A10

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Q1 2025 Financial Results & Commentary

May 1, 2025



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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 quarterly dividend payments and stock repurchase program, strategy, positioning, demand, U.S. trade policies and the impact thereof, growth rate, margin profile, profitability and return of capital.

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This presentation and the accompanying oral presentation also include certain non-GAAP financial measures including non-GAAP net income, non-GAAP net income per basic and diluted share (or non-GAAP EPS), non-GAAP gross profit and gross margin, non-GAAP operating expenses, non-GAAP operating income and operating margin, Adjusted EBITDA and Adjusted EBITDA margin. 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 excluding: (i) stock-based compensation and related payroll tax, (ii) ThreatX Protect acquisition expense, (iii) ThreatX Protect intangible amortization, (iv) one-time legal expense and (v) income tax effect of non-GAAP items (i) to (iv) listed above. We define non-GAAP net income per basic and diluted share as our non-GAAP net income 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) ThreatX Protect intangible amortization. We define non-GAAP gross margin as our non-GAAP gross profit 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) ThreatX Protect acquisition expense, (iii) ThreatX Protect intangible amortization and (iv) one-time legal expense. We define non-GAAP operating income as our GAAP income from operations excluding (i) stock-based compensation and related payroll tax, (ii) ThreatX Protect acquisition expense, (iii) ThreatX Protect intangible amortization and (iv) one-time legal expense. We define non-GAAP operating margin as our non-GAAP operating income divided by our GAAP revenue. We define Adjusted EBITDA as our GAAP net income excluding (i) interest and other (income) expense, net, (ii) depreciation and amortization expense, (iii) provision for income taxes, (iv) stock-based compensation and related payroll tax, (v) ThreatX Protect acquisition expense, (iv) ThreatX Protect intangible amortization and (vi) one-time legal expense. We define Adjusted EBITDA margin as our Adjusted EBITDA divided by our GAAP revenue. Non-GAAP financial measures are presented for supplemental informational purposes only for understanding the company's operating results. A reconciliation between GAAP and non-GAAP financial measures can be found in the appendix to this document and in the accompanying financial results press release.

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Agenda

- Q1 2025 Overview
- ThreatX Protect Acquisition
- Strengthened Balance Sheet



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Q1’25: Broad-Based Improvements

Revenue Overview

- Q1 Revenue increased 9% year-over-year
- Enterprise revenue up 18%
- Service provider revenue up 3%

Consistent Profitability

- Non-GAAP gross margins of 80.9% in Q1’25
- GAAP EPS of $0.13, unchanged from Q1’24
- Non-GAAP EPS of $0.20 compared to $0.17 in Q1’24

Key Takeaways

- Broad-based revenue growth (both verticals and regions)
- Profitability in line with expectations
- Continued stabilization in the North American Service Provider segment
- Solid growth in Enterprise segment
- Strategic M&A expands capabilities for enterprise customers

See Appendix for reconciliation to most comparable GAAP financial measures.

