

**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		Twelve Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
<b>Net sales:</b>				
Products	\$ 73,716	\$ 69,958	\$ 307,003	\$ 294,866
Services	28,750	24,972	109,158	96,169
<b>Total net sales <sup>(1)</sup></b>	<b>102,466</b>	<b>94,930</b>	<b>416,161</b>	<b>391,035</b>
<b>Cost of sales:</b>				
Products	47,019	44,566	194,116	185,233
Services	7,106	6,485	26,844	25,119
<b>Total cost of sales</b>	<b>54,125</b>	<b>51,051</b>	<b>220,960</b>	<b>210,352</b>
Gross margin	48,341	43,879	195,201	180,683
<b>Operating expenses:</b>				
Research and development	8,866	7,765	34,550	31,370
Selling, general and administrative	7,048	6,523	27,601	26,097
<b>Total operating expenses</b>	<b>15,914</b>	<b>14,288</b>	<b>62,151</b>	<b>57,467</b>
Operating income	32,427	29,591	133,050	123,216
Other income/(expense), net	377	19	(321)	269
<b>Income before provision for income taxes</b>	<b>32,804</b>	<b>29,610</b>	<b>132,729</b>	<b>123,485</b>
Provision for income taxes	5,338	14,874	20,719	29,749
<b>Net income</b>	<b>\$ 27,466</b>	<b>\$ 14,736</b>	<b>\$ 112,010</b>	<b>\$ 93,736</b>
<b>Earnings per share:</b>				
Basic	\$ 1.85	\$ 0.97	\$ 7.49	\$ 6.11
Diluted	\$ 1.85	\$ 0.97	\$ 7.46	\$ 6.08
<b>Shares used in computing earnings per share:</b>				
Basic	14,815,307	15,171,990	14,948,500	15,343,783
Diluted	14,863,609	15,242,853	15,004,697	15,408,095
<sup>(1)</sup> Net sales by reportable segment:				
Americas	\$ 44,192	\$ 41,664	\$ 178,353	\$ 167,045
Europe	28,703	24,924	111,032	101,328
Greater China	14,493	15,033	64,377	66,952
Japan	6,636	5,926	28,703	25,052
Rest of Asia Pacific	8,442	7,383	33,696	30,658
<b>Total net sales</b>	<b>\$ 102,466</b>	<b>\$ 94,930</b>	<b>\$ 416,161</b>	<b>\$ 391,035</b>
<sup>(1)</sup> Net sales by category:				
iPhone	\$ 49,025	\$ 46,222	\$ 209,586	\$ 201,183
Mac	8,726	7,744	33,708	29,984
iPad	6,952	6,950	28,023	26,694
Wearables, Home and Accessories	9,013	9,042	35,686	37,005
Services	28,750	24,972	109,158	96,169
<b>Total net sales</b>	<b>\$ 102,466</b>	<b>\$ 94,930</b>	<b>\$ 416,161</b>	<b>\$ 391,035</b>

**Apple Inc.**

**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

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

	September 27, 2025	September 28, 2024
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 35,934	\$ 29,943
Marketable securities	18,763	35,228
Accounts receivable, net	39,777	33,410
Vendor non-trade receivables	33,180	32,833
Inventories	5,718	7,286
Other current assets	14,585	14,287
Total current assets	147,957	152,987
Non-current assets:		
Marketable securities	77,723	91,479
Property, plant and equipment, net	49,834	45,680
Other non-current assets	83,727	74,834
Total non-current assets	211,284	211,993
Total assets	\$ 359,241	\$ 364,980
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 69,860	\$ 68,960
Other current liabilities	66,387	78,304
Deferred revenue	9,055	8,249
Commercial paper	7,979	9,967
Term debt	12,350	10,912
Total current liabilities	165,631	176,392
Non-current liabilities:		
Term debt	78,328	85,750
Other non-current liabilities	41,549	45,888
Total non-current liabilities	119,877	131,638
Total liabilities	285,508	308,030
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 14,773,260 and 15,116,786 shares issued and outstanding, respectively	93,568	83,276
Accumulated deficit	(14,264)	(19,154)
Accumulated other comprehensive loss	(5,571)	(7,172)
Total shareholders' equity	73,733	56,950
Total liabilities and shareholders' equity	\$ 359,241	\$ 364,980

