ARISTA

Arista in Q2 2021

ARISTA

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, Third 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 acquisitions such as Awake Security, our leadership in cloud networking, the continued momentum and diversification of our top verticals and product-lines and the evolution of the campus 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; insufficient component supply and inventory; increased costs of components; manufacturing capacity impacted by COVID-19 and increased lead times; interruptions or delays in shipments; 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; 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; 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

Q1 2021

$667.6M Q1'21 Revenue	**$707.3M** Q2'21 Revenue

Q2 2021

$2.50
Q1'21 diluted EPS [1]

$2.72
Q2'21 diluted EPS [1]

37.6%
Q1'21 Operating Margin [1]

38.4%
Q2'21 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

NYSE Ticker: ANET   (1) Non-GAAP

Company
Headquarters: Santa Clara, California

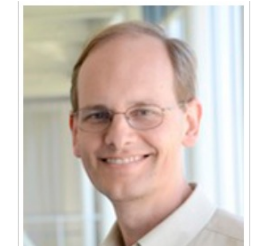Website: www.arista.com,   Email: info@arista.com

Management Team:
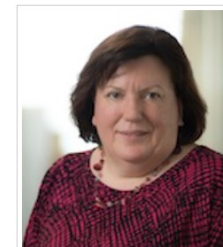
Jayshree Ullal
President & CEO

Andy Bechtolsheim
Chief Development Officer

Ken Duda
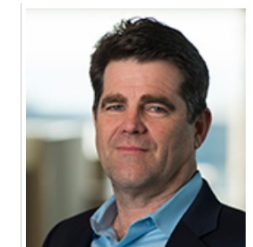Chief Technology Officer

Anshul Sadana
Chief Operating Officer

Ita Brennan
Chief Financial Officer

John McCool
Chief Platform Officer

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

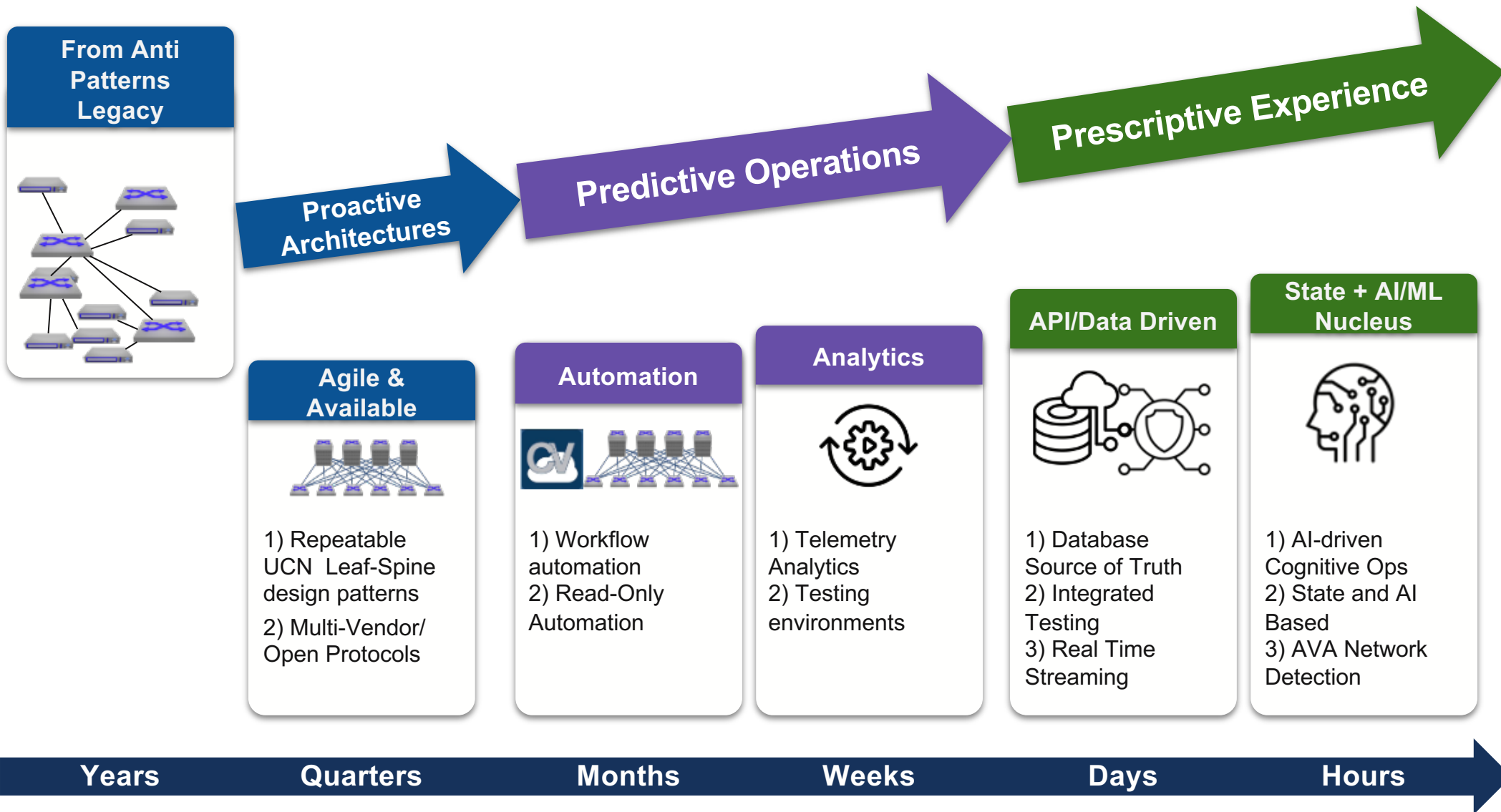**CloudVision**

ARISTA

SSU · BGP · Go · Open Config · State · VXLAN · NetDB · cAPI · SDK · MLC · CloudVision · Linux Kernel

AWAKE

Security - Network Detection & Response

IOT/OT PROLIFERATION

5G & AI APPS

CLOUDIFICATION

Arista's Cognitive Cloud Principles: Five As

From Anti Patterns Legacy

Proactive Architectures

Predictive Operations

Prescriptive Experience

Agile & Available

1) Repeatable UCN Leaf-Spine design patterns
2) Multi-Vendor/ Open Protocols

Automation

1) Workflow automation
2) Read-Only Automation

Analytics

1) Telemetry Analytics
2) Testing environments

API/Data Driven

1) Database Source of Truth
2) Integrated Testing
3) Real Time Streaming

State + AI/ML Nucleus

1) AI-driven Cognitive Ops
2) State and AI Based
3) AVA Network Detection

Years	Quarters	Months	Weeks	Days	Hours

Arista's Business Opportunity

ARISTA

Arista's Growth Drivers and Path to $33B TAM
Cloud Networking Market Expansion
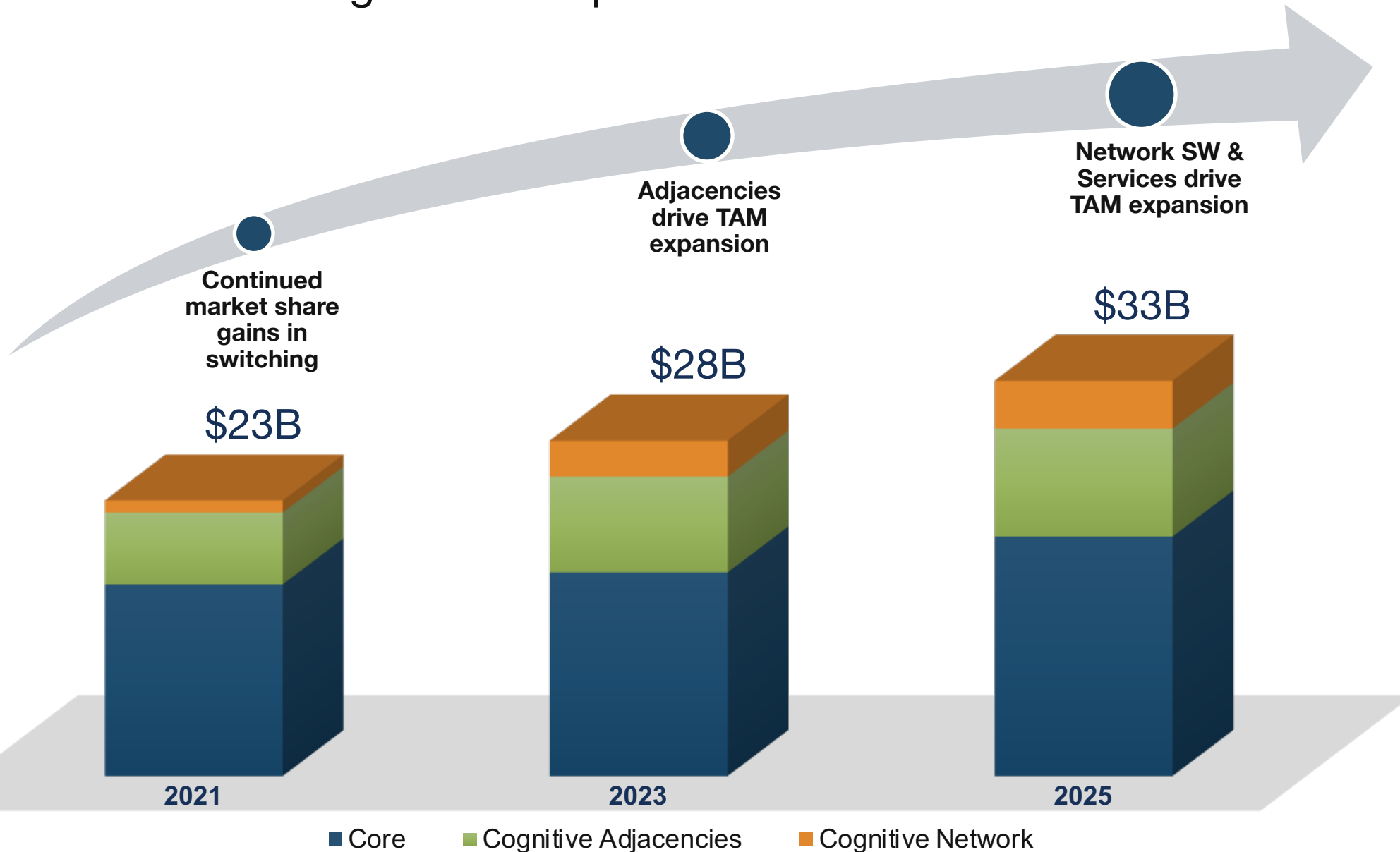
Continued market share gains in switching

Adjacencies drive TAM expansion

Network SW & Services drive TAM expansion

$23B
$28B
$33B

2021
2023
2025

■ Core   ■ Cognitive Adjacencies   ■ Cognitive Network

9

Core = Data Center & Cloud Networks
Cognitive Adjacencies = Campus & Routing
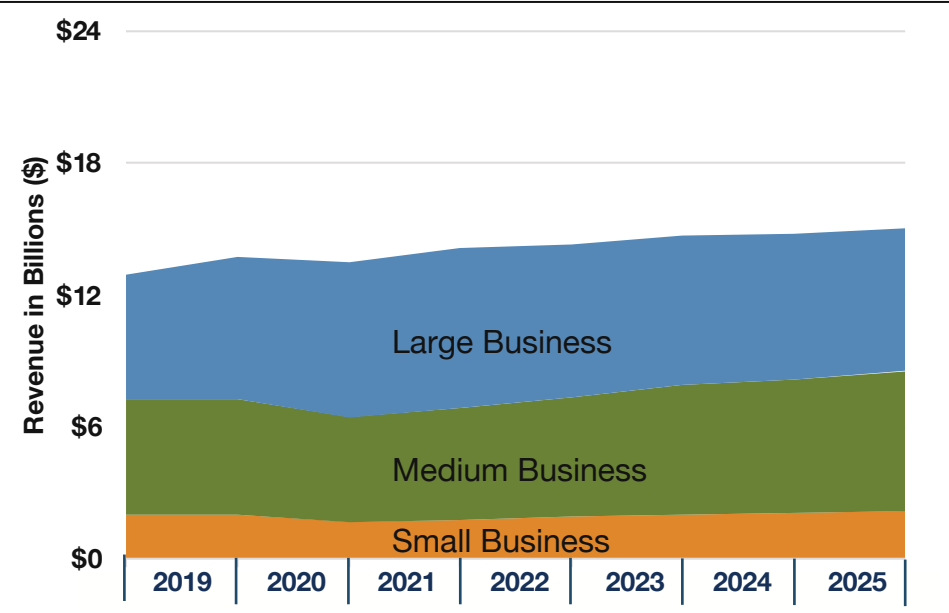Cognitive Network = SW & Services

