

ARISTA

Arista in Q3 2020

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Safe Harbor

Forward-Looking Statements - This presentation and accompanying oral presentation contain “forward-looking statements” regarding our business plans and objectives, our growth drivers, total addressable market, potential growth opportunities, market potential by speed, the data center switching market, the campus ethernet switching market, the NDR market, the expansion of the Cognitive Campus workspaces security and segmentation, the shift by service providers to the cloud, our business initiatives, our cloud networking strategy and technology, the transition from 100GbE products to 400GbE products, competitive position, the benefits of our platforms, industry environment and potential market opportunities and the introduction of new or acquired products, the benefits of recent acquisitions such as Awake Security and our leadership in the cloud networking market. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from those anticipated in or implied by the forward-looking statements including risks associated with: the impact of the COVID-19 pandemic on our business, including as a result of continued volatility in the financial markets and global economy or disruption in our supply chain; the evolution and growth of the cloud networking market and other markets in which we compete and the adoption by end customers of our solutions; adverse economic conditions or reduced information technology and network infrastructure spending; rapid technological and market change; Arista’s customer concentration; our ability to attract new large end customers or sell additional products and services to existing customers; competition in our products and services markets; changes in Arista’s customers’ demand for our products and services; changes in customer order patterns or customer mix; requests by large end customers for more favorable terms and conditions; general market, political, economic and business conditions such as the recent U.S. trade wars with China and the impact of public health pandemics like the COVID-19 pandemic; our ability to pursue and manage, and our dependence on, the introduction and market acceptance of new product offerings and standards including our 400G products as well as our campus, WiFi and security products; declines in the sales prices of our products and services; the timing of orders and manufacturing and customer lead times; the benefits and impact of acquisitions; and other future events. Additional risks and uncertainties that could affect us can be found in our most recent Quarterly Report on Form 10-Q filed with the SEC on August 5, 2020, and other filings that the company makes to the SEC from time to time. You can locate these reports through our website at <https://investors.arista.com/> and on the SEC’s website at <https://www.sec.gov/>. You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. This presentation is being provided as of November 2, 2020 and the forward looking statements and any other statements contained herein speak only as of the date of this presentation, and we undertake no obligation to publicly update any forward-looking statements or any other statements in this presentation for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as required by law.

Non-GAAP Financial Measures - This presentation and accompanying oral presentation contain certain non-GAAP financial measures including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, non-GAAP operating margins, non-GAAP net income and non-GAAP diluted net income per share. These non-GAAP financial measures exclude stock-based compensation expense, amortization of acquisition-related intangible assets, certain non-recurring charges or benefits, and the income tax effect of these non-GAAP exclusions. In addition, non-GAAP financial measures exclude net tax benefits associated with stock-based awards, which include excess tax benefits, and other discrete indirect effects of such awards. The company uses these non-GAAP financial measures internally in analyzing its financial results and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing operating results and trends. In addition, these measures are the primary indicators management uses as a basis for its planning and forecasting for future periods. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP financial measures. Non-GAAP financial measures are subject to limitations, and should be read only in conjunction with the company’s consolidated financial statements prepared in accordance with GAAP. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. A description of these non-GAAP financial measures and a reconciliation of the company’s non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliation.

Gartner “Magic Quadrant for Data Center and Cloud Networking,” Andrew Lerner, et al, 30 June 2020. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.



Coronavirus (COVID-19)

Statement from our CEO

As a leading supplier of cloud networking equipment globally, Arista plays a critical role in supporting the cloud communications and computing infrastructure that will keep the world running during these difficult times. At Arista Networks, we are focused on the welfare of our employees, customers and community.

1. Employee Health and Safety

- In the interest of the health and safety, Arista employees globally are working from home with limited exceptions. We have provided essential workers access to our facilities as permitted under applicable local laws after instituting additional health and safety measures to reduce their risk from COVID-19.
- We are continuing to implement enhanced hygiene measures in all Arista offices with essential on-site employees, including deep cleaning and regular cleaning of all high-touch surfaces, for the health and safety of employees where the orders allow office entry. We are all learning to cope in an audio and video world conducted virtually using Zoom, Google Hangouts, or conference calls.

2. Healthy Hospitals and Happy Customers

- Doctors and legacy IT systems are burdened with supporting tired infrastructure operations and keeping up with increased patients and long days and nights. The quest for healthier and Covid-free lives requires research for proper vaccines, more test kits and more equipment (respirators, masks, blood donation etc.) to help Covid patients recover faster and reduce fatalities. Enabling high speed patient record retrieval, analysis and imaging visualization via Arista products increases caregiver efficiency and time to diagnosis/recovery.
- Arista is committed to working with key hospitals across the country to donate specific gear that makes new technology adoption possible. We are also working with all mission critical customers to support their infrastructure in this time of uncertainty and need.

3. Serving the Community in the Arista Way

- While we continue adapting to health experts guidelines for work and lifestyle safety, there are many in our local communities that have lost their jobs and are struggling to put food on the table for themselves and their families.
- The food bank, Second Harvest of Silicon Valley is facing a crisis of rapidly **increasing demand** as many alternative senior and low-income distribution centers have closed **and decreasing and more expensive supply** as donations from supermarkets and producers have almost completely stopped because of lack of excess inventory. The Arista Foundation will be taking a leadership role during this time of crisis for Red Cross blood banks and we will be matching employee donations to our long-time community partner Second Harvest of Silicon Valley.

In summary, we ask all of our readers to join Arista and our employees in doing everything we can to slow the spread of COVID-19. The health and welfare of our communities depends on it.

Be well, stay healthy!

- Jayshree Ullal

Company Overview

- Corporate Overview
- Ethernet Datacenter & Campus Market Sizes
- Arista's Opportunity
- Business Initiatives
- Market Share vs Cisco (Dollars & Ports)
- 100GE Market Share and Ethernet Market Potential
- 400GE Platform Portfolio Overview

Arista Networks Overview

Q2 2020

\$540.6M

Q2'20 Revenue

Q3 2020

\$605.4M

Q3'20 Revenue

\$2.11

Q2'20 diluted EPS ⁽¹⁾

\$2.42

Q3'20 diluted EPS ⁽¹⁾

38.1%

Q2'20 Operating Margin ⁽¹⁾

38.2%

Q3'20 Operating Margin ⁽¹⁾

IPO 2014

June 6th

S&P 500

Added in 2018

Gartner MQ Leader

DC and Cloud Networking

Forrester Wave Leader

Open Programmable Switches for Business Wide SDN



Company

Headquarters: Santa Clara, California

Website: www.arista.com

Email: info@arista.com

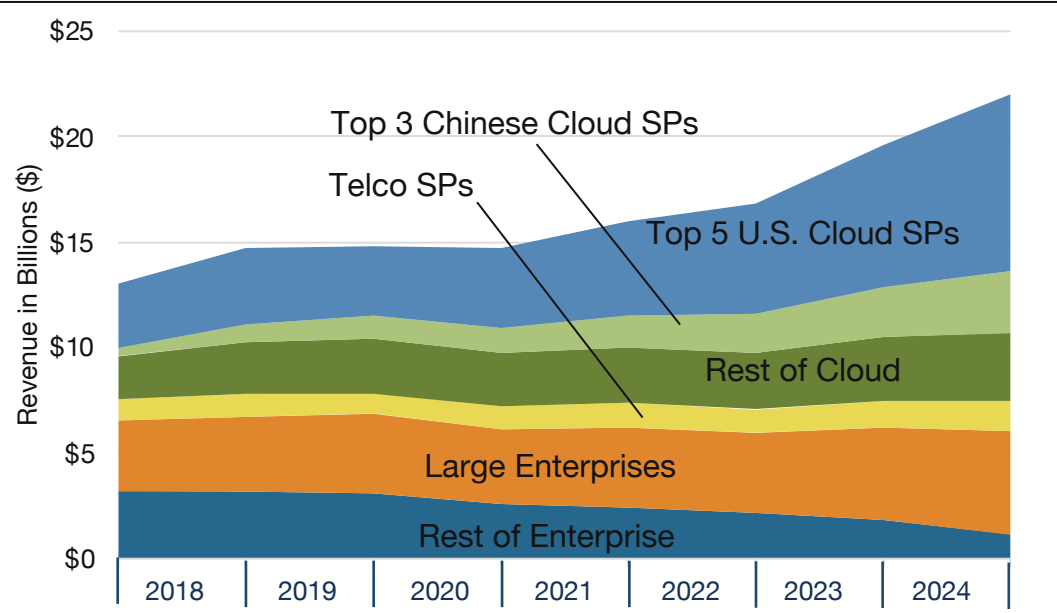


Ticker: ANET

⁽¹⁾ Non-GAAP

Arista's Places In the Cloud (PICs) Networking Opportunity

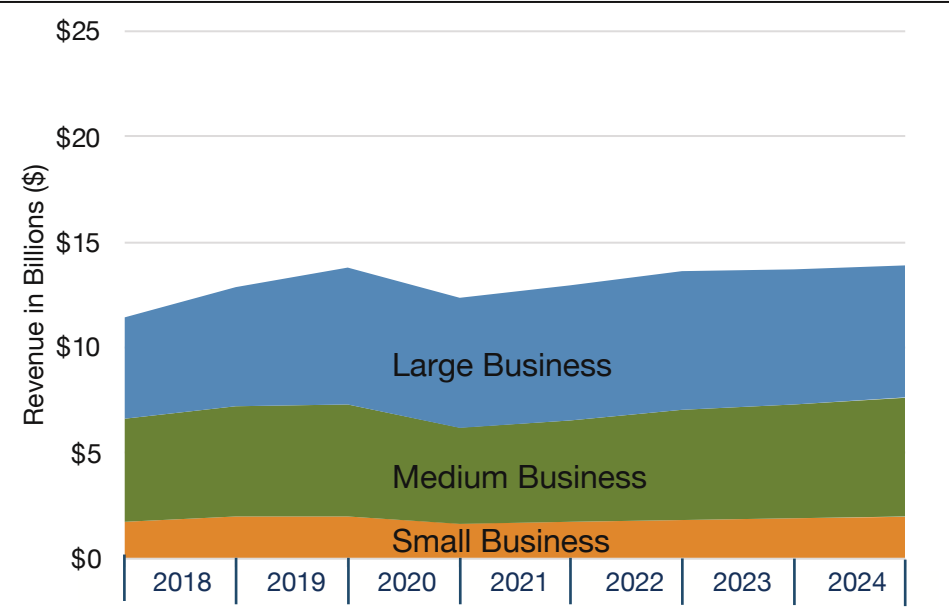
Data Center Ethernet Switch Revenue



Source: 650 Group Ethernet Switch Data Center Forecast August 2020

US Top 5 Cloud Providers: Amazon, Apple, Facebook, Google, Microsoft
Chinese Tier 1 Cloud Providers: Alibaba, Baidu, Tencent

