

Q4 Fiscal Year 2025 Conference Call

August 13, 2025



Forward-Looking Statements

This presentation contains projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. Please see Cisco's filings with the SEC, including its most recent filings on Forms 10-K and 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

GAAP Reconciliation

During this presentation references to financial measures of Cisco will include references to non-GAAP financial measures. Cisco provides a reconciliation between GAAP and non-GAAP financial information on the Cisco Investor Relations website <https://investor.cisco.com/financial-information/financial-results/default.aspx>

Business Momentum & Key Trends

Q4 FY 2025 Summary

- **Robust demand for Cisco's technologies as we build the critical infrastructure our customers need for the AI era**
 - Product orders up 7% y/y with solid growth across all geographies
 - Closed several very large deals with major enterprises who are leveraging the full breadth of our platforms to compound the value of their investments
- **Exceptional momentum and leadership in AI**
 - >\$800M in AI infrastructure orders taken from webscale customers in Q4, bringing the FY25 total to over \$2B, more than double our original target
 - Cisco Nexus switches now fully and seamlessly integrated with NVIDIA's Spectrum-X architecture to deliver high speed networking for AI clusters
- **Delivered largest innovation payload to date, spanning core networking, advanced security, and unified management tools**
 - New family of Cisco C9000 Smart Switches powered by SiliconOne marks the start of a major, multi-year campus refresh opportunity
 - Two new firewalls will provide the highest performance security for large data centers, and easy deployment of advanced security for branches & remote sites
 - AI Canvas, a revolutionary generative UI, powered by the Cisco Deep Network Model, unifies telemetry to radically simplify IT operations
- **Revenue and Non-GAAP EPS results at or above the high end of our guidance**
 - \$14.7B in revenue, up 8% y/y; Non-GAAP EPS of \$0.99, up 14% y/y
- **Strong profitability driven by productivity improvements**
 - On a non-GAAP basis, gross margin was 68.4% and product gross margin was 67.5%, both up 50bps y/y; operating margin was 34.3% up 180 bps y/y
- **Continued growth in recurring metrics supports our future performance**
 - Total RPO up 6% y/y to \$43.5B, with product RPO up 8% y/y; Total ARR up 5% y/y to \$31.1B, with product ARR up 8% y/y
- **Commitment to returning capital to shareholders**
 - Returned \$2.9B in Q4, bringing the FY25 total to \$12.4B

Q4 FY 2025 | Select Significant Platform Sales

Customers compounding the value of their investments in Cisco

Top U.S. Financial Firm

Prominent U.S. financial firm with global retail, investment, and commercial operations and significant Cisco networking installed base. Renewed \$100 million plus deal to support a major networking modernization initiative to enhance data center and security capabilities. Extended Splunk agreement in FY25, adding \$35 million in total contract value.

Platforms: Data Center Switching, Campus Switching, Enterprise Routing, Wireless, Security, Splunk, and Services

Outlook: Customer deeply engaged in expanding data center capabilities and adopting key Cisco solutions including ThousandEyes, Isovalent, CPaaS, and security products and services in coming quarters.

Top U.S. Life Sciences Company

Leading U.S. life sciences corporation with global operations completed an early renewal, valued more than \$100 million with significant investments in new advanced capabilities spanning AI security, IoT, observability, and Splunk.

Platforms: Security, Splunk (new), Collaboration, Data Center Networking, Campus Switching, Enterprise Routing, Wireless, and Services

Outlook: Customer heavily engaged in next generation of core enterprise networking, security, observability, AI applications and IoT for robotics.

Top U.S. Building Products Retailer

Leading U.S. building products retailer invested over \$75 million in collaboration and security platforms, including DUO, to enhance customer and associate experiences, improve security, and enable seamless user access.

Platforms: Collaboration, Security, Data Center Networking, Observability, and Services

Outlook: Retailer driving standardization and efficiency with a campus network refresh to improve employee and customer experience alongside 1,500+ store refresh.

Top-Ranked U.S. Hospital

Top 10 ranked U.S. hospital in New York, with two medical programs, made significant investments exceeding \$100 million to support its new medical office openings and advance its cloud transformation across collaboration and security platforms, including DUO.

Platforms: Campus Switching, Wireless, Data Center Switching, Enterprise Routing, Collaboration, Security, and Services

Outlook: Customer planning a major on-premise build-out in coming years for which Cisco is now well positioned.

