

ARISTA

Arista in Q4 and FY2020

Safe Harbor

Forward-Looking Statements - This presentation and accompanying oral presentation contain “forward-looking statements” regarding our business plans and objectives, our growth drivers, 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, First Quarter 2021 – Guidance, 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 cloud networking. 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; the rapid evolution of the networking market; any failure to successfully pursue new products and service offerings and expand into adjacent markets; a decline in our revenue growth rate; unpredictability of our results of operations; interruptions or delays in shipments; adverse economic conditions or reduced information technology and network infrastructure spending; intense competition; expansion of our international sales and operations; investment or acquisition in other businesses; seasonality; our ability to attract new large end customers or sell products and services to existing end customers; our ability to increase market awareness of our company and new products and services; product quality problems; our ability to anticipate technological shifts and develop products to meet those technological shifts; insufficient component supply and inventory; our ability to protect, defend and maintain our intellectual property rights; vulnerabilities in our products and failure of our products to detect security breaches our intellectual property rights; and tax, tariff, import/export restrictions; and other future events. Additional risks and uncertainties that could affect us can be found in our most recent filings with the Securities and Exchange Commission including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q. You can locate these reports through our website at <https://investors.arista.com/> and on the SEC’s website at <https://www.sec.gov/>. All forward-looking statements are based on information available to the company as of the date hereof and we disclaim any obligation to publicly update or revise any forward-looking statement to reflect events that occur or circumstances that exist after the date of this presentation.

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 have been provided in the financial statement table included in Appendix I, and investors are encouraged to review the reconciliation.

Arista Networks Overview

Q4 2020

\$648.5M

Q4'20 Revenue

CY 2020

\$2,317.5M

CY'20 Revenue

\$2.49

Q4'20 diluted EPS ⁽¹⁾

\$9.04

CY'20 diluted EPS ⁽¹⁾

37.6%

Q4'20 Operating Margin ⁽¹⁾

37.7%

CY'20 Operating Margin ⁽¹⁾

IPO 2014

June 6th

S&P 500

Added in 2018

Gartner Leader

2020 Magic Quadrant for Data Center 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

Management Team:



Jayshree Ullal
President & CEO



Andy Bechtolsheim
Chief Development Officer



Ken Duda
Chief Technology Officer



Anshul Sadana
Chief Operating Officer



Ita Brennan
Chief Financial Officer



John McCool
Chief Platform Officer



Ticker: ANET

⁽¹⁾ Non-GAAP

Key Secular Trends Driving Network Transformation



**DIGITAL
TRANSFORMATION**



**STREAMING MEDIA
SURGE**



**SECURE ACCESS
SERVICE EDGE**



REMOTE WORK



IOT/OT PROLIFERATION



5G & AI APPS



CLOUDIFICATION

MANDATES A Relevant Network

Data-Driven Network Demands



DIGITAL TRANSFORMATION



STREAMING MEDIA SURGE



SECURE ACCESS SERVICE EDGE



REMOTE WORK

SW BASED

ZERO
TRUST

AI/ML

QUALITY
SUPPORT

OPEN &
PARTNER
ENABLED

AGILE

AVAILABLE

AUTOMATED

ANALYTICS

API



IOT/OT PROLIFERATION



5G & AI APPS



CLOUDIFICATION

The New Mandate is Arista's Cognitive Cloud Networking



DIGITAL TRANSFORMATION



STREAMING MEDIA SURGE



SECURE ACCESS SERVICE EDGE



REMOTE WORK



IOT/OT PROLIFERATION



5G & AI APPS



CLOUDIFICATION

Arista's Disruptive Innovation - 2021 Analyst Perspective

“...**Arista**, an AI **Data** Driven Company that delivers its value through the **Network**...”

“...**Arista's** ability to unify the **network** and see the **data** end to end creates a sustainable competitive advantage...”

“...**Security** and **Networking** have come together and **Arista** has jumped into this market at the right time...”



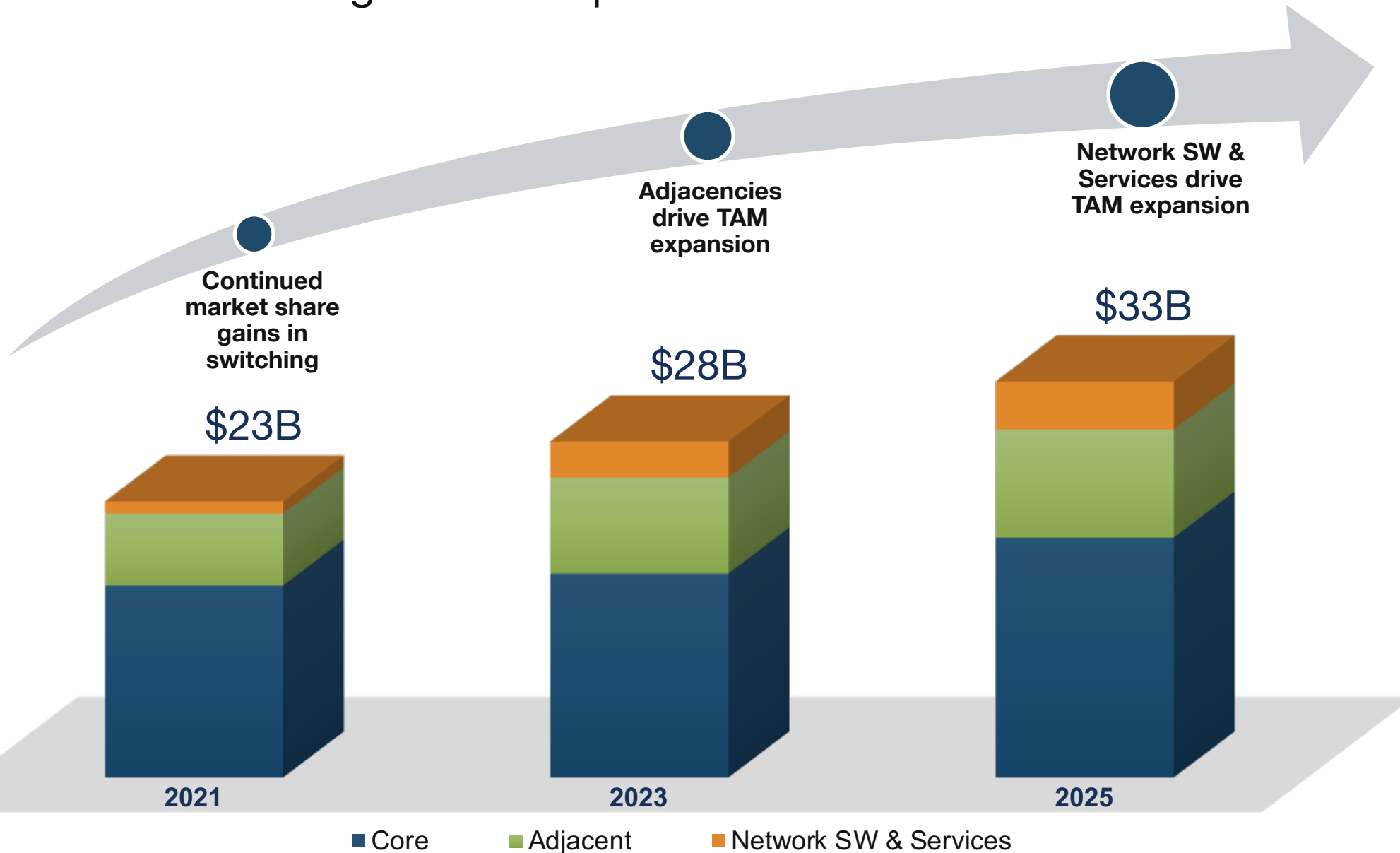
<https://www.youtube.com/watch?v=4wYLCvVHei8&feature=youtu.be>



Arista's Business Opportunity

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

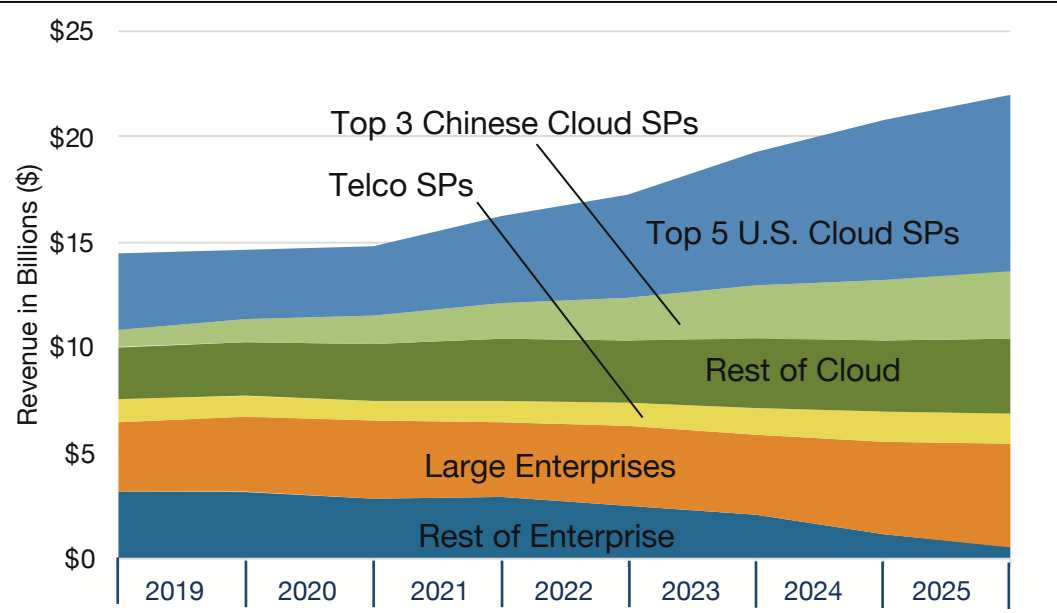
Cloud Networking Market Expansion



Source: Arista's internal estimates and various industry analysts

Switching Market Opportunity

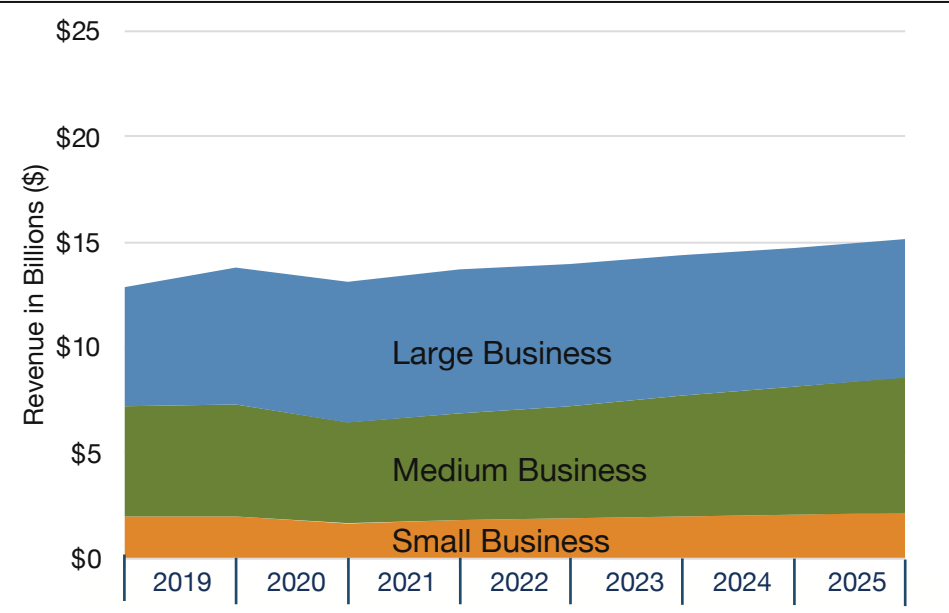
Data Center Ethernet Switch Revenue



Source: 650 Group Ethernet Switch Data Center Forecast January 2021

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

Campus Ethernet Switch Revenue



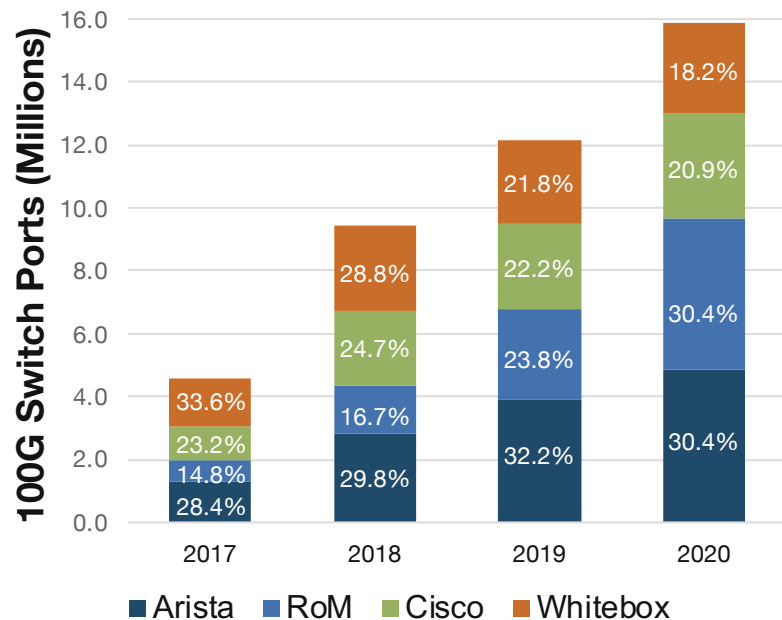
Source: 650 Group Campus Ethernet Market Forecast January 2021

