



The bridge to possible

Change in Product Categories & ARR Update

October 20, 2021

Overview

As discussed at our Investor Day on September 15, 2021, Cisco will report its product and service revenue in the following categories effective Q1 FY 2022:

- Secure, Agile Networks
- Hybrid Work
- End-to-End Security
- Internet for the Future
- Optimized Application Experiences
- Other Products
- Services

This change will better align with our strategic priorities. It will only impact how we report revenue by product category. Our reportable segments will continue to be based on our geographies which consist of Americas, EMEA, and APJC. These revised product categories will be used in our Q1 FY2022 conference call scheduled for Wednesday, November 17, 2021.

In addition, on Investor Day, we presented Annual Recurring Revenue (“ARR”) on a gross basis. Effective Q1 FY 2022, ARR will be presented net of rebates to customer and partners as well as certain other revenue adjustments.

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,
Enterprise 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

Revenue by New Product Categories

(in millions, except percentages)

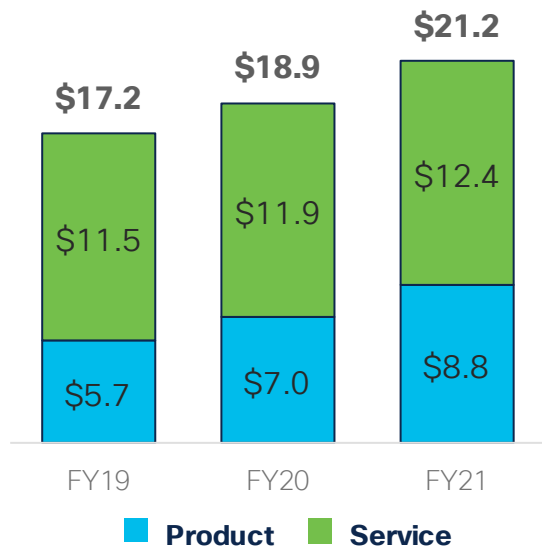
	Q1'21		Q2'21		Q3'21		Q4'21		FY21	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Secure, Agile Networks	\$ 5,434	-16%	\$ 5,489	-2%	\$ 5,620	1%	\$ 6,179	9%	\$ 22,722	-2%
Hybrid Work	1,193	-9%	1,167	0%	1,220	3%	1,147	-2%	4,727	-2%
End-to-End Security	861	6%	822	10%	876	13%	823	1%	3,382	7%
Internet for the Future	942	-15%	931	-11%	1,249	30%	1,393	31%	4,514	8%
Optimized Application Experiences	153	16%	161	25%	170	30%	171	29%	654	25%
Other Products	3	-68%	3	-51%	5	-39%	4	-21%	15	-47%
Total Product	8,587	-13%	8,572	-1%	9,139	6%	9,716	10%	36,014	0%
Services	3,342	2%	3,388	2%	3,664	8%	3,410	3%	13,804	4%
Total Revenue	\$ 11,929	-9%	\$ 11,960	0%	\$ 12,803	7%	\$ 13,126	8%	\$ 49,818	1%

	Q1'20		Q2'20		Q3'20		Q4'20		FY20	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Secure, Agile Networks	\$ 6,506	4%	\$ 5,575	-8%	\$ 5,540	-14%	\$ 5,644	-18%	\$ 23,265	-9%
Hybrid Work	1,306	3%	1,164	-11%	1,181	-7%	1,172	-11%	4,823	-7%
End-to-End Security	816	22%	749	10%	778	7%	815	10%	3,158	12%
Internet for the Future	1,110	-23%	1,048	-7%	958	-19%	1,063	-2%	4,180	-14%
Optimized Application Experiences	132	27%	129	25%	131	21%	132	9%	524	20%
Other Products	9	-94%	6	59%	8	-23%	6	-63%	28	-84%
Total Product	9,878	0%	8,671	-6%	8,597	-12%	8,832	-13%	35,978	-8%
Services	3,281	3%	3,334	5%	3,386	5%	3,322	0%	13,323	3%
Total Revenue	\$ 13,159	1%	\$ 12,005	-4%	\$ 11,983	-8%	\$ 12,154	-9%	\$ 49,301	-5%

