	**28.1**	**32.9**	**36.9**	**31.0**	**33.9**	**39.7**	**40.1**	**34.6**	**38.3**	**38.0**
Year-over-Year growth	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Apple		-17%	-16%	-29%	-8%	19%	1%	6%	16%	2%	6%
Samsung		-18%	-17%	-6%	-6%	19%	18%	-5%	6%	4%	-3%
Lenovo		-40%	-4%	13%	16%	19%	15%	12%	18%	24%	23%
Huawei		-19%	-4%	22%	50%		39%	-7%	20%		6%
Xiaomi		43%		33%				50%	67%	40%	4%
Amazon			-49%				109%	160%	-33%	210%	
Others		-50%	0%	-33%	-18%	28%	-7%	3%	-5%	3%	20%
Total		**-30%**	**-15%**	**-17%**	**1%**	**21%**	**21%**	**9%**	**12%**	**13%**	**-4%**
Quarter-over-Quarter growth	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Apple	-49%	-4%	19%	21%	-34%	25%	1%	27%	-28%	10%	4%
Samsung	-9%	-18%	3%	22%	-8%	3%	3%	-3%	3%	1%	-4%
Lenovo	-17%	11%	24%	0%	-15%	14%	20%	-3%	-10%	19%	19%
Huawei	-13%	-15%	35%	22%	7%			-19%	38%		
Xiaomi	-25%	11%			13%	11%	20%	0%	25%	-7%	-11%
Amazon				-55%	-10%			-43%	-77%	417%	
Others	-19%	-10%	4%	-11%	-2%	40%	-24%	-1%	-9%	52%	-12%
Total	**-31%**	**-8%**	**17%**	**12%**	**-16%**	**9%**	**17%**	**1%**	**-14%**	**11%**	**-1%**
Unit share (%)	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Apple	35%	37%	38%	41%	32%	37%	31%	40%	33%	33%	35%
Samsung	23%	21%	18%	20%	22%	20%	18%	17%	21%	19%	18%
Lenovo	6%	7%	8%	7%	7%	7%	8%	7%	8%	8%	10%
Huawei	7%	6%	7%	8%	10%	0%	8%	6%	10%		9%
Xiaomi	3%	4%		4%	6%	6%	6%	6%	9%	7%	7%
Amazon			7%	3%	3%		12%	6%	2%	8%	
Others	26%	25%	22%	18%	21%	27%	17%	17%	18%	25%	22%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: IDC

Exhibit 28: IDC estimates average C4Q sequential growth (2022-2024) in iPad shipments is +31%, while Omdia (formerly Canalys) estimates this to be +21%
C4Q sequential historical iPad shipment trends

4Q QoQ%	2019	2020	2021	2022	2023	2024	'22-'24 Avg
IDC				44%	21%	27%	31%
Omdia	32%	26%	8%	35%	9%	19%	21%

Source: IDC, Omdia

#4: Product Pipeline

We update our product pipeline tracker for the latest reported upcoming AAPL products. **In early 2026, we expect AAPL to launch the iPhone 17e, as well as updated versions of the MacBook Air, MacBook Pro, iPad (base), iPad Air.** Per reports referenced below, Apple should also begin releasing home products in early-to-mid 2026, including the updated HomePod Mini 2, an updated Apple TV, as well as a new Smart Home Device with a display.

Exhibit 29: AAPL continues to have a breadth of upcoming product releases throughout 2026 and beyond
Illustrative AAPL Product Pipeline

Product Category	Upcoming Model	Expected Release	Specs	Sources
iPhone	iPhone 17e	Early 2026	Will include A19 processor	1, 2
	iPhone 18 (Foldable, Pro, Pro Max)	Sept. 2026	Foldable book-style form factor without visible crease and Touch-ID at over $2,000; 2-nm A20 series chip; variable aperture camera on Pro model; under-screen Face ID for Pro/Pro Max; removing dynamic island. Pro models to include C1 chip (instead of Qualcomm modem)	3, 4, 5, 6, 7, 8, 9, 10
	iPhone 18 (base, 18e, Air 2)	1H27	2-nm A20 series chip	7, 11
	iPhone 19 (Foldable 2, Pro, Pro Max, Slim)	Sept. 2027	(1) All-screen glass display on iPhone Pro; (2) 19 Slim to have a larger display vs. 18 Slim	7, 8, 9
Mac	MacBook Air	early 2026	M5 chip	16, 10
	Low-cost MacBook	early 2026	Lower-cost model powered by an iPhone chip (A18 Pro); ~13" screen size; Price to be under $999	11, 13, 14, 15
	MacBook Pro	early 2026	Following Oct 2025 M5 MacBook Pro release, M5 Pro and M5 Max chips	12
	Mac mini	2026	M5 and M5 Pro chips	12
	Mac Studio	M5 Max and M5 Ultra chip		12
	MacBook Pro	2026/2027	First OLED MacBook Pro, slimmer design, 5G modem, M6 series chip with 2nm process; includes touch screen	13, 15, 17, 18, 19
	Low-cost MacBook (2nd-gen)	2027	Could include touch panel	15
	MacBook Air	2028	OLED, M7 chip	38
iPad	iPad (12th-gen)	March/April 2026	A18 chip; lower cost iPad to start at $349	13, 19
	iPad Air (8th-gen)	March/April 2026	M4-Series chip	13
	iPad Mini (8th-gen)	2026/2027	A19 Pro chip; potentially OLED display	20
	iPad Pro	2027	M6	38
	iPad (foldable)	2029	$3,000 price range; 18-inch display	21
Wearables & Accessories	AirTag 2	Early-to-mid 2026	Able to be detected within 3X current range	22
	27-inch Display/Mac Monitor	early 2026	27-inch, mini-LED	13, 23
	Magic Mouse	2026	Relocated charging port & updated design	24
	Smart Glasses	2026/2027	Pairs with iPhone; no display. Includes speakers, cameras, and voice-control capabilities	25
	AirPod Pro with cameras	2026	Infrared cameras	26
	Vision Pro Air	2026 per Bloomberg, 2027 per Ming-Chi Kuo	Faster chip/pairs with Mac for applications that require less lag; made of plastic, will use iPhone processor.	27, 28, 29
	Smart Glasses with Display	2028 or earlier	Features display	25
	Vision Pro Air	Delayed, after Smart Glasses	Faster chip/pairs with Mac for applications that require less lag; made of plastic, will use iPhone processor.	25, 27, 28, 29
	Apple Vision Pro (2nd-gen)	2028	Mac-grade processor, lower pricepoint, lower weight	29
	AirPods 5	No date	H3 chip, potentially	36
Misc	Home Pod mini 2	Spring 2026	New S-series chip; improved sound quality; additional colors; contains Apple's designed Bluetooth and Wi-Fi chip (instead of Broadcom's), supporting Wi-Fi 6	30, 31, 39
	Apple TV (updated)	Spring 2026	A17 Pro chip; camera for FaceTime; contains Apple's designed bluetooth and wifi chip (instead of Broadcom's), supporting Wi-Fi 6	30, 31, 32, 40
	Smart Home Device	Spring 2026	7-inch display without movable arm or AI Siri; controls smart home devices; music playback; note taking; web-browsing; video-conferencing; $350	33, 34, 35, 37, 41
	Home security cameras	By end of 2026	Home security camera with battery lasting between several months to a year. Has facial recognition and infrared sensors.	33, 37
	Tabletop robot	2027	iPad mounted on a movable limb that can swivel and reposition itself to follow users in a room. Can inject into conversation using AI Siri. 9 inch display	33, 37

Source: Data compiled by Goldman Sachs Global Investment Research

Sources: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 (Mark Gurman's Power On Newsletter 12/15/24), 25, 26, 27 (Mark Gurman's Power On

Newsletter 10/13/24), 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41

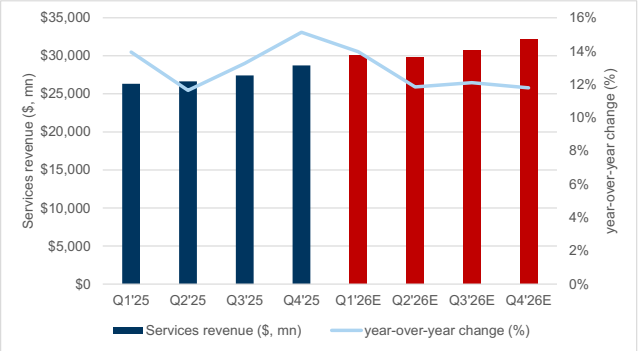
Services: Expect 14% yoy revenue growth

We estimate Apple F1Q26E Services revenue of ~$30.0 bn (+14% yoy), in line with Apple's prior guidance for Services revenue to grow in line with overall F2025 Services revenue growth (+14% yoy). The two largest contributors to Services revenue should be App Store and TAC (both ~24% of total Services revenue). While App Store has predominantly been known as Apple's largest source of Services revenue historically, we expect >14% growth across Apple's broader services categories (e.g., TAC, iCloud+, AppleCare+, subscriptions, Apple Pay) during the quarter to outpace that of App Store (+7% yoy), allowing Apple to achieve its guidance of ~14% Services growth year-over-year.

