

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

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net revenues				
Products.....	\$ 328,175	\$ 326,482	\$ 1,009,314	\$ 967,149
Services.....	374,467	348,006	1,096,881	1,028,663
Total.....	<u>702,642</u>	<u>674,488</u>	<u>2,106,195</u>	<u>1,995,812</u>
Cost of net revenues (1)(2)(3)(4)				
Products.....	87,940	73,558	286,590	226,454
Services.....	53,743	57,175	165,754	165,711
Total.....	<u>141,683</u>	<u>130,733</u>	<u>452,344</u>	<u>392,165</u>
Gross profit.....	<u>560,959</u>	<u>543,755</u>	<u>1,653,851</u>	<u>1,603,647</u>
Operating expenses (1)(2)(3)(4)				
Sales and marketing.....	207,202	226,731	673,383	689,592
Research and development.....	128,765	138,737	412,451	404,846
General and administrative.....	64,775	70,823	201,802	205,038
Restructuring charges.....	56,648	-	65,388	7,909
Total.....	<u>457,390</u>	<u>436,291</u>	<u>1,353,024</u>	<u>1,307,385</u>
Income from operations.....	103,569	107,464	300,827	296,262
Other income (expense), net.....	2,896	(6,221)	10,335	(10,586)
Income before income taxes.....	106,465	101,243	311,162	285,676
Provision for income taxes.....	17,489	18,224	68,348	52,862
Net income.....	<u>\$ 88,976</u>	<u>\$ 83,019</u>	<u>\$ 242,814</u>	<u>\$ 232,814</u>
Net income per share - basic.....	<u>\$ 1.48</u>	<u>\$ 1.38</u>	<u>\$ 4.04</u>	<u>\$ 3.85</u>
Weighted average shares - basic.....	<u>59,977</u>	<u>59,965</u>	<u>60,133</u>	<u>60,450</u>
Net income per share - diluted.....	<u>\$ 1.48</u>	<u>\$ 1.37</u>	<u>\$ 4.02</u>	<u>\$ 3.80</u>
Weighted average shares - diluted.....	<u>60,314</u>	<u>60,460</u>	<u>60,463</u>	<u>61,345</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 88,976	\$ 83,019	\$ 242,814	\$ 232,814
Stock-based compensation expense.....	56,472	61,875	183,385	189,761
Amortization and impairment of purchased intangible assets.....	13,876	12,701	39,130	44,988
Facility-exit costs.....	1,527	1,750	5,066	8,010
Acquisition-related charges.....	1,327	10,224	16,109	40,081
Restructuring charges.....	56,648	-	65,388	7,909
Tax effects related to above items.....	(25,173)	(14,427)	(55,337)	(58,587)
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>\$ 193,653</u>	<u>\$ 155,142</u>	<u>\$ 496,555</u>	<u>\$ 464,976</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>\$ 3.21</u>	<u>\$ 2.57</u>	<u>\$ 8.21</u>	<u>\$ 7.58</u>
Weighted average shares - diluted.....	<u>60,314</u>	<u>60,460</u>	<u>60,463</u>	<u>61,345</u>
(1) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,297	\$ 7,203	\$ 22,516	\$ 22,089
Sales and marketing.....	22,561	25,572	75,171	79,938
Research and development.....	16,297	17,502	53,528	54,318
General and administrative.....	10,317	11,598	32,170	33,416
	<u>\$ 56,472</u>	<u>\$ 61,875</u>	<u>\$ 183,385</u>	<u>\$ 189,761</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 10,984	\$ 9,960	\$ 30,902	\$ 29,878
Sales and marketing.....	2,672	2,389	7,451	13,780
General and administrative.....	220	352	777	1,330
	<u>\$ 13,876</u>	<u>\$ 12,701</u>	<u>\$ 39,130</u>	<u>\$ 44,988</u>
(3) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 150	\$ 62	\$ 501	\$ 1,155
Sales and marketing.....	481	546	1,630	2,183
Research and development.....	542	627	1,720	2,755
General and administrative.....	354	515	1,215	1,917
	<u>\$ 1,527</u>	<u>\$ 1,750</u>	<u>\$ 5,066</u>	<u>\$ 8,010</u>
(4) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ 45	\$ 96	\$ 212	\$ 291
Sales and marketing.....	349	2,493	2,513	12,266
Research and development.....	330	5,479	5,331	17,170
General and administrative.....	603	2,156	8,053	10,354
	<u>\$ 1,327</u>	<u>\$ 10,224</u>	<u>\$ 16,109</u>	<u>\$ 40,081</u>