Arista Networks Inc (ANET)

Structural Shift Toward Ethernet Networking



Tradingview

Technical Outlook

Poised for a rebound. Price pulled back toward the EMA60 and is pending a rebound. Price is expected to retest its ATH resistance at USD179.64, followed by next resistance level USD195.70 (Fibonacci extension level 1.00), while support zone is set at USD153.96-157.31. A break below the support zone would invalidate the setup.

Trading Catalysts

- **Solid 1QFY26 results.** ANET reported 1QFY26 revenue of USD2.7bn (+35.1% YoY) and EPS of USD0.81 (+24.6% YoY). Growth was led by AI and specialty cloud provider demand, while the enterprise segment, including integrating the VeloCloud's acquisition, also posted strong traction.

- **Structural tailwinds for Ethernet and XPO MSA.** Hyperscalers are increasingly shifting AI network fabrics toward open-standard Ethernet, positioning ANET's 400G, 800G and newly launched 1.6T switching platforms as the premier alternative to Nvidia's InfiniBand for large-scale AI training clusters. Meanwhile, ANET's breakthrough in new liquid-cooled hardware technology (XPO MSA) cuts costs for cloud giants by slashing physical equipment racks and reducing DC floor space.

- **Stronger FY26 guidance with AI target lifted.** Management raised full-year FY26 revenue guidance to ~USD11.5bn, representing 27.7% growth from FY25 revenue of USD9.0bn. Management also lifted the AI networking sales target from USD3.3bn to USD3.5bn, more than doubling AI revenue year-on-year.

Peer Comparison

Company Name	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
ARISTA NETWORKS	**ANET**	**164.1**	**206.6**	**56.4**	**43.4**	**31.5**	**39.0**	**Positive bias**	**Down**
CISCO SYSTEMS	CSCO	117.7	463.9	38.6	25.0	25.8	18.0	Positive bias	Down
HEWLETT PACKA	HPE	44.4	58.8	30.5	11.6	5.9	-0.2	Negative bias	Down
EXTREME NETWORKS	EXTR	32.0	4.2	88.0	26.4	21.6	-0.7	Positive bias	Up
Avg ex-ARISTA NETWORKS			**175.6**	**52.4**	**21.0**	**17.8**	**5.7**		

Source: Bloomberg, M+ Research

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Arista Networks Inc

Company profile

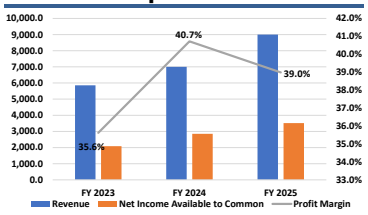
Arista Networks, Inc. is a data-driven, client-to-cloud networking solutions provider. It operates across three segments: (i) Cloud and AI Networking (data center, routing environments, high-speed switching); (ii) Cognitive Adjacencies (campus networking, enterprise environments); and (iii) Software and Support Services (Extensible Operating System [EOS], cognitive applications, post-contract customer care).

Technical Data

Price	164.10
R1	179.64
R2	195.70
S1	157.31
S2	153.96

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

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(a) nil.