A10

Always Secure. Always Available.

2022 Investor Day

February 2, 2022



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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 strategy, routes to market, technical differentiation, expansion opportunities, growth, profitability, market growth, our environmental, social and governance initiatives, market and technology trends, expectations for the first quarter of 2022 and future years, including as to gross margins, EBITDA, revenue, investments, growth of our bottom line vis-à-vis our top line, and our financial goals.

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, 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 2, 2022, 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) non-recurring expenses associated with the litigation settlement and internal investigation expense, (iv) global distribution center transition expense, (v) non-recurring facility expense, and (vi) release of deferred tax asset valuation allowance. 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, (iii) non-recurring expenses associated with the litigation settlement and internal investigation expense, (iv) global portfolio rationalization expense, and (v) non-recurring facilities 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, (iii) non-recurring expenses associated with the litigation settlement and internal investigation expense, (iv) global distribution center transition expense, and (v) non-recurring facilities 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, (vi) litigation settlement and internal investigation expense, (vii) global distribution center transition expense, and (viii) non-recurring facility 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.

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Agenda

- **Dhrupad Trivedi,** President & CEO
  Evolution, Execution, Acceleration
- **Fernando Montenegro,** Senior Principal Analyst, Cybersecurity – Omdia
  Trends and Threats for Enterprise and Security
- **Matt Bruening,** EVP of Worldwide Sales & Marketing
  Delivering Better Business Outcomes for Customers
- **Tina Stewart,** Vice President, Commercial Marketing
  Transforming the Go-to-Market Strategy
- **Rich Groves,** Director of Security Research
  A10 Advantage: Security
- **Terry Young,** Director of Service Provider Product Marketing
  A10 Advantage: Infrastructure
- **Brian Becker,** CFO
  Driving Financial Success



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Evolution, Execution, Acceleration



Dhrupad Trivedi

President & CEO

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Evolution, Execution, Acceleration



- **Evolution** from a legacy high-performance hardware company with decreasing growth potential and limited profitability to a **growing and profitable security solutions partner**



- Focused on **cybersecurity and infrastructure solutions** that are aligned with the transition to **hybrid cloud and the 5G buildout**
- **Expanded** addressable market
- **Globally diversified** sources of revenue



- **Accelerating growth** by capitalizing on large, global installed base with our differentiated technology
- Creating **new routes to market**
- Demonstrating operating leverage and **multiple expansion opportunity**

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A10 **Mission**

Enabling business-critical networks that are secure, available and efficient



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From 2014 to 2019…



Established:
industry leadership for A10's high-performance ADC



Achieved:
technical differentiation through low latency, high throughput integrated platforms



Built:
IP portfolio around IT infrastructure and cybersecurity



Developed:
highly engaged global customer base

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2020 Marked a Critical Inflection Point

A10 underwent a business transformation
leveraging our historical strengths and strong customer base

Secular Tailwinds

Cybersecurity

Infrastructure

Achieved organic growth and profitability despite a global pandemic

Set a foundation for sustainable, profitable growth

Shifted to strategic partnerships and creation of new routes to market, focusing on customer outcomes

Accelerated focus on technical differentiation, continuing to outperform the market

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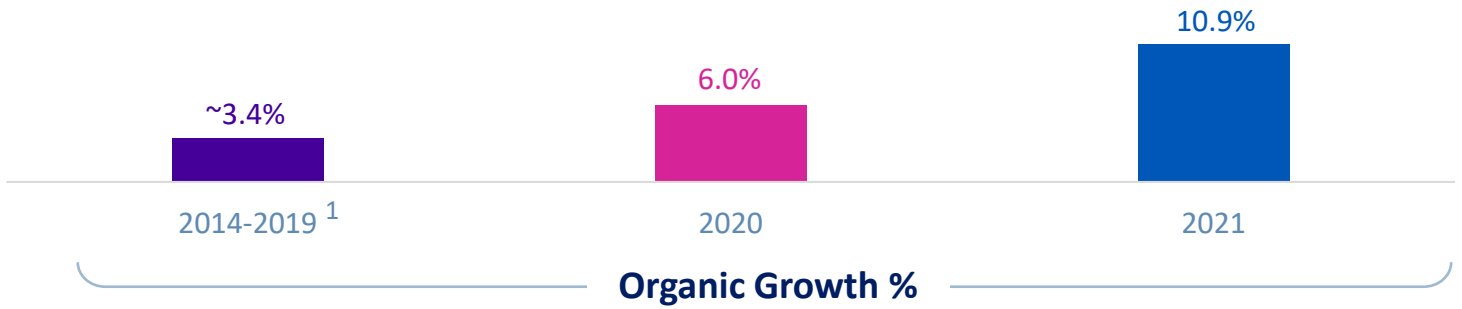
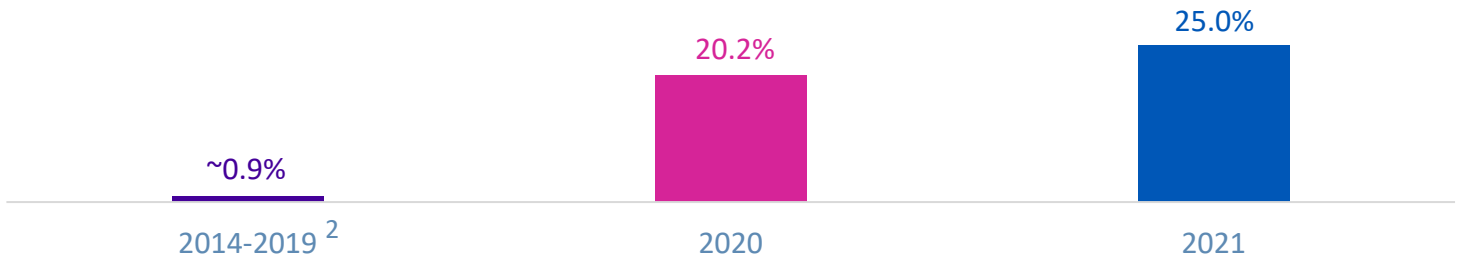
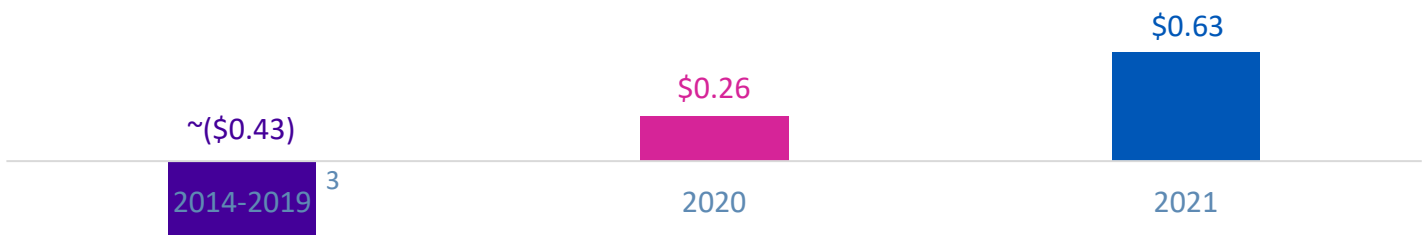
Positioning Us for Profitable Growth in **2021 and Beyond…**



Organic Growth %



EBITDA %



Non-GAAP EPS

2021 Records

Revenue
$250M

EBITDA
$62M

EPS
$0.63

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Note: All figures Non-GAAP; 1. 2014-2019 CAGR; 2. 2014-2019 average EBITDA % of Revenue; 3. 2014-2019 average diluted non-GAAP EPS $

A10 Networks Recognized in 2021 Gartner Hype Cycle Reports for **5G Network Security** and **TLS Decryption**

- **A10 Networks** Named as a Sample Vendor in 2021 Gartner® Hype Cycle™ reports for **5G Network Security (1),(2)**
- Gartner states that *"Securing 5G networks is a priority for CSPs and enterprises as the rise of private deployments, vertical applications, cloud architecture and massive IoT connections in 5G creates new vulnerabilities and challenges, such as potential DDoS attack vectors and entry points."***(1)**
- Sources (available to Gartner subscribers):
  - (1)Gartner, Hype Cycle for Privacy, 2021 (2) Gartner, Hype Cycle for the Future of CSP Networks Infrastructure, 2021

- **A10 Networks** Named as a Sample Vendor in 2021 Gartner® Hype Cycle™ report for **TLS Decryption(3),(4)**
- Gartner states that "As an ever-greater percentage of inbound and outbound traffic is encrypted, security and risk management leaders must consider how to gain visibility into potentially malicious traffic."*(3)*
- Sources (available to Gartner subscribers):
  - *Gartner Hype Cycle for Network Security, 2021
  - **Gartner Hype Cycle for Data Security, 2021

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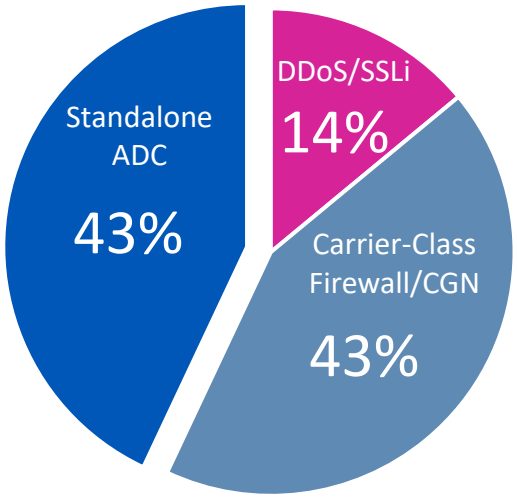
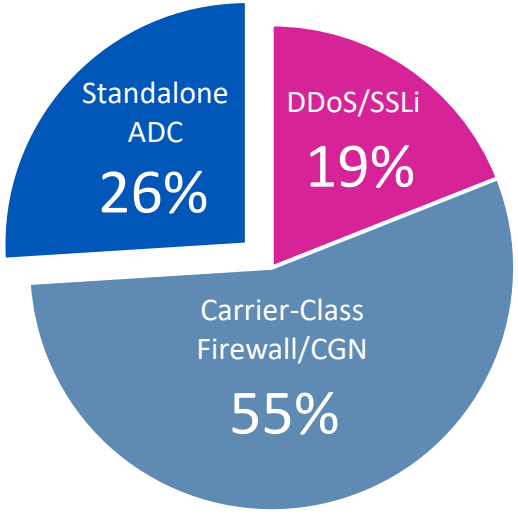
Capitalizing on **Higher Growth Markets** with Portfolio Evolution

2019[1]



2021[1]



	Market Size	Expected Growth Rate[4]
Product Revenue Category	TAM	Next 3 Years
DDoS / SSLi	$2.2B[2]	12-14%
Carrier-Class Firewall / CGN	$9.2B[3]	13-15%
Standalone ADC	$1.5B[2]	0-5%

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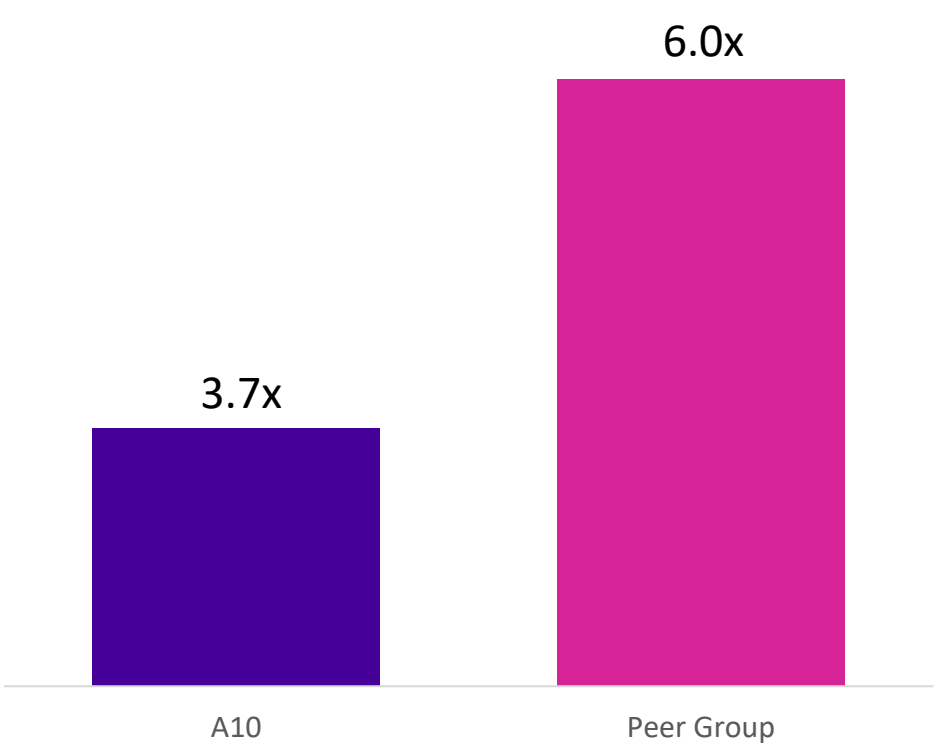
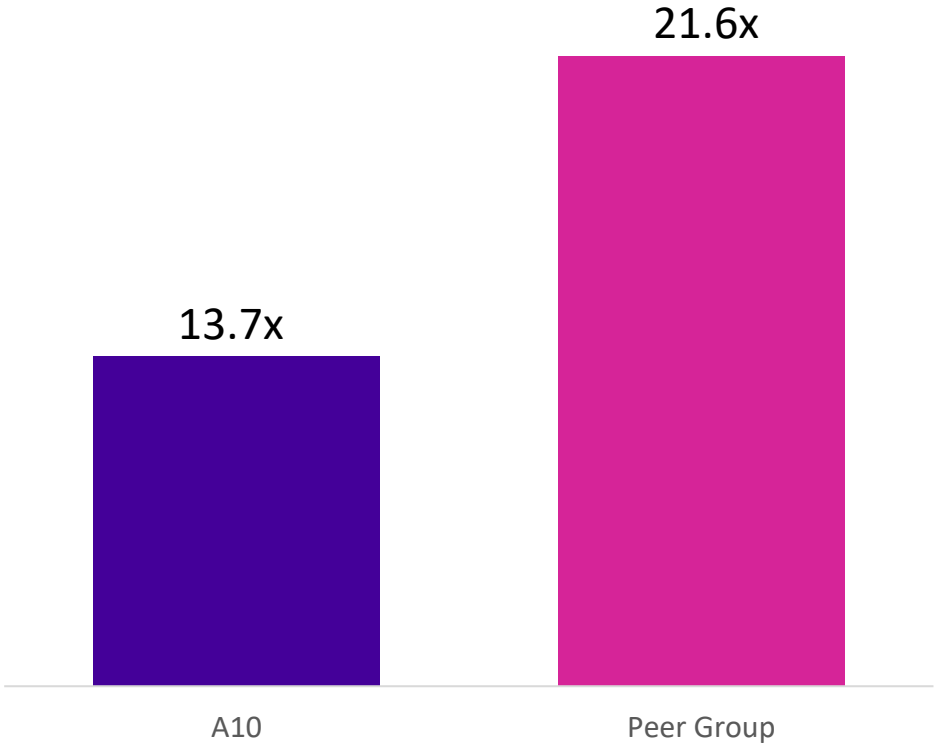
1. Full year product revenue mix; 2. Mordor Intelligence; 3. JC Market Research; 4. A10 market research and management's estimate

Portfolio Evolution Creates Opportunity for Multiple Expansion

Forward EV/Sales [1]



Forward EV/EBITDA [1]



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Peer group includes F5, Akamai Technologies, Radware, Fortinet, and VMWare;
1.Using closing price as of 1/31/2022, 2022 consensus estimates for revenue and EBITDA respectively

Driving Balanced Outcomes for **Employees, Customers and Investors**

A10 is committed to:

- Being an environmentally responsible member of our global community
- Fostering a diverse, inclusive, and safe environment for our employees and customers alike
- Maintaining strong governance that maintains an ethical, accountable, and engaged ecosystem for all stakeholders

Environmental

- ✓ Leading various initiatives in conjunction with strategic partners
- ✓ Initiatives and statutes
  - ✓ 1.5c Global Initiative to reduce carbon footprint
  - ✓ ROHS
  - ✓ REACH
  - ✓ WEE
  - ✓ SVHC

Social

- ✓ Constantly reviewing security measures as a leading cybersecurity solutions provider
- ✓ COVID-19 safety protocols
- ✓ Improved employee training
- ✓ Diversity and inclusion
- ✓ Free health and nutritional benefits
- ✓ Financial inclusion for employees
- ✓ RBA compliance

Governance

- ✓ Board of Directors
  - ✓ 4 out of 5 independent directors
  - ✓ 3 out of 5 directors with less than 3 years of tenure
  - ✓ Diversified and declassified board
- ✓ Annual say-on-pay
- ✓ Code of conduct
- ✓ Global footprint provides resilient operations

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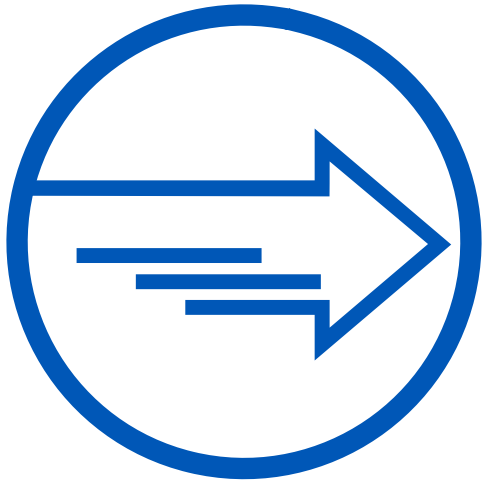
Acceleration: Foundation for Balanced and Durable Growth



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Capitalize on **Large Installed Base** for Growth



2021 Net Product Revenue Retention Rate[1]

118%



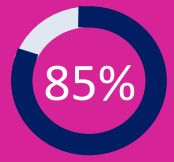
Enable customers to deploy hybrid solutions on-premises and in the cloud



7,000+

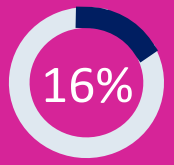
Customers

NPRR: % of product revenue retained from existing customers



of firms surveyed listed on-premises as a critical part of their hybrid cloud strategy[2]

2021 % of Revenue from Public and Private Cloud Customers[3]





21 of Top 50
Fortune Global 500



8 of Top 10
Cloud Providers



15 of Top 25
Video Gaming Companies



9 of Top 10
Telecom Operators

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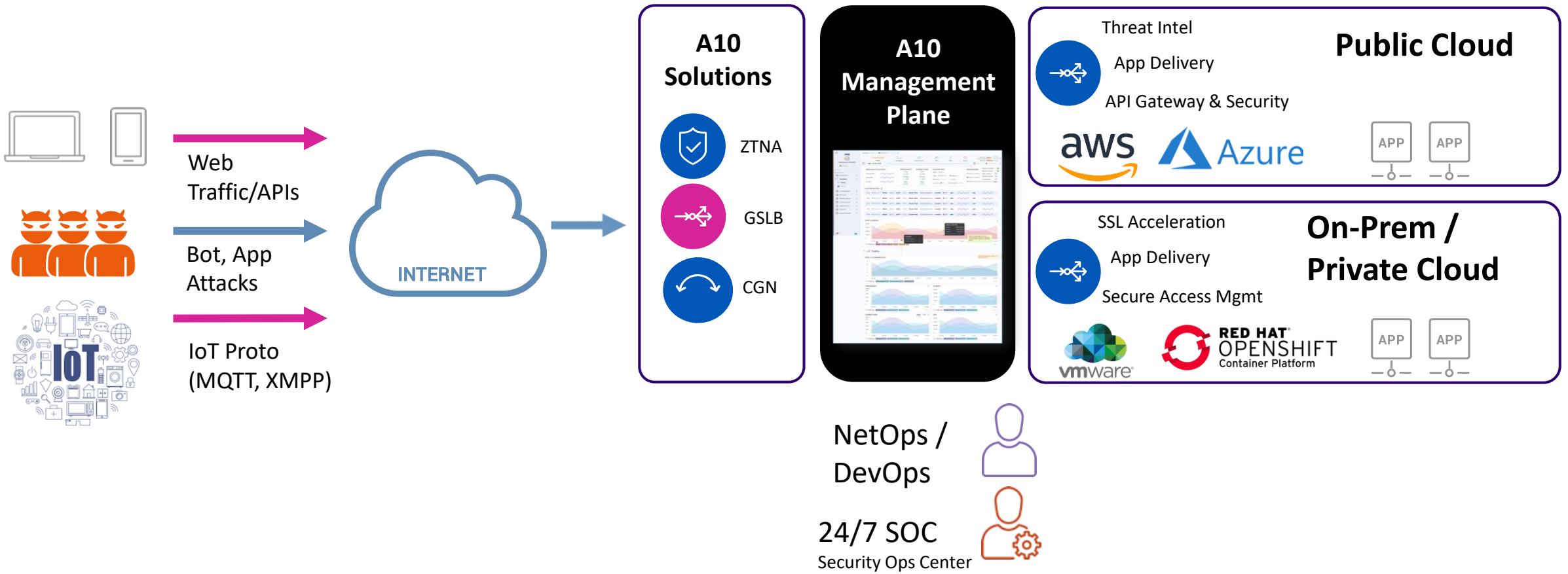
1. 2021 product revenue from 2019 customers; 2. 2021 IBM Forrester Report; 3. Based on end-customer revenue data

A10's **Hybrid Solutions**

Support Digital Transformation Initiatives and Enhance Security



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5G Network Security **Challenges**

5G latency and **time-to-mitigation**

10x millisecond improvement on average versus 4G[1]

Fragmentation of security market solutions

Over **900 5G devices** announced, versus single digits in 2019[2]



Higher TCO with dedicated security solution

Up to **70%** increase in TCO for 5G network rollout[2]

5G use cases significantly increase **cyber security risks**

Up to **100x** more traffic capacity leaves larger attack surface[3]

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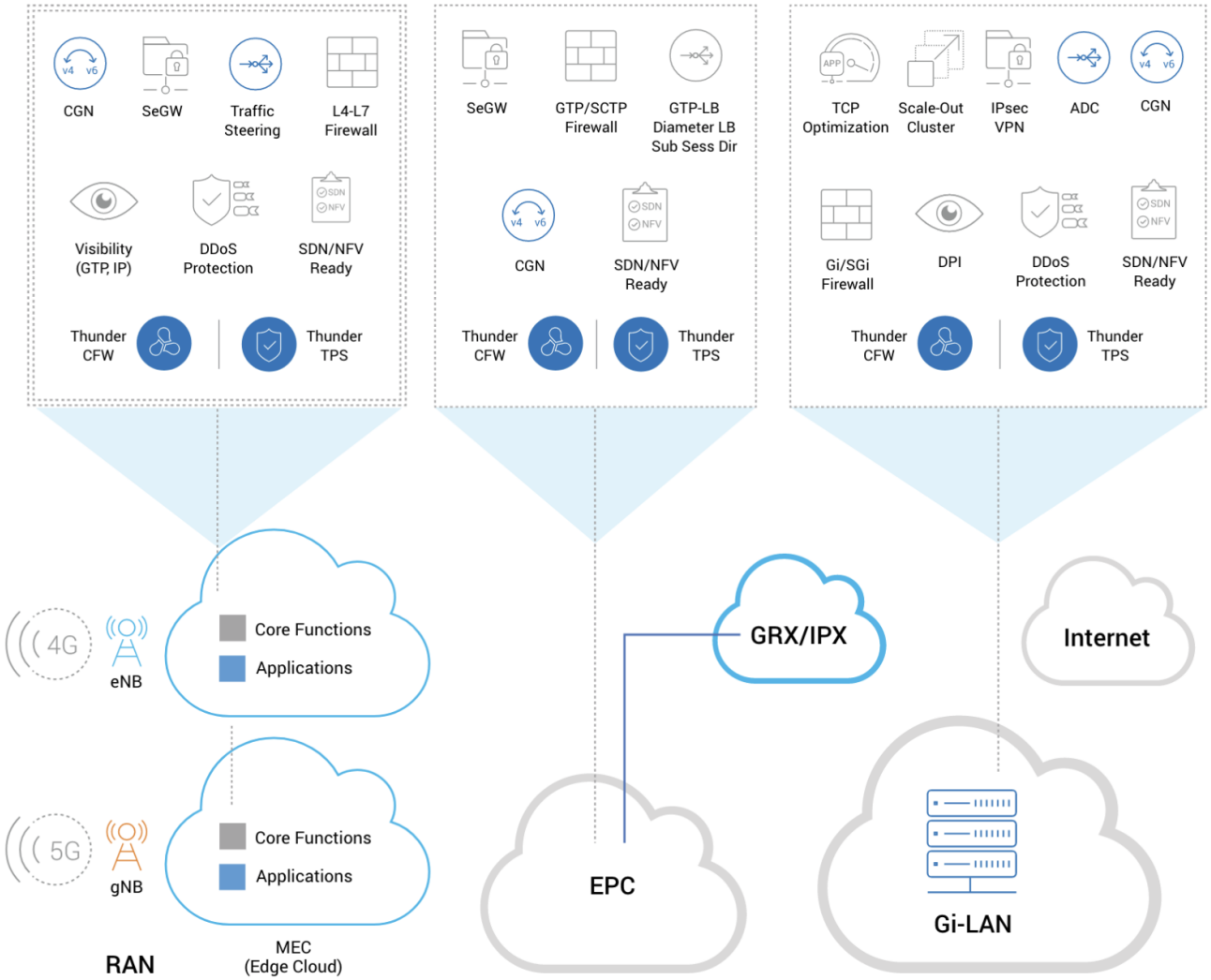
1 Statista; 2. Global Mobile Suppliers Association; 3. LAM Research

