## Non-GAAP Financial Measures and Other Key Metrics

This supplemental financial information contains financial statements that have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). We use these non-GAAP financial measures and key metrics internally in analyzing our financial results and believe that the disclosure of these non-GAAP financial measures and key metrics will be useful to investors as an additional tool to evaluate our ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures or key metrics.

Non-GAAP financial measures and key metrics are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. A reconciliation of our non-GAAP financial measures and key metrics to the most directly comparable GAAP measures has been provided in the financial statement tables included in this supplemental financial information, and investors are encouraged to review these reconciliations. We have not provided a reconciliation of forward-looking non-GAAP measures to the corresponding GAAP measures as they are not available without unreasonable effort.

## Palo Alto Networks, Inc. Condensed Consolidated Statements of Operations - Fiscal Quarters (In millions, except percentages)

	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121
Revenue:								
Product	\$ 271.6	\$ 278.4	\$ 305.7	\$ 231.2	\$ 246.5	\$ 280.9	\$ 305.6	\$ 237.3
Subscription and support	439.6	448.2	500.1	540.7	570.2	588.5	644.8	708.7
Total revenue	711.2	726.6	805.8	771.9	816.7	869.4	950.4	946.0
Cost of revenue:								
Product	82.5	78.0	82.2	65.1	68.7	73.3	87.3	62.2
Subscription and support	120.1	126.9	135.2	152.6	164.4	185.0	203.1	215.6
Total cost of revenue	202.6	204.9	217.4	217.7	233.1	258.3	290.4	277.8
Total gross profit	508.6	521.7	588.4	554.2	583.6	611.1	660.0	668.2
Product gross margin	69.6 %	72.0 %	73.1 %	71.8 %	72.1 %	73.9 %	71.4 %	73.8 %
Subscription and support gross margin	72.7 %	71.7 %	73.0 %	71.8 %	71.2 %	68.6 %	68.5 %	69.6 %
Total gross margin	71.5 %	71.8 %	73.0 %	71.8 %	71.5 %	70.3 %	69.4 %	70.6 %
Operating expenses:								
Research and development	128.3	139.1	158.7	170.5	185.4	196.3	215.9	237.4
Sales and marketing	320.0	339.0	370.4	365.7	374.9	388.4	391.2	388.6
General and administrative	53.7	62.3	69.2	69.8	76.2	82.9	70.7	86.7
Total operating expenses	502.0	540.4	598.3	606.0	636.5	667.6	677.8	712.7
Operating income (loss)	6.6	(18.7)	(9.9)	(51.8)	(52.9)	(56.5)	(17.8)	(44.5)
Interest expense	(20.6)	(20.6)	(20.0)	(18.9)	(19.0)	(19.4)	(31.4)	(40.2)
Other income, net	16.0	18.2	16.2	16.2	10.8	8.1	0.8	2.4
Income (loss) before income taxes	2.0	(21.1)	(13.7)	(54.5)	(61.1)	(67.8)	(48.4)	(82.3)
Provision for (benefit from) income taxes	4.6	(0.9)	7.1	5.1	12.6	7.0	10.5	9.9
Net loss	\$ (2.6)	\$ (20.2)	\$ (20.8)	\$ (59.6)	\$ (73.7)	\$ (74.8)	\$ (58.9)	\$ (92.2)

Palo Alto Networks, Inc. Non-GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters (In millions, except percentages)

	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121
Revenue:	•							
Product	\$ 271.6	\$ 278.4	\$ 305.7	\$ 231.2	\$ 246.5	\$ 280.9	\$ 305.6	\$ 237.3
Subscription and support	439.6	448.2	500.1	540.7	570.2	588.5	644.8	708.7
Total revenue	711.2	726.6	805.8	771.9	816.7	869.4	950.4	946.0
Cost of revenue:								
Product	77.8	73.6	79.8	63.7	67.2	70.0	83.9	58.9
Subscription and support	91.1	96.8	101.5	117.0	125.8	145.7	160.0	170.3
Total cost of revenue	168.9	170.4	181.3	180.7	193.0	215.7	243.9	229.2
Total gross profit	542.3	556.2	624.5	591.2	623.7	653.7	706.5	716.8
Product gross margin	71.4 %	73.6 %	73.9 %	72.4 %	72.7 %	75.1 %	72.5 %	75.2 %
Subscription and support gross margin	79.3 %	78.4 %	79.7 %	78.4 %	77.9 %	75.2 %	75.2 %	76.0 %
Total gross margin	76.3 %	76.5 %	77.5 %	76.6 %	76.4 %	75.2 %	74.3 %	75.8 %
Operating expenses:								
Research and development	82.4	92.4	100.6	107.5	116.0	127.0	137.4	141.1
Sales and marketing	253.8	277.7	314.7	319.4	314.7	329.0	326.9	318.9
General and administrative	31.3	34.3	35.1	42.3	47.2	54.8	53.8	51.4
Total operating expenses	367.5	404.4	450.4	469.2	477.9	510.8	518.1	511.4
Operating income	174.8	151.8	174.1	122.0	145.8	142.9	188.4	205.4
Interest expense	(3.5)	(3.4)	(3.5)	(3.4)	(3.3)	(3.6)	(4.5)	(5.1)
Other income, net	17.0	18.7	17.7	15.7	11.8	7.5	2.0	2.3
Income before income taxes	188.3	167.1	188.3	134.3	154.3	146.8	185.9	202.6
Provision for income taxes	41.3	37.0	41.4	29.5	34.0	32.2	41.0	44.5
Net income	\$ 147.0	\$ 130.1	\$ 146.9	\$ 104.8	\$ 120.3	\$ 114.6	\$ 144.9	\$ 158.1

Palo Alto Networks, Inc.

GAAP to Non-GAAP Reconciliations and Calculation of Other Key Metrics - Fiscal Quarters (In millions, except percentages and per share amounts)

