Q4 & FY24 Results

PERIOD ENDING September 30, 2024

Published October 28, 2024

Forward-looking statements

This presentation contains forward-looking statements including, among other things, statements regarding F5's position as a security and software leader in today's multicloud world, F5's role beyond the data center, F5's value to customers, the Company's future financial performance including revenue, earnings growth, future customer demand, and the performance and benefits of the Company's products. These, and other statements that are not historical facts, are forward-looking statements. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors. Such forward-looking statements involve risks and uncertainties, as well as assumptions and other factors that, if they do not fully materialize or prove correct, could cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to: executive transitions, customer acceptance of offerings; continued disruptions to the global supply chain resulting in inability to source required parts for F5's products or the ability to only do so at greatly increased prices thereby impacting our revenues and/or margins; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; F5's ability to successfully integrate acquired businesses' products with F5 technologies; the ability of F5's sales professionals and distribution partners to sell new solutions and service offerings; the timely development, introduction and acceptance of additional new products and features by F5 or its competitors; competitive factors, including but not limited to pricing pressures, industry consolidation, entry of new competitors into F5's markets, and new product and marketing initiatives by our competitors; increased sales discounts; the business impact of the acquisitions and potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement of completion of acquisitions; uncertain global economic conditions which may result in reduced customer demand for our products and services and changes in customer payment patterns; litigation involving patents, intellectual property, shareholder and other matters, and governmental investigations; potential security flaws in the Company's networks, products or services; cybersecurity attacks on its networks, products or services; natural catastrophic events; a pandemic or epidemic; F5's ability to sustain, develop and effectively utilize distribution relationships; F5's ability to attract, train and retain qualified product development, marketing, sales, professional services and customer support personnel; F5's ability to expand in international markets; the unpredictability of F5's sales cycle; the ability of F5 to execute on its share repurchase program including the timing of any repurchases; future prices of F5's common stock; and other risks and uncertainties described more fully in our documents filed with or furnished to the Securities and Exchange Commission, including our most recent reports on Form 10-K and Form 10-Q and current reports on Form 8-K and other documents that we may file or furnish from time to time, which could cause actual results to vary from expectations. The financial information contained in this release should be read in conjunction with the consolidated financial statements and notes thereto included in F5's most recent reports on Forms 10-Q and 10-K as each may be amended from time to time. All forward-looking statements in this press release are based on information available as of the date hereof and qualified in their entirety by this cautionary statement. F5 assumes no obligation to revise or update these forward-looking statements.

GAAP to non-GAAP presentation

In addition to financial information prepared in accordance with U.S. GAAP, this presentation also contains adjusted financial measures that we believe provide investors and management with supplemental information relating to operating performance and trends that facilitate comparisons between periods and with respect to projected information. These adjusted financial measures are non-GAAP and should be considered in addition to, but not as a substitute for, the information prepared in accordance with U.S. GAAP. We typically exclude certain GAAP items that management does not believe affect our basic operations and that do not meet the GAAP definition of unusual or non-recurring items. Other companies may define these measures in different ways. Further information relevant to the interpretation of adjusted financial measures, and reconciliations of these adjusted financial measures for historical data to the most comparable GAAP measures, may be found on F5’s website at www.f5.com in the “Investor Relations” section. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis due to the high variability and low visibility with respect to the charges which are excluded from these non-GAAP measures. For additional information, please see the appendix of this presentation.

Today's speakers

François Locoh-Donou

CEO, President

Intro & Business Overview

Frank Pelzer

Chief Financial Officer, EVP

Q4 & FY24 Results

Cooper Werner

SVP Finance &
Incoming CFO

Business Outlook

Business Overview

François Locoh-Donou, President & CEO

GAAP & non-GAAP results

GAAP results

	Q4FY24	Q4FY23	FY24	FY23
Revenue	**$747M**	**$707M**	**$2,816M**	**$2,813M**
Gross profit	$603M	$566M	$2,258M	$2,220M
Gross margin	80.8%	80.1%	80.2%	78.9%
Operating profit	$191M	$172M	$659M	$473M
Operating margin	25.6%	24.3%	23.4%	16.8%
Net income	$165M	$152M	$567M	$395M
EPS	**$2.80**	**$2.55**	**$9.55**	**$6.55**

Non-GAAP results

	Q4FY24	Q4FY23	FY24	FY23
Gross profit	$619M	$585M	$2,332M	$2,293M
Gross margin	83.0%	82.7%	82.8%	81.5%
Operating profit	$257M	$240M	$946M	$850M
Operating margin	34.4%	33.9%	33.6%	30.2%
Net income	$217M	$209M	$794M	$705M
EPS	**$3.67**	**$3.50**	**$13.37**	**$11.70**

See appendix for GAAP to non-GAAP reconciliation

Q4FY24 performance highlights

$747M

Total Q4FY24 revenue
v. guide of $720 to $740 million

+10%

Product revenue
growth Y/Y

+19%

Software revenue
growth Y/Y

$3.67

Non-GAAP EPS
v. guide of $3.38 to $3.50

See appendix for GAAP to non-GAAP reconciliation

FY24 performance highlights

$2.8B
Total FY24 revenue

+11%
Software revenue growth Y/Y

+4%
Global Services revenue growth Y/Y

+132bps
Non-GAAP gross margin improvement Y/Y

+337bps
Non-GAAP operating margin improvement Y/Y

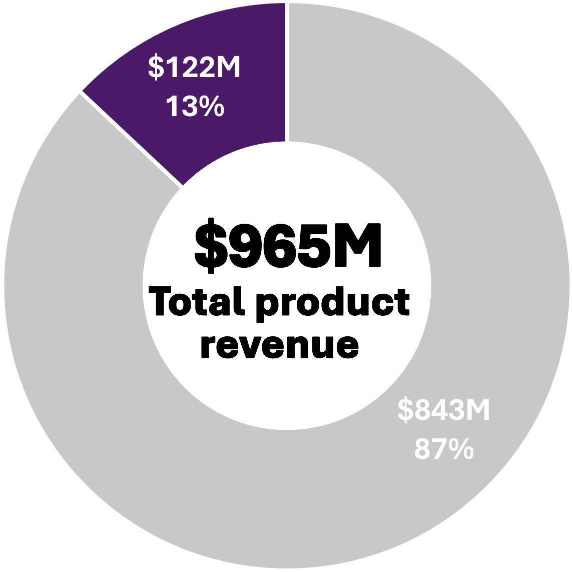
14%
Non-GAAP EPS growth Y/Y

See appendix for GAAP to non-GAAP reconciliation

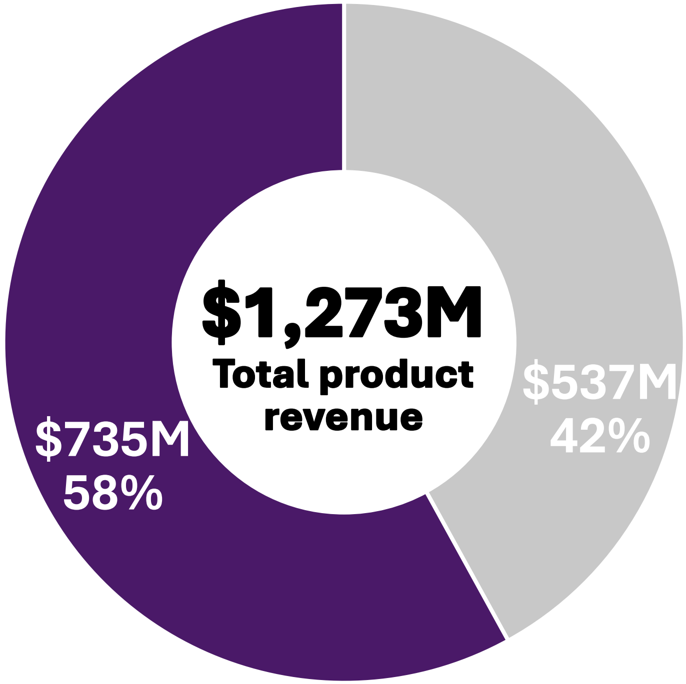
The magnitude of F5's evolution is evident

Product revenue mix shift

- Software, SaaS & Managed Services
- Systems



FY17



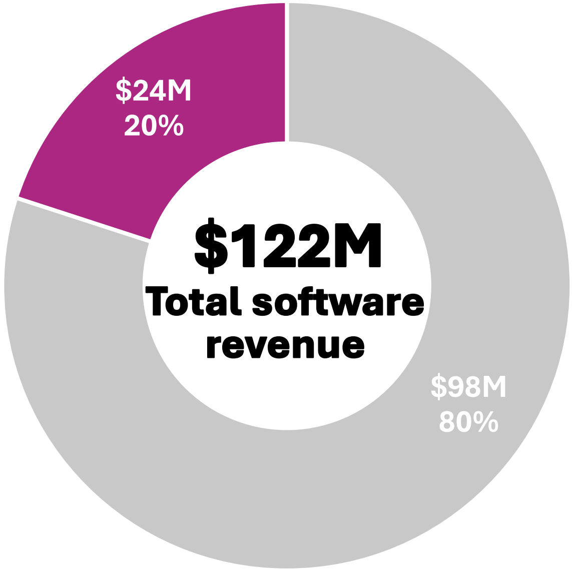
FY24

Totals may not add to due to rounding.

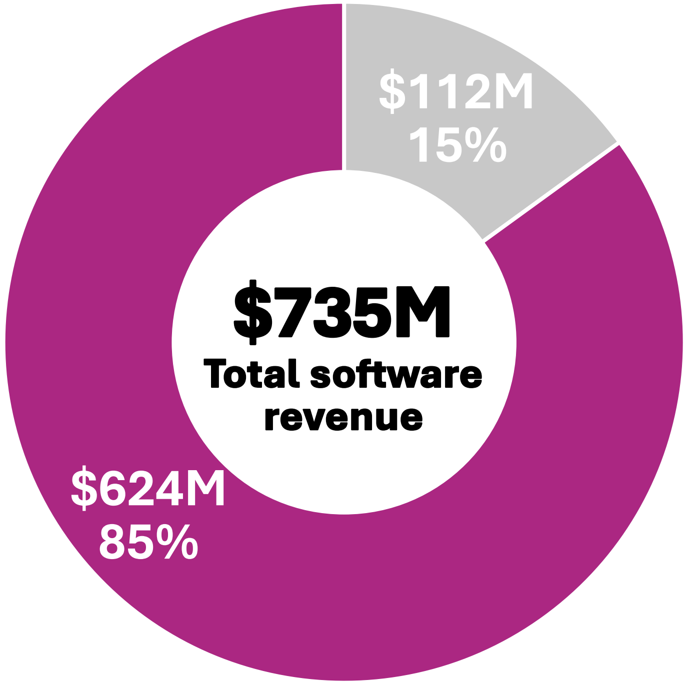
The magnitude of F5's evolution is evident

Software revenue mix shift

Subscriptions
Perpetual Software Licenses



FY17

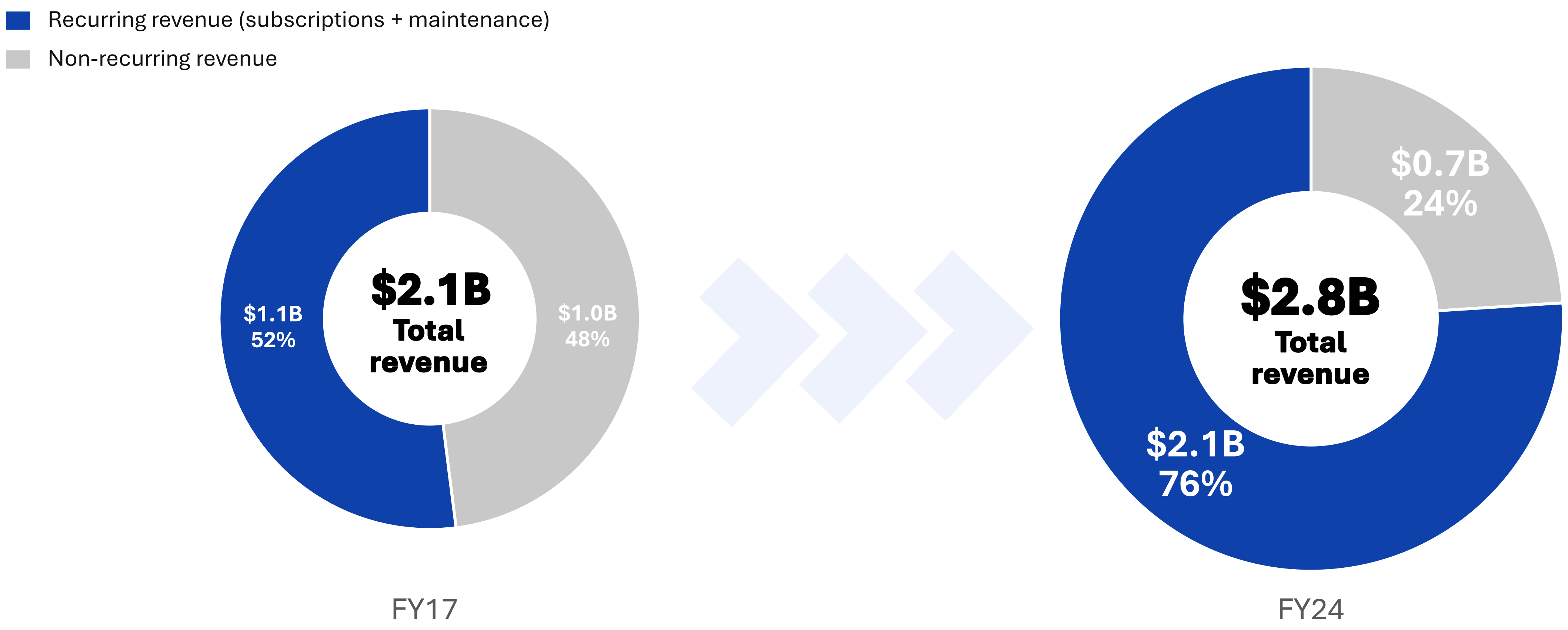


FY24

Totals may not add to due to rounding.

The magnitude of F5’s evolution is evident

Total revenue mix shift



Totals may not add to due to rounding.

An overview of our FY25 outlook

FY25 Commentary

- Growing percentage of business from existing software customers
- Good visibility to a large portion of FY25 expected revenue, including software renewals
- Improving systems demand trends
- Growing pipeline

4% to 5%
Total revenue growth Y/Y

Drive continued operating leverage

5% to 7%
Non-GAAP EPS growth Y/Y
(midpoint reflects 10% growth on a tax neutral basis to FY24)

F5 is aligned with robust and sustainable industry trends

Hybrid multicloud environments are now the norm

Nearly 90% of customers are operating across multiple environments.

Apps & APIs are becoming increasingly distributed

Single-environment solutions are not capable of managing or securing distributed apps & APIs.

The number of app instances continues to grow

App instances are projected to grow from 2B today to 6B by 2029.

APIs are rapidly proliferating

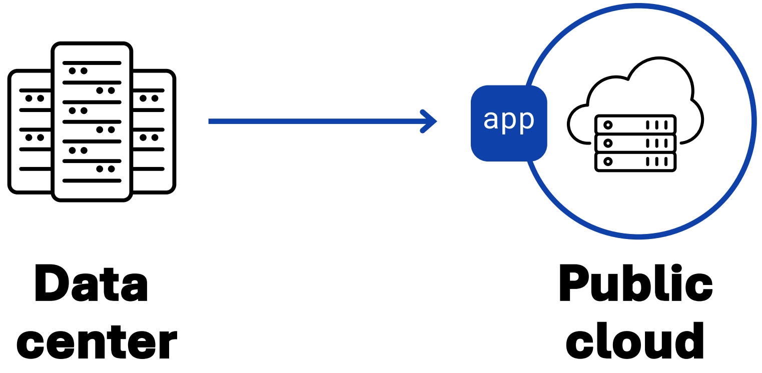
Nearly one-third of customer-facing APIs lack fundamental protection.

