

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Form 10-K. This Item generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 2022.*

### Fiscal Period

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters, which occurred in the first quarter of 2023. The Company's fiscal year 2023 spanned 53 weeks, whereas fiscal years 2022 and 2021 spanned 52 weeks each.

### Fiscal Year Highlights

The Company's total net sales were \$383.3 billion and net income was \$97.0 billion during 2023.

The Company's total net sales decreased 3% or \$11.0 billion during 2023 compared to 2022. The weakness in foreign currencies relative to the U.S. dollar accounted for more than the entire year-over-year decrease in total net sales, which consisted primarily of lower net sales of Mac and iPhone, partially offset by higher net sales of Services.

The Company announces new product, service and software offerings at various times during the year. Significant announcements during fiscal year 2023 included the following:

#### First Quarter 2023:

- iPad and iPad Pro;
- Next-generation Apple TV 4K; and
- MLS Season Pass, a Major League Soccer subscription streaming service.

#### Second Quarter 2023:

- MacBook Pro 14", MacBook Pro 16" and Mac mini; and
- Second-generation HomePod.

#### Third Quarter 2023:

- MacBook Air 15", Mac Studio and Mac Pro;
- Apple Vision Pro™, the Company's first spatial computer featuring its new visionOS™, expected to be available in early calendar year 2024; and
- iOS 17, macOS Sonoma, iPadOS 17, tvOS 17 and watchOS 10, updates to the Company's operating systems.

#### Fourth Quarter 2023:

- iPhone 15, iPhone 15 Plus, iPhone 15 Pro and iPhone 15 Pro Max; and
- Apple Watch Series 9 and Apple Watch Ultra 2.

In May 2023, the Company announced a new share repurchase program of up to \$90 billion and raised its quarterly dividend from \$0.23 to \$0.24 per share beginning in May 2023. During 2023, the Company repurchased \$76.6 billion of its common stock and paid dividends and dividend equivalents of \$15.0 billion.

### Macroeconomic Conditions

Macroeconomic conditions, including inflation, changes in interest rates, and currency fluctuations, have directly and indirectly impacted, and could in the future materially impact, the Company's results of operations and financial condition.