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

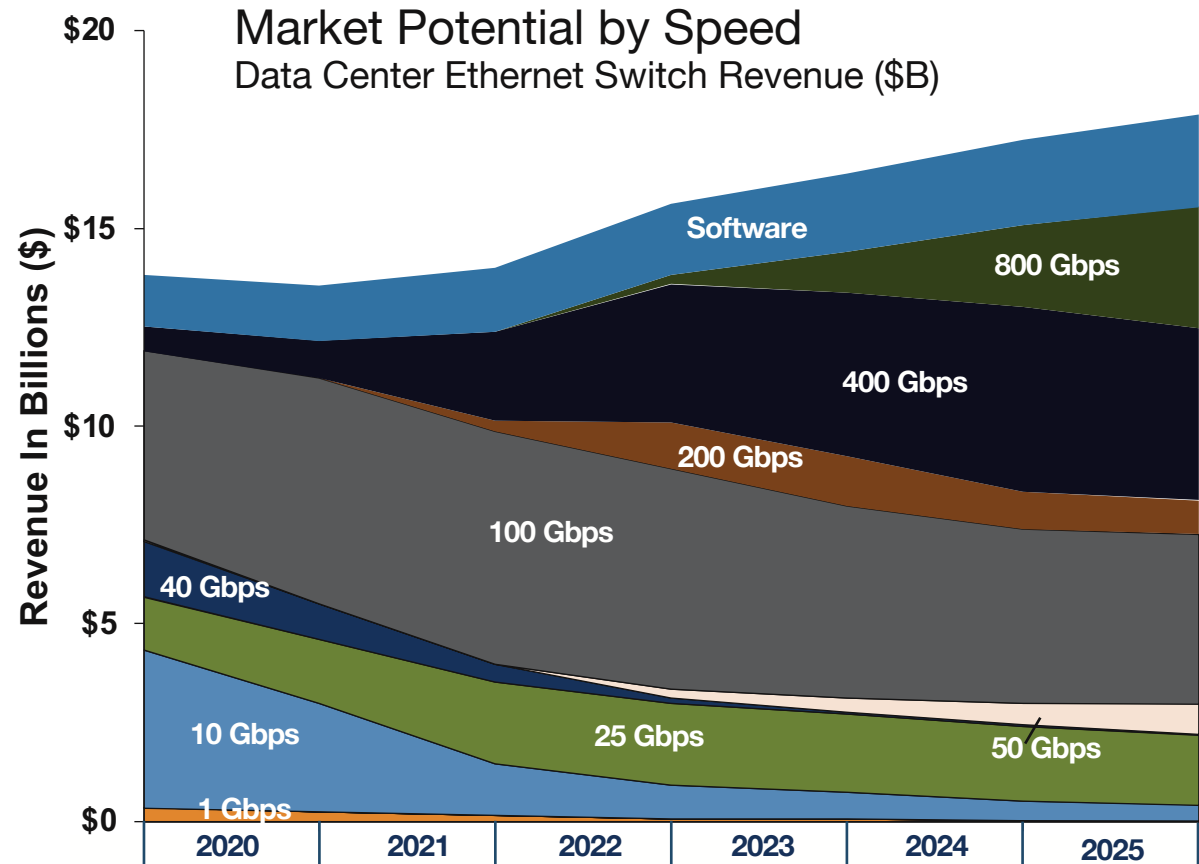
Data Center Switching Market Opportunity by Speed

Arista is the 100G Market Share Leader in Ports

100G Ethernet Switch Ports
Market Share Q4'2020



Source: Dell'Oro Ethernet Switch Data Center
Total Vendor Tables – Q4'2020

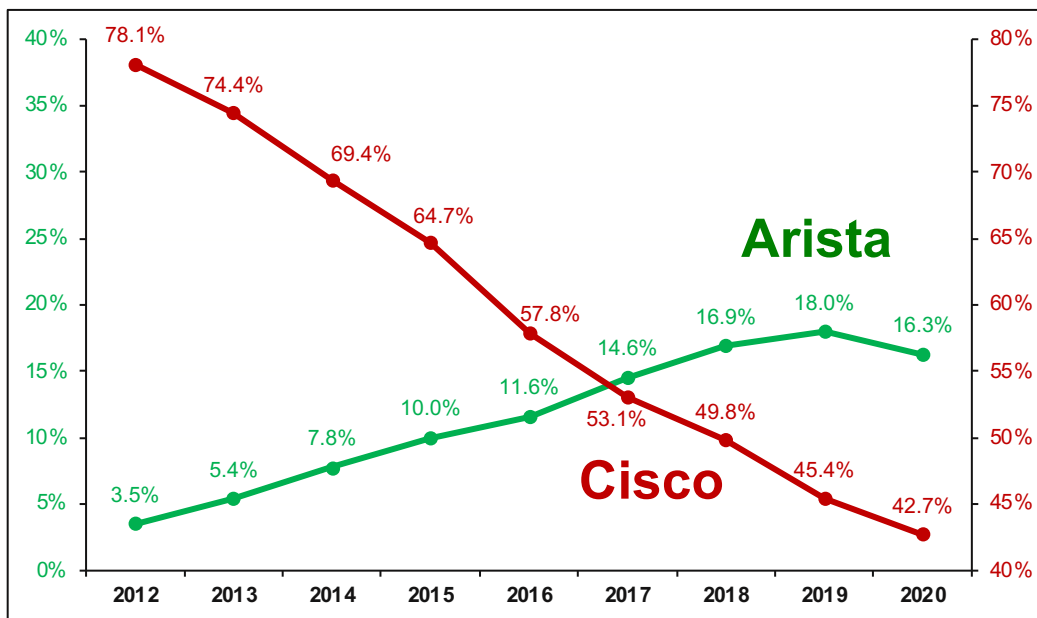


Source: Dell'Oro January 2021 - Long Term Ethernet Switch Forecast

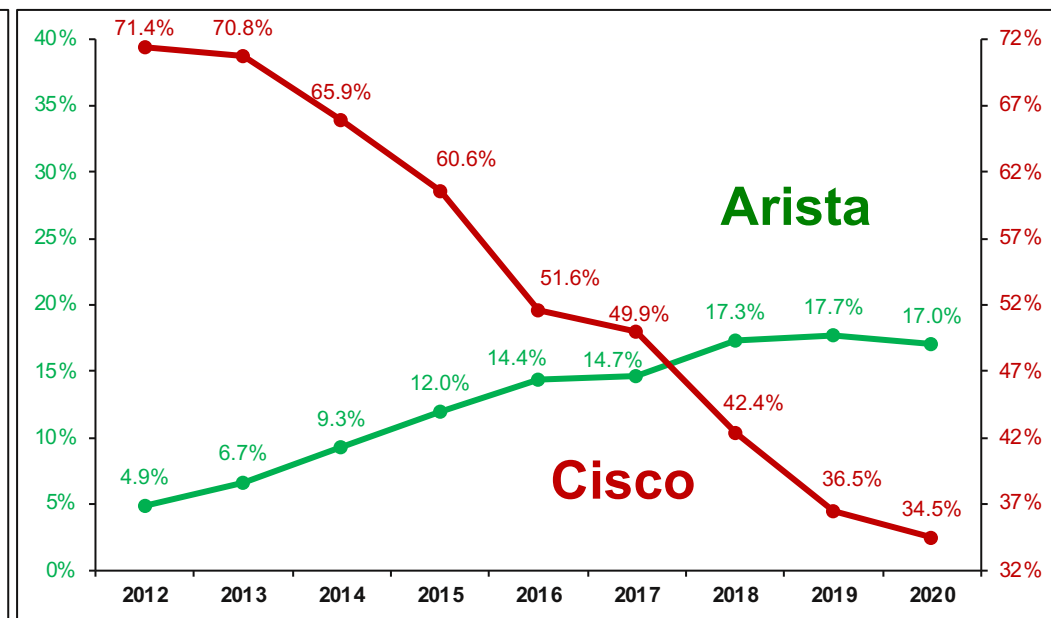
Arista Market Share vs Cisco

High Speed Data Center Switching Market

Share in Dollars



Share in Ports



Source: Crehan Research Datacenter Switch Market Share Report Q4'2020

Note: 10GbE and Higher - Excludes blade switches

The Software Driven Cloud Networking Company



Arista CloudVision®

Network Automation
Simplicity

Complete Network Telemetry

Technology Partner Centric

One Network Management System



Arista Extensible Operating System (EOS®)

Trusted by 7000+
Customers

Highest Quality Network
Operating System

Complete Switch &
Router Capabilities

Full Programmability

One Network Operating System

Edge



WAN



Campus Network



Data Center



Cloud Native



Private Cloud



Public Cloud



For All Places In the Cloud (PICs)

AWAKE

Full Packet Capture
& Autonomous
Detection

AI Enabled Threat
Hunting w/
Federated ML

DMF – DANZ
Monitoring Fabric



Service



Analytics



Recorder

Our Mission

Best cognitive cloud networking for private, public and hybrid cloud-first principles

Why 7000+ Customers Choose Arista

➤ 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



Control
Plane

Management
Plane

Data
Plane

Leaf-Spine for DC, Cloud, Wired/Wireless

Major Verticals	Emerging Verticals
• Cloud Titans • Enterprise • Financial Services • (CSP) Cloud Specialty Providers/Tier 2 Cloud • (SP) Service Providers	• Media & Entertainment • Government • Health Care • Education • Oil and Gas • Research Labs

"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

Five Star Customer Reviews


[Link](#)

**"Arista Is The New BEST
Choice For Your
Datacenter And Network!"**

Sr. Network Administrator
Finance Industry


[Link](#)

**"I wish all network vendors
were this forward looking!"**

Data Center Engineer
Services Industry


[Link](#)

**"Overall, we feel that we
gained the functionality of
a newer forward-looking
vendor without sacrificing
what we already new."**

Systems Administrator
Education Industry


[Link](#)

**"Arista works and has been
reliable for our company"**

Sr. Network Administrator
Manufacturing Industry


[Link](#)

**"A Leader In The Field,
Added Features And
Simplicity At The
Reasonable Price."**

Regional Manager
Manufacturing Industry


[Link](#)

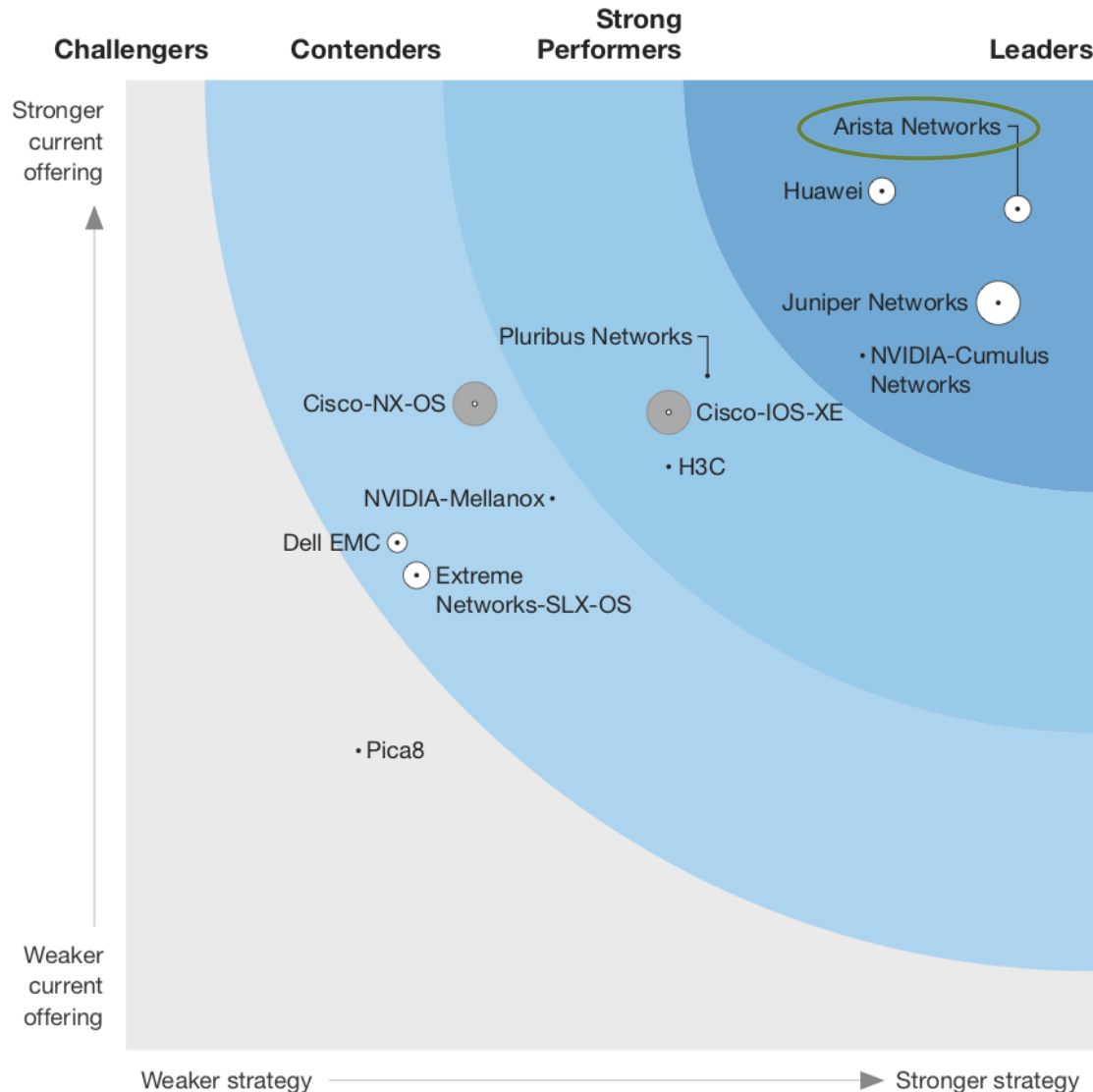
**"Cloud Vision Portal and
EOS eAPI are a winning
combination"**

Systems Administrator
Finance Industry

This is the sixth consecutive year Arista Networks has been recognized in the Leaders Quadrant of the 2020 Gartner Magic Quadrant for Data Center Networking published on 30 June 2020

Forrester, and TechValidate Net Promoter Score Recognition

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



% PROMOTERS - % DETRACTORS = 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-045-6D6

ARISTA

TechValidate
by forrester

[Link to Techvalidate Report](#)

[Link to the Forrester Report](#)

*A gray bubble indicates a nonparticipating vendor.

