

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

	Three Months Ended		Years Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net revenues				
Products	\$ 358,285	\$ 325,324	\$ 1,272,795	\$ 1,334,638
Services.....	388,389	381,650	1,543,325	1,478,531
Total.....	<u>746,674</u>	<u>706,974</u>	<u>2,816,120</u>	<u>2,813,169</u>
Cost of net revenues (1)(2)(3)(4)				
Products.....	87,403	88,602	336,237	375,192
Services.....	56,317	52,362	221,410	218,116
Total.....	<u>143,720</u>	<u>140,964</u>	<u>557,647</u>	<u>593,308</u>
Gross profit.....	<u>602,954</u>	<u>566,010</u>	<u>2,258,473</u>	<u>2,219,861</u>
Operating expenses (1)(2)(3)(4)				
Sales and marketing.....	217,002	204,832	832,279	878,215
Research and development.....	123,951	127,834	490,120	540,285
General and administrative.....	70,976	61,603	268,828	263,405
Restructuring charges.....	-	-	8,655	65,388
Total.....	<u>411,929</u>	<u>394,269</u>	<u>1,599,882</u>	<u>1,747,293</u>
Income from operations.....	191,025	171,741	658,591	472,568
Other income, net.....	12,489	3,085	36,874	13,420
Income before income taxes.....	203,514	174,826	695,465	485,988
Provision for income taxes.....	38,218	22,692	128,687	91,040
Net income.....	<u>\$ 165,296</u>	<u>\$ 152,134</u>	<u>\$ 566,778</u>	<u>\$ 394,948</u>
Net income per share - basic.....	<u>\$ 2.83</u>	<u>\$ 2.57</u>	<u>\$ 9.65</u>	<u>\$ 6.59</u>
Weighted average shares - basic.....	<u>58,384</u>	<u>59,245</u>	<u>58,720</u>	<u>59,909</u>
Net income per share - diluted.....	<u>\$ 2.80</u>	<u>\$ 2.55</u>	<u>\$ 9.55</u>	<u>\$ 6.55</u>
Weighted average shares - diluted.....	<u>59,056</u>	<u>59,699</u>	<u>59,359</u>	<u>60,270</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 165,296	\$ 152,134	\$ 566,778	\$ 394,948
Stock-based compensation expense.....	53,759	53,265	219,108	236,650
Amortization and impairment of purchased intangible assets.....	10,144	14,304	51,331	53,434
Facility-exit costs.....	1,439	1,560	3,509	6,626
Acquisition-related charges.....	505	(1,073)	4,352	15,036
Restructuring charges.....	-	-	8,655	65,388
Tax effects related to above items.....	(14,204)	(11,421)	(60,065)	(66,758)
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>\$ 216,939</u>	<u>\$ 208,769</u>	<u>\$ 793,668</u>	<u>\$ 705,324</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>\$ 3.67</u>	<u>\$ 3.50</u>	<u>\$ 13.37</u>	<u>\$ 11.70</u>
Weighted average shares - diluted.....	<u>59,056</u>	<u>59,699</u>	<u>59,359</u>	<u>60,270</u>
(1) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,089	\$ 7,142	\$ 29,409	\$ 29,658
Sales and marketing.....	20,720	21,307	84,520	96,478
Research and development.....	13,981	15,888	60,264	69,416
General and administrative.....	11,969	8,928	44,915	41,098
Total.....	<u>\$ 53,759</u>	<u>\$ 53,265</u>	<u>\$ 219,108</u>	<u>\$ 236,650</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 9,283	\$ 11,234	\$ 43,848	\$ 42,136
Sales and marketing.....	717	2,788	6,749	10,239
Research and development.....	93	63	375	63
General and administrative.....	51	219	359	996
Total.....	<u>\$ 10,144</u>	<u>\$ 14,304</u>	<u>\$ 51,331</u>	<u>\$ 53,434</u>
(3) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 141	\$ 152	\$ 372	\$ 653
Sales and marketing.....	451	505	1,442	2,135
Research and development.....	515	545	478	2,265
General and administrative.....	332	358	1,217	1,573
Total.....	<u>\$ 1,439</u>	<u>\$ 1,560</u>	<u>\$ 3,509</u>	<u>\$ 6,626</u>
(4) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ -	\$ 32	\$ 20	\$ 244
Sales and marketing.....	-	155	72	2,668
Research and development.....	500	(1,296)	1,328	4,035
General and administrative.....	5	36	2,932	8,089
Total.....	<u>\$ 505</u>	<u>\$ (1,073)</u>	<u>\$ 4,352</u>	<u>\$ 15,036</u>