

F5 Networks, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

Three Months Ended
December 31,

	<u>2020</u>	<u>2019</u>
Operating activities		
Net income.....	\$ 87,678	\$ 98,527
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation.....	58,069	47,661
Depreciation and amortization.....	27,660	18,979
Non-cash operating lease costs.....	9,698	8,703
Deferred income taxes.....	(694)	(1,714)
Impairment of assets.....	6,873	-
Other.....	307	(31)
Changes in operating assets and liabilities (excluding effects of the acquisition of businesses):		
Accounts receivable.....	(54,416)	(32,683)
Inventories.....	1,443	2,020
Other current assets.....	(23,250)	(5,494)
Other assets.....	(26,654)	2,011
Accounts payable and accrued liabilities.....	(23,925)	(23,606)
Deferred revenue.....	86,193	39,856
Lease liabilities.....	(11,619)	(10,217)
Net cash provided by operating activities.....	<u>137,363</u>	<u>144,012</u>
Investing activities		
Purchases of investments.....	(42,765)	(180,557)
Maturities of investments.....	69,352	150,697
Sales of investments.....	-	22,764
Acquisition of businesses, net of cash acquired.....	(1,247)	-
Purchases of property and equipment.....	(4,697)	(22,304)
Net cash provided by (used in) investing activities.....	<u>20,643</u>	<u>(29,400)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	27,196	20,959
Payments on term debt agreement.....	(5,000)	-
Taxes paid related to net share settlement of equity awards.....	(4,481)	-
Net cash provided by financing activities.....	<u>17,715</u>	<u>20,959</u>
Net increase in cash, cash equivalents and restricted cash.....	175,721	135,571
Effect of exchange rate changes on cash, cash equivalents and restricted cash.....	1,655	820
Cash, cash equivalents and restricted cash, beginning of period.....	852,826	602,254
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 1,030,202</u>	<u>\$ 738,645</u>
Supplemental disclosures of cash flow information		
Cash paid for amounts included in the measurement of lease liabilities.....	\$ 15,032	\$ 12,707
Cash paid for interest on long-term debt.....	1,370	-
Supplemental disclosures of non-cash activities		
Right-of-use assets obtained in exchange for lease obligations.....	\$ 1,614	\$ 394,315