



Driving Profitable Growth

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EVP & CFO

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 and Cisco's forward-looking targets. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. In addition, Cisco's forward-looking targets do not represent projections or guidance for a particular period, but rather long-term financial targets management utilizes in managing the business and actual results for a particular period may differ materially. Please see Cisco's filings with the SEC, including its most recent filing on Form 10-K, 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>

Non-GAAP measures for future periods would not include, when applicable, share-based compensation expense, amortization of acquisition-related intangible assets, acquisition related/divestiture costs, significant asset impairments and restructurings, significant litigation settlements and other contingencies, gains and losses on equity investments, the income tax effects of the foregoing, significant tax matters, and other items that Cisco may exclude from time to time in the future.

Q1 & FY22 Guidance

Q1'22

Revenue (Y/Y Growth)	7.5% to 9.5%
Non-GAAP Gross Margin Rate	63.5% to 64.5%
Non-GAAP Operating Margin Rate	31.5% to 32.5%
Non-GAAP EPS	\$0.79 to \$0.81

FY22

Revenue (Y/Y Growth)	5% to 7%
Non-GAAP EPS & Y/Y Growth	\$3.38 to \$3.45
	5% to 7%

A reconciliation between the Guidance for Q1'22 and FY 2022 on a GAAP and non-GAAP basis is provided in the Appendix



Financial Strategy



Drive profitable growth



Disciplined financial management
and operating efficiency



Maximize value creation through
transformation

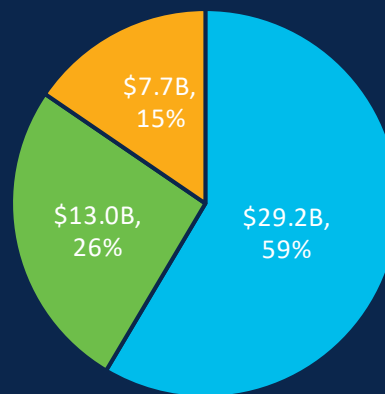


Examining investments,
both organic and inorganic

Revenue Profile

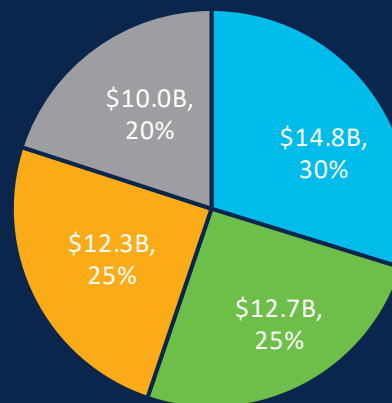
FY21 Revenue \$49.8B

Geographic Segments



- AMER
- EMEA
- APJC

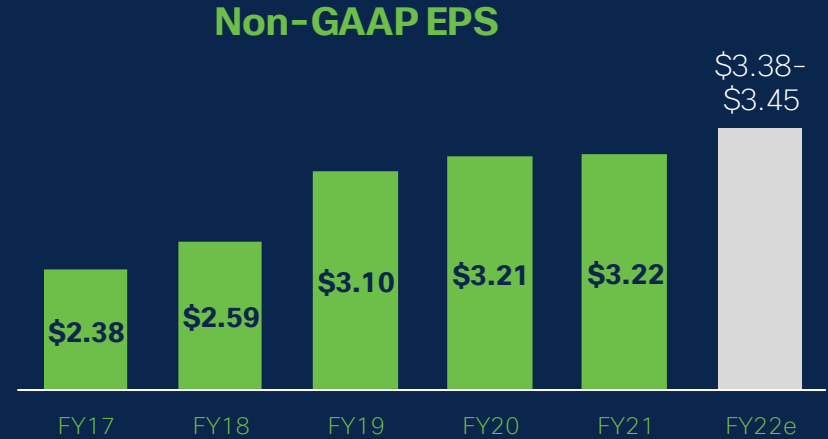
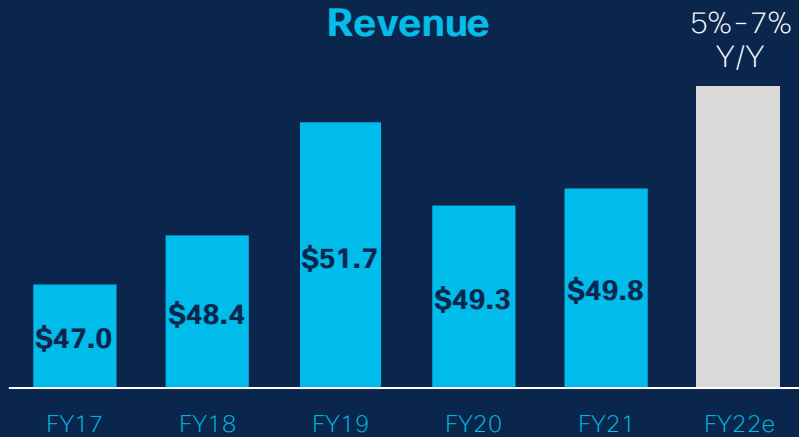
Customer Markets



