

The background of the slide features a dark blue field with a complex, glowing geometric pattern of interconnected hexagons and lines, creating a sense of depth and technology. The Arista logo is positioned in the top left corner.

ARISTA

Investor Presentation

November 2024

Safe Harbor

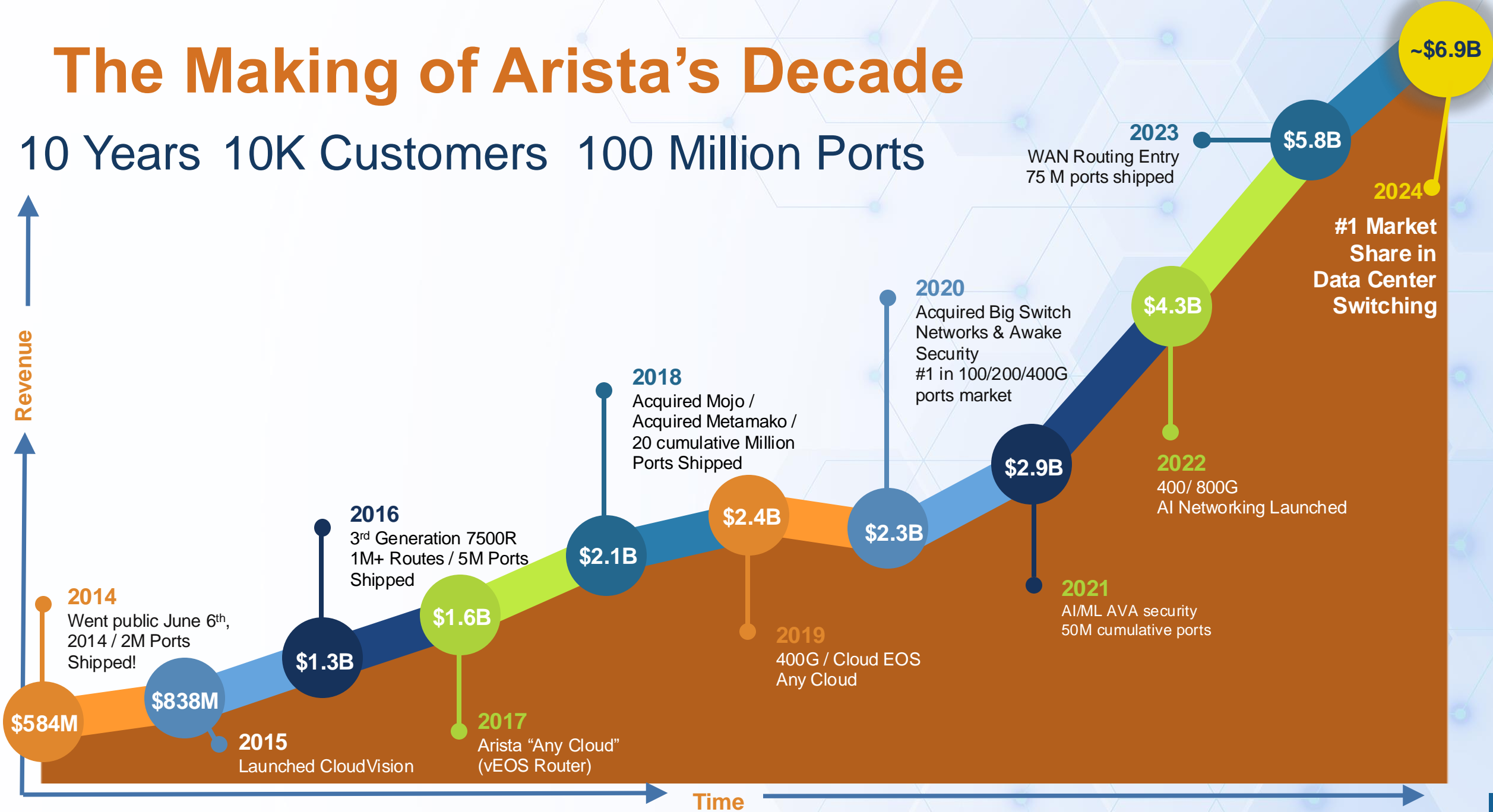
Forward-Looking Statements - This presentation and accompanying oral presentation contain “forward-looking statements” including estimates regarding revenue, non-GAAP gross margin and non-GAAP operating margin for the fourth quarter of 2024, long-term business and financial model and financial outlook for 2025 and beyond, forecasts relating to Arista’s future serviceable addressable market and new market targets, statements regarding Arista’s business plans and its ability to execute such plans, statements regarding our ability to grow our revenue and expand our market share, statements regarding the benefits of Arista’s products, growth drivers, potential growth opportunities, market potential, the data center switching market, the Ethernet AI switching market, the campus ethernet switching market, the zero-trust security market, the expansion of the Cognitive Campus workspaces, security and segmentation, Arista’s business initiatives, cloud networking strategy and technology, the transition to 400GbE/800GbE products, Arista’s competitive position and statements regarding the benefits of Arista’s products. 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: large purchases by a limited number of customers who represent a substantial portion of our revenue; adverse economic and geopolitical conditions and conflicts, including inflationary pressures which result in increased component costs and reduced information technology and network infrastructure spending, geopolitical pressures and changes in the U.S. presidential administration; changes in our customers technology roadmaps and priorities including the need for the deployment of artificial intelligence (“AI”) and related technologies; the impact of sole or limited sources of supply, supply shortages and extended lead times or supply changes; volatility in our revenue growth rate; variations in our results of operations; the rapid evolution of the networking market; failure to successfully carry out new products and service offerings and expand into adjacent markets; variability in our gross margins; intense competition and industry consolidation; expansion of our international sales and operations; investments in or acquisitions of other businesses; seasonality and industry cyclicality; fluctuations in currency exchange rates; failure to raise additional capital on favorable terms; our inability to attract new large customers or sell additional products and services to our existing customers; sales of our switches generating most of our product revenue; large customers requiring more favorable terms; inability to increase market awareness or acceptance of our new products and services; the inclusion of any acceptance provisions in our customer contracts and any delays in acceptance, or rejection, of those products; decreases in the sales prices of our products and services; long and unpredictable sales cycles; declines in maintenance renewals by customers; product quality problems; failure to anticipate technological shifts; managing the supply of our products and product components; our dependence on third-party manufacturers to build our products; assertions by third parties of intellectual property rights infringement; failure or inability to protect or assert our intellectual property rights; defects, errors or vulnerabilities in our products, the failure of our products to detect security breaches or incidents, the misuse of our products or the risks or product liability; enhanced U.S. tax, tariff, import/export restrictions, Chinese regulations or other trade barriers; failure to comply with government law and regulations; issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment; 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 presentation and accompanying oral presentation contain 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 table contain certain non-GAAP financial measures including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income and non-GAAP diluted net income per share. These non-GAAP financial measures exclude stock-based compensation expense, intangible asset amortization, gains/losses on strategic investments, 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 tables included in this presentation, and investors are encouraged to review the reconciliation.

