# Apple Inc.

# **CONSOLIDATED STATEMENTS OF OPERATIONS**

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

|  | Years ended           |           |                       |           |                       |           |  |
|--|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|--|
|  | September 28,<br>2019 |           | September 29,<br>2018 |           | September 30,<br>2017 |           |  |
| Net sales:                                   |                       |           |                       |           |                       |           |  |
| Products                                     | \$                    | 213,883   | \$                    | 225,847   | \$                    | 196,534   |  |
| Services                                     |                       | 46,291    |                       | 39,748    |                       | 32,700    |  |
| Total net sales                              |                       | 260,174   |                       | 265,595   |                       | 229,234   |  |
| Cost of sales:                               |                       |           |                       |           |                       |           |  |
| Products                                     |                       | 144,996   |                       | 148,164   |                       | 126,337   |  |
| Services                                     |                       | 16,786    |                       | 15,592    |                       | 14,711    |  |
| Total cost of sales                          | _                     | 161,782   |                       | 163,756   |                       | 141,048   |  |
| Gross margin                                 |                       | 98,392    |                       | 101,839   |                       | 88,186    |  |
| Operating expenses:                          |                       |           |                       |           |                       |           |  |
| Research and development                     |                       | 16,217    |                       | 14,236    |                       | 11,581    |  |
| Selling, general and administrative          |                       | 18,245    |                       | 16,705    |                       | 15,261    |  |
| Total operating expenses                     | _                     | 34,462    |                       | 30,941    |                       | 26,842    |  |
| Operating income                             |                       | 63,930    |                       | 70.898    |                       | 61.344    |  |
| Other income/(expense), net                  |                       | 1,807     |                       | 2,005     |                       | 2,745     |  |
| Income before provision for income taxes     | _                     | 65,737    | _                     | 72,903    |                       | 64,089    |  |
| Provision for income taxes                   |                       | 10,481    |                       | 13,372    |                       | 15,738    |  |
| Net income                                   | \$                    | 55,256    | \$                    | 59,531    | \$                    | 48,351    |  |
|  | _                     |           |                       |           |                       |           |  |
| Earnings per share:                          |                       |           |                       |           |                       |           |  |
| Basic  | \$                    | 11.97     | \$                    | 12.01     | \$                    | 9.27      |  |
| Diluted                                      | \$                    | 11.89     | \$                    | 11.91     | \$                    | 9.21      |  |
| Shares used in computing earnings per share: |                       |           |                       |           |                       |           |  |
| Basic  |                       | 4,617,834 |                       | 4,955,377 |                       | 5,217,242 |  |
| Diluted                                      |                       | 4,648,913 |                       | 5,000,109 |                       | 5,251,692 |  |

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)

| Current assets:  |  |  | September 28,<br>2019 |         | September 29,<br>2018 |         |
|--|--|--|-----------------------|---------|-----------------------|---------|
| Cash and cash equivalents         \$ 48,844         \$ 25,913           Marketable securities         51,713         40,388           Accounts receivable, net         22,926         23,186           Inventories         4,106         3,956           Vendor non-trade receivables         22,878         25,809           Other current assets         162,819         131,339           Non-current assets         162,819         131,339           Non-current assets         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,838           Total assets         338,516         365,725           LIABILITIES AND SHAREHOLDERS'EQUITY:           Current liabilities:           Accounts payable         \$ 46,236         \$ 55,886           Other current liabilities         37,720         33,327           Deferred revenue         5,980         11,964           Commercial paper         5,980         11,964           Term debt         10,5718         115,929           Non-current liabilities:         12,2310         142,849           Total non-current liabilities         50,503   |  | ASSETS:  |                       |         |                       |         |
