

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-36743



Apple Inc.

(Exact name of Registrant as specified in its charter)

California

(State or other jurisdiction  
of incorporation or organization)

One Apple Park Way

Cupertino, California

(Address of principal executive offices)

94-2404110

(I.R.S. Employer Identification No.)

95014

(Zip Code)

(408) 996-1010

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	AAPL	The Nasdaq Stock Market LLC
1.375% Notes due 2024	—	The Nasdaq Stock Market LLC
0.000% Notes due 2025	—	The Nasdaq Stock Market LLC
0.875% Notes due 2025	—	The Nasdaq Stock Market LLC
1.625% Notes due 2026	—	The Nasdaq Stock Market LLC
2.000% Notes due 2027	—	The Nasdaq Stock Market LLC
1.375% Notes due 2029	—	The Nasdaq Stock Market LLC
3.050% Notes due 2029	—	The Nasdaq Stock Market LLC
0.500% Notes due 2031	—	The Nasdaq Stock Market LLC
3.600% Notes due 2042	—	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer



Non-accelerated filer



Accelerated filer



Smaller reporting company



Emerging growth company



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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

15,821,946,000 shares of common stock were issued and outstanding as of January 20, 2023.

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Apple Inc.

Form 10-Q

For the Fiscal Quarter Ended December 31, 2022

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**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Apple Inc.**

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

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

	Three Months Ended	
	December 31, 2022	December 25, 2021
Net sales:		
Products	\$ 96,388	\$ 104,429
Services	20,766	19,516
Total net sales	117,154	123,945
Cost of sales:		
Products	60,765	64,309
Services	6,057	5,393
Total cost of sales	66,822	69,702
Gross margin	50,332	54,243
Operating expenses:		
Research and development	7,709	6,306
Selling, general and administrative	6,607	6,449
Total operating expenses	14,316	12,755
Operating income	36,016	41,488
Other income/(expense), net	(393)	(247)
Income before provision for income taxes	35,623	41,241
Provision for income taxes	5,625	6,611
Net income	\$ 29,998	\$ 34,630
Earnings per share:		
Basic	\$ 1.89	\$ 2.11
Diluted	\$ 1.88	\$ 2.10
Shares used in computing earnings per share:		
Basic	15,892,723	16,391,724
Diluted	15,955,718	16,519,291

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)  
(In millions)

	Three Months Ended	
	December 31, 2022	December 25, 2021
Net income	\$ 29,998	\$ 34,630
Other comprehensive income/(loss):		
Change in foreign currency translation, net of tax	(14)	(360)
Change in unrealized gains/losses on derivative instruments, net of tax		
Change in fair value of derivative instruments	(988)	362
Adjustment for net (gains)/losses realized and included in net income	(1,766)	93
Total change in unrealized gains/losses on derivative instruments	(2,754)	455
Change in unrealized gains/losses on marketable debt securities, net of tax		
Change in fair value of marketable debt securities	900	(1,176)
Adjustment for net (gains)/losses realized and included in net income	65	(9)
Total change in unrealized gains/losses on marketable debt securities	965	(1,185)
Total other comprehensive income/(loss)	(1,803)	(1,090)
Total comprehensive income	\$ 28,195	\$ 33,540

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

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

	December 31, 2022	September 24, 2022
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 20,535	\$ 23,646
Marketable securities	30,820	24,658
Accounts receivable, net	23,752	28,184
Inventories	6,820	4,946
Vendor non-trade receivables	30,428	32,748
Other current assets	16,422	21,223
Total current assets	128,777	135,405
Non-current assets:		
Marketable securities	114,095	120,805
Property, plant and equipment, net	42,951	42,117
Other non-current assets	60,924	54,428
Total non-current assets	217,970	217,350
Total assets	\$ 346,747	\$ 352,755
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 57,918	\$ 64,115
Other current liabilities	59,893	60,845
Deferred revenue	7,992	7,912
Commercial paper	1,743	9,982
Term debt	9,740	11,128
Total current liabilities	137,286	153,982
Non-current liabilities:		
Term debt	99,627	98,959
Other non-current liabilities	53,107	49,142
Total non-current liabilities	152,734	148,101
Total liabilities	290,020	302,083
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,842,407 and 15,943,425 shares issued and outstanding, respectively	66,399	64,849
Retained earnings/(Accumulated deficit)	3,240	(3,068)
Accumulated other comprehensive income/(loss)	(12,912)	(11,109)
Total shareholders' equity	56,727	50,672
Total liabilities and shareholders' equity	\$ 346,747	\$ 352,755

