

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		Six Months Ended	
	April 1, 2023	March 26, 2022	April 1, 2023	March 26, 2022
Net sales:				
Products	\$ 73,929	\$ 77,457	\$ 170,317	\$ 181,886
Services	20,907	19,821	41,673	39,337
Total net sales ⁽¹⁾	94,836	97,278	211,990	221,223
Cost of sales:				
Products	46,795	49,290	107,560	113,599
Services	6,065	5,429	12,122	10,822
Total cost of sales	52,860	54,719	119,682	124,421
Gross margin	41,976	42,559	92,308	96,802
Operating expenses:				
Research and development	7,457	6,387	15,166	12,693
Selling, general and administrative	6,201	6,193	12,808	12,642
Total operating expenses	13,658	12,580	27,974	25,335
Operating income	28,318	29,979	64,334	71,467
Other income/(expense), net	64	160	(329)	(87)
Income before provision for income taxes	28,382	30,139	64,005	71,380
Provision for income taxes	4,222	5,129	9,847	11,740
Net income	\$ 24,160	\$ 25,010	\$ 54,158	\$ 59,640
Earnings per share:				
Basic	\$ 1.53	\$ 1.54	\$ 3.42	\$ 3.65
Diluted	\$ 1.52	\$ 1.52	\$ 3.41	\$ 3.62
Shares used in computing earnings per share:				
Basic	15,787,154	16,278,802	15,839,939	16,335,263
Diluted	15,847,050	16,403,316	15,901,384	16,461,304
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 37,784	\$ 40,882	\$ 87,062	\$ 92,378
Europe	23,945	23,287	51,626	53,036
Greater China	17,812	18,343	41,717	44,126
Japan	7,176	7,724	13,931	14,831
Rest of Asia Pacific	8,119	7,042	17,654	16,852
Total net sales	\$ 94,836	\$ 97,278	\$ 211,990	\$ 221,223
⁽¹⁾ Net sales by category:				
iPhone	\$ 51,334	\$ 50,570	\$ 117,109	\$ 122,198
Mac	7,168	10,435	14,903	21,287
iPad	6,670	7,646	16,066	14,894
Wearables, Home and Accessories	8,757	8,806	22,239	23,507
Services	20,907	19,821	41,673	39,337
Total net sales	\$ 94,836	\$ 97,278	\$ 211,990	\$ 221,223

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>April 1, 2023</u>	<u>September 24, 2022</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 24,687	\$ 23,646
Marketable securities	31,185	24,658
Accounts receivable, net	17,936	28,184
Inventories	7,482	4,946
Vendor non-trade receivables	17,963	32,748
Other current assets	13,660	21,223
Total current assets	<u>112,913</u>	<u>135,405</u>
Non-current assets:		
Marketable securities	110,461	120,805
Property, plant and equipment, net	43,398	42,117
Other non-current assets	65,388	54,428
Total non-current assets	<u>219,247</u>	<u>217,350</u>
Total assets	<u>\$ 332,160</u>	<u>\$ 352,755</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 42,945	\$ 64,115
Other current liabilities	56,425	60,845
Deferred revenue	8,131	7,912
Commercial paper	1,996	9,982
Term debt	10,578	11,128
Total current liabilities	<u>120,075</u>	<u>153,982</u>
Non-current liabilities:		
Term debt	97,041	98,959
Other non-current liabilities	52,886	49,142
Total non-current liabilities	<u>149,927</u>	<u>148,101</u>
Total liabilities	<u>270,002</u>	<u>302,083</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,723,406 and 15,943,425 shares issued and outstanding, respectively	69,568	64,849
Retained earnings/(Accumulated deficit)	4,336	(3,068)
Accumulated other comprehensive income/(loss)	(11,746)	(11,109)
Total shareholders' equity	<u>62,158</u>	<u>50,672</u>
Total liabilities and shareholders' equity	<u>\$ 332,160</u>	<u>\$ 352,755</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended	
	April 1, 2023	March 26, 2022
Cash, cash equivalents and restricted cash, beginning balances	\$ 24,977	\$ 35,929
Operating activities:		
Net income	54,158	59,640
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	5,814	5,434
Share-based compensation expense	5,591	4,517
Other	(1,732)	1,068
Changes in operating assets and liabilities:		
Accounts receivable, net	9,596	5,542
Inventories	(2,548)	1,065
Vendor non-trade receivables	14,785	643
Other current and non-current assets	(4,092)	(3,542)
Accounts payable	(20,764)	(1,750)
Other current and non-current liabilities	1,757	2,515
Cash generated by operating activities	<u>62,565</u>	<u>75,132</u>
Investing activities:		
Purchases of marketable securities	(11,197)	(61,987)
Proceeds from maturities of marketable securities	17,124	18,000
Proceeds from sales of marketable securities	1,897	24,668
Payments for acquisition of property, plant and equipment	(6,703)	(5,317)
Other	(247)	(735)
Cash generated by/(used in) investing activities	<u>874</u>	<u>(25,371)</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,734)	(3,218)
Payments for dividends and dividend equivalents	(7,418)	(7,327)
Repurchases of common stock	(39,069)	(43,109)
Repayments of term debt	(3,651)	(3,750)
Proceeds from/(Repayments of) commercial paper, net	(7,960)	999
Other	(455)	(105)
Cash used in financing activities	<u>(61,287)</u>	<u>(56,510)</u>
Increase/(Decrease) in cash, cash equivalents and restricted cash	<u>2,152</u>	<u>(6,749)</u>
Cash, cash equivalents and restricted cash, ending balances	<u>\$ 27,129</u>	<u>\$ 29,180</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 4,894	\$ 9,301
Cash paid for interest	\$ 1,873	\$ 1,406