## Apple Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

(In millions, except number of shares which are reflected in thousands and per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 28, 2020</td>
<td>March 30, 2019</td>
</tr>
<tr>
<td></td>
<td>$44,965</td>
<td>$46,565</td>
</tr>
<tr>
<td>Net sales:</td>
<td>$124,069</td>
<td>$120,000</td>
</tr>
<tr>
<td>Products</td>
<td>13,348</td>
<td>11,450</td>
</tr>
<tr>
<td>Services</td>
<td>26,063</td>
<td>22,325</td>
</tr>
<tr>
<td>Total net sales (1)</td>
<td>58,313</td>
<td>58,015</td>
</tr>
<tr>
<td>Cost of sales:</td>
<td>35,943</td>
<td>36,194</td>
</tr>
<tr>
<td>Products</td>
<td>83,396</td>
<td>80,285</td>
</tr>
<tr>
<td>Services</td>
<td>9,149</td>
<td>8,188</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td>92,545</td>
<td>88,473</td>
</tr>
<tr>
<td>Gross margin</td>
<td>22,370</td>
<td>21,821</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td>9,517</td>
<td>8,406</td>
</tr>
<tr>
<td>Research and development</td>
<td>4,565</td>
<td>3,948</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>4,952</td>
<td>4,458</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>9,517</td>
<td>8,406</td>
</tr>
<tr>
<td>Operating income</td>
<td>12,853</td>
<td>13,415</td>
</tr>
<tr>
<td>Other income/(expense), net</td>
<td>282</td>
<td>378</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>13,135</td>
<td>13,793</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>1,886</td>
<td>2,233</td>
</tr>
<tr>
<td>Net income</td>
<td>$11,249</td>
<td>$11,561</td>
</tr>
</tbody>
</table>

| Earnings per share:      |                   |                  |
| Basic                    | 2.58               | 2.47             |
| Diluted                  | 2.55               | 2.46             |

| Shares used in computing earnings per share: | |
| Basic                                      | 4,360,101          | 4,674,071        |
| Diluted                                   | 4,404,691          | 4,700,646        |

(1) Net sales by reportable segment:

| Americas                      | $25,473            | $25,596          |
| Europe                        | 14,294             | 13,054           |
| Greater China                 | 9,455              | 10,218           |
| Japan                         | 5,206              | 5,532            |
| Rest of Asia Pacific          | 3,885              | 3,615            |
| Total net sales               | $58,313            | $58,015          |

(1) Net sales by category:

| iPhone                        | $28,962            | $31,051          |
| Mac                           | 5,351              | 5,513            |
| iPad                          | 4,368              | 4,872            |
| Wearables, Home and Accessories | 6,284             | 5,129            |
| Services                      | 13,348             | 11,450           |
| Total net sales               | $58,313            | $58,015          |
Apple Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In millions, except number of shares which are reflected in thousands and par value)

<table>
<thead>
<tr>
<th>Assets</th>
<th>March 28, 2020</th>
<th>September 28, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$40,174</td>
<td>$48,844</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>53,877</td>
<td>51,713</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>15,722</td>
<td>22,926</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,334</td>
<td>4,106</td>
</tr>
<tr>
<td>Vendor non-trade receivables</td>
<td>14,955</td>
<td>22,878</td>
</tr>
<tr>
<td>Other current assets</td>
<td>15,691</td>
<td>12,352</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$143,753</td>
<td>$162,819</td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable securities</td>
<td>98,793</td>
<td>105,341</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>35,889</td>
<td>37,378</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>41,965</td>
<td>32,978</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>$176,647</td>
<td>$175,697</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$320,400</td>
<td>$338,516</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Shareholders’ Equity:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$32,421</td>
<td>$46,236</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>37,324</td>
<td>37,720</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,928</td>
<td>5,522</td>
</tr>
<tr>
<td>Commercial paper and repurchase agreement</td>
<td>10,029</td>
<td>5,980</td>
</tr>
<tr>
<td>Term debt</td>
<td>10,392</td>
<td>10,260</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$96,094</td>
<td>105,718</td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term debt</td>
<td>89,086</td>
<td>91,807</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>56,795</td>
<td>50,503</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>$145,881</td>
<td>$142,310</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$241,975</td>
<td>$248,028</td>
</tr>
<tr>
<td>Commitments and contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock and additional paid-in capital, $0.00001 par value: 12,600,000 shares authorized; 4,323,987 and 4,443,236 shares issued and outstanding, respectively</td>
<td>48,032</td>
<td>45,174</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>33,182</td>
<td>45,898</td>
</tr>
<tr>
<td>Accumulated other comprehensive income/(loss)</td>
<td>(2,789)</td>
<td>(584)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>78,425</td>
<td>90,488</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>$320,400</td>
<td>$338,516</td>
</tr>
</tbody>
</table>
Apple Inc.