Campus Ethernet Switch Revenue

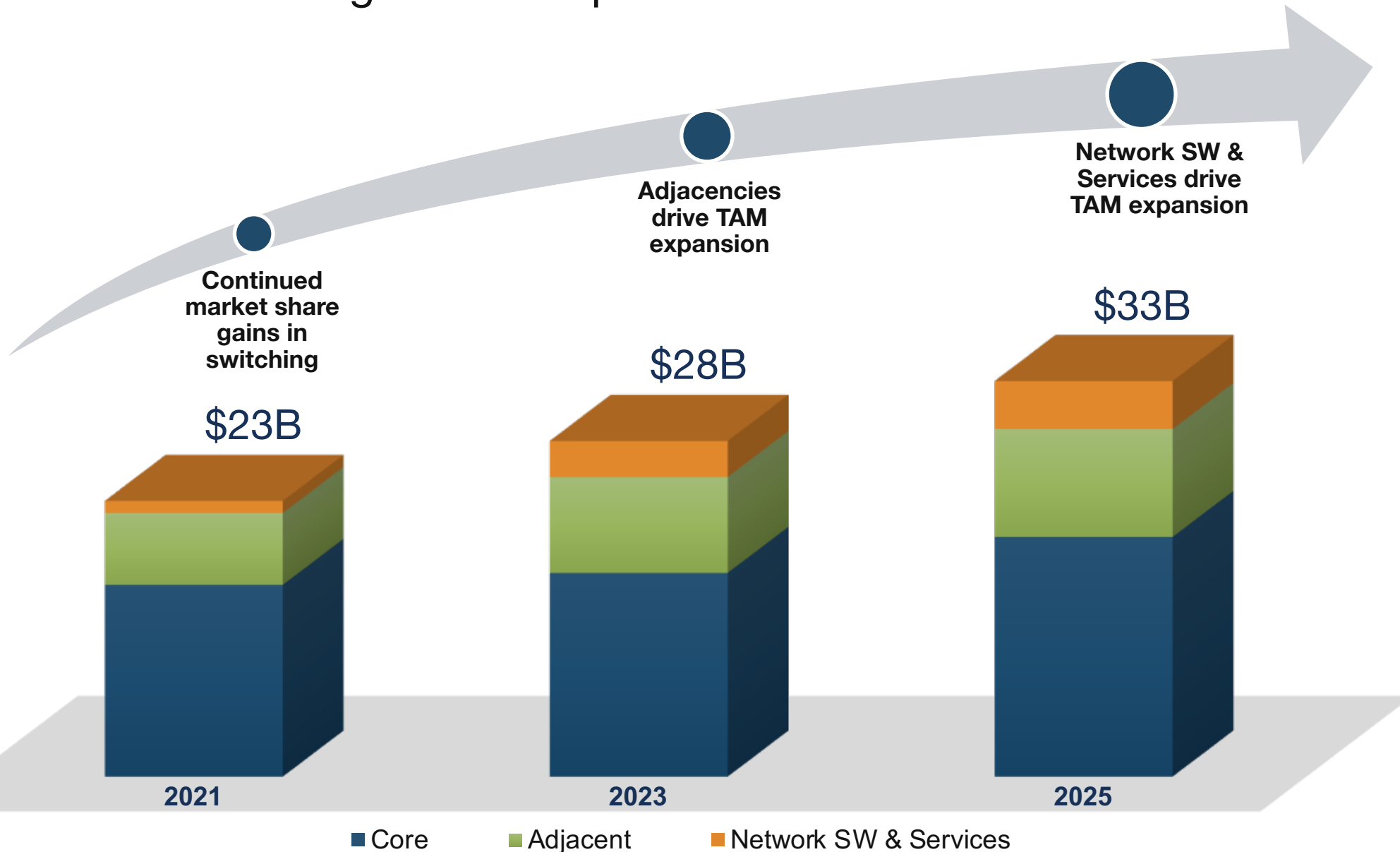


Source: 650 Group Campus Ethernet Market Forecast August 2020

Large Business - Fortune 2000
Medium Business - Rest of Enterprise Market
Small Business - Less than 50 Employees

Arista's Growth Drivers and Path to \$33B TAM

Cloud Networking Market Expansion

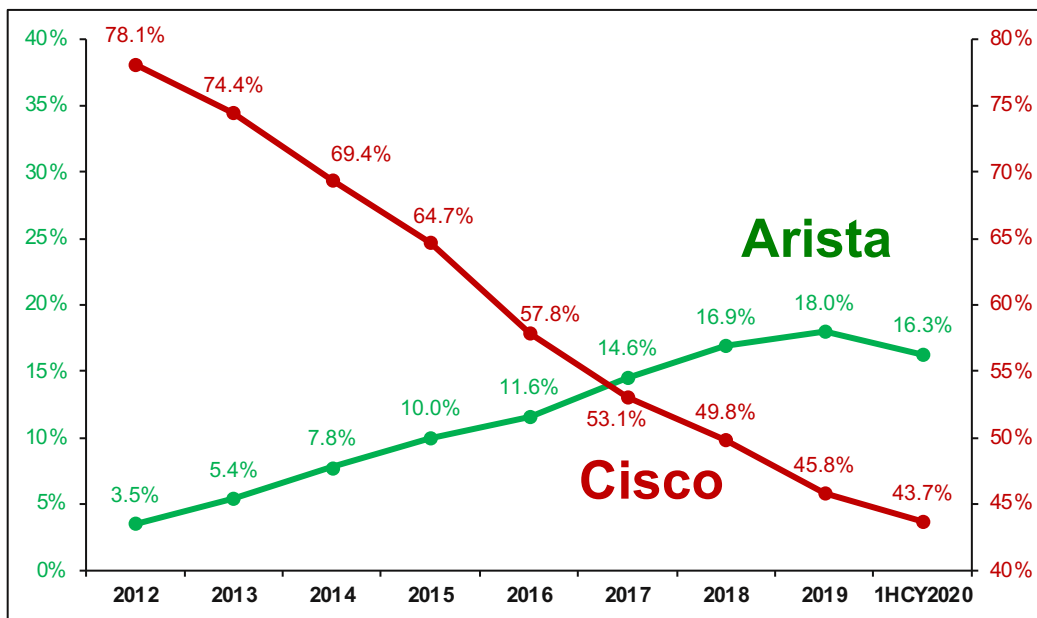


Source: Arista's internal estimates and various industry analysts

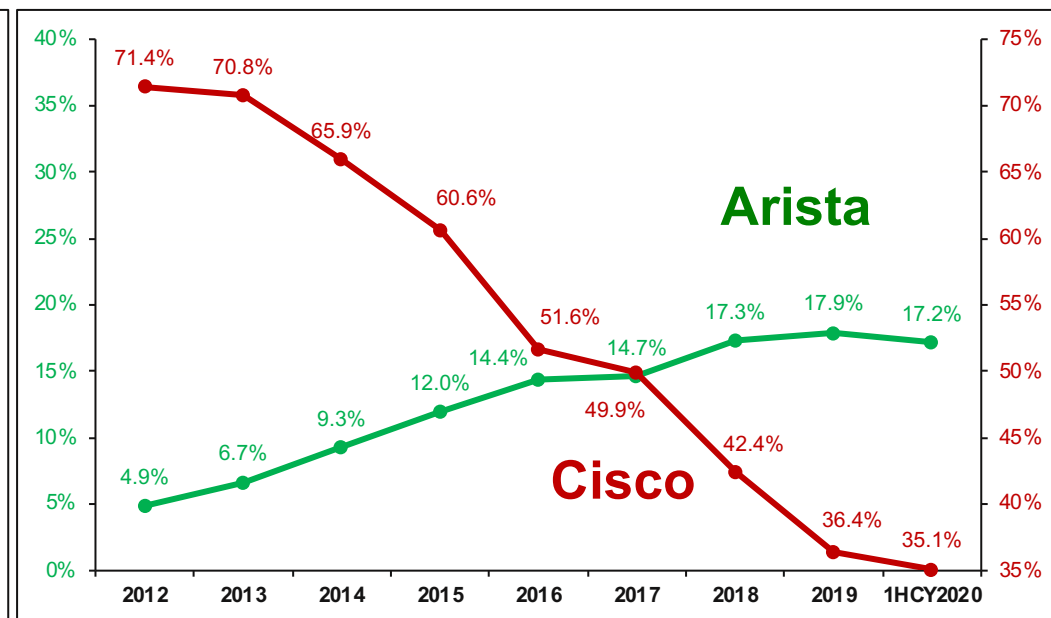
Arista Market Share vs Cisco

High Speed Data Center Switching Market

Share in Dollars



Share in Ports



Source: Crehan Research Datacenter Switch Market Share Report Q2'2020

Note: 10GbE and Higher - Excludes blade switches

Arista Business Initiatives

1

Grow Market Share in Data Center

- Extend 100G leadership into 400G

2

Deliver on New Market Target

- Grow Market Share in Enterprise Networking
- Increase Software Value

3

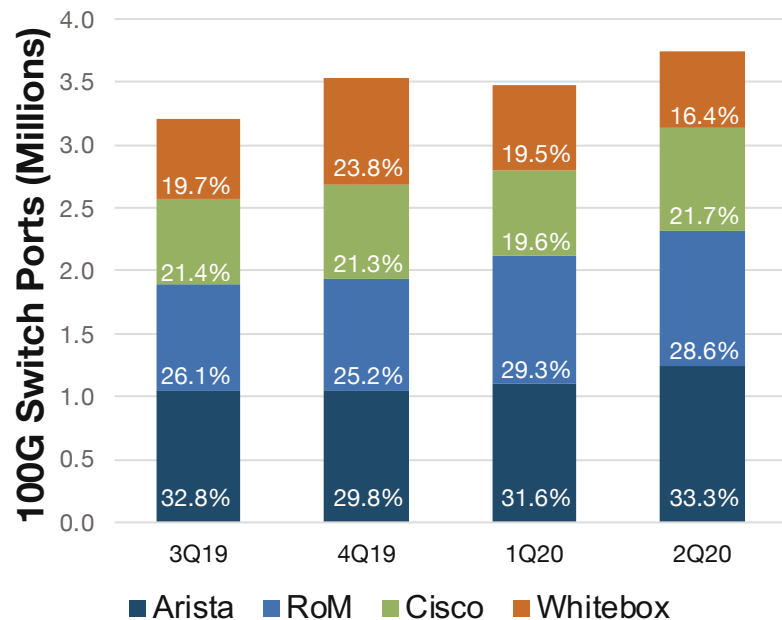
Continue Operational Excellence

- Industry leading operational efficiency

Market Leadership in 100G, Focus is 100G/400G

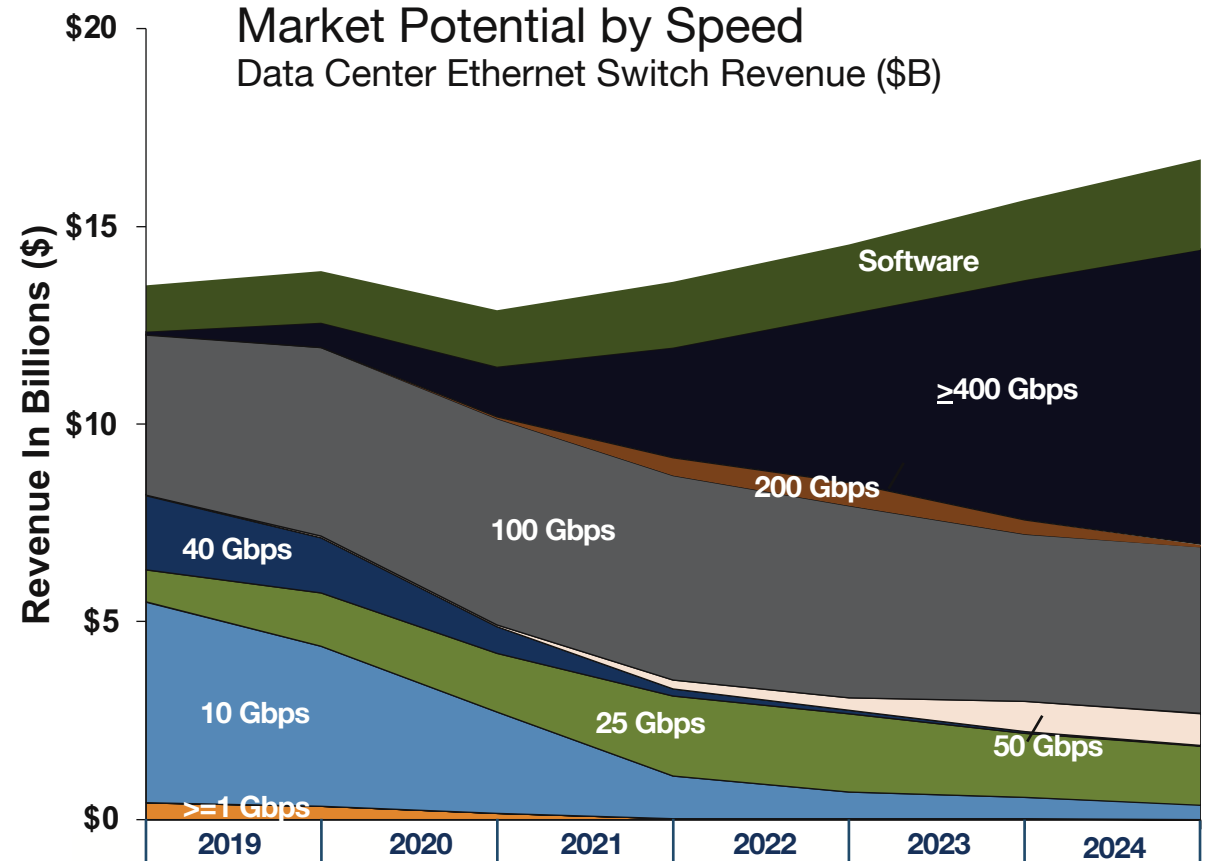
Data Center Ethernet Switch Analysis and Forecast

100G Ethernet Switch Ports
Market Share Q2'2020



Source: Dell'Oro Ethernet Switch Data Center
Total Vendor Tables – Q2'2020

Market Potential by Speed
Data Center Ethernet Switch Revenue (\$B)



