

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 28, 2026	March 29, 2025	March 28, 2026	March 29, 2025
Net sales:				
Products	\$ 80,208	\$ 68,714	\$ 193,951	\$ 166,674
Services	30,976	26,645	60,989	52,985
Total net sales ⁽¹⁾	111,184	95,359	254,940	219,659
Cost of sales:				
Products	49,179	44,030	116,657	103,477
Services	7,224	6,462	14,271	13,040
Total cost of sales	56,403	50,492	130,928	116,517
Gross margin	54,781	44,867	124,012	103,142
Operating expenses:				
Research and development	11,419	8,550	22,306	16,818
Selling, general and administrative	7,477	6,728	14,969	13,903
Total operating expenses	18,896	15,278	37,275	30,721
Operating income	35,885	29,589	86,737	72,421
Other income/(expense), net	(52)	(279)	98	(527)
Income before provision for income taxes	35,833	29,310	86,835	71,894
Provision for income taxes	6,255	4,530	15,160	10,784
Net income	\$ 29,578	\$ 24,780	\$ 71,675	\$ 61,110
Earnings per share:				
Basic	\$ 2.02	\$ 1.65	\$ 4.87	\$ 4.06
Diluted	\$ 2.01	\$ 1.65	\$ 4.85	\$ 4.05
Shares used in computing earnings per share:				
Basic	14,673,278	14,994,082	14,710,718	15,037,903
Diluted	14,725,873	15,056,133	14,768,115	15,103,499
⁽¹⁾ Net sales by reportable segment:				
Americas	\$ 45,093	\$ 40,315	\$ 103,622	\$ 92,963
Europe	28,055	24,454	66,201	58,315
Greater China	20,497	16,002	46,023	34,515
Japan	8,401	7,298	17,814	16,285
Rest of Asia Pacific	9,138	7,290	21,280	17,581
Total net sales	\$ 111,184	\$ 95,359	\$ 254,940	\$ 219,659
⁽¹⁾ Net sales by category:				
iPhone	\$ 56,994	\$ 46,841	\$ 142,263	\$ 115,979
Mac	8,399	7,949	16,785	16,936
iPad	6,914	6,402	15,509	14,490
Wearables, Home and Accessories	7,901	7,522	19,394	19,269
Services	30,976	26,645	60,989	52,985
Total net sales	\$ 111,184	\$ 95,359	\$ 254,940	\$ 219,659

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CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	March 28, 2026	September 27, 2025
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 45,572	\$ 35,934
Marketable securities	22,935	18,763
Accounts receivable, net	30,339	39,777
Vendor non-trade receivables	23,172	33,180
Inventories	6,747	5,718
Other current assets	15,349	14,585
Total current assets	<u>144,114</u>	<u>147,957</u>
Non-current assets:		
Marketable securities	78,088	77,723
Property, plant and equipment, net	50,116	49,834
Intangible assets, net	21,334	11,093
Other non-current assets	77,430	72,634
Total non-current assets	<u>226,968</u>	<u>211,284</u>
Total assets	<u>\$ 371,082</u>	<u>\$ 359,241</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 57,349	\$ 69,860
Other current liabilities	57,654	66,387
Deferred revenue	9,331	9,055
Commercial paper	1,997	7,979
Term debt	8,310	12,350
Total current liabilities	<u>134,641</u>	<u>165,631</u>
Non-current liabilities:		
Term debt	74,404	78,328
Other non-current liabilities	55,546	41,549
Total non-current liabilities	<u>129,950</u>	<u>119,877</u>
Total liabilities	<u>264,591</u>	<u>285,508</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 14,667,688 and 14,773,260 shares issued and outstanding, respectively	99,507	93,568
Retained earnings/(Accumulated deficit)	12,359	(14,264)
Accumulated other comprehensive loss	(5,375)	(5,571)
Total shareholders' equity	<u>106,491</u>	<u>73,733</u>
Total liabilities and shareholders' equity	<u>\$ 371,082</u>	<u>\$ 359,241</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Six Months Ended	
	March 28, 2026	March 29, 2025
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	\$ 35,934	\$ 29,943
Operating activities:		
Net income	71,675	61,110
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	6,653	5,741
Share-based compensation expense	7,122	6,512
Other	(1,717)	(2,217)
Changes in operating assets and liabilities:		
Accounts receivable, net	9,295	7,266
Vendor non-trade receivables	10,008	9,171
Inventories	(1,084)	858
Other current and non-current assets	(14,329)	(4,371)
Accounts payable	(12,297)	(14,604)
Other current and non-current liabilities	7,301	(15,579)
Cash generated by operating activities	<u>82,627</u>	<u>53,887</u>
Investing activities:		
Purchases of marketable securities	(32,432)	(12,442)
Proceeds from maturities of marketable securities	18,691	26,587
Proceeds from sales of marketable securities	8,615	5,210
Payments for acquisition of property, plant and equipment	(4,344)	(6,011)
Other	(1,584)	(635)
Cash generated by/(used in) investing activities	<u>(11,054)</u>	<u>12,709</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(3,252)	(3,205)
Payments for dividends and dividend equivalents	(7,743)	(7,614)
Repurchases of common stock	(36,989)	(49,504)
Repayments of term debt	(7,914)	(4,009)
Repayments of commercial paper, net	(5,911)	(3,968)
Other	(126)	(77)
Cash used in financing activities	<u>(61,935)</u>	<u>(68,377)</u>
Increase/(Decrease) in cash, cash equivalents, and restricted cash and cash equivalents	<u>9,638</u>	<u>(1,781)</u>
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	<u>\$ 45,572</u>	<u>\$ 28,162</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 20,397	\$ 31,683