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

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

	Three Months Ended	
	December 31, 2022	December 25, 2021
Total shareholders' equity, beginning balances	\$ 50,672	\$ 63,090
Common stock and additional paid-in capital:		
Beginning balances	64,849	57,365
Common stock withheld related to net share settlement of equity awards	(1,434)	(1,263)
Share-based compensation	2,984	2,322
Ending balances	66,399	58,424
Retained earnings/(Accumulated deficit):		
Beginning balances	(3,068)	5,562
Net income	29,998	34,630
Dividends and dividend equivalents declared	(3,712)	(3,665)
Common stock withheld related to net share settlement of equity awards	(978)	(1,730)
Common stock repurchased	(19,000)	(20,362)
Ending balances	3,240	14,435
Accumulated other comprehensive income/(loss):		
Beginning balances	(11,109)	163
Other comprehensive income/(loss)	(1,803)	(1,090)
Ending balances	(12,912)	(927)
Total shareholders' equity, ending balances	\$ 56,727	\$ 71,932
Dividends and dividend equivalents declared per share or RSU	\$ 0.23	\$ 0.22

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

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

	Three Months Ended	
	December 31, 2022	December 25, 2021
Cash, cash equivalents and restricted cash, beginning balances	\$ 24,977	\$ 35,929
Operating activities:		
Net income	29,998	34,630
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	2,916	2,697
Share-based compensation expense	2,905	2,265
Other	(317)	849
Changes in operating assets and liabilities:		
Accounts receivable, net	4,275	(3,934)
Inventories	(1,807)	681
Vendor non-trade receivables	2,320	(9,812)
Other current and non-current assets	(4,099)	(4,921)
Accounts payable	(6,075)	19,813
Deferred revenue	131	462
Other current and non-current liabilities	3,758	4,236
Cash generated by operating activities	34,005	46,966
Investing activities:		
Purchases of marketable securities	(5,153)	(34,913)
Proceeds from maturities of marketable securities	7,127	11,309
Proceeds from sales of marketable securities	509	10,675
Payments for acquisition of property, plant and equipment	(3,787)	(2,803)
Other	(141)	(374)
Cash used in investing activities	(1,445)	(16,106)
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,316)	(2,888)
Payments for dividends and dividend equivalents	(3,768)	(3,732)
Repurchases of common stock	(19,475)	(20,478)
Repayments of term debt	(1,401)	—
Repayments of commercial paper, net	(8,214)	(1,000)
Other	(389)	(61)
Cash used in financing activities	(35,563)	(28,159)
Increase/(Decrease) in cash, cash equivalents and restricted cash	(3,003)	2,701
Cash, cash equivalents and restricted cash, ending balances	\$ 21,974	\$ 38,630
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 828	\$ 5,235
Cash paid for interest	\$ 703	\$ 531

See accompanying Notes to Condensed Consolidated Financial Statements.



Apple Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation and Preparation

The condensed consolidated financial statements include the accounts of Apple Inc. and its wholly owned subsidiaries (collectively “Apple” or the “Company”). Intercompany accounts and transactions have been eliminated. In the opinion of the Company’s management, the condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. The preparation of these condensed consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates. Certain prior period amounts in the condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period’s presentation. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the fiscal year ended September 24, 2022.

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 2023 and 2022 span 53 and 52 weeks, respectively. 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.

Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for the three months ended December 31, 2022 and December 25, 2021 (net income in millions and shares in thousands):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Numerator:		
Net income	\$ 29,998	\$ 34,630
Denominator:		
Weighted-average basic shares outstanding	15,892,723	16,391,724
Effect of dilutive securities	62,995	127,567
Weighted-average diluted shares	15,955,718	16,519,291
Basic earnings per share	\$ 1.89	\$ 2.11
Diluted earnings per share	\$ 1.88	\$ 2.10

Approximately 89 million restricted stock units (“RSUs”) were excluded from the computation of diluted earnings per share for the three months ended December 31, 2022 because their effect would have been antidilutive.

## Note 2 – Revenue

Net sales disaggregated by significant products and services for the three months ended December 31, 2022 and December 25, 2021 were as follows (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
iPhone <sup>®</sup> (1)	\$ 65,775	\$ 71,628
Mac <sup>®</sup> (1)	7,735	10,852
iPad <sup>®</sup> (1)	9,396	7,248
Wearables, Home and Accessories (1)(2)	13,482	14,701
Services (3)	20,766	19,516
Total net sales (4)	<u>\$ 117,154</u>	<u>\$ 123,945</u>

(1) Products net sales include amortization of the deferred value of unspecified software upgrade rights, which are bundled in the sales price of the respective product.

