

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☐ Definitive Proxy Statement
☒ Definitive Additional Materials
☐ Soliciting Material Under Rule 14a-12

F5, Inc.

**(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

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- ☒ No fee required
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| (3) | Filing party:
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F5, Inc. (the “Company”) is filing a copy of this presentation intended to be used in discussions with shareholders related to the Company's proxy statement for its Annual Shareholders Meeting to be held on March 9, 2023.



F5, Inc. Investor Presentation

February 22, 2023



F5, Inc. (the “Company”) is filing a copy of this presentation intended to be used in discussions with shareholders related to the Company’s proxy statement for its Annual Shareholders Meeting to be held on March 9, 2023.



Forward Looking Statements

This presentation contains forward-looking statements including, among other things, statements regarding F5's potential share repurchases, environmental targets, employee and equity compensation needs and availability, cash flow usage, and business trends. 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 F5, 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: 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 F5'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 presentation should be read in conjunction with the consolidated financial statements and notes thereto included in F5's most recent reports on Forms 10-K and 10-Q as each may be amended from time to time. All forward-looking statements in this presentation 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.



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Executive Summary

- We are providing this information as supplemental to our proxy to aid investors in their consideration of our proposals.
- Our Board would like to draw your attention to **Proposal No. 2** – our request to **increase the number of shares issuable under our Incentive Plan by an additional 4.5M shares** – an amount expected to last roughly **two years**.
- Recently, Institutional Shareholder Services (“ISS”) released a report recommending that our shareholders vote against Proposal No. 2. Although we respect the ISS approach, their analysis in recommending against Proposal No. 2 does not take into account a number of relevant and important considerations. It also overstates the dilutive effect of our past equity usage, as well as the potential dilution of our proposal.
- Our Board unanimously recommends you cast your vote **FOR** this proposal, noting:
 - The **potential dilution including the proposed share increase** is **below the 50th percentile** of our peers.
 - **F5’s 3-year average unadjusted burn rate** (per ISS’s proxy research report) is also **below the 50th percentile of peers**.
 - In FY2022, **86% of grants** under the plan **went to non-exec employees**. Equity compensation is a fundamental element of our pay-for-performance compensation philosophy that incentivizes employees throughout the organization to drive stockholder value.
 - We compete for in-demand **cybersecurity, software, SaaS skill sets** that require us to leverage equity to attract and retain talent.
 - In all but one of the last several years, **we have deployed this equity without diluting our stockholders** and cumulatively, our share repurchases have more than offset shareholder dilution.
 - The **shares currently available** under the Incentive Plan are **insufficient to support our projected needs**.



Proposal No. 2

Incentive Plan Approval Request



Potential dilution including the proposed 4.5M share increase is below the 50th percentile of peers

49.6
Percent Rank

At 11.66%, potential dilution with the amended plan is below the 50th percentile of 9 peers that requested shares in the most recent plan year.

	Potential Dilution with the Amended Plan
F5, Inc.	11.66%
Akamai Technologies, Inc.	5.98%
Autodesk, Inc.	12.63%
Gen Digital Inc. (formerly NortonLifeLock, Inc.)	3.43%
Juniper Networks, Inc.	8.17%
Palo Alto Networks, Inc.	10.04%
Splunk Inc.	12.58%
Synopsys, Inc.	12.88%
Teradata Corporation	11.71%
Workday, Inc.	26.14%
75 th Percentile	12.63%
50 th Percentile	11.71%



F5’s 3-year average unadjusted burn rate is below the 50th percentile of its peers

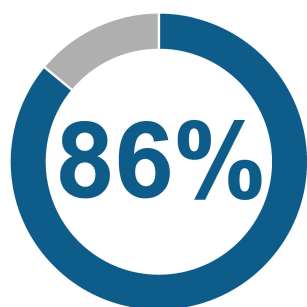
42.6
Percent Rank

At 2.25% (per ISS’s proxy research report), F5’s 3-yr average unadjusted burn rate is below the 50th percentile of 16 peers that disclosed a 3-yr average unadjusted burn rate.

