Arista in Q4 2017

Safe Harbor

This presentation and the accompanying oral presentation contain forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements other than statements of historical fact contained in this presentation, including information concerning our business plans and objectives, total addressable market, potential growth opportunities, market potential by speed, trends relating to increase in storage, the router market, competitive position, benefits of Arista's platforms, industry environment and potential market opportunities.

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In addition to GAAP financial information, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations, and you should not consider them in isolation or as a substitute for our GAAP financial information. There are limitations to the use of non-GAAP measures. Non-GAAP gross margins and non-GAAP operating income exclude the impact of stock-based compensation expenses, expenses associated with the OptumSoft and Cisco litigation, and other non-recurring charges or benefits. See the Appendix for a reconciliation of all non-GAAP financial measures to their nearest GAAP equivalent.

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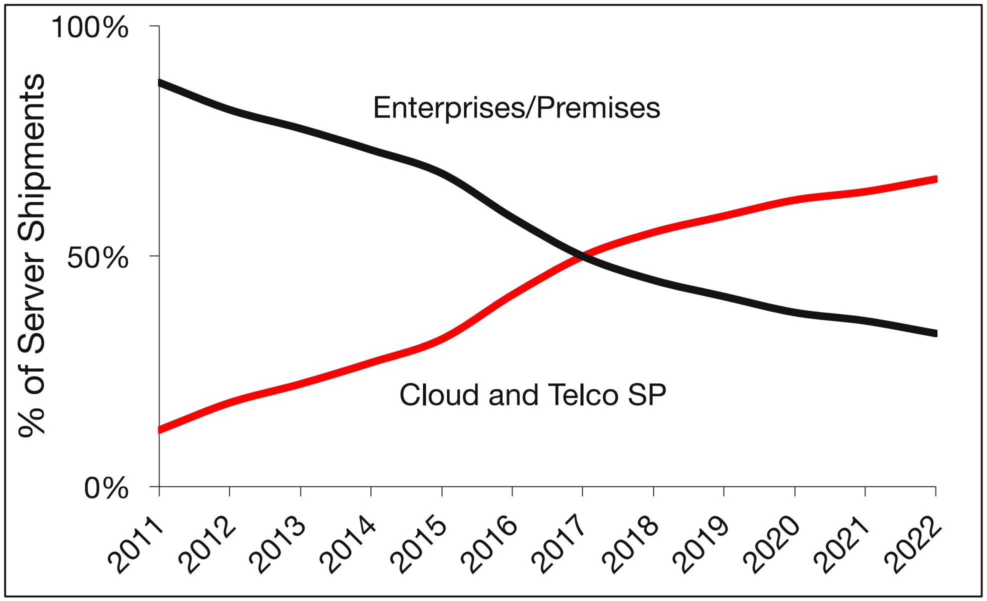
Arista Software Driven Cloud Networking

Legacy Networking	Cloud Networking
Doesn’t Scale	Scales to Millions of Users
Expensive	10x-40x more cost effective
Minimal API Usage	Programmatic API Usage
Manual Management	Automated Management
1 Admin per 100 servers	1 Admin per 10K servers
Proprietary Lock-in	Open

Mission:
Deliver the best cloud networking solutions for private, public and hybrid cloud deployments

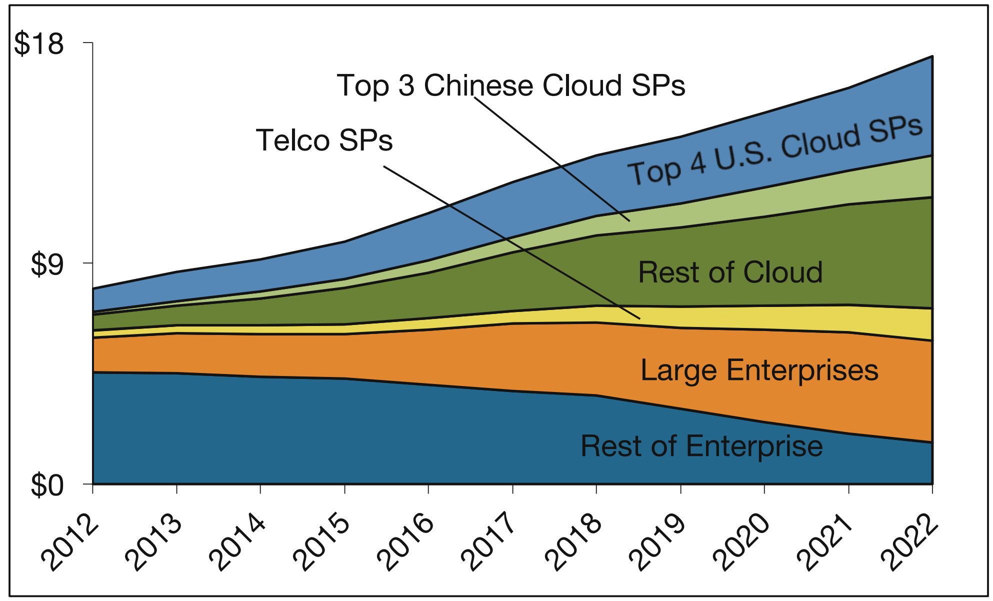
Arista's Cloud Networking Opportunity

Server Shipments



Source: Dell'Oro Group Server Research

Data Center Ethernet Switch Revenue

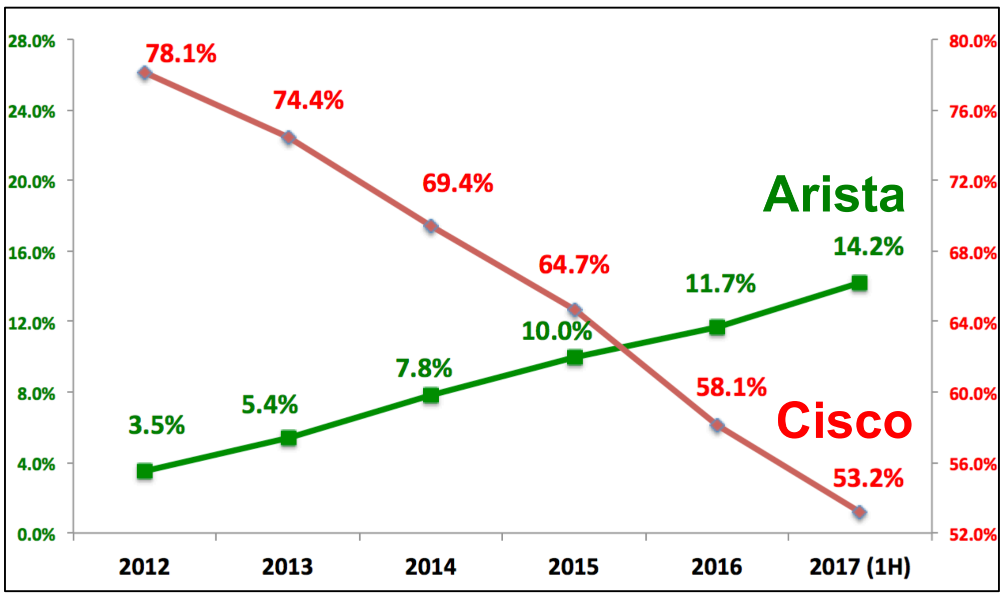


Source: Dell'Oro Ethernet Switch Data Center 5 Year Forecast Jan'18

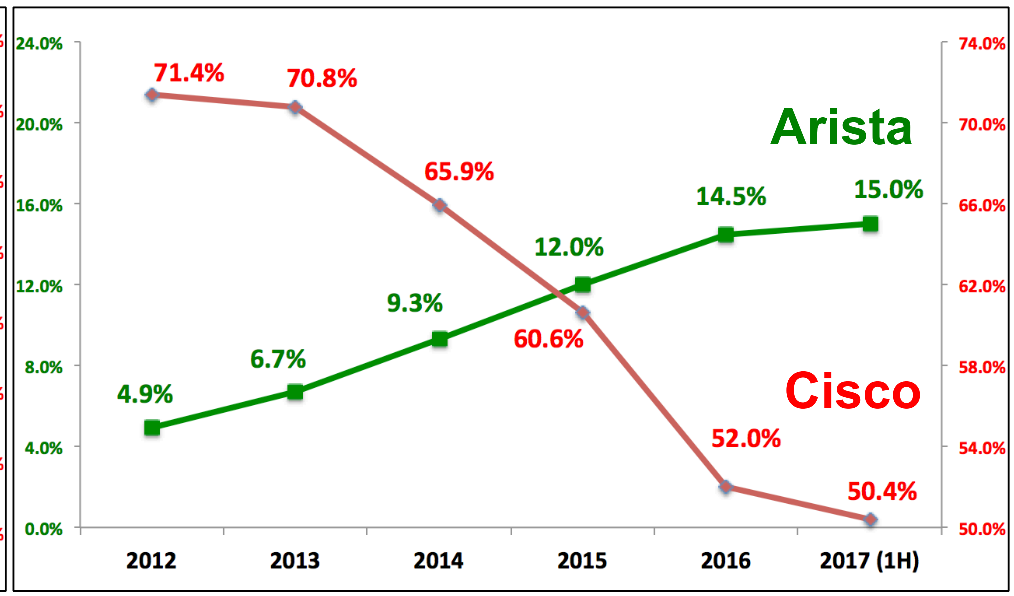
- Enterprise workloads are migrating to public & hybrid clouds
- Traditional enterprise served <100,000 employees vs. Clouds @ hundreds of millions of users
- The emergence of cloud native apps & containers necessitates a new architecture