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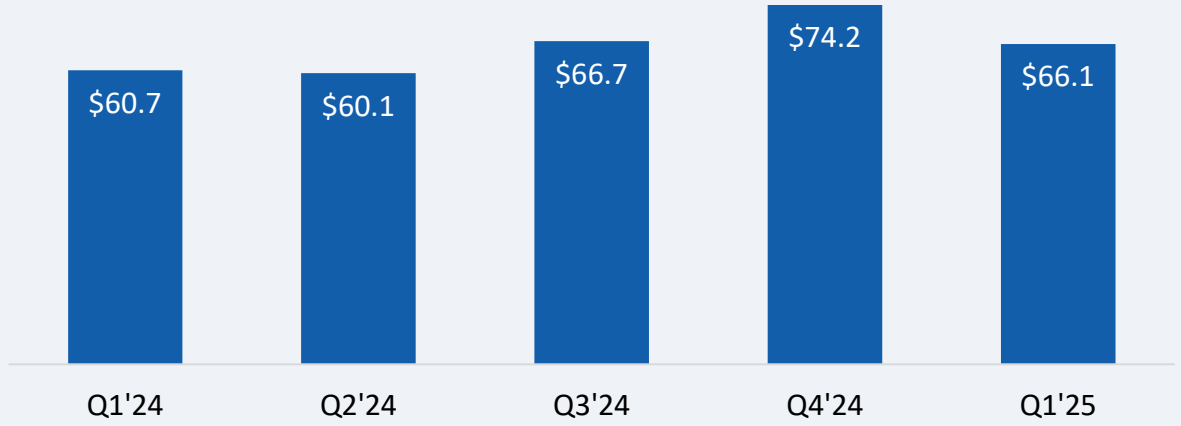
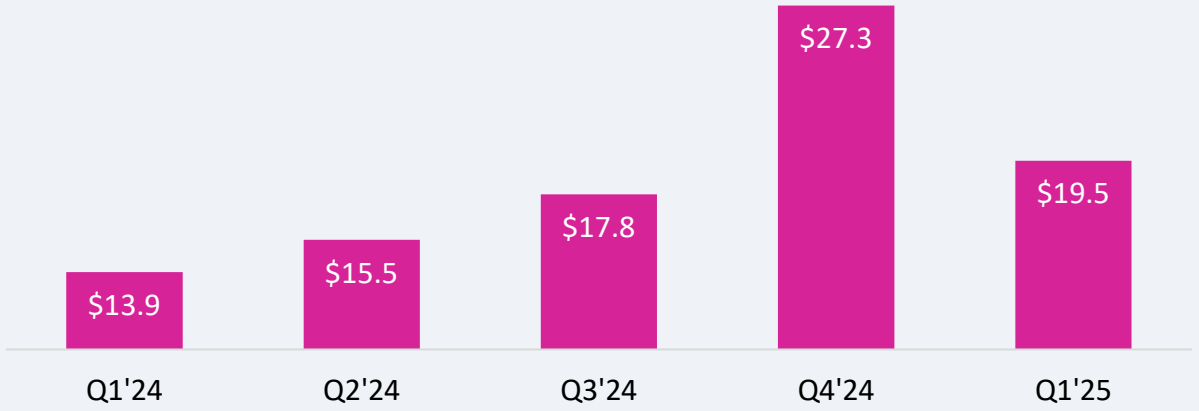
Quarterly Revenue & Adjusted EBITDA

