



Driving sustainable revenue and earnings growth

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Chief Financial Officer

Four takeaways to remember from today

1

We are capitalizing on the secular shift to hybrid multicloud architectures

2

We are building on our market leadership to capture growing demand for ADCs

3

We are driving platform adoption

4

We are capturing new AI opportunities

As a result,

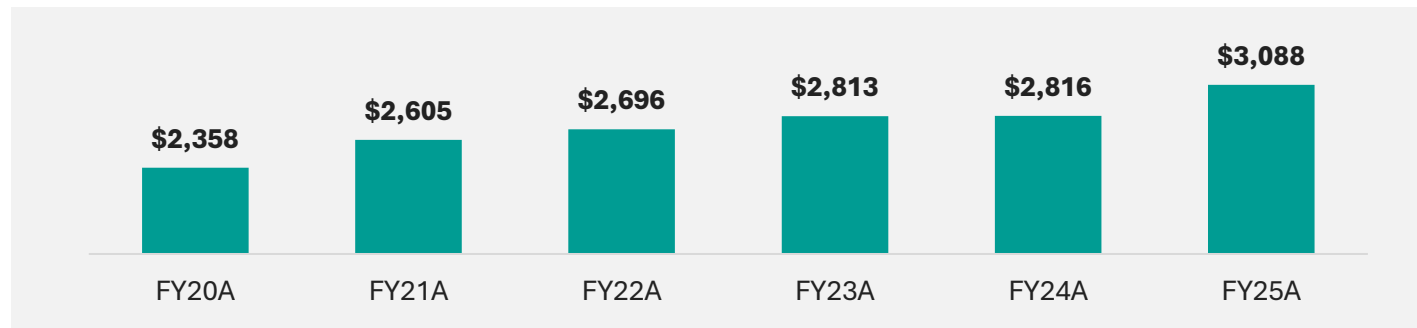
We expect accelerating revenue growth and earnings expansion



**We are delivering strong
earnings growth**

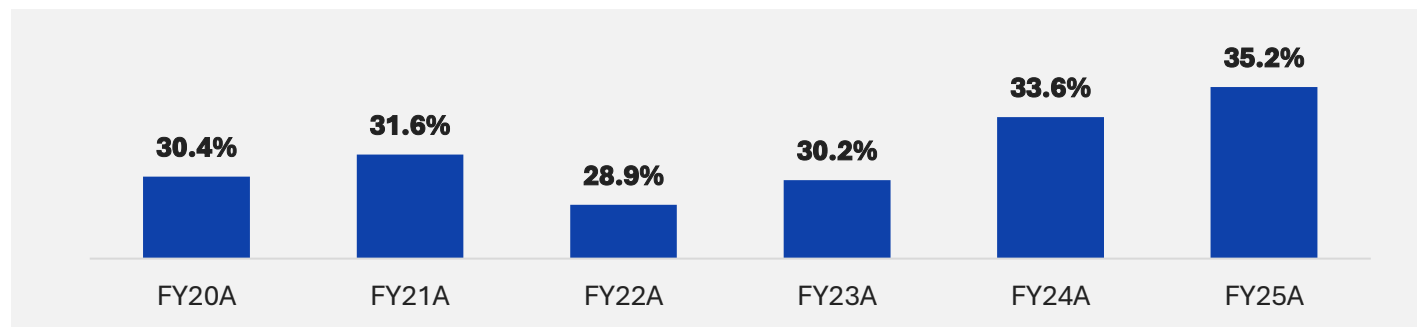
We have driven growth and profitability through disciplined execution of our strategy

Total revenue* (\$M)



