Apple Inc. (AAPL)

September 2026 "Surprise and Shine" event review: iPhone Duo, new iPhone 18 Pro models, Watches, and AirPods 5

AAPL	12m Price Target: **$360.00**	Price: **$315.34**	Upside: **14.2%**

BUY

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During Apple's Special Event "Surprise and Shine" on September 9th, 2026, AAPL announced its new iPhone lineup (Foldable iPhone Duo, 18 Pro, and 18 Pro Max), updated Apple Watches (Series 12 and Ultra 4), and AirPods 5. Overall, key product feature announcements (debut of a foldable form factor model, Touch ID to open on the iPhone Duo, new A20-series chips, and rear-camera systems) were largely as expected, and should drive continued strength in device demand. Furthermore, AAPL's decision to bifurcate the iPhone 18 model launches with lower-end models expected (by us) in Spring 2027 should support continued iPhone ASP growth amidst ongoing device premiumization, further supported by explicit $100 price increases for the iPhone 18 Pro and 18 Pro Max and the addition of a new premium 2 TB storage option for the iPhone 18 Pro. We view this favorable price/mix from premium products as supportive of upside to revenue, which should partially mitigate margin headwinds. Importantly, Apple's new Apple Upgrade program & attractive carrier promotions (Free/$99 iPhone 18 Pro/Pro Max with eligible trade-in and plan) should support affordability against +$100 price increases. Additionally, as expected, AAPL announced new Apple Watch products (Apple Watch Series 12 and Ultra 4) and new AirPods 5. All iPhone 18 Pro and Pro Max models will be available for pre-order in over 63 countries and regions on Saturday, September 12th with availability beginning Friday, September 18th, while the iPhone Duo will be available for pre-order on Friday, October 16th with availability beginning Friday, October 23rd.

Key Data

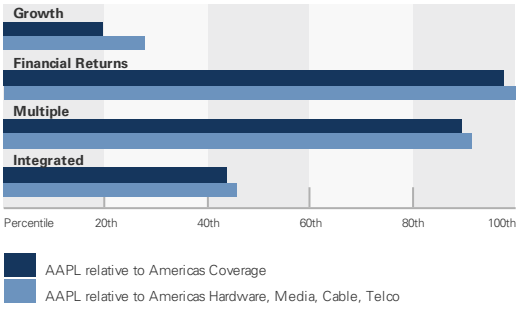
Market cap: $4.6tr
Enterprise value: $4.6tr
3m ADTV: $16.5bn
United States
Americas Hardware, Media, Cable, Telco
M&A Rank: 3

GS Forecast

	9/25	9/26E	9/27E	9/28E
Revenue ($ mn)	416,161.0	479,425.3	518,697.2	542,798.8
EBITDA ($ mn)	144,748.0	171,212.0	174,582.7	183,652.7
EBIT ($ mn)	133,050.0	157,831.8	159,645.6	166,920.8
EPS ($)	7.46	8.91	9.14	9.83
P/E (X)	30.0	35.4	34.5	32.1
EV/EBITDA (X)	22.9	26.6	25.8	23.8
FCF yield (%)	3.0	3.2	3.1	3.4
Dividend yield (%)	0.5	0.3	0.3	0.4
Net debt/EBITDA (X)	(0.2)	(0.4)	(0.5)	(0.4)

	6/26	9/26E	12/26E	3/27E
EPS ($)	2.02	2.03	2.86	2.09

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

Product Announcements

Key takeaways: key iPhone 18 & Duo features and pricing in-line

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BUY

Apple Inc. (AAPL)