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Arista CY2021 Initiatives

1

Double Digit Revenue Growth

- Data Center, Campus, Routing, SW & Services

2

Deliver on New Target Markets

- Grow Market Share in Enterprise & Campus
- Increase Software Value

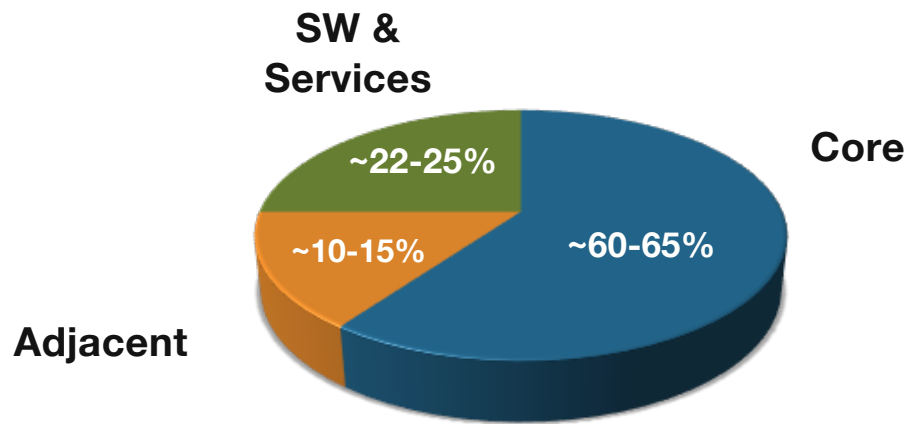
3

Continue Operational Excellence

- Industry leading operational efficiency

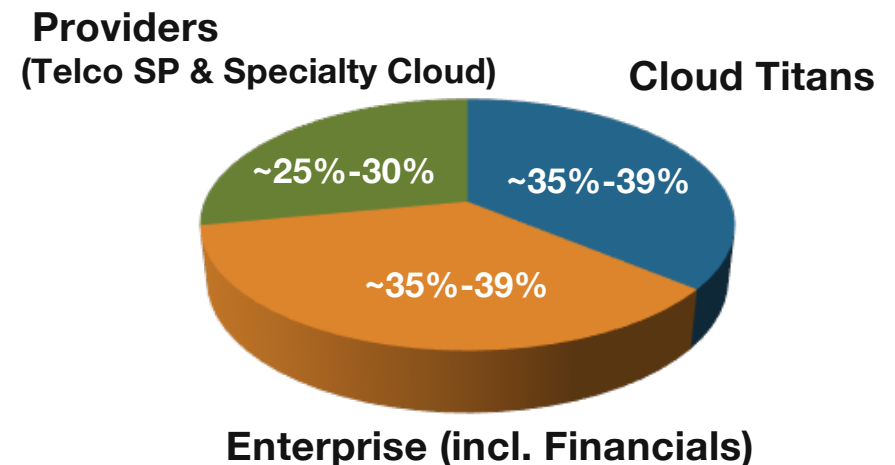
Product and Market Sector Contributions

Product Trends*

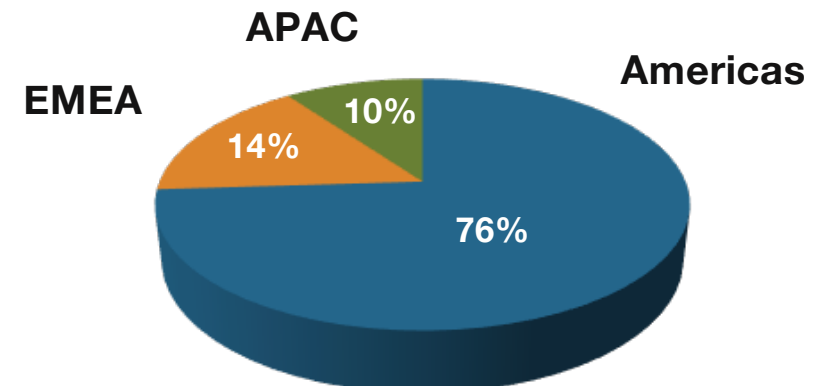


Core – Data Center Switching
 Adjacent – Routing & Campus
 SW & Services – Awake, DMF, CV, Services

Market Sector Trends*



Geographic Mix FY2020



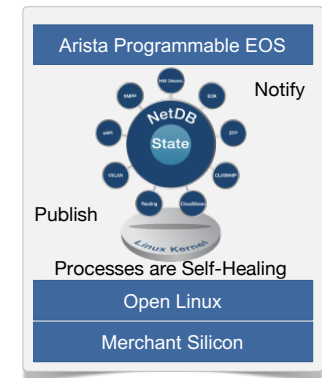
*Management estimates of expected quarterly business mix trends over-time

Arista's Portfolio Focus

- > Core
- Adjacent
- Network Software and Services

Core Leadership in Data Center and Cloud Networking

1. **Arista Extensible Operation System (EOS)** - Arista delivers perhaps the only and most modern, most reliable, differentiated programmable network operating system in the industry with a state driven architecture
2. **Merchant Silicon** - Arista is unrivaled in its leverage of merchant switching silicon, which has proven to deliver superior integration, performance, delivery, and power efficiency across multiple families
3. **Best of Breed Systems**- Arista continues to lead the industry with the best of breed, fully featured, most reliable next generation switching systems, built on a proven track record with one EOS and many platform variants



Comprehensive 400G/200G/100G Platforms

Leaf & Spine
High Network Radix



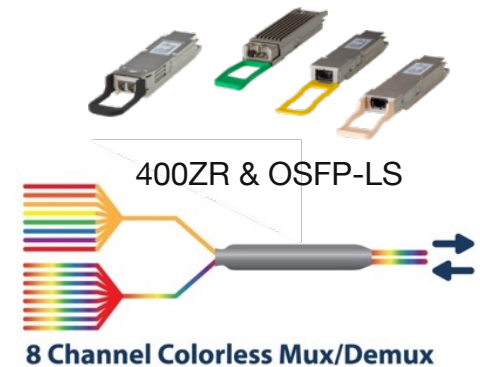
7368X4
Up to 128 x 100G
32 x 400G OSFP, QSFP-DD



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



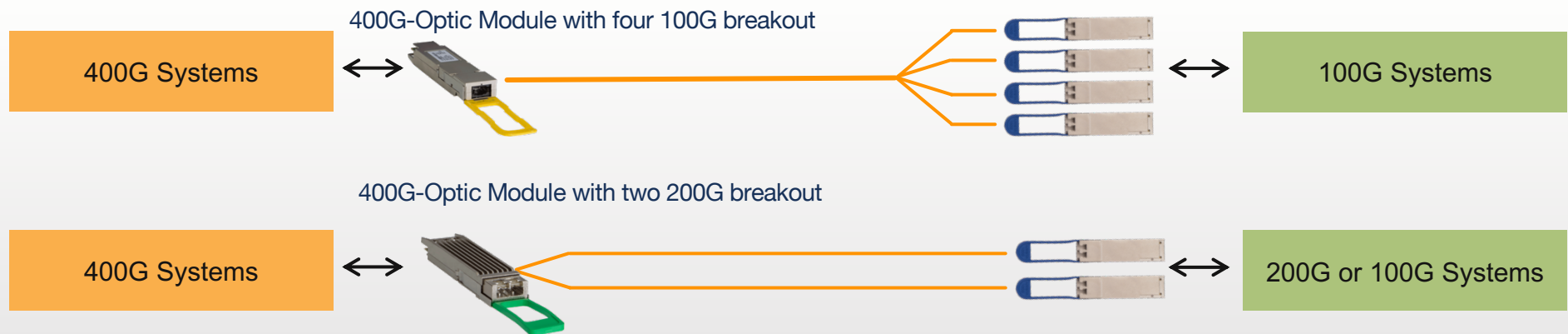
7500 R3
Up to 230Tbps
288 x 400G ports
24 x 400G, 36 x 100G LC
Wirespeed, 2.5M Routes



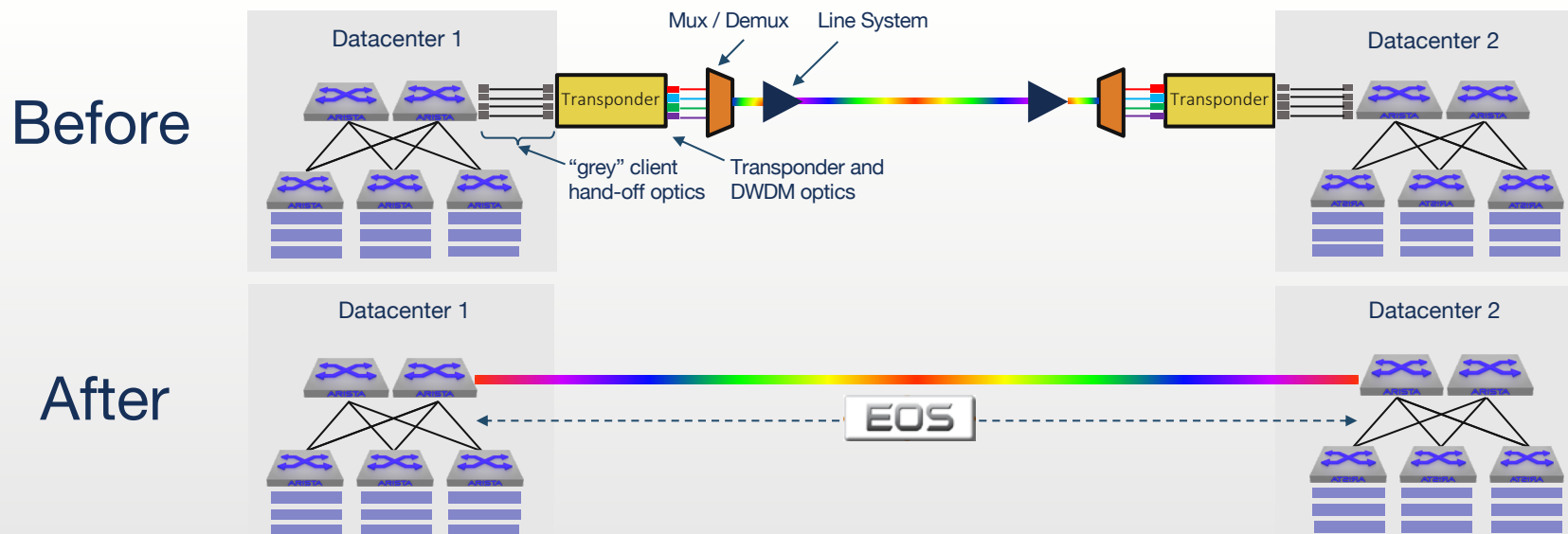
7800 R3
Up to 460Tbps
576 x 400G ports
36 x 400G, 48 x 100G LC
Wirespeed, 2.5M Routes

Early 400G Deployments

- 400G platforms offer high density cost effective 100G/200G with breakouts



- 400G for DCI leveraging ZR/ZR+ Optics, and OSFP-LS



Arista's Portfolio Focus

- Core
- > Adjacent
- Network Software and Services

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

Campus in Modern Healthcare

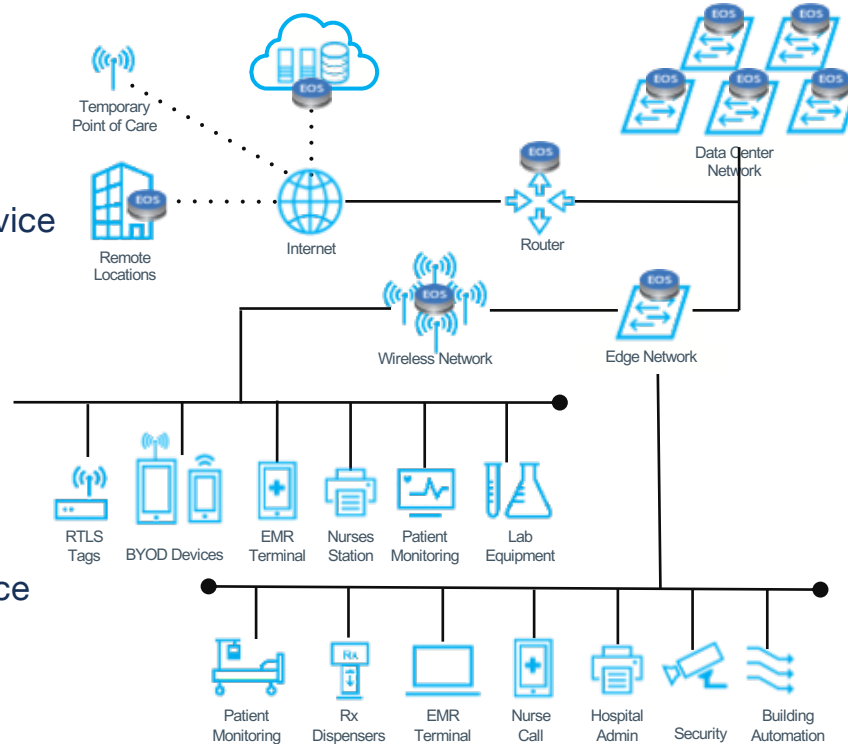
Identity, Segmentation, and Threat Hunting



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

R-Series: Universal Spine and Leaf for Flexible Routing Options from 10G to 400G

Modular



Arista 7800R Series

High Performance Routers
100G and 400G, Dynamic Deep Buffer
Universal Spine and Carrier Core
Optimized for Routing and Storage



Arista 7500R Series

High Performance Routers
10G to 400G, Dynamic Deep Buffer
Universal Spine and IP Storage
Optimized for Routing and Storage

Fixed



Arista 7280R Series

High Performance Routers
10G to 400G, Dynamic Deep Buffer
Universal Leaf and Spine
Optimized for Routing and Storage