A10 5G Network Security **Solutions**



Providing highly scalable security solutions for 5G networks

A10 Networks Thunder TPS: automated multi-vector DDoS protection solution, ensuring **business service availability** at any scale or type of network

A10 Networks Thunder CFW provides exceptionally **high firewall connection rates, low latency, throughput and concurrent sessions** for the most demanding 5G use cases

Combining a firewall with deep packet inspection, carrier-grade network address translation, intelligent traffic steering and analytics with industry leading DDoS solution, the A10 Networks 5G security portfolio provides the **highest flexibility, scalability and protection**

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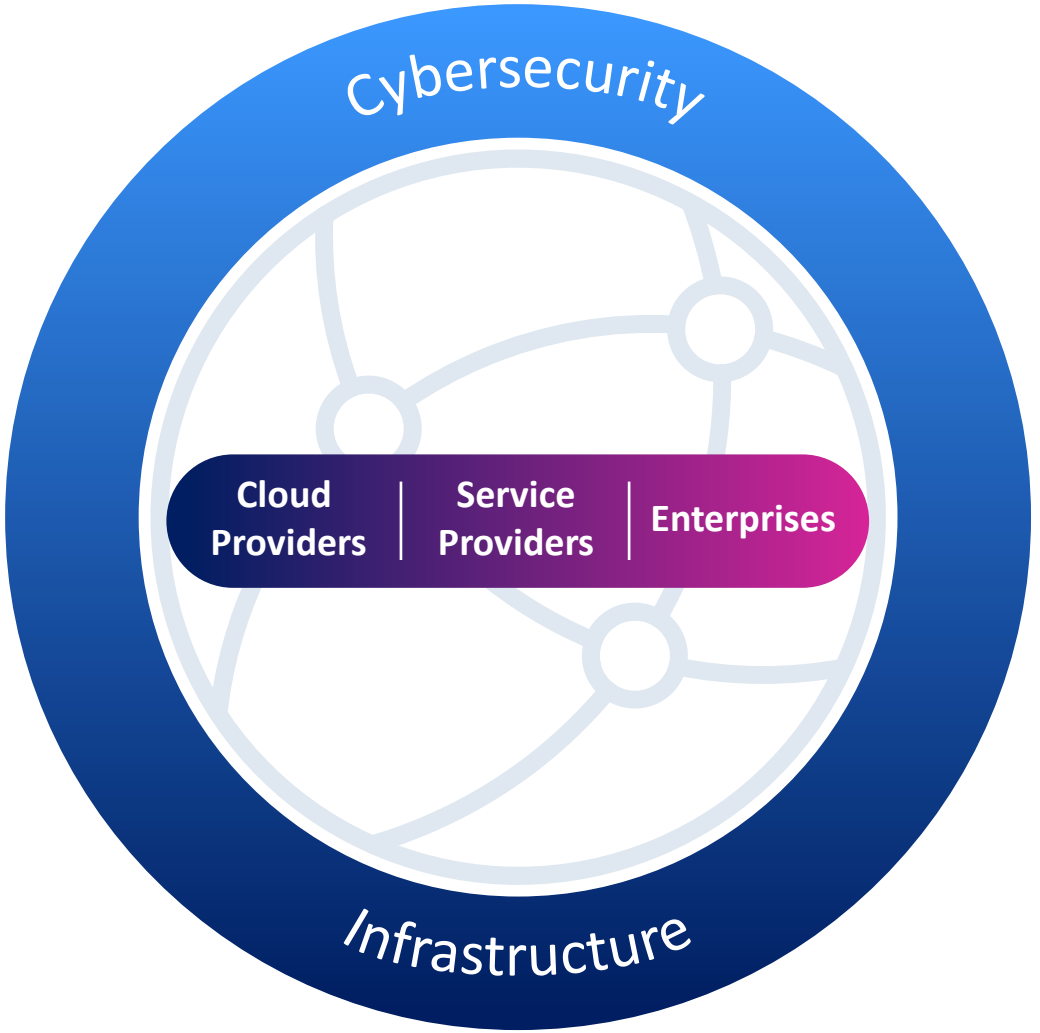
Delivering **Better Business Outcomes**

A10 provides **cybersecurity and infrastructure solutions** that deliver **better business outcomes** for customers across **multiple geographies and verticals**



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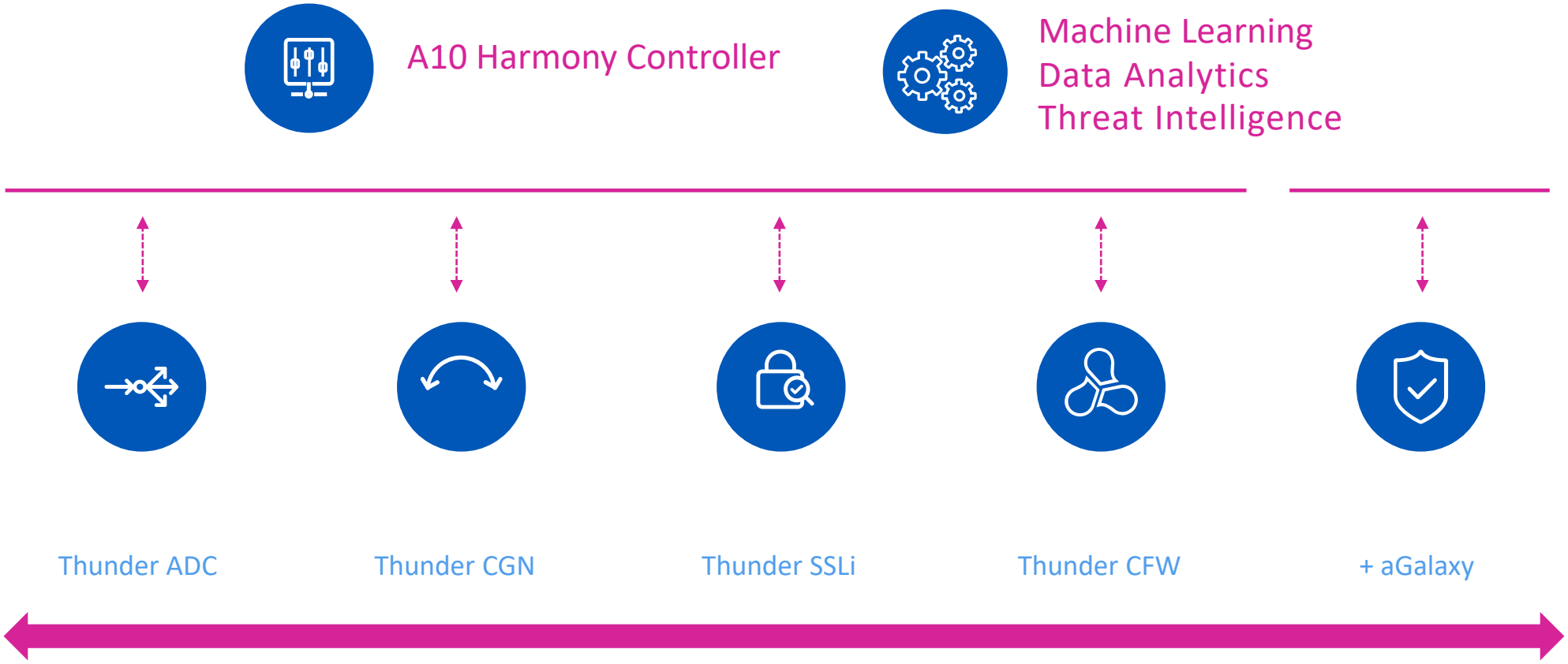
A10 Networks **Security and Infrastructure Portfolio**



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Emergence of **Zero Trust Security Framework**

Security has evolved from perimeter-based defense to a new paradigm

Industry trends like IoT, co-location, BYOD, and remote work have made the traditional model ineffective

Networks also need to now support different deployment models



⚠ 'Never Trust, Always Verify'

- Zero Trust eliminates implicit trust
- Every device, user, network and application flow is secured
- Removes excessive access privileges and threat vectors



ARE YOU CURRENTLY DEPLOYING A ZERO TRUST SECURITY STRATEGY IN YOUR ORGANIZATION?

Source: Pulse, 2021

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A10's **Differentiators**



Unified product architecture delivers lower latency, higher throughput and higher scalability



State-of-the-art cybersecurity with machine learning detects and remediates complex, high-volume attacks



Supports multiple security and IT infrastructure categories with **optimized CAPEX and OPEX**



Flexible deployment models in hybrid environments



Best-in-class technical support for mission-critical applications and infrastructure

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Survey Results: **A10 Value Creation**

Dramatically increases performance, and substantially saves OPEX and CAPEX

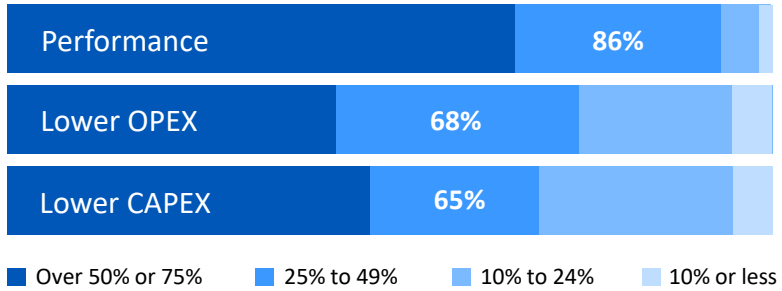
Consistently rated as superior in features, performance, usability, reliability and support

82% of organizations are likely to recommend A10 Thunder series

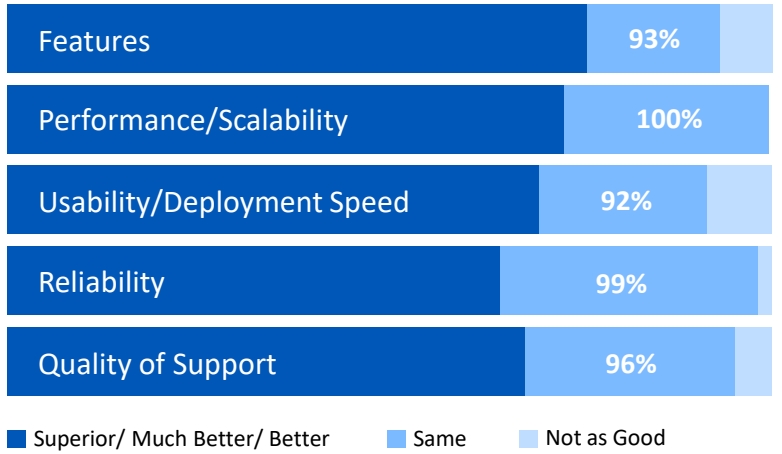
79% of organizations experienced a positive ROI in under 24 months, 54% in under 12

Source: TechValidate by SurveyMonkey

"How much did your A10 product help in these areas?"



"How would you rate your Thunder series on the following capabilities when compared to competitive products?"



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Global Go-to-Market Transformation
Accelerating Solution Adoption



Cross-functional Collaboration

Shift to
Outcome-driven Approach



Solution Portfolio Strategy

Go-to-Market Motion Aligned with
Market Opportunity



Partner Traction

Sales Alignment
Expanded Relationships

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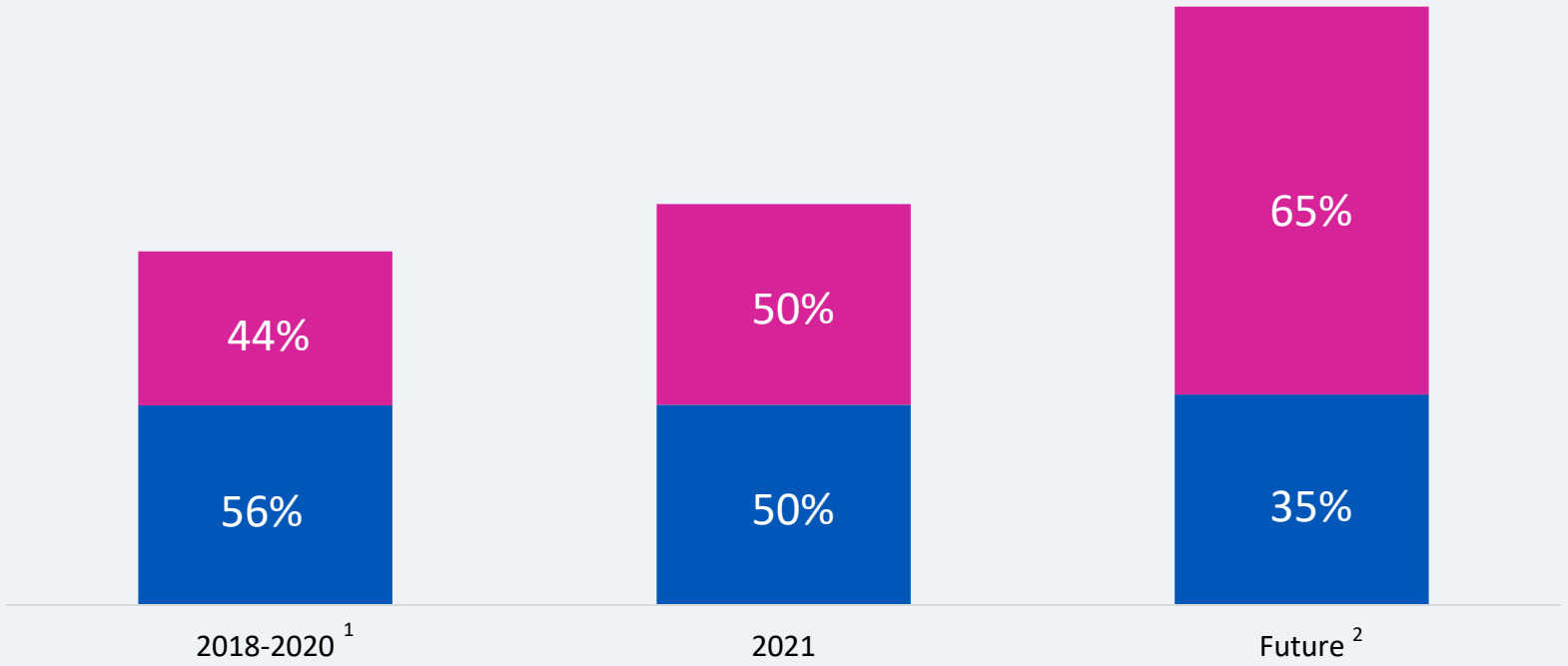
Security-led Portfolio Driving Growth



Security Product

Market Growth[3] :

+Double-digit Growth

Non-Security Product

Market Growth[3] :

+Single-digit Growth

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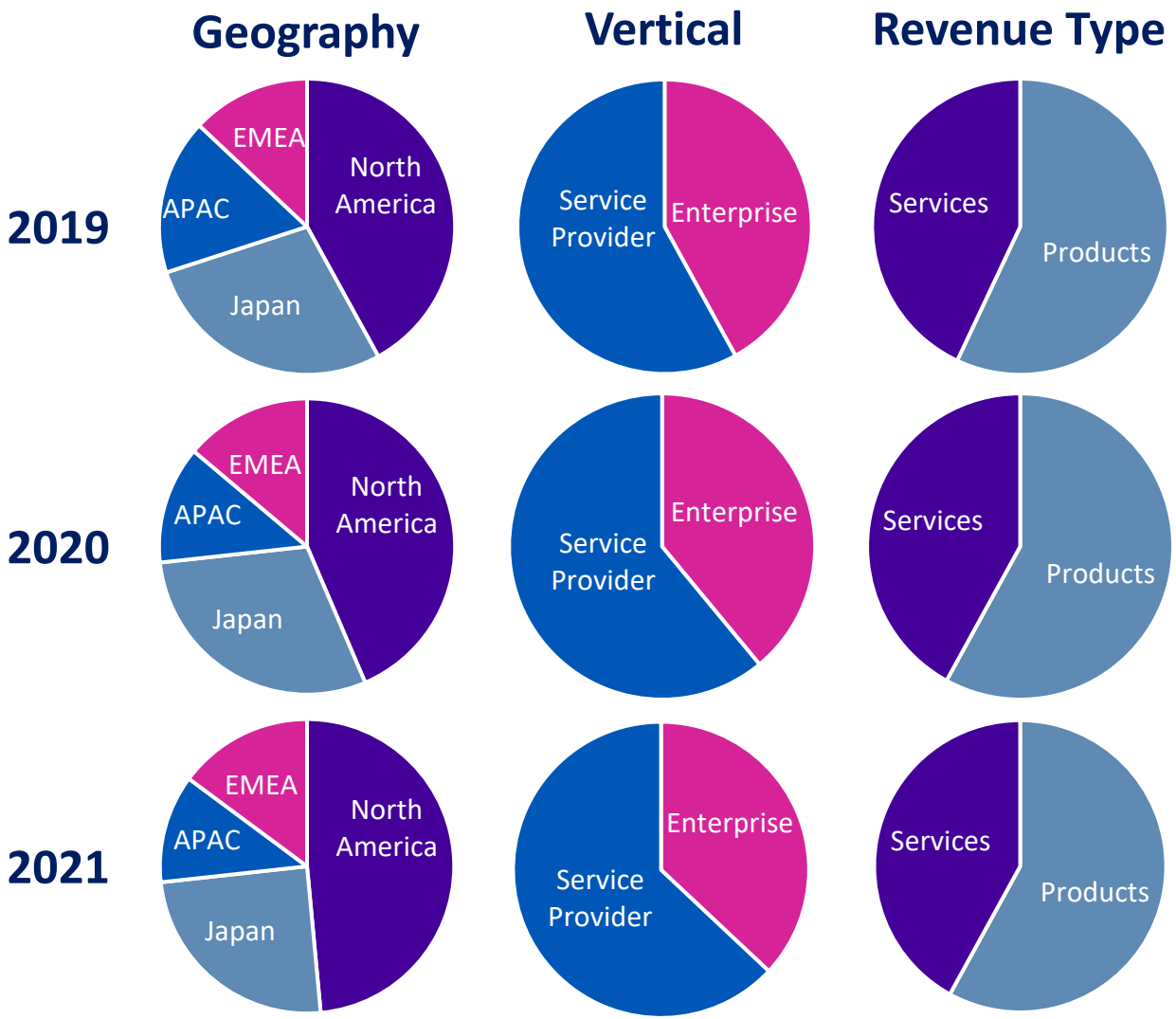
1. 2018-2020 average annual product mix and volume; 2. Management's estimate of projected product mix and relative volume (2+years);
3 . A10 market research and management's estimate

Revenue Diversification

Diversification based on geography, vertical, and revenue type provides growth **durability**



Charts representing respective annual revenue mix

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Targeting **Rule of 40** Business Model

	2014-2019[1]	2020	2021	Q4'21
Revenue Growth %	3.4%	6.1%	10.9%	12.8%
Gross Margin %	77.2%	78.6%	79.6%	80.7%
OPEX %	80.8%	63.0%	58.0%	55.8%
EBITDA %	0.4%	20.2%	25.0%	27.5%
Revenue Growth % + EBITDA %	3.8%	26.3%	35.9%	40.3%

- Robust balance sheet with low capex requirements
- Strong free cash flow generation
- Capital allocation priorities aligned with driving growth and return to investors

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1. Revenue growth CAGR from 2014-2019; Rest of metrics represent average 2014-2019

Evolution, Execution, Acceleration



- **Evolution** from a legacy high-performance hardware company with decreasing growth potential and limited profitability to a **growing and profitable security solutions partner**



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Cybersecurity Market Update



Fernando Montenegro

Senior Principal Analyst, Cybersecurity – Omdia

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2022 Outlook: Trends and Threats For Enterprise and Security

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Senior Principal Analyst, Cybersecurity

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Today's presenter



Fernando Montenegro
Senior Principal Analyst, Cybersecurity
Omdia

Fernando is a Senior Principal Analyst on Omdia's cybersecurity research team, based in Toronto, Canada. He focuses on the Infrastructure Security Intelligence Service, which provides vendors, service providers, and enterprise clients with insights and data on network security, content security, and more.
His experience in enterprise security environments includes network security, security architecture, cloud security, endpoint security, content security, and antifraud.

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Information Classification: General
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Agenda

Setting the scene	2021: A quick recap	Enterprise Trends & challenges	2022 Trends overview	Next steps
Omdia Cybersecurity Ecosystem	One heck of a year – again	Challenges beyond “just” ransomware	Key Security Trends	A new approach?

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Setting the scene

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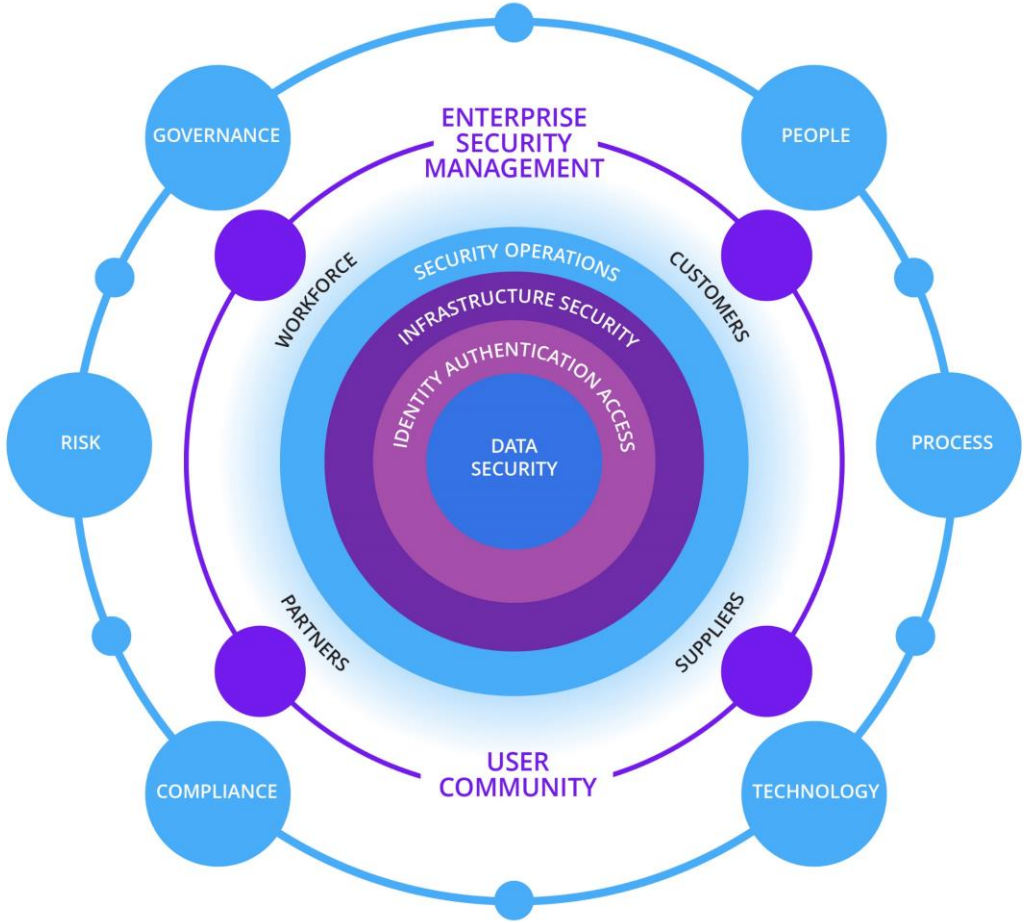
Setting the scene: Omdia Cybersecurity Ecosystem

Information security protects the confidentiality, integrity, and availability (CIA) of information

Cybersecurity focuses on a subset of information security, protecting the confidentiality, integrity, and availability of digital information



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2021: A quick recap

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Cybersecurity #4 on WEF "clear and present dangers" list

SHORT-TERM RISKS (0-2 YEARS)

1. Infectious diseases 58% (Societal)
2. Livelihood crises 55.1% (Societal)
3. Extreme weather events 52.7% (Environmental)

4. **Cybersecurity failure 39% (Technological)**

Source: World Economic Forum Global Risk Report 2021, 16th Edition, January 2021

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Ransomware and supply chain attacks all year round…

Swedish Coop supermarkets shut due to US ransomware cyber-attack

CISA AND FBI URGE ORGANIZATIONS TO REMAIN VIGILANT TO RANSOMWARE AND CYBER THREATS THIS HOLIDAY SEASON

ChaosDB: Researchers Share Technical Details of Azure Flaw

Stor-a-File hit by ransomware after crooks target SolarWinds Serv-U FTP software

A ransomware gang shut down after Cybercom hijacked its site and it discovered it had been hacked

A New Wave Of Ransomware Has Been Sparked By A Cyberattack On Tech Provider Kaseya

'The Internet Is on Fire'

A vulnerability in the Log4j logging framework has security teams scrambling to put in a fix.

