

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		Twelve Months Ended	
	September 30, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Net sales:				
Products	\$ 67,184	\$ 70,958	\$ 298,085	\$ 316,199
Services	22,314	19,188	85,200	78,129
Total net sales ⁽¹⁾	89,498	90,146	383,285	394,328
Cost of sales:				
Products	42,586	46,387	189,282	201,471
Services	6,485	5,664	24,855	22,075
Total cost of sales	49,071	52,051	214,137	223,546
Gross margin	40,427	38,095	169,148	170,782
Operating expenses:				
Research and development	7,307	6,761	29,915	26,251
Selling, general and administrative	6,151	6,440	24,932	25,094
Total operating expenses	13,458	13,201	54,847	51,345
Operating income	26,969	24,894	114,301	119,437
Other income/(expense), net	29	(237)	(565)	(334)
Income before provision for income taxes	26,998	24,657	113,736	119,103
Provision for income taxes	4,042	3,936	16,741	19,300
Net income	\$ 22,956	\$ 20,721	\$ 96,995	\$ 99,803
Earnings per share:				
Basic	\$ 1.47	\$ 1.29	\$ 6.16	\$ 6.15
Diluted	\$ 1.46	\$ 1.29	\$ 6.13	\$ 6.11
Shares used in computing earnings per share:				
Basic	15,599,434	16,030,382	15,744,231	16,215,963
Diluted	15,672,400	16,118,465	15,812,547	16,325,819
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 40,115	\$ 39,808	\$ 162,560	\$ 169,658
Europe	22,463	22,795	94,294	95,118
Greater China	15,084	15,470	72,559	74,200
Japan	5,505	5,700	24,257	25,977
Rest of Asia Pacific	6,331	6,373	29,615	29,375
Total net sales	\$ 89,498	\$ 90,146	\$ 383,285	\$ 394,328
⁽¹⁾ Net sales by category:				
iPhone	\$ 43,805	\$ 42,626	\$ 200,583	\$ 205,489
Mac	7,614	11,508	29,357	40,177
iPad	6,443	7,174	28,300	29,292
Wearables, Home and Accessories	9,322	9,650	39,845	41,241
Services	22,314	19,188	85,200	78,129
Total net sales	\$ 89,498	\$ 90,146	\$ 383,285	\$ 394,328

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>September 30, 2023</u>	<u>September 24, 2022</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 29,965	\$ 23,646
Marketable securities	31,590	24,658
Accounts receivable, net	29,508	28,184
Vendor non-trade receivables	31,477	32,748
Inventories	6,331	4,946
Other current assets	14,695	21,223
Total current assets	<u>143,566</u>	<u>135,405</u>
Non-current assets:		
Marketable securities	100,544	120,805
Property, plant and equipment, net	43,715	42,117
Other non-current assets	64,758	54,428
Total non-current assets	<u>209,017</u>	<u>217,350</u>
Total assets	<u>\$ 352,583</u>	<u>\$ 352,755</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 62,611	\$ 64,115
Other current liabilities	58,829	60,845
Deferred revenue	8,061	7,912
Commercial paper	5,985	9,982
Term debt	9,822	11,128
Total current liabilities	<u>145,308</u>	<u>153,982</u>
Non-current liabilities:		
Term debt	95,281	98,959
Other non-current liabilities	49,848	49,142
Total non-current liabilities	<u>145,129</u>	<u>148,101</u>
Total liabilities	<u>290,437</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; 15,550,061 and 15,943,425 shares issued and outstanding, respectively	73,812	64,849
Accumulated deficit	(214)	(3,068)
Accumulated other comprehensive loss	(11,452)	(11,109)
Total shareholders' equity	<u>62,146</u>	<u>50,672</u>
Total liabilities and shareholders' equity	<u>\$ 352,583</u>	<u>\$ 352,755</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Twelve Months Ended	
	September 30, 2023	September 24, 2022
Cash, cash equivalents and restricted cash, beginning balances	\$ 24,977	\$ 35,929
Operating activities:		
Net income	96,995	99,803
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	11,519	11,104
Share-based compensation expense	10,833	9,038
Other	(2,227)	1,006
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,688)	(1,823)
Vendor non-trade receivables	1,271	(7,520)
Inventories	(1,618)	1,484
Other current and non-current assets	(5,684)	(6,499)
Accounts payable	(1,889)	9,448
Other current and non-current liabilities	3,031	6,110
Cash generated by operating activities	110,543	122,151
Investing activities:		
Purchases of marketable securities	(29,513)	(76,923)
Proceeds from maturities of marketable securities	39,686	29,917
Proceeds from sales of marketable securities	5,828	37,446
Payments for acquisition of property, plant and equipment	(10,959)	(10,708)
Other	(1,337)	(2,086)
Cash generated by/(used in) investing activities	3,705	(22,354)
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(5,431)	(6,223)
Payments for dividends and dividend equivalents	(15,025)	(14,841)
Repurchases of common stock	(77,550)	(89,402)
Proceeds from issuance of term debt, net	5,228	5,465
Repayments of term debt	(11,151)	(9,543)
Proceeds from/(Repayments of) commercial paper, net	(3,978)	3,955
Other	(581)	(160)
Cash used in financing activities	(108,488)	(110,749)
Increase/(Decrease) in cash, cash equivalents and restricted cash	5,760	(10,952)
Cash, cash equivalents and restricted cash, ending balances	\$ 30,737	\$ 24,977
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 18,679	\$ 19,573
Cash paid for interest	\$ 3,803	\$ 2,865