Rating since Mar 5, 2023

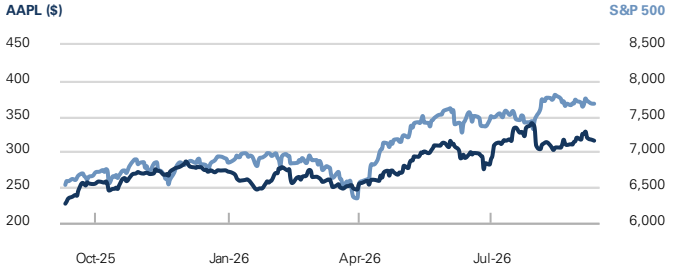
Ratios & Valuation

	9/25	9/26E	9/27E	9/28E
P/E (X)	30.0	35.4	34.5	32.1
EV/EBITDA (X)	22.9	26.6	25.8	23.8
EV/sales (X)	8.0	9.5	8.7	8.1
FCF yield (%)	3.0	3.2	3.1	3.4
EV/DACF (X)	24.2	29.3	27.8	25.6
CROCI (%)	86.0	92.7	90.6	88.5
ROE (%)	171.4	141.2	113.4	111.2
Net debt/EBITDA (X)	(0.2)	(0.4)	(0.5)	(0.4)
Net debt/equity (%)	(45.8)	(64.4)	(64.3)	(62.4)
Interest cover (X)	31.7	37.6	38.0	39.7
Inventory days	10.7	9.7	10.0	10.1
Receivable days	32.1	32.1	32.3	32.4
Days payable outstanding	114.7	109.6	106.0	107.2

Growth & Margins (%)

	9/25	9/26E	9/27E	9/28E
Total revenue growth	6.4	15.2	8.2	4.6
EBITDA growth	7.5	18.3	2.0	5.2
EPS growth	10.6	19.3	2.7	7.5
DPS growth	4.1	3.9	3.8	3.6
Gross margin	46.9	48.7	46.6	47.0
EBIT margin	32.0	32.9	30.8	30.8

Price Performance



	3m	6m	12m
Absolute	8.5%	21.3%	34.6%
Rel. to the S&P 500	4.5%	7.5%	14.2%

Source: FactSet. Price as of 9 Sep 2026 close.

Income Statement ($ mn)

	9/25	9/26E	9/27E	9/28E
Total revenue	416,161.0	479,425.3	518,697.2	542,798.8
Cost of goods sold	(220,960.0)	(245,868.4)	(277,001.6)	(287,428.0)
SG&A	(27,601.0)	(29,761.0)	(30,334.0)	(31,134.0)
R&D	(34,550.0)	(45,964.0)	(51,716.0)	(57,316.0)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**144,748.0**	**171,212.0**	**174,582.7**	**183,652.7**
Depreciation & amortization	(11,698.0)	(13,380.1)	(14,937.0)	(16,731.9)
EBIT	**133,050.0**	**157,831.8**	**159,645.6**	**166,920.8**
Net interest inc./(exp.)	(321.0)	1,020.0	844.7	972.9
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**132,729.0**	**158,851.8**	**160,490.4**	**167,893.7**
Provision for taxes	(20,719.0)	(27,536.7)	(27,283.4)	(28,541.9)
Minority interest	–	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**112,010.0**	**131,315.1**	**133,207.0**	**139,351.7**
Net inc. (post-exceptionals)	**112,010.0**	**131,315.1**	**133,207.0**	**139,351.7**
EPS (basic, pre-except) ($)	**7.49**	**8.94**	**9.18**	**9.87**
EPS (diluted, pre-except) ($)	**7.46**	**8.91**	**9.14**	**9.83**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	1.02	1.06	1.10	1.14
Div. payout ratio (%)	13.6	11.9	12.0	11.6
Wtd avg shares out. (basic) (mn)	14,947.7	14,687.4	14,508.8	14,120.4
Wtd avg shares out. (diluted) (mn)	15,004.7	14,745.4	14,567.4	14,179.0

Balance Sheet ($ mn)

