

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	
	March 30, 2024	April 1, 2023	March 30, 2024	April 1, 2023
Net sales:				
Products	\$ 66,886	\$ 73,929	\$ 163,344	\$ 170,317
Services	23,867	20,907	46,984	41,673
Total net sales ⁽¹⁾	90,753	94,836	210,328	211,990
Cost of sales:				
Products	42,424	46,795	100,864	107,560
Services	6,058	6,065	12,338	12,122
Total cost of sales	48,482	52,860	113,202	119,682
Gross margin	42,271	41,976	97,126	92,308
Operating expenses:				
Research and development	7,903	7,457	15,599	15,166
Selling, general and administrative	6,468	6,201	13,254	12,808
Total operating expenses	14,371	13,658	28,853	27,974
Operating income	27,900	28,318	68,273	64,334
Other income/(expense), net	158	64	108	(329)
Income before provision for income taxes	28,058	28,382	68,381	64,005
Provision for income taxes	4,422	4,222	10,829	9,847
Net income	\$ 23,636	\$ 24,160	\$ 57,552	\$ 54,158
Earnings per share:				
Basic	\$ 1.53	\$ 1.53	\$ 3.72	\$ 3.42
Diluted	\$ 1.53	\$ 1.52	\$ 3.71	\$ 3.41
Shares used in computing earnings per share:				
Basic	15,405,856	15,787,154	15,457,810	15,839,939
Diluted	15,464,709	15,847,050	15,520,675	15,901,384
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 37,273	\$ 37,784	\$ 87,703	\$ 87,062
Europe	24,123	23,945	54,520	51,626
Greater China	16,372	17,812	37,191	41,717
Japan	6,262	7,176	14,029	13,931
Rest of Asia Pacific	6,723	8,119	16,885	17,654
Total net sales	\$ 90,753	\$ 94,836	\$ 210,328	\$ 211,990
⁽¹⁾ Net sales by category:				
iPhone	\$ 45,963	\$ 51,334	\$ 115,665	\$ 117,109
Mac	7,451	7,168	15,231	14,903
iPad	5,559	6,670	12,582	16,066
Wearables, Home and Accessories	7,913	8,757	19,866	22,239
Services	23,867	20,907	46,984	41,673
Total net sales	\$ 90,753	\$ 94,836	\$ 210,328	\$ 211,990

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>March 30, 2024</u>	<u>September 30, 2023</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 32,695	\$ 29,965
Marketable securities	34,455	31,590
Accounts receivable, net	21,837	29,508
Vendor non-trade receivables	19,313	31,477
Inventories	6,232	6,331
Other current assets	13,884	14,695
Total current assets	<u>128,416</u>	<u>143,566</u>
Non-current assets:		
Marketable securities	95,187	100,544
Property, plant and equipment, net	43,546	43,715
Other non-current assets	70,262	64,758
Total non-current assets	<u>208,995</u>	<u>209,017</u>
Total assets	<u>\$ 337,411</u>	<u>\$ 352,583</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 45,753	\$ 62,611
Other current liabilities	57,298	58,829
Deferred revenue	8,012	8,061
Commercial paper	1,997	5,985
Term debt	10,762	9,822
Total current liabilities	<u>123,822</u>	<u>145,308</u>
Non-current liabilities:		
Term debt	91,831	95,281
Other non-current liabilities	47,564	49,848
Total non-current liabilities	<u>139,395</u>	<u>145,129</u>
Total liabilities	<u>263,217</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; 15,337,686 and 15,550,061 shares issued and outstanding, respectively	78,815	73,812
Retained earnings/(Accumulated deficit)	4,339	(214)
Accumulated other comprehensive loss	(8,960)	(11,452)
Total shareholders' equity	<u>74,194</u>	<u>62,146</u>
Total liabilities and shareholders' equity	<u>\$ 337,411</u>	<u>\$ 352,583</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended	
	March 30, 2024	April 1, 2023
Cash, cash equivalents and restricted cash, beginning balances	\$ 30,737	\$ 24,977
Operating activities:		
Net income	57,552	54,158
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	5,684	5,814
Share-based compensation expense	5,961	5,591
Other	(1,971)	(1,732)
Changes in operating assets and liabilities:		
Accounts receivable, net	7,727	9,596
Vendor non-trade receivables	12,164	14,785
Inventories	53	(2,548)
Other current and non-current assets	(4,438)	(4,092)
Accounts payable	(16,710)	(20,764)
Other current and non-current liabilities	(3,437)	1,757
Cash generated by operating activities	<u>62,585</u>	<u>62,565</u>
Investing activities:		
Purchases of marketable securities	(25,042)	(11,197)
Proceeds from maturities of marketable securities	27,462	17,124
Proceeds from sales of marketable securities	4,314	1,897
Payments for acquisition of property, plant and equipment	(4,388)	(6,703)
Other	(729)	(247)
Cash generated by investing activities	<u>1,617</u>	<u>874</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,875)	(2,734)
Payments for dividends and dividend equivalents	(7,535)	(7,418)
Repurchases of common stock	(43,344)	(39,069)
Repayments of term debt	(3,150)	(3,651)
Repayments of commercial paper, net	(3,982)	(7,960)
Other	(132)	(455)
Cash used in financing activities	<u>(61,018)</u>	<u>(61,287)</u>
Increase in cash, cash equivalents and restricted cash	<u>3,184</u>	<u>2,152</u>
Cash, cash equivalents and restricted cash, ending balances	<u>\$ 33,921</u>	<u>\$ 27,129</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 14,531	\$ 4,894