

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

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net revenues				
Products	\$ 308,489	\$ 328,175	\$ 914,510	\$ 1,009,314
Services.....	387,006	374,467	1,154,936	1,096,881
Total.....	<u>695,495</u>	<u>702,642</u>	<u>2,069,446</u>	<u>2,106,195</u>
Cost of net revenues (1)(2)(3)(4)				
Products.....	80,813	87,940	248,834	286,590
Services.....	55,612	53,743	165,093	165,754
Total.....	<u>136,425</u>	<u>141,683</u>	<u>413,927</u>	<u>452,344</u>
Gross profit.....	<u>559,070</u>	<u>560,959</u>	<u>1,655,519</u>	<u>1,653,851</u>
Operating expenses (1)(2)(3)(4)				
Sales and marketing.....	205,550	207,202	615,277	673,383
Research and development.....	124,387	128,765	366,169	412,451
General and administrative.....	65,950	64,775	197,852	201,802
Restructuring charges.....	93	56,648	8,655	65,388
Total.....	<u>395,980</u>	<u>457,390</u>	<u>1,187,953</u>	<u>1,353,024</u>
Income from operations.....	163,090	103,569	467,566	300,827
Other income, net.....	8,529	2,896	24,385	10,335
Income before income taxes.....	171,619	106,465	491,951	311,162
Provision for income taxes.....	27,540	17,489	90,469	68,348
Net income.....	<u>\$ 144,079</u>	<u>\$ 88,976</u>	<u>\$ 401,482</u>	<u>\$ 242,814</u>
Net income per share - basic.....	<u>\$ 2.46</u>	<u>\$ 1.48</u>	<u>\$ 6.82</u>	<u>\$ 4.04</u>
Weighted average shares - basic.....	<u>58,584</u>	<u>59,977</u>	<u>58,832</u>	<u>60,133</u>
Net income per share - diluted.....	<u>\$ 2.44</u>	<u>\$ 1.48</u>	<u>\$ 6.75</u>	<u>\$ 4.02</u>
Weighted average shares - diluted.....	<u>59,147</u>	<u>60,314</u>	<u>59,461</u>	<u>60,463</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 144,079	\$ 88,976	\$ 401,482	\$ 242,814
Stock-based compensation expense.....	54,206	56,472	165,349	183,385
Amortization and impairment of purchased intangible assets.....	13,250	13,876	41,187	39,130
Facility-exit costs.....	1,264	1,527	2,070	5,066
Acquisition-related charges.....	656	1,327	3,847	16,109
Restructuring charges.....	93	56,648	8,655	65,388
Tax effects related to above items.....	(14,709)	(25,173)	(45,861)	(55,337)
Net income excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, and restructuring charges, net of tax effects (non-GAAP) - diluted.....	<u>\$ 198,839</u>	<u>\$ 193,653</u>	<u>\$ 576,729</u>	<u>\$ 496,555</u>
Net income per share excluding stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, and restructuring charges, net of tax effects (non-GAAP) - diluted.....	<u>\$ 3.36</u>	<u>\$ 3.21</u>	<u>\$ 9.70</u>	<u>\$ 8.21</u>
Weighted average shares - diluted.....	<u>59,147</u>	<u>60,314</u>	<u>59,461</u>	<u>60,463</u>
(1) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,189	\$ 7,297	\$ 22,320	\$ 22,516
Sales and marketing.....	20,783	22,561	63,800	75,171
Research and development.....	14,752	16,297	46,283	53,528
General and administrative.....	11,482	10,317	32,946	32,170
	<u>\$ 54,206</u>	<u>\$ 56,472</u>	<u>\$ 165,349</u>	<u>\$ 183,385</u>
(2) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 11,699	\$ 10,984	\$ 34,565	\$ 30,902
Sales and marketing.....	1,405	2,672	6,032	7,451
Research and development.....	94	-	282	-
General and administrative.....	52	220	308	777
	<u>\$ 13,250</u>	<u>\$ 13,876</u>	<u>\$ 41,187</u>	<u>\$ 39,130</u>
(3) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 125	\$ 150	\$ 231	\$ 501
Sales and marketing.....	397	481	991	1,630
Research and development.....	447	542	(37)	1,720
General and administrative.....	295	354	885	1,215
	<u>\$ 1,264</u>	<u>\$ 1,527</u>	<u>\$ 2,070</u>	<u>\$ 5,066</u>
(4) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ -	\$ 45	\$ 20	\$ 212
Sales and marketing.....	29	349	72	2,513
Research and development.....	501	330	828	5,331
General and administrative.....	126	603	2,927	8,053
	<u>\$ 656</u>	<u>\$ 1,327</u>	<u>\$ 3,847</u>	<u>\$ 16,109</u>