

# Q3 Fiscal Year 2026

## Conference Call

May 13, 2026



# 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**

# Q3 FY 2026 Key Takeaways

## Significant AI Momentum

Raising expected hyperscaler AI orders to \$9B in FY26, up from \$5B; raising expected hyperscaler AI revenue to \$4B in FY26 from \$3B

\$900M of AI orders taken YTD from neocloud, sovereign, and enterprise customers

## Strong Financial Performance

Q3 Revenue and EPS exceeded the high end of our guidance ranges, with record non-GAAP operating income

Raising FY26 guidance to double-digit top and bottom-line growth on robust outlook

## Accelerating Campus Refresh and DC Switching Growth

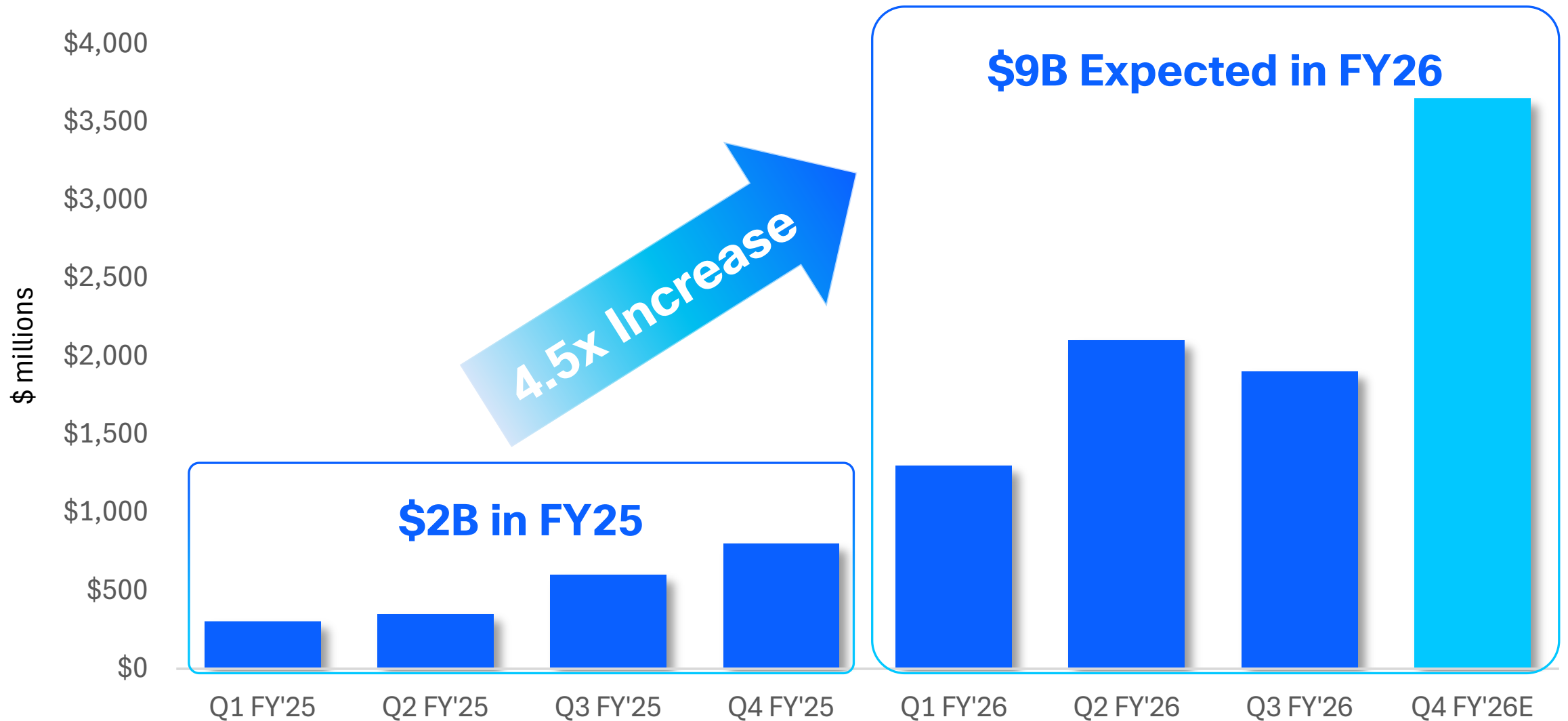
Campus networking orders grew >25% Y/Y in Q3, with our next gen portfolio ramping faster than prior product launches