	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121
GAAP to Non-GAAP Reconciliations								
GAAP product gross profit	\$ 189.1	\$ 200.4	\$ 223.5	\$ 166.1	\$ 177.8	\$ 207.6 \$	218.3	\$ 175.1
Share-based compensation-related charges	1.7	1.3	1.4	1.4	1.5	1.5	1.6	1.5
Litigation-related charges <sup>(1)</sup>	3.0	3.1	1.0	_	_	1.8	1.8	1.8
Non-GAAP product gross profit	\$ 193.8	\$ 204.8	\$ 225.9	\$ 167.5	\$ 179.3	\$ 210.9 \$	221.7	\$ 178.4
Non-GAAP product gross margin	71.4 9	% 73.6 %	6 73.9	% 72.4	% 72.7 %	% 75.1 %	72.5 %	75.2 %
GAAP subscription and support gross profit	\$ 319.5	\$ 321.3	\$ 364.9	\$ 388.1	\$ 405.8	\$ 403.5 \$	441.7	\$ 493.1
Share-based compensation-related charges	19.9	19.4	20.2	20.4	22.5	21.9	23.1	25.1
Amortization expense of acquired intangible assets	9.1	10.7	13.5	15.2	16.1	17.4	20.0	20.2
Non-GAAP subscription and support gross profit	\$ 348.5	\$ 351.4	\$ 398.6	\$ 423.7	\$ 444.4	\$ 442.8 \$	484.8	\$ 538.4
Non-GAAP subscription and support gross margin	79.3	% 78.4 %	6 79.7	% 78.4	% 77.9 %	% 75.2 %	75.2 %	76.0 %
GAAP total gross profit	\$ 508.6	\$ 521.7	\$ 588.4	\$ 554.2	\$ 583.6	\$ 611.1 \$	660.0	\$ 668.2
Share-based compensation-related charges	21.6	20.7	21.6	21.8	24.0	23.4	24.7	26.6
Amortization expense of acquired intangible assets	9.1	10.7	13.5	15.2	16.1	17.4	20.0	20.2
Litigation-related charges <sup>(1)</sup>	3.0	3.1	1.0	_	_	1.8	1.8	1.8
Non-GAAP total gross profit	\$ 542.3	\$ 556.2	\$ 624.5	\$ 591.2	\$ 623.7	\$ 653.7	706.5	\$ 716.8
Non-GAAP gross margin	76.3 9	<del>%</del> 76.5 %	6 77.5	<del>%</del> 76.6	<u>% 76.4 %</u>	<del>%</del> 75.2 %	74.3 %	75.8 %
GAAP research and development expense	\$ 128.3	\$ 139.1	\$ 158.7	\$ 170.5	\$ 185.4	\$ 196.3 \$	215.9	\$ 237.4
Share-based compensation-related charges	45.9	46.7	58.1	63.0	69.4	69.3	78.5	96.3
Non-GAAP research and development expense	\$ 82.4	\$ 92.4	\$ 100.6	\$ 107.5	\$ 116.0	\$ 127.0 \$	137.4	\$ 141.1
Non-GAAP research and development expense as a percentage of revenue	11.6 9	% 12.7 %	6 12.5	% 13.9	% 14.2 %	% 14.6 %	14.5 %	14.9 %
,								
GAAP sales and marketing expense	\$ 320.0	\$ 339.0	\$ 370.4	\$ 365.7	\$ 374.9	\$ 388.4 \$	391.2	\$ 388.6
Share-based compensation-related charges	61.2	57.4	54.2	44.8	58.5	57.6	61.6	66.4
Amortization expense of acquired intangible assets	5.0	3.9	1.5	1.5	1.7	1.8	2.7	3.3
Non-GAAP sales and marketing expense	\$ 253.8	\$ 277.7	\$ 314.7	\$ 319.4	\$ 314.7	\$ 329.0 \$	326.9	\$ 318.9
Non-GAAP sales and marketing expense as a	05.7	2/ 00 0 0		0/ 11 1	0/ 00.5.0	07.0.0/	2400/	00.0.0/
percentage of revenue	35.7 9	<u>% 38.2 %</u>	<u>39.0 </u>	% 41.4	<u>% 38.5 %</u>	<u>% 37.9 %</u>	34.3 %	33.8 %
CAAD canaral and administrative average	¢ 52.7	ф co.o	Ф 60.0	¢ 60.0	¢ 76.0	e 020 e	70.7	\$ 86.7
GAAP general and administrative expense	\$ 53.7	\$ 62.3	\$ 69.2	\$ 69.8	\$ 76.2	\$ 82.9 \$		
Share-based compensation-related charges	20.8	21.0	21.4	24.1	25.1	23.2	16.5	22.2
Acquisition-related costs <sup>(2)</sup>	1.6	2.9	9.8	3.4	7.0	4.9	0.4	13.1
(Gain) loss related to facility exit <sup>(3)</sup>		4.1	2.9	<u> </u>	(3.1)	<u> </u>		
Non-GAAP general and administrative expense	\$ 31.3	\$ 34.3	\$ 35.1	\$ 42.3	\$ 47.2	\$ 54.8 \$	53.8	\$ 51.4
Non-GAAP general and administrative expense as a percentage of revenue	4.4 9	% 4.7 %	6 4.4 9	% 5.5	% 5.8 %	% 6.3 %	5.7 %	5.4 %

<sup>(1)</sup> Consists of the amortization of intellectual property licenses and covenant not to sue.

<sup>(2)</sup> Consists of acquisition transaction costs, share-based compensation related to the cash settlement of certain equity awards, and costs to terminate certain employment, operating lease, and other contracts of the acquired companies.

<sup>(3)</sup> Consists of charges related to the relocation of our corporate headquarters (cease-use losses of \$4.1 million in Q3'19 and \$2.9 million in Q4'19) and a gain of \$3.1 million related to the early termination of our previous headquarters leases in Q2'20.

Palo Alto Networks, Inc.

GAAP to Non-GAAP Reconciliations and Calculation of Other Key Metrics - Fiscal Quarters (In millions, except percentages and per share amounts)