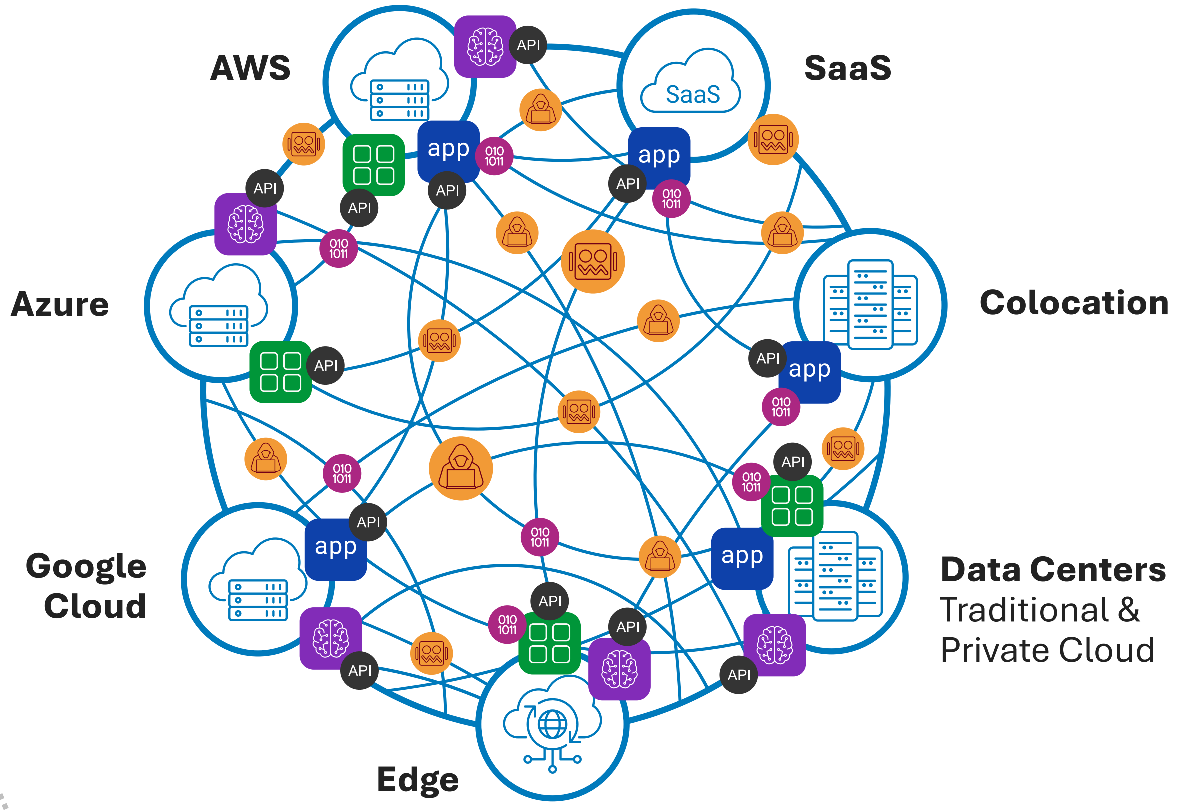
Apps & APIs require more security and delivery services today

In 2016, organizations deployed a minimum of 2 app services. Today, that number is 13 on average and 27 in total.

Widespread AI adoption

This is where enterprises thought they were going...





and this is where 9 in 10 have ended up

We are driving strong success with our land, expand, and renew motions

Win new customers

- Capture new customer use cases
- Take share from competitors
- Leverage extensive partner relationships

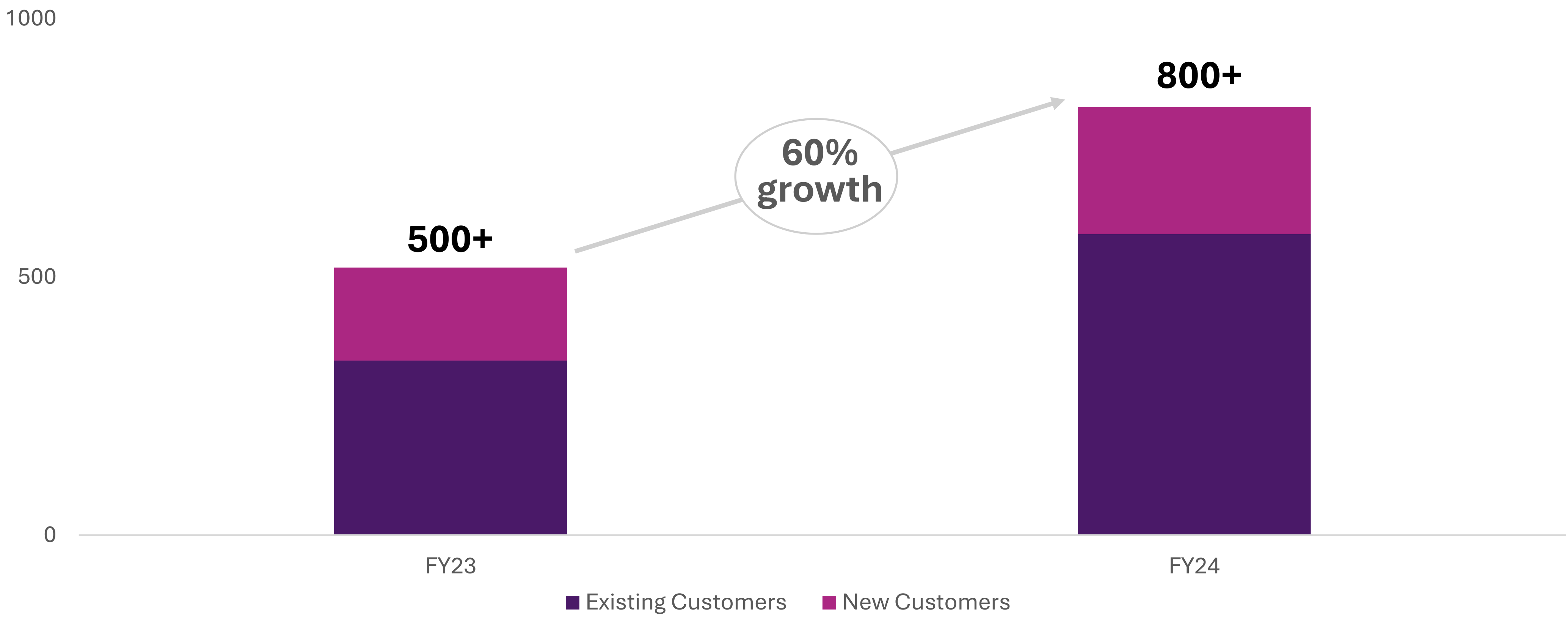
Expand with existing customers

- Drive cross-portfolio leverage and platform adoption
- Capture and consolidate adjacent app delivery and security use cases
- Deliver operational efficiencies with converged offerings

Renew with existing customers

- Deliver exceptional ownership experience
- Continuously demonstrate proof of value
- Provide industry-leading customer support

Early customer traction for F5 Distributed Cloud Services demonstrates the power of our expand motion



F5 is differentiated in our ability to address customers' "Ball of Fire" pain points

1

App & API Security

F5 offers the industry's most comprehensive app and API security platform

2

Simplification

F5 enables the hybrid multicloud flexibility our customers' businesses demand with the simplicity their IT operations require

3

Standardization & Automation

F5 streamlines operations with consistent policies, comprehensive automation, and rich analytics

Q4FY24 customer examples

App Security

F5 offers the industry's most comprehensive app and API security platform

Integrated and comprehensive suite of best-in-class capabilities

F5 empowers customers to consolidate solutions, addressing all of their app security needs with a single platform

Energy company

- F5 Distributed Cloud Services WAAP selected to enhance and streamline multicloud app security across two major public clouds.
- Customer previously running two distinct cloud-native WAF and API gateway solutions.
- F5 won based on superior ability to provide a unified security posture, effectively defending against advance threats and delivering comprehensive API security.

Distributed Cloud

Simplification

F5 is enabling the hybrid multicloud flexibility our customers' businesses demand with the simplicity their IT operations require

Solutions extend across public cloud, edge, and on-premises environments

F5 empowers customers with the hybrid multicloud flexibility their business demands and simplifies IT operations

Mobile provider

- F5 Distributed Cloud Services selected to address complex IT challenge.
- Following merger, customer faced overlapping IP addresses between core business apps and retail branches.
- F5's multicloud networking provided virtual Ips and translation services allowing the customer to easily manage IP conflicts across 500 branches.

Distributed Cloud

Q4FY24 customer examples

Standardization & Automation

F5 streamlines operations with consistent policies, comprehensive automation, and rich analytics

Consolidate vendors/toolsets, rationalize operational silos, automate lifecycle management

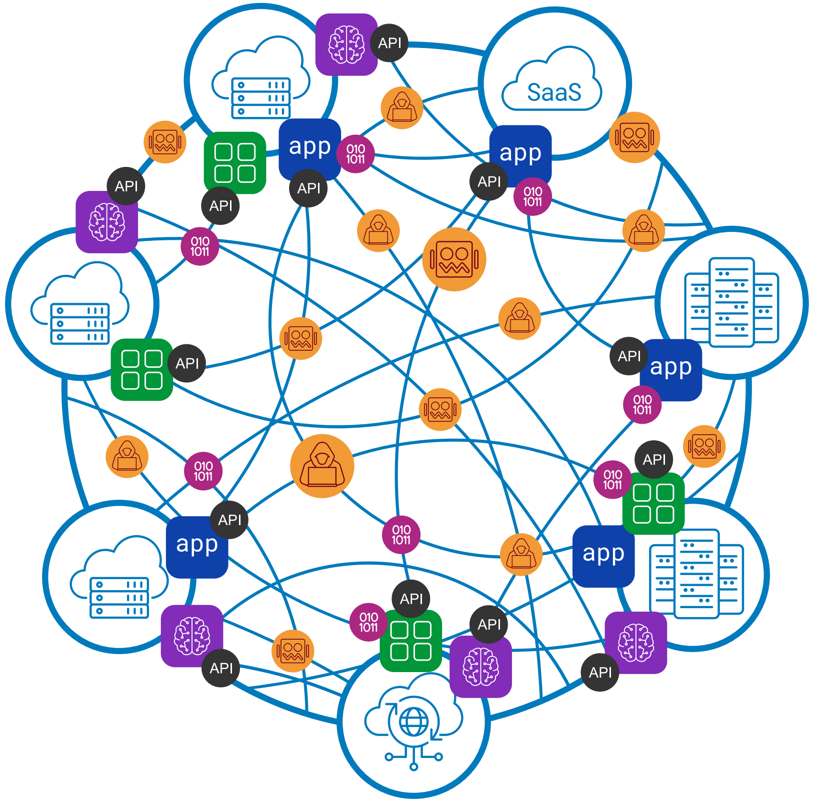
F5 enables more cost effective and scalable IT operations

Bank & Financial Services

- F5 Velos selected to reduce operational overhead and to refresh, consolidate and modernize app infrastructure.
- F5 automation eliminated tens of thousands of lines of hard-to-maintain custom code, enabling app self-service, streamlined certificate management, and hitless upgrades.
- New F5-enabled practices have improved security and reliability of apps while eliminating massive amounts of manual processes.

BIG-IP

F5 extinguishes the "Ball of Fire," empowering our customers to run at the speed their businesses demand



App Security

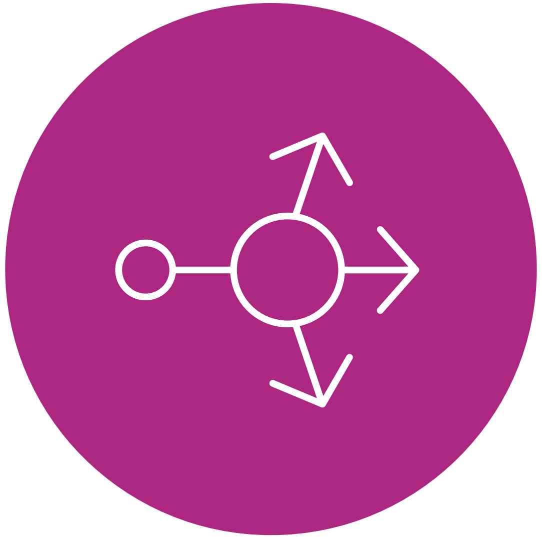
Simplification

Standardization & Automation

F5's initial opportunities in AI span three networking use cases

AI Data Ingestion

Efficiently collect and prepare large volumes of diverse data for AI model training and RAG



AI Factory Load Balancing

Optimize performance and scalability of AI factories with advanced traffic management

Secure AI Inferencing

Protect sensitive data and models during AI application deployment and execution anywhere

F5's initial opportunities in AI span three networking use cases

AI Data Ingestion

Efficiently collect and prepare large volumes of diverse data for AI model training and RAG

Customer example

Global conglomerate

- F5 selected to optimize data ingest for AI model training.
- Customer's AI factories collecting information and telemetry to power its connected vehicle business.
- F5 providing high performance load balancing between the customer's enterprise storage clusters and their AI factories.

BIG-IP

F5's initial opportunities in AI span three networking use cases

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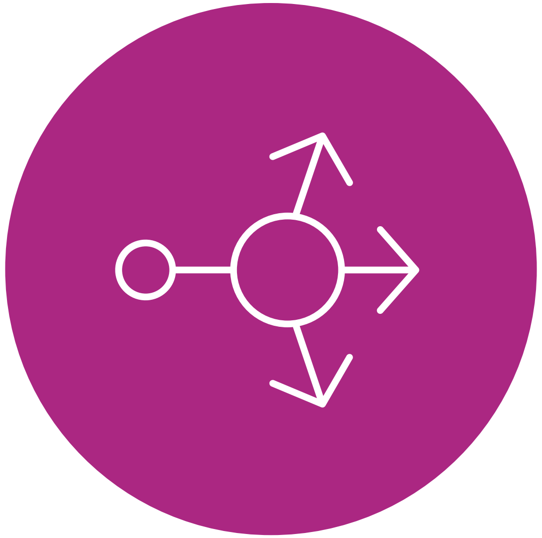
Efficiently collect and prepare large volumes of diverse data for AI model training and RAG

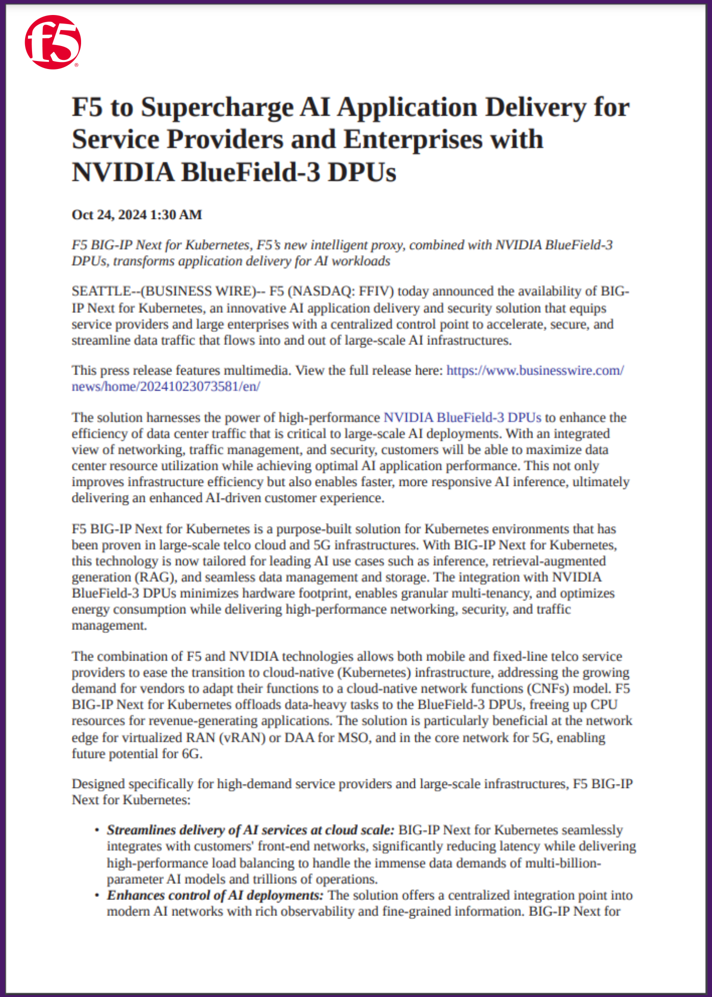


AI Factory Load Balancing

Optimize performance and scalability of AI factories with advanced traffic management

F5 is collaborating with Nvidia to deliver superior AI-driven customer experiences

- F5 BIG-IP Next for Kubernetes brings F5 market-leading networking, traffic management, and security capabilities to modern environments and AI workloads.
- F5 partnered with Nvidia to ensure BIG-IP Next for Kubernetes works seamlessly with Nvidia BlueField-3 DPUs.
- When combined with BIG-IP Next for Kubernetes, these DPUs effectively become AI accelerators, increasing the performance and security of training and inference workloads.



F5 to Supercharge AI Application Delivery for Service Providers and Enterprises with NVIDIA BlueField-3 DPUs

Oct 24, 2024 1:30 AM

F5 BIG-IP Next for Kubernetes, F5's new intelligent proxy, combined with NVIDIA BlueField-3 DPUs, transforms application delivery for AI workloads

SEATTLE--(BUSINESS WIRE)-- F5 (NASDAQ: FFIV) today announced the availability of BIG-IP Next for Kubernetes, an innovative AI application delivery and security solution that equips service providers and large enterprises with a centralized control point to accelerate, secure, and streamline data traffic that flows into and out of large-scale AI infrastructures.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20241023073581/en/

The solution harnesses the power of high-performance NVIDIA BlueField-3 DPUs to enhance the efficiency of data center traffic that is critical to large-scale AI deployments. With an integrated view of networking, traffic management, and security, customers will be able to maximize data center resource utilization while achieving optimal AI application performance. This not only improves infrastructure efficiency but also enables faster, more responsive AI inference, ultimately delivering an enhanced AI-driven customer experience.