As we will discuss later in this preview under our App Store segment analysis, we continue to believe App Store should be a meaningful driver of Services revenue in the meantime despite concerns around third party payments. That said, through F2026, we expect near-term slowness (<10% yoy quarterly revenue growth) in App Store to continue, whether it be due to competition from off-app payment options, temporary declines in consumers' propensity to make in-app purchases in Games, or macro-economic related factors. However, we expect continued faster growth across Apple's broader Services categories to support >10% yoy Services revenue growth through the rest of F2026.

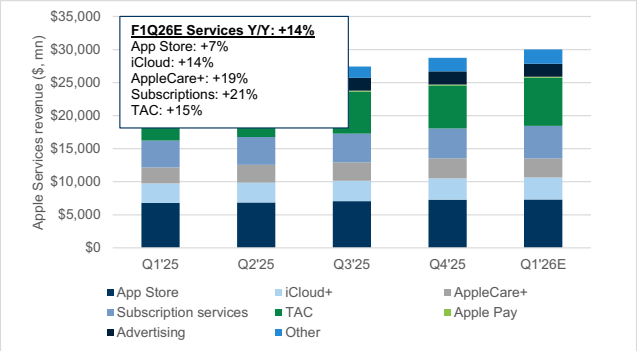
There are several trends underpinning our expectations for Apple to be able to maintain >10% yoy quarterly Services revenue growth. First, improving Google search traffic trends supports long-term growth in Google's TAC payments to Apple and demonstrates the stickiness of browser search relative to AI app usage, where growth in ChatGPT MAU and engagement has stagnated in recent months. Second, continued scaling of iCloud+ should support greater levels of high-margin recurring Services revenue as members of the Apple installed base aggregate greater levels of data that require storage (e.g., more photos & saved content, growing App sizes as developers integrate more data and features across apps, greater iOS storage requirements with growing levels of Apple Intelligence features). Third, long-term growth in AppleCare+ adoption should support sustainability in Services revenue growth as Apple users refresh aging devices or add additional devices to their Apple ecosystem. Fourth, recent Apple TV streaming subscription price increases (discussed further below) should similarly support growth through F2026. Lastly, per industry reports, Apple will likely launch a new AI-powered health subscription in 2026 which features nutrition, fitness, and wellness coaching and insights, and syncs with Apple Watch data, and can represent a net-new subscription service revenue stream.

Exhibit 30: We estimate Apple F1Q26E Services revenue of $30.0 bn (+14% yoy)
Apple Services revenue ($, mn) & year-over-year change (%)



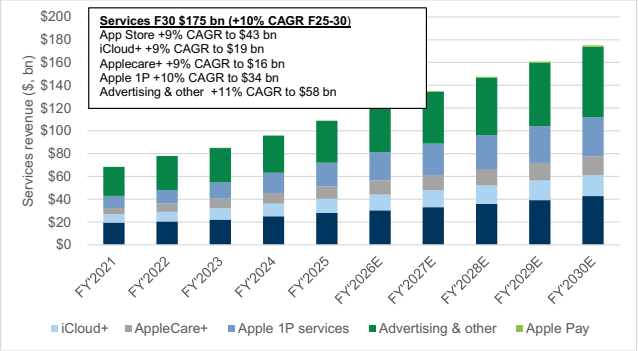
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 31: F1Q26E Services growth should be driven by growth in iCloud, AppleCare+, and subscriptions, while App Store revenue lags
Apple F1Q26E Services revenue ($, mn)



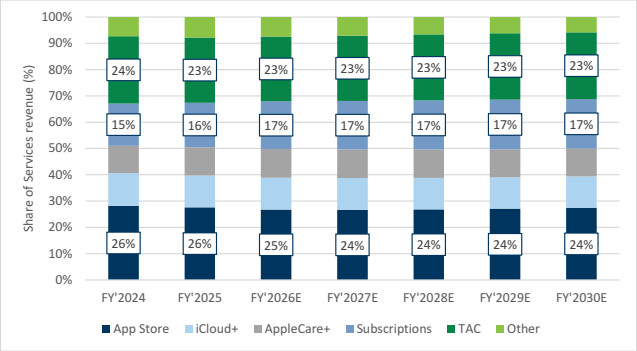
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 32: Over the long term, we expect Apple to maintain a ~10% 2025-30 Services revenue CAGR
Apple Services revenue by category ($, mn)



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 33: We expect App Store to remain Apple's largest Services category through F2030
Share of Services revenue by category (%)

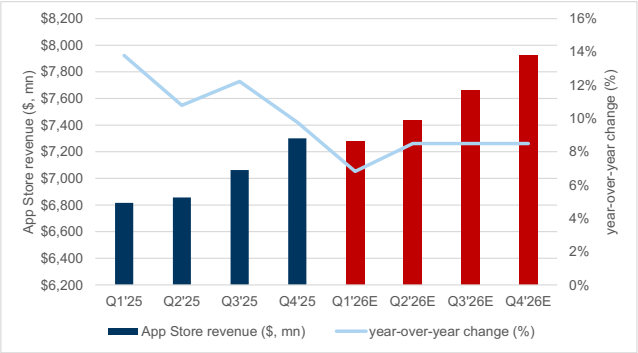


Source: Company data, Goldman Sachs Global Investment Research

#1: App Store: F1Q26 deceleration likely, but still long-term growth driver

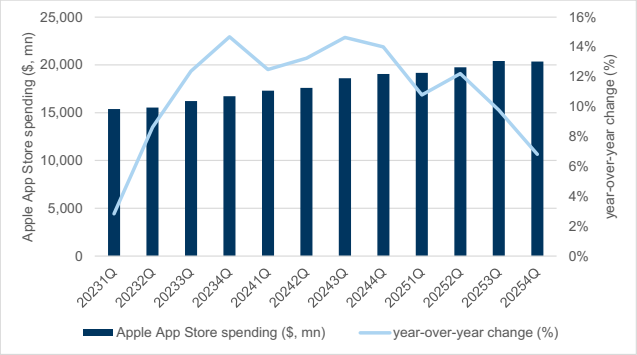
We estimate F1Q26 Apple App Store revenue of $7.3 bn (+7% yoy), decelerating from +10% yoy growth in F4Q25. Per Sensor Tower data, +7% yoy growth in C4Q25 marks the second sequential quarter of App Store spending deceleration, as described in our monthly App Store spending tracker. Broader trends of spending deceleration are consistent in Apple's largest app categories (Games, Entertainment, Photo & Video) and geographies (US, China). We believe decelerating spending trends should primarily be a result of (a) macro-related app store spending propensity changes, and/or (b) tough comps after 9 consecutive quarters of 10%+ year-over-year growth. While there have been broader concerns around the threat of App Store revenue cannibalization from off-app payment options, we continue to believe the friction associated with having to exit and re-enter an app when making an off-app purchase will hinder a substantial amount of off-app purchases, and as such continue to believe revenue from App Store commissions should be a major driver of long-term Services revenue growth.