	9/25	9/26E	9/27E	9/28E
Cash & cash equivalents	35,934.0	51,647.4	66,301.5	75,112.5
Accounts receivable	39,777.0	44,669.2	47,124.5	49,227.3
Inventory	5,718.0	7,332.3	7,819.8	8,087.8
Other current assets	66,528.0	74,490.2	74,246.4	74,990.4
Total current assets	**147,957.0**	**178,139.0**	**195,492.2**	**207,417.9**
Net PP&E	49,834.0	52,992.7	60,059.7	66,329.6
Net intangibles	6,512.0	6,512.0	6,512.0	6,512.0
Total investments	77,723.0	82,618.0	76,618.0	70,618.0
Other long-term assets	77,215.0	91,387.0	91,387.0	91,387.0
Total assets	**359,241.0**	**411,648.7**	**430,068.9**	**442,264.5**
Accounts payable	69,860.0	77,821.7	82,996.1	85,839.7
Short-term debt	20,329.0	13,004.0	13,004.0	13,004.0
Current lease liabilities	–	–	–	–
Other current liabilities	75,442.0	82,099.0	84,939.9	89,153.6
Total current liabilities	**165,631.0**	**172,924.7**	**180,940.0**	**187,997.4**
Long-term debt	78,328.0	71,340.0	71,340.0	71,340.0
Non-current lease liabilities	–	–	–	–
Other long-term liabilities	41,549.0	55,080.0	55,080.0	55,080.0
Total long-term liabilities	**119,877.0**	**126,420.0**	**126,420.0**	**126,420.0**
Total liabilities	**285,508.0**	**299,344.7**	**307,360.0**	**314,417.4**
Preferred shares	–	–	–	–
Total common equity	**73,733.0**	**112,304.0**	**122,709.0**	**127,847.1**
Minority interest	–	–	–	–
Total liabilities & equity	**359,241.0**	**411,648.7**	**430,068.9**	**442,264.5**
BVPS ($)	4.93	7.65	8.46	9.05

Cash Flow ($ mn)

	9/25	9/26E	9/27E	9/28E
Net income	112,010.0	131,315.1	133,207.0	139,351.7
D&A add-back	11,698.0	13,380.1	14,937.0	16,731.9
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(25,000.0)	3,254.0	516.2	(857.2)
Others	12,774.0	11,828.2	14,558.4	15,286.3
Cash flow from operations	**111,482.0**	**159,777.4**	**163,218.6**	**170,512.8**
Capital expenditures	(12,715.0)	(11,067.8)	(19,204.1)	(20,201.8)
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Others	–	–	–	–
Cash flow from investing	**15,195.0**	**(21,079.8)**	**(11,204.1)**	**(12,201.8)**
Dividends paid	(15,421.0)	(15,755.3)	(16,022.4)	(16,161.9)
Share issuance/(repurchase)	(96,671.0)	(92,988.0)	(121,338.0)	(133,338.0)
Inc/(dec) in debt	–	–	–	–
Others	–	–	–	–
Cash flow from financing	**(120,686.0)**	**(122,984.3)**	**(137,360.4)**	**(149,499.9)**
Total cash flow	**5,991.0**	**15,713.4**	**14,654.1**	**8,811.0**
Free cash flow	98,767.0	148,709.6	144,014.5	150,311.0
Free cash flow per share (basic) ($)	6.61	10.12	9.93	10.64

Source: Company data, Goldman Sachs Research estimates.

with expectations

AAPL's newly announced iPhone models (Foldable iPhone Duo, iPhone 18 Pro, and iPhone 18 Pro Max) **feature form factor changes & pricing increases that were in-line with expectations, which should support premiumization of iPhone & positive ASP mix**.

- **First, key iPhone updates that were widely reported included**: (1) Form factor changes including (a) the debut of a foldable form factor model, iPhone Duo, and (b) Touch ID to open on the iPhone Duo (v. FaceID for Pro and Pro Max); (2) a dual rear-camera for the iPhone Duo (v. a triple-camera system for the iPhone 18 Pro and 18 Pro Max); and (3) newer A20-series chips (2 nanometer).
- **Second, the pricing for iPhone Duo, iPhone 18 Pro and 18 Pro Max were in-line:** (a) a $1,999 starting price for the iPhone Duo with 256 GB storage; and (b) a $100 higher starting price on the iPhone Pro and Pro Max ($1,199 for iPhone Pro and $1,299 for iPhone Pro Max). Though iPhone shipments should decline in F4Q26E and F1Q27E given (1) the splitting of the iPhone 18 model launches with lower-end models likely to launch in Spring 2027 (iPhone 18e, iPhone 18 base, iPhone Air 2); (2) tough comps with year-ago full iPhone 17 base/Air/Pro/Pro Max launches; and (3) supply constraints, we believe ASPs should benefit as iPhone purchasing demand is concentrated across premium models and driven by a $100 price increase for the iPhone 18 Pro and 18 Pro Max. Additionally, we view the price/mix from premium products should drive upside to revenue and partially mitigate margin headwinds (though acknowledging continued cost inflation).

iPhone 18 Pro and Pro Max will be available for pre-order in over 63 countries and regions on Saturday, September 12th with availability beginning Friday, September 18th. iPhone Duo will be available for pre-order on Friday, October 16, with availability beginning Friday, October 23.