Arista Market Share vs Cisco
High Speed Data Center Switching Market

Share in Dollars



Share in Ports

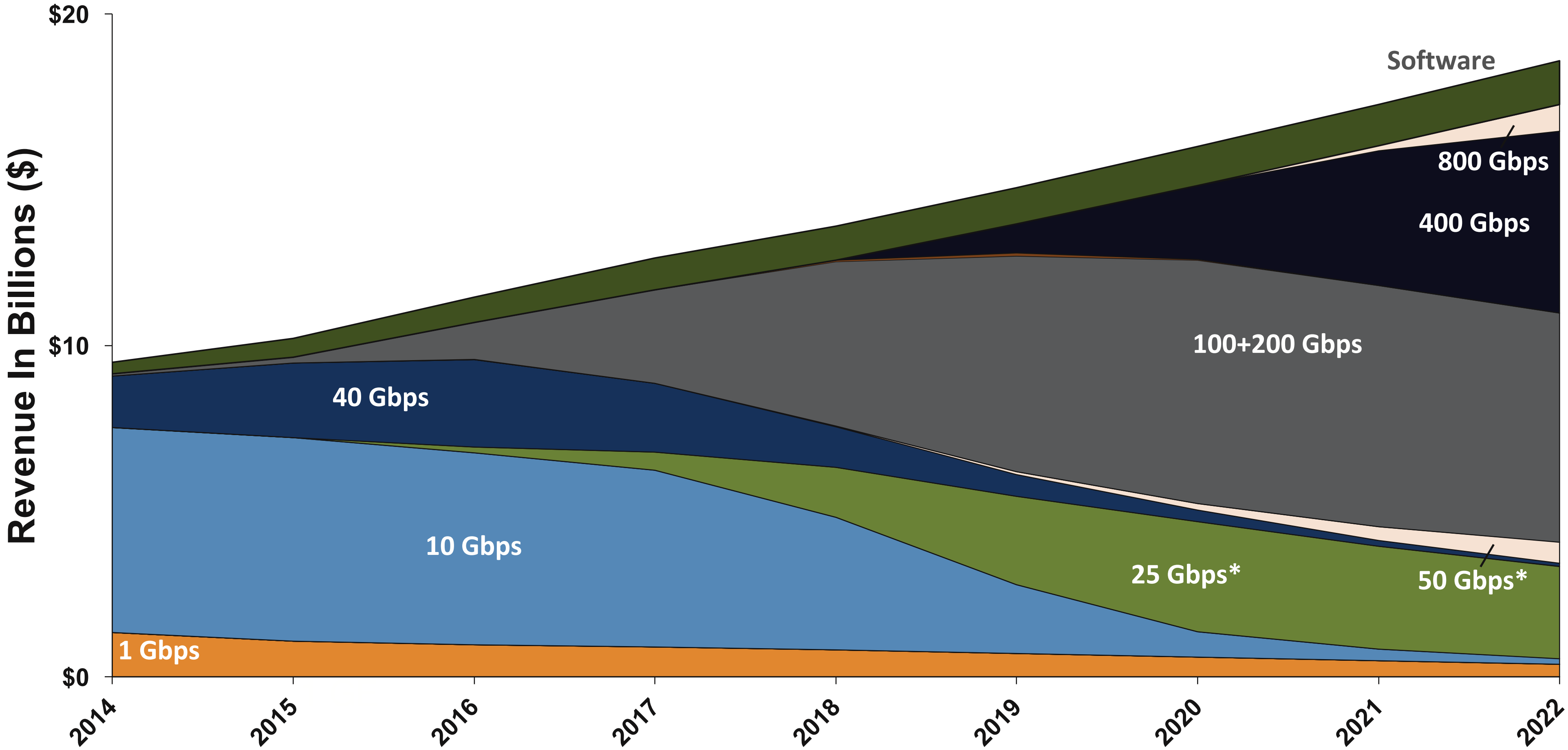


Source: Crehan Research Datacenter Switch Market Share Report Q2'2017

Note: Excludes blade switches

Market Potential by Speed

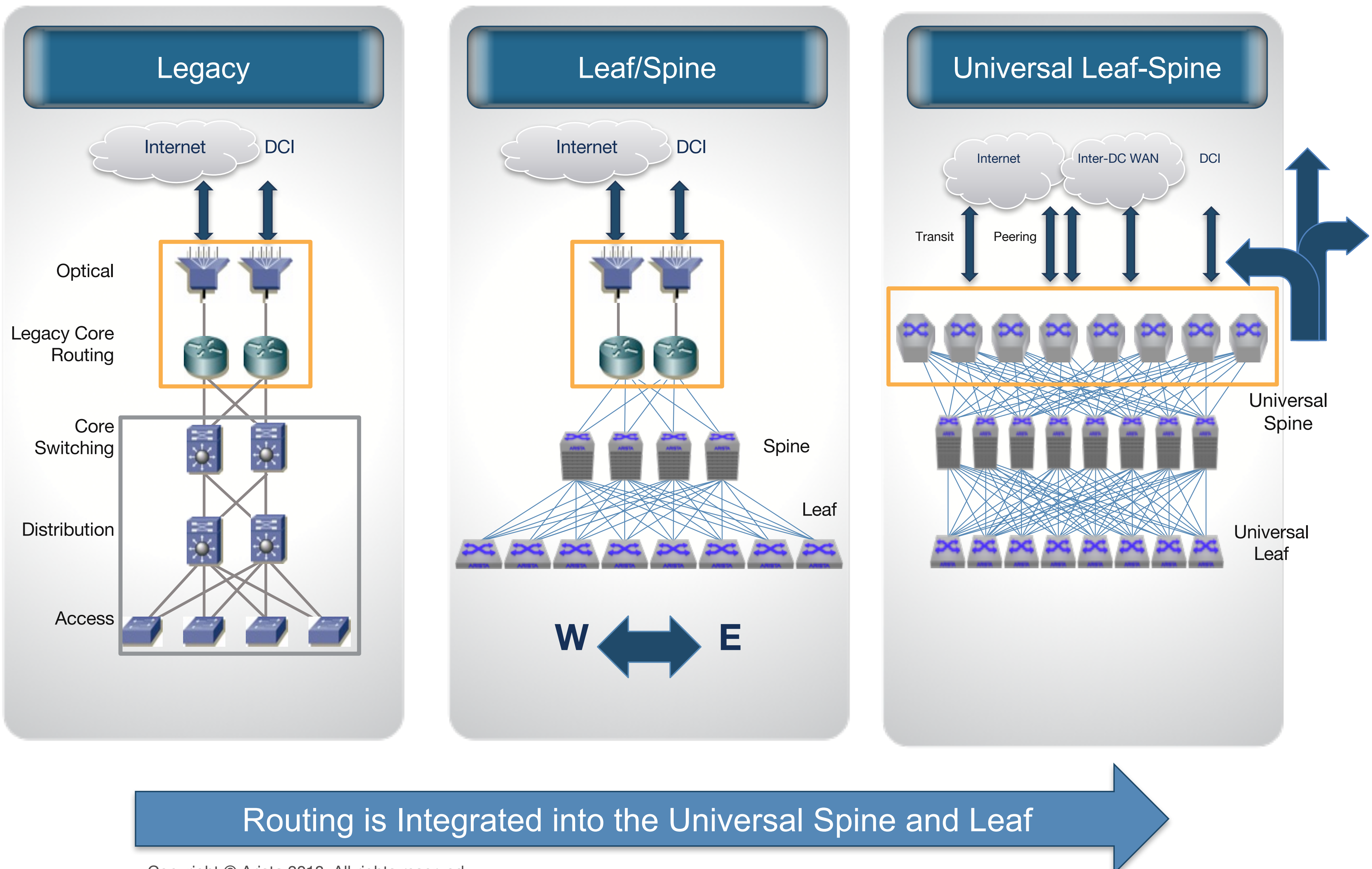
Data Center Ethernet Switch Revenue ($Bn)



Source: 650 Group December 2017 Long Term Ethernet Switch forecast

*Shows discrete 25G or 50G ports only. A significant portion of 25/50GE server ports are expected to connect via QSFP-100G break out to 100 GE switch ports at the large Cloud Service Providers.

Evolution of the Universal Cloud Network Architecture



Proven Architecture Flexibility

Open, Programmable, Modular, Scalable

Automation, Telemetry, Diagnostics

EOS CloudVision®

One Tool for Automation, Control, Telemetry and Diagnostics

Arista EOS

EOS vEOS cEOS

One Image, Flexible Packaging Option

Abstraction Layer

Hardware System Design

Leading Performance in Cooling, Energy Efficiency, Serviceability, Scale and Breadth of Optics