Exhibit 34: We estimate F1Q26E Apple App Store revenue grew +7% yoy to $7.3 bn.
App Store revenue ($, mn) & year-over-year change (%), GSe



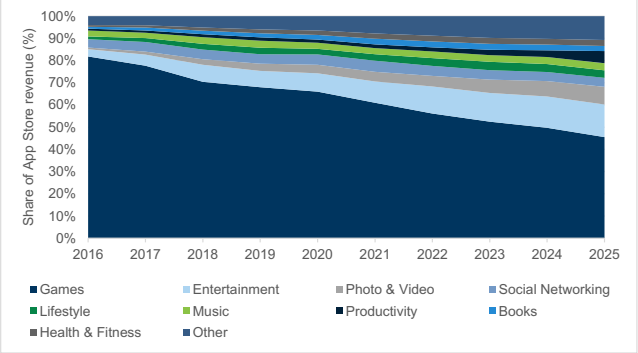
Source: Goldman Sachs Global Investment Research

Exhibit 35: Overall Apple App Store spending of ~$20.4 bn grew ~7% yoy in C4Q25, decelerating for the second sequential quarter
Quarterly Apple App Store spending ($, mn) & year-over-year change (%)



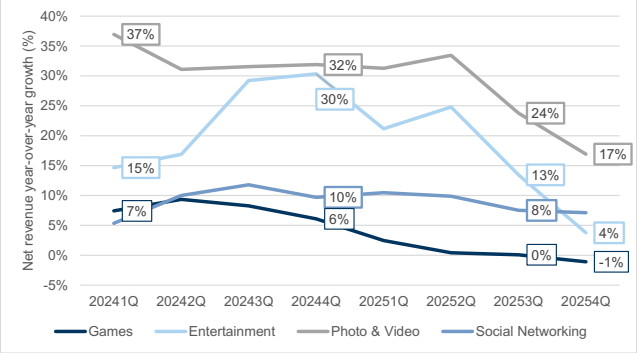
Source: Sensor Tower

Exhibit 36: While Games dominates nearly half of App Store revenue, its share of overall spend has declined over time
Share of App Store revenue (%) by app category



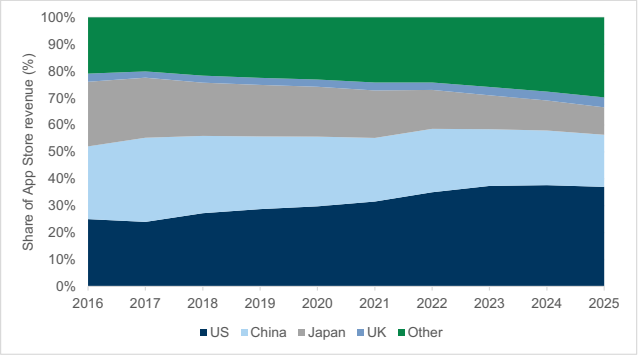
Source: Sensor Tower

Exhibit 37: Spending in App Store's #2-#4 app categories have outpaced that of Games in recent quarters
Quarterly App Store revenue year-over-year growth (%) by category



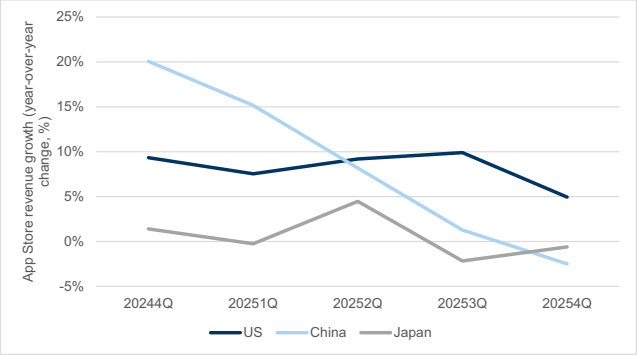
Source: Sensor Tower

Exhibit 38: Apple's App Store revenue is dominated by the US, followed by China and Japan
Share of Apple App Store revenue (%) by geography



Source: Sensor Tower

Exhibit 39: Since 4Q24, App Store revenue growth trends have slowed in Apple's two largest geographies, the US and China, and remained mixed in Japan
App Store revenue growth by top geographies (year-over-year change, %)

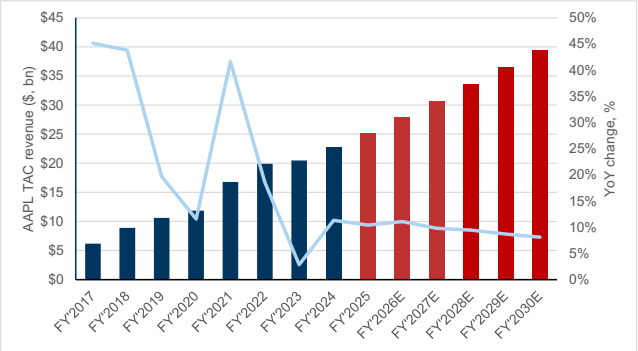


Source: Sensor Tower

#2: TAC: Search stickiness reflects long-term growth opportunity despite AI chatbot threat

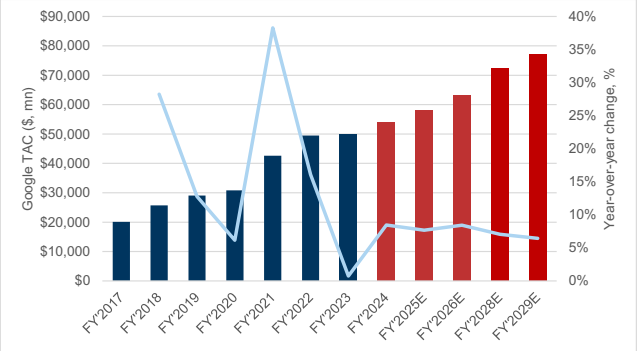
We forecast F1Q26E TAC revenue of ~$7.3 bn (+15% yoy), in line with GS estimates for Google TAC of $16.6 bn (per Eric Sheridan's C4Q25 GOOGL preview). While the regulatory overhang surrounding payments for traffic acquisition has largely abated since a US District Court ruled in September 2025 that Google can continue making TAC payments to Apple, investors' focus as of recent has centered around the threat of AI app usage cannibalizing Google search usage, thereby diminishing long-term growth of Apple's TAC revenues. While we recognize the long-term balance of internet users querying Google search versus an AI chatbot remains unclear, we similarly view investor concerns around search cannibalization to be overblown. First, we find that Google Chrome utilization (amongst iOS users) over the past 6 months has remained sticky per SensorTower data, with both stable MAU growth over the past 6 months and improving average time spent per day since August 2025. Second, SensorTower data suggests that both MAU growth and engagement trends have stagnated amongst various AI apps including ChatGPT, Perplexity, and Claude. While recent usage trends may not fully reflect future user patterns, we find to-date patterns encouraging, as users continue to meaningfully engage with Chrome en-masse, thus reinforcing growth drivers behind Apple TAC revenue. Additionally, even if there is meaningful long-term change in Google search usage, we believe Apple, as the predominant distributor of digital apps to end-users via mobile form factor, can supplement Google search TAC with TAC revenue for other services, including AI apps and chatbots.

Exhibit 40: We forecast an AAPL TAC revenue CAGR of 9% (F25-30E)...
Estimated Apple TAC advertising revenue ($, bn) and year-over-year change (%)



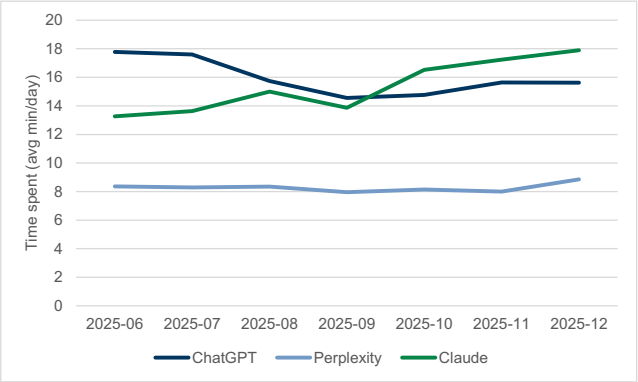
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 41: Apple's TAC advertising revenue, which includes distribution agreements, should be directionally consistent with GOOGL's TAC growth of MSD-HSD% yoy
Google TAC ($, mn) and year-over-year change (%)



Source: Company data, Goldman Sachs Global Investment Research

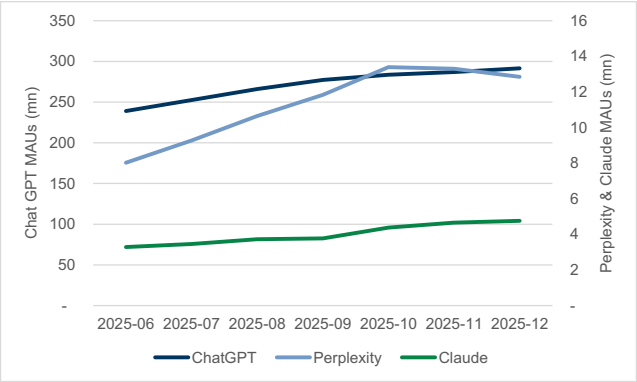
Exhibit 42: Engagement with major AI apps have relatively stagnated over the past ~6 months per Sensor Tower
Time spent (average mins/day)



