

# ARISTA

Investor Presentation – August 2022

# Safe Harbor

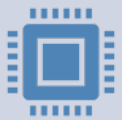
**Forward-Looking Statements** - This presentation and accompanying oral presentation contain “forward-looking statements” including Arista's business plans and objectives, growth drivers, potential growth opportunities, market potential, the data center switching market, the campus ethernet switching market, the NDR market, the expansion of the Cognitive Campus workspaces, security and segmentation, the demand from service providers, Arista's business initiatives, cloud networking strategy and technology, the transition to 400GbE products, Arista's competitive position, guidance for the third quarter 2022, the benefits of our platforms, industry environment and potential market opportunities, emerging use cases, the adoption of AI, our as-a-service offerings, the introduction of new technology or acquired products, the benefits of acquisitions 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: interruptions or delays in shipments; the impact of supply shortages and manufacturing disruptions on our business including increased purchase commitments and extended lead times, the impact of the COVID-19 pandemic and related public safety measures 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; deferral, reduction or cancellation of orders from end customers; increased component costs including as a result of global inflationary pressures and the impact of the Russian/Ukrainian conflict; variability in our gross margins including as a result of changes in end customer mix or product mix; adverse global economic and geopolitical conditions and reduced information technology and network infrastructure spending; intense competition; expansion of our international sales and operations; investments in or acquisitions of other businesses; fluctuations in our results of operations including as a result of seasonality; our ability to attract new large end customers or sell products and services to existing end customers and dependence on large end customers; the timing of orders and their fulfillment; 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, excess or obsolete inventory; a decline in end customer demand for our products or services; our ability to protect, defend and maintain our intellectual property rights; vulnerabilities in our products and failure of our products to detect security breaches; 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 in this press release 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 on which they were made.

**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.

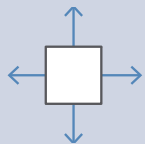
## Leader in Data-Driven Networking



Large, fast-growing market opportunity



Scalable architecture, single operating system drive lower TCO



Expanding market adjacencies and product/customer diversification



High differentiation, operational efficiency drive profitable growth

# Arista At-a-Glance<sup>1</sup>

**LTM REVENUE****\$3.5B****5-YEAR CAGR****21%****LTM GROSS  
MARGIN****~64%****LTM OPERATING  
MARGIN****~39%****IPO 2014**

June 6th

**Leader in 100/400G****Gartner Leader**

2020 Magic Quadrant for Data Center and Cloud Networking

**S&P 500**

Added in 2018

**8000+**

Customers

**Forrester Wave Leader**

Open Programmable Switches for Business Wide SDN

<sup>1</sup> Amounts are non-GAAP; refer to reconciliation between non-GAAP and GAAP in the appendix.



# Key Secular Trends Driving Network Transformation



**DIGITAL  
TRANSFORMATION**



**STREAMING MEDIA**



**SECURE ACCESS  
SERVICE EDGE**



**REMOTE WORK**



**IOT/OT**



**5G & AI/ML**



**CLOUD**

Requires a data-driven, cognitive, cloud network

# Data-Driven Networking Demands A New Paradigm



DIGITAL TRANSFORMATION



STREAMING MEDIA



SECURE ACCESS SERVICE EDGE



REMOTE WORK

SW BASED

ZERO  
TRUST

AI/ML

QUALITY  
SUPPORT

OPEN &  
PARTNER  
ENABLED

AGILE

AVAILABLE

AUTOMATED

ANALYTICS

AI/API



IOT/xOT



5G & AI/ML



CLOUD



# Arista Ideally Positioned to Address Network Demands



DIGITAL TRANSFORMATION



STREAMING MEDIA



SECURE ACCESS SERVICE EDGE



REMOTE WORK



IOT/xOT



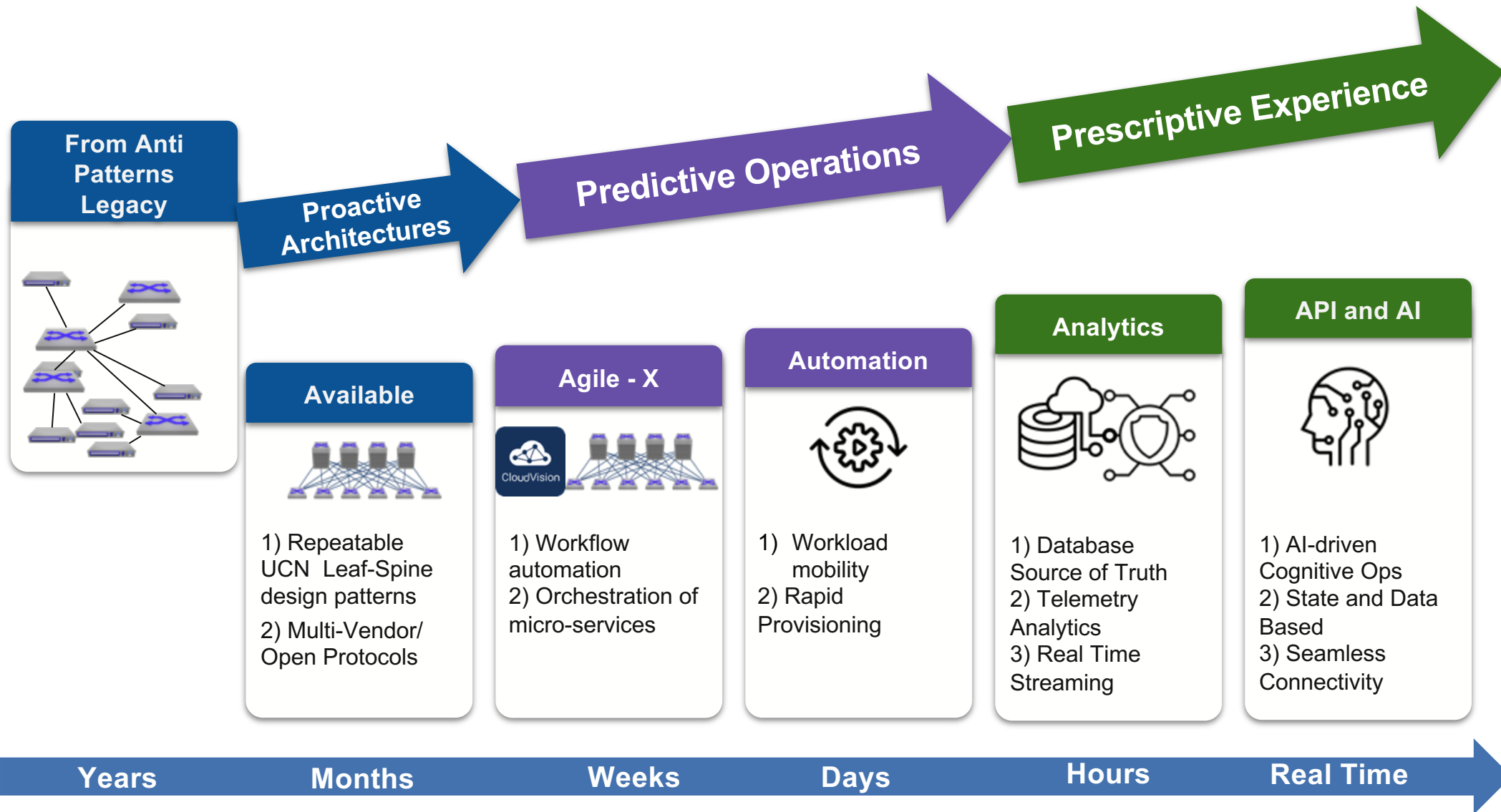
5G & AI/ML



CLOUD

# Arista's Cognitive Cloud Principles: The Five "A"s

Evolving at the speed of cloud



# A Seasoned Management Team with Domain Expertise



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

# Arista's Commitment to Corporate Responsibility



## Environmental

- LEED Gold Certification for Corporate HQ building
- 30% Reduction in Scope 1 and Scope 2 emissions intensity by revenue between 2018 to 2020
- 3<sup>rd</sup> year of reforestation as part of Arista Tree Planting Initiative in Pune, India
- Carbon intensity by revenue decreased over 50% since 2014

## Social

- Certified "Great Place to Work" in US and India
- Best Place To Work in the Bay Area 2022
- Arista invested in new partnerships with Society of Women Engineers and Path Forward to accelerate diversity
- 3X YoY increase in Arista Foundation grants in 2021
- Arista Foundation and employees have provided 2.5M meals at Second Harvest of Silicon Valley.
- Arista donations to K-12 and Univs. for STEM education

## Governance

- Board of Directors composition:
  - 77% Independent
  - 44% Gender and Ethnic Diversity
- Arista is one of a select few Fortune 1000 companies currently with a female CEO and a female CFO
- Achieved MSCI A-Rating