Data center switching orders grew >40% Y/Y in Q3

# Q3 FY 2026 Summary

- **Double-digit top and bottom-line growth with strong profitability**
  - \$15.8B in revenue, up 12% y/y, Non-GAAP EPS of \$1.06 up 10% y/y, both above high end of guide
  - Record non-GAAP operating income of \$5.4B; non-GAAP operating margin of 34.2%, above mid-point of guide
- **Record high demand for Cisco's technologies as we provide the critical infrastructure for the AI era**
  - Product orders up 35% y/y with growth across all geographies and customer markets; up 19% excluding hyperscale orders
  - Accelerating networking product orders up more than 50% y/y, marking the seventh consecutive quarter of double-digit growth
- **Significant momentum and raised expectations for AI Infrastructure**
  - \$5.3B of AI infrastructure orders taken YTD from hyperscale customers; raising expected AI orders to \$9B in FY26 (up from \$5B)
  - Five new design wins: three systems (two P200 scale-across; one G200 scale-out) and two Acacia optics (800G ZR+ and 100G ZR)
  - Raising expected AI infrastructure revenue from hyperscalers to \$4B in FY26 (up from \$3B)
  - \$900M of separate AI orders taken YTD from neocloud, sovereign, and enterprise customers
- **Major multi-year, multi-billion-dollar campus networking refresh cycle underway**
  - Campus networking orders grew >25% y/y; next-gen portfolio ramping faster than prior product launches
  - Record wireless orders grew >40% y/y, with Wi-Fi 7 making up half of the mix
  - Pre-Cat9K install base in the tens of billions of dollars, nearing end of support and requiring upgrades
- **Leading-edge innovation and participation in industry-wide initiatives to advance capabilities for customers**
  - Founding member of Project Glasswing to test Claude Mythos Preview to identify vulnerabilities and shape next-generation cyber security
  - Built DefenseClaw to help protect AI agents; extended zero trust capabilities; announced intent to acquire Astrix & Galileo for agent security
  - Introduced research prototype Cisco Universal Quantum Switch to connect quantum computers, paving the way to quantum networking
- **Commitment to returning capital to shareholders:** returned \$2.9B in Q3, representing 87% of free cash flow

# Cisco AI Infrastructure Orders Taken from Hyperscalers



Raising expected hyperscaler AI orders to \$9B in FY26, up from \$5B; raising expected hyperscaler AI revenue to \$4B in FY26, up from \$3B. These referenced orders do not include Neocloud, Sovereign, or AI enterprise orders taken.

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# Cisco Acacia - Supporting Data Center Scale-Across

## Acacia Highlights

- Orders of more than \$1B in Q3, up triple digits y/y; well ahead of FY25 quarterly order run-rates
- Market leadership demonstrated by coherent port shipments to date:
  - Over 750,000 units shipped for 400G ports
  - Over 40,000 units shipped for 800G ports