Source: Dell'Oro July 2020 - Long Term Ethernet Switch Forecast

Our Comprehensive 400G Platforms Offering

Leaf & Spine
High Network Radix



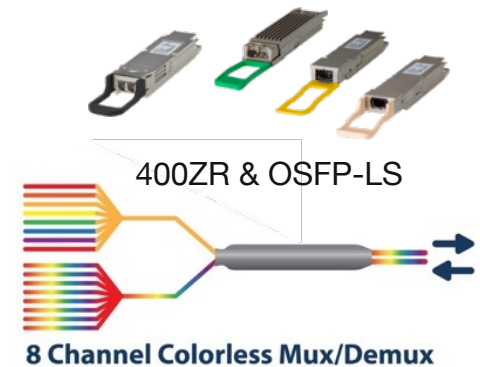
7368X4
Up to 128 x 100G
32 x 400G OSFP, QSFP-DD



7060 X4
32 x 400G

Optics Form Factor Choices

- OSFP
- QSFP-DD



Universal
Leaf & Spine



7280 R3
Up to 24 x 400G
Wirespeed, 2.5M Routes



7500 R3
Up to 230Tbps
288 x 400G ports
24 x 400G, 36 x 100G LC
Wirespeed, 2.5M Routes



7800 R3
Up to 460Tbps
576 x 400G ports
36 x 400G, 48 x 100G LC
Wirespeed, 2.5M Routes

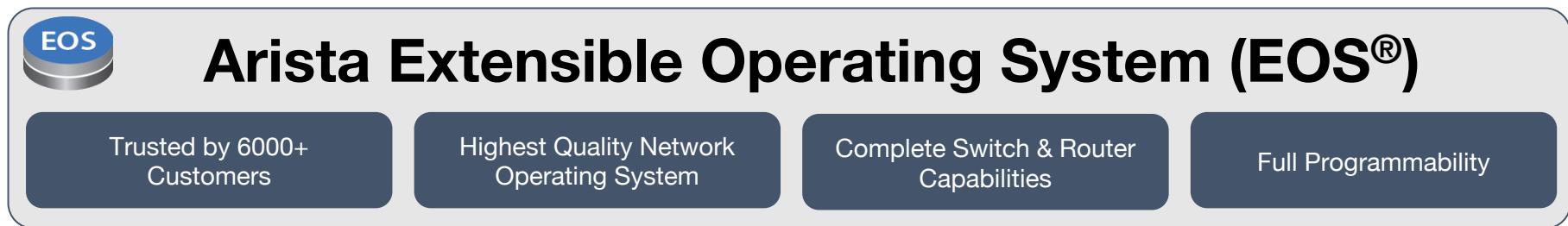
Cloud Networking Strategy & Technology Differentiation

- Cloud Network Platform Vision
- Why Customers Chose Us
- Enterprise Networking Transformation with EOS

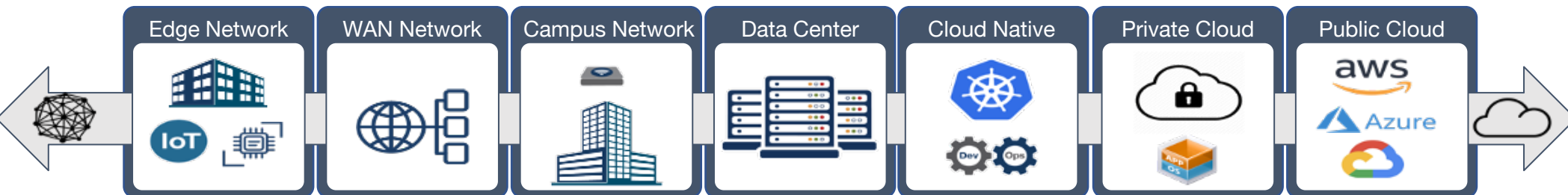
Arista: The Software Driven Cloud Networking Company



One Network Management System



One Network Operating System



For All Places In the Cloud (PICs)

Our Mission

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

Arista Advantage for 6000+ Customers

➤ Modern Architecture

- Open, Programmable, Standards Based
- One Operating System - EOS
- State Based & Scalable

➤ One Automation Tool - CloudVision

- Telemetry and Analytics

➤ Superior Software Quality

- Low Total Cost Of Ownership
- Simplicity of Code and Topology

➤ World Class Support

"The reason we chose Arista is that it just works."

- Frequent Customer Feedback

"CloudVision is a lifesaver. The visibility we get is not available through any other tool"

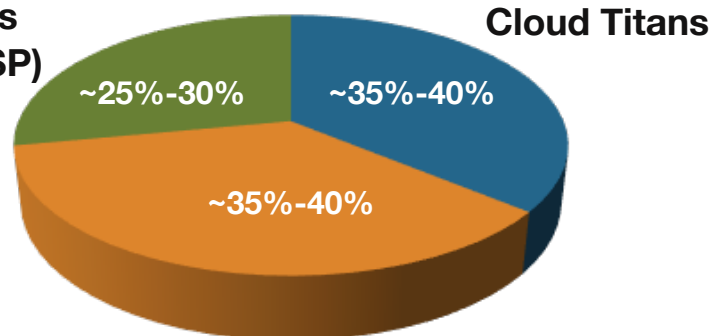
- VP Infrastructure, Fortune 500 company

"EOS APIs are the best to work with for the cloud. I wish other companies learnt from this"

- Network Architect, Cloud

Sector Trends*

Providers
(SP & CSP)



Enterprise (incl. Financials)

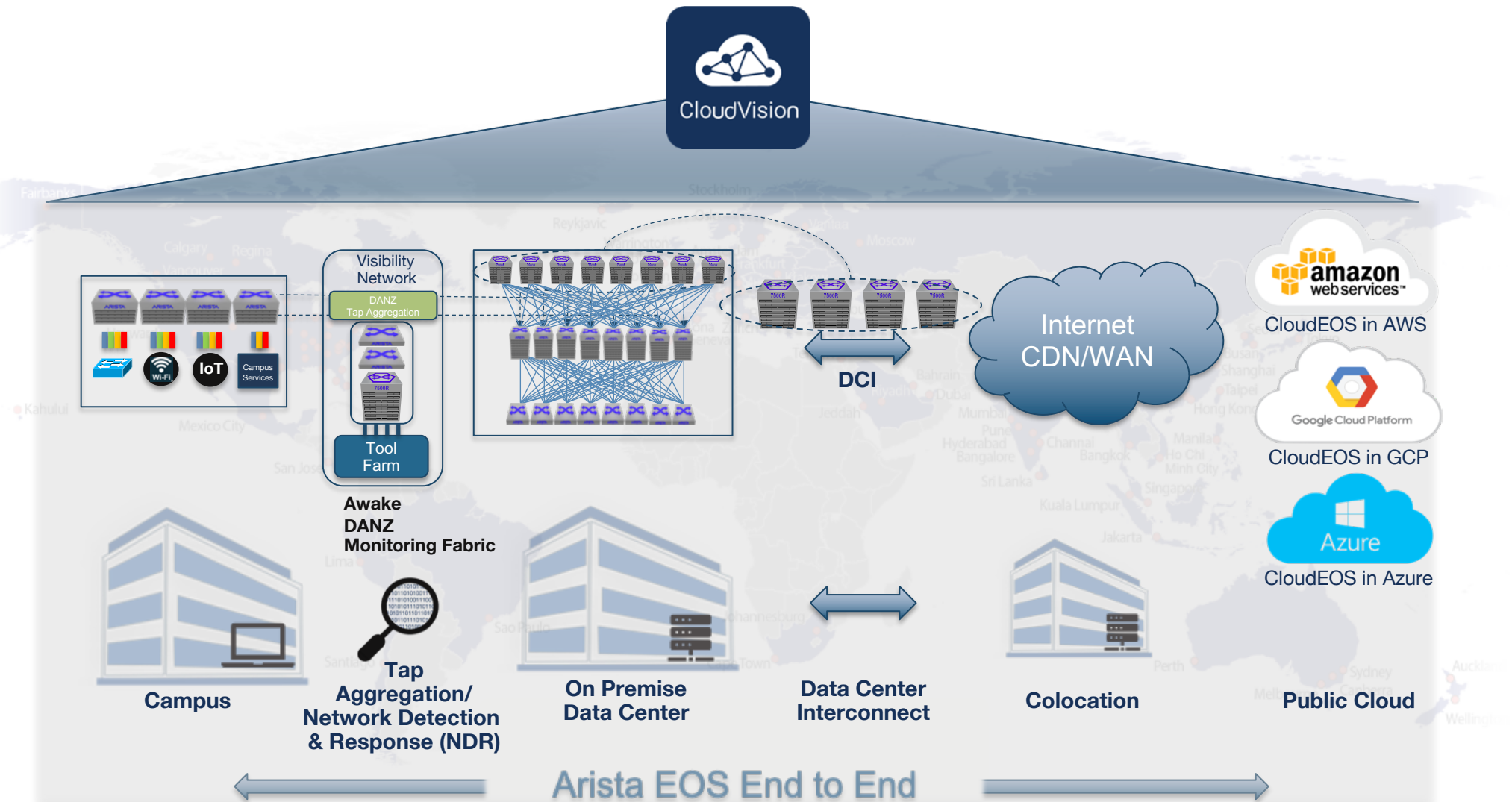
Major Verticals

- Cloud Titans
- Enterprise
- Financial Services
- (CSP) Cloud Specialty Providers/Tier 2 Cloud
- (SP) Service Providers

Emerging Verticals

- Media & Entertainment
- Government
- Health Care
- Education
- Oil and Gas
- Research Labs

Arista Delivers Transformational Cloud Networking



One EOS, One CloudVision
Drives Places in the Network Silos to Places in the Cloud

Awake Security Acquisition

- New AI Driven Network Detection & Response (NDR)
- Competitive NDR Landscape

Awake Security: New AI Driven Network Detection & Response (NDR)

AWAKE SENSORS

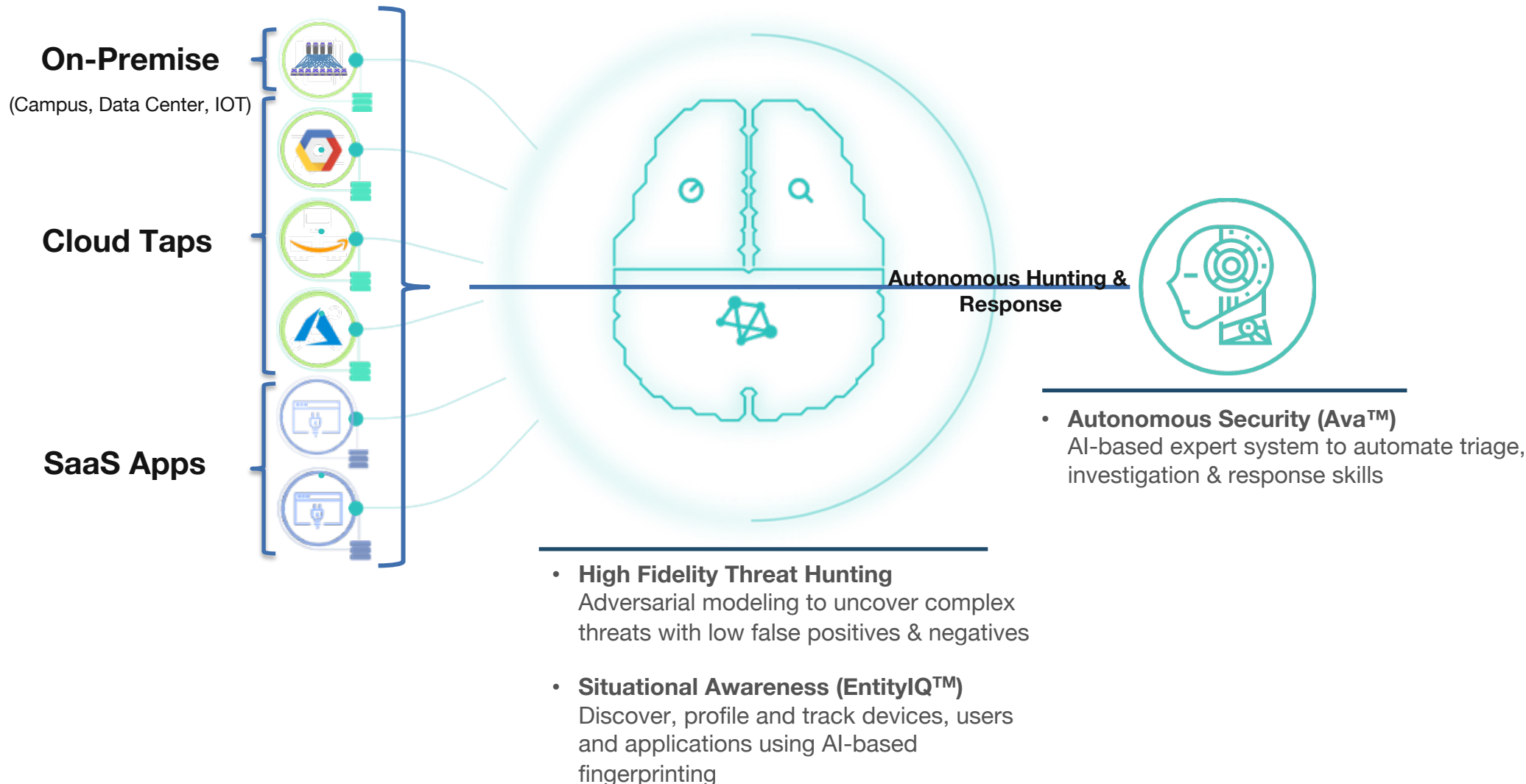
(Full Packet Analysis)

