A10

Always Secure. Always Available.



Sidoti Virtual Small-Cap Conference

June 12th-13th, 2024

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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 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.

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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 excluding: (i) stock-based compensation and related payroll tax, (ii) impairment expense, (iii) cyber incident remediation expense, (iv) workforce reduction expense and (v) income tax effect of excluding 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, (ii) cyber incident remediation expense and (iii) workforce reduction expense. We define non-GAAP gross margin as our non-GAAP gross profit divided by our GAAP revenue. We define non-GAAP operating income as our GAAP income from operations excluding (i) stock-based compensation and related payroll tax, (ii) impairment expense, (iii) cyber incident remediation expense and (iv) workforce reduction expense. We define non-GAAP operating margin as our non-GAAP operating income 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) impairment expense, (iii) cyber incident remediation expense and (iv) workforce reduction expense. 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) impairment expense, (vi) workforce reduction expense and (vii) cyber incident remediation expense. We define Adjusted EBITDA margin as our Adjusted EBITDA divided by our GAAP revenue.

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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A10 **Mission**

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



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Transformation to Deliver **Sustained Business Results**



- Evolved to deliver durable business results even in challenging environment
- Growth driven by customer need for cybersecurity and efficient infrastructure
- Aligned commercial execution with product roadmap
- Focus on business model



- Expanding reach into large Enterprise market
- Continued strength and expansion into Tier 1 Service Providers around the world
- Secular tailwinds in cybersecurity
- Other tailwinds in 5G, rural broadband and cloud transformation



- **Value creation based on growth, gross margin and continuous productivity**
- Customer focus driven by better business outcomes
- Track record of demonstrating operating leverage and **multiple expansion opportunity**

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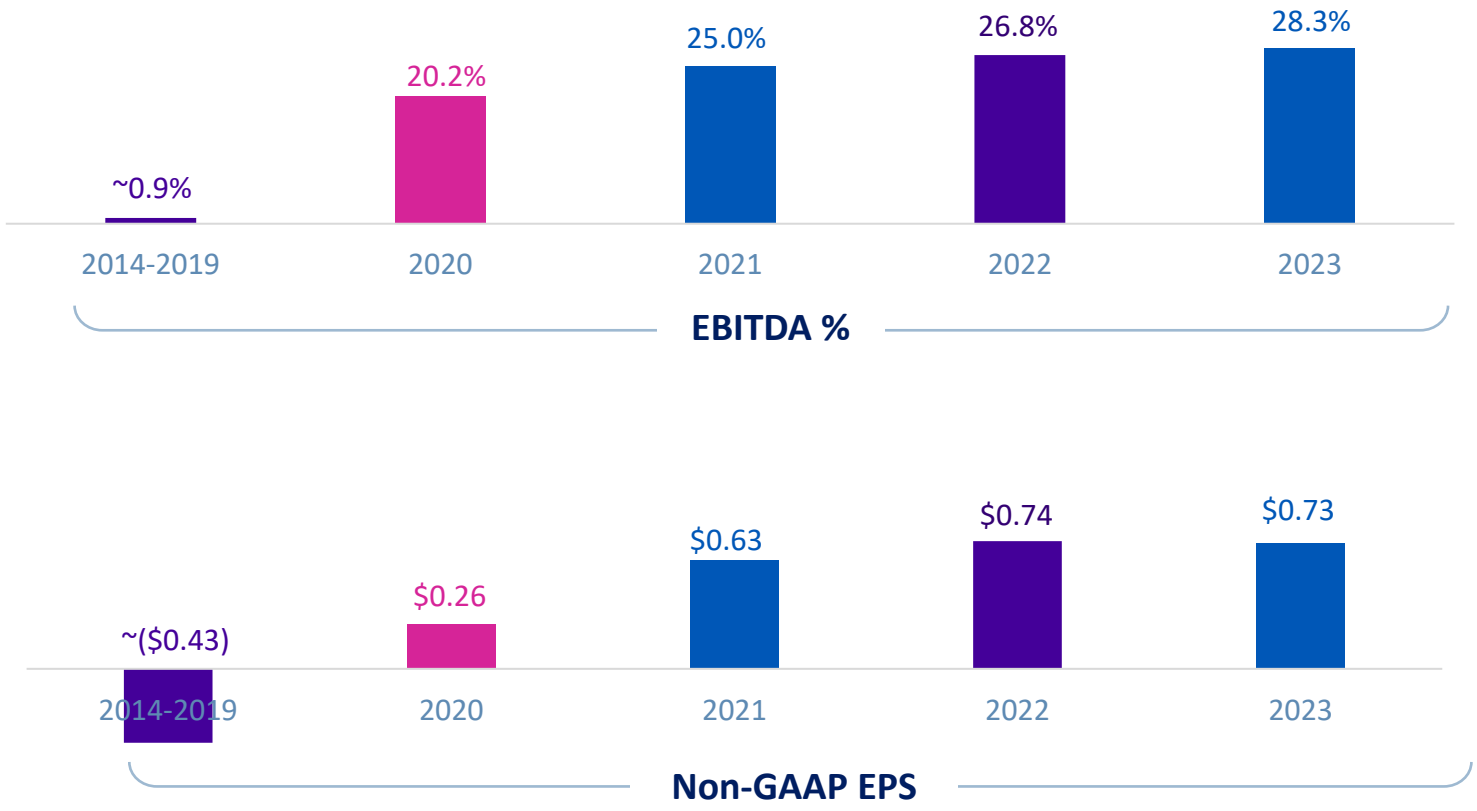
Track Record of **Profitable Growth**