| Marketable securities         51,713         40,888           Accounts receivable, net         22,926         23,186           Inventories         4,106         3,956           Vendor non-trade receivables         22,878         25,809           Other current assets         12,352         12,087           Total current assets         162,819         131,339           Non-current assets         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         33,8516         \$ 365,725           LIABILITIES AND SHAREHOLDERS'EQUITY:           Current liabilities:           Accounts payable         \$ 46,296         \$ 55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         9,375           Other non-current liabilities         9,375           Other non-current liabilities         12,310         142,649   |  |  |                       |         |                       |         |
| Accounts receivable, net Inventories         22,926         23,186           Inventories         4,106         3,956           Vendor non-trade receivables         22,878         25,809           Other current assets         162,819         131,339           Non-current assets:         162,819         131,339           Non-current assets:         37,378         41,304           Other non-current assets         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,386           Total assets         \$ 338,516         \$ 365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$ 46,236         \$ 55,888           Other current liabilities         37,20         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities:         105,718         115,929           Non-current liabilities         50,503         48,914           Total non-current liabilities         50,503  | Cash and cash equivalents  |  | \$                    | 48,844  | \$                    | 25,913  |
| Inventories  | Marketable securities  |  |                       | 51,713  |                       | 40,388  |
| Vendor non-trade receivables         22,878         25,809           Other current assets         12,352         12,087           Total current assets         162,819         131,339           Non-current assets:         8         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,366           Total assets         46,236         \$ 55,88           Current liabilities:         33,772         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,960         11,964           Total current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,960         11,964           Total current liabilities         30,578         115,929           Non-current liabilities         5,522         5,966           Total non-current liabilities         5,503         48,914           Total non-current liabilities         5,50,503         48,914           Total non-current liabilities         5,50,503         48,9  | Accounts receivable, net   |  |                       | 22,926  |                       | 23,186  |
| Other current assets         12,352         12,087           Total current assets         162,819         131,339           Non-current assets:         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,288           Total non-current assets         175,697         234,386           Total assets         \$339,516         \$365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities           Accounts payable         \$46,236         \$5,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Tem debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities           Term debt         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578   | Inventories  |  |                       | 4,106   |                       | 3,956   |
| Non-current assets:  | Vendor non-trade receivables   |  |                       | 22,878  |                       | 25,809  |
| Non-current assets:           Marketable securities         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,386           Total assets         \$338,516         \$365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$46,236         \$55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Tem debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         1         1           Tem debt         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         248,028         258,578           Commitments and contingencies           Shareholders' equity:           Common stock and additional paid-in capital, \$0.00001 par value: 1   | Other current assets   |  |                       | 12,352  |                       | 12,087  |
| Marketable securities         105,341         170,799           Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,386           Total assets         \$338,516         \$365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$46,236         \$55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         1         105,718         115,929           Non-current liabilities         50,503         48,914           Total onn-current liabilities         50,503         48,914           Total liabilities         248,028         258,578           Commitments and contingencies           Shareholders' equity:         Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,226 and 4,754,986   | Total current assets   |  |                       | 162,819 |                       | 131,339 |
| Property, plant and equipment, net         37,378         41,304           Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,386           Total assets         \$385,516         \$365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$46,236         \$55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         50,503         48,914           Total liabilities         248,028         258,578           Commitments and contingencies           Shareholders' equity:           Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized', 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201   | Non-current assets:  |  |                       |         |                       |         |