Cisco Accelerating AI Adoption

AI Training Infrastructure	AI Inference	AI Connectivity
<p>Continued design wins for hyperscale AI networks in Q4 FY25, with results demonstrating accelerated momentum in back-end networks.</p> <p>Orders: Over \$800M of AI orders taken in Q4 FY25, bringing the FY25 total to more than double our preliminary target. Q4 FY25 marks the fourth consecutive quarter of y/y triple-digit order growth with webscalars, with four of the top six growing triple-digits. As expected, the product mix of these orders was more than two-thirds in systems and the rest in optics.</p> <p>Platforms: Series 8K, Silicon One, and Optics & Optical</p> <p>Outlook: Continued momentum with webscale customers building AI LLM training clusters. Neocloud and Sovereign AI demand expected to increase in FY26.</p>	<p>Q4 FY25 saw several enterprise AI system deals, with adoption of our new technology platforms geared for private AI clouds.</p> <p>Orders: Growth acceleration in Q4 FY25 with DC Switching orders growing in the mid-teens y/y, marking the sixth consecutive quarter of DC switching order growth, lapping double-digit compares versus prior year. Enterprise AI system deals picked up in Q4, with ~50% of signed bookings for DC Switching and the remainder for AI Compute.</p> <p>Platforms: Nexus DC Switching, AI PODs, Cisco UCS, Hypershield, and Silicon One</p> <p>Outlook: Significant opportunity expected as Cisco-NVIDIA product development progresses as enterprises complete PoCs.</p>	<p>Q4 FY25 saw more deals with customers requiring network upgrades for incoming AI applications and use cases.</p> <p>Orders: Double-digit growth in overall Networking product orders for the fourth consecutive quarter in Q4 FY25, with orders for FY25 also up double digits y/y, indicating customers are bolstering network resiliency ahead of incoming AI workloads. Customer pipeline of new Smart Switches in data center and campus is ramping as expected.</p> <p>Platforms: Switching, Routing, Wireless, and Security</p> <p>Outlook: Continued momentum with customers readying their network for the deployment of Agentic AI workloads and applications which in turn will increase capacity requirements.</p>

Software Platforms: Fusing AI Into Our Products

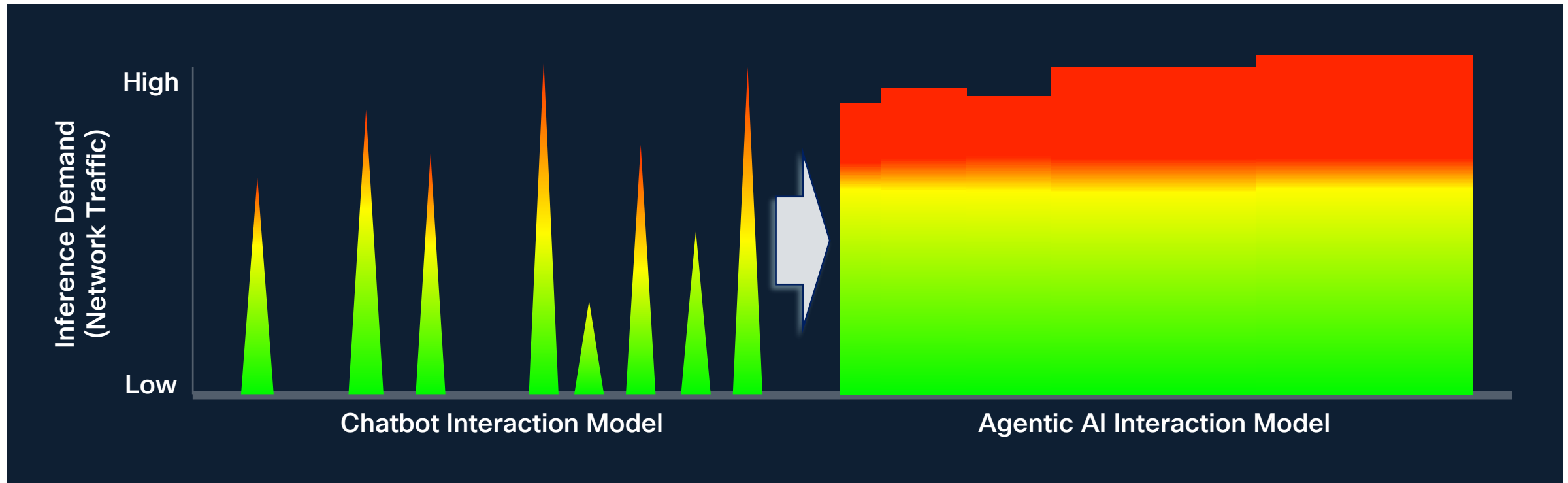
Agentic AI capabilities are being rolled out across the product portfolio, including new innovations like AI Canvas