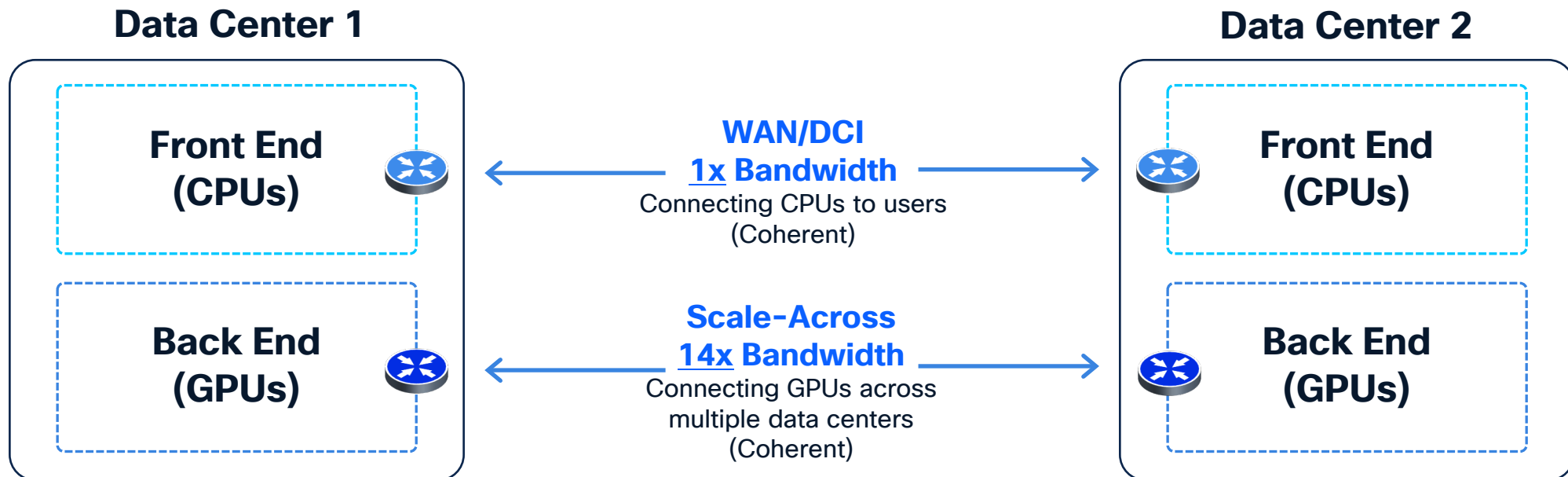


100ZR QSFP28

400G ZR/ZR+

800G ZR/ZR+

## Scale-Across Bandwidth Multiplier



# Cisco Silicon One - Unifying, Securing, and Scaling Networks



**Integrated Access**  
Campus & Provider Access



**Services Router**  
Provider Edge & Enterprise Core



**Enterprise Switch**  
Campus & Data Center



**Scale across DC**  
WAN & AI Inter-Data Center



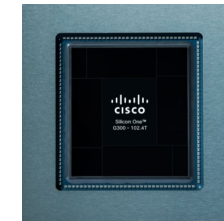
**Scale within DC**  
AI Cluster & Cloud

Bandwidth

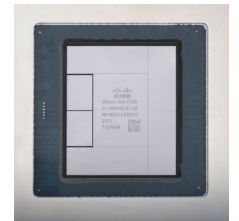
## Silicon One Highlights

- **Two new Silicon One P200-powered system design wins** for two different hyperscalers for major scale-across use cases in Q3 FY26
- **One new Silicon One G200-powered system design win** for a hyperscale customer for a scale-out use case in Q3 FY26
- AI momentum ramping: systems, whitebox and silicon-direct

**Comprehensive Cisco-wide adoption of Silicon One architecture for high performance networking systems by FY29**



Silicon One G300  
102.4T chip



Silicon One P200  
51.2Tb chip



102.4T Liquid  
Cooled System



102.4T Air  
Cooled System

# Cisco Accelerating AI Adoption

## Hyperscaler AI Infrastructure

Significant AI infrastructure momentum with results demonstrating continued execution and innovation as hyperscalers ramp back-end and front-end networking infrastructure for AI.

