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FOR IMMEDIATE RELEASE

Apple Bursts from COVID-19 Pandemic

New Report Analyzes June 2021 Quarter

CHICAGO, IL – Thursday, July 15, 2021: Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) for the third fiscal quarter of 2021.

CIRP finds that the four new iPhone 12 models (12, 12 Pro, 12 Pro Max, and 12 mini) accounted for 63% of US iPhone sales in the quarter. Please see the CIRP Investor Commentary, “Apple Bursts from COVID-19 Pandemic”.

“Apple did very well as it emerged from the COVID-19 pandemic,” said Josh Lowitz, CIRP Partner and Co-Founder. “Increased consumer spending correlated with consumers shifting to more expensive iPhone models as they retired older phones and shopped more at Apple’s own retail locations to buy those iPhones. As a consequence, we estimate that US-WARP, the analogue to Average Selling Price that Apple no longer discloses, rose in the quarter.”

“For the first time in many quarters, consumers traded in somewhat newer phones,” said Mike Levin, CIRP Partner and Co-Founder. “We ask consumers about the age of their previous phone, and in the quarter, we saw the share of phones that were three years old or greater decrease. In the quarter, it looks like iPhone buyers traded in fewer older phones and opted for more expensive iPhone models as they upgraded.”

CIRP bases its findings on its survey of 500 US Apple customers that purchased an iPhone, iPad, Mac computer, or Apple Watch in the April-June 2021 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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Apple, Inc.

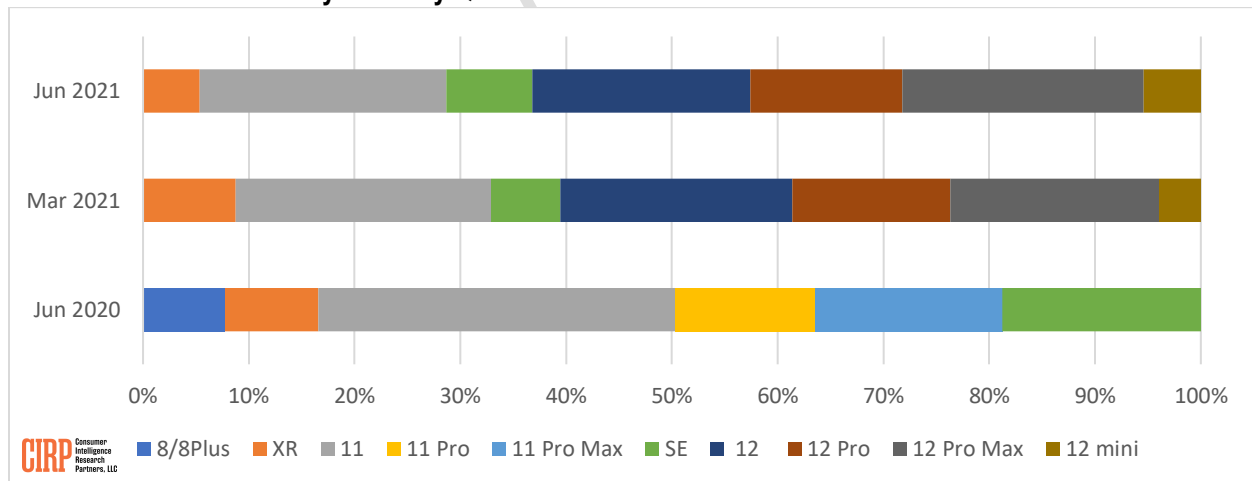
Apple Bursts from COVID-19 Pandemic

In the June 2021 quarter, in the US, Apple began to emerge from the COVID-19 pandemic:

- iPhone sales shifted to more expensive models, increasing US-WARP;
- Consumers traded-in newer phones, as the age of their old phone decreased materially for the first time in four years;
- Apple's retail sales business (physical stores and Internet) almost doubled its share of iPhone sales.

The four iPhone 12 models together had 63% of total US sales, including iPhone 12, 12 Pro, 12 Pro Max, and 12 mini (Table 1). One year ago, the three iPhone 11 models, including iPhone 11, 11 Pro, and 11 Pro Max, had 65% of total US sales.

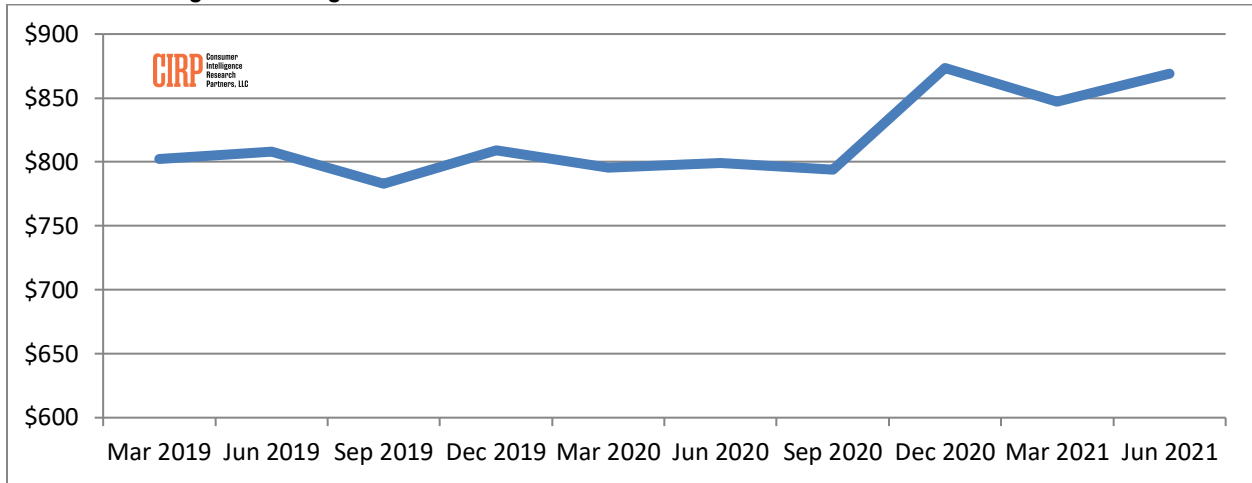
Chart 1: iPhone Purchase by Model by Quarter