2023 FY

Revenue
$252M

EBITDA
28%

EPS
$0.73

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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 $

Changing Buying Decisions are **Opportunities for Growth**



Increased cyber risk creates need to holistically address infrastructure and network security



Technologies like AI represent a Leap Forward for Cyber Defense and Network Architecture



Hybrid Operating Models offer flexible path for business outcomes

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Growth Drivers

Cybersecurity

- Distributed denial-of-service (DDoS) mitigation to counter growing attack sophistication and volume
- Expending Security categories and new threat vectors to gain share with common A10 Defend Portfolio
- Cloud based Security protection in conjunction with On-Prem solutions

Infrastructure

- Hybrid architectures to accommodate movement of applications to any consumption model
- Conversion of license model to subscription and consumption models
- Market share gain by aligning solutions with customer economic goals

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Our Investments are Aligned to **Two Themes**

Infrastructure Evolution	Cybersecurity
1	2
HYBRID Enable on-premises, private cloud and public cloud	CYBERSECURITY Leading network cybersecurity insights and tools

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Business Value Drivers

1

Sell more products to installed base – better ways to manage data growth, becoming more secure

2

Lead with cybersecurity to create new opportunities – TAM creation vs. expansion

3

Drive Enterprise growth with Hybrid solutions – better solutions that align with customer economic goals vs. technology

Leverage common platform and management layer for best-in-class technical performance that creates customer ROI

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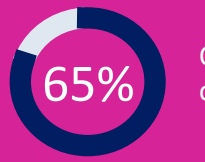
Large Installed Base Opportunity for Growth

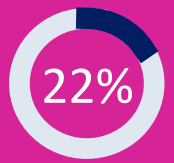
Enable customers to deploy hybrid solutions on-premises and in the cloud

7,000+
Customers



Of workloads are cloud ready by 2027

2023 % of Revenue from Public and Private Cloud Customers[2]



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

1. Gartner, 2023 Planning Guide for Cloud, Data Center and Edge Infrastructure
2. Based on end-customer revenue data

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Growing **Large Enterprise to diversify Revenue**

Unique position with hybrid solutions



Customers more focused on managing ROI in uncertain markets

A10 solution provides flexibility

Security is a top concern and we combine this with networking know-how

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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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Product Releases

	Service Provider	Enterprise
High Speed Platforms	• Tier 1 SP solution for broadband (fiber and 5G) delivery with highest performance in a rack unit • Tier 2 and regional service provider solution optimized for price/BW and TCO	• New-generation, high scale DDoS and DNS mitigation for edge and core • High performance, secure cipher application delivery solution for revenue generation applications • Ultra-low latency for financial services
Ease of Use, Deployment Flexibility	• Software network functions (VM and container) for modern architectures • SaaS solution for ease of use for deployment in private and public cloud	• Subscription and perpetual models for flexible licensing • Private and public cloud placement of application delivery
Cybersecurity	• DDoS detection solution for SP infrastructure protection and managed services	• Next-Gen WAF and A10 Defend Threat Control • Secure gaming solution for DC and cloud
Share of Wallet Expansion	• DNS security stack and for high availability, consolidation and TCO	• Next-Gen WAF and A10 Defend Threat Control