(2) Wearables, Home and Accessories net sales include sales of AirPods<sup>®</sup>, Apple TV<sup>®</sup>, Apple Watch<sup>®</sup>, Beats<sup>®</sup> products, HomePod mini<sup>®</sup> and accessories.

(3) Services net sales include sales from the Company's advertising, AppleCare<sup>®</sup>, cloud, digital content, payment and other services. Services net sales also include amortization of the deferred value of services bundled in the sales price of certain products.

(4) Includes \$3.4 billion of revenue recognized in the three months ended December 31, 2022 that was included in deferred revenue as of September 24, 2022 and \$3.0 billion of revenue recognized in the three months ended December 25, 2021 that was included in deferred revenue as of September 25, 2021.

The Company's proportion of net sales by disaggregated revenue source was generally consistent for each reportable segment in Note 9, "Segment Information and Geographic Data" for the three months ended December 31, 2022 and December 25, 2021, except in Greater China, where iPhone revenue represented a moderately higher proportion of net sales.

As of December 31, 2022 and September 24, 2022, the Company had total deferred revenue of \$12.6 billion and \$12.4 billion, respectively. As of December 31, 2022, the Company expects 63% of total deferred revenue to be realized in less than a year, 27% within one-to-two years, 8% within two-to-three years and 2% in greater than three years.

### Note 3 – 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 December 31, 2022 and September 24, 2022 (in millions):

December 31, 2022							
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 17,908	\$ —	\$ —	\$ 17,908	\$ 17,908	\$ —	\$ —
Level 1 <sup>(1)</sup> :							
Money market funds	818	—	—	818	818	—	—
Mutual funds	330	2	(40)	292	—	292	—
Subtotal	1,148	2	(40)	1,110	818	292	—
Level 2 <sup>(2)</sup> :							
U.S. Treasury securities	24,128	1	(1,576)	22,553	13	9,105	13,435
U.S. agency securities	5,743	—	(643)	5,100	—	310	4,790
Non-U.S. government securities	17,778	14	(1,029)	16,763	—	9,907	6,856
Certificates of deposit and time deposits	2,025	—	—	2,025	1,795	230	—
Commercial paper	237	—	—	237	—	237	—
Corporate debt securities	85,895	14	(7,039)	78,870	1	10,377	68,492
Municipal securities	864	—	(26)	838	—	278	560
Mortgage- and asset-backed securities	22,448	3	(2,405)	20,046	—	84	19,962
Subtotal	159,118	32	(12,718)	146,432	1,809	30,528	114,095
Total <sup>(3)</sup>	\$ 178,174	\$ 34	\$ (12,758)	\$ 165,450	\$ 20,535	\$ 30,820	\$ 114,095
September 24, 2022							
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 18,546	\$ —	\$ —	\$ 18,546	\$ 18,546	\$ —	\$ —
Level 1 <sup>(1)</sup> :							
Money market funds	2,929	—	—	2,929	2,929	—	—
Mutual funds	274	—	(47)	227	—	227	—
Subtotal	3,203	—	(47)	3,156	2,929	227	—
Level 2 <sup>(2)</sup> :							
U.S. Treasury securities	25,134	—	(1,725)	23,409	338	5,091	17,980
U.S. agency securities	5,823	—	(655)	5,168	—	240	4,928
Non-U.S. government securities	16,948	2	(1,201)	15,749	—	8,806	6,943
Certificates of deposit and time deposits	2,067	—	—	2,067	1,805	262	—
Commercial paper	718	—	—	718	28	690	—
Corporate debt securities	87,148	9	(7,707)	79,450	—	9,023	70,427
Municipal securities	921	—	(35)	886	—	266	620
Mortgage- and asset-backed securities	22,553	—	(2,593)	19,960	—	53	19,907
Subtotal	161,312	11	(13,916)	147,407	2,171	24,431	120,805
Total <sup>(3)</sup>	\$ 183,061	\$ 11	\$ (13,963)	\$ 169,109	\$ 23,646	\$ 24,658	\$ 120,805

(1) Level 1 fair value estimates are based on quoted prices in active markets for identical assets or liabilities.

(2) Level 2 fair value estimates are based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

(3) As of December 31, 2022 and September 24, 2022, total marketable securities included \$13.6 billion and \$12.7 billion, respectively, that were restricted from general use, related to the European Commission decision finding that Ireland granted state aid to the Company, and other agreements.

