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

FORM 10-K

(Mark One)

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

For the fiscal year ended September 27, 2025

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	**94-2404110**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Apple Park Way Cupertino, California	**95014**
(Address of principal executive offices)	(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**
0.000% 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**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant, as of March 28, 2025, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately $3,253,431,000,000. Solely for purposes of this disclosure, shares of common stock held by executive officers and directors of the Registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purposes.

14,776,353,000 shares of common stock were issued and outstanding as of October 17, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to its 2026 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Registrant's definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

This Annual Report on Form 10-K ("Form 10-K") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Many of the forward-looking statements are located in Part I, Item 1 of this Form 10-K under the heading "Business" and Part II, Item 7 of this Form 10-K under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-K regarding the potential future impact of macroeconomic conditions and tariffs and other measures on the Company's business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of this Form 10-K under the heading "Risk Factors." The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Unless otherwise stated, all information presented herein is based on the Company's fiscal calendar, and references to particular years, quarters, months or periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years. Each of the terms the "Company" and "Apple" as used herein refers collectively to Apple Inc. and its wholly owned subsidiaries, unless otherwise stated.

PART I

Item 1. Business

Company Background

The Company designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services. The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September.

Products

iPhone

iPhone® is the Company's line of smartphones based on its iOS operating system. The iPhone line includes iPhone 17 Pro, iPhone Air™, iPhone 17, iPhone 16 and iPhone 16e.

Mac

Mac® is the Company's line of personal computers based on its macOS® operating system. The Mac line includes laptops MacBook Air® and MacBook Pro®, as well as desktops iMac®, Mac mini®, Mac Studio® and Mac Pro®.

iPad

iPad® is the Company's line of multipurpose tablets based on its iPadOS® operating system. The iPad line includes iPad Pro®, iPad Air®, iPad and iPad mini®.

Wearables, Home and Accessories

Wearables includes smartwatches, wireless headphones and spatial computers. The Company's line of smartwatches, based on its watchOS® operating system, includes Apple Watch® Series 11, Apple Watch SE® 3 and Apple Watch Ultra® 3. The Company's line of wireless headphones includes AirPods®, AirPods Pro®, AirPods Max® and Beats® products. Apple Vision Pro™ is the Company's spatial computer based on its visionOS® operating system.

Home includes Apple TV 4K®, the Company's media streaming and gaming device based on its tvOS® operating system, and HomePod® and HomePod mini®, high-fidelity wireless smart speakers.

Accessories includes Apple-branded and third-party accessories.

Services

Advertising

The Company's advertising services include third-party licensing arrangements and the Company's own advertising platforms.

AppleCare

The Company offers a portfolio of fee-based service and support products under the AppleCare® brand. The offerings provide priority access to Apple technical support, access to the global Apple authorized service network for repair and replacement services, and in many cases additional coverage for instances of accidental damage or theft and loss, depending on the country and type of product.

Cloud Services

The Company's cloud services store and keep customers' content up-to-date and available across multiple Apple devices and Windows personal computers.

Digital Content

The Company operates various platforms, including the App Store®, that allow customers to discover and download applications and digital content, such as books, music, video, games and podcasts.

The Company also offers digital content through subscription-based services, including Apple Arcade®, a game service; Apple Fitness+®, a personalized fitness service; Apple Music®, which offers users a curated listening experience with on-demand radio stations; Apple News+®, a news and magazine service; and Apple TV®, which offers exclusive original content and live sports.

Payment Services

The Company offers payment services, including Apple Card®, a co-branded credit card, and Apple Pay®, a cashless payment service.

Segments

The Company manages its business primarily on a geographic basis. The Company's reportable segments consist of the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. Americas includes both North and South America. Europe includes European countries, as well as India, the Middle East and Africa. Greater China includes China mainland, Hong Kong and Taiwan. Rest of Asia Pacific includes Australia, New Zealand and those Asian countries not included in the Company's other reportable segments. Although the reportable segments provide similar hardware and software products and similar services, each one is managed separately to better align with the location of the Company's customers and distribution partners and the unique market dynamics of each geographic region.

Markets and Distribution

The Company's customers are primarily in the consumer, small and mid-sized business, education, enterprise and government markets. The Company sells its products and resells third-party products in most of its major markets directly to customers through its retail and online stores and its direct sales force. The Company sells its services in the same markets through its various service platforms. The Company also employs a variety of indirect distribution channels, such as third-party cellular network carriers and other resellers, for the sale of its products and certain of its services. During 2025, the Company's net sales through its direct and indirect distribution channels accounted for 40% and 60%, respectively, of total net sales.

Competition

The markets for the Company's products and services are highly competitive and are characterized by aggressive price competition, downward pressure on gross margins, continual improvement in product performance, and price sensitivity on the part of consumers and businesses. The markets in which the Company competes are further defined by frequent introduction of new products and services, short product life cycles, evolving industry standards, and rapid adoption of technological advancements by competitors. Many of the Company's competitors seek to compete primarily through aggressive pricing and very low cost structures, and by imitating the Company's products and infringing on its intellectual property.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products, including the hardware, operating system, numerous software applications and related services. Principal competitive factors important to the Company include price, product and service features (including security features), relative price and performance, product and service quality and reliability, design and technology innovation, a strong third-party software and accessories ecosystem, marketing and distribution capability, service and support, corporate reputation, and the ability to effectively protect and enforce the Company's intellectual property rights.

The Company is focused on expanding its market opportunities related to smartphones, personal computers, tablets, wearables and accessories, and services. The Company's products and services face substantial competition from companies that have significant technical, marketing, distribution and other resources, as well as established hardware, software, and service offerings with large customer bases. In addition, the Company faces significant competition as competitors imitate the Company's product features and applications within their products to offer more competitive solutions. The Company also expects competition to intensify as competitors imitate the Company's approach to providing components seamlessly within their offerings or work collaboratively to offer integrated solutions. Some of the Company's competitors have broad product lines, low-priced products, large installed bases of active devices, and large customer bases. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience or cost structures to provide products and services at little or no profit or even at a loss. The Company has a minority market share in the global smartphone, personal computer, tablet and wearables markets, and some of the markets in which the Company competes have from time to time experienced little to no growth or contracted overall.

Supply of Components

Although most components essential to the Company's business are generally available from multiple sources, certain components are currently obtained from single or limited sources. The Company also competes for various components with other participants in the markets for smartphones, personal computers, tablets, wearables and accessories. Therefore, many components used by the Company, including those that are available from multiple sources, are at times subject to industry-wide shortage and significant commodity pricing fluctuations. Restrictions on international trade can increase the cost or limit the availability of the Company's products and the components and rare earths and other raw materials that go into them.

The Company uses some custom components that are not commonly used by its competitors, and new products introduced by the Company often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The Company has entered into agreements for the supply of many components; however, the Company may not be able to extend or renew agreements for the supply of components on similar terms, or at all, and may not be successful in obtaining sufficient quantities from its suppliers or in a timely manner, or in identifying and obtaining sufficient quantities from an alternative source. In addition, component suppliers may fail, be subject to consolidation within a particular industry, or decide to concentrate on the production of common components instead of components customized to meet the Company's requirements, further limiting the Company's ability to obtain sufficient quantities of components on commercially reasonable terms, or at all.

Research and Development

Because the industries in which the Company competes are characterized by rapid technological advances, the Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely flow of competitive products, services and technologies to the marketplace. The Company continues to develop new technologies to enhance existing products and services, and to expand the range of its offerings through research and development ("R&D"), licensing of intellectual property and acquisition of third-party businesses and technology.

Intellectual Property

The Company currently holds a broad collection of intellectual property rights relating to certain aspects of its hardware, software and services. This includes patents, designs, copyrights, trademarks, trade secrets and other forms of intellectual property rights in the U.S. and various foreign countries. Although the Company believes the ownership of such intellectual property rights is an important factor in differentiating its business and that its success does depend in part on such ownership, the Company relies primarily on the innovative skills, technical competence and marketing abilities of its personnel.

The Company regularly files patent, design, copyright and trademark applications to protect innovations arising from its hardware, software and service research, development, design and marketing, and is currently pursuing thousands of applications around the world. Over time, the Company has accumulated a large portfolio of issued and registered intellectual property rights around the world. No single intellectual property right is solely responsible for protecting the Company's products and services. The Company believes the duration of its intellectual property rights is adequate relative to the expected lives of its products and services.

In addition to Company-owned intellectual property, many of the Company's products and services include technology or intellectual property that must be licensed from third parties. It may be necessary in the future to seek or renew licenses relating to various aspects of the Company's products, processes and services. While the Company has generally been able to obtain such licenses on commercially reasonable terms in the past, there is no guarantee that such licenses could be obtained in the future on reasonable terms or at all.

Business Seasonality and Product Introductions

The Company has historically experienced higher net sales in its first quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. The timing of product introductions can also impact the Company's net sales to its indirect distribution channels as these channels are filled with new inventory following a product launch, and channel inventory of an older product often declines as the launch of a newer product approaches. Net sales can also be affected when consumers and distributors anticipate a product introduction.

Human Capital

The Company believes that its people play an important role in its success, and strives to attract, develop and retain the best talent. The Company works to create a culture of collaboration, one where people with a broad range of backgrounds and perspectives can come together to innovate and do the best work of their lives. The Company is an equal opportunity employer committed to inclusion and to providing a workplace free of harassment or discrimination. As of September 27, 2025, the Company had approximately 166,000 full-time equivalent employees.

The Company believes that compensation should be competitive and equitable, and offers discretionary cash and equity awards to enable employees to share in the Company's success. The Company recognizes its people are most likely to thrive when they have the resources to meet their needs and the time and support to succeed in their professional and personal lives. In support of this, the Company offers a wide variety of benefits for employees around the world, including health, wellness and time away.

The Company invests in resources to help its people develop and achieve their career goals. The Company offers programs through Apple University on leadership, management and influence, as well as Apple culture and values. Team members can also take advantage of online classes for business, technical and personal development.

The Company believes that open and honest communication among team members, managers and leaders helps create an open, collaborative work environment where everyone can contribute, grow and succeed. Team members are encouraged to come to their managers with questions, feedback or concerns, and the Company conducts surveys that gauge employee sentiment in areas like career development, manager performance and inclusion.

The Company is committed to the safety and security of its team members everywhere it operates. The Company supports employees with general safety, security and crisis management training, and by putting specific programs in place for those working in potentially high-hazard environments.

Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), are filed with the U.S. Securities and Exchange Commission ("SEC"). Such reports and other information filed by the Company with the SEC are available free of charge at investor.apple.com/investor-relations/sec-filings/default.aspx when such reports are available on the SEC's website. The Company periodically provides certain information for investors on its corporate website, www.apple.com, and its investor relations website, investor.apple.com. This includes press releases and other information about financial performance, information on corporate governance, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-K is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

Item 1A. Risk Factors

The following summarizes factors that could have a material adverse effect on the Company's business, reputation, results of operations, financial condition and stock price. The Company may not be able to accurately predict, control or mitigate these risks. Statements in this section are based on the Company's beliefs and opinions regarding matters that could materially adversely affect the Company in the future and are not representations as to whether such matters have or have not occurred previously. The risks and uncertainties described below are not exhaustive and should not be considered a complete statement of all potential risks or uncertainties that the Company faces or may face in the future.

This section should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K.

Macroeconomic and Industry Risks

The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations, financial condition and stock price.

The Company has international operations with sales outside the U.S. representing a majority of the Company's total net sales. In addition, the Company's global supply chain is large and complex and a majority of the Company's supplier facilities, including manufacturing and assembly sites, are located outside the U.S. As a result, the Company's operations and performance depend significantly on global and regional economic conditions.

Adverse macroeconomic conditions, including slow growth or recession, high unemployment, inflation, tighter credit, higher interest rates, and currency fluctuations, can adversely impact consumer confidence and spending and materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending can be materially adversely affected in response to changes in fiscal and monetary policy, financial market volatility, declines in income or asset values, and other economic factors.

Uncertainty about, or a decline in, global or regional economic conditions can also have a significant impact on the Company's suppliers, contract manufacturers, logistics providers, distributors, cellular network carriers and other channel partners, and developers. Potential outcomes include financial instability; inability to obtain credit to finance business operations; and insolvency.

Adverse economic conditions can also lead to increased credit and collectibility risk on the Company's trade receivables; the failure of derivative counterparties and other financial institutions; limitations on the Company's ability to issue new debt; reduced liquidity; and declines in the fair values of the Company's financial instruments. These and other impacts can materially adversely affect the Company's business, results of operations, financial condition and stock price.

The Company's business can be impacted by political events, trade and other international disputes, geopolitical tensions, conflict, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions.

Political events, trade and other international disputes, geopolitical tensions, conflict, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions can have a material adverse effect on the Company and its customers, employees, suppliers, contract manufacturers, logistics providers, distributors, cellular network carriers and other channel partners.

The Company has a large, global business with sales outside the U.S. representing a majority of the Company's total net sales, and the Company believes that it generally benefits from growth in international trade. A significant majority of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam, in addition to sourcing from partners and facilities located in the U.S. Restrictions on international trade, such as tariffs and other controls on imports or exports of goods, technology or data, can materially adversely affect the Company's business and supply chain. The impact can be particularly significant if these restrictive measures apply to countries and regions where the Company derives a significant portion of its revenues and/or has significant supply chain operations. Restrictive measures can increase the cost or limit the availability of the Company's products and the components and rare earths and other raw materials that go into them. Restrictive measures can also require the Company to change suppliers, restructure business relationships and operations, refrain from offering and distributing or cease to offer and distribute affected products, services and third-party applications to its customers, and increase the prices of its products and services. Changing the Company's business and supply chain in accordance with new or changed restrictions on international trade can be expensive, time-consuming and disruptive to the Company's business and results of operations. Trade and other international disputes can also have an adverse impact on the overall macroeconomic environment and result in shifts and reductions in consumer spending and negative consumer sentiment for the Company's products and services, all of which can further adversely affect the Company's business and results of operations. Such restrictions can be announced with little or no advance notice, which can create uncertainty, and the Company may not be able to effectively mitigate any or all adverse impacts from such measures. Global supply chains can be highly concentrated, and an escalation of geopolitical tensions or conflict could result in significant disruptions. Beginning in the second quarter of 2025, new tariffs were announced on imports to the U.S. ("U.S. Tariffs"), including additional tariffs on imports from China, India, Japan, South Korea, Taiwan, Vietnam and the European Union ("EU"), among others. In response, several countries have imposed, or threatened to impose, reciprocal tariffs on imports from the U.S. and other retaliatory measures. Various modifications to the U.S. Tariffs have been announced and further changes could be made in the future, which may include additional sector-based tariffs or other measures. For example, the U.S. Department of Commerce has initiated an investigation under Section 232 of the Trade Expansion Act of 1962, as amended, into, among other things, imports of semiconductors, semiconductor manufacturing equipment, and their derivative products, including downstream products that contain semiconductors. The ultimate impact remains uncertain and will depend on several factors, including whether additional or incremental U.S. Tariffs or other measures are announced or imposed, to what extent other countries implement tariffs or other retaliatory measures in response, and the overall magnitude and duration of these measures. If disputes and conflicts further escalate, actions by governments in response could be significantly more severe and restrictive.

Many of the Company's operations, retail stores and facilities, as well as critical business operations of the Company's suppliers and contract manufacturers, are in locations that are prone to earthquakes and other natural disasters. Global climate change is resulting in certain types of natural disasters and extreme weather occurring more frequently or with more intense effects. In addition, the Company's and its suppliers' operations, retail stores and facilities are subject to the risk of interruption by fire, power shortages, nuclear power plant accidents and other industrial accidents, terrorist attacks and other hostile acts, ransomware and other cybersecurity attacks, labor disputes, public health issues and other events beyond the Company's control.

Such events can make it difficult or impossible for the Company to manufacture and deliver products to its customers, create delays and inefficiencies in the Company's supply and manufacturing chain, result in slowdowns and outages to the Company's service offerings, increase the Company's costs, and negatively impact consumer spending and demand in affected areas.

The Company's operations are also subject to the risks of industrial accidents at its suppliers and contract manufacturers. While the Company's suppliers are required to maintain safe working environments and operations, an industrial accident could occur and could result in serious injuries or loss of life, disruption to the Company's business, and harm to the Company's reputation. Major public health issues, including pandemics such as the COVID-19 pandemic, have adversely affected, and could in the future materially adversely affect, the Company due to their impact on the global economy and demand for consumer products; the imposition of protective public safety measures, such as stringent employee travel restrictions and limitations on freight services and the movement of products between regions; and disruptions in the Company's operations, supply chain and sales and distribution channels, resulting in interruptions to the supply of current products and offering of existing services, and delays in production ramps of new products and development of new services.

Following any interruption to its business, the Company can require substantial recovery time, incur significant expenditures to resume operations, and lose significant sales. Because the Company relies on single or limited sources for the supply and manufacture of many critical components, a business interruption affecting such sources would exacerbate any negative consequences to the Company. While the Company maintains insurance coverage for certain types of losses, such insurance coverage may be insufficient to cover all losses that may arise. Any of the foregoing can materially adversely affect the Company's business, results of operations, financial condition and stock price.

Global markets for the Company's products and services are highly competitive and subject to rapid technological change, and the Company may be unable to compete effectively in these markets.

The Company's products and services are offered in highly competitive global markets. These markets are characterized by aggressive price competition, downward pressure on gross margins, continual improvement in product performance, and price sensitivity on the part of consumers and businesses. These markets are further defined by frequent introduction of new products and services, short product life cycles, evolving industry standards, and rapid adoption of technological advancements.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products, including the hardware, operating system, numerous software applications and related services. As a result, the Company must make significant investments in R&D. These investments may not achieve expected returns, and the Company may not be able to develop and market new products and services successfully.

The Company's ability to compete successfully also depends on the effective protection and enforcement of its intellectual property rights. Regulatory requirements, government investigations and litigation can force the Company to withdraw from, or modify its products and services for, certain countries and limit its ability to derive value from, or to enjoin others from using, its intellectual property rights. Additionally, they may require the Company to share its innovations with competitors. Any of these outcomes can have a negative impact on the Company's competitive advantage and materially adversely affect its business, results of operations, financial condition and stock price.

The Company currently holds a significant number of patents, trademarks and copyrights and has registered, and applied to register, additional patents, trademarks and copyrights. In contrast, many of the Company's competitors seek to compete primarily through aggressive pricing and very low cost structures, and by imitating the Company's products and infringing on its intellectual property. Effective intellectual property protection is not consistently available in every country in which the Company operates. If the Company is unable to continue to develop and sell innovative new products with attractive margins or if competitors infringe on the Company's intellectual property, the Company's ability to maintain a competitive advantage could be materially adversely affected.

The Company's products and services face substantial competition from companies that have significant technical, marketing, distribution and other resources, as well as established hardware, software and service offerings. In addition, the Company faces significant competition as competitors imitate the Company's product features and applications within their products to offer more competitive solutions. The Company also expects competition to intensify as competitors imitate the Company's approach to providing components seamlessly within their offerings or work collaboratively to offer integrated solutions. Some of the Company's competitors have broad product lines, low-priced products, large installed bases of active devices, and large customer bases. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience or cost structures to provide products and services at little or no profit or even at a loss. The Company has a minority market share in the global smartphone, personal computer, tablet and wearables markets, and some of the markets in which the Company competes have from time to time experienced little to no growth or contracted overall.

If the Company is unable to compete successfully, its business, reputation, results of operations, financial condition and stock price can be materially adversely affected.

Business Risks

To remain competitive and stimulate customer demand, the Company must successfully manage frequent introductions and transitions of products and services.

Due to the highly volatile and competitive nature of the markets and industries in which the Company competes, the Company must continually introduce new products, services and technologies, enhance existing products and services, effectively stimulate customer demand for new and upgraded products and services, navigate global regulatory requirements and barriers to market access, and successfully manage the transition to these new and upgraded products and services. The success of new product and service introductions depends on a number of factors, including the Company's ability to recruit and retain highly skilled personnel to execute on its strategic initiatives, and the timely and successful development and market acceptance of new products, services and technologies. Success also relies on the Company's ability to manage the risks associated with new technologies and production ramp-up issues, the effective integration of third-party services and technologies into the Company's products and services, the availability, delivery and performance of application software or other third-party support for the Company's products and services, the effective management of manufacturing and other purchase commitments and the management of inventory levels in line with anticipated product demand, and the availability of products in appropriate quantities and at expected costs to meet anticipated demand. Additionally, quality issues or other defects or deficiencies can adversely affect the success of new product and service introductions and market acceptance. New products, services and technologies may replace or supersede existing offerings and may produce lower revenues and lower profit margins. The Company may not be able to successfully manage future introductions and transitions of products and services, which can materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company depends on component and product manufacturing and logistical services provided by outsourcing partners, many of which are located outside of the U.S.

