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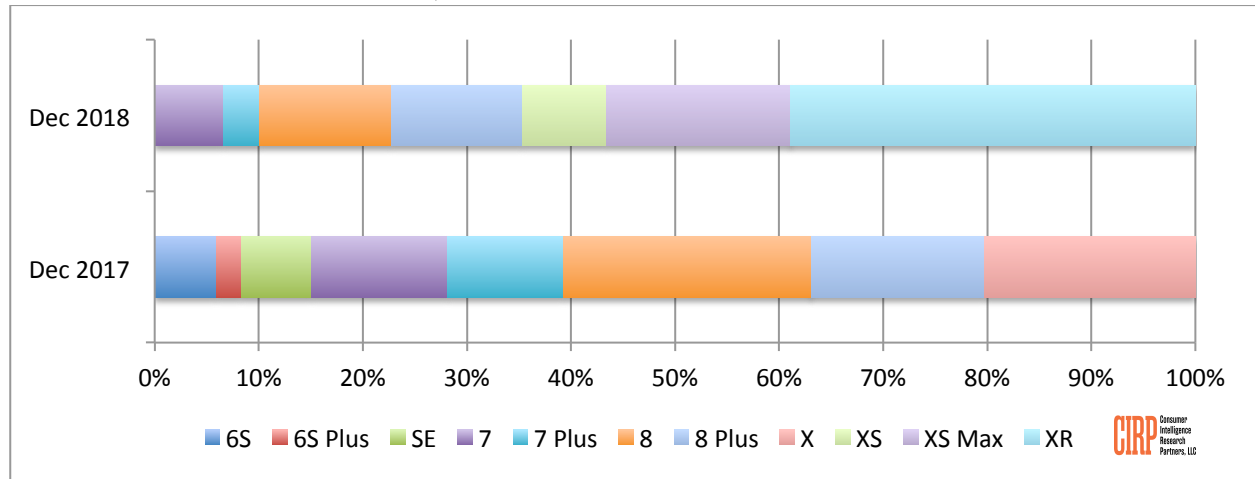
iPhone XR Biggest Selling Model in US

Increased Storage Upgrades Should Raise ASP

CHICAGO, IL – Thursday, January 24, 2019: 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 December 29, 2018.

CIRP finds that the new iPhone XS and XS Max models accounted for 26% of US iPhone sales in Apple’s first fiscal quarter. iPhone XR, though not released until October 26, 2018, accounted for 39% of sales for the entire quarter (Chart 1).

Chart 1: iPhone Models US Sales Mix, Fiscal Quarters

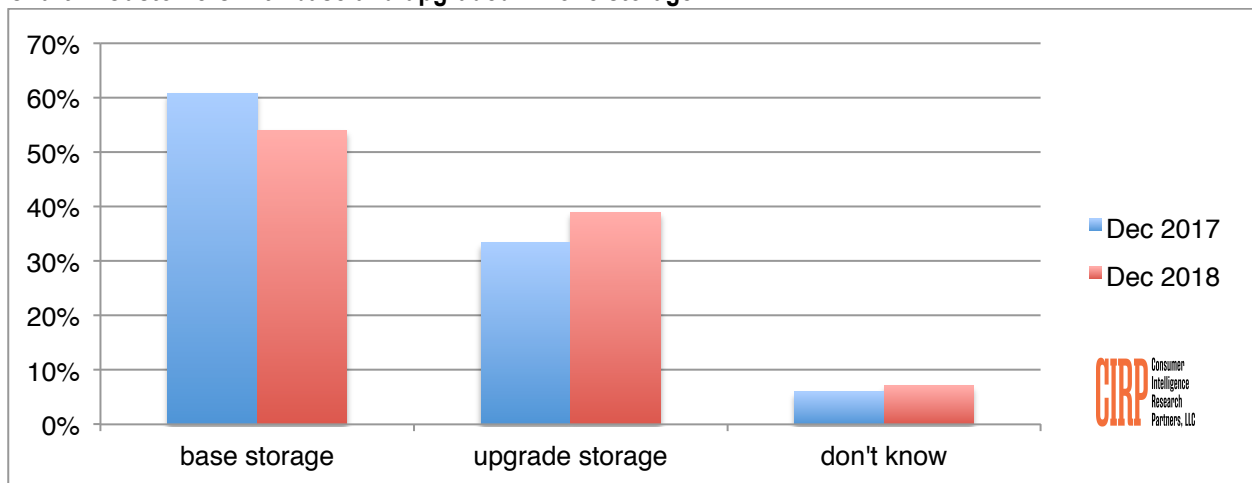


“With all three new iPhone models available for most of the quarter, we have a clearer picture of their relative sales,” said Josh Lowitz, CIRP Partner and Co-Founder. “The three new models made up 65% of sales, compared to 61% for the iPhone 8, 8 Plus, and X a year ago. The mix among the new phones is interesting, however. The single iPhone XR model almost matched the combined iPhone 8 and 8 Plus in the same quarter last year. iPhone XR also had the largest quarterly share for a single model, at 39%, in the past couple of years, since the then-new iPhone 7 in December 2016, even though it was available only for part of the quarter. iPhone XS and XS Max together

accounted for 26% of iPhone sales, with the Max model outselling the standard-sized XS model by a more than two-to-one ratio.”

Upgrades from base storage to larger storage improved in the December 2018 quarter (Chart 2).

Chart 2: Customers with base and upgraded iPhone storage



“Since the first iPhone, Apple has offered upgraded storage as an option,” said Mike Levin, CIRP Partner and Co-Founder. “For many years each additional storage level carried a \$100 premium. Now iPhone prices increase from \$50 to \$200 for incremental storage, depending on the phone model and the size of the boost in storage. The percentage of iPhone buyers who paid up for increased storage grew to 38% this quarter from 33% in the year ago quarter. Based on the elevated pricing associated with larger storage, as well as the model mix sold in the quarter, we estimate Apple increased its ASP to well over \$800.”

CIRP bases its findings on its survey of 500 US Apple customers that purchased an iPhone, iPad, Mac computer, or Apple Watch in the October-December 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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