The following table shows the fair value of the Company's non-current marketable debt securities, by contractual maturity, as of December 31, 2022 (in millions):

Due after 1 year through 5 years	\$	82,497
Due after 5 years through 10 years		14,243
Due after 10 years		17,355
Total fair value	\$	114,095

#### 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.

##### Foreign Exchange Risk

To protect gross margins from fluctuations in foreign currency exchange rates, the Company may enter into forward contracts, option contracts 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 currency exchange rates, the Company may enter into forward contracts, cross-currency swaps or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of December 31, 2022, 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 20 years.

The Company may also enter into derivative instruments that are not designated as accounting hedges to protect gross margins from certain fluctuations in foreign currency exchange rates, as well as to offset a portion of the foreign currency exchange 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 enter into 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 December 31, 2022 and September 24, 2022 were as follows (in millions):

	December 31, 2022	September 24, 2022
Derivative instruments designated as accounting hedges:		
Foreign exchange contracts	\$ 66,054	\$ 102,670
Interest rate contracts	\$ 20,125	\$ 20,125
Derivative instruments not designated as accounting hedges:		
Foreign exchange contracts	\$ 134,971	\$ 185,381

The gross fair values of the Company's derivative assets and liabilities as of September 24, 2022 were as follows (in millions):

	September 24, 2022		
	Fair Value of Derivatives Designated as Accounting Hedges	Fair Value of Derivatives Not Designated as Accounting Hedges	Total Fair Value
Derivative assets <sup>(1)</sup> :			
Foreign exchange contracts	\$ 4,317	\$ 2,819	\$ 7,136
Derivative liabilities <sup>(2)</sup> :			
Foreign exchange contracts	\$ 2,205	\$ 2,547	\$ 4,752
Interest rate contracts	\$ 1,367	\$ —	\$ 1,367

(1) Derivative assets are measured using Level 2 fair value inputs and are included in other current assets and other non-current assets in the Condensed Consolidated Balance Sheet.

(2) Derivative liabilities are measured using Level 2 fair value inputs and are included in other current liabilities and other non-current liabilities in the Condensed Consolidated Balance Sheet.

The derivative assets above represent the Company's gross credit exposure if all counterparties failed to perform. To mitigate credit risk, the Company generally enters into collateral security arrangements that provide for collateral to be received or posted when the net fair values of certain derivatives fluctuate from contractually established thresholds. To further limit credit risk, the Company generally enters into master netting arrangements with the respective counterparties to the Company's derivative contracts, under which the Company is allowed to settle transactions with a single net amount payable by one party to the other. As of September 24, 2022, the potential effects of these rights of set-off associated with the Company's derivative contracts, including the effects of collateral, would be a reduction to both derivative assets and derivative liabilities of \$7.8 billion, resulting in a net derivative asset of \$412 million.

The carrying amounts of the Company's hedged items in fair value hedges as of December 31, 2022 and September 24, 2022 were as follows (in millions):

	December 31, 2022	September 24, 2022
Hedged assets/(liabilities):		
Current and non-current marketable securities	\$ 14,311	\$ 13,378
Current and non-current term debt	\$ (18,731)	\$ (18,739)

## Accounts Receivable

### Trade Receivables

The Company has considerable trade receivables outstanding with its third-party cellular network carriers, wholesalers, retailers, resellers, small and mid-sized businesses and education, enterprise and government customers. The Company generally does not require collateral from its customers; however, the Company will require collateral or third-party credit support in certain instances to limit credit risk. In addition, when possible, the Company attempts to limit credit risk on trade receivables with credit insurance for certain customers or by requiring third-party financing, loans or leases to support credit exposure. These credit-financing arrangements are directly between the third-party financing company and the end customer. As such, the Company generally does not assume any recourse or credit risk sharing related to any of these arrangements.

As of both December 31, 2022 and September 24, 2022, the Company had one customer that represented 10% or more of total trade receivables, which accounted for 11% and 10%, respectively. The Company's cellular network carriers accounted for 43% and 44% of total trade receivables as of December 31, 2022 and September 24, 2022, respectively.

### 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. As of December 31, 2022, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 54% and 16%. As of September 24, 2022, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 54% and 13%.

