

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	
	December 30, 2023	December 31, 2022
Net sales:		
Products	\$ 96,458	\$ 96,388
Services	23,117	20,766
Total net sales ⁽¹⁾	119,575	117,154
Cost of sales:		
Products	58,440	60,765
Services	6,280	6,057
Total cost of sales	64,720	66,822
Gross margin	54,855	50,332
Operating expenses:		
Research and development	7,696	7,709
Selling, general and administrative	6,786	6,607
Total operating expenses	14,482	14,316
Operating income	40,373	36,016
Other income/(expense), net	(50)	(393)
Income before provision for income taxes	40,323	35,623
Provision for income taxes	6,407	5,625
Net income	\$ 33,916	\$ 29,998
Earnings per share:		
Basic	\$ 2.19	\$ 1.89
Diluted	\$ 2.18	\$ 1.88
Shares used in computing earnings per share:		
Basic	15,509,763	15,892,723
Diluted	15,576,641	15,955,718
⁽¹⁾ Net sales by reportable segment:		
Americas	\$ 50,430	\$ 49,278
Europe	30,397	27,681
Greater China	20,819	23,905
Japan	7,767	6,755
Rest of Asia Pacific	10,162	9,535
Total net sales	\$ 119,575	\$ 117,154
⁽¹⁾ Net sales by category:		
iPhone	\$ 69,702	\$ 65,775
Mac	7,780	7,735
iPad	7,023	9,396
Wearables, Home and Accessories	11,953	13,482
Services	23,117	20,766
Total net sales	\$ 119,575	\$ 117,154

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	December 30, 2023	September 30, 2023
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 40,760	\$ 29,965
Marketable securities	32,340	31,590
Accounts receivable, net	23,194	29,508
Vendor non-trade receivables	26,908	31,477
Inventories	6,511	6,331
Other current assets	13,979	14,695
Total current assets	<u>143,692</u>	<u>143,566</u>
Non-current assets:		
Marketable securities	99,475	100,544
Property, plant and equipment, net	43,666	43,715
Other non-current assets	66,681	64,758
Total non-current assets	<u>209,822</u>	<u>209,017</u>
Total assets	<u><u>\$ 353,514</u></u>	<u><u>\$ 352,583</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 58,146	\$ 62,611
Other current liabilities	54,611	58,829
Deferred revenue	8,264	8,061
Commercial paper	1,998	5,985
Term debt	10,954	9,822
Total current liabilities	<u>133,973</u>	<u>145,308</u>
Non-current liabilities:		
Term debt	95,088	95,281
Other non-current liabilities	50,353	49,848
Total non-current liabilities	<u>145,441</u>	<u>145,129</u>
Total liabilities	<u>279,414</u>	<u>290,437</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,460,223 and 15,550,061 shares issued and outstanding, respectively	75,236	73,812
Retained earnings/(Accumulated deficit)	8,242	(214)
Accumulated other comprehensive loss	(9,378)	(11,452)
Total shareholders' equity	<u>74,100</u>	<u>62,146</u>
Total liabilities and shareholders' equity	<u><u>\$ 353,514</u></u>	<u><u>\$ 352,583</u></u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Three Months Ended	
	December 30, 2023	December 31, 2022
Cash, cash equivalents and restricted cash, beginning balances	\$ 30,737	\$ 24,977
Operating activities:		
Net income	33,916	29,998
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	2,848	2,916
Share-based compensation expense	2,997	2,905
Other	(989)	(317)
Changes in operating assets and liabilities:		
Accounts receivable, net	6,555	4,275
Vendor non-trade receivables	4,569	2,320
Inventories	(137)	(1,807)
Other current and non-current assets	(1,457)	(4,099)
Accounts payable	(4,542)	(6,075)
Other current and non-current liabilities	(3,865)	3,889
Cash generated by operating activities	39,895	34,005
Investing activities:		
Purchases of marketable securities	(9,780)	(5,153)
Proceeds from maturities of marketable securities	13,046	7,127
Proceeds from sales of marketable securities	1,337	509
Payments for acquisition of property, plant and equipment	(2,392)	(3,787)
Other	(284)	(141)
Cash generated by/(used in) investing activities	1,927	(1,445)
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,591)	(2,316)
Payments for dividends and dividend equivalents	(3,825)	(3,768)
Repurchases of common stock	(20,139)	(19,475)
Repayments of term debt	—	(1,401)
Repayments of commercial paper, net	(3,984)	(8,214)
Other	(46)	(389)
Cash used in financing activities	(30,585)	(35,563)
Increase/(Decrease) in cash, cash equivalents and restricted cash	11,237	(3,003)
Cash, cash equivalents and restricted cash, ending balances	\$ 41,974	\$ 21,974
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 7,255	\$ 828