

Apple rings in strong double-digit growth to hit record India revenue

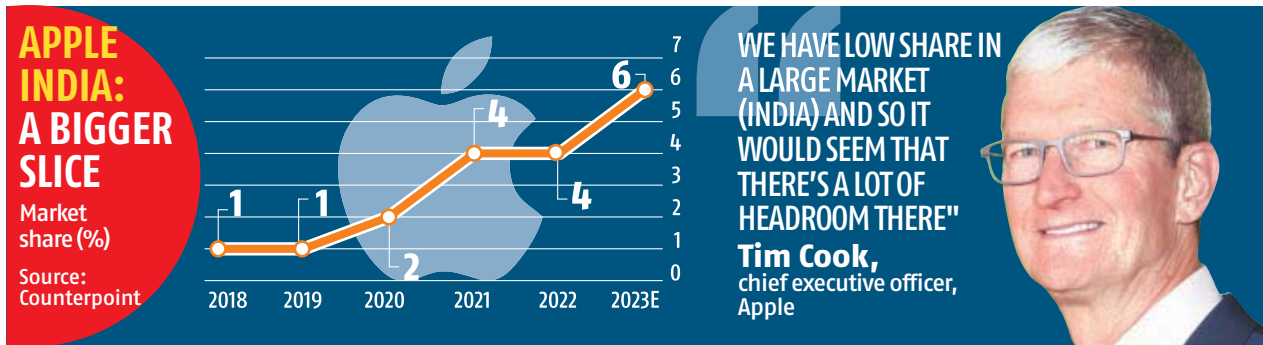
ARYAMAN GUPTA

New Delhi, 3 November

Apple has set the tone for Diwali with its announcement of record India revenues during the September-ending quarter. In an earnings call with analysts early morning (India time) on Friday, Apple chief executive officer Tim Cook said revenue from the company's India business grew in double digits year-on-year (Y-o-Y) to set an all-time record in the fourth quarter of FY23.

Cupertino-based Apple, which typically starts its financial year on the last Sunday of September, has attributed the record India revenues to robust iPhone sales.

"We had an all-time revenue record in India, we grew very strong double digits. It's an incredibly exciting market for us and a major focus of ours. We have low share in a large market and so it would seem that



there's a lot of headroom there," said Cook.

Analysts sounded enthused with the India performance. "In 2019, Apple's market share in India was barely one per cent. In 2023, we expect the company's market share to reach 6 per cent in terms of volume. In terms of value, Apple will be in the top two," said Prachir Singh, senior

analyst, Counterpoint Research.

Faisal Kawoosa, founder and chief analyst, Techarc, explained the trend in the context of Apple's product revenues declining and services revenues increasing. "Most of the company's product revenue growth will come from emerging markets like India."

Apple posted an overall quarterly revenue of \$89.5 billion, down 1 per cent Y-o-Y, and quarterly earnings per diluted share of \$1.46, up 13 per cent Y-o-Y. Apple also achieved an all-time revenue record in 'services' during the September quarter. During the analyst call, Luca Maestri, senior vice president and chief financial

officer, Apple, said the company reached a September quarter record on iPhone, driven by the strength in emerging markets.

About the company's recently launched retail stores in India, one in Mumbai's Bandra Kurla Complex and the second in New Delhi's Saket, Cook said they were doing well.

"We see an extraordinary market (in India)—a lot of people moving into the middle class...Lots of positives, we put two retail stores there and they are doing better than we anticipated — it's still early going but they are off to a good start and I couldn't be happier with how things are going at the moment," he said.

Besides India, the company achieved September quarter record in several countries, "including Brazil, Canada, France, Indonesia, Mexico, the Philippines, Saudi Arabia, Turkey, the UAE, Vietnam and more." Turn to Page 6 ▶

iPhone hack alerts: Big Tech has same policy

Apple has been in the headlines for its notification to 20 Opposition leaders and journalists that their phones might have been the targets of a 'government-sponsored' attack but a similar policy is also followed by Google, Meta and Microsoft. In meetings with officials of the tech giants over the past few days, the government has been told by stakeholders that all big tech companies protect their users against possible state-sponsored cyber attacks. **P16** ▶



Apple...

The iPhone revenue was \$43.8 billion, up 3 per cent YoY and a new September quarter record.

Apple is, however, not expected to keep up its growth momentum in India. Analysts say that due to the introduction of better specifications like 5G in more affordable offerings, the wave of premiumisation in the smartphone market is expected to taper, taking away from Apple's momentum.

“This year, due to the trend of premiumisation, we saw unprecedented growth for iPhones and other premium brands. But we do not expect this trend to continue with the same rigour in the next few years,” said Kawoosa. Apple's market share might touch 7 per cent this year but this should settle at around 6 per cent by the next year, he said.