

F5, Inc.
Consolidated Income Statements
(unaudited, in thousands, except per share amounts)

	Three Months Ended		Years Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net revenues				
Products	\$ 325,324	\$ 349,968	\$ 1,334,638	\$ 1,317,117
Services.....	381,650	350,065	1,478,531	1,378,728
Total.....	<u>706,974</u>	<u>700,033</u>	<u>2,813,169</u>	<u>2,695,845</u>
Cost of net revenues (1)(2)(3)(4)				
Products.....	88,602	93,259	375,192	319,713
Services.....	52,362	54,203	218,116	219,914
Total.....	<u>140,964</u>	<u>147,462</u>	<u>593,308</u>	<u>539,627</u>
Gross profit.....	<u>566,010</u>	<u>552,571</u>	<u>2,219,861</u>	<u>2,156,218</u>
Operating expenses (1)(2)(3)(4)				
Sales and marketing.....	204,832	236,999	878,215	926,591
Research and development.....	127,834	138,522	540,285	543,368
General and administrative.....	61,603	69,520	263,405	274,558
Restructuring charges.....	-	-	65,388	7,909
Total.....	<u>394,269</u>	<u>445,041</u>	<u>1,747,293</u>	<u>1,752,426</u>
Income from operations.....	171,741	107,530	472,568	403,792
Other (loss) income, net.....	3,085	(7,813)	13,420	(18,399)
Income before income taxes.....	174,826	99,717	485,988	385,393
Provision for income taxes.....	22,692	10,371	91,040	63,233
Net income.....	<u>\$ 152,134</u>	<u>\$ 89,346</u>	<u>\$ 394,948</u>	<u>\$ 322,160</u>
Net income per share - basic.....	<u>\$ 2.57</u>	<u>\$ 1.50</u>	<u>\$ 6.59</u>	<u>\$ 5.34</u>
Weighted average shares - basic.....	<u>59,245</u>	<u>59,751</u>	<u>59,909</u>	<u>60,274</u>
Net income per share - diluted.....	<u>\$ 2.55</u>	<u>\$ 1.49</u>	<u>\$ 6.55</u>	<u>\$ 5.27</u>
Weighted average shares - diluted.....	<u>59,699</u>	<u>60,126</u>	<u>60,270</u>	<u>61,097</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 152,134	\$ 89,346	\$ 394,948	\$ 322,160
Stock-based compensation expense.....	53,265	59,455	236,650	249,216
Amortization and impairment of purchased intangible assets.....	14,304	12,701	53,434	57,689
Facility-exit costs.....	1,560	2,311	6,626	10,321
Acquisition-related charges.....	(1,073)	9,329	15,036	49,410
Restructuring charges.....	-	-	65,388	7,909
Tax effects related to above items.....	(11,421)	(15,488)	(66,758)	(74,075)
Net income excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, and restructuring charges, net of tax effects (non-GAAP) - diluted.....	<u>\$ 208,769</u>	<u>\$ 157,654</u>	<u>\$ 705,324</u>	<u>\$ 622,630</u>
Net income per share excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, and restructuring charges, net of tax effects (non-GAAP) - diluted.....	<u>\$ 3.50</u>	<u>\$ 2.62</u>	<u>\$ 11.70</u>	<u>\$ 10.19</u>
Weighted average shares - diluted.....	<u>59,699</u>	<u>60,126</u>	<u>60,270</u>	<u>61,097</u>
(1) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,142	\$ 7,168	\$ 29,658	\$ 29,257
Sales and marketing.....	21,307	24,347	96,478	104,285
Research and development.....	15,888	17,463	69,416	71,781
General and administrative.....	8,928	10,477	41,098	43,893
Total.....	<u>\$ 53,265</u>	<u>\$ 59,455</u>	<u>\$ 236,650</u>	<u>\$ 249,216</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 11,234	\$ 9,959	\$ 42,136	\$ 39,837
Sales and marketing.....	2,788	2,389	10,239	16,169
Research and development.....	63	-	63	-
General and administrative.....	219	353	996	1,683
Total.....	<u>\$ 14,304</u>	<u>\$ 12,701</u>	<u>\$ 53,434</u>	<u>\$ 57,689</u>
(3) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 152	\$ 274	\$ 653	\$ 1,429
Sales and marketing.....	505	628	2,135	2,811
Research and development.....	545	901	2,265	3,656
General and administrative.....	358	508	1,573	2,425
Total.....	<u>\$ 1,560</u>	<u>\$ 2,311</u>	<u>\$ 6,626</u>	<u>\$ 10,321</u>
(4) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ 32	\$ 108	\$ 244	\$ 399
Sales and marketing.....	155	2,683	2,668	14,949
Research and development.....	(1,296)	5,430	4,035	22,600
General and administrative.....	36	1,108	8,089	11,462
Total.....	<u>\$ (1,073)</u>	<u>\$ 9,329</u>	<u>\$ 15,036</u>	<u>\$ 49,410</u>