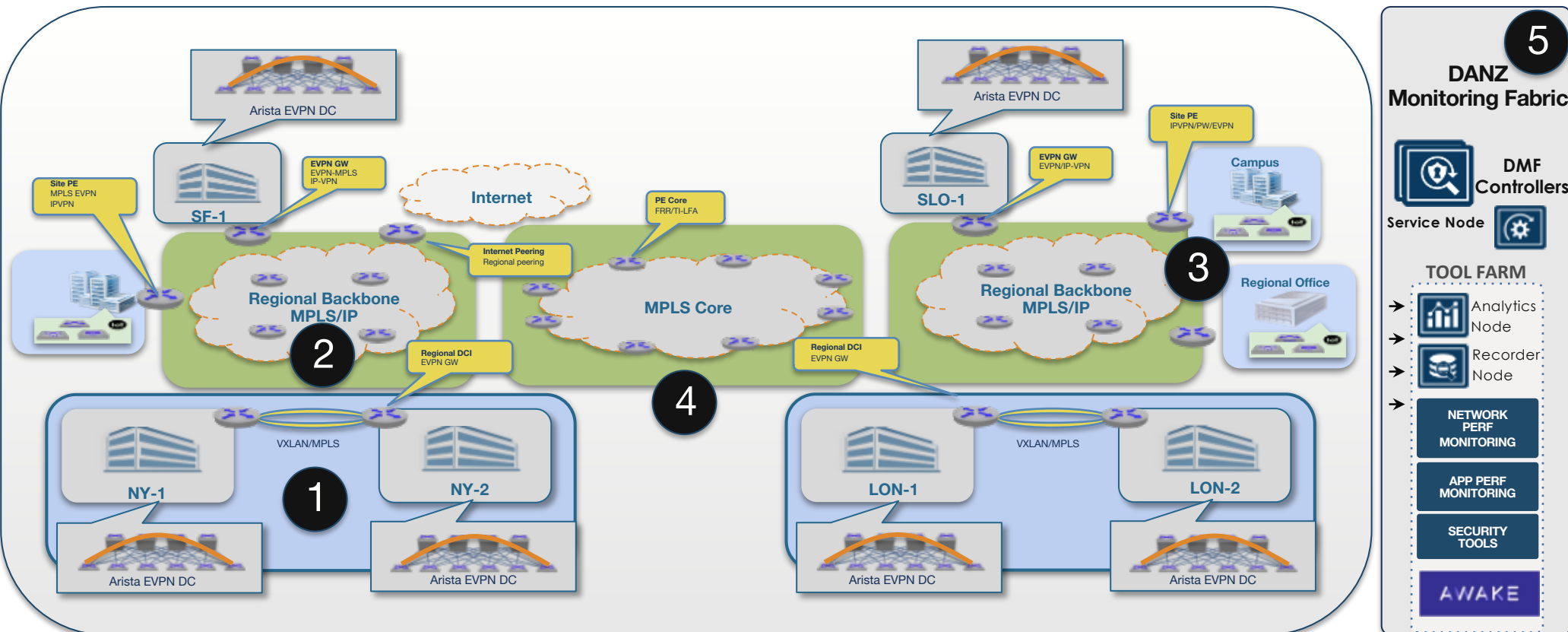


Arista 7020R Series

High Performance Routers
1G/10G with 100G uplinks, Dynamic Deep Buffer
Universal Leaf
Optimized for Edge Routing and Compute

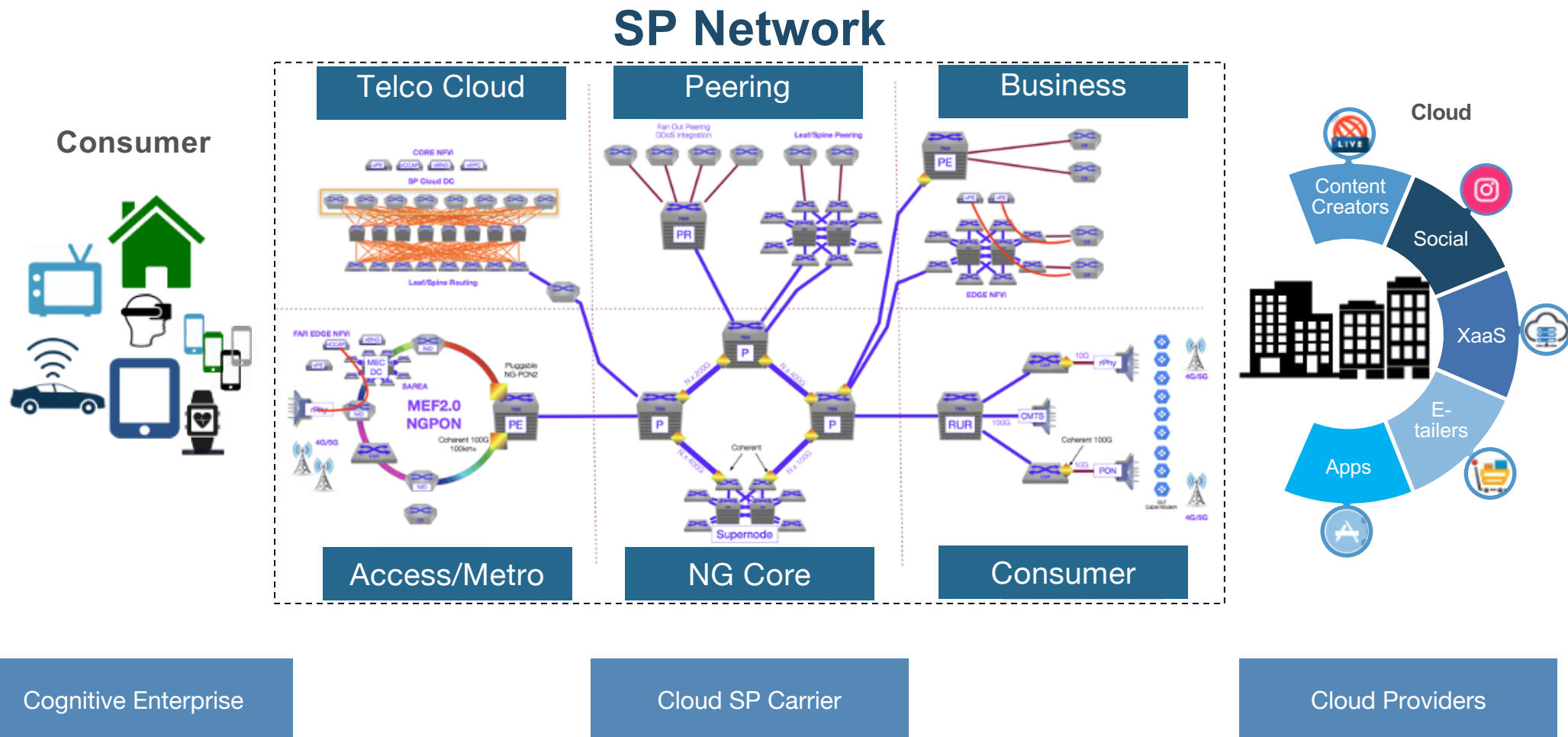
Arista's Cloud-Grade Routing For Enterprise

- 1 Data Center Interconnect
- 2 WAN Edge
- 3 Data Center Edge
- 4 Backbone
- 5 DANZ Monitoring Fabric



One EOS, One CloudVision, Integrated Switching & Routing
Modern Universal Spine Cloud Architecture

Arista's Cloud-Grade Routing For Service Provider



Expanding our Routing Leadership In Cloud Networking to SP

Arista's Portfolio Focus

- Core
- Adjacent
- > Network Software and Services

Network Software and Services



CloudVision – Automation Tool for Configuration and Management of Wired and Wireless networks, Collects Streaming Telemetry from EOS State Database for End to End Network Visibility

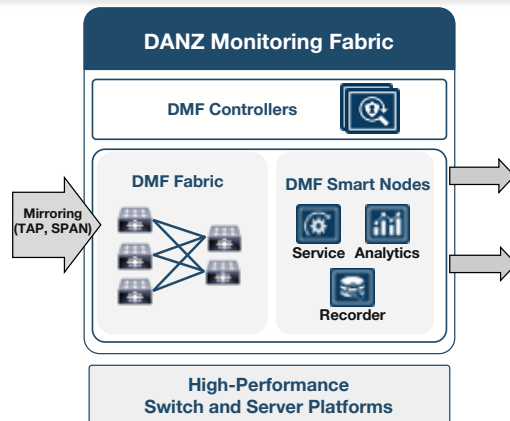


Cloud EOS – Virtualized/Containerized version of EOS for hybrid multi-cloud networking. Running on Amazon AWS, Microsoft Azure, and Google public clouds via their marketplace and service catalogs.

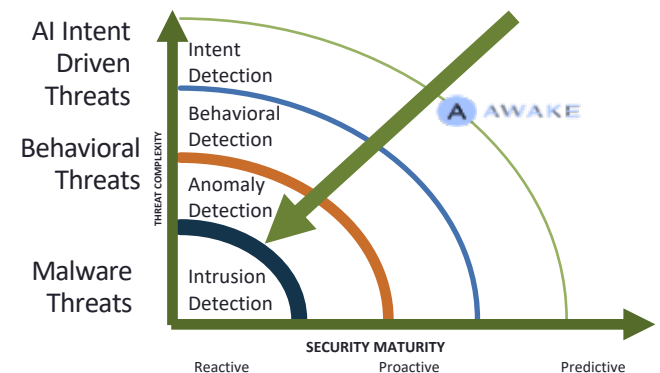
Arista

A-Care

Arista A-Care – Software updates, features and break/fix troubleshooting. Powered by Arista AI ops toolset designed to speed problem identification and resolution.

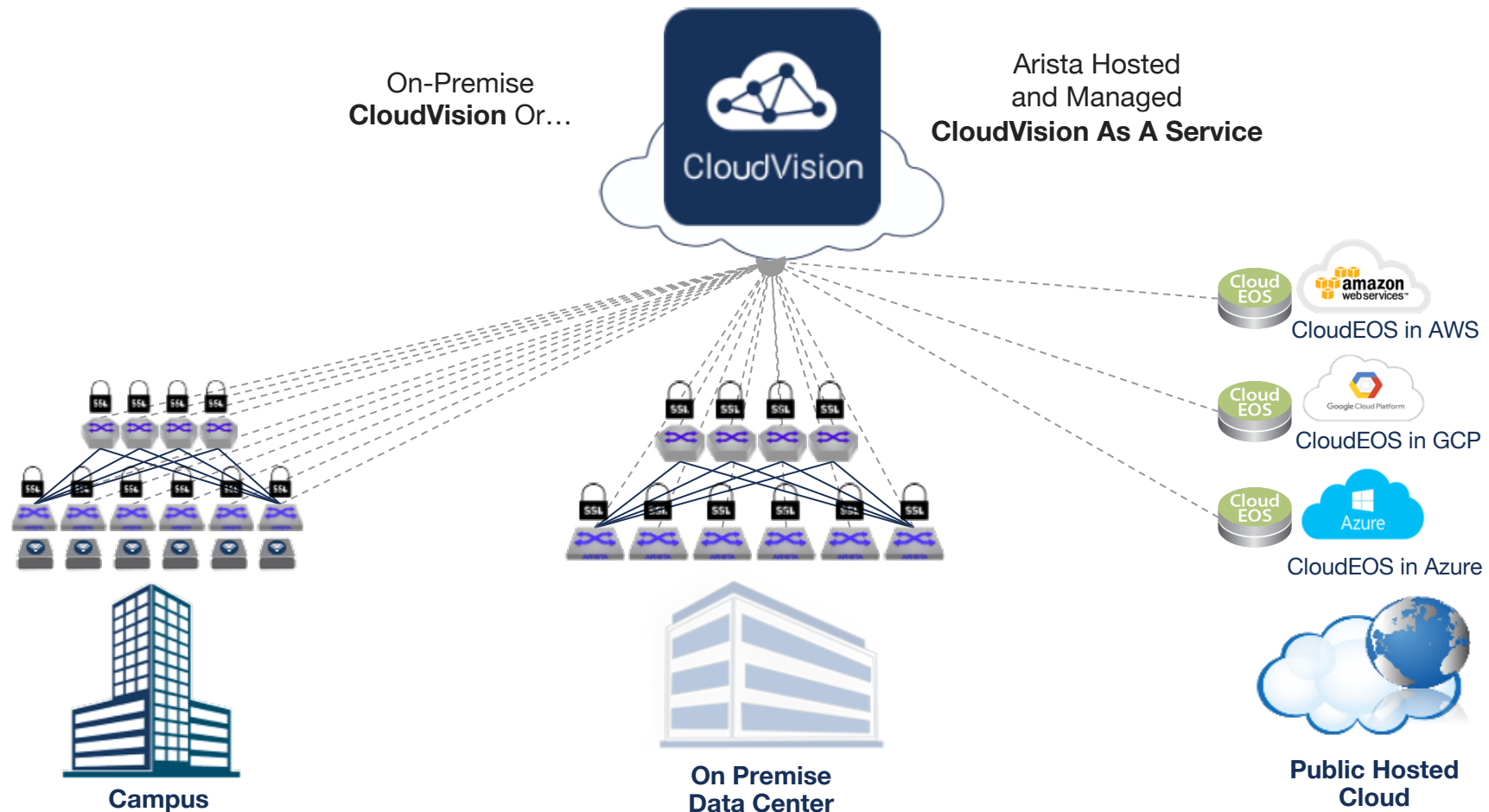


DMF – DANZ Monitoring Fabric – Network Monitoring, Analytics, and Recording, for Capturing Data inside the network



Awake Security – Network Detection and Response – NDR - Proactive Network based machine learning technology to identify an attacker based on their intent versus merely looking at indicators of an attack

CloudVision 2021 – Wired, Wireless, and Public Hosted Cloud



**Automation Tool & Real Time Telemetry from EOS State
For Client to Cloud Network Visibility**

Awake Security

AI Driven Network Detection & Response (NDR)