Services: Leveraging AI to Maximize Customer Value and Boost Productivity

Multiple AI Agents being deployed across Adoption, Renewals and Customer Support, enabling our teams and creating more value for customers

A New Level of Inferencing Demand on the Network

As Agentic AI workloads rapidly expand, with AI agents being trained in data centers, deployed across application environments, and engaging continuously with end-users, network traffic will not only exceed today's chatbot levels, but agents will keep it consistently high through their ongoing interactions. This fundamental shift will require networks to be upgraded, with security embedded deeply into the fabric of the network to safeguard every interaction. **Cisco is uniquely positioned, with technology solutions spanning smart switches, advanced security, silicon, and software, to provide the critical infrastructure needed for the AI era.**



This graphic is for illustrative purposes only. It is not based on customer network data but depicts how Cisco believes network traffic levels will increase as inference demand further increases and proliferates within enterprise and end-user networking environments.

Cisco Live 2025 Product Recap

AI-ready Data Centers

Full-Stack AI Infrastructure

- Cisco N9300 Series Smart Switches*
- Unified Nexus Dashboard
- Cisco Switches + NVIDIA Spectrum-X
- AI Defense for NVIDIA NeMo Framework

Fusing Security into the Network: Hybrid Mesh Firewall

- Firewall 6100 Series
- Policy Control for Third-Party Firewalls
- Live Protect

Service Provider Momentum

- New Cisco 8000 Routers

Future-proofed Workplaces

Operational Simplicity Powered by AI

- Converged Meraki + Catalyst Platforms
- Unified Cloud Platform (Meraki + Catalyst)
- Multi-layer Assurance (Owned + Unowned)
- Agentic Ops (Deep Network Model, AI Canvas)

Scalable Devices Ready for AI

- Cisco C9350 and C9610 Smart Switches
- Cisco 8000 Secure Routers
- Industrial Switches (IoT)
- Wi-Fi 7 Expansion + Campus Gateway
- Ultra-Reliable Wireless Backhaul
- Firewall 200 Series

Fusing Security into the Network: UZTNA

- Security for Agentic AI

AI Experiences

- Cisco PTZ Camera

Digital Resilience

Assurance and Observability

- Observability for AI
- Splunk + ThousandEyes
- Splunk + Catalyst/Meraki

Security Operations

- Cisco Firewall Logs into Splunk

Data Platform

- Splunk PODs

* Announced at Cisco Live EMEA in Feb '25

Financial Overview

Q4 FY 2025 Revenue and Total Gross Margin

\$M (except percentages)

	Revenue			Total Gross Margin %		
	Q4 FY'24	Q3 FY'25	Q4 FY'25	Q4 FY'24	Q3 FY'25	Q4 FY'25
Americas	\$8,068	\$8,380	\$8,822	67.7%	67.7%	68.0%
EMEA	3,511	3,736	3,645	69.2%	71.2%	71.7%
APJC	2,064	2,034	2,206	66.4%	67.2%	64.2%
Geographic Total	\$13,642	\$14,149	\$14,673	67.9%	68.6%	68.4%

Amounts may not sum and percentages may not recalculate due to rounding.

Q4 FY 2025 Revenue Highlights

Category	\$M	Y/Y
Networking	\$7,633	12%
Security	1,952	9%
Collaboration	1,042	2%
Observability	259	4%
Services	3,787	0%
Total Cisco	\$14,673	8%

Amounts may not sum and percentages may not recalculate due to rounding.

Q4 FY 2025 RPO and ARR

\$B (except percentages)	Q4 FY 2024	Q3 FY 2025	Q4 FY 2025
Remaining Performance Obligations (RPO):	\$41.0	\$41.7	\$43.5
Year/Year Change	18%	7%	6%
Product RPO	\$20.1	\$20.8	\$21.6
Year/Year Change	27%	10%	8%
Services RPO	\$21.0	\$20.9	\$22.0
Year/Year Change	10%	5%	5%
Total Short Term RPO Percentage	51%	51%	50%
Annualized Recurring Revenue (ARR) ⁽¹⁾ :	\$29.6	\$30.6	\$31.1
Year/Year Change	22%	5%	5%
Product ARR	\$15.8	\$16.8	\$17.0
Year/Year Change	43%	8%	8%
Services ARR	\$13.7	\$13.9	\$14.1
Year/Year Change	4%	1%	2%

Amounts may not sum and percentages may not recalculate due to rounding.

