

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 26, 2022	March 27, 2021	March 26, 2022	March 27, 2021
Net sales:				
Products	\$ 77,457	\$ 72,683	\$ 181,886	\$ 168,361
Services	19,821	16,901	39,337	32,662
Total net sales ⁽¹⁾	97,278	89,584	221,223	201,023
Cost of sales:				
Products	49,290	46,447	113,599	108,577
Services	5,429	5,058	10,822	10,039
Total cost of sales	54,719	51,505	124,421	118,616
Gross margin	42,559	38,079	96,802	82,407
Operating expenses:				
Research and development	6,387	5,262	12,693	10,425
Selling, general and administrative	6,193	5,314	12,642	10,945
Total operating expenses	12,580	10,576	25,335	21,370
Operating income	29,979	27,503	71,467	61,037
Other income/(expense), net	160	508	(87)	553
Income before provision for income taxes	30,139	28,011	71,380	61,590
Provision for income taxes	5,129	4,381	11,740	9,205
Net income	\$ 25,010	\$ 23,630	\$ 59,640	\$ 52,385
Earnings per share:				
Basic	\$ 1.54	\$ 1.41	\$ 3.65	\$ 3.11
Diluted	\$ 1.52	\$ 1.40	\$ 3.62	\$ 3.08
Shares used in computing earnings per share:				
Basic	16,278,802	16,753,476	16,335,263	16,844,298
Diluted	16,403,316	16,929,157	16,461,304	17,021,423
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 40,882	\$ 34,306	\$ 92,378	\$ 80,616
Europe	23,287	22,264	53,036	49,570
Greater China	18,343	17,728	44,126	39,041
Japan	7,724	7,742	14,831	16,027
Rest of Asia Pacific	7,042	7,544	16,852	15,769
Total net sales	\$ 97,278	\$ 89,584	\$ 221,223	\$ 201,023
⁽¹⁾ Net sales by category:				
iPhone	\$ 50,570	\$ 47,938	\$ 122,198	\$ 113,535
Mac	10,435	9,102	21,287	17,777
iPad	7,646	7,807	14,894	16,242
Wearables, Home and Accessories	8,806	7,836	23,507	20,807
Services	19,821	16,901	39,337	32,662
Total net sales	\$ 97,278	\$ 89,584	\$ 221,223	\$ 201,023

Apple Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	March 26, 2022	September 25, 2021
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 28,098	\$ 34,940
Marketable securities	23,413	27,699
Accounts receivable, net	20,815	26,278
Inventories	5,460	6,580
Vendor non-trade receivables	24,585	25,228
Other current assets	15,809	14,111
Total current assets	118,180	134,836
Non-current assets:		
Marketable securities	141,219	127,877
Property, plant and equipment, net	39,304	39,440
Other non-current assets	51,959	48,849
Total non-current assets	232,482	216,166
Total assets	\$ 350,662	\$ 351,002
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 52,682	\$ 54,763
Other current liabilities	50,248	47,493
Deferred revenue	7,920	7,612
Commercial paper	6,999	6,000
Term debt	9,659	9,613
Total current liabilities	127,508	125,481
Non-current liabilities:		
Term debt	103,323	109,106
Other non-current liabilities	52,432	53,325
Total non-current liabilities	155,755	162,431
Total liabilities	283,263	287,912
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 16,207,568 and 16,426,786 shares issued and outstanding, respectively	61,181	57,365
Retained earnings	12,712	5,562
Accumulated other comprehensive income/(loss)	(6,494)	163
Total shareholders' equity	67,399	63,090
Total liabilities and shareholders' equity	\$ 350,662	\$ 351,002

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Six Months Ended	
	March 26, 2022	March 27, 2021
Cash, cash equivalents and restricted cash, beginning balances	\$ 35,929	\$ 39,789
Operating activities:		
Net income	59,640	52,385
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	5,434	5,463
Share-based compensation expense	4,517	4,001
Deferred income tax expense/(benefit)	1,088	(207)
Other	(20)	(474)
Changes in operating assets and liabilities:		
Accounts receivable, net	5,542	(2,347)
Inventories	1,065	(1,226)
Vendor non-trade receivables	643	6,792
Other current and non-current assets	(3,542)	(4,333)
Accounts payable	(1,750)	(1,997)
Deferred revenue	627	1,642
Other current and non-current liabilities	1,888	3,045
Cash generated by operating activities	<u>75,132</u>	<u>62,744</u>
Investing activities:		
Purchases of marketable securities	(61,987)	(74,424)
Proceeds from maturities of marketable securities	18,000	39,605
Proceeds from sales of marketable securities	24,668	21,645
Payments for acquisition of property, plant and equipment	(5,317)	(5,769)
Payments made in connection with business acquisitions, net	(167)	(9)
Other	(568)	—
Cash used in investing activities	<u>(25,371)</u>	<u>(18,952)</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(3,218)	(3,160)
Payments for dividends and dividend equivalents	(7,327)	(7,060)
Repurchases of common stock	(43,109)	(43,323)
Proceeds from issuance of term debt, net	—	13,923
Repayments of term debt	(3,750)	(4,500)
Proceeds from commercial paper, net	999	22
Other	(105)	523
Cash used in financing activities	<u>(56,510)</u>	<u>(43,575)</u>
Increase/(Decrease) in cash, cash equivalents and restricted cash	<u>(6,749)</u>	<u>217</u>
Cash, cash equivalents and restricted cash, ending balances	<u>\$ 29,180</u>	<u>\$ 40,006</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 9,301	\$ 10,276
Cash paid for interest	\$ 1,406	\$ 1,327