



# Q1 2021 Financial Results

April 29, 2021



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# Q1 2021 Non-GAAP Results

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
<b>Billings <sup>(1)</sup></b>	\$551.6M	\$622.4M	\$626.6M	\$802.3M	\$667.8M	\$711.5M	\$749.8M	\$960.9M	\$850.6M
<i>Y/Y % Change</i>	19.1%	21.2%	18.8%	23.6%	21.1%	14.3%	19.7%	19.8%	27.4%
<b>Revenue</b>	\$473.0M	\$523.8M	\$548.1M	\$618.1M	\$577.7M	\$617.6M	\$651.1M	\$748.0M	\$710.3M
<i>Y/Y % Change</i>	18.5%	18.4%	20.9%	21.3%	22.1%	17.9%	18.8%	21.0%	23.0%
<b>Product Revenue</b>	\$162.7M	\$189.9M	\$197.1M	\$238.8M	\$192.3M	\$211.9M	\$223.8M	\$288.4M	\$240.7M
<i>Y/Y % Change</i>	13.9%	14.2%	19.8%	18.9%	18.2%	11.6%	13.5%	20.8%	25.2%
<b>Service Revenue</b>	\$310.3M	\$333.9M	\$351.0M	\$379.3M	\$385.4M	\$405.7M	\$427.3M	\$459.6M	\$469.6M
<i>Y/Y % Change</i>	21.1%	20.9%	21.5%	22.9%	24.2%	21.5%	21.7%	21.2%	21.8%

## Note

- (1) Billings is a non-GAAP measure that we define as revenue recognized in accordance with GAAP plus the change in deferred revenue from the beginning to the end of the period less any deferred revenue balances acquired from business combination(s) during the period.



# Q1 2021 Non-GAAP Results (Continued)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
<b>Gross Margin <sup>(1)</sup></b>	77.2%	76.5%	78.2%	78.1%	78.8%	79.1%	79.5%	78.5%	78.9%
<b>Operating Income <sup>(1)(2)</sup></b>	\$97.0M	\$125.2M	\$145.2M	\$168.6M	\$129.2M	\$170.3M	\$178.6M	\$219.9M	\$173.9M
<b>Operating Margin <sup>(1)(2)</sup></b>	20.5%	23.9%	26.5%	27.3%	22.4%	27.6%	27.4%	29.4%	24.5%
<b>Net Income <sup>(1)(2)(3)(4)</sup></b>	\$81.1M	\$103.2M	\$117.3M	\$135.1M	\$105.1M	\$136.6M	\$145.4M	\$175.5M	\$135.6M
<b>Diluted Net Income Per Share <sup>(1)(2)(3)(4)</sup></b>	\$0.46	\$0.59	\$0.67	\$0.77	\$0.60	\$0.83	\$0.88	\$1.06	\$0.81
<b>Weighted Diluted Shares Outstanding</b>	174.8M	175.1M	174.8M	175.2M	174.2M	165.4M	165.6M	165.5M	166.4M
<b>Deferred Revenue</b>	\$1.75B	\$1.84B	\$1.92B	\$2.11B	\$2.20B	\$2.29B	\$2.39B	\$2.61B	\$2.75B
<b>Cash and Investments <sup>(5)</sup></b>	\$1.85B	\$1.98B	\$2.14B	\$2.21B	\$1.57B	\$1.63B	\$1.77B	\$1.96B	\$3.09B
<b>Cash Paid for Stock Repurchases</b>	\$60.4M	\$33.8M	\$23.4M	\$27.5M	\$889.9M	\$156.1M	—	\$34.1M	—
<b>Days Sales Outstanding</b>	72	69	63	79	74	73	76	87	81
<b>Inventory Turns</b>	2.6	3.5	2.8	2.8	2.5	2.2	2.1	2.7	2.1
<b>Headcount</b>	6,015	6,293	6,590	7,082	7,448	7,756	8,075	8,238	8,615

## Notes

- (1) Excludes stock-based compensation and amortization of acquired intangible assets.
- (2) Excludes gain on intellectual property (“IP”) and litigation-related matters.
- (3) Excludes gains/losses on investments in privately-held companies.
- (4) Assumes a quarterly effective tax rate of 24% for all periods in 2019. Assumes a quarterly effective tax rate of 22% for Q1'20 and Q2'20, a quarterly effective tax rate of 19% for Q3'20 and a quarterly effective tax rate of 21% for Q4'20. Assumes a quarterly effective tax rate of 21% for 2021.
- (5) Excludes investments in privately held companies, which are recorded in other assets.