⁽¹⁾ Annualized Recurring Revenue (“ARR”) represents the annualized revenue run-rate of active subscriptions, term licenses, operating leases and maintenance contracts at the end of a reporting period, net of rebates to customers and partners as well as certain other revenue adjustments. Includes both revenue recognized ratably as well as upfront on an annualized basis.

ARR should be viewed independently of revenue, deferred revenue and remaining performance obligation as ARR is a management operational performance metric and is not intended as a substitute for any of these items.

Q4 FY 2025 Product Orders

Total Product Orders: 7% Y/Y

Geographic Segment	Y/Y
Americas	5%
EMEA	10%
APJC	7%

Customer Market	Y/Y
Enterprise	5%
Public Sector	(6%)
Service Provider & Cloud	49%

Q4 FY 2025 GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)

	Q4 FY 2024	Q3 FY 2025	Q4 FY 2025
Revenue	\$13,642	\$14,149	\$14,673
<i>Year/Year Change</i>	(10%)	11%	8%
Product	\$9,858	\$10,374	\$10,886
Services	\$3,784	\$3,775	\$3,787
Gross Margin	64.4%	65.6%	65.7%
Product Gross Margin	63.0%	64.4%	64.7%
Services Gross Margin	67.8%	68.7%	68.3%
Operating Expenses	\$6,163	\$6,076	\$6,193
OPEX (% of Revenue)	45.2%	42.9%	42.2%
Operating Income (% of Revenue)	19.2%	22.6%	23.5%
Net Income	\$2,162	\$2,491	\$2,823
<i>Year/Year Change</i>	(45%)	32%	31%
Earnings per Share (diluted)	\$0.54	\$0.62	\$0.71
<i>Year/Year Change</i>	(44%)	35%	31%

Q4 FY 2025 Non-GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)

	Q4 FY 2024	Q3 FY 2025	Q4 FY 2025
Revenue	\$13,642	\$14,149	\$14,673
Year/Year Change	(10%)	11%	8%
Product	\$9,858	\$10,374	\$10,886
Services	\$3,784	\$3,775	\$3,787
Gross Margin	67.9%	68.6%	68.4%
Product Gross Margin	67.0%	67.6%	67.5%
Services Gross Margin	70.3%	71.3%	70.8%
Operating Expenses	\$4,826	\$4,823	\$5,002
OPEX (% of Revenue)	35.4%	34.1%	34.1%
Operating Income (% of Revenue)	32.5%	34.5%	34.3%
Net Income	\$3,531	\$3,831	\$3,951
Year/Year Change	(25%)	8%	12%
Earnings per Share (diluted)	\$0.87	\$0.96	\$0.99
Year/Year Change	(24%)	9%	14%

Q4 FY 2025 Key Financial Measures

\$M	Q4 FY 2024	Q3 FY 2025	Q4 FY 2025
Cash, Cash Equivalents and Investments	\$17,854	\$15,642	\$16,110
Operating Cash Flow	\$3,730	\$4,057	\$4,234
Inventory	\$3,373	\$2,832	\$3,095
Deferred Revenue:	\$28,475	\$27,991	\$28,779
Product Deferred Revenue	\$13,219	\$13,170	\$13,490
Services Deferred Revenue	\$15,256	\$14,821	\$15,289
Software Revenue	\$5,311	\$5,622	\$5,593
Subscription Revenue:	\$7,676	\$7,916	\$7,904
Product Subscription Revenue	\$4,252	\$4,483	\$4,449
Services Subscription Revenue	\$3,424	\$3,433	\$3,455

Capital Allocation

Total Capital Allocation	Q4 FY 2025	FY 2025
Share Repurchases (\$M)	\$1,252	\$5,995
Dividends Paid (\$M)	1,625	6,437
Total (\$M)	\$2,877	\$12,432
Dividend per Share	\$0.41	\$1.62
Share Repurchases	Q4 FY 2025	FY 2025
Amount Purchased (\$M)	\$1,252	\$5,995
Number of Shares (M)	19	105
Avg. Price per Share	\$64.65	\$56.53

Approximately \$14.2B remaining authorized funds in repurchase program as of the end of Q4 FY 2025.