### Orders:

- \$1.9B of AI orders taken in Q3 (YTD AI orders taken of \$5.3B) reflecting significant continued momentum in growth and marking the seventh consecutive quarter of robust order growth with hyperscalers.
- Product mix of these orders was balanced between Silicon One based networking systems and optics.
- Five new design wins with hyperscalers in Q3.
- In our optics business, Acacia reported its strongest quarter ever in Q3, with more than \$1B in orders, up triple-digits, reflecting the transition to coherent pluggables which offer significant cost and power savings; seeing significant traction in 800G-ZR with one hyperscaler.

**Platforms:** Series 8K, Silicon One, and Optics & Optical

**Outlook:** Continued momentum with hyperscalers forecasted; expecting to take approximately \$9B in orders and recognize ~\$4B in revenue in FY26.

## AI Connectivity

Continued momentum for AI networking solutions, with neocloud, sovereign, and enterprise customers starting their ramp and results, and pipeline highlighting significant opportunities ahead.

### Orders:

- Networking product order growth accelerated to >50% in Q3 FY26, marking the seventh consecutive quarter of double-digit order growth, indicating customers are bolstering their networks ahead of incoming AI workloads.
- Campus networking order growth accelerated to >25% in Q3 with next-gen product portfolio ramping faster than prior product launches.
- Data Center Switching order growth accelerated to >40%, and Nexus switch orders tagged for AI deployments were up almost 50% sequentially in Q3.
- ~\$900M of AI orders taken YTD from neocloud, sovereign, and enterprise customers (separate from the \$5.3B taken from hyperscalers).

**Platforms:** Switching, Routing, Wireless, and Security (including Splunk)

**Outlook:** Growing pipeline of ~\$3B with neocloud, sovereign, and enterprise customers.

### Software Platforms: Fusing Agentic AI Into Our Products

Agentic AI capabilities are being rolled out across the product portfolio, including new innovations to deploy and secure next generation LLMs