F5 BIG-IP Next for Kubernetes is a purpose-built solution for Kubernetes environments that has been proven in large-scale telco cloud and 5G infrastructures. With BIG-IP Next for Kubernetes, this technology is now tailored for leading AI use cases such as inference, retrieval-augmented generation (RAG), and seamless data management and storage. The integration with NVIDIA BlueField-3 DPUs minimizes hardware footprint, enables granular multi-tenancy, and optimizes energy consumption while delivering high-performance networking, security, and traffic management.

The combination of F5 and NVIDIA technologies allows both mobile and fixed-line telco service providers to ease the transition to cloud-native (Kubernetes) infrastructure, addressing the growing demand for vendors to adapt their functions to a cloud-native network functions (CNFs) model. F5 BIG-IP Next for Kubernetes offloads data-heavy tasks to the BlueField-3 DPUs, freeing up CPU resources for revenue-generating applications. The solution is particularly beneficial at the network edge for virtualized RAN (vRAN) or DAA for MSO, and in the core network for 5G, enabling future potential for 6G.

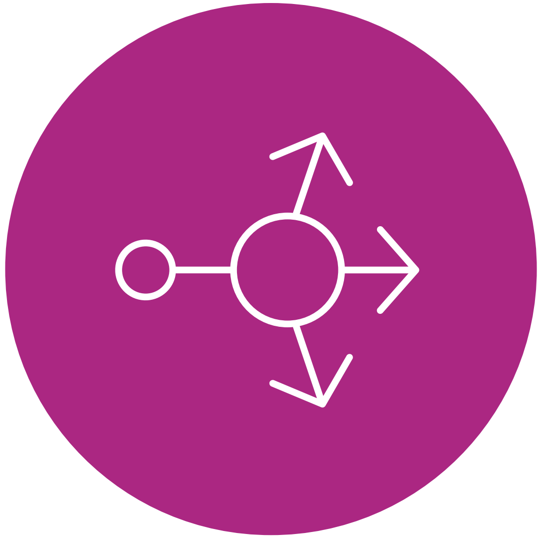
Designed specifically for high-demand service providers and large-scale infrastructures, F5 BIG-IP Next for Kubernetes:

- ***Streamlines delivery of AI services at cloud scale:*** BIG-IP Next for Kubernetes seamlessly integrates with customers' front-end networks, significantly reducing latency while delivering high-performance load balancing to handle the immense data demands of multi-billion-parameter AI models and trillions of operations.
- ***Enhances control of AI deployments:*** The solution offers a centralized integration point into modern AI networks with rich observability and fine-grained information. BIG-IP Next for

F5's initial opportunities in AI span three networking use cases

AI Data Ingestion

Efficiently collect and prepare large volumes of diverse data for AI model training and RAG



AI Factory Load Balancing

Optimize performance and scalability of AI factories with advanced traffic management

Secure AI Inferencing

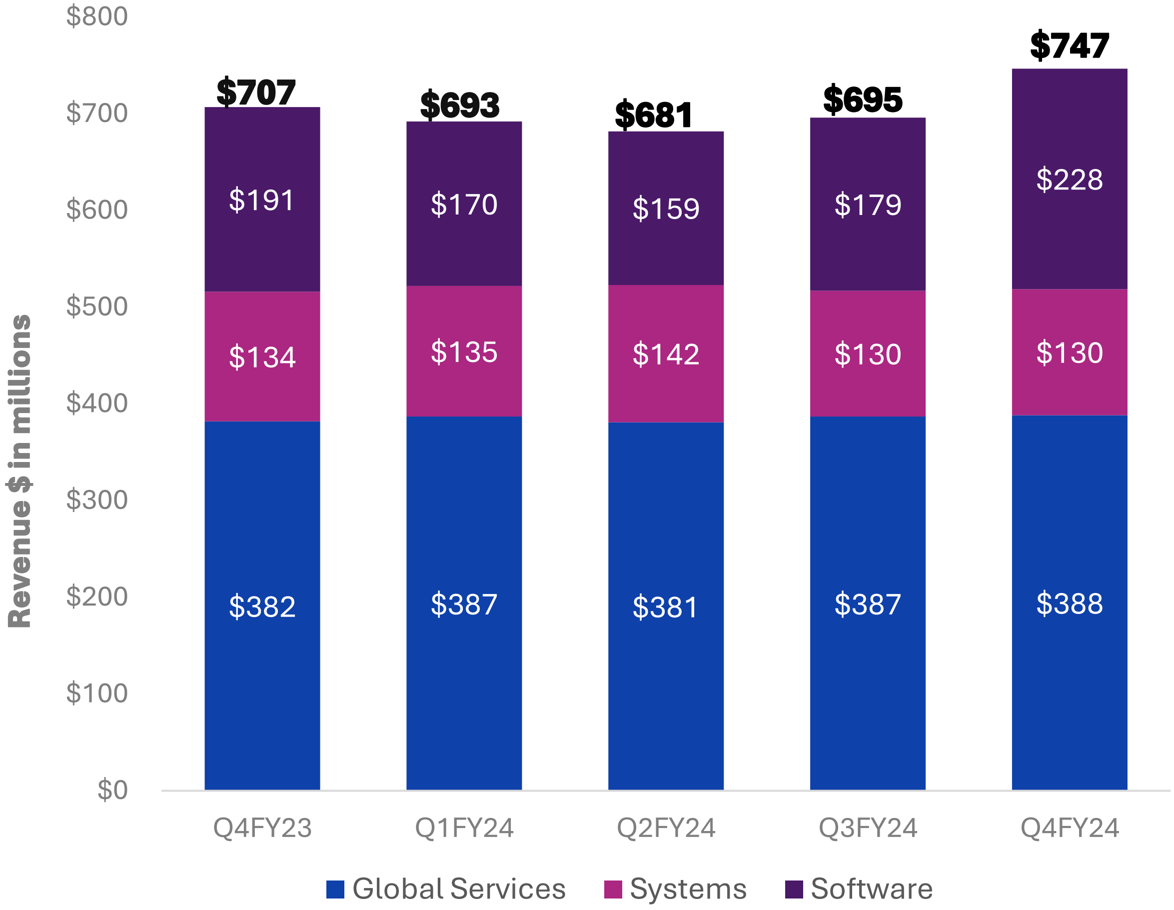
Protect sensitive data and models during AI application deployment and execution anywhere

Q4FY24 Results

Frank Pelzer, CFO & EVP

Revenue mix and year-over-year change

Revenue mix



Totals may not add to due to rounding.

Year/Year change

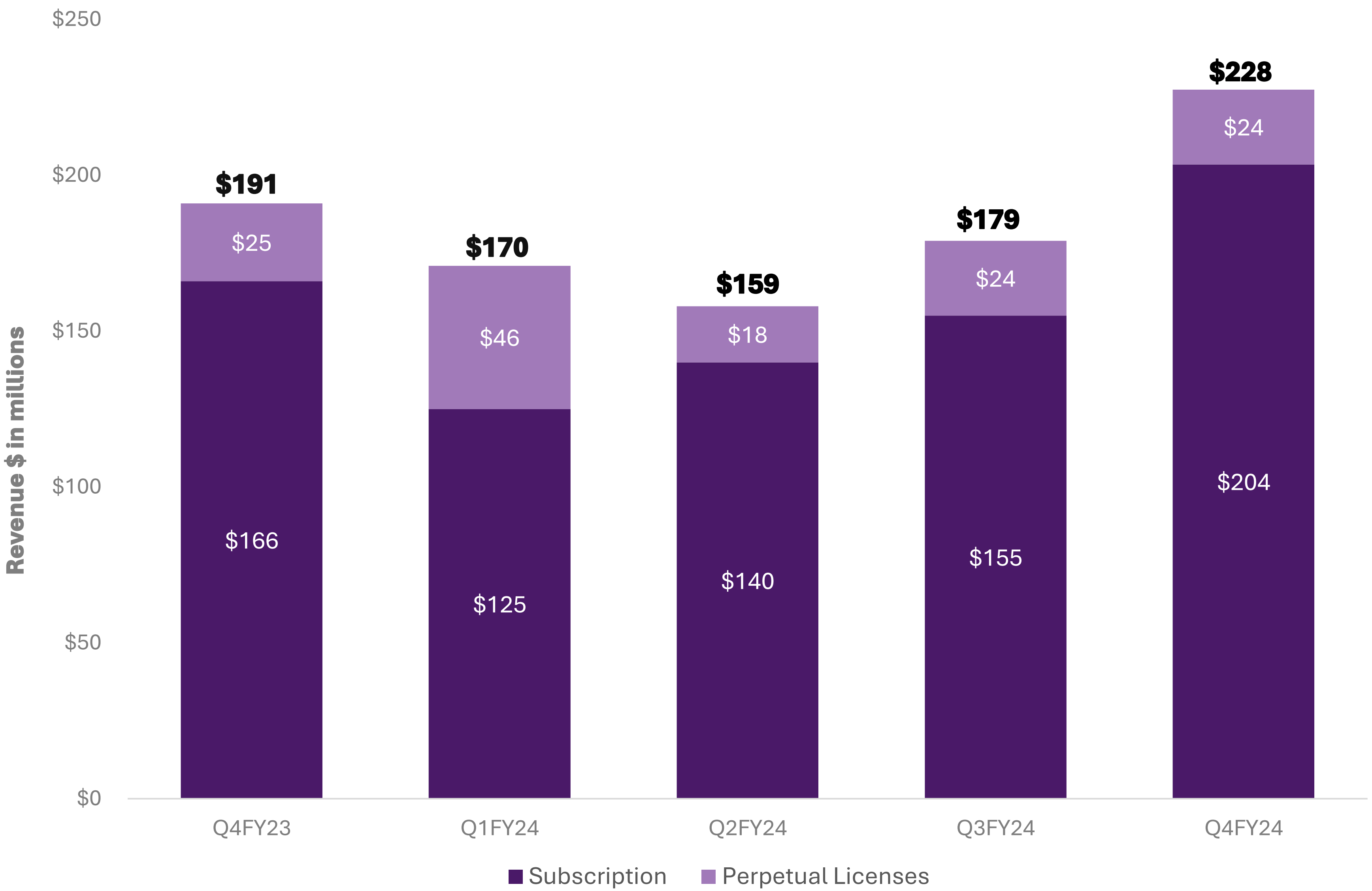
+19%
Software

-3%
Systems

+2%
Global services

+6%
Total revenue

Software revenue mix



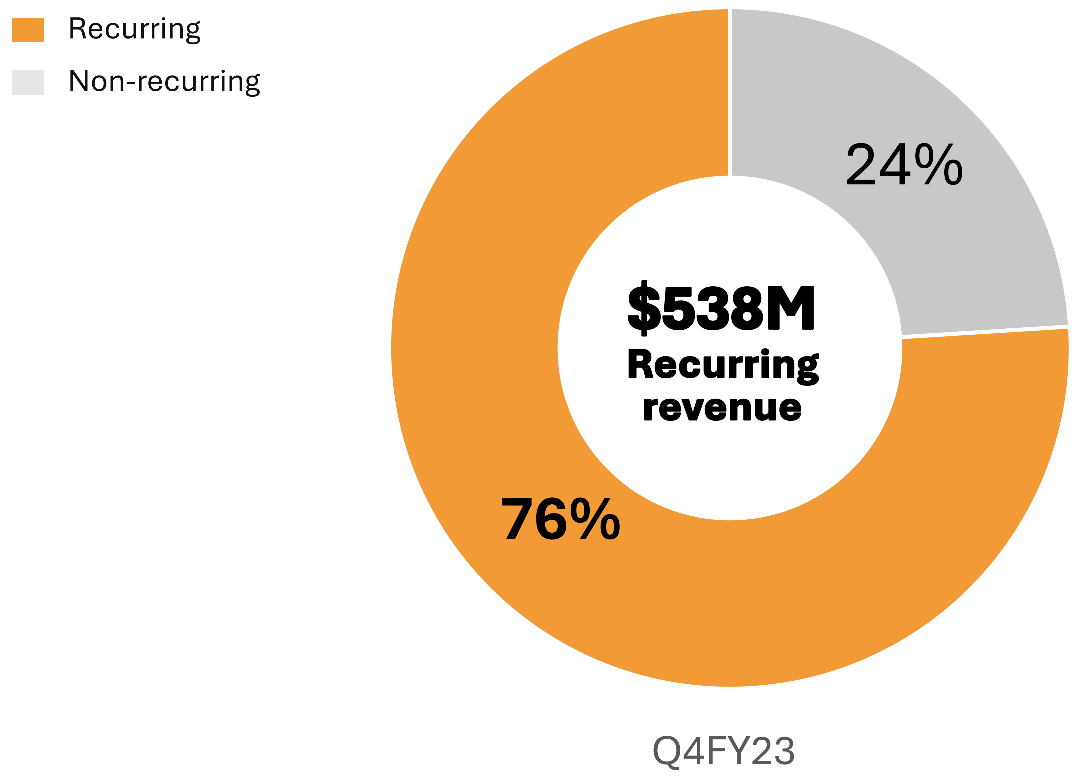
+19%
Total software revenue growth Y/Y

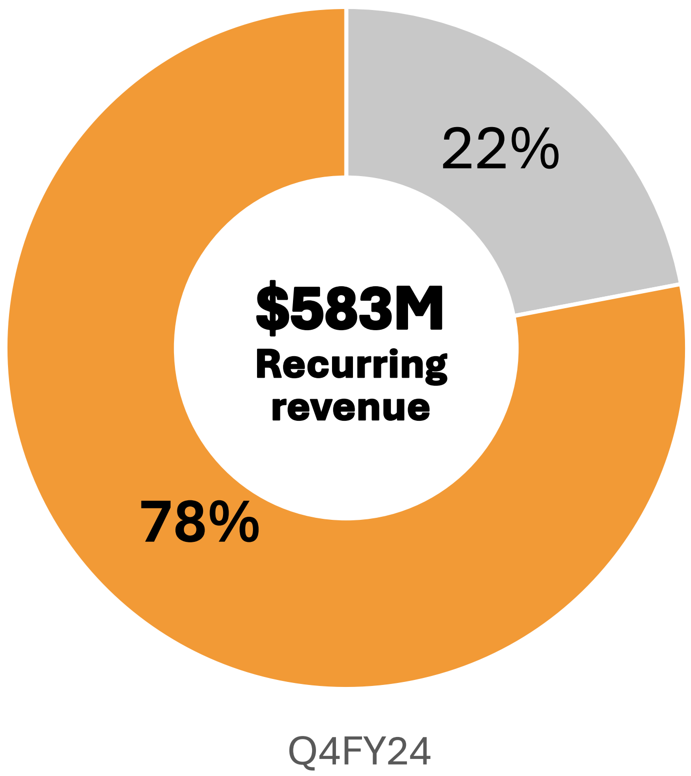
89%
of Q4FY24 total software revenue from subscriptions

+23%
Subscription software revenue growth Y/Y

Totals may not add to due to rounding. Subscription software revenue includes term subscriptions, both multi-year and annual, as well as SaaS & managed services and utility-based revenue..