A significant majority of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam, in addition to sourcing from partners and facilities located in the U.S. The Company relies on single-source partners in the U.S., Asia and Europe to supply and manufacture many components, and on partners primarily located in Asia, for final assembly of substantially all of the Company's hardware products. The Company has also outsourced much of its transportation and logistics management. While these arrangements can lower operating costs, they also reduce the Company's direct control over production and distribution. Such diminished control has from time to time had, and may in the future have, an adverse effect on the cost, quality or quantity of products manufactured or services provided, or adversely affect the Company's flexibility to respond to changing conditions. Although arrangements with these partners may contain provisions for product defect expense reimbursement, the Company generally remains responsible to the consumer for warranty and out-of-warranty service in the event of product defects and experiences unanticipated product defect liabilities from time to time. While the Company relies on its partners to adhere to its supplier code of conduct, violations of the supplier code of conduct occur from time to time and can materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Changes or additions to the Company's supply chain require considerable time and resources and involve significant risks and uncertainties, including exposure to additional regulatory and operational risks.

Future operating results depend upon the Company's ability to obtain components in sufficient quantities on commercially reasonable terms.

Because the Company currently obtains certain components from single or limited sources, the Company is subject to significant supply and pricing risks. Many components, including those that are available from multiple sources, are at times subject to industry-wide shortages and significant commodity pricing fluctuations that can materially adversely affect the Company's business, results of operations, financial condition and stock price. For example, the global semiconductor industry has in the past experienced high demand and shortages of supply, which adversely affected the Company's ability to obtain sufficient quantities of components and products on commercially reasonable terms, or at all. Such disruptions could occur in the future.

Additionally, the Company's new products often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The Company may not be able to extend or renew agreements for the supply of components on similar terms, or at all, and may not be successful in obtaining sufficient quantities from its suppliers in a timely manner, or in identifying and obtaining sufficient quantities from an alternative source. In addition, component suppliers may fail, be subject to consolidation within a particular industry, or decide to concentrate on the production of common components instead of components customized to meet the Company's requirements, further limiting the Company's ability to obtain sufficient quantities of components on commercially reasonable terms, or at all. Therefore, the Company remains subject to significant risks of supply shortages and price increases that can materially adversely affect its business, results of operations, financial condition and stock price.

The Company's products and services may be affected from time to time by design and manufacturing defects that could materially adversely affect the Company's business and result in harm to the Company's reputation.

The Company offers complex hardware and software products and services that can be affected by design and manufacturing defects. Sophisticated operating system software and applications, such as those offered by the Company, often have issues that can unexpectedly interfere with the intended operation of hardware or software products and services. Defects can also exist in components and products the Company purchases from third parties. Component defects could make the Company's products unsafe and create a risk of environmental or property damage and personal injury. These risks may increase as the Company's products are introduced into specialized applications, including health. In addition, the Company's service offerings can have quality issues and from time to time experience outages, service slowdowns or errors. As a result, from time to time the Company's services have not performed as anticipated and may not meet customer expectations. The introduction of new and complex technologies, such as artificial intelligence features, can increase these and other safety risks, including exposing users to harmful, inaccurate or other negative content and experiences. The Company may not be able to detect and fix all issues and defects in the hardware, software and services it offers, which can result in widespread technical and performance issues affecting the Company's products and services. Errors, bugs and vulnerabilities can be exploited by third parties, compromising the safety and security of a user's device. In addition, the Company can be exposed to product liability claims, recalls, product replacements or modifications, write-offs of inventory, property, plant and equipment or intangible assets, and significant warranty and other expenses, including litigation costs and regulatory fines. Quality problems can adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, delay in new product and service introductions and lost sales.

The Company is exposed to the risk of write-downs on the value of its inventory and other assets, in addition to purchase commitment cancellation risk.

The Company records a write-down for product and component inventories if cost exceeds net realizable value. The Company reviews other assets, including capital assets held at its suppliers' facilities, inventory prepayments and other long-lived assets, for impairment whenever events or circumstances indicate the assets may not be recoverable. Although the Company believes its inventory, capital assets, inventory prepayments and other assets are currently recoverable, the Company may incur write-downs, impairments and other charges given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes.

The Company orders components for its products and builds inventory in advance of product announcements and shipments. Manufacturing purchase obligations cover the Company's forecasted component and manufacturing requirements, typically for periods up to 150 days. Because the Company's markets are volatile, competitive and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of components or products, or not fully utilize purchase commitments. The Company accrues necessary cancellation fee reserves for orders of excess products and components.

The Company relies on access to third-party intellectual property, which may not be available to the Company on commercially reasonable terms, or at all.

The Company's products and services include technology or intellectual property that must be licensed from third parties. In addition, because of technological changes in the industries in which the Company currently competes or in the future may compete, current extensive intellectual property coverage and the rapid rate of new intellectual property rights generation, the Company's products and services may be alleged to infringe existing intellectual property rights of others. This risk may be exacerbated by the use of new and emerging technologies, including machine learning and artificial intelligence, which can involve, among other things, the acquisition and use of copyrighted materials for training as well as the potential reproduction of copyrighted materials in their outputs. From time to time, the Company has been notified that it may be infringing certain intellectual property rights of third parties. The Company is not always able to obtain all necessary licenses to third-party intellectual property rights on commercially reasonable terms or at all. Failure to obtain the right to use third-party intellectual property, or to use such intellectual property on commercially reasonable terms, can require the Company to modify certain products, services or features or preclude the Company from selling certain products or services and expose the Company to significant licensing costs, all of which can materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company's future performance depends in part on support from third-party software developers.

The Company believes decisions by customers to purchase its hardware products depend in part on the availability of third-party software applications and services. Third-party developers may discontinue the development and maintenance of software applications and services for the Company's products. If third-party software applications and services cease to be developed and maintained for the Company's products, customers may choose not to buy the Company's products, adversely impacting the Company's business, results of operations, financial condition and stock price.

The Company believes that third-party developer support depends on the perceived benefits of creating software and services for the Company's products compared to competitors' platforms, such as Android for smartphones and tablets, Windows for personal computers and tablets, and PlayStation, Nintendo and Xbox for gaming platforms. This analysis may be based on factors such as the market position of the Company and its products, the anticipated revenue that may be generated, expected future growth of product sales, and the costs of developing such applications and services.

The Company's minority market share in the global smartphone, personal computer, tablet and wearables markets can make developers less inclined to develop or upgrade software for the Company's products and more inclined to devote their resources to developing and upgrading software for competitors' products with larger market share. When developers focus their efforts on these competing platforms, the availability and quality of applications for the Company's devices can suffer.

The Company relies on the continued availability and development of compelling and innovative software applications for its products. The Company's products and operating systems are subject to rapid technological change, and when third-party developers are unable to or choose not to keep up with this pace of change, their applications can fail to take advantage of these changes to deliver improved customer experiences, can operate incorrectly, and can result in dissatisfied customers and lower customer demand for the Company's products.

Failure to obtain or create digital content that appeals to the Company's customers, or to make such content available on commercially reasonable terms, could have a material adverse impact on the Company's business, results of operations and financial condition.

The Company contracts with numerous third parties to offer their digital content to customers. This includes the right to sell, or offer subscriptions to, third-party content, as well as the right to incorporate specific content into the Company's own services. The licensing or other distribution arrangements for this content can be for relatively short time periods and do not guarantee the continuation or renewal of these arrangements on commercially reasonable terms, or at all. Some third-party content providers and distributors currently or in the future may offer competing products and services, and can take actions to make it difficult or impossible for the Company to license or otherwise distribute their content. Other content owners, providers or distributors may seek to limit the Company's access to, or increase the cost of, such content. The Company may be unable to continue to offer a wide variety of content at commercially reasonable prices with acceptable usage rules.

The Company also produces its own digital content, which can be costly to produce due to intense and increasing competition for talent, content and subscribers, and may fail to appeal to the Company's customers.

The Company's success depends largely on the talents and efforts of its team members, the continued service and availability of highly skilled employees, including key personnel, and the Company's ability to nurture its distinctive and inclusive culture.

Much of the Company's future success depends on the talents and efforts of its team members and the continued availability and service of key personnel, including its Chief Executive Officer, executive team and other highly skilled employees. Experienced personnel in the technology industry are in high demand and competition for their talents is intense, especially in Silicon Valley, where most of the Company's key personnel are located. Periods of intense competition for talent in particular fields can lead to increased costs as the Company seeks to offer competitive compensation to recruit and retain highly skilled employees. In addition to competition for talent, workforce dynamics are constantly evolving and the Company must navigate changes effectively in order to achieve its strategic initiatives. Laws and regulations, including immigration, labor and employment laws and export controls, among others, can materially adversely affect the Company's ability to recruit and retain a highly skilled, global workforce. If the Company does not effectively manage changing workforce dynamics and regulatory requirements, it could materially adversely affect the Company's culture, operational flexibility, strategy and costs, all of which can materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company believes that its distinctive and inclusive culture is a significant driver of its success. If the Company is unable to nurture its culture, it could materially adversely affect the Company's ability to recruit and retain the highly skilled employees who are critical to its success, and could otherwise materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company depends on the performance of carriers and other resellers.

The Company distributes its products and certain of its services through cellular network carriers and other resellers, many of which distribute products and services from competitors. Resellers offer financing, installment payment plans or subsidies for users' purchases of devices, and such plans may be discontinued or modified any time.

The Company has invested and will continue to invest in programs to enhance reseller sales, including staffing selected resellers' stores with Company employees and contractors, improving product placement displays, and developing and making digital marketing assets available to resellers. These programs can require a substantial investment while not assuring return or incremental sales. For example, the purchasing preferences and behaviors of consumers may change, the financial condition of resellers could weaken, resellers could stop distributing the Company's products, or uncertainty regarding demand for some or all of the Company's products could cause resellers to reduce their ordering and marketing of the Company's products, all of which could materially adversely impact the Company's business, results of operations, financial condition and stock price.

The Company's business and reputation are impacted by information technology system failures and network disruptions.

The Company and its global supply chain are dependent on complex information technology systems and are exposed to information technology system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, ransomware or other cybersecurity incidents, or other events or disruptions. System upgrades, redundancy and other continuity measures may be ineffective or inadequate, and the Company's or its vendors' business continuity and disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions can adversely impact the Company's business by, among other things, preventing access to the Company's online services, interfering with customer transactions or impeding the manufacturing and shipping of the Company's products. These events could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Losses or unauthorized access to or releases of confidential information, including personal information, could subject the Company to significant reputational, financial, legal and operational consequences.

The Company's business requires it to use and store confidential information, including personal and sensitive health and financial information with respect to the Company's customers and employees. The Company devotes significant resources to systems and data security, including through the use of encryption and other security measures intended to protect its systems and data. But these measures cannot provide absolute security, and losses or unauthorized access to or releases of confidential information occur and could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company's business also requires it to share confidential information with suppliers and other third parties. The Company relies on global suppliers that are also exposed to ransomware and other malicious attacks that can disrupt business operations. Although the Company takes steps to secure confidential information that is provided to or accessible by third parties working on the Company's behalf, such measures are not always effective and losses or unauthorized access to, or releases of, confidential information occur. Such incidents and other malicious attacks could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company experiences malicious attacks and other attempts to gain unauthorized access to its systems on a regular basis. These attacks target the confidentiality, integrity or availability of confidential information and may disrupt normal business operations. Attacks can impair the Company's ability to attract and retain customers for its products and services, affect its stock price, damage commercial relationships, and expose the Company to litigation or government investigations, potentially resulting in penalties, fines or judgments. Globally, attacks are expected to continue accelerating in both frequency and sophistication with increasing use by actors of tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence, all of which hinders the Company's ability to identify, investigate and recover from incidents. In addition, attacks against the Company and its customers can escalate during periods of geopolitical tensions or conflict.

Although malicious attacks perpetrated to gain access to confidential information, including personal information, affect many companies across various industries, the Company is at a relatively greater risk of being targeted because of its high profile and the value of the confidential information it creates, owns, manages, stores and processes.

As with all companies, the security the Company has implemented may not be sufficient for all eventualities and are vulnerable to hacking, ransomware attacks, employee error, malfeasance, system error, faulty password management or other irregularities. For example, third parties can fraudulently induce the Company's or its suppliers' and other third parties' employees or customers into disclosing usernames, passwords or other sensitive information, which can, in turn, be used for unauthorized access to the Company's or such suppliers' or third parties' systems and services. To help protect customers and the Company, the Company deploys and makes available technologies like multifactor authentication, monitors its services and systems for unusual activity and may freeze accounts under suspicious circumstances, which, among other things, can result in the delay or loss of customer orders or impede customer access to the Company's products and services.

While the Company maintains insurance coverage that is intended to address certain aspects of data security risks, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

Investment in new business strategies, commercial relationships and acquisitions could disrupt the Company's ongoing business, present risks not originally contemplated, and materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company has invested, and in the future may invest, in new business strategies, commercial relationships and acquisitions. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, greater-than-expected liabilities and expenses, economic, political, legal and regulatory challenges associated with operating in new businesses, regions or countries, inadequate return on capital, potential impairment of tangible and intangible assets, and significant write-offs. Some transactions, including investments and acquisitions, are exposed to additional risks, including failing to obtain required regulatory approvals on a timely basis or at all, a counterparty's failure to perform or deliver as anticipated, or the imposition of onerous conditions that could delay or prevent the Company from completing a transaction or otherwise limit the Company's ability to fully realize the anticipated benefits of a transaction. New business strategies and ventures are inherently risky and may not be successful. The Company's business strategies and investments may not be successful, which could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Legal and Regulatory Compliance Risks

The Company's business, results of operations and financial condition could be adversely impacted by unfavorable results of legal proceedings or government investigations.

The Company is subject to various claims, legal proceedings and government investigations that have arisen in the ordinary course of business and have not yet been fully resolved, and new matters may arise in the future. In addition, the Company enters into agreements that include indemnification provisions that can subject the Company to costs and damages in the event of a claim against an indemnified third party. The number of claims, legal proceedings and government investigations involving the Company, and the alleged magnitude of such claims, proceedings and government investigations, has generally increased over time and may continue to increase.

The Company has faced and continues to face a significant number of patent claims relating to its standards-enabled products, and new claims may arise in the future, including as a result of new legal or regulatory frameworks. For example, technology, data and other intellectual property asset–holding companies frequently assert their intellectual property rights and seek royalties and often enter into litigation based on allegations of infringement or other violations of intellectual property rights. These risks, and the risks of novel claims being attempted, may be exacerbated as new and emerging technologies, including machine learning and artificial intelligence, are further integrated into the Company's products and services. The Company is vigorously defending infringement actions in courts in several U.S. jurisdictions, as well as internationally in various countries. The plaintiffs in these actions frequently seek broad injunctive relief and substantial damages.

Regardless of the merit of particular claims, defending against litigation or responding to government investigations can be expensive, time-consuming and disruptive to the Company's operations. In recognition of these considerations, the Company may enter into agreements or other arrangements to settle litigation and resolve such challenges. However, such agreements may not always be available on acceptable terms, and litigation may still arise. Such agreements can also significantly reduce the Company's revenue and increase the Company's cost of sales and operating expenses, materially adversely affecting the Company's business, results of operations, financial condition and stock price. Additionally, such agreements may require the Company to change its business practices and limit the Company's ability to offer certain products and services.

The outcome of litigation or government investigations is inherently uncertain. If one or more legal matters were resolved against the Company or an indemnified third party in a reporting period for amounts above management's expectations, the Company's results of operations, financial condition and stock price for that reporting period could be materially adversely affected. Further, such an outcome can result in significant monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against the Company. Adverse resolution of legal matters has from time to time required, and can in the future require, the Company to change its business practices. It can also limit the Company's ability to enjoin others from using, or to derive value from, its intellectual property rights, and to develop, manufacture, use, import or offer for sale certain products and services, all of which could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

The Company is subject to complex and changing laws and regulations worldwide, which exposes the Company to potential liabilities, increased costs and other adverse effects on the Company's business.

The Company's global operations are subject to complex and changing laws and regulations worldwide on subjects including antitrust; privacy, data security and data localization; online safety; age verification; consumer protection; advertising, sales, billing and e-commerce; financial services and technology; product liability; intellectual property ownership and infringement; digital platforms; machine learning and artificial intelligence; internet, telecommunications and mobile communications; media, television, film and digital content; availability of third-party software applications and services; labor and employment; anticorruption; import, export and trade; foreign exchange controls and cash repatriation restrictions; anti–money laundering; foreign ownership and investment; national security; tax; and environmental, health and safety, including electronic waste, recycling, product design and climate change.

Compliance with these laws and regulations is onerous and expensive. New and changing laws, regulations, executive orders, directives, and enforcement priorities can adversely affect the Company's business by increasing the Company's costs, limiting the Company's ability to offer a product, service or feature to customers, imposing changes to the design of the Company's products and services, impacting customer demand for the Company's products and services, and requiring changes to the Company's business or supply chain. New and changing laws, regulations, executive orders, directives, and enforcement priorities can also create uncertainty about how such laws and regulations will be interpreted and applied. If the Company is found to have violated such laws and regulations, it could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Risks and costs related to new and changing laws, regulations, executive orders, directives, and enforcement priorities increase as the Company's products and services are introduced into specialized applications, including health and financial services, or as the Company expands the use of technologies, such as machine learning and artificial intelligence features, and must navigate new legal, regulatory and ethical considerations relating to such technologies.

Regulatory changes and other actions that materially adversely affect the Company's business may be announced with little or no advance notice and the Company may not be able to effectively mitigate all adverse impacts from such measures. For example, the Company is subject to changing regulations relating to the export and import of its products. The Company's programs, policies and procedures may not be effective in preventing a violation or a claim of a violation. As a result, the Company's products could be banned, delayed or prohibited from importation, which could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Varied stakeholder expectations about social and other issues expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.

Various stakeholders, including governments, regulators, investors, employees, customers and others, have differing expectations about a wide range of social and other issues related to the Company's business. The Company makes statements about its values, including the environmental and societal impact of its business, through various reports, information provided on the Company's website, and in press statements and other communications. The Company also pursues environmental and other goals and initiatives that involve risks and uncertainties, require investments, and depend in part on third-party performance or data that is outside the Company's control, and the Company may not be able to fully achieve all of its goals and initiatives. Efforts by the Company to advance its business and values, or achieve its goals and further its initiatives, or to align with stakeholders' expectations, or comply with evolving, varied and at times conflicting federal, state and international laws, executive orders, regulations and standards, or any failure or perceived failure to do so, can result in adverse reactions by consumers and other stakeholders, including the commencement of legal and regulatory proceedings against the Company, and can materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The technology industry, including, in some instances, the Company, is subject to intense media, political and regulatory scrutiny, which exposes the Company to increasing regulation, government investigations, legal actions and penalties.

From time to time, the Company has made changes to its business, including actions taken in response to litigation, competition, market conditions and legal and regulatory requirements. The Company expects to make further business changes in the future. For example, in the U.S., the Company has implemented changes to how developers communicate with consumers within apps on the U.S. storefront of the iOS and iPadOS App Store regarding alternative purchasing mechanisms and is currently subject to a court order preventing it from imposing any commission or fee on certain purchases that consumers make.

Globally, several jurisdictions have adopted, or may in the future adopt, competition-related laws and regulations imposing wide-ranging obligations on technology companies and significant limitations on businesses, including the Company. For example, the Company has implemented changes to iOS, iPadOS, the App Store and Safari® in the EU as it seeks to comply with the Digital Markets Act ("DMA"), including new business terms and alternative fee structures for iOS and iPadOS apps, alternative methods of distribution for iOS and iPadOS apps, alternative payment processing for apps across the Company's operating systems, and additional tools and application programming interfaces for developers. The Company has also continued to make changes to its compliance plan in response to feedback and engagement with the Commission. Although the Company's compliance plan is intended to address the DMA's obligations, it has been challenged by the Commission and may be challenged further by private litigants. The DMA provides for significant fines and penalties for noncompliance. While the changes introduced by the Company in the EU are intended to reduce new privacy and security risks that the DMA poses to EU users, many risks will remain. Changes to the Company's business in response to the DMA or other laws and regulations could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

The Company is also currently subject to antitrust investigations and litigation in various jurisdictions around the world, which can result in legal proceedings and claims against the Company that could, individually or in the aggregate, have a material adverse impact on the Company's business, results of operations, financial condition and stock price. For example, the Company is subject to civil antitrust lawsuits in the U.S. alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" generally in violation of U.S. antitrust laws. In addition, the Company is the subject of investigations in Europe and other jurisdictions relating to App Store terms and conditions. If such investigations or litigation are resolved against the Company, the Company can be exposed to significant fines and may be required to make further changes to its business practices, all of which could materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

Further, the Company has commercial relationships with other companies in the technology industry that are or may become subject to investigations and litigation that, if resolved against those other companies, could materially adversely affect the Company's commercial relationships with those business partners and materially adversely affect the Company's business, results of operations, financial condition and stock price. For example, the Company earns revenue from licensing arrangements with Google LLC ("Google") and other companies to offer their search services on the Company's platforms and applications, and certain of these arrangements are currently subject to government investigations and legal proceedings. On August 5, 2024, Google was found to have violated U.S. antitrust laws. In connection with this finding, on September 2, 2025, the U.S. District Court for the District of Columbia ("D.C. District Court") ordered certain remedies. The court's order is subject to further proceedings before the D.C. District Court, which may result in changes to the interpretation or application of the remedies ordered by the court, as well as new or changed remedies being ordered. The court's order is also subject to appeal by both the U.S. Department of Justice ("DOJ") and Google. A reversal of the order on appeal could result in imposition of certain remedies initially proposed by the DOJ, such as those prohibiting Google from offering the Company commercial terms for search distribution. If implemented, these remedies could materially adversely affect the Company's ability to earn revenue from such licensing arrangements.

