

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 June 25, 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
1.000% Notes due 2022	—	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 ☐

Other Income/(Expense), Net

The following table shows the detail of other income/(expense), net for the three- and nine-month periods ended June 25, 2022 and June 26, 2021 (in millions):

	Three Months Ended		Nine Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
Interest and dividend income	\$ 722	\$ 719	\$ 2,072	\$ 2,184
Interest expense	(719)	(665)	(2,104)	(1,973)
Other income/(expense), net	(13)	189	(65)	585
Total other income/(expense), net	<u>\$ (10)</u>	<u>\$ 243</u>	<u>\$ (97)</u>	<u>\$ 796</u>

Note 5 – Debt

Commercial Paper

The Company issues unsecured short-term promissory notes (“Commercial Paper”) pursuant to a commercial paper program. The Company uses net proceeds from the commercial paper program for general corporate purposes, including dividends and share repurchases. As of June 25, 2022 and September 25, 2021, the Company had \$11.0 billion and \$6.0 billion of Commercial Paper outstanding, respectively. The following table provides a summary of cash flows associated with the issuance and maturities of Commercial Paper for the nine months ended June 25, 2022 and June 26, 2021 (in millions):

	Nine Months Ended	
	June 25, 2022	June 26, 2021
Maturities 90 days or less:		
Proceeds from commercial paper, net	\$ 4,383	\$ 2,745
Maturities greater than 90 days:		
Proceeds from commercial paper	5,731	3,993
Repayments of commercial paper	(5,144)	(3,716)
Proceeds from commercial paper, net	<u>587</u>	<u>277</u>
Total proceeds from commercial paper, net	<u>\$ 4,970</u>	<u>\$ 3,022</u>

Term Debt

As of June 25, 2022 and September 25, 2021, the Company had outstanding floating- and fixed-rate notes with varying maturities for an aggregate carrying amount of \$108.7 billion and \$118.7 billion, respectively (collectively the “Notes”). As of June 25, 2022 and September 25, 2021, the fair value of the Company’s Notes, based on Level 2 inputs, was \$101.0 billion and \$125.3 billion, respectively.

Note 6 – Shareholders’ Equity

Share Repurchase Program

During the nine months ended June 25, 2022, the Company repurchased 408 million shares of its common stock for \$65.0 billion under a share repurchase program authorized by the Board of Directors (the “Program”), including 35 million shares delivered under accelerated share repurchase agreements totaling \$6.0 billion that were entered into in November 2021. 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.