First Read

Apple Inc.

China iPhone "sell-in" recovers in June. Est +5% for the June-qtr

Equities

United States
Computers

12-month rating	**Neutral**
12m price target	**US$296.00**
Price (28 Jul 2026)	**US$340.08**

RIC: AAPL.O **BBG:** AAPL US

Trading data and key metrics

52-wk range	US$340.08-202.38
Market cap.	US$4,990b
Shares o/s	14,673m (COM)
Free float	100%
Avg. daily volume ('000)	55,486
Avg. daily value (m)	US$16,726.4
Common s/h equity (09/26E)	US$121b
P/BV (09/26E)	41.1x
Net debt to EBITDA (09/26E)	0.0x

EPS (UBS, diluted) (USD)

	09/26E	
	UBS	**Cons.**
Q1	2.84	2.84
Q2	2.01	2.01
Q3E	1.84	1.89
Q4E	2.02	2.01
09/26E	8.72	8.77
09/27E	9.57	9.75
09/28E	10.52	10.93

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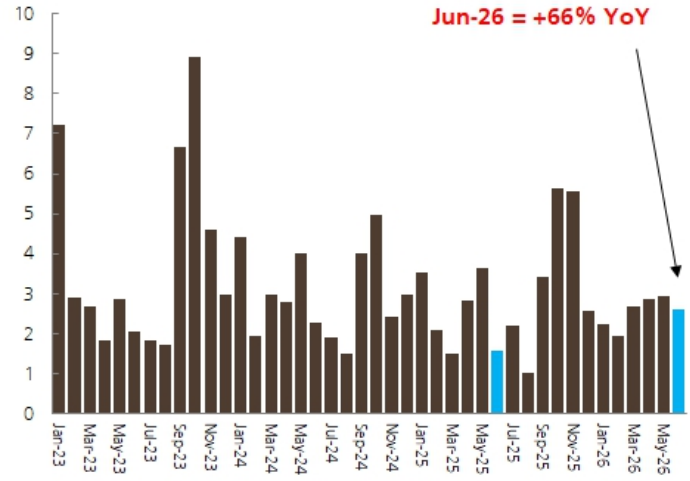
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iPhone China "sell-in" units increase ~66% YoY

According to industry data (CAICT), we estimate China iPhone sell-in during the month of June rebounded from May with units increasing 66% YoY following a ~19% decline in the month of May. As we have previously noted, the timing of shipments can be volatile month-to-month. As such, viewing the data through a slightly broader lens paints a better picture in our view. For the June quarter, we estimate "sell-in" units in China were ~10.5 million, up ~5% YoY, vs non-iPhone unit growth of ~6%. As such, we estimate iPhone "sell-in" share was effectively unchanged in the quarter on a YoY basis. While China is only ~20% of the smartphone market, the data is consistent with our view that iPhone revenue for the June quarter tracked in-line with our $53.3B est.

Figure 1: China iPhone "sell-in" increased ~66% YoY in the month of June bringing the qtr to +5% growth, more or less in-line with the industry



Source: UBS estimates and CAICT dataValuation:

Our PT of $296 is 30x our CY27 EPS est of $9.86

Our $296 price target is ~30x our CY27 EPS est of $9.86. At 30x, Apple shares would be trading roughly in line with the trailing 12-month average, reflecting solid demand balanced by uncertainty around the company's AI strategy.

Highlights (US$m)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Revenues	383,285	391,035	416,161	476,745	509,630	540,002	566,036	582,980
EBIT (UBS)	114,301	123,216	133,050	155,119	165,779	177,995	187,951	193,901
Net earnings (UBS)	97,759	103,982	112,010	128,115	137,945	148,940	158,184	164,182
EPS (UBS, diluted) (US$)	6.18	6.75	7.46	8.72	9.57	10.52	11.37	12.00
DPS (net) (US$)	0.94	0.98	1.02	1.06	1.10	1.14	1.18	1.22
Net (debt) / cash	(49,533)	(41,458)	(43,960)	5,344	67,472	136,968	216,733	301,698
Profitability/valuation	**09/23**	**09/24**	**09/25**	**09/26E**	**09/27E**	**09/28E**	**09/29E**	**09/30E**
EBIT (UBS) margin %	29.8	31.5	32.0	32.5	32.5	33.0	33.2	33.3
ROIC (EBIT) %	>500	>500	>500	402.7	481.3	>500	>500	>500
EV/EBITDA (UBS core) x	20.1	21.9	23.0	29.5	28.0	26.4	25.6	25.3
P/E (UBS, diluted) x	26.2	28.8	30.0	39.0	35.5	32.3	29.9	28.3
Equity FCF (UBS) yield %	3.9	4.0	2.9	3.0	3.2	3.3	3.5	3.6
Dividend yield (net) %	0.6	0.5	0.5	0.3	0.3	0.3	0.3	0.4

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 340.08 on 28-Jul-2026

This report has been prepared by UBS Securities LLC. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 4.**

Forecast returns

Forecast price appreciation	-13.0%
Forecast dividend yield	0.3%
Forecast stock return	-12.6%
Market return assumption	9.3%
Forecast excess return	-21.9%

Company Description

Apple designs, manufactures and markets mobile products, personal computers and media devices. The company's primary hardware product categories include the iPhone, iPad, iPod, and Mac computers. In addition, the company sells a variety of related software, services, peripherals, and third-party digital content and applications via iTunes and the App Store. Apple predominately sells to the consumer segment through its own online and retail stores, as well as third-party cellular network carriers, wholesalers and retailers.

Valuation Method and Risk Statement

Risks to our Apple thesis include (1) product delays or less innovative offerings, particularly a decline in iPhone unit shipments; (2) macro weakness dampening product demand, especially in China; (3) reduced product differentiation resulting in a successful smartphone attack from below; (4) governments looking to regulate Apple as its power increases; and (5) poor platform management. We use a P/E multiple to derive our price target for Apple.



Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Apple Inc.

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	