

Investor Day at
CISCO *Live!*

Positioned for Growth

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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 reports on Form 10-K and Form 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>

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, Russia-Ukraine war costs, 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.

Reaffirming Q4 & FY24 guidance

Q4'24

Revenue	\$13.4B to \$13.6B
Non-GAAP Gross Margin	66.5% to 67.5%
Non-GAAP Operating Margin	31.5% to 32.5%
Non-GAAP EPS	\$0.84 to \$0.86

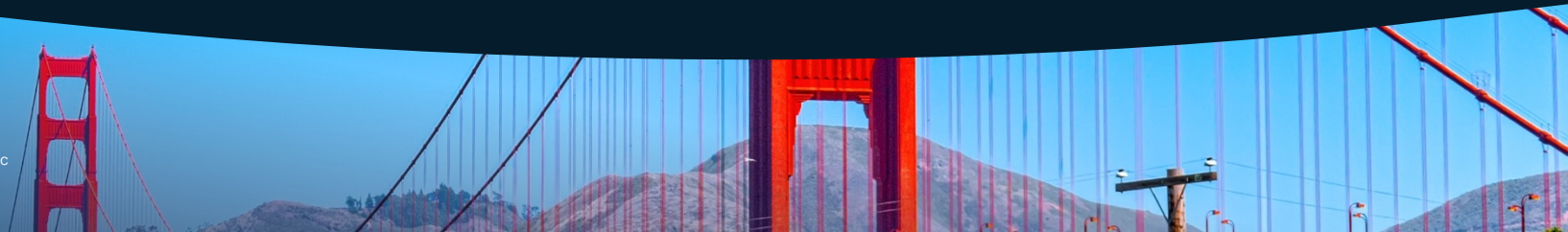
FY24

Revenue	\$53.6B to \$53.8B
Non-GAAP EPS	\$3.69 to \$3.71



The Q4'24 and FY24 guidance assumes an effective non-GAAP tax provision rate of approximately 18% and 19%, respectively.

A reconciliation between the guidance for Q4'24 and FY24 on a GAAP and non-GAAP basis is provided in the Appendix

