

# Apple revenue up 29%, but chip shortages cost the company big money

Article

**The news:** Apple failed to beat earnings expectations for the first time since 2016, a result of a \$6 billion loss attributed to the effects of the chip shortage. It also lost its standing as the most valuable company, as Microsoft took over the top spot.

**By the numbers:**

- Apple's revenue increased **29% YoY** with **\$83.4 billion revenue** for the July–September period, a new record high for the period.
- Revenues fell behind Wall Street's expectations of **\$84.85 billion** for the quarter.
- Net profit for the company reached **\$20.6 billion**, up **47.5% YoY** from the \$12.6 billion in net profit tracked in Q4 2020.

**More on this:** The global chip shortage has caught up to Apple and is now directly affecting its bottom line. These compounded shortages could reach into 2024 as [chip wait times](#) continue to increase.

- “The supply constraints were driven by the industry-wide chip shortages that have been talked about a lot, and COVID-related manufacturing disruptions in Southeast Asia,” said Apple CEO Tim Cook.

**What's next?** Apple reportedly slashed iPhone 13 production by 10 million units and will likely see the shortages affect its other hardware product lines. Many **Apple Watch Series 7** and **MacBook Pro M1 and M1 Max** models ordered today won't be delivered until early to mid December.

**The big takeaway:** Apple was expected to generate **\$120 billion** in revenues in the year-end quarter, per analyst estimates compiled by Bloomberg, up 7% YoY.

Cutting production of its most popular and profitable products could diminish Apple's revenues for the key holiday quarter. Consumers hoping to have some of these products available for the holiday season could be faced with shortages.