78% of our Q4FY24 revenue is recurring via subscription, SaaS & managed services, and maintenance

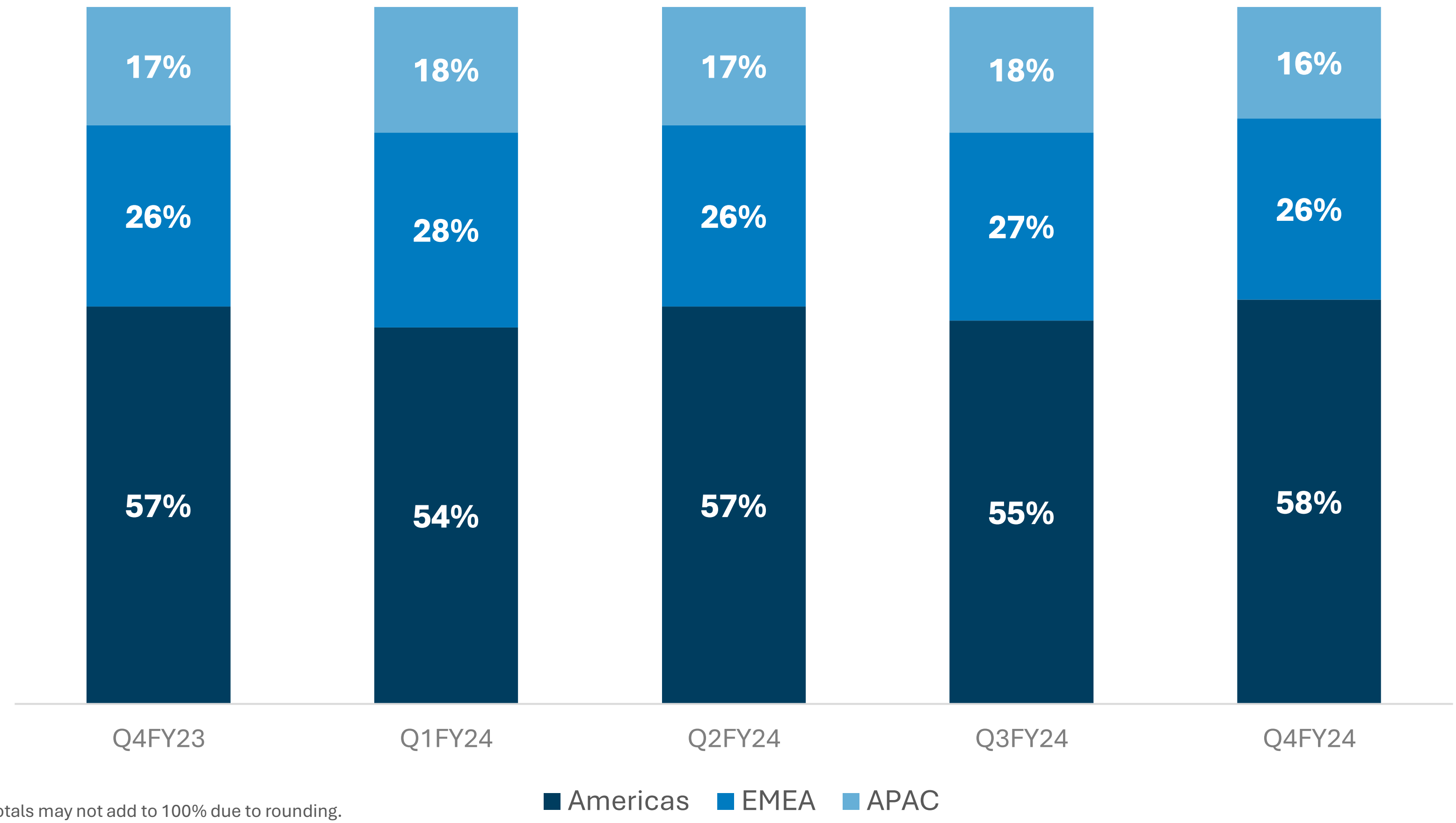




Recurring revenue includes term subscriptions, SaaS & managed services, utility-based revenue and the maintenance portion of our global services revenue.

Revenue contribution by geography

% of revenue by geo



Totals may not add to 100% due to rounding.

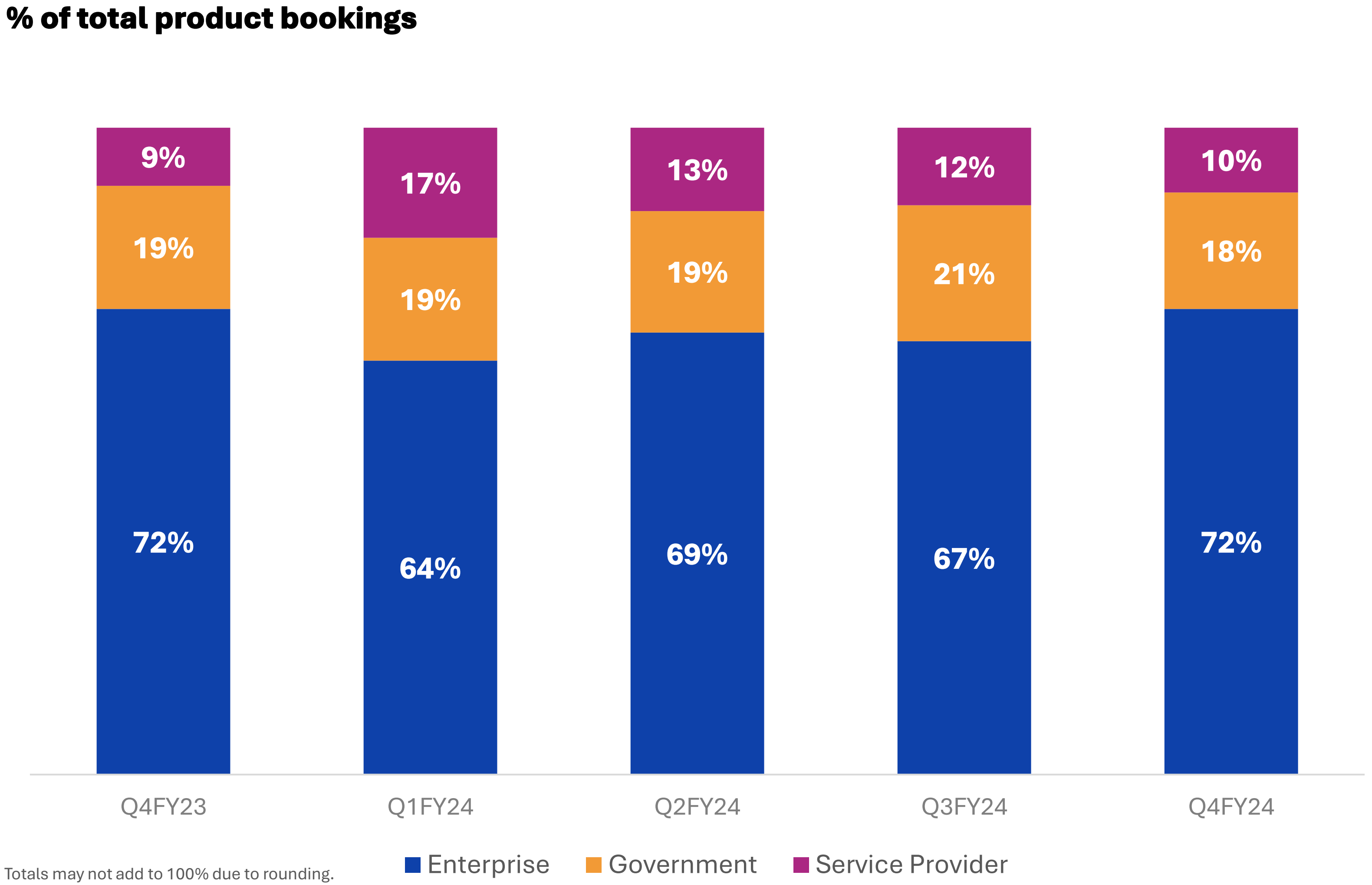
Y/Y growth by region Q4FY24

-3%
Growth APAC

+4%
Growth EMEA

+9%
Growth AMER

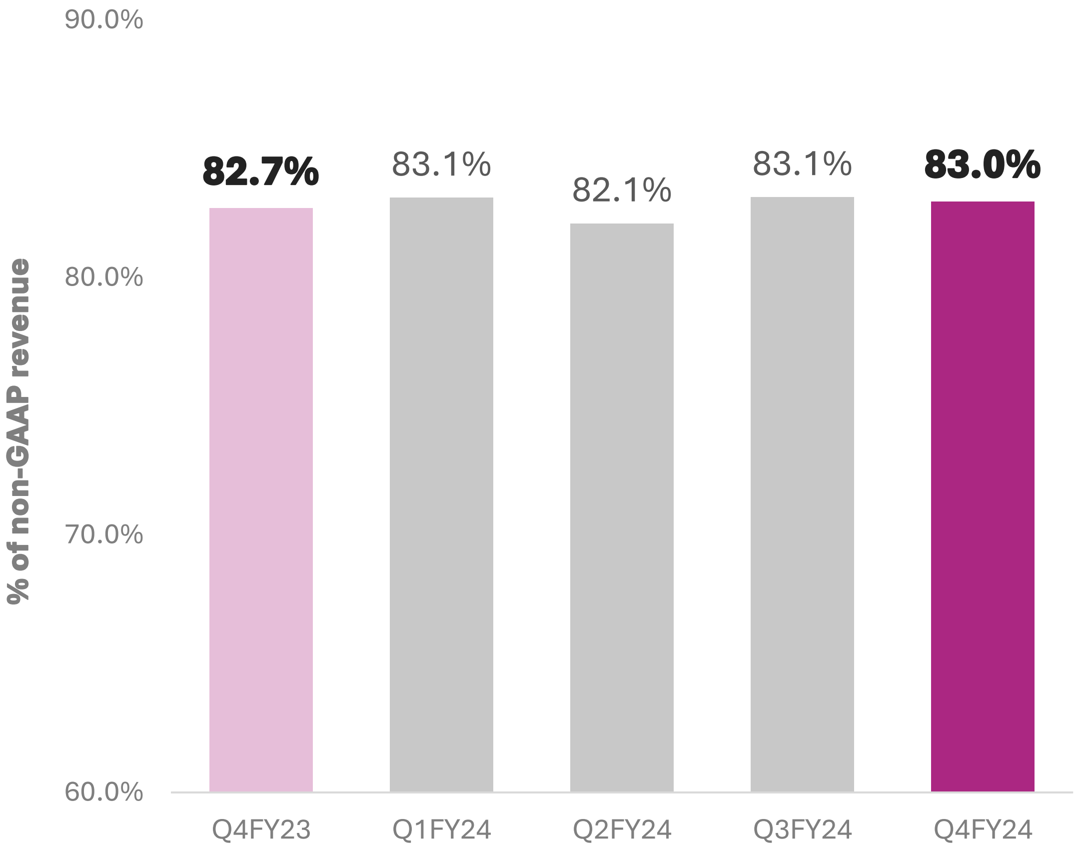
Customer verticals as a % of product bookings



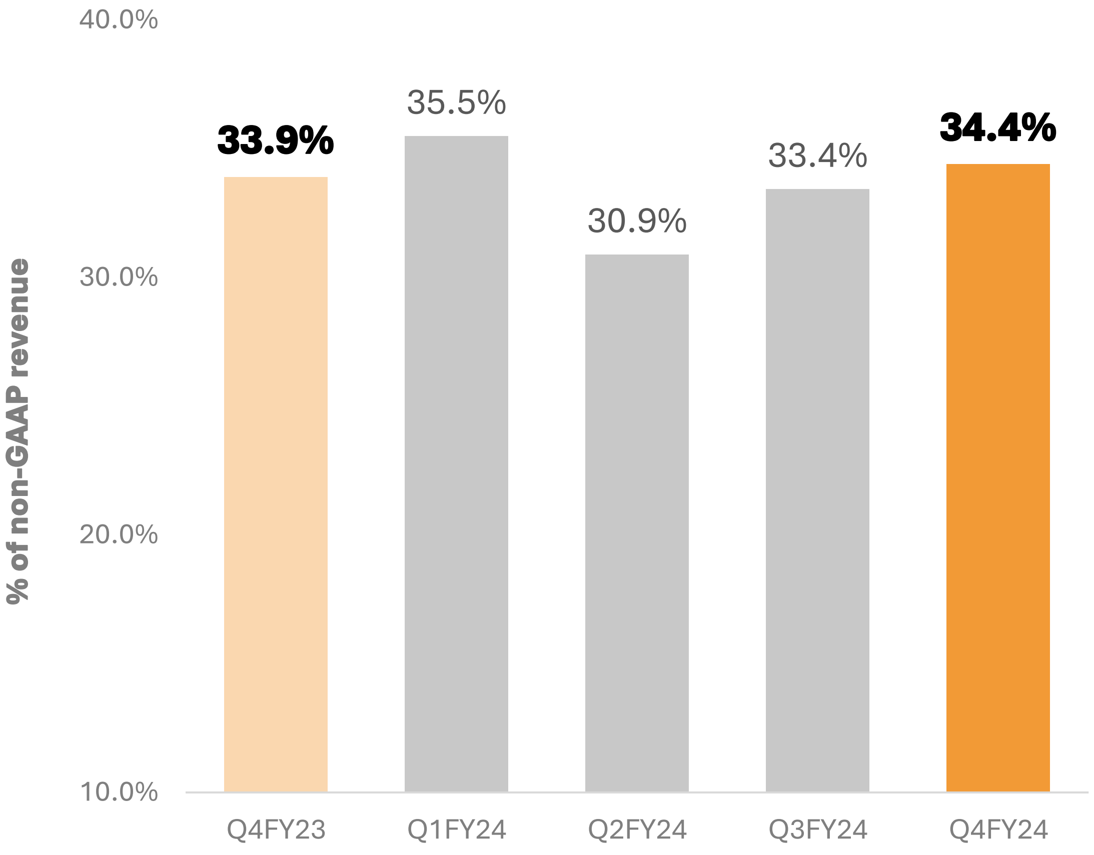
Totals may not add to 100% due to rounding.

