

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In millions, except number of shares which are reflected in thousands and per share amounts)

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Net sales:				
Products	\$ 60,584	\$ 63,355	\$ 230,901	\$ 245,241
Services	21,213	19,604	62,886	58,941
Total net sales ⁽¹⁾	81,797	82,959	293,787	304,182
Cost of sales:				
Products	39,136	41,485	146,696	155,084
Services	6,248	5,589	18,370	16,411
Total cost of sales	45,384	47,074	165,066	171,495
Gross margin	36,413	35,885	128,721	132,687
Operating expenses:				
Research and development	7,442	6,797	22,608	19,490
Selling, general and administrative	5,973	6,012	18,781	18,654
Total operating expenses	13,415	12,809	41,389	38,144
Operating income	22,998	23,076	87,332	94,543
Other income/(expense), net	(265)	(10)	(594)	(97)
Income before provision for income taxes	22,733	23,066	86,738	94,446
Provision for income taxes	2,852	3,624	12,699	15,364
Net income	\$ 19,881	\$ 19,442	\$ 74,039	\$ 79,082
Earnings per share:				
Basic	\$ 1.27	\$ 1.20	\$ 4.69	\$ 4.86
Diluted	\$ 1.26	\$ 1.20	\$ 4.67	\$ 4.82
Shares used in computing earnings per share:				
Basic	15,697,614	16,162,945	15,792,497	16,277,824
Diluted	15,775,021	16,262,203	15,859,263	16,394,937
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 35,383	\$ 37,472	\$ 122,445	\$ 129,850
Europe	20,205	19,287	71,831	72,323
Greater China	15,758	14,604	57,475	58,730
Japan	4,821	5,446	18,752	20,277
Rest of Asia Pacific	5,630	6,150	23,284	23,002
Total net sales	\$ 81,797	\$ 82,959	\$ 293,787	\$ 304,182
⁽¹⁾ Net sales by category:				
iPhone	\$ 39,669	\$ 40,665	\$ 156,778	\$ 162,863
Mac	6,840	7,382	21,743	28,669
iPad	5,791	7,224	21,857	22,118
Wearables, Home and Accessories	8,284	8,084	30,523	31,591
Services	21,213	19,604	62,886	58,941
Total net sales	\$ 81,797	\$ 82,959	\$ 293,787	\$ 304,182

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except number of shares which are reflected in thousands and par value)

	<u>July 1, 2023</u>	<u>September 24, 2022</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 28,408	\$ 23,646
Marketable securities	34,074	24,658
Accounts receivable, net	19,549	28,184
Inventories	7,351	4,946
Vendor non-trade receivables	19,637	32,748
Other current assets	13,640	21,223
Total current assets	<u>122,659</u>	<u>135,405</u>
Non-current assets:		
Marketable securities	104,061	120,805
Property, plant and equipment, net	43,550	42,117
Other non-current assets	64,768	54,428
Total non-current assets	<u>212,379</u>	<u>217,350</u>
Total assets	<u>\$ 335,038</u>	<u>\$ 352,755</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 46,699	\$ 64,115
Other current liabilities	58,897	60,845
Deferred revenue	8,158	7,912
Commercial paper	3,993	9,982
Term debt	7,216	11,128
Total current liabilities	<u>124,963</u>	<u>153,982</u>
Non-current liabilities:		
Term debt	98,071	98,959
Other non-current liabilities	51,730	49,142
Total non-current liabilities	<u>149,801</u>	<u>148,101</u>
Total liabilities	<u>274,764</u>	<u>302,083</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,647,868 and 15,943,425 shares issued and outstanding, respectively	70,667	64,849
Retained earnings/(Accumulated deficit)	1,408	(3,068)
Accumulated other comprehensive income/(loss)	(11,801)	(11,109)
Total shareholders' equity	<u>60,274</u>	<u>50,672</u>
Total liabilities and shareholders' equity	<u>\$ 335,038</u>	<u>\$ 352,755</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended	
	July 1, 2023	June 25, 2022
Cash, cash equivalents and restricted cash, beginning balances	\$ 24,977	\$ 35,929
Operating activities:		
Net income	74,039	79,082
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	8,866	8,239
Share-based compensation expense	8,208	6,760
Other	(1,651)	2,695
Changes in operating assets and liabilities:		
Accounts receivable, net	7,609	4,561
Inventories	(2,570)	1,049
Vendor non-trade receivables	13,111	4,789
Other current and non-current assets	(4,863)	(3,289)
Accounts payable	(16,790)	(6,108)
Other current and non-current liabilities	2,986	246
Cash generated by operating activities	88,945	98,024
Investing activities:		
Purchases of marketable securities	(20,956)	(70,178)
Proceeds from maturities of marketable securities	27,857	24,203
Proceeds from sales of marketable securities	3,959	33,609
Payments for acquisition of property, plant and equipment	(8,796)	(7,419)
Other	(753)	(1,352)
Cash generated by/(used in) investing activities	1,311	(21,137)
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(5,119)	(5,915)
Payments for dividends and dividend equivalents	(11,267)	(11,138)
Repurchases of common stock	(56,547)	(64,974)
Proceeds from issuance of term debt, net	5,228	—
Repayments of term debt	(11,151)	(6,750)
Proceeds from/(Repayments of) commercial paper, net	(5,971)	4,970
Other	(508)	(148)
Cash used in financing activities	(85,335)	(83,955)
Increase/(Decrease) in cash, cash equivalents and restricted cash	4,921	(7,068)
Cash, cash equivalents and restricted cash, ending balances	\$ 29,898	\$ 28,861
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 7,020	\$ 12,251
Cash paid for interest	\$ 2,590	\$ 1,910