Switching Market Opportunity

Data Center Ethernet Switch Revenue

Top 3 Chinese Cloud SPs

Telco SPs

Top 5 U.S. Cloud SPs

Rest of Cloud

Large Enterprises

Rest of Enterprise

Revenue in Billions ($)

$24 $18 $12 $6 $0

2019 2020 2021 2022 2023 2024 2025
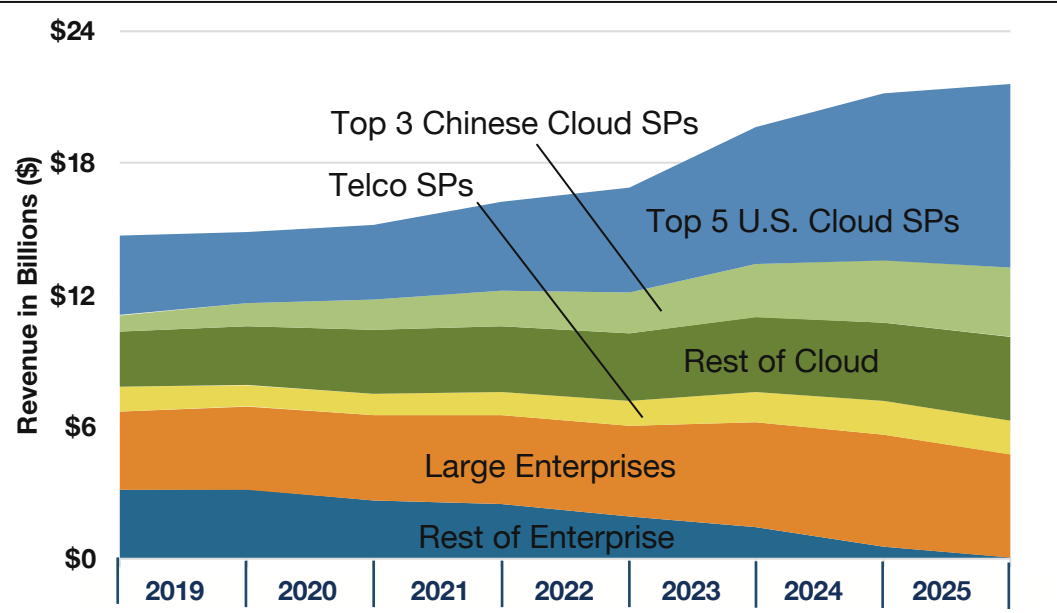
Source: 650 Group Ethernet Switch Data Center Forecast June 2021

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

Campus Ethernet Switch Revenue

Large Business

Medium Business

Small Business

Revenue in Billions ($)

$24 $18 $12 $6 $0

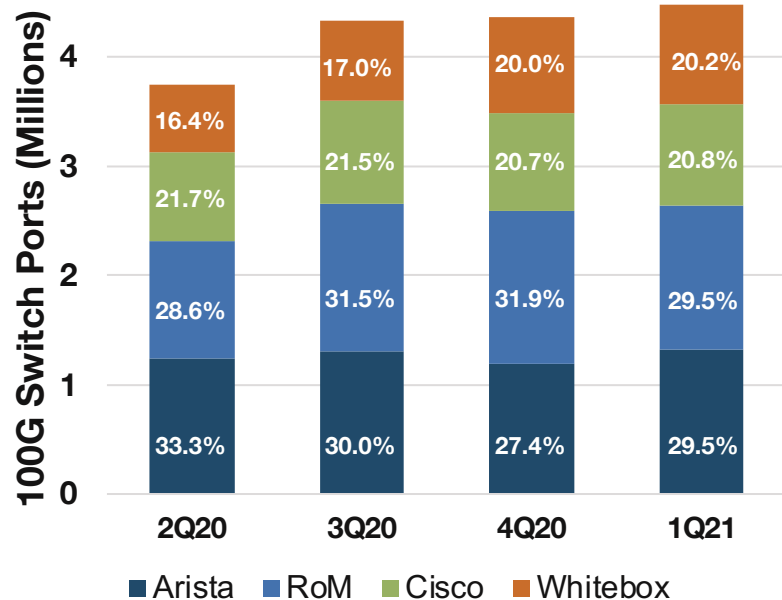2019 2020 2021 2022 2023 2024 2025

Source: 650 Group Campus Ethernet Market Forecast June 2021

Large Business - Fortune 2000
Medium Business - Rest of Enterprise Market
Small Business - Less than 50 Employees
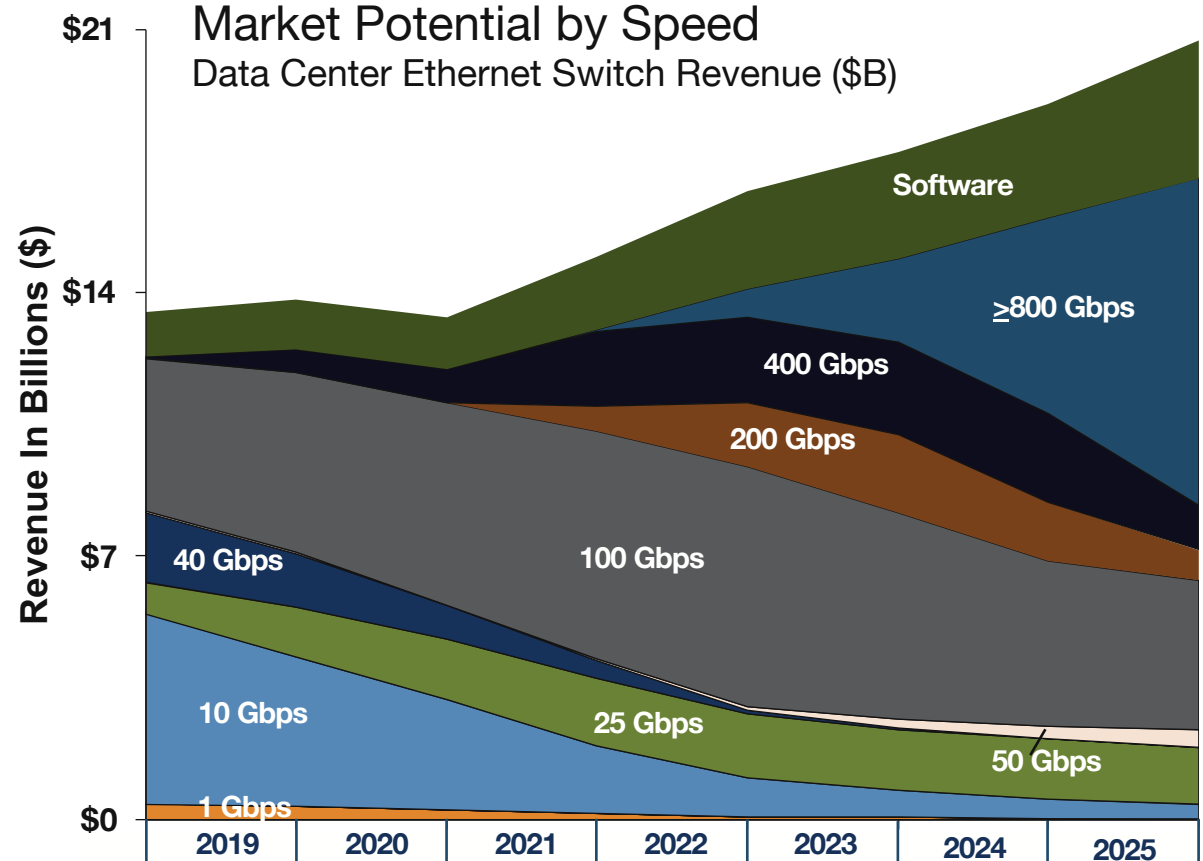
Market Leadership in 100G, Focus is 100G/400G
Data Center Ethernet Switch Analysis and Forecast

100G Ethernet Switch Ports
Market Share Q1'2021

100G Switch Ports (Millions)

2Q20:
- Whitebox: 16.4%
- Cisco: 21.7%
- RoM: 28.6%
- Arista: 33.3%

3Q20:
- Whitebox: 17.0%
- Cisco: 21.5%
- RoM: 31.5%
- Arista: 30.0%

4Q20:
- Whitebox: 20.0%
- Cisco: 20.7%
- RoM: 31.9%
- Arista: 27.4%

1Q21:
- Whitebox: 20.2%
- Cisco: 20.8%
- RoM: 29.5%
- Arista: 29.5%

Legend: ■ Arista ■ RoM ■ Cisco ■ Whitebox

Source: Dell'Oro Ethernet Switch Data Center
Total Vendor Tables – Q1'2021

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

Revenue In Billions ($)

Labels: Software, ≥800 Gbps, 400 Gbps, 200 Gbps, 100 Gbps, 40 Gbps, 10 Gbps, 25 Gbps, 50 Gbps, 1 Gbps
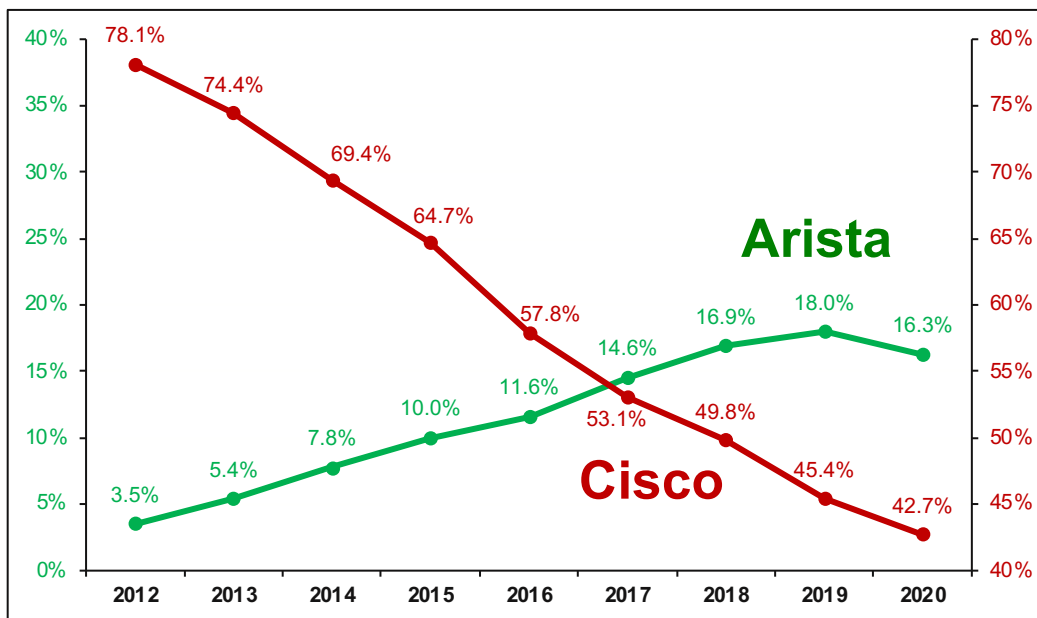
Years: 2019, 2020, 2021, 2022, 2023, 2024, 2025