Only includes iOS usage data

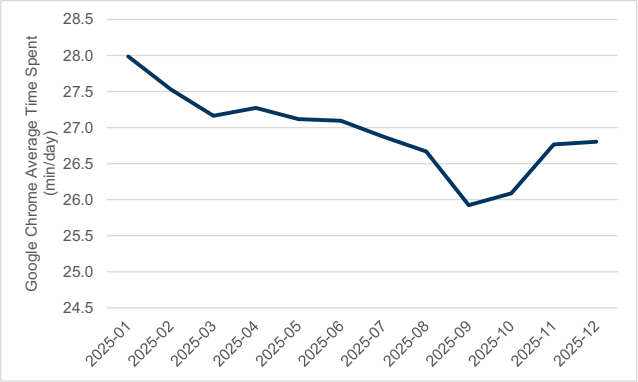
Source: Sensor Tower

Exhibit 43: MAU growth has slowed in recent months across major AI apps
Chat GPT, Perplexity, and Claude MAUs (mns)



Source: Sensor Tower

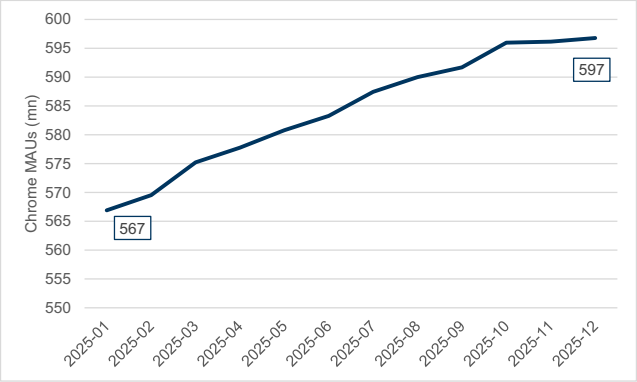
Exhibit 44: While average time spent on Google Chrome with iOS users largely declined through August in 2025, Chrome engagement has rebounded in the past several months
Average time spent on Google Chrome (min/day)



Only includes iOS usage data

Source: Sensor Tower

Exhibit 45: Google Chrome MAUs (iOS) have grown over time
Google Chrome MAUs (mn)



Only includes iOS usage data

Source: Sensor Tower

3: Apple TV: Continued content investment to drive long-term subscriber growth

We estimate F1Q26 Apple TV revenue of ~$2.1 bn with ~66 mn subscribers, reflecting ~40% revenue growth supported by continued subscriber add growth and price increases. First, our paid subscriber estimate reflects a net 1 mn paid adds during the quarter, decelerating from prior quarters (+3 mn net adds in F3Q25, +2 mn net ads in F4Q25). Our estimate for lower than recent historical net adds contemplates the impact of Apple TV subscription price increases, where Apple increased subscription prices by ~30% on August 21st to $12.99 (v. $9.99 prior). Given that this price increase only began to take effect towards the end of F3Q25, its impact on both (a) subscription ASP growth; and (b) churn and new-add deterrence should be more pronounced during F1Q26 (where AAPL experienced a full quarter of price increase impact) than in F4Q25. That said, given Apple TV's reputation as a provider of quality streaming content, we expect elevated churn and slower subscriber adds to be only temporary impacts, as AAPL continues to invest in content. In particular, during C4Q25, we estimate Apple TV released ~78 episodes of original series content, which along with film investments, resulted in content amortization costs of ~$540 mn. Given Apple TV's relatively small subscriber base relative to other streaming leaders (e.g., Netflix, HBO Max, Disney+), we believe AAPL continues to have ample opportunity to grow share of the streaming market over time.

Exhibit 46: Based on the Apple TV film and TV slate, we estimate Apple TV had ~$540 mn of content amortization in C4Q25

Estimated content amortization for Apple TV films and TV series ($, mn), calendar quarters

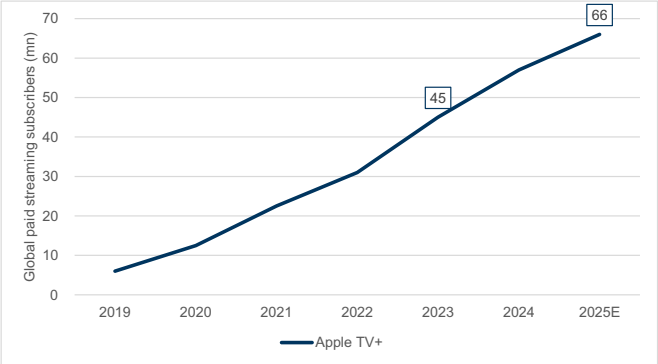
	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25
Scripted Drama	163	196	41	39	51	45	176	42	34	55	27
Scripted Comedy	74	113	16	44	20	20	100	31	30	20	20
Docuseries	94	71	23	3	18	10	54	19	7	22	19
Kids & Family	205	87	28	34	20	28	110	36	20	18	12
Total	**331**	**380**	**108**	**120**	**109**	**103**	**330**	**128**	**91**	**115**	**78**
Estimated cost per episode ($, mn)	Avg	Avg	1Q24	2Q24	3Q24	4Q24	Avg	1Q25	2Q25	3Q25	4Q25
Scripted Drama	$9	$10	$14	$10	$10	$10	$11	$12	$10	$10	$10
Scripted Comedy	$5	$5	$5	$5	$5	$5	$5	$6	$5	$5	$5
Docuseries	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1
Kids & Family	$1	$2	$1	$1	$1	$1	$1	$2	$1	$2	$1
Avg	**$6**	**$7**	**$6**	**$5**	**$6**	**$6**	**$8**	**$6**	**$6**	**$6**	**$5**
Total cost ($, mn)	Total	Total	1Q24	2Q24	3Q24	4Q24	Total	1Q25	2Q25	3Q25	4Q25
Scripted Drama	$1,462	$1,960	$574	$390	$510	$450	$1,924	$513	$340	$550	$270
Scripted Comedy	$370	$565	$80	$220	$100	$100	$500	$175	$150	$100	$100
Docuseries	$47	$44	$23	$3	$18	$10	$54	$19	$7	$22	$19
Kids & Family	$225	$146	$18	$34	$12	$33	$97	$60	$28	$40	$17
Total TV	**$2,104**	**$2,715**	**$695**	**$647**	**$640**	**$593**	**$2,575**	**$767**	**$525**	**$712**	**$406**
Films	$610	$765	$200	$27	$400	$70	$697	$125	$550	$88	$132
Total TV+Films	**$2,714**	**$3,480**	**$895**	**$674**	**$1,040**	**$663**	**$3,272**	**$892**	**$1,075**	**$799**	**$538**

# of episodes by quarter based on season premiere timing. We've observed a strategy of Apple TV making 2-3 episodes available at season premiere, with episodes available weekly thereafter, resulting in some episodes falling into a different month/quarter than season premiere

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 47: Apple TV continues to grow its subscriber base, with runway to increase the base over the long run

Apple TV global paid streaming subscribers (mn)



Source: Company data, Goldman Sachs Global Investment Research

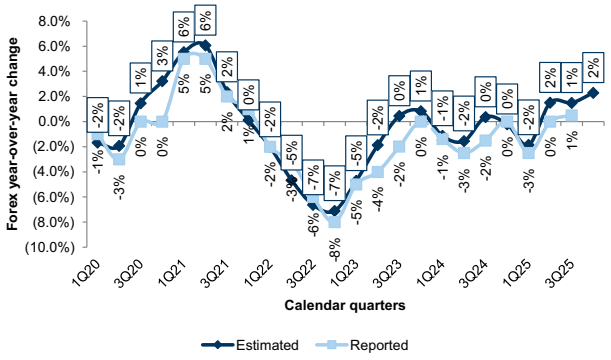
Exhibit 48: Apple TV continues to build out its content slate, which should drive streaming video subscriber growth
Apple TV television series content slate by quarter