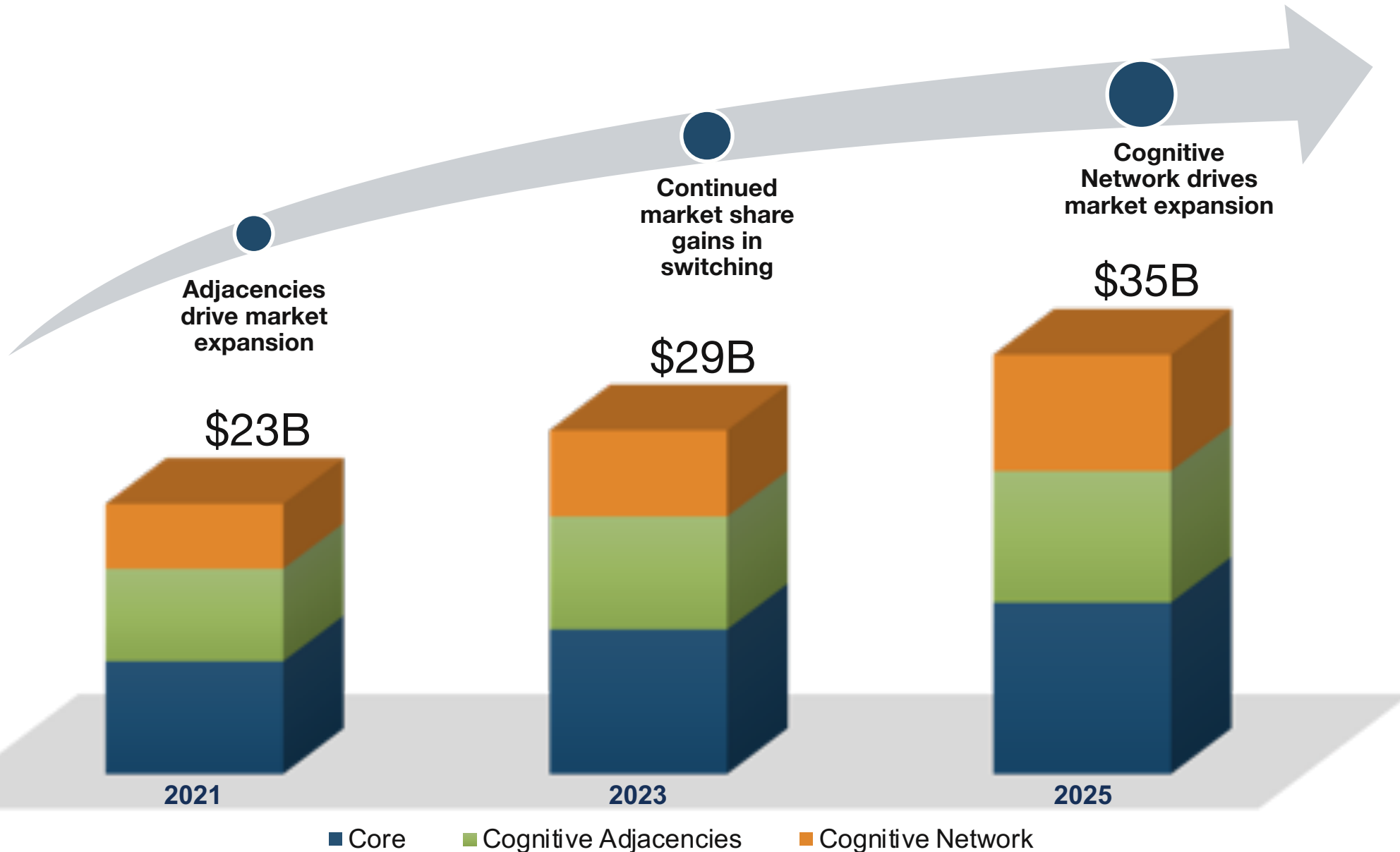




# Growth Drivers and Market Opportunity

# Arista's Growth Drivers Addressing a \$35B Served Market

## Cloud Networking Market Expansion

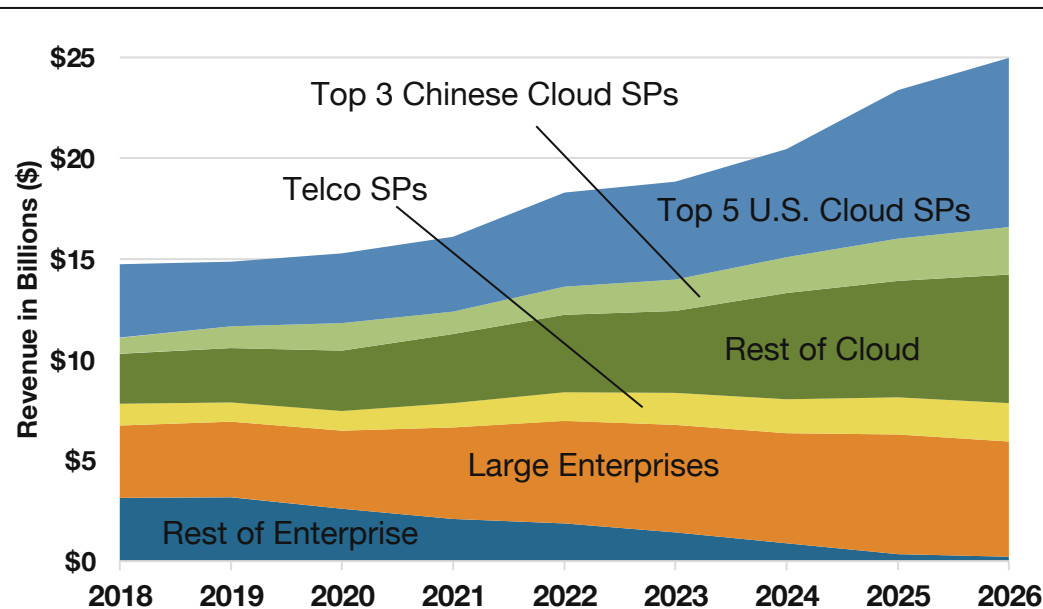


Source: Arista's internal estimates and various industry analysts



# Continued Growth Ahead In Switching Market Opportunity

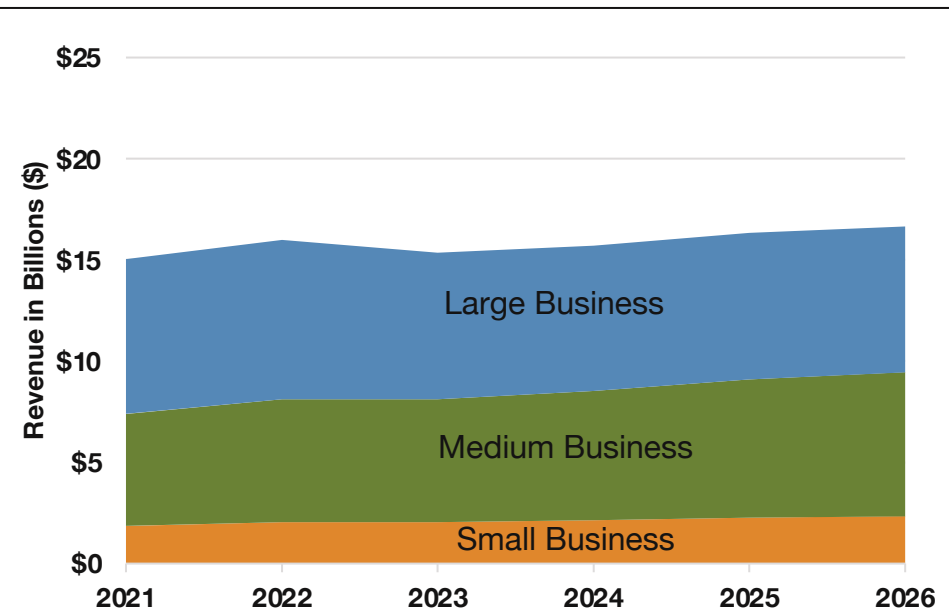
## Data Center Ethernet Switch Revenue



Source: 650 Group Ethernet Switch Data Center Forecast Q2 2022

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 Q2 2022

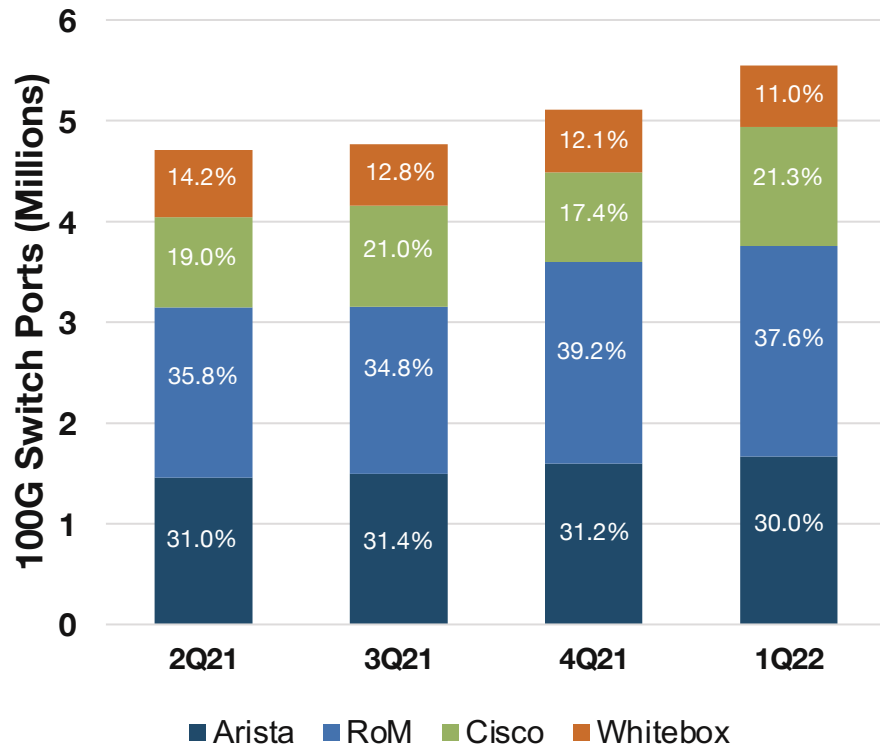
Large Business - Fortune 2000  
Medium Business - Rest of Enterprise Market  
Small Business - Less than 50 Employees

Data Center + Campus Opportunity Approaches \$40B

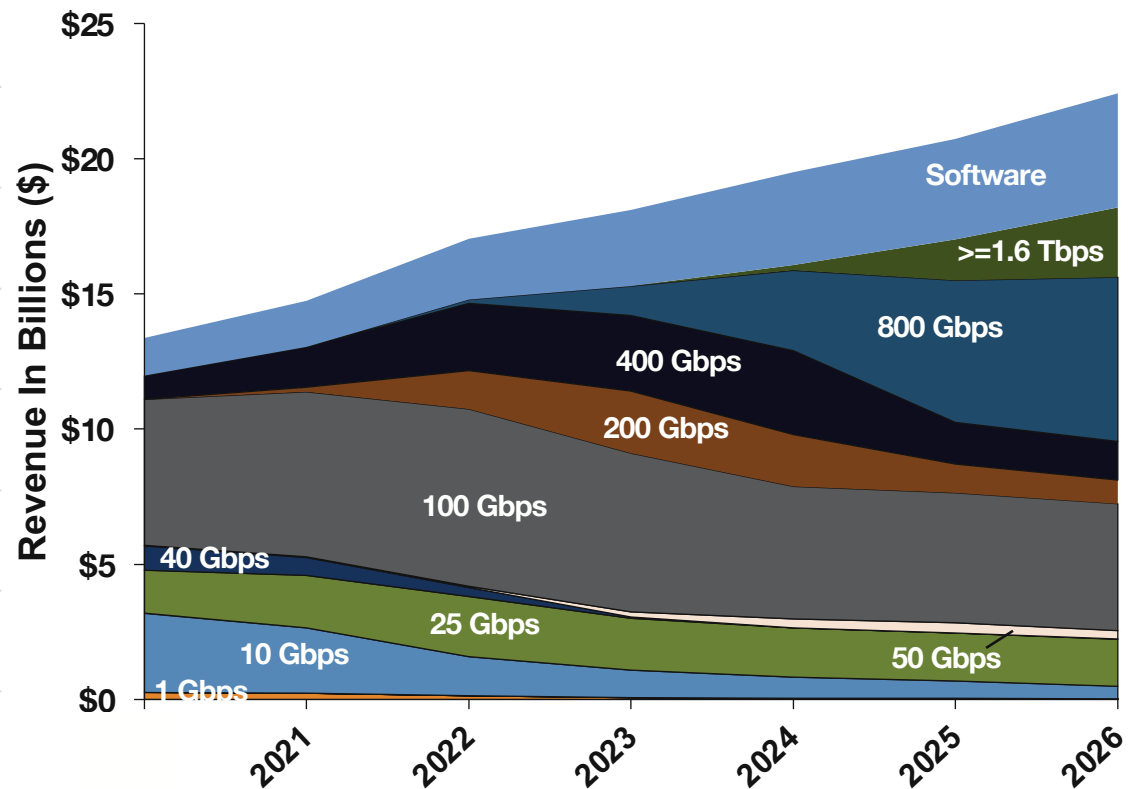
# Arista's Market Leadership in 100G; Ramping 400G

## Data Center Ethernet Switch Analysis and Forecast

100G Ethernet Switch Ports  
Market Share Breakdown



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



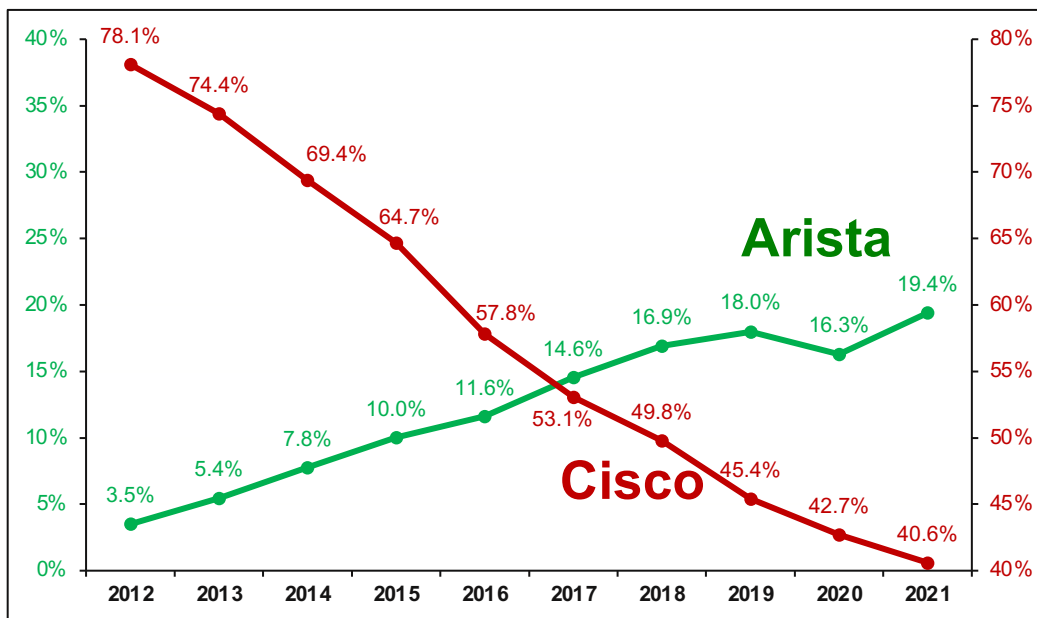
**Source:** Dell'Oro Ethernet Switch Data Center  
Total Vendor Tables – March 2022

**Source:** Dell'Oro March 2022 - 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

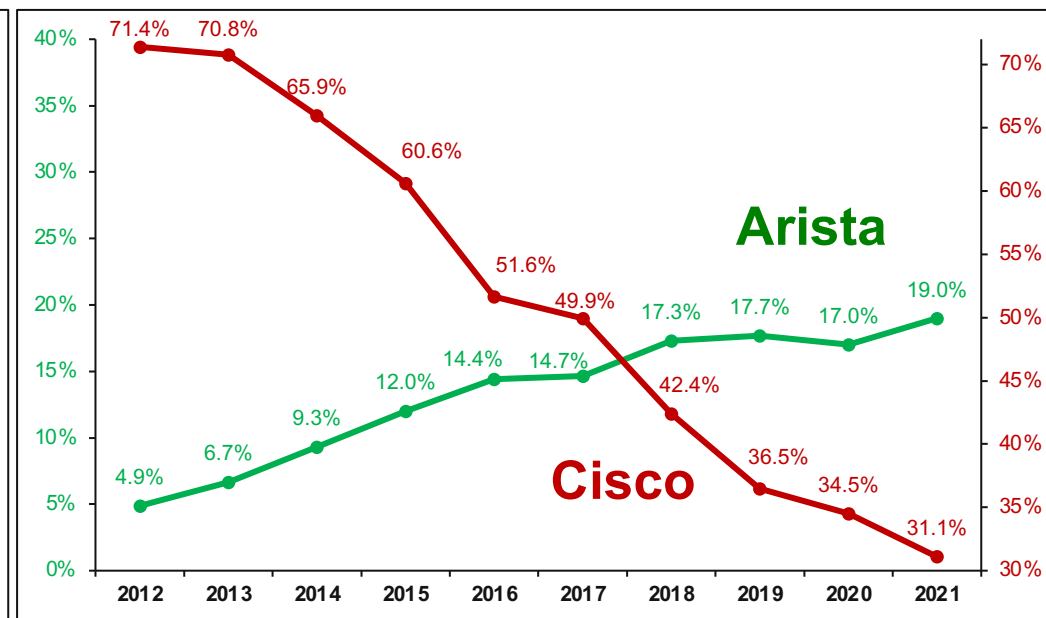
# Delivering Consistent Market Share Gains vs Cisco

## High Speed Data Center Switching Market

### Share in Dollars



### Share in Ports



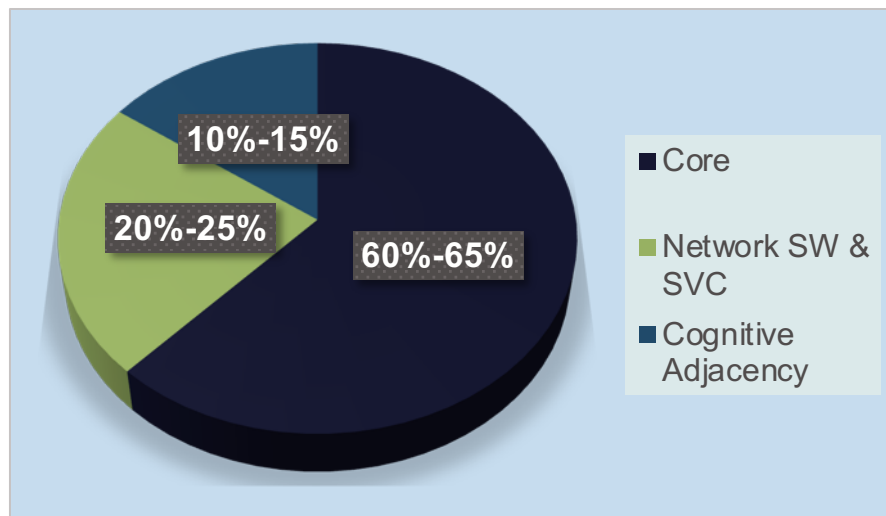
**Source:** Crehan Research Datacenter Switch Market Share Report Q4'2021

