Apple Ecosystem

Apple Inc.
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Phone: (408) 996-1010
www.apple.com

Outside Relationships

Regulators

- Subjects of US and Foreign Regulation
- Antitrust
- Data Privacy
- Consumer Protection
- Data Security and Data Localization
- Advertising
- Sales
- Billing and e-Commerce
- Product Liability
- Mobile Communi-cations
- Intellectual Property Ownership
- Media, TV, Film and Digital Content
- Foreign Exchange and Cash Repatriation Restrictions
- Digital Platforms
- Labor and Employment
- Internet
- Anti-Money Laundering
- Anti-Corruption
- Telecommuni-cations
- Tax
- Export, Import and Trade Restrictions
- Environment, Health & Safety
- Foreign Ownership & Investment

Capital

- Public Debt Holders
- Commercial Banks

Suppliers

- Professional Services
  - Ernst & Young (Auditors)
  - TBWA/Media Arts Lab (Advertising)
  - Boies Schiller Flexner (Antitrust Litigation)
  - Morrison & Foerster (Law)
- Entertainment Partners
  - Amazon
  - CBS
  - Disney
  - Rogers Communications
  - Time
  - News Corp.
  - Meredith
  - Hearst
  - Conde Nast
  - NBCUniversal
- Third Party IP and Software Developers
  - Software Applications and Services Developers
  - Intellectual Property Owners

Customers

- Mobile Phone Owners
- Content Consumers

Apple Inc. (A California Corporation)

Bond Financing / Commercial Paper

Debt Structure

Debt ($106.1B @ 9/26/20) — Credit Ratings: Aa1 (Moody's), AA+ (S&P)

- Commercial Paper (9-months or less) ($5.0 billion)
- Senior Floating Rate Notes at 0.60% - 1.39% ($2.25B)
- 2020-2049 Senior Fixed Rate Notes at 0.28% to 4.78% ($87.5B)
- 2025-2031 Senior Fixed Rate Notes at 0.00% to 0.50% ($2.3B)
- 2023-2050 Senior Fixed Rate Notes at 0.55% to 2.65% ($8.5B)
- 2025-2060 Senior Fixed Rate Notes at 0.55% to 2.55% ($5.5B)

Equity Structure

Equity

- Common Stock (50.4 Billion Authorized; 16.977 Billion Shares Outstanding)
- $225 Billion Share Repurchase Program ($168.6B Utilized)

Professional Services

Governance

Board of Directors

Arthur D. Levinson (C)	Albert Gore Jr. (C, N)	Committees: Compensation (C); Nominating & Corporate Governance (N); Audit & Finance (A)
Tim Cook	Andrea Jung (C, N)	
James A. Bell (A)	Susan L. Wagner (N, A)	
Monica Lozano (A)	Ronald D. Sugar (A)	

Management Team

CEO – Tim Cook	SVP Machine Learning & AI Strategy – John Giannandrea	SVP Hardware Engineering – Dan Riccio
SVP & General Counsel – Katherine Adams	SVP Operations – Sabih Khan	SVP Worldwide Marketing - Greg "Joz" Joswiak
SVP & CFO – Luca Maestri	SVP Internet Software and Services - Eddy Cue	SVP Hardware Technologies – Johny Srouji
COO – Jeff Williams	SVP Retail + People – Deirdre O'Brien	SVP Software Engineering – Craig Federighi

Corporate Matters

Human Resources
- Hiring / Training
- Pension Plans
- Compensation
- Immigration
- Benefit / 401(k) Plans
- Talent Development
- Recruitment
- Equity Incentive Plan
- Onboarding
- Non-Disclosure / Invention Agreements

Sales and Marketing
- Advertising
- Retail Accounts
- E Commerce
- Wholesaler, Distributor and Agent Relations

Procurement
- Third Party Manufacturing
- MRO Purchasing
- Contract Negotiations
- Supplier Relations

Finance and Accounting
- Budget Support
- Internal Audit
- Accounting
- Cash Management
- Financial Reporting
- Tax
- Risk Management
- FP&A
- Insurance
- Treasury / Cash Management

Legal

Real Estate	IP Management
Transactions	Subsidiary Management
Contract Management	Litigation Management
Corporate Governance	Securities Compliance
Secretarial Matters	Employment Law

Information Technology

Help Desk / Hotline	
Software Licenses	Data Processing Systems
IT Equipment	E Commerce Platforms
Procurement Management Systems	Inventory Management Systems

Research & Development
- New Technologies
- Existing Product Enhancements
- 3rd Party Business & Technology Acquisitions

Intellectual Property
- Utility/DesignPatent
- Trademarks
- Copyrights
- Service Marks
- Trade Dress

Operations

Americas	Europe & MENA	Japan	Greater China	Rest of Asia Pacific
(2020 Revenue = $124.6B)	(2020 Revenue = $68.6B)	(2020 Revenue = $21.4B)	(2020 Revenue = $40.3B)	(2020 Revenue = $19.6B)
Regions: Canada, Brazil, United States, Mexico	Regions: Europe, Africa, Middle East, India	Regions: Japan	Regions: China, Taiwan, Hong Kong	Regions: Thailand, Australia, Indonesia, New Zealand, South Korea
Facilities	Facilities	Facilities	Facilities	Facilities
Offices: Corporate Headquarters Cupertino, CA; Austin, Texas; Toronto, Canada; Mexico City, Mexico	Offices: Cork, Ireland; Paris, France; Bengaluru, India; Istanbul, Turkey; Dubai, United Arab Emirates,	Offices: Tokyo, Japan	Offices: Hong Kong; Taipei City, Taiwan	Offices: Sydney, Australia; Jakarta, Indonesia; Cotai, Macao; Kuala Lumpur, Malaysia; Auckland, New Zealand; Singapore, Singapore; Seoul, South Korea; Bangkok, Thailand
Retail Stores: US - 270; Canada - 28; Mexico - 2; Brazil - 2	Retail Stores: Europe - 112; Turkey - 2; United Arab Emirates - 3	Retail Stores: Japan - 10	Retail Stores: China - 42; Hong Kong - 6; Taiwan - 2	Retail Stores: Australia - 22; Macao - 2; Singapore - 3; South Korea - 1; Thailand -2