Non-GAAP gross and operating margins

Non-GAAP gross margin



Non-GAAP operating margin

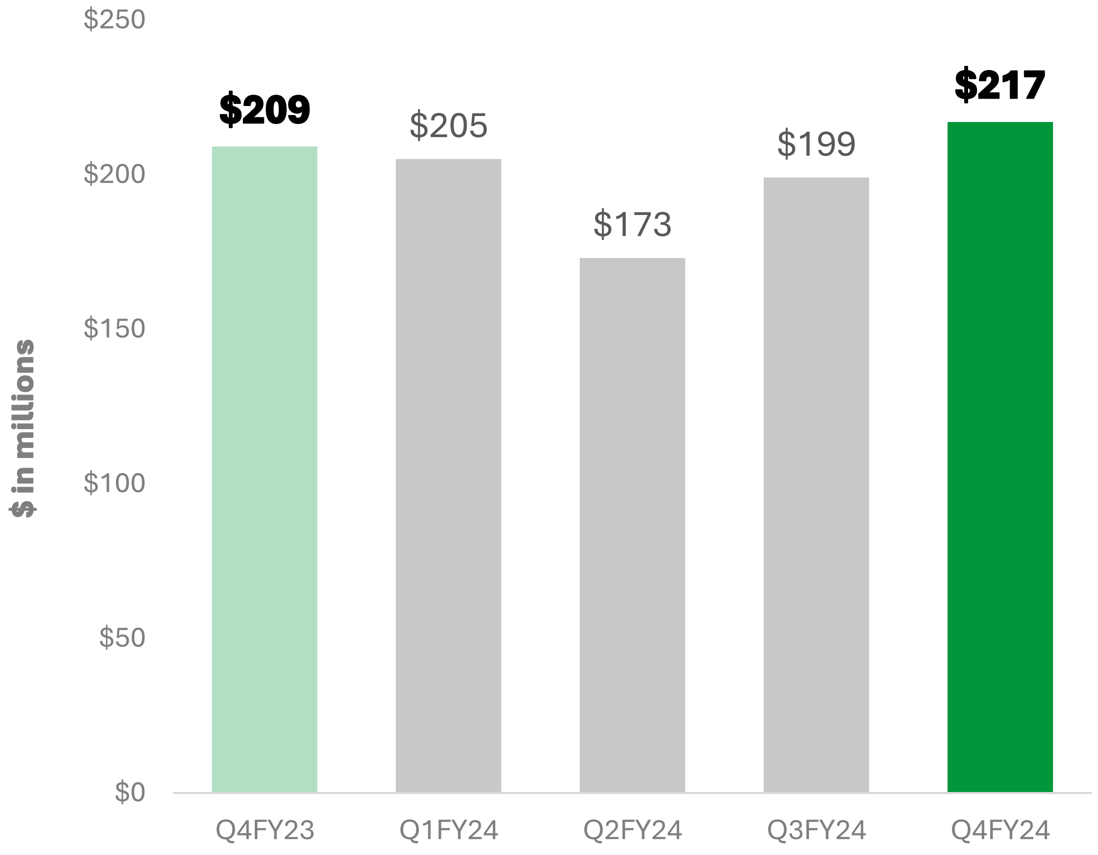


See appendix for GAAP to non-GAAP reconciliation

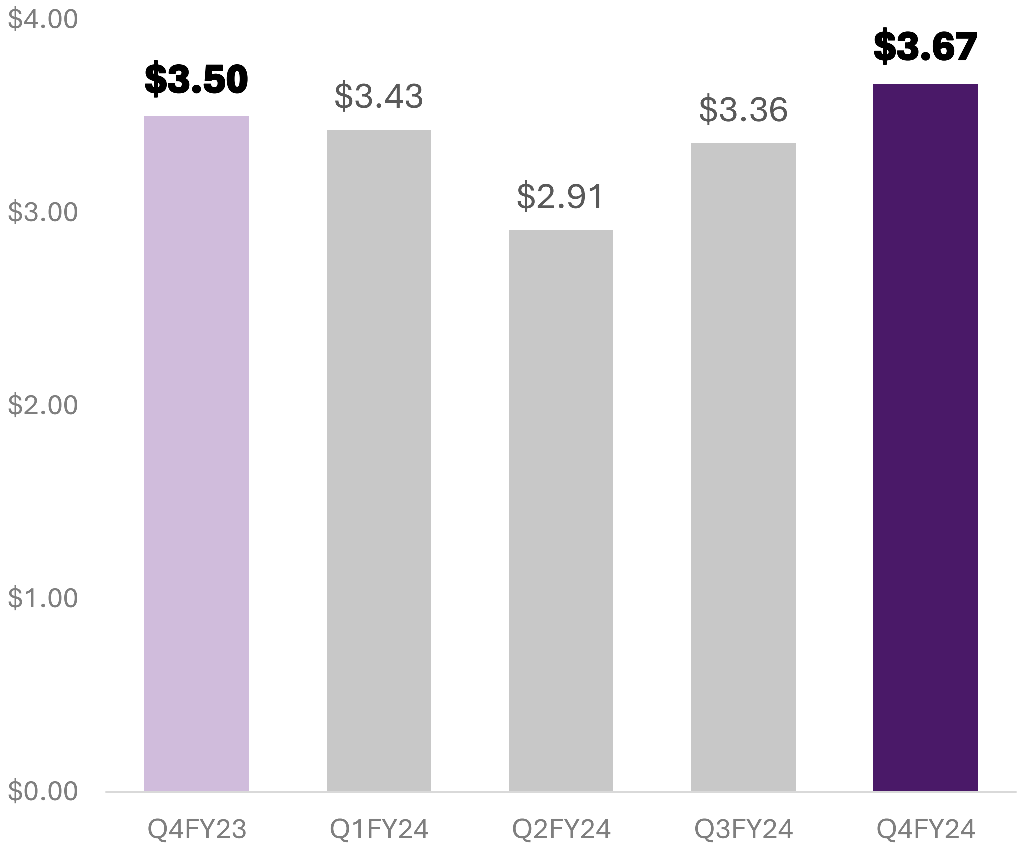
Non-GAAP net income and EPS

Reflects 19.5% Q4FY24 and 14.0% Q4FY23 non-GAAP effective tax rate

Non-GAAP net income



Non-GAAP EPS



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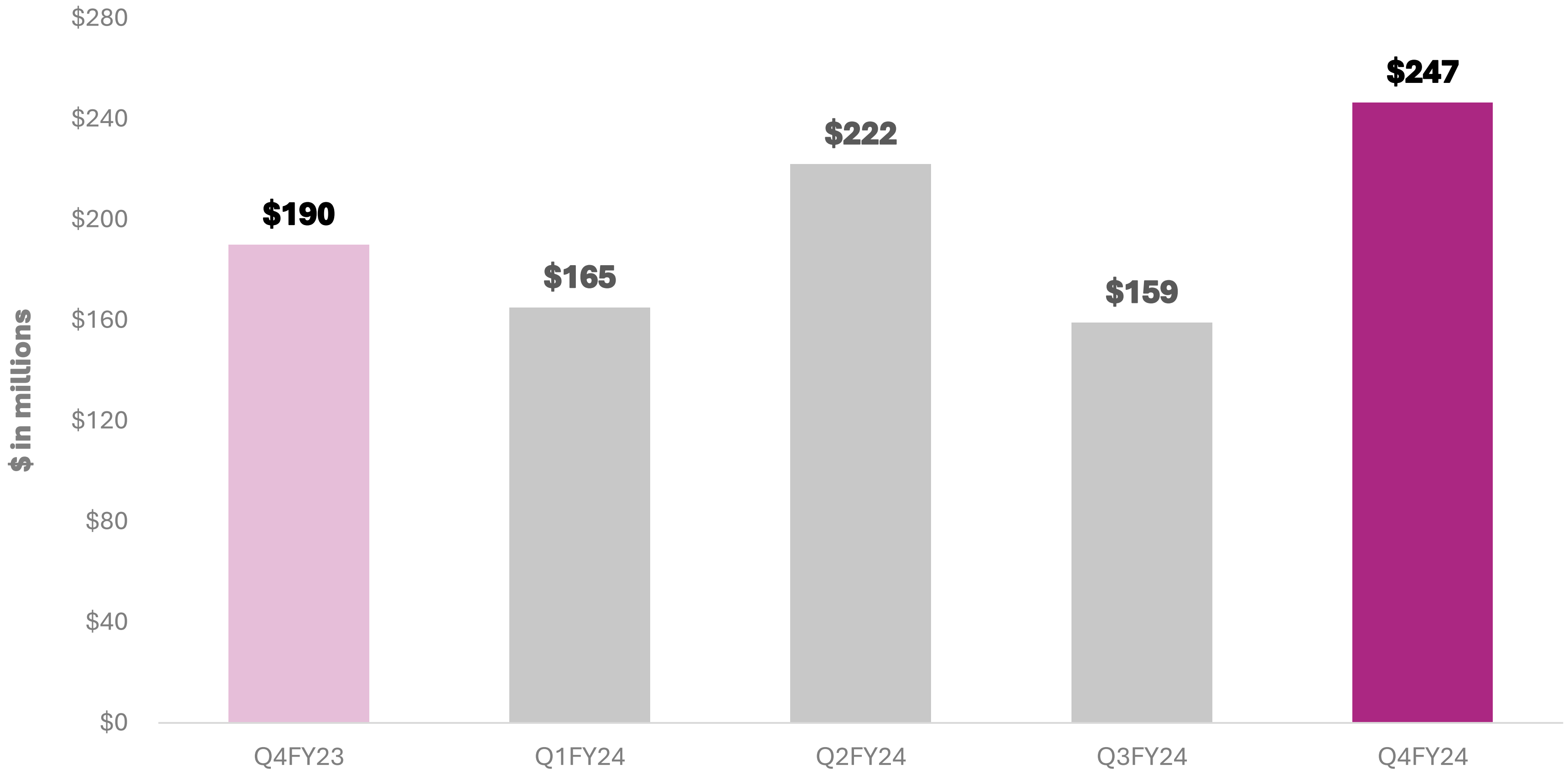
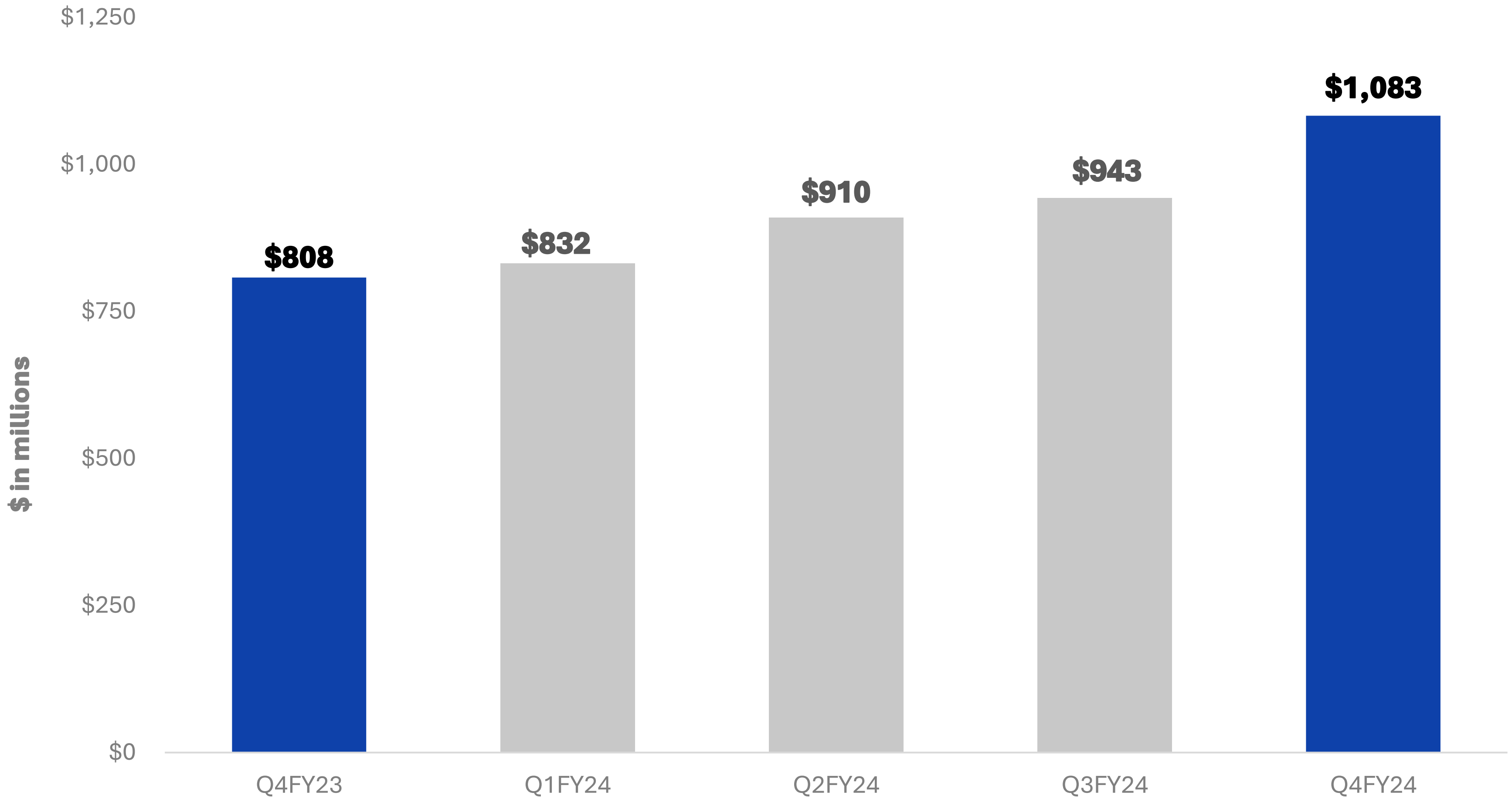
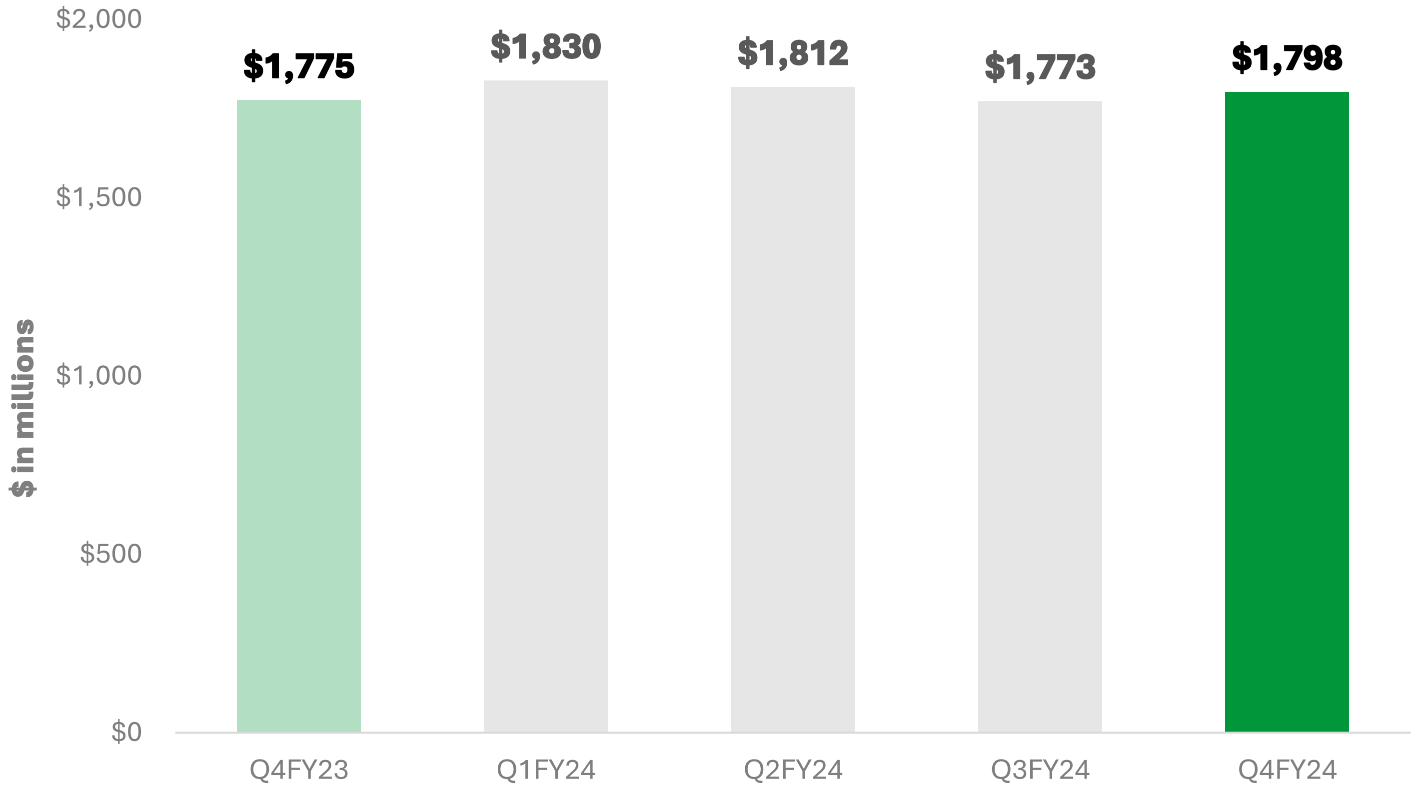
Cash flow from operations



Cash and investments



Deferred revenue



KEY INSIGHTS

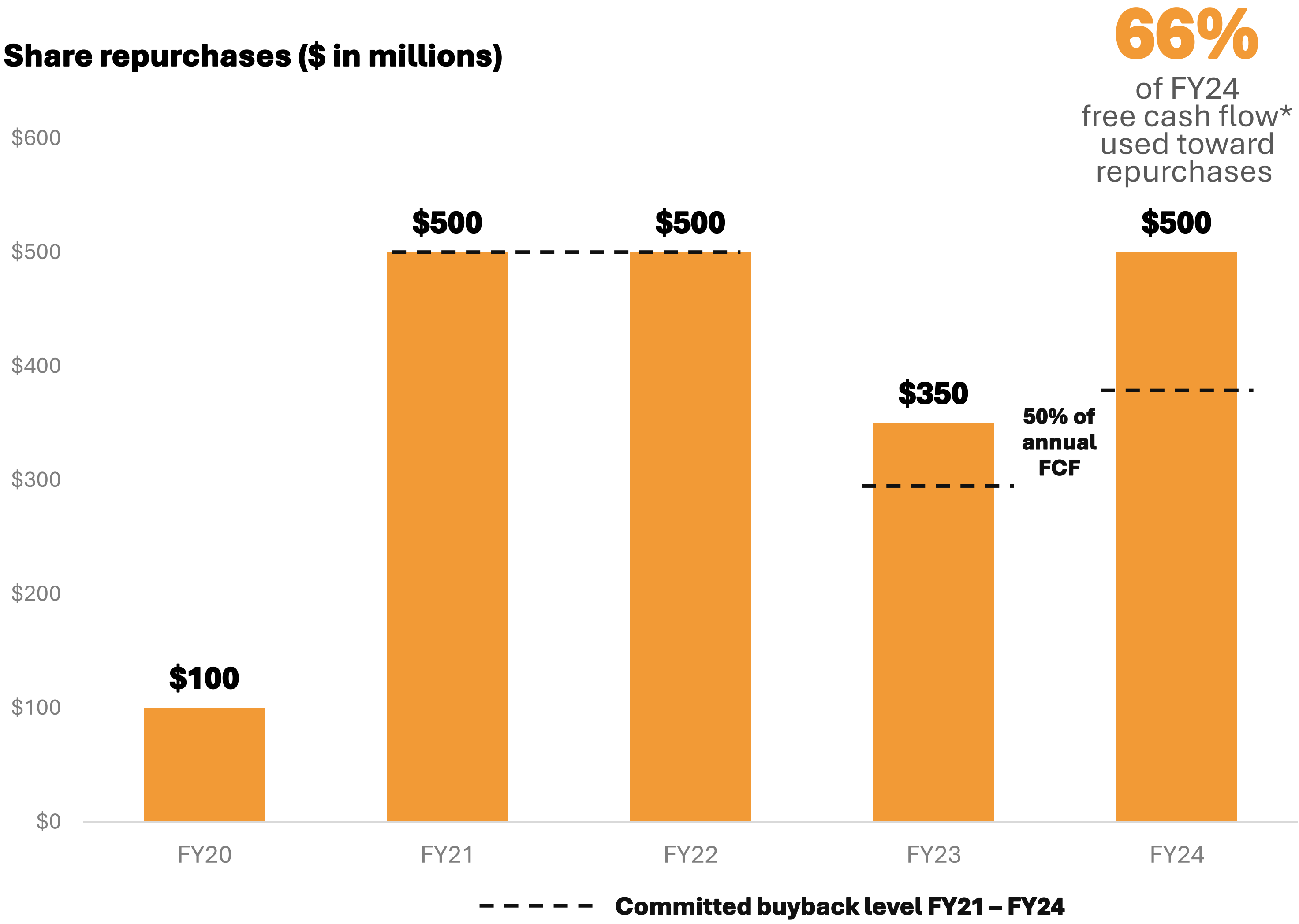
Deferred revenue consists predominantly of global services maintenance renewals and also includes term-based software subscriptions.

Since committing to return cash to shareholders in FY21, we have consistently delivered on our repurchase commitments

KEY INSIGHTS

- We repurchased $100 million in FFIV shares during Q4FY24
- In FY24 we used 66% of our $762M free cash flow* for share repurchases
- We are committed to using at least 50% of annual free cash flow for share repurchases
- Board authorized an additional $1 billion for share repurchases.
- As of October 28, 2024, there is $1.4 billion remaining under our authorized stock repurchase program.

