PRINCIPLES OF FINANCE

APPLE'S FINANCIAL STATEMENTS

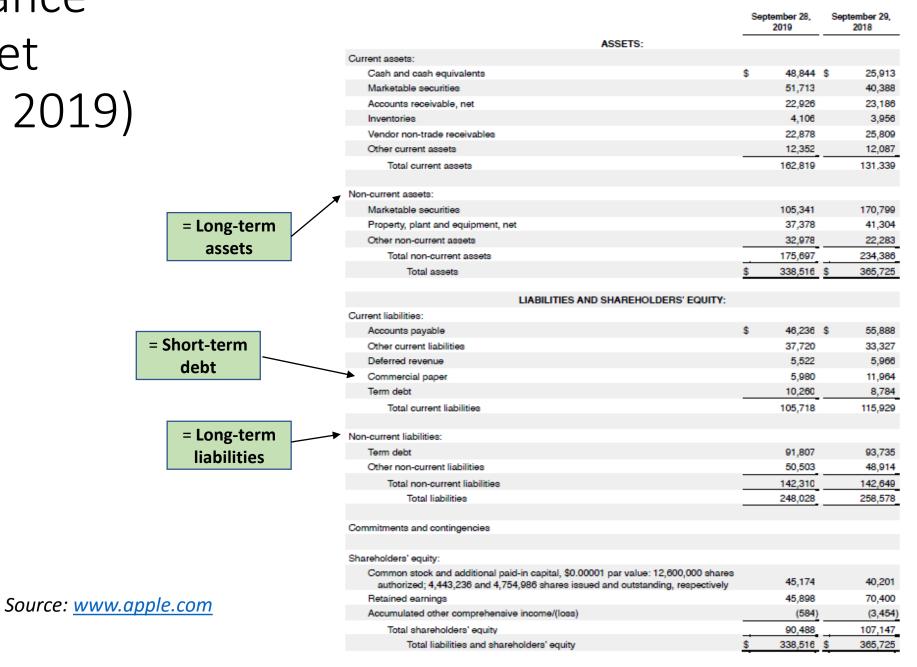
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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

Balance sheet (Q4 2019)



CONSOLIDATED STATEMENTS OF OPERATIONS

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

Income statement

= Gross profit

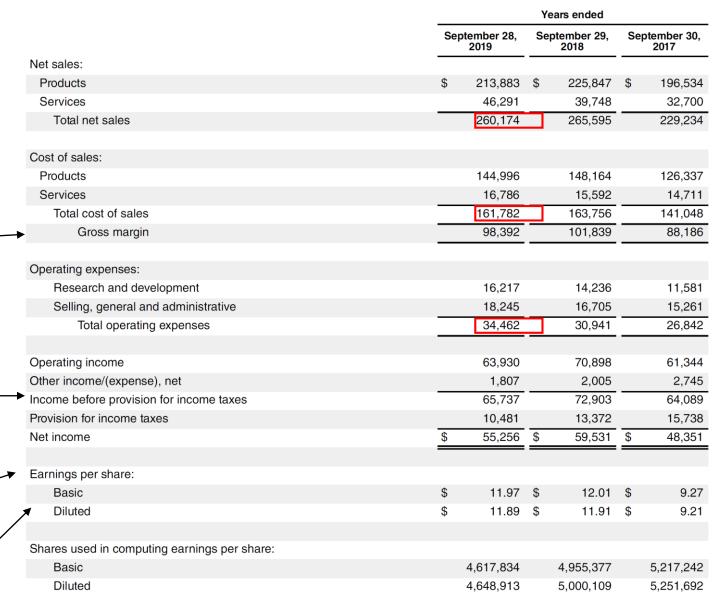
= EBIT

= Net income/number

of shares

Accounts for

convertible securities



Statement of cash flows

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

 Add back depreciation / other cash flows that were in the income statement for accounting purposes only

2) Main part of operating activities: cash effects of changes in Net Working Capital

			Twelve Months Ended		
			tember 28, 2019	September 29, 2018	
Ca	sh, cash equivalents and restricted cash, beginning balances	\$	25,913	\$ 20,28	
Ор	erating activities:		_		
	Net income	1	55,256	59,53	
A	Adjustments to reconcile net income to cash generated by operating activities:				
	Depreciation and amortization		12,547	10,90	
	Share-based compensation expense		6,068	5,34	
	Deferred income tax benefit		(340)	(32,59	
	Other		(652)	(44	
4	Changes in operating assets and liabilities:				
/	Accounts receivable, net		245	(5,32	
	Inventories		(289)	82	
	Vendor non-trade receivables		2,931	(8,01	
	Other current and non-current assets		873	(42	
	Accounts payable		(1,923)	9,17	
	Deferred revenue		(625)	(
	Other current and non-current liabilities		(4,700)	38,44	
	Cash generated by operating activities		69,391	77,43	

Statement of cash flows

3) Capital expenditures

Everything here except Capex is part of the statement of cash flows but not of the free cash flows.

Investing activities:						
Purchases of marketable securities	(39,630)		(71,356)			
Proceeds from maturities of marketable securities	40.102		55,881			
Proceeds from sales of marketable securities	56,988		47,838			
Payments for acquisition of property, plant and equipment	(10,495)		(13,313)			
Payments made in connection with business acquisitions, net	(624)		(721)			
Purchases of non-marketable securities	(1,001)		(1,871)			
Proceeds from non-marketable securities	1,634		353			
Other	(1,078)		(745)			
Cash generated by investing activities	45,896	_	16,066			
Financing activities:						
Proceeds from issuance of common stock	781		669			
Payments for taxes related to net share settlement of equity awards	(2,817)		(2,527)			
Payments for dividends and dividend equivalents	(14,119)		(13,712)			
Repurchases of common stock	(66,897)		(72,738)			
Proceeds from issuance of term debt, net	6,963		6,969			
Repayments of term debt	(8,805)		(6,500)			
Repayments of commercial paper, net	(5,977)		(37)			
Other	(105)		_			
Cash used in financing activities	(90,976)		(87,876)			
Increase in cash, cash equivalents and restricted cash	24,311		5,624			
Cash, cash equivalents and restricted cash, ending balances	\$ 50,224	\$	25,913			
Supplemental cash flow disclosure:						
Cash paid for income taxes, net	\$ 15,263	\$	10,417			
Cash paid for interest	\$ 3,423	\$	3,022			

Free cash flows

FCF = Net income (55,256)

+ Adjustments for depreciation

+ Changes in NWC

= 69,391

+ Capex (-10,495)

See first page of statement of cash flows

Apple Annual Free Cash Flow				
2020	73,365.00			
2019	58,896.00			
2018	64,121.00			
2017	51,774.00			
2016	53,497.00			
2015	70,019.00			
2014	50,142.00			
2013	45,501.00			
2012	42,561.00			
2011	33,269.00			
2010	16,590.00			

Source:

www.macrotrends.net/stocks/charts/AAPL/apple/free-cash-flow