Second proper parametric pro			Q219		Q319		Q419		Q120		Q220		Q320		Q420		Q121
Share-based compensation-related charges   127.9   125.1   133.7   131.9   153.0   150.1   150.6   184.9   Acquisition-related costs <sup>67</sup>   16   2.9   9.8   3.4   7.0   4.9   0.7   3.3	GAAP total operating expense	\$ 5	502.0	\$	540.4	\$	598.3	\$	606.0	\$	636.5	\$	667.6	\$	677.8	\$	712.7
Acquisition-related costs****  Amortization expense of acquired intangible assets (Gain) loss related to facility exit***  Non-GAAP total operating expense as a percentage of revenue   GAAP operating income (loss)  Share-based compensation-related charges (149 5)  Acquisition-related costs**  Acquisition-related convertible notes**  Acquisition-relate		. 1	127.9	·	125.1		133.7	·	131.9		153.0	·	150.1	·	156.6		184.9
Mon-GAAP potenting income (loss)   Signature (large)   Signature	·		1.6		2.9		9.8		3.4		7.0		4.9		0.4		
Cosin   loss related to facility exit   Size   Si	·		5.0		3.9		1.5		1.5		1.7		1.8		2.7		3.3
Non-GAAP total operating expense   \$367.5   \$40.4   \$450.4   \$469.2   \$477.9   \$510.8   \$510.4   \$510.4   \$510.4   \$70.4   \$			_		4.1		2.9		_		(3.1)		_		_		_
Solution		\$ 3	367.5	\$	404.4	\$	450.4	\$	469.2	\$	, ,	\$	510.8	\$	518.1	\$	511.4
Share-based compensation-related charges   149.5   145.5   155.3   153.7   177.0   173.5   181.3   211.5     Acquisition-related costs <sup>(7)</sup>   1.6   2.9   9.8   3.4   7.0   4.9   0.4   13.1     Amortization expenses of acquired intangible assets   14.1   14.6   15.0   16.7   17.8   19.2   22.7   23.5     Litigation-related charges   14.1   14.6   15.0   16.7   17.8   19.2   22.7   23.5     Litigation-related charges   14.1   14.6   15.0   16.7   17.8   19.2   22.7   23.5     Litigation-related to facility exit <sup>(3)</sup>   2.7   2.7   2.7   2.7     Non-GAAP operating income   174.8   151.8   174.1   12.0   14.5   15.8   142.9   18.8   18.8   1.8     Non-GAAP operating margin   24.6   20.9   21.6   15.5   15.5   15.7   15.8   26.9   35.1     Non-GAAP interest expense   2(20.6)   2(			51.7 %			ó	55.9 %	6	60.8 %	)	58.5 %	ó	58.8 %	ó	54.5 %	ó	54.1 %
Acquisition-related costs <sup>©)</sup> 1.6 2.9 9.8 1.3.4 7.0 4.9 0.4 13.1 Amortization expense of acquired intangible assets 14.1 14.6 15.0 16.7 17.8 17.8 19.2 22.7 23.5 Litigation-related charges <sup>©)</sup> 3.0 3.1 1.0	GAAP operating income (loss)	\$	6.6	\$	(18.7)	\$	(9.9)	\$	(51.8)	\$	(52.9)	\$	(56.5)	\$	(17.8)	\$	(44.5)
Amortization expense of acquired intangible assets   14.1   14.6   15.0   16.7   17.8   19.2   22.7   23.5	Share-based compensation-related charges	1	149.5		145.8		155.3		153.7		177.0		173.5		181.3		211.5
Litigation-related charges(1)   3.0   3.1   1.0   2.9   3.1   3.	Acquisition-related costs <sup>(2)</sup>		1.6		2.9		9.8		3.4		7.0		4.9		0.4		13.1
Cain   loss related to facility exit <sup>(3)</sup>   17.4   17.4   17.5   17.4   17.5	Amortization expense of acquired intangible assets		14.1		14.6		15.0		16.7		17.8		19.2		22.7		23.5
Non-GAAP operating income   24.6 % 20.9 % 21.6 % 15.8 % 17.2 % 16.8 % 142.9 % 18.8 % 20.5 % 21.7 % 21.6 % 15.8 % 17.8 % 17.8 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 15.8 % 17.8 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 20.9 % 21.6 % 15.8 % 17.9 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 20.9 % 21.6 % 15.8 % 17.9 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 15.8 % 17.9 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 15.8 % 17.9 % 16.4 % 19.8 % 21.7 % 21.7 % 21.6 % 15.8 % 17.9 % 16.4 % 19.8 % 21.7 % 21.7 % 21.5 % 21.8 % 21.9 % 21.7 % 21.5 %	Litigation-related charges <sup>(1)</sup>		3.0		3.1		1.0		_		_		1.8		1.8		1.8
CAAP operating margin   CAG	(Gain) loss related to facility exit <sup>(3)</sup>		_		4.1		2.9		_		(3.1)		_		_		_
CAAP interest expense   Saap	Non-GAAP operating income	\$ 1	174.8	\$	151.8	\$	174.1	\$	122.0	\$	145.8	\$	142.9	\$	188.4	\$	205.4
Non-cash charges related to convertible notes <sup>(4)</sup>	Non-GAAP operating margin		24.6 %	ó	20.9 %	6	21.6 %	6	15.8 %	)	17.9 %	ó	16.4 %	ó	19.8 %	ó	21.7 %
Non-GAAP interest expense   \$ (3.5) \$ (3.4) \$ (3.5) \$ (3.4) \$ (3.5) \$ (3.4) \$ (3.5) \$ (3.6) \$ (4.5) \$ (5.1) \$	GAAP interest expense	\$	(20.6)	\$	(20.6)	\$	(20.0)	\$	(18.9)	\$	(19.0)	\$	(19.4)	\$	(31.4)	\$	(40.2)
Non-GAAP income (loss) before income taxes   14.1   14.6   15.0   16.7   17.8   16.1   17.5   17.2   16.5	Non-cash charges related to convertible notes <sup>(4)</sup>		17.1		17.2		16.5		15.5		15.7		15.8		26.9		35.1
GAAP other income, net  Non-cash charges related to convertible notes <sup>(4)</sup> Non-GAAP other income, net  STRON STRON STRON STRON STRON STRON STRON STRONG STRO	Non-GAAP interest expense	\$	(3.5)	\$	(3.4)	\$	(3.5)	\$	(3.4)	\$	(3.3)	\$	(3.6)	\$	(4.5)	\$	(5.1)
Non-cash charges related to convertible notes <sup>(4)</sup> Foreign currency (gain) loss associated with non-GAAP adjustments  Non-GAAP other income, net  Non-GAAP other income, net as a percentage of revenue  Share-based compensation-related charges  Acquisition-related costs <sup>(2)</sup> Litigation-related charges <sup>(1)</sup> (Gain) loss related to convertible notes <sup>(4)</sup> Non-cash charges related to convertible notes <sup>(4)</sup> Non-GAAP other income (loss) before income taxes  Share-based compensation-related charges  149.5  149.5  149.5  149.6  149.6  15.0  16.7  17.8  19.2  22.7  23.5  Litigation-related charges <sup>(1)</sup> (Gain) loss related to facility exit <sup>(3)</sup> Non-cash charges related to convertible notes <sup>(4)</sup> 17.5  17.2  16.5  15.5  15.7  15.8  26.9  35.1		_	(0.5)%	ó	(0.5)%	6	(0.4)%	6	(0.4)%	)	(0.4)%	6	(0.4)%	ó	(0.5)%	ó	(0.5)%
Non-GAAP other income, net as a percentage of revenue   1.1.0   1.1.	GAAP other income, net	\$	16.0	\$	18.2	\$	16.2	\$	16.2	\$	10.8	\$	8.1	\$	0.8	\$	2.4