AWAKE NUCLEUS

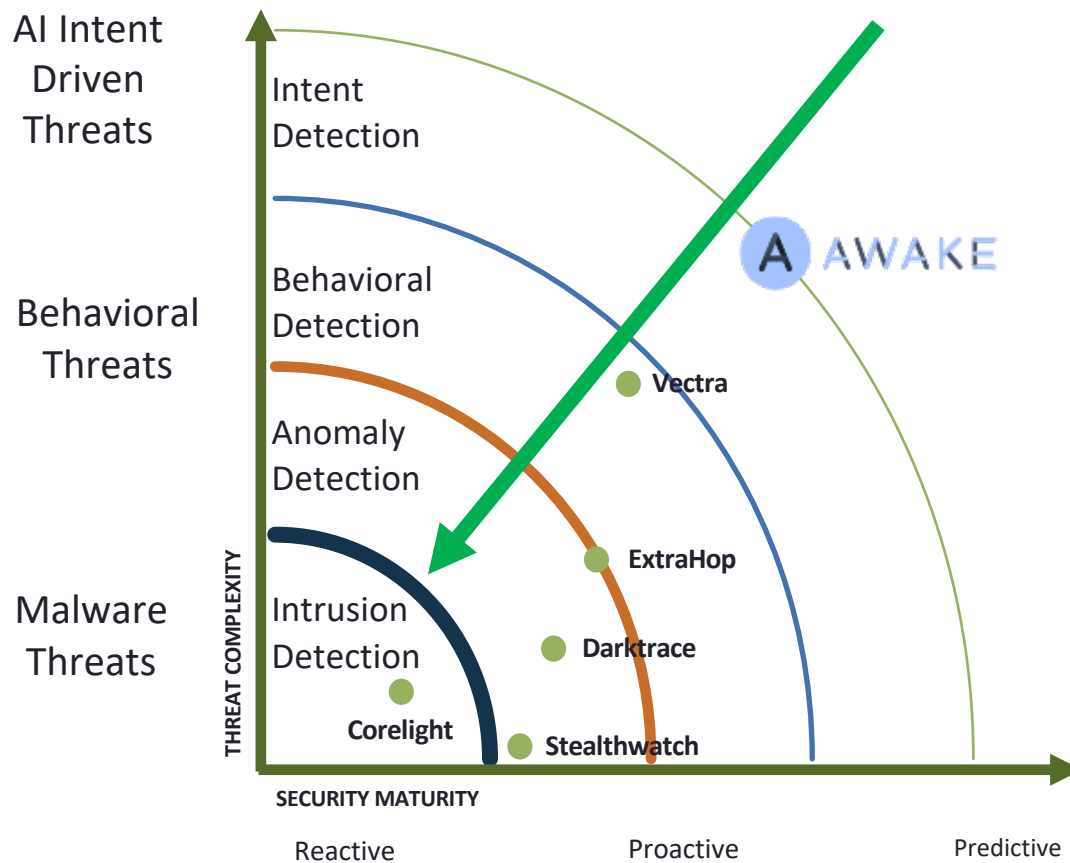
(Cloud or on Premise)

AWAKE EXPERT SYSTEM

“Ava”



Competitive NDR Landscape



	Cisco Stealthwatch	Awake
Analysis	Flow: L2-L4	L2-L7
Behavior	Communication patterns	Knowledge graph
Classification	IP	Social map
Full digital forensics	Not supported	Extensive
Entity Correlation	Doesn't exist	Extensive
Training Period	Days	Hours

Product & Company Updates

- Expanding Cognitive Campus Workspaces
- Modern Healthcare Campus
- SP Business Imperative: Shift to Cloud Service Focus
- Arista's World Class Support Recognition
- Arista 2020 Partners – Channel, Technology and Integrators

Expanding Cognitive Campus Workspaces

Cognitive Splines™



7300X3
4 & 8 Slot
Modular System
Up to 256 100G ports



7050X3
Fixed System
Up to 32 100G ports

Cognitive Edge



750 Modular PoE switches 
5 Slot 240 Port mGig 8 Slot 384 Port mGig



720XP Fixed PoE switches
24 & 48 Port mGig/1G 96 Port mGig 




Arista's WiFi-6 APs
up to 8x8 MIMO
3rd Radio functionality for dedicated
WIPS, client emulation testing

Cognitive Management And OS



CloudVision foundation, Wired and Wireless, across Provisioning, Telemetry, and Orchestration,

- 
- WiFi Contact Tracing – P-Tracer
 - Cognitive Analytics, including Quality of Experience (QoE)
 - Remote Monitoring of APs
 - IoTvision™
 - Compliance Dashboard



Hitless Patching
High Availability with Stateful Switchover
Flow Telemetry, NetDB Streaming
Dynamic Path Selection

Simplify with Collapsed Spline Architecture

Automation and Telemetry for Operational Efficiency

Single Software Image Federated across DC & Campus

The Next Wave of Cognitive Campus Workspaces

Security and Segmentation

Wave 1: Network Access Control

VLANs, MAC Auth
NAC and 802.1x

2000-2010

Wave 2: Endpoint Expansion

BYOD
Endpoint Security
Birth of IoT

2010-2020

Wave 3: Predictive Analytics and Pervasive Security

IoT Proliferation
Anomaly / Malware
Detection
End-to-end Encryption

AWAKE

2020+

New Devices and threat vectors require intelligent networks

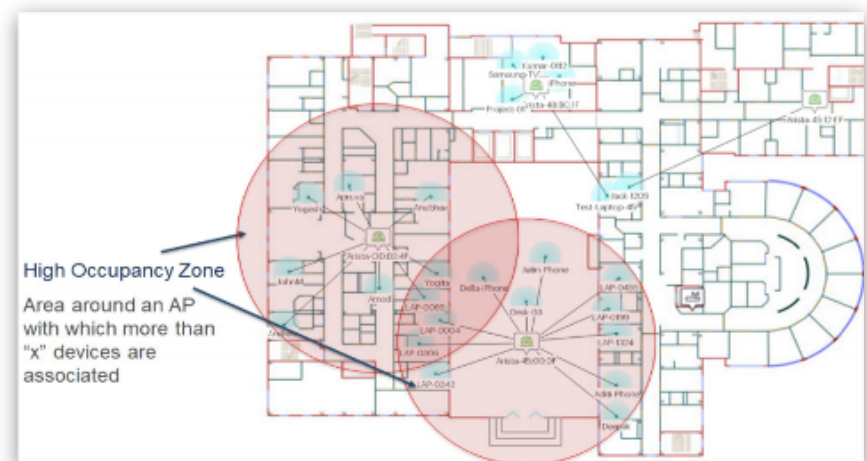
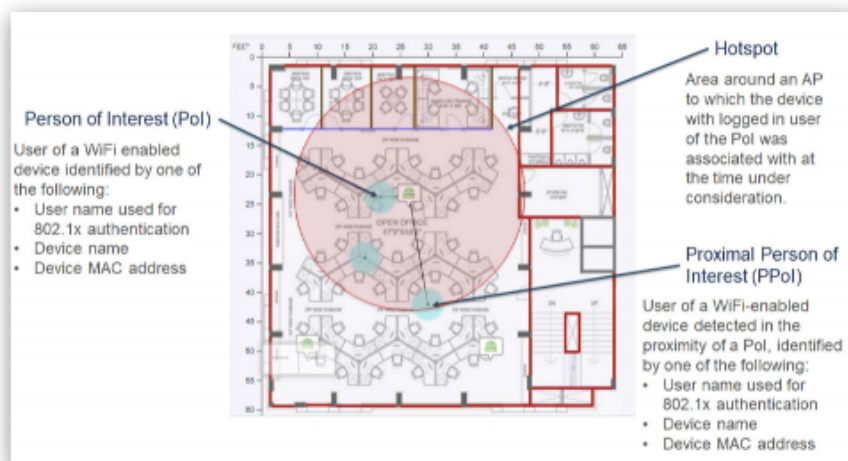
Arista P-Tracer

Reducing Risk in Today's Business Environment

Proximity Tracing

Identifies persons that could have come in proximity of a person of interest

- Position for Hot Zone Alerting, identifying areas that exceed allowed occupancy
- Person of Interest Journey, tracking the location history of person(s) of interest
- Private and Secure, with the P-Tracer application is hosted locally within the customer network



Modern Healthcare Campus

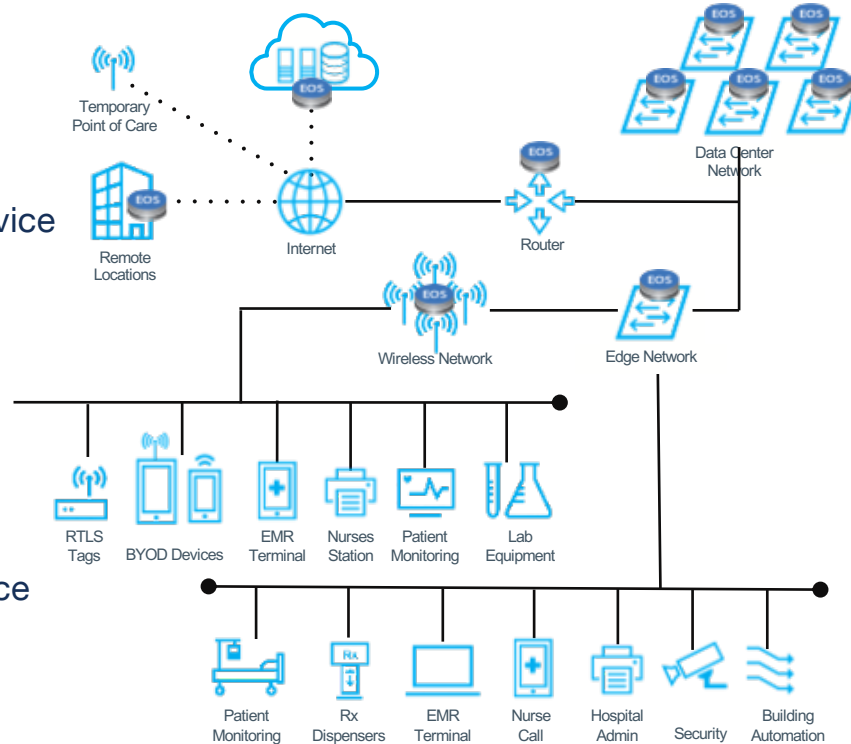
Identity, Segmentation, and Threat Hunting



