

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

	Years Ended	
	September 30,	
	2019	2018
<b>Operating activities</b>		
Net income.....	\$ 427,734	\$ 453,689
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	1,106	(267)
Stock-based compensation.....	162,914	157,855
Provisions for doubtful accounts and sales returns.....	556	1,461
Depreciation and amortization.....	68,507	59,491
Deferred income taxes.....	7,440	20,810
Impairment of assets.....	6,273	-
Non-cash provisions for exit costs.....	8,211	-
Changes in operating assets and liabilities:		
Accounts receivable.....	(18,305)	(4,889)
Inventories.....	(3,832)	(734)
Other current assets.....	(75,449)	15,607
Other assets.....	(22,742)	446
Accounts payable and accrued liabilities.....	74,710	6,583
Deferred revenue.....	110,718	51,016
Net cash provided by operating activities.....	747,841	761,068
<b>Investing activities</b>		
Purchases of investments.....	(602,987)	(855,424)
Maturities of investments.....	625,201	439,130
Sales of investments.....	278,244	12,736
Acquisition of businesses, net of cash acquired.....	(611,550)	-
Cash provided by sale of fixed asset.....	-	1,000
Purchases of property and equipment.....	(103,542)	(53,465)
Net cash used in investing activities.....	(414,634)	(456,023)
<b>Financing activities</b>		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	45,598	48,818
Repurchase of common stock.....	(201,045)	(600,081)
Net cash used in financing activities.....	(155,447)	(551,263)
Net increase (decrease) in cash, cash equivalents and restricted cash.....	177,760	(246,218)
Effect of exchange rate changes on cash, cash equivalents and restricted cash.....	(1,400)	(2,340)
Cash, cash equivalents and restricted cash, beginning of period.....	425,894	674,452
Cash, cash equivalents and restricted cash, end of period.....	\$ 602,254	\$ 425,894