	3-yr Average Unadjusted Burn Rate
F5, Inc.	2.25%
Akamai Technologies, Inc.	1.90%
Arista Networks, Inc.	1.22%
Autodesk, Inc.	1.20%
Gen Digital Inc. (formerly NortonLifeLock, Inc.)	1.39%
Juniper Networks, Inc.	2.50%
Mandiant, Inc.	7.02%
NetApp, Inc.	2.23%
Nutanix, Inc.	6.88%
Palo Alto Networks, Inc.	4.07%
ServiceNow, Inc.	2.28%
Splunk Inc.	4.13%
Synopsys, Inc.	1.69%
Teradata Corporation	3.95%
VeriSign, Inc.	0.26%
VMware, Inc.	2.31%
Workday, Inc.	3.08%
75 th Percentile	3.52%
50 th Percentile	2.28%



We ask investors to consider several additional factors related to our requested incentive plan amendment



■ Non-exec ■ Exec

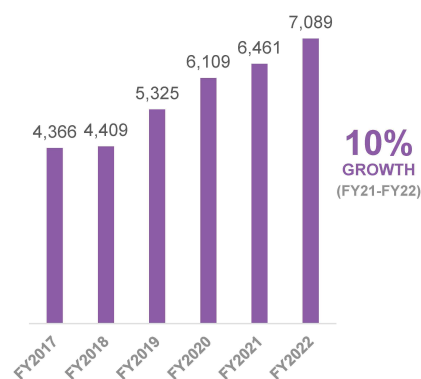
We have a broad-based program of making equity awards under the plan to most employees.

In FY2022, 86% of grants under the plan went to non-exec employees.

2
years

We estimate the additional shares plus the shares available will last for ~2 years.

Current available shares (without amendment) are insufficient for our projected needs.

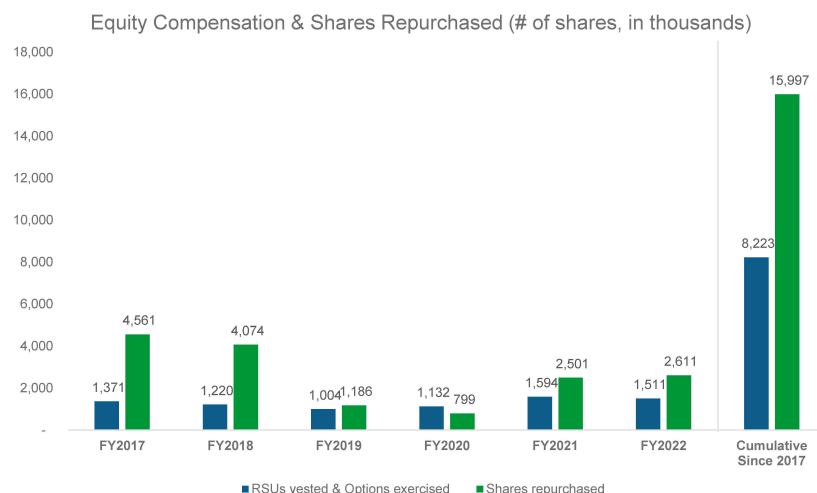


We are growing our employee base responsibly, targeting cybersecurity, software, and SaaS skill sets which remain in high demand and require us to leverage equity to attract and retain talent.



We also ask investors to consider our prior and intended share repurchases

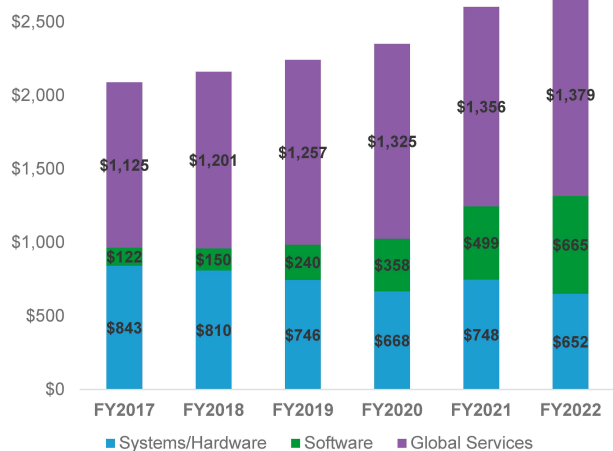
Beginning in FY23, we intend to use 50% of our annual free cash flow for share repurchases



**We have significantly transformed
our portfolio and our business**

We have driven growth while expanding our solutions portfolio and transitioning to a more software-driven business

F5's GAAP Revenue (\$ in millions)