**Note 4 – Condensed Consolidated Financial Statement Details**

The following tables show the Company's condensed consolidated financial statement details as of December 31, 2022 and September 24, 2022 (in millions):

**Inventories**

	December 31, 2022	September 24, 2022
Components	\$ 2,513	\$ 1,637
Finished goods	4,307	3,309
Total inventories	<u>\$ 6,820</u>	<u>\$ 4,946</u>

**Property, Plant and Equipment, Net**

	December 31, 2022	September 24, 2022
Gross property, plant and equipment	\$ 110,995	\$ 114,457
Accumulated depreciation and amortization	(68,044)	(72,340)
Total property, plant and equipment, net	<u>\$ 42,951</u>	<u>\$ 42,117</u>

**Other Income/(Expense), Net**

The following table shows the detail of other income/(expense), net for the three months ended December 31, 2022 and December 25, 2021 (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Interest and dividend income	\$ 868	\$ 650
Interest expense	(1,003)	(694)
Other expense, net	(258)	(203)
Total other income/(expense), net	<u>\$ (393)</u>	<u>\$ (247)</u>

**Note 5 – Debt****Commercial Paper**

The Company issues unsecured short-term promissory notes ("Commercial Paper") pursuant to a commercial paper program. The Company uses net proceeds from the commercial paper program for general corporate purposes, including dividends and share repurchases. As of December 31, 2022 and September 24, 2022, the Company had \$1.7 billion and \$10.0 billion of Commercial Paper outstanding, respectively. The following table provides a summary of cash flows associated with the issuance and maturities of Commercial Paper for the three months ended December 31, 2022 and December 25, 2021 (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Maturities 90 days or less:		
Proceeds from/(Repayments of) commercial paper, net	\$ (5,569)	\$ 1,339
Maturities greater than 90 days:		
Proceeds from commercial paper	—	1,191
Repayments of commercial paper	(2,645)	(3,530)
Repayments of commercial paper, net	<u>(2,645)</u>	<u>(2,339)</u>
Total repayments of commercial paper, net	<u>\$ (8,214)</u>	<u>\$ (1,000)</u>

## Term Debt

As of December 31, 2022 and September 24, 2022, the Company had outstanding fixed-rate notes with varying maturities for an aggregate carrying amount of \$109.4 billion and \$110.1 billion, respectively (collectively the "Notes"). As of December 31, 2022 and September 24, 2022, the fair value of the Company's Notes, based on Level 2 inputs, was \$98.0 billion and \$98.8 billion, respectively.

## Note 6 – Shareholders' Equity

### Share Repurchase Program

During the three months ended December 31, 2022, the Company repurchased 133 million shares of its common stock for \$19.0 billion under a share repurchase program authorized by the Board of Directors (the "Program"). The Program does not obligate the Company to acquire a minimum amount of shares. Under the Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

## Note 7 – Benefit Plans

### Restricted Stock Units

A summary of the Company's RSU activity and related information for the three months ended December 31, 2022 is as follows:

	Number of RSUs (in thousands)	Weighted-Average Grant Date Fair Value Per RSU	Aggregate Fair Value (in millions)
Balance as of September 24, 2022	201,501	\$ 109.48	
RSUs granted	82,123	\$ 149.85	
RSUs vested	(47,298)	\$ 84.46	
RSUs canceled	(2,958)	\$ 120.26	
Balance as of December 31, 2022	233,368	\$ 128.62	\$ 30,322

The fair value as of the respective vesting dates of RSUs was \$6.8 billion and \$8.5 billion for the three months ended December 31, 2022 and December 25, 2021, respectively.

### Share-Based Compensation

The following table shows share-based compensation expense and the related income tax benefit included in the Condensed Consolidated Statements of Operations for the three months ended December 31, 2022 and December 25, 2021 (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Share-based compensation expense	\$ 2,905	\$ 2,265
Income tax benefit related to share-based compensation expense	\$ (1,178)	\$ (1,536)

As of December 31, 2022, the total unrecognized compensation cost related to outstanding RSUs and stock options was \$25.5 billion, which the Company expects to recognize over a weighted-average period of 3.0 years.

## Note 8 – Commitments and Contingencies

### 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 content and distribution rights. Future payments under noncancelable unconditional purchase obligations with a remaining term in excess of one year as of December 31, 2022, are as follows (in millions):

2023 (remaining nine months)	\$	2,899
2024		2,897
2025		1,584
2026		6,554
2027		348
Thereafter		444
Total	\$	<u>14,726</u>

### 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.

## Note 9 – Segment Information and Geographic Data

The following table shows information by reportable segment for the three months ended December 31, 2022 and December 25, 2021 (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Americas:		
Net sales	\$ 49,278	\$ 51,496
Operating income	\$ 17,864	\$ 19,585
Europe:		
Net sales	\$ 27,681	\$ 29,749
Operating income	\$ 10,017	\$ 11,545
Greater China:		
Net sales	\$ 23,905	\$ 25,783
Operating income	\$ 10,437	\$ 11,183
Japan:		
Net sales	\$ 6,755	\$ 7,107
Operating income	\$ 3,236	\$ 3,349
Rest of Asia Pacific:		
Net sales	\$ 9,535	\$ 9,810
Operating income	\$ 3,851	\$ 3,995