Share repurchases ($ in millions)



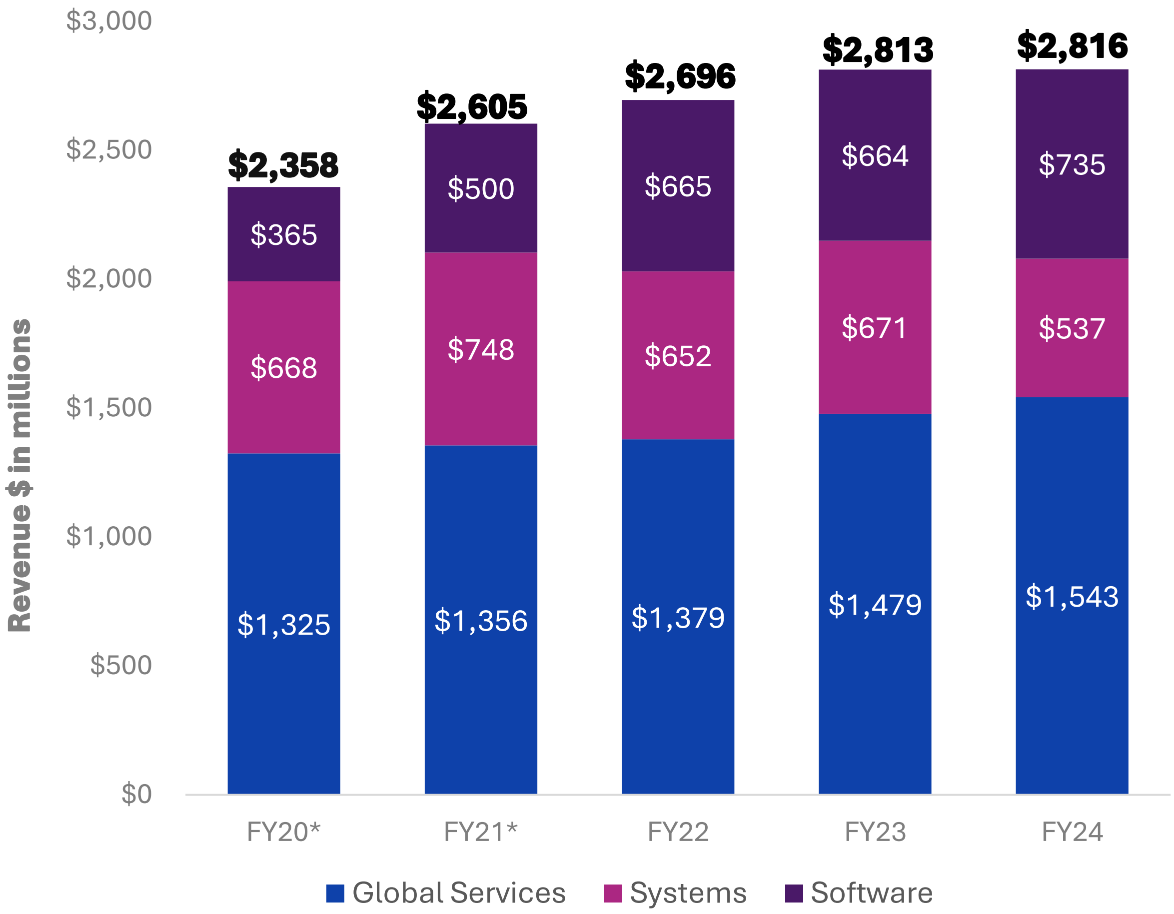
*Free cash flow defined as cash flow from operations less capital expenditures

FY24 Results

Frank Pelzer, CFO & EVP

Revenue mix and year-over-year change

Revenue mix



Year/Year change

+11%
Software

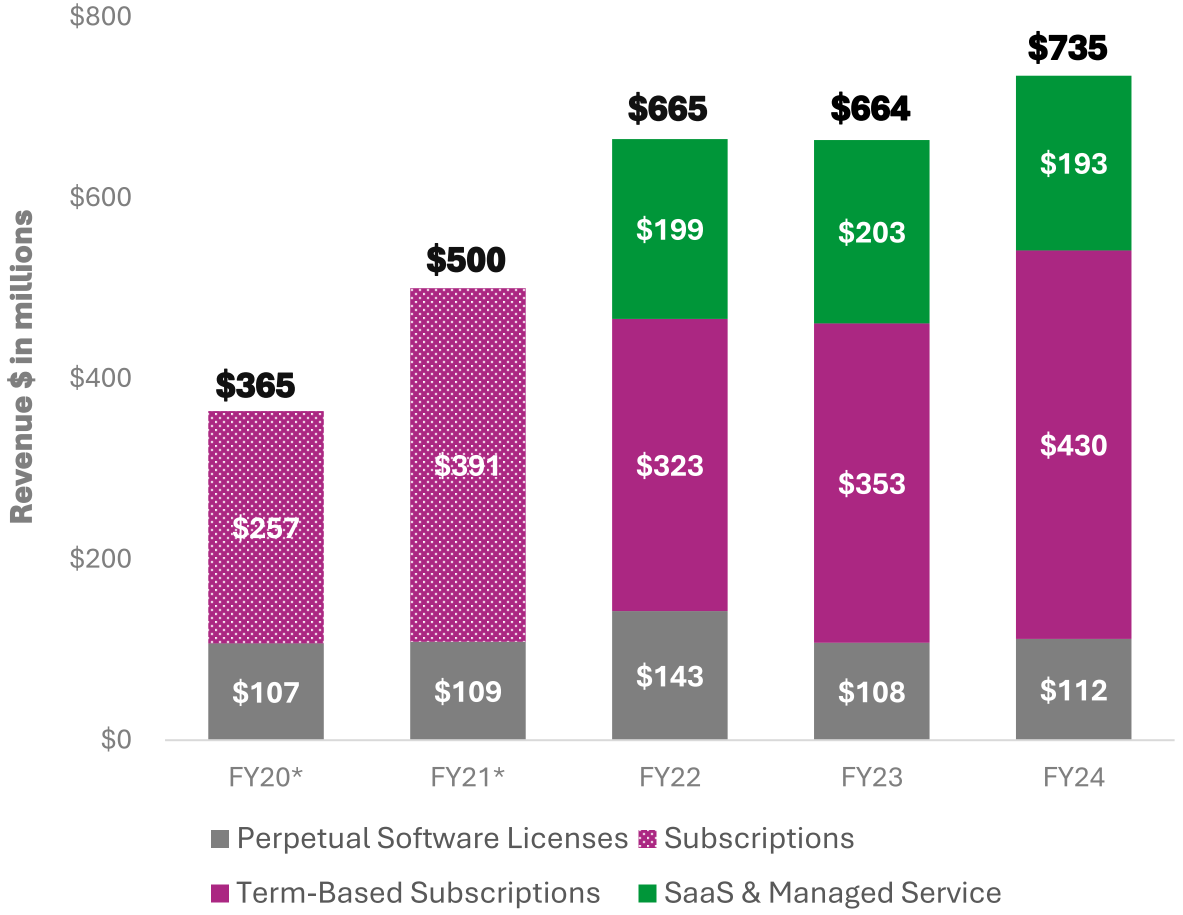
-20%
Systems

+4%
Global Services

+0%
Total revenue

Totals may not add to due to rounding.
*FY20 and FY21 revenue is non-GAAP. See appendix for GAAP to non-GAAP reconciliation.

Term-based subscriptions underpin overall software growth; SaaS & Managed Services transitions progressing



Totals may not add due to rounding. FY20 – FY21 subscriptions include term-based subscriptions and SaaS & Managed Services.
*FY20 and FY21 revenue is non-GAAP. See appendix for GAAP to non-GAAP reconciliation.

Year/Year change

-5%

SaaS & Managed Services
F5 Distributed Cloud Services growing, legacy transitions progressing.

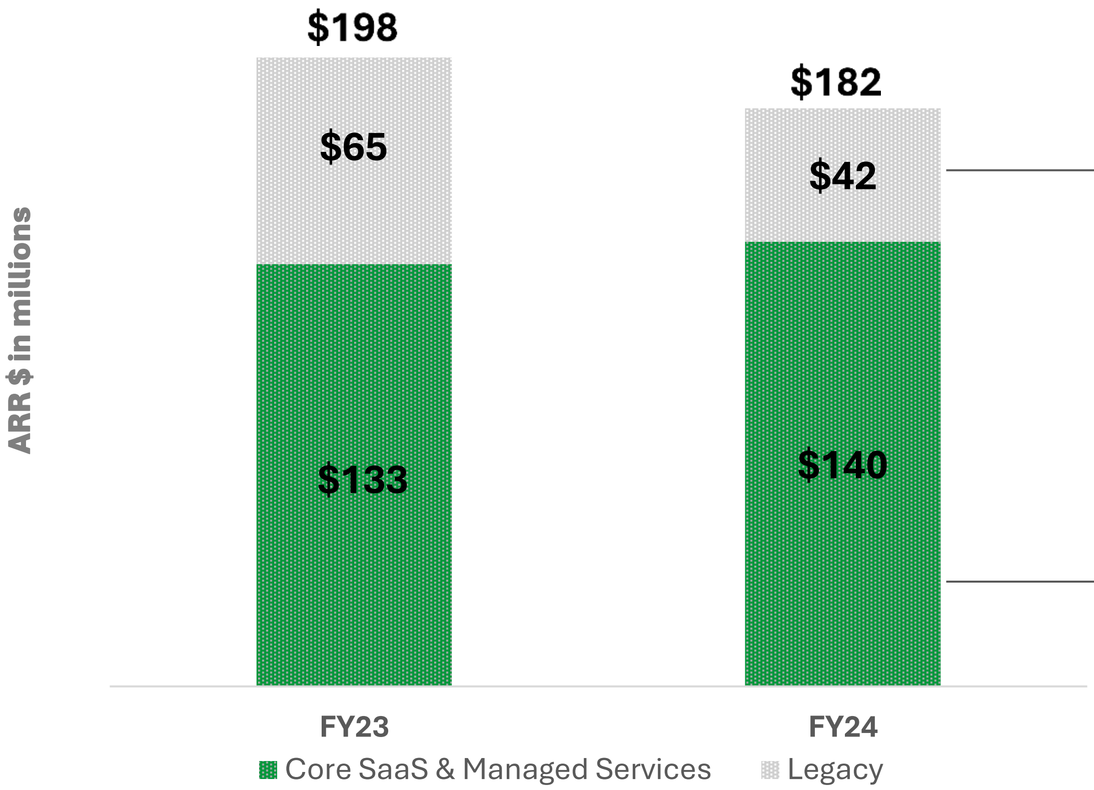
+22%

Term-based subscriptions
Strong renewal and expansion performance; new business up from FY23.

+3%

Perpetual Software Licenses
Driven by specific customer purchasing preferences.

SaaS & Managed Services ARR reflects strong F5 Distributed Cloud growth offset by ongoing legacy transitions and bot softness



SaaS & Managed Services

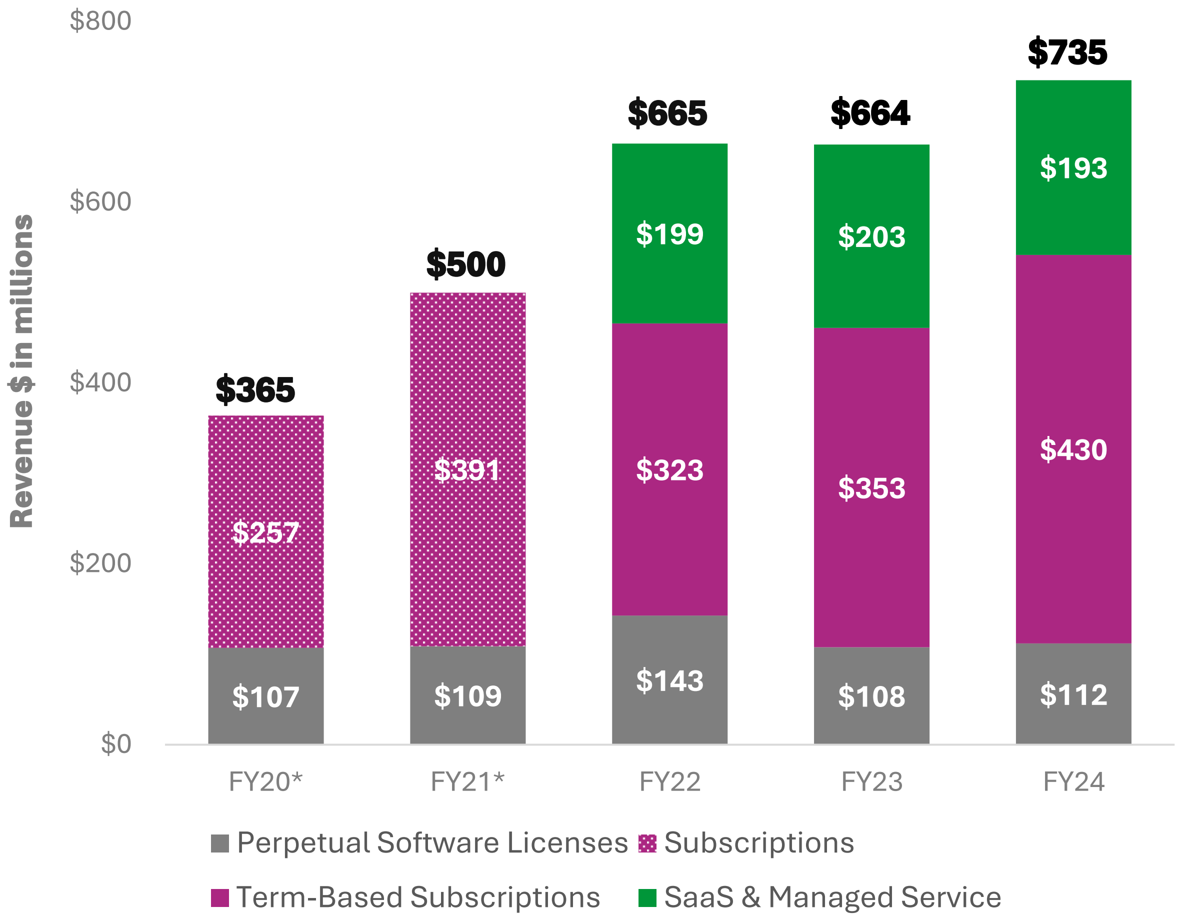
F5 Distributed Cloud growing; legacy transitions progressing

- Planned legacy SaaS & Managed Services transition progressing across FY24 and FY25.
  - FY23/FY24 legacy ARR decline largely resulting from:
    - Discontinued SaaS & Managed Services
    - A modest amount of Silverline Managed Services transition to F5 Distributed Cloud Services
  - FY24 legacy ARR is predominantly Silverline Managed Services yet to transition to F5 Distributed Cloud Services.

- Core SaaS & Managed Services ARR is comprised of F5 Distributed Cloud Services and high-end bot point solution.
  - F5 Distributed Cloud Services growing.
  - High-end point bot solution under pressure due to growing customer preference for platform solutions.

SaaS & Managed Services ARR (Annualized Recurring Revenue) is the annualized revenue value of our SaaS & Managed Service offerings under contract as of the final day of the reporting period. Offerings include F5 Distributed Cloud Services, NGINXaaS, Silverline and other legacy offerings.