GAAP adjustments         0.6         0.5         1.5         (0.5)         1.0         (0.6)         1.2         (0.1)           Non-GAAP other income, net as a percentage of revenue         \$17.0         \$18.7         \$17.7         \$15.7         \$11.8         \$7.5         \$2.0         \$2.3           Non-GAAP other income, net as a percentage of revenue         \$2.4 %         2.6 %         2.2 %         2.0 %         1.4 %         0.9 %         0.2 %         0.2 %           GAAP income (loss) before income taxes         \$2.0         \$(21.1)         \$(13.7)         \$(54.5)         \$(61.1)         \$(67.8)         \$(48.4)         \$(82.3)           Share-based compensation-related charges         149.5         145.8         155.3         153.7         177.0         173.5         181.3         211.5           Acquisition-related costs(2)         1.6         2.9         9.8         3.4         7.0         4.9         0.4         13.1           Amortization expense of acquired intangible assets         14.1         14.6         15.0         16.7         17.8         19.2         22.7         23.5           Litigation-related charges(1)         3.0         3.1         1.0         —         —         1.8         1.8         1.8	Non-cash charges related to convertible notes <sup>(4)</sup>		0.4		_		_		_		_		_		_		_
Non-GAAP other income, net as a percentage of revenue   2.4 %   2.6 %   2.2 %   2.0 %   1.4 %   0.9 %   0.2			0.6		0.5		1.5		(0.5)		1.0		(0.6)		1.2		(0.1)
GAAP income (loss) before income taxes         \$ 2.0         \$ (21.1)         \$ (13.7)         \$ (54.5)         \$ (61.1)         \$ (67.8)         \$ (48.4)         \$ (82.3)           Share-based compensation-related charges         149.5         145.8         155.3         153.7         177.0         173.5         181.3         211.5           Acquisition-related costs <sup>(2)</sup> 1.6         2.9         9.8         3.4         7.0         4.9         0.4         13.1           Amortization expense of acquired intangible assets         14.1         14.6         15.0         16.7         17.8         19.2         22.7         23.5           Litigation-related charges <sup>(1)</sup> 3.0         3.1         1.0         —         —         1.8         1.8         1.8           (Gain) loss related to facility exit <sup>(3)</sup> —         4.1         2.9         —         (3.1)         —         —         —           Non-cash charges related to convertible notes <sup>(4)</sup> 17.5         17.2         16.5         15.5         15.7         15.8         26.9         35.1           Foreign currency (gain) loss associated with non-GAAP adjustments         0.6         0.5         1.5         (0.5)         1.0         (0.6)         1.2         (0.1	Non-GAAP other income, net	\$	17.0	\$	18.7	\$	17.7	\$	15.7	\$	11.8	\$	7.5	\$	2.0	\$	2.3
Share-based compensation-related charges       149.5       145.8       155.3       153.7       177.0       173.5       181.3       211.5         Acquisition-related costs <sup>(2)</sup> 1.6       2.9       9.8       3.4       7.0       4.9       0.4       13.1         Amortization expense of acquired intangible assets       14.1       14.6       15.0       16.7       17.8       19.2       22.7       23.5         Litigation-related charges <sup>(1)</sup> 3.0       3.1       1.0       —       —       1.8       1.8       1.8         (Gain) loss related to facility exit <sup>(3)</sup> —       4.1       2.9       —       (3.1)       —       —       —         Non-cash charges related to convertible notes <sup>(4)</sup> 17.5       17.2       16.5       15.5       15.7       15.8       26.9       35.1         Foreign currency (gain) loss associated with non-GAAP adjustments       0.6       0.5       1.5       (0.5)       1.0       (0.6)       1.2       (0.1)		_	2.4 %	ó	2.6 %	6	2.2 %	6	2.0 %	)	1.4 %	6	0.9 %	ó	0.2 %	ó	0.2 %
Acquisition-related costs <sup>(2)</sup> 1.6 2.9 9.8 3.4 7.0 4.9 0.4 13.1  Amortization expense of acquired intangible assets  14.1 14.6 15.0 16.7 17.8 19.2 22.7 23.5  Litigation-related charges <sup>(1)</sup> 3.0 3.1 1.0 — — 1.8 1.8 1.8  (Gain) loss related to facility exit <sup>(3)</sup> — 4.1 2.9 — (3.1) — — —  Non-cash charges related to convertible notes <sup>(4)</sup> 17.5 17.2 16.5 15.5 15.7 15.8 26.9 35.1  Foreign currency (gain) loss associated with non-GAAP adjustments  0.6 0.5 1.5 (0.5) 1.0 (0.6) 1.2 (0.1)	GAAP income (loss) before income taxes	\$	2.0	\$	(21.1)	\$	(13.7)	\$	(54.5)	\$	(61.1)	\$	(67.8)	\$	(48.4)	\$	(82.3)
Amortization expense of acquired intangible assets 14.1 14.6 15.0 16.7 17.8 19.2 22.7 23.5 Litigation-related charges <sup>(1)</sup> 3.0 3.1 1.0 — — 1.8 1.8 1.8 (Gain) loss related to facility exit <sup>(3)</sup> — 4.1 2.9 — (3.1) — — — Non-cash charges related to convertible notes <sup>(4)</sup> 17.5 17.2 16.5 15.5 15.7 15.8 26.9 35.1 Foreign currency (gain) loss associated with non-GAAP adjustments 0.6 0.5 1.5 (0.5) 1.0 (0.6) 1.2 (0.1)	Share-based compensation-related charges	1	149.5		145.8		155.3		153.7		177.0		173.5		181.3		211.5
Litigation-related charges <sup>(1)</sup> 3.0 3.1 1.0 — — 1.8 1.8 1.8 (Gain) loss related to facility exit <sup>(3)</sup> — 4.1 2.9 — (3.1) — — Non-cash charges related to convertible notes <sup>(4)</sup> 17.5 17.2 16.5 15.7 15.8 26.9 35.1 Foreign currency (gain) loss associated with non-GAAP adjustments  0.6 0.5 1.5 (0.5) 1.0 (0.6) 1.2 (0.1)	Acquisition-related costs <sup>(2)</sup>		1.6		2.9		9.8		3.4		7.0		4.9		0.4		13.1
(Gain) loss related to facility exit <sup>(3)</sup> —       4.1       2.9       —       (3.1)       —       —       —         Non-cash charges related to convertible notes <sup>(4)</sup> 17.5       17.2       16.5       15.5       15.7       15.8       26.9       35.1         Foreign currency (gain) loss associated with non-GAAP adjustments       0.6       0.5       1.5       (0.5)       1.0       (0.6)       1.2       (0.1)	Amortization expense of acquired intangible assets		14.1		14.6		15.0		16.7		17.8		19.2		22.7		23.5
Non-cash charges related to convertible notes <sup>(4)</sup> 17.5  17.2  16.5  15.7  15.8  26.9  35.1  Foreign currency (gain) loss associated with non-GAAP adjustments  0.6  0.5  1.5  (0.5)  1.0  (0.6)  1.2  (0.1)	Litigation-related charges <sup>(1)</sup>		3.0		3.1		1.0		_		_		1.8		1.8		1.8
Foreign currency (gain) loss associated with non-GAAP adjustments  0.6 0.5 1.5 0.6 0.5 1.0 0.6 0.1 0.6 0.5	(Gain) loss related to facility exit <sup>(3)</sup>		_		4.1		2.9		_		(3.1)		_		_		_
GAAP adjustments 0.6 0.5 1.5 (0.5) 1.0 (0.6) 1.2 (0.1)	Non-cash charges related to convertible notes <sup>(4)</sup>		17.5		17.2		16.5		15.5		15.7		15.8		26.9		35.1
Non-GAAP income before income taxes \$ 188.3 \$ 167.1 \$ 188.3 \$ 134.3 \$ 154.3 \$ 146.8 \$ 185.9 \$ 202.6	Foreign currency (gain) loss associated with non-GAAP adjustments		0.6		0.5		1.5		(0.5)		1.0		(0.6)		1.2		(0.1)
	Non-GAAP income before income taxes	\$ 1	188.3	\$	167.1	\$	188.3	\$	134.3	\$	154.3	\$	146.8	\$	185.9	\$	202.6