| Other non-current assets         32,978         22,283           Total non-current assets         175,697         234,386           Total assets         \$ 338,516         \$ 365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$ 46,236         \$ 55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies           Shareholders' equity:           Common stock and additional paid-in capital, \$0,00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400 <tr< td=""><td>Marketable securities</td><td></td><td></td><td>105,341</td><td></td><td>170,799</td></tr<> | Marketable securities  |  |                       | 105,341 |                       | 170,799 |
| Total non-current assets         175,697         234,386           Total assets         3 38,516         3 365,725           LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:           Accounts payable         \$ 46,236         \$ 55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities:         105,718         115,929           Non-current liabilities:         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         248,028         258,578           Shareholders' equity:         Common stock and additional paid-in capital, \$0,00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)   | Property, plant and equipment, net   |  |                       | 37,378  |                       | 41,304  |
| Total assets   \$ 338,516   \$ 365,725   | Other non-current assets   |  |                       | 32,978  |                       | 22,283  |
| LIABILITIES AND SHAREHOLDERS' EQUITY:           Current liabilities:         46,236         \$ 55,888           Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Tem debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         50,503         48,914           Tem debt         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         Shareholders' equity:         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147   | Total non-current assets   |  |                       | 175,697 |                       | 234,386 |
| Current liabilities:       46,236 \$ 55,888         Other current liabilities       37,720 33,327         Deferred revenue       5,522 5,966         Commercial paper       5,980 11,964         Term debt       10,260 8,784         Total current liabilities:       105,718 115,929         Non-current liabilities:         Term debt       91,807 93,735         Other non-current liabilities       50,503 48,914         Total non-current liabilities       142,310 142,649         Total liabilities       248,028 258,578         Commitments and contingencies       248,028 258,578         Commitments and contingencies       45,174 40,201         Retained earnings       45,898 70,400         Accumulated other comprehensive income/(loss)       (584) (3,454)         Total shareholders' equity       90,488 107,147  | Total assets   |  | \$                    | 338,516 | \$                    | 365,725 |
| Current liabilities:       46,236 \$ 55,888         Other current liabilities       37,720 33,327         Deferred revenue       5,522 5,966         Commercial paper       5,980 11,964         Term debt       10,260 8,784         Total current liabilities:       105,718 115,929         Non-current liabilities:         Term debt       91,807 93,735         Other non-current liabilities       50,503 48,914         Total non-current liabilities       142,310 142,649         Total liabilities       248,028 258,578         Commitments and contingencies       248,028 258,578         Commitments and contingencies       45,174 40,201         Retained earnings       45,898 70,400         Accumulated other comprehensive income/(loss)       (584) (3,454)         Total shareholders' equity       90,488 107,147  | LIARII ITIES AND S   | SHAREHOI DERS' FOUITY                                      |                       |         |                       |         |
| Accounts payable       \$ 46,236 \$ 55,888         Other current liabilities       37,720       33,327         Deferred revenue       5,522       5,966         Commercial paper       5,980       11,964         Term debt       10,260       8,784         Total current liabilities       105,718       115,929         Non-current liabilities:         Term debt       91,807       93,735         Other non-current liabilities       50,503       48,914         Total non-current liabilities       142,310       142,649         Total liabilities       248,028       258,578         Commitments and contingencies       Shareholders' equity:       45,174       40,201         Retained earnings       45,898       70,400         Accumulated other comprehensive income/(loss)       (584)       (3,454)         Total shareholders' equity       90,488       107,147  |  | MARLHOLDENS EGOITT.  |                       |         |                       |         |
| Other current liabilities         37,720         33,327           Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         Shareholders' equity:         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147   |  |  | \$                    | 46 236  | \$                    | 55 888  |
| Deferred revenue         5,522         5,966           Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         \$1,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         \$248,028         258,578           Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147  |  |  | Ψ                     |         | Ψ                     |         |