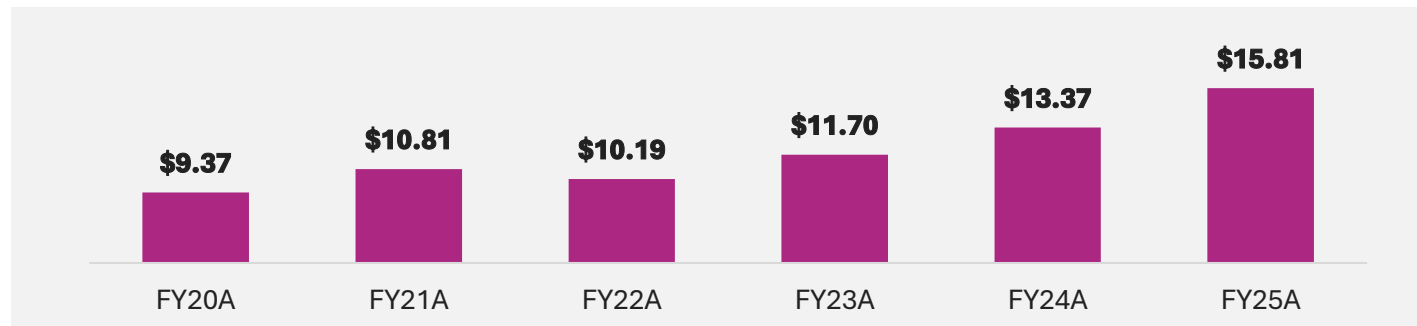
+6%
Revenue growth CAGR

Non-GAAP operating margin



+479 bps
Operating margin expansion

Non-GAAP EPS

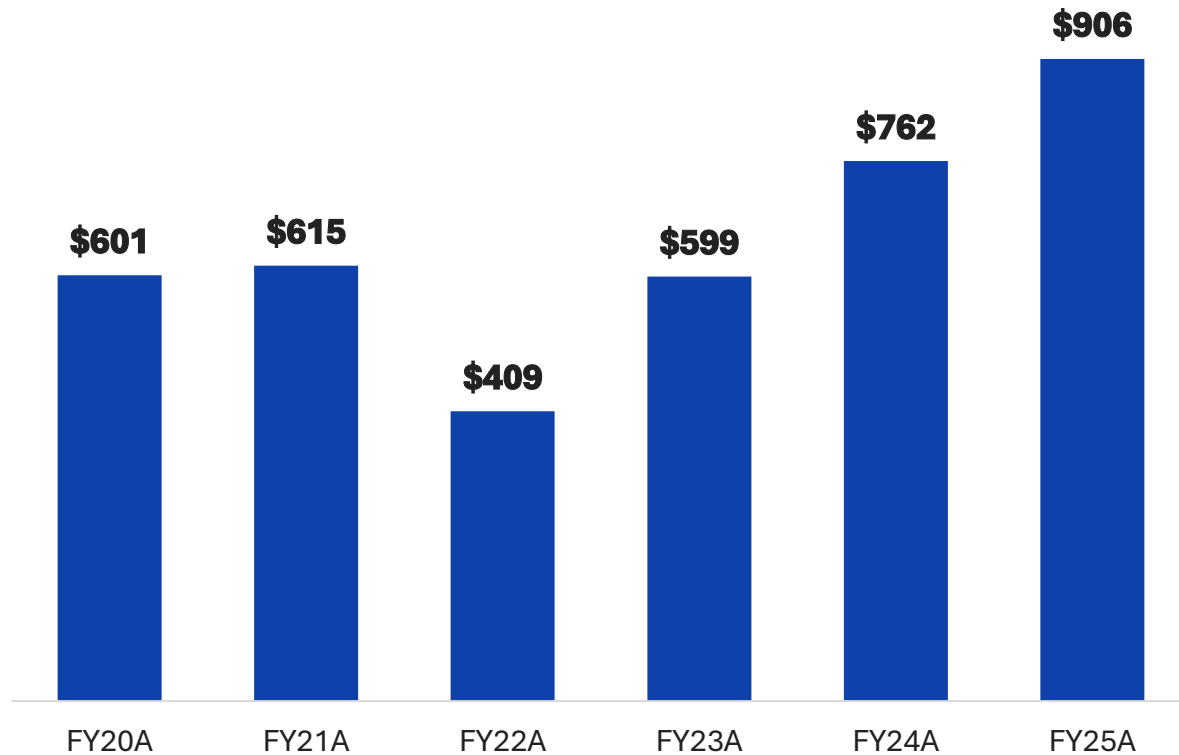


+11%
EPS growth CAGR

*FY20 and FY21 non-GAAP revenue

We have consistently generated robust cash flow, and executed share repurchases well above 50% of free cash flow