Note: 10GbE and Higher - Excludes blade switches

Double digit share gains in 2021

# Arista's Product and Market Sector Diversification

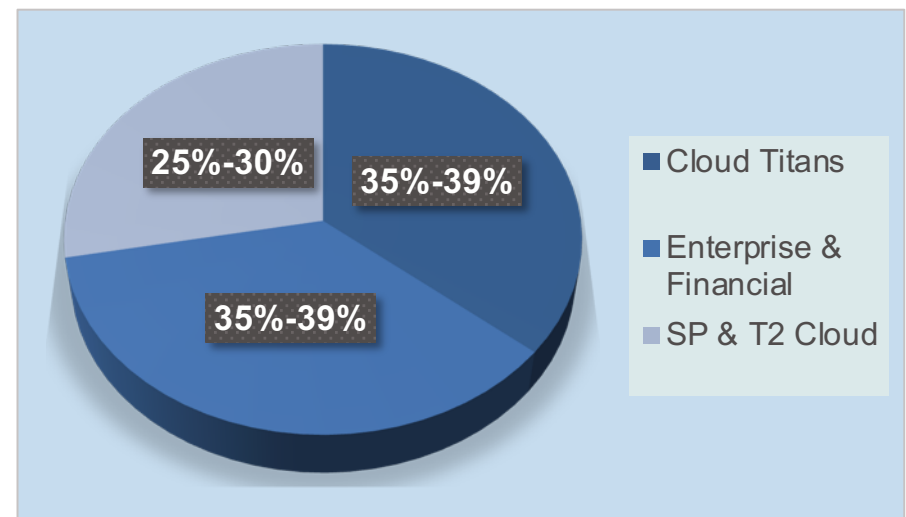
## Product Trends\*



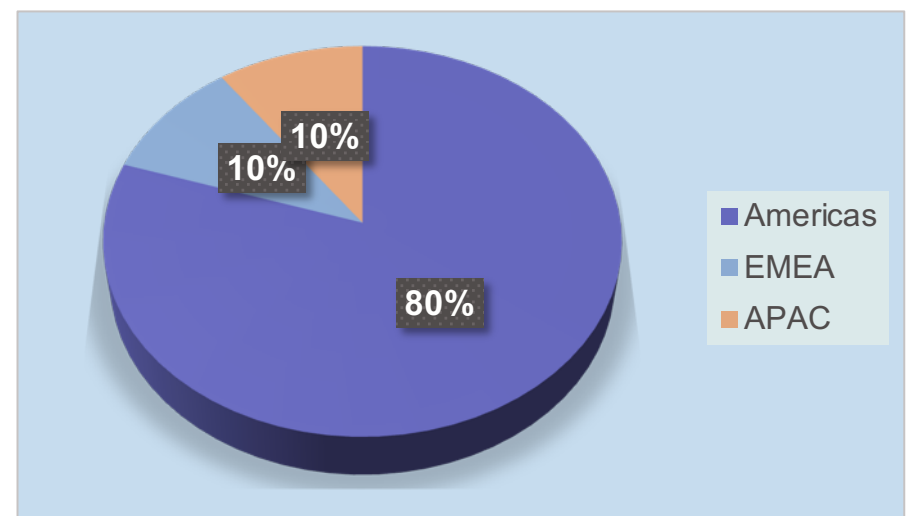
**Core – Data Center & Cloud Networks**  
**Cognitive Adjacencies – Campus & Routing**  
**Cognitive Network - SW & Services**

\*Management estimate of long-term revenue mix trends during normalized business conditions; trends may vary in a supply constrained environment

## Market Sector Trends\*



## Geographic Mix Q2'22



## Arista's FY2022 Key Initiatives

**30%  
Revenue  
Growth**

30% YoY Revenue Growth across Data Center, Campus, Routing, SW and SVCs

**Deliver on  
New Target  
Markets**

Grow Market Share in Enterprise, Routing, Campus, Software and Services

Double Campus YoY Revenue

**Continue  
Operational  
Excellence**

Deliver industry-leading performance, quality and services

# Why 8000+ Customers Choose Arista



Modern Architecture – Scalable, Programmable, Standards-based



Innovative & Data-driven Automation, Telemetry, Analytics



Superior Quality – Low TCO and simplicity with EOS



World-class Support

# Arista's Leadership and Quality Recognized

## Forrester and TechValidate Net Promoter Score Recognition



[Link to the Forrester Report](#)

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### Arista NPS Score Rating: "World Class Support"

**+80 9.3/10**

2022 Survey conducted through TechValidate



**World-class Products and World-class Support: +80 NPS**

Arista Networks continues to lead the industry with a wider portfolio of solutions and truly world-class support with an NPS score of +80 and an average rating of 9.3 out of 10 in a TechValidate survey of customers in 2022.



### ARISTA TAC CUSTOMER SATISFACTION

100% of surveyed IT organizations are likely to recommend Arista TAC to their friends or colleagues!

**100%**

[Link to the TechValidate TechFacts](#)



# Garnering **Five Star** Customer Reviews

[Link](#)

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

Sr. Network Administrator  
**Finance Industry**

[Link](#)

**"Anyone not using Arista  
for their network  
infrastructure doesn't  
enjoy their sleep."**

Enterprise Architect  
**Retail 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](#)

**"CloudVision is THE  
Essential Component to  
Insure Success with an  
Arista Network."**

Infrastructure and Operations  
**Finance Industry**

[Link](#)

**"We dreamed big on our  
network transformation  
and Arista met and exceed  
our expectations."**

Enterprise Architect  
**Services Industry**



# Expanding Across Multiple Markets and Industries

## MAJOR VERTICALS



Cloud Titans



Enterprise



Financials



Specialty Cloud



Service Providers

## EMERGING ENTERPRISES



M&E



Federal



Healthcare



Education

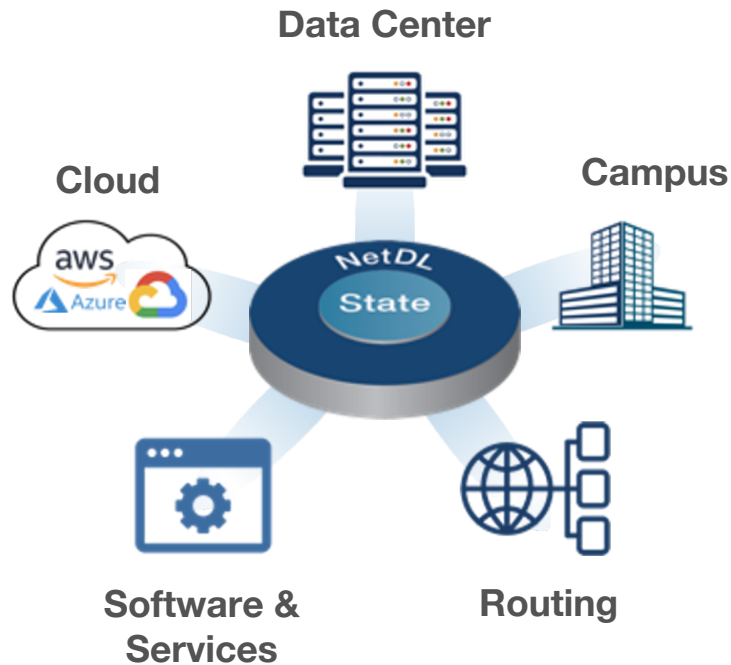


Retail

# **Arista's Portfolio Offerings**

- 1. Core – Data Center & Cloud Networks**
- 2. Cognitive Adjacencies – Campus & Routing**
- 3. Network Software & Services**

# Arista's Consistent Client-to-Cloud Portfolio



One Network Stack: EOS

Complete Data Center Portfolio

Complete Campus Portfolio

Expanding Routing Portfolio

Expanding Software Portfolio

Only networking company to offer a consistent operating model for  
Cloud, Service Provider, and Enterprise

# Arista's Portfolio Offerings



**CORE  
DATA CENTER &  
CLOUD NETWORKS**

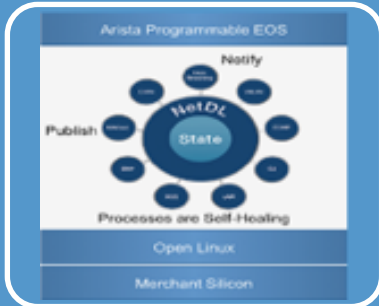


**COGNITIVE  
ADJACENCIES  
CAMPUS & ROUTING**



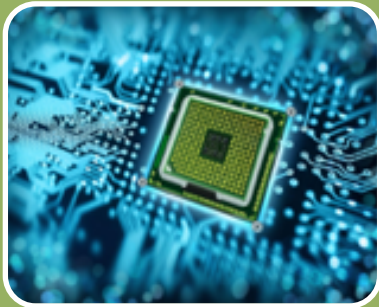
**NETWORK SOFTWARE  
& SERVICES**

# Leadership in Data Center and Cloud Networking



## Arista Extensible Operation System (EOS)

- Modern, reliable, data-driven network operating system
- Programmability at every layer
- Store and Store Driven with NetDL (Network Data Lake)



## Merchant Silicon

- Leverage best-in-class merchant switching silicon
- Superior integration, performance, delivery, and power efficiency
- Silicon diversity optimized for target markets

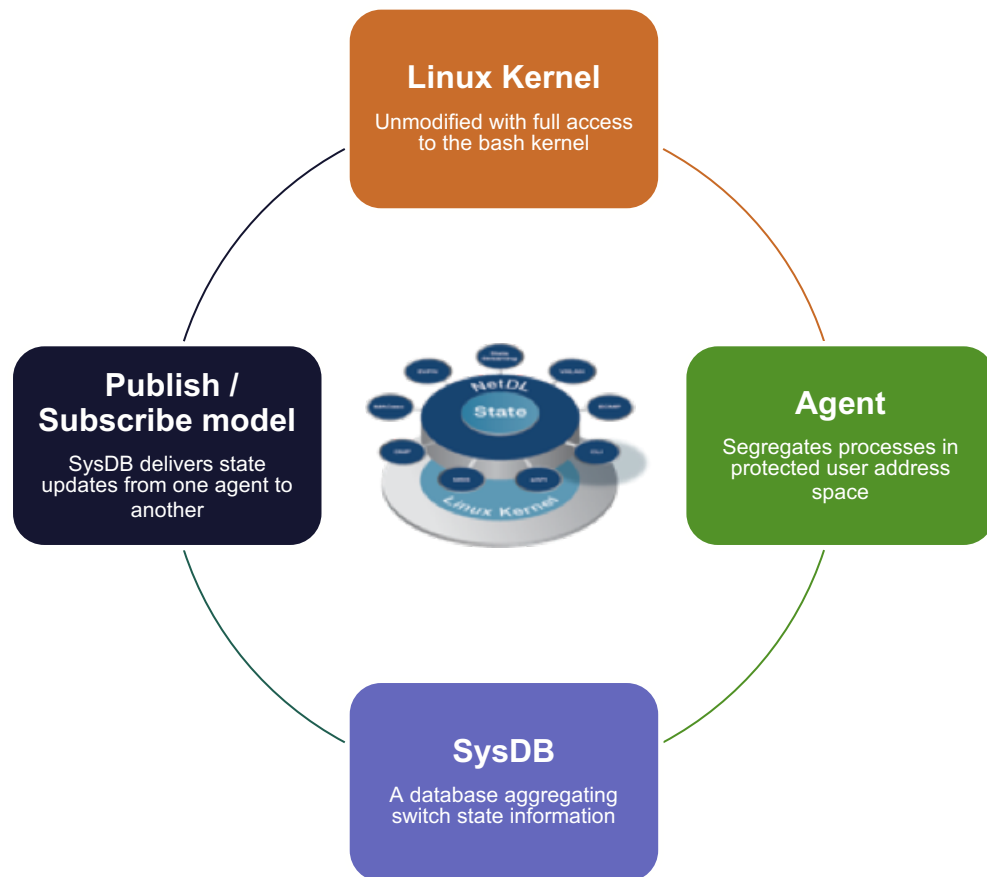


## Best-of-Breed Systems

- Fully featured next generation switching systems
- Proven single EOS image quality across all product families
- Multi-generational investment protection



# Arista EOS - Modern State Oriented Architecture



## Architecture Differentiators

**Open** – Standards based, interoperable

**Publish-Subscribe Model** - Highly Available solution with Fault Isolation and Fault Repair

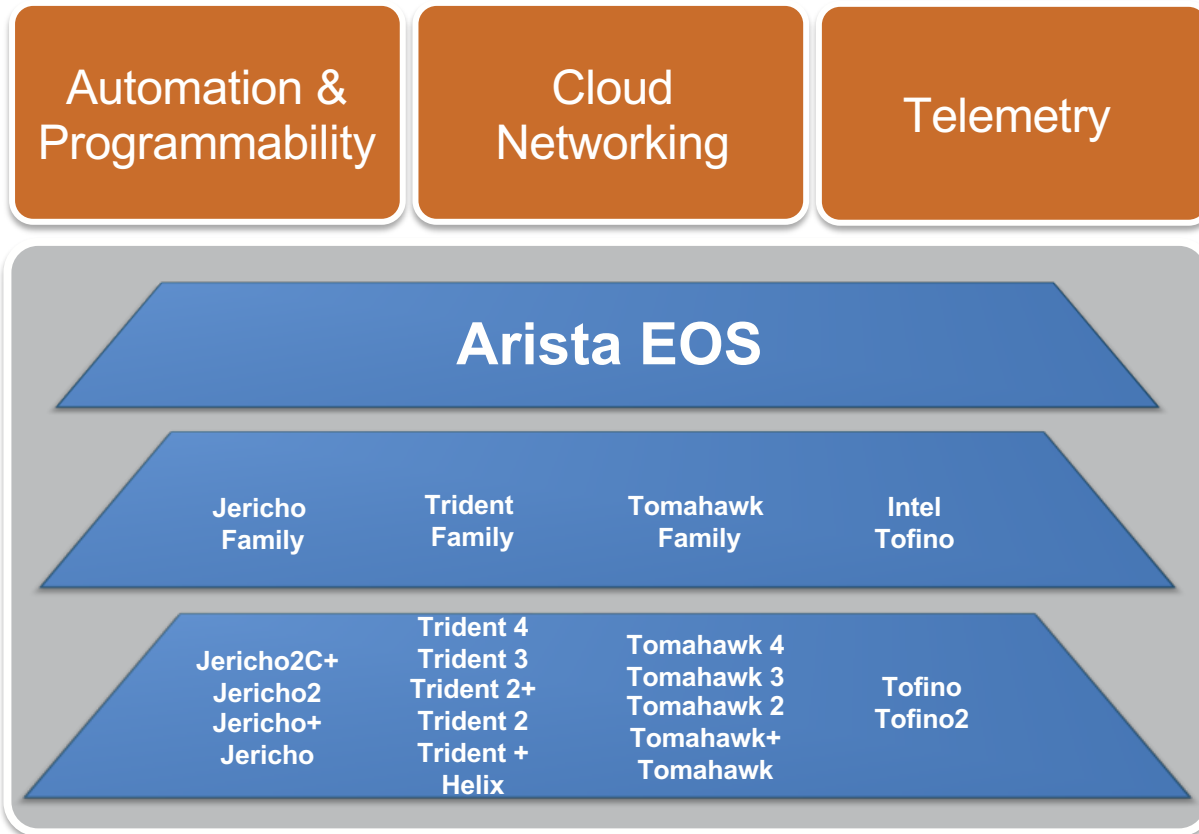
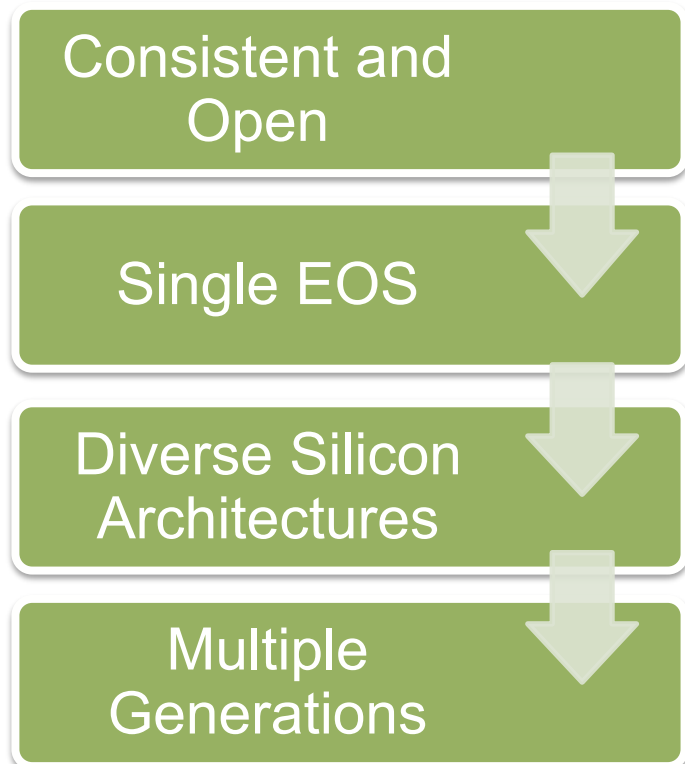
**Automation** - NetDevOps enabler

