

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		Twelve Months Ended	
	September 24, 2022	September 25, 2021	September 24, 2022	September 25, 2021
Net sales:				
Products	\$ 70,958	\$ 65,083	\$ 316,199	\$ 297,392
Services	19,188	18,277	78,129	68,425
Total net sales ⁽¹⁾	90,146	83,360	394,328	365,817
Cost of sales:				
Products	46,387	42,790	201,471	192,266
Services	5,664	5,396	22,075	20,715
Total cost of sales	52,051	48,186	223,546	212,981
Gross margin	38,095	35,174	170,782	152,836
Operating expenses:				
Research and development	6,761	5,772	26,251	21,914
Selling, general and administrative	6,440	5,616	25,094	21,973
Total operating expenses	13,201	11,388	51,345	43,887
Operating income	24,894	23,786	119,437	108,949
Other income/(expense), net	(237)	(538)	(334)	258
Income before provision for income taxes	24,657	23,248	119,103	109,207
Provision for income taxes	3,936	2,697	19,300	14,527
Net income	\$ 20,721	\$ 20,551	\$ 99,803	\$ 94,680
Earnings per share:				
Basic	\$ 1.29	\$ 1.25	\$ 6.15	\$ 5.67
Diluted	\$ 1.29	\$ 1.24	\$ 6.11	\$ 5.61
Shares used in computing earnings per share:				
Basic	16,030,382	16,487,121	16,215,963	16,701,272
Diluted	16,118,465	16,635,097	16,325,819	16,864,919
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 39,808	\$ 36,820	\$ 169,658	\$ 153,306
Europe	22,795	20,794	95,118	89,307
Greater China	15,470	14,563	74,200	68,366
Japan	5,700	5,991	25,977	28,482
Rest of Asia Pacific	6,373	5,192	29,375	26,356
Total net sales	\$ 90,146	\$ 83,360	\$ 394,328	\$ 365,817
⁽¹⁾ Net sales by category:				
iPhone	\$ 42,626	\$ 38,868	\$ 205,489	\$ 191,973
Mac	11,508	9,178	40,177	35,190
iPad	7,174	8,252	29,292	31,862
Wearables, Home and Accessories	9,650	8,785	41,241	38,367
Services	19,188	18,277	78,129	68,425
Total net sales	\$ 90,146	\$ 83,360	\$ 394,328	\$ 365,817

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>September 24, 2022</u>	<u>September 25, 2021</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 23,646	\$ 34,940
Marketable securities	24,658	27,699
Accounts receivable, net	28,184	26,278
Inventories	4,946	6,580
Vendor non-trade receivables	32,748	25,228
Other current assets	21,223	14,111
Total current assets	<u>135,405</u>	<u>134,836</u>
Non-current assets:		
Marketable securities	120,805	127,877
Property, plant and equipment, net	42,117	39,440
Other non-current assets	54,428	48,849
Total non-current assets	<u>217,350</u>	<u>216,166</u>
Total assets	<u><u>\$ 352,755</u></u>	<u><u>\$ 351,002</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 64,115	\$ 54,763
Other current liabilities	60,845	47,493
Deferred revenue	7,912	7,612
Commercial paper	9,982	6,000
Term debt	11,128	9,613
Total current liabilities	<u>153,982</u>	<u>125,481</u>
Non-current liabilities:		
Term debt	98,959	109,106
Other non-current liabilities	49,142	53,325
Total non-current liabilities	<u>148,101</u>	<u>162,431</u>
Total liabilities	<u>302,083</u>	<u>287,912</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,943,425 and 16,426,786 shares issued and outstanding, respectively	64,849	57,365
Retained earnings/(Accumulated deficit)	(3,068)	5,562
Accumulated other comprehensive income/(loss)	(11,109)	163
Total shareholders' equity	<u>50,672</u>	<u>63,090</u>
Total liabilities and shareholders' equity	<u><u>\$ 352,755</u></u>	<u><u>\$ 351,002</u></u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Twelve Months Ended	
	September 24, 2022	September 25, 2021
Cash, cash equivalents and restricted cash, beginning balances	\$ 35,929	\$ 39,789
Operating activities:		
Net income	99,803	94,680
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	11,104	11,284
Share-based compensation expense	9,038	7,906
Deferred income tax expense/(benefit)	895	(4,774)
Other	111	(147)
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,823)	(10,125)
Inventories	1,484	(2,642)
Vendor non-trade receivables	(7,520)	(3,903)
Other current and non-current assets	(6,499)	(8,042)
Accounts payable	9,448	12,326
Deferred revenue	478	1,676
Other current and non-current liabilities	5,632	5,799
Cash generated by operating activities	122,151	104,038
Investing activities:		
Purchases of marketable securities	(76,923)	(109,558)
Proceeds from maturities of marketable securities	29,917	59,023
Proceeds from sales of marketable securities	37,446	47,460
Payments for acquisition of property, plant and equipment	(10,708)	(11,085)
Payments made in connection with business acquisitions, net	(306)	(33)
Other	(1,780)	(352)
Cash used in investing activities	(22,354)	(14,545)
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(6,223)	(6,556)
Payments for dividends and dividend equivalents	(14,841)	(14,467)
Repurchases of common stock	(89,402)	(85,971)
Proceeds from issuance of term debt, net	5,465	20,393
Repayments of term debt	(9,543)	(8,750)
Proceeds from commercial paper, net	3,955	1,022
Other	(160)	976
Cash used in financing activities	(110,749)	(93,353)
Decrease in cash, cash equivalents and restricted cash	(10,952)	(3,860)
Cash, cash equivalents and restricted cash, ending balances	\$ 24,977	\$ 35,929
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 19,573	\$ 25,385
Cash paid for interest	\$ 2,865	\$ 2,687