A10

Always Secure. Always Available.

Q4 2022 Financial Results & Commentary

February 7, 2023



©2022 A10 Networks, Inc. All rights reserved.

Cautionary Statements & Disclosures

This presentation and the accompanying oral presentation contain “forward-looking” statements that are based on our management’s beliefs and assumptions, including statements regarding our future financial performance, strategy, routes to market, technical differentiation, positioning, capital allocation strategy, expansion opportunities, growth, profitability, market growth, as well as market and technology trends.

Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause our actual results to differ materially from those anticipated or implied by our forward-looking statements. These factors include, but are not limited to, the impact of the COVID-19 pandemic on our business, on the business of our customers and suppliers, and on the global economy in general, a significant decline in global macroeconomic or political conditions, execution risks related to closing key deals and improving our execution, successfully executing our strategies, market adoption of our products, successfully anticipating market needs and opportunities, timely development of new products and features, achieving or maintaining profitability, loss or delay of expected purchases, our ability to maintain or improve our competitive position; competitive and execution risks related to cloud-based computing trends, attracting and retaining new end-customers, maintaining and enhancing our brand and reputation, changes demanded by our customers in the deployment and payment model for our products, growth in markets relating to network security, the success of any future acquisitions or investments, the success of our partnerships with technology providers, the ability of our sales team to execute well, our ability to shorten our close cycle, the ability of our channel partners to sell our products, variations in product mix or geographic locations of our sales, our presence in international markets, and other factors described in our quarterly reports on Form 10-Q, annual reports on Form 10-K and other filings made with the Securities and Exchange Commission, to which your attention is directed. The forward-looking statements included in this presentation are based on current expectations and beliefs as of February 7, 2023, only. We do not intend to update this information contained in the forward-looking statements, except as required by law.

This presentation and the accompanying oral presentation also include certain non-GAAP financial measures including Non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP operating margin, Adjusted EBITDA and Non-GAAP EPS. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titles measures presented by other companies. A10 Networks considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the company, exclusive of unusual events or factors that do not directly affect what we consider to be our core operating performance, and are used by the company’s management for that purpose. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We define non-GAAP net income as our GAAP net income (loss) excluding: (i) stock-based compensation and related payroll tax, (ii) amortization expense related to acquisition, (iii) global distribution center transition expense. We define non-GAAP net income per basic and diluted share as our non-GAAP net income (loss) divided by our basic and diluted weighted-average shares outstanding. We define non-GAAP gross profit as our GAAP gross profit excluding (i) stock-based compensation and related payroll tax, and (ii) global distribution center transition expense. We define non-GAAP gross margin as our non-GAAP gross profit divided by our GAAP revenue. We define non-GAAP operating income (loss) as our GAAP income (loss) from operations excluding (i) stock-based compensation and related payroll tax, (ii) amortization expense related to acquisition, and (iii) global distribution center transition expense. We define non-GAAP operating margin as our non-GAAP operating income (loss) divided by our GAAP revenue. We define non-GAAP operating expenses as our GAAP operating expenses excluding (i) stock-based compensation and related payroll tax, (ii) amortization expense related to acquisition, and (iii) global distribution center transition expense. We define Adjusted EBITDA as our GAAP net income (loss) excluding (i) interest expense (if any), (ii) interest income and other (income) expense, net, (iii) depreciation and amortization expense, (iv) provision (benefit) for income taxes, (v) stock-based compensation and related payroll tax, and global distribution center transition expense.

A reconciliation between GAAP and non-GAAP financial measures can be found in the appendix to this document and in the accompany financial results press release.

©2022 A10 Networks, Inc. All rights reserved.

Agenda

- Q4 Overview
- Q4 Financial Performance
- FY 2023 Outlook



©2022 A10 Networks, Inc. All rights reserved.