The Company's business, results of operations, financial condition and stock price can be materially adversely affected, individually or in the aggregate, by the outcomes of such investigations, litigation or changes to laws and regulations in the future. Changes to the Company's business practices to comply with new laws and regulations or in connection with legal proceedings can negatively impact the reputation of the Company's products for privacy and security. Such changes in business practices can also otherwise adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, lost sales, and lower profit margins.

The Company's business is subject to a variety of U.S. and international laws, rules, policies and other obligations regarding the collection, use, protection and transfer of personal data.

The Company is subject to an increasing number of federal, state and international laws relating to the collection, use, retention, protection and transfer of various types of personal data. In many cases, these laws apply not only to third-party transactions, but also restrict transfers of personal data among the Company and its international subsidiaries. Several jurisdictions have passed laws in this area, and additional jurisdictions are considering imposing additional restrictions or have laws that are pending. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements causes the Company to incur substantial costs and has required and may in the future require the Company to change its business practices. Noncompliance could result in significant penalties or legal liability.

The Company makes statements about its use and disclosure of personal data through its privacy policy, information provided on its website, press statements and other privacy notices provided to customers. Any failure or perceived failure by the Company to comply with these public statements or with federal, state or international privacy or data protection laws and regulations could result in inquiries, proceedings and penalties from governmental entities or others. Such a failure or perceived failure could also result in reputational impacts, ongoing audit requirements and significant legal liability. The risks of inadvertent disclosure of personal data can increase with the introduction of new and complex technologies, such as artificial intelligence features, further exacerbating such risks.

In addition to the risks generally relating to the collection, use, retention, protection and transfer of personal data, the Company is also subject to specific obligations relating to the collection and processing of data associated with minors, as well as information considered sensitive under applicable laws, such as health, biometric, financial and payment card data. Health, biometric, financial and payment card data are subject to additional privacy, security and breach notification requirements, and the Company is subject to audit by governmental authorities regarding the Company's compliance with these obligations. If the Company fails to adequately comply with these rules and requirements, the Company can be subject to litigation or government investigations, can be liable for associated investigatory expenses, and can incur significant fees or fines.

The Company is also subject to new and changing laws and regulations regarding online safety, including enhanced protections for minors and mandatory age verification requirements. These laws and regulations can increase regulatory risks by requiring complex compliance measures and significant modifications to the Company's products, services and operations, and may lead to operational disruptions, heightened privacy and data security risks, increased costs and potential liability and fines, all of which can have a material adverse impact on the Company's business, financial condition, results of operations and stock price.

Financial Risks

The Company's net sales and gross margins are subject to volatility and downward pressure due to a variety of factors.

The Company's gross margins vary significantly across its products, services, geographic segments and distribution channels and can change over time. The Company's net sales and gross margins are subject to volatility and downward pressure due to a variety of factors, including: continued industry-wide global product pricing pressures and product pricing actions that the Company may take in response to such pressures; increased competition; the Company's ability to effectively stimulate demand for certain of its products and services; compressed product life cycles; supply shortages; potential increases in the cost of components, outside manufacturing services, and developing, acquiring and delivering content for the Company's services; the Company's ability to manage product quality and warranty costs effectively; shifts in the mix of products and services, or in the geographic, currency or channel mix, including to the extent that regulatory changes require the Company to modify its product and service offerings; fluctuations in foreign exchange rates; inflation and other macroeconomic pressures; the imposition of new or increased tariffs and other trade restrictions, their overall magnitude and duration, and retaliatory actions in response; and the introduction of new products or services, including new products or services with lower profit margins. These and other factors could have a materially adverse impact on the Company's results of operations, financial condition and stock price. Further, the Company generates a significant portion of its net sales from a single product category and a decline in demand for that product could significantly impact net sales and gross margins.

The Company's financial performance is subject to risks associated with changes in the value of the U.S. dollar relative to local currencies.

The Company's primary exposure to movements in foreign exchange rates relates to non–U.S. dollar–denominated sales, cost of sales and operating expenses worldwide. Gross margins on the Company's products in foreign countries and on products that include components obtained from foreign suppliers have in the past been adversely affected and could in the future be materially adversely affected by foreign exchange rate fluctuations.

The weakening of foreign currencies relative to the U.S. dollar adversely affects the U.S. dollar value of the Company's foreign currency–denominated sales and earnings, and generally leads the Company to raise international pricing, potentially reducing demand for the Company's products. In some circumstances, for competitive or other reasons, the Company may decide not to raise international pricing to offset the U.S. dollar's strengthening, which would adversely affect the U.S. dollar value of the gross margins the Company earns on foreign currency–denominated sales.

Conversely, a strengthening of foreign currencies relative to the U.S. dollar, while generally beneficial to the Company's foreign currency–denominated sales and earnings, could cause the Company to reduce international pricing or incur losses on its foreign currency derivative instruments, thereby limiting the benefit. Additionally, strengthening of foreign currencies may increase the Company's cost of product components denominated in those currencies, thus adversely affecting gross margins.

The Company uses derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign exchange rates. The use of such hedging activities may not be effective to offset any, or more than a portion, of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place.

The Company is exposed to credit risk and fluctuations in the values of its investment portfolio.

The Company's investments can be negatively affected by changes in liquidity, credit deterioration, financial results, market and economic conditions, political risk, sovereign risk, interest rate fluctuations or other factors. As a result, the value and liquidity of the Company's cash, cash equivalents and marketable securities may fluctuate substantially. Although the Company has not realized significant losses on its cash, cash equivalents and marketable securities, future fluctuations in their value could result in significant losses and could have a material adverse impact on the Company's results of operations, financial condition and stock price.

The Company is exposed to credit risk on its trade accounts receivable, vendor non-trade receivables and prepayments related to long-term supply agreements, and this risk is heightened during periods when economic conditions worsen.

The Company distributes its products and certain of its services through third-party cellular network carriers and other resellers. The Company also sells its products and services directly to small and mid-sized businesses and education, enterprise and government customers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral, third-party bank support or financing arrangements, or credit insurance, and a significant portion of the Company's trade receivables can be concentrated within cellular network carriers or other resellers. The Company's exposure to credit and collectibility risk on its trade receivables is higher in certain international markets. The Company also has unsecured vendor non-trade receivables resulting from purchases of components by outsourcing partners and other vendors that manufacture subassemblies or assemble final products for the Company. In addition, the Company has made prepayments associated with long-term supply agreements to secure supply of inventory components. As of September 27, 2025, the Company's vendor non-trade receivables were concentrated among a few individual vendors located primarily in Asia. If the Company is unable to monitor and limit exposure to credit risk on its trade and vendor non-trade receivables, as well as long-term prepayments, the Company's results of operations, financial condition and stock price could be materially adversely affected.

The Company is subject to changes in tax rates, the adoption of new U.S. or international tax legislation and exposure to additional tax liabilities.

The Company is subject to taxes in the U.S. and numerous foreign jurisdictions, including Ireland and Singapore, where a number of the Company's subsidiaries are organized. Due to economic and political conditions, tax laws and tax rates for income taxes and other non-income taxes in various jurisdictions may be subject to significant change. For example, the Organisation for Economic Co-operation and Development continues to advance proposals for modernizing international tax rules, including the introduction of global minimum tax standards. The Company's effective tax rates are affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, the introduction of new taxes, and changes in tax laws or their interpretation. The application of tax laws may be uncertain, require significant judgment and be subject to differing interpretations.

The Company is also subject to the examination of its tax returns and other tax matters by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. The Company regularly assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for taxes. The outcome of such examinations is inherently uncertain. If the Company's effective tax rates were to increase, or if the ultimate determination of the Company's taxes owed is for an amount in excess of amounts previously accrued, the Company's business, results of operations, financial condition and stock price could be materially adversely affected.

General Risks

The price of the Company's stock is subject to volatility.

The Company's stock has experienced substantial price volatility in the past and may continue to do so in the future. Additionally, the Company, the technology industry and the stock market as a whole have, from time to time, experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to these companies' operating performance. Price volatility may cause the average price at which the Company repurchases its stock in a given period to exceed the stock's price at a given point in time. The Company believes the price of its stock should reflect expectations of future growth and profitability. The Company also believes the price of its stock should reflect expectations that its cash dividend will continue at current levels or grow, and that its current share repurchase program will be fully consummated. Future dividends are subject to declaration by the Company's Board of Directors ("Board"), and the Company's share repurchase program does not obligate it to acquire any specific number of shares. If the Company fails to meet expectations related to future growth, profitability, dividends, share repurchases or other market expectations, the price of the Company's stock may decline significantly, which could have a material adverse impact on investor confidence and employee retention.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company's management, led by its Head of Corporate Information Security, has overall responsibility for identifying, assessing and managing any material risks from cybersecurity threats. The Company's Head of Corporate Information Security leads a dedicated Information Security team of highly skilled individuals with experience across industries that, among other things, develops and distributes information security policies, standards and procedures; engages in employee cybersecurity training; implements security controls; assesses security risk and compliance posture; monitors and responds to security events; and executes security testing and assessments. The Company's Head of Corporate Information Security has extensive knowledge and skills gained from over 25 years of experience in the cybersecurity industry, including serving in leadership positions at other large technology companies and leading the Company's Information Security team since 2016.

The Company's Information Security team coordinates with teams across the Company to prevent, respond to and manage security incidents, and engages third parties, as appropriate, to assess, test or otherwise assist with aspects of its security processes and incident response. A dedicated Supplier Trust team manages information security risks the Company is exposed to through its supplier relationships. The Company has processes to log, track, address, and escalate for further assessment and report, as appropriate, cybersecurity incidents across the Company and its suppliers to senior management and the Audit and Finance Committee ("Audit Committee") of the Board. The Company's enterprise risk management program is designed to identify, assess, and monitor the Company's business risks, including financial, operational, compliance and reputational risks, and reflects management's assessment of cybersecurity risks.

The Audit Committee assists the Board in the oversight and monitoring of cybersecurity matters. The Audit Committee regularly reviews and discusses the Company's cybersecurity risks with management, including the Company's Head of Corporate Information Security, its General Counsel and the Heads of Compliance and Business Conduct, Business Assurance, and Internal Audit, and receives updates, as necessary, regarding cybersecurity incidents. The Chair of the Audit Committee regularly reports the substance of such reviews and discussions to the Board, as necessary, and recommends to the Board such actions as the Audit Committee deems appropriate.

For a discussion of the Company's cybersecurity-related risks, see Item 1A of this Form 10-K under the heading "Risk Factors."

Item 2. Properties

The Company's headquarters is located in Cupertino, California. As of September 27, 2025, the Company owned or leased facilities and land for corporate functions, R&D, data centers, retail and other purposes at locations throughout the U.S. and in various places outside the U.S. The Company believes its existing facilities and equipment, which are used by all reportable segments, are in good operating condition and are suitable for the conduct of its business.

Item 3. Legal Proceedings

Digital Markets Act Investigations

On March 25, 2024, the Commission announced that it had opened a formal noncompliance investigation against the Company under Article 5(4) of the EU DMA ("Article 5(4) Investigation"). The Article 5(4) Investigation relates to how developers may communicate and promote offers to end users for apps distributed through the App Store, as well as how developers may conclude contracts with those end users. On June 24, 2024, the Commission announced that it had opened an additional formal investigation against the Company regarding whether the Company's new contractual requirements for third-party app developers and app marketplaces may violate the DMA ("Article 6(4) Investigation"). On April 23, 2025, the Commission fined the Company €500 million in the Article 5(4) Investigation and issued a cease and desist order requiring the Company to remove technical and commercial restrictions that prevent developers from steering users to alternative distribution channels outside the App Store. The Company has appealed the Commission's Article 5(4) decision. Also on April 23, 2025, the Commission issued preliminary findings in the Article 6(4) Investigation. If the Commission makes a final determination in the Article 6(4) Investigation that there has been a violation, it can issue a cease and desist order and may impose fines up to 10% of the Company's annual worldwide net sales. The Commission may also seek to impose additional fines if it deems that the Company has violated a cease and desist order. The Company believes that it complies with the DMA and has continued to make changes to its compliance plan in response to feedback and engagement with the Commission.

Department of Justice Lawsuit

On March 21, 2024, the DOJ and a number of state and district attorneys general filed a civil antitrust lawsuit in the U.S. District Court for the District of New Jersey against the Company alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" in violation of U.S. antitrust laws. The DOJ is seeking equitable relief to redress the alleged anticompetitive behavior. In addition, various civil litigation matters have been filed in state and federal courts in the U.S. alleging similar violations of U.S. antitrust laws and seeking monetary damages and other nonmonetary relief. The Company believes it has substantial defenses and intends to vigorously defend itself.

Epic Games

Epic Games, Inc. filed a lawsuit in the U.S. District Court for the Northern District of California ("California District Court") against the Company alleging violations of federal and state antitrust laws and California's unfair competition law based upon the Company's operation of its App Store. The California District Court found that certain provisions of the Company's App Review Guidelines violate California's unfair competition law and issued an injunction (the "2021 Injunction") enjoining the Company from prohibiting developers from including in their apps buttons, external links, or other calls to action that direct customers to purchasing mechanisms other than the Company's in-app purchase system. The 2021 Injunction applies to apps on the U.S. storefronts of the iOS and iPadOS App Stores. On January 16, 2024, the Company implemented a plan to comply with the 2021 Injunction and filed a statement of compliance with the California District Court. On September 30, 2024, the Company filed a motion with the California District Court to narrow or vacate the 2021 Injunction. On April 30, 2025, the California District Court found the Company to be in violation of the 2021 Injunction and enjoined the Company from imposing any commission or any fee on purchases that consumers make outside an app; restricting, conditioning, limiting, or prohibiting how developers guide consumers to purchases outside an app; or otherwise interfering with a consumer's choice to proceed in or out of an app. The California District Court also denied the Company's motion to narrow or vacate the 2021 Injunction and referred the Company to the U.S. Attorney for the Northern District of California for a determination whether criminal contempt proceedings are appropriate. The Company will continue to vigorously defend its actions and employees, and has appealed the California District Court's most recent decision to the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit Court"). Although the Company's request to stay the decision pending appeal was denied, the Ninth Circuit Court has agreed to consider the Company's appeal on an expedited basis, with oral arguments heard in October 2025.

Other Legal Proceedings

The Company is subject to other legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. The Company settled certain matters during the fourth quarter of 2025 that did not individually or in the aggregate have a material impact on the Company's financial condition or operating results. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock is traded on The Nasdaq Stock Market LLC under the symbol AAPL.

Holders

As of October 17, 2025, there were 22,429 shareholders of record.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

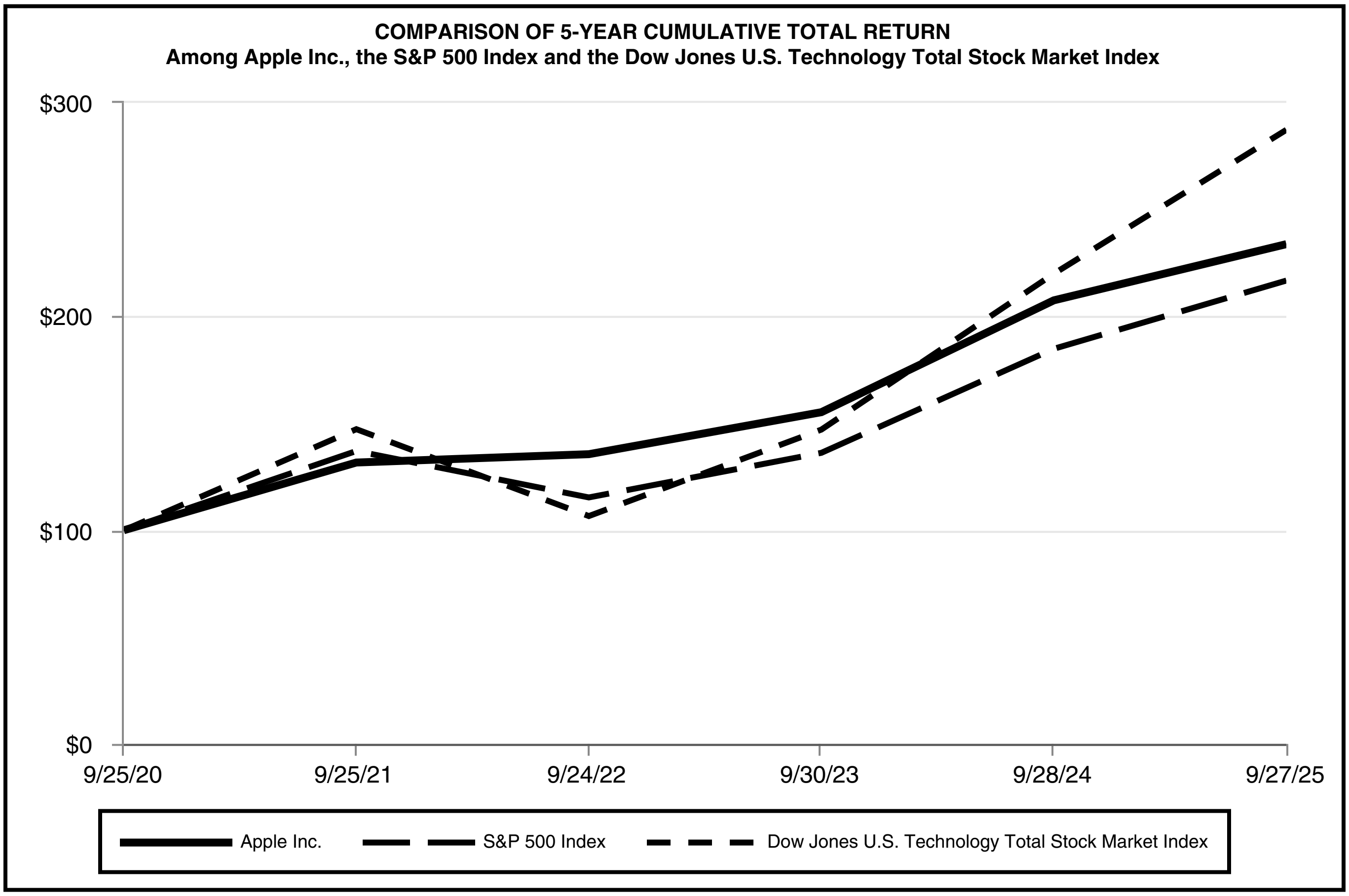
Share repurchase activity during the three months ended September 27, 2025, was as follows (in millions, except number of shares, which are reflected in thousands, and per-share amounts):

Periods	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
June 29, 2025 to August 2, 2025:				
Open market and privately negotiated purchases	33,265	$ 210.43	33,265	
August 3, 2025 to August 30, 2025:				
Open market and privately negotiated purchases	28,986	$ 224.25	28,986	
August 31, 2025 to September 27, 2025:				
Open market and privately negotiated purchases	27,247	$ 238.56	27,247	
Total	89,498			$ 99,779

(1) On May 2, 2024, the Company announced a program to repurchase up to $110 billion of the Company's common stock. During the fourth quarter of 2025, the Company utilized the final $19.8 billion under the May 2024 program. On May 1, 2025, the Company announced an additional program to repurchase up to $100 billion of the Company's common stock. As of September 27, 2025, $221 million of the May 2025 program had been utilized. The programs do not obligate the Company to acquire a minimum amount of shares. Under the programs, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Company Stock Performance

The following graph shows a comparison of five-year cumulative total shareholder return, calculated on a dividend-reinvested basis, for the Company, the S&P 500 Index and the Dow Jones U.S. Technology Total Stock Market Index. The graph assumes $100 was invested in each of the Company's common stock, the S&P 500 Index and the Dow Jones U.S. Technology Total Stock Market Index as of the market close on September 25, 2020. Past stock price performance is not necessarily indicative of future stock price performance.