<sup>(1)</sup> Consists of the amortization of intellectual property licenses and covenant not to sue.

<sup>(2)</sup> Consists of acquisition transaction costs, share-based compensation related to the cash settlement of certain equity awards, and costs to terminate certain employment, operating lease, and other contracts of the acquired companies.

<sup>(3)</sup> Consists of charges related to the relocation of our corporate headquarters (cease-use losses of \$4.1 million in Q3'19 and \$2.9 million in Q4'19) and a gain of \$3.1 million related to the early termination of our previous headquarters leases in Q2'20.

<sup>(4)</sup> Consists primarily of non-cash interest expense related to our convertible senior notes. Also includes non-cash losses of \$0.4 million in Q2'19 related to early conversion of our convertible notes.

Palo Alto Networks, Inc.

GAAP to Non-GAAP Reconciliations and Calculation of Other Key Metrics - Fiscal Quarters
(In millions, except percentages and per share amounts)

		Q219		Q319		Q419		Q120		Q220		Q320		Q420	Q121
GAAP provision for (benefit from) income taxes	\$	4.6	\$	(0.9)	\$	7.1	\$	5.1	\$	12.6	\$	7.0	\$	10.5 \$	9.9
Income tax and other tax adjustments related to the above		36.7		37.9		34.3		24.4		21.4		25.2		30.5	34.6
Non-GAAP provision for income taxes	\$	41.3	\$	37.0	\$	41.4	\$	29.5	\$	34.0	\$	32.2	\$	41.0 \$	44.5
Non-GAAP effective tax rate	_	22.0 %	ó	22.0 %	ó	22.0 %	6	22.0 %	6	22.0 %	6	22.0 %	6	22.0 %	22.0 %
GAAP net loss	\$	(2.6)	\$	(20.2)	\$	(20.8)	\$	(59.6)	\$	(73.7)	\$	(74.8)	\$	(58.9) \$	(92.2)
Share-based compensation-related charges		149.5		145.8		155.3		153.7		177.0		173.5		181.3	211.5
Acquisition-related costs <sup>(2)</sup>		1.6		2.9		9.8		3.4		7.0		4.9		0.4	13.1
Amortization expense of acquired intangible assets		14.1		14.6		15.0		16.7		17.8		19.2		22.7	23.5
Litigation-related charges <sup>(1)</sup>		3.0		3.1		1.0		_		_		1.8		1.8	1.8
(Gain) loss related to facility exit <sup>(3)</sup>		_		4.1		2.9		_		(3.1)		_		_	_
Non-cash charges related to convertible notes <sup>(4)</sup>		17.5		17.2		16.5		15.5		15.7		15.8		26.9	35.1
Foreign currency (gain) loss associated with non-GAAP adjustments		0.6		0.5		1.5		(0.5)		1.0		(0.6)		1.2	(0.1)
Income tax and other tax adjustments related to the above		(36.7)		(37.9)		(34.3)		(24.4)		(21.4)		(25.2)		(30.5)	(34.6)
Non-GAAP net income	\$	147.0	\$	130.1	\$	146.9	\$	104.8	\$	120.3	\$	114.6	\$	144.9 \$	158.1
GAAP net loss per share, diluted	\$	(0.03)	\$	(0.21)	\$	(0.22)	\$	(0.62)	\$	(0.75)	\$	(0.77)	\$	(0.61) \$	(0.97)
Share-based compensation-related charges		1.53		1.48		1.56		1.56		1.77		1.78		1.86	2.17
Acquisition-related costs <sup>(2)</sup>		0.02		0.03		0.10		0.04		0.07		0.05		0.00	0.14
Amortization expense of acquired intangible assets		0.15		0.15		0.16		0.17		0.18		0.20		0.24	0.25
Litigation-related charges <sup>(1)</sup>		0.03		0.03		0.01		0.00		0.00		0.02		0.02	0.02
(Gain) loss related to facility exit <sup>(3)</sup>		0.00		0.04		0.03		0.00		(0.03)		0.00		0.00	0.00
Non-cash charges related to convertible notes <sup>(4)</sup>		0.19		0.18		0.17		0.16		0.16		0.16		0.28	0.37
Foreign currency (gain) loss associated with non-GAAP adjustments		0.01		0.01		0.02		(0.01)		0.01		(0.01)		0.01	0.00
Income tax and other tax adjustments related to the above		(0.39)		(0.40)		(0.36)		(0.25)		(0.22)		(0.26)		(0.32)	(0.36)
Non-GAAP net income per share, diluted	\$	1.51	\$	1.31	\$	1.47	\$	1.05	\$	1.19	\$	1.17	\$	1.48 \$	1.62
GAAP weighted-average shares used to compute net loss per share, diluted		94.0		94.4		95.8		96.6		98.3		96.7		96.0	95.5
Weighted-average effect of potentially dilutive securities <sup>(5)</sup>		3.6		5.2	_	4.2		3.5		2.8		1.1		2.2	2.2
Non-GAAP weighted-average shares used to compute net income per share, diluted		97.6		99.6		100.0		100.1		101.1		97.8		98.2	97.7

<sup>(1)</sup> Consists of the amortization of intellectual property licenses and covenant not to sue.

<sup>(2)</sup> Consists of acquisition transaction costs, share-based compensation related to the cash settlement of certain equity awards, and costs to terminate certain employment, operating lease, and other contracts of the acquired companies.

<sup>(3)</sup> Consists of charges related to the relocation of our corporate headquarters (cease-use losses of \$4.1 million in Q3'19 and \$2.9 million in Q4'19) and a gain of \$3.1 million related to the early termination of our previous headquarters leases in Q2'20.

<sup>(4)</sup> Consists primarily of non-cash interest expense related to our convertible senior notes. Also includes non-cash losses of \$0.4 million in Q2'19 related to early conversion of our convertible notes.

<sup>(5)</sup> Our potentially dilutive securities include the potentially dilutive effect of employee equity incentive plan awards and our convertible senior notes outstanding and related warrant agreements, partially offset by the anti-dilutive impact of our note hedge agreements.

Palo Alto Networks, Inc.