Recap since FY21 Investor Day



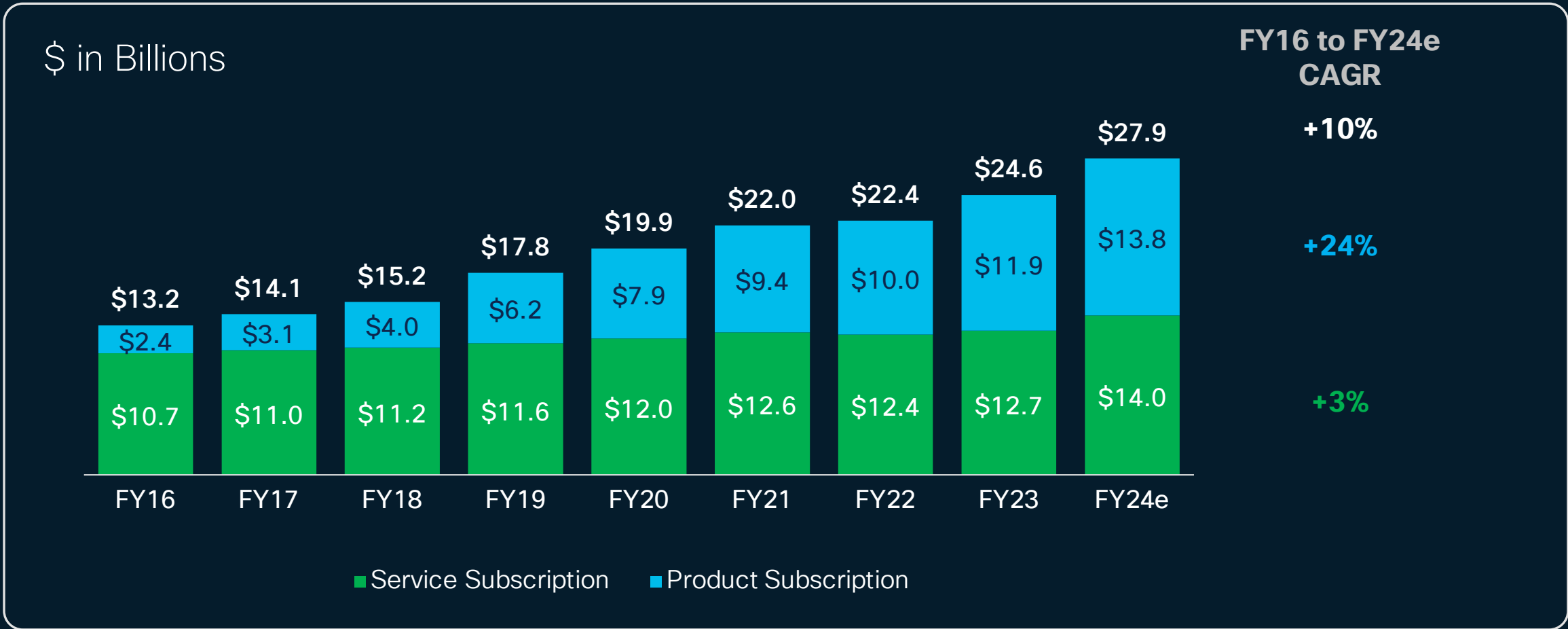
Performance on long-term goals

	Goals		Performance	
Revenue	CAGR <i>FY21 – FY25</i>	5–7%	Average Growth <i>FY21 – FY24e</i>	4%*
Non-GAAP EPS	CAGR <i>FY21 – FY25</i>	5–7%	Average Growth <i>FY21 – FY24e</i>	7%* 
Subscription % of revenue	by FY25	50%	in Q3'24	53% 

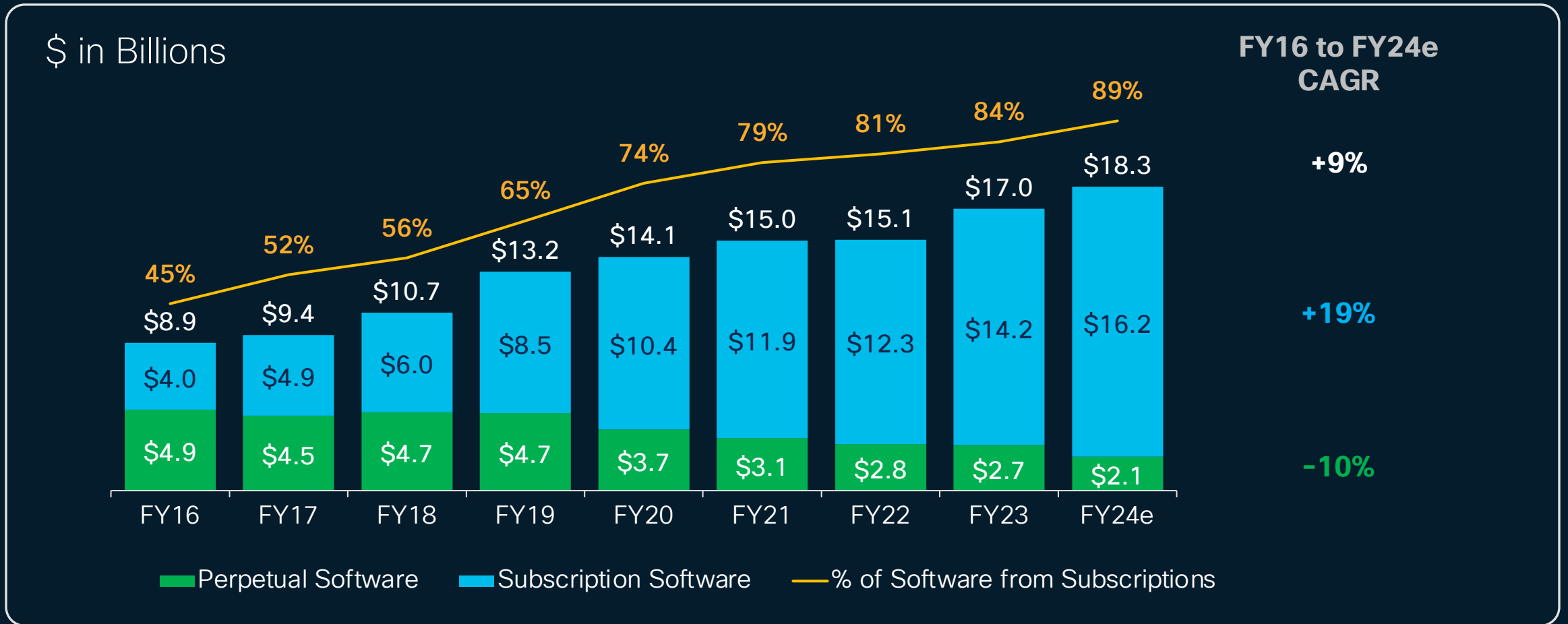
Goals and performance exclude Splunk

*Average Growth represents normalized revenue growth over the period from FY21 to FY24 on a linear basis rather than measuring the start and end point used in a CAGR.