	September 2020	September 2021	September 2022	September 2023	September 2024	September 2025
Apple Inc.	$ 100	$ 132	$ 136	$ 155	$ 208	$ 234
S&P 500 Index	$ 100	$ 137	$ 115	$ 136	$ 185	$ 217
Dow Jones U.S. Technology Total Stock Market Index	$ 100	$ 147	$ 107	$ 147	$ 220	$ 287

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Form 10-K. This Item generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2024.

Product, Service and Software Announcements

The Company announces new product, service and software offerings at various times during the year. Significant announcements during fiscal year 2025 included the following:

First Quarter 2025:

- MacBook Pro
- Mac mini
- iMac
- iPad mini

Second Quarter 2025:

- iPhone 16e
- iPad Air
- iPad
- MacBook Air
- Mac Studio

Third Quarter 2025:

- iOS 26, macOS Tahoe 26, iPadOS 26, watchOS 26, visionOS 26 and tvOS 26

Fourth Quarter 2025:

- iPhone 17, iPhone Air, iPhone 17 Pro and iPhone 17 Pro Max
- Apple Watch Series 11, Apple Watch SE 3 and Apple Watch Ultra 3
- AirPods Pro 3

Fiscal Period

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters, which occurred in the first quarter of 2023. The Company's fiscal years 2025 and 2024 spanned 52 weeks each, whereas fiscal year 2023 spanned 53 weeks.

Macroeconomic Conditions

Macroeconomic conditions, including inflation, interest rates and currency fluctuations, have directly and indirectly impacted, and could in the future materially impact, the Company's results of operations and financial condition.

Tariffs and Other Measures

Beginning in the second quarter of 2025, new U.S. Tariffs were announced, including additional tariffs on imports from China, India, Japan, South Korea, Taiwan, Vietnam and the EU, among others. In response, several countries have imposed, or threatened to impose, reciprocal tariffs on imports from the U.S. and other retaliatory measures. Various modifications to the U.S. Tariffs have been announced and further changes could be made in the future, which may include additional sector-based tariffs or other measures. For example, the U.S. Department of Commerce has initiated an investigation under Section 232 of the Trade Expansion Act of 1962, as amended, into, among other things, imports of semiconductors, semiconductor manufacturing equipment, and their derivative products, including downstream products that contain semiconductors. Tariffs and other measures that are applied to the Company's products or their components can have a material adverse impact on the Company's business, results of operations and financial condition, including impacting the Company's supply chain, the availability of rare earths and other raw materials and components, pricing and gross margin. The ultimate impact remains uncertain and will depend on several factors, including whether additional or incremental U.S. Tariffs or other measures are announced or imposed, to what extent other countries implement tariffs or other retaliatory measures in response, and the overall magnitude and duration of these measures. Trade and other international disputes can have an adverse impact on the overall macroeconomic environment and result in shifts and reductions in consumer spending and negative consumer sentiment for the Company's products and services, all of which can further adversely affect the Company's business and results of operations.

Segment Operating Performance

The following table shows net sales by reportable segment for 2025, 2024 and 2023 (dollars in millions):

	2025	Change	2024	Change	2023
Americas	$ 178,353	7 %	$ 167,045	3 %	$ 162,560
Europe	111,032	10 %	101,328	7 %	94,294
Greater China	64,377	(4)%	66,952	(8)%	72,559
Japan	28,703	15 %	25,052	3 %	24,257
Rest of Asia Pacific	33,696	10 %	30,658	4 %	29,615
Total net sales	$ 416,161	6 %	$ 391,035	2 %	$ 383,285

Americas

Americas net sales increased during 2025 compared to 2024 primarily due to higher net sales of iPhone and Services. The weakness in foreign currencies relative to the U.S. dollar had an unfavorable year-over-year impact on Americas net sales during 2025.

Europe

Europe net sales increased during 2025 compared to 2024 primarily due to higher net sales of Services, iPhone and Mac.

Greater China

Greater China net sales decreased during 2025 compared to 2024 primarily due to lower net sales of iPhone, partially offset by higher net sales of Mac.

Japan

Japan net sales increased during 2025 compared to 2024 primarily due to higher net sales of iPhone, Services and iPad.

Rest of Asia Pacific

Rest of Asia Pacific net sales increased during 2025 compared to 2024 primarily due to higher net sales of iPhone, Services and Mac.

Products and Services Performance

The following table shows net sales by category for 2025, 2024 and 2023 (dollars in millions):

	2025	Change	2024	Change	2023
iPhone	$ 209,586	4 %	$ 201,183	— %	$ 200,583
Mac	33,708	12 %	29,984	2 %	29,357
iPad	28,023	5 %	26,694	(6)%	28,300
Wearables, Home and Accessories	35,686	(4)%	37,005	(7)%	39,845
Services (1)	109,158	14 %	96,169	13 %	85,200
Total net sales	$ 416,161	6 %	$ 391,035	2 %	$ 383,285

(1) Services net sales include amortization of the deferred value of services bundled in the sales price of certain products.

iPhone

iPhone net sales increased during 2025 compared to 2024 due to higher net sales of Pro models.

Mac

Mac net sales increased during 2025 compared to 2024 primarily due to higher net sales of laptops and desktops.

iPad

iPad net sales increased during 2025 compared to 2024 primarily due to higher net sales of iPad Air, iPad mini and iPad, partially offset by lower net sales of iPad Pro.

Wearables, Home and Accessories

Wearables, Home and Accessories net sales decreased during 2025 compared to 2024 primarily due to lower net sales of Accessories and Wearables.

Services

Services net sales increased during 2025 compared to 2024 primarily due to higher net sales from advertising, the App Store and cloud services.

Gross Margin

Products and Services gross margin and gross margin percentage for 2025, 2024 and 2023 were as follows (dollars in millions):

	2025	2024	2023
Gross margin:			
Products	$ 112,887	$ 109,633	$ 108,803
Services	82,314	71,050	60,345
Total gross margin	$ 195,201	$ 180,683	$ 169,148
Gross margin percentage:			
Products	36.8%	37.2%	36.5%
Services	75.4%	73.9%	70.8%
Total gross margin percentage	46.9%	46.2%	44.1%

Products Gross Margin

Products gross margin increased during 2025 compared to 2024 primarily due to favorable costs and a different mix of products, partially offset by tariff costs.

Products gross margin percentage decreased during 2025 compared to 2024 primarily due to a different mix of products and tariff costs, partially offset by other favorable costs.

Services Gross Margin

Services gross margin increased during 2025 compared to 2024 primarily due to higher Services net sales and a different mix of services.

Services gross margin percentage increased during 2025 compared to 2024 primarily due to a different mix of services, partially offset by higher costs.

The Company's future gross margins can be impacted by a variety of factors, as discussed in Part I, Item 1A of this Form 10-K under the heading "Risk Factors." As a result, the Company believes, in general, gross margins will be subject to volatility and downward pressure.

Operating Expenses

Operating expenses for 2025, 2024 and 2023 were as follows (dollars in millions):

	2025	Change	2024	Change	2023
Research and development	$ 34,550	10 %	$ 31,370	5 %	$ 29,915
Percentage of total net sales	8%		8%		8%
Selling, general and administrative	$ 27,601	6 %	$ 26,097	5 %	$ 24,932
Percentage of total net sales	7%		7%		7%
Total operating expenses	$ 62,151	8 %	$ 57,467	5 %	$ 54,847
Percentage of total net sales	15%		15%		14%

Research and Development

The growth in R&D expense during 2025 compared to 2024 was primarily driven by increases in headcount-related expenses and infrastructure-related costs.

Selling, General and Administrative

The growth in selling, general and administrative expense during 2025 compared to 2024 was primarily driven by increases in headcount-related expenses and variable selling expenses.

Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory federal income tax rate for 2025, 2024 and 2023 were as follows (dollars in millions):

	2025	2024	2023
Provision for income taxes	$ 20,719	$ 29,749	$ 16,741
Effective tax rate	15.6%	24.1%	14.7%
Statutory federal income tax rate	21%	21%	21%

The Company's effective tax rate for 2025 was lower than the statutory federal income tax rate primarily due to a lower effective tax rate on foreign earnings, including the impact of changes in unrecognized tax benefits, the impact of the U.S. federal R&D credit, and tax benefits from share-based compensation, partially offset by a change in valuation allowance and state income taxes.

The Company's effective tax rate for 2025 was lower compared to 2024 due to a $10.7 billion year-over-year decrease in the provision for income taxes related to the State Aid Decision (refer to Note 7, "Income Taxes" in the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K) and the impact of changes in unrecognized tax benefits, partially offset by a change in valuation allowance and a higher effective tax rate on foreign earnings.

Liquidity and Capital Resources

The Company believes its balances of cash, cash equivalents and marketable securities, which totaled $132.4 billion as of September 27, 2025, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements and capital return program over the next 12 months and beyond.

The Company's material cash requirements include the following contractual obligations:

Debt

As of September 27, 2025, the Company had outstanding fixed-rate notes with varying maturities for an aggregate principal amount of $91.3 billion (collectively the "Notes"), with $12.4 billion payable within 12 months. Future interest payments associated with the Notes total $37.0 billion, with $2.6 billion payable within 12 months.

The Company also issues unsecured short-term promissory notes pursuant to a commercial paper program. As of September 27, 2025, the Company had $8.0 billion of commercial paper outstanding, which was payable within 12 months.

Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data center, manufacturing and retail space. As of September 27, 2025, the Company had fixed lease payment obligations of $16.8 billion, with $2.6 billion payable within 12 months.

Manufacturing Purchase Obligations

The Company utilizes several outsourcing partners to manufacture subassemblies for the Company's products and to perform final assembly and testing of finished products. The Company also obtains individual components for its products from a wide variety of individual suppliers. As of September 27, 2025, the Company had manufacturing purchase obligations of $56.2 billion, with $55.4 billion payable within 12 months.

Other Purchase Obligations

The Company's other purchase obligations primarily consist of noncancelable obligations to acquire capital assets, including assets related to product manufacturing, and noncancelable obligations related to supplier arrangements, licensed intellectual property and content, and distribution rights. As of September 27, 2025, the Company had other purchase obligations of $14.8 billion, with $7.0 billion payable within 12 months.

Deemed Repatriation Tax Payable

As of September 27, 2025, the balance of the deemed repatriation tax payable imposed by the U.S. Tax Cuts and Jobs Act of 2017 ("TCJA") was $8.8 billion, which was payable within 12 months.

Capital Return Program

In addition to its contractual cash requirements, the Company has an authorized share repurchase program. The program does not obligate the Company to acquire a minimum amount of shares. As of September 27, 2025, the Company's quarterly cash dividend was $0.26 per share. The Company intends to increase its dividend on an annual basis, subject to declaration by the Board.

In May 2025, the Company announced a new share repurchase program of up to $100 billion and raised its quarterly dividend from $0.25 to $0.26 per share beginning in May 2025. During 2025, the Company repurchased $89.3 billion of its common stock and paid dividends and dividend equivalents of $15.4 billion.

Recent Accounting Pronouncements

Internal-Use Software

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"), which modernizes the accounting for internal-use software. ASU 2025-06 removes all references to software development stages and requires capitalization of software costs when management has committed to the software project and it is probable the software will be completed and perform its intended use. ASU 2025-06 will be effective for the Company in its first quarter of 2029, and early adoption is permitted. The Company is currently evaluating the timing and method of its adoption of ASU 2025-06.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. The Company will adopt ASU 2024-03 in its fourth quarter of 2028 using a prospective transition method.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in its fourth quarter of 2026 using a prospective transition method.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Note 1, "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K describes the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Uncertain Tax Positions

The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. The evaluation of the Company's uncertain tax positions involves significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws, including the TCJA and the allocation of international taxation rights between countries. Although management believes the Company's reserves are reasonable, no assurance can be given that the final outcome of these uncertainties will not be different from that reflected in the Company's reserves. Reserves are adjusted considering changing facts and circumstances, such as the closing of a tax examination. Resolution of these uncertainties in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

Legal and Other Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business, the outcomes of which are inherently uncertain. The Company records a liability when it is probable a loss has been incurred and the amount is reasonably estimable, the determination of which requires significant judgment. Resolution of legal matters in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to economic risk from interest rates and foreign exchange rates. The Company uses various strategies to manage these risks; however, they may still impact the Company's consolidated financial statements.

Interest Rate Risk

The Company is primarily exposed to fluctuations in U.S. interest rates and their impact on the Company's investment portfolio and term debt. Increases in interest rates will negatively affect the fair value of the Company's investment portfolio and increase the interest expense on the Company's term debt. To protect against interest rate risk, the Company may use derivative instruments, offset interest rate–sensitive assets and liabilities, or control duration of the investment and term debt portfolios.

The following table sets forth potential impacts on the Company's investment portfolio and term debt, including the effects of any associated derivatives, that would result from a hypothetical increase in relevant interest rates as of September 27, 2025 and September 28, 2024 (dollars in millions):

Interest Rate Sensitive Instrument	Hypothetical Interest Rate Increase	Potential Impact	2025	2024
Investment portfolio	100 basis points, all tenors	Decline in fair value	$ 2,416	$ 2,755
Term debt	100 basis points, all tenors	Increase in annual interest expense	$ 129	$ 139

Foreign Exchange Rate Risk

The Company's exposure to foreign exchange rate risk relates primarily to the Company being a net receiver of currencies other than the U.S. dollar. Changes in exchange rates, and in particular a strengthening of the U.S. dollar, will negatively affect the Company's net sales and gross margins as expressed in U.S. dollars. Fluctuations in exchange rates may also affect the fair values of certain of the Company's assets and liabilities. To protect against foreign exchange rate risk, the Company may use derivative instruments, offset exposures, or adjust local currency pricing of its products and services. However, the Company may choose to not hedge certain foreign currency exposures for a variety of reasons, including accounting considerations or prohibitive cost.

The Company applied a value-at-risk ("VAR") model to its foreign currency derivative positions to assess the potential impact of fluctuations in exchange rates. The VAR model used a Monte Carlo simulation. The VAR is the maximum expected loss in fair value, for a given confidence interval, to the Company's foreign currency derivative positions due to adverse movements in rates. Based on the results of the model, the Company estimates, with 95% confidence, a maximum one-day loss in fair value of $590 million and $538 million as of September 27, 2025 and September 28, 2024, respectively. Changes in the Company's underlying foreign currency exposures, which were excluded from the assessment, generally offset changes in the fair values of the Company's foreign currency derivatives.

Item 8. Financial Statements and Supplementary Data

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes.

Apple Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Years ended		
	September 27, 2025	September 28, 2024	September 30, 2023
Net sales:			
Products	$ 307,003	$ 294,866	$ 298,085
Services	109,158	96,169	85,200
Total net sales	416,161	391,035	383,285
Cost of sales:			
Products	194,116	185,233	189,282
Services	26,844	25,119	24,855
Total cost of sales	220,960	210,352	214,137
Gross margin	195,201	180,683	169,148
Operating expenses:			
Research and development	34,550	31,370	29,915
Selling, general and administrative	27,601	26,097	24,932
Total operating expenses	62,151	57,467	54,847
Operating income	133,050	123,216	114,301
Other income/(expense), net	(321)	269	(565)
Income before provision for income taxes	132,729	123,485	113,736
Provision for income taxes	20,719	29,749	16,741
Net income	$ 112,010	$ 93,736	$ 96,995
Earnings per share:			
Basic	$ 7.49	$ 6.11	$ 6.16
Diluted	$ 7.46	$ 6.08	$ 6.13
Shares used in computing earnings per share:			
Basic	14,948,500	15,343,783	15,744,231
Diluted	15,004,697	15,408,095	15,812,547

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Years ended		
	September 27, 2025	September 28, 2024	September 30, 2023
Net income	$ 112,010	$ 93,736	$ 96,995
Other comprehensive income/(loss):			
Change in foreign currency translation, net of tax	(267)	395	(765)
Change in unrealized gains/losses on derivative instruments, net of tax:			
Change in fair value of derivative instruments	849	(832)	323
Adjustment for net (gains)/losses realized and included in net income	(212)	(1,337)	(1,717)
Total change in unrealized gains/losses on derivative instruments	637	(2,169)	(1,394)
Change in unrealized gains/losses on marketable debt securities, net of tax:			
Change in fair value of marketable debt securities	817	5,850	1,563
Adjustment for net (gains)/losses realized and included in net income	414	204	253
Total change in unrealized gains/losses on marketable debt securities	1,231	6,054	1,816
Total other comprehensive income/(loss)	1,601	4,280	(343)
Total comprehensive income	$ 113,611	$ 98,016	$ 96,652

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

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

	September 27, 2025	September 28, 2024
ASSETS:		
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
LIABILITIES AND SHAREHOLDERS' EQUITY:		
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

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In millions, except per-share amounts)

	Years ended		
	September 27, 2025	**September 28, 2024**	**September 30, 2023**
Total shareholders' equity, beginning balances	$ 56,950	$ 62,146	$ 50,672
Common stock and additional paid-in capital:			
Beginning balances	83,276	73,812	64,849
Common stock issued	1,498	1,423	1,346
Common stock withheld related to net share settlement of equity awards	(4,452)	(3,993)	(3,521)
Share-based compensation	13,246	12,034	11,138
Ending balances	93,568	83,276	73,812
Accumulated deficit:			
Beginning balances	(19,154)	(214)	(3,068)
Net income	112,010	93,736	96,995
Dividends and dividend equivalents declared	(15,413)	(15,218)	(14,996)
Common stock withheld related to net share settlement of equity awards	(1,655)	(1,612)	(2,099)
Common stock repurchased	(90,052)	(95,846)	(77,046)
Ending balances	(14,264)	(19,154)	(214)
Accumulated other comprehensive loss:			
Beginning balances	(7,172)	(11,452)	(11,109)
Other comprehensive income/(loss)	1,601	4,280	(343)
Ending balances	(5,571)	(7,172)	(11,452)
Total shareholders' equity, ending balances	$ 73,733	$ 56,950	$ 62,146
Dividends and dividend equivalents declared per share or RSU	$ 1.02	$ 0.98	$ 0.94

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years ended		
	September 27, 2025	September 28, 2024	September 30, 2023
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	$ 29,943	$ 30,737	$ 24,977
Operating activities:			
Net income	112,010	93,736	96,995
Adjustments to reconcile net income to cash generated by operating activities:			
Depreciation and amortization	11,698	11,445	11,519
Share-based compensation expense	12,863	11,688	10,833
Other	(89)	(2,266)	(2,227)
Changes in operating assets and liabilities:			
Accounts receivable, net	(6,682)	(3,788)	(1,688)
Vendor non-trade receivables	(347)	(1,356)	1,271
Inventories	1,400	(1,046)	(1,618)
Other current and non-current assets	(9,197)	(11,731)	(5,684)
Accounts payable	902	6,020	(1,889)
Other current and non-current liabilities	(11,076)	15,552	3,031
Cash generated by operating activities	111,482	118,254	110,543
Investing activities:			
Purchases of marketable securities	(24,407)	(48,656)	(29,513)
Proceeds from maturities of marketable securities	40,907	51,211	39,686
Proceeds from sales of marketable securities	12,890	11,135	5,828
Payments for acquisition of property, plant and equipment	(12,715)	(9,447)	(10,959)
Other	(1,480)	(1,308)	(1,337)
Cash generated by investing activities	15,195	2,935	3,705
Financing activities:			
Payments for taxes related to net share settlement of equity awards	(5,960)	(5,441)	(5,431)
Payments for dividends and dividend equivalents	(15,421)	(15,234)	(15,025)
Repurchases of common stock	(90,711)	(94,949)	(77,550)
Proceeds from issuance of term debt, net	4,481	—	5,228
Repayments of term debt	(10,932)	(9,958)	(11,151)
Proceeds from/(Repayments of) commercial paper, net	(2,032)	3,960	(3,978)
Other	(111)	(361)	(581)
Cash used in financing activities	(120,686)	(121,983)	(108,488)
Increase/(Decrease) in cash, cash equivalents, and restricted cash and cash equivalents	5,991	(794)	5,760
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	$ 35,934	$ 29,943	$ 30,737
Supplemental cash flow disclosure:			
Cash paid for income taxes, net	$ 43,369	$ 26,102	$ 18,679

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation and Preparation

The consolidated financial statements include the accounts of Apple Inc. and its wholly owned subsidiaries. The preparation of these consolidated financial statements and accompanying notes in conformity with GAAP requires the use of management estimates. Certain prior period amounts in the notes to consolidated financial statements have been reclassified to conform to the current period's presentation.