Quarter	Title	Type	Genre	Premiere	Season #	# of Seasons released	Episodes in Season
4Q24							
4Q24	Where's Wanda	Scripted Comedy	Mystery comedy	10/2/2024	1	1	8
4Q24	Curses	Kids & Family	Animated	10/4/2024	2	2	10
4Q24	Disclaimer	Scripted Drama	Thriller	10/11/2024	1	1	7
4Q24	Shrinking	Scripted Comedy	Dramedy	10/16/2024	2	2	12
4Q24	Before	Scripted Drama	Thriller	10/25/2024	1	1	10
4Q24	You Would Do It Too	Scripted Drama	Thriller	10/30/2024	1	1	8
4Q24	Bad Sisters	Scripted Drama	Drama	11/13/2024	2	2	10
4Q24	Silo	Scripted Drama	Drama	11/15/2024	2	2	10
4Q24	Sago Mini Friends	Kids & Family	Animated	11/22/2024	3	2	5
4Q24	Wonder Pets: In the City	Kids & Family	Animated	12/13/2024	1	1	13
4Q24	Secret Lives of Animals	Docuseries	Nature	12/18/2024	1	1	10
1Q25							
1Q25	Severance	Scripted Drama	Thriller	1/17/2025	2	2	10
1Q25	Prime Target	Scripted Drama	Thriller	1/22/2025	1	1	8
1Q25	Eva the Owlet	Kids & Family	Animated	1/24/2025	2	2	10
1Q25	Mythic Quest	Scripted Comedy	Comedy	1/29/2025	4	4	10
1Q25	Vietnam: The War that Changed America	Docuseries	War	1/31/2025	1	1	6
1Q25	Love You to Death (a muerte)	Scripted Comedy	Spanish language	2/5/2025	1	1	7
1Q25	Goldie	Kids & Family	Animated	2/14/2025	1	1	13
1Q25	Onside: Major League Soccer	Docuseries	Sports	2/21/2025	1	1	8
1Q25	Surface	Scripted Drama	Mystery	2/21/2025	2	2	8
1Q25	Berlin ER	Scripted drama	Medical drama	2/26/2025	1	1	8
1Q25	Dope Thief	Scripted Drama	Crime thriller	3/14/2025	1	1	8
1Q25	BE@RBRICK	Kids & Family	Musical comedy series	3/21/2025	1	1	13
1Q25	The Studio	Scripted Comedy	Comedy	3/26/2025	1	1	10
1Q25	Side Quest	Scripted Comedy	Comedy	3/26/2025	1	1	4
1Q25	Fight for Glory: 2024 World Series	Docuseries	Sports	3/28/2025	1	1	3
1Q25	Number One of the Call Sheet	Docuseries	Entertainment industry	3/28/2025	1	1	2
2Q25							
2Q25	Your Friends & Neighbors	Scripted Drama	Drama	4/11/2025	1	1	9
2Q25	Government Cheese	Scripted Comedy	Comedy	4/16/2025	1	1	10
2Q25	Jane	Kids & Family	Adventure	4/18/2025	3	3	5
2Q25	WondLa	Kids & Family	Animated	4/25/2025	2	2	7
2Q25	Careme	Scripted Drama	French language	4/30/2025	1	1	8
2Q25	Long Way Home	Docuseries	Travel show	5/9/2025	4	4	7
2Q25	Murderbot	Scripted Comedy	Scripted scifi comedic thriller	5/16/2025	1	1	10
2Q25	Stick	Scripted Comedy	Golf comedy series	6/4/2025	1	1	10
2Q25	Not a Box	Kids & Family	Animated	6/13/2025	1	1	8
2Q25	The Buccaneers	Scripted Drama	Drama	6/18/2025	2	2	8
2Q25	Smoke	Scripted Drama	Drama	6/27/2025	1	1	9
3Q25							
3Q25	Foundation	Scripted Drama	Sci-Fi, Drama	7/11/2025	3	3	10
3Q25	The Wild Ones	Docuseries	Nature	7/11/2025	1	1	6
3Q25	Foundation	Scripted Drama	Sci-Fi, Drama	7/11/2025	3	3	10
3Q25	Acapulco	Scripted Comedy	Comedy	7/23/2025	4	4	10
3Q25	Chief of War	Scripted Drama	Historical	8/1/2025	1	1	9
3Q25	Stillwater	Kids & Family	Animated	8/1/2025	4	4	10
3Q25	Platonic	Scripted Comedy	Comedy	8/6/2025	2	2	10
3Q25	Invasion	Scripted Drama	Sci-Fi, Drama	8/22/2025	3	3	10
3Q25	KPOPPED	Docuseries	Reality, music show	8/29/2025	1	1	8
3Q25	Shape Island	Kids & Family	Animated	8/29/2025	2	2	8
3Q25	The Morning Show	Scripted Drama	Drama	9/17/2025	4	4	10
3Q25	The Reluctant Traveler with Eugene Levy	Docuseries	Travel show	9/19/2025	3	3	8
3Q25	Slow Horses	Scripted Drama	Thriller, Drama	9/24/2025	5	5	6
4Q25							
4Q25	The Sisters Grimm	Kids & Family	Animated	10/3/2025	1	1	6
4Q25	The Last Frontier	Scripted Drama	Thriller	10/10/2025	1	1	10
4Q25	Knife Edge: Chasing Michelin Stars	Docuseries	Cooking show	10/10/2025	1	1	8
4Q25	Loot	Scripted Comedy	Comedy	10/15/2025	3	3	10
4Q25	Down Cemetery Road	Scripted Drama	Thriller	10/29/2025	1	1	8
4Q25	Pluribus	Scripted Drama	Drama	11/7/2025	1	1	9
4Q25	Palm Royale	Scripted Comedy	Comedy	11/12/2025	2	2	10
4Q25	Prehistoric Planet: Ice Age	Docuseries	Nature	11/26/2025	1	1	5
4Q25	WondLa	Kids & Family	Animated	11/26/2025	3	3	6
4Q25	Born to be Wild	Docuseries	Nature	12/19/2025	1	1	6

Source: Company data, Goldman Sachs Global Investment Research

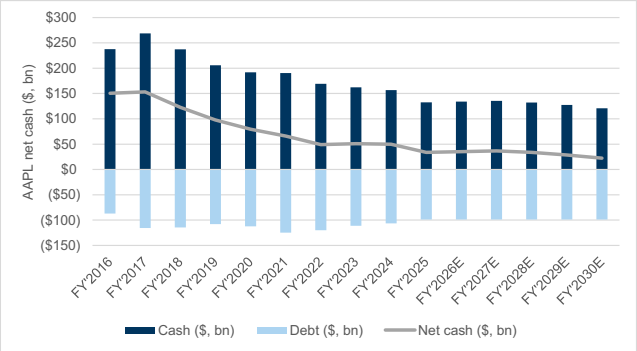
Forex, capital allocation, other

Exhibit 49: AAPL expects a slight foreign exchange tailwind in F4Q25, consistent with our estimates
Apple estimated forex impact v. reported forex impact to revenue



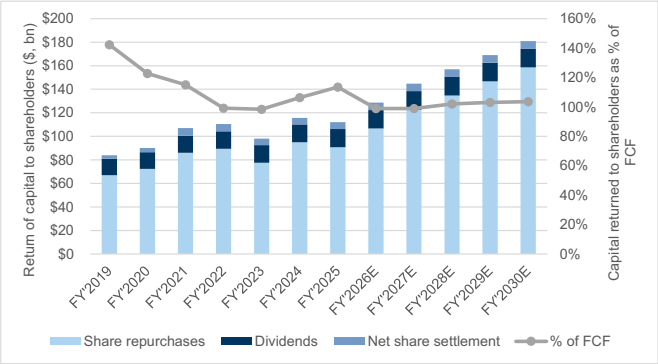
Source: FactSet, Company data, Goldman Sachs Global Investment Research

Exhibit 50: AAPL should continue to make progress toward getting to net cash neutral
AAPL cash, debt, and net cash ($, bn)



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 51: AAPL returned >$110 bn of capital back to shareholders in F2024, and we expect this to grow over time as shareholder capital returns scale with growing free cash flow
AAPL share repurchases and dividends ($, bn) and as a percentage of free cash flow (%)



Source: Company data, Goldman Sachs Global Investment Research

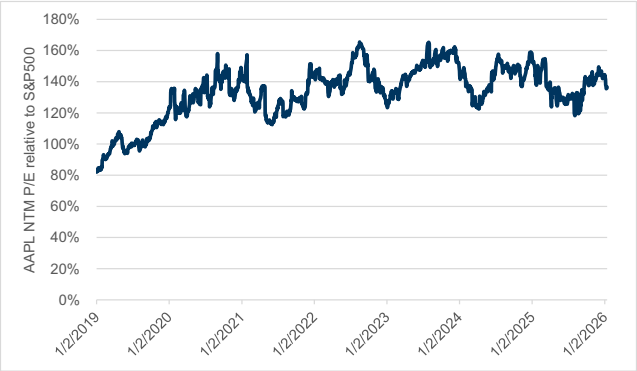
Stable earnings growth supports valuation premium