- Enterprise
- Public Sector
- Commercial
- Service Provider

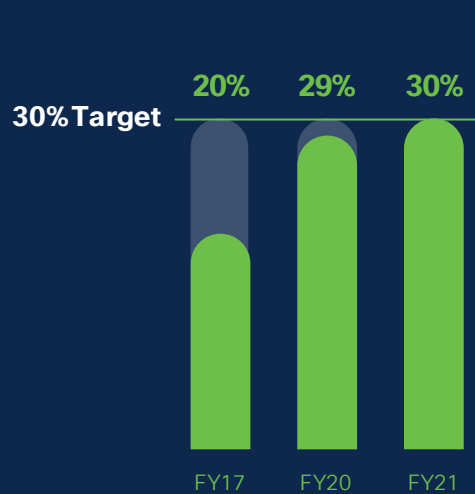
Performance Trend

\$ in Billions except
EPS



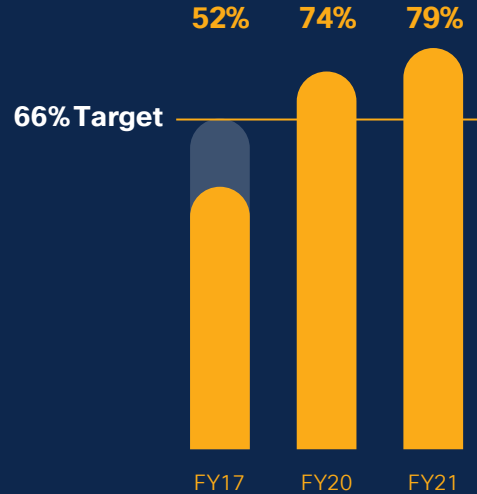
FY22 assumes current guidance
Results normalized for all periods to exclude SPVSS, which was divested in Q1'19
Effective fiscal 2019 Cisco adopted ASC 606, Revenue from Contracts with Customers

Delivered on FY17 Investor Day Targets



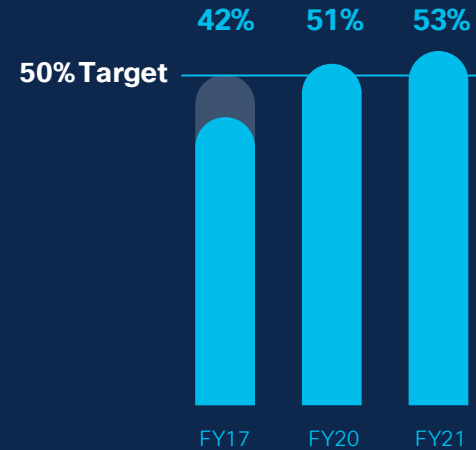
Software

% of Total Revenue



Subscription

% of Software Revenue



Software & Service

% of Total Revenue

Effective fiscal 2019 Cisco adopted ASC 606, Revenue from Contracts with Customers
Results normalized for all periods to exclude SPVSS, which was divested in Q1'19

