

Apple Sees First Decline After 15 Years

Written by Marco Attard
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Falling iPhone sales continue to hurt Apple's bottom line as the company sees a first decline in annual sales and profit in 15 years-- fiscal 2016 hardware sales are down by -8% to \$215.6 billion, leading to profits falling by -14% to \$45.7bn.



Sales are also down by -9% Y-o-Y to reach \$46.85bn for the quarter ending 24 September 2016, while fiscal Q4 profits total \$9bn, a -19% Y-o-Y drop. According to analyst this is the result of "peak Apple," or a world where nearly everyone with an interest in iDevices already owns an iPhone or an iPad (if not both), and proof can be seen in the -5% drop in Q4 iPhone sales reaching 45.5 million units.

Then again, one has to keep in mind the iPhone 7 has been on the market for just a few weeks into fiscal Q4, meaning it probably didn't affect iPhone sales too much during the period. The true proof of the iPhone 7's worth has to be seen during the holiday period, where Apple can take proper advantage of Samsung's recent Galaxy Note 7 misfortunes.

Not that Apple is going to let sales decline affect its typically bullish demeanor, mind. CEO Tim Cook insists, "our strong September quarter results cap a very successful fiscal 2016 for Apple. We're thrilled with the customer response to iPhone 7, iPhone 7 Plus and Apple Watch Series 2, as well as the incredible momentum of our Services business, where revenue grew 24% to set another all-time record."

Looking into the future, the Apple fiscal Q1 2017 forecast predicts revenues reaching \$76-78bn, with gross margin of 38-38.5%. That said, the company is to soon face the wrath of the European Commission, following [the record-breaking demand to pay €13bn in back taxes to Ireland](#) following allegations of a sweetheart tax deal being

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