

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
<b>Net revenues</b>				
Products (1).....	\$ 326,482	\$ 309,929	\$ 967,149	\$ 907,163
Services.....	348,006	341,586	1,028,663	1,014,256
Total.....	<u>674,488</u>	<u>651,515</u>	<u>1,995,812</u>	<u>1,921,419</u>
<b>Cost of net revenues (2)(3)(4)(5)(6)</b>				
Products.....	73,558	68,974	226,454	209,301
Services.....	57,175	51,930	165,711	155,167
Total.....	<u>130,733</u>	<u>120,904</u>	<u>392,165</u>	<u>364,468</u>
<b>Gross profit.....</b>	<u>543,755</u>	<u>530,611</u>	<u>1,603,647</u>	<u>1,556,951</u>
<b>Operating expenses (2)(3)(4)(5)(6)</b>				
Sales and marketing.....	226,731	237,375	689,592	696,829
Research and development.....	138,737	133,283	404,846	387,927
General and administrative.....	70,823	63,541	205,038	204,534
Restructuring charges.....	-	-	7,909	-
Total.....	<u>436,291</u>	<u>434,199</u>	<u>1,307,385</u>	<u>1,289,290</u>
<b>Income from operations.....</b>	<u>107,464</u>	<u>96,412</u>	<u>296,262</u>	<u>267,661</u>
Other income, net.....	(6,221)	(2,163)	(10,586)	(4,223)
<b>Income before income taxes.....</b>	<u>101,243</u>	<u>94,249</u>	<u>285,676</u>	<u>263,438</u>
Provision for income taxes.....	18,224	4,645	52,862	42,915
<b>Net income.....</b>	<u>\$ 83,019</u>	<u>\$ 89,604</u>	<u>\$ 232,814</u>	<u>\$ 220,523</u>
<b>Net income per share - basic.....</b>	<u>\$ 1.38</u>	<u>\$ 1.49</u>	<u>\$ 3.85</u>	<u>\$ 3.63</u>
Weighted average shares - basic.....	<u>59,965</u>	<u>60,186</u>	<u>60,450</u>	<u>60,768</u>
<b>Net income per share - diluted.....</b>	<u>\$ 1.37</u>	<u>\$ 1.46</u>	<u>\$ 3.80</u>	<u>\$ 3.55</u>
Weighted average shares - diluted.....	<u>60,460</u>	<u>61,351</u>	<u>61,345</u>	<u>62,064</u>
<b>Non-GAAP Financial Measures</b>				
Net income as reported.....	\$ 83,019	\$ 89,604	\$ 232,814	\$ 220,523
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	1,283
Stock-based compensation expense.....	61,875	61,468	189,761	182,757
Amortization and impairment of purchased intangible assets.....	12,701	12,931	44,988	35,843
Facility-exit costs.....	1,750	4,472	8,010	10,873
Acquisition-related charges.....	10,224	23,584	40,081	69,227
Impairment charges.....	-	-	-	33,825
Restructuring charges.....	-	-	7,909	-
Tax effects related to above items.....	(14,427)	(22,943)	(58,587)	(68,604)
<b>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 and restructuring charges (non-GAAP) - diluted.....</b>	<u>\$ 155,142</u>	<u>\$ 169,116</u>	<u>\$ 464,976</u>	<u>\$ 485,727</u>
<b>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 and restructuring charges (non-GAAP) - diluted.....</b>	<u>\$ 2.57</u>	<u>\$ 2.76</u>	<u>\$ 7.58</u>	<u>\$ 7.83</u>
Weighted average shares - diluted.....	<u>60,460</u>	<u>61,351</u>	<u>61,345</u>	<u>62,064</u>
(1) GAAP net product revenues.....	\$ 326,482	\$ 309,929	\$ 967,149	\$ 907,163
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	1,283
Non-GAAP net product revenues.....	<u>326,482</u>	<u>309,929</u>	<u>967,149</u>	<u>908,446</u>
GAAP net service revenues.....	348,006	341,586	1,028,663	1,014,256
Acquisition-related write-downs of assumed deferred revenue.....	-	-	-	-
Non-GAAP net service revenues.....	<u>348,006</u>	<u>341,586</u>	<u>1,028,663</u>	<u>1,014,256</u>
Total non-GAAP net revenues.....	<u>\$ 674,488</u>	<u>\$ 651,515</u>	<u>\$ 1,995,812</u>	<u>\$ 1,922,702</u>
(2) Includes stock-based compensation expense as follows:				
Cost of net revenues.....	\$ 7,203	\$ 7,209	\$ 22,089	\$ 21,903
Sales and marketing.....	25,572	26,399	79,938	78,682
Research and development.....	17,502	17,342	54,318	50,046
General and administrative.....	11,598	10,518	33,416	32,126
Total.....	<u>\$ 61,875</u>	<u>\$ 61,468</u>	<u>\$ 189,761</u>	<u>\$ 182,757</u>
(3) Includes amortization and impairment of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 9,960	\$ 9,507	\$ 29,878	\$ 25,688
Sales and marketing.....	2,389	2,849	13,780	8,430
General and administrative.....	352	575	1,330	1,725
Total.....	<u>\$ 12,701</u>	<u>\$ 12,931</u>	<u>\$ 44,988</u>	<u>\$ 35,843</u>
(4) Includes facility-exit costs as follows:				
Cost of net revenues.....	\$ 62	\$ 770	\$ 1,155	\$ 1,926
Sales and marketing.....	546	1,188	2,183	3,051
Research and development.....	627	1,474	2,755	3,352
General and administrative.....	515	1,040	1,917	2,544
Total.....	<u>\$ 1,750</u>	<u>\$ 4,472</u>	<u>\$ 8,010</u>	<u>\$ 10,873</u>
(5) Includes acquisition-related charges as follows:				
Cost of net revenues.....	\$ 96	\$ -	\$ 291	\$ 2,522
Sales and marketing.....	2,493	8,525	12,266	23,213
Research and development.....	5,479	11,681	17,170	25,120
General and administrative.....	2,156	3,378	10,354	18,372
Total.....	<u>\$ 10,224</u>	<u>\$ 23,584</u>	<u>\$ 40,081</u>	<u>\$ 69,227</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>