FREE CASH FLOW (\$M)



\$3.9B

Cumulative free cash flow generated from 2020 to 2025



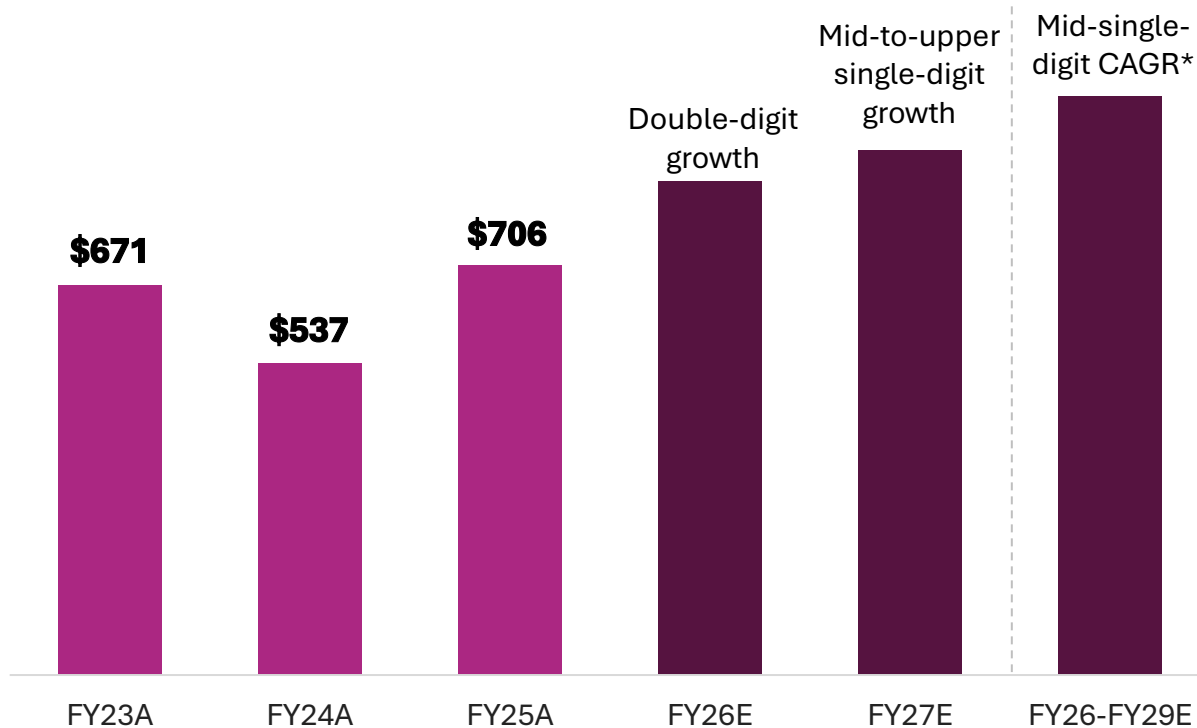
\$2.5B

Share repurchases from 2020 to 2025 representing 63% of cumulative free cash flow

**Our leadership in attractive
markets positions us for **revenue
growth inflection****

We expect systems revenue to grow at mid-single-digits CAGR

SYSTEMS REVENUE (\$M)



*CAGR vs FY26

Key insights

- Strong “refresh plus” cycle extends into FY27
- Hybrid multicloud buildouts driving capacity expansions
- Increased regulations and security requirements driving data center reinvestment
- Direct and indirect AI performance needs driving new vector of growth
- PQC investment cycle potential FY28+

Three converging dynamics are driving our higher CAGR outlook for systems revenue