FY 2025 GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)	FY 2024	FY 2025
Revenue	\$53,803	\$56,654
<i>Year/Year Change</i>	(6%)	5%
Product	\$39,253	\$41,608
Services	\$14,550	\$15,046
Gross Margin	64.7%	65.6%
Product Gross Margin	63.5%	64.5%
Services Gross Margin	68.1%	68.5%
Operating Expenses	\$22,647	\$25,030
OPEX (% of Revenue)	42.1%	44.2%
Operating Income (% of Revenue)	22.6%	21.4%
Net Income ⁽¹⁾	\$10,320	\$10,453
<i>Year/Year Change</i>	(18%)	1%
Earnings per Share (diluted) ⁽¹⁾	\$2.54	\$2.61
<i>Year/Year Change</i>	(17%)	3%

⁽¹⁾ GAAP results for FY 2025 includes a \$720 million tax benefit due to an August 2024 U.S. Tax Court decision related to the U.S. taxation of deemed foreign dividends on the Tax Cuts and Jobs Act.

FY 2025 Non-GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)	FY 2024	FY 2025
Revenue	\$53,803	\$56,654
<i>Year/Year Change</i>	(6%)	5%
Product	\$39,253	\$41,608
Services	\$14,550	\$15,046
Gross Margin	67.5%	68.7%
Product Gross Margin	66.4%	67.9%
Services Gross Margin	70.4%	71.0%
Operating Expenses	\$17,935	\$19,447
OPEX (% of Revenue)	33.3%	34.3%
Operating Income (% of Revenue)	34.2%	34.4%
Net Income	\$15,150	\$15,213
<i>Year/Year Change</i>	(5%)	0%
Earnings per Share (diluted)	\$3.73	\$3.81
<i>Year/Year Change</i>	(4%)	2%

Guidance

Key Q1 & FY 2026 Guidance Assumptions

Current tariffs and exemptions remain in place through FY26. These include:

- China at 30%, partially offset by an exemption for semiconductors and certain electronic components
- Mexico at 25% and Canada at 35% for the components and products that are not eligible for the current USMCA exemptions
- Other countries reverted to country specific reciprocal rates, but largely offset by an exemption for semiconductors and certain electronic components
- Tariffs on copper, steel and aluminum, and retaliatory tariffs (small impact)

Guidance for Q1 FY 2026

Cisco expects to achieve the following results for the first quarter of fiscal 2026:

Q1 FY 2026	Guidance
Revenue	\$14.65B – \$14.85B
Non-GAAP Gross Margin	67.5% – 68.5%
Non-GAAP Operating Margin	33% – 34%
Non-GAAP EPS	\$0.97 – \$0.99

- Margin and EPS guidance includes the estimated impact of tariffs based on current trade policy.
- Cisco estimates that GAAP EPS will be \$0.63 to \$0.68 for the first quarter of fiscal 2026.
- Q1 FY 2026 guidance assumes an effective tax provision rate of approximately 18% for GAAP and approximately 19% for non-GAAP results.
- A reconciliation between the Guidance for Q1 FY 2026 on a GAAP and non-GAAP basis is provided in the slide entitled "GAAP to Non-GAAP Guidance for Q1 FY 2026" under the Supplemental Materials.

Guidance for FY 2026

Cisco expects to achieve the following results for fiscal 2026:

FY 2026	Guidance
Revenue	\$59.0B – \$60.0B
Non-GAAP EPS	\$4.00 – \$4.06

- Margin and EPS guidance includes the estimated impact of tariffs based on current trade policy.
- Cisco estimates that GAAP EPS will be \$2.79 to \$2.91 for fiscal 2026.
- FY 2026 guidance assumes an effective tax provision rate of approximately 18% for GAAP and approximately 19% for non-GAAP results.
- A reconciliation between the Guidance for FY 2026 on a GAAP and non-GAAP basis is provided in the slide entitled "GAAP to Non-GAAP Guidance for FY 2026" under the Supplemental Materials.