Q4’22: Record Revenue and Non-GAAP Profitability

Growth Highlights

- Q4 revenue grew 9.9% year-over-year; Full-Year revenue grew 12.1%
- Geographic performance reflects broad-based demand

Consistent Profitability

- Adjusted EBITDA was a record $22.3 million, or 28.7% of revenue
- Record Non-GAAP EPS of $0.24; $0.44 in 2H of 2022, $0.74 for the year

Capital Allocation

- 6.1 million shares repurchased during the year at an average price of $13.01 for a total of $79.3 million
- $15.9 million in cash dividends paid during the year

Key Takeaways

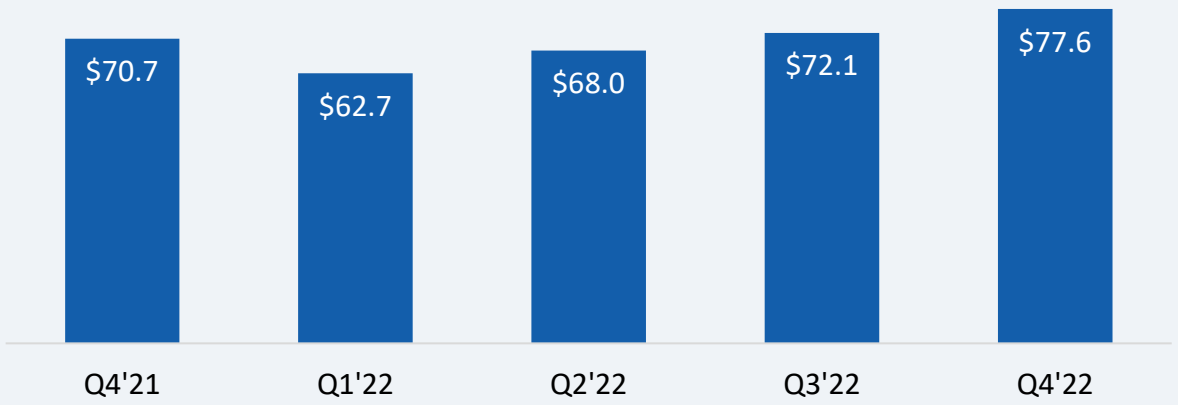
- Clearly improved and sustainable earnings power; Q4 Adjusted EBITDA exceeds Adjusted EBITDA for all of 2018-19
- Proven ability to navigate challenges, delivering revenue growth that outpaces industry
- Diversification in revenues and customers mitigates macroeconomic dynamics

See Appendix for reconciliation to most comparable GAAP financial measures.

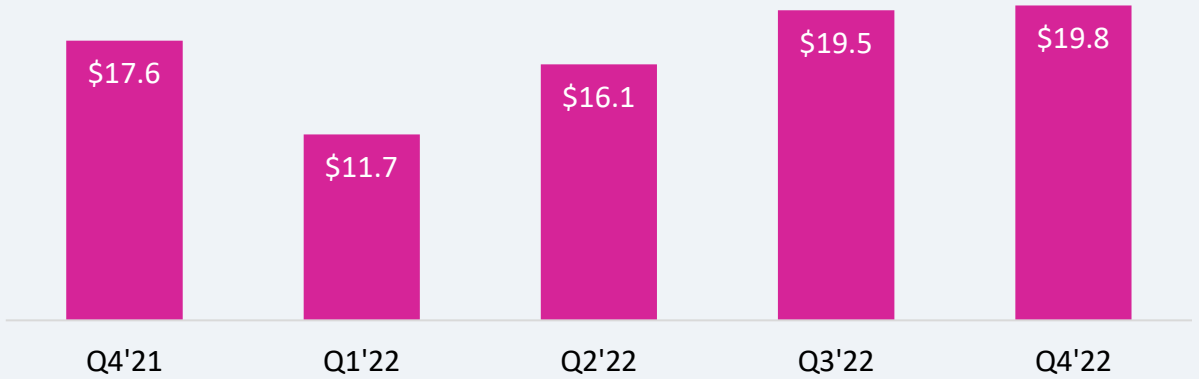
©2022 A10 Networks, Inc. All rights reserved.