Security Experts Sound Alarm on Zero-Day in Widely Used Log4j Tool

More SolarWinds Attack Details Emerge

NSA & CISA Issue Warning About Russian GRU Brute-Force Cyberattacks Against US, Global Orgs

Ransomware key to unlock customer data from REvil attack

Information Classification: General
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Enterprise trends and challenges

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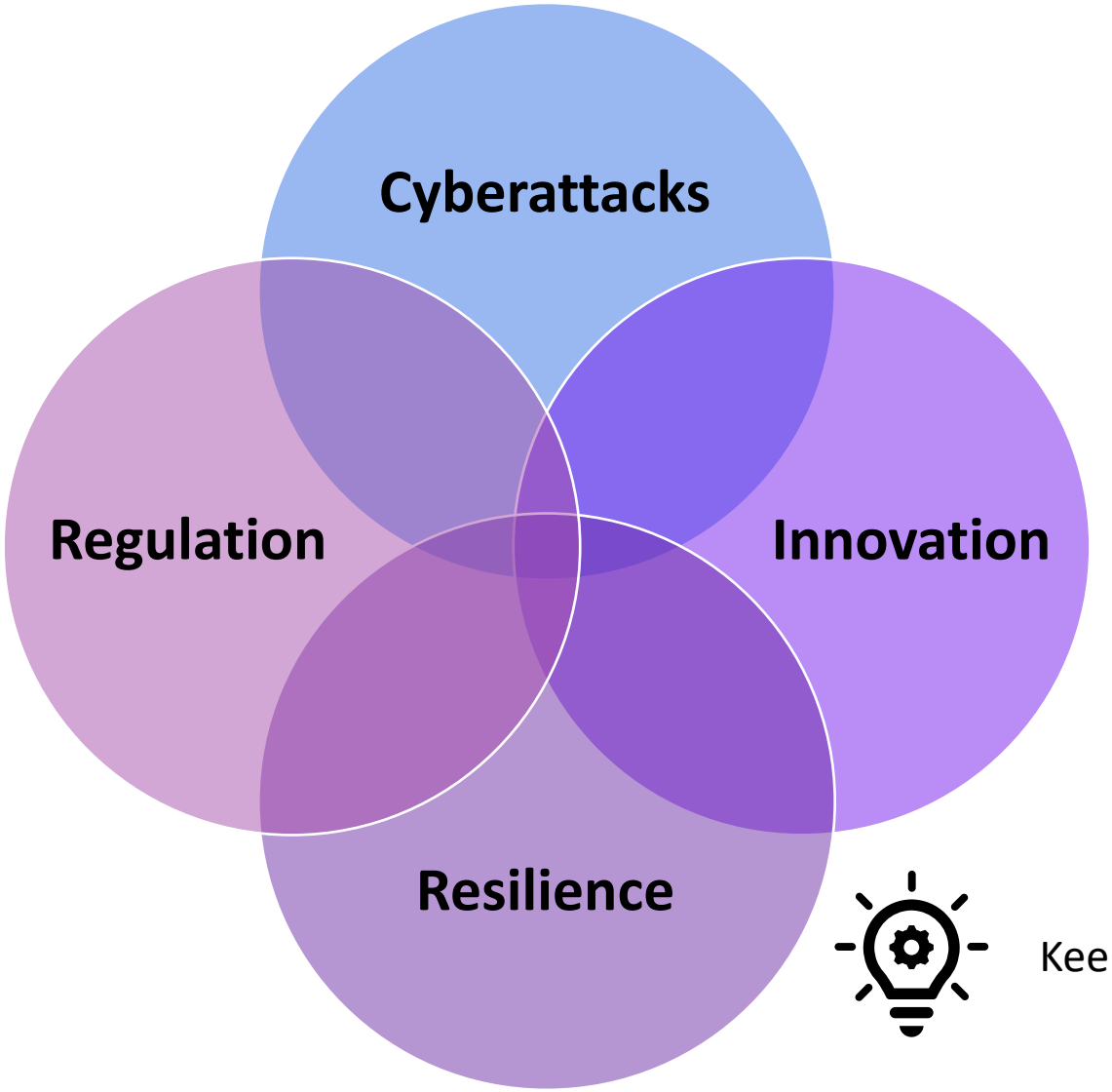
Pressure from multiple directions to stay secure



enisa European Network and Information Security Agency

GDPR

Australian Government
Department of Home Affairs

Department for Digital, Culture, Media & Sport

EU NIS Directive

LGPD
Brazilian General Data Protection Law

Creation of digital capability is significantly more important or more important for **73%** of organizations

Source: Omdia IT Enterprise Insights Oct-2021, n=4757

Keeping the digital lights on

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Security challenges from every direction



Coming up for 165,000 entries on the US National Vulnerabilities Database (NVD)

Understanding, identifying, and managing the user community is evermore complex

Far from dead, ransomware had a huge resurgence in 2020-21 and unwritten boundaries are being crossed

Fuel pipelines, water treatment facilities, building automation systems, are all “fair game” for cyberattacks

Organizations must harmonize security policy and operations in both hybrid and multi-cloud environments.

New-generation SOC capabilities come with ramifications on the technology stack

Globally there are hundreds of pieces of regulation and legislation that have cybersecurity requirements, and the list is only going to get bigger

Every organization wants the same talent with the same qualifications – the ongoing rise of IT and managed security services

Accelerated journeys to the cloud means that security has had to follow suit – quickly

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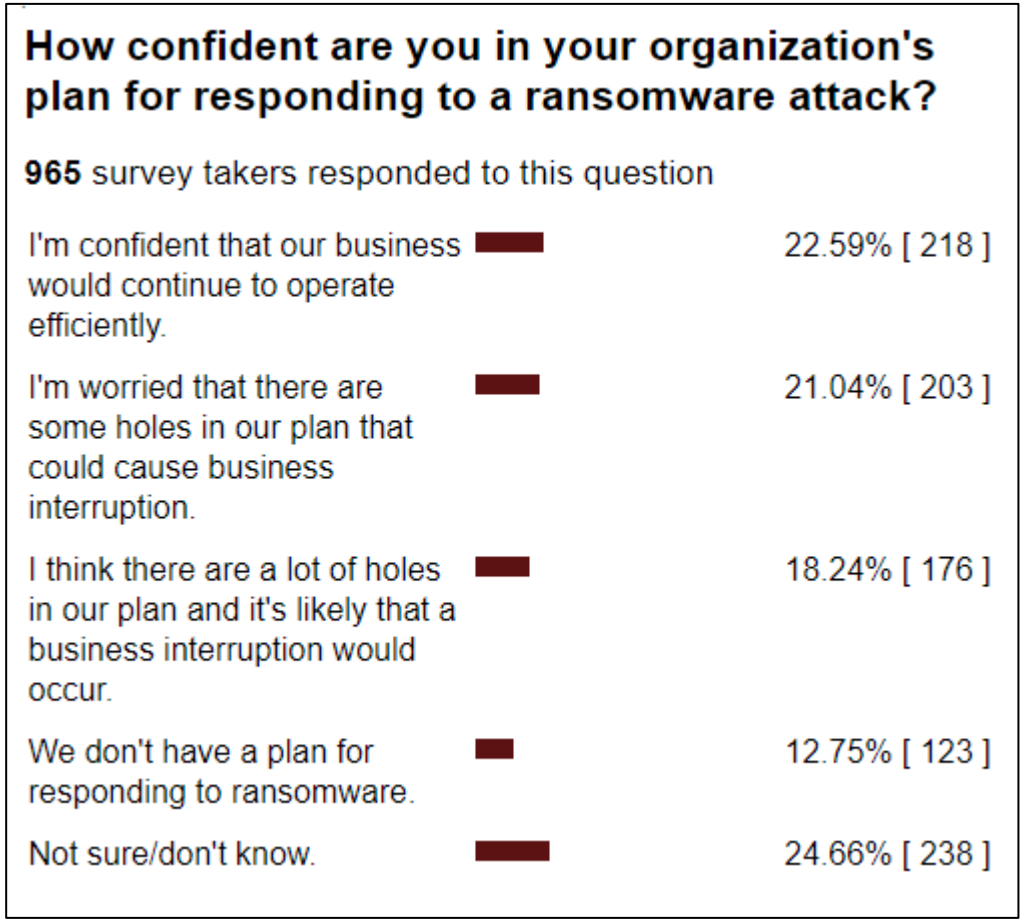
Ransomware: The scourge continues

- The severity of problems has been overlooked or dismissed by organizations within every market since its creation.
- Visibility is the fundamental component to any security strategy, and many organizations remain blind
- Organizations must take it upon themselves to discover, identify, and define their own respective “crown jewels”
- The chaos surrounding the COVID-19 pandemic has provided countless vectors of potential compromise.
- Organizations operating in markets deemed by adversaries as high value have become primary targets.
- Recent events have brought the threat of ransomware to the forefront, and most organizations are unprepared.



Source: Dark Reading, November 2021

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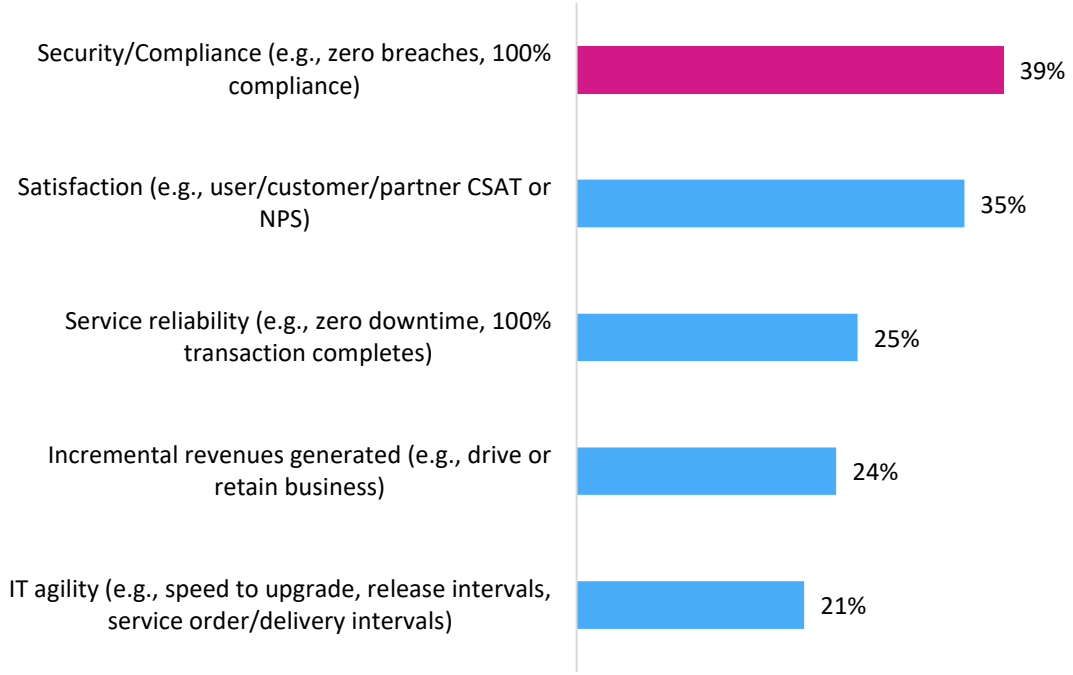
Security is the most important measure globally used to determine the success of cloud services

What are the top two metrics your organization actively measures and uses to determine the success of its cloud services?



Notes: Percentage of respondents, top five shown, global, n=310
Source: Omdia

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- Cloud security is a nonnegotiable need and the chief measure that most organizations use to determine if deployed cloud services are a success.
- Security and compliance are certainly foundational measures for any organization; however, they are limited. Customer satisfaction, incremental revenue, and agility are nontechnical commercial outcomes sought from cloud.
- Confidence in public cloud security is steadily increasing with experience, notably among security-mature organizations globally. Hyperscalers continuously innovate and recognize their business model is based on trust, itself heavily imbued by confidence in the cybersecurity of public cloud services.
- In contrast, in some regions and industries, security concerns still favor private cloud (and therefore hybrid cloud) deployments for legacy enterprise applications. The perceived risks or uncertainty of public cloud security and reliability presently outweigh the benefits. The number of enterprises in this camp will decline over time as experience grows and third-party integration/management services in cloud alleviate base concerns.

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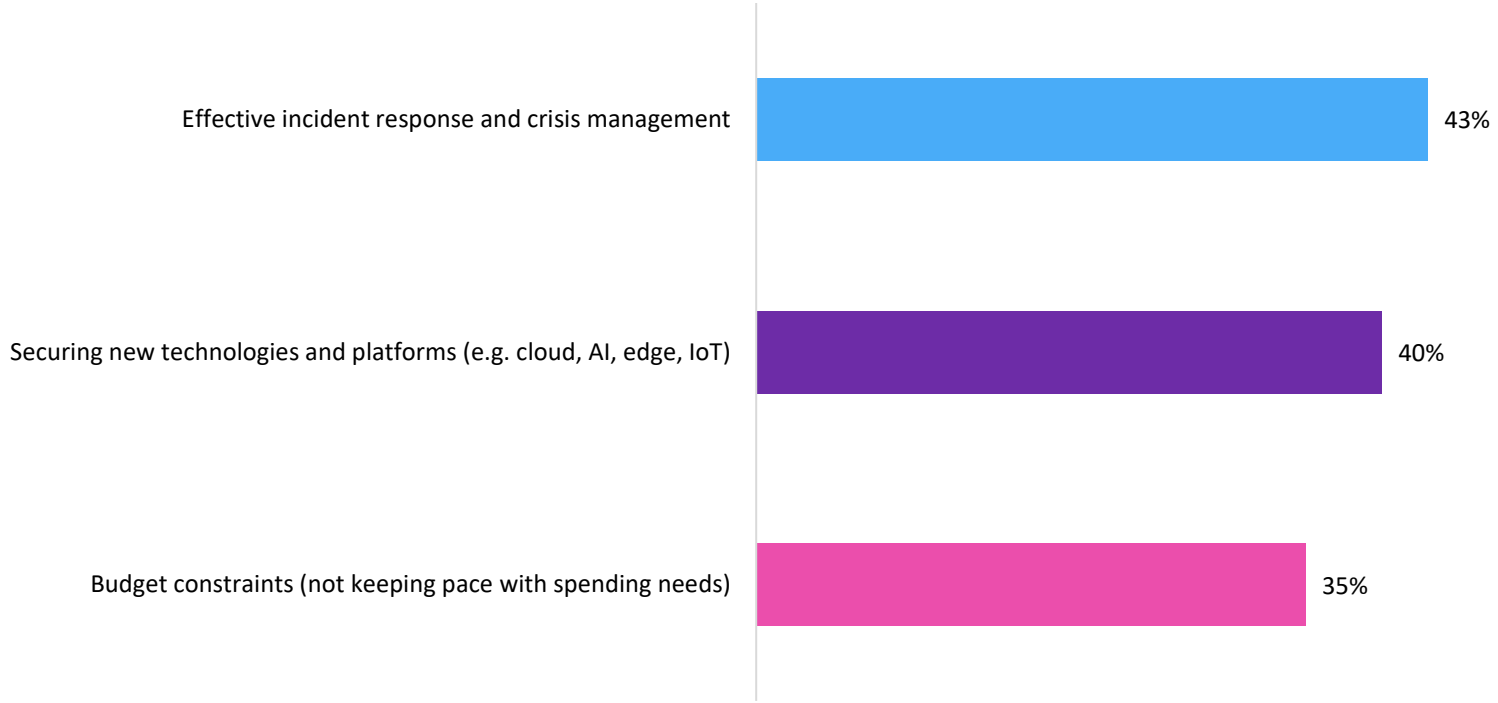
Information Classification: General

Managing security incidents, securing new technologies, and budget constraints are CISOs' most common challenges globally

- Digital improvements to business processes are accelerating and facing more frequent, targeted, and sophisticated attacks, which will multiply security management challenges.
- Addressing the top challenges will drive demand for a broad range of cybersecurity managed and professional services and cloud security expertise. Cost-effective and targeted security solutions within tight budgets are sought.

What are your organization's top three challenges in cybersecurity?



Notes: Percentage of respondents, global, n=310
Source: Omdia

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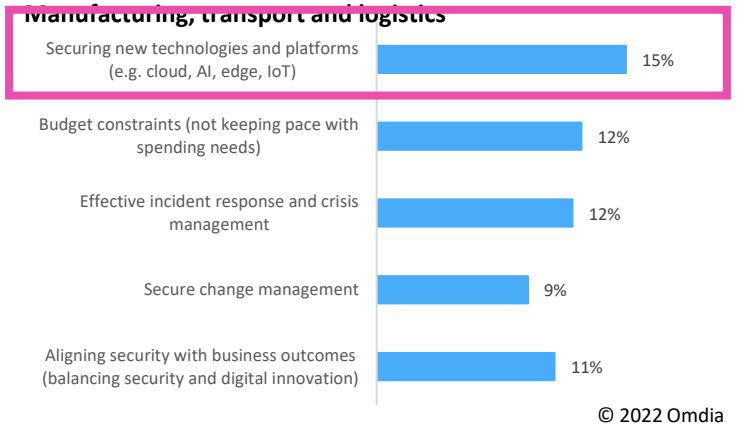
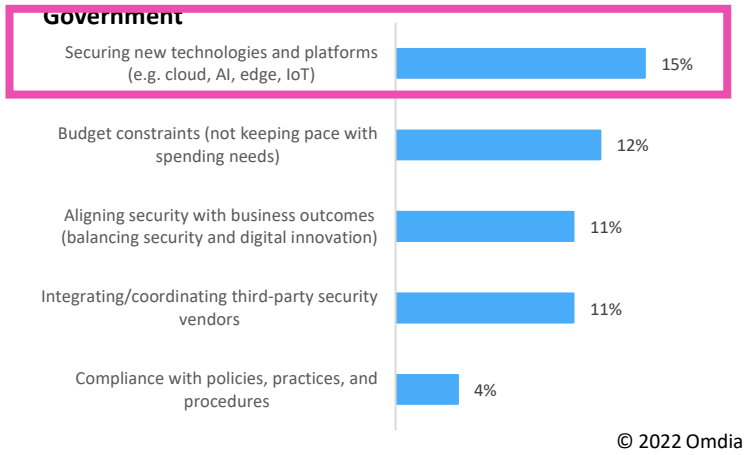
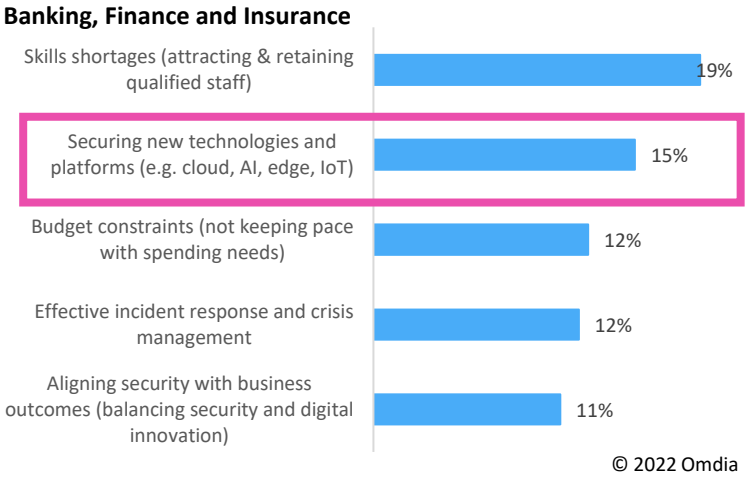
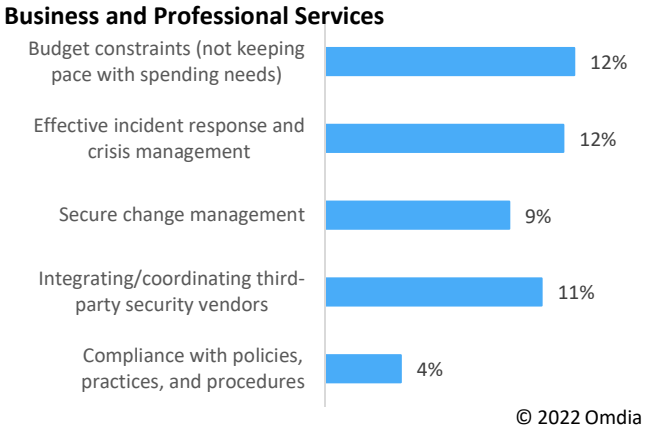
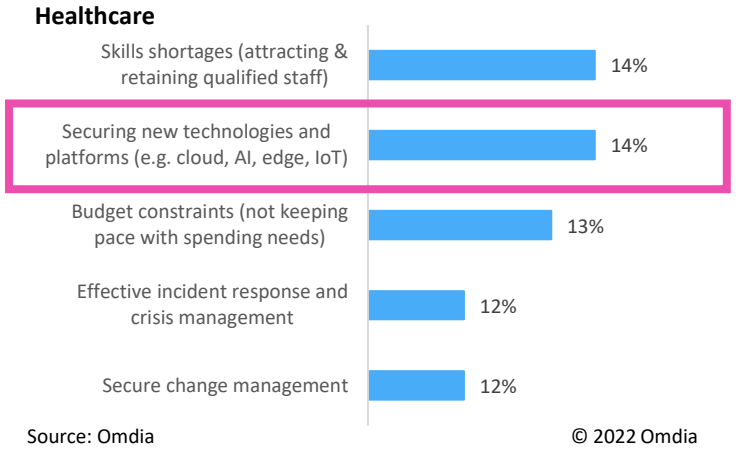
Top three challenges in cybersecurity – by industry

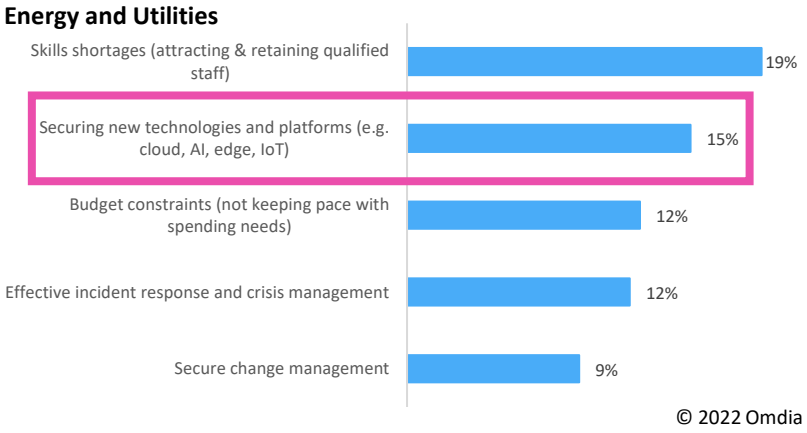












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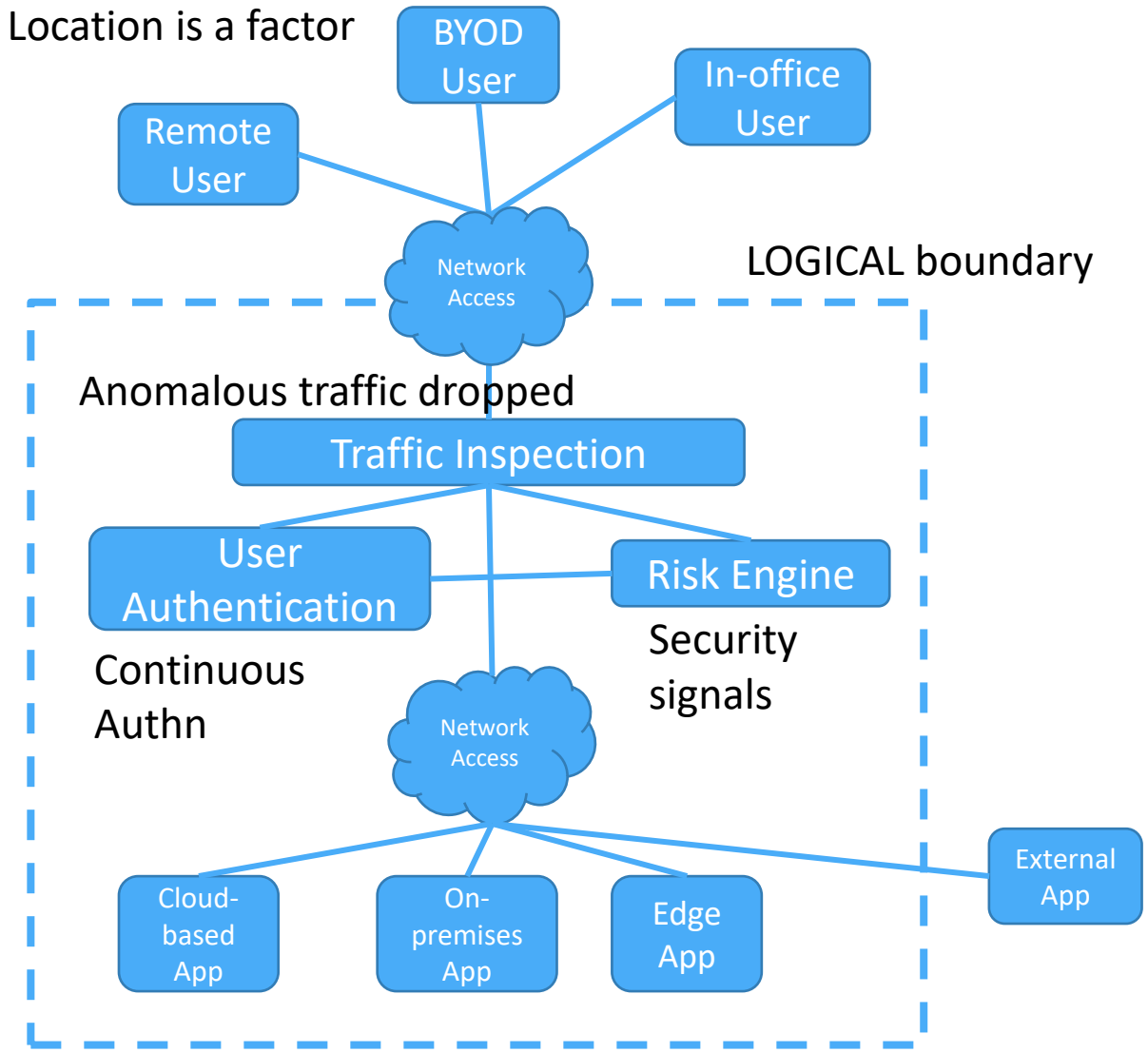
Key technology patterns: Zero Trust