The Making of Arista's Decade

10 Years 10K Customers 100 Million Ports



Leader in Data-Driven Networking



Large, growing market opportunity



Scalable architecture, single operating system drives lower TCO

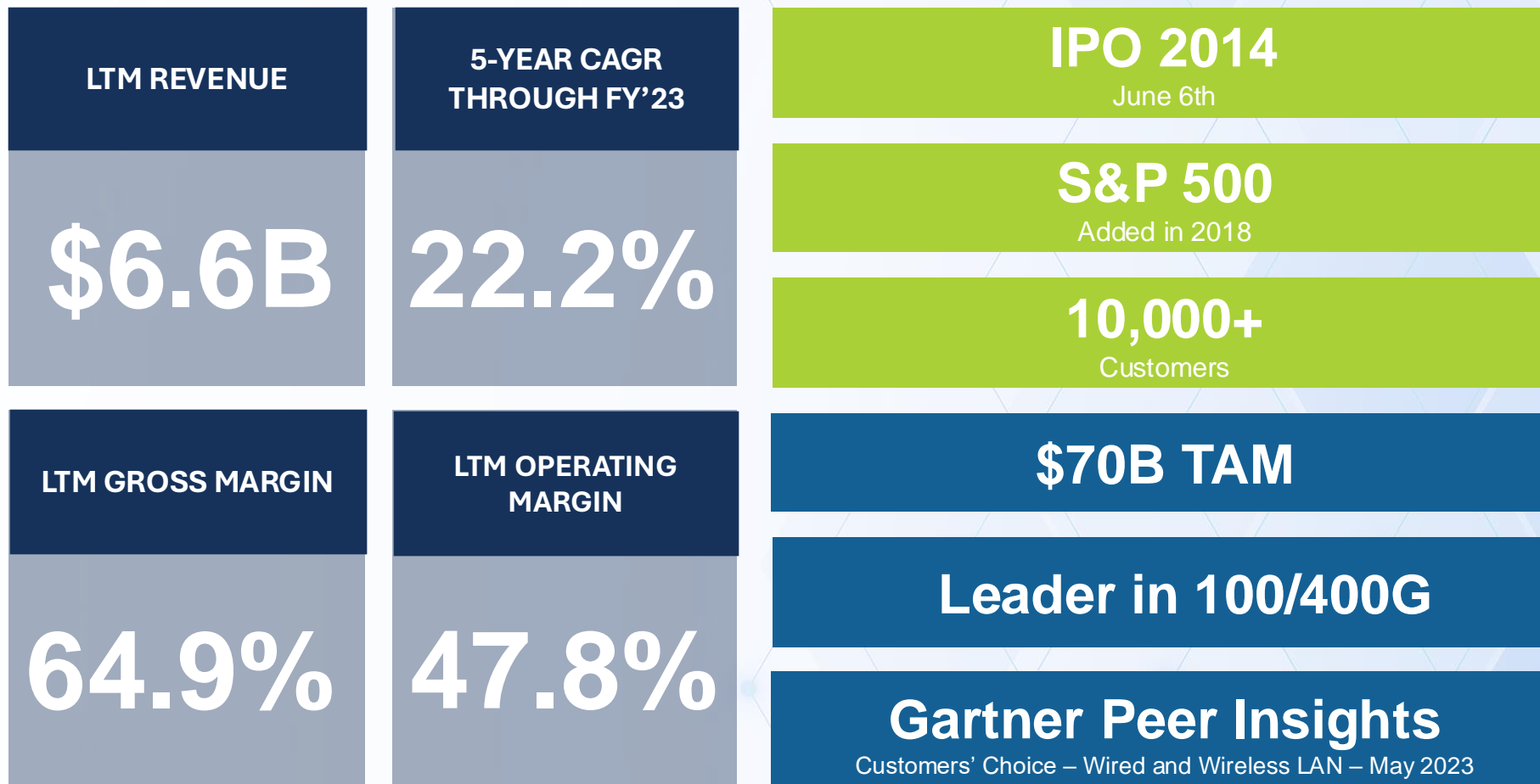


Expanding market adjacencies and product/customer diversification



High differentiation, quality, modern operating model enable profitable growth

Arista At-a-Glance¹



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

Founders and Leaders



Jayshree Ullal
President & CEO



Andy Bechtolsheim
Founder, Chief Architect



Chantelle Breithaupt
Chief Financial Officer



Ken Duda
Founder, Chief Technology Officer



Hugh Holbrook
Chief Development Officer



Mark Foss
SVP, Global Operations
& Marketing



John McCool
Chief Platform Officer



Ashwin Kohli
Chief Customer Officer



Chris Schmidt
Chief Sales Officer



Marc Taxay
SVP, General Counsel

Third Quarter 2024: Company Highlights

Alabama Fiber Network Selects Arista Networks for Statewide Middle-Mile Initiative - Arista Networks announced that Alabama Fiber Network (AFN), a consortium of eight electric cooperatives, has selected Arista as its provider of routing and switching equipment for its robust middle-mile network project. This initiative delivers affordable, high-capacity and reliable internet access to last-mile providers and large enterprises throughout underserved rural areas across Alabama.

CloudVision Delivers Modern Network Operating Model Across the Enterprise - Arista Networks announced significant new capabilities in its CloudVision® platform, enabling a modern network operating model for customers. Arista's CloudVision dramatically simplifies operations with automation, observability and zero trust security capabilities across all enterprise networking domains, from campus to data center, WAN, and cloud.

Meta and Arista Build AI at Scale - The rise of the AI center has created greater demands on modern open networking. The Arista Etherlink portfolio delivers choices in form factor, scaling from single-chip systems to modular multi-chip, multi-tier networks that scale out to thousands of XPU ports. The 7700R4 Distributed Etherlink Switch offers simplicity and scalability with a cost-effective and power-efficient solution for the AI Center. We are thrilled with the close engineering collaboration with Meta for the new era of AI.

Arista's FY 2023 Achievements

EOS

- Stellar Execution - 6 major releases and 600 features in 2023
- Maintained single EOS codebase and commitment to quality across multiple silicon architectures

Platforms

- Introduced 54 new platforms including AI networking, 800G optics, low latency, and new WAN routing systems
- Founding member of Ultra Ethernet Consortium (UEC)

Innovation

- Expansion of Arista ZTN (Zero Trust Networking) with AI-driven network identity – Arista Guardian for Network identity (AGNI)
- EOS developments for Job Completion Time (JCT) in Ethernet AI Networks