Key Metrics as We Evolve



**SOFTWARE
REVENUE**



**SUBS %
OF TOTAL
REVENUE**



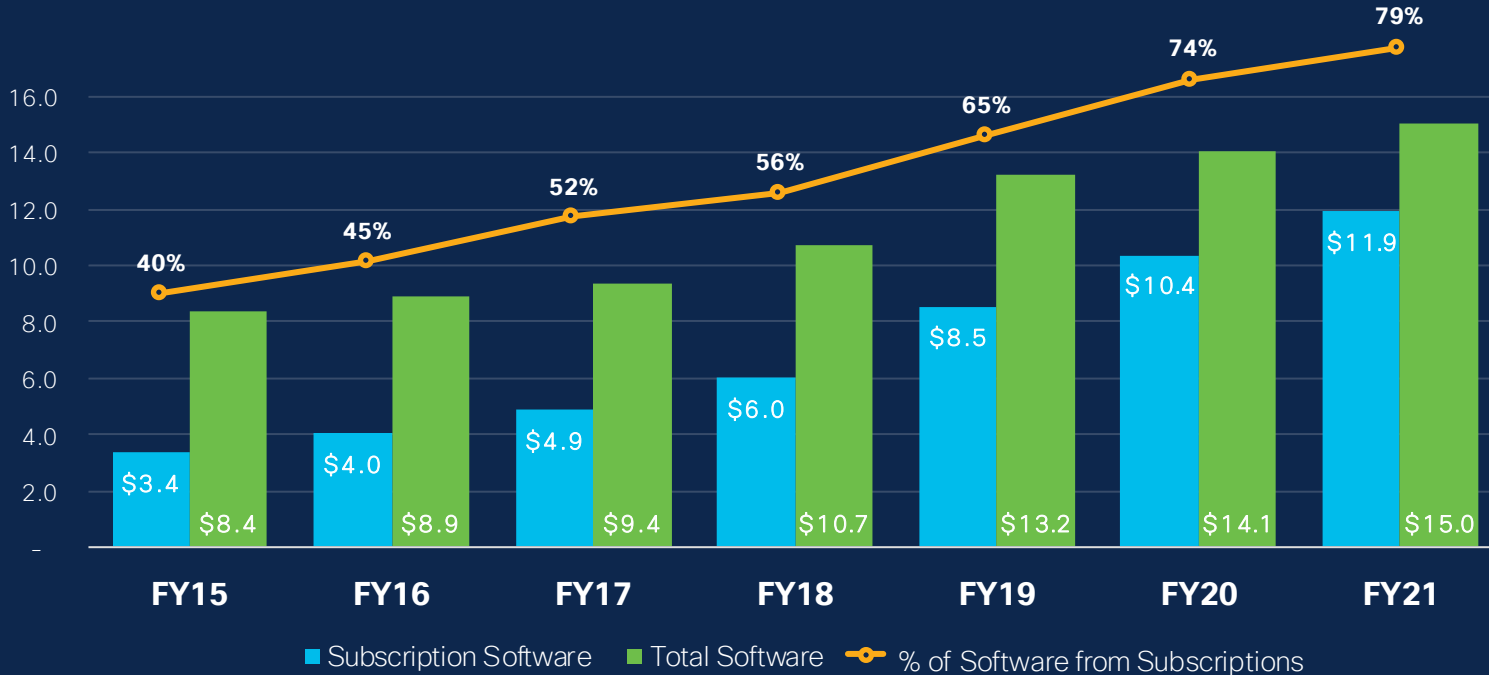
ARR



RPO

Software Transformation Progress

\$ in Billions



FY15 to FY21
CAGR

+10%
Total Software

+23%
Subscription
Software

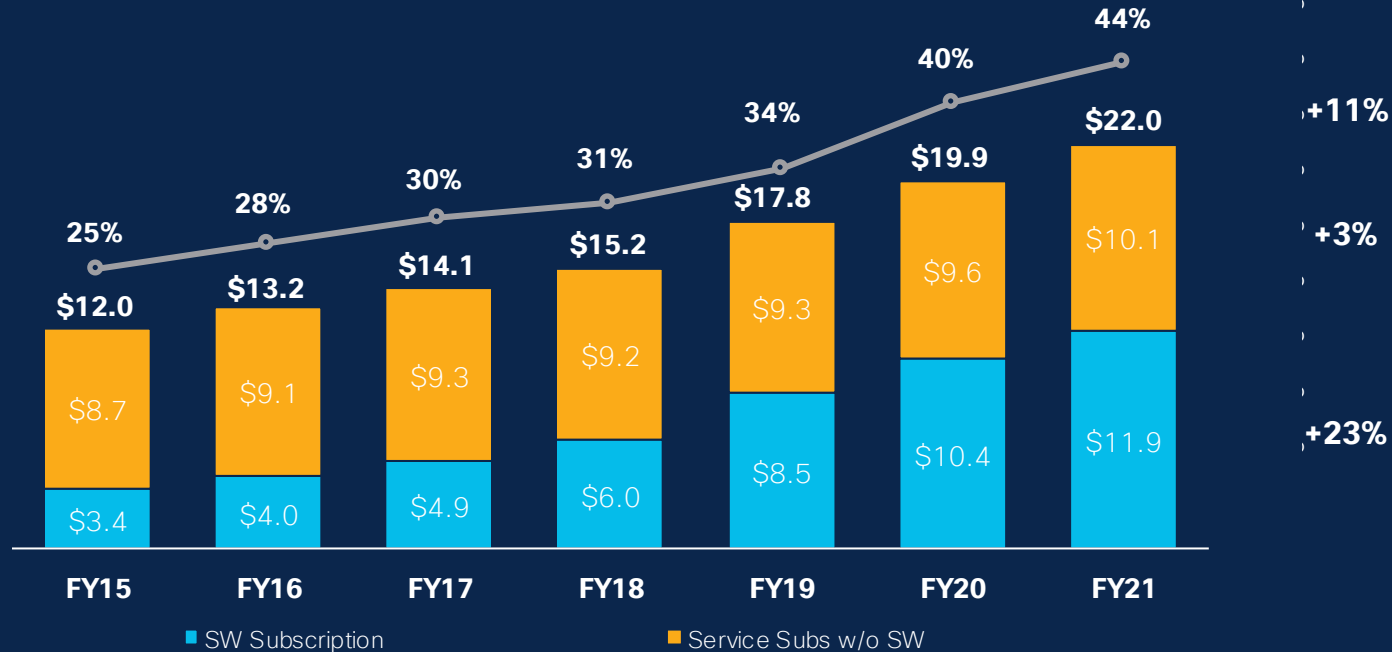
Effective fiscal 2019 Cisco adopted ASC 606. Revenue from Contracts with Customers. Results normalized for all periods to exclude SPVSS, which was divested in Q1'19

