

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	
	December 28, 2024	December 30, 2023
Net sales:		
Products	\$ 97,960	\$ 96,458
Services	26,340	23,117
Total net sales ⁽¹⁾	124,300	119,575
Cost of sales:		
Products	59,447	58,440
Services	6,578	6,280
Total cost of sales	66,025	64,720
Gross margin	58,275	54,855
Operating expenses:		
Research and development	8,268	7,696
Selling, general and administrative	7,175	6,786
Total operating expenses	15,443	14,482
Operating income	42,832	40,373
Other income/(expense), net	(248)	(50)
Income before provision for income taxes	42,584	40,323
Provision for income taxes	6,254	6,407
Net income	\$ 36,330	\$ 33,916
Earnings per share:		
Basic	\$ 2.41	\$ 2.19
Diluted	\$ 2.40	\$ 2.18
Shares used in computing earnings per share:		
Basic	15,081,724	15,509,763
Diluted	15,150,865	15,576,641
⁽¹⁾ Net sales by reportable segment:		
Americas	\$ 52,648	\$ 50,430
Europe	33,861	30,397
Greater China	18,513	20,819
Japan	8,987	7,767
Rest of Asia Pacific	10,291	10,162
Total net sales	\$ 124,300	\$ 119,575
⁽¹⁾ Net sales by category:		
iPhone	\$ 69,138	\$ 69,702
Mac	8,987	7,780
iPad	8,088	7,023
Wearables, Home and Accessories	11,747	11,953
Services	26,340	23,117
Total net sales	\$ 124,300	\$ 119,575

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	<u>December 28, 2024</u>	<u>September 28, 2024</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 30,299	\$ 29,943
Marketable securities	23,476	35,228
Accounts receivable, net	29,639	33,410
Vendor non-trade receivables	29,667	32,833
Inventories	6,911	7,286
Other current assets	13,248	14,287
Total current assets	<u>133,240</u>	<u>152,987</u>
Non-current assets:		
Marketable securities	87,593	91,479
Property, plant and equipment, net	46,069	45,680
Other non-current assets	77,183	74,834
Total non-current assets	<u>210,845</u>	<u>211,993</u>
Total assets	<u>\$ 344,085</u>	<u>\$ 364,980</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 61,910	\$ 68,960
Other current liabilities	61,151	78,304
Deferred revenue	8,461	8,249
Commercial paper	1,995	9,967
Term debt	10,848	10,912
Total current liabilities	<u>144,365</u>	<u>176,392</u>
Non-current liabilities:		
Term debt	83,956	85,750
Other non-current liabilities	49,006	45,888
Total non-current liabilities	<u>132,962</u>	<u>131,638</u>
Total liabilities	<u>277,327</u>	<u>308,030</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,040,731 and 15,116,786 shares issued and outstanding, respectively	84,768	83,276
Accumulated deficit	(11,221)	(19,154)
Accumulated other comprehensive loss	(6,789)	(7,172)
Total shareholders' equity	<u>66,758</u>	<u>56,950</u>
Total liabilities and shareholders' equity	<u>\$ 344,085</u>	<u>\$ 364,980</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Three Months Ended	
	December 28, 2024	December 30, 2023
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	\$ 29,943	\$ 30,737
Operating activities:		
Net income	36,330	33,916
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	3,080	2,848
Share-based compensation expense	3,286	2,997
Other	(2,009)	(989)
Changes in operating assets and liabilities:		
Accounts receivable, net	3,597	6,555
Vendor non-trade receivables	3,166	4,569
Inventories	215	(137)
Other current and non-current assets	939	(1,457)
Accounts payable	(6,671)	(4,542)
Other current and non-current liabilities	(11,998)	(3,865)
Cash generated by operating activities	<u>29,935</u>	<u>39,895</u>
Investing activities:		
Purchases of marketable securities	(6,124)	(9,780)
Proceeds from maturities of marketable securities	15,967	13,046
Proceeds from sales of marketable securities	3,492	1,337
Payments for acquisition of property, plant and equipment	(2,940)	(2,392)
Other	(603)	(284)
Cash generated by investing activities	<u>9,792</u>	<u>1,927</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,921)	(2,591)
Payments for dividends and dividend equivalents	(3,856)	(3,825)
Repurchases of common stock	(23,606)	(20,139)
Repayments of term debt	(1,009)	—
Repayments of commercial paper, net	(7,944)	(3,984)
Other	(35)	(46)
Cash used in financing activities	<u>(39,371)</u>	<u>(30,585)</u>
Increase in cash, cash equivalents, and restricted cash and cash equivalents	356	11,237
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	<u>\$ 30,299</u>	<u>\$ 41,974</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 18,651	\$ 7,255