

Apple iPhone sales tumble, trimming profit

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Revenues from iPhone sales tumbled in the latest quarter

Apple shares were sent reeling Thursday on word of a steep drop in sales of iPhones, which are at the heart of the tech titan's money-making engine.

Apple profit fell 7 percent to \$12.7 billion in the recently ended quarter,

the Silicon Valley-based colossus said in its earnings release.

The California tech giant's total revenue edged up from last year's level to \$64.7 billion in the fiscal fourth quarter, but revenue from iPhone sales—the major income driver for Apple—slid some 20 percent from a year ago, unsettling investors.

The company's [share price](#) nosedived more than four percent in after-hours trading.

"iPhone is the cash cow and the driver of pretty much every add-on service Apple has out there," said analyst Patrick Moorhead of Moor Insights and Strategy.

"Everything is tied to that."

Apple has made a priority of selling apps, games, subscriptions and music to iPhone users in recent years to break its dependence on handset sales.

From Apple TV and the App Store to Apple Watch and AirPods ear buds, the company's other offerings are aimed at iPhone users, Moorhead noted.

"I expect Apple in the next quarter to have a nice big surge due to the new models, and also the financing or new phones with monthly plans," Moorhead said.

Freshly-launched iPhone 12 models include some tailored for ultra-fast 5G networks.

"Apple capped off a fiscal year defined by innovation in the face of adversity with a September quarter record, led by all-time records for

Mac and Services," Apple chief executive Tim Cook said in a statement.

Cook added that early response to the company's first 5G-enabled iPhone lineup has been "tremendously positive"

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