A reconciliation of the Company's segment operating income to the Condensed Consolidated Statements of Operations for the three months ended December 31, 2022 and December 25, 2021 is as follows (in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Segment operating income	\$ 45,405	\$ 49,657
Research and development expense	(7,709)	(6,306)
Other corporate expenses, net	(1,680)	(1,863)
Total operating income	\$ 36,016	\$ 41,488

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. 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-Q regarding the potential future impact of the COVID-19 pandemic 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 the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 2022 (the "2022 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.*

*The following discussion should be read in conjunction with the 2022 Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q.*

### Available Information

The Company periodically provides certain information for investors on its corporate website, [www.apple.com](http://www.apple.com), and its investor relations website, [investor.apple.com](http://investor.apple.com). This includes press releases and other information about financial performance, information on environmental, social and governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-Q is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

### 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.

### 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 2023 and 2022 span 53 and 52 weeks, respectively.

### Quarterly Highlights

Total net sales decreased 5% or \$6.8 billion during the first quarter of 2023 compared to the same quarter in 2022 due to the weakness in foreign currencies relative to the U.S. dollar. The weakness in foreign currencies contributed to lower net sales of iPhone and Mac, which was partially offset by higher net sales of iPad.

During the first quarter of 2023, the Company announced a new iPad, a new iPad Pro<sup>®</sup> powered by the Apple M2 chip, and a new Apple TV 4K.

The Company repurchased \$19.0 billion of its common stock and paid dividends and dividend equivalents of \$3.8 billion during the first quarter of 2023.

## COVID-19

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures, such as restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets. The COVID-19 pandemic and the measures taken by many countries in response have affected and could in the future materially impact the Company's business, results of operations and financial condition.

Certain of the Company's outsourcing partners, component suppliers and logistical service providers have experienced, and could in the future experience, disruptions related to the COVID-19 pandemic, resulting in supply shortages. During the first quarter of 2023, COVID-related impacts temporarily affected the Company's primary iPhone 14 Pro and iPhone 14 Pro Max assembly facility located in Zhengzhou, China. The facility operated at significantly reduced capacity, impacting iPhone 14 Pro and iPhone Pro Max shipments.

## Macroeconomic Conditions

Macroeconomic conditions, including inflation, rising interest rates and currency fluctuations, have direct and indirect impacts on the Company's business. The Company believes these factors have impacted, and could in the future materially impact, the Company's results of operations and financial condition.

## Segment Operating Performance

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 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. Further information regarding the Company's reportable segments can be found in Part I, Item 1 of this Form 10-Q in the Notes to Condensed Consolidated Financial Statements in Note 9, "Segment Information and Geographic Data."

The following table shows net sales by reportable segment for the three months ended December 31, 2022 and December 25, 2021 (dollars in millions):

	Three Months Ended		
	December 31, 2022	December 25, 2021	Change
Net sales by reportable segment:			
Americas	\$ 49,278	\$ 51,496	(4) %
Europe	27,681	29,749	(7) %
Greater China	23,905	25,783	(7) %
Japan	6,755	7,107	(5) %
Rest of Asia Pacific	9,535	9,810	(3) %
Total net sales	<u>\$ 117,154</u>	<u>\$ 123,945</u>	(5) %

## Americas

Americas net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to lower net sales of iPhone and Mac, partially offset by higher net sales of Services and iPad. The weakness of the Canadian dollar relative to the U.S. dollar had an unfavorable year-over-year impact on Americas net sales during the first quarter of 2023.

## Europe

Europe net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due to the weakness in foreign currencies relative to the U.S. dollar, which contributed to lower net sales of iPhone and Mac.

### Greater China

Greater China net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due to the weakness of the renminbi relative to the U.S. dollar. The weakness of the renminbi contributed to lower net sales of iPhone, which was partially offset by higher net sales of iPad.

### Japan

Japan net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due to the weakness of the yen relative to the U.S. dollar, which contributed to lower net sales of Services and Mac.

### Rest of Asia Pacific

Rest of Asia Pacific net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due to the weakness in foreign currencies relative to the U.S. dollar. The weakness in foreign currencies contributed to lower net sales of iPhone and Mac, which was partially offset by higher net sales of Services and iPad.