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

Note - Initial 800 Gbps shipments will not be using 800 G Ethernet MAC and will be configured mostly as 2x400 Gbps or as 8x100 Gbps
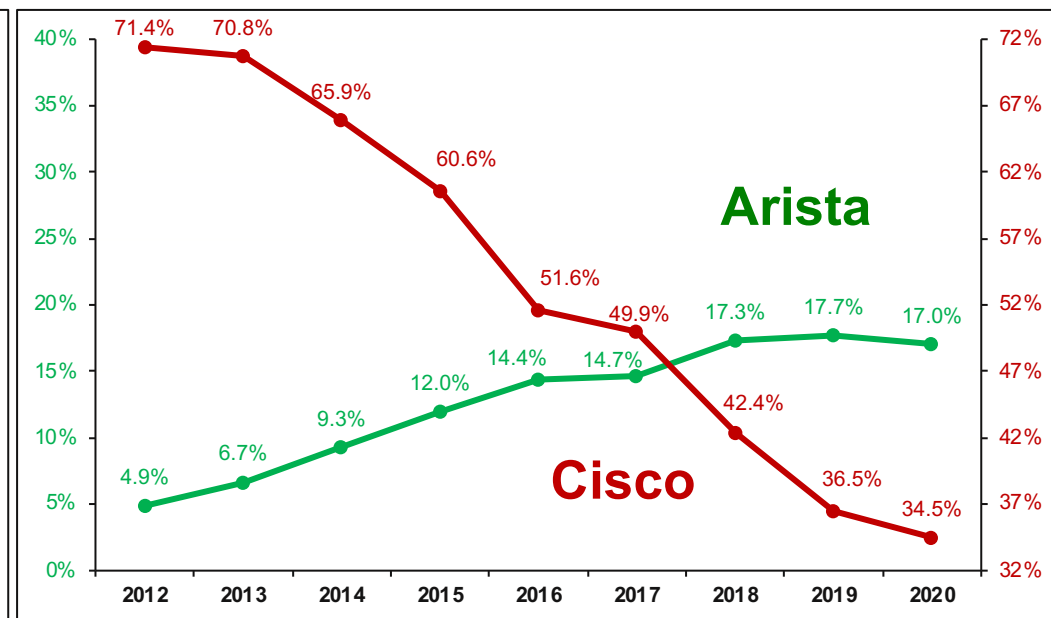
Arista Market Share vs Cisco
High Speed Data Center Switching Market

Share in Dollars

Cisco: 78.1%, 74.4%, 69.4%, 64.7%, 57.8%, 53.1%, 49.8%, 45.4%, 42.7%

Arista: 3.5%, 5.4%, 7.8%, 10.0%, 11.6%, 14.6%, 16.9%, 18.0%, 16.3%

Share in Ports

Cisco: 71.4%, 70.8%, 65.9%, 60.6%, 51.6%, 49.9%, 42.4%, 36.5%, 34.5%

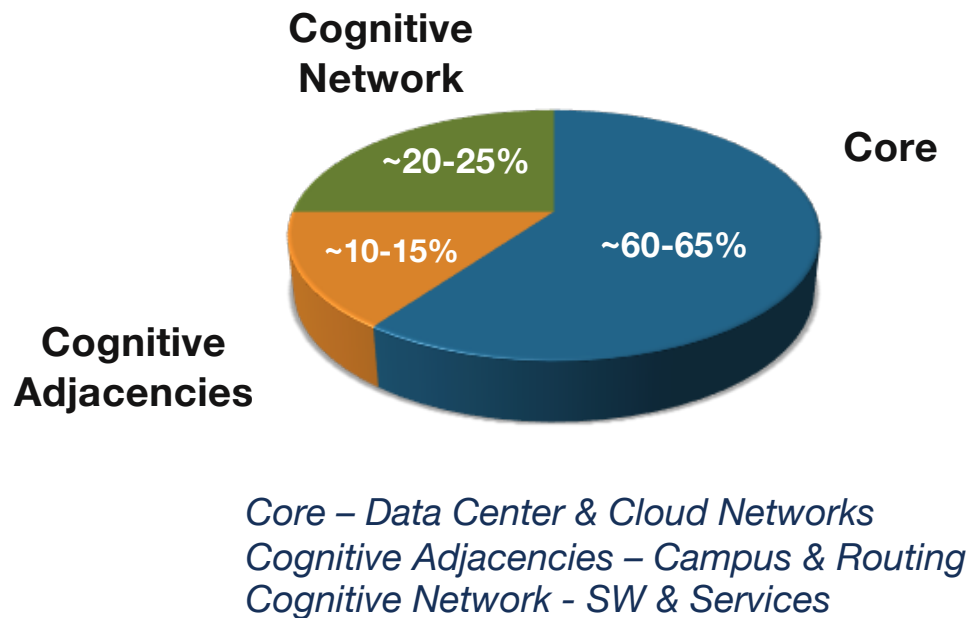Arista: 4.9%, 6.7%, 9.3%, 12.0%, 14.4%, 14.7%, 17.3%, 17.7%, 17.0%

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

Note: 10GbE and Higher - Excludes blade switches
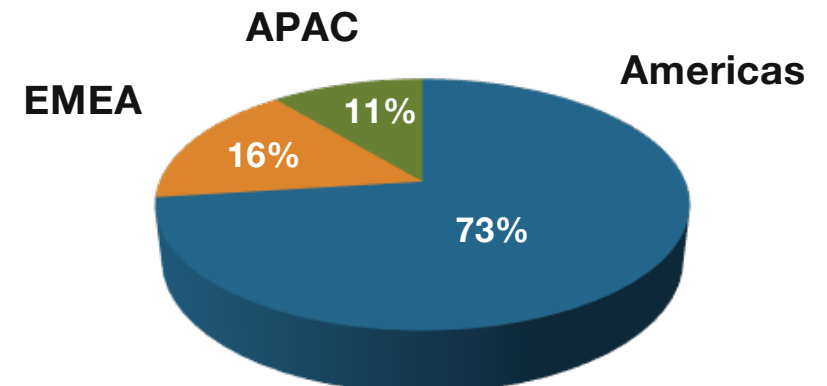
Product and Market Sector Contributions

Product Trends*

Cognitive Network

Core

~20-25%

~10-15%

~60-65%

Cognitive Adjacencies

Core – Data Center & Cloud Networks
Cognitive Adjacencies – Campus & Routing
Cognitive Network - SW & Services

Market Sector Trends*

Providers (Telco SP & Specialty Cloud)

Cloud Titans

~25%-30%

~35%-39%

~35%-39%

Enterprise (incl. Financials)

Geographic Mix Q2'21

APAC

EMEA

Americas

11%

16%

73%
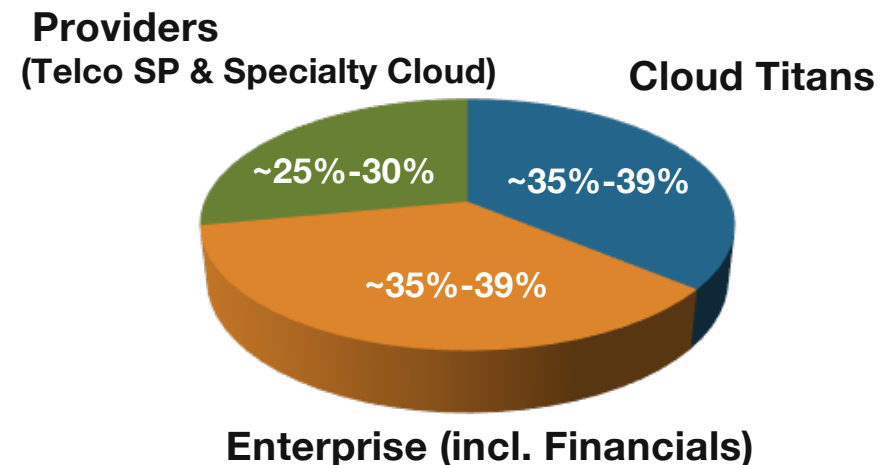
*Management estimates of expected quarterly business mix trends over-time

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

Why 7200+ 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**

CloudVision

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

Gartner peerinsights™

★★★★★ 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 knew."

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
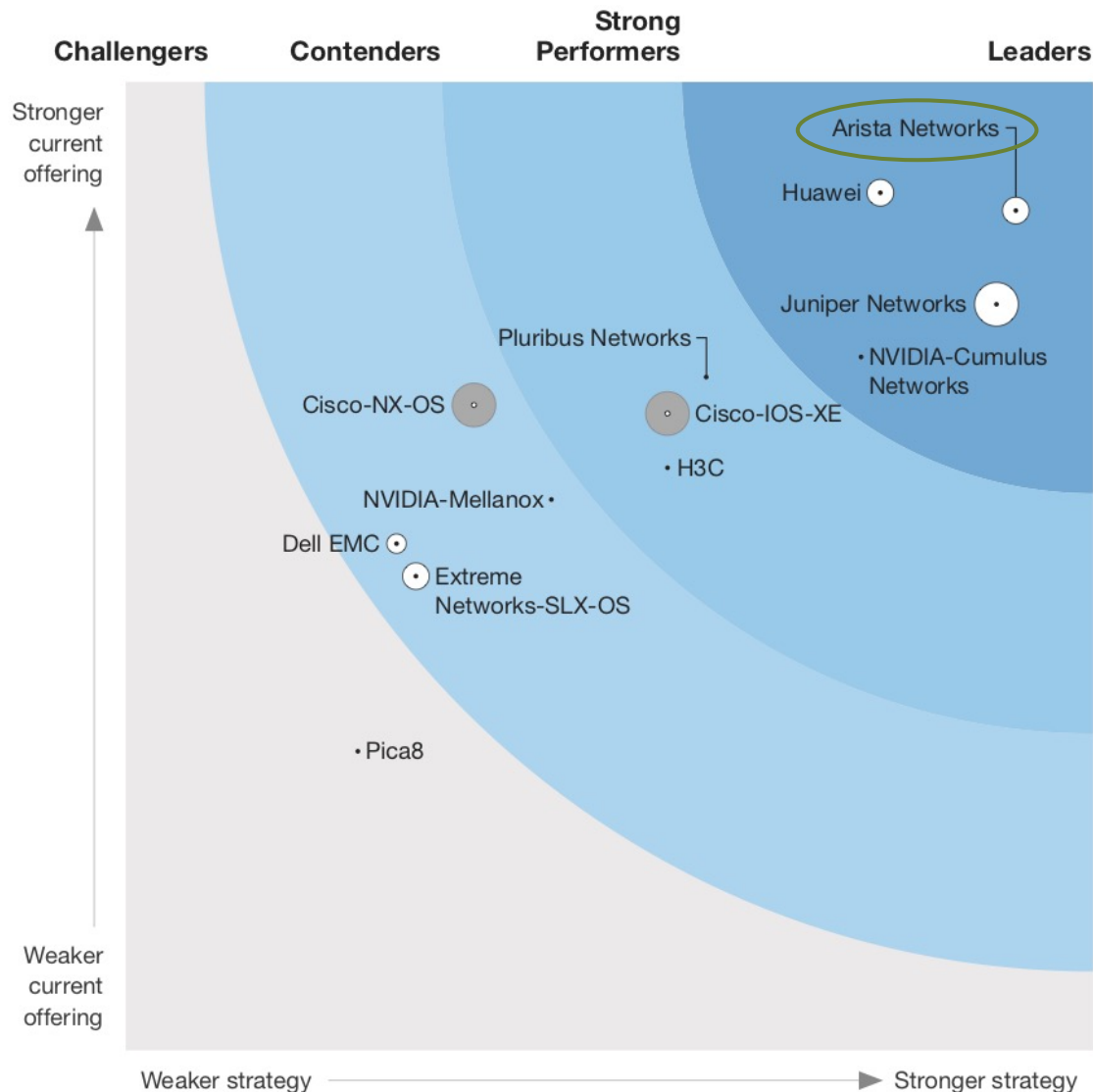
Link to Techvalidate Report

Link to the Forrester Report

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.