### 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

# Cisco Campus, Wireless and Edge Devices Ramping



Catalyst 9000 Family



C9350 & C9610 Smart Switches



Wi-Fi 7 Access Points



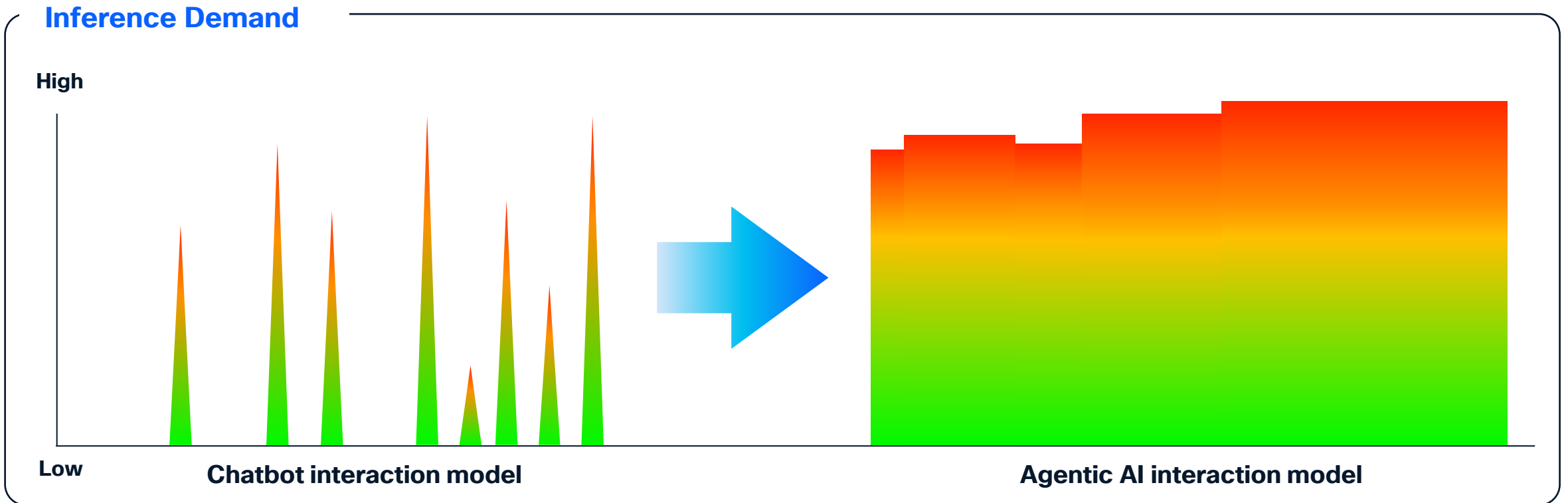
Industrial IoT portfolio

## Campus, Wireless, and Edge Device Highlights

- **Campus networking orders grew >25% y/y in Q3**
- **Next-gen campus networking portfolio ramping faster** than prior product launches, driving accelerated order growth for campus networking
  - Recently launched **Smart Switch orders grew triple-digits q/q in Q3**, with a significant ramp already observed YTD, and many customers testing in preparation for expected larger, future orders
  - **Wi-Fi 7 orders continue to grow high double-digits q/q** and generating growing demand for bundled multi-gig switches
- **Industrial IoT portfolio reported its strongest ever quarter in Q3** and has grown in double-digits for 8 consecutive quarters, driven by manufacturing and utilities.

# A New Level of Inferencing Demand on Secure Networking

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.

# Financial Overview

# Q3 FY 2026 Revenue and Total Gross Margin

\$M (except percentages)

	Revenue			Total Gross Margin %		
	Q3 FY'25	Q2 FY'26	Q3 FY'26	Q3 FY'25	Q2 FY'26	Q3 FY'26
Americas	\$8,380	\$8,845	\$9,569	67.7%	65.8%	63.7%
EMEA	3,736	4,425	4,054	71.2%	71.7%	71.3%
APJC	2,034	2,080	2,218	67.2%	65.8%	66.1%
<b>Geographic Total</b>	<b>\$14,149</b>	<b>\$15,349</b>	<b>\$15,841</b>	<b>68.6%</b>	<b>67.5%</b>	<b>66.0%</b>

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

# Q3 FY 2026 Revenue Highlights

Category	\$M	Y/Y
Networking	\$8,815	25%
Security	2,008	0%
Collaboration	1,024	(1%)
Observability	269	3%
Services	3,724	(1%)
Total Cisco	\$15,841	12%

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

# Q3 FY 2026 RPO and ARR

\$B (except percentages)	Q3 FY 2025	Q2 FY 2026	Q3 FY 2026
<b>Remaining Performance Obligations (RPO):</b>	<b>\$41.7</b>	<b>\$43.4</b>	<b>\$43.5</b>
<i>Year/Year Change</i>	7%	5%	4%
<b>Product RPO <sup>(1)</sup></b>	<b>\$20.8</b>	<b>\$22.0</b>	<b>\$22.1</b>
<i>Year/Year Change</i>	10%	8%	6%
<b>Services RPO</b>	<b>\$20.9</b>	<b>\$21.4</b>	<b>\$21.4</b>
<i>Year/Year Change</i>	5%	2%	2%
<b>Annualized Recurring Revenue (ARR) <sup>(2)</sup>:</b>	<b>\$30.6</b>	<b>\$31.0</b>	<b>\$31.2</b>
<i>Year/Year Change</i>	5%	3%	2%
<b>Product ARR</b>	<b>\$16.8</b>	<b>\$17.4</b>	<b>\$17.5</b>
<i>Year/Year Change</i>	8%	6%	4%
<b>Services ARR</b>	<b>\$13.9</b>	<b>\$13.6</b>	<b>\$13.8</b>
<i>Year/Year Change</i>	1%	(1%)	(1%)

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

<sup>(1)</sup> As of the end of Q3 FY 2026, Long Term Product RPO was \$11.7B, up 6% year over year.

<sup>(2)</sup> 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.

