

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

	Three Months Ended December 31,	
	2019	2018
Operating activities		
Net income.....	\$ 98,527	\$ 130,905
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation.....	47,661	38,689
Depreciation and amortization.....	18,979	14,001
Non-cash operating lease costs.....	8,703	-
Other.....	(31)	251
Deferred income taxes.....	(1,714)	2,714
Changes in operating assets and liabilities:		
Accounts receivable.....	(32,683)	(28,921)
Inventories.....	2,020	(991)
Other current assets.....	(5,494)	(26,777)
Other assets.....	2,011	(157)
Accounts payable and accrued liabilities.....	(23,606)	2,022
Deferred revenue.....	39,856	66,122
Lease liabilities.....	(10,217)	-
Net cash provided by operating activities.....	<u>144,012</u>	<u>197,858</u>
Investing activities		
Purchases of investments.....	(180,557)	(190,884)
Maturities of investments.....	150,697	151,537
Sales of investments.....	22,764	-
Purchases of property and equipment.....	(22,304)	(21,046)
Net cash used in investing activities.....	<u>(29,400)</u>	<u>(60,393)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	20,959	18,900
Repurchase of common stock.....	-	(101,032)
Net cash provided by (used in) financing activities.....	<u>20,959</u>	<u>(82,132)</u>
Net increase in cash, cash equivalents and restricted cash.....	135,571	55,333
Effect of exchange rate changes on cash and cash equivalents.....	820	46
Cash, cash equivalents and restricted cash, beginning of period.....	602,254	425,894
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 738,645</u>	<u>\$ 481,273</u>
Supplemental disclosures of cash flow information		
Cash paid for amounts included in the measurement of lease liabilities	\$ 12,707	\$ -
Supplemental disclosures of non-cash activities		
Right-of-use assets obtained in exchange for lease obligations	\$ 394,315	\$ -
Capitalized leasehold improvements paid directly by landlord	\$ -	\$ 15,384