Exhibit 52: AAPL trades at ~31X NTM P/E v. 2020-25 average of ~28x
AAPL NTM P/E (consensus)

Priced as of 1/15/2026

Source: FactSet, Data compiled by Goldman Sachs Global Investment Research

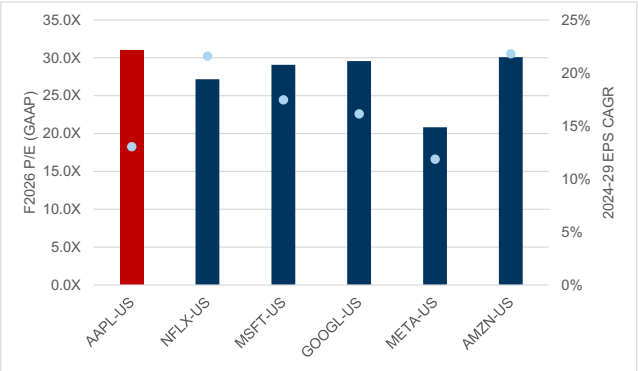
Exhibit 53: On a relative basis, AAPL trades at ~136% the S&P 500 NTM P/E, just below its 2020-25 average of 139%
AAPL NTM P/E relative to the S&P 500 NTM P/E (consensus)



Priced as of 1/15/26

Source: FactSet, Data compiled by Goldman Sachs Global Investment Research

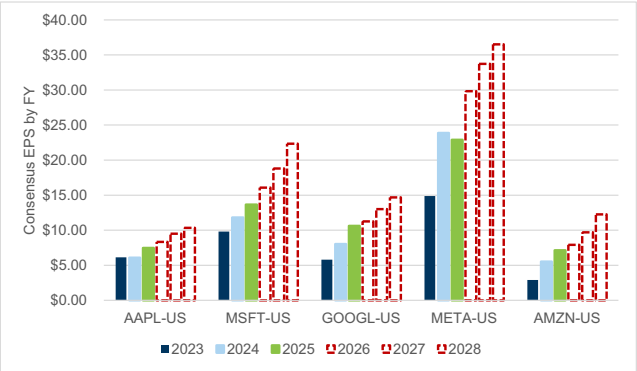
Exhibit 54: APPL trades in line with select large cap tech peers
AAPL F2026 P/E (GAAP) and F2024-29 EPS CAGR (consensus) v. select tech peers



Priced as of 1/15/26. AAPL EPS estimates are GSe.

Source: FactSet, Data compiled by Goldman Sachs Global Investment Research

Exhibit 55: AAPL has relatively stable earnings, in line with large cap tech peers
AAPL consensus EPS v. select tech peers



Priced as of 1/15/26. AAPL is GSe.

Source: FactSet, Data compiled by Goldman Sachs Global Investment Research

Exhibit 56: AAPL v. select comps in large cap tech, consumer brands, and payments
Apple vs select comparable companies

		Growth metrics				Valuation			
Ticker	F26 revenue ($, mn)	F26-29 revenue CAGR (3y)	F25-28 revenue CAGR (3y)	F26-29 EPS CAGR (3y)	F25-28 EPS CAGR (3y)	F26 P/E	F27 P/E	F26 FCF yield %	F27 FCF yield %
AAPL-US	$451,757	6%	7%	10%	11%	31.0X	27.1X	2.5%	3.4%
Large cap tech									
NFLX-US	$51,017	10%	11%	18%	21%	27.2X	22.4X	3.2%	3.9%
MSFT-US	$326,323	15%	16%	18%	18%	28.4X	24.3X	2.4%	3.0%
GOOGL-US	$456,579	12%	13%	15%	11%	29.6X	25.6X	1.7%	2.3%
META-US	$235,971	15%	16%	12%	17%	20.8X	18.4X	1.0%	1.5%
Consumer brands									
PG-US	$86,860	4%	3%	5%	4%	20.7X	19.7X	4.4%	4.6%
NKE-US	$48,579		8%		28%	27.6X	22.6X	2.9%	3.5%
DIS-US	$100,691	4%	5%	12%	12%	17.1X	15.4X	4.8%	5.5%
PEP-US	$96,979	4%	3%		5%	17.2X	16.2X		
LVMH	$82,499		5%		14%	26.4X	23.5X	3.9%	4.2%
HSY-US	$12,011	3%	3%	15%	13%	28.8X	25.0X	4.0%	5.2%
Platforms with competitive moats									
MA-US	$36,886	12%	12%	16%	16%	28.3X	24.4X	3.3%	4.0%
V-US	$44,459	9%	10%	10%	12%	25.6X	22.7X	4.1%	4.7%

As of 1/15/26; FactSet consensus estimates except for AAPL, which are GS estimates

Source: FactSet, Data compiled by Goldman Sachs Global Investment Research

Thesis summary, rating, price target, key risks

We are **Buy rated** on Apple with a 12-month target price of $320 (unchanged) reflecting 34X (v. 32X prior) our NTM+1Y EPS. We raise our multiple on long-term mix-shift towards higher-margin Services revenues along with sustained iPhone refresh demand.

Key risks include:

Weakening consumer demand for products and services. Apple's products and services are typically sold to consumers and any weakness in the macroeconomic environment could reduce demand for Apple products and services. Apple generated ~50% of its revenue from iPhones (F2025), which is highly dependent on purchases driven by upgrades. Lengthening replacement cycles due to macroeconomic headwinds, improved product durability, or lackluster product innovation could all negatively impact upgrade demand.

Supply chain disruption. Although Apple's suppliers have a global footprint, the majority of final assembly occurs in China. Increased geopolitical tension may result in disruptions to global trade including through tariffs. While Apple has a robust supply chain network, it may rely on one or a few key suppliers for unique or hard-to-manufacture at scale parts.

Intensifying competition. Apple competes across personal devices (e.g., handsets, tablets, PCs, headphones) and a variety of services (e.g., video streaming, app distribution, advertising, music streaming, online fitness, cloud storage, product warranties). Although Apple is the largest company and the most well resourced among its competitors, it is not the market leader in every single business line. For instance, in video streaming, it faces several key competitors that invest more heavily than Apple in content.

Regulatory risks. Apple is subject to intense regulatory scrutiny in all the major markets that it operates in. Regulatory intervention could result in weakening Apple's competitive advantages if it is forced to make its proprietary products or services available for competitors to use.

Capital allocation execution. Apple has a history of M&A, which has no guarantee of success. AAPL also has a history of share repurchases, which could prove to offer lower ROI or come under deeper regulatory scrutiny.

Thesis summary

Apple designs, manufactures, and markets personal technology devices and sells a variety of related services. Its long history and track record of **(1) designing category-defining and innovative products** (e.g., Mac, iPhone, iPad, Apple Watch, AirPods, iPod); **(2) protecting digital privacy**; and **(3) delivering premium services & experiences** have contributed to an unmatched brand strength. Apple's brand loyalty has resulted in a growing installed base of users that provide Apple with visibility into revenue growth by reducing customer churn, lowering customer acquisition costs for new product and services launches (e.g., Apple TV+, Apple Fitness, Apple Watch), and encouraging repeat purchases, such as phone upgrades.

We are Buy-rated on AAPL as we believe that the market's focus on slower product

revenue growth masks the strength of the Apple ecosystem and associated revenue durability & visibility. Apple's installed base growth, secular growth in services, and new product innovation should more than offset cyclical headwinds to product revenue, such as a reduced iPhone unit demand due to a lengthening replacement cycle and reduced consumer demand for the PC & tablet category. Valuation is attractive relative to AAPL's historical multiple – both on an absolute & relative basis – and compared to key tech peers. The majority of gross profit growth over the next 5-years should be driven by Services, which should mark an inflection point in the Services investment narrative and support AAPL's premium multiple. The durability of Apple's installed base and the resulting revenue growth visibility from attaching more Services and Products is what underpins the recurring revenue – or Apple-as-a-Service – opportunity.

Key risks to our view include weakening consumer demand, supply chain disruption, intensifying competition, regulatory risks, and capital allocation execution.

Estimate changes

We lower our F2026/27/28 EPS estimates by 3% on average to reflect expected updates to iPhone launch schedule and slight product gross margin headwinds from memory component cost increases.