Merchant Silicon

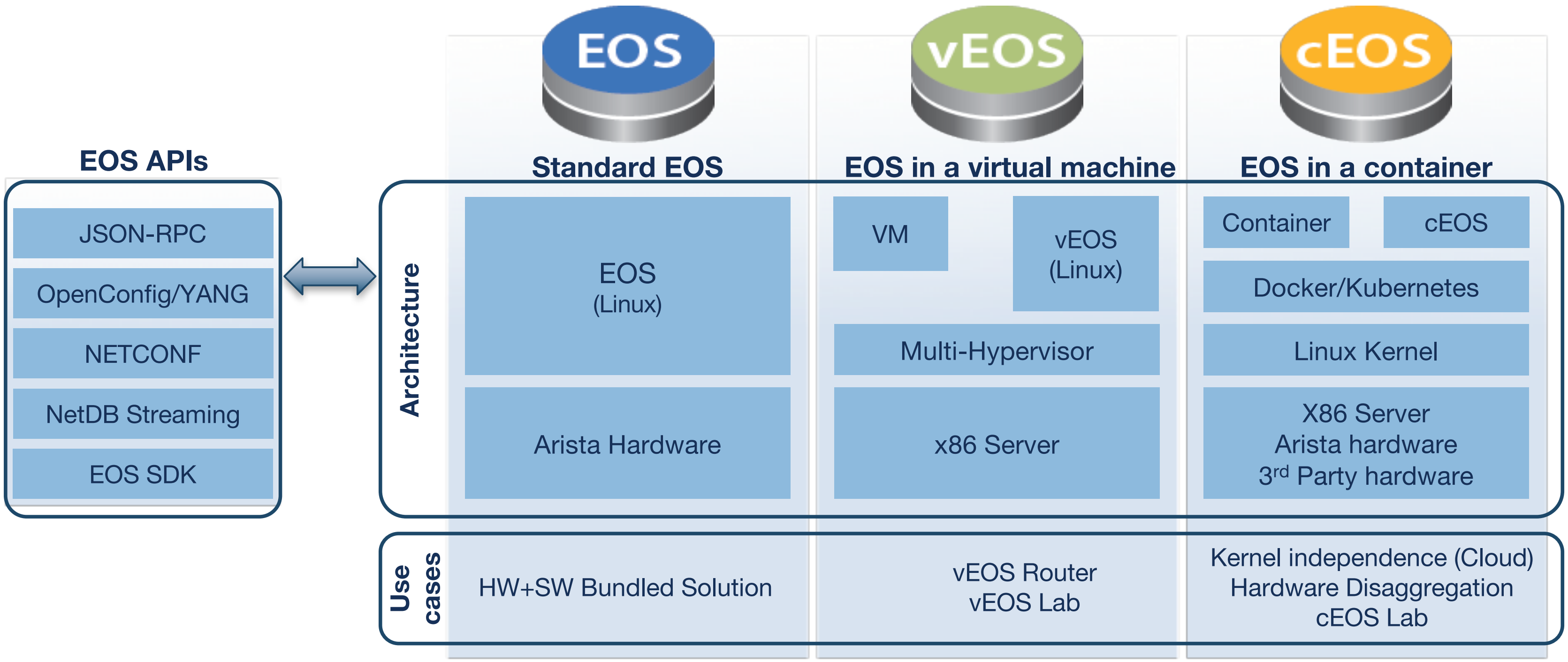
13 Silicon Families

Jericho+ Jericho Trident-II+ Tomahawk+
Alta Arad Trident-II Tomahawk
Bali Petra Trident+ Helix XP80

10G, 25G, 40G, 50G, 100G → 400G

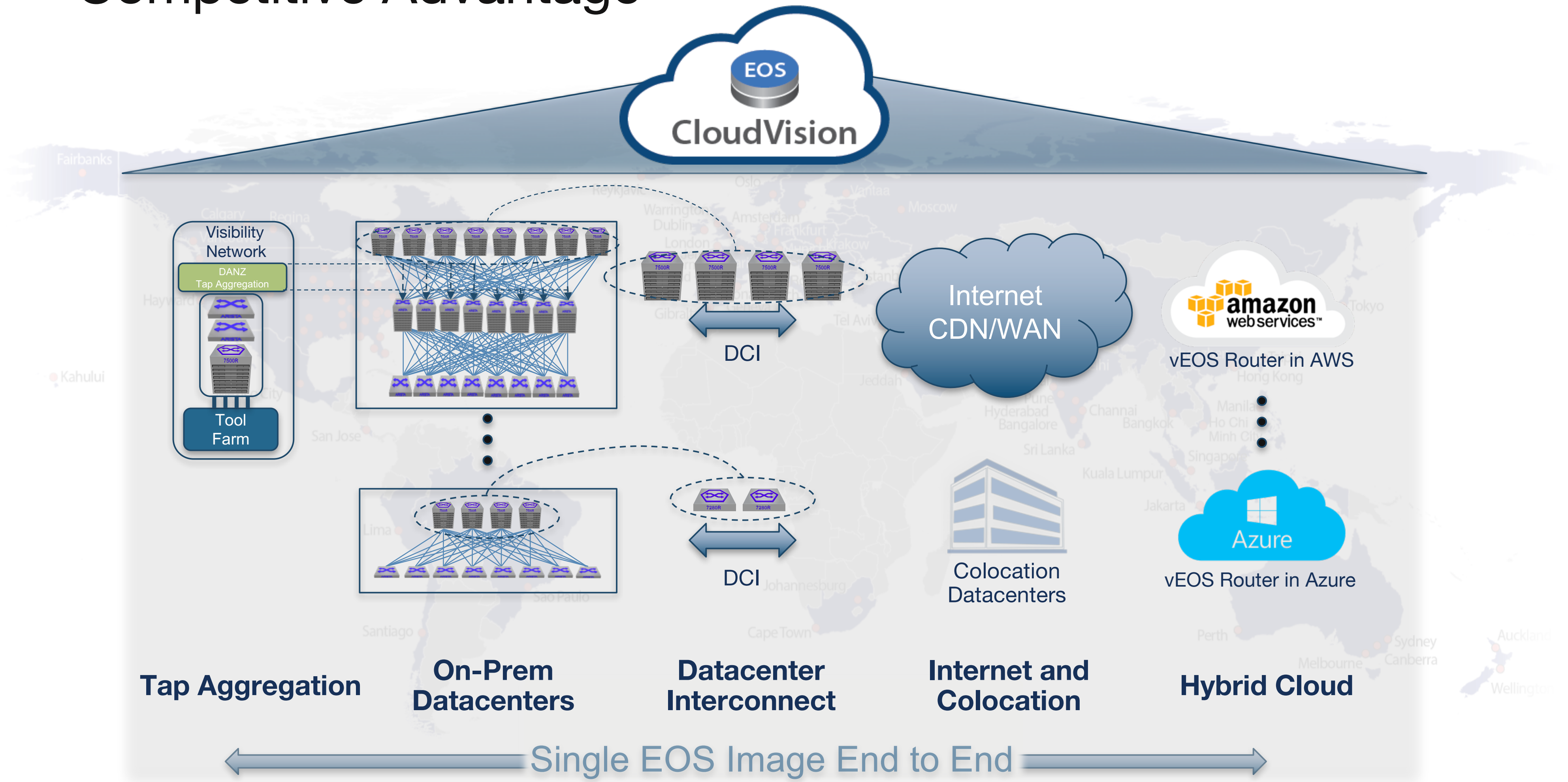
Leading Performance Best of Breed Merchant Silicon

Arista's EOS offers an Open Programmable Environment with Flexible Packaging Options



EOS was engineered from the beginning to support open Linux with rich APIs. Adhering to this principle enabled a scalable architecture that offers flexible packaging options in an open programmable environment.

A Single EOS Image Underpins a Sustainable Competitive Advantage

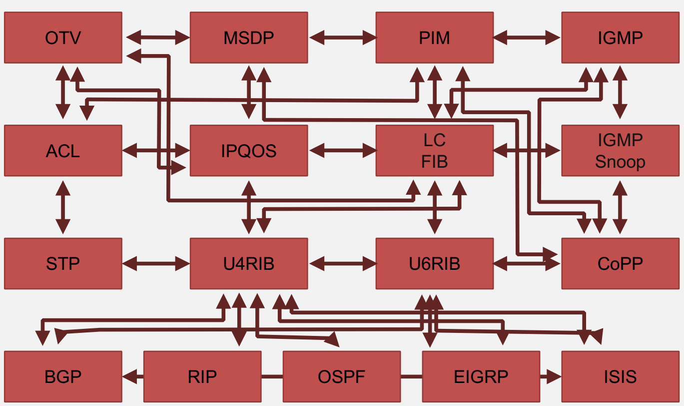


A single image improves network availability while lowering TCO. Legacy vendors can have more than 5 images with multiple management tools, adding complexity, multiplying cost and reducing stability.

Arista's Cloud Scale Software Architecture

- Differentiated Advantages
  - Stateful Orientation
  - Modern, open, and scalable architecture
  - Software Quality