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters, which occurred in the first fiscal quarter of 2023. The Company's fiscal years 2025 and 2024 spanned 52 weeks each, whereas fiscal year 2023 spanned 53 weeks. Unless otherwise stated, references to particular years, quarters, months and periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years.

Recently Adopted Accounting Pronouncements

Segment Reporting

Beginning with the 2025 annual reporting period, the Company adopted the FASB's ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires the Company to disclose segment expenses that are significant and regularly provided to the Company's chief operating decision maker ("CODM"). In addition, ASU 2023-07 requires the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. The Company adopted ASU 2023-07 using a retrospective transition method.

Revenue

The Company records revenue net of taxes collected from customers that are remitted to governmental authorities.

Share-Based Compensation

The Company recognizes share-based compensation expense on a straight-line basis for its estimate of equity awards that will ultimately vest.

Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of purchase are treated as cash equivalents.

Trade Receivables

Trade receivables are stated at transaction price.

Marketable Securities

The cost of securities sold is determined using the specific identification method.

Inventories

Inventories are measured using the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation on property, plant and equipment is recognized on a straight-line basis.

Derivative Instruments

The Company presents derivative assets and liabilities at their gross fair values in the Consolidated Balance Sheets.

Income Taxes

The Company records certain deferred tax assets and liabilities in connection with the minimum tax on certain foreign earnings created by the TCJA.

Leases

The Company combines and accounts for lease and nonlease components as a single lease component for leases of corporate and retail facilities.

Note 2 – Revenue

The Company recognizes revenue at the amount to which it expects to be entitled when control of products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products or services are transferred to its customers. For most of the Company's Products net sales, control transfers when products are shipped. For the Company's Services net sales, control transfers over time as services are delivered. Payment for Products and Services net sales is collected within a short period following transfer of control or commencement of delivery of services, as applicable.

The Company records reductions to Products net sales related to future product returns, price protection and other customer incentive programs based on the Company's expectations and historical experience.

For arrangements with multiple performance obligations, which represent promises within an arrangement that are distinct, the Company allocates revenue to all distinct performance obligations based on their relative stand-alone selling prices ("SSPs"). When available, the Company uses observable prices to determine SSPs. When observable prices are not available, SSPs are established that reflect the Company's best estimates of what the selling prices of the performance obligations would be if they were sold regularly on a stand-alone basis. The Company's process for estimating SSPs without observable prices considers multiple factors that may vary depending upon the unique facts and circumstances related to each performance obligation including, where applicable, prices charged by the Company for similar offerings, market trends in the pricing for similar offerings, product-specific business objectives and the estimated cost to provide the performance obligation.

The Company has identified the performance obligations regularly included in arrangements involving the sale of iPhone, Mac and iPad. The first material performance obligation, which represents the substantial portion of the allocated sales price, is the hardware and bundled software delivered at the time of sale. The second material performance obligation is the right to receive certain product-related bundled services, which include iCloud®, Siri® and Maps. The Company allocates revenue and any related discounts to all of its performance obligations based on their relative SSPs. Because the Company lacks observable prices for product-related bundled services, the allocation of revenue is based on the Company's estimated SSPs. Revenue allocated to the delivered hardware and bundled software is recognized when control has transferred to the customer, which generally occurs when the product is shipped. Revenue allocated to product-related bundled services is deferred and recognized on a straight-line basis over the estimated period they are expected to be provided.

For certain long-term service arrangements, the Company has performance obligations for services it has not yet delivered. For these arrangements, the Company does not have a right to bill for the undelivered services. The Company has determined that any unbilled consideration relates entirely to the value of the undelivered services. Accordingly, the Company has not recognized revenue, and does not disclose amounts, related to these undelivered services.

For the sale of third-party products where the Company obtains control of the product before transferring it to the customer, the Company recognizes revenue based on the gross amount billed to customers. The Company considers multiple factors when determining whether it obtains control of third-party products, including evaluating if it can establish the price of the product, retains inventory risk for tangible products or has the responsibility for ensuring acceptability of the product. For third-party applications sold through the App Store, the Company does not obtain control of the product before transferring it to the customer. Therefore, the Company accounts for all third-party application–related sales on a net basis by recognizing in Services net sales only the commission it retains.

The following table shows disaggregated net sales, as well as the portion of total net sales that was previously deferred, for 2025, 2024 and 2023 (in millions):

	2025	2024	2023
iPhone	$ 209,586	$ 201,183	$ 200,583
Mac	33,708	29,984	29,357
iPad	28,023	26,694	28,300
Wearables, Home and Accessories	35,686	37,005	39,845
Services (1)	109,158	96,169	85,200
Total net sales	$ 416,161	$ 391,035	$ 383,285
Portion of total net sales that was included in deferred revenue as of the beginning of the period	$ 8,229	$ 7,728	$ 8,169

(1) Services net sales include amortization of the deferred value of services bundled in the sales price of certain products.

The Company's proportion of net sales by disaggregated revenue source was generally consistent for each reportable segment in Note 13, "Segment Information and Geographic Data" for 2025, 2024 and 2023, except in Greater China, where iPhone revenue represented a moderately higher proportion of net sales.

As of September 27, 2025 and September 28, 2024, the Company had total deferred revenue of $13.7 billion and $12.8 billion, respectively. As of September 27, 2025, the Company expects 66% of total deferred revenue to be realized in less than a year, 23% within one-to-two years, 9% within two-to-three years and 2% in greater than three years.

Note 3 – Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for 2025, 2024 and 2023 (net income in millions and shares in thousands):

	2025	2024	2023
Numerator:			
Net income	$ 112,010	$ 93,736	$ 96,995
Denominator:			
Weighted-average basic shares outstanding	14,948,500	15,343,783	15,744,231
Effect of dilutive share-based awards	56,197	64,312	68,316
Weighted-average diluted shares	15,004,697	15,408,095	15,812,547
Basic earnings per share	$ 7.49	$ 6.11	$ 6.16
Diluted earnings per share	$ 7.46	$ 6.08	$ 6.13

Approximately 24 million restricted stock units ("RSUs") were excluded from the computation of diluted earnings per share for 2023 because their effect would have been antidilutive.

Note 4 – Financial Instruments

Cash, Cash Equivalents and Marketable Securities

The following tables show the Company's cash, cash equivalents and marketable securities by significant investment category as of September 27, 2025 and September 28, 2024 (in millions):

	2025						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	$ 28,267	$ —	$ —	$ 28,267	$ 28,267	$ —	$ —
Level 1:							
Money market funds	5,272	—	—	5,272	5,272	—	—
Mutual funds	679	177	(2)	854	—	854	—
Subtotal	5,951	177	(2)	6,126	5,272	854	—
Level 2 (1):							
U.S. Treasury securities	16,074	56	(282)	15,848	1,190	3,712	10,946
U.S. agency securities	5,269	—	(149)	5,120	251	2,456	2,413
Non-U.S. government securities	6,586	111	(424)	6,273	—	855	5,418
Certificates of deposit and time deposits	917	—	—	917	904	—	13
Commercial paper	100	—	—	100	50	50	—
Corporate debt securities	47,210	266	(916)	46,560	—	10,623	35,937
Municipal securities	207	—	(2)	205	—	119	86
Mortgage- and asset-backed securities	24,130	126	(1,252)	23,004	—	94	22,910
Subtotal	100,493	559	(3,025)	98,027	2,395	17,909	77,723
Total	$ 134,711	$ 736	$ (3,027)	$ 132,420	$ 35,934	$ 18,763	$ 77,723

	2024						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	$ 27,199	$ —	$ —	$ 27,199	$ 27,199	$ —	$ —
Level 1:							
Money market funds	778	—	—	778	778	—	—
Mutual funds	515	105	(3)	617	—	617	—
Subtotal	1,293	105	(3)	1,395	778	617	—
Level 2 (1):							
U.S. Treasury securities	16,150	45	(516)	15,679	212	4,087	11,380
U.S. agency securities	5,431	—	(272)	5,159	155	703	4,301
Non-U.S. government securities	17,959	93	(484)	17,568	1,158	10,810	5,600
Certificates of deposit and time deposits	873	—	—	873	387	478	8
Commercial paper	1,066	—	—	1,066	28	1,038	—
Corporate debt securities	65,622	270	(1,953)	63,939	26	16,027	47,886
Municipal securities	412	—	(7)	405	—	190	215
Mortgage- and asset-backed securities	24,595	175	(1,403)	23,367	—	1,278	22,089
Subtotal	132,108	583	(4,635)	128,056	1,966	34,611	91,479
Total (2)(3)	$ 160,600	$ 688	$ (4,638)	$ 156,650	$ 29,943	$ 35,228	$ 91,479

(1) The valuation techniques used to measure the fair values of the Company's Level 2 financial instruments, which generally have counterparties with high credit ratings, are based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data.

(2) As of September 28, 2024, cash and cash equivalents included $2.6 billion held in escrow and restricted from general use. These restricted cash and cash equivalents were designated to settle the Company's obligation related to the State Aid Decision (refer to Note 7, "Income Taxes").

(3) As of September 28, 2024, current marketable securities included $13.2 billion held in escrow and restricted from general use. These restricted marketable securities were designated to settle the Company's obligation related to the State Aid Decision (refer to Note 7, "Income Taxes").

As of September 27, 2025, 80% of the Company's non-current marketable debt securities other than mortgage- and asset-backed securities had maturities between 1 and 5 years, 15% between 5 and 10 years, and 5% greater than 10 years. As of September 27, 2025, 13% of the Company's non-current mortgage- and asset-backed securities had maturities between 1 and 5 years, 14% between 5 and 10 years, and 73% greater than 10 years.

The Company's investments in marketable debt securities have been classified and accounted for as available-for-sale. The Company classifies marketable debt securities as either current or non-current based on each instrument's underlying maturity.

Derivative Instruments and Hedging

The Company may use derivative instruments to partially offset its business exposure to foreign exchange and interest rate risk. However, the Company may choose not to hedge certain exposures for a variety of reasons including accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange or interest rates.

All derivative instruments are recorded in the Consolidated Balance Sheets at fair value. The accounting treatment for derivative gains and losses is based on intended use and hedge designation.

Gains and losses arising from amounts that are included in the assessment of cash flow hedge effectiveness are initially deferred in accumulated other comprehensive income/(loss) and subsequently reclassified into earnings when the hedged transaction affects earnings, and in the same line item in the Consolidated Statements of Operations. Gains and losses arising from amounts that are included in the assessment of fair value hedge effectiveness are recognized in the Consolidated Statements of Operations line item to which the hedge relates along with offsetting losses and gains related to the change in value of the hedged item.

For derivative instruments designated as cash flow and fair value hedges, amounts excluded from the assessment of hedge effectiveness are recognized on a straight-line basis over the life of the hedge in the Consolidated Statements of Operations line item to which the hedge relates. Changes in the fair value of amounts excluded from the assessment of hedge effectiveness are recognized in other comprehensive income/(loss).

Gains and losses arising from changes in the fair values of derivative instruments that are not designated as accounting hedges are recognized in the Consolidated Statements of Operations.

The Company classifies cash flows related to derivative instruments in the same section of the Consolidated Statements of Cash Flows as the items being hedged, which are generally classified as operating activities.

Foreign Exchange Rate Risk

To protect gross margins from fluctuations in foreign exchange rates, the Company may use forwards, options or other instruments, and may designate these instruments as cash flow hedges. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue and inventory purchases, typically for up to 12 months.

To protect the Company's foreign currency–denominated term debt or marketable securities from fluctuations in foreign exchange rates, the Company may use forwards, cross-currency swaps or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of September 27, 2025, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for term debt–related foreign currency transactions is 17 years.

The Company may also use derivative instruments that are not designated as accounting hedges to protect gross margins from certain fluctuations in foreign exchange rates, as well as to offset a portion of the foreign currency gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies.

Interest Rate Risk

To protect the Company's term debt or marketable securities from fluctuations in interest rates, the Company may use interest rate swaps, options or other instruments. The Company designates these instruments as either cash flow or fair value hedges.

The notional amounts of the Company's outstanding derivative instruments as of September 27, 2025 and September 28, 2024, were as follows (in millions):

	2025	2024
Derivative instruments designated as accounting hedges:		
Foreign exchange contracts	$ 62,647	$ 64,069
Interest rate contracts	$ 12,875	$ 14,575
Derivative instruments not designated as accounting hedges:		
Foreign exchange contracts	$ 109,079	$ 91,493

As of September 27, 2025 and September 28, 2024, the carrying amount of the Company's current and non-current term debt subject to fair value hedges was $12.6 billion and $13.5 billion, respectively.

Accounts Receivable

Trade Receivables

As of September 27, 2025, the Company had one customer that represented 10% or more of total trade receivables, which accounted for 12%. The Company's third-party cellular network carriers accounted for 34% and 38% of total trade receivables as of September 27, 2025 and September 28, 2024, respectively. The Company requires third-party credit support or collateral from certain customers to limit credit risk.

Vendor Non-Trade Receivables

The Company has non-trade receivables from certain of its manufacturing vendors resulting from the sale of components to these vendors who manufacture subassemblies or assemble final products for the Company. The Company purchases these components directly from suppliers. The Company does not reflect the sale of these components in products net sales. Rather, the Company recognizes any gain on these sales as a reduction of products cost of sales when the related final products are sold by the Company. As of September 27, 2025, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 46% and 23%. As of September 28, 2024, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 44% and 23%.

Note 5 – Property, Plant and Equipment

The following table shows the Company's gross property, plant and equipment by major asset class and accumulated depreciation as of September 27, 2025 and September 28, 2024 (in millions):

	2025	2024
Land and buildings	$ 27,337	$ 24,690
Machinery, equipment and internal-use software	83,420	80,205
Leasehold improvements	15,091	14,233
Gross property, plant and equipment	125,848	119,128
Accumulated depreciation	(76,014)	(73,448)
Total property, plant and equipment, net	$ 49,834	$ 45,680

Depreciation expense on property, plant and equipment was $8.0 billion, $8.2 billion and $8.5 billion during 2025, 2024 and 2023, respectively.

Note 6 – Consolidated Financial Statement Details

The following tables show the Company's consolidated financial statement details as of September 27, 2025 and September 28, 2024 (in millions):

Other Non-Current Assets

	2025	2024
Deferred tax assets	$ 20,777	$ 19,499
Other non-current assets	62,950	55,335
Total other non-current assets	$ 83,727	$ 74,834

Other Current Liabilities

	2025	2024
Income taxes payable	$ 13,016	$ 26,601
Accrued distribution and marketing	8,919	7,679
Other current liabilities	44,452	44,024
Total other current liabilities	$ 66,387	$ 78,304

Note 7 – Income Taxes

European Commission State Aid Decision

On August 30, 2016, the Commission announced its decision that Ireland granted state aid to the Company by providing tax opinions in 1991 and 2007 concerning the tax allocation of profits of the Irish branches of two subsidiaries of the Company ("State Aid Decision"). The State Aid Decision ordered Ireland to calculate and recover additional taxes from the Company for the period June 2003 through December 2014. Irish legislative changes, effective as of January 2015, eliminated the application of the tax opinions from that date forward.

The Company and Ireland appealed the State Aid Decision to the General Court of the Court of Justice of the European Union ("General Court"). On July 15, 2020, the General Court annulled the State Aid Decision. On September 25, 2020, the Commission appealed the General Court's decision to the European Court of Justice ("ECJ"). On September 10, 2024, the ECJ announced that it had set aside the 2020 judgment of the General Court and confirmed the 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 amounts 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.

Provision for Income Taxes and Effective Tax Rate

The provision for income taxes for 2025, 2024 and 2023, consisted of the following (in millions):

	2025	2024	2023
Federal:			
Current	$ 11,487	$ 5,571	$ 9,445
Deferred	(1,804)	(3,080)	(3,644)
Total	9,683	2,491	5,801
State:			
Current	1,680	1,726	1,570
Deferred	(139)	(298)	(49)
Total	1,541	1,428	1,521
Foreign:			
Current	8,891	25,483	8,750
Deferred	604	347	669
Total	9,495	25,830	9,419
Provision for income taxes	$ 20,719	$ 29,749	$ 16,741

Foreign pretax earnings were $82.0 billion, $77.3 billion and $72.9 billion in 2025, 2024 and 2023, respectively.

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate (21% in 2025, 2024 and 2023) to income before provision for income taxes for 2025, 2024 and 2023 is as follows (dollars in millions):

	2025	2024	2023
Computed expected tax	$ 27,873	$ 25,932	$ 23,885
Earnings of foreign subsidiaries	(8,120)	(5,311)	(5,744)
Change in valuation allowance	2,091	—	—
Research and development credit, net	(1,049)	(1,397)	(1,212)
Impact of the State Aid Decision	(486)	10,246	—
Other	410	279	(188)
Provision for income taxes	$ 20,719	$ 29,749	$ 16,741
Effective tax rate	15.6%	24.1%	14.7%

Deferred Tax Assets and Liabilities

As of September 27, 2025 and September 28, 2024, the significant components of the Company's deferred tax assets and liabilities were as follows (in millions):

	2025	2024
Deferred tax assets:		
Capitalized research and development	$ 15,041	$ 10,739
Tax credit carryforwards	8,643	8,856
Accrued liabilities and other reserves	6,154	6,114
Deferred revenue	2,953	3,413
Lease liabilities	2,577	2,410
Other	3,049	3,341
Total deferred tax assets	38,417	34,873
Less: Valuation allowance	(10,966)	(8,866)
Total deferred tax assets, net	27,451	26,007
Deferred tax liabilities:		
Depreciation	3,276	2,551
Right-of-use assets	2,300	2,125
Minimum tax on foreign earnings	1,217	1,674
Other	678	455
Total deferred tax liabilities	7,471	6,805
Net deferred tax assets	$ 19,980	$ 19,202

As of September 27, 2025, the Company had $4.7 billion in foreign tax credit carryforwards in Ireland and $4.0 billion in California R&D credit carryforwards, both of which can be carried forward indefinitely. A valuation allowance has been recorded for the credit carryforwards and a portion of other temporary differences.

Uncertain Tax Positions

As of September 27, 2025, the total amount of gross unrecognized tax benefits was $23.2 billion, of which $10.6 billion, if recognized, would impact the Company's effective tax rate. As of September 28, 2024, the total amount of gross unrecognized tax benefits was $22.0 billion, of which $10.8 billion, if recognized, would have impacted the Company's effective tax rate.

The aggregate change in the balance of gross unrecognized tax benefits, which excludes interest and penalties, for 2025, 2024 and 2023 is as follows (in millions):

	2025	2024	2023
Beginning balances	$ 22,038	$ 19,454	$ 16,758
Increases related to tax positions taken during a prior year	1,971	1,727	2,044
Decreases related to tax positions taken during a prior year	(71)	(386)	(1,463)
Increases related to tax positions taken during the current year	3,795	2,542	2,628
Decreases related to settlements with taxing authorities	(2,939)	(1,070)	(19)
Decreases related to expiration of the statute of limitations	(1,552)	(229)	(494)
Ending balances	$ 23,242	$ 22,038	$ 19,454

The Company is subject to taxation and files income tax returns in the U.S. federal jurisdiction and many state and foreign jurisdictions. Tax years 2018 and after 2021 for the U.S. federal jurisdiction, and after 2014 in certain major foreign jurisdictions, remain subject to examination. Although the timing of resolution or closure of examinations is not certain, the Company believes it is reasonably possible that its gross unrecognized tax benefits could decrease as much as $6 billion in the next 12 months.

Note 8 – Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data center, manufacturing and retail space. These leases typically have original terms not exceeding 10 years and generally contain multiyear renewal options, some of which are reasonably certain of exercise.

Payments under the Company's lease arrangements may be fixed or variable, and variable lease payments are primarily based on purchases of output of the underlying leased assets. Lease costs associated with fixed payments on the Company's operating leases were $2.1 billion for 2025 and $2.0 billion for both 2024 and 2023. Lease costs associated with variable payments on the Company's leases were $16.1 billion, $13.8 billion and $13.9 billion for 2025, 2024 and 2023, respectively.

The Company made fixed cash payments related to operating leases of $2.1 billion in 2025 and $1.9 billion in both 2024 and 2023. Noncash activities involving right-of-use ("ROU") assets obtained in exchange for lease liabilities were $2.8 billion, $1.0 billion and $2.1 billion for 2025, 2024 and 2023, respectively.