Hospital-wide
Heterogeneous Device
Identity



Deep Medical Device
Identity



Network Based
Swimlanes/Segmentation



Real-time Continuous
Threat Hunting

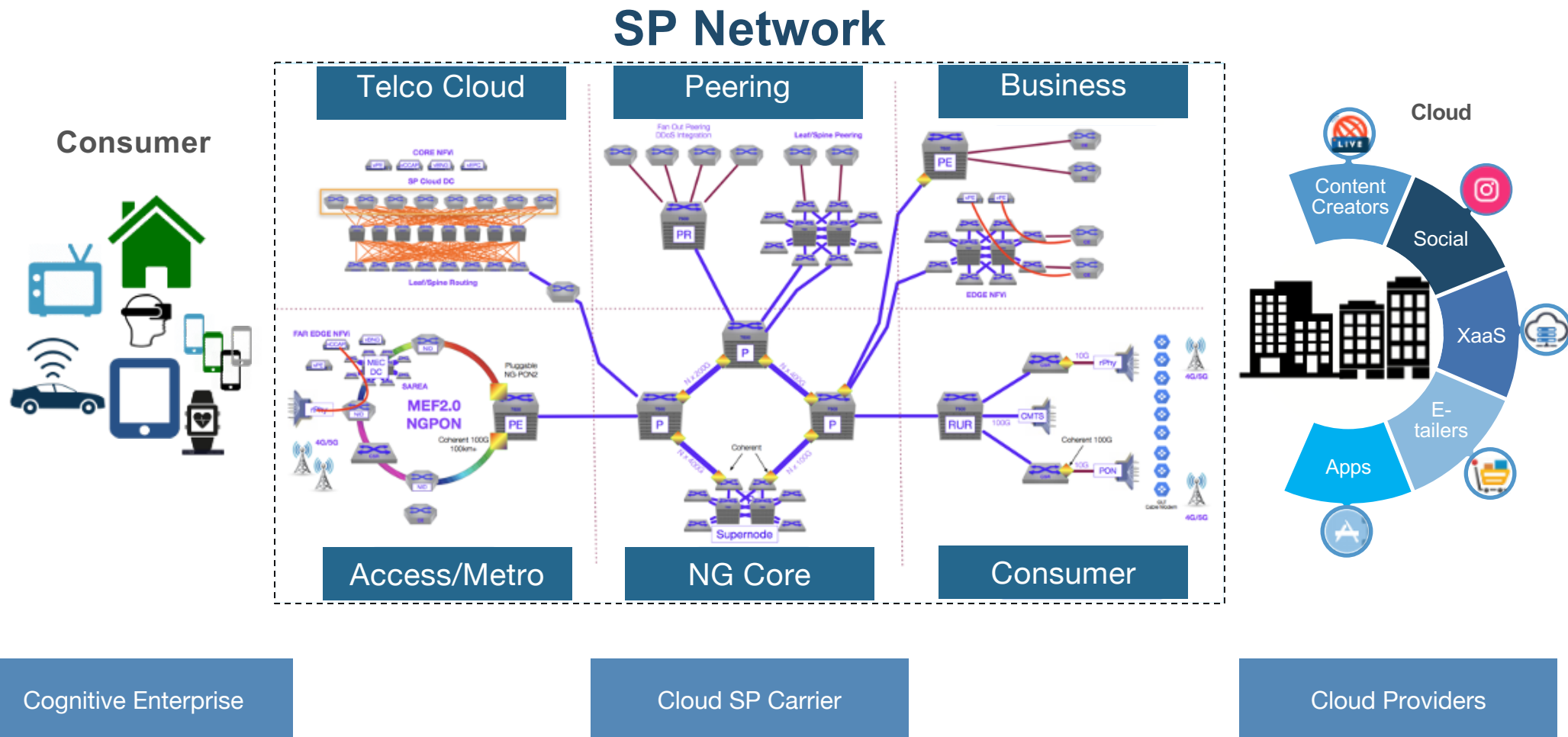
Healthcare's Shifting Landscape

- Distributed Points of Care
- Rapid IoT/IoMT adoption
- AI driven decisions
- Growing cybersecurity threat surface
- Integration of acquired assets

Arista's End to End Quality Portfolio Addresses Healthcare's Greatest Needs

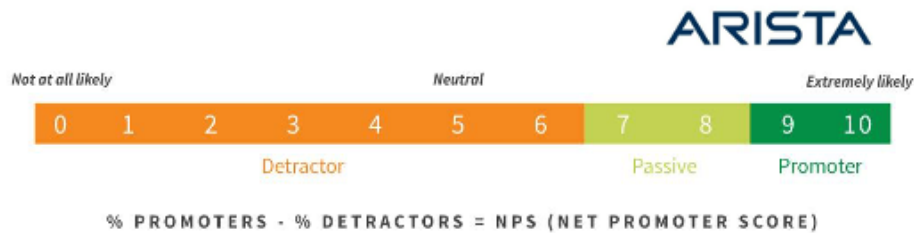
- ✓ Maximize data locality without compromising security
- ✓ End-to-end compliance, audit, and real-time threat assessment
- ✓ Consistent clinician experience independent of location or device
- ✓ Flexibility to adapt to changing clinical needs and initiatives
- ✓ Standards based modular design to ease M&A integration and divestiture

SP Business Imperative: Shift to Cloud Service Focus



Expanding our Routing Leadership In Cloud Networking to SP

Arista's Commitment to World-Class Support +76 NPS (Net Promoter Score)



World-Class Support with +76 NPS

Arista achieved an NPS score of +76 with an average rating of 9.2 out of 10 in a 2019 TechValidate survey of their customers.



Source: TechValidate survey of 218 users

Validated Published: Apr. 16, 2020 TVID: A7E-0A5-6D5

ARISTA

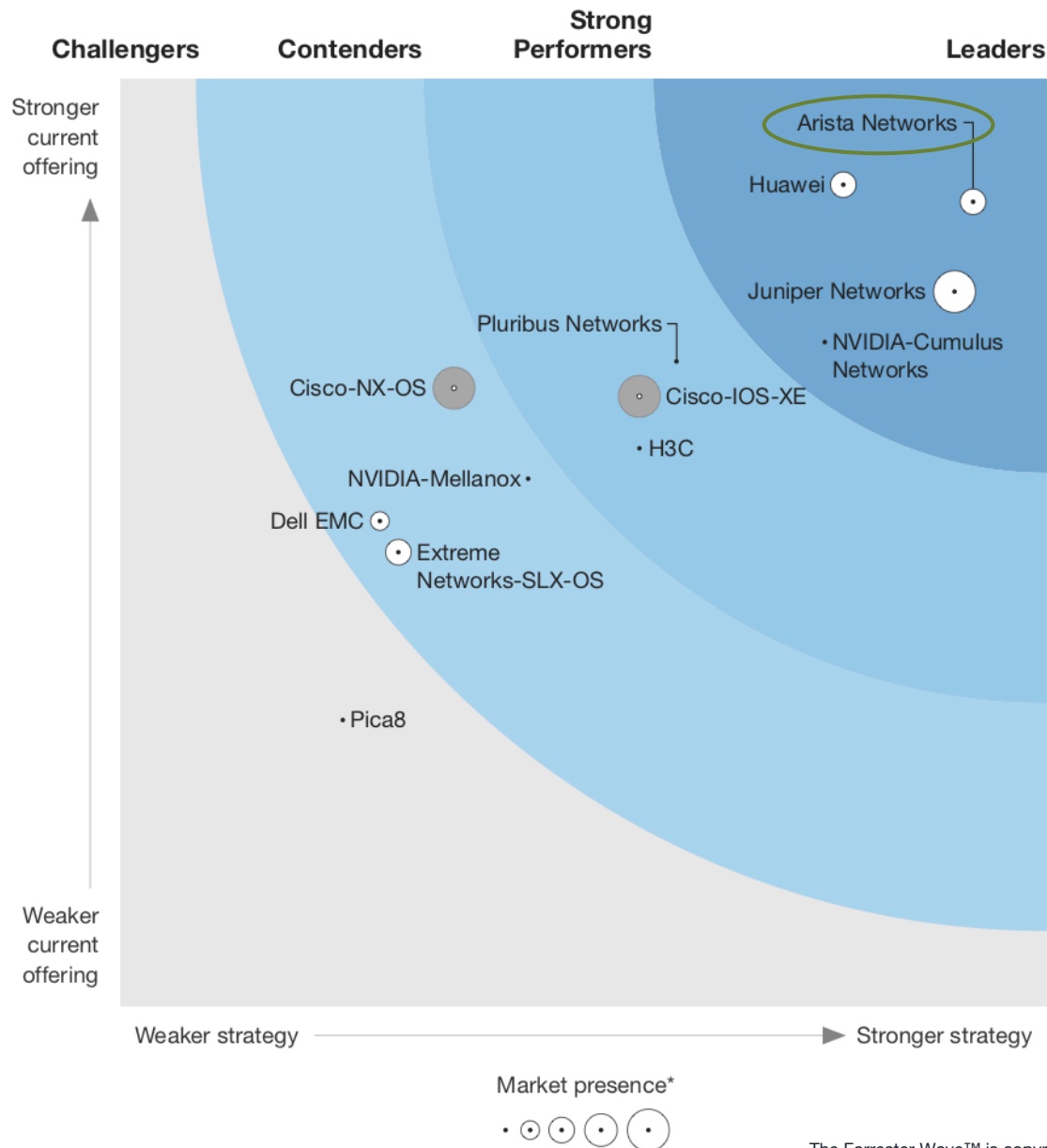
TechValidate
by surveyvintages

<https://www.techvalidate.com/tvid/A7E-0A5-6D6>



Recognized by Forrester

Forrester Wave™: Open, Programmable Switches For A Businesswide SDN, Q3 2020



The **Forrester Wave™** evaluation highlights Leaders, Strong Performers, Contenders, and Challengers. It's an assessment of the top vendors in the market and doesn't represent the entire vendor landscape.

Arista Networks provides an open, programmable switching fabric. In 10 years, Arista Networks has grown into one of the largest suppliers of data center networking switches in the market and has recently expanded its switching portfolio to include campus and branch offices. The company's growth is due to Arista's EOS Operating System and its focus on delivering an open, programmable switching platform. Tier 1 cloud providers have built their networking infrastructure on this type of platform. Besides enabling customers to choose multiple paths of automation, Arista Networks allows them to deploy EOS on third-party hardware, cloud platforms, and inside containers. This ensures that customers can create a fabric across private data centers, cloud platforms, and edge compute locations.

[Link to the Report](#)

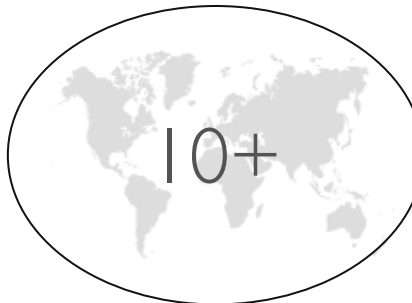
*A gray bubble indicates a nonparticipating vendor.

The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

Expanding Partners Across the *PIC Enterprise



Technology
Partners



Countries



Channel
Partners



PRESIDIO



**Hewlett Packard
Enterprise**

**Tech
Mahindra**

e⁺
ePlus Technology

**COMCAST
BUSINESS**

{okta}

ForeScout

PURESTORAGE



Microsoft



splunk

vmware

servicenow

NUTANIX

ciena

Quarter Results & Financials

- Q3'2020 Results and Key Highlights
- Financial Highlights
- Balance Sheet & Cash Conversion Cycle
- Investor Highlights
- Upcoming Investor Conferences

Arista Highlights - Third Quarter 2020

Key Highlights

Q3-2020:

Arista Networks acquired [Awake Security](#), a Network Detection and Response (NDR) platform provider that combines artificial intelligence (AI) with human expertise to autonomously hunt and respond to insider and external threats.²

[Arista expanded its cognitive campus portfolio](#) with new platforms, including the 750 Series modular chassis (the first 100G ready, high density modular PoE switches), and the 720 Series 96 port fixed switch.

Arista announced unified edge innovations across wired and wireless networks for its [Cognitive Campus Edge](#) portfolio for Enterprise Workspaces.

Arista introduced a new enterprise-grade Software-as-a-Service (SaaS) offering for the flagship CloudVision® platform. Arista's new [CloudVision as-a-Service](#) product is now available as a fully managed software.

Arista announced several additions to its multi-cloud and cloud-native software product family with [CloudEOS Edge](#) which is designed to integrate with native cloud networking services like Amazon Web Services Transit Gateway, with native interoperability using provisioning tools like Hashicorp Terraform and Red Hat's Ansible.