# Revenue by Geography

(\$ in millions)	Q1'19		Q2'19		Q3'19		Q4'19		Q1'20		Q2'20		Q3'20		Q4'20		Q1'21	
	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change	\$	Y/Y % Change
Americas	\$200.6	14.0%	\$226.4	19.3%	\$241.0	24.3%	\$252.2	23.1%	\$242.5	20.9%	\$261.0	15.3%	\$272.4	13.0%	\$301.3	19.5%	\$290.9	20.0%
EMEA	\$177.4	22.7%	\$192.8	17.0%	\$200.9	21.6%	\$245.4	19.8%	\$221.1	24.6%	\$229.2	18.9%	\$243.3	21.1%	\$298.3	21.6%	\$275.7	24.7%
APAC	\$95.0	20.6%	\$104.6	18.9%	\$106.2	12.4%	\$120.5	20.8%	\$114.1	20.1%	\$127.4	21.8%	\$135.4	27.5%	\$148.4	23.2%	\$143.7	25.9%
Total	\$473.0	18.5%	\$523.8	18.4%	\$548.1	20.9%	\$618.1	21.3%	\$577.7	22.1%	\$617.6	17.9%	\$651.1	18.8%	\$748.0	21.0%	\$710.3	23.0%

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue
Americas	42.4%	43.2%	44.0%	40.8%	42.0%	42.3%	41.8%	40.3%	41.0%
EMEA	37.5%	36.8%	36.7%	39.7%	38.3%	37.1%	37.4%	39.9%	38.8%
APAC	20.1%	20.0%	19.3%	19.5%	19.7%	20.6%	20.8%	19.8%	20.2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%



# Number of Deals & FortiGate Sales

Number of Deals <sup>(1)</sup>	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
No. of Deals >\$50K	1,683	1,906	1,908	2,565	2,121	2,111	2,267	2,991	2,489
No. of Deals >\$250K	266	346	333	469	323	369	398	491	387
No. of Deals >\$500K	108	147	130	197	120	146	168	205	167
No. of Deals >\$1M	35	46	53	64	38	59	48	68	66

% of FortiGate <sup>(2)</sup>	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Entry Level (FG20-90)	23.6%	20.7%	21.6%	22.5%	24.7%	20.4%	21.3%	23.6%	27.3%
Mid - Range (FG100-900)	44.3%	46.0%	45.1%	43.9%	44.3%	44.4%	42.2%	41.6%	41.0%
High - End (FG1000-7000)	32.1%	33.3%	33.3%	33.6%	31.0%	35.2%	36.5%	34.9%	31.7%

**Notes**

- (1) Deals are defined as combined sales in the period to a customer account.
- (2) Represents the percentage of invoiced amounts from FortiGate sales during the period by range of product and product bundles.