Why 10,000+ Customers Choose Arista



**Innovative &
Data-Driven
Automation,
Telemetry, Analytics**



**Superior Quality, Low
TCO and Simplicity
with EOS**



**World Class
Support**

Modern Architecture – Scalable, Programmable, Standards-based

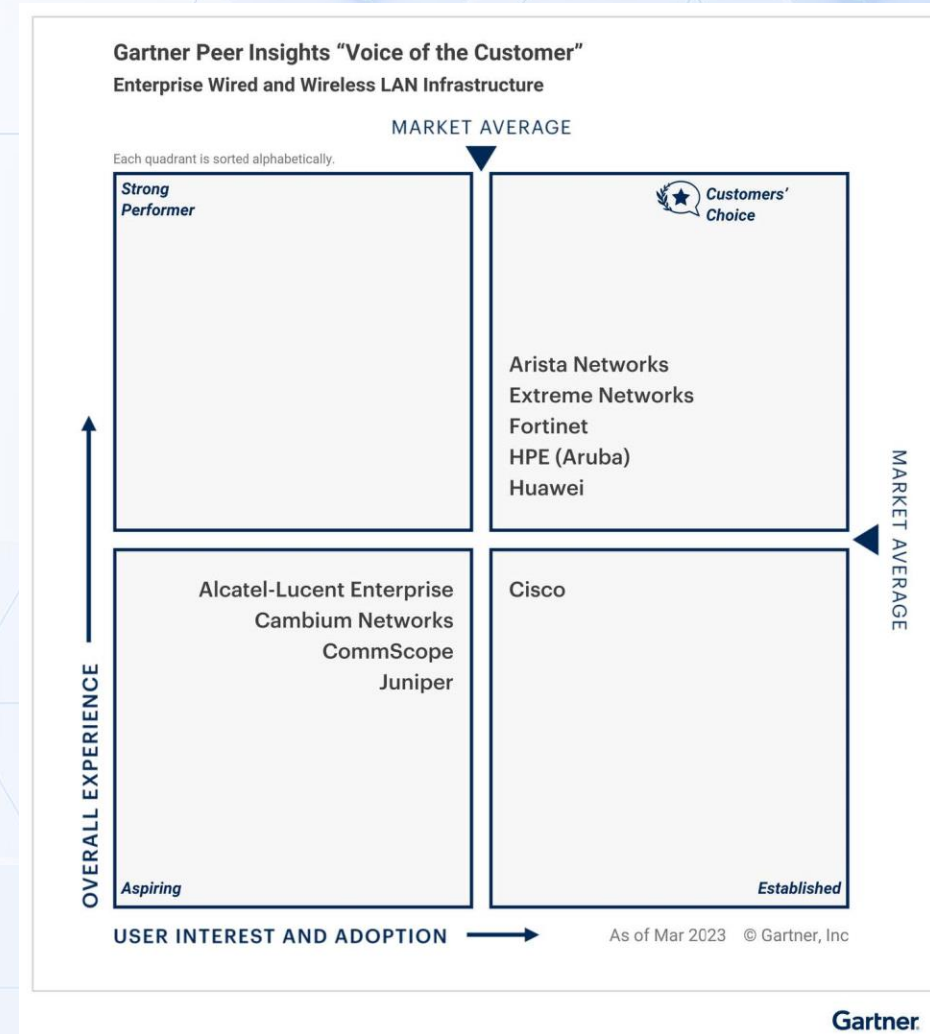
Arista is Named a Customers' Choice

Gartner® Peer Insights™

Arista is named a Customers' Choice
in the May 2023 Gartner® Peer Insights™
“Voice of the Customer”: Enterprise Wired
and Wireless LAN Infrastructure

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Arista's Commitment to Corporate Responsibility



Environmental

LEED Gold Certification for Corporate HQ building
60% Reduction of Scope 1 and Scope 2 emissions intensity by revenue between 2018 to 2022
5th year of reforestation as part of Arista Tree Planting Initiative in Pune, India
Arista is in the final stages of publishing GHG emissions targets (to be published in 2024)

Social

Certified "Great Place to Work" in Canada and 2023 Best Workplaces in British Columbia
Best Large Companies in the Bay Area 2023 (Comparably)
Record \$s of Arista Foundation grants in 2023
Since 2021, Arista Foundation provided 3.0M meals for Second Harvest of Silicon Valley
Arista donations and volunteers supported STEM education at K-12 for underrepresented groups: scholarships, lab equipment and funding.
Arista grants and employee donations provided support for earthquake disaster relief, cataract surgeries, free medical education for rural hospitals, and reforestation efforts across the globe.

Governance

Board of Directors composition:
○ 77% Independent
○ 50% 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 AA Rating

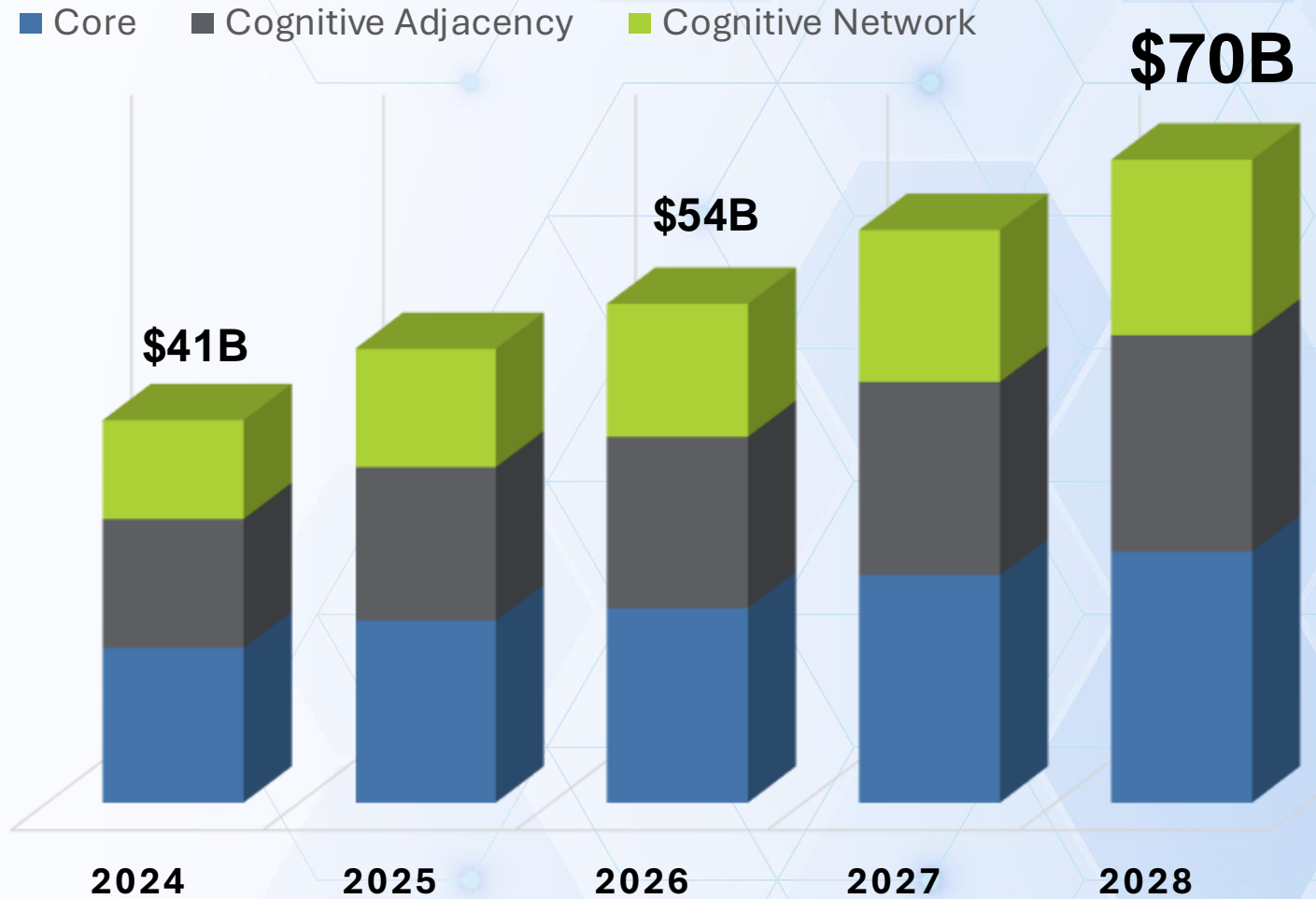
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Growth Drivers and Market Opportunity

Arista's Growth Drivers Addressing \$70B TAM

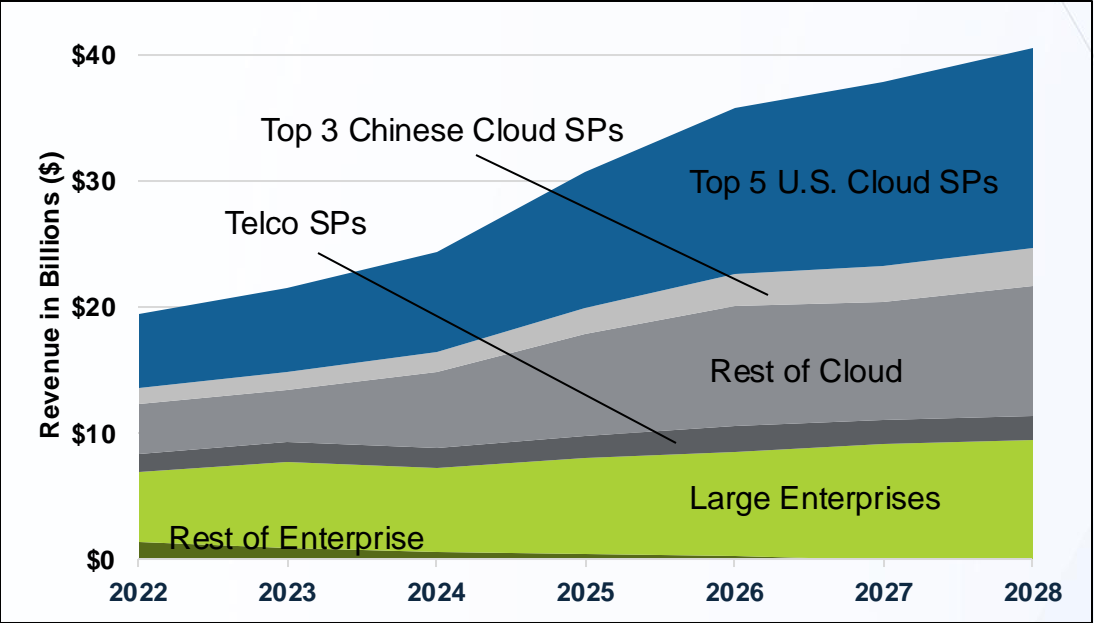
Cloud Networking Market
Expansion



Core = Data Center & Cloud Networks
Cognitive Adjacency = Campus & Routing
Cognitive Network = Software & Services