Subscription revenue growth

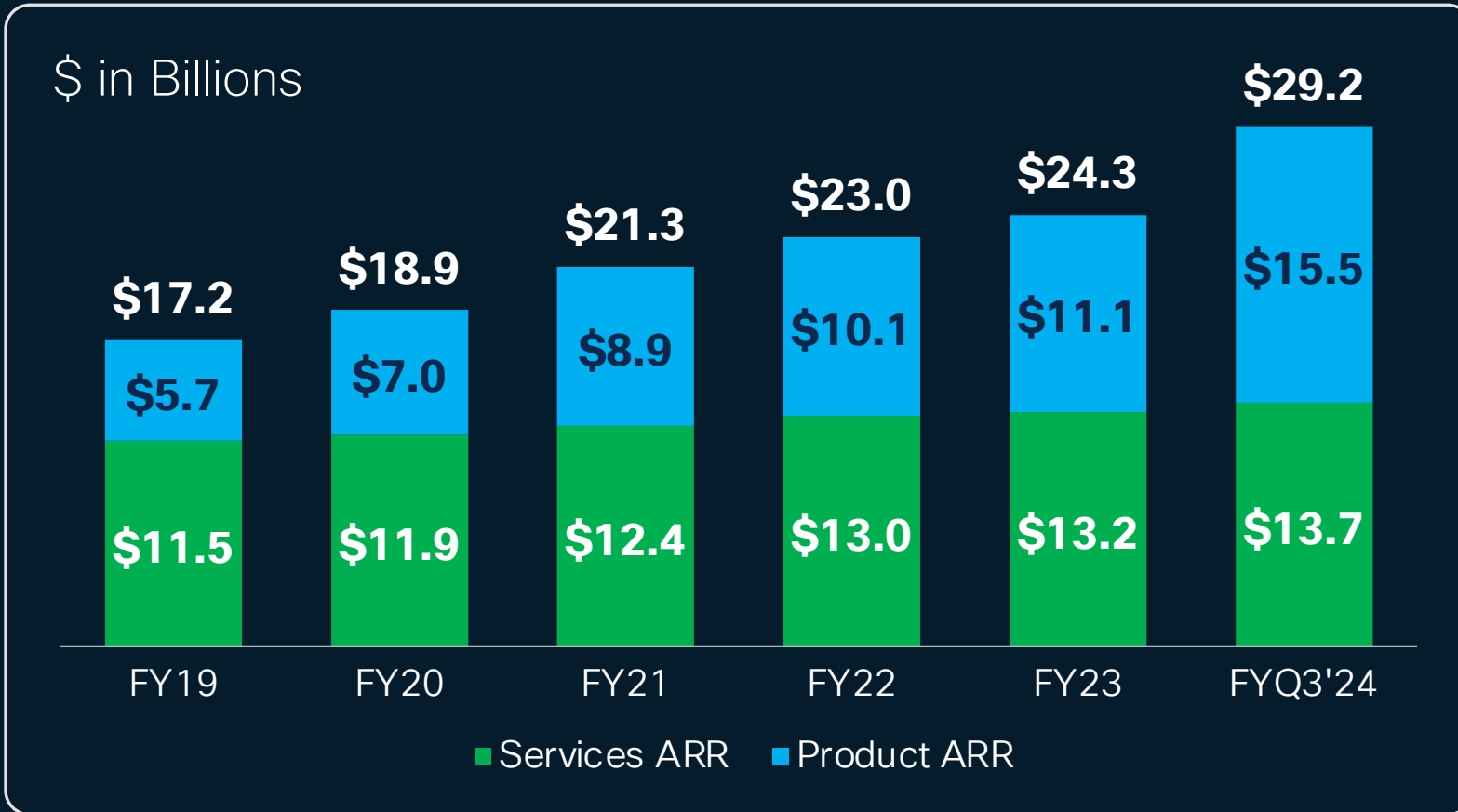


Cisco is one of the largest software companies in the world by revenue



Key metrics

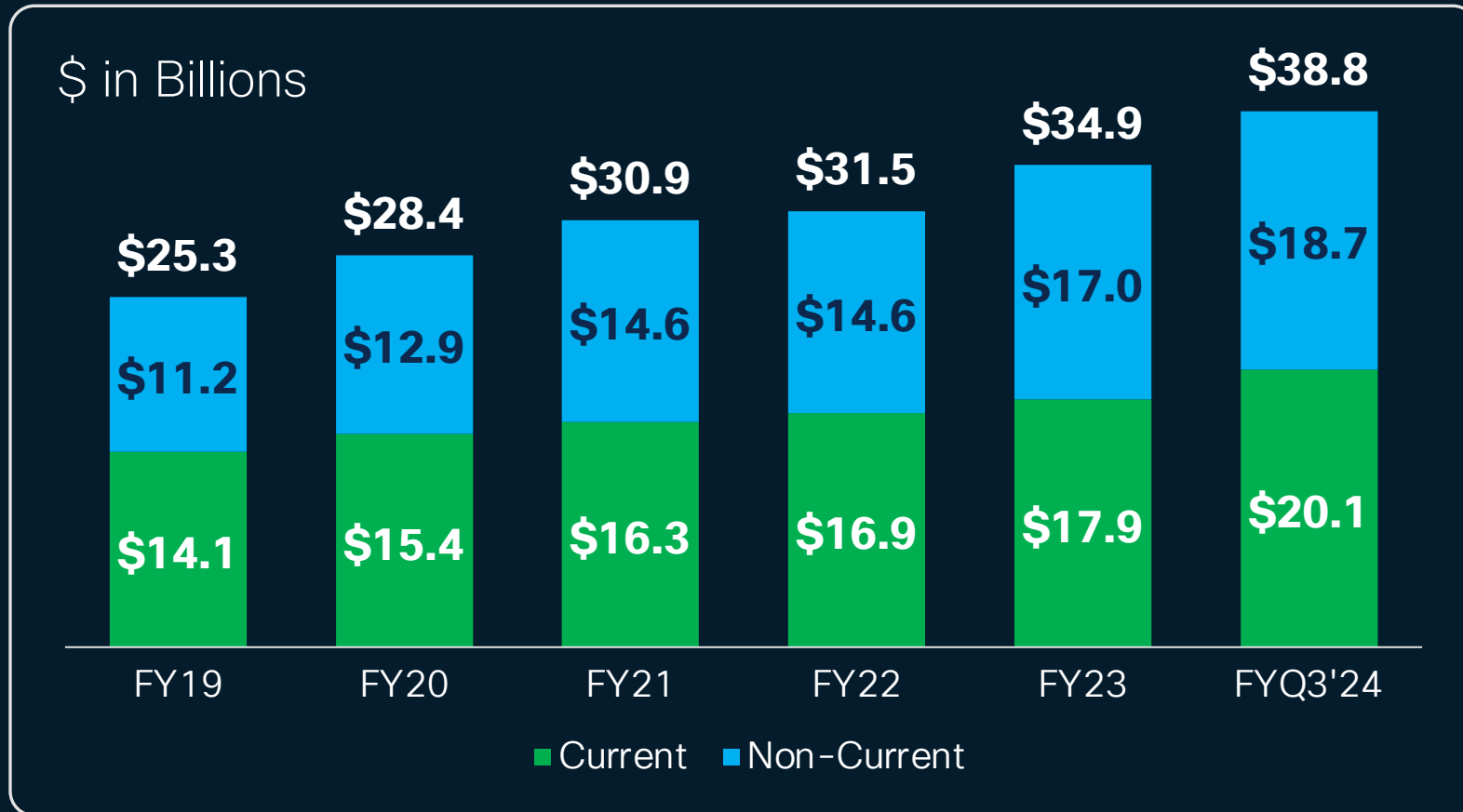
Annual Recurring Revenue drives durable growth; improves visibility



Annual 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.