Product Categories Categories (2020 Worldwide Revenue $220.747B)

iPhone *(iOS Operating System)* (2020 Worldwide Revenue $137.8B)
- iPhone 12
- iPhone 12 Pro
- iPhone SE
- iPhone 12 Mini
- iPhone 12 Pro Max
- Earlier iPhone Models

Competitors: Xiaomi (primarily in China), Huawei (primarily in China), Google, Samsung

Mac *(macOS Operating System)* (2020 Worldwide Revenue $28.6B)
- MacBook Air
- MacBook
- Mac Pro
- Mac mini
- MacBook Pro
- iMac

Competitors: Sony, Google Android (Operating System), Microsoft Windows (Operating System), Lenovo, Dell

iPad *(iPadOS Operating System)* (2020 Worldwide Revenue $23.7B)
- iPad
- iPad mini
- iPad Pro
- iPad Air

Competitors: Google, Samsung, Microsoft, Amazon (e-Readers)

Wearables and Home Accessories (2020 Worldwide Revenue $30.6B)
- AirPods
- Apple TV
- iPod touch
- Apple Watch
- Beats Headphones
- HomePod
- Apple-Branded Accessories

Competitors: Amazon, Google, Microsoft, Sony, Samsung, Garmin

Service Categories (2020 Worldwide Revenue $53.768B)

Digital Content Stores and Subscription-Based Streaming Services
- App Store
- Watch App Store
- Apple TV+
- Mac App Store
- TV App Store
- Apple Music

Competitors: Netflix, Disney, Spotify, NBCUniversal, Amazon, Sony, Microsoft, Google, Samsung

Apple Care
- Apple Care
- Apple Care+
- Apple Care Protection Plan

iCloud
- iCloud Storage (for Music, Photos, Contacts, Calendars, Mail, Documents)

Competitors: Amazon, Google, Microsoft

Licensing and Other Services
- Licenses
- Apple Arcade
- Apple Fitness+
- Apple Card
- Apple News+

Competitors: Google

Licenses to Sell Third Party Digital Content

Digital Rights Management and Security Solutions

Business Regulation

IP and Software Applications Licenses

iPhone Sales

Commission-Based Digital Content Sales for Downloading

Securities Regulation and NASDAQ Listing Rules

Common Stock Repurchases

Equity Capital

Outside Relationships

Customers

- Watch Wearers, TV Watchers, Music Listeners/ Headphone Users
- Gamers
- Readers

Suppliers

- Hardware Components Supply and Assembly Services
- Wearables and Homes Accessories Sales
- Subscription-Based Gaming Service
- Subscription-Based News & Magazine Service

Capital

Significant Shareholders
- Vanguard Group (7.09%)
- Berkshire Hathaway (5.55%)
- BlackRock Fund Advisors (4.28%)
- SSgA Funds Management (3.96%)
- Fidelity Management & Research (1.88%)

Regulators

Securities Regulators
- US Securities and Exchange Commission
- The NASDAQ Stock Market

Key Company Data (as of 9/26/20)

Share Information
- NASDAQ: AAPL
- Current Share Price: $142.98 (1/26/21)
- Annual Dividend: $3.18 per share

Financial
- Net Sales: $275B
- Net Income: $57.4B
- Gross Margin: 31.5% (Products); 66% (Services)

Product Sales (Worldwide Revenue)
- iPhone: $137.8 billion
- Mac: $28.6 billion
- iPad: $23.7 billion
- Wearables and Home Accessories: $30.6 billion
- Services: $53.8 billion
- Total: $274.5 billion

Distribution
- Direct Sales (34%) via Apple Online and Retail Stores
- Indirect Sales (66%) via Third-Party Cellular Network Carriers, Wholesalers, Retailers, and Resellers

Customers
- Consumers
- Small to Mid-Sized Businesses
- Education Customers
- Education Customers
- Government Customers

Contractual Commitments
- Outsourcing partners who make sub-assemblies, perform final assembly, and product testing
- Individual component suppliers
- Limited warranties on new hardware products and obligations under extended warranty service coverage

Resources
- 147,000 Employees

Sales
- No customer accounts for more than 10% of revenues

Significant Suppliers

- Hon Hai Precision-Foxconn (Assembly)
- Wistron (Printed Circuit Boards)
- Goertek (Acoustic & wireless components)
- Pegatron (Assembly)
- Luxshare (AirPods production)
- Intel (Processors)
- Samsung (Components, such as flash memory, mobile DRAM, and application processors)
- Qualcomm (Electronic Components such as power trackers and management modules, GSM/DCMA receivers and transreceivers)
- Muirata Manufacturing (Ceramic Capacitors)

Subscription Based Digital Content Streaming Services

- TV Watchers & Music Listeners

Desktop & Laptop Computer Sales

- Computer Owners

Fee-Based Phone Support and Hardware Damage & Repair Services

- Apple Device Owners

iPad Sales

- iPad Owners

Subscription-Based Fitness Service

- Apple Watch Users

Intellectual Property Licenses

- Third Parties

Cashless Payment Service

- Apple Credit Card Holders

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