Exhibit 57: AAPL estimate changes
$ millions, except per share data

	FY'2026E				FY'2027E				FY'2028E			
	Current	Prior	Δ ($, mn)	Δ (%)	Current	Prior	Δ ($, mn)	Δ (%)	Current	Prior	Δ ($, mn)	Δ (%)
Sales	451,757	455,134	(3,377)	-1%	491,452	500,278	(8,826)	-2%	513,826	520,675	(6,849)	-1%
Cost of sales	231,997	233,277	(1,280)	-1%	250,936	254,080	(3,144)	-1%	259,866	261,767	(1,901)	-1%
Gross profit	219,760	221,858	(2,098)	-1%	240,516	246,198	(5,683)	-2%	253,960	258,908	(4,948)	-2%
Research & development	43,014	43,014	0	0%	46,414	46,414	0	0%	49,814	49,814	0	0%
Selling, General & Administration	29,542	29,542	0	0%	30,342	30,342	0	0%	31,142	31,142	0	0%
Total operating expenses	72,556	72,556	0	0%	76,756	76,756	0	0%	80,956	80,956	0	0%
Operating income	147,204	149,302	(2,098)	-1%	163,760	169,442	(5,683)	-3%	173,004	177,952	(4,948)	-3%
Other income (expense), net	226	242	(17)	-7%	204	482	(278)	-58%	216	808	(592)	-73%
Earnings before tax	147,430	149,544	(2,114)	-1%	163,964	169,924	(5,960)	-4%	173,220	178,759	(5,539)	-3%
Tax	25,063	25,422	(359)	-1%	27,874	28,887	(1,013)	-4%	29,447	30,389	(942)	-3%
Net income - GAAP	122,367	124,122	(1,755)	-1%	136,090	141,037	(4,947)	-4%	143,773	148,370	(4,598)	-3%
Diluted EPS (GAAP)	**$8.34**	**$8.47**	**($0.13)**	**-2%**	**$9.51**	**$9.88**	**($0.37)**	**-4%**	**$10.34**	**$10.70**	**($0.36)**	**-3%**
Diluted shares	14,671	14,657	14	0%	14,309	14,274	35	0%	13,906	13,872	34	0%
EBITDA	160,877	162,981	(2,104)	-1%	179,236	185,055	(5,819)	-3%	190,244	195,437	(5,194)	-3%
iPhone	229,038	229,120	(83)	0%	250,112	257,683	(7,571)	-3%	254,991	262,828	(7,837)	-3%
Mac	34,547	33,988	559	2%	36,370	35,794	576	2%	38,585	37,974	611	2%
iPad	28,308	30,520	(2,213)	-7%	30,308	30,820	(513)	-2%	31,020	30,120	900	3%
Wearables, Home and Accessories	37,163	38,844	(1,680)	-4%	39,725	40,639	(914)	-2%	41,651	41,760	(108)	0%
Products	329,056	332,472	(3,416)	-1%	356,515	364,936	(8,420)	-2%	366,248	372,682	(6,434)	-2%
Services	122,702	122,663	39	0%	134,936	135,342	(406)	0%	147,578	147,993	(415)	0%
Total revenue	**451,757**	**455,134**	**(3,377)**	**-1%**	**491,452**	**500,278**	**(8,826)**	**-2%**	**513,826**	**520,675**	**(6,849)**	**-1%**
Products Gross Profit	127,158	129,285	(2,127)	-2%	138,545	143,921	(5,376)	-4%	142,288	146,922	(4,633)	-3%
Services Gross Profit	92,602	92,573	29	0%	101,971	102,278	(307)	0%	111,672	111,986	(314)	0%
Gross profit	**219,760**	**221,858**	**(2,098)**	**-1%**	**240,516**	**246,198**	**(5,683)**	**-2%**	**253,960**	**258,908**	**(4,948)**	**-2%**
Products gross margin (%)	38.6%	38.9%		(0.2%)	38.9%	39.4%		(0.6%)	38.9%	39.4%		(0.6%)
Services gross margin (%)	75.5%	75.5%		(0.0%)	75.6%	75.6%		(0.0%)	75.7%	75.7%		(0.0%)
Total Gross Margin (%)	**48.6%**	**48.7%**		**(0.1%)**	**48.9%**	**49.2%**		**(0.3%)**	**49.4%**	**49.7%**		**(0.3%)**

Source: Company data, Goldman Sachs Global Investment Research

Income statement

Exhibit 58: AAPL income statement

$ millions, except per-share data

Income statement ($, millions)	Q1'25 Dec-24	Q2'25 Mar-25	Q3'25 Jun-25	Q4'25 Sep-25	Q1'26E Dec-25	Q2'26E Mar-26	Q3'26E Jun-26	Q4'26E Sep-26	Q1'27E Dec-26	Q2'27E Mar-27	Q3'27E Jun-27	Q4'27E Sep-27	Q1'28E Dec-27	Q2'28E Mar-28	Q3'28E Jun-28	Q4'28E Sep-28
Sales	**124,300**	**95,359**	**94,036**	**102,466**	**137,392**	**104,431**	**99,384**	**110,549**	**146,268**	**116,089**	**111,359**	**117,736**	**151,278**	**123,356**	**116,979**	**122,213**
Cost of sales	66,025	50,492	50,318	54,125	71,847	53,119	50,603	56,427	74,755	59,529	56,991	59,662	76,598	62,819	59,265	61,185
Gross profit	**58,275**	**44,867**	**43,718**	**48,341**	**65,545**	**51,312**	**48,781**	**54,122**	**71,514**	**56,560**	**54,368**	**58,074**	**74,681**	**60,537**	**57,714**	**61,028**
Research & development	8,268	8,550	8,866	8,866	10,566	10,666	10,866	10,916	11,416	11,516	11,716	11,766	12,266	12,366	12,566	12,616
Selling, General & Administration	7,175	6,728	6,650	7,048	7,648	7,298	7,248	7,348	7,848	7,498	7,448	7,548	8,048	7,698	7,648	7,748
Total operating expenses	15,443	15,278	15,516	15,914	18,214	17,964	18,114	18,264	19,264	19,014	19,164	19,314	20,314	20,064	20,214	20,364
Operating income	**42,832**	**29,589**	**28,202**	**32,427**	**47,331**	**33,348**	**30,667**	**35,858**	**52,250**	**37,546**	**35,204**	**38,760**	**54,367**	**40,473**	**37,500**	**40,664**
Other income (expense), net	-248	-279	-171	377	150	54	35	-13	-8	80	89	43	5	73	98	40
Earnings before tax	**42,584**	**29,310**	**28,031**	**32,804**	**47,480**	**33,402**	**30,702**	**35,845**	**52,242**	**37,626**	**35,293**	**38,803**	**54,372**	**40,546**	**37,598**	**40,704**
Tax (Non-GAAP)	6,254	4,530	4,597	5,338	8,072	5,678	5,219	6,094	8,881	6,396	6,000	6,597	9,243	6,893	6,392	6,920
Tax rate	*14.7%*	*15.5%*	*16.4%*	*16.3%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*	*17.0%*
Net income (Non-GAAP)	**36,330**	**24,780**	**23,434**	**27,466**	**39,409**	**27,724**	**25,483**	**29,751**	**43,361**	**31,230**	**29,293**	**32,207**	**45,128**	**33,653**	**31,206**	**33,784**
Post-tax exceptionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income - GAAP	**36,330**	**24,780**	**23,434**	**27,466**	**39,409**	**27,724**	**25,483**	**29,751**	**43,361**	**31,230**	**29,293**	**32,207**	**45,128**	**33,653**	**31,206**	**33,784**
Basic EPS (Non-GAAP)	$2.41	$1.65	$1.57	$1.85	$2.67	$1.89	$1.75	$2.05	$3.01	$2.18	$2.06	$2.28	$3.22	$2.42	$2.26	$2.47
Diluted EPS (Non-GAAP)	**$2.40**	**$1.65**	**$1.57**	**$1.85**	**$2.66**	**$1.88**	**$1.74**	**$2.04**	**$3.00**	**$2.18**	**$2.05**	**$2.27**	**$3.21**	**$2.41**	**$2.25**	**$2.46**
Basic EPS (GAAP)	$2.41	$1.65	$1.57	$1.85	$2.67	$1.89	$1.75	$2.05	$3.01	$2.18	$2.06	$2.28	$3.22	$2.42	$2.26	$2.47
Diluted EPS (GAAP)	**$2.40**	**$1.65**	**$1.57**	**$1.85**	**$2.66**	**$1.88**	**$1.74**	**$2.04**	**$3.00**	**$2.18**	**$2.05**	**$2.27**	**$3.21**	**$2.41**	**$2.25**	**$2.46**
Basic shares	15,082	14,991	14,903	14,815	14,748	14,664	14,581	14,500	14,408	14,307	14,210	14,117	14,016	13,907	13,803	13,704
Diluted shares	15,151	15,056	14,948	14,864	14,796	14,712	14,629	14,548	14,457	14,355	14,258	14,165	14,064	13,955	13,852	13,752
Dividend per share	**$0.25**	**$0.25**	**$0.26**	**$0.26**	**$0.26**	**$0.26**	**$0.27**	**$0.27**	**$0.27**	**$0.27**	**$0.28**	**$0.28**	**$0.28**	**$0.28**	**$0.29**	**$0.29**