Quarterly Revenue & Non-GAAP Operating Income

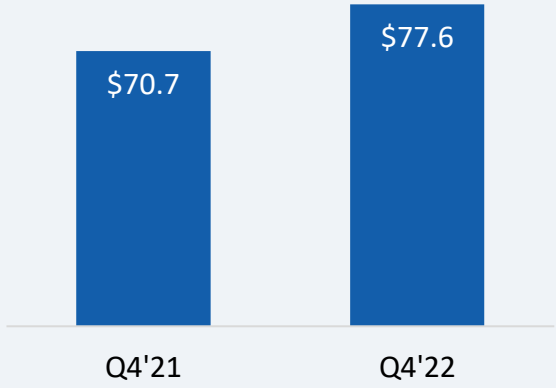
Revenue, $ Millions



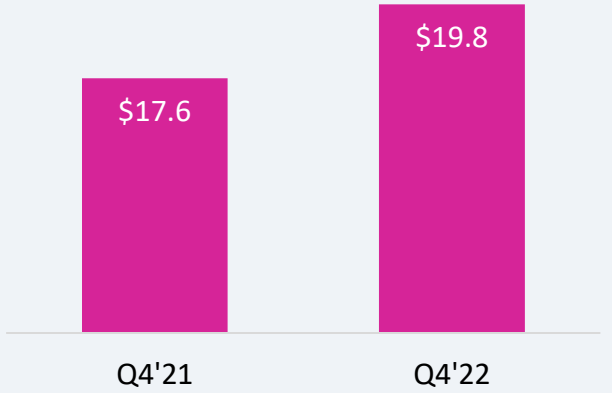
Non-GAAP Operating Income, $ Millions



Revenue, $ Millions



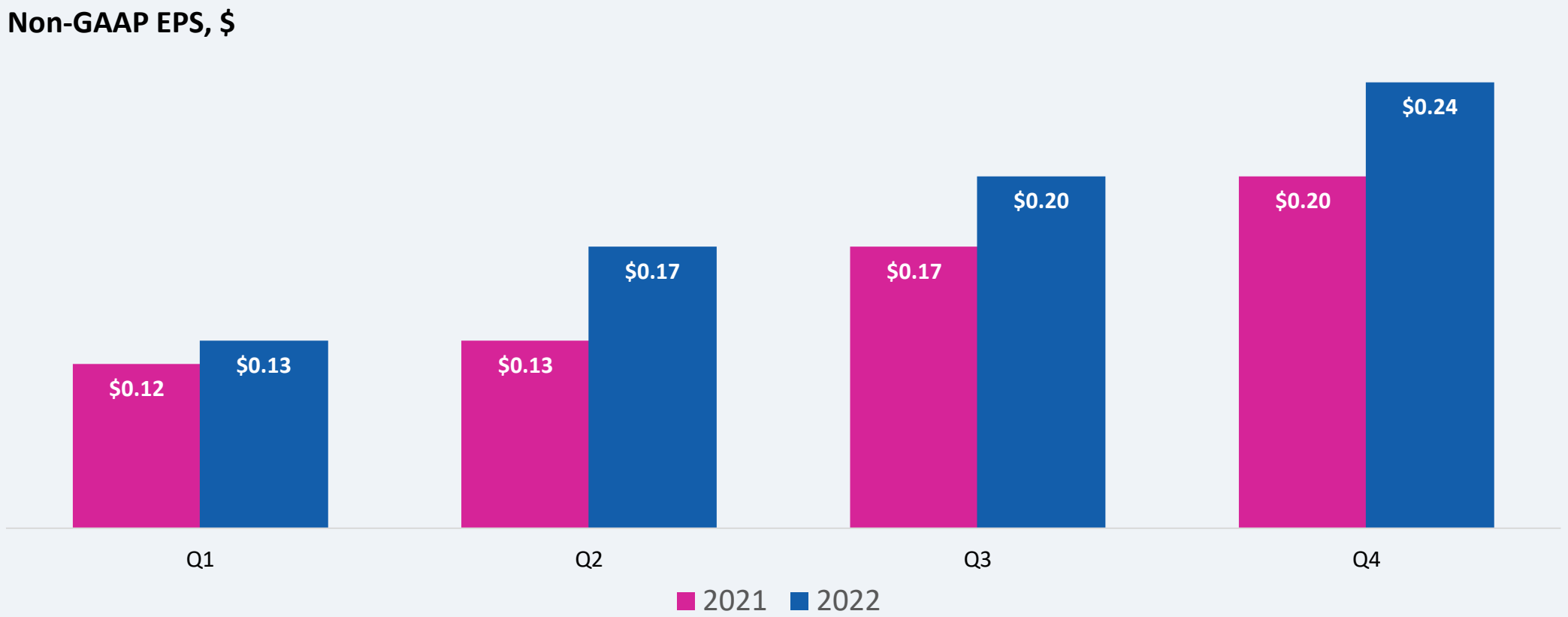
Non-GAAP Operating Income, $ Millions