Continued Growth Ahead In Switching Market Opportunity

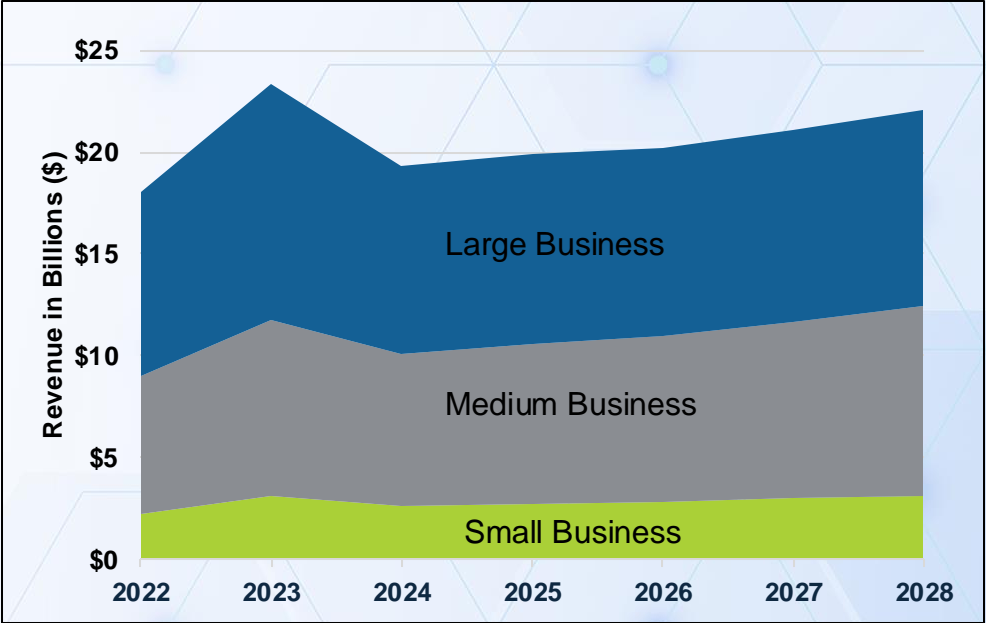
Data Center Ethernet Switch Revenue



Source: 650 Group Ethernet Switch Data Center Forecast Q3 2024

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

Campus Ethernet Switch Revenue



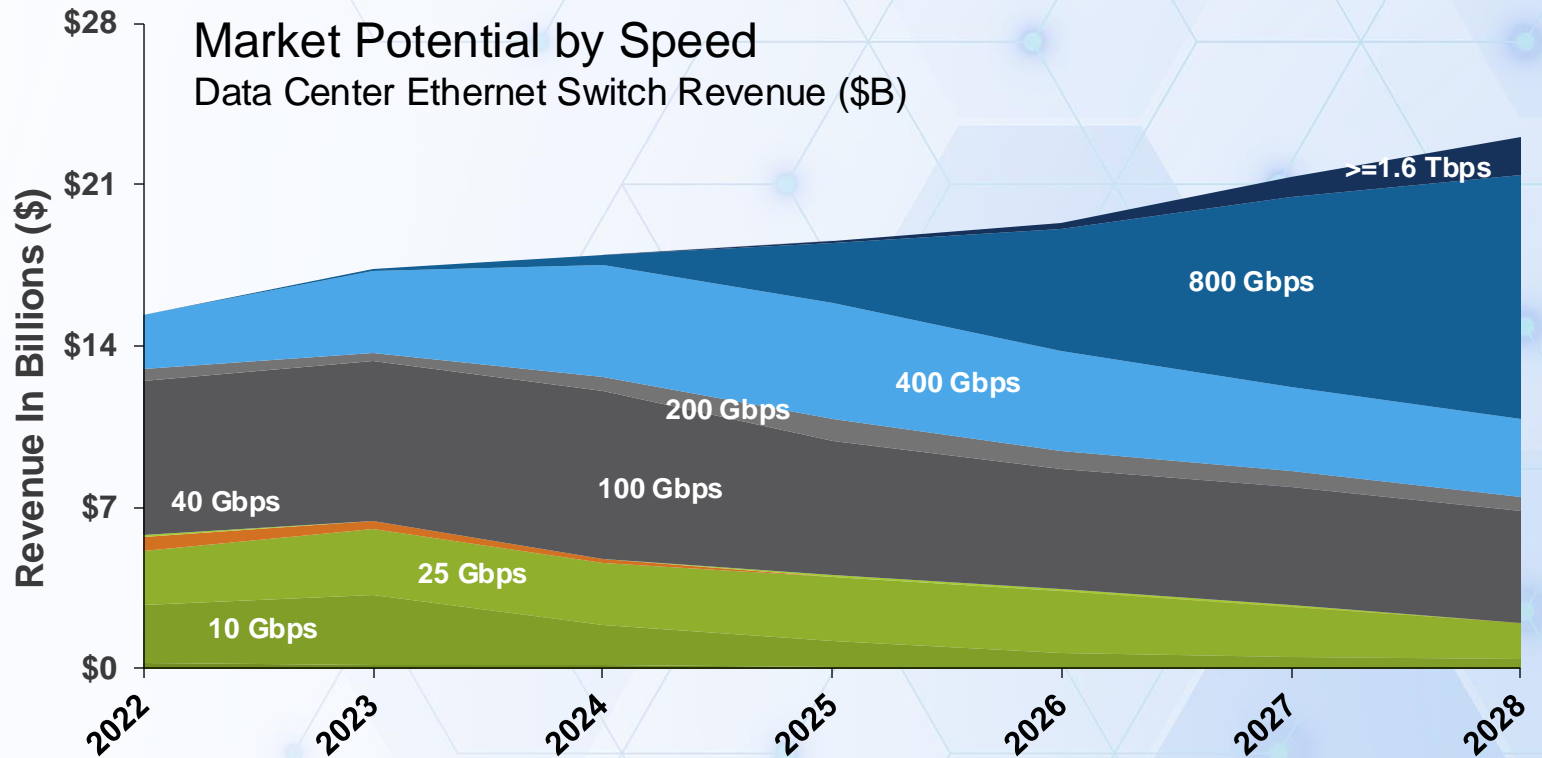
Source: 650 Group Campus Ethernet Market Forecast Q3 2024