Pricing & Hardware specifications

iPhone Duo (7.6" foldable display, 5.4" outer display)

Pricing: The Duo model will be available in 256 GB/512 GB/1 TB/2 TB configurations with a starting price of $1,999, in-line with press expectations.

Hardware specifications: The iPhone Duo will include: **(1) Apple's first foldable iPhone,** with a 5.4" outer display and 7.6" display when unfolded. The iPhone Duo is 0.21 inches deep when open (0.44 when closed), making it **Apple's thinnest ever phone (when open)**. iPhone Duo weight 8.96 oz (v. 8.78 oz for iPhone 18 Pro Max); **(2) A20 Pro chip (2-nm)**, featuring 6-core CPU and 7-core GPU (20% faster than A19 Pro); **(3) up to 31 hours of video playback** on inner display and 44 hours on outer display; **(4) 12MP Center Stage front camera and 48MP Dual Fusion back camera system; (5) Touch ID** to open (v. FaceID for Pro and Pro Max); and **(6) colors** (Star White, Night Sky).

iPhone 18 Pro (6.3") and iPhone 18 Pro Max (6.9")

Pricing: The iPhone 18 Pro will be available in 256GB/512GB/1TB/2TB (***2TB is new***) configurations with a starting price of $1,199. The starting price for the Pro model increased by $100. The iPhone 18 Pro Max will be available in 256GB/512GB/1TB/2TB configurations with a starting price of $1,299.

Hardware updates: The iPhone 18 Pro and 18 Pro Max will include: **(1) A20 Pro chip (2-nm)**, featuring 6-core CPU and 7-core GPU (20% faster than A19 Pro); **(2) 18MP Center Stage front camera and 48 MP Pro Fusion back camera system**; and **(3) new colors** including Burgundy, Glacier, Silver, and Black (v. Deep Blue, Cosmic Orange, and Silver in iPhone 17 Pro/Pro Max)

Exhibit 1: All new announced iPhones are available from 256 GB - 2 TB models, with a $100 price increase in the iPhone 18 Pro and Pro Max models v. prior generations. iPhone Duo starting price of $1,999 is largely in-line with expectations.
Summary of iPhone model specs, key dates, and pricing

Model	Display size (in)	Announce date	Release date	Storage (GB)	Launch price ($)
iPhone 15	6.1	9/12/23	9/22/2023	128	$799
				256	$899
				512	$1,099
iPhone 15 Plus	6.7	9/12/23	9/22/2023	128	$899
				256	$999
				512	$1,199
iPhone 15 Pro	6.1	9/12/23	9/22/2023	128	$999
				256	$1,099
				512	$1,299
				1000	$1,499
iPhone 15 Pro Max	6.7	9/12/23	9/22/2023	256	$1,199
				512	$1,399
				1000	$1,599
iPhone 16	6.1	9/9/24	9/20/2024	128	$799
				256	$899
				512	$1,099
iPhone 16 Plus	6.7	9/9/24	9/20/2024	128	$899
				256	$999
				512	$1,199
iPhone 16 Pro	6.3	9/9/24	9/20/2024	128	$999
				256	$1,099
				512	$1,299
				1000	$1,499
iPhone 16 Pro Max	6.9	9/9/24	9/20/2024	256	$1,199
				512	$1,399
				1000	$1,599
iPhone 16e	6.1	2/19/25	2/28/2025	128	$599
				256	$699
				512	$899
iPhone 17	6.3	9/9/25	9/19/2025	256	$799
				512	$999
iPhone Air	6.5	9/9/25	9/19/2025	256	$999
				512	$1,199
				1000	$1,399
iPhone 17 Pro	6.3	9/9/25	9/19/2025	256	$1,099
				512	$1,299
				1000	$1,499
iPhone 17 Pro Max	6.9	9/9/25	9/19/2025	256	$1,199
				512	$1,399
				1000	$1,599
				2000	$1,999
iPhone 17e	6.1	3/2/26	3/11/2026	256	$599
				512	$799
iPhone Duo	7.6	9/9/26	8/23/2026	256	$1,999
				512	$2,199
				1000	$2,599
				2000	$3,199
iPhone 18 Pro	6.3	9/9/26	9/18/2026	256	$1,199
				512	$1,399
				1000	$1,799
				2000	$2,399
iPhone 18 Pro Max	6.9	9/9/26	9/18/2026	256	$1,299
				512	$1,499
				1000	$1,899
				2000	$2,499