The following table shows ROU assets and lease liabilities, and the associated financial statement line items, as of September 27, 2025 and September 28, 2024 (in millions):

Lease-Related Assets and Liabilities	Financial Statement Line Items	2025	2024
Right-of-use assets:			
Operating leases	Other non-current assets	$ 11,205	$ 10,234
Finance leases	Property, plant and equipment, net	1,033	1,069
Total right-of-use assets		$ 12,238	$ 11,303
Lease liabilities:			
Operating leases	Other current liabilities	$ 1,579	$ 1,488
	Other non-current liabilities	10,911	10,046
Finance leases	Other current liabilities	538	144
	Other non-current liabilities	692	752
Total lease liabilities		$ 13,720	$ 12,430

Lease liability maturities as of September 27, 2025, are as follows (in millions):

	Operating Leases	Finance Leases	Total
2026	$ 1,967	$ 563	$ 2,530
2027	1,988	73	2,061
2028	1,848	51	1,899
2029	1,585	48	1,633
2030	1,381	43	1,424
Thereafter	5,956	801	6,757
Total undiscounted liabilities	14,725	1,579	16,304
Less: Imputed interest	(2,235)	(349)	(2,584)
Total lease liabilities	$ 12,490	$ 1,230	$ 13,720

The weighted-average remaining lease term related to the Company's lease liabilities as of September 27, 2025 and September 28, 2024 was 9.8 years and 10.3 years, respectively. The discount rate related to the Company's lease liabilities as of September 27, 2025 and September 28, 2024 was 3.4% and 3.1%, respectively. The discount rates related to the Company's lease liabilities are generally based on estimates of the Company's incremental borrowing rate, as the discount rates implicit in the Company's leases cannot be readily determined.

As of September 27, 2025, the Company had $523 million of fixed payment obligations under additional leases, primarily for corporate facilities and retail space, that had not yet commenced. These leases are expected to commence between 2026 and 2027, with lease terms ranging from 1 year to 21 years.

Note 9 – Debt

Commercial Paper

The Company issues unsecured short-term promissory notes 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 September 27, 2025 and September 28, 2024, the Company had $8.0 billion and $10.0 billion of commercial paper outstanding, respectively, with maturities generally less than nine months. The weighted-average interest rate of the Company's commercial paper was 4.19% and 5.00% as of September 27, 2025 and September 28, 2024, respectively. The following table provides a summary of cash flows associated with commercial paper for 2025, 2024 and 2023 (in millions):

	2025	2024	2023
Maturities 90 days or less:			
Proceeds from/(Repayments of) commercial paper, net	$ (5,820)	$ 3,960	$ (1,333)
Maturities greater than 90 days:			
Proceeds from commercial paper	5,836	—	—
Repayments of commercial paper	(2,048)	—	(2,645)
Proceeds from/(Repayments of) commercial paper, net	3,788	—	(2,645)
Total proceeds from/(repayments of) commercial paper, net	$ (2,032)	$ 3,960	$ (3,978)

Term Debt

The Company has outstanding Notes, which are senior unsecured obligations with interest payable in arrears. The following table provides a summary of the Company's term debt as of September 27, 2025 and September 28, 2024:

		2025		2024	
	Maturities (calendar year)	**Amount** (in millions)	**Effective Interest Rate**	**Amount** (in millions)	**Effective Interest Rate**
2013 – 2023 debt issuances:					
Fixed-rate 0.000% – 4.850% notes	2025 – 2062	$ 86,781	0.03% – 5.75%	$ 97,341	0.03% – 6.65%
2025 debt issuance:					
Fixed-rate 4.000% – 4.750% notes	2028 – 2035	4,500	4.07% – 4.83%	—	
Total term debt principal		91,281		97,341	
Unamortized premium/(discount) and issuance costs, net		(309)		(321)	
Hedge accounting fair value adjustments		(294)		(358)	
Total term debt		90,678		96,662	
Less: Current portion of term debt		(12,350)		(10,912)	
Total non-current portion of term debt		$ 78,328		$ 85,750	

To manage interest rate risk on certain of its U.S. dollar–denominated fixed-rate notes, the Company uses interest rate swaps to effectively convert the fixed interest rates to floating interest rates on a portion of these notes. Additionally, to manage foreign exchange rate risk on certain of its foreign currency–denominated notes, the Company uses cross-currency swaps to effectively convert these notes to U.S. dollar–denominated notes.

The effective interest rates for the Notes include the interest on the Notes, amortization of the discount or premium and, if applicable, adjustments related to hedging.

The future principal payments for the Company's Notes as of September 27, 2025, are as follows (in millions):

2026	$ 12,393
2027	10,078
2028	9,300
2029	5,235
2030	4,972
Thereafter	49,303
Total term debt principal	$ 91,281

As of September 27, 2025 and September 28, 2024, the fair value of the Company's Notes, based on Level 2 inputs, was $80.4 billion and $88.4 billion, respectively.

Note 10 – Shareholders' Equity

Share Repurchase Program

During 2025, the Company repurchased 402 million shares of its common stock for $89.3 billion. The Company's share repurchase programs do not obligate the Company to acquire a minimum amount of shares. Under the programs, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Shares of Common Stock

The following table shows the changes in shares of common stock for 2025, 2024 and 2023 (in thousands):

	2025	2024	2023
Common stock outstanding, beginning balances	15,116,786	15,550,061	15,943,425
Common stock repurchased	(401,672)	(499,372)	(471,419)
Common stock issued, net of shares withheld for employee taxes	58,146	66,097	78,055
Common stock outstanding, ending balances	14,773,260	15,116,786	15,550,061

Note 11 – Share-Based Compensation

2022 Employee Stock Plan

The Apple Inc. 2022 Employee Stock Plan ("2022 Plan") is a shareholder-approved plan that provides for broad-based equity grants to employees, including executive officers, and permits the granting of RSUs, stock grants, performance-based awards, stock options and stock appreciation rights. RSUs granted under the 2022 Plan generally vest over four years, based on continued employment, and are settled upon vesting in shares of the Company's common stock on a one-for-one basis. All RSUs granted under the 2022 Plan have dividend equivalent rights, which entitle holders of RSUs to the same dividend value per share as holders of common stock. A maximum of approximately 1.3 billion shares were authorized for issuance pursuant to 2022 Plan awards at the time the plan was approved on March 4, 2022.

Restricted Stock Units

A summary of the Company's RSU activity and related information for 2025 is as follows:

	Number of RSUs (in thousands)	Weighted-Average Grant-Date Fair Value Per RSU
Balance as of September 28, 2024	163,326	$ 158.73
RSUs granted	73,466	$ 226.68
RSUs vested	(76,845)	$ 159.85
RSUs forfeited	(8,373)	$ 183.03
Balance as of September 27, 2025	151,574	$ 189.75

The weighted-average grant-date fair value of RSUs granted in 2024 and 2023 was $173.78 and $150.87, respectively. The Company estimates the grant-date fair value of RSUs based on the closing price of the Company's common stock on the date of grant.

The total vesting-date fair value of RSUs was $17.1 billion, $15.8 billion and $15.9 billion for 2025, 2024 and 2023, respectively. The majority of RSUs that vested in 2025, 2024 and 2023 were net share settled such that the Company withheld shares with a value equivalent to the employees' obligation for the applicable income and other employment taxes, and remitted cash to the appropriate taxing authorities. Total payments to taxing authorities for employees' tax obligations were $6.1 billion in 2025 and $5.6 billion in both 2024 and 2023.

Share-Based Compensation

The following table shows share-based compensation expense and the related income tax benefit included in the Consolidated Statements of Operations for 2025, 2024 and 2023 (in millions):

	2025	2024	2023
Share-based compensation expense	$ 12,863	$ 11,688	$ 10,833
Income tax benefit related to share-based compensation expense	$ (3,602)	$ (3,350)	$ (3,421)

As of September 27, 2025, the total unrecognized compensation cost related to outstanding RSUs was $21.8 billion, which the Company expects to recognize over a weighted-average period of 2.5 years.

Note 12 – Commitments, Contingencies and Supply Concentrations

Unconditional Purchase Obligations

The Company has entered into certain off–balance sheet commitments that require the future purchase of goods or services (“unconditional purchase obligations”). The Company’s unconditional purchase obligations primarily consist of supplier arrangements, licensed intellectual property and content, and distribution rights. Future payments under unconditional purchase obligations with a remaining term in excess of one year as of September 27, 2025, are as follows (in millions):

2026	$	4,752
2027		3,708
2028		1,981
2029		1,306
2030		788
Thereafter		773
Total	$	13,308

Contingencies

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. The outcome of litigation is inherently uncertain. In the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

Concentrations in the Available Sources of Supply of Materials and Product

Although most components essential to the Company’s business are generally available from multiple sources, certain components are currently obtained from single or limited sources. The Company also competes for various components with other participants in the markets for smartphones, personal computers, tablets, wearables and accessories. Therefore, many components used by the Company, including those that are available from multiple sources, are at times subject to industry-wide shortage and significant commodity pricing fluctuations. Restrictions on international trade can increase the cost or limit the availability of the Company’s products and the components and rare earths and other raw materials that go into them.

The Company uses some custom components that are not commonly used by its competitors, and new products introduced by the Company often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers’ yields have matured or their manufacturing capacities have increased. The Company has entered into agreements for the supply of many components; however, the Company may not be able to extend or renew agreements for the supply of components on similar terms, or at all, and may not be successful in obtaining sufficient quantities from its suppliers or in a timely manner, or in identifying and obtaining sufficient quantities from an alternative source. In addition, component suppliers may fail, be subject to consolidation within a particular industry, or decide to concentrate on the production of common components instead of components customized to meet the Company’s requirements, further limiting the Company’s ability to obtain sufficient quantities of components on commercially reasonable terms, or at all.

Substantially all of the Company’s hardware products are manufactured by outsourcing partners that are located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam.

Note 13 – Segment Information and Geographic Data

The Company manages its business primarily on a geographic basis. The Company's CEO is its CODM.

The Company's reportable segments consist of the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. Americas includes both North and South America. Europe includes European countries, as well as India, the Middle East and Africa. Greater China includes China mainland, Hong Kong and Taiwan. Rest of Asia Pacific includes Australia, New Zealand and those Asian countries not included in the Company's other reportable segments. Although the reportable segments provide similar hardware and software products and similar services, each one is managed separately to better align with the location of the Company's customers and distribution partners and the unique market dynamics of each geographic region.

The CODM uses segment net sales and operating income information to make certain decisions, such as product and service pricing, and to decide how to allocate resources related to sales activities and marketing investments. Net sales for geographic segments are generally based on the location of customers and sales through the Company's retail stores located in those geographic locations. Operating income for each segment consists of net sales to third parties, related cost of sales, and operating expenses directly attributable to the segment. The information provided to the CODM for purposes of making decisions and assessing segment performance excludes asset information.

The following tables show information by reportable segment for 2025, 2024 and 2023 (in millions):

	2025						
	Americas	Europe	Greater China	Japan	Rest of Asia Pacific	Corporate	Total
Net sales	$ 178,353	$ 111,032	$ 64,377	$ 28,703	$ 33,696	$ —	$ 416,161
Cost of sales	(95,699)	(58,617)	(35,141)	(13,779)	(17,724)	—	(220,960)
Research and development	—	—	—	—	—	(34,550)	(34,550)
Selling and marketing	(10,174)	(4,676)	(2,319)	(969)	(1,386)	—	(19,524)
General and administrative	—	—	—	—	—	(8,077)	(8,077)
Operating income/(loss)	$ 72,480	$ 47,739	$ 26,917	$ 13,955	$ 14,586	$ (42,627)	$ 133,050

	2024						
	Americas	Europe	Greater China	Japan	Rest of Asia Pacific	Corporate	Total
Net sales	$ 167,045	$ 101,328	$ 66,952	$ 25,052	$ 30,658	$ —	$ 391,035
Cost of sales	(89,587)	(55,197)	(37,519)	(11,744)	(16,305)	—	(210,352)
Research and development	—	—	—	—	—	(31,370)	(31,370)
Selling and marketing	(9,802)	(4,341)	(2,351)	(854)	(1,291)	—	(18,639)
General and administrative	—	—	—	—	—	(7,458)	(7,458)
Operating income/(loss)	$ 67,656	$ 41,790	$ 27,082	$ 12,454	$ 13,062	$ (38,828)	$ 123,216

	2023						
	Americas	Europe	Greater China	Japan	Rest of Asia Pacific	Corporate	Total
Net sales	$ 162,560	$ 94,294	$ 72,559	$ 24,257	$ 29,615	$ —	$ 383,285
Cost of sales	(92,394)	(54,101)	(39,787)	(11,542)	(16,313)	—	(214,137)
Research and development	—	—	—	—	—	(29,915)	(29,915)
Selling and marketing	(9,658)	(4,095)	(2,444)	(827)	(1,236)	—	(18,260)
General and administrative	—	—	—	—	—	(6,672)	(6,672)
Operating income/(loss)	$ 60,508	$ 36,098	$ 30,328	$ 11,888	$ 12,066	$ (36,587)	$ 114,301

The following tables show net sales for 2025, 2024 and 2023 and long-lived assets as of September 27, 2025 and September 28, 2024 for countries that individually accounted for 10% or more of the respective totals, as well as aggregate amounts for the remaining countries (in millions):

	2025	2024	2023
Net sales:			
U.S.	$ 151,790	$ 142,196	$ 138,573
China [(1)]	64,377	66,952	72,559
Other countries	199,994	181,887	172,153
Total net sales	$ 416,161	$ 391,035	$ 383,285

	2025	2024
Long-lived assets:		
U.S.	$ 40,274	$ 35,664
China [(1)]	3,617	4,797
Other countries	5,943	5,219
Total long-lived assets	$ 49,834	$ 45,680

(1) China includes Hong Kong and Taiwan.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Apple Inc. (the "Company") as of September 27, 2025 and September 28, 2024, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended September 27, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at September 27, 2025 and September 28, 2024, and the results of its operations and its cash flows for each of the three years in the period ended September 27, 2025, in conformity with U.S. generally accepted accounting principles ("GAAP").

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 27, 2025, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated October 31, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

	Uncertain Tax Positions
Description of the Matter	As discussed in Note 7 to the financial statements, the Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. As of September 27, 2025, the total amount of gross unrecognized tax benefits was $23.2 billion, of which $10.6 billion, if recognized, would impact the Company's effective tax rate. In accounting for some of the uncertain tax positions, the Company uses significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws. Auditing management's evaluation of whether an uncertain tax position is more likely than not to be sustained and the measurement of the benefit of various tax positions can be complex, involves significant judgment, and is based on interpretations of tax laws.

How We Addressed the Matter in Our Audit	We tested controls relating to the evaluation of uncertain tax positions, including controls over management's assessment as to whether tax positions are more likely than not to be sustained, management's process to measure the benefit of its tax positions that qualify for recognition, and the related disclosures. We evaluated the Company's assessment of which tax positions are more likely than not to be sustained and the related measurement of the amount of tax benefit that qualifies for recognition. Our audit procedures included, among others, reading and evaluating management's assumptions and analysis, and, as applicable, the Company's communications with taxing authorities, that detailed the basis and technical merits of the uncertain tax positions. We involved our tax subject matter resources in assessing the technical merits of certain of the Company's tax positions based on our knowledge of relevant tax laws and experience with related taxing authorities. In addition, we evaluated the Company's disclosure in relation to these matters included in Note 7 to the financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2009.

San Jose, California
October 31, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Apple Inc.'s internal control over financial reporting as of September 27, 2025, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Apple Inc. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of September 27, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of September 27, 2025 and September 28, 2024, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended September 27, 2025, and the related notes and our report dated October 31, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California
October 31, 2025

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of September 27, 2025 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Inherent Limitations over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of September 27, 2025 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an audit report on the Company's internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2025, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

On October 31, 2025, the Company announced that Chris Kondo, Senior Director of Corporate Accounting and Principal Accounting Officer, will transition from his role on January 1, 2026. Following the transition, Mr. Kondo will continue to work on other projects. Ben Borders, the Company's Director of Technical Accounting, will become Senior Director of Corporate Accounting and assume the role of Principal Accounting Officer. Mr. Borders will report to Kevan Parekh, the Company's Chief Financial Officer.

Insider Trading Arrangements

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item will be included in the Company's definitive proxy statement to be filed with the SEC within 120 days after September 27, 2025, in connection with the solicitation of proxies for the Company's 2026 annual meeting of shareholders ("2026 Proxy Statement"), and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this Item will be included in the 2026 Proxy Statement, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be included in the 2026 Proxy Statement, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be included in the 2026 Proxy Statement, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be included in the 2026 Proxy Statement, and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this report

(1) All financial statements

* Ernst & Young LLP, PCAOB Firm ID No. 00042.

(2) Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes included in this Form 10-K.

(3) Exhibits required by Item 601 of Regulation S-K (1)

		Incorporated by Reference		
Exhibit Number	Exhibit Description	Form	Exhibit	Filing Date/ Period End Date
3.1	Restated Articles of Incorporation of the Registrant filed on August 3, 2020.	8-K	3.1	8/7/20
3.2	Amended and Restated Bylaws of the Registrant effective as of August 20, 2024.	8-K	3.2	8/23/24
4.1**	Description of Securities of the Registrant.			
4.2	Indenture, dated as of April 29, 2013, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.	S-3	4.1	4/29/13
4.3	Officer's Certificate of the Registrant, dated as of May 3, 2013, including forms of global notes representing the Floating Rate Notes due 2016, Floating Rate Notes due 2018, 0.45% Notes due 2016, 1.00% Notes due 2018, 2.40% Notes due 2023 and 3.85% Notes due 2043.	8-K	4.1	5/3/13
4.4	Officer's Certificate of the Registrant, dated as of May 6, 2014, including forms of global notes representing the Floating Rate Notes due 2017, Floating Rate Notes due 2019, 1.05% Notes due 2017, 2.10% Notes due 2019, 2.85% Notes due 2021, 3.45% Notes due 2024 and 4.45% Notes due 2044.	8-K	4.1	5/6/14
4.5	Officer's Certificate of the Registrant, dated as of November 10, 2014, including forms of global notes representing the 1.000% Notes due 2022 and 1.625% Notes due 2026.	8-K	4.1	11/10/14
4.6	Officer's Certificate of the Registrant, dated as of February 9, 2015, including forms of global notes representing the Floating Rate Notes due 2020, 1.55% Notes due 2020, 2.15% Notes due 2022, 2.50% Notes due 2025 and 3.45% Notes due 2045.	8-K	4.1	2/9/15
4.7	Officer's Certificate of the Registrant, dated as of May 13, 2015, including forms of global notes representing the Floating Rate Notes due 2017, Floating Rate Notes due 2020, 0.900% Notes due 2017, 2.000% Notes due 2020, 2.700% Notes due 2022, 3.200% Notes due 2025, and 4.375% Notes due 2045.	8-K	4.1	5/13/15
4.8	Officer's Certificate of the Registrant, dated as of July 31, 2015, including forms of global notes representing the 3.05% Notes due 2029 and 3.60% Notes due 2042.	8-K	4.1	7/31/15