- ***'Never Trust, Always Verify'***

- Zero Trust eliminates **implicit** trust
  - Network location
  - Initial authentication
  - Unlimited access

- Every device, user, network and application flow is secured

- Removes excessive access privileges and threat vectors



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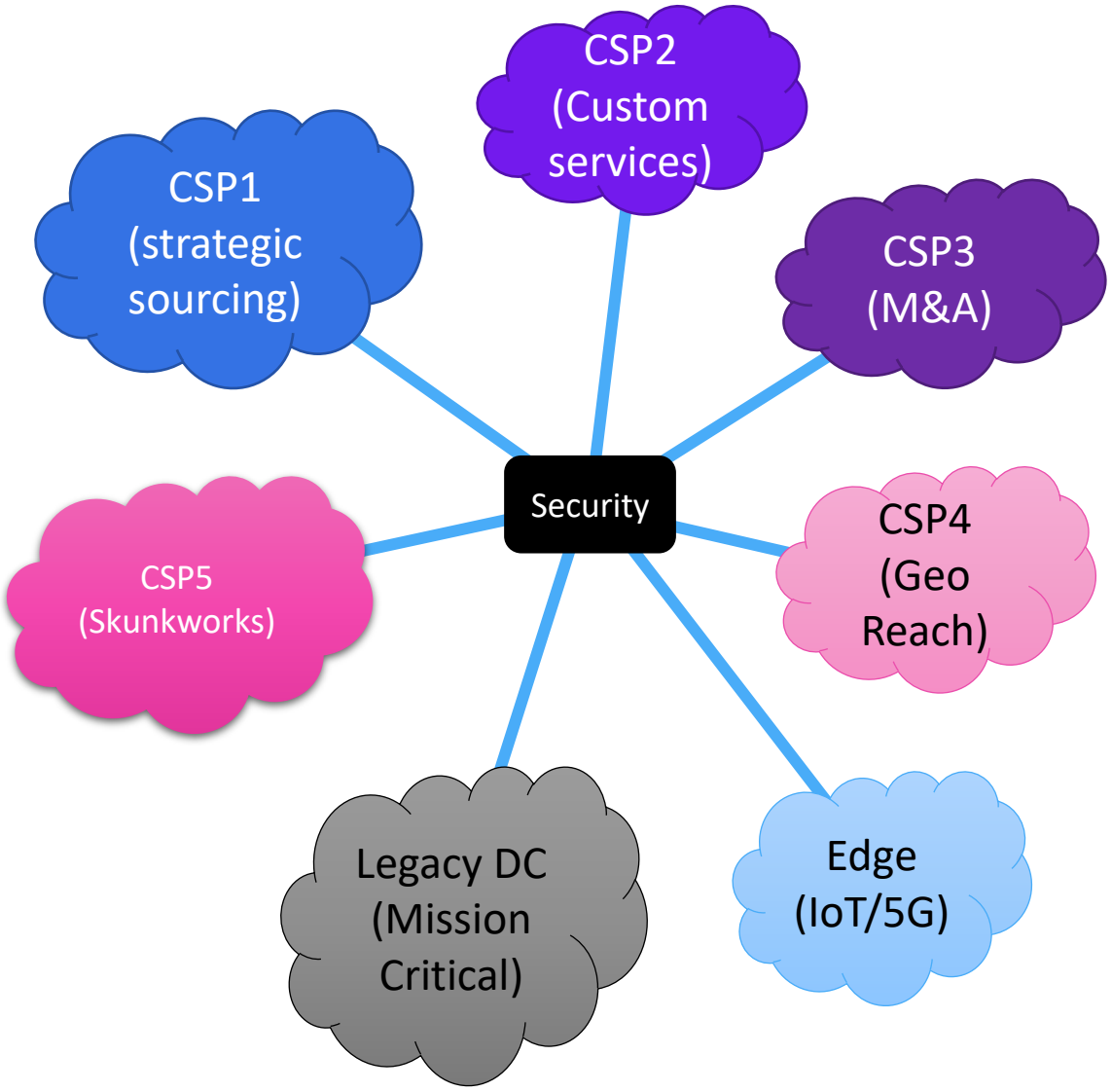
Key technology patterns: Hybrid/Multi-Cloud

- Virtually **every** medium/large organization operates in hybrid mode: cloud provider(s) plus existing DCs/colo.
- Multi-cloud is an emergent property: a reality at organizational, not at the project, level.
- This is a significant challenge for centralized teams (such as security) to harmonize security policies and operations.
- Centralized, flexible, software-driven, automated policy management and enforcement is essential.
- Tie into software pipeline (CI/CD efforts) and initiatives such as Dev(Sec)Ops and Infrastructure as Code (IaC).



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2022 Trends to Watch: Overview

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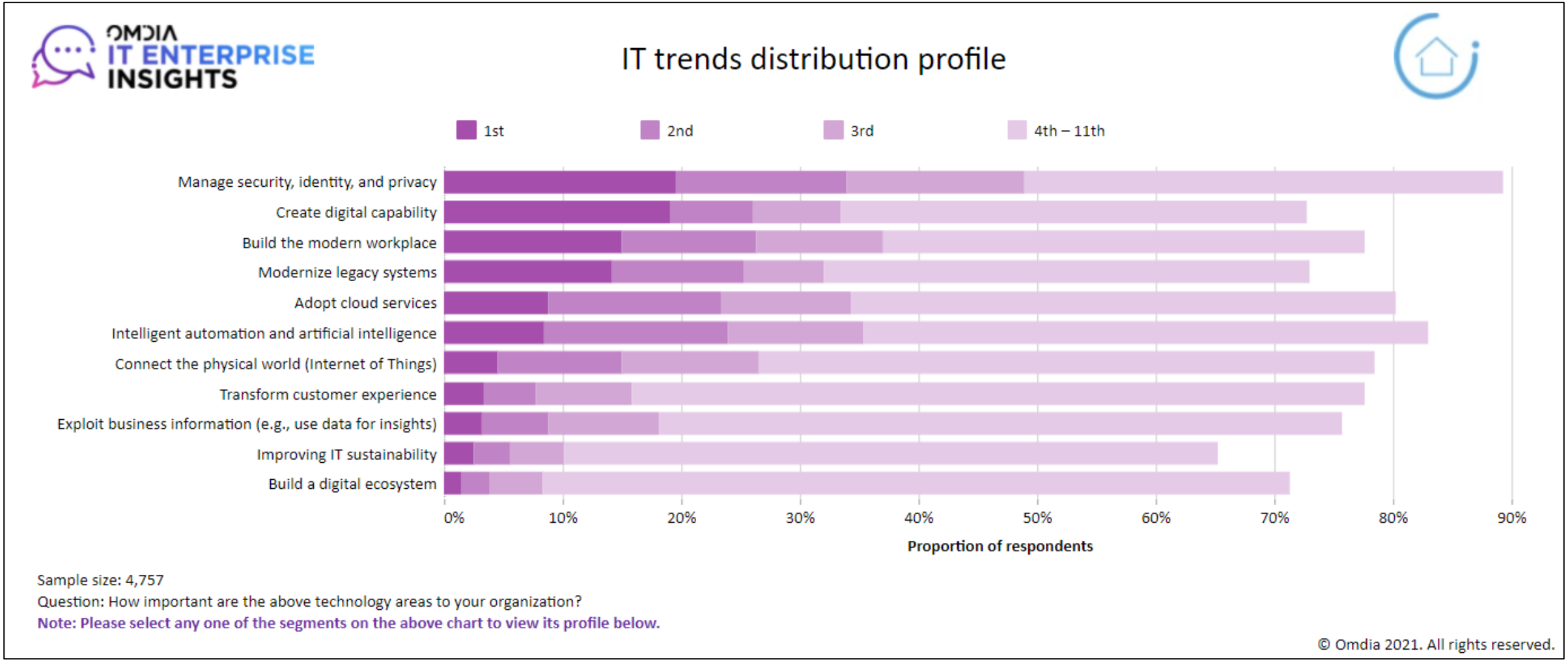
Management of security, identity, privacy at the top of IT trends



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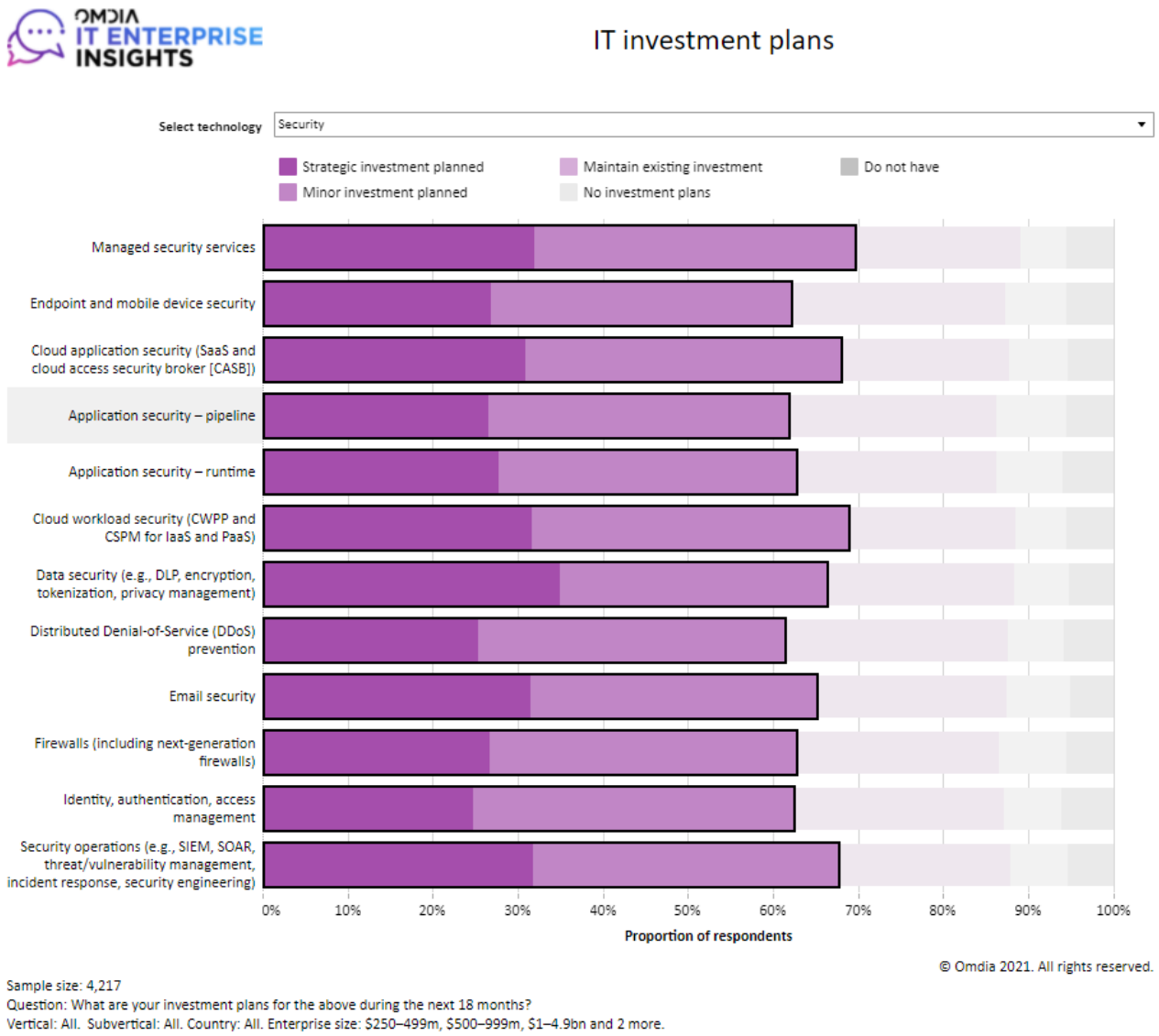
Security investment plans

Globally, **32%** of organizations plan strategic investment in managed security services, a further **37%** plan minor investment

Other key areas include:

- Cloud Security
- Security Operations
- Network security (firewalls and DDoS prevention)
- Identity and Access Management



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Top-level trends across the Omdia Cybersecurity Ecosystem

Data Security

New data security strategies are needed to support hybridization of work

Ransomware threats continue to evolve – fail to plan, plan to fail

Full data lifecycle management is becoming a fundamental requirement

Huge computing advancements generate pressure for quantum-proof encryption

Identity, Authentication, Access

The consumerization of identity drives forward

Modernizing identity governance & administration (IGA) for the next decade

Identity proofing and validation coming to the fore

Passwordless authentication gaining momentum

Infrastructure Security

The changing workplace drives demand for SASE

Cloud security capabilities coalesce into CNAPP – cloud native application protection platform

Security goes up and down – up into the cloud and down into the infrastructure

Security Operations

Quality of outcomes in the marketplace will begin to separate XDR competitors

Guided security services will emerge as a managed security services alternative

Cloud security visibility and posture management becomes the next must-have solution

Enterprise Security Management

The emphasis of risk management will focus more on impact

Training methods will better compete with home entertainment screens

AI takes a new seat at the table

IoT Security

Standards are shaping and driving the IoT security market

Securing IoT devices in critical national infrastructure becomes a priority

Rapid growth in devices requires more focus on addressing the growing attack surface

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Next steps

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Cybersecurity as a business partner



*"Cybersecurity teams **must** be recognized as strategic partners in technology and the business decision-making process"*

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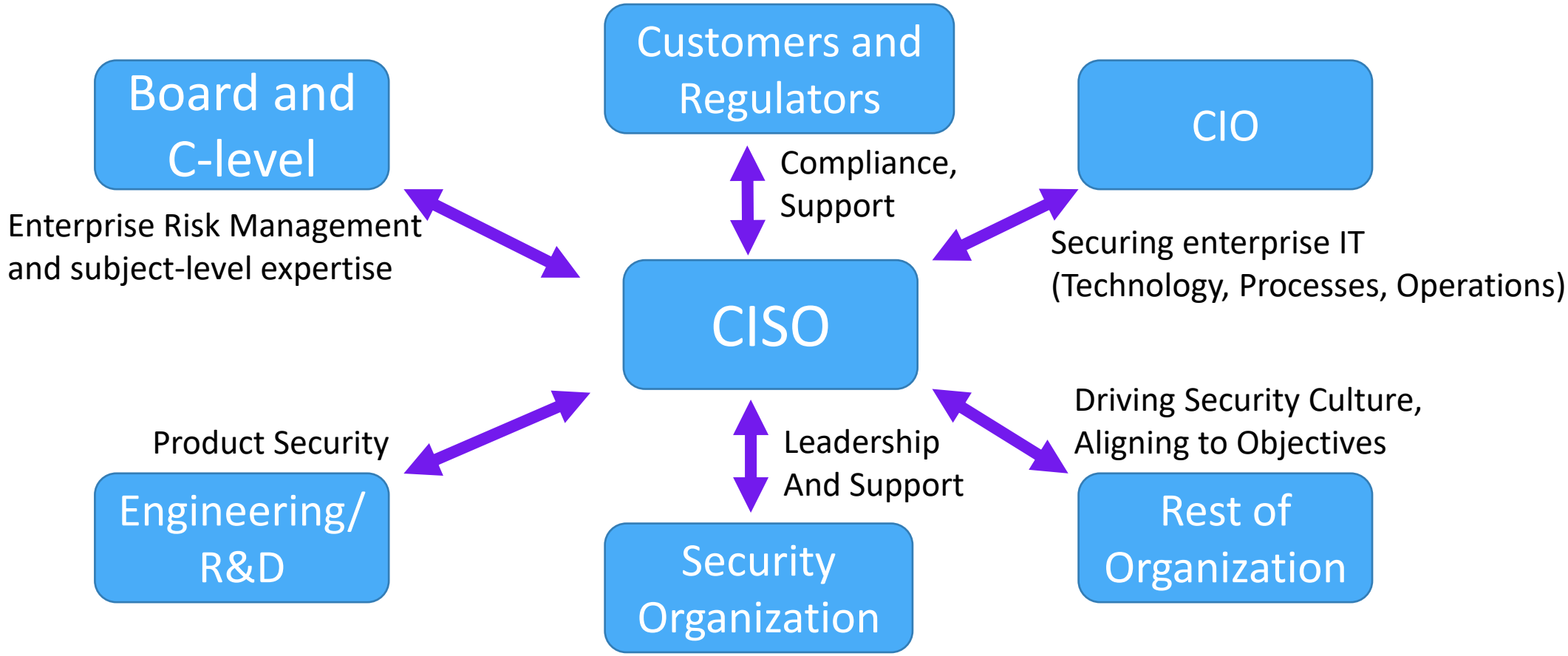
Maintain every aspect of the CISO Balancing Act



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Key recommendations

Vendors and Service Providers

1. **Be prepared to address key customer needs:** The reality for most customers is that they're likely to require a combination of agility, support for newer technologies, increased levels of automation, and efficient services delivery, all at the same time.
2. **Expect that enterprises will require hybrid cloud and multi-cloud support:** As cloud deployments take shape – IaaS, PaaS, and SaaS – the reality for those deployments is that there will be a significant amount of integration with existing infrastructure and processes, as well as relative independence between projects.
3. **Beware the organizational undercurrents affecting buying patterns:** Deployments of newer technologies are often being led by different project teams with specific goals and alignments. Vendors need to understand and support different stakeholders, even as organizational structures potentially change.

Enterprise and government

1. **Build organizational structure to support innovation:** Security teams should understand and support innovation and fast feedback loops within their organizations, making sure their engagement models and technology controls don't impede other business initiatives unnecessarily.
2. **Pinpoint critical security areas to prioritize:** Effective incident response and crisis management, securing new technologies and platforms, and addressing budget constraints are the top three challenges that organizations globally face the most.
3. **Adopt practices, architectures, and tooling that can bring scale, responsiveness, and efficacy:** The immense importance being given to security considerations means security initiatives have the potential to affect a large swath of the organization. Security leadership should strive to make choices on processes and tooling that introduce as little friction as possible.

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Thank you



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Thank You

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Achieving Better Business Outcomes for Customers



Matt Bruening

EVP, Global Sales and Marketing

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“When the **customer comes first**, the **customer will last.**”

—Robert Half



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A10 Selling Approach



The **sales experience** is the single largest driver for **customer loyalty**

2021 Net Product Revenue Retention Rate[1]

118%

Buy Again
Buy More
Recommend



The sales environment has changed and **is** becoming **increasingly complex**

Features and Benefits → **Customer Centric Solutions**

Thought Leadership
Insight Selling
Partnership

Create Customer Value with A10's Differentiators

- **Unified product architecture**
- **State-of-the-art cybersecurity**
- Solutions resulting in **optimized CAPEX and OPEX**
- **Flexible deployment models** in hybrid environments
- **Best-in-class technical support**

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1. 2021 product revenue from 2019 customers;

Better Business Outcomes
Customer Success Stories





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Better Business Outcomes
Customer Success Stories



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Better Business Outcomes

Customer Success Stories



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Transforming the Go-to-Market Strategy



Tina Stewart

VP, Commercial Marketing

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Global Go-to-Market Transformation
A CIO's New Reality = Business Shifts

- Service delivery
  - Continuous remote working/uptime
  - Reinforce cybersecurity – attacks Up 3x+
  - Customer-centric delivery model
- Restructuring
  - Rebuild supply chain
  - New digital transformation plans
  - Elastic staffing profiles
- Planning and Strategy
  - Return to office
  - CFO/CIO budgeting models
  - Rethink technology partnerships



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Global Go-to-Market Transformation
Accelerating Solution Adoption



Cross-functional Collaboration

Shift to
Outcome-driven Approach



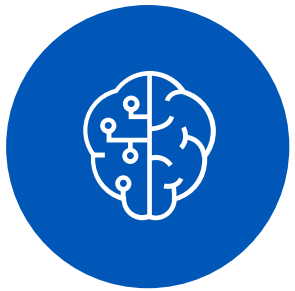
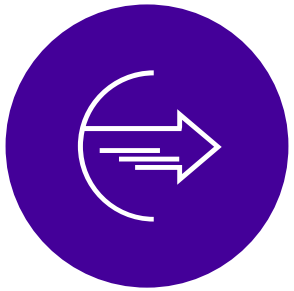
Solution Portfolio Strategy

Go-to-Market Motion
Aligned with
Market Opportunity



Partner Traction

Sales Alignment
Expanded
Relationships

Awareness	Consideration	Decision	Purchase	Loyalty
				

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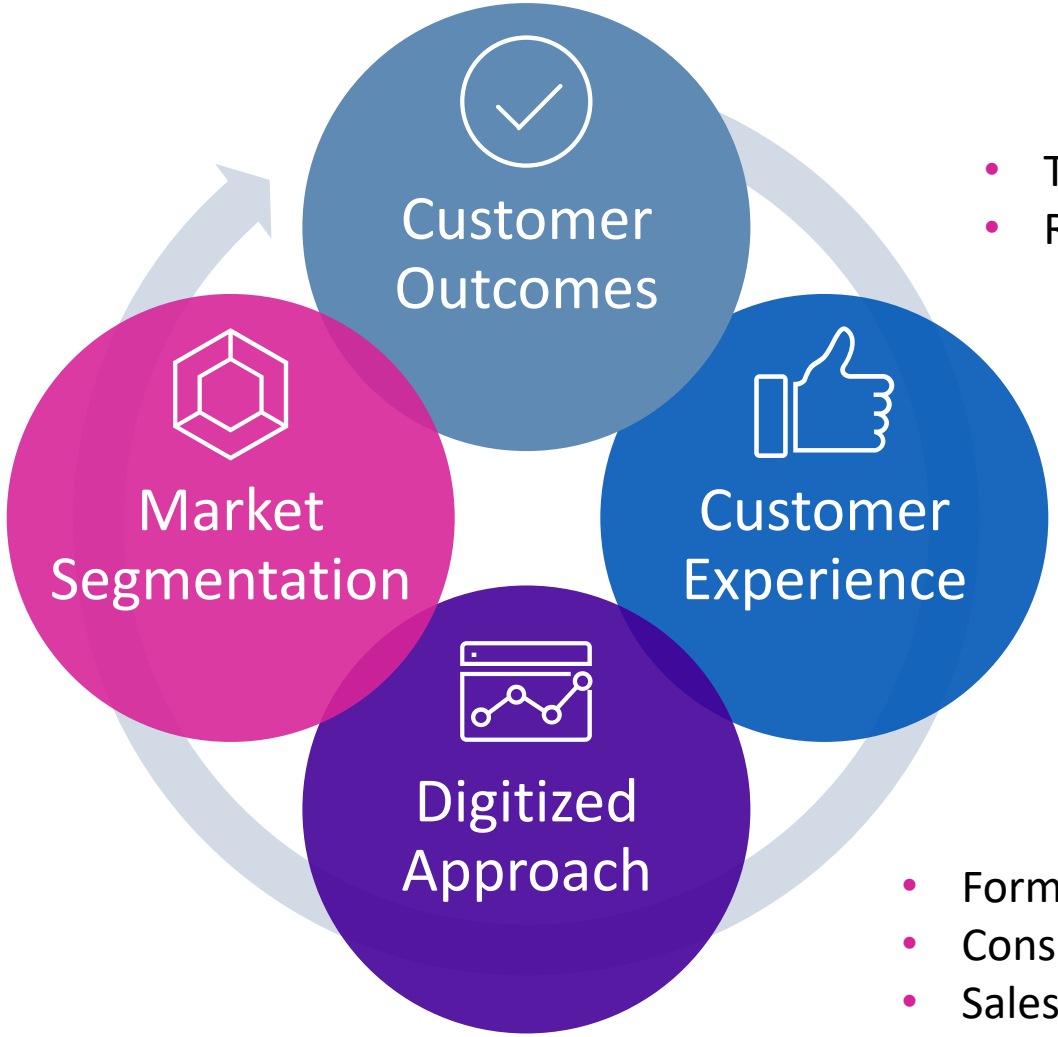
Global Go-to-Market Transformation
Cross-functional Outcome-driven Approach

- Enterprise
- Service Provider
- Cloud



- Time to Value
- Repeatable

- Formalized Training
- Consistent Engagement
- Sales and Marketing Automation

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Global Go-to-Market Transformation
Service Provider – Aligned to Market Opportunity