Remaining Performance Obligations (RPO) indicates future revenue



RPO

RPO is an indicator of future revenue; comprised of total deferred revenue plus unbilled contract revenue

Future revenue

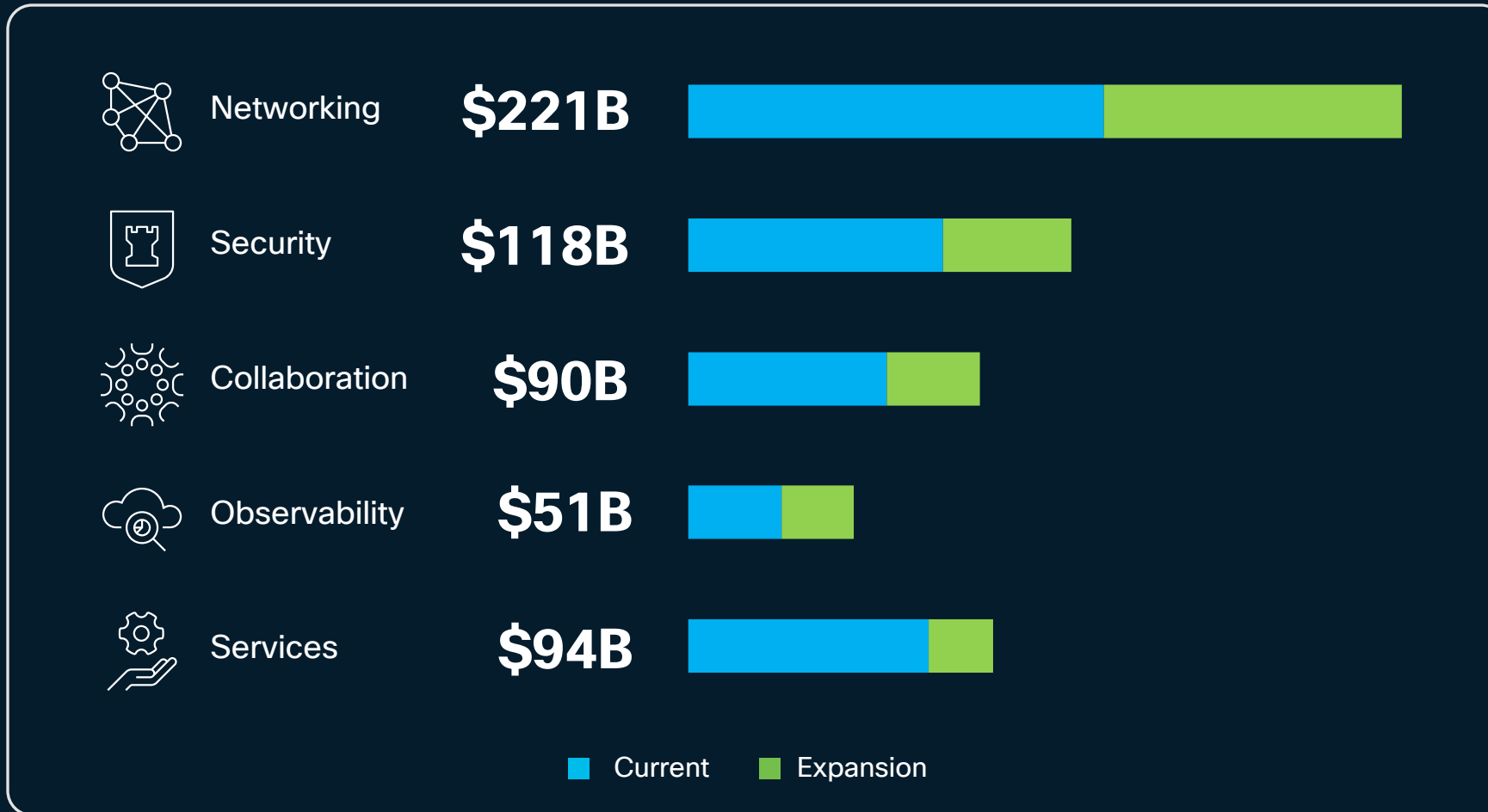
Represents revenue for non-cancellable contracts that will be recognized in future periods

