

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		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
Products	\$ 61,564	\$ 60,584	\$ 224,908	\$ 230,901
Services	24,213	21,213	71,197	62,886
Total net sales ⁽¹⁾	85,777	81,797	296,105	293,787
Cost of sales:				
Products	39,803	39,136	140,667	146,696
Services	6,296	6,248	18,634	18,370
Total cost of sales	46,099	45,384	159,301	165,066
Gross margin	39,678	36,413	136,804	128,721
Operating expenses:				
Research and development	8,006	7,442	23,605	22,608
Selling, general and administrative	6,320	5,973	19,574	18,781
Total operating expenses	14,326	13,415	43,179	41,389
Operating income	25,352	22,998	93,625	87,332
Other income/(expense), net	142	(265)	250	(594)
Income before provision for income taxes	25,494	22,733	93,875	86,738
Provision for income taxes	4,046	2,852	14,875	12,699
Net income	\$ 21,448	\$ 19,881	\$ 79,000	\$ 74,039
Earnings per share:				
Basic	\$ 1.40	\$ 1.27	\$ 5.13	\$ 4.69
Diluted	\$ 1.40	\$ 1.26	\$ 5.11	\$ 4.67
Shares used in computing earnings per share:				
Basic	15,287,521	15,697,614	15,401,047	15,792,497
Diluted	15,348,175	15,775,021	15,463,175	15,859,263
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 37,678	\$ 35,383	\$ 125,381	\$ 122,445
Europe	21,884	20,205	76,404	71,831
Greater China	14,728	15,758	51,919	57,475
Japan	5,097	4,821	19,126	18,752
Rest of Asia Pacific	6,390	5,630	23,275	23,284
Total net sales	\$ 85,777	\$ 81,797	\$ 296,105	\$ 293,787
⁽¹⁾ Net sales by category:				
iPhone	\$ 39,296	\$ 39,669	\$ 154,961	\$ 156,778
Mac	7,009	6,840	22,240	21,743
iPad	7,162	5,791	19,744	21,857
Wearables, Home and Accessories	8,097	8,284	27,963	30,523
Services	24,213	21,213	71,197	62,886
Total net sales	\$ 85,777	\$ 81,797	\$ 296,105	\$ 293,787

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>June 29, 2024</u>	<u>September 30, 2023</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 25,565	\$ 29,965
Marketable securities	36,236	31,590
Accounts receivable, net	22,795	29,508
Vendor non-trade receivables	20,377	31,477
Inventories	6,165	6,331
Other current assets	14,297	14,695
Total current assets	<u>125,435</u>	<u>143,566</u>
Non-current assets:		
Marketable securities	91,240	100,544
Property, plant and equipment, net	44,502	43,715
Other non-current assets	70,435	64,758
Total non-current assets	<u>206,177</u>	<u>209,017</u>
Total assets	<u>\$ 331,612</u>	<u>\$ 352,583</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 47,574	\$ 62,611
Other current liabilities	60,889	58,829
Deferred revenue	8,053	8,061
Commercial paper	2,994	5,985
Term debt	12,114	9,822
Total current liabilities	<u>131,624</u>	<u>145,308</u>
Non-current liabilities:		
Term debt	86,196	95,281
Other non-current liabilities	47,084	49,848
Total non-current liabilities	<u>133,280</u>	<u>145,129</u>
Total liabilities	<u>264,904</u>	<u>290,437</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,222,259 and 15,550,061 shares issued and outstanding, respectively	79,850	73,812
Accumulated deficit	(4,726)	(214)
Accumulated other comprehensive loss	(8,416)	(11,452)
Total shareholders' equity	<u>66,708</u>	<u>62,146</u>
Total liabilities and shareholders' equity	<u>\$ 331,612</u>	<u>\$ 352,583</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Cash, cash equivalents and restricted cash, beginning balances	\$ 30,737	\$ 24,977
Operating activities:		
Net income	79,000	74,039
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	8,534	8,866
Share-based compensation expense	8,830	8,208
Other	(1,964)	(1,651)
Changes in operating assets and liabilities:		
Accounts receivable, net	6,697	7,609
Vendor non-trade receivables	11,100	13,111
Inventories	41	(2,570)
Other current and non-current assets	(5,626)	(4,863)
Accounts payable	(15,171)	(16,790)
Other current and non-current liabilities	2	2,986
Cash generated by operating activities	<u>91,443</u>	<u>88,945</u>
Investing activities:		
Purchases of marketable securities	(38,074)	(20,956)
Proceeds from maturities of marketable securities	39,838	27,857
Proceeds from sales of marketable securities	7,382	3,959
Payments for acquisition of property, plant and equipment	(6,539)	(8,796)
Other	(1,117)	(753)
Cash generated by investing activities	<u>1,490</u>	<u>1,311</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(5,163)	(5,119)
Payments for dividends and dividend equivalents	(11,430)	(11,267)
Repurchases of common stock	(69,866)	(56,547)
Proceeds from issuance of term debt, net	—	5,228
Repayments of term debt	(7,400)	(11,151)
Repayments of commercial paper, net	(2,985)	(5,971)
Other	(191)	(508)
Cash used in financing activities	<u>(97,035)</u>	<u>(85,335)</u>
Increase/(Decrease) in cash, cash equivalents and restricted cash	(4,102)	4,921
Cash, cash equivalents and restricted cash, ending balances	<u>\$ 26,635</u>	<u>\$ 29,898</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 19,230	\$ 7,020