# Statement of Cash Flows (Non-GAAP)

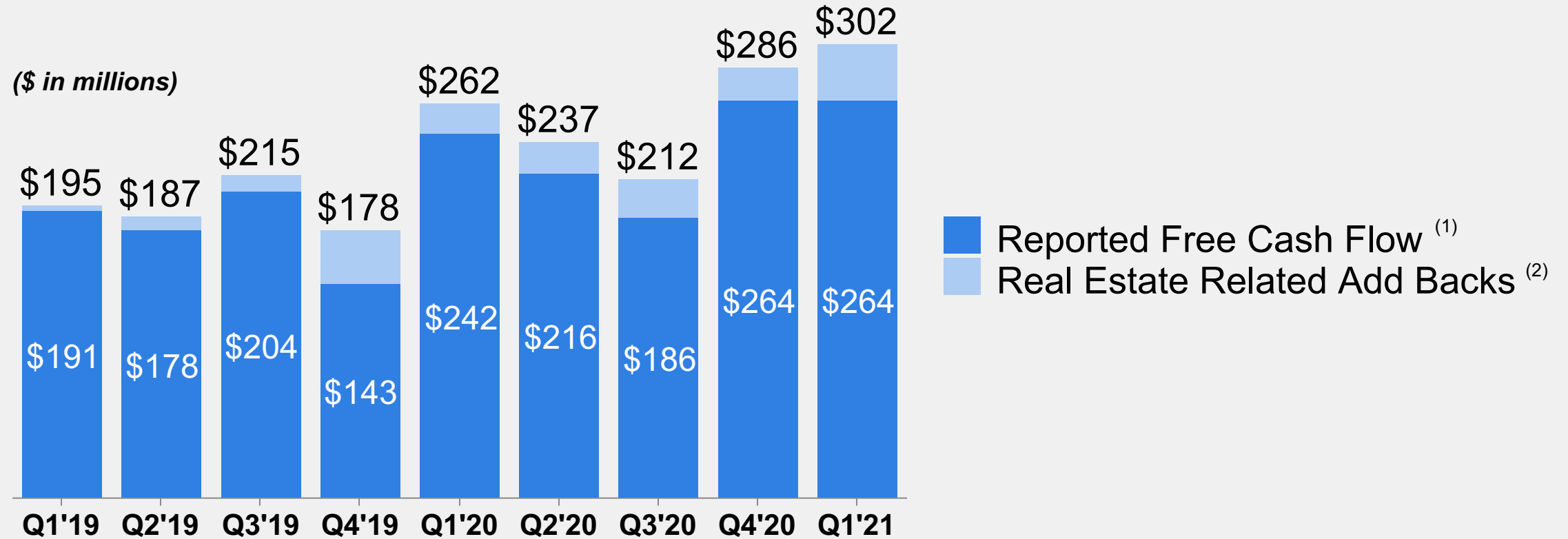
(\$ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP Net Income	\$59.1	\$74.2	\$80.2	\$118.2	\$104.6	\$113.8	\$123.4	\$146.7	\$107.2
Depreciation and Stock-Based Compensation	58.7	60.2	57.4	59.4	62.4	66.7	66.0	65.4	66.8
Accounts Receivable	63.6	(22.1)	19.0	(157.2)	69.6	(25.1)	(47.6)	(173.3)	82.5
Inventory	(2.6)	(2.9)	(19.7)	(23.3)	6.7	(24.6)	(13.1)	(11.2)	(14.7)
Deferred Revenue	78.6	98.6	78.5	184.2	90.1	93.9	98.6	213.0	140.3
Other	(56.1)	(12.9)	5.8	9.1	(14.0)	22.3	(6.5)	55.9	(66.2)
GAAP Cash Flow from Operations	\$201.3	\$195.1	\$221.2	\$190.4	\$319.4	\$247.0	\$220.8	\$296.5	\$315.9
Less: Purchase of Property and Equipment	(10.2)	(17.3)	(17.5)	(47.2)	(27.6)	(30.9)	(35.1)	(32.3)	(52.1)
Less: Proceeds from IP matter	—	—	—	—	(50.0)	—	—	—	—
Free Cash Flow	\$191.1	\$177.8	\$203.7	\$143.2	\$241.8	\$216.1	\$185.7	\$264.2	\$263.8
Issuance of Common Stock, Net of Taxes	2.6	(19.5)	(17.3)	(12.3)	(30.4)	(12.8)	(25.1)	(17.8)	(31.5)
Stock Repurchases	(60.4)	(33.8)	(23.4)	(27.5)	(889.9)	(156.1)	—	(34.1)	—
Acquisition	—	—	—	(34.6)	(3.1)	—	(6.1)	(31.0)	(10.3)
Proceeds from IP matter	—	—	—	—	50.0	—	—	—	—
Proceeds from long-term debt, net	—	—	—	—	—	—	—	—	987.5
Purchase of investment in privately held company	—	—	—	—	—	—	—	—	(75.0)
Other	2.1	3.2	1.8	(3.4)	(5.0)	6.8	(7.2)	(0.3)	(2.1)
Change in Cash and Investments <sup>(1)</sup>	\$135.4	\$127.7	\$164.8	\$65.4	\$(636.6)	\$54.0	\$147.3	\$181.0	\$1,132.4
Footnote: Cash Paid for Taxes, Net of Refunds	\$11.5	\$16.8	\$14.8	\$15.6	\$8.8	\$9.5	\$9.3	\$12.1	\$23.6

