

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

	Nine Months Ended	
	June 30,	
	2020	2019
Operating activities		
Net income.....	\$ 229,778	\$ 332,897
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation.....	149,315	119,182
Depreciation and amortization.....	69,337	46,645
Non-cash operating lease costs.....	29,731	-
Other.....	168	671
Deferred income taxes.....	4,357	10,171
Changes in operating assets and liabilities:		
Accounts receivable.....	38,024	(16,249)
Inventories.....	5,575	(5,441)
Other current assets.....	(33,572)	(54,381)
Other assets.....	(5,659)	(8,785)
Accounts payable and accrued liabilities.....	(1,538)	37,932
Deferred revenue.....	37,934	79,113
Lease liabilities.....	(38,456)	-
Net cash provided by operating activities.....	<u>484,994</u>	<u>541,755</u>
Investing activities		
Purchases of investments.....	(390,696)	(210,109)
Maturities of investments.....	322,271	507,804
Sales of investments.....	309,040	276,278
Acquisition of businesses, net of cash acquired.....	(955,574)	(611,550)
Purchases of property and equipment.....	(47,857)	(83,008)
Net cash used in investing activities.....	<u>(762,816)</u>	<u>(120,585)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	51,999	45,455
Repurchase of common stock.....	(50,009)	(201,045)
Proceeds from term debt agreement.....	400,000	-
Payments on term debt agreement.....	(5,000)	-
Payments for debt issuance costs.....	(3,040)	-
Net cash provided by (used in) financing activities.....	<u>393,950</u>	<u>(155,590)</u>
Net increase in cash, cash equivalents and restricted cash.....	116,128	265,580
Effect of exchange rate changes on cash, cash equivalents and restricted cash.....	(856)	(111)
Cash, cash equivalents and restricted cash, beginning of period.....	602,254	425,894
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 717,526</u>	<u>\$ 691,363</u>
Supplemental disclosures of cash flow information		
Cash paid for amounts included in the measurement of lease liabilities.....	\$ 45,399	\$ -
Cash paid for interest on long-term debt.....	\$ 4,330	\$ -
Supplemental disclosures of non-cash activities		
Right-of-use assets obtained in exchange for lease obligations.....	\$ 399,203	\$ -
Capitalized leasehold improvements paid directly by landlord.....	\$ -	\$ 34,487