Operating Income is a Non-GAAP Financial Measure. See Appendix for reconciliation to most comparable GAAP financial measures.

©2022 A10 Networks, Inc. All rights reserved.

Quarterly Non-GAAP EPS

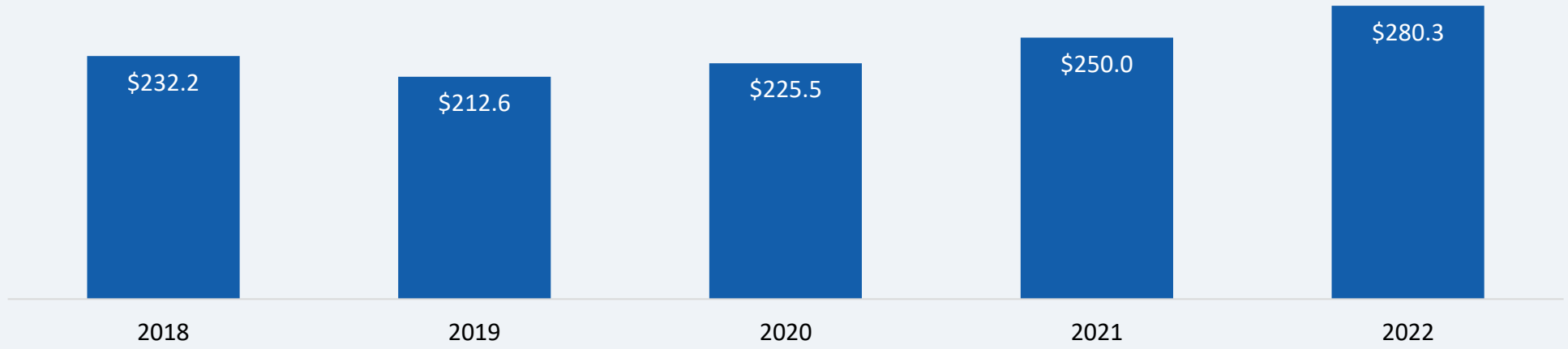


See Appendix for reconciliation to most comparable GAAP financial measures.

©2022 A10 Networks, Inc. All rights reserved.