Legacy – Spaghetti Code



Susceptible to Process Failure

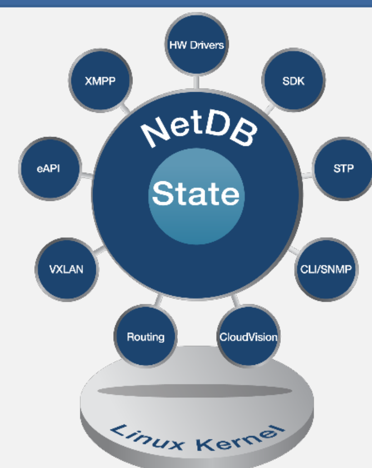
Custom Linux

Custom ASICs

Arista Programmable EOS

Notify

Publish



Processes are Self-Healing

Open Linux

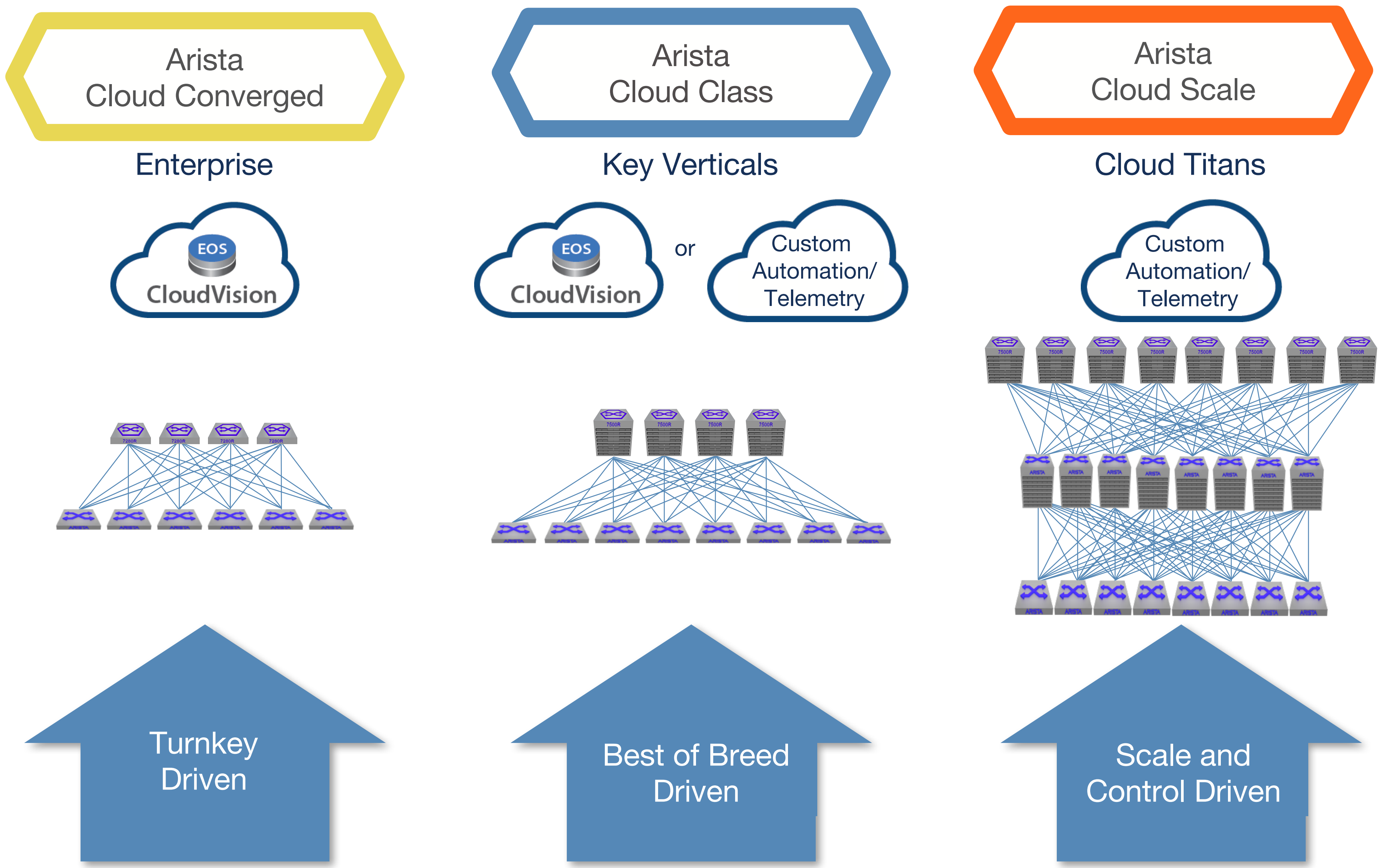
Merchant Silicon

Resilient

Programmable

Scalable

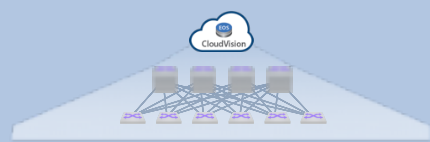
Cloud Networking is Everywhere: Three Key Markets – One Architecture – One EOS

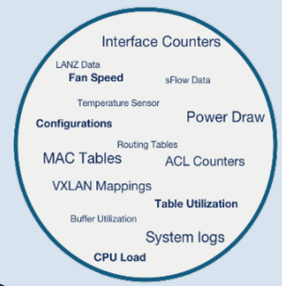


CloudVision: Multi-Function Hybrid Cloud Platform

Overlay Integration

API's for simplified network integration to a best of breed ecosystem





Telemetry & Analytics

Real-time state streaming and historical analytics

Automated Deployments

Initial and ongoing provisioning network-wide

Macro-Segmentation Services (MSS)

Service insertion for securing today's cloud networks

Change Controls

Network-wide upgrades, rollback and snapshots. Compliance and Bug Visibility

DANZ TAP Aggregation

Purpose-built to capture traffic at cloud scale and speed

ARISTA

Disruptive Cloud Economics for Routers

	Traditional Router	Arista 7500R Spine
Interface Types	Legacy & Ethernet	Ethernet
100G Density	~80 Ports	576 Ports
Power (per 100G port)	~200+ watts	23 watts
List Pricing (per 100G port)	$100,000+	$3,000
Software Features	Legacy feature sets	Cloud-optimized Routing, FlexRoute Scale, Programmable Traffic Engineering

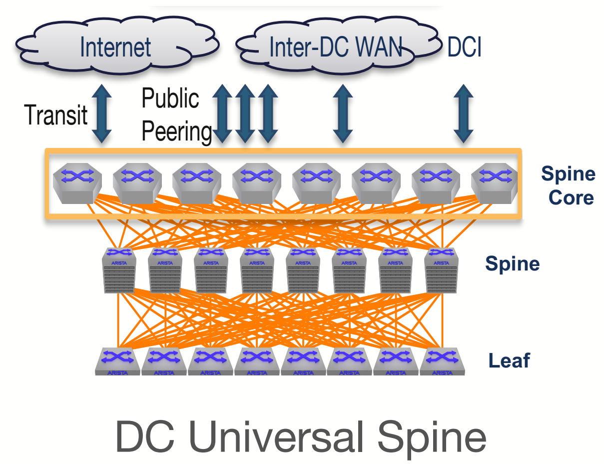
Arista's Disruptive Economics

7500R disrupting router market w/100GbE routing transition

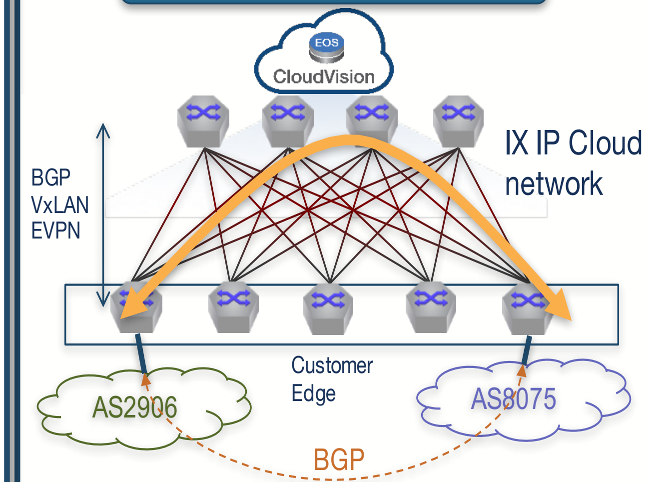
Expanding Routing Use Cases- Arista's Universal Leaf & Spine

ARISTA FlexRoute™

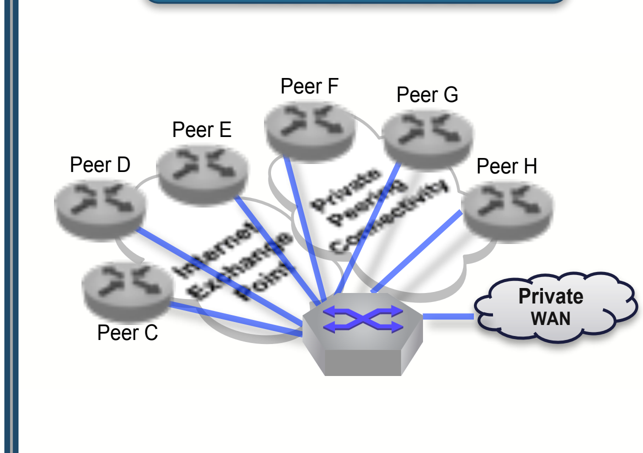
Cloud DCI



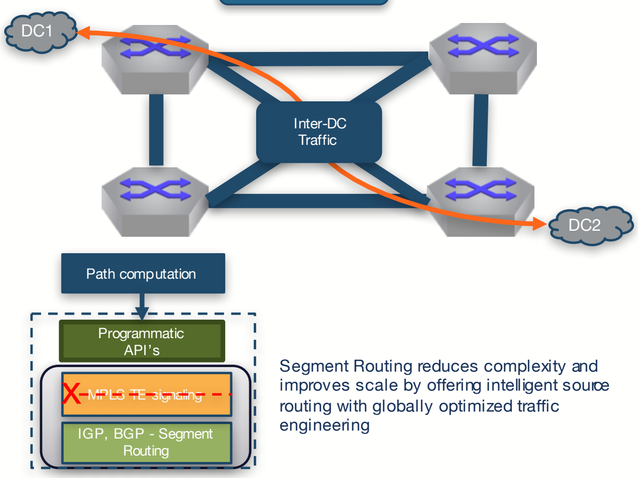
IX Cloud



Peering and Interconnect

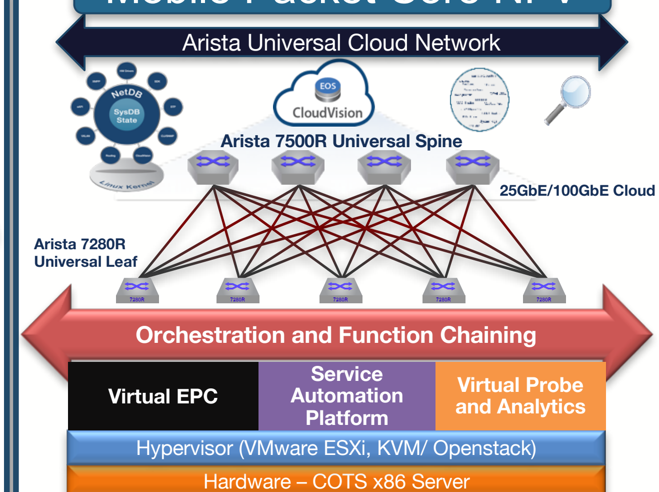


WAN

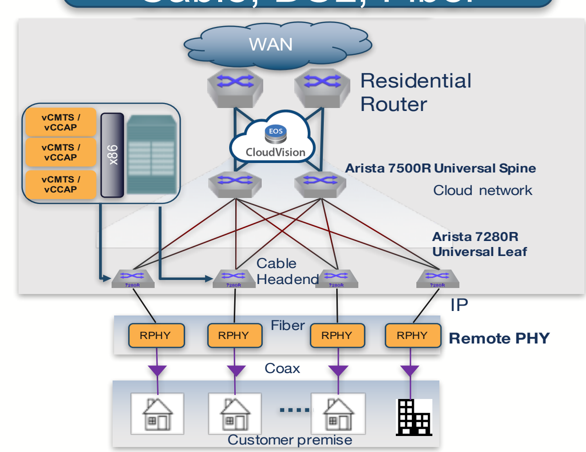


Segment Routing reduces complexity and improves scale by offering intelligent source routing with globally optimized traffic engineering

