

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

Six Months Ended

March 31,

	2019	2018
Operating activities		
Net income.....	\$ 246,992	\$ 198,065
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss on disposition of assets and investments.....	47	52
Stock-based compensation.....	78,183	82,268
Provisions for doubtful accounts and sales returns.....	(90)	691
Depreciation and amortization.....	28,246	30,049
Deferred income taxes.....	3,606	17,642
Changes in operating assets and liabilities:		
Accounts receivable.....	(24,419)	314
Inventories.....	(2,895)	322
Other current assets.....	(35,735)	5,493
Other assets.....	2,683	(1,111)
Accounts payable and accrued liabilities.....	16,746	(5,308)
Deferred revenue.....	78,046	46,235
Net cash provided by operating activities.....	<u>391,410</u>	<u>374,712</u>
Investing activities		
Purchases of investments.....	(211,087)	(353,414)
Maturities of investments.....	351,600	186,961
Sales of investments.....	2,499	9,248
Cash provided by sale of fixed asset.....	-	1,000
Purchases of property and equipment.....	(50,056)	(16,246)
Net cash provided by (used in) investing activities.....	<u>92,956</u>	<u>(172,451)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	18,900	19,917
Repurchase of common stock.....	(201,045)	(300,046)
Net cash used in financing activities.....	<u>(182,145)</u>	<u>(280,129)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash.....	302,221	(77,868)
Effect of exchange rate changes on cash, cash equivalents and restricted cash.....	(265)	576
Cash, cash equivalents and restricted cash, beginning of period.....	425,894	674,452
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 727,850</u>	<u>\$ 597,160</u>