Q&A

Forward-Looking Statements

These presentation slides and the related conference call contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding future events (such as the massive opportunity ahead as we lead the required architectural shift and building the critical infrastructure needed for the AI era, and our focus on making strategic investments in innovation, driving durable, profitable growth and delivering shareholder value) and the future financial performance of Cisco (including the guidance for Q1 FY 2026 and full year FY 2026) that involve risks and uncertainties, such as the actual impact of tariffs on our guidance for Q1 FY 2026 and full year FY 2026. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including: business and economic conditions and growth trends in the networking industry, our customer markets and various geographic regions; global economic conditions and uncertainties in the geopolitical environment; our development and use of artificial intelligence; overall information technology spending; the growth and evolution of the Internet and levels of capital spending on Internet-based systems; variations in customer demand for products and services, including sales to the service provider market and other customer markets; the return on our investments in certain key priority areas, and in certain geographical locations, as well as maintaining leadership in Networking and services; the timing of orders and manufacturing and customer lead times; supply constraints; changes in customer order patterns or customer mix; insufficient, excess or obsolete inventory; variability of component costs; variations in sales channels, product costs or mix of products sold; our ability to successfully acquire businesses and technologies and to successfully integrate and operate these acquired businesses and technologies; our ability to achieve expected benefits of our partnerships; increased competition in our product and service markets, including the data center market; dependence on the introduction and market acceptance of new product offerings and standards; rapid technological and market change; manufacturing and sourcing risks; product defects and returns; litigation involving patents, other intellectual property, antitrust, stockholder and other matters, and governmental investigations; our ability to achieve the benefits of restructurings and possible changes in the size and timing of related charges; cyber-attacks, data breaches or other incidents; vulnerabilities and critical security defects; our ability to protect personal data; evolving regulatory uncertainty; terrorism; natural catastrophic events (including as a result of global climate change); any pandemic or epidemic; our ability to achieve the benefits anticipated from our investments in sales, engineering, service, marketing and manufacturing activities; our ability to recruit and retain key personnel; our ability to manage financial risk, and to manage expenses during economic downturns; risks related to the global nature of our operations, including our operations in emerging markets; currency fluctuations and other international factors; changes in provision for income taxes, including changes in tax laws and regulations or adverse outcomes resulting from examinations of our income tax returns; potential volatility in operating results; and other factors listed in Cisco's most recent reports on Forms 10-Q and 10-K filed on May 20, 2025 and September 5, 2024, respectively. The financial information contained in these presentation slides and the related conference call should be read in conjunction with the consolidated financial statements and notes thereto included in Cisco's most recent report on Forms 10-Q and 10-K as it may be amended from time to time. Cisco's results of operations for the three months and year ended July 26, 2025 are not necessarily indicative of Cisco's operating results for any future periods. Any projections in these presentation slides and the related conference call are based on limited information currently available to Cisco, which is subject to change. Although any such projections and the factors influencing them will likely change, Cisco will not necessarily update the information, since Cisco will only provide guidance at certain points during the year. Such information speaks only as of the date of these presentation slides and the related conference call.



Supplemental Materials

GAAP to Non-GAAP Guidance for Q1 FY 2026

Q1 FY 2026	Gross margin	Operating margin	Earnings per share ⁽¹⁾
GAAP	65% - 66%	21.5% - 22.5%	\$0.63 - \$0.68
Estimated adjustments for:			
Share-based compensation expense	1.0%	6.5%	\$0.18 - \$0.19
Amortization of acquisition-related intangible assets and other acquisition/divestiture-related costs	1.5%	4.0%	\$0.11 - \$0.12
Restructuring and other charges ⁽²⁾	—	1.0%	\$0.02 - \$0.03
Non-GAAP	67.5% - 68.5%	33% - 34%	\$0.97 - \$0.99

⁽¹⁾ Estimated adjustments to GAAP earnings per share are shown after income tax effects.

⁽²⁾ Reflects charges related to restructuring plan announced on August 14, 2024. We expect this plan to be substantially completed by the end of the second quarter of fiscal 2026.

Margin and EPS guidance includes the estimated impact of tariffs based on current trade policy.

Except as noted above, this guidance does not include the effects of any future acquisitions/divestitures, significant asset impairments and restructurings, significant litigation settlements and other contingencies, gains and losses on investments, significant tax matters, or other items, which may or may not be significant.

GAAP to Non-GAAP Guidance for FY 2026

FY 2026	Earnings per share ⁽¹⁾
GAAP	\$2.79 - \$2.91
Estimated adjustments for:	
Share-based compensation expense	\$0.69 - \$0.71
Amortization of acquisition-related intangible assets and other acquisition/divestiture-related costs	\$0.43 - \$0.45
Restructuring and other charges ⁽²⁾	\$0.03 - \$0.05
Non-GAAP	\$4.00 - \$4.06

⁽¹⁾ Estimated adjustments to GAAP earnings per share are shown after income tax effects.

⁽²⁾ Reflects charges related to restructuring plan announced on August 14, 2024. We expect this plan to be substantially completed by the end of the second quarter of fiscal 2026.

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