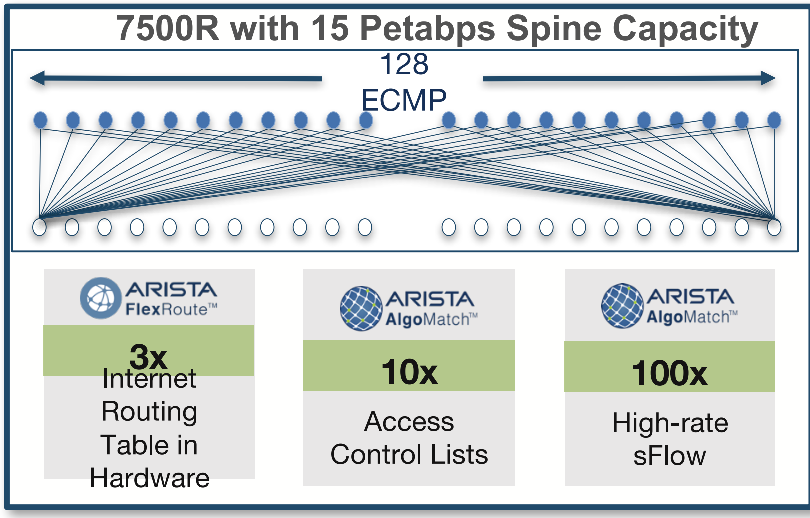
Mobile Packet Core NFV



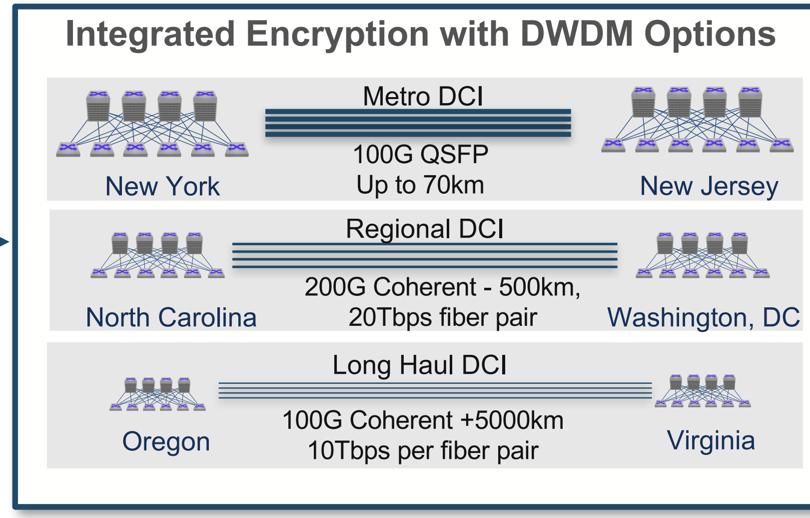
Residential & Business Cable, DSL, Fiber



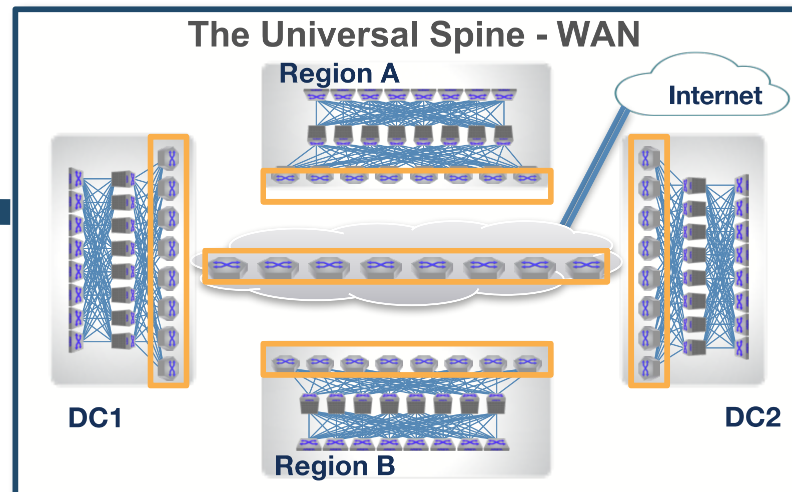
“Restitching” the Internet



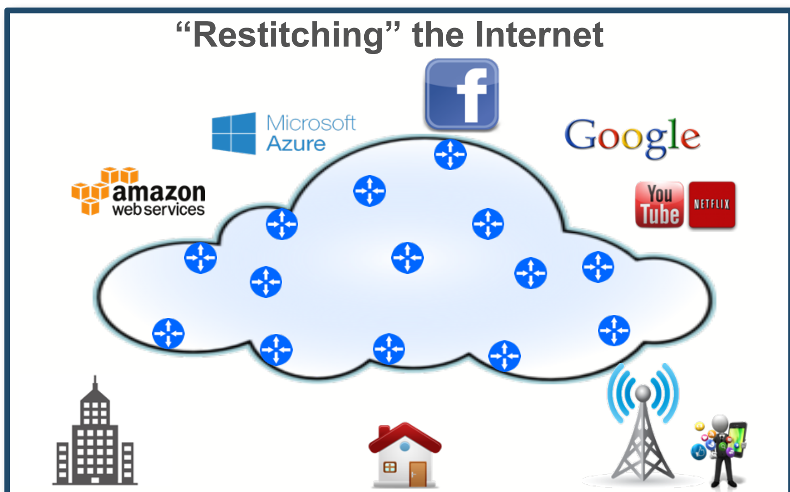
1. Scale out the Datacenters



2. Interconnect Metro, Regional,… Datacenters



3. Interconnect Private Backbones



4. Establish New Peering Relationships

Cloud-Class Market Leadership Platform Portfolio

Single-Image Arista EOS Across All Platforms

Spine/Spline™

7300X Series

7500E/R Series

Leaf

EOS

Leaf EOS

7050X/7060X Series

Volume

7150, 7160 & 7280R Series

Value

Diverse Merchant Silicon Architectures

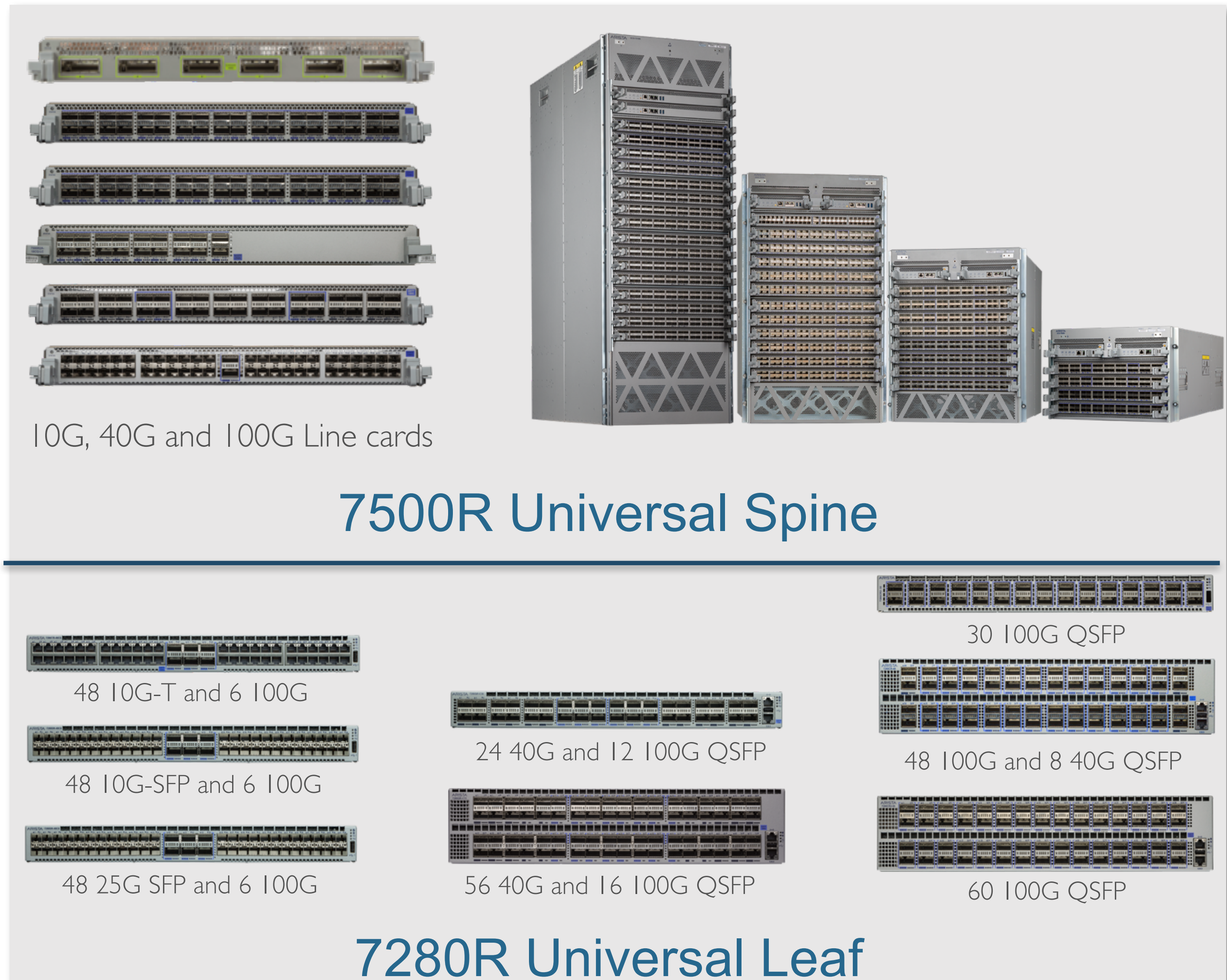
Scaling up the Cloud
Universal Spine and Leaf