Full-Year Revenue & Non-GAAP Operating Income

Revenue, $ Millions



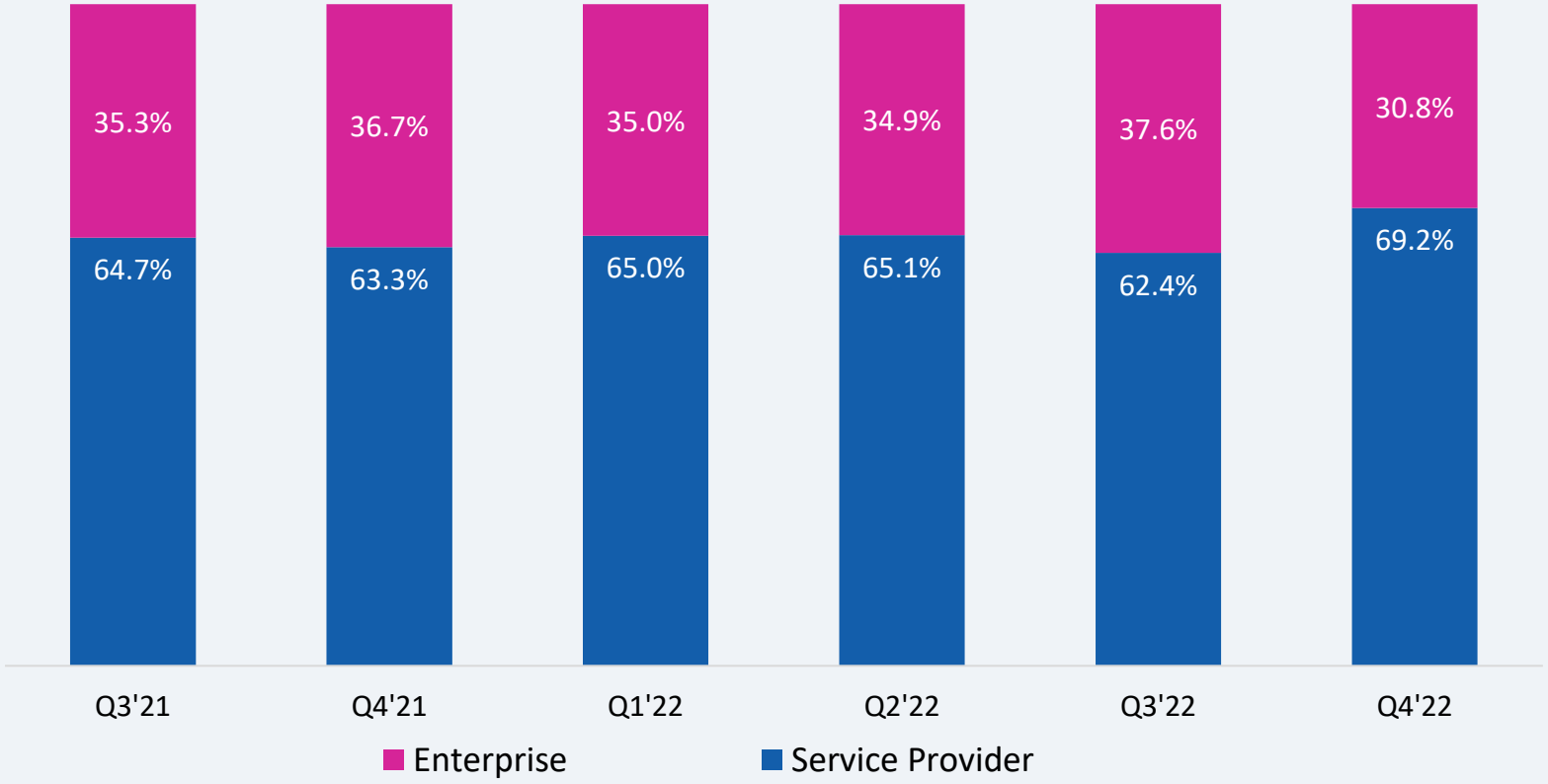
Non-GAAP Operating Income, $ Millions

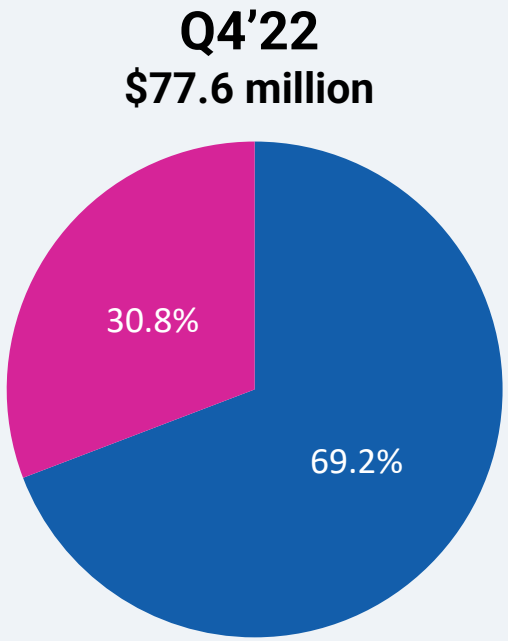


Operating Income is a Non-GAAP Financial Measure. See Appendix for reconciliation to most comparable GAAP financial measures.

©2022 A10 Networks, Inc. All rights reserved.