Current

Current portion will be recognized in the next 12 months

Looking ahead

Large and growing markets

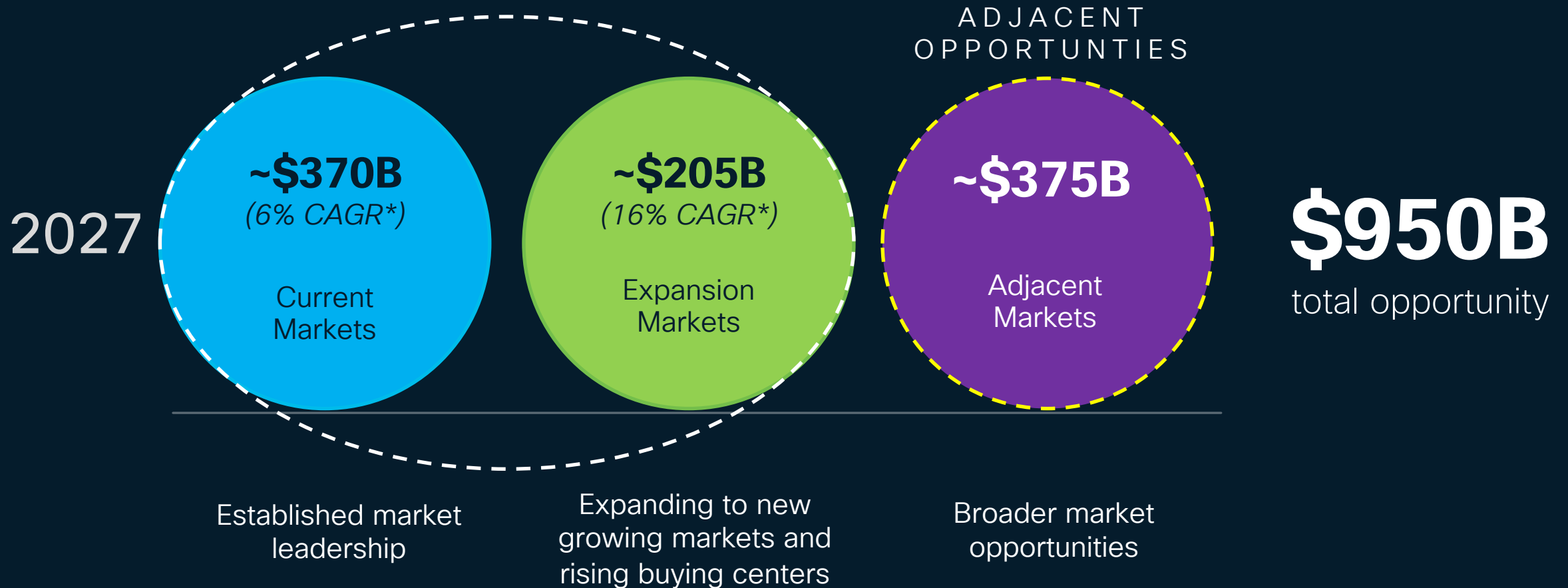


2027 Total TAM
~\$575B
(9% CAGR 25-27)

Current Markets
~\$370B
(6% CAGR 25-27)

Expansion Markets
~\$205B
(16% CAGR 25-27)

Our large and growing opportunity





Framework for annual revenue growth

Revenue	FY26 & 27
Product	5% to 7%
Networking	2% to 5%
Security & Observability	15% to 17%
Other	~Flat
Services	2% to 4%
TOTAL	4% to 6%

These financial targets do not represent projections or guidance for a particular period, but rather 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.

