

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

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Net revenues				
Products	\$ 300,162	\$ 340,581	\$ 606,021	\$ 681,139
Services	381,192	362,594	767,930	722,414
Total	<u>681,354</u>	<u>703,175</u>	<u>1,373,951</u>	<u>1,403,553</u>
Cost of net revenues (1)(2)(3)(4)				
Products	85,313	99,795	168,021	198,650
Services	55,800	55,859	109,481	112,011
Total	<u>141,113</u>	<u>155,654</u>	<u>277,502</u>	<u>310,661</u>
Gross profit	540,241	547,521	1,096,449	1,092,892
Operating expenses (1)(2)(3)(4)				
Sales and marketing	210,800	233,076	409,727	466,181
Research and development	122,207	141,363	241,782	283,686
General and administrative	67,184	67,036	131,902	137,027
Restructuring charges	90	-	8,562	8,740
Total	<u>400,281</u>	<u>441,475</u>	<u>791,973</u>	<u>895,634</u>
Income from operations	139,960	106,046	304,476	197,258
Other income, net	5,974	2,737	15,856	7,439
Income before income taxes	145,934	108,783	320,332	204,697
Provision for income taxes	26,913	27,347	62,929	50,859
Net income	<u>\$ 119,021</u>	<u>\$ 81,436</u>	<u>\$ 257,403</u>	<u>\$ 153,838</u>
Net income per share - basic	<u>\$ 2.02</u>	<u>\$ 1.35</u>	<u>\$ 4.37</u>	<u>\$ 2.55</u>
Weighted average shares - basic	<u>58,788</u>	<u>60,330</u>	<u>58,956</u>	<u>60,211</u>
Net income per share - diluted	<u>\$ 2.00</u>	<u>\$ 1.34</u>	<u>\$ 4.32</u>	<u>\$ 2.54</u>
Weighted average shares - diluted	<u>59,580</u>	<u>60,691</u>	<u>59,617</u>	<u>60,537</u>
Non-GAAP Financial Measures				
Net income as reported	\$ 119,021	\$ 81,436	\$ 257,403	\$ 153,838
Stock-based compensation expense	55,141	64,039	111,143	126,913
Amortization and impairment of purchased intangible assets	13,622	12,569	27,937	25,254
Facility-exit costs	(732)	1,533	806	3,539
Acquisition-related charges	2,390	7,045	3,191	14,782
Restructuring charges	90	-	8,562	8,740
Tax effects related to above items	(16,369)	(12,994)	(31,152)	(30,164)
Net income excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, restructuring charges, net of tax effects (non-GAAP) - diluted	<u>\$ 173,163</u>	<u>\$ 153,628</u>	<u>\$ 377,890</u>	<u>\$ 302,902</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, net of tax effects (non-GAAP) - diluted	<u>\$ 2.91</u>	<u>\$ 2.53</u>	<u>\$ 6.34</u>	<u>\$ 5.00</u>
Weighted average shares - diluted	<u>59,580</u>	<u>60,691</u>	<u>59,617</u>	<u>60,537</u>
(1) Includes stock-based compensation expense as follows:				
Cost of net revenues	\$ 7,447	\$ 7,583	\$ 15,131	\$ 15,219
Sales and marketing	21,421	26,889	43,017	52,610
Research and development	15,513	18,689	31,531	37,231
General and administrative	10,760	10,878	21,464	21,853
Total	<u>\$ 55,141</u>	<u>\$ 64,039</u>	<u>\$ 111,143</u>	<u>\$ 126,913</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues	\$ 11,633	\$ 9,959	\$ 22,866	\$ 19,918
Sales and marketing	1,839	2,390	4,627	4,779
Research and development	94	-	188	-
General and administrative	56	220	256	557
Total	<u>\$ 13,622</u>	<u>\$ 12,569</u>	<u>\$ 27,937</u>	<u>\$ 25,254</u>
(3) Includes facility-exit costs as follows:				
Cost of net revenues	\$ (50)	\$ 150	\$ 106	\$ 351
Sales and marketing	111	486	594	1,149
Research and development	(1,026)	537	(484)	1,178
General and administrative	233	360	590	861
Total	<u>\$ (732)</u>	<u>\$ 1,533</u>	<u>\$ 806</u>	<u>\$ 3,539</u>
(4) Includes acquisition-related charges as follows:				
Cost of net revenues	\$ -	\$ 74	\$ 20	\$ 167
Sales and marketing	(22)	849	43	2,164
Research and development	174	1,233	327	5,001
General and administrative	2,238	4,889	2,801	7,450
Total	<u>\$ 2,390</u>	<u>\$ 7,045</u>	<u>\$ 3,191</u>	<u>\$ 14,782</u>