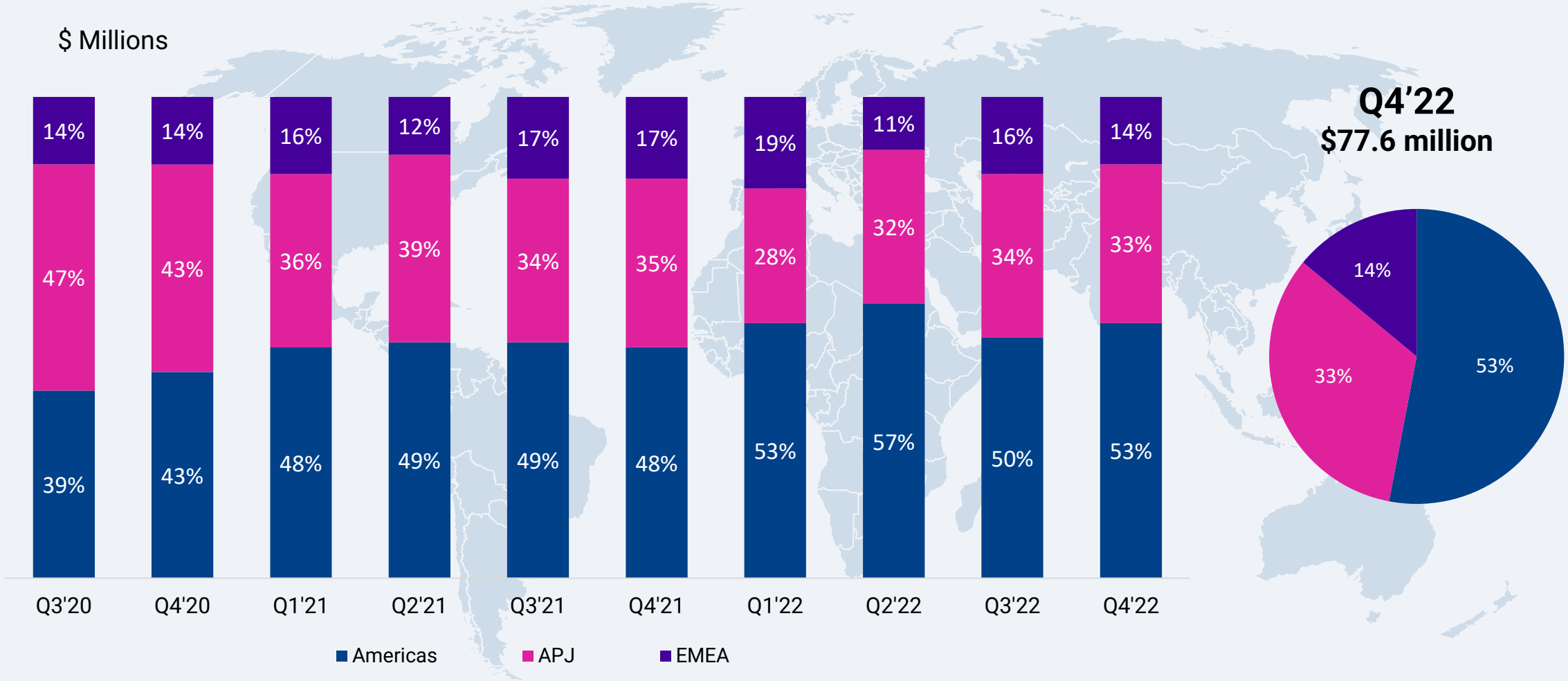
Quarterly Revenue by Customer Vertical





©2022 A10 Networks, Inc. All rights reserved.

Quarterly Revenue by Geography



©2022 A10 Networks, Inc. All rights reserved.

Consistent Value Creation



©2022 A10 Networks, Inc. All rights reserved.

Appendix

©2022 A10 Networks, Inc. All rights reserved.