Stronger refresh cycle



Legacy replacement rates are increasing vs. prior cycles

Performance-driven mix shift is driving higher ASPs

Capacity expansion



Workload growth is accelerating

Digital sovereignty, resilience, and PQC readiness initiatives growing

Inflection in new projects

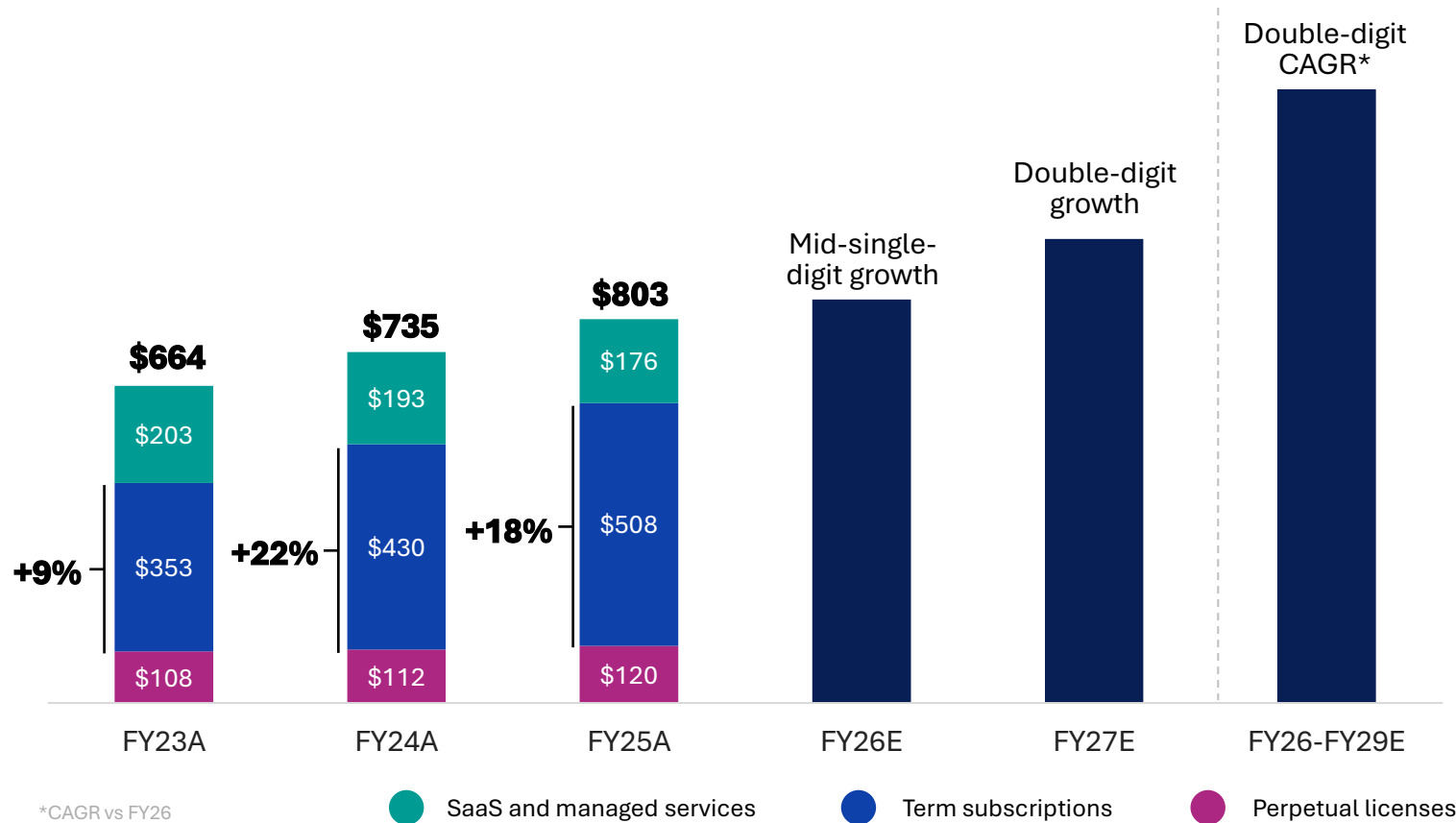


Competitive takeout opportunity is expanding

AI data delivery use cases are gaining traction

Continued strong growth in subscription offerings drives a double-digit software revenue CAGR outlook

SOFTWARE REVENUE (\$M)