**Modern Telemetry** - Real time state streaming

**3<sup>rd</sup> Party Integration** – seamless integration 3<sup>rd</sup> party s/w and APIs

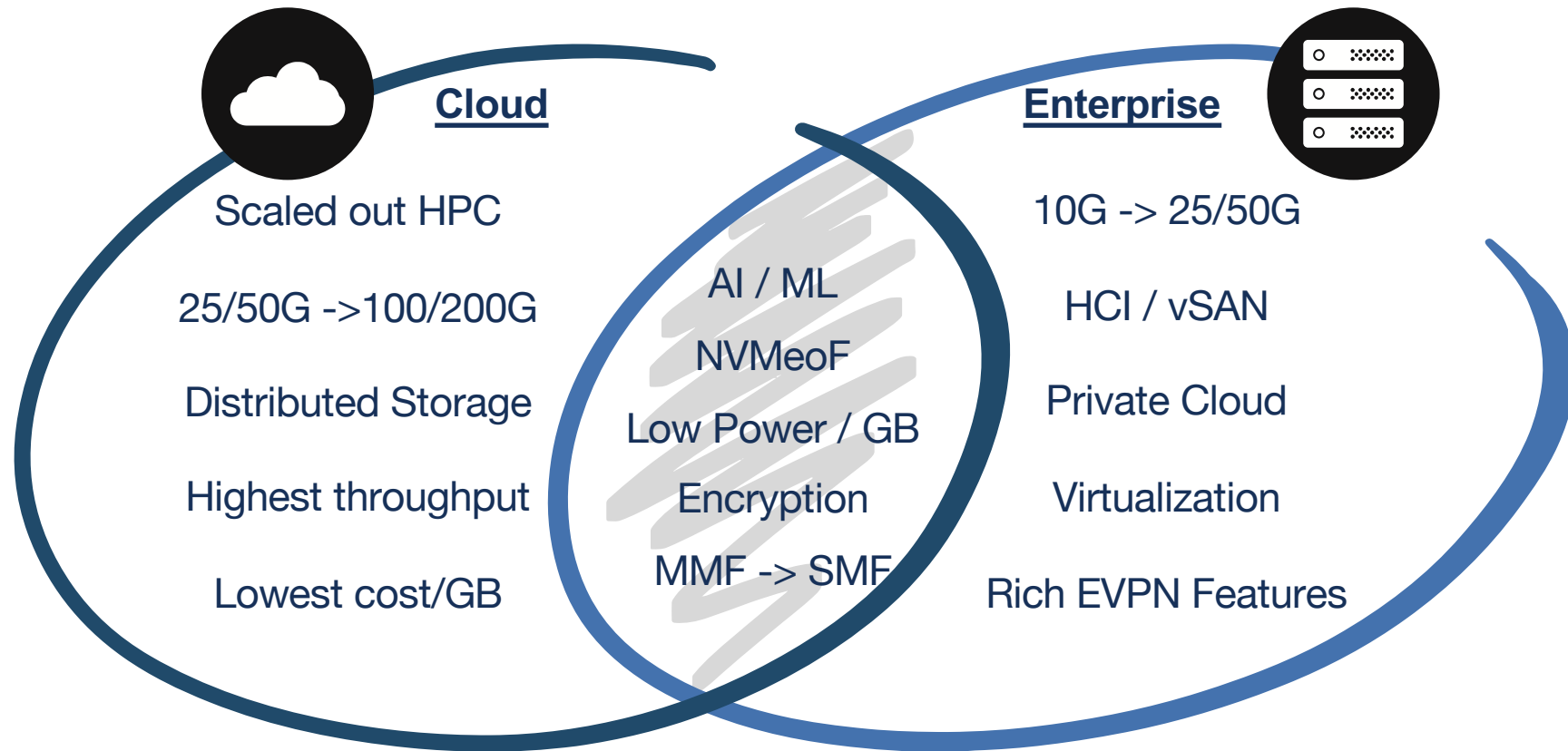
Better architecture leads to a more reliable system

## Best-in-Class Merchant Silicon Optimized for Target Markets



Enables open standards-based networking with rapid time-to-market

# Trends driving 400G in the Data Center





# Comprehensive 400G Platforms

Universal  
Leaf and Spine



## 7800R3 Series

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



## 7500R3 Series

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



## 7280R3 Series

Up to 24 x 400G  
Wirespeed, 2.5M Routes  
Carrier Grade Routing

Modular  
Spine



## 7388X5 Series

Up to 128 x 200G  
64 x 400G OSFP, QSFP-DD  
MACsec ready



## 7368X4 Series

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



## 7358X4 Series

Up to 128 x 100G  
32 x 400G OSFP or QSFP-DD  
Feature Rich High Scale

Fixed  
Leaf &  
Spine



## 7060X5 Series

64 x 400G / 128 x 200G  
Hyperscale Performance  
I/O Intensive environments



## 7060X4 Series

32 x 400G / 128 x 100G  
Hyperscale Performance



## 7050X4 Series

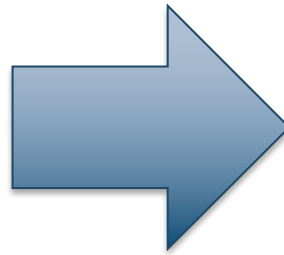
32 x 400G / 128 x 100G  
Feature Rich High Scale

# Arista 7800R Ideally Suited for AI Intensive Workloads



## AI Cluster Requirements

- AI Chips require high bandwidth
- AI Clusters have multiplicative effect on bandwidth
- AI Clusters require lossless, low latency fabrics



## Arista 7800R Delivers

- Industry Leading Density
  - Up to 460 Terabit/sec throughput
- No-congestion VOQ Fabric
  - Predictable Low Latency
- Large Buffers & No Packet Loss
  - Ideal for RDMA Application Traffic

# Arista's Portfolio Offerings



**CORE  
DATA CENTER &  
CLOUD NETWORKS**



**COGNITIVE  
ADJACENCIES  
CAMPUS & ROUTING**



**NETWORK SOFTWARE  
& SERVICES**

# Arista's Cognitive Campus Portfolio Offerings

Spine

Collapsed Spine

Spine

Modular Spine



7050X3 Series  
10G – 25G



7050X3 Series  
25G - 100G



7358X4 Series  
25G - 100G



7300X3  
10G - 100G



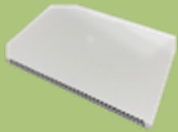
Leaf

Compact

1RU

2RU

Modular



710  
Compact



720XP  
1G/5G



7050X  
1G to 25G

MACSec



722XP-48  
1G/2.5G



720XP-96  
2.5G/5G



750 Series  
1G/2.5G/10G

MACSec

WiFi



C-260  
Dual-Band  
WiFi 6



C-230/E  
Dual-band  
WiFi 6



O-235/E  
Dual-band  
WiFi 6



C-200  
Dual-band  
WiFi 6



C-360  
Tri-band  
WiFi 6E



W-318  
Tri-band  
WiFi 6E

EOS and CloudVision Platform Provides Operational Efficiency



# Arista NDR Extended to 720XP Platform

Powered by AVA, Autonomous Virtual Assist

## AVA SENSORS

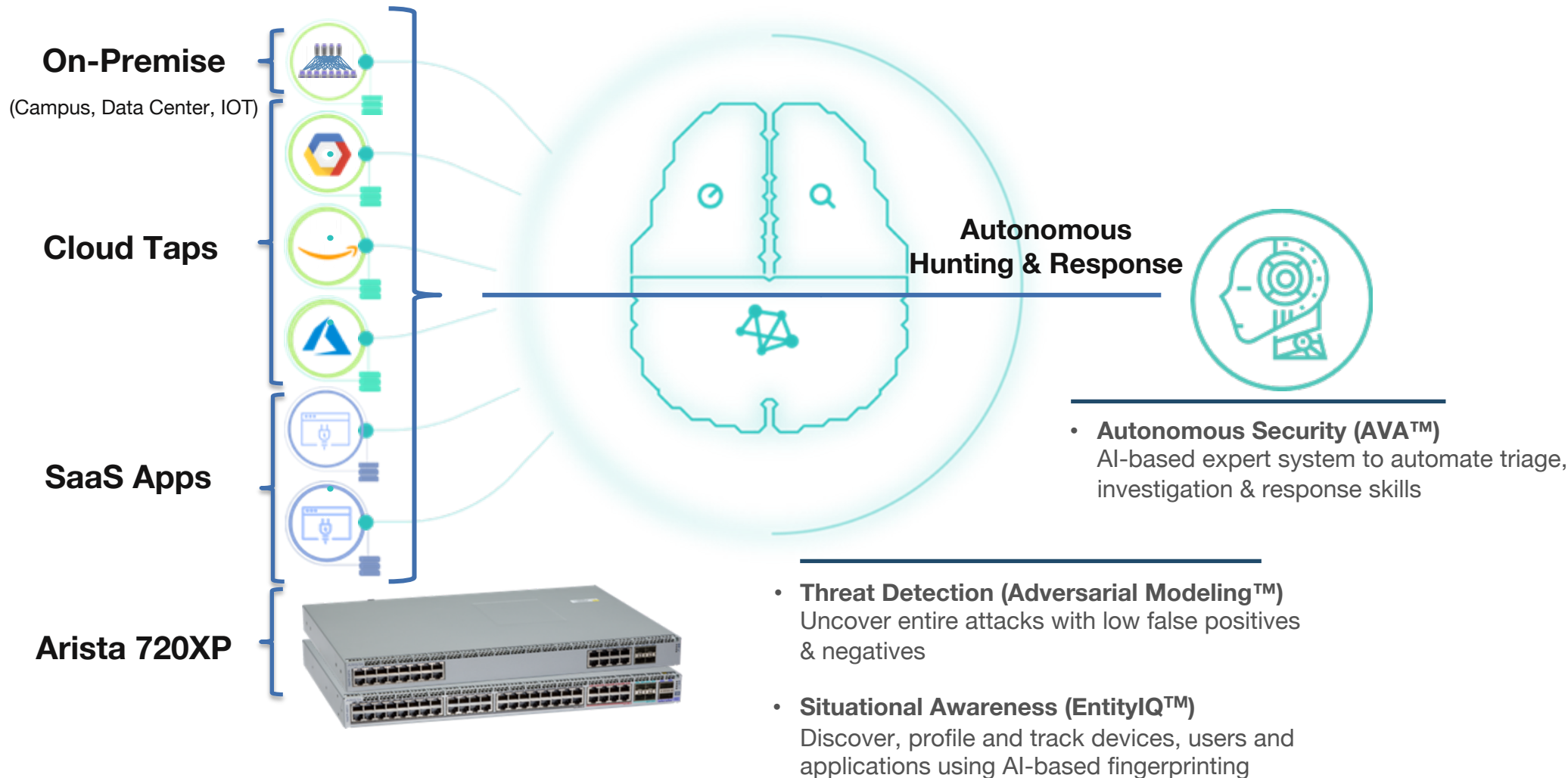
(Full Packet Analysis)

## AVA NUCLEUS

(Cloud or on Premise)

## AVA

Autonomous Virtual Assist



# Arista Cognitive Unified Edge

## The Arista Experience for the Commercial Market

CUE is an as-a-service solution for a secure corporate network, complete with wired and wireless networks, switches and end to end security

### Edge as a Service

Cloud  
Provisioned



Cloud  
Managed



### Edge Platforms



Wi-Fi Access Points, switches,  
and Edge Threat Management

### Partner Program

Arista Partner Program  
extended to Commercial  
Channel Partners

100% Channel driven

Extending Arista's Edge Networking to the Commercial and Distributed Branch

# Arista Cloud-Grade Routing: New Capabilities

## Scale-Out

**Elastic Capacity, Cost Optimized**



7280R Series  
Universal Leaf  
(10G-400G)

## Simplify Routing

**Multi Tenancy, Business Continuity, Security**



7500R Series  
Multi-Generation  
Investment  
Protection

## Software Driven Control

**State Simplification, End-to-End Path Control, Resilience**



7800R Series  
460Tbps  
800G Ready

**Single EOS image and CloudVision Platform Provide Consistent Operational Efficiency to Routing**

# Arista's Portfolio Offerings



**CORE  
DATA CENTER &  
CLOUD NETWORKS**



**COGNITIVE  
ADJACENCIES  
CAMPUS & ROUTING**



**NETWORK SOFTWARE  
& SERVICES**



# Network Software and Services – Arista's Holistic Approach



**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

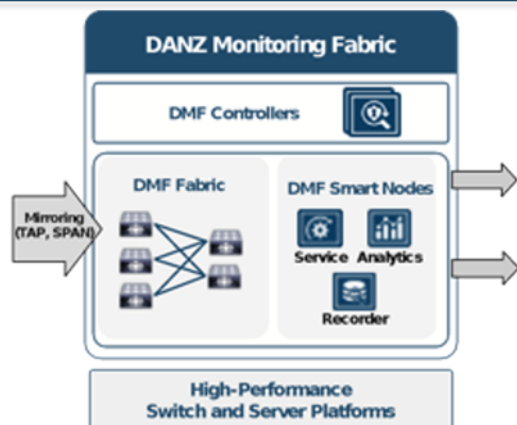
## Arista

## A-Care

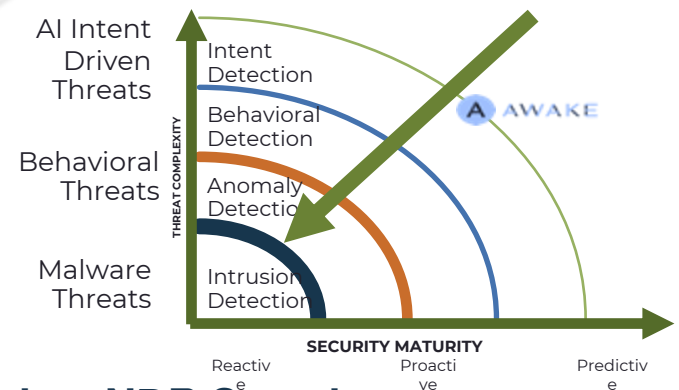
**Arista A-Care** – Software updates, features and break/fix troubleshooting. Powered by Arista AI ops toolset designed to speed problem identification and resolution.



