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UPDATE

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Apple, Inc. | North America

iPhone 18 Lead Times – Flat Y/Y Is Actually A Good Start

Flattish iPhone 18 Pro/Pro Max lead times globally despite +18% Y/Y premium builds in C2H suggest demand may be tracking better than feared, despite a staggered Duo launch. Near-term we remain focused on lead-times, channel demand commentary, 3P sell-through data, and potential build revisions.

Flat Y/Y iPhone 18 lead times likely signal healthier early premium iPhone demand than recent headlines suggests. At 4 days after pre-orders started (Tuesday, September 15th), iPhone 18 Pro/Pro Max lead times are 2-4 weeks, flat to slightly longer Y/Y vs. their respective iPhone 17 models, outside of China. Flat to slightly longer lead times could actually be interpreted positively because lead times reflect the impact of both supply and demand, and premium iPhone builds are 18% higher Y/Y in C2H26 – 71M iPhone 18 Pro/Pro Max/Duo builds in C2H26 vs. 60M iPhone 17 Pro/Pro Max builds in C2H25 – suggesting better product availability vs. last year. Therefore, flattish Y/Y lead times despite materially higher production might actually suggest healthier underlying demand for the iPhone 18 Pro/Pro Max.

Two important demand factors could weigh on early iPhone lead-times... On the demand side, there are two disadvantaged factors at play this year – (1) iPhone Duo availability starts 5 weeks later than the 18 Pro/Pro Max, and consumers seeking a high-end iPhone might delay their purchasing decision until they can test the Duo, negatively impacting early lead times. This similar to what happened in the iPhone X cycle (iPhone 8/8 Plus shipped 6 weeks before the iPhone X), (2) iPhone 18 prices are $100 higher Y/Y across the board, and with Y/Y price hikes even greater in international markets.

But there are two favorable Y/Y demand factors as well... At the same time, Apple has not yet launched iPhone 18 base, Air 2 or 18e, so an installed base that is 7% larger Y/Y is concentrating its purchases on just 2 models, rather than the historical 4 models at launch. Additionally strong carrier promotions (including $100 higher subsidies Y/Y among major US wireless carriers) and expanded leasing options (i.e. Apple Upgrade) should also help offset higher prices.

The initial signal is constructive, though it remains early and lead times historically are not correlated to cycle strength. We should all interpret lead times for what they really are – early indicators of how balanced iPhone supply and demand are. Yes, in the early days of an iPhone launch lead times can be directionally informative on the strength of first mover demand, and flattish Y/Y lead times despite meaningfully higher premium model production suggests early iPhone 18 Pro/Pro Max demand is likely healthy. But lead times this early on have zero correlation to iPhone cycle strength, iPhone revenue, or how Apple stock performs 3+ months post-launch. Therefore, we are looking to more informative

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Apple, Inc. (AAPL.O, AAPL US)

IT Hardware | United States of America

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	**$360.00**
Shr price, close (Sep 15, 2026)	$331.34
Mkt cap, curr (mm)	$4,865,518
52-Week Range	$344.57-235.03

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

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indicators, such as how iPhone inventory moves at channel partners, 3P sell-through datasets, and ultimately whether Apple adjusts iPhone production plans. Build revisions are unlikely to materialize – if at all – until mid-to-late October.

Exhibit 1: At 4 days after pre-orders started, iPhone lead times are generally flattish Y/Y outside of China, despite higher pricing and stronger builds compared with the prior cycle.

Lead Times by Region (iPhone 18 vs. iPhone 17 Cycle)				*Y/Y Diff as of 4 Days after Pre-orders Begin*
Region	**Model**	*iPhone 18*	*iPhone 17*	
US	Pro Max Model	22.5	22.5	0.0
	Pro Model	15.5	14.2	1.3
China	Pro Max Model	27.0	30.5	-3.5
	Pro Model	21.0	30.5	-9.5
Japan	Pro Max Model	29.5	24.0	5.5
	Pro Model	22.0	16.5	5.5
UK	Pro Max Model	22.5	22.5	0.0
	Pro Model	15.5	15.5	0.0
France	Pro Max Model	22.5	22.5	0.0
	Pro Model	15.5	15.5	0.0
Germany	Pro Max Model	23.5	23.5	0.0
	Pro Model	16.5	16.0	0.5
India	Pro Max Model	20.5	21.0	-0.5
	Pro Model	14.5	14.5	0.0
Int'l Average	Pro Max Model	25.0	24.6	0.4
	Pro Model	18.1	18.8	-0.7

Valuation Methodology and Risks

Apple, Inc. (AAPL.O)

Our $360 PT is based an 9.4x EV/Sales CY27 multiple, which is derived from a regression of tech and consumer platform peers. Our price target implies ~35x P/E on $10.30 CY27 EPS.

Risks to Upside

- iPhone 18 outperforms expectations
- Apple Intelligence adoption surprises to the upside
- Apple introduces new product lines
- Services growth re-accelerates despite tougher compares
- Gross margins surprise positively

Risks to Downside

- Weak consumer spending limits iPhone upgrade rates
- Higher memory input costs
- Limited progress on AI features
- Geopolitical tensions
- Increased regulation, particularly with App Store