Arista's 2021 Portfolio

Core -
DC & Cloud Networks

AI and State Driven Nucleus

Cognitive Network -
Software & Services

Cognitive Adjacencies -
Campus & Routing
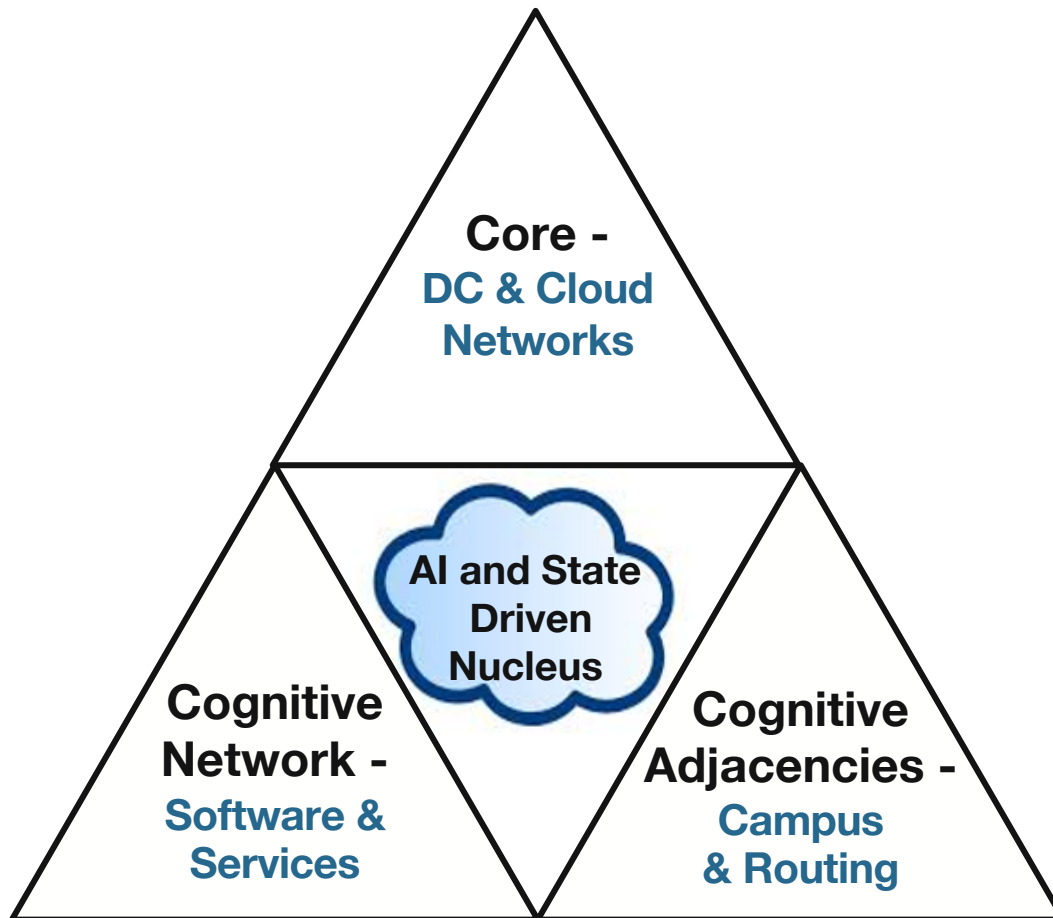
Product Diversity

- **Core – Data Center & Cloud Networks**
  - Arista 7XXX series
  - One EOS, Licenses
  - MSS, MSS-G

- **Cognitive Adjacency - Campus & Routing**
  - Wired POE 7XX and WiFi
  - Flex Routing

- **Cognitive Network - SW & Services**
  - A-Care Services
  - CloudVision
  - Contextual DMF
  - Threat NDR Forensics
 - MACsec, TunnelSec, Any Sec

Arista's Portfolio Focus

➡️ **Core - Data Center & Cloud Networks**

Cognitive Adjacencies – Campus & Routing

Cognitive Network - Software & Services

ARISTA

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
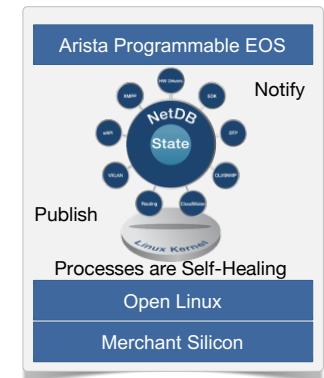
Comprehensive 400G/200G/100G Platforms

Leaf & Spine High Network Radix

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

OSFP

QSFP-DD

7060 X4
32 x 400G

Optics Form Factor Choices
- OSFP
- QSFP-DD

400ZR & OSFP-LS

8 Channel Colorless Mux/Demux
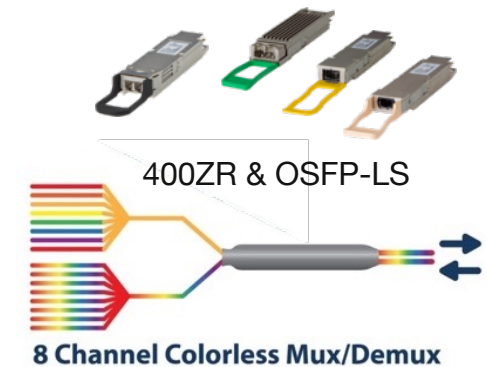
Universal Leaf & Spine

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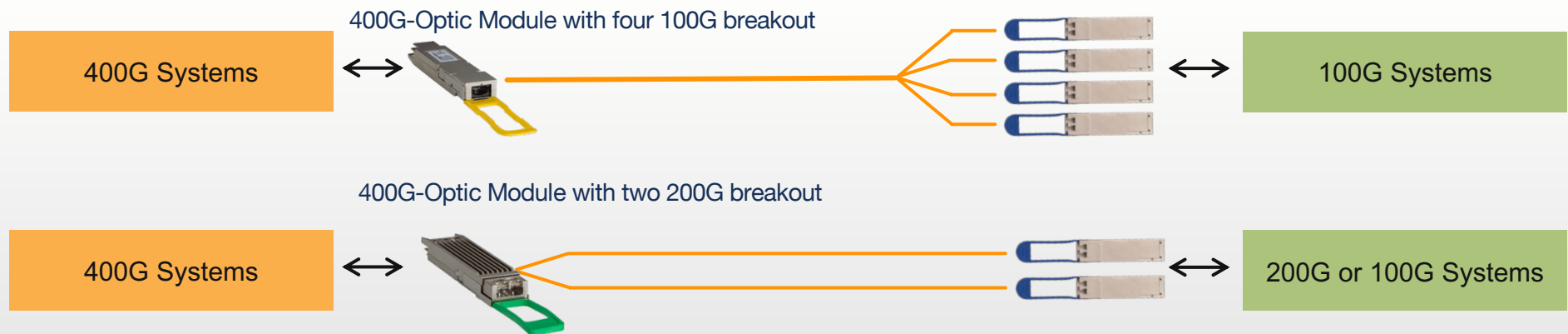
- 400G platforms offer high density cost effective 100G/200G with breakouts

400G-Optic Module with four 100G breakout

| 400G Systems | ↔ | | ↔ | 100G Systems |

400G-Optic Module with two 200G breakout

| 400G Systems | ↔ | | ↔ | 200G or 100G Systems |

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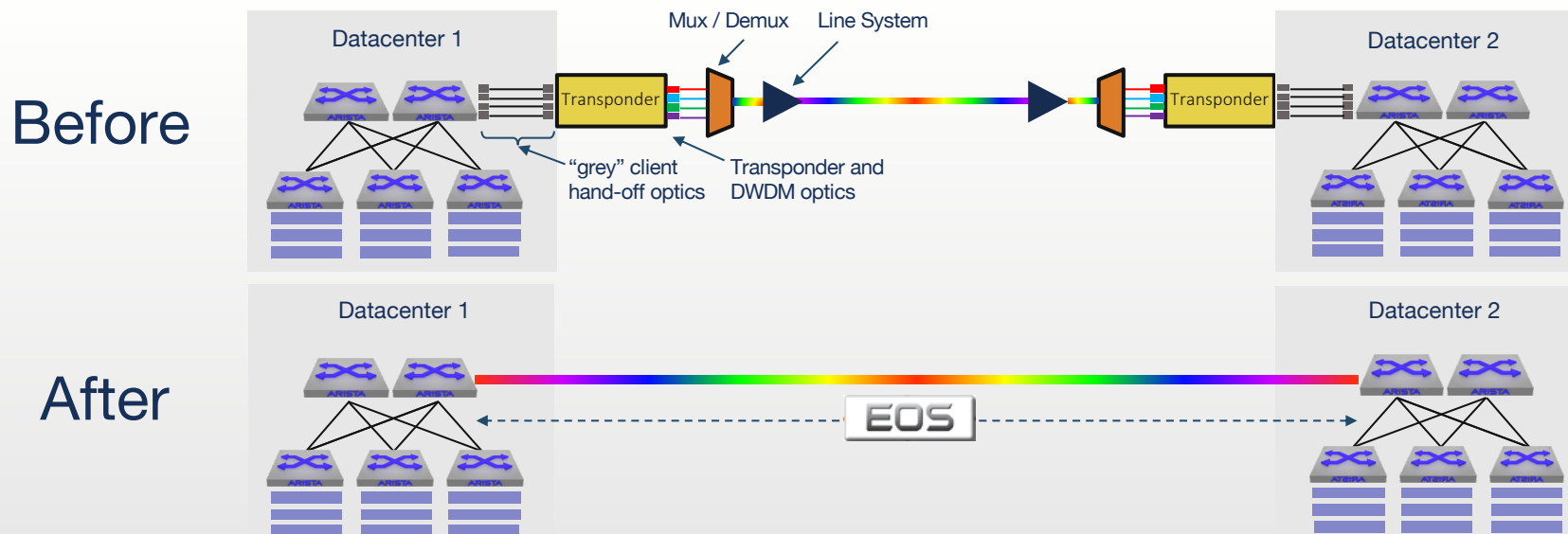
Before

Datacenter 1

Mux / Demux   Line System

Transponder

Datacenter 2

Transponder

"grey" client hand-off optics

Transponder and DWDM optics

After

Datacenter 1

EOS

Datacenter 2

Arista's Portfolio Focus

Core - Data Center & Cloud Networks

→ Cognitive Adjacencies – Campus & Routing

Cognitive Network - Software & Services

ARISTA

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

Simplify with Collapsed Spline Architecture

Cognitive Edge

750 Modular PoE switches

5 Slot 240 Port
mGig/10G-T

8 Slot 384 Port
mGig/10G-T

720XP Fixed PoE switches

24 & 48 Port mGig/1G

96 Port mGig

C-260   C-230   C-230E   O-235   O-235E

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

Automation and Telemetry for Operational Efficiency

Cognitive Management and OS

CloudVision

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

EOS

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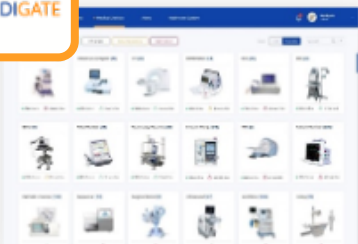Flow Telemetry, NetDB Streaming
Dynamic Path Selection

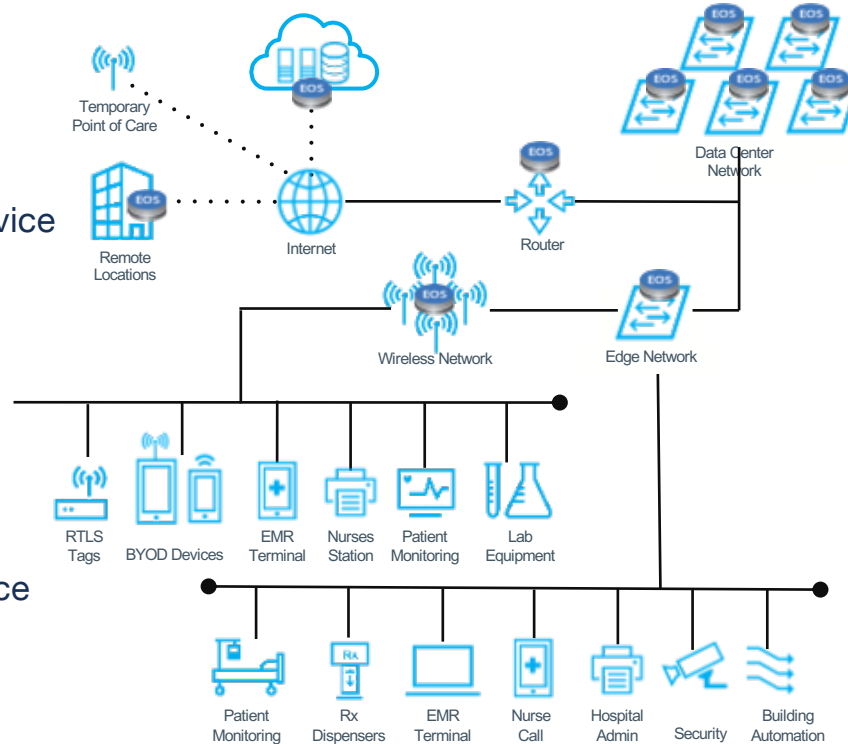**Single Software Image Federated across DC & Campus**

