

What Apple Inc.'s 2025 Form 10-K assumes, believes and expects

Source: Apple Inc. - Form 10-K, 2025 (65 pages). Public document.

Five assumptions worth your attention

These claims are never argued for directly, but the strategy depends on them.

Concentrating key manufacturing and supply chain operations in Asia will not lead to unmitigated operational disruptions despite rising geopolitical tensions.

Why it matters: A significant majority of Apple's manufacturing is performed by outsourcing partners in China mainland, India, Japan, South Korea, Taiwan, and Vietnam. With \$416,161 million in net sales in 2025, any severe geopolitical escalation or trade disruption in these single or limited-source regions directly threatens the majority of product delivery.

What would prove or disprove it: Disruptions in primary manufacturing locations leading to material product delivery delays reported in subsequent SEC quarterly filings.

Third-party developers will continue prioritizing iOS/iPadOS application development despite Apple having minority market shares in global device markets.

Why it matters: Apple admits holding a minority market share in global smartphone, PC, tablet, and wearables markets, while Services net sales reached \$109,158 million in 2025. Hardware demand relies on compelling third-party software applications, making sustained developer ecosystem participation essential.

What would prove or disprove it: Developer portal registration statistics or platform-exclusive app releases tracked annually in developer ecosystem metrics.

Antitrust enforcement and court mandates altering App Store commission structures will not significantly erode high-margin Services revenues.

Why it matters: Services gross margin reached 75.4% (\$82,314 million) in 2025. With court orders preventing commissions on external purchases in the U.S. and DMA enforcement in Europe imposing €500 million fines, the financial architecture of App Store monetization faces structural regulatory pressure.

What would prove or disprove it: Rulings in ongoing Ninth Circuit Court appeals or European Commission DMA noncompliance proceedings.

Commercial search licensing arrangements, such as the Google partnership, will remain viable revenue sources despite severe antitrust enforcement.

Why it matters: Licensing arrangements contribute significantly to advertising and Services net sales (\$109,158 million in 2025). On September 2, 2025, a U.S. District Court ordered remedies following antitrust findings against Google, placing search distribution revenues at risk of legal prohibition.

What would prove or disprove it: Final judicial remedies issued or appellate court judgments regarding Google search distribution agreements.

International trade tariffs and retaliatory trade measures will not impair overall consumer demand or compression of product gross margins.

Why it matters: New U.S. Tariffs were announced in 2025 on imports from China, India, Japan, South Korea, Taiwan, Vietnam, and the EU. Product gross margin percentage decreased to 36.8% in 2025 partly due to tariff costs, showing immediate exposure across its \$307,003 million product sales base.

What would prove or disprove it: Quarterly gross margin disclosures in subsequent Form 10-Q filings explicitly attributing margin impact to trade tariffs.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Source
Stated outright	The Company expects gross margins to generally be subject to volatility and downward pressure due to pricing, competition, and cost inflation.	Item 7 MD&A;
Stated outright	The Company expects to increase its quarterly cash dividend on an annual basis, subject to Board declaration.	Item 7 MD&A;
Stated outright	The Company expects 66% of its \$13.7 billion total deferred revenue to be realized in less than one year.	Note 2 Revenue
Stated outright (risk framing)	Adverse macroeconomic conditions, inflation, tighter credit, and currency fluctuations could reduce consumer confidence and spending on products.	Item 1A Risk Factors
Stated outright (risk framing)	Single or limited source component suppliers may experience capacity constraints, industry shortages, or commodity pricing fluctuations.	Item 1A Risk Factors
Stated outright (risk framing)	The introduction of complex technologies like artificial intelligence features increases safety risks, potential user exposure to harmful content, and privacy vulnerabilities.	Item 1A Risk Factors
Partly third-party	U.S. Department of Commerce Section 232 investigations into semiconductor imports could alter component availability and cost structures.	U.S. Dept of Commerce via company
Asserted, no evidence shown	The Company believes that its distinctive and inclusive culture is a significant driver of its strategic and operational success.	Item 1A Risk Factors

Category	Claim	Source
<i>Asserted, no evidence shown</i>	The Company believes the duration of its intellectual property rights portfolio is adequate relative to the expected lives of its products.	<i>Item 1 Business</i>
<i>Aspiration, no numbers</i>	The Company pursues environmental and societal goals and initiatives across its global footprint, depending in part on third-party performance.	<i>Item 1A Risk Factors</i>
<i>Aspiration, no numbers</i>	The Company strives to attract, develop, and retain top talent globally in highly competitive markets.	<i>Item 1 Human Capital</i>
<i>Implicit, derived from the figures</i>	Direct sales channels generating 40% of net sales provide sufficient reach alongside 60% indirect reseller distribution to maintain market growth.	<i>Item 1 Business</i>
<i>Implicit, derived from the figures</i>	Foreign pretax earnings of \$82.0 billion will face stable international tax regulations despite modernizing OECD global minimum tax standards.	<i>Note 7 Income Taxes</i>
<i>Implicit, derived from the figures</i>	Derivative hedging contracts will effectively mitigate foreign exchange risks across foreign-denominated sales without imposing prohibitive execution costs.	<i>Item 7A Market Risk</i>
<i>Standard legal boilerplate</i>	Forward-looking statements involve risks and uncertainties, and the Company assumes no obligation to revise or update them except as required by law.	<i>Form 10-K Cover Statement</i>

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