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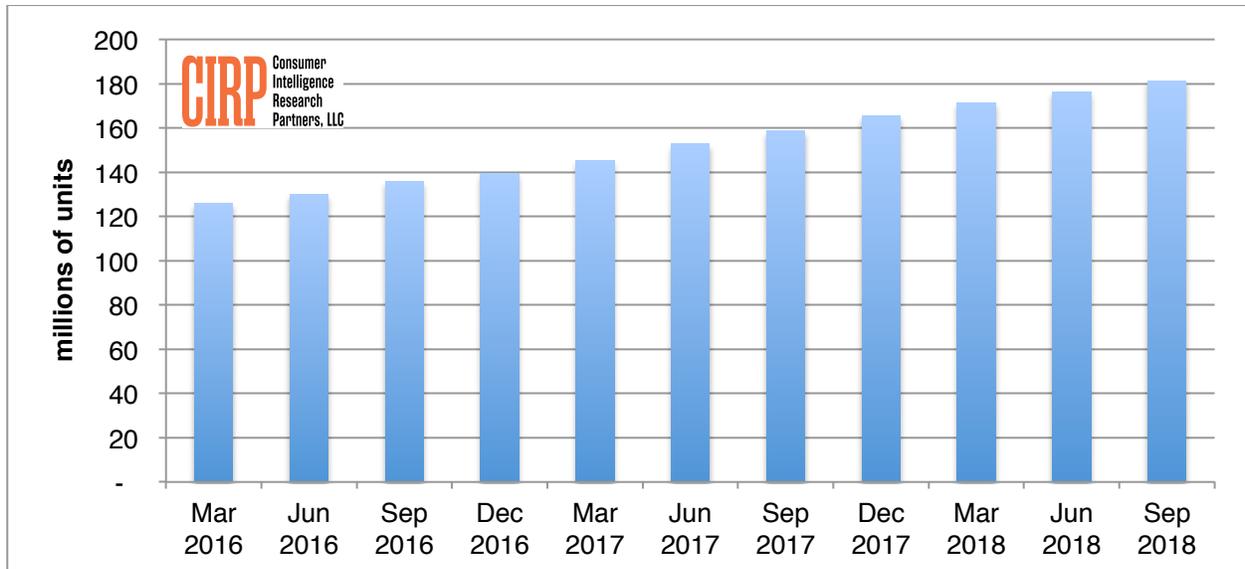
iPhone US Installed Base Levels Off

75 Million Older iPhones Provide Attractive Upgrade Target

CHICAGO, IL – Thursday, November 8, 2018 - Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) for the fiscal quarter that ended September 29, 2018.

CIRP analysis indicates that the iPhone US installed base reached 181 million units as of September 29, 2018, compared to 176 million units as of the end of the June 2018 quarter and 159 million units as of the end of the September 2017 quarter (Chart 1).

Chart 1: US Installed Based of iPhones



As of September 29, 2018 the installed base grew 3% relative to the June 2018 quarter and 14% relative to the September 2017 quarter. For comparison, one year ago, the iPhone US installed base grew 4% over the prior quarter and 17% over the prior year.

“The installed base of iPhone owners in he US is leveling off, and grows at a steady but historically slow rate,” said Josh Lowitz, CIRP Partner and Co-Founder. “This should not

come as a surprise, as Apple captured a sizable and stable share of a smartphone market that definitely matured. And, 181 million active smartphones users give the company a significant platform for the emerging strategy of selling more to that installed base. This will include promoting two revenue segments that Apple breaks out, Services and Other Products, which Apple just renamed Wearables, Home, and Accessories.”

Within the installed base, the newest iPhone models (XS, XS Max, 8, 8 Plus and X) models account for 45 million units, or 25% of the total US installed base. This includes 2 million iPhone XS and XS Max units sold in the last ten days of the quarter. The oldest iPhone models (6S, 6S Plus, and prior) account for 75 million, or 41% of the total US installed base.

“Within the installed base, we see 75 million iPhones owners with models that were originally released three years ago or earlier,” said Mike Levin, Partner and Co-Founder of CIRP. “These phones reflect the huge impact of the iPhone 6 and 6 Plus, which at the time represented the first new form factor in four years. This base also includes iPhone 6S and 6S Plus, which have been around for three years. Apple appears to want upgrades to iPhone XR, with a mass-appeal middle size and features that are similar to the newest XS and XS Max, but at the historic flagship price point. We can envision an upgrade cycle similar to the new iPhone 6 and 6 Plus, when more than half of the installed base upgraded within a year.”

CIRP bases its findings on its survey of 500 US Apple customers, surveyed from October 1-10, 2018 that purchased an iPhone, iPad, or Mac in the US in July-September 2018 period. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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