Internet for the Future

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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
The Internet is **the Backbone** for Economies, Industry, and Daily Life

Adding $13T * to equity market capitalizations globally

Internet traffic spiked **25% to 45%** * around the globe during the Pandemic

Internet traffic continues to **grow at a rate of 35%** * annually

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* Cisco data pulled from peering traffic points around the globe, Mar 2020
Cisco Annual Internet Report, 2018
The Digital Divide

3+ billion people with very limited or NO broadband access

29 countries with affordable broadband

$6.7 trillion added to global economy by connecting the unconnected

Current Economics Are Beginning to Break

$5 OPEX Today for each $1 of CAPEX

Internet Traffic Growth

Sources: IHS Technology, “Service Provider CapEx, OpEx, Revenue, and Subscribers Database”
Cisco 2018 Visual Networking Index (VNI)
Q4’21 RESULTS

Momentum is Building

Service Provider Business

double digit growth y/y

Webscale Business

>160% order growth y/y

Trailing Four Quarter Basis

>80% total order growth y/y
Growth Opportunity

$36B
Current

$14B
Expansion

By 2025

- Private 5G
- Carrier Edge
- Hyperscalers
- Components

- Routing
- Optical
- Cable
- Public 4G/5G
- Mobile IoT
- Automation

Cisco
Investor Day
2021
Innovation to Transform Networking
A World Class Portfolio for the Next Decade

Cisco Silicon One
10 devices
3.2T to 25.6T

Cisco 8000 Series
>2X more density and >3X more power efficient than the competition
Routed Optical Networking

SIMPLICITY IS THE ULTIMATE SOPHISTICATION - LEONARDO DA VINCI

Routing
OTN
Optical

Routed Optical Network

35% CapEx Savings*
57% OpEx Savings*
46% TCO Savings*

* Source: ACG Research, 2021
Shifting Optical TAM to Routing TAM

- Optical TAM: $17B
  - Transponders, ROADMs, and OTN
- IP Routing TAM: $10B
  - Routed Optical Networking

2025
The Twilight of Transponders

Router ➔ SR Optic ➔ Fiber Jumper ➔ SR Optic ➔ Transponder ➔ LR Optic ➔ Fiber Jumper ➔ ROADM

Phase 1

Router ➔ ZR/ZR+ Optic ➔ Fiber Jumper ➔ ROADM
Shifting Billions in Optical TAM to Routing TAM

**Today**
Integrate transponders and enable multi-vendor

**Over Time**
Replace ROADM with router

**Going Forward**
Converge private line services
“Colt is committed to ensuring its network is at the forefront of technological innovation, and this latest investment is the next step in our network optimization strategy, as we continue to leverage next-generation optical and packet technologies.”

Vivek Gaur
Vice President, Network Engineering
6 of the Top Hyperscalers generate half of all internet traffic in the United States

Hyperscaler Data Center Networking Spend

2021: $6.1 Billion
2025: $10.3 Billion

CAGR: 14.0%

Source: Dell’Oro Group
### Flexible Purchasing Models

<table>
<thead>
<tr>
<th>Silicon and Optics Components</th>
<th>Software-Only</th>
<th>Systems-Only</th>
<th>Integrated Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silicon and optics components to build 3rd party systems</td>
<td>Cisco IOS XR flexibly runs on both Cisco routers and switches as well as 3rd party systems</td>
<td>Cisco hardware that runs 3rd party operating system software</td>
<td>Complete router or switch with Cisco silicon, optics, software, and hardware</td>
</tr>
</tbody>
</table>
Strong Hyperscaler Traction

Of the Top 6 Global Webscale Companies...

4 Hyperscalers
Use Cisco Silicon One and Cisco 8000 systems

2 Hyperscalers
Use Cisco 8000 and Cisco Silicon One with their own choice of OS

2 Hyperscalers
Use Cisco Silicon One on a component level

3 Hyperscalers
Use at least two of the flexible consumption models simultaneously
White Box Opportunities

Data Center Whitebox Spend

Source: Dell'Oro Group
“Cisco’s latest innovation across silicon and optics offers us expanded options to provide our customers a high-powered private data center experience at low cost.”

Dave Maltz
Technical Fellow, Corporate Vice President
5G and IoT Opportunity

FIRST 5G STANDALONE NETWORK; >1 BILLION SUBSCRIBERS

**5G Mobile Subscribers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
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</thead>
<tbody>
<tr>
<td>2021</td>
<td>0.55</td>
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<tr>
<td>2025</td>
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</table>

53% CAGR

**Cellular IoT Connections**

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
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</thead>
<tbody>
<tr>
<td>2021</td>
<td>2.20</td>
</tr>
<tr>
<td>2025</td>
<td>3.50</td>
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</table>

12% CAGR

Sources: GSMA Intelligence, “IoT Connections Forecast”, May 2020
Omdia, “5G Mobile and Fixed Subscription Forecast”, 2020
High Value

5G Monetization

- Mobile IoT Services
- Private 5G Networks
- Fixed Wireless Access
5G IoT Control Center

- Growing 2x faster than industry
- #1 in Connected Car
- 50+ Communication Service Providers
- 82 Countries
“Working with Cisco, we continue to help businesses deploy IoT devices and applications faster and more securely and get more value out of devices they use. This is an important first step toward the IoT massive connectivity that will eventually create opportunities for enterprises to realize the full potential of IoT.”

William Stovall
Vice President, Mobility, IoT and 5G
Private 5G and WiFi-6 Opportunity

**USE CASES**

- **Focused Coverage**
  - Hospitality
  - Industrial
  - Healthcare
  - Manufacturing
  - Retail

- **Device Availability**
  - Education
  - Finance
  - Logistics & Transportation
  - Agriculture
  - Entertainment

- **IT Familiar**
  - Venues
  - Energy
  - Consumers
  - Cities
  - Enterprise

**Cisco Investor Day 2021**
WHY WE WIN

Transformative Innovation to Redefine Economics
- Cisco Silicon One and Optics
- Routed Optical Networking
- Public 5G
- Automation

Cross-Domain Leadership to Help Grow New Revenue
- Private 5G and WiFi-6
- Fixed Wireless Access
- Mobile IoT
- Carrier Edge

Flexible Models to Provide Quality and Choice
- Components
- Software-Only
- System-Only
- Integrated Systems
Forward-looking Statements

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