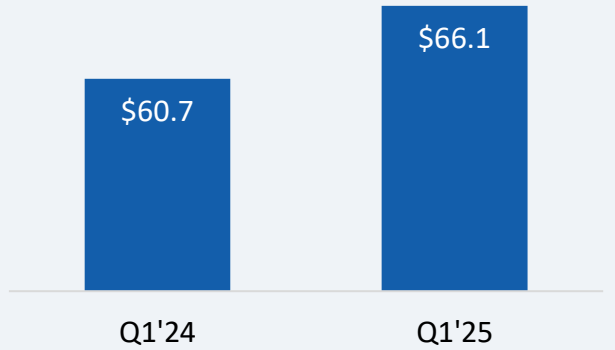
Revenue, $ Millions



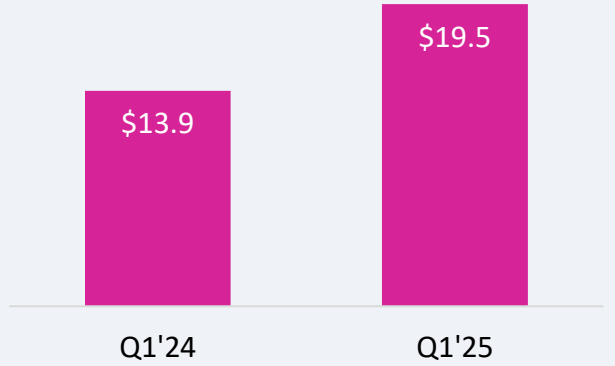
Adjusted EBITDA, $ Millions



Revenue, $ Millions



Adjusted EBITDA, $ Millions



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

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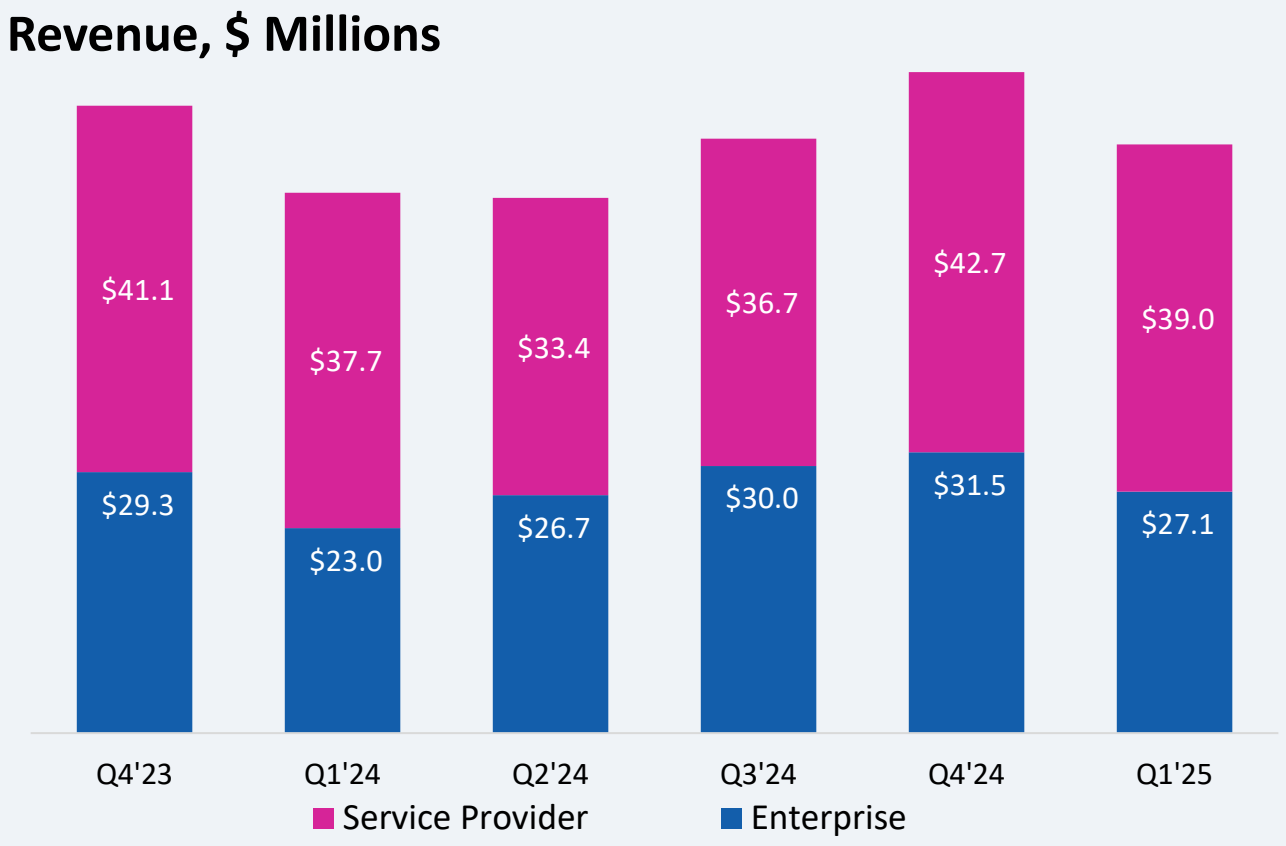
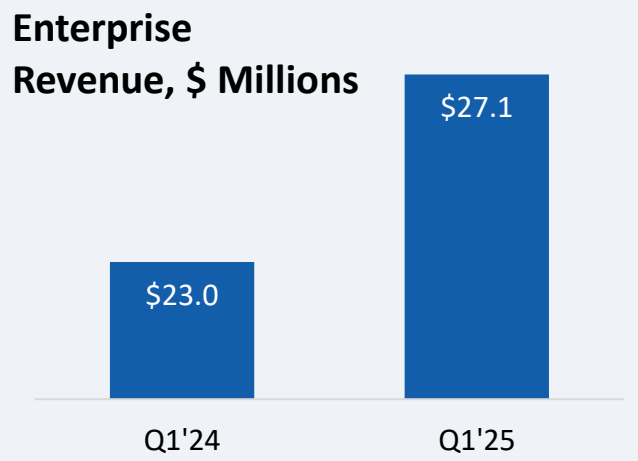
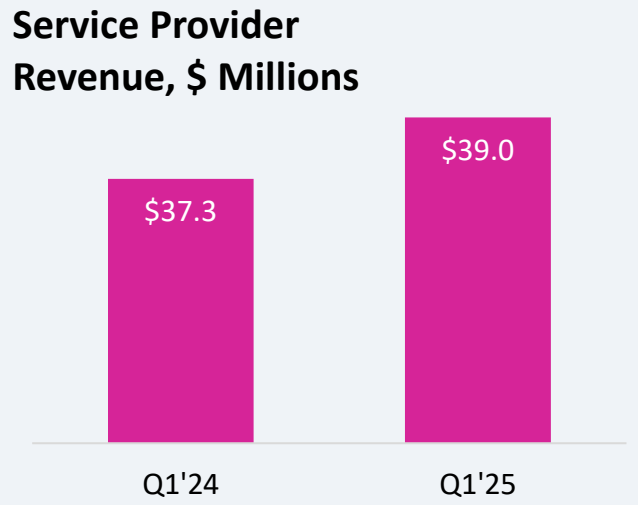
Revenue by Customer Vertical







