Goldman Sachs Research

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Apple Inc. (AAPL): WWDC 2026 review: Siri AI beta this Fall with monetization via iCloud+ and product refresh

Michael Ng, CFA
+1(212)902-8618 | michael.ng@gs.com
Goldman Sachs & Co. LLC

Zorayda Montemayor
+1(212)357-6403 |
zorayda.montemayor@gs.com
Goldman Sachs & Co. LLC

Katherine Murphy
+1(212)902-1151 |
katherine.a.murphy@gs.com
Goldman Sachs & Co. LLC

We attended AAPL's WWDC keynote and investor event at Apple Park in Cupertino, CA on June 8th, where the company announced key features for iOS 27, Apple Intelligence, and Siri AI. AAPL was down 1% on the day, in line with AAPL's average day-of WWDC performance, with announcements around Apple Intelligence & Siri AI largely in line with expectations. We viewed the announcements as positive with visibility into Siri AI timing, confidence in the completeness of features, and early signs of monetization through iCloud+ subscriptions and product refresh.

First, Siri AI will be available in beta this fall in English. The keynote and follow-up presentations that we attended were notable in that Siri AI demonstrations all appeared to be utilizing real features (e.g., the presentation we attended included a live demo), suggesting to us that Siri AI features are largely complete and likely will hit key timelines. Second, rate limits should drive monetization opportunities. Some features, including image generation, have daily usage limits because they rely on powerful server models. Users will be able to get increased access through most iCloud+ subscription plans, which should drive direct monetization for Apple Intelligence. Third, the most advanced AI features announced today will require 12GB memory, driving a refresh opportunity. Features including expressive voices and more advanced dictation will require 12GB memory which is included in iPhone Air, iPhone 17 Pro, iPhone 17 Pro Max, iPad (M4), and select Mac (M3). We think that will help drive a multi-year product refresh cycle, particularly as AI features continue to improve and demand compounds.

Over time, we view that continued iteration of integrated AI feature releases should (a) support longer-term demand for product offerings via installed base growth and (b) support longer-term Services growth via monetization of new first-party and third-party apps as well as greater iCloud storage demand with greater personal data & content created with AI features.

- **Siri AI & iOS 27 Fall 2026 launch details**: iOS 27 will be available in the fall for iPhone 11 and later, with Apple Intelligence available for iPhones 15 Pro/Pro Max and later. Siri AI will be available in beta later this year for users with devices set to English, with support for additional languages expanding over time. Apple noted that Siri AI availability for iOS 27 & iPadOS27 will be delayed in the EU due to the Digital Markets App (DMA). Additionally, Siri AI & other new Apple Intelligence features should be delayed in China as Apple works through regulatory requirements. Separately, AAPL's most powerful on-device AI model and its features (e.g., expressive Siri AI voice, advanced dictation) will be only be available for devices with at least 12 GB of unified memory including the iPhone 17 Pro/Pro Max, iPhone Air, iPads M4 & later, and Macs M3 or later.

- **Siri AI features in line with expectations:** First, Siri AI will have greater personal context awareness as it draws from on-screen and historical personal data across first-party apps (e.g., Photos, Messages, Mail, Music), third party apps, the web, and Visual Intelligence (via device camera) to inform its answers & action execution for queries & requests. Second, Siri AI will allow users to personalize Siri's voice for pace, as well as expressivity (for devices with at least 12 GB of unified memory). Third, Siri AI will have a dedicated app from which users can recall and continue prior conversations. Fourth, Apple demonstrated Siri AI's ability to engage across a user's complete device ecosystem (e.g., Visual Intelligence identifying nutrition facts for food captured on-camera, splitting bills via receipts, creating an event from a flyer to the Calendar app, identifying the location of a photo posted on social media).
- **New Apple Intelligence features for iOS27 announced, also as expected per our WWDC preview:** First, Safari will use Apple Intelligence to (a) create tab groups by topic, (b) monitor and set alerts for changes on internet pages a user wants to track, and (c) create custom extensions via description. Second, Apple Intelligence will introduce suggested actions across apps (e.g., add details from Messages to Reminders, updating meeting details on calendar invite by event description). Third, Apple Intelligence will introduce new photo editing features including (a) the Extend tool (to expand images) and (b) the Reframe tool (to shift the perspective of the camera.
- **Platform improvements to personalize design and improve performance.** First, iOS 27 will allow users to adjust the strength of the Liquid Glass display (ultra clear to fully tinted). Second, through improved CPU scheduling, iOS 27 should improve performance across Apple products (e.g,. Apps launching more quickly, faster AirDrop, more seamless transitions from cellular to WiFi networks). Third, users will be able to include Android users within iCloud Shared albums.