Campus in Modern Healthcare
Identity, Segmentation, and Threat Hunting

Hospital-wide Heterogeneous Device Identity

Deep Medical Device Identity

Temporary Point of Care

Remote Locations

Internet

Router

Data Center Network

Wireless Network

Edge Network

RTLS Tags · BYOD Devices · EMR Terminal · Nurses Station · Patient Monitoring · Lab Equipment

Patient Monitoring · Rx Dispensers · EMR Terminal · Nurse Call · Hospital Admin · Security · Building Automation

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

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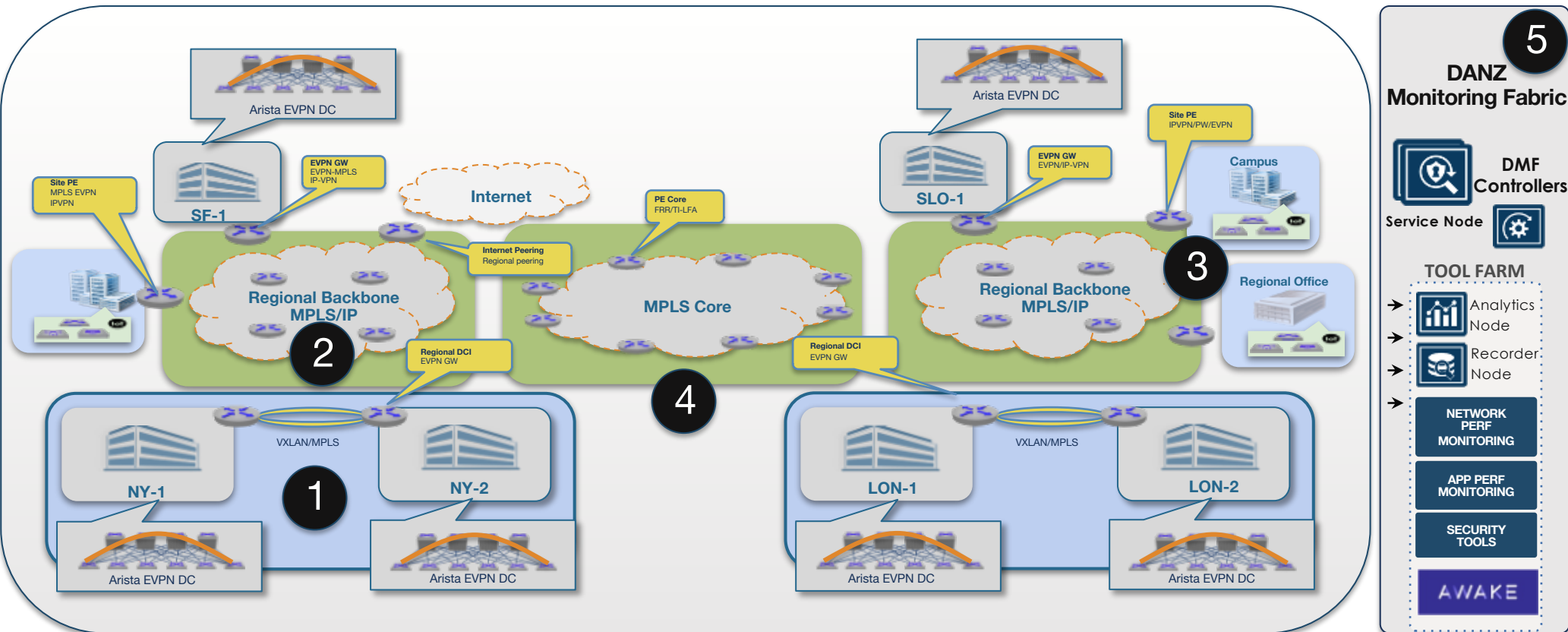High Performance Routers
1G/10G with 100G uplinks, Dynamic Deep Buffer
Universal Leaf
Optimized for Edge Routing and Compute

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
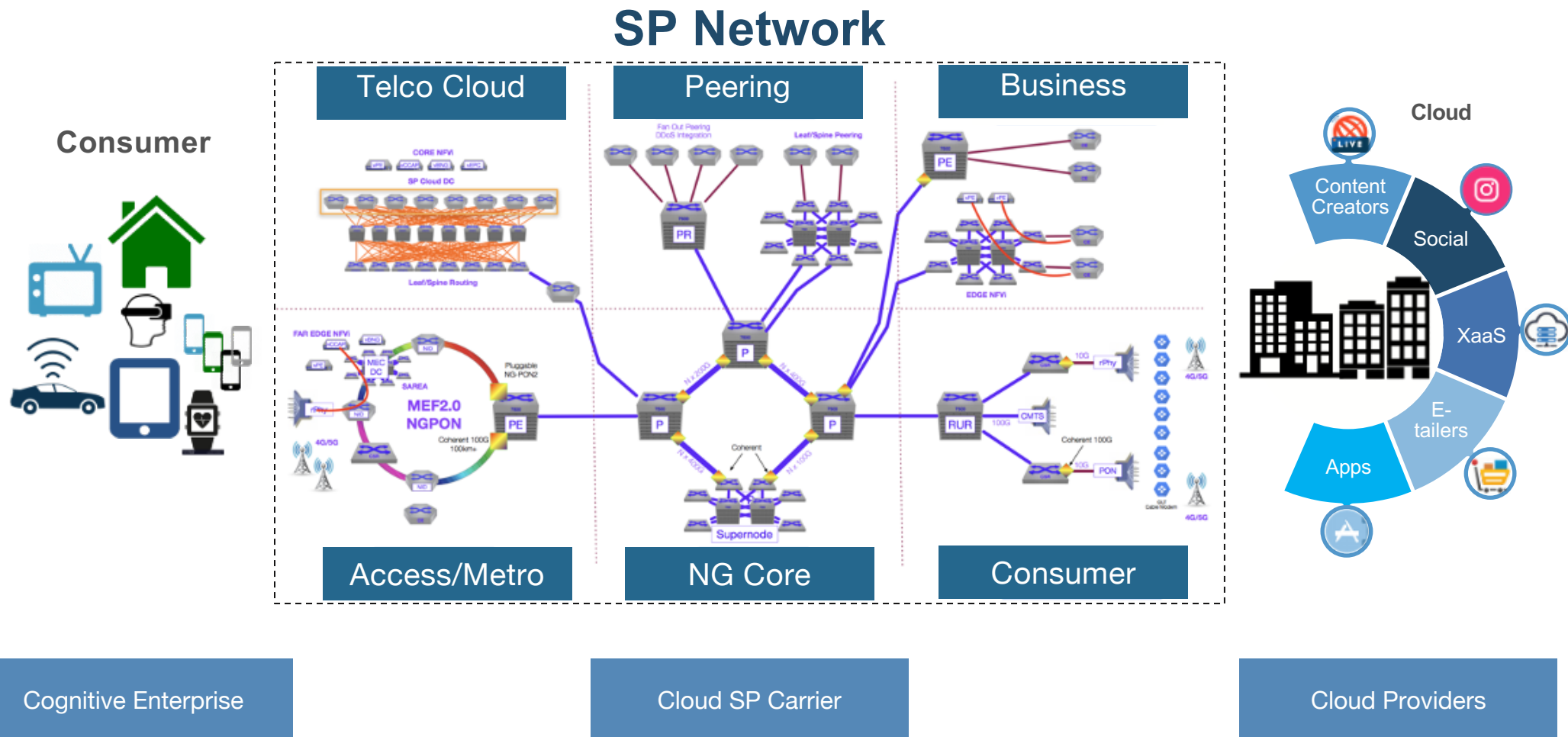
Expanding our Routing Leadership In Cloud Networking to SP

Arista's Portfolio Focus

Core - Data Center & Cloud Networks

Cognitive Adjacencies – Campus & Routing

→ Cognitive Network - Software & Services

ARISTA

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
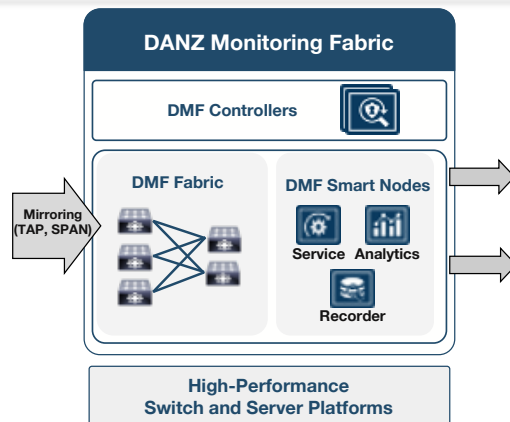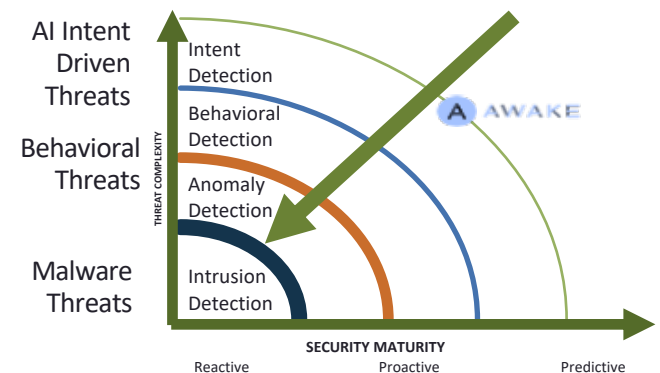
Arista
A-Care

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

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.

DANZ Monitoring Fabric

DMF Controllers

DMF Fabric   **DMF Smart Nodes**

Mirroring (TAP, SPAN)