AWAKE SENSORS

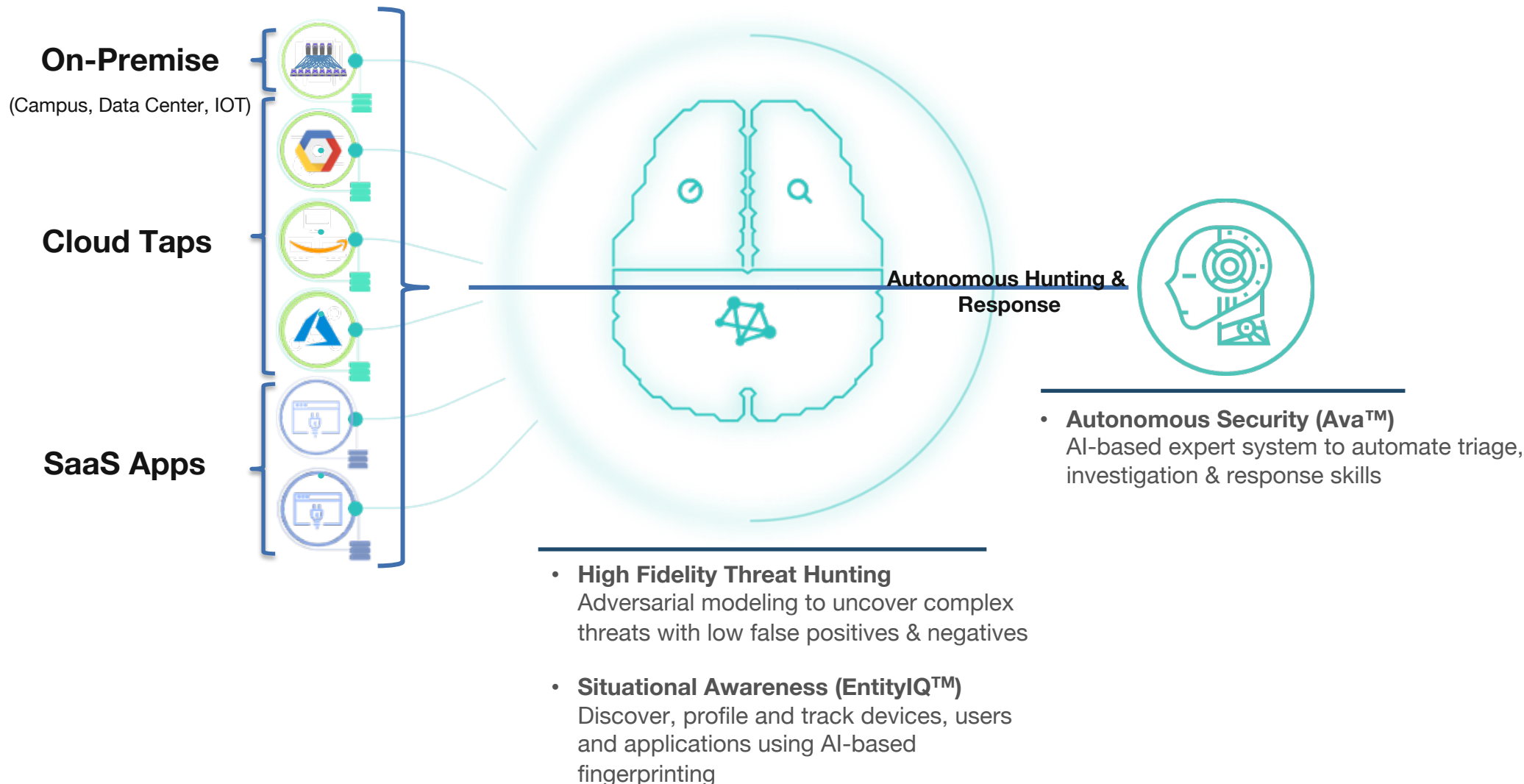
(Full Packet Analysis)

AWAKE NUCLEUS

(Cloud or on Premise)

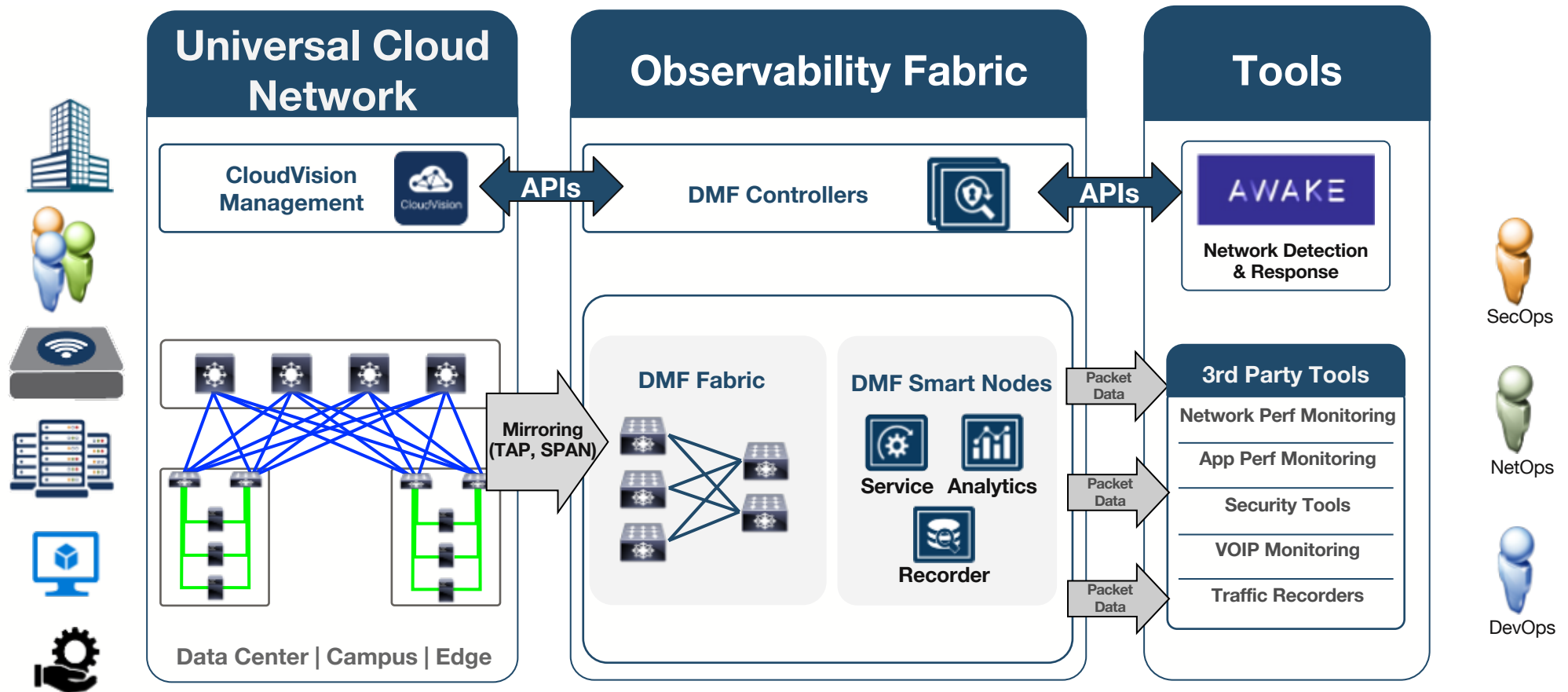
AWAKE EXPERT SYSTEM

“Ava”



DANZ Monitoring Fabric

Multi-Domain Networking, Observability and Security



Delivering Modern, Cloud-inspired Solutions for Enterprises

Business Goals & Q4 Financial Metrics

Key Highlights and Financials for Q4 and Full Year 2020

Key Highlights

Q4-2020:

- [Arista announced the 750 Series](#) – Arista expands its Cognitive Campus portfolio with the new 750 Series modular chassis for enhanced security solutions and simplified automation workflows.
- [Arista Delivers Network Observability with DANZ Monitoring Fabric](#) - Arista announced a network observability software, DANZ Monitoring Fabric (DMF), on Arista switching platforms for enterprise-wide traffic visibility and contextual insights.
- [Arista Unveils Attack Surface Assessment Service](#) – Arista announced an Attack Surface Assessment, an advanced security service delivered through the recent acquisition of Awake Security.

Full Year 2020:

- Arista Networks [announced that it has acquired Big Switch Networks](#), a network monitoring and SDN (Software Defined Networking) pioneer.
- [Arista Networks Announced Optical Line System for 400G](#) – The Arista OSFP-LS is a highly compact, low power and cost-effective solution for increasing bandwidth between data centers without the need for external optical line systems.
- Arista Networks recognized as a leader in [The Forrester Wave™: Open, Programmable Switches for A Businesswide SDN, Q3 2020](#) with the top score in the strategy category.
- This is the sixth consecutive year Arista Networks has been recognized in the Leaders Quadrant of the 2020 Gartner Magic Quadrant for Data Center Networking published on 30 June 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.

Financial Results (non-GAAP)¹

Q4-2020:

Q4'20 Revenue: \$648.5M

Q4'20 EPS: \$2.49

Q4'19-Q4'20 Y/Y Revenue Growth: 17.4%

Q4'20 Gross Margin: 65.0%

Q4'20 Operating Margin: 37.6%

Full Year 2020:

FY'20 Revenue: \$2,317.5B

FY'20 EPS: \$9.04

FY'19-FY'20 Y/Y Revenue Growth: -3.9%

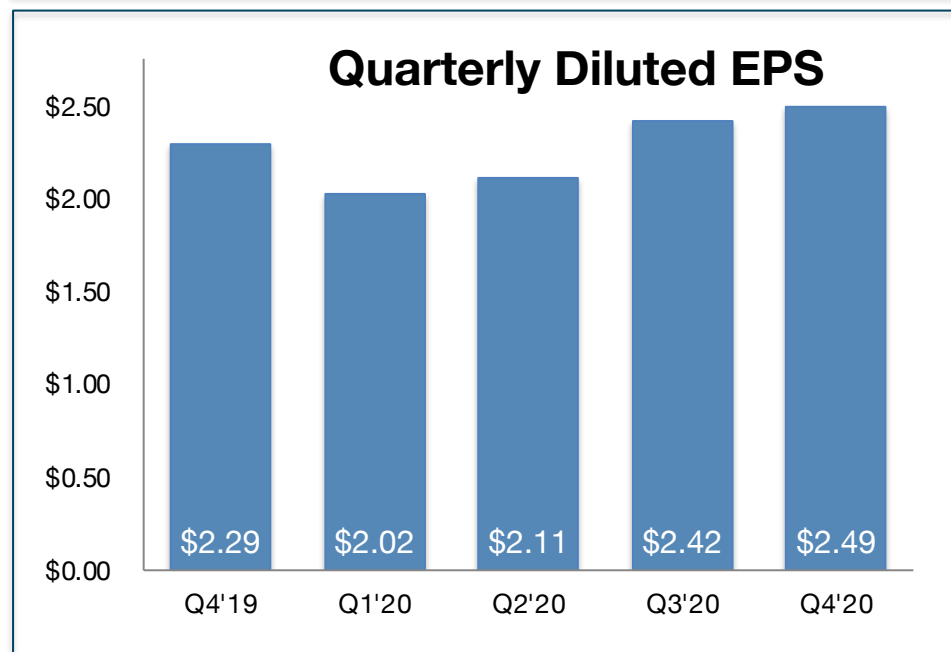
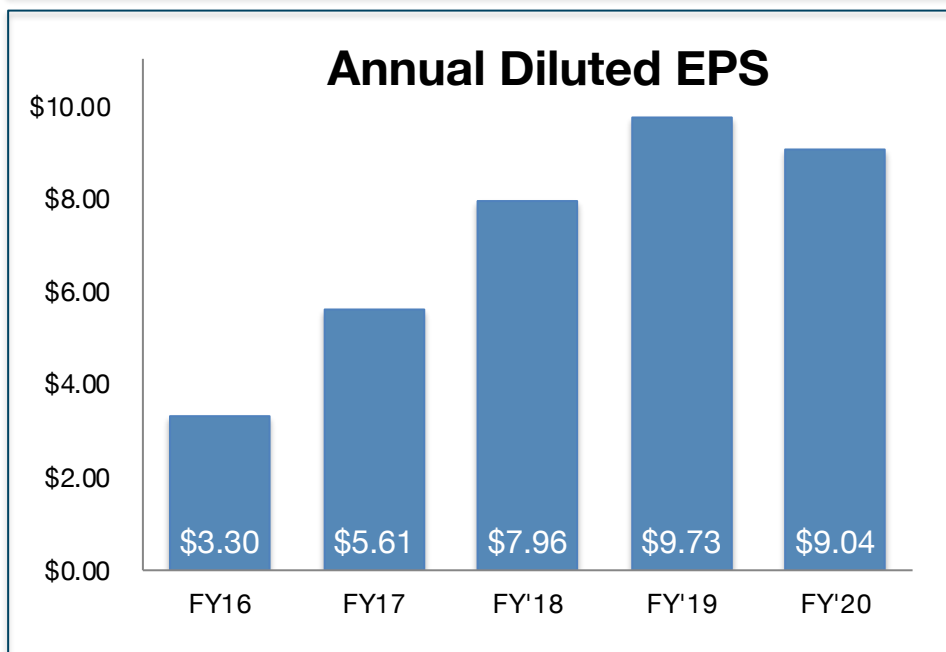
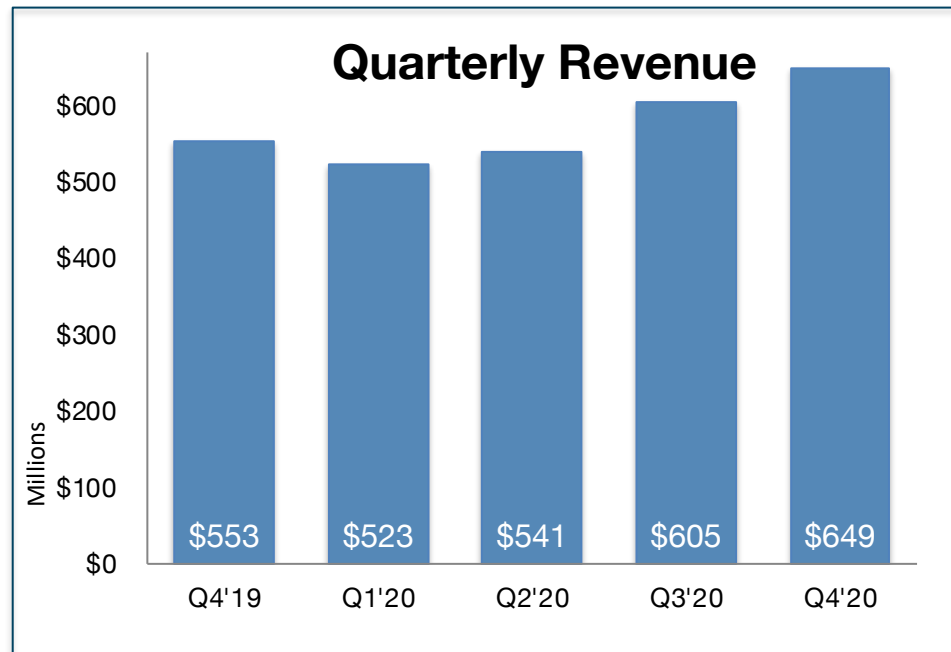
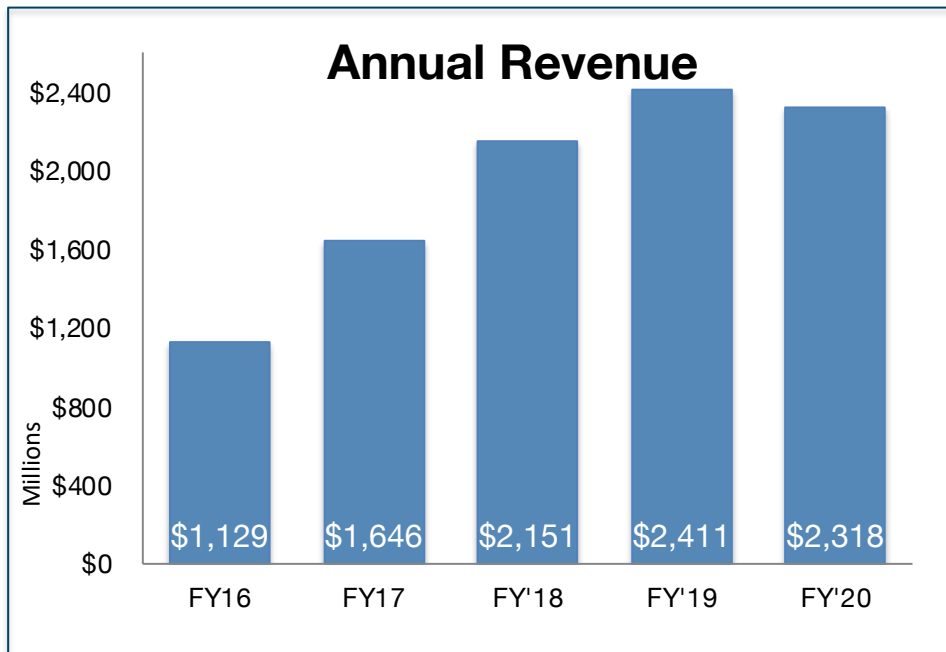
FY'20 Gross Margin: 65.0%