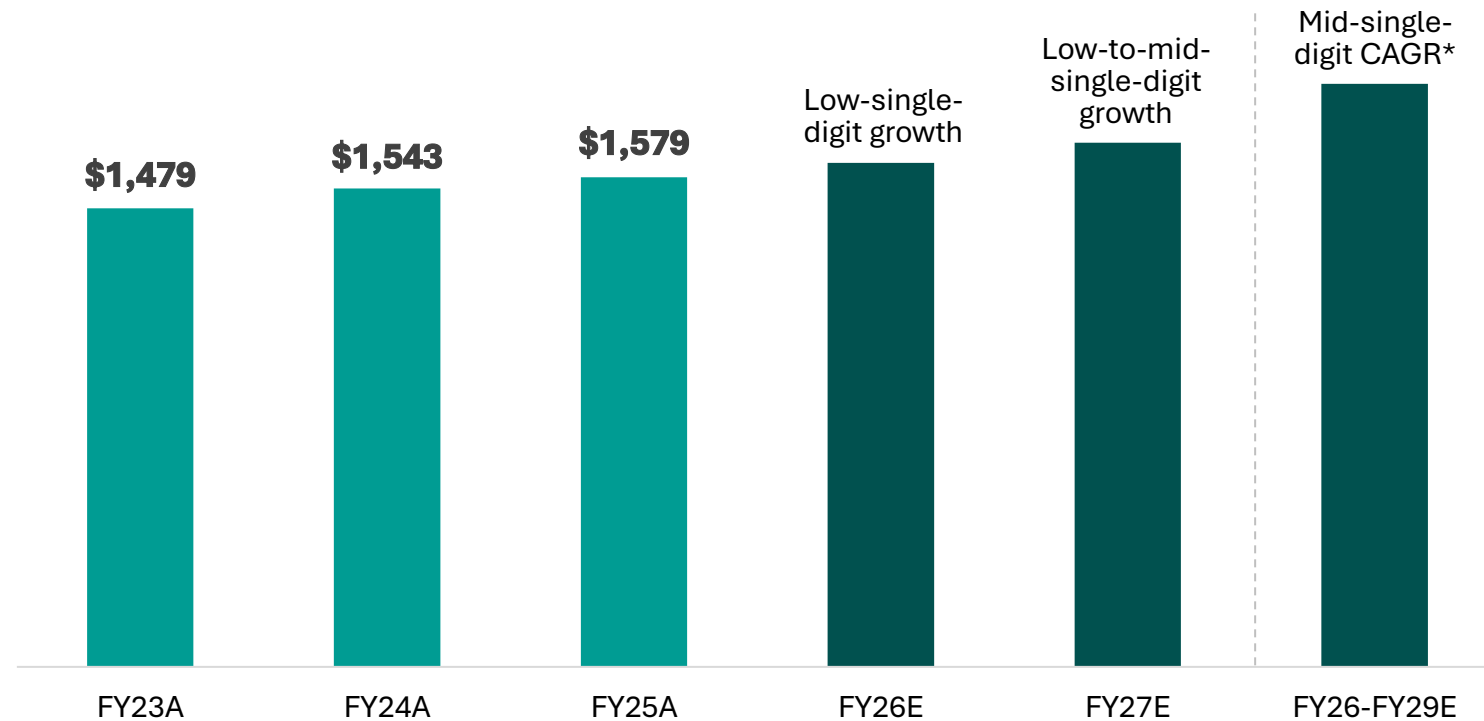
*CAGR vs FY26

Key insights

- Hybrid multicloud driving demand for flexibility
- Platform adoption fueling successful cross-sell motion
- SaaS offerings a growth driver going forward with legacy transition completed
- AI runtime security creating new insertion points

We expect growth in our systems installed base will drive a higher services revenue CAGR

SERVICES REVENUE (\$M)