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

Data Center + Campus Opportunity Surpasses \$60B

Continued Growth Ahead In Switching Market Opportunity

Data Center Ethernet Switch Analysis and Forecast



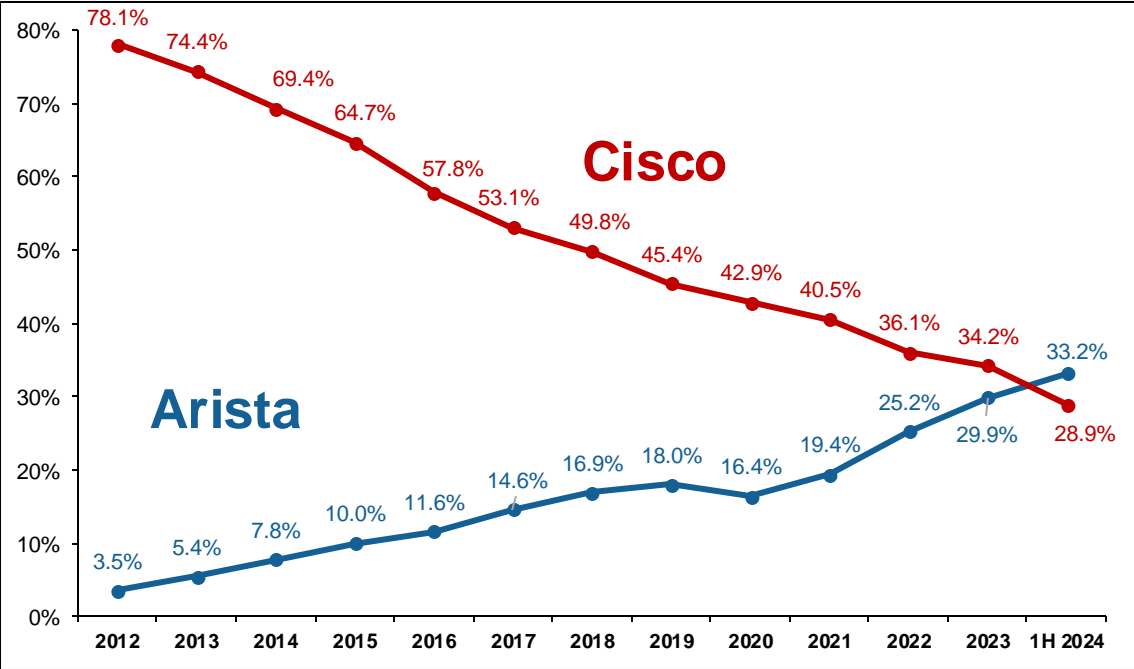
Source: Dell'Oro July 2024 - Long Term Ethernet Switch Forecast

***Note:** Includes front-end AI only, excluding AI back-end networks

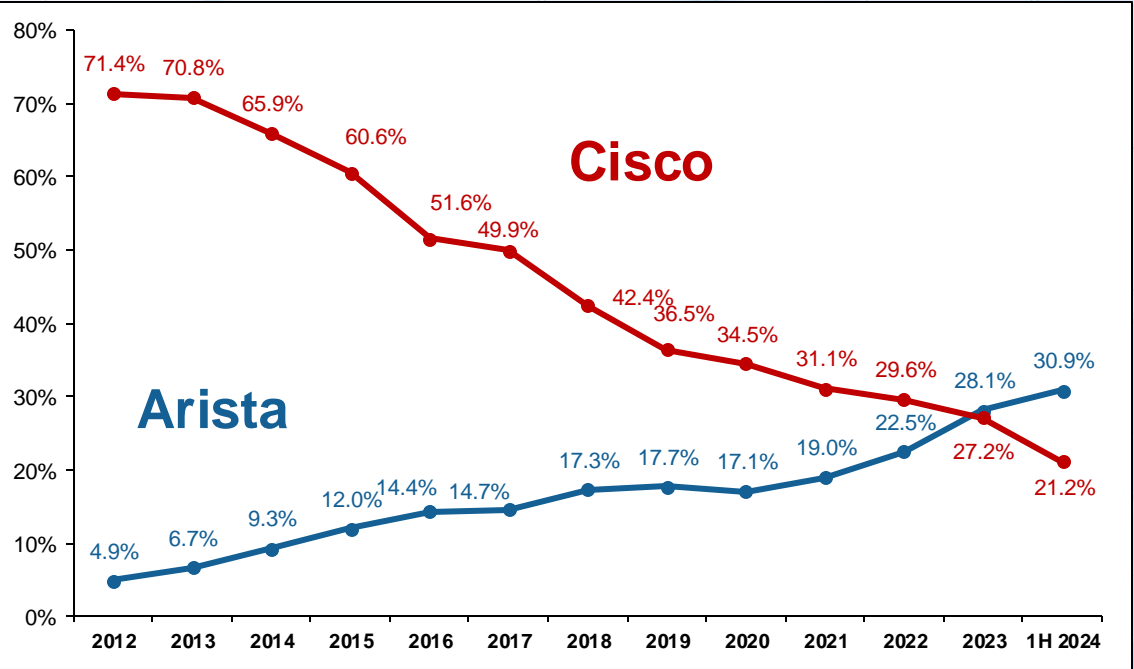
Delivering Consistent Market Share Gains vs Cisco

High Speed Data Center Switching Market

Share in Dollars



Share in Ports



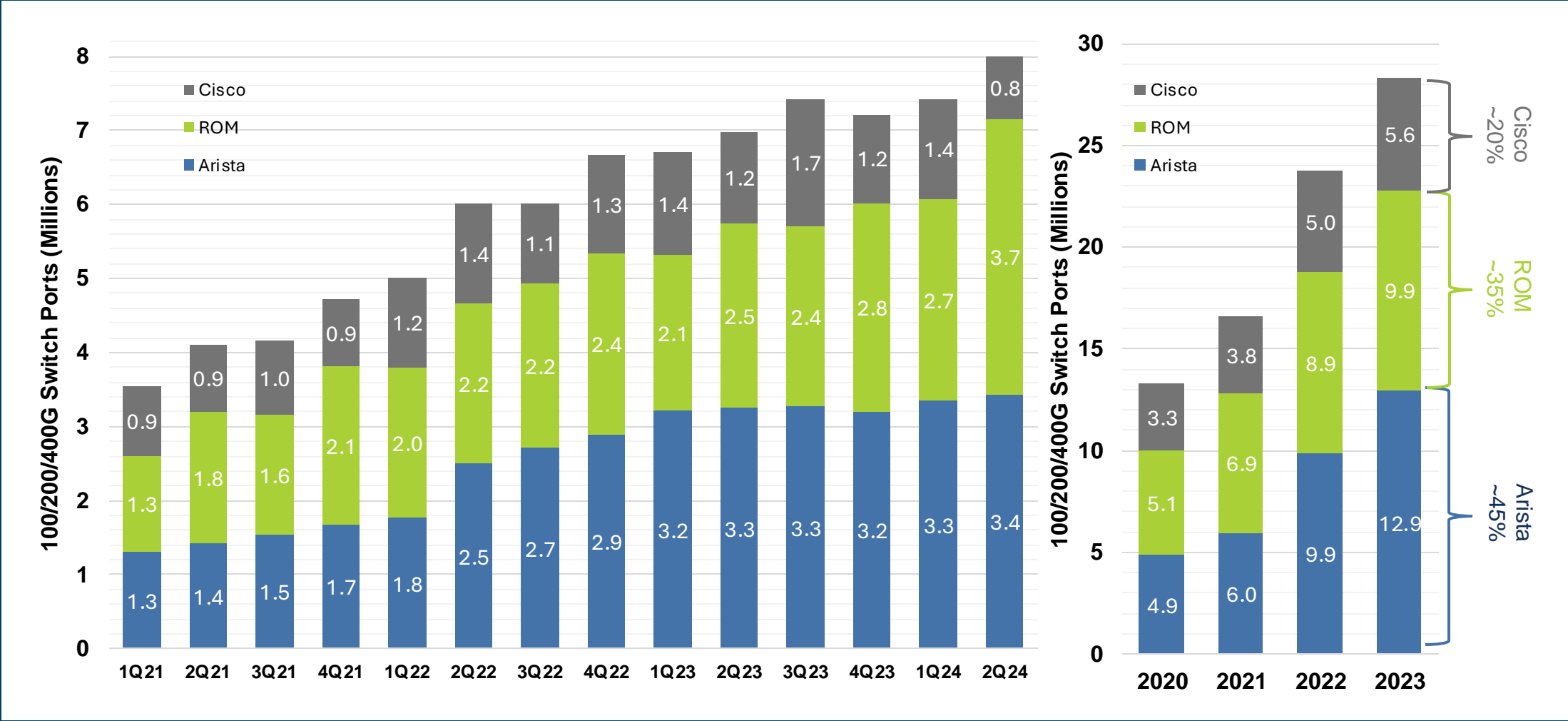
Source: Crehan Research Data Center Switch Market Share Report 2Q'24