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A10 Value Creation and Customer Satisfaction

Dramatically increases performance, and substantially saves OPEX and CAPEX

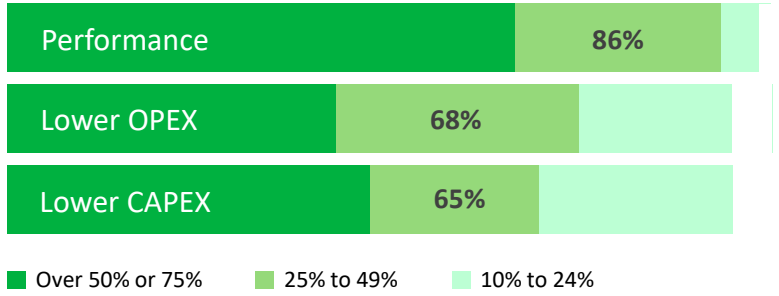
Consistently rated as superior in features, performance, usability, reliability and support

82% of organizations are likely to recommend A10

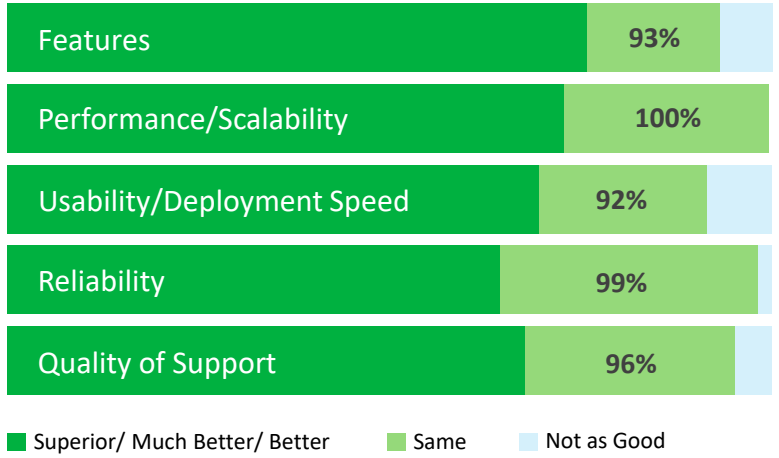
79% of organizations experienced a positive ROI in under 24 months, 54% in under 12