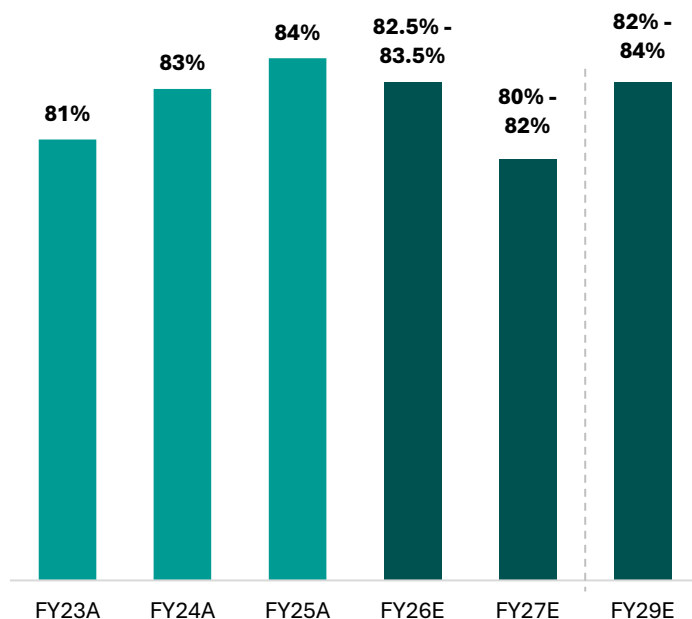
*CAGR vs FY26

Key insights

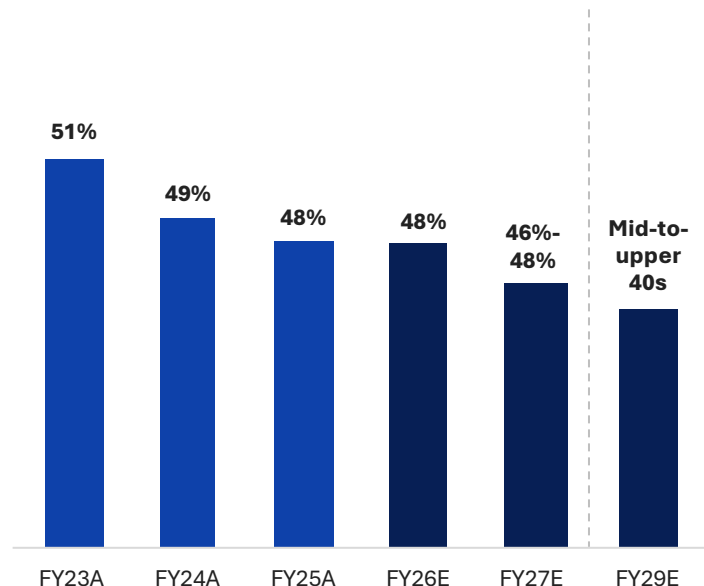
- Services attach rates to systems and software remain robust
- Strong systems sales will grow our installed base, translating to stronger services growth rates over time

We will continue to reduce operating expenses as a percent of revenue, driving long-term operating leverage

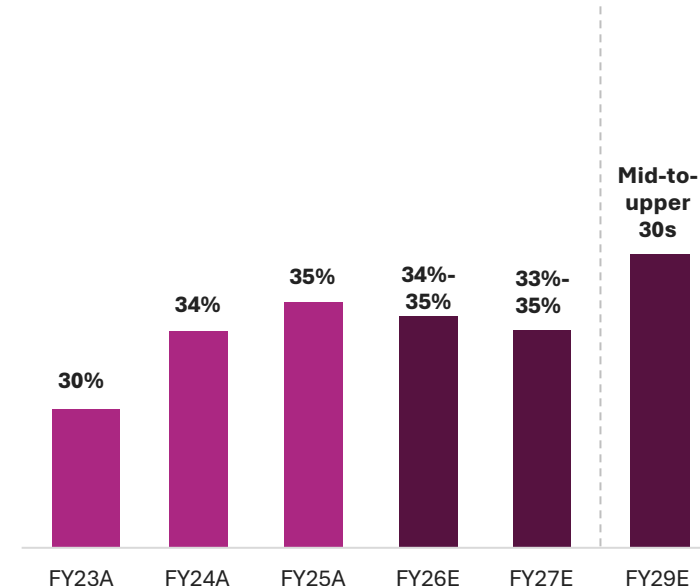
GROSS MARGIN



OPERATING EXPENSES % OF REVENUE



OPERATING MARGIN



Component costs are expected to remain elevated near term, driving a temporary reduction to gross margins, which we expect to improve beyond FY27