Financial Results (non-GAAP)¹

Q3-2020:

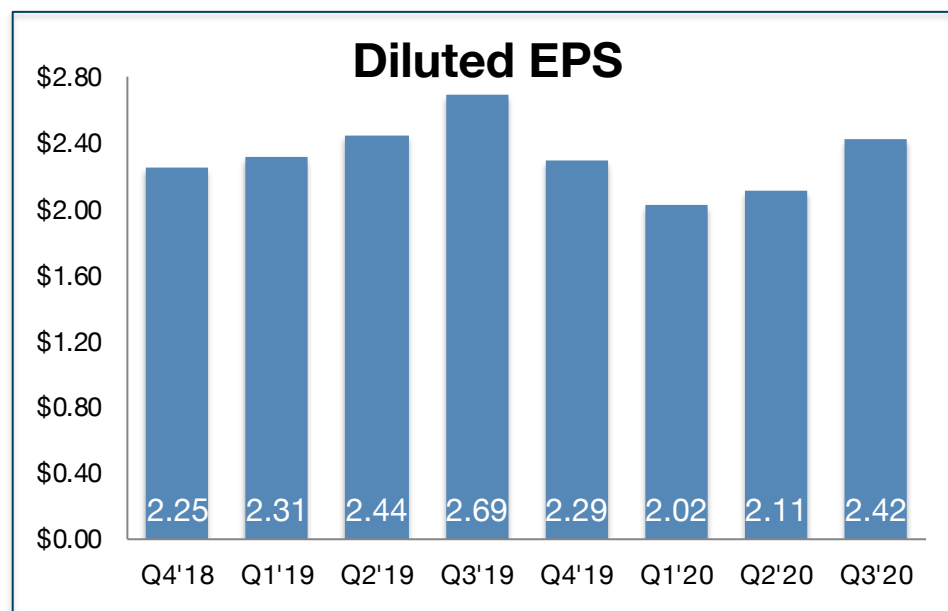
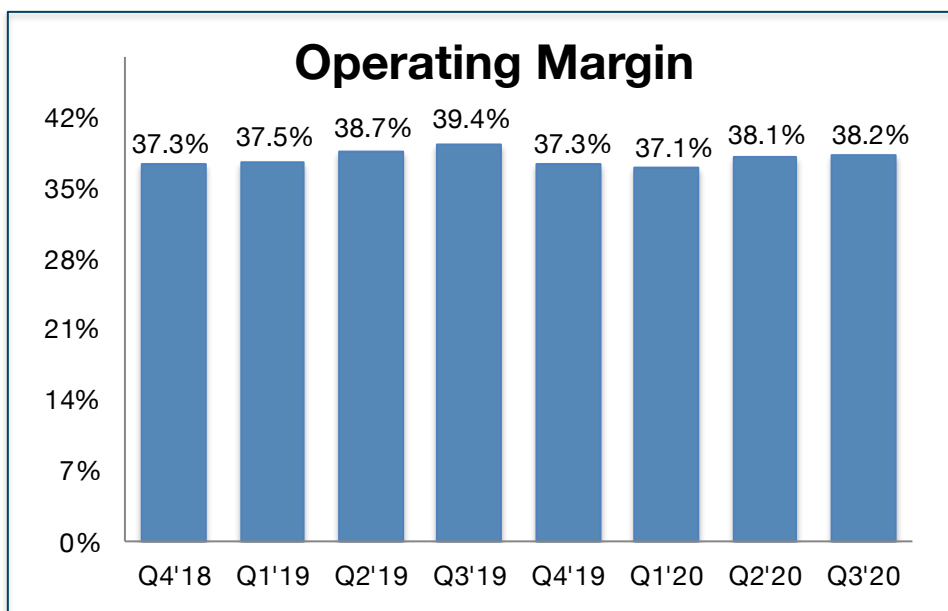
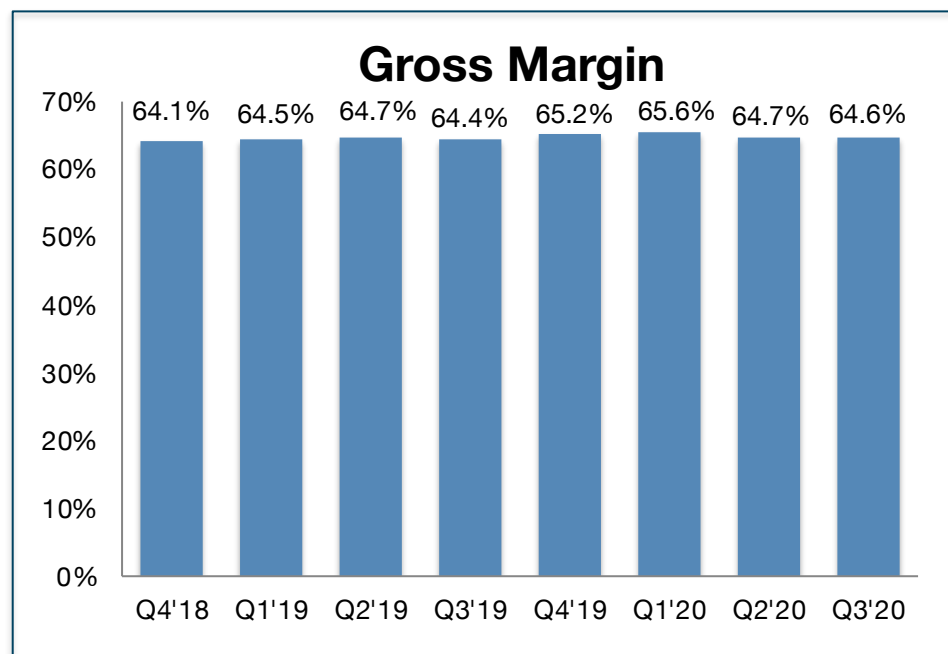
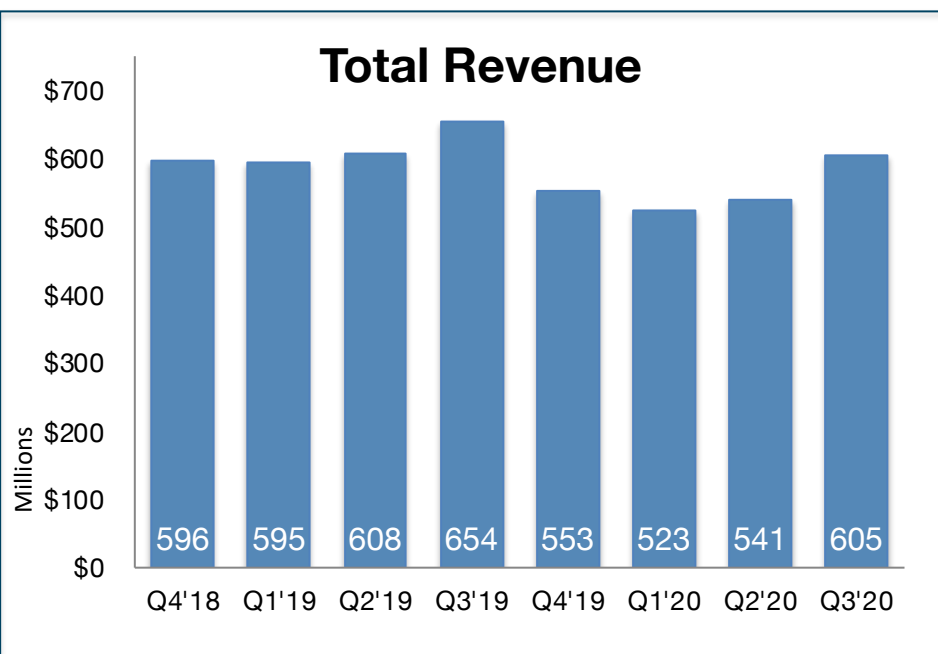
Q3'20 Revenue: \$605.4M
Q3'20 EPS: \$2.42

Q/Q Revenue Growth: 12.0%
Y/Y Revenue Growth: -7.5%

Q3'20 Gross Margin: 64.6%

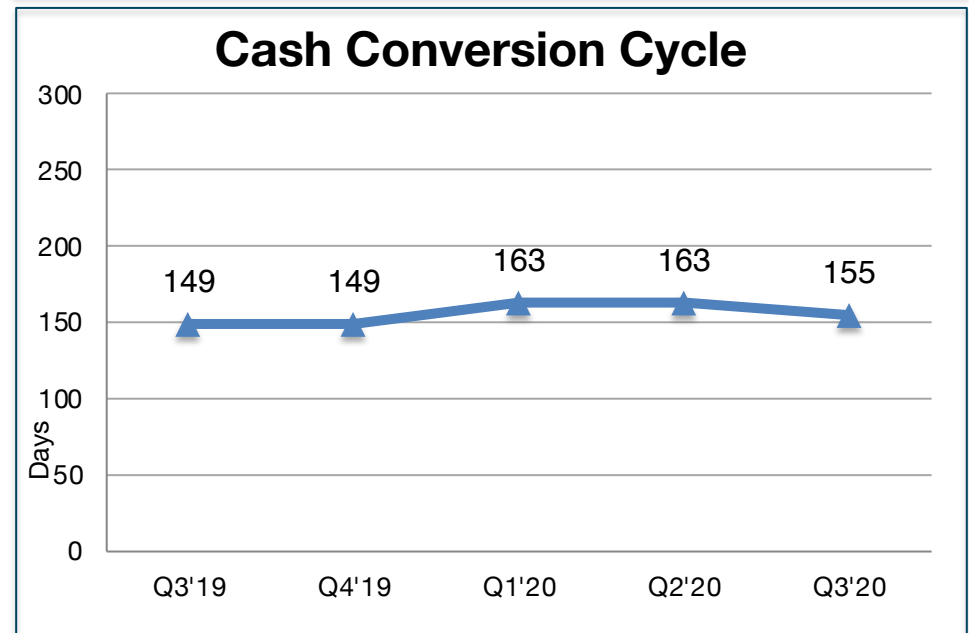
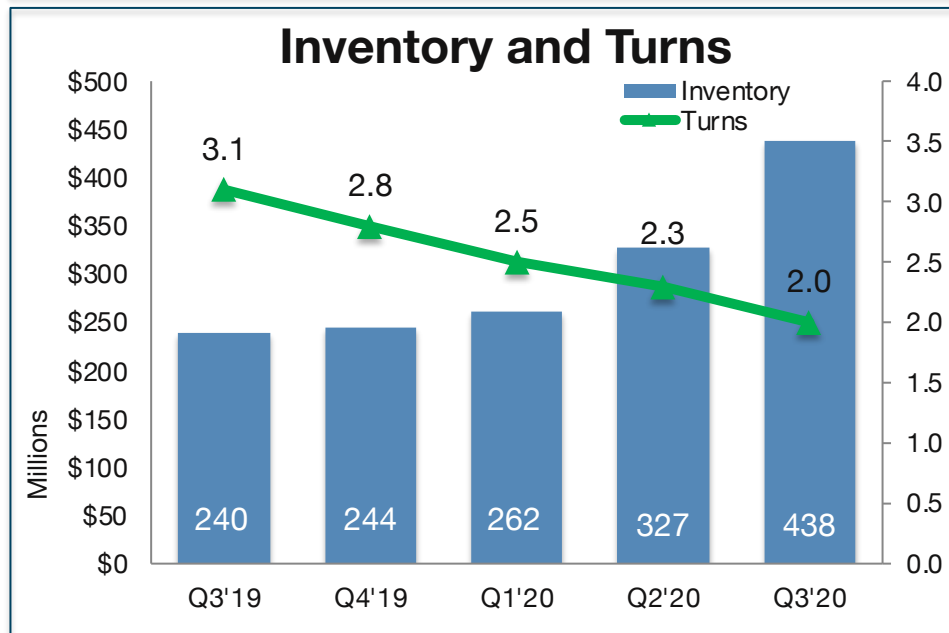
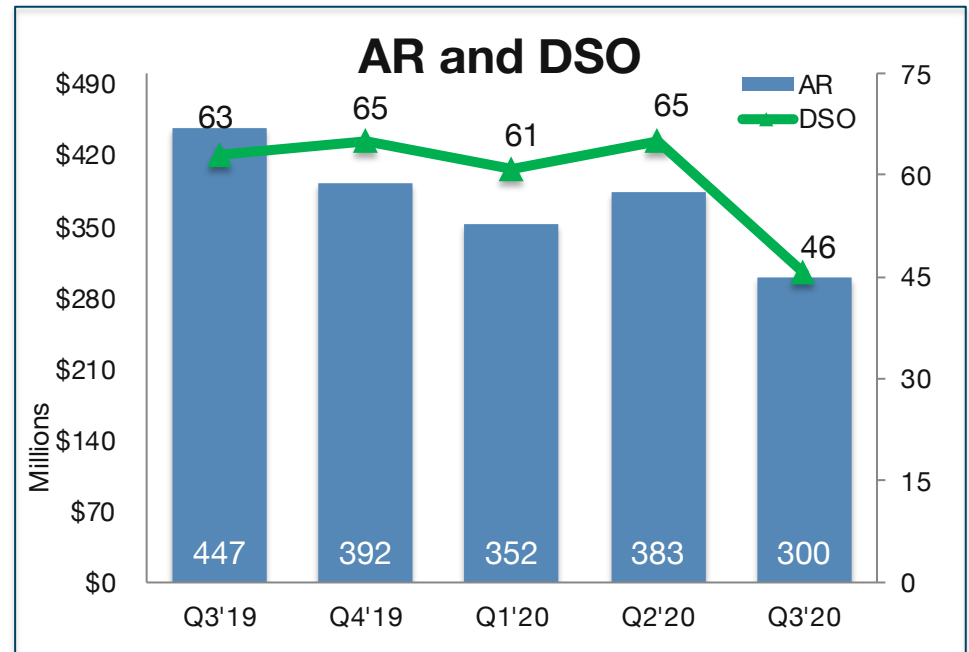
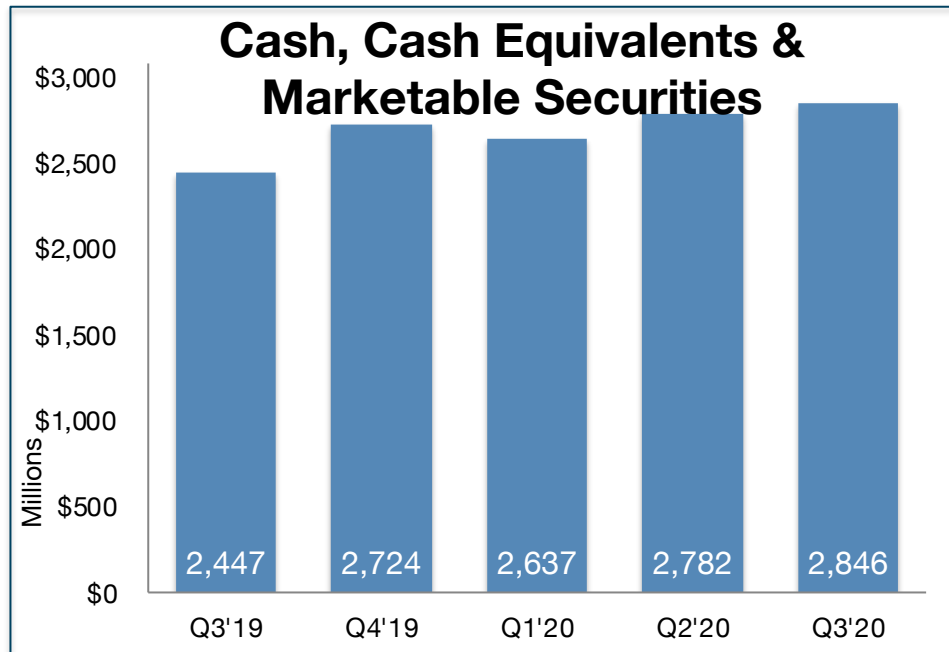
Q3'20 Operating Margin: 38.2%