Note

(1) Change in Cash, Cash Equivalents and Short-Term and Long-Term Investments, excluding activity related to investments in privately held companies which are recorded in other assets.



# Free Cash Flow and Adjusted Free Cash Flow Growth (Non-GAAP)



## Notes

- (1) Free Cash Flow is a non-GAAP measure that we define as net cash provided by operating activities minus purchases of property and equipment and excluding any significant non-recurring items, such as proceeds from intellectual property matter.
- (2) Adjusted Free Cash Flow is a non-GAAP measure that we define as Free Cash Flow plus real estate purchases and cash payments related to the new Sunnyvale campus building.





# Q2 2021 and 2021 Guidance (Non-GAAP)<sup>(1)</sup>

	Actual Q2'20	Q2'21E	Actual 2020	2021E
Billings <sup>(2)</sup>	\$711.5M	\$860 - 880M	\$3.090B	\$3.685 - 3.745B
<i>Y/Y Mid-Pt Growth</i>		22%		20%
Revenue (GAAP)	\$617.6M	\$733 - 747M	\$2.594B	\$3.080 - 3.130B
<i>Y/Y Mid-Pt Growth</i>		20%		20%
Service Revenue (GAAP)	\$405.7M		\$1.678B	\$2.020 - 2.050B
<i>Y/Y Mid-Pt Growth</i>				21%
Gross Margin (%) <sup>(3)</sup>	79.1%	78.5 - 79.5%	78.9%	78.0 - 80.0%
Operating Margin (%) <sup>(3)(4)</sup>	27.6%	24.5 - 25.5%	26.9%	25.0 - 27.0%
Net Income per Share <sup>(3)(4)(5)(6)</sup>	\$0.83	\$0.83 - 0.88	\$3.35	\$3.65 - 3.80
Weighted Diluted Shares Outstanding	165.4M	168 - 170M	167.7M	170- 172M

## Notes

- (1) Guidance for non-GAAP financial measures excludes stock-based compensation, amortization of acquired intangible assets, gain on IP and litigation-related matters, and gains/losses on investments in privately held companies. We have not reconciled our guidance with respect to non-GAAP financial measures to the corresponding GAAP measures because certain items that impact these measures are uncertain or out of our control, or cannot be reasonably predicted. Accordingly, a reconciliation of these non-GAAP financial measures to the corresponding GAAP measures is not available without unreasonable effort.
- (2) Billings is a non-GAAP measure that we define as revenue recognized in accordance with GAAP plus the change in deferred revenue from the beginning to the end of the period less any deferred revenue balances acquired from business combination(s) during the period.
- (3) Excludes stock-based compensation and amortization of acquired intangible assets.
- (4) Excludes gain on IP and litigation-related matters.
- (5) Excludes gains/losses on investments in privately held companies.
- (6) Assumes an effective tax rate of 21% for 2020 and 2021. For 2021, we expect cash paid for taxes to be approximately \$80.0 million.