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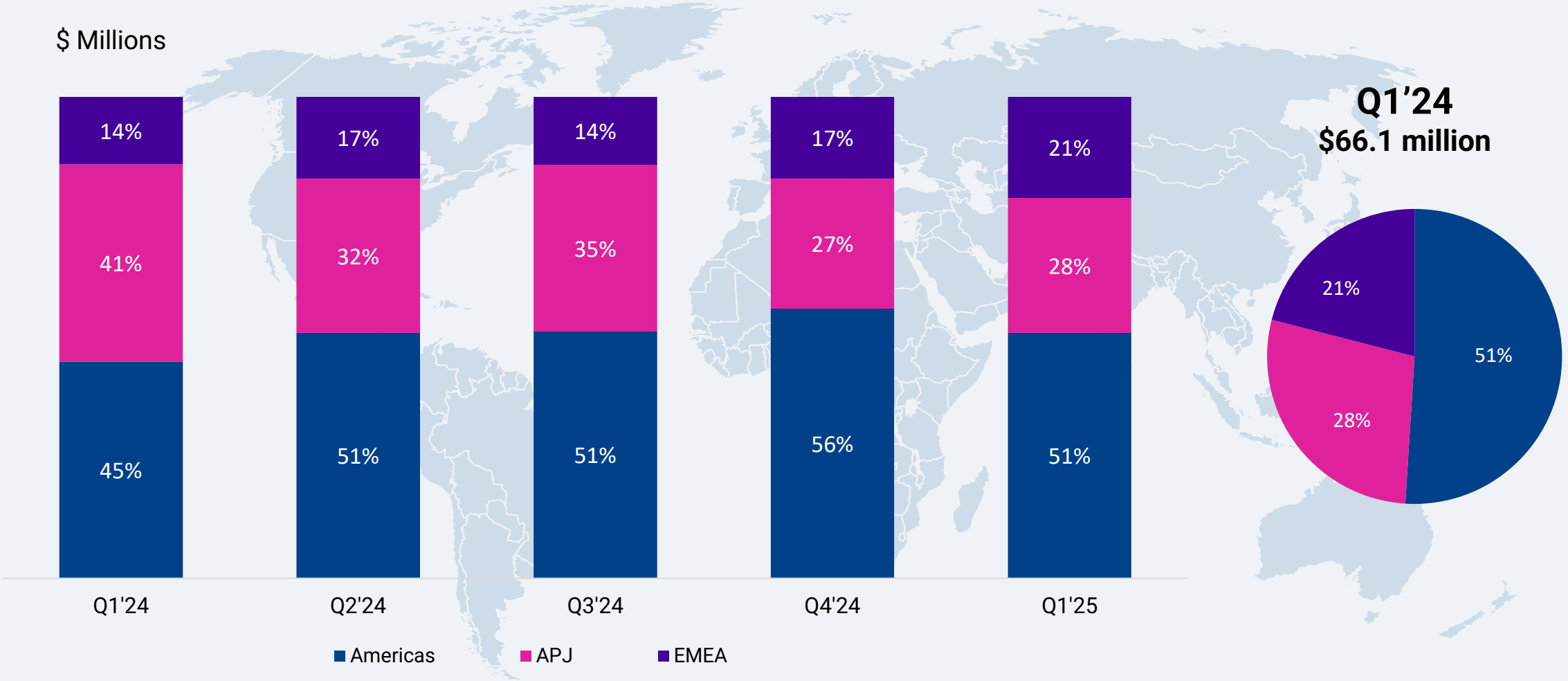
Quarterly Revenue by Geography



