

**Apple Inc.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

(In millions, except number of shares, which are reflected in thousands, and per-share amounts)

|                                                 | <b>Three Months Ended</b>    |                              |
|-------------------------------------------------|------------------------------|------------------------------|
|                                                 | <b>December 27,<br/>2025</b> | <b>December 28,<br/>2024</b> |
| Net sales:                                      |                              |                              |
| Products                                        | \$ 113,743                   | \$ 97,960                    |
| Services                                        | 30,013                       | 26,340                       |
| Total net sales <sup>(1)</sup>                  | <u>143,756</u>               | <u>124,300</u>               |
| Cost of sales:                                  |                              |                              |
| Products                                        | 67,478                       | 59,447                       |
| Services                                        | 7,047                        | 6,578                        |
| Total cost of sales                             | <u>74,525</u>                | <u>66,025</u>                |
| Gross margin                                    | <u>69,231</u>                | <u>58,275</u>                |
| Operating expenses:                             |                              |                              |
| Research and development                        | 10,887                       | 8,268                        |
| Selling, general and administrative             | 7,492                        | 7,175                        |
| Total operating expenses                        | <u>18,379</u>                | <u>15,443</u>                |
| Operating income                                | 50,852                       | 42,832                       |
| Other income/(expense), net                     | 150                          | (248)                        |
| Income before provision for income taxes        | 51,002                       | 42,584                       |
| Provision for income taxes                      | 8,905                        | 6,254                        |
| Net income                                      | <u>\$ 42,097</u>             | <u>\$ 36,330</u>             |
| Earnings per share:                             |                              |                              |
| Basic                                           | \$ 2.85                      | \$ 2.41                      |
| Diluted                                         | \$ 2.84                      | \$ 2.40                      |
| Shares used in computing earnings per share:    |                              |                              |
| Basic                                           | 14,748,158                   | 15,081,724                   |
| Diluted                                         | 14,810,356                   | 15,150,865                   |
| <sup>(1)</sup> Net sales by reportable segment: |                              |                              |
| Americas                                        | \$ 58,529                    | \$ 52,648                    |
| Europe                                          | 38,146                       | 33,861                       |
| Greater China                                   | 25,526                       | 18,513                       |
| Japan                                           | 9,413                        | 8,987                        |
| Rest of Asia Pacific                            | 12,142                       | 10,291                       |
| Total net sales                                 | <u>\$ 143,756</u>            | <u>\$ 124,300</u>            |
| <sup>(1)</sup> Net sales by category:           |                              |                              |
| iPhone                                          | \$ 85,269                    | \$ 69,138                    |
| Mac                                             | 8,386                        | 8,987                        |
| iPad                                            | 8,595                        | 8,088                        |
| Wearables, Home and Accessories                 | 11,493                       | 11,747                       |
| Services                                        | 30,013                       | 26,340                       |
| Total net sales                                 | <u>\$ 143,756</u>            | <u>\$ 124,300</u>            |

**Apple Inc.**

**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

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

|                                                                                                                                                                       | <b>December 27,<br/>2025</b> | <b>September 27,<br/>2025</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|
| <b>ASSETS:</b>                                                                                                                                                        |                              |                               |
| Current assets:                                                                                                                                                       |                              |                               |
| Cash and cash equivalents                                                                                                                                             | \$ 45,317                    | \$ 35,934                     |
| Marketable securities                                                                                                                                                 | 21,590                       | 18,763                        |
| Accounts receivable, net                                                                                                                                              | 39,921                       | 39,777                        |
| Vendor non-trade receivables                                                                                                                                          | 30,399                       | 33,180                        |
| Inventories                                                                                                                                                           | 5,875                        | 5,718                         |
| Other current assets                                                                                                                                                  | 15,002                       | 14,585                        |
| Total current assets                                                                                                                                                  | 158,104                      | 147,957                       |
| Non-current assets:                                                                                                                                                   |                              |                               |
| Marketable securities                                                                                                                                                 | 77,888                       | 77,723                        |
| Property, plant and equipment, net                                                                                                                                    | 50,159                       | 49,834                        |
| Other non-current assets                                                                                                                                              | 93,146                       | 83,727                        |
| Total non-current assets                                                                                                                                              | 221,193                      | 211,284                       |
| Total assets                                                                                                                                                          | \$ 379,297                   | \$ 359,241                    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>                                                                                                                          |                              |                               |
| Current liabilities:                                                                                                                                                  |                              |                               |
| Accounts payable                                                                                                                                                      | \$ 70,587                    | \$ 69,860                     |
| Other current liabilities                                                                                                                                             | 68,543                       | 66,387                        |
| Deferred revenue                                                                                                                                                      | 9,413                        | 9,055                         |
| Commercial paper                                                                                                                                                      | 1,997                        | 7,979                         |
| Term debt                                                                                                                                                             | 11,827                       | 12,350                        |
| Total current liabilities                                                                                                                                             | 162,367                      | 165,631                       |
| Non-current liabilities:                                                                                                                                              |                              |                               |
| Term debt                                                                                                                                                             | 76,685                       | 78,328                        |
| Other non-current liabilities                                                                                                                                         | 52,055                       | 41,549                        |
| Total non-current liabilities                                                                                                                                         | 128,740                      | 119,877                       |
| Total liabilities                                                                                                                                                     | 291,107                      | 285,508                       |
| Commitments and contingencies                                                                                                                                         |                              |                               |
| Shareholders' equity:                                                                                                                                                 |                              |                               |
| Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 14,702,703 and 14,773,260 shares issued and outstanding, respectively | 95,221                       | 93,568                        |
| Accumulated deficit                                                                                                                                                   | (2,177)                      | (14,264)                      |
| Accumulated other comprehensive loss                                                                                                                                  | (4,854)                      | (5,571)                       |
| Total shareholders' equity                                                                                                                                            | 88,190                       | 73,733                        |
| Total liabilities and shareholders' equity                                                                                                                            | \$ 379,297                   | \$ 359,241                    |