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date/ Period End Date
4.9	Officer's Certificate of the Registrant, dated as of September 17, 2015, including forms of global notes representing the 1.375% Notes due 2024 and 2.000% Notes due 2027.	8-K	4.1	9/17/15
4.10	Officer's Certificate of the Registrant, dated as of February 23, 2016, including forms of global notes representing the Floating Rate Notes due 2019, Floating Rate Notes due 2021, 1.300% Notes due 2018, 1.700% Notes due 2019, 2.250% Notes due 2021, 2.850% Notes due 2023, 3.250% Notes due 2026, 4.500% Notes due 2036 and 4.650% Notes due 2046.	8-K	4.1	2/23/16
4.11	Supplement No. 1 to the Officer's Certificate of the Registrant, dated as of March 24, 2016.	8-K	4.1	3/24/16
4.12	Officer's Certificate of the Registrant, dated as of August 4, 2016, including forms of global notes representing the Floating Rate Notes due 2019, 1.100% Notes due 2019, 1.550% Notes due 2021, 2.450% Notes due 2026 and 3.850% Notes due 2046.	8-K	4.1	8/4/16
4.13	Officer's Certificate of the Registrant, dated as of February 9, 2017, including forms of global notes representing the Floating Rate Notes due 2019, Floating Rate Notes due 2020, Floating Rate Notes due 2022, 1.550% Notes due 2019, 1.900% Notes due 2020, 2.500% Notes due 2022, 3.000% Notes due 2024, 3.350% Notes due 2027 and 4.250% Notes due 2047.	8-K	4.1	2/9/17
4.14	Officer's Certificate of the Registrant, dated as of May 11, 2017, including forms of global notes representing the Floating Rate Notes due 2020, Floating Rate Notes due 2022, 1.800% Notes due 2020, 2.300% Notes due 2022, 2.850% Notes due 2024 and 3.200% Notes due 2027.	8-K	4.1	5/11/17
4.15	Officer's Certificate of the Registrant, dated as of May 24, 2017, including forms of global notes representing the 0.875% Notes due 2025 and 1.375% Notes due 2029.	8-K	4.1	5/24/17
4.16	Officer's Certificate of the Registrant, dated as of June 20, 2017, including form of global note representing the 3.000% Notes due 2027.	8-K	4.1	6/20/17
4.17	Officer's Certificate of the Registrant, dated as of September 12, 2017, including forms of global notes representing the 1.500% Notes due 2019, 2.100% Notes due 2022, 2.900% Notes due 2027 and 3.750% Notes due 2047.	8-K	4.1	9/12/17
4.18	Officer's Certificate of the Registrant, dated as of November 13, 2017, including forms of global notes representing the 1.800% Notes due 2019, 2.000% Notes due 2020, 2.400% Notes due 2023, 2.750% Notes due 2025, 3.000% Notes due 2027 and 3.750% Notes due 2047.	8-K	4.1	11/13/17
4.19	Indenture, dated as of November 5, 2018, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.	S-3	4.1	11/5/18
4.20	Officer's Certificate of the Registrant, dated as of September 11, 2019, including forms of global notes representing the 1.700% Notes due 2022, 1.800% Notes due 2024, 2.050% Notes due 2026, 2.200% Notes due 2029 and 2.950% Notes due 2049.	8-K	4.1	9/11/19
4.21	Officer's Certificate of the Registrant, dated as of November 15, 2019, including forms of global notes representing the 0.000% Notes due 2025 and 0.500% Notes due 2031.	8-K	4.1	11/15/19
4.22	Officer's Certificate of the Registrant, dated as of May 11, 2020, including forms of global notes representing the 0.750% Notes due 2023, 1.125% Notes due 2025, 1.650% Notes due 2030 and 2.650% Notes due 2050.	8-K	4.1	5/11/20
4.23	Officer's Certificate of the Registrant, dated as of August 20, 2020, including forms of global notes representing the 0.550% Notes due 2025, 1.25% Notes due 2030, 2.400% Notes due 2050 and 2.550% Notes due 2060.	8-K	4.1	8/20/20
4.24	Officer's Certificate of the Registrant, dated as of February 8, 2021, including forms of global notes representing the 0.700% Notes due 2026, 1.200% Notes due 2028, 1.650% Notes due 2031, 2.375% Notes due 2041, 2.650% Notes due 2051 and 2.800% Notes due 2061.	8-K	4.1	2/8/21
4.25	Officer's Certificate of the Registrant, dated as of August 5, 2021, including forms of global notes representing the 1.400% Notes due 2028, 1.700% Notes due 2031, 2.700% Notes due 2051 and 2.850% Notes due 2061.	8-K	4.1	8/5/21

		Incorporated by Reference		
Exhibit Number	Exhibit Description	Form	Exhibit	Filing Date/ Period End Date
4.26	Indenture, dated as of October 28, 2021, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.	S-3	4.1	10/29/21
4.27	Officer's Certificate of the Registrant, dated as of August 8, 2022, including forms of global notes representing the 3.250% Notes due 2029, 3.350% Notes due 2032, 3.950% Notes due 2052 and 4.100% Notes due 2062.	8-K	4.1	8/8/22
4.28	Officer's Certificate of the Registrant, dated as of May 10, 2023, including forms of global notes representing the 4.421% Notes due 2026, 4.000% Notes due 2028, 4.150% Notes due 2030, 4.300% Notes due 2033 and 4.850% Notes due 2053.	8-K	4.1	5/10/23
4.29	Officer's Certificate of the Registrant, dated as of May 12, 2025, including forms of global notes representing the 4.000% Notes due 2028, 4.200% Notes due 2030, 4.500% Notes due 2032 and 4.750% Notes due 2035.	8-K	4.1	5/12/25
4.30*	Apple Inc. Deferred Compensation Plan.	S-8	4.1	8/23/18
10.1*	Apple Inc. Employee Stock Purchase Plan, as amended as of November 6, 2024.	10-Q	10.1	12/28/24
10.2*	Form of Indemnification Agreement between the Registrant and each director and executive officer of the Registrant.	10-Q	10.2	6/27/09
10.3*	Apple Inc. Non-Employee Director Stock Plan, as amended November 6, 2024.	10-Q	10.2	12/28/24
10.4*	Apple Inc. 2014 Employee Stock Plan, as amended and restated as of October 1, 2017.	10-K	10.8	9/30/17
10.5*	Form of Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of August 18, 2020.	10-K	10.16	9/26/20
10.6*	Apple Inc. 2022 Employee Stock Plan.	8-K	10.1	3/4/22
10.7*	Form of Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of March 4, 2022.	8-K	10.2	3/4/22
10.8*	Form of Performance Award Agreement under 2022 Employee Stock Plan effective as of March 4, 2022.	8-K	10.3	3/4/22
10.9*	Apple Inc. Executive Cash Incentive Plan.	8-K	10.1	8/19/22
10.10*	Form of CEO Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.	10-Q	10.1	12/31/22
10.11*	Form of CEO Performance Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.	10-Q	10.2	12/31/22
10.12*	Form of Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.	10-K	10.19	9/28/24
10.13*	Form of Performance Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.	10-K	10.20	9/28/24
10.14*	Form of CEO Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.	10-K	10.21	9/28/24
10.15*	Form of CEO Performance Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.	10-K	10.22	9/28/24
19.1	Insider Trading Policy.	10-K	19.1	9/28/24
21.1**	Subsidiaries of the Registrant.			
23.1**	Consent of Independent Registered Public Accounting Firm.			
24.1**	Power of Attorney (included on the Signatures page of this Annual Report on Form 10-K).			
31.1**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.			
31.2**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.			
32.1***	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.			
97.1*	Rule 10D-1 Recovery Policy	10-K	97.1	9/28/24

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date/ Period End Date
101**	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.			
104**	Inline XBRL for the cover page of this Annual Report on Form 10-K, included in the Exhibit 101 Inline XBRL Document Set.			

* Indicates management contract or compensatory plan or arrangement.

** Filed herewith.

*** Furnished herewith.

(1) Certain instruments defining the rights of holders of long-term debt securities of the Registrant are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Registrant hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 31, 2025	Apple Inc.
	By: /s/ Kevan Parekh
	Kevan Parekh
	Senior Vice President, Chief Financial Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Timothy D. Cook and Kevan Parekh, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Timothy D. Cook TIMOTHY D. COOK	Chief Executive Officer and Director (Principal Executive Officer)	October 31, 2025
/s/ Kevan Parekh KEVAN PAREKH	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	October 31, 2025
/s/ Chris Kondo CHRIS KONDO	Senior Director of Corporate Accounting (Principal Accounting Officer)	October 31, 2025
/s/ Wanda Austin WANDA AUSTIN	Director	October 31, 2025
/s/ Alex Gorsky ALEX GORSKY	Director	October 31, 2025
/s/ Andrea Jung ANDREA JUNG	Director	October 31, 2025
/s/ Arthur D. Levinson ARTHUR D. LEVINSON	Director and Chair of the Board	October 31, 2025
/s/ Monica Lozano MONICA LOZANO	Director	October 31, 2025
/s/ Ronald D. Sugar RONALD D. SUGAR	Director	October 31, 2025
/s/ Susan L. Wagner SUSAN L. WAGNER	Director	October 31, 2025

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of September 27, 2025, Apple Inc. ("Apple" or the "Company") had eight classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) Common Stock, $0.00001 par value per share ("Common Stock"); (ii) 0.000% Notes due 2025 (the "2025 Notes"); (iii) 1.625% Notes due 2026 (the "2026 Notes"); (iv) 2.000% Notes due 2027 (the "2027 Notes"); (v) 1.375% Notes due 2029 (the "1.375% 2029 Notes"); (vi) 3.050% Notes due 2029 (the "3.050% 2029 Notes"); (vii) 0.500% Notes due 2031 (the "2031 Notes"); and (viii) 3.600% Notes due 2042 (the "2042 Notes," and together with the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes, the 3.050% 2029 Notes, and the 2031 Notes, the "Notes"). Each of the Company's securities registered under Section 12 of the Exchange Act are listed on The Nasdaq Stock Market LLC.

DESCRIPTION OF COMMON STOCK

The following is a description of the rights of Common Stock and related provisions of the Company's Restated Articles of Incorporation (the "Articles") and Amended and Restated Bylaws (the "Bylaws") and applicable California law. This description is qualified in its entirety by, and should be read in conjunction with, the Articles, Bylaws and applicable California law.

Authorized Capital Stock

The Company's authorized capital stock consists of 50,400,000,000 shares of Common Stock.

Common Stock

Fully Paid and Nonassessable

All of the outstanding shares of the Company's Common Stock are fully paid and nonassessable.

Voting Rights

The holders of shares of Common Stock are entitled to one vote per share on all matters to be voted on by such holders. Holders of shares of Common Stock are not entitled to cumulative voting rights.

Except as described below or as required by law, all matters to be voted on by shareholders must be approved by the affirmative vote of (i) a majority of the shares present or represented by proxy and voting and (ii) a majority of the shares required to constitute a quorum.

In an election of directors where the number of nominees exceeds the number of directors to be elected, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares will be elected.

The Company's entire Board of Directors or any individual director may be removed without cause by an affirmative vote of a majority of the outstanding shares entitled to vote, subject to the provisions of the Company's Bylaws.

Vacancies created by the removal of a director must be filled only by approval of the shareholders, or by the unanimous written consent of all shares entitled to vote. The shareholders may elect a director at any time to fill a vacancy not filled by the directors, but any such election by written consent, other than to fill a vacancy created by removal, requires the consent of a majority of the outstanding shares entitled to vote thereon.

An amendment of the Bylaws or the Articles may be adopted by the vote of the majority of the outstanding shares entitled to vote. Any amendment of the Bylaws specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by the shareholders; provided, however, that an amendment of the Bylaws or the Articles reducing the fixed number or the minimum number of directors to less than five cannot be adopted if the votes cast against its adoption are equal to more than 16 2/3% of the outstanding shares entitled to vote.

Any shareholders' meeting may be adjourned from time to time by the vote of a majority of the shares present in person or represented by proxy.

Dividends

The holders of shares of Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company's Board of Directors in its discretion from funds legally available therefor.

Right to Receive Liquidation Distributions

Upon liquidation, dissolution or winding-up, the holders of shares of Common Stock are entitled to receive pro rata all assets remaining available for distribution to holders of such shares.

No Preemptive or Similar Rights

Common Stock has no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares of Common Stock.

Anti-Takeover Provisions of the Articles, Bylaws and California Law

Provisions of the Articles and Bylaws may delay or discourage transactions involving an actual or potential change in control of the Company or change in its management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that its shareholders might otherwise deem to be in their best interests. Among other things, the Articles and Bylaws:

- provide that, except for a vacancy caused by the removal of a director as provided in the Bylaws, a vacancy on the Company's Board of Directors may be filled by a person selected by a majority of the remaining directors then in office, whether or not less than a quorum, or by a sole remaining director;

- provide that shareholders seeking to present proposals before a meeting of shareholders or to nominate candidates for election as directors at a meeting of shareholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a shareholder's notice, including with respect to a shareholder's notice under Rule 14a-19 of the Exchange Act;

- provide that a shareholder, or group of up to 20 shareholders, that has owned continuously for at least three years shares of Common Stock representing an aggregate of at least 3% of the Company's outstanding shares of Common Stock, may nominate and include in the Company's proxy materials director nominees constituting up to 20% of the Company's Board of Directors, provided that the shareholder(s) and nominee(s) satisfy the requirements in the Bylaws;

- do not provide for cumulative voting rights for the election of directors; and

- provide that special meetings of the shareholders may only be called by (i) the Board of Directors, the Chair of the Board of Directors or the Chief Executive Officer or (ii) one or more holders of shares entitled to cast not less than ten percent (10%) of the votes on the record date established pursuant to the Company's Bylaws, provided that the shareholder(s) satisfy requirements in the Bylaws.

In addition, as a California corporation, the Company is subject to the provisions of Section 1203 of the California General Corporation Law, which requires it to provide a fairness opinion to its shareholders in connection with their consideration of any proposed "interested party" reorganization transaction.

Listing

The Company's Common Stock is listed on The Nasdaq Stock Market LLC under the trading symbol "AAPL."

DESCRIPTION OF DEBT SECURITIES

The following description of the Notes is a summary and does not purport to be complete. This description is qualified in its entirety by reference, as applicable, to the Indenture, dated as of April 29, 2013, between Apple Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2013 Indenture”) and the Indenture, dated as of November 5, 2018, between Apple Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2018 Indenture,” and together with the 2013 Indenture, the “Indentures”). References in this section to the “Company,” “us,” “we” and “our” are solely to Apple Inc. and not to any of its subsidiaries, unless the context requires otherwise.

The Notes

Each of the Notes were issued under the applicable Indenture, which provides that debt securities may be issued under such Indenture from time to time in one or more series. The Indentures and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Indentures do not limit the amount of debt securities that we may issue thereunder. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the date of issuance, the date interest begins to accrue and, in certain circumstances, the first interest payment date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold; provided, however, that any additional debt securities will have a separate ISIN number unless certain conditions are met.

The 2025 Notes

We issued €1,000,000,000 aggregate principal amount of the 2025 Notes on November 15, 2019. The maturity date of the 2025 Notes is November 15, 2025, and interest at a rate of 0.000% per annum is paid annually on November 15 of each year, beginning on November 15, 2020, and on the maturity date. As of October 17, 2025, €1,000,000,000 aggregate principal amount of the 2025 Notes was outstanding.

The 2026 Notes

We issued €1,400,000,000 aggregate principal amount of the 2026 Notes on November 10, 2014. The maturity date of the 2026 Notes is November 10, 2026, and interest at a rate of 1.625% per annum is paid annually on November 10 of each year, beginning on November 10, 2015, and on the maturity date. As of October 17, 2025, €1,400,000,000 aggregate principal amount of the 2026 Notes was outstanding.

The 2027 Notes

We issued €1,000,000,000 aggregate principal amount of the 2027 Notes on September 17, 2015. The maturity date of the 2027 Notes is September 17, 2027, and interest at a rate of 2.000% per annum is paid annually on September 17 of each year, beginning on September 17, 2016, and on the maturity date. As of October 17, 2025, €1,000,000,000 aggregate principal amount of the 2027 Notes was outstanding.

The 1.375% 2029 Notes

We issued €1,250,000,000 aggregate principal amount of the 1.375% 2029 Notes on May 24, 2017. The maturity date of the 1.375% 2029 Notes is May 24, 2029, and interest at a rate of 1.375% per annum is paid annually on May 24 of each year, beginning on May 24, 2018, and on the maturity date. As of October 17, 2025, €1,250,000,000 aggregate principal amount of the 1.375% 2029 Notes was outstanding.

The 3.050% 2029 Notes

We issued £750,000,000 aggregate principal amount of the 3.050% 2029 Notes on July 31, 2015. The maturity date of the 3.050% 2029 Notes is July 31, 2029, and interest at a rate of 3.050% per annum is paid semi-annually on January 31 and July 31 of each year, beginning on January 31, 2016, and on the maturity date. As of October 17, 2025, £750,000,000 aggregate principal amount of the 3.050% 2029 Notes was outstanding.

The 2031 Notes

We issued €1,000,000,000 aggregate principal amount of the 2031 Notes on November 15, 2019. The maturity date of the 2031 Notes is November 15, 2031, and interest at a rate of 0.500% per annum is paid annually on November 15 of each year, beginning on November 15, 2020, and on the maturity date. As of October 17, 2025, €1,000,000,000 aggregate principal amount of the 2031 Notes was outstanding.

The 2042 Notes

We issued £500,000,000 aggregate principal amount of the 2042 Notes on July 31, 2015. The maturity date of the 2042 Notes is July 31, 2042, and interest at a rate of 3.600% per annum is paid semi-annually on January 31 and July 31 of each year, beginning on January 31, 2016, and on the maturity date. As of October 17, 2025, £500,000,000 aggregate principal amount of the 2042 Notes was outstanding.

Ranking

The Notes are our senior unsecured indebtedness and rank equally with each other and with all of our other senior unsecured and unsubordinated indebtedness from time to time outstanding. However, the Notes are structurally subordinated to any indebtedness and preferred stock, if any, of our subsidiaries and are effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Claims of the creditors of our subsidiaries generally have priority with respect to the assets and earnings of such subsidiaries over the claims of our creditors, including holders of the Notes. Accordingly, the Notes are effectively subordinated to creditors, including trade creditors and preferred stockholders, if any, of our subsidiaries. The Indentures do not restrict our ability or that of our subsidiaries to incur additional indebtedness.

Payment on the Notes

All payments of principal of, the redemption price (if any), and interest and additional amounts (if any) on the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes are payable in euro, provided that, if the euro is unavailable to the Company due to the imposition of exchange controls or other circumstances beyond the Company's control, or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes will be made in U.S. dollars, until the euro is again available to the Company or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. Any payment in respect of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes so made in U.S. dollars will not constitute an event of default under such Notes or the applicable Indenture.

With respect to the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, "Business Day" means any day, other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

All payments of principal of, the redemption price (if any), and interest and additional amounts (if any) on the 3.050% 2029 Notes and the 2042 Notes are payable in pounds sterling, or, if the United Kingdom adopts euro as its lawful currency, in euro. If pounds sterling or, in the event the Notes are redenominated into euro, euro is unavailable to the Company due to the imposition of exchange controls or other circumstances beyond the Company's control or, in the event the notes are redenominated into euro, the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the 3.050% 2029 Notes and the 2042 Notes will be made in U.S. dollars until the pound sterling or euro, as the case may be, is again available to the Company or so used. The amount payable on any date in pounds sterling or, in the event such Notes are redenominated into euro, euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/pounds sterling or, in the event the Notes are redenominated into euro, the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. Any payment in respect of the 3.050% 2029 Notes and the 2042 Notes so made in U.S. dollars will not constitute an event of default under such Notes or the 2013 Indenture.

With respect to the 3.050% 2029 Notes and the 2042 Notes, “Business Day” means any day which is not a day on which banking institutions in The City of New York or London or the relevant place of payment are authorized or required by law, regulation or executive order to close.

Payment of Additional Amounts

The terms of the Notes state that all payments of principal and interest in respect of the Notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature required to be deducted or withheld by the United States or any political subdivision or taxing authority of or in the United States, unless such withholding or deduction is required by law.

All of the Notes also contain a covenant substantially similar to the following:

The Company will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts (“Additional Amounts”) as are necessary in order that the net payment by the Company or the paying agent of the Company for the applicable Notes (“Paying Agent”) of the principal of and interest on the Notes to a holder who is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge (“Tax”) imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the Notes to be then due and payable; provided, however, that the foregoing obligation to pay Additional Amounts shall not apply:

(1) to any Tax that is imposed by reason of the holder (or the beneficial owner for whose benefit such holder holds the Notes), or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

- (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
- (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment or the enforcement of any rights hereunder), including being or having been a citizen or resident of the United States;
- (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes or a corporation that has accumulated earnings to avoid U.S. federal income tax;
- (d) being or having been a “10-percent shareholder” of the Company as defined in Section 871(h)(3) of the Internal Revenue Code of 1986, as amended (the “Code”);
- (e) being a controlled foreign corporation that is related to the Company within the meaning of Section 864(d)(4) of the Code; or
- (f) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

(3) to any Tax that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such Tax (including, but not limited to, the requirement to provide Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8ECI, or any subsequent versions thereof or successor thereto, and any documentation requirement under an applicable income tax treaty);

(4) to any Tax that is imposed otherwise than by withholding by the Company or a Paying Agent from the payment;

(5) to any Tax that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 10 days after the payment becomes due or is duly provided for, whichever occurs later;

(6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property or similar Tax;

(7) to any Tax required to be withheld by any paying agent from any payment of principal of or interest on any Note, if such payment can be made without such withholding by at least one other paying agent;

(8) to any Tax that would not have been imposed but for the presentation by the holder of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(9) to any Tax imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or

(10) in the case of any combination of items (1) through (9) above.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading "—Payment of Additional Amounts," the Company will not be required to make any payment for any Tax imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision. As used under "—Payment of Additional Amounts" and under "—Redemption for Tax Reasons," the term "United States" means the United States of America (including the states and the District of Columbia and any political subdivision thereof), and the term "United States person" means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations), or any estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, or, in the case of the 2025 Notes and the 2031 Notes, introduction of, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any political subdivision or taxing authority of or in the United States), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of the applicable prospectus supplement, we become, or based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described above under the heading "Payments of Additional Amounts" with respect to a series of the Notes, then we may at our option redeem, in whole, but not in part, in the case of the 2026 Notes, the 2027 Notes, the 3.050% 2029 Notes and the 2042 Notes, the Notes of such series on not less than 30 nor more than 60 days' prior notice, in the case of the 1.375% 2029 Notes, the Notes of such series on not less than 15 nor more than 60 days' notice, and in the case of the 2025 Notes and the 2031 Notes, the Notes of such series on not less than 10 nor more than 60 days' prior notice, in each case at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid on those Notes to (and, in the case of the 2025 Notes and the 2031 Notes, but not including) the date fixed for redemption.

