

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

	Nine Months Ended June 30,	
	2019	2018
Operating activities		
Net income.....	\$ 332,897	\$ 320,808
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss on disposition of assets and investments.....	606	64
Stock-based compensation.....	119,182	121,007
Provisions for doubtful accounts and sales returns.....	65	1,494
Depreciation and amortization.....	46,645	44,081
Deferred income taxes.....	10,171	19,241
Changes in operating assets and liabilities:		
Accounts receivable.....	(16,249)	(6,945)
Inventories.....	(5,441)	(1,488)
Other current assets.....	(54,381)	11,590
Other assets.....	(8,785)	(68)
Accounts payable and accrued liabilities.....	37,932	(16,423)
Deferred revenue.....	79,113	63,402
Net cash provided by operating activities.....	<u>541,755</u>	<u>556,763</u>
Investing activities		
Purchases of investments.....	(210,109)	(499,084)
Maturities of investments.....	507,804	295,479
Sales of investments.....	276,278	10,748
Acquisition of businesses, net of cash acquired.....	(611,550)	-
Cash provided by sale of fixed asset.....	-	1,000
Purchases of property and equipment.....	(83,008)	(36,074)
Net cash used in investing activities.....	<u>(120,585)</u>	<u>(227,931)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	45,455	48,818
Repurchase of common stock.....	(201,045)	(450,064)
Net cash used in financing activities.....	<u>(155,590)</u>	<u>(401,246)</u>
Net increase (decrease) in cash and cash equivalents.....	265,580	(72,414)
Effect of exchange rate changes on cash and cash equivalents.....	(111)	(1,588)
Cash, cash equivalents and restricted cash, beginning of period.....	425,894	674,452
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 691,363</u>	<u>\$ 600,450</u>