Operating leverage translating to stronger EPS growth

Revenue to EPS	FY26 & 27	Drivers
Revenue	4% to 6%	Security/Splunk, AI, Core Networking
Gross Margin		Growing mix of software and subscription revenues, and continued product pricing/cost discipline
Operating Margin		Operational discipline, AI productivity gains, and cost synergies
EPS	6% to 8%	

Gross Margin, Operating Margin, and EPS are non-GAAP metrics.

These financial targets do not represent projections or guidance for a particular period, but rather 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. Reconciliations to the nearest GAAP measure is not practicable without unreasonable efforts.

Drivers of our accelerated long-term growth

- AI Infrastructure revenue
- Accelerating Splunk sales through Cisco integration
- Security being infused into the network fabric
- Continued Security innovation and momentum
- Normalization of core networking demand
- 50%+ of revenue now subscription

Capital allocation

Capital allocation priorities



Grow the business organically and inorganically



Continue growth of our dividend



Share buyback consistent with recent levels



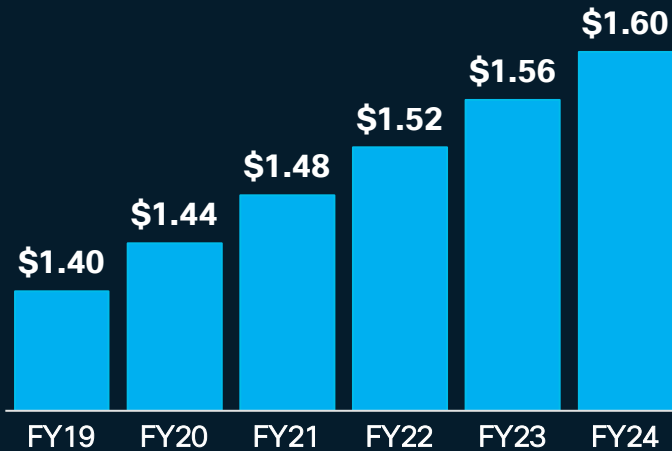
Return excess cash and/or delever

Corporate credit rating remains AA- (S&P) post-Splunk acquisition

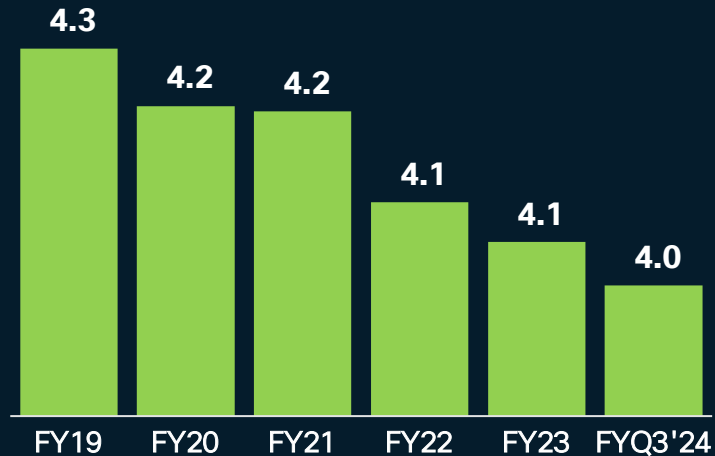
Continuing strong track record of capital returned

Remain committed to returning at least 50% of FCF annually

Annualized Dividend

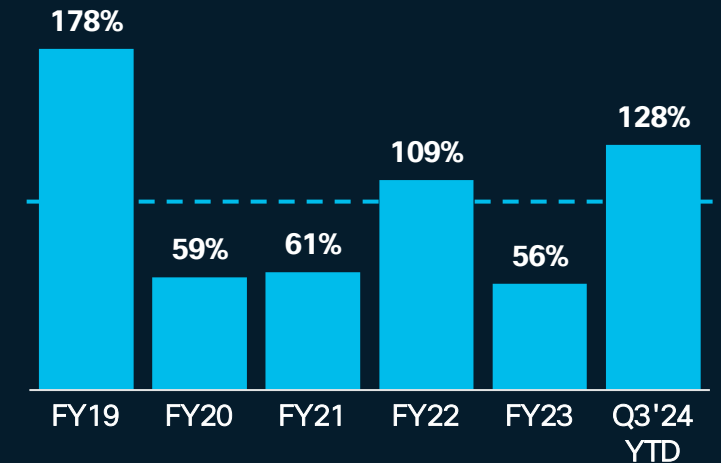


Shares Outstanding (B)



% Free Cash Flow Returned

93% average return since FY19



Summary

Metrics
normalizing post supply chain disruption and expect more typical seasonality patterns beginning Q2 FY25