Among all individual models, the new iPhone 12 Pro Max and year-old iPhone 11 had the largest share of any single model, each at 23%. iPhone 12 mini and iPhone XR had the smallest share, each at 5%.

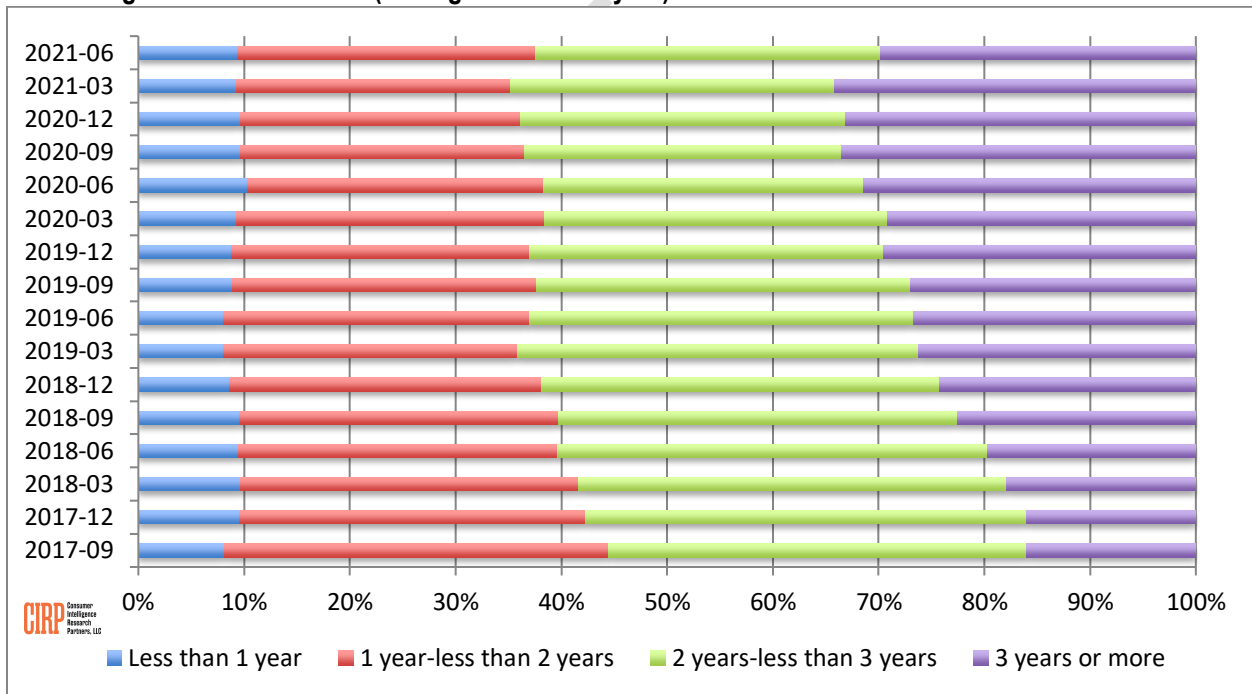
The shift to more expensive models, in particular to iPhone 12 Pro Max, helped increase US Weighted Average Retail Price (US-WARP) to \$869 in the June 2021 quarter, up slightly compared to the March 2021 quarter and considerably higher than the year-ago June 2020 quarter (Chart 2).

Chart 2: US-Weighted Average Retail Price




Overall, while iPhone buyers keep their previous phone for an increasingly longer period of time, in the twelve months ending with the June 2021 quarter the age of retired phones decreased. In the June 2021 quarter, 37% of buyers had their previous phone for 2 years or less, while 30% of buyers had their previous phone for 3 years or more (Chart 3). In contrast, in the twelve months ending with the March 2021 quarter, 35% of buyers had their previous phone for 2 years or less, while 34% of buyers had their previous phone for 3 years or more.

Chart 3: Age of Previous Phone (trailing 12-month buyers)



Apple also experienced a significant increase in sales through its retail operation, including both physical stores and online. In the June 2021 quarter, 27% of US iPhone sales went through Apple retail, compared to a previous high share of 21% in September 2020 (Table 4).

Table 4: iPhone Purchase by Outlet, by quarter

 Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021
Apple	16%	21%	18%	27%
Best Buy	4%	4%	4%	2%
carrier	77%	71%	74%	66%
other	3%	4%	4%	5%
total	100%	100%	100%	100%

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