Internal AI adoption is driving significant productivity gains across all functions



Land-and-expand subscription revenue model continues to drive lower cost of sales over time



Efficiency gains fuel investments across product, go to market, and security while still reducing operating expense as a percent of revenue



Long-term financial outlook

We expect to deliver upper-single-digit revenue growth over time, driven by strength across both software and systems

	FY25A growth Y/Y	FY26 outlook growth Y/Y	FY27 outlook growth Y/Y	FY29 target CAGR*
Total revenue	10%	7% to 8%	Upper-single-digit	Upper-single-digit
Product revenue	19%	Double-digit	Double-digit	Double-digit
Software revenue	9%	Mid-single-digit	Double-digit	Double-digit
Systems revenue	31%	Double-digit	Mid-to-upper-single-digit	Mid-single-digit
Services revenue	2%	Low-single-digit	Low-to-mid-single-digit	Mid-single-digit

*CAGR vs FY26



Our increased revenue growth and continued operating leverage support a sustainable double-digit EPS growth outlook

	FY25A	FY26 outlook	FY27 outlook	FY29 target
Total revenue	\$3.1B 10% growth	7% to 8% growth Y/Y	Upper single-digit growth Y/Y	Upper-single-digit CAGR*
Non-GAAP gross margin	83.6%	82.5% to 83.5%	80% to 82%	82% to 84%
Non-GAAP opex as % of revenue	48.4%	48% to 49%	46% to 48%	Mid-to-upper 40s
Non-GAAP operating margin	35.2%	34% to 35%	33% to 35%	Mid-to-upper 30s
Non-GAAP EPS	\$15.81 18% growth	~\$16.25-\$16.55	Upper-single-digit growth	Double-digit growth CAGR

We will maintain our disciplined approach to capital allocation

SHARE REPURCHASES (\$ IN MILLIONS)



*Free cash flow defined as cash flow from operations less capital expenditures

Organic investment

- We will continue investing in product innovation, go to market, and AI enablement of our workforce

M&A

- Completed four tuck-in acquisitions in FY25
- We will continue to explore opportunities to accelerate our roadmap, with a focus on AI and security

Stock repurchases

- We expect to use at least 50% of our annual free cash flow for share repurchases