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Subscriptions

\$ in Billions

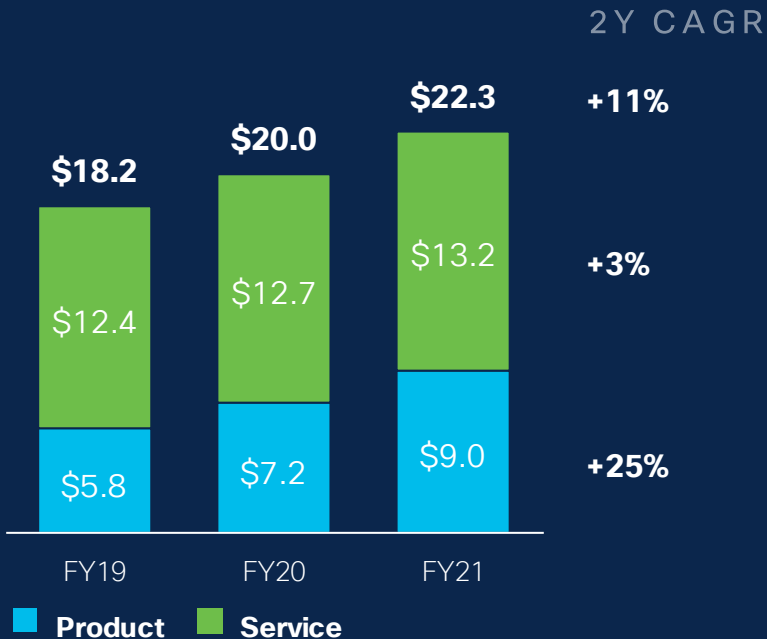
FY15 to FY21
CAGR



Subscriptions are comprised of term software licenses, security software licenses, SaaS, and service arrangements
Effective fiscal 2019 Cisco adopted ASC 606, Revenue from Contracts with Customers
Results normalized for all periods to exclude SPVSS, which was divested in Q1'19

Annual Recurring Revenue (ARR)

