

Apple becomes the first publicly traded company valued at \$3 trillion

July 1 2023



Credit: Unsplash/CC0 Public Domain

Apple became the first publicly traded company to close a trading day with a \$3 trillion market value, marking another milestone for a technology juggernaut that has reshaped society with a line-up of

products that churn out eye-popping profits.

Apple shares closed up 2.3% at \$193.97 Friday, bringing its [market value](#) to \$3.04 trillion. Apple is one of a handful of technology companies, including Microsoft and chipmaker Nvidia, that helped drive the S&P 500 to a gain of nearly 16% in the first half of the year.

The 47-year-old [company](#) co-founded by Silicon Valley legend Steve Jobs had briefly eclipsed a \$3 trillion [market value](#) on back-to-back days in January 2022, but couldn't hold on by the time the market closed. Instead, Apple's stock sunk into a prolonged descent that pushed its market value briefly below \$2 trillion earlier this year amid a slowdown in growth and investor jitters about rising interest rates that affected the entire tech sector.

Apple didn't come close to the \$3 trillion threshold again until earlier this month when the company unveiled what could be its next big product—a high-priced headset called Vision Pro that thrusts users into artificial settings known as virtual reality.

Although the significance of reaching a \$3 trillion market value is largely symbolic, its magnitude is still breathtaking.

Consider, for instance, that \$3 trillion could buy nearly 9 million homes in the U.S., based on the average sales price during the past year as calculated by Zillow. It could also buy the 50 most valuable sports teams in the world with plenty of change to spare. If \$3 trillion were distributed equally to every person in the United States, each person would receive about \$9,000.

Microsoft is the second-most valuable public company at \$2.5 trillion. Oil giant Saudi Aramco has a market value of \$2.08 trillion. Alphabet, the parent of Google, Amazon and Nvidia have market values above \$1

trillion.

It took Apple less than two years to close with a \$3 trillion market value after topping \$2 trillion for the first time in August 2021, which occurred about two years after the Cupertino, California, company reached \$1 trillion for the first time.

The cascading trillions have been driven by the technology empire that Apple has built since Jobs returned to the company in 1997 after being pushed aside by then-CEO John Sculley in 1985. At the time of Jobs' comeback, Apple was flirting with bankruptcy and so desperate for help that it turned to its once-bitter rival Microsoft for a cash infusion.

Today, Apple makes so much money that it can afford to pay \$105 billion annually in investor dividends and repurchases of its own stock—and still be left with nearly \$56 billion in cash at the end of its last fiscal quarter.

The iPhone, unveiled by Jobs in 2007 with his hallmark showmanship, remains the crown jewel in Apple's kingdom. Last year, the device accounted more than half of the company's nearly \$400 billion in sales.

The rest of Apple's revenue flows in from other products such as the Macintosh computer, iPad, Apple Watch, AirPods and a services division that includes music and video streaming, warranty programs, fees collected through the iPhone app store and advertising commissions that Google pays to be the default search engine on the iPhone.

Although most of Apple's innovations were hatched while Jobs was running the company, most of its wealth has been created under the reign of its current CEO, Tim Cook, who took over as CEO shortly before Jobs died in October 2011. When Jobs passed the baton to Cook, Apple's market value stood at \$350 billion.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Apple becomes the first publicly traded company valued at \$3 trillion (2023, July 1)
retrieved 9 May 2024 from

<https://techxplore.com/news/2023-07-apple-company-valued-trillion.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--