Service   Analytics

Recorder

High-Performance Switch and Server Platforms

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

AI Intent Driven Threats — Intent Detection, Behavioral Detection

Behavioral Threats — Anomaly Detection

Malware Threats — Intrusion Detection

THREAT COMPLEXITY

SECURITY MATURITY

Reactive   Proactive   Predictive

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

On-Premise
CloudVision Or…

Arista Hosted
and Managed
CloudVision As A Service

CloudEOS in AWS

CloudEOS in GCP

CloudEOS in Azure

Campus

**On Premise
Data Center**

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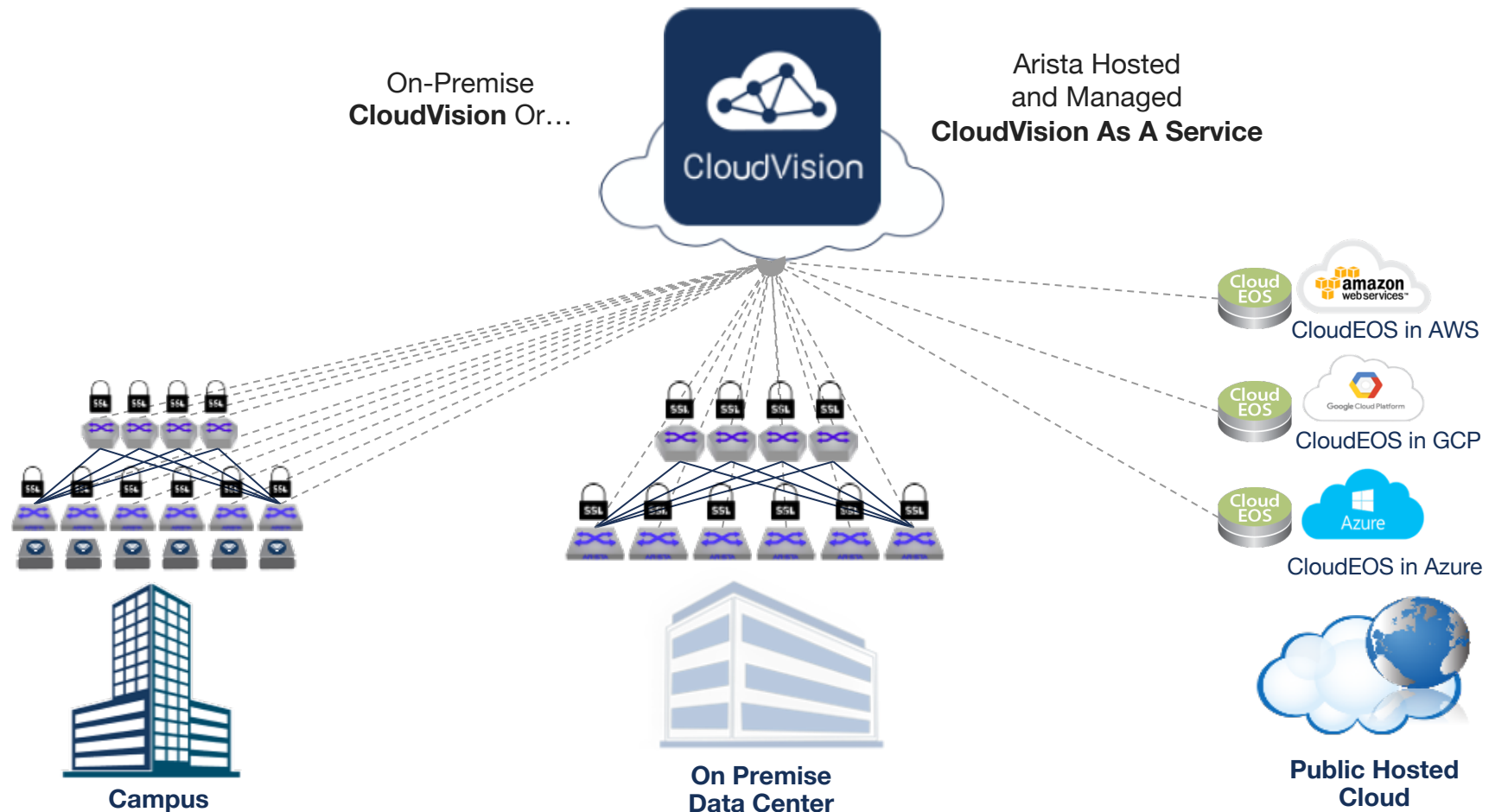
**Automation Tool & Real Time Telemetry from EOS State
For Client to Cloud Network Visibility**

Introducing CloudVision **Studios**

J

Key Features → Benefits

- **Point-n-Click Network Automation** → Instantly spin-up Arista Validated Network Designs with guided workflows

- **Flexible Config 'Wizards'** → Craft customizable, user-specific workflows

- **Network-wide Data models** → Abstractions for simpler automation of network-wide changes

Bringing Agility to Network Config Management

Awake Security
AI Driven Network Detection & Response (NDR)

AWAKE SENSORS

(Full Packet Analysis)

AWAKE NUCLEUS

(Cloud or on Premise)

AWAKE EXPERT SYSTEM "Ava"

On-Premise

(Campus, Data Center, IOT)

Cloud Taps

SaaS Apps

Autonomous Hunting & Response

- **Autonomous Security (Ava™)**
  AI-based expert system to automate triage, investigation & response skills

- **Threat Detection (Adversarial Modeling™)**
  Uncover entire attacks with low false positives & negatives

- **Situational Awareness (EntityIQ™)**
  Discover, profile and track devices, users and applications using AI-based fingerprinting

DANZ Monitoring Fabric
Multi-Domain Networking, Observability and Security

Universal Cloud Network

CloudVision Management

← **APIs** →

Data Center | Campus | Edge

Observability Fabric

DMF Controllers

Mirroring (TAP, SPAN)

DMF Fabric

DMF Smart Nodes

Service   Analytics

Recorder

Packet Data

Tools

AWAKE

Network Detection & Response

← **APIs** →

3rd Party Tools

Network Perf Monitoring

App Perf Monitoring

Security Tools

VOIP Monitoring

Traffic Recorders

SecOps

NetOps

DevOps

Delivering Modern, Cloud-inspired Solutions for Enterprises

Business Goals & Q2'21 Financial Metrics

ARISTA

Key Highlights and Financials for Q2 2021

Key Highlights

Q2-2021:

- In Q2 2021, Arista surpassed 50 million cloud network ports shipped cumulatively.

- Arista Launches Sub 100ns Ultra-low Latency Switch for Financial Services – Arista announced SwitchApp for Arista 7130, a new ultra-low latency switch that cuts latency to less than a third of existing Arista solutions. SwitchApp is based on the latest programmable FPGA technology and is fully integrated with Arista EOS® (Extensible Operating System).

- Arista Boosts Agility for Modern Enterprises - Arista announced CloudVision® 2021, a further expansion of Arista's software-driven approach for modern enterprises. CloudVision 2021 delivers new automation capabilities designed to improve network agility and streamline enterprise business outcomes.

- Arista Networks Cognitive Campus Solutions: Campus networks are undergoing another massive transition in the post-COVID era. As administrators adapt to the shifting boundaries between the office and home around the world, the campus is evolving to distributed workspaces.

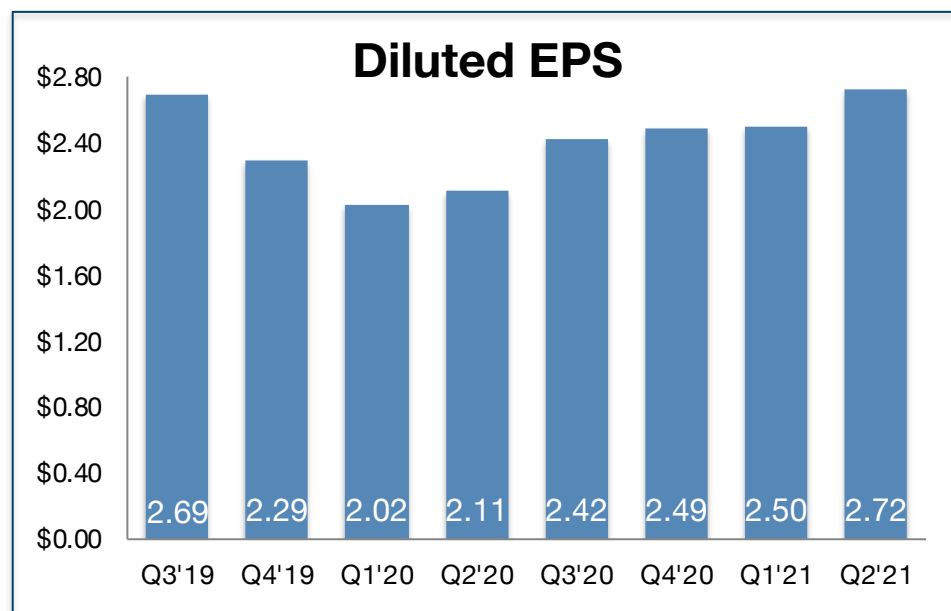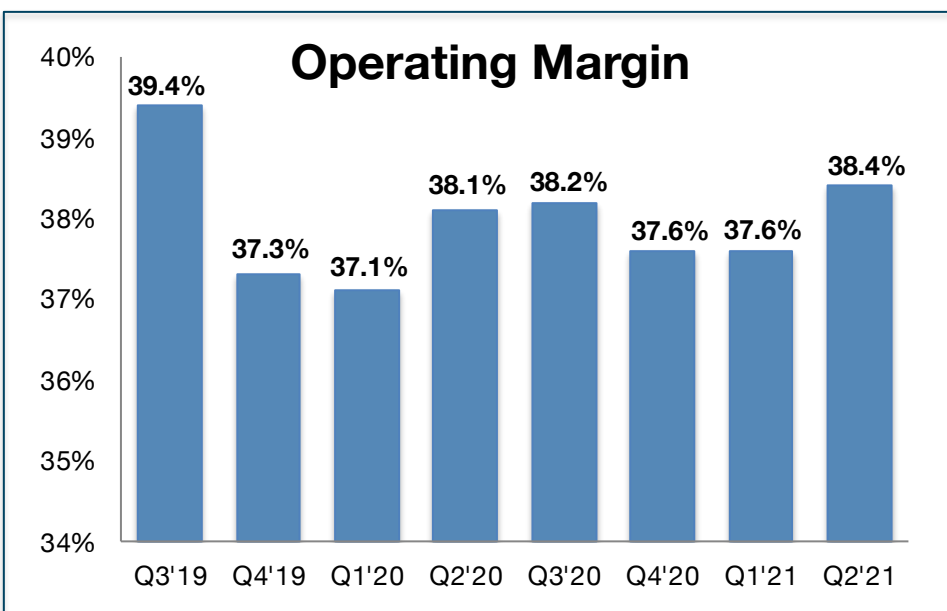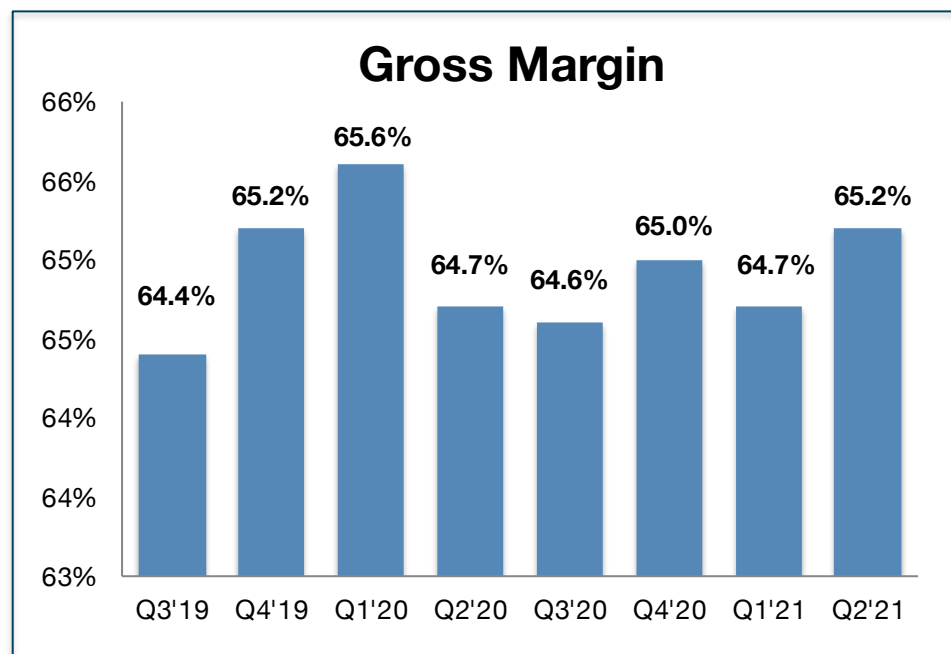## Financial Results (non-GAAP)[1]

Q2-2021:

Q2'21 Revenue: $707.3M
Q2'21 EPS: $2.72

Q2'20-Q2'21 Y/Y Revenue Growth: 30.8%

Q2'21 Gross Margin: 65.2%

Q2'21 Operating Margin: 38.4%

Financial Highlights[1]

Total Revenue

Millions

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
654	553	523	541	605	649	668	707

Gross Margin

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
64.4%	65.2%	65.6%	64.7%	64.6%	65.0%	64.7%	65.2%

Operating Margin

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
39.4%	37.3%	37.1%	38.1%	38.2%	37.6%	37.6%	38.4%

Diluted EPS

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
2.69	2.29	2.02	2.11	2.42	2.49	2.50	2.72
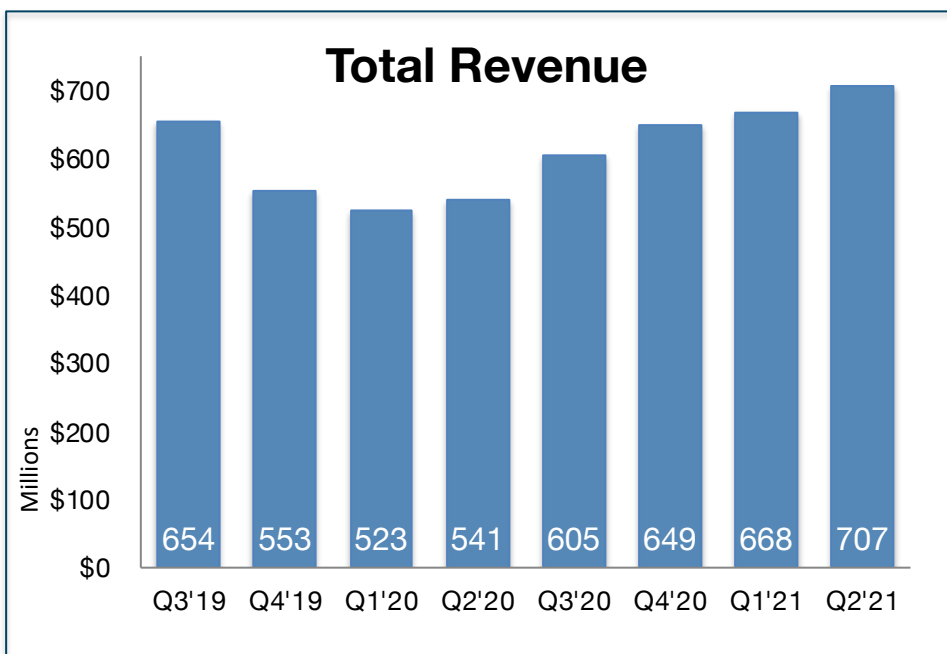
[1] Amounts are non-GAAP except for Revenue; refer to reconciliation between non-GAAP and GAAP in the appendix.