| Commercial paper         5,980         11,964           Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:           Term debt         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         Shareholders' equity:         Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147  |  |  |                       |         |                       |         |
| Term debt         10,260         8,784           Total current liabilities         105,718         115,929           Non-current liabilities:         \$1,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         \$\$\$         \$\$\$           Shareholders' equity:         \$\$\$\$         \$\$\$           Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147   |  |  |                       |         |                       |         |
| Total current liabilities         105,718         115,929           Non-current liabilities:         7em debt         91,807         93,735           Other non-current liabilities         50,503         48,914           Total non-current liabilities         142,310         142,649           Total liabilities         248,028         258,578           Commitments and contingencies         Shareholders' equity:         Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively         45,174         40,201           Retained earnings         45,898         70,400           Accumulated other comprehensive income/(loss)         (584)         (3,454)           Total shareholders' equity         90,488         107,147  |  |  |                       |         |                       |         |
| Non-current liabilities:  Term debt  Other non-current liabilities  Total non-current liabilities  Total liabilities  Total liabilities  Total liabilities  Total liabilities  Commitments and contingencies  Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  Accumulated other comprehensive income/(loss)  Total shareholders' equity  Non-current liabilities  91,807  93,735  142,649  142,310  142,649  248,028  258,578  248,028  258,578   |  |  |                       |         |                       |         |
| Term debt 91,807 93,735 Other non-current liabilities 50,503 48,914 Total non-current liabilities 142,310 142,649 Total liabilities 248,028 258,578  Commitments and contingencies  Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively 45,174 40,201 Retained earnings 45,898 70,400 Accumulated other comprehensive income/(loss) (584) (3,454) Total shareholders' equity 90,488 107,147   |  |  |                       |         |                       | ,       |
| Other non-current liabilities50,50348,914Total non-current liabilities142,310142,649Total liabilities248,028258,578Commitments and contingenciesShareholders' equity:Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively45,17440,201Retained earnings45,89870,400Accumulated other comprehensive income/(loss)(584)(3,454)Total shareholders' equity90,488107,147  | Non-current liabilities:   |  |                       |         |                       |         |
| Total non-current liabilities  Total liabilities  248,028  258,578  Commitments and contingencies  Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  Total shareholders' equity  142,310  142,649  248,028  258,578   | Term debt  |  |                       | 91,807  |                       | 93,735  |
| Total liabilities 248,028 258,578  Commitments and contingencies  Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings 45,898 70,400  Accumulated other comprehensive income/(loss) (584) (3,454)  Total shareholders' equity 90,488 107,147  | Other non-current liabilities  |  |                       | 50,503  |                       | 48,914  |
| Commitments and contingencies  Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  (3,454)  Total shareholders' equity  | Total non-current liabilities  |  |                       | 142,310 |                       | 142,649 |
| Shareholders' equity:  Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  (3,454)  Total shareholders' equity   | Total liabilities  |  |                       | 248,028 |                       | 258,578 |
| Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  (3,454)  Total shareholders' equity  | Commitments and contingencies  |  |                       |         |                       |         |
| Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  (3,454)  Total shareholders' equity  |  |  |                       |         |                       |         |
| authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively  Retained earnings  45,898  70,400  Accumulated other comprehensive income/(loss)  (584)  (3,454)  Total shareholders' equity  90,488  | Shareholders' equity:  |  |                       |         |                       |         |
| Retained earnings45,89870,400Accumulated other comprehensive income/(loss)(584)(3,454)Total shareholders' equity90,488107,147  | Common stock and additional paid-in capital, \$0.00001 authorized; 4,443,236 and 4,754,986 shares issued a | par value: 12,600,000 shares and outstanding, respectively |                       | 45,174  |                       | 40,201  |
| Accumulated other comprehensive income/(loss) (584) (3,454)  Total shareholders' equity 90,488 107,147   |  | 3, 1   |                       |         |                       |         |
| Total shareholders' equity 90,488 107,147  | -  |  |                       |         |                       |         |
|  |  |  |                       |         |                       |         |
|  | · ·  |  | \$                    |         | \$                    |         |

See accompanying Notes to Consolidated Financial Statements.