Note: 10GbE and Higher - Excludes blade switches

Strong, Continual Share Gains Continue Into 2024

Arista's Market Leadership in 100G/200G/400G

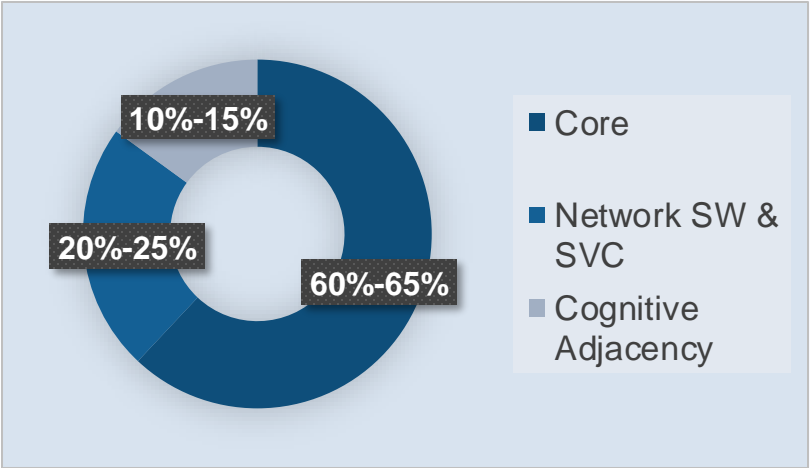
Data Center High Speed Ethernet Port Analysis



Source: Crehan Ethernet Switch Data Center Total Vendor Tables – 2Q'24

Arista's Product and Market Sector Diversification

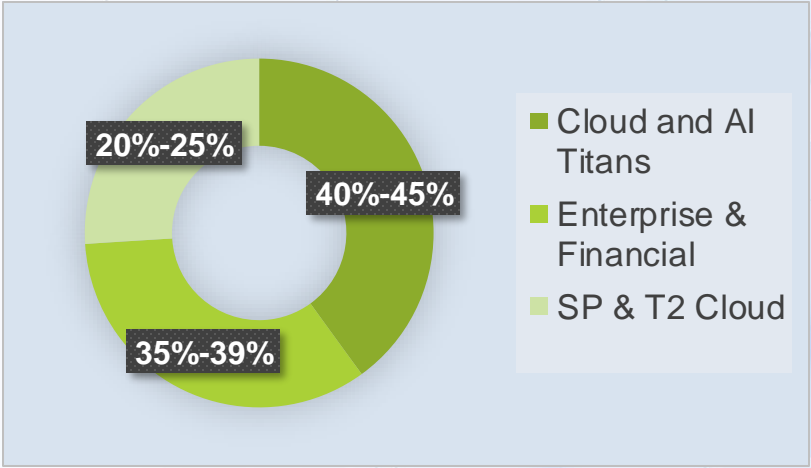
Product Trends*



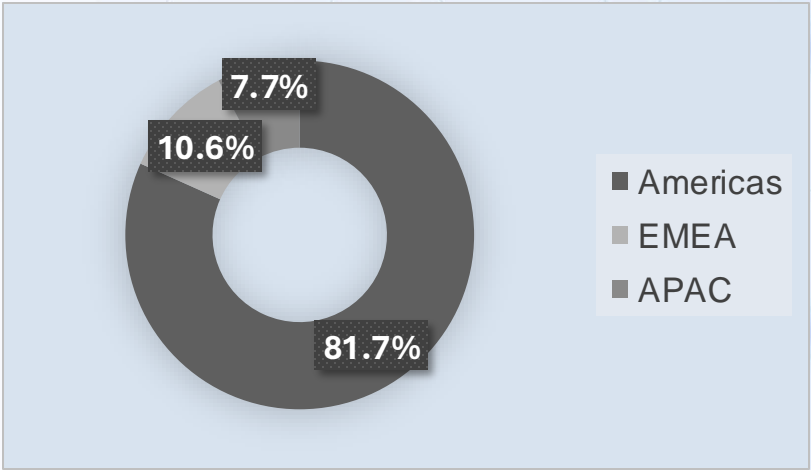
Core – Data Center & Cloud Networks
Cognitive Adjacencies – Campus & Routing
Cognitive Network - SW & Services

*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 Q3'24



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Business Model and Q3'24 Financial Update

Financial Results for Third Quarter 2024

Financial Results (non-GAAP)¹

	Q3'24 Results
Revenue	\$1.81B, up 20.0% YoY
Gross Margin (Non-GAAP) ⁽¹⁾	64.6%
Operating Margin (Non-GAAP) ⁽¹⁾	49.1%
EPS (Non-GAAP) ⁽¹⁾	\$2.40

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

Financial Highlights¹

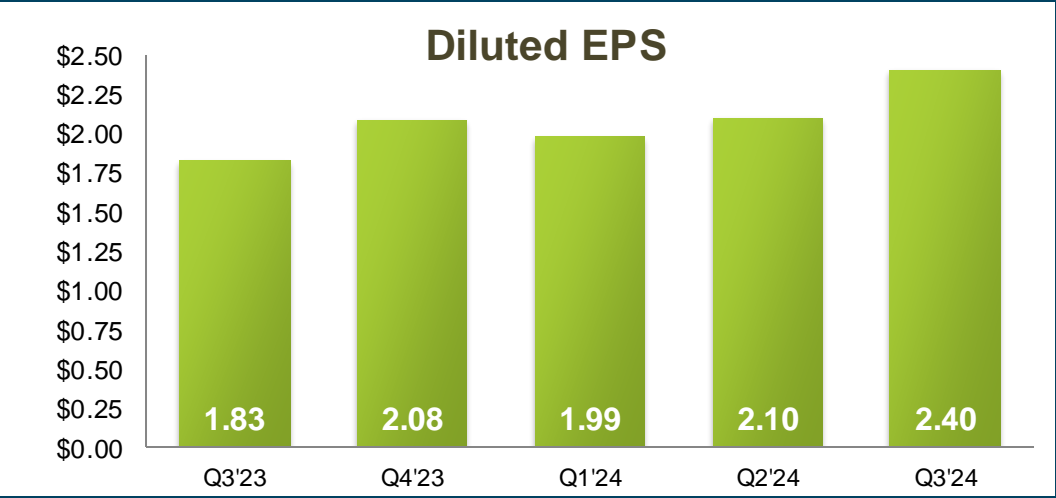
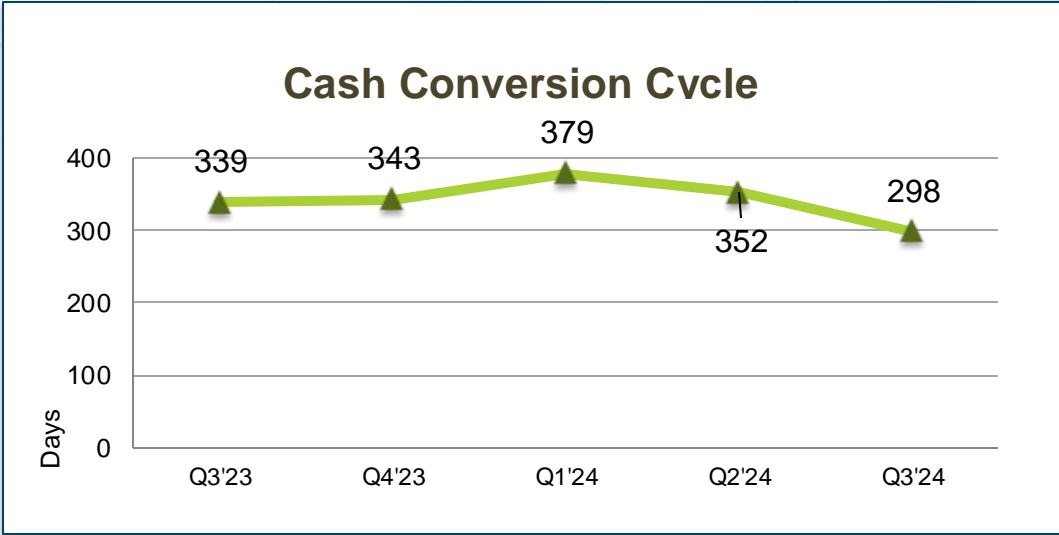
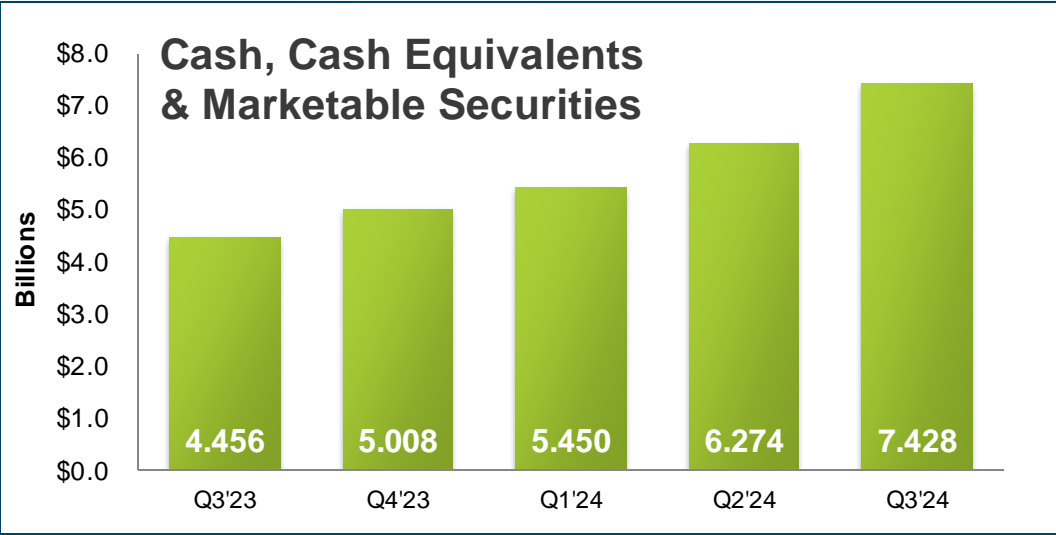