# GAAP to Non-GAAP Reconciliations

(\$ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP product gross profit	\$92.5	\$107.2	\$118.1	\$146.1	\$116.0	\$127.5	\$139.5	\$181.0	\$149.4
Stock-based compensation	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Amortization of acquired intangible assets	2.1	1.7	1.2	1.5	1.6	1.4	0.8	0.9	0.9
Non-GAAP product gross profit	\$95.0	\$109.3	\$119.7	\$147.9	\$118.0	\$129.3	\$140.7	\$182.3	\$150.7
<i>Non-GAAP product gross margin</i>	<i>58.4%</i>	<i>57.6%</i>	<i>60.7%</i>	<i>61.9%</i>	<i>61.4%</i>	<i>61.0%</i>	<i>62.9%</i>	<i>63.2%</i>	<i>62.6%</i>
GAAP service gross profit	\$267.5	\$288.3	\$305.9	\$331.5	\$333.0	\$355.0	\$372.4	\$400.0	\$404.3
Stock-based compensation	2.8	2.9	2.7	2.9	3.0	3.2	3.3	3.4	3.5
Amortization of acquired intangible assets	—	0.4	0.4	0.4	1.0	0.9	1.2	1.3	1.6
Non-GAAP service gross profit	\$270.3	\$291.6	\$309.0	\$334.8	\$337.0	\$359.1	\$376.9	\$404.7	\$409.4
<i>Non-GAAP service gross margin</i>	<i>87.1%</i>	<i>87.3%</i>	<i>88.0%</i>	<i>88.3%</i>	<i>87.4%</i>	<i>88.5%</i>	<i>88.2%</i>	<i>88.1%</i>	<i>87.2%</i>
GAAP total gross profit	\$360.0	\$395.5	\$424.0	\$477.6	\$449.0	\$482.5	\$511.9	\$581.0	\$553.7
Stock-based compensation	3.2	3.3	3.1	3.2	3.4	3.6	3.7	3.8	3.9
Amortization of acquired intangible assets	2.1	2.1	1.6	1.9	2.6	2.3	2.0	2.2	2.5
Non-GAAP total gross profit	\$365.3	\$400.9	\$428.7	\$482.7	\$455.0	\$488.4	\$517.6	\$587.0	\$560.1
<i>Non-GAAP gross margin</i>	<i>77.2%</i>	<i>76.5%</i>	<i>78.2%</i>	<i>78.1%</i>	<i>78.8%</i>	<i>79.1%</i>	<i>79.5%</i>	<i>78.5%</i>	<i>78.9%</i>
GAAP research and development expense	\$68.6	\$67.4	\$69.9	\$71.2	\$80.3	\$82.1	\$90.0	\$89.0	\$97.2
Stock-based compensation	(9.4)	(10.0)	(9.3)	(10.0)	(10.9)	(12.0)	(12.7)	(12.0)	(13.0)
Non-GAAP research and development expense	\$59.2	\$57.4	\$60.6	\$61.2	\$69.4	\$70.1	\$77.3	\$77.0	\$84.2
<i>Non-GAAP research and development expense as a percentage of revenue</i>	<i>12.5%</i>	<i>11.0%</i>	<i>11.1%</i>	<i>9.9%</i>	<i>12.0%</i>	<i>11.4%</i>	<i>11.9%</i>	<i>10.3%</i>	<i>11.9%</i>
GAAP sales and marketing expense	\$215.9	\$226.5	\$227.4	\$257.1	\$260.0	\$253.8	\$266.7	\$291.4	\$304.0
Stock-based compensation	(25.4)	(26.3)	(24.9)	(25.1)	(25.7)	(27.9)	(27.7)	(27.1)	(26.8)
Amortization of acquired intangible assets	(0.9)	(0.8)	(0.6)	(0.9)	(1.4)	(1.4)	(0.8)	(0.6)	(0.9)
Non-GAAP sales and marketing expense	\$189.6	\$199.4	\$201.9	\$231.1	\$232.9	\$224.5	\$238.2	\$263.7	\$276.3
<i>Non-GAAP sales and marketing expense as a percentage of revenue</i>	<i>40.1%</i>	<i>38.1%</i>	<i>36.8%</i>	<i>37.4%</i>	<i>40.3%</i>	<i>36.4%</i>	<i>36.6%</i>	<i>35.3%</i>	<i>38.9%</i>