Cable

Tier 1 MSO

Telcos

Tier 1 wireline carriers

U.S., Europe, LATAM, Asia

1 Billion+

Subscribers connected



Broadband

Regional and rural wireline and wireless ISPs

U.S., Europe, LATAM, Asia

5G

Tier 1 mobile carriers in the U.S., South Korea, Japan, Europe, Asia

Institutions

Universities, private 5G, Large enterprise, financial

270+

Service Provider Customers

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Global Go-to-Market Transformation
Enterprise – Aligned to Market Opportunity

Cloud-native

Global DDoS
Protection at Scale

Financial

Securing and ensuring
low-latency trading

17+ Security Partnerships

Enabling Zero Trust
Architectures



Gaming

Reliable
real-time gaming

Healthcare

Enabling doctors to practice
unencumbered

Education

Blocking ransomware
and malware

1 Billion+

Users Protected by
A10 Zero Trust Solutions

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Global Go-to-Market Transformation
Sales Alignment with **Expanded Partnerships**

Cloud Partners

Microsoft Azure

ORACLE Cloud Infrastructure

aws

Technology Partners & Integrations

Microsoft
ERICSSON
DELL Technologies
vmware
RSA
redhat
DIGITAL GUARDIAN
CISCO
kentik
NEC
McAfee
ENEA
OPSWAT.
genie NETWORKS
Flowmon Driving Network Visibility
Fidelis Cybersecurity
IBM
Secureworks
ThreatSTOP
GARLAND TECHNOLOGY
WEBROOT Smarter Cybersecurity

Solution & SI Partners

ERICSSON
NEC
Tech Mahindra
IBM
INGRAM MICRO
CTC Challenging Tomorrow's Changes
T-Systems
World Wide Technology
adaptiv
Xantaro SERVICE INTEGRATION
INSA
axians
INFINIGATE Adding Value to Distribution
fivesky ingenuity.delivered
InNet INNOVATION NETWORK TECHNOLOGIES
e+

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Global Go-to-Market Transformation
Sales Alignment with **Expanded Partnerships**

Secure Decrypt Zone



Multi-layered Security



Analytics & Ease of Use



Zero Trust Architecture and Security Partnerships

RSA
FIREEYE
OPSWAT
Check Point SOFTWARE TECHNOLOGIES
CISCO
IBM
DIGITAL GUARDIAN
Fidelis Cybersecurity
Secureworks
GARLAND TECHNOLOGY
McAfee
NIAGARA NETWORKS

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Global Go-to-Market Transformation Journey
Transition to Hybrid Cloud in the Enterprise



Public Cloud

Microsoft Azure

Google Cloud Platform

aws

kubernetes

ORACLE CLOUD

Private Cloud

openstack.

vmware

kubernetes

Azure Stack

NUTANIX

SDN & Automation

ANSIBLE

python™

HashiCorp Terraform

CISCO

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Industry Recognition for Solution Innovation



RSA: Most Innovative Application Digital Resiliency Solution



IT Central Station: Application Delivery Peer Award



Intel Network Builders: 5G & NFVi Innovation



Frost & Sullivan: Best Practices Customer Value Leadership Award



Interop Tokyo: People's Choice & Zero Day Behavior Attack Recognition



RSA: Next-gen DDoS Protection Scrubbing Center Solution



Info Security: IT Technology Cloud/SaaS



Light Reading: Top Vendor Enterprise Security

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A10 Advantage: **Security**



Rich Groves

Director of Security Research

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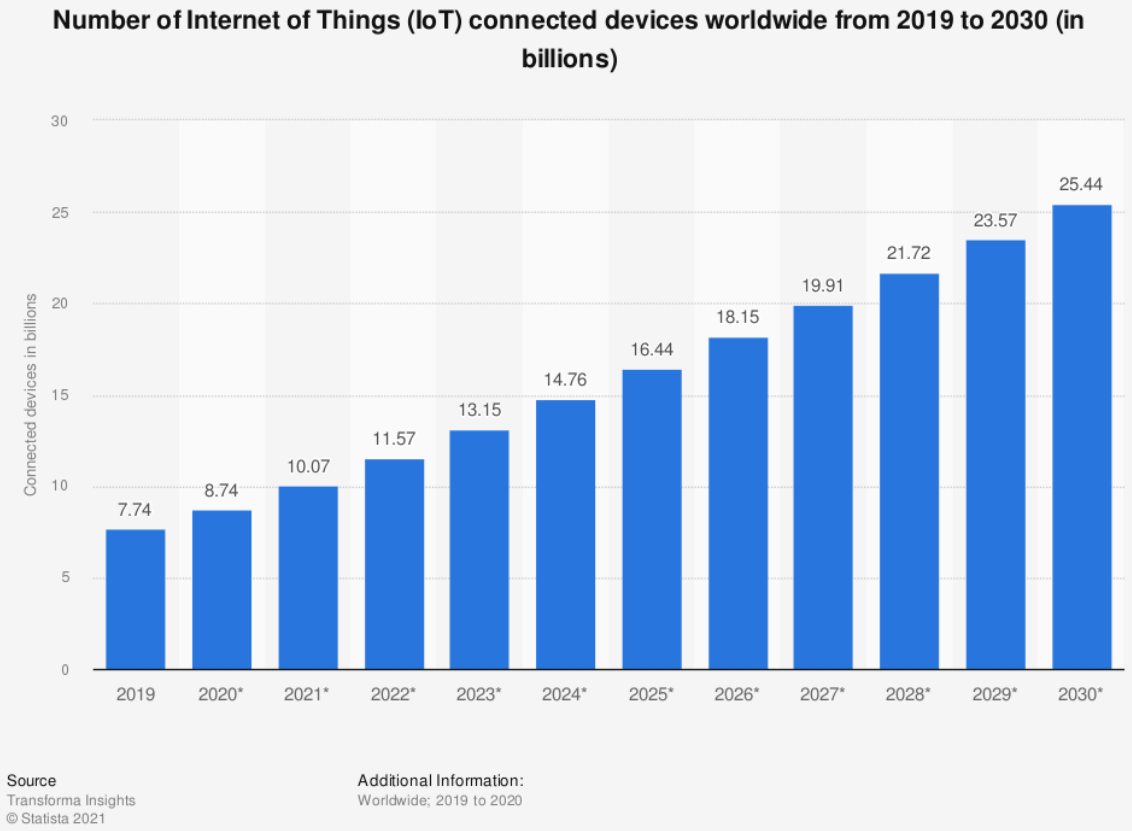
The **Attack Surface** is Growing



- There is a steady growth in connectivity and digital transformation
- Cloud adoption is on the rise
  - Cloud infrastructure has become cheaper and easier
  - Enterprise reliance on SaaS has increased
- IOT growth over 1 billion devices YoY
  - Cameras, Smart Plugs, Lights, etc.
  - Cloud API interaction is required
- Bottlenecks are being removed
  - Utilization of faster, more capable CPUs
  - Fast switch chip commoditization enabled huge increases in network speeds and port counts

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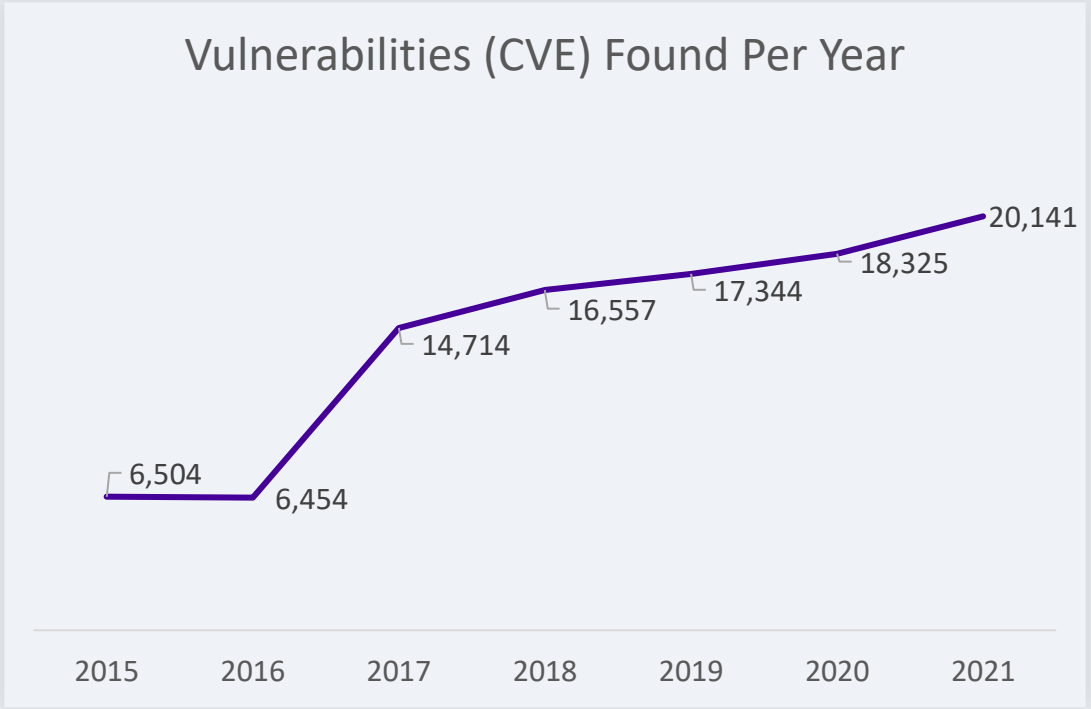
The Rise in **Cybersecurity Threats**

- Increase in cyberattacks launched by state actors and criminals for quick financial gains
  - Ransomware – the tool of choice for most criminals
  - White and blackhat developers are incentivized to create new exploits
    - These exploits are used to increase the size of their botnets or collect bug bounties
- Human intelligence alone is unable to keep up with the rate at which exploits are found
  - Adaptation to new security threats is challenging
  - A machine learning-based approach is necessary for effective detection and remediation



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The Latest Example – **Apache Log4j**

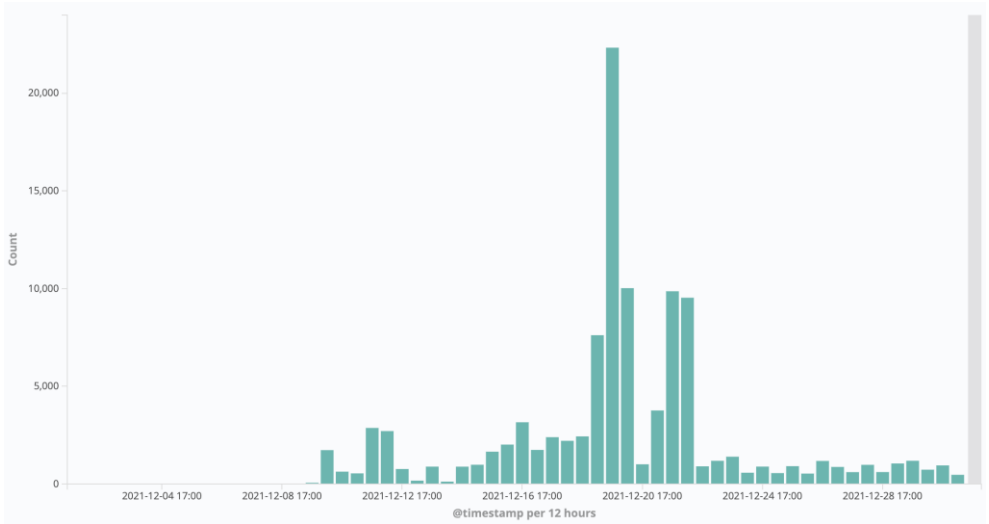
Disclosure (12/9/2021)

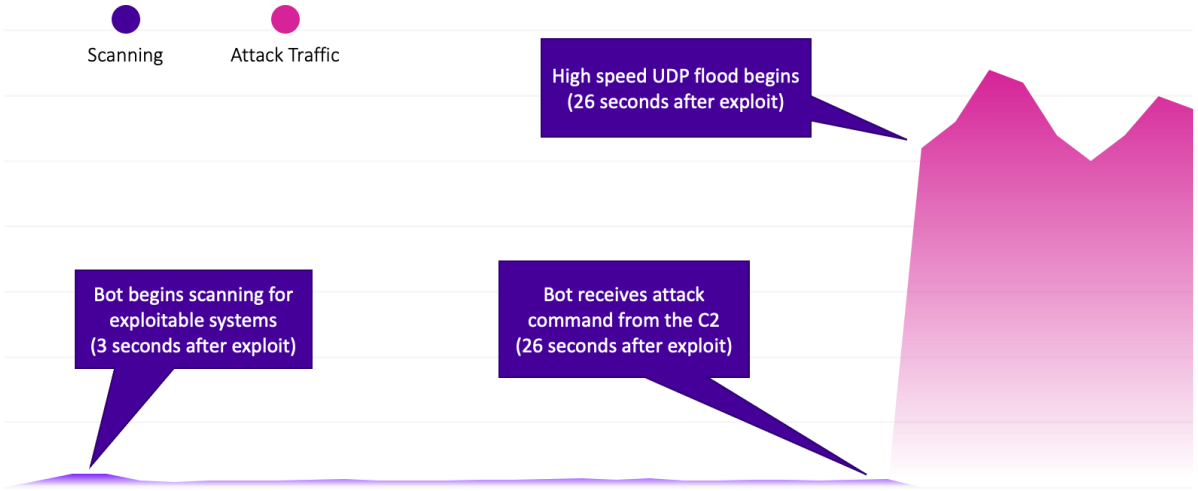
A10 releases guidance to customers on how to block the infection

A10 observed DDoS attacks being launched by Log4j enabled bots

Researchers and cyber criminals begin scanning the internet for affected hosts (12/10/2021)

A10 detected viral spread of DDoS-focused malware using Log4j as an infection vector





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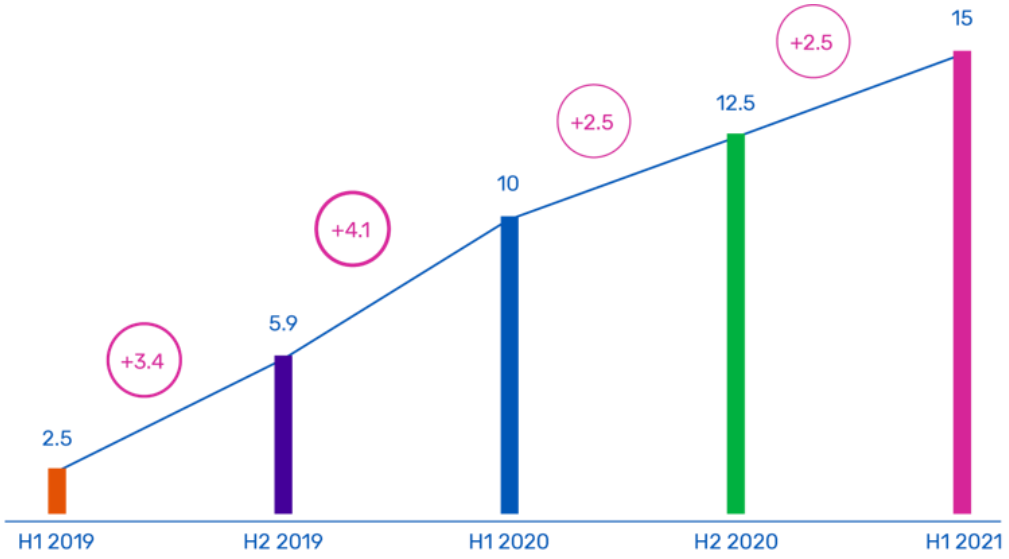
DDoS Attacks and Weapons Continue to Grow

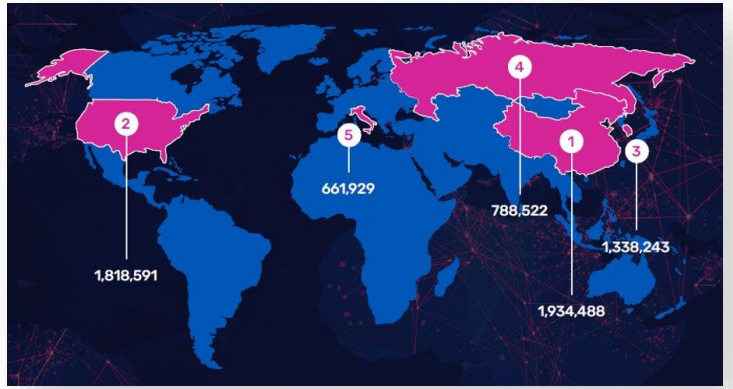
15 million DDoS Weapons Tracked

44 thousand Amplification attacks observed in a month (12/2021)



A10 Security Research





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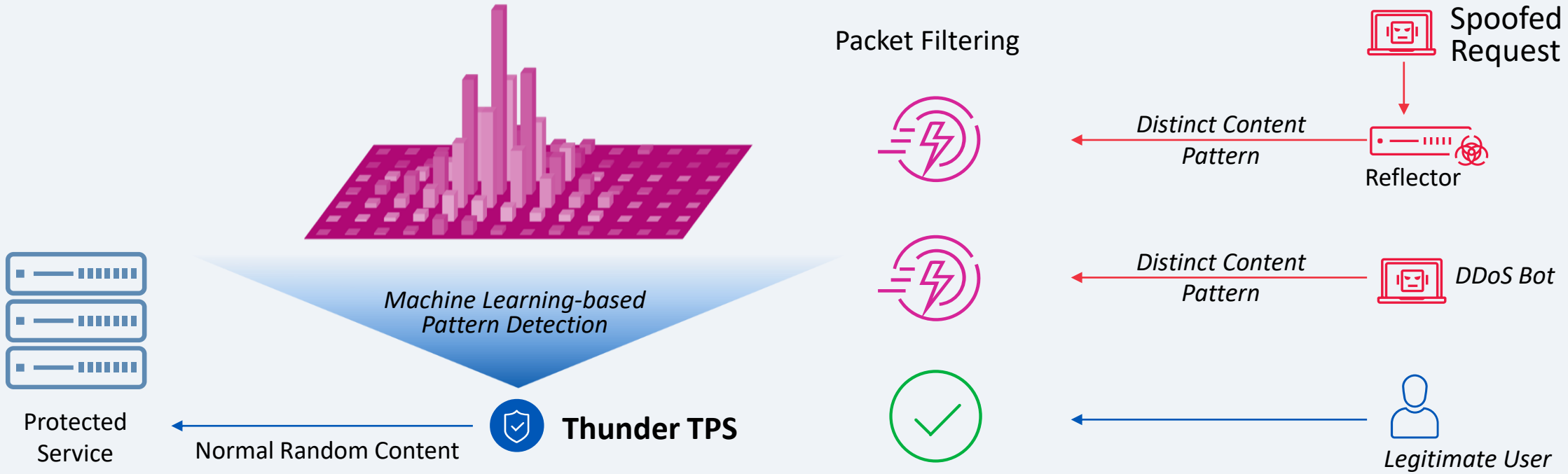
AI/ML Defenses Empower Zero Trust Security

DDoS Defense with Zero-day Automated Protection (ZAP)

Industry's Fastest Automated Response to DDoS Attacks



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The A10 Networks **Zero Trust Strategy**

⚠ ‘Never Trust, Always Verify’

- Zero Trust eliminates implicit trust
  - Minimizes excessive access and attack surface
- A10 security solutions enable and enhance Zero Trust
  - Critical encrypted threat visibility and protection
  - Automated zero-day DDoS protection
  - Granular operational micro-segmentation
  - Advanced user authorization and verification
  - Real-time observability and central management



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A10 Advantage: **Infrastructure**



Terry Young

Director of Service Provider Product Marketing

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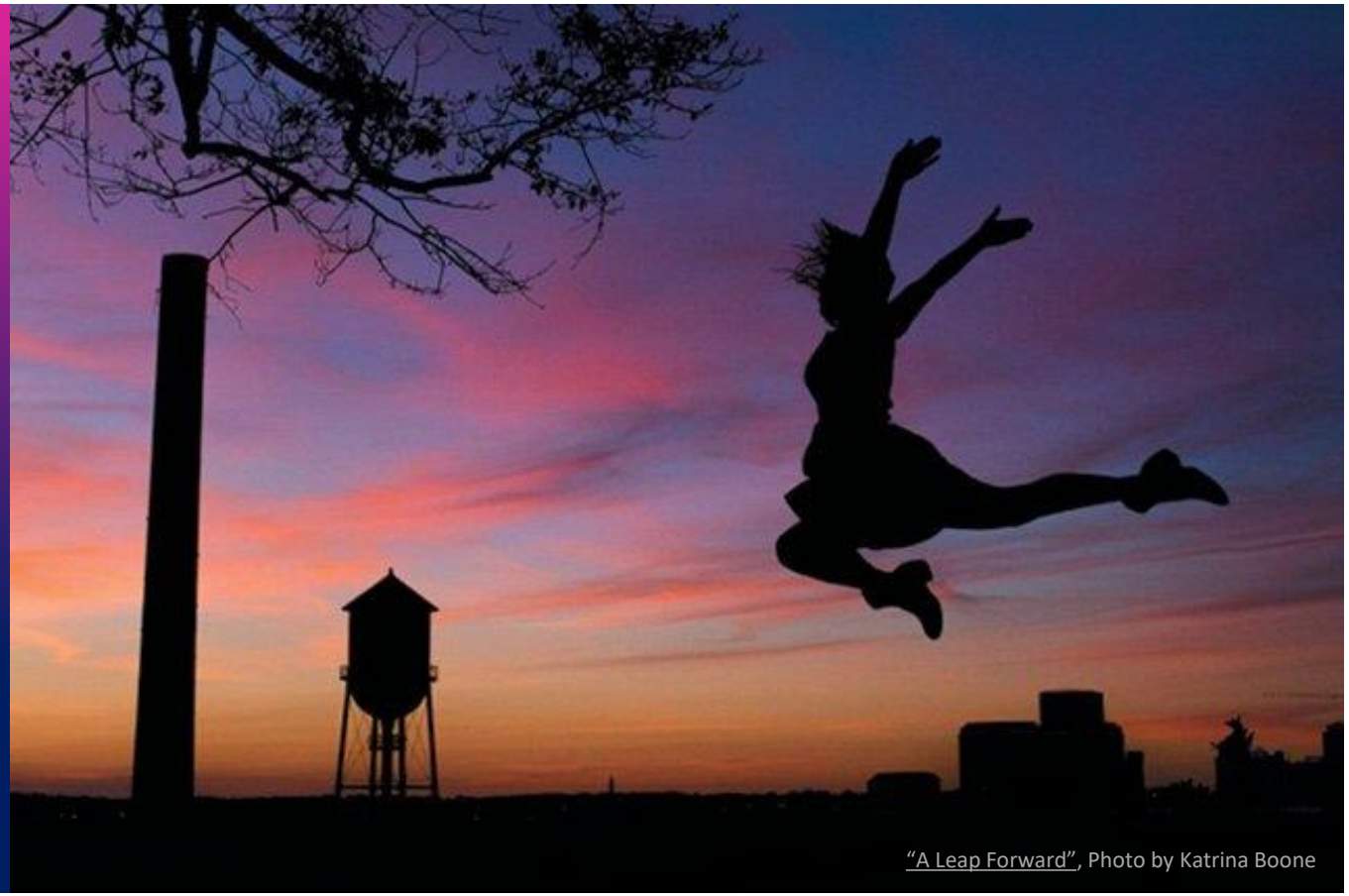
Communities **Leap Forward** with Rural Broadband

> “If you’re not moving forward, you’re falling back.”
>
> **— Sam Waterson**



“A Leap Forward”, Photo by Katrina Boone

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A10 Provides Critical Functions Across **Service Provider Landscape**