Y/Y gross margin improvement is driven stronger enterprise margins and supply chain discipline

Q3'24 higher operating margin results partially driven by expected Q3 R&D costs now expected in Q4

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

Balance Sheet & Cash Conversion Cycle¹

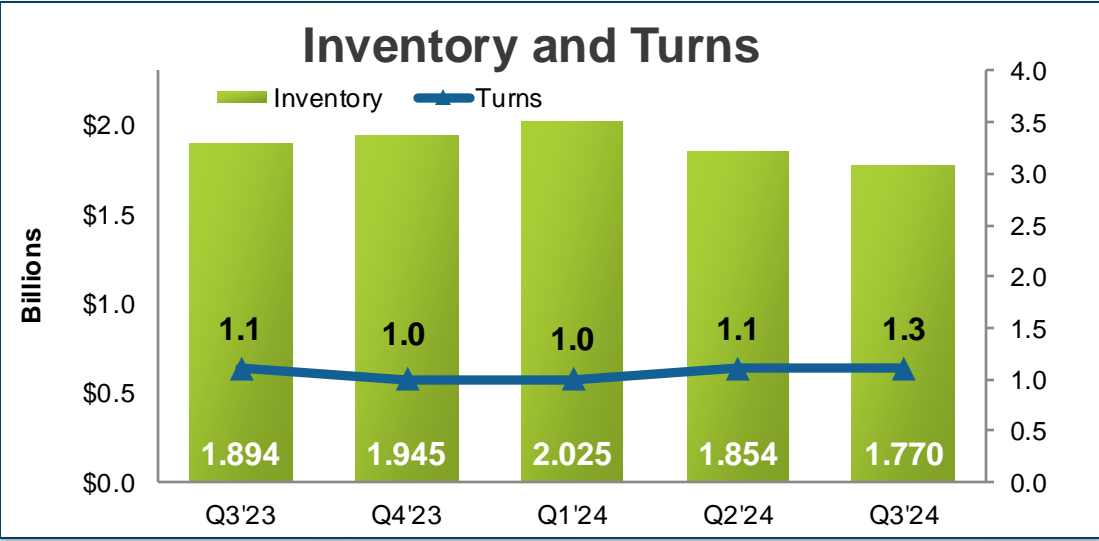
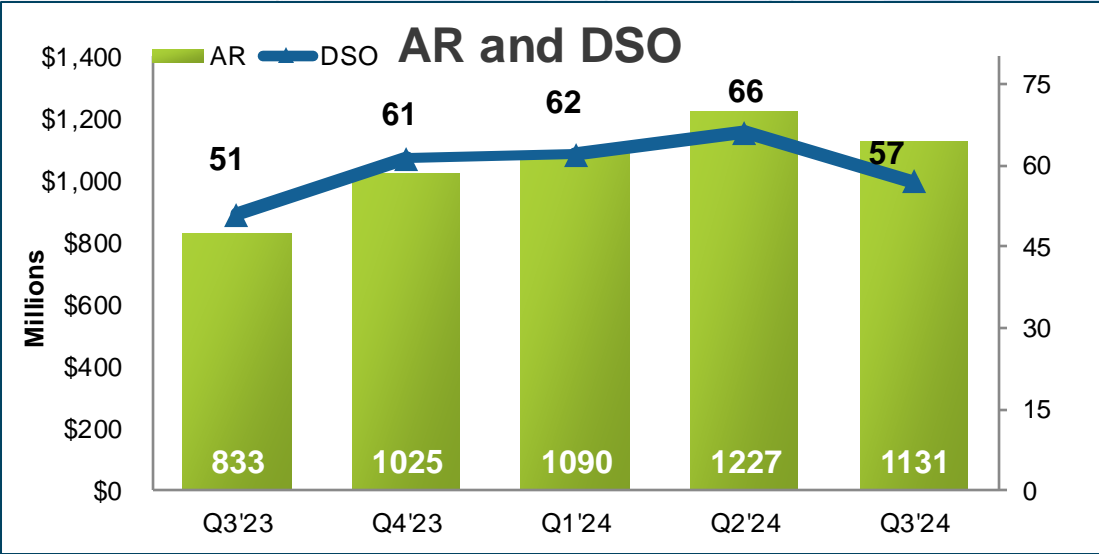


Strong EPS growth at +31.1% Y/Y

Continue to deliver strong outcomes for both operating cash flow and investment management

¹ EPS amounts are non-GAAP; refer to reconciliation between non-GAAP and GAAP in the appendix.

Inventory Turnover



Purchase commitments increase due to new product introductions

Inventory turns improvement driven by reduction in Raw Materials.

