

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

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net revenues		
Products.....	\$ 340,558	\$ 343,149
Services.....	359,820	343,951
Total.....	<u>700,378</u>	<u>687,100</u>
Cost of net revenues (1)(2)(3)(4)		
Products.....	98,855	81,662
Services.....	56,152	53,411
Total.....	<u>155,007</u>	<u>135,073</u>
Gross profit.....	545,371	552,027
Operating expenses (1)(2)(3)(4)		
Sales and marketing.....	233,105	234,035
Research and development.....	142,323	130,271
General and administrative.....	69,991	65,661
Restructuring charges.....	8,740	7,909
Total.....	<u>454,159</u>	<u>437,876</u>
Income from operations.....	91,212	114,151
Other income (expense), net.....	4,702	(2,431)
Income before income taxes.....	95,914	111,720
Provision for income taxes.....	23,512	18,161
Net income.....	<u>\$ 72,402</u>	<u>\$ 93,559</u>
Net income per share - basic.....	<u>\$ 1.20</u>	<u>\$ 1.54</u>
Weighted average shares - basic.....	<u>60,096</u>	<u>60,810</u>
Net income per share - diluted.....	<u>\$ 1.20</u>	<u>\$ 1.51</u>
Weighted average shares - diluted.....	<u>60,387</u>	<u>61,882</u>
<b>Non-GAAP Financial Measures</b>		
Net income as reported.....	\$ 72,402	\$ 93,559
Stock-based compensation expense.....	62,874	63,757
Amortization and impairment of purchased intangible assets.....	12,685	19,437
Facility-exit costs.....	2,006	2,742
Acquisition-related charges.....	7,737	16,891
Restructuring charges.....	8,740	7,909
Tax effects related to above items.....	(17,170)	(25,264)
Net income excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, restructuring charges and non-recurring tax expenses and benefits (non-GAAP) - diluted.....	<u>\$ 149,274</u>	<u>\$ 179,031</u>
Net income per share excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, restructuring charges and non-recurring tax expenses and benefits (non-GAAP) - diluted.....	<u>\$ 2.47</u>	<u>\$ 2.89</u>
Weighted average shares - diluted.....	<u>60,387</u>	<u>61,882</u>
(1) Includes stock-based compensation expense as follows:		
Cost of net revenues.....	\$ 7,636	\$ 7,545
Sales and marketing.....	25,721	26,753
Research and development.....	18,542	18,583
General and administrative.....	10,975	10,876
	<u>\$ 62,874</u>	<u>\$ 63,757</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:		
Cost of net revenues.....	\$ 9,959	\$ 9,959
Sales and marketing.....	2,389	8,915
General and administrative.....	337	563
	<u>\$ 12,685</u>	<u>\$ 19,437</u>
(3) Includes facility-exit costs as follows:		
Cost of net revenues.....	\$ 201	\$ 482
Sales and marketing.....	663	749
Research and development.....	641	912
General and administrative.....	501	599
	<u>\$ 2,006</u>	<u>\$ 2,742</u>
(4) Includes acquisition-related charges as follows:		
Cost of net revenues.....	\$ 93	\$ 87
Sales and marketing.....	1,315	6,164
Research and development.....	3,768	5,994
General and administrative.....	2,561	4,646
	<u>\$ 7,737</u>	<u>\$ 16,891</u>