**Apple Inc.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(In millions)

|                                                                                      | <b>Three Months Ended</b>    |                              |
|--------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                      | <b>December 27,<br/>2025</b> | <b>December 28,<br/>2024</b> |
| Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances | \$ 35,934                    | \$ 29,943                    |
| <b>Operating activities:</b>                                                         |                              |                              |
| Net income                                                                           | 42,097                       | 36,330                       |
| Adjustments to reconcile net income to cash generated by operating activities:       |                              |                              |
| Depreciation and amortization                                                        | 3,214                        | 3,080                        |
| Share-based compensation expense                                                     | 3,594                        | 3,286                        |
| Other                                                                                | (528)                        | (2,009)                      |
| Changes in operating assets and liabilities:                                         |                              |                              |
| Accounts receivable, net                                                             | (153)                        | 3,597                        |
| Vendor non-trade receivables                                                         | 2,781                        | 3,166                        |
| Inventories                                                                          | (211)                        | 215                          |
| Other current and non-current assets                                                 | (10,250)                     | 939                          |
| Accounts payable                                                                     | 848                          | (6,671)                      |
| Other current and non-current liabilities                                            | 12,533                       | (11,998)                     |
| Cash generated by operating activities                                               | <u>53,925</u>                | <u>29,935</u>                |
| <b>Investing activities:</b>                                                         |                              |                              |
| Purchases of marketable securities                                                   | (12,693)                     | (6,124)                      |
| Proceeds from maturities of marketable securities                                    | 7,510                        | 15,967                       |
| Proceeds from sales of marketable securities                                         | 2,824                        | 3,492                        |
| Payments for acquisition of property, plant and equipment                            | (2,373)                      | (2,940)                      |
| Other                                                                                | (154)                        | (603)                        |
| Cash generated by/(used in) investing activities                                     | <u>(4,886)</u>               | <u>9,792</u>                 |
| <b>Financing activities:</b>                                                         |                              |                              |
| Payments for taxes related to net share settlement of equity awards                  | (2,922)                      | (2,921)                      |
| Payments for dividends and dividend equivalents                                      | (3,921)                      | (3,856)                      |
| Repurchases of common stock                                                          | (24,701)                     | (23,606)                     |
| Repayments of term debt                                                              | (2,164)                      | (1,009)                      |
| Repayments of commercial paper, net                                                  | (5,910)                      | (7,944)                      |
| Other                                                                                | (38)                         | (35)                         |
| Cash used in financing activities                                                    | <u>(39,656)</u>              | <u>(39,371)</u>              |
| Increase in cash, cash equivalents, and restricted cash and cash equivalents         | <u>9,383</u>                 | <u>356</u>                   |
| Cash, cash equivalents, and restricted cash and cash equivalents, ending balances    | <u>\$ 45,317</u>             | <u>\$ 30,299</u>             |
| <b>Supplemental cash flow disclosure:</b>                                            |                              |                              |
| Cash paid for income taxes, net                                                      | \$ 3,434                     | \$ 18,651                    |