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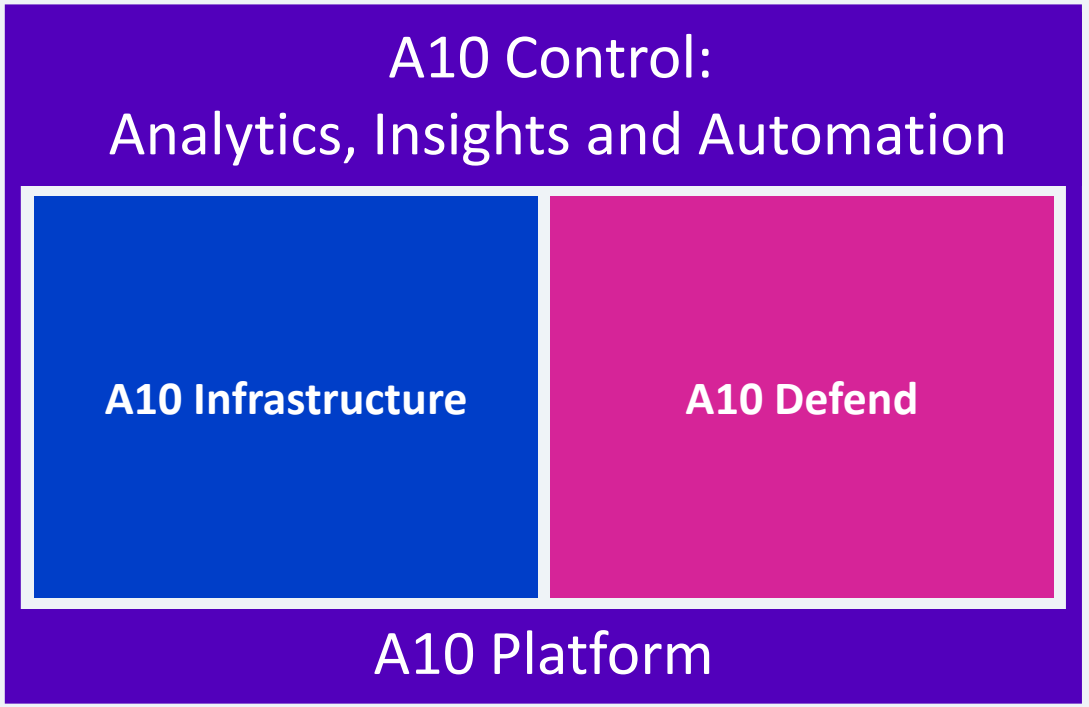
What We Do

2 Hybrid Infrastructure and AI buildout

1 A Unified software platform to deliver best in class technical performance



4 Long term Management Layer that support third party solutions

3 Provide a common way to manage multiple categories including third party products

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Consistent Value Creation



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Strong Balance Sheet

(In $ millions)	March 31, 2025	December 31, 2024
Cash and Cash Equivalents	$243.8	$95.1
Marketable Securities	$112.0	$100.4
Total Assets	$606.2	$432.8
Long-Term Debt	$217.7	-
Total Liabilities	$410.3	$200.9
Stockholder's Equity	$195.9	$231.8
Total Liabilities and Stockholder's Equity	$606.2	$432.8

Long-Term Debt

- $225 million Convertible Senior Notes
  - Issued March 2025 maturing April 2030
  - Coupon rate of 2.75% per annum, payable semi-annually on April 1 and October 1
  - Long-term debt of $217.7 million
- Use of proceeds:
  - General corporate purposes
  - Invest in organic growth
  - Potential M&A

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Appendix

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Financial Performance Trends

$ Millions (except EPS)

	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24	Q2'24	Q3'24	Q4'24	FY 2024	Q1'25
Revenue	$62.7	$68.0	$72.1	$77.6	**$280.3**	$57.7	$65.8	$57.8	$70.4	**$251.7**	$60.7	$60.1	$66.7	$74.2	**$261.7**	$66.1
Non-GAAP Gross Margin %	80.2%	80.6%	80.2%	80.3%	**80.3%**	83.1%	80.2%	81.8%	81.8%	**81.7%**	81.9%	80.9%	81.3%	80.7%	**81.2%**	80.9%
Non-GAAP Operating Margin %	18.6%	23.7%	27.0%	25.5%	**23.9%**	23.1%	23.1%	20.6%	30.4%	**24.6%**	18.5%	21.1%	22.6%	32.7%	**24.2%**	24.4%
Adjusted EBITDA (non-GAAP)	$13.5	$18.0	$21.3	$22.3	**$75.1**	$15.5	$17.4	$14.4	$23.9	**$71.2**	$13.9	$15.5	$17.8	$27.3	**$74.5**	$19.5
Non-GAAP EPS	$0.13	$0.17	$0.20	$0.24	**$0.74**	$0.13	$0.19	$0.16	$0.25	**$0.73**	$0.17	$0.18	$0.21	$0.31	**$0.86**	$0.20
Ending Cash & Marketable Securities	$164.7	$166.8	$127.8	$151.0	**$151.0**	$144.5	$153.9	$169.0	$159.3	**$159.3**	$182.1	$177.1	$182.1	$195.6	**$195.6**	$355.8

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.