## Products and Services Performance

The following table shows net sales by category for the three months ended December 31, 2022 and December 25, 2021 (dollars in millions):

	Three Months Ended		
	December 31, 2022	December 25, 2021	Change
Net sales by category:			
iPhone <sup>(1)</sup>	\$ 65,775	\$ 71,628	(8) %
Mac <sup>(1)</sup>	7,735	10,852	(29) %
iPad <sup>(1)</sup>	9,396	7,248	30 %
Wearables, Home and Accessories <sup>(1)(2)</sup>	13,482	14,701	(8) %
Services <sup>(3)</sup>	20,766	19,516	6 %
Total net sales	<u>\$ 117,154</u>	<u>\$ 123,945</u>	(5) %

(1) Products net sales include amortization of the deferred value of unspecified software upgrade rights, which are bundled in the sales price of the respective product.

(2) Wearables, Home and Accessories net sales include sales of AirPods, Apple TV, Apple Watch, Beats products, HomePod mini and accessories.

(3) Services net sales include sales from the Company's advertising, AppleCare, cloud, digital content, payment and other services. Services net sales also include amortization of the deferred value of services bundled in the sales price of certain products.

### iPhone

iPhone net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to lower net sales from the Company's new iPhone models launched in the fourth quarter of 2022.

### Mac

Mac net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to lower net sales of MacBook Pro<sup>®</sup>.

### iPad

iPad net sales increased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to higher net sales of iPad and iPad Air<sup>®</sup>.

#### *Wearables, Home and Accessories*

Wearables, Home and Accessories net sales decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to lower net sales of AirPods, partially offset by higher net sales of Watch.

#### *Services*

Services net sales increased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to higher net sales from cloud services, the App Store® and music.

#### **Gross Margin**

Products and Services gross margin and gross margin percentage for the three months ended December 31, 2022 and December 25, 2021 were as follows (dollars in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Gross margin:		
Products	\$ 35,623	\$ 40,120
Services	14,709	14,123
Total gross margin	<u>\$ 50,332</u>	<u>\$ 54,243</u>
Gross margin percentage:		
Products	37.0 %	38.4 %
Services	70.8 %	72.4 %
Total gross margin percentage	43.0 %	43.8 %

#### *Products Gross Margin*

Products gross margin decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to the weakness in foreign currencies relative to the U.S. dollar and lower Products volume.

Products gross margin percentage decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to the weakness in foreign currencies relative to the U.S. dollar.

#### *Services Gross Margin*

Services gross margin increased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to higher Services net sales, partially offset by the weakness in foreign currencies relative to the U.S. dollar.

Services gross margin percentage decreased during the first quarter of 2023 compared to the same quarter in 2022 due primarily to the weakness in foreign currencies relative to the U.S. dollar and higher Services costs, partially offset by improved leverage.

The Company's future gross margins can be impacted by a variety of factors, as discussed in Part I, Item 1A of the 2022 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 the three months ended December 31, 2022 and December 25, 2021 were as follows (dollars in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Research and development	\$ 7,709	\$ 6,306
Percentage of total net sales	7 %	5 %
Selling, general and administrative	\$ 6,607	\$ 6,449
Percentage of total net sales	6 %	5 %
Total operating expenses	\$ 14,316	\$ 12,755
Percentage of total net sales	12 %	10 %

### Research and Development

The growth in research and development ("R&D") expense during the first quarter of 2023 compared to the same quarter in 2022 was driven primarily by increases in headcount-related expenses.

### Selling, General and Administrative

The growth in selling, general and administrative expense during the first quarter of 2023 compared to the same quarter in 2022 was driven primarily by increases in headcount-related expenses.

## Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory federal income tax rate for the three months ended December 31, 2022 and December 25, 2021 were as follows (dollars in millions):

	Three Months Ended	
	December 31, 2022	December 25, 2021
Provision for income taxes	\$ 5,625	\$ 6,611
Effective tax rate	15.8 %	16.0 %
Statutory federal income tax rate	21 %	21 %

The Company's effective tax rate for the first quarter of 2023 was lower than the statutory federal income tax rate due primarily to a lower effective tax rate on foreign earnings, tax benefits from share-based compensation, and the U.S. federal R&D credit, partially offset by state income taxes.

The Company's effective tax rate for the first quarter of 2023 was lower compared to the same quarter in 2022 due primarily to a higher U.S. federal R&D credit, lower state income taxes and a lower effective tax rate on foreign earnings, largely offset by lower tax benefits from share-based compensation.