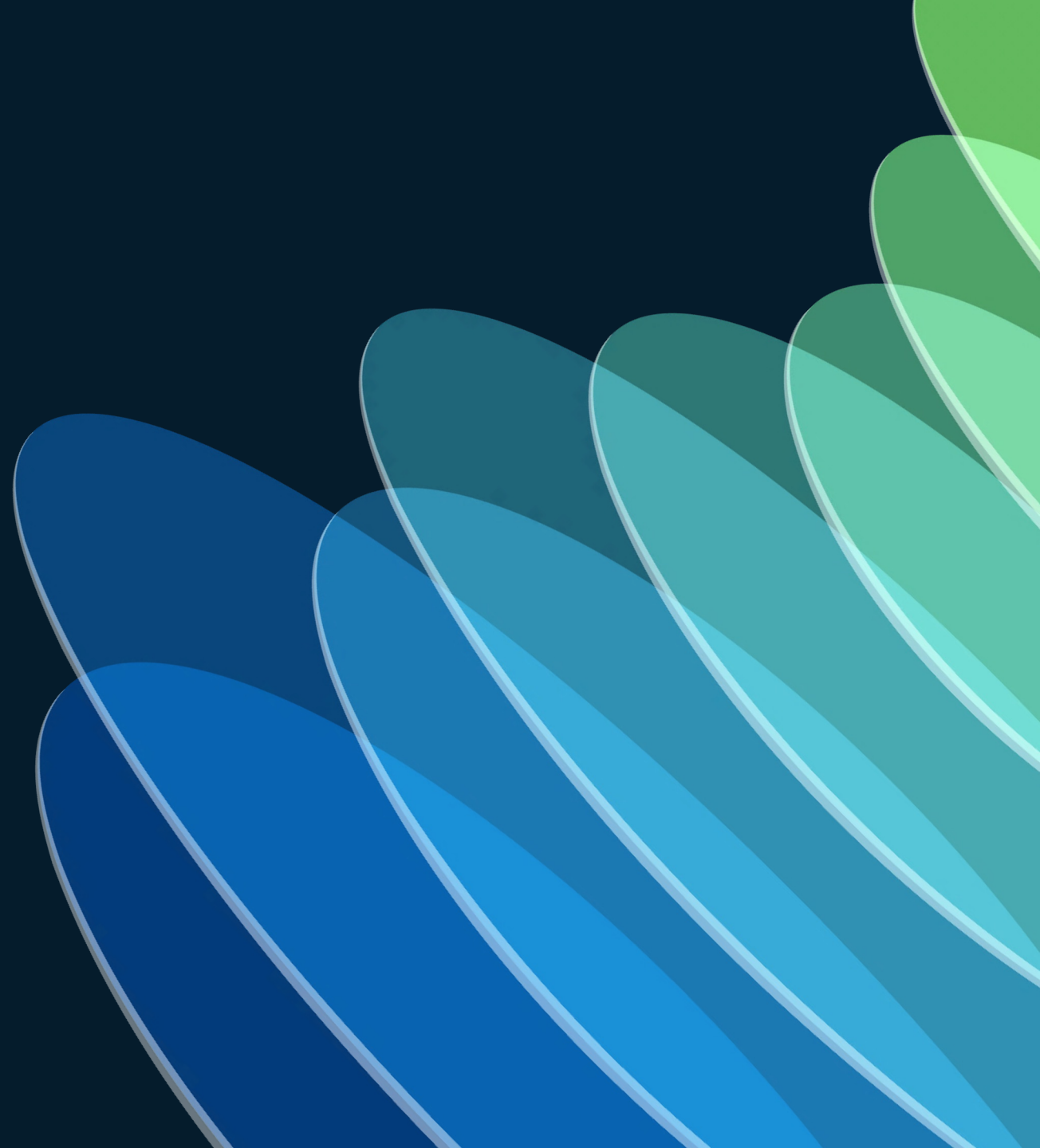
Investing in significant opportunities for growth in key markets of security and AI

Consistent execution and disciplined financial management to grow profitability long-term