# Apple Inc.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

|  | Years ended           |          |                       |          |                       |           |
|--|-----------------------|----------|-----------------------|----------|-----------------------|-----------|
|  | September 28,<br>2019 |          | September 29,<br>2018 |          | September 30,<br>2017 |           |
| Cash, cash equivalents and restricted cash, beginning balances                 | \$                    | 25,913   | \$                    | 20,289   | \$                    | 20,484    |
| Operating activities:  |                       |          |                       |          |                       |           |
| Net income   |                       | 55,256   |                       | 59,531   |                       | 48,351    |
| Adjustments to reconcile net income to cash generated by operating activities: |                       |          |                       |          |                       |           |
| Depreciation and amortization  |                       | 12,547   |                       | 10,903   |                       | 10,157    |
| Share-based compensation expense   |                       | 6,068    |                       | 5,340    |                       | 4,840     |
| Deferred income tax expense/(benefit)  |                       | (340)    |                       | (32,590) |                       | 5,966     |
| Other  |                       | (652)    |                       | (444)    |                       | (166)     |
| Changes in operating assets and liabilities:                                   |                       |          |                       |          |                       |           |
| Accounts receivable, net   |                       | 245      |                       | (5,322)  |                       | (2,093)   |
| Inventories  |                       | (289)    |                       | 828      |                       | (2,723)   |
| Vendor non-trade receivables   |                       | 2,931    |                       | (8,010)  |                       | (4,254)   |
| Other current and non-current assets   |                       | 873      |                       | (423)    |                       | (5,318)   |
| Accounts payable   |                       | (1,923)  |                       | 9,175    |                       | 8,966     |
| Deferred revenue   |                       | (625)    |                       | (3)      |                       | (593)     |
| Other current and non-current liabilities                                      |                       | (4,700)  |                       | 38,449   |                       | 1,092     |
| Cash generated by operating activities   |                       | 69,391   |                       | 77,434   |                       | 64,225    |
| Investing activities:  |                       |          |                       |          |                       |           |
| Purchases of marketable securities   |                       | (39,630) |                       | (71,356) |                       | (159,486) |
| Proceeds from maturities of marketable securities                              |                       | 40,102   |                       | 55,881   |                       | 31,775    |
| Proceeds from sales of marketable securities                                   |                       | 56,988   |                       | 47,838   |                       | 94,564    |
| Payments for acquisition of property, plant and equipment                      |                       | (10,495) |                       | (13,313) |                       | (12,451)  |
| Payments made in connection with business acquisitions, net                    |                       | (624)    |                       | (721)    |                       | (329)     |
| Purchases of non-marketable securities   |                       | (1,001)  |                       | (1,871)  |                       | (521)     |
| Proceeds from non-marketable securities  |                       | 1,634    |                       | 353      |                       | 126       |
| Other  |                       | (1,078)  |                       | (745)    |                       | (124)     |
| Cash generated by/(used in) investing activities                               |                       | 45,896   |                       | 16,066   | _                     | (46,446)  |
| Financing activities:  |                       |          |                       | _        |                       |           |
| Proceeds from issuance of common stock   |                       | 781      |                       | 669      |                       | 555       |
| Payments for taxes related to net share settlement of equity awards            |                       | (2,817)  |                       | (2,527)  |                       | (1,874)   |
| Payments for dividends and dividend equivalents                                |                       | (14,119) |                       | (13,712) |                       | (12,769)  |
| Repurchases of common stock  |                       | (66,897) |                       | (72,738) |                       | (32,900)  |
| Proceeds from issuance of term debt, net                                       |                       | 6,963    |                       | 6,969    |                       | 28,662    |
| Repayments of term debt  |                       | (8,805)  |                       | (6,500)  |                       | (3,500)   |
| Proceeds from/(Repayments of) commercial paper, net                            |                       | (5,977)  |                       | (37)     |                       | 3,852     |
| Other  |                       | (105)    |                       |          |                       | _         |
| Cash used in financing activities  |                       | (90,976) |                       | (87,876) |                       | (17,974)  |
| Increase/(Decrease) in cash, cash equivalents and restricted cash              |                       | 24,311   |                       | 5,624    |                       | (195)     |
| Cash, cash equivalents and restricted cash, ending balances                    | \$                    | 50,224   | \$                    | 25,913   | \$                    | 20,289    |
| Supplemental cash flow disclosure:   |                       |          | ÷                     |          | Ė                     | -,        |
| Cash paid for income taxes, net  | ¢                     | 15,263   | \$                    | 10 417   | \$                    | 11 501    |
| Cash paid for interest   | \$                    |          |                       | 10,417   |                       | 11,591    |
| Odon paid ioi interest   | \$                    | 3,423    | \$                    | 3,022    | \$                    | 2,092     |