Financial Performance Trends

$ Millions (except EPS)

	Q1'19	Q2'19	Q3'19	Q4'19	FY 2019	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022
Revenue	$50.3	$49.2	$52.8	$60.3	**$212.6**	$53.8	$52.5	$56.6	$62.7	**$225.5**	$54.8	$59.2	$65.4	$70.7	**$250.0**	$62.7	$68.0	$72.1	$77.6	**$280.3**
Non-GAAP Gross Margin %	76.3%	78.0%	78.1%	78.5%	**77.8%**	78.3%	78.8%	77.6%	79.6%	**78.6%**	78.9%	77.9%	80.4%	80.7%	**79.6%**	80.2%	80.6%	80.2%	80.3%	**80.3%**
Non-GAAP Operating Margin %	(11.8%)	(1.9%)	3.5%	12.7%	**1.2%**	7.6%	13.8%	17.8%	22.1%	**15.6%**	19.7%	18.8%	22.2%	24.8%	**21.6%**	18.6%	23.7%	27.0%	25.5%	**23.9%**
Adjusted EBITDA (non-GAAP)	($3.7)	$1.3	$4.0	$10.0	**$11.6**	$7.2	$9.8	$12.5	$16.1	**$45.6**	$13.0	$13.2	$16.8	$19.4	**$62.4**	$13.5	$18.0	$21.3	$22.3	**$75.1**
Non-GAAP EPS	($0.10)	$0.00	$0.02	$0.10	**$0.03**	$0.05	$0.09	$0.13	$0.18	**$0.44**	$0.12	$0.13	$0.17	$0.20	**$0.63**	$0.13	$0.17	$0.20	$0.24	**$0.74**
Ending Cash & Marketable Securities	$122.8	$119.3	$122.6	$129.9	**$129.9**	$142.9	$143.4	$159.1	$158.1	**$158.1**	$161.0	$166.8	$187.5	$185.0	**$185.0**	$164.7	$166.8	$127.8	$151.0	**$151.0**

Numbers may not sum due to rounding. Please refer to the supplemental financials posted in the "Investor Relations" section of the A10 Networks website at investors.a10networks.com Gross Margin %, Operating Margin %, Adjusted EBITDA and EPS are Non-GAAP Financial Measures. See Appendix for reconciliation to most comparable GAAP financial measures.

©2022 A10 Networks, Inc. All rights reserved.

GAAP to Non-GAAP – Gross Margin and EPS

% of Revenue except EPS	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	Year Ended Dec 31 2021	Year Ended Dec 31 2022
Gross Margin % - GAAP	77.2%	77.0%	79.8%	79.9%	**78.6%**	79.5%	80.2%	79.5%	79.7%	**78.6%**	**79.7%**
Stock-based compensation	1.2%	0.5%	0.6%	0.6%	**0.7%**	0.7%	0.5%	0.7%	0.5%	**0.7%**	**0.6%**
Global distribution center transition expense	0.5%	0.4%	0.0%	0.2%	**0.3%**	0.0%	0.0%	0.0%	0.0%	**0.3%**	**0.0%**
Non-reccuring facilities expense	0.0%	0.0%	0.0%	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	**0.0%**	**0.0%**
Gross Margin % - Non-GAAP	**78.9%**	**77.9%**	**80.4%**	**80.7%**	**79.6%**	**80.2%**	**80.6%**	**80.2%**	**80.3%**	**79.6%**	**80.3%**
EPS $ - GAAP	$ 0.03	$ 0.08	$ 0.94	$ 0.13	**$ 1.19**	$ 0.08	$ 0.13	$ 0.16	$ 0.24	**$ 1.19**	**$ 0.60**
Stock-based compensation	0.06	0.03	0.05	0.04	**0.19**	0.05	0.04	0.05	0.05	**0.19**	**0.18**
Impairment of investment	-	-	-	-	**-**	-	-	-	0.01	**-**	**0.01**
Amortization expense related to acquisition	0.00	0.00	-	-	**0.01**	-	-	-	-	**0.01**	**-**
Global distribution center transition expense	0.03	0.02	(0.00)	0.03	**0.06**	-	-	-	-	**0.06**	**-**
Tax benefit from amended returns	-	-	-	-	**-**	-	-	-	(0.06)	**-**	**(0.06)**
Release of DTA valuation allowance	-	-	(0.82)	-	**(0.82)**	-	-	-	-	**(0.82)**	**-**
EPS $ - Non-GAAP	**$ 0.12**	**$ 0.13**	**$ 0.17**	**$ 0.20**	**$ 0.63**	**$ 0.13**	**$ 0.17**	**$ 0.20**	**$ 0.24**	**$ 0.63**	**$ 0.74**

Numbers may not sum due to rounding. EPS data is presented on a basic and diluted basis. Please refer to the supplemental financials posted the "Investor Relations" section of the A10 Networks website at investors.a10networks.com

©2022 A10 Networks, Inc. All rights reserved.