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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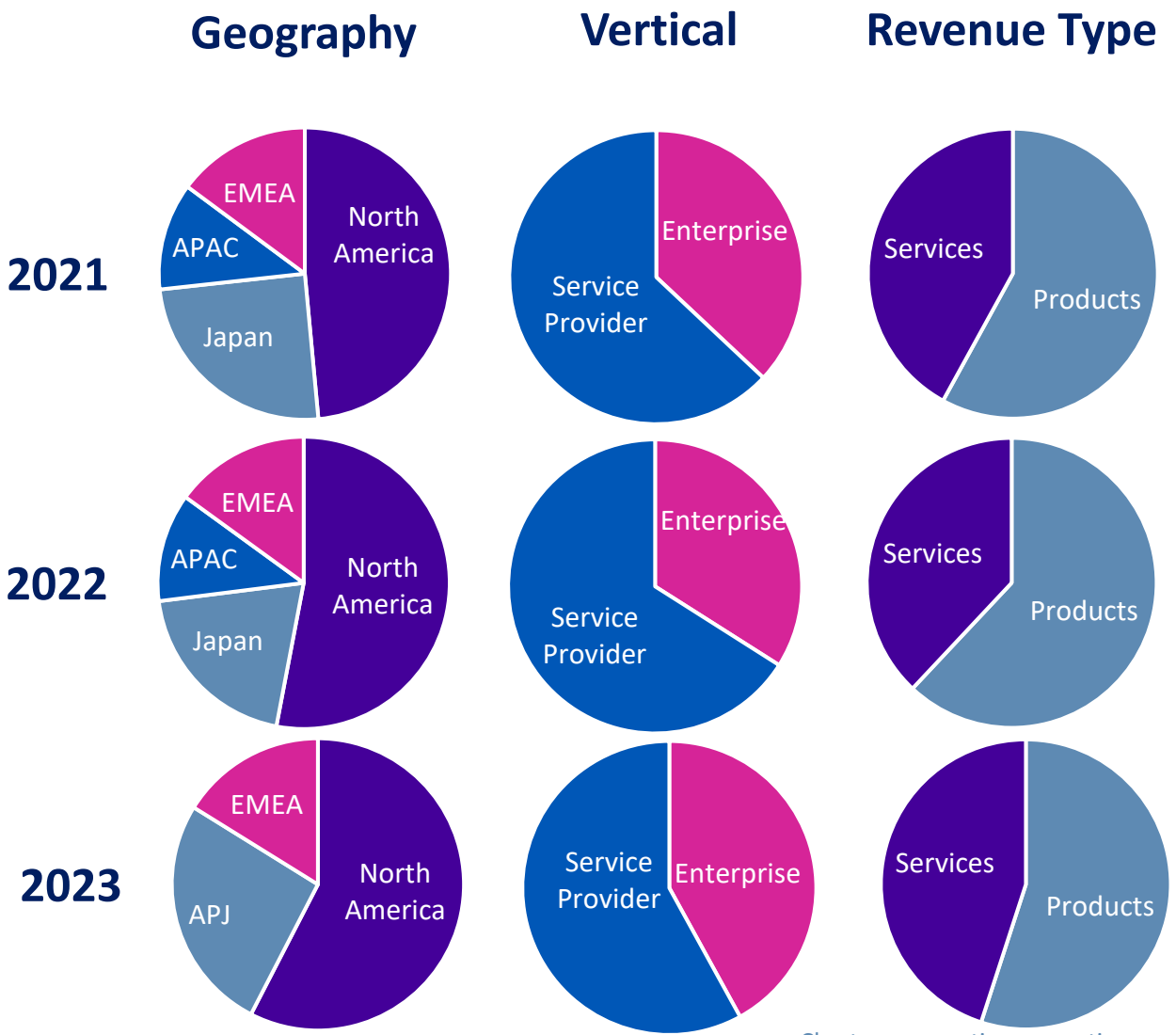
Revenue **Diversification**

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



Charts representing respective annual revenue mix

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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
  - ✓ Annual say-on-pay
- ✓ Code of conduct
- ✓ Global footprint provides resilient operations
- ✓ Head of Information Security Operations driving Cybersecurity

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Appendix

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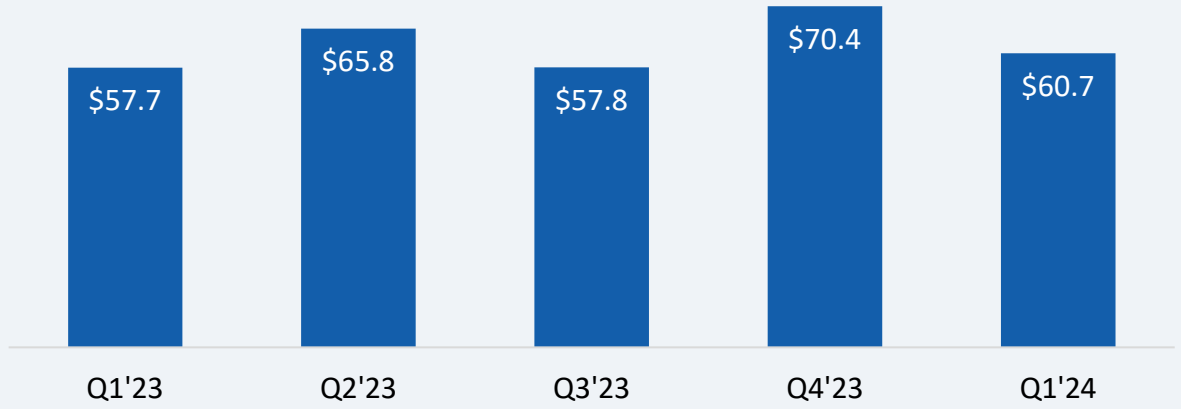
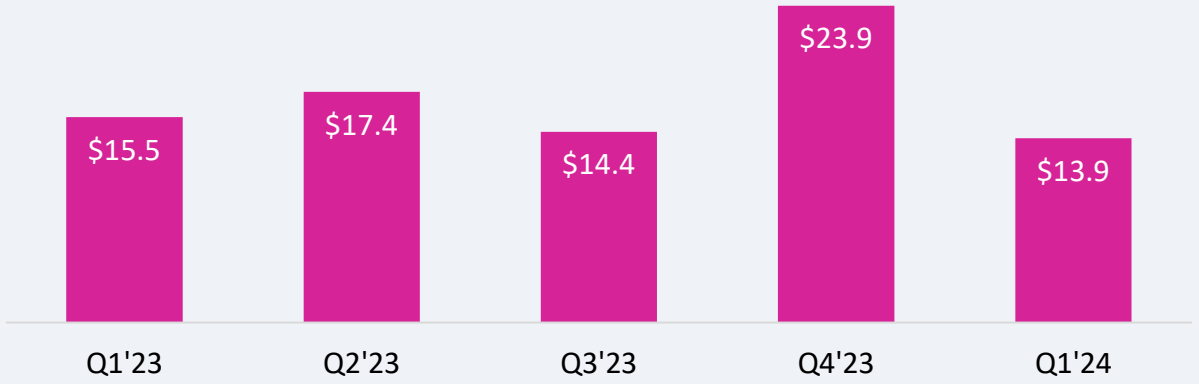
Quarterly Revenue & Adjusted EBITDA

