#### 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			Nine Months Ended			
	 June 29, 2019		June 30, 2018		June 29, 2019		June 30, 2018
Net sales:							
Products	\$ 42,354	\$	43,095	\$	162,354	\$	173,546
Services	11,455		10,170	_	33,780		29,149
Total net sales (1)	53,809		53,265		196,134		202,695
Cost of sales:							
Products	29,473		28,956		109,758		113,467
Services	4,109		3,888		12,297		11,473
Total cost of sales	 33,582		32,844		122,055		124,940
Gross margin	 20,227		20,421		74,079		77,755
Operating expenses:							
Research and development	4,257		3,701		12,107		10,486
Selling, general and administrative	 4,426		4,108		13,667	_	12,489
Total operating expenses	 8,683		7,809		25,774		22,975
Operating income	11,544		12,612		48,305		54,780
Other income/(expense), net	367		672		1,305		1,702
Income before provision for income taxes	11,911		13,284		49,610		56,482
Provision for income taxes	1,867		1,765		8,040		11,076
Net income	\$ 10,044	\$	11,519	\$	41,570	\$	45,406
Earnings per share:							
Basic	\$ 2.20	\$	2.36	\$	8.92	\$	9.07
Diluted	\$ 2.18	\$	2.34	\$	8.86	\$	8.99
Shares used in computing earnings per share:							
Basic	4,570,633		4,882,167		4,660,175		5,006,640
Diluted	4,601,380		4,926,609		4,691,759		5,050,963
<sup>(1)</sup> Net sales by reportable segment:							
Americas	\$ 25,056	\$	24,542	\$	87,592	\$	84,576
Europe	11,925		12,138		45,342		47,038
Greater China	9,157		9,551		32,544		40,531
Japan	4,082		3,867		16,524		16,572
Rest of Asia Pacific	 3,589		3,167		14,132		13,978
Total net sales	\$ 53,809	\$	53,265	\$	196,134	\$	202,695
<sup>(1)</sup> Net sales by category:							
iPhone	\$ 25,986	\$	29,470	\$	109,019	\$	128,133
Мас	5,820		5,258		18,749		17,858
iPad	5,023		4,634		16,624		14,397
Wearables, Home and Accessories	5,525		3,733		17,962		13,158
Services	 11,455		10,170		33,780		29,149
Total net sales	\$ 53,809	\$	53,265	\$	196,134	\$	202,695

#### Apple Inc.

## CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	June 29, 2019		S	eptember 29, 2018
ASSETS:				
Current assets:				
Cash and cash equivalents	\$	50,530	\$	25,913
Marketable securities		44,084		40,388
Accounts receivable, net		14,148		23,186
Inventories		3,355		3,956
Vendor non-trade receivables		12,326		25,809
Other current assets		10,530		12,087
Total current assets		134,973		131,339
Non-current assets:				
Marketable securities		115,996		170,799
Property, plant and equipment, net		37,636		41,304
Other non-current assets		33,634		22,283
Total non-current assets		187,266		234,386
Total assets	\$	322,239	\$	365,725
LIABILITIES AND SHAREHOLDERS' EQUITY:				
Current liabilities:				
Accounts payable	\$	29,115	\$	55,888
Other current liabilities		31,673		33,327
Deferred revenue		5,434		5,966
Commercial paper		9,953		11,964
Term debt		13,529		8,784
Total current liabilities		89,704		115,929
Non-current liabilities:				
Term debt		84,936		93,735
Other non-current liabilities		51,143		48,914
Total non-current liabilities		136,079		142,649
Total liabilities		225,783		258,578
Commitments and contingencies				
Shareholders' equity:				
Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares		40.074		40.00
authorized; 4,531,395 and 4,754,986 shares issued and outstanding, respectively		43,371		40,20
Retained earnings		53,724		70,400
Accumulated other comprehensive income/(loss)		(639)		(3,454
Total shareholders' equity	_	96,456	<u>_</u>	107,147
Total liabilities and shareholders' equity	\$	322,239	\$	365,72

### Apple Inc.

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

	Nine Months Ended			
	June 29, 2019		June 30, 2018	
Cash, cash equivalents and restricted cash, beginning balances	\$	25,913	5 20,289	
Operating activities:				
Net income		41,570	45,406	
Adjustments to reconcile net income to cash generated by operating activities:				
Depreciation and amortization		9,368	8,149	
Share-based compensation expense		4,569	3,995	
Deferred income tax benefit		(38)	(33,109	
Other		(340)	(410	
Changes in operating assets and liabilities:				
Accounts receivable, net		9,013	3,756	
Inventories		496	(1,114	
Vendor non-trade receivables		13,483	5,536	
Other current and non-current assets		693	(65	
Accounts payable		(19,804)	(10,410	
Deferred revenue		(776)	(73	
Other current and non-current liabilities		(8,753)	36,250	
Cash generated by operating activities		49,481	57,911	
Investing activities:				
Purchases of marketable securities		(21,902)	(56,133	
Proceeds from maturities of marketable securities		26,783	46,290	
Proceeds from sales of marketable securities		49,516	41,614	
Payments for acquisition of property, plant and equipment		(7,718)	(10,272	
Payments made in connection with business acquisitions, net		(611)	(431	
Purchases of non-marketable securities		(632)	(1,788	
Proceeds from non-marketable securities		1,526	310	
Other		(268)	(523	
Cash generated by investing activities		46,694	19,067	
Financing activities:				
Proceeds from issuance of common stock		391	328	
Payments for taxes related to net share settlement of equity awards		(2,626)	(2,267	
Payments for dividends and dividend equivalents		(10,640)	(10,182	
Repurchases of common stock		(49,453)	(53,634	
Proceeds from issuance of term debt, net		_	6,969	
Repayments of term debt		(5,500)	(6,500	
Repayments of commercial paper, net		(2,026)	(10	
Other		(83)	_	
Cash used in financing activities		(69,937)	(65,296	
Increase in cash, cash equivalents and restricted cash		26,238	11,682	
Cash, cash equivalents and restricted cash, ending balances	\$	52,151		
Supplemental cash flow disclosure:				
Cash paid for income taxes, net	\$	11,795	6 8,819	
Cash paid for interest	\$	2,563		
	Ψ	2,000 4	2,120	