# GAAP to Non-GAAP Reconciliations (Continued)

(\$ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP general and administrative expense	\$24.5	\$24.3	\$26.1	\$27.2	\$28.8	\$28.9	\$29.4	\$32.4	\$32.0
Stock-based compensation	(5.0)	(5.4)	(5.1)	(5.4)	(5.3)	(6.1)	(5.9)	(6.0)	(6.3)
Litigation-related matter	—	—	—	—	—	0.7	—	—	—
Non-GAAP general and administrative expense	\$19.5	\$18.9	\$21.0	\$21.8	\$23.5	\$23.5	\$23.5	\$26.4	\$25.7
<i>Non-GAAP general and administrative expense as a percentage of revenue</i>	<i>4.1%</i>	<i>3.6%</i>	<i>3.8%</i>	<i>3.5%</i>	<i>4.1%</i>	<i>3.8%</i>	<i>3.6%</i>	<i>3.5%</i>	<i>3.6%</i>
GAAP gain on IP matter	\$—	\$—	\$—	\$—	\$(36.8)	\$(1.1)	\$(1.1)	\$(1.2)	\$(1.1)
Gain on IP matter	—	—	—	—	36.8	1.1	1.1	1.2	1.1
Non-GAAP gain on IP matter	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
<i>Non-GAAP gain on IP matter as a percentage of revenue</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>
GAAP total operating expense	\$309.0	\$318.2	\$323.4	\$355.5	\$332.3	\$363.7	\$385.0	\$411.6	\$432.1
Stock-based compensation	(39.8)	(41.7)	(39.3)	(40.5)	(41.9)	(46.0)	(46.3)	(45.1)	(46.1)
Amortization of acquired intangible assets	(0.9)	(0.8)	(0.6)	(0.9)	(1.4)	(1.4)	(0.8)	(0.6)	(0.9)
Gain on IP matter	—	—	—	—	36.8	1.1	1.1	1.2	1.1
Litigation-related matter	—	—	—	—	—	0.7	—	—	—
Non-GAAP total operating expense	\$268.3	\$275.7	\$283.5	\$314.1	\$325.8	\$318.1	\$339.0	\$367.1	\$386.2
<i>Non-GAAP total operating expense as a percentage of revenue</i>	<i>56.7%</i>	<i>52.6%</i>	<i>51.7%</i>	<i>50.8%</i>	<i>56.4%</i>	<i>51.5%</i>	<i>52.1%</i>	<i>49.1%</i>	<i>54.4%</i>
GAAP operating income	\$51.0	\$77.3	\$100.6	\$122.1	\$116.7	\$118.8	\$126.9	\$169.4	\$121.6
Stock-based compensation	43.0	45.0	42.4	43.7	45.3	49.6	50.0	48.9	50.0
Amortization of acquired intangible assets	3.0	2.9	2.2	2.8	4.0	3.7	2.8	2.8	3.4
Gain on IP matter	—	—	—	—	(36.8)	(1.1)	(1.1)	(1.2)	(1.1)
Litigation-related matter	—	—	—	—	—	(0.7)	—	—	—
Non-GAAP operating income	\$97.0	\$125.2	\$145.2	\$168.6	\$129.2	\$170.3	\$178.6	\$219.9	\$173.9
<i>Non-GAAP operating margin</i>	<i>20.5%</i>	<i>23.9%</i>	<i>26.5%</i>	<i>27.3%</i>	<i>22.4%</i>	<i>27.6%</i>	<i>27.4%</i>	<i>29.4%</i>	<i>24.5%</i>