\$ in Billions



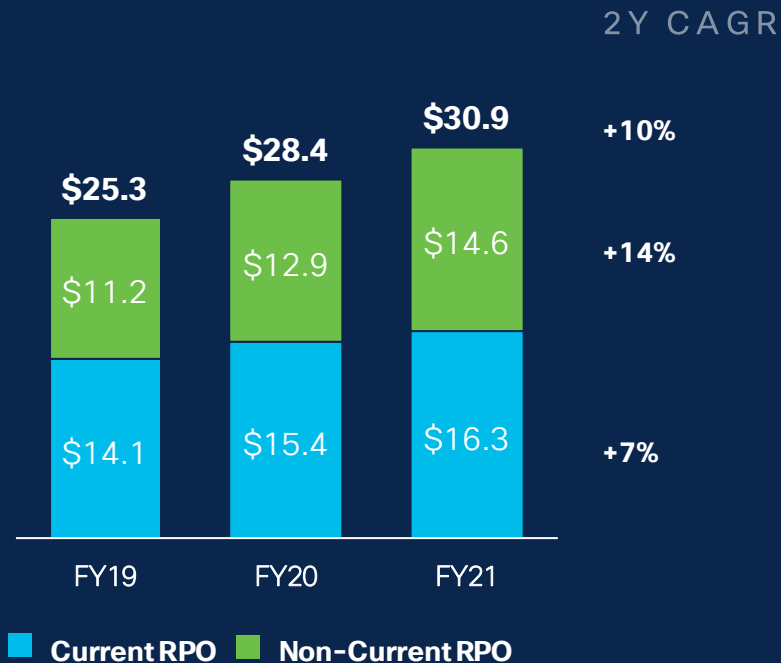
Annual Recurring Revenue (“ARR”)

Represents the annualized revenue run-rate of active subscriptions, term licenses, and maintenance contracts at the end of a reporting period. 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.

Remaining Performance Obligations (RPO)

\$ in Billions



RPO

RPO is an indicator of future revenue

Future Revenue

Represents revenue for non-cancellable contracts that will be recognized in future periods

Deferred and Contract Revenue

Comprised of total deferred revenue plus unbilled contract revenue

Current

Current portion will be recognized in the next 12 months



Looking Ahead

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Evolving Our Product Categories

Existing Categories

Infrastructure
Platforms

Applications

Security

Moving To



New Categories



Secure, Agile Networks



Hybrid Work



End-to-End Security



Internet for the Future



Optimized Application
Experiences

Product Elements

- Campus Switching, Data Center Switching,
- SD-Branch Routing, Compute & Wireless

