

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

	Three Months Ended		Years Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Net revenues				
Products (1).....	\$ 349,968	\$ 339,921	\$ 1,317,117	\$ 1,247,084
Services.....	350,065	342,076	1,378,728	1,356,332
Total.....	<u>700,033</u>	<u>681,997</u>	<u>2,695,845</u>	<u>2,603,416</u>
Cost of net revenues (2)(3)(4)(5)(6)				
Products.....	93,259	76,992	319,713	286,293
Services.....	54,203	51,686	219,914	206,853
Total.....	<u>147,462</u>	<u>128,678</u>	<u>539,627</u>	<u>493,146</u>
Gross profit.....	<u>552,571</u>	<u>553,319</u>	<u>2,156,218</u>	<u>2,110,270</u>
Operating expenses (2)(3)(4)(5)(6)				
Sales and marketing.....	236,999	233,154	926,591	929,983
Research and development.....	138,522	124,700	543,368	512,627
General and administrative.....	69,520	69,101	274,558	273,635
Restructuring charges.....	-	-	7,909	-
Total.....	<u>445,041</u>	<u>426,955</u>	<u>1,752,426</u>	<u>1,716,245</u>
Income from operations.....	<u>107,530</u>	<u>126,364</u>	<u>403,792</u>	<u>394,025</u>
Other income, net.....	(7,813)	(2,865)	(18,399)	(7,088)
Income before income taxes.....	<u>99,717</u>	<u>123,499</u>	<u>385,393</u>	<u>386,937</u>
Provision for income taxes.....	10,371	12,781	63,233	55,696
Net income.....	<u>\$ 89,346</u>	<u>\$ 110,718</u>	<u>\$ 322,160</u>	<u>\$ 331,241</u>
Net income per share - basic.....	<u>\$ 1.50</u>	<u>\$ 1.83</u>	<u>\$ 5.34</u>	<u>\$ 5.46</u>
Weighted average shares - basic.....	<u>59,751</u>	<u>60,526</u>	<u>60,274</u>	<u>60,707</u>
Net income per share - diluted.....	<u>\$ 1.49</u>	<u>\$ 1.80</u>	<u>\$ 5.27</u>	<u>\$ 5.34</u>
Weighted average shares - diluted.....	<u>60,126</u>	<u>61,606</u>	<u>61,097</u>	<u>62,057</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 89,346	\$ 110,718	\$ 322,160	\$ 331,241
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	1,283
Stock-based compensation expense.....	59,455	60,522	249,216	243,279
Amortization and impairment of purchased intangible assets.....	12,701	12,879	57,689	48,722
Facility-exit costs.....	2,311	4,056	10,321	14,929
Acquisition-related charges.....	9,329	16,867	49,410	86,094
Impairment charges.....	-	-	-	33,825
Restructuring charges.....	-	-	7,909	-
Tax effects related to above items.....	(15,488)	(19,804)	(74,075)	(88,408)
Net income excluding acquisition-related write-downs of assumed deferred revenue, stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, impairment charges, restructuring charges and non-recurring tax expenses and benefits (non-GAAP) - diluted.....	<u>\$ 157,654</u>	<u>\$ 185,238</u>	<u>\$ 622,630</u>	<u>\$ 670,965</u>
Net income per share excluding acquisition-related write-downs of assumed deferred revenue, stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges, impairment charges, restructuring charges and non-recurring tax expenses and benefits (non-GAAP) - diluted.....	<u>\$ 2.62</u>	<u>\$ 3.01</u>	<u>\$ 10.19</u>	<u>\$ 10.81</u>
Weighted average shares - diluted.....	<u>60,126</u>	<u>61,606</u>	<u>61,097</u>	<u>62,057</u>
(1) GAAP net product revenues.....	\$ 349,968	\$ 339,921	\$ 1,317,117	\$ 1,247,084
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	1,283
Non-GAAP net product revenues.....	<u>349,968</u>	<u>339,921</u>	<u>1,317,117</u>	<u>1,248,367</u>
GAAP net service revenues.....	350,065	342,076	1,378,728	1,356,332
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	-
Non-GAAP net service revenues.....	<u>350,065</u>	<u>342,076</u>	<u>1,378,728</u>	<u>1,356,332</u>
Total non-GAAP net revenues.....	<u>\$ 700,033</u>	<u>\$ 681,997</u>	<u>\$ 2,695,845</u>	<u>\$ 2,604,699</u>
(2) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,168	\$ 7,204	\$ 29,257	\$ 29,107
Sales and marketing.....	24,347	25,896	104,285	104,578
Research and development.....	17,463	17,109	71,781	67,155
General and administrative.....	10,477	10,313	43,893	42,439
Total.....	<u>\$ 59,455</u>	<u>\$ 60,522</u>	<u>\$ 249,216</u>	<u>\$ 243,279</u>
(3) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 9,959	\$ 9,468	\$ 39,837	\$ 35,156
Sales and marketing.....	2,389	2,836	16,169	11,266
General and administrative.....	353	575	1,683	2,300
Total.....	<u>\$ 12,701</u>	<u>\$ 12,879</u>	<u>\$ 57,689</u>	<u>\$ 48,722</u>
(4) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 274	\$ 678	\$ 1,429	\$ 2,604
Sales and marketing.....	628	1,115	2,811	4,166
Research and development.....	901	1,309	3,656	4,661
General and administrative.....	508	954	2,425	3,498
Total.....	<u>\$ 2,311</u>	<u>\$ 4,056</u>	<u>\$ 10,321</u>	<u>\$ 14,929</u>
(5) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ 108	\$ 10	\$ 399	\$ 2,532
Sales and marketing.....	2,683	6,513	14,949	29,726
Research and development.....	5,430	5,935	22,600	31,055
General and administrative.....	1,108	4,409	11,462	22,781
Total.....	<u>\$ 9,329</u>	<u>\$ 16,867</u>	<u>\$ 49,410</u>	<u>\$ 86,094</u>
(6) Includes impairment charges as follows:				
Cost of net revenues.....	\$ -	\$ -	\$ -	\$ 4,388
Sales and marketing.....	-	-	-	10,256
Research and development.....	-	-	-	9,845
General and administrative.....	-	-	-	9,336
Total.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,825</u>