Cable

Tier 1 MSO

Telcos

Tier 1 wireline carriers

U.S., Europe, LATAM, Asia

1 Billion+

Subscribers connected



Broadband

Regional and rural wireline and wireless ISPs

U.S., Europe, LATAM, Asia

5G

Tier 1 mobile carriers in the U.S., South Korea, Japan, Europe, Asia

Institutions

Universities, private 5G, Large enterprise, financial

270+

Service Provider Customers

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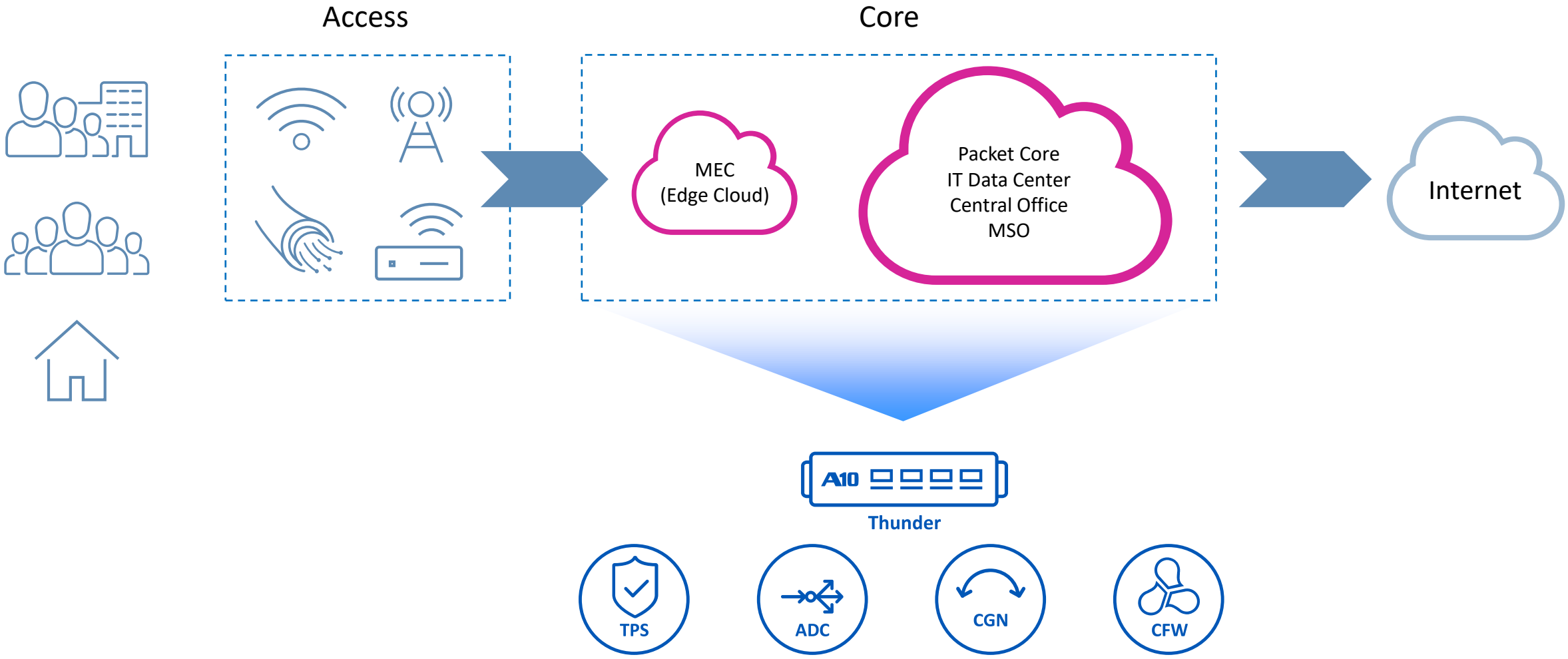
A10 Secures the **Heart of Service Provider Networks**, Regardless of Access Technology



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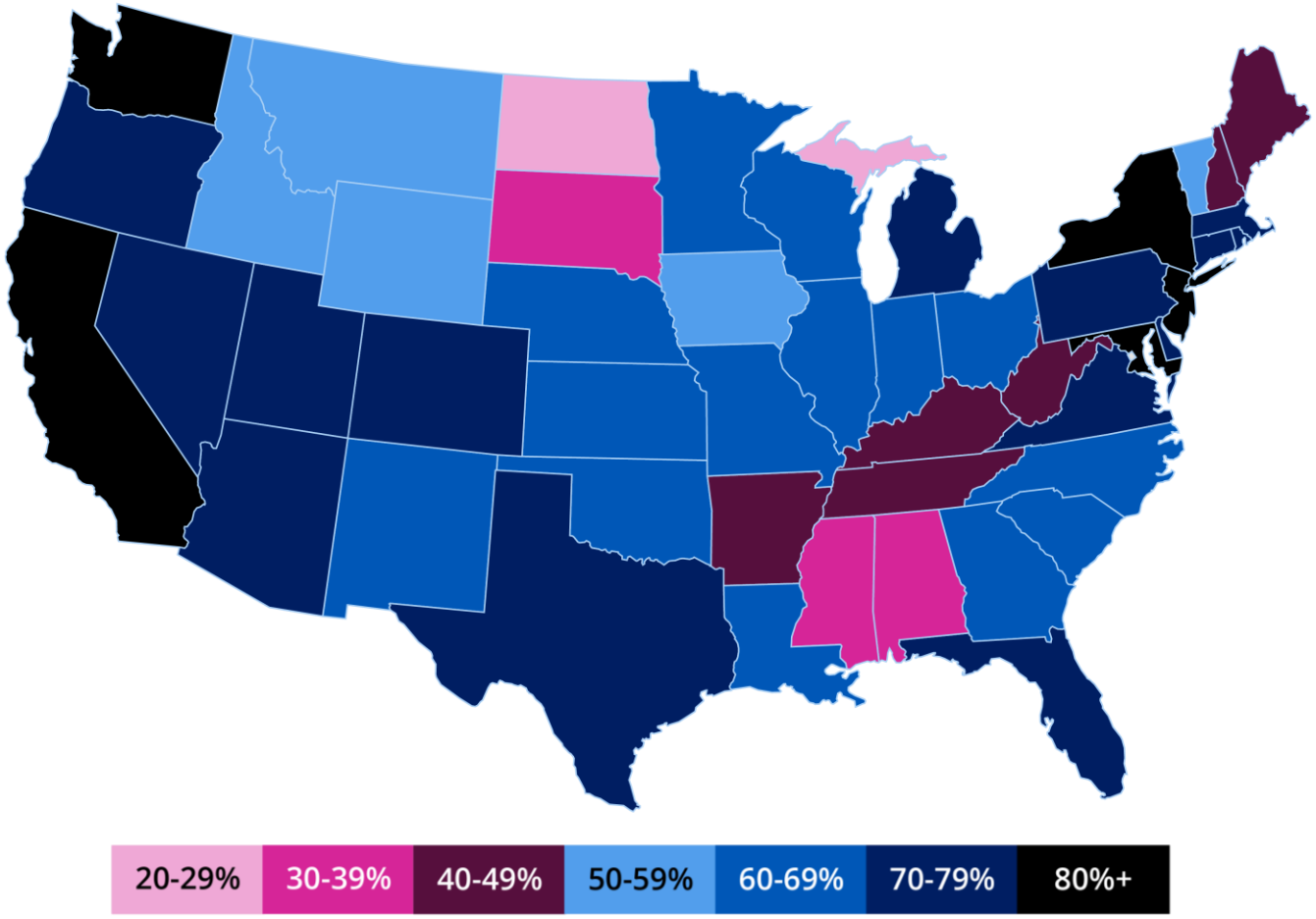
The Digital Divide in the U.S. – **The Race to Close the Gap**



> "…in the most rural markets in America, less than 20 percent of households have a broadband connection."

— Eddie Hold
President, NPD Connected Intelligence

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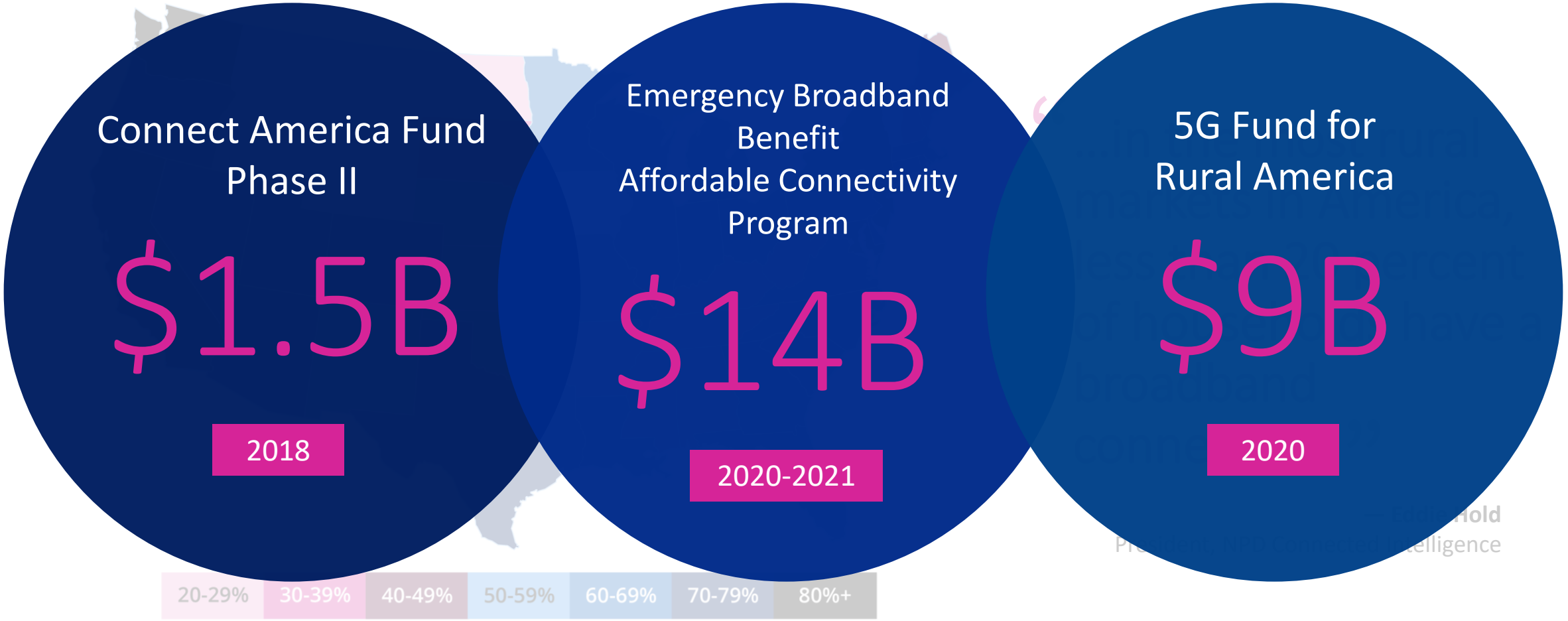
Map Source: The NPD Group Inc., Connected Intelligence, Rural America and Technology report

Billions Allocated to **Close the Gap**



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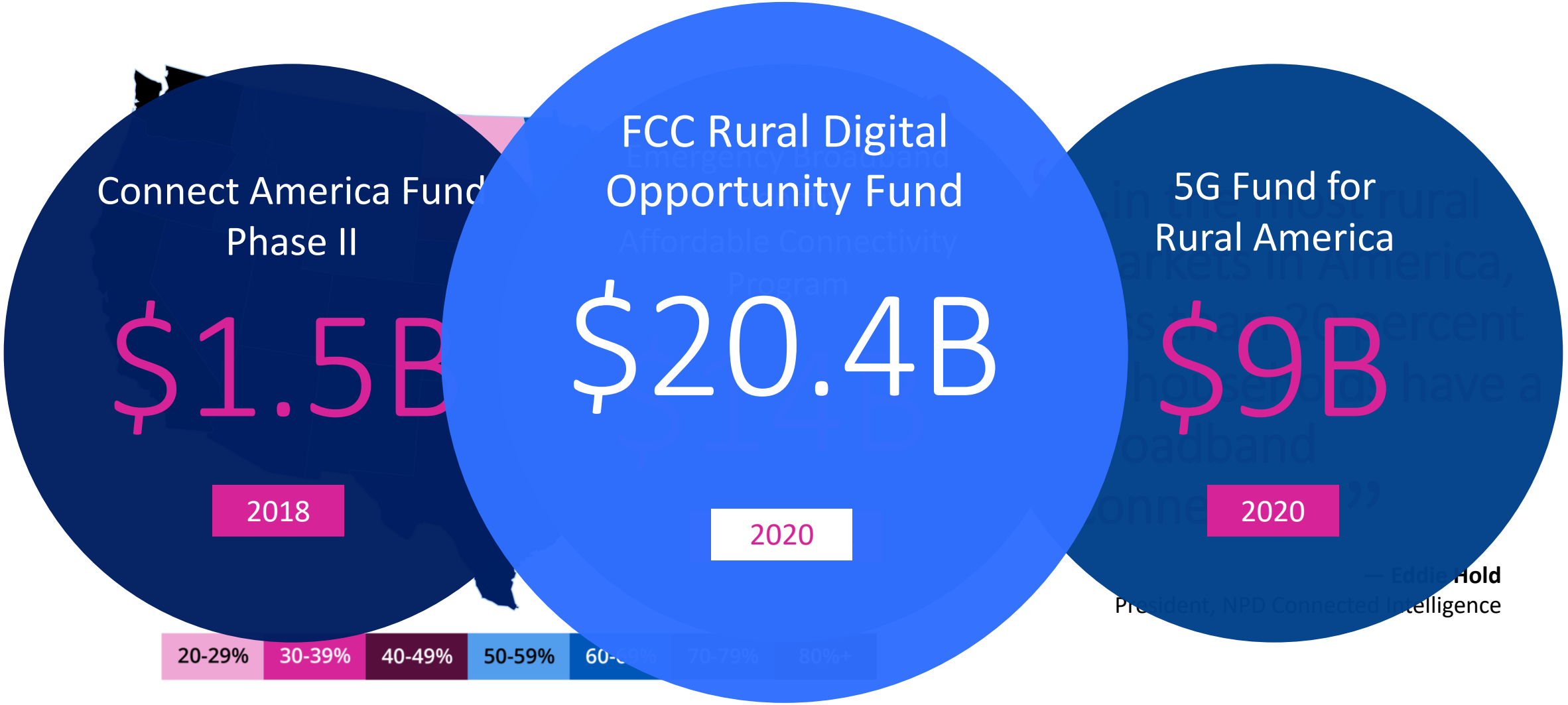
Billions Allocated to **Close the Gap**



— **Eddie Hold**
President, NPD Connected Intelligence

Source: The NPD Group, Inc., Connected Intelligence, Rural America and Technology report

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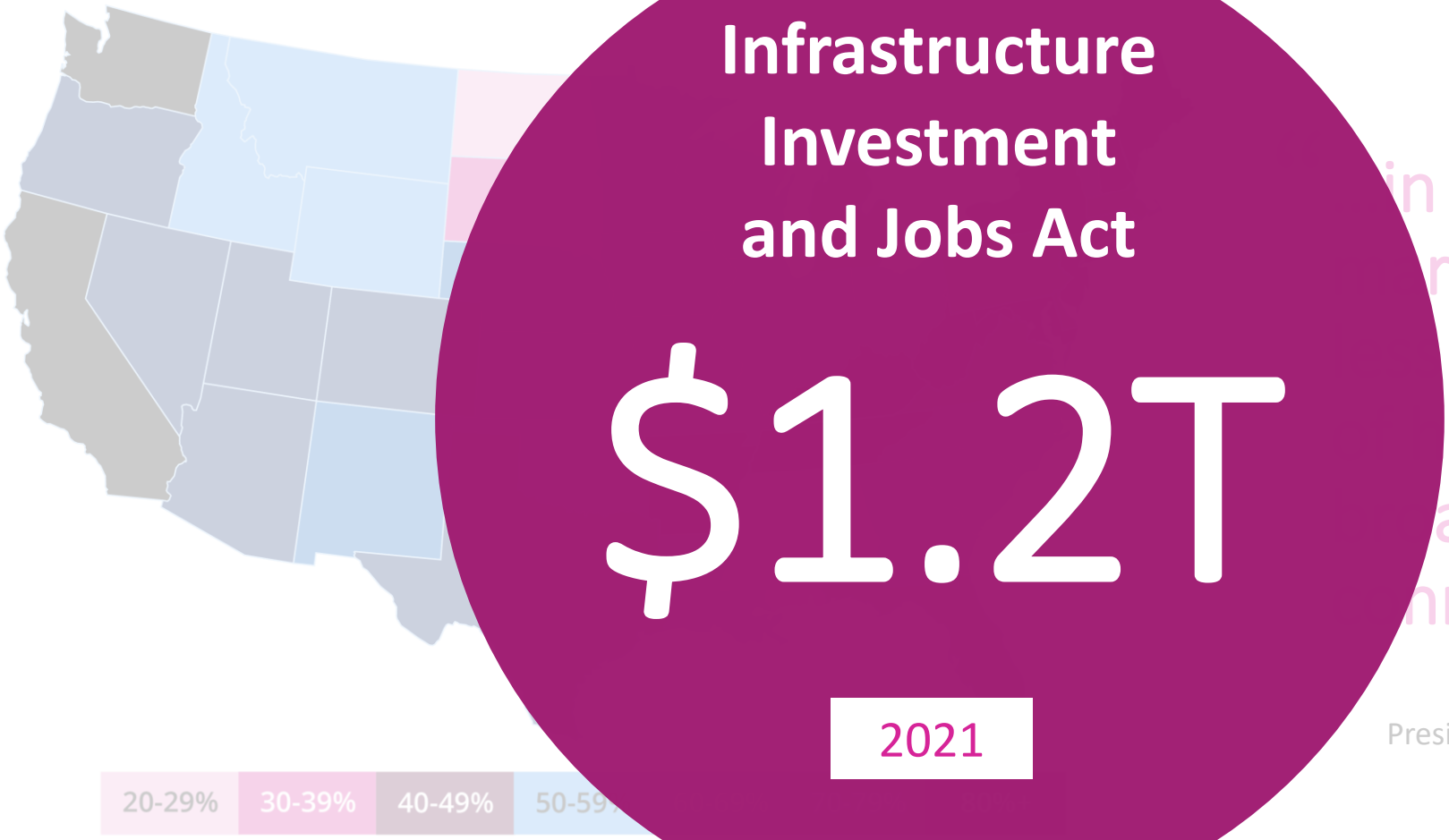
Billions Allocated to **Close the Gap**



Infrastructure Investment and Jobs Act

$1.2T

2021

in the most rural
rkets in America,
than 20 percent
ouseholds have a
adband
nnection.”

— **Eddie Hold**
President, NPD Connected Intelligence

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Fragmented Industry – Islands of Connectivity

ILECs, LECs, CLECs, MNOs	Electric Cooperatives and Tribal	Private/Public Partnerships
		
Technology-defined Service Areas	Local Communities, Counties, Cities	Rural Cloud Initiative MS Airband

Business models for connectivity, core networking, and funding needed to close gaps between service footprints

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Subscriber **Expectations have Risen**

> “The demands on ISPs to deliver exceptional connectivity services to consumers and businesses have never been greater.
>
> Changing consumer lifestyle, work, and entertainment patterns in the wake of the COVID-19 crisis have shifted the market for broadband services considerably.”
>
> — **Kristen Hanich**, Senior Analyst, Park Associates







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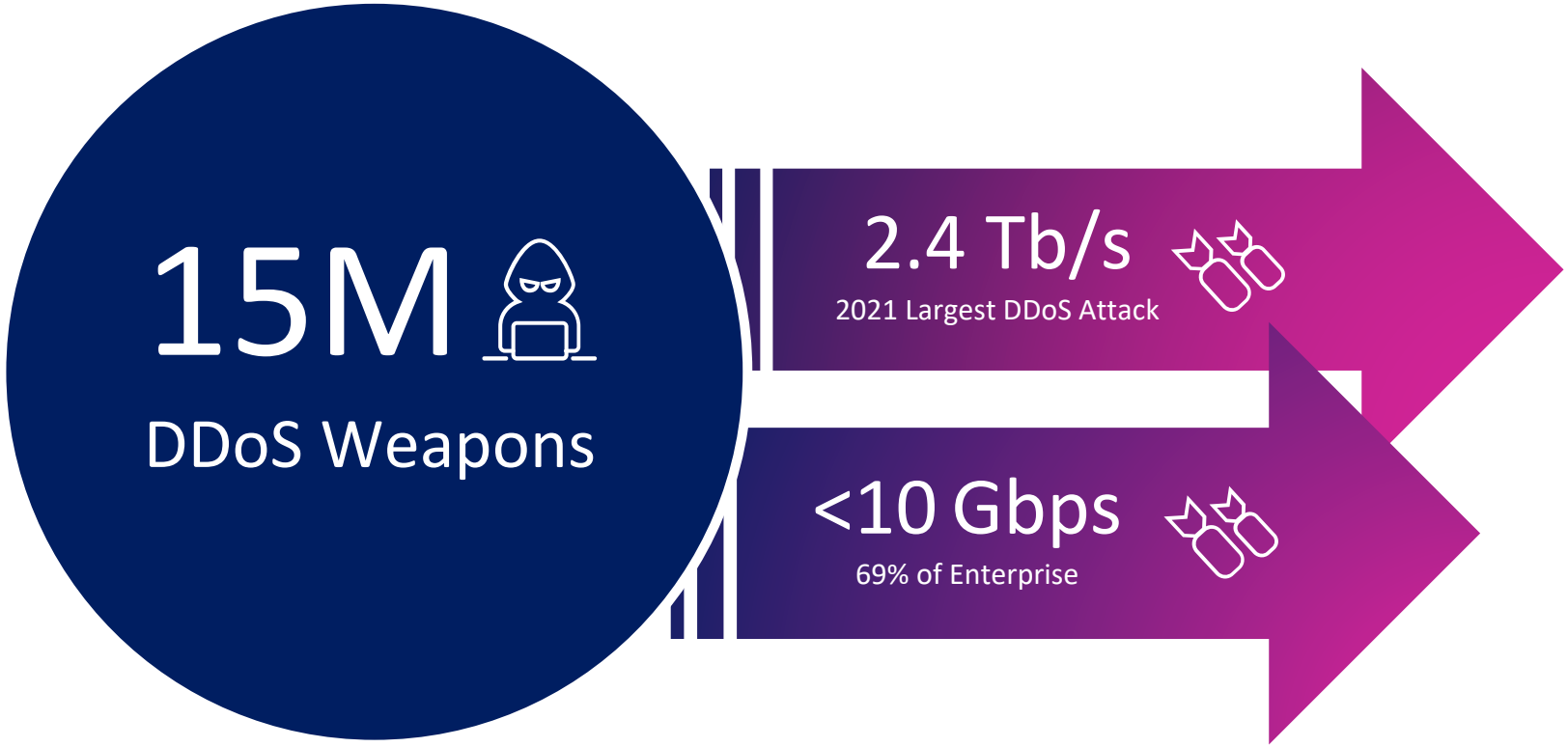
Security is No Longer a “Nice to Have”



Critical Services
Vulnerable Rural Population

Public Safety
Tele-medicine
Education
Elderly

Broadband Households

79% concerned about security and privacy

35% experienced a data security problem

Park Associates , May 2020

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A10 Networks, The State of DDoS Weapons Report, 1H2021

IPv4 and IPv6 will **Co-exist** for Years

Every Connected Device
Needs an IP Address



"Each customer wants connectivity to many possible points, and even if 80% of the internet traffic is over IPv6, nearly every customer will still have numerous IPv4-only sites that they wish to reach"

— **John Curran,** President and CEO, ARIN
North American IPv6 Summit 25 April 2017

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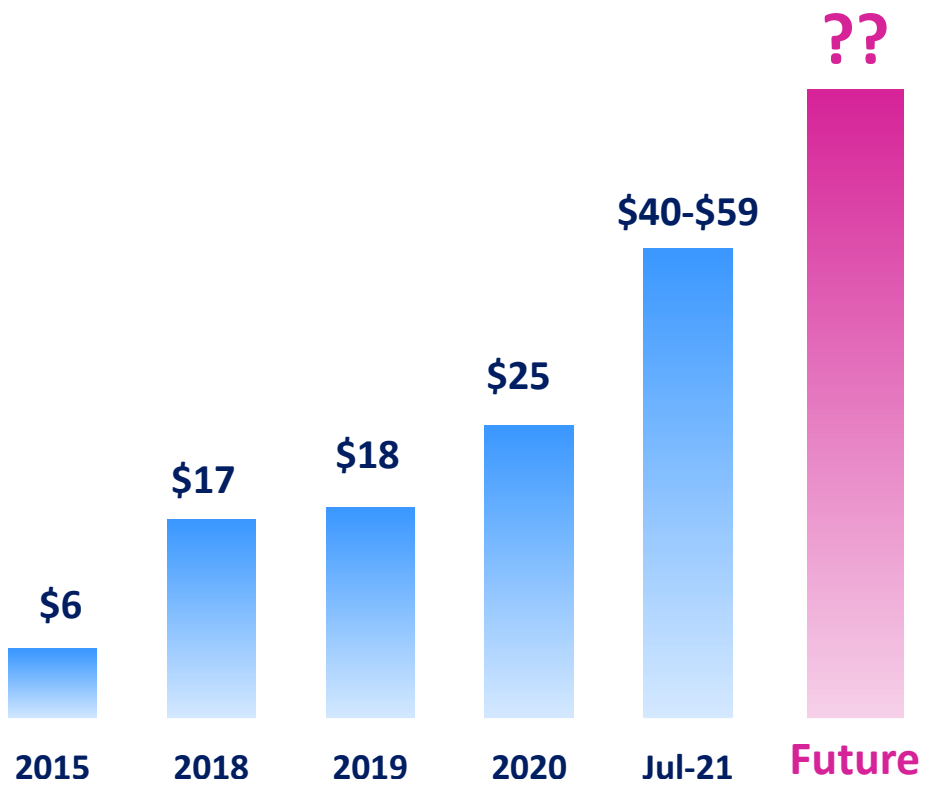
IPv4 Demand is High, Supply Uncertain, and Costs Rising



Regional ISPs Surveyed



Existing IPv4 Pool Exhausted in 1-3 Years



10,000
New Subscribers



$590,000+
For IPv4 Addresses

A10 Networks: "Insights 2022: Rural Broadband Expansion"