# GAAP to Non-GAAP Reconciliations (Continued)

(\$ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP other income (expense), net	\$(0.5)	\$(0.4)	\$(6.0)	\$(0.6)	\$(8.0)	\$0.9	\$(1.0)	\$0.3	\$(2.0)
Loss on investments in privately-held companies	—	—	3.8	—	4.3	—	—	—	—
Non-GAAP other income (expense), net	\$(0.5)	\$(0.4)	\$(2.2)	\$(0.6)	\$(3.7)	\$0.9	\$(1.0)	\$0.3	\$(2.0)
<i>Non-GAAP other income (expense), net as a percentage of revenue</i>	<i>(0.1)%</i>	<i>(0.1)%</i>	<i>(0.4)%</i>	<i>(0.1)%</i>	<i>(0.6)%</i>	<i>0.1%</i>	<i>(0.2)%</i>	<i>—%</i>	<i>(0.3)%</i>
GAAP income before income taxes	\$60.7	\$87.9	\$106.0	\$131.4	\$117.9	\$123.7	\$128.4	\$171.7	\$119.4
Stock-based compensation	43.0	45.0	42.4	43.7	45.3	49.6	50.0	48.9	50.0
Amortization of acquired intangible assets	3.0	2.9	2.2	2.8	4.0	3.7	2.8	2.8	3.4
Gain on IP matter	—	—	—	—	(36.8)	(1.1)	(1.1)	(1.2)	(1.1)
Litigation-related matter	—	—	—	—	—	(0.7)	—	—	—
Loss on investments in privately-held companies	—	—	3.8	—	4.3	—	—	—	—
Non-GAAP income before income taxes	\$106.7	\$135.8	\$154.4	\$177.9	\$134.7	\$175.2	\$180.1	\$222.2	\$171.7
GAAP provision for income taxes	\$1.6	\$13.7	\$25.8	\$13.2	\$13.3	\$9.9	\$5.0	\$25.0	\$12.2
Tax adjustments related to the above	24.0	18.9	11.3	29.6	16.3	28.7	29.7	21.7	23.9
Non-GAAP provision for income taxes	\$25.6	\$32.6	\$37.1	\$42.8	\$29.6	\$38.6	\$34.7	\$46.7	\$36.1
<i>Non-GAAP effective tax rate</i>	<i>24%</i>	<i>24%</i>	<i>24%</i>	<i>24%</i>	<i>22%</i>	<i>22%</i>	<i>19%</i>	<i>21%</i>	<i>21%</i>



# GAAP to Non-GAAP Reconciliations (Continued)

(\$ in millions)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
GAAP net income	\$59.1	\$74.2	\$80.2	\$118.2	\$104.6	\$113.8	\$123.4	\$146.7	\$107.2
Stock-based compensation	43.0	45.0	42.4	43.7	45.3	49.6	50.0	48.9	50.0
Amortization of acquired intangible assets	3.0	2.9	2.2	2.8	4.0	3.7	2.8	2.8	3.4
Gain on IP matter	—	—	—	—	(36.8)	(1.1)	(1.1)	(1.2)	(1.1)
Litigation-related matter	—	—	—	—	—	(0.7)	—	—	—
Loss on investments in privately-held companies	—	—	3.8	—	4.3	—	—	—	—
Tax adjustments	(24.0)	(18.9)	(11.3)	(29.6)	(16.3)	(28.7)	(29.7)	(21.7)	(23.9)
Non-GAAP net income	\$81.1	\$103.2	\$117.3	\$135.1	\$105.1	\$136.6	\$145.4	\$175.5	\$135.6
GAAP net income per share, diluted	\$0.34	\$0.42	\$0.46	\$0.67	\$0.60	\$0.69	\$0.75	\$0.89	\$0.64
Stock-based compensation	0.24	0.25	0.24	0.25	0.26	0.30	0.30	0.30	0.30
Amortization of acquired intangible assets	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02
Gain on IP matter	—	—	—	—	(0.21)	(0.01)	(0.01)	(0.01)	(0.01)
Litigation-related matter	—	—	—	—	—	—	—	—	—
Loss on investments in privately-held companies	—	—	0.02	—	0.02	—	—	—	—
Tax adjustments	(0.14)	(0.10)	(0.06)	(0.17)	(0.09)	(0.17)	(0.18)	(0.14)	(0.14)
Non-GAAP net income per share, diluted	\$0.46	\$0.59	\$0.67	\$0.77	\$0.60	\$0.83	\$0.88	\$1.06	\$0.81
Shares used in diluted net income per share calculations	174.8	175.1	174.8	175.2	174.2	165.4	165.6	165.5	166.4





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