**Apple Inc.**

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

	<b>Twelve Months Ended</b>	
	<b>September 27, 2025</b>	<b>September 28, 2024</b>
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	\$ 29,943	\$ 30,737
Operating activities:		
Net income	112,010	93,736
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	11,698	11,445
Share-based compensation expense	12,863	11,688
Other	(89)	(2,266)
Changes in operating assets and liabilities:		
Accounts receivable, net	(6,682)	(3,788)
Vendor non-trade receivables	(347)	(1,356)
Inventories	1,400	(1,046)
Other current and non-current assets	(9,197)	(11,731)
Accounts payable	902	6,020
Other current and non-current liabilities	(11,076)	15,552
Cash generated by operating activities	<u>111,482</u>	<u>118,254</u>
Investing activities:		
Purchases of marketable securities	(24,407)	(48,656)
Proceeds from maturities of marketable securities	40,907	51,211
Proceeds from sales of marketable securities	12,890	11,135
Payments for acquisition of property, plant and equipment	(12,715)	(9,447)
Other	(1,480)	(1,308)
Cash generated by investing activities	<u>15,195</u>	<u>2,935</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(5,960)	(5,441)
Payments for dividends and dividend equivalents	(15,421)	(15,234)
Repurchases of common stock	(90,711)	(94,949)
Proceeds from issuance of term debt, net	4,481	—
Repayments of term debt	(10,932)	(9,958)
Proceeds from/(Repayments of) commercial paper, net	(2,032)	3,960
Other	(111)	(361)
Cash used in financing activities	<u>(120,686)</u>	<u>(121,983)</u>
Increase/(Decrease) in cash, cash equivalents, and restricted cash and cash equivalents	5,991	(794)
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	\$ 35,934	\$ 29,943
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 43,369	\$ 26,102

**Apple Inc.**

**RECONCILIATION OF 2024 NON-GAAP TO GAAP RESULTS OF OPERATIONS (Unaudited)**

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

	Three Months Ended September 28, 2024			Twelve Months Ended September 28, 2024				
	As Reported (GAAP)	Non-GAAP Adjustments	(a)	As Adjusted (Non-GAAP)	As Reported (GAAP)	Non-GAAP Adjustments	(a)	As Adjusted (Non-GAAP)
Income before provision for income taxes	\$ 29,610	\$ —		\$ 29,610	\$ 123,485	\$ —		\$ 123,485
Provision for income taxes	14,874	(10,246)	(b)	4,628	29,749	(10,246)	(b)	19,503
Net income	<u>\$ 14,736</u>	<u>\$ 10,246</u>	(b)	<u>\$ 24,982</u>	<u>\$ 93,736</u>	<u>\$ 10,246</u>	(b)	<u>\$ 103,982</u>
Diluted earnings per share	\$ 0.97	\$ 0.67	(c)	\$ 1.64	\$ 6.08	\$ 0.67	(c)	\$ 6.75
Shares used in computing diluted earnings per share	15,242,853	—		15,242,853	15,408,095	—		15,408,095

(a) These adjustments reconcile certain of the Company's GAAP results of operations to its non-GAAP results of operations. The Company believes that the presentation of results excluding the impact of the reversal of the European General Court's State Aid decision provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of operating results across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

(b) Non-GAAP adjustments to provision for income taxes and net income to reflect the impact of the reversal of the European General Court's State Aid decision recognized during the fourth quarter of 2024. On September 10, 2024, the European Court of Justice announced that it had set aside the 2020 judgment of the European General Court and confirmed the European Commission's 2016 State Aid decision. As a result, during the fourth quarter of 2024 the Company recorded a one-time income tax charge of \$10.2 billion, net, which represented \$15.8 billion payable to Ireland via release of restricted funds held in escrow, partially offset by a U.S. foreign tax credit of \$4.8 billion and a decrease in unrecognized tax benefits of \$823 million. For additional information, refer to Note 7, "Income Taxes" of the Notes to Consolidated Financial Statements in Part II, Item 8 of the Company's fiscal 2024 Annual Report on Form 10-K.

(c) Represents the per-share impact of the non-GAAP adjustments to net income.