Source: Company data, Goldman Sachs Global Investment Research

Apple Watch (Series 12 and Ultra 4)

AAPL's announced new two Apple Watch products, in-line with expectations. First, Apple announced 2 new Apple Watch models: (1) Apple Watch Series 12 (42/46 mm); and (2) Apple Watch Ultra 4 (49 mm). All new Apple Watch models are available for pre-order today (Sept 9th) with availability beginning Friday, September 18th. Second, no price changes were made on these new product launches. Third, notable changes

include new health sensing systems and background heart readings, enabling new features like Readiness score, in a redesigned Heath app; and new Apple Intelligence features including Audio Intelligence, including sound recognition, live rewind, and Siri recap (available later this year in beta).

Apple Watch Series 12

Pricing: For the Aluminum models, the Apple Watch Series 12 with GPS will start at $399/$449 for 42/46 mm and GPS+Cellular will start at $499/$549 for 42/46 mm (42 mm pricing unchanged, 46 mm +$30 v. Series 11). For the Titanium models (which include GPS+Cellular), the Apple Watch Series 12 will start at $699/$749 for 42/46 mm (unchanged). For the Ceramic models (new), the Apple Watch Series 12 will start at $899/$949 for 42/26 mm.

Hardware specifications: The Apple Watch Series 12 includes: **(1) up to 24 hours battery life** (unchanged v. Watch Series 11) with faster charging v. prior generations ; **(2) more durable cover glass with Ceramic Shield 2** on aluminum models, which is 60% tougher v. prior generations; **(3) new health features** including health sensing systems & background heart rate variability readings; and **(4) built in Apple Audio Intelligence** features through the watch microphone.

Apple Watch Ultra 4

Pricing: The Apple Watch Ultra 4 will start at $799 mm.

Hardware specifications: The Apple Watch Ultra 4 includes: (**1) improved battery life** (up to 84 hours in Low Power Mode v. up to 42 hours on Ultra 3); and **(2) new health sensing features** (see above).

Exhibit 2: Apple's new Watch portfolio includes the Apple Watch Series 12 and Ultra 4
Apple Watch products by key specs, announcement date, release date, and launch price

Model	Other specs	Display Size (mm)	Announce Date	Release Date	Launch Price ($)
Apple Watch Series 9	GPS	41	9/12/2023	9/22/2023	$399
	GPS	45	9/12/2023	9/22/2023	$429
	GPS + Cellular	41	9/12/2023	9/22/2023	$499
	GPS + Cellular	45	9/12/2023	9/22/2023	$529
Apple Watch Ultra 2	GPS + Cellular	49	9/12/2023	9/22/2023	$799
Apple Watch Series 10	GPS	42	9/9/2024	9/20/2024	$399
	GPS	46	9/9/2024	9/20/2024	$429
	GPS + Cellular	42	9/9/2024	9/20/2024	$499
	GPS + Cellular	46	9/9/2024	9/20/2024	$529
Apple Watch SE (3rd-gen)	GPS	40	9/9/2025	9/19/2025	$249
	GPS	44	9/9/2025	9/19/2025	$279
	GPS + Cellular	40	9/9/2025	9/19/2025	$299
	GPS + Cellular	44	9/9/2025	9/19/2025	$329
Apple Watch Ultra 3	GPS + Cellular	49	9/9/2025	9/19/2025	$799
Apple Watch Series 11	GPS	42	9/9/2025	9/19/2025	$399
	GPS	46	9/9/2025	9/19/2025	$429
	GPS + Cellular	42	9/9/2025	9/19/2025	$499
	GPS + Cellular	46	9/9/2025	9/19/2025	$529
Apple Watch Series 12	GPS	42	9/9/2026	9/18/2026	$399
	GPS	46	9/9/2026	9/18/2026	$449
	GPS + Cellular	42	9/9/2026	9/18/2026	$499
	GPS + Cellular	46	9/9/2026	9/18/2026	$549
Apple Watch Ultra 4	GPS + Cellular	49	9/9/2026	9/18/2026	$799