GAAP to Non-GAAP Reconciliations and Calculation of Other Key Metrics - Fiscal Quarters
(In millions, except percentages and per share amounts)

	Q219	Q319	Q419	Q120	Q220	Q320	Q420 Q121
Net cash provided by operating activities	\$ 275.4	\$ 296.4	\$ 231.5	\$ 225.2	\$ 306.9	\$ 169.9	\$ 333.7 \$ 534.9
Less: purchases of property, equipment, and other assets	23.5	20.3	53.1	47.2	49.1	86.3	31.8 29.6
Free cash flow (non-GAAP)	\$ 251.9	\$ 276.1	\$ 178.4	\$ 178.0	\$ 257.8	\$ 83.6	\$ 301.9 \$ 505.3
Add: capital expenditures for new headquarters <sup>(1)</sup>	0.7	0.7	26.8	22.7	17.8	53.8	
Add: repayments of convertible senior notes attributable to debt discount	14.8	_	30.5	_	_	_	
Add: litigation-related payment <sup>(2)</sup>	_	_	_	_	_	50.0	
Less: cash payment related to landlord lease amendment <sup>(3)</sup>	(4.0)	(3.0)	(2.9)	(2.0)	_	_	
Adjusted free cash flow (non-GAAP)	\$ 271.4	\$ 279.8	\$ 238.6	\$ 202.7	\$ 275.6	\$ 187.4	\$ 301.9 \$ 505.3
Net cash provided by (used in) investing activities	\$ (523.8)	\$ (140.3)	\$ (448.7)	\$ 244.5	\$ 436.4	\$ 274.7	\$ (667.6) \$ (886.2)
Net cash provided by (used in) financing activities	\$ (407.8)	\$ 31.8	\$ (136.1)	\$ (167.1)	\$ (6.1)	\$ (959.3)	\$ 1,805.5 \$ (464.5)
Free cash flow margin (non-GAAP)	35.4 %	6 38.0 %	6 22.1 %	6 23.1 %	6 31.6 %	6 9.6 %	31.8 % 53.4 %
Adjusted free cash flow margin (non-GAAP)	38.2 %	6 38.5 %	6 29.6 %	6 26.3 %	6 33.7 %	6 21.6 %	31.8 % 53.4 %
Other Key Metrics - Calculation of Billings							
Total revenue	\$ 711.2	\$ 726.6	\$ 805.8	\$ 771.9	\$ 816.7	\$ 869.4	\$ 950.4 \$ 946.0
Add: change in total deferred revenue, net of acquired deferred revenue	141.3	95.3	251.1	125.5	182.2	146.0	439.6 136.8
Total billings	\$ 852.5	\$ 821.9	\$1,056.9	\$ 897.4	\$ 998.9	\$1,015.4	\$ 1,390.0 \$1,082.8

- (1) Consists of capital expenditures for new headquarters including a land purchase of \$51.7 million in Q3'20.
- (2) Consists of a one-time payment in Q3'20 related to covenant not to sue.

<sup>(3)</sup> During Q1'18, we received an upfront cash reimbursement of \$38.2 million from our landlords in connection with the exercise of their option to amend the lease payment schedules and eliminate the rent holiday periods under certain of our lease agreements. The upfront cash reimbursement was applied against increased rental payments totaling \$38.2 million due in FY'18 through Q1'20 under the amended lease agreements. Adjusted free cash flow for the periods presented reflects adjustments for these increased rental payments made during the respective periods.

## Palo Alto Networks, Inc. Condensed Consolidated Balance Sheets - Fiscal Quarters (In millions)

		Q219	Q319	Q419	Q120	Q220	Q320		Q420	Q121
Assets										
Current assets:										
Cash and cash equivalents	\$	1,127.8	\$ 1,314.9	\$ 961.4	\$ 1,263.7	\$ 2,000.0	\$ 1,484.7	\$	2,958.0	\$ 2,142.0
Short-term investments		1,702.2	1,733.2	1,841.7	1,597.5	1,133.9	554.1		789.8	1,075.6
Accounts receivable, net		415.0	407.5	582.4	499.2	540.3	668.8		1,037.1	675.5
Prepaid expenses and other current assets		242.5	261.9	279.3	289.4	304.0	306.4		344.3	407.8
Total current assets		3,487.5	3,717.5	3,664.8	3,649.8	3,978.2	3,014.0		5,129.2	4,300.9
Property and equipment, net		273.2	275.0	296.0	316.4	311.4	357.2		348.1	337.9
Operating lease right-of-use assets		_	_	_	282.6	270.0	263.8		258.7	251.2
Long-term investments		808.6	669.9	575.4	467.6	317.9	151.2		554.4	873.2
Goodwill		636.4	1,027.3	1,352.3	1,400.4	1,511.7	1,812.9		1,812.9	1,968.6
Intangible assets, net		171.8	234.2	280.6	284.1	290.0	380.6		358.2	388.8
Other assets		330.0	337.9	423.1	423.9	504.9	522.1		603.9	605.9
Total assets	\$	5,707.5	\$ 6,261.8	\$ 6,592.2	\$ 6,824.8	\$ 7,184.1	\$ 6,501.8	\$	9,065.4	\$ 8,726.5
Liabilities, temporary equity, and stockholders' equity										
Current liabilities:										
Accounts payable	\$	27.9	\$ 68.6	\$ 73.3	\$ 74.7	\$ 55.4	\$ 52.3	\$	63.6	\$ 48.5
Accrued compensation		143.4	144.0	235.5	125.7	175.2	174.9		322.2	188.4
Accrued and other liabilities		171.4	178.5	162.4	192.3	251.2	253.9		256.8	260.7
Deferred revenue		1,369.2	1,449.6	1,582.1	1,658.9	1,757.7	1,854.6		2,049.1	2,137.5
Convertible senior notes, net		156.3	158.1							
Total current liabilities		1,868.2	1,998.8	2,053.3	2,051.6	2,239.5	2,335.7		2,691.7	2,635.1
Convertible senior notes, net		1,399.5	1,414.7	1,430.0	1,445.5	1,461.2	1,477.0		3,084.1	3,119.2
Long-term deferred revenue		1,156.5	1,182.6	1,306.6	1,357.1	1,440.8	1,516.0		1,761.1	1,809.3
Long-term operating lease liabilities		_	_	_	371.6	353.5	344.6		336.6	323.9
Other long-term liabilities		208.7	211.1	216.0	82.6	80.6	83.8		90.1	92.0
Temporary equity		2.8	1.1	_	_	_	_		_	_
Stockholders' equity:										
Preferred stock		_	_	_	_	_	_		_	_
Common stock and additional paid-in capital		1,941.5	2,340.8	2,490.9	2,477.5	2,644.5	1,855.7		2,259.2	2,003.9
Accumulated other comprehensive income (loss)		(9.8)	(7.2)	(3.7)	(0.6)	(1.8)	(2.0)		10.5	3.2
Accumulated deficit		(859.9)	(880.1)	(900.9)	(960.5)	(1,034.2)	(1,109.0)	1	(1,167.9)	(1,260.1)
Total stockholders' equity	_	1,071.8	1,453.5	1,586.3	1,516.4	1,608.5	744.7		1,101.8	747.0
Total liabilities, temporary equity, and stockholders' equity	\$	5,707.5	\$ 6,261.8	\$ 6,592.2	\$ 6,824.8	\$ 7,184.1	\$ 6,501.8	\$	9,065.4	\$ 8,726.5