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

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 28, 2020</td>
<td>March 30, 2019</td>
<td></td>
</tr>
<tr>
<td>Cash, cash equivalents and restricted cash, beginning balances</td>
<td>$ 50,224</td>
<td>$ 25,913</td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Net income</td>
<td>33,485</td>
<td>31,526</td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile net income to cash generated by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>5,602</td>
<td>6,435</td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>3,407</td>
<td>3,073</td>
<td></td>
</tr>
<tr>
<td>Deferred income tax benefit</td>
<td>(651)</td>
<td>(124)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(259)</td>
<td>(215)</td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,284</td>
<td>8,094</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>699</td>
<td>(1,006)</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>7,923</td>
<td>14,616</td>
<td></td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>(8,866)</td>
<td>(717)</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(13,520)</td>
<td>(20,024)</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,223</td>
<td>(540)</td>
<td></td>
</tr>
<tr>
<td>Other current and non-current liabilities</td>
<td>7,500</td>
<td>(3,273)</td>
<td></td>
</tr>
<tr>
<td>Cash generated by operating activities</td>
<td>43,827</td>
<td>37,845</td>
<td></td>
</tr>
<tr>
<td>Investing activities:</td>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Purchases of marketable securities</td>
<td>(66,489)</td>
<td>(13,854)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from maturities of marketable securities</td>
<td>39,738</td>
<td>16,880</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of marketable securities</td>
<td>27,762</td>
<td>22,635</td>
<td></td>
</tr>
<tr>
<td>Payments for acquisition of property, plant and equipment</td>
<td>(3,960)</td>
<td>(5,718)</td>
<td></td>
</tr>
<tr>
<td>Payments made in connection with business acquisitions, net</td>
<td>(1,134)</td>
<td>(291)</td>
<td></td>
</tr>
<tr>
<td>Purchases of non-marketable securities</td>
<td>(146)</td>
<td>(490)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(426)</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Cash generated by/(used in) investing activities</td>
<td>(4,655)</td>
<td>19,192</td>
<td></td>
</tr>
<tr>
<td>Financing activities:</td>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Proceeds from issuance of common stock</td>
<td>430</td>
<td>390</td>
<td></td>
</tr>
<tr>
<td>Payments for taxes related to net share settlement of equity awards</td>
<td>(1,566)</td>
<td>(1,427)</td>
<td></td>
</tr>
<tr>
<td>Payments for dividends and dividend equivalents</td>
<td>(6,914)</td>
<td>(7,011)</td>
<td></td>
</tr>
<tr>
<td>Repurchases of common stock</td>
<td>(39,280)</td>
<td>(32,498)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of term debt, net</td>
<td>2,210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of term debt</td>
<td>(5,250)</td>
<td>(2,500)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from/(repayments of) commercial paper, net</td>
<td>1,518</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from repurchase agreement</td>
<td>2,556</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(51)</td>
<td>(51)</td>
<td></td>
</tr>
<tr>
<td>Cash used in financing activities</td>
<td>(46,347)</td>
<td>(43,133)</td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in cash, cash equivalents and restricted cash</td>
<td>(7,175)</td>
<td>13,904</td>
<td></td>
</tr>
<tr>
<td>Cash, cash equivalents and restricted cash, ending balances</td>
<td>$ 43,049</td>
<td>$ 39,817</td>
<td></td>
</tr>
</tbody>
</table>

Supplemental cash flow disclosure:

|                      |            |            |
| Cash paid for income taxes, net | $ 7,505 | $ 9,497 |
| Cash paid for interest        | $ 1,689   | $ 1,762   |