Source: Company data, Goldman Sachs Global Investment Research

AirPods 5

Apple announced two new AirPods 5 models, with new updates including: (1) improved Active Noise Cancellation; (2) Up to 5 hours of music playback with Active Noise Cancellation (v. 4 hours with AirPods 4 with ANC); (2) improved durability with dust, sweat, and water resistance; (3) hands free access to Siri AI; and (4) live translation features powered by Apple Intelligence.

Pricing and Availability: AirPods 5 will be available for pre-order starting September 9 and will begin shipping on September 18 at a retail price of $129. Airpods 5 with wireless charging case and volume swipe retail at $149.

Carrier promotions & Apple Upgrade program support affordability against price increases

Apple's new Apple Upgrade program & attractive carrier promotions support affordability against +$100 price increases. First, AAPL introduced the Apple Upgrade in July, a hardware leasing program offered through Klarna that allows U.S. customers to lease iPhones (as well as Apple Watches, Macs, and iPads) with monthly payments, typically over 12-36 month terms, and then either upgrade to a new device, purchase the device, or return it at the end of the lease. The program replaces Apple's prior iPhone Upgrade Program in the U.S. and is available online, in the Apple Store app, and in Apple retail stores. Through the Apple Upgrade program, the iPhone Duo is available at $57.99/month (for 24 months), iPhone 18 Pro Max at $37.99/month (for 24 months), and iPhone 18 Pro at $34.99/month (for 24 months). Second, U.S. carriers AT&T and T-Mobile offered up to $1,200 in maximum trade-in credits under eligible plans, which

fully subsidizes the cost of an iPhone 18 Pro, with a cost of $99 for the iPhone 18 Pro Max. Carrier promotions for the iPhone Duo have not yet been announced.

Exhibit 3: Carriers are offering substantial trade-in credits for iPhone 18 Pro series, in-line with recent promotional intensity amongst previous device families.
Select iPhone carrier promotions