Apple Inc (AAPL, Buy)

We are **Buy rated** on Apple with a **12-month target price of $340** (unchanged) reflecting 34X (unchanged) our NTM+1Y EPS.

Key risks include:

Weakening consumer demand for products and services. Apple's products and services are typically sold to consumers and any weakness in the macroeconomic environment could reduce demand for Apple products and services. Apple generated ~50% of its revenue from iPhones (F2025), which is highly dependent on purchases driven by upgrades. Lengthening replacement cycles due to macroeconomic headwinds, improved product durability, or lackluster product innovation could all negatively impact upgrade demand.

Supply chain disruption. Although Apple's suppliers have a global footprint, the majority of final assembly occurs in China. Increased geopolitical tension may result in disruptions to global trade including through tariffs. While Apple has a robust supply chain network, it may rely on one or a few key suppliers for unique or hard-to-manufacture at scale parts.

Intensifying competition. Apple competes across personal devices (e.g., handsets, tablets, PCs, headphones) and a variety of services (e.g., video streaming, app distribution, advertising, music streaming, online fitness, cloud storage, product warranties). Although Apple is the largest company and the most well resourced among its competitors, it is not the market leader in every single business line. For instance, in video streaming, it faces several key competitors that invest more heavily than Apple in content.

Regulatory risks. Apple is subject to intense regulatory scrutiny in all the major markets that it operates in. Regulatory intervention could result in weakening Apple's competitive advantages if it is forced to make its proprietary products or services available for competitors to use.

Capital allocation execution. Apple has a history of M&A, which has no guarantee of success. AAPL also has a history of share repurchases, which could prove to offer lower ROI or come under deeper regulatory scrutiny.

Apple designs, manufactures, and markets personal technology devices and sells a variety of related services. Its long history and track record of **(1) designing category-defining and innovative products** (e.g., Mac, iPhone, iPad, Apple Watch, AirPods, iPod); **(2) protecting digital privacy**; and **(3) delivering premium services & experiences** have contributed to an unmatched brand strength. Apple's brand loyalty has resulted in a growing installed base of users that provide Apple with visibility into revenue growth by reducing customer churn, lowering customer acquisition costs for new product and services launches (e.g., Apple TV+, Apple Fitness, Apple Watch), and encouraging repeat purchases, such as phone upgrades.

We are Buy rated on AAPL, as we believe that the market's focus on slower product revenue growth masks the strength of the Apple ecosystem and associated revenue durability & visibility. Apple's installed base growth, secular growth in services, and new product innovation should more than offset cyclical headwinds to product revenue, such as a reduced iPhone unit demand due to a lengthening replacement cycle and reduced consumer demand for the PC & tablet category. Valuation is attractive relative to AAPL's historical multiple – both on an absolute & relative basis – and compared to key tech peers. The majority of gross profit growth over the next 5-years should be driven by Services, which should mark an inflection point in the Services investment narrative and support AAPL's premium multiple. The durability of Apple's installed base and the resulting revenue growth visibility from attaching more Services and Products is what underpins the recurring revenue – or Apple-as-a-Service – opportunity.

Key risks to our view include weakening consumer demand, supply chain disruption, intensifying competition, regulatory risks, and capital allocation execution.

AAPL	12m Price Target: **$340.00**	Price: **$301.54**	Upside: **12.8%**

Buy

Market cap: $4.4tr
Enterprise value: $4.4tr
3m ADTV: $12.6bn
United States
Americas Hardware, Media, Cable, Telco
M&A Rank: 3

GS Forecast

	9/25	9/26E	9/27E	9/28E
Revenue ($ mn)	416,161.0	479,404.1	505,780.7	531,096.8
EBITDA ($ mn)	144,748.0	170,570.6	179,923.8	188,036.6
EBIT ($ mn)	133,050.0	156,951.0	164,485.9	170,705.4
EPS ($)	7.46	8.86	9.50	10.10
P/E (X)	30.0	34.0	31.7	29.8
EV/EBITDA (X)	22.9	25.5	23.7	22.1
FCF yield (%)	3.0	3.3	3.4	3.7
Dividend yield (%)	0.5	0.4	0.4	0.4
Net debt/EBITDA (X)	(0.2)	(0.4)	(0.4)	(0.5)

	3/26	6/26E	9/26E	12/26E
EPS ($)	2.01	1.93	2.07	2.90

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 8 Jun 2026 close.