Term-based subscriptions underpin overall software growth; SaaS & Managed Services transitions progressing



Year/Year change

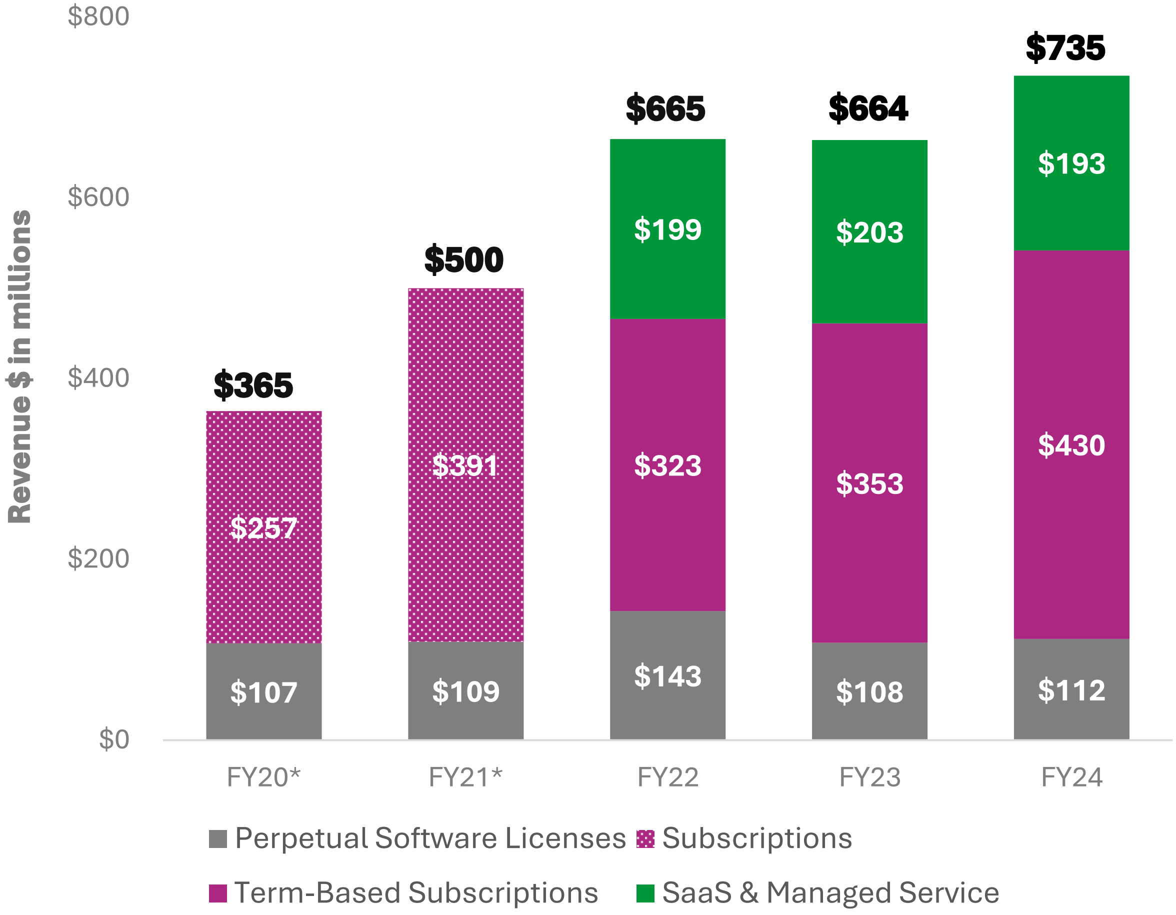
-5% **SaaS & Managed Services**
F5 Distribute Cloud Services growing, legacy transitions progressing

+22% **Term-based subscriptions**
Strong renewal and expansion performance; new business up from FY23.

Term-based subscriptions are recognized largely up front as product revenue with a portion deferred and recognized ratably as global services revenue over the subscription term.

Totals may not add due to rounding. FY20 – FY21 subscriptions include term-based subscriptions and SaaS & Managed Services.
*FY20 and FY21 revenue is non-GAAP. See appendix for GAAP to non-GAAP reconciliation.

Term-based subscriptions underpin overall software growth; SaaS & Managed Services transitions progressing



Year/Year change

-5% **SaaS & Managed Services**
F5 Distribute Cloud Services growing, legacy transitions progressing

+22% **Term-based subscriptions**
Strong renewal and expansion performance; new business up from FY23

+3% **Perpetual Software Licenses**
Driven by specific customer purchasing preferences.

Offering software via perpetual licenses enables customers to leverage capex budgets when preferable.

Revenue on perpetual software licenses is recognized at deal close.

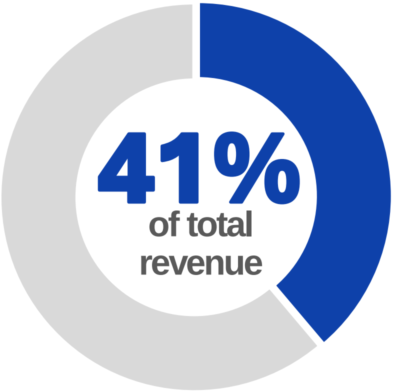
Totals may not add due to rounding. FY20 – FY21 subscriptions include term-based subscriptions and SaaS & Managed Services.
*FY20 and FY21 revenue is non-GAAP. See appendix for GAAP to non-GAAP reconciliation.

Security-related revenue contributing consistently to total revenue

FY24 total security

$1.1B

FY24 security revenue[1]



FY24 standalone security

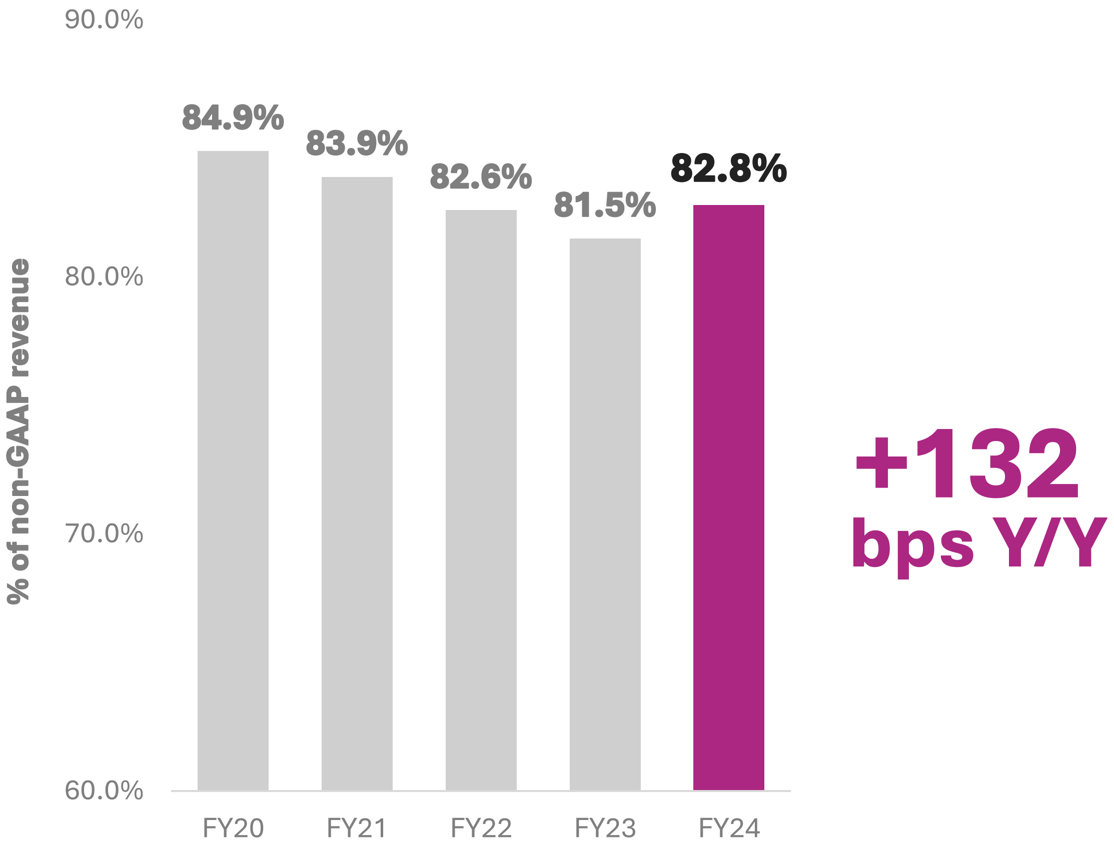
~$460M

FY24 standalone security revenue

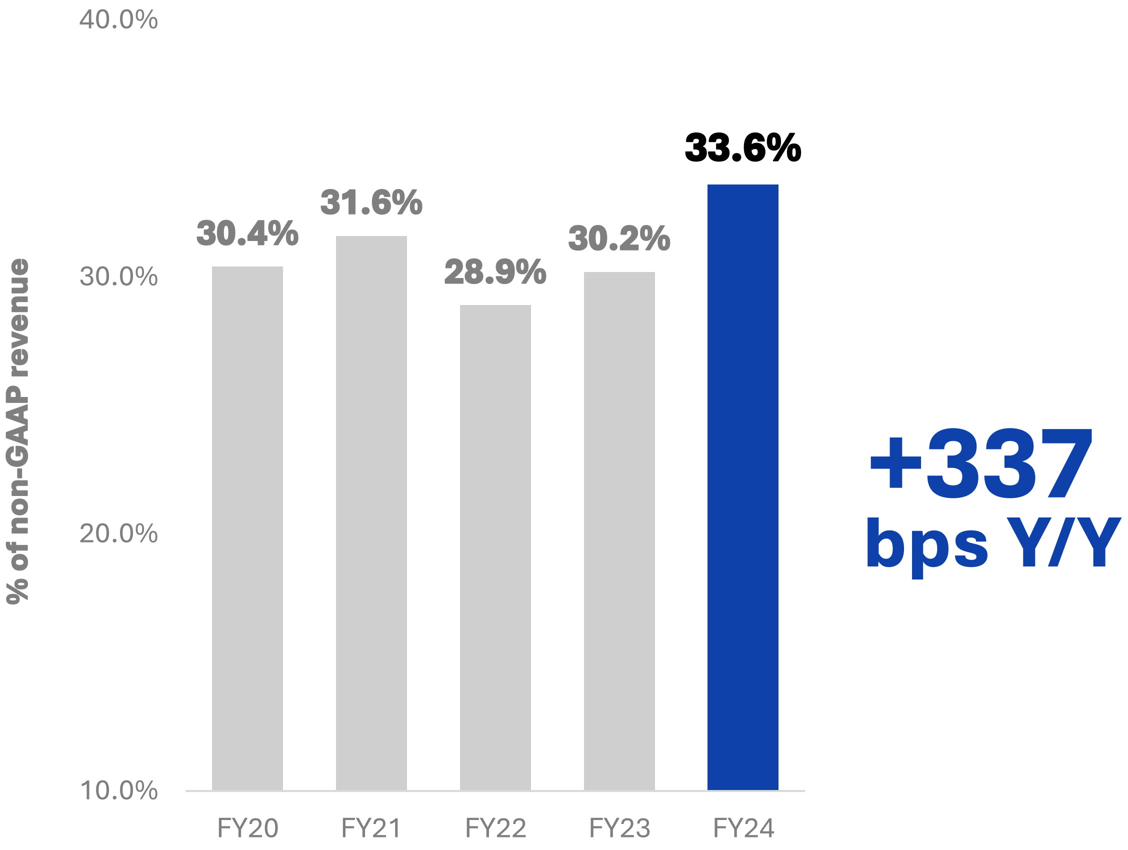
[1]Comprised of standalone security offerings, bundled security offerings, and related maintenance.

Non-GAAP gross and operating margins

Non-GAAP gross margin



Non-GAAP operating margin

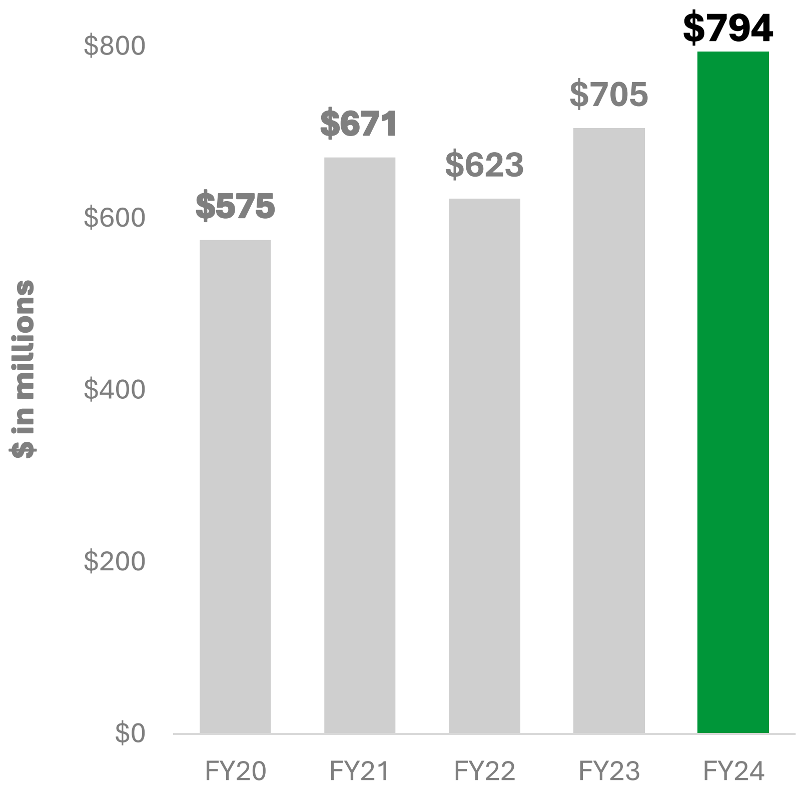


See appendix for GAAP to non-GAAP reconciliation

Non-GAAP net income and EPS

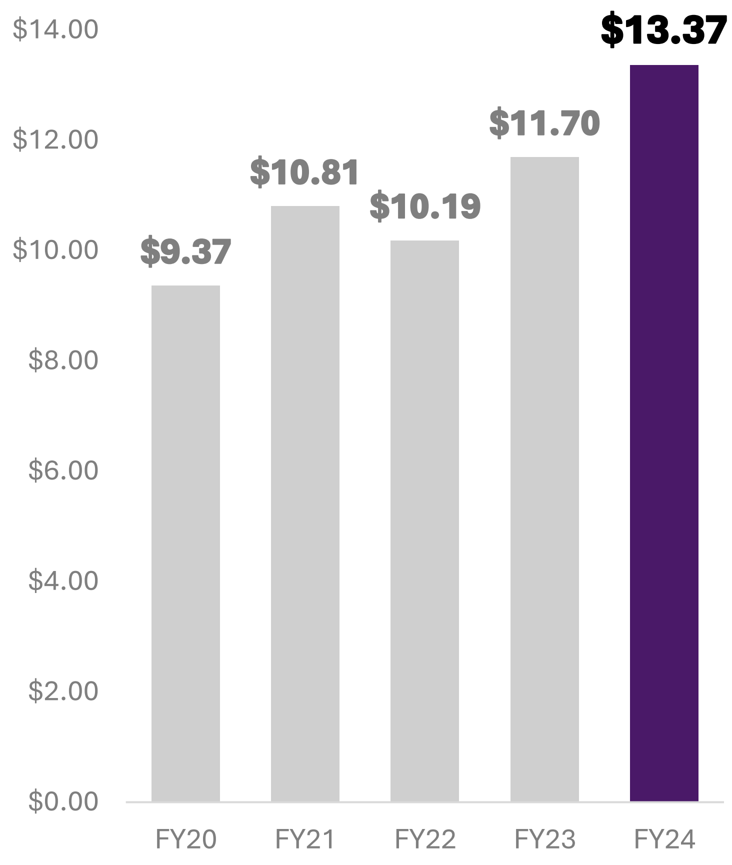
Reflects 19.2% FY24 and 18.3% FY23 non-GAAP effective tax rate

Non-GAAP net income



+13% growth Y/Y

Non-GAAP EPS



+14% growth Y/Y

See appendix for GAAP to non-GAAP reconciliation

Business Outlook

Cooper Werner, SVP Finance & Incoming CFO

Our FY25 outlook

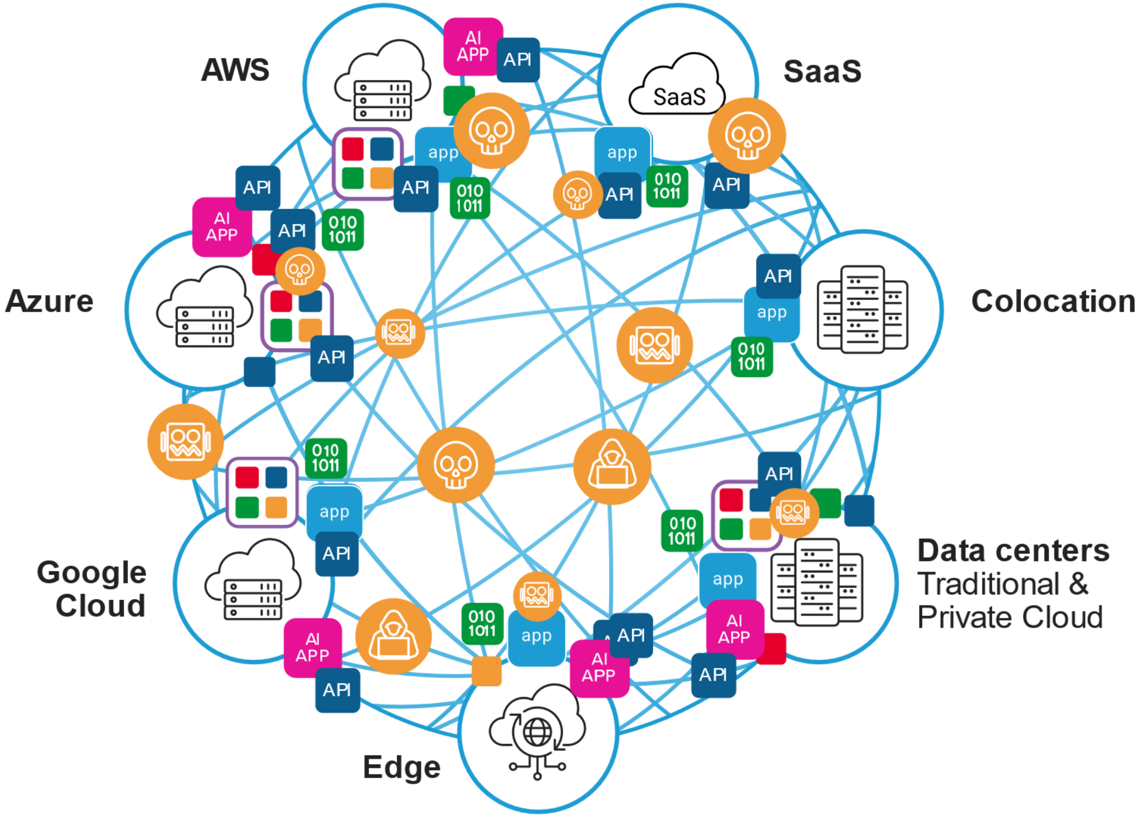
	FY24A	FY25 outlook
Total revenue	**$2.82B**	**4% to 5% growth** (low-single-digits 1H, mid-single-digits 2H)
Software revenue growth	11%	Upper-single-digit growth (on higher FY24 compare)
Systems revenue growth	-20%	Mid-single-digit growth
Global Services revenue growth	4%	Low-single-digit growth
Non-GAAP gross margin	82.8%	83% to 84%
Non-GAAP operating margin	33.6%	~35% (low 30% range 1H, upper 30% range 2H)
Effective non-GAAP tax rate	19.2%	21% to 23%
Non-GAAP EPS	14% growth	**5% to 7% growth Y/Y** (On a tax-neutral basis, midpoint is +10% from FY24)
Capital return as % of annual free cash flow*	66%	At least 50% of annual FCF*

*Free cash flow (FCF) defined as cash flow from operations less capital expenditures

Our Q1FY25 outlook

	Q1FY25 outlook
Total revenue	**$705 to $725M**
Non-GAAP gross margin	~83%
Non-GAAP operating expenses	$343 to $355M
Share-based compensation	$55 to $57M
Non-GAAP EPS	**$3.29 to $3.41**

The only company that secures, delivers, and optimizes any app, any API, anywhere.