			iPhone launch promotions by carrier		
Model	**Date**	**Apple starting price (absolute)**	**AT&T**	**Verizon**	**T-Mobile**
iPhone 16	**Sep-24 release**	16: $799 (unchanged) 16 Plus: $899 (unchanged) 16 Pro: $999 (unchanged) 16 Pro Max: $1199 (unchanged)	**Through Apple:** $1000/$830/$350 trade-in bill credits over 36 months with the purchase of an iPhone 16 Pro/16 Pro Max. $800/$350 trade-in bill credits over 36 month with purchase of an iPhone 16/16 Plus	**Through Apple:** For Unlimited Ultimate Plan customers, up to $1000 trade-in credit (over 36 months) with purchase of an iPhone 16 Pro/16 Pro Max; Up to $930 credit with purchase of an iPhone 16 Plus; $830 credit with purchase of an iPhone 16. For Unlimited Plus Plan customers, up to $830 trade-in credit (over 36 months) with purchase of an iPhone 16/16 Plus/16 Pro/16 Pro Max.	**Through Apple:** $1000/$500 trade-in bill credits over 24 months for customers who purchase an iPhone 16/16 Plus/16 Pro/16 Pro Max on a Go5G Next Plan (based upon model and condition of phone); $800/$400 for customers on a Go5G Plus Plan)
iPhone 16e	**Feb-25 release**	16e: $599 (+$120 from $479 for SE3)	**Through Apple:** No-trade in required for $383/$303/$323 in bill credits over 36 months with the purchase of an iPhone 16e; Can receive incremental trade-in credit based on device	**Through Apple:** For Unlimited Ultimate Plan customers, up to $600 trade-in credit (over 36 months) with purchase of an iPhone 16e	**Through Apple:** $899/$800/$400 trade-in bill credits over 24 months for customers who purchase an iPhone 16e on a Go5G Next Plan (based upon model and condition of phone); $800/$400 for customers on a Go5G Plus Plan)
iPhone 17 & Air	**Sep-25 release**	17: $799 (unchanged) 17 Pro: $1099 (+$100) 17 Pro Max: $1199 (unchanged) Air: $999	**Through Apple, with trade-in, over 36-months**: $1100/$350 for iPhone 17 Pro or Pro Max; $830/$350 for iPhone Air; $800/$350 for iPhone 17 (base).	**Through Apple, with trade-in, over 36 months, for existing/new/add-a-line customers:** (A) Unlimited Ultimate plan $1100/$830/$300 for iPhone 17 Pro/Pro Max, $1000/$830/$300 for iPhone Air, $830/$300 for iPhone 17; (B) Unlimited Plus plan $830/$600/$300 for iPhone 17/Pro/Pro Max/Air; (C) Unlimited Welcome plan $600/$300 for iPhone 17/Pro/Pro Max/Air.	**Through Apple, with trade-in, over 24 months:** **Existing customers:** (A) $1100/$800/$550 on Experience Beyond or Go5G Next Plan; (B) $800/$400 on Experience More or Go5G Plus plan; (C) $300/$150 on Go5G, Magenta, Magenta MAX, or Essentials plan **Add-a-line customers**: (A) $1100/$800/$550 on Experience Beyond or Go5G Next Plan; (B) $800/$400 on Experience More or Go5G Plus plan; (C) $800/$400 on Go5G, Magenta, Magenta MAX, or Essentials plan; **New customers**: (A) $1100/$800/$550 on Experience Beyond plan; (B) $800/$400 on Experience More; (C) $800/$400 on Essentials plan;
iPhone 18 Pro	**Sep-18 release**	18 Pro: $1199 (+$100) 18 Pro Max: $1299 (+$100)	**Through Apple, with trade-in, over 36-months**: (A) $0/$99 for iPhone 18 Pro/Pro Max on AT&T Elite 2.0, Premium 2.0, (or legacy unlimited plan excluding Unlimited Starter/SL/SM, Unlimited Extra/EL) with $1,199.00/$1,200.00 total bill credits; (B) $269/$369 for iPhone 18 Pro/Pro Max on AT&T Extra 2.0, Unlimited Starter/SL/SM, Unlimited Extra/EL with $930.00 total bill credits.		**Through Apple, with trade-in, over 36 months:** **Existing customers:** (A) $0/$99 for iPhone 18 Pro/Pro Max on Experience Beyond 2.0 or Go5G Next Plan; (B) $299/$399 for iPhone 18 Pro/Pro Max on Experience More 2.0 or Go5G Plus plan; **Add-a-line customers**: (A) $0(T-mobile bill credit $510)/$0(T-mobile bill credit $411) for iPhone 18 Pro/Pro Max on Experience Beyond 2.0 or Go5G Next Plan; (B) $0(T-mobile bill credit $211)/$0(T-mobile bill credit $111) for iPhone 18 Pro/Pro Max on Experience More 2.0 or Go5G Plus plan; (C) $499/$599 for iPhone 18 Pro/Pro Max on Experience Signature, Essentials Go5G, Magenta, Magenta MAX, or Essentials 2.0 plan; **New customers**: (A) $0(T-mobile bill credit $510)/$0(T-mobile bill credit $411) for iPhone 18 Pro/Pro Max on Experience Beyond 2.0 plan; (B) $0(T-mobile bill credit $211)/$0(T-mobile bill credit $111) for iPhone 18 Pro/Pro Max on Experience More 2.0 plan; (C) $499/$599 for iPhone 18 Pro/Pro Max on Essentials 2.0 plan.

Source: Company data, Goldman Sachs Global Investment Research

Price target, key risks, and methodology

We are **Buy** rated on **Apple (AAPL)** with a **12-month target price of $360** (unchanged) reflecting 37X (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.

