

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

	Three months ended December 31,	
	2018	2017
Operating activities		
Net income.....	\$ 130,905	\$ 88,429
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss on disposition of assets and investments.....	43	49
Stock-based compensation.....	38,689	40,948
Provisions for doubtful accounts and sales returns.....	208	593
Depreciation and amortization.....	14,001	15,180
Deferred income taxes.....	2,714	14,226
Changes in operating assets and liabilities:		
Accounts receivable.....	(28,921)	238
Inventories.....	(991)	722
Other current assets.....	(26,777)	11,517
Other assets.....	(157)	(696)
Accounts payable and accrued liabilities.....	2,022	(8,216)
Deferred revenue.....	66,122	26,967
Net cash provided by operating activities.....	<u>197,858</u>	<u>189,957</u>
Investing activities		
Purchases of investments.....	(190,884)	(238,632)
Maturities of investments.....	151,537	113,771
Sales of investments.....	-	9,248
Cash provided by sale of fixed asset.....	-	1,000
Purchases of property and equipment.....	(21,046)	(6,491)
Net cash used in investing activities.....	<u>(60,393)</u>	<u>(121,104)</u>
Financing activities		
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	18,900	19,915
Repurchase of common stock.....	(101,032)	(150,025)
Net cash used in financing activities.....	<u>(82,132)</u>	<u>(130,110)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash.....	55,333	(61,257)
Effect of exchange rate changes on cash and cash equivalents.....	46	46
Cash, cash equivalents and restricted cash, beginning of period.....	425,894	674,452
Cash, cash equivalents and restricted cash, end of period.....	<u>\$ 481,273</u>	<u>\$ 613,241</u>