Our Approach to Capital Allocation

First Nine Months of FY2024
Net Income \$2.05B

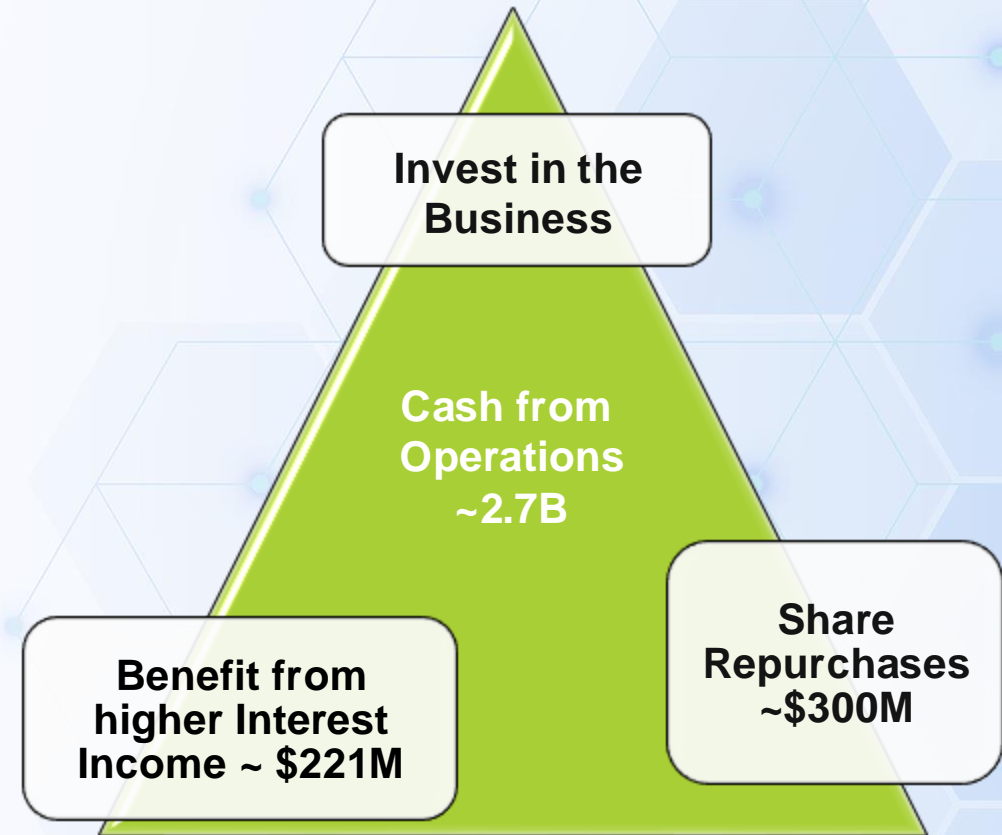
Maintain a healthy Balance Sheet (Fund the business / large aggressive competitors)

Invest to strengthen operations / position of existing business if we earn a reasonable return e.g. Supply Chain & Working Capital investments

Invest cash balance to earn interest income when accretive to EPS

M&A (strategic opportunities and when the deal makes sense from multiple angles)

Share repurchases to offset dilution and return cash to shareholders at a price that is accretive



Fourth Quarter 2024 – Guidance

	Q4'24 Guidance
Revenue	\$1.85B to \$1.90B
Gross Margin (Non-GAAP) ⁽¹⁾	63% - 64%
Operating Margin (Non-GAAP) ⁽¹⁾	~ 44%

Diluted Shares ~ 1.3 Billion⁽¹⁾

Non-GAAP Tax Rate⁽²⁾ ~ 21.5%

(1) Represents weighted average diluted share count giving effect to a 4 for 1 stock split on December 4, 2024

(2) Guidance for non-GAAP financial measures excludes stock-based compensation, amortization of acquisition related 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. The actual amount of stock-based compensation expense will have a significant impact on the company's GAAP gross margin and GAAP operating margin.

Arista 2025 Goals



SAM of \$70B by 2028

2020-2025 CAGR of 20+%

2023-2026 CAGR of Mid-teens

~\$8B Revenue Goal in 2025

~15%-17% YoY Annual Growth

New Market 2025 Targets

Campus ~\$750M

AI Back End ~\$750M

Goals

FY25 Financial Outlook



1

Revenue

15-17%

Higher mix of Cloud/AI customers

2

Gross Margin

60-62%

Driven by customer mix

3

Operating Margin

43-44%

Continue to invest in the business

Mid-Term Model

	2024 Forecast ⁽¹⁾	2025 Outlook	Mid-term Model (2023-2026)
Revenue Growth	18%-19%	15%-17%	Mid-teens CAGR
Gross Margin % (Non-GAAP) ⁽²⁾	~64%	60%-62%	62%-64%
R&D as a % of Revenue (Non-GAAP) ⁽²⁾	~11%	11%-12%	12%-14%
S&M as a % of Revenue (Non-GAAP) ⁽²⁾	~5%	~5%	6%-8%
G&A as a % of Revenue (Non-GAAP) ⁽²⁾	<2%	~2%	<2%
Operating Margin (Non-GAAP) ⁽²⁾	~47%	43%-44%	~42%

A commitment to double digit revenue growth while generating strong shareholder returns

(1) Includes Q4'24 at the mid point of guidance

(2) Guidance for non-GAAP financial measures excludes stock-based compensation, amortization of acquisition related 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. The actual amount of stock-based compensation expense will have a significant impact on the company's GAAP gross margin and GAAP operating margin.

Fourth Quarter 2024 Investor Conference Participation

Arista will participate in the following conferences in December with the financial community

UBS Global Technology Conference

Chantelle Breithaupt, CFO

Tuesday, December 3, 2024

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

Wells Fargo TMT Conference

Martin Hull, VP and GM, Cloud and AI Platforms

Wednesday, December 4, 2024

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

Raymond James TMT and Consumer Conference

Chantelle Breithaupt, CFO

Ashwin Kohli, Chief Customer Officer

Tuesday, December 10, 2024

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

Appendix I

- GAAP to Non-GAAP Reconciliation

Appendix: GAAP to Non-GAAP Reconciliation

In 000's except per share data	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	LTM
GAAP gross profit	\$ 942,419	\$ 999,226	\$ 1,001,379	\$ 1,097,213	\$ 1,161,717	\$ 4,259,535
GAAP gross margin	62.4%	64.9%	63.7%	64.9%	64.2%	64.4%
Stock-based compensation expense	3,717	3,273	3,450	3,983	4,098	14,804
Intangible asset amortization	5,622	4,195	4,195	4,195	4,195	16,780
Non-GAAP gross profit	\$ 951,758	\$ 1,006,694	\$ 1,009,024	\$ 1,105,391	\$ 1,170,010	\$ 4,291,119
Non-GAAP gross margin	63.1%	65.4%	64.2%	65.4%	64.6%	64.9%
GAAP income (loss) from operations	\$ 602,695	\$ 639,914	\$ 660,141	\$ 699,573	\$ 785,250	\$ 2,784,878
GAAP operating margin	39.9%	41.5%	42.0%	41.4%	43.4%	42.1%
Stock-based compensation expense	85,390	81,358	77,215	79,292	98,123	335,988
Intangible asset amortization	8,117	6,690	6,690	6,690	6,690	26,760
Legal settlement	-	16,000	-	-	-	16,000
Non-GAAP income from operations	\$ 696,202	\$ 743,962	\$ 744,046	\$ 785,555	\$ 890,063	\$ 3,163,626
Non-GAAP operating margin	46.1%	48.3%	47.4%	46.5%	49.1%	47.8%
GAAP net income	\$ 545,327	\$ 613,636	\$ 637,692	\$ 665,428	\$ 747,938	
Stock-based compensation expense	85,390	81,358	77,215	79,292	98,123	
(Gain)/loss on strategic investments	473	-	-	-	(12,400)	
Intangible asset amortization	8,117	6,690	6,690	6,690	6,690	
Legal settlement	-	16,000	-	-	-	
Tax benefits on stock-based awards	(45,667)	(40,561)	(70,833)	(64,548)	(57,698)	
Tax effect of non-GAAP exclusions	(12,253)	(12,795)	(13,048)	(14,218)	(13,598)	
Non-GAAP net income	\$ 581,387	\$ 664,328	\$ 637,716	\$ 672,644	\$ 769,055	
GAAP diluted net income per share	\$ 1.72	\$ 1.92	\$ 1.99	\$ 2.08	\$ 2.33	
Non-GAAP adjustments	0.11	0.16	-	0.02	0.07	
Non-GAAP diluted income per share	\$ 1.83	\$ 2.08	\$ 1.99	\$ 2.10	\$ 2.40	
GAAP and non-GAAP diluted shares	317,631	318,845	319,865	319,921	320,448	



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Thank You

www.arista.com