FY'20 Operating Margin: 37.7%

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

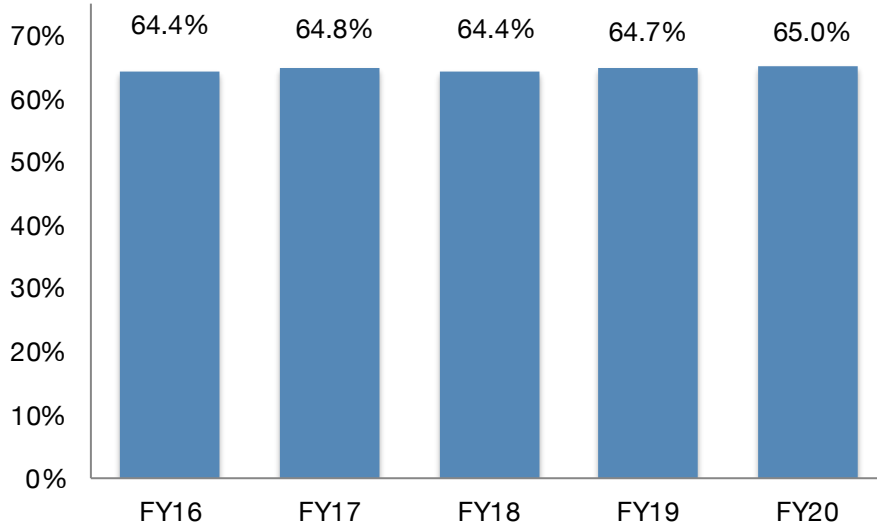
Gartner "Magic Quadrant for Data Center and Cloud Networking," Andrew Lerner, et al, 30 June 2020. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. 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.

Returning to Profitable Revenue Growth¹

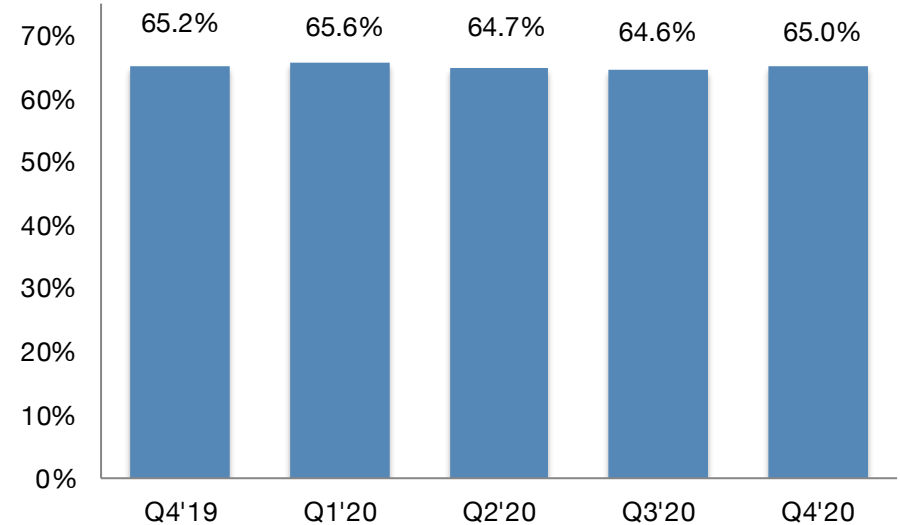


Maintaining Healthy Margins¹

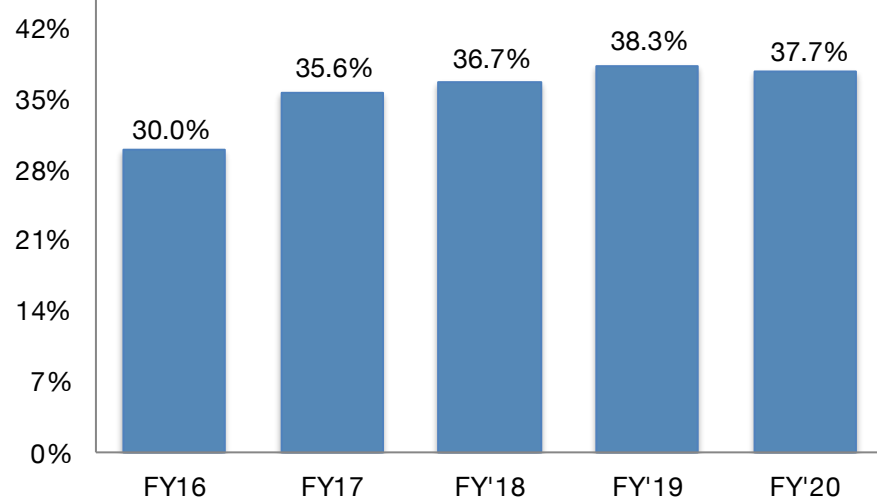
Annual Gross Margin



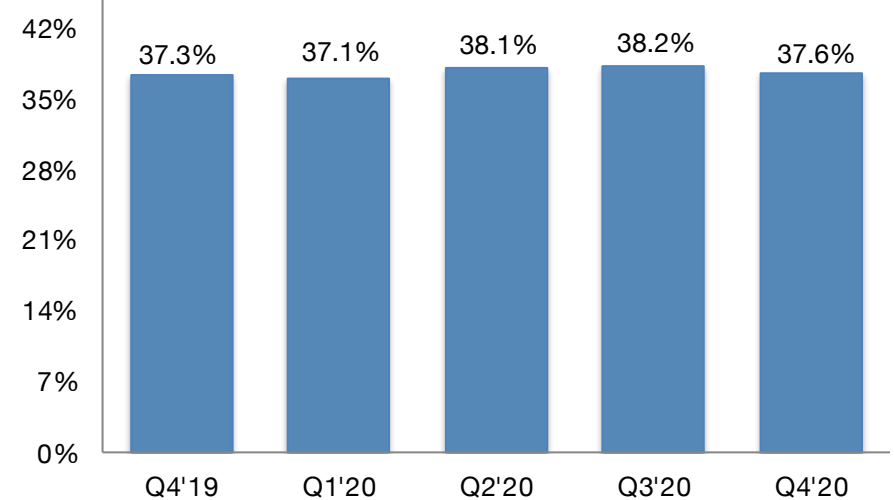
Quarterly Gross Margin



Annual Operating Margin

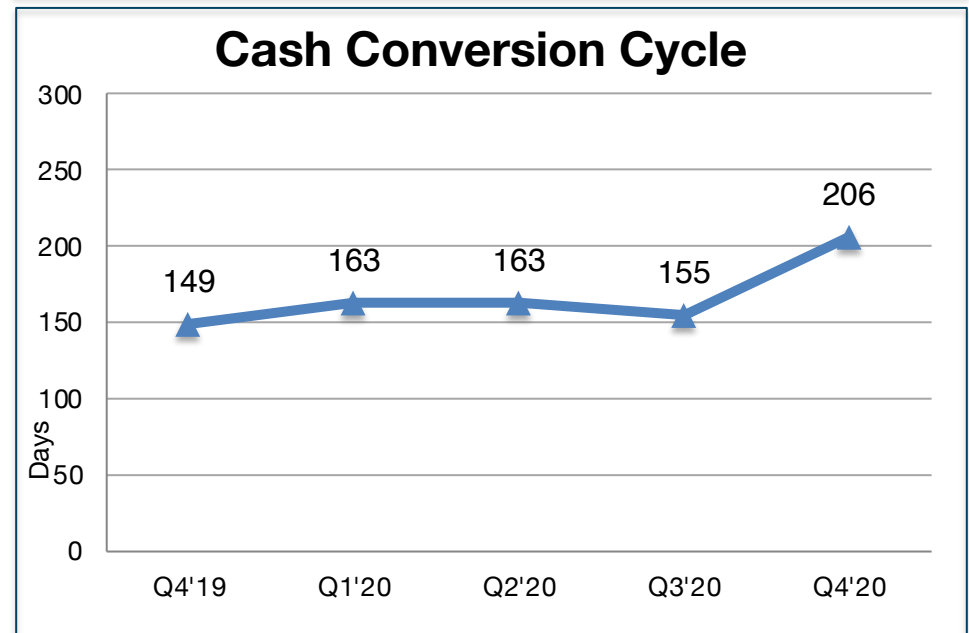
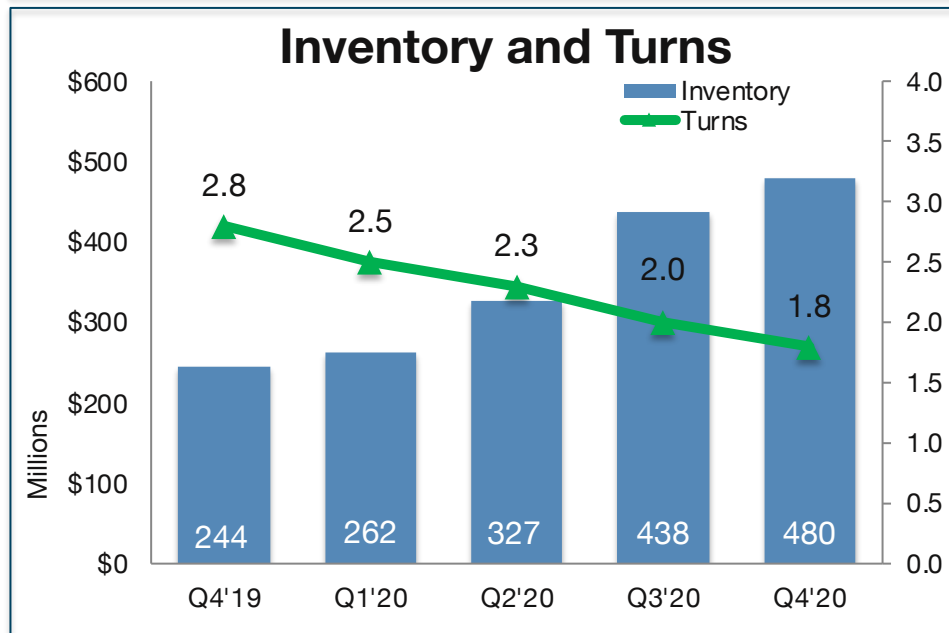
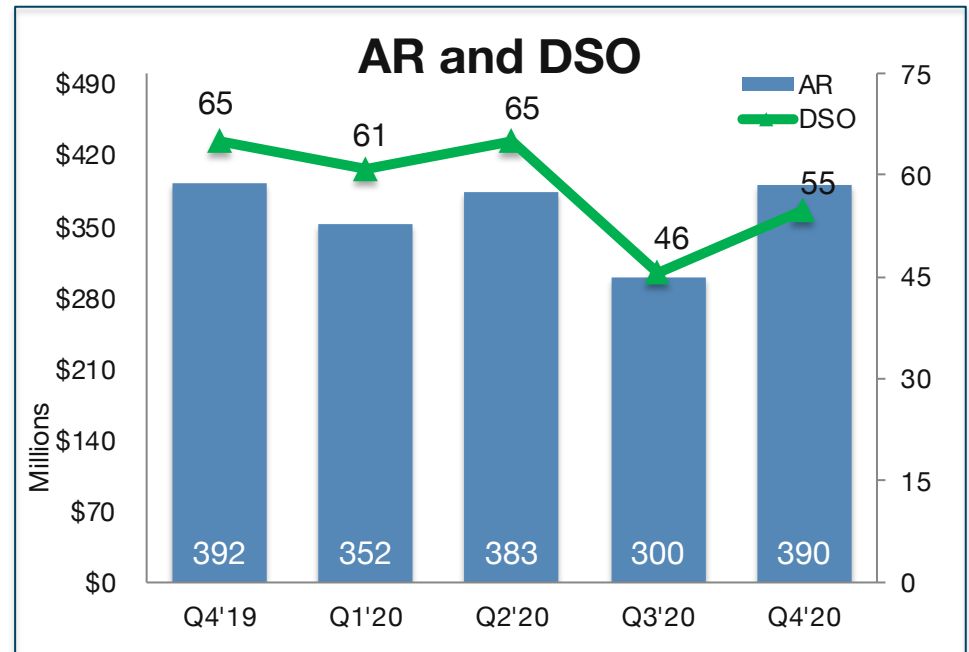
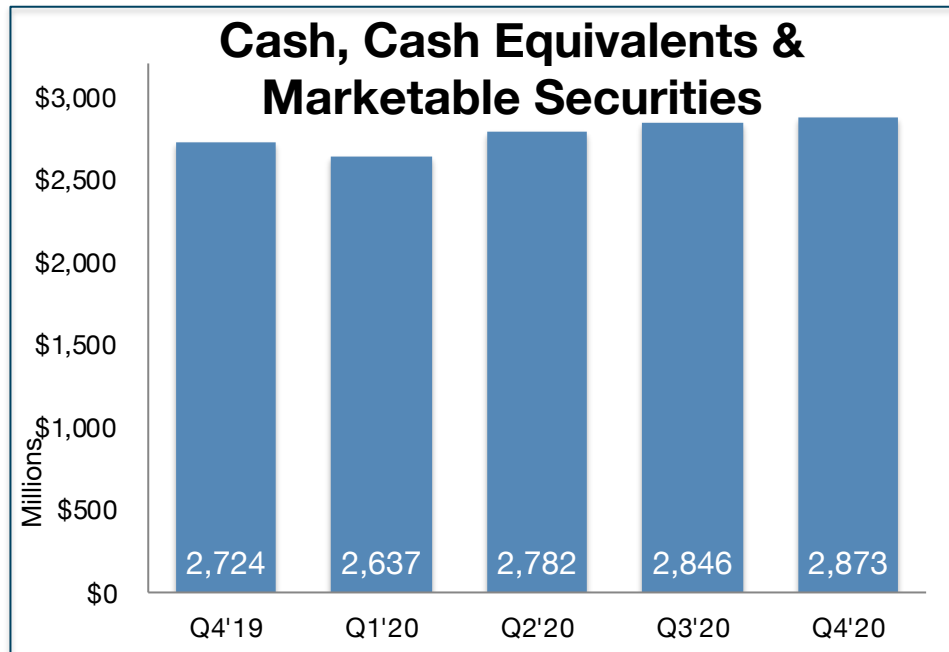


