

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 001-36743



Apple Inc.

(Exact name of Registrant as specified in its charter)

California

(State or other jurisdiction
of incorporation or organization)

One Apple Park Way
Cupertino, California

(Address of principal executive offices)

94-2404110

(I.R.S. Employer Identification No.)

95014

(Zip Code)

(408) 996-1010

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, \$0.00001 par value per share | AAPL | The Nasdaq Stock Market LLC |
| 1.375% Notes due 2024 | — | The Nasdaq Stock Market LLC |
| 0.000% Notes due 2025 | — | The Nasdaq Stock Market LLC |
| 0.875% Notes due 2025 | — | The Nasdaq Stock Market LLC |
| 1.625% Notes due 2026 | — | The Nasdaq Stock Market LLC |
| 2.000% Notes due 2027 | — | The Nasdaq Stock Market LLC |
| 1.375% Notes due 2029 | — | The Nasdaq Stock Market LLC |
| 3.050% Notes due 2029 | — | The Nasdaq Stock Market LLC |
| 0.500% Notes due 2031 | — | The Nasdaq Stock Market LLC |
| 3.600% Notes due 2042 | — | The Nasdaq Stock Market LLC |

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer



Non-accelerated filer



Accelerated filer



Smaller reporting company



Emerging growth company



Term Debt

As of December 31, 2022 and September 24, 2022, the Company had outstanding fixed-rate notes with varying maturities for an aggregate carrying amount of \$109.4 billion and \$110.1 billion, respectively (collectively the "Notes"). As of December 31, 2022 and September 24, 2022, the fair value of the Company's Notes, based on Level 2 inputs, was \$98.0 billion and \$98.8 billion, respectively.

Note 6 – Shareholders' Equity

Share Repurchase Program

During the three months ended December 31, 2022, the Company repurchased 133 million shares of its common stock for \$19.0 billion under a share repurchase program authorized by the Board of Directors (the "Program"). The Program does not obligate the Company to acquire a minimum amount of shares. Under the Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

Note 7 – Benefit Plans

Restricted Stock Units

A summary of the Company's RSU activity and related information for the three months ended December 31, 2022 is as follows:

| | Number of RSUs (in thousands) | Weighted-Average Grant Date Fair Value Per RSU | Aggregate Fair Value (in millions) |
|----------------------------------|-------------------------------------|--|--|
| Balance as of September 24, 2022 | 201,501 | \$ 109.48 | |
| RSUs granted | 82,123 | \$ 149.85 | |
| RSUs vested | (47,298) | \$ 84.46 | |
| RSUs canceled | (2,958) | \$ 120.26 | |
| Balance as of December 31, 2022 | 233,368 | \$ 128.62 | \$ 30,322 |

The fair value as of the respective vesting dates of RSUs was \$6.8 billion and \$8.5 billion for the three months ended December 31, 2022 and December 25, 2021, respectively.

Share-Based Compensation

The following table shows share-based compensation expense and the related income tax benefit included in the Condensed Consolidated Statements of Operations for the three months ended December 31, 2022 and December 25, 2021 (in millions):

| | Three Months Ended | |
|--|----------------------|----------------------|
| | December 31, 2022 | December 25, 2021 |
| Share-based compensation expense | \$ 2,905 | \$ 2,265 |
| Income tax benefit related to share-based compensation expense | \$ (1,178) | \$ (1,536) |

As of December 31, 2022, the total unrecognized compensation cost related to outstanding RSUs and stock options was \$25.5 billion, which the Company expects to recognize over a weighted-average period of 3.0 years.