## Palo Alto Networks, Inc. Condensed Consolidated Statements of Cash Flows - Fiscal Quarters (In millions)

Net loss of concent provided by operalized file of the provided by operalized file operalized		Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121
Part	Cash flows from operating activities								<del></del>
Share-based compensation for equity-based awards	Net loss	\$ (2.6)	\$ (20.2)	\$ (20.8)	\$ (59.6)	\$ (73.7)	\$ (74.8)	\$ (58.9)	\$ (92.2)
Compensisting and amortization of defined control colors of telephone co									
Control content of facility exit	Share-based compensation for equity-based awards	142.4	138.2	150.2	149.9	168.5	165.8	174.2	205.8
Amonitzation of deferred contract costs	Depreciation and amortization	38.8	40.3	42.2	44.0	48.4	53.2	60.5	58.0
Amortization of debt discount and debt issuance costs   1,74   1,74   1,76   1,75	(Gain) loss related to facility exit	_	4.1	2.9	_	(3.1)	_	_	_
Amortization of operating lease right-of-use assets of discontinor function of investment premiums, not of accretion of purchase discounts of convertibles senior notes as the control of	Amortization of deferred contract costs	46.8	57.2	76.2	55.6	55.3	60.5	83.0	65.8
Commercial continues ment promitums, not of accretion of purchase of discounting and discounting and discounting and partial gases and liabilities, net of effects of social provision for the same of the provision of the partial gases and liabilities, net of effects of social provisions of convertible senior notes attributable to debt discounting partial gases and liabilities, net of effects of social provisions of the partial gases and liabilities, net of effects of social provisions.  **Accounts prographic passes and other assets   40,000   10	Amortization of debt discount and debt issuance costs	17.1	17.1	16.6	15.5	15.7	15.8	26.9	35.1
Content   Cont	Amortization of operating lease right-of-use assets	_	_	_	10.4	10.7	13.1	13.2	10.0
Repayments of convertible senior notes attributable to debt discound receivable, net convenience serior secriptorial passets and liabilities, net of effects of acquisitions:    Accounts receivable, net		(5.3)	(5.3)	(4.5)	(3.2)	(1.4)	(1.6)	_	2.7
Commerce	Loss on conversions of convertible senior notes	0.4	_	_	_	_	_	_	_
Accounts receivable, net	Repayments of convertible senior notes attributable to debt discount	(14.8)	_	(30.5)	_	_	_	_	_
Prepaid expenses and other assets         66.55         (3.8)         (16.8)         (2.9)         (18.2)         (2.1)         (10.9) </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Accounts payable         (10.4)         34.4         9.1         (2.5)         (14.8)         (15.5)         10.0         (17.7)           Accrued compensation         44.6         (17.7)         85.5         (10.9)         (18.8)         (15.5)         (17.3)         (17.8)           Deferred revenue         141.3         95.3         25.1         125.5         162.5         16.1         31.0         20.0           Deferred revenue         141.3         95.3         25.1         125.5         16.2         16.1         30.7         <	Accounts receivable, net	(32.7)	9.9	(172.5)	83.9	(40.8)	(110.3)	(368.4)	382.3
Accrued compensation         44.0         (1.7)         89.5         (10.9)         48.8         (10.5)         47.3         (20.4)           Accrued and other liabilities         (24.1)         0.9         26.9         (25.2)         (26.0)         (13.0)         (20.6)         (23.0)         (20.0)	Prepaid expenses and other assets	(65.5)	(73.8)	(168.1)	(59.2)	(82.3)	(66.5)	(201.0)	(96.9)
Accrued and other liabilities	Accounts payable	(10.4)	34.4	9.1	(2.5)	(14.8)	(5.5)	10.0	(17.7)
Perferency   Per	Accrued compensation	44.0	(1.7)	89.5	(109.9)	48.8	(10.5)	147.3	(134.8)
Net cash provided by operating activities	Accrued and other liabilities	(24.1)	0.9	(9.9)	(25.2)	(6.6)	(15.3)	7.3	(20.0)
Purchases of investments	Deferred revenue	141.3	95.3	251.1	125.5	182.2	146.0	439.6	136.8
Purchases of investments (1,280,9   394,7   585,0   274,3   30,0   1,22   385,3   329,7   Proceeds from salles of investments 789,7   502,6   503,6   503,6   632,7   1,1   309,7   302,6   198,2   Proceeds from maturities of investments 789,7   502,6   503,6   503,6   632,7   451,3   451,3   198,2   Purchases of property, equipment, and other assets (23,5   20,3   631,0   41,2   491,0   463,0   438,3   42,6   438,3   42,6   Purchases of property, equipment, and other assets (23,5   20,3   631,0   48,7   244,5   436,0   274,7   467,6   486,2   Purchases of property, equipment, and other assets (23,8   410,3   48,7   244,5   436,0   274,7   467,6   486,2   Purchases of from financing activities (23,8   410,3   48,7   244,5   436,0   274,7   467,6   486,2   Payments for convertible senior notes attributable to principal and equity component of convertible senior notes attributable to principal and equity component of convertible senior notes, net (30,1   40,1   40,1   40,1   40,1   40,1   40,1   Proceeds from borrowings on convertible senior notes, net (30,1   40,1   40,1   40,1   40,1   40,1   40,1   40,1   40,1   Proceeds from issuance of warrants (40,1   40,1	Net cash provided by operating activities	275.4	296.4	231.5	225.2	306.9	169.9	333.7	534.9
Proceeds from sales of investments	Cash flows from investing activities								
Proceeds from maturities of investments   789.7   50.6   50.3   632.4   622.7   451.3   246.3   125.5   125.	Purchases of investments	(1,290.9)	(394.7)	(558.0)	(274.3)	(9.0)	(12.2)	(885.3)	(829.7)
Subiness acquisitions, net of cash acquired   (0.1)   (227.9)   (390.9)   (66.4)   (129.3)   (387.8)   (39.5)	Proceeds from sales of investments	1.0	_	3.0	_	1.1	309.7	3.2	_
Purchases of property, equipment, and other assets (23.5) (20.3) (53.1) (47.2) (49.1) (86.3) (31.8) (29.6) (886.2) (88.6)	Proceeds from maturities of investments	789.7	502.6	550.3	632.4	622.7	451.3	246.3	198.2
Net cash provided by (used in) investing activities (523.8) (140.3) (448.7) 244.5 436.4 274.7 (667.6) (886.2)  Cash flows from financing activities  Repayments of convertible senior notes attributable to principal and equity component  Payments for debt issuance costs (0.1) (0.2)  Proceeds from borrowings on convertible senior notes, net	Business acquisitions, net of cash acquired	(0.1)	(227.9)	(390.9)	(66.4)	(129.3)	(387.8)	_	(225.1)
Cash flows from financing activities   Repayments of convertible senior notes attributable to principal and equity component   (73.5)	Purchases of property, equipment, and other assets	(23.5)	(20.3)	(53.1)	(47.2)	(49.1)	(86.3)	(31.8)	(29.6)
Repayments of convertible senior notes attributable to principal and equity component   (73.5)   - (128.9)   - (128.9)   - (	Net cash provided by (used in) investing activities	(523.8)	(140.3)	(448.7)	244.5	436.4	274.7	(667.6)	(886.2)
Payments for debt issuance costs  (0.1)	•								
Proceeds from borrowings on convertible senior notes, net Proceeds from issuance of warrants	Repayments of convertible senior notes attributable to principal and equity component	(73.5)	_	(128.9)	_	_	_	_	_