## Liquidity and Capital Resources

The Company believes its balances of cash, cash equivalents and unrestricted marketable securities, 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 contractual cash requirements have not changed materially since the 2022 Form 10-K, except for commercial paper and manufacturing purchase obligations.

### Commercial Paper

The Company issues unsecured short-term promissory notes ("Commercial Paper") pursuant to a commercial paper program. As of December 31, 2022, the Company had \$1.7 billion of Commercial Paper outstanding, all of which was 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. Outsourcing partners acquire components and build product based on demand information supplied by the Company, which typically covers periods up to 150 days. As of December 31, 2022, the Company had manufacturing purchase obligations of \$55.1 billion, with \$54.8 billion payable within 12 months. The Company's manufacturing purchase obligations are primarily noncancelable.

In addition to its contractual cash requirements, the Company has a capital return program authorized by the Board of Directors. The share repurchase program (the "Program") does not obligate the Company to acquire a minimum amount of shares. As of December 31, 2022, the Company's quarterly cash dividend was \$0.23 per share. The Company intends to increase its dividend on an annual basis, subject to declaration by the Board of Directors.

#### **Critical Accounting Estimates**

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles 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 condensed consolidated Financial Statements in Part I, Item 1 of this Form 10-Q and in the Notes to Consolidated Financial Statements in Part II, Item 8 of the 2022 Form 10-K describe the significant accounting policies and methods used in the preparation of the Company's condensed consolidated financial statements. There have been no material changes to the Company's critical accounting estimates since the 2022 Form 10-K.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes to the Company's market risk during the first three months of 2023. For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of the 2022 Form 10-K.

#### **Item 4. 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 Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of December 31, 2022 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.

##### **Changes in Internal Control over Financial Reporting**

There were no changes in the Company's internal control over financial reporting during the first quarter of 2023, 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.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

#### *Epic Games*

Epic Games, Inc. ("Epic") filed a lawsuit in the U.S. District Court for the Northern District of California (the "Northern 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 Company filed a counterclaim for breach of contract. On September 10, 2021, the Northern California District Court ruled in favor of the Company with respect to nine out of the ten counts included in Epic's claim, and in favor of the Company with respect to the Company's claims for breach of contract. The Northern California District Court found that certain provisions of the Company's App Store Review Guidelines violate California's unfair competition law and issued an injunction. Epic appealed the decision. The Company filed a cross-appeal and has been granted a stay pending the appeal.

#### *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 first quarter of 2023 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 1A. Risk Factors

The Company's business, reputation, results of operations, financial condition and stock price can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A of the 2022 Form 10-K under the heading "Risk Factors." When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations, financial condition and stock price can be materially and adversely affected. There have been no material changes to the Company's risk factors since the 2022 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended December 31, 2022 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 <sup>(1)</sup>
September 25, 2022 to October 29, 2022:				
Open market and privately negotiated purchases	69,169	\$ 144.57	69,169	
October 30, 2022 to November 26, 2022:				
Open market and privately negotiated purchases	23,113	\$ 149.26	23,113	
November 27, 2022 to December 31, 2022:				
Open market and privately negotiated purchases	40,557	\$ 136.85	40,557	
Total	<u>132,839</u>			<u>\$ 41,665</u>

- (1) On April 28, 2022, the Board of Directors authorized the purchase of an additional \$90 billion of the Company's common stock under the Program. As of December 31, 2022, total utilization under the April 2022 authorization was \$48.3 billion. The Program does not obligate the Company to acquire a minimum amount of shares. Under the Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

### Item 3. Defaults Upon Senior Securities

None.



**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information****Rule 10b5-1 Trading Plans**

During the three months ended December 31, 2022, Katherine L. Adams, Timothy D. Cook, Luca Maestri, Deirdre O'Brien and Jeffrey Williams, each an officer for purposes of Section 16 of the Exchange Act, had equity trading plans in place in accordance with Rule 10b5-1(c)(1) under the Exchange Act. An equity trading plan is a written document that preestablishes the amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including sales of shares acquired under the Company's employee and director equity plans.

**Item 6. Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/ Period End Date
10.1*	<a href="#">Form of CEO Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.</a>			
10.2*	<a href="#">Form of CEO Performance Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.</a>			
31.1*	<a href="#">Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.</a>			
31.2*	<a href="#">Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.</a>			
32.1**	<a href="#">Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.</a>			
101*	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.			
104*	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.			

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURE**

Pursuant to the requirements 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: February 2, 2023

Apple Inc.

By: /s/ Luca Maestri  
Luca Maestri  
Senior Vice President,  
Chief Financial Officer