

3 tech giants report combined profits of more than \$50B

July 28 2021, by Associated Press



In this Nov. 10, 2016, file photo, people walk past a Microsoft office in New York. Three tech companies that have amassed unparalleled influence while reshaping the way we live released their latest quarterly report cards in a flurry late Tuesday, July 27, 2021. Although Apple, Microsoft and Google owner Alphabet Inc. make their money in different ways, the results for the April-June period served as another reminder of the clout they wield and why government

regulators are growing increasingly concerned about whether they have become too powerful. Credit: AP Photo/Swayne B. Hall, File

Three tech companies—Apple, Microsoft and Google owner Alphabet—reported combined profits of more than \$50 billion in the April-June quarter, underscoring their unparalleled influence and success at reshaping the way we live.

Although these companies make their money in different ways, the results served as another reminder of the clout they wield and why government regulators are growing increasingly concerned about whether they have become too powerful.

The massive profits pouring into each company also illustrated why they have a combined market value of \$6.4 trillion—more than double their collective value when the COVID-19 pandemic started 16 months ago.

APPLE

Apple's first iPhone model capable of connecting to ultrafast 5G wireless networks continued to power major increases in quarterly revenue and profits for tech's most valuable company.

With iPhone sales posting double-digit growth over the previous year for the third consecutive quarter, Apple's profit and revenue for the April-June period easily exceeded analyst estimates. The Cupertino, California, company earned \$21.7 billion, or \$1.30 per share, nearly doubling profits earned during the same period last year. Revenue surged 36% to \$81.4 billion.

But in a Tuesday conference call with analysts, Apple CEO Tim Cook

lamented that the steadily spreading delta variant of the coronavirus is casting doubt on how the rest of the year will unfold. "The road to recovery will be a winding one," Cook said. That uncertainty has already led Apple to delay employees' mass return to its offices from September to October. Most of Apple's stores, though, are already open.



In this Thursday Nov. 1, 2018, file photo is the Google logo displayed at their offices in Granary Square, in London. Three tech companies that have amassed unparalleled influence while reshaping the way we live released strong earnings results in a flurry late Tuesday, July 27, 2021. Although Apple, Microsoft and Google owner Alphabet Inc. make their money in different ways, the results for the April-June period served as another reminder of the clout they wield and why government regulators are growing increasingly concerned about whether they have become too powerful. Credit: AP Photo/Alastair Grant, File

The iPhone 12, released last autumn, is shaping up to be Apple's most popular model in several years, largely because it's the first to work on the 5G networks that are still being built around the world. Apple's iPhone sales totaled nearly \$40 billion in the latest quarter, up 50% from a year ago.

Apple's services division, the focal point of a high-profile trial revolving around the commissions it collects from iPhone apps, saw revenue climb 33% from last year to \$17.5 billion. A potentially game-changing decision from the trial completed in May is expected later this summer.

Among Apple's upcoming challenges is whether shortages of computer chips and other key parts will force the company to delay its next iPhone this year, as it did last year. While Apple expects revenue to rise 10% in the current quarter, it said it may have more trouble getting parts for iPhones and iPad during the upcoming months. Executives skirted questions about another possible iPhone delay.

ALPHABET

Google's earnings improved markedly over the year-ago period, when the pandemic was starting to bite consumer spending and its partner, advertising. Now that vaccines have allowed people to shed the shackles of the pandemic and splurge again, a big chunk of that pent-up demand has spurred advertisers to spend more too, with a big chunk going to Google and its corporate parent Alphabet Inc.



In this Friday, May 21, 2021, file photo, customers view the new 24" iMac desktop computers in an Apple store, in New York. Three tech companies that have amassed unparalleled influence while reshaping the way we live released their latest quarterly report cards in a flurry late Tuesday, July 27, 2021. Although Apple, Microsoft and Google owner Alphabet Inc. make their money in different ways, the results for the April-June period served as another reminder of the clout they wield and why government regulators are growing increasingly concerned about whether they have become too powerful. Credit: AP Photo/Mark Lennihan, File

Powered by Google, Alphabet earned \$18.53 billion, or \$27.26 per share, during the quarter, a nearly threefold increase from last year's earnings of \$6.96 billion, or \$10.13 per share. Google's advertising revenue soared 69% to \$50.44 billion thanks to what CEO Sundar Pichai

called a "rising tide" of online activity among consumers and businesses.

Retail, along with travel and entertainment ads, were the biggest contributors to the revenue increase, the company said. Total revenue surged 62% from last year to \$61.88 billion. Revenue after subtracting TAC, or traffic acquisition costs, was \$50.95 billion.

The April-June quarter looks particularly strong since the 2020 downturn forced Google to report its first decline in quarterly ad revenue from the previous year.

Analysts were expecting Alphabet to earn \$19.24 per share on revenue of \$56.2 billion, and \$46.2 billion after subtracting TAC. Alphabet's stock jumped \$135, or 5.1%, to \$2,773 in after-hours trading after the results.



In this Feb. 14, 2018, file photo the logo for Alphabet appears on a screen at the Nasdaq MarketSite in New York. Three tech companies that have amassed unparalleled influence while reshaping the way we live released their latest quarterly report cards in a flurry late Tuesday, July 27, 2021. Although Apple, Microsoft and Google owner Alphabet Inc. make their money in different ways, the results for the April-June period served as another reminder of the clout they wield and why government regulators are growing increasingly concerned about whether they have become too powerful. Credit: AP Photo/Richard Drew, File

MICROSOFT

Microsoft on Tuesday reported fiscal fourth-quarter profit of \$16.5 billion, up 47% from the same period last year. Net income of \$2.17 per share beat Wall Street expectations. The software maker also topped forecasts by posting revenue of \$46.2 billion in the quarter that ended on June 30, a 21% increase over the same time last year.

Analysts were expecting Microsoft to earn \$1.91 per share for the April-June quarter on revenue of \$44.1 billion. Microsoft profits have soared throughout the pandemic thanks to ongoing demand for its software and cloud computing services for remote work and study. After an initial dip in after-hours trading, the company's shares later recovered and were up by less than 1%.

Growth in sales of Microsoft's cloud services, which compete with Amazon and other companies, and its Office productivity tools for handling work documents and email both outpaced overall [revenue](#) growth. The company's historical pillar—personal computing—grew just 9% in the quarter.

Microsoft noted that supply issues were affecting its personal-computing division, including for its Surface and Windows products. The [company](#) recently unveiled the next generation of Windows, called Windows 11, its first major update in six years. It will be available later this year.

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Citation: 3 tech giants report combined profits of more than \$50B (2021, July 28) retrieved 10 April 2024 from <https://techxplore.com/news/2021-07-tech-giants-combined-profits-50b.html>

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