Balance Sheet & Cash Conversion Cycle

Cash, Cash Equivalents & Marketable Securities

(Millions)

Quarter	Value
Q2'20	2,782
Q3'20	2,846
Q4'20	2,873
Q1'21	3,028
Q2'21	3,282

AR and DSO

Legend: AR, DSO

Quarter	AR (Millions)	DSO
Q2'20	383	65
Q3'20	300	46
Q4'20	390	55
Q1'21	380	51
Q2'21	364	47

Inventory and Turns

Legend: Inventory, Turns

Quarter	Inventory (Millions)	Turns
Q2'20	327	2.3
Q3'20	438	2.0
Q4'20	480	1.8
Q1'21	483	1.8
Q2'21	543	1.7

Cash Conversion Cycle

(Days)

Quarter	Days
Q2'20	163
Q3'20	156
Q4'20	206
Q1'21	206
Q2'21	206

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

FY2020 Cash from Operations

Share Repurchase
54%

Awake / Big Switch Acquisition
31%

Retained in the Business
15%
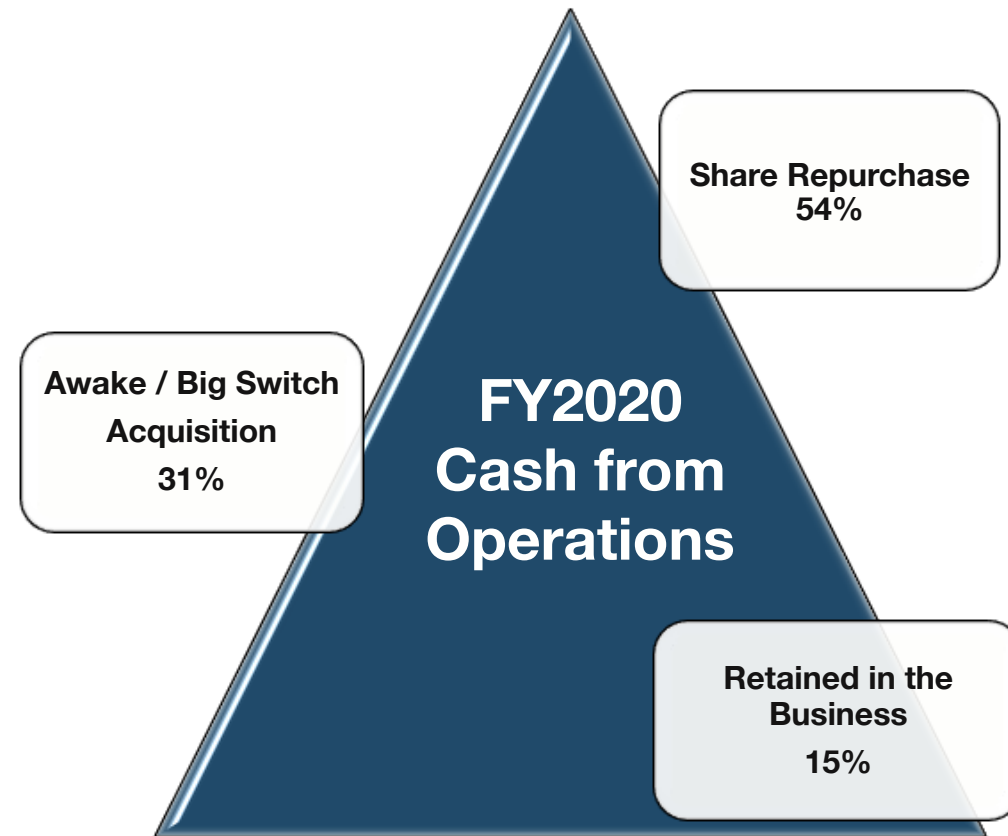
Third Quarter 2021 - Guidance

	Q3'21 Guidance
Revenue	$725M to $745M
Gross Margin (Non-GAAP)[1]	63% to 65%
Operating Margin (Non-GAAP) [1]	~ 37%

Diluted Shares – 80.14 Million
Non-GAAP Tax Rate[1] – 21.5%

[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.

Q3-2021 Investor Conference Participation

Arista will participate in the following virtual conferences in August and September with the financial community:

Keybanc's Technology Leadership Forum

Anshul Sadana, COO

Wednesday, August 11, 2021

Time: 11:20am ET / 8:20am PT

Wolfe Research Inaugural TMT Conference

John McCool, Chief Platform Officer

Wednesday, September 8, 2021

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

Citi 2021 Global Technology Conference

Ita Brennan, CFO

Tuesday, Sept 14, 2021

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

A live audio webcast of these events will be accessible from the Investor Relations section of the Arista website at https://investors.arista.com.

Appendix I

- GAAP to Non-GAAP Reconciliation

ARISTA

Appendix: GAAP to Non-GAAP Reconciliation

In thousands except per share data	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
GAAP gross profit	$ 390,191	$ 417,274	$ 356,303	$ 338,251	$ 344,089	$ 384,962	$ 414,584	$ 425,272	$ 454,178
GAAP gross margin	*64.1%*	*63.8%*	*64.5%*	*64.7%*	*63.7%*	*63.6%*	*63.9%*	*63.7%*	*64.2%*
Stock-based compensation expense	1,028	1,258	1,253	1,327	1,585	1,806	1,554	1,400	1,796
Intangible asset amortization	2,626	2,626	2,626	3,660	4,178	4,178	5,464	5,464	5,465
Non-GAAP gross profit	$ 393,845	$ 421,158	$ 360,182	$ 343,238	$ 349,852	$ 390,946	$ 421,602	$ 432,136	$ 461,439
Non-GAAP gross margin	*64.7%*	*64.4%*	*65.2%*	*65.6%*	*64.7%*	*64.6%*	*65.0%*	*64.7%*	*65.2%*
GAAP income from operations	$ 206,837	$ 228,606	$ 175,989	$ 149,662	$ 166,989	$ 188,395	$ 194,638	$ 206,292	$ 219,365
GAAP operating margin	*34.0%*	*34.9%*	*31.9%*	*28.6%*	*30.9%*	*31.1%*	*30.0%*	*30.9%*	*31.0%*
Stock-based compensation expense	24,297	26,257	26,435	27,556	32,922	36,469	40,095	37,553	44,944
Litigation expenses	514	-	333	-	-	-	-	-	-
Intangible asset amortization	3,499	3,293	3,084	4,902	5,811	5,811	7,562	7,430	7,365
Acquisition-related costs	-	-	-	11,860	-	858	1,215	-	-
Non-GAAP income from operations	$ 235,147	$ 258,156	$ 205,841	$ 193,980	$ 205,722	$ 231,533	$ 243,510	$ 251,275	$ 271,674
Non-GAAP operating margin	*38.7%*	*39.4%*	*37.3%*	*37.1%*	*38.1%*	*38.2%*	*37.6%*	*37.6%*	*38.4%*
GAAP net income	$ 189,251	$ 208,895	$ 260,692	$ 138,431	$ 144,793	$ 168,375	$ 182,958	$ 180,366	$ 196,888
Stock-based compensation expense	24,297	26,257	26,435	27,556	32,922	36,469	40,095	37,553	44,944
Litigation expenses	514	-	333	-	-	-	-	-	-
(Gain) on investments in privately-held companies	-	(4,277)	-	-	-	-	(4,164)	-	-
Intangible asset amortization	3,499	3,293	3,084	4,902	5,811	5,811	7,562	7,430	7,365
Acquisition-related costs	-	-	-	11,860	-	858	1,215	-	-
Altera stock-based compensation tax charge	9,781	-	-	-	-	-	-	-	-
Tax benefits on intra-entity IP transfer	-	-	(85,819)	-	-	-	-	-	-
Tax benefits on stock-based awards	(23,455)	(12,674)	(16,232)	(14,502)	(11,682)	(14,894)	(19,802)	(20,906)	(24,113)
Tax effect of non-GAAP exclusions	(5,324)	(4,391)	(5,045)	(6,555)	(4,796)	(4,624)	(10,188)	(5,606)	(8,256)
Non-GAAP net income	$ 198,563	$ 217,103	$ 183,448	$ 161,692	$ 167,048	$ 191,995	$ 197,676	$ 198,837	$ 216,828
GAAP diluted income per share	$ 2.33	$ 2.59	$ 3.25	$ 1.73	$ 1.83	$ 2.12	$ 2.31	$ 2.27	$ 2.47
Non-GAAP adjustments to net income (loss) per share	0.11	0.10	(0.96)	0.29	0.28	0.30	0.18	0.23	0.25
Non-GAAP diluted income per share	$ 2.44	$ 2.69	$ 2.29	$ 2.02	$ 2.11	$ 2.42	$ 2.49	$ 2.50	$ 2.72
GAAP and non-GAAP weighted diluted shares	81,335	80,753	80,261	79,939	79,298	79,313	79,261	79,623	79,710
Summary of non-GAAP adjustments:									
Cost of revenue-product	$ 3,144	$ 3,207	$ 3,219	$ 4,273	$ 4,911	$ 5,008	$ 6,062	$ 5,798	$ 6,196
Cost of revenue-service	510	677	660	714	852	976	956	1,066	1,065
Research and development	12,568	13,472	13,897	22,187	19,885	21,930	23,691	22,489	23,645
Sales and marketing	7,970	8,499	8,163	11,043	9,343	10,312	12,779	11,544	12,762
General and administrative	4,118	3,695	3,913	6,101	3,742	4,912	5,384	4,086	8,641
Other expense (income)	-	(4,277)	-	-	-	-	(4,164)	-	-
Income tax benefit	(18,998)	(17,065)	(107,096)	(21,057)	(16,478)	(19,518)	(29,990)	(26,512)	(32,369)