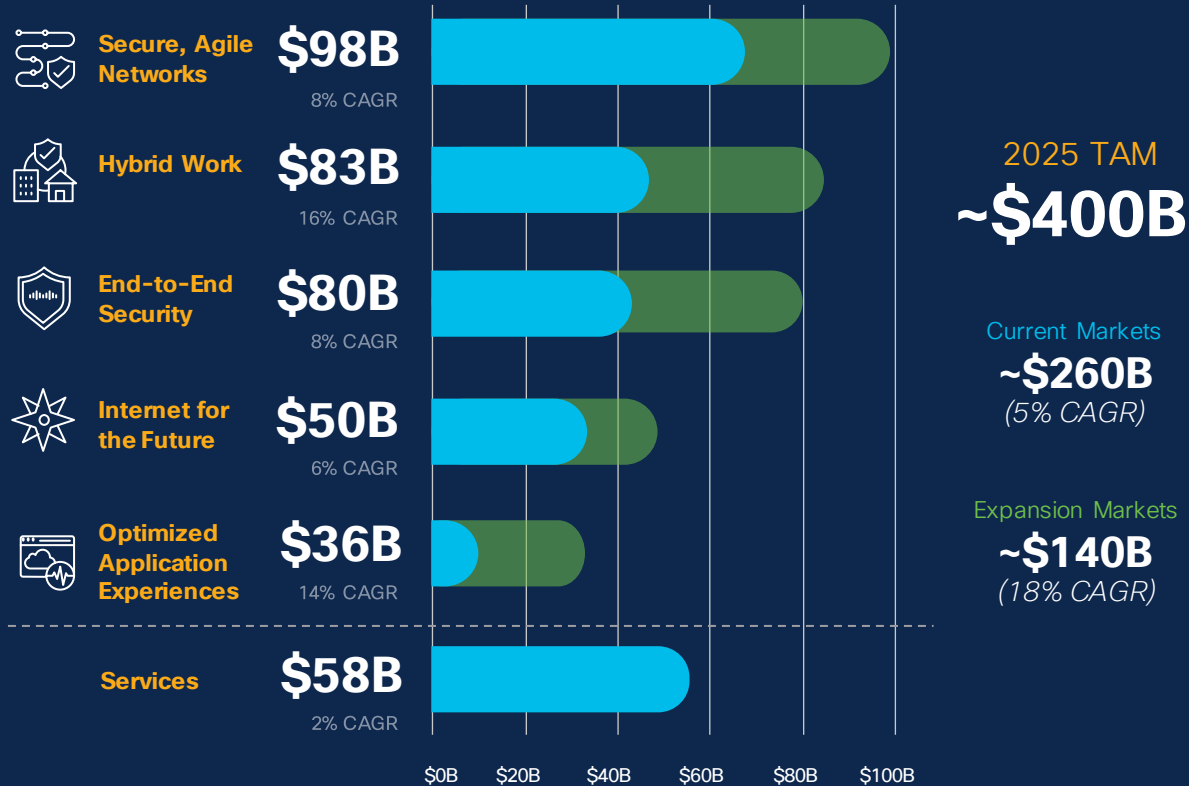
- Collaboration
- Contact Center

- SASE + NetSec, Zero Trust Security,
- Detection & Response, Application Security

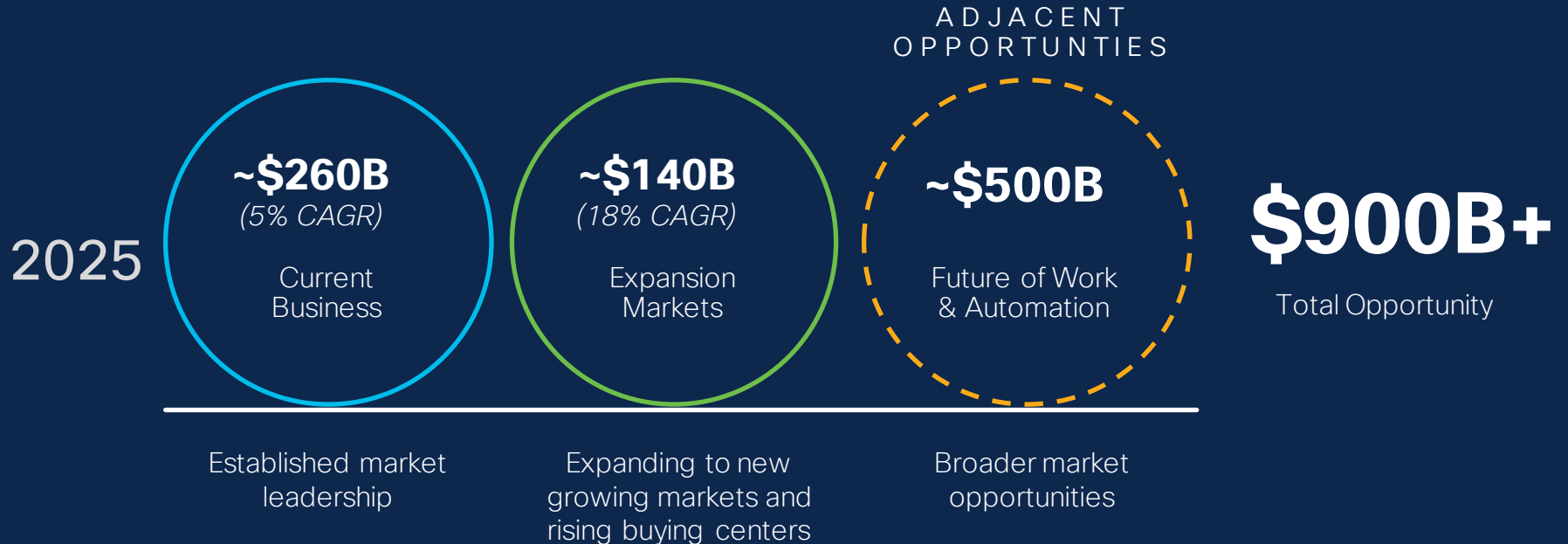
- Routed Optical Networking,
- Public 5G, Silicon & Optics