Quarterly Operating Margin



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

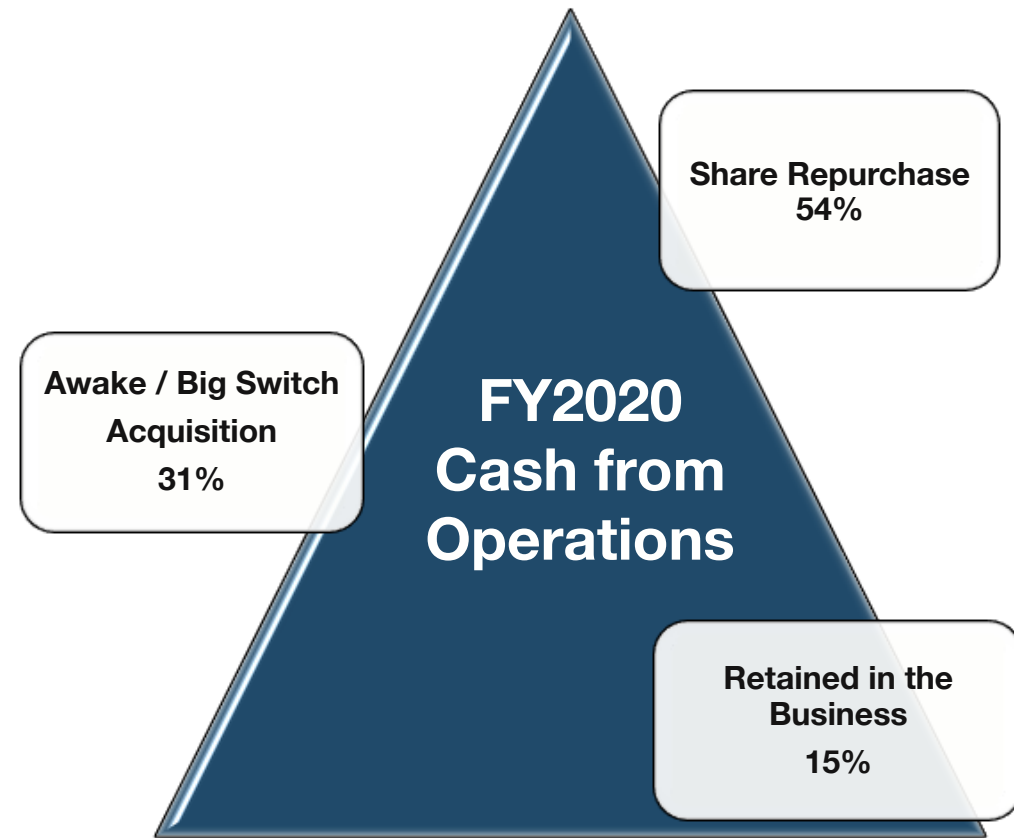
Balance Sheet & Cash Conversion Cycle



Approach to Capital Allocation

FY 2020

- ① Need to maintain a healthy Balance Sheet (Fund the business / large aggressive competitors)
- ② Invest to strengthen operations / position of existing business if we earn a reasonable return
- ③ M&A (if the deal actually makes sense from multiple angles)
- ④ Share repurchases (if the price is below a reasonable range estimate of intrinsic value)
- ⑤ Dividends as business matures



First Quarter 2021 - Guidance

	Q1'21 Guidance
Revenue	\$630M to \$650M
Gross Margin (Non-GAAP) ⁽¹⁾	63% to 65%
Operating Margin (Non-GAAP) ⁽¹⁾	~ 37%

Diluted Shares – ~80 Million
Non-GAAP Tax Rate⁽¹⁾ – 21.9%

¹ Guidance for non-GAAP financial measures excludes stock-based compensation, amortization of intangible assets, and other non-recurring items. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis because these measures are difficult to predict and subject to change.

Q1-CY2021 Investor Conference Participation

Arista will participate in the following virtual conferences in February and March with the financial community:

Goldman Sachs Technology and Internet Conference 2021

John McCool, Chief Platform Officer

Thursday, February 11th, 2021

Time: 3:40pm ET / 12:40pm PT

Morgan Stanley Technology, Media & Telecom Conference

Anshul Sadana, COO

Tuesday, March 2nd, 2021

Time: 11:00am ET / 8:00am PT

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

In Summary: 2021 Inflections Will Enable Arista's Results

- The Move to Elastic Workspaces
 - Returning to the office safely, flexible workplaces to reduce traffic, cost, and global warming
 - WiFi 6 and population tracing to ensure building safety and security
 - Video conferencing improvements to integrate remote workers
 - Increased building automation and efficiency using IoT devices
- Client to Cloudification
 - More apps moving to the cloud, less VPN to a central location
 - Leveraging next generation 100G/200G/400G technology for cost and power savings
 - Mobile workforce lowers costs and improves operational efficiency
 - Hybrid Cloud provides smooth migration and elastic workloads
- Security Silos to Secure Zero Trust Security
 - Increasing security threats with increased mobile workforce and IoT
 - Increased multidomain segmentation
 - Better network security through NDR
- AI/ML improves network foundation

Arista's Technology is at the Forefront of this Transformation

Appendix I

- GAAP to Non-GAAP Reconciliation

Appendix: GAAP to Non-GAAP Reconciliation

In 000's except per share data	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	FY2016	FY2017	FY2018	FY 2019	FY 2020
GAAP gross profit	\$ 356,303	\$ 338,251	\$ 344,089	\$ 384,962	\$ 414,584	\$ 723,116	\$ 1,061,769	\$ 1,373,377	\$ 1,544,338	\$ 1,481,886
GAAP gross margin	64.5%	64.7%	63.7%	63.6%	63.9%	64.0%	64.5%	63.8%	64.1%	63.9%
Stock-based compensation expense	1,253	1,327	1,585	1,806	1,554	3,620	4,353	5,087	4,637	6,272
Intangible asset amortization	2,626	3,660	4,178	4,178	5,464	-	-	3,824	10,503	17,480
Acquisition-related costs	-	-	-	-	-	-	-	3,138	-	-
Non-GAAP gross profit	\$ 360,182	\$ 343,238	\$ 349,852	\$ 390,946	\$ 421,602	\$ 726,736	\$ 1,066,122	\$ 1,385,426	\$ 1,559,478	\$ 1,505,638
Non-GAAP gross margin	65.2%	65.6%	64.7%	64.6%	65.0%	64.4%	64.8%	64.4%	64.7%	65.0%
GAAP income (loss) from operations	\$ 175,989	\$ 149,662	\$ 166,989	\$ 188,395	\$ 194,638	\$ 243,409	\$ 470,272	\$ 273,347	\$ 805,774	\$ 699,684
GAAP operating margin	31.9%	28.6%	30.9%	31.1%	30.0%	21.6%	28.6%	12.7%	33.4%	30.2%
Stock-based compensation expense	26,435	27,556	32,922	36,469	40,095	59,032	75,427	91,202	101,280	137,042
Litigation expenses	333	-	-	-	-	35,833	40,352	6,566	2,295	-
Legal settlement	-	-	-	-	-	-	-	405,000	-	-
Intangible asset amortization	3,084	4,902	5,811	5,811	7,562	-	-	5,110	13,375	24,086
Acquisition-related costs	-	11,860	-	858	1,215	-	-	7,745	-	13,933
Non-GAAP income from operations	\$ 205,841	\$ 193,980	\$ 205,722	\$ 231,533	\$ 243,510	\$ 338,274	\$ 586,051	\$ 788,970	\$ 922,724	\$ 874,745
Non-GAAP operating margin	37.3%	37.1%	38.1%	38.2%	37.6%	30.0%	35.6%	36.7%	38.3%	37.7%
GAAP net income (loss)	\$ 260,692	\$ 138,431	\$ 144,793	\$ 168,375	\$ 182,958	\$ 184,189	\$ 423,201	\$ 328,115	\$ 859,867	\$ 634,557
Stock-based compensation expense	26,435	27,556	32,922	36,469	40,095	59,032	75,427	91,202	101,280	137,042
Litigation expenses	333	-	-	-	-	35,833	40,352	6,566	2,295	-
Loss (gain) on investments in privately held companies	-	-	-	-	(4,164)	-	-	13,800	(5,427)	(4,164)
Legal settlement	-	-	-	-	-	-	-	405,000	-	-
Intangible asset amortization	3,084	4,902	5,811	5,811	7,562	-	-	5,110	13,375	24,086
Acquisition-related costs	-	11,860	-	858	1,215	-	-	7,745	-	13,933
Acquisition-related tax expense	-	-	-	-	-	-	-	5,853	-	-
Release of income tax reserves	-	-	-	-	-	(6,293)	-	-	-	-
Altera stock-based compensation tax charge	-	-	-	-	-	-	-	-	9,781	-
Impact of the U.S. Tax Cuts and Jobs Act	-	-	-	-	-	-	51,812	(12,632)	-	-
Tax benefits on intra-entity IP transfer	(85,819)	-	-	-	-	-	-	-	(85,819)	-
Tax benefits on stock-based awards	(16,232)	(14,502)	(11,682)	(14,894)	(19,802)	-	(110,007)	(92,675)	(89,415)	(60,880)
Tax effect of non-GAAP exclusions	(5,045)	(6,555)	(4,796)	(4,624)	(10,188)	(31,340)	(37,956)	(114,769)	(19,093)	(26,163)
Non-GAAP net income	\$ 183,448	\$ 161,692	\$ 167,048	\$ 191,995	\$ 197,676	\$ 241,421	\$ 442,829	\$ 643,315	\$ 786,844	\$ 718,411
GAAP diluted income (loss) per share to common stockholders	\$ 3.25	\$ 1.73	\$ 1.83	\$ 2.12	\$ 2.31	\$ 2.50	\$ 5.35	\$ 4.06	\$ 10.63	\$ 7.99
Non-GAAP adjustments to net income (loss) per share	(0.96)	0.29	0.28	0.30	0.18	0.80	0.26	3.90	(0.90)	1.05
Non-GAAP diluted income per share	\$ 2.29	\$ 2.02	\$ 2.11	\$ 2.42	\$ 2.49	\$ 3.30	\$ 5.61	\$ 7.96	\$ 9.73	\$ 9.04
GAAP and non-GAAP weighted diluted shares	80,261	79,939	79,298	79,313	79,261	73,222	78,977	80,844	80,879	79,465
Summary of non-GAAP adjustments:										
Cost of revenue-product	\$ 3,219	\$ 4,273	\$ 4,911	\$ 5,008	\$ 6,062	\$ 1,668	\$ 2,142	\$ 9,254	\$ 12,772	\$ 20,254
Cost of revenue-service	660	714	852	976	956	1,952	2,211	2,795	2,368	3,498
Research and development	13,897	22,187	19,885	21,930	23,691	31,892	42,184	49,220	53,068	87,693
Sales and marketing	8,163	11,043	9,343	10,312	12,779	15,666	17,953	26,281	32,040	43,477
General and administrative	3,913	6,101	3,742	4,912	5,384	43,687	51,289	23,073	16,702	20,139
Legal settlement	-	-	-	-	-	-	-	405,000	-	-
Other expense (income)	-	-	-	-	(4,164)	-	-	13,800	(5,427)	(4,164)
Provision for income taxes	(107,096)	(21,057)	(16,478)	(19,518)	(29,990)	(37,633)	(96,151)	(214,223)	(184,546)	(87,043)