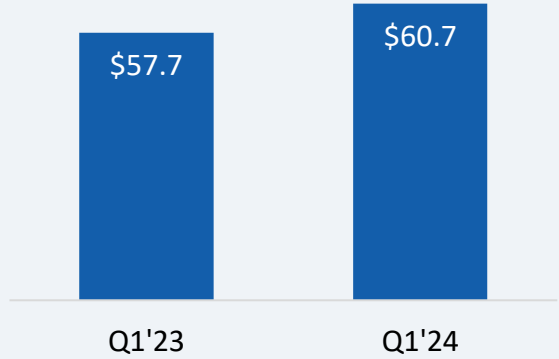
Revenue, $ Millions



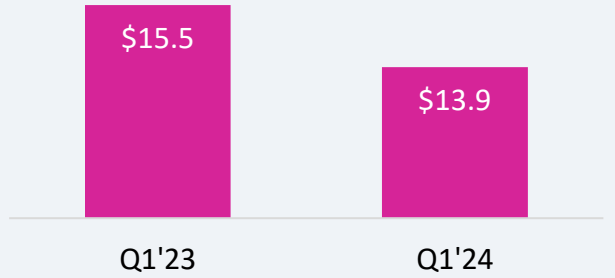
Adjusted EBITDA, $ Millions



Revenue, $ Millions



Adjusted EBITDA, $ Millions



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

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Financial Performance Trends

$ Millions (except EPS)	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	Q2'23	Q3'23	Q4'23	FY 2023	Q1'24
Revenue	$54.8	$59.2	$65.4	$70.7	**$250.0**	$62.7	$68.0	$72.1	$77.6	**$280.3**	$57.7	$65.8	$57.8	$70.4	**$251.7**	$60.7
Non-GAAP Gross Margin %	78.9%	77.9%	80.4%	80.7%	**79.6%**	80.2%	80.6%	80.2%	80.3%	**80.3%**	83.1%	80.2%	81.8%	81.8%	**81.7%**	81.9%
Non-GAAP Operating Margin %	19.7%	18.8%	22.2%	24.8%	**21.6%**	18.6%	23.7%	27.0%	25.5%	**23.9%**	23.1%	23.1%	20.6%	30.4%	**24.6%**	18.5%
Adjusted EBITDA (non-GAAP)	$13.0	$13.2	$16.8	$19.4	**$62.4**	$13.5	$18.0	$21.3	$22.3	**$75.1**	$15.5	$17.4	$14.4	$23.9	**$71.2**	$13.9
Non-GAAP EPS	$0.12	$0.13	$0.17	$0.20	**$0.63**	$0.13	$0.17	$0.20	$0.24	**$0.74**	$0.13	$0.19	$0.16	$0.25	**$0.73**	$0.17
Ending Cash & Marketable Securities	$161.0	$166.8	$187.5	$185.0	**$185.0**	$164.7	$166.8	$127.8	$151.0	**$151.0**	$144.5	$153.9	$169.0	$159.3	**$159.3**	$182.1