# Q3 FY 2026 Product Orders

**Total Product Orders: 35% Y/Y**

Geographic Segment	Y/Y
Americas	35%
EMEA	39%
APJC	25%

Customer Market	Y/Y
Enterprise	18%
Public Sector	27%
Service Provider & Cloud	105%

# Q3 FY 2026 GAAP Income Statement Highlights

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

	Q3 FY 2025	Q2 FY 2026	Q3 FY 2026
<b>Revenue</b>	\$14,149	\$15,349	\$15,841
<i>Year/Year Change</i>	11%	10%	12%
Product	\$10,374	\$11,642	\$12,117
Services	\$3,775	\$3,707	\$3,724
<b>Gross Margin</b>	65.6%	65.0%	63.6%
Product Gross Margin	64.4%	63.9%	61.9%
Services Gross Margin	68.7%	68.4%	69.2%
<b>Operating Expenses</b>	\$6,076	\$6,191	\$6,120
OPEX (% of Revenue)	42.9%	40.3%	38.6%
Operating Income (% of Revenue)	22.6%	24.6%	25.0%
<b>Net Income</b>	\$2,491	\$3,175	\$3,373
<i>Year/Year Change</i>	32%	31%	35%
<b>Earnings per Share (diluted)</b>	\$0.62	\$0.80	\$0.85
<i>Year/Year Change</i>	35%	31%	37%

# Q3 FY 2026 Non-GAAP Income Statement Highlights

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

	Q3 FY 2025	Q2 FY 2026	Q3 FY 2026
<b>Revenue</b>	\$14,149	\$15,349	\$15,841
<i>Year/Year Change</i>	11%	10%	12%
Product	\$10,374	\$11,642	\$12,117
Services	\$3,775	\$3,707	\$3,724
<b>Gross Margin</b>	68.6%	67.5%	66.0%
Product Gross Margin	67.6%	66.4%	64.3%
Services Gross Margin	71.3%	70.9%	71.6%
<b>Operating Expenses</b>	\$4,823	\$5,046	\$5,046
OPEX (% of Revenue)	34.1%	32.9%	31.9%
Operating Income (% of Revenue)	34.5%	34.6%	34.2%
<b>Net Income</b>	\$3,831	\$4,143	\$4,227
<i>Year/Year Change</i>	8%	10%	10%
<b>Earnings per Share (diluted)</b>	\$0.96	\$1.04	\$1.06
<i>Year/Year Change</i>	9%	11%	10%

# Q3 FY 2026 Key Financial Measures

\$M	Q3 FY 2025	Q2 FY 2026	Q3 FY 2026
Cash, Cash Equivalents and Investments	\$15,642	\$15,777	\$16,640
Operating Cash Flow	\$4,057	\$1,822	\$3,757
Inventory	\$2,832	\$3,920	\$4,708
Inventory Purchase Commitments	\$6,345	\$10,055	\$16,033
Deferred Revenue:	\$27,991	\$28,403	\$28,599
Product Deferred Revenue	\$13,170	\$13,371	\$13,461
Services Deferred Revenue	\$14,821	\$15,032	\$15,138
Software Revenue	\$5,622	\$5,664	\$5,660
Subscription Revenue:	\$7,916	\$7,836	\$7,791
Product Subscription Revenue	\$4,483	\$4,474	\$4,432
Services Subscription Revenue	\$3,433	\$3,362	\$3,359

# Q3 FY 2026 Capital Allocation

Total Capital Allocation	
Share Repurchases (\$M)	\$1,252
Dividends Paid (\$M)	1,660
Total (\$M)	\$2,912
Dividend per Share	\$0.42
Share Repurchases	
Amount Purchased (\$M)	\$1,252
Number of Shares (M)	16
Avg. Price per Share	\$80.28

Approximately \$9.6B remaining authorized funds in repurchase program as of the end of Q3 FY 2026.