ARISTA AlgoMatch™

Common single EOS image, Deep Buffer, Lossless Architecture, Large Tables

Choice of form factors, density and port speeds for varying use cases

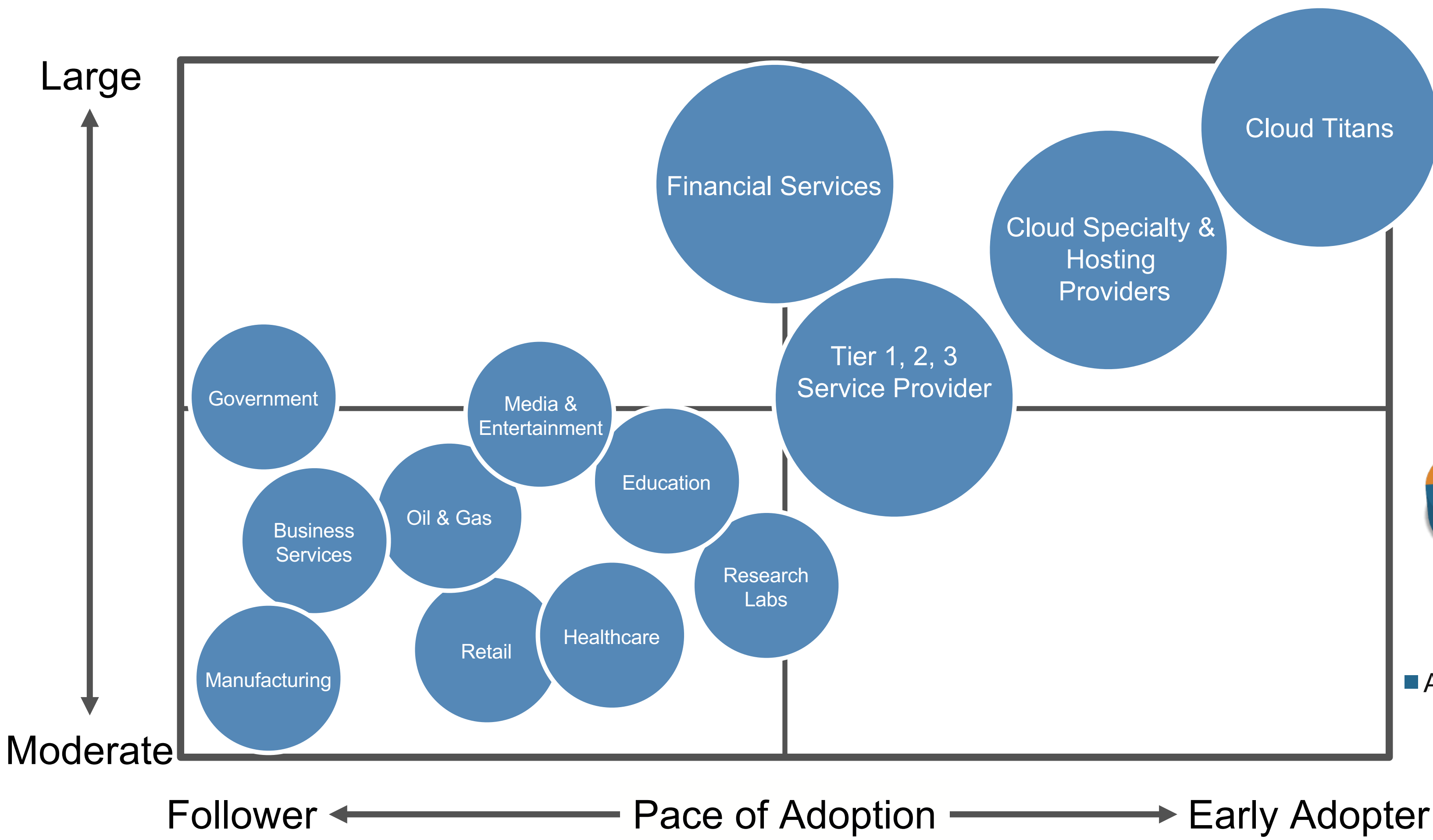
Standards based switching for reliable deployments

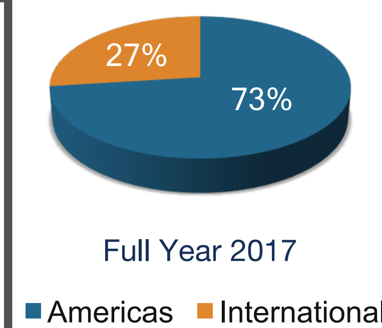


Expanding Ecosystem

- Drive **Automation** with best of breed partners: security, overlays, orchestration, and storage
- Advanced **Analytics** and network wide services
- **Any Work-X** with CloudVision for workloads, workflows and work-streams

