

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

	Three Months Ended	
	December 31,	
	2023	2022
Net revenues		
Products	\$ 305,859	\$ 340,558
Services.....	386,738	359,820
Total.....	<u>692,597</u>	<u>700,378</u>
Cost of net revenues (1)(2)(3)(4)		
Products.....	82,708	98,855
Services.....	53,681	56,152
Total.....	<u>136,389</u>	<u>155,007</u>
Gross profit.....	556,208	545,371
Operating expenses (1)(2)(3)(4)		
Sales and marketing.....	198,927	233,105
Research and development.....	119,575	142,323
General and administrative.....	64,718	69,991
Restructuring charges.....	8,472	8,740
Total.....	<u>391,692</u>	<u>454,159</u>
Income from operations.....	164,516	91,212
Other income, net.....	9,882	4,702
Income before income taxes.....	174,398	95,914
Provision for income taxes.....	36,016	23,512
Net income.....	<u>\$ 138,382</u>	<u>\$ 72,402</u>
Net income per share - basic.....	<u>\$ 2.34</u>	<u>\$ 1.20</u>
Weighted average shares - basic.....	<u>59,122</u>	<u>60,096</u>
Net income per share - diluted.....	<u>\$ 2.32</u>	<u>\$ 1.20</u>
Weighted average shares - diluted.....	<u>59,653</u>	<u>60,387</u>
Non-GAAP Financial Measures		
Net income as reported.....	\$ 138,382	\$ 72,402
Stock-based compensation expense.....	56,002	62,874
Amortization and impairment of purchased intangible assets.....	14,315	12,685
Facility-exit costs.....	1,538	2,006
Acquisition-related charges.....	801	7,737
Restructuring charges.....	8,472	8,740
Tax effects related to above items.....	(14,783)	(17,170)
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>\$ 204,727</u>	<u>\$ 149,274</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>\$ 3.43</u>	<u>\$ 2.47</u>
Weighted average shares - diluted.....	<u>59,653</u>	<u>60,387</u>
(1) Includes stock-based compensation expense as follows:		
Cost of net revenues.....	\$ 7,684	\$ 7,636
Sales and marketing.....	21,596	25,721
Research and development.....	16,018	18,542
General and administrative.....	10,704	10,975
Total.....	<u>\$ 56,002</u>	<u>\$ 62,874</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:		
Cost of net revenues.....	\$ 11,233	\$ 9,959
Sales and marketing.....	2,788	2,389
Research and development.....	94	-
General and administrative.....	200	337
Total.....	<u>\$ 14,315</u>	<u>\$ 12,685</u>
(3) Includes facility-exit costs as follows:		
Cost of net revenues.....	\$ 156	\$ 201
Sales and marketing.....	483	663
Research and development.....	542	641
General and administrative.....	357	501
Total.....	<u>\$ 1,538</u>	<u>\$ 2,006</u>
(4) Includes acquisition-related charges as follows:		
Cost of net revenues.....	\$ 20	\$ 93
Sales and marketing.....	65	1,315
Research and development.....	153	3,768
General and administrative.....	563	2,561
Total.....	<u>\$ 801</u>	<u>\$ 7,737</u>