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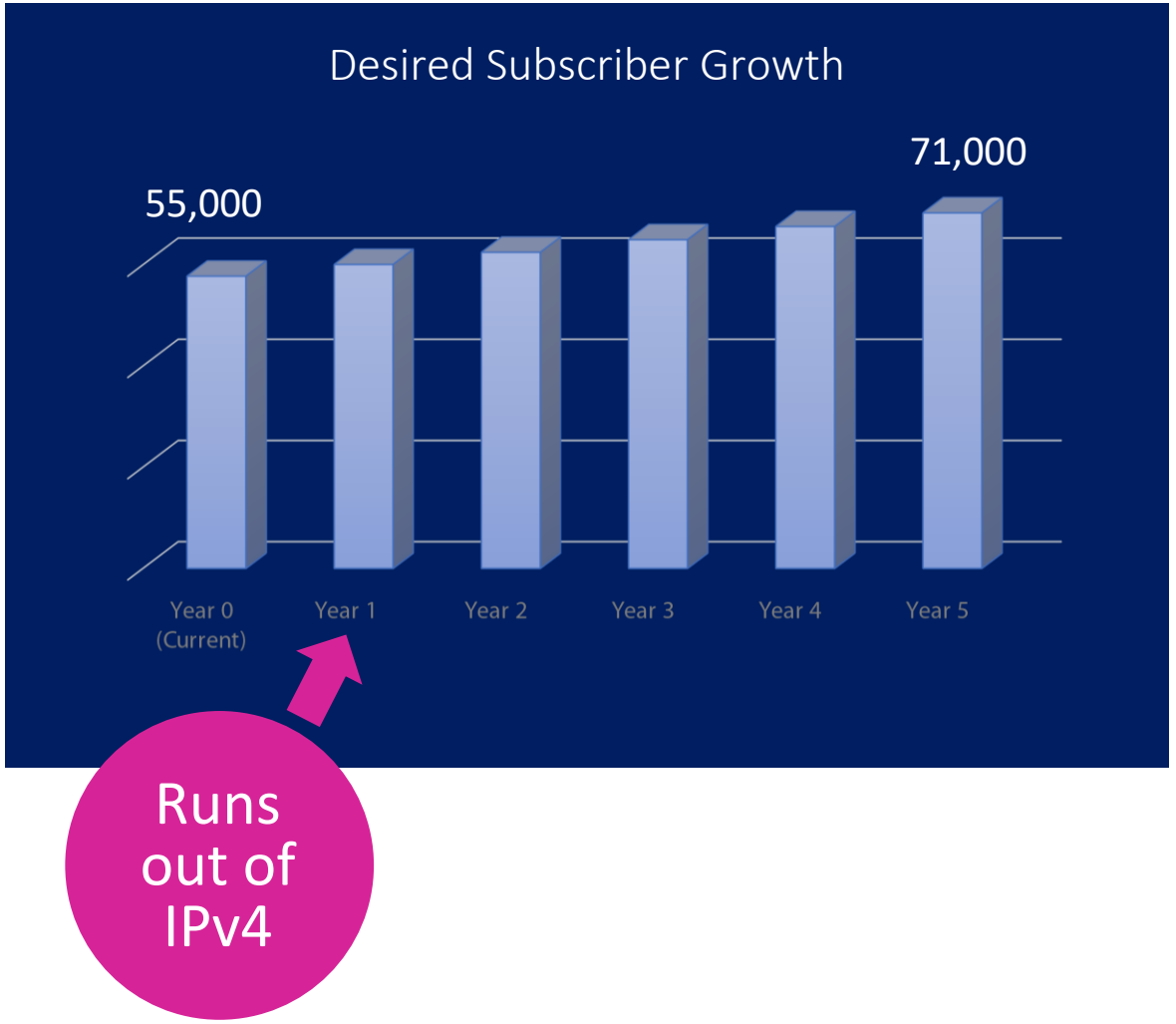
Regional FTTH Provider Extends IPv4 Investment for Growth

- Goal: FTTH buildout to 11,000 more subscribers
- Five-year subscriber growth
- Cost of IPv4 – over $500k



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Regional FTTH Provider Extends
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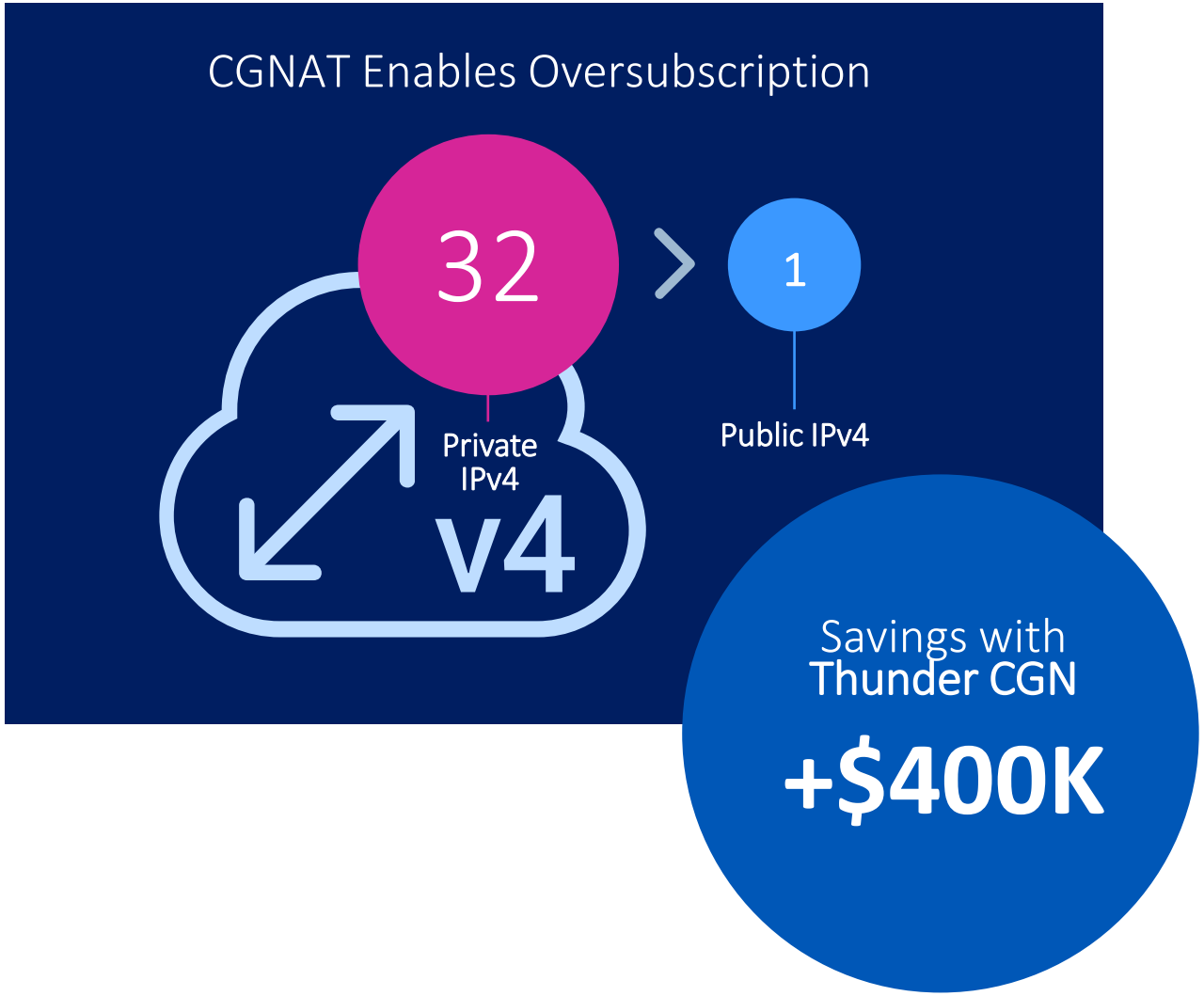

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A10 Networks CGN_IPv4 Cost Estimator analysis; based on real customer input and A10 industry expertise

A10 Recommendations to Industry

- **Drive Innovation Across Business Models**
  - Funding / partnership is just the first step
  - Technology – access and core network
  - New services and customers
- **Prioritize Security Investment with Partner**
  - Double down on basic cybersecurity hygiene
  - Upgrade DDoS protection
  - Recoup costs through security monetization (DDoS-protection-as-a-service)
- **Understand IP Connectivity Options**
  - Avoid excessive IPv4 connectivity costs
  - Create a plan for IPv4-IPv6 migration



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Driving Financial Success



Brian Becker

CFO

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Agenda

- **Q4 2021 Earnings Recap**
  Q4 and Full Year 2021 Results and Commentary
- **Financial Priorities Looking Ahead**
  Key Metrics, Revenue Growth, Profitability, Capital Allocation Strategy
- **Financial Outlook**
  Q1 and Full Year 2022 and Longer-Term View



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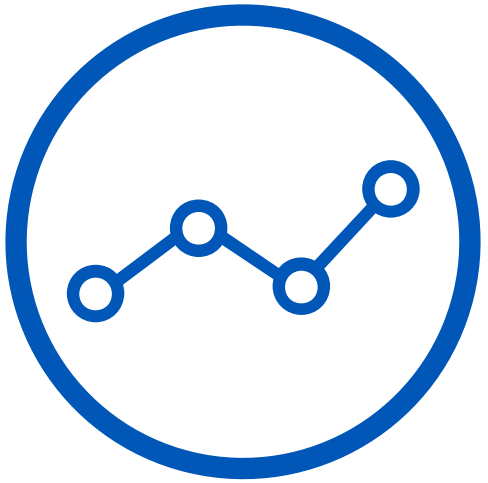
Q4 2021
Earnings Recap



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Q4’21: Continued Business Momentum

Growth Highlights

- Revenue of $70.7M, up 13% year-over-year, led by the Americas which grew 26% driven by security
- Deferred revenue reaches a record $121.6 million, up 12% versus exiting 2020

Record Profitability

- Adjusted EBTIDA was a record of $19.4 million or 27.5% of revenue, improving by $3.3 million versus Q4 2020
- Quarterly adjusted net income increased by 18% year-over-year
- Non-GAAP EPS of $0.20

Capital Allocation

- Repurchased 469 thousand shares during the quarter
  - $93 million remaining on current $100 million buyback (as of 12/31/21)
- 6.6 million shares have been repurchased at an average price of $7.68 since 2020
- Distributed dividend of $0.05 per share that was introduced within the quarter

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FY'21: Return to Growth with Record Financials

Growth Highlights

- Revenue of $250.0 million, up 11% year-over-year, driven by the Americas which increased by 23%
- Annual recurring revenue increased 18% year-over-year
- Service Provider revenue up 15% year-over-year
- Deferred revenue reaches a record $121.6 million, up 12% versus exiting 2020
- Added 432 new customers

Record Profitability

- Adjusted EBTIDA was a record of $62.4 million or 25.0% of revenue, improving by $16.8 million or 37% versus 2020
- Annual adjusted net income increased by 42% year-over-year to a record of $50.1 million
- Non-GAAP EPS of $0.63

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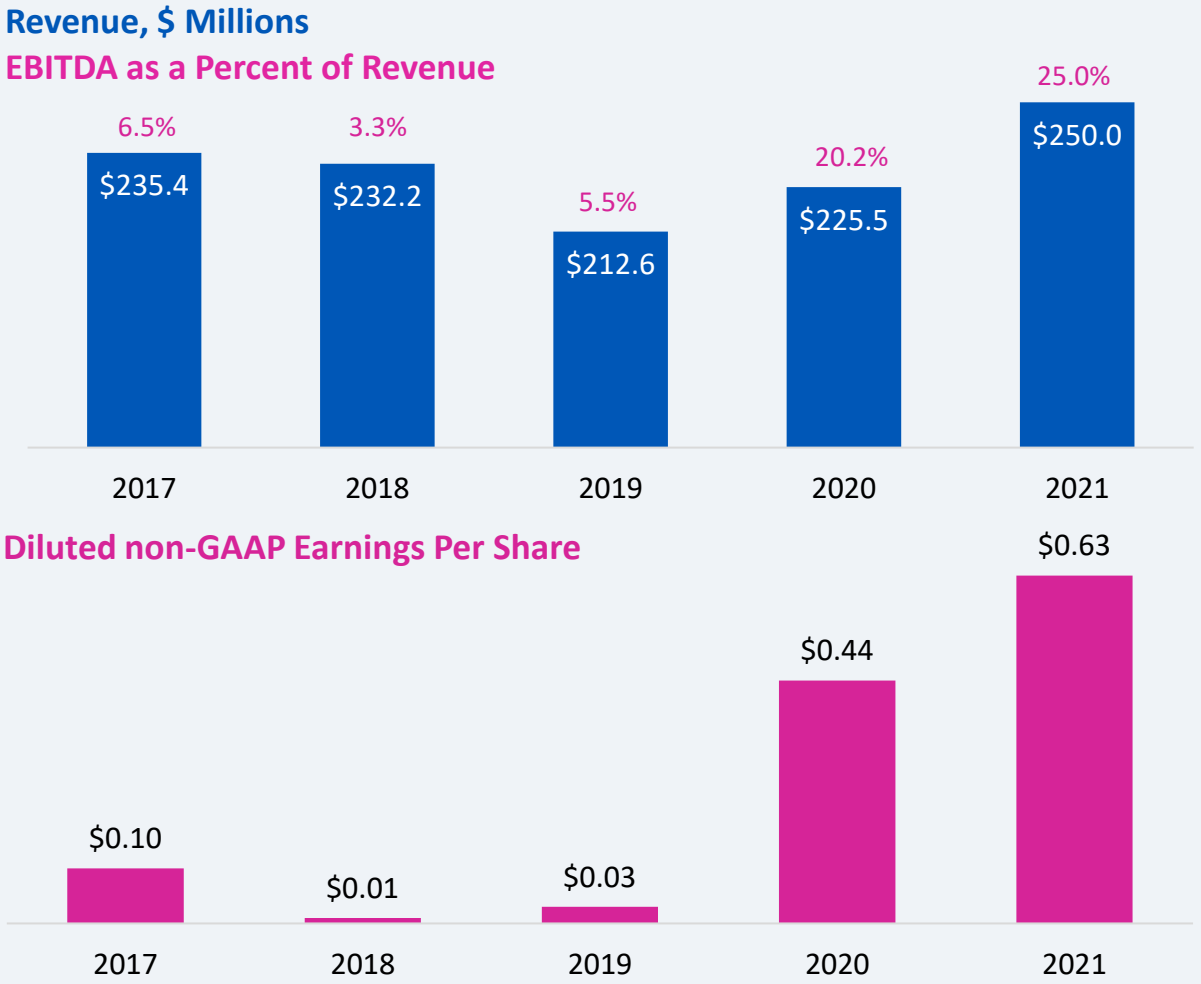
Annual Revenue, Adjusted EBITDA and EPS





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See Appendix for reconciliation of GAAP to non-GAAP financial measures

Financial Priorities
Looking Ahead



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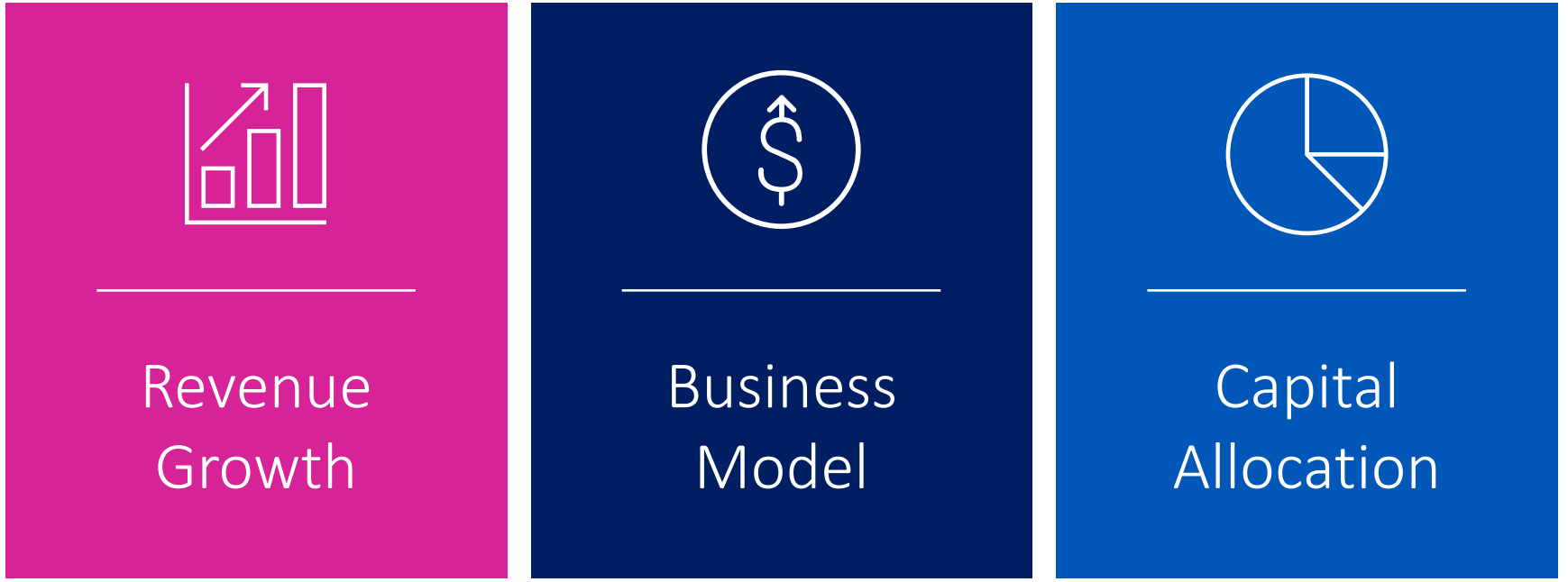
Focus on Creating **Value for Shareholders**



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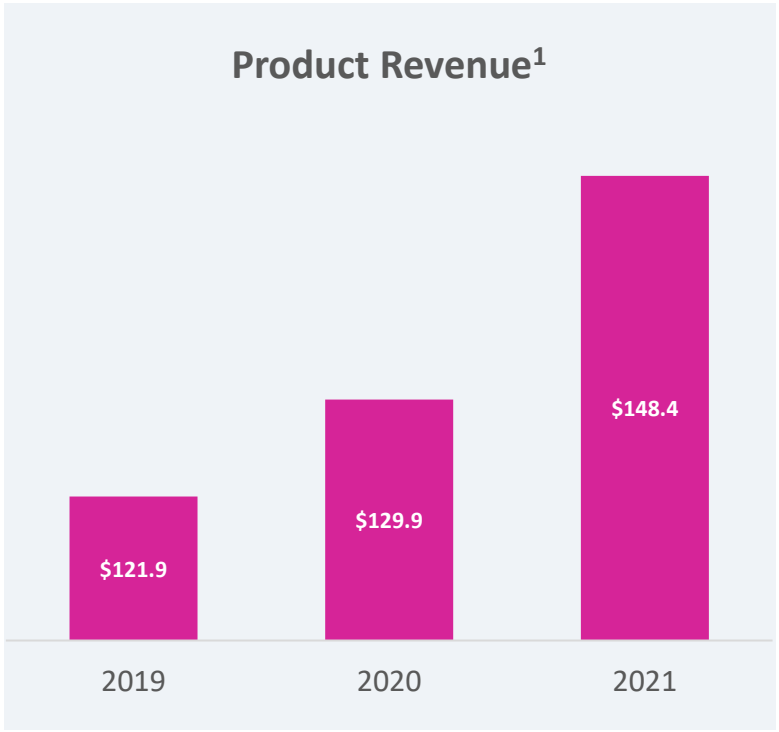
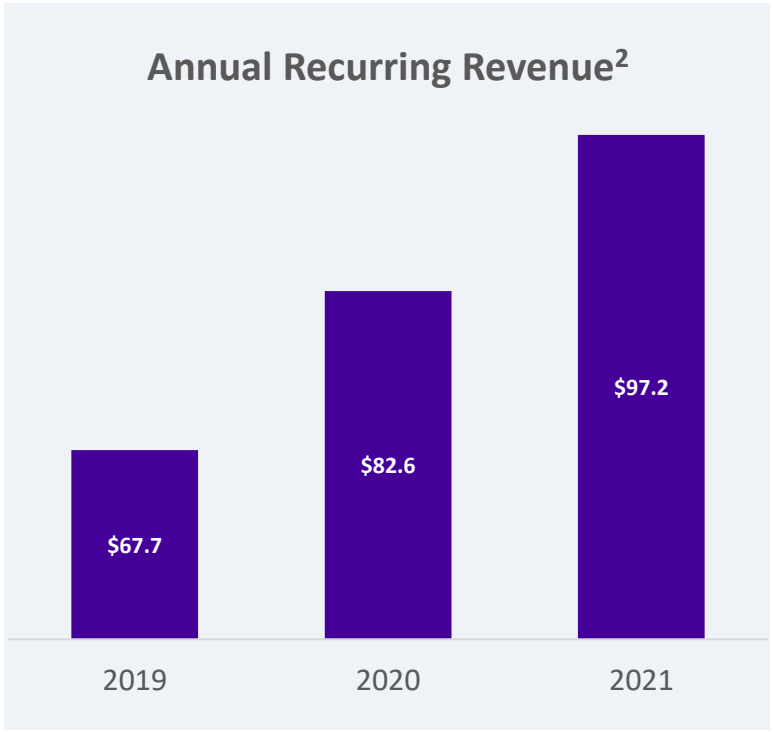
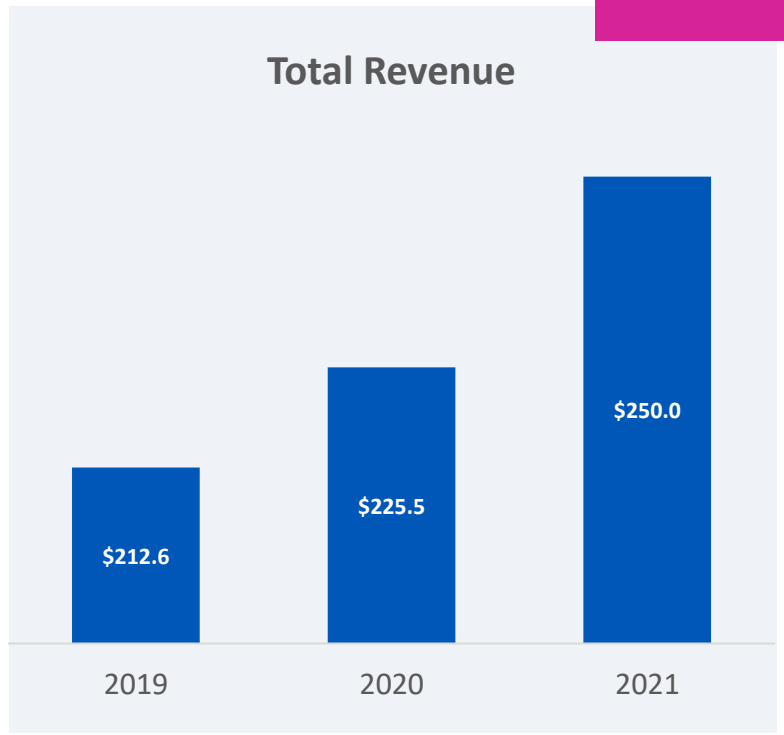
Robust **Revenue Growth**

Revenue Growth







Product Revenue and Annual Recurring Revenue are leading indicators of Total Revenue Growth

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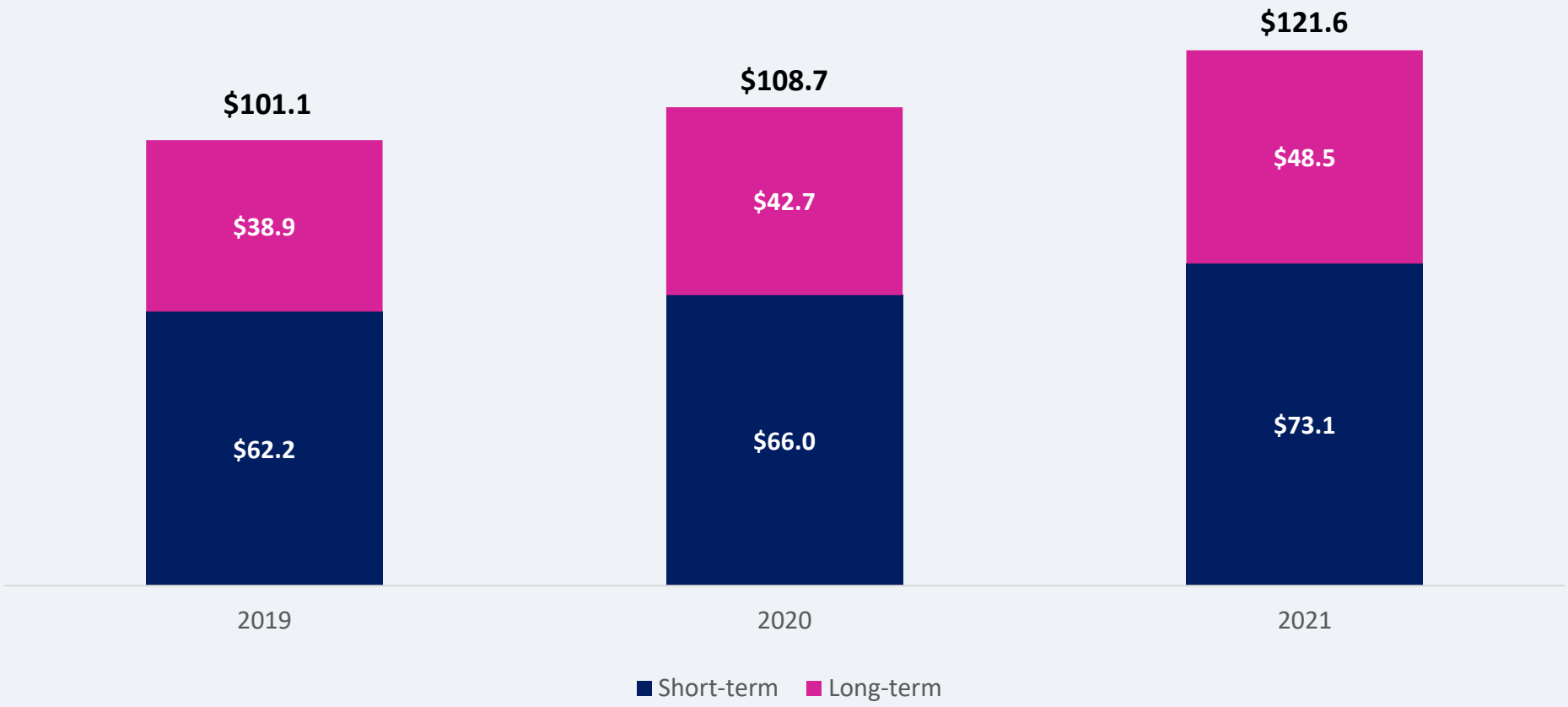
1. Excludes service revenue; 2. Recurring service revenue + recurring product revenue (subscription)