Optional Redemption

We may redeem the 2026 Notes, the 2027 Notes, the 3.050% 2029 Notes and the 2042 Notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points in the case of the 2026 Notes, plus 15 basis points in the case of the 3.050% 2029 Notes and the 2042 Notes and plus 20 basis points in the case of the 2027 Notes.

We may redeem the 2025 Notes, the 1.375% 2029 Notes and the 2031 Notes at our option, at any time in whole or from time to time in part, prior to the applicable Par Call Date at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon assuming that the Notes matured on the applicable Par Call Date (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points in the case of the 2025 Notes, plus 15 basis points in the case of the 2031 Notes, and 20 basis points in the case of the 2029 Notes.

“Par Call Date” means (i) with respect to the 2025 Notes, August 15, 2025 (three months prior to the maturity date of the 2025 Notes), (ii) with respect to the 1.375% 2029 Notes, February 24, 2029 (three months prior to the maturity date of 1.375% 2029 Notes) and (iii) with respect to the 2031 Notes, August 15, 2031 (three months prior to the maturity of the 2031 Notes).

If any of the 2025 Notes, the 1.375% 2029 Notes or the 2031 Notes are redeemed on or after the applicable Par Call Date, the redemption price for such Notes will equal 100% of the principal amount of the Notes being redeemed.

In each case upon redemption of the Notes, we will pay accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of redemption.

Installments of interest on Notes being redeemed that are due and payable on interest payment dates falling on or prior to a redemption date shall be payable on the interest payment date to the holders as of the close of business on the relevant regular record date according to the Notes and the applicable Indenture.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation for the 2026 Notes and the 2027 Notes, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation for the 3.050% 2029 Notes and the 2042 Notes, at the discretion of an independent investment bank selected by us, a United Kingdom government bond whose maturity is closest to the maturity of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation for the 2025 Notes, the 1.375% 2029 Notes and the 2031 Notes, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the applicable Par Call Date of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond Rate" means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

Covenants

The Indentures set forth limited covenants that apply to the Notes. However, these covenants do not, among other things:

- limit the amount of indebtedness or lease obligations that may be incurred by us and our subsidiaries;
- limit our ability or that of our subsidiaries to issue, assume or guarantee debt secured by liens; or
- restrict us from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock.

Consolidation, Merger and Sale of Assets

The Indentures provide that we may consolidate with or merge with or into any other person, and may sell, transfer, or lease or convey all or substantially all of our properties and assets to another person; provided that the following conditions are satisfied:

- we are the continuing entity, or the resulting, surviving or transferee person (the "Successor") is a person (if such person is not a corporation, then the Successor will include a corporate co-issuer of the debt securities) organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and the Successor (if not us) will expressly assume, by supplemental indenture, all of our obligations under the debt securities and the applicable Indenture and, for each security that by its terms provides for conversion, provide for the right to convert such security in accordance with its terms;
- immediately after giving effect to such transaction, no default or event of default under the applicable Indenture has occurred and is continuing; and
- in the case of the 2013 Indenture, the trustee receives from us an officers' certificate and an opinion of counsel that the transaction and such supplemental indenture, as the case may be, complies with the applicable provisions of the 2013 Indenture.

If we consolidate or merge with or into any other person or sell, transfer, lease or convey all or substantially all of our properties and assets in accordance with the Indentures, the Successor will be substituted for us in the Indentures, with the same effect as if it had been an original party to the Indentures. As a result, the Successor may exercise our rights and powers under the Indentures, and we will be released from all our liabilities and obligations under the Indentures and under the debt securities.

For purposes of this covenant, "person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

Events of Default

Each of the following events are defined in the Indentures as an "event of default" (whatever the reason for such event of default and whether or not it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) with respect to the debt securities of any series:

(1) default in the payment of any installment of interest on any debt securities of such series for 30 days after becoming due;

(2) default in the payment of principal of or premium, if any, on any debt securities of such series when it becomes due and payable at its stated maturity, upon optional redemption, upon declaration or otherwise;

(3) default in the performance, or breach, of any covenant or agreement of ours in the applicable Indenture with respect to the debt securities of such series (other than a covenant or agreement, a default in the performance of which or a breach of which is elsewhere in the applicable Indenture specifically dealt with or that has expressly been included in the applicable Indenture solely for the benefit of a series of debt securities other than such series), which continues for a period of 90 days after written notice to us by the trustee or to us and the trustee by the holders of, in the case of the 2013 Indenture, at least 25% in aggregate principal amount of the outstanding debt securities of that series, and in the case of the 2018 Indenture, at least 33% in aggregate principal amount of the outstanding debt securities of that series;

(4) we, pursuant to or within the meaning of the Bankruptcy Law:

- commence a voluntary case or proceeding;
- consent to the entry of an order for relief against us in an involuntary case or proceeding;
- consent to the appointment of a custodian of us or for all or substantially all of our property;
- make a general assignment for the benefit of our creditors;
- file a petition in bankruptcy or answer or consent seeking reorganization or relief;
- consent to the filing of such petition or the appointment of or taking possession by a custodian; or
- take any comparable action under any foreign laws relating to insolvency;

(5) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- is for relief against us in an involuntary case, or adjudicates us insolvent or bankrupt;
- appoints a custodian of us or for all or substantially all of our property; or
- orders the winding-up or liquidation of us (or any similar relief is granted under any foreign laws);

and the order or decree remains unstayed and in effect for 90 days (or, in the case of the 2018 Indenture, 90 consecutive days); or

(6) any other event of default provided with respect to debt securities of such series occurs.

"Bankruptcy Law" means Title 11, United States Code or any similar federal or state or foreign law for the relief of debtors. "Custodian" means any custodian, receiver, trustee, assignee, liquidator or other similar official under any Bankruptcy Law.

If an event of default with respect to debt securities of any series (other than an event of default relating to certain events of bankruptcy, insolvency, or reorganization of us) occurs and is continuing, the trustee by notice to us, or the holders of, in the case of the 2013 Indenture, at least 25% in aggregate principal amount of the outstanding debt securities of such series, and in the case of the 2018 Indenture, at least 33% in aggregate principal amount of the outstanding debt securities of such series, by notice to us and the trustee, may, and the trustee at the request of these holders will, declare the principal of and premium, if any, and accrued and unpaid interest on all the debt securities of such series to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. If an event of default relating to certain events of bankruptcy, insolvency, or reorganization of us occurs and is continuing, the principal of and premium, if any, and accrued and unpaid interest on the debt securities of such series will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holders.

The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may rescind a declaration of acceleration and its consequences, if we have deposited certain sums with the trustee and all events of default with respect to the debt securities of such series, other than the non-payment of the principal or interest which have become due solely by such acceleration, have been cured or waived, as provided in the Indentures.

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the Indentures.

We are required to furnish the trustee annually within 120 days after the end of our fiscal year a statement by one of our officers to the effect that, to the best knowledge of such officer, we are not in default in the fulfillment of any of our obligations under the applicable Indenture or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof.

No holder of any debt securities of any series will have any right to institute any judicial or other proceeding with respect to the applicable Indenture, or for the appointment of a receiver or trustee, or for any other remedy unless:

(1) an event of default has occurred and is continuing and such holder has given the trustee prior written notice of such continuing event of default with respect to the debt securities of such series;

(2) in the case of the 2013 Indenture, the holders of not less than 25% of the aggregate principal amount of the outstanding debt securities of such series, and in the case of the 2018 Indenture, the holders of not less than 33% of the aggregate principal amount of the outstanding debt securities of such series have requested the trustee to institute proceedings in respect of such event of default;

(3) the trustee has been offered indemnity reasonably satisfactory to it against its costs, expenses and liabilities in complying with such request;

(4) the trustee has failed to institute proceedings 60 days after the receipt of such notice, request and offer of indemnity; and

(5) no direction inconsistent with such written request has been given for 60 days by the holders of a majority in aggregate principal amount of the outstanding debt securities of such series.

The holders of a majority in aggregate principal amount of outstanding debt securities of a series will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to the debt securities of that series or exercising any trust or power conferred to the trustee, and to waive certain defaults. Each of the Indentures provides that if an event of default occurs and is continuing, the trustee will exercise such of its rights and powers under such Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request of any of the holders of the debt securities of a series unless they will have offered to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request.

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of and premium, if any, and interest on that debt security on or after the due dates expressed in that debt security and to institute suit for the enforcement of payment.

Modification and Waivers

Modification and amendments of the Indentures and the Notes may be made by us and the trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding series of Notes affected thereby; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note of that series affected thereby:

- change the stated maturity of the principal of, or installment of interest on, any Note;
- reduce the principal amount of any Note or reduce the amount of the principal of any Note which would be due and payable upon a declaration of acceleration of the maturity thereof or reduce the rate of interest on any Note;
- reduce any premium payable on the redemption of any Note or change the date on which any Note may or must be redeemed (in the case of the 2018 Indenture, it being understood that a change to any notice requirement with respect to such date shall not be deemed to be a change of such date);
- change the coin or currency in which the principal of, premium, if any, or interest on any Note is payable;
- impair the right of any holder to institute suit for the enforcement of any payment on or after the stated maturity of any Note (or, in the case of redemption, on or after the redemption date);
- reduce the percentage in principal amount of the outstanding Notes, the consent of whose holders is required in order to take certain actions;
- reduce the requirements for quorum or voting by holders of Notes in the applicable Indenture or the Note;
- modify any of the provisions in the applicable Indenture regarding the waiver of past defaults and the waiver of certain covenants by the holders of Notes except to increase any percentage vote required or to provide that certain other provisions of the applicable Indenture cannot be modified or waived without the consent of the holder of each Notes affected thereby;
- make any change that adversely affects the right to convert or exchange any debt security or decreases the conversion or exchange rate or increases the conversion price of any convertible or exchangeable debt security, unless such decrease or increase is permitted by the terms of the debt securities; or
- modify any of the above provisions.

We and the trustee may, without the consent of any holders, modify or amend the terms of the Indentures and any series of Notes with respect to the following:

- to add to our covenants for the benefit of holders of all or any series of the Notes or to surrender any right or power conferred upon us;
- to evidence the succession of another person to, and the assumption by the successor of our covenants, agreements and obligations under, the applicable Indenture pursuant to the covenant described above under the caption “Covenants—Consolidation, Merger and Sale of Assets”;
- to add any additional events of default for the benefit of holders of all or any series of the Notes;
- to add one or more guarantees, and in the case of the 2018 Indenture, co-obligors, for the benefit of holders of the Notes;
- to secure the Notes pursuant to the covenants of the Indenture;

- to add or appoint a successor or separate trustee or other agent;
- to provide for the issuance of additional debt securities of any series;
- to establish the form or terms of the debt securities of any series as permitted by the Indenture;
- to comply with the rules of any applicable securities depository;
- to provide for uncertificated Notes in addition to or in place of certificated Notes;
- in the case of the 2013 Indenture, to add to, change or eliminate any of the provisions of the 2013 Indenture in respect of one or more series of debt securities; provided that any such addition, change or elimination (a) shall neither (1) apply to any debt security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (2) modify the rights of the holder of any such debt security with respect to such provision or (b) shall become effective only when there is no debt security described in clause (a)(1) outstanding;
- in the case of the 2018 Indenture, to add to, change or eliminate any of the provisions of the 2018 Indenture in respect of one or more series of debt securities; provided that any such addition, change or elimination shall become effective only when there is no outstanding security of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision and as to which such supplemental indenture would apply;
- to cure any ambiguity, omission, defect or inconsistency;
- to change any other provision; provided that the change does not adversely affect the interests of the holders of debt securities of, in the case of the 2013 Indenture any series, and in the case of the 2018 Indenture, any outstanding series, in any material respect;
- to supplement any of the provisions of the applicable Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Notes pursuant to the Indenture; provided that any such action shall not adversely affect the interests of the holders of Notes of such series or any other series of debt securities in any material respect;
- to comply with the rules or regulations of any securities exchange or automated quotation system on which any of the Notes may be listed or traded; and
- to add to, change or eliminate any of the provisions of the applicable Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act of 1939, as amended, and in the case of the 2013 Indenture, provided that such action does not adversely affect the rights or interests of any holder of debt securities in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding Notes of any series may, on behalf of the holders of all Notes of that series, waive compliance by us with certain restrictive provisions of the Indentures. The holders of not less than a majority in aggregate principal amount of the outstanding Notes of a series may, on behalf of the holders of all Notes of that series, waive any past default and its consequences under the applicable Indenture with respect to the Notes of that series, except a default (1) in the payment of principal or premium, if any, or interest on Notes of that series or (2) in respect of a covenant or provision of the applicable Indenture that cannot be modified or amended without the consent of the holder of each Note of that series. Upon any such waiver, such default will cease to exist, and any event of default arising therefrom will be deemed to have been cured, for every purpose of the Indenture; however, no such waiver will extend to any subsequent or other default or event of default or impair any rights consequent thereon.

Discharge, Defeasance and Covenant Defeasance

We may discharge certain obligations to holders of the Notes of a series that have not already been delivered to the trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by depositing with the trustee, in trust, funds in U.S. dollars in an amount sufficient to pay the entire indebtedness including, but not limited to, the principal and premium, if any, and interest to the date of such deposit (if due and payable) or to the maturity thereof or the redemption date of the Notes of that series, as the case may be. We may direct the trustee to invest such funds in U.S. Treasury securities with a maturity of one year or less or in a money market fund that invests solely in short-term U.S. Treasury securities.

The Indentures provide that we may elect either (1) to defease and be discharged from any and all obligations with respect to the Notes of a series (except for, among other things, obligations to register the transfer or exchange of the Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency with respect to the Notes and to hold moneys for payment in trust) ("legal defeasance") or (2) to be released from our obligations to comply with the restrictive covenants under the applicable Indenture, and any omission to comply with such obligations will not constitute a default or an event of default with respect to the Notes of a series and clauses (3) and (6) under the caption "Events of Default" above will no longer be applied ("covenant defeasance"). Legal defeasance or covenant defeasance, as the case may be, will be conditioned upon, among other things, the irrevocable deposit by us with the trustee, in trust, of an amount in U.S. dollars, or U.S. government obligations (as such term is modified below), or both, applicable to the Notes of that series which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal or premium, if any, and interest on the Notes on the scheduled due dates therefor.

If we effect covenant defeasance with respect to the Notes of any series, the amount in U.S. dollars, or U.S. government obligations (as such term is modified below), or both, on deposit with the trustee will be sufficient, in the opinion of a nationally recognized firm of independent accountants, to pay amounts due on the Notes of that series at the time of the stated maturity but may not be sufficient to pay amounts due on the Notes of that series at the time of the acceleration resulting from such event of default. However, we would remain liable to make payment of such amounts due at the time of acceleration.

With respect to the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, the term "U.S. government obligations" shall instead mean (x) any security that is (i) a direct obligation of the German government or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the German government the payment of which is fully and unconditionally guaranteed by the German government or the central bank of the German government, which, in either case (x)(i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (x)(i) or (x)(ii) above or in any specific principal or interest payments due in respect thereof.

With respect to the 3.050% 2029 Notes and the 2042 Notes, the term "U.S. government obligations" shall instead mean (x) any security that is (i) a direct obligation of the United Kingdom government or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United Kingdom government the payment of which is fully and unconditionally guaranteed by the United Kingdom government or the central bank of the United Kingdom government, which, in either case (x)(i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (x)(i) or (x)(ii) above or in any specific principal or interest payments due in respect thereof.

We will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance will not cause the holders and beneficial owners of the Notes of that series to recognize income, gain or loss for federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the U.S. Internal Revenue Service or a change in law to that effect.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option.

Book-Entry and Settlement

The Notes were issued in book-entry form and are represented by global notes deposited with, or on behalf of, a common depositary on behalf of Euroclear and Clearstream, and are registered in the name of the common depositary or its nominee. Except as described herein, certificated notes will not be issued in exchange for beneficial interests in the global notes.

Certificated Notes

Subject to certain conditions, the Notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor, in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof in the case of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, and in minimum denominations of £100,000 principal amount and integral multiples of £1,000 in excess thereof in the case of the 3.050% 2029 Notes and the 2042 Notes, if:

1. the common depositary notifies us that it is unwilling or unable to continue as depositary or if the common depositary ceases to be eligible under the applicable Indenture and we do not appoint a successor depository within 90 days;

2. we determine that the Notes will no longer be represented by global securities and execute and deliver to the trustee an order to that effect; or

3. an event of default with respect to the Notes will have occurred and be continuing.

Any Note that is exchangeable as above is exchangeable for certificated notes issuable in authorized denominations and registered in such names as the common depositary shall direct. Subject to the foregoing, a global note is not exchangeable, except for a global note of the same aggregate denomination to be registered in the name of the common depositary or its nominee.

The Trustee for the Notes

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indentures. We have commercial deposits and custodial arrangements with The Bank of New York Mellon Trust Company, N.A. and its affiliates (“BNYM”). We may enter into similar or other banking relationships with BNYM in the future in the normal course of business. In addition, BNYM acts as trustee and as paying agent with respect to other debt securities issued by us, and may do so for future issuances of debt securities by us as well.

Exhibit 21.1

Subsidiaries of
Apple Inc.*

	Jurisdiction of Incorporation
Apple Asia Limited	Hong Kong
Apple Asia LLC	Delaware, U.S.
Apple Canada Inc.	Canada
Apple Computer Trading (Shanghai) Co., Ltd.	China
Apple Distribution International Limited	Ireland
Apple India Private Limited	India
Apple Insurance Company, Inc.	Arizona, U.S.
Apple Japan, Inc.	Japan
Apple Korea Limited	South Korea
Apple Operations International Limited	Ireland
Apple Operations Limited	Ireland
Apple Operations Mexico, S.A. de C.V.	Mexico
Apple Pty Limited	Australia
Apple Services Pte. Ltd.	Singapore
Apple South Asia (Thailand) Limited	Thailand
Apple South Asia Pte. Ltd.	Singapore
Apple Vietnam Limited Liability Company	Vietnam
Braeburn Capital, Inc.	Nevada, U.S.
iTunes K.K.	Japan

* Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Apple Inc. are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 ASR No. 333-282937) of Apple Inc.,

(2) Registration Statement (Form S-8 No. 333-290545) pertaining to Apple Inc. 2022 Employee Stock Plan,

(3) Registration Statement (Form S-8 No. 333-195509) pertaining to Apple Inc. 2014 Employee Stock Plan and Apple Inc. 2022 Employee Stock Plan,

(4) Registration Statement (Form S-8 No. 333-165214) pertaining to Apple Inc. 2014 Employee Stock Plan and Apple Inc. 2022 Employee Stock Plan,

(5) Registration Statement (Form S-8 No. 333-60455) pertaining to Apple Inc. Non-Employee Director Stock Plan,

(6) Registration Statement (Form S-8 No. 333-203698) pertaining to Apple Inc. Employee Stock Purchase Plan,

(7) Registration Statement (Form S-8 No. 333-290548) pertaining to Apple Inc. Deferred Compensation Plan,

(8) Registration Statement (Form S-8 No. 333-264555) pertaining to Apple Inc. Deferred Compensation Plan, and

(9) Registration Statement (Form S-8 No. 333-226986) pertaining to Apple Inc. Deferred Compensation Plan;

of our reports dated October 31, 2025, with respect to the consolidated financial statements of Apple Inc. and the effectiveness of internal control over financial reporting of Apple Inc. included in this Annual Report (Form 10-K) of Apple Inc. for the year ended September 27, 2025.

/s/ Ernst & Young LLP

San Jose, California
October 31, 2025

Exhibit 31.1

CERTIFICATION

I, Timothy D. Cook, certify that:

1. I have reviewed this annual report on Form 10-K of Apple Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 31, 2025

By: /s/ Timothy D. Cook

Timothy D. Cook

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Kevan Parekh, certify that:

1. I have reviewed this annual report on Form 10-K of Apple Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 31, 2025

By: /s/ Kevan Parekh

Kevan Parekh

Senior Vice President,
Chief Financial Officer

Exhibit 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy D. Cook, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Apple Inc. on Form 10-K for the fiscal year ended September 27, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Apple Inc. at the dates and for the periods indicated.

Date: October 31, 2025

By: /s/ Timothy D. Cook

Timothy D. Cook

Chief Executive Officer

I, Kevan Parekh, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Apple Inc. on Form 10-K for the fiscal year ended September 27, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Apple Inc. at the dates and for the periods indicated.

Date: October 31, 2025

By: /s/ Kevan Parekh

Kevan Parekh

Senior Vice President,
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Apple Inc. and will be retained by Apple Inc. and furnished to the Securities and Exchange Commission or its staff upon request.