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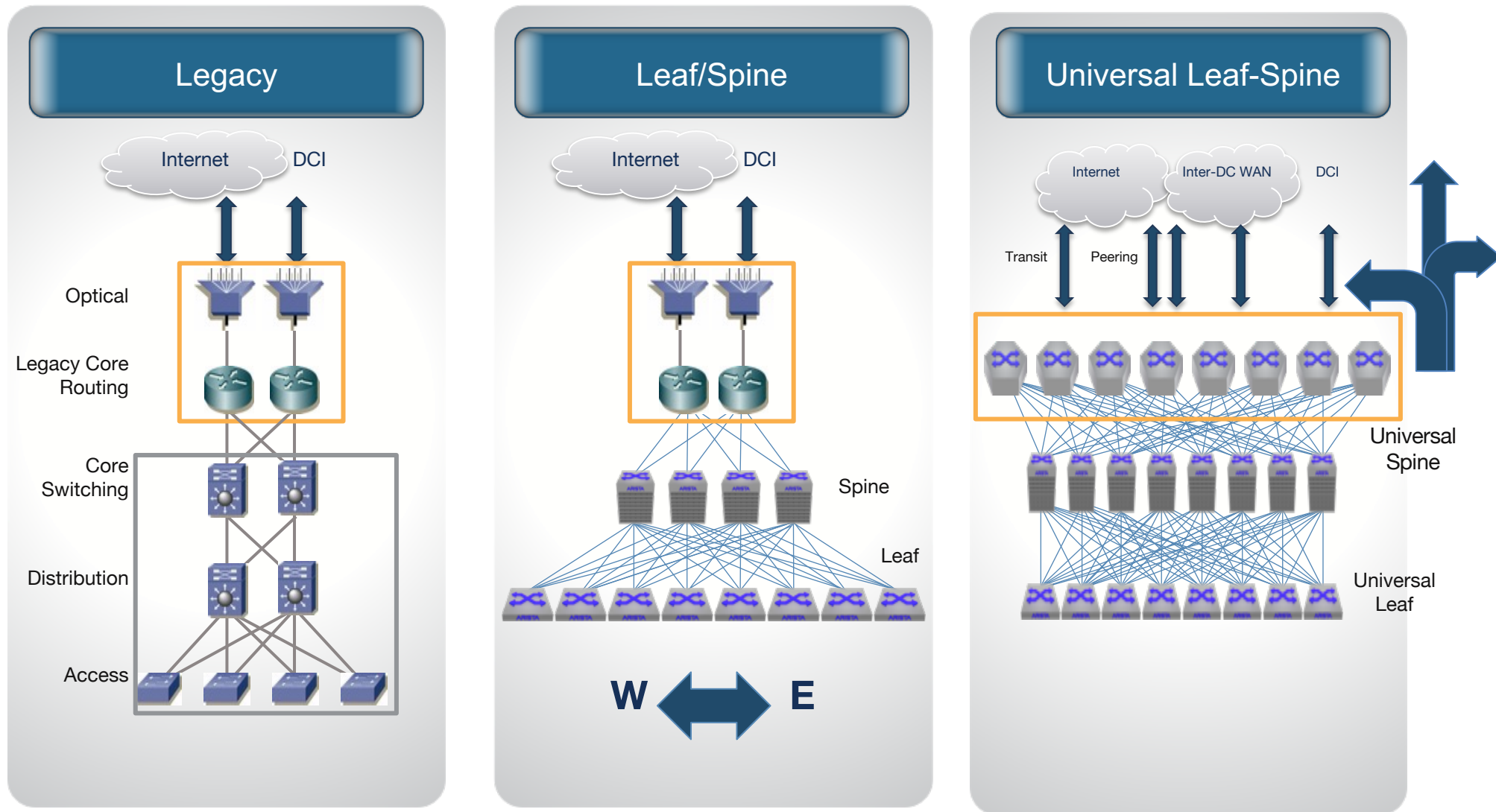
- Introduction to Arista's
    - Technology
    - Products
    - Competitive Differentiation

ARISTA

Cloud-Class Market Leadership Platform Portfolio

7300X / 7368X / 7320X

7500R / 7800R

Spine/Spline™

EOS

7050X / 7060X / 720X / 750X

7150S / 7170 / 7280R Series

Leaf

Volume

Value

Single Image Arista EOS Across All Platforms

Evolution of the Universal Cloud Network Architecture

Legacy

Internet · DCI

Optical

Legacy Core Routing

Core Switching

Distribution

Access

Leaf/Spine

Internet · DCI

Spine

Leaf

W ⟷ E

Universal Leaf-Spine

Internet · Inter-DC WAN · DCI

Transit · Peering

Universal Spine

Universal Leaf

Routing is Integrated into the Universal Spine and Leaf

Proven Architectural Flexibility
Open, Programmable, Modular, Scalable

Automation, Telemetry, Diagnostics

CloudVision

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

EOS

Cloud EOS

One Image, Flexible Packaging Option

Arista EOS

Abstraction Layer

Hardware System Design

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

Merchant Silicon
7 Architectures

Trident	Tomahawk
Tofino	Jericho/Qumran
Fulcrum	Xpliant	Helix

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

Leading Performance Best of Breed Merchant Silicon

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

EOS APIs

- JSON-RPC
- OpenConfig/YANG
- NETCONF
- NetDB Streaming
- EOS SDK

	Standard EOS	**CloudEOS in a virtual machine**	**CloudEOS in a container**
Architecture	EOS (Linux)	VM / vEOS (Linux)	Container / cEOS
			Docker/Kubernetes
		Multi-Hypervisor	Linux Kernel
	Arista Hardware	x86 Server	X86 Server Arista hardware 3rd Party hardware
Use cases	HW+SW bundled solution	vEOS Router vEOS Lab	Kernel Independence (Cloud) Hardware Disaggregation cEOS Lab

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
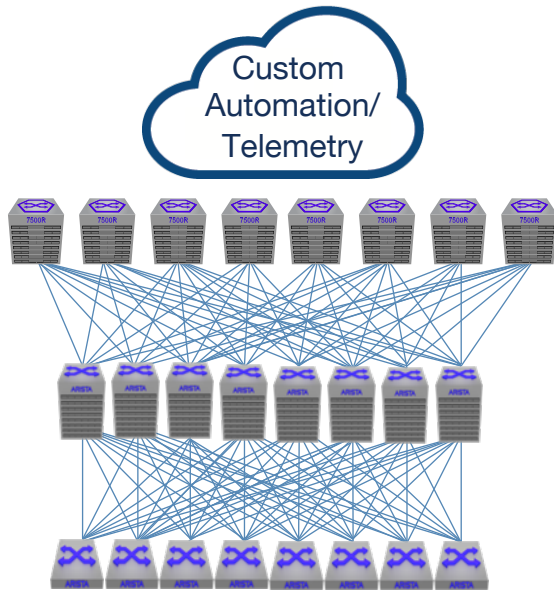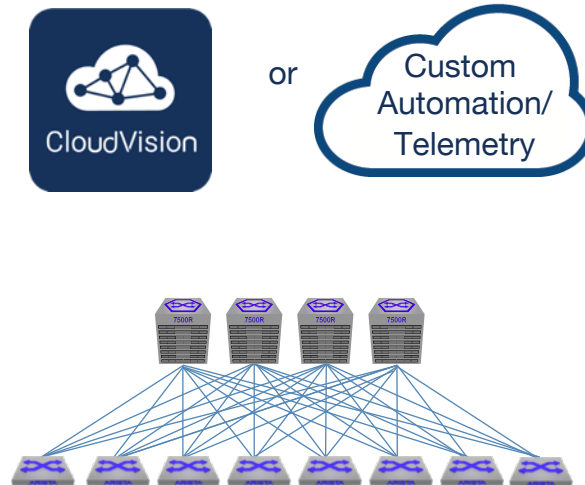 - Modern, Open, and Scalable Architecture
  - Software Quality

Legacy – Spaghetti Code

OTV	MSDP	PIM	IGMP
ACL	IPQOS	LC FIB	IGMP Snoop
STP	U4RIB	U6RIB	CoPP
BGP	RIP	OSPF	EIGRP	ISIS

Susceptible to Process Failure

Custom Linux

Custom ASICs

Arista Programmable EOS

NetDB State

HW Drivers, XMPP, SDK, eAPI, STP, VXLAN, CLI/SNMP, Routing, CloudVision

Notify

Publish

Linux Kernel

Processes are Self-Healing

Open Linux

Merchant Silicon
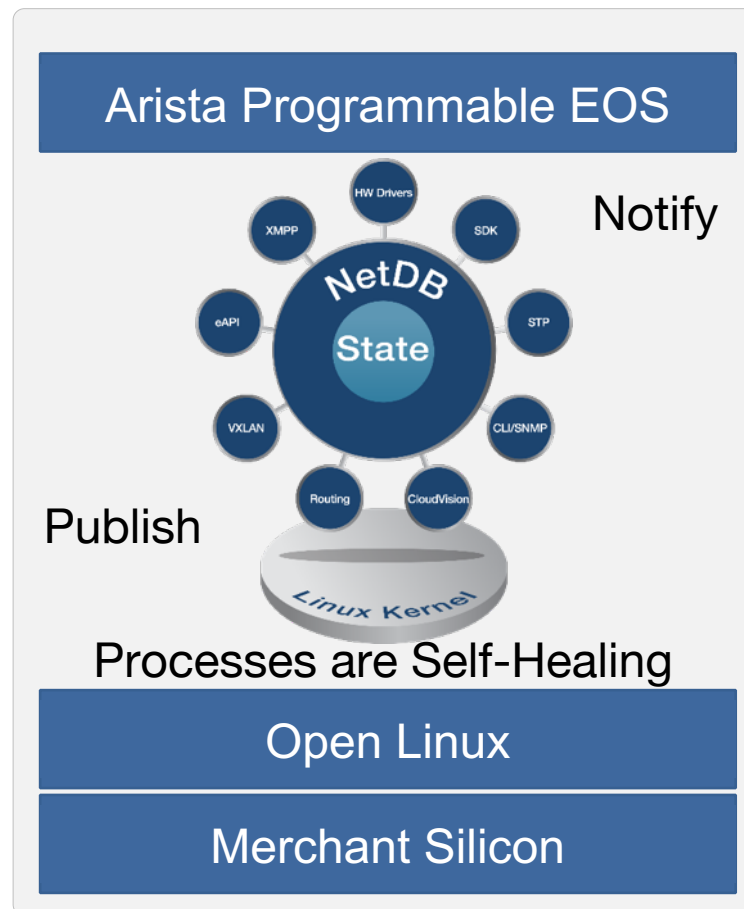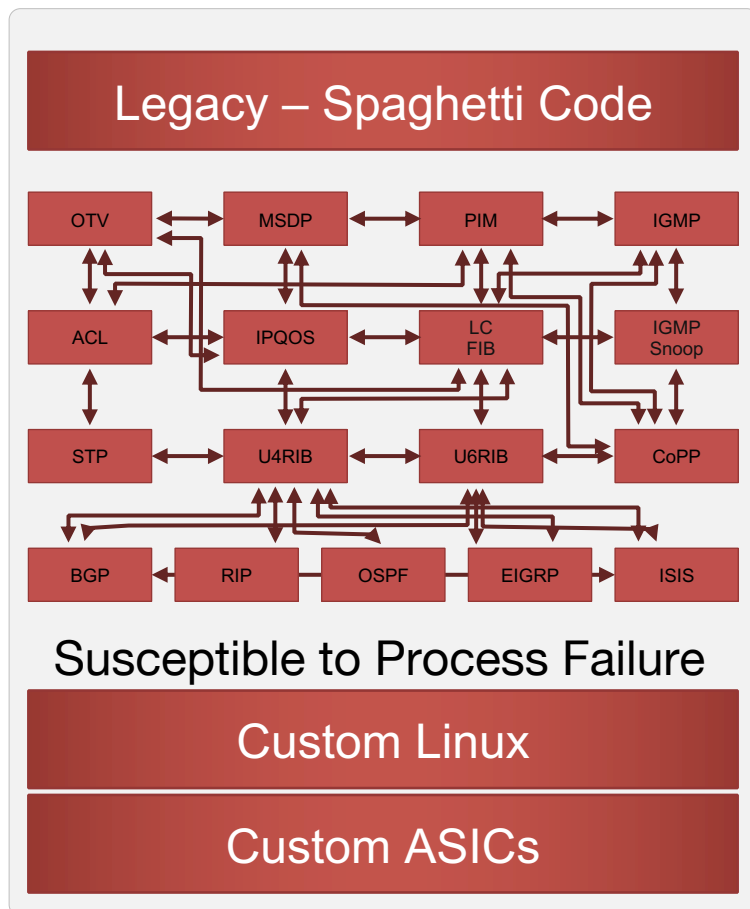
Resilient

Programmable

Scalable

One Architecture – One EOS – Scales Up and Down

Cloud Titans

SP & Tier 2 Cloud

Enterprise

Custom Automation/ Telemetry

CloudVision   or   Custom Automation/ Telemetry

CloudVision

Scale and Control Driven

Best of Breed Driven

Turnkey Driven

Thank You

www.arista.com

ARISTA