**CloudEOS** – 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.



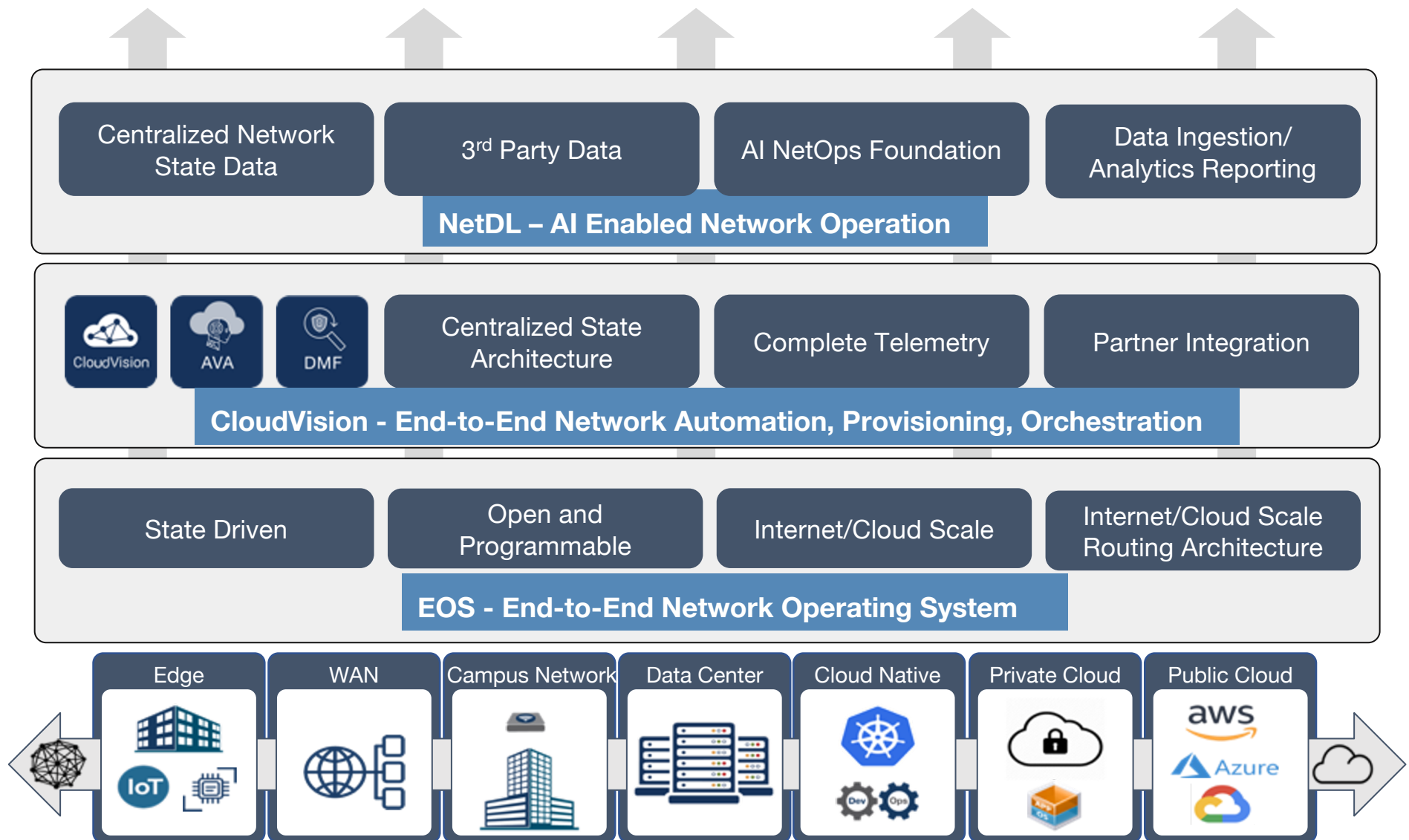
**DMF – DANZ Monitoring Fabric** – Network Monitoring, Analytics, and Recording, for Capturing Data inside the network



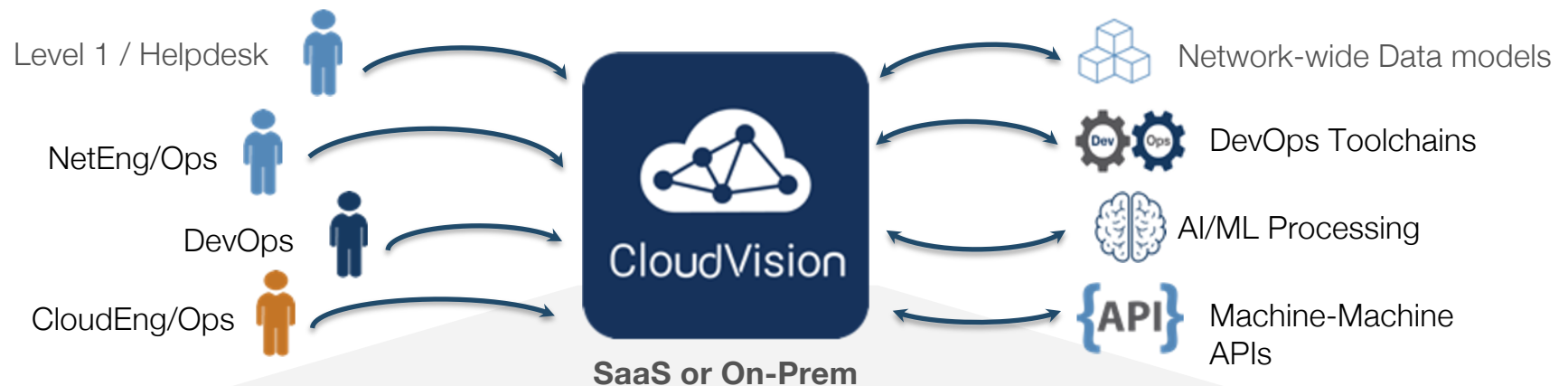
**Arista NDR Security** – Network Detection and Response – NDR - Proactive Network based machine learning technology to identify an attacker based on their intent versus merely looking at indicators of an attack