# Guidance

# Key Q4 & FY 2026 Guidance Assumptions

Current tariffs and exemptions remain in place through Q4 FY26. These include:

- All countries at 10%, partially offset by an exemption for semiconductors and certain electronic components.
- Mexico and Canada at 10% for the components and products that are not eligible for the current USMCA exemptions.
- Tariffs on copper, steel and aluminum (small impact).

# Guidance for Q4 FY 2026

Cisco expects to achieve the following results:

Q4 FY 2026	Guidance
Revenue	\$16.7B - \$16.9B
Non-GAAP Gross Margin	65.5% - 66.5%
Non-GAAP Operating Margin	34% - 35%
Non-GAAP EPS	\$1.16 - \$1.18

- Margin and EPS guidance includes the estimated impact of tariffs based on current trade policy.
- Cisco estimates that GAAP EPS will be \$0.80 to \$0.85 for the fourth quarter of fiscal 2026.
- Q4 FY 2026 guidance assumes an effective tax provision rate of approximately 16% for GAAP and approximately 19% for non-GAAP results.
- A reconciliation between the Guidance for Q4 FY 2026 on a GAAP and non-GAAP basis is provided in the slide entitled "GAAP to Non-GAAP Guidance for Q4 FY 2026" under the Supplemental Materials.

# Guidance for FY 2026

Cisco expects to achieve the following results:

FY 2026	Guidance
Revenue	\$62.8B - \$63.0B
Non-GAAP EPS	\$4.27 - \$4.29

- EPS guidance includes the estimated impact of tariffs based on current trade policy.
- Cisco estimates that GAAP EPS will be \$3.16 to \$3.21 for fiscal 2026.
- FY 2026 guidance assumes an effective tax provision rate of approximately 15% 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 being well positioned for the AI era, the significant momentum and raised expectations of AI infrastructure from hyperscalers, the major multi-year, multi-billion-dollar campus networking refresh, the speed and scale of our innovation, the significant opportunities that lie ahead, and the timing and size of the restructuring) and the future financial performance of Cisco (including the guidance for Q4 FY 2026 and full year FY 2026) that involve risks and uncertainties, such as the actual impact of tariffs on our guidance for Q4 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 February 17, 2026 and September 3, 2025, 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 reports on Forms 10-Q and 10-K as each may be amended from time to time. Cisco's results of operations for the three and nine months ended April 25, 2026 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 Q4 FY 2026

Q4 FY 2026	Gross margin	Operating margin	Earnings per share <sup>(1)</sup>
GAAP	63.5% - 64.5%	23% - 24%	\$0.80 - \$0.85
Estimated adjustments for:			
Share-based compensation expense	1.0%	5.0%	\$0.14 - \$0.15
Amortization of acquisition-related intangible assets and other acquisition/divestiture-related costs	1.0%	3.0%	\$0.10 - \$0.11
Restructuring and other charges <sup>(2)</sup>	—	3.0%	\$0.09 - \$0.10
<b>Non-GAAP</b>	<b>65.5% - 66.5%</b>	<b>34% - 35%</b>	<b>\$1.16 - \$1.18</b>

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

<sup>(2)</sup> Reflects estimated charges related to restructuring plan announced on May 13, 2026. We expect this plan to be substantially completed during fiscal 2027.

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 <sup>(1)</sup>
GAAP	\$3.16 - \$3.21
Estimated adjustments for:	
Share-based compensation expense	\$0.67 - \$0.68
Amortization of acquisition-related intangible assets and other acquisition/divestiture-related costs	\$0.43 - \$0.44
Restructuring and other charges <sup>(2)</sup>	\$0.12 - \$0.13
(Gains) and losses on investments	(\$0.11)
Significant tax matters	(\$0.03)
<b>Non-GAAP</b>	<b>\$4.27 - \$4.29</b>

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

<sup>(2)</sup> Reflects estimated charges related to restructuring plan announced on May 13, 2026. We expect this plan to be substantially completed during fiscal 2027.

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.