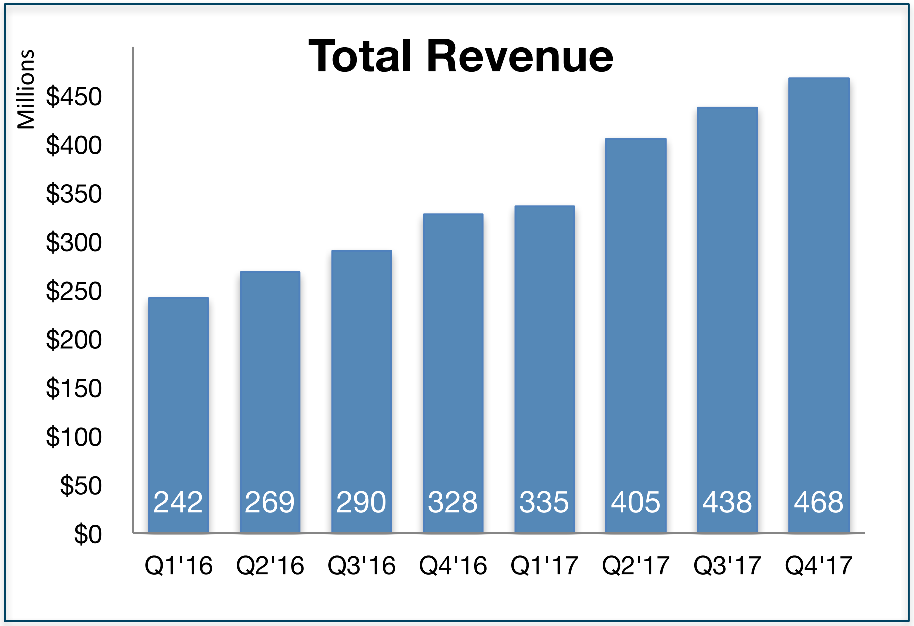
Major Verticals

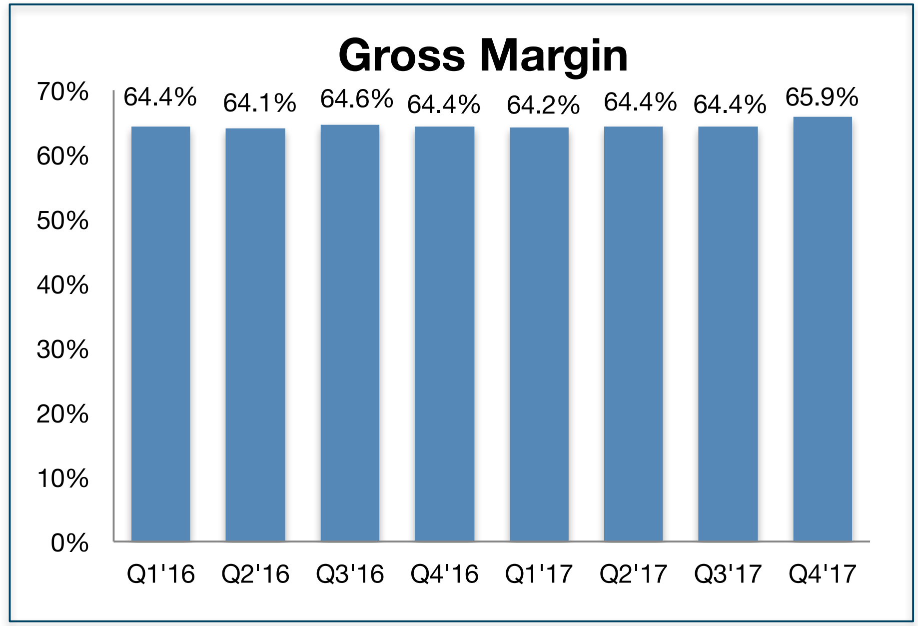


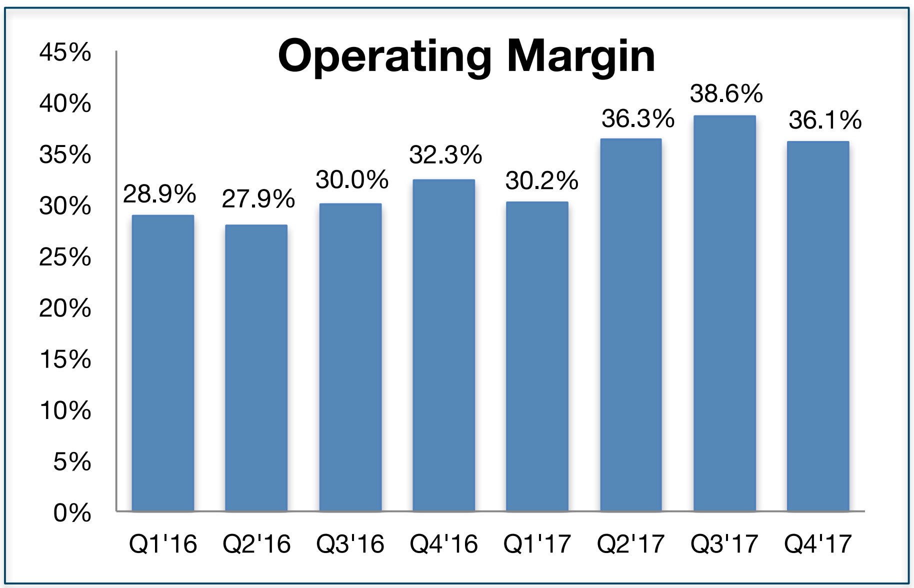


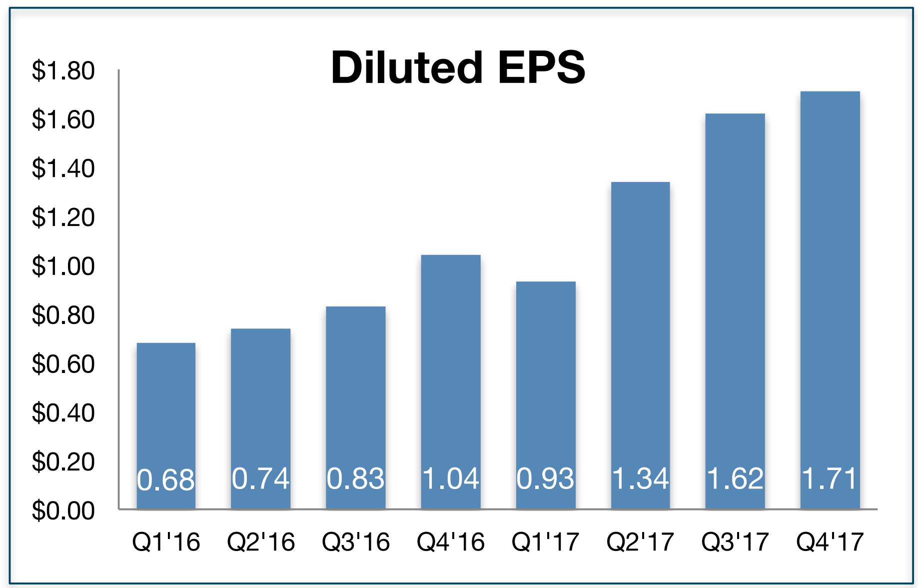
Note: By Billings. Only selected verticals shown. Diagram not to scale.

Financial Highlights[1]



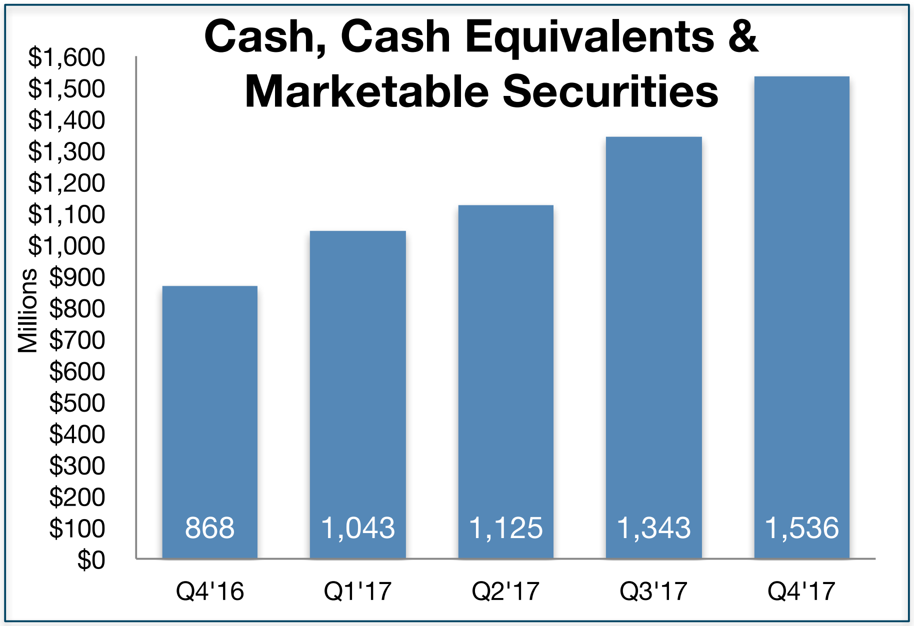


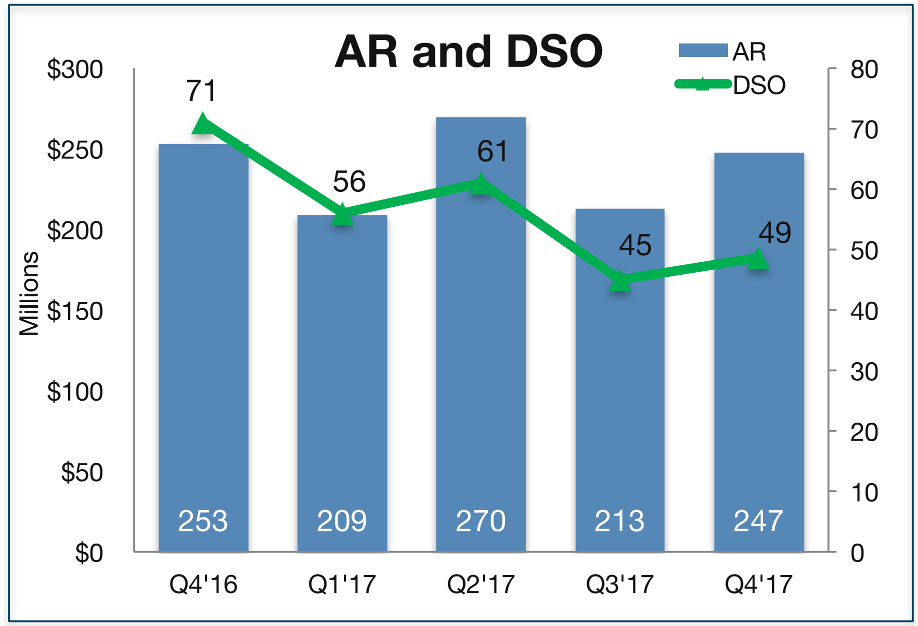


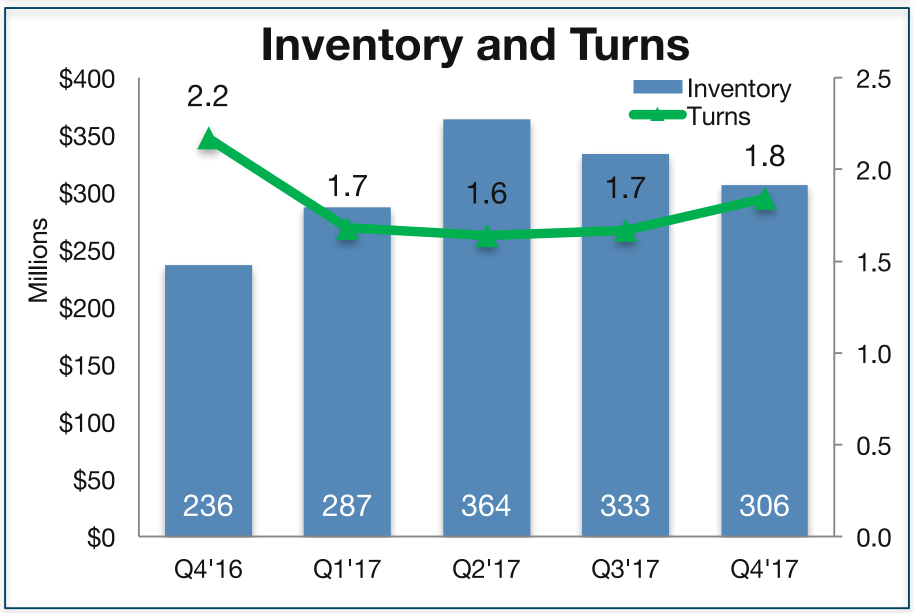


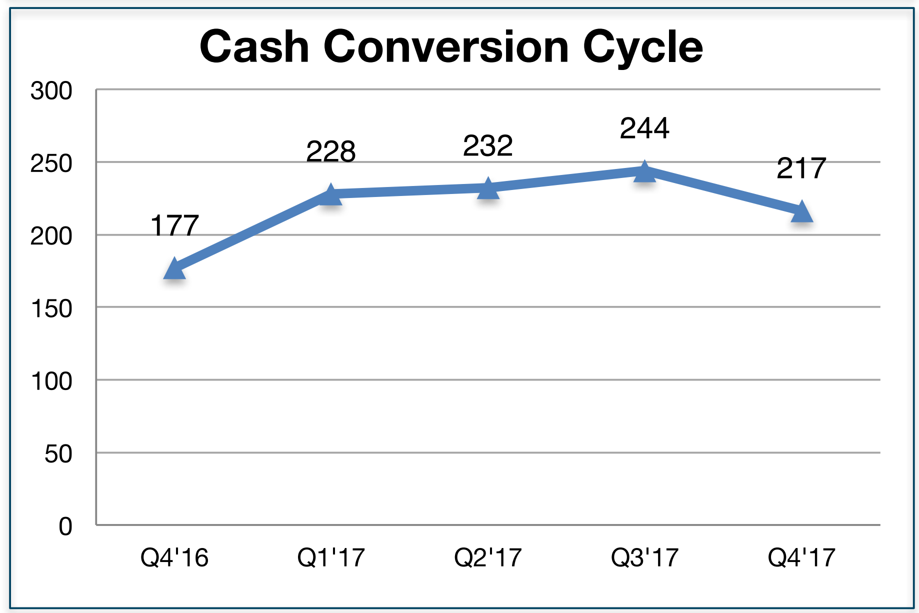
[1] Amounts are non-GAAP except for Revenue; refer to reconciliation between non-GAAP and GAAP in the appendix.