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Appendix

GAAP to non-GAAP reconciliation

		F5, Inc. GAAP to Non-GAAP Reconciliation (unaudited, in thousands, except percentages and per share amounts)					
		Years Ended September 30,					
		2025	2024	2023	2022	2021	2020
Net revenues							
GAAP net revenues		\$ 3,088,072	\$ 2,816,120	\$ 2,813,169	\$ 2,695,845	\$ 2,603,416	\$ 2,350,822
Adjustments to net revenues:						1,283	6,824
Acquisition-related write-downs of assumed deferred revenue		-	-	-	-	1,283	6,824
Non-GAAP net revenues		\$ 3,088,072	\$ 2,816,120	\$ 2,813,169	\$ 2,695,845	\$ 2,604,699	\$ 2,357,646
Gross profit and gross margin:							
GAAP gross profit and gross margin		\$ 2,514,094 81.4%	\$ 2,258,473 80.2%	\$ 2,219,861 78.9%	\$ 2,156,218 80.0%	\$ 2,110,270 81.1%	\$ 1,942,935 82.6%
Adjustments to gross profit and gross margin:							
Acquisition-related write-downs of assumed deferred revenue		\$ -	\$ -	\$ -	\$ -	\$ 1,283 0.0%	\$ 6,824 0.3%
Stock-based compensation		29,557 1.0%	29,409 1.0%	29,658 1.1%	29,257 1.1%	29,107 1.1%	25,470 1.1%
Amortization and impairment of purchased intangible assets		37,601 1.2%	43,848 1.6%	42,136 1.5%	39,837 1.5%	35,156 1.3%	23,814 1.0%
Facility-exit costs		777 0.0%	372 0.0%	653 0.0%	1,429 0.1%	2,604 0.1%	2,300 0.1%
Acquisition-related charges		-	20 0.0%	244 0.0%	399 0.0%	2,532 0.1%	127 0.0%
Impairment charges		-	-	-	-	4,388 0.2%	- 0.0%
Non-GAAP gross profit and gross margin		\$ 2,582,029 83.6%	\$ 2,332,122 82.8%	\$ 2,292,552 81.5%	\$ 2,227,140 82.6%	\$ 2,185,340 83.9%	\$ 2,001,470 84.9%
Income from operations and operating margin:							
GAAP income from operations and operating margin		\$ 765,949 24.8%	\$ 658,591 23.4%	\$ 472,568 16.8%	\$ 403,792 15.0%	\$ 394,025 15.1%	\$ 392,267 16.7%
Adjustments to income from operations and operating margin:							
Acquisition-related write-downs of assumed deferred revenue		\$ -	\$ -	\$ -	\$ -	\$ 1,283 0.0%	\$ 6,824 0.3%
Stock-based compensation		231,491 7.5%	219,108 7.8%	236,650 8.4%	249,216 9.2%	243,279 9.3%	201,949 8.6%
Amortization and impairment of purchased intangible assets		40,896 1.3%	51,331 1.8%	53,434 1.9%	57,689 2.1%	48,722 1.9%	34,604 1.5%
Facility-exit costs		7,667 0.2%	3,509 0.1%	6,626 0.2%	10,321 0.4%	14,929 0.6%	16,601 0.7%
Acquisition-related charges		11,536 0.4%	4,352 0.2%	15,036 0.5%	49,410 1.8%	86,094 3.3%	56,483 2.4%
Impairment charges		-	-	-	-	33,825 1.3%	-
Cyber incident costs		3,356 0.1%	-	-	-	-	-
Restructuring charges		25,494 0.8%	8,655 0.3%	65,388 2.3%	7,909 0.3%	-	7,800 0.3%
Non-GAAP income from operations and operating margin		\$ 1,086,379 35.2%	\$ 945,546 33.6%	\$ 849,702 30.2%	\$ 778,337 28.9%	\$ 822,157 31.6%	\$ 716,528 30.4%
Net income:							
GAAP net income		\$ 692,380	\$ 566,778	\$ 394,948	\$ 322,160	\$ 331,241	\$ 307,441
Adjustments to net income:							
Acquisition-related write-downs of assumed deferred revenue		\$ -	\$ -	\$ -	\$ -	\$ 1,283	\$ 6,824
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Impairment charges		-	-	-	-	33,825	-
Cyber incident costs		3,356	-	-	-	-	-
Restructuring charges		25,494	8,655	65,388	7,909	-	7,800
Tax effects related to above items		(84,864)	(60,055)	(66,758)	(74,075)	(88,408)	(56,726)
Non-GAAP net income		\$ 927,946	\$ 793,668	\$ 705,324	\$ 622,630	\$ 670,966	\$ 574,976
Net income per share - diluted:							
GAAP net income per share — diluted		\$ 11.80	\$ 9.55	\$ 6.55	\$ 5.27	\$ 5.34	\$ 5.01
Adjustments to GAAP net income per share — diluted:							
Acquisition-related write-downs of assumed deferred revenue		\$ -	\$ -	\$ -	\$ -	\$ 0.02	\$ 0.11
Stock-based compensation		3.94	3.69	3.93	4.08	3.92	3.29
Amortization and impairment of purchased intangible assets		0.70	0.87	0.89	0.94	0.79	0.56
Facility-exit costs		0.13	0.06	0.11	0.17	0.24	0.27
Acquisition-related charges		0.20	0.07	0.25	0.81	1.39	0.92
Impairment charges		-	-	-	-	0.55	-
Cyber incident costs		0.06	-	-	-	-	-
Restructuring charges		0.43	0.15	1.08	0.13	-	0.13
Tax effects related to above items		(1.45)	(1.01)	(1.11)	(1.21)	(1.42)	(0.92)
Non-GAAP net income per share — diluted		\$ 15.81	\$ 13.37	\$ 11.70	\$ 10.19	\$ 10.81	\$ 9.37
Weighted average shares — diluted		58,684	59,359	60,270	61,097	62,057	61,378

Note. Numbers and percentages are rounded for presentation purposes and may not foot.