Appendix

GAAP to non-GAAP reconciliation

Gross Profit Reconciliation ($ in thousands)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP revenue	$706,974	$692,597	$681,354	$695,495	$746,674	$2,350,822	$2,603,416	$2,695,845	$2,813,169	$2,816,120
Acquisition-related write-downs of assumed deferred revenue	$0	$0	$0	$0	$0	$6,824	$1,283	$0	$0	$0
Non-GAAP revenue	**$706,974**	**$692,597**	**$681,354**	**$695,495**	**$746,674**	**$2,357,646**	**$2,604,699**	**$2,695,845**	**$2,813,169**	**$2,816,120**
GAAP gross profit	$566,010	$556,208	$540,241	$559,070	$602,954	$1,942,935	$2,110,270	$2,156,218	$2,219,861	$2,258,473
Stock-based compensation	$7,142	$7,684	$7,447	$7,189	$7,089	$25,470	$29,107	$29,257	$29,658	$29,409
Amortization and impairment of purchased intangible assets	$11,234	$11,233	$11,633	$11,699	$9,283	$23,814	$35,156	$39,837	$42,136	$43,848
Facility-exit costs	$152	$156	($50)	$125	$141	$2,300	$2,604	$1,429	$653	$372
Acquisition-related charges	$32	$20	$0	$0	$0	$127	$2,532	$399	$244	$20
Impairment charges	$0	$0	$0	$0	$0	$0	$4,388	$0	$0	$0
Total adjustments to gross profit	$18,560	$19,093	$19,030	$19,013	$16,513	$51,711	$73,787	$70,922	$72,691	$73,649
Non-GAAP gross profit	**$584,570**	**$575,301**	**$559,271**	**$578,083**	**$619,467**	**$2,001,470**	**$2,185,340**	**$2,227,140**	**$2,292,552**	**$2,332,122**
Non-GAAP gross margin	**82.7%**	**83.1%**	**82.1%**	**83.1%**	**83.0%**	**84.9%**	**83.9%**	**82.6%**	**81.5%**	**82.8%**

Operating Expense Reconciliation ($ in thousands)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP operating expense	$394,269	$391,692	$400,281	$395,980	$411,929	$1,550,668	$1,716,245	$1,752,426	$1,747,293	$1,599,882
Stock-based compensation-sales and marketing	$21,307	$21,596	$21,421	$20,783	$20,720	$88,446	$104,578	$104,285	$96,478	$84,520
Stock-based compensation-research and development	$15,888	$16,018	$15,513	$14,752	$13,981	$50,271	$67,155	$71,781	$69,416	$60,264
Stock-based compensation-general and administrative	$8,928	$10,704	$10,760	$11,482	$11,969	$37,762	$42,439	$43,893	$41,098	$44,915
Amortization and impairment of purchased intangible assets-sales and marketing	$2,788	$2,788	$1,839	$1,405	$717	$8,612	$11,266	$16,169	$10,239	$6,749
Amortization and impairment of purchased intangible assets-R&D	$63	$94	$94	$94	$93	$0	$0	$0	$63	$375
Amortization and impairment of purchased intangible assets-general and administrative	$219	$200	$56	$52	$51	$2,178	$2,300	$1,683	$996	$359
Facility-exit costs-sales and marketing	$505	$483	$111	$397	$451	$5,100	$4,166	$2,811	$2,135	$1,442
Facility-exit costs-research and development	$545	$542	($1,026)	$447	$515	$5,257	$4,661	$3,656	$2,265	$478
Facility-exit costs-general and administrative	$358	$357	$233	$295	$332	$3,944	$3,498	$2,425	$1,573	$1,217
Acquisition-related charges-sales and marketing	$155	$65	($22)	$29	$0	$13,703	$29,726	$14,949	$2,668	$72
Acquisition-related charges-research and development	($1,296)	$153	$174	$501	$500	$2,838	$31,055	$22,600	$4,035	$1,328
Acquisition-related charges-general and administrative	$36	$563	$2,238	$126	$5	$39,815	$22,781	$11,462	$8,089	$2,932
Impairment charges-sales and marketing	$0	$0	$0	$0	$0	$0	$10,256	$0	$0	$0
Impairment charges-research and development	$0	$0	$0	$0	$0	$0	$9,845	$0	$0	$0
Impairment charges-general and administrative	$0	$0	$0	$0	$0	$0	$9,336	$0	$0	$0
Restructuring charges	$0	$8,472	$90	$93	$0	$7,800	$0	$7,909	$65,388	$8,655
Total adjustments to operating expenses	$49,496	$62,035	$51,481	$50,456	$49,334	$265,726	$353,062	$303,623	$304,443	$213,306
Non-GAAP operating expense	**$344,773**	**$329,657**	**$348,800**	**$345,524**	**$362,595**	**$1,284,942**	**$1,363,183**	**$1,448,803**	**$1,442,850**	**$1,386,576**

GAAP to non-GAAP reconciliation (continued)

Operating Expense Reconciliation ($ in thousands)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP operating expense	$394,269	$391,692	$400,281	$395,980	$411,929	$1,550,668	$1,716,245	$1,752,426	$1,747,293	$1,599,882
Stock-based compensation-sales and marketing	$21,307	$21,596	$21,421	$20,783	$20,720	$88,446	$104,578	$104,285	$96,478	$84,520
Stock-based compensation-research and development	$15,888	$16,018	$15,513	$14,752	$13,981	$50,271	$67,155	$71,781	$69,416	$60,264
Stock-based compensation-general and administrative	$8,928	$10,704	$10,760	$11,482	$11,969	$37,762	$42,439	$43,893	$41,098	$44,915
Amortization and impairment of purchased intangible assets-sales and marketing	$2,788	$2,788	$1,839	$1,405	$717	$8,612	$11,266	$16,169	$10,239	$6,749
Amortization and impairment of purchased intangible assets-R&D	$63	$94	$94	$94	$93	$0	$0	$0	$63	$375
Amortization and impairment of purchased intangible assets-general and administrative	$219	$200	$56	$52	$51	$2,178	$2,300	$1,683	$996	$359
Facility-exit costs-sales and marketing	$505	$483	$111	$397	$451	$5,100	$4,166	$2,811	$2,135	$1,442
Facility-exit costs-research and development	$545	$542	($1,026)	$447	$515	$5,257	$4,661	$3,656	$2,265	$478
Facility-exit costs-general and administrative	$358	$357	$233	$295	$332	$3,944	$3,498	$2,425	$1,573	$1,217
Acquisition-related charges-sales and marketing	$155	$65	($22)	$29	$0	$13,703	$29,726	$14,949	$2,668	$72
Acquisition-related charges-research and development	($1,296)	$153	$174	$501	$500	$2,838	$31,055	$22,600	$4,035	$1,328
Acquisition-related charges-general and administrative	$36	$563	$2,238	$126	$5	$39,815	$22,781	$11,462	$8,089	$2,932
Impairment charges-sales and marketing	$0	$0	$0	$0	$0	$0	$10,256	$0	$0	$0
Impairment charges-research and development	$0	$0	$0	$0	$0	$0	$9,845	$0	$0	$0
Impairment charges-general and administrative	$0	$0	$0	$0	$0	$0	$9,336	$0	$0	$0
Restructuring charges	$0	$8,472	$90	$93	$0	$7,800	$0	$7,909	$65,388	$8,655
Total adjustments to operating expenses	$49,496	$62,035	$51,481	$50,456	$49,334	$265,726	$353,062	$303,623	$304,443	$213,306
Non-GAAP operating expense	**$344,773**	**$329,657**	**$348,800**	**$345,524**	**$362,595**	**$1,284,942**	**$1,363,183**	**$1,448,803**	**$1,442,850**	**$1,386,576**

Income from Operations Reconciliation ($ in thousands)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP operating income	$171,741	$164,516	$139,960	$163,090	$191,025	$392,267	$394,025	$403,792	$472,568	$658,591
Total adjustments related to revenue	$0	$0	$0	$0	$0	$6,824	$1,283	$0	$0	$0
Total adjustments related to gross profit	$18,560	$19,093	$19,030	$19,013	$16,513	$51,711	$73,787	$70,922	$72,691	$73,649
Total adjustments related to operating expense	$49,496	$62,035	$51,481	$50,456	$49,334	$265,726	$353,062	$303,623	$304,443	$213,306
Total adjustments related to income from operations	$68,056	$81,128	$70,511	$69,469	$65,847	$324,261	$428,132	$374,545	$377,134	$286,955
Non-GAAP income from operations	**$239,797**	**$245,644**	**$210,471**	**$232,559**	**$256,872**	**$716,528**	**$822,157**	**$778,337**	**$849,702**	**$945,546**
Non-GAAP operating margin	**33.9%**	**35.5%**	**30.9%**	**33.4%**	**34.4%**	**30.4%**	**31.6%**	**28.9%**	**30.2%**	**33.6%**

GAAP to non-GAAP reconciliation (continued)

Net Income Reconciliation										
($ in thousands except per share data)										
	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP net income	152,134	138,382	119,021	144,079	165,296	307,441	331,241	322,160	394,948	566,778
Total adjustments related to revenue	0	0	0	0	0	6,824	1,283	0	0	0
Total adjustments to gross profit	18,560	19,093	19,030	19,013	16,513	51,711	73,787	70,922	72,691	73,649
Total adjustments to operating expenses	49,496	62,035	51,481	50,456	49,334	265,726	353,062	303,623	304,443	213,306
Exclude tax effect on above items	(11,421)	(14,783)	(16,369)	(14,709)	(14,204)	(56,726)	(88,408)	(74,075)	(66,758)	(60,065)
Total adjustments to net income	56,635	66,345	54,142	54,760	51,643	267,535	339,724	300,470	310,376	226,890
Non-GAAP net income	**208,769**	**204,727**	**173,163**	**198,839**	**216,939**	**574,976**	**670,965**	**622,630**	**705,324**	**793,668**
Weighted average basic common shares outstanding	59,245	59,122	58,788	58,584	58,384	60,911	60,707	60,274	59,909	58,720
Weighted average dilutive potential common shares outstanding	59,699	59,653	59,580	59,147	59,056	61,378	62,057	61,097	60,270	59,359
	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY20	FY21	FY22	FY23	FY24
GAAP operating income	171,741	164,516	139,960	163,090	191,025	392,267	394,025	403,792	472,568	658,591
GAAP other income	3,085	9,882	5,974	8,529	12,489	4,130	(7,088)	(18,399)	13,420	36,874
GAAP pre-tax income	174,826	174,398	145,934	171,619	203,514	396,397	386,937	385,393	485,988	695,465
GAAP provision for income taxes	22,692	36,016	26,913	27,540	38,218	88,956	55,696	63,233	91,040	128,687
GAAP effective tax rate	13.0%	20.7%	18.4%	16.0%	18.8%	22.4%	14.4%	16.4%	18.7%	18.5%
Non-GAAP income from operations	239,797	245,644	210,471	232,559	256,872	716,528	822,157	778,337	849,702	945,546
Non-GAAP other income	3,085	9,882	5,974	8,529	12,489	4,130	(7,088)	(18,399)	13,420	36,874
Non-GAAP pre-tax income	242,882	255,526	216,445	241,088	269,361	720,658	815,069	759,938	863,122	982,420
Non-GAAP provision for income taxes	34,113	50,799	43,282	42,249	52,422	145,682	144,104	137,308	157,798	188,752
Non-GAAP effective tax rate	14.0%	19.9%	20.0%	17.5%	19.5%	20.2%	17.7%	18.1%	18.3%	19.2%
Net Income per Common Share										
GAAP diluted net income per common share	$ 2.55	$ 2.32	$ 2.00	$ 2.44	$ 2.80	$ 5.01	$ 5.34	$ 5.27	$ 6.55	$ 9.55
Non-GAAP diluted net income per common share	**$ 3.50**	**$ 3.43**	**$ 2.91**	**$ 3.36**	**$ 3.67**	**$ 9.37**	**$ 10.81**	**$ 10.19**	**$ 11.70**	**$ 13.37**

GAAP to non-GAAP reconciliation (continued)

The non-GAAP adjustments, and F5's basis for excluding them from non-GAAP financial measures, are outlined below:

Stock-based compensation. Stock-based compensation consists of expense for stock options, restricted stock, and employee stock purchases through the Company’s Employee Stock Purchase Plan. Although stock-based compensation is an important aspect of the compensation of F5’s employees and executives, management believes it is useful to exclude stock-based compensation expenses to better understand the long-term performance of the Company’s core business and to facilitate comparison of the Company’s results to those of peer companies.

Amortization and impairment of purchased intangible assets. Purchased intangible assets are amortized over their estimated useful lives, and generally cannot be changed or influenced by management after the acquisition. On a non-recurring basis, when certain events or circumstances are present, management may also be required to write down the carrying value of its purchased intangible assets and recognize impairment charges. Management does not believe these charges accurately reflect the performance of the Company’s ongoing operations, therefore, they are not considered by management in making operating decisions. However, investors should note that the use of intangible assets contributed to F5’s revenues earned during the periods presented and will contribute to F5’s future period revenues as well.

Facility-exit costs. F5 has incurred charges in connection with the exit of facilities as well as other non-recurring lease activity. These charges are not representative of ongoing costs to the business and are not expected to recur. As a result, these charges are being excluded to provide investors with a more comparable measure of costs associated with ongoing operations.

Acquisition-related charges, net. F5 does not acquire businesses on a predictable cycle and the terms and scope of each transaction can vary significantly and are unique to each transaction. F5 excludes acquisition-related charges from its non-GAAP financial measures to provide a useful comparison of the Company’s operating results to prior periods and to its peer companies. Acquisition-related charges consist of planning, execution and integration costs incurred directly as a result of an acquisition.

Restructuring charges. F5 has incurred restructuring charges that are included in its GAAP financial statements, primarily related to workforce reductions and costs associated with exiting facility-lease commitments. F5 excludes these items from its non-GAAP financial measures when evaluating its continuing business performance as such items vary significantly based on the magnitude of the restructuring action and do not reflect expected future operating expenses. In addition, these charges do not necessarily provide meaningful insight into the fundamentals of current or past operations of its business.

Management believes that non-GAAP net income per share provides useful supplemental information to management and investors regarding the performance of the Company’s core business operations and facilitates comparisons to the Company’s historical operating results. Although F5’s management finds this non-GAAP measure to be useful in evaluating the performance of the core business, management’s reliance on this measure is limited because items excluded from such measures could have a material effect on F5’s earnings and earnings per share calculated in accordance with GAAP. Therefore, F5’s management will use its non-GAAP earnings and earnings per share measures, in conjunction with GAAP earnings and earnings per share measures, to address these limitations when evaluating the performance of the Company’s core business. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures in accordance with GAAP.

F5 believes that presenting its non-GAAP measures of earnings and earnings per share provides investors with an additional tool for evaluating the performance of the Company’s core business and is used by management in its own evaluation of the Company’s performance. Investors are encouraged to look at GAAP results as the best measure of financial performance. However, while the GAAP results are more complete, the Company provides investors these supplemental measures since, with reconciliation to GAAP, it may provide additional insight into the Company’s operational performance and financial results.