Financial Highlights¹



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

Balance Sheet & Cash Conversion Cycle



Investment Highlights

Leader in Networking

CY2019 Revenue \$2.4B

6000+ Customers

Highest Operating Margin Amongst Peers

+40M Ports Shipped

Recognized Proven Leadership

Commitment to Quality with an NPS* of +76

* Net Promoter Score



Jayshree's Blog: The Next Generation of Cognitive Campus Workspaces. [Read More >](#)

FORTUNE

2019 Businessperson of the Year #18

Jayshree Ullal, CEO



Chat with Arista and Zoom CEOs



Upcoming Investor Conference Participation

Arista will participate in the following virtual conferences in November and December with the financial community:

Needham's 14th Annual Virtual Security, Networking & Communications Conference

John McCool, Chief Platform Officer

November 17, 2020

Time: TBD on Arista Networks website at <https://investors.arista.com>

New Street Research and BCG, 5G, Telco, and Applications Conference

Ashwin Kohli – SVP, Customer Engineering

November 17, 2020

Time: TBD on Arista Networks website at <https://investors.arista.com>

2020 RBC Capital Markets Global Technology, Internet, Media and Telecommunications Virtual Conference

Ita Brennan, CFO

November 18, 2020

Time: 2:00 p.m. ET / 11:00 a.m. PT

Credit Suisse 24th Annual Technology Conference

Ita Brennan, CFO

December 1, 2020

Time: TBD on Arista Networks website at <https://investors.arista.com>

Wells Fargo TMT Summit 2020

Anshul Sadana, COO

December 2, 2020

Time: TBD on Arista Networks website at <https://investors.arista.com>

UBS Global TMT Conference

Jayshree Ullal, President and CEO

December 7, 2020

Time: 4:40 p.m. ET / 1:40 p.m. PT

Barclays TMT Conference 2020

John McCool, Chief Platform Officer

December 10, 2020

Time: 1:00 p.m. ET / 10:00 a.m. PT

The Road Ahead, Preparation for 2021: MKM Partners Virtual Conference

Mark Foss, SVP Global Field Operations and Marketing

December 15, 2020

Time: 2:00 p.m. ET / 11:00 a.m. PT

Check our website for updates – investors.arista.com.

Appendix I

- GAAP to Non-GAAP Reconciliation

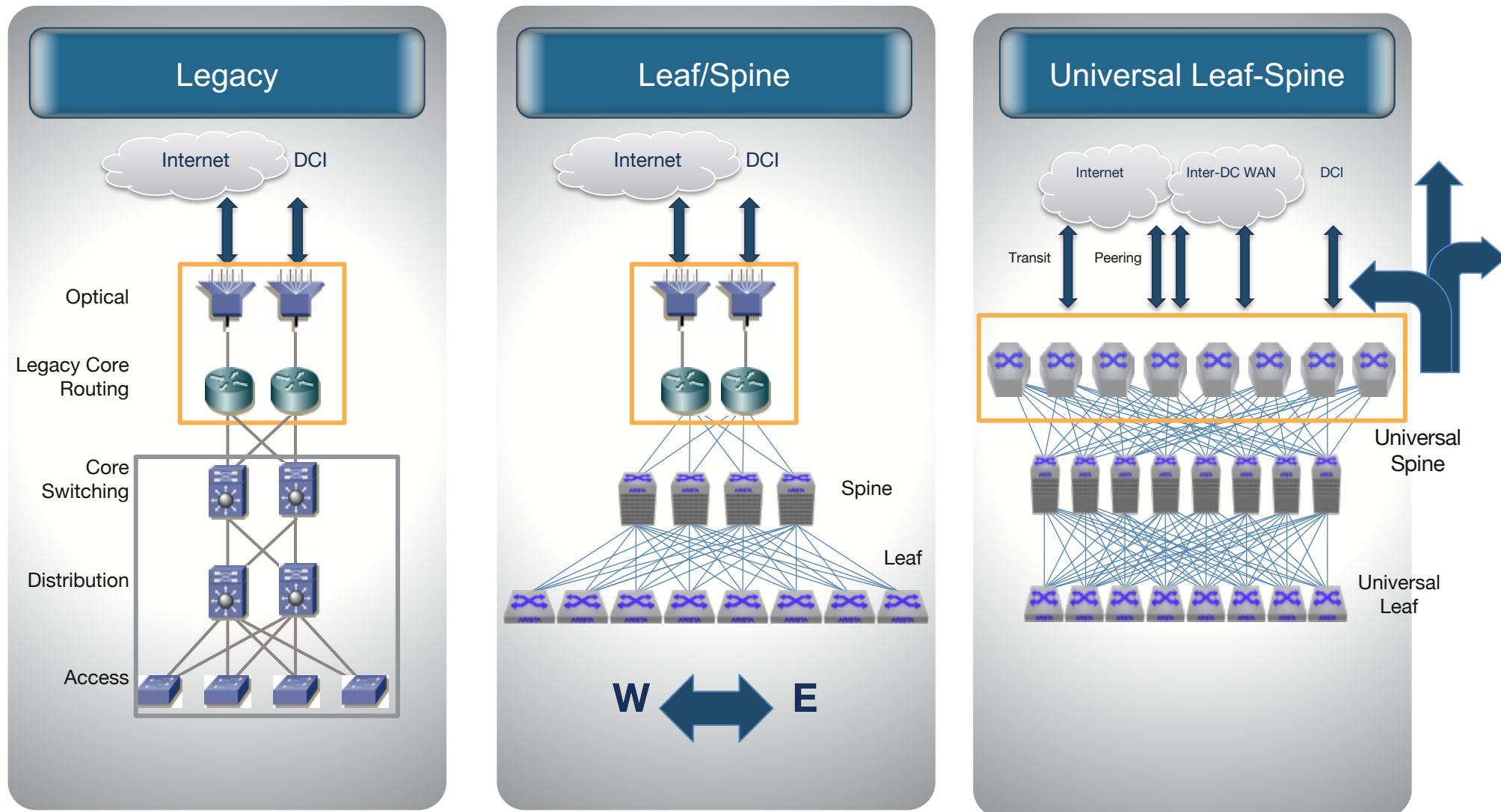
Appendix: GAAP to Non-GAAP Reconciliation

In 000's except per share data	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
GAAP gross profit	\$ 374,992	\$ 380,570	\$ 390,191	\$ 417,274	\$ 356,303	\$ 338,251	\$ 344,089	\$ 384,962
GAAP gross margin	62.9%	63.9%	64.1%	63.8%	64.5%	64.7%	63.7%	63.6%
Stock-based compensation expense	1,381	1,098	1,028	1,258	1,253	1,327	1,585	1,806
Intangible asset amortization	2,626	2,625	2,626	2,626	2,626	3,660	4,178	4,178
Acquisition-related costs	3,138	-	-	-	-	-	-	-
Non-GAAP gross profit	\$ 382,137	\$ 384,293	\$ 393,845	\$ 421,158	\$ 360,182	\$ 343,238	\$ 349,852	\$ 390,946
Non-GAAP gross margin	64.1%	64.5%	64.7%	64.4%	65.2%	65.6%	64.7%	64.6%
GAAP income (loss) from operations	\$ 193,642	\$ 194,342	\$ 206,837	\$ 228,606	\$ 175,989	\$ 149,662	\$ 166,989	\$ 188,395
GAAP operating margin	32.5%	32.6%	34.0%	34.9%	31.9%	28.6%	30.9%	31.1%
Stock-based compensation expense	24,619	24,291	24,297	26,257	26,435	27,556	32,922	36,469
Litigation expenses (benefit)	(3,988)	1,448	514	-	333	-	-	-
Intangible asset amortization	3,500	3,499	3,499	3,293	3,084	4,902	5,811	5,811
Acquisition-related costs	4,313	-	-	-	-	11,860	-	858
Non-GAAP income from operations	\$ 222,086	\$ 223,580	\$ 235,147	\$ 258,156	\$ 205,841	\$ 193,980	\$ 205,722	\$ 231,533
Non-GAAP operating margin	37.3%	37.5%	38.7%	39.4%	37.3%	37.1%	38.1%	38.2%
GAAP net income (loss)	\$ 170,322	\$ 201,029	\$ 189,251	\$ 208,895	\$ 260,692	\$ 138,431	\$ 144,793	\$ 168,375
Stock-based compensation expense	24,619	24,291	24,297	26,257	26,435	27,556	32,922	36,469
Litigation expenses (benefit)	(3,988)	1,448	514	-	333	-	-	-
Loss (gain) on investments in privately held companies	4,700	(1,150)	-	(4,277)	-	-	-	-
Intangible asset amortization	3,500	3,499	3,499	3,293	3,084	4,902	5,811	5,811
Acquisition-related costs	4,313	-	-	-	-	11,860	-	858
Altera stock-based compensation tax charge	-	-	9,781	-	-	-	-	-
Tax benefits on intra-entity IP transfer	-	-	-	-	(85,819)	-	-	-
Tax benefits on stock-based awards	(8,227)	(37,054)	(23,455)	(12,674)	(16,232)	(14,502)	(11,682)	(14,894)
Impact of the U.S. Tax Cuts and Jobs Act	(12,632)	-	-	-	-	-	-	-
Tax effect of non-GAAP exclusions	(429)	(4,333)	(5,324)	(4,391)	(5,045)	(6,555)	(4,796)	(4,624)
Non-GAAP net income	\$ 182,178	\$ 187,730	\$ 198,563	\$ 217,103	\$ 183,448	\$ 161,692	\$ 167,048	\$ 191,995
GAAP diluted income (loss) per share to common stockholders	\$ 2.10	\$ 2.47	\$ 2.33	\$ 2.59	\$ 3.25	\$ 1.73	\$ 1.83	\$ 2.12
Non-GAAP adjustments to net income (loss) per share	0.15	(0.16)	0.11	0.10	(0.96)	0.29	0.28	0.30
Non-GAAP diluted income per share	\$ 2.25	\$ 2.31	\$ 2.44	\$ 2.69	\$ 2.29	\$ 2.02	\$ 2.11	\$ 2.42
GAAP and non-GAAP weighted diluted shares	80,928	81,201	81,335	80,753	80,261	79,939	79,298	79,313
Summary of non-GAAP adjustments:								
Cost of revenue-product	\$ 6,366	\$ 3,202	\$ 3,144	\$ 3,207	\$ 3,219	\$ 4,273	\$ 4,911	\$ 5,008
Cost of revenue-service	779	521	510	677	660	714	852	976
Research and development	13,505	13,131	12,568	13,472	13,897	22,187	19,885	21,930
Sales and marketing	7,098	7,408	7,970	8,499	8,163	11,043	9,343	10,312
General and administrative	696	4,976	4,118	3,695	3,913	6,101	3,742	4,912
Other expense (income)	4,700	(1,150)	-	(4,277)	-	-	-	-
Income tax benefit	(21,288)	(41,387)	(18,998)	(17,065)	(107,096)	(21,057)	(16,478)	(19,518)