# Arista's Data-Driven Network Architecture

## The Evolution of Arista EOS Stack



# CloudVision – The Cognitive Platform for Multi-Domain Networking



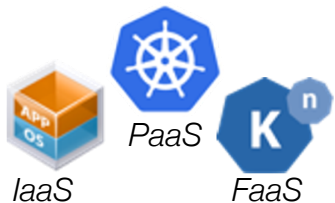
Cloud Services

Public Cloud

Enterprise Workspaces

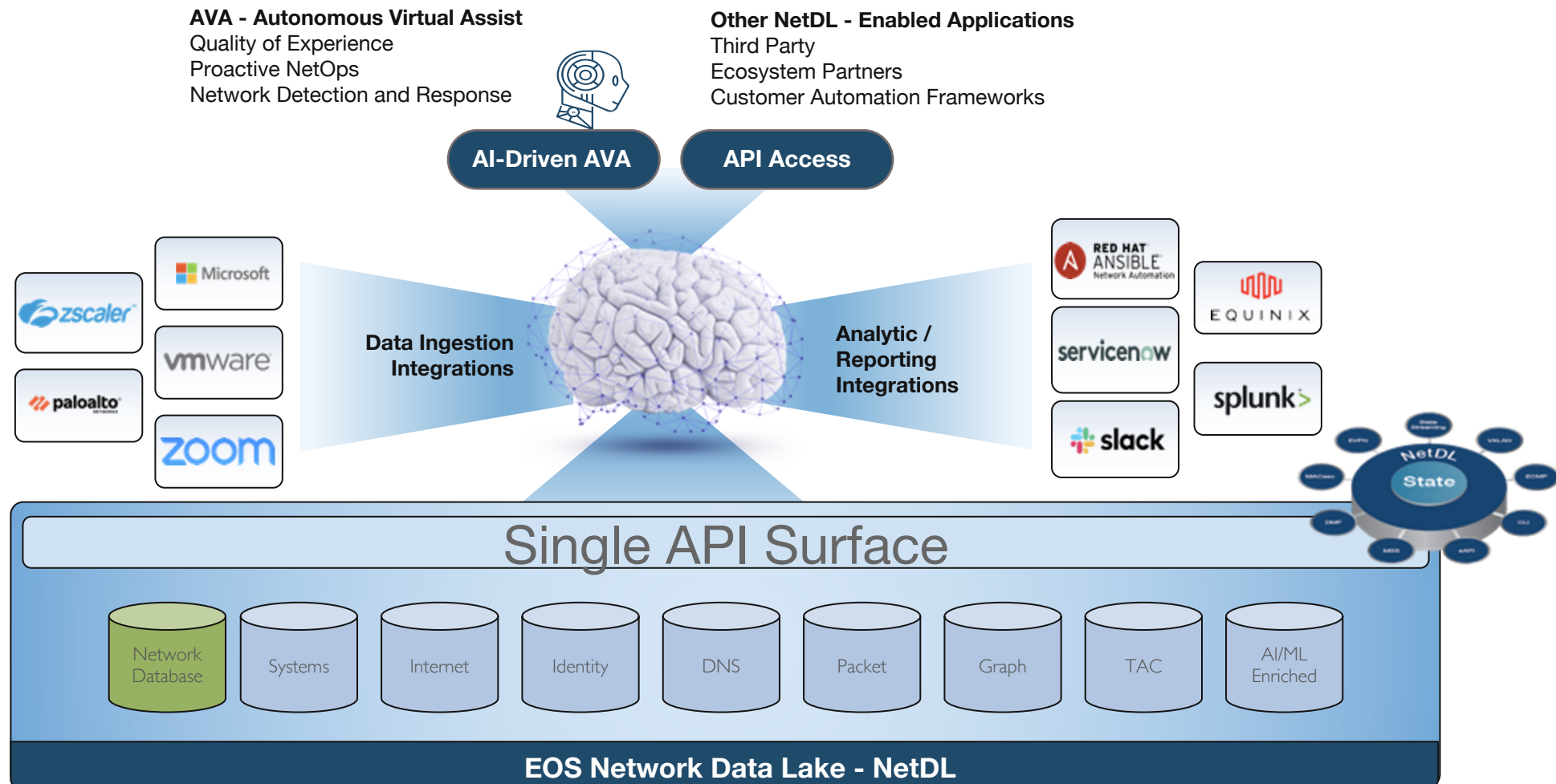
Data Centers

Private Cloud

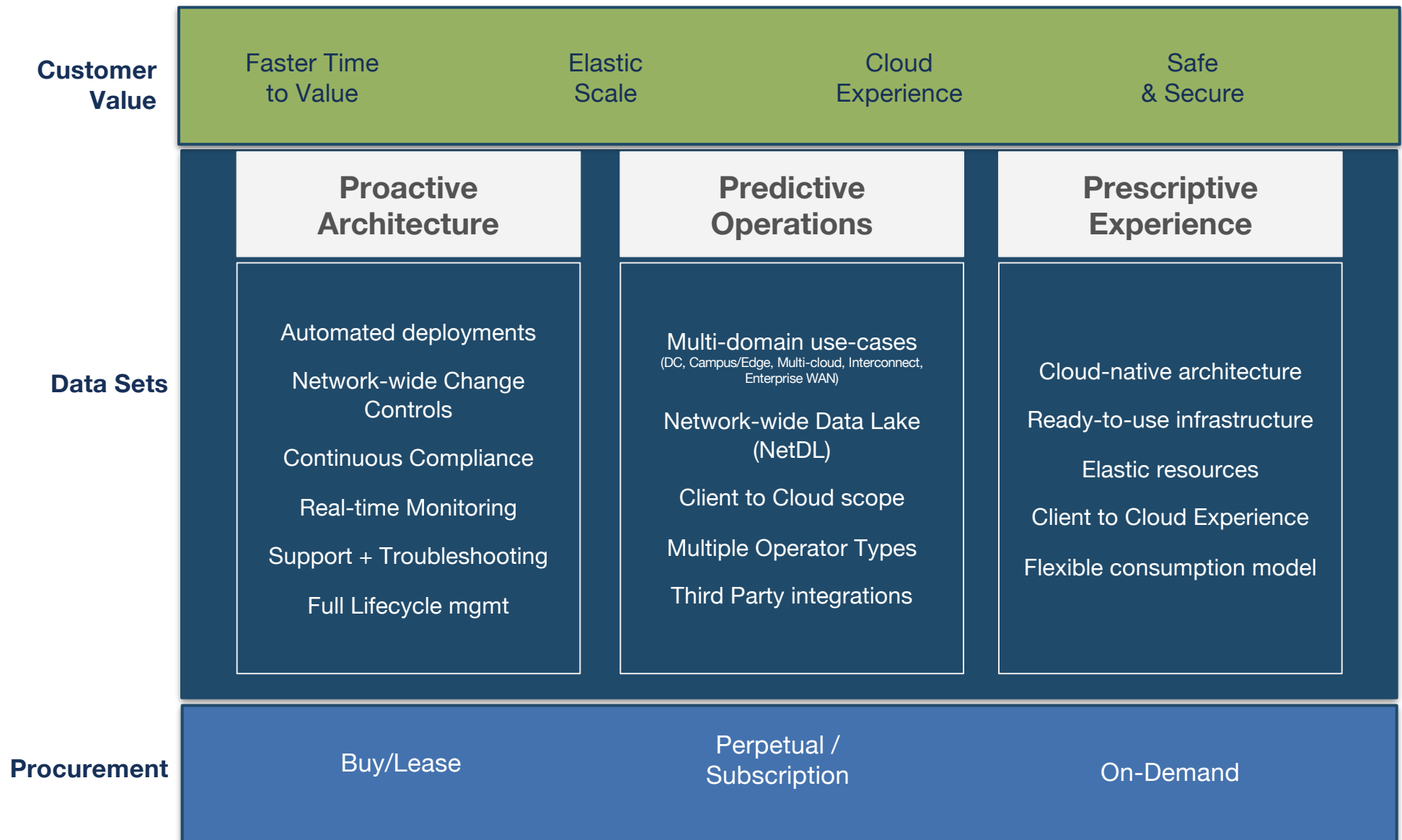


Consistent Network As A Service Enablement

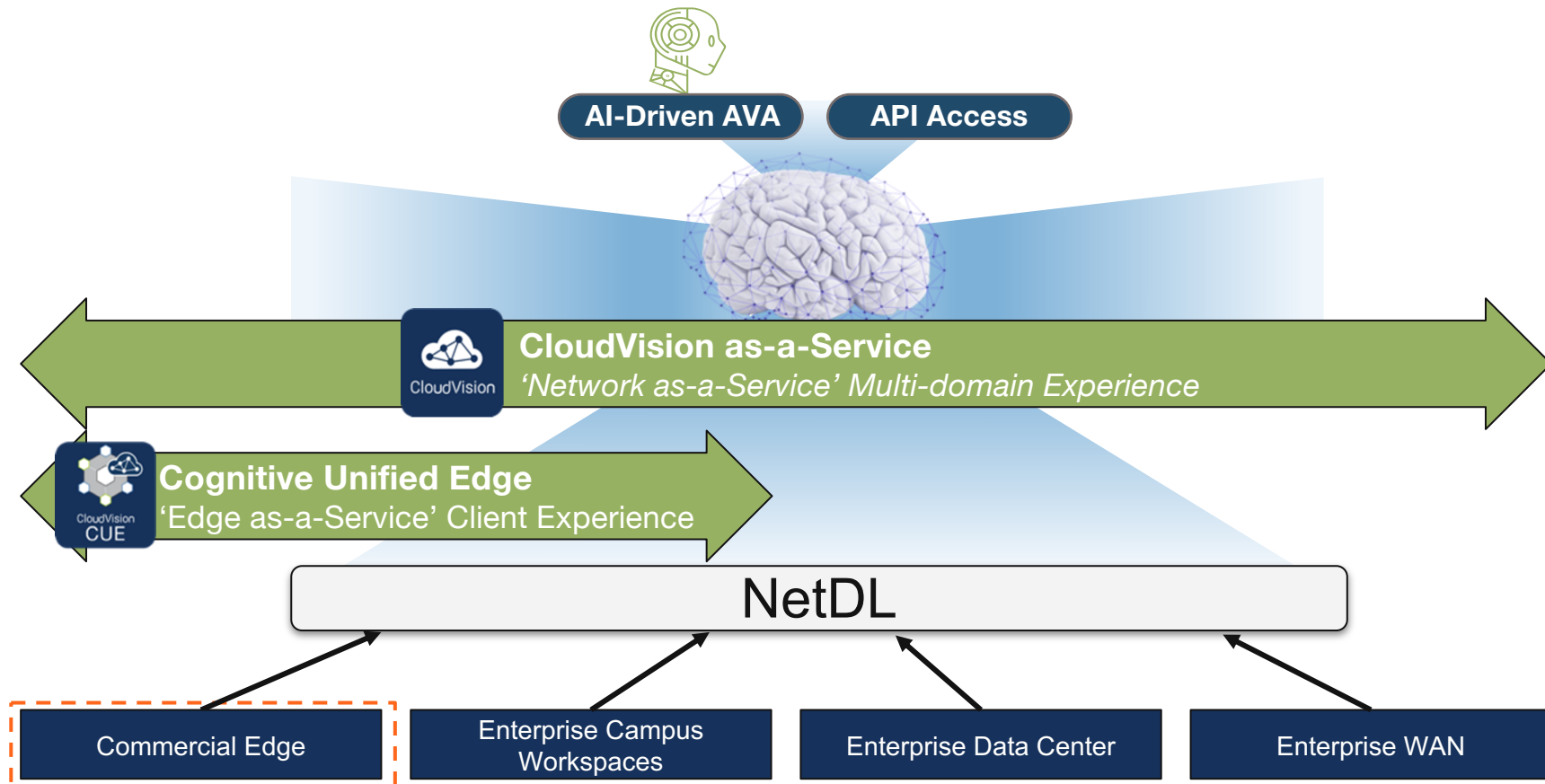
# NetDL - Partnering to Enable A Broad Ecosystem



# Arista's Network as-a-Service Framework



# Arista's As-a-Service Approach



Built on the CloudVision as-a-Service Foundation



# Business Model and Q2'22 Financial Update



# Financial Results for Q2 2022

## Financial Results (non-GAAP)<sup>1</sup>

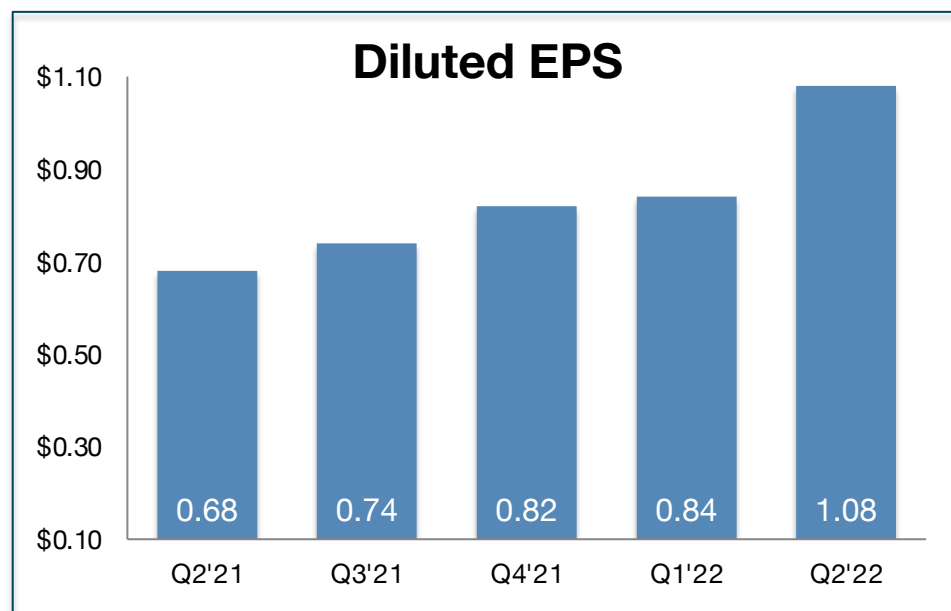
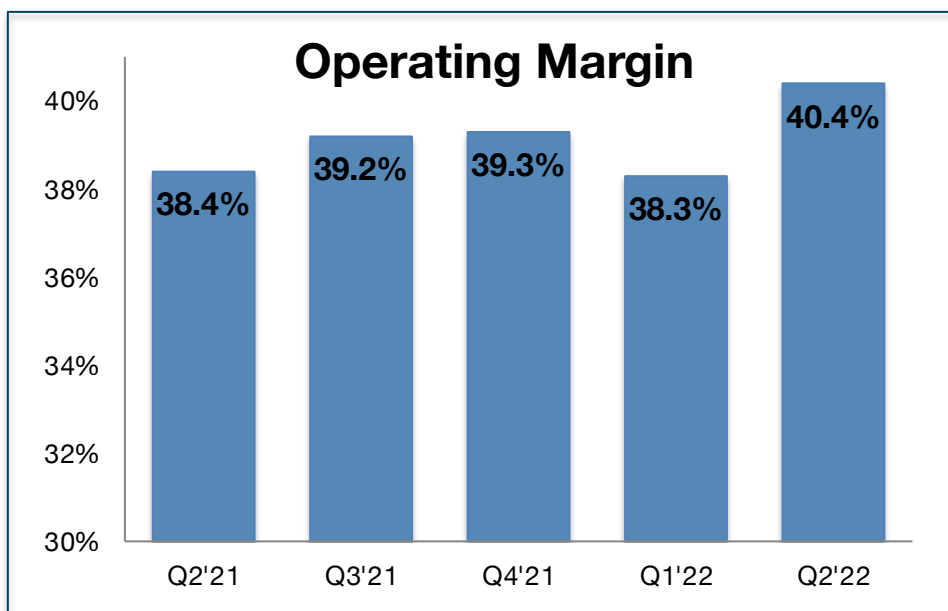
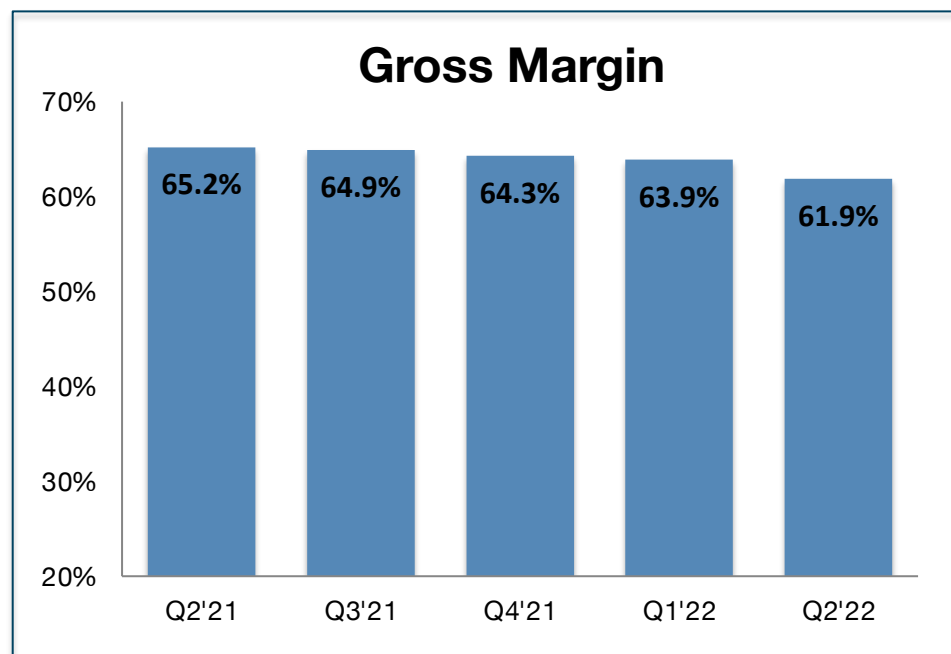
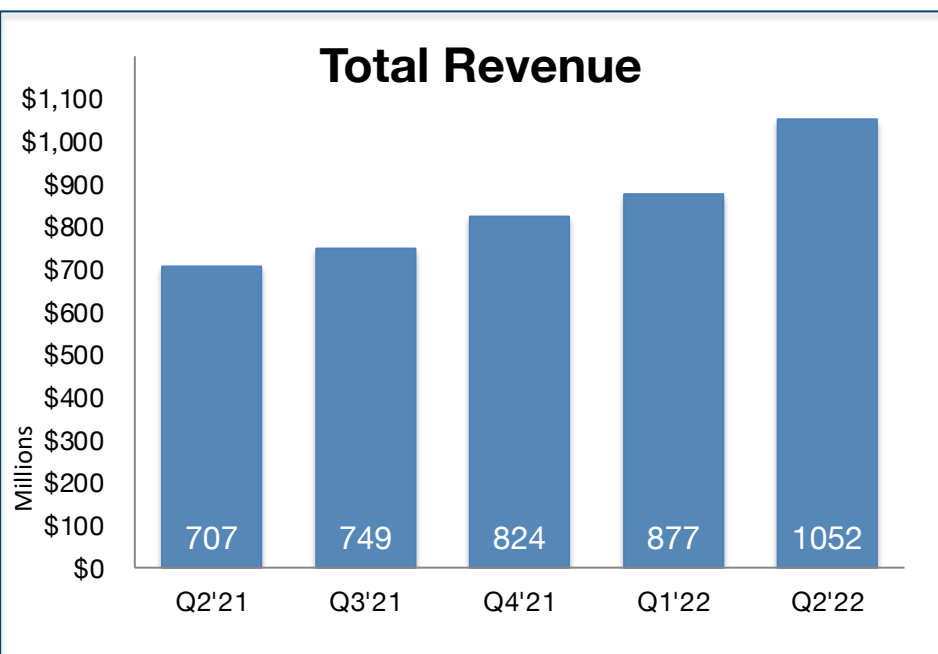
	Q2 '22 Results
Revenue	\$1.052B, up 48.7%
Gross Margin (Non-GAAP) <sup>(1)</sup>	61.9%
Operating Margin (Non-GAAP) <sup>(1)</sup>	40.4%
EPS	\$1.08