	Q1'19		Q2'19		Q3'19		Q4'19		FY19	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Secure, Agile Networks	\$ 6,247	7%	\$ 6,047	9%	\$ 6,413	6%	\$ 6,852	9%	\$ 25,559	8%
Hybrid Work	1,272	16%	1,312	23%	1,273	8%	1,310	10%	5,166	14%
End-to-End Security	670	12%	684	21%	729	23%	738	16%	2,822	18%
Internet for the Future	1,449	21%	1,124	-9%	1,188	-2%	1,082	-13%	4,843	-1%
Optimized Application Experiences	104	72%	103	47%	108	39%	121	25%	436	43%
Other Products	148	-43%	4	-98%	11	-95%	15	-92%	178	-80%
Total Product	9,890	9%	9,273	6%	9,722	4%	10,120	5%	39,005	6%
Services	3,182	3%	3,173	0%	3,236	2%	3,308	3%	12,899	2%
Total Revenue	\$ 13,072	8%	\$ 12,446	5%	\$ 12,958	4%	\$ 13,428	5%	\$ 51,904	5%

Annual Recurring Revenue (ARR) (Updated)

\$ 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, 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.

Appendix

Revenue by Prior Product Categories

(in millions, except percentages)

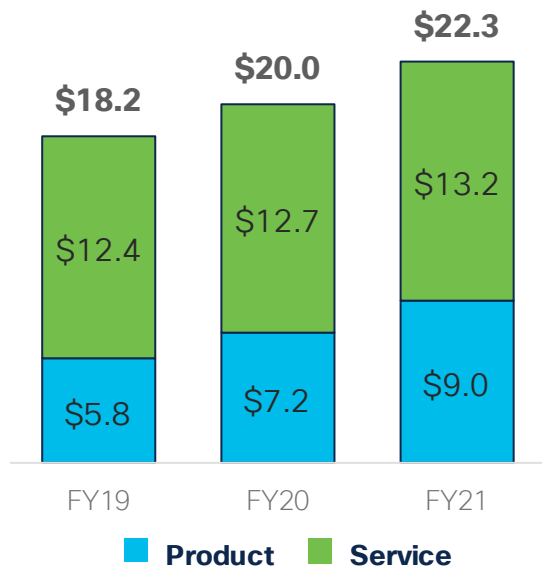
	Q1'21		Q2'21		Q3'21		Q4'21		FY21	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Infrastructure Platforms	\$ 6,341	-16%	\$ 6,391	-3%	\$ 6,832	6%	\$ 7,546	13%	\$ 27,109	0%
Applications	1,380	-8%	1,354	0%	1,426	5%	1,344	-1%	5,504	-1%
Security	861	6%	822	10%	876	13%	823	1%	3,382	7%
Other Products	5	-56%	4	-39%	6	-34%	4	-42%	19	-43%
Total Product	8,587	-13%	8,572	-1%	9,139	6%	9,716	10%	36,014	0%
Services	3,342	2%	3,388	2%	3,664	8%	3,410	3%	13,804	4%
Total Revenue	\$ 11,929	-9%	\$ 11,960	0%	\$ 12,803	7%	\$ 13,126	8%	\$ 49,818	1%

	Q1'20		Q2'20		Q3'20		Q4'20		FY20	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Infrastructure Platforms	\$ 7,553	-1%	\$ 6,567	-8%	\$ 6,447	-15%	\$ 6,653	-16%	\$ 27,219	-10%
Applications	1,499	6%	1,349	-8%	1,363	-5%	1,357	-9%	5,568	-4%
Security	816	22%	749	10%	778	7%	815	10%	3,158	12%
Other Products	11	-93%	7	-10%	9	-40%	7	-57%	33	-83%
Total Product	9,878	0%	8,671	-6%	8,597	-12%	8,832	-13%	35,978	-8%
Services	3,281	3%	3,334	5%	3,386	5%	3,322	0%	13,323	3%
Total Revenue	\$ 13,159	1%	\$ 12,005	-4%	\$ 11,983	-8%	\$ 12,154	-9%	\$ 49,301	-5%

	Q1'19		Q2'19		Q3'19		Q4'19		FY'19	
	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%	Amount	Y/Y%
Infrastructure Platforms	\$ 7,643	9%	\$ 7,116	6%	\$ 7,547	5%	\$ 7,878	6%	\$ 30,184	6%
Applications	1,419	18%	1,465	24%	1,431	9%	1,487	11%	5,803	15%
Security	670	12%	684	21%	729	23%	738	16%	2,822	18%
Other Products	157	-42%	8	-97%	15	-93%	16	-92%	196	-79%
Total Product	9,890	9%	9,273	6%	9,722	4%	10,120	5%	39,005	6%
Services	3,182	3%	3,173	0%	3,236	2%	3,308	3%	12,899	2%
Total Revenue	\$ 13,072	8%	\$ 12,446	5%	\$ 12,958	4%	\$ 13,428	5%	\$ 51,904	5%

Annual Recurring Revenue (ARR) (As Presented at Investor Day)

\$ 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.



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