- Full Stack Observability
- Cloud-Native Platforms

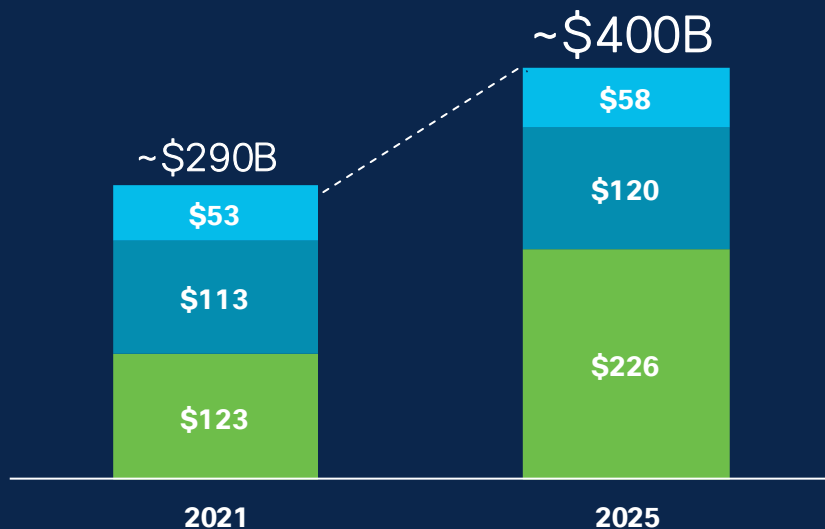
Large & Growing Markets



Our Large and Growing Opportunity



Large and Growing Markets with Subscription Revenue



- Services
- Product Non-Subscription
- Product Subscription

TAM	2021 TO 2025 CAGR
Product Subscription	16%
Product Non-Subscription	2%
Services	2%

Framework for Growth

Cisco Revenue	FY21 TO FY25 CAGR
Product Subscription	15% to 17%
Product Non-Subscription	2% to 4%
Services	2% to 3%
Total	5% to 7%

These long-term financial targets do not represent projections or guidance for a particular period, but rather long-term financial targets management utilizes in managing the business. Actual results for a particular period may differ materially due to a variety of factors listed in Cisco's SEC filings, including business and economic conditions.

