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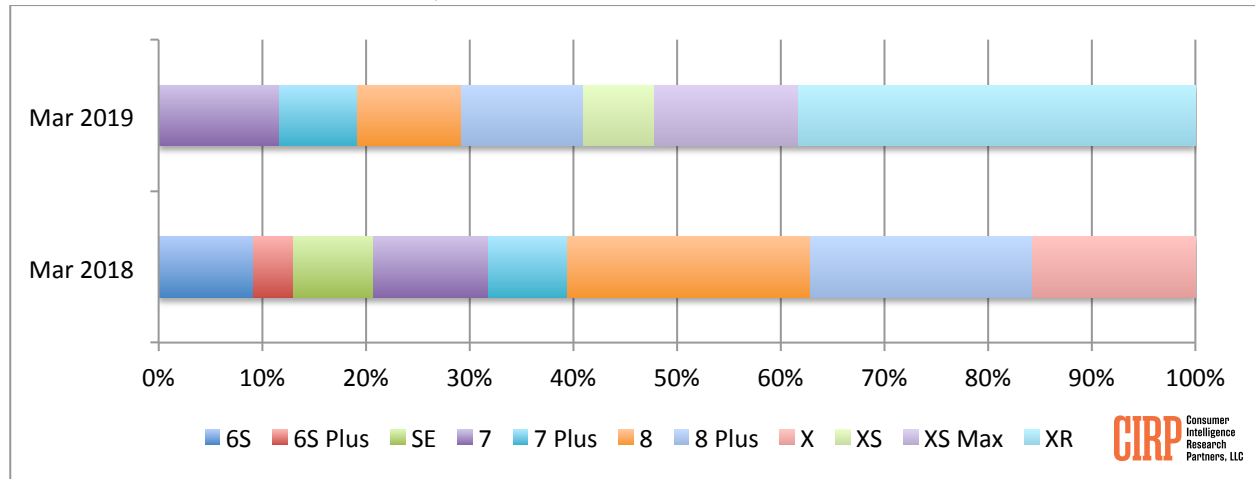
New Phones Reflect Earlier Trends, ASP Declines

Services Show Uneven Penetration as Competitors Fight for Share

CHICAGO, IL – Wednesday, April 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 March 30, 2019.

CIRP finds that the new iPhone XS, XS Max, and XR models accounted for 59% of US iPhone sales in Apple’s second fiscal quarter. iPhone XR accounted for 38% of US iPhone sales during the quarter (Chart 1).

Chart 1: iPhone Models US Sales Mix, Fiscal Quarters

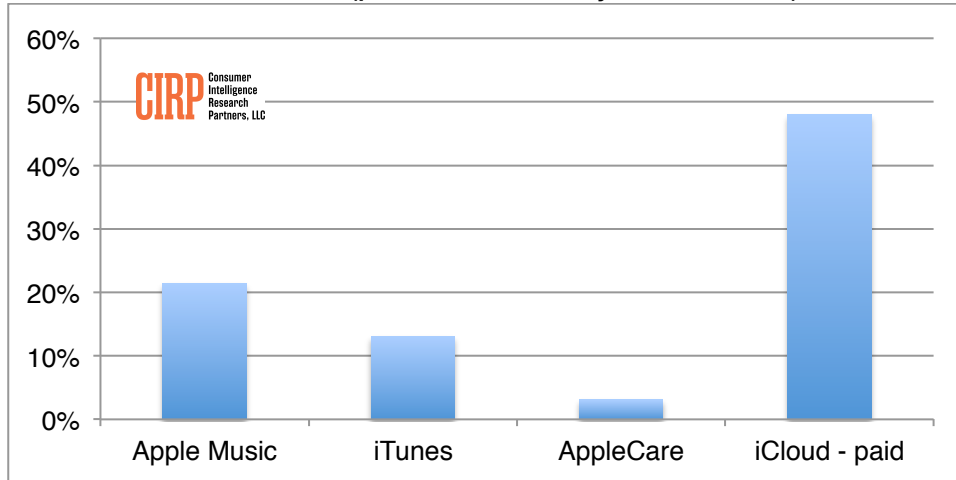


“iPhone XR continues to dominate US iPhone sales,” said Josh Lowitz, CIRP Partner and Co-Founder. “It remains the best-selling individual model again this quarter, after launch early in the December 2018 quarter. In the US, the newest iPhone models sold about as well as the newest models a year ago, at about 60% of total sales. Based on these trends, we estimate an Average Selling Price of around \$800, a decrease from the previous quarter.”

Apple services penetration in the US market varies considerably. Among US iPhone buyers in the quarter, 48% use paid iCloud storage, while 3% purchase an AppleCare

warranty. 21% of iPhone buyers use the Apple Music streaming service, and 13% use the legacy iTunes music service (Chart 2).

Chart 2: Services Penetration (percent of iPhone buyers with service)



“As Apple begins to emphasize and promote services, the results are highly uneven,” said Mike Levin, CIRP Partner and Co-Founder. “Among the services that we track, iCloud paid storage has the highest penetration, which makes sense given how easily it integrates with Apple devices, and that it solves a common storage problem at a modest cost. On the other hand, Apple Care warranties sell poorly, in light of the intense competition from mobile phone carriers, retailers, and other warranty providers. Apple also confronts similar competition in music, with Spotify, Amazon, Pandora, and others fighting for Apple Music streaming subscribers.”

CIRP bases its findings on its survey of 500 US Apple customers that purchased an iPhone, iPad, Mac computer, or Apple Watch in the January-March 2019 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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