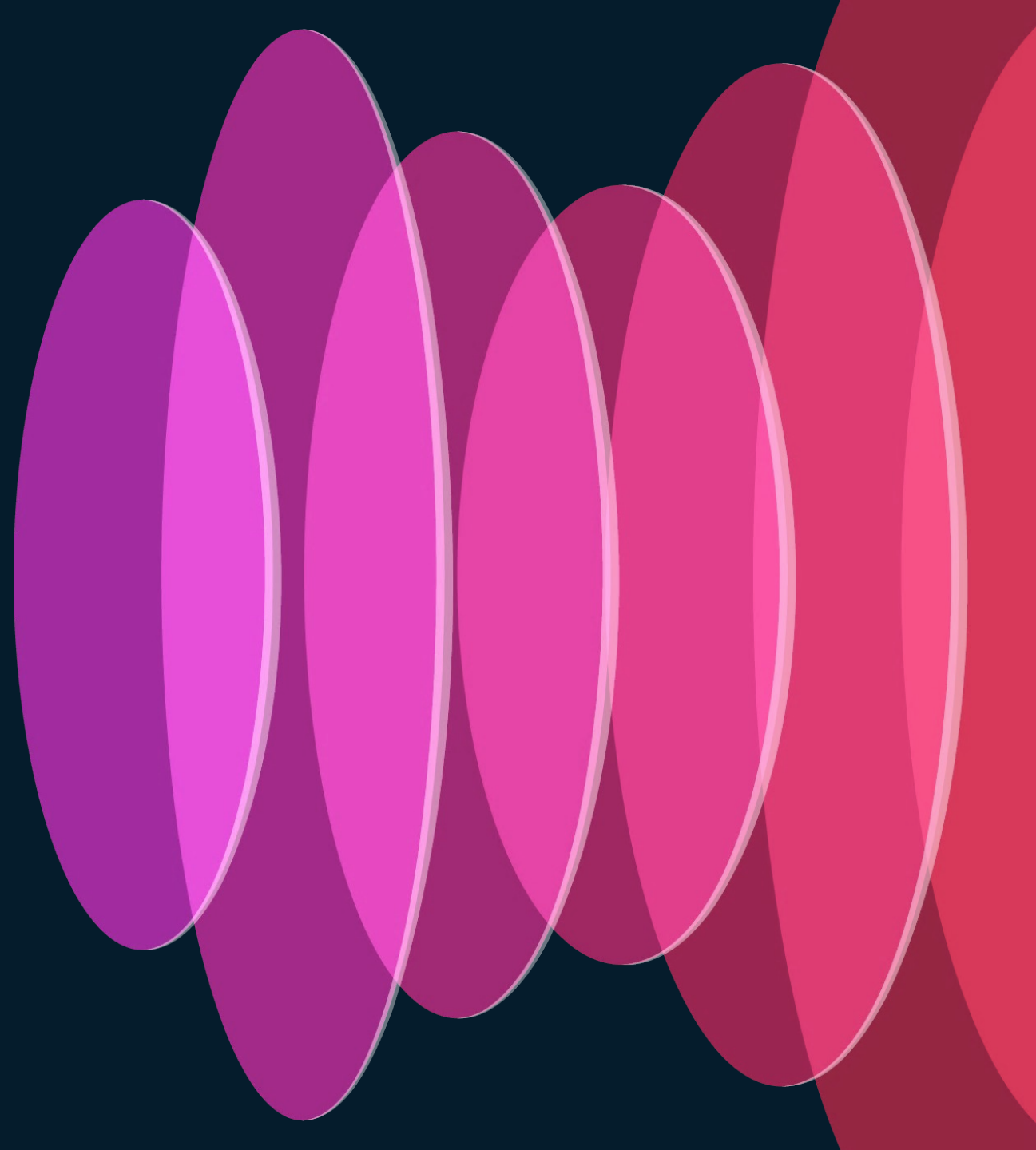
Driving shareholder value through growth and capital returns

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Thank
you



Appendix



GAAP to Non-GAAP Guidance for Q4 FY 2024

Q4 FY 2024	Gross margin rate	Operating margin rate	Earnings per share ⁽¹⁾
GAAP	63% - 64%	18.5% - 19.5%	\$0.46 - \$0.51
Estimated adjustments for:			
Share-based compensation expense	1.0%	6.0%	\$0.15 - \$0.16
Amortization of purchased intangible assets and other acquisition-related/divestiture costs	2.5%	6.5%	\$0.19 - \$0.20
Restructuring and other charges	-	0.5%	\$0.01 - \$0.02
Non-GAAP	66.5% - 67.5%	31.5% - 32.5%	\$0.84 - \$0.86

⁽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, Russia-Ukraine war costs, restructurings, (gains) and losses on investments, and significant tax matters or other events, which may or may not be significant unless specifically stated.

GAAP to Non-GAAP Guidance for FY 2024

FY 2024	Earnings per share ⁽¹⁾
GAAP	\$2.46 - \$2.51
Estimated adjustments for:	
Share-based compensation expense	\$0.58 - \$0.59
Amortization of purchased intangible assets and other acquisition-related/divestiture costs	\$0.46 - \$0.47
Restructuring and other charges	\$0.13 - \$0.14
(Gains) and losses on investments	\$0.03
Non-GAAP	\$3.69 - \$3.71

(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, Russia-Ukraine war costs, restructurings, (gains) and losses on investments, and significant tax matters or other events, which may or may not be significant unless specifically stated.

FY25 modeling recap



Revenue growth in the low to mid-single digit range including Splunk



Operating margin in line with our Q4 guidance



Other Income & Expense impact of negative \$350M per quarter from Splunk acquisition



Splunk acquisition expected to be non-GAAP EPS accretive in FY26 and beyond

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: 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 priorities, key growth 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; 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 Form 10-K and Form 10-Q. 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-Q, 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.