Appendix II

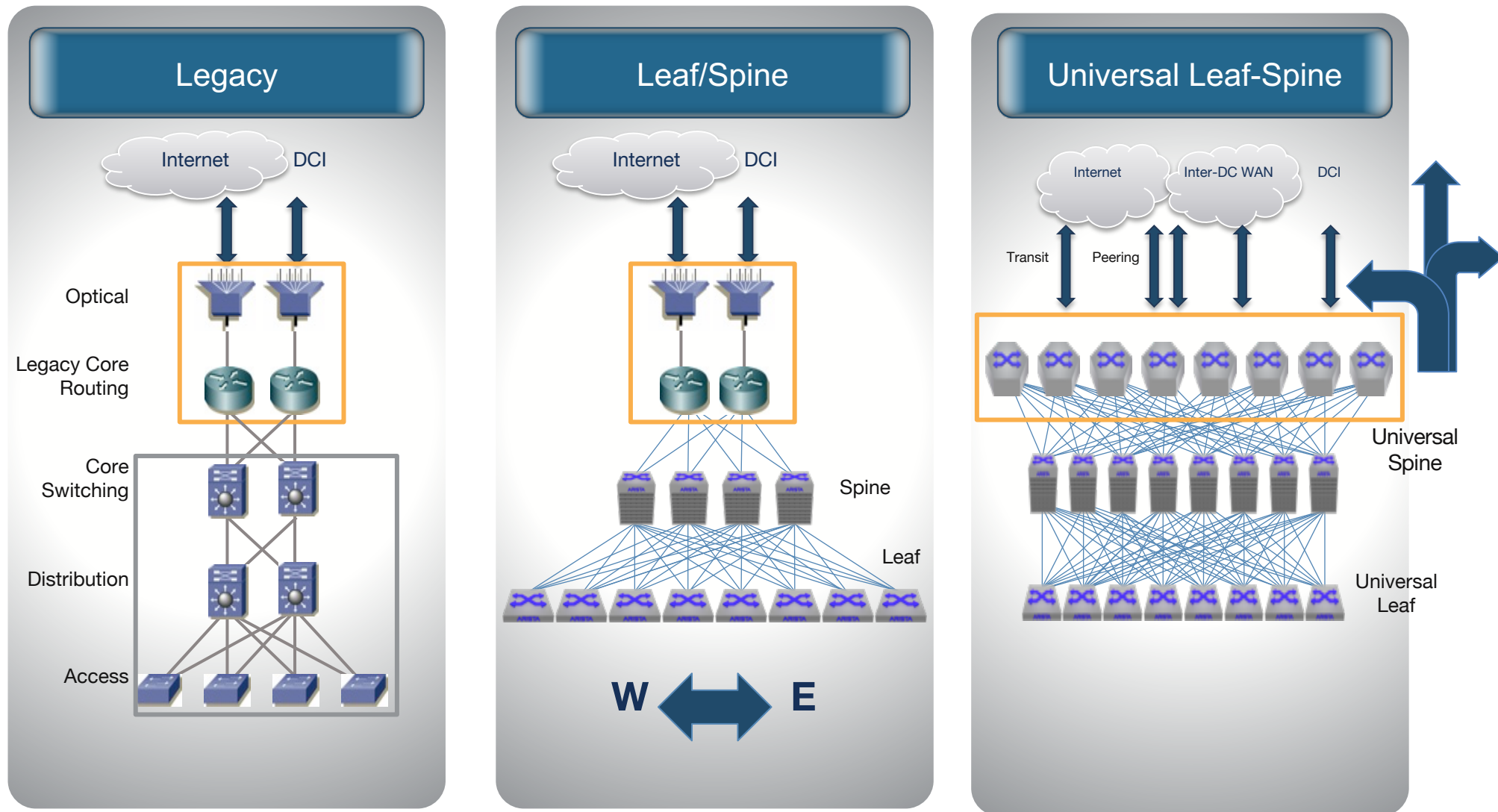
- Introduction to Arista's
 - Technology
 - Products
 - Competitive Differentiation

Cloud-Class Market Leadership Platform Portfolio



Single Image Arista EOS Across All Platforms

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

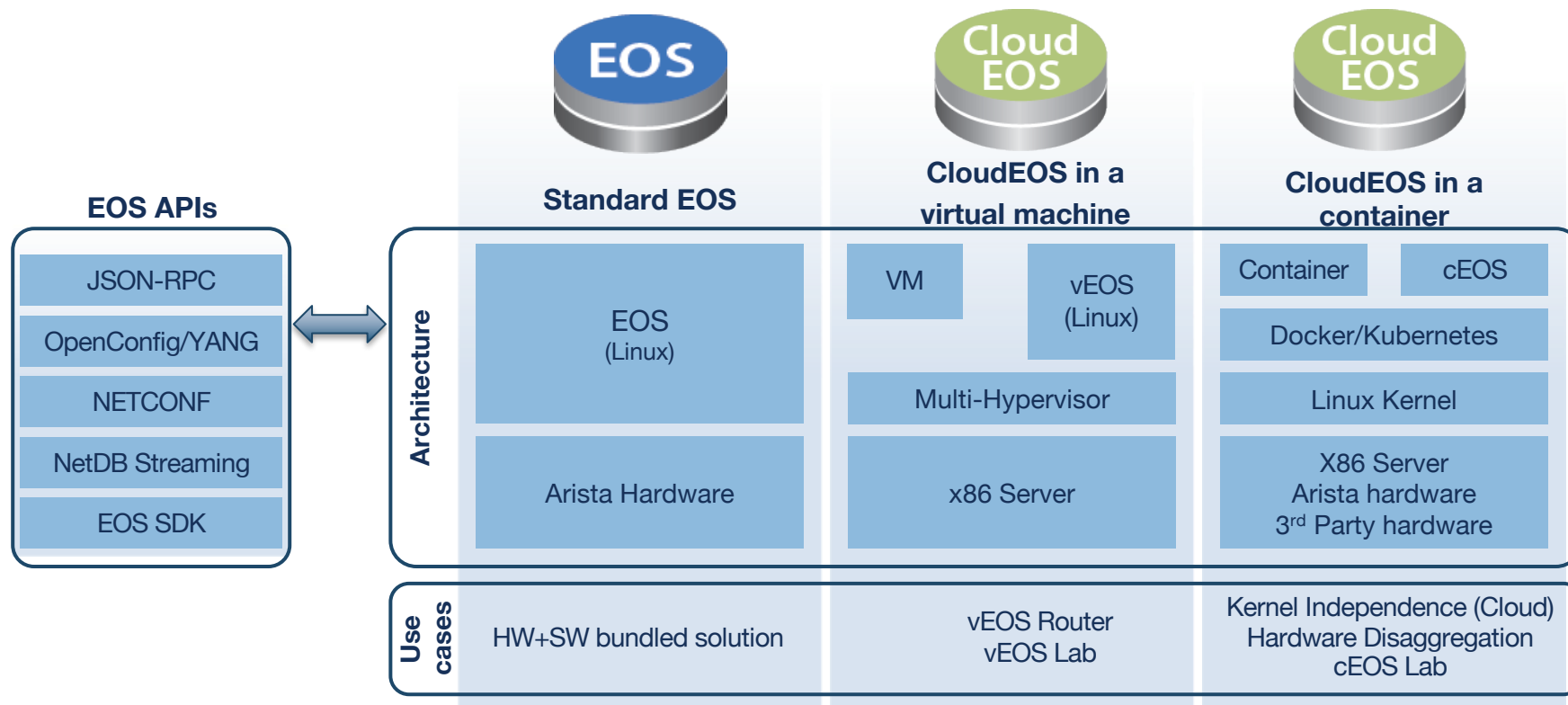


10G, 25G, 40G, 50G, 100G, 200G, 400G

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

Leading Performance
Best of Breed
Merchant Silicon

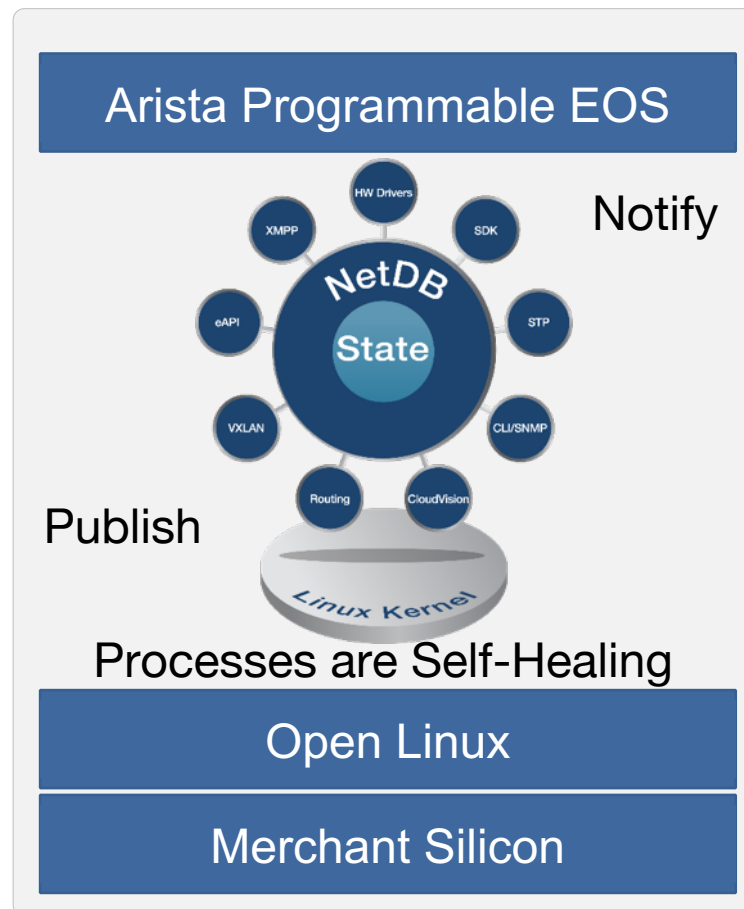
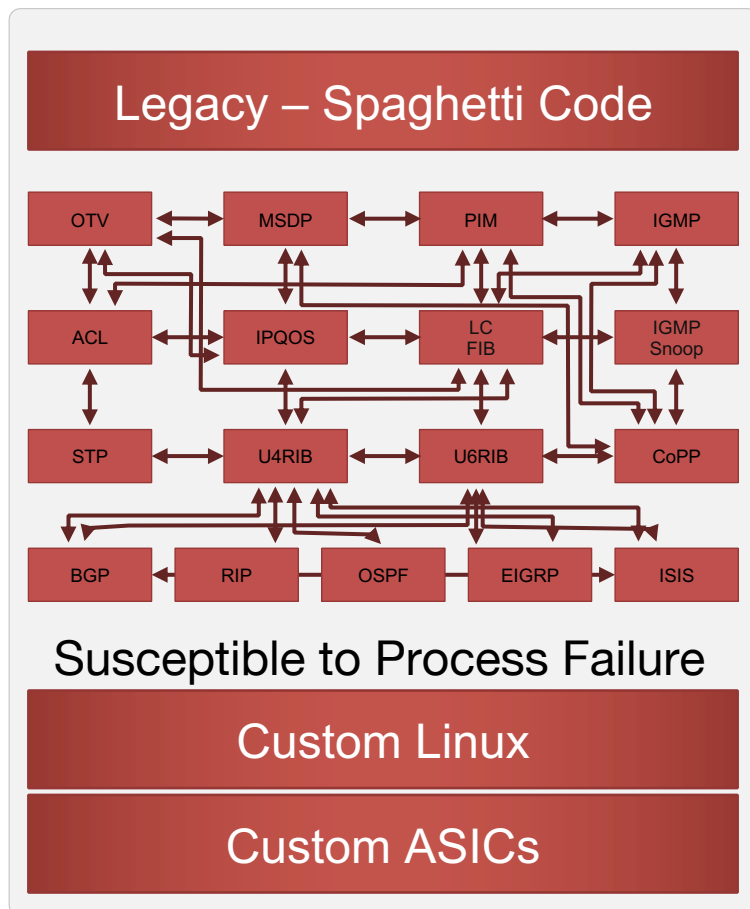
Arista's EOS offers an Open Programmable Environment with Flexible Packaging Options



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

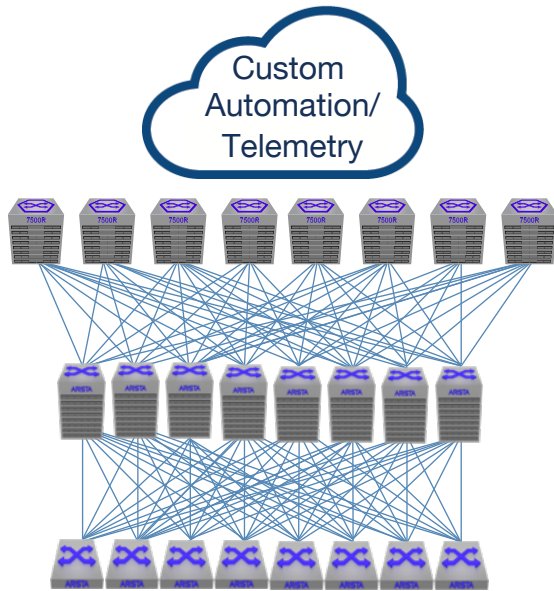
Arista's Cloud Scale Software Architecture

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



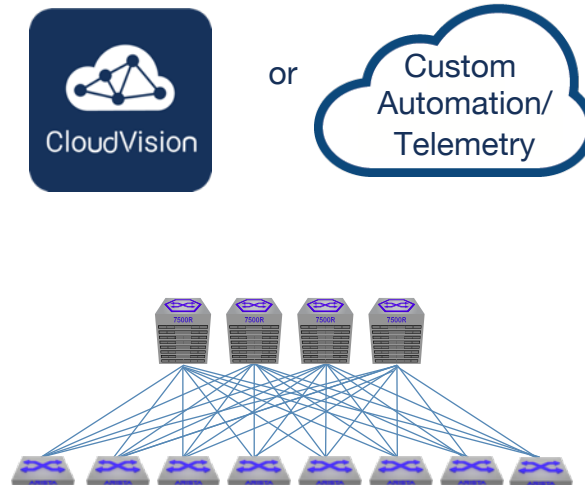
One Architecture – One EOS – Scales Up and Down

Cloud Titans



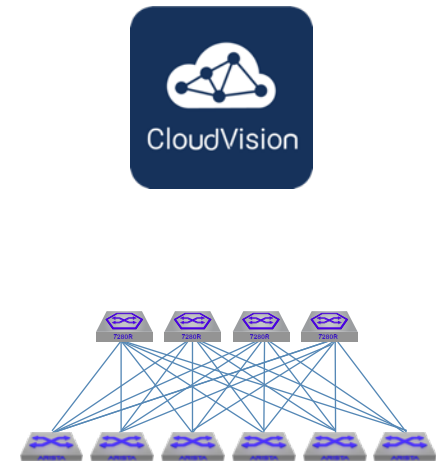
Scale and
Control Driven

SP & Tier 2 Cloud



Best of Breed
Driven

Enterprise



Turnkey
Driven

CloudVision: One Automation Tool – Telemetry and Analytics

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



Thank You

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