Growing **Deferred Revenue**

Revenue Growth

$ Millions



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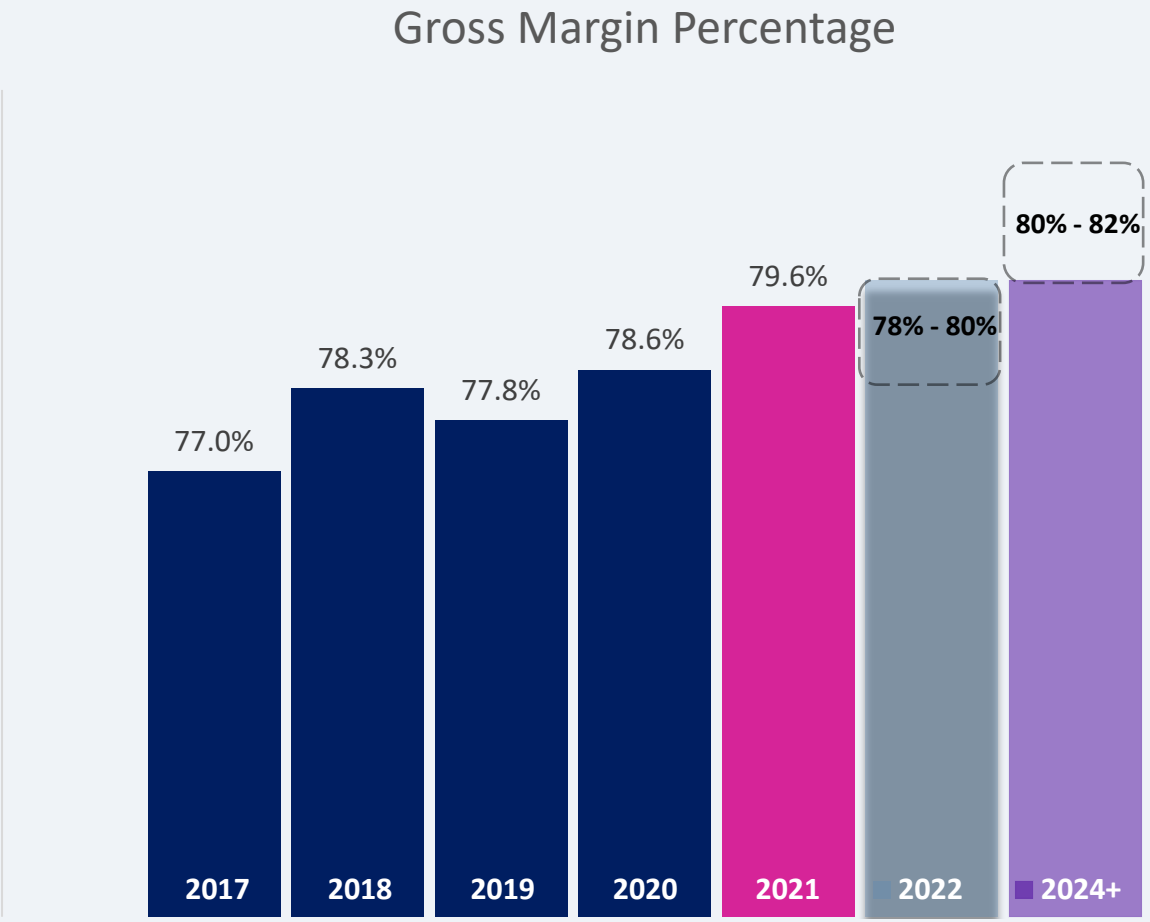
Consistent Gross Margins

Business Model



Continued operational efficiencies and favorable product mix shift result in strong gross margins

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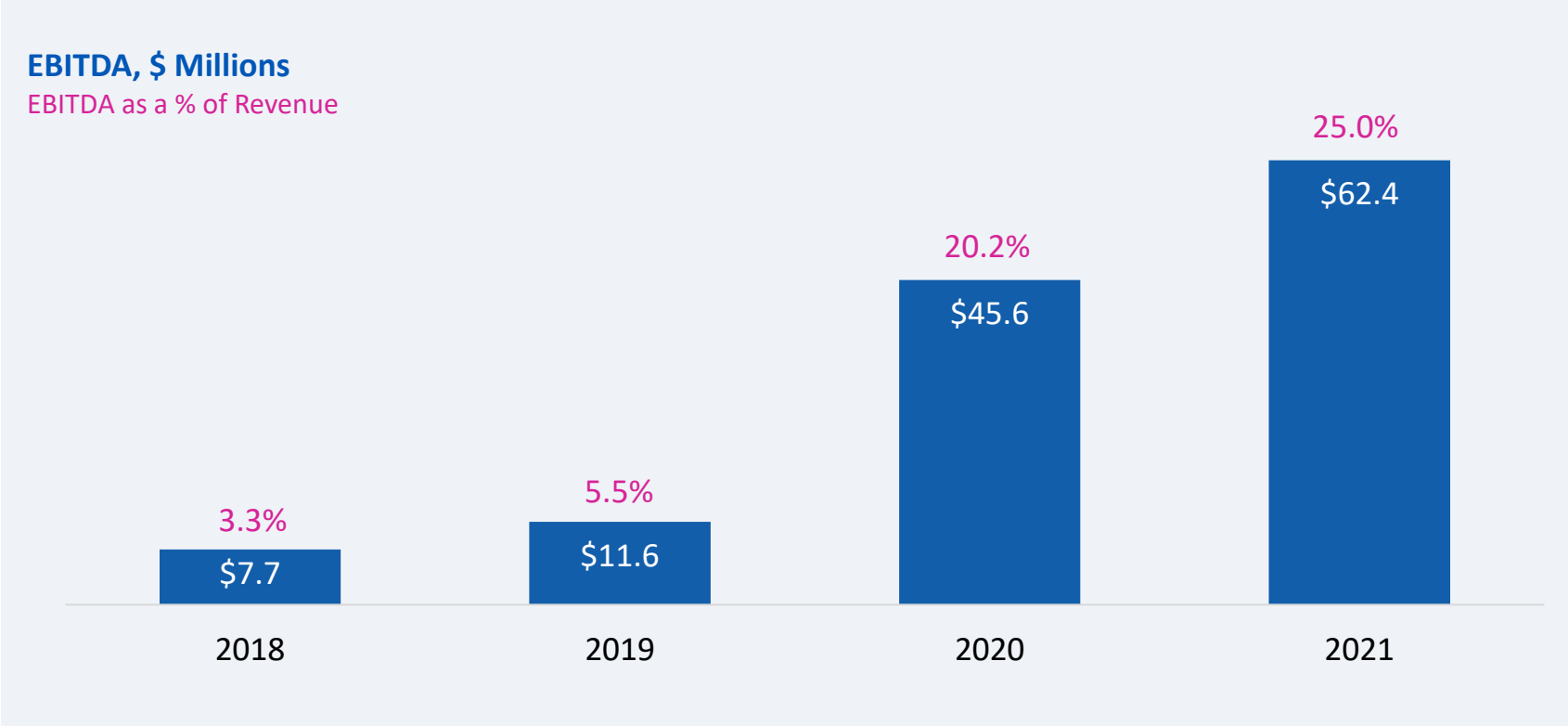
Demonstrated **Operating Leverage**

Business Model



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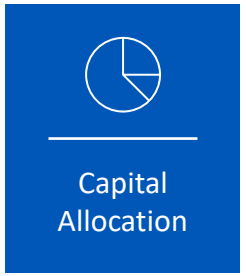
Capital Allocation Goals





Organic Investments to support continued growth

- Accelerated focus on technical differentiation including cybersecurity and hybrid solutions



Return Value to Investors

- $100M share repurchase plan, introduction of dividend in 2021



Monitor for selective growth opportunities

- Aligned with focus on strategy and financial model fit using disciplined approach

Balanced Approach Aligned with Strategic Priorities

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Financial Outlook



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Q1 and Full Year 2022 Outlook

- Revenue growth of approximately 10-12%
- Continued investment in strategic priorities for growth
- Maintain business model



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Financial Goals

Mid-term (2022-2023)

Revenue

- 10-12% Total Revenue CAGR
- 12-15% Annual Recurring Revenue CAGR
- Product Revenue Growth Greater than Total Revenue Growth
- 65% Security-Led Revenue as a Percent of Total Revenue

Gross Margin	EBITDA Margin
78-80%	26-28%

Long-term (2024+)

Revenue

- 12%+ Total Revenue CAGR
- 65%+ Security-Led Revenue as a Percent of Total Revenue

Gross Margin	EBITDA Margin
80-82%	30%+

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Evolution, Execution, Acceleration



- **Evolution** from a legacy high-performance hardware company with decreasing growth potential and limited profitability to a **growing and profitable security solutions partner**



- Focused on **cybersecurity and infrastructure solutions** that are aligned with the transition to **hybrid cloud and the 5G buildout**
- **Expanded** addressable market
- **Globally diversified** sources of revenue



- **Accelerating growth** by capitalizing on large, global installed base with our differentiated technology
- Creating **new routes to market**
- Demonstrating operating leverage and **multiple expansion opportunity**

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Appendix

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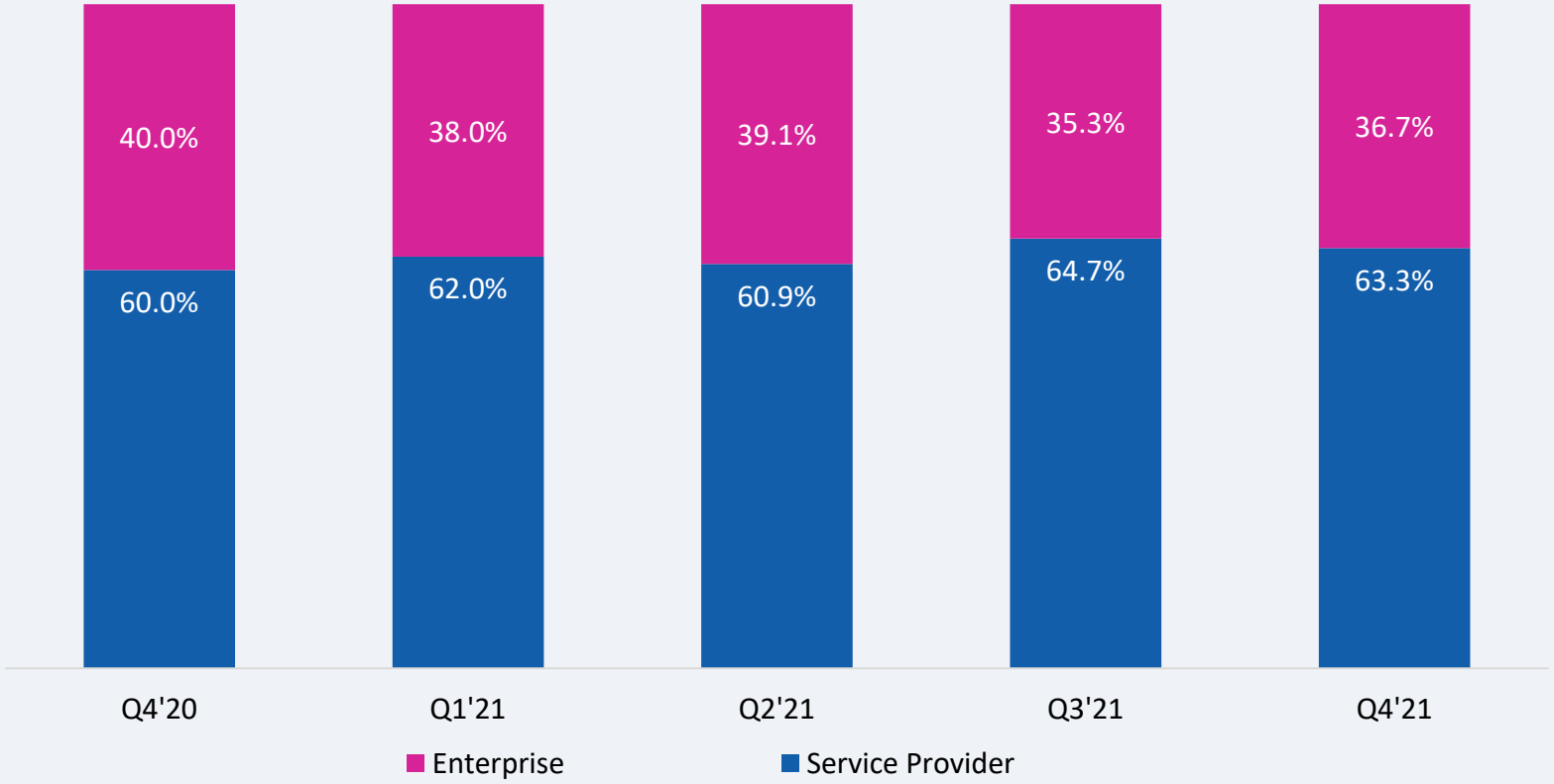
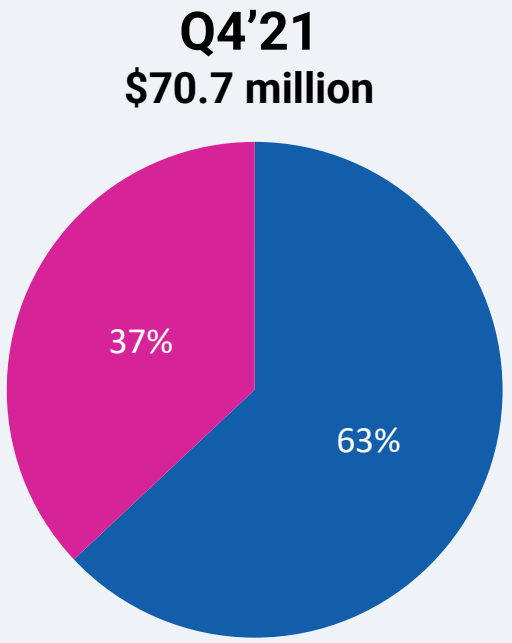
Quarterly Revenue by Customer Vertical





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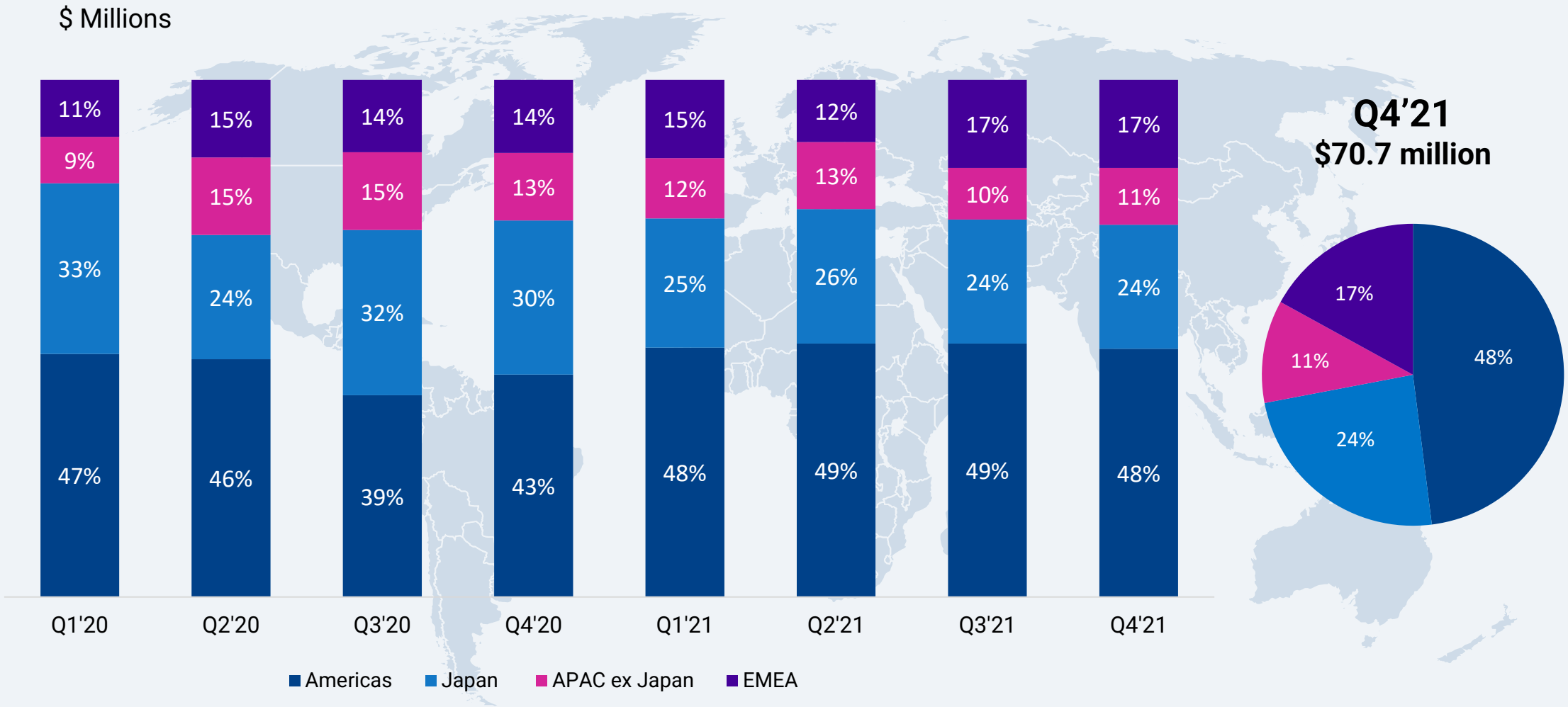
Quarterly Revenue by Geography



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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
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**
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%**
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%**
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**
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**
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**

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

% of Revenue except EPS	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021
Gross Margin % - GAAP	77.4%	78.2%	76.8%	78.5%	**77.8%**	77.2%	77.0%	79.8%	79.9%	**78.6%**
Stock-based compensation	0.9%	0.6%	0.8%	0.6%	**0.7%**	1.2%	0.5%	0.6%	0.6%	**0.7%**
Global distribution center transition expense	0.0%	0.0%	0.0%	0.5%	**0.1%**	0.5%	0.4%	0.0%	0.2%	**0.3%**
Non-reccuring facilities expense	0.0%	0.0%	0.0%	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	**0.0%**
Gross Margin % - Non-GAAP	**78.3%**	**78.8%**	**77.6%**	**79.6%**	**78.6%**	**78.9%**	**77.9%**	**80.4%**	**80.7%**	**79.6%**
EPS $ - GAAP	$ (0.00)	$ 0.05	$ 0.08	$ 0.10	**$ 0.22**	$ 0.03	$ 0.08	$ 0.94	$ 0.13	**$ 1.19**
Stock-based compensation	0.04	0.04	0.05	0.04	**0.16**	0.06	0.03	0.05	0.04	**0.19**
Litigation and Investigation expense (recovery)	0.00	-	-	-	**0.00**	-	-	-	-	-
Amortization expense related to acquisition	0.00	0.00	0.00	0.00	**0.01**	0.00	0.00	-	-	**0.01**
Global distribution center transition expense	-	-	-	0.04	**0.04**	0.03	0.02	(0.00)	0.03	**0.06**
Restructuring expense, and related tax	-	-	-	-	-	-	-	-	-	-
Non-recurring facilities expense	0.01	-	-	-	**0.01**	-	-	-	-	-
Release of DTA valuation allowance	-	-	-	-	-	-	-	(0.82)	-	-
EPS $ - Non-GAAP	**$ 0.05**	**$ 0.09**	**$ 0.13**	**$ 0.18**	**$ 0.44**	**$ 0.12**	**$ 0.13**	**$ 0.17**	**$ 0.20**	**$ 0.63**

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 (Loss)

$ Millions	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021
Income (loss) from operations $ - GAAP	$ (0.2)	$ 3.9	$ 6.2	$ 7.8	**$ 17.7**	$ 4.0	$ 7.2	$ 10.3	$ 11.8	**$ 33.4**
Stock-based compensation	3.2	3.1	3.6	2.9	**12.8**	4.6	2.6	4.2	3.6	**15.0**
Litigation and Investigation expense (recovery)	0.0	-	-	-	**0.0**	-	-	-	-	**-**
Amortization expense related to acquisition	0.3	0.3	0.3	0.3	**1.0**	0.3	0.3	-	-	**0.5**
Global distribution center transition expense	-	-	-	2.9	**2.9**	1.9	1.0	(0.0)	2.1	**5.1**
Restructuring expense	-	-	-	-	**-**	-	-	-	-	**-**
Non-recurring facilities expense	0.8	-	-	-	**0.8**	-	-	-	-	**-**
Income from operations $ - Non-GAAP	**$ 4.1**	**$ 7.2**	**$ 10.0**	**$ 13.9**	**$ 35.3**	**$ 10.8**	**$ 11.0**	**$ 14.5**	**$ 17.6**	**$ 54.0**
% of Revenue										
Income (loss) from operations % - GAAP	(0.4)%	7.5 %	11.0 %	12.4 %	**7.9 %**	7.3 %	12.2 %	15.8 %	16.8 %	**13.4 %**
Stock-based compensation	6.0 %	5.9 %	6.3 %	4.7 %	**5.7 %**	8.4 %	4.4 %	6.4 %	5.1 %	**6.0 %**
Litigation and Investigation expense (recovery)	0.1 %	—%	—%	—%	**0.0 %**	—%	—%	—%	—%	**—%**
Amortization expense related to acquisition	0.5 %	0.5 %	0.4 %	0.4 %	**0.4 %**	0.5 %	0.4 %	—%	—%	**0.2 %**
Global distribution center transition expense	—%	—%	—%	4.6 %	**1.3 %**	3.5 %	1.8 %	(0.0)%	3.0 %	**2.0 %**
Restructuring expense	—%	—%	—%	—%	**—%**	—%	—%	—%	—%	**—%**
Non-recurring facilities expense	1.5 %	—%	—%	—%	**0.4 %**	—%	—%	—%	—%	**—%**
Income from operations % - Non-GAAP	**7.7 %**	**13.8 %**	**17.8 %**	**22.1 %**	**15.6 %**	**19.7 %**	**18.8 %**	**22.2 %**	**24.8 %**	**21.6 %**

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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GAAP to Non-GAAP – Adjusted EBITDA

$ Millions	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021
GAAP net income (loss)	$ (0.3)	$ 3.8	$ 6.5	$ 7.8	**$ 17.8**	$ 2.7	$ 6.6	$ 74.9	$ 10.7	**$ 94.9**
Exclude: Interest expense	-	0.0	-	-	**0.0**	-	-	-	-	**-**
Exclude: Interest income and other (income) expense, net	(0.2)	(0.2)	(0.5)	(0.5)	**(1.4)**	1.2	0.1	0.2	0.3	**1.7**
Exclude: Depreciation & amortization expense	3.3	2.8	2.7	2.5	**11.3**	2.4	2.3	2.3	1.9	**8.9**
Exclude: Provision (benefit) for income taxes	0.3	0.3	0.3	0.4	**1.3**	0.2	0.5	(64.8)	0.9	**(63.2)**
EBITDA	3.1	6.7	8.9	10.3	**29.0**	6.4	9.6	12.6	13.7	**42.3**
Exclude: Stock-based compensation	3.2	3.1	3.6	2.9	**12.8**	4.6	2.6	4.2	3.6	**15.0**
Exclude: Litigation settlement and investigation expense	0.0	-	-	-	**0.0**	-	-	-	-	**-**
Exclude: Global distribution center transition expense	-	-	-	2.9	**2.9**	1.9	1.0	(0.0)	2.1	**5.1**
Exclude: Restructuring expense	-	-	-	-	**-**	-	-	-	-	**-**
Exclude: Non-recurring facilities expense	0.8	-	-	-	**0.8**	-	-	-	-	**-**
Adjusted EBITDA - Non-GAAP	**$ 7.2**	**$ 9.8**	**$ 12.5**	**$ 16.1**	**$ 45.6**	**$ 13.0**	**$ 13.2**	**$ 16.8**	**$ 19.4**	**$ 62.4**

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