Year-over-year change (%)	Q1'25 Dec-24	Q2'25 Mar-25	Q3'25 Jun-25	Q4'25 Sep-25	Q1'26E Dec-25	Q2'26E Mar-26	Q3'26E Jun-26	Q4'26E Sep-26	Q1'27E Dec-26	Q2'27E Mar-27	Q3'27E Jun-27	Q4'27E Sep-27	Q1'28E Dec-27	Q2'28E Mar-28	Q3'28E Jun-28	Q4'28E Sep-28
Sales	**4%**	**5%**	**10%**	**8%**	**11%**	**10%**	**6%**	**8%**	**6%**	**11%**	**12%**	**7%**	**3%**	**6%**	**5%**	**4%**
Cost of sales	2%	4%	9%	6%	9%	5%	1%	4%	4%	12%	13%	6%	2%	6%	4%	3%
Gross profit	**6%**	**6%**	**10%**	**10%**	**12%**	**14%**	**12%**	**12%**	**9%**	**10%**	**11%**	**7%**	**4%**	**7%**	**6%**	**5%**
Research & development	7%	8%	11%	14%	28%	25%	23%	23%	8%	8%	8%	8%	7%	7%	7%	7%
Selling, General & Administration	6%	4%	5%	8%	7%	8%	9%	4%	3%	3%	3%	3%	3%	3%	3%	3%
Total operating expenses	**7%**	**6%**	**8%**	**11%**	**18%**	**18%**	**17%**	**15%**	**6%**	**6%**	**6%**	**6%**	**5%**	**6%**	**5%**	**5%**
Operating income	**6%**	**6%**	**11%**	**10%**	**11%**	**13%**	**9%**	**11%**	**10%**	**13%**	**15%**	**8%**	**4%**	**8%**	**7%**	**5%**
D&A	8%	-6%	-1%	7%	4%	28%	23%	14%	14%	13%	13%	13%	12%	11%	11%	11%
EBITDA	6%	5%	10%	9%	10%	14%	10%	11%	11%	13%	15%	9%	5%	8%	7%	5%
Earnings before tax	**6%**	**4%**	**10%**	**11%**	**11%**	**14%**	**10%**	**9%**	**10%**	**13%**	**15%**	**8%**	**4%**	**8%**	**7%**	**5%**
Net income (Non-GAAP)	**7%**	**5%**	**9%**	**10%**	**8%**	**12%**	**9%**	**8%**	**10%**	**13%**	**15%**	**8%**	**4%**	**8%**	**7%**	**5%**
Net income - GAAP	**7%**	**5%**	**9%**	**86%**	**8%**	**12%**	**9%**	**8%**	**10%**	**13%**	**15%**	**8%**	**4%**	**8%**	**7%**	**5%**
Basic EPS (Non-GAAP)	10%	8%	12%	13%	11%	14%	11%	11%	13%	15%	18%	11%	7%	11%	10%	8%
Diluted EPS (Non-GAAP)	**10%**	**8%**	**12%**	**13%**	**11%**	**14%**	**11%**	**11%**	**13%**	**15%**	**18%**	**11%**	**7%**	**11%**	**10%**	**8%**
Basic EPS (GAAP)	10%	8%	12%	91%	11%	14%	11%	11%	13%	15%	18%	11%	7%	11%	10%	8%
Diluted EPS (GAAP)	**10%**	**8%**	**12%**	**91%**	**11%**	**14%**	**11%**	**11%**	**13%**	**15%**	**18%**	**11%**	**7%**	**11%**	**10%**	**8%**
Basic shares	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-3%	-3%	-3%	-3%	-3%	-3%
Diluted shares	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-3%	-3%	-3%	-3%	-3%	-3%

% of revenue	Q1'25 Dec-24	Q2'25 Mar-25	Q3'25 Jun-25	Q4'25 Sep-25	Q1'26E Dec-25	Q2'26E Mar-26	Q3'26E Jun-26	Q4'26E Sep-26	Q1'27E Dec-26	Q2'27E Mar-27	Q3'27E Jun-27	Q4'27E Sep-27	Q1'28E Dec-27	Q2'28E Mar-28	Q3'28E Jun-28	Q4'28E Sep-28
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	53.1%	52.9%	53.5%	52.8%	52.3%	50.9%	50.9%	51.0%	51.1%	51.3%	51.2%	50.7%	50.6%	50.9%	50.7%	50.1%
Gross profit	**46.9%**	**47.1%**	**46.5%**	**47.2%**	**47.7%**	**49.1%**	**49.1%**	**49.0%**	**48.9%**	**48.7%**	**48.8%**	**49.3%**	**49.4%**	**49.1%**	**49.3%**	**49.9%**
Research & development	6.7%	9.0%	9.4%	8.7%	7.7%	10.2%	10.9%	9.9%	7.8%	9.9%	10.5%	10.0%	8.1%	10.0%	10.7%	10.3%
Selling, General & Administration	5.8%	7.1%	7.1%	6.9%	5.6%	7.0%	7.3%	6.6%	5.4%	6.5%	6.7%	6.4%	5.3%	6.2%	6.5%	6.3%
Total operating expenses	12.4%	16.0%	16.5%	15.5%	13.3%	17.2%	18.2%	16.5%	13.2%	16.4%	17.2%	16.4%	13.4%	16.3%	17.3%	16.7%
Operating income	**34.5%**	**31.0%**	**30.0%**	**31.6%**	**34.4%**	**31.9%**	**30.9%**	**32.4%**	**35.7%**	**32.3%**	**31.6%**	**32.9%**	**35.9%**	**32.8%**	**32.1%**	**33.3%**
D&A	2.5%	2.8%	3.0%	3.1%	2.3%	3.3%	3.5%	3.2%	2.5%	3.3%	3.5%	3.4%	2.7%	3.5%	3.7%	3.6%
EBITDA	36.9%	33.8%	33.0%	34.7%	36.8%	35.2%	34.4%	35.7%	38.2%	35.7%	35.2%	36.3%	38.7%	36.3%	35.8%	36.9%
Earnings before tax	**34.3%**	**30.7%**	**29.8%**	**32.0%**	**34.6%**	**32.0%**	**30.9%**	**32.4%**	**35.7%**	**32.4%**	**31.7%**	**33.0%**	**35.9%**	**32.9%**	**32.1%**	**33.3%**
Net income (Non-GAAP)	**29.2%**	**26.0%**	**24.9%**	**26.8%**	**28.7%**	**26.5%**	**25.6%**	**26.9%**	**29.6%**	**26.9%**	**26.3%**	**27.4%**	**29.8%**	**27.3%**	**26.7%**	**27.6%**
Net income - GAAP	**29.2%**	**26.0%**	**24.9%**	**26.8%**	**28.7%**	**26.5%**	**25.6%**	**26.9%**	**29.6%**	**26.9%**	**26.3%**	**27.4%**	**29.8%**	**27.3%**	**26.7%**	**27.6%**

Source: Company data, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

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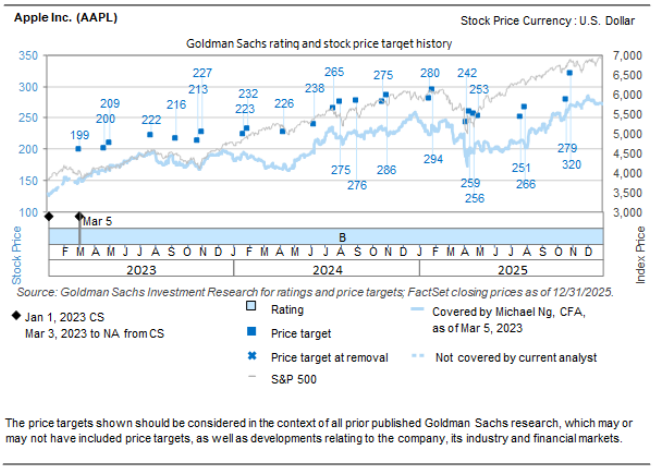

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