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

## Q2-2022: Key Highlights

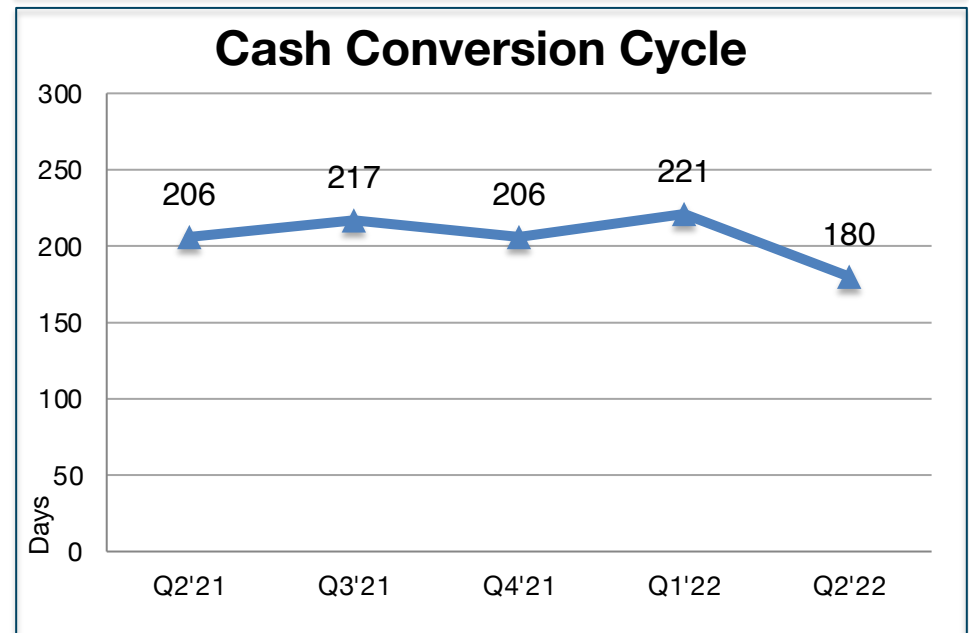
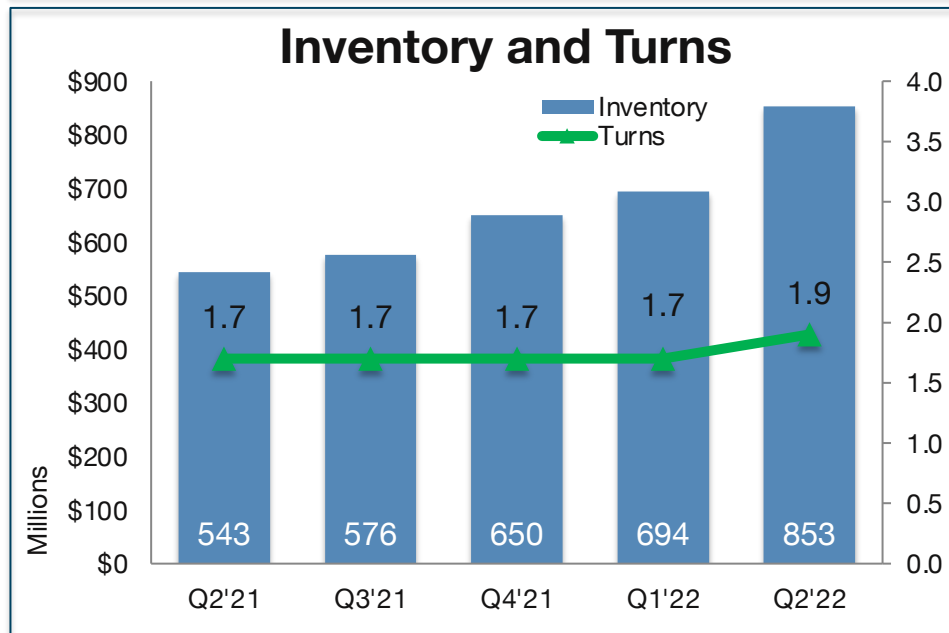
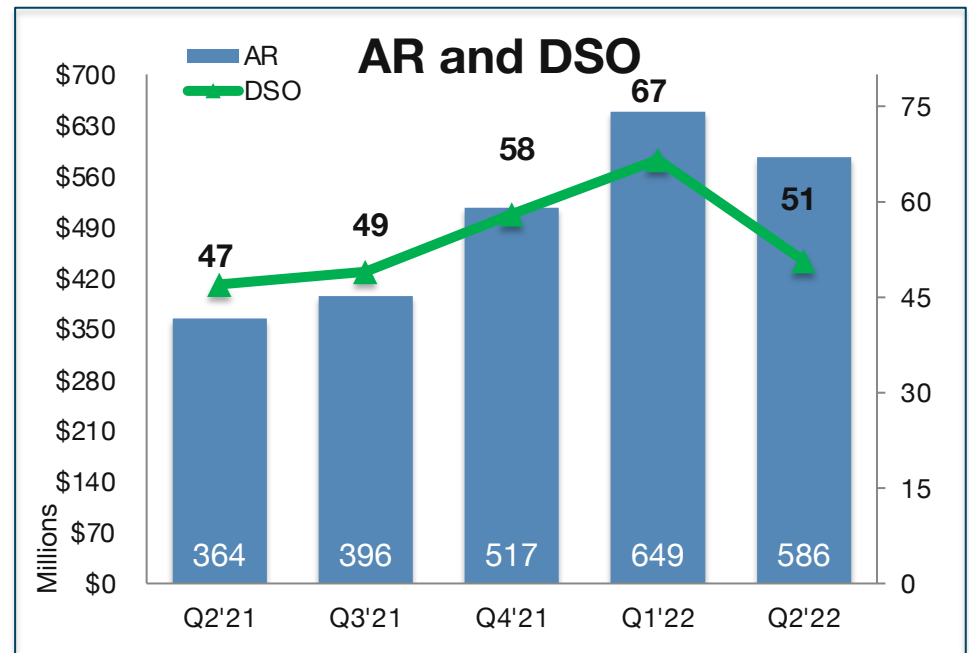
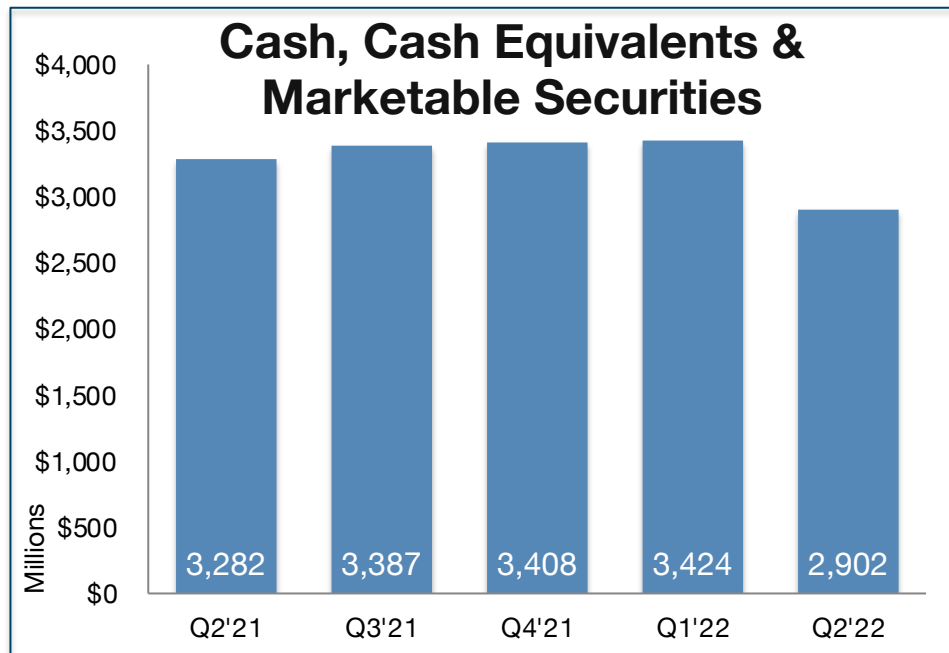
- [Arista Acquires Pluribus Networks](#) – a leader in delivering unified cloud fabrics that provides agility, security, automation and visibility across all clouds.
- [Arista Introduces Edge as a Service with Cognitive Unified Edge Solution](#) – Arista announces the next phase of Arista's cognitive campus vision with the introduction of Arista CUE™ (Cognitive Unified Edge). CUE enables commercial customers to accelerate new services and technology innovations by consolidating multiple security and networking functions into an “edge as a service” cloud-managed solution.
- [Arista Expands EOS and CloudVision Software Platforms as a Foundation for High-Performance Media and Entertainment Networking](#) - Arista announces the extension of its [Arista EOS](#)®(Extensible Operating System) and [CloudVision](#)® software to support high-performance switched networks for media and entertainment customers. Arista [Media Control Service](#) (MCS) makes broadcast workflows an integral function of the Arista network fabric providing customers with faster establishment of audio and video streams.
- [Arista Introduces Next Generation 7130 Series Systems for Converged Ultra Low Latency Networking](#) - Arista announces the next generation of converged ultra low latency, highly programmable [7130 Series](#) systems designed for demanding in-network applications. The new systems improve customer agility while consolidating multiple devices that reduce complexity, power and costs.

# Financial Highlights<sup>1</sup>



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

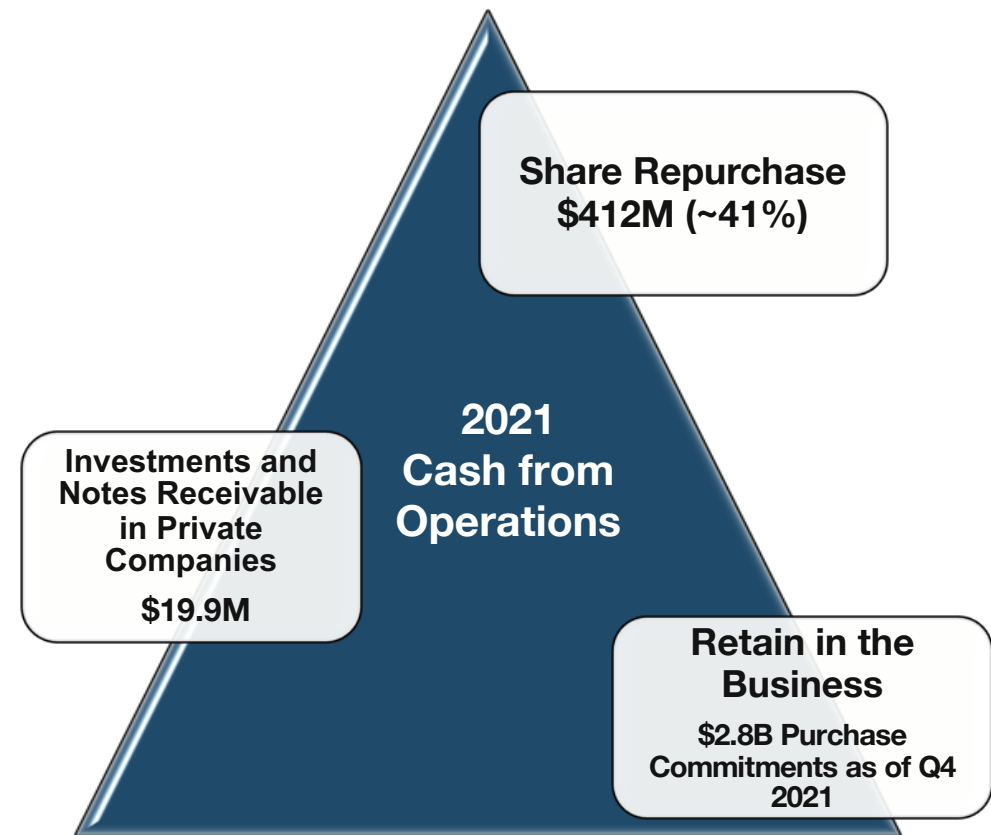
# Balance Sheet & Cash Conversion Cycle



# Our Approach to Capital Allocation

1. 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 e.g. supply chain commitments in 2022 & 2023
3. M&A (strategic opportunities)
4. Share repurchases to offset dilution and return cash to shareholders (if the price is below a reasonable range estimate of intrinsic value)
5. Dividends as business matures

## FY 2021- \$1Billion





## Third Quarter 2022 – Guidance

	Q3'22 Guidance
Revenue	\$1.025B to \$1.075B
Gross Margin (Non-GAAP) <sup>(1)</sup>	60% to 62%
Operating Margin (Non-GAAP) <sup>(1)</sup>	~ 39%

*Diluted Shares ~ 316 Million*  
*Non-GAAP Tax Rate<sup>(1)</sup> ~ 21%*

<sup>1</sup> 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 - 2022 Investor Conference Participation

Arista will participate in the following virtual conferences in August/September with the financial community.

### **KeyBanc Vail Technology Leadership Forum**

Ita Brennan, CFO

Monday, August 8, 2022

Time: 11:30am ET / 8:30am PT

### **Citi's 2022 Global Technology Conference**

Ita Brennan, CFO

Wednesday, September 7, 2022

Time: 2:30pm ET / 11:30am PT

### **Evercore 2<sup>nd</sup> Annual TMT Conference**

John McCool, Chief Platform Officer

Thursday, September 8, 2022

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

### **Goldman Sachs TMT Conference**

Jayshree Ullal, President and CEO

Tuesday, September 13, 2022

Time: 1:45pm ET / 10:45am PT

# Appendix I

- GAAP to Non-GAAP Reconciliation

## Appendix: GAAP to Non-GAAP Reconciliation

In 000's except per share data	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
GAAP gross profit	\$ 454,178	\$ 478,615	\$ 522,714	\$ 553,845	\$ 643,265
GAAP gross margin	64.2%	63.9%	63.4%	63.1%	61.2%
Stock-based compensation expense	1,796	2,002	2,246	1,309	2,312
Intangible asset amortization	5,465	5,464	5,464	5,721	6,012
Non-GAAP gross profit	\$ 461,439	\$ 486,081	\$ 530,424	\$ 560,875	\$ 651,589
Non-GAAP gross margin	65.2%	64.9%	64.3%	63.9%	61.9%
GAAP income (loss) from operations	\$ 219,365	\$ 233,294	\$ 265,788	\$ 277,987	\$ 362,853
GAAP operating margin	31.0%	31.2%	32.2%	31.7%	34.5%
Stock-based compensation expense	44,944	53,135	51,243	50,279	50,224
Intangible asset amortization	7,365	7,281	7,159	7,311	7,708
Acquisition-related costs	-	-	-	-	4,691
Non-GAAP income from operations	\$ 271,674	\$ 293,710	\$ 324,190	\$ 335,577	\$ 425,476
Non-GAAP operating margin	38.4%	39.2%	39.3%	38.3%	40.4%
GAAP net income (loss)	\$ 196,888	\$ 224,305	\$ 239,295	\$ 272,259	\$ 299,099
Stock-based compensation expense	44,944	53,135	51,243	50,279	50,224
Loss (gain) on investments in equity instruments	-	-	-	(28,497)	5,084
Intangible asset amortization	7,365	7,281	7,159	7,311	7,708
Acquisition-related costs	-	-	-	-	4,691
Tax benefits on stock-based awards	(24,113)	(39,665)	(30,470)	(30,964)	(17,725)
Tax effect of non-GAAP exclusions	(8,256)	(8,137)	(4,814)	(1,880)	(6,401)
Non-GAAP net income	\$ 216,828	\$ 236,919	\$ 262,413	\$ 268,508	\$ 342,680
GAAP diluted income (loss) per share to common stockholders	\$ 0.62	\$ 0.70	\$ 0.75	\$ 0.85	\$ 0.94
Non-GAAP adjustments to net income (loss) per share	0.06	0.04	0.07	(0.01)	0.14
Non-GAAP diluted income per share	\$ 0.68	\$ 0.74	\$ 0.82	\$ 0.84	\$ 1.08
GAAP and non-GAAP weighted diluted shares	318,839	319,635	319,753	319,652	316,581
<b>Summary of non-GAAP adjustments:</b>					
Cost of revenue-product	\$ 6,196	\$ 6,396	\$ 6,529	\$ 5,822	\$ 7,066
Cost of revenue-service	1,065	1,070	1,181	1,208	1,258
Research and development	23,645	28,060	27,605	27,745	30,111
Sales and marketing	12,762	13,989	13,575	14,530	16,291
General and administrative	8,641	10,901	9,512	8,285	7,897
Other expense (income)	-	-	-	(28,497)	5,084
Income tax benefit	(32,369)	(47,802)	(35,284)	(32,844)	(24,126)