Balance Sheet & Cash Conversion Cycle



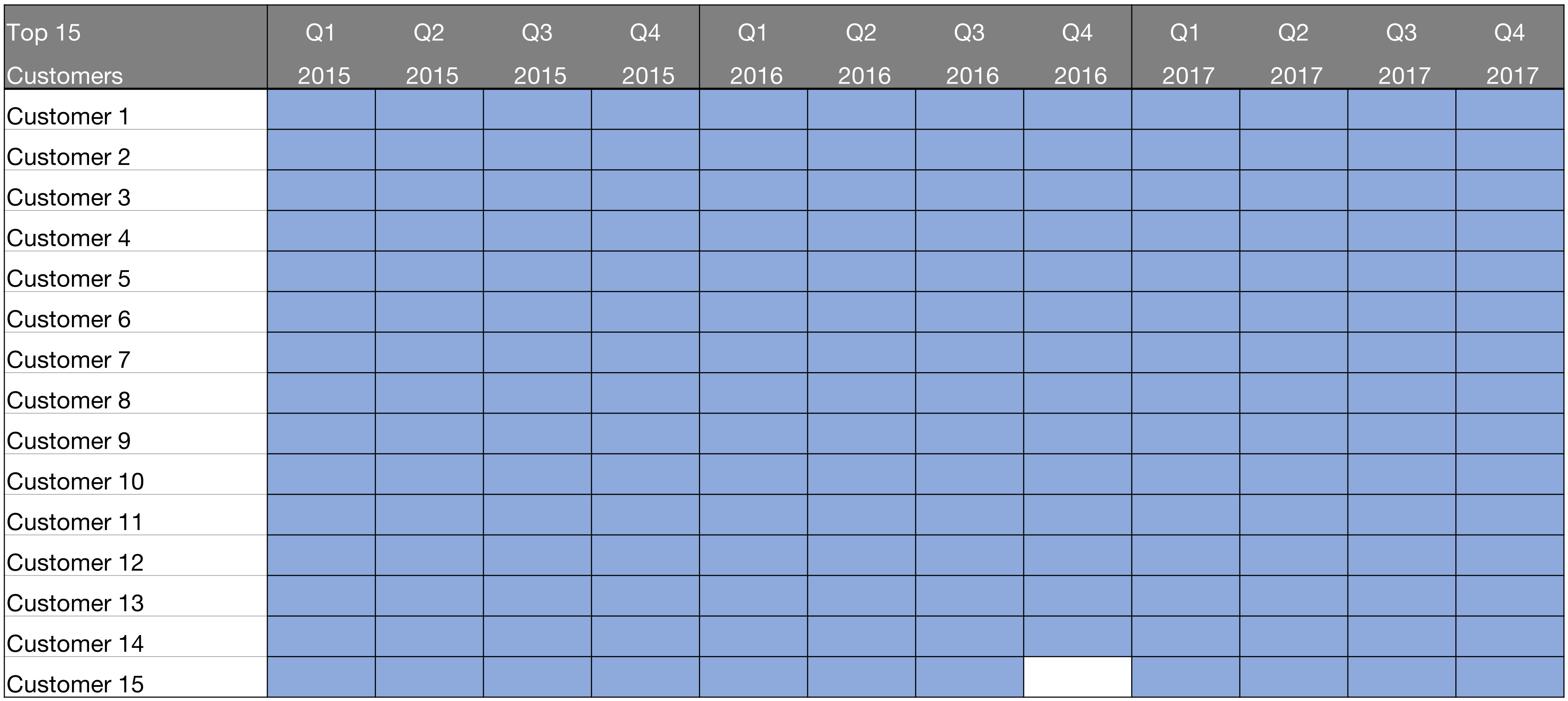






Foundational Technology Underpins TAM Expansion

- We partner with customers and follow their journey
- EOS software drives repeat purchases, Arista cultivates customer advocacy
- EOS software organically enables additional use cases



Additional Purchases

Did Not Purchase

Chart illustrates the top 15 customers based on the last 12 quarters of total product and service billings.

Arista Highlights - Fourth Quarter and Full Year 2017

Key Highlights

Q4-2017:

- Announced continued expansion in cloud-grade routing, helping customers evolve to modern, software-driven routing principles.

Full Year 2017:

- Third consecutive year Arista has been recognized as a leader and positioned the furthest for Completeness of Vision in the Leaders Quadrant of the July 2017 Gartner Magic Quadrant for Data Center Networking.
- Introduced the next generation R2 Series platforms based on merchant silicon that is twice the density and half the power of custom router silicon, delivering more than 150 Tbps of capacity.
- Containerized EOS (cEOS) supports alternate models of procuring, packaging and deploying Arista's EOS®.
- Introduced Arista Any Cloud software platform, reducing operational costs and complexity for enterprises by simplifying integration and management of hybrid clouds.
- Arista Data ANalyZer DANZ 2017 R-Series Universal Leaf and Spine platforms support improved visibility to 25G and 100G networks.

Financial Results (non-GAAP)[1]

Q4-2017:

Q4'17 Revenue: $467.9M Q4'17 EPS: $1.71
Q4'16-Q4'17 YOY Revenue Growth: 42.7%
Q4'17 Gross Margin: 65.9%
Q4'17 Operating Margin: 36.1%

Full Year 2017:

FY'17 Revenue: $1.646B FY'17 EPS: $5.61
FY'16-FY'17 YOY Revenue Growth: 45.8%
FY'17 Gross Margin: 64.8%
FY'17 Operating Margin: 35.6%

Mission:

Deliver the best cloud networking solutions for private, public and hybrid cloud deployments

[1] Amounts are non-GAAP except for Revenue; refer to reconciliation between non-GAAP and GAAP in the appendix.

Appendix: GAAP to Non-GAAP Reconciliation

In 000's except per share data	Q1'16	Q2'16	Q3'16	Q4'16	FY16	Q1'17	Q2'17	Q3'17	Q4'17	FY17
GAAP gross profit	$ 155,090	$ 171,451	$ 186,420	$ 210,155	$ 723,116	$ 214,210	$ 259,777	$ 280,617	$ 307,165	$ 1,061,769
GAAP gross margin	*64.0%*	*63.8%*	*64.2%*	*64.1%*	*64.0%*	*63.9%*	*64.1%*	*64.1%*	*65.7%*	*64.5%*
Stock-based compensation expense	793	868	955	1,004	3,620	1,024	1,087	1,113	1,129	4,353
Non-GAAP gross profit	$ 155,883	$ 172,319	$ 187,375	$ 211,159	$ 726,736	$ 215,234	$ 260,864	$ 281,730	$ 308,294	$ 1,066,122
Non-GAAP gross margin	*64.4%*	*64.1%*	*64.6%*	*64.4%*	*64.4%*	*64.2%*	*64.4%*	*64.4%*	*65.9%*	*64.8%*
GAAP income from operations	$ 49,735	$ 53,158	$ 63,021	$ 77,495	$ 243,409	$ 73,418	$ 116,634	$ 140,832	$ 139,388	$ 470,272
GAAP operating margin	*20.5%*	*19.8%*	*21.7%*	*23.6%*	*21.6%*	*21.9%*	*28.8%*	*32.2%*	*29.8%*	*28.6%*
Stock-based compensation expense	13,360	14,232	15,116	16,324	59,032	16,439	18,400	20,152	20,436	75,427
Litgation expenses	7,005	7,594	9,025	12,209	35,833	11,466	11,957	7,857	9,072	40,352
Non-GAAP income from operations	$ 70,100	$ 74,984	$ 87,162	$ 106,028	$ 338,274	$ 101,323	$ 146,991	$ 168,841	$ 168,896	$ 586,051
Non-GAAP operating margin	*28.9%*	*27.9%*	*30.0%*	*32.3%*	*30.0%*	*30.2%*	*36.3%*	*38.6%*	*36.1%*	*35.6%*
GAAP diluted net income to common stockholders	$ 34,941	$ 38,635	$ 50,980	$ 58,542	$ 183,039	$ 82,716	$ 102,474	$ 133,555	$ 103,758	$ 422,468
Net income attributable to participating securities	304	269	277	241	1,150	245	211	167	75	733
Stock-based compensation expense	13,360	14,232	15,116	16,324	59,032	16,439	18,400	20,152	20,436	75,427
Litigation expenses	7,005	7,594	9,025	12,209	35,833	11,466	11,957	7,857	9,072	40,352
Impact of the U.S. Tax Cuts and Jobs Act	-	-	-	-	-	-	-	-	51,812	51,812
Excess tax benefits on stock-based awards	-	-	-	-	-	(28,790)	(19,079)	(23,826)	(38,312)	(110,007)
Release of income tax reserves	-	-	(6,293)	-	(6,293)	-	-	-	-	-
Tax effect of non-GAAP exclusions	(6,524)	(7,056)	(7,924)	(9,836)	(31,340)	(10,269)	(8,493)	(9,683)	(9,511)	(37,956)
Non-GAAP net income	$ 49,086	$ 53,674	$ 61,181	$ 77,480	$ 241,421	$ 71,807	$ 105,470	$ 128,222	$ 137,330	$ 442,829
GAAP diluted income per share to common stockholders	$ 0.48	$ 0.53	$ 0.69	$ 0.79	$ 2.50	$ 1.07	$ 1.30	$ 1.68	$ 1.29	$ 5.35
Non-GAAP adjustments to net income per share	0.20	0.21	0.14	0.25	0.80	(0.14)	0.04	(0.06)	0.42	0.26
Non-GAAP diluted income per share	$ 0.68	$ 0.74	$ 0.83	$ 1.04	$ 3.30	$ 0.93	$ 1.34	$ 1.62	$ 1.71	$ 5.61
GAAP and non-GAAP weighted diluted shares	72,214	72,817	73,453	74,384	73,222	77,516	78,756	79,322	80,243	78,977

Thank You

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