Appendix II

- Introduction to Arista's
 - Technology
 - Products
 - Competitive Differentiation

Evolution of the Universal Cloud Network Architecture



Routing is Integrated into the Universal Spine and Leaf

Proven Architectural Flexibility

Open, Programmable, Modular, Scalable

Automation,
Telemetry,
Diagnostics



CloudVision - One Tool for
Automation, Control,
Telemetry and Diagnostics



One Image, Flexible
Packaging Option

Arista EOS

Abstraction Layer

Hardware
System Design

Merchant Silicon
7 Architectures

Trident	Tomahawk
Tofino	Jericho/Qumran
Fulcrum	Xpliant Helix

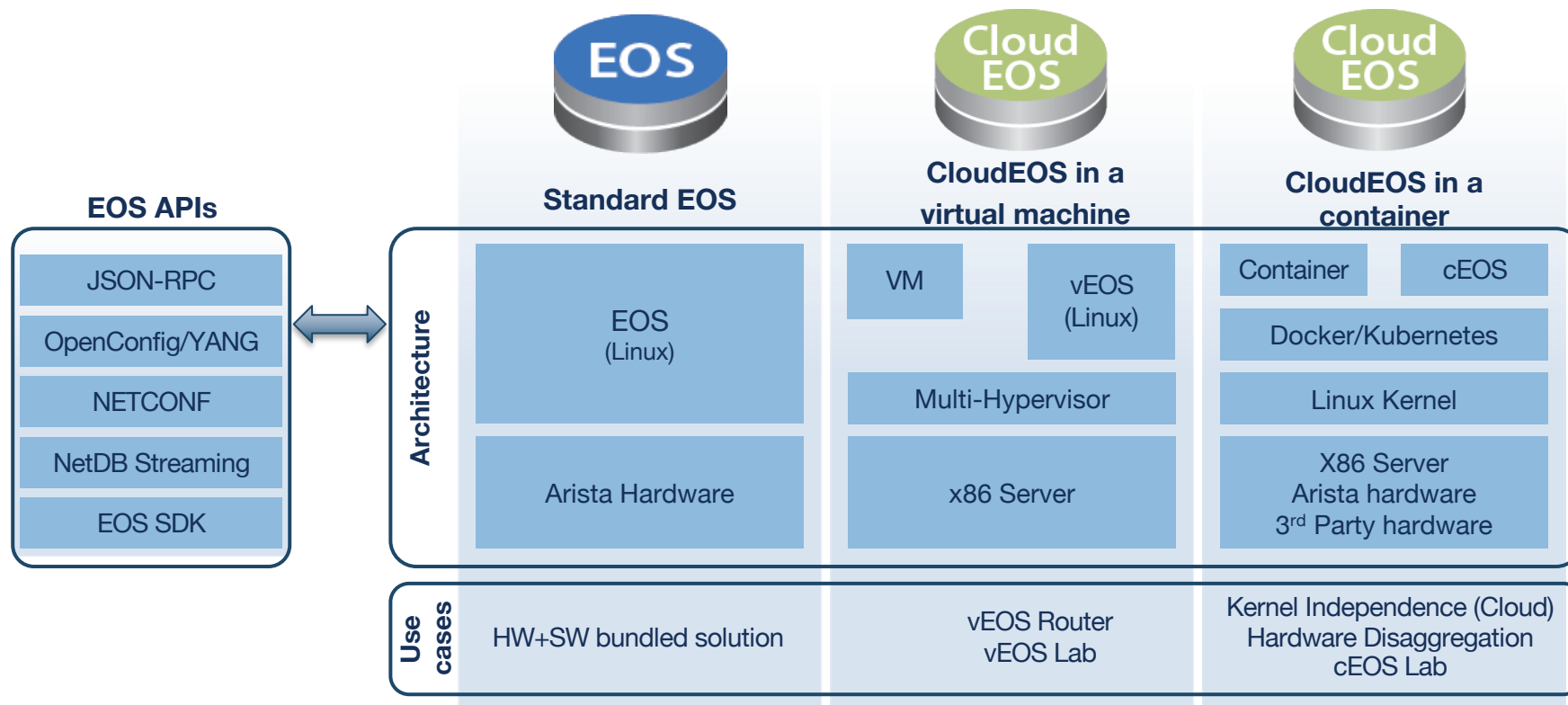


10G, 25G, 40G, 50G, 100G, 200G, 400G

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

Leading Performance
Best of Breed
Merchant Silicon

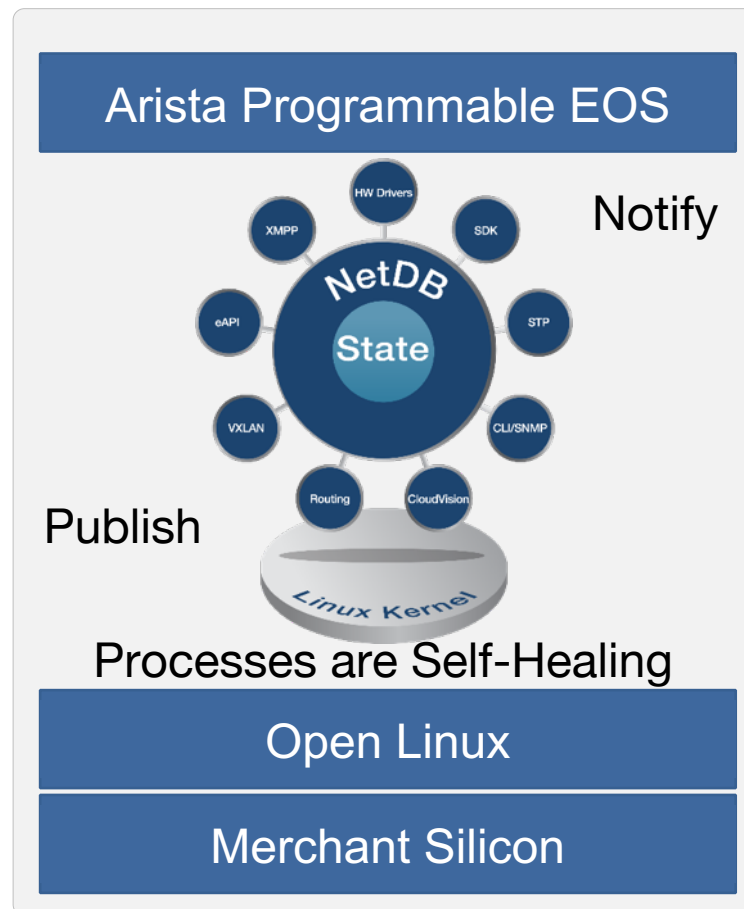
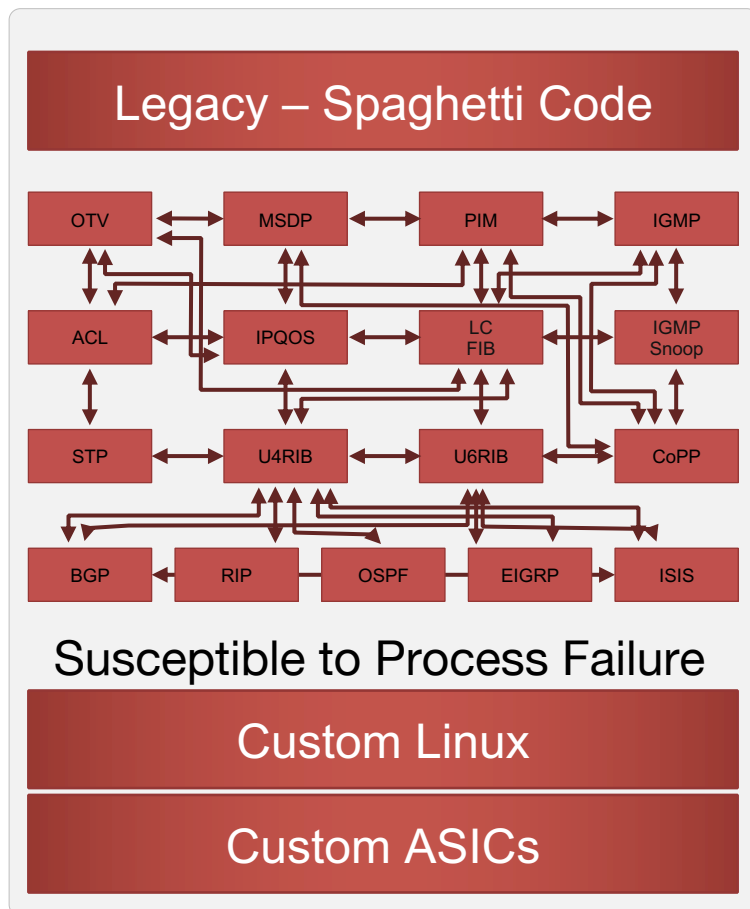
Arista's EOS offers an Open Programmable Environment with Flexible Packaging Options



EOS was built from the ground up using open Linux, a modern stateful architecture, and quality as the top priority.

Arista's Cloud Scale Software Architecture

- Differentiated Advantages
 - Stateful Orientation
 - Modern, Open, and Scalable Architecture
 - Software Quality

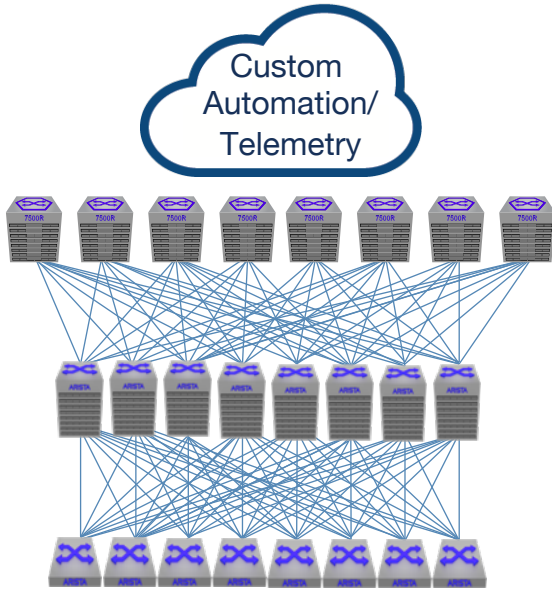


Resilient
Programmable
Scalable

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

Arista
Cloud Scale

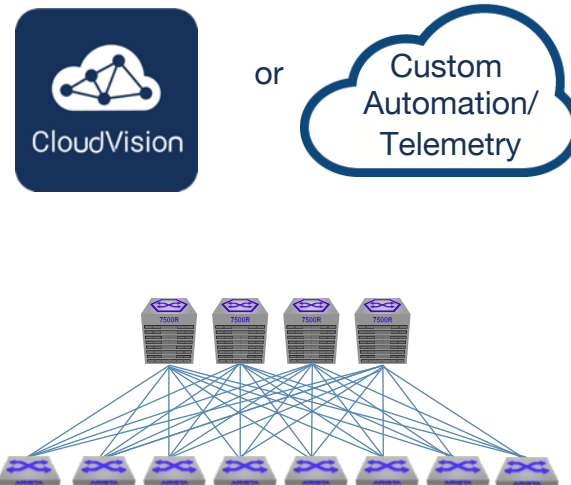
Cloud Titans



Scale and
Control Driven

Arista
Cloud Class

Key Verticals



Best of Breed
Driven

Arista
Cognitive Cloud

Enterprise



Turnkey
Driven

CloudVision: One Automation Tool – Telemetry and Analytics

Now also available as “CloudVision As-A-Service”

Automated Deployments

Zero Touch Provisioning,
Hierarchical Config, Extensibility



Real-time Telemetry

Granular state streaming for time-series
metrics, flows, and events



Change Controls

Orchestrate network-wide
upgrades, rollback and
snapshots



Cognitive Analytics

Correlations, trend analysis,
predictive algorithms across wired
and wireless state, network-wide



Compliance / Risk

Continuously assess, report, and
remediate deviations, vulnerabilities,
bugs



Security Services

Security policy enforcement,
Policy server integration, Wireless
IPS



Data Center, Campus Wired/WiFi, Public Cloud, TapAgg

Powerful Analytics Start with Rich Data



*‘Arista has helped Ramsay Health Care to reduce operational costs through **faster mean-time-to-root cause**. The Arista CloudVision platform has become **the source of truth** for our network infrastructure and is **a critical part** of the network operations at Ramsay Health Care,’*

~John Sutherland, CIO, Ramsay Health Care

Better Telemetry → Faster Time to Root Cause → Network Innocence

Cloud-Class Market Leadership Platform Portfolio



Single Image Arista EOS Across All Platforms



Thank You

www.arista.com