# Appendix II

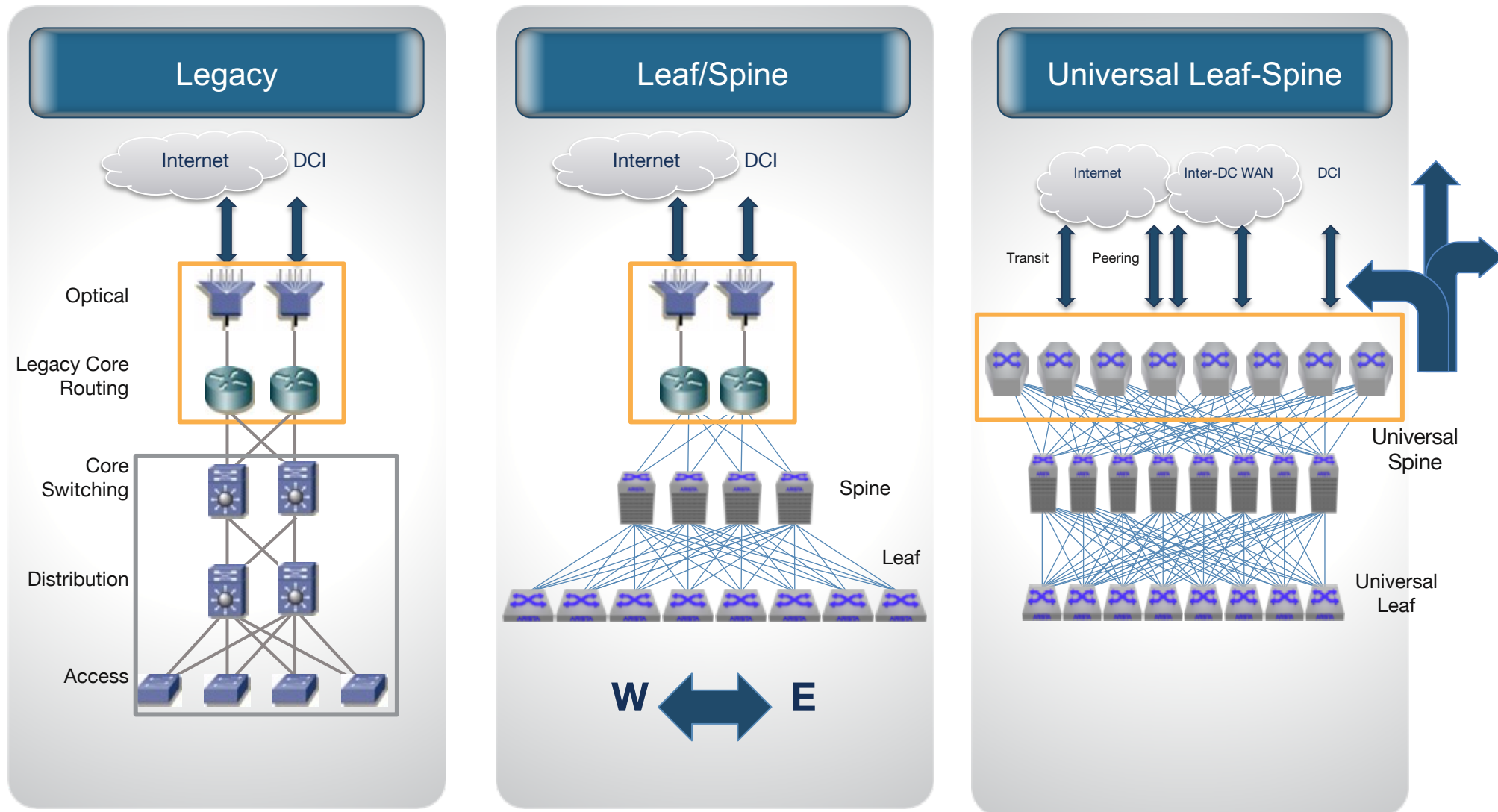
- Introduction to Arista's
  - Technology
  - Products
  - Competitive Differentiation



# Cloud-Class Market Leadership Platform Portfolio



# 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

Arista EOS

Abstraction Layer

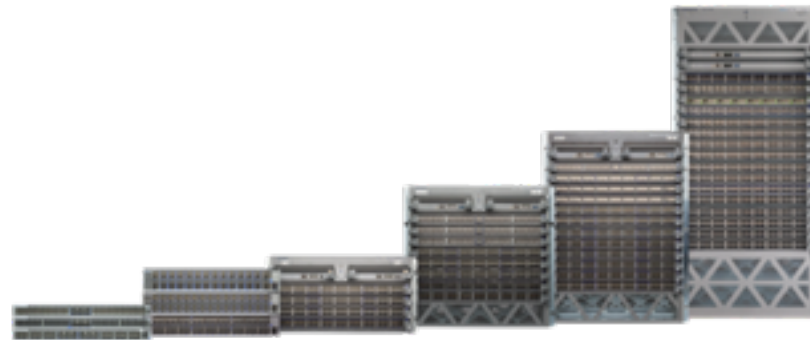


One Image, Flexible  
Packaging Option

Hardware  
System Design

Merchant Silicon  
7 Architectures

Trident	Tomahawk	
Tofino	Jericho/Qumran	
Fulcrum	Xpliant	Helix



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

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

Leading Performance  
Best of Breed  
Merchant Silicon

# Arista 100G-200G-400G Solutions For Every Use Case

## Hyperscaler

NEW



7388X – 200G and 400G

NEW



7060DX5 – 400G

## 25.6T Systems



7368X – 100G and 400G



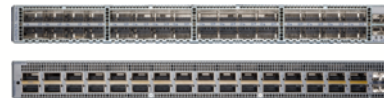
7060X4 – 400G

## 7368X4 / 7060X4

## Large Enterprise and HPC



7358X4 – 100G and 400G



7050X4 400G

## 7050X4 / 7358X4 400G

7050X4  
200G7050X4  
48x 100G, 4x 400G

## 7050X4 200G and 100G

## Cloud, DCI, SP and Core



## 7800R Series

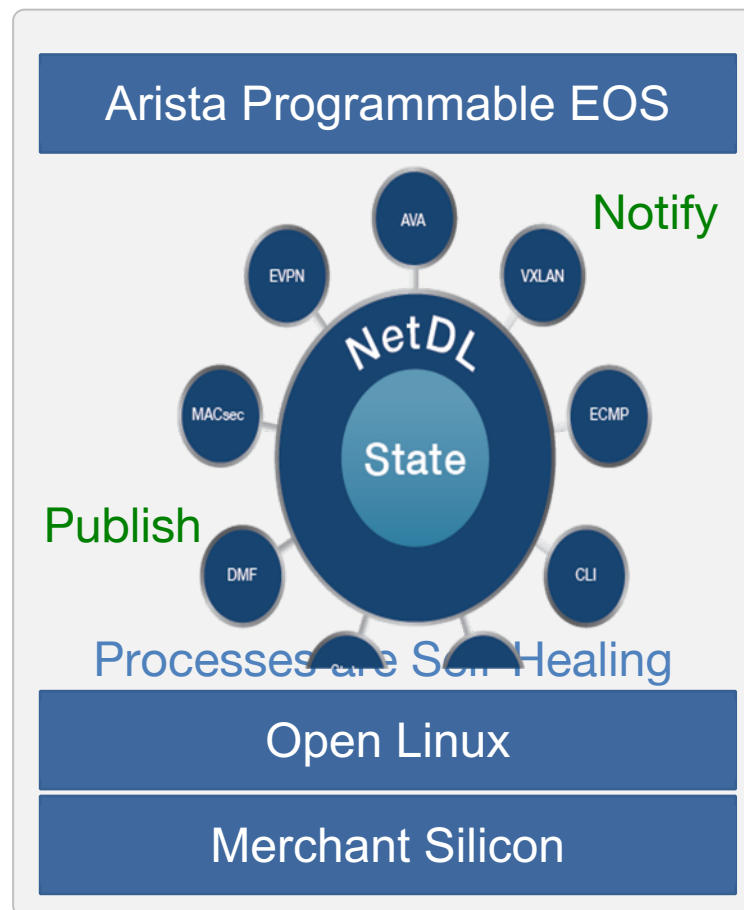
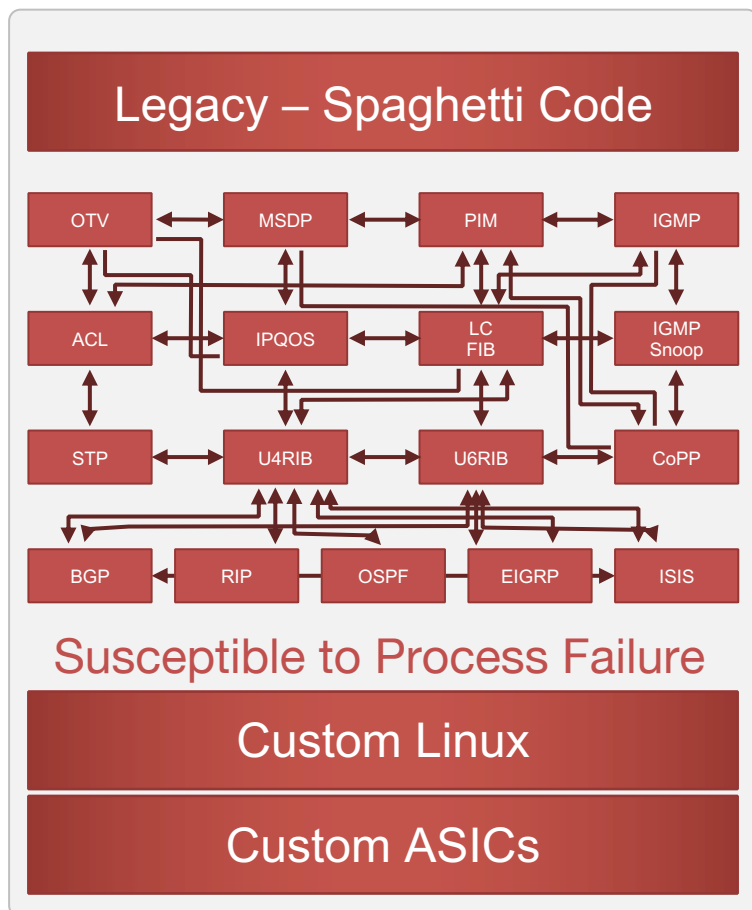
7280R3  
100G and 400G

## 7280R3 Series



# Arista's Cloud Scale Software Architecture

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



Resilient  
Programmable  
Scalable

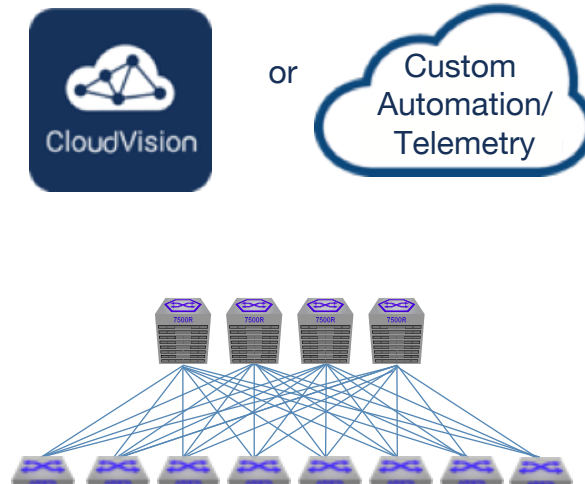
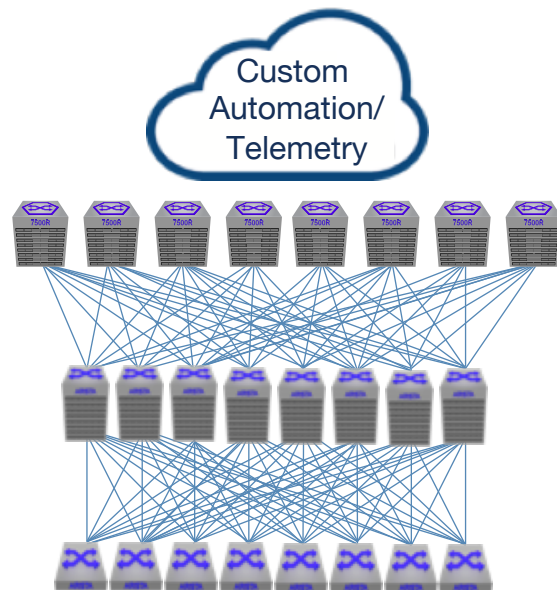


# One Architecture – One EOS – Scales Up and Down

**Cloud Titans**

**SP & Tier 2 Cloud**

**Enterprise**



Scale and  
Control Driven

Best of Breed  
Driven

Turnkey  
Driven

# CloudVision: Multi-Function NetOps Platform

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

# Arista's Cognitive WiFi Solution

## Cloud Platform

Secure, mature, flexible, automated: capable of managing any network connected “thing”



## CloudVision WiFi

Machine learning based self-aware, self-healing network with application performance assurance.



## 3-Radio AP

Proactive testing, trouble shooting, and real-time 24/7 security; smarter RRM without compromising access.



## API Driven Cloud

Enables infinite new applications on top of WiFi and integration with 3<sup>rd</sup> party systems.





# Thank You

[www.arista.com](http://www.arista.com)