

Apple's 2Q Beats Street With Revenues Up, But Profits Down Annually

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Even coming off the most profitable quarter in tech company history, Apple still has earned a crooked gaze from Wall Street thanks to Apple's stock falling 43 percent from its all-time high from September 2012. But Apple's 2013 second quarter managed to [beat](#) [1] the street with \$43.6 billion in revenue on \$10.09 EPS. That's compared with estimates of \$42.3 billion in revenue in \$9.97 EPS, [according](#) [2] to FactSet.

Still, quarterly net profit was posted at \$9.5 billion, down annually from \$11.6 billion despite a lower revenue of \$39.2 billion from a year ago.

Margins for the second quarter slipped considerably to 37.5 percent compared to 47.4 percent in same quarter of 2012.

Apple sold 37.4 million iPhones in the second quarter, compared to 35.1 million annually. That number beat analysts' estimates of 34 million.

Apple also sold 19.5 million iPads during the quarter, compared to 11.8 million annually, an increase CFO Peter Oppenheimer partly attributed to the new iPad Mini's rising popularity since its launch last year.

"We continue to be very confident in our future product plans," said CEO Tim Cook told investors on a conference call Tuesday.

The expected decline in iPhone sales has lead to rampant speculation that Apple will this summer introduce both a low-cost model and a model with a larger display in order to boost revenues from the iconic handset.

If any of the rumors prove true, Apple could see some new revenue streams soon from products Cupertino could have in the works, like a smartwatch and a smart TV.

In a statement, Oppenheimer added that Apple's "cash generation remains very strong," and revealed that the company's cash holdings now total \$145 billion.

Feeling flush, Apple announced it will double the amount of cash it pushes back to shareholders to \$100 billion.

Apple's stock rose nearly two percent during the day and was up nearly four percent in after hours trading as of 4:26 p.m. CT.

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[1] <http://www.apple.com/pr/library/2013/04/23Apple-Reports-Second-Quarter-Results.html>

[2] <http://www.wirelessweek.com/news/2013/04/ahead-bell-analysts-see-iphone-sales-down>