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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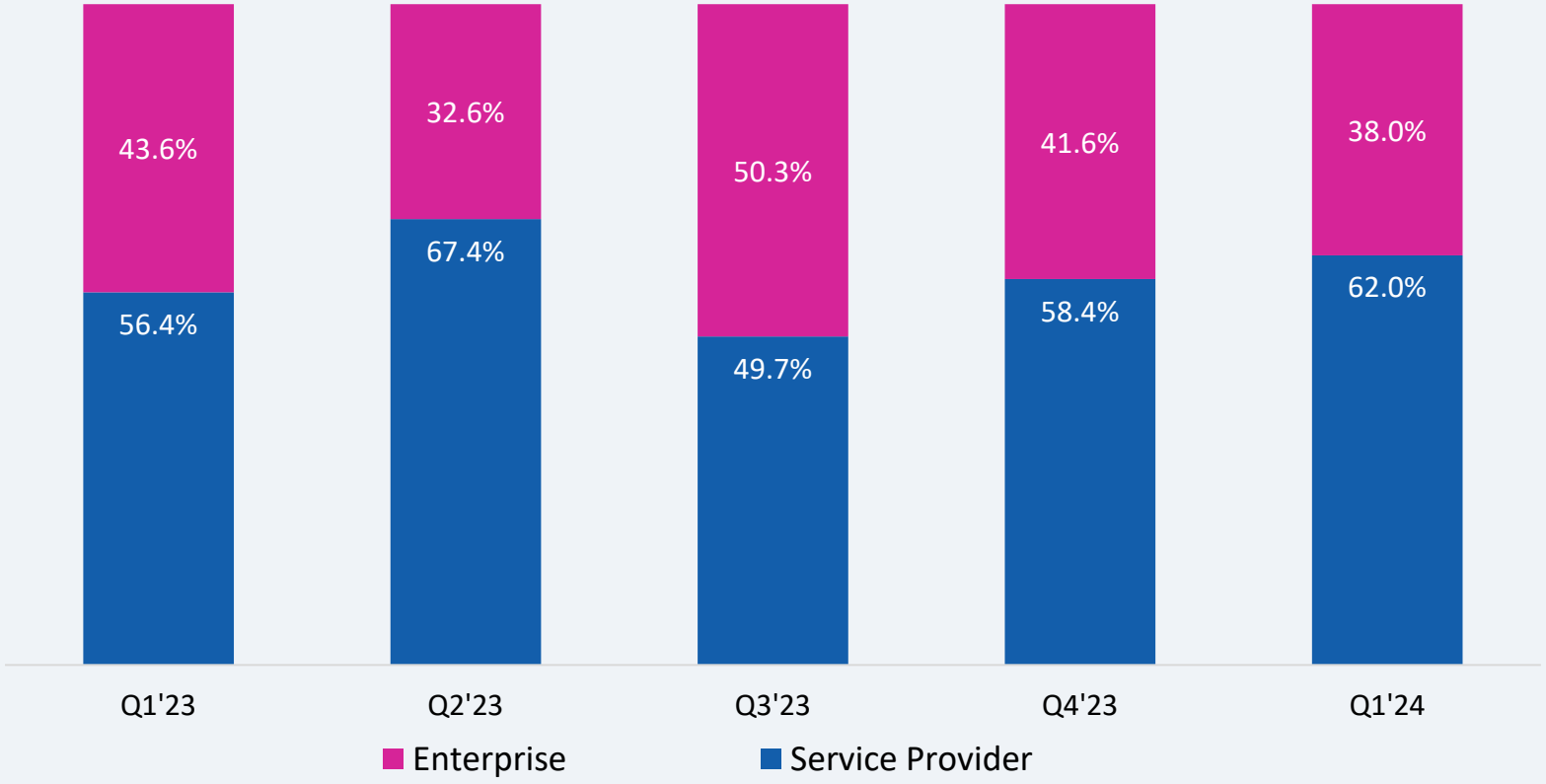
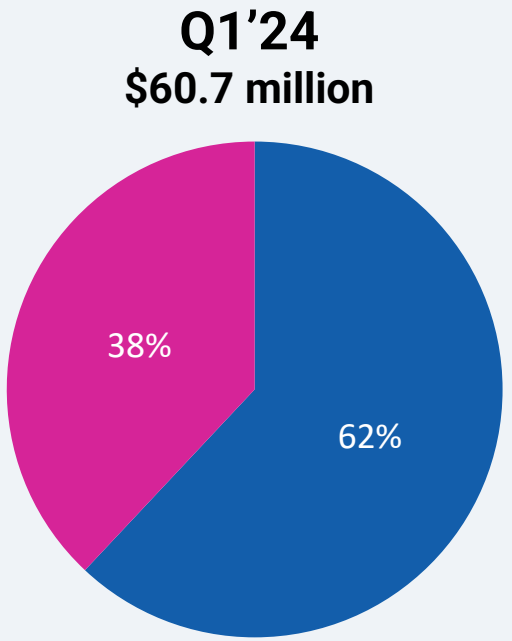
Quarterly Revenue by Customer Vertical