Continued Margin Discipline

Value Creation

Software Innovation

Portfolio Shift to
Subscriptions

Silicon & Optics Leadership

Disciplined Pricing

Cost Savings

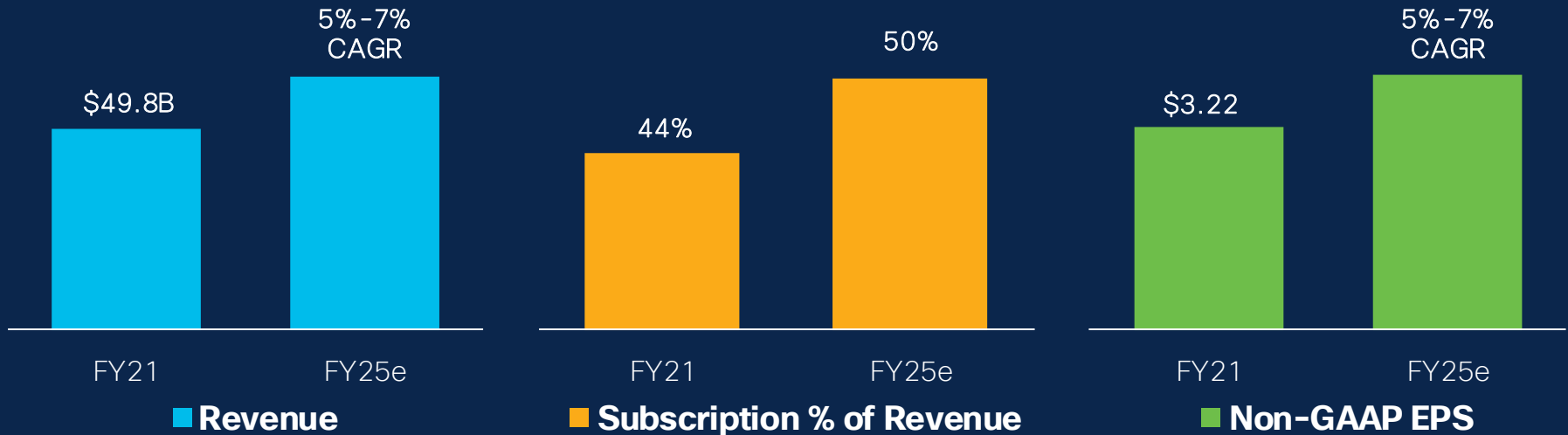
Value Engineering

Commodity Price
Management

Automation/Digitization

Expanding Routes to Market

Forward Looking Targets



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Capital Allocation Approach



Invest in organic and inorganic opportunities to grow the business



Offset dilution of our equity plans



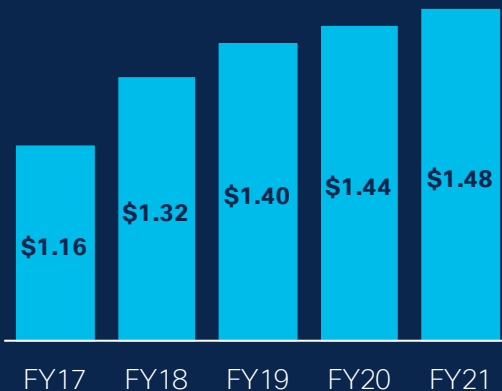
Return excess cash to shareholders



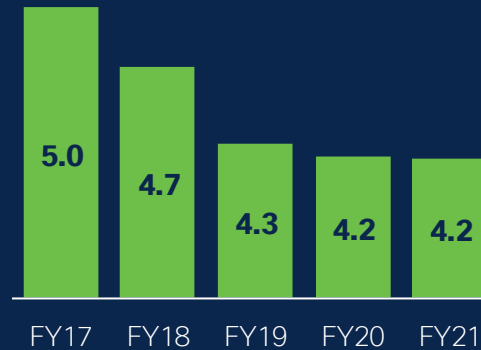
Committed to returning a minimum of 50% of free cash flow to shareholders annually

Capital Allocation

Annualized Dividend



Shares Outstanding (B)



% Free Cash Flow Returned

FY	\$Bs	%
FY17	\$9.2	71%
FY18	\$23.6	184%
FY19	\$26.6	178%
FY20	\$8.6	59%
FY21	\$9.1	61%

Shares Outstanding represent diluted share count as of Q4 of the respective fiscal year
Heightened level of Capital Return in FY18/FY19 driven by repatriation of cash
Free cash flows represent cash flows from operating activities less acquisitions of property and equipment

SUMMARY

Great progress on business model shift

to subscription revenue, which is the fastest growing part of our TAMs

Significant opportunities for growth

exist in adjacent markets to our current TAMs

Continue to invest

organically and inorganically to drive long-term growth

Disciplined financial management

and operating efficiency to allow balanced growth on the bottom line

Deliver sustainable returns

via dividends and share buybacks





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Appendix

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GAAP to Non-GAAP Guidance for Q1 FY 2022

Q1 FY 2022	Gross Margin Rate	Operating Margin Rate	Earnings Per Share ⁽¹⁾
GAAP	61.5% - 62.5%	25% - 26%	\$0.61 - \$0.66
Estimated adjustments for:			
Share-based compensation expense	0.5%	3.5%	\$0.08 - \$0.09
Amortization of purchased intangible assets and other acquisition-related/divestiture costs	1.5%	3.0%	\$0.07 - \$0.08
Restructuring and other charges	—	—	\$0.00 - \$0.01
Non-GAAP	63.5% - 64.5%	31.5% - 32.5%	\$0.79 - \$0.81

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

Except as noted above, this guidance does not include the effects of any future acquisitions/divestitures, asset impairments, restructurings and significant tax matters or other events, which may or may not be significant unless specifically stated.

GAAP to Non-GAAP Guidance for FY 2022



FY 2022	Earnings Per Share ⁽¹⁾
GAAP	\$2.72 - \$2.84
Estimated adjustments for:	
Share-based compensation expense	\$0.35 - \$0.37
Amortization of purchased intangible assets and other acquisition-related/divestiture costs	\$0.26 - \$0.28
Restructuring and other charges	\$0.00 - \$0.01
Non-GAAP	\$3.38 - \$3.45

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

Except as noted above, this guidance does not include the effects of any future acquisitions/divestitures, asset impairments, restructurings and significant tax matters or other events, which may or may not be significant unless specifically stated.

Forward-Looking Statements

These presentation slides and related webcast may be deemed to 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 statements regarding our growth and strategy) and the future financial performance of Cisco that involve risks and uncertainties. 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: the impact of the COVID-19 pandemic and related public health measures; 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; 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 priorities, key growth areas, and in certain geographical locations, as well as maintaining leadership in infrastructure platforms and services; the timing of orders and manufacturing and customer lead times; 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 malware; vulnerabilities and critical security defects; terrorism; natural catastrophic events; any other 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 report on Form 10-K. The financial information contained in these presentation slides and related webcast should be read in conjunction with the consolidated financial statements and notes thereto included in Cisco's most recent report on Form 10-K, as it may be amended from time to time. Cisco's results of operations for prior periods are not necessarily indicative of Cisco's operating results for any future periods. Any projections in these presentation slides and related webcast 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 related webcast.