GAAP to Non-GAAP – Operating Income

$ Millions	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	Year Ended Dec 31 2021	Year Ended Dec 31 2022
Income from operations $ - GAAP	$ 4.0	$ 7.2	$ 10.3	$ 11.8	$ 33.4	$ 8.0	$ 13.1	$ 15.7	$ 16.3	$ 33.4	$ 53.1
Stock-based compensation	4.6	2.6	4.2	3.6	15.0	3.7	2.9	3.8	3.5	15.0	14.0
Amortization expense related to acquisition	0.3	0.3	-	-	0.5	-	-	-	-	0.5	-
Global distribution center transition expense	1.9	1.0	(0.0)	2.1	5.1	-	-	-	-	5.1	-
Income from operations $ - Non-GAAP	$ 10.8	$ 11.0	$ 14.5	$ 17.6	$ 54.0	$ 11.7	$ 16.1	$ 19.5	$ 19.8	$ 54.0	$ 67.0
% of Revenue											
Income from operations % - GAAP	7.3 %	12.2 %	15.8 %	16.8 %	13.4 %	12.8 %	19.3 %	21.7 %	21.0 %	13.4 %	18.9 %
Stock-based compensation	8.4 %	4.4 %	6.4 %	5.1 %	6.0 %	5.9 %	4.3 %	5.3 %	4.6 %	6.0 %	5.0 %
Amortization expense related to acquisition	0.5 %	0.4 %	–%	–%	0.2 %	–%	–%	–%	–%	0.2 %	–%
Global distribution center transition expense	3.5 %	1.8 %	(0.0)%	3.0 %	2.0 %	–%	–%	–%	–%	2.0 %	–%
Income from operations % - Non-GAAP	19.7 %	18.8 %	22.2 %	24.8 %	21.6 %	18.6 %	23.7 %	27.0 %	25.5 %	21.6 %	23.9 %

Numbers may not sum due to rounding. Please refer to the supplemental financials posted the "Investor Relations" section of the A10 Networks website at investors.a10networks.com

©2022 A10 Networks, Inc. All rights reserved.

GAAP to Non-GAAP – Adjusted EBITDA

$ Millions	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	Year Ended Dec 31 2021	Year Ended Dec 31 2022
GAAP net income	$ 2.7	$ 6.6	$ 74.9	$ 10.7	$ 94.9	$ 6.3	$ 10.4	$ 12.1	$ 18.0	$ 94.9	$ 46.9
Exclude: Interest income and other (income) expense, net	1.2	0.1	0.2	0.3	1.7	0.5	(0.5)	0.4	(0.1)	1.7	0.4
Exclude: Depreciation & amortization expense	2.4	2.3	2.3	1.9	8.9	1.8	1.9	1.8	2.5	8.9	8.0
Exclude: Provision (benefit) for income taxes	0.2	0.5	(64.8)	0.9	(63.2)	1.1	3.2	3.1	(1.7)	(63.2)	5.8
EBITDA	6.4	9.6	12.6	13.7	42.3	9.8	15.0	17.5	18.7	42.3	61.1
Exclude: Stock-based compensation	4.6	2.6	4.2	3.6	15.0	3.7	2.9	3.8	3.5	15.0	14.0
Exclude: Global distribution center transition expense	1.9	1.0	(0.0)	2.1	5.1	-	-	-	-	5.1	-
Adjusted EBITDA - Non-GAAP	$ 13.0	$ 13.2	$ 16.8	$ 19.4	$ 62.4	$ 13.5	$ 18.0	$ 21.3	$ 22.3	$ 62.4	$ 75.1

Numbers may not sum due to rounding. Please refer to the supplemental financials posted the "Investor Relations" section of the A10 Networks website at investors.a10networks.com

©2022 A10 Networks, Inc. All rights reserved.