Proceeds from issuance of warrants Purchase of note hedges Repurchases of common stock (330.0) (198.1) - (1,000.0) - (500.0) Proceeds from sales of shares through employee equity incentive plans Payments for taxes related to net share settlement of equity awards Payment of deferred consideration related to prior year business acquisition  Net cash provided by (used in) financing activities  (407.8) 31.8 (136.1) (167.1) (6.1) (959.3) 1,805.5 (464.5)  Net increase (decrease) in cash, cash equivalents, and restricted cash (656.2) 187.9 (353.3) 30.6 737.2 (514.7) 1,471.6 (815.8)  Cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets  Cash and cash equivalents  Restricted cash included in prepaid expenses and other current assets  1.3 2.2 1.9 1.9 2.5 2.7 2.8 2.958.0 \$2,142.0  Restricted cash included in other assets	Payments for debt issuance costs	(0.1)	_	_	_	_	_	_	(0.2)
Purchase of note hedges   Cash   Ca	Proceeds from borrowings on convertible senior notes, net	_	_	_	_	_	_	1,979.1	_
Repurchases of common stock   (330.0)	Proceeds from issuance of warrants	_	_	_	_	_	_	202.8	_
Proceeds from sales of shares through employee equity incentive plans         2.9         36.7         1.4         36.3         0.6         46.8         0.3         45.4           Payments for taxes related to net share settlement of equity awards         (7.1)         (3.6)         (8.6)         (5.3)         (6.7)         (4.8)         (5.9)         (9.7)           Payment of deferred consideration related to prior year business acquisition         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.4)         (1.5)         (1.5)         (1.5)         (1.5)         (1.5)         (1.5)         (1.5)         (1.5)         (1.6)         (1.5)         (1.6)         (1.5)         (1.6)         (1.5)         (1.6)         (1.6)         (1.6)         (1.6)         (1.6)         (1.6	Purchase of note hedges	_	_	_	_	_	_	(370.8)	_
Payments for taxes related to net share settlement of equity awards       (7.1)       (3.6)       (8.6)       (5.3)       (6.7)       (4.8)       (5.9)       (9.7)         Payment of deferred consideration related to prior year business acquisition       —       (1.3)       —       —       (1.3)       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.3)       —       —       —       (1.40       —       —       —       (1.40       —       —       —       (1.40       —       —       —       —       (1.40       —       —       —       —       (1.40       —       —       —       (1.40       —       —       —       —       —       —       —       (1.40       —       —       —	Repurchases of common stock	` ,	_	_	(198.1)	_	(1,000.0)	_	(500.0)
Payment of deferred consideration related to prior year business acquisition         —         (1.3)         —         —         —         (1.3)         —<	Proceeds from sales of shares through employee equity incentive plans		36.7	1.4		0.6	46.8	0.3	45.4
acquisition         —         (1.3)         —         —         (1.3)         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.3)         —         —         —         (1.40         —         —         —         (1.40         —         —         —         (1.40         —         —         —         1.40         (1.40         —         1.40		(7.1)	(3.6)	(8.6)	(5.3)	(6.7)	(4.8)	(5.9)	(9.7)
Net increase (decrease) in cash, cash equivalents, and restricted cash (656.2) 187.9 (353.3) 302.6 737.2 (514.7) 1,471.6 (815.8) Cash, cash equivalents, and restricted cash - beginning of period 1,786.6 1,130.4 1,318.3 965.0 1,267.6 2,004.8 1,490.1 2,961.7 Cash, cash equivalents, and restricted cash - end of period \$1,130.4 \$1,318.3 \$965.0 \$1,267.6 \$2,004.8 \$1,490.1 \$2,961.7 \$2,145.9 \$1,314.9 \$965.0 \$1,267.6 \$2,004.8 \$1,490.1 \$2,961.7 \$2,145.9 \$1,100.4 \$1,10	acquisition		, ,				, ,		
Cash, cash equivalents, and restricted cash - beginning of period  Cash, cash equivalents, and restricted cash - end of period  Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets  Cash and cash equivalents  Restricted cash included in prepaid expenses and other current assets  Restricted cash included in other assets  1.3 1.2 1.7 2.0 2.3 2.7 0.9 1.0	Net cash provided by (used in) financing activities			(136.1)	, ,		(959.3)	1,805.5	_ <del></del>
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets         \$1,130.4         \$1,318.3         \$ 965.0         \$1,267.6         \$2,004.8         \$1,490.1         \$2,961.7         \$2,145.9           Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets         \$1,127.8         \$1,314.9         \$ 961.4         \$1,263.7         \$2,000.0         \$1,484.7         \$2,958.0         \$2,142.0           Restricted cash included in prepaid expenses and other current assets         1.3         2.2         1.9         1.9         2.5         2.7         2.8         2.9           Restricted cash included in other assets         1.3         1.2         1.7         2.0         2.3         2.7         0.9         1.0		(656.2)	187.9	(353.3)	302.6	737.2	(514.7)	1,471.6	(815.8)
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets  Cash and cash equivalents  \$1,127.8 \$1,314.9 \$ 961.4 \$1,263.7 \$2,000.0 \$1,484.7 \$2,958.0 \$2,142.0 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2	Cash, cash equivalents, and restricted cash - beginning of period								2,961.7
condensed consolidated balance sheets         Cash and cash equivalents       \$1,127.8       \$1,314.9       \$ 961.4       \$1,263.7       \$2,000.0       \$1,484.7       \$2,958.0       \$2,142.0         Restricted cash included in prepaid expenses and other current assets       1.3       2.2       1.9       1.9       2.5       2.7       2.8       2.9         Restricted cash included in other assets       1.3       1.2       1.7       2.0       2.3       2.7       0.9       1.0	Cash, cash equivalents, and restricted cash - end of period	\$1,130.4	\$1,318.3	\$ 965.0	\$1,267.6	\$2,004.8	\$1,490.1	\$2,961.7	\$2,145.9
Restricted cash included in prepaid expenses and other current assets         1.3         2.2         1.9         1.9         2.5         2.7         2.8         2.9           Restricted cash included in other assets         1.3         1.2         1.7         2.0         2.3         2.7         0.9         1.0	Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets								
Restricted cash included in other assets 1.3 1.2 1.7 2.0 2.3 2.7 0.9 1.0	Cash and cash equivalents	\$1,127.8	\$1,314.9	\$ 961.4	\$1,263.7	\$2,000.0	\$1,484.7	\$2,958.0	\$2,142.0
	Restricted cash included in prepaid expenses and other current assets	1.3	2.2	1.9	1.9	2.5	2.7	2.8	2.9
Total cash, cash equivalents, and restricted cash \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Restricted cash included in other assets	1.3	1.2	1.7	2.0	2.3	2.7	0.9	1.0
	Total cash, cash equivalents, and restricted cash	\$1,130.4	\$1,318.3	\$ 965.0	\$1,267.6	\$2,004.8	\$1,490.1	\$2,961.7	\$2,145.9