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GAAP to Non-GAAP – Gross Margin and EPS

	Q1'24	Q2'24	Q3'24	Q4'24	Year Ended Dec 31 2024	Q1'25
Revenue	$ 60.7	$ 60.1	$ 66.7	$ 74.2	$ 261.7	$ 66.1
Gross Margin % - Non-GAAP	81.9%	80.9%	81.3%	80.6%	81.2%	80.9%
Income from operations % - Non-GAAP	18.5%	21.1%	22.6%	32.7%	24.2%	24.4%
Adjusted EBITDA - Non-GAAP	$ 13.9	$ 15.5	$ 17.8	$ 27.3	$ 74.5	$ 19.5
EPS $ - Non-GAAP	$ 0.17	$ 0.18	$ 0.21	$ 0.31	$ 0.86	$ 0.20
Ending Cash & Marketable Securities	$ 182.1	$ 177.1	$ 182.1	$ 195.6	$ 195.6	$ 355.8

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

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GAAP to Non-GAAP – Operating Income

$ Millions	Q1'24	Q2'24	Q3'24	Q4'24	Year Ended Dec 31 2024	Q1'25
Income from operations $ - GAAP	$ 7.2	$ 7.9	$ 10.4	$ 18.4	**$ 44.0**	$ 8.8
Stock-based compensation	4.0	4.3	4.5	4.8	**17.6**	6.3
Tax planning expense	-	0.4	0.1	-	**0.5**	-
One-time legal expense	-	0.1	-	-	**0.1**	0.5
Acquisition expense	-	-	-	-	**-**	0.3
Amortization expense related to acquisition	-	-	-	-	**-**	0.2
Workforce reduction severance	-	-	-	1.1	**1.1**	-
Income from operations $ - Non-GAAP	**$ 11.2**	**$ 12.7**	**$ 15.1**	**$ 24.3**	**$ 63.2**	**$ 16.1**
% of Revenue						
Income from operations % - GAAP	11.9 %	13.2 %	15.7 %	24.8 %	**16.8 %**	13.3 %
Stock-based compensation	6.6 %	7.2 %	6.8 %	6.5 %	**6.7 %**	9.5 %
Tax planning expense	—%	0.7 %	0.1 %	—%	**0.2 %**	—%
One-time legal expense	—%	0.1 %	—%	—%	**0.0 %**	0.8 %
Acquisition expense	—%	—%	—%	—%	**—%**	0.5 %
Amortization expense related to acquisition	—%	—%	—%	—%	**—%**	0.3 %
Workforce reduction severance	—%	—%	—%	1.4 %	**0.4 %**	—%
Income from operations % - Non-GAAP	**18.5 %**	**21.1 %**	**22.6 %**	**32.7 %**	**24.2 %**	**24.4 %**

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GAAP to Non-GAAP – Adjusted EBITDA

$ Millions	Q1'24	Q2'24	Q3'24	Q4'24	Year Ended Dec 31 2024	Q1'25
GAAP net income	$ 9.7	$ 9.5	$ 12.6	$ 18.3	**$ 50.1**	$ 9.5
Exclude: Interest income and other (income) expense, net	(4.0)	(3.1)	(3.9)	(3.1)	**(14.1)**	(1.7)
Exclude: Depreciation & amortization expense	2.7	2.8	2.7	3.0	**11.3**	3.4
Exclude: Provision (benefit) for income taxes	1.5	1.5	1.8	3.2	**8.0**	0.9
EBITDA	9.9	10.7	13.2	21.4	**55.3**	12.2
Exclude: Stock-based compensation	4.0	4.3	4.5	4.8	**17.6**	6.3
Exclude: Tax planning expense	-	0.4	0.1	-	**0.5**	-
Exclude: One-time legal expense	-	0.1	-	-	**0.1**	0.5
Exclude: Acquisiton expense	-	-	-	-	**-**	0.3
Exclude: Intangible amortization	-	-	-	-	**-**	0.2
Exclude: Workforce reduction severance	-	-	-	1.1	**1.1**	-
Adjusted EBITDA - Non-GAAP	**$ 13.9**	**$ 15.5**	**$ 17.8**	**$ 27.3**	**$ 74.5**	**$ 19.5**

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

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