FY2022 Milestones

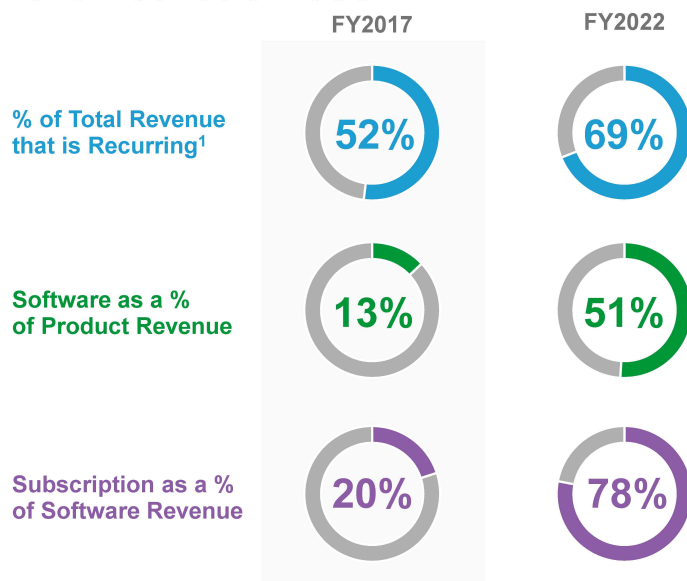
\$2.7B
in total revenue

\$1B
in security revenue*,
37% of total revenue

*Security revenue is comprised of standalone security offerings, bundled security offerings and related maintenance.



We have built a stronger, more diversified business



Executive Compensation



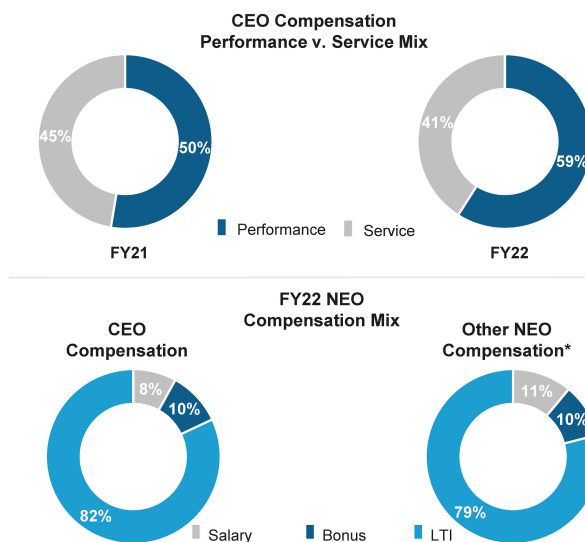
We have a strong pay-for-performance culture

CHANGES FOR FY2023

- An **Earnings Per Share metric** has replaced the prior software revenue growth metric in our long-term incentive program.

CHANGES FOR FY2022

- We **increased the performance-based portion** of our CEO's target equity award **to 60%** from 50% in FY21.
- **Diversity and inclusion metrics** comprised **10%** of our NEO's target annual cash incentive program.
- **Executive officers** are **required to hold shares earned** as a result of the vesting of equity awards granted in fiscal year 2022 and thereafter **for at least one year** (even if they have already met ownership and holding guidelines).



* Other NEO Compensation* is an average of the NEOs other than the CEO. Base salary, bonus and LTI are at target. Please refer to the "Cash Incentive Compensation" and "Fiscal Year 2022 Equity Awards" sections in the FY2022 Proxy Statement for information on the values.



ESG Overview

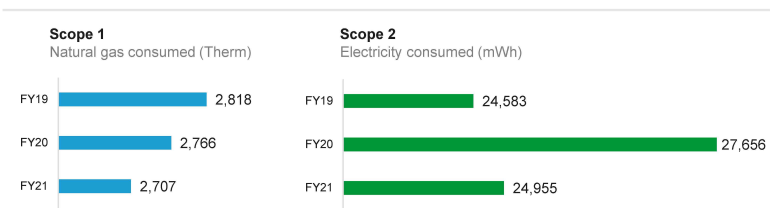


Building up a comprehensive program that recognizes F5's full environmental impact

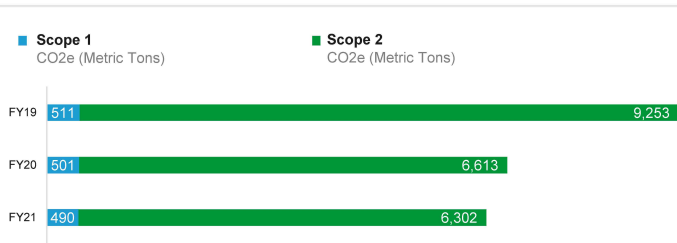
Focus Areas:

- Set science-aligned target in FY22, committing to reduce our absolute scope 1 and 2 emissions 50% by 2030 from a 2021 baseline year
- Committed to set science-based target by 2030 with the Science Based Target Initiative (SBTi) in FY23
- Standardize carbon reporting processes and metrics; and expand volume of data collection to include Scope 3
- Explore all options for carbon reduction, mitigation and removal
- Increase breadth of disclosures to Carbon Disclosure Project (CDP)

Energy Consumption



Carbon Emissions



Cultivating a human-first and high-performance culture

We prioritize employee engagement, wellness & development:

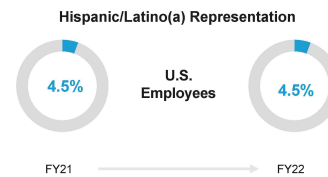
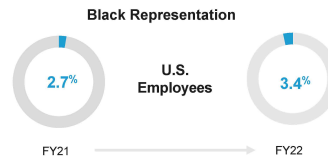
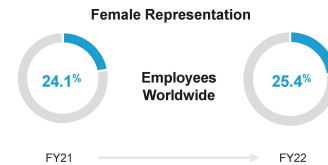
- Provide flexibility for employees to choose whether to work in an office, remotely or hybrid
- Expanded Wellness program, including new mental health resources and additional global vacation days ("Wellness Weekends")
- Award-winning, employee-directed community engagement program
- Increased focus on professional development, mentoring and coaching

We are evolving through Inclusion, Diversity, Equity & Allyship ("IDEA"):

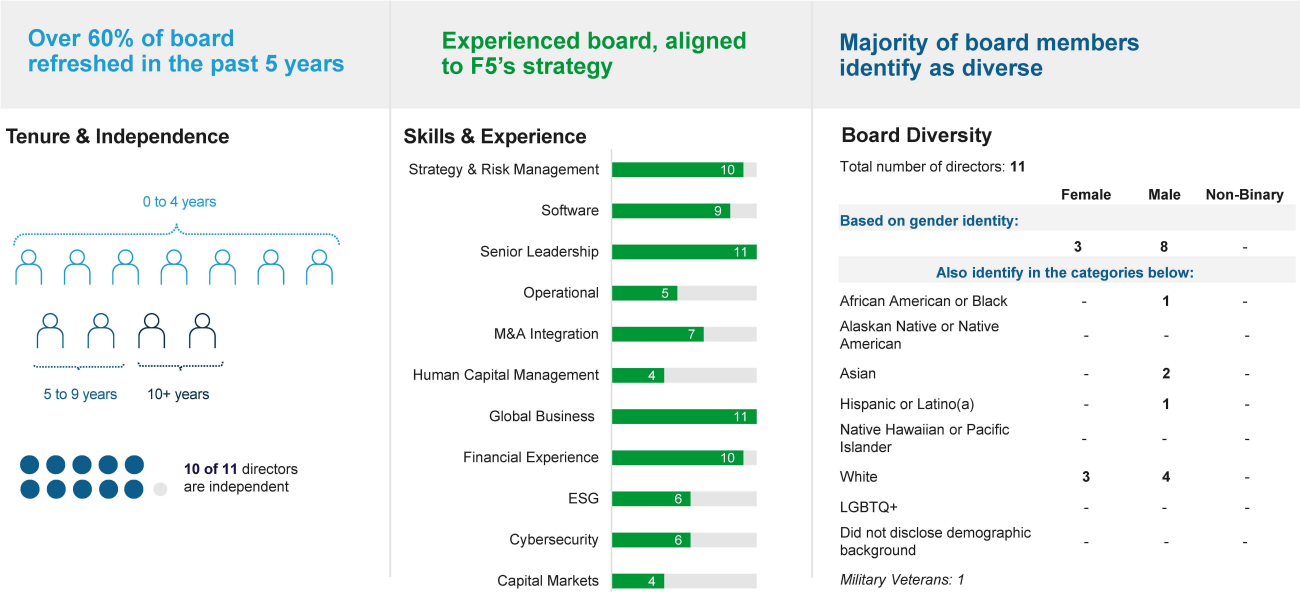
F5's second annual Diversity & Inclusion [report](#) outlines our "IDEA" framework and provide data on our progress from FY18-22.

Our annual companywide diversity commitments correspond with our executive compensation metrics to:¹

- Increase female employee representation by 8% worldwide
- Increase Black employee representation by 26% and Latino(a) employee representation by 11% in the U.S.
- Increase employee inclusion worldwide



Our Board is comprised of strategic and diverse leaders





QUESTIONS? Contact s.dulong@f5.com

