

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

	Years Ended September 30,	
	2020	2019
Operating activities		
Net income.....	\$ 307,441	\$ 427,734
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation.....	201,948	162,914
Depreciation and amortization.....	95,857	68,507
Non-cash operating lease costs.....	39,139	
Other.....	2,122	1,662
Deferred income taxes.....	7,293	7,440
Impairment of assets.....	9,673	6,273
Non-cash provisions for exit costs.....	-	8,211
Changes in operating assets and liabilities:		
Accounts receivable.....	46,502	(18,305)
Inventories.....	6,503	(3,832)
Other current assets.....	(49,895)	(75,449)
Other assets.....	(25,690)	(22,742)
Accounts payable and accrued liabilities.....	34,742	74,710
Deferred revenue.....	35,514	110,718
Lease liabilities.....	(50,251)	-
Net cash provided by operating activities.....	<u>660,898</u>	<u>747,841</u>
Investing activities		
Purchases of investments.....	(584,240)	(602,987)
Maturities of investments.....	543,065	625,201
Sales of investments.....	309,687	278,244
Acquisition of businesses, net of cash acquired.....	(955,574)	(611,550)
Purchases of property and equipment.....	(59,940)	(103,542)
Net cash used in investing activities.....	<u>(747,002)</u>	<u>(414,634)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	52,835	45,598
Repurchase of common stock.....	(100,016)	(201,045)
Proceeds from term debt agreement.....	400,000	-
Payments on term debt agreement.....	(10,000)	-
Payments for debt issuance costs.....	(3,040)	-
Taxes paid related to net share settlement of equity awards.....	(2,536)	-
Net cash provided by (used in) financing activities.....	<u>337,243</u>	<u>(155,447)</u>
Net increase in cash, cash equivalents and restricted cash.....	251,139	177,760
Effect of exchange rate changes on cash, cash equivalents and restricted cash.....	(567)	(1,400)
Cash, cash equivalents and restricted cash, beginning of period.....	602,254	425,894
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 852,826</u>	<u>\$ 602,254</u>
Supplemental disclosures of cash flow information		
Cash paid for taxes, net of refunds.....	\$ 80,236	\$ 100,569
Cash paid for amounts included in the measurement of lease liabilities.....	60,564	-
Cash paid for interest on long-term debt.....	6,568	-
Supplemental disclosures of non-cash activities		
Right-of-use assets obtained in exchange for lease obligations.....	\$ 402,007	\$ -
Capitalized leasehold improvements paid directly by landlord.....	-	34,948