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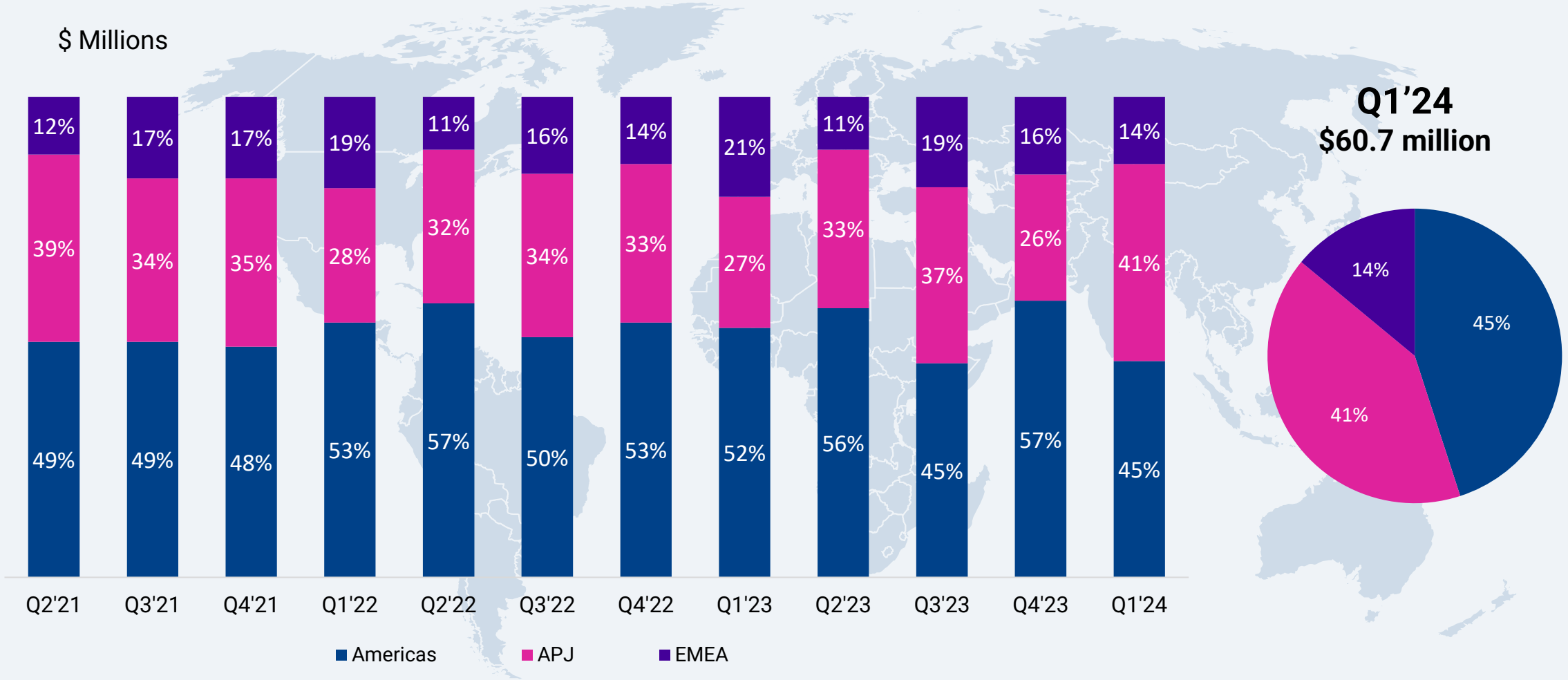
Quarterly Revenue by Geography



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GAAP to Non-GAAP – Gross Margin and EPS

	Q1'23	Q2'23	Q3'23	Q4'23	Years Ended Dec 31 2023	Q1'24
Revenue	$ 57.7	$ 65.8	$ 57.8	$ 70.4	$ 251.7	$ 60.7
Gross Margin % - Non-GAAP	83.1%	80.2%	81.8%	81.8%	81.7%	81.9%
Income from operations % - Non-GAAP	23.1%	23.1%	20.6%	30.4%	24.6%	18.5%
Adjusted EBITDA - Non-GAAP	$ 15.5	$ 17.4	$ 14.4	$ 23.9	$ 71.2	$ 13.9
EPS $ - Non-GAAP	$ 0.13	$ 0.19	$ 0.16	$ 0.25	$ 0.73	$ 0.17
Ending Cash & Marketable Securities	$ 144.5	$ 153.9	$ 169.0	$ 159.3	$ 159.3	$ 182.1

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	Q1'23	Q2'23	Q3'23	Q4'23	Years Ended Dec 31 2023	Q1'24
Income from operations $ - GAAP	$ 6.2	$ 12.3	$ 2.2	$ 18.0	**$ 38.6**	$ 7.2
Stock-based compensation	4.0	3.5	4.3	2.9	**14.7**	4.0
One-time tax planning expense	-	-	-	0.5	**0.5**	-
Capitalized project impairment	-	-	3.0	-	**3.0**	-
Workforce reduction severance	1.9	-	2.4	-	**4.3**	-
Cyber incident remediation expense	1.4	(0.6)	-	-	**0.7**	-
Income from operations $ - Non-GAAP	**$ 13.4**	**$ 15.2**	**$ 11.9**	**$ 21.4**	**$ 61.8**	**$ 11.2**
% of Revenue						
Income from operations % - GAAP	10.7 %	18.6 %	3.8 %	25.6 %	**15.4 %**	11.9 %
Stock-based compensation	6.9 %	5.4 %	7.5 %	4.1 %	**5.8 %**	6.6 %
One-time tax planning expense	—%	—%	—%	0.7 %	**0.2 %**	—%
Capitalized project impairment	—%	—%	5.1 %	—%	**1.2 %**	—%
Workforce reduction severance	3.2 %	—%	4.2 %	—%	**1.7 %**	—%
Cyber incident remediation expense	2.3 %	(0.9)%	—%	—%	**0.3 %**	—%
Income from operations % - Non-GAAP	**23.1 %**	**23.1 %**	**20.6 %**	**30.4 %**	**24.6 %**	**18.5 %**

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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GAAP to Non-GAAP – Adjusted EBITDA

$ Millions	Q1'23	Q2'23	Q3'23	Q4'23	Years Ended Dec 31 2023	Q1'24
GAAP net income	$ 4.0	$ 11.6	$ 6.5	$ 17.9	**$ 40.0**	$ 9.7
Exclude: Interest income and other (income) expense, net	1.2	(2.5)	(2.8)	(1.1)	**(5.1)**	(4.0)
Exclude: Depreciation & amortization expense	2.1	2.2	2.5	2.5	**9.3**	2.7
Exclude: Provision (benefit) for income taxes	1.0	3.2	(1.5)	1.2	**3.8**	1.5
EBITDA	8.3	14.5	4.7	20.5	**48.0**	9.9
Exclude: Stock-based compensation	4.0	3.5	4.3	2.9	**14.7**	4.0
Exclude: Sone-time tax planning expense	-	-	-	0.5	**0.5**	-
Exclude: Capitalized project impairment	-	-	3.0	-	**3.0**	-
Exclude: Workforce reduction severance	1.9	-	2.4	-	**4.3**	-
Exclude: Cyber incident remediation expense	1.4	(0.6)	-	-	**0.7**	-
Adjusted EBITDA - Non-GAAP	**$ 